

Financial Review

Revenue

Total revenue for the year was £204.5 million, an increase of £4.9 million (2%) from £199.6 million in the prior year. The increase in revenue for the year was impacted by lower rental income on our development sites as we obtained vacant possession; store revenue growth for the year was 3%. Like-for-like store revenue (see glossary in note 33) for the year was £200.7 million, an increase of 2% from the prior year (2024: £196.2 million).

In the prior year, we reported that revenue growth was highest in London stores, with our south east commuter and regional stores delivering a lower run-rate of revenue growth. In the current year, we have seen this reverse, with our commuter and regional stores delivering higher revenue growth than our London stores.

Included in store revenue is other storage related income, from the sale of packing materials, insurance/enhanced liability service ("ELS"), and storage related charges. This amounted to £23.7 million in the year (2024: £22.6 million), an increase of 5%. This is ahead of the overall store revenue increase after a focus on improving the average level of ELS cover we sell to customers and improving the amount we charge for add-on services.

The other revenue earned by the Group is tenant income on sites where we have not started development.

The table below shows the breakdown of our store operating costs compared to the prior year:

Category	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000	Change	% of store operating costs in 2025
Cost of sales	1,422	1,519	(6%)	2%
Staff costs	15,199	14,719	3%	26%
General & admin	1,646	1,534	7%	3%
Utilities	2,783	2,670	4%	5%
Property rates	20,856	18,153	15%	35%
Marketing	6,778	6,438	5%	11%
Repairs & maintenance	5,841	5,336	9%	10%
Insurance	3,394	3,323	2%	6%
Computer costs	1,193	1,031	16%	2%
Total before one-off items	59,112	54,723	8%	
One-off items	(1,547)	(2,893)	(46%)	
Total per portfolio summary	57,565	51,830	11%	

Store operating costs have increased by £5.7 million (11%). The one-off items in the current year relate to rates rebates received in the year, with the prior year one-off items due to release of a provision for property rates from the 2017 rating list and a reassessment of the Group's bad debt provision. Store operating costs before these one-off items have increased by £4.4 million (8%) compared to the prior year. The additional operating expense from new stores accounted for £0.5 million in the year. The remaining increase is £3.9 million (7%), with commentary below:

Operating costs

Cost of sales principally comprise the direct store operating costs, including store staff salaries, utilities, business rates, insurance, a full allocation of the central marketing budget and repairs and maintenance.

We saw moderating operating cost increases in the second half of the financial year. The like-for-like increase in store operating costs in the first half of the year was 10%; for the second half this figure was 4%, with an overall increase of 7% for the year. We are pleased to have significantly reduced our operating cost inflation in the second half and are targeting to achieve further improvement in the year ahead.

- Cost of sales has reduced with slightly lower packing material sales in the year, and some savings on purchase costs.
- Staff costs have increased by £0.5 million (3%) with the salary review of on average 4.8% (including a higher increase to those at the lower end of the pay scale reflecting the rise in the national living wage). This increase has been partly offset by savings on headcount, as we drive efficiencies into the stores through automation.
- Our utilities expenditure continues to benefit from our investment in solar.

- Property rates have increased by £2.7 million (15%). The causes of this increase are the impact of new stores; the unwinding of taper relief from the introduction of the 2023 listing, and inflation applied to the multiplier which was set at 6.7%, based on the CPI print to September 2023. The rates payable for the next financial year will be based off the CPI to September 2024, which was 1.7%.
- Our marketing expense for the year was up 5%, mainly due to an increase in the PPC budget over the summer months to drive additional prospects in a softer demand environment. The total marketing spend represents 3.3% of revenue for the year.
- The repairs and maintenance expense has increased due to an additional investment in security in our stores, and an increase in solar panel maintenance costs, with higher numbers of stores now with solar PVs.
- Computer costs have increased by £0.2 million (16%), which reflects additional investment in systems to drive automation across the business.
- The Group's bad debt expense for the year was 0.2% of revenue, in line with the prior year. The Group has not seen any deterioration in its aged debtors' profile over recent months.

The table below reconciles store operating costs per the portfolio summary to cost of sales in the statement of comprehensive income:

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Direct store operating costs per portfolio summary (excluding rent)	57,565	51,830
Rent included in cost of sales (total rent payable is included in portfolio summary)	1,593	1,784
Depreciation charged to cost of sales	530	569
Costs associated with closure of Slough leasehold store	694	–
Head office and other operational management costs charged to cost of sales	1,744	1,811
Cost of sales per statement of comprehensive income	62,126	55,994

The Group incurred various costs associated with the closure of its Slough leasehold store in the year, including the cost of transferring customers to our new freehold Slough Farnham Road store, and the strip-out of the building before returning it to the landlord. These costs totalled £0.7 million and have been excluded from the Group's adjusted profit for the year, as they are a one-off item.

Store EBITDA

Store EBITDA for the year was £143.2 million, an increase of £0.2 million from £143.0 million for the prior year (see Portfolio Summary). The overall EBITDA margin for during the year was 70.5%, down from 72.5% in 2024, due to the increase in store operating costs discussed above.

All stores are currently trading profitably at the Store EBITDA level.

Administrative expenses

Administrative expenses in the statement of comprehensive income of £15.8 million were up £0.5 million (4%) compared to the prior year, slightly ahead of average inflation.

Other income

In February 2022 the Group experienced a fire at our Cheadle store, which resulted in a total loss to the store. We had insurance cover in place for both the fit-out and four years loss of income. The Group settled the claim with the insurers in the year and the resulting loss of income insurance proceeds received during the financial year was £4.0 million, which is included in other income (2024: £1.8 million). There will be no further amounts received in respect of this claim in the year ending 31 March 2026.

In the prior year the Group received £4.7 million, being the insurance proceeds for the fit-out of the Cheadle store. This amount was shown as other income in 2024 but not included in the Group's adjusted earnings for that year, as it relates to capital expenditure.

Interest expense on bank borrowings

The gross bank interest expense for the year was £23.3 million, a decrease of £2.4 million from the prior year, due to lower average debt levels, following the placing in October 2023, partly offset by a slightly higher average cost of debt following the increase in interest rates in the prior year. The average cost of borrowing during the year was 5.7% compared to 5.5% in the prior year. Our average cost of debt has now started to fall following the reduction in interest rates from August 2024.

Capitalised interest has risen significantly as we build out the stores in our development pipeline, and was £7.9 million, up from £3.3 million in the prior year.

Total finance costs in the statement of comprehensive income reduced to £15.9 million from £22.9 million in the prior year, due to the reduction in interest payable and the increase in capitalised interest.

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Profit before tax

The Group made a profit before tax in the year of £203.9 million, compared to a profit of £241.0 million in the prior year. After adjusting for the gain on the revaluation of investment properties and other matters shown in the table below, the Group made an adjusted profit before tax in the year of £115.6 million, up 8% from £107.3 million in 2024.

Profit before tax analysis	2025 £000	2024 £000
Profit before tax	203,854	241,035
Gain on revaluation of investment properties	(79,667)	(131,159)
Movement in fair value on interest rate derivatives	(547)	2,146
Gain on disposal of non-current asset	(8,754)	–
Costs associated with closure of Slough leasehold store	694	–
Cheadle fit-out insurance proceeds	–	(4,723)
Adjusted profit before tax	115,580	107,299

The adjustments made to the Group's profit before tax follow guidance issued by EPRA, with additional Company specific adjustments made to give readers a clearer underlying picture of the Group's performance. EPRA profit before tax is disclosed in note 10.

The movement in the adjusted profit before tax from the prior year is illustrated in the table below:

	£m
Adjusted profit before tax – year ended 31 March 2024	107.3
Decrease in gross profit	(0.6)
Increase in administrative expenses	(0.5)
Increase in other income	2.3
Decrease in net interest payable	2.5
Increase in capitalised interest	4.6
Adjusted profit before tax – year ended 31 March 2025	115.6

Basic earnings per share for the year was 103.2p (2024: 127.1p) and diluted earnings per share was 102.8p (2024: 126.4p). Diluted adjusted earnings per share based on adjusted profit after tax was up 3% to 57.8p (2024: 55.9p) (see note 12).

REIT status

The Group is a Real Estate Investment Trust ("REIT") and therefore benefits from a zero tax rate on its qualifying self storage earnings. The Group only pays tax on the profits attributable to our residual business, comprising primarily of the sale of packing materials and insurance.

REIT status gives the Group exemption from UK corporation tax on profits and gains from its qualifying portfolio of UK stores. Revaluation gains on developments and our existing open stores are exempt from corporation tax on chargeable gains, provided certain criteria are met.

The Group has a rigorous internal system in place for monitoring compliance with criteria set out in the REIT regulations. On a monthly basis, a report on compliance with these criteria is issued to the Executive. To date, the Group has complied with all REIT regulations, including forward looking tests.

Taxation

There is a £2.5 million tax charge in the residual business for the year ended 31 March 2025 (2024: £2.3 million). The current year tax charge is partly offset in the income statement by an adjustment to the prior year tax estimate of £0.5 million (2024: prior year adjustment of £1.1 million).

Dividends

The Board is recommending the payment of a final dividend of 23.8 pence per share in addition to the interim dividend of 22.6 pence, giving a total dividend for the year of 46.4 pence, an increase of 3% from the prior year. The Group's policy is to distribute a minimum of 80% of our adjusted earnings per share in each reporting period.

REIT regulatory requirements determine the level of Property Income Distribution ("PID") payable by the Group. Based on the full year distributable reserves for PID purposes, a PID of 46.4p pence per share is payable (31 March 2024: 45.2 pence). The PID for the year to 31 March 2025 accounts for all of the declared dividend. The table below summarises the declared dividend for the year:

Dividend (pence per share)	31 March 2025	31 March 2024
Interim dividend	22.6p	22.6p
Final dividend	23.8p	22.6p
Total dividend	46.4p	45.2p

Subject to approval by shareholders at the Annual General Meeting to be held on 17 July 2025, the final dividend will be paid on 25 July 2025. The ex-div date is 3 July 2025 and the record date is 4 July 2025.

Cash flow growth

The Group is strongly cash generative and draws down from its longer term committed facilities as required to meet its obligations. The Group's cash flow from operating activities pre-working capital movements for the year was £111.9 million, an increase of 2% from £110.1 million in the prior year, with the growth in line with the increase in the Group's profitability in the year. These operating cash flows are after the ongoing maintenance costs of the stores, which were on average approximately £53,500 per store (2024: £49,000).

The Group's net debt has increased slightly over the year to £388.7 million (March 2024: £385.4 million).

There are distortive working capital items in the prior year, and therefore the summary cash flow on the next page sets out the free cash flow pre-working capital movements.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Cash generated from operations pre-working capital movements	132.0	135.1
Net finance costs	(21.5)	(24.0)
Interest on obligations under lease liabilities	(0.6)	(0.6)
Loss of income insurance proceeds	4.0	1.6
Tax	(2.0)	(2.0)
Cash flow from operating activities pre-working capital movements	111.9	110.1
Working capital movements	2.6	(5.3)
Cash flow from operating activities	114.5	104.8
Capital expenditure	(58.3)	(30.9)
Disposal of non-current asset	30.6	5.4
Insurance proceeds on fit-out	–	4.7
Cash flow after investing activities	86.8	84.0
Ordinary dividends	(88.5)	(85.3)
Issue of share capital	0.8	108.0
Payment of lease liabilities	(1.8)	(1.8)
Loan arrangement fees paid	(0.6)	(3.7)
Increase/(decrease) in borrowings	2.7	(100.2)
Net cash (outflow)/inflow	(0.6)	1.0

The Group's interest cover for the period (expressed as the ratio of cash generated from operations pre-working capital movements against interest paid) was 6.1 times (2024: 5.6 times). This is calculated per below:

	31 March 2025 £000	31 March 2024 £000
Cash generated from operations pre working capital movements (see note 26)	131,999	135,086
Interest paid per cash flow statement	(21,657)	(24,069)
Interest cover	6.1x	5.6x

In the year capital expenditure outflows were £58.3 million, up from £30.9 million in the prior year. This capital expenditure was principally on the construction of new stores, and the continued roll-out of our solar retro-fit programme. We expect the amount of capital expenditure to increase next year, as we continue the build out of our pipeline. The disposal of non-current asset of £30.6 million relates to the proceeds from the sale of land adjacent to our Battersea store.

The cash flow after investing activities was a net inflow of £86.8 million, an increase of 3% from £84.0 million in the prior year.

Balance sheet

Property

The Group's open stores and stores under development owned at 31 March 2025, which are classified as investment properties, have all been valued individually by JLL.

The external valuation has resulted in an investment property asset value of £2,992.7 million, comprising £2,784.6 million (93%) for the freehold (including nine long leaseholds) open stores, £22.9 million (1%) for the short leasehold open stores and £185.2 million (6%) for the freehold investment properties under construction.

Investment property

The open store portfolio has increased in value by £78.8 million (3%). This increase in value arises from improvements in the cap rates on certain stores, and growth in the projected cash flows.

The weighted average exit capitalisation rate used in the valuations was 5.2% in the current year, compared to 5.4% in the prior year.

	Value at 31 March 2025 £m	Revaluation movement in the year £m
Analysis of property portfolio		
Investment property	2,807.5	78.8
Investment property under construction	185.2	0.9
Investment property total	2,992.7	79.7

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The table below provides a further breakdown of the open store valuations:

	Mature		Lease-up		Armadillo	Total
	Freehold	Leasehold	Freehold	Largely Freehold		
Number of stores	73	4	8	24		109
MLA capacity (sq ft)	4,619,000	244,000	552,000	1,006,000		6,421,000
Valuation at 31 March 2025 (£m)	£2,269.3m	£18.8m	£270.9m	£177.3m		£2,736.3m
Value per sq ft	£491	£77	£491	£176		£426
Net initial year one NOI yield	5.0%	17.2%	3.5%	5.9%		5.0%

The total store valuation in this table differs to the balance sheet due to the non-self storage investment property that the Group owns, such as the Harrow Industrial Scheme. The net initial year one NOI yield is 5.0% (2024: 5.2%). Note 15 contains more detail on the assumptions underpinning the valuations.

Investment property under construction

The Group spent £55.3 million on investment property under construction in the year, the majority of which was construction expenditure, with the only site acquisition in the year being Leamington Spa. Slough Farnham Road transferred to investment property during the year as the store opened. There was a revaluation surplus of £0.9 million on the investment property under construction in the year.

The projected net operating income of the increase in our total capacity of 1.0 million sq ft when stabilised is £32.5 million representing an approximate 15.3% return on the incremental capital deployed. On a proforma basis at stabilisation, the projected net operating income for the 13 new stores and one replacement store is £36.6 million, a return of approximately 8.7% on the total development cost of £422 million, including land already acquired.

Purchaser's cost adjustment

As in prior years, we have instructed an alternative valuation on our assets using a purchaser's cost assumption of 2.75% (see note 15 for further details) to be used in the calculation of our adjusted diluted net asset value. This Red Book valuation based on the special assumption of 2.75% purchaser's costs, results in a higher property valuation at 31 March 2025 of £3.11 billion (£116 million higher than the value recorded in the financial statements). This translates to 58.7 pence per share. This revised valuation translates into an adjusted net asset value per share of 1,355.6 pence (2024: 1,296.4 pence) after the dilutive effect of outstanding share options.

Receivables

The Group's bad debt expense in the year represented 0.2% of revenue compared to 0.2% in the prior year, with 81% of our customer base paying by direct debit (2024: 80%).

Net asset value

The adjusted net asset value is 1,355.6 pence per share (see note 13), an increase of 5% compared to 1,296.4 pence per share at 31 March 2024. The table below reconciles the movement:

Movement in adjusted net asset value	£m	Adjusted NAV pence per share
31 March 2024	2,561.9	1,296.4
Adjusted profit after tax	113.6	57.5
Equity dividends paid	(88.4)	(44.7)
Revaluation movements	79.7	40.3
Movement in purchaser's cost adjustment	5.0	2.5
Other movements (e.g. share schemes, gain on disposal)	10.3	3.6
31 March 2025	2,682.1	1,355.6

Borrowings

Our financing policy is to fund our current needs through a mix of debt, equity, and cash flow to allow us to build out, and add to, our development pipeline and achieve our strategic growth objectives, which we believe improve returns for shareholders. We aim to ensure that there are sufficient medium-term facilities in place to finance our committed development programme, secured against the freehold portfolio, with debt serviced by our strong operational cash flows. We maintain a keen watch on medium and long-term rates and the Group's policy in respect of interest rates is to maintain a balance between flexibility and hedging of interest rate risk.

The table below summarises the Group's debt facilities at 31 March 2025, with a current average cost of debt of 5.0% (March 2024: 5.4%).

Debt	Expiry	Facility	Drawn	Cost
Aviva Loan	September 2028	£152.5m	£152.5m	3.4%
M&G loan (£35 million fixed at 4.5%, £85 million floating)	September 2029	£120m	£120m	6.4%
Revolving bank facility (Lloyds, HSBC, and Barclays, floating)	December 2027 (option to extend for further year)	£300m	£125m	5.7%
Total	Average term 3.5 years	£572.5m	£397.5m	5.0%

In addition to the facilities above, the Group has a \$225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next year with terms of between 7 and 15 years at short notice, typically 10 days.

The Group's £300 million RCF has incorporated Sustainability-linked KPIs into the loan, which include annual pre-agreed targets and are based on:

- reductions in Scope 1 and 2 emissions;
- increase in solar generation capacity;
- total annual grants to Big Yellow Foundation charity partners; and
- the value of storage space provided free of charge to local charities in our stores.

Performance against the KPIs is measured annually, with a margin decrease or increase applied to the headline margin. We are pleased to report that the Group met all the KPIs in the first year of the loan and is therefore benefitting from a 5bps margin reduction on the RCF.

The Group was comfortably in compliance with its banking covenants at 31 March 2025. Further details of the Group's covenants are provided in note 19 of the accounts. The Group's key financial ratios are shown in the table below:

Metric	31 March 2025	31 March 2024
Net Debt / Gross Property Assets	13%	13%
Net Debt / Adjusted Net Assets	14%	15%
Net Debt / Market Capitalisation	21%	18%
Net debt to Group EBITDA ratio	3.1x	3.0x
Cash generated from operations pre-working capital movements against interest paid	6.1x	5.6x

At 31 March 2025, the fair value on the Group's interest rate derivatives was a liability of £1.3 million. The Group does not hedge account its interest rate derivatives. The fair value movements are eliminated from adjusted profit before tax, adjusted earnings per share, and adjusted net assets per share. Cash deposits are only placed with approved financial institutions in accordance with the Group's Treasury policy.

Share capital

The share capital of the Company totalled £19.7 million at 31 March 2025 (2024: £19.6 million), consisting of 196,714,696 ordinary shares of 10p each (2024: 196,195,287 shares). 0.5 million shares were issued for the exercise of options during the year at an average exercise price of £12.60 (2024: 0.3 million shares at an average price of £10.77).

The Group holds 0.9 million shares within an Employee Benefit Trust ("EBT"). These shares are shown as a debit in reserves and are not included in calculating net asset value per share.

Metric	2025 No.	2024 No.
Opening shares	196,195,287	184,265,973
Shares issued in placing	–	11,640,212
Shares issued for the exercise of options	519,409	289,102
Closing shares in issue	196,714,696	196,195,287
Shares held in EBT	(881,360)	(1,098,686)
Closing shares for NAV purposes	195,833,336	195,096,601

96.9 million shares were traded in the market during the year ended 31 March 2025 (2024: 111.2 million). The average mid-market price of shares traded during the year was £11.09 with a high of £13.36 and a low of £8.71.