



RNS

Strategy/Company/Operations Update



Update on new store pipeline

LOK'N STORE GROUP PLC

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Lok'nStore Group plc ("Lok'nStore", the "Company", "We" or the "Group")

Lok'nStore, the fast-growing AIM listed self-storage company, is pleased to provide the following update on its new store development pipeline.

Highlights:

- Staines: Exchanged contracts on a new 56,000 sq. ft store in Staines, Middlesex, due to open in 2022;
- Peterborough: Purchased a freehold site in Peterborough, Cambridgeshire, with planning to be submitted for a 50,000 sq. ft. landmark store;
- Bournemouth: resolution to grant planning permission for our largest ever Landmark store at c. 76,000 sq. ft.
- Warrington, Salford, Stevenage and Wolverhampton: Construction is underway at these new store locations;
- Sale of our vacant property in Southampton, Hampshire for £1.69 million

When developed our current pipeline will add 33.1% to our total lettable area, as shown in the table below;

Analysis of Stores	No of	Stores	Pipeline	Pipeline	Pipeline
As at 31 Jul 2020	Stores	Trading	Total	sq.ft.	% Total
Owened Stores					
Trading - Freehold	17	17			
Trading - Leaseholds	8	8			
Pipeline (Freehold)	7	-	7	398,400	46.0%
Pipeline (Leasehold)	0		0		
Total Owened Stores	32	25	7	398,400	31.3%
Managed Stores (Trading)	11	11			
Managed Stores (Pipeline)	4	-	4	194,300	
Total Managed Stores	15	11	4	194,300	37.7%
Total	47	36	11	592,700	33.1%

In Staines, Middlesex, we have exchanged contracts on a 250 year long leasehold site (an effective freehold). This prominent site already benefits from planning consent and will be developed by XLB Property incorporating a national discount food retailer. The store will be 56,000 sq. ft. and will open in 2022. Total investment will be c. £9 million.

In October 2020, we purchased a freehold site in Peterborough, Cambridgeshire, subject to planning permission. The site occupies a central location in the city, prominently positioned on the access route to a large and busy retail park. A planning application for a landmark 50,000 sq. ft. store will be submitted shortly. Total investment will be c. £6 million.

Recently, Bournemouth Council resolved to grant planning permission for a new landmark store on our site in Bournemouth, Dorset. When developed, this landmark store will add c. 76,000 sq. ft. of storage space and will be our largest store.

We have now started building at our new store developments in Warrington, Salford, Stevenage and Wolverhampton with Salford opening first in March 2021. Our total secured store pipeline is now 11 sites which will take us to 47 stores when fully developed. We have two further sites progressing with lawyers.

In December 2020, we completed the sale of our vacant property in Southampton, Hampshire for £1.69 million. (Net Book Value c. £2 million) eliminating over £150,000 p.a of residual costs.

These new stores will be funded out of our existing revolving credit facility, operating cash flow, proceeds of sale of surplus land and managed stores. Net debt will rise to around £60 million in FY2023 against our current bank facility of £75 million with an accordion that would increase the facility limit to £100 million. The loan-to-value ratio (LTV) will increase to between 20% and 25%.

The Group issued an update on Monday on its acquisition of the Lok'nStore managed store in Chichester and the sale and manage-back of its freehold land site at Pantheon Park, Wolverhampton. This transaction is included in the table above.

Lok'nStore will be publishing its first half trading, pre-close statement on Monday 8th February 2021.

Commenting on the recent progress on the new store pipeline Andrew Jacobs, Executive Chairman, said:

"We continue to execute on our objective to open more Landmark stores whilst maintaining the strength of our balance sheet and remaining conservatively geared. In recent months we have continued to progress the development of our new store pipeline with further new acquisitions and commencement of building works.

"Our total secured pipeline is now 11 stores and we are on site at four of these that will open by the beginning of 2022. Two further sites are progressing with lawyers. The pipeline of new stores will add considerable momentum to sales and earnings growth allowing further increases in dividends."

"We look forward to updating the market on our first half trading in our pre-close statement on Monday 8th February 2021."

-Ends-

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