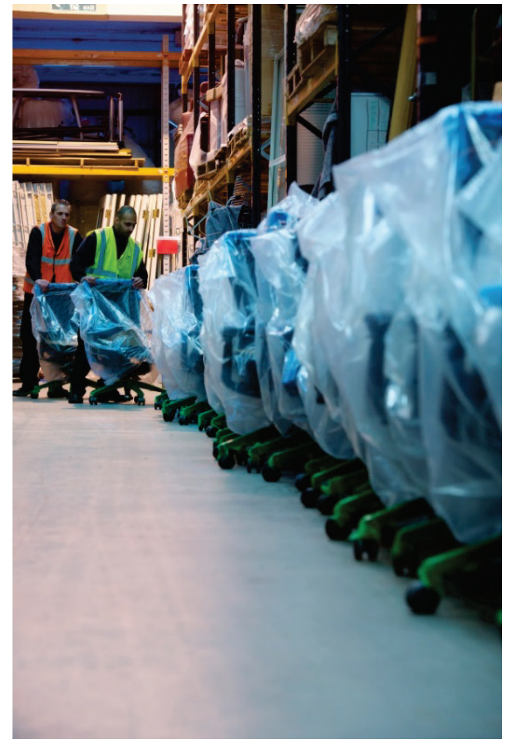
RESTORE PLC

2015 Results Presentation



Charles Skinner, Chief Executive
Adam Councell, Group Finance Director

10 March 2016

Highlights

- Group revenue up 36% to £91.9m (2014: £67.5m)
  - Document Management revenue up 46%; operating profit up 31%
  - Relocation revenue up 24%; operating profit up 24%
- Group adjusted profit before tax up 36% to £16.3m (2014: £12.0m)
- Adjusted earnings per share up 27% to 15.6p (2014: 12.3p)
- Final dividend per share up 38% to 2.2p (2014: 1.6p) making a full year dividend of 3.2p (2014: 2.4p)
- New five-year banking facility agreed
- Six acquisitions completed in the year, including Wincanton Records Management for £57.3m; all integration programmes on track
- Disposal of Wincanton Irish Operations for €36m (£28m) recently announced

Financial Review

Consolidated Income Statement (adjusted)

Continuing operations	2015	2014	Change
Revenue (£m)	91.9	67.5	36%
Adjusted operating profit (£m) *	17.6	12.9	36%
Finance costs (£m)	(1.3)	(0.9)	44%
Adjusted PBT (£m) *	16.3	12.0	36%
Standard tax charge	20.25%	21.5%	
Adjusted profit for period (£m) *	13.0	9.4	38%
Average number of shares (m)	83.4	76.6	9%
Adjusted EPS (p)	15.6	12.3	27%

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

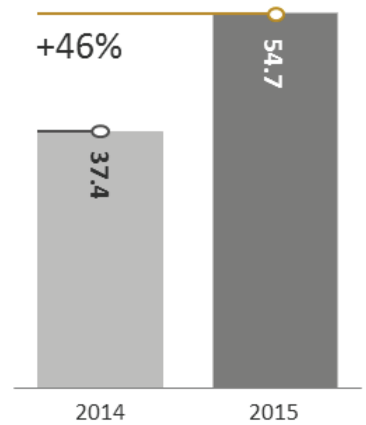
- 2015 results include the impact of 6 acquisitions in the period, and the full year contribution of 2014 acquisitions, most notably Cintas
- Group organic growth 7%
- Operating profit margin consistent at 19% despite operational challenges in scanning and shredding
- Adjusted EPS increase 27% including £33m of equity raised via a placing in December

Document Management

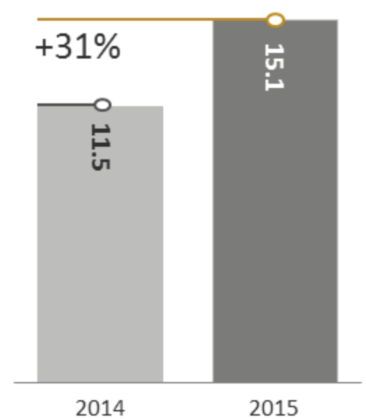
	2015	2014	Change
Revenue (£m)	54.7	37.4	46%
Operating profit (£m)	15.1	11.5	31%
Operating margin	28%	31%	-300bps

- Revenue includes full year impact of Cintas and other 2014 acquisitions
- Organic growth solid in core business. Cintas organic growth affected by known terminations and lack of pipeline at acquisition
- Margins remain stable in core records management business reflecting an uplift in margin of acquired businesses
- Operational challenges in both scanning and shredding drive the overall reduction in margin

Revenue (£m)



Operating profit (£m)

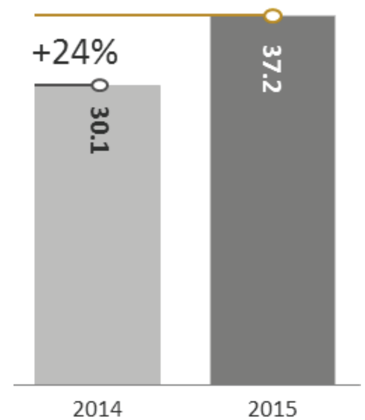


Relocation

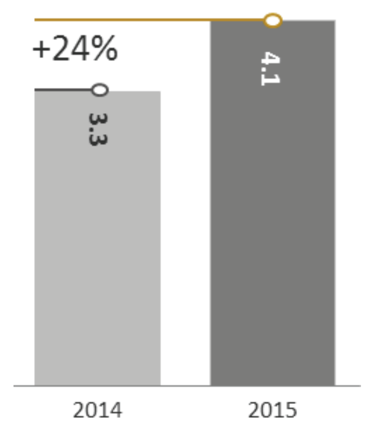
	2015	2014	Change
Revenue (£m)	37.2	30.1	24%
Operating profit (£m)	4.1	3.3	24%
Operating margin	11%	11%	-

- Results include part year trading for ITP acquired in July 2015
- Strong organic growth in Harrow Green helped by contribution from MOD contract
- Relocom had an excellent year, IT Efficient was steady
- Year-on-year margin remained steady, with Harrow Green margin broadly in line with 10% target

Revenue (£m)



Operating profit (£m)



Exceptional costs

£m	2015	2014
Box relocation and associated costs	0.1	0.4
Restructuring costs	5.1	2.5
Transaction costs	0.4	0.4
Other exceptional costs	0.8	(0.2)
Total exceptional costs	6.4	3.1

- Cintas Restructuring largely complete
  - Overall cost in line with expectations
  - More scanning restructuring than expected
- Completion of the integration of Cannon Confidential integration and smaller 2015 acquisitions
- Box relocation costs low, Charlton exit to take place in 2016/17
- Other exceptional costs include scanning contract costs of £0.6m

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Cash Flow

	2015 £m	2014 £m
Adjusted EBITDA after exceptionals	**14.0**	**11.7**
Core working capital	1.6	(0.3)
Post acquisition working capital/property provisions	(3.6)	(3.9)
Growth working capital	(1.0)	(1.9)
Net cash from operations	**11.0**	**5.6**
Capex	(4.0)	(3.6)
Interest/Tax	(1.9)	(1.9)
Acquisitions/Disposals	(65.9)	(27.7)
Proceeds from share issues	32.9	14.4
Other (including dividends)	(1.8)	(1.7)
Net cash flow	**(29.7)**	**(14.9)**
Opening net debt	30.9	16.0
Closing net debt	60.6	30.9

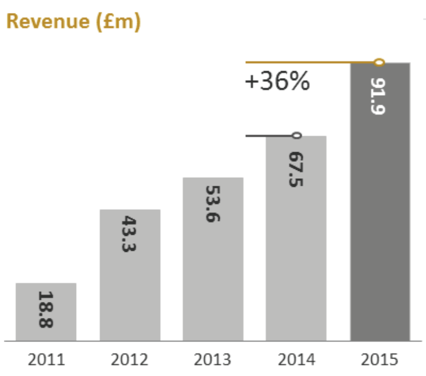
- Core working capital has reduced by £1.6m but was offset by:
  - Acquisitions-related movement of £3.6m (factored up front into acquisition pricing)
  - Growth working capital
- Acquisition activity continues to be broadly funded 1:1 by debt:equity

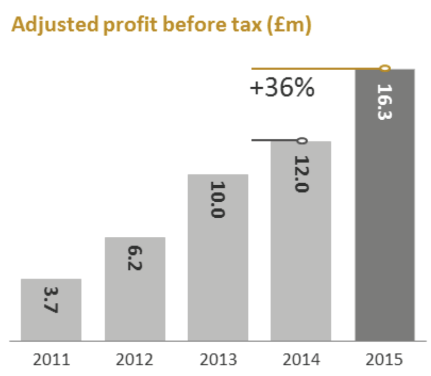
Balance Sheet and Debt Facilities

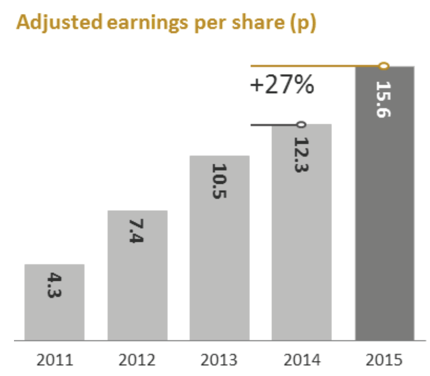
	2015 £m		2014 £m	
Non-current assets		**160.3**		**103.3**
Trade and other current assets	30.5		25.3	
Cash and cash equivalents	8.5		6.9	
Current Assets		**39.0**		**32.2**
Trade and other current liabilities	(25.4)		(16.8)	
Financial liabilities – borrowings	(3.7)		(3.7)	
Current liabilities		**(29.1)**		**(20.5)**
Financial liabilities – borrowings	(65.4)		(34.1)	
Deferred tax and provisions	(19.7)		(13.9)	
Non-current liabilities		**(85.1)**		**(48.0)**
Net assets (continuing operations)		**85.1**		**67.0**
Assets held for sale		**19.6**		**0.0**
Shareholders equity		**104.7**		**67.0**

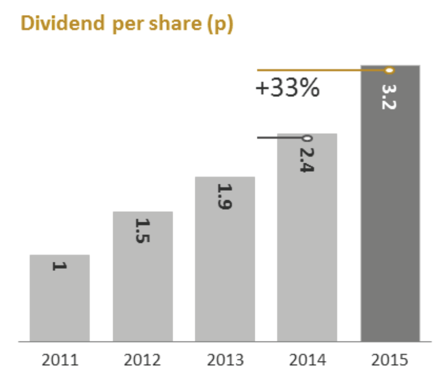
- New 5 year club arrangement with RBS and Barclays entered into on completion of Wincanton acquisition. £80m facility consisting of £50m term loan and £30m RCF. Potential further £20m accordion facility
- Restore Ireland sold in March 2016 for €36m, proceeds will be used to reduce debt pending continuation of growth strategy

Financial Summary









- Revenue up 36% driven by acquisitions and underlying growth
- Operating margins in Records Management and Relocation remained steady
- Leverage at year end 2.1x adjusted proforma EBITDA. Falling below 1.5x following sale of Wincanton Ireland
- Operating cash flow up 96%
- Significant restructuring in 2015.

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Operational Review

Operational Review – Records Management

- Established business box growth: 6%
- Capacity utilisation at year end (exc. Wincanton): >90%
- Cintas integration complete
- New capacity being developed at Wiltshire mine and Upper Heyford
- Ancora and DIAA acquisitions integrated, Diamond boxes being moved
- Wincanton Records Management acquired

Operational Review – Scan

- Comprises primarily old Cintas scan business
- Limited contribution due to
  - Operational weakness on largest contract
  - Major contracts delayed
- Changes made
  - New divisional MD appointed
  - New Scan MD appointed
  - Peterborough partially closed
  - 2 other sites closed (Hanworth and Crimson, Manchester)
  - 2 major contracts awarded
- Well-invested business in fast-changing market

Operational Review – Shred

- Inadequate revenue to generate contribution
- New Divisional MD appointed
- New IT system installed
- Strong organic growth maintained
- Operating well below capacity

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Operational Review - Harrow Green and Other Relocations

- Year-on-year growth in revenues and margins
- Both London and regional market strong
- Major MoD contract operated smoothly in first year
- **Relocom** traded well, helped by close links to Harrow Green
- **IT Efficient** steady
- **ITP Group** performed in line with expectations

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Wincanton Acquisition

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Deal summary

- £57.3m consideration
- Revenues to March 2015:

UK	£14.8m
Republic of Ireland	£7.6m
Total	£22.4m

- Occupancy rate:

UK	69%
Dublin	75%

Integration

- Less complex than Cintas
- Senior management redundancies completed
- Transfer of Charlton boxes to Rainham commenced and new racking being installed
- Forecast capacity utilisation by end 2016: > 90%
- No net box growth expected in UK in Year 1

Wincanton Ireland Sale

- Purchase consideration €36m (c. £28m)
- Net purchase consideration for UK business now c. £30m
- No scope for operating synergies in Ireland
- Limited local knowledge
- Restore focus is on mainland UK
- Slightly earnings dilutive in short term
- Capital available for growth in UK

Business strategy

Our strength

- Focus on UK office services
- Focus on business streams with certain characteristics
- Continuing increased market penetration
- Strong margins
- Earnings visibility
- Huge scope for further growth by acquisition

"A business with an economic moat"

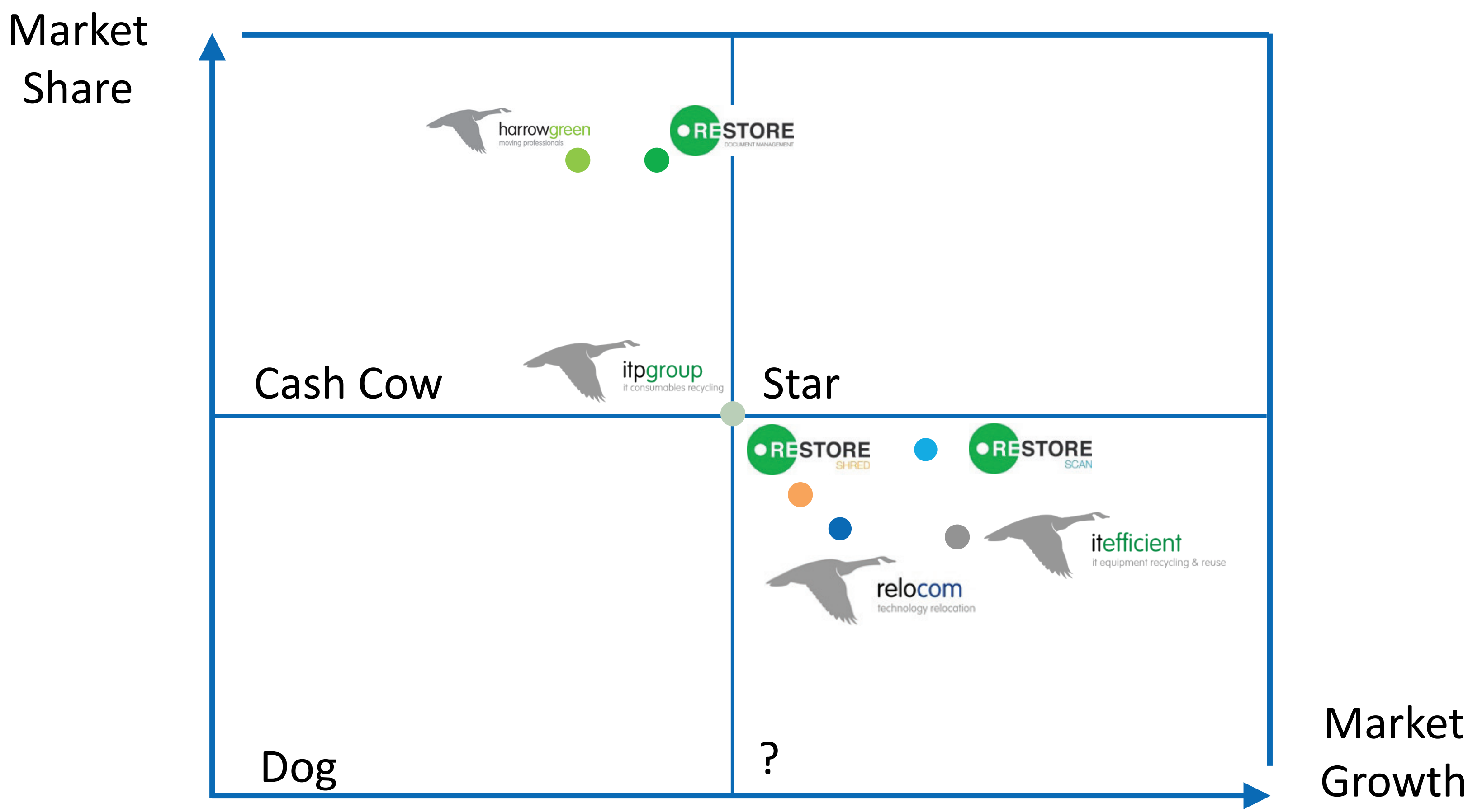
Customer Penetration

- **60%** of FTSE 100 companies
- **72%** of top 100 UK legal practices
- **96%** of top 25 UK accountancy companies
- **41%** of UK National Health Service trusts
- **41%** of local authorities in England, Scotland and Wales

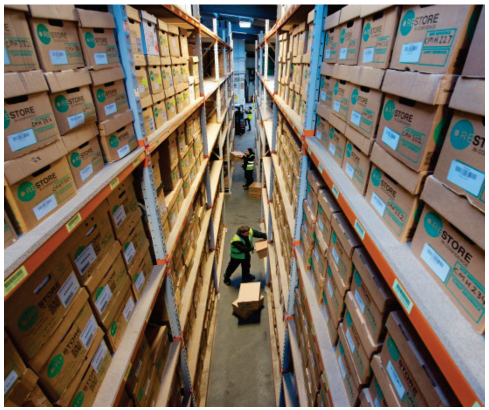
Business stream characteristics

- Growth through acquisition and market consolidation
- Competitive advantage through UK focus and market knowledge
- Group-wide cross-selling opportunities
- Complex and mission-critical operational services
- Strong, predictable recurring revenues and high customer retention

Growth/Share Matrix of Restore business



Outlook






Outlook

- Near-term focus on:
  - Cost and capacity synergies from Wincanton acquisition
  - Continuing to improve the performance of Shred and Scan
  - Ensuring newer activities benefit from cross-selling opportunities
- Strategy of organic and acquisitive growth to continue
- The current year has started satisfactorily
- We look forward to another year of strong progress in 2016