



NATIONAL STORAGE REIT

ASX ANNOUNCEMENT

24 AUGUST 2021

NSR FY21 RESULTS

National Storage REIT (NSR) today announced its financial results for the year ended 30 June 2021 with an A-IFRS profit after tax of \$309.7 million (EPS 30.21cps / Underlying EPS⁽¹⁾ 8.5cps).

KEY HIGHLIGHTS

- A-IFRS profit after tax of \$309.7 million
- FY21 underlying earnings⁽¹⁾ of \$86.5 million, up 28%
- FY21 underlying EPS¹ of 8.5cps, up 2.4%
- Total Return⁽²⁾ for FY21 of 19.5%
- Final distribution of 4.2cps bringing total FY21 distribution to 8.2cps
- Total assets \$3.25 billion, up 23%
- 30 June 2021 gearing 22% - approximately \$900 million of investment capacity
- Net tangible assets (NTA) \$1.89 per stapled security, up 15%
- 25 acquisitions totalling \$352 million settled in FY21
- 4 acquisitions already settled or contracted in FY22 totalling \$33 million
- FY22 guidance – Minimum 10% Underlying EPS growth

FINANCIAL RESULTS AND CONFIRMATION OF DISTRIBUTION

Managing Director Mr. Andrew Catsoulis said, "NSR has delivered another very strong result as we continue to execute our growth strategy. We have achieved record Group⁽³⁾ rate, occupancy and REVPAM growth with rate increasing 8.3% to \$260/m², occupancy increasing 8.5% to 86.1% and REVPAM increasing 22.8% to \$227/m². These results are a testament to the strength and resilience of our business model, and have been achieved despite considerable economic and market uncertainty over the course of the last 18 months."

Underlying earnings for the period increased by 28% to \$86.5 million. NSR continued to execute its acquisition-based growth strategy with 25 acquisitions settled totalling \$352 million. In addition, the focus on development and expansion saw 10 projects completed during the year, adding an additional 59,100m² of NLA to the portfolio. NSR's NTA increased by 15% to \$1.89 while total assets increased by 23% to \$3.25 billion.

NSR confirms the final distribution of 4.2cps (totalling 8.2cps for FY21) as previously estimated on 23 June 2021 and confirms the payment date of 3 September 2021. This represents a payout ratio of 96% of the underlying earnings of 8.5cps.

¹ Underlying earnings is a non-IFRS measure (unaudited)

² Distribution yield plus percentage NTA growth

³ Group - Australia and New Zealand (142 centres); Australian - 121 centres as at 30 June 2019, New Zealand - 21 centres as at 30 June 2021 (excluding Wine Ark and let-up centres)

OPERATING RESULTS

"Despite the challenging nature of the COVID-19 lockdowns and conditions impacting all markets in which NSR operates, NSR again demonstrated the strength and resilience of its business throughout this period", said Mr. Catsoulis.

As a business, NSR continues to execute its 'four pillars' strategy, focusing on achieving organic growth through rate and occupancy increases, whilst maintaining a strong acquisition pipeline, undertaking high-quality developments and expansion projects and embracing technology and innovation initiatives in order to add further efficiencies and economies of scale to its business.

NSR is well positioned to continue its organic growth trajectory with approximately 90,000m² of additional built capacity available before NSR reaches an occupancy level of 90%. This built capacity has the potential to generate up to \$27 million of additional revenue. Given NSR's relatively fixed cost base, the majority of this potential revenue should fall to underlying earnings.

ACQUISITIONS, DEVELOPMENTS AND EXPANSIONS

NSR has executed its successful strategy of making high-quality acquisitions throughout FY21, acquiring 22 new centres totalling \$320 million, representing 128,000m² of new NLA, and three development sites totalling \$32 million. The acquisition pipeline remains strong with over \$100 million of additional acquisition opportunities under active consideration.

"NSR has focused on acquiring existing centres which have clear potential for value-adding – both in terms of revenue and capital value. NSR has identified and executed acquisitions which have upside for potential growth in rate per square metre and/or occupancy, as well as centres which have expansion and development capacity. This expansion and development potential can be unlocked by way of developing existing hardstand, creating multi-level centres from a single level development or through implementing various other value-add opportunities", said Mr. Catsoulis.

In addition to the 10 development and expansion projects completed during the year NSR has 22 projects in various stages of planning and development which should deliver approximately 150,000m² of NLA over the next 2 – 3 years.

Mr. Catsoulis commented, "NSR holds a significant competitive advantage in the market by having nurtured its own highly skilled storage-specific in-house operational, development and acquisition teams. This allows NSR to move quickly to identify, assess and secure new acquisition and development projects then to deliver projects on time, on budget and to the predetermined high level of quality expected by our stakeholders. NSR continues to innovate and to evolve its storage offering, keeping NSR at the forefront of self-storage industry development practices in Australia and New Zealand, as well as globally."

NEW TECHNOLOGY

NSR is a market leader in the technology and innovation space, constantly evolving to enhance customer experience. Recent initiatives include:

- Enhanced website for improved customer experience
- Process automation
- IT and Cyber Security Program

NATIONAL STORAGE REIT (NSR)

National Storage Holdings Limited (ACN 166 572 845)
National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228) as responsible entity for
National Storage Property Trust (ARSN 101 227 712)

Mr. Catsoulis said, "NSR implements industry-leading technological initiatives that make it increasingly easy for customers to interact with us in a contact-free fashion. We look forward to reaping the benefits of these initiatives for our staff, customers, and investors."

In addition, Mr. Catsoulis said, "We are extremely excited to be at the forefront of the next generation of self-storage technological innovation in Australia and look forward to its positive impact on our business operations."

OUTLOOK

Subject to no material changes in market conditions or operating environments, including no material deterioration in COVID-19 restrictions, regulations and impact, NSR is expecting FY22 underlying earnings per security to grow by a minimum of 10%.

NSR's distribution guidance is in line with NSR's distribution policy of 90% - 100% of underlying earnings.

ENDS

National Storage is the largest self-storage providers in Australia and New Zealand, with over 210 centres providing tailored storage solutions to over 85,000 residential and commercial customers. NSR is the first independent, internally managed and fully integrated owner and operator of self-storage centres to be listed on the Australian Securities Exchange (ASX).

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