RESTORE PLC

2017 Half Year Results

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September 2017

Highlights

- Group revenue up 57% to £86.9m (H1 2016: £55.4m)
  - Document Management revenue up 74%
  - Relocation revenue up 21%
- Group adjusted profit before tax up 59% to £15.3m (H1 2016: £9.6m)
  - Document Management adjusted operating profit up 63%
  - Relocation adjusted operating profit up 18%
- Adjusted earnings per share up 38% to 10.9p (H1 2016: 7.9p)
- Good organic growth across both divisions
- Integration of PHS Data Solutions ("PHS DS") successfully executed
- Restore Datashred performance ahead of expectations
- 7 acquisitions completed since the start of the year
- Interim dividend per share up 26% to 1.67p (H1 2016: 1.33p)

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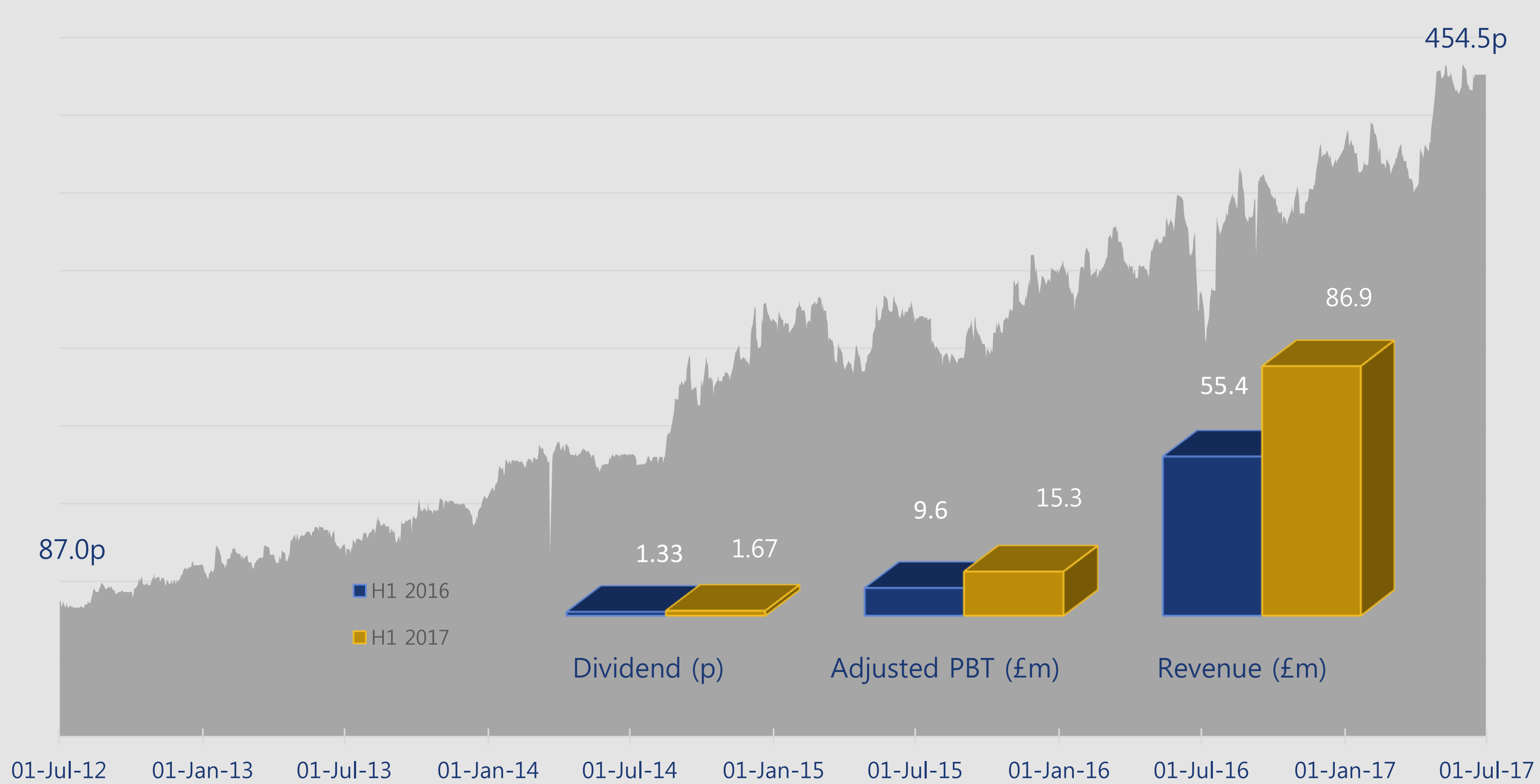
Financial Review



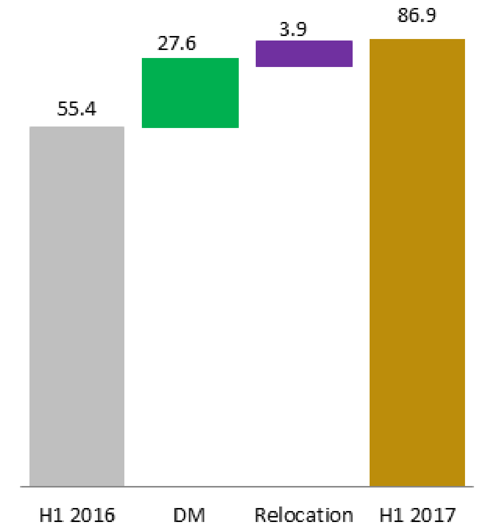
Consolidated Income Statement (adjusted)

	H1 2017	H1 2016	Change
Revenue (£m)	86.9	55.4	+ 57%
Adjusted operating profit (£m) *	16.5	10.5	+ 57%
Finance costs (£m)	(1.2)	(0.9)	+ 33%
Adjusted PBT (£m) *	15.3	9.6	+ 59%
Standard tax charge	19.5%	20%	
Adjusted profit for period (£m) *	12.3	7.7	+ 60%
Average number of shares (m)	112.4	97.0	+ 16%
Adjusted EPS (p)	10.9	7.9	+ 38%

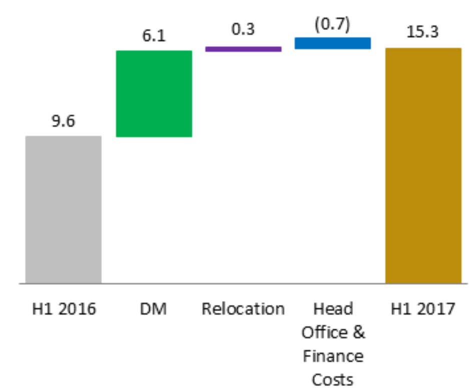
* before discontinued operations, exceptional items (including exceptional finance costs), amortisation of intangible assets and share based payments charge

- Revenue increase primarily a result of PHS DS acquisition in August 2016
- Operating margin consistent YOY at 19%
- Adjusted profit before tax £15.3m, an increase of 59%
- Adjusted EPS increased 38% reflecting increased average number of shares in issue

Revenue (£m)

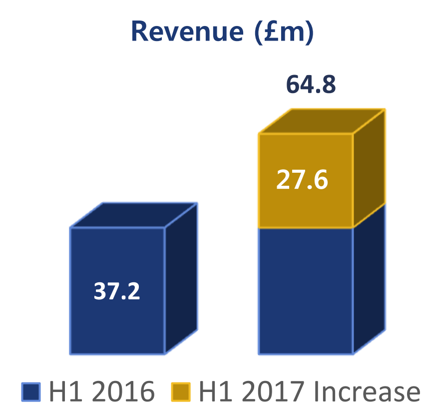


Adjusted PBT (£m)

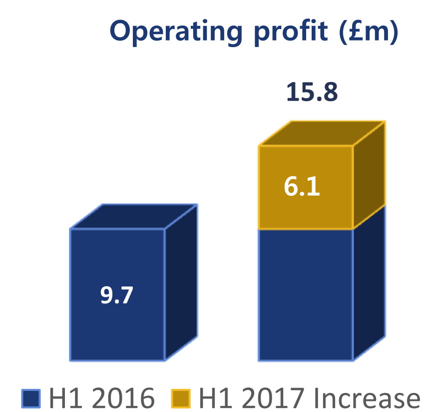


Document Management

	H1 2017	H2 2016	H1 2016	YOY change
Revenue (£m)	64.8	52.9	37.2	+74%
Operating profit (£m)	15.8	12.3	9.7	+63%
Operating margin	24.4%	23.3%	26.1%	-170 bps



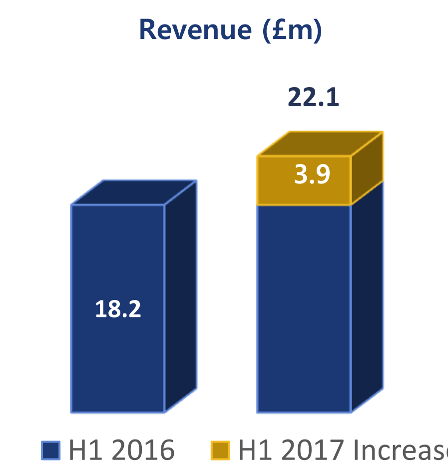
- PHS DS key contributor to revenue movement
- Organic growth of 7% driven by:
  - Strong performance in Scan and Shred
  - Storage performance held back by customer exits from acquired businesses but still positive
- Year on year operating margin movement driven by business mix but showing an improvement on H2 2016

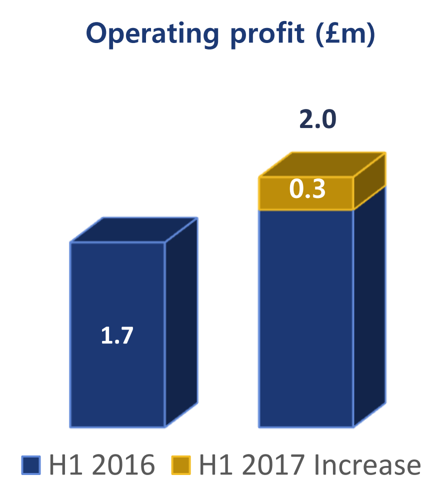


Relocation

	H1 2017	H1 2016	Change
Revenue (£m)	22.1	18.2	+21%
Operating profit (£m)	2.0	1.7	+18%
Operating margin	9.0%	9.3%	-30 bps

- Revenue movement includes contribution of ITAD Works acquisition
- Organic growth 12%
- Seasonally weaker half of the year for Harrow Green
- Operating margins steady year on year
- ITP made a profit in H1 after registering losses in 2016





Exceptional Costs

£m	H1 2017	H1 2016
Restructuring costs	3.7	2.8
Transaction costs	0.1	0.2
Box relocation and associated costs	0.3	0.1
Other exceptional costs	7.8	1.8
Total exceptional costs	11.9	4.9

- Restructuring costs largely reflect PHS DS acquisition and double running costs on properties
- Bristol and Charlton sites both exited in June 2017 on schedule
- Other exceptional costs include £7.1m cost of cash settlement of 75% of 1st tranche of EIP share options

Cash Flow

	H1 2017 £m	H1 2016 £m
Adjusted EBITDA	**19.5**	**12.3**
Exceptional costs (excluding non-cash EIP credit)	(12.7)	(4.9)
Adjusted EBITDA after exceptionals	**6.8**	**7.4**
Working capital (including Gain/Loss on sale of FA)	(3.7)	(1.4)
Net cash from operations	**3.1**	**6.0**
Capex	(2.3)	(1.9)
Interest	(1.1)	(1.0)
Tax	(1.4)	(0.9)
Acquisitions	(2.8)	(0.7)
Disposal proceeds	0.0	29.8
Other	(0.1)	0.0
Net cash flow	**(4.6)**	**31.3**
Opening net debt	72.3	60.6
Closing net debt	76.9	29.3

- Working capital outflow reflects partial reversal of strong 2016 closing position
- Trade receivables in Shred increased due to migration off PHS systems. Expected to reverse in H2 2017
- Slight increase in net debt since year end largely driven by exceptional costs

Balance Sheet and Debt Facilities

	H1 2017 £m		FY 2016 £m	
Non-current assets		**240.8**		**240.7**
Trade and other current assets	45.6		40.3	
Cash and cash equivalents	15.4		12.9	
Current Assets		**61.0**		**53.2**
Trade and other current liabilities	(40.9)		(36.9)	
Financial liabilities – borrowings	(6.9)		(6.8)	
Current liabilities		**(47.8)**		**(43.7)**
Financial liabilities – borrowings	(85.4)		(78.4)	
Deferred tax and provisions	(20.1)		(19.7)	
Non-current liabilities		**(105.5)**		**(98.1)**
Net assets		**148.5**		**152.1**
Shareholders equity		**148.5**		**152.1**

- Banking facilities recently increased and term extended through to 2022
- Current facilities:
  - £114.5m of committed funds
  - £30m of uncommitted accordion facility
- New facilities adequate to support ongoing growth strategy

Financial Summary

- Revenue up 57% reflecting PHS DS acquisition
- H1 Group organic growth strong at 8%
- Operating margins consistent at 19%
- Bank facilities increased and term extended
- Leverage c2x pro forma EBITDA
- Interim dividend up 26% to 1.67p

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Operational Review

Business Stream Overview

RESTORE DOCUMENT MANAGEMENT

• Restore Records Management	• UK no. 2 in consolidated, steadily growing market • consistent high operating margins with scope for improvement • strong earnings visibility
• Restore Datashred	• established national operator, UK no. 2, with significant scope for growth by acquisition as well as organic
• Restore Scan	• achieved critical mass with strong customer base and enhanced offering in interesting market

relocationdivision

business relocation • it relocation • it equipment recycling & reuse
it consumables recycling • storage services • international moves

• Harrow Green	• market leader growing revenues and margins
• Relocom	• growing through closer integration with Harrow Green
• IT Efficient/The ITAD Works	• growing strongly in exciting market
• ITP Group	• UK market leader with improving performance in tricky global market

Operational Review – Records Management

- Positive net box growth despite major exit
- Operating margins stable
- Integration of PHS DS RM complete, excluding IT platform
- New space at Monkton Farleigh site and Upper Heyford on stream
- Capacity utilisation in excess of 90%
- Charlton and Bristol exits complete, Leyton exit underway

Operational Review - Shred

- Business transformed by PHS Datashred acquisition
- Trading ahead of expectations with double digit organic growth
- Healthy operating margins with scope to improve
- Expected to benefit from GDPR introduction in 2018
- 5 acquisitions in year-to-date
- Significant scope for further consolidation of UK Shredding market

Operational Review - Scan

- Double-digit organic growth
- Strong year-on-year operating margin improvement
- Scale benefit from additional PHS DS scanning revenue
- Offer broadened by addition of PHS DS Scan
- Investment in management and facilities has had a positive impact
- Successful delivery of major seasonal contract (now renewed)
- Strong core base of major customers

Operational Review - Relocation

- Strong year-on-year performance, particularly in core London relocation market
- Additional multi-year contract with MOD
- IT recycling showing significant growth
- The ITAD Works acquisition exceeding expectations, encouraging further development in this market
- ITP showed improvement and traded profitably in H1
- Strong H2 order book in Harrow Green

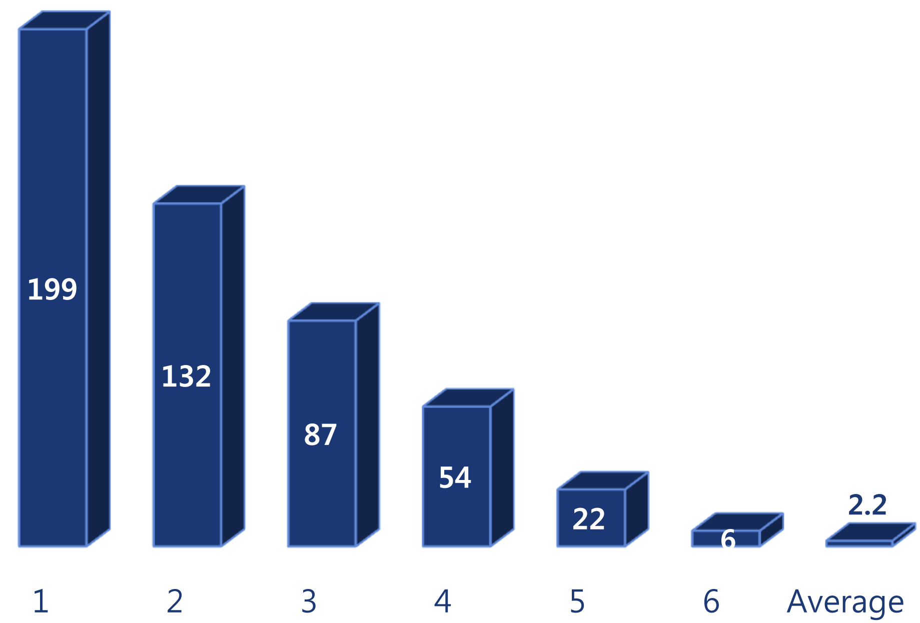
Acquisitions in 2017

January	Reisswolf Wales	Wales	SHRED
January	ID Secured (trading as Reisswolf London) – shredding operation	London	SHRED
February	The ITAD Works	Surrey	IT EQUIPMENT RECYCLING
July	Solutions for Archiving	Dorset	STORE
July	Banner shredding activities	All UK	SHRED
August	Baxter Confidential	Hampshire	STORE, SHRED
September	Lombard	London	SHRED

Group Cross-Selling

- One CRM system across Group
- Compliance with Group CRM mandatory
- In place for 6 years
- Comprehensive database of UK offices
- Makes new business from existing customers far easier
- More services increases stickiness
- Tight customer relationship makes it easy to adapt to changing customer needs
- B2B services are all about channel to market

Number of top 500 customers by services used



Summary and Outlook

- Strong year-on-year performance with solid organic growth
- Effective integration of PHS DS acquisition
- Four well-positioned business streams
    - Records management: scope to increase margins further
    - Shredding: Datashred well-positioned to grow and consolidate its market
    - Scanning: well-invested and finally delivering attractive returns
    - Relocation: margins improving in market-leading business with excellent customer base and exciting opportunities in IT Recycling
- Continuing opportunities for further profitable growth particularly through acquisitions in all business streams
- The second half period has started well, benefiting from continued good organic growth and the realisation of synergies from recent acquisitions
- The Board now expects to deliver a full year performance slightly ahead of its previous expectations