16-Feb-2023

AutoStore Holdings Ltd. (AUTO.NO)

Q4 2022 Earnings Call

CORPORATE PARTICIPANTS

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

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

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

OTHER PARTICIPANTS

Eirik Rafdal
Analyst, Carnegie Investment Bank AB (Norway)

MANAGEMENT DISCUSSION SECTION

Hiva Ghiri Flåskjer

Vice President-Investor Relations, AutoStore Holdings Ltd.

Good morning and welcome to AutoStore's Fourth Quarter 2022 Presentation. My name is Hiva Flåskjer and I'm the Investor Relations Officer at AutoStore. And I'm very pleased to host the presentation today from Oslo, Norway. I'm joined by members of our management team, including Mats Hovland Vikse, our CEO; and Bent Skisaker, our Chief Financial Officer. I would like to remind you of our disclaimer, which you can read in your own time and leisure.

Moving on to our agenda. Mats and Bent will provide an update on our business and discuss the fourth quarter and full year results. As a reminder, all financial financials are stated in US dollars. Management discussion will be followed by a question-and-answer session from our participants in the auditorium, as well as of our listeners on the webcast. For the webcast participants, please submit your questions at any time. We will conclude the session today with some final remarks by our CEO, Matt Hovland Vikse.

And with that, I'll hand over the word to you, Mats.

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

Thank you, Hiva. So, let me begin to say that I was honored to take on the role of the CEO in the beginning of January. As most of you probably know, I've been part of the AutoStore management team since 2017 and have previously served as both the Chief Strategy Officer and the Chief Revenue Officer. So I know the company well, and I've played a large role in developing our strategy. And looking forward, we will remain focused on our established strategic growth priorities and execute on our strategy, while of course also adapting to changing conditions. So I'm very optimistic and enthusiastic about the potential of AutoStore, and we are operating in a very attractive market with a leading product and a fantastic team.

And as you can see on this page here, the team has delivered yet another strong quarter and an impressive full year of 2022. For the full year, we achieved a revenue growth of almost 80% driven by strong underlying demand and our ability to take market share, successful execution on our strategy, where we've seen in Asia-Pacific, North America, micro-fulfillment centers, and high-throughput grow at the higher rate, and also our ability to delivering product in what has been a challenging market on the supply chain side.

In the fourth quarter, we delivered 58% revenue growth. We also improved our margins by 650 basis points from Q3 to 61%, and we improved our EBITDA to 40%. In addition, we saw continued strong order intake of $153 million, taking our backlog to $476 million, which provides higher than historical backlog coverage and hence gives us good visibility for 2023. We have also now seen our pipeline grow to $5.7 billion, up 35% year-over-year, which is a good indicator of the underlying activity levels in the market.

Moving to the margins, which has been challenged throughout 2022, we are now starting to see impact from the price actions that we took at the start of 2022. This margin improvement will continue in the coming quarters as we execute on more projects for our backlog that has higher prices and lower grid costs. And Bent will provide more details around this later in the presentation.

In 2022, we also saw an operational leverage of – on our operating expenses, which is a natural effect from the business model we have where all sales goes through our partners. Then moving to the operational highlights. So throughout 2022, we have managed to reduce the standard lead time from 35 to 20 weeks. And having that delivery time is a real competitive advantage for us.

Of course, for many customers, especially on the larger high-throughput projects, just a project execution dynamics means that the realized lead times are longer so backlog duration is still ranging between 5 to 12 months. But for many customers, speed of delivery is key.

Today, we also announced that we have signed a partnership agreement with THG Ingenuity. So this is a new type of partnership in the way that THG only gets access to our technology on a pay-per-pick basis. And building recurring revenue and driving incremental demand through this model is a strategic focus area for us, and this partnership with THG is one of the steps that we're taking to increase adoption.

Another element that I would like to highlight is that we've now reached a milestone of more than 100 systems in APAC. This is a strong achievement and just demonstrates the global nature of our product and having a strong installed base and many proof points to show to is going to be important as we continue to scale in the region. So, all in all, we've delivered a strong quarter with revenue growth, sequential margin improvements and an order intake backlog in pipeline that supports 2023 growth.

So, let's now take a step back and look at some of the unique attributes and accomplishments in numbers and how things stand at the end of 2022. We have now sold more than 1,150 systems and over 52,000 robots in 49 countries. 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 800 unique end customers, and our lean business model has resulted in a superior financial profile with high growth with 50% CAGR since 2010 and around 80% annual growth the last two years.

High margins with EBITDA margins of around 50% in recent years and high cash conversion above 80%. Our sales has also continued to be strong with existing customers and still around 50% of sales is to already existing customers through new sites, extensions, and subscription fees. So, as I mentioned, we've seen a CAGR of more than 50% also since 2017. And as you've seen from this graph here, some years with higher growth than others. But we've not only been able to deliver revenue growth, we've also done this with industry leading profitability.

In 2022, margins has been under pressure primarily through higher-grade costs. And we have implemented actions both on pricing and sourcing, which we're now starting to see impact from. In fourth quarter, gross margins improved by 650 basis points and we are on track to returning to historical EBITDA margins. And of course, the uncertainties in today's global economy is widely acknowledged and this also will have an impact on our customer segments and short-term market growth for warehouse automation. However, this market is driven by secular megatrends and the long-term potential and attractiveness of this market remains intact. And we are still confident in our ability to outgrow this market by 2 to 3 times given our strong product and effective go-to-market model as we've also done in the past.

So, moving then to our customers. As I mentioned, we now have roughly 800 unique end customers and we've included a small selection of them here on this page. So you will find many more examples on our and our partners' webpages where you can also read more about the efficiency gains and benefits that they've received from AutoStore. But today, there are three points that I would like you to take home.

One is that we have a very broad exposure to different type of end markets. So we are helping clients build e-commerce and omni-channel fulfillment capabilities across many different industries. But we're also helping industrial companies make the leap to Industry 4.0. And of course, some of these end markets are growing faster than others. And for example, for us in grocery and in third-party logistics, we've seen triple-digit growth rates the last couple of years.

Secondly, over the years, we have also been able to build depth in all of these markets, and we are proven to work. We have helped blue chips logos like H-E-B and also South Korean SSG.COM in grocery. We've delivered to FANUC, Bosch and Siemens in industrials, and we're helping DSV, UPS and most of DHL supply chain who recently announced that they're implementing its first European fully automated small parts warehouse with AutoStore in the 3PL space. And we're also helping many, many more.

And thirdly, we have a massive opportunity to grow within this customer base. Around 50% of revenues today come from existing customers, and we have done significant customer acquisition the last couple of years. If you'll take our top 10 customers alone in terms of size, we estimate that we have less than 5% average penetration. So the potential here is huge.

So let's now take a look at our order intake backlog and pipeline. So, in Q4, we had an order intake of $153 million. And considering then the backlog we have, the change in lead time and how the overall market has changed since Q4 of last year, this is a solid number relative to our targets. The backlog now stands at $476 million, which gives us good revenue visibility for the balance of the year. Another metric that provide visibility is our pipeline. And at the end of 2022, the pipeline amounted to $5.7 billion, up 35% compared to 2021. And this is reflective of the activity level that we're seeing in the market. And the volume of projects that we're seeing and the activity level on those is good, and it also supports our growth ambition. But as I've mentioned before, decision cycles are now longer than what we've seen in the past.

But if we put these figures into perspective, you will see that with the order intake and backlog from Q4, we're in a good position for 2023. Our backlog now represents over 60% of the midpoint of our 2023 guidance, and this compares to a historical average of approximately 50% in the years where lead times has been comparable to what we have now. 2022 is an outlier because of our long lead times at the time, and we basically almost had 80% coverage as we entered the year, which is very different from what we've seen in the past.

So now looking at how we're progressing on our strategic priorities, which remains unchanged, I can say that we made strong progress. On the first topic, on new markets, we've seen micro-fulfillment grow at 138% year-on-year and high-throughput grow 226%. And these are important growth segments for us, and we've gained substantial market share in 2022, really proving the value of our product and our ability to drive adoption in new warehouse categories.

On the second one with new commercial models and recurring revenue, we have grown our software subscription fees through router adoption and a growing installed base. And also a few months back, we launched our new pay-per-pick offering, which will provide more flexibility to our customers and build more recurring revenues for us.

And it's still in its early days, but we're starting to see some traction with our BDMs and our existing partners, and the onboarding now of THG Ingenuity as a partner for pay-per-pick only will accelerate adoption.

When it comes to product innovation, we continuously make progress. Last quarter, we presented the PickUpPort, which provides a stronger offering in retail, Unify Analytics, which is our service and data platform, and also frozen capabilities. All of which just increase our competitiveness and expands our addressable market.

This quarter, we have released a set of new, smaller products and features that improve our offering in the high-throughput segment and for very large systems. So these products, such as the [ph] Bin Rescue Robot (13:24) and various grid tools are addressing specific customer pain points that we have identified through the accumulation of data and experience from our customer sites. And these smaller incremental improvements that we work on all of the time, both on hardware and software, is critical for maintaining our technological lead and to always improve customer ROI.

We've also seen strong growth in APAC and North America. So in 2022, APAC grew 146% than North America, 91%, representing now 10% and 31% of total revenues, respectively. We also continue to invest in these two regions. And in APAC alone, we grew our organization by more than 80% and adding resources in Japan, South Korea, Australia, and Singapore.

And lastly, on the M&A side, we continuously evaluate potential targets and opportunities to either expand or enhance our offering, but we remain disciplined and opportunistic as before.

And before I hand the word over to Bent, who will walk us through the numbers more in detail, I want to show you a video. So THG has been experiencing the efficiencies of AutoStore and their business, and achieved a payback of less than one year. Now, they're using this experience to drive success as a partner of AutoStore.

[Video Presentation] (14:53-16:21)

Bent M. Skisaker

Chief Financial Officer, AutoStore Holdings Ltd.

Thank you, Mats. So now let's look at the financial highlights on page 14. As Mats already stated, we delivered another strong quarter with 58% revenue growth, 40% adjusted EBITDA margin, 77% cash conversion, $153 million of order intake, and an order backlog of $476 million as of year-end.

On the next slide, I will go into a bit more details. AutoStore reported revenues of $148 million in the fourth quarter of 2022, up by 58% from $93 million in the corresponding quarter last year. Revenue growth was supported by solid growth in all regions. Applying 2021 FX rates, the revenue growth would have been 64% in Q4.

Full year 2022 revenue increased by 78% to $584 million, from $328 million in the full year of 2021. Again, if we apply FX rates from 2021, the revenue growth in 2022 would have been 89%. Full year 2022 revenue was supported by strong growth in all regions, healthy demand from end markets, including e-commerce/omni-channel and 3PL, as well as a solid mix of high-throughput, MFC, and standard systems. Growth in high throughput was primarily driven by new apparel and accessories projects in North America. Within the standard segment, I would particularly call out 3PL, apparel, and accessories, as well as industrials. Finally, in the MFC space, we saw a positive development in the grocery space.

If you look at the right-hand side here, we look into the trends in Q4 in the geographies where we do business. Revenue in EMEA increased to $61 million, up by 9% year-on-year. While EMEA continues to represent the majority of our revenues, we see that revenue in the North America region increased by 113% year-on-year to $63 million. Revenue in the APAC region increased significantly, tripling from $8 million to $24 million in the fourth quarter.

If we quickly glance over the 2022 full year revenue, the EMEA region achieved an increase of 65% compared to the corresponding period last year, while North America region increased by 91% year-on-year, and the APAC region achieved revenue growth of 146%. This is very satisfactory development and really confirms our previous communication that North America and APAC are growing at a higher pace.

Moving on from revenues to gross profit and adjusted EBITDA. In Q4, gross profit ended at $90 million, up from $62 million in the same quarter last year. This corresponds to a gross margin of 61% in Q4, compared to 66% in Q4 last year. Gross profit for full year 2022 ended at $341 million, up from $220 million for the full year of 2021. This corresponds to a gross margin of 58% in 2022 versus 67% last year.

The gross margin in 2022 is influenced by that we still in Q4 have been executing on backlog with high historical cost on key components, mainly grid parts. However, in line with what we told when we met in November, our gross margin has improved. As Mats already have stated, we have seen a substantial sequential improvement of 650 basis points in Q4 versus Q3 this year, and that is driven by the effects of the pricing actions and the reduced grid costs. We will discuss the positive development in gross margin in more detail in a minute on the next slide.

But before we do that, let's look at adjusted EBITDA. Adjusted EBITDA was $59 million in Q4, representing an adjusted EBITDA margin of 40%, compared to an adjusted margin of 44% in Q4 last year. The full year 2022 adjusted EBITDA was $238 million, corresponding to an adjusted EBITDA margin of 41% versus $158 million in the corresponding period last year, which also had an adjusted margin of 48%. Here also, we experienced a sequential improvement in EBITDA margin of 280 basis points in the fourth quarter versus the third quarter this year, driven by the positive development in gross margin.

So now, let's look into the details on the positive margin development and our pathway back to historical margin levels. The bridge shown to the left here, we see that the Q3 margin this year was our [ph] love (23:05) point, and we also see how prices increases gradually, coming into effect from the fourth quarter 2022 as orders secured on new prices has moved from backlog to revenues. And in addition, grid costs have come down somewhat from the peak levels realized in the third quarter. These effects combined resulted in the strong 650 basis point margin improvement now in the fourth quarter, compared to the third quarter 2022.

So, assuming the further price increases reflected in our backlog and the grid cost level on orders placed in the fourth quarter 2022, we expect to see a margin recovery back to historical levels throughout 2023. Since we last year have had significant – we since 2021 have had significant costs related to various items as to Ocado litigation, costs related to the IPO and option costs, we are providing here a breakdown of the different costs that to a very large extent has a one-time character.

Looking at the fourth quarter, there are two noteworthy adjustments: first, an adjustment on the employee benefit expenses relating to provisions of social security tax on management options in response to the developments in the company's share price, and this totaled $8 million in the quarter. Secondly, there's an adjustment of $5 million related to the Ocado case.

Adjusted EBITDA is an important supplemental measure to give our investors the overall picture of operating activity profit generation. For a full P&L, balance sheet, and cash flow statements, please see the board of directors' report announced at 6:00 CET this morning, which provides an in-depth discussion of the consolidated IFRS accounts.

You will find additional information on adjusted EBITDA and the IFRS financial statements as a part of the alternative performance measures section in the Financial Report on page 28, 29, and 30.

So, now I will hand it back to you, Mats, who will walk us through the outlook.

Mats Hovland Vikse

Chief Executive Officer, AutoStore Holdings Ltd.

Thanks, Bent. So, as we presented today, AutoStore operates in a growing market. And even though more and more warehouses are automated, only about 15% of the market is automated today, leaving plenty of space to grow. We are operating in a more uncertain market today than one year ago. Nevertheless, the underlying drivers of automation and the business case for investing in AutoStore remain very strong. On top of that, we have a well-defined strategy that will continue to drive growth for us going forward, and we're already progressing well on the initiatives that we've laid out.

And now to the growth outlook, for 2023, we expect to grow 20% to 30% to $700 million to $750 million. This growth is well-supported by our strong backlog and pipeline. We continue to believe the long-term growth in this market is around 15%, and we have strong confidence in our ability to outgrow that by 2x to 3x, which then would yield a 40% growth for us in the medium term. There will be variability year-over-year as the historical numbers also show, but the potential here is huge.

With respect to margins, we are confident in our ability to return to historical levels in 2023 through pricing actions that we've already implemented and with current grid cost levels. We're already tracking against that, and we've improved gross margins by 650 basis points compared to Q3. In addition to this gross margins improvement, we also have operational leverage on our operating expenses due to our [ph] lean both (27:51) business model selling through partners.

I want to end this session by calling out some key points. So first, we are the pioneer and global leader in cubic storage. The global warehouse automation market is massive and growing, and we are able to serve applications across different type of end markets, system types, and geographies. Secondly, we have a proven growth strategy, with an efficient and scalable go-to-market model where we are able to drive growth across all of these different applications. And thirdly, our technology is market-leading with a differentiated robotic cube solution driven by intelligent software that help our customers improve operational efficiency and profitability. 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 are very excited and optimistic about the future.

So thanks to all of 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.

QUESTION AND ANSWER SECTION

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

A

Thank you, Mats. Maybe, Bent, you want to join up here. So we have some questions from the web audience, but I expect that we also have some questions from our participants here in the auditorium. Maybe, Eirik, you want to kick it off.

Eirik Rafdal
Analyst, Carnegie Investment Bank AB (Norway)

Q

Thank you. Eirik from Carnegie. Thank you for taking my questions. First one, you're taking down the top end of the guidance range for this year, knowing the backlog into the year, knowing the approximately 20 weeks of delivery time now, the [ph] 250 (29:47) you got to go out there and get implies around $125 million per quarter for Q1 and Q2 in order intake. Is this just you guys being a bit cautious given the current macro backdrop, or should we expect that order intake can again come sequentially down quarter-over-quarter now into the new year?

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

A

So I think it is good to be prudent in the current market conditions, but I'll also call out a couple of other things. One is that we do have higher exposure to the high-throughput segment, as we've talked about in the presentation. And with high-throughput, that project execution is longer, and hence the backlog duration of those projects are longer. So we are already now booking some of the large projects that has revenue – will have revenue impact in 2024. So it's not a straightforward calculation in that sense. The other thing is that we are seeing a strong underlying activity level in the market, as we've shown from the pipeline, but it's all about conversion.

Eirik Rafdal
Analyst, Carnegie Investment Bank AB (Norway)

Q

Perfect. Thank you. And also another one, maybe a kind of question for Bent then, on the order intake as well. It's early days for the pay-per-pick solution, but if this really gains traction in a bit of a different macro backdrop than what we've seen the last two years, how will this kind of affect booking in terms of order intake? Is it like a NPV calculation of expected earnings over time? Like how will that impact order intake?

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

A

Yes. It will affect bookings in a kind of NPV consideration for the kind of fixed period of the agreement on this.

Eirik Rafdal
Analyst, Carnegie Investment Bank AB (Norway)

Q

Okay. Thank you. And one last one for me, based on what you're seeing out there in the market right now, in terms of market share, how do you see that evolving for you guys versus competitors and competing technologies?

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

A

So in 2021 and in 2022, we have gained substantial market share. So the underlying market has grown roughly at the rate that we've presented. We have grown 80% in both of those years, and hence we have been able to take market share, I would say, across all of these segments. The two segments to call out specifically is micro-fulfillment and high-throughput where we have grown even faster and where we've also then taken even more market share.

Eirik Rafdal
Analyst, Carnegie Investment Bank AB (Norway)

Q

Perfect. Thank you. That's all for me for now.

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

A

Thank you, Eirik. So moving on to some questions from our web audience, we have a question, Mats. Could you comment on the Amazon rumors or any other potential customers in that size that could be a partner in the near future?

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

A

So I will not comment on specific customers, but what I can say is that our technology is very relevant for companies like Amazon. And in the presentation today, we also provided a list of customers, where some of them are new, like SSG.COM in Asia. And also, if you look at the web pages of both ourselves and our partners, there is a larger list available. But the applicability for those types of customers are very, very high.

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

A

And then I have a question from Toby Ogg from JPMorgan to you, Bent, how should we think about the development of the OpEx through 2023? Could you discuss hiring plans, areas of cost discipline, and also areas of investment through 2023 from an OpEx perspective?

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

A

As we always have said, we are investing for growth, and we have that also in our [ph] backyard now (33:52). Of course, we are a bit more diligent now in the current macro environment. However, we invest into sales, and we invest also considerably into R&D. When it comes to the development of OpEx through 2023, we expect some operating leverage also in 2023.

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

A

Thank you. Another question from Toby to you, Bent, could you help us with the phasing of the gross margin through 2023 and a sense for the shape of the gross margin recovery through the year?

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

A

I think the bridge we showed in the presentation shows pretty well the development towards historical gross margin levels. When it comes to the pace, we saw that we took a big chunk of improvement now sequentially from Q3 to Q4 and we will see a good progress when it comes to improvement of gross margin already from Q1 and throughout the year.

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

A

Thank you. Mats, a question from Daniel Haugland at ABG. How do you see the general demand for warehouse automation now? And a follow-up to that, incoming RFPs, big differences versus earlier year, if any, do you see an effect from announced price hike to this year as you did last year?

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

A

So, on the first one, our pipeline grew by 35%, which is a good indicator of the underlying activity. And what we're seeing is that our leading indicators are actually as high as they've ever been. So, the underlying activity level and the volumes of projects out there is very, very high. And as I've also said in previous quarter, the difference now compared to a year ago and last couple of years is the elongated decision cycles. When it comes to the price increases, the – our impact from the price increases on orders, the impact was way larger last year simply due to the fact that that was our first ever price increase. Whilst this year, A, the price increase was lower, effectively 5% adjusting for the surcharge change. And secondly, it was more expected in the market now that we've gotten into that trend.

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

A

Thanks, Mats. It's a follow-up on the 2023 guidance. Could you elaborate on the updated guidance for 2023 and where the delta is from Q3 2022 to today?

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

A

So, I think I'll reiterate what I said on the last question and on this combination of prudency, the fact that we're having a higher exposure to high throughput leads us to think that that's the best guidance we can give at present. Also important to highlight, that when we presented this after the second quarter, that was an early estimate based on what we saw in the numbers at that time.

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

A

Following on outlook, Mats, can you please elaborate on 2024 outlook now what the quarterly order intake has turned negative?

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

A

So, as I said, we're already signing some projects for 2024 delivery. But with the lead times we have and just the nature of our business, we will typically start to build backlog for 2024 when we get to Q3 of this year. And obviously, we need to see an uptick in order intake in order to grow. But as I've said, for 2023, we have good visibility. What we know and what we see suggests that the underlying market will continue to grow in the medium term. But for 2024 specifically, we don't have data yet to provide a point of view.

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

Thank you. For you, Bent, could you speak to free cash flow expectations for 2023?

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

We will continue to have a very high cash conversion through to 2023. As we have talked about earlier, we have a very lean business model. So, in addition to high margins, we also have a moderate level of CapEx which, yeah, which caters for a solid and good cash conversion and that will continue in 2023.

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

Thank you, Bent. I'm just going to do one – see if there's any more questions from our web audience. At this point, it doesn't seem like there are any additional questions. So we think this concludes our Q&A session for this morning, and we thank you all participants on the web and in the auditorium for joining us this morning. And we look forward to future updates with you. Thank you. Do you want to have any closing remarks, Mats? Sorry. There you go.

Mats Hovland Vikse
Chief Executive Officer, AutoStore Holdings Ltd.

Thanks, Hiva. So I'll end our meeting today with two takeaways. So, first, our team remains very focused on executing on our strategic growth plan. In 2023, we continue to execute on all of our strategic priorities, increasing our geographical diversification with growth in North America and in APAC, and continuing to innovate to drive future growth.

Secondly, as we begin 2023 with a strong backlog in pipeline, we remain confident in our ability to deliver another year of strong profitable growth. So thanks again for spending the morning with us and we look forward to providing you with future updates.

