

Chief Executive's Statement

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Trading

We are pleased to have delivered another year of revenue growth and achieved a return to growth in adjusted earnings per share, even when considering the dilutive effects of the placing in October 2023. The first half of the year saw subdued activity levels as we navigated uncertainty created by the general election and the resulting change in government. However, we saw stronger trading in the second half, which resulted in a recovery in like-for-like occupancy (up 0.1 ppt by March 2025).

We delivered rental growth, both to new and existing customers, albeit moderated compared to the prior year. This resulted in closing net rent growth of 3% in the year, which, based on a stable occupancy position, translated into 3% growth in store revenue. After a period of inflationary pressure on our cost base in recent years, we have seen underlying increases in our operating costs moderate through the year, down to a 4% increase in the second half. If we look back over the past three years, the business has navigated through the Russian invasion of Ukraine and resultant energy crisis, high inflation and the impact on the cost of living, higher interest rates and periods of political instability. Through this three-year period, after absorbing increasing interest rates and operating costs we delivered growth in revenue and adjusted profit of 19% and adjusted earnings per share growth of 10%, the latter impacted by the dilutive effect of the issue of new shares. This demonstrates the resilience of our business and validates our continued investment in further growth in our store portfolio.

We continue to see demand spread across a diverse set of drivers. However, the largest driver of demand remains from domestic customers renting storage space whilst moving home (41% of move-ins during the year). We saw some increase in activity in our last quarter as house buyers sought to complete their purchase prior to the changes to the Stamp Duty thresholds from 1 April. We also saw an increase in move-ins from business customers (up 2% year on year), many of whom are online retailers or B2B traders looking for flexible mini-warehousing for e-fulfilment. Demand from national customers (5% of our occupied space) continues to be robust, with revenue growth of 11% year-on-year. Businesses occupy 36% of our occupied space overall.

Investment in our operating platform and systems

Providing our customers with a safe and secure space for their possessions is our core purpose. Accordingly, we continue to invest in the technology and physical security of our stores, whilst recognising the important role our store teams play in providing a reassuring presence during normal opening hours. This is a dual approach to achieving an accessible and secure environment for our customers.

In addition to physical security features, such as perimeter fencing, keypad-controlled gates and lighting enabled by motion detectors, we provide individually alarmed rooms, 24-hour CCTV and overnight monitoring of our stores. We are increasingly using data and AI to help detect unusual behavioural patterns that alert either our store teams or our overnight monitoring service to suspicious activity. We continue to restrict access outside of normal trading hours to approximately 15% of our customers, the majority of whom are business customers. Most of our customers are happy to access the store during normal opening hours when our store teams are present. Our store teams play an important role as the final check on who we accept into our buildings as customers and importantly allow access to out of store opening hours. We believe this is critical to maintaining the security of our stores, as it cannot be replicated online.

We are trialling a mobile-based access system in three of our stores, as an alternative to the traditional PIN code access system. This enables customers to unlock gates and entry points to the store via their Bluetooth enabled smartphone device. This has the potential to provide a seamless and contactless experience and reduces the risk of PIN codes being forgotten or misappropriated. Should this trial prove to be successful, we will then roll this out to the wider store estate.

We continue to develop our website to drive the conversion of customers seeking self storage (over 90% of customers come through our digital channels), whilst enabling new customers to complete more and more of their onboarding journey online. As in most retail and consumer service businesses, there is a continuing trend of customers engaging digitally with self storage operators. We continually work to identify friction points in our online journeys, tackle these and thereby drive-up digital conversion and engagement levels. This ensures our store teams are focussed on dealing with any customer service issues and help drive revenue from ancillary services in the store. For example, accepting deliveries for business customers, packing material sales and optimising contents cover are all revenue generating activities that rely on our store teams to complete.



We continue to automate operational tasks performed by our store teams. We have developed our performance dashboard reporting to allow our store managers to identify issues more easily and speed up decision making. We have made improvements to our customer refund processes and sped up the onboarding journey in store for new customers. We have launched a new customer service platform, which aggregates customer feedback, whether from our internal surveys or from external sources (for example, Google and Trustpilot reviews). This allows us to easily see trends in customer feedback and address any service delivery issues even more promptly. Our use of an external data supplier to automatically track competitor pricing has allowed us to become more efficient and reactive to pricing adjustments. All of this has allowed us to operate more efficiently, whilst focussing our store teams on value-adding activities.

We continue to review and invest in our cyber security platform. We maintain our digital security standards by training our teams, implementing best-of-breed products and technologies, enhancing our policies and procedures, and fostering strategic partnerships. Our proactive approach helps us to stay ahead of potential threats and vulnerabilities as we look to maintain the confidentiality, integrity, and availability of our digital assets.

“Our business model, combined with continued investment in our market-leading brand, store portfolio and operating platform, has once again **delivered a resilient performance** over the last 12 months.”

Chief Executive's Statement continued

People

As ever, our continued progress as a business reflects the steadfast commitment of our people who have worked extremely hard this year, whether in head office or in our stores.

Over the past 12 months, the level of staff turnover and vacancies in the business continues to be at relatively low levels. This is encouraging and reflects the strong culture of the business, the loyalty this engenders and our ability to attract and retain the talent we need to grow going forward.

The customer service and experience delivered by our store teams is a differentiating success factor, particularly with those customers who are regular users of our facilities. Our customer feedback comments frequently refer to the excellent service delivered by specific team members. We track our customer satisfaction levels through our net promoter score, and our average over the year for move-ins and move-outs was 82.8 (2024: 80.5), which demonstrates an improvement on already very high levels of customer service.

We continue to review our store staffing structure and have not been replacing certain positions when we see staff attrition. The continual improvement in our digital journeys, along with automation and improvement of in-store processes, has allowed us to safely achieve annualised savings of £0.3 million in the year. This will help mitigate the additional £0.5 million cost from the increase in Employer's National Insurance from April 2025 and we will continue to seek further reductions in store staff headcount levels where these can be safely achieved. However, as mentioned above, our store teams play an important role in delivering great customer service, income from ancillary services and maintaining the security of our stores. Whilst we continue to identify opportunities to reduce headcount, our store team members will always be required during our normal opening hours.

We continue to make improvements to our culture and practices in respect of diversity, and these are set out in our latest Inclusivity and Diversity Report, which is available on our corporate website. Our Diversity and Inclusivity Committee continues to meet regularly, and I am a standing member of the Committee. I believe diversity has a positive impact on our performance and we want to ensure we have an inclusive culture that attracts, retains and provides equal opportunity to all our team members to drive forward our business.



ESG

The Big Yellow Foundation helps support the rehabilitation of vulnerable people into work. Our store teams raise funds by asking our customers if they wish to donate to the Foundation at move-in and move-out. We also generate donations from fundraising activities carried out by our employees across the business. The Company matches all money raised in this way. Through the generosity of our customers and the efforts of our employees, we raised a record £444,000 in the year for the Foundation and provided £345,000 of funding to our seven charity partners. The total funding since the inception of the Foundation in 2018 now stands at £1.4 million.

We continue to provide free space to small local charities and community organisations across our store estate. At present we support an average of two charities per store this way. Our volunteering programme allows our staff to give back to the community, with every member of staff given one day a year to volunteer with one of our seven charity partners or a charity of their choice. We also continue to provide 12-week work placements in our stores to candidates from some of our Foundation partner charities. These placements help improve confidence and work chances for the candidates. Our store teams also enjoy working alongside the candidates and find it rewarding to do so.

Our solar retrofit programme continues to go from strength to strength, with our latest installation phase delivering to a further 12 stores and 1,621kWp capacity this year. This takes the total number of retrofitted stores to 48 at a cost of £16.8 million to date. Our total solar capacity across the estate is now 8.5 Megawatts, up from 0.7 Megawatts five years ago.

As part of our solar strategy, we have installed a battery at our new Slough Farnham Road store. It gives the store increased resilience against energy cost inflation by storing and reusing energy generated by the solar array on the store's roof. In the nine months since opening, 67% of the energy generated onsite has been used by the Slough store (compared to 24% across the estate), with an estimated payback on the investment in just over nine years. We intend to further test the performance and payback of this new initiative by installing combined solar and battery at new stores opening this year and retrofitting batteries at a further three stores in our current estate.

Additionally, we have started trialling lighting and heating efficiency solutions across nine different stores to investigate further opportunities to reduce our energy consumption and drive our emissions down. Once we have evaluated the results from these trials, we will look to roll out the successful solutions across more stores in the estate. We are therefore making significant progress on our journey to self-generation of our energy needs.

We continue to maintain an updated assessment of the performance of our estate by recertifying our EPCs, even when certificates are in date. We have updated 35 certificates to reflect the impact of our solar installations and energy efficiency projects. We are now projected to have all stores (bar one short leasehold) at A+, A or B by the end of 2026, well ahead of the 2028 requirement.

Further detail, including progress on our Science Based Targets, is included in the ESG Report.

Summary

Our business model, combined with continued investment in our market-leading brand, store portfolio and operating platform, has once again delivered a resilient performance over the last 12 months. We remain confident that this business can continue to deliver compounding returns over the medium to long term.

Jim Gibson
Chief Executive Officer

19 May 2025

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