



Records



Digital



Datashred



Relocation



Technology

2017 Full Year Results



- **Group revenue up 36% to £176.2m (2016: £129.4m)**
 - Document Management revenue up 41%
 - Relocation revenue up 25%
- **Group adjusted profit before tax up 36% to £31.2m (2016: £23.0m)**
 - Document Management adjusted operating profit up 41%
 - Relocation adjusted operating profit up 16%
- **Adjusted earnings per share up 25% to 22.4p (2016: 17.9p)**
- **Total dividend per share up 25% to 5.0p (2016: 4.0p)**
- Good organic growth across both divisions
- Integration of PHS Data Solutions (“PHS DS”) successfully executed
- 7 acquisitions completed



The image features a central green circle on a white background, which is itself centered within a larger green circle. The text "Financial Review" is written in white, bold, sans-serif font across the center of the inner green circle.

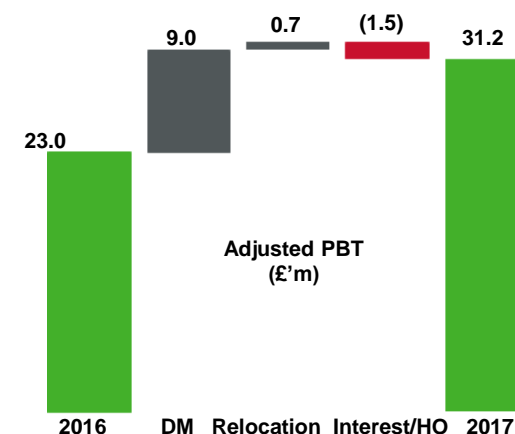
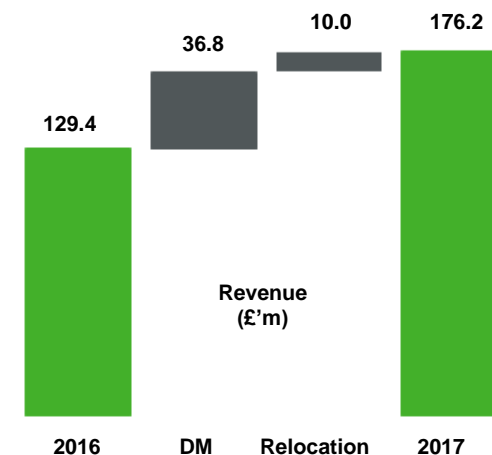
Financial Review

Consolidated Income Statement (Adjusted)

	2017	2016	Change
Revenue (£'m)	176.2	129.4	+36%
Adjusted operating profit (£'m)	33.7	25.0	+35%
Finance costs (£'m)	(2.5)	(2.0)	+25%
Adjusted PBT (£'m)	31.2	23.0	+36%
Standard tax charge	19.25%	20.0%	
Adjusted profit for period (£'m)	25.2	18.4	+37%
Average number of shares (m)	112.6	102.7	+10%
Adjusted EPS (p)	22.4	17.9	+25%

* before discontinued operations, exceptional items, amortisation of Intangible assets and share based payments charge

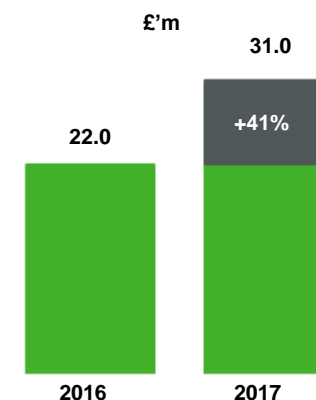
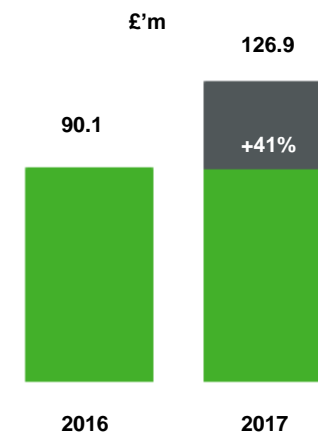
- Revenue increase primarily driven by acquisitions
 - PHS DS in August 2016
 - Several smaller 2017 acquisitions
- Organic growth of 7%
- Operating margin steady at 19%
- Adjusted profit before tax £31.2m, an increase of 36%
- Adjusted EPS increased 25% reflecting increased average number of shares in issue



Document Management

	2017	2016	YOY change
Revenue (£'m)	126.9	90.1	+41%
Operating profit (£'m)	31.0	22.0	+41%
Operating margin	24.4%	24.4%	-

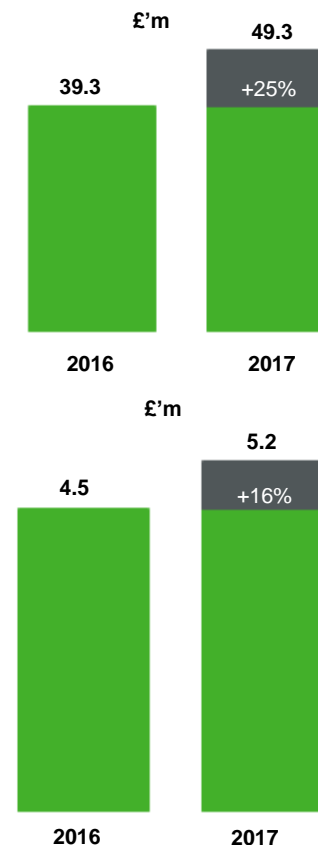
- Key revenue movements:
 - Full year contribution of PHS DS
 - 6 bolt on acquisitions in 2017
 - Organic growth of 5%
- Operating margin consistent at 24.4% reflects:
 - Margins of acquired businesses lower than Restore's average, largely due to revenue mix
 - Margin improvement in all of the three core business streams



Relocation

	2017	2016	YOY change
Revenue (£'m)	49.3	39.3	+25%
Operating profit (£'m)	5.2	4.5	+16%
Operating margin	10.5%	11.5%	-100bps

- Key revenue movements:
 - ITAD Works acquisition in Feb 2017
 - Organic growth of 13% reflects:
 - Additional element of MOD contract in Harrow Green
 - Strong performance by Technology businesses
- Operating margin reduced slightly, primarily driven by the costs of moving out of our Belvedere site in 2017



Exceptional Costs

£'m	2017	2016
Restructuring and redundancy costs	6.7	6.2
Transaction costs	0.5	1.2
Box relocation and associated costs	0.5	0.4
Other exceptional costs	7.8	2.5
Total exceptional costs	15.5	10.3

- Largest single item in exceptional costs is £7.1m cash settlement of 75% of 1st tranche of EIP share options resulting in cancellation of 1.8m options to reduce shareholder dilution
- Restructuring costs largely reflect PHS DS acquisition and 2017 bolt on acquisitions
- Bristol and Charlton sites both exited in June 2017 on schedule
- Transaction costs reflect costs of executing 7 acquisitions during 2017



Cash Flow

	2017 £m	2016 £m
Adjusted EBITDA	39.7	29.3
Exceptional costs (excluding non-cash EIP credit)	(16.2)	(10.3)
Adjusted EBITDA after exceptionals	23.5	19.0
Working capital (including Gain/Loss on sale of FA)	(7.8)	(0.8)
Net cash from operations	15.7	18.2
Capex	(5.3)	(5.2)
Interest	(2.2)	(2.0)
Tax	(2.5)	(0.4)
Acquisitions	(7.1)	(82.6)
Disposal proceeds	0.1	29.9
Placing proceeds	-	34.2
Other (inc dividend)	(4.6)	(3.8)
Net cash flow	(5.9)	(11.7)
Opening net debt	72.3	60.6
Closing net debt	78.2	72.3

- Working capital outflow reflects partial reversal of strong 2016 closing position
- Trade receivables in Shred increased due to migration off PHS systems
- Conversion to monthly VAT payments and payments against property provisions have also impacted working capital movement



Balance Sheet and Debt Facilities

	2017 £m		2016 £m	
Non-current assets		243.9		240.7
Trade and other current assets	45.4		40.3	
Cash and cash equivalents	10.7		12.9	
Current Assets		56.1		53.2
Trade and other current liabilities	(36.0)		(36.9)	
Financial liabilities – borrowings	(9.4)		(6.8)	
Current liabilities		(45.4)		(43.7)
Financial liabilities – borrowings	(79.5)		(78.4)	
Deferred tax and provisions	(19.2)		(19.7)	
Non-current liabilities		(98.7)		(98.1)
Net assets		155.9		152.1
Shareholders equity		155.9		152.1

- Banking facilities increased in September 2017 and term extended through to 2022
- Current facilities:
 - £110.7m of committed funds
 - £30m of uncommitted accordion facility
- New facilities adequate to support continued bolt on acquisitions



Financial Summary

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- Revenue up 36% reflecting PHS DS and 2017 bolt on acquisitions
 - Group organic growth strong at 7%
 - Operating margins consistent at 19%
 - Bank facilities increased and term extended
 - Leverage slightly under 2x pro forma EBITDA
 - Total dividend up 25% to 5p



Operational Summary

Business Stream Overview



Document Management

- Restore Records Management
 - UK no. 2 in consolidated, steadily growing market
 - consistent high operating margins with scope for improvement
 - strong earnings visibility
 - established national operator, UK no. 2, with significant scope for growth by acquisition as well as organic
 - achieved critical mass with strong customer base and enhanced offering in interesting market
- Restore Datashred
- Restore Scan



Relocations

- Restore Harrow Green
 - market leader growing revenues and margins
 - growing strongly in exciting market
- Restore IT Lifecycle Services (formerly IT Efficient)
 - growing through closer integration with Harrow Green
- Restore IT Relocations (formerly Relocom)
 - UK market leader with stabilised performance in tricky global market
- Restore IT Cartridge Recycling (formerly ITP)



Operational Review

Restore Records Management

- Positive net box growth despite major exit and increased destruction rate
- Business environment receptive to price increases
- Operating margins stable and expected to improve incrementally with ongoing property rationalisation
- Integration of PHS DS RM complete, excluding IT platform
- New space at Monkton Farleigh site and Upper Heyford on stream. Planned capacity expansion at Rainham
- Capacity utilisation at c.93%
- Charlton, Bristol and Leyton exits complete



Operational Review

Restore Datashred

- 14 well-invested UK sites with new London flagship under construction
- Strong organic growth
- Expected to benefit from GDPR introduction in 2018
- Scope to improve operating margins following systems implementation
- 5 acquisitions in 2017
- Significant scope for further consolidation of UK Shredding market



Operational Review

Restore Digital

- Healthy organic growth
- Year-on-year operating margin improvement
- Increasingly strong operational performance following investment in management and facilities
- Renewal of major seasonal contract
- Strong core base of major customers
- Significant scope for consolidation of UK scanning market



Operational Review

Restore Harrow Green

- Strong year-on-year performance, particularly in core London relocation market
- Additional multi-year contract with MOD
- Strong 2018 order book
- High quality customer base with long term relationships
- Increasingly preeminent market leader



Operational Review

Restore Technology

IT Lifecycle Services

- Very strong recent performance
- Highly successful acquisition of The ITAD Works
- High-growth, attractive market
- Scope for market consolidation

IT Relocation









- Record year on revenues and profits
- Working more closely with Restore Harrow Green and Restore IT Lifecycle Services

Printer Cartridge Recycling

- Business overhauled and forecasting return to profitability



Acquisitions 2017

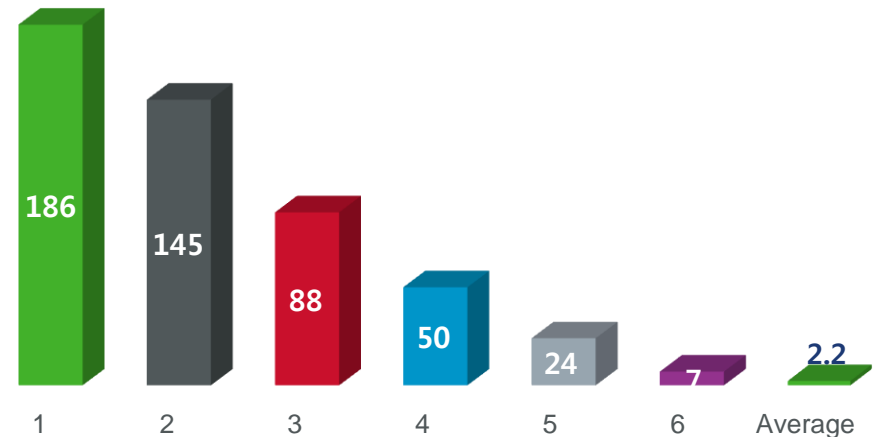
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- January Reisswolf Wales Wales 
 - January ID Secured London
(trading as Reisswolf London) – shredding operation 
 - February The ITAD Works Surrey 
 - July Solutions for Archiving Dorset 
 - July Banner shredding activities All UK 
 - August Baxter Confidential Hampshire  
 - September Lombard London 



Group Cross-Selling

- One CRM system across Group
- Compliance with Group CRM mandatory
- In place for 6+ years
- Comprehensive database of UK offices
- Facilitates new business from existing customers wins
- More services increases stickiness
- Tight customer relationship enables Restore to anticipate changing customer needs
- B2B services are all about channel to market
- All businesses rebranded in 2018

Number of top 500 customers by services used



Summary and Outlook

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- Strong year-on-year performance with solid organic growth
 - Successful integration of PHS DS acquisition
 - Five well-positioned business streams
 - Records Management: scope to increase margins further
 - Shredding: Datashred well-positioned to grow and consolidate its market
 - Scanning: well-invested and now delivering good returns. Scope for market consolidation
 - Harrow Green: market-leading business with excellent customer base continuing to drive revenue and profits
 - IT Lifecycle: developing into consolidator of UK market
 - The current year has started in line with expectations and we look forward to delivering another year of progress in 2018

