artnet Auctions Increases Revenue by 43% in the First Six Months of 2017

artnet Auctions and artnet News Drive Total Revenue Growth of 8%

News Contributes Two-Thirds to Ad Revenue

High-Profile Hires Across All Segments

Berlin/New York, August 11, 2017—Berlin based artnet AG, which operates the first online-only auction platform dedicated to fine art, reported today a 43% increase of fee-based auction revenue of 2.2 million USD on sales of 11 million USD for the first six months of 2017, as compared to 2016. Following a long development phase, artnet Auctions has finally established itself against tough resistance and skeptics in the art market. “The art market generally tends to be slow in adapting new technologies, but the time for online auctions as a fast and cost effective way to buy and sell fine art has clearly come,” said Jacob Pabst, CEO of artnet.

artnet also firmly established itself as the leading online source for news about the art market. Driven by growing site traffic, artnet News is increasingly sought-after by luxury brands for ad campaigns. In the first half of 2017, artnet News contributed almost two-thirds of artnet’s total advertising revenue, which grew by 13% to 1.9 million USD over the previous year. An emphasis on original content under new Editor-in-Chief Andrew Goldstein resulted in several major exclusives, driving traffic and attention to artnet.

Due to significantly higher revenue at both artnet Auctions and artnet News, total revenue at artnet grew by 8% to 10.3 million USD in the first six months.* Net profit fell by 30% to 299,000 USD because of increased investments in all business segments.

In the Galleries segment, revenue decreased by 3% to 2.6 million USD due to declining memberships. artnet continues to support galleries struggling with high operational costs and intense competition by offering new features to boost inquiries and increase revenue. To further strengthen the segment, artnet will introduce dedicated content for galleries on artnet News.

The Price Database once again contributed the highest revenue of artnet’s four business segments and held steady with a minimal decrease of 0.3% to 3.6 million USD in the first six months. Analytics, a part of the Price Database segment, continues to grow exponentially. The company introduced a test version of artnet Insights, a new tool for the in-depth analysis of art market data. Insights combines proprietary algorithms with the 11 million auction results that make the Price Database the gold standard of the industry.

* The price of artnet's first six months is 86% higher than in 2016. This increase is mainly due to the introduction of a new feature, artnet Insights, which combines proprietary algorithms with the 11 million auction results that make the Price Database the gold standard of the industry.
In June, artnet acquired the Berlin-based Jay Art GmbH and its online platform Artusiast. Thanks to this addition, artnet expects to benefit from its networks, close relationships with German auction houses, and site content. artnet also continues to invest in its most important asset—people. In addition to the recent hire of artnet News Editor-in-Chief Andrew Goldstein, artnet welcomed Chris Maliwat as chief product officer and Alicia Carbone as vice president of auctions and private sales over the past months. Andrew is a seasoned editor and cultural journalist, a New York Times contributor and former chief digital content officer of the Phaidon-owned Artspace Magazine. Under his direction, the publication became a preeminent source for in-depth coverage of art and the art market. Chris joined artnet from the online eyewear retailer Warby Parker, where he headed product management after holding positions at Facebook, Netflix, and eBay. Alicia was previously director of digital for the Americas at Louis Vuitton, the iconic French luxury fashion house. “This is a testament to the strong and well-recognized brand that artnet has built over the years,” said the CEO.

The 2017 Six-Month Report is available at www.artnet.com/investor-relations/quarterly-reports.

"Since approximately 80% of the company’s revenue is generated in US dollars (USD), revenue reported in euros can be strongly influenced by changes in the euro-USD exchange rate. As a result, developments for each segment are reported in USD.

For more information, please contact ir@artnet.com.

About artnet

artnet is the leading online resource for buying, selling, and researching art online. Founded in 1989, artnet’s suite of industry-leading products has revolutionized the way people collect art today. The Price Database contains over 11 million auction results from more than 1,700 auction houses dating back to 1985, providing an unparalleled level of transparency to the art market. The Gallery Network platform connects leading galleries with collectors from around the world, offering the most comprehensive overview of artworks for sale. artnet Auctions was the first dedicated online marketplace for fine art, providing a seamless and efficient collecting experience for both buyers and sellers. artnet News covers the events, trends, and people shaping the global art market with up-to-the-minute analysis and expert commentary.