



28 October 2020

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

ASX ANNOUNCEMENT

NATIONAL STORAGE REIT (NSR) 2020 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.

A handwritten signature in blue ink, appearing to read "C. Fidler", with a stylized flourish at the end.

Claire Fidler
Executive Director & Company Secretary
National Storage Holdings Limited



28 October 2020

CHAIRMAN'S ADDRESS

The 2019-2020 year has been, by any measure, an extraordinary year for everyone across the globe - no less for NSR. Despite the challenges presented and disruption caused by COVID-19 and the highly publicised M&A activity earlier this year, NSR has continued to deliver highly beneficial outcomes for its stakeholders. Our business continues to go from strength to strength. I will briefly touch on the four key pillars of our growth strategy, which Andrew will talk more about a little later.

Revenue grew strongly from \$159 million to \$178 million for the financial year. Our occupancy which suffered a small initial reduction at the outset of the COVID-19 Pandemic, has since rebounded strongly, with solid occupancy growth being experienced in almost all markets in which NSR operates.

Our acquisition program continues to result in an ongoing pipeline of high-quality storage centres being identified and acquired by NSR, with over \$200 million of acquisitions transacted in FY20. The fact that the vast majority of these acquisitions continue to be transacted on an off market basis is a testament to the depth and strength of long term relationships that our senior management team have developed over many years in the storage industry across Australia and New Zealand.

The NSR development team continues to expand with a number of quality new recruits, a reflection of the increasing number of new development projects as well as expansions and refurbishments being undertaken. FY20 saw the delivery of 4 new-builds comprising over 24,000m² of space with over 15 projects currently in the pipeline at present.

Our business continues to embrace new technology and innovation, with FY20 witnessing the opening of Australia's first "smart storage centre" at Robina - a fully blue tooth accessible NSR centre with automated access to each individual storage unit. The rebuild of the NSR website, internalisation of our digital marketing team and introduction of a COVID safe contact-free online move-in process are other illustrations of NSR's harnessing of technology to improve and streamline the customer experience for our 70,000 strong customer base, which continues to grow and flourish.

These initiatives combined with a strong focus on continuous improvement have resulted in NSR being awarded the coveted Canstar Blue Award for Australia's most satisfied self-storage customers, receiving 5 stars across all measurement areas.

During the year we completed an institutional placement and associated security purchase plan, raising approximately \$348 million which enabled us to strengthen NSR's balance sheet, reduce gearing, maintain funding flexibility and support future growth.

This record growth has seen assets under management climb more than 17% to \$2.28 billion. An additional 77,900 sqm of net lettable area has been added to the portfolio through acquisition of another 20 centres during the financial year to 30 June, with another 8 centres to date this year.

Our market capitalisation has risen 41% to approximately \$1.92 billion since 30 June 2019. Investors continue to enjoy stable returns and this year we delivered a distribution of 8.1 cents per stapled security. Over the past three years we have delivered total shareholder returns in excess of 44% and the market continues to show support for National Storage. This is at the top range of any of NSR's market comparators in the A-REIT sector.

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)

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The Board is confident National Storage is well placed to continue to build upon the success to date, with the senior executive team remaining focused on driving growth across the four strategic pillars, developing multiple revenue streams to 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 (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)

The logo consists of a solid yellow square with the words "NATIONAL" and "STORAGE" stacked vertically in a bold, black, sans-serif font.

**NATIONAL
STORAGE**

A large, modern commercial building with a dark facade and yellow structural accents is illuminated at night. The building features large glass windows and doors, and the "NATIONAL STORAGE" logo is visible on its side. In the foreground, a road with light trails from passing vehicles curves around the building. The sky is a deep blue with a full moon visible on the right side.

NATIONAL STORAGE REIT

Annual General Meeting

28 October 2020

DISCLAIMER



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 contains summary information about the current activities of NSR and the entities within the NSR stapled group as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete. Statements made in this presentation are, unless otherwise stated, made only as of the date of this presentation and remain subject to change without notice. This presentation should be read in conjunction with NSR's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

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Financial data

All references to dollars and cents are in reference to Australian dollars unless otherwise stated and all financial data is presented as at the date of this presentation unless otherwise stated.

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.

Forward-looking statements

This presentation may contain certain "forward-looking statements", including statements regarding future earnings and distributions. All statements other than statements of historical facts included in this presentation are forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of NSR, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. You are cautioned not to place undue reliance on forward-looking statements, opinions and estimates provided in this presentation as there can be no assurance, and no representation is made, that actual outcomes will not differ materially from these forward-looking statements. Further, no representation is given that the assumptions upon which a forward-looking statement or other forecast may be based is reasonable. Forward-looking statements, opinions and estimates provided in this presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of NSR. Similarly, statements about market and industry trends, which are based on interpretations of current market conditions, should be treated with caution. Such statements may cause the actual results or performance of NSR to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements are based on information available to NSR as at the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules), NSR undertakes no obligation to provide any additional, updated or supplementary information whether as a result of new information, future events or results, or otherwise including information that reflect any change in NSR's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward looking statements whether as a result of new information, future events or results or otherwise is disclaimed.

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Accounting standards

NSR's statutory 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 30 June 2020 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.

QUESTIONS

- Questions can be submitted at any time
- To ask a question, press on the speech bubble icon, this will open a new screen
- At the bottom of that screen there is a section for you to type your question
- Once you have finished typing please hit the arrow symbol to send

VOTING

- If you are eligible to vote at this meeting, a new polling icon will appear
- Selecting this icon will bring up a list of resolutions and present you with voting options
- To cast your vote, simply select one of the options
- There is no need to hit a submit or enter button as the vote is automatically recorded
- You have the ability to change your vote up until the time that voting is declared closed

DIRECTORS AND SENIOR EXECUTIVE TEAM



Anthony Keane
Non-executive
Director, Chairman
of the Audit and
Risk Committees,
and member of
the Nomination
and Remuneration
Committees



Steven Leigh
Non-executive
Director, member
of the Nomination
and Remuneration
Committees



Howard Brenchley
Non-executive
Director, member
of the Audit and
Risk Committees



Andrew Catsoulis
Managing Director



Claire Fidler
Executive Director
and Company
Secretary



Stuart Owen
Chief Financial Officer

CHAIRMAN'S ADDRESS

Laurence Brindle



MANAGING DIRECTOR'S ADDRESS

Andrew Catsoulis



THE YEAR IN REVIEW



FY20 RESULTS

- A-IFRS profit of **\$121.8 million**
- Underlying earnings¹ of **\$67.7 million** (+9%)
- Underlying **EPS¹ of 8.3 cents** per stapled security
- **NTA of A\$1.65** per stapled security (+1%)
- FY20 **Total Return² of 6.2%**
- Combined Portfolio³ **Occupancy of 78.9%**
- **REVPAM⁴ of \$195**

FY21 OUTLOOK

- Underlying earnings \$78 - \$84 million
- Underlying EPS 7.7 – 8.3 cents per security

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

2 – Distribution yield plus percentage NTA growth – 1 July 2019 to 30 June 2020

3 – Australian Same centre 30 June 2018 (105 centres) plus New Zealand (21 centres) - excluding Wine Ark, and developing centres

4 – Australian Same centre 30 June 2018 (105 centres) - excluding Wine Ark and developing centres

REVPAM – Revenue Per Available Square Metre

OPERATIONAL UPDATE



CONTINUATION OF STRONG START TO FY21

- Continuation of strong recovery
 - Combined Occupancy¹ up 5.6% YTD to 84.5%
 - In excess of 60,000 sqm of occupancy added since 1 July 2020 – the equivalent of 12 full centres
 - REVPAM² increased to \$200 at 30 September, up from \$195 at 30 June
 - Merchandise and insurance revenues continue to increase
 - 48% of centres above 85%, 23% above 90% occupancy
- Extension of debt facilities completed, extending tenor to 3.6 years – No increase to cost of debt
- Continuing to pursue longer dated debt markets, both domestically and international
- Completed 8 acquisitions totalling \$139m - adding 54,100 sqm of NLA
- 4 expansion projects nearing completion
- Development pipeline remains strong with 7 projects expected to be completed during FY21
- Upgrades to website, contactless move in process and online marketing continue

1 – Australian Same centre 30 June 2018 (104 centres) plus New Zealand (21 centres) - excluding Wine Ark and developing centres

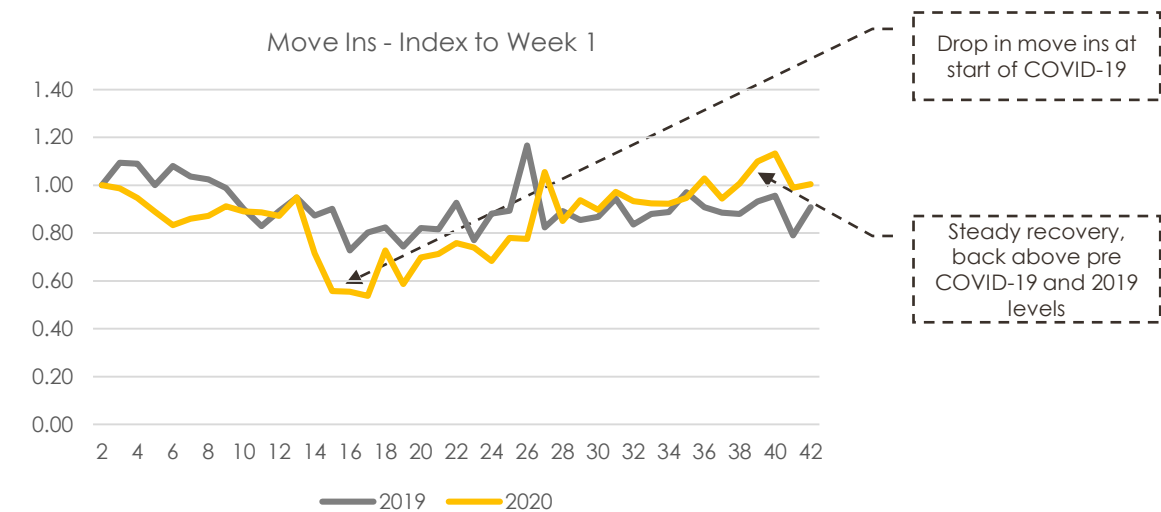
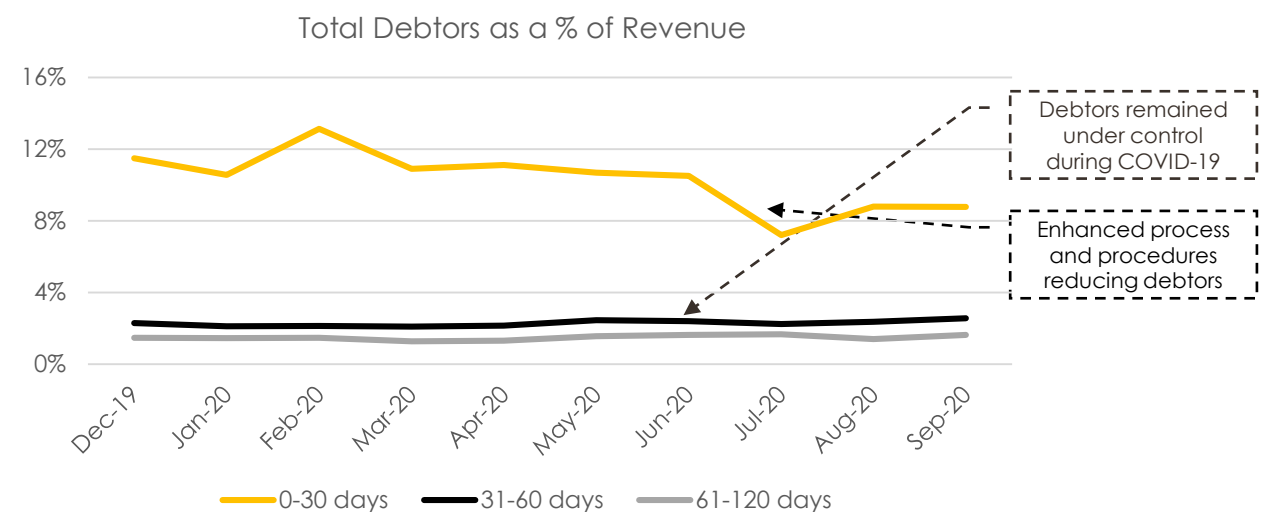
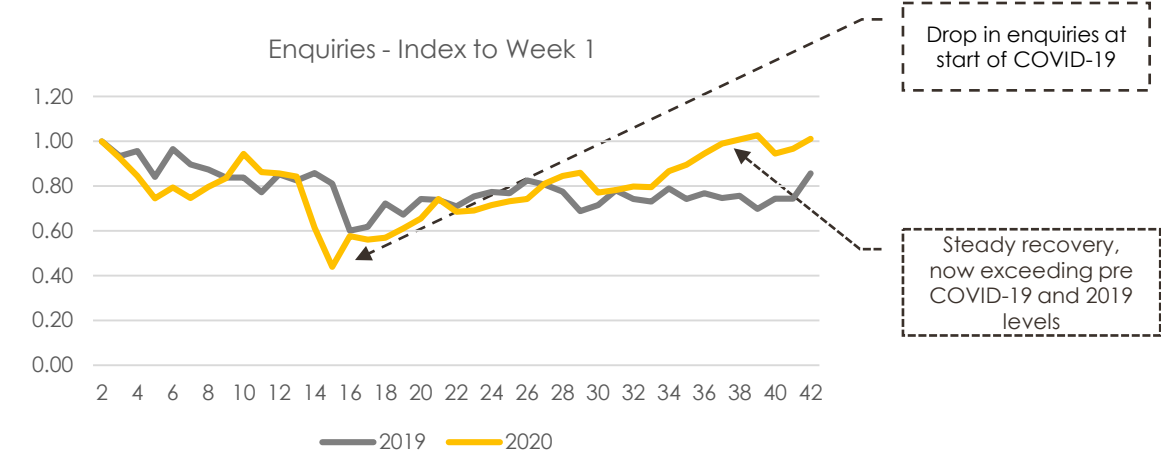
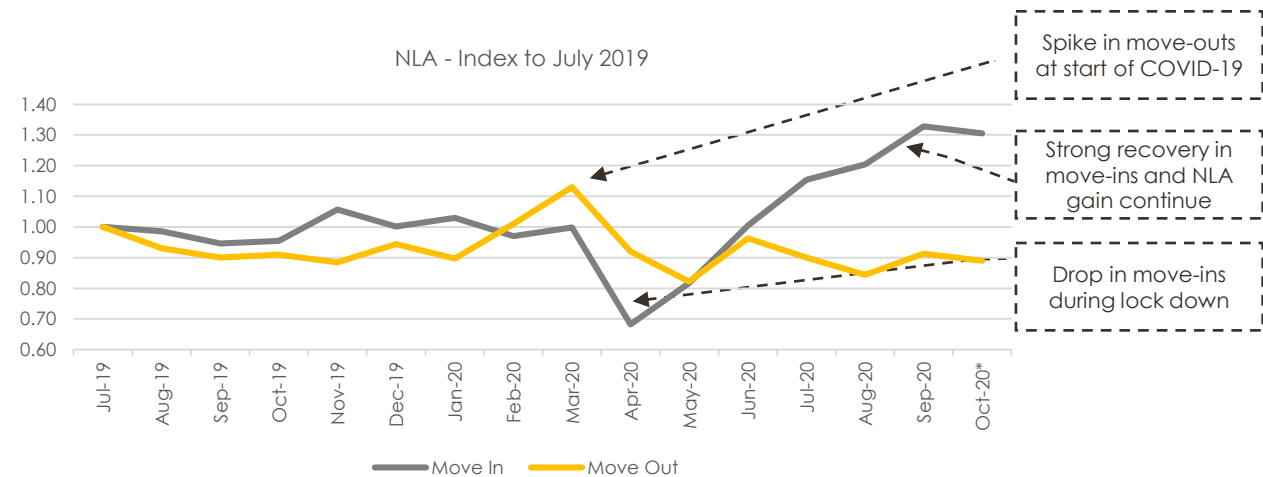
2 – Australian Same centre 30 June 2018 (104 centres) - excluding Wine Ark and developing centres

REVPAM – Revenue Per Available Square Metre

OPERATIONAL UPDATE AND COVID-19



99.5% OF SELF-STORAGE REVENUE COLLECTED* | STRONG RECOVERY FROM INITIAL IMPACTS OF COVID-19

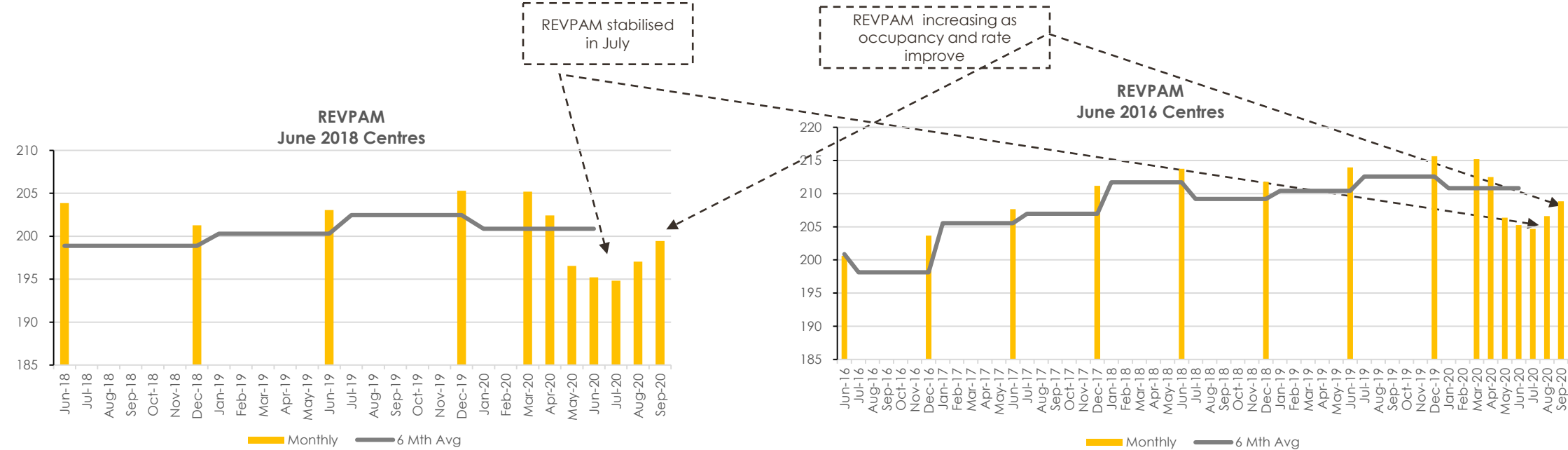


* Q1 FY21
Oct* - As at 25 October 2020 - Pro rata to end of month (All centres)

KEY OPERATIONAL METRICS



ACTIVE MANAGEMENT OF RATE AND OCCUPANCY TO MAINTAIN MOMENTUM



PORTFOLIO METRICS AS AT 30 September 2020¹

Occupancy: (25 Oct 2020)	84.2%	(June 2020: 77.7%)
Rate:	\$245/sqm	(June 2020: \$252/sqm)
REVPAM:	\$200/sqm	(June 2020: \$195/sqm)

1 – June 2018 Centres

NSR drives Revenue Per Available Square Metre (REVPAM) by balancing occupancy and rate per sqm growth on a centre and individual unit basis. Revenue management strategies continue to advance through the use of NSR's multiple signal revenue management model and data analytics.

June 2016 Centres (86 centres), excluding Wine Ark, New Zealand and developing centres

June 2018 Centres (104 centres), excluding Wine Ark, New Zealand and developing centres

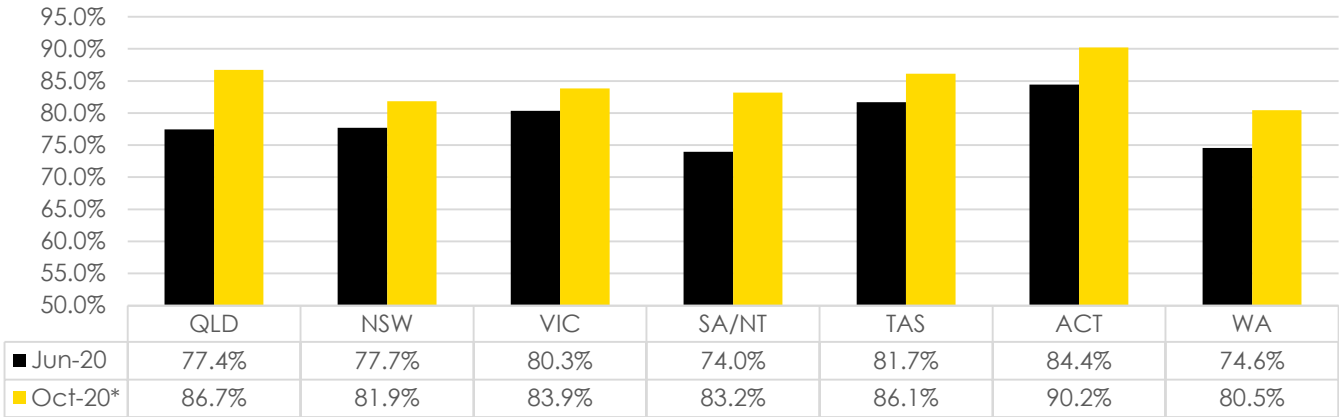
KEY OPERATIONAL METRICS



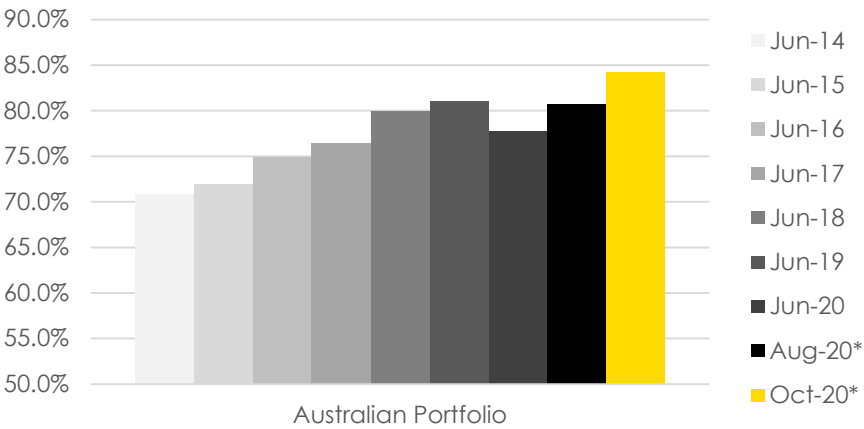
STRONG RECOVERY YTD FY21 CONTINUES

- Strong occupancy growth to Oct 20*
 - Combined Aust and NZ Occupancy 84.5% (+5.6%)
 - Australian Portfolio 84.2% (+6.5%)
 - New Zealand Portfolio 86.0% (+1.3%)
 - All states showing significant growth

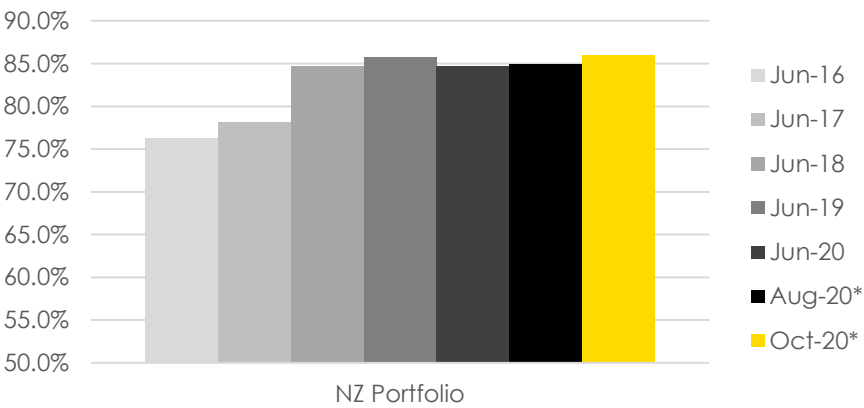
Occupancy By State



Australia



New Zealand



Australian Portfolio (104 centres) - excludes FY19 & FY20 Acquisitions, Wine Ark, New Zealand and let-up centres
Aug* – As at 23 August 2020
Oct* - As at 25 October 2020



COVID-19



Human Resources

- Full COVID-19 safe compliance plans implemented across all centres and Head Office
- Zero staff infections to date
- Head Office led the approach towards work flexibility, productivity and vigilance, both in staffing needs and preparedness to react to potential scenarios. All of this was achieved whilst delivering high levels of productivity and customer service.
- Maintained full staffing and wage rates
- No JobKeeper support received

Incentive Programs

- New incentive schemes introduced for operational personnel to further assist the refinement of focus areas with mutually beneficial outcomes
- Introduction of a benchmark Parenting Policy demonstrating our continued commitment to our staff



ACQUISITION PIPELINE



- Strong start to FY21 having successfully completed the acquisition of eight centres in FY21 YTD totalling \$139 million- and adding 54,100 sqm NLA
- Forward looking acquisition pipeline remains strong

FY21 ACQUISITIONS

REGION	NUMBER OF CENTRES	NLA (SQM)
Sydney	1	7,100
Perth	1	5,800
Noosa (Qld)	3	19,700
Hervey Bay (Qld)	1	8,000
North Coast (NSW)	1	9,800
Christchurch (NZ)	1	3,700
Total Acquisitions	8	54,100

DEVELOPMENT & EXPANSION



TARGETED DEVELOPMENT AND EXPANSION PROJECTS PROVIDING ADDITIONAL UNIT PIPELINE IN KEY AREAS



Under Construction - National Storage Mitchell



Under Construction - National Storage Biggera Waters

Overview

- 1 completed project, at least 3 to be completing by calendar year end
- 19 active projects
- 7 under construction
- 2 projects shovel-ready
- 6 projects being contracted or in due diligence
- 6 projects under investigation
- Aggregate NLA pipeline of circa 120,000m²

New developments

- Combination of greenfield, turnkey and joint venture development and expansion projects allows NSR to leverage its in-house development expertise
- Provides enhanced revenue and capital outcomes for NSR
- Targeting double digit 5-year IRR and 10%+ return on cost at stabilised revenue
- Focused on expanding coverage in “black holes” and key areas identified for growth
- Application of new technology such as Bluetooth Smart Access to provide improved efficiency and enhanced customer and employee experience

THANK YOU

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NATIONAL STORAGE
STAFF

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