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Restore plc

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

Trading update

On track to deliver a strong FY25 performance; FY26 outlook raised

Restore plc (AIM:RST), the UK's leading provider of secure and sustainable business services for data, information, communications, and assets, today issues the following trading update for the 11 months ended 30 November 2025 (the "Period").

Information Management

Storage revenues continued to increase in the Period, with inflation-linked pricing now in place for most of our contracts. We have recently moved to the final phase of our property consolidation programme, and have taken on two new leases which will enable its completion. The first is for a warehouse with 0.3 million box capacity in Rainham, very close to our existing 2 million box capacity warehouse, which has been acquired with the recently completed bolt-on acquisition of Archive Warehouse, a document storage business. The second is in Stroud with 0.4 million box capacity adjacent to our existing Stroud warehouse. Boxes will start to be moved into these sites early next year.

The integration of the digital scanning business into our Information Management division is now largely complete, with annualised savings in excess of £5m, roughly twice the original estimate. Following the award by Oxford University Hospitals of the medical record scanning contract announced at the half-year, the business has recently been awarded a medical record scanning contract by North-West London GP Practices, to be delivered in 2026. We have also recently completed the bolt-on acquisition of a scanning business from NEC Software, which manages a number of NHS patient record scanning contracts and mailrooms for local councils.

The Synertec acquisition has continued to trade in line with our expectations and offers significant opportunities for growth. The business has recently been included on a new four-year NHS Notify framework which will provide additional volumes from the first half of 2026.

Datashred

Increased visit numbers, largely stable paper prices - underpinned by our hedging of half our volumes - and four acquisitions in 2025 have driven strong revenue growth in the Period, and profitability has improved in the second half. The integration of Shred-on-Site and three smaller bolt-on acquisitions is now substantially complete, with the synergies expected to deliver further improved profitability for the business in 2026.

Technology

The Technology business is now much improved, with leaner operations and a focus on larger customers who have more uniform and higher quality IT assets. We are continuing to see growth as customers return to a more normalised hardware refresh cycle, particularly through value-added IT resellers, and increasingly outsourcing more of their IT requirements. Divisional profitability is improving and progressing towards our medium-term target of 15% adjusted operating margin.

Harrow Green

The Group has today separately announced the sale of Harrow Green to Pickfords for a cash consideration of £5.5m, of which £2m is contingent on FY26 performance.

Successful refinancing with new £150m facility

The Group has recently completed a refinancing with NatWest, Barclays, Bank of China, Allied Irish Bank and Virgin Money, entering a new five year Revolving Credit Facility (RCF) of £150m, with an accordion of £50m. This replaces the previous RCF which was due to expire in April 2027, providing significant additional balance sheet flexibility at improved pricing.

FY25 outlook

The Group remains on track to deliver a strong performance in FY25, with full year adjusted profit before tax for continuing operations (i.e. excluding Harrow Green) expected to be ahead of current market consensus on a continuing basis.[1] In addition, the Group now expects to exceed its medium-term adjusted operating margin target of 20% on a continuing operations basis in FY25.

The Group's cash generation remains strong, with conversion in excess of 80% during the Period, and year-end net debt is expected to be in line with market expectations when adjusted for M&A activity in the second half of the year.

Impact of the Autumn Budget and FY26 outlook

Given the nature of the Group's property portfolio, the significant increases in business rates which will take effect from April 2026 will adversely impact the Group. We estimate the cost of the business rates will increase by around 10%, or £1m on an annualised basis, which will partially offset the actions taken by management to reduce property costs through our property consolidation strategy.

The Group's actions to improve margins are progressing well and there is continued positive momentum in our businesses. Additionally, we are now anticipating good organic revenue growth, particularly in both digital scanning and outbound communications within Information Management, and Technology, which should benefit from sector tailwinds.

Therefore, despite the approximate annualised £1m increase in business rates referred to above and the absence of contribution to adjusted profit before tax from Harrow Green (£2.2m in FY26 consensus adjusted profit before tax), the strong performance of the core businesses gives us confidence that the Group will continue to exceed the medium-term adjusted operating margin target of 20% and that the adjusted profit before tax will be ahead of current market consensus for FY26[2].

Charles Skinner, CEO, commented:

"It has been a strategically busy year for Restore, with seven acquisitions and the disposal of Harrow Green. With strong management teams now in place at each of the Group's three divisions, Restore is a simpler and more cohesive Group. Having set out a medium term target of achieving 20% adjusted operating margins, we now expect to exceed that target in 2025. The acquisitions made this year are all integrating well and the Group is well positioned to pursue opportunities for further growth, both organically and through acquisitions. We are particularly pleased that Synertec is starting to fulfil its potential as part of Restore as demonstrated by the recent contract award by NHS Notify. Accordingly, given the strong performance across our core businesses, our expectations for the Group's performance in FY26 have increased."

1) As of close of business on 8 December 2025, Company compiled consensus FY25 Adjusted PBT is £41.2m, ranging from £39.3m to £43.6m. The average broker estimate for FY25 adjusted PBT for Harrow Green is £1.6m. Therefore, consensus FY25 Adjusted PBT on a continuing basis is £39.6m.
2) As of close of business on 8 December 2025, Company compiled consensus FY26 Adjusted PBT is £46.5m, ranging from £43.1m to £49.0m.

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', 'anticipated', '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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