AutoStore: Q3 2022 financial results

Third quarter 2022 highlights
(All comparisons to corresponding period in 2021)

- Revenue of USD 147 million, up 74% from USD 85 million
- Adjusted EBITDA[1] of USD 55 million, up 30% from USD 42 million
- Adjusted EBITDA[1] margin of 37%, down from 50%
- Gross profit of USD 80 million, up from USD 56 million
- Gross margin of 54%, down from 66%
- A quarterly order intake[2] of USD 155 million brought the order backlog[3] to USD 470 million
- Simplified free cash flow[1] was USD 48 million, up from USD 35 million, equating to a cash flow conversion rate of 88% (84%)

Reaffirming 2022 and 2023 guidance

- Full-year 2022 revenue expected to be USD 550-600 million
- Full-year 2023 revenue expected to be USD 700-800 million

(Nedre Vats, 10 November 2022): AutoStore Holdings Ltd. (AutoStore, OSE:AUTO), a robot technology company that invented and continues to pioneer cube storage automation, today announced financial results for the quarter ending September 30, 2022.

“AutoStore grew revenue by 74% year-on-year and achieved an adjusted EBITDA margin of 37% in the third quarter of 2022, demonstrating the strength of our business in volatile and uncertain times. Our focus on operational execution and flexibility in navigating supply chain challenges has enabled us to cut manufacturing lead times by approximately 40% since the start of the year. Even with shorter lead times, a robust order intake of USD 155 million during the quarter brought our order backlog to USD 470 million,” says Karl Johan Lier, CEO.

“Our standardized modular product offering coupled with our unique go-to-market strategy facilitates our rapid growth and high margins. Additionally, in response to rising cost pressures, we have implemented pricing actions that will start to take effect towards the end of this year and into 2023.”

“The robust order intake of USD 155 million and strong order backlog give us the confidence to reaffirm our full-year revenue guidance for 2022 and 2023, respectively. Our long-term growth ambitions are unchanged, and we are determined to continue to further enhance our strong product offering, achieve efficiency gains and add new product capabilities, such as our multi-temperature zone grid, allowing us to take market share,” concludes Lier.

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[1] Please refer to APM section for further explanations and details on APM measures on page 28 of the third quarter 2022 financial report.
[2] Order intake is defined as value of projects where a distribution partner has received a purchase order or verbal confirmation that a specific installation will be ordered.
[3] Order backlog is defined as the total value of order intake not yet shipped and for which revenue has not yet been recognized.
[4] Revenue and other operating income.

Key financials

Highlights	Third quarter			YTD		
USD million	2022	2021	Δ in %	2022	2021	Δ in %
Revenue[4]	147.4	84.7	74.0%	436.0	234.4	86.0 %
Gross profit	80.1	55.6	44.1%	251.1	158.1	58.8%
Gross margin	54.3%	65.6%	-11.3 pp.	57.6%	67.4%	-9.8 pp.
EBIT	35.5	- 26.3	-235.1%	135.8	- 42.6	-418.8%
Adjusted EBITDA[1]	54.9	42.3	29.7%	178.5	117.3	52.2%
Adjusted EBITDA margin[1] (%)	37.2%	50.0%	-12.8 pp.	40.9%	50.0%	-9.1 pp.
Adjusted EBIT[1]	51.5	39.8	29.4 %	168.7	110.4	52.8%
Adjusted EBIT margin[1] (%)	34.9%	47.0 %	-12.0 pp.	38.7%	47.1 %	-8.4 pp.
Simplified free cash flow[1]	48.4	35.3	37.0%	149.2	97.3	53.3%
Cash flow conversion[1] (%)	88.2%	83.5%	4.7 pp.	83.6%	83.0%	0.6 pp.
Order intake	155.2	140.0	10.9%	477.1	422.5	12.9%

Third quarter 2022 operational results

Reported revenue for the third quarter of 2022 totaled USD 147 million, representing growth of 74% compared to the corresponding quarter in 2021. The year-on-year revenue increase was attributable to continued robust growth in all regions, including year-on-year increases of 75% in Europe, 164% in the APAC region and 45% in North America. Foreign exchange currency movements had a negative effect on revenues as the euro weakened against the US dollar. Adjusted EBITDA amounted to USD 55 million (42), with adjustments comprising a reduction in the provision for social security tax on management options (attributable to the reduced share price during the period) and reduced Ocado litigation costs. The corresponding adjusted EBITDA margin[1] was 37% (50%), with the margin decline primarily attributable to continued cost inflation for key components as a result of global supply chain challenges in 2022.

“As we communicated in August, recent customer contracts secure more favorable grid costs which – along with price increases due to start taking effect towards the end of this year – are expected to lift margins back towards historical levels during 2023. The full impact of the measures will be seen when projects with more favorable cost and pricing levels move from backlog to realized revenue,” says Bent Skisaker, CFO. “Additionally, we have further expanded strategic partnerships and implemented procurement measures to ensure a sufficient supply of key components and aluminum for grid parts for the remainder of 2022 and 2023.”

Balance sheet and cash flow

AutoStore generated positive cash flow of USD 49 million (21) from operating activities in the third quarter of 2022. The increase compared to the corresponding quarter of 2021 was mainly due to the increase in EBITDA contribution. Working capital in the third quarter of 2021 increased compared to the third quarter of 2022 mainly as a result of the timing of payments related to social security tax on management options. As of September 30, 2022, AutoStore had cash and cash equivalents of USD 147 million and total debt of USD 498 million, resulting in net debt of USD 351 million.

Conference call and webcast information

AutoStore will present its third quarter 2022 financial results at 08:00 CEST at Haakon VII Gate 2, Oslo, Norway, and via a live webcast. The presentation will be hosted by Karl Johan Lier, CEO, Bent Skisaker, CFO and Mats Hovland Vikse, CRO. The presentation will be followed by a Q&A session.

AutoStore will also host an earnings call and Q&A session at 16:00 CEST (audio only). The third quarter 2022 presentation will be used during the earnings call.

Participants are requested to dial in and register 5 to 10 minutes in advance.

Participants dial-in numbers:
PIN code for all countries: 366151
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SE: +46-4-0682-0620
DK: +45 78768490
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ENDS

The presentation will be broadcast live at Q3 Results 2022 (autostoresystem.com), and can also be streamed at Autostore Webcast Q3 2022 (royalcast.com).

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About AutoStore

AutoStore, founded in 1996, is a robot technology company that invented and continues to pioneer Cube Storage Automation - the densest product/inventory storage solution in existence. The company aims to marry software and hardware with human abilities to create the future of warehousing. AutoStore is a global company, with more than 1,000 systems installed in 46 countries and in a wide range of industries. All sales are designed, installed and serviced by a network of qualified system integrators. The company is headquartered in Nedre Vats (Norway), with additional offices situated in Oslo (Norway), the US, the UK, Germany, Austria, France, Spain, Italy, Korea, Japan and Singapore. Learn more at www.autostoresystem.com.

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. This stock exchange announcement was published by Hiva Ghiri, IRO, AutoStore Holdings Ltd., on 10 November 2022 at 06:00 CET.