



NATIONAL STORAGE REIT ASX ANNOUNCEMENT

22 January 2024

MARKET UPDATE*

National Storage REIT (**NSR**) provides an update on recent operations, acquisitions, developments and valuations of its property portfolio as at 31 December 2023, and reaffirms its FY24 underlying earnings guidance.

KEY HIGHLIGHTS

- FY24 underlying earnings per security (EPS) guidance reaffirmed to be a minimum of 11.3cps
- Unaudited 1H FY24 underlying EPS of 5.6cps, an increase of 1.8% over 2H FY23 (2H FY23: 5.5cps)
- Group REVPAM \$269 as at December 2023, an increase of 0.6% during 1H FY24 (June 2023: \$267)
- Discreet Q2 FY24 REVPAM increased 1.3% (annualised 5.2%) to \$269 (September 2023: \$265)
- Weighted average primary cap rate remained steady at 5.90% (June 2023: 5.91%)
- NTA is expected to remain unchanged at \$2.48 (June 2023: \$2.48)
- Completed 5 developments and expansions contributed an additional 34,800m² of NLA
- Completed 13 acquisitions totalling \$124 million
- Gearing as at December 2023 of approximately 23%

FY24 UNDERLYING EARNINGS GUIDANCE

FY24 underlying earnings to be a minimum of 11.3cps and greater than \$154 million.

The reaffirmed guidance is provided following a strong operating performance in 1H FY24, with unaudited underlying earnings of \$76.0 million, or EPS of 5.6cps, with momentum from Q2 FY24 REVPAM growth of 1.3% providing an improved growth trajectory for the remainder of FY24.

Managing Director Mr. Andrew Catsoulis said, "The reaffirmed FY24 underlying earnings guidance and the Group REVPAM growth in Q2 FY24 demonstrates the strength of the business through various economic cycles. Q2 FY24 REVPAM increased 1.3% leading to positive REVPAM growth over the 12 months to December 2023. This is reflective of robustness of the Australian self-storage industry in challenging operating conditions."

NSR provides this guidance assuming there are no material changes in market conditions or operating environments.

DECEMBER 2023 PORTFOLIO VALUATIONS

NSR's portfolio valuation is expected to remain stable, with the weighted average primary cap rate and NTA per security steady at 5.90% (June 2023: 5.91%) and \$2.48 (June 2023: \$2.48) respectively.

NSR's estimated gearing as at December 2023, reflecting December 2023 valuations, settled acquisitions and development expenditure during the period, is expected to be approximately 23% (June 2023: 20%).

ACQUISITIONS AND DEVELOPMENTS

During the half, 4 storage centres adding 19,200m² of NLA and the freehold of 2 existing leasehold storage centres were acquired. In addition, 6 developments sites and a commercial asset associated with a self storage centre were also acquired, adding to NSR's development pipeline.

The development pipeline remains strong with 5 developments and expansions completed during the half, adding 34,800m² of NLA. A further 16 developments and expansions totalling 127,000m² of NLA are currently under construction with the majority forecast to be completed during 2024. Positive discussions regarding a capital partnership for off balance sheet development of a number of these assets are ongoing.

The outlook for both acquisitions and development activity is positive and NSR's balance sheet is well positioned to pursue these opportunities as they arise.

* Note: All figures included in this announcement are preliminary and subject to finalisation, including the independent valuations, the year-end accounts process and external audit. NSR's 1H FY24 financial statements, inclusive of the above outcomes, remain subject to audit by NSR's external auditors and may be revised. The financial statements are expected to be released to the market on 21 February 2024.

Authorised by the Board of National Storage Holdings Limited.

ENDS

National Storage is the largest self-storage provider in Australia and New Zealand, with over 235 centres providing tailored storage solutions to over 95,000 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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