

13 November 2019

ASX Market Announcements Office ASX Limited Level 4, Stock Exchange Centre 20 Bridge Street SYDNEY NSW 2000

## **ASX ANNOUNCEMENT**

## NATIONAL STORAGE REIT (NSR) 2019 ANNUAL GENERAL MEETING ADDRESSES

Please find attached the addresses by the Company's Chairman, Mr Laurence Brindle, and Managing Director, Mr Andrew Catsoulis, to be presented at today's Annual General Meetings commencing at 10am.

Claire Fidler
Executive Director & Company Secretary
National Storage Holdings Limited

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### **CHAIRMAN'S ADDRESS**

We are pleased to report another successful year of growth for National Storage. We continue to deliver outcomes across multiple revenue streams to maximise returns.

During the year we completed two institutional placements and offered a security purchase plan, raising \$358 million which enabled us to reduce gearing, maintain funding flexibility and support future growth.

This record growth has seen assets under management climb more than 36% to \$1.95 billion. Over 180,000 sqm of net lettable area has been added to the portfolio through 35 acquisitions, which averaged a new acquisition every ten days across the year – a credit to the team.

Our market capitalisation has risen more than 25% to approximately \$1.46 billion. Investors continue to enjoy stable returns and this year we have delivered distributions in line with guidance at 9.6 cents per stapled security. Over the past three years we have delivered total shareholder returns in excess of 30% and the market continues to show support for National Storage.

We have recently released our third sustainability report which reaffirms our commitment to developing a strong business with a sustainable vision for the future. A streamlined approach to the report focusing on our economic performance, our people and our transformation as a business has set the agenda for growth in a meaningful, sustainable way.

The Board remains confident National Storage is well placed to execute our strategy and deliver stable and growing returns for our investors. We would like to thank you, our valued investors, for your continued support as we look forward to the year ahead.

Laurence Brindle Chairman

# NATIONAL STORAGE REIT

Annual General Meeting

13 November 2019



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This presentation has been prepared by National Storage REIT ("**NSR**") comprising National Storage Holdings Limited (ACN 166 572 845) and National Storage Financial Services Limited (ACN 600 787 246 and AFSL 475 228) as responsible entity for the National Storage Property Trust (ARSN 101 227 712). You acknowledge and agree that you will rely on your own independent assessment of any information, statements or representations contained in this presentation and such reliance will be entirely at your own risk.

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This presentation should be read in conjunction with NSR's other periodic and continuous disclosure

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### Financial data

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### Past performance

The past performance, including past security price performance, of NSR cannot be relied upon as an indicator of, and provides no guidance as to future NSR performance including future security price performance and is given for illustrative purposes only.

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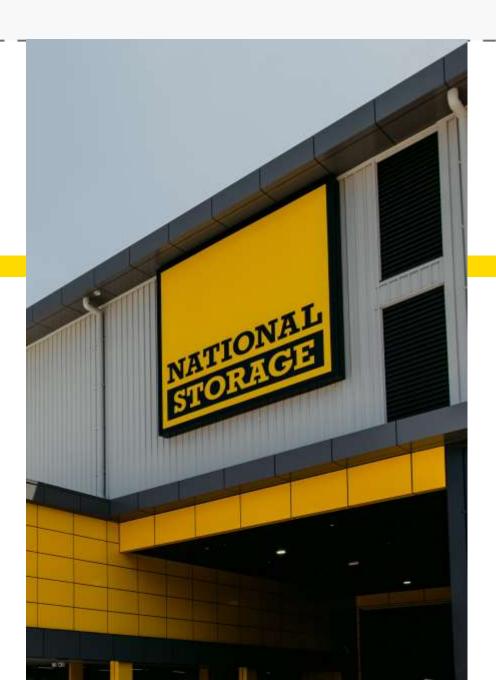
### Accounting standards

NSR's statulory results are prepared in accordance with International Financial Reporting Standards ("IFRS"). This presentation also includes certain non-IFRS measures in presenting NSR's results. Any additional financial information in this presentation which is not included in NSR's 2019 Financial Statements was not subject to independent audit or review. Investors should be aware that certain financial data included in this Presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC and may also be "non-GAAP financial information" within the meaning given under Regulation G of the U.S. Securities Exchange Act of 1934, as amended.

Non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards ("AAS"). Accordingly, the non-IFRS financial information in this Presentation: (i) may not be comparable to similarly titled measures presented by other entities; (ii) should not be construed as an alternative to other financial measures determined in accordance with AAS; and (iii) is not a measure of performance, liquidity or value under the IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation.



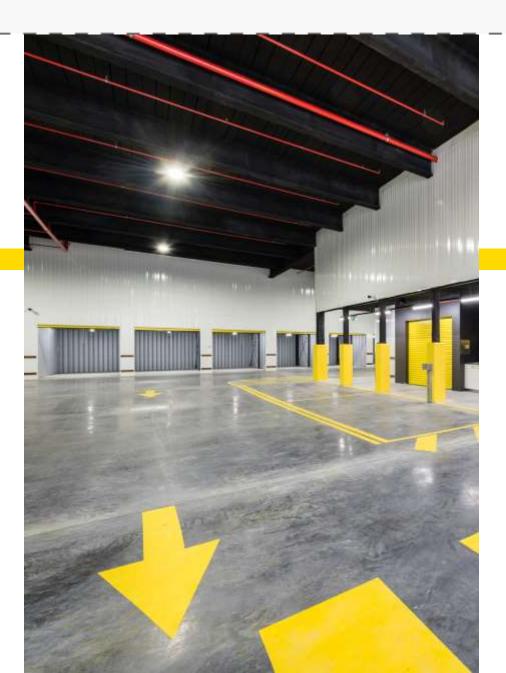




# **CHAIRMAN'S ADDRESS**

Laurence Brindle

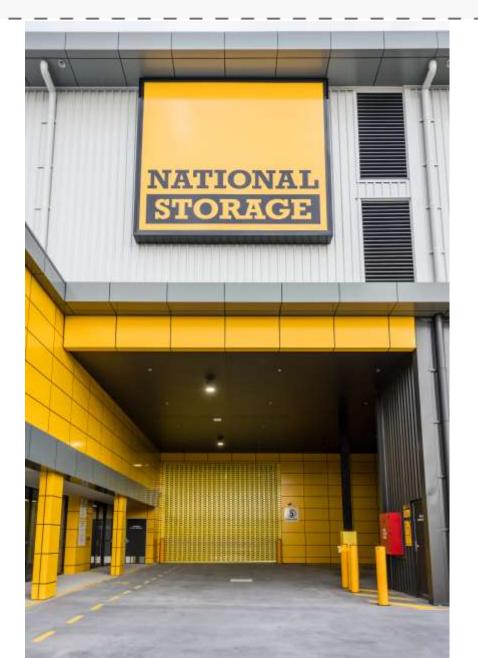




# MANAGING DIRECTOR'S ADDRESS

**Andrew Catsoulis** 





# THE YEAR IN REVIEW

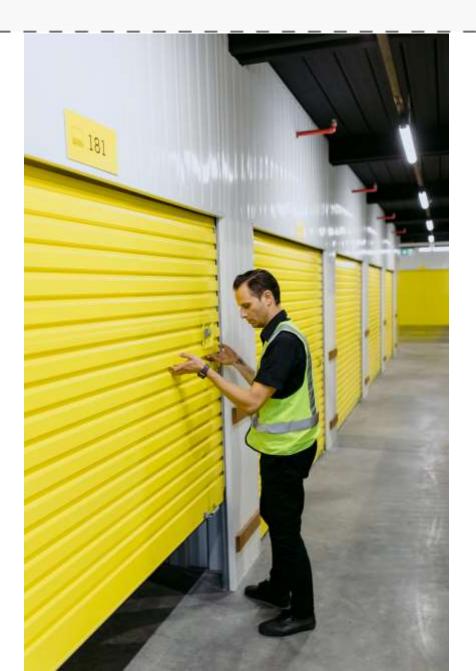
## **FY19 RESULTS**

- A-IFRS profit of \$144.8 million
- Underlying earnings<sup>1</sup> of \$62.4 million (+21%)
- Underlying EPS<sup>1</sup> of 9.6 cents per stapled security
- NTA of A\$1.63 per stapled security (+8%)
- FY19 **Total Return**<sup>2</sup> **of 15.0%**
- Australian Portfolio<sup>3</sup> Occupancy of 81.4% (+1.1%)
- REVPAM<sup>3</sup> of \$206 (+0.5%)

## **FY20 OUTLOOK**

- Underlying earnings growth of greater than 25%
- Underlying EPS growth of greater than 4%
- 1 Underlying earnings is a non-IFRS measure (unaudited), see FY19 Results Presentation, slide 7 for reconciliation
- 2 Distribution yield plus percentage NTA growth
- 3 Same centre 30 June 2018 (104 centres), excluding Wine Ark, New Zealand and developing centres





# **OPERATIONAL UPDATE**

- Continued focus on occupancy and revenue growth
- Net NLA improvement of over 8,000sqm in the first 4 months compared same period last year
- Move-in rate continues to improve
- Operational transformation plan progressing as planned
- Roll out of marketing review underway aimed at delivering improved enquiry levels
- New website on track for delivery in December 2019





# **ACQUISITION PIPELINE**

## **ACQUISITION PIPELINE REMAINS STRONG**

- Strong start to FY20
- Settled 8 centres totalling \$124 million including the remaining 3 APSF centres at Kelvin Grove, Albion and Canterbury, plus a development site for \$12 million
- Additional 5 centres valued at approximately \$36 million under contract or letter of offer
- Acquisition pipeline remains strong for the remainder of FY20
- Investigating JV options for development and expansion opportunities

## **FY20 ACQUISITIONS**

REGION	NUMBER OF CENTRES	TOTAL NLA (SQM)
Brisbane & Gold Coast	3	13,750
Sydney	1	3,000
Melbourne	4	19,100
Perth	3	13,300
Tasmania	1	3,900
Wellington (NZ)	1	4,700
Total Acquisitions	13	57,750





# **NEW ZEALAND**

- Portfolio continues to trade strongly
- Acquired 9 storage centres for NZ\$144 million during FY19
- Portfolio now consists of 22 storage centres, plus 3 development sites across New Zealand
- Expanded Auckland presence with 3 established centres and 3 development sites in greater Auckland region
- NZ capital partnership strategy under review
- Investigations underway for the formation of a NZ development JV to recycle approximately \$25m of capital
- Expansion of Manukau centre has commenced



National Storage Robina expansion underway

# EXPANSION & DEVELOPMENT

# MAXIMISING NEW AND EXISTING CENTRE OPPORTUNITIES

- Completed six expansion and development projects during FY19 delivering 28,300sqm of NLA
- Within Australia, NSR has seven expansion and development projects in various stages of progress which will deliver significant uplift to NLA and NTA post completion
- Commenced development/expansion of 4 new assets across New Zealand, ultimately adding circa 33,000sqm NLA of high-quality assets to the portfolio
- The continuation of Bryan Family Group (BFG) and Parsons partnerships delivering new centres in QLD and WA



# THANK YOU

