

Lauritz.com Group A/S – Interim report January – September 2022

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In the first three quarters of 2022 the business of Lauritz.com group delivered EBITDA of DKK 3.3m an improvement of DKK 5.3m compared to last year.

The earnings in the first 9 month are positively impacted by cost savings in HQ and owned auction houses, as well as from lower cost due to more auction houses now being owned and due to changes in relation to partner owned houses. Furthermore, the development towards higher yielding business is contributing to the improvement in earnings.

Auction Turnover

Auction Turnover amounted to DKK 290.3m (305.1), a decrease of 4.8 percent compared to last year.

The development is primarily impacted by the closing of the auction house in Esbjerg, and the opening of an auction house in Kolding, resulting in a period with lower activity in the southern part of Jutland, impacting the Auction turnover negatively by approximately 3-4 percent.

The development in the macro environment with increasing consumer prices has impacted the knockdown development in the first nine months of 2022 negatively by 0-1 percent.

Development in EBITDA

For the period January to September Revenue is 8.1 percent below last year driven by lower auction turnover, and partly offset by improvement in fees and commissions. Operating cost has been reduced significantly, with a 13.4 percent reduction.

As a result, EBITDA in the first nine month of 2022 is DKK 3.3m (-2.0m). The DKK 5.3m improvement is primarily driven by the reduced cost.

Cash flow from operating activities is DKK -4.6m (-16.9m). The DKK 12.3m improvement is mainly driven by improved earnings, changes in working capital items and lower interest payments.

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 in February 2022.

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 footprint, 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

The group is funded by a bond. Currently the bond has an outstanding debt of SEK 140m and a fixed interest rate of 4%.

The bond debt is a standing loan of SEK 140m until maturity in December 2024.

Guidance for 2022

Our guidance for 2022 is:

- Growth in Auction Turnover of -5 to +5 percent
- Growth in Revenue of -5 to +5 percent
- EBITDA of DKK 5 - 10m.

Bengt Sundström, Chairman of the board

Mette Margrethe Rode Sundstrøm, CEO

Preben Vinkler Lindgaard, CFO

January – September 2022

- EBITDA increased by DKK 5.2m to DKK 3.3m.
- Cost reduced by 13.4 percent compared to last year.
- Average Auction turnover price up by 4.1 percent.
- Number of knockdowns decrease of 8.6 percent.
- Auction Turnover decrease of 4.8 percent.
- Revenue decline of 8.1 percent.

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

000 DKK	July - September		January - September	
	2022	2021	2022	2021
Auction turnover	88,734	93,788	290,263	305,057
Number of Knockdowns	32,031	32,434	99,156	108,489
Average Auction turnover price, DKK	2,770	2,892	2,927	2,812
Revenue	24,509	29,365	86,169	93,785
EBITDA	-199	698	3,250	-1,990
Auction Turnover Margin ¹	-0.2%	0.7%	1.1%	-0.7%
Profit	-1,868	-2,483	-878	-15,595
Earnings per share, DKK	-0.046	-0.054	-0.022	-0.260
Cash Flow From Operating Activities	-699	7,540	-4,559	-16,895

¹ Auction Turnover Margin = EBITDA/Auction Turnover.

Link to the financial report:

<https://corporate.lauritz.com/financial-information/interim-reports/>

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