



NATIONAL STORAGE REIT ASX ANNOUNCEMENT

26 FEBRUARY 2020

NSR 1H FY20 RESULTS

National Storage REIT (NSR) today announced its financial results for the half-year ended 31 December 2019 with an A-IFRS profit after tax of \$150.7 million.

KEY HIGHLIGHTS

- 1H FY20 A-IFRS profit after tax of \$150.7 million
- 1H FY20 underlying earnings¹ of \$34.5 million up 31% on 1H FY19
- Underlying EPS¹ 4.4 cps up 4.8%
- Distribution of 4.7 cps for the period
- Total assets under management to \$2.29 billion up 17%
- Net Tangible Assets to \$1.77² per stapled security up 9%
- \$179 million acquisitions successfully transacted

FINANCIAL RESULTS

Managing Director Mr. Andrew Catsoulis said "These results are testament to the strength of the underlying assets comprising our 180+ centre portfolio and reflect the resilience and quality of the management platform supporting our storage businesses across Australia and New Zealand. Our centres have delivered a solid performance despite challenging economic conditions being experienced in a number of key markets. Our ongoing successful acquisition and development strategy combined with a number of recent enhancements to our existing operational platform will allow us to continue to grow revenue and improve profitability well into the future."

"The acquisition of 14 existing storage centres, plus 1 new development site, with a total value of \$179 million over the period contributed to a 17% increase in total assets under management to \$2.29 billion and this is consistent with our ongoing consolidation strategy in what remains a highly fragmented industry. NSR continues to remain at the forefront of this industry consolidation process."

NSR confirms the interim distribution of 4.7 cps previously declared on 17 December 2019 and the payment date of 28 February 2020.

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

² – NTA of \$1.78 excluding ASIC guidance in relation to treatments under AASB 16

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)

OPERATIONAL PERFORMANCE

Mr. Catsoulis said "Overall occupancy across the total Australian and New Zealand portfolios has grown to a combined 82.4% up 0.3% on a same centre basis. Further improvements are expected in 2H FY20 as our new website, together with a number recently implemented marketing and operational initiatives take effect. 1H FY20 REVPAM has increased to \$207/sqm, up 0.5% and has been somewhat impacted by short-term economic headwinds being experienced in a number of key markets, including Sydney. Pleasingly, the improved performance of our storage businesses in Western Australia continues, with an 18.5% increase in overall occupancy since June 2017. Our strategic acquisitions in Western Australia have created an unrivalled coverage of 24 centres across Greater Perth providing significant economies of scale and synergies to that business."

"Our combined pipeline of over 15 new developments, joint ventures, expansions and third party turnkey projects will enhance our continued growth by providing important additional capacity in key markets."

TAKEOVER PROPOSAL UPDATE

Each of Gaw Capital Partners, Warburg Pincus and Public Storage are currently conducting non-exclusive due diligence. All parties remain in discussions with NSR management and their advisors in relation to their respective proposals. The NSR board notes that discussions with each party are preliminary and subject to a number of conditions, and there is no certainty that the discussions will lead to a final recommendation of any offer, or that a binding offer will in fact be received. The NSR board remains committed to acting in the best interests of, and maximising value for, NSR securityholders.

The board notes that timing of revenues received from various acquisition, development and joint venture activities may be impacted by this process.

OUTLOOK

NSR continues to target EPS growth of 4% and underlying earnings of \$78 million, assuming no material changes in market conditions. However, as noted above, the current takeover discussions may impact timing of revenue related to new developments, joint venture arrangements and acquisitions.

ENDS

National Storage is the largest owner-operator of self-storage centres in Australia and New Zealand, with 180+ centres, providing tailored storage solutions to over 70,000 residential and commercial customers across Australia and New Zealand. 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).

For further information:

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