

13 March 2025

**Restore plc**  
("Restore" or the "Group" or the "Company")

**Full year 2024 results**

Restore plc (AIMRST), the UK's leading provider of secure and sustainable business services for data, information, communications and assets, today announces its results for the year ended 31 December 2024.

**SUMMARY OF RESULTS**

	2024	2023	Change
Revenue (£m)	<b>275.3</b>	277.1	(1%)
Adjusted operating profit <sup>1</sup> (£m)	<b>48.8</b>	44.3	10%
Adjusted operating margin <sup>2</sup> (%)	<b>17.7%</b>	16.0%	170bps
Adjusted profit before tax <sup>3</sup> (£m)	<b>34.4</b>	30.3	14%
Statutory profit/(loss) before tax (£m)	<b>17.9</b>	(29.0)	162%
Net debt <sup>4</sup> (£m)	<b>89.0</b>	97.8	9%
Leverage <sup>5</sup>	<b>1.6x</b>	1.9x	16%
Adjusted basic earnings per share <sup>6</sup> (pence)	<b>19.0p</b>	17.0p	12%
Statutory basic earnings/(loss) per share (pence)	<b>9.1p</b>	(22.5p)	140%
Dividend per share (pence)	<b>5.8p</b>	5.2p	12%

**FINANCIAL HIGHLIGHTS**

- Group revenue was £275.3m, broadly flat on prior year (2023: £277.1m), with the high proportion of recurring storage income in Information Management continuing to support overall revenue, offset by a slow relocations market for Harrow Green, weak operational delivery in our former Digital business, and reduced paper prices in Datashred during H1.
- Adjusted operating margin increased by 170bps to 17.7% (2023: 16.0%), reflecting our actions to improve profitability and progressing towards our medium-term target of 20%.
- Adjusted profit before tax increased by 14% to £34.4m (2023: £30.3m), with adjusted EPS up 12% to 19.0p (2023: 17.0p).
- Free cashflow<sup>7</sup> of £39.1m (2023: £37.3m), with cash conversion<sup>8</sup> of 107% (FY23: 110%). Leverage reduced to 1.6x from 1.9x at 31 December 2023.
- Final dividend of 3.8 pence is proposed (2023: 3.35 pence), leading to a total dividend for the year of 5.8 pence (2023: 5.2 pence), an increase of 12%.

**STRATEGIC HIGHLIGHTS**

- Good progress on our 2024 priorities of improving operating margin, maintaining high cash conversion and cash generation and unleashing the potential of the business units.
- Integration of Digital and Records Management now largely complete, to form our new Information Management division, enhancing our customer offering, reducing cost and adding focus to our scanning activities.
- Continued progress on our property consolidation programme, with the opening of two new box storage facilities (Markham Vale and Durham) set to replace 10 existing facilities.
- Significant contract awards in the year including for the Department of Work and Pensions mailroom, one of the largest in the UK and complementary to our current mailroom contract with HMRC.
- Fixed offtake price agreement with a large UK paper mill for approximately half of our recycled paper volume during 2025, the first such contract of significance within Datashred, which will significantly mitigate the impact of potential future volatility in paper prices.
- Significant progress made against the Group's "Restoring our world" ESG strategy with our first Net Zero Transition Plan published today.
- The Group is well positioned to deliver both organic and inorganic growth and to accelerate its growth strategy. As part of this, we have announced today the acquisition of Synertec (Holdings) Ltd ("Synertec"), a leading document management business for outbound communications, in particular for the public sector, for an initial cash consideration of £22m.

**CHARLES SKINNER, CEO, commented:**

*"We have delivered on our priorities for 2024 with an improvement in adjusted operating margin and continued strong cash generation despite some specific headwinds during the year. There are strong grounds for optimism across all of our divisions and we remain committed to our medium-term target of driving adjusted operating margin to 20%.*

*Trading since the start of the year has been good, with all divisions expected to deliver an increase in adjusted operating profit for the full year. We are also pleased to announce today the acquisition of Synertec, which is highly complementary to the Group's activities and offers significant growth potential. We are well positioned to deliver both organic and inorganic growth and remain confident in increasing the scale of the Group and delivering further value to shareholders."*

- 1) Calculated as statutory operating profit before adjusting items (reconciled below Consolidated statement of comprehensive income)
- 2) Calculated as adjusted operating profit divided by revenue
- 3) Calculated as statutory profit before tax and adjusting items (reconciled below Consolidated statement of comprehensive income)
- 4) Calculated as external borrowings less cash, excluding the effects of lease obligations under IFRS 16 (reconciled in note 9)
- 5) Calculated as adjusted EBITDA (defined in Note 3) divided by net debt, including a pro-forma adjustment to EBITDA for acquisitions in line with financial debt covenants
- 6) Calculated as adjusted profit before tax with a standard tax charge applied, divided by the weighted average number of shares in issue (reconciled in note 5)
- 7) Calculated as cash generated from operations less income taxes paid, capital expenditure and lease payments, but before the cash impact of adjusting items (reconciled below Consolidated statement of cash flows)
- 8) Calculated as free cashflow divided by net operating profit after tax<sup>2</sup> (reconciled below Consolidated statement of cash flows)
- 9) Calculated as adjusted operating profit with a standard tax charge applied (reconciled below Consolidated statement of comprehensive income)

Cautionary Statement: This announcement contains certain statements, statistics and projections that are or may be forward-looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the future financial position, strategy, projected costs, plans and objectives for the management of future operations of Restore and its subsidiaries is not warranted or guaranteed. These statements typically contain words such as 'intends', 'expects', 'anticipates', 'estimates' and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although Restore believes that the expectations will prove to be correct. There are a number of factors, many of which are beyond the control of Restore, which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

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#### CHAIR'S INTRODUCTION

I am pleased to report on a year of solid progress in my second statement as Chair. Having welcomed the return of Charles Skinner as CEO in Autumn 2023, the focus of Charles and his management team during 2024 has been to drive adjusted operating margin towards our medium-term target of 20%.

In order to achieve this, a large number of measures have been implemented: revitalisation of the businesses through decentralisation; right sizing our head office including the support functions; active treasury management; linking pricing to RPI/CPI as well as the property consolidation programme within Records Management; the integration of Digital and Records Management into our newly formed Information Management division; refocusing our Technology business onto higher quality customers and those outsourcing their IT lifecycle services; focusing on operational efficiencies and regaining market share within Datashred; and within Harrow Green focusing on the specialist areas of life sciences and heritage.

Whilst work on those measures will continue into 2025 and beyond, in particular the integration of our Digital and Records Management businesses and the property consolidation programme, many are already delivering both operational and financial improvements across the Group. Accordingly, the Board remains confident in the Group's ability to continue to deliver further progress.

#### 2024 performance

Not everything went to plan in 2024. The Group encountered some specific headwinds which impacted profits, particularly the slow relocation market for Harrow Green together with weaker sales and operational delivery within our former Digital business. Despite these, the Group's fundamentals remain strong and solid progress was made on our margin improvement plan, with the Group delivering double digit increases in adjusted operating profit and adjusted profit before tax, slightly ahead of the Board's expectations.

Our highly contracted and recurring income streams enabled the Group to deliver revenue of £275.3m, broadly flat on 2023. Adjusted operating margin improved 170 basis points to 17.7% (2023: 16.0%), resulting in adjusted operating profit of £48.8m (2023: £44.3m). Adjusted profit before tax increased by 14% to £34.4m (2023: £30.3m). This improvement in profitability reflects solid execution of our margin-enhancing initiatives by the management team.

As a result, adjusted basic earnings per share increased to 19.0 pence per share, an increase of 12% compared to the 17.0 pence achieved in 2023.

Cash generation continued to be strong, with cash conversion of 107% and a reduction in net debt to £89.0m (2023: £97.8m), with leverage reduced to 1.6x from 1.9x last year.

#### Board composition

I was delighted to welcome Patrick Butcher to the Board in October 2024 as a Non-Executive Director. Patrick is a seasoned CFO and we believe his deep experience in financial and operational leadership, particularly in organisations providing essential services to the public sector, will bring significant value to the Group.

#### Our colleagues

Following the poor trading result in 2023 and the implementation of the measures noted above, our workforce has reduced by around 500 over the past two years to approximately 2,400 people. I appreciate that this has not been easy for our people and they have had to say goodbye to many colleagues. I would like to take this opportunity to thank both our current and former colleagues for their professionalism throughout this process. However, I am confident that we have the right structure

former colleagues for their professionalism throughout this process. However, I am confident that we have the right structure in place to move into 2025 and beyond, and are in a position where we can offer further opportunities for development as we move towards the next stage of our growth strategy.

During the autumn we ran an all-staff survey, in which over 75% of our people gave their views on how they thought we were doing. I am pleased to say that against a backdrop of change, overall employee satisfaction improved to 7.3 (out of 10), an improvement on the last survey ran in 2022 where the score was 7.1, and slightly ahead of the industry benchmark of 7.2. The survey has also given us sight of a number of areas where we can improve over the coming year.

#### **Health and safety**

Health and safety has remained at the top of our Board agenda and is the first matter we discuss at each of our meetings. The Health and Safety Non-executive committee has been further enhanced during 2024 with the appointment of a Group head who co-ordinates the work across our four divisions and reports to the committee. They have also led the work on culture and training across all our people, including the roll-out of a new system to deliver our training, which all of our people (including the Non-Executive Directors) have had to complete.

#### **Dividends**

Your Board is recommending a final dividend of 3.8 pence, payable on 18 July 2025 to shareholders on the register at the close of business on 13 June 2025 and will be marked ex on 12 June 2025. This brings the total dividend for the year to 5.8 pence (2023: 5.2 pence), an increase of 12%.

#### **Strategic progress**

The measures we have implemented during the year have delivered an improvement in margins in 2024, and I am confident that they will continue to deliver in 2025 as we drive towards our medium-term target of 20% adjusted operating margin. As mentioned, not everything went to plan in 2024 but I am confident that the right actions are in place to address these challenges and that they will help to deliver an improved performance in 2025. At Datashred, we have recently agreed a fixed offtake price with a large UK paper mill for approximately half of our recycled paper volume during 2025 which will mitigate the impact of potential future volatility in paper prices. This is the first hedging contract of significance within Datashred. At Harrow Green, the confirmed order book includes a significant UK laboratory move in the current year.

Our leverage has decreased from the top to the bottom of our preferred range (between 1.5-2x adjusted EBITDA) in twelve months. Having engaged with our stakeholders it is clear that they, as well as us, want to stay broadly within this range. Accordingly, this together with the continuing momentum in the business, provides us with additional opportunities in terms of capital deployment. We will therefore target value accretive acquisitions in our core or adjacent business areas, and consider a return of surplus capital to shareholders in the form of share buybacks.

### **CHIEF EXECUTIVE OFFICER'S STATEMENT**

#### **Introduction**

Having returned to Restore as CEO in September 2023, I am mildly disappointed that adjusted profit before tax only increased by 14% in 2024. Having said that, the Group experienced some specific headwinds during the year, notably:

- weaker than expected sales and operational delivery in our former Digital business;
- a low paper price for our Datashred division (particularly in H1), compounding its recent low margins;
- considerable change needed in our Technology division to recover from a loss-making prior year; and
- very tough market conditions in the office removals market for our Harrow Green division.

Notwithstanding these specific headwinds, there are strong grounds for optimism for all of our divisions, specifically:

- The physical side of what is now Information Management, which is primarily box storage, continues to generate recurring revenues, now at increased operating margins.
- The integration of the former Digital operations, primarily our scanning activities, into Information Management has substantially been completed. This has sharply improved our offering to our customers who increasingly view physical and digital storage as two sides of the same coin. It has also added focus to our scanning activities and will result in annualised cost savings of approximately £3m to the Group.
- Datashred is performing well and we have hedged our paper sales price for approximately half of our recycled paper volume in 2025 at a level which should support the division's adjusted operating margin moving towards 15%.
- Technology's trading has continued to improve dramatically since its loss-making performance in 2023. Our operations are in good shape with the recent launch of a new IT system which will drive significant efficiency gains in 2025 alongside a refocus to higher quality customers. We continue to see growth in activity with our channel partners, typically value-added resellers of IT equipment, to whose customers we provide lifecycle services.
- After a tough 2024, Harrow Green has seen some improvement in market conditions. Our specialist skills in large-scale moves remain strong and we are growing our market position in the life sciences market, as illustrated by Harrow Green currently undertaking a significant laboratory move.

#### **Health and safety**

Health and safety remains the first priority across the Group. As part of this focus, we appointed a Group Head of Health and Safety in 2024. She is responsible for developing, implementing, and overseeing Restore's health, safety, and wellbeing governance framework, embedding health, safety, and wellbeing into the DNA of the Group. She reports into the Group Health and Safety Committee, which includes three Board Directors and meets quarterly. I am ultimately responsible for health and safety across the Group.

2024 saw a 7% reduction in lost time incidents, including RIDDORs. Collisions were the biggest contributor to accidents during the year (21% of the total) which is partially reflective of the heavy focus we have had on improving the reporting culture across the Group but particularly within fleet and logistics. Other significant causes of accidents are cuts (16%) and manual handling (16%). Last year, manual handling was the largest contributor to our accident statistics (26%), so we are very pleased to have driven down the number of these incidents, primarily achieved through improved education and awareness. 840 manual handling awareness courses were delivered in 2024 alone to support this reduction.

In 2024 we have also focused on ensuring a consistent standard of training across the Group with Royal Society for the Prevention of Accidents ("ROSPA") approved training being delivered to our colleagues. I am pleased to say that c12,000 ROSPA health, safety & wellbeing courses were delivered through our online learning platform focusing on key areas of risk for the organisation such as safe movement of vehicles; slips, trips and falls; and stress awareness.

We are encouraged by an increase in our leading health and safety indicators, with safety observations and near miss reporting increasing by 62% from 2023, showing a significant improvement in the vital two-way conversation needed within our organisation to drive down risk.

Internal and external benchmarking of our performance remains a cornerstone of our health, safety and wellbeing strategy. To this end, we have actively continued our partnership with the British Standards Institute ("BSI") and NatWest Mentor to ensure we receive impartial, competent reviews of our health and safety practices. The BSI conducted 12 external ISO 45001 certification audits during the year with NatWest Mentor conducting a further 19 bespoke audits that aligned with the ISO 45001 framework. This activity has enabled us to benchmark our health and safety performance against our peer group and I am very pleased to report that we were generally in the first quartile of this peer group. Opportunities for improvement include performance monitoring, standardisation across the divisions and site management health and safety competence and we have taken steps to address these in our plans for 2025.

#### **Trading performance**

Group revenue for 2024 was broadly flat at £275.3m. This primarily reflected significant declines in revenue in Harrow Green and in our former Digital business (included within the Information Management division). Within Information Management, our former Records Management business again achieved record revenues.

Adjusted profit before tax grew 14% to £34.4m, driven by a clear focus on operating margins. This reflected a strong performance from the physical records management side of our Information Management division, offset in part by a weaker performance in our scanning operations. Both Datashred and Technology showed improved profitability but Harrow Green's profits were appreciably down on the prior year.

#### **Divisional performance**

For the first time, we are presenting our performance split into four divisions, rather than as two divisions.

##### *Information Management*

This is the combination of what was formerly Records Management and Digital. It is substantially the largest and most profitable division in the Group.

For 2024, revenue was £167.9m, down 1% on 2023, with adjusted operating profit up 12% on 2023 at £45.8m. Adjusted operating margin was 27.3% compared with 24.0% in 2023.

The former Records Management business experienced an increase in revenues driven by price increases on a broadly flat number of boxes. Service revenues related to box storage showed some growth, again largely as the result of higher prices rather than increased activity. Project work on box storage was satisfactory, although patchier than had been hoped.

We performed well on cost in the box storage business, with significant improvement in efficiency and tight cost control despite several cost headwinds. As budgeted, we saw continuing wage inflation. But we also faced steep increases in transport costs, as the price of vehicles and vehicle maintenance ran well ahead of inflation. We also witnessed unexpectedly high rent reviews on our properties, particularly in the South-East of England.

During the year we have embarked on an ambitious programme to minimise our property costs related to storage. There are two related components of this. Firstly, property costs in the South-East of England mean that rent makes up a disproportionate percentage of overall costs in this geography. Secondly, a number of our sites are too small or inadequately configured to enable efficient operation. The solution is to consolidate smaller sites into large sites in locations where rental costs are lower. As part of this strategy, over the last year we have taken on a c100,000 sq ft building at Markham Vale near Chesterfield, Derbyshire and more recently an 84,000 sq ft building near Durham. The former is now fully racked, storing approximately 700,000 boxes with a further 500,000 box slots expected to be steadily filled over the next two years. The latter is being racked and will ultimately hold approximately 900,000 boxes. As part of this site consolidation, we have been or will be able to exit around ten smaller, more expensive sites.

In 2024, we also completed the construction of a new building at our freehold site in Sittingbourne at a cost of £4m. This facility will hold an additional 250,000 boxes increasing our capacity for customers in the South-East of England who need a local service. While our business model is capital-light with few freehold properties, this freehold site partially protects us from ongoing rental increases in the South-East of England.

The former Digital business experienced a decline in revenues, despite several major contract wins. This was a result of lower bulk-scanning activity, with notably few large one-off projects. Over the last eighteen months, we have significantly reduced the number of scanning locations. We now have two dedicated scanning facilities in Wolverhampton, one specialising in digital mailrooms and the other specialising in bulk scanning and will be taking on a new site to house one of the UK's largest dedicated digital mailrooms for the Department of Work & Pensions ("DWP"), a contract won in 2024 which will become fully operational during 2025. We also have two scanning sites inside box storage facilities.

We provide digital mailroom services to several large clients including HM Revenue & Customs Service (renewed in 2023), HM Land Registry (awarded in 2023), the Office of the Public Guardian (awarded in 2024) and the Ministry of Justice (awarded in 2024), in addition to the DWP. We did however lose a significant public sector bulk scanning contract during the year.

We continue to provide digitisation for a significant part of the UK exam system, including the International Baccalaureate and a number of professional qualifications.

As noted above, the integration of the former Records Management and Digital businesses into the new Information Management division is now effectively complete. In addition to annualised cost savings of approximately £3m, we are now able to provide a single operation for customers looking for a service combining both physical and digital information management. There are significant barriers to entry into these activities, combined with highly contracted and recurring revenues.

##### *Datashred*

For 2024, revenue was £36.0m, broadly flat on prior year (2023: £35.9m), with adjusted operating profit up 19.4% on 2023 at £3.7m. Adjusted operating margin was 10.3% compared with 8.6% in 2023.

In the year, both the number of visits and average collections per vehicle per day increased. Combined with price increases, our service revenues increased by 2% to £27.7m. This reflects sharply increased operational efficiency.

In the year, we sold c52,000 tonnes of paper, including c11,000 tonnes generated from destructions from our own box storage business. Total revenues from paper sales were £8.3m, a slight decline on the previous year. This reflected an

average selling price in the year of £175/tonne, £10/tonne lower than in 2023 and significantly lower than in 2022. The paper price started 2024 at a historically low £141/tonne and ended the year at £166/tonne. The appreciable swings we have seen in the paper price during and after COVID have had significant impact on the profitability of Datashred. Apart from the paper price, Datashred's revenues are stable with strong recurring revenue. In addition, we have recently agreed a fixed offtake price with a large UK paper mill for approximately half of our recycled paper volume during 2025 which will significantly mitigate the impact of potential future volatility in paper prices. This is the first hedging contract of significance within Datashred.

Datashred operates from 11 sites across the UK. Five of these are collection-only sites and two of which operate from our box storage sites.

In addition to the growth in contracts, improved pricing and greater operational efficiency, we are looking to increase the range of services we offer. In 2024, we increased our revenues from textile shredding, typically uniforms, as well as other related services, such as battery disposal. We expect to continue to grow these recycling services, leveraging the strength of our customer relationships both within Datashred and across the wider Group.

#### *Harrow Green*

For 2024, revenue was £35.3m, down 11.8% on 2023, with adjusted operating profit down 57.8% on 2023 at £1.9m. Adjusted operating margin was 5.4% compared with 11.3% in 2023.

Harrow Green has long been the preeminent office removal firm in the UK. In profit terms it experienced its worst performance since COVID with levels of activity well below usual. This reflected a very slow year in the relocations market as decisions were delayed both ahead of the General Election and while the Autumn Statement was awaited. Activity in our core London market was exceptionally slow, while business outside London was better but remained subdued.

Harrow Green started the year completing the biggest pharmaceutical move in the UK. While the forward orderbook looked reasonable, a number of major projects timetabled for 2024 were moved back and, in a few cases, cancelled. We undertook some cost-cutting at our flagship Silvertown branch during the year whilst maintaining the capabilities of the operation. Our new branch in Oxford traded in line with expectations and our branch in Cambridge continued to grow. Strong performances were seen in Croydon, Bristol and Birmingham.

We continue to focus on building our life sciences activities. We are undertaking another major laboratory move in 2025 and the biobank constructed at our Cambridge branch is performing well.

#### *Technology*

For 2024, revenue was £36.1m, up 16.1% on 2023, with an adjusted operating profit of £1.8m compared to an adjusted operating loss in 2023. Adjusted operating margin was 5.0% compared with (4.5%) in 2023.

The Technology management team has changed markedly since 2023 with positive results. Apart from significant operational and financial reporting improvements, we have changed our strategy to focus on blue-chip customers and on servicing the end-clients of the Value-Added IT Resellers ("VARs"). This has enabled us to achieve improved pricing for our services such as collection, wiping and reconfiguration, as well as providing better quality equipment for resale. Service charges increased by 55.2% year-on-year and resale values increased by 32.8%.

We have focused our Cardington site principally on servicing "channel" customers, providing lifecycle services to the end customers of VARs. Our largest customer for the year was CDW, on whose behalf we handled c145,000 items for a significant public sector entity. Our three other processing sites in Runcorn, Cannock and Birmingham are now focussed on end-of-life recycling, predominantly for regular, blue-chip customers, rather than sporadic collections of low-grade equipment. The expectation is that our Runcorn site will start offering lifecycle services to "channel" partners in 2025, thus increasing our capacity for growth and reducing any single point failure risk in this critical area. Our Bristol site specialises in destructions and continued to trade well.

Over recent months, we have rolled out a new ERP system which has brought many benefits: the ability to track equipment across the business rather than only in individual sites, more efficient transport deployment and a clearer understanding of the profitability of individual products and customers.

Our engineering activities, generally based on relocating IT equipment, experienced very low levels of activity, reflecting a hiatus in relocation activity ahead of the General Election and again around the new Government's Autumn Statement. Ultratec, our hard drive wiping, repairing and trading business, performed weaker than in the previous year. Ultratest, our hard drive-processing software business, traded steadily with healthy licensing revenue and some equipment sales.

The market for IT recycling usually reflects levels of new IT equipment sales. These are starting to improve globally after a prolonged period of weakness. While this is becoming a helpful tailwind, I believe that the turnaround of this division is attributable to the hard and thoughtful work of the current Technology team. We are optimistic that Technology's performance will continue to improve in what is a fragmented and immature market.

#### **Our People**

Since I joined as CEO in September 2023, the number of senior roles has reduced from 58 to 41. Of these 41 positions, 22 are now filled by different people, including several internal transfers and promotions. Our overall workforce has reduced by c500 colleagues over the last two years from c2,900 to c2,400. While this has been painful, I am now confident that we have the right people in the right roles in the right structure. Our people can now be confident of future stability in a strong and growing company, with many opportunities for future development.

As a service business, the key to our success is well-motivated people who know what they are being asked to do and want to deliver excellently for our customers. They can expect that their work environment is fulfilling, secure and hopefully enjoyable. I am pleased to note that, despite recent changes, our "Your Say" survey, conducted by external consultants the Happiness Index, showed an improvement in all three key metrics: overall satisfaction, employee Net Promoter Score and response rate.

I would like to thank all of my colleagues across the company for their energy and commitment to the Group's success.

#### **ESG**

We are determined that Restore operates as a good citizen in all of its activities. I firmly believe that most businesses are steadily, and often quietly, moving ahead with environmentally positive change. We are keen to be in the vanguard of this, while managing the commercial implications smartly.

The largest single initiative to improving the environment that we are currently undertaking, after considerable investigation,

is the conversion of our diesel vehicles, where appropriate, to Hydrotreated Vegetable Oil ("HVO"). This conversion will take place over the coming years. We have many and an increasing number of electric vehicles, but the technology is still inappropriate for much of our fleet, particularly at the larger end. We will invest c£0.4m per annum in EV infrastructure and storage tanks over the medium term to enact our strategy and also expect, given the current adverse discrepancy between the price of conventional fuel and HVO of c15p/litre, that profit will be adversely affected by c£0.5m, per annum; we believe this is an acceptable cost. Other ongoing environmental initiatives include the installation of LED lighting across the majority of our estate at an investment of c£0.5m per annum over the coming years.

More detail on our ESG progress and priorities appear in our Annual Report on pages 24 to 45.

### Strategy

We remain committed to our medium-term target of driving adjusted operating margins across the Group to 20%. As previously noted, this will be facilitated primarily by achieving 15% adjusted operating margins in our scanning (now part of Information Management), shredding and IT recycling operations. We are confident that these will continue to move in the right direction during 2025 and beyond and the time is now right to transition to the next stage of the Group's growth strategy.

We are generating and receiving a range of acquisition opportunities in our core businesses as well as in closely related areas. In the opening months of 2025, we have completed the acquisition of Synertec in addition to the acquisition of Bluetex, a small box storage business acquired in 2024. We expect to make further acquisitions, leveraging our strong market positions and long-standing capability of integrating acquired companies. We are also looking at opportunities in closely related areas where we can leverage our channel-to-market, based on the breadth and depth of our relationships with so many of the UK's leading companies and public sector entities. We will remain disciplined in the execution of our acquisition strategy, focused on strategic and cultural fit as well as attractive financial returns.

The Group is highly cash-generative and we are looking to deploy capital into opportunities where we can achieve returns comfortably higher than our cost of capital into activities which we understand. We will therefore target value accretive acquisitions in our core or adjacent business areas and, where appropriate, consider the return of surplus capital to shareholders in the form of share buybacks.

### Outlook

Trading since the start of the year has been good, with all divisions expected to deliver an increase in adjusted operating profit for the full year. We are well positioned to deliver both organic and inorganic growth and remain confident in increasing the scale of the Group and delivering further value to shareholders.

## CHIEF FINANCIAL OFFICER'S STATEMENT

### Financial highlights

£m	2024	2023	%
Revenue	275.3	277.1	(1%)
Adjusted operating profit	48.8	44.3	10%
Adjusted operating margin (%)	17.7%	16.0%	170bps
Adjusted profit before tax	34.4	30.3	14%
Statutory profit/(loss) before tax	17.9	(29.0)	162%
Adjusted basic earnings per share (pence)	19.0p	17.0p	12%
Free cash flow	39.1	37.3	5%
Cash conversion (%)	107%	110%	(3%)
Net debt	89.0	97.8	9%
Leverage	1.6x	1.9x	16%

### Overview

Revenue for the year ended 31 December 2024 was broadly flat at £275.3m. The high proportion of recurring storage income in our Records Management business, together with highly contracted services in the other businesses, continued to underpin overall Group revenue. However, we experienced some headwinds during 2024, including in particular a slow relocations market for Harrow Green, weaker sales and operational delivery within our Digital business, and reduced paper prices in Datashred during the first half. Together, these offset revenue growth elsewhere in the Group.

Our primary focus in 2024 was to increase profitability and we implemented several measures during the year which are now delivering enhanced margins. As a result, adjusted operating margin increased by 170 basis points to 17.7% (2023: 16.0%), and adjusted operating profit grew 10% to £48.8m (2023: £44.3m). Active treasury management, through reducing excess cash on hand and unutilised debt facilities, resulted in lower borrowing costs and has driven adjusted profit before tax growth of 14% to £34.4m (2023: £30.3m).

On a statutory basis, the Group made a profit before tax of £17.9m (2023: loss before tax of £29.0m). The loss in the prior year was largely driven by £36.3m of asset impairments, primarily in Datashred (2024: £nil).

Good cash generation endures as a key quality of the Group, with cash conversion of 107% for 2024 (2023: 110%) and a free cashflow of £39.1m (2023: £37.3m). As a result, net debt decreased to £89.0m as at 31 December 2024 (2023: £97.8m), and the leverage ratio reduced to 1.6x from 1.9x in 2023, towards the bottom of our 1.5x - 2.0x target range.

### Income statement

During 2024, we reassessed our operating segments and for the first time are presenting our results as four divisions. This better represents how we now manage the businesses within the Group, with each division having a dedicated Managing Director and senior leadership team. The four divisions are: Information Management (comprising our Records Management and Digital businesses); Datashred; Harrow Green; and Technology.

	2024	2023	Variance
	£m	£m	%
Information Management			

<b>Information Management</b>			
Revenue	<b>167.9</b>	170.1	
Adjusted operating profit	<b>45.8</b>	40.9	
Adjusted operating margin	<b>27.3%</b>	24.0%	330bps
<b>Datashred</b>			
Revenue	<b>36.0</b>	35.9	
Adjusted operating profit	<b>3.7</b>	3.1	
Adjusted operating margin	<b>10.3%</b>	8.6%	170bps
<b>Harrow Green</b>			
Revenue	<b>35.3</b>	40.0	
Adjusted operating profit	<b>1.9</b>	4.5	
Adjusted operating margin	<b>5.4%</b>	11.3%	(590bps)
<b>Technology</b>			
Revenue	<b>36.1</b>	31.1	
Adjusted operating profit/(loss)	<b>1.8</b>	(1.4)	
Adjusted operating margin	<b>5.0%</b>	(4.5%)	950bps
<b>Group</b>			
Revenue	<b>275.3</b>	277.1	
Divisional adjusted operating profit	<b>53.2</b>	47.1	
Central	<b>(4.4)</b>	(2.8)	
Adjusted operating profit	<b>48.8</b>	44.3	
Adjusted operating margin	<b>17.7%</b>	16.0%	170bps

## Revenue

### Information Management

Our Records Management business has a base of highly recurring revenues, primarily from blue-chip and Government customers. Inflationary price rises on a broadly stable number of boxes (22.3 million as of the end of 2024; 2023: 22.5 million) provided good revenue growth in the year.

However, fewer non-recurring contracts in our Digital business, particularly in bulk scanning, alongside weaker operational execution resulted in lower scanning revenue. This was partially offset by recent contract wins with HM Land Registry and the Office of the Public Guardian for digital mailroom services, both of which increased activities during 2024, alongside the existing mailroom contract with HM Revenue & Customs continuing to provide a solid base of contracted and recurring work. As previously announced, we also won the mailroom contract for the Department of Work and Pensions, one of the most significant mailrooms in the UK. This will commence in 2025 and will largely offset the loss of a significant public sector bulk scanning contract.

### Datashred

Datashred service revenues are highly contracted with a good portion of recurring customers. In the year, both the number of visits and average collections per vehicle per day increased, leading to a 2% increase in service revenue. Revenue from paper sales has recently been less predictable; whilst we consistently collect and shred in excess of 52,000 tonnes, there continues to be ongoing challenges in recycled paper pricing, with a full year average selling price in 2024 of £175 per tonne compared to £185 per tonne in 2023. Prices continued to be depressed in the first half of the year although normalised in the second half of 2024 towards historical levels. As a result of these offsetting factors, overall revenue in the division was broadly flat.

### Harrow Green

Following a strong 2023, which benefited from the delivery of a significant contract for a large multinational pharmaceutical firm, Harrow Green had a tough year in a slow relocations market. We believe that businesses delayed relocation decisions both ahead of the General Election and while the Autumn Statement was awaited, and the market continued to be weak through to the end of the year. As a result, revenue declined £4.7m to £35.3m.

### Technology

The global IT sector began to recover in 2024 following a slowdown in 2023 and the unwinding of a cycle that had been introduced as a result of the COVID lockdowns and resultant home working. This is now having a knock-on impact of higher volumes of IT assets for recycling. Technology has also been refocusing on higher quality customers, which typically have higher quality IT assets, and the increasing number of customers who are outsourcing their IT lifecycle services to Value Added Resellers ("VARs"). Technology is partnering with the leading VARs to provide end of life and mid-life cycle services to a number of customers including significant Government departments.

## Adjusted operating profit

Our primary focus during the year has been on improving margins. In order to achieve this, we have implemented the following measures:

- revitalisation of the businesses through decentralisation;
- reducing the size of head office, including the support functions;
- within Records Management, linking pricing to RPI/CPI and driving the ongoing property consolidation programme;
- the integration of Digital and Records Management into our newly formed Information Management division;
- refocusing our Technology business to higher quality customers and those outsourcing their IT lifecycle services;
- focusing on operational efficiencies and regaining market share within Datashred; and
- Harrow Green focusing on the specialist areas of life sciences and heritage.

Despite revenue in the Group being broadly flat, and some profitability headwinds as discussed above, these measures started to deliver in the year and resulted in higher Group profitability overall.

The property consolidation commenced in Spring 2024 with the signing of a lease for a c100,000 square foot facility in Markham Vale, near Chesterfield, with a capacity of around 1.2 million boxes. That facility is around half full as at the end of 2024 having received boxes from sites the Group exited in the South-East of England, and will continue to be filled over the next two years as other sites are exited. Towards the end of 2024 we commenced the second phase of the consolidation and signed a lease on an 84,000 square foot facility near Durham with a capacity of around 900,000 boxes. This will start to receive boxes in Spring 2025 from sites we are exiting in the North and North-East of England during 2025 and 2026. Once both of these two facilities are full, we will have exited around ten sites in order to fill them and relocated over two million boxes.

We announced the integration of our Records Management and Digital businesses into our newly formed Information Management division as part of our interim results in July 2024. At that time we anticipated that it would cost up to £3m to complete the integration and would provide the Group with annualised cost savings of c£3m. I am pleased to report that integration costs are running slightly under the expected £3m and that as of the end of 2024 we have been able to implement plans which will achieve the savings anticipated, some of which we benefited from during 2024. This integration will have been significantly completed by the end of the first half of 2025.

Central costs represent costs relating to the Board and the head office. We reduced the size of the head office team at the end of 2023 which has saved around £1m of annualised costs. However, the inclusion of a charge for management team bonuses in 2024 (2023: nil) and for share based payments relating to share schemes in 2024 (which was credit in 2023), resulted in an overall year on year increase in central costs.

#### Financing and interest expense

Net debt at 31 December 2024 was £89.0m (2023: £97.8m), with leverage decreasing from 1.9x to 1.6x

	2021	2022	2023	2024
Net debt (£m)	100.8	103.5	97.8	89.0
Leverage	1.8x	1.7x	1.9x	1.6x

Active treasury management has reduced the interest burden on the Group in the year. Excess cash on hand has been significantly reduced, and the Group has established a £10 million overdraft facility to help manage this. In addition, to save facility fees, £75m of the Rolling Credit Facility ("RCF") was voluntarily cancelled during the year, decreasing the facility from £200m to £125m. As a result, and despite some base rate headwinds, interest on borrowings reduced to £7.9m (2023: £8.9m).

£m	2024	2023
Interest on borrowings	7.9	8.9
Interest on finance lease liabilities <sup>1</sup>	6.2	4.4
Amortisation of deferred finance costs	0.6	0.6
Other finance costs	-	0.1
<b>Total finance costs</b>	<b>14.7</b>	<b>14.0</b>

<sup>1</sup> Interest on finance lease liabilities increased due to a rise in the incremental borrowing rates used.

In addition to the RCF, the Group has US Private Placements ("USPP") of £25m with a fixed term and rate. Total available facilities of £150m is considered to be ample given the Group's strategy. Should it be needed, the RCF also includes an accordion which the Group can exercise to increase the facility by up to a further £25m. The Group has strong relationships with its lenders should additional facilities be required.

#### Adjusting items

Due to the nature of certain income or costs, the Directors believe that an alternative measure of profit before tax and earnings per share provides readers of the annual report with a useful representation of the Group's performance that should be considered together with statutory profit and earnings per share.

The adjusting items in arriving at adjusted profit before tax are as follows:

£m	2024	2023
Asset impairments	-	36.3
Amortisation	12.1	12.2
Acquisition transaction costs	-	0.2
Restructuring and redundancy	2.1	5.9
Property related costs*	1.5	3.1
Strategic IT organisation	0.8	1.6
<b>Total adjusting items</b>	<b>16.5</b>	<b>59.3</b>

\* In 2024 this includes £0.3m presented in finance costs related to dual running lease liability interest costs

The largest component of adjusting items in 2023 related to asset impairments of £36.3m. This primarily comprised a £32.5m non-cash impairment of the goodwill in Datashred following a reassessment of future growth expectations, and a £3.6m impairment of assets relating to a business exit in the Technology business. There were no such impairments recorded in 2024.

No material acquisitions were made in 2024 leading to a stable amortisation charge.

There were significant restructuring costs presented in 2023 which related primarily to the dual running costs for the changes in Chair, CEO, and CFO, new management teams in the Technology and Datashred businesses, and a reduction in the head office team. This restructuring programme was largely completed in the first quarter of 2024. The bulk of the cost recorded in 2024 relates to the integration of Digital and Records Management into the Information Management division.

Property related costs in 2024 primarily reflect the cost of relocating boxes as part of our property consolidation strategy, as well as the dual running costs incurred whilst we move the boxes. The costs incurred in 2023 related to the strategic review of the Group's property estate which was conducted in preparation for the consolidation and primarily related to the crystallisation of dilapidations provisions on properties that we reassessed as being non-strategic and therefore likely to exit in the short to medium term.

Investment in the Group's strategic IT programmes relates to a new finance system implemented in Harrow Green in 2024, and in the former Digital business and Technology in 2023. These programmes have now been completed.

Following these adjusting items, the Group made a statutory profit before tax of £17.9m (2023: statutory loss before tax of



£29.0m).

## Earnings per share

	2024	2023
Weighted average number of shares in issues	136,129,425	136,580,425
Weighted average fully diluted number of shares in issue	137,698,973	137,302,753
Adjusted profit before tax (£m)	34.4	30.3
Tax at 25% (2023: 23.5%) (£'m)	(8.6)	(7.1)
Adjusted profit after tax (£m)	25.8	23.2
Adjusted basic earnings per share	19.0p	17.0p
Adjusted fully diluted earnings per share	18.7p	16.9p

Adjusted basic earnings per share is calculated by reference to the adjusted profit before tax for the year with a standard tax charge applied, divided by the weighted average number of shares in issue during the year.

Adjusted fully diluted earnings per share is calculated by reference to the adjusted profit before tax for the year with a standard tax charge applied, divided by the weighted average fully diluted number of shares in issue.

The 12% increase in adjusted basic earnings per share to 19.0 pence (2023: 17.0 pence) resulted primarily from a 11% increase in adjusted profit after tax plus a slight decrease in the weighted average number of shares.

Statutory basic profit and diluted profit per share were 9.1 pence and 9.0 pence respectively.

## Taxation

The tax charge for the year is £5.5m (2023: £1.7m).

## Cashflow

Cash generation endures as a key quality of Restore and in 2024 the Group generated free cashflow before financing costs of £39.1m (2023: £37.3m).

Net cash generated from operating activities improved to £58.5m from £47.8m in 2023, with cash conversion at 107% (2023: 110%).

## Capital allocation

The focus during 2024 has been to improve operational performance across the Group, deleverage the balance sheet and maintain shareholder returns. Whilst we are yet to achieve our target profitability, margins have improved and there is momentum in the business for further improvement in 2025 and beyond. We have previously stated a preferred leverage range of between 1.5x and 2x adjusted EBITDA; the Group started the year with leverage of 1.9x and finished the year with 1.6x. We are therefore refining our capital allocation framework as follows:

- Invest for growth:
  - invest in the business where it accelerates progress and will deliver attractive returns; and
  - target value accretive acquisitions in our core business or adjacent areas.
- Deliver shareholder returns:
  - maintain a progressive dividend policy, with consistent dividend cover; and
  - consider return of surplus capital to shareholders in the form of share buybacks.
- Maintain a strong balance sheet with target leverage ratio over the medium term of 1.5 - 2.0 x net debt to adjusted EBITDA

## Statement of Financial Position

The Group remains in a strong financial position. Working capital management continues to be a strength of the business, with debt ageing broadly consistent at 53 days and total equity increasing to £233.8m (2023 restated: £229.9m). Whilst we manage our cash balances on a Group basis, we have separately presented our cash and overdraft balances on the Statement of Financial Position to align with recent FRC guidance.

The strength of the Statement of Financial Position is indicative of the overall good health of the business and provides substantial capacity to support future growth and investment requirements.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group considers the following risks to be their principal risks; each are aligned to its strategy. They are regularly reviewed and mitigated through targeted investment, proactive actions, and continuous improvement.

Risk	Mitigation
<b>Organic growth</b>  Failure of the business to grow in line with forecasts and investor expectations, particularly in the scanning and relocations businesses which have had a challenging 2024.	<ul style="list-style-type: none"><li>Integration of the former Records Management and Digital businesses into the Information Management division, improving the Group's offering to its customers and adding enhanced focus to its scanning activities.</li><li>New management team in Technology with a revised operating model that is fit for purpose and a strategy that has markedly improved profitability.</li><li>Focus on driving growth and improving operational efficiency and profitability in Datashred, including expanding into adjacent service offerings and innovative strategies to mitigate the negative impact of a lower-than-expected paper price.</li><li>Successful execution of margin enhancement strategies, including right sizing the Group's cost</li></ul>

	<p>base, implementing supportable price increases and the ongoing property consolidation programme. These strategies will also allow the Group to somewhat mitigate the significant impact of the National Insurance increases delivered in the Autumn Statement going forward.</p> <ul style="list-style-type: none"> <li>Monthly re-forecasting of profit and cash across all businesses to ensure performance is regularly tracked against investor expectations and market consensus.</li> </ul>
<p><b>Systems, technology, data and cyber defence failure</b></p> <p>Failure or loss of systems, operational technology or cyber defence results in business interruption for Restore, loss of service and potential data breaches, impacting customers as well as revenues and business reputation for Restore.</p>	<ul style="list-style-type: none"> <li>A Group IT strategy is in place with appropriate investment plans to mitigate material operational and cyber risk. This includes a focus on the protection of the Group's systems against unauthorised access, viruses, malware, and spyware.</li> <li>Enhancement of training across the Group to increase awareness of the key risks, this has also included using realistic phishing simulations to identify vulnerabilities in the Group.</li> <li>The Group IT strategy is in line with the National Cyber Security Centre ("NCSC") cyber security guidelines with Cyber Essential Plus certifications achieved across all businesses.</li> <li>Disaster recovery and business continuity plans are in place and tested for each site and as required for the Group's IT platforms.</li> <li>There is now comprehensive cyber and professional indemnity insurance in place across the entire Group.</li> <li>Detailed data protection policies and procedures are in place to mitigate the risk of significant data incidents in the Group alongside enhanced levels of training and awareness across the Group.</li> </ul>
<p><b>Workforce health, safety and wellbeing</b></p> <p>Any loss of life, injury, mental health issues, are all of serious concern to Restore and will impact Restore's reputation, workforce morale and financial performance.</p>	<ul style="list-style-type: none"> <li>There are clear policies in place across the Group covering a wide range of key health, safety, and wellbeing risks: health and safety, fire prevention, wellbeing, stress, safe driving, drugs, and alcohol.</li> <li>Governance of the risk has been strengthened with the appointment of a Group Head of Health and Safety during the year whose role is to drive consistency and best practice across the Group.</li> <li>There continues to be a holistic approach to driver and vehicle risk management. There is a well-maintained fleet that is fit for purpose, with driving risk management systems conducting licence checks and driver assessments alongside extensive telematic data.</li> <li>The Group has committed to a new health and safety system that will be fully implemented in 2025. This system will significantly improve incident reporting, allowing extensive root cause analysis and benchmarking of performance across the Group.</li> </ul>
<p><b>Property - extent, complexity, and suitability of the Group's property portfolio</b></p> <p>Property is the Group's second largest cost, and the property network is a key enabler of business efficiency. Damage to property or inefficient utilisation impacts customer service, whilst headwinds of unforeseen dilapidation, rents and rates increase costs.</p>	<ul style="list-style-type: none"> <li>There is an acute focus and strong governance surrounding the Group's property risk with a regular Property Committee meeting in place with the Chair (who has real estate expertise), CEO, CFO, MD of the Information Management division, and the Group Property Director.</li> <li>There has been strategic consideration and progress with the execution of site consolidation opportunities to support the Group's strategy of margin optimisation (to counter cost headwinds) and expansion strategies.</li> <li>The management-led Property Working forum, chaired by the Group Property Director and sponsored by the CFO, also continues with representation from operations, facilities, finance and health and safety.</li> </ul>
<p><b>Staff recruitment and retention resulting in insufficient resources to meet objectives</b></p> <p>Potential difficulties in expansion of resources or loss of operational staff and management makes it harder to deliver an effective and efficient business customer service experience.</p>	<ul style="list-style-type: none"> <li>A decentralisation of the people team has led to further empowerment and collaboration and has given the people leaders the ability to manage business specific issues more directly.</li> <li>The "Your Say" survey has provided valuable data and insight into the views of the people within the Group. Each business is preparing a specific action plan to address the points raised and any improvements that are required.</li> <li>The people leadership programme is on-going to further augment leadership talent and support succession planning.</li> <li>The Group has improved access to support benefits following a benefits platform review, focusing on those benefits that people need and want.</li> </ul>
<b>Environment - impact of climate-related matters</b>	<ul style="list-style-type: none"> <li>The net zero commitments made by the Group are</li> </ul>

<p>The Group's climate-related commitments are challenging and will require the appropriate decarbonisation of its fleet and the ability to work with its value chain to reduce emissions both upstream and downstream. There is a reputational, and potentially commercial, risk to the Group from not meeting these commitments.</p>	<p>subject to annual review by the ESG Committee. Changes will be made, if required, in line with the SBTi Corporate Net Zero standard, to ensure the Group's journey to meet net zero is credible.</p> <ul style="list-style-type: none"> <li>• Each business has developed a comprehensive fleet decarbonisation roadmap, employing strategic levers including both the electrification of the fleet where possible and the use of alternative fuels where this is not yet possible.</li> <li>• Electricity at 93% of the Group's sites is now backed by a REGO contract, with all directly procured electricity now renewable.</li> <li>• The Group now has a fully quantified carbon footprint which allows us to understand the full scope of its emissions and the levers in place with which to manage this.</li> </ul>
<p><b>Financial</b></p> <p>Ongoing macro-economic instability could lead to pressure on the Group's financial covenants through volatile interest rates, increasing level of inflationary costs, restricted access to future liquidity and enhanced credit risk as customers face their own challenges to the instability.</p>	<ul style="list-style-type: none"> <li>• The Group's RCF is provided by a broad and supportive banking syndicate with a credit facility of up to £125m in place until April 2027.</li> <li>• There is also a portion of fixed rate debt in the Group's debt profile with £25m of US private placement debt in place until 2028 at a fixed term and rate.</li> <li>• The Group operates well within borrowing covenants with monthly reviews of cashflow forecasts and forecast covenant compliance.</li> <li>• Credit risk is assessed by the businesses at the time of onboarding customers and then subsequently on a monthly basis.</li> </ul>

## Consolidated statement of comprehensive income

For the year ended 31 December 2024

		Year ended 31 December 2024 £'m	Year ended 31 December 2023 £'m
	Note		
<b>Revenue - continuing operations</b>	<b>2</b>	<b>275.3</b>	277.1
Cost of sales	2	(152.8)	(160.7)
Gross profit	2	122.5	116.4
Administrative expenses		(89.8)	(94.4)
Movement in trade receivables loss allowance		(0.1)	(0.7)
Impairment of non-current assets		-	(36.3)
<b>Operating profit/(loss)</b>		<b>32.6</b>	(15.0)
Finance costs		(14.7)	(14.0)
<b>Profit/(loss) before tax</b>		<b>17.9</b>	(29.0)
Taxation	4	(5.5)	(1.7)
<b>Profit/(loss) after tax</b>		<b>12.4</b>	(30.7)
Other comprehensive income/(loss)		0.1	(0.1)
<b>Total comprehensive income/(loss) for the year from continuing operations and profit/(loss) attributable to owners of the parent</b>		<b>12.5</b>	(30.8)
<b>Earnings/(loss) per share attributable to owners of the parent (pence)</b>	<b>5</b>		
<b>Total - basic</b>		<b>9.1p</b>	(22.5)p
<b>Total - diluted</b>		<b>9.0p</b>	(22.5)p

The reconciliation between the statutory results shown above and the non-GAAP adjusted measures are shown below:

Year ended Year ended

		31 December 2024	31 December 2023
	Note	£'m	£'m
<b>Operating profit/(loss)</b>		<b>32.6</b>	(15.0)
Adjusting items - administrative expenses	3	4.1	10.8
Adjusting items - amortisation of intangible assets	3	12.1	12.2
Adjusting items - impairment	3	-	36.3
Total adjusting items		16.2	59.3
<b>Adjusted operating profit</b>		<b>48.8</b>	44.3
Adjusted operating profit		48.8	44.3
Tax at 25% (2023: 23.5%)		(12.2)	(10.4)
<b>NOPAT (Net operating profit after tax)</b>		<b>36.6</b>	33.9
<b>Profit/(loss) before tax</b>		<b>17.9</b>	(29.0)
Adjusting items - operating costs (as stated above)		16.2	59.3
Adjusting items - finance costs	3	0.3	-
<b>Adjusted profit before tax</b>		<b>34.4</b>	30.3

#### Consolidated statement of financial position

At 31 December 2024

Company registered no. 05169780

	Note	31 December 2024 £'m	31 December 2023 Restated* £'m	31 December 2022 Restated* £'m
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	7	274.4	284.7	331.9
Property, plant and equipment		83.1	79.4	79.7
Right of use assets		125.6	112.2	113.7
Other receivables		4.6	5.2	5.1
		487.7	481.5	530.4
<b>Current assets</b>				
Inventories		1.3	1.5	2.0
Trade and other receivables		56.5	63.1	64.9
Cash and cash equivalents		8.0	22.7	30.2
Current tax assets		0.2	1.2	-
		66.0	88.5	97.1
<b>Total assets</b>		<b>553.7</b>	<b>570.0</b>	<b>627.5</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		(40.5)	(44.9)	(49.1)
Financial liabilities - borrowings	9	(3.2)	-	-
Financial liabilities - lease liabilities		(19.3)	(20.6)	(18.9)
Current tax liabilities		-	-	(1.6)
Derivative liability		-	(0.1)	-
Provisions	10	(3.9)	(4.4)	(1.7)
		(66.9)	(70.0)	(71.3)
<b>Non-current liabilities</b>				
Financial liabilities - borrowings	9	-	-	-

Financial liabilities - borrowings		(93.8)	(120.5)	(133.7)
Financial liabilities - lease liabilities		(120.7)	(105.7)	(105.1)
Deferred tax liability		(28.7)	(29.3)	(30.9)
Provisions	10	(9.6)	(14.2)	(15.4)
Other payables		(0.2)	(0.4)	(0.1)
		(253.0)	(270.1)	(285.2)
<b>Total liabilities</b>		<b>(319.9)</b>	<b>(340.1)</b>	<b>(356.5)</b>
<b>Net assets</b>		<b>233.8</b>	<b>229.9</b>	<b>271.0</b>
<b>EQUITY</b>				
Share capital		6.8	6.8	6.8
Share premium		187.9	187.9	187.9
Other reserves		(0.5)	3.7	6.9
Retained earnings		39.6	31.5	69.4
<b>Total equity</b>		<b>233.8</b>	<b>229.9</b>	<b>271.0</b>

\*Refer to Note 1 for details of the restatement

### Consolidated statement of changes in equity

For the year ended 31 December 2024

	Attributable to owners of the parent				Total equity £'m
	Share capital £'m	Share premium £'m	Other reserves £'m	Retained earnings £'m	
Balance at 1 January 2023 (as previously stated)	6.8	187.9	6.9	71.6	273.2
Restatement (refer to note 1)	-	-	-	(2.2)	(2.2)
Balance at 1 January 2023 (restated)	6.8	187.9	6.9	69.4	271.0
Loss for the year	-	-	-	(30.7)	(30.7)
Other comprehensive loss for the year	-	-	(0.1)	-	(0.1)
Total comprehensive loss for the year	-	-	(0.1)	(30.7)	(30.8)
Transactions with owners:					
Dividends	-	-	-	(9.1)	(9.1)
Share-based payments	-	-	(0.5)	-	(0.5)
Deferred tax on share-based payments	-	-	(0.2)	-	(0.2)
Transfer*	-	-	(3.3)	3.3	-
Purchase of treasury shares	-	-	(0.6)	-	(0.6)
Disposal of treasury shares	-	-	1.5	(1.4)	0.1
Balance at 31 December 2023 (restated)	6.8	187.9	3.7	31.5	229.9
<b>Balance at 1 January 2024</b>	<b>6.8</b>	<b>187.9</b>	<b>3.7</b>	<b>31.5</b>	<b>229.9</b>
Profit for the year	-	-	-	12.4	12.4
Other comprehensive income for the year	-	-	0.1	-	0.1
Total comprehensive income for the year	-	-	0.1	12.4	12.5
Transactions with owners:					
Dividends	-	-	-	(7.3)	(7.3)
Share-based payments	-	-	1.3	-	1.3
Transfer*	-	-	(3.2)	3.2	-
Purchase of treasury shares	-	-	(2.6)	-	(2.6)
Disposal of treasury shares	-	-	0.2	(0.2)	-
<b>Balance at 31 December 2024</b>	<b>6.8</b>	<b>187.9</b>	<b>(0.5)</b>	<b>39.6</b>	<b>233.8</b>

\* In 2024 a net amount of £3.2m (2023: £3.3m) was reclassified from the share-based payments reserve to retained earnings in respect of lapsed and exercised options.

### Consolidated statement of cash flows

For the year ended 31 December 2024

		Year ended 31 December 2024 £'m	Year ended 31 December 2023 £'m
	Note		
Cash generated from operating activities	8	78.1	66.9

Net finance costs	(14.5)	(12.8)
Income taxes paid	(5.1)	(6.3)
<b>Net cash generated from operating activities</b>	<b>58.5</b>	<b>47.8</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment and applications software IT	(15.2)	(10.3)
Proceeds from sale of property, plant and equipment	0.1	-
Purchase of subsidiary undertakings, net of cash acquired	-	(1.3)
Purchase of trade and assets	7 (0.5)	(0.4)
<b>Net cash used in investing activities</b>	<b>(15.6)</b>	<b>(12.0)</b>
<b>Cash flows used in financing activities</b>		
Dividends paid	(7.3)	(9.1)
Purchase of treasury shares	(2.6)	(0.6)
Proceeds from disposal of treasury shares	-	0.1
Repayment of revolving credit facility	(27.0)	(48.0)
Drawdown of revolving credit facility	-	10.0
Drawdown of US Private Placement notes facility	-	25.0
Lease principal repayments	(23.9)	(20.7)
<b>Net cash used in financing activities</b>	<b>(60.8)</b>	<b>(43.3)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(17.9)</b>	<b>(7.5)</b>
<b>Cash and cash equivalents at start of year</b>	<b>22.7</b>	<b>30.2</b>
<b>Cash and cash equivalents at end of year*</b>	<b>4.8</b>	<b>22.7</b>

\* Cash and cash equivalents at end of year include overdraft of £3.2m (2023: nil) (refer to note 9).

A reconciliation between the statutory results above and the non-GAAP cashflow measures is shown below:

	Year ended 31 December 2024 £'m	Year ended 31 December 2023 £'m
<b>Cash generated from operating activities</b>	<b>78.1</b>	<b>66.9</b>
Income taxes paid	(5.1)	(6.3)
Purchase of property, plant and equipment and applications software IT	(15.2)	(10.3)
Lease principal repayments	(23.9)	(20.7)
Add back: Cash impact of adjusting items - administrative expenses	5.2	7.7
<b>Free cashflow</b>	<b>39.1</b>	<b>37.3</b>
NOPAT (Net operating profit after tax)	36.6	33.9
<b>Cash conversion</b>	<b>107%</b>	<b>110%</b>

## Notes to the preliminary financial information

For the year ended 31 December 2024

### 1. General information

#### Basis of preparation

The financial information in this preliminary announcement has been extracted from the audited consolidated financial statements for the year ended 31 December 2024 and does not constitute the Group's statutory accounts for the years ended 31 December 2024 or 2023 within the meaning of s435 of the Companies Act 2006.

The Group's statutory accounts for the year ended 31 December 2023 have been filed with the Registrar of Companies, and those for 2024 will be delivered following the Company's Annual General Meeting. The Auditor has reported on the statutory accounts for 2024 and 2023. Their report for 2024 and 2023 was (i) unqualified, (ii) included no matters to which the auditor drew attention by way of emphasis and (iii) did not contain statements under Sections 498 (2) or 498 (3) of the Companies Act 2006 in relation to the financial statements.

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities and share options which are held at fair value. The accounting policies have been consistently applied, other than where new policies have been adopted. The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The consolidated financial statements are presented in pounds sterling and, unless stated otherwise, shown in pounds million to one decimal place.

#### Going concern

The Group meets its day-to-day working capital requirements through its financing facilities and the cash generated through its earnings. Details of the Group's borrowing facilities are given in note 9. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the approval date of the consolidated financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

In making this assessment, the Directors have considered the financing arrangements available to the Group and the Group's cashflow forecasts through to 30 June 2026, taking into account severe but plausible downside trading scenarios involving a reduction to non-recurring income streams. The Directors' assessment includes reviewing the level of liquidity headroom and financial covenant compliance headroom over the period in review, including in the downside scenarios modelled. The Group's budget for 2025 and forecasts for 2026 show that the Group is expected to operate within the level of its current facilities under the base case and severe but plausible downside trading scenarios during the going concern period.

#### Prior year restatement

In 2024 it was noted that a small number of leases had not been appropriately recorded in prior periods. The right of use assets and lease liabilities have therefore been restated as at 31 December 2023 to appropriately record these transactions. There is no profit impact to the reported 2023 numbers as the adjustments relate to preceding periods.

	As reported 31 December 2023 £m	Impact of restatement 31 December 2023 £m	Restated 31 December 2023 £m
<b>Non-current assets</b>			
Right of use assets	91.6	20.6	112.2
<b>Current liabilities</b>			
Lease liabilities	(18.6)	(2.0)	(20.6)
<b>Non-current liabilities</b>			
Lease liabilities	(84.9)	(20.8)	(105.7)
<b>Equity</b>			
Retained earnings	33.7	(2.2)	31.5

The restatement did not result in any change to reported profit, earnings per share or cash flows reported in 2023.

The impact on the opening Consolidated statement of financial position as at 1 January 2023 has been restated as follows:

	As reported 31 December 2022 £m	Impact of restatement 31 December 2022 £m	Restated 31 December 2022 £m
<b>Non-current assets</b>			
Right of use assets	106.8	6.9	113.7
<b>Current liabilities</b>			
Lease liabilities	(19.2)	0.3	(18.9)
<b>Non-current liabilities</b>			
Lease liabilities	(95.7)	(9.4)	(105.1)
<b>Equity</b>			
Retained earnings	71.6	(2.2)	69.4

#### Adoption of new and revised standards

The following new standards and amendments to standards were effective for the first time during the financial year: Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), Non-Current Liabilities with Covenants (Amendments to IAS 1), Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7). These new standards and amendments to standards did not have a material effect on the financial statements.

## 2. Segmental analysis

Following the integration of the Digital and Records Management businesses into the Information Management division the Group has the following four segments: Information Management; Datashred; Harrow Green; and Technology. The vast majority of the trading of the Group is undertaken within the United Kingdom. Segment assets include intangible assets, property, plant and equipment, right of use assets, inventories, receivables and operating cash. Central assets include deferred tax and head office assets. Segment liabilities comprise operating liabilities. Central liabilities include income tax and deferred tax, corporate borrowings and head office liabilities. Capital expenditure comprises additions to computer software, property, plant and equipment and includes additions resulting from acquisitions through business combinations. Segment assets and liabilities are allocated between segments on an actual basis.

#### Revenue and segmental information

The revenue from external customers was derived from the Group's principal activities primarily in the UK (where the Company is domiciled) as follows:

Revenue - continuing operations	2024 £'m	2023 £'m
Information Management	167.9	170.1
Datashred	36.0	35.9
Harrow Green	35.3	40.0
Technology	36.1	31.1
<b>Total revenue</b>	<b>275.3</b>	<b>277.1</b>

For the year ended 31 December 2024 no customers individually accounted for more than 3% (2023: 3%) of the Group's total revenue.

The Group had sales of goods of £31.6m (2023: £27.4m) relating to the sale of recycled paper and recycled IT assets. The remainder of revenue relates to the sales of services.

#### Segmental information

2024	Information Management £'m	Datashred £'m	Harrow Green £'m	Technology £'m	Central £'m	31 December 2024 Total £'m
<b>Revenue</b>	167.9	36.0	35.3	36.1	-	275.3
Cost of sales	(84.0)	(21.1)	(24.5)	(23.2)	-	(152.8)
Gross profit	83.9	14.9	10.8	12.9	-	122.5
Adjusted operating profit/(loss)	45.8	3.7	1.9	1.8	(4.4)	48.8
Adjusted operating margin	27.3%	10.3%	5.4%	5.0%	-	17.7%
Adjusting items	(4.2)	(0.3)	(0.1)	(0.3)	(11.3)	(16.2)
<b>Operating profit/(loss)</b>	<b>41.6</b>	<b>3.4</b>	<b>1.8</b>	<b>1.5</b>	<b>(15.7)</b>	<b>32.6</b>
Finance costs						(14.7)
<b>Profit before tax</b>						<b>17.9</b>

2023 (restated)	Information Management £'m	Datashred £'m	Harrow Green £'m	Technology £'m	Central £'m	31 December 2023 Total £'m
<b>Revenue</b>	170.1	35.9	40.0	31.1	-	277.1
Cost of sales	(91.1)	(21.8)	(26.6)	(21.2)	-	(160.7)
Gross profit	79.0	14.1	13.4	9.9	-	116.4
Adjusted operating profit/(loss)	40.9	3.1	4.5	(1.4)	(2.8)	44.3
Adjusted operating margin	24.0%	8.6%	11.3%	(4.5%)	-	16.0%
Adjusting items	(5.7)	(0.6)	(0.2)	(0.4)	(52.4)	(59.3)
<b>Operating profit/(loss)</b>	<b>35.2</b>	<b>2.5</b>	<b>4.3</b>	<b>(1.8)</b>	<b>(55.2)</b>	<b>(15.0)</b>
Finance costs						(14.0)
<b>Profit before tax</b>						<b>(29.0)</b>

The prior year balances in the segmental information table above have been restated to ensure consistent presentation with the disclosures in 2024.

2024	Information Management £'m	Datashred £'m	Harrow Green £'m	Technology £'m	Central £'m	31 December 2024 Total £'m
Segment assets	429.1	37.9	31.8	43.5	11.4	553.7
Segment liabilities	135.9	23.7	19.0	11.2	130.1	319.9
Capital expenditure	12.6	0.7	0.7	1.2	-	15.2
Depreciation and amortisation	25.4	4.6	3.0	1.7	11.0	45.7
Impairment	-	-	-	-	-	-

2023 (restated)	Information Management £'m	Datashred £'m	Harrow Green £'m	Technology £'m	Central £'m	31 December 2023 Total £'m
Segment assets	433.1	34.1	36.9	46.2	19.7	570.0
Segment liabilities	126.0	19.5	22.8	11.7	160.1	340.1
Capital expenditure	8.4	0.8	0.6	0.4	0.1	10.3



Depreciation and amortisation	24.8	4.2	2.7	1.9	11.4	45.0
Impairment	0.1	-	-	0.1	36.1	36.3

The prior year balances in the segmental information table above have been restated to ensure consistent presentation with the disclosures in 2024 and to take into account the relevant adjustments in note 1.

The impairment of goodwill and customer relationships and the amortisation of acquired intangible assets have been recorded centrally.

### 3. Adjusting items

Management believe it is useful to provide readers of the financial statements with alternative performance measures ("APMs") that describe the performance of the Group before the effects of significant costs or income that are considered to be distorting due to their nature or size, and non-cash amortisation primarily arising from acquired intangible assets.

Adjustments made from statutory measures to adjusted measures are referred to as adjusting items within the financial statements and include impairments, amortisation, expenses associated with acquisitions and subsequent integration costs, costs associated with major restructuring programmes, and other significant costs and credits that are considered to be distorting due to their nature when assessing the performance of the business. The Group's adjusting items are set out below:

	2024 £'m	2023 £'m
Amortisation	12.1	12.2
Restructuring and redundancy	2.1	5.9
Property related costs <sup>1</sup>	1.5	3.1
Strategic IT reorganisation	0.8	1.6
Impairments	-	36.3
Acquisition transaction costs	-	0.2
<b>Total adjusting items</b>	<b>16.5</b>	<b>59.3</b>

<sup>1</sup> 'Adjusting items - finance costs' of £0.3m related to dual running lease liability interest costs are included in property related costs.

#### Amortisation

The amortisation charge primarily relates to acquired intangible assets arising from business combinations in prior years alongside a charge relating to the amortisation of software. Given the overall quantum of the amortisation charge and its non-cash nature, this cost is adjusted for in deriving the Group's alternative performance measures. For transparency, we note that the Group does not similarly adjust for the related revenue and profits generated from its business combinations in its alternative profit measures.

#### Restructuring and redundancy

The restructuring and redundancy costs relate primarily to the actions implemented to improve the operational efficiency and profitability of the Digital business, including the restructure of two sites and the integration of Digital and Records Management into the Information Management division (£1.4m), and the finalisation of the Group-wide organisational restructuring and "right-sizing" programme, which was ongoing across the Group throughout 2023 and continued into 2024 (£0.7m) (2023: £4.7m). The restructuring of the Digital business will continue into 2025. In 2023, £1.2m also related to the incremental costs that were incurred from the senior management changes during the year. Future cost savings are expected from some of the restructuring activity during the year, however, for transparency we note that these cost savings will not be adjusted for in deriving the Group's alternative performance measures.

#### Property related costs

A strategic consolidation of the Group's property estate is ongoing. During 2024, £2.6m has been incurred in relation to the cost of relocating boxes as part of this property consolidation programme, as well as the dual running costs incurred whilst we move the boxes. These costs are partially offset by a £1.1m release of dilapidation provisions following a change in the nature of some of the sites assessed under the strategic review conducted in 2023. In 2023, incremental dilapidation costs of £3.1m were recognised reflecting costs that were expected to crystallise in the future following the strategic review of the Group's property portfolio.

#### Strategic IT reorganisation

In 2024 the Group completed its multi-year programme to deliver cloud-based strategic IT programmes, particularly in relation to its financial systems. The implementation costs associated with these system transformations were expensed to the income statement as incurred, with the in-year cost of these programmes being £0.8m for 2024 (2023: £1.6m). Future cost savings are expected from these systems implementations, however, for transparency we note that these cost savings will not be adjusted for in deriving the Group's alternative performance measures.

#### Impairment

There are no impairment charges recorded in 2024. The non-cash impairment charge in 2023 related primarily to an impairment of goodwill in the Datashred CGU (£32.5m) resulting from reduced expectations on service activity, paper volumes and recycled paper pricing. In addition to this, there was a £3.6m million impairment in the Technology CGU following a business exit, this comprised the impairment of customer relationship related intangible assets (£3.4m) and right-of-use assets (£0.2m).

The Group's APMs are summarised below:

APMs	Description
Adjusted operating profit	Calculated as statutory 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 IFRS 16 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 IFRS 16.
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

The Group's APMs should be considered as supplementary to statutory measures and readers of the accounts should note the limitations of the measures and that they are not comparable across companies.

#### 4. Taxation

	2024 £'m	2023 £'m
Current tax		
UK corporation tax on profit/(loss) for the year	6.4	3.7
Adjustment in respect of previous years	(0.3)	(0.2)
Total current tax	6.1	3.5
Deferred tax		
Current year decrease in deferred tax	-	(1.7)
Adjustment in respect of previous years	(0.6)	(0.1)
Total deferred tax	(0.6)	(1.8)
<b>Total tax charge</b>	<b>5.5</b>	<b>1.7</b>

The charge for the year can be reconciled to the profit/(loss) in the Consolidated statement of comprehensive income as follows:

	2024 £'m	2023 £'m
Profit/(loss) before tax	17.9	(29.0)
Profit/(loss) before tax multiplied by the rate of corporation tax of 25% (2023: 23.5%)	4.5	(6.8)
Effects of:		
Expenses not deductible	1.4	0.4
Adjustment in respect of previous years	(0.9)	(0.3)
Goodwill impairment	-	7.7
Share-based payments	0.2	0.7
Other differences	0.3	-
<b>Tax charge</b>	<b>5.5</b>	<b>1.7</b>

#### 5. Earnings/(loss) per share attributable to owners of the parent

Basic earnings/(loss) per share have been calculated on the profit/(loss) for the year after taxation and the weighted average number of ordinary shares in issue during the year.

	2024	2023
Total profit/(loss) for the year (£m)	12.4	(30.7)
Total basic earnings/(loss) per share (pence)	9.1	(22.5)
Weighted average number of shares in issue	136,129,425	136,580,425
Dilutive options (number)	1,569,548	722,328
Weighted average fully diluted number of shares in issue	137,698,973	137,302,753
Total fully diluted earnings/(loss) per share (pence)	9.0	(22.5)

#### Adjusted earnings per share

The Directors believe that adjusted earnings per share provides a more appropriate representation of the underlying earnings derived from the Group's business. The adjusting items are shown in the table below:

	2024 £'m	2023 £'m
<b>Profit/(loss) before tax</b>	<b>17.9</b>	<b>(29.0)</b>
Adjusting items - amortisation of intangible assets	12.1	12.2

Adjusting items - administrative expenses	4.1	10.8
Adjusting items - impairment	-	36.3
Adjusting items - finance costs	0.3	-
<b>Adjusted profit before tax</b>	<b>34.4</b>	<b>30.3</b>

The adjusted earnings per share and adjusted fully diluted earnings per share, based on the weighted average number of shares in issue during the year of 136.1m (2023: 136.6m) and weighted average fully diluted number of shares in issue during the year of 137.7m (2023: 137.3m) respectively, are calculated below using a standard tax charge:

	2024	2023
Adjusted profit before tax (£'m)	34.4	30.3
Tax at 25% (2023: 23.5%) (£'m)	(8.6)	(7.1)
Adjusted profit after tax (£'m)	25.8	23.2
Adjusted basic earnings per share (pence)	19.0	17.0
Adjusted fully diluted earnings per share (pence)	18.7	16.9

## 6. Dividends

The Directors recommend a final dividend of 3.8p per share for the year ended 31 December 2024 (2023: 3.35p per share) to give a full year dividend of 5.8p per share (2023: 5.2p). The aggregate amount of the proposed dividend expected to be paid on 18 July 2025 out of retained earnings at 31 December 2024, but not recognised as a liability at year end is £5.2m. An interim dividend of 2.0p was paid during the year (2023: 1.85p).

## 7. Intangible Assets

	Goodwill £'m	Customer relationships £'m	Trade names £'m	Applications software IT £'m	Total £'m
Cost					
1 January 2023	219.1	177.9	4.3	10.7	412.0
Additions	-	0.4	-	0.6	1.0
Disposals	-	-	-	(0.2)	(0.2)
31 December 2023	219.1	178.3	4.3	11.1	412.8
<b>Additions</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>1.3</b>	<b>1.8</b>
<b>31 December 2024</b>	<b>219.1</b>	<b>178.8</b>	<b>4.3</b>	<b>12.4</b>	<b>414.6</b>
Accumulation amortisation and impairment					
1 January 2023	17.6	53.0	3.0	6.5	80.1
Charge for the year	-	10.8	0.2	1.2	12.2
Disposals	-	-	-	(0.2)	(0.2)
Impairment	32.5	3.5	-	-	36.0
31 December 2023	50.1	67.3	3.2	7.5	128.1
<b>Charge for the year</b>	<b>-</b>	<b>10.2</b>	<b>0.1</b>	<b>1.8</b>	<b>12.1</b>
<b>31 December 2024</b>	<b>50.1</b>	<b>77.5</b>	<b>3.3</b>	<b>9.3</b>	<b>140.2</b>
Carrying amount					
<b>31 December 2024</b>	<b>169.0</b>	<b>101.3</b>	<b>1.0</b>	<b>3.1</b>	<b>274.4</b>
31 December 2023	169.0	111.0	1.1	3.6	284.7

### Annual test for impairment

Goodwill is tested annually for impairment, or more frequently if there are indicators that an impairment may be required. For the purposes of impairment testing, goodwill, other intangible assets, property, plant and equipment and right of use assets are allocated to cash-generating units ("CGUs") which represent the smallest identifiable group of assets that generates cash inflows from continuing use. Despite the integration of the Digital and Records Management businesses into the Information Management division in 2024, they remain separate CGUs at 31 December 2024 since they still represent the smallest identifiable groups of assets that generate largely independent cash inflows. The recoverable amount of each CGU is determined from value-in-use calculations. The calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by the Directors.

As at 31 December 2024, an impairment review was conducted over the carrying values of each the CGUs including downside scenario modelling, which indicated that no impairment was required. The model utilised forecasts based upon the Group's FY25 budget and 5 year-plan through to FY29. Terminal cash flows are based on the Group's FY29 projections assumed to grow perpetually at 2%. In accordance with IAS 36, the growth rates for beyond the initially forecast years do not exceed the long-term average growth rate for the industry. The forecasts have been discounted using a pre-tax discount rate specific to each CGU ranging from 11.9%-12.5% (2023: 11.9%-12.5%).

A summary of the management's base case value-in-use calculation, including key assumptions, is set out below:

Base case value in use calculation summary								
	FY24 to FY29 revenue compound annual growth rate (%)	FY24 to FY29 EBIT compound annual growth rate (%)	FY24 to FY29 EBIT margin growth (bps)	Discount rate (%)	Carrying value of assets (£'m)	Headroom (£'m)	Headroom as % of asset carrying value (%)	NPV of terminal year cashflows into perpetuity as % of value-in-use calculation (%)
Records Management	2.8%	3.3%	80	11.9%	340.9	204.5	60.0%	57.0%
Digital	2.0%	20.4%	860	12.1%	53.9	6.0	11.1%	67.2%
Datashred	4.0%	8.8%	230	12.4%	30.0	22.5	75.0%	48.7%
Harrow Green	4.6%	25.2%	590	12.1%	22.2	22.7	102.3%	53.0%
Technology	6.8%	34.2%	890	12.5%	36.1	15.0	41.4%	66.6%

## Climate related matters

The Group monitors climate-related risks and opportunities and has considered the potential impact of climate change on the impairment review conducted. Based on our assessment of climate-related risks likely to emerge, we do not expect these risks to drive a significant downturn in cashflows across the Group. Therefore, there are no overriding changes to key assumptions built into the forecasts and no specific sensitivities relating to climate change are considered necessary over and above the sensitivities performed below.

## Sensitivity

A number of sensitivities have been modelled to highlight the way in which changes in trading and/or market conditions affect the value-in-use calculations. The table below highlights the sensitivity of the value-in-use calculations to changes in forecast cashflows and the discount rate.

In the Records Management, Harrow Green and Datashred CGUs, the Group have not identified any reasonably possible changes that would result in an impairment. Across the remaining CGUs, there are considered to be some reasonably possible scenarios which could result in an impairment. A summary of the sensitivity analysis performed covering Digital and Technology is summarised below:

	Revenue reduction assuming gross margin in line with plan (%)	FY24 to FY29 revenue compound annual growth rate (%)	Headroom/ (impairment) (£'m)	Headroom/ (impairment) as % of carrying value (%)
Digital	(2%)	1.6%	2.1	4.0%
	(3%)	1.4%	0.2	0.3%
	(4%)	1.2%	(1.8)	(3.3%)
Technology	(9%)	4.8%	0.4	1.0%
	(10%)	4.5%	(1.3)	(3.5%)
	(11%)	4.3%	(2.9)	(8.0%)

	EBIT reduction (%)	FY24 to FY29 EBIT margin growth (bps)	Headroom/ (impairment) (£'m)	Headroom/ (impairment) as % of carrying value (%)
Digital	(9%)	720	0.4	0.8%
	(10%)	710	(0.2)	(0.4%)
	(11%)	690	(0.8)	(1.6%)
Technology	(25%)	570	2.0	5.6%
	(30%)	500	(0.5)	(1.5%)
	(35%)	430	(3.1)	(8.7%)

	Discount rate increase	Headroom/ (impairment) (£'m)	Headroom/(impairment) as % of carrying value (%)
Digital	1%	0.3	0.5%
	2%	(4.5)	(8.4%)
	3%	(8.6)	(15.9%)
Technology	3%	2.8	7.7%
	4%	(0.2)	(0.4%)
	5%	(3.1)	(8.7%)

### Digital

The drop in Digital's revenue and profitability in FY24 was driven by a slower period of public sector activity linked to the change in Government and subsequent uncertainty around the Autumn Statement. Given that c30% of Digital's revenue is non-recurring, there is a reasonably possible scenario in which non-delivery of revenue and profit in line with the base plan could result in a potential impairment. A revenue reduction of 4% in each of the forecast years dropping down to profit with gross margin in line with the plan would trigger an impairment of £1.8m. A 10% reduction to EBIT in each of the forecast years would drive an impairment of £0.2m. A 2% increase in a pre-tax discount rate would drive an impairment of £4.5m.

The Group will incur c£3m of costs as part of this integration, a significant proportion of which have been incurred in 2024, with the integration resulting in annualised cost savings of approximately c£3m for the Group. Those cost savings which were committed to before the end of 2024 have been included in our impairment assessment. Further cost savings are expected from additional restructuring activity that was not committed at 31 December 2024, however in line with IAS 36, these cost savings have not been included in the assessment.

### Technology

Given that Technology's revenue is subject to cyclical market dynamics, there is a reasonably possible scenario in which non-delivery of revenue and profit in line with the base plan could result in a potential impairment. A revenue reduction of 10% in each of the forecast years dropping down to profit with gross margin in line with the plan would trigger an impairment of £1.3m. A 30% reduction to EBIT in each of the forecast years would drive an impairment of £0.5m. A 4% increase in a pre-tax discount rate would drive an impairment of £0.2m.

In 2023, the following impairments were recorded:

- an impairment to goodwill of £32.5m was recognised in Datashred. This impairment resulted principally from reduced expectations on service activity, paper volumes and recycled paper pricing, as well as an increase in the discount rate partly driven by the change in the interest rate.
- an impairment of customer relationship related intangible assets and right-of-use assets amounting to £3.6m was recognised in the Technology CGU in relation to a business exit.

## 8. Cash flow information

Cash generated from operations	2024 £'m	2023 £'m
<b>Profit/(loss) before tax</b>	<b>17.9</b>	<b>(29.0)</b>
Depreciation of property, plant and equipment and right-of-use assets	33.6	32.8
Amortisation of intangible assets	12.1	12.2
Impairment charge	-	36.3
Net finance costs	14.7	14.0
Share-based payments charge (including related NI)	1.7	-
Share-based payment settlement	(0.2)	(0.7)
Loss on sale of fixed assets	0.3	0.2
Decrease in inventories	0.2	0.5
Decrease in trade and other receivables	7.2	1.8
Decrease in trade and other payables	(9.4)	(1.2)
<b>Cash generated from operating activities</b>	<b>78.1</b>	<b>66.9</b>

## 9. Financial liabilities - borrowings

	2024 £'m	2023 £'m
Current:		
Overdraft facility	3.2	-
Non-current:		
Bank loans - unsecured	70.0	97.0
Other loans - unsecured	25.0	25.0
Deferred financing costs	(1.2)	(1.5)
Total non-current borrowings	93.8	120.5
<b>Total borrowings</b>	<b>97.0</b>	<b>120.5</b>

At 31 December 2024 the Group's financing arrangements comprise a £125m RCF (due 30 April 2027) including a carved out £10m overdraft and £25m of USPP fixed rate secured notes (due 28 March 2028). The RCF includes an accordion which the Group can exercise to increase the facility by up to a further £25m. £70m of drawn RCF debt and £25m of USPP fixed rate secured notes was outstanding at year end. The Group utilised £3.2m of the overdraft facility at 31 December 2024. Committed but undrawn borrowings at 31 December 2024 amounted to £51.8m including £6.8m of unutilised overdraft.

The RCF borrowings are subject to a floating interest rate, at SONIA, plus credit adjusted spread and a margin of 1.80% which can vary depending on the leverage the Group.

In 2024, the Group has made the following changes to its financing arrangements. There was no material financial cost involved in executing these transactions:

- voluntarily cancelled £75m of the RCF, decreasing the RCF from £200m to £125m;
- extended the RCF to 30 April 2027; and
- entered into a £10m overdraft facility with Barclays Bank plc.

At 31 December 2023 the Group's financing arrangements comprised a £200m RCF (due 30 April 2026) and £25m of USPP fixed rate secured notes (due 28 March 2028). Committed but undrawn borrowings at 31 December 2023 amounted to £103m. £1.5m of the overdraft facility was unutilised.

All of the Group's borrowings are currently in sterling.

<b>Analysis of net debt</b>	<b>2024 £'m</b>	<b>2023 £'m</b>
Cash at bank and in hand	8.0	22.7
Borrowings due within one year	(3.2)	-
Borrowings due after one year	(93.8)	(120.5)
<b>Net debt</b>	<b>(89.0)</b>	<b>(97.8)</b>

#### 10. Provisions

	<b>2024 £'m</b>	<b>2023 £'m</b>
1 January	18.6	17.1
Additional provision	4.4	6.2
Utilised	(2.6)	-
Released	(6.9)	(4.7)
<b>31 December</b>	<b>13.5</b>	<b>18.6</b>

The balance above represents dilapidation provisions which relate to the future anticipated costs to restore leased properties into their original state at the end of the lease term. Estimates are stated at nominal value because the impact of discounting is not material. An increase in costs of 5% per square foot across the portfolio would result in an increase in the provision of £0.4m.

#### 11. Post balance sheet events

On 13 March 2025, the Group acquired the entire issued share capital of Synertec (Holdings) Limited, a UK based leading document management business, for an initial consideration of £22.0m. The consideration will be fully satisfied in cash on 13 March 2025. Contingent consideration is due in 2028 and 2029 depending on future performance. Given the proximity of the transaction to the announcement of the Group's financial statements, a full purchase price allocation exercise has not yet been completed and the fair value of the assets and liabilities acquired will be assessed prior to the next reporting date.

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