

Stellar AiM IHT Service

Company Spotlight
Restore Plc



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Share price ¹	246p
Mkt. Cap ¹	£340.5m
Net cash ²	£120.1m
Forecast P/E ratio ¹	9.8x

¹Data as at 03 March 2026.

²Data as at 30 June 2025. Excludes lease liabilities.

Overview

Restore is a leading UK provider of services that help organisations manage, protect, and responsibly dispose of their physical and digital information. Its core capabilities span records management, document digitisation, and the secure recycling of paper and technology assets, markets where it consistently holds the number one or two position. From its 77 sites and workforce of around 2,400 people, the Group's customer base ranges from UK blue-chips to the public sector and UK government. Put simply, Restore handles confidential/sensitive documents or IT equipment that might need to be stored, digitised, replaced, recycled, or securely destroyed.



Source: Company website - Shredding

Records Management is the bedrock of the business, offering high recurring revenues, strong margins (30%+), and revenue visibility through the storage of over 22 million archive boxes. Complementing this, its Digital services provide outsourced scanning, digital mailrooms, and cloud based information services that modernise customer workflows. Other divisions cover IT asset disposal and secure paper shredding, with Restore's focus on security, compliance, and environmental responsibility positioning it as a trusted partner in regulated, data sensitive industries.



Source: Company website – Records management

Facts and figures

Founded and floated on AIM in **2004**, before rebranding as Restore in 2010 and embarking on an aggressive acquisition strategy.

Services c. **55k** customers cross the UK with no single customer representing more than **5%** of revenue. Restore services **77%** of the FTSE **100** and **88%** of UK National Health Trusts.

Stores over **22** million physical archive boxes nationally.

63% recurring revenue, driven by storage fees, recurring shredding, and digital workflow services.

A classic turnaround

Restore is in a mature phase of its turnaround after a difficult period under the previous CEO, whose tenure from 2019-2023 saw head office costs balloon, value destructive acquisitions, and weak operational performance across Digital, Data Shred and Technology, resulting in falling earnings despite stable revenues. Charles Skinner, who originally led the business from 2009–2019 and grew revenue from under £20m to more than £200m, returned as CEO in September 2023 to restore cost discipline and refocus the Group. His plan centred on margin recovery through decentralisation, significant property consolidation and integrating the Digital division within the Records Management side of the business. Since his return, head office staff have been cut from 50 to 11 and c. £8m of annualised cost savings have been identified. Operating margins have started to recover from 16% in the year-ended 31 December 2023 to 17.7% in the half-year ended 30 June 2025. Mid-term targets are to exceed 20%.

Synertec acquisition

Restore acquired Synertec in March 2025 for an initial £22m, bringing a high margin, tech enabled service into its Information Management division. Synertec specialises in sending huge volumes of important communications (letters, emails, and texts) on behalf of organisations that need accuracy, speed, and security. It's best known for working with the NHS, where it manages millions of patient related communications each year (100 million physical and 60 million digital), including all Covid letters during the pandemic.

Synertec's "secret sauce" is its proprietary software platform, Prism, which can take almost any type of data (spreadsheets, Word documents, XML files, etc.) and instantly convert it into the exact communication format required, whether that's a printed letter, a barcode enabled document, or an accessible format, like braille. This flexibility, combined with low cost and high reliability, makes it unique in the UK market.

The growth opportunity is substantial: Synertec already works with 75% of NHS trusts but currently handles only around 30% of their communication volumes, meaning it could realistically double its revenue just by deepening penetration with existing customers. There also exists the opportunity to cross sell into Restore's existing wider public and private sector client base. To put the scale of the opportunity in perspective, the majority shareholders of Synertec still run the business and have an earnout agreement whereby they will receive an additional £11m consideration if they can take Synertec from £5.5m operating profit to £15m within 3 years, effectively trebling the business.

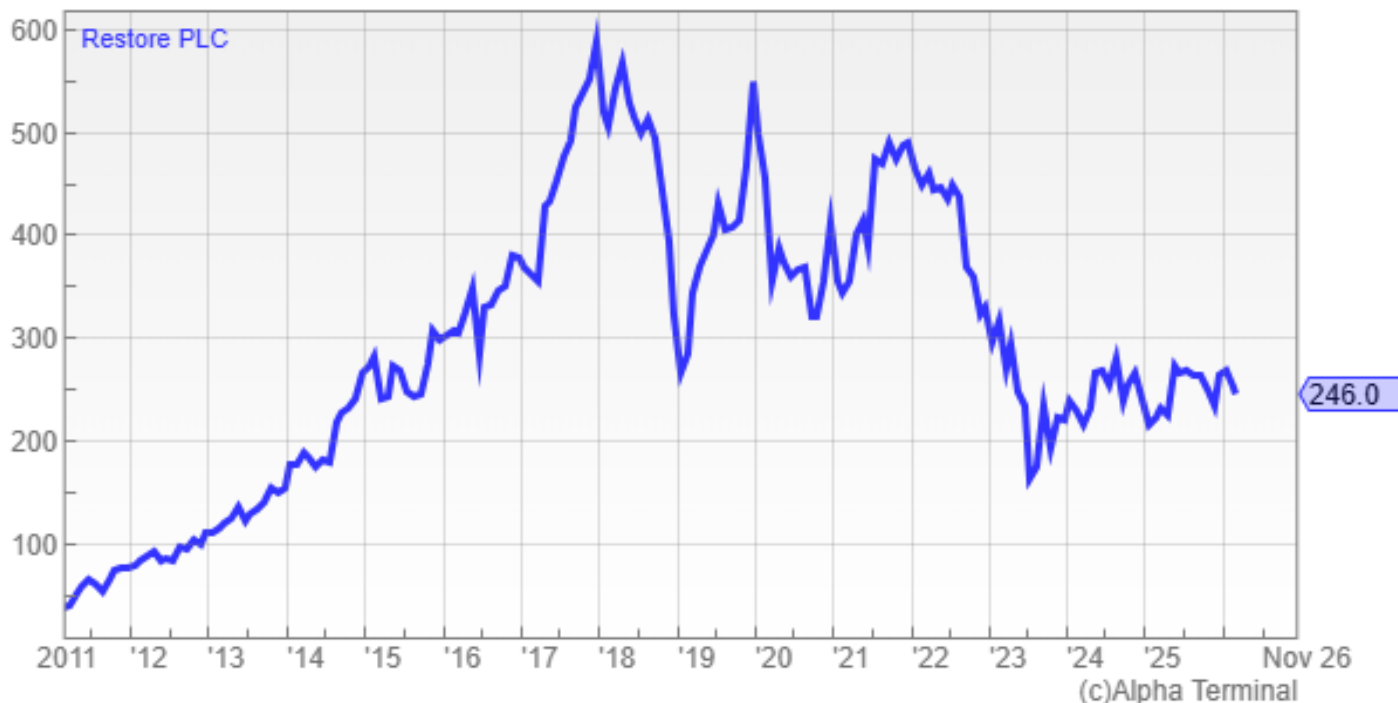
Acquisition opportunity

With a robust balance sheet, the Group states it will continue to make acquisitions, where it is able to extract strong revenue and cost synergies. Such synergies will be driven by higher "route density", where an existing employee and van operating in a nearby territory would absorb the acquired customers by adding 1 or 2 extra jobs a day. This should keep costs relatively fixed, meaning extra revenues generated will almost all flow to profit.



Source: Company - Synertec

Share price graph



Source: Alpha Terminal



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