



## NATIONAL STORAGE REIT ASX ANNOUNCEMENT

25 October 2023

### ADDRESSES FOR THE 2023 ANNUAL GENERAL MEETINGS

Please find attached the addresses by the Company's Chairman, Mr Anthony Keane, and Managing Director, Mr Andrew Catsoulis, to be presented at today's Annual General Meetings commencing at 10.00am (AEST).

A handwritten signature in blue ink, appearing to read "C. Fidler", with a wavy line extending to the right.

Claire Fidler  
Executive Director & Company Secretary  
National Storage Holdings Limited

25 October 2023

## **CHAIRMAN'S ADDRESS**

National Storage has delivered another year of solid growth outcomes in FY23, despite marked changes in the economic environment, highlighting the strength and conservative positioning of our operating business model. The business has maintained its occupancy at very high levels and grown its revenue across Australia and New Zealand, building on its robust growth trajectory.

Our high performing teams across all business sectors have demonstrated their commitment to our business, and in these increasingly challenging economic conditions, we remain confident that National Storage's business model will continue to evolve to deliver strong results for our stakeholders.

Our key results achieved across FY23 reflect the strength and resilience of our business. Underlying earnings increased 8.5% to 11.5cps, Group REVPAM increased 3.6% to \$270 a square metre, Group rate per square metre increased 8.2% to \$319 a square metre while Group occupancy reduced slightly to 85.0%. Valuations of our investment properties increased by \$561 million to \$4.3 billion, with valuation uplift driven by improved operational performance and a largely unchanged weighted average portfolio capitalisation rate of 5.91%. Our net tangible assets increased by 6% to \$2.48 reflecting our ability to add value to the portfolio through enhancing operational performance while creating operating efficiencies. Total Revenue for the Group increased to \$330 million, up 18% on the prior year. Our Operating Margin also increased – up 2% to 66%, illustrating our ability to drive synergies and economies of scale from the National Storage self-storage platform, now encompassing over 230 centres across Australia and New Zealand.

As our business matures, it is important to refine and evolve our strategies to ensure that our core objective of maximising return on securityholders funds invested is achieved. Our Board members, Executive team, and Heads of Department have spent considerable time and effort reviewing every aspect of our strategy and current business operations to evolve our systems

and processes in the pursuit of excellence as part of our Four Pillars Growth Strategy. As a result of this whole of business review, our Four Pillars have evolved to embrace the following:

- Organic Growth,
- Acquisitions, Developments and Expansions,
- Technology and Automation, and
- Sustainability.

The introduction of our new Sustainability pillar demonstrates our tangible commitment to ensuring sustainability underpins all aspects of our business. This reflects our determination to be the most attractive investment in our sector – through superior performance while we overlay our business with a sustainable lens, creating trust and confidence that we are building a truly sustainable business model for the benefit of our securityholders, customers, employees, communities, and the planet. More information on our sustainable practices can be found in our 2023 Sustainability Report available on our website.

Through our 'NS Cares' program we are committed to providing meaningful support to four charitable organisations. We are proud to currently partner with charities across the important areas of medical research, mental health, disability support, and safety, all housed under the umbrella of "creating safe spaces" – a cornerstone of our mission at National Storage.

Our acquisition strategy remains focused predominantly on off-market, value-accretive opportunities sourced from our team's long-standing industry insights in an aim to enhance our existing footprint. The second limb of this strategic pillar is to provide ongoing built capacity by way of our Development and Expansion pipeline, as well as undertaking selected Centre Optimisations to improve centre efficiency. National Storage has secured an unrivalled portfolio of 60 new development and expansion opportunities which will add important new built capacity to the portfolio in ensuing years. The importance of scale in the Australian and New Zealand markets cannot be overstated. This strategy will enable us to build an unrivalled

network of self-storage centres in key markets whilst creating value through our sustainable approach to building new centres. Our current development pipeline has increased to approximately 360,000 square metres, with 45 active projects at various stages of completion, providing National Storage with the opportunity to strategically break ground at the appropriate time relating to market forces and customer demand. Our unique combination of in-house development capability and trusted development partnerships provides a robust delivery capability that can efficiently respond to market dynamics and produce best in class value-added assets. Our considered approach remains focused on making sustainable choices through design and delivery in line with National Storage sustainability pillar.

In line with our increased focus on Technology and Automation, National Storage has a suite of technology and innovation projects all designed to optimise every aspect of our business, from enquiry generation and new customer conversion into sales and centre efficiency, whilst reducing overheads. Our focus in FY24 includes:

- the further evolution of our cyber security program,
- new telephony platform for centres aimed at delivering AI for greater automation,
- integration of workforce management tools and our core sales platform, and
- the automation of accounts receivable processes. These initiatives strive to drive efficiency, reduce costs, and enhance customer experience.

National Storage remains well positioned for growth notwithstanding these uncertain and challenging times. Our platform is highly scalable and by far the largest owner operated, fully internally managed, storage-specific REIT in Australasia. We will focus on expanding the National Storage business in Australia and New Zealand, with a view to maximising earnings per security, for the benefit of all stakeholders. We would again like to offer our sincere thanks to all stakeholders. You have again provided National Storage with unwavering support during these uncertain times - support for which we are both humbled and grateful.

We will remain focused on working together to achieve best in class results for our stakeholders year after year.

Anthony Keane  
Chairman

A large, illuminated yellow sign with a black border. The sign is mounted on a metal pole and features the words "NATIONAL" and "STORAGE" in bold, black, sans-serif capital letters, stacked vertically. The background of the sign is a bright yellow. The sign is positioned in front of a modern building with a glass facade and yellow structural elements.

**NATIONAL  
STORAGE**

ANNUAL  
GENERAL  
MEETING

25 OCTOBER 2023

A decorative graphic at the bottom of the page consisting of a grid of small squares. Most squares are dark grey, but several are highlighted in yellow, forming a stylized, abstract shape that resembles a cluster of lights or a digital pattern.

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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.



# INTRODUCTION



Anthony Keane, CHAIRMAN



# QUESTIONS



- To ask a written question select the Q&A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and press the send button

## VERBAL QUESTIONS

- To ask a verbal question, follow the instructions below the broadcast window

The screenshot shows a user interface for asking questions. At the top, there are four navigation icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A' (which is highlighted with a purple underline), and a folder for 'Documents'. Below the navigation bar is a large text input area labeled 'Your question(s)'. Underneath this is a smaller text box with the instruction 'You may enter a question using the field below.' To the left of this box is a dropdown menu labeled 'Select Topic'. Below the dropdown is a character count '0 character(s)' and a 'Send' button. A note above the character count states 'Questions are limited to 2000 characters.'

# VOTING



- When the poll is open, select the “**vote**” icon, located at the top of the screen
- To vote, select either:
  - For,
  - Against, or
  - Abstain
- You will see a vote confirmation
- To change or cancel your vote, select “**click here to change your vote**” at any time until the poll is closed

A screenshot of a web-based voting interface. At the top, there is a navigation bar with four icons: a monitor for 'Broadcast', a document with a checkmark for 'Vote' (which is highlighted with a purple underline), a speech bubble for 'Q & A', and a folder for 'Documents'. Below the navigation bar is a grey header with the text 'Items of Business'. The first item is '2A Re-elect Mr Sam Sample as a Director', followed by three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'. The second item is '2B Re-elect Ms Jane Citizen as a Director'. Below this item, there is a green checkmark icon, the text 'We have received your vote For', and a link 'Click here to change your vote.' with a purple underline.

# BOARD OF DIRECTORS & EXECUTIVE



**Anthony Keane**

Independent Non-Executive Chairman,  
Chairman of the Nomination Committee  
and member of the Audit and Risk, and  
Remuneration Committees

**BSc(Maths) GradDiCorpFin GAICD**



**Howard Brenchley**

Independent Non-Executive Director,  
Chairman of Audit and Risk Committee  
and member of the Nomination and  
Remuneration Committees

**BEC**



**Inma Beaumont**

Independent Non-Executive Director  
and member of the Audit and Risk,  
Nomination and Remuneration Committees

**BA(Mathematics) BA Hons (Economics  
and Commerce) FCCA GAICD**



**Scott Smith**

Independent Non-Executive Director,  
Chairman of the Remuneration  
Committee and member of the Audit  
and Risk and Nomination Committees

**BBus**



**Andrew Catsoulis**

Managing Director

**BA LLB Grad Dip Project Mgmt (Hons)**



**Claire Fidler**

Executive Director and Company Secretary

**LLB (Hons) Bbus (Intl) GAICD FGIA**



**Stuart Owen**

Chief Financial Officer

**B.Bus CPA GAICD**



**Manny Lynch**

Chief People Officer

**Dip Prof Couns, Dip WHS**

For full bios please see: <https://www.nationalstorageinvest.com.au/people/>



# CHAIRMAN'S ADDRESS



Anthony Keane



## MANAGING DIRECTOR'S ADDRESS



Andrew Catsoulis

# THE YEAR IN REVIEW

## FY23 Results

- IFRS profit of \$320.4 million
- Underlying earnings<sup>1</sup> of \$141.8m (+12.1%)
- Underlying EPS of 11.5 cents (+8.5%)
- NTA of \$2.48 per stapled security (+6.0%)
- FY23 Total Return<sup>2</sup> of 10.7%
- Group REVPAM<sup>3</sup> of \$270 (+3.6%)

## FY24 Outlook

- Underlying EPS – Minimum 11.3 cps
- Underlying earnings greater than \$154m

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

2 – Distribution yield plus percentage NTA growth – 1 July 2022 to 30 June 2023

3 – Group - Australia and New Zealand (195 centres)

Australia – 169 centres as at 30 June 2021 (excluding Wine Ark and let-up centres)

New Zealand – 26 centres as at 30 June 2022 (excluding let-up centres)

REVPAM – Revenue Per Available Square Metre



# Q1 OPERATIONAL UPDATE



## Active management of rate and occupancy to optimise revenue

Revenue management strategies optimising financial performance

Updated Reportable Group to 210 centres (FY23: 195 centres)

- Group REVPAM<sup>1</sup> \$266 at 30 September 2023, modest decline from \$267 at 30 June 2023
- Group Rate remains stable at \$316/m<sup>2</sup>
- Group Occupancy<sup>1</sup> 84.6% at 30 September 2023, slightly down 0.3% from 84.9% at 30 June 2023
- Occupancy across 14 let-up centres<sup>2</sup> open as of 30 June 2023, grew 3.1% to 52.3% - contributing positively to ongoing earnings

Operational review undertaken to deliver cost out initiatives

30 Sep 2023 (change from 30 June 2023)	Group	Australia	New Zealand
<b>REVPAM</b>	<b>\$266 (-0.7%)</b>	<b>\$274 (-0.6%)</b>	<b>\$209 (-1.0%)</b>
Occupancy	84.6% (-0.3%)	84.9% (-0.2%)	82.6% (-0.6%)
Rate	\$316 (0.0%)	\$325 (0.0%)	\$255 (0.0%)

1 - Group - Australia and New Zealand (210 centres)  
 Australia - 180 centres as at 30 June 2022 (excluding Wine Ark and let-up centres)  
 New Zealand - 30 centres as at 30 June 2022 (excluding let-up centres)  
 2 - Let-up Centre - 14 centres as at 30 June 2023



# ACQUISITIONS AND DEVELOPMENTS



NSR remains focussed on executing its growth strategy

## FY23 Highlights

### Acquisitions: 33 acquisitions totalling \$234m transacted

- Comprised of 10 operating storage centres and the freehold of 1 previous leasehold centre
- High-quality acquisitions across Australia and New Zealand, with a focus on value-upside rather than targeting stabilised fully developed assets
- Capitalising on the scalability of NSR's operating platform, which continues to drive efficiencies across the business

### Developments, Expansions and Redevelopments: 4 projects completed in FY23, adding 22,200m<sup>2</sup> of NLA

- 20 projects delivering 145,900m<sup>2</sup> of additional NLA under construction or with DA obtained
- Focus on development, expansion and redevelopment projects, leveraging NSR's in-house development expertise to deliver long-term enhanced earnings and NTA uplift outcomes

## FY24 Update

### Acquisitions: 7 acquisitions totalling \$53m settled in Q1 FY24

- Comprised of 2 storage centres, 4 development sites and the freehold of 1 previous leasehold centre
- Pipeline remains strong

### Developments, Expansions and Redevelopments: 2 projects completed in Q1 FY24, adding 15,000m<sup>2</sup> of NLA

- 4 new development sites transacted in Q1 FY24
- Project pipeline aggregate NLA in excess of 385,000m<sup>2</sup>

PROJECT PHASE	NUMBER OF PROJECTS <sup>1</sup>	ADDITIONAL NLA (m <sup>2</sup> )
Construction	17	125,300
DA Obtained	8	69,300
Concept Design & Planning	22	191,000
<b>Total</b>	<b>47</b>	<b>385,600</b>

1- Includes projects undertaken in NSR's own right and by various JV and development arrangements

# TECHNOLOGY & AUTOMATION



Harnessing automation and productivity initiatives  
Real time data, intelligence and analytics

## Cyber Security

- Comprehensive program, including the ongoing evolution of key policies and procedures
- Ongoing active management and implementation of a comprehensive cyber security program, focusing on:
  - Governance
  - Technical controls
  - Monitoring, detection and response

## Embedding Technology

- Enhancing scalability efficiencies by implementation of key technologies in new and existing centres
- Evolving the business to prepare for the next phase of growth
- Automation and streamlining of systems through the use of enterprise AI and innovative technology

## Process Improvements

- Enhanced contact centre and user experience through innovative technology solutions
- Refined customer analytics to improve marketing, sales and customer experience
- Continuing to evolve our front-facing business applications to streamline internal processes



Bluetooth Smart Access

# SUSTAINABILITY UPDATE



## FY23 Sustainability Report Released

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**Standalone ESG Committee formed**

**Physical climate risk assessment of NSR portfolio completed**

**Well progressed in establishing a target date for achieving carbon neutrality**

**FY23 Sustainability Report demonstrates continued progress in delivering on sustainability objectives**

- 4MWh generated from solar
- 4.1% reduction in scope 1 & 2 carbon emissions during CY22
- 32.7% waste diverted from landfill (tonnes)
- 97% recycled content in cardboard boxes
- 138 community partners supported
- Ongoing focus on Cybersecurity, technology and automations



THANK YOU

**NATIONAL  
STORAGE**

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[nationalstorageinvest.com.au](http://nationalstorageinvest.com.au)