

## 2021 Full Year Results

**Strong. Expansion.**



# Restore is significantly larger and stronger and well positioned for continued expansion in 2022



**+28%**  
**£234.3m**

Revenue



**+64%**  
**£38.1m**

Adjusted profit before tax\*



**+0.0%**  
**1.8x**

Leverage\*



**+55%**  
**23.2p**

Adjusted basic earnings per share\*

## Business and Strategic Highlights

- Good performance across all business units contributing to growth, with strong underlying organic growth and eight successful acquisitions driving increased scale and capability across the Group
- Exit run rate revenue of £260 million, 21% higher than pre pandemic levels
- Restore Digital's transformative acquisition of EDM in April 2021 doubles exit run rate revenue to £46 million, enhances capability (Cloud, BPO, Software) and delivers scale margin benefit
- Restore Technology completed three strategic acquisitions doubling run rate revenue to £34 million with strong demand and margin momentum building through the year
- Restore Records Management gained further market share with strong organic revenue growth of 5.6%, alongside acquisition revenue growth of 5.9% and COVID-19 repair of 4.2%
  - Positive net box growth momentum in line with expectations at 1.3% (2020: 0.9%)
  - Property consolidation strategy progressed with new high density storage facilities in Heywood and Sittingbourne
- Restore Datashred continued steady recovery to 84% of pre-pandemic activity levels by Q4, with significant progress in underlying productivity although profit behind 2019 levels
- Restore Harrow Green activity levels strong throughout the UK with a new site in Cambridge addressing the life sciences sector and delivering record profitability
- Development of significant pipeline of further acquisition opportunities across the Group to support the ambitious growth plans
- The Group announced its new ESG strategy, 'Restoring our World' with ambitious targets including our Net Zero commitment by 2035

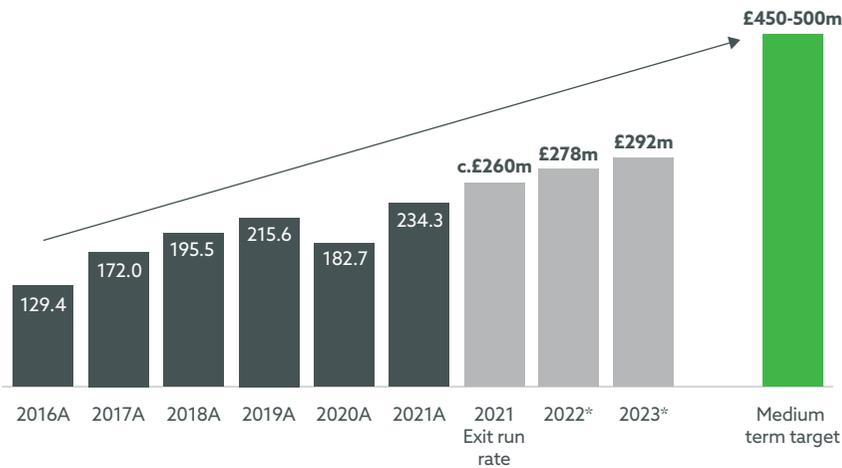
## Financial Highlights

- Revenue up +28% to £234.3 million (2020: £182.7 million) driven by:
  - Organic growth +5.0%
  - COVID19 repair +5.6%
  - In year acquisitions +16.4% plus full year effect of prior year acquisitions +1.2%
- Adjusted profit before taxation up +64% to £38.1 million (2020: £23.2 million) and operating margin increasing from 18.5% in H1 to 20.7% in H2
- Statutory profit before tax up 475% to £23.0 million
- Strategic acquisitions successfully completed totalling £86.3 million during 2021, delivering a post synergy ROIC of 13.0%
- Strong Cash conversion\* at 85% with closing net debt at £100.8 million and leverage of 1.8x
- New increased debt facility agreed post year end at enhanced terms, providing further capacity for continued investment
- Proposed final dividend of 4.7 pence, taking total dividend for 2021 to 7.2 pence (2020: nil pence)

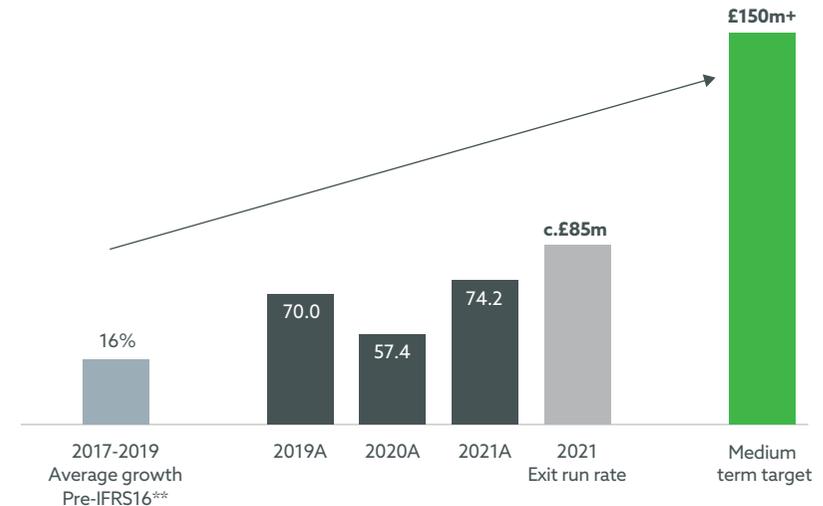
\*See appendix

# Results demonstrate delivery against our ambitious growth strategy to grow revenue to £450-500m and profits >£150m

## Revenue growth track record



## Sustained EBITDA generation and high quality margins



5%

Organic revenue growth



85%

Underlying cash conversion



£86.3m

M&A spend 2021



13.0%

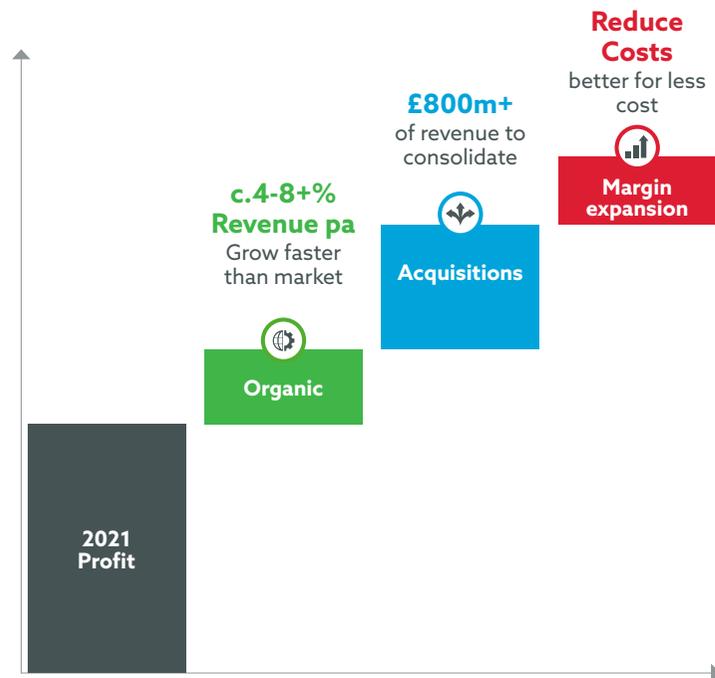
ROIC on FY 2021 Acquisitions

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

\*\* 2017 - 2019 EBITDA as reported on a pre-IFRS16 basis. 2019 onwards reflects adoption of IFRS16.

# Continued execution of the strategy delivers against our targets

## Profit Roadmap



## Strategic Growth Targets

	2017	2018	2019	2020	2021	Medium Term Targets	
Growth	Sustained Revenue Expansion	172.0	195.5	215.6	182.7	234.3	c.450-500m
	Profitable Organic Growth	+6.0%	+3.0%	+3.1%	+1.4%	+5.0%	4-8+%
	Attractive Operating Margins	20.2%	21.6%	21.0%	17.4%	19.7%	>22%
	Consistent EPS Growth*	+27%	+12%	+9%	(35%)	+55%	10-30%
Quality	Strong Return On Invested Capital*	10.2%	10.0%	11.4%	7.7%	10.1%	>11-13%
	Strong Cash Conversion*	+75%	+70%	+99%	+87%	+85%	80-90%
	Carbon Emissions				8,196t	9,000t	Scope 1 & 2 net zero by 2035

\*Target calculations set out in appendix.

## Digital & Information Management



**Restore**  
Records Management



**Restore**  
Digital

### Growth trends

Secure storage

Flexible working demands

Digitisation

**Market size: £800m growing at c.3%**

## Secure Lifecycle Services



**Restore**  
Technology



**Restore**  
Datashred



**Restore**  
Harrow Green

### Growth trends

Secure data destruction and recycling

Workplace transformation

Rising technology lifecycle requirements

**Market size: £1.1b growing at c.4%**

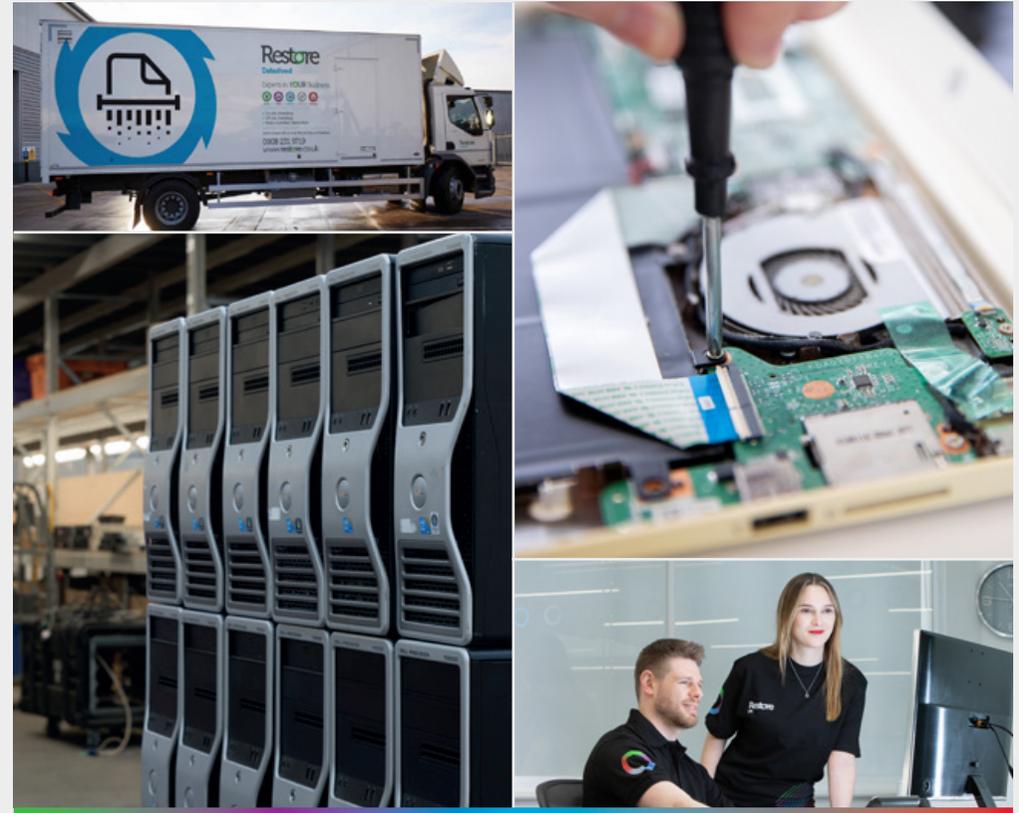
# ESG Strategy: Strong, sustainable values and working practices

Restore has engaged external advisors and sought feedback from stakeholders to develop a new and comprehensive ESG Strategy which is action oriented with measurable KPIs.



# Financial Overview

“Restore is larger,  
stronger and growing”



# Consolidated Income Statement: Strong momentum and increase in scale

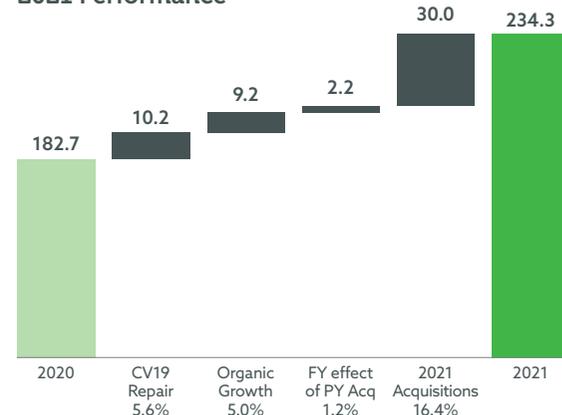
	2021	2020	Change
Revenue (£'m)	234.3	182.7	+28%
Adjusted PBT (£'m)*	38.1	23.2	+64%
Statutory PBT (£'m)	23.0	4.0	+475%
EBITDA (Post IFRS 16) (£'m)*	74.2	57.4	+29%
EBITDA (Pre IFRS 16 & SBP) (£'m)*	54.1	37.4	+45%
Adjusted EPS (p)	23.2	15.0	+55%

- Strong revenue expansion to £234.3m (+28%) with exit run rate of £260m+
- Organic revenue growth 5.0%, acquisition +17.6% and COVID-19 repair 5.6%
- Adjusted profit £38.1m (+64%) through revenue expansion and strong margin recovery
- Profit margin momentum from 18.4% H1 to 20.7% H2 (FY 19.7%) (vs 17.4% in 2020)
- £86.3m acquisition investment in year generating annualised revenue of £44m, post synergy EBITDA £16.3m and ROIC 13.0%
- Statutory profit 5x to £23.0m (2020: £4.0m)
- Adjusted EPS increase 55% to 23.2p (2020: 15.0p).

\*See appendix glossary

## Group Revenue Growth (£'m)

### 2021 Performance

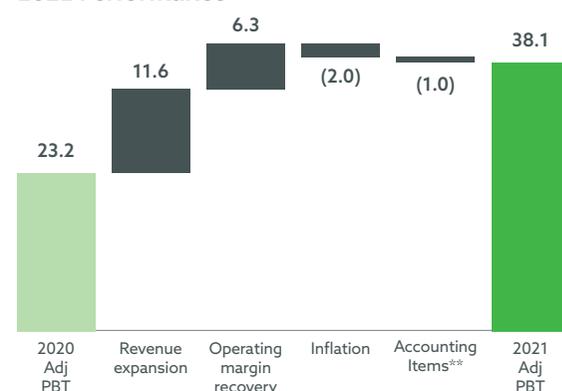


### Momentum



## Group Margin Growth (£'m)

### 2021 Performance



### Momentum



\*\*Accounting items include changes in share based payments and IFRS 16

# Divisions – Digital and Information Management: Organic core growing and transformative acquisitions

Revenue	2021	2020	Change
Restore Records Management (£'m)	101.4	87.6	+16%
Restore Digital (£'m)	36.9	18.5	+99%
	<b>138.3</b>	<b>106.1</b>	<b>+30%</b>

Margin	2021	2020	Change
Operating Margin	42.5	34.0	+25%
Operating Margin %	30.7%	32.0%	-130 bp

- Revenue expansion through solid organic growth and 4 successful strategic acquisitions totalling £66.7m
- Transformative acquisition of EDM in April for £57.6m expanding scale and capability in Digital
- Strong organic revenue growth in Restore Records Management of c.6% through box growth, price and project activities
- Restore Digital expansion through organic +20% and acquisition +79%
- Continued progress in property consolidation in Records Management and clear scale benefit in Digital apparent post EDM acquisition
- Solid margin expansion in Records Management and Restore Digital although revenue mix dilution. At constant mix, margin would be +c.1%.

Revenue mix 2021 (£'m)



Revenue mix 2020 (£'m)



# Divisions – Secure Lifecycle Services: High growth of Technology business and margin expansion

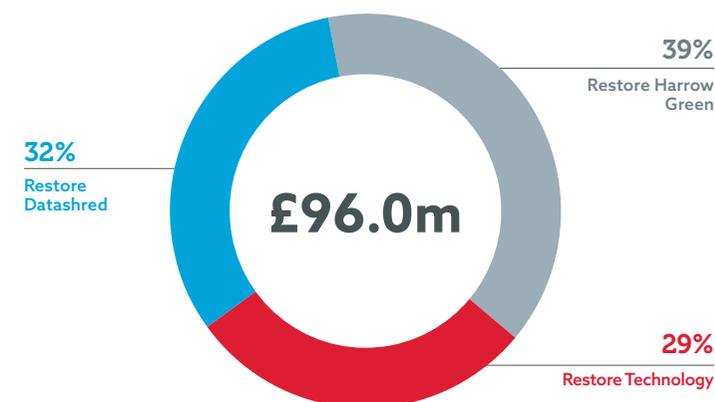
Revenue	2021	2020	Change
Restore Technology (£'m)	28.1	15.3	+84%
Restore Datashred (£'m)	30.2	28.0	+8%
Restore Harrow Green (£'m)	37.7	33.3	+13%
	<b>96.0</b>	<b>76.6</b>	<b>+25%</b>

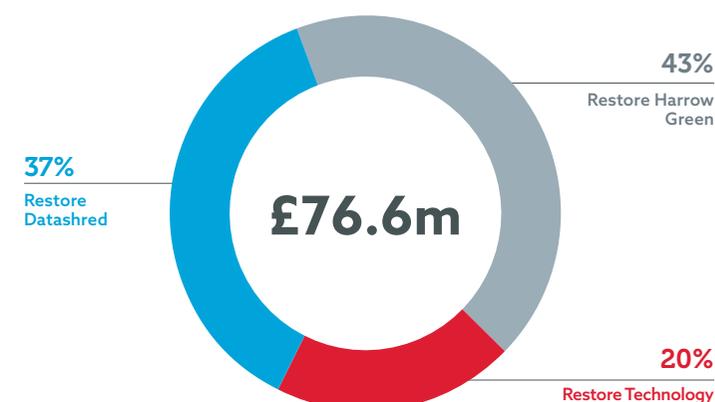
Margin	2021	2020	Change
Operating Margin	11.7	3.2	+266%
Operating Margin %	12.2%	4.2%	+800 bp

- Revenue expanding with exceptional growth in Technology
- 3 transformative acquisitions in Technology during the year totalling £18.7m deployed
- Strong year in Harrow Green across regions with Life Sciences focus in new Cambridge location
- Datashred recovered to c.84% of Pre COVID levels in Q4
- Substantial margin expansion as a result of efficiency and scale in Technology, offsetting low but repairing profits in Datashred.

Revenue mix 2021 (£'m)



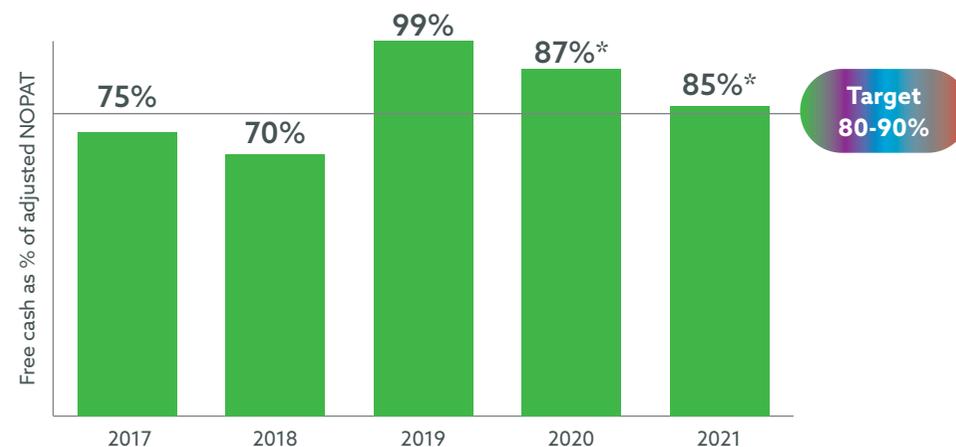
Revenue mix 2020 (£'m)



# Cashflow: Continued strong cash generation and substantial investment

Cashflow £m	2021	2020
<b>EBITDA</b>	<b>74.2</b>	<b>57.4</b>
Working capital movements	(12.1)	10.7
Other movements	(2.2)	(1.2)
<b>Operating Cashflow</b>	<b>59.9</b>	<b>66.9</b>
Finance Costs	(7.0)	(8.0)
Income taxes paid	(5.2)	(7.2)
<b>Net Operating Cashflow</b>	<b>47.7</b>	<b>51.7</b>
Maintenance CAPEX	(8.8)	(7.3)
Lease payments	(18.8)	(17.1)
Add back P&L Exceptionals	4.4	2.3
<b>Free cashflow before capital deployment</b>	<b>24.5</b>	<b>29.6</b>
Dividends paid	(3.4)	-
Acquisitions net of cash acquired	(86.7)	(3.7)
Less cash exceptionals	(4.4)	(2.3)
Net proceeds of equity raise	38.1	-
Purchase of treasury shares	(2.6)	(0.8)
Debt facility net movement	41.0	(13.0)
<b>Net increase in cash</b>	<b>6.5</b>	<b>9.8</b>

## Free Cashflow as % of Net Operating Profit After Tax

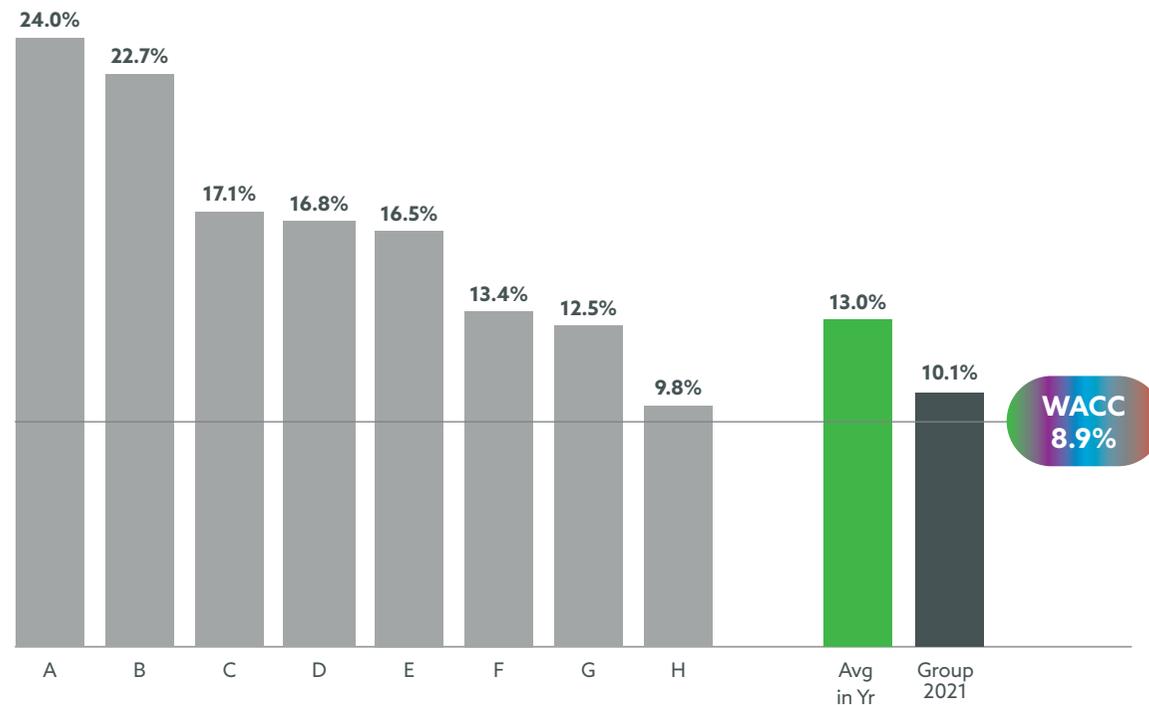


- A further year of strong free cash generation
- Working capital headwinds of £12.1m to support business expansion and VAT deferral from 2020
- Equity raise in year supporting acquisitions and investment of £86.7m (including deferred consideration)
- Continue to benefit from highly predictable revenues and high quality public and private sector customer base

\*Normalised for year to year effect of VAT deferral

# Acquisition investment: Successful integration and strong returns

## In year acquisitions: Post Tax ROIC



- 8 acquisitions completed in 2021
- £86.3m invested with £66.7m in Digital and Information Management and £19.6m in Secure Lifecycle Services
- Low levels of acquisition exceptional items £3.6m (2020: £0.2m) in line with guidance of 4-5% of investment
- Overall post synergy return on in-year investments of 13.0%
- Group ROIC for FY21 of 10.1%. In absence of acquisitions would expand by 2-4% in 2022
- Target acquisitions ROIC is well over 10% with additional revenue upside.

# Balance Sheet:

## Strong foundations and leverage in line with expectations

	2021 £'m	2020 £'m
<b>Non-current assets</b>	<b>514.4</b>	<b>428.5</b>
Trade and other current assets	58.3	42.4
Cash and cash equivalents	32.9	26.4
<b>Current assets</b>	<b>91.2</b>	<b>68.8</b>
Trade and other current liabilities	(47.9)	(39.2)
Financial liabilities - lease liabilities	(18.2)	(16.7)
<b>Current liabilities</b>	<b>(66.1)</b>	<b>(55.9)</b>
Financial liabilities - borrowings	(133.7)	(92.5)
Financial liabilities - lease liabilities	(98.8)	(104.0)
Deferred tax and provisions	(41.8)	(26.3)
<b>Non-current liabilities</b>	<b>(274.3)</b>	<b>(222.8)</b>
<b>Net assets</b>	<b>265.2</b>	<b>218.6</b>
<b>Shareholders equity</b>	<b>265.2</b>	<b>218.6</b>

- Strong balance sheet maintained with strong underlying capital and leverage 1.8x in line with target range of 1.5x to 2.0x
- Net equity raise in Q2 of £38.1m to support acquisition and future capacity
- Low capital requirement with majority of assets (property and fleet) leased
- CAPEX invested £8.8m (2020: £7.3m) at 3.8% of revenue, target range over time is 4-5%
- Closing net debt of £100.8m (2020: £66.1m)
- New £200m debt facility agreed at enhanced terms, providing further capacity for investment

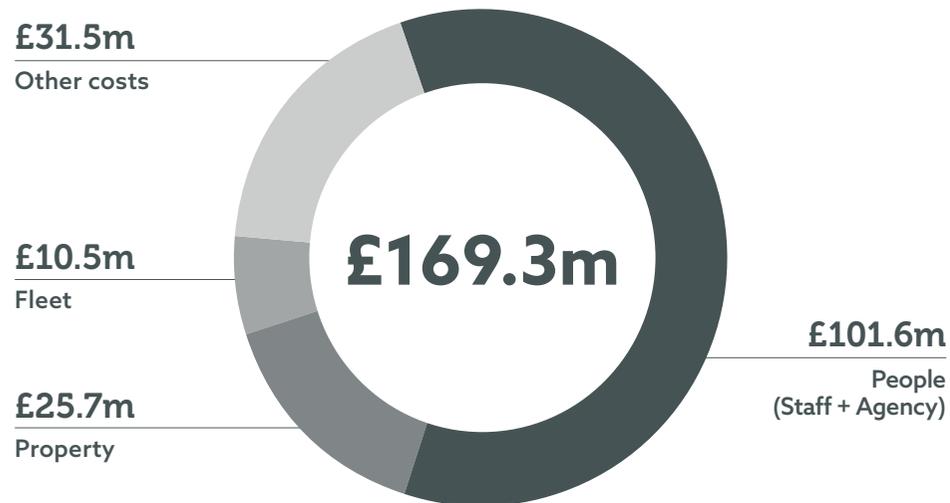
### Net debt\*

31 December 2018	31 December 2019	31 December 2020	31 December 2021
£111.3m	£88.5m	£66.1m	£100.8m
2.1x	1.6x	1.8x	1.8x

\*Leverage is calculated as the ratio of pre-IFRS16 EBITDA to pre-IFRS16 net debt in line with banking covenant definitions, using non IFRS16 definition of debt and EBITDA, and a pro-forma EBITDA adjustment for acquisitions.

# Cost outlook: Mitigation of anticipated inflation

## 2021 Cost base



## Inflation Impact

- Cost inflation varies by type of spend with largest spend on people (staff + agency)
- Typical cost of inflation is c.2% which is £2-3m across our cost lines
- FY22 is anticipated to be higher, perhaps £2-3m more than normal
- Number of mitigation levers including:
  - Price increases
  - Productivity improvements
  - Cost reductions
  - Scale economies

# Business Overview

“Record financial results and transformative acquisitions.”

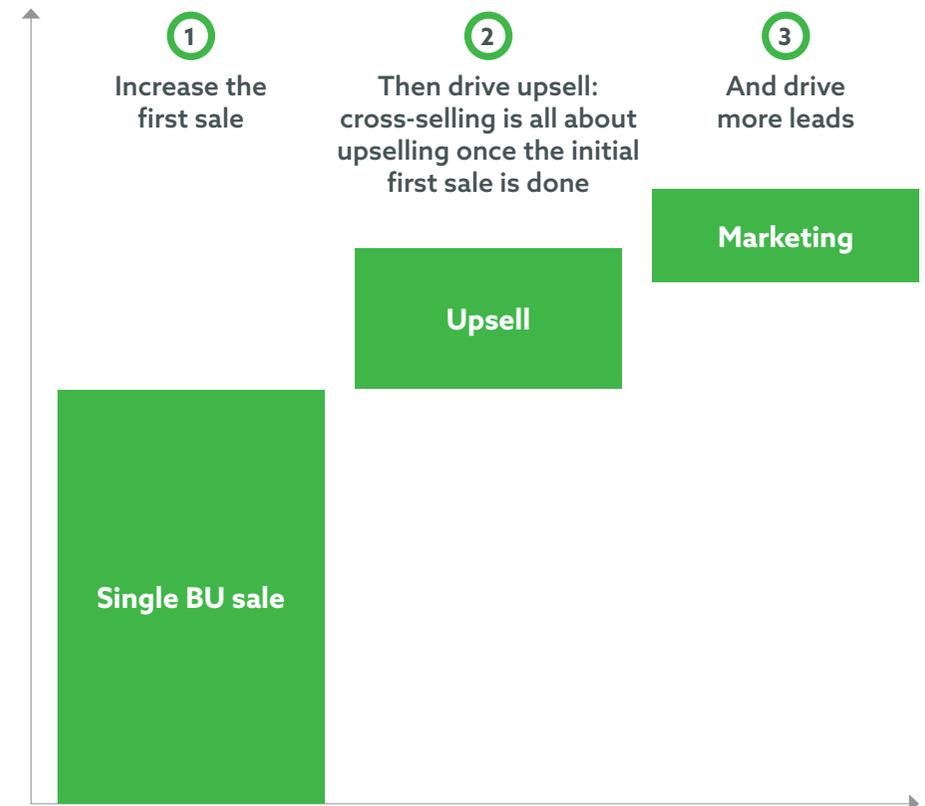


## 1. Sales fly wheel to target 4-8+% organic revenue growth



This should deliver target 7-13+% earnings growth with the scale benefits in the business model

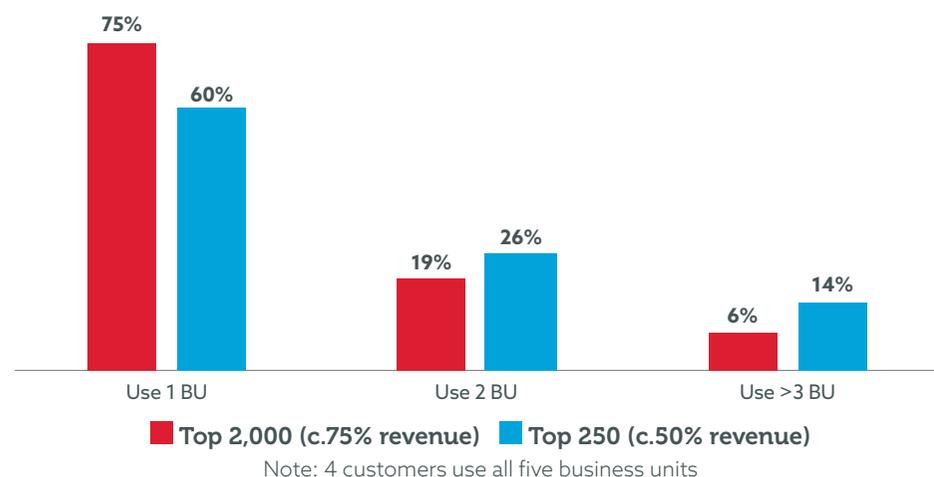
## 2. Driven by a disciplined sales strategy



## Business units with market leading growth rates

	Market Growth	Our Target
Records Management	c.1-2%	3-5%
Digital	c.4%	5-15%
Datashred	c.0-1%	1-4%
Harrow Green	c.1%	3-5%
Technology	c.6%	8-15%
<b>Total</b>	<b>c.3%</b>	<b>4-8+%</b>

## Upsell is an important ingredient (but not the largest) to deliver on this goal



## 6 Priorities to drive Upselling

- 1 Top 200 Focus Account Planning
- 2 New logo sales - swiftly follow up after customers who are new to the group
- 3 Referrals – Over 1,200 internal referrals in 2021, c.£9m TCV
- 4 CEO monthly sales cadence with MD's / Sales Directors
- 5 Sales training – improve knowledge and quality of sales team
- 6 Cross selling incentives – reward outcomes.

## Strong M&A platform

- ✓ Highly qualified and dedicated M&A team
- ✓ Significant cash flows to deploy
- ✓ Large and fragmented market
- ✓ All acquisitions EPS accretive
- ✓ Management teams who can integrate acquisitions
- ✓ Strong balance sheet
- ✓ Multiple opportunities in each market
- ✓ Excellent reputation – a trusted buyer

## ....delivering an impressive track record

- ✓ £86.3m of acquisitions in the last 12 months
- ✓ Delivered synergies and improved margins
- ✓ Increasing returns by absorbing acquisitions without any significant investment in additional infrastructure
- ✓ Acquired incremental services supporting digital product strategy



## ...with strong returns



- Acquiring scale and capability at sensible multiples
- Range of 1.5x to 3x revenue, 5x to 8x EBITDA

## ...with many years of opportunity

- Extremely fragmented markets
- Opportunity in all markets
- Over £800m of yearly revenues to go after
- >150 companies we are in contact with
- £300 million of self funded investment capacity in 3-5 year horizon



## FY 2021 Results

- £101.4m revenue, +16% YoY (6% organic, 6% acquisition, 4% COVID19 repair)
- 1.3% organic net box growth (2020: 0.9%) with c.22m boxes under management
- c.£10m Department of Work and Pensions contract win
- Successful completion of 3 Acquisitions – 1BDM, EDM & TDW (UK)
- Occupancy at 89% (2020: 94%) resulting from expansion of key site (+1m boxes) and TDW (UK) acquisition
- Margins remain strong with continued focus on price and cost optimisation through property consolidation and focus on density
- Continued investment in customer engagement, quality of service and onboarding technologies to drive high levels of customer satisfaction (4.7 Trustpilot ★★★★★)

## Growth Strategy

### Organic

- 3-5% organic revenue growth with 1-2% organic box growth
- Leveraging strong relationships across both Public and Private sectors
- Complimentary customer offering (Physical and Digitised records)

### Acquisitions

- Substantial acquisition opportunities; >20 active discussions ongoing
- Consolidation of smaller operators
- Unvended market opportunities

### Margin Expansion

- Rational price increases
- Property estate optimisation reducing costs
- Route and operational efficiencies.



**£101.4m** 2021 Revenue



**22 million** Boxes under management



**>860** Staff



**56** Sites



### Accreditations

Cyber Essentials Plus  
ISO9001, 14001, 27001, 22301, 10008,  
PCI-DSS, FORS & HTA

**No.2**

UK Market Position





 **£36.9m** 2021 Revenue

 **500m** Cloud hosted documents

 **>820** Staff

 **11** Sites

 **Accreditations**  
ISO 9001, 27001, 14001, 45031,  
22301, BS10008, Cyber Essentials Plus

**No.1**  
UK Market Position

## FY 2021 Results

- Transformational year for Restore Digital following the successful acquisition and integration of EDM
- Doubled revenues to £36.9m (2020: £18.5m)
- Significantly enhanced scale and capabilities; Digital Mailroom market leader and enriched product offerings including Cloud, Consulting and Software assets
- Completion of Capture All acquisition, adding regional depth and strong local capability
- Significant wins throughout 2021, including:
  - DigiGov Framework – 10 year contract, partnering with Canon to provide Digital Mailroom and payment processing services
  - HMRC – A strategically important microfilm digitisation project; >150,000 films
  - RNOH – Royal National Orthopaedic Trust; scanning 100,000 case notes to support the development of a best in class electronic patient record system

## Growth Strategy

### Organic

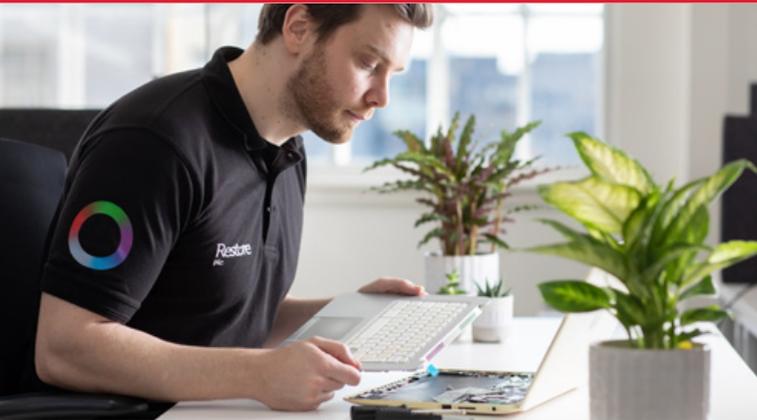
- Physical to Digital consulting & services
- Digital mailroom capability & expertise
- Compelling product offerings, driving projects and multi year subscriptions
- Working closely with regulated industries, NHS, Nuclear sector and many more.

### Acquisitions

- Targeted acquisitions to increase scale and service mix
- Continued enhancement of digital product strategy and business capabilities

### Margin Expansion

- Increased volume and throughput to drive efficiencies
- Upselling higher margin services



## FY 2021 Results

- UK's largest and market leading IT Lifecycle services business
- Step change in scale and performance, delivering £28.1m revenue (2020: £15.3m) and upweighted leadership team
- Acquisition and integration of three businesses - Computer Disposals Ltd, The Bookyard Ltd, PRM Green Ltd, adding scale, national coverage and extending capability
- Significantly improved margins from increased volume, evolved sales strategy and coverage model

## Growth Strategy

### Organic

- Continue to outpace a fast-growing market
- Growth through existing and new clients, enterprise and SME, commercial and public sector
- Value creation through the technology lifecycle taking share and increasing client spend
- Scale extension through channel programme, complementing channel capability with our own

### Acquisitions

- Significant pipeline of opportunities (>200)
- Acquire to further extend scale, capability and coverage. Enhance lifecycle services to drive client value and market differentiation
- Operational integration and synergy

### Margin Expansion

- Continued evolution of operational and commercial models
- Focus on efficiency, consistency, service and quality
- Investment in technology and digital client experience
- E-commerce strategy to expand audiences, scale revenue and optimise margin.

 **£28.1m** 2021 Revenue

 **1.4m** Assets processed

 **>360** Staff

 **7** Sites

 **Accreditations**  
ADISA Certified, ISO 9001, 14001, 27001, 45001, National Police clearance

**No.1**  
UK Market Position





## FY 2021 Results

- £30.2m Revenue, +8% vs 2020
- Activity levels saw substantial recovery in H2, following H1 restrictions. They returned to c.84% of pre-pandemic by Q4
- Investment in digital marketing generated a consistent level of ad-hoc destructions and saw overall visits increase by 9%
- Average price per tonne secured was c.£185 (2020: c.£158)
- Completion of small acquisition, PS Managed solutions which is now fully integrated
- Continued to develop service capabilities, focusing on right sizing the fleet and improving route density management to optimise costs
- Delivered strong customer wins, including:
  - Onboard over 2,200 new customers
  - Generating cross selling opportunities
  - Sizable contract wins, including a national pharma customer with over 1,400 locations
  - Retaining a market leading trust pilot rating of 4.6 and NPS of 72+
- As part of the groups ESG ambitions, Datashred is leading the charge on electrification of fleet

## Growth Strategy

### Organic

- Reactivate customer base and continue to improve scale
- Focus on automation and enhanced customer experience
- Saw a robust return of new business opportunities across all sectors, SME, Corporate, Public Sector and Partner led
- Expanded our Homeshred products to include three options

### Acquisitions

- Consolidation of medium-small operators

### Margin Expansion

- Price increases aligned to costs
- Fleet optimisation and investment
- Continued investment in systems and route density management.

**£30.2m** 2021 Revenue

**85,000** tonnes recycled

**>330** Staff

**12** Sites

**4.6/5** Trust pilot

**No.2**  
UK Market Position





## FY 2021 Results

- Grew revenues +13% to £37.7m despite significant economic volatility
- Record profits achieved in 2021, with growth in storage and value added service enhancing sales mix, coupled with disciplined cost control
- Successful opening of strategic Cambridge facility in Q1 2021, delivering specialist capability to the Life Sciences & Pharmaceutical markets
- Strong engagement with client base, with increased proposals and quoting activity. Expectation is pent up demand will be unlocked in 2022
- Significant contract wins, including:
  - University of Exeter >£800k
  - Surrey County council >£500k
  - EMCOR UK >£450k
- Maintained focus on customers, delivering the highest quality services with outstanding “on the day” execution

## Growth Strategy

### Organic

- Leverage strong customer relationships to maximise opportunities resulting from pent up demand
- Maintain market leadership and grow share through strong commercial relocation offering
- Continued focus in specialist services, Life Sciences and investment in storage facilities to support further organic growth

### Margin Expansion

- Mitigating increasing operational costs by strong control and price increases across all service streams
- Continue drive towards increasing value-added services including storage, insurance and project management, with increased demand and margin opportunities.

 **£37.7m** 2021 Revenue

 **365,000 pa** Desks relocated

 **>370** Staff

 **9** Sites

 **>130** Fleet size

**No.1**  
UK Market Position



## Summary

- Record financial performance in 2021 demonstrating execution against our high growth strategy
- Successfully acquired 8 businesses; expected to yield further synergy benefits in 2022 and beyond
- Leading player in all our markets; significant room for further growth
- Strong activity and momentum; continuing into 2022

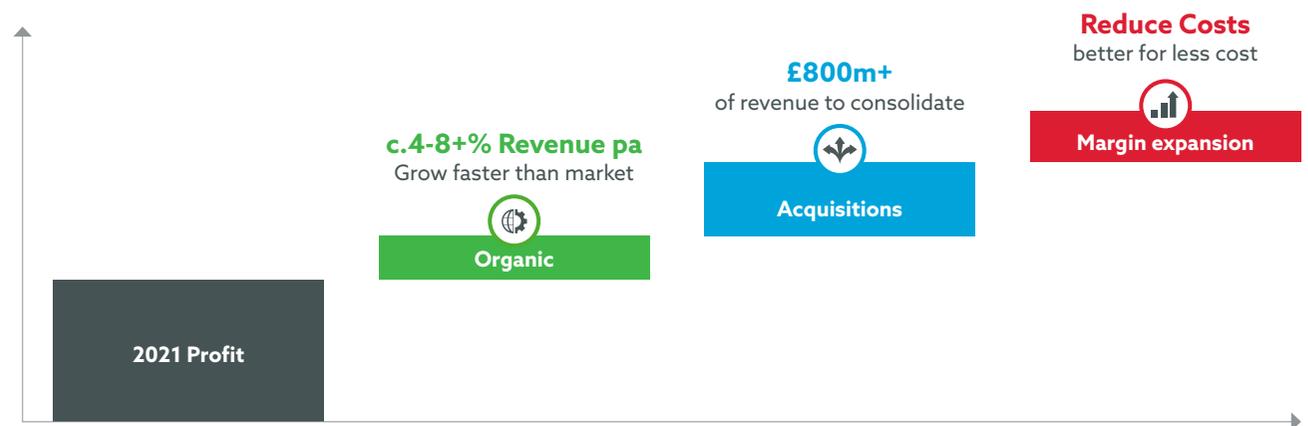
## Outlook

The new financial year has started well, with continued momentum underpinned by strong activity levels. The underlying demand for our mission critical services continue to build and we will continue to further extend our capability and offering in-line with the long term structural growth trends that underpin our markets.

We expect further financial and strategic progress in 2022, benefitting from:

- Organic growth and market share gains through our significant commercial pipeline;
- Ongoing cost reduction and productivity programmes which, together with effective pricing discussions, should help mitigate further inflationary cost pressures;
- Increased contributions from our 2021 accretive acquisitions, with additional synergies realised during 2022; and
- A substantial and high-quality strategic acquisition pipeline with several transactions already in exclusivity or with verbal commitments and many more in the pipeline

We have an ambitious but achievable medium-term target to grow annual revenue to £450-500 million and double EBITDA to more than £150 million (2021: £74.2 million).



# A high growth business with a clear and compelling investment case

- Leading positions in growth markets
- Delivering mission critical services with long term structural positive trends
- Ambitious ESG Strategy 'Restoring our World'
- Fragmented markets with significant acquisition opportunity
- Highly recurring and long term contracted revenues with high levels of customer satisfaction
- Attractive and growing operating margins with strong free cash conversion
- Track record in closing and integrating acquisitions with strong ROIC
- Competitive advantage through our scale leading to cost advantage
- Significant barriers to entry with scale and security
- Strong management team with demonstrated delivery of results

For more information please visit:  
[www.restoreplc.com](http://www.restoreplc.com)

Please see these short videos below:



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# Appendix



# Leading positions in large, growing and fragmented markets with a strategy to deliver significant growth

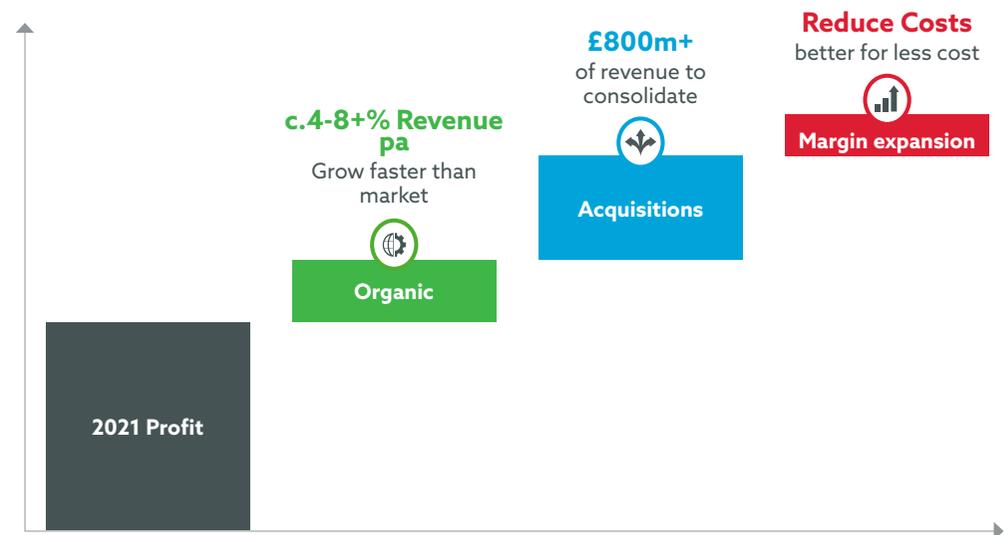
## £1.9b market and growing

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

## Growth Strategy



## Profit Roadmap



# Strategic acquisitions delivering strong returns and value enhancement

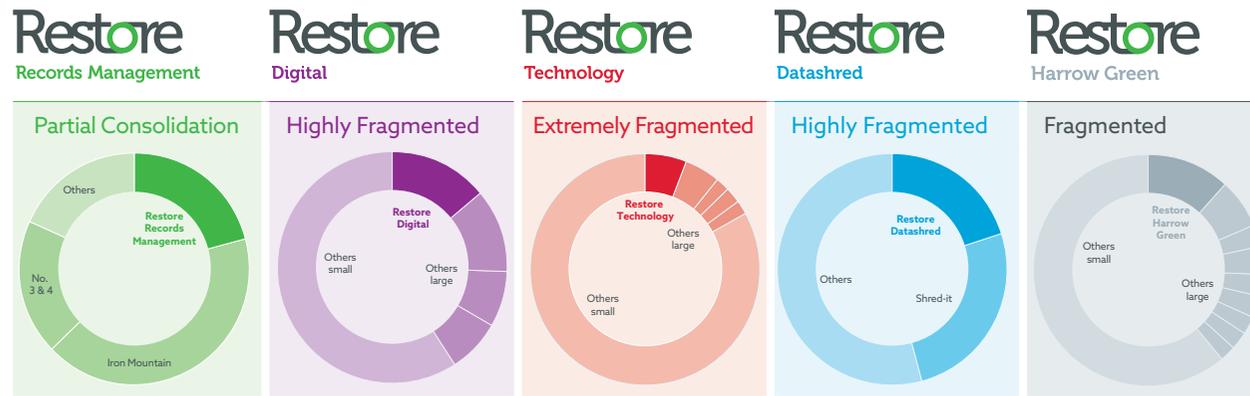
## Strategy

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

8 acquisitions  
£86.3m deployed

1x Records Management/  
Digital  
2x Records Management  
1x Restore Digital  
3x Restore Technology  
1x Restore Datashred

Synergies unlocked  
Scale benefit to margins  
Growing leading market positions

## Digital and Information Management

Revenue	2021	2020	2019
Restore Records Management (£'m)	101.4	87.6	95.9
Restore Digital (£'m)	36.9	18.5	22.6
	<b>138.3</b>	<b>106.1</b>	<b>118.5</b>

### Margin

Operating Margin	42.5	34.0	39.2
Operating Margin %	30.7%	32.0%	33.1%

## Group Adjusted operating margins

	2021	2020	2019
Digital and Information Management	42.5	34.0	39.2
Secure Lifecycle Services	11.7	3.2	13.6
Head Office	(5.2)	(4.5)	(3.8)
Share based payments	(2.8)	(1.0)	(3.8)
<b>Adjusted Operating Profit</b>	<b>46.2</b>	<b>31.7</b>	<b>45.2</b>
<b>Adj Op Margin</b>	<b>19.7%</b>	<b>17.4%</b>	<b>21.0%</b>

## Secure Lifecycle Services

Revenue	2021	2020	2019
Restore Technology (£'m)	28.1	15.3	14.6
Restore Datashred (£'m)	30.2	28.0	41.0
Restore Harrow Green (£'m)	37.7	33.3	41.5
	<b>96.0</b>	<b>76.6</b>	<b>97.1</b>

### Margin

Operating Margin	11.7	3.2	13.6
Operating Margin %	12.2%	4.2%	14.0%

# Glossary - Definitions and calculations

Term	Definition & calculation
<b>Adjusted Profit before tax (Adj PBT)</b>	Adjusted profit before tax is stated before amortisation of intangible assets, impairments and exceptional items (reconciled in note 9)
<b>Adjusted Free Cashflow</b>	Net cash generated from operating activities after capital expenditure and lease payments, but before exceptional items
<b>Net operating profit after tax (NOPAT)</b>	Net operating profit after tax defined as adjusted operating profit less standard rate of tax
<b>EBITDA (Pre IFRS 16 &amp; SBP)</b>	Calculated using pre-IFRS16 EBITDA adjusted for share-based payments, including a pro-forma adjustment for acquisitions in line with financial covenants
<b>EBITDA (Post IFRS 16)</b>	Earnings before interest, taxation, depreciation, amortisation, impairment and exceptionals
<b>Leverage</b>	Leverage is calculated as the ratio of Pre-IFRS 16 EBITDA to Pre-IFRS 16 net debt in line with banking covenants
<b>EPS Growth</b>	Adjusted basic earnings per share, defined as EPS Pre IFRS 16
<b>Return on invested capital (ROIC)</b>	Calculated as adjusted profit before tax, finance cost, IFRS 16 and share based payments with a standard rate of tax applied. This is divided by invested capital, defined as the weighted average net debt and equity, excluding the impact of IFRS 16
<b>Cash conversion</b>	Calculated as adjusted free cashflow divided by net operating profit. Note for 2020 and 2021, underlying FCF has been normalised for VAT deferral
<b>Consensus Revenues</b>	Consensus revenue across the 5 covering analyst. The consensus represents an organic only plan