

Our investment case

In the twenty one years since flotation in May 2000, Big Yellow has delivered a Total Shareholder Return ("TSR"), including dividends reinvested, of 14.7% per annum, in aggregate 1,671% at the closing price of 1,115p on 31 March 2021. This compares to 5.6% per annum for the FTSE Real Estate Index and 4.7% per annum for the FTSE All Share index over the same period. We feel this illustrates the power of compounding of consistent incremental returns over the longer term.

Our values:



Helpfulness

Big Yellow exists to help people out and relieve pressure in their lives. We constantly strive to make our customers' lives easier.



Empathy

We always listen and put ourselves in the position of the individual we are serving, understanding how exactly we can lighten their load.

How we do it:

Attractive market dynamics

- UK self storage penetration in key urban conurbations remains relatively low
- Limited new supply coming onto the market
- Resilient through the last economic downturn and resilient to date in the current crisis
- Self storage is more part of the ecosystem today than it was in 2008 with increased domestic and business awareness

Our competitive advantage

- UK industry's most recognised brand with over 90% of enquiries now online
- Prominent stores on arterial or main roads, with extensive frontage and high visibility
- Continuous innovation and investment into our mobile and desktop digital channels
- Strong customer satisfaction and NPS scores reflecting excellent customer service
- 6.0 million sq ft UK footprint (Big Yellow and Armadillo combined)
- Primarily freehold estate concentrated in London and South East and other large metropolitan cities
- Larger average store capacity – economies of scale, higher operating margins
- Secure financing structure with strong balance sheet
- Continued significant investment in sustainability and our culture



Flexibility

We are always flexible and adapt our service to best suit the needs and the desires of our customers.



Innovativeness

We strive to innovate to help drive our business forward and we never accept the status quo.



**HELPING
VULNERABLE
PEOPLE
LEAD
BRIGHTER
LIVES**

Integrity

We approach everything we do with a commitment to doing right. This goes beyond our customers to include our people, local communities and environments.

Evergreen income streams

- 62,000 customers from a diverse base – individuals, SMEs, and national customers
- Average length of stay for existing customers of 27 months
- 35% of customers in stores greater than two-year length of stay
- Low bad debt expense (0.1% of revenue in the year), no deterioration since onset of current crisis

Strong growth opportunities

- Opportunities to drive further occupancy growth
- Yield management as occupancy increases
- Densification of living and scarcity of flexible business warehouse space drives demand
- Growth in national customers and business customer base
- Increasing the platform with a conservative capital structure
- Growth in our Armadillo platform

Conversion into quality returns

- Freehold assets for high operating margins and operational advantage
- Low technology and obsolescence product, maintenance capex fully expensed
- Annual compound adjusted eps growth of 14% since 2004/5 (IFRS adoption)
- Annual compound cash flow growth of 14% since 2004/5
- Dividend pay-out ratio of 80% of adjusted eps