

# INTRODUCING STOR-AGE

## ABOUT STOR-AGE

Stor-Age is the leading and largest self storage property fund and brand in South Africa, and the first and only self storage Real Estate Investment Trust (REIT) listed on any emerging market exchange. During the year, we made significant strides to drive alignment across our business. We concluded the strategic acquisition of the unlisted Managed Portfolio and integrated critical functions of our UK operation, Storage King, the sixth largest self storage brand in the UK. Our portfolio comprises 65 properties across South Africa and the UK, with a combined value of over R6.0 billion.

Our highly specialised business focuses on the fast-growing self storage sector – a niche subsector of the broader commercial property market. Stor-Age develops, acquires and manages high-quality self storage properties that enable us to compete strongly in new market segments and grow our market share. This allows us to benefit from economies of scale and produce favourable operating margins. Stor-Age is managed internally.

Our portfolio comprises 65 properties, totalling 423 700 m<sup>2</sup> and representing R6.0 billion in value. The South African portfolio comprises 49 properties, totalling 357 600 m<sup>2</sup> and represents R4.0 billion in value, while in the UK, Stor-Age owns a 97.6% majority interest in Storage King, comprising 16 properties with 66 100 m<sup>2</sup> GLA and representing R2.0 billion in value.

## DYNAMIC SELF STORAGE SECTOR SPECIALISTS

Leading and largest self storage property fund in South Africa, with a successful strategic entry into the UK in 2017

High-quality properties with excellent visibility and easy access from arterial roads

Outstanding locations with high barriers to entry

Business model based on global best practice

Development capability and innovation

Market-leading operations and digital platform

Decade-long track record of developing, tenanting and operating self storage assets

	Portfolio	South Africa	United Kingdom	Pipeline Portfolio
Number of properties	65	49	16	9
GLA (m <sup>2</sup> )	423 700	357 600	66 100	62 000
Value (Rm)	6 000	4 000	2 000	850

## ABOUT STOR-AGE (continued)

### OUR INVESTMENT CASE

- Dynamic sector specialists, allowing for focused attention
- Track record of growing investor returns
- Recession-resilient sector: self storage is a niche asset class uncorrelated to traditional property drivers
- Attractive forecast distribution growth, underpinned by robust self storage metrics
- Secured pipeline of acquisition and development opportunities
- Proven ability to identify, close and integrate value-add acquisitions
- Strong cash flow
- Favourable operating margins
- Attractive earnings growth
- Healthy balance sheet and conservative gearing
- Low bad debt record (~ 0.5% of revenue)
- Low obsolescence and ongoing maintenance capex
- High barriers to entry in key target locations

is underpinned by

### OUR SUCCESS DRIVERS

- Diversified tenant risk (32 000+ tenants across South Africa and the UK)
- Presence in South Africa's main metropolitan centres – Johannesburg, Tshwane, Cape Town and Durban
- Prominent locations on main roads or arterials, with high visibility to passing traffic
- Committed and passionate employees
- UK management team with significant self storage operations experience, proven local expertise and a well-located property portfolio
- Average length of stay in South Africa – 22 months
- Average length of stay in UK – 25 months
- Growing demand and awareness among customers
- Strong customer satisfaction, with customer service rated as "excellent in 2019" according to the global Net Promoter Score (NPS) standard
- In South Africa, 52% (2018: 54%) of customers store for more than one year
- In the UK, 54% (2018: 51%) of customers store for more than one year

and

#### OUR VISION

To be the best self storage business in the world

#### OUR MISSION

To rent space

### OUR CORE VALUES

Excellence • Sustainability • Relevance • Integrity

Stor-Age Property REIT Limited ("Stor-Age", the "company" or the "group") is the leading and largest self storage property fund and brand in South Africa. We have successfully developed, acquired and managed self storage properties across South Africa for more than a decade. In November 2017, we entered the United Kingdom (UK) with the strategic acquisition of Storage King – the sixth largest self storage brand in the UK.

Stor-Age is a local market pioneer that introduced high-profile Big Box self storage properties in

high-visibility and easily accessible prime suburban locations in South Africa.

Our 65-property portfolio comprises 423 700 m<sup>2</sup> of gross lettable area (GLA), which is strategically concentrated in South Africa's largest cities and in key markets in the UK. We service more than 32 000 tenants.

Stor-Age listed on the Johannesburg Stock Exchange (JSE) on 16 November 2015.

## SNAPSHOT

Listing date	November 2015
JSE sector	Speciality REITs
Profile	Highly specialised, low-risk, income-paying self storage REIT
Self storage universe	10 publicly traded self storage REITs (US: 5, UK: 2, EU: 1, <sup>1</sup> Aus: 1, SA: 1)
Market capitalisation	R5.4 billion

	Total	South Africa	United Kingdom
Total property value <sup>2</sup>	<b>R6.0 bn</b>	R4.0 bn	R2.0 bn
Number of properties	<b>65</b>	49	16
Total number of customers	<b>32 000+</b>	24 000+	8 000+
Total GLA	<b>423 700 m<sup>2</sup></b>	357 600 m <sup>2</sup>	66 100 m <sup>2</sup>
Occupancy	<b>83.5%</b>	84.0%	80.3%
Loan to value (LTV)	<b>24.6%</b>	17.2%	39.2%

<sup>1</sup> Shurgard Self Storage, listed on Euronext Brussels, is not a REIT, but included in universe.

<sup>2</sup> Property value is defined as gross investment property of R6.2 billion less finance lease obligation of R0.2 billion relating to leasehold investment property.