

Restore plc Financial factsheet 2021

Restore has delivered an exceptional financial performance for 2021 with strong organic growth, transformative acquisitions and increasing demand for our services demonstrating the critical nature of the services we provide.

The Group exits 2021 substantially larger than the pre-pandemic period, with even greater quality and solid growth momentum.

Restore has significant financial capacity and with strong Environmental, Social and Governance credentials, the Group is well placed for future growth through organic expansion, strategic acquisitions and margin enhancement through efficiency and scale.



+28%

£234.3m

Revenue



+64%

£38.1m

Adjusted profit before tax¹



+0.0%

1.8x

Leverage²



+55%

23.2p

Adjusted basic earnings per share¹

Business and Strategic Highlights

- Good performance across all business units contributing to growth, with strong underlying organic growth and eight successful acquisitions driving increased scale and capability across the Group
- Exit run rate revenue of £260 million based on Q4, 21% higher than pre pandemic levels
- Restore Digital's transformative acquisition of EDM in April 2021 doubles exit run rate revenue to £46 million, enhances capability (Cloud, BPO, software) and delivers scale margin benefit
- Restore Technology completed three strategic acquisitions doubling exit run rate revenue to £34 million with strong demand and margin momentum building through the year
- Restore Records Management gained further market share with strong organic revenue growth of 5.6%, alongside acquisition revenue growth of 5.9% and COVID-19 repair of 4.2%
 - Positive net box growth momentum in line with expectations at 1.3% (2020: 0.9%)
 - Property consolidation strategy progressed with new high density storage facilities in Heywood and Sittingbourne
- Restore Datashred continued steady recovery to 84% of pre-pandemic activity levels by Q4, with significant progress in underlying productivity although profit behind 2019 levels
- Restore Harrow Green activity levels strong throughout the UK with a new site in Cambridge addressing the life sciences sector and delivering record profitability
- Development of significant pipeline of further acquisition opportunities across the Group to support the ambitious growth plans
- The Group announced its new ESG strategy, 'Restoring our World' with ambitious targets including our Net Zero commitment by 2035.

Financial Highlights

- Revenue up +28% to £234.3 million (2020: £182.7 million) driven by:
 - Organic growth +5.0%
 - COVID19 repair +5.6%
 - In year acquisitions +16.4% plus full year effect of prior year acquisitions +1.2%
- Adjusted profit before taxation up +64% to £38.1 million (2020: £23.2 million) and operating margin increasing from 18.5% in H1 to 20.7% in H2
- Statutory profit before tax up 475% to £23.0 million
- Strategic acquisitions successfully completed totalling £86.3 million during 2021, delivering a post synergy ROIC³ of 13.0%
- Strong Cash conversion⁴ at 85% with closing net debt at £100.8 million and leverage of 1.8x
- New increased debt facility agreed post year end at enhanced terms, providing further capacity for continued investment
- Proposed final dividend of 4.7 pence, taking total dividend for 2021 to 7.2 pence (2020: nil pence).

¹ Before amortisation of intangible assets, impairments and exceptional items (reconciled in note 9).

² Calculated using pre-IFRS16 EBITDA adjusted for share-based payments, including a pro-forma adjustment for acquisitions in line with financial covenants.

³ Calculated using pre-IFRS16 EBITDA adjusted for management's expectations of post-acquisition synergies, and consideration net of cash plus exceptional costs.

⁴ Calculated using net cash generated from operating activities after capital expenditure and lease payments, but before exceptional items, divided by adjusted operating profit with a standard tax rate of 19%, with an amendment to exclude the impact of the VAT deferral from 2020 to 2021.