artnet Achieves Record Revenue in 2018

Overall Revenue Increased by 4% to $21.6 Million

Ad Space on artnet News in High Demand

Auctions Segment Becomes Profitable

Berlin/New York, March 25, 2019—Berlin-based artnet AG, the leading provider of art market data and online-only fine art auctions, grew overall revenue in the 2018 financial year by 4% to a record $21.6 million, as compared to the previous year. Operating income increased by 122% to $905,000. This growth was driven by a strong performance of the Price Database, increased revenue from Galleries, as well as high demand for advertising space on artnet News.

The Price Database, artnet’s core segment, increased revenue by 3% to a record $7.7 million, thanks to its strong subscriber growth. The database features more than 12.5 million auction results and remains the gold standard of the industry, offering subscribers a highly reliable and accessible way to assess the value of art.

The Galleries segment grew revenue by 4% to $5.4 million and profited from a shift to higher-tier membership plans, in addition to increasing demand for Auction House Partnerships. “We redesigned the gallery profile pages in 2018 to enable galleries to showcase their inventory in a more attractive way,” said Jacob Pabst, CEO of artnet. The new gallery profile pages highlight galleries’ offerings while providing collectors with the most immersive viewing experience possible.

Advertising revenue at artnet News rose by 14% to $3.1 million. The platform has firmly established itself as the art world’s leading online source for exclusive reporting and in-depth commentary. Widely quoted articles has increased pageviews making News a sought-after advertising platform for luxury brands and art-related businesses, from auction houses to shipping companies.

artnet News contributed more than two-thirds to artnet’s overall advertising revenue, which increased by 9% to $4.5 million. “The popularity and global
reach of artnet News has strengthened our brand," said Pabst. Traffic across all artnet sites increased significantly by 18%, as compared to 2017.

artnet Auctions confirmed the strong growth seen in the previous year. Fee-based revenue increased overall by 1% to $4.1 million. Auctions became profitable for the first time since the inception of the platform in 2008. In 2018, there was a strong focus on online-only sales, decreasing the more labor-intensive private sales. Following this shift, the transaction volume for lots offered and sold rose by more than 15%. Online sales provide ample liquidity to the secondary market and liberate art traders from the confinement of the traditional spring or fall auction seasons.

Auctions also shifted its strategic focus to high-quality lots. As a result of this strategy, the average lot price increased by 9% to more than $14,000, accompanied by a surging sell-through rate and several auction records.

For the current 2019 financial year, artnet expects a further increase in overall revenue to a range between $23 million to $24 million. For income from operations, Management predicts an increase to a range between $1 million to $1.5 million.

Overall, artnet is strongly positioned in the art market as a result of its wide-range of superior products and solutions. "The growing popularity of online auctions and the ever-increasing demand for quality information and analysis will further drive our business," said Pabst.

The 2018 Annual Report is available at: artnet.com/investor-relations/annual-reports.

For more information, please contact ir@artnet.com

About artnet
artnet is the leading 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 more than 12.5 million auction results from more than 1,800 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.

artnet AG is listed in the Prime Standard of the Frankfurt Stock Exchange, the segment with the highest transparency standards.

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