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AutoStore Holdings Ltd. (AUTO.NO)

Q2 2023 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

Good morning, and welcome to AutoStore's Q2 2023 Presentation. My name is Hiva Flåskjer, and I'm the Investor Relations Officer at AutoStore. And I'm pleased to host our presentation today from Oslo, Norway. I'm joined by members of our executive team, including Mats Hovland Vikse, AutoStore's CEO; and Bent Skisaker, AutoStore's CFO. I would like to remind you all of our disclaimer with regards to forward-looking statements, which you can read in your own time and leisure.

Moving on to the agenda. Mats and Bent will provide an update on the business and discuss the second quarter results. As a reminder, all financials are stated in US dollars. The management discussion will be followed by a Q&A session with our participants joining from the earnings call, as well as the webcast. For webcast participants, please submit your questions at any time. We will conclude the session today with some final remarks from our CEO, Mats Hovland Vikse.

With that, I'll hand over the word to Mats.

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

Thank you, Hiva. So, as you can see on this page, the team has delivered yet another solid quarter. In the second quarter of 2023, we achieved all-time high revenue of \$176 million, which is up 18% compared to the first quarter and 6% from Q2 of last year. Our gross margins grew to 68%, representing an increase of 11 percentage points versus Q2 of 2022 and 13 points compared to a low point in Q3 of last year. This quarter, we're also delivering an EBITDA margin of around 50%, which represents a return to the industry-leading levels that we've had historically. On the order intake side, we achieved \$137 million, which is taking our backlog to \$452 million, which provides good visibility for our 2023 target.

On the operational highlights, in the quarter, we opened a new office in Ulm in Germany, which is located in the heart of the strategically important DACH region. With this new AutoStore location, we aim to get even closer to our partners and customers.

Also, in July, we reached a complete settlement of all the claims between AutoStore and Ocado, and we're very pleased with this agreement. It resolves our differences and allows us to continue on our respective business goals. For more information about the accounting treatment of this settlement, you can see that in our Q2 report.

Moving on, let's take a step back and look at some of our unique attributes and a snapshot of our accomplishments in numbers. To-date, we've sold more than 1,250 systems and over 58,000 robots in 50 countries. This is a scale and reach which is unlike any other player in the industry, spanning all key geographies, virtually all end markets, across all system types. We have an efficient go-to-market model where we sell through a network of now 23 distribution partners with more than 2,000 representatives. We have a scaled global platform with now more than 900 unique end customers.

And our lean business model has resulted in a superior financial profile with high growth, 50% CAGR since 2010, and around 80% annual growth the last two years. We have high EBITDA margins of around 50% in recent years and high cash conversion of 85%. Our sales has also continued to be strong with existing customers, and still around 50% of sales are to already existing customers through new sites, extensions, and subscription fees.

And all of this, the growth, margins, the market access, and the scalability we have is enabled by our business model. We have a winning product that's built on proprietary technology, developed over 20 years that produces high throughput at low cost at an average 99.7% uptime, which is best in class. Our solution is completely standardized and modular, which means that you can design it in any shape, form, or throughput that you'd like. You can start small and expand as you go, which also means that we address everything from SMEs to large caps. And you can see that in our numbers as well. Revenue per system ranges from a couple of hundred thousand to tens of millions. And this, together with our global model where we sell through partners, gives us unique market reach across geographies, end markets, and system types.

Also, as I mentioned, we have a large portfolio of 900 unique customers. This customer base has grown 50% the last two years. And when we look back at historical data, we see that 70% of our customers has come back and bought additional product compared to their first sale. So, if you look at it, it's really the combination of all of these elements that enables us to scale like no other and what drives our industry-leading margins. And as you'll see on this page here, this is also what the track record tells us. We have generated a sales CAGR of more than 50% since 2017. And as you can see from the graph, some years with higher growth than others. During the period, we have outgrown the market by 2 to 3 times.

But we've not only been able to deliver high revenue growth, we've also done this with industry-leading profitability. In 2022, our margins were under pressure, primarily due to higher grade costs, and we implemented actions on both pricing and sourcing, which has in turn yielded strong margin improvements. And as you can see, we're now back to industry-leading EBITDA margin levels of around 50%.

For the market overall, industry research suggests that the market will be down around 7% to 8% in 2023. And with that in mind, our target of 20% to 30% growth just underpins our strong competitive position and the value proposition we offer to our customers, it underpins our market reach, and that we continue to gain market share. And while things are more uncertain in today's global economy, this is a market driven by secular megatrends,

and the long term potential and the attractiveness of the market remains intact. Looking at research, the market is still expected to grow at around 15% in the medium to long term.

So, let's now move to order intake and backlog. Over the course of the past few quarters, we have discussed the order conversion impact from a more uncertain macroeconomic environment. During the second quarter, we were more impacted by those trends than earlier. Topics like inflation and interest rates, which you all are very, very well aware of, impact the market dynamics. And as we just discussed, the warehouse automation market in 2023 is expected to be down 7% to 8%. And our order intake of \$137 million should be seen in light of that.

And maybe to give you some examples of what our customers are communicating to us, we have those that say that it's just difficult to access traditional ways of funding, while others have access to funding, but are more disciplined and careful with deploying capital in this environment. And while we don't see any clear pattern, it is more evident among retail and e-commerce customers, and we see more of this in Europe than what we see in US and APAC.

In terms of the decision-making process itself, we see that more customers now need to get board approval, while historically, we could see that the decision would typically be made by operational-level managers within the organization. So, ultimately, all of these factors are causing the lower order conversion in the short term. But at the same time, we continue to see that the top of the funnel is developing strongly. We see an overall high level of activity when measured in numbers of opportunities, as well as the amount of offers that we issue across our network. And our pipeline continue to grow in the second quarter.

To give an example here as well, so we are seeing that many are using this period to reassess their fulfillment and supply chain strategies. For instance, many customers that we are working with are now spending a lot of time reviewing their fulfillment network and planning for the future. They're clear that this is an area that they will continue to invest in. And for us, I think the fact that they are now pausing a bit has been an opportunity to come in and be thoroughly evaluated against the alternatives that they've used today, something that overall is favorable for us given our strong value proposition and high win rates.

Moving on, our order backlog of \$452 million gives us good revenue visibility for the balance of the year and puts us in a good position relative to our 2023 growth target. It is, however, worth noting that due to the project nature of our business and given customer project delivery schedules, we expect that the revenue distribution for the second half will be softer in Q3 and stronger in Q4. And currently, we're tracking more towards the lower end of our guidance.

Moving then to our customer portfolio, which today count roughly 900 unique customers globally, we have included a small selection of them here on this page. And what I would like to emphasize is our exposure to a wide range of end markets. We support e-commerce and omni-channel fulfillment across different end markets. And in addition, we serve end markets like industrials, automotive, health care, and we even just released a new case study where AutoStore is implemented in a library. So, as we say in AutoStore, as long as your product fit inside our bin, we should be a good solution.

And before I hand the word over to Bent, I would like to play a short video of one of our recent customer wins, which is Kesko in Finland. They just recently installed a grocery MFC system in a shopping mall.

[Video Presentation] (00:11:10 -00:13:37)

Bent M. Skisaker*Chief Financial Officer, AutoStore Holdings Ltd.*

Thank you, Mats. So, next, let's look at the financial highlights on page 13. As Mats already stated, we delivered another strong quarter. We delivered all-time high revenue of \$176 million, 68% gross margin, and 50% adjusted EBITDA margin. So, we are back to industry-leading and historical margin levels. Further, we delivered 85% cash conversion, \$137 million of order intake, and we end on an order backlog of \$452 million.

On the next slides, I will go into more details on the key financials. So, as I already said, we reported all-time high revenue of \$176 million in the second quarter of 2023, up by 18% compared to the first quarter this year and by 6% compared to the second quarter last year. We had good diversification across a wide range of end markets. I would particularly call out 3PL, apparel and sports, and grocery; which, in total, represents around 50% of our revenues.

On the right-hand side here, it shows the geographical split. And here, we see that revenues in the EMEA region increased to \$123 million, up by 29% year-on-year. While EMEA continues to represent the majority of our revenues, we see that revenue in the APAC region increased, although from a low base by 15% year-on-year to \$5 million. North America is down versus the corresponding quarter last year. However, it is up versus last quarter, and the order intake supports continued growth.

Moving from revenues to gross profit and adjusted EBITDA. On the left side of this slide, you see that Q2 gross profit ended at \$119 million, up by 27% versus the same quarter in 2022. This corresponds to a gross margin of 68% in the second quarter. In line with what we have emphasized in previous quarters, our gross margin has gradually improved over time. Over the past three quarters, we have seen a substantial sequential improvement. This has been driven by the successful execution of our strategic pricing actions and reduced grid costs.

So, let's now look at adjusted EBITDA on the right-hand side here, which is very strong. Adjusted EBITDA was \$87 million in the second quarter, representing an EBITDA margin of 50%. This represents a margin improvement of 8 percentage points versus the corresponding period last year.

As we previously discussed, given the project-based nature of our business, we have some variety in quarterly revenue distribution. Consequently, margins can also fluctuate from one quarter to another. However, as Mats addressed earlier, our lean business model is designed to enable high margins and operating leverage as revenue grows.

Before I hand over the word to Mats, I want to remind you that adjusted EBITDA is an important supplemental measure to give our investors the overall picture of operating profit generation. You can find the breakdown of adjusted EBITDA in the appendix section to this presentation. The meaningful adjustment for this quarter is obviously the Ocado settlement. The settlement amount is £200 million, and it will be paid over two years. The equivalent amount in US dollars is \$239 million, which has been adjusted for the time value of money. The preliminary assessment is that the settlement is tax deductible in 2023.

For more information, please see the note section 5.2 and 5.3 in the board of directors' report. You can also find additional information on adjusted EBITDA as part of the APM section in the financial report on page 25, 26, and 27. For the full P&L, balance sheet, and cash flow statements, please also see the mentioned board of directors' report, which was released at 6:00 CET this morning. The board of directors' report provides an in-depth discussion of the consolidated IFRS accounts.

So, with this, I give the stage back to you, Mats, and you will walk us through the outlook.

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

So, as we have presented today, we operate in a market that's still in its early stages of development. And even though more and more warehouses are automated, only about 15% to 20% of the market is automated today, leaving plenty of space for growth. The secular drivers of automation and the business case for investing in AutoStore remain very strong. And on top of that, we have a well-defined strategy that will continue to drive growth for us going forward, and we're progressing well on our strategic initiatives.

Now, to the growth outlook, which remains unchanged. We reiterate our growth target for 2023. We have a solid backlog, which gives us good visibility. On top of that, we continue to see long-term growth in the market at around 15%, and we have a strong confidence in our ability to grow 2 to 3 times that market. There will be variability year-over-year as the historical numbers also show, but the growth potential here is huge.

So, I want to end this session by calling out some key points. First, we are the pioneer and global leader of cubic storage. The global warehouse automation market is massive and growing, and we are able to serve applications across all types of end markets, system types, and geographies. We have a market-leading technology and a proven growth strategy with an efficient and scalable go-to-market model, where we are driving growth across all of these different applications. And last, we have a long track record of delivering strong revenue growth at high margins. And for all of these reasons, we at AutoStore are both proud of what we have achieved and what we are achieving in the current market conditions, and we're very excited and optimistic about our future.

So, thank you for participating this morning. And with this, I'll hand over the meeting and webcast to Hiva, who will take us through the Q&A.

Hiva Flåskjer*Vice President-Investor Relations, AutoStore Holdings Ltd.*

Thank you, Mats. Let's start with the participants on the earnings call. Operator, can you please open the line for any questions?

QUESTION AND ANSWER SECTION

Operator: Yes, will do. [Operator Instructions] The first question will be from the line of Toby Ogg from JPMorgan. Please go ahead. Your line now will be unmuted.

Toby Ogg

Analyst, JPMorgan Securities Plc

Q

[audio gap] (00:21:58-00:22:03) from my side. Just firstly on the macro environment and the greater impact there in Q2, you mentioned, Mats, the inflation and interest rate environment there as drivers, but I guess these have been issues for a while now. So, why in Q2 do you think this is materialized specifically, incrementally? And then just in terms of the sort of look-forward, what's your core assumption for the – how the macro evolves for the remainder of the year? Thank you.

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

A

Well, the first one, I think as we've said over the last couple of quarters, we have the volume of projects, but the uncertainty sits around conversion. So, the overall sentiment and the overall situation in the market has been largely the same in Q2 as in the previous quarters. But because of the conversion uncertainty, the range of outcomes can become quite broad. So, in this quarter, it ended on the lower end for us simply because of that.

When it comes to our assumptions on the macro situation going forward, I don't think we're in a position to speculate on how the global macroeconomic environment will develop. But what we do know is that our market is driven by secular trends that will persist even in these – even through such challenging environments. And we have a product and a position that puts us in a very good spot to grow through that.

Toby Ogg

Analyst, JPMorgan Securities Plc

Q

Great. Thank you.

Operator: Thank you, Toby. The next question will be from the line of Eirik Rafdal from Carnegie. Please go ahead. Your line now will be unmuted.

Eirik Rafdal

Analyst, Carnegie AS

Q

Yes. Hi, team. Eirik from Carnegie here. Thank you for taking my questions. I've also got a couple. I think if we start big picture, Mats, in your opening remarks, in the report, you talked about overall high activity levels in terms of opportunities, pipeline, et cetera. Would you be able to quantify the evolution of the pipeline or give some sort of indication on roughly how much it is up year-over-year?

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

A

So, we report pipeline once a year, as we will also continue to do going forward. And last year, we grew by 25%. What we can say is that we've seen it grow meaningfully also in 2023.

Eirik Rafdal*Analyst, Carnegie AS*

Q

Okay. Perfect. Thank you. And over to the Ocado settlement as well, which was mentioned now, I was wondering, were there any specific customers who were kind of pushing you to have this settled before they could fully commit to using the AutoStore system? Or is this kind of fully an internal decision to opt for this now?

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

As I've said previously, over time, the litigation has not been a big topic with customers. And the reason why we got to this settlement is because it was right for the company and it enables us to focus on the go-forward growth of our business. We've always said that if we can come to a settlement that is good for us, we'll do that, and that is exactly what happened.

Eirik Rafdal*Analyst, Carnegie AS*

Q

Perfect. Thank you. And just one final one from me before I'll jump back in the queue. On kind of current trading, we're halfway through Q3. Could you say anything about the [ph] momentum (00:25:36) so far in the quarter? You mentioned that [indiscernible] (00:25:38) kind of the low end on conversion rate in Q2. Could you give any indications on kind of where we are now that we're halfway through Q3?

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

So, Q3 has started similarly as the previous couple of quarters. And what we see is that we still have the volume of opportunities in Q3 and for the second half, and then it comes down to conversion at the end of the day.

Eirik Rafdal*Analyst, Carnegie AS*

Q

Perfect. Thank you for taking my questions.

Operator: Thank you, Eirik. The next question will be from the line of Lucas Ferhani from Jefferies. Please go ahead. Your line now will be unmuted.

Lucas Ferhani*Analyst, Jefferies International Ltd.*

Q

Hey. Good morning. Thank you. Just to come back on the kind of conversion and [indiscernible] (00:26:25) picture, do you still expect Q2 to be at least the weakest in terms of the order intake and potentially to see a better H2 than H1 overall, or it's too unclear to kind of say?

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

As I mentioned, we've seen the pipeline grow and we see that the amount of projects that we expect to get to a decision in second half is big and growing. And as I said, then it comes down to conversion of those. But the volume of projects is absolutely there for the second half.

Lucas Ferhani*Analyst, Jefferies International Ltd.*

Q

Okay. Thank you. And just on the margin as well, so back to kind of where you wanted to be and where you were historically, can you discuss what's happening with the aluminum surcharge? Is it something that is still in the [ph] card (00:27:15) or it's something that you want to phase out?

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

So, we are always evaluating the price levels and the price strategy. Yes, we are back to a historical level on the margin side. But at the end of the day, the pricing of our system also boils down to our competitiveness in the market. What we see is that we are maintaining our very high win rates and we are in a very strong competitive situation, both against competitors, but also for the business case for the end customer. So, going forward, as we always have been, we will evaluate the pricing. And I think the way to look at the surcharge is that it's part of the total system price.

Lucas Ferhani*Analyst, Jefferies International Ltd.*

Q

Perfect. And the last point, just on the litigation. Firstly, just wanted to confirm the [indiscernible] (00:28:06) your ability to sell, the Black Line has not [indiscernible] (00:28:10) versus kind of previously to the litigation. And also, the payment is final and there are no current payments potentially in the future or any royalties [ph] visited (00:28:22) the last kind of cash outflow regarding this.

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

Part of the settlement is that we can continue to sell all existing products with all existing functionality, and B1 is a part of that. But as I've mentioned previously, we see that most of our demand is linked to the Red Line system because that is what provides the strongest customer ROI, and we expect that to continue also going forward. And as we announced, the settlement payment is £200 million, and that is the payment.

Lucas Ferhani*Analyst, Jefferies International Ltd.*

Q

Perfect. Thank you.

Operator: Thank you, Lucas. [Operator Instructions] The next question will be from the line of Emilie from DNB. Please go ahead. Your line now will be unmuted.

Emilie Krutnes Engen*Analyst, DNB Bank ASA*

Q

Hi. Good morning. Thank you for taking my questions. First, a bit on the order intake and the visibility for 2024. In the same quarter last year, you provided an early guidance for next year. What is the visibility for 2024? And has this changed compared to last year?

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

So, the reason why we were able to provide guidance as early as we did last year was because we had exceptionally long lead times. If you look historically, when we've had the lead times that we have at present, we have not started to build next year backlog until the second half of the year. And with current lead times, that is also the expectations here. We already have some backlog for 2024 because of our exposure to the high throughput segment, which naturally has longer project duration times, but it's first now in second half that we start to build backlog and comfort for 2024.

Emilie Krutnes Engen*Analyst, DNB Bank ASA*

Q

Perfect. Thank you very much. And for the different type of solutions, what kind of revenue share are you seeing from MFC and high throughput solution? And specifically for the MFC solution, how is this segment evolving? Are there any particular geographies or customer segments where you're seeing particular traction? And any gaps in terms of your capabilities and your solution that you need to further invest in or develop?

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

So, to start in a high level on the system types, for this quarter on the order intake, the majority was actually in the standard segment, which is positive from a volume standpoint. Seeing in a bit longer lines, we're seeing that high throughput is what is taking the highest relative share of our revenue. And that's growing a lot, which is a hugely attractive market, whilst MFC continues to stay on around 10% of our business. What we're seeing more broadly overall is that MFC as a fulfillment concept is still high on the agenda with retailers, and we are discussing with companies in the grocery sector, but also outside of the grocery sector. So, we expect it to be an attractive market going forward as well.

In terms of capability gaps, we have now installed the first pilot on frozen, and that's functioning very well, and we will continue to develop in that area. But with the scalability of our system, and especially with the flexibility and space efficiency that inherently sits within our system, we have a very good solution for that segment.

Emilie Krutnes Engen*Analyst, DNB Bank ASA*

Q

Thank you. That's helpful.

Operator: Thank you, Emilie. As there are no more questions in this call, I'll hand it back to the speakers for any written questions.

Hiva Flåskjer*Vice President-Investor Relations, AutoStore Holdings Ltd.*

A

Thank you, operator. We do actually have some questions from the webcast participants. And the first one is, can you please elaborate a bit on the margin implications in the order intake? Will somewhat weaker markets put pressure on margins? Or should we think about 7% gross margin, 50% adjusted EBITDA margin? Also, if orders doesn't pick up in the near term.

Mats Hovland Vikse*Chief Executive Officer, AutoStore Holdings Ltd.*

A

So, on the gross margin side, our margins are relatively stable because we sell standardized products at a fixed price. There can be variability quarter-over-quarter driven by product mix, but we are not providing meaningful discounts or have changed our pricing strategy in light of the current market situation.

In terms of EBITDA margins, we have a relatively stable OpEx space, but we do continue to invest in the business, particularly in sales and R&D. But, of course, mathematically, from a margin perspective, that is also impacted by the top line.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

A

Thank you. Moving on to the next question. Does the litigation settlement provide you from developing and selling robots which lift the bin into the body of the robot itself?

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

A

No. So, the B1, which currently has that lifting strategy, we are perfectly fine to use also going forward. The restriction sits on the Single Space Robot, which is a robot that we don't have in our portfolio today and it's not part of our go-forward technology plans.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

A

So, sticking to the topic of the Ocado settlement, during the IPO process, you stated that Ocado claims were not well-founded and were unlikely to result in a significant economic loss. What went wrong?

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

A

So, what we've said is that this doesn't have any business impact on AutoStore, and we are still comfortable with those statements. As litigations has moved on, it has not gone in our favor, which we've also talked about previously. But as we've said from the start, if we can come to an agreement that is positive for us, we'll do that, and that is exactly what has happened.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

A

A follow-up on that. Two questions on the Ocado settlement. The first one is, the release stated you agreed to a cross license of each other's pre-2020 patents. Are there any patents your current product uses for which there is no cross license agreement, i.e., patents post-2020? And what would be the implications? And the second question is regarding the Single Space Robot, which Hiva already answered, I believe.

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

A

So, on the first one, we can continue to use all existing products and all existing functionality as part of this settlement agreement.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

A

Moving on to our next question. Do you think conversion rates can return to previous levels? Or are you structurally lower because of improvement of project from the board?

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

A

So, I think conversion levels is tied to things like confidence in the market and overall macroeconomic situation. Is there anything structurally that is keeping us from returning to historical conversion rates? No. Do we expect it to go back? Yes. This market is driven by secular trends that will persist also through a challenging macroeconomic environment, and this market is still expected to grow at very high rates in the long term.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

A

So, another Ocado-related question, Mats. Can you comment on the importance of the patent – of patents in the light of the settlement with Ocado?

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

A

So, patent is still an important part of how we're protecting our technology, but it's not the one important thing alone. First of all, we are continuously developing our product, as we've done for 20 years, and we have a very strong customer base with 900 unique customers across 1,250 installations, and we have a very strong go to market that provides us with access and protection across. Remember, the Ocado situation was about a handful of patents. And, in total, we have 1,600 patents and patent applications that is protecting a broad area of our technology and our products.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

A

Thank you. Now a question for Bent. Your receivable days in Q2 2023 were up year-over-year. However, the portion of revenue derived from the regions with lower payment terms have declined to 30% of sales in the period from 42% a year ago. What explains the increase in receivable days?

Bent M. Skisaker

Chief Financial Officer, AutoStore Holdings Ltd.

A

The level of receivables is, of course, related to the general revenue level, but it's also very much related to the invoicing time. So, this fluctuation can be explained by later invoices in the quarter. So, that's a natural fluctuation.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

A

Thank you, Bent, and thank you, Mats. I think, from the webcast, we have gone through all questions. Are there any other questions with you, operator?

Operator: There are still no more questions, so I'll just hand it straight back to you.

Hiva Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

Thank you. Mats?

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

Thank you. So, I'll end the meeting today with two key takeaways. One is that we continue to execute on our strategic growth plan, and through that, improving market access and growing our pipeline. And through that, and for all the reasons discussed today, we remain confident in our ability to continue to deliver strong, profitable growth.

So, thanks...

[Abrupt End]

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