



Capital Markets Event

16TH NOVEMBER 2023

Agenda

- Jamie Hopkins (Chair) – Introduction
- Charles Skinner (CEO) – Background
- Nigel Dews (MD) – Records Management
- Mark Horrocks (MD) – Digital
- Steve Talbot (MD) – Technology
- Natalie Matthews (Interim MD) – Datashred
- Tim Ryder (MD) – Harrow Green
- Dan Baker (CFO) – Finance
- Charles Skinner (CEO) – Priorities
- Q & A



Simple but not easy

- What we do is not complex
- Execution is critical
- What are the market dynamics
- What is the customer buying
- How to deliver efficiently, accurately and cost-effectively



Strength of our business

- Market leader
- Recurring revenues
- Constant and continuing market demand
- High operating margins
- Off-site
- Blue chip customers with particular scope in B2G

Structural changes

Restore

- 1) New Chair
- 2) New CFO
- 3) Two new BU Managing Directors
- 4) Most central departments removed



Management style changes

- De-centralise
- Minimise internal charges
- Short lines of communication
- Reduce demand for information from centre
- Not acquisition led
- Eyes on, hands off



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NIGEL DEWS – MD, RECORDS MANAGEMENT

Nigel Dews – Managing Director

- Appointed Managing Director of Records Management in January 2020
- Previously Managing Director for Restore Harrow Green (2008 – 2019)
- Joined Harrow Green in 1999
- Early career with Pickford's Removals
- Records Management responsibility at Harrow Green and Pickford's

Our Business

Highlights

- Over 22 million boxes in store
- 52 secure storage sites across the UK
- 900 colleagues
- Over 1.4 million items handled every month
- Market leading position
- Strong recurring revenue (70% of revenue generated from storage)



Our customers

We have a broad customer base with a good mix of both public and private customers



Key Elements

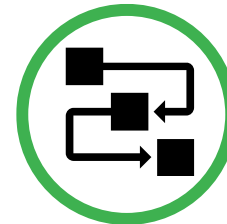
Main characteristics of our business



Solid recurring revenue



Sticky customers



Simple but not easy



Digital opportunities



Price increases



High switching costs

Immediate focus

- Margin recovery
 - Productivity improvements
 - Increased governance over pricing decisions
 - Sales and cost incentives for local teams
- Increase revenue per box
 - Price uplift
 - Revenue leakage
- Decrease cost per box
 - Property consolidation
- Unvended opportunities
 - Innovative service solutions
 - Improve lead generation and win rate
- Tweak the dials
 - Training investment in ops and sales team
 - Improve client relationships, better account management planning





Thanks

Nigel Dews
Managing Director
Records Management



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Mark Horrocks
MD Restore Digital

Digital Vision & A Clear Model For Success



Introduction



Mark Horrocks
Managing Director

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.

Who are **Restore Digital**?

We are the UK's leading digital transformation specialists, providing solutions and services to address document and information management challenges across all sectors. Our digital services help businesses to gain insight, automate processes and improve workflows to become more agile, compliant, cost-effective and to make decisions faster.

In terms of scale, we work with over 80% of the UK's leading FTSE companies, as well as having a substantial footprint in NHS organisations and central government departments making us a significant provider in both B2B and B2G markets.

Our customers can be sure that whatever their needs, we have the knowledge, experience, scale, security and compliance to meet them.

Helping Businesses Go Digital Faster.

WE OFFER A RANGE OF SERVICES ACROSS SIX CATEGORIES

1

Digital
Mailroom

2

Document
Management

3

Document
Scanning

4

Digital Workflow
& AI

5

Consultancy &
Professional Services

6

Claims
Management

Restore Digital – An Overview

No. 1

Market position

**Business
Certifications**

ISO 9001, 27001, 14001, 45001,
22301, BS10008, Cyber Essentials Plus



Higher proportion of revenues
from long term/higher margin
services.



**Increased scale /
product mix,**
improving margins



900m

Cloud Hosted Documents



760

Colleagues Employed
across the UK



£54.5m

2022 Revenue

8

Sites for local
touch & full geographical
coverage



Our customers include

Restore
Digital



Recent Achievements / Changes

Intense Focus On Public Sector Wins

£140m HMRC contract WIN

*Securing Gold level tier
1 supplier status*



HM Revenue
& Customs

Other Substantial B2G Digital Mailroom Contract Wins

HMLR & UKVI

HM Land
Registry



UK Visas and
Immigration

Improved Operational & Sales Efficiency

By reducing operational scanning sites to reflect changing service demand.

Also increasing headcount and improving skills and experience across our Sales and Marketing Teams.

Establishing Key Supplier Partnerships

APS Group and CISCO

Further enhancing our service offerings to include outbound print and Digital Communications through CPaaS

Achieved DCB0129 Compliance

DCB0129, which is a clinical risk management standard mandatory under the Health and Social Care Act 2012.

This standard is governed by NHS Digital and applies to manufacturers of health IT systems and applications

Launched SimplyMail

SimplyMail has introduced a streamlined, low cost of entry, digital mailroom solution, tailored for the modern needs of businesses embracing hybrid work models.

SimplyMail

Immediate Business Focus



Dominance in Complex
Mailroom Solutions



Enhanced Service Offerings



Partnership



Strategic Acquisitions



Customer-Centric Approach



Revitalised Sales Force

“Market leaders,
transforming
businesses”

Restore
Digital



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Steve Talbot – Managing Director

- Started in Security Shredding. Sold my business to PHS who Restore subsequently purchased in 2016.
- Entered the IT Recycling market by joining Restore PLC and making our first acquisition of IT Efficient c£2m
- Involved in the subsequent acquisitions in Birmingham, Guildford and Runcorn
- Formed the separate Business Division of Restore Technology
- Left the business in 2021
- Re-appointed the MD of Restore Technology in October 2023



Our Business

Highlights

- The largest full IT lifecycle services in the UK C£33m
- 400+ colleagues
- Provide Nationwide Service

Locations:

IT Processing

- Restore Technology, Bedford
- Restore Technology, Birmingham
- Restore Technology, Runcorn

On-site destruction

- Restore Technology, Bristol

Specialists

- Ultratech & Ultratest, Stevenage
- Relocom, Bedford

Outlier

- Restore Technology, Cannock



This is how we make money



Receipt of new product, unpacking, asset tagging, imaging and configuration



Environmentally conscious disposal of unreuseable IT equipment and related assets



Deliver to desk and install – predominantly to office but expanding into WFH



Re-marketing revenue (Ecommerce)



Supply qualified engineers to site to upgrade/move IT and work closely with HG



Sell to trade



Collection and processing charges



Provide secure on-site destruction services – Hard Drives to Data Centres/ MOD



Our Customers

Restore
Technology



CDW with Restore Technology

- A large government agency with over 100,000 employees, many/most of whom have IT requirements
- Appointed through CDW to manage all of the Government agency's IT assets throughout their lifecycle
- CDW went into considerable amount of due diligence on our capability and recognised us as the major operator in this space
- Importance of the tin-sellers as channel to market for us
- Benefits of being part of Restore Group with many B2G relationships and contracts in place including with this agency



Opportunities

- Blue-chip and B2G clients
- Further develop our channel partnerships (CDW, Softcat, etc)
- Leverage Ultratech/Ultratest strength of market position and IP
- New financial IT system (gone live) and fully-integrated operational system, generating operational efficiencies particularly in transport
- Maintain and develop core processing skillsets for our knowledgeable and enthusiastic processing teams we want. Develop our centres of excellence
- Take advantage of likely upturn in Q2 2024, of new IT sales
- Leverage our market leadership, scope and scale (£33m and 1.9m assets per year)



Thank You!

Steve Talbot
Managing Director



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Natalie Matthews – Managing Director



Natalie Matthews – Managing Director

- Appointed Interim Managing Director of Datashred in October 2023
- 3 years in Restore - Transformation and Integration Director
- 25 years in senior leadership roles
- Previous career was spent in the IT Sector for 30 years
- Track record of successfully delivering change, major transformation and operational efficiency improvements



Our Business

- One of the 2 dominant and genuinely national operators in the UK supplying secure paper destruction services
- 11 sites across the UK
- 50,000 tonnes of material shredded annually
- 350 colleagues
- 150+ fleet
- Strong contracted annuity revenues @ 62% plus paper sales (total revenues subject to paper price)



Our Customers

Good mix of private and public sector
Average customer lifecycle is 7 years



Key Elements

Strong recurring
Revenues & rolling
contracts



Revenue from both
'Destruction & Paper Sales'



Digital platforms and strong MI



Customer self service



Price increases



Marketing leading CSAT scores



Strong staff engagement



- Revenue and market conditions shift with paper price, currently near bottom of cycle
- Commodity market with limited price differentiation opportunities
- Low barriers to entry for small, local operators
- Market unconsolidated due to historic high price expectations from potential vendors
- Vehicle overcapacity which will take time to work through
- Market ex growth/slowly declining





- Can and should be the lowest-cost producer in the market
- Well-invested with 2, perhaps 3, of best facilities in UK
- Historic high overhead has improved operational, MI and sales processes and can now be reduced
- Leverage Restore plc's property footprint to reduce rent as % of revenue
- Leverage Restore's physical data Chain of Custody strengths (Store, Scan, Destroy) for major customers, particularly Group customers
- New operational platform and customer portal going live in 2024 which should improve operational efficiency and customer experience
- Demographics and balance sheets of established smaller competitors are very weak in current market conditions
- Scope for price increases, particularly for customers requiring national coverage





Natalie Matthews – Managing Director



Capital Markets Day

16th November 2023

TIM RYDER – MD, RESTORE HARROW GREEN

Tim Ryder – Managing Director

- Joined Harrow Green in 1993
- Appointed Managing Director of Restore Harrow Green in January 2020
- Three years in the Records Management team 2012-2015
- Operational, Records/Storage/Account Management
- Team focused, margin management, delivery



Our Business

Highlights

- Strong revenue growth since pandemic recovering MOD contract revenue gap
- Market Leader in Commercial Moving Market
- Growth in Life Science and Storage services
- 370 colleagues and growing - 10 sites in Q1/24.
- Largely organic growth with strategic acquisitions along the way
- Excellent Customer Base



Our Customers

We have a broad customer base with a good mix of both public and private customers



Key Elements



Continued
organic growth



Expanding
geographical
locations



Offering
more services and
diversifying



Market leader



Cost Management



Growing
resources

Focus & Margin

Sales & Development

- Maximise the opportunity
- New Services and Incentives

Operational Efficiency

- Managing resources
- Continued move from temp to perm labour

Property

- London Portfolio Strategy
- Setup & opening of new Oxford Site

Delivery of key projects

- Large Pharma and BT projects

Continued Improvement

- Continue investment in People



Thank you

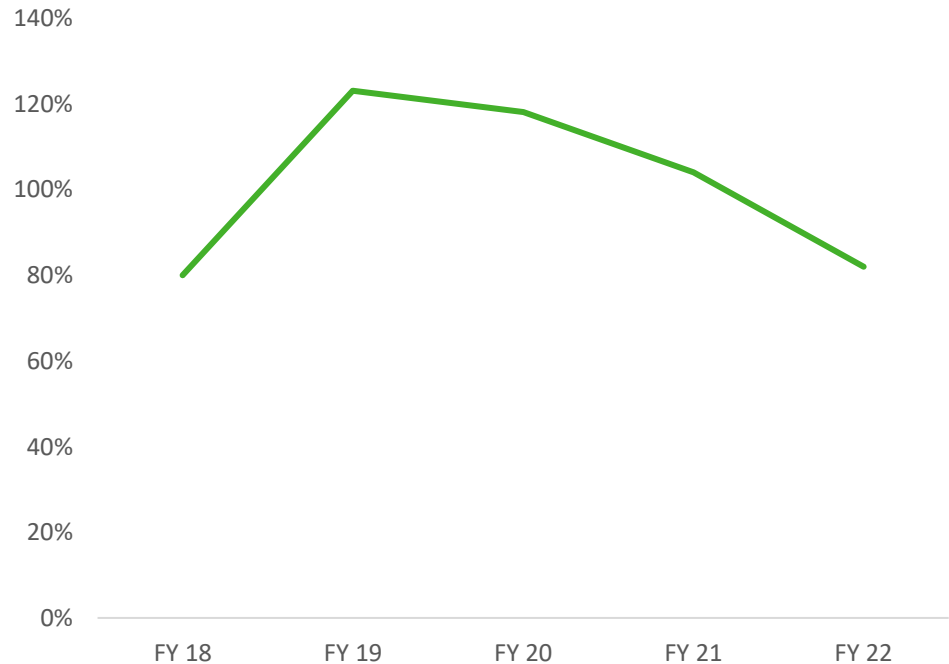
Tim Ryder
Managing Director
Restore Harrow Green

- Joined Restore on 13 November 2023
- Chartered Accountant (qualified with Arthur Andersen/Deloitte)
- Blue-chip background (Johnson Matthey, Smith & Nephew)
- Group and business experience, of big and small companies
- Why I joined:
 1. Strong business
 2. Strong people
 3. Management style changes to enable delivery



Restore is a highly cash generative business...

Cash conversion*



*Calculated as free cashflow divided by adjusted operating profit with a standard tax charge applied. Free cashflow calculated as cash generated from operations less income taxes paid, capital expenditure and lease payments, but before adjusting items (excluding amortisation). 2020 and 2021 normalised for the impact of VAT deferrals.

- Our priority is now to maintain shareholder returns and reinvest for organic growth.
- **Specific incremental capex investments will be made over an above historic averages where it makes business sense, e.g. ~£10m to increase Records Management capacity and deep store.**

...with ample borrowing facilities in place

- £200m Revolving Credit Facility entered into in January 2022.
- £25m US Private Placement with 5-year term entered into during Q1 2023.
- £25m floating debt hedge secured in Q3 2023.

	Amount (£'m)	Interest rate
Revolving Credit Facility ('RCF')	200.0	SONIA + Credit Adjusted Spread + 1.80% margin (which varies with leverage ratchets)
US Private Placement ('USPP')	25.0	6.3%
Available borrowings	225.0	



CEO Priorities

The 2 year Restore narrative

Restore

Focus on operating margin

Importance of cash generation

Business units to unleash potential





Thank you

Q&A