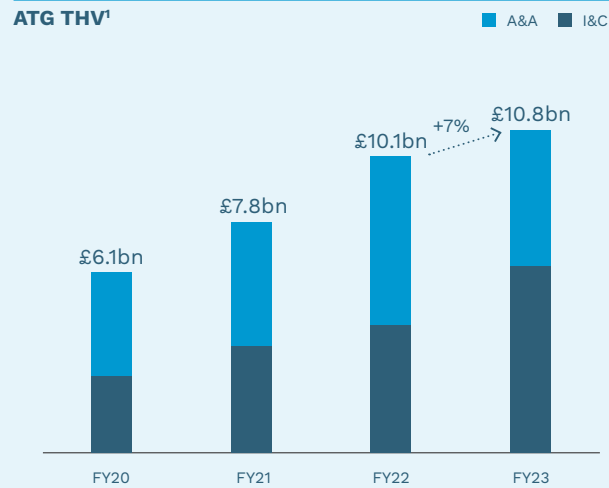


Market Overview

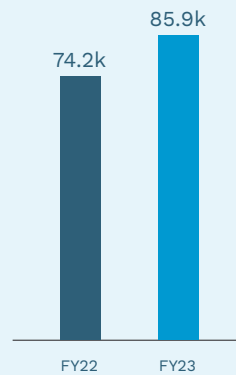
The online auction market

The online auction market as well as ATG’s business model showed resilience in FY23, as evidenced by the 7% increase in ATG’s total hammer value (“THV”); or 3% in constant currency terms. The online auction channel remains a popular channel for the sale of secondary goods due to attractive features such as the speed of sale of assets, higher price realisation and price transparency as well as faster innovation relative to other channels for sale. The growth in the online auction channel has continued in FY23, even after the ‘pull forward’ of some activity to online during the Covid-19 period. However, the online auction market did see some softening in the second half with THV down 5% at constant currency impacted by weaker consumer sentiment and the normalisation of I&C asset prices.

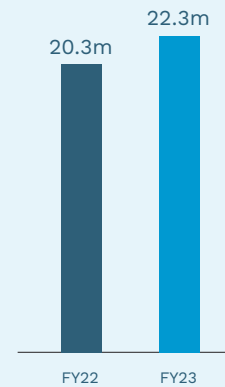
In FY23, ATG saw a 16% increase in the number of auctions facilitated and a 10% increase in the number of lots listed on its marketplaces (excluding ESN).



Auctions facilitated on ATG marketplaces



Lots listed on ATG marketplaces



1. Refer to the Glossary for full definitions.

Art & Antiques

THV in the A&A market grew 1% at constant currency with the auction market seeing some impact from macroeconomic uncertainty and the resulting impact on the consumer. This impact was more felt in the second half of the year when THV decreased by 2% at constant currency. In the US, measures of consumer sentiment including The Conference Board Consumer Confidence Index declined towards the end of FY23, impacted by concerns of rising prices in general and a fear of an impending recession.

The UK A&A market has continued to see the impact from the outcome of Brexit. As an ongoing consequence, UK auctioneers have increasingly focused on selling to the US market, with UK to US GMV up 6% in FY23. This trend will make ATG’s roll out of integrated bidding across our sites even more compelling.



Market Overview continued

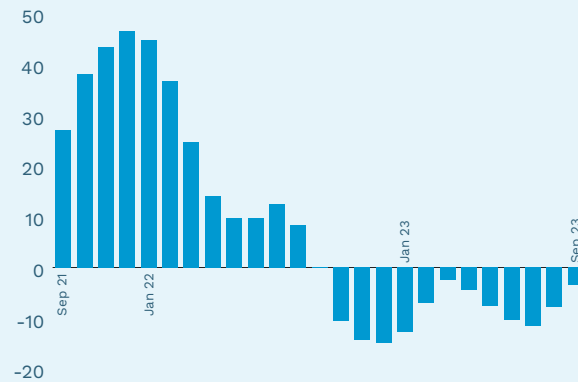
Industrial & Commercial

THV in the I&C market grew 4% in constant currency to £6.3bn in FY23. Whilst market growth remained robust, certain categories within our end market did see some impact from a softening of used asset prices. As more used equipment became available for sale at auction over the year, there was a knock-on impact on the pricing of certain categories of I&C used equipment. For example, the mid-month Manheim Used Vehicle Value Index, which measures wholesale used-vehicle prices on a seasonally adjusted basis, was down 3.5% year-on-year in September 2023, having fallen for all of 2023 following strong price indexes in the prior year. For ATG, the volume offset and higher take rates did help to mitigate this pricing impact.

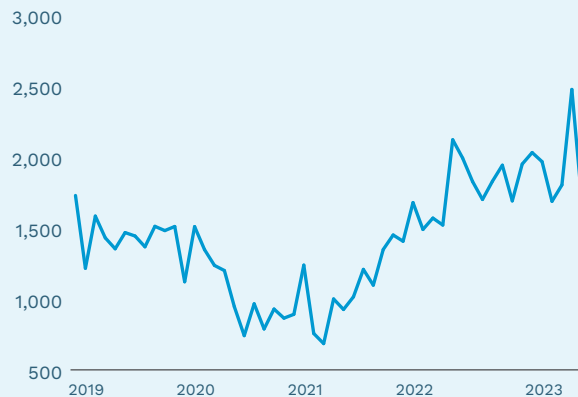
A favourable trend for the supply of secondary assets has been the gradual rise in the number of business insolvencies. This follows a period of relatively subdued insolvency activity during the Covid-19 period due to the low interest rate environment. This trend has particularly benefited our Bidspotter marketplaces which have seen an increase in the number of auctions being held, more lots on offer and lots sold online.



Manheim Used Vehicle Value price index (%)



UK registered companies insolvency data



*source www.gov.uk August 2023

The shift to timed auctions

FY23 has seen the continued adoption of the timed auction format. Timed auctions offer many advantages for both auctioneers and bidders, including;

- Operational benefits to auctioneers due to shortened sale cycles and lower operational costs due to removing the need to open an auction room for the day.
- Commercial benefits to auctioneers including from generating new bidders. As an example, timed auctions on The Saleroom generated 20% more new bidders than the live format and achieved comparable final sale prices in FY23.
- Improved visibility of auctions for bidders and ease of bidding through the timed format, with timed auctions on The Saleroom producing a 17ppt higher bidder to conversion rate than the live format

Bonhams, one of the 'Big 4' auctioneers, are testament to this trend, having also integrated ATG's unique timed format, Timed+, onto their white label to offer a timed auction concurrently on an ATG platform.

>28,000
timed auctions held
on ATG marketplaces

