

2016 Half Year Results

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Highlights



- Group revenue up 26% to £55.4m (H1 2015: £43.9m)
 - Document Management revenue up 34%
 - Relocation revenue up 12%
- Group adjusted profit before tax up 35% to £9.6m (H1 2015: £7.1m)
 - Document Management adjusted operating profit up 31%
 - Relocation adjusted operating profit up 42%
- Adjusted earnings per share up 16% to 7.9p (H1 2015: 6.8p)
- Interim dividend per share up 33% to 1.33p (H1 2015: 1.0p)
- Integration and performance of acquisitions in 2015, notably Wincanton Records Management ("WRM"), on track
- PHS Data Solutions acquired in August 2016

Financial Review

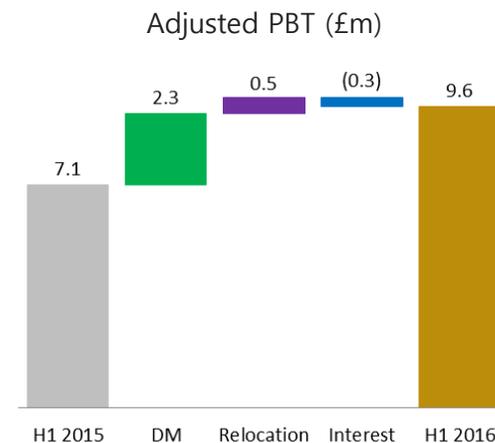
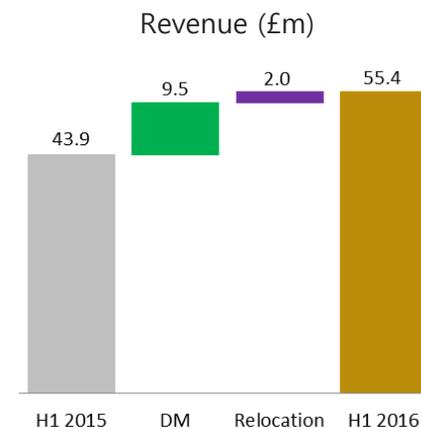


Consolidated Income Statement (adjusted)



	H1 2016	H1 2015	Change
Revenue (£m)	55.4	43.9	+26%
Adjusted operating profit (£m) *	10.5	7.7	+36%
Finance costs (£m)	(0.9)	(0.6)	+50%
Adjusted PBT (£m) *	9.6	7.1	+35%
Standard tax charge	20%	20.5%	
Adjusted profit for period (£m) *	7.7	5.6	+38%
Average number of shares (m)	97.0	82.4	+18%
Adjusted EPS (p)	7.9	6.8	+16%

- Revenue increase driven largely by contribution from 2015 acquisitions
- Operating margin higher at 19.0% (2015: 17.5%)
- Adjusted EPS increased 16% reflecting increased average number of shares from 2015 placing

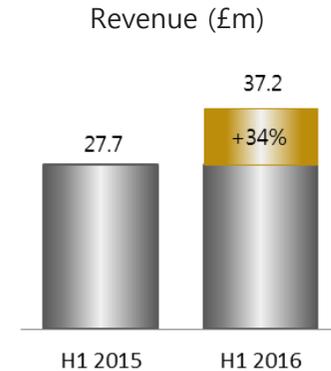


* Before amortisation of intangible assets, exceptional items, share based payments charge and other finance costs

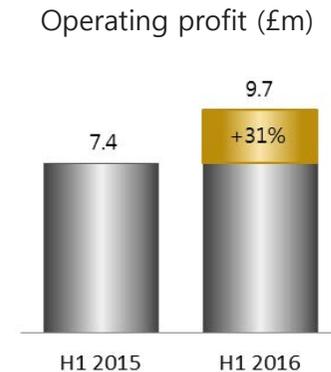
Document Management



	H1 2016	H1 2015	Change
Revenue (£m)	37.2	27.7	34%
Operating profit (£m)	9.7	7.4	31%
Operating margin	26.1%	26.7%	(60bps)



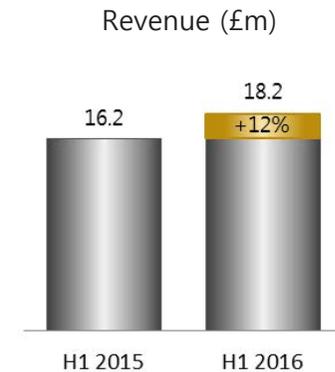
- Revenue increase largely driven by 2015 acquisitions, most notably WRM
- Operating margin movement driven by:
 - Weaker initial operating margins at WRM on acquisition
 - Weaker performance in Restore Shred
 - Improved margin on major seasonal scanning contract



Relocation



	H1 2016	H1 2015	Change
Revenue (£m)	18.2	16.2	12%
Operating profit (£m)	1.7	1.2	42%
Operating margin	9.3%	7.4%	190bps



- Harrow Green performed well despite strong prior year comparator. Margins increased by 220bps on H1 2015
- Relocom slightly weaker year-on-year
- IT Efficient improvement in margin
- ITP profitable but performance below forecast



Exceptional Costs



H1 2016	£m
Restructuring costs	2.8
Transaction costs	0.2
Box relocation and associated costs	0.1
Other exceptional costs	1.8
Total exceptional costs	4.9



H1 2016	£m
WRM	2.2
Crimson	0.1
DIAC	0.2
Others	0.3
Total restructuring	2.8

- Restructuring cost driven by WRM acquisition
- Other exceptional costs include employers National Insurance on share option exercise
- Transfer of boxes from Charlton site has commenced and will continue until mid 2017

Cash Flow



	H1 2016 £m	H1 2015 £m
Adjusted EBITDA	12.3	9.0
Exceptional costs	(4.9)	(2.9)
Adjusted EBITDA after exceptionals	7.4	6.1
Working capital	(1.4)	(1.5)
Net cash from operations	6.0	4.6
Capex	(1.9)	(2.5)
Interest/Tax	(1.9)	(0.8)
Acquisitions	(0.7)	(0.7)
Disposal proceeds	29.8	0.0
Other	0.0	(0.1)
Net cash flow	31.3	0.5
Opening net debt	60.6	30.9
Closing net debt	29.3	30.4

- Working capital movement reflects seasonal scanning contract and remainder of WRM requirement
- Disposal proceeds include sale of WRM Ireland and Diamond Relocations property
- Capex includes commencement of development of the final chamber in underground freehold facility in Wiltshire

Balance Sheet and Debt Facilities



	H1 2016 £m		H1 2015 £m	
Non-current assets		156.8		106.7
Trade and other current assets	34.0		30.4	
Cash and cash equivalents	20.4		12.3	
Current Assets		54.4		42.7
Trade and other current liabilities	(29.5)		(23.0)	
Financial liabilities – borrowings	(5.7)		(2.9)	
Current liabilities		(35.2)		(25.9)
Financial liabilities – borrowings	(44.0)		(39.8)	
Deferred tax and provisions	(18.5)		(15.4)	
Non-current liabilities		(62.5)		(55.2)
Net assets		113.5		68.3
Shareholders equity		113.5		68.3

- Current bank facilities £100m following acquisition of PHS Data Solutions, including:
 - £30m revolving credit facility
 - £70m term loan
- Current bank facilities run until Q4 2020

Financial Summary



- Revenue up 26% driven by 2015 acquisitions
- Operating margins improved
- Head office costs unchanged at £0.9m
- Group operating margins remain robust
- Net debt reduced sharply since YE 2014 driven by WRM Ireland sale
- Leverage reduced to 1.2x adjusted EBITDA but increased to c. 2x following PHS Data Solutions acquisition post-period end

Operational Review



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Our Businesses



The majority of Records Management's sales are from the storage and retrieval of hard copy documents, typically stored in cardboard boxes. It manages millions of archive boxes of document files, magnetic data, film and other materials for blue-chip organisations. The business generates additional service income from the reorganisation of customer documents, document restoration, file-tracking services within customers' own buildings, and electronic data back-up



Restore Shred offers secure shredding and recycling for customers across the UK. Market share hugely increased by acquisition of PHS Data Solutions



Restore Scan is one of the country's leading document conversion and data management specialists. Its main function is the conversion of hardcopy documents into electronic data. As part of its service, it organises and indexes the electronic versions, enabling customers to identify and locate their data more efficiently



Harrow Green is the market leader in UK commercial relocations – the physical movement of office furniture and other physical resources when an organisation moves staff either within a building or to a new site



Relocom is one of the UK's leading technology relocations service providers, helping leading blue-chip organisations during a relocation, reorganisation or period of change. It specialises in server and data centre relocation, desktop IT and trading desk relocation, furniture and IT asset audit and management



IT Efficient is one of the UK's leading providers of secure data destruction and hardware disposal services for computer equipment



ITP Group is the UK's leading collector of empty printing cartridges, from premises across the UK in all business sectors, and makes bulk purchases from waste operators and other recycling businesses

* UK market position

Operational Review – Records Management



- Performance slightly ahead of budget
- Operating margins broadly maintained despite inclusion of lower margin WRM
- Steady net box growth in core business
- Limited net box growth in ex-Cintas business
- Decline in net boxes at WRM, as expected on acquisition
- Integration of WRM proceeding to plan
- New space at Monkton Farleigh mine, coming on stream in 2017
- Capacity at 89% (pre-PHS Data Solutions)
- Longer-term scope to improve margins, partly through increased capacity utilisation
- PHS Data Solutions increases market share; further market consolidation through acquisitions anticipated

Operational Review - Shred



- Revenues broadly flat
- Small operating loss
- Acquisition of PHS Datashred, into which Restore Shred will be integrated, is transformational
- The combined business is number 2 in UK shredding market
- Significant scope for further consolidation of UK market

Operational Review - Scan



- Performance on budget
- Successful delivery of major seasonal contract
- NDA contract started well
- NHS contracts progressing
- Significant investment in management and facilities
- Scope for consolidation

Operational Review - Relocation



- Performance in line with budget
- Operating margins in Harrow Green increasing to above long-term target
- Strong H2 order book in Harrow Green
- Relocom slightly weaker
- Restore IT Efficient performance steadily improving
- ITP Group impacted by weak global cartridge resale market

WRM Integration Update



- Significant savings on duplicated management costs achieved
- Operational synergies exceeding expectations
- Rainham now fully racked and capacity levels overall rapidly increasing including Charlton transfer
- Bristol scheduled for closure in early 2017
- Integration proceeding to plan

Acquisition of PHS Data Solutions



- Acquired in August 2016 for a total consideration of £83.2 million, on a cash and debt free basis
- Anticipated synergies of £2.5m are expected from:
 - duplicated management teams
 - operational synergies from direct staff, vehicles and drivers
 - Non-recurring central costs
 - property utilisation synergies
- Following the implementation of the synergies above, the EBIT margin of the RM business is expected to move to 30%+ in line with current Restore RM operating margins.
- Restore Shred to be integrated into Datashred with major synergies achievable through site rationalisation, management duplication
- Capital Capture to be integrated into Restore Scan with operational synergies on bureau scanning activities

Business Stream Overview



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| ● Records Management | ● UK no. 2 in increasingly consolidated market |
| | ● consistent high operating margins |
| | ● strong earnings visibility |
| ● Shred | ● established national operator, UK no. 2, with significant scope for growth by acquisition as well as organic |
| ● Scan | ● major UK operator with significant capability and capacity |
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|----------------|--|
| ● Harrow Green | ● market leader growing revenues and margins |
| ● Relocom | ● growing strongly through closer integration |
| ● IT Efficient | ● stable operation with significant organic growth opportunities |
| ● ITP Group | ● market leader in profitable niche expected to benefit from being part of Group |
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Summary and Outlook



- Strong year-on-year performance
- Effective integration of earnings-enhancing acquisitions
- Four very well-positioned business streams
 - Records management: scope to increase margins through improved capacity utilisation
 - Shredding: Datashred transforms market position and profitability
 - Scanning: well-invested and beginning to deliver in a consolidating market
 - Relocation: margins improving in market-leading business with excellent customer base
- Continuing opportunities for further profitable growth particularly through add-on acquisitions in all three Document Management business streams
- Confident of further progress in H2 2016 to deliver a FY performance in line with current market expectations