Restore plc Financial factsheet 2022

Restore plc

Restore has delivered a further year of strong growth in 2022.

Revenue and profit performances demonstrating the resilience of the business during a challenging year.

+19.1%	£279.0m	Revenue
+9.8%	£81.5m	Adjusted EBITDA[1]
+7.6%	£41.0m	Adjusted profit[1] before tax
+1.3%	£23.3m	Statutory profit before tax
-0.1x	1.7x	Leverage[2]
+4.7%	24.3p	Adjusted basic earnings per share[1]

With strong organic growth (11%) underpinned by winning in the market and acquisition growth (8%) we have continued to show the critical nature of the services we provide.

The Group enters 2023 substantially larger, with increased capability and a solid financial foundation and is well placed for further growth through its strategy of organic expansion, strategic acquisitions and margin enhancement through efficiency and scale.

Business Highlights

- Strong organic and acquisitive growth despite challenging macroeconomic conditions, demonstrating resilient nature of the business and excellent service delivery
- Records Management net box growth of 1.6% (2021: 1.3%) in line with long term growth strategy increasing boxes under management to 22.4 million boxes with utilisation increasing from 89% to c.97% by the end of 2022
- Strong sales performance including major storage and service contract wins with BBC Heritage (c.£22 million over 10 years) and Department for Work and Pensions (c.£1 million per year) during the year
- Digital achieved exceptional performance through a number of large government contracts and expansion of revenues in long term business process outsourcing and cloud storage
- Technology grew strongly albeit behind plan due to short term market conditions and with positive operational cost management
- Datashred and Harrow Green performing in line with plan with growing service visits in Datashred and Harrow Green progressing in Life Science sector and commercial storage markets in line with strategy.

Financial Highlights

- Revenue increased 19.1% to £279.0m (2021: £234.3m), with organic growth (+11%) and acquisitions (+8%) with resulting adjusted EBITDA[1] growing to £81.5 million (2021: £74.2 million)
- Adjusted profit before tax increased 7.6% to £41.0m (2021: £38.1m) as a result of strong performances in Records Management and Digital offset by increased interest rate impact of £2.4 million for the year
- Statutory profit before tax of £23.3 million (2021: £23.0 million) showed a small increase and reflective of higher amortisation on prior year acquisitions, interest rate increases, property exit charges and strategic IT programme costs
- Adjusted basic earnings per share increased 4.7% to 24.3p (2021: 23.2p) with statutory earnings per share up 41.4% to 12.3p (2021: 8.7p)
- Good cash conversion[3] of 82% (2021: 104%), with resulting net debt[4] at period end of £103.5m and leverage ratio of 1.7x (2021: 1.8x), despite five acquisitions, well within the Group's target range of 1.5- 2.0x adjusted EBITDA. The Group retains substantial headroom across its borrowing facilities
- Proposed final dividend of 4.8p taking total dividend for the year to 31 December 2022 to 7.4p (2021: 7.2p).

1 Calculated as statutory profit before interest, taxation, depreciation, amortisation and adjusting items.
2 Calculated using pre-IFRS16 EBITDA adjusted for share-based payments, including a pro-forma adjustment for acquisitions in line with financial debt covenants.
3 Calculated as free cashflows, divided by net per operating profit, with an amendment to exclude the impact of VAT deferral from 2020 to 2021.
4 Calculated as external borrowings less cash, excluding the effects of lease obligations under IFRS 16.