

Significant Growth Opportunity

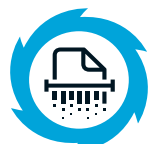
2020 Capital Markets Day
12th November 2020



Records



Digital



Datashred



Relocation



Technology

Chairman – Martin Towers

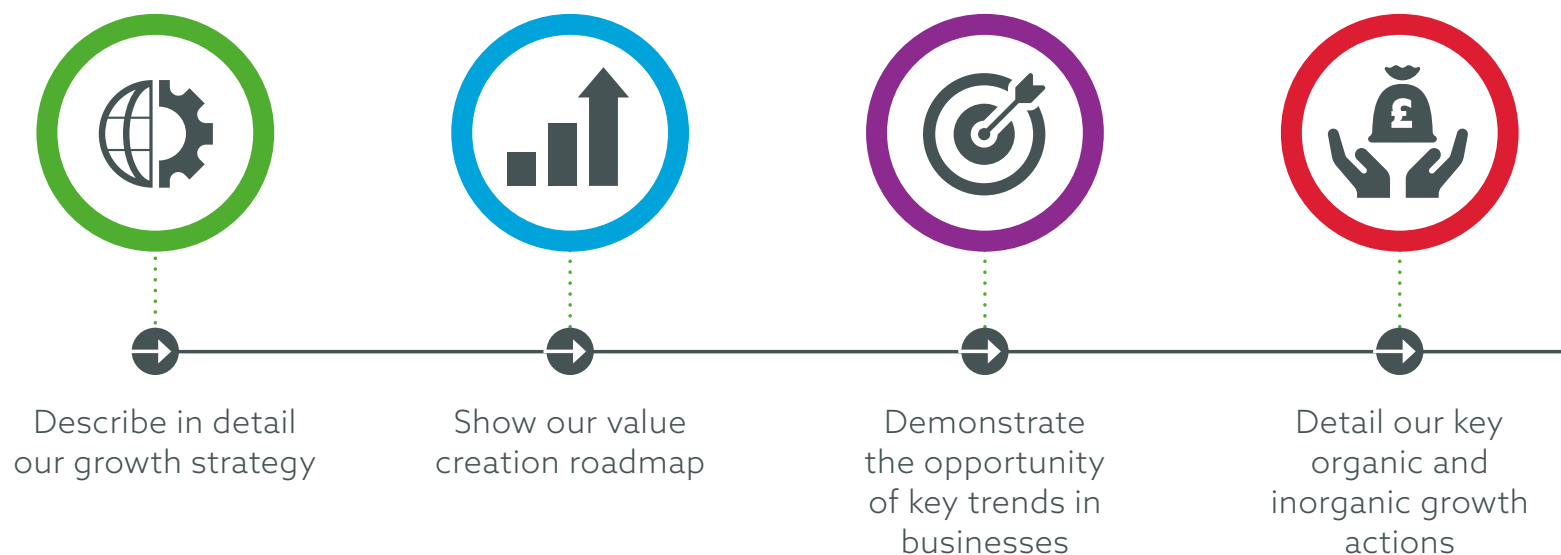
Welcome

- Restore has a strong platform with scale and capability
- Weathering the uncertainty of COVID-19
- Significant opportunity and a clear strategy for growth
- A strong executive team

Agenda

- Introduction
- Group Overview
- Value Creation Roadmap
- Financial Overview
- Business Unit Growth Strategy
 - Restore Records Management
 - Restore Digital
 - Restore Technology
- Investment Summary

Significant growth opportunity and cash generation



Introduction



Martin Towers
Non-Executive
Chairman

Martin Towers was appointed Chairman in January 2018 having joined the Board as a Non-Executive Director in September 2017.

Martin is a Non-Executive Chairman of Tyman plc, and stepped down as Non-Executive Chairman of Norcros plc in July 2020.

Martin was Group Finance Director of Kelda Group plc from 2003 until 2008, Group Finance Director of McCarthy & Stone plc, The Spring Ram Corporation plc and Allied Textile Companies plc. Martin served as Chief Executive of Spice plc from 2009 until its sale to Cinven in 2010. He was Non-Executive Director of Homestyle Group plc from 2004 to 2006, KCOM Group plc from 2009 to 2015 and was Senior Independent Director of RPC Group plc from 2009 to 2018.



Charles Bligh
CEO

Charles Bligh was appointed CEO of the Group from April 2019.

Charles was previously Chief Operating Officer and main Board Director at TalkTalk Telecom Group plc, which he joined in 2011. He previously spent 20 years at IBM Corporation in various countries, culminating in his role as Vice President, Commercial Sector in UK and Ireland.

Charles is also a trustee of the National Children's Orchestras of Great Britain.



Neil Ritchie, FCA
CFO

Neil was appointed CFO of the Group in October 2019.

Neil is a Chartered Accountant and was previously Chief Financial Officer of AIM-listed Mulberry Group plc and prior to this spent 14 years with the technology business Dyson, where he held a variety of commercial and finance roles.

Neil serves on the Board as an Executive Director, reporting to CEO Charles Bligh.



Nigel Dews
Managing Director –
Records Management

Nigel was appointed Managing Director of Records Management in January 2020.

He was previously Managing Director of Restore Harrow Green which he joined in 1999. Prior to this he spent 14 years with Pickford's Removals where he held several Senior Management positions.

In addition to his role as the Managing Director of Records Management, Nigel provides strategic support in Harrow Green.



Mark Horrocks
Managing Director – Digital

Mark joined Restore Digital in April 2016 and held the roles of Operations & IT Director and Commercial Director before being appointed Managing Director in January 2019.

Mark was previously Operations Director then Commercial Director and a member of the UK Operating Board of EDM Group Ltd which he joined in August 2007. Previously he had a 13 year career in various senior IT roles in three UK based businesses.



Duncan Gooding
Managing Director – Datashred

Duncan joined the Group in October 2019.

He has worked over the last 25 years in the IT and Telecoms markets with recent experience in Logicalis as a Sales Director and then in the B2B Division in TalkTalk as the Sales Director and then Chief Operating Officer.

In addition to his role as the Managing Director of Datashred, Duncan provides strategic support for acquisitions in Restore Technology.

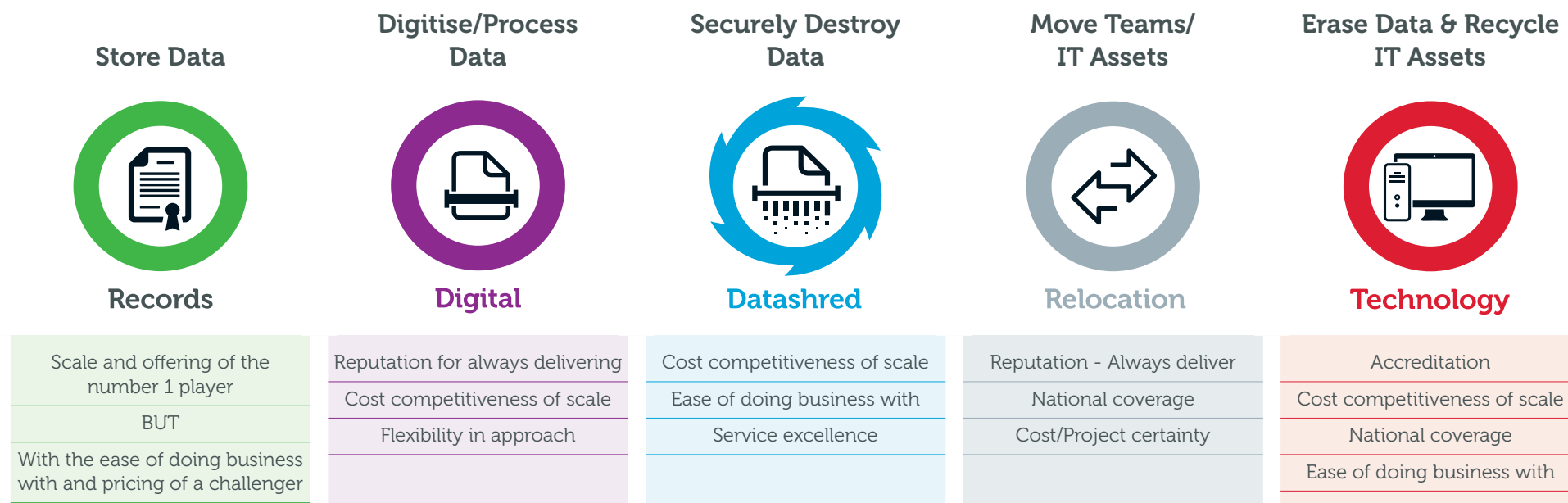
We deliver essential services to customers in growing markets

We help business customers manage their Physical & Digital Data and IT Assets.



Why customers choose Restore – ‘All about TRUST’

We help business customers manage their Physical & Digital Data and IT Assets.



Customer Benefits

Reduce costs

Transform ways of working



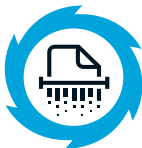


Eliminate data loss

Security of data

Improved quality & compliance

Market trends last 40 years... and likely the next 30 years

Major business trends benefit Restore

	 Records	 Digital	 Datashred	 Relocation	 Technology
Digitisation	— & +	+	— & +	+	+
Flexible working	+	+	— & +	+	+
Security of data	+	+	+	=	+
Environmental	+	=	+	+	+

'- & +' in Records: negative because organic growth of boxes may slow but we generate even more significant revenues helping customers digitise

'- & +' in Datashred: negative because market growth may slow but it will drive consolidation which is a net positive for Restore

ESG is at the heart of the Company

World Economic Forum's "2020 Davos Manifesto"

"A company is more than an economic unit generating wealth. Performance must be measured not only on the return to shareholders, but also on how it achieves its environmental, social, and good governance objectives."

Environmental



**Our services are based on
recycling – zero landfill**

Plans to use more sustainable
resources in how we run the
business

Social



UK Champion

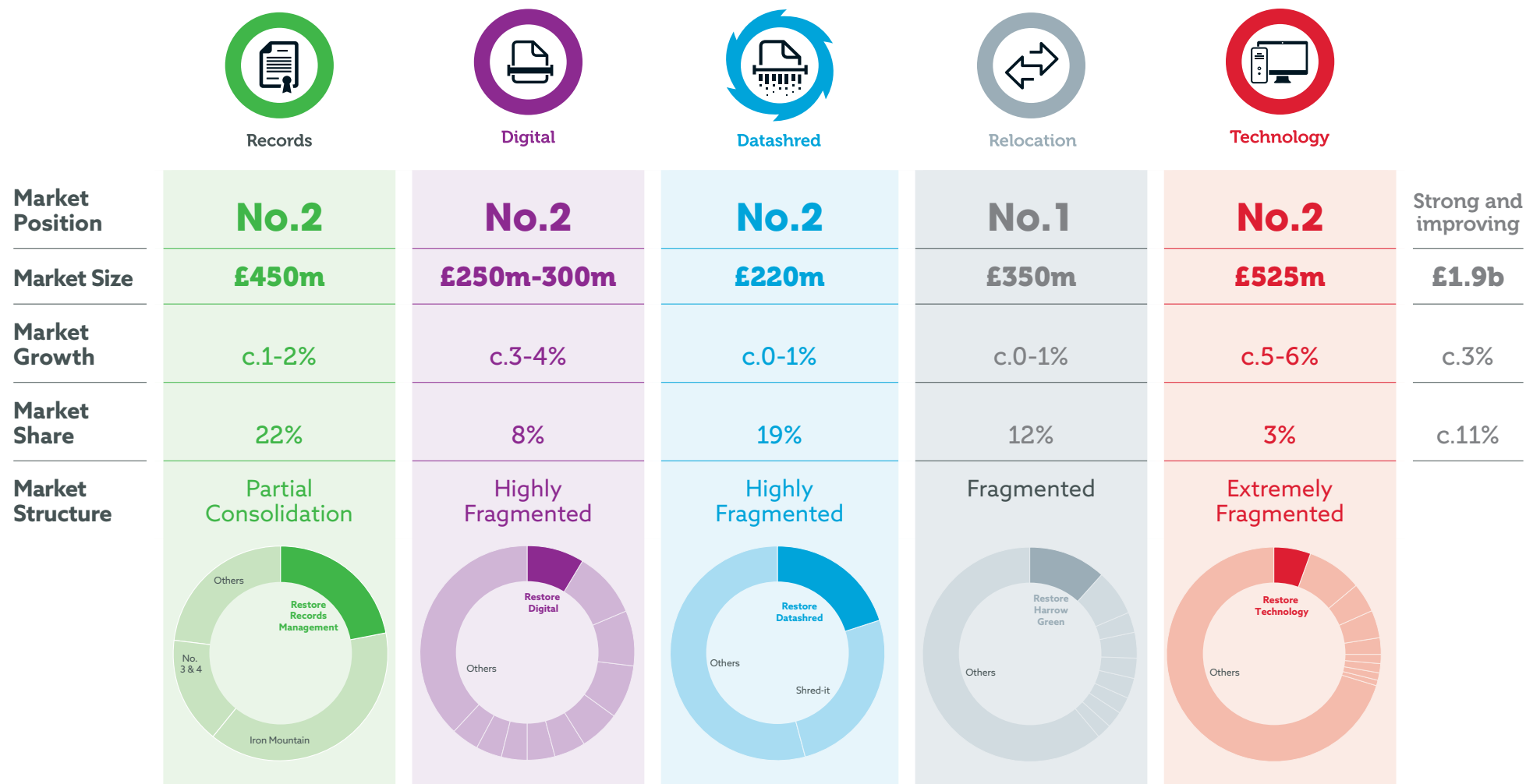
As a company in the economy and
people with integrity, ethics and
community

Governance



**Highest standards
and governance**

Significant opportunity to grow in ALL markets



COVID-19 Resilience: A stronger Restore

Customer Demand:

- 1 We have taken share during this period
- 2 We have maintained strong customer satisfaction levels
- 3 Invested in new product/services
- 4 Low customer loss to competition
- 5 Customer end market still strong – no structural changes
(Public Sector, Utilities, Regulated industries)

Cost Reduction:

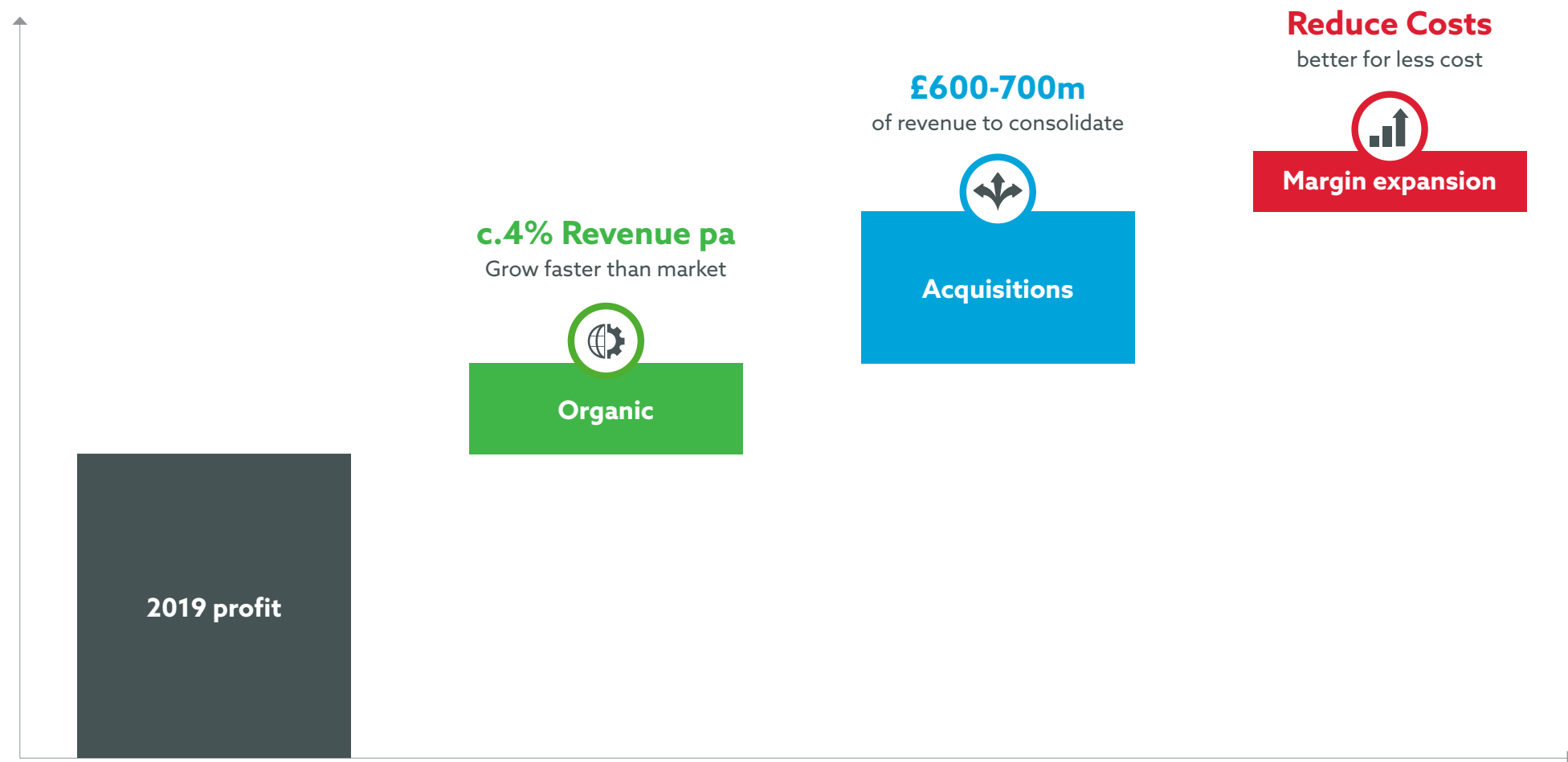
- 1 Restructured to be better
- 2 Reduced overall staffing
- 3 Continued investment in technology to drive productivity
- 4 New plans for further cost efficiency

Our long term Growth Strategy

Disciplined strategy to deliver significant profitable growth and cash generation

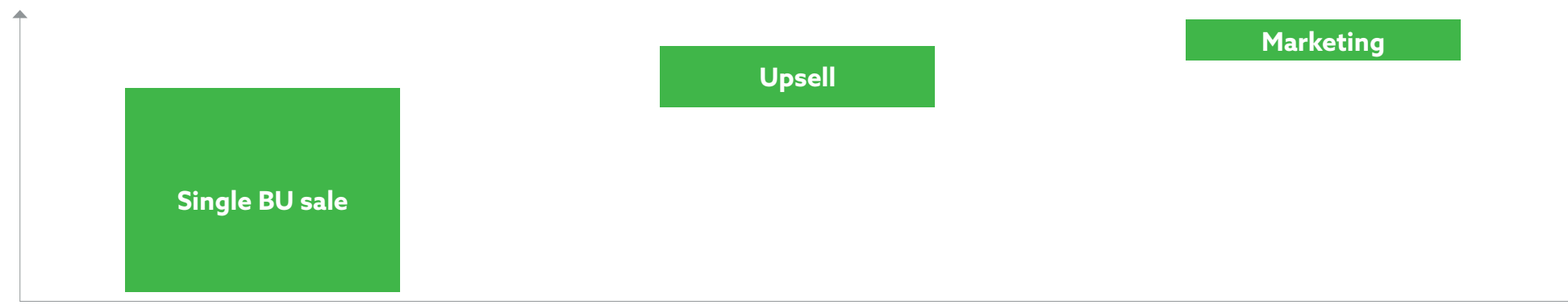


Value Creation Roadmap



Organic Growth @ faster than market

Market Growth is c.3% → with strong retention we aim to grow faster at c.4%+... (c.£8m+ Revenue pa)



- 1** Increase the first sale:
- each business unit improves digital demand generation and selling
 - 90% of all first sale is a single service and we have high win rates
 - strong new logo momentum - >1500 new customers to the group each year

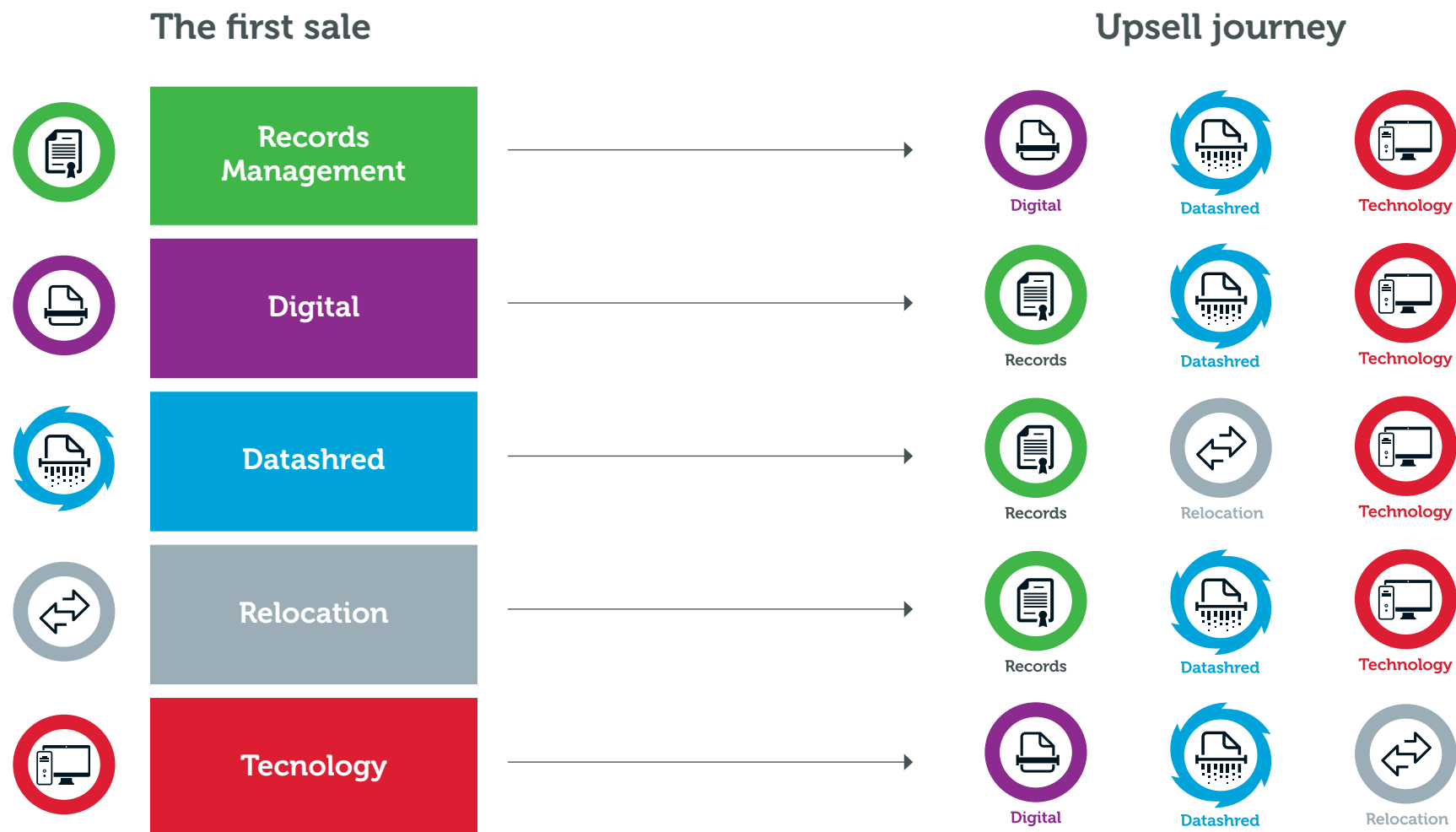
- 2** Then drive upsell: cross-selling is all about upselling once the initial first sale is done

Number of BU's	Top 2000 71% Rev	Top 250 47% Rev
1	82%	74%
2	15%	19%
3 or more	3%	7%

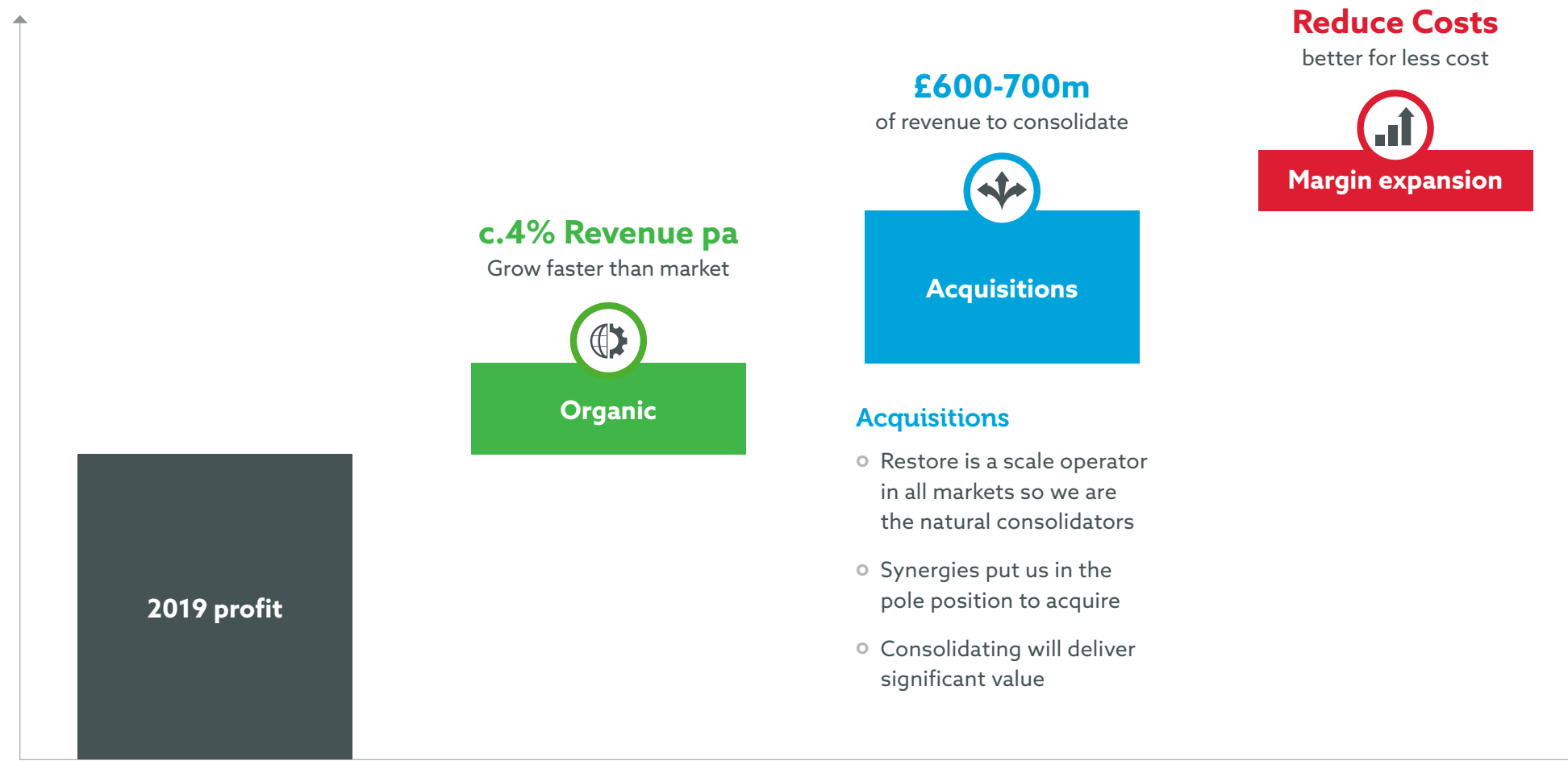
- 3** And drive more leads:
- Leverage ONE Restore digital marketing & influencing to drive awareness and consideration

'five strong voices can be magnified with an additional louder SINGLE voice'

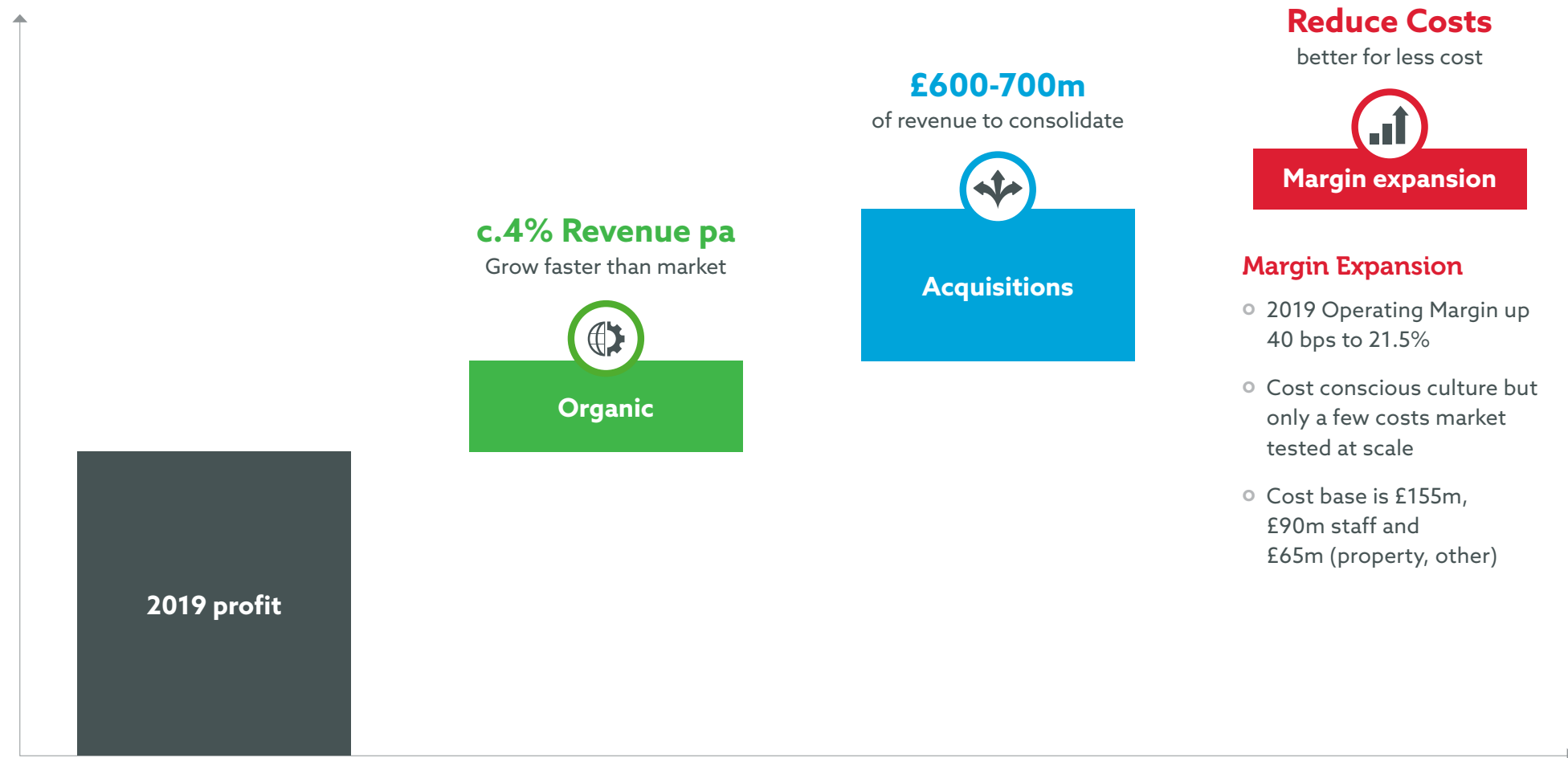
The Upsell journey favoured by customers



Value Creation Roadmap: Acquisitions

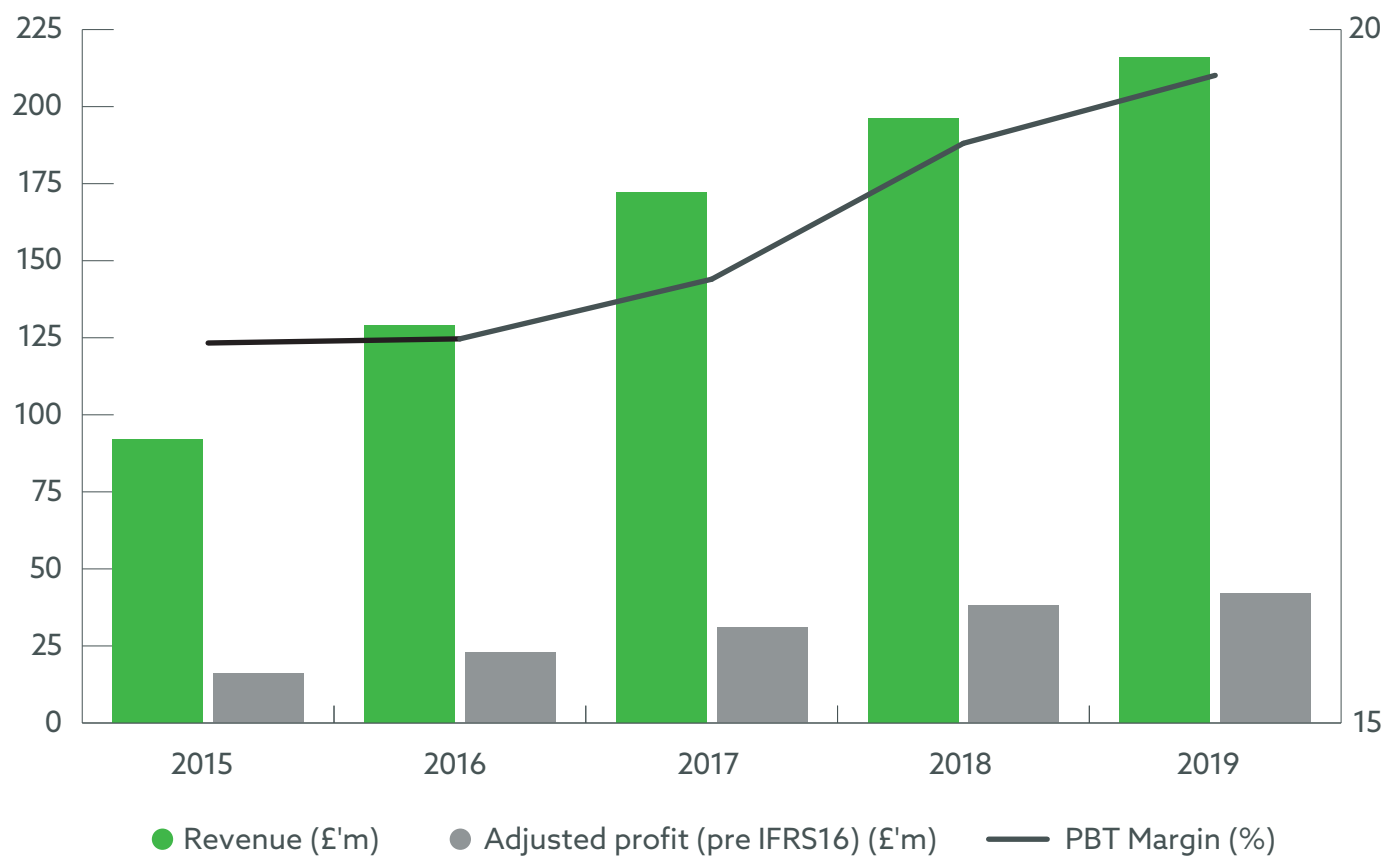


Value Creation Roadmap: Margin Expansion



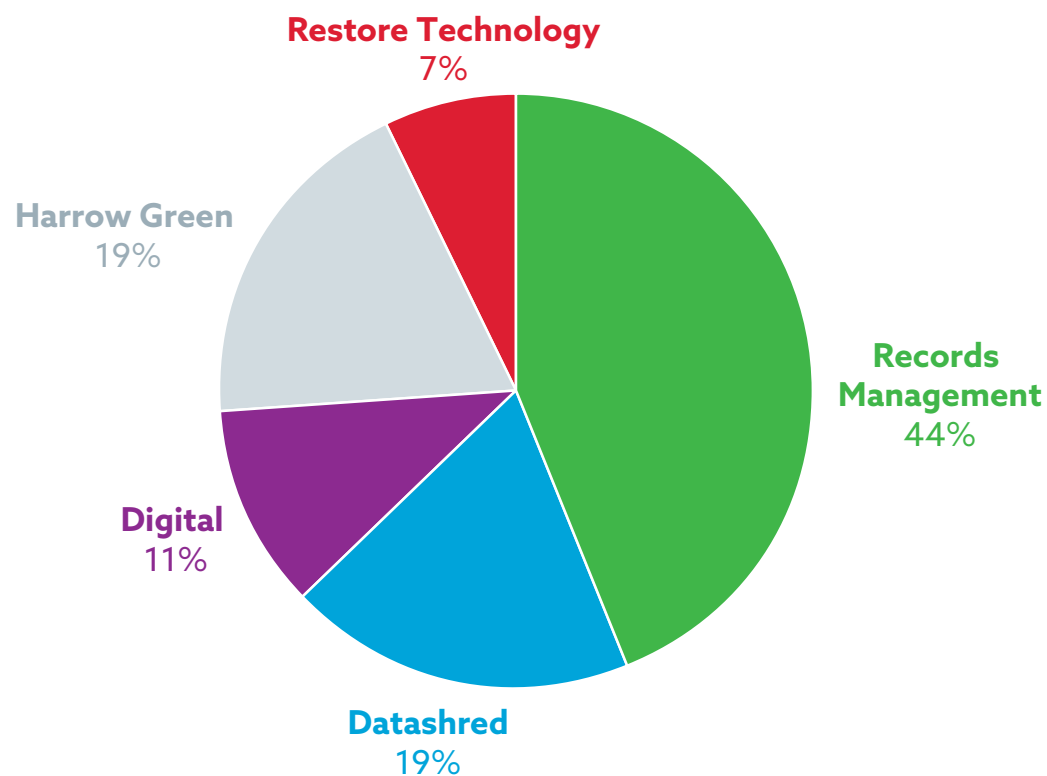
Fundamentals – reliable, profitable growth

Revenue and profit growth (£m)

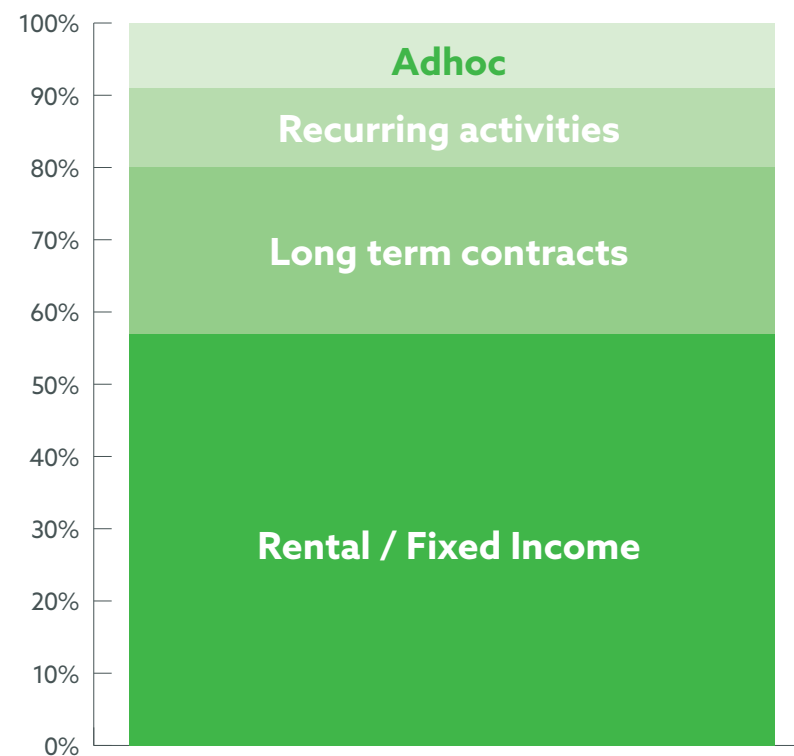


Fundamentals - balanced portfolio, secure annuity income

Revenue Mix

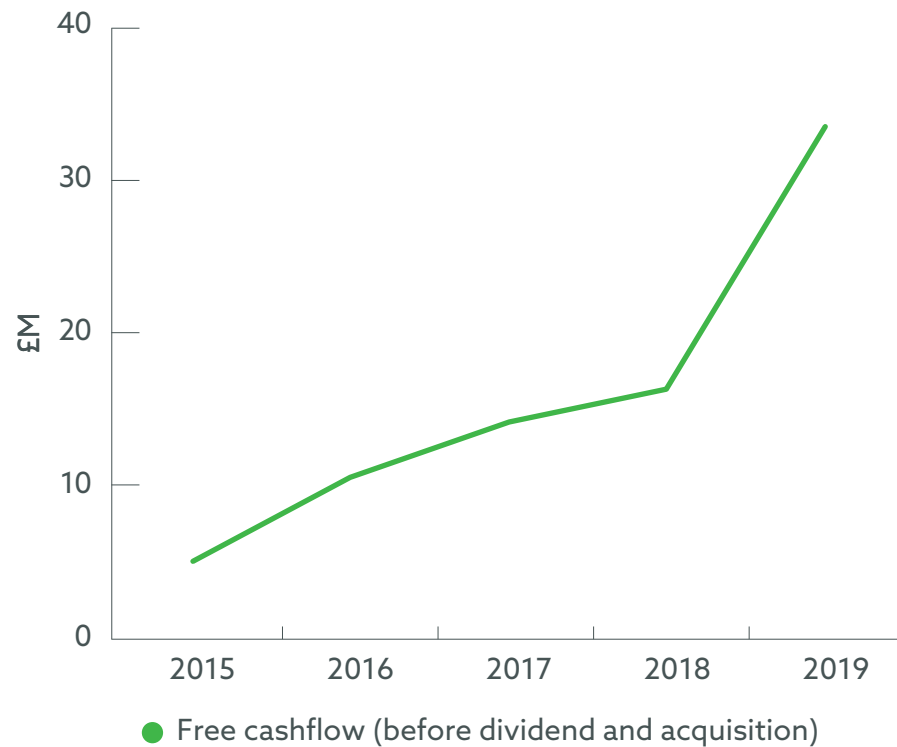


Recurring profit

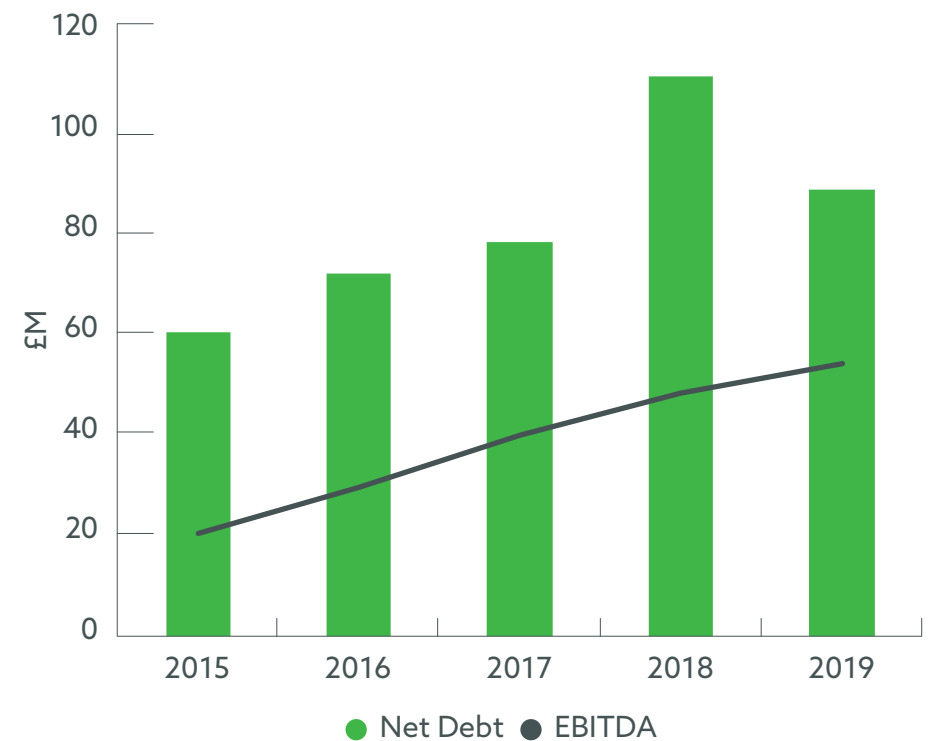


Fundamentals – highly cash generative, capacity for investment

Strong Reliable Cashflow



Increasing Scale and Capacity



Significant financial capacity to build revenue and scale



Cash generation

£25m - £30m/yr*
=
£150m over 5 years



Over 5 years

combination of strong cash flow and
supportable debt should provide
>£200m of investment capacity
(whilst maintaining leverage <1.5x)



Typical acquisitions

profitable and rationale pricing at
0.5x to 2.5x revenue

*(after tax, capex, interest & dividends)

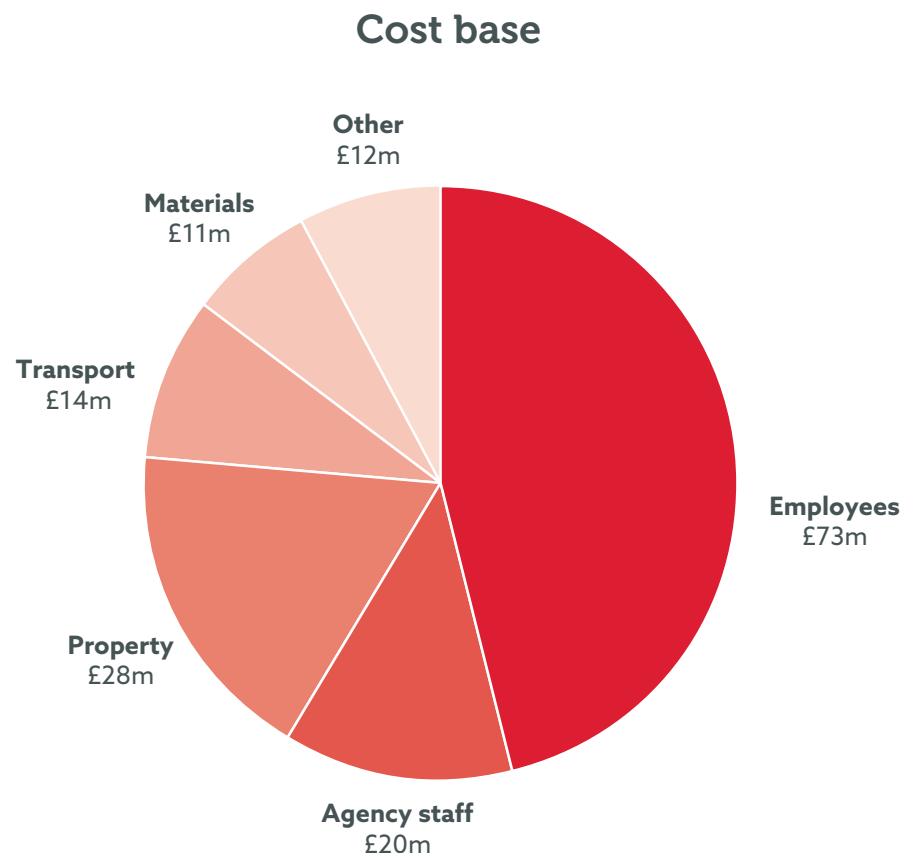


Revenue Range £100m to £200m
(+5% to +10% market share)

Margin expansion through cost management

Significant cost opportunities:

- Employee cost potential through scale, digitisation and improving operating metrics as we grow
- Agency staff opportunity through consolidation of providers
- Property consolidation to increase box density by 25% in RM (saving £5m pa) and optimisation of operating sites across Technology and Datashred underway in FY20
- Other £36m – deliver more for less through tendering, Group purchasing power and synergy
- Opportunity for sustained margin expansion by 20-40 bps p.a.



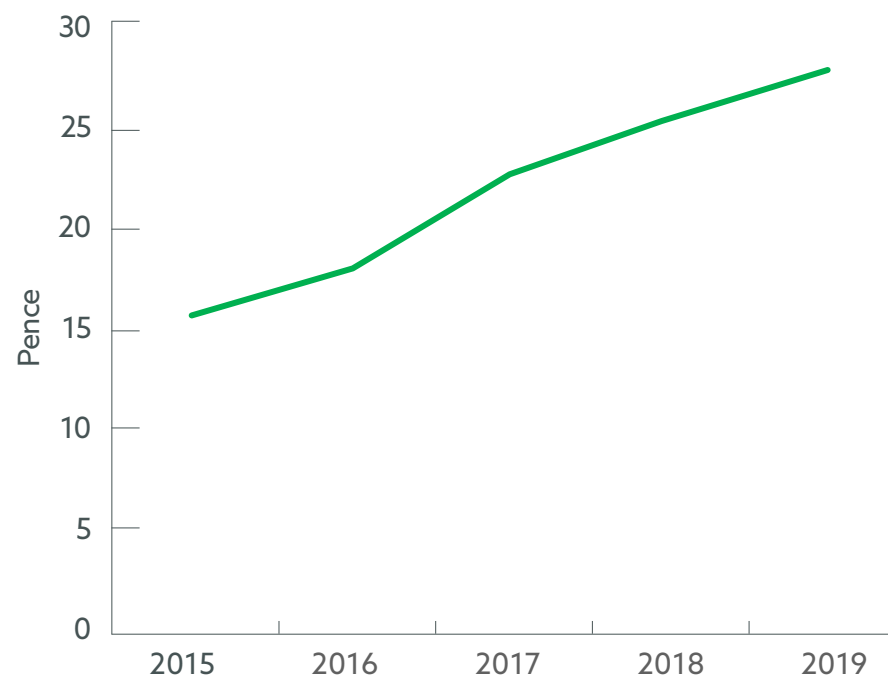
Fundamentals – Strong shareholder returns

The Business is showing a strong bounce back from the COVID-19 disruption in Q2

We have a clear profit roadmap to enhance earnings through

- Organic growth
- Acquisition growth
- Margin expansion

Earnings per share



Restore Records Management

National full service storage business with excellent customer satisfaction that is fully integrated and focusing on growth.



Records



What we do



Records

Restore
plc

National full service storage business with excellent customer satisfaction that is fully integrated and focusing on growth

**Market Size £450m plus un-vendored c.£100m
+(25million boxes)**

- Offering a blend of 'near' and 'deep' storage
- 65 secure vaults (across 17 sites) for media and high value records
- Heritage storage (library and museum artefacts)
- Project services (file indexing & data capture)
- Digital services
- Consumables



£95.9m

2019 Revenue



55

Sites UK wide
4 freehold
3 mines



>750

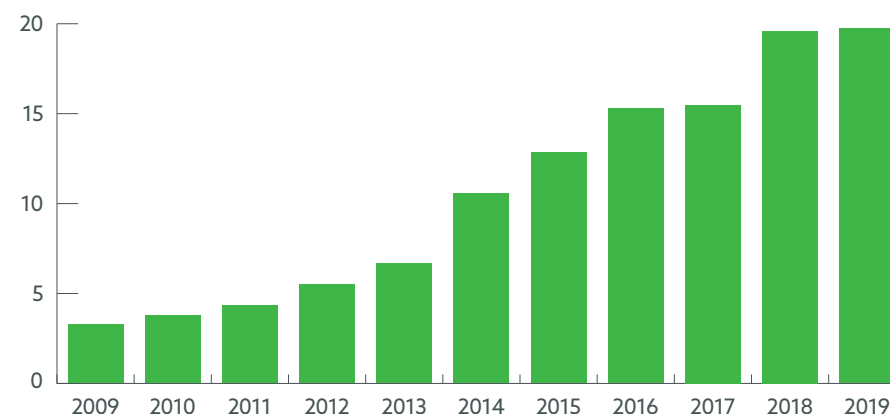
Staff



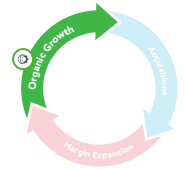
Accreditations

Cyber Essentials
ISO9001
14001, 27001

Number of boxes stored (m)



The Organic Growth Opportunity



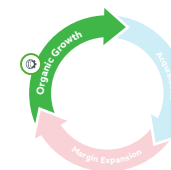
What are the key long term trends?

- Digitisation of Businesses:
 - existing long run trend mainly impacts organic growth (unfolding since 1980's and 30+ years to run)
 - we are actively helping customers digitise and this is good for Restore and customers
- Flexible working:
 - low impact on the organic growth of records BUT positive for the un-vendored market
 - it is positive for Restore to capture

The Organic Growth Opportunity



Restore
plc



Why will we grow and take share?

Concrete foundations: **Organic > Destructions**

- 55% of records stay in our facility on average for 16 years
- 79% of records have no destruction date
- We have excellent retention - 98% customer retention rate

New customers: **New Intake > Perm Outs**

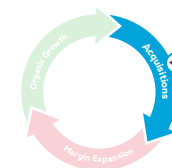
- Track record of adding over 200 customers each year
- Winning market share
- Unvended market opportunity
- Diversified customer base 64% private, 36% public
- We have <5% of the growing Tape Storage market and we are No.2 so ample room to grow



Dovetail Portal



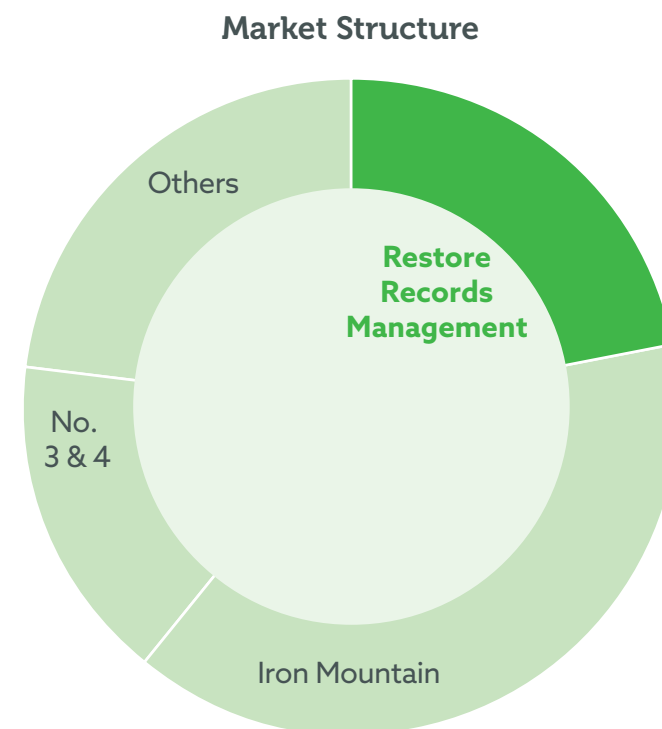
The Acquisition Opportunity



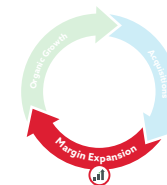
Market has partially consolidated but still significant opportunity

There is still £100m in companies overall with <c.£10m turnover

- Why would they sell?
 - 1 limit of capacity and requiring cash investment to grow
 - 2 increasing compliance and security driving up costs
 - 3 customers driving supplier consolidation
- Only limited number of buyers
- Market is rationale with pricing
- Trusted and dedicated team looking at acquisition opportunities



The Margin Growth Opportunity



Our margin expansion strategy is clear

- 10 Year Property Rationalisation: 78% of the total property costs in Records Management (£22m pa)
 - Buildings reduce by 50% – move 5.8m boxes
 - Density improves 25%
 - Reduce property cost c25% , £5m pa.
 - Reduce operational costs
- Further scale drives better economics
- Reduce cost to serve with modest investment in portals
- Rationale price increases
- Reduce cost to operate with investments to drive improved productivity (warehouse and fleet)
- Increasing adoption of digital delivery vs physical delivery
- While maintaining service levels to customers

Restore Digital

National digital transformation
business focused on business
critical document and
information management
services.



Digital



What we do



Restore
plc

National digital transformation business focused on business critical document and information management services.

Market Size £250-350m

- 1** Scale Digitisation/Preservation
 - Large, complex and often time critical document digitisation
 - Long term management-high value archives
- 2** Cloud/Consultancy
 - Cloud based document management
 - Provision of system and services to help customer digitise
- 3** Process Outsourcing (Digital Mailroom)
 - Outsourcing around document workflow both physical and digital



£22.6m
2019 Revenue



7
processing sites

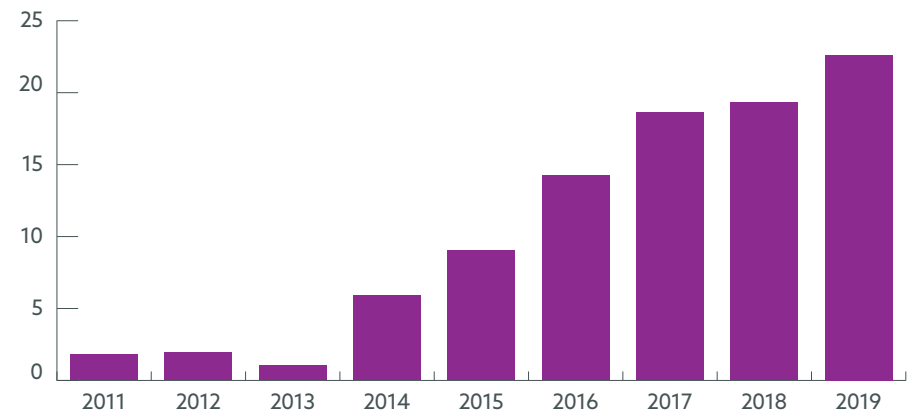


>300
Staff



c.50m
Cloud hosted documents

Revenue (£'m)



The Organic Growth Opportunity



What are the key long term trends?



Digitisation

Digitisation to understand and unlock record archive content.



Transformation Strategies

General digital transformation strategies in support of operational efficiency and home working.



Records conversion

As part of significant public sector digital initiatives (GP and general NHS records), accelerated due to online appointments.



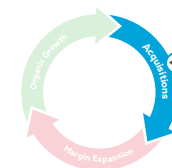
Digitisation to support access

Digitisation to support access to records of public interest and subject access requests.

Why will we grow and take share?

- Strong recent sales wins in the NHS sector
- Transformation sales to Records Management customers
- Invest in partner relationship in specific industries
- Leverage our industry leading eView software platform
- Scale and Security

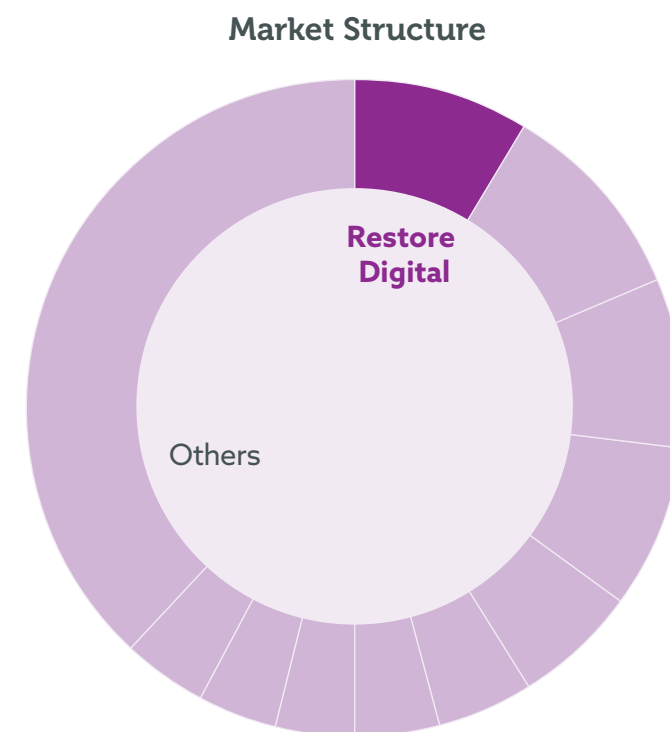
The Acquisition Opportunity



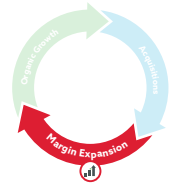
**Market highly fragmented, we are No.2 with 3-4% share...
many small bolt on opportunities**

There are two acquisition focus areas with a core theme around physical to digital services

- 1** Improve scale economics
Acquisition to increase scale and drive down unit costs with long term customer contracts
- 2** Enhance Product or Industry capability
 - Only limited number of buyers
 - Market is rationale with pricing
 - Trusted and dedicated team looking at acquisition opportunities



The Margin Growth Opportunity



Our margin expansion strategy is clear

- Changing the service mix
- Consolidation of sites to reduce cost
- Strategic Operational Management
 - Standardisation & Automation
 - Investment in staff to deliver right first time
 - Formalising improvement methodologies

Restore Technology

National full service IT
Recycling business or ITAD.



Technology



What we do



Technology

Restore
plc

National full service IT Recycling business or ITAD*.
Market Size £525m and growing strongly 5-6%



£14.6m
2019 Revenue



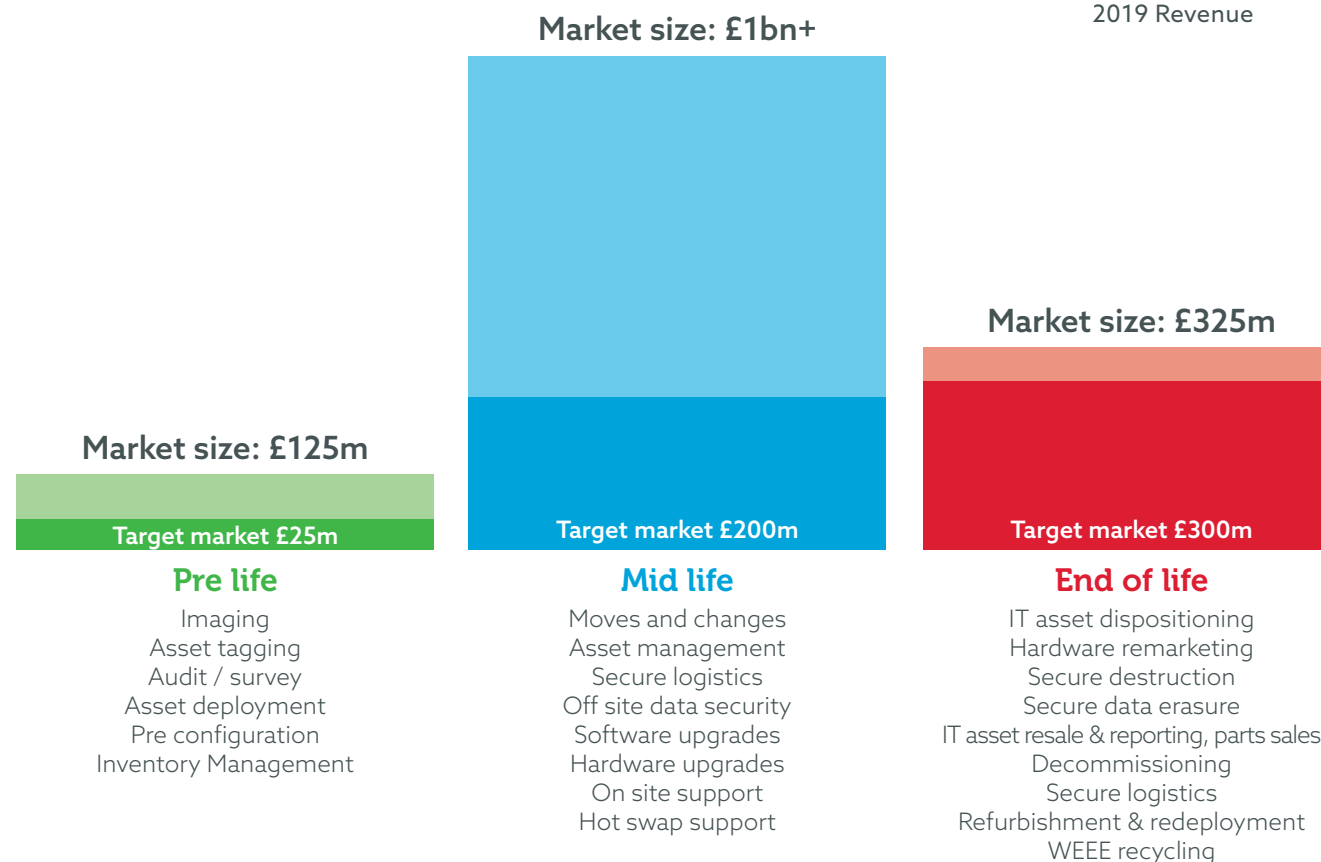
5
Sites



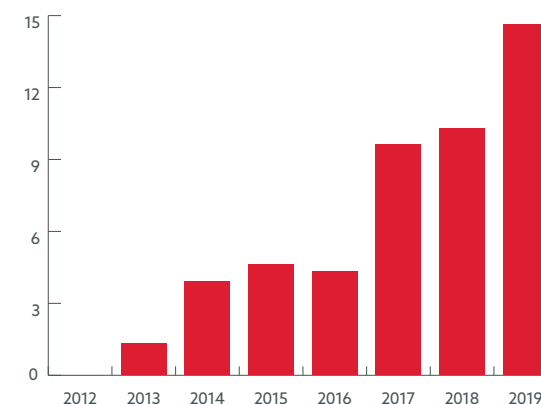
>200
Staff



Accreditations
ADISA Certified
ISO 9001, 14001, 2700,
45001
High level security
List X
Security cleared
National Police clearance
Multiple frameworks



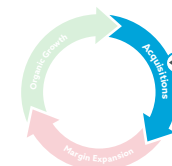
Revenue (£'m)



The Organic Growth Opportunity



Restore
plc

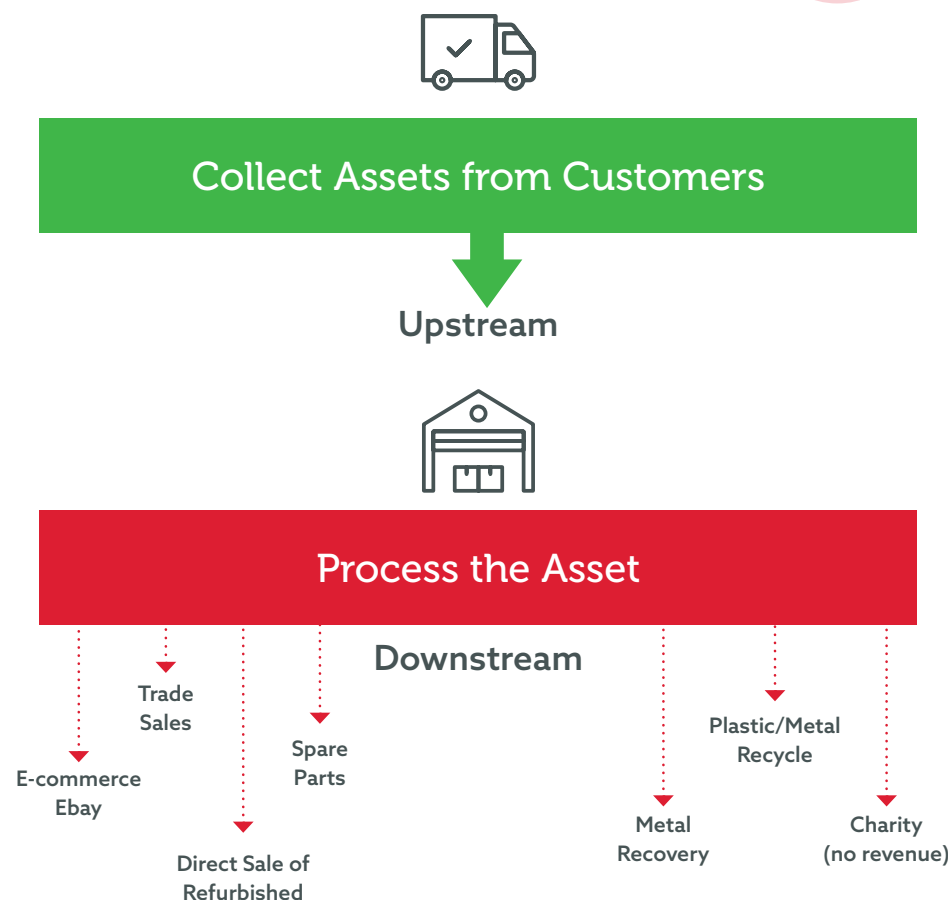


What are the key long term trends?

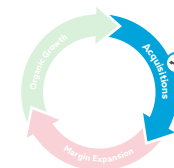
- Increasing use of technology everywhere
- Security of Data
 - Certified wipe and destruction of all data on devices
- Environment
 - Re-use responsibly & zero landfill

Why will we grow and take share?

- Excellent reputation and customer experience
 - TRUST is everything
- Primary focus on the Channel....largest independent
- National scale is important for customers
- Scale drives improved cost and pricing advantage upstream and downstream



The Acquisition Opportunity



Market extremely fragmented BUT it has been in existence for 40 years

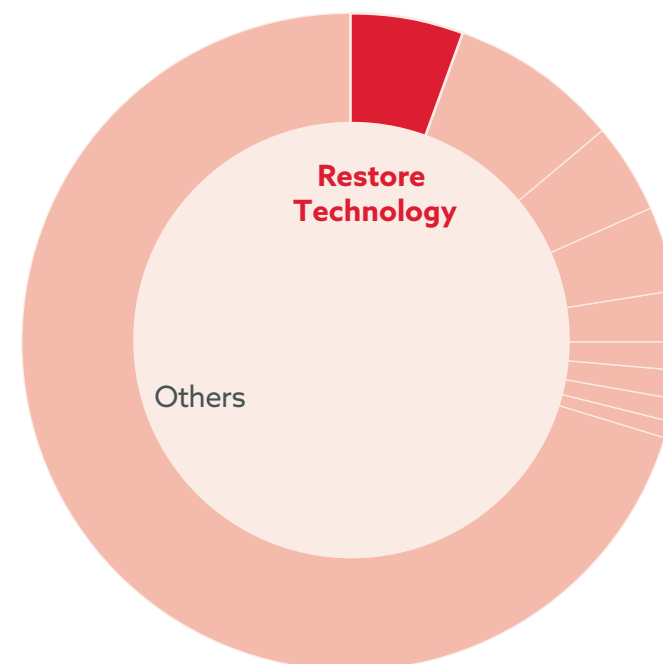
With increasing regulation on customers driving more compliance and cost then scale is important

Customers pushing to consolidate suppliers so a comprehensive service portfolio is key

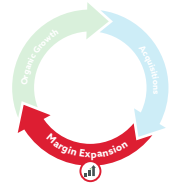
There are three acquisition focus areas;

- ① Improving scale and customer contracts
- ② Regional expansion where required
- ③ Enhance Offering/Services capability

Market Structure



The Margin Growth Opportunity



Our margin expansion strategy is clear

- Use existing processing capacity
- Additional regional density to “locally serve” customers
- Further drive scale and unit cost in:
 - processing sites
 - truck/van fleet
- Invest in technology to improve standardisation
- Invest in portals to decrease cost to serve
- Improve downstream operations to improve pricing & cost
 - ie e-commerce site, parts pricing, zero landfill partners

Strong Growth Opportunity



National full service security shredding/ destruction business

Market Size £220m

- National Service
- Onsite shredding for regulated industries
- Offsite shredding
- Hard drive destruction
- Product destruction



£41.0m

2019 Revenue



11

Destruction
centres



>345

Staff



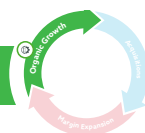
4.6 out of 5

Trustpilot

Paper Recycling Business of the Year

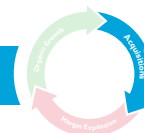


Organic



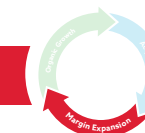
- Service excellence delivers high retention
- Improve digital marketing

Acquisitions



- Market fragmented
- Scale driving lowest cost will drive consolidation

Margin Expansion



- Significant current capacity to use
- Clear profit roadmap

Growing Industry Leader



Restore
plc

National full service commercial relocation business. Growth of 10% in 2019 and the industry leader in a market size of £350m.

- Business relocation
- Furniture and long term office storage
- IT moves and changes
- Specialist moves – Life Sciences, Heritage
- Focus on co-working channel



£41.5m
2019 Revenue



9
sites

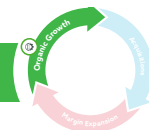


>360
Staff



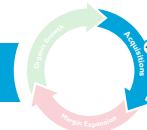
Accreditations
BS 8572
CSE Certified
ISO 9001, 14001, 95001

Organic



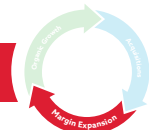
- Service excellence delivers repeat business
- Focus on growth markets

Acquisitions



- Market fragmented
- M&A not a core focus (could do if a compelling opportunity presents)

Margin Expansion



- Product mix will help margins
- Focus on higher margin projects
- Digital tools lead the market

Summary: Investment Case

A high growth strategy in growing and fragmented markets with long term competitive advantage driven by scale economics

A high quality business

- Predictable, recurring revenue streams
- Excellent customer delivery delivering strong retention
- Attractive operating margins
- Strong cash generation
- Well invested
- ESG at the heart of the business
- Consistent shareholder return
- Management team with track record of delivering



With a disciplined growth strategy





For more information please visit:

Restore
plc



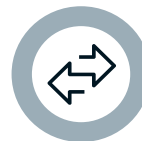
Records



Digital



Datashred



Relocation



Technology

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