



**Lok'nStore Group Plc**  
Results for the year ended 31 July 2023

## Reminder

We sold four stores on a sale and manage-back arrangement on 31 January 2022 adding circa £37 million to cash, reinforcing our strong financial footing.

- Our **Same Store** analysis strips out the effect of this and of new stores opened.
- Our **Same Store Self-Storage** analysis also strips out the effect of this sale, new stores and management income from Managed Stores.
- See table in appendix 2 for details





**BEDFORD – Opened February 2023**



## **PETERBOROUGH – Opened June 2023**

# Lok'nStore Results Highlights

## Year ending 31 July 2023

### Same Store

- Same Store Self Storage Revenue up 12.1%
- Same Store Self Storage Adjusted EBITDA up 4.0%

### Headline

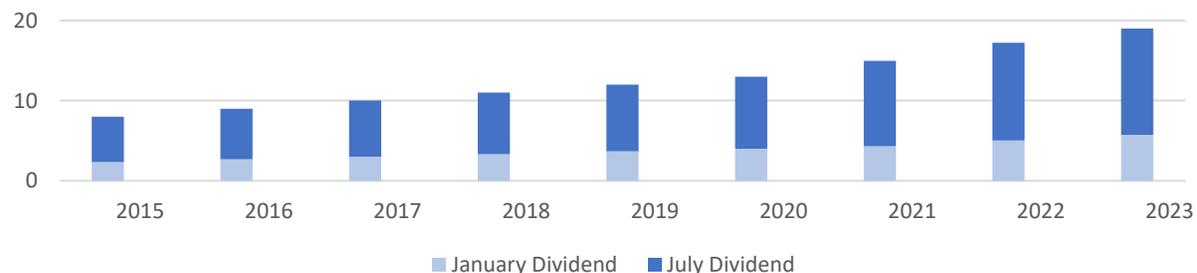
- Group Revenue £27.1 million up 0.9%  
- NB revenue from sale of four stores and 2022 exceptional management income already replaced
- Group Adjusted EBITDA £15.1 million down 7.9%





# Shareholder Highlights

- Adjusted Net Asset Value per share £9.86
  - Up 1.4% over 12 months
  - Up 7.8% from Jan 2023
- CAD per share 28.4 pence (2022: 38.7 pence)
  - covers dividend 1.5x
- Full Year annual dividend 19 pence per share up 10.1%
  - 12<sup>th</sup> consecutive increase in full year dividend



## Excellent Operating Metrics

- Move ins up 4.9% yoy
- Price per sq.ft up 6.8% yoy
- Closing occupancy in stores over 3 years old 80.6% (2022: 82.9%)
- Managed Store recurring fees up 11.9%



# EBITDA margins remain healthy despite cost increases

- Notable cost increases from Energy, Insurance and loan Interest
  - Energy up 238% (4.3% of operating costs)
  - Insurance up 157% (1.6% of operating costs)
  - Loan interest paid up 155%
  - NB Staff costs up just 1% - (43.5% of operating costs)
- EBITDA margins 56.1%
- FY24 cost increases normalise except Rates and Corporation Tax
- FY25 all cost increases expected to normalise

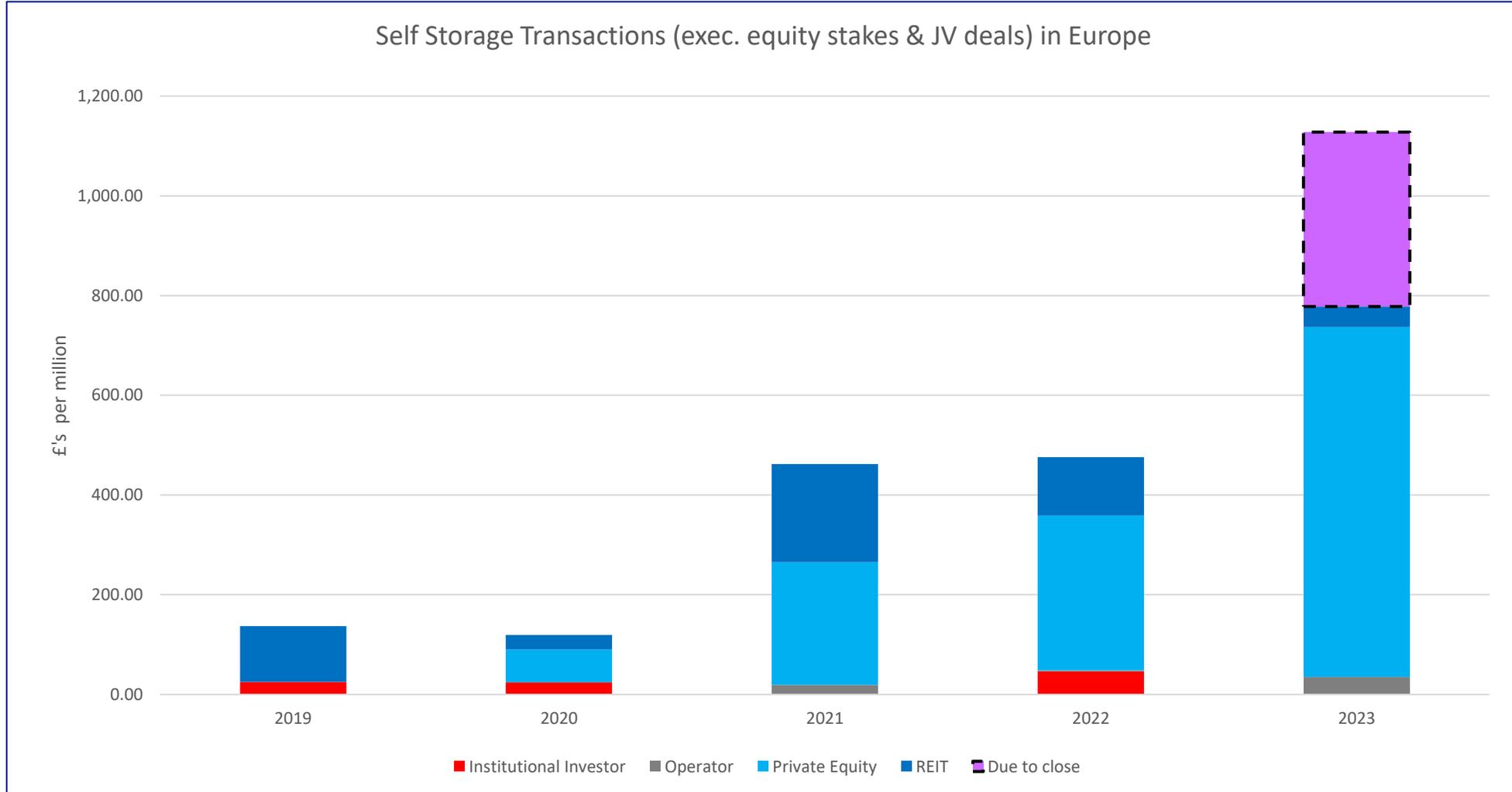


# Valuation of Trading Stores

- Trading assets valued at £301.9 million
  - Up 8.2% since July 2022
    - Same Store value up by 0.8%
  - Up 15.6% since January 2023
- 33 bps increase in Exit Yields yoy
- 45 bps increase in Discount Rate yoy
- 2 new stores valued at 31<sup>st</sup> July 2023
- 2 new stores to be valued at 31<sup>st</sup> July 2024
- Continued strong institutional investor appetite
- NB – Lok'nStore balance sheet invested in prime high quality Landmark stores



# Self-Storage transactions increasing



\*Source JLL Valuation Advisory report July 2023

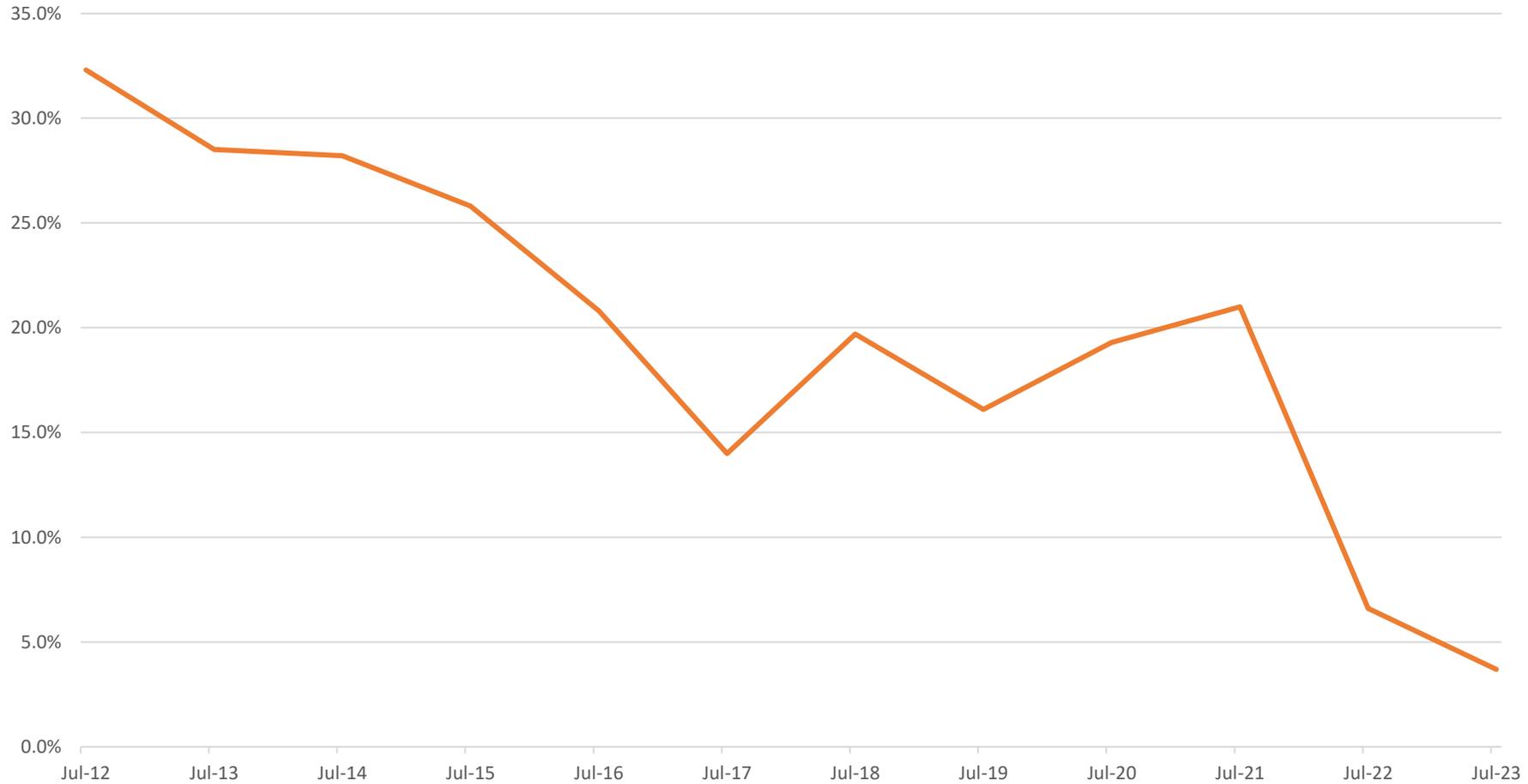


# Strong Balance Sheet

- Successful equity issue of c.£20.5 million (gross)
- £100 million loan facility runs to April 2026
- Adjusted Total Assets £392.9 million
- At 31<sup>st</sup> July 2023:
  - Gross Bank Debt £54.4 million (2022: £66.8 million)
  - Cash £42.1 million (2022: £46.5 million)
  - Net Debt £12.3 million (2022: £20.3 million)
  - LTV on net debt 3.7% (2022: 6.6%)



# Low net debt and low leverage – net LTV 3.7%



## Future Growth – driven by Landmark store programme



- Two stores opened in FY23
- Two owned and one managed new stores now on site opening in FY24
  - Committed capex remaining £29.3 million all from cash
- Bromborough (managed) on site Autumn 2023
- Two new sites acquired in year
  - Milton Keynes STP
  - New Eastbourne Freehold



## **BASILDON - Opening Autumn 2023**

First purpose built leasehold store

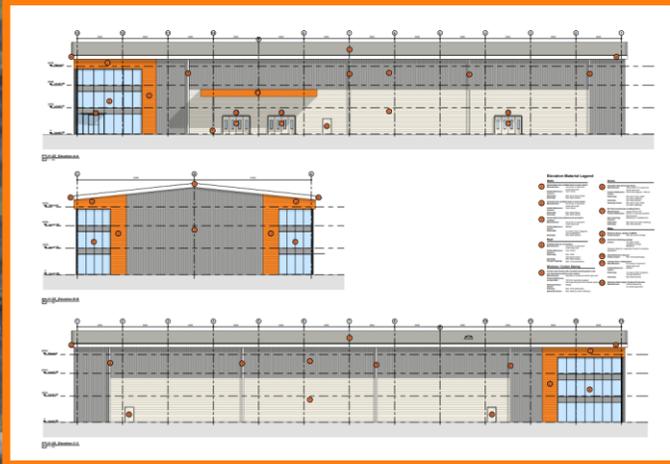


## **STAINES** - Opening Spring 2024

4 storeys above an Aldi supermarket



## **KETTERING - Opening February 2024**



# BROMBOROUGH - Opening Autumn 2024

# Profit & Loss

Year ended 31 July 2023

	Year ended 31 Jul 23	Year ended 31 Jul 22
	£'000	£'000
<b>Revenue</b>	<b>27,147</b>	26,902
Retail COS and Operating Costs	<b>(12,091)</b>	(10,553)
<b>Group Adjusted EBITDA</b>	<b>15,056</b>	16,349
Depreciation & amortisation	<b>(5,690)</b>	(4,727)
Equity settled share-based payments	<b>(450)</b>	(201)
Other income and costs	<b>(318)</b>	5,739
<b>Group operating profit</b>	<b>8,598</b>	17,160
Finance costs (net)	<b>(1,897)</b>	(1,286)
<b>Profit before tax</b>	<b>6,701</b>	15,874

# Consolidated Statement of Financial Position

As at 31 July 2023

	31 Jul 2023	31 Jul 2022
	£'000	£'000
Non-current assets - Property, Plant & Equipment	<b>314,013</b>	292,848
Right of Use assets	<b>13,769</b>	10,424
<b>Total non-current assets</b>	<b>327,782</b>	303,272
Net current assets	<b>36,856</b>	40,766
Non-current debt- bank borrowings	<b>(54,046)</b>	(66,196)
Non-current debt- lease liabilities	<b>(13,830)</b>	(9,282)
Deferred tax	<b>(66,290)</b>	(63,214)
<b>Net Assets</b>	<b>230,472</b>	205,346
<b>Equity</b>		
Share Capital	<b>329</b>	301
Share Premium	<b>31,135</b>	11,391
Other Reserves	<b>9,147</b>	9,102
Retained Earnings	<b>55,547</b>	55,008
Revaluation Reserve	<b>134,314</b>	129,544
<b>Shareholder Funds</b>	<b>230,472</b>	205,346

# Consolidated Statement of Cash Flow

Year ended 31 Jul 2023

	Year Ended 31 Jul 23 £'000	Year Ended 31 Jul 22 £'000
<b>Cash generated from operating activities</b>	<b>15,815</b>	18,569
<b>Income tax paid</b>	<b>(1,960)</b>	(1,060)
<b>Net cash inflow from operating activities</b>	<b>13,855</b>	17,509
<b>Investing activities</b>		
Proceeds of Sale & Manage back stores		37,922
Purchase of property, plant and equipment	<b>(15,803)</b>	(11,961)
Interest received	<b>665</b>	13
<b>Net cash generated by / (used in) investing activities</b>	<b>(15,138)</b>	25,974
<b>Financing activities</b>		
Proceeds of bank borrowings utilised for store development and bank refinancing		1,386
Repayment of bank borrowings	<b>(12,386)</b>	–
Finance costs paid including bank refinancing	<b>(3,324)</b>	(1,741)
Lease liabilities paid	<b>(1,817)</b>	(1,746)
Primary equity placing (net of placing costs)	<b>19,611</b>	–
Equity dividends paid	<b>(5,295)</b>	(4,601)
Proceeds from issue of ordinary shares (net)	<b>161</b>	579
<b>Net cash (used in) / generated from financing activities</b>	<b>(3,050)</b>	(6,123)
<b>Net (decrease) / increase in cash and cash equivalents in the year</b>	<b>(4,333)</b>	37,360
<b>Cash and cash equivalents at the beginning of the year</b>	<b>46,465</b>	9,105
<b>Cash and cash equivalents at the end of the year</b>	<b>42,132</b>	46,465

# Lok'nStore's Drive to Net Zero

- Target set to decarbonise our business to be Net Zero in operations by **2040**
- Operational GHG emissions down 93% since 2005
- See appendix 1 for more details of our Environmental targets



# Summary and Outlook

- Good revenue growth
- Trading momentum post year-end continues – Store revenue 6.3% higher for August September 2023 compared to same 2-month period last year
- Rate of cost increases abating
- NAV per share up
- Continued dividend growth
- Low net debt and LTV - Strategy flexible and adaptive to market circumstances
- New store openings drive future growth – 2 new stores opened FY23 and 3 new stores opening in next 12 months



# Lok'nStore Group plc



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# APPENDIX

# Appendix 1: Lok'nStore's drive to net zero

Our Targets FY 2023/24
Decarbonise our business to be Net Zero in operations by 2040
Assess recommended improvements from current EPCs and action as appropriate
Trial the installation of a battery at 1 store
To increase the number of stores with PV systems
Continue the roll out of LED lights for all stores
Obtain BREEAM at one store
Determine a route to eliminate waste destined for landfill

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 2: Lok'nStore Results Highlights - headline and same store basis Year ended 31 Jul 2023

	Headline Performance 31 Jul 2023		Same Store Performance 31 Jul 2023		31 Jul 2022	
	£'000 million	Increase %	£'000 million	Increase %	£'000 million Headline	£'000 million Same Store
<b>Group revenue</b>	27,147	0.9	27,085	6.6	26,902	25,403
<b>Self-storage revenue</b>	25,364	5.3	25,302	12.1	24,076	22,577
<b>Store Adjusted EBITDA</b>	14,294	(4.0)	14,468	4.0	14,884	13,911
<b>Group EBITDA</b>	15,056	(7.9)	15,229	(1.0)	16,349	15,376
<b>Operating Profit</b> (before non-underlying items)	8,916	(21.9)	9,162	(13.4)	11,421	10,581
<b>Operating costs</b>	11,838	14.2	11,602	17.8	10,365	9,850

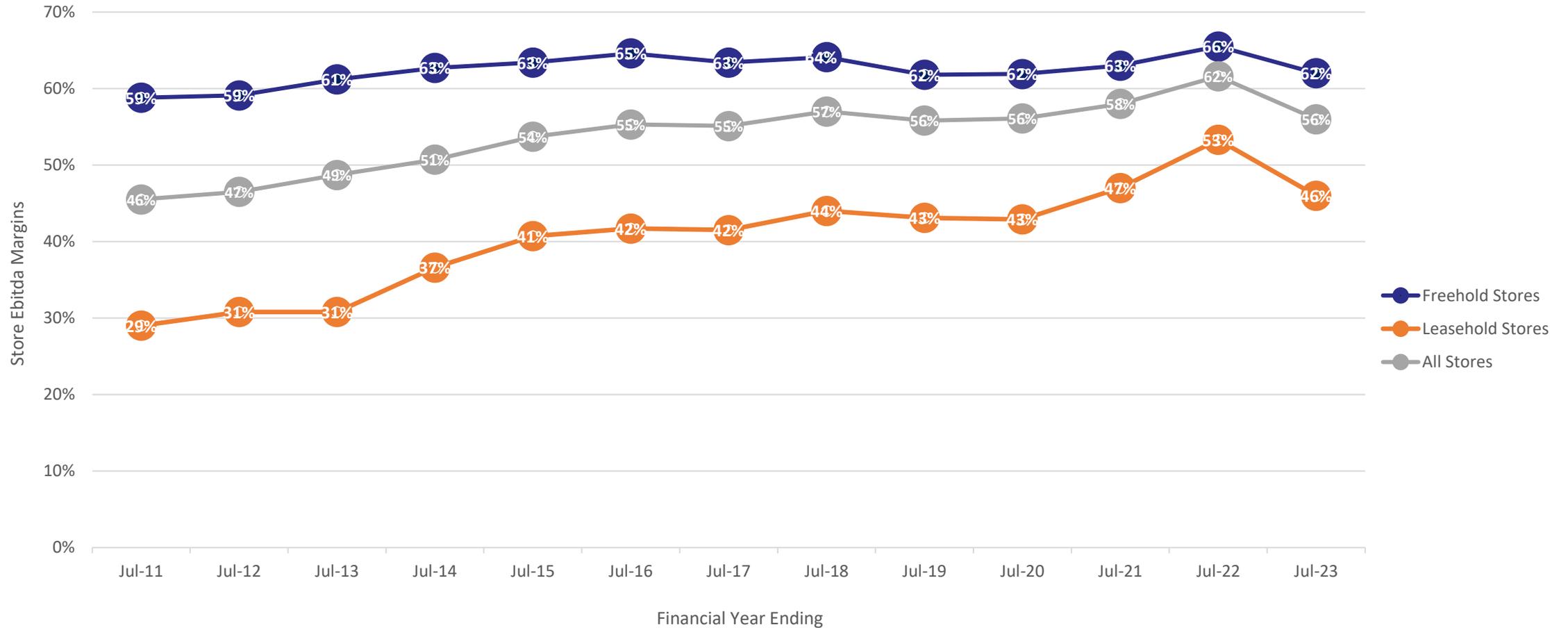
## Appendix 3: Cost increases to abate on Same Store Basis

- Notable cost increases in FY23 from Energy, Insurance and loan Interest
- FY24 normalises except Rates and Corporation Tax
- FY25 expected to normalise fully

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

	FY23 % of Same Store operating Costs	FY23 Actual Same Store Change %	FY24 Expected Same Store Change	FY25 Expected Same Store Change
Total staff costs	37.7%	0.6%	■ Below 10% increase	■ Below 10% increase
Rates	14.6%	5.0%	■ Above 10% increase	■ Below 10% increase
Rent	13.6%	1.7%	■ Below 10% increase	■ Below 10% increase
Heat and light	12.5%	237.6%	■ - % decrease	■ - % decrease
Insurance	3.6%	157.1%	■ - % decrease	■ Below 10% increase
		<b>FY23 Actual Change</b>		
Loan Interest (Group)		154.6%		
Tax (Group)		84.9%		

# Appendix 4: Healthy EBITDA Margins – despite cost increases



## Appendix 5: Strong Fundamentals

- C. 17,000 customers – diverse reasons for storing
- Move in's up 4.7% FY23 v FY22
- No self storage customer accounts for more than 0.5% of revenue
- All customers on a rolling up front, 28-day rate review cycle
- Same Store EBITDA margin 57.2%
- Excellent credit model (NB Lien) – bad debt just 0.3% of revenue
- Prime assets
- Low LTV



# Appendix 6:

## Calculation of CAD

<b>Analysis of Cash Available for Distribution (CAD)</b>	<b>Group Year ended 31 Jul 2023 £'000</b>	<b>Group Year ended 31 Jul 2022 £'000</b>
Group Adjusted EBITDA (Per Statement of Comprehensive Income)	<b>15,056</b>	16,349
Property lease rents	<b>(1,817)</b>	(1,746)
Net finance costs paid	<b>(2,664)</b>	(1,395)
Capitalised maintenance expenses	<b>(121)</b>	(120)
New Works Team	<b>(76)</b>	(125)
Current tax	<b>(1,245)</b>	(1,572)
	<b>(5,923)</b>	(4,958)
<b>Cash Available for Distribution</b>	<b>9,133</b>	11,391
(Decrease) /Increase in CAD over last year (£'000)	<b>(2,258)</b>	3,149
(Decrease) /Increase in CAD over last year (%)	<b>(19.8%)</b>	38.2%
	<b>Number</b>	<b>Number</b>
Closing shares in issue (less shares held in EBT)	<b>32,144,246</b>	29,380,333
CAD per share	<b>28.4p</b>	38.7p
Increase in CAD per share over last year	<b>(26.6%)</b>	36.7%

# Appendix 7:

## Robust Asset Backing

Analysis of net asset value per share  
Year ended 31 Jul 2023

	31 Jul 2023 £'000	31 Jul 2022 £'000
<b>Analysis of NAV per Share</b>		
Net assets	230,472	205,346
Add: JLL leasehold valuation	27,200	24,250
Deduct: leasehold properties and their FF&E at NBV	(6,952)	(7,224)
Adjusted net assets	250,720	222,372
Deferred tax arising on revaluation of freehold properties	66,290	63,214
<b>Adjusted net assets before deferred tax</b>	<b>317,010</b>	<b>285,586</b>
	No. '000s	No. '000s
Issued share capital (ords)	30,004	29,687
Add: shares issued - exercise of options	83	317
Primary placing of fully paid ords	2,680	–
Closing shares in issue	32,767	30,004
Less: shares held in EBT	(623)	(623)
Shares for NAV purposes	32,144	29,381
<b>Adjusted NAV / share (before deferred tax)</b>	<b>£9.86</b>	<b>£9.72</b>

## Appendix 8: Portfolio Summary

Portfolio Breakdown				
As at 31 <sup>st</sup> July 2023	No of Stores	Trading Lok'nStore	Trading Managed	Pipeline
Freehold & Long Leasehold	17	17		
Leaseholds	9	9		
Pipeline (Freehold)	8			8
Pipeline (Leasehold)	1			1
Managed Stores (Trading)	16		16	
Managed Stores (Pipeline)	2		16	2
<b>Total</b>	<b>53</b>	<b>26</b>	<b>16</b>	<b>11</b>
MLA sq ft. Total	2,783,515	1,372,766	774,800	630,949

# Appendix 9: Lok'nStore Locations

## Our Locations

- |   |  |
|---|--|
| <span style="color: orange;">■</span> <b>Stores</b> | <span style="color: blue;">■</span> <b>New Stores</b>      |
| Aldershot   | Bedford  |
| Ashford   | Peterborough   |
| Basingstoke   |  |
| Bristol   | <span style="color: grey;">■</span> <b>Pipeline Stores</b> |
| Broadstairs   | Altrincham   |
| Cardiff   | Barking  |
| Chichester  | Basildon   |
| Crawley   | Bolton   |
| Crayford  | Bournemouth  |
| Dover   | Bromborough  |
| Eastbourne  | Cheshunt   |
| Exeter  | Eastbourne   |
| Fareham   | Kettering  |
| Farnborough   | Milton Keynes  |
| Gillingham  | Staines  |
| Gloucester  |  |
| Harlow  |  |
| Hedge End   |  |
| Hemel Hempstead                                     |  |
| Horsham   |  |
| Ipswich   |  |
| Leicester   |  |
| Luton   |  |
| Maidenhead  |  |
| Milton Keynes                                       |  |
| Northampton Central                                 |  |
| Northampton Riverside                               |  |
| Oldbury   |  |
| Poole   |  |
| Portsmouth  |  |
| Reading   |  |
| Salford   |  |
| Stevenage   |  |
| Southampton   |  |
| Sunbury   |  |
| Swindon   |  |
| Tonbridge   |  |
| Warrington  |  |
| Wellingborough                                      |  |
| Wolverhampton                                       |  |

