



**Lok'nStore Group Plc**  
Results for the year ended 31 July 2022

# Lok'nStore Results Highlights

## Year ended 31 July 2022

- Group Revenue £26.9 million up 22.9%
  - Same store up 30.7%
- Group Adjusted EBITDA £16.35 million up 37.5%
  - Same store up 39.1%

(See appendix 1 for all Headline and Same-store revenue and profits)



# Strong underlying revenue and profit growth - enhanced by one-off items

- £5.7 million of exceptional operating profit includes fair value gain on sale and managed back of 4 mature stores sold at half year
- Non-recurring management fees £1.47 million, up 217%

(See appendix 2 for analysis of underlying business)





## More Highlights – Increasing Asset and Dividend Growth

- Adjusted Net Asset Value per share up 33.0% to £9.72
- Cash available for Distribution (CAD) per share 38.74 pence up 36.7%
- Full year dividend 17.25p per share up 15.0% - 11<sup>th</sup> consecutive year of growth
- CAD covers annual dividend 2.24 times

## Excellent Operating Metrics

- Two-thirds of stores over 80% occupied at year end
- Same store Unit Occupied space broadly level yoy
- Achieved rate per sq.ft £25.62 up 13.0% yoy
- Rates to new customers now 10.0% above current achieved rate

# Sale and Manage-Back of 4 Stores

## - Provides funds for more growth

- Sale price £39 million
- Book value £13.75 million
- 22.8% above 31 July 2021 valuation of £31.75 million
- Objective is to recycle capital into new faster growing Landmark assets - browner to greener assets
- H1 contribution was £1.5 million revenue, £1 million EBITDA
- Year 1 management fees c £0.2m



# Store Management Fees





**WARRINGTON – OPEN**





## WOLVERHAMPTON – OPEN



## **STEVENAGE – OPEN**

PV on roof generates 50kw of power – 22% of electricity requirement is generated on-site. All new stores will have 80kw generating 35% of requirement. See page 23 and appendices 9 & 10

# Flexible Business Model Provides Strength in an Uncertain World

- 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
- Some cost increases – balanced by our ability to increase our achieved rate
- Stores EBITDA margin 61.6% (2021: 58.3%)
- Excellent credit model (NB Lien) – bad debt just 0.21% of revenue
- Small local markets
- No supply chain, no forex exposure





# Strong Balance Sheet

## Low net debt, low leverage

- Loan facility increased by £25 million to £100 million – now runs to April 2026
- Adjusted Total Assets up 27.3% to £370.9 million
- At year-end
  - Gross Bank Debt £66.8 million (2021: £65.4 million)
  - Cash £46.5 million (2021: £9.1 million)
  - Net Debt £20.3 million (2021: £56.3 million)
  - LTV on net debt 6.6% (2021: 21.0%)

# Future Growth – driven by fully funded Landmark store programme



- 2.05 million sq.ft. trading today
- Increases to 2.65 million sq.ft
- These 10 stores will add 44.1% to owned trading space

**Looking at many more opportunities....**



**BEDFORD - Opening Early 2023**



**STAINES** - Opening Summer 2023  
4 storeys above an Aldi supermarket



**BASILDON** - Opening Autumn 2023  
First purpose built leasehold store



## Pro-forma Value Creation from 4 Stores on Site

Pro forma  
value creation

Store	Tenure	Total project cost	Expected mature EBITDA	Expected mature valuation
Bedford	Freehold	£7.8 million	£1.1 million	£18.3 million
Staines	Long Leasehold	£10.9 million	£1.3 million	£21.7 million
Peterborough	Freehold	£7.5 million	£0.8 million	£13.3 million
Basildon	Leasehold	£3.2 million	£0.7million	£7.0 million
<b>TOTAL</b>		<b>£29.4 million</b>	<b>£3.9 million (13.3%)</b>	<b>£60.3 million (2.1x)</b>

- Expected mature valuation assumes exit yields of;
  - 6% Freehold
  - 10% Leasehold

## Flexibility of Store Opening Programme

Store Opening Programme

Financial Year	Store Opening Pipeline	Lok'nStore Capital Expenditure Remaining	Lok'nStore Committed Capex	Owned Stores		Total Portfolio	
				% growth lettable area	% cumulative growth lettable area	% growth lettable area	% cumulative growth lettable area
FY2023	4 new stores	£28.0 million	<b>£27.3 million</b>	17.1%	17.1%	10.7%	10.7%
FY2024	3 new stores	£18.1 million	<b>£0</b>	10.7%	27.8%	8.8%	19.5%
FY2025	3 new stores	£26.0 million	<b>£0</b>	16.3%	44.1%	10.1%	29.6%
<b>Total</b>	10 new stores (secured)	<b>£72.1 million</b>	<b>£27.3 million</b>	<b>44.1%</b>		<b>29.6%</b>	

Post balance sheet –Milton Keynes site commits a further £5.3 million subject to planning

# Profit & Loss

Year ended 31 July 2022

	Year ended 31 Jul 22	Year ended 31 Jul 21
	£'000	£'000
Revenue	<b>26,902</b>	21,892
Retail COS and Operating Costs	<b>(10,553)</b>	(10,001)
Group Adjusted EBITDA	<b>16,349</b>	11,891
Depreciation & amortisation	<b>(4,727)</b>	(4,149)
Equity settled share based payments	<b>(201)</b>	(118)
Other income and costs	<b>5,739</b>	(160)
Group operating profit	<b>17,160</b>	7,464
Finance costs (net)	<b>(1,286)</b>	(1,017)
Profit before tax	<b>15,874</b>	6,448

# Consolidated Statement of Financial Position

As at 31 July 2022

	31 Jul 2022	31 Jul 2021
	£'000	£'000
Non-current assets - Property, Plant & Equipment	292,848	255,652
Right of Use assets	10,424	10,503
<b>Total non-current assets</b>	<b>303,272</b>	266,155
Net current assets	40,766	6,713
Non-current debt- bank borrowings	(66,196)	(64,941)
Non-current debt- lease liabilities	(9,282)	(9,908)
Deferred tax	(63,214)	(46,760)
<b>Net Assets</b>	<b>205,346</b>	151,259
<b>Equity</b>		
Share Capital	301	298
Share Premium	11,391	10,815
Other Reserves	9,102	9,138
Retained Earnings	55,008	26,272
Revaluation Reserve	129,544	104,736
<b>Shareholder Funds</b>	<b>205,346</b>	151,259

# Consolidated Statement of Cash Flow

Year ended 31 Jul 2022

	Year Ended 31 Jul 22 £'000	Year ended 31 Jul 21 £'000
<b>Cash generated from operating activities</b>	<b>18,569</b>	12,187
<b>Income tax paid</b>	<b>(1,060)</b>	(800)
<b>Net cash inflow from operating activities</b>	<b>17,509</b>	11,387
<b>Investing activities</b>		
Proceeds of Sale & Manage back stores	37,922	–
Proceeds from sale of land (net of disposal costs) - Wolverhampton	–	1,509
Proceeds from sale of land (net of disposal costs) - Southampton	–	1,676
Purchase of property, plant and equipment	(11,961)	(26,474)
Interest received	13	1
<b>Net cash generated by / (used in) investing activities</b>	<b>25,974</b>	(23,288)
<b>Financing activities</b>		
Equity shares purchased for treasury (net of costs)	–	(693)
Equity shares sold from treasury (net of costs)	–	846
Proceeds of bank borrowings utilised for store development and bank refinancing	1,386	14,077
Finance costs paid including bank refinancing	(1,741)	(969)
Lease liabilities paid	(1,746)	(1,559)
Equity dividends paid	(4,601)	(3,865)
Proceeds from issue of ordinary shares (net)	579	103
<b>Net cash (used in) / generated from financing activities</b>	<b>(6,123)</b>	7,940
<b>Net increase / (decrease) in cash and cash equivalents in the period</b>	<b>37,360</b>	(3,961)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,105</b>	13,066
<b>Cash and cash equivalents at the end of the period</b>	<b>46,465</b>	9,105

# Robust Asset Backing

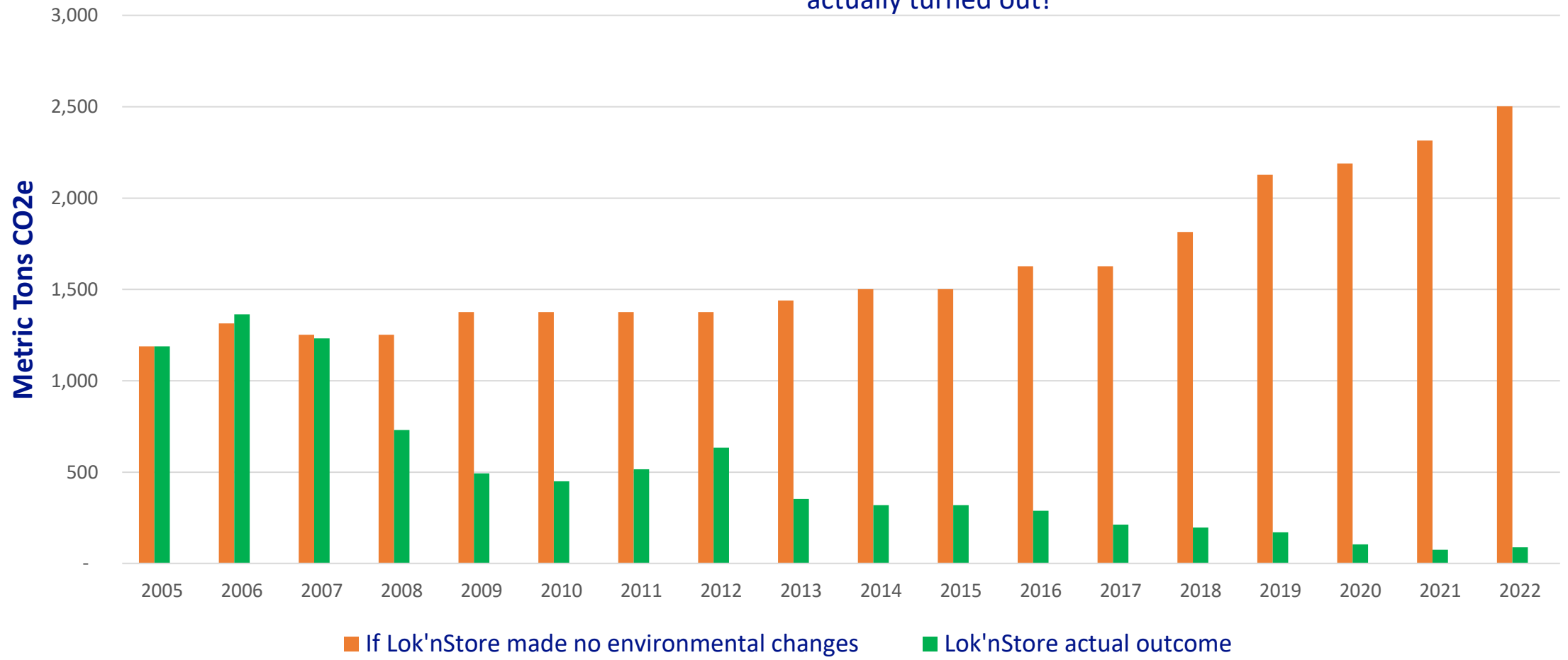
Analysis of net asset value per share  
Year ended 31 Jul 2022

	31 Jul 2022 £'000	31 July 2021 £'000
<b>Analysis of NAV per Share</b>		
Net assets	205,346	151,259
Add: JLL leasehold valuation	24,250	22,100
Deduct: leasehold properties and their FF&E at NBV	(7,224)	(7,630)
Adjusted net assets	222,372	165,729
Deferred tax arising on revaluation of freehold properties	63,214	46,760
<b>Adjusted net assets before deferred tax</b>	<b>285,586</b>	<b>212,489</b>
	No. '000s	No. '000s
Issued share capital (ords)	29,687	29,633
Add: shares issued for the exercise of options	317	54
Closing shares in issue	30,004	29,687
Less: shares held in EBT	(623)	(623)
Shares for NAV purposes	29,381	29,064
<b>Adjusted NAV / share (before deferred tax)</b>	<b>£9.72</b>	<b>£7.31</b>



# Lok'nStore Reduction in Environmental Impact – Operational GHG emissions – See appendices 9 & 10

How it could have been - if Lok'nStore had taken no action to limit it's impact on the environment - and how it actually turned out!



# Business Model Provides Strength and Opportunity in Uncertain World

- FY2022 good growth in revenue, profits and assets
- Secured Landmark store pipeline to deliver 44.1% more owned space
- Strong balance sheet and low LTV
- Strategy unchanged - but flexible and reactive
- Continued dividend growth – good CAD cover





## 25 years since first equity raise – disciplined use of equity

- Total equity raised £22.6 m vs £28.3 million dividends paid out
- Equity value of c.£290 million (Market Capitalisation c.£240 million)
- Conservative balance sheet – LTV c6.6%



# Lok'nStore Group plc



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## Appendix 1: Lok'nStore Results Highlights – headline and same store basis Year ended 31 July 2022

	Headline 31 July 2022		Same Store 31 July 2022	
	£ million	Increase %	£ million	Increase %
<b>Group revenue</b>	£26.9	22.9%	£25.3	30.7%
<b>Self-storage revenue</b>	£24.1	17.3%	£22.5	24.9%
<b>Store Adjusted EBITDA</b>	£14.9	23.7%	£14.1	34.8%
<b>Group EBITDA</b>	£16.3	37.5%	£14.4	39.1%
<b>Operating profit (before exceptionals)</b>	£11.4	49.8%	£10.9	71.7%
<b>Operating profit (after exceptionals)</b>	£17.2	130.0%	£16.6	168.9%
<b>Operating costs</b>	£10.4	5.4%	£9.5	7.5%
<b>Profit before tax</b>	£15.9	146.2%	£15.3	197.0%
<b>Store EBITDA Margins</b>	61.6%		62.9%	

# Appendix 2: Analysis of Underlying Business

Year ended 31 Jul 2022

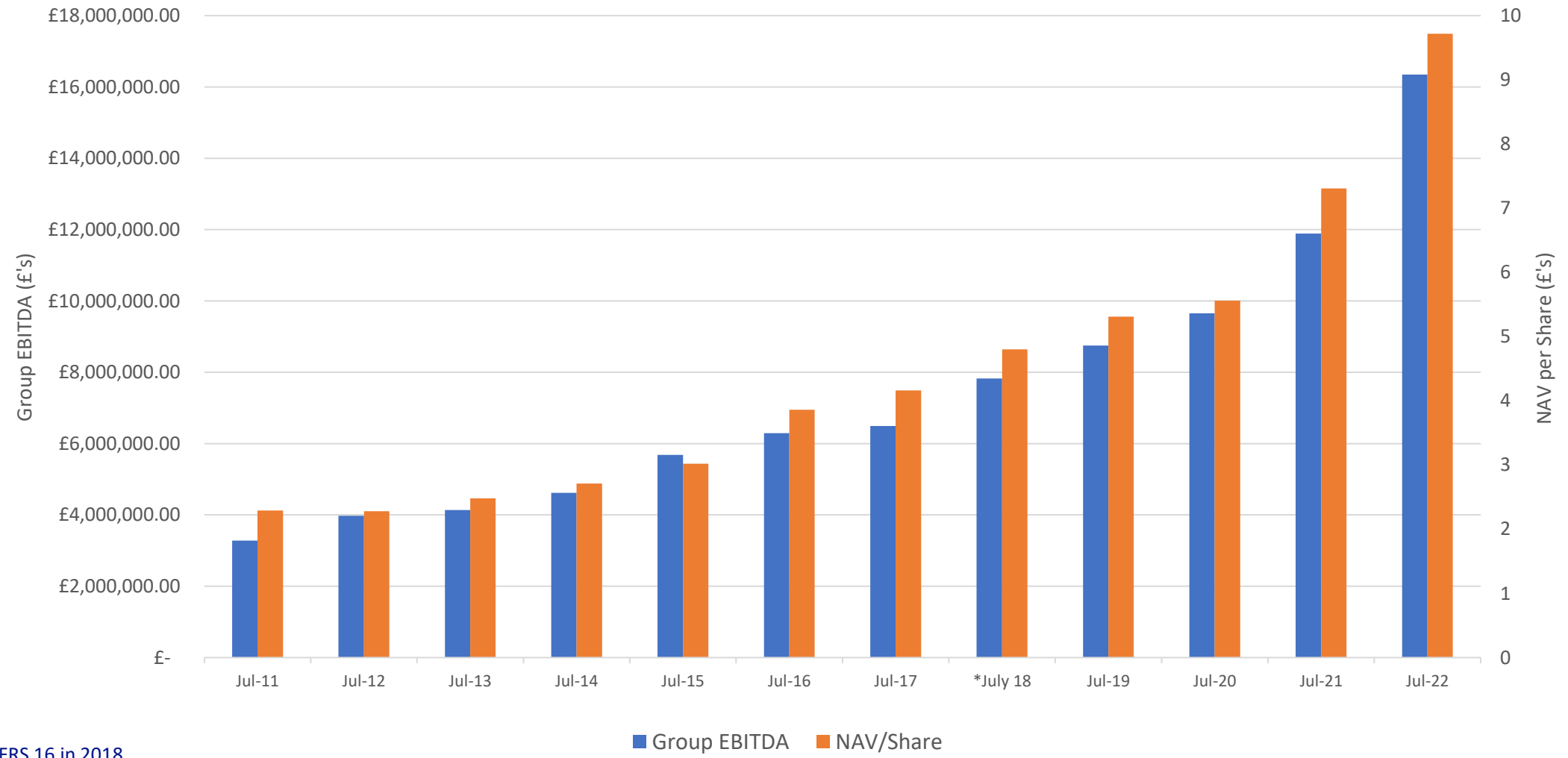
	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
	Underlying business	Non-underlying items and non-recurring management fee income	Total	Underlying business	Non-underlying items and non-recurring management fee income	Total
<b>Revenue</b>	25,430	<b>1,472</b>	26,902	21,428	464	21,892
Total property, staff, distribution, and general costs	(10,553)	–	(10,553)	(10,001)	–	(10,001)
<b>Adjusted EBITDA</b>	14,877	<b>1,472</b>	16,349	11,427	464	11,891
Depreciation	(4,727)	–	(4,727)	(4,149)	–	(4,149)
Equity-settled share-based payments	(201)	–	(201)	(118)	–	(118)
Non-underlying items	–	<b>5,739</b>	5,739	–	(160)	(160)
	(4,928)	<b>5,739</b>	811	(4,267)	(160)	(4,427)
<b>Operating profit</b>	9,949	<b>7,211</b>	17,160	7,160	304	7,464
Finance income	42	–	42	1	–	1
Finance cost	(1,328)	–	(1,328)	(1,017)	–	(1,017)
<b>Profit before taxation</b>	8,663	<b>7,211</b>	15,874	6,144	304	6,448

**Underlying CAD per share of 33.8p, up 26.1% from FY2021**



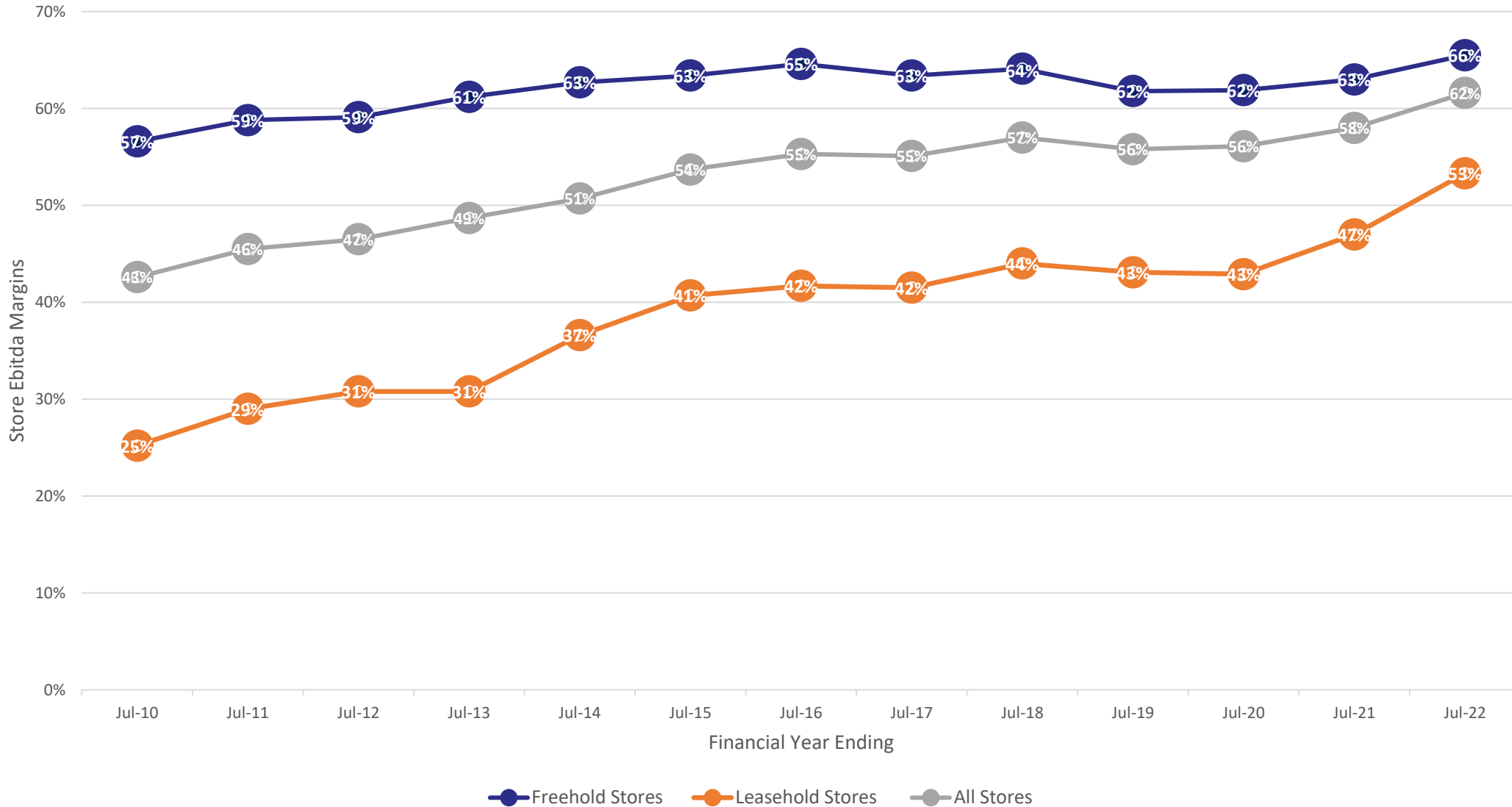
# Appendix 3: Consistent Growth & Record Profits

## 10-year compound NAV growth of 15.6%



\* Introduction of IFRS 16 in 2018

# Appendix 4: Rising store EBITDA Margins



## Appendix 5: Movement of Valuation Metrics

		FY2020	FY2021	FY2022
Average Exit Yield	Freehold	6.5%	6.15%	5.47%
	Leasehold	15.6%	23.1%	23.6%
Average Stabilised Occupancy Rate		84.9%	88.9%	88.2%

Valuation  
Metrics

### Sensitivity

- A 50 bpts decrease in the Exit Yields and Discount Rate would result in a £27.75 million increase in this year's valuation.
- A 50bpts increase in the Exit Yield and Discount Rate would result in a £23.1 million decrease in this year's valuation

# Appendix 6:

## Calculation of CAD

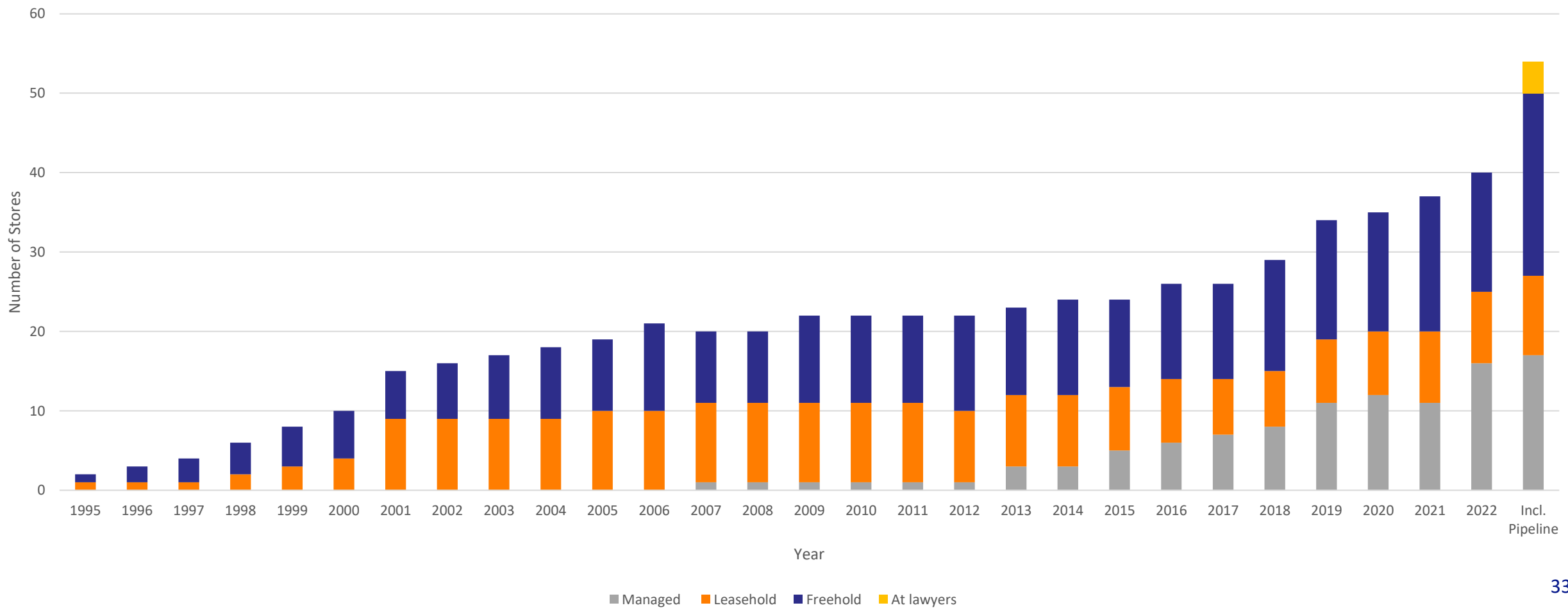
<b>Analysis of Cash Available for Distribution (CAD)</b>	<b>Group Year ended 31 Jul 2022 £'000</b>	<b>Group Year ended 31 July 2021 £'000</b>
Group Adjusted EBITDA (Per Statement of Comprehensive Income)	<b>16,349</b>	11,890
Property lease rents	<b>(1,746)</b>	(1,559)
Net finance costs paid	<b>(1,420)</b>	(969)
Capitalised maintenance expenses	<b>(95)</b>	(193)
New Works Team	<b>(125)</b>	(129)
Current tax	<b>(1,572)</b>	(798)
	<b>(4,958)</b>	(3,648)
<b>Cash Available for Distribution</b>	<b>11,391</b>	8,242
Increase in CAD over last year (£'000)	<b>3,149</b>	2,069
Increase in CAD over last year (%)	<b>38.2%</b>	33.5%
	<b>Number</b>	Number
Closing shares in issue (less shares held in EBT)	<b>29,380,333</b>	29,063,575
CAD per share	<b>38.74p</b>	28.36p
Increase in CAD per share over last year	<b>36.7%</b>	33.3%





# Appendix 7: Growth of Stores by Tenure – flexibility of business model

Lok'nStore Number of Stores Trading Since Inception with pipeline of secured stores and stores with lawyers



# Appendix 8:

## Our Locations

**■ Stores**

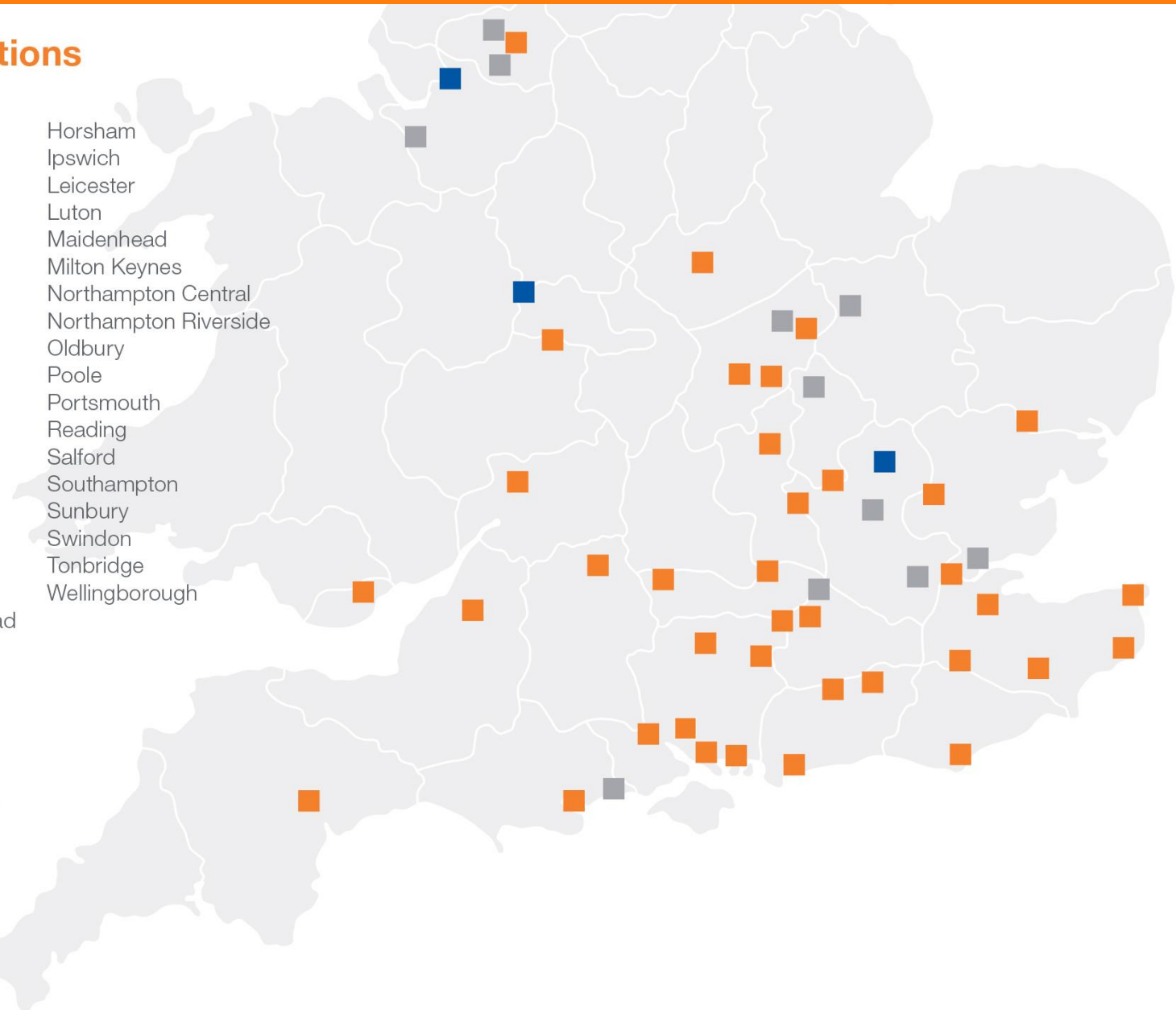
- Aldershot
- Ashford
- Basingstoke
- Bristol
- Broadstairs
- Cardiff
- Chichester
- Crawley
- Crayford
- Dover
- Eastbourne
- Exeter
- Fareham
- Farnborough
- Gillingham
- Gloucester
- Harlow
- Hedge End
- Hemel Hempstead
- Horsham
- Ipswich
- Leicester
- Luton
- Maidenhead
- Milton Keynes
- Northampton Central
- Northampton Riverside
- Oldbury
- Poole
- Portsmouth
- Reading
- Salford
- Southampton
- Sunbury
- Swindon
- Tonbridge
- Wellingborough

**■ New Stores**

- Stevenage
- Warrington
- Wolverhampton

**■ Pipeline Stores**

- Altrincham
- Barking
- Basildon
- Bedford
- Bolton
- Bournemouth
- Cheshunt
- Kettering
- Peterborough
- Staines



# Appendix 9: Lok'nStore Environmental Targets and Commitments

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

## Appendix 10: Lok'nStore Environmental Impact

Impact	2005	2022	Increase or decrease %	Result
<b>Number of Stores</b>	<b>19</b>	<b>40</b>		
Operational GHG Emissions (Scope 1 and 2)	1189 metric tonnes CO <sup>2</sup> e	89 metric tonnes CO <sup>2</sup> e	92.5% decrease	✓
Direct Operational GHG Emissions (Scope 1)	212 metric tonnes CO <sup>2</sup> e	89 metric tonnes CO <sup>2</sup> e	58% decrease	✓
Indirect Operational GHG Emissions (Scope 2)	977 metric tonnes CO <sup>2</sup> e	0 metric tonnes CO <sup>2</sup> e	100% decrease	✓
Water Consumption	5,143 m <sup>3</sup>	2,356 m <sup>3</sup>	54% decrease	✓
Total Waste	913 metric tonnes	73 metric tonnes	92% decrease	✓
Renewable Energy Generation	0 Stores with PV	21 with PV	100% increase	✓