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feefo 96% ★★★★★

Full Year Results Presentation 09 Jan 2017

safestore™ Self Storage

Introduction

Frederic Vecchioli

Highlights

Strong Financial Performance

- Group like-for-like¹ revenue at CER² up 8.1% with UK up 9.2% and Paris up 5.0%
- Cash Tax Adjusted Earnings per Share up 19.3% at 19.8p (+78% over 3 years)
- Full year dividend up 21% at 11.65p (+103% over 3 years)

Operational Focus

- Balanced approach to revenue management
 - Like-for-like average occupancy up 3.5%
 - Good like-for-like pricing growth with UK rate up 4.5% and Paris rate up 2.3%
- Enquiry growth of 7.5% after implementation of new consumer website

Portfolio Management

- 12 Space Maker stores acquired for £42.3m, immediately earnings enhancing
- Opened five new stores (including Chiswick on 4 November 2016), completed one extension on time and on budget with a second extension completing in January 2017
- Acquired site for new store at Mitcham in London to open in FY2018 (subject to planning)

Strong and Flexible Balance Sheet

- Group LTV at 31%, interest cover ratio (ICR) at 5.5x and full year underlying finance costs reduced by £1.3m notwithstanding acquisition of Space Maker

¹ Like-for-like revenue adjustments remove the impact of the closures at Whitechapel and New Malden in 2015, and the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted

² CER is Constant Exchange Rates

New Birmingham Store

Reception

Financials

Andy Jones



Our reception area
is staffed:
Mon to Sat 9am-5pm
Thu 9am-5pm
Sun 10am-4pm

Financial highlights

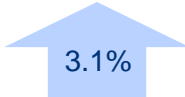
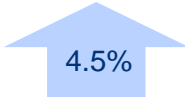
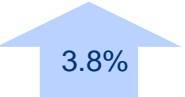
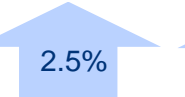

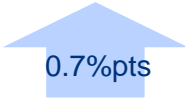
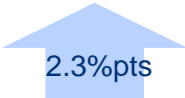



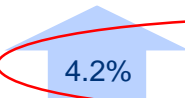
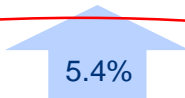
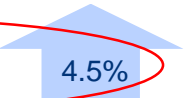
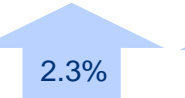

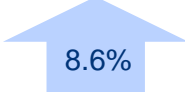
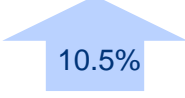
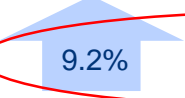
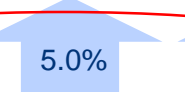

Income Statement & Cash flow	FY2016	Change vs FY2015	
		Absolute	CER
Revenue (£'m) like-for-like ¹	112.5	10.0%	8.1%
Underlying EBITDA (£'m) like-for-like ¹	62.7	12.2%	11.8%
Revenue (£'m)	115.4	10.1%	8.3%
Underlying EBITDA (£'m)	64.2	12.4%	12.1%
Underlying EBITDA (post Leasehold costs) (£'m)	55.4	15.2%	15.5%
Cash Tax Adjusted EPS (pence)	19.8	19.3%	n/a
Dividend per share (pence)	11.65	20.7%	n/a
Free cash flow (£'m)	42.4	13.7%	n/a
Balance Sheet		As at Oct 2016	Change vs Oct 2015
Investment Properties Valuation (£'m)**		954.2	22.1%
EPRA Net Asset Value per Share (pence)		300.0	17.0%
Group Loan-To-Value		31%	-1%pts
Group Interest Cover Ratio		5.5x	+1.3x

¹ Like-for-like revenue adjustments remove the impact of the closures at Whitechapel and New Malden in 2015, and the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted

** includes investment properties under construction

CER is Constant Exchange Rates

All regions performed strongly

		London / SE	Rest of UK	UK Total	Paris	Group Total
Average Occupancy LFL ¹ (sq ft 'm)	Act	1.549	1.180	2.729	0.811	3.540
	YoY	 3.1%	 4.5%	 3.8%	 2.5%	 3.5%
Closing Occupancy LFL ¹ %	Act	75.1%	67.9%	71.8%	80.7%	73.7%
	YoY	 0.7%pts	 2.3%pts	 1.4%pts	 -1.1%pts	 1.0%pts
Average Rate LFL ¹ (£ per sq ft) (in CER ²)	Act	29.21	18.66	24.73	29.40	25.81
	YoY	 4.2%	 5.4%	 4.5%	 2.3%	 3.9%
Revenue £'m LFL ¹ (in CER ²)	Act	57.1	27.4	84.5	26.1	110.6
	YoY	 8.6%	 10.5%	 9.2%	 5.0%	 8.1%

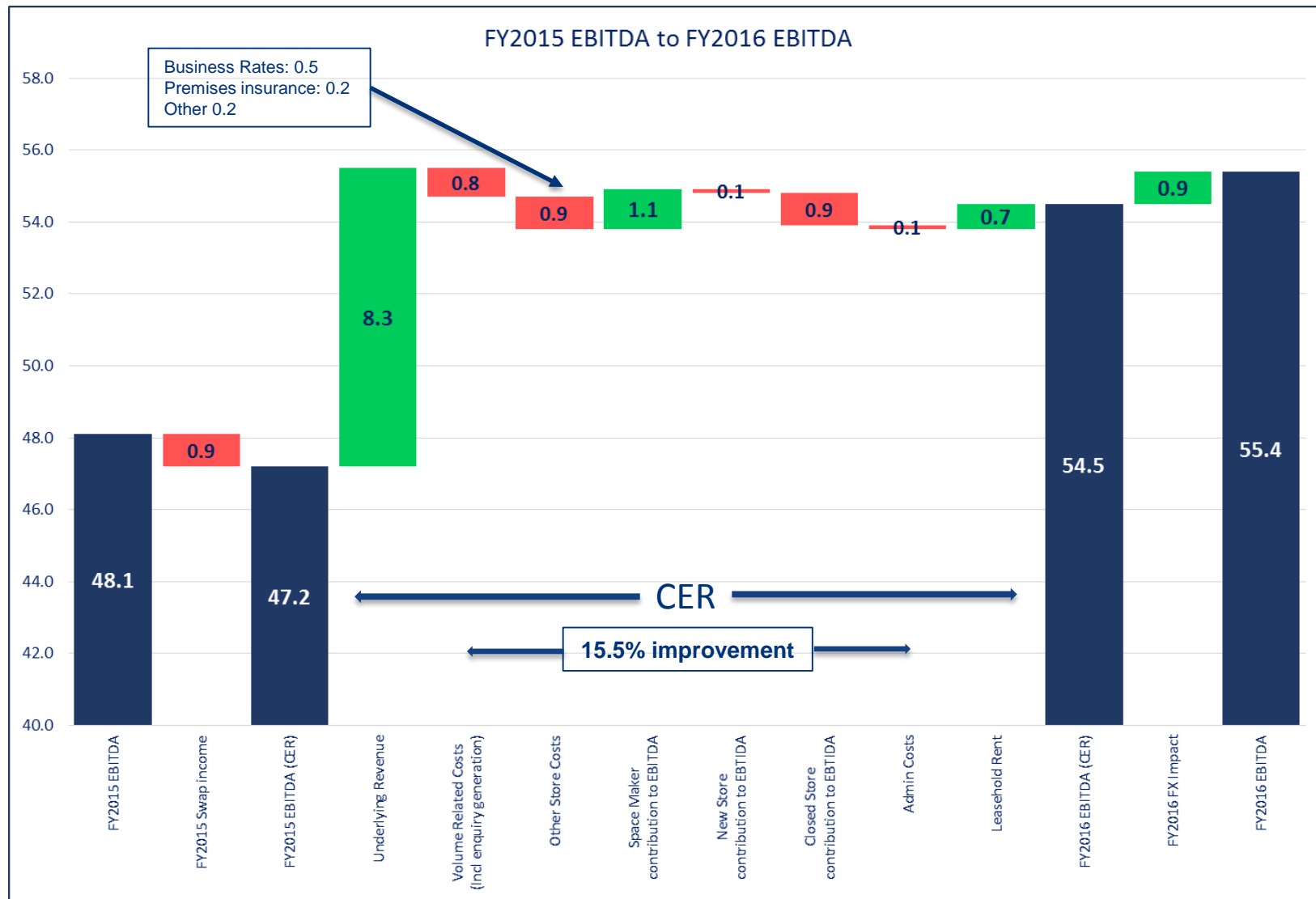
¹ Like-for-like revenue adjustments remove the impact of the closures at Whitechapel and New Malden in 2015, and the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted

² CER is Constant Exchange Rates

Group P&L

	FY2016			FY2015		
	UK (£'m)	Paris (€'m)	Total (£'m CER)	UK (£'m)	Paris (€'m)	Total (£'m CER)
Revenue	87.4	35.4	113.5	79.9	33.7	104.8
Underlying Cost of Sale	(32.4)	(9.7)	(39.5)	(30.9)	(9.3)	(37.7)
Store EBITDA	55.0	25.7	74.0	49.0	24.4	67.1
<i>Store EBITDA Margin</i>	62.9%	72.6%	65.2%	61.3%	72.4%	64.0%
Underlying Administrative expense	(8.5)	(3.3)	(11.0)	(8.4)	(3.2)	(10.9)
Underlying EBITDA	46.5	22.4	63.0	40.6	21.2	56.2
<i>EBITDA Margin</i>	53.2%	63.3%	55.5%	50.8%	62.9%	53.6%
Leasehold Rent	(4.9)	(4.9)	(8.5)	(5.1)	(5.3)	(9.0)
EBITDA post Leasehold Rent	41.6	17.5	54.5	35.5	15.9	47.2
<i>EBITDA post Leasehold Rent Margin</i>	47.6%	49.4%	48.0%	44.4%	47.2%	45.0%
FX (Incl Hedge Income)			0.9			0.9
Depreciation			(0.4)			(0.4)
Finance Charges			(10.1)			(11.4)
Profit before Tax			44.9			36.3
Current Tax			(3.7)			(1.8)
Cash Tax Earnings			41.2			34.5
Average Shares In Issue (m)			208.2			207.5
Underlying (Cash Tax Adjusted) EPS (p)			19.8			16.6

Strong revenue performance drives improved EBITDA (after leasehold rent)



Strong cash flow financing dividend and developments

	FY2016 (£'m)	FY2015 (£'m)
Underlying EBITDA	64.2	57.1
Working Capital/ Exceptionals/ Other	(1.8)	1.8
Operating cash inflow	62.4	58.9
Interest payments	(9.5)	(12.0)
Leasehold rent payments	(8.8)	(9.0)
Tax payments	(1.7)	(0.6)
Free cash flow (before investing and financing activities)	42.4	37.3
<i>EBITDA to free cash flow conversion %</i>	<i>66%</i>	<i>65%</i>
Acquisition of subsidiary, net of cash acquired	(41.8)	-
Capital expenditure – investment properties – maintenance and build-outs	(6.0)	(6.6)
Capital expenditure – investment properties – new stores (incl Acton extension)	(22.3)	(0.9)
Capital expenditure – property, plant and equipment	(0.8)	(0.5)
Capital Goods Scheme	1.5	1.6
Proceeds from disposal – investment properties	-	1.5
Net inflow after investing activities	(27.0)	32.4
Dividends paid	(21.3)	(17.2)
Issue of share Capital	0.1	-
Cash flow before debt movements	(48.2)	15.2

Strong and flexible Balance Sheet

Capital Structure	Oct 16	Oct 15	Variance
Property valuation (£'m)*	954.2	781.5	22.1%
UK (£'m)*	710.6	603.6	17.7%
FR (€'m)*	270.9	249.3	8.7%
Gross Debt (£'m)	315.7	249.5	£66.2m
Adjusted Gross Debt (£'m) **	294.9	249.5	£45.4m
Net Debt (£'m)	310.3	235.7	£74.6m
Adjusted Group LTV **	31%	32%	1%pts
Adjusted UK LTV **	36%	36%	=
Interest Cover Ratio (Underlying)	5.5x	4.2x	+1.3x
Effective interest rate	3.6%	3.9%	(0.3%pts)
Debt capacity (£'m)	104.2	137.8	(£33.6m)
Committed (£'m)	89.2	77.8	£11.4m
Uncommitted (£'m)	15.0	60.0	(£45.0m)

*For valuation purposes an exchange rate of 1.1118 Euro : 1GBP was used (€1.402 at Oct 15). Includes investment properties under construction

** Adjusted for the impact of the cross currency swap

Guidance – non trading and one-off items

Item	Guidance
Foreign exchange impact	No hedging of French profits in current year or future years
Tax	No further tax losses utilised in FY2016 Effective underlying cash tax rate in France estimated at c. 28% in FY2017 and beyond No tax anticipated in UK
Interest charges	Estimated at c. £10.5 – £11.5m in FY2017
Shares in issue	Average shares in issue in FY2016 – 208.2m Closing shares in issue at 31 October 2016 – 208.7m
Dividends	Dividend growth anticipated to be at least in line with earnings growth for the medium term
Capex	Capex spend for current projects to be c. £16m <ul style="list-style-type: none"> • Maintenance and store enhancements – £3m to £4m per annum • New stores / other revenue generation – c. £12m over next two years

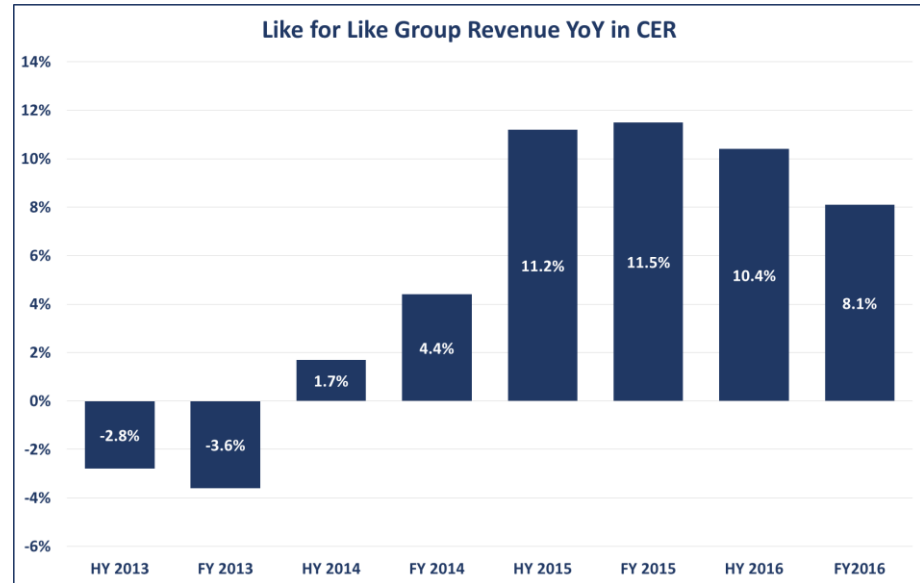
Now Open

Operational Delivery

Frederic Vecchioli

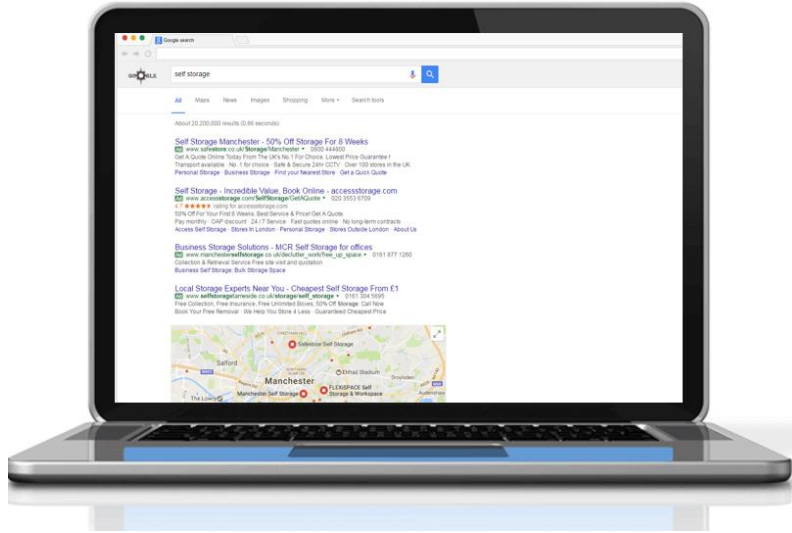
Operations overview

- Leading marketing platform
- Sales performance
- Rate management
- Continued focus on existing assets
- Sale teams and pricing systems in place
- Selective development and asset management
- Limited market supply



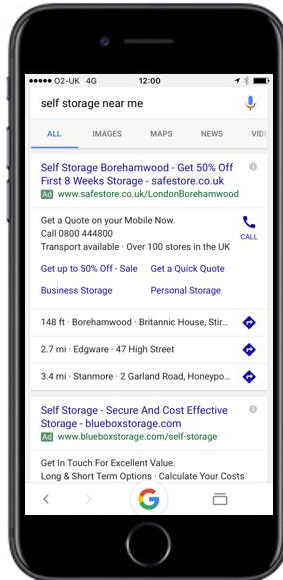
Foundations for further growth in place

Leveraging marketing scale in the UK



Self Storage Association 2016 Survey emphasizes the need for search engine efficiency:

- 82% of potential customers would search for storage online using generic keywords
- 88% of people would not consider brand in their search and only 3% would search using company names
- Self storage is a brand-blind product



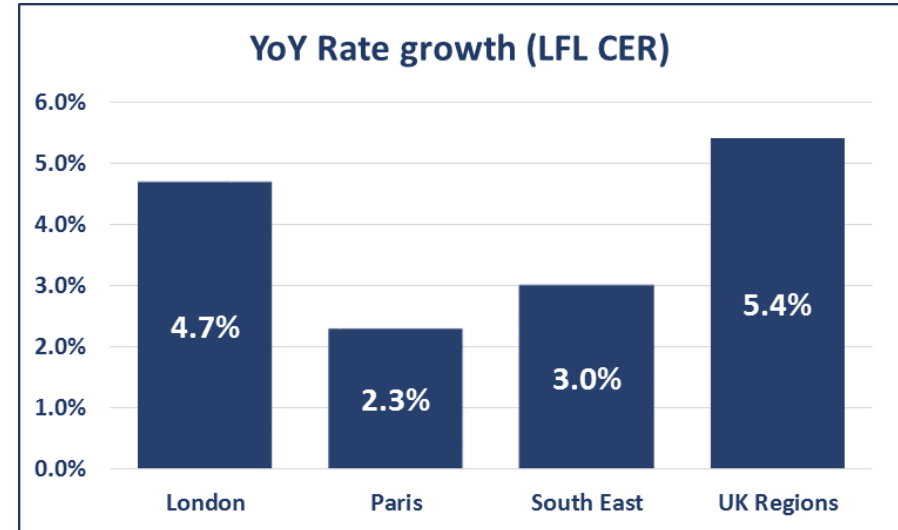
Safestore capturing growing market share:

- New website delivered average FY2016 UK LFL enquiry growth of 8.4%
- 54% of online UK enquiries on mobile devices
- Cost per enquiry decreased by 3% during FY2016
- Marketing budget well controlled within long term range of 4% – 5% of revenue
- Leading digital platform provides meaningful scale advantages

Balanced approach to revenue growth

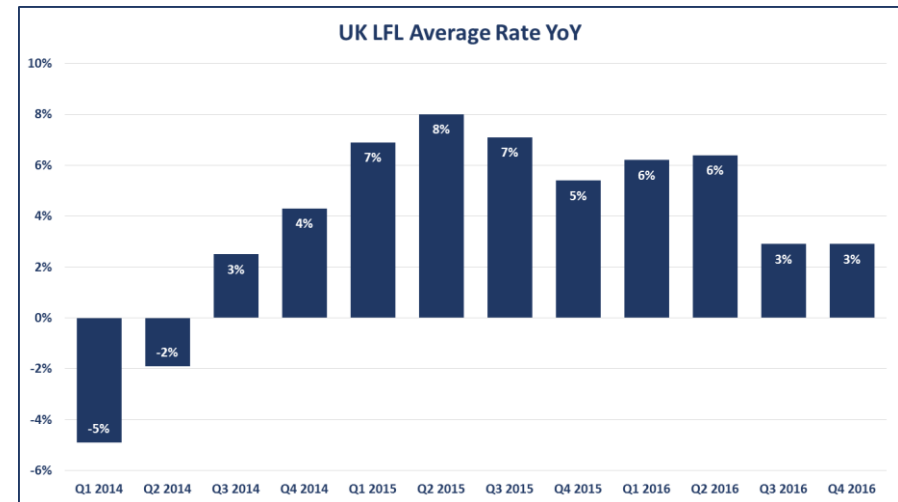
Revenue management UK:

- 9.2% like-for-like revenue growth
- 3.8% like-for-like average occupancy growth
- 4.5% like-for-like average rate growth (ten consecutive quarters of growth)



Rate growth drivers:

- Number of enquiries
- Catchment area
- Store team skills:
 - Training and coaching
 - Control of discounts
- Central pricing team
- Investment in analytical capacity
- Network management in Paris



Paris: 18 years of uninterrupted growth

Very solid market fundamentals:

- Balanced revenue management:
 - Average like-for-like occupancy up 2.5%, closing at 81% occupancy
 - Average rate increase 2.3%
- Unique and densest network of stores in central Paris – impossible to replicate
- Strong brand and digital platform – new website
- New store in Emerainville opened in Sep 2016 – encouraging early start
- Longpont extension to open in January 2017

une pièce en plus
groupe Safestore

Aide & Support | FAQs | Cartons & Emballages | Recrutement

Stockage particuliers | Stockage professionnels | Comment ça marche | Trouver un centre

0800 403 405

A louer pour tout ranger

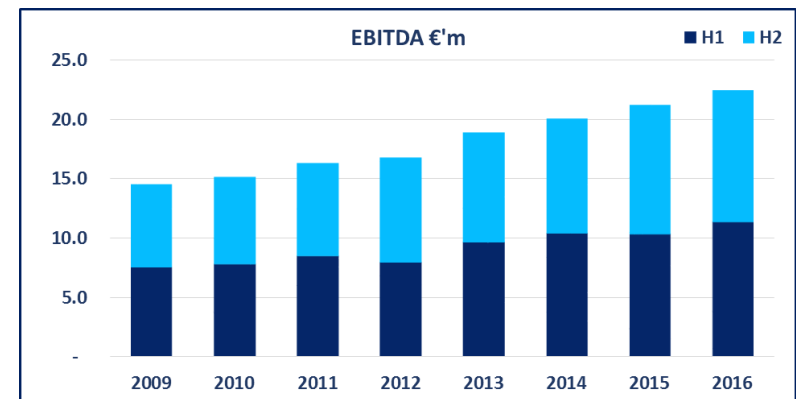
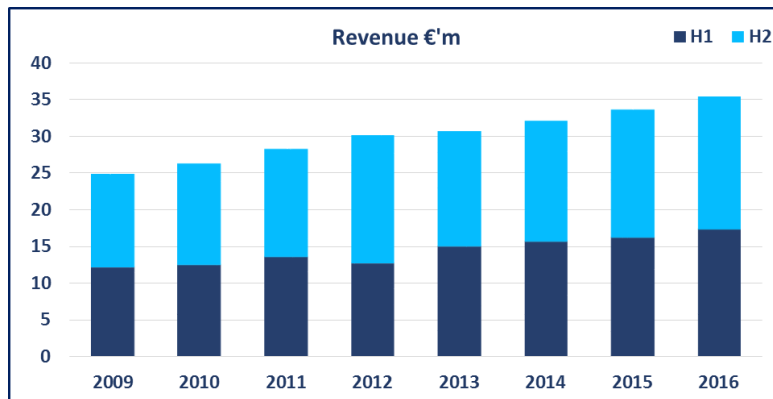
Le garde meuble nouvelle génération à Paris

Entrez votre code postal ou ville | **Obtenez un devis**

Voir les 25 centres de self-stockage Une Pièce en Plus

Numéro 1 du Self stockage à Paris

- 25 centres en Ile de France**
Avec 25 centres en IDF, trouvez un centre à proximité. Voir nos centres
- Vos biens en lieu sûr**
Protégez vos biens dans un garde meuble moderne surveillé 24h/24. En savoir plus
- Satisfaction Client**
Votre Satisfaction est notre priorité: 97% de clients satisfaits. TRUSTPILOT



Space Maker

- Completed the acquisition of Space Maker for £42.3m including deferred consideration
- 12 well invested stores (9th largest portfolio in the UK)
- 496,000 sq ft built out lettable area – 66% occupied at time of acquisition
- First year net operating income yield of c. 9.3%* – currently at 10.4% based on Q4 contribution
- Operations fully integrated since May 2016:
 - Incorporated in to the Regions
 - Staff moved on to Safestore incentive scheme
 - Rebranding under way
- Immediately EPS accretive
- Contribution to last quarter:
 - Revenue – £2.4m
 - EBITDA after leasehold rent – £1.1m

* Based on unaudited EBITDA before the impact of management charges for the year ended 30 April 2016 and including the impact of cash acquired with the business

Property

Net additional new space of c. 217,000 sq ft added:

Five new stores completed on time and on budget:

- London Chiswick – 42,500 sq ft MLA (opened Nov 16)
- Birmingham – 51,000 sq ft MLA (25,000 sq ft Net)
- London Wandsworth – 33,200 sq ft MLA (23,200 sq ft Net)
- Paris Emerainville – 60,000 sq ft MLA
- Altrincham – 39,000 sq ft MLA

Two extensions:

- Acton – +4,900 sq ft MLA
- Longpont – +22,600 sq ft MLA (Jan 2017)

New site:

- Acquired site for new store at Mitcham in London to open in FY2018 (c. 54,000 sq ft MLA subject to planning)

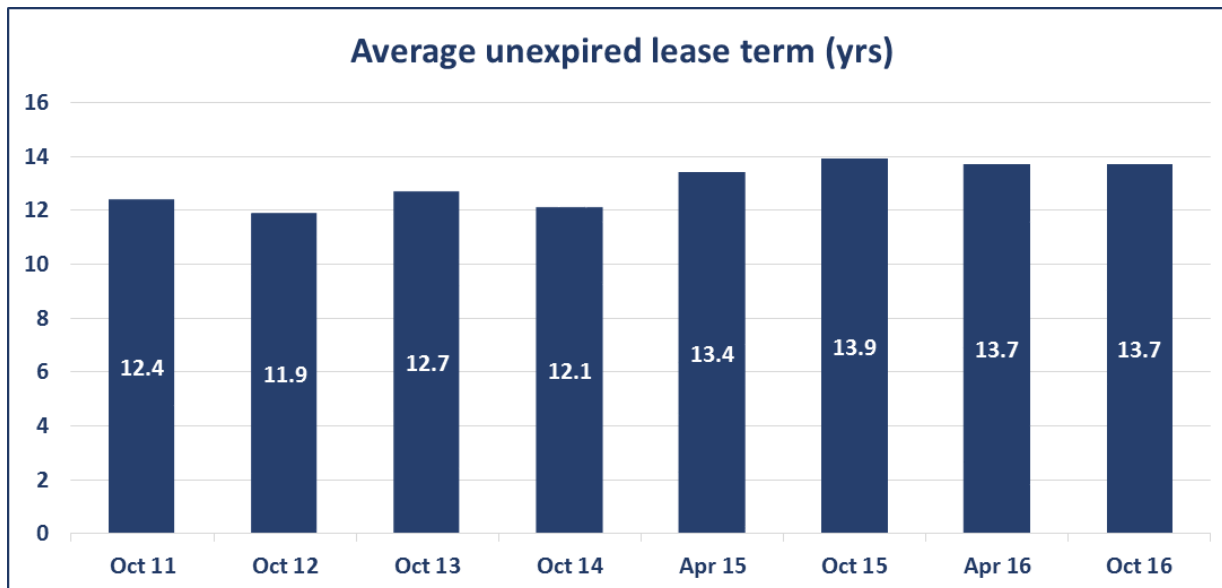
Asset Management

Portfolio Management

- Existing Birmingham Central site sold for £3.6m subject to planning – store consolidated into new Birmingham store

Lease regears – demonstrable track record

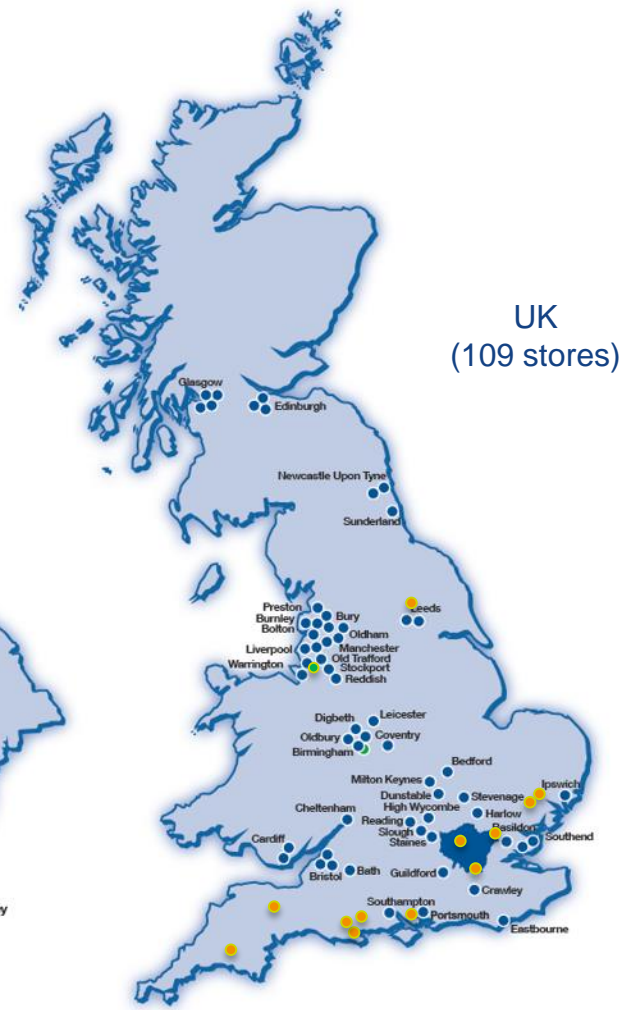
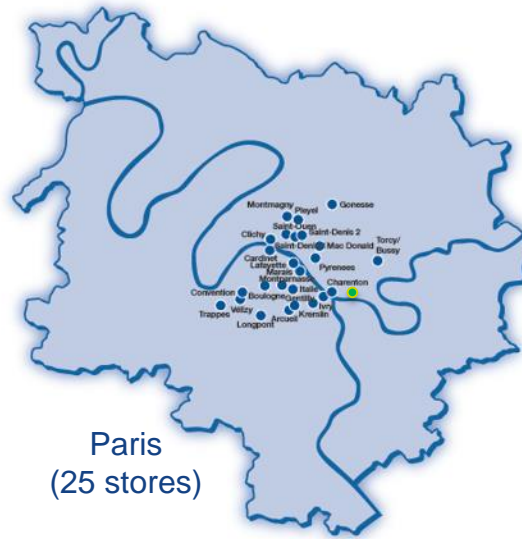
- Burnley
- c. 47% of UK leases regearred since 2012 (including Space Maker)



Portfolio

Fully invested portfolio of 5.59m sq ft

1.62m available – equivalent of around 40 new stores



Well positioned for further growth

Attractive market

- Young and growing industry
- Secure and diversified income stream from 55,000 customers
- Customers staying on average 9.7 months (existing customers 24.3 months)
- Resilient during downturn

Unique portfolio

- Leading presence in key markets
- 75% of revenue from London / South East and Paris
- Unlet invested space equivalent to around 40 stores

High operating leverage with growing demand

- Growing LFL rate and revenue across all geographies
- Largely fixed cost business
- Growing demand, very limited supply growth

Strategic benefits of scale

- Marketing
 - Digital platform difficult to replicate
 - Reinforced by switch to mobile
- Leading National Accounts offering
- Systems and pricing analytical capacities

Strong cash generation provides optionality

- Finance selective development opportunities
- Strongly growing dividend

Appendices



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self storage

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Financial

Detailed P&L

	Group	
	FY2016	FY2015
	£'m	£'m
Revenue	115.4	104.8
Cost of sales	(40.9)	(38.3)
Gross profit	74.5	66.5
Administrative expenses	(12.5)	(11.2)
Negative goodwill on acquisition of subsidiary	5.6	-
Underlying EBITDA *	64.2	57.1
Exceptional items	4.3	-
Change in fair value of derivatives	-	(0.3)
Depreciation and contingent rent	(0.9)	(1.5)
Operating profit before gain on investment properties	67.6	55.3
Gain on investment properties	41.7	78.9
Operating profit	109.3	134.2
Finance income	21.0	3.2
Finance expense	(35.4)	(19.2)
Profit before income tax	94.9	118.2
Income tax charge	(7.5)	(9.5)
Profit for the period	87.4	108.7
Earnings per share for profit attributable to the equity holders		
– basic (pence)	42.0	52.4
– diluted (pence)	41.7	52.0

* operating profit before exceptional items, corporate transaction costs, change in fair value of derivatives, gain/loss on investment properties, contingent rent and depreciation

Non-underlying items

	FY2016 (£'m)	FY2015 (£'m)
Underlying EBITDA	64.2	57.1
Gain on investment properties	41.7	78.9
Depreciation	(0.4)	(0.4)
Contingent rent	(0.5)	(1.1)
Change in fair value of derivatives	-	(0.3)
Exceptional items:		
Costs incurred relating to corporate transactions	(1.3)	-
Negative goodwill	5.6	-
Statutory Operating Profit	<u>109.3</u>	<u>134.2</u>



Detailed Balance Sheet

	Group	
	FY2016	FY2015
	£'m	£'m
<hr/>		
<u>Assets</u>		
Non-current assets		
Investment properties	943.3	775.5
Investment properties under construction	10.9	6.0
Other non-current assets	84.1	52.8
Non-current assets	1,038.3	834.3
Current assets	28.6	33.4
<u>Liabilities</u>		
Current liabilities	(53.8)	(44.4)
Non-current liabilities		
Bank borrowings	(315.7)	(249.5)
Deferred tax liabilities	(57.1)	(41.9)
Obligations under finance leases	(49.5)	(39.9)
Other non-current liabilities	(3.4)	(1.4)
Non-current liabilities	(425.7)	(332.7)
<u>Net assets</u>	<u>587.4</u>	<u>490.6</u>

FY2016 Underlying to Statutory Adjustments

Underlying Headings	Underlying P&L	Exceptionals	Derivative Movements	Contingent Rent / Dep'n	Valuation Movement	Finance Lease Int	Dep'n LH properties	Tax / CGS / FX	Statutory P&L	Statutory Headings
Sales	115.4								115.4	Revenue
Costs	(51.2)	4.3		(0.9)					(51.2)	Cost of Sales / Administrative Expenses
Underlying EBITDA	64.2	4.3	0.0	(0.9)	0.0	0.0	0.0	0.0	67.6	Operating Profit before IP's
Rents	(8.8)			0.5	46.3	3.7	4.6 (4.6)		41.7	Property Valuation
EBITDA after leasehold rent	55.4	4.3	0.0	(0.4)	46.3	3.7	0.0	0.0	109.3	Operating Profit
Depreciation	(0.4)			0.4				0	0	
Interest	(10.1)		18.4			(3.7)		(19.0)	(14.4)	Net Finance Expenses
Profit before Tax	44.9	4.3	18.4	0.0	46.3	0.0	0.0	(19.0)	94.9	Profit before Tax
Tax	(3.7)							(3.8)	(7.5)	Income Tax Charge
PAT/ Earnings	41.2	4.3	18.4	0.0	46.3	0.0	0.0	(22.8)	87.4	Profit for the Year
Shares (m)	208.2								208.2	Shares (m)
Cash Tax EPS (p)	19.8								42.0	Basic EPS (p)

FY2015 Underlying to Statutory adjustments

Underlying Headings	Underlying P&L	Exceptionals	Derivative Movements	Contingent Rent / Dep'n	Valuation Movement	Finance Lease Int	Dep'n LH properties	Tax / CGS / FX	Statutory P&L	Statutory Headings
Sales	104.8								104.8	Revenue
Costs	(47.7)	0.0	(0.3)	(1.5)					(47.7)	Cost of Sales / Administrative Expenses
Underlying EBITDA	57.1	0.0	(0.3)	(1.5)	0.0	0.0	0.0	0.0	55.3	Operating Profit before IP's
Rents	(9.0)			1.1	83.0	3.8	4.1		0.0	Property Valuation
EBITDA after leasehold rent	48.1	0.0	(0.3)	(0.4)	83.0	3.8	0.0	0.0	134.2	Operating Profit
Depreciation	(0.4)			0.4					0.0	Net Finance Expenses
Interest	(11.4)	0.0	1.9			(3.8)		(2.7)	(16.0)	Exceptional Finance Costs
Profit before Tax	36.3	0.0	1.6	0.0	83.0	0.0	0.0	(2.7)	118.2	Profit before Tax
Tax	(3.0)							(6.5)	(9.5)	Income Tax Charge
PAT/ Earnings	33.3	0.0	1.6	0.0	83.0	0.0	0.0	(9.2)	108.7	Profit for the Year
Shares (m)	207.5								207.5	Shares (m)
Cash Tax EPS (p)	16.0								52.4	Basic EPS (p)

Movement in Cost Base

Cost of Sales

	FY2016	FY2015
	(£'m)	(£'m)
Reported cost of sales	(40.9)	(38.3)
Adjusted for:		
Depreciation	0.4	0.4
Contingent rent	0.5	1.1
Underlying Cost of Sales	(40.0)	(36.8)
Underlying cost of sales for FY2015		(36.8)
Swap income in FY2015		<u>(0.9)</u>
Underlying cost of sales for FY2015 (CER)		(37.7)
Business rates		(0.5)
Customer insurance, merchandise and other volume related costs		(0.6)
Premises insurance		(0.3)
Marketing		(0.3)
Other		<u>(0.1)</u>
Underlying cost of sales for FY2016 (CER)		(39.5)
Foreign exchange		<u>(0.5)</u>
Underlying Cost of Sales for FY2016		<u>(40.0)</u>

Administrative Expenses

	FY2016	FY2015
	(£'m)	(£'m)
Reported administrative expenses	(12.5)	(11.2)
Adjusted for:		
Exceptional items and transaction costs	1.3	-
Changes in fair value of derivatives	-	0.3
Underlying administrative expenses	(11.2)	(10.9)
Underlying administrative expenses for FY2015		(10.9)
Employee remuneration		<u>(0.1)</u>
Underlying administrative expense for FY2016 (CER)		(11.0)
Foreign exchange		(0.2)
Underlying administrative expenses for FY2016		<u>(11.2)</u>

Group Banking Covenants – Oct 2016 reported

Covenants

Interest Cover Ratio

Loan to Value

Consolidated level		Sterling Loan to Value	Not more than 0.60:1
Quarterly to Apr 2016	Not less than 2.20:1	Euro Loan to Value	Not more than 0.60:1
Thereafter	Not less than 2.40:1		

Group Debt position at 31 Oct 2016

	Term	Facility £/€/\$/m	Drawn £'m	Hedged £'m	Hedged %	Bank Margin	Hedged Rate	Floating Rate	Total Rate
UK Term Loan	Jun 20	£ 126.0	126.0	100.0	79%	1.50%	1.34%	0.39%	2.64%
UK Revolver	Jun 20	£ 125.0	61.0	-	-	1.50%	-	0.38%	1.88%
UK Revolver - non-utilisation		£ 64.0	-	-	-	0.60%	-	-	0.60%
Euro Revolver	Jun 20	€ 70.0	37.8	27.0	71%	1.50%	0.31%	(0.30%)	1.63%
Euro Revolver - non-utilisation		€ 28.0	-	-	-	0.60%	-	-	0.60%
US Private Placement 2019	May 19	\$ 65.6	53.9	53.9	100%	5.52%			5.83%
US Private Placement 2024	May 24	\$ 47.3	38.8	38.8	100%	6.29%			6.74%
Unamortised Finance Costs		-	(1.8)	-	-	-	-	-	-
Total		£ 406.7	315.7	219.7	70%				3.58%

As at 31 October 2016, the weighted average remaining term for the Group's committed borrowings facilities is 3.9 years

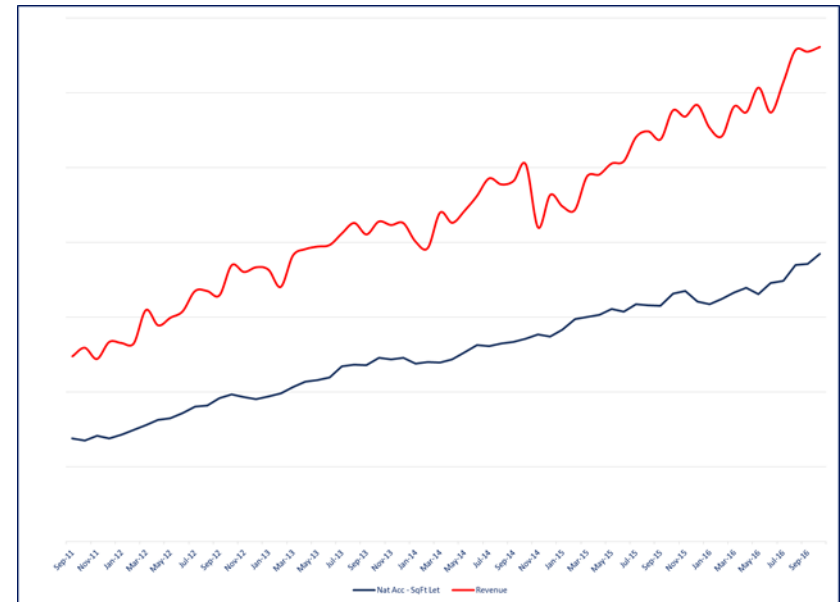
A photograph of a Safestore self-storage building. The building is primarily blue with a large glass window section. The sky is clear and blue. The text 'safestore self storage' is prominently displayed on the building's facade.

safestore™ self storage

Safestore self storage

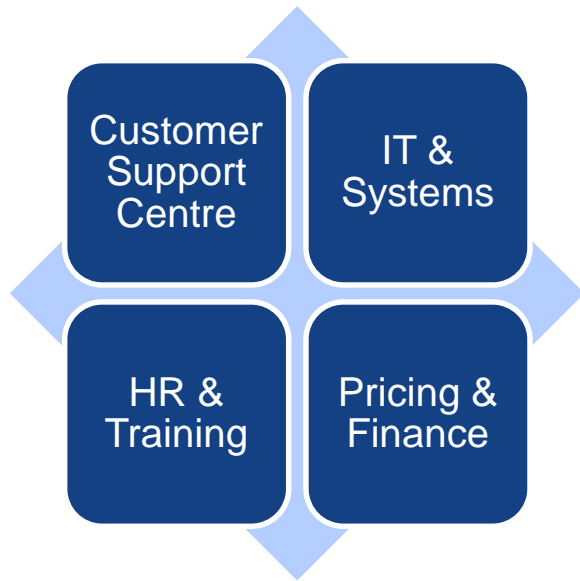
Operational Delivery

Growing National Accounts platform



- National Accounts leverage UK platform further and now accounts for 12% of all occupancy in the UK
- Two-thirds of customers outside London
- Square feet let up 16% over prior year
- Storage revenue up 20% on prior year

Head Office Functions supporting revenue growth:



- Customer Support Centre:
 - CSC handled 16% of all enquiries
 - Supports the sales teams in store
- Industry leading IT solutions:
 - Automated contracts for seamless customer experience
 - Provides database for business analyses
- Human Resources supporting store teams:
 - Online Learning Management System
- Pricing team:
 - Centralised customer rate management

safestore self storage 020 8659 0700

reception

loading bay

loading bay

bay 1

bay 2

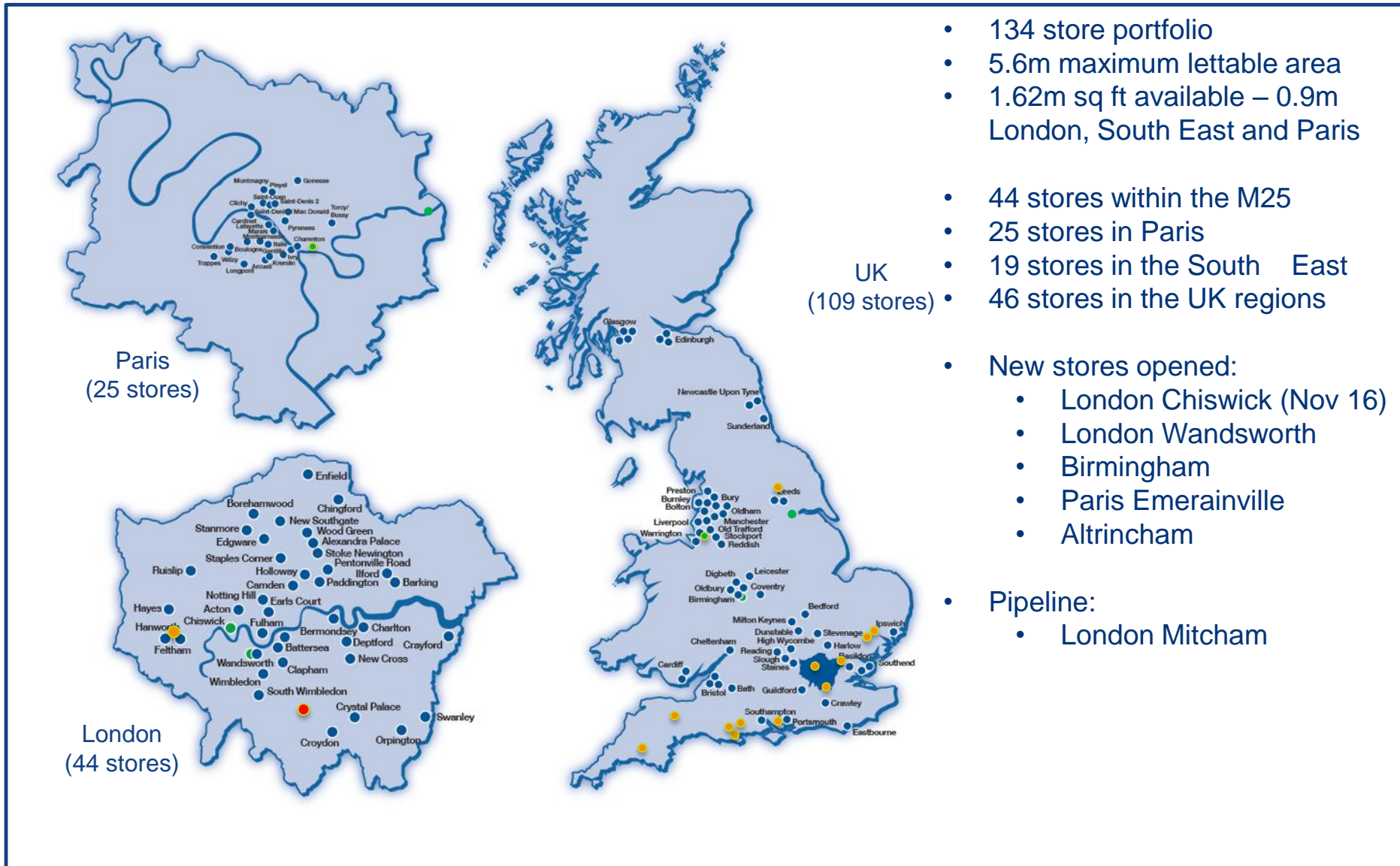
bay 3

bay 4

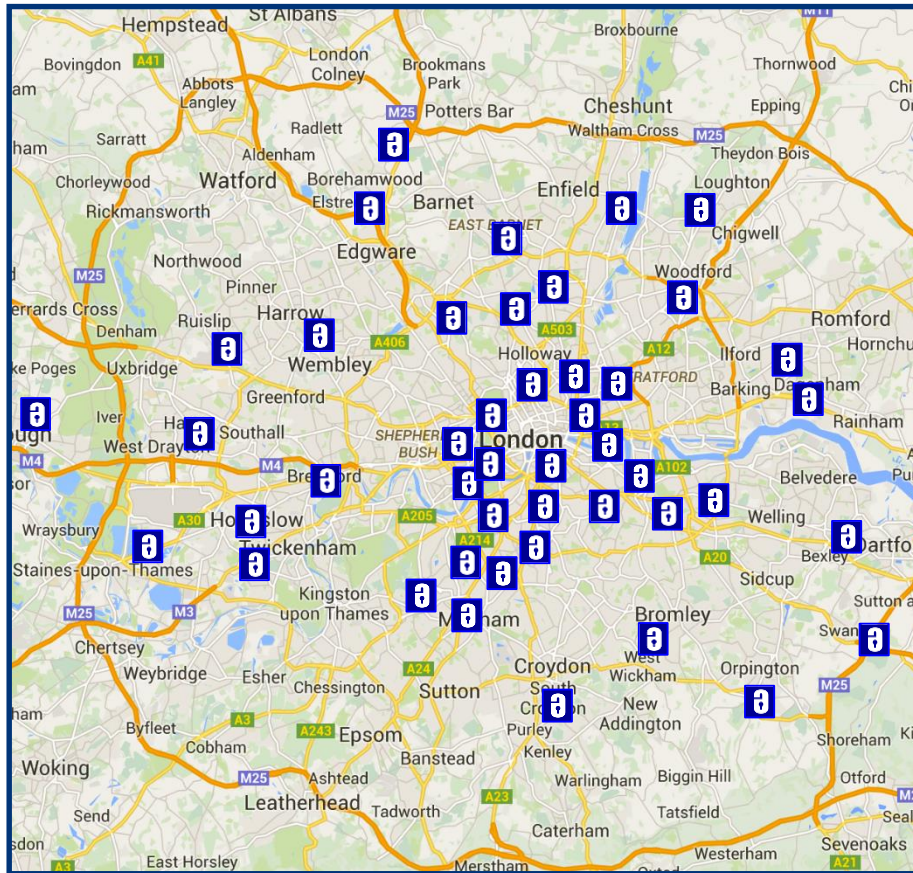


Portfolio Management

Portfolio strength with further potential

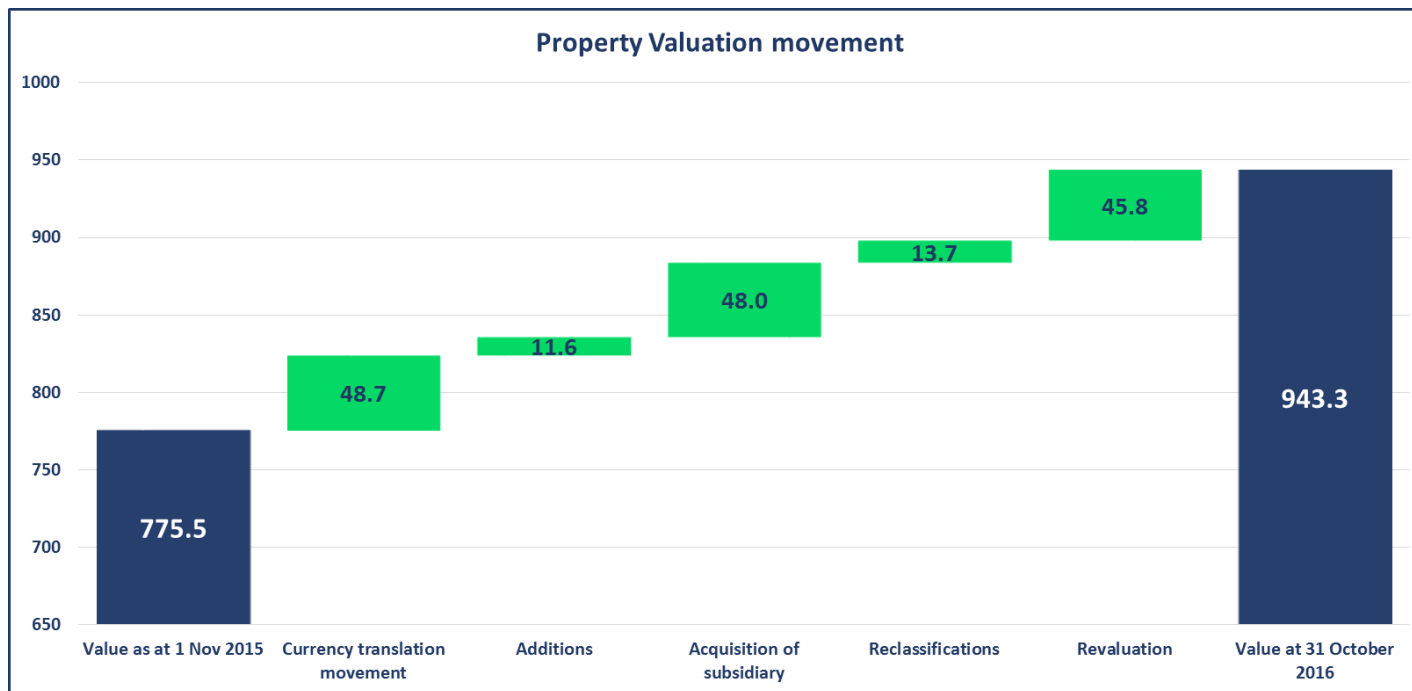


Densest network of stores in London and Paris



Paris and London combined represent 68 stores – £73.1m of Revenue, £49.6m of Store EBITDA and 39% of currently unoccupied square feet

Property valuation movement (excluding investment properties under construction)



Key assumptions

	Oct 2016	Oct 2015	Apr 2016*
Average Self Storage rate per sq ft	£26.17	£24.85	£26.02
Exit Cap rate (Freehold only)	7.2%	7.2%	7.2%
Weighted average stabilised occupancy	80.2%	77.9%	79.7%
Stabilised occupancy in sq ft	4.64m	3.94m**	4.09m
Average number of months to stabilised occupancy	23.8	23.9	30.0

* Apr 16 was not full external valuations

** Impacted by the closure of Whitechapel and New Malden stores

New stores and Pipeline

Pipeline store / site	Planning	Total MLA sq ft	Estimated opening
Stores opened in FY2016			
London Chiswick (Nov 2016)		42,500	
London Wandsworth		33,200	
Birmingham		51,000	
Altrincham		39,000	
Paris Emerainville		60,000	
Total sq ft added in FY2016		225,700	
Development stores acquired / under contract			
London Mitcham		54,000	2018
Total sq ft in pipeline		54,000	

- 4 new stores opened in FY2016, plus Chiswick in November 2016
- One pipeline store:
 - New site on Morden Road in London Mitcham acquired
 - Proposal to build 54,000 MLA store
- Number of trading stores at 31 October 2016 was 108 in the UK and 25 in Paris

Development characteristics

	Limited site availability	High land price	Planning restrictions	Long lead-time
London / SE	✓	✓	✓	✓
Regional City Centres	✓		✓	✓
Secondary towns	✓		✓	✓
Central Paris	✓	✓	✓	✓
Paris 2 nd belt	✓		✓	✓

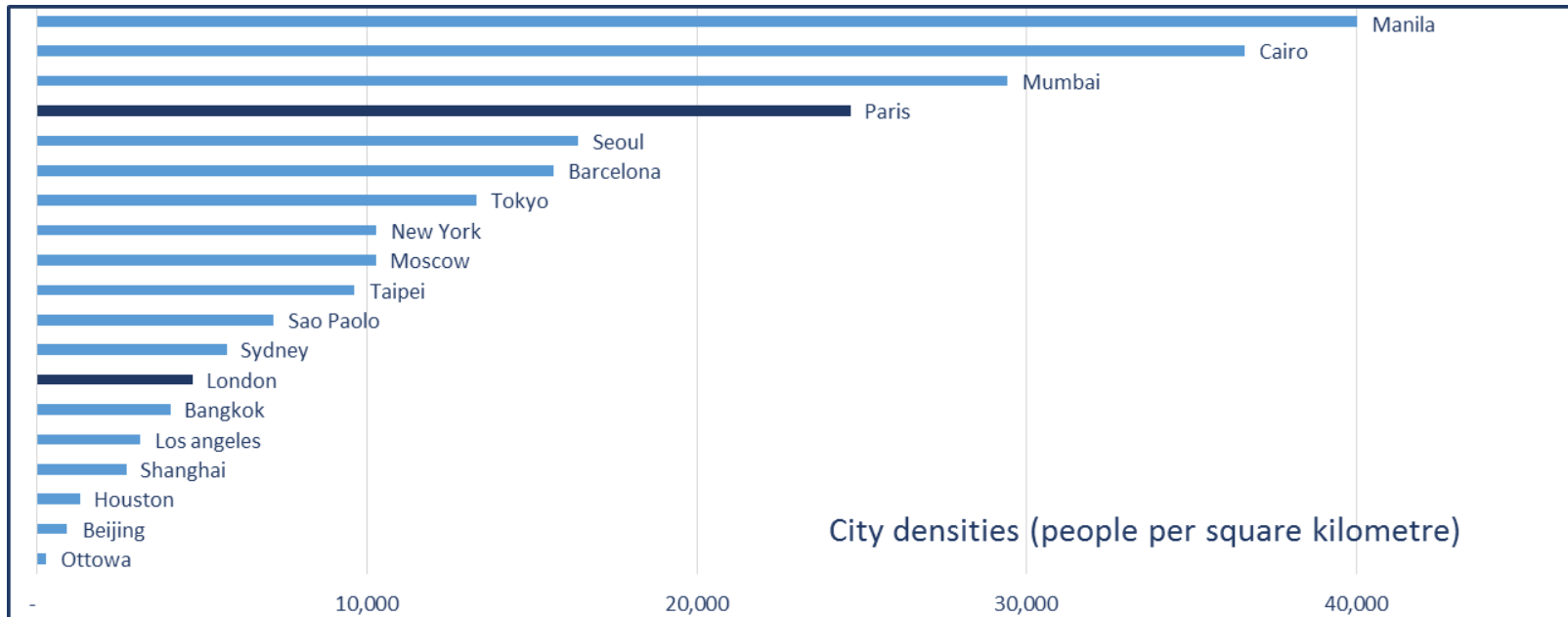
- Six largest UK operators own just 29% of market*
- Excluding container storage 2015 experienced 2.2% increase in number of self storage centres in the UK*
- Only two storage centres opened inside Paris since 2005

Fully invested portfolio of 5.59m square feet

1.62m available – equivalent of around 40 new stores

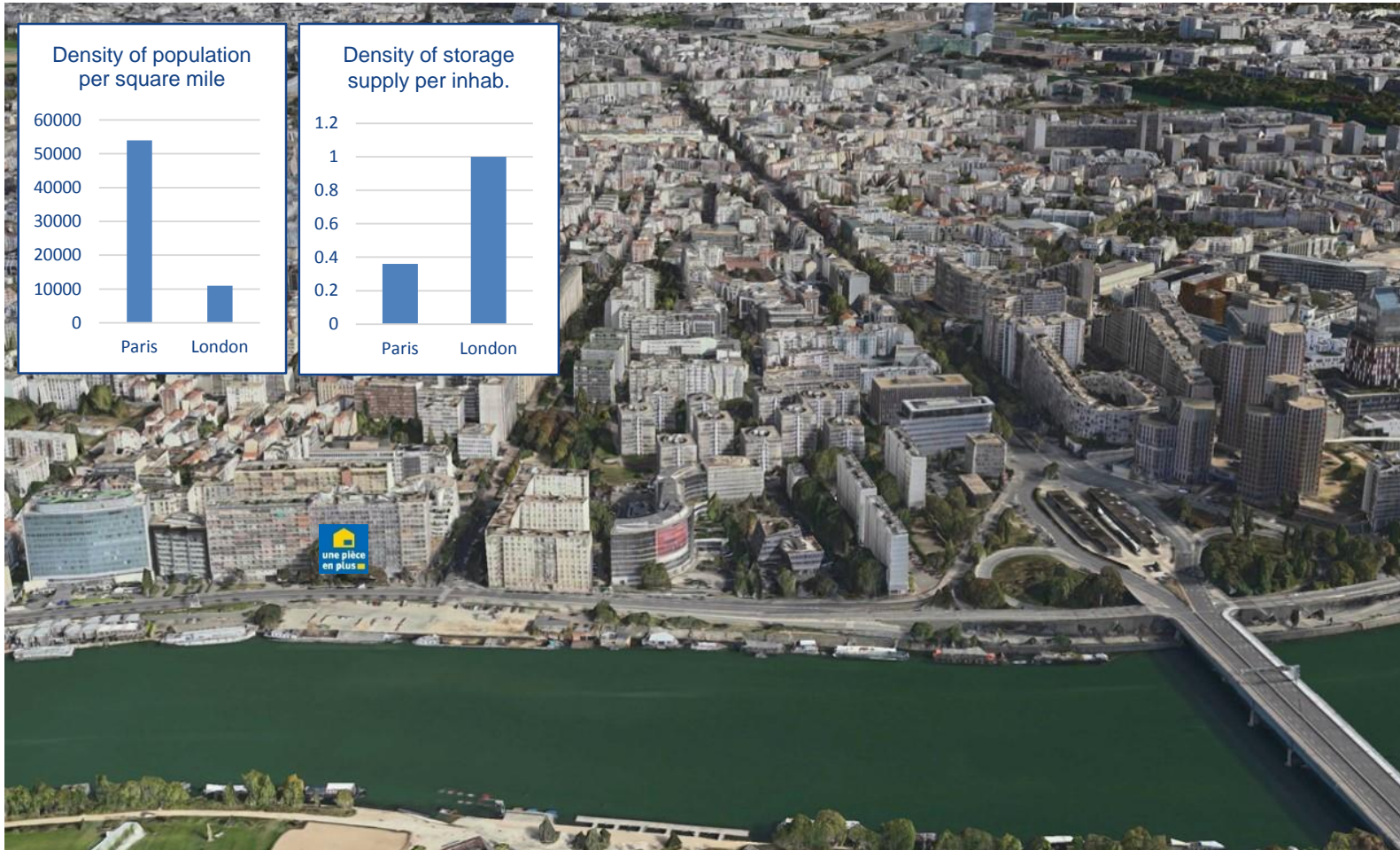
*SSA UK survey 2016

Very strong position in the two best European markets for storage

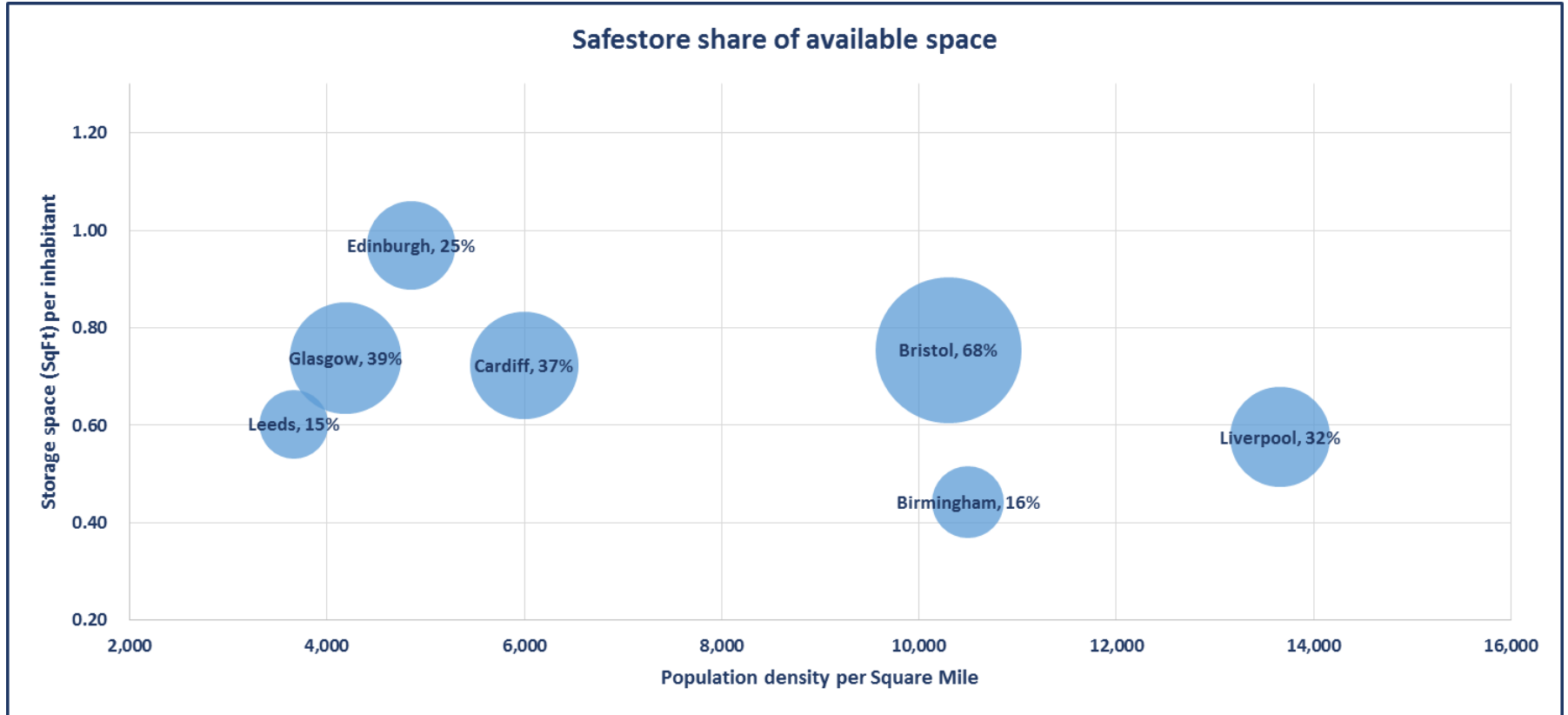


	GDP (£'bil)	Population (mil)		GDP (£'bil)	Population (mil)		GDP (£'bil)	Population (mil)
London	372	7.7	Vienna	66	1.7	Lyon	45	2.1
Paris	371	9.9	Berlin	63	3.3	Turin	45	0.9
Madrid	151	5.2	Birmingham	59	2.3	Warsaw	45	1.7
Barcelona	116	4.9	Manchester	56	2.2	Munich	42	1.4
Rome	95	2.6	Brussels	55	1.2	Dublin	40	0.5
Athens	86	3.7	Hamburg	49	1.8	Leeds	39	0.8
Milan	76	1.3	Frankfurt	46	0.7	Helsinki	38	0.6
Lisbon	72	2.8	Stockholm	46	0.9	Budapest	35	1.7

Une Pièce en Plus – strong market characteristics



Leading market positions in key UK regional conurbations



Data supplied by the UK Self Storage Association - 2015

Safestore also has strong market positions in Newcastle (Pop. Den. 6,343) and Stockport (Pop. Den. 11,937)

Paris development characteristics



Paris

- Paris planning now prohibits mixed use with warehousing
- Potential available sites reserved for social housing
- First belt town reluctance to accept self storage
- Only two storage centres opened inside Paris since 2005 – no known projects

London

- Price of land
- Long lead-time to open a store
- Limited site availability

French Commercial Lease Statute provides security of tenure



French commercial lease laws highly protective:

- Right of renewal
- Rent increase normally based on state construction cost index
- Compensation for any loss arising in case of Landlord's refusal to renew – equivalent to full business value

Strong return on investment

Enabled development of unique site opportunities

Portfolio summary split geographically

	London & South East	Rest of UK	UK	Paris	Group
Number of stores	62	46	108	25	133
Let Square Feet (m sq ft)	1.76	1.39	3.15	0.82	3.97
Maximum Lettable Area (m sq ft)	2.41	2.11	4.52	1.07	5.59
Let Square Feet per store (k sq ft)	28	30	29	33	30
Average Store Capacity (k sq ft)	39	46	42	43	42
Closing Occupancy %	73.2%	65.7%	69.7%	76.3%	71.0%
Average Rate (£ per sq ft)	29.03	18.72	24.60	31.56	26.17
Revenue (£'m)	58.5	28.9	87.4	28.0	115.4
Revenue per Store (£'m)	0.94	0.63	0.81	1.12	0.87

- Leading positions in the high density capital city markets of London and Paris (51% of store portfolio and 63% of revenue)
- Strong national presence in regional UK focused on key metropolitan conurbations such as Manchester, Birmingham, Bristol, Glasgow, Edinburgh

* The above table represents the 31 October 2016 position and excludes Chiswick, which opened on 4 November 2016

Portfolio summary split by maturity

	FY2016				FY2015			
	Developing	Established	Mature	Total	Developing	Established	Mature	Total
Number of stores	4	3	126	133	0	3	116	119
MLA self storage only (m)	0.183	0.413	4.998	5.594	0.000	0.413	4.521	4.935
Closing occupancy (m)	0.030	0.337	3.566	3.933	0.000	0.340	3.178	3.519
Occupancy (%)	16.4%	81.6%	71.3%	70.3%	0.0%	82.3%	70.3%	71.3%
For twelve months								
Average rate (£ per sq ft)	10.68	24.06	26.40	26.17	0.00	21.41	25.20	24.85
Self storage income (£m)	0.0	8.0	86.2	94.2	0.0	6.7	78.4	85.2
Ancillary income (£m)	0.0	1.0	16.8	17.8	0.0	0.9	15.2	16.2
Other income (£m)	0.0	0.0	3.4	3.4	0.0	0.1	3.3	3.4
Total income (£m)	0.0	9.0	106.4	115.4	0.0	7.7	96.9	104.8
Store EBITDA (£m)	(0.1)	6.6	68.9	75.4	0.0	5.4	62.4	68.0
<i>Store EBITDA margin (%)</i>	0.0%	73.3%	64.8%	65.3%	0.0%	70.1%	64.4%	64.9%
Rent charge (£m)	0.0	-0.2	-8.6	-8.8	0.0	-0.2	-8.8	-9.0

Store categories use the following definitions: Developing: < 2 full financial years, Established: 2 to 5 full financial years, Mature: over 5 full financial years

Occupancy excludes Bulk space of 0.04 m sq ft

Above table has not been fully adjusted for the impact of rounding

Above table above includes the impact of the acquisition of Space Maker, the closures at Whitechapel and New Malden in 2015, and the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville

Portfolio summary split between freehold and leasehold

	FY2016						FY2015					
	UK		Paris		Group		UK		Paris		Group	
	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold
Number of stores	72	36	14	11	86	47	65	30	13	11	78	41
MLA self-storage only (m)	3.086	1.438	0.650	0.420	3.736	1.858	2.736	1.188	0.590	0.420	3.326	1.608
Closing occupancy (m)	2.087	1.030	0.478	0.338	2.565	1.368	1.836	0.856	0.489	0.337	2.325	1.193
Occupancy (%)	67.6%	71.6%	73.5%	80.5%	68.7%	73.6%	67.1%	72.1%	82.9%	80.2%	69.9%	74.2%
For twelve months												
Average rate (per sq ft)	24.16	25.53	26.45	38.82	24.62	29.19	23.27	24.56	24.03	35.35	23.43	27.50
Self storage income (£m)	46.0	22.6	12.6	13.0	58.6	35.6	41.1	21.4	11.1	11.6	52.2	33.0
Ancillary income (£m)	10.9	4.6	1.2	1.1	12.1	5.7	9.8	4.3	1.1	1.0	10.9	5.3
Other income (£m)	2.5	0.8	0.0	0.1	2.5	0.9	2.4	0.9	0.0	0.1	2.5	1.0
Total income (£m)	59.4	28.0	13.8	14.2	73.2	42.2	53.3	26.6	12.2	12.7	65.5	39.3
Store EBITDA (£m)	37.5	17.5	9.8	10.6	47.5	27.9	33.3	15.7	9.1	9.9	42.4	25.6
Store EBITDA margin (%)	63.1%	62.5%	71.0%	74.6%	64.6%	66.6%	62.5%	59.0%	74.6%	78.0%	64.7%	65.1%
Rent charge (£m)	0.0	(4.9)	0.0	(3.9)	0.0	(8.8)	0.0	(5.1)	0.0	(3.9)	0.0	(9.0)

Occupancy excludes Bulk space of 0.04 m sq ft

Above table has not been fully adjusted for the impact of rounding

Above table above includes the impact of the acquisition of Space Maker, the closures at Whitechapel and New Malden in 2015, and the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville

Portfolio summary split by maturity (LFL CER)

	FY2016			FY2015		
	Established	Mature	Total	Established	Mature	Total
Number of stores	3	114	117	3	114	117
MLA self storage only (m)	0.413	4.487	4.900	0.413	4.486	4.899
Closing occupancy (m)	0.337	3.235	3.572	0.340	3.159	3.499
Occupancy (%)	81.6%	72.1%	72.9%	82.3%	70.4%	71.4%
For twelve months						
Average rate (£ per sq ft)	22.71	26.13	25.81	21.41	25.21	24.85
Self storage income (£m)	7.5	82.8	90.3	6.7	76.4	83.1
Ancillary income (£m)	0.9	16.2	17.1	0.9	15.0	15.9
Other income (£m)	0.0	3.2	3.2	0.1	3.2	3.3
Total income (£m)	8.4	102.2	110.6	7.7	94.6	102.3
Store EBITDA (£m)	6.0	66.6	72.5	5.5	60.4	65.9
<i>Store EBITDA margin (%)</i>	71.4%	65.2%	65.6%	71.4%	63.8%	64.4%
Rent charge (£m)	(0.2)	(8.0)	(8.2)	(0.2)	(8.6)	(8.8)

Store categories use the following definitions: Developing: < 2 full financial years, Established: 2 to 5 full financial years, Mature: over 5 full financial years

Occupancy excludes Bulk space of 0.04 m sq ft

Above table has not been fully adjusted for the impact of rounding

Like-for-like revenue adjustments remove the impact of the closures at Whitechapel and New Malden in 2015, and the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted. As all new stores are classified as 'developing', this category is excluded from the above analysis

CER is Constant Exchange Rates

Portfolio summary split between freehold and leasehold (LFL CER)

	FY2016						FY2015					
	UK		Paris		Group		UK		Paris		Group	
	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold
Number of stores	63	30	13	11	76	41	63	30	13	11	76	41
MLA self storage only (m)	2.702	1.188	0.590	0.420	3.292	1.608	2.701	1.188	0.590	0.420	3.291	1.608
Closing occupancy (m)	1.890	0.867	0.477	0.338	2.367	1.205	1.817	0.856	0.489	0.337	2.306	1.193
Occupancy (%)	69.9%	73.0%	80.8%	80.5%	71.9%	74.9%	67.3%	72.1%	82.9%	80.2%	70.1%	74.2%
For twelve months												
Average rate (per sq ft)	24.27	25.73	24.64	36.15	24.34	28.70	23.30	24.42	24.03	35.35	23.45	27.55
Self storage income (£m)	44.7	21.7	11.8	12.1	56.5	33.8	40.5	20.0	11.1	11.6	51.6	31.5
Ancillary income (£m)	10.6	4.4	1.1	1.0	11.7	5.4	9.7	4.1	1.1	1.0	10.8	5.1
Other income (£m)	2.4	0.7	0.0	0.1	2.4	0.8	2.3	0.8	0.0	0.1	2.3	1.0
Total income (£m)	57.7	26.8	12.9	13.2	70.6	40.0	52.5	24.9	12.2	12.7	64.7	37.6
Store EBITDA (£m)	36.7	16.8	9.2	9.8	45.9	26.6	32.7	15.1	8.5	9.6	41.2	24.7
<i>Store EBITDA margin (%)</i>	<i>63.6%</i>	<i>62.7%</i>	<i>71.3%</i>	<i>74.2%</i>	<i>65.0%</i>	<i>66.5%</i>	<i>62.3%</i>	<i>60.6%</i>	<i>69.7%</i>	<i>75.6%</i>	<i>63.7%</i>	<i>65.7%</i>
Rent charge (£m)	0.0	(4.6)	0.0	(3.6)	0.0	(8.2)	0.0	(5.0)	0.0	(3.9)	0.0	(8.9)

Occupancy excludes Bulk space of 0.04 m sq ft

Above table has not been fully adjusted for the impact of rounding

Like-for-like revenue adjustments remove the impact of the closures at Whitechapel and New Malden in 2015, and the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted

CER is Constant Exchange Rates




une pièce
en plus

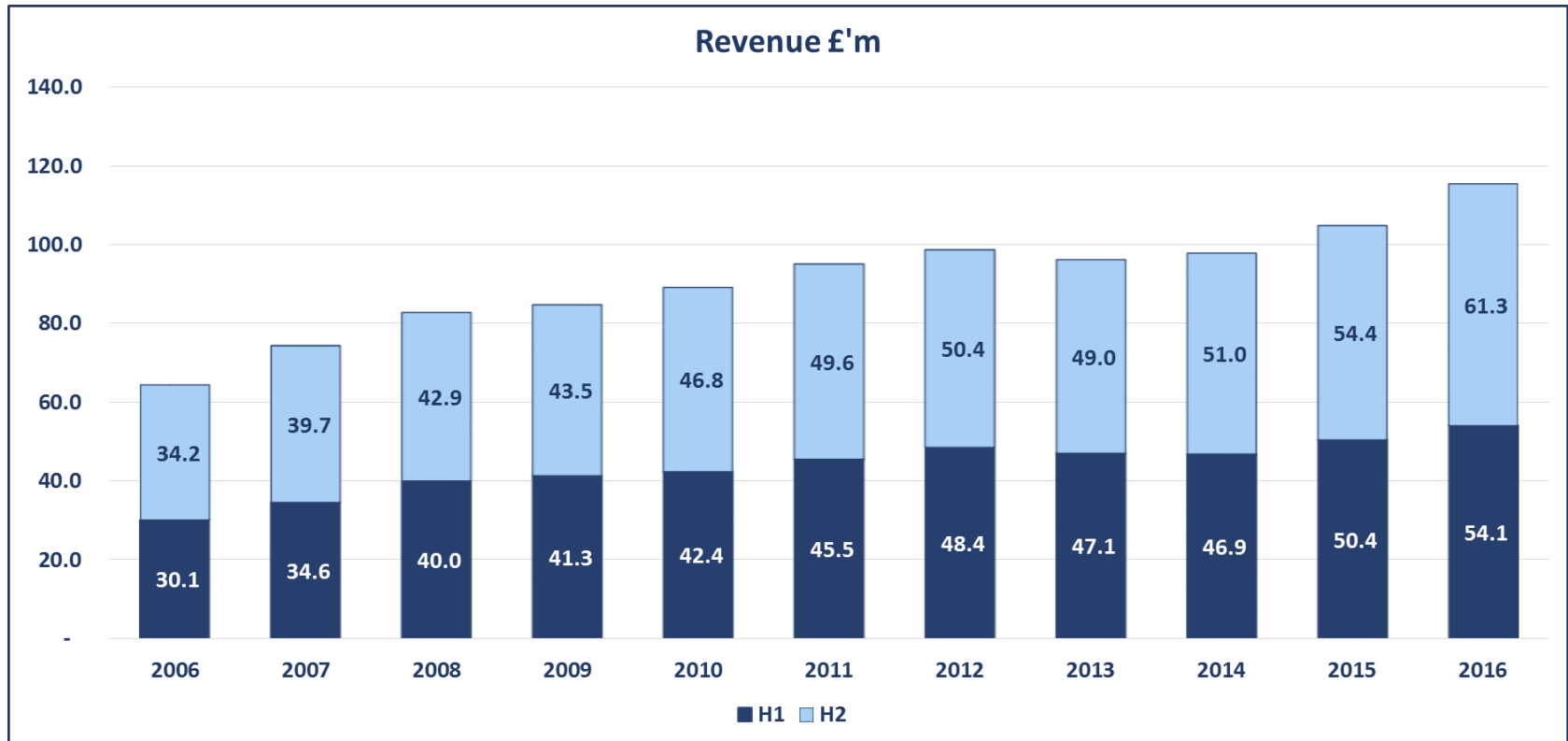

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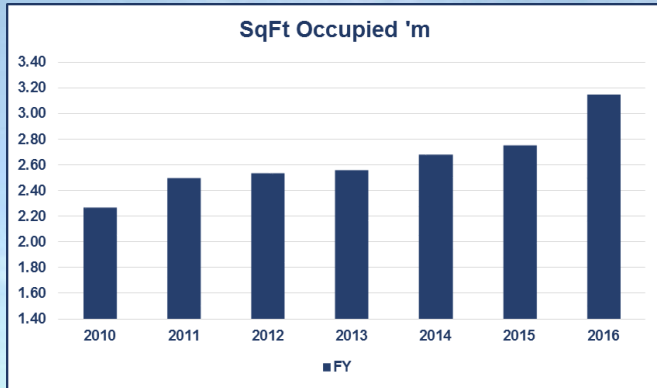
Resilient business model

Robust business model

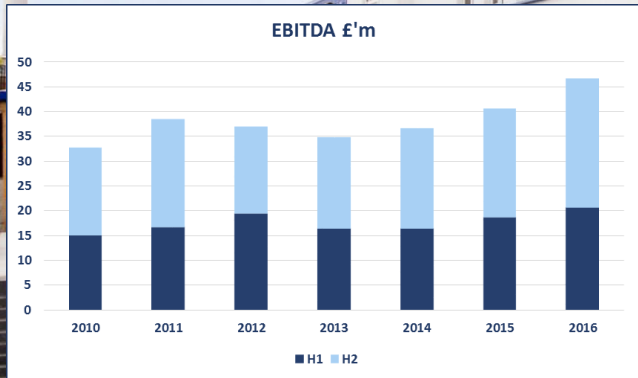
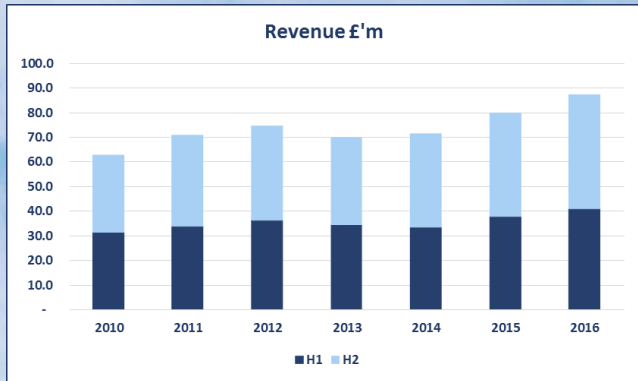


- Group Revenue has been growing steadily
- The self storage model is attractive as a result of:
 - Longevity of customers (average stay of existing customer is 106 weeks)
 - Value of individual customer is small (largest customer only c. 0.5% of revenue)
 - Demand drivers are varied

Safestore UK historic performance



Safestore UK historical performance





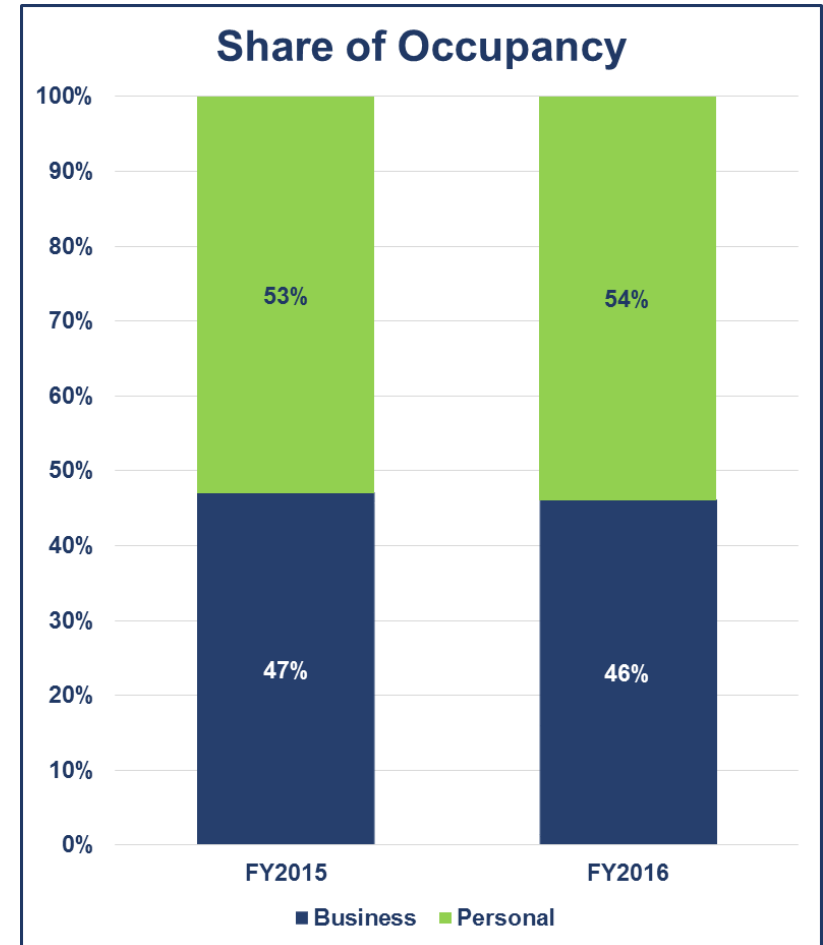
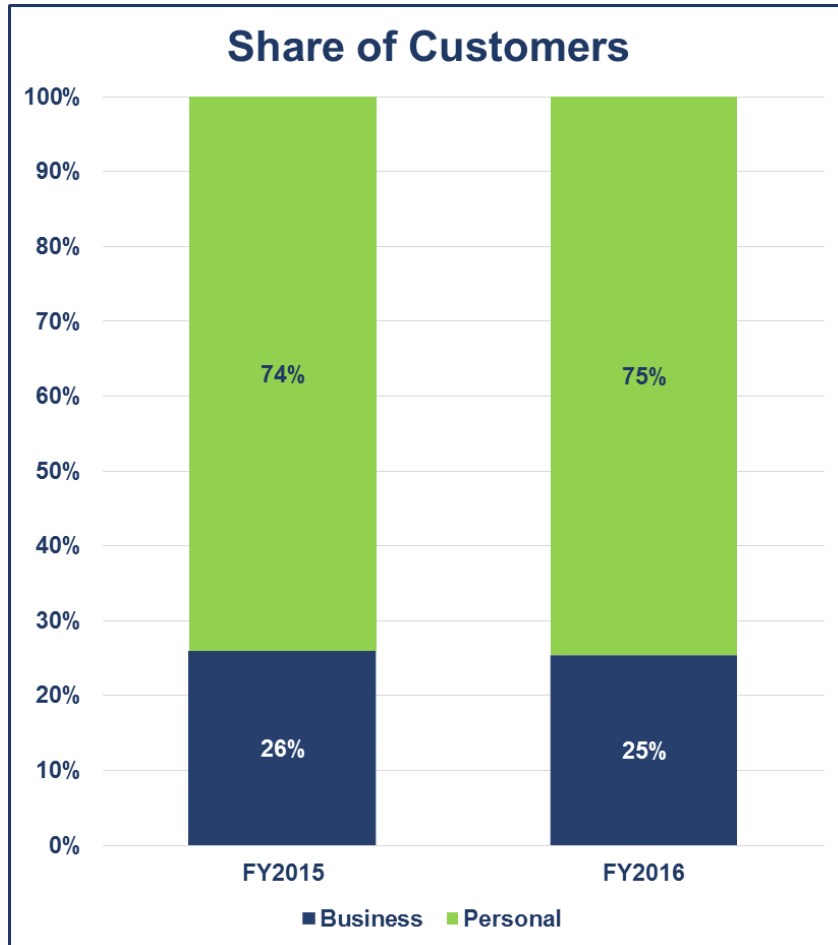
Customers

Customer length of stay

		UK				Paris				Group			
		FY2016		FY2015		FY2016		FY2015		FY2016		FY2015	
		(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)
Business	Existing	131	30.1	132	30.4	136	31.3	130	30.0	132	30.3	132	30.3
	Vacated	55	12.6	42	9.6	55	12.7	53	12.3	55	12.6	43	9.9
	Total	65	14.9	48	11.1	67	15.3	66	15.1	65	14.9	50	11.5
Personal	Existing	89	20.4	88	20.3	117	27.1	115	26.5	97	22.3	97	22.3
	Vacated	29	6.8	30	6.9	51	11.8	51	11.7	34	7.8	35	8.1
	Total	33	7.6	34	7.8	57	13.2	57	13.2	38	8.8	40	9.1
All	Existing	100	23.1	101	23.3	121	27.8	118	27.1	106	24.3	106	24.4
	Vacated	33	7.6	34	7.7	52	11.9	51	11.8	37	8.5	37	8.5
	Total	38	8.7	38	8.8	58	13.5	59	13.5	42	9.7	42	9.8

Storage customers only
Excluding: Queens Dock BC & Battersea BC

Group customer split as at 31 Oct 2016



Personal and business numbers

Personal and Business Customers	UK	Paris
Personal Customers		
Numbers (% of total)	72%	81%
Square feet occupied (% of total)	51%	65%
Average length of stay (months)	20.4	27.1
Business Customers		
Numbers (% of total)	28%	19%
Square feet occupied (% of total)	49%	35%
Average length of stay (months)	30.1	31.3