



2023 Half Year Results

Six months ended 31 March 2023
17 May 2023

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Agenda

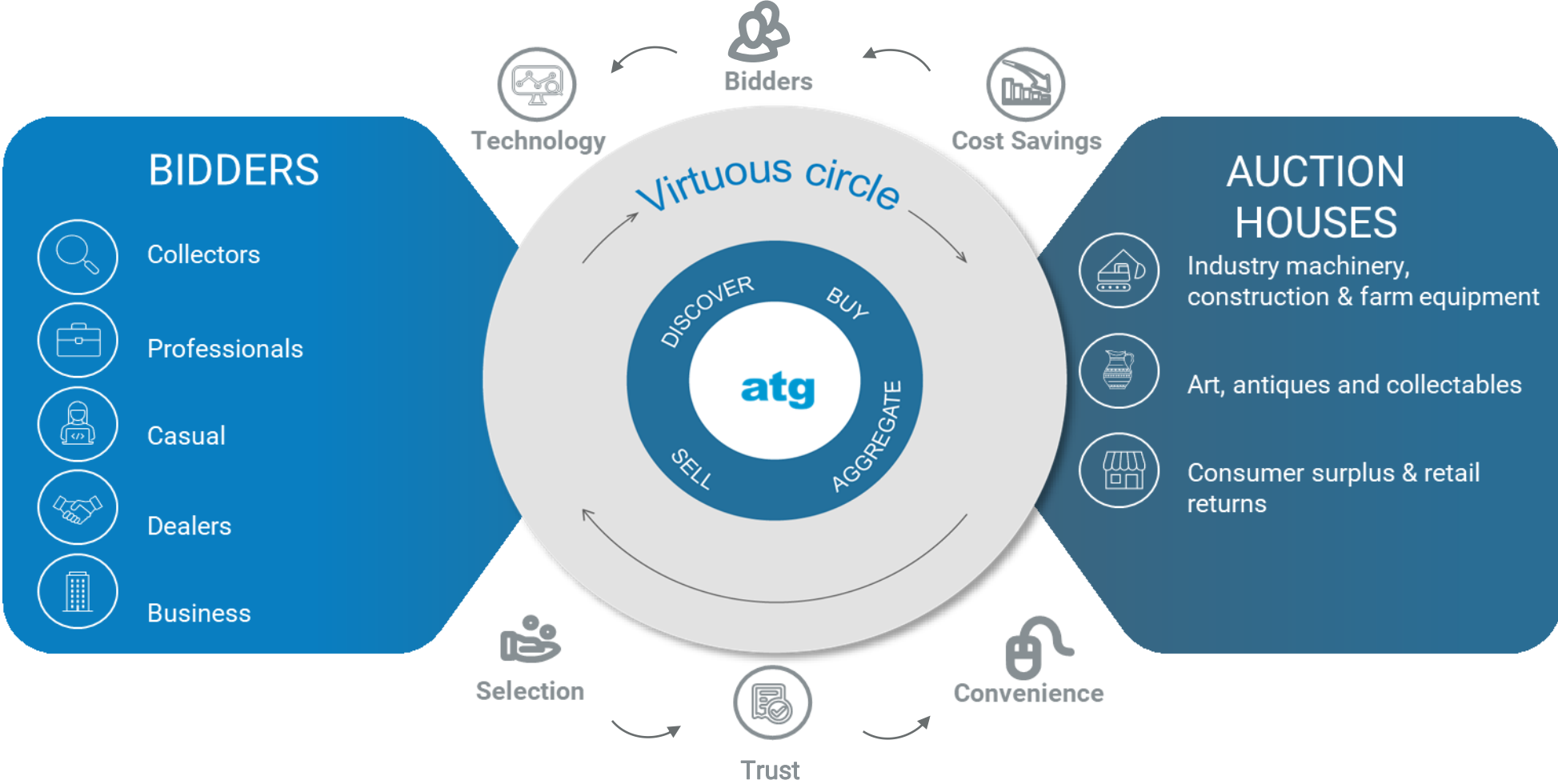
-
1. Results highlights
 2. Financial performance
 3. Strategic update and outlook
 4. Q&A

The background of the slide features a close-up of ornate, antique-style wooden furniture. On the left, a cabinet or chest is visible with a yellowish-gold finish, decorated with intricate carvings and a Greek key border. To the right, the back of a wooden chair is shown, featuring a circular frame with a central oval panel containing a painted figure. The scene is set in a room with a grey wall and a patterned rug.

01. Results highlights

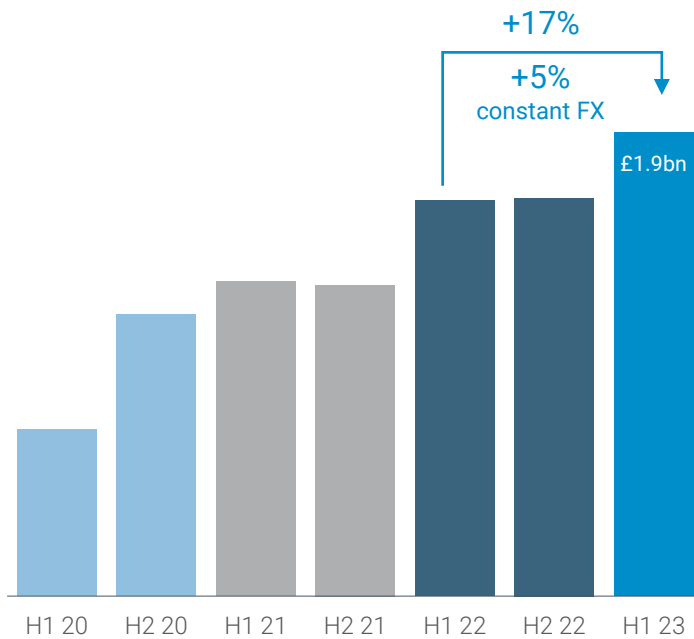
John-Paul Savant

Unlocking the value of the curated secondary goods market and accelerating the growth of the circular economy

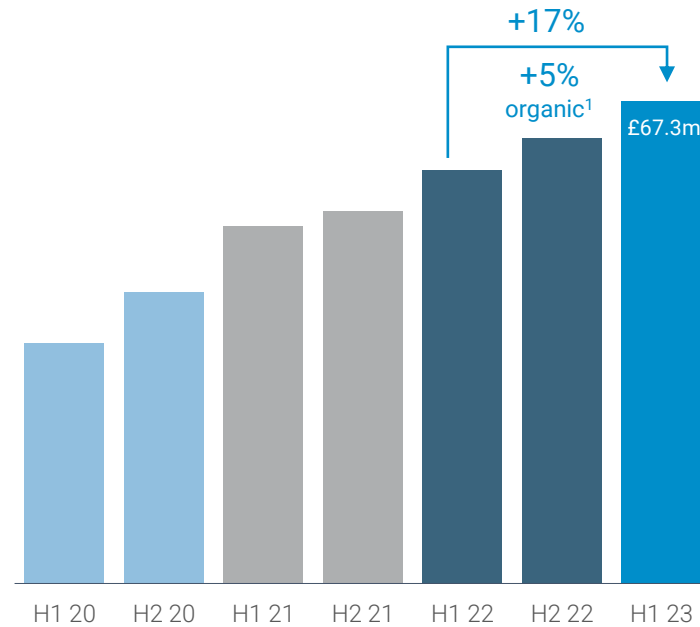


HY 23 Highlights: Strong financial performance as we have successfully lapped the Covid-19 period

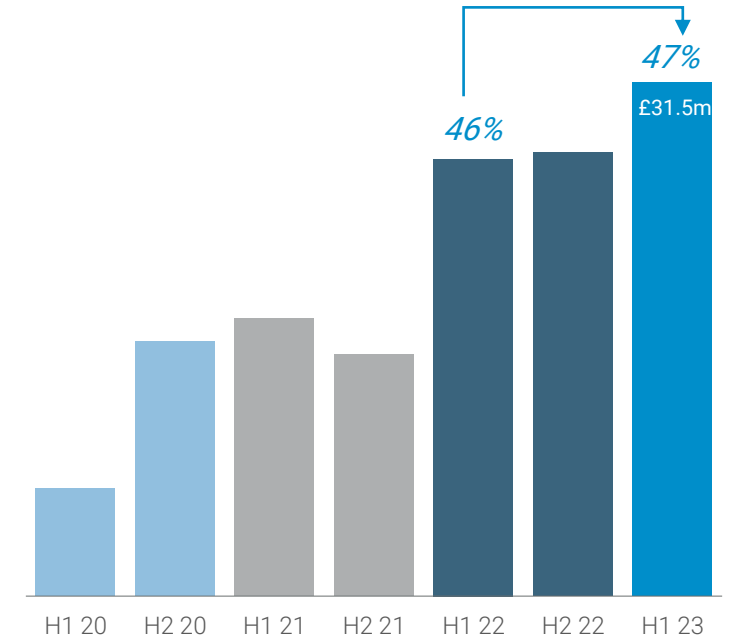
Robust Gross Merchandise Value growth to £1.9bn



Strong revenue growth to £67.3m



High operational leverage driving adjusted EBITDA² to £31.5m



1. Organic revenue growth is presented to exclude the acquisition of EstateSales.Net on 6 February 2023. Organic revenue is shown on a constant currency basis using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of fluctuations in assessing performance.
 2. Adjusted EBITDA represents profit/(loss) before taxation, finance costs, depreciation and amortisation, share-based payment expense and exceptional operating items.

HY 23 Highlights: Strong operational progress and continued momentum against strategic growth drivers

- 1 GMV +5% to £1.9bn driven by resilience of auctions & continued structural shift online
- 2 Acceleration of revenue growth through H1 having finished annualising Covid-19 comparators
- 3 Flat take rate at 3.2% as VAS growth & higher listing fees offset higher growth in I&C
- 4 Strong growth in marketing and strong demand for payments; 83% of LiveAuctioneers and 21% of Proxibid auctioneers signed up
- 5 Launch of integrated bidding enabling seamless cross-listing across certain marketplaces
- 6 Successful acquisition of EstateSales.Net; business performing ahead of initial expectations



02. Financial performance

Tom Hargreaves

HY 23 Financial Highlights:

Robust revenue growth, margin expansion and cash generation

Revenue

£67.3m

+17% reported
+5% organic

Adjusted EBITDA

£31.5m

+18%

Adjusted EBITDA margin

47%

+1 ppt

Adjusted diluted EPS

16.0p

+19%

Adjusted free cash flow

£21.8m

69% conversion¹

Adjusted net debt

£132.4m

2.3x leverage

1.. Adjusted free cash flow as a percentage of adjusted EBITDA.

Solid revenue growth driven by strength in core business, FX and contribution from ESN

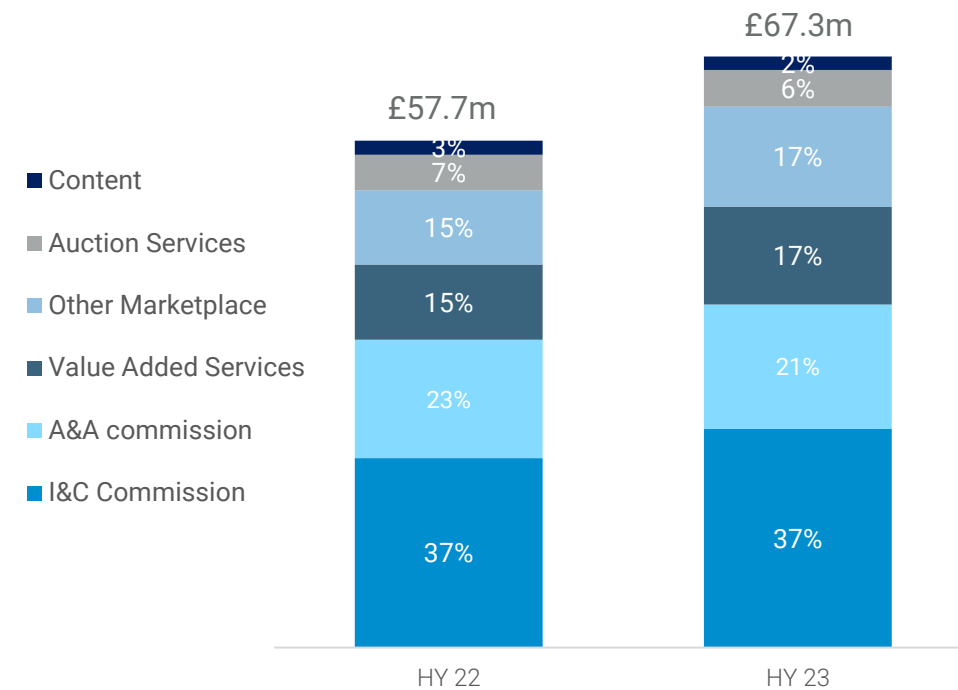
Revenue by segment

£m	HY 23	HY 22	Reported YoY % ¹	Organic YoY % ²
Arts & Antiques	31.8	26.9	18%	4%
Industrial & Commercial	29.8	25.1	19%	7%
Total Marketplace	61.6	52.0	18%	6%
Auction Services	4.2	4.1	2%	(7%)
Content	1.5	1.6	(6%)	(6%)
Revenue	67.3	57.7	17%	5%

- Robust marketplace revenue +6%; growth in both A&A and I&C with acceleration over half as lapped final period of Covid-19
- Group GMV growth up 5% to £1.9bn and flat take rate at 3.2%
- Commission growth supplemented by fixed fee increases and growth in value-added service revenue +17%
- Auction services impacted by challenging comps with high white label uptake in prior year during Covid-19
- As expected, small decline in content revenue

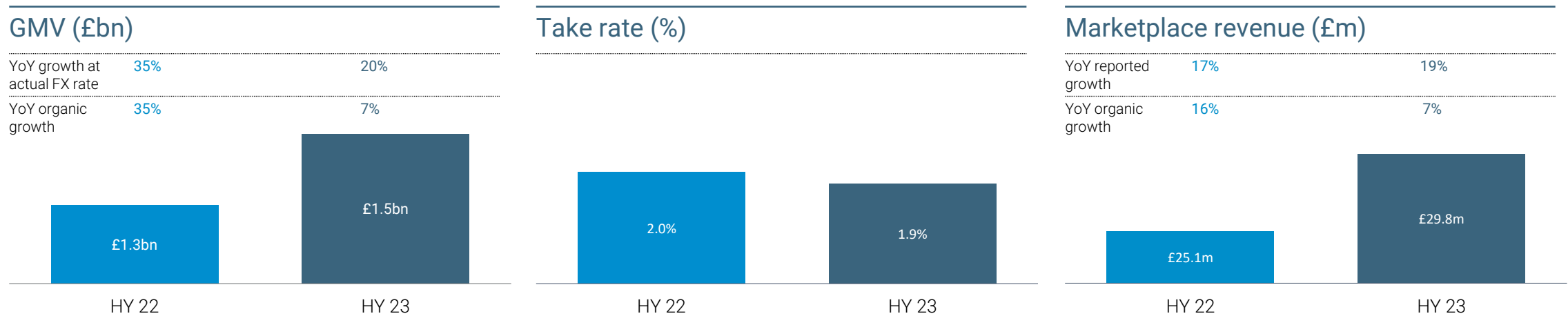
1. At actual FX rates.
2. At constant FX rates.

Revenue by product



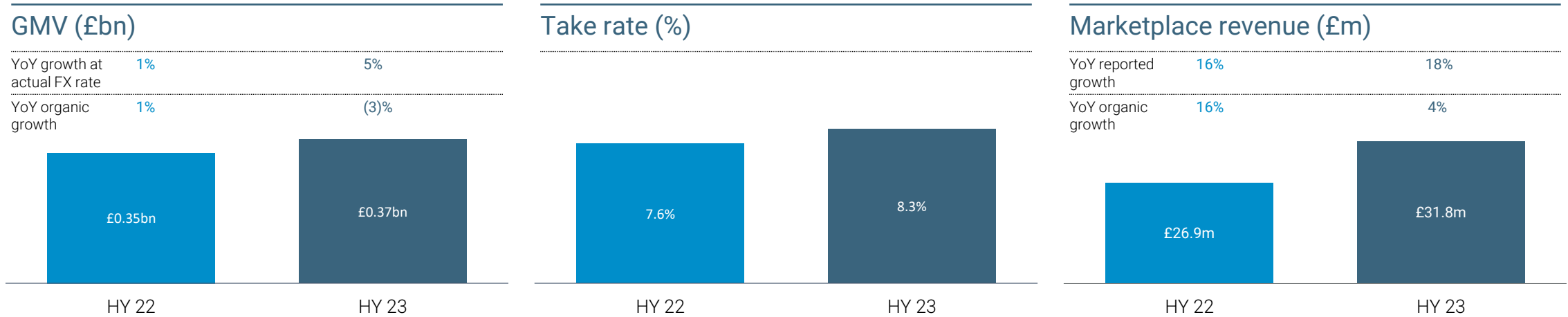
I&C:

Robust volume and revenue growth supported by strong end markets



- Robust GMV growth supported by strong THV +16% on a constant currency basis to £3.6bn
- Strong auction volume growth with 8% increase in the number of auctions hosted on I&C marketplaces and a 14% increase in lots listed, offsetting the impact from a softening of used equipment prices
- Take rate slightly down due to mix of assets sold, partially offset by growing adoption of marketing solutions
- We would expect take rate to improve in H2 driven by Proxibid new pricing structure and payments contribution

A&A: Solid growth in the half with an improving exit growth rate



- GMV down 3%, impacted by headwinds from in person reopening with prior year benefitting from Covid-19. As finished annualising tougher comparatives, GMV significantly improved over the half and positive 3 months to end April
- Robust end market growth, with THV +5% on a constant currency basis to £2.5bn driven by more auctions and more lots listed on our marketplaces
- Offsetting GMV, take rate up 0.7ppt driven by strong marketing and payments growth and fixed fee increases
- A&A includes ESN which performed ahead of initial expectations; A&A organic revenue growth of 4%

Growth in high margin commission and fixed fee revenue drives operational leverage

- Adjusted EBITDA margin up 1 ppt to 47%
- Administrative expense increase driven by
 - £1.7m exceptional costs related to acquisition costs
 - £1.4m increase in share based payments to £3.9m
 - Foreign exchange movements
- Increase in net finance costs due to SOFR and non cash FX loss of £3.7m on intercompany loan
- Net profit driven by deferred tax credit on unrealised foreign exchange
- Adjusted EPS up 19% to 16.0p; 122.7m ordinary and diluted shares
- Move to USD presentational currency for FY 24: 82% revenue US dollars

Group financial summary

£m	HY 23	Restated ¹ HY 22	Movement ¹	Organic ²
Revenue	67.3	57.7	17%	5%
Cost of sales	(21.3)	(18.6)	15%	
Gross profit	46.0	39.1	18%	
<i>Gross margin</i>	68%	68%	flat	
Administrative expenses	(36.7)	(30.0)	22%	
Other operating income	0.5	0.1	400%	
Operating profit	9.8	9.2	7%	
Net finance costs	(9.1)	(5.5)	(65)%	
Profit before tax	0.7	3.7	(81)%	
Net profit	11.9	2.1	467%	
Adjusted EBITDA	31.5	26.8	18%	
<i>Adjusted EBITDA margin</i>	47%	46%		
Adjusted diluted EPS	16.0p	13.4p	19%	

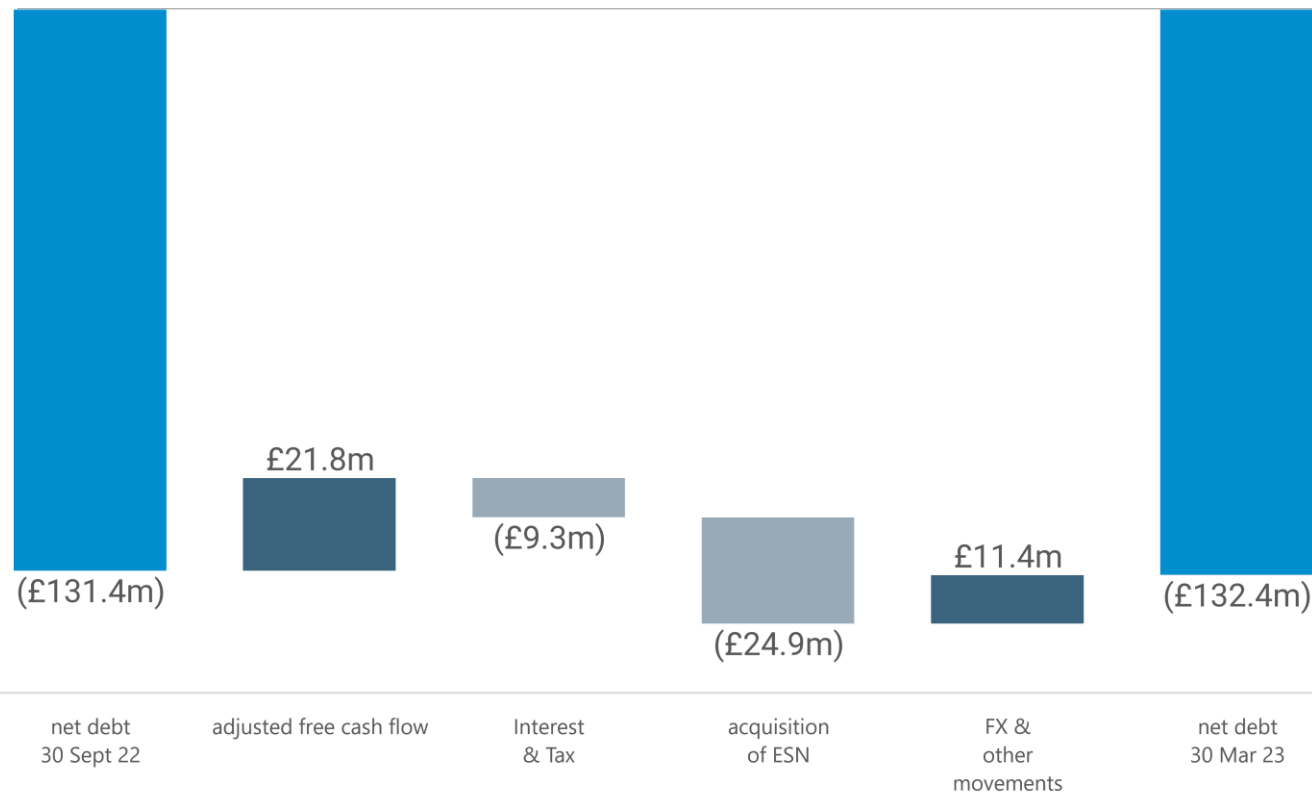
1. The HY 22 profit attributable to equity holders has been restated by £1.7m. Full details are provided in note 1 of the Consolidated Financial Statements.

2. At actual FX rates.

3. At constant FX rates.

Strong cash generation enabled us to complete acquisition of ESN whilst maintaining net debt

Net debt bridge



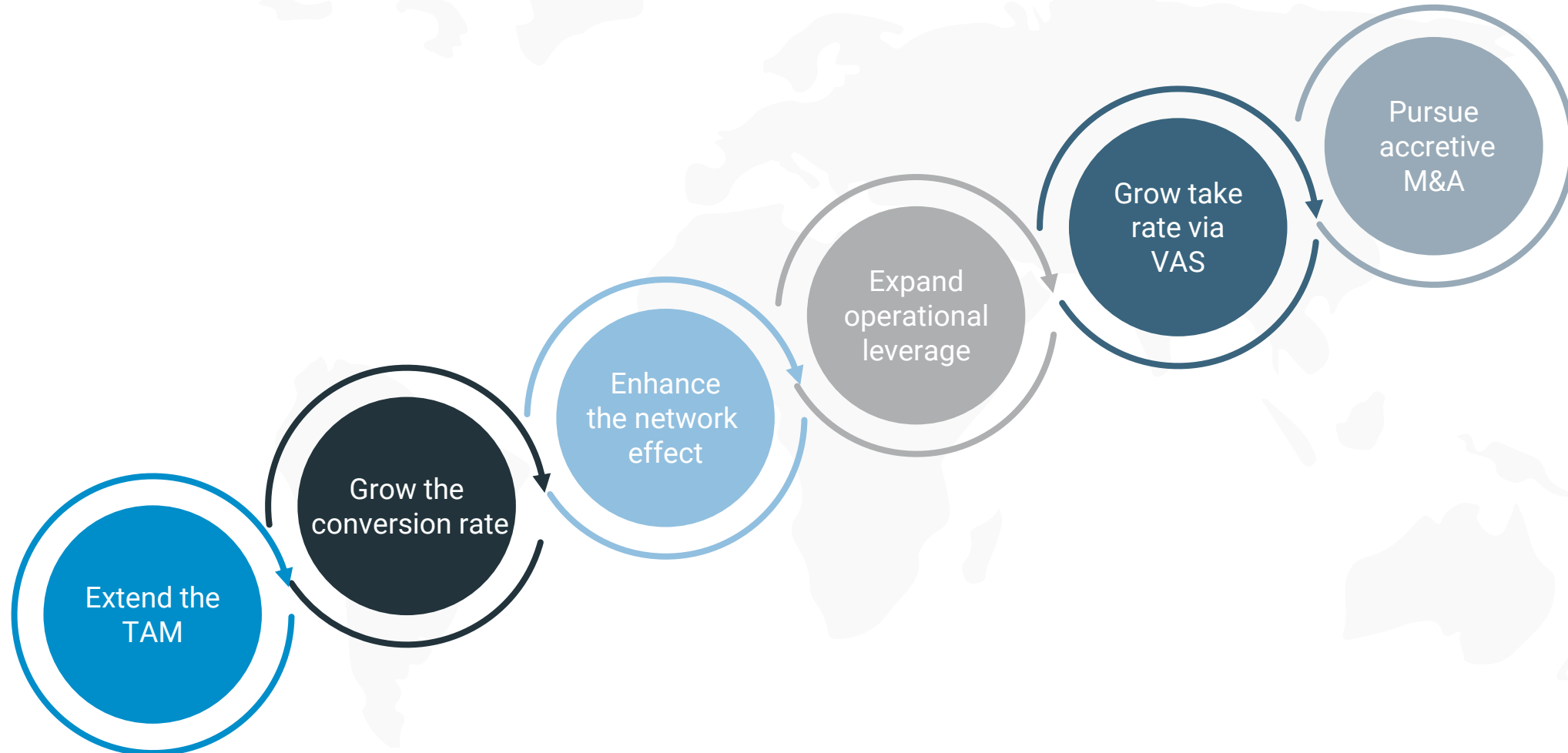
- 69% adjusted free cash flow conversion
 - Strong trading activity at end of H1 leading to working capital outflow
 - Bonus payment and accrual
 - £4.1m capex primarily relates to single tech platform and payments product
- \$53.7m pre-payment of Senior Facility offset by \$21.7m net RCF drawdown
- Adjusted net debt / adjusted EBITDA of 2.3x
- Capital allocation near term prioritised on repayment of debt facilities and to look for accretive M&A opportunities



03. Strategic update and outlook

John-Paul Savant

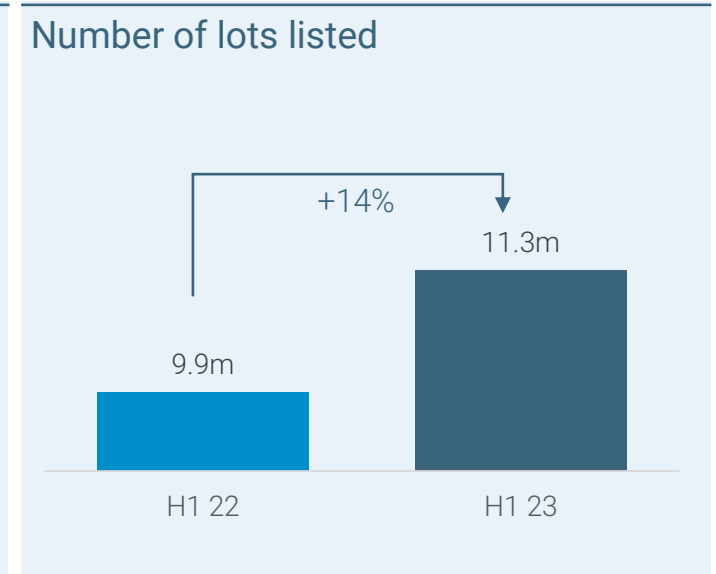
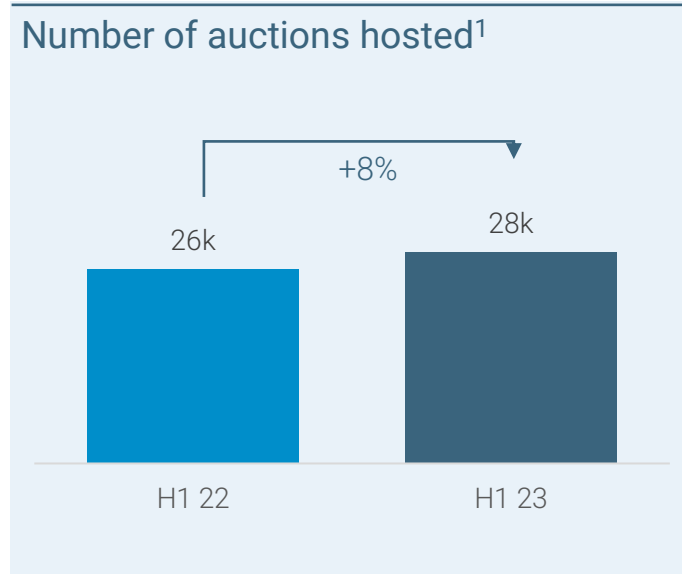
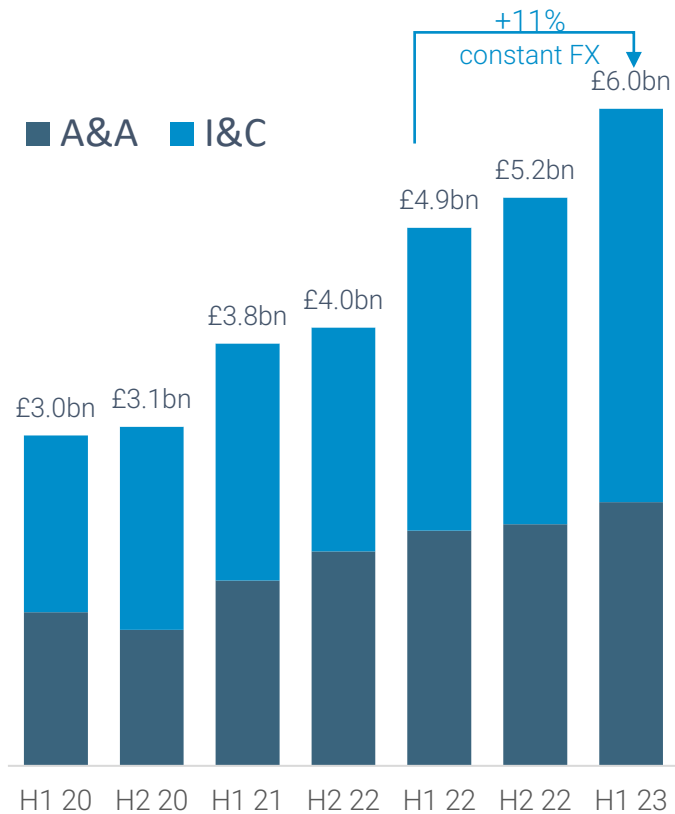
We continued to execute against each of our six strategic growth drivers in the first half



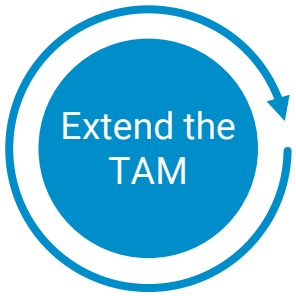


Our end markets have been resilient with a growing supply of assets to our marketplaces attracted by price realisation, transparency and speed of sale

Total Hammer Value



1. Excludes cross listing and retail auctions



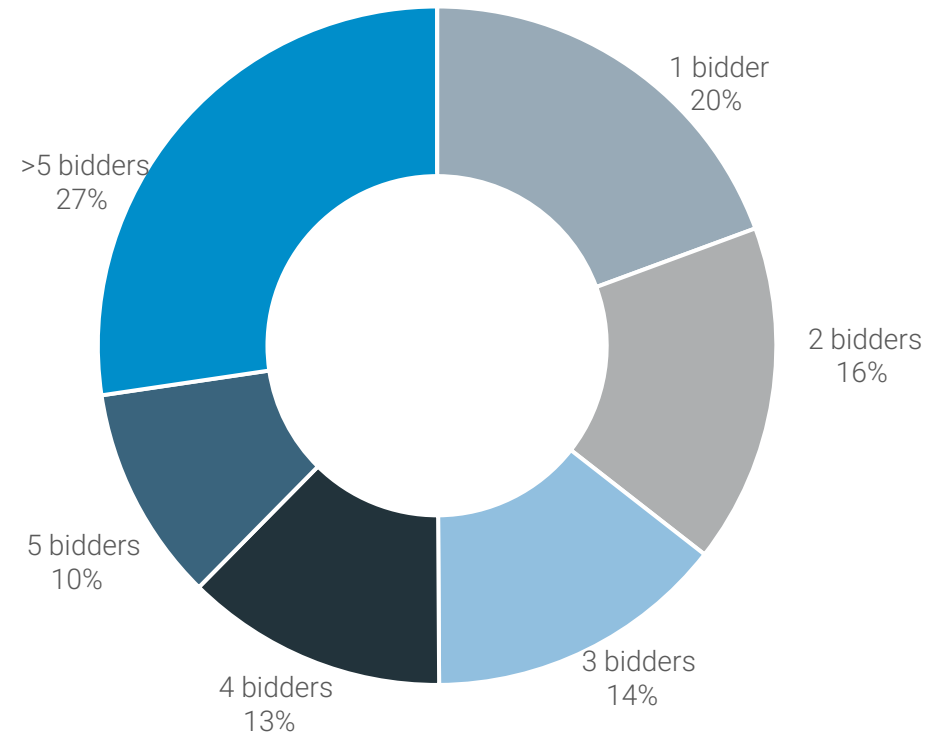
ATG consistently attracts new bidders due to the choice, trust and convenience. The resulting scale of bidders improves price realisation

Significant scale in bidder reach with growth in many metrics post Covid-19¹

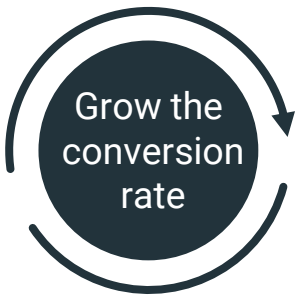
808k	91.4m	6.4m
Accounts created	Bidding sessions	Auction registrations
+8%	+2%	+3%

1. Bidder metrics exclude ESN

Number of bidders on each Proxibid lot in HY 23¹

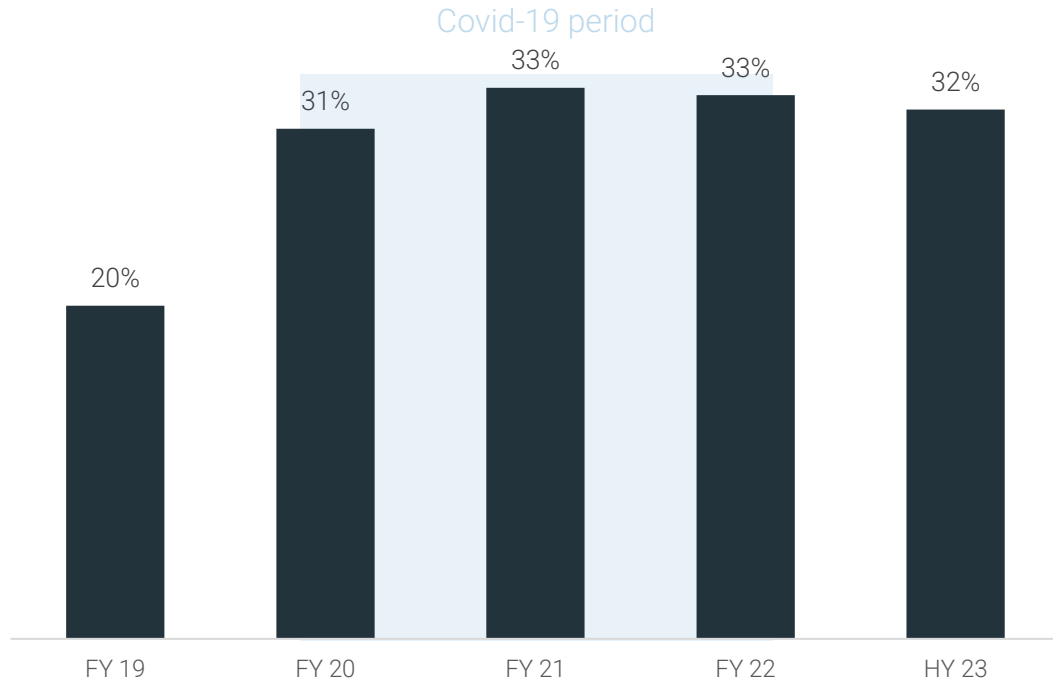


1. For those lots which received a bid on the platform

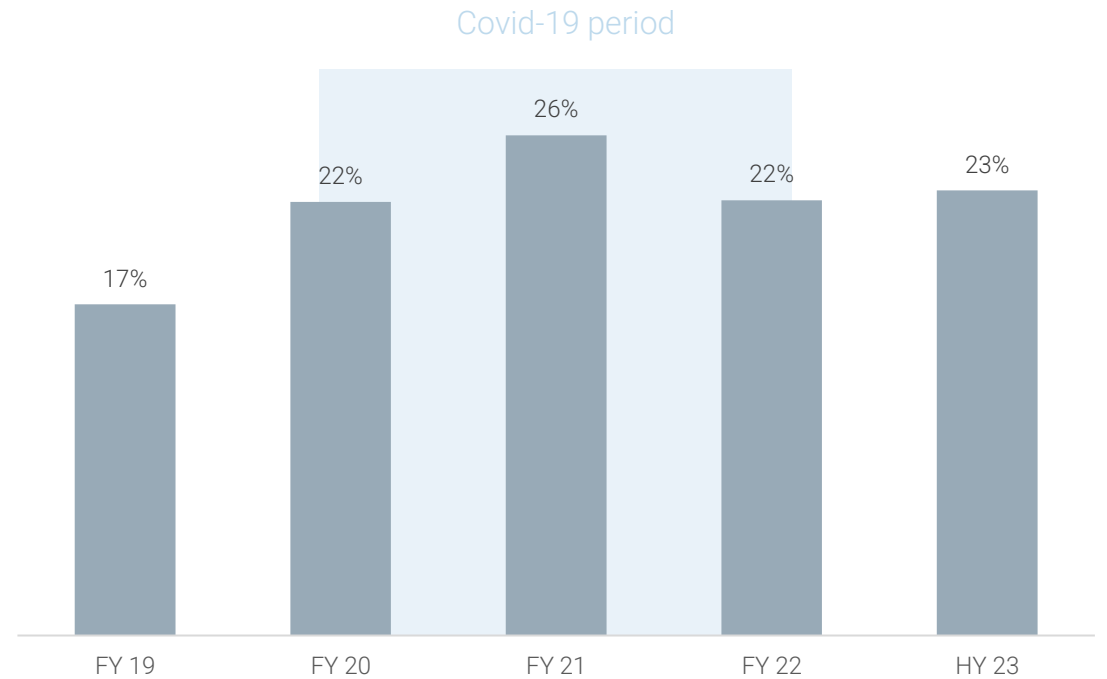


Conversion of 32% is >10 ppt higher than pre-pandemic

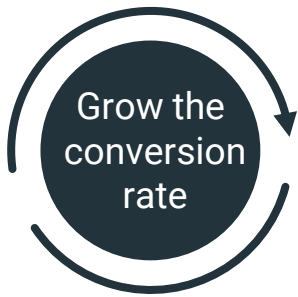
Group conversion rate of 32% is >10ppt higher than pre-pandemic levels



Improvement in conversion rate for LFL auctioneer cohorts e.g. LiveAuctioneers since pre Covid-19

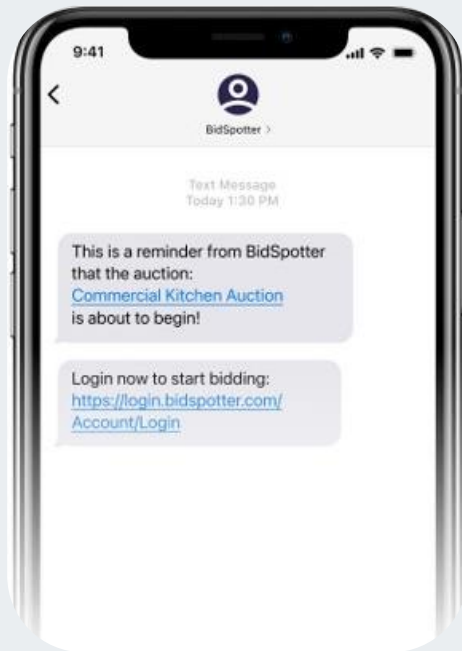


FY19 and FY 20 shown on a proforma basis

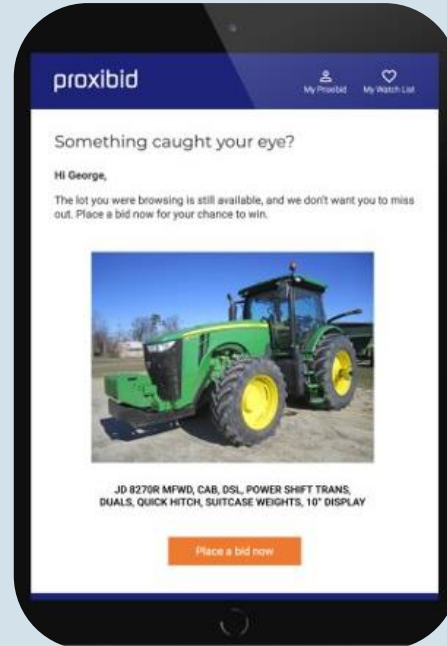


We have made improvements to drive bidder engagement and conversion

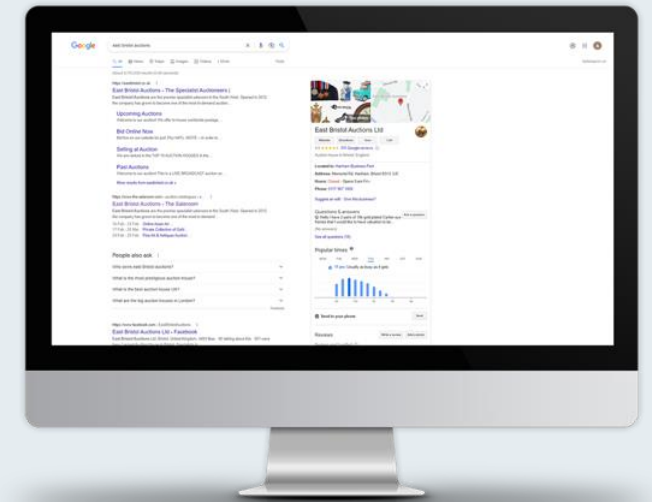
30k more sessions to the saleroom driven by SMS alert



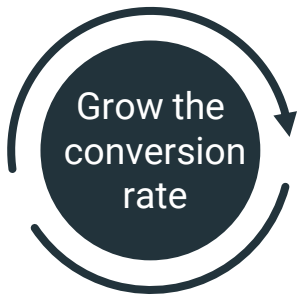
12% increase in email alerts sent including new browsed alert trigger¹



SEO updates including optimised sitemaps and event schema



1. for the saleroom

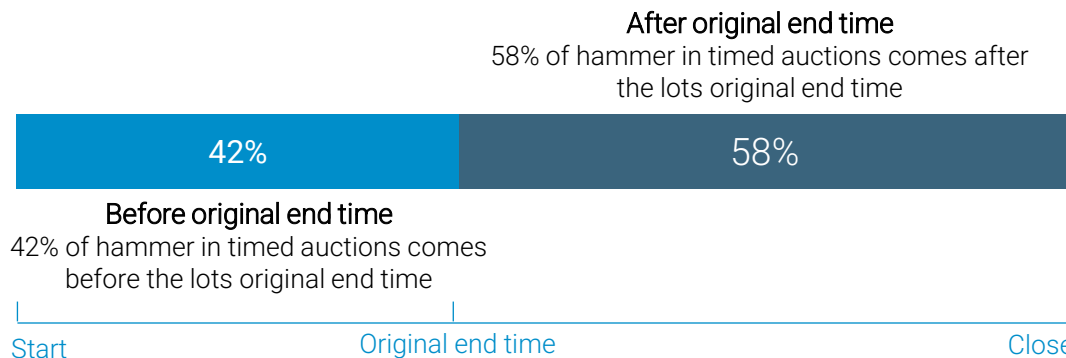


We are facilitating the shift to timed by encouraging them through price incentivisation

Timed auctions result in a higher registrant to bidder conversion¹...



...as well as offering auctioneer flexibility to ensure no increment remains²



Our new pricing structure on Proxibid will help to incentivize the shift to timed auctions

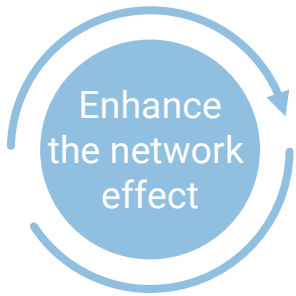
MASTER RATE CARD

Live Auction Pricing | Timed Auction Pricing | Real Estate Pricing | Category Commission Rates | Agent Fees | Other

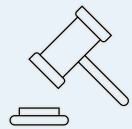
LIVE AUCTION PRICING (EXCLUDING REAL ESTATE)

	BRONZE PARTNER	SILVER PARTNER	GOLD PARTNER
Partner Requirements	None	Exclusive use of Proxibid/ATO Marketplaces and/or White Labels	noPay on all auctions AND Exclusive use of Proxibid/ATO Marketplaces and/or White Labels
Event Fees			
Farm Equipment & Machinery ⁽¹⁾ Heavy Construction Equipment ⁽¹⁾ Commercial Trucks ⁽¹⁾	\$650 + \$1.50 per lot, capped at \$1,250 per event	\$650 per event	\$800 per event, capped at \$1,000 per month
Cars & Vehicles ⁽¹⁾ Collector Cars ⁽¹⁾ Industrial Machinery & Equipment ⁽¹⁾⁽²⁾	\$650 + \$8.00 per lot, capped at \$1,250 per event	\$650 per event	\$700 per event, capped at \$1,000 per month
Boats & Military Airframe Enthusiast & Personal Property All other categories	\$650 + \$8.25 per lot, capped at \$1,250 per event	\$650 per event	\$500 per event, capped at \$1,000 per month
Auctioneer Marketing Program (AMP)	Standard Pricing (See AMP pricing)	10% Off All Marketing (See AMP pricing)	20% Off All Marketing (See AMP pricing)
Commission Rates			
Farm Equipment & Machinery ⁽¹⁾ Heavy Construction Equipment ⁽¹⁾ Commercial Trucks ⁽¹⁾	2%	2%	2%
Cars & Vehicles ⁽¹⁾ Collector Cars ⁽¹⁾ Industrial Machinery & Equipment ⁽¹⁾⁽²⁾	3%	3%	3%
Boats & Military Airframe Enthusiast & Personal Property All other categories	5%	5%	5%

1. 2022 data for ibidder.co.uk and bidspotter.co.uk
 2. Data for ibidder.co.uk and bidspotter.co.uk



We have integrated our white label and made it easier for auctioneers to cross-list through the introduction of Timed+



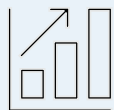
Auctioneers can more easily reach more buyers -> higher hammer prices (+26%)¹



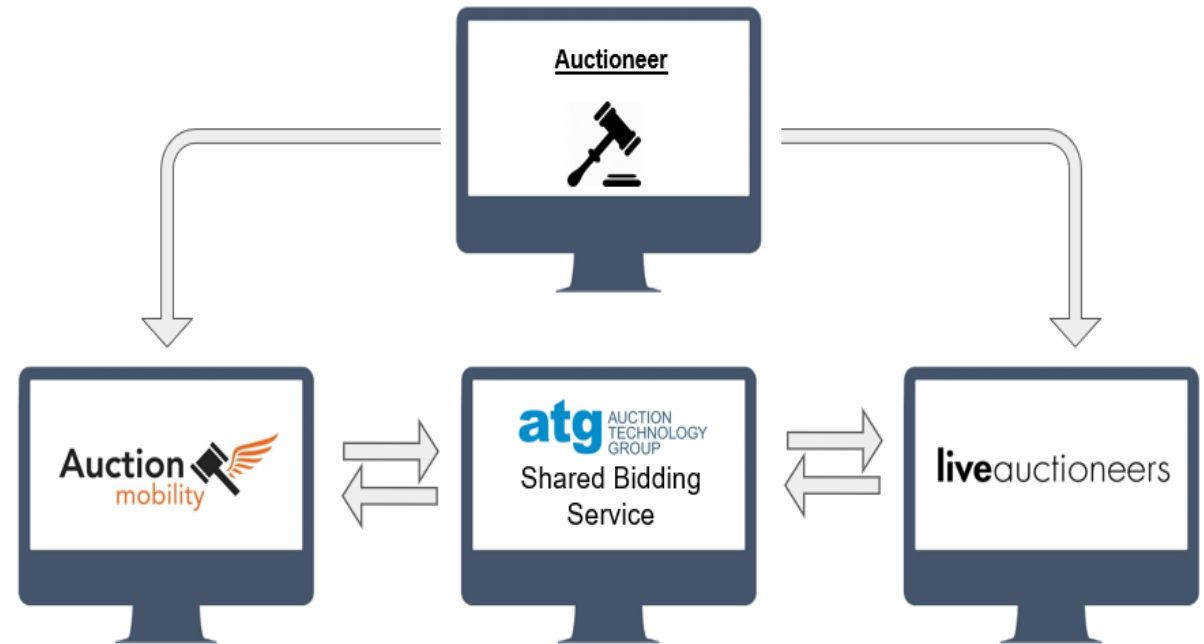
Buyers can more easily access a wider range of inventory



Unique value proposition on our white label drives further auctioneer loyalty



Shift to timed auction increases ATG's conversion rate



1. Average lot price up lift on Timed+ auctions to date versus if auction listed on Auction Mobility alone



We have driven operational leverage through fixed fee increases, self serve features and progress against the single technology platform

Progress against the single technology platform programme

- ✓ Wire transfer in payments
- ✓ Integrated timed bidding
- ✓ Improved site stability
- ✓ New global security standards

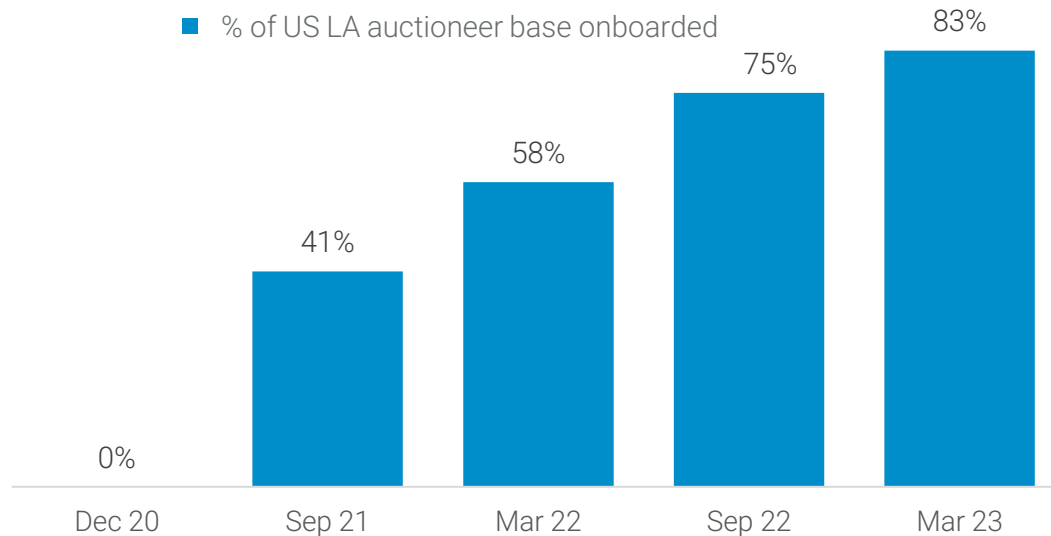
Rolling out self serve features including on marketing products

The screenshot shows the BidSpotter.co.uk website interface. The top navigation bar includes 'Auctions', 'Auction Alerts', and 'Help'. The main content area displays 'Current Auctions' and 'Featured Lots' sections. A red arrow points to the 'Current Auctions' menu item, and another red arrow points to the 'Featured Lots' menu item. Below the 'Featured Lots' section, there is a list of auction items, including a Range Rover Sport and a Mercedes E220d. A red arrow points to the 'Feedback' button on the right side of the page.

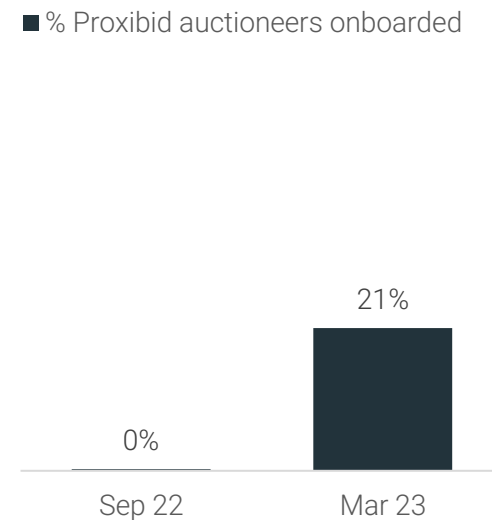


We have developed phase one of payments and are encouraged by the initial auctioneer response and take up

Path of progression of payments at LiveAuctioneers



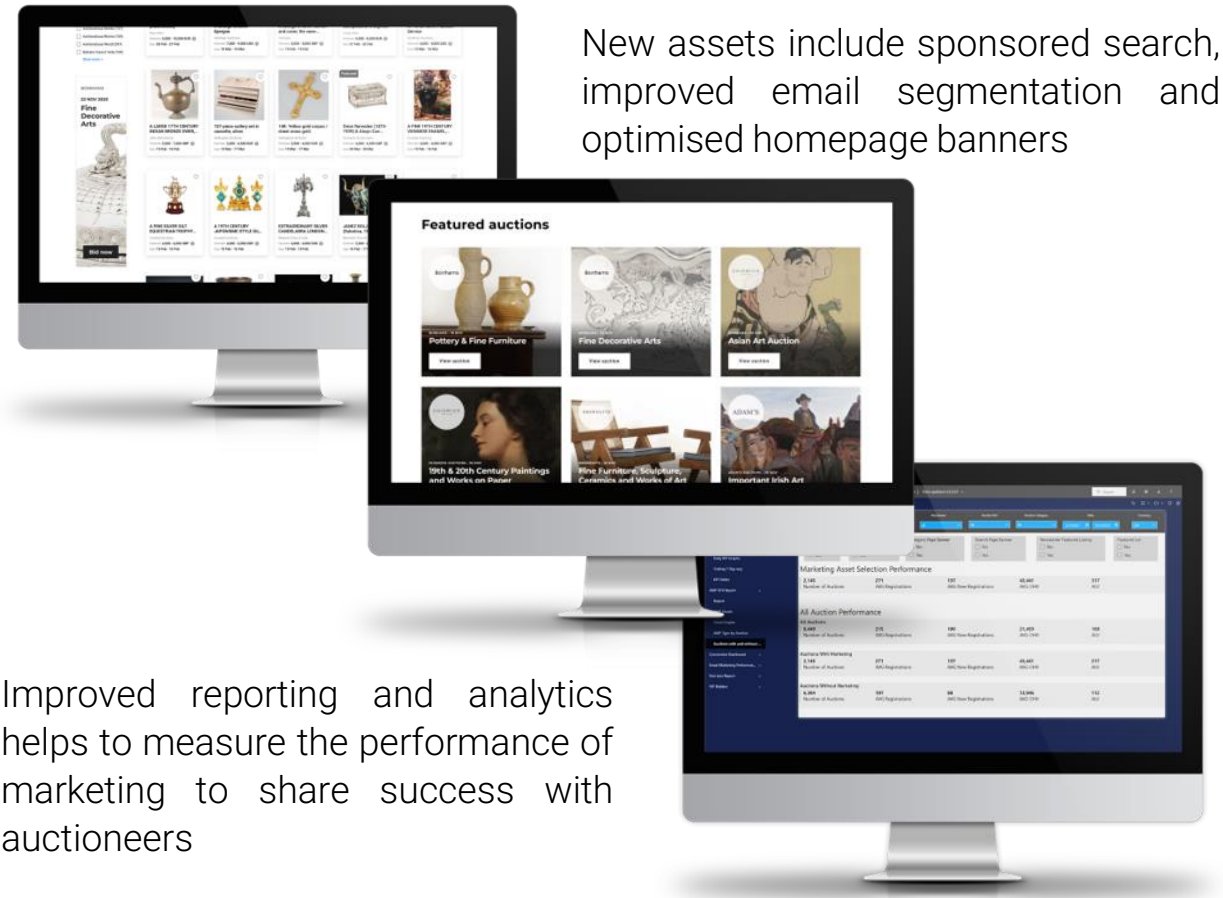
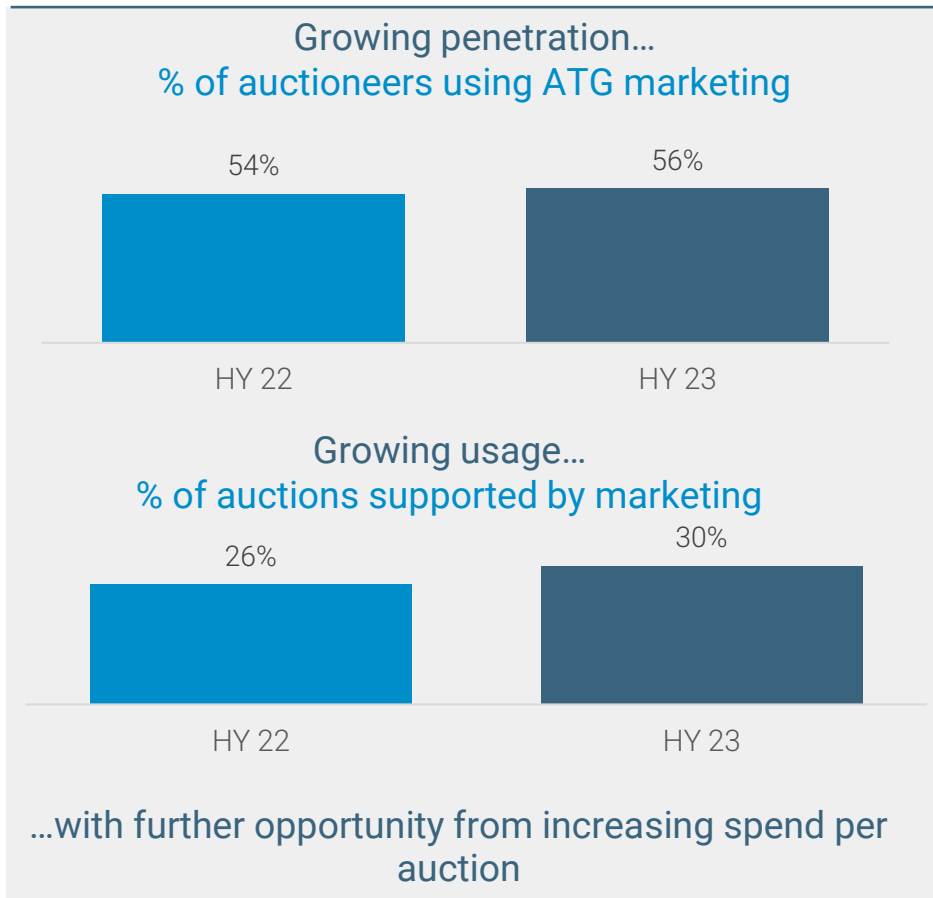
Encouraging adoption rates on Proxibid in H1 23



- Activation of auctions proceeding in Q3 23
- 3 months later than initially planned to benefit from latest product enhancements



Strong growth in paid-for marketing solutions driven by growing adoption as well as consistent new product development





EstateSales.NET is an attractive bolt on acquisition, with near term commercial opportunities as well as longer term revenue synergies

Feb 23

Commercial opportunities to optimise the listing site

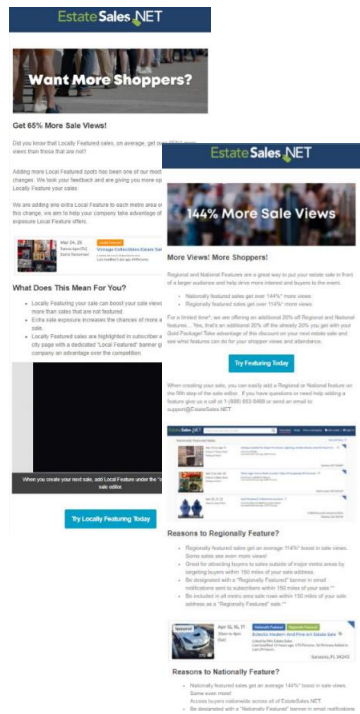
Synergies with ATG and opportunity to enhance the estate sales marketplace

Promote seller marketing

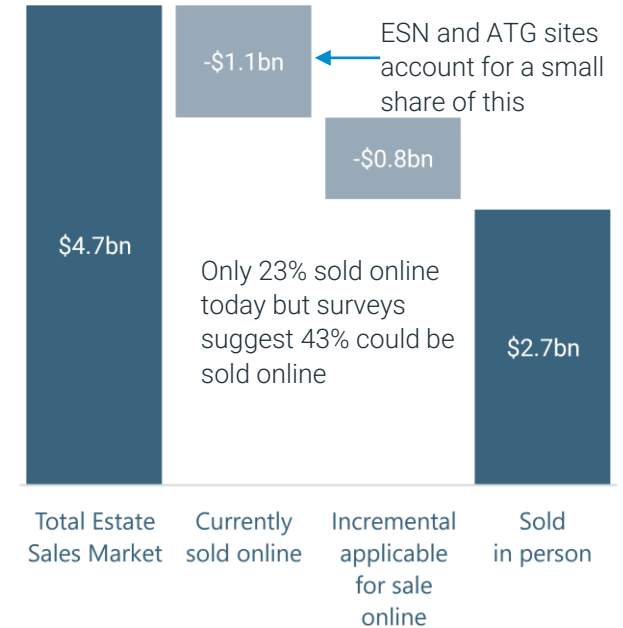
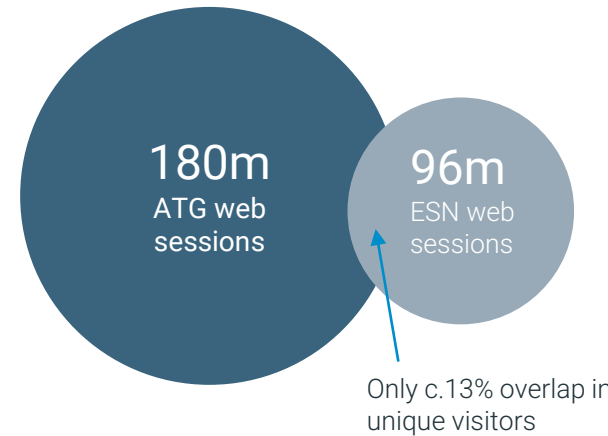
Optimise pricing

Activate cross-selling of buyers and sellers

US estate sales market by channel¹



- ESN not increased headline pricing in the last c. 6 years
- Many sellers on legacy pricing

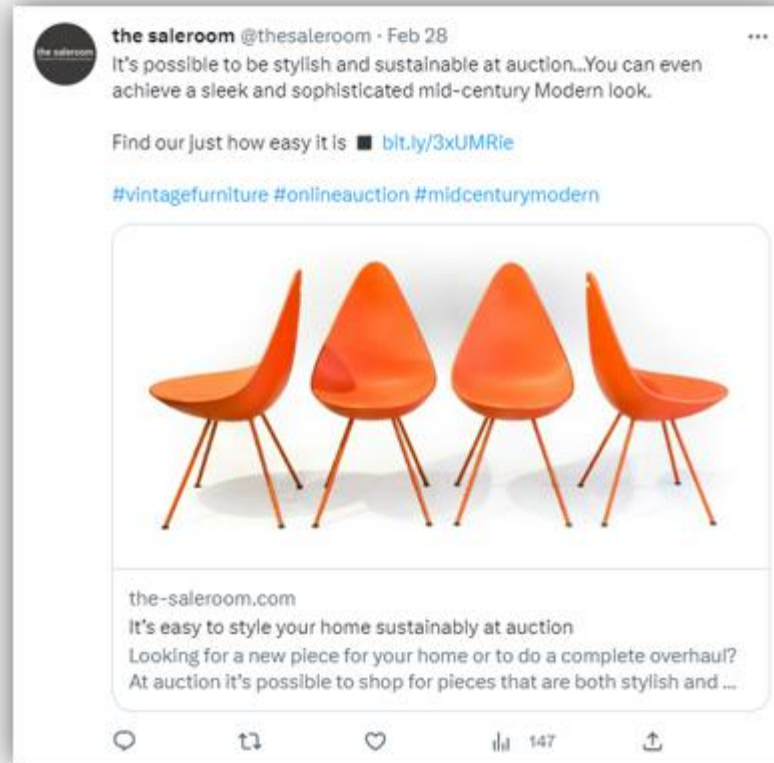


1. Management estimates February 2023

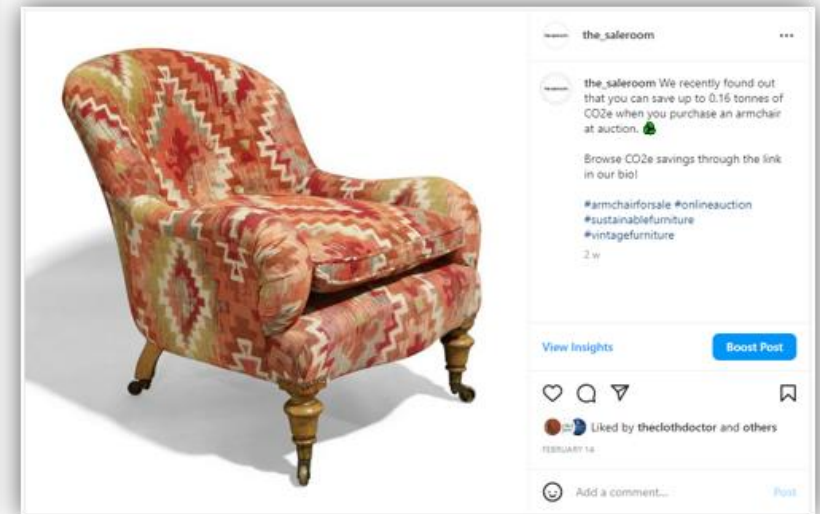
Highlighting our green credentials; the sustainable way to shop



Facebook

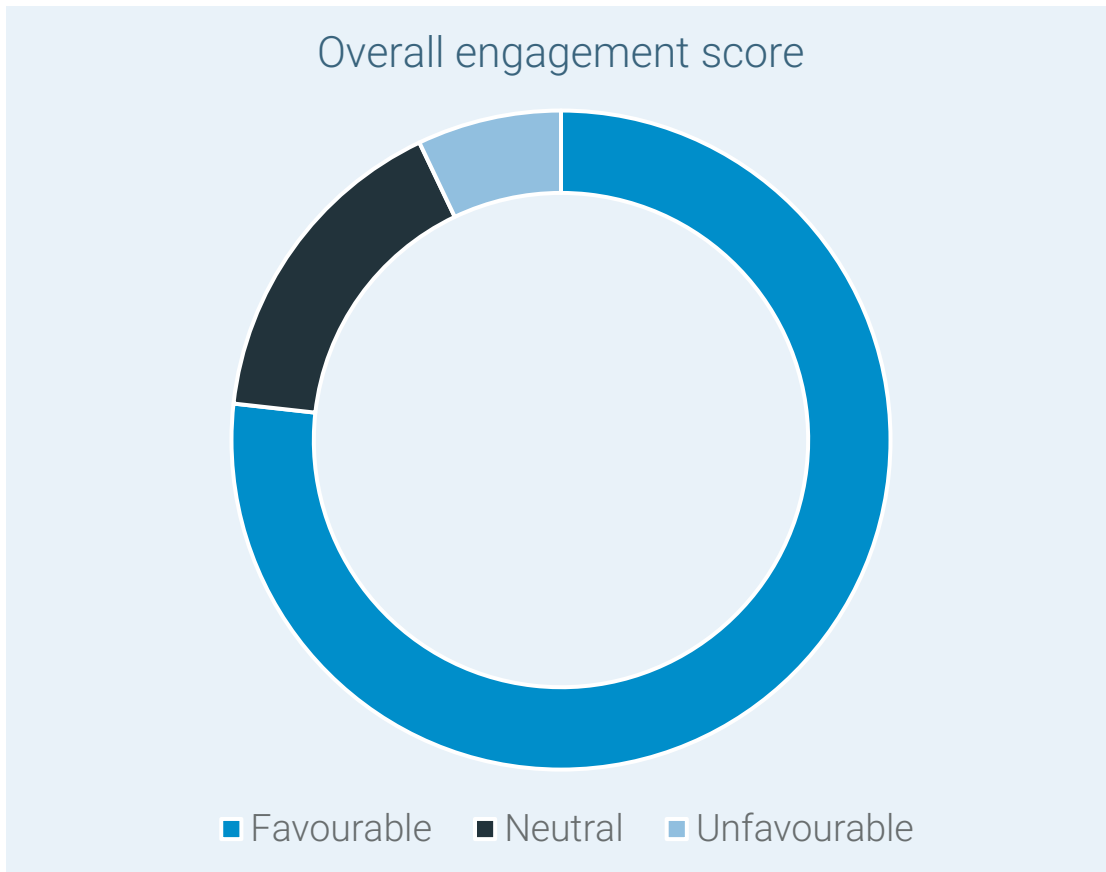


Twitter



Instagram


Building an engaged and collaborative culture is a critical enabler of success



1. ATG global employee engagement survey January 2023

FY 23 Guidance

- As expected, improving rate of growth across the first half as well as at the start of the second half
- Auction markets have remained robust despite an uncertain macroeconomic backdrop
- A&A marketplaces have seen positive GMV growth for the three months to end of April
- Reaffirm our guidance for organic revenue growth, although at the lower to mid end of the range reflecting the timing of auction activations with atgPay for Proxibid
- Given the strong demand from Proxibid auctioneers on atgPay so far, we do not expect there to be a negative impact to revenue in FY 24
- Confident in delivering full year adjusted EBITDA and adjusted EPS in line with current market expectations
- Confident in achieving our medium-term targets of mid-teens plus organic revenue growth and mid-high 40's adjusted EBITDA margin



04. Q&A

05. Appendix



Glossary of key definitions

Term	Definition
A&A	Arts and Antiques
GMV	gross merchandise value, representing the total final sale value of all lots sold via winning bids placed on the marketplaces or the platform excluding ESN, excluding additional fees (such as online fee and auctioneers' commissions) and sales of retail jewellery (being new, or nearly new, jewellery)
I&C	Industrial and Commercial
Conversion rate	represents GMV as a percentage of THV; previously called "online share"
Organic basis	The Group has made certain acquisitions that have affected the comparability of the Group's results. To aid comparisons between HY 23 and HY 22, current period results have been presented to exclude the acquisition of EstateSales.Net on 7 February 2023. Organic revenue is shown on a constant currency basis using average exchange rates for the current financial period applied to the comparative period and are used to eliminate the effects of fluctuations in assessing performance.
Take rate	represents the Group's marketplace revenue, excluding ESN revenue, as a percentage of GMV. Marketplace revenue is the Group's reported revenue excluding Auction Services and Content revenue
THV	total hammer value, representing the total final sale value of all lots listed on the marketplaces or the platform, excluding ESN, additional fees (such as online fees and auctioneers' commissions) and sales of retail jewellery (being new, or nearly new, jewellery)

Reconciliation of APMs

Reconciliation of profit before tax to adjusted EBITDA

	HY 23	HY 22
	£m	£m
Profit before tax	0.8	3.7
Adjustments for:		
Net finance costs	9.1	5.5
Amortisation of acquired intangible assets	13.7	12.9
Amortisation of internally generated software	1.6	1.7
Depreciation of property, plant and equipment	0.2	0.1
Depreciation of right of use assets	0.5	0.5
Share-based payment expense	3.9	2.5
Exceptional operating items	1.7	-
Adjusted EBITDA	31.5	26.8

Reconciliation of profit after tax to adjusted earnings

	HY 23	HY 22
	£m	£m
Profit attributable to equity shareholders of the Company	11.9	2.1
Adjustments for:		
Amortisation of acquired intangible assets	13.7	12.9
Exceptional finance items	3.8	2.1
Share-based payment expense	3.9	2.5
Exceptional operating items	1.7	-
Deferred tax on unrealised foreign exchange differences	(7.6)	1.5
Tax on adjusted items	(7.9)	(4.6)
Adjusted earnings	19.7	16.3

Cash generated from operations and adjusted free cash flow

	HY 23	HY 22
	£m	£m
Adjusted EBITDA	31.5	26.8
Cash generated from operations	24.6	22.1
Adjustments for:		
Exceptional operating items	1.7	-
Working capital from exceptional and other items	(0.4)	4.0
Additions to internally generated software	(3.9)	(1.6)
Additions to property, plant and equipment	(0.2)	(0.2)
Adjusted free cash flow	21.8	24.3
Adjusted free cash flow conversion (%)	69%	91%

KPIs by segment

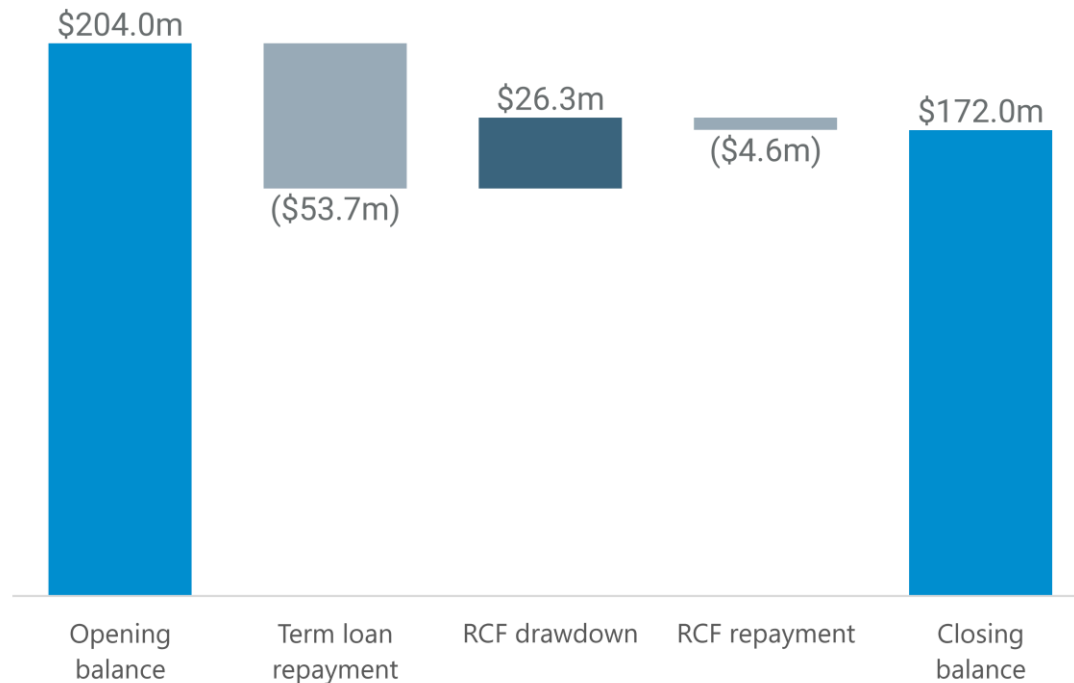
Operational KPIs for I&C and A&A

£m	I&C	Organic YoY % ¹	A&A	Organic YoY % ¹
THV	3,580	+16%	2,445	+5%
Conversion rate	43%	Down 3ppt	15%	Down 1ppt
GMV	1,537	+7%	370	(3)%
Take rate	1.9%	Flat	8.3%	Up 0.7ppt
Marketplace Revenue	29.8	7%	31.8	4%

1. At constant FX rates.

Movement in gross debt

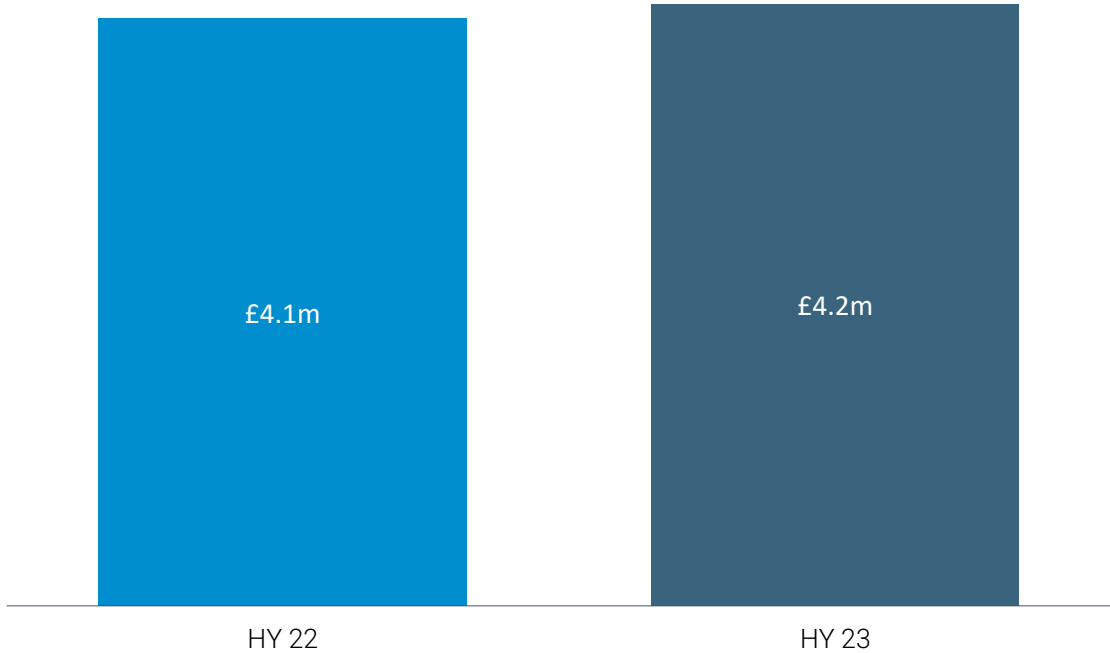
Movement in gross debt



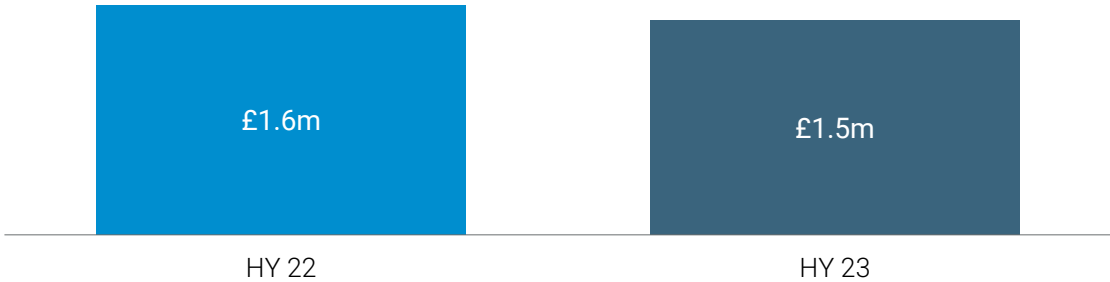
- Senior Loan facility is dollar denominated and carries an interest rate of SOFR + 3% margin
- \$53.7m pre-payment of Senior Facility
- RCF drawdown in February to fund ESN acquisition
- Partial repayment of RCF at end of February
- Adjusted net debt/ adjusted EBITDA of 2.3x

Auction Services & Content

Auction Service Revenue



Content Revenue



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auction services for curated online auctions

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