

Strategic Report

The Group's KPIs are shown in the charts on page 25. The key performance indicators of our stores are occupancy and net rent per sq ft, which together drive the revenue of the business. These are three key measures which are focused on by the Board and are reported on a weekly basis.

Our key performance indicators

Over the course of the past five years, both occupancy and revenue have grown significantly, with Armadillo included in our consolidated results from 1 July 2021. We saw particularly strong growth in 2021 and 2022, after a weaker 2020 following the Brexit uncertainty and the initial impact of the UK lockdown in response to Covid-19.

In 2018 closing net rent per sq ft increased by 3%, by 2% in 2019, by 3% in 2020, by 2% in 2021 and by 4% in the year to March 2022. The like-for-like growth in the current year was 11%, with the acquired Armadillo stores at a lower average net rent reducing the reported growth for this year. As the stores are at higher levels of occupancy, we expect revenue growth to be driven by a combination of occupancy increases and growth in net achieved rent per sq ft.

Adjusted profit before tax, adjusted earnings per share ("eps") which drive the distributions to shareholders (as our dividend policy is to pay a minimum of 80% of adjusted earnings as dividends) are also KPIs. The Group focuses on adjusted profit and earnings measures as they give a clearer picture of the Group's trading performance without distortion from external factors such as property valuations and the fair value of derivatives. We have delivered compound adjusted eps and dividend growth of 8% over the past five years. Compound adjusted eps growth since 2004/5 is 14%. We have illustrated the Group's performance in these measures over the past five years on page 25. The growth in adjusted eps and dividends per share has been impacted by two equity placings in September 2018 and April 2020 to fund our investment in future external growth. The placings of 4.5% in 2018 (raising £65.3 million) and 4.99% equity in 2020 (raising £79.9 million) were dilutive to earnings over the period 2019 to 2021.

Our non-financial KPIs are the net promoter scores we receive from our customers and the carbon intensity of the Group's business. The Group's net promoter score received from its customers during the year was 78.9. We believe this overall score compares very favourably with other consumer facing businesses.

The Group has reduced its carbon intensity (our carbon emissions divided by our average occupied space) by 44% over the past five years. This has been achieved through investment in renewable technology, roof mounted solar photo-voltaic systems, and LED lighting across the Group's portfolio.

