



Miscellaneous



FREEHOLD SITE ACQUISITION

[LOK'N STORE GROUP PLC](#)

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Lok'nStore Group plc

Freehold site acquisition

Following the Share Placing earlier this month which provided c.£19.8 million (net) of funding, the Board of Lok'nStore Group plc, (AIM:LOK), a leading company in the UK self-storage market is pleased to announce the first deployment of this equity capital into a new freehold land acquisition.

Highlights

- Unconditional contracts exchanged on new 60,000 sq.ft freehold Landmark site in Eastbourne, Sussex
- Building work continues at our new Landmark store developments in Staines, Basildon and Kettering
- Revenue momentum continues

New Freehold Landmark site

Contracts have been exchanged on a freehold site in Eastbourne, Sussex where we intend to submit planning for a 60,000 sq.ft store shortly. Completion is due by the end of the year upon vacation of the current occupier. This Landmark location, adjacent to supermarkets and retail is close to our existing leasehold store. The initial land cost will be £5.53 million and total net project costs are expected to be c.£12.0 million.

We recently announced the signing of a new lease at our existing Eastbourne store which runs for twenty years. We have the valuable opportunity to improve profitability in the Eastbourne market via a tenant only break clause after five years. The current store has been trading successfully since its opening in 2003.

Further new store pipeline progress

Following the Eastbourne freehold purchase our total secured pipeline of 11 secured new stores will result in the Group operating 52 stores. This pipeline of new stores will add considerable momentum to sales and earnings growth once developed.

Building work continues at 3 of our new Landmark store developments in Staines, Basildon and Kettering (managed), all of which will be open in the next 12 months and where the remaining capital expenditure as at 31st January 2023 was £13.7 million, adding a further 162,100 sq. ft. of trading space to the undersupplied UK self-storage market.

Lok'nStore's highly experienced management team continue to progress the new store pipeline despite the planning system remaining lengthy and unpredictable.

Revenue momentum continues

As announced last month, revenue continues to be buoyant with H2 stores revenue expected to be up c.10.5% year on year. Operating costs are in line with the expectations set out in our interim results announced in April 2023.

We will announce a pre-close trading update on Monday 14th August 2023.

Commenting on the recent progress Andrew Jacobs, Chair, said:

"Following our share placing earlier this month which provided c.£19.8 million of funding we are pleased to announce the purchase of a strategic Landmark freehold site in Eastbourne, Sussex.

"Revenue momentum continues to be strong in H2 and we continue to deliver on our strategy to open more new stores in the under-supplied UK self-storage market. We have opened 2 stores in the current financial year and are onsite at a further 3 stores. These stores will add considerable momentum to earnings growth in the coming years."

-Ends-

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