

Quarterly update

Q1 2024



Highlights for the quarter

Market activity remains high

- Strong order intake of USD 183.0 million, up 11.4% YoY and up 11.7% QoQ
- Order intake is driven largely by positive development in the high throughput and MFC segments, with a large share of orders coming from new customers
- High activity within consumer goods, third-party logistics (3PL) and automotive end markets
- Strong order intake growth in EMEA, driven by several high throughput projects

Solid margin development, despite seasonally low shipments

- Revenue of USD 138.1 million, down 7.4% YoY, as expected, driven by installation timing of projects in the backlog, particularly related to high throughput. Strong sequential growth in the standard segment
- Gross margin of 72.7%, driven by favorable product mix, price optimization and favorable sourcing of raw material
- Adj. EBITDA margin of 45.7% (45.8%)

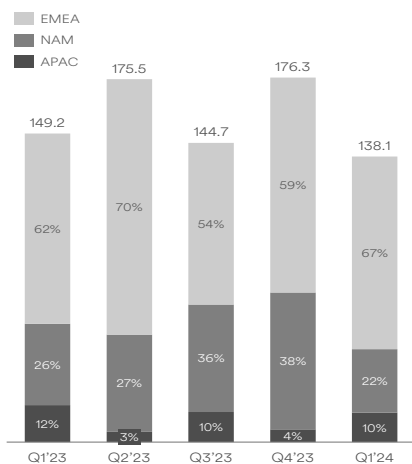
Strong cash flow

- Continued good cash flow development with operating cash flow of USD 53.4 million compared to USD 43.8 million in Q1 2023. Simplified cash flow conversion reduced YoY driven by increased CAPEX

USD million	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23
Revenue	138.1	176.3	144.7	175.5	149.2
Gross profit	100.5	120.7	98.6	118.6	100.1
Gross margin	72.7 %	68.5 %	68.2 %	67.6 %	67.1 %
EBIT	46.2	63.1	61.7	-183.4	45.0
Adjusted EBITDA ¹	63.2	84.4	68.6	87.1	68.3
Adjusted EBITDA margin ¹ (%)	45.7 %	47.9 %	47.4 %	49.6 %	45.8 %
Adjusted EBIT ¹	56.3	78.2	62.3	82.1	64.0
Adjusted EBIT margin ¹ (%)	40.8 %	44.3 %	43.1 %	46.8 %	42.9 %
Simplified free cash flow ^{1,4}	48.7	72.0	54.4	73.8	57.7
Cash flow conversion ^{1,4} (%)	77.0 %	85.3 %	79.3 %	84.7 %	84.4 %
Order intake ²	183.0	163.9	151.7	136.8	164.3

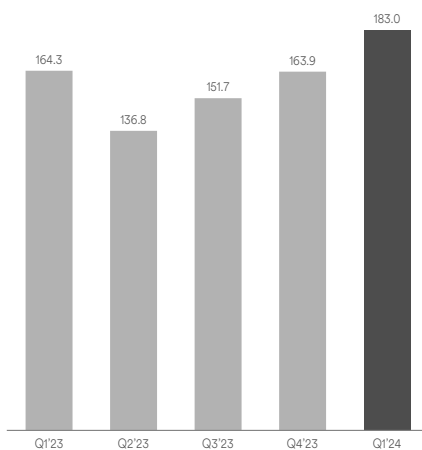
Revenue by region

USD million



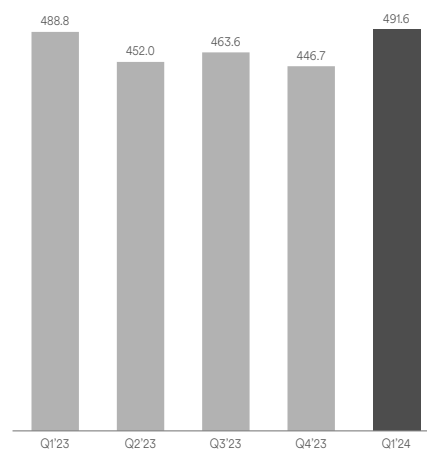
Order intake²

USD million



Order backlog³ development

USD million



¹ Refer to the APM section for further explanations and details on APM measures.

² Order intake is defined as value of projects where a distribution partner has received a purchase order or verbal confirmation that a specific installation will be ordered.

³ Order backlog is defined as the total value of order intake not yet shipped and for which revenue has not yet been recognized.

⁴ Simplified free cash flow is defined as adjusted EBITDA less cash CAPEX. Cash CAPEX used herein is cash flow used in purchase of property, plant and equipment, other intangible assets and development expenditures. Simplified free cash flow conversion is defined as simplified free cash flow divided by adjusted EBITDA.

Letter from the CEO

AutoStore continues to perform well. In Q1 2024, we were pleased to generate USD 183 million of new orders, an 12% increase, and the third consecutive quarter with sequential improvement in order intake. This positive development was driven in particular by significant orders from customers operating in the consumer goods sector and third-party logistics (3PL), in addition to automotive. The orders for high throughput solutions increased materially compared to the previous quarters.

AutoStore's revenues were lower versus the prior year period, with fewer shipments of large high throughput projects in the quarter. This was expected and the result of normal timing issues and distribution of projects deliveries between quarters. Shipments of the smaller standard projects grew significantly compared to Q4 2023. Despite the revenue contraction, our adjusted EBITDA margin was stable compared to the same quarter last year.

Our high gross margin of 73% in Q1 is to some extent affected positively by the high share of software licenses, supported by favorable product mix, price optimization and favorable sourcing of raw material. Our partner-based global go-to-market model allows our team to focus on product excellence and customer ROI. All our products are standardized and, together with a broadened supply and manufacturing base, we consider our margin level to be sustainable in the long run. At the same time, we continue to invest in product and technology development, sales and marketing to further strengthen our market position.

With a significant untapped market potential, AutoStore will continue its disciplined investment in product and technology development, sales and marketing, while focusing on maintaining industry-leading EBITDA margins.

The medium- and long-term market potential for warehouse automation is enormous, and the increased activity we are seeing in the market is encouraging. We know that the investment case for an AutoStore installation remains very strong, and we believe any improvements in the macro-economic outlook to be a catalyst for our customers' decision processes.

The solid start of the year has led to an expansion of our backlog to USD 492 million which, combined with our healthy pipeline and rich roadmap for product development, represents a solid foundation for revenue growth in 2024.



Mats Hovland Vikse
Mats Hovland Vikse,
CEO



Financial developments²

Results for the period

AutoStore reported total revenue of USD 138.1 million in the first quarter of 2024 (149.2), down 7.4% YoY, which was expected – driven by installation timing of projects in the backlog, particularly related to high throughput, with strong sequential growth in the standard segment.

Cost of materials amounted to USD 37.6 million (49.1). The gross profit was USD 100.5 million (100.1), while the margin increased by 5.6 pp. YoY to 72.7%. The increase in gross margin was primarily a result of favorable product mix in this quarter with relatively high share of software license revenue, price optimization and favorable sourcing of raw material.

Employee benefit expenses amounted to USD 20.1 million, compared to the previous year's figure of USD 20.6 million. Excluding the adjusting item for management option costs¹ of USD -0.3 million (3.2), employee benefit expenses increased by USD 3.1 million from the corresponding period last year. The increase was primarily a result of increased headcount related to R&D and sales functions.

Operating expenses amounted to USD 17.3 million (19.8). Excluding the adjusting item for costs connected with the Ocado settlement¹ of USD 0.4 million (5.4), operating expenses increased by USD 2.5 million YoY. The increase in other operating expenses was mainly driven by continued operational expansion.

EBITDA¹ totaled USD 63.1 million (59.7), which corresponded to an EBITDA margin of 45.7% (40.0%). Adjusted EBITDA¹ and the adjusted EBITDA margin¹ were USD 63.2 million (68.3) and 45.7% (45.8%), respectively.

AutoStore reported USD 3.3 million (2.2) in depreciation of tangible assets and leases and USD 13.6 million (12.5) in amortization of intangible assets. Amortization of intangible assets relates primarily to the purchase price allocation made when Thomas H. Lee Partners (THL) acquired the group in 2019.

EBIT¹ was USD 46.2 million (45.0), while adjusted EBIT¹ totaled USD 56.3 million (64.0).

Finance income in the period was USD 2.0 million (3.8), while finance cost was USD 21.9 million (23.2).

The profit before tax was USD 26.3 million (25.6), which resulted in a tax expense of USD 5.7 million (5.7). The profit after tax was USD 20.6 million (19.9).

Cash flow

AutoStore generated a positive cash flow of USD 53.4 million (43.8) from operating activities in the first quarter of 2024. Both periods were impacted by the positive EBITDA contribution. Changes in working capital in the period were primarily affected by a decrease in trade receivables, offset by increased inventory levels as planned and cash outflow related to settlement with Ocado Group. The previous period was impacted by payments for tax withholdings and social security tax linked to the management option program, alongside transaction costs associated with the IPO.

Cash flow from investing activities amounted to USD -12.5 million (-6.9). The cash outflows comprised of USD 14.5 million (10.7) from purchases of property, plant and equipment and intangible assets. The increase in cash outflows from investing activities supports the group's long-term development plans.

Cash outflow from financing activities was USD 10.9 million (10.6). The cash outflows primarily consisted of interest amounting to USD 8.2 million (9.6), related to the group's interest-bearing debt and interest on overdrafts.

The group held USD 279.9 million in cash as of 31 March 2024, up from USD 253.3 million as of 31 December 2023 and USD 204.5 million as of 31 March 2023.

Financial position

The group's total assets as of 31 March 2024 were USD 2,053.4 million, down from USD 2,131.8 million as of 31 December 2023. The reduction was mainly attributable to the decrease in goodwill and intangible assets, which mainly stemmed from currency translation effects.

Current assets increased from USD 489.3 million as of 31 December 2023 to USD 507.3 million as of 31 March 2024. The increase was mainly attributable to an increase in the cash reserve and inventory holdings. Trade receivables and other receivables ended at USD 97.9 million (110.7) and USD 36.7 million (42.4), respectively.

Equity decreased from USD 1,274.9 million as of 31 December 2023 to USD 1,223.1 million as of 31 March 2024. Equity was impacted by the positive result in the period, offset by translation effects of USD 72.8 million resulting from converting the financial results and positions of subsidiaries and the parent company from other currencies into USD.

Total non-current liabilities reduced to USD 600.3 million (637.1) as of 31 March 2024. The decrease was primarily explained by the reduction in other non-current liabilities from USD 57.0 million to USD 28.4 million due to the settlement with Ocado Group.

Current liabilities increased to USD 229.9 million (219.7) as of 31 March 2024. Current liabilities related to the settlement with Ocado Group amounted to USD 120.3 million as of 31 March 2024 (USD 120.8 million as of 31 December 2023).

¹ Refer to the APM section for further explanations and details on APM measures.

² All subsequent numbers in parentheses refer to comparative figures for the same period last year, except for balance sheet items ("Financial position").

Outlook

AutoStore continues to see improved order intake, and high market activity measured by an increased order backlog and healthy pipeline, underpinning further growth in 2024. At the same time, in this environment, it is challenging to predict accurately the time it takes to move opportunities through the pipeline to order intake and, ultimately, to revenue. The quality of the backlog remains high, providing a strong foundation for future growth.

AutoStore remains highly confident in the significant potential of the warehouse automation market driven by long-term secular trends of e-commerce and rising labor costs making automated solutions increasingly necessary across industries. Market penetration remains low, and AutoStore's platform for growing and capturing market share remains firm, based on the company's strong competitive position, leading product portfolio, efficient operating model, and broad market reach.

Appendices

This report presents the financial results for AutoStore Holdings Ltd. for the first quarter of 2024. The same measurement principles as presented in the Annual Report for 2023 have been used when preparing this quarter's presented results. The report does not meet the requirements of IAS 34 Interim Financial Reporting and the figures are unaudited.

Interim condensed consolidated statement of profit/loss for the period

USD million	First quarter		Year
	2024	2023	2023
Revenue and other operating income	138.1	149.2	645.7
Total revenue and other operating income	138.1	149.2	645.7
Cost of materials	-37.6	-49.1	-207.6
Employee benefit expenses	-20.1	-20.6	-79.1
Other operating expenses	-17.3	-19.8	-310.4
Depreciation	-3.3	-2.2	-10.6
Amortization of intangible assets	-13.6	-12.5	-51.5
Operating profit/loss	46.2	45.0	-13.6
Finance income ¹	2.0	3.8	10.4
Finance costs ¹	-21.9	-23.2	-43.1
Profit/loss before tax	26.3	25.6	-46.3
Income tax expense/benefit	-5.7	-5.7	13.7
Profit/loss for the period	20.6	19.9	-32.6

¹Foreign exchange currency gain/loss are presented net.

Interim condensed consolidated statement of financial position

<i>USD million</i>	31 March 2024	31 December 2023
ASSETS		
Non-current assets		
Property, plant and equipment	32.2	30.2
Right-of-use assets	47.5	50.8
Goodwill	999.5	1,061.9
Intangible assets	460.5	492.0
Deferred tax assets	4.9	5.7
Other non-current assets	1.5	1.9
Total non-current assets	1,546.1	1,642.5
Current assets		
Inventories	92.9	82.9
Trade receivables	97.9	110.7
Other receivables	36.7	42.4
Cash and cash equivalents	279.9	253.3
Total current assets	507.3	489.3
TOTAL ASSETS	2,053.4	2,131.8
EQUITY AND LIABILITIES		
Equity		
Share capital	34.3	34.3
Share premium	1,154.6	1,154.6
Treasury shares	-0.7	-0.7
Other equity	35.0	86.8
Total equity	1,223.1	1,274.9
Non-current liabilities		
Non-current interest-bearing liabilities	427.6	432.8
Other non-current liabilities	28.4	57.0
Non-current lease liabilities	45.3	47.8
Deferred tax liabilities	95.5	96.7
Non-current provisions	3.6	2.9
Total non-current liabilities	600.3	637.1
Current liabilities		
Trade and other payables	45.6	46.5
Other current liabilities	148.0	138.9
Lease liabilities	9.8	10.0
Income tax payable	6.1	7.4
Provisions	20.4	16.9
Total current liabilities	229.9	219.7
Total liabilities	830.2	856.8
TOTAL EQUITY AND LIABILITIES	2,053.4	2,131.8

Interim condensed consolidated statement of cash flow

USD million	First quarter		Year
	2024	2023	2023
Cash flow from operating activities			
Profit/loss before tax	26.3	25.6	-46.3
Adjustments to reconcile profit/loss before tax to net cash flow:			
Depreciation and amortization	16.9	14.7	62.1
Share-based payment expense	0.4	0.3	1.5
Finance income	-2.0	-3.8	-10.4
Finance costs	21.9	23.2	43.1
Working capital adjustments:			
Changes in inventories	-10.0	3.1	0.6
Changes in trade and other receivables	19.0	-20.8	-23.8
Changes in trade and other payables	-0.8	-10.8	-5.0
Changes in provisions and other current liabilities	-16.5	19.0	159.7
Other items			
Tax paid	-1.7	-6.7	-29.1
Net cash flow from operating activities	53.4	43.8	152.5
Cash flow from investing activities			
Purchase of property, plant and equipment	-4.1	-3.0	-15.5
Purchase of intangible assets ¹	-2.5	-0.9	-6.7
Development expenditures	-7.9	-6.8	-29.5
Interest received	2.0	3.8	8.4
Net cash flow from investing activities	-12.5	-6.9	-43.2
Cash flow from financing activities			
Proceeds from sale of treasury shares	-	0.1	1.8
Payments of principal for the lease liability	-1.8	-0.6	-4.7
Payments of interest for the lease liability	-0.8	-0.5	-2.8
Interest paid	-8.2	-9.6	-31.0
Net cash flow from financing activities	-10.9	-10.6	-36.8
Net change in cash and cash equivalents	30.0	26.3	72.5
Effect of change in exchange rate	-3.4	3.4	6.0
Cash and cash equivalents, beginning of period	253.3	174.8	174.8
Cash and cash equivalents, end of period	279.9	204.5	253.3

¹ Was earlier presented as development expenditures.

Alternative Performance Measures (APMs)

To enhance investors' understanding of the company's performance, AutoStore presents certain alternative performance measures (APMs) as defined by the European Securities and Markets Authority ("ESMA") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

For more information on the descriptions and definitions of the APMs used in this report, reference is made to the Annual Report of 2023.

Adjusted EBITDA

USD million	First quarter		Year
	2024	2023	2023
Profit/loss for the period	20.6	19.9	-32.6
Income tax expense/benefit	5.7	5.7	-13.7
Net financial items	19.9	19.4	32.7
EBIT	46.2	45.0	-13.6
Depreciation	3.3	2.2	10.6
Amortization of intangible assets	13.6	12.5	51.5
EBITDA	63.1	59.7	48.5
Ocado Group litigation costs	0.4	5.4	252.6
Option costs	-0.3	3.2	7.4
Total adjustments	0.1	8.7	260.0
Adjusted EBITDA	63.2	68.3	308.5
Total revenue and other operating income	138.1	149.2	645.7
EBITDA margin	45.7 %	40.0 %	7.5 %
Adjusted EBITDA margin	45.7 %	45.8 %	47.8 %

Adjusted EBIT

USD million	First quarter		Year
	2024	2024	2023
EBIT	46.2	45.0	-13.6
Ocado Group litigation costs	0.4	5.4	252.6
Option costs	-0.3	3.2	7.4
PPA amortizations	10.1	10.3	40.2
Total adjustments	10.1	19.0	300.2
Adjusted EBIT	56.3	64.0	286.5
Total revenue and other operating income	138.1	149.2	645.7
EBIT margin	33.5 %	30.1 %	-2.1 %
Adjusted EBIT margin	40.8 %	42.9 %	44.4 %

Ocado Group litigation costs

These comprise costs incurred in connection with the Ocado Group litigation, i.e. costs linked to the company's use of external legal counsel and costs related to settlement of all claims between the parties. Adjustments only cover the litigation with Ocado Group. The company has assessed the adjustment item to be outside the normal course of the company's business, based on historical events.

Option costs

These comprise costs incurred in connection with the management stock option program initiated in 2019. The expenses are due to vesting and change in social security tax as a consequence of the development in the value of the underlying shares. The company has deemed these costs to constitute a special item in terms of their nature and size.

PPA amortizations

These represent amortization of assets recognized as part of the purchase price allocation made when Thomas H. Lee Partners acquired the group from EQT in 2019. The company has deemed the transaction to constitute a special item, as it resulted from a change of ownership structure and hence no acquisitions were made by the company itself. No adjustments are made for PPA amortizations resulting from acquisitions through the company.

AutoStore Holdings Ltd.

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Investor Relations

info.ir@autostoresystem.com

+47 527 63 500

Stokkastrandvegen 85,

N-5578 Nedre Vats, Norway

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on autostoresystem.com