

## Lauritz.com Group A/S – Interim report January – June 2021

No. 14/2021  
Copenhagen, 26 August 2021

In the second quarter of 2021 the business of Lauritz.com group continued the growth shown since July 2020. For the second quarter the Auction Turnover growth is 11 percent compared to last year for the continuing business.

The reduced level of Covid-19 restrictions has led to a slowdown in the growth in June and July compared to the growth seen in Q1 2021 and the second half of 2020. In August growth is picking up again and we expect to see growth also in the coming quarters, although as previously expected at a lower level than in the last 3 quarters.

The M&A process has been finalised in May 2021 with a sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany.

Following the sale, the group is now fully focussed on the development of the Lauritz brand internationally.

### **Development in EBITDA**

Auction Turnover and Revenue for the continuing business has grown by 16 percent compared to the first half of 2020, whereas operating cost has increased by 7 percent.

EBITDA in the first half of 2020 increased by DKK 4.5m for the continuing business to DKK -2.7m (-7.2m).

Net cash flow for the continuing business is DKK -6.1m (-0.8m). The change is mainly driven by the improvement in EBITDA and changes in working capital items.

### **Future organization**

To bring Lauritz.com to the next level as to turnover and earnings on shorter and longer terms, including expected roll out of new business areas, a future central management team has been defined. The new Country Manager Denmark and the new CTO onboarded during the first half of 2021 and a new CMO is planned to join in Q4.

### **Commercial initiatives**

Our continued focus on sales management, business control and execution both internally in the headquarter and in all auction houses is showing results.

The comprehensive optimization process that all auction houses have gone through in terms of logistics and handling of the auction supply chain, has released resources for intensified sales activities focusing on the local evaluation and sourcing of items for auction.

In terms of marketing activities, we are continuously intensifying our digital foot print, showing positive effects and strengthening our position within international, national and local communities interested in selling and buying sustainable vintage items of high quality within art, design and collectables.

## **Financing**

Towards the end of 2019 a review of the capital structure of the group was carried out, resulting in the M&A process that commenced in April 2020 and was finalised in May 2021.

The outcome of the process was that Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany has been sold. Most of the proceeds from the sale has been used to reduce the debt of the group by approximately DKK 60m in June 2021. A further repayment of debt of DKK 11m will be made in May 2022, after which the remaining bond debt will be DKK 102m. Further, the terms of the remaining bond debt have been adjusted, lowering the interest rate, and changing the amortization so the bond debt is a standing loan until the maturity date in December 2024.

## **Impact on financial reporting due to the sale of activities**

The presentation of the business in the financial statements is impacted by the sale as the sold business is presented as discontinued operations in the statement of comprehensive income, balance sheet and statement of cash flow. The sold part of the business was reclassified to discontinued operations and the value of the assets included as assets available for sale has been impaired to reflect the achieved sales price.

The sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany result in an accounting loss as the book value of the sold activities is higher than the achieved sales price, resulting in an impairment loss of DKK 23m. This loss is included in Result from discontinued operations primarily in 2020.

## **Guidance for 2021**

Following the sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany our guidance for the continuing business is unchanged at:

- Growth in Auction Turnover of 5-15 percent
- Growth in Revenue of 10-20 percent
- EBITDA of DKK 0-8m.

**Bengt Sundström, Chairman of the board**

**Mette Margrethe Rode Sundstrøm, CEO**

**Preben Vinkler Lindgaard, CFO**

## Highlights Q2 2021

### April - June 2021 (continuing operations)

- Auction Turnover increase of 11 percent.
- Revenue increase of 17 percent.
- Average knockdown price in Q2 was DKK 2,686 (2,975).
- Number of knockdowns 36,670 (29,524).
- Cost increase by 14% compared to last year.
- EBITDA improved by DKK 0.3m to DKK -2.8m (-3.1m).
- Profit/loss for the period is impacted less by exchange rate gains than last year.

### January - June 2021 (continuing operations)

- Auction Turnover increase of 16 percent.
- Revenue increase of 16 percent.
- Average knockdown price in first half of 2021 was DKK 2,778 (2,717).
- Number of knockdowns 76,055 (64,159).
- Cost increase by 7% compared to last year.
- EBITDA improved by DKK 4.5m to DKK -2.7m (-7.2m).
- Profit/loss for the period is impacted less by exchange rate gains than last year.

### Lauritz.com Group A/S key figures (Continuing operations)

000 DKK	April - June		January - June	
	2021	2020	2021	2020
Auction turnover	97,731	87,837	211,269	182,818
Revenue	31,985	27,314	64,420	55,357
Number of Knockdowns (excl. QXL)	36,670	29,524	76,055	64,159
Average Knockdown price (excl. QXL), DKK	2,686	2,975	2,778	2,717
EBITDA	-2,826	-3,133	-2,688	-7,239
Auction Turnover Margin <sup>1</sup>	-2.9%	-3.6%	-1.3%	-4.0%
Profit	-7,405	-14,303	-8,365	-13,787
Earnings per share, DKK	-0.182	-0,351	-0.206	-0.339
Net cash flow	-11,192	2,186	-6,128	-809

<sup>1</sup> Auction Turnover Margin = EBITDA/Auction Turnover.

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This information is information that Lauritz.com Group A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above, at 9.00am CEST on 26 August 2021.