



Lok'nStore Group Plc
Results for the half year ended 31 Jan 2023

Strong Balance Sheet

- Reminder – We sold four stores January 2022 adding circa £37 million to cash - puts the company on a great financial footing
- Our Same Store analysis strips out the effect of this and of new stores



Lok'nStore Results Highlights

Half Year ended 31 Jan 2023

- Same Store Group Revenue up 11.2%
- Group Revenue £13.58 million up 1.5% - revenue from sale of four stores already replaced
- Same Store Group Adjusted EBITDA up 8.9%
- Group Adjusted EBITDA £7.93 million down 2.3%



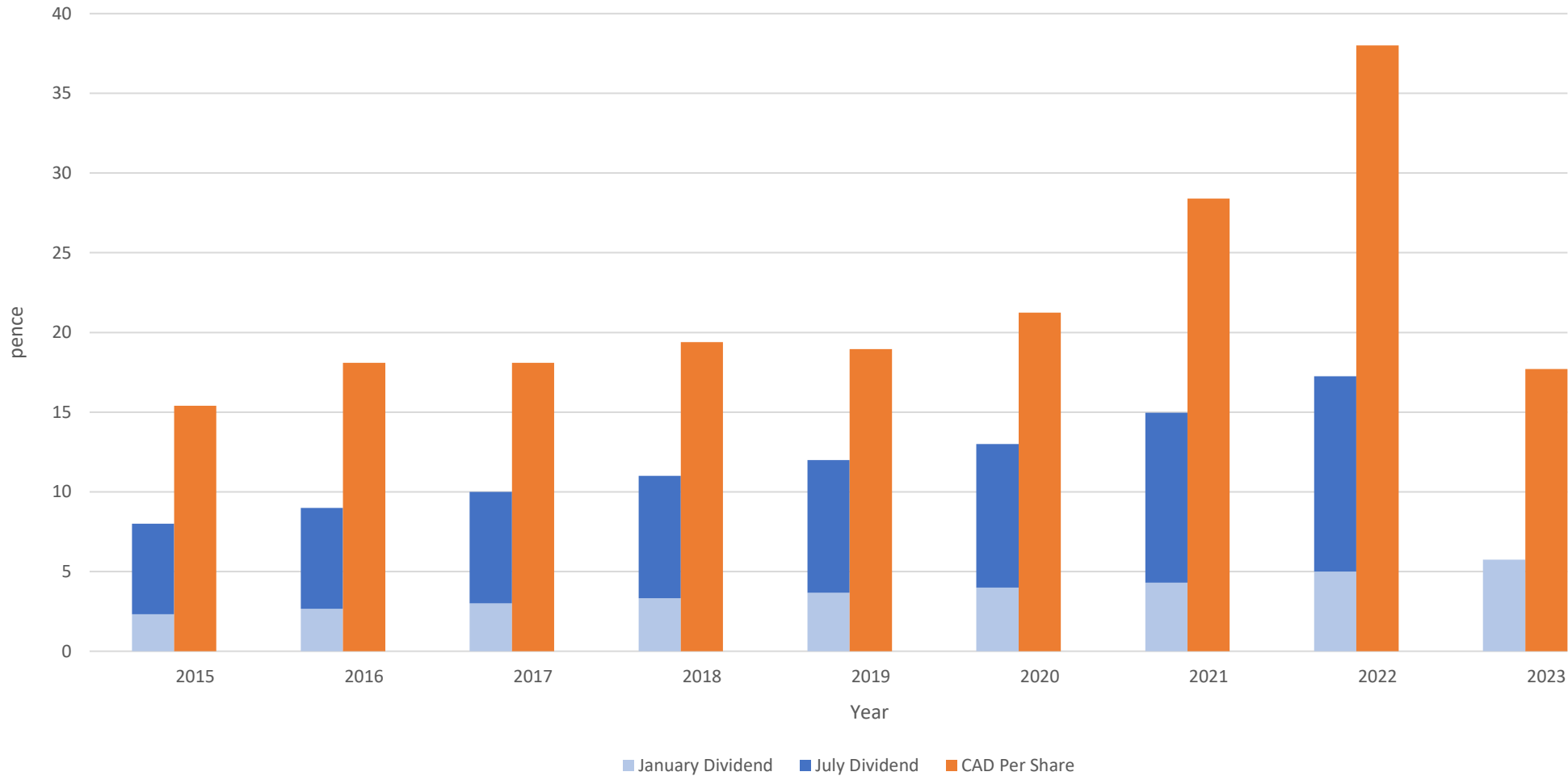


Shareholder Highlights

- Adjusted Net Asset Value per share £9.15
 - Up 8.6% over 12 months
 - Down 5.9% from July 2022
- Interim dividend 5.75p per share up 15.0%
 - 12th consecutive increase in interim dividend



Steady growth of Dividend – well covered by CAD



Excellent Operating Metrics

- Move ins up 13.5% yoy
- Same Store Unit Occupied space up 2.6%
- Price per sq.ft up 9.2% yoy
- Rates to new customers 10.5% above achieved rate
- Managed Store recurring fees up 29.5%

Energy, rates and interest costs increase then subside

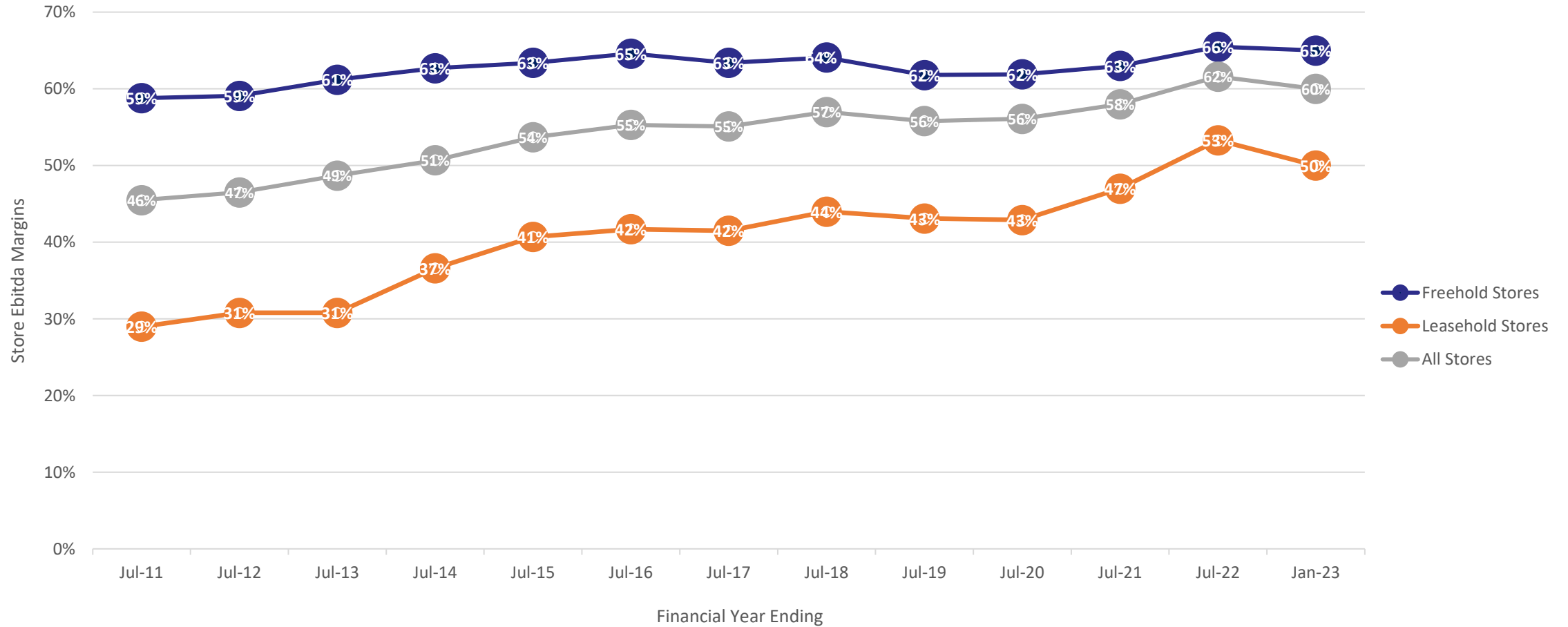
(Same Store data)

| | FY22 | FY23 | FY24 | FY25 |
|--------------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|
| | % of operating costs | Variance from previous year | Variance from previous year | Variance from previous year |
| Total staff costs | 44.4% | | | |
| Rates | 15.7% | | | |
| Rent | 16.3% | | | |
| Heat and light | 4.2% | | | |
| Insurance | 1.7% | | | |
| Loan Interest (Group) | 8.5% | | | |
| Tax (Group) | 12.7% | | | |

- Above 10% increase
- Below 10% increase
- - % decrease



Robust EBITDA Margins



Director Valuation of Trading Stores

- Trading assets valued at £261.1 million
 - Down 6.4% since July 2022
 - Up 9.8% since January 2022
- 50 bps increase in Exit Yields and Discount Rate
- Continued strong institutional investor appetite
- 2 new stores to be valued at 31st July 2023
- 2 new stores to be valued at 31st July 2024
- NB – Lok'nStore portfolio in prime high quality landmark stores





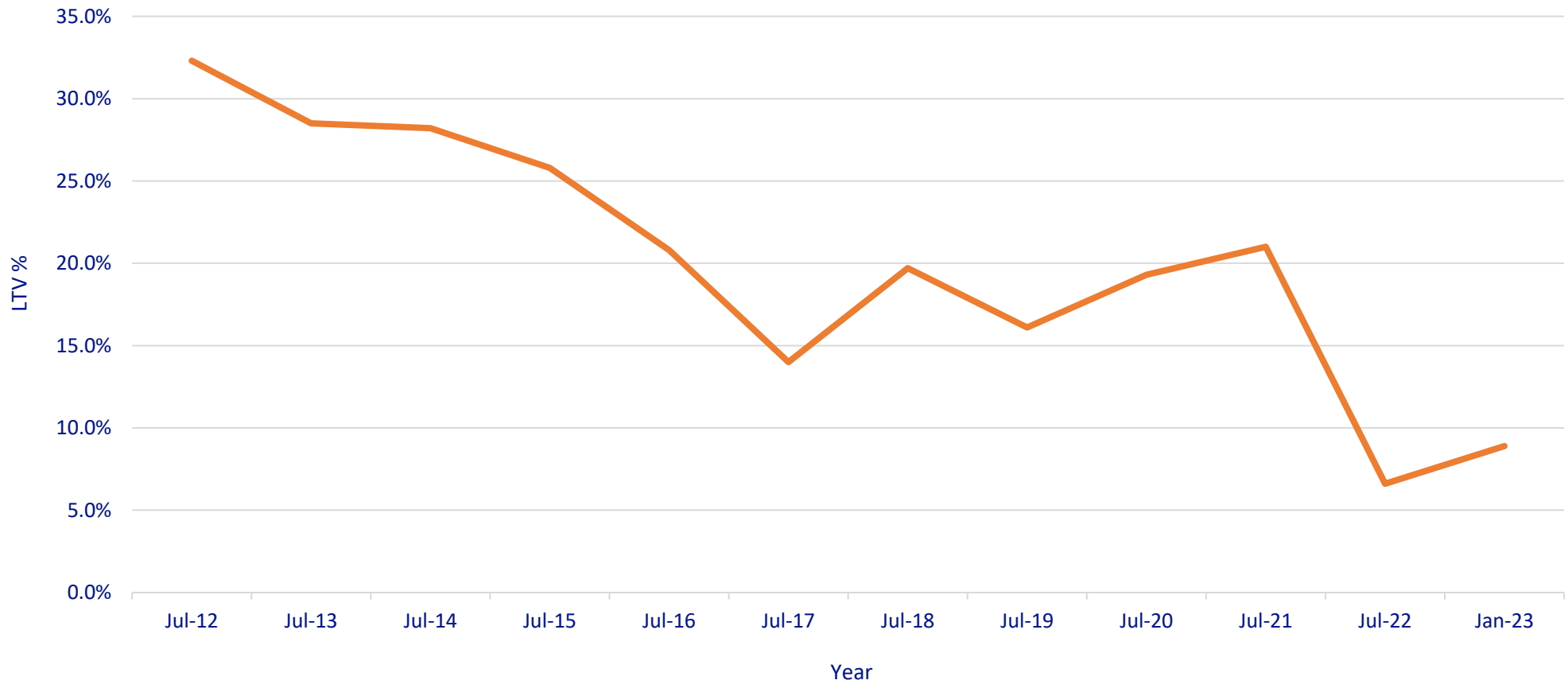
Strong Balance Sheet

- £100 million loan facility runs to April 2026
- Adjusted Total Assets £353.0 million
- At 31st January 2023:
 - Gross Bank Debt £66.8 million (2022: £66.8 million)
 - Cash £40.3 million (2022: £46.5 million)
 - Net Debt £26.5 million (2022: £20.3 million)
 - LTV on net debt 8.9% (2022: 6.6%)



Low net debt and low leverage

Net LTV



Future Growth – driven by Landmark store programme



- Bedford opened February 2023
- Four new stores now on site
 - 2 opening in FY23
 - 2 opening in FY24
- On site capex remaining £18.2 million
 - all from cash
- Milton Keynes site exchanged STP October 2022
- Bolton planning granted January 2023



BEDFORD – OPEN February 2023



PETERBOROUGH – Opening June 2023



BASILDON - Opening Autumn 2023
First purpose built leasehold store



STAINES - Opening Autumn 2023
4 storeys above an Aldi supermarket

Profit & Loss

6 months to 31 Jan 2023

| | Six months ended 31-Jan-23 | Six months ended 31-Jan-22 | Year ended 31-Jul-22 |
|--|-------------------------------|-------------------------------|-------------------------|
| | £'000 | £'000 | £'000 |
| Revenue | 13,583 | 13,384 | 26,902 |
| Retail COS and Operating Costs | (5,652) | (5,268) | (10,553) |
| Group Adjusted EBITDA | 7,931 | 8,116 | 16,349 |
| Depreciation & amortisation | (2,463) | (2,232) | (4,727) |
| Equity settled share based payments | (225) | (101) | (201) |
| Non-underlying items | | | |
| Profit on sale of trading stores | – | 6,089 | 5,936 |
| Liquidated damages received on development | 195 | – | 175 |
| Abortive costs | (76) | – | (372) |
| Group operating profit | 5,362 | 11,872 | 17,160 |
| Finance costs (net) | (703) | (539) | (1,286) |
| Profit before tax | 4,659 | 11,333 | 15,874 |

Consolidated Statement of Financial Position

As at 31 Jan 2023

| | 31- Jan 2023 | 31-Jan 2022 | 31-Jul 2022 |
|--|-----------------|-------------|-------------|
| | £'000 | £'000 | £'000 |
| Non-current assets - Property, Plant & Equipment | 283,240 | 255,097 | 292,848 |
| Right of Use assets | 9,712 | 11,809 | 10,424 |
| Total non-current assets | 292,952 | 266,906 | 303,272 |
| Net current assets | 35,364 | 41,888 | 40,766 |
| Non-current debt- bank borrowings | (66,314) | (66,079) | (66,196) |
| Non-current debt- lease liabilities | (8,792) | (11,179) | (9,282) |
| Deferred tax | (59,536) | (54,174) | (63,214) |
| Net Assets | 193,674 | 177,362 | 205,346 |
| Share Capital | 301 | 300 | 301 |
| Share Premium | 11,488 | 11,341 | 11,391 |
| Other Reserves | 9,303 | 9,073 | 9,102 |
| Retained Earnings | 55,513 | 52,630 | 55,008 |
| Revaluation Reserve | 117,069 | 104,018 | 129,544 |
| Shareholder Funds | 193,674 | 177,362 | 205,346 |

Consolidated Statement of Cash Flow

6 months to 31 Jan 2023

| | Six months ended 31 Jan 23 £'000 | Six months ended 31-Jan-22 £'000 | Year ended 31-Jul-22 £'000 |
|---|---|---|-------------------------------------|
| Cash generated from operations | 7,847 | 7,445 | 18,569 |
| Income tax paid | (950) | (250) | (1,060) |
| Net cash from operating activities | 6,897 | 7,195 | 17,509 |
| Investing activities | | | |
| Proceeds of Sale & Manage back stores | – | 37,922 | 37,922 |
| Purchase of property, plant and equipment | (7,589) | (6,793) | (11,961) |
| Interest received | 305 | – | 13 |
| Net cash outflow from investing activities | (7,284) | 31,129 | 25,974 |
| Financing activities | | | |
| Proceeds of bank borrowings utilised for store development | – | 1,198 | 1,386 |
| Proceeds of bank borrowings utilised for payment of accorion fees | – | 188 | – |
| Finance costs paid | (1,440) | (946) | (1,741) |
| Lease liabilities paid | (871) | (903) | (1,746) |
| Equity dividends paid | (3,602) | (3,132) | (4,601) |
| Proceeds from issue of ordinary shares (net) | 97 | 529 | 579 |
| Net cash (used in) / from financing activities | (5,816) | (3,066) | (6,123) |
| Net increase (decrease) in cash and cash equivalents in the period | (6,203) | 35,258 | 37,360 |
| Cash and cash equivalents at the beginning of the period | 46,465 | 9,105 | 9,105 |
| Cash and cash equivalents at the end of the period | 40,262 | 44,363 | 46,465 |

Summary and Outlook

- Good revenue growth
- Sale of four stores in FY22 leads to strong balance sheet and low net debt
- Continued dividend growth
- Energy, rates and interest cost increases remain in 2nd half of FY23 - Medium term cost increases stabilise and subside
- New store openings drive future growth - 4 more new stores opening in next 12 months
- Strategy flexible and adaptive



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APPENDIX

Strong Fundamentals

- C. 17,000 customers – diverse reasons for storing
- No self storage customer accounts for more than 0.3% of revenue
- All customers on a rolling up front, 28-day rate review cycle
- Pricing to new customers 10.5% ahead of achieved rate
- Same Stores EBITDA margin 61.2%
- Excellent credit model (NB Lien) – bad debt just 0.21% of revenue
- Prime assets
- Low LTV



Appendix 1: Lok'nStore Results Highlights – headline and same store basis Year ended 31 Jan 2023

| | Headline Performance 31 Jan 2023 | | Same Store Performance 31 Jan 2023 | | 31 Jan 2022 | |
|--|-------------------------------------|---------------|---------------------------------------|---------------|---------------------------|-----------------------------|
| | £'000 million | Increase % | £'000 million | Increase % | £'000 million Headline | £'000 million Same Store |
| Group revenue | £13,583 | 1.5% | £13,220 | 11.2% | £13,383 | £11,884 |
| Self-storage revenue | £12,700 | 0.1% | £12,337 | 10.3% | £12,689 | £11,190 |
| Store Adjusted EBITDA | £7,658 | (6.2)% | £7,541 | 4.6% | £8,168 | £7,208 |
| Group EBITDA | £7,931 | (2.3)% | £7,793 | 8.9% | £8,115 | £7,177 |
| Operating profit (before non-underlying items) | £5,243 | (9.3)% | £5,330 | 7.6% | £5,783 | £4,955 |
| Operating costs | £5,527 | 6.8% | £5,307 | 14.3% | £5,175 | £4,643 |
| Store EBITDA Margins | 60.3% | | 61.2% | | 64.4% | 64.4% |

Appendix 2:

Calculation of CAD

| Analysis of Cash Available for Distribution (CAD) | Group Year ended 31 Jan 2023 £'000 | Group Year ended 31 Jan 2022 £'000 | Group Year ended 31 July 2022 £'000 |
|--|---|---|--|
| Group Adjusted EBITDA (Per Statement of Comprehensive Income) | 7,931 | 8,116 | 16,349 |
| Property lease rents | (871) | (903) | (1,746) |
| Net finance costs paid | (1,135) | (600) | (1,395) |
| Capitalised maintenance expenses | (11) | (60) | (120) |
| New Works Team | (35) | (73) | (125) |
| Current tax (note 8) | (671) | (903) | (1,572) |
| | (2,722) | (2,539) | (4,958) |
| Cash Available for Distribution | 5,208 | 5,577 | 11,391 |
| Increase in CAD over last year % | (6.6%) | 59.6% | 38.2% |
| | Number | Number | Number |
| Closing shares in issue (less shares held in EBT) | 29,422,990 | 29,354,843 | 29,380,333 |
| CAD per share (annualised) | 17.7p | 19.0p | 38.7p |
| Increase in CAD per share over last year | (6.8%) | 57.2% | 36.7% |

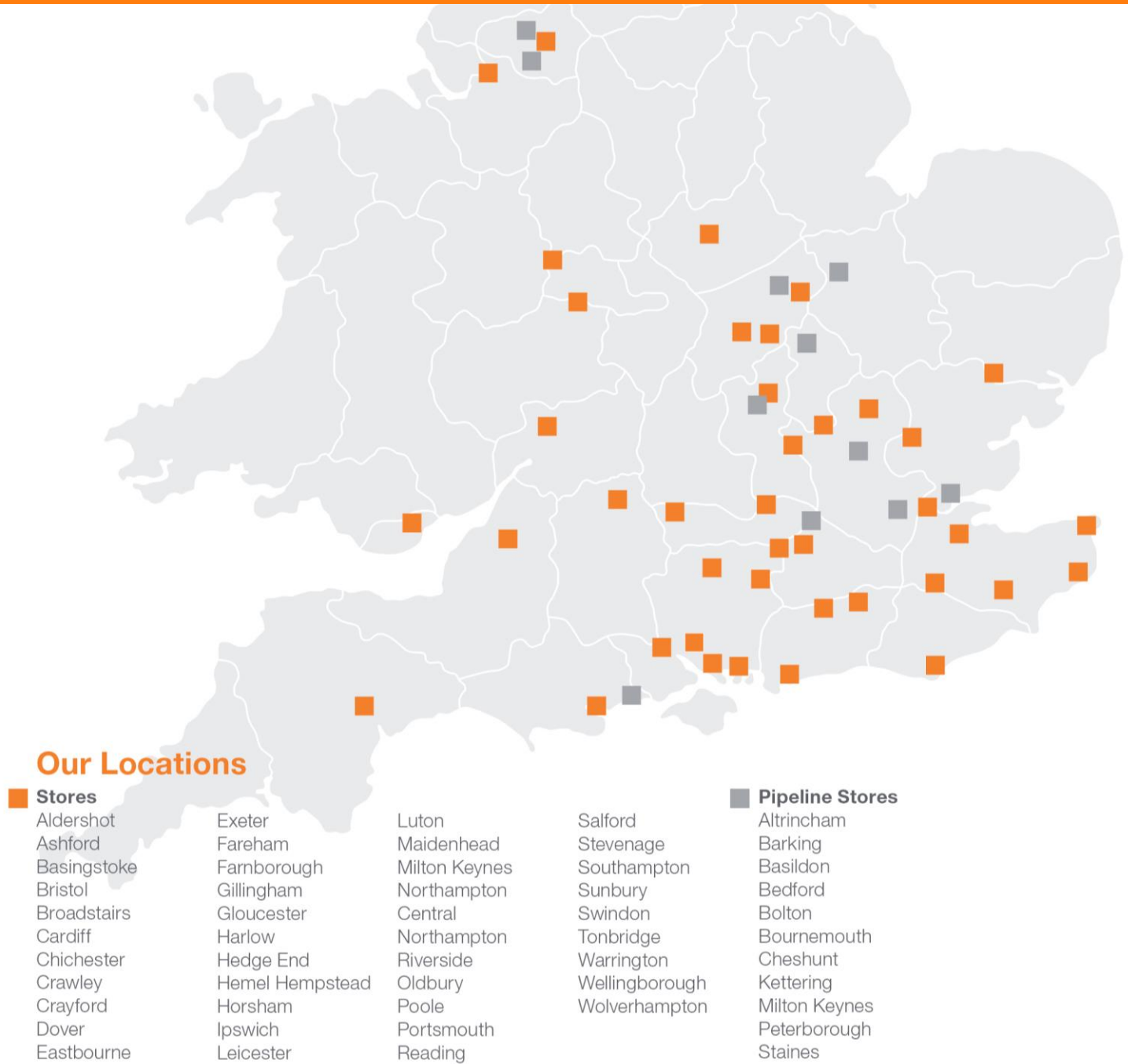
Appendix 3:

Robust Asset Backing

Analysis of net asset value per share
As at 31 Jan 2023

| | 31 Jan 2023 | 31 Jan 2022 | 31 July 2022 |
|--|------------------|------------------|------------------|
| | £'000 | £'000 | £'000 |
| Analysis of NAV per Share | | | |
| Net assets | 193,674 | 177,362 | 205,346 |
| Add: JLL leasehold valuation | 22,950 | 23,075 | 24,250 |
| Deduct: leasehold properties and their FF&E at NBV | (7,039) | (7,313) | (7,224) |
| Adjusted net assets | 209,585 | 193,124 | 222,372 |
| Deferred tax arising on revaluation of freehold properties | 59,536 | 54,174 | 63,214 |
| Adjusted net assets before deferred tax | 269,121 | 247,298 | 285,856 |
| | No. '000s | No. '000s | No. '000s |
| Issued share capital (ords) | 30,004 | 29,687 | 29,687 |
| Add: shares issued for the exercise of options | 42 | 291 | 317 |
| Closing shares in issue | 30,046 | 29,978 | 30,004 |
| Less: shares held in EBT | (623) | (623) | (623) |
| Less: shares held in treasury | – | – | -- |
| Shares for NAV purposes | 29,423 | 29,355 | 29,381 |
| Adjusted NAV / share (before deferred tax) | £9.15 | £8.43 | £9.72 |

Appendix 4:



Appendix 5: Lok'nStore Environmental Targets and Commitments on Track

Our Targets

To obtain Energy Performance Certificates for all owned stores

To complete a feasibility study on battery storage to complement future PV systems

To increase the number of stores with PV systems

Complete a feasibility study to retro fit all stores suitable for PV

Review the benefit of swapping diesel van to an electric van

To trial the retro fitting of LED lighting in place of lower efficiency fittings

Our Commitments

Install EV charging across all new stores

Optimise energy use in stores

Engage with our colleagues and customers about our Green Credentials

Review internal processes to continuously make environmental improvements

Install PV on all new stores