



Investor site visits to South Kirkby and Markham Vale






24 October 2024

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Overview

Our business

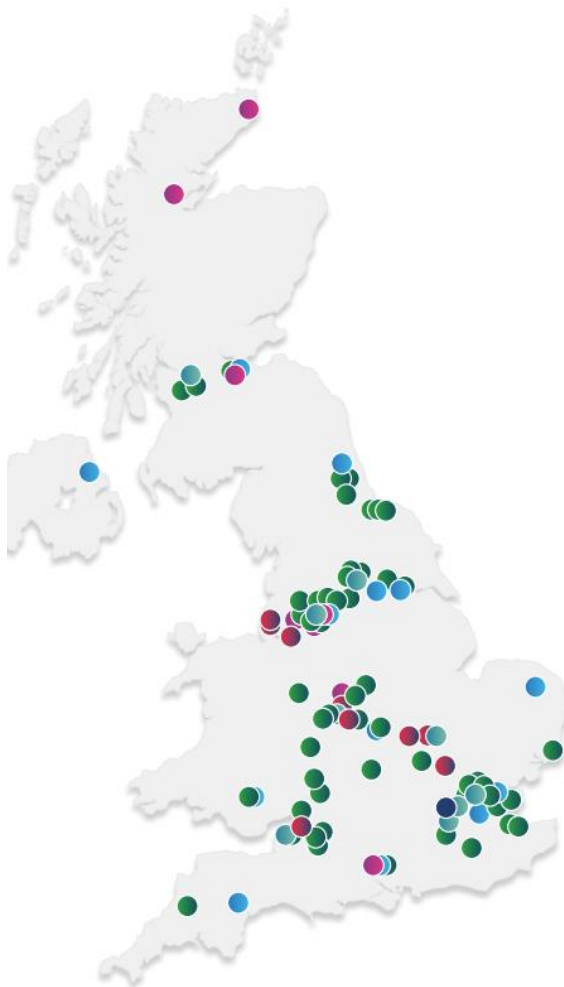
Restore provides mission critical services that protect and manage valuable data, information and assets. Our records management business is stable, secure, high-margin, and consistently cash generative. Our other businesses are in closely related markets serving a similar customer base.

	 Records Management	 Digital	 Technology	 Datashred	 Harrow Green
Market position	No.2	No.1	No.1	No.2	No.1
Market size ¹	£550m	£340m	£530m	£200m	£350m
Market growth ¹	c1%	c4%	c5%	c0%	c0%
UK sites	52	8	6	11	9
Employees ²	885	694	360	304	397
	<ul style="list-style-type: none"> Long term physical records storage and management services Physical/digital data hybrid services Heritage asset protection Digital tape back-up services 	<ul style="list-style-type: none"> Physical to digital processing Cloud storage and data management Digital transformation consultancy Process outsourcing Digital mailrooms Data management software 	<ul style="list-style-type: none"> High security IT asset erasure IT decommissioning and recycling Technology refurbishment and resale IT asset preparation and installation IT relocation 	<ul style="list-style-type: none"> Secure paper and IP destruction Paper recycling and resale Onsite and offsite capability 	<ul style="list-style-type: none"> Office and commercial relocations Short- and medium-term commercial asset storage Office and light industrial decommissioning solutions

1 Management estimates
2 As at 31 December 2023

National scale

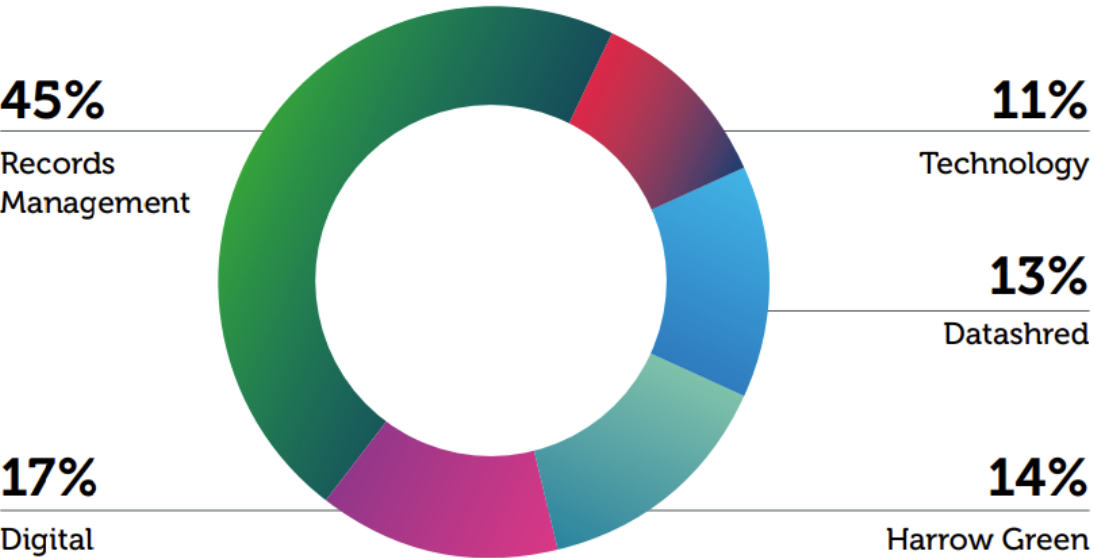
The Group has 80 sites across the UK providing national scale with local service. The scale and capability of Restore provides customers with class leading services and cost benefits.



Highly predictable quality income streams

Restore leads the markets it serves. Supporting public and private sectors with critical services, income is highly predictable, recurring in nature and generates strong cashflows.

Revenue mix



Opportunities for growth

Records Management

- Index-linked pricing maintains current margin
- Margin expansion achieved through property consolidation
- Scope for additional services & projects; and unvended public sector
- Bolt-on acquisitions

Digital (scanning)

- Integration with RM will deliver £3m of annualised savings through cost efficiencies (site consolidation, people and logistics)
- Potential to unlock additional services where customers require a mix of physical and digital records

Technology (IT lifecycle)

- Focus on customers who prioritise security and ESG, who will pay appropriately for high quality service and equipment
- Develop rapidly expanding lifecycle services market

Datashred

- Rationalisation of central resource and increased operational efficiencies
- Re-establish relations with paper mills to mitigate major swings in paper pricing
- Look to consolidate market through acquisition of smaller competitors who are struggling

Harrow Green (relocations)

- Maintain market pre-eminence with excellent service
- Leverage specialisms in life science and heritage



Financial context

HY24 results

HY24 showed solid revenues with increased operating margin.

Revenue (£'m)	HY24	HY23	Change
Records Management	64.0	59.3	8%
Digital	23.5	25.8	(9%)
Technology	17.0	16.3	4%
Datashred	17.5	18.6	(6%)
Harrow Green	17.4	19.6	(11%)
	139.4	139.6	-
Operating profit			
Adjusting operating profit* (£'m)	23.6	21.7	9%
Adjusted operating margin*	16.9%	15.5%	140bps
Cashflow			
Free cash flow* (£'m)	14.9	14.0	6%
Cash conversion *	84%	84%	-

*See appendix for glossary

Margin levers

Our current focus is on improving margins, with the target of achieving 20% adjusted operating margin in the medium term. Our levers include:

Information Management	Group	Revitalise businesses through decentralisation
		Right size head office including support functions
		Active treasury management & leverage reduction
	Records Management	Link contract pricing to RPI/CPI
		Property consolidation
	Digital	Integration of Digital into Records Management
	Technology	Refocus on high quality customers & those outsourcing lifecycle
	DataShred	Focus on operational efficiencies and gaining market share
	Harrow Green	Developing specialisms in life science and heritage

*See appendix for glossary



Capital allocation framework

Restore

Targeted investments, with emphasis on organic growth

Pay down debt, decreasing leverage whilst keeping the range 1.5-2x adjusted EBITDA

Maintain dividends, increasing relative to our profits albeit at a measured and sustainable rate

Limited share purchases, principally to satisfy employee incentive schemes

Datashred

Datashred on a page



Number of
FTE ~300



No of sites
11



Fleet 171
vehicles



Serviced Sites
46k



Annual
visits
447K



Annual
paper volume
52,000 tonnes



Service revenue
~75%



Paper revenue
~25%



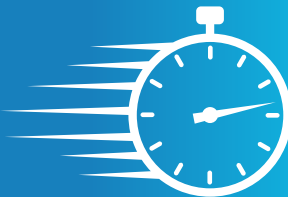
Over 1,000
TrustPilot reviews



Visits per driver per
day
2024: 11.4 (2019:
8.4)



Miles per visit
2024: 7.46 (2019: 9.34)



On time service
98%

- London (Dartford)
- South Kirkby
- Cardiff (Bedwas)
- Edinburgh
- Gateshead
- Manchester
- Coventry
- Exeter
- Norwich
- Southampton
- Purfleet

Our focus areas in 2024

Organic growth	<p>New website Visits in 2023 dropped from 416k to 399k; visits in 2024 up to 410k Index linked pricing Hot post codes Launch of 'More than paper' programme</p>
Paper strategy	<p>Strengthening partnerships with paper mills to stabilise pricing New go to market strategy into high usage sectors Paper sorting & blending to enhance quality of product</p>
Efficiency	<p>Co-location with other Restore businesses (in particular IM) Site rationalisation & move to destruction/collection model Encourage transition from onsite to offsite</p>
People	<p>Right people, right roles across the business New reward and recognition programme aligned to new company values Enhanced communication to encompass all roles Frontline to back office</p>
ESG	<p>Electrifying fleet where possible (moving to HVO/biofuel in 2025) 'More than paper' programme</p>

Opportunities for growth

Bolt on acquisitions – Opportunities to acquire smaller competitors struggling from recent weakness in paper price

More than Paper – Enhanced collection offerings



Paper



Hard Drives



IT & Media



Textiles



IT Destruction



Dry Mixed
Recycling
(DMR)



Toner
Recycling



Cardboard
Recycling



Products



Bulk Shredding

Medium-term ambition to secure market leadership position in shredding

Information Management

Information Management on a page



Number of FTE ~ 1,400



+ 50 sites nationwide



+ 6,900 customers



22 million boxes



140 dedicated vehicles



4.6

Over 1,000 TrustPilot reviews



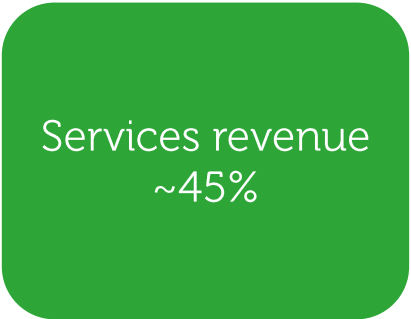
1 million mail items processed each month



238 million items scanned annually



650 million cloud hosted documents



- Current profile
 - 50 physical storage sites
 - 2 digital/physical sites
 - 3 digital only sites (this includes DWP, Kidderminster)
- Future profile
 - Approximately 35 physical storage sites (current estimate)
 - 2 digital/physical sites
 - 3 digital only sites
- Aiming to be complete by the end of 2027
- This will involve relocating ~4 million boxes (20% of our entire inventory)



Information Management – why integrate?

What our customers are telling us

- Hybrid approach
- Secure physical storage with the convenience and efficiency of digital access
- One supplier for both physical and digital

Why now?

- It's what our customers want
- Stay ahead of our competitors
- Natural evolution as physical and digital become more closely linked

What's the benefit?

- Growth opportunities – physical to digital
- Improved customer experience
- Cost savings across people and logistics
- Shared resources
- Long-term organic growth through upselling services
- Make customers even more sticky



Information Management – integration progress

- Site consolidation so far
 1. Hanworth
 2. Redditch
 3. Stockport
 4. Manchester (part)
 5. Redhill
 6. Paddock Wood
 7. Bolton
 8. Middlesbrough
- Bulk scanning and mailroom activities consolidated across four sites, to help improve utilisation and productivity to drive down the cost per image
- Physical storage consolidation to help improve operational efficiency and drive down cost per box
- Overhead reduction in Digital services and back-office people synergies across RM and Digital services
- One Senior Leadership Team (removing five senior roles)



Records Management

- Index-linked pricing maintains current margin
- Margin expansion achieved through property consolidation
- Scope for additional services & projects; and unvended public sector
- Bolt-on acquisitions

Digital services

- Integration will deliver £3m of annualised savings through cost efficiencies (site consolidation, people and logistics) at cost of approximately £3m
- Potential to unlock additional services where customers require a mix of physical and digital records
- Build on our mailroom capabilities (DWP, HMLR, HMRC)
- Scanning opportunities within NHS as they look to digitise patient records



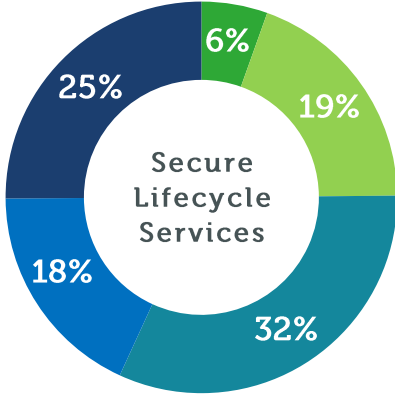
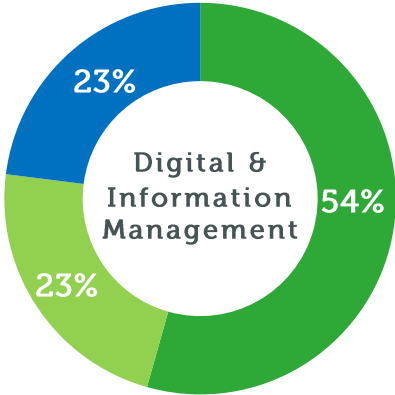
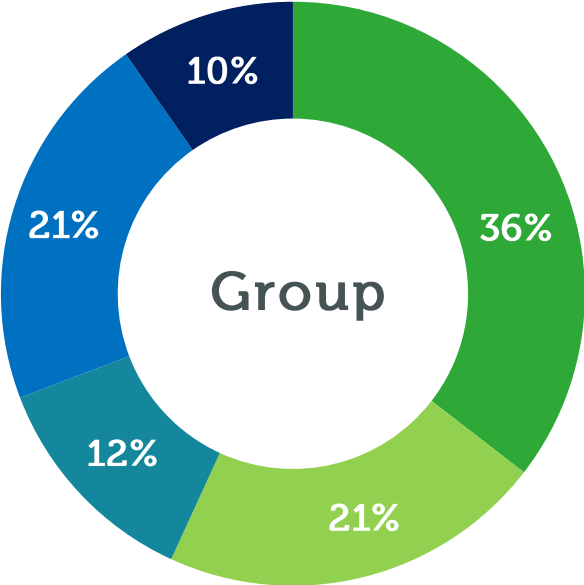
Summary

- Our current primary focus remains on improving operating margins, with a view to the Group targeting 20% adjusted operating margins in the medium term
- In our discussion today we have set out some of our levers to achieve this, and our visits today are intended to bring those to life
- Our leading market position and highly predictable quality income streams continue to underpin the profitability and cash generation of the Group



Appendix

FY23 revenues



Revenue		Digital & Information Management		Secure Lifecycle Services		
		Records Management	Digital	Technology	Datashred	Harrow Green
Storage Income	Boxes, online hosting and pallets	✓	✓			✓
Recurring Services	Multi-year service outsourcing and network contracts	✓	✓	✓	✓	
Relocations	Relocation services					✓
Non-recurring services	Won in year, non-contracted repeat business	✓	✓	✓	✓	
Product sales	Paper and IT asset remarketing			✓	✓	

Term	Definition & calculation
Adjusted operating profit	Calculated as statutory adjusted operating profit before adjusting items.
Net operating profit after tax ("NOPAT")	Calculated as adjusted operating profit with a standard tax charge applied. APM used for calculation of cash conversion.
Adjusted EBITDA	Calculated as EBITDA before IFRS16 and share-based payments. APM used for calculation of leverage, in line with the calculation of financial debt covenants.
Adjusted profit before tax	Calculated as statutory profit before tax and adjusting items.
Adjusted basic earnings per share	Calculated as adjusted profit before tax with a standard tax charge applied, divided by the weighted average number of shares in issue.
Adjusted fully diluted earnings per share	Calculated as adjusted profit before tax with a standard tax charge applied, divided by the weighted average fully diluted number of shares in issue.
Net debt	Calculated as external borrowings less cash, excluding the effects of lease obligations under IFRS16.
Leverage	Calculated as adjusted EBITDA divided by net debt, including a pro-forma adjustment to EBITDA for acquisitions in line with financial debt covenants.
Free cashflow	Calculated as cash generated from operations less income taxes paid, capital expenditure and lease payments, but before the cash impact of adjusting items
Cash conversion	Calculated as free cashflow divided by NOPAT.