



Third Quarter 2022

Financial Results | 10 November 2022



Agenda

01

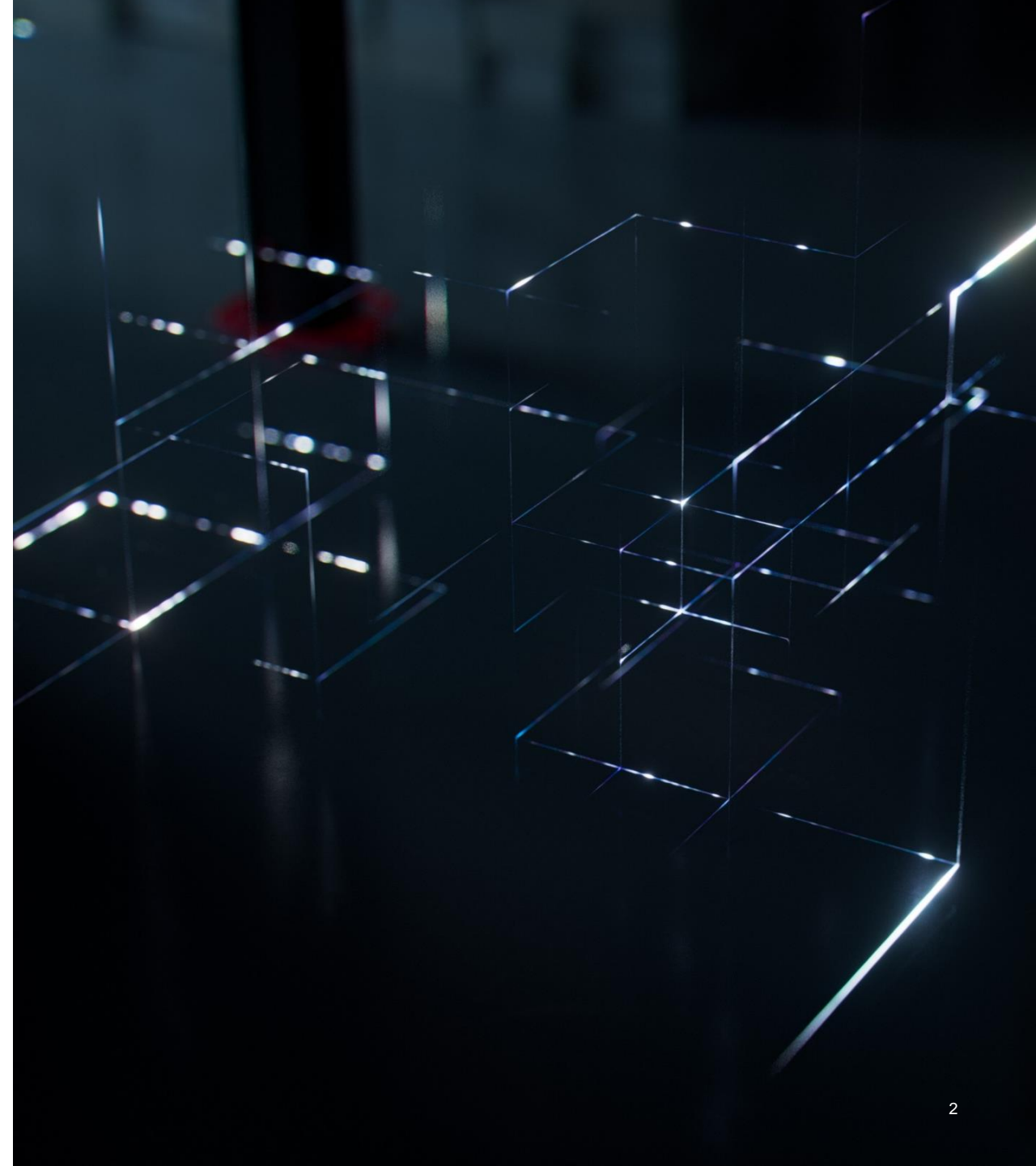
Highlights
of the
quarter &
business
update

02

Financials

03

Outlook
& Q&A



Q3 2022 highlights

Executing on growth strategy despite challenging macro-environment



Financial Highlights

- **USD 147 million in revenues**, representing **growth** of **74%** from Q3 2021
- **USD 436 million in revenues** YTD 2022, representing **growth** of **86%**
- **Adjusted EBITDA*** of **USD 55 million (37%)**, up from USD 42 million in Q3 2021 (50%)
- **Order intake of USD 155 million**, representing **11% growth** compared to Q3 2021
- **Solid backlog of USD 470 million**, up **37%** from **USD 342 million** at the end of Q3 2021



Operational Highlights

- Announced **additional net price increase of 5%**, taking effect on new orders from Jan. 2023
- **Launched new commercial offerings:**
 - **Recurring revenue model** with pay-per-pick pricing structure
 - Received the **first order** for our **new grid technology** with **multiple temperature zones, including frozen**, to expand access in the grocery segment
 - **PickUpPort**, enabling **in-store pick-up** directly from the AutoStore system
 - Released **Unify Analytics**, a cloud-based service and **data platform** that automates the collection and **analysis of real-time AutoStore data**
 - Expansion in APAC with **new assembly facility in Thailand** – expected to be operational in H2 2023
- Reached milestone of selling **1,000 systems**



Corporate Developments

- **Expanded distribution reach for partners;** StrongPoint, Fives Group and SmartLog

Notes:

*Adjusted EBITDA and other alternative performance measures (APMs) throughout the presentation are defined and reconciled to the IFRS financial statements as part of the APM section of the second quarter 2022 report from page 27.

The cubic storage pioneers: scaling our business in the global e-commerce and robotics megatrends



Scaled and Global Platform

Countries ~46

Robots ~42,000

Systems¹ ~1,000

R&D FTE²
(~70% Software) ~200



Customers and Partners

22 ~2,000
Partners³ Certified sales representatives

Unique customers ~600

Customer payback period 1-3 years

Broad exposure to all end markets



Superior Financial Profile

2022 revenue \$550-600m

80% ~50%
Revenue Revenue
growth 2021 Sale to
existing customers⁴

Adj. EBITDA Margin 48%
2021

Average 2019-2021
FCF conversion⁵ 82%

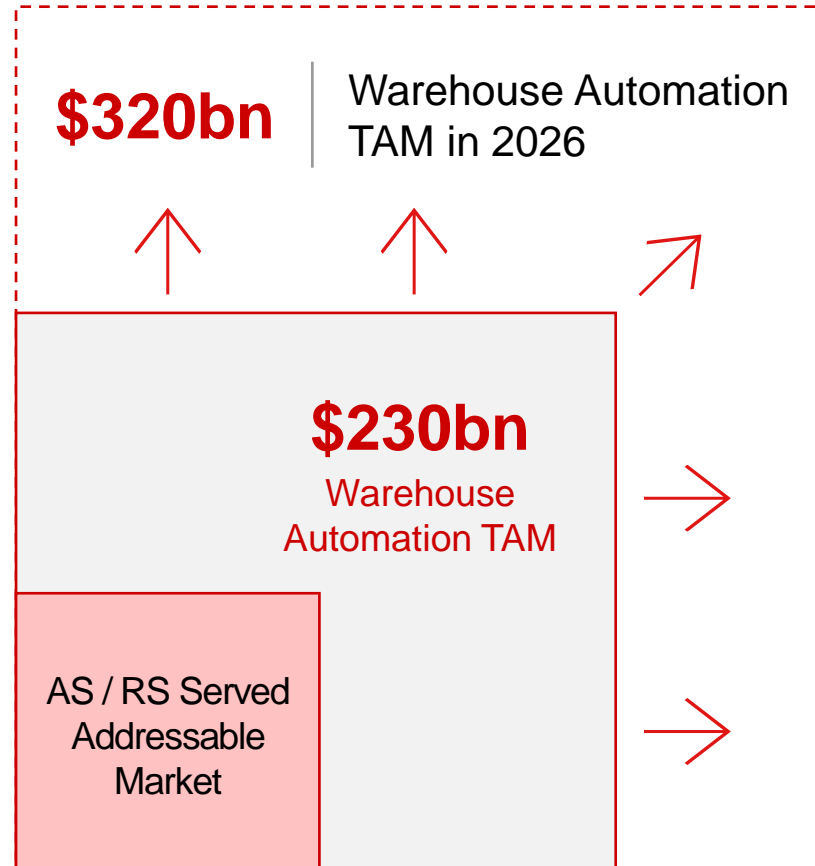
Notes:

1. As per end of Q3 2022, includes contracted not yet shipped systems
2. As per end of Q3 2022
3. Includes people trained/active licenses to partner portal

4. Historical average (2020-YTD 2022)
5. Defined as (Adjusted EBITDA less Adjusted Capex) divided by Adjusted EBITDA

Huge underpenetrated and growing warehouse market offers opportunities for significant growth

Large and growing market



Significant opportunity to expand within existing customers and new initiatives



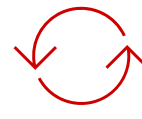
Increase share of wallet of existing customers

<5%

Current average penetration within AutoStore customer applications²



Additional penetration of grocery market and new market segments serviceable, including healthcare



Alternative recurring revenue model. Penetration of customers with lower capacity for up-front capex spend, enabling access to wide SME market

Notes:

1. Total global market of AS/RS at full penetration based on 2021 warehouse stock and market prices.
 2. Company estimate. Total number of AutoStore warehouse divided by total number of warehouses by key customers
- Source:** Premium management consulting company, eMarketer.

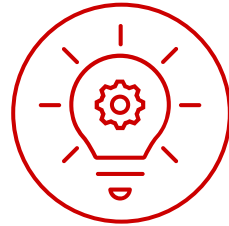
AutoStore's solutions help companies reduce their costs, with ROI of 1-3 years

The automation market is supported by global megatrends and providing solutions to macroeconomic challenges such as labor constraints and inflationary pressures



Changing consumer demands and emergence of Micro Fulfillment Centers (“MFCs”)

Same-day delivery requires higher density of fulfillment centers near urban areas. In Western Europe, **54% of consumers under 25** report same-day delivery as their most important purchasing driver⁽³⁾



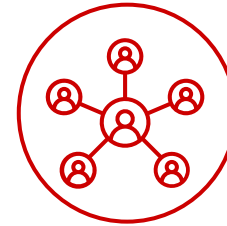
Sustainable and efficient Solutions

Strong focus on **environmentally friendly** and **energy efficient** solutions



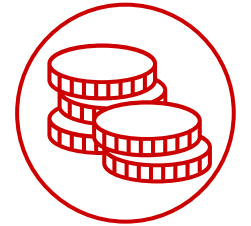
Increased demand for automation

Industrial robots market expected to grow at a **CAGR of 13% from 2020 to 2025E**



eCommerce expected to continue significant long-term growth

eCommerce represents **~20%** of global consumer spending⁽⁴⁾ and is expected to represent **~25% in 2025E**

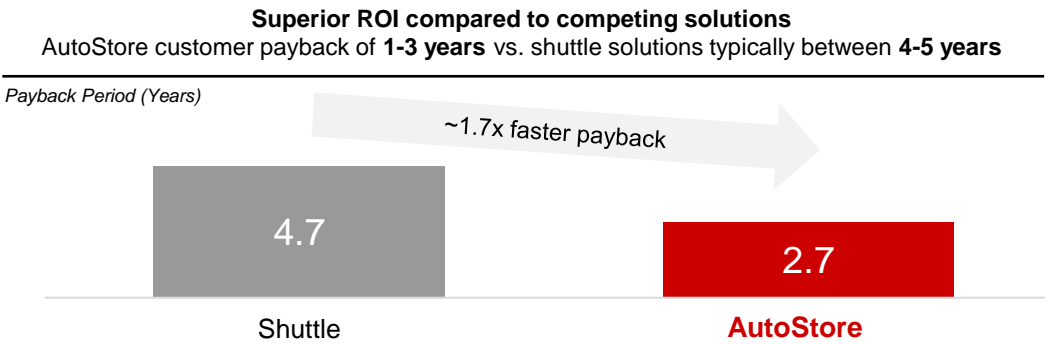


Labor constraints and rising wages driving investments in automation

53% of distribution centre occupants are expecting **automation spending to increase** vs 34% the previous year⁽²⁾

AutoStore's superior value proposition drives market share growth and higher ROI

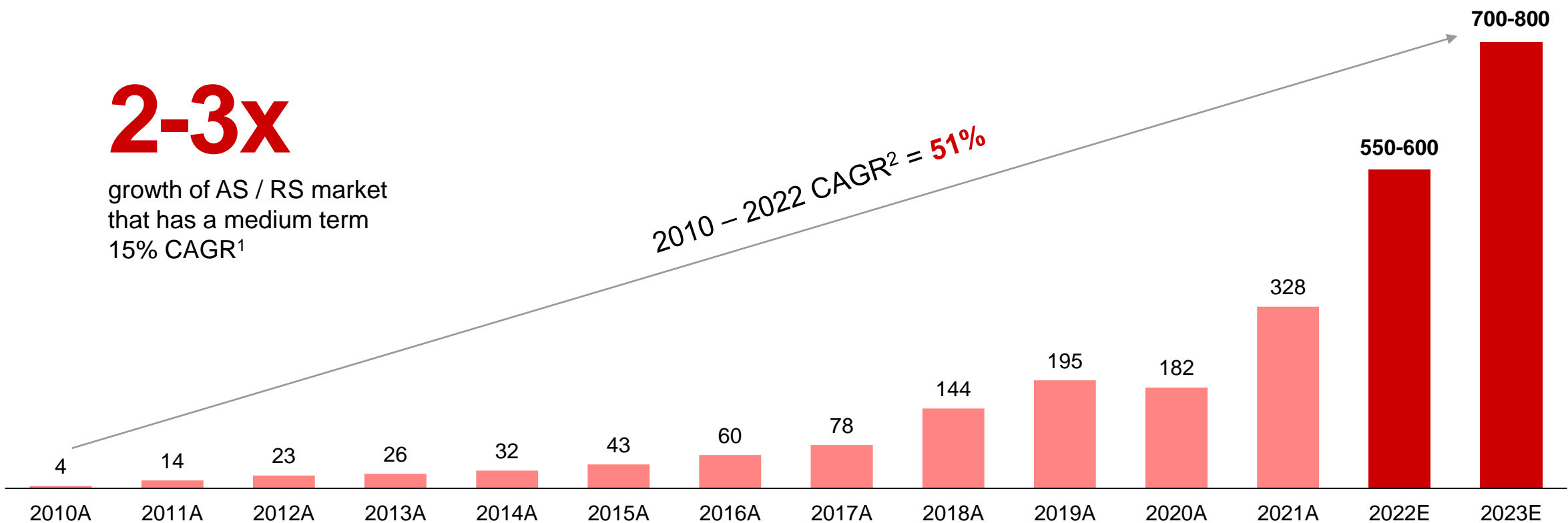
Throughput	SKU Range	Capacity	Density	Scalability/ Modularity	Reliability	Reliability
Up to 650 Picks per hour (addressing ~90% of the market) ¹	Up to 90% of products sold online ¹	1 million+ Max. # of SKUs ²	>90% Space utilisation	Modular Applicable to any warehouse layout	99.9% Picking accuracy	99.7% Uptime
↓ Superior efficiency/ cost proposition	↓ Unconstrained expansion	↓ Infinitely adaptable	↓ Cost reduction	↓ Agile response to growth	↓ High end-customer satisfaction	↓ Reliability for mission critical operations and inventory access



Long-term track record of outsized organic revenue growth

Long-term revenue growth

Revenue (USD million)



Driving growth with focus on five strategic priorities

Key strategic priorities include:

01 Penetrating new markets – including MFCs

02 Increasing WMS & recurring revenue

03 Product innovation

04 Expanding in APAC¹ and NAM²

05 Broadening offerings through M&A

Progress toward future growth:

- **128% YoY growth YTD'22**
- **Software technology advancements** provide a total fulfillment platform, to drive more business

- Continuing to build **pipeline of larger tier one retailers**
- Launched **new commercial model that provides recurring revenue** with pay-per-pick pricing structure

- **Delivering the first multi-temperature zone grid** to enable grocery retailers to automate their e-grocery fulfillment services
- **Unify Analytics** cloud-based service and data platform, **enabling customers to gain access to actionable insight from their AutoStore systems**
- Launched **PickUpPort**, enabling **in-store pick up** directly from AutoStore System

- **Growing our sales organization** to support and accelerate future growth, including BDMs and partner managers in **Australia, Japan and Singapore**
- Increased YTD'22 YoY revenue by **115%** and **82%**, respectively in APAC and NAM
- Expanding with **new assembly facility** in **Thailand** – enabling access to a new supplier base and closer proximity to customers

- **Disciplined approach** to evaluating potential targets meeting our strategic acquisition criteria, such as new technologies or expansion into new regions, channels or products

Developing an alternative recurring revenue model: pay-per-pick

AutoStore's pay-per-pick model demanded by customers...

Attractive payment model

- Significantly reduced upfront payment: Infrastructure (grid)
- Pay-per-pick: Covers revenue on robots, ports and software

Recurring revenue

- Minimum fee structure based on numbers of robots and ports – secures minimum cash flow and attractive payback

Long-term profitability

- After the end of the minimum period the customer has three options:
 - Continue subscription
 - Buy equipment
 - Deliver back equipment (still significant residual value)
- The combination of upfront payment and strong payback profile enables flexibility to finance it through our own operations

...significantly expands the spectrum of customers while creating recurring revenue

Improved financial profile of AutoStore

- ✓ Incremental growth opportunity to a wider spectrum of customers
- ✓ Recurring revenue accumulating year-on-year
- ✓ Maintaining existing go-to-market model with distribution partners

Exceptional customer outcome

- ✓ Additional opportunity for customers to engage with AutoStore given lower capital requirements
- ✓ Improved access to small and mid sized 3PLs with lower capital availability
- ✓ Customers can ramp up faster and more aggressively than they otherwise would have



Broadening AutoStore's market opportunity and competitiveness by offering frozen storage capabilities

New offering with enhanced frozen capabilities



Three zone offering, catering to ambient, chilled and now also sub-zero zones.



Create better working conditions for warehouse operators, who can now avoid very cold environments



Take up less floor space compared to walk-in freezer solutions



Estimated to use 50% less energy compared to traditional freezer-warehousing solutions

Expanding serviceable addressable market (SAM) by entering rapidly growing markets

Frozen capabilities enable full service of the huge SAM of the rapidly growing grocery and healthcare markets

Frozen grid technology expands the MFC growth

World's first frozen AutoStore system to be installed for DLVRY



Norwegian foodservice company focused on the local delivery market, created in 2021 by combining five regional Norwegian players



Expected delivery date: Q1 2023



Sub-zero grid can reach down to -25° C / -13° F



Installation agreed for one warehouse, with more in discussion

“

We are especially proud we are the world's first company to use AutoStore's frozen-food capabilities as it means we can achieve much higher efficiency rates by automating what was until now, not possible.

Jan Frode Johansen,
Co-Founder and CEO of DLVRY



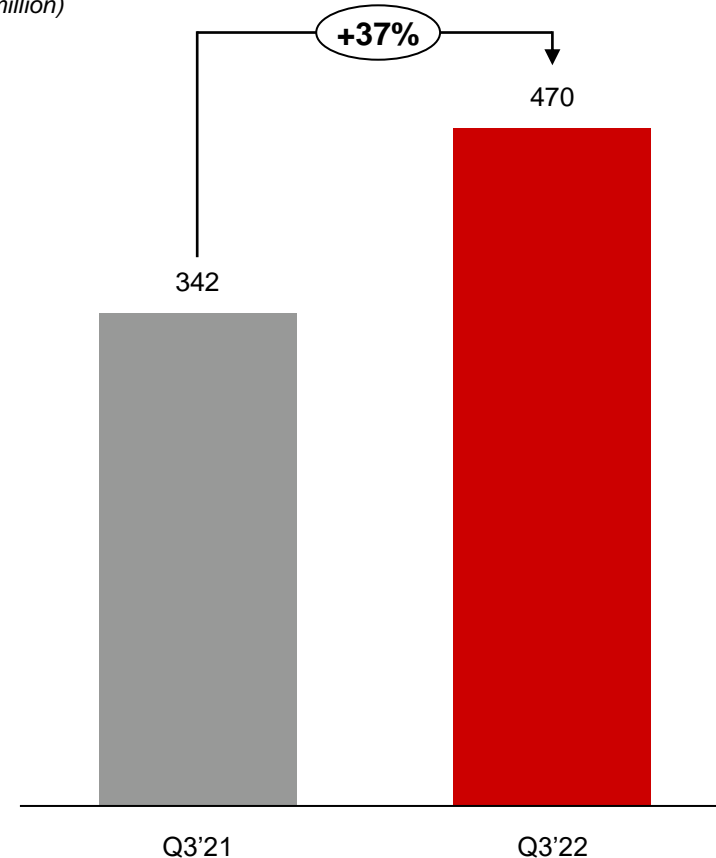
Solid order intake and backlog provide revenue visibility for balance of the year and continued growth in 2023

Order intake remains on track

- **Order intake of USD 155 million in Q3 2022**, representing 11% growth compared to USD 140 million in Q3 2021
- **Order backlog of USD 470 million, up 37% from Q3 2021**, provides revenue visibility
- Good traction for **larger customer projects within the high throughput segment**, however with elongating decision-making cycles
- **Incremental order intake well within expectations** when assessing pipeline and historical conversion rates - strong backlog entering 2023

Entering Q4'22 with a strong backlog – providing tailwind going into 2023

(USD million)



Q3 Financials

Key financial highlights

Continued strong growth and solid order intake



147 MUSD

Strong Q3 revenues –
74% YoY growth

37%

Q3'22 Adjusted
EBITDA margin

88%

Q3'22
Cash conversion¹

155 MUSD

Q3'22 Order intake –
11% YoY growth

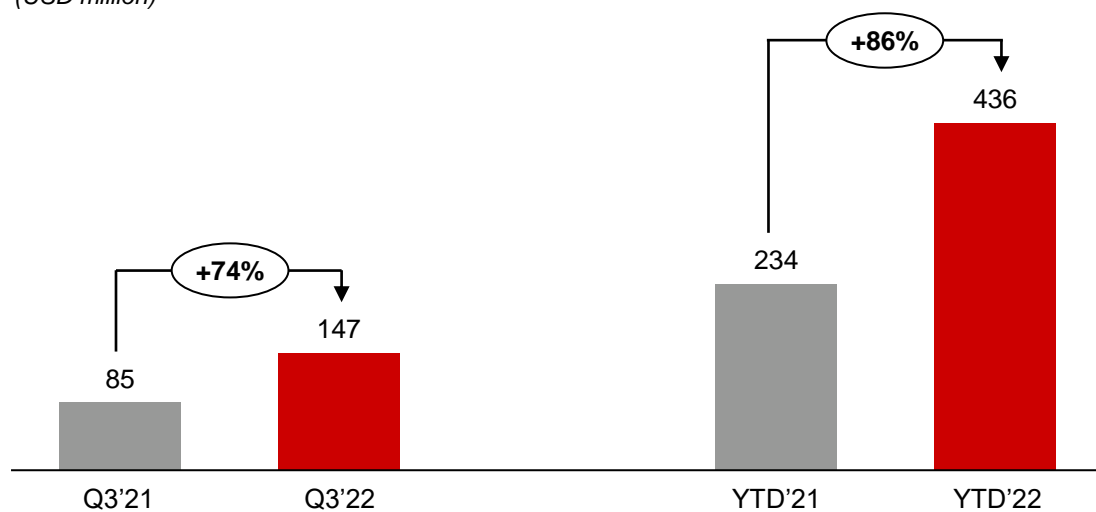
470 MUSD

Solid order backlog –
37% YoY growth

Strong revenue growth

Revenue

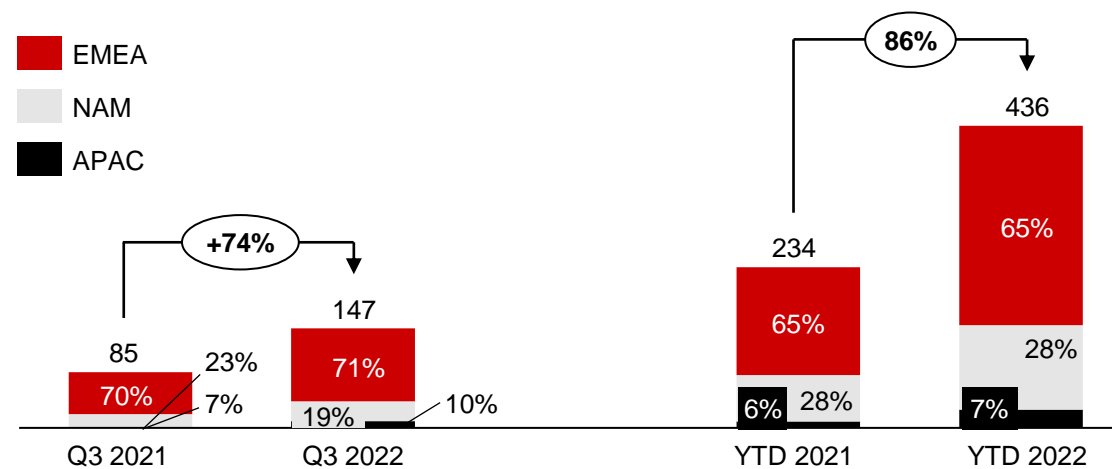
(USD million)



- Q3 2022 revenue was USD 147 million, representing 74% YoY growth.
- YTD 2022 revenue was supported by strong growth in all regions and a healthy demand from end markets including omnichannel, 3PL and industrials. There was a solid mix of high-through, MFC and standard systems.
- Foreign exchange currency movements had a negative effect on revenues as the euro weakened against the US dollar.

Revenue by region

(USD million)



- **EMEA:** Q3 2022 revenue increased to USD 104 million, representing 75% YoY growth. YTD 2022 revenue was USD 284 million, representing 85% YoY growth.
- **NAM:** The group continued its North American expansion efforts in the Q3 2022 and increased its revenue by 45% to USD 28 million. YTD 2022 revenue was USD 120 million, up 82% YoY.
- **APAC:** Q3 2022 revenue was USD 15 million, representing 164% YoY growth. YTD 2022 revenue was USD 32 million, representing 115% YoY growth.

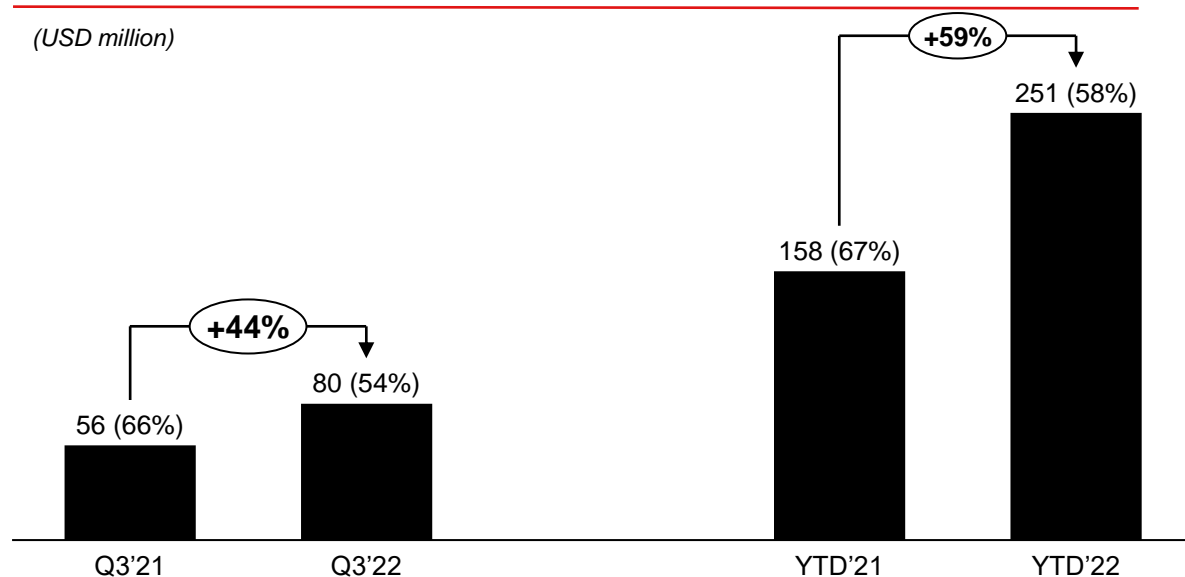
Notes:

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Gross profit and adjusted EBITDA* development

Gross profit

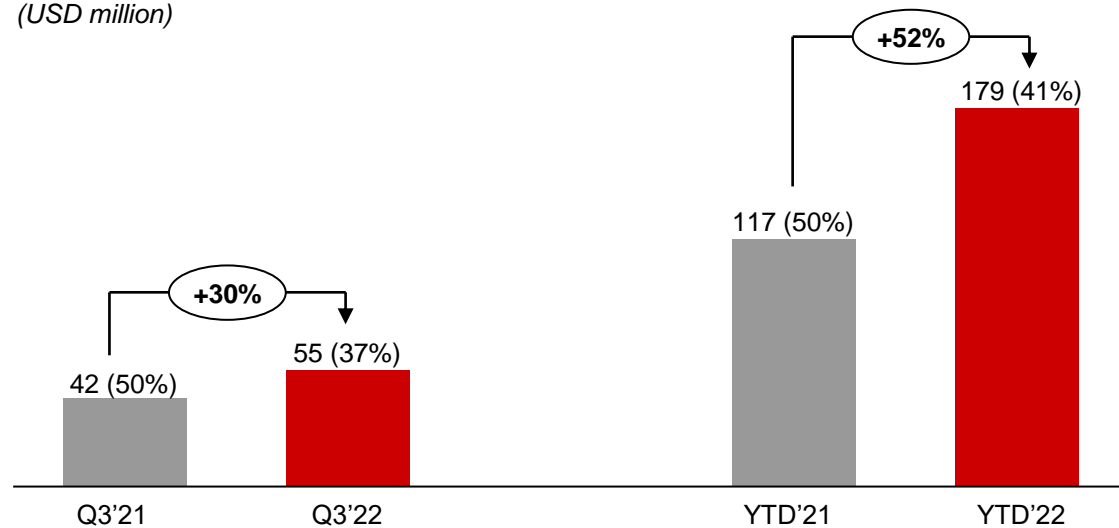
(USD million)



- Gross profit Q3 2022 ended at USD 80 million (56), corresponding to a gross margin of 54% (66%). Gross profit YTD 2022 ended at USD 251 million (158), corresponding to a gross margin of 58% (67%).
- The decrease in gross margin was predominately linked to continued high prices on key components – mainly grid parts. In Q3 2022 there was very limited impact from the pricing actions which were implemented in Q4 2021 and Q1 2022.

Adjusted EBITDA*

(USD million)



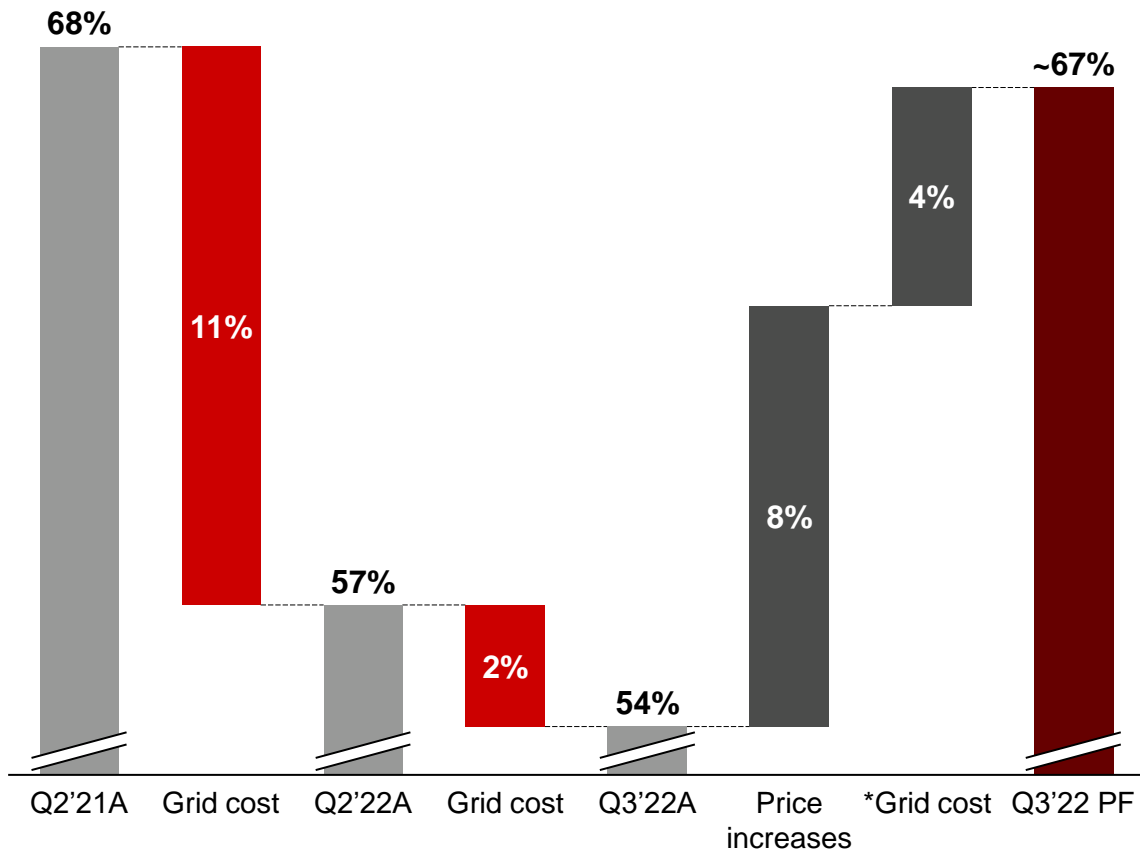
- Adjusted EBITDA* in Q3 2022 ended at USD 55 million (42), corresponding to an EBITDA margin* of 37% (50%). Adjusted EBITDA* YTD 2022 ended at USD 179 million (117), corresponding to an EBITDA margin* of 41% (50%).
- The decrease in adjusted EBITDA margin was primarily linked to the development of gross margins.
- Moderate net foreign exchange effect due to natural hedge.

Notes:

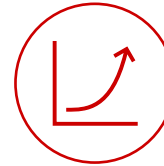
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Gross margin recovery beginning in Q4 2022

Gross margin development & pro-forma margin



Key enablers driving gross margin recovery



Price increases gradually coming into effect from Q4'22 and Q1 2023 as backlog secured on new prices move from backlog to revenues



Grid cost down from peak level realized in Q3'22, but still significantly higher than pre-supply chain disruption mainly driven by inflation pressures

Pricing actions and decreased grid costs are expected to lift gross margins gradually in Q4'22 and the beginning of 2023

Presentation of adjusted EBITDA* break down

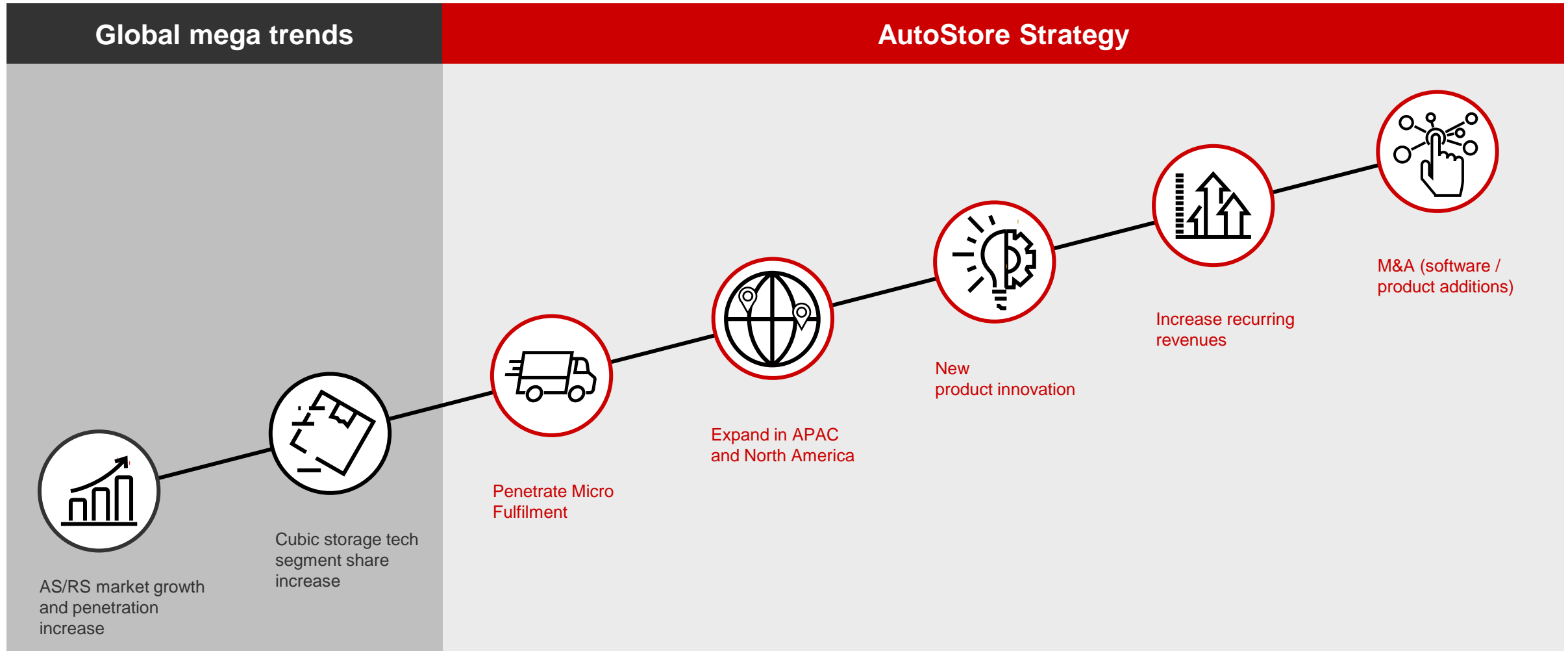
USD million	Third quarter		YTD	
	2022	2021	2022	2021
Profit/loss for the period	13.6	-36.3	72.9	-53.5
Income tax	3.9	-7.7	20.8	-12.2
Net financial items	18.0	17.7	42.1	23.2
EBIT	35.5	-26.3	135.8	-42.6
Depreciation	1.7	1.1	5.0	3.3
Amortization of intangible assets	12.4	13.5	38.4	40.6
EBITDA	49.7	-11.7	179.2	1.3
Ocado litigation costs	7.0	11.0	23.4	26.3
Transaction costs	0.1	9.7	1.4	21.2
Option costs	-1.9	21.0	-25.5	55.5
Management fees related to previous ownership structure	-	12.4	-	13.0
Total adjustments	5.2	54.1	-0.7	116.0
Adjusted EBITDA*	54.9	42.3	178.5	117.3
Total revenue and other operating income	147.4	84.7	436.0	234.4
EBITDA margin	33.7 %	-13.8 %	41.1 %	0.6 %
Adjusted EBITDA margin*	37.2 %	50.0 %	40.9 %	50.0 %

Notes:



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Outlook

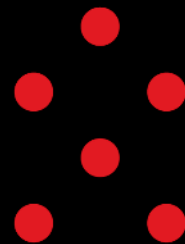
Significant opportunities for continued growth



Summary: 2022 growth outlook and 2023 revenue ambitions

Revenue	<div>Guidance¹</div> <div>2022: \$550-600m 2023:\$700-800m</div>	<div>Medium-term Growth Rate</div> <div>~40% → 2–3x growth rate of warehouse automation market</div>
EBITDA %	<ul style="list-style-type: none">• Consistent historical track-record of adjusted EBITDA margin of ~50% for 2018A-2021A• Modularity / standardization yields consistent margins across geographies and system types• Margin fluctuations due to pricing, revenue mix, COGS price movements and operating leverage effects• Pricing actions together with current grid cost levels are expected to lift margins back to historical levels in 2023	

Q&A



AutoStore