

2021 Capital Markets Day

11th November 2021



Transforming, Growing with Strong ESG Commitments



Welcome

- Introduction
- Board update
- Clear strategy for significant growth in the short and long term
- Strong leadership team

- Growth & Profit Roadmap
- ESG Strategy and Net Zero commitments
- Business Unit Growth Strategy
 - Restore Records Management
 - Restore Digital
 - Restore Technology
- Trading Update
- Financial Overview
- Investment Summary

Today's Objective



ESG Strategy & ambitious Net Zero targets



Growth strategy of three transformed businesses units



Sharon Baylay
Non-Executive Chair

Sharon Baylay was appointed Chair of the Group on 1 October 2021 having joined the Board as a Non-Executive Director in September 2014, and previously held the role of Senior Independent Director and Chair of the Risk Committee.

She has previously been Marketing Director and main Board Director of the BBC, responsible for Marketing Communications and Audiences, and spent much of her career at Microsoft where she was Board Director of Microsoft UK and Regional General Manager of MSN International.

Sharon is also a holder of the FT/Pearson Non-Executive Director Diploma and a Fellow of Chartered Institute of Marketing.



Charles Bligh
CEO

Charles Bligh was appointed CEO of the Group from April 2019.

Charles was previously Chief Operating Officer and main Board Director at TalkTalk Telecom Group plc, which he joined in 2011. He previously spent 20 years at IBM Corporation in various countries, culminating in his role as Vice President, Commercial Sector in UK and Ireland.

Charles is also a Non-Executive Director of RM Plc.



Neil Ritchie, FCA
CFO

Neil was appointed CFO of the Group in October 2019.

Neil is a Chartered Accountant and was previously Chief Financial Officer of AIM-listed Mulberry Group plc and prior to this spent 14 years with the technology business Dyson, where he held a variety of commercial and finance roles.

Neil serves on the Board as an Executive Director, reporting to CEO Charles Bligh.



Nigel Dews
Managing Director –
Records Management

Nigel was appointed Managing Director of Records Management in January 2020.

He was previously Managing Director of Restore Harrow Green which he joined in 1999. Prior to this he spent 14 years with Pickford's Removals where he held several Senior Management positions.

In addition to his role as the Managing Director of Records Management, Nigel provides strategic support in Harrow Green.



Mark Horrocks
Managing Director – Digital

Mark joined Restore Digital in April 2016 and held the roles of Operations & IT Director and Commercial Director before being appointed Managing Director in January 2019.

Mark was previously Operations Director then Commercial Director and a member of the UK Operating Board of EDM Group Ltd which he joined in August 2007. Previously he had a 13 year career in various senior IT roles in three UK based businesses.



Athena Ainsworth
Managing Director – Technology

Athena was appointed Managing Director of Restore Technology in July 2021.

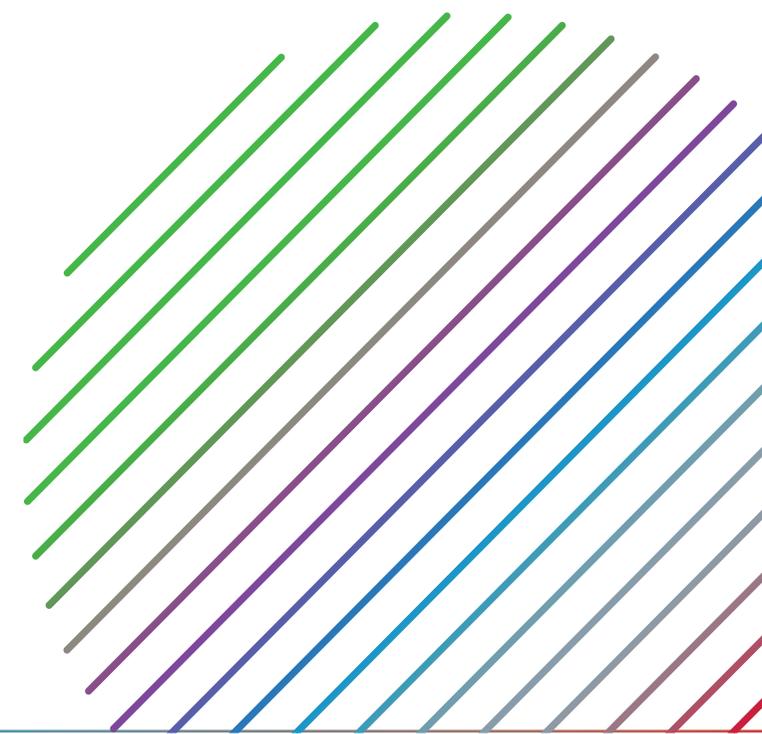
Athena was previously Director of Vodafone UK's Regional Business. Prior to this Athena was Vice President and Global Managing Director in IBM where she held senior executive positions across business management, services, strategy, marketing and sales. She has been an active member of executive boards in diversity and inclusion and is a champion for sustainability.

We have growing momentum in all business units

Run Rate Revenue is now at c.£255m* and EBITDA at c.£74m* demonstrating:

- 1 The critical nature of the services we provide
- 2 We are winning in the market
- 3 The 7 acquisitions of £84.8m are integrated and performing strongly
- 4 Clear delivery by the team

We are working hard to setup an even better 2022



* Based on annualisation of performance for the 3 months to 31 October 2021

Large, growing and fragmented markets with a strategy to deliver significant growth

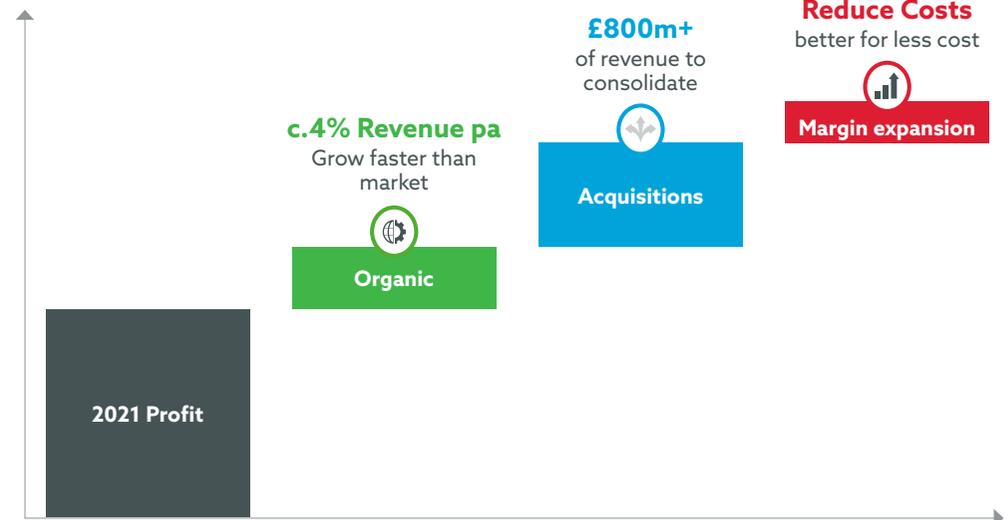
£1.9b market and growing

	Restore Records Management	Restore Digital	Restore Datashred	Restore Harrow Green	Restore Technology	
Market Position	No.2	No.1	No.2	No.1	No.1	
Market Size	£485m	£320m	£200-210m	£350m	£550m	£1.9b
Market Growth	c.1-2%	c.4%	c.0-1%	c.1%	c.6%	c.3%
Market Share	22%	15%	19%	12%	6%	c.13%
Market Structure	Partial Consolidation	Highly Fragmented	Highly Fragmented	Fragmented	Extremely Fragmented	

Growth Strategy



Profit Roadmap



We're delighted to launch our strategy "Restoring our World"



Environmental



Internal contribution

- Sustainable land use
- Zero landfill objective
- Fleet electrification
- Energy consumption management

External contribution

- Paper recycling services
- Technology asset refurbishment and reuse
- Zero landfill technology asset decommissioning
- Property consolidation

Datashred

RECYCLED 
50,000 tonnes of paper

SAVING
849,000 trees  from being felled

Technology

RECYCLED 
1.3m IT assets

WITH
<1% going to landfill 

Social



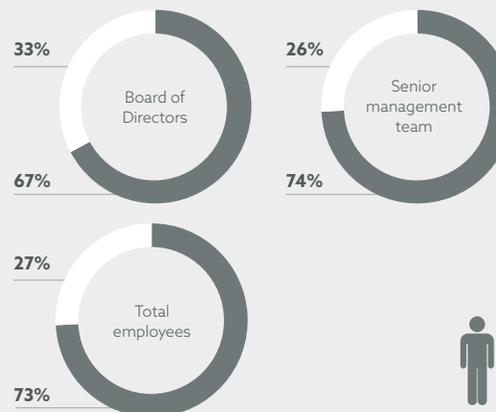
Internal contribution

- Sophisticated and well invested health and safety team
- Significant regional employment
- Apprenticeship scheme

External contribution

- Charity and community sponsorship programmes
- Major contributor to UK plc through low risk tax policy
- Fair treatment of suppliers strategy

Group diversity as at 31 Dec 2020



Governance



Internal contribution

- QCA code adoption
- Effective Board and sub-committee framework
- Extensive ISO compliance
- Gender pay strategy
- Risk Management framework

External contribution

- Secure storage of physical and digital assets
- Certificated confidential waste destruction
- Certificated asset disposal

Accreditations as at 31 Dec 2020

ISO 9001



ISO 14001



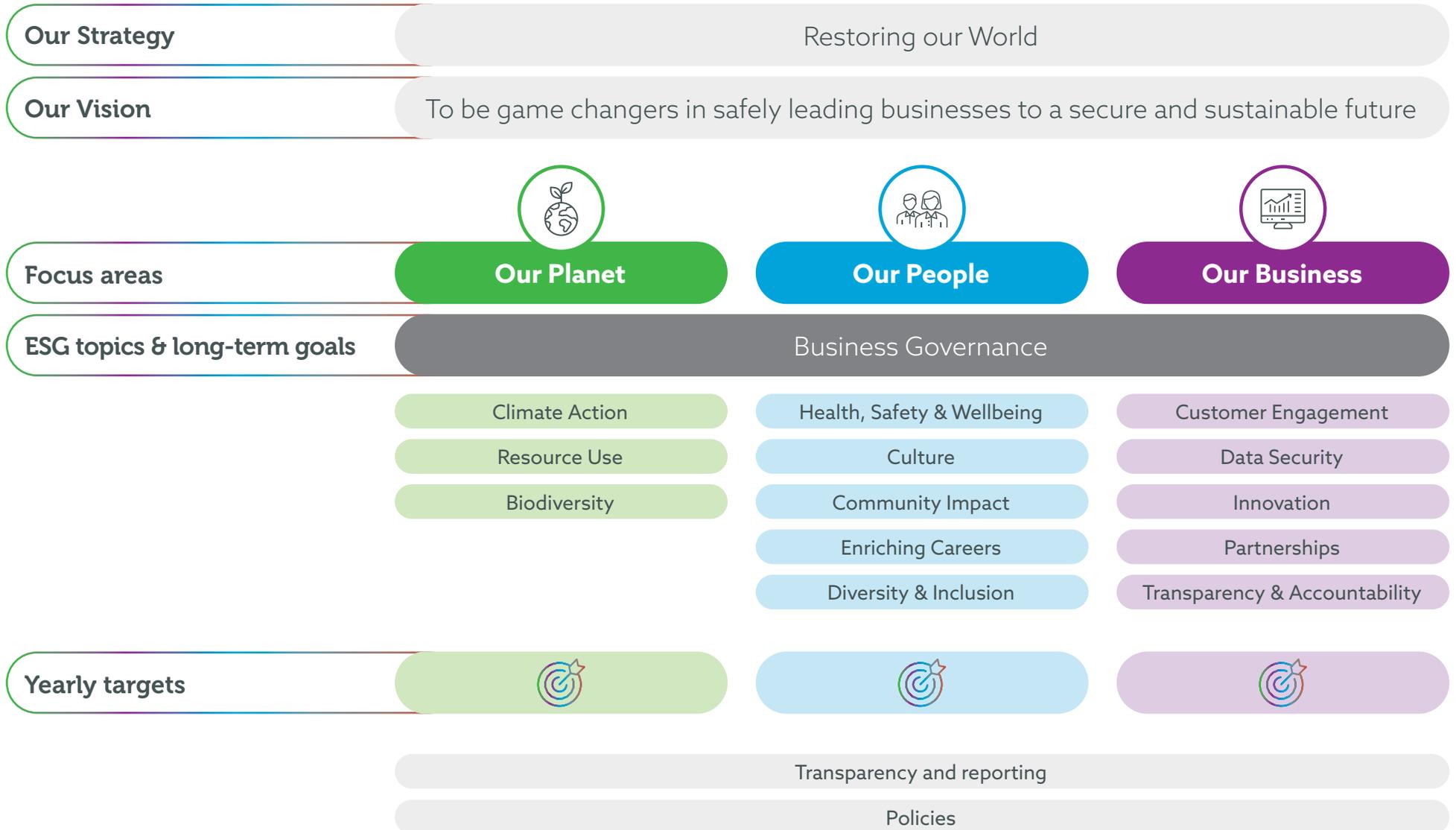
ISO 27001



Key:

- Restore Records Management
- Restore Digital
- Restore Datashred
- Restore Harrow Green
- Restore Technology

Engaged external advisors and stakeholders to develop a new and comprehensive ESG Strategy which is action oriented with measurable KPI's





Our Planet

Net Zero



Net Zero by 2035
across Scope 1 & 2

Reduce 50% Scope 3
by 2030

TCFD



Adoption of best
in class impact
reporting

Accreditation



Planet Mark
accreditation across
all Business Units

Annual sustainability
update



Waste



To identify and
reduce our waste

To assist out
customers in
reducing theirs



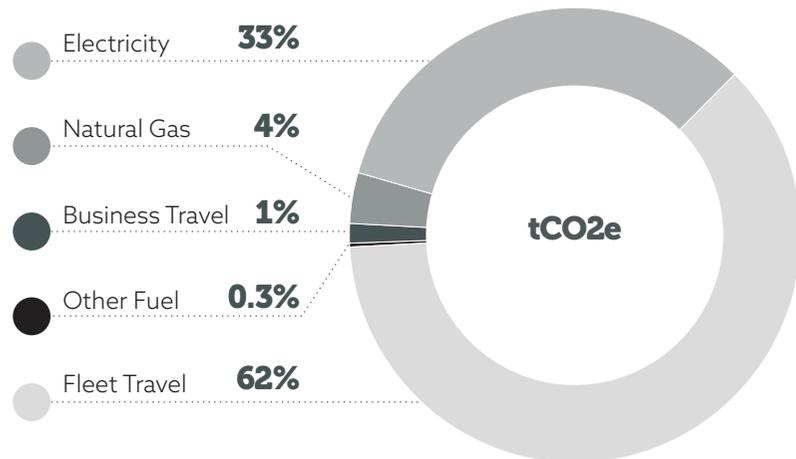
Our Planet

Our philosophy is to eradicate carbon emissions

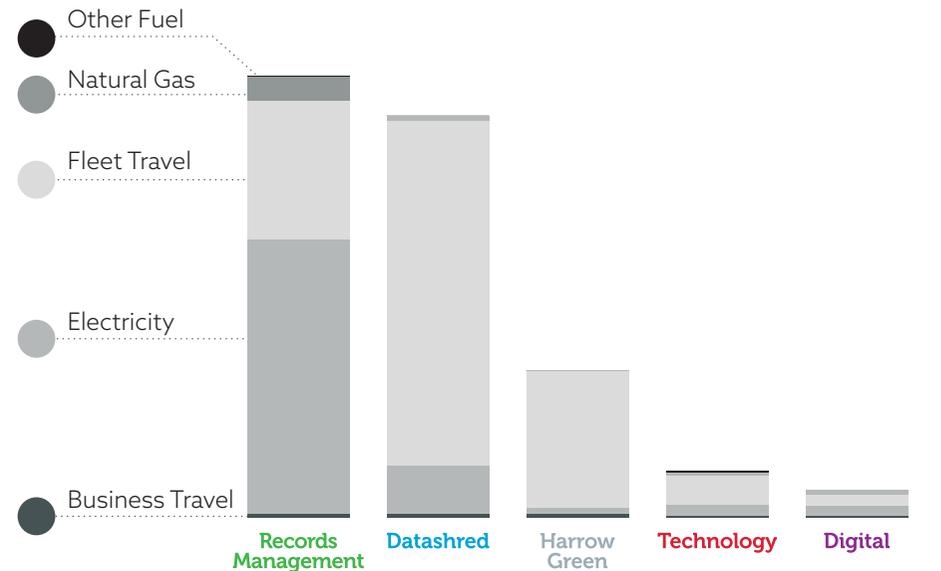
“It is about being Zero Carbon NOT Carbon Neutral”

We know our Carbon footprint (Scope 1&2) and we will use 2019 as the base

Group



Business units



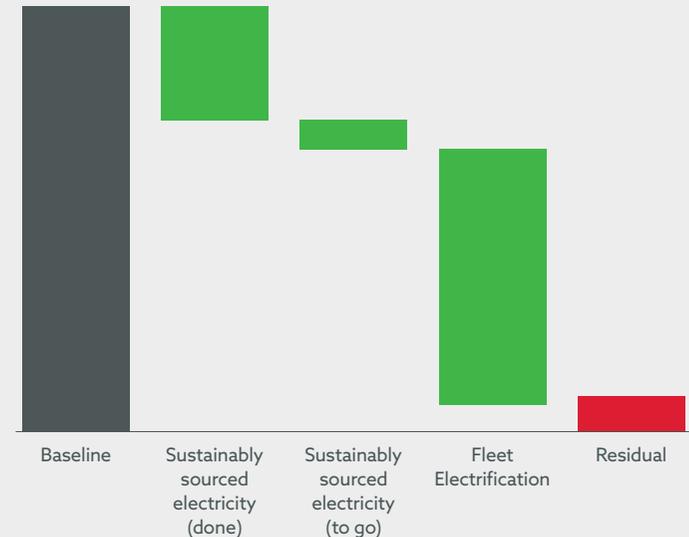


Our Planet

We have a plan with known technology to get us 90% there...
we need new technologies for HGV Trucks to emerge to beat our goal

Electricity	Fleet	Waste
<p>£3m Annual spend</p>	<p>540+ Vehicles and growing</p>	<p>TBC Single Use Plastic</p>
<p>80% Sustainably sourced today</p>	<p>£10m Annual spend per year across fuel and leasing</p>	<p>TBC Cardboard</p>
<p>100% Committed by 2025</p>	<p>95% Target fuel offset from 2021</p>	<p>10% Target reduction per year</p>
	<p>2035 Target Fleet electrification or Hydrogen HGV solutions</p>	

Our journey to Net Zero



- We have made good progress in the past across ESG
- We have a much bolder and ambitious plan with measurable KPI's
- We will be transparent in reporting our progress
- It is embedded in the way we run the business
- It is an opportunity for the business



Restore Records Management

A year of significant growth
and investment



c.£109m

Revenue Run Rate - Up 14% vs 2019



54 sites. **5** freehold. **3** mines



Over 10m scan on demand images

Images scanned to support customer home working



Run Rate Revenue is now c.£109m and growing which is a 14% increase on pre pandemic

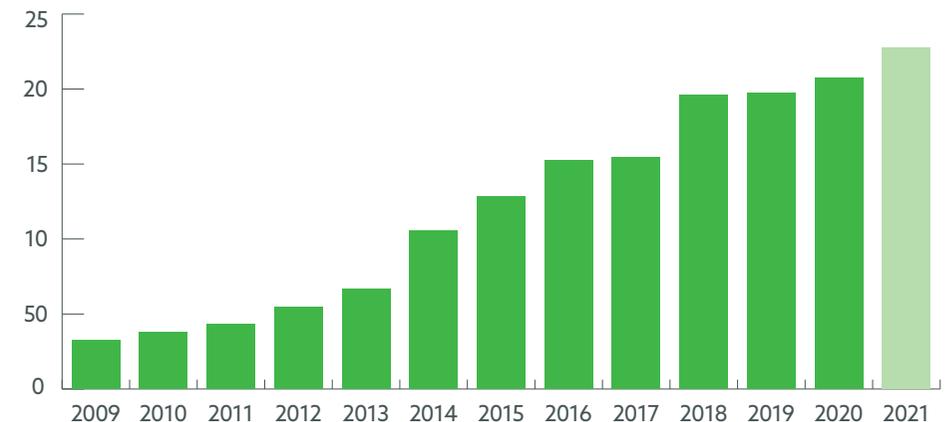
Activity levels strong

- Activity levels at 93% of pre pandemic levels and rising
- Public sector project revenue doubled on 2019 levels
- 25 new tape storage customers this year (4x prior years) and growing pipeline with over 100 identified quoting opportunities

Three Acquisitions with 2.1m boxes

- 1BDM – April 21, c.£500k pa
- EDM – May 21, c.£8m pa
- The Document Warehouse UK, October 21, c.£550k pa

Number of boxes stored (m)



We are winning in the market and delivering consistent organic growth



Organic Growth

We are winning in the market:

- 154 new customers across public and private sectors
 - 132 (86%) with un-vended storage
- £9.5m Department of Work and Pensions contract win
- New contract with West Hertfordshire Hospitals NHS Trust, intake of c.300k live files and well placed to support the Trust with their future digital strategy
- Vended wins driven by supplier consolidation and national coverage
- Net winner as businesses reconfigure offices
- Net new customer inbound versus perm outs 133% improvement on 2019
- Building strong pipeline of sales opportunity going into 2022
- New opportunities identified in customers from recent acquisitions

Organic Box Growth of 1-2% pa

- c.220-440k net new boxes pa (this is 150 double decker buses lined up)



Market trends are very positive for us



Organic Growth

Physical Records

- Organisations slow to adopt digital in the last 20 years and current customer feedback shows this is not likely to change
- Strong pipeline for 2022 , customers continue to need safe, secure and close-by physical storage

Digitisation

- Why is digitisation positive for us
 - Customers are looking for partners that can do both – physical and digital
 - Digitisation provides additional revenue stream , for example Digital Mailroom
- Customer example: Helping HMLR to deliver their digital strategy which has been critical to supporting the busy housing market during the recent stamp duty relaxation

Flexible working

- Increases market size with un-vendored boxes put into the market (£50-100m pa opportunity)

Sustainability

- Outsourcing box storage drives down energy costs
- With our service becoming Net Zero we benefit customers Scope 3 emissions

Excellent progress with site consolidation to reduce costs



Margin expansion

We have a clear strategy which is being delivered

Organic growth means need capacity of c.25m boxes and with acquisitions c.30m boxes (increase of 35%)

- Buildings reduce by 50% – (move 5.8m boxes)
- Density improves 25% (taller facilities increases density)
- Reduce property cost c.25%, c.£5m pa vs costs today with a larger capacity

Sites consolidating this year

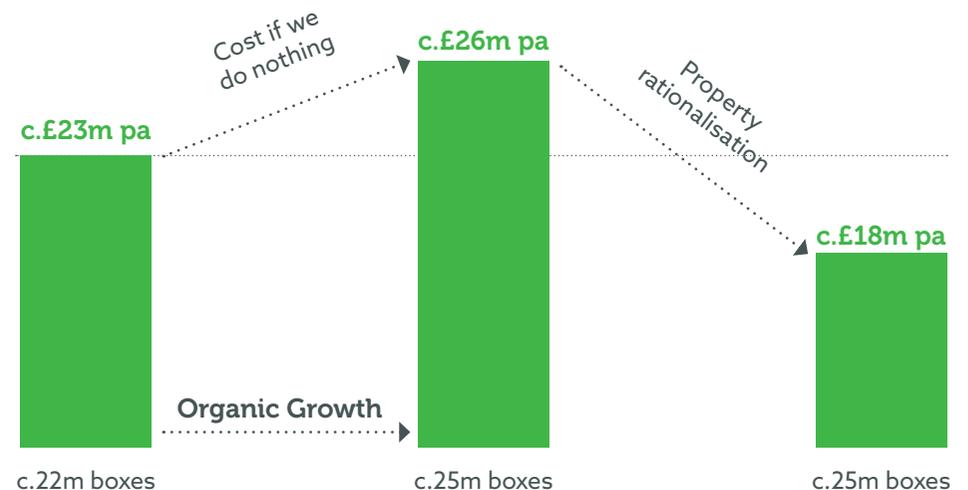
- Transfessa, Paddock Wood (c.200k boxes)

Sites consolidating next year

- Bolton (240k boxes), Heywood (150k boxes), Ipswich (30k boxes), Middlesbrough (65k boxes)

Site capacity commitment this year

- increased by c.1.8m or 7% ready for further growth and consolidation



We have significant acquisition opportunity



Acquisition Growth

- Market continues to be fragmented with significant opportunity
- Over 110 companies we are in contact with and c.17 active discussions
- Acquisitions deliver synergies and improved margin
- Significant benefits to customers with our investment in digital and Net Zero commitments



Restore Digital

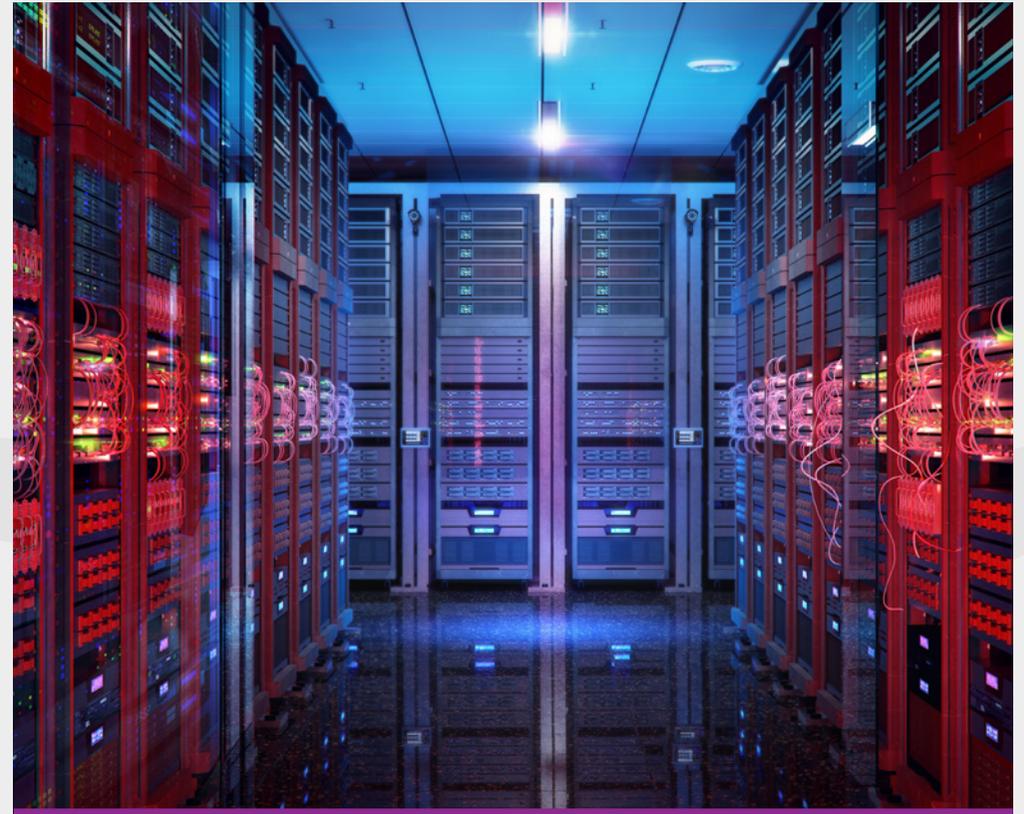
National large-scale information management and digital transformation business.

£ **£46m+** Run Rate Revenue

🏛️ **10** Processing sites

👤 **>750** Staff

📄 **c.2 bn** Cloud hosted images



In the last 9 months we have transformed in size and capability

Doubled in size: grown from £21m pa to £46m+ Run Rate Revenue

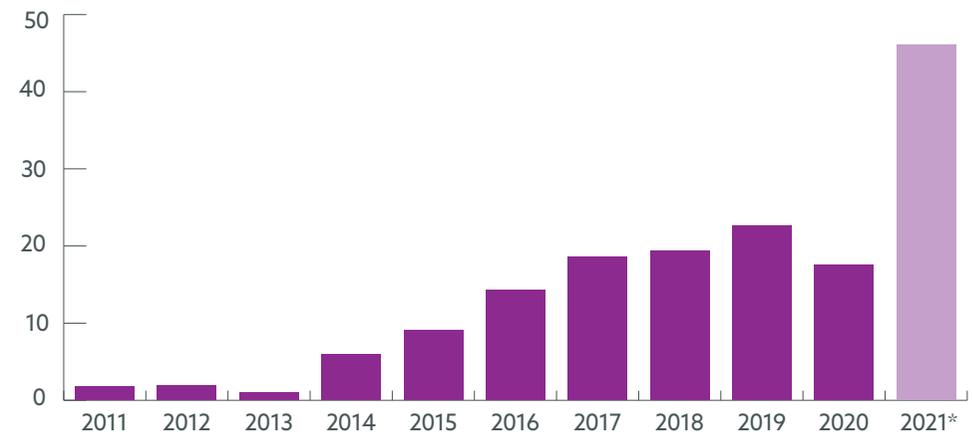
Strong sales momentum

- New Sales Director
- Strengthening Business Development and Inside Sales teams
- Focused on cross-sell of new services to other BU customers and new logo sales

EDM integration complete

- New structure announced and integrating, operating under the Restore Digital brand
- Customer responses very positive
- Synergies largely complete
- Combined experience and expertise allows Restore to be a disruptive force in the market

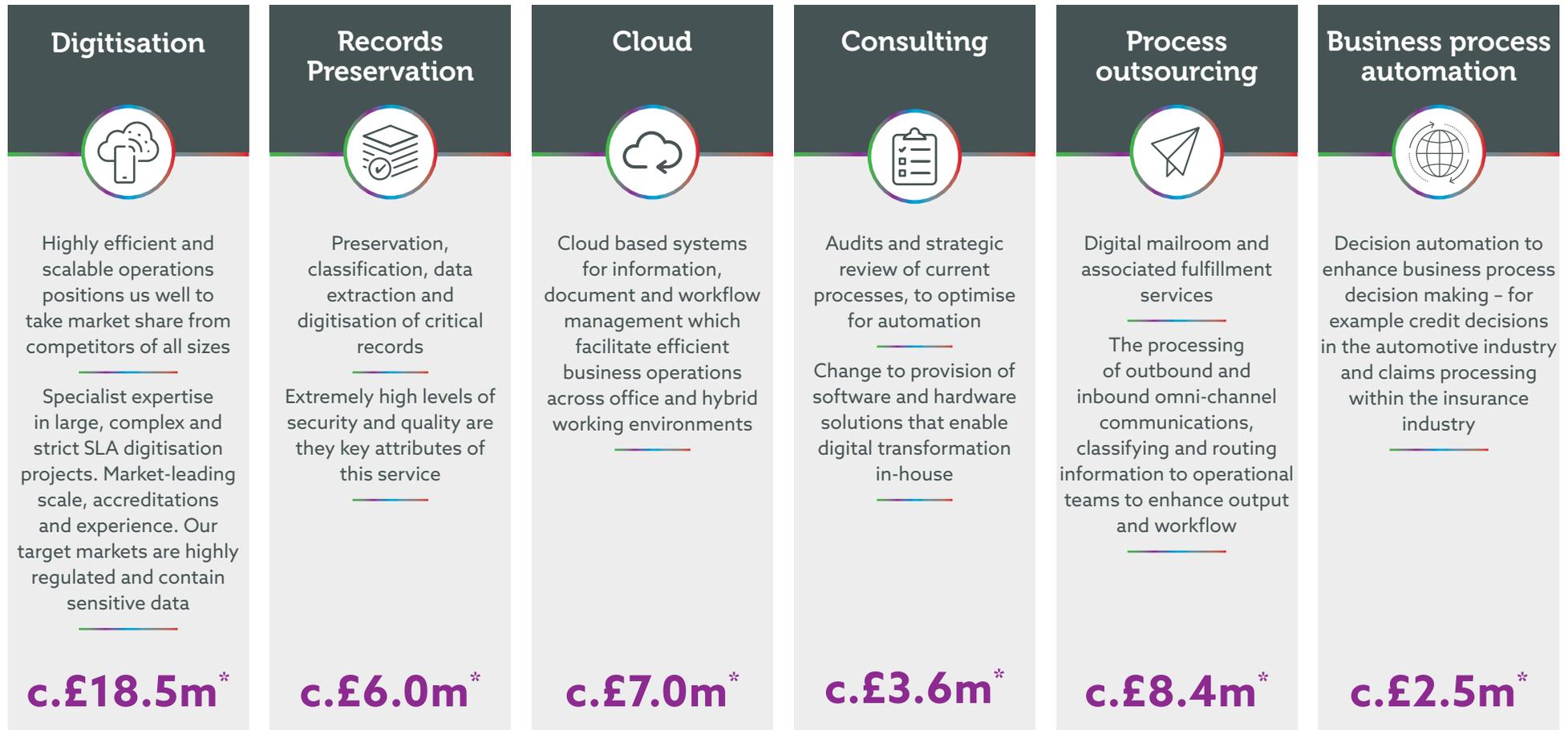
Revenue (£'m)



*2021 is Run Rate Revenue

Market leader with significant new and unique capability

New and expanded capability helping clients in a hybrid physical/digital, pure digital or high tech world

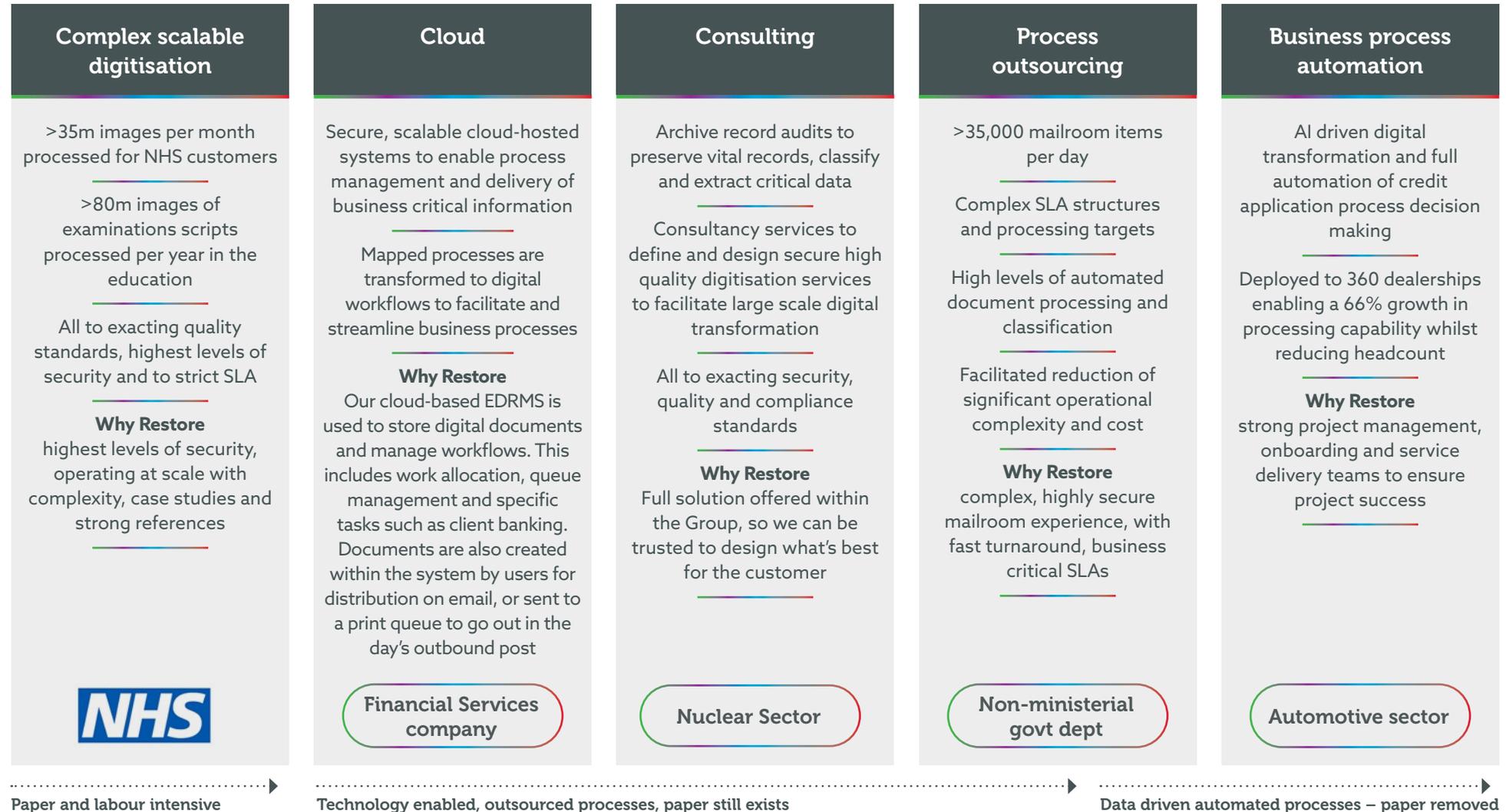


.....> Paper and labour intensive Technology enabled, outsourced processes, paper still exists Data driven automated processes – paper removed

* Run Rate Revenue

Examples of what we do for clients

New and expanded capability helping clients in a hybrid physical/digital, pure digital or high tech world



We operate in a large and growing market

Market size is £320m+ growing at least 4%

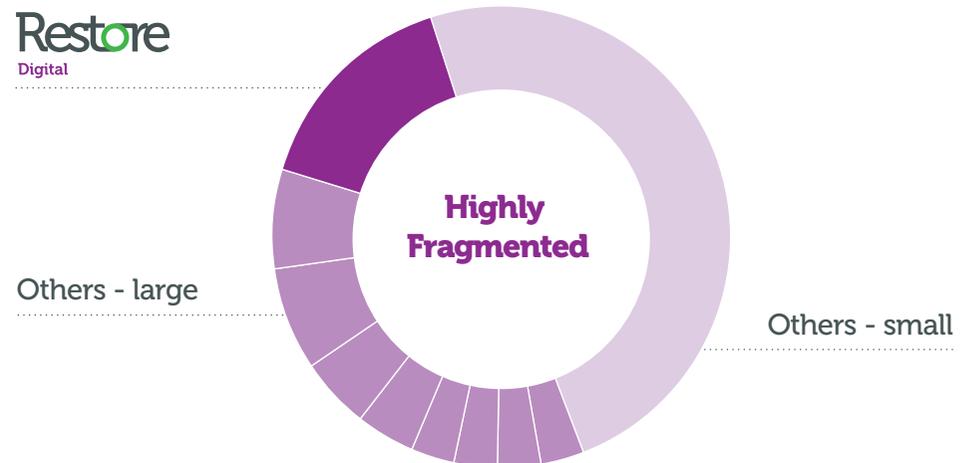
We have c.14% market share with significant room to grow

The long term trends are very positive

- Digitisation
 - To unlock information in physical records to support digital transformation
 - Government investment into digitisation of NHS records
- Transformation strategies
 - Workplace transformation trends of physical to digital
 - Unlocking the power of data to inform decisions through AI
- Hybrid working
 - Flexible, digital workflows to accommodate both home and office working
 - Increasing demand in digital mailroom
- Cloud delivery model
 - Scalability, flexibility, security and remote access
 - SaaS based revenue model attractive to customers

Market share

Restore
Digital



A clear growth strategy to deliver above market growth



Organic Growth

Organic Growth

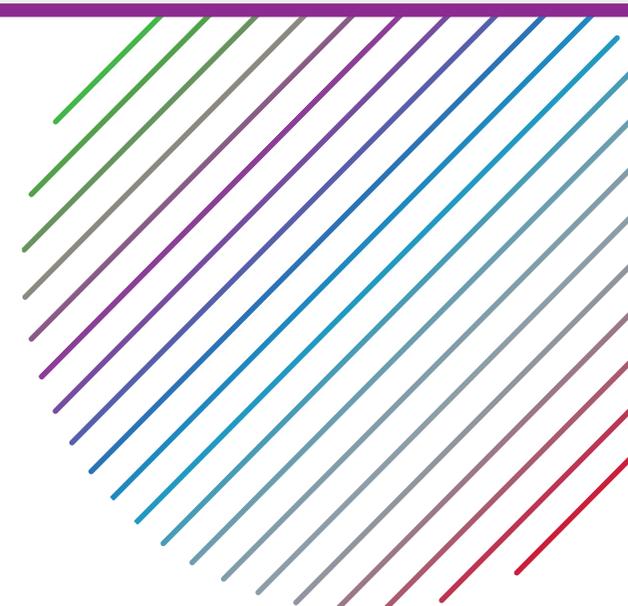
- Physical to Digital consulting and other services
- NHS scanning - increasing demand and market leader
- Digital mailroom - increasing demand and wide ranging expertise
- Digital solutions - increasing demand, with in-house software and dev team

Acquisition Growth

- Incremental service innovation
- Support longer term digital product strategy

Margin Growth

- Further scale benefits and productivity improvements
- Upselling of higher margin automation services to current Digital and wider Restore customers



Restore Technology

The secure and sustainable choice
for IT lifecycle services



c.£30m+ Run Rate Revenue



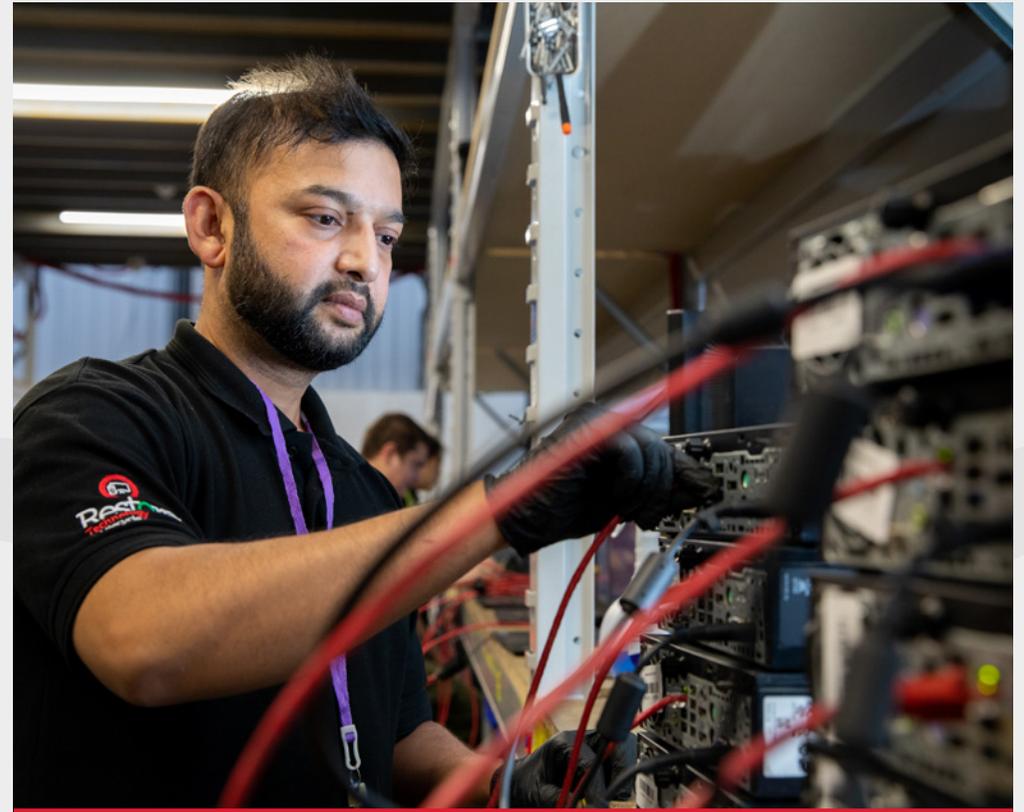
7 Sites nationally with >400 staff



18,000 Clients served regularly



>1.3m Assets processed annually



The market opportunity is significant and growing

A large market, in long term growth

- Technology market spend, £500-600m and growing at 6%+ pa
- Demand for IT Recycling is directly correlated with demand for new IT by organisations

A fragmented market, with consolidation opportunity

- UK's largest player but we still have only 6% share
- We are the scale player with significant acquisition scope
- We are a UK brand, business and operation

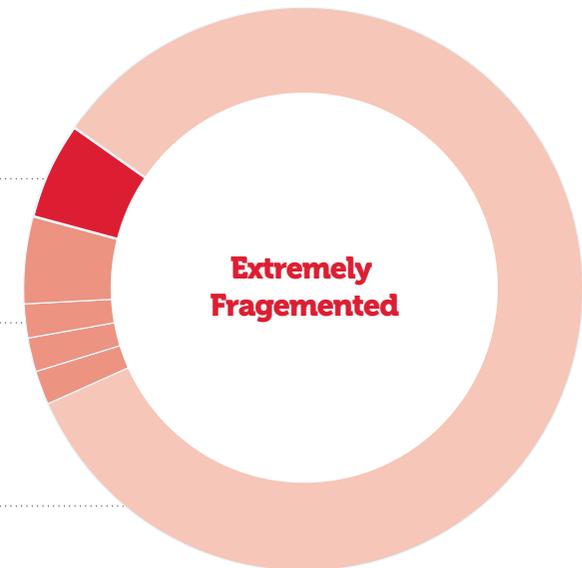
A market, with assured long term demand

- Clients subject to increasing regulatory pressure which require our services
- Increasing regulatory and governance pressures
- Security and data compliance
- Environmental responsibility

Restore
Technology

Others - large

Others - small



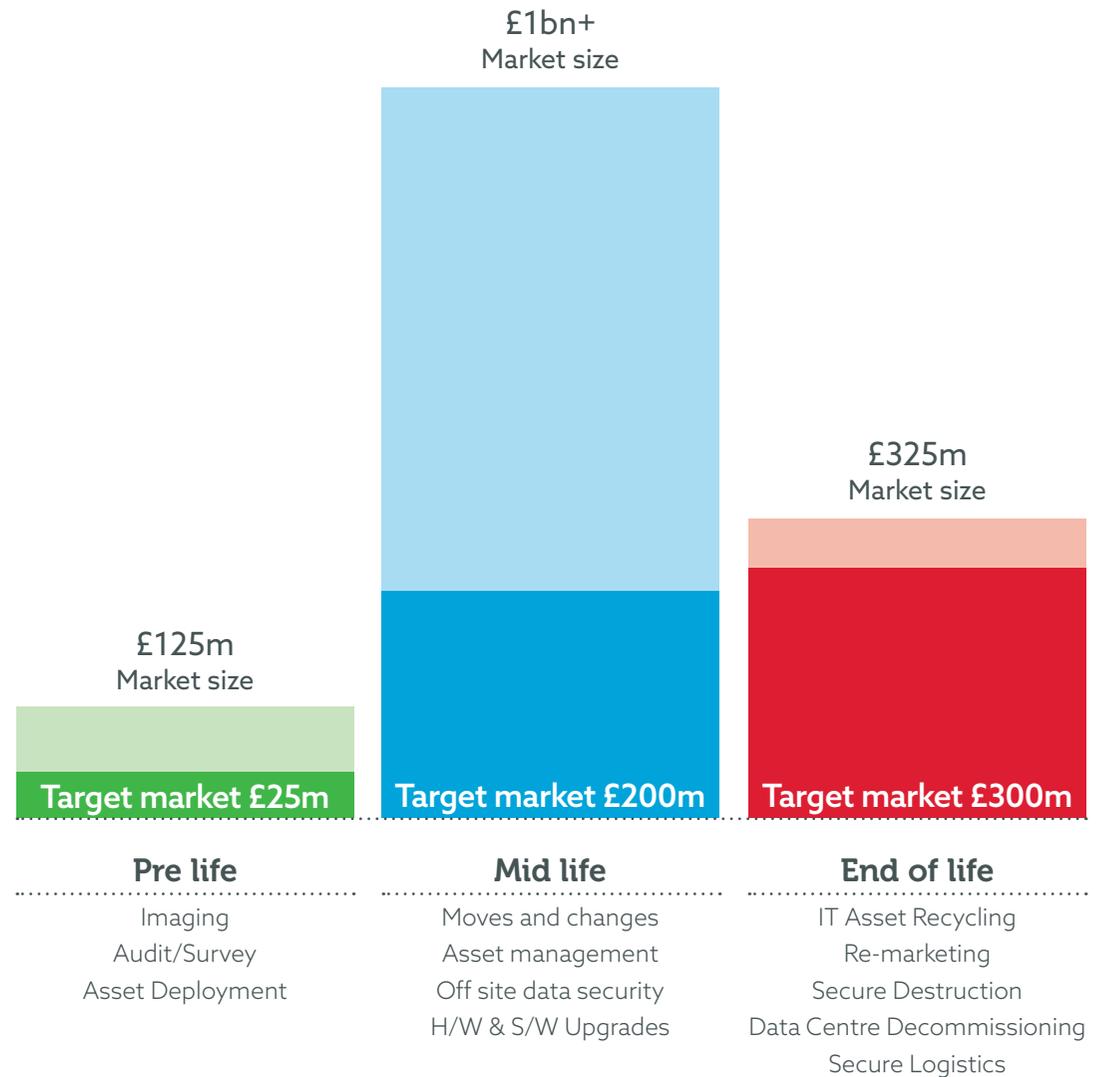
We have transformed our capability and size

TRIPLED IN SIZE: £30m+ Run Rate Revenues with margin expansion

- Increased operational scale
- Increased value from integration
- Increased efficiency

Expanded capability and enhanced value proposition

- Services opportunity exists across the lifecycle; pre, mid, end of life
- Engagement earlier in the lifecycle also drives increased opportunity for end of life
- A value proposition which provides secure and environmentally sustainable services



Our business model is about scale, the foundation is built on trust

A scale brand, nationally known...

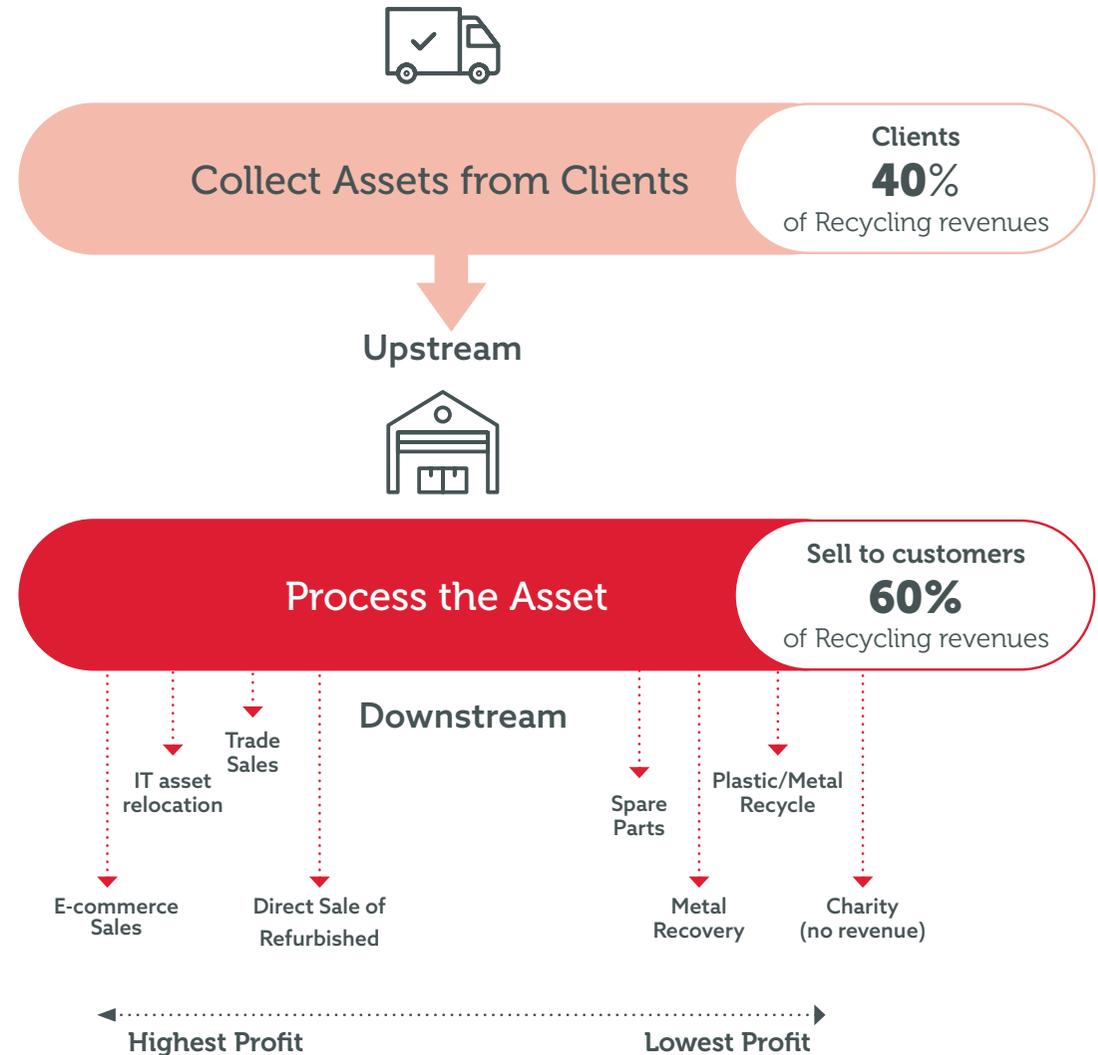
- 7 sites distributed across the country
- 100 vehicles serving sites nationally
- More than 18,000 clients engaged regularly
- Over 1.3m assets processed annually

A scale brand, providing confidence & trust

- Leading professionalism and standards
- Utilising market leading tooling and processes
- Offering the highest levels of security standards

A scale e-commerce brand (collection and selling)

- Efficient model of collections and sales at scale
- Market priced resale through e-Commerce and trade



We have exciting growth opportunities



Organic Growth

Our ambition will see us outpace the market

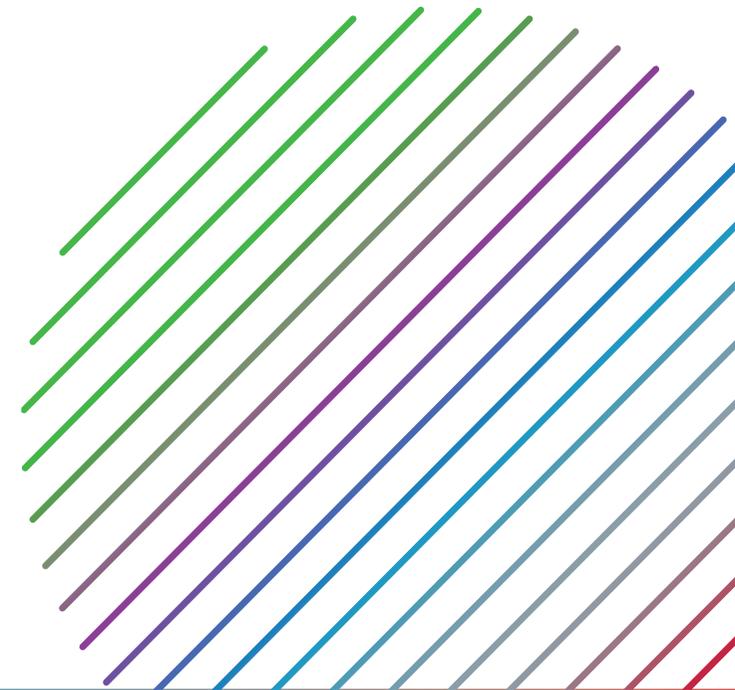
- Drive growth in all aspects of our business; client, customer, operations, etc
- Increased focus on client growth; new, existing, cross sell, client experience etc
- Assess emerging demand in an evolving market segment

We will extend scale in partnership with our channel

- Complement the services of resellers
- Extend the service of technology companies
- Partnering with leasing companies etc

We will expand our presence through our direct client model and digital model

- Mid Market to Enterprise with account management model
- SME through digital and tele-sales to drive volume



We have exciting growth opportunities



Acquisition Growth

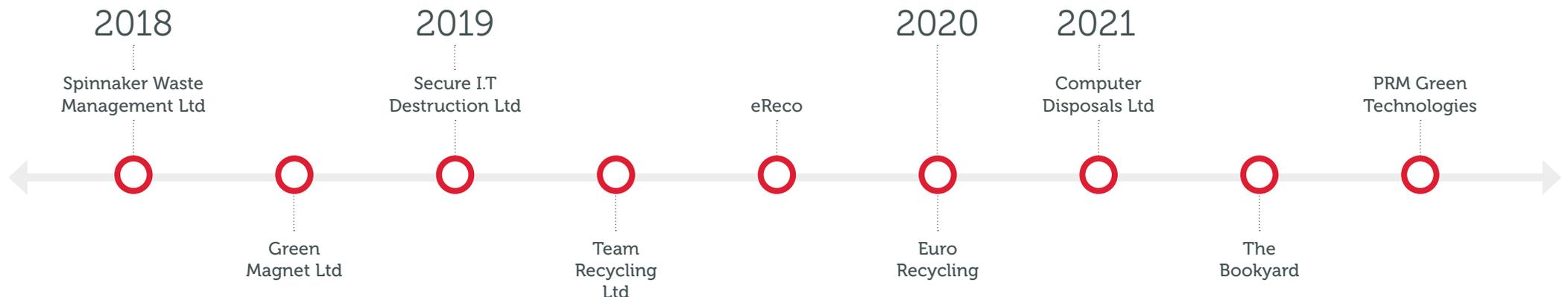
A large number (>200) of companies to engage with. Significant active discussions with c.20 companies to acquire further scale and capability. Time to acquire is 2-4 months giving certainty to vendors.

A continued ambition to scale through acquisition

- Continue to build scale
- Continue to build capability
- Continue to build coverage

A proven track record of generating synergies from acquisition

- Retain skills
- Return efficiencies
- Accelerate growth & expand margin



Financial Review

“Restore is larger,
stronger and growing”



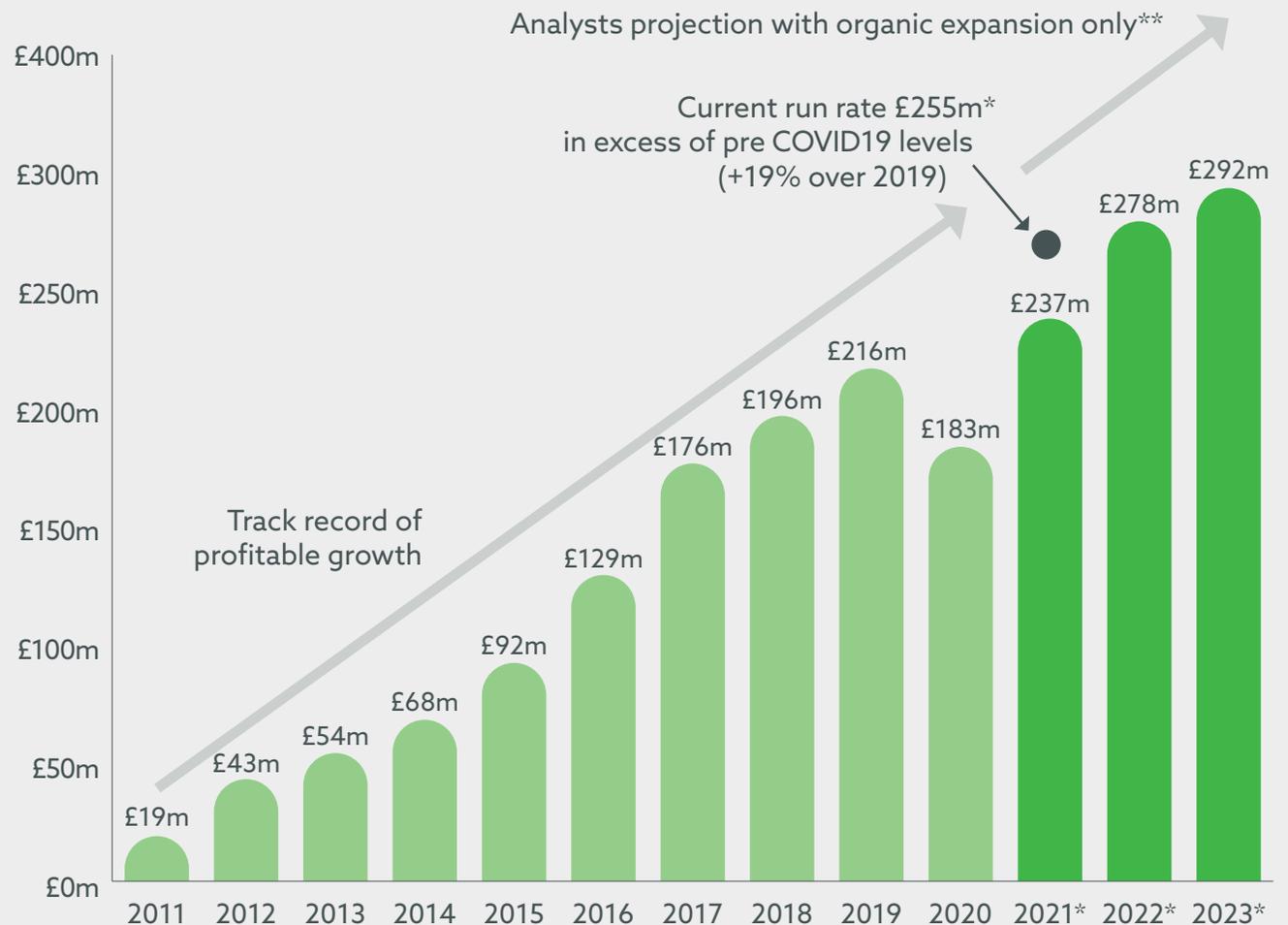
- Revenue run rate improved to £255m*, 19% ahead of pre COVID-19 levels, with annualised EBITDA tracking at £74m
- Margins in line with expectations with increased scale offsetting inflationary pressure
- Business Unit performance tracking well and demonstrating strategic progress
 - **Restore Records Management** reaffirm a further year of 1%-2% net box growth for 2021
 - **Restore Digital** integration of EDM is on track to deliver transformational change in capability and scale with substantial synergy benefits of more than £2.5m
 - **Restore Datashred** revenues improved to 80% of pre COVID-19 levels through strong paper pricing and gradual activity expansion
 - **Restore Technology** seeing strong demand with increased scale providing step up in margins
 - **Restore Harrow Green** continues to perform well across all regions with London showing particularly strong demand
- Recent acquisition of PS Managed Solutions Ltd for £0.9M, a bolt on paper shredding opportunity that will enhance market presence in North East England
- In the 10 months to 31 October 2021, the Group has acquired 7 strategically aligned high quality business at an investment cost of £84.8m with combined revenues of c.£46M and EBITDA of c.£10M before synergies

* Based on annualisation of performance for the 3 months to 31 October 2021

Track record of consistent growth with strong momentum in FY21

- Strong track record of profitable growth
- Restore is exiting 2021 Larger, Stronger and Growing and has a track record of consistent growth with strong momentum in FY21
- Capacity for further COVID-19 repair, organic growth and full year benefit of acquisitions in FY22
- Well progressed pipeline of acquisitions

Revenue Track Record

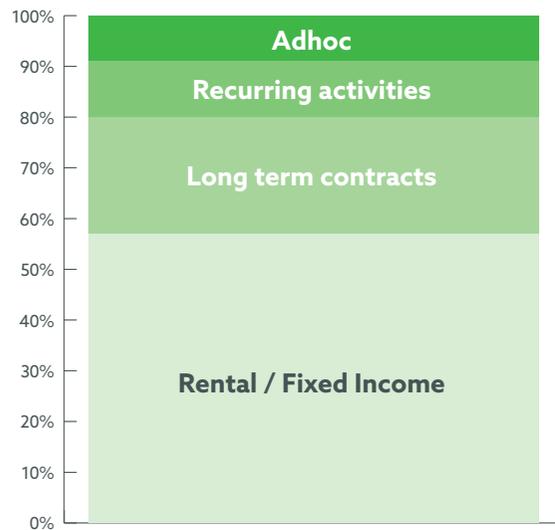


* Based on annualisation of performance for the 3 months to 31 October 2021

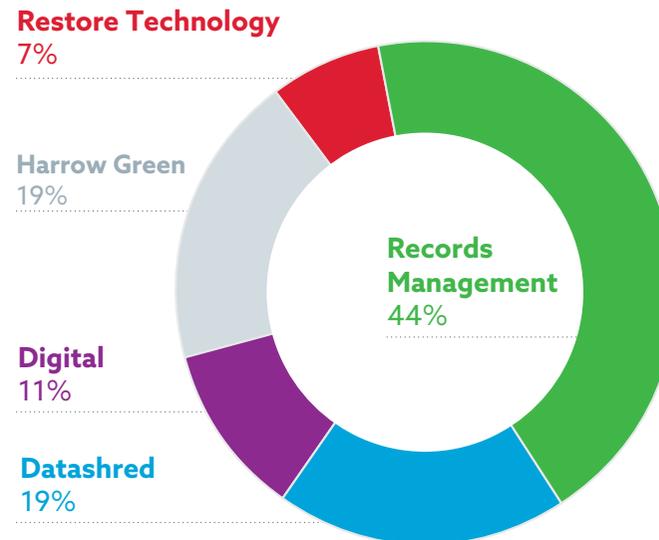
** Consensus revenue across the 5 covering analysts, representing an organic only plan

Strong financial foundation with high proportion of predictable, contracted income and strong cashflows

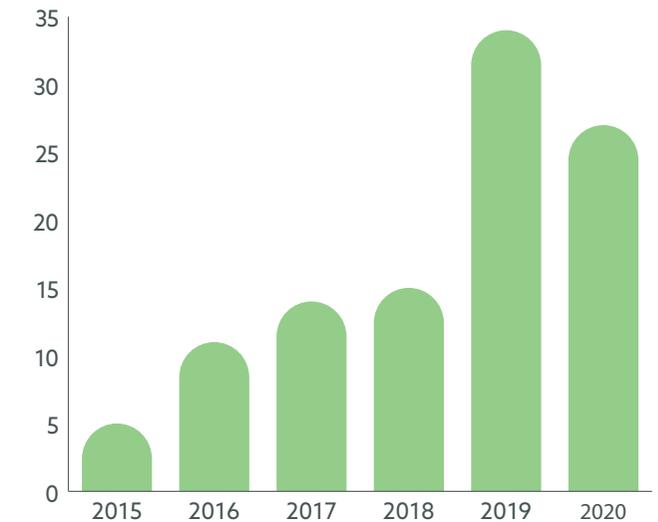
Recurring profit



Revenue mix



Free cashflow (before dividend and acquisition)

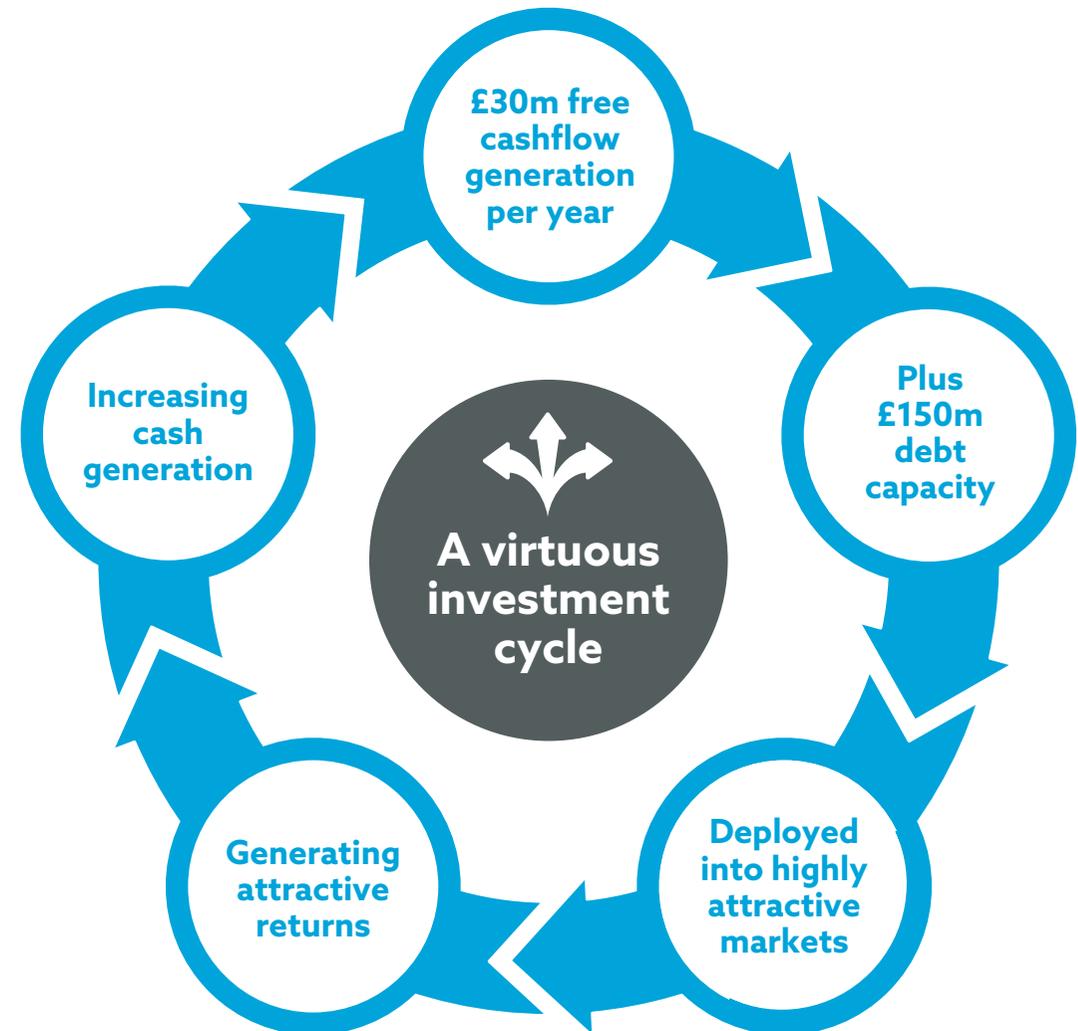


- High proportion of revenue is fixed or highly contracted
- Premium quality customer base across industrial, professional services and public sectors
- Free cashflow of £25-30m per year (after capex, tax and interest but before dividends and acquisitions)

Substantial financial capacity to execute on strategic acquisition opportunity

“Restore has an excellent reputation in acquiring high quality businesses and integrating these into its decentralised model.”

- Highly cash generative business
- Providing £300m+ of self funded investment capacity in 3-5 year horizon
- At modest leverage of 1.5x to 2x EBITDA



Strategic acquisitions delivering strong returns and value enhancement

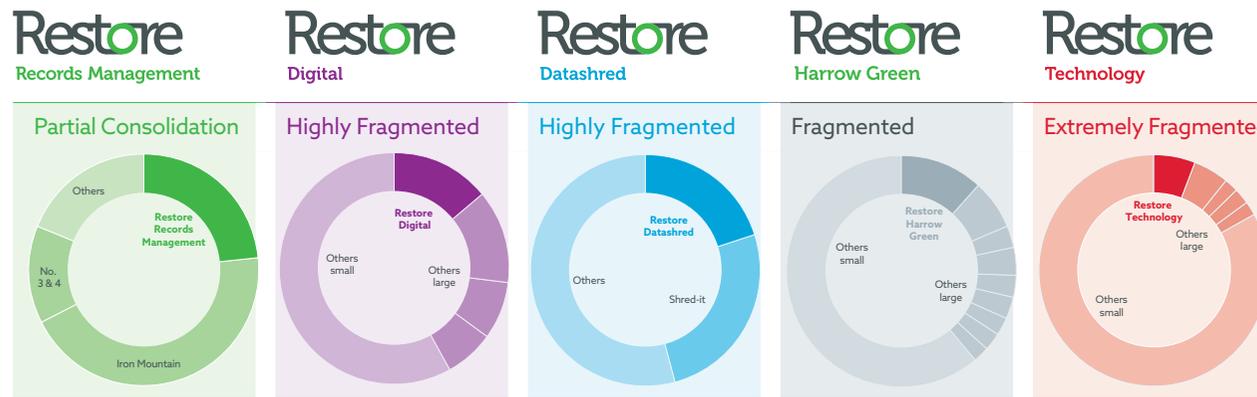
Strategy

Highly addressable acquisition opportunity of £800M+

Acquiring scale, coverage and capability at sensible multiples

Driving compelling growth scenarios

Market Structure



1.5 to 3 x Revenue
5 to 8 x EBITDA

	Scenario 1	Scenario 2	Scenario 3
Deployment over 5yrs	£200m	£300m	£400m
Revenue potential pa	£111m	£167m	£222m

@ Attractive margins and strong integration synergies

2021 Delivery

£84.8m deployed YTD October 2021

2x Restore Technology
2x Restore Digital
+10% Records Management

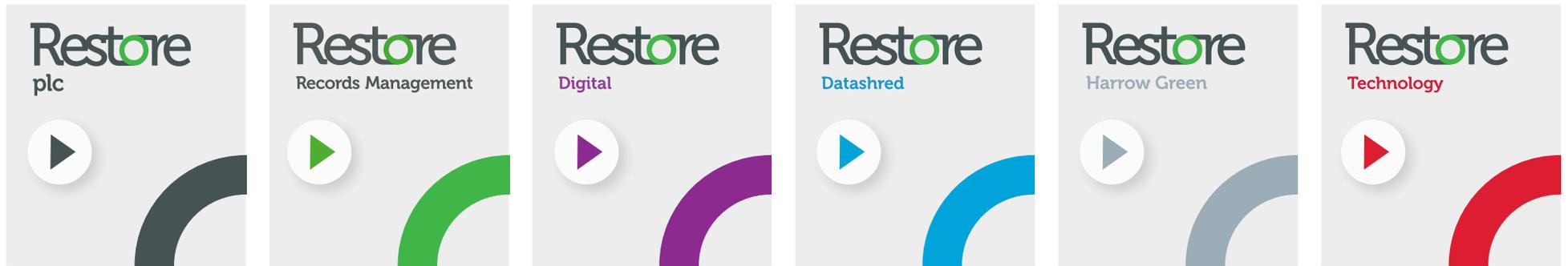
Synergy unlock
Scale benefit to margins
Growing leading market positions

Investment case is clear and compelling

- Leading positions in growth markets
- Long standing customer relationships with high levels of customer satisfaction/retention
- Business model based on high levels of long term contracted and recurring revenues
- Attractive operating margins
- Fragmented markets with significant acquisition opportunity
- Track record in closing and integrating acquisitions with strong ROIC
- Competitive advantage through our scale leading to cost advantage
- Significant barriers to entry
- Strong management team with demonstrated delivery of results.



For more information please visit:



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W: www.restoreplc.com

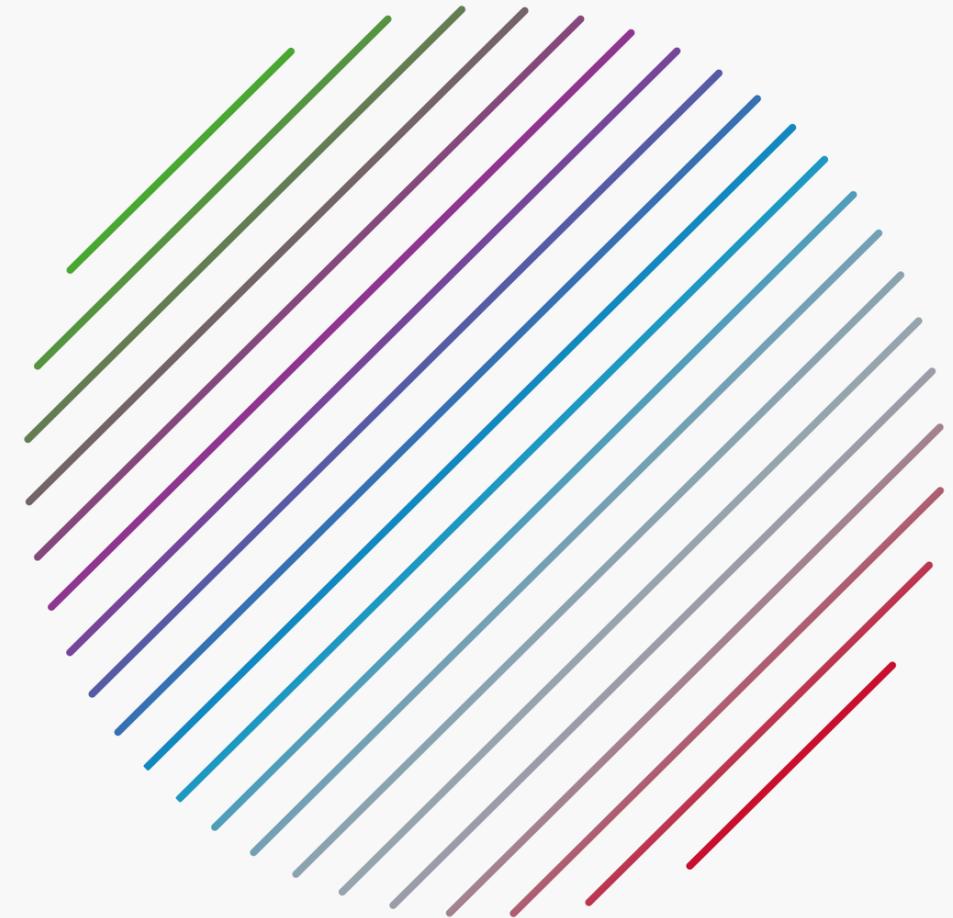
Appendix



Restoring our world: Our ESG strategy



To be a game changer in providing a safe,
secure and sustainable future.



Our Planet



Climate action

Becoming a **net zero** organisation by 2035

- Fleet electrification
- Transition to 100% renewable energy
- Seek opportunities to create renewable power



Resource use

Using **sustainable resources** across our organisation

- Conversion to sustainable cardboard
- Target zero single use plastic
- Engage in circular economy supplier community



Biodiversity

Reducing our impact on the natural world and habitats across our property estate

- Partnering landlords to reduce development impact
- Providing natural habitats across our estate
- Partner with suppliers to assess their impact



Our People



Safety and well being

Ensure culture of **safety and well being first**

- Safety and well being primacy on the agenda from Board to depot management
- Engage colleagues in developing health and safety culture
- Review mechanisms assess well-being and to provide support
- 100% of colleagues receive role-specific safety awareness
- Safety and well being training for all people managers



Culture

Provide a culture where everyone can **thrive and do their best work**

- Develop clear strategy and communications on purpose
- Embed and enable colleague forums that allow quality two way feedback
- Embed our values and what we stand for across all our people practices



Community impact

Making a **positive contribution** to the communities we operate in

- Championing local recruitment
- Developing partnerships that make a difference to people lives
- Develop charity committee and objectives that align with our ESG goals and community needs (local and national)



Enriching careers and working life

Enabling our people to **grow and be the best they can be**

- Enable, promote and sponsor learning (e.g. apprenticeships opportunities)
- Provide career and development guidance for everyone
- Provide a fair pay and rewards structure
- Provide job flexibility



Diversity and inclusion

Embrace an inclusive working culture where everyone feels safe to be themselves and where **difference is celebrated**

- Promote, educate and celebrate diversity
- Perform regular analysis of the demography of our workforce
- Set appropriate targets for representation at each level
- Seek to attract a more diverse workforce
- Measure and act on colleague survey feedback around inclusion at work



Our Business



Customer engagement

Partner with our customers to deliver our ESG goals and **enable them to deliver theirs**

- Work with our customers to help adapt to new operational method towards our ESG goals
- Develop Net Zero products that support customers in reaching their scope 3 emissions
- Improve carbon and resource use reporting to enable Restore and our customers to understand their impact and improve



Data security

To always be a **trusted custodian of your data**

- Regular horizon-scanning process to identify threats and trends regarding data security
- Maintain ISO/IEC27001 and latest accreditation
- Continue working with a data protection testing partner to stress test data security
- Deliver enhanced data security/awareness training for all colleagues with network access.



Innovation

Leading by example and promoting ESG in the sectors in which we operate

- Embed ESG into product development strategies across business units
- Encourage colleagues to contribute ideas on new processes or services that are ESG focused
- Work with key suppliers to provide commitments to innovate and support Restore's ESG goals
- Be willing to take appropriate risks in accelerating the adoption of new ESG-led technologies to improve our services



Partnerships

Working with suppliers to create solutions to the **ESG challenge**

- Implement a sustainable procurement policy with associated action plans.
- Develop a Supply Chain Charter to hold suppliers to a standard in-line with Restore's ESG commitments.
- Work with other organisations, industry bodies, to tackle wider ESG issues – influencing and raising the bar.
- Engage supply chain on their carbon footprint with the aim of collaboratively setting reduction targets.



Transparency and accountability

Adopting TCFD and Planet Mark accreditation to **provide assurance to stakeholders**

- Produce annual ESG report to publicly report against all our long-term ESG goals.
- Report against the UN TCFD (Task Force on Climate-Related Financial Disclosures) Framework on an annual basis, including climate scenario modelling.

