

Chairman's Statement



It is my pleasure to present ATG's results for the year ended 30 September 2023. Against a backdrop of macroeconomic uncertainty, ATG has delivered another year of growth, underpinned by continued progress against our strategic priorities. Our results demonstrate both the attractiveness of the online auction channel as well as the resilience of ATG's business model. We successfully completed the value-accretive acquisition of ESN, highlighting our opportunity for inorganic growth in the fragmented secondary goods market. Additionally, we have made significant advances in our environmental, social and governance ("ESG") strategy, further aligning our operations with sustainable practices. On behalf of the Board, I would like to thank the team at ATG for another successful year.

Financial performance

ATG has delivered another year of robust financial performance. Revenues increased to £135.2m, up 13% versus the prior year and up 5% on an organic basis¹, excluding the impact of the ESN acquisition and foreign exchange. Adjusted EBITDA of £64.0m increased 19%, with the high operational leverage in our business resulting in the adjusted EBITDA margin up 2ppt to 47%. Adjusted earnings per share was 32.6p (FY22: 29.5p) after the impact of higher net finance costs and basic earnings per share was 13.9p (FY22: loss of (5.1)p). Our asset-light model resulted in strong cash generation which enabled us to invest in the business, fund the acquisition of ESN, and importantly to strengthen the balance sheet with adjusted net debt/adjusted EBITDA decreasing significantly from 2.4x at FY22 to 1.8x. The Board will continue to review the Company's dividend policy on an ongoing basis but does not currently expect to declare or pay any dividends for the foreseeable future.

Strategic highlights

During the year, the Board focused on supporting the management team with the delivery of ATG's six strategic growth drivers. ATG has made good progress against each of these drivers, including the expansion of the auctioneer marketing programme and the trial of an integrated shipping service. These value-add services along with atgPay represent significant growth opportunities for the business and important steps in transforming the online auction experience. The Board has also spent time reviewing ATG's technology stack and receiving updates on its transition to a single technology platform, with the challenges and opportunities within this investment phase. The Board supported the acquisition of ESN in the year, which we believe is a very attractive opportunity for ATG. ESN's performance to date highlights an additional proof

point of ATG's strong track record for sourcing and executing on value-enhancing M&A opportunities. Finally, the Board has enjoyed participating in 'Meet the Team' events and meeting employees from across the organisation, getting to know them and their goals and concerns. You can read more about ATG's progress against its strategic growth drivers and our future priorities on pages 16 to 20 of this report.

Sustainability at ATG

ATG is committed to operating a sustainable and responsible business that delivers on its purpose to unlock the value of the secondary goods market. This year, we consulted with our stakeholders in order to better understand our environmental, social and governance risks through an externally conducted materiality assessment. The results of this assessment, detailed on page 47 of this report, have helped to focus our sustainability strategy, as laid out on page 45. The Board was delighted to support the development of ATG's Diversity, Equity and Inclusion strategy including through Board members' participation in the 'Women in Leadership' event to share experiences and discuss pertinent issues. Other notable progress within our sustainability strategy in FY23 includes the implementation of a new information security management system, the launch of several people initiatives such as ATG Academy and the achievement of a 26% reduction in our Scope 1 and 2 emissions. We are pleased to have been accepted as a constituent of the FTSE4GOOD Index, recognising our strong sustainability practices. Further details on ATG's progress can be found in the Sustainability Report on page 44.

Looking ahead

As I look out to the medium term, I see huge potential for ATG as it continues to lead the transformation of the auction industry. As ATG invests to improve the online auction experience and attract more and more buyers to the curated secondary goods market, we will continue to create long-term sustainable value for all our stakeholders. ATG's strong operational and financial track record, experienced team and shared success model provide me with confidence that ATG can continue to deliver on its ambitious growth plans.



Breon Corcoran
Chairman

30 November 2023

¹ The Group has made certain acquisitions that have affected the comparability of the Group's results. To aid comparisons between FY23 and FY22, organic revenue has been 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.