



Lok'n Store Group PLC - LOK Lok'nStore Announces £40 million Banking Facility
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Lok'nStore Group PLC
18 January 2016

Lok'nStore Group plc (“Lok'nStore” or “the Group”)

Lok'nStore improves terms with new £40 million Banking Facility

Lok'nStore plc, the fast growing AIM listed self-storage company, announces the agreement of a new banking facility on improved terms with Royal Bank of Scotland plc. The new £40 million five year revolving credit facility will replace the existing facility which was due to expire in October 2016, and will provide funding for site acquisitions and working capital.

The margin on the new facility will be at the London Inter-Bank Offer Rate (LIBOR) plus 1.40%–1.65% margin based on a loan to value covenant test (1.40% currently). This is a marked improvement on the existing 2.35%–2.65% margin and the Group will therefore benefit from a lower average cost of debt and improved cash flow. Loan to value covenants are in line with the previous facility.

Andrew Jacobs CEO of Lok'nStore Group said;

“This new banking facility with its substantially improved terms and structure underlines the financial strength of Lok'nStore with its modest gearing, valuable property assets and strong and growing cash flow.

“This new facility will save approximately one penny per share per annum of funds from operation (FFO*) lending support to our ability to pay progressive dividends, and will enable the Group to continue to execute its current growth strategy with 3 new stores opening over the coming months.”

Lok'nStore will announce its preliminary interim results for the 6 months to January 2016 on Monday 25 April 2016.

*FFO Funds from operations is defined as EBITDA minus net finance cost on operating assets

Information continued:



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Notes for Editors

Lok'nStore is one of the leading companies in the fast growing UK self-storage market, currently operating 24 highly visible, distinctive orange livery self-storage centres in prominent locations in South-East England and two serviced document storage sites. Lok'nStore is substantially into a programme of opening six new stores in Maidenhead, Reading, Aldershot, which are all open and trading well as well as Chichester (very recently opened), Southampton and Bristol which are under development and will open in late Spring 2016.

In its annual results year to July 31 2015 Lok'nStore announced

Record financial results ahead of expectations on all measures

- Revenue £15.42 million up 10.9% (2014: £13.91 million)
- Adjusted EBITDA¹ £5.68 million up 23.1% (2014: £4.62 million)
- Operating profit² £3.66 million up 18.7% (2014 normalised: £3.08m)
- Profit before taxation² £2.65 million up 34.6% (2014 normalised: £1.97 million)
- Cost ratio reduced to 61.2%³ (2014: 64.7%).

Strong cash flow supports 14.3% dividend increase – progressive dividend policy

- Annual dividend 8 pence per share up 14.3% (2014: 7 pence per share)

Asset backed: Adjusted Net Asset Value per share⁵ up 11.4% to £3.02 (2014: £2.71)

- Total assets now circa £100 million

In August, Lok'nStore announced that it had received a further £2 million payment for the sale of its old Reading store for which it had already received £2.9m in November 2014. These funds will be recycled into the new store development programme.

This information is provided by RNS - The company news service from the London Stock Exchange.