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AutoStore Holdings Ltd. (AUTO.NO)

Q4 2024 Earnings Call

CORPORATE PARTICIPANTS

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MANAGEMENT DISCUSSION SECTION

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

Good morning and welcome to AutoStore's Fourth Quarter 2024 presentation. My name is Nili Eslah and I'm the Investor Relations Manager at AutoStore. I'll be moderating this webcast.

Today, I'm joined by two members of our executive team. Mats Hovland Vikse, AutoStore's CEO; and Paul Harrison, Chief Financial Officer.

Now, before we start, we would like to take a moment to remind you of our disclaimer with regards to forward-looking statements. It can be read here at your convenience.

Moving to our agenda, Mats and Paul will present the quarter's operational and financial development. As usual, all financials are stated in US dollars. We will host the Q&A session right after the prepared presentation. You'll be able to post written questions in the webcast player starting now.

Similar to last few quarters, you're also provided with opportunity to log on to the webcast via Teams link and ask verbal questions directly to the management team by using the Raise Hand feature in Teams. The Teams link is available on our IR website and the invitation distribution as a stock exchange release previously. After the Q&A, Mats will round off with some final remarks.

And with that, Mats, the word is yours.

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.

Thank you, Nili. So, looking at the key highlights. Our financial performance is in line with what we communicated during our Capital Markets Day. Revenue for the quarter came in at $165 million, bringing our full year revenue to $601 million, which is slightly above our guided range of $575 million to $600 million. Order intake was $144 million, which is consistent with the previous quarter. That said, in the quarter, we saw exceptional FX volatility. And if we strip this out, we would be talking about approximately 15% sequential improvement.

Now, turning to profitability. We delivered yet another strong quarter, with gross margins at 73% and adjusted EBITDA margins at 46.7%.

Moving then to the operational highlights. Keith White joined us in November of 2024 as the new Chief Commercial Officer. Keith brings extensive experience from leading global businesses and transformations of major organizations, including Microsoft's Intelligent Cloud Go-To-Market and their shift to the Microsoft Azure Cloud platform. Similarly, at Hewlett Packard Enterprise, Keith was responsible for leading the HPE GreenLake team, helping lead their move from a transactional hardware company to selling hybrid cloud and solutions.

So I'm excited to now have Keith and his expertise leading AutoStore's go-to-market transformation, also with a team that's laser focused on returning us to growth.

So Keith's key objectives includes enhancing market awareness, deepening our understanding and engagement of our customers and their needs, evolving our partner ecosystem and all while ensuring that our customers are successful in getting the most value out of our offerings. So, I'm excited to see his impact in just his first three months in accelerating our key growth levers, which I will cover shortly, to deliver long-term sustainable growth and shareholder value.

So now, taking a moment to step back. As we reflect on the past year, 2024 was a challenging year for the warehouse automation sector. Macroeconomic headwinds, high interest rates and slowing e-commerce growth led to another year of market contraction. Third-party estimates suggest a double-digit market decline.

Despite this, we continue to take market share. And while we've performed well relative to the market slowdown, we have not fully met our own ambitions. However, we are encouraged by the progress we've made as our initiatives to improve performance are beginning to yield positive results.

At the same time, in this market, we have maintained our very strong financial profile. For the full year, we report annual gross margin of 73% and a 47% adjusted EBITDA margin. These numbers reflect the strong value proposition that we have for our customers and the very efficient business model that we've built. Growth remains our priority and we continue to invest for that. We're very confident in the go-forward opportunity, which is underpinned by record-high pipeline. This reflects not just future opportunities, but also signals a healthy underlying activity in the market.

And as we've said before, we can't control market developments and we do continue to see extended decision-making cycles with our customers. However, with the platform that we've built and our well-defined growth strategy, we're in a very strong position to continue to deliver strong performance in any market. So let me expand on that platform over the next couple of slides.

And this slide summarizes our strong platform and why we are so uniquely positioned. We've now delivered 1,650 systems with 75,500 robots in 58 different countries. We have over 1,150 unique customers compared to about 1,000 customers a year ago. And within the cubic storage space, we are the only player with such significant installed base, providing us with great advantages. And not only does this speak to the strength of our solutions, it also represents a big base for our land-and-expand strategy.

We've built a business that is well positioned for strong growth in the future. First of all, we have a solution that can address all end markets, all system types, whether it's greenfield or brownfield, or whether we're fulfilling to stores or e-commerce. And we're doing all of that with very attractive economics for the end customers.

To deliver on this, we have a highly efficient go-to-market model with a strong network of 23 integration partners around the world, which is then complemented by our commercial teams. It is this very efficient go-to-market model together with our highly standardized and scalable solution, which is the foundation for the attractive and stable financial profile that you see on these slides.

This here is also a slide that you're familiar with. And here, you can see a small selection of our over 1,150 customers. And as you can see, we have a very wide customer portfolio across a diverse set of end markets. Around half of our revenue comes from existing customers. And this growing customer base represents a massive opportunity for us.

Now, shifting our focus forward. We remain unwavering in our confidence that the market will rebound, driven by long-term secular trends such as continued e-commerce adoption, increasing warehouse automation penetration, labor shortages and rising labor costs. Within this attractive market, AutoStore is uniquely positioned to outpace competition and gain market share.

And you will recall this slide from our Capital Markets Days. It summarizes our four growth levers that's underpinning our strategy. And summarized, what it says is that we will continue to build deeper relationships with our existing customers, drive success in the attractive high-throughput market, continue to expand our superior go-to-market strategy and evolve our products at pace. And to this end, our next bi-annual product announcement is coming up on March 4, where we will present new software and hardware products. So, stay tuned.

Then, looking into 2025, the market environment remains largely unchanged. It's still too early to predict when momentum will return as our customers continue to maneuver in what's an unpredictable landscape. For us, whilst we benefit from a strong pipeline and order backlog, the timing of delivery of these projects remains unpredictable.

Look, we've always had a lumpy revenue profile, which is a characteristic of our business, but this is now compounded by the current market uncertainty. But that doesn't stop us from making progress on the things that we can control. We stay close to our customers and the opportunities that are out there, adopting to their evolving needs. One example is that we're seeing an increasing interest in alternative commercial models, particularly OpEx solutions, which provides customers with greater flexibility.

And look, this market is still in its early stage and is expected to see high growth over the next decade. Therefore, we remain focused on building strong, long-term relationships with our customers as they move from a manual to an automated environment.

I always like to give the last word to our customers, and you've heard me talk today about our land-and-expand growth strategy. Today, we're highlighting Sonepar, a global leader in the B2B electrical distribution space, which is a perfect example of this. Sonepar has already deployed 12 AutoStore systems and plans to expand this to over 20 worldwide. And as you will hear, by leveraging AutoStore's flexibility, they can seamlessly expand in line with their needs, while maintaining same-day delivery and high service levels across multiple regions.

So, before Paul takes us through the financials of this quarter, please have a look at this.

[Video Presentation] (00:16:02)

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

Thank you, Mats, and good morning. Okay. Let's move on to the financial highlights on the next slide. As you can see, the slide summarizes our quarter four performance. Revenues came in at $165 million. And as Mats mentioned, this puts us slightly ahead of the full year range we communicated at our recent Capital Markets Day. Our margins remain strong this quarter with a high gross margin at 73%. Our adjusted EBITDA margin came in at 47%, reflecting the strong business model and value proposition that we offer to the market.

On the next slides, I'll go into more details on the key financials. As I mentioned, looking at our quarter four revenue, the quarter came in at $165 million, up 14% sequentially. This is driven by results of our short-term initiatives such as successfully accelerating conversion of opportunities from Q1 back into Q4, as well as upselling our installed base. As shown on the right-hand side of the slide, which highlights the geographical split, EMEA remains our largest region, while North America had a strong quarter, increasing revenue by $29 million from the previous quarter.

Order intake totaled $144 million, down approximately 12% from quarter three 2023, but remaining in line with quarter three 2024 levels. This quarter saw significant euro-US dollar FX fluctuations, which had an adverse effect on order intake. As Mats noted, absent this, we will be shown approximately 15% sequential growth.

While prolonged conversion times remain, underlying activity remains strong. In response to evolving customer needs within a dynamic environment, we're also seeing more OpEx-based deals also for short-term delivery. On the backlog front, quality remains solid and we closed the year with a backlog of $457 million, which is up 2.4% year-over-year.

I move now to gross profit and adjusted EBITDA. We delivered a strong performance this quarter. The highly standardized nature of our product enables us to deliver these strong gross margins. In fact, this marks the fourth consecutive quarter with gross margins exceeding 70%, demonstrating the resilience and efficiency of our business model.

Now, at present, we're closely monitoring developments in the US, particularly potential government announcements regarding tariffs on certain imported products. It's worth bearing in mind that in FY 2024, North America accounted for roughly 25% of our revenue. And given that our products are manufactured outside the US and actually imported through our partner network, based on what we know today, we expect tariffs to have a limited impact on our business.

We continue to invest in the business to drive growth and position us as the long-term winner in this market. Because of the principles of which we built this business and in particular, as I say, the highly standardized nature of our product, we can do this whilst continue to deliver the strong EBITDA margins you see on this page.

Finally for me, let's spend a couple of minutes highlighting our strong cash position. In the quarter, we delivered operating cash flow of $48 million after settlement payments of $32 million. And we end the quarter with a strong cash position of $296 million, which of course supports our growth strategy.

So with that, I'll now pass back to Nili, who's going to open up the Q&A.

QUESTION AND ANSWER SECTION

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.
A

Thank you, Paul. Please continue to submit questions through the webcast player. And for now, we'll open up questions for the Teams. So, please raise your hands if you have any questions.

We have already hand raised here. Luke, can you unmute yourself, please, and ask your question?

Luke Holbrook
Analyst, Morgan Stanley & Co. International Plc
Q

Yeah. Morning, everyone. It's Luke Holbrook from Morgan Stanley. You described I think in the release some of the orders that were expected to be delivered on in the first half of 2025 were pulled into Q4. So I'm just wondering – get an understanding of what does that mean for both revenue and margins into Q1.

And then, on the back of that, really, what are you seeing in terms of trends year-to-date? It looks like the US was down 40% year-on-year in Q4. I appreciate it was up Q-on-Q. But the year-on-year dynamics are still weak there. And also, the rest of Europe outside of Germany was down 26%. So I appreciate order flow can be lumpy, but just want to get an understanding of what's causing those regions to be particularly weak. Thank you.

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.
A

Perhaps I'll take the first part of that, which is the implications for Q1. I mean, we're very pleased clearly to have delivered revenues at the top end of the guidance range, resulting from the efforts that we made, the initiatives that we announced at the Capital Markets Day. Clearly, there's an element of that that is pull forward, particularly around the extension business and other business as well. So there will be an impact on Q1 revenues there. But as I say, a product really of a successful initiative to drive revenues at the top end of the range.

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.
A

And in terms of your second question, just regional trends on orders and what we've seen is that the US has not delivered particularly strong performance for the last couple of quarters, given the amount of uncertainty that we've seen in that market. Europe, more general, has performed very well in those same couple of quarters.

And if we think about the momentum so far into Q1, it's still early to say. But in general, we see Europe continuing to be strong as the stronghold of our business. And going forward, we see US being a very, very attractive market, which is also representative of what we see in our backlog and pipeline.

Luke Holbrook
Analyst, Morgan Stanley & Co. International Plc
Q

Are you able to quantify some of the order patterns that you saw into Q4? I think this time last year, you made a quantification around how – the significance around what was pulled in.

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

I'm not going to do that precisely, but you'll note the range of $575 million to $600 million that we put out at the Capital Markets Day. So you can form a view on the success, therefore, of the initiatives, which, as I say, had an element of pull-in to it based around that range.

Luke Holbrook
Analyst, Morgan Stanley & Co. International Plc

Q

Understood. Thank you.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you. Next up, we have [ph] Tore (00:26:14). Please unmute yourself.

Q

Yeah. Good morning. I hope you can hear me well. I have two questions from my side. First would be just in light of the recent data points, I mean, we're looking at Honeywell, Rockwell, both mostly in the US, reporting quite strong order growth in warehouse automation. Could you just help me a little bit piece together why are you still being quite slow on the order intake? So basically, do you see any particularly reasons for this or is it just how it is?

And then the second question would be you said this increased demand for OpEx solutions in your orders in there. What exactly are we speaking about here? Is this the [ph] appeal (00:26:56) that you also showed us at the Capital Markets Day? And what is the difference from OpEx orders versus CapEx-based orders for profitability for you? Thank you.

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.

A

So on the first one, we have continued to take market share into 2024, which is a reflection on our performance relative to the market that we operate in. I think it's also worth remembering that we grew significantly through the COVID-infused demand phase that we went through, and we've been able to maintain those very high levels also through a period where the market has been more challenging. But I think the key point that you should take home here is that we have continued to gain market share relative to competition.

On the second point, on the OpEx side, it's a mix between large projects, but also an increased demand of the PO-type solutions that we showed on the Capital Markets Day. More broadly, what we're hearing from customers is the need to address cost savings but doing that in a flexible way, which enables them to meet the increased uncertainty that we're seeing out there in the world.

And what we're seeing then is that both the traditional large-scale order source systems are getting more interest in terms of just OpEx-based revenue models, but also that the PO-like systems are seeing some increased interest also in the SME market.

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

The only point, if I may, that I'd add to that is clearly, as we see more of these OpEx deals and get into those conversations, that also, of course, goes to a growth in the proportion of recurring revenue in our base, which is a very attractive development.

Q

Okay. Thank you.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you, [ph] Tore (00:28:44). Next up, we have [ph] Timothy. Timothy (00:28:46), please unmute yourself.

Q

Hey. Hi. Thanks for taking my questions. I have two questions. So first one, I know it's probably a little bit too early to tell about the 2025 guidance, but any color you can highlight or any forecast that you can share for 2025? That will be super helpful.

And I mean, the second one would be about the DSO. So I continue to see this further increase in total DSO number in the fourth quarter. What's the reason behind that? And how should we think about the future development of this DSO number? Thank you.

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

Thanks. Thanks, [ph] Timothy (00:29:29). Sounds like two questions for me. I think, first of all, on 2025 guidance, we've not provided guidance today, as you have seen. And that really goes to Mats' comments about the unchanged nature of this market and how difficult it is to predict. So, it would be premature to provide any sort of firm guidance on 2025 today.

Now, at the same time, as Mats has explained, that does not stop us from executing on initiatives that are designed to drive growth in the business.

In terms of DSOs, I'll make a couple of comments. One, yes, we saw receivables, trade receivables increase, and that's a product really of a strong revenue quarter and with a reasonable proportion of that business coming in late in the quarter. So I don't think it points to any fundamental issue with DSOs.

And just stepping back on that, do bear in mind that because our sales are actually to our partners, we do have a total of 23 sort of DSO accounts in the business. So, there are no concerns on any sort of collection or any of those matters.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Okay.

Q

Thank you so much.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you, [ph] Tim (00:30:48). Next up, we can have Emilie. Emilie, please unmute yourself.

Emilie Krutnes Engen
Analyst, DNB Bank ASA

Q

Yes. This is Emilie Engen from DNB. My first question is to you, Paul. I think you mentioned on the Capital Markets Day that 90% of the backlog are orders that have come in over the past 12 months. Can you say anything about what that number is right now?

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

We did give that – I did make that comment at the Capital Markets Day. It isn't something I'm going to disclose at every quarterly announcement, Emilie. But I will say that directionally, it remains in that space.

Emilie Krutnes Engen
Analyst, DNB Bank ASA

Q

Okay. Thank you. And also, if you can say something about the share of the backlog, which you guys are estimating with deliveries for 2025 and perhaps how it compares to the end of 2023.

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

A broadly similar share, and that is the majority of the backlog, is expected for delivery in 2025. But as I said in the past at this time of year, there's still a reasonably sort of significant amount of in-year revenues resulting from order intake in Q1 and Q2. And the mix of that is pretty similar to previous years, Emilie.

Emilie Krutnes Engen
Analyst, DNB Bank ASA

Q

Okay. Thank you.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you, Emilie. Okay. [ph] Toby (00:32:20), could you please unmute yourself?

Q

Yeah. Hi. Morning and thanks for the question. Just coming back on just the outlook again for 2025. I know you've mentioned – Mats, you mentioned a double-digit decline in the market for 2024 based on sort of third-party indications. And I know, Paul, you talked about how the market remains unchanged and challenging. But what are you seeing in terms of market growth expectations for 2025?

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.

A

So at the Capital Markets Day, we presented a stabilization in 2025 based on third-party research. As we sit here today, we don't see a meaningful difference in the 2025 market as we saw in 2024. And as I mentioned also during the presentation, it's incredibly hard to assess exactly when we will see a change in momentum.

Q

Thank you. And maybe just one more. Just on the OpEx-based deals in the sales funnel, could you talk about how these OpEx-based deals would flow through into the P&L and the cash flow, and sort of how that would compare versus the traditional deals?

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

I think with the caveat that let's land these deals and then talk about them, we're in those conversations, they will play out clearly over time. And the duration of the sort of deals that customers anticipate varies quite considerably. And the cash flow would be received over time.

As I say, the other side of that is the predictability that those deals will bring. But I suggest that we talk more specifically when we're talking about a couple of actual deals that are landed.

Q

Understood. Thank you.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you. Next up, [ph] Petter. Petter (00:34:23), could you please unmute yourself?

Q

Yeah. Thank you for taking my question. So, this probably goes to you, Paul. You delivered now a sales decline of 6%, 7% in 2024, while the OpEx is up 21% year-over-year. How should we think about the OpEx for you guys into 2025? I mean, are you now at an OpEx level that is fair to support the business? So you should think more about, call it, normal inflation or will the OpEx growth in 2025 be materially higher than inflation? Thank you.

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

Thank you for your question. Yeah. I'll take you back firstly to the Capital Markets Day. The only component that's missing, I think, from that question is the progress we've made on gross margin. So my comment for 2024 at the Capital Markets Day was that we would effectively invest the upside that was coming through on gross margin into OpEx and more particularly into our go-to-market side of OpEx. So sales, marketing, etcetera. And my comment was that that would balance out and see us still delivering a high EBITDA margin, which we have done.

As I look at 2025 and particularly with some of the key management changes we've made, I expect OpEx growth to slow and to be more aligned with revenue growth.

Q

Perfect. Thank you.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you. And then finally from Teams, [ph] Tintin (00:36:01), could you please unmute yourself?

Q

Morning, guys. A couple for me. Mats, just to be clear, when you talk about taking market share in the market you operate in, is this against shuttle like in the light ASRS market? Is that sort of kind of the backdrop that you're talking about?

And just secondly, in terms again, on the OpEx-type deals, could you talk about if some orders in the backlog, for example, are renegotiating and thinking about exploring these new types of deals with you? And if there's any particular bias in terms of region and sectors in the market that are particularly open to this.

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.

A

So on the first point, you're correct. It's against shuttles and other players in the ASRS light market.

In terms of the OpEx deals that we're referring to, these are net new opportunities that will go into our backlog. We are not renegotiating any current backlog projects at this stage.

And in terms of who those typical customers are, we're seeing it broad-based. But typically, you will see this from high-growth companies that has a heightened level of uncertainty about future demand and need that type of flexibility. But we're also seeing pretty good interest from players within the 3PL space, which also has a revenue profile and a end customer contract that matches very well with the type of flexibility that these OpEx deals would offer.

Q

Great. Thank you. And just to be clear, sorry, in terms of the partners that you deal with, are they already sort of kind of used to these OpEx-type deals themselves, for example, and maybe other other solutions that they're offering in the market?

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.

A

So, it's not a commonly used model within our base. And the fact that we're now offering this at a broad base provides us with advantages in the market. We do have a model that we will work with the partners so that we can actually bring this to life. But remember that the highly standardized nature of our offering puts us in a unique position to offer this with simplicity.

Q

Great. Thanks, guys.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you, [ph] Tintin (00:38:25). And one more from Teams. [ph] Lasse (00:38:28), please unmute yourself.

Q

Hi. Good morning. I just wanted to follow up a bit about – you mentioned the pipeline, which looks reasonably healthy. Just looking at the kind of end market split of your 2024 revenues, apparel was down pretty significantly, which I suppose is not surprising given the growth in the years prior. I'm just wondering, are you seeing any change in behavior from those customers? It seems like some apparel and clothing companies are getting a bit more positive about end market demand and kind of their own utilization rates? Sorry. So, are you seeing any change there? That would be interesting.

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.

A

So, if I look at 2024, you saw, for instance, industrials being quite strong on a relative basis, which is reflective of the market we're in, to your point. If I then turn my eyes into the backlog and the pipeline, i.e., the leading indicators, retail is still the dominant end market. So in our conversations with customers, automation remains a key priority but, of course, with the overlay of the uncertainties and cautiousness that we've talked about.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Okay. All right. A couple of questions from...

Q

Okay. Thank you.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

A

Thank you, [ph] Lasse (00:39:52). Running off with a couple of questions from the webcast. Thank you for submitting your questions. So starting off with Eirik Rafdal. The question is, you're done paying Ocado this summer. If the stock remains where it's trading today, is it fair to assume that the majority of the excess cash will be put towards share buyback program?

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.

A

Thank you, Eirik, for the question. And again, I'm going to sort of just take us all back to the Capital Markets Day. And we outlined three priorities for what is a highly cash-generative business. The first, of course, is and should always be to support organic development of the business. The second, we've talked to you before about potential opportunities in adjacent markets to the cube, and those opportunities which we consider would potentially have an M&A aspect to them. So that is another potential use of cash.

And then, as I said at the Capital Markets Day, the board does regularly consider alternative uses of cash, including the return of cash to shareholders. And as you can tell, no decision has been made on that, but I would reassure you that the topic remains high on the board's agenda.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.
A

Thank you, Paul. And then there's a couple of questions about order intake and FX. Thank you, [ph] Enila Patel, Adolph Dahl (00:41:08), Håkon Fogler and [ph] Christian (00:41:11) for submitting your questions. So they evolve around FX. Is it flat year-over-year or quarter-over-quarter? What kind of currency are you talking about?

Paul Scott Harrison
Chief Financial Officer, AutoStore Holdings Ltd.
A

So look, the comments on FX, at every quarter, the order intake bears the movements in FX that have happened sort of from opening to closing of the period. Normally, that's an immaterial amount. We've called it out in quarter four because it is a more material amount. And it pertains particularly to the euro-US dollar relationship.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.
A

Thank you. And one final. This was also from [ph] Enila Patel (00:41:56). Does the hiring of Keith White indicate that there may be larger changes to the go-to-market strategy?

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.
A

Look, we've said, at AutoStore, we never stand still and we constantly evolve, both in terms of our go-to-market strategy, but also on our product side, which where we also hired Parth Joshi early in the year. So I'm very happy with the executive team we have in place now.

And we're not looking at major transformations, but we're looking at taking advantage of Keith's experience as we continue to evolve our strong partner-based go-to-market model.

Nili Eslah
Investor Relations Manager, AutoStore Holdings Ltd.

Thank you. And with that, I think we've covered the Teams in the Q&A. And if there's any further [indiscernible] (00:42:39) questions after the live presentation.

I now hand the word to you, Mats.

Mats Hovland Vikse
Chief Executive Officer & Chief Revenue Officer, AutoStore Holdings Ltd.

Thank you, Nili. So let me summarize and remind you of some key points. First, we operate in a massive underpenetrated market, which is driven by secular megatrends. The market is expected to grow significantly over the coming years, and we have a winning technology. Whilst market conditions remain challenging, in 2024 we have delivered sustained high levels of profitability, thanks to the strength of our business model.

As we said back at our Capital Markets Day, we have a clear strategy and will continue to act against it to ensure that we're well positioned for the significant growth opportunity we have ahead. And we're not standing still. Innovation is ingrained in our DNA, and we keep pushing the boundaries of what's possible.

We also have multiple ways to win. We have a solution that works across all end markets and system types, as well as a very efficient business model. And for all of these reasons, we are very excited about the future and what we will be able to achieve in the coming years. So, I would like to thank you for dialing in today and look forward to speaking to you again soon.