



NATIONAL STORAGE REIT

ASX ANNOUNCEMENT

25 February 2022

NSR 1H FY22 RESULTS

National Storage REIT (ASX: NSR) today announces its financial results for the half-year ended 31 December 2021 with an A-IFRS profit after tax of \$274.1 million (EPS 23.1 cps) and Underlying EPS¹ of 4.9 cps).

KEY HIGHLIGHTS

- A-IFRS profit after tax of \$274.1 million (EPS 23.1 cps)
- Underlying earnings¹ of \$58.2m, up 48%
- Underlying EPS¹ of 4.9 cps, up 26%
- Half-year distribution of 4.6 cps, up 15%
- Group Occupancy of 87.9%, up 1.9%
- Total assets² of \$3.44 billion, up 10%
- Net tangible assets of \$2.09 per stapled security, up 10.6%
- Carbon Footprint audit of NSR's portfolio nearing completion
- 11 acquisitions totalling \$60 million settled in 1H FY22
- Additional 7 centres totalling \$84 million settled or under contract for 2H FY22 (YTD)
- 22 active development projects providing NLA pipeline of approximately 220,000m²
- FY22 underlying earnings guidance upgraded to minimum 10.0 cps, or minimum 18% uplift on FY21

FINANCIAL RESULTS

Managing Director Mr. Andrew Catsoulis said, "NSR has again delivered an extremely strong result as we execute our growth strategy."

Underlying earnings for the period increased by 48% to \$58.2 million or 4.9 cps, up 26%. The improvement in underlying earnings¹ for the half was driven by a 34% increase in Total Revenue facilitated by a 9.6% increase in Group REVPAM to \$243/m², a 7.3% increase in Group Rate to \$273/m², and a 1.9% increase in Group Occupancy.

NSR continued to successfully execute its acquisition and development strategy with 11 acquisitions settled totalling \$60 million, along with a further 7 centres totalling \$84 million settled or under contract in 2H FY22, year-to-date. Six developments and expansion projects were completed in 2021, adding over 45,000m² of new NLA to the portfolio. A further 22 projects are active, comprising an aggregate NLA pipeline of 220,000m² of additional NLA, with eight

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

² - Net of Lease Liability

projects currently under construction. This will create important built capacity in the short to medium term, which will underpin our organic growth in coming years. NSR's NTA per security increased to \$2.09, up 10.6%, while total assets increased by 10% to \$3.44 billion.

OPERATING RESULTS

Group Occupancy increased by 1.9% to 87.9% with all Australian states and New Zealand showing strong revenue growth. Pleasingly, New Zealand occupancy is up sharply by 4.0% for the half, bringing our average portfolio occupancy in New Zealand to 89.6%.

"NSR has demonstrated positive occupancy and rate growth with approximately 40,000m² of occupancy added since 30 June 2021, with rate per square metre increasing by over 7% for the half, to \$273/m². Our Group REVPAM has also increased by almost 10% for the half to \$243/m², once again demonstrating the strength of our operating systems and our ability to fill the built capacity we have created in recent years," said Mr. Catsoulis.

NSR remains committed to the successful execution of its "four pillars" growth strategy focusing on achieving organic growth through rate and occupancy increases, maintaining its acquisition pipeline, undertaking high-quality developments and expansions in key markets - all overlaid by its use of new technology and innovation initiatives.

NSR has significant built capacity within the existing portfolio of approximately 50,000m² of occupancy "runway" available across Australia and New Zealand before NSR reaches an occupancy level of 90%, which has the potential to generate up to \$16 million of additional revenue if achieved. Given NSR's relatively fixed cost base, the majority of this potential revenue should fall to underlying earnings.

DEVELOPMENT AND EXPANSION PIPELINE

NSR currently has 22 active projects with 8 projects under construction. Upon completion, NSR's development and expansion pipeline will add an aggregate NLA of approximately 220,000m², providing important additional built capacity, which will underpin its future growth.

Mr. Catsoulis said, "NSR utilises a combination of greenfield development and expansion projects, turnkey and joint venture arrangements in order to capitalise on its in-house development expertise and provide enhanced revenue and capital outcomes for NSR."

OUTLOOK

NSR has upgraded its FY22 underlying earnings guidance to a minimum of 10.0 cps, which reflects an 18% increase on FY21, subject to no material changes in market conditions or operating environments, including no material deterioration in COVID-19 restrictions, regulations and impact.

NSR's policy is to distribute 90%-100% of underlying earnings.

ENDS

National Storage is the largest self-storage provider in Australia and New Zealand, with 215 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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NATIONAL STORAGE REIT (NSR)

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