



Lok'nStore Group PLC - LOK Sale and manage back of Crayford store
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Lok'nStore Group plc ("Lok'nStore" or the "Company")

"Lok'nStore announces sale and manage back of its Crayford store"

Lok'nStore, the fast-growing self-storage company, is pleased to announce the sale and manage back of its store in Crayford for £7.52 million in cash to an investment fund.

The store has been sold on a sale and manage back basis as part of the Company's strategic objective to recycle capital from older, lower growth assets to new, high growth landmark stores.

Lok'nStore will continue to manage the store as a branded Lok'nStore operation maintaining the operational footprint of the business, and will receive management and performance fees for managing the store on behalf of its new owners.

The transaction generates £7.52 million in cash for reinvestment in new stores and supports Lok'nStore's stated aim to increase the number of stores it manages for third parties.

The transaction price represents the independent external valuation of the store and also the store's net book value (fair value) as at July 31 2018 so there is no impact on net asset value. The historic cost of the store as at July 31 2018 is £4.24 million.

Following the disposal of Saracen Datastore Limited announced on 1 February 2019, the aggregate financial effect is to improve the Company's Loan to Value Ratio and the Senior Interest Covenant Ratio also improves. Based on a current effective interest rate of 2.13% pro forma EBITDA to adjusted interest increases from 10.35 times covered to 12.29 times based on the most recent quarterly testing covenant for October 2018.

Following this transaction and completion of stores currently in planning/development Lok'nStore will be operating 41 stores of which 13 will be managed stores on behalf of third party owners.

Andrew Jacobs, CEO of Lok'nStore said:

“We are extremely pleased to execute another strategic deal releasing capital to reinvest into new high growth landmark stores. We continue to reallocate capital and have recently opened two landmark stores and our development pipeline currently stands at 9 with further sites under consideration.

This is a busy and exciting time for Lok'nStore as we grow and enhance the efficiency and quality of our portfolio creating value for our shareholders without significantly increasing risk.”

-Ends-

Enquiries:

Lok'nStore 01252 521010

Andrew Jacobs, CEO

Ray Davies, Finance Director

finnCap Ltd 020 7220 0500

Julian Blunt/Giles Rolls, Corporate Finance

Alice Lane, ECM

Camarco 020 3757 4980

Billy Clegg/Tom Huddart

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.