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Half Year Results Presentation 15 June 2017

SafeStore™ Self Storage

Introduction

Frederic Vecchioli

Highlights

Good Financial Performance

- Group Revenue up 12.4% at CER²
- Group like-for-like¹ revenue at CER² up 3.7% with UK up 3.9% and Paris up 2.9%
- Cash Tax Adjusted Earnings per Share up 15.6% at 10.4p
- 16.7% increase in the interim dividend to 4.2p (HY16: 3.6p)

Operational Focus

- Space Maker fully integrated and performing in line with expectations
- All five recently opened stores trading well
- New site acquired at Combs-la-Ville in Paris opened in June 2017
- New consumer website in Paris business, following the UK's success
- Group like-for-like enquiry growth of 3.8%

Strong and Flexible Balance Sheet

- Refinancing reduces effective interest rate to c.2.3% and extends maturity to 7.5 years

¹ Like-for-like revenue adjustments remove the impact of the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville and the current financial year opening of Chiswick. 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

Financial highlights

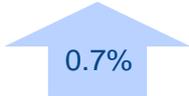
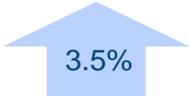
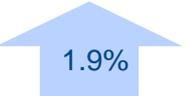
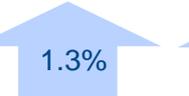
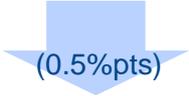
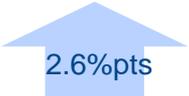
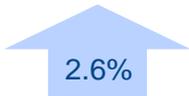
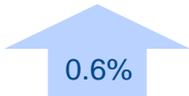
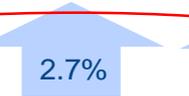
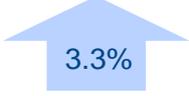
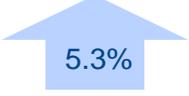
Income Statement & Cash flow	HY2017	Change vs HY2016	
		Absolute	CER ²
Revenue (£'m) like-for-like ¹	57.4	7.1%	3.7%
Underlying EBITDA (£'m) like-for-like ¹	31.5	9.0%	4.8%
Revenue (£'m)	62.6	15.7%	12.4%
Underlying EBITDA (£'m)	34.2	16.7%	12.3%
Underlying EBITDA (post leasehold costs) (£'m)	29.2	15.0%	10.6%
Cash Tax Adjusted EPS (pence)	10.4	15.6%	11.1%
Dividend per share (pence)	4.2	16.7%	n/a
Free cash flow (£'m)	23.2	17.8%	n/a
Balance Sheet		As at Apr 2017	Change vs Oct 2016
Investment Properties Valuation (£'m) ³		980.3	2.7%
EPRA Basic Net Asset Value per Share (pence)		314	4.7%
Group Loan-To-Value		30%	(1.0%)
Group Interest Cover Ratio		5.5x	=

¹ Like-for-like revenue adjustments removes the impact of the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville as well as the opening of Chiswick in the financial current year. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted

² CER is Constant Exchange Rates

³ includes investment properties under construction

Solid revenue growth across the portfolio

		London / SE	Rest of UK	UK Total	Paris	Group Total
Average Occupancy LFL ¹ (sq ft 'm)	Act	1.52	1.18	2.70	0.81	3.51
	YoY	 0.7%	 3.5%	 1.9%	 1.3%	 1.7%
Closing Occupancy LFL ¹ %	Act	72.3%	66.3%	69.5%	80.9%	71.9%
	YoY	 (0.5%pts)	 2.6%pts	 0.9%pts	 1.5%pts	 1.1%pts
Average Rate LFL ¹ (£ per sq ft) (in CER ²)	Act	30.09	18.85	25.28	30.78	26.55
	YoY	 2.6%	 0.6%	 1.7%	 2.7%	 1.9%
Revenue £'m LFL ¹ (in CER ²)	Act	28.4	13.8	42.2	13.4	55.6
	YoY	 3.3%	 5.3%	 3.9%	 2.9%	 3.7%

¹ Like-for-like revenue adjustments remove the impact of the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville as well as the current financial year opening of Chiswick. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted

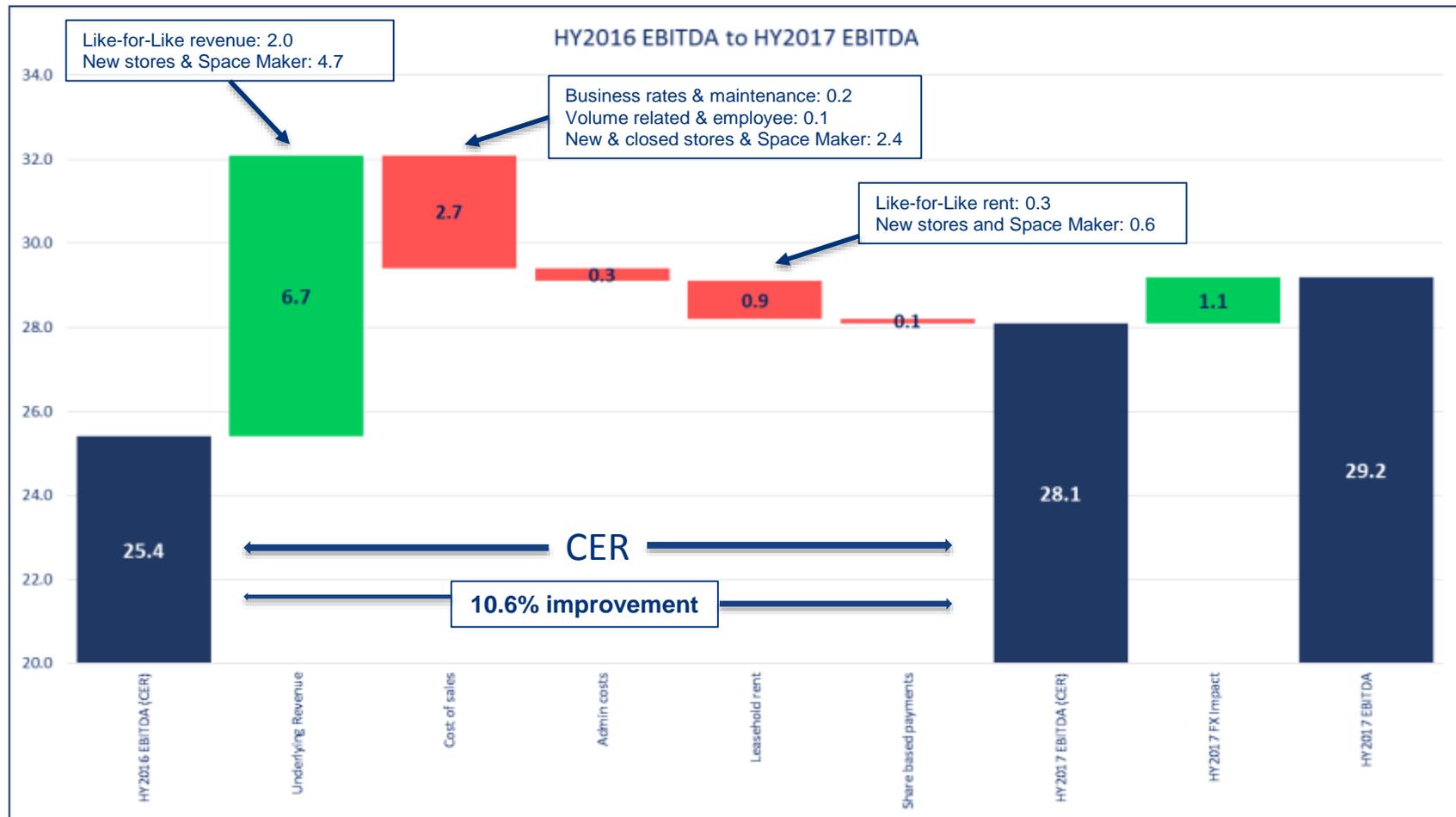
² CER is Constant Exchange Rates

Group P&L

	HY2017			HY2016		
	UK (£'m)	Paris (€'m)	Total (£'m CER)	UK (£'m)	Paris (€'m)	Total (£'m CER)
Revenue	47.3	17.9	60.8	41.1	17.3	54.1
Underlying Cost of Sales	(17.9)	(5.0)	(21.7)	(15.4)	(4.8)	(19.0)
Store EBITDA	29.4	12.9	39.1	25.7	12.5	35.1
<i>Store EBITDA Margin</i>	62.2%	72.1%	64.3%	62.5%	72.3%	64.9%
Underlying Administrative expense	(5.1)	(1.4)	(6.2)	(4.9)	(1.2)	(5.8)
Underlying EBITDA	24.3	11.5	32.9	20.8	11.3	29.3
<i>EBITDA Margin</i>	51.4%	64.2%	54.1%	50.6%	65.3%	54.2%
Leasehold Rent	(3.1)	(2.2)	(4.8)	(2.1)	(2.5)	(3.9)
EBITDA post Leasehold Rent	21.2	9.3	28.1	18.7	8.8	25.4
<i>EBITDA post Leasehold Rent Margin</i>	44.8%	52.0%	46.2%	45.5%	50.9%	47.0%
Depreciation			(0.2)			(0.2)
Finance Charges			(5.3)			(5.0)
Profit before Tax			22.6			20.2
Current Tax			(1.8)			(1.6)
Cash Tax Earnings			20.8			18.6
Average Shares In Issue (m)			209.0			207.8
Underlying (Cash Tax Adjusted) EPS (p)			10.0			9.0

EBITDA Margins impacted by new store openings, which are initially dilutive to margin. Store EBITDA margins on a like-for-like and CER basis improved from 64.7% to 65.5%

Revenue increase drives improved EBITDA (after leasehold rent)



Strong cash flow financing dividend

	HY2017 (£'m)	HY2016 (£'m)
Underlying EBITDA	34.2	29.3
Working Capital/ Exceptionals/ Other	1.4	(0.1)
Operating cash inflow	35.6	29.2
Interest payments	(5.8)	(4.7)
Leasehold rent payments	(5.0)	(3.9)
Tax payments	(1.6)	(0.9)
Free cash flow (before investing and financing activities)	23.2	19.7
Capital expenditure – investment properties – maintenance and build-outs	(2.9)	(2.3)
Capital expenditure – investment properties – new stores and developments	(10.9)	(6.9)
Capital expenditure – property, plant and equipment	(0.3)	(0.4)
Proceeds from disposal – investment properties	3.4	-
Net inflow after investing activities	12.5	10.1
Dividends paid	(14.7)	(12.1)
Cash flow before debt movements	(2.2)	(2.0)

Strong and flexible Balance Sheet

Capital Structure	Apr 17	Oct 16	Variance	Apr 16
Property valuation (£'m)*	980.3	954.2	2.7%	838.6
UK (£'m)*	738.2	710.6	3.9%	634.3
FR (€'m)*	287.8	270.9	6.2%	260.8
Gross Debt (£'m)	311.4	315.7	(£4.3m)	255.7
Adjusted Gross Debt (£'m) **	298.5	294.9	£3.6m	251.4
Net Debt (£'m)	305.1	310.3	(£5.2m)	244.5
Adjusted Group LTV **	30%	31%	(1.0%pts)	30%
Adjusted UK LTV **	35%	36%	(1.0%pts)	34%
Interest Cover Ratio (Underlying)	5.5x	5.5x	=	5.1x
Effective interest rate	3.5%	3.6%	(0.1%pts)	4.1%
Debt capacity (£'m)	99.2	104.2	(£5.0m)	140.5
Committed (£'m)	84.2	89.2	(£5.0m)	125.5
Uncommitted (£'m)	15.0	15.0	=	15.0

*For valuation purposes an exchange rate of 1.1885 Euro : 1GBP was used (€1.1118 at Oct 16). Includes investment properties under construction

** Adjusted for the impact of the cross currency swap

Refinancing

	Previous	New
Facilities	2020 UK Term Loan £126m 2020 UK Revolver £125m 2020 Euro Revolver €70m 2019 USPP \$66m (5.83%) 2024 USPP \$47m (6.74%) UK Accordion £15m Total (at 30/4/17 FX rates) £398m*	2022 UK Revolver £190m 2022 Euro Revolver €70m 2024 USPP €51m (1.59%) 2027 USPP €74m (2.00%) 2029 USPP £51m (2.92%) UK Accordion £60m Total (at 30/4/17 FX rates) £465m
UK Bank Margin	1.5%	1.25%
Effective Interest Rate	3.5%	2.3%
Weighted average maturity	3.4 years	7.5 years
Pro-forma Interest Charge	£10.5- £11.5m pa	£7.5- £8.5m pa
Interest fixed/ hedged	68%	90%
Group LTV	30%	32%
Group ICR	5.5x	c. 7.5x

Exceptional finance costs of c. £16m to be incurred including;

- £12.4m make-whole payment to previous USPP noteholders
- c. £2.3m legal, bank commitment and other fees
- £1.5m costs from previous refinancings written off

Crystallisation of value of previous Sterling/Dollar cross-currency resulted in £13.9m cash inflow

* Adjusted for the fair value of the USD cross currency swaps

Guidance – non trading and one-off items

Item	Guidance
Foreign exchange impact	Strengthening of Euro contributed £1.1m to EBITDA in HY2017 In H2, each 10c fluctuation from last year's H2 FX rate of 1.20 equates to c.£0.7m of Group EBITDA
Tax	Effective underlying cash tax rate in France estimated at c. 28% in FY2017 and FY2018 No tax anticipated in UK
Interest charges	Estimated at c. £9.25 – £10.25m in FY2017
Shares in issue	Average shares in issue in HY2017 – 209.0m Closing shares in issue at 30 April 2017 – 209.3m
Dividends	Dividend growth anticipated to be at least in line with earnings growth for the medium term
Capex	Outstanding spend for current projects to be c. £9m over the remainder of 2017 and 2018 covering new stores and our LED lighting project In addition, maintenance and store enhancements should be £3-£4m per annum

Now Open

Operational Delivery

Frederic Vecchioli

Operations overview

All of the numbers include Space Maker on a pro-forma basis for 2016

Limited market supply growth, c. 2% to 3% expected in 2017 – barriers to entry

Leveraging leading marketing platform:

- Competitive advantage of scale – growing market share
- Rolled-out to Paris
- Group enquiry growth + 6.1%

Sales performance from the team:

- Group new let sq ft up 5.6%

Balanced rate management strategy

Diversified demand drivers and geographic generate resilient revenue

Continued focus on existing assets:

- Now 1.7m sq.ft. available and fully invested
- Space Maker fully benefitting from integration

Disciplined development and asset management:

- Very fragmented market
- Focus on cash on cash returns

Limited market supply growth

Growing and fragmented industry:

- 1,430 self storage sites (of which 317 are container sites) – 693 storage businesses
- Fragmented market with the six largest operators only owning 315 stores
- 25 new store openings in 2016
- c. 25 – 40 new stores are likely to be added in coming year representing c. 2% to 3%

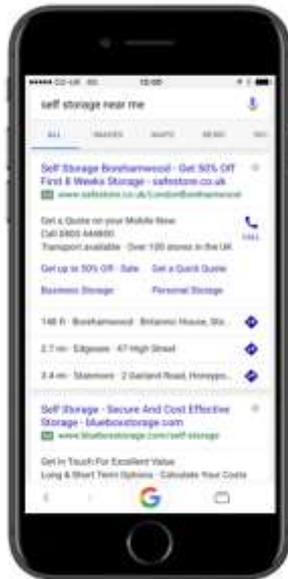
Immature industry:

- Supply per head of population at 0.64 sq ft much lower than mature markets (Australia – 1.8, USA – 7.8), Paris – 0.36

Customer needs store with close proximity:

- 71% of customers travel 20 minutes or less to their storage unit
- 75% of customers visit unit at least monthly
- 70% of Safestore customers live within 4 miles of their store (within 3 miles in London)
- Highlights benefit of having more stores closer to more customers

Leveraging leading marketing platform



Safestore capturing growing market share:

- 81% of group enquiries generated online
- New website delivered average HY2017 UK LFL enquiry growth of 4.1%
- Platform rolled-out to Paris business
- Paris enquiry growth +7.0% with increasing momentum
- 56% of online UK enquiries on mobile devices
- Cost per enquiry across the group decreased by 4.4% during HY2017 (on CER basis)
- Marketing budget well controlled within long term range of 4% – 5% of revenue
- Leading digital platform provides meaningful competitive advantages

Self Storage Association 2017 Survey emphasizes the need for search engine efficiency:

- 71% of potential customers would use the internet to search for storage
- 97% of people would use generic terms when searching online
- Self storage is a brand-blind product

Continuing sales performance

New let square feet:

- +5.7% in the UK in HY
 - Stronger growth in the UK regions (+6.8%) versus London (+4.9%)
- +5.2% in Paris in HY
- Like-for-like growth inline with prior year in both countries

Vacate square feet:

- Length of stay stable in all regions, with group average at 9.7 months
- 5.9% higher in the UK in HY following strong summer 2016 sales
- 4.7% lower in Paris in HY

Group occupancy movement:

- Group benefits from geographic diversification - Stronger momentum in Paris
- HY: -30,065 sq ft (-62,620 sq ft HY2016)

Balanced rate management

Rate growth (CER):

- 0.7% in the UK in HY
 - 1.7% like-for-like
- 2.2% in Paris in HY
 - 2.7% like-for-like

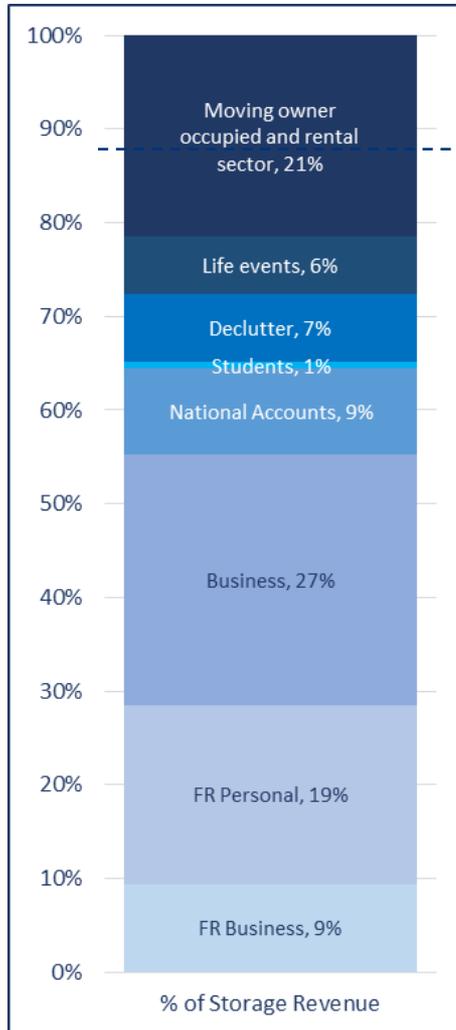
Centrally driven pricing promotions reduced as we enter peak trading season

Continued discipline at store level discounting

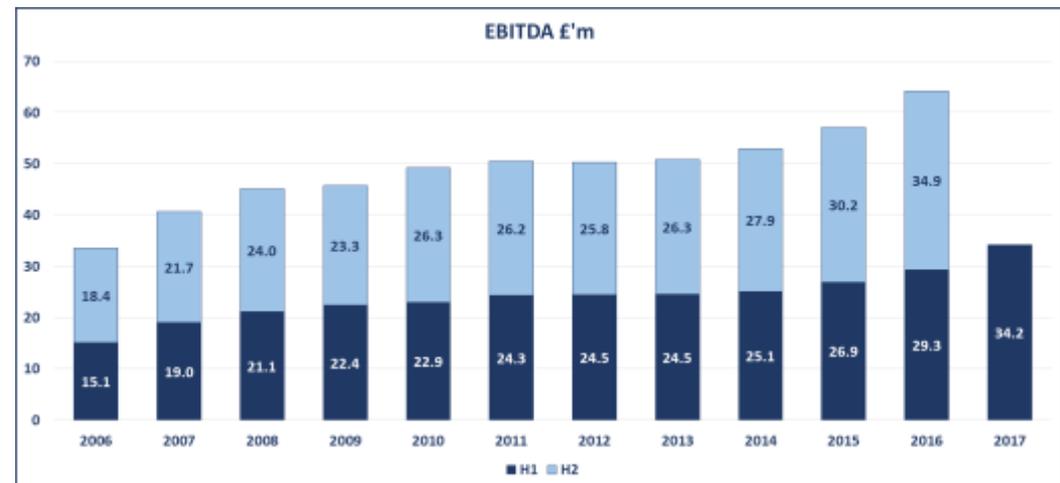
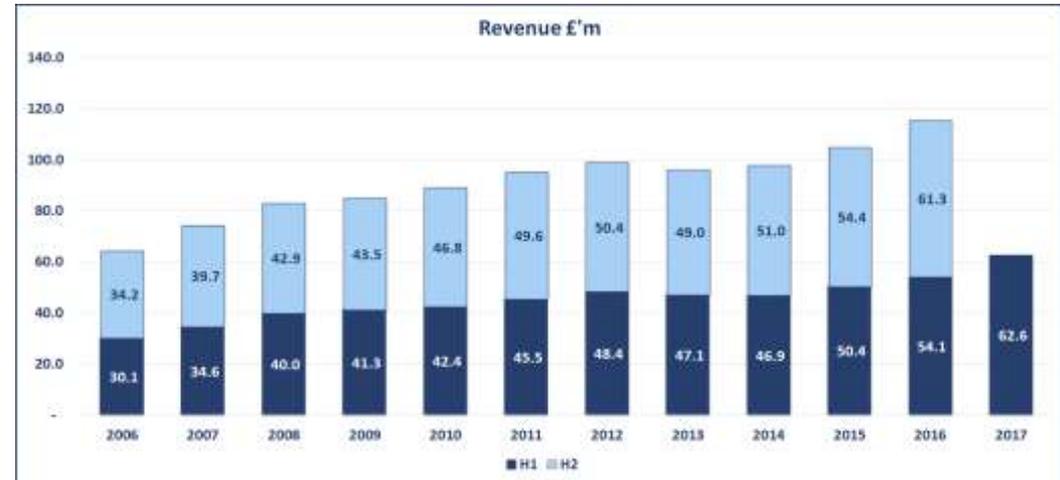
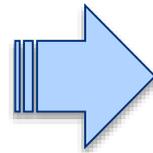
Rate growth drivers:

- Enquiry generation through digital platform
- Central pricing team
- Team selling skills at store level
- Store catchment area and size - smaller stores tend to achieve higher rates

Diversified drivers and business geography generate resilient revenue and profits



c. 8% - 13%
owner occupier



UK moving owner occupier represent close to 20% group new lets but c. 10% of revenue due to shorter stay and smaller size

Continued focus on existing assets

	Group	London & SE	UK Regions	Paris
Maximum lettable area (m sq ft)	5.64	2.45	2.12	1.07
Let Square Feet (m sq ft)	3.94	1.72	1.39	0.83
Available space (m sq ft)	1.70	0.73	0.73	0.24

Fully invested portfolio of 5.64m square feet

1.7m available – equivalent of around 40 new stores

Disciplined development

Space Maker:

- Fully integrated
- Revenue growth 6.2%
- Now 9.9% cash on cash

Newly opened stores

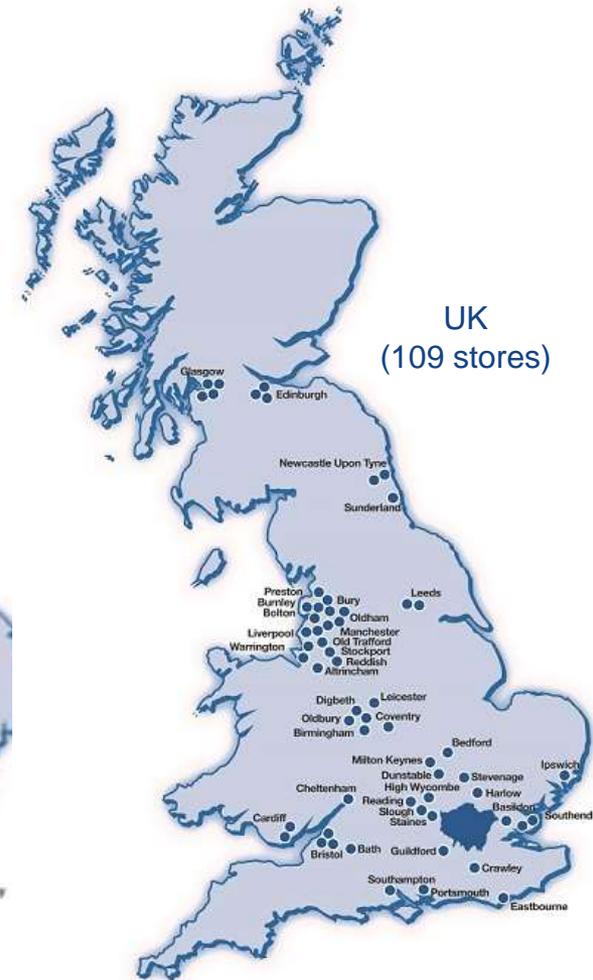
- On target
- All new stores opened will exit their first 12 months profitably

New stores and developments

- Longpont extension (March 2017)
- Combs-la-Ville (June 2017)
- Mitcham (March 2018)

**Average lease length remaining
– 13.2 years**

**Disciplined additional
development – focus on
cash-on-cash return**



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 24.8 months)
- Resilient during downturn

Unique portfolio

- Leading presence in key markets
- 74% 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 and acquisition opportunities
- Strongly growing dividend

Appendices



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Financial

Detailed P&L

	Group	
	HY2017	HY2016
	£'m	£'m
Revenue	62.6	54.1
Cost of sales	(22.5)	(19.3)
Gross profit	40.1	34.8
Administrative expenses	(6.3)	(6.1)
Underlying EBITDA *	34.2	29.3
Cost incurred relating to corporate transactions	-	(0.3)
Depreciation and contingent rent	(0.4)	(0.3)
Operating profit before gain on investment properties	33.8	28.7
Gain on investment properties	30.8	28.2
Operating profit	64.6	56.9
Finance income	5.7	4.5
Finance expense	(15.3)	(12.3)
Profit before income tax	55.0	49.1
Income tax credit / (charge)	3.8	(3.4)
Profit for the period	58.8	45.7
Earnings per share for profit attributable to the equity holders		
– basic (pence)	28.1	22.0
– diluted (pence)	28.0	21.8

* 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

	HY2017 (£'m)	HY2016 (£'m)
Underlying EBITDA	34.2	29.3
Gain on investment properties	30.8	28.2
Depreciation	(0.2)	(0.2)
Contingent rent	(0.2)	(0.1)
Costs incurred relating to corporate transactions	-	(0.3)
Statutory Operating Profit	64.6	56.9



Detailed Balance Sheet

	Group	
	HY2017	HY2016
	£'m	£'m
<hr/>		
<u>Assets</u>		
Non-current assets		
Investment properties	972.0	826.6
Investment properties under construction	8.3	12.0
Other non-current assets	72.8	58.9
Non-current assets	1,053.1	897.5
Current assets	32.9	33.8
<u>Liabilities</u>		
Current liabilities	(57.0)	(50.1)
Non-current liabilities		
Bank borrowings	(311.4)	(255.7)
Deferred tax liabilities	(47.6)	(47.9)
Obligations under finance leases	(46.7)	(41.3)
Other non-current liabilities	(3.1)	(2.4)
Non-current liabilities	(408.8)	(347.3)
<u>Net assets</u>	<u>620.2</u>	<u>533.9</u>

HY2017 Underlying to Statutory Adjustments

Underlying Headings	Underlying P&L	Derivative Movements	Contingent Rent / Dep'n	Valuation Movement	Finance Lease Int	Dep'n LH properties	Tax / CGS / FX	Statutory P&L	Statutory Headings
Sales	62.6							62.6	Revenue
Costs	(28.4)							(28.4)	Cost of Sales / Administrative Expenses
			(0.4)					(0.4)	Depreciation and Contingent Rent
Underlying EBITDA	34.2	0.0	(0.4)	0.0	0.0	0.0	0.0	33.8	Operating Profit before IP's
Rents	(5.0)		0.2	33.4	2.2	2.6 (2.6)		30.8	Property Valuation
EBITDA after leasehold rent	29.2	0.0	(0.2)	33.4	2.2	0.0	0.0	64.6	Operating Profit
Depreciation	(0.2)		0.2					0.0	
Interest	(5.3)	(7.6)			(2.2)		5.5	(9.6)	Net Finance Expenses
Profit before Tax	23.7	(7.6)	0.0	33.4	0.0	0.0	5.5	55.0	Profit before Tax
Tax	(2.0)						5.8	3.8	Income Tax Credit
PAT/ Earnings	23.7	(7.6)	0.0	33.4	0.0	0.0	11.3	58.8	Profit for the Year
Shares (m)	209.0							209.0	Shares (m)
Cash Tax EPS (p)	10.4							28.1	Basic EPS (p)

HY2016 Underlying to Statutory adjustments

Underlying Headings	Underlying P&L	Corporate transaction costs	Derivative Movements	Contingent Rent / Dep'n	Valuation Movement	Finance Lease Int	Dep'n LH properties	Tax / CGS / FX	Statutory P&L	Statutory Headings
Sales	54.1								54.1	Revenue
Costs	(24.8)	(0.3)		(0.3)					(24.8) (0.3) (0.3)	Cost of Sales / Administrative Expenses Corporate transaction costs Depreciation and Contingent Rent
Underlying EBITDA	29.3	(0.3)	0.0	(0.3)	0.0	0.0	0.0	0.0	28.7	Operating Profit before IP's
Rents	(3.9)			0.1	30.3	1.7	2.1 (2.1)		28.2	Property Valuation
EBITDA after leasehold rent	25.4	(0.3)	0.0	(0.2)	30.3	1.7	0.0	0.0	56.9	Operating profit
Depreciation	(0.2)			0.2				0	0	
Interest	(5.0)		2.8			(1.7)		(3.9)	(7.8)	Net Finance Expenses
Profit before Tax	20.2	(0.3)	2.8	0.0	30.3	0.0	0.0	(3.9)	49.1	Profit before Tax
Tax	(1.6)							(1.8)	(3.4)	Income Tax Charge
PAT/ Earnings	18.6	(0.3)	2.8	0.0	30.3	0.0	0.0	(5.7)	45.7	Profit for the Year
Shares (m)	207.8								207.8	Shares (m)
Cash Tax EPS (p)	9.0								22.0	Basic EPS (p)

Movement in Cost Base

Cost of Sales

	HY2017	HY2016
	(£'m)	(£'m)
Reported cost of sales	(22.5)	(19.3)
Adjusted for:		
Depreciation	0.2	0.2
Contingent rent	0.2	0.1
Underlying Cost of Sales	(22.1)	(19.0)
Underlying cost of sales for HY2016		(19.0)
Closed store cost of sales		<u>0.1</u>
Underlying cost of sales for HY2016 (LFL)		(18.9)
Store maintenance and business rates		(0.2)
Employee remuneration and volume related cost of sales		<u>(0.1)</u>
Underlying cost of sales for HY2017 (LFL CER)		(19.2)
Space Maker and new store cost of sales		<u>(2.5)</u>
Underlying cost of sales for HY2017 (CER)		(21.7)
Foreign exchange		<u>(0.4)</u>
Underlying Cost of Sales for HY2017		<u>(22.1)</u>

Administrative Expenses

	HY2017	HY2016
	(£'m)	(£'m)
Reported administrative expenses	(6.3)	(6.1)
Adjusted for:		
Exceptional and non-underlying items	-	<u>0.3</u>
Underlying administrative expenses	(6.3)	(5.8)
Underlying administrative expenses for HY2016		(5.8)
Employee remuneration		<u>(0.3)</u>
Underlying administrative expenses for HY2017 (LFL CER)		(6.1)
Other administrative costs		<u>(0.1)</u>
Underlying administrative expenses for HY2017 (CER)		(6.2)
Foreign exchange		(0.1)
Underlying administrative expenses for HY2017		<u>(6.3)</u>

Group Banking Covenants – Apr 2017 reported

Covenants

Interest Cover Ratio

Consolidated level

Not less than 2.40:1

Loan to Value

Sterling Loan to Value

Not more than 0.60:1

Euro Loan to Value

Not more than 0.60:1

Group Debt position at 30 Apr 2017

	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%	0.26%	2.62%
UK Revolver	Jun 20	£ 125.0	61.0	-	-	1.50%	-	0.26%	1.76%
UK Revolver - non-utilisation		£ 64.0	-	-	-	0.60%	-	-	0.60%
Euro Revolver	Jun 20	€ 70.0	38.7	25.2	65%	1.50%	0.31%	(0.33%)	1.58%
Euro Revolver - non-utilisation		€ 24.0	-	-	-	0.60%	-	-	0.60%
US Private Placement 2019	May 19	\$ 65.6	50.7	50.7	100%	5.52%			5.83%
US Private Placement 2024	May 24	\$ 47.3	36.5	36.5	100%	6.29%			6.74%
Unamortised Finance Costs		-	(1.5)	-	-	-	-	-	-
Total		£ 397.1	311.4	212.4	68%				3.52%

As at 30 April 2017, the weighted average remaining term for the Group's committed borrowings facilities is 3.4 years

Refinance

Had the refinanced arrangements been in place at 30 April 2017, on a pro forma basis the Group's effective interest rate would have been as follows

	Facility	Drawn	Hedged	Hedged	Bank	Hedged	Floating	Total
	£/€//\$'m	£'m	£'m	%	Margin	Rate	Rate	Rate
UK Revolver	£ 190.0	117.0	100.0	85%	1.25%	1.34%	0.25%	2.43%
UK Revolver - non-utilisation	£ 73.0	-	-	-	0.50%	-	-	0.50%
Euro Revolver	€ 70.0	38.7	25.2	65%	1.25%	0.31%	(0.33%)	1.34%
Euro Revolver - non-utilisation	€ 24.0	-	-	-	0.50%	-	-	0.50%
US Private Placement 2024	€ 50.9	42.8	42.8	100%	1.59%			1.59%
US Private Placement 2027	€ 74.1	62.3	62.3	100%	2.00%			2.00%
US Private Placement 2029	£ 50.5	50.5	50.5	100%	2.92%			2.92%
Total	£ 404.5	311.3	280.8	90%				2.32%

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. There are some trees visible on the left side. 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 13% over prior year
- Storage revenue up 22% on prior year

Head Office Functions supporting revenue growth:



- Customer Support Centre:
 - CSC handled 18% 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

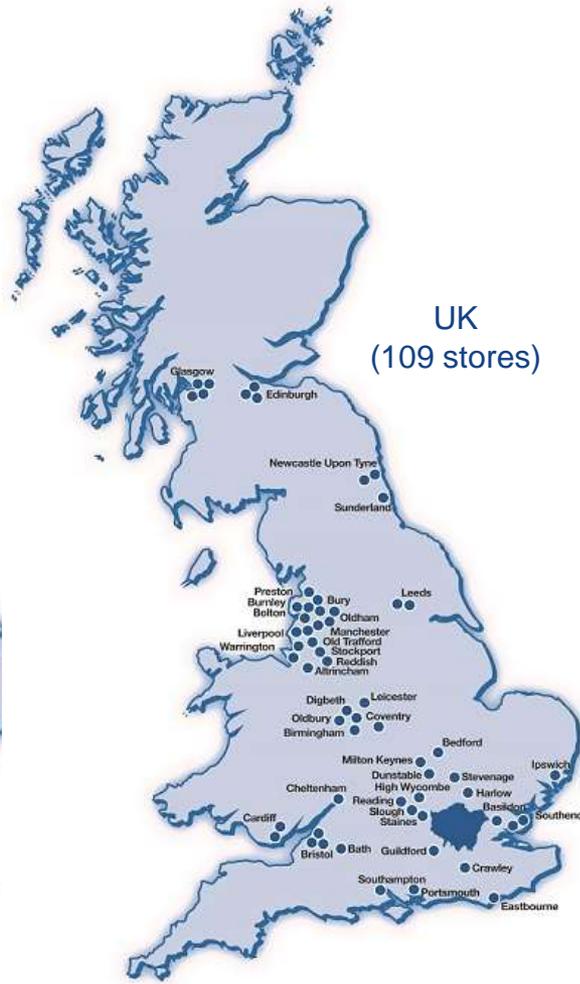
bay 3

bay 4



Portfolio Management

Portfolio strength with further potential



- 134 store portfolio
- 5.6m maximum lettable area
- 1.7m sq ft available – 1.0m London, South East and Paris

- 44 stores within the M25
- 25 stores in Paris
- 19 stores in the South East
- 46 stores in the UK regions

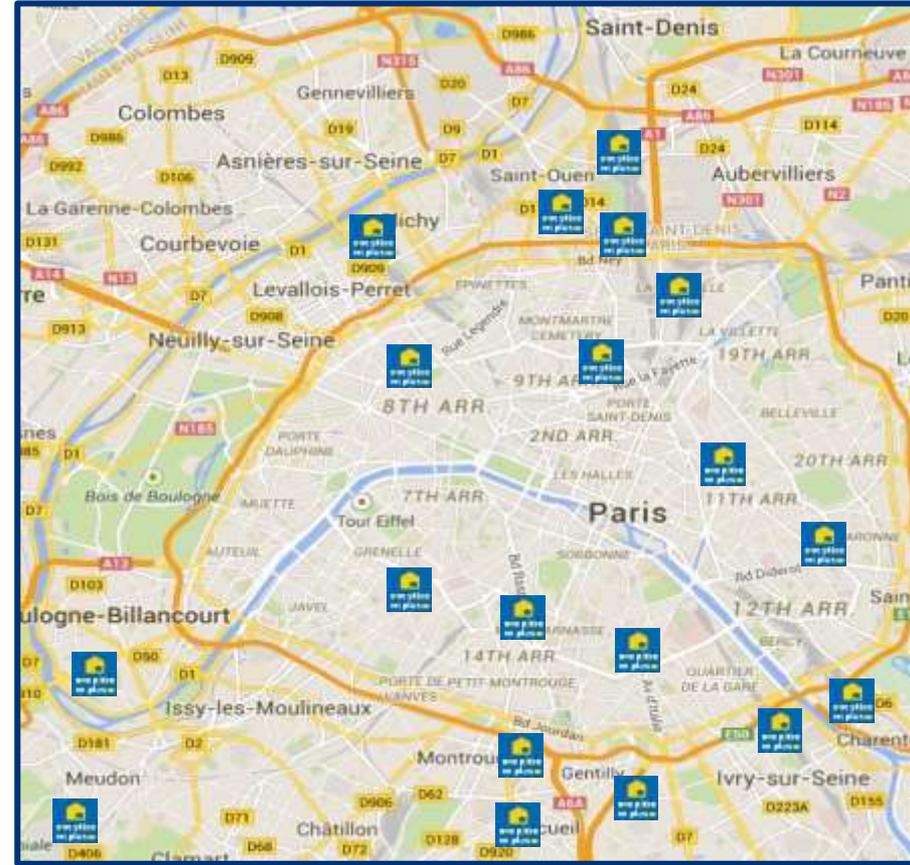
- New stores opened in the last 12 months:

- London Chiswick
- London Wandsworth
- Birmingham
- Paris Emerainville
- Altrincham

- Pipeline:

- London Mitcham
- Paris Combs-la-Ville

Densest network of stores in London and Paris



Paris and London combined represent 69 stores – £38.4m of Revenue, £26.3m of Store EBITDA and 41% of currently unoccupied square feet

Property valuation movement (excluding investment properties under construction)



Key assumptions

	Apr 2017*	Apr 2016*	Oct 2016
Average Self Storage rate per sq ft	£26.85	£26.02	£26.17
Exit Cap rate (Freehold only)	7.2%	7.2%	7.2%
Weighted average stabilised occupancy	80.8%	79.7%	80.2%
Stabilised occupancy in sq ft	4.67m	4.09m	4.64m
Average number of months to stabilised occupancy	29.9	30.0	23.8

* Apr 17 and Apr 16 were not full external valuations

New stores and Pipeline

Pipeline store / site	Planning	Total MLA sq ft	Estimated opening
Stores opened in HY2017			
London Chiswick		42,500	
Total sq ft added in HY2017		42,500	
Development stores acquired / under contract			
London Mitcham		54,000	2018
Paris Combs-la-Ville (opened June 2017)		73,000	2017
Total sq ft in pipeline		127,000	

- 1 new stores opened in HY2017
- Two pipeline stores:
 - London Mitcham 54,000 MLA
 - Paris Combs-la-Ville 73,000 MLA (opened June 2017)
- Number of trading stores at 30 April 2017 was 109 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	✓		✓	✓

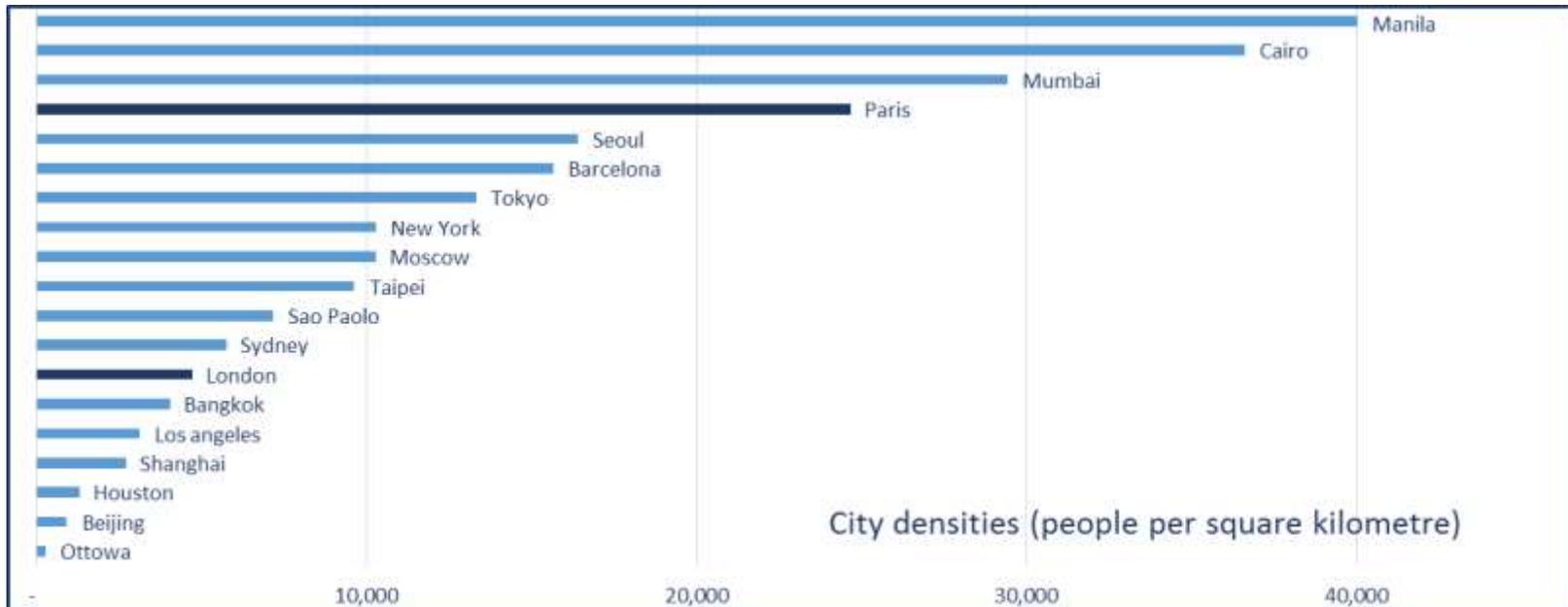
- Six largest UK operators own just 22% of market*
- Excluding container storage 2016 experienced 2.1% increase in number of self storage centres in the UK*
- Only two storage centres opened inside Paris since 2005

Fully invested portfolio of 5.64m square feet

1.7m available – equivalent of around 40 new stores

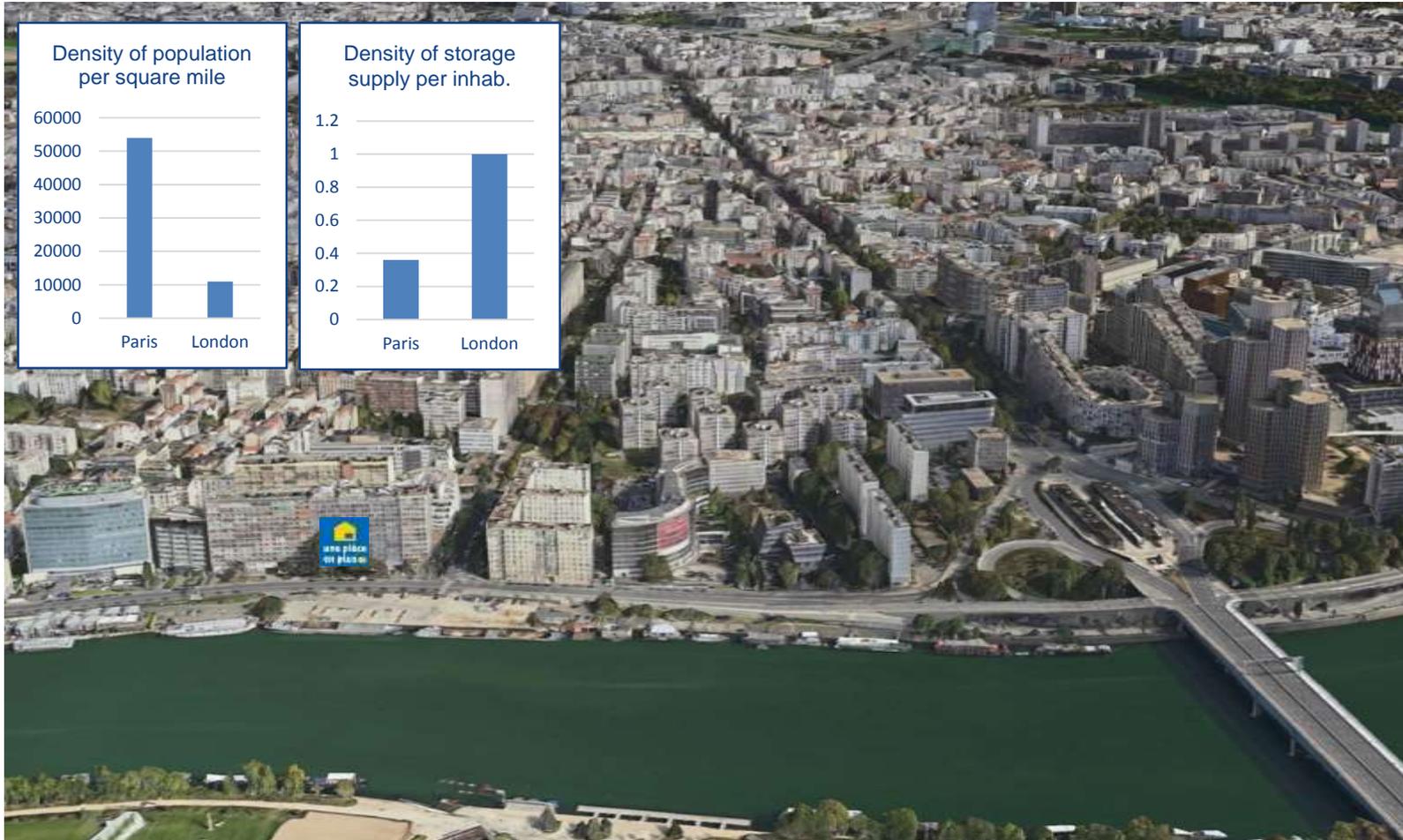
*SSA UK survey 2017

Very strong position in the two best European markets for storage

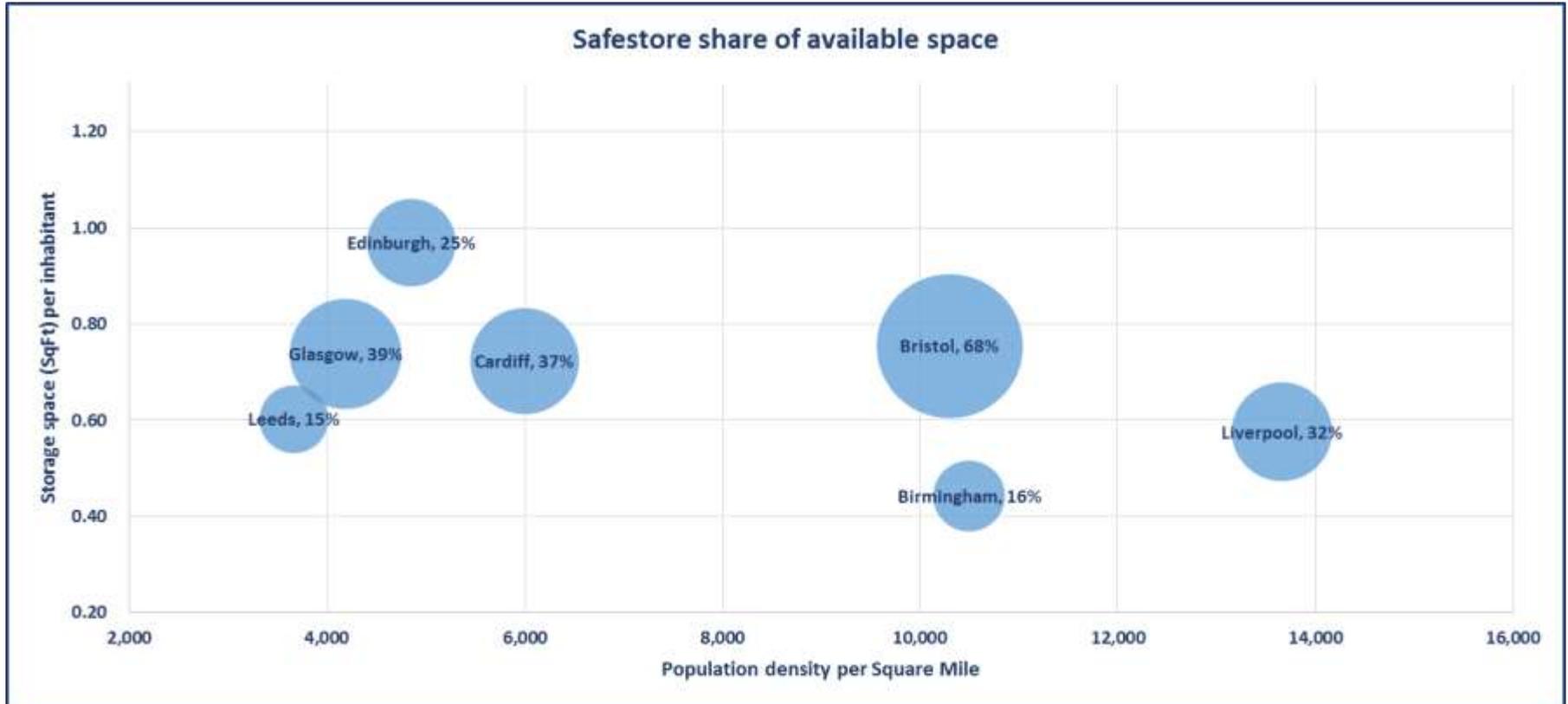


	GDP (£'bil)	Population (mil)		GDP (£'bil)	Population (mil)		GDP (£'bil)	Population (mil)
London	372	7.7	Vienna	66	1.7	Lyon	45	2.1
Paris	371	9.9	Berlin	63	3.3	Turin	45	0.9
Madrid	151	5.2	Birmingham	59	2.3	Warsaw	45	1.7
Barcelona	116	4.9	Manchester	56	2.2	Munich	42	1.4
Rome	95	2.6	Brussels	55	1.2	Dublin	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

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	63	46	109	25	134
Let Square Feet (m sq ft)	1.72	1.39	3.11	0.83	3.94
Maximum Lettable Area (m sq ft)	2.45	2.12	4.57	1.07	5.64
Let Square Feet per store (k sq ft)	27	30	29	33	29
Average Store Capacity (k sq ft)	39	46	42	43	42
Closing Occupancy %	70.4%	65.5%	68.1%	77.3%	69.8%
Average Rate (£ per sq ft)	29.30	18.87	24.75	34.75	26.85
Revenue (£'m)	31.2	16.1	47.3	15.3	62.6
Revenue per Store (£'m)	0.50	0.35	0.43	0.61	0.47

- Leading positions in the high density capital city markets of London and Paris (51% of store portfolio and 61% of revenue)
- Strong national presence in regional UK focused on key metropolitan conurbations such as Manchester, Birmingham, Bristol, Glasgow, Edinburgh

Portfolio summary split by maturity

	HY2017				HY2016			
	Developing	Established	Mature	Total	Developing	Established	Mature	Total
Number of stores	5	6	123	134	0	6	113	119
MLA self storage only (m)	0.230	0.305	5.107	5.642	0.000	0.305	4.620	4.925
Closing occupancy (m)	0.072	0.244	3.588	3.904	0.000	0.237	3.215	3.452
Occupancy (%)	31.3%	80.0%	70.3%	69.2%	0.0%	77.7%	69.6%	70.1%
For twelve months								
Average rate (£ per sq ft)	16.88	16.70	27.69	26.85	0.00	14.74	26.87	26.02
Self storage income (£m)	0.5	2.0	48.9	51.4	0.0	1.7	42.5	44.2
Ancillary income (£m)	0.1	0.2	9.1	9.4	0.0	0.2	8.0	8.2
Other income (£m)	0.0	0.0	1.8	1.8	0.0	0.0	1.7	1.7
Total income (£m)	0.6	2.2	59.8	62.6	0.0	1.9	52.2	54.1
Store EBITDA (£m)	0.0	1.4	39.1	40.5	0.0	1.2	33.9	35.1
<i>Store EBITDA margin (%)</i>	0.0%	63.6%	65.4%	64.7%	0.0%	63.2%	64.9%	64.9%
Rent charge (£m)	0.0	0.0	5.0	5.0	0.0	0.0	3.9	3.9

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 includes the impact of the acquisition of Space Maker, the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville and the current financial year opening of Chiswick

Portfolio summary split between freehold and leasehold

	HY2017						HY2016					
	UK		Paris		Group		UK		Paris		Group	
	Freehold	Leasehold										
Number of stores	73	36	14	11	87	47	65	30	13	11	78	41
MLA self-storage only (m)	3.134	1.438	0.650	0.420	3.784	1.858	2.727	1.188	0.590	0.420	3.317	1.608
Closing occupancy (m)	2.037	1.039	0.495	0.333	2.532	1.372	1.835	0.815	0.468	0.334	2.303	1.149
Occupancy (%)	65.0%	72.3%	76.2%	79.3%	66.9%	73.8%	67.3%	68.6%	79.3%	79.5%	69.4%	71.5%
For twelve months												
Average rate (per sq ft)	24.58	25.08	29.04	43.12	25.44	29.46	24.27	26.03	25.24	36.68	24.47	29.10
Self storage income (£m)	24.7	12.7	7.0	7.0	31.7	19.7	21.7	10.6	5.9	6.0	27.6	16.6
Ancillary income (£m)	5.5	2.6	0.7	0.6	6.2	3.2	5.1	2.1	0.5	0.5	5.6	2.6
Other income (£m)	1.3	0.5	0.0	0.0	1.3	0.5	1.2	0.4	0.1	0.0	1.3	0.4
Total income (£m)	31.5	15.8	7.7	7.6	39.2	23.4	28.0	13.1	6.5	6.5	34.5	19.6
Store EBITDA (£m)	19.8	9.6	5.3	5.8	25.1	15.4	17.8	7.9	4.6	4.8	22.4	12.7
<i>Store EBITDA margin (%)</i>	<i>62.9%</i>	<i>60.8%</i>	<i>68.8%</i>	<i>76.3%</i>	<i>64.0%</i>	<i>65.8%</i>	<i>63.6%</i>	<i>60.3%</i>	<i>70.8%</i>	<i>73.8%</i>	<i>64.9%</i>	<i>64.8%</i>
Rent charge (£m)	0.0	3.1	0.0	1.9	0.0	5.0	0.0	2.1	0.0	1.8	0.0	3.9

Occupancy excludes Bulk space of 0.04 m sq ft

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

Above table includes the impact of the acquisition of Space Maker, the 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville and the current financial year opening of Chiswick

Portfolio summary split by maturity (LFL CER)

	HY2017			HY2016		
	Established	Mature	Total	Established	Mature	Total
Number of stores	6	111	117	6	111	117
MLA self storage only (m)	0.305	4.594	4.899	0.305	4.594	4.899
Closing occupancy (m)	0.244	3.240	3.484	0.237	3.196	3.433
Occupancy (%)	80.0%	70.5%	71.1%	77.7%	69.6%	70.1%
For twelve months						
Average rate (£ per sq ft)	15.46	27.38	26.55	14.74	26.92	26.06
Self storage income (£m)	1.9	43.8	45.7	1.7	42.3	44.0
Ancillary income (£m)	0.2	8.1	8.3	0.2	7.7	7.9
Other income (£m)	0.0	1.6	1.6	0.0	1.7	1.7
Total income (£m)	2.1	53.5	55.6	1.9	51.7	53.6
Store EBITDA (£m)	1.5	34.9	36.4	1.2	33.5	34.7
<i>Store EBITDA margin (%)</i>	71.4%	65.2%	65.5%	63.2%	64.8%	64.7%
Rent charge (£m)	0.0	4.2	4.2	0.0	3.9	3.9

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 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville and the current financial year opening of Chiswick. 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)

	HY2017						HY2016					
	UK		Paris		Group		UK		Paris		Group	
	Freehold	Leasehold										
Number of stores	63	30	13	11	76	41	63	30	13	11	76	41
MLA self storage only (m)	2.701	1.188	0.590	0.420	3.291	1.608	2.701	1.188	0.590	0.420	3.291	1.608
Closing occupancy (m)	1.803	0.864	0.484	0.333	2.287	1.197	1.816	0.815	0.468	0.334	2.284	1.149
Occupancy (%)	66.8%	72.7%	82.0%	79.3%	69.5%	74.4%	67.2%	68.6%	79.3%	79.5%	69.4%	71.5%
For twelve months												
Average rate (per sq ft)	25.04	25.77	25.77	38.00	25.19	29.16	24.33	26.03	25.24	36.68	24.52	29.10
Self storage income (£m)	22.4	11.0	6.1	6.2	28.5	17.2	21.5	10.6	5.9	6.0	27.4	16.6
Ancillary income (£m)	5.0	2.2	0.6	0.5	5.6	2.7	4.8	2.1	0.5	0.5	5.3	2.6
Other income (£m)	1.2	0.4	0.0	0.0	1.2	0.4	1.2	0.4	0.1	0.0	1.3	0.4
Total income (£m)	28.6	13.6	6.7	6.7	35.3	20.3	27.5	13.1	6.5	6.5	34.0	19.6
Store EBITDA (£m)	18.1	8.5	4.8	5.0	22.9	13.5	17.3	8.0	4.6	4.8	21.9	12.8
<i>Store EBITDA margin (%)</i>	<i>63.3%</i>	<i>62.5%</i>	<i>71.6%</i>	<i>74.6%</i>	<i>64.9%</i>	<i>66.5%</i>	<i>62.9%</i>	<i>61.1%</i>	<i>70.8%</i>	<i>73.8%</i>	<i>64.4%</i>	<i>65.3%</i>
Rent charge (£m)	0.0	2.5	0.0	1.7	0.0	4.2	0.0	2.1	0.0	1.8	0.0	3.9

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 2016 openings of Wandsworth, Altrincham, Birmingham (including closure of our existing Birmingham store) and Emerainville and the current financial year opening of Chiswick. In addition, the impact of the acquisition of Space Maker on 29 July 2016 has been adjusted

CER is Constant Exchange Rates

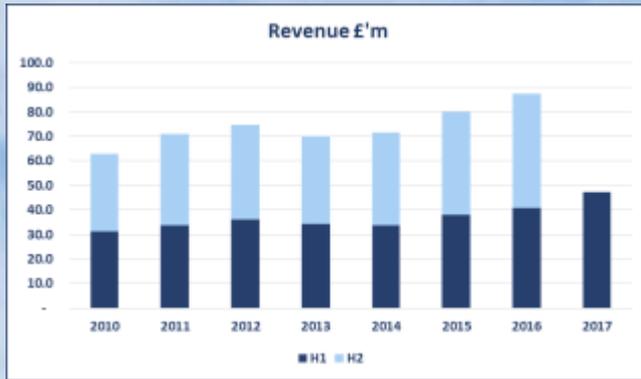


Resilient business model

Safestore UK historic performance



Safestore UK historical performance





Reception

safestore self storage

Personal and business storage

24/7 access and security

Specialist security services

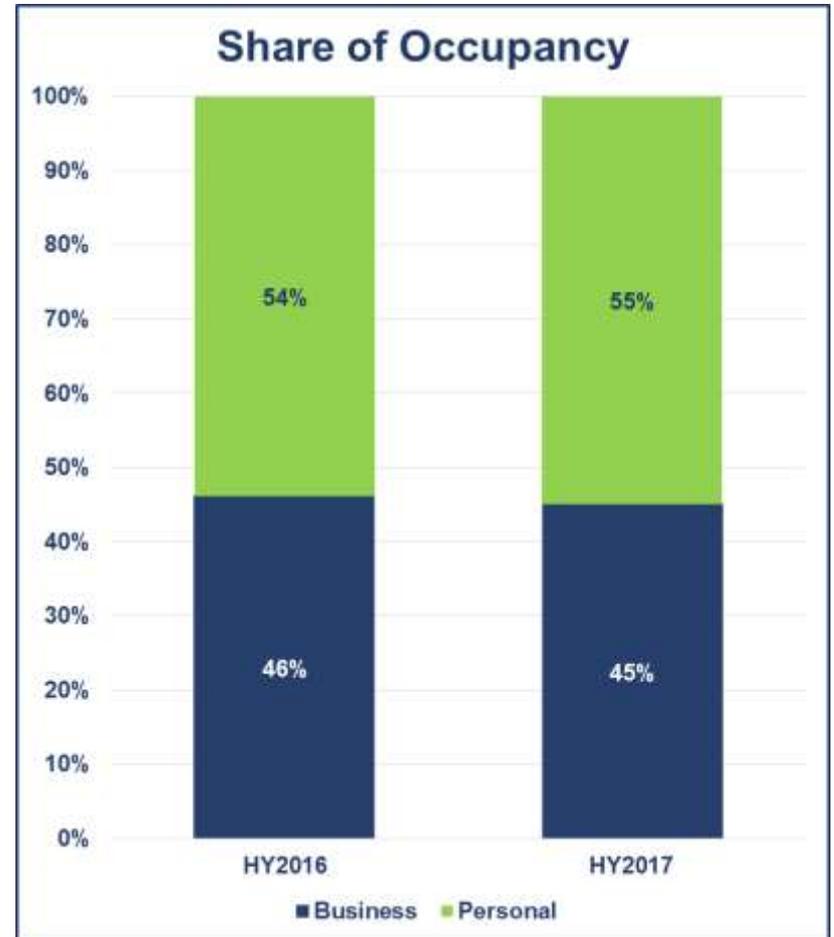
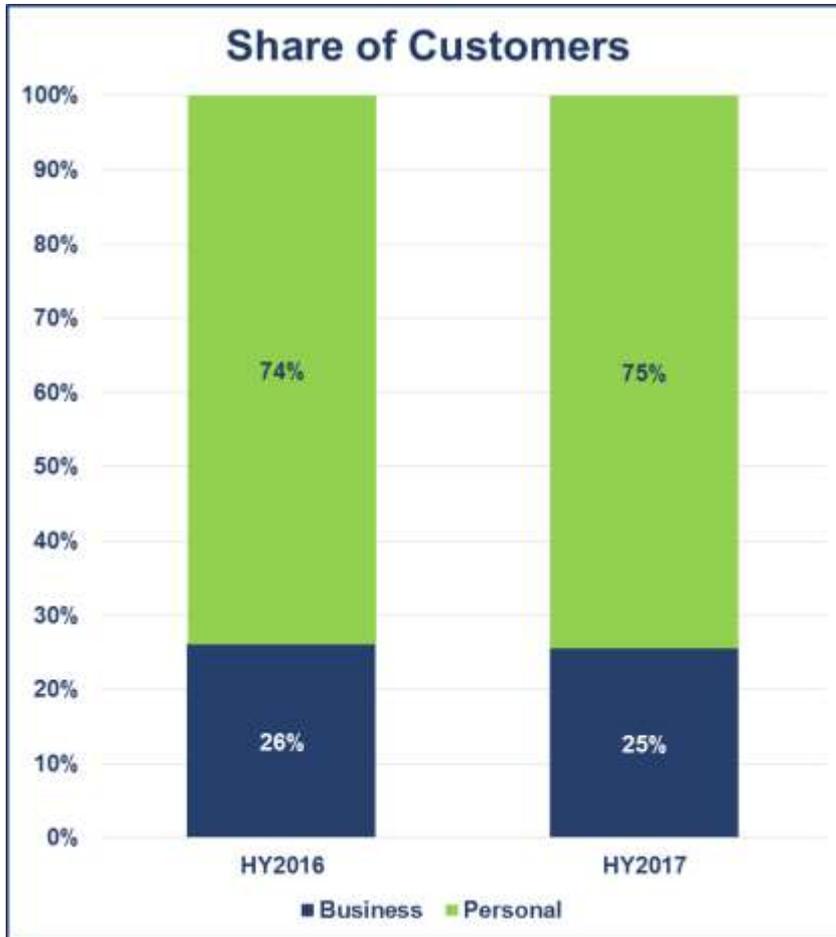
Customers

Customer length of stay

		UK				Paris				Group			
		HY2017		HY2016		HY2017		HY2016		HY2017		HY2016	
		(wks)	(mths)										
Business	Existing	133.2	30.7	131	30.2	137	31.5	133	30.5	134	30.8	131	30.3
	Vacated	55	12.6	53	12.3	57	13.0	55	12.6	55	12.7	53	12.3
	Total	64	14.8	61	14.1	67	15.4	66	15.2	65	14.9	62	14.3
Personal	Existing	91	21.0	90	20.8	118	27.1	120	27.5	99	22.8	100	22.9
	Vacated	30	6.8	30	6.8	51	11.8	51	11.8	34	7.8	34	7.7
	Total	33	7.6	33	7.5	57	13.2	58	13.3	38	8.8	38	8.6
All	Existing	103	23.7	102	23.4	121	27.9	122	28.1	108	24.8	108	24.8
	Vacated	33	7.6	33	7.6	52	11.9	52	11.9	37	8.5	37	8.4
	Total	38	8.7	37	8.6	59	13.5	59	13.5	42	9.7	41	9.5

Storage customers only
Excluding: Queens Dock BC & Battersea BC

Group customer split as at 30 Apr 2017



Personal and business customers

Personal and Business Customers	UK	Paris
Personal Customers		
Numbers (% of total)	72%	82%
Square feet occupied (% of total)	52%	66%
Average length of stay (months)	21.0	27.1
Business Customers		
Numbers (% of total)	28%	18%
Square feet occupied (% of total)	48%	34%
Average length of stay (months)	30.7	31.5