



# NATIONAL STORAGE REIT

## ASX ANNOUNCEMENT

26 AUGUST 2020

### NSR FY20 RESULTS

National Storage REIT (NSR) today announced its financial results for the year ended 30 June 2020 with an A-IFRS profit after tax of \$121.8 million (EPS 14.67cps / Underlying EPS<sup>1</sup> 8.3cps).

#### KEY HIGHLIGHTS

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- A-IFRS profit after tax of \$121.8 million
- FY20 underlying earnings<sup>1</sup> of \$67.7 million, up 9%
- FY20 underlying EPS<sup>1</sup> of 8.3cps in line with guidance
- Total return<sup>2</sup> for FY20 of 6.2%
- Final distribution of 3.4cps bringing total FY20 distribution to 8.1cps
- Total assets under management (AUM) \$2.28 billion, up 17%
- Net tangible assets \$1.65 per stapled security, up 1.2%
- 22 acquisitions totalling \$218 million settled in FY20
- 7 acquisitions completed to date in FY21 totalling \$134 million
- FY21 earnings guidance – 7.7cps - 8.3cps
- Distribution guidance 90% - 100% of underlying earnings

#### FINANCIAL RESULTS AND CONFIRMATION OF DISTRIBUTION

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Managing Director Mr Andrew Catsoulis said, "Despite the combined challenges of significant M&A activity attracted by NSR in FY20 and the COVID-19 pandemic, NSR has delivered another strong result as we continue to execute our growth strategy."

Underlying earnings for the period increased by 9% to \$67.7 million. Despite the disruptions, NSR continued to successfully execute its acquisition and development strategy with 22 acquisitions settled totalling \$218 million, and 15 active construction projects with five already underway. NSR's NTA per security increased modestly to \$1.65, while its total AUM increased significantly by 17% to \$2.28 billion.

NSR confirms the final distribution of 3.4cps (totalling 8.1cps for FY20) as previously estimated on 16 June 2020 and confirms the payment date of 7 September 2020.

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<sup>1</sup> Underlying earnings is a non-IFRS measure (unaudited)

<sup>2</sup> Distribution yield plus percentage NTA growth

## OPERATING RESULTS

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"Despite the challenging nature of COVID-19 lockdowns impacting all markets in which NSR operates, NSR again demonstrated the strength and resilience of its business throughout this period, said Mr Catsoulis.

Combined Australian and New Zealand occupancy finished the year at 78.9%, down modestly from the previous year, however has improved significantly to 81.5% as at 23 August 2020.

In the seven-week period post 30 June 2020, occupancy has rebounded strongly with most Australian states showing positive growth, particularly Western Australia, New South Wales and Queensland. New Zealand occupancy continues to remain strong at 84.9%.

As a business, NSR continues to execute its "four pillars" growth strategy. This strategy focuses on achieving organic growth through rate and occupancy increases, maintaining its strong acquisition pipeline, undertaking high-quality developments and expansions in key markets - all overlayed by its use of new technology and innovation initiatives.

NSR has significant built capacity within the existing portfolio of approximately 140,000m<sup>2</sup> of occupancy "runway" available in Australia before NSR reaches its target stabilised occupancy level of 90%, which should generate up to \$35 million of additional revenue if achieved. Given NSR's relatively fixed cost base, the majority of this potential revenue should fall to underlying earnings.

"NSR continues to roll out its "Revive" program – an operational transformation plan, focused on delivering improved functionality and an enhanced customer experience while adding to bottom line revenue generation", said Mr Catsoulis.

## OVERVIEW OF ACQUISITIONS AND DEVELOPMENTS POST-BALANCE DATE

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NSR is pleased to announce that since 1 July 2020, it has settled seven new acquisitions totalling \$134 million, representing 50,400 square metres of new NLA. NSR's acquisitions pipeline remains strong with over \$100 million of additional acquisition opportunities under active consideration. Currently, 15 high-quality development and expansion projects are underway in key locations around Australia and New Zealand and are at various stages of construction.

Mr Catsoulis said, "The fact that our acquisition and development pipeline remains so strong in the current environment reflects our status as the acquirer of choice in the Australian and New Zealand markets, and is testament to the relentless work ethic of our acquisition and development teams. We look forward to continuing our strong track record of acquiring high-quality, long-term accretive assets into the NSR portfolio."

## NEW TECHNOLOGY

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NSR is harnessing new technology and innovation to enhance business outcomes and improve customer experience at our centres and online. This includes the roll-out of a contact-free move-in process and the completion of the first fully automated self-storage centre in Australia.

NSR has also launched a new website which is mobile-focused, streamlined and built with full automation in mind. This new website allows increased upsell and cross sell opportunities and rich data capture of the whole customer journey.

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### 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)

Mr Catsoulis said, "We are extremely excited to be at the forefront of the next generation of self-storage technological innovation in Australia, and look forward to its continued positive impact on our business operations".

## **2020 CANSTAR BLUE CUSTOMER SATISFACTION AWARD**

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NSR is pleased to have been the only major storage operator to have scored 5-stars in all categories of the prestigious Canstar Blue Customer Satisfaction Award, winning the overall 2020 award for self-storage. These categories cover value for money, quality of storage, safety and security, convenience of location, accessibility, customer service and overall satisfaction.

Mr Catsoulis said "To be the only operator to have received 5-star ratings across the board is a very positive reflection on the high level of commitment of our staff across all areas of our organisation to our core principles of teamwork, care and excellence. I am grateful to all of our team for their efforts".

## **OUTLOOK**

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Subject to no material changes in market conditions or operating environments, including no material deterioration in COVID-19 restrictions, regulations and impact, NSR's FY21 guidance range for underlying earnings will be 7.7 to 8.3 cents per stapled security.

NSR's distribution guidance is in line with NSR's distribution policy of 90% - 100% of underlying earnings.

## **ENDS**

National Storage is the largest self-storage provider in Australia and New Zealand, with 194 centres providing tailored storage solutions to over 70,000 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).

For further information:

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