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# Autostore

Q3 2025



## Speakers



**Håkon Fuglu**  
Analyst | SEB



**Mats Hovland Vikse**  
CEO | AutoStore



**Paul Harrison**  
CFO | AutoStore



**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

## Prepared Remarks

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**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Good morning and welcome to AutoStore's third quarter 2025 presentation. My name is Hiva Flåskjer, and I'm the Investor Relations Officer at AutoStore. Our CEO, Mats Hovland Vikse, and our CFO, Paul Harrison, are standing ready to talk to you about this quarter and subsequently answer your questions. I'll be moderating today's session. As usual, we would like to remind you of our disclaimer with regards to forward-looking statements. It can be read here at your own convenience. Now, moving on to our agenda, Mats will begin with an overview of our operational performance and strategic progress, including some exciting insights into this fall's product announcement. Paul will then present the financial results in detail. We'll follow with a live Q&A session, and you can submit written questions via the webcast player or raise your hand in the Microsoft Teams to ask your questions directly.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

The link to the Teams meeting is available on our website and the invitation published about a week ago. After the Q&A, Mats will round off with some final remarks. As a reminder, all financial figures are stated in U.S. dollars. With that, let's get started. Mats, over to you.

**Mats Hovland Vikse**

CEO | AutoStore

Thank you, Hiva, and good morning. When we met in August, we noted a more stable market environment compared to the peak uncertainty earlier this year. That stability was maintained into Q3, where the positive backlog conversion trend continued. What we are experiencing here is a market that is still impacted by the global uncertainties, but where customers are making more progress with their plans. In this market, our strategy of becoming closer to customers is yielding results. More than half of revenues was generated from existing customers also this quarter. At the same time, we signed up around 50 new customers, further strengthening the land and expand opportunity. Europe continues to be a stronghold for us, representing more than 70% of revenues in the quarter, but we also see positive momentum in the U.S., which is expected to be an important growth market for us over time.

**Mats Hovland Vikse**

CEO | AutoStore

Moving on to the financials, Q3 revenue was \$139 million, up 4% sequentially, showing steady development from Q2, but still down 4% year-over-year. Order intake was \$152 million, which is stable sequentially and up 6% year-over-year. Looking at profitability, gross margin was 73%, which is consistent with levels that we've seen over the past year, whilst our adjusted EBITDA margin came in at 47%, again in line with historical levels. Paul will provide more details on the financials later. Now let me touch on some exciting key developments in the business this quarter. We had our fall product announcement, where we announced seven new products and features designed to improve our overall value proposition, make deployments of the systems easier, and expand on our capabilities.

**Mats Hovland Vikse**

CEO | AutoStore

These were all built in close collaboration with customers to solve real operational challenges and open up new use cases. I'll come back to the highlights in a moment. Also, building on our successful experience with our grocery customer Rohlik, we have signed Veloq as a partner. Veloq, which is part of the Rohlik Group, is a new AI-driven global solutions provider for grocery. Together, we're able to offer an end-to-end solution for the grocery market, which is one of many end markets where we have an attractive value proposition. This familiar slide illustrates the strong foundations of our business and why we're uniquely positioned to lead. It highlights our value proposition, our competitive strengths, and financial profile. To date, we've delivered around 1,850 systems with 82,500 robots across 63 countries, serving 1,250 unique customers.



**Mats Hovland Vikse**  
CEO | AutoStore

Within cubic storage, no other player has an install base of this scale, which is a clear advantage that just reinforces the strength of our solution and provides us with a substantial platform for our land and expand strategy. This is a slide that you're also familiar with. Here are the names of a small selection of our over 1,250 customers. As you can see, we have a broad customer portfolio across a diverse set of end markets. Around half of our revenues come from existing customers, and this growing customer base represents a massive opportunity. It's also worth noting that Europe remains our largest region, representing over 2/3 of our business. Over the past few quarters, B2B segments like industrials and healthcare have remained resilient. We've also seen strength in 3PL, and leading indicators are improving across e-commerce and retail.



**Mats Hovland Vikse**  
CEO | AutoStore

In October, we had our fall product announcement, introducing seven new products and features. These products have been very well received by our customers, and there are particularly two of the products that I would like to call out. First is AutoCase, which unlocks the combination of case and piece handling in one automated flow. This opens up a new market and new use cases that we could not previously offer to our customers. The second is FlexBins, and this enables mixed bin sizes within a single grid, which increases storage density and offers more flexibility to our customers. These customer-led innovations show good progress on our overall product strategy. We continue to improve on our core, which is further strengthening our leading position, and we are also expanding our capabilities and solving for new use cases, which expands our overall market opportunity.



**Mats Hovland Vikse**  
CEO | AutoStore

I always like to end with a customer story. This time, it's an existing customer who started with a high-throughput system a few years ago. Since then, Alza has added several extensions, and recently, they just expanded their site again. Next year, they will install their second site, which is a great example of our land and expand strategy and how repeat purchases typically follow once the value is proven. Before Paul takes us through the financials of this quarter, please have a look at this.



**Mats Hovland Vikse**  
CEO | AutoStore

Alza was established in 1994. We are the largest online retailer in the Czech Republic and Slovakia. What makes us unique is the market-leading service, where you can order by midnight, and you will get it next day morning. Behind me, you can see the AutoStore system, which contains 300,000 bins and 580 robots operating right now. We choose AutoStore because it offers the best combination of speed, accuracy, and density. In the AutoStore, there are sometimes more than 150,000 unique SKUs. There are carton erectors and carton closers, about 5 km of conveyors, a robotic sorting system, and an interlock sorting system.



**Mats Hovland Vikse**  
CEO | AutoStore

We have our daily capacity around 120,000-130,000 orders per day. During the peak season, it could be doubled. There is an increase in the pick rate by 75% after AutoStore installation started to operate.



**Mats Hovland Vikse**  
CEO | AutoStore

The AutoStore system allowed us to reduce the complexity of the processes, and also, we were able to deliver the goods to our customers faster.



**Mats Hovland Vikse**  
CEO | AutoStore

While speed is central to the idea of high throughput, it is also one of the most challenging things to sustain. That is where AutoStore truly excels. AutoStore is a highly relevant technology for e-commerce because it addresses the industry's biggest challenge, which is handling a large volume of orders both quickly and accurately. Customers today expect fast delivery and reliability. You need to be able to trust your inventory and your operations in order to comply with the customer's wishes and deliver on your promises.



**Mats Hovland Vikse**  
CEO | AutoStore

In terms of numbers, we are speaking about increasing the performance by four times almost.



**Mats Hovland Vikse**

CEO | AutoStore

The second site is under construction in Slovakia, and it's going to contain 400,000 bins and 650 R5 Pro robots.



**Mats Hovland Vikse**

CEO | AutoStore

AutoStore, together with Element Logic Services, has brought a real competitive advantage to Alza.



**Paul Harrison**

CFO | AutoStore

Thank you, Mats, and good morning. It is great to see a practical example of the land and expand strategy. Okay, let's move to the financial highlights on the next slide. As Mats mentioned earlier, this quarter reflects steady progress. This slide gives a snapshot of our Q3 financials. Revenue came in at \$139 million. Gross margin was strong at 73%, and our adjusted EBITDA margin was 47%. Order intake reached \$152 million, bringing our backlog to \$543 million. On the next slide, I will go into more details on these key financials. As I just mentioned, order intake totaled \$152 million this quarter. There was no material FX impact on sequential growth this quarter. However, compared to prior year, constant currency order intake was down 6%. Approximately 55% of orders came from existing customers. As Mats mentioned, we added around 50 new customers during the quarter.



**Paul Harrison**

CFO | AutoStore

We closed the quarter with a backlog of \$543 million, which is up 3% sequentially. Sequentially, revenue grew 4% to \$139 million in quarter three. Europe continued to be strong, particularly in the standard segment, but growth in this quarter was primarily driven by North America. I would add that there were no new AutoStore-as-a-Service deals signed this quarter, but that interest remains strong. We continue to see AutoStore-as-a-Service as an important way to access projects and customers that might otherwise be out of reach. Okay, let's move on to margins. Our gross margin held steady at 73%, which compared to 74% in the same period last year. Sequentially, margins improved, though it's worth remembering that Q2 included the B1 robot write-down. As Mats mentioned earlier, this quarter's margin is in line with the average level for the year.



**Paul Harrison**

CFO | AutoStore

Further down the P&L, our adjusted EBITDA margin was stable at 47%, reflecting continued organizational discipline. Finally, if I move on to cash flow and net debt, we delivered strong operating cash flow of \$73 million, which is a reflection of the highly cash-generative business model and also favorable working capital timing this particular quarter. Total liquidity ended at \$498 million, which includes \$348 million of cash and \$150 million of available headroom under our revolving credit facility. Our refinancing has been completed this current quarter following a successful syndication process. Going forward, this will enable more agile and efficient treasury management, with surplus cash being more readily applied to debt repayment without any loss of financial capacity. With that, I'll now pass back to Hiva, who's going to open up for the Q&A.

## Q&A

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**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you, Paul. Thank you, Mats. Let's do it as we usually do it. Open up for questions from our participants on Teams. Please go ahead. Let's see if I can get it right. There we go. I believe Eirik, you are first up. If you could please go ahead and unmute yourself. Can you please try to unmute yourself again, Eirik? Okay. Eirik, maybe you can try to unmute yourself. If not, we can continue with the next one, and you can ask your question later on. Olav, can you try to unmute yourself?

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yes, good morning. Can you hear me?

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yes, fantastic.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yes.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Good morning.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you. Good morning. First one for me. I mean, the backlog conversion is still below historical levels, even though you've had some internal focus on improving this. I just want to hear your thoughts on what's holding it back. How much of the gap would you attribute to internal factors? How much is the market? What do you see must be needed for this backlog conversion to normalize going forward?

**Mats Hovland Vikse**

CEO | AutoStore

As we've talked about for a long while, we have seen a lengthened conversion cycle in our backlog. It's very encouraging to see that it has improved of late, which is a result of customers moving more ahead with their plans. Internally, our capacity remains very strong, so we can deliver quickly as customers want to turn quickly and get these systems up and running. It has been market-driven for a while, but we're seeing positive conversion trends.

**Mats Hovland Vikse**

CEO | AutoStore

All right, thanks. Just last one for me, just to clarify here. Is there any revenue in today's figures coming from the as-a-service projects?

**Paul Harrison**

CFO | AutoStore

No. So neither of the as-a-Service projects that we announced in Q1 and Q2 have gone live yet, so no revenue recognized in respect of AutoStore-as-a-Service in this period.

**Paul Harrison**

CFO | AutoStore

All right, thanks.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you. Thank you, Olav. Moving on. Let's try again, Eirik. Can you try to unmute yourself? No. I think we'll try with Tore. Tore, can you please go ahead and unmute yourself?



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yes, good morning. Hi, Hiva. Hi, Paul. Hi, Mats. Thank you for taking my question. Just two, if I may. First one would be, we hear quite some positive commentary from warehouse automation players, for example, KION or some of the U.S. players. How do I bridge the gap to you still declining organically? And when would you see this turning around? Thank you.



**Mats Hovland Vikse**

CEO | AutoStore

Look, as we've mentioned, we have seen a more stable market environment now compared to first quarter. We're kind of happy with that positive conversion trend that we've seen. Order intake has been strong now for a couple of quarters, and we're seeing positivity in leading indicators. However, this is still a market that is impacted by those global uncertainties, and that's the world that we live in.



**Mats Hovland Vikse**

CEO | AutoStore

Okay, thank you. Understood. The second one would be, could you just speak a little bit more about the different customer groups? We now heard some positive trends coming, for example, from 3PL players. How does this affect you as of now? Thank you.



**Mats Hovland Vikse**

CEO | AutoStore

Yes. B2B segments like industrial, healthcare, etc., have stayed resilient and been quite stable for us. Across the leading indicators of the business, we've seen e-commerce, retail, or more consumer-oriented segments starting to see growth, which is positive. 3PLs for us have continued to be quite strong. For us, that's a very attractive segment, particularly also with the as-a-Service model, because both technically and commercially, we can offer a system that offers one, flexibility, but also two, a standard set of technology that works for such broad types of customers and markets. For us, 3PLs have been strong, and our conversations with the 3PL players remain very positive.



**Mats Hovland Vikse**

CEO | AutoStore

Thank you.



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you, Tore. Moving on to Giolio. Could you please go ahead and unmute yourself?



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yeah, hi, good morning, and thanks for taking my question. You mentioned in the release that the volume and quality of proposals and dialogues remain constructive. Could you give us a sense of what that looks like in practice and what you're hearing from customers regarding their spending plans? Thank you.



**Mats Hovland Vikse**

CEO | AutoStore

Yes. As we have talked about already, there are some positive trends across some very, very attractive end markets. Europe continues to be strong, but we are also seeing growth momentum in the U.S. As we look further up the funnel, we see that the pipeline intake, i.e., new customers coming to us showing interest, and the amount of pitches that are made across our network, i.e., the amount of offers that are being issued across those different markets, see a positive trend.



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you. Thank you. Tim, if you could please go ahead and unmute yourself.



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Hi, can you hear me?

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yes, we can. Good morning.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yeah, good morning. Thanks for taking my questions. I'm three if I can. The first one is about the market development. As you mentioned, there have been some positive developments in some of the end markets. Can you also elaborate a bit more about how the sequential development in terms of, let's say, customer activities or order intake into the fourth quarter, any trends that you can highlight when we go into the last quarter of the year? Related to that, I think last year, you gave a full-year guidance in terms of the revenue. In the last quarter, I mean, in the fourth quarter call last year for the full-year guidance. This time, it seems like you're not giving a full-year guidance. Is there any reason for that? That's the first question.

**Paul Harrison**

CFO | AutoStore

Okay, I'll pick up on the guidance question, Tim. We haven't given guidance for quite some time, not least because, as Mats has mentioned, we still see elevated levels of market uncertainty. It's something we keep under review. Hopefully, in the KPIs and numbers we give, we do give plenty of sort of indicators that go to forward performance. No, we don't give guidance. We have no plans to do so for the time being, but we'll keep it under review.

**Mats Hovland Vikse**

CEO | AutoStore

For the first part of your question, we're still early in the quarter, but as we mentioned, we're observing and experiencing more stable market conditions now than what we did earlier in the year.

**Mats Hovland Vikse**

CEO | AutoStore

Understood. My second question, and the focus is probably both going to Paul. Industrial working capital, you also mentioned. There has been some positive timing effects in the quarter. How should we think about the development of working capital going forward?

**Paul Harrison**

CFO | AutoStore

Yeah, look, there's two elements to this, Tim. I think, first of all, it's good to see inventories fall from \$94 million to \$90 million from quarter two to quarter three. Strong inventory control that we've seen this quarter. Really on the working capital, it's the receivables that are making the biggest contribution. Really, that's mainly timing. Our standard terms are 30 or 60 days, depending on where the customer is. Nothing's changed there. We've just got a favorable timing impact this quarter, and good to see it, of course.

**Paul Harrison**

CFO | AutoStore

Understood. And final one, I see there was a small impairment amount of \$0.5 million in the quarter. Not really a big amount, but just want to know about the nature of this. Is this also related to the B1 robot that you made the inventory adjustment last quarter?

**Paul Harrison**

CFO | AutoStore

No, there are no further impairments to the B1 robot. Actually, when you look at the adjusting items, Tim, there is next to nothing in the way of adjusting items deriving from EBITDA to adjusted EBITDA. It's just a small amount for stock comp. Really nothing of any significance to report this quarter.

**Paul Harrison**

CFO | AutoStore

All right, got it. Thank you very much.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you, Tim. Now let's try again, Eirik. Lucky number three, can you please try to unmute yourself?

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yes. Hi, guys. Sorry, I had some technical issues the first time around. Three questions for me. I'll take them one at a time. If we can start with the new product. I think that the AutoCase looks really exciting in terms of opening up a new part of the total addressable market. Just for our understanding, it's doable to retrofit this on existing installations, right? Kind of how complex is that process?

**Mats Hovland Vikse**

CEO | AutoStore

Yes, you're absolutely right. It is possible to retrofit into existing installations, and it's also not a very complicated piece of effort. You can either add a small piece of grid and insert the machine into that, or you can retrofit into existing.

**Mats Hovland Vikse**

CEO | AutoStore

Okay, perfect. Thanks. I assume the answer is no, but will the new products launched have any kind of meaningful impact on gross margins? If so, kind of which direction? Lastly, when do you expect these innovations to kind of contribute meaningfully to order intake and/or revenue?

**Mats Hovland Vikse**

CEO | AutoStore

You're correct. It will not have a meaningful impact on gross margin. Initially, what we've seen is that this is creating real customer demand already from the get-go. One is that we're able to play in a piece of the market or types of projects that we haven't been able to in the past because we're able to offer case handling and this real omnichannel fulfillment capability. Also, we see that customers are liking a lot of the, call it, smaller features that we announced as well, which typically will be part of every deployment that we do. For instance, how it's easier with floor remediation and easier to deploy the systems.

**Mats Hovland Vikse**

CEO | AutoStore

That's great color. Thanks. My final question is around the Veloq partnership agreement. Kind of multiple sub-questions there. I'm thinking about factors such as how far they've come in terms of adding external customers, if you guys will be the sole ASRS provider. How actively are you working in collaboration with them when you approach potential projects? Of course, lastly, if it's natural for Veloq to kind of take over what seems to be a partnership link between Rohlik and Amazon in Germany.

**Mats Hovland Vikse**

CEO | AutoStore

Look, we're excited about the partnership with Veloq because the combination of what we can offer and the AI-driven software and solutions that they've built on top provides that part of the market with a real end-to-end capability. As we've talked about before, grocery is in its early days of both e-com adoption, but also building out the necessary infrastructure to truly support that in a profitable way and in a way that meets consumer demand. It's still early days in the partnership. We are the sole provider of ASRS in that partnership and excited to see what opportunities that will unlock over time.

**Mats Hovland Vikse**

CEO | AutoStore

Okay, perfect. Thanks, guys.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you, Eirik. Martin, you're next up. Could you please go ahead and unmute yourself?

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you. Yeah, good morning. It's Martin from Citi. Just a couple of questions. The first one was just on tariffs. And I think previously you said that obviously it's your customer that pays them rather than you. But obviously, there has been some change with Section 232 over the last few months. Has that changed anything in terms of order profiles or demand profiles from North America, or is it so far not really impacting the business at all? Thank you.

**Mats Hovland Vikse**

CEO | AutoStore

As you've seen from the numbers and also our commentary, we are seeing some positive momentum in the U.S. What's been important is that we can provide a level of predictability to our customers in terms of what tariffs will be. I think the way we are, where we are in this market now is that there is, of course, an expectation of tariff. We found a good way of operating that together with ourselves, our partners, and the end customers and able to provide that needed predictability, as I talked about.

**Mats Hovland Vikse**

CEO | AutoStore

Thanks. That's helpful. If I could just have a second question, we're hearing a lot about robotics and automation companies generally adopting AI at the edge to really optimize, whether it's vision and quality, whether it's routing and picking and these kind of things. Could you perhaps give us some indications to what extent you can build that into your offering, whether it's to make the robots more efficient in routing or elsewhere? Is that an incremental driver to see even more efficiency as they adopt software into how the system is used?

**Mats Hovland Vikse**

CEO | AutoStore

Definitely. It is a key priority with ourselves as well. If you look at the product strategy that we've talked about before, building that software platform that goes across all of our solutions, utilizing the opportunity that this vast dataset that we have offers is something that we are focused on. We will continue to announce new sets of products and new features on a biannual basis also going forward. Of course, building that software platform, leveraging AI to drive up performance and offer new sets of capabilities is a key aspect of that.

**Mats Hovland Vikse**

CEO | AutoStore

Great. Thank you very much.

**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you, Martin. Håkon, you're next up. If you could please go ahead and unmute yourself. Thank you.

**Håkon Fuglu**

Analyst | SEB

Yeah. Håkon Fuglu, SEB here. Thank you for taking my question. I was just wondering if you could elaborate a bit more on the sort of underlying soft numbers that we're seeing in EMEA right now.

**Paul Harrison**

CFO | AutoStore

I think, first of all, EMEA, as I said in the presentation, remains really the bedrock of our business. In particular, in what we call the standard segment. Our business, as we said before, will remain somewhat lumpy quarter-on-quarter. This quarter, Europe is stable, still over 70% of the business. And the U.S., as Mats has noted, is actually what's leading growth. I would not advise you to read too much into one particular quarter. Our EMEA business remains extremely strong.

**Håkon Fuglu**

Analyst | SEB

Thank you. I have another one as well. If we sort of look into your backlog and what will sort of lead sales in U.S. dollars into 2026, what sort of verticals are you seeing going to be contributing most to that growth in 2026?

**Mats Hovland Vikse**

CEO | AutoStore

As we talked about, B2B segments remain stable and strong, but we're seeing positive signals on leading indicators across retail and, call it, consumer-oriented, e-commerce-driven end markets as well. Three pillars remain strong.

**Håkon Fuglu**

Analyst | SEB

Thank you. That's it for me. Thank you.



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Thank you, Håkon. Tintin, I think you're next up. Good morning.



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Morning. Can you hear me?



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yes, we can.



**Hiva Flåskjer**

Investor Relations Officer | AutoStore

Yeah. Morning, guys. A couple of questions for me. In the U.S., could you talk about maybe high throughput versus standard. In terms of kind of the performance you've seen? Secondly, just a general question about competition and other types of light ASRS solutions. In this period, obviously the challenging period and the broadly more stable environment that you're seeing, is there any palpable change in terms of investor appetite, in terms of robotic cube versus other types of solutions? If you feel that your proposition has gotten stronger or weaker in this kind of period?



**Mats Hovland Vikse**

CEO | AutoStore

Absolutely. If I start with the first one, what we've seen over a long period of time is that the average size of the systems are larger in the U.S. than what they are in Europe. That trend we continue to see and we expect to see going forward as well. On average, more presence of high throughput than standard in the U.S. versus, for instance, Europe. On your second question, we haven't seen any meaningful change. Our win rates remains very, very high, and we feel strongly about our leading position today, but also very excited about this product roadmap and product strategy that we're executing against so that we continue to strengthen that leadership.



**Mats Hovland Vikse**

CEO | AutoStore

Can I be greedy and just chuck in one more, finally? In terms of the new products, just trying to put it in terms of kind of relative opportunity versus the core systems in my head, sort of kind of obviously new products introduced in October. Obviously, there was a whole bunch of new products that were also introduced around April. How should we think about it relative to the value of a system in terms of kind of what the potential uplift is from these new products?



**Mats Hovland Vikse**

CEO | AutoStore

Yeah. Our product strategy consists of several elements. One is that we continue to strengthen our core, i.e., we make sure that the cube continues to improve so that we can maintain that leadership position that we have. Secondly, we're also working on expanding the capabilities of that cube so that we can sell that into new types of situations like we can with [CaseNow], which opens up a new market for us. Even though kind of the typical deal size remains the same, we're able to sell that into new sets of markets. Thirdly, we're also looking at adjacencies, either through partnerships, organic developments, or even acquisitions if the right opportunities should come across, which again broadens our addressable market. The CarouselAI product is a good example of that.



**Mats Hovland Vikse**

CEO | AutoStore

Lastly, the software platform that unifies all of this and takes advantage of. Things such as AI, as we just talked about. In total, it's a combination of making our product more competitive, being used in new sets of markets, and also expanding into new markets.



**Paul Harrison**

CFO | AutoStore

If I could add just one thought. The other aspect to the releases that you saw in Mats' slide is there's a couple of quite critical enablers that really apply to any deployments. I think the floor leveling and more refined sort of fire retardant protection apply to all customers. Some of them really are enablers that cut across all deployments as well, Tintin.



**Paul Harrison**  
CFO | AutoStore

Great. Thanks, guys.



**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Thank you, Tintin. I actually believe that that rounds off the team's Q&As. I'll move on to questions that we've received on the webcast player. One is from Atle. Could you comment on the demand specifically from public and government clients in general? Is this a customer group that is late in the adoption process for automation? There are three questions, so I'll read.



**Mats Hovland Vikse**  
CEO | AutoStore

One by one?



**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Yes. Do you want to go one by one?



**Mats Hovland Vikse**  
CEO | AutoStore

Sure. Public and government sector. It has been a segment where we've sold into different types of subsegments. We've done libraries. We're doing defense sector. We've even done the archiving system for FBI in the U.S. This is a sector that we also work in. Overall, on an aggregate basis, I will say that government, public customers are probably lower on the adoption curve than the market in general.



**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Thank you. The second question from Atle is, could you comment on the demand from the defense sector?



**Mats Hovland Vikse**  
CEO | AutoStore

We have continued to do business in the defense sector, both in Europe and the U.S., and we've also done some in APAC.



**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Thanks. The third is online shopping has grown over the years. There is potential that the use of AI agents will greatly improve the shopping experience for customers. In turn, this may lead to a step change in growth in online shopping and online share of total retail sale. Such a backdrop could be very beneficial for demand for AutoStore system. Do you agree? If so, are you seeing such a trend already?



**Mats Hovland Vikse**  
CEO | AutoStore

Yes, I do. Look, as e-commerce volumes grow, the fulfillment challenge becomes even bigger, and you need automation to handle that volume and handle that volume in a way that you meet the consumer expectations around speed, precision, etc. What we've seen historically is that as e-commerce volume and the share of retail handled over that e-commerce channel increase, the demand for automation follows. That is one of those long-term growth drivers for this market. As we talked about, we have seen some positive trends in our leading indicators, but it's still early.



**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Thank you, Mats. I do have some more written questions. I have a few from Martin from Nordea. You increased your order backlog conversion. How do you expect this trend to continue into Q4 in 2026? That is one. The second is, can you say anything about the regional split in order intake and amount of larger versus smaller orders? Third. Strong gross margin, adjusting for write-down. Should we expect more write-downs going forward? That is the third. How is the dialogue with customers in the U.S. now? I believe we have touched upon the third one. Grocery market is the fifth. How do you see the development and the competitive situation?

**Paul Harrison**  
CFO | AutoStore

Right. There's a few there.

**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Yes.

**Paul Harrison**  
CFO | AutoStore

I'll kick off, Martin. I think backlog conversion, Mats said it earlier. We're pleased to see the improved backlog conversion. We're not today, as I've said already, providing forward guidance either into Q4 or next year, but it is clearly good to see that improved backlog conversion. It's good to see customers returning to considering projects. It's good to observe. We shouldn't forget the still highly under-penetrated market that we address. Stepping back, the backdrop remains very good for growth going into the future, but no specific comments on Q4 or indeed 2026 yet. I think the regional split of orders is not materially different from the revenue split of orders. It reflects the sort of pattern of our business. No particular comments there. Gross margin, no, I do not expect, as I stand here, more write-downs.

**Paul Harrison**  
CFO | AutoStore

The B1 matter was discreet and contained, as you've seen in other numbers, to Q2.

**Mats Hovland Vikse**  
CEO | AutoStore

I think the last one was around grocery market. Look, the grocery e-commerce market and related automation infrastructure is still in the early innings of growth. For us, we feel very strongly about our competitive position. Our value proposition in grocery is very strong, as it is in also many, many other end markets.

**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Thank you. Just a couple of more. We have one now. In discussions with potential clients, are you seeing an effect of wage levels increasing across North America and the EU? This surely helps the ROI calculation on a relative basis.

**Mats Hovland Vikse**  
CEO | AutoStore

Yes. Labor cost and also labor availability is key components into the business case for our customers. We see that business case continues to be very, very strong. We are seeing our customers achieve paybacks of as little as one to three years as they make these investments.

**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

The final one is, can you comment anything on the ongoing discussions or signs of renewed interest from Amazon?

**Mats Hovland Vikse**  
CEO | AutoStore

Look, as we have confirmed before, we have a good relationship, but we can't really comment on individual customer relationships.

**Hiva Flåskjer**  
Investor Relations Officer | AutoStore

Thank you, Mats. I think that actually concludes the written questions. We've answered all. With that, we have no more questions, and I'll pass the word back to you, Mats.



**Mats Hovland Vikse**

CEO | AutoStore

Thank you. Let me summarize what we have presented to you today and also remind you of some key points. First, we operate in a large under-penetrated market fueled by long-term megatrends. The growth opportunity is intact, and we have a winning, proven solution. During 2025, we have responded forcefully to the current market conditions by taking decisive actions, securing high profitability, and strengthening our competitive position. I'm confident that we're in a stronger position now than one year ago with regard to our foundation for long-term growth and resilience. We have multiple ways to win and a scalable solution that works across industries, system types, and geographies, all delivered through a very efficient go-to-market model. As you've heard me say many times before, we are not standing still. Innovation is embedded in AutoStore's DNA, and we continue to push the boundaries of what is possible.



**Mats Hovland Vikse**

CEO | AutoStore

Today, we gave you some insights into our latest innovations, which are solving concrete problems and immediately creating value for our customers. We will continue our biannual announcement cycle, continue to move forward. Taken all together, these elements give us the confidence in our direction and ability to create long-term value. I would like to thank you for dialing in today and look forward to speaking to you again soon.