RESTORE PLC

2014 Results Presentation

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Highlights

- Group revenue up 26% to £67.5m (2013: £53.6m)
  - Document Management revenue up 35%; operating profit up 12%
  - Relocations revenue up 16%; operating profit up 50%
- Group adjusted profit before tax up 20% to £12.0m (2013: £10.0m)
- Adjusted earnings per share up 17% to 12.3p (2013: 10.5p)
- Dividend per share up 26% to 2.4p (2013: 1.9p)
- New five-year banking facility agreed
- Six acquisitions completed in the year, including the UK records management and scanning division of Cintas; all integration programmes on track

Financial Review

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Consolidated Income Statement (adjusted)

	2014	2013	Change
Revenue (£m)	67.5	53.6	26%
Adjusted operating profit (£m) *	12.9	10.9	18%
Finance costs (£m)	(0.9)	(0.9)	0%
Adjusted PBT (£m) *	12.0	10.0	20%
Standard tax charge	21.5%	23.25%	
Adjusted profit for period (£m) *	9.4	7.7	22%
Average number of shares (m)	76.6	73.2	5%
Adjusted EPS (p)	12.3	10.5	17%

* *Before amortisation of intangible assets, exceptional items (including exceptional finance costs), share based payments charge and other finance costs*

- 2014 results include the impact of 6 acquisitions in the period, plus the full year effect of 2013 acquisitions
- Operating profit increased as a result of contribution from acquisitions and organic growth
- Adjusted EPS increase 17% including £14.4m of equity raised via a placing in October

Cash Flow

	2014 £m	2013 £m
Adjusted EBITDA after exceptionals	**11.7**	**8.7**
Core working capital	(0.8)	1.5
Post acquisition working capital	(3.4)	0.0
Growth working capital	(1.9)	0.0
Net cash from operations	**5.6**	**10.2**
Capex	(3.6)	(3.7)
Interest/Tax	(1.9)	(1.5)
Acquisitions/Disposals	(27.7)	(8.7)
Proceeds from share issues	14.4	7.0
Other (including dividends)	(1.7)	(1.5)
Net cash flow	**(14.9)**	**1.8**
Opening net debt	16.0	17.8
Closing net debt	30.9	16.0

- Working capital movement includes £3.4m outflow relating to acquisitions. These outflows were factored into the acquisition pricing
- Acquisition activity broadly funded 1:1 by debt:equity

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Balance Sheet and Debt Facilities

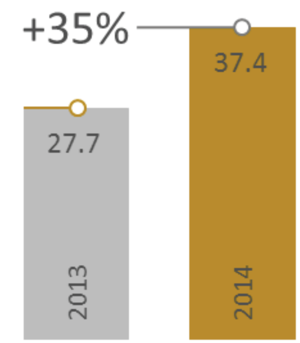
	2014 £m		2013 £m	
Non-current assets		**103.3**		**64.5**
Trade and other current assets	25.3		17.9	
Cash and cash equivalents	6.9		3.9	
Current Assets		**32.2**		**21.8**
Trade and other current liabilities	(16.8)		(15.6)	
Financial liabilities – borrowings	(3.7)		(6.0)	
Current liabilities		**(20.5)**		**(21.6)**
Financial liabilities – borrowings	(34.1)		(10.0)	
Deferred tax and provisions	(13.9)		(7.6)	
Non-current liabilities		**(48.0)**		**(17.6)**
Net assets		**67.0**		**47.1**
Shareholders equity		**67.0**		**47.1**

- New banking facilities in 2014. Current facility £45m comprising £30m RCF and £15m term loan
- Headroom of £13.6m at year end with a potential £7.5m accordion facility available

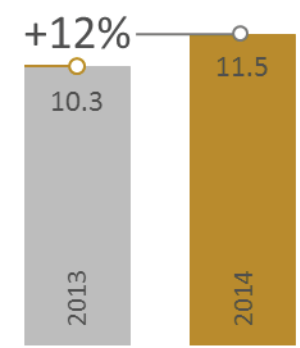
Document Management

	2014	2013	Change
Revenue (£m)	37.4	27.7	35%
Operating profit (£m)	11.5	10.3	12%
Operating margin	31%	37%	-600bps

- Document Management includes the impact of 2013 and 2014 acquisitions
- Underlying growth of 5%
- Reduction in operating margin a result of:
  - Lower margin shredding and scanning contributed a higher proportion of divisional revenue
  - 2014 acquisitions operating at reduced margins during the integration period



Revenue (£m)

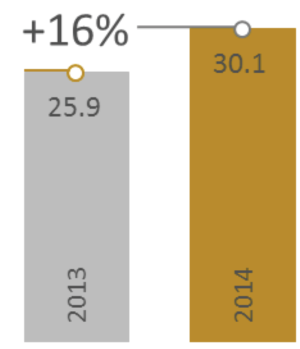


Operating profit (£m)

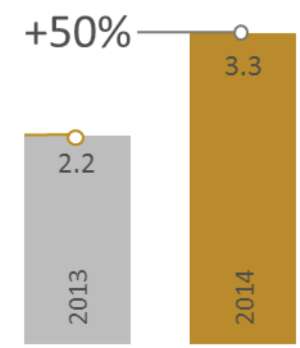
Relocations

	2014	2013	Change
Revenue	30.1	25.9	16%
Operating profit	3.3	2.2	50%
Operating margin	11%	8%	+300bps

- Results include the consolidation of Relocom in 2014
- Increased market activity at Harrow Green assisted the division to underlying growth of 7%
- Increase in operating margin a result of:
  - Increase in core Harrow Green operating margin through improved gross margin % and increased revenue on a fixed overhead base
  - Higher margin IT Efficient and Relocom contributed a higher proportion of divisional revenue

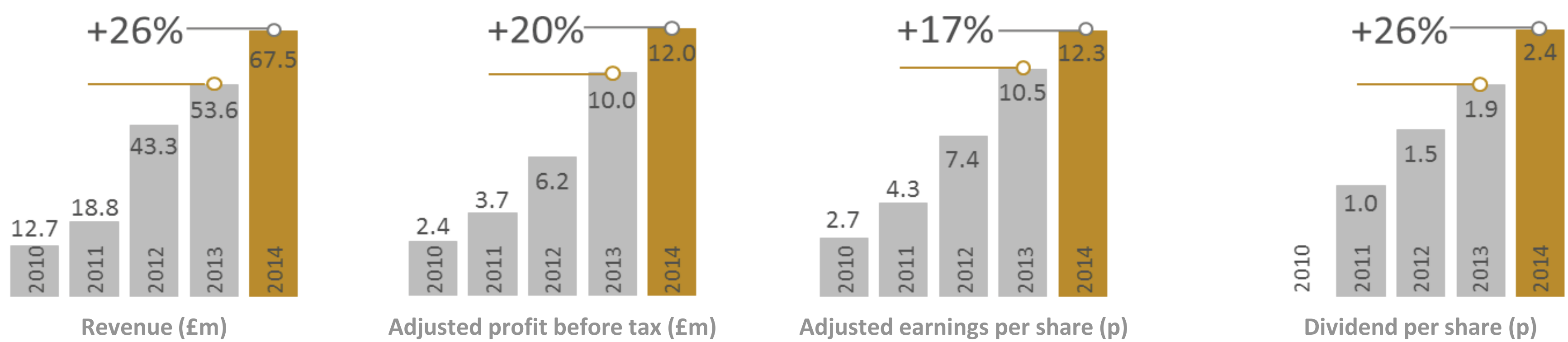


Revenue (£m)



Operating profit (£m)

Financial Summary



- Revenue up 26% driven by acquisitions and 6% underlying growth
- Operating margins fell by 1% due to the nature of 2014 acquisitions
- Document Management performance remains robust, significant levels of synergies being achieved from acquisitions
- Relocations performed strongly due to improved margins and increased activity
- Banking facilities increased. Leverage at year end 2.1x EBITDA and will reduce during 2015

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Guidance Points for 2015

- Revenue to increase as a result of 2014 acquisitions and organic growth
- Operating margins to improve as a result of synergies from acquired businesses
- Records Management’s strong earnings visibility forms the bulk of the Group profits but represents less than 50% of Group revenues
- Ongoing investment in storage capacity, scanning and shredding capability, and growth working capital
- Progressive dividend policy

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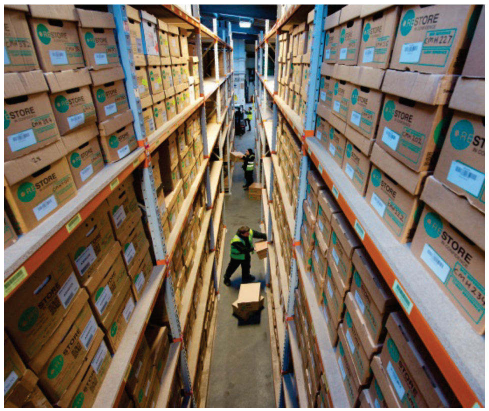
Operational Review



Market positioning – Records Management

- No. 2 in UK market with estimated 9% market share
- Principal consolidator of UK market that remains highly fragmented
- History of successful earnings-enhancing acquisitions and effective post-acquisition management
- Industry-leading performance in new box wins
- Established channels to market and leveraging of Group-wide customer base
- National coverage with low box storage costs
- Post-Cintas acquisition, 90% of capacity due to be occupied by April 2015

Market positioning – Shred

- No. 3 in UK market with estimated 3% market share
- National network now in place to improve margins and attractiveness to national customers
- Strong organic growth in fast-growing market
- Able to leverage Group customer base
- Critical mass now established

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Market positioning – Scan

- No. 2 in UK market following Cintas acquisition
- Good mix of long-term contracts, recurring revenue and strong sales pipeline
- Investment underway in systems to increase margins and differentiate from smaller scanning bureaus
- Increasing activity with NHS clients
- Strong start to 2015

Market positioning – Relocations

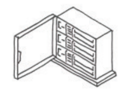
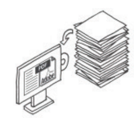
- UK market leader in office relocation
- Recurring revenues from major customers > 50%
- Carillion Amey contract for MoD opens up new market opportunities for Harrow Green
- Relocom (IT relocation) and Restore IT Efficient (IT equipment recycling) benefiting from closer integration
- Improved margin performance
- Excellent customer base for cross-selling Group services

Market positioning – Group Customer Base

Includes:

- **43%** of FTSE 100 companies
- **80%** of top 25 UK accountancy firms
- **64%** of top 50 UK legal practices
- **29%** of local authorities in England, Scotland and Wales
- **27%** of UK National Health Trusts

2014 Acquisitions

- April — Magnum Secure for £4.6 million 
  Majority stake in Relocom 
- May — Filebase for £1.0 million 
- June — Cannon Confidential for £1.1 million 
  Papersafe for £0.2 million 
- October — Cintas UK for £26.0 million  

Overall, consideration = 1.3x sales

- January 2015 — Ancora for £0.5 million 

Cintas Deal and Integration

- Total cost, including integration – £30m
- Medium term targeted operating profit of £5m – achieved through cost savings and increased capacity utilisation
- Strategic advantages:
  - Greater UK records management market share
  - Critical mass in scanning
  - Increased customer base

Cintas Integration – Key Elements

	Status
Cintas Head Office rationalisation	Overhead costs significantly reduced
Charlton property exit	On track
Records Management capacity merger	On track. One million racked spaces available by April 2015
Records Management operational merger	Ahead of plan apart from final IT transfer now scheduled for September 2015
Restore Scan into Cintas Scan	Effectively complete

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Cannon Confidential Integration into Restore Shred

- Clapham activity transferred to Charlton
- Worcester activity transferred to Upper Heyford
- No ongoing Cannon Head Office costs
- Current sites: London, Oxon, Manchester, Leeds, Middlesbrough, Edinburgh
- Forecast 2015 operating margin: 20 per cent

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Summary

- Current focus: post-acquisition management
- Records Management: continued steady growth, acquisitions integrated to achieve Restore margins
- Scan: significant player with robust customer base and order book
- Shred: critical mass achieved and operating margins increasing
- Relocations: strong market leader with improved margins and better integrated related services
- Centralised customer database now effective
- Continuing opportunities for growth by acquisition

Outlook

Our Document Management division is benefiting from improved rates of net box growth. We remain focused on integrating last year's acquisitions and increasing their operating margins towards those of our existing businesses. Our Relocations division continues to benefit from improved market conditions and operational efficiencies, and we are encouraged by its increasing base of recurring revenues.

We will continue to pursue our strategy of organic and acquisitive growth. The current year has started satisfactorily and we look forward to delivering another year of strong progress in 2015.