

Our Investment Case

In the twenty four years since flotation in May 2000, Big Yellow has delivered a Total Shareholder Return ("TSR"), including dividends reinvested, of 13.6% per annum, in aggregate 1,770.4% at the closing price of 1,064p on 31 March 2024. This compares to 4.8% per annum for the FTSE Real Estate Index and 5.4% 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.

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.

Integrity

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

How we deliver value

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 performed well during the pandemic
- Awareness still remains relatively low, with only 40% to 50% having reasonable or good knowledge of self storage

Our competitive advantage

- UK self storage industry's most recognised brand with 93% 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
- 6.4 million sq ft UK footprint, with development pipeline of 1.0 million sq ft
- Primarily freehold estate concentrated in London and South East and other larger urban conurbations
- 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

In twenty four years Big Yellow has delivered a TSR of 13.6% per annum.



Evergreen income streams

- 73,000 occupied rooms, with customers from a diverse base – individuals, SMEs, and national customers
- 38% of customers in stores greater than two-year length of stay, a further 16% for one to two years
- Average length of stay for existing customers of 31 months, for the 54% of customers that have stayed for more than one year, the average length of stay is 53 months
- Low bad debt expense (0.2% of revenue in the year)

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

Conversion into quality returns

High margins

Freehold assets for high operating margins and operational advantage

Sustainable

Low technology and obsolescence product, maintenance capex fully expensed

Annual compound adjusted eps

13%

Annual compound adjusted eps growth of 13% since 2004/5

Cash flow

13%

Annual compound cash flow growth of 13% since 2004/5

Dividend pay-out

80%

Dividend pay-out ratio of a minimum of 80% of adjusted eps

This compares to 4.8% per annum for the FTSE Real Estate Index.