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## Alamy Revenue Flat in Q3 Compared to Q2

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Alamy sales for the third quarter of 2009 were flat compared to the second quarter, but were down 30% compared with the third quarter of 2008. U.S. Dollar and Euro sales were up slightly compared to last quarter 2009, but U.K. sales were down about 5%. Sales for the first three quarters of 2009 were down 30% compared to the same period in 2008.

Alamy CEO James West said: "Q3 2009 results reflect what we hope is the bottom of the downturn. It is too early to predict what Q4 will look like, but I can say that September and October numbers have been very reassuring. Until we have more data, however, we're sticking with our earlier forecast of a 15% to 20% decrease on 2008."

**Table 1. Alamy 2009 Revenue in Original Transaction Currency**

Original currency	Revenue (thousands)		
	Q1 2009	Q2 2009	Q3 2009
U.S. Dollars	2,351	2,070	2,109
Euros	565	530	604
British Pounds	1,887	1,795	1,704

Alamy earned a little over \$31 million in 2008 and appears to be on track to earn about \$23 million for 2009. This would mean a 25% decline, unless the company has a very strong fourth quarter.

West also said: "We're working on some exciting investments for 2010, which include further expansion of direct sales teams, some great new search features for customers, new products, new markets and a faster service (we'll have more to say about all this later)."

Table 1 shows Alamy sales in the original transaction currencies of U.S. Dollars, Euros and British Pounds. Table 2 converts the original currencies to U.S. Dollars based on the March 31, June 30 and September 30 exchange rates.

**Table 2. Alamy 2008–2009 Revenue in U.S. Dollars**

Original currency	Revenue (thousands)						
	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
U.S. Dollars	2,626	2,937	2,750	2,390	2,351	2,070	2,109
Euros	1,162	1,225	1,035	1,017	746	745	881
British Pounds	4,146	4,368	4,433	3,091	2,682	2,965	2,713
Total	7,934	8,530	8,218	6,498	5,779	5,780	5,703

The average price of a rights-managed image rose 12% from \$105 in the second quarter to \$118 in the third. The average price of a rights-managed image licensed for editorial use also rose, from \$93 to \$103. While this is an encouraging sign, both of these average prices are about 12% lower than they were in the third quarter of 2008.

Alamy has been trying to make efforts to increase its commercial sales, but that does not seem to be working. In the third quarter of 2007, 26% of Alamy revenue came from commercial licenses, with the remaining 74% coming from editorial licenses. The commercial share has steadily fallen over the last two years and now represents only 17% of the company's business.

Not only is Alamy making fewer commercial sales, it is also obtaining lower prices for such uses as it tries to hold onto this segment of the business. The average price of a license for commercial use was \$289, down 25% from last year's third-quarter average of \$384.

Royalty-free pricing is also sliding. The average price for a royalty-free sale was \$177, down from \$200 and \$242 in the third and second quarters of 2008, respectively.