

# Big Yellow Group PLC

Results for the Year ended 31 March 2022



# Our Investment Case

## 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
- 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
- 6.1 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

## Evergreen Income Streams

- 73,000 occupied rooms, with customers from a diverse base – individuals, SMEs and National Customers
- Average length of stay for existing customers of 29 months
- 37% of customers in stores greater than two-year length of stay, a further 17% for one to two years
- Low bad debt expense (0.1% of store revenue in the year), no deterioration over the pandemic

## 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

- 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 2004/05 (IFRS adoption)
- Annual compound cash flow growth of 15% since 2004/05
- Dividend pay-out ratio of a minimum of 80% of adjusted eps

# Key Metrics

	2022	2021	
Revenue	<b>£171.3 million</b>	£135.2 million	27%
Like-For-Like Store Revenue	<b>£148.1 million</b>	£131.1 million	13%
Cash Flow From Operating Activities (After Net Finance Costs)	<b>£107.1 million</b>	£76.7 million	40%
Adjusted Profit before Tax	<b>£96.8 million</b>	£74.6 million	30%
EPRA Earnings Per Share	<b>52.5 pence</b>	42.4 pence	24%
Final Dividend Per Share	<b>21.4 pence</b>	17.0 pence	26%
Full Year Dividend Per Share	<b>42.0 pence</b>	34.0 pence	24%

# Key Operational Metrics

	2022	2021	
Occupancy Growth in the Year (Sq Ft)	<b>906,000 sq ft</b>	420,000 sq ft	116%
Closing Occupancy	<b>83.7%</b>	85.2%	(1.5 pts)
Occupancy Like-For-Like Stores	<b>86.7%</b>	87.4%	(0.7 pts)
Average Occupancy	<b>86.7%</b>	83.2%	3.5 pts
Closing Net Rent Per Sq Ft	<b>£29.92</b>	£28.71	4%
Like-for-Like Average Net Achieved Rent Per Sq Ft	<b>£30.51</b>	£28.20	8%
Like-for-Like Closing Net Rent Per Sq Ft	<b>£31.91</b>	£28.84	11%



# Highlights

- Revenue growth for the year was 27%, which includes nine months of revenue from the acquired Armadillo stores. Like-for-like store revenue is up 13%, driven by gains in average occupancy and the improvement in average net rent
- Average occupancy increase of 3.5 ppts, with like-for-like closing occupancy at 86.7%
- Like-for-like average achieved net rent per sq ft increased by 8% year on year, like-for-like closing net rent up 11% from March 2021
- Store revenue for the fourth quarter was £43.9 million, an increase of 30% from £33.8 million for the same quarter last year, with like-for-like store revenue for the fourth quarter up 10% compared to the same quarter last year
- Cash flow from operating activities increased by 40% to £107.1 million
- Adjusted profit before tax up 30% to £96.8 million, EPRA earnings per share up 24% to 52.5p
- 42.0 pence per share full year dividend, an increase of 24%
- Statutory profit before tax of £698.9 million, up 163% from prior year due to a higher revaluation gain on investment properties
- Three new stores opened in the year in Uxbridge, Hayes (both London) and Hove, adding 185,000 sq ft of capacity
- Acquisition of new development sites in Kentish Town and West Kensington (both London) taking pipeline to 12 development sites of approximately 1.0 million sq ft (16% of current MLA), of which ten are in London
- Planning consent granted for new stores in Slough (90,000 sq ft MLA) and Newcastle (60,000 sq ft MLA). Seven of the 12 pipeline stores now have planning
- Placing of 7.8 million shares in June 2021 raising £97.6 million (net of expenses) to fund strategic acquisitions of remaining interest in Armadillo and development site in West Kensington. The combined transactions are earnings accretive
- Increase of £100 million in Aviva and M&G loans, increasing our total debt capacity to £575 million. Current net debt is £412 million, available headroom of £163 million, and over £100 million of surplus land and property to be sold over the medium term

# Armadillo update

- Purchased remaining 80% interest on 1 July 2021, 25 stores and 1.1 million sq ft of MLA
- The Cheadle store (104,000 sq ft MLA) destroyed by arson in February, five years remaining on lease, fully insured with four years loss of income. Negotiations with the landlord ongoing for reinstatement of the store with a longer lease
- Acquired based on year one net operating income (post central overhead charge) net yield of 7.7%, on an investment property valuation of £138.4 million
- The net operating income for the year ended 31 March 2022 was £11.7 million, representing a net yield of 8.2% on the purchase price
- Year end investment property valuation was £155.4 million, an increase of £17 million (12%)
- For the year Armadillo represented 11% of total combined store EBITDA and 12% of total store revenue (proforma)
- For the year Armadillo's closing net rent was up 11%, with average rate up 10%
- Revenue was up 18% on the prior year, and the store margin increased to 61.5% (2021: 58.0%)

# Operations Update

- Maintained our focus on Wellbeing, Inclusivity and Diversity, employee survey in the year delivered a strong eNPS and engagement score
- Responded to engagement survey with changes such as flexible working at our head office, reduced store reception opening hours, and lone trading bonus
- Focus on NPS scores and customer satisfaction – satisfied customers as referrers are a key sales tool – average NPS score of 78.9
- Improved online check-in launched in 2021, improving store efficiency, well received by customers and store colleagues
- For those who vacated in the year, average length of stay decreased to 8.4 months (2021: 9.2 months), a more normalised level, compared to last year's outlier
- Average length of stay for all customers and ex-customers of 8.6 months (2021: 8.7 months) and existing customers 29 months, 37% of customers greater than two year length of stay, 17% one to two years
- Limited supply growth in our markets, with seven London openings in 2021 (including one Big Yellow), and we anticipate five in 2022 (including three Big Yellows)

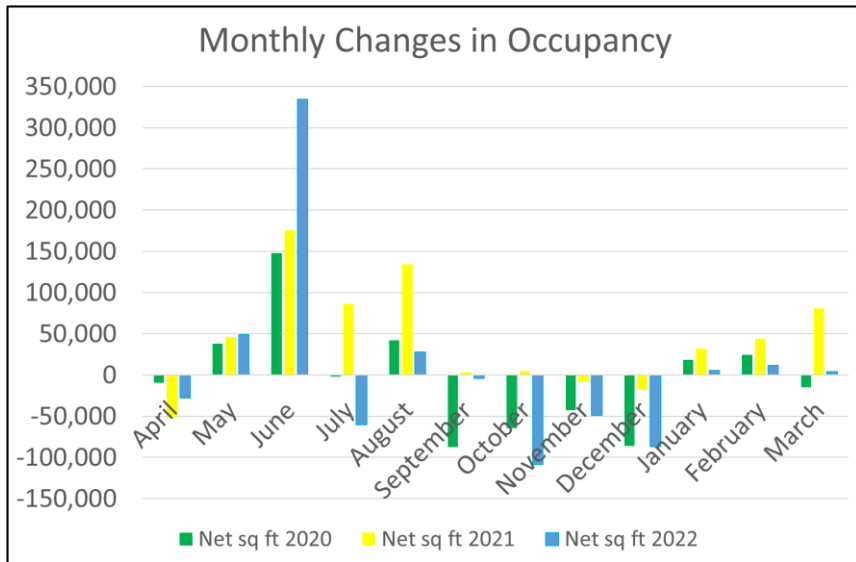
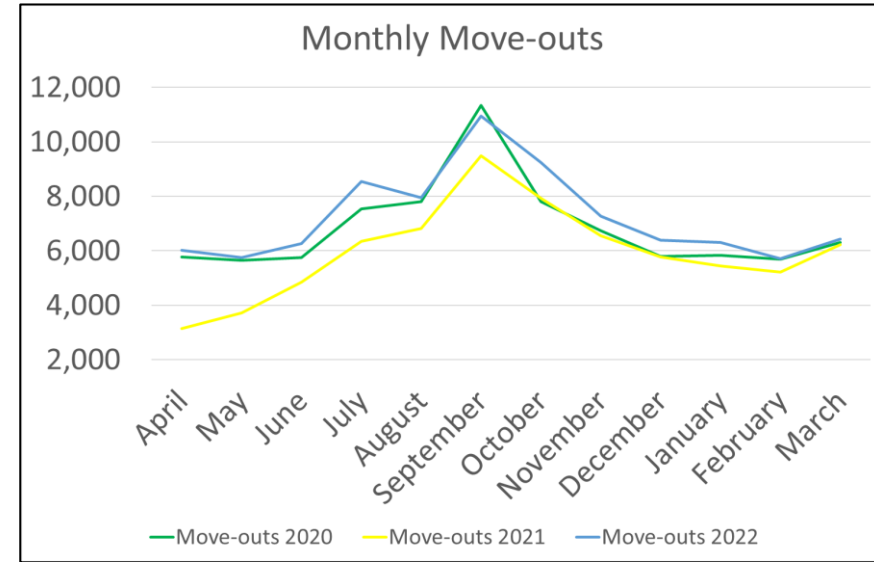
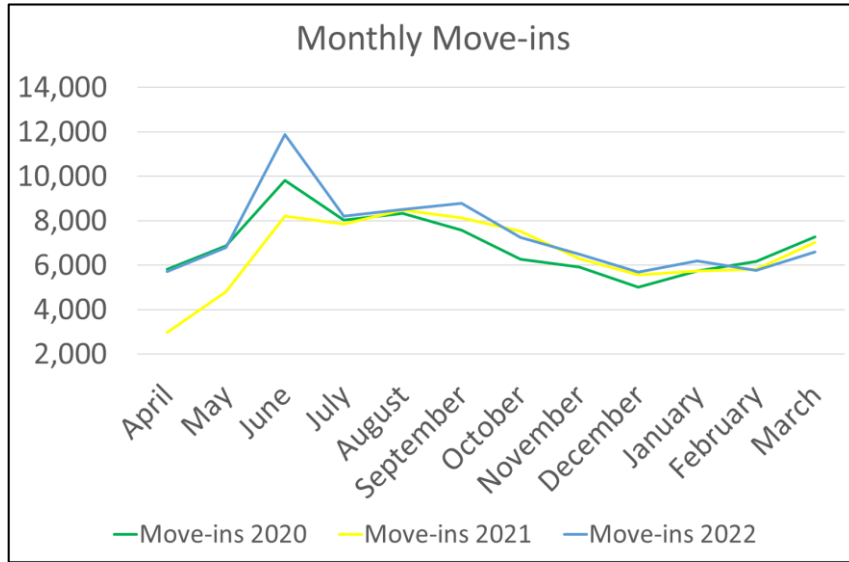


# 2022 Self Storage Association Survey

- Only 2.3% of those surveyed were currently using self storage and 6.2% were thinking of using self storage in the next year (source: SSA YouGov Survey January 2022)
- Increasing customer repeat use and referrals with 41% of customers having used self storage before (source: SSA YouGov Survey January 2022)
- 70% of our prospects have not used self storage before
- Good awareness of self storage increasing from 38% in 2014 to 51% in 2022 across the UK (source: SSA YouGov Survey January 2022)
- The majority of customers intend to stay for 12 months or longer – 51% of domestic, 75% of business (source: SSA YouGov Survey January 2022), for Big Yellow 53% of domestic and 70% of business customers have been storing for more than one year
- 38% of customers looked at an online review before selecting their storage provider (source: SSA YouGov Survey January 2022)



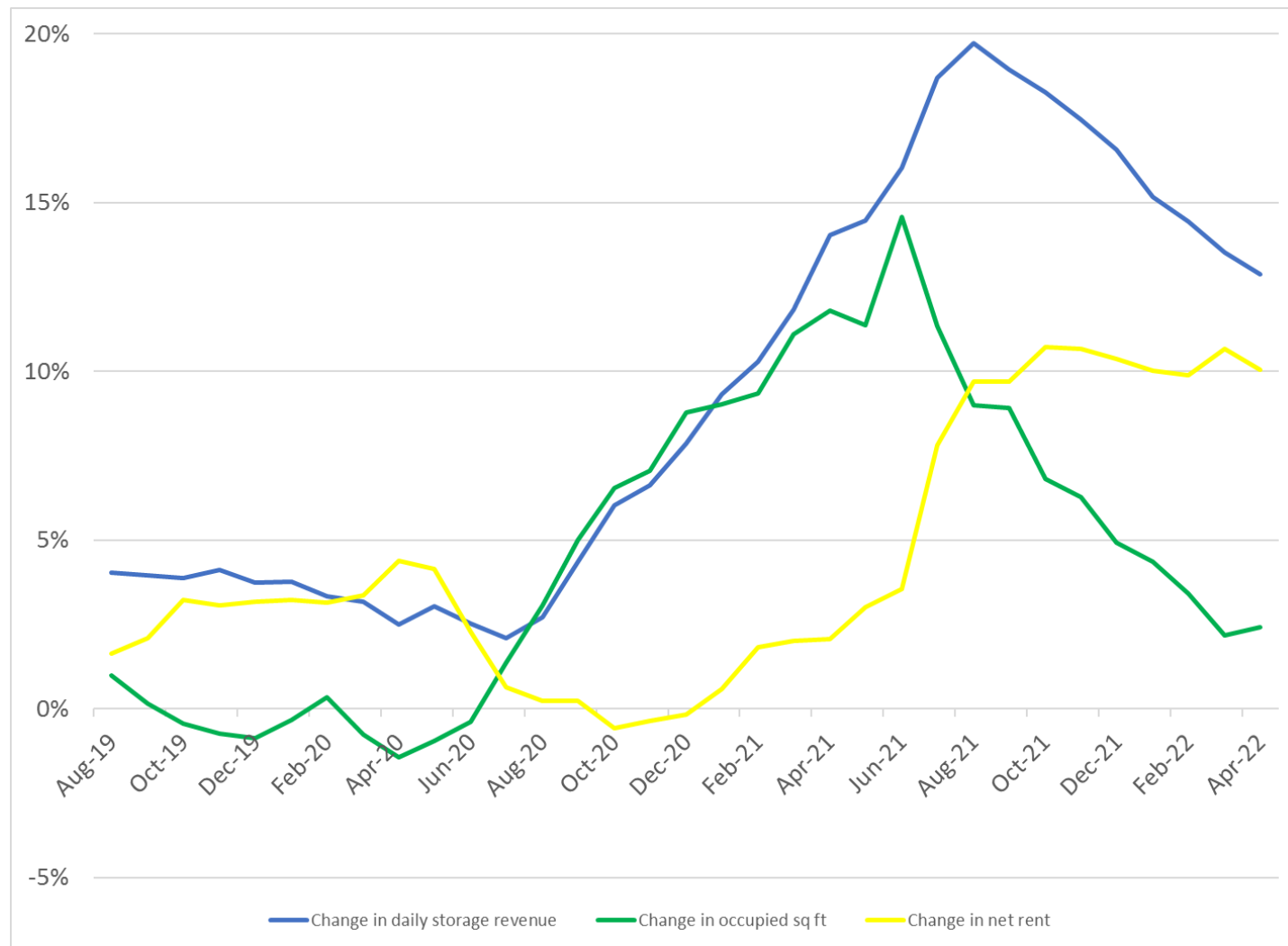
# Monthly Activity



- Activity levels in prior year significantly impacted by lockdown in April to June 2020
- Strong demand from domestic customers in first quarter this year in part due to stamp duty holiday
- Spike in move-outs in July and October 2021 – short term domestic users around stamp duty holiday
- Higher move-outs in second half following strong summer trading
- Move-ins down in March, following Russian invasion of Ukraine, impacting March’s occupancy growth.
- April saw move-ins up 11% on prior year, with move-outs up 5%



# Daily Storage Revenue Growth



- Graph shows Big Yellow stores only
- Occupancy the main driver of revenue growth last year, rate impacted in 2020 by suspension of price increases during Spring lockdown
- Significant rate growth this year, with pricing model driven by scarcity, increases in asking prices to new customers and annual price increases to existing customers
- Scheduled rents increased in year in line with current levels of inflation
- From April 2022 occupancy making a more positive contribution



# FINANCIAL REVIEW



# Portfolio Summary

- Portfolio summary showing Big Yellow and Armadillo stores
- Big Yellow average occupancy increased from 83.2% in 2021 to 86.9% in 2022. Like-for-like closing occupancy down 0.7 pts to 86.7%
- Big Yellow closing net rent up 10% to £31.71, average rate up 8%
- Big Yellow like-for-like store revenue up 13% and store margin up to 72.4% (2021: 69.4%)
- New stores contributing to earnings performance with the Big Yellow stores less than three years old increasing their EBITDA by £3.0 million during the year to £3.7 million, with margin increasing from 28.0% to 51.9%
- Armadillo average occupancy increased to 86.0% (2021: 79.5%), closing occupancy 83.1%, down 0.7 pts
- Armadillo closing net rent up 11%, average rate up 10%
- Armadillo revenue up 18%, and store margin up to 61.5% (2021: 58.0%)



# Portfolio Summary

	March 2022					March 2021				
	Big Yellow Established >3 years	Big Yellow Developing <3 years	Total Big Yellow	Armadillo	Total	Big Yellow Established >3 years	Big Yellow Developing <3 years	Total Big Yellow	Armadillo	Total
<b>Number Of Stores</b>	73	8	81	24	105	73	5	78	25	103
<b>At 31 March:</b>										
Total Capacity (Sq Ft)	4,639,000	478,000	5,117,000	981,000	6,098,000	4,636,000	294,000	4,930,000	1,083,000	6,013,000
Occupied Space (Sq Ft)	4,027,000	265,000	4,292,000	815,000	5,107,000	4,065,000	136,000	4,201,000	908,000	5,109,000
Percentage Occupied	86.8%	55.4%	83.9%	83.1%	83.7%	87.7%	46.3%	85.2%	83.8%	85.0%
Net Rent Per Sq Ft	£31.91	£28.76	£31.71	£20.45	£29.92	£28.83	£25.06	£28.71	£18.38	£26.88
<b>For the year:</b>										
REVPAF	£31.47	£19.90	£30.64	£19.83	£28.73	£28.47	£9.75	£27.44	£16.75	£25.50
Average Occupancy	89.0%	58.9%	86.9%	86.0%	86.7%	86.4%	28.6%	83.2%	79.5%	82.6%
Average Annual Net Rent psf	£30.51	£27.16	£30.35	£19.69	£28.48	£28.20	£25.78	£28.16	£17.85	£26.35
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total Store Revenue	145,986	7,099	153,085	21,236	174,321	129,932	2,536	132,468	18,002	150,470
Direct Store Operating Costs	(36,900)	(3,418)	(40,318)	(7,614)	(47,932)	(36,817)	(1,826)	(38,643)	(7,000)	(45,643)
Short and Long Leasehold Rent	(1,934)	-	(1,934)	(564)	(2,498)	(1,944)	-	(1,944)	(554)	(2,498)
Store EBITDA	107,152	3,681	110,833	13,058	123,891	91,171	710	91,881	10,448	102,329
Store EBITDA Margin	73.4%	51.9%	72.4%	61.5%	71.1%	70.2%	28.0%	69.4%	58.0%	68.0%



# Rental Growth Analysis

Average occupancy in the year	Number of stores	Net rent per sq ft growth from April 2021 to March 2022	Net rent per sq ft growth from April 2020 to March 2021
75% to 85%	24	10.8%	1.3%
85% to 90%	49	11.7%	2.5%
Above 90%	24	13.0%	4.4%

- Table shows the change in net rent per sq ft for the combined Big Yellow and Armadillo portfolio by average occupancy over the year (on a non-weighted basis). The analysis excludes our most recent store openings
- Strong rate growth delivered over the year – for all stores closing net rent per sq ft was up 11% compared to 31 March 2021
- Higher occupancy drives better rental growth as less churn, fewer opening offers and discount promotions with system increasing prices based on scarcity



# Store Operating Expenses

Category	Year Ended 31.03.22 £000	Year Ended 31.03.21 £000	% change	% of store operating costs in 2022
Cost of Sales	3,896	3,549	10%	8%
Staff Costs	14,133	13,575	4%	29%
General & Admin	1,992	1,541	29%	4%
Utilities	2,274	1,961	16%	5%
Property Rates	13,775	13,318	3%	28%
Marketing	6,632	6,433	3%	14%
Repairs & Maintenance	4,200	3,687	14%	9%
Insurance	1,211	1,049	15%	2%
Computer Costs	618	530	17%	1%
<b>Total Before One-Off Items</b>	<b>48,731</b>	<b>45,643</b>	<b>7%</b>	
One-Off Items	(799)	-		
<b>Total Per Portfolio Summary</b>	<b>47,932</b>	<b>45,643</b>	<b>5%</b>	

- Restated for Big Yellow and Armadillo combined
- Operating costs up by £3.1 million (7%)
- New store openings account for nearly half the increase – £1.4 million
- Cost of sales – £0.3 million, revenue growth
- General and admin – £0.5 million, prior year impacted by lockdowns
- Repairs and maintenance – £0.5 million, due to new stores, increased CCTV monitoring and work delayed from 2020
- Marketing – £0.2 million, investment in digital platform and lower PPC during 2020 lockdown
- One-off items in the year are rates rebates where we have successfully appealed the 2017 rating list at a number of stores

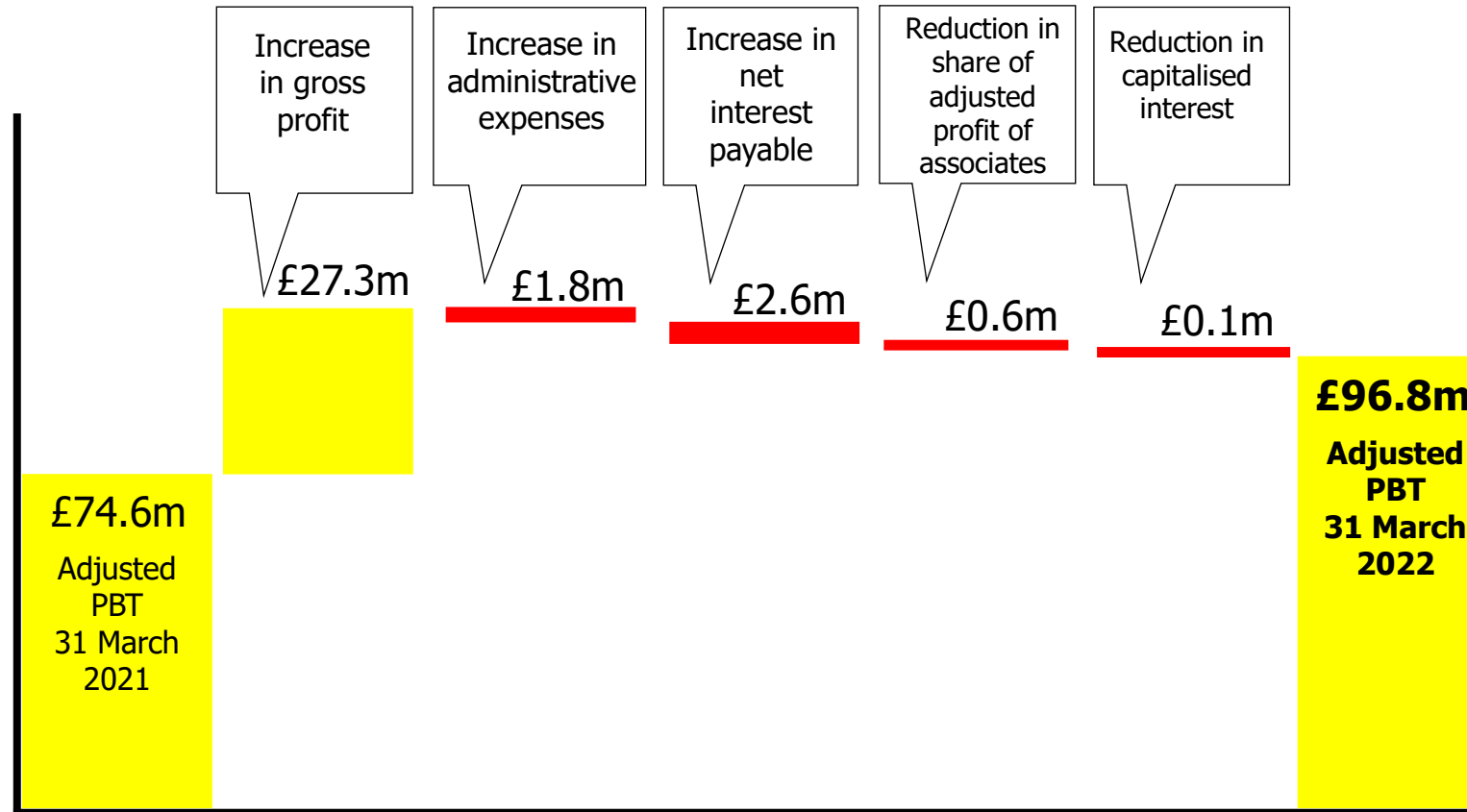
# Consolidated Income Statement

	Year Ended	
	31.03.22	31.03.21
	£m	£m
Revenue	171.3	135.2
Cost Of Sales	(50.4)	(41.6)
Admin Expenses	(14.3)	(12.1)
Underlying Operating Profit	106.6	81.5
Revaluation Gain	597.2	189.3
Gain on disposal of investment property	0.6	-
Net Finance Costs	(10.6)	(8.0)
Fair Value Movement On Derivatives	1.4	(0.1)
Share Of Associates' Profit	3.7	3.1
Profit Before Tax	698.9	265.8
Taxation	(1.6)	(0.6)
Profit For The Year	697.3	265.2
Adjusted Profit Before Tax	96.8	74.6
Adjusted EPS	52.5p	42.4p

- Revenue up 27%, like-for-like store revenue up 13%
- Admin expenses increase includes £0.4 million of non-recurring acquisition costs written off (on Armadillo)
- Revaluation gain driven mainly by operating cash flow performance and changes to projected operating metrics
- Gain on disposal of investment property is overage received on previous disposal of land adjacent to our Guildford Central store
- Interest expense has increased with higher average debt levels in the year, and latterly increases in base rate
- Share of associates' profit includes write back of deferred tax as the Armadillo stores joined our REIT group
- Tax charge increase reflects increase in Group's non-exempt taxable profits from sale of insurance and packing materials



# Adjusted PBT Bridge



- Non recurring items and revaluation movements are not included in adjusted profit

# Cash Flow and Net Debt Movement

	Year Ended	
	31.03.22	31.03.21
	£m	£m
<b>Opening Net Debt</b>	(325.0)	(350.6)
Operating Cash Flow	120.4	87.1
Interest (Net)	(10.8)	(8.8)
Obligations under lease liabilities	(0.9)	(0.8)
Tax	(1.6)	(0.8)
<b>Operating Cash Flow after net finance costs</b>	<b>107.1</b>	<b>76.7</b>
Acquisition of Armadillo	(66.7)	-
Debt Acquired with Armadillo	(50.9)	-
Dividends Paid	(68.7)	(58.8)
Total Capital Expenditure	(105.2)	(73.5)
Sale of Property	0.6	-
Receipt From Capital Goods Scheme	0.4	0.7
Payment of Lease Liabilities	(1.4)	(1.0)
Issue Of Share Capital	98.5	80.8
Loan Arrangement Fees	(0.9)	-
Dividends Received From Associates	0.4	0.7
<b>Closing Net Debt</b>	<b>(411.8)</b>	<b>(325.0)</b>

- Operating cash flow after net finance costs increased by 40%, reflecting increase in profitability and favourable working capital movements
- Capex
  - Purchase of land at West Kensington, Epsom and Kentish Town £51m
  - Construction expenditure £54m
  - Armadillo acquisition £117.6 million (including debt acquired)
- Net debt £411.8 million, available headroom of £162.8 million

# Capital Structure

	31.03.22	31.03.21
Net Debt / Gross Property Assets	16%	18%
Net Debt / Adjusted Net Assets	18%	21%
Net Debt / Market Capitalisation	15%	17%
Pre-Interest Operating Cash Flow Cover	10.5x	9.9x

- Balance sheet gearing ratios lower than prior year, albeit with higher absolute levels of debt
- Pre-Interest Operating Cash Flow Cover is calculated before working capital movements
- Following the significant gain in revaluation, gross property assets have increased to £2.63 billion, with the Group's adjusted NAV per share increasing by 37% to £12.40

# Debt Facilities

Debt	Expiry	Facility	31 March 2022	
			Drawn	Average Interest Cost
Aviva Loan	September 2028	£161.9 million	£161.9 million	3.5%
M&G Loan	June 2023	£120 million	£120 million	2.9%
Revolving Bank Facility (Lloyds, HSBC and B of I)	October 2024	£240 million	£99 million	2.7%
Armadillo Bank Loans (Lloyds)	April 2023	£52.7 million	£39.5 million	3.1%
<b>Total</b>	Average 3.4 years	£574.6 million	£420.4 million	3.1%

- The Group increased its Aviva and M&G loans by £100 million in the year
- Armadillo debt consolidated following completion of acquisition on 1 July 2021
- Additional loan from Aviva contained sustainability KPIs, linked to the installation of solar panels and our Net Renewable Energy Positive Plan, progress on both leads to a margin reduction
- Group received credit approval from a new insurance debt provider to refinance Armadillo loans and provide additional headroom on our facilities with longer duration fixed debt, this is currently being documented
- The Group intends to refinance the M&G loan with M&G this year, with medium to long term duration
- 47% of the Group's drawn debt is variable, this will reduce when the new insurance facility is put in place

# PROPERTY REVIEW



# New Site Development

## *New Store Openings*

Store	MLA	Opening date	Occupancy at 23 May 2022
Uxbridge	54,000 sq ft	June 2021	75%
Hayes	73,000 sq ft	January 2022	21%
Hove	58,000 sq ft	March 2022	22%

- Planning consent received since April 2021 on Slough and Newcastle. Seven of the twelve development sites now have planning
- Acquired sites in Kentish Town and West Kensington in the year (both London)
- West Kensington is a strategic acquisition adjacent to the Olympia conference centre, a short distance from one of the wealthiest and densest enclaves in London. Subject to planning, the store is currently estimated to open in 2025, and will provide approximately 175,000 sq ft of space, including 7,000 sq ft of SME space
- Development pipeline of 12 sites, providing 1.0 million sq ft with estimated cost to complete of £190 million; total development cost of £353 million with projected net operating income at today's prices in excess of £30 million, representing an 8.5% return
- Construction underway at Harrow (Summer 2022), North Kingston (Summer 2022) and Kings Cross (Summer 2023)
- At Harrow, in addition to the Big Yellow store, we are constructing 115,000 sq ft across 11 industrial units, which we have exchanged contracts to sell for £61 million. Completion of the sale is conditional, inter alia, on practical completion of the development



# Development Pipeline – With Planning

Site	Location	Status	Anticipated Capacity Sq Ft
Harrow, London	Prominent location on Harrow View	Planning consent granted in November 2020. Construction commenced in May 2021 with a view to opening in Summer 2022.	82,000
North Kingston, London	Prominent location on Richmond Road, Ham	Planning consent granted in September 2020. Construction commenced in June 2021 with a view to opening in Summer 2022.	56,000
Kings Cross, London	Prominent location on York Way	Planning consent granted in October 2020. Demolition commenced in January 2021 with a view to opening in Summer 2023.	106,000
Wembley, London	Prominent location on Towers Business Park	Planning consent granted in August 2020. Discussions ongoing to secure vacant possession, unlikely to be before July 2023.	70,000
Queensbury, London	Prominent location off Honeypot Lane	Site acquired in November 2018. Planning consent granted in November 2019 for 58,000 sq ft store. Planning application submitted in 2021 to increase floor area by 12,000 sq ft. Planning consent granted in January 2022. Our current intention is to open the store in Summer 2024.	70,000
Slough	Prominent location on Bath Road	Site acquired in April 2019. Planning consent granted in October 2021. Our current intention is to open this store in Summer 2024.	90,000
Newcastle	Prominent location on Scotswood Road	Planning consent granted in October 2021.	60,000



# Development Pipeline – Without Planning

<b>Site</b>	<b>Location</b>	<b>Status</b>	<b>Anticipated Capacity Sq Ft</b>
Wapping, London	Prominent location on the Highway, adjacent to existing Big Yellow store	Site acquired in July 2020. Planning application submitted in November 2021.	Additional 95,000
Staines, London	Prominent location on the Causeway	Site acquired in December 2020. Planning application submitted in January 2022.	65,000
Epsom, London	Prominent location on East Street	Site acquired in March 2021. Planning application to be submitted in Summer 2022.	56,000
Kentish Town, London	Prominent location on Regis Road	Site acquired in April 2021. Planning application to be submitted in Summer 2022.	68,000
West Kensington, London	Prominent location on Hammersmith Road	Site acquired in June 2021. Planning application to be submitted in Summer 2022.	175,000
<b>Total additional capacity</b>			<b>993,000</b>



# Stores Under Development

**Harrow, under construction**



**North Kingston, under construction**



**Kings Cross, under construction**



**Wembley, planning granted**



**Queensbury, planning granted**



**Slough, planning granted**



**Newcastle, planning granted**



**Wapping, proposed**



**Staines, proposed**



**Kentish Town, proposed**





# Strategic Summary

- Strong results driven by a combination of average occupancy and rate growth
- Significantly increased macro-uncertainty since our half year results
- We are confident in our business model, having successfully navigated two crises since the GFC
  - Our stores are at high levels of occupancy with pricing power
  - Potential for further external growth with a significant pipeline of 12 stores (7 with planning), focussed on our core areas of London, its commuter towns and major cities
  - Supply remains constrained particularly in our core areas of operation
  - Our capital structure is conservative with our interest cover at over 10 times, providing defensive protection
- We will continue to innovate and invest in our people and culture, our brands, operating platform and sustainability
- At times likes this, we seek to find new advantage and opportunity for further external growth of our business



# APPENDIX

Sustainability

Marketing Review

Additional Operational and Financial Information

Store Portfolio



# Sustainability Update



- We have set 3 new long-term, ambitious environmental goals:
  1. Net Renewable Energy Positive by 2030
  2. Net Zero Scope 1 & 2 Emissions by 2030
  3. Net Zero Scope 3 by 2040
- The detailed strategy was published with our full CSR Report in summer 2021
- Total five year horizon investment expected to be approximately £15 million for Big Yellow and Armadillo
- Board Sustainability Committee chaired by NED Heather Savory
- Climate Related Financial Disclosure (“TCFD”) metrics – published in the 2022 ARA
- Commenced integration of Armadillo into our Sustainability programme
- Science-Based targets for the combined group to be published in year ended 31 March 2022 CSR report – submit to the SBTi in July 2022

# Big Yellow's Pathway To 100% Renewable Energy And Zero Carbon Emission Plan

## To 2030 & 2040

- Our ambition is for Big Yellow to be fully aligned to the UK Government's commitments to sustainability by addressing our Emissions by 2050, at the latest
- Our two 2030 targets are interconnected, insofar as we expect to deliver part of our Scope 1 & 2 reduction targets through the generation of on-site renewable energy and the retiring of Renewable Energy Guarantees of Origin ("REGOs") for renewable energy we generate offsite

### Net Renewable Energy Positive to 2030

#### We commit to:

- Generating as much renewable energy as we're able to at our store portfolio via the installation of solar pv systems
- Additionally investing in the generation of off-site renewable energy (e.g. a Power Purchase Agreement) to match and even exceed the amount of energy our stores require in a year
- Continue to invest in energy reduction initiatives

### Net Zero Scope 1 & 2 Emissions by 2030

#### We commit to:

- Reducing our carbon emissions (currently 94% of Scope 1 and 2 emissions) by using Big Yellow generated electricity from renewable sources (on and off-site)
- Replacing our gas boilers (5.3%) with electric alternatives to take advantage of the renewable electricity we generate
- For any residual Scope 1 emissions (i.e. coolant refrigerant – only 0.7%) identifying a credible offset mechanism and we will publish this in due course

### Net Zero Scope 3 Emissions by 2040

#### We commit to:

- Continuing to invest in electric vehicle charging pods at all new stores to address customer emissions. We will continue to retro-fit existing stores
- Work with our suppliers and partners to provide us with net zero products and services
- Our largest scope 3 emissions (estimated at 40% of total scope 3) are from our customers. The increased adoption of electric vehicles will significantly reduce these emissions

# Armadillo Programme Of Works

## Immediately

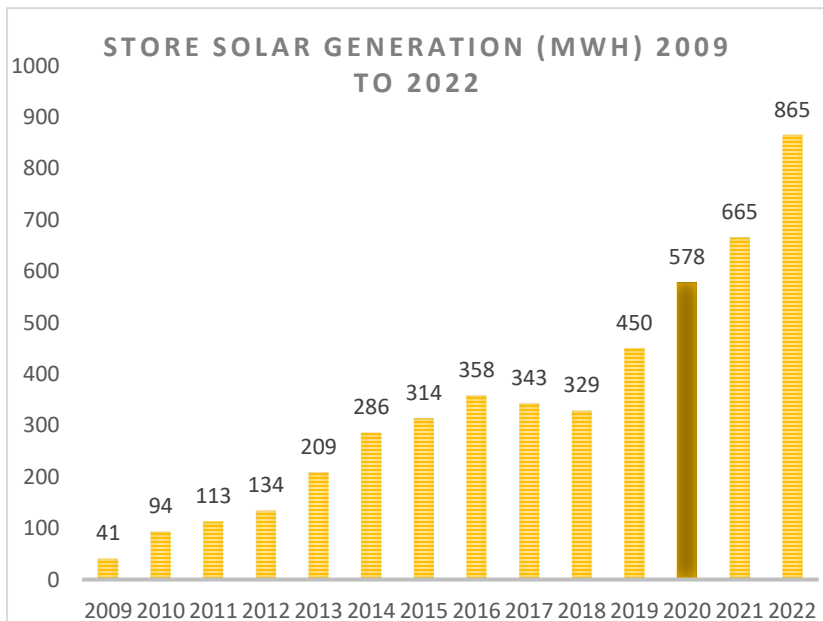
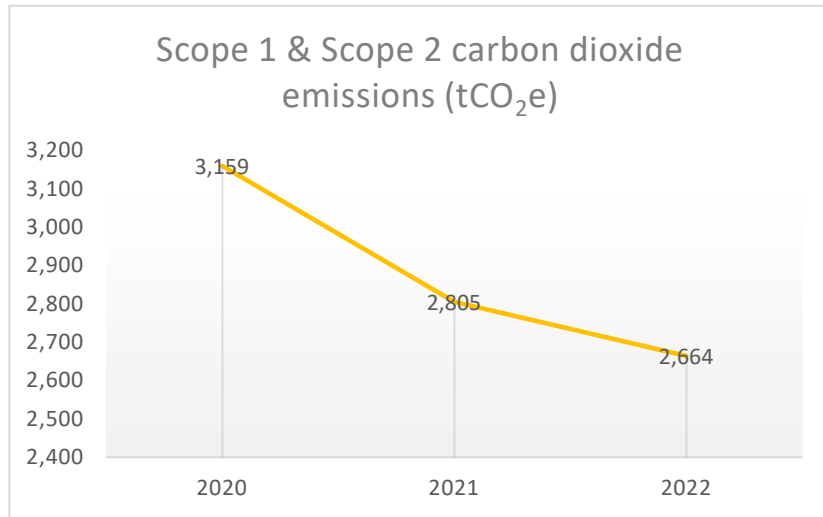
- Upgrade energy metering infrastructure and integrate with current Big Yellow platform by summer 2022
- Review EPC performance and refresh certificates where necessary – 10 EPCs commissioned for year ending 31 March 2023
- Four gas boilers removed, five removals scheduled for year ending 31 March 2023
- Included Armadillo in third party assurance and external reporting activities

## 2022 onwards

- Integrate Armadillo into Net Renewable Energy Positive Strategy (“NREP”) and Net Zero strategy



# Decarbonising Our Business to March 2022



- All electricity, gas and solar data now includes Armadillo – we have restated to include Armadillo (where possible) from the year ended 31 March 2020
- Due to the material change with the acquisition of Armadillo, the year ended 31 March 2020 becomes our new base year
- Carbon Emission intensity – a reduction from the prior year of 6% at 4.7 per m<sup>2</sup> CLA and a 20% reduction from base year (top *graph*)
- 30% increase from prior year in renewable energy generated from Solar PVs (bottom *graph*) – a 50% increase from baseline year
- Zero market-based carbon emissions – due to 100% REGO-backed renewable electricity (Scope 2) contract
- Location-based Scope 1 (6% - gas, refrigerant & van) and 2 (94% - electricity). Emissions reduced by 68% since the old base year of 2011 – a 16% reduction from the new base year 2020

# Social



*Louis, from Swindon, celebrates his birthday with the Swindon store team*



*Open Orchard team at West Norwood*

- Three successful work placements, two of which have been extended by a further 3 months
  - Maidenhead: one individual placed by the Down's Syndrome Association. Extended
  - Swindon: one individual placed by the Down's Syndrome Association
  - Battersea: one individual placed by Breaking Barriers. Extended
- 25 Big Yellow employees volunteered during the year, which we hope to increase.
- Various Community Investments made (including free and discounted space) totalling £316,000
- Open Orchard at West Norwood – community planting initiative
- Strong employee engagement approval ratings of 97% for charitable activities and 94% for environmental
- Foundation income was £172,000 in year ended 31 March 2022; Foundation grants paid out to our seven charity partners of £198,000

# ESG Investor Benchmarks, ESG Standards & Campaigns

## ***Benchmarks***

### **CDP** (Carbon Disclosure Project)

Big Yellow participated since 2012; achieved **B** in 2021

Big Yellow recognised as a **Supplier Engagement Leader** for the second year

### **GRESB** (Global Real Estate Sustainability Benchmark)

Big Yellow participated since 2014

Big Yellow awarded a **'Green Star', 84 points**

### **FTSE4Good**

Big Yellow participated since at least 2009

Consistently included in the Index and our 2021 score was **3.1**

### **EPRA sBPR** (European Public Real Estate Sustainability Best Practice Reporting)

Big Yellow participated since 2012

Achieved our second **GOLD Level** recognition in 2021

**MSCI** Rating of **AA** (May 2021)

## ***Campaigns***

Official supporter of the **TCFD** (Task Force on Climate-related Financial Disclosures) since September 2021

Official supporter of the **Race to Zero** campaign via the **Business Ambition for 1.5°C** since August 2021



# Marketing and Sales Update

- Big Yellow has market-leading brand awareness – over five times higher than next nearest competitor
- Continued investment in digital to drive prospect growth – key to our success with over 90% of prospects online, 63% of visits from mobile devices
- Reducing cost of acquisition of prospects and customers through direct web traffic, organic search and partnership activity, plus ongoing paid search efficiencies and a focus on website conversion
- Good awareness of self storage increasing from 38% in 2014 to 51% in 2022 across the UK (source: SSA YouGov Survey January 2022)
- ACORN analysis of customer base shows 71% of customers are in Affluent Achievers, Rising Prosperity and Comfortable Communities, with our largest group being Rising Prosperity



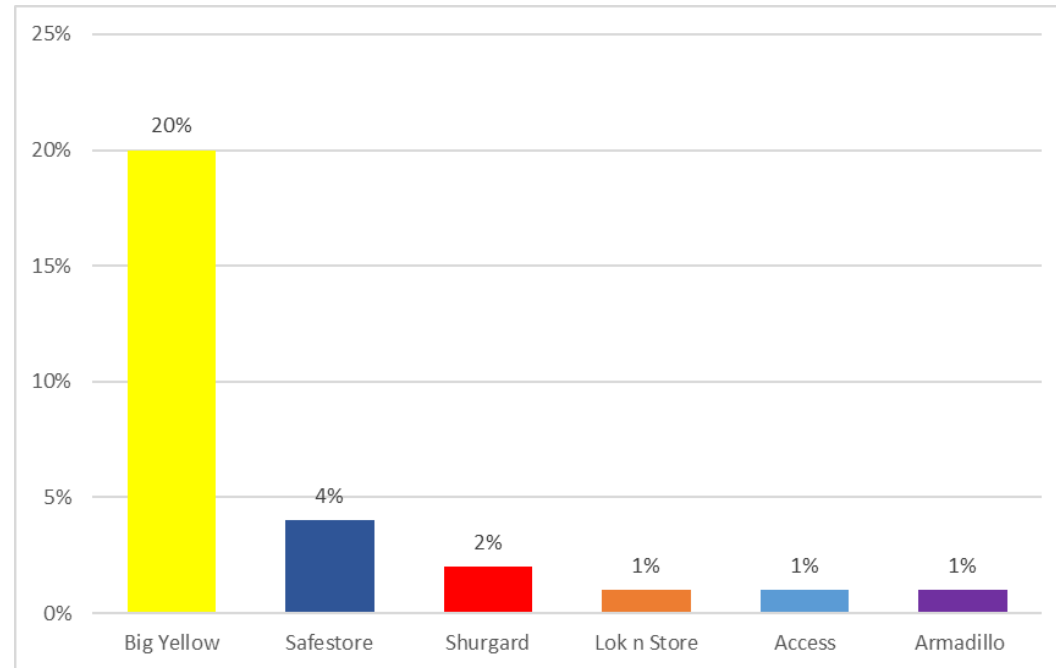
# The Importance of the Brand

- Self storage is a consumer facing business for both domestic and small business markets
- Done right, brand sits at the heart of a business and drives its performance
- Self storage is an immature market with 70% first time users – the interaction at the prospect stage through all brand communications is therefore more critical
- Location is important as are all other touchpoints: digital platform, written and verbal communication, consistency of product and service
- An unknown new operator can achieve a certain level of operational performance as can a gym or hotel, but to drive higher performance with occupancy levels to 90% plus and sustainable rental growth, requires a strong brand to drive more market share online and more enquiries
- The brand experience leads to an emotive response from customers – it builds trust, aids conversion, encourages repeat use and recommendation to others
- 31 of the top 100 search terms driving traffic to self storage operator websites feature brands (April 2021 to March 2022)
- 35% of these branded terms are Big Yellow Storage variations. (April 2021 to March 2022)
- Armadillo sits on the Big Yellow digital platforms and benefits from its brand awareness



# Research of Brand and Market Awareness

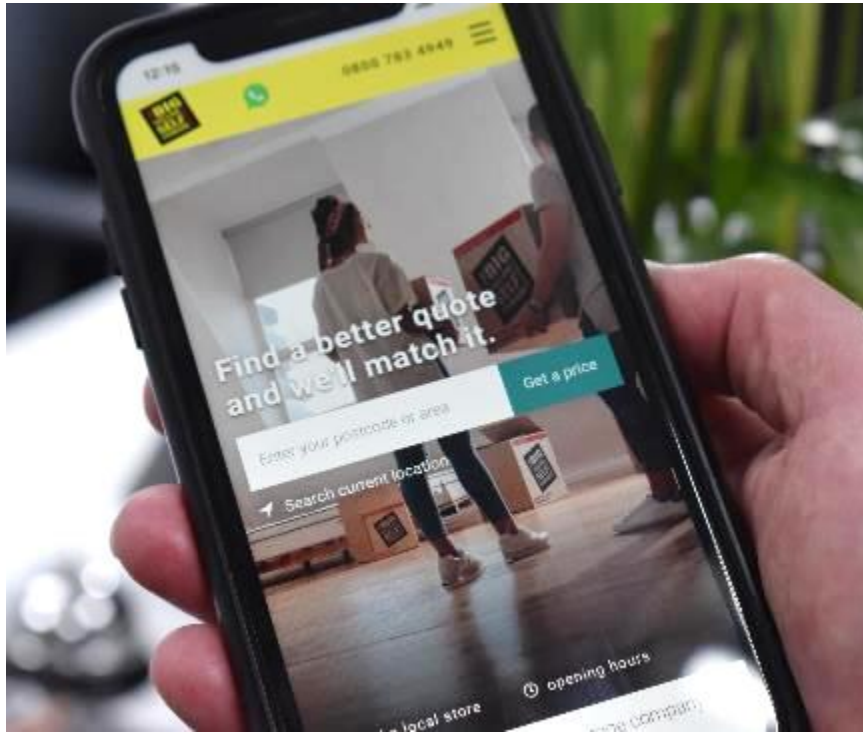
- YouGov commissioned survey by the UK Self Storage Association in January 2022
- Measures unprompted brand awareness
- 2,057 adults sample size
- Statistically selected and weighted sample that represents a sample of the demographics of the adult UK population
- Big Yellow has the highest unprompted brand awareness, five times greater than the next operator
- Our high brand awareness is driven 24/7 by our highly visible, prominent stores
- Armadillo sits on Big Yellow digital platform and leverages its brand



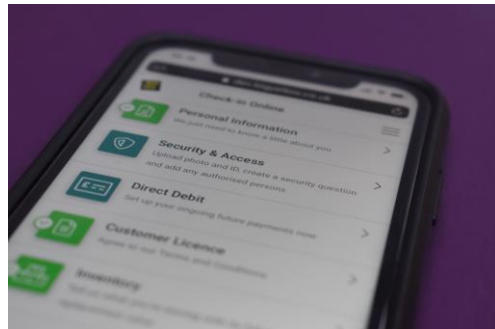
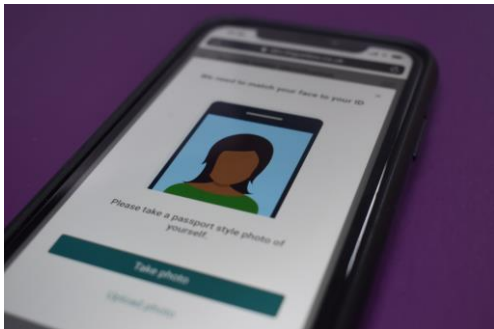
Britain's favourite self storage company



# High Brand Awareness = High Online Market Share



- Over 90% of our prospects come from our digital platforms. 63% of web visits are from smartphones, with an increase in desktop use to 34%, driven by working from home (April 2021 to March 2022)
- A significant proportion of these web visits come from people searching for our brand
  - Lower cost of acquisition
  - More likely to convert
- High brand awareness leads to more clicks and web visits when people search for generic terms e.g. “self storage” and recognise the Big Yellow URL
- Check-in Online is now used by 92% of customers



# Customer Insights



- Wide-ranging demographic and domestic customer base; extended families, couples, singles, renters, students, downsizers, space constrained home dwellers
- Over 70% of our customers are in the top 3 ACORN categories; Affluent Achievers, Rising Prosperity and Comfortable Communities
- Big Yellow customers over-represented against the UK population base in these predominantly city based ACORN sub groups; City Sophisticates, Career Climbers, Student Life and Lavish Lifestyles
- Big Yellow customers are 69% more likely to live in apartments than the population base
- Dominant social grade is AB
- 71% of our domestic customers are aged 25-54
- 57% male 43% female (SSA Customer Survey 2022)
- Business demand; SMEs, online sellers, retailers, importers/exporters, sales reps, National Customers etc.

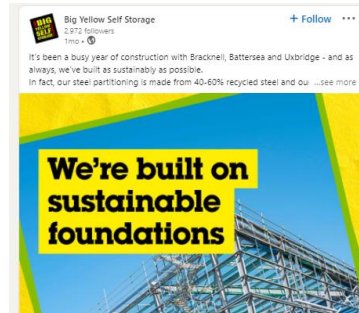
All figures for year based on Big Yellow customers storing 1 April 2021 – 31 March 2022  
Source: Big Yellow customer survey



# Social Media & PR



- Targeted YouTube advertising to domestic and business audiences in need of self storage
- CSR focussed social media content on Twitter, Instagram and Facebook
- LinkedIn spotlights our company culture, employee development, recruitment, CSR initiatives and the Big Yellow Foundation



# Local Economy Value of Business Customers

- External business survey previously commissioned to assess impact of average Big Yellow store on the local economy
- 37% of the Group's space is occupied by business customers
- The average store has over 100 different businesses who between them employ 300 people
- 60% of the businesses are start-ups who have never rented space anywhere else before
- For over half of the businesses this is the only space they rent, for others this complements their other space
- Across Big Yellow over 23,000 jobs are created working for over 7,700 businesses
- Average local GVA generated by Big Yellow's business customers in each store is c. £17 million per annum, or over £1 billion nationally

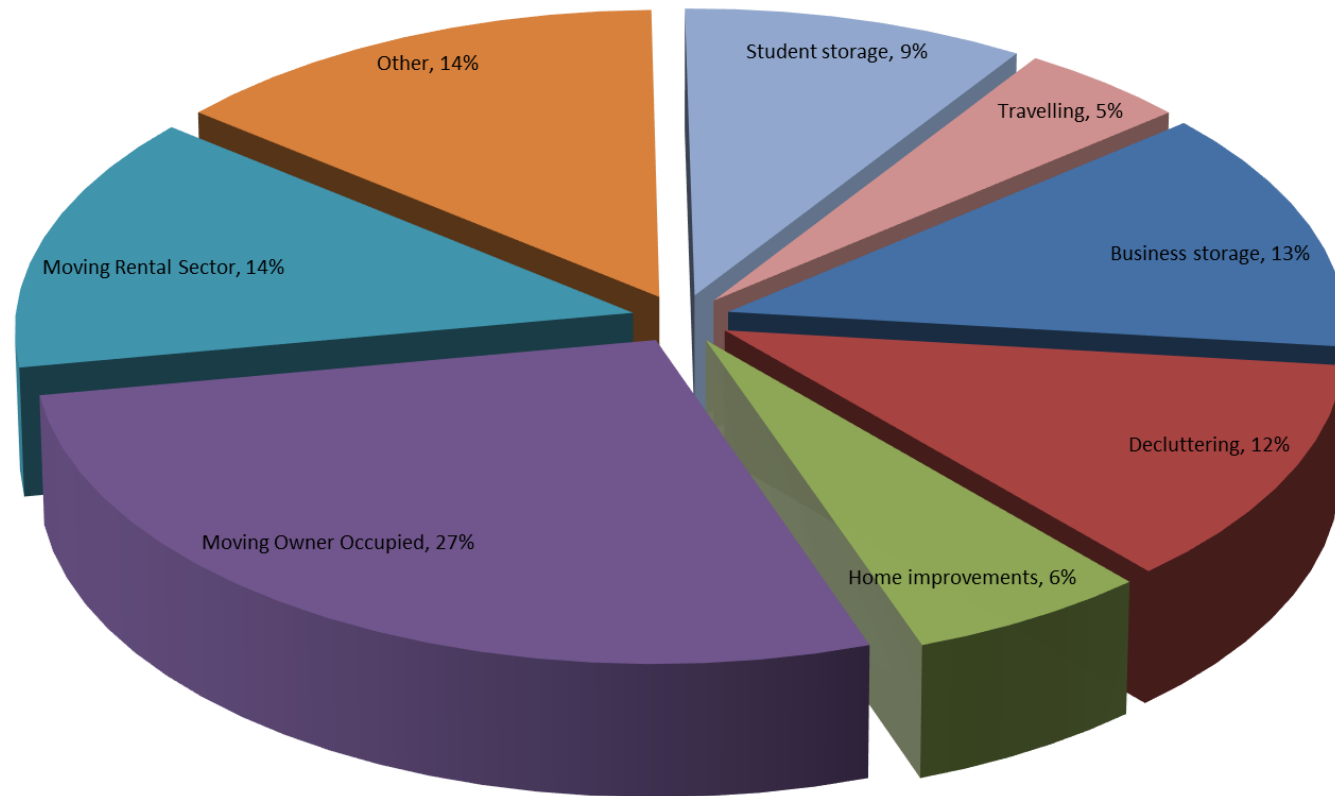
# National Customers



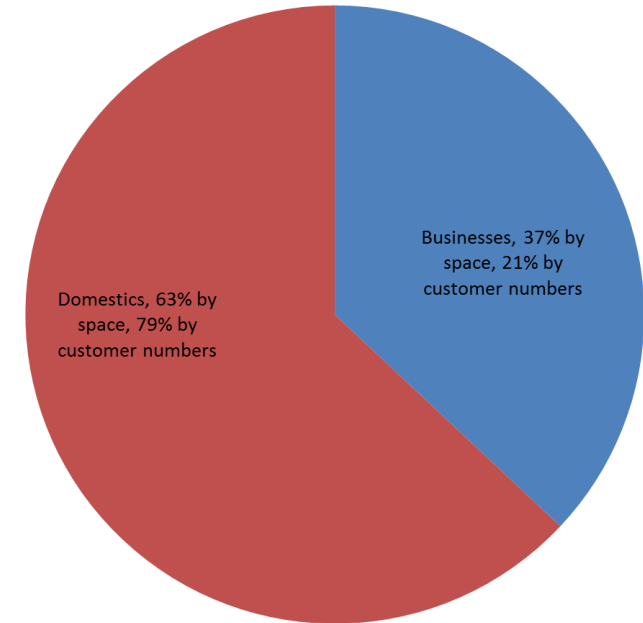
- Businesses can store at multiple locations nationwide through one dedicated point of contact
- Our extended network of third party providers enables customers to have a single self storage supplier relationship
- We provide a range of business services. These include accepting deliveries so customers need not be on site
- Revenue from National Customers is up 21% compared to last year

# Reasons for Using Self Storage

Demand Profile of Move-ins only  
April 2021 to March 2022



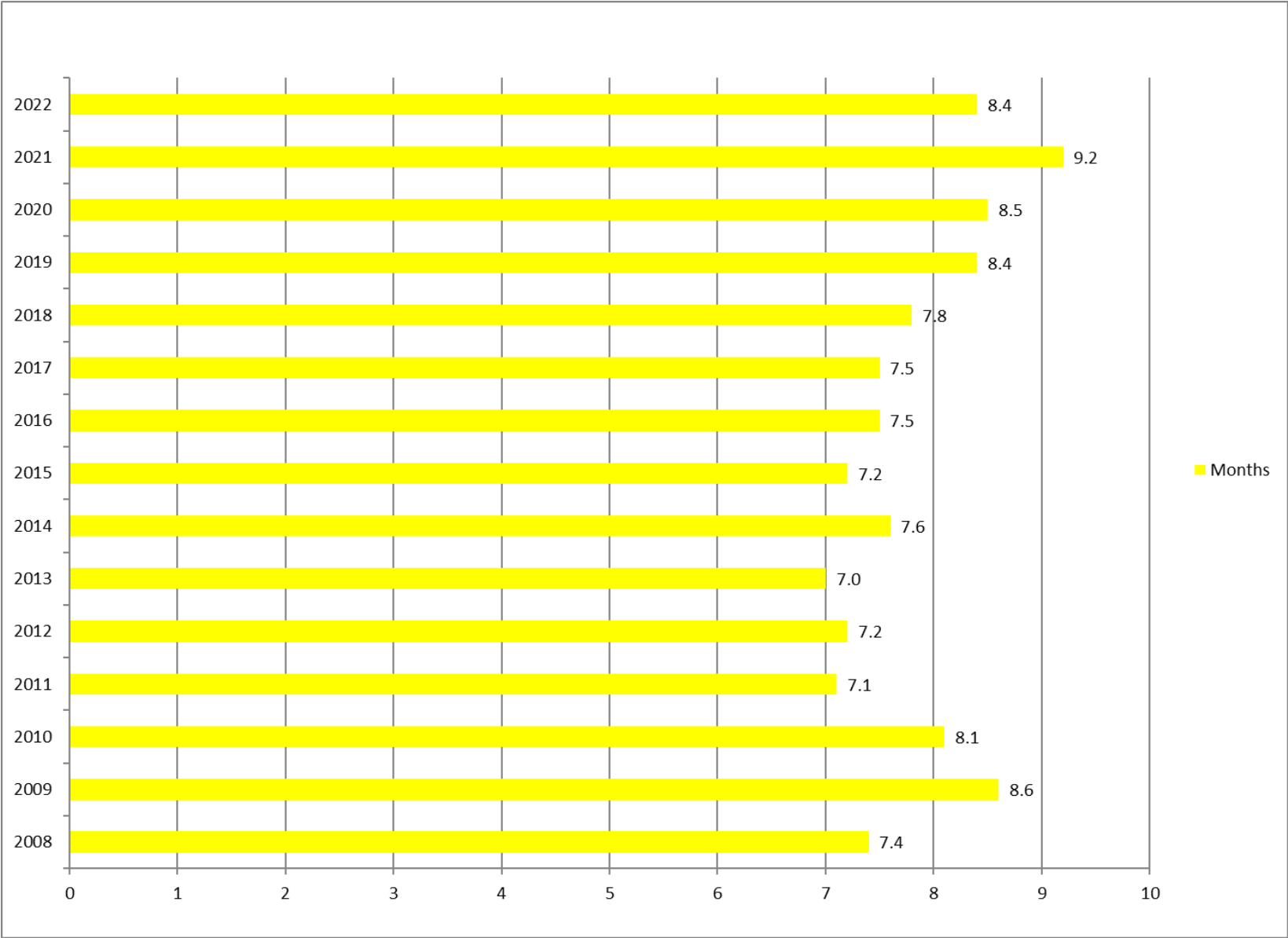
Overall Occupied Space  
31 March 2022



April 2020 to March 2021

Moving Owner Occupied	23%
Moving Rental Sector	16%
Other	14%
Business storage	14%
Decluttering	13%
Student storage	9%
Home improvements	6%
Travelling	5%

# Length of Stay of Customers Vacating in Financial Year



# Customer Average Length of Stay

As at  
31/03/2022

Stores (N° of Months)

		0-3 Years	>3 Years	Big Yellow	Armadillo	All Stores	Big Yellow Stores 31/03/2021
<b>Business</b>	Existing	8.2	34.5	33.1	35.5	<b>33.6</b>	31.3
	Vacated	3.7	11.8	11.8	14.4	<b>12.1</b>	11.8
	Total	6.0	14.0	13.9	17.0	<b>14.2</b>	13.7
<b>Domestic</b>	Existing	6.7	29.0	27.9	22.4	<b>27.4</b>	26.1
	Vacated	3.0	6.9	6.9	6.7	<b>6.8</b>	7.2
	Total	4.1	7.9	7.9	7.7	<b>7.8</b>	8.2
<b>All</b>	Existing	7.0	30.1	29.0	26.1	<b>28.6</b>	27.6
	Vacated	3.1	7.4	7.4	7.4	<b>7.4</b>	7.5
	Total	4.4	8.6	8.6	8.5	<b>8.6</b>	8.7

# Self Storage Market

## Key Influencers

- Growing public awareness
- Change in economic activity and GDP growth
- Population mobility and investment in existing homes
- Physical planning and constraints, smaller homes
- Focus on high density development on brownfield sites
- Housing demand, divorce, single parent families, single living
- Business formation/expansion/e-tailing requiring flexible, convenient space

# Self Storage Market

- US Market (2020 SSA/Cushman & Wakefield Report)
  - Population 328.2 million
  - 55,000 self storage centres
  - 3.1 billion sq ft – 9.4 sq ft per person
- Australian Market (2020 SSA/Cushman & Wakefield Report)
  - Population 25.0 million
  - 1,450 self storage centres
  - 48.5 million sq ft – 1.9 sq ft per person
- UK Market (2022 SSA/Cushman & Wakefield Report)
  - Population 68.4 million
  - 2,065 self storage centres (including 621 container operators)
  - 52.0 million sq ft – 0.76 sq ft per person
- European Market Excluding UK (2021 Fedessa/JLL Report)
  - Population 428.7 million
  - 3,176 self storage centres
  - 67.6 million sq ft – 0.16 sq ft per person

# Per Store Analysis

<b>Year Ended 31 March 2022</b>	<b>Established Stores</b>	<b>Developing Stores</b>	<b>Armadillo Stores</b>	<b>All Stores</b>
Average Store Capacity	63,550	59,750	40,875	58,075
Average Sq Ft Occupied Per Store	55,165	33,125	33,960	48,640
Average % Occupancy	86.8%	55.4%	83.1%	83.7%
Average Revenue Per Store (£000)	2,000	887	849	1,645
Average EBITDA Per Store (£000)	1,468	460	522	1,169
Average EBITDA Margin	73.4%	51.9%	61.5%	71.1%

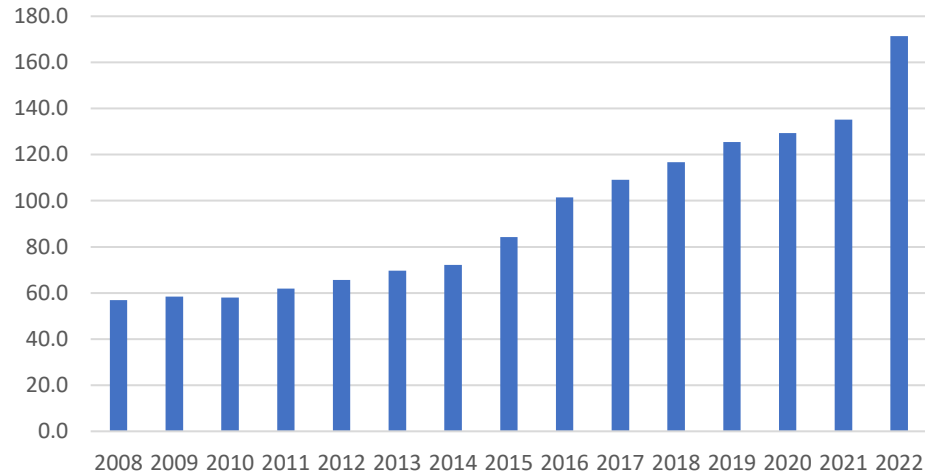
- Our stores are larger than the UK average of approximately 45,000 sq ft
- Our occupied space per store equates to 108% occupancy of the average UK store

# Track Record Since 2007

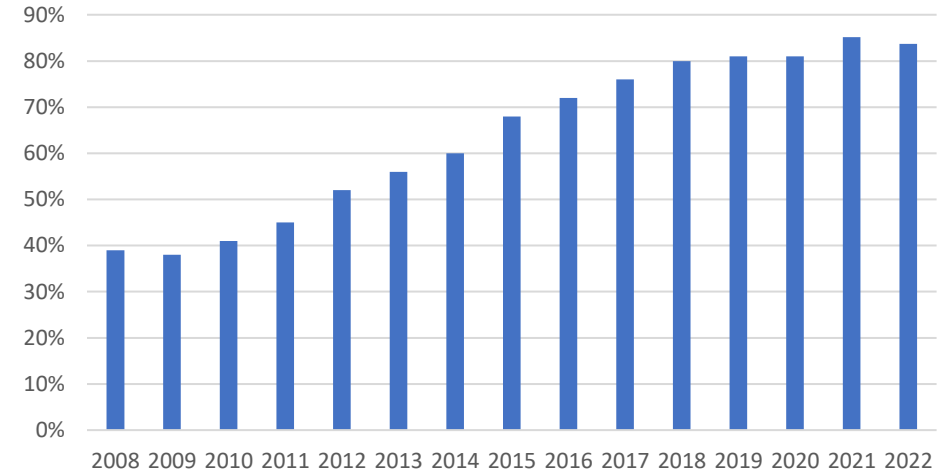
- 3.6 million sq ft increase in MLA capacity and 3.3 million sq ft increase in occupied space from 1 April 2007 to 31 March 2022
- Revenue for March 2022 more than tripled since 2008 to £171.3 million
- More than fourfold increase in adjusted EPS since 2008 to 52.5p and more than fourfold increase in DPS to 42.0p. Dividend policy remains to pay out 80% of adjusted EPS
- Capital expenditure of circa £800 million from 1 April 2008 to 31 March 2022, largely funded by post dividend cash flow and equity. Net debt increase over the period is £130 million
- Circa £387 million of new equity raised since 2008 (£31.5 million in 2009, £35.8 million in 2013, £76.4 million in 2014, £65.3 million in 2018, £79.9 million in 2020 and £97.6 million in 2021)

# Track Record Since 2007

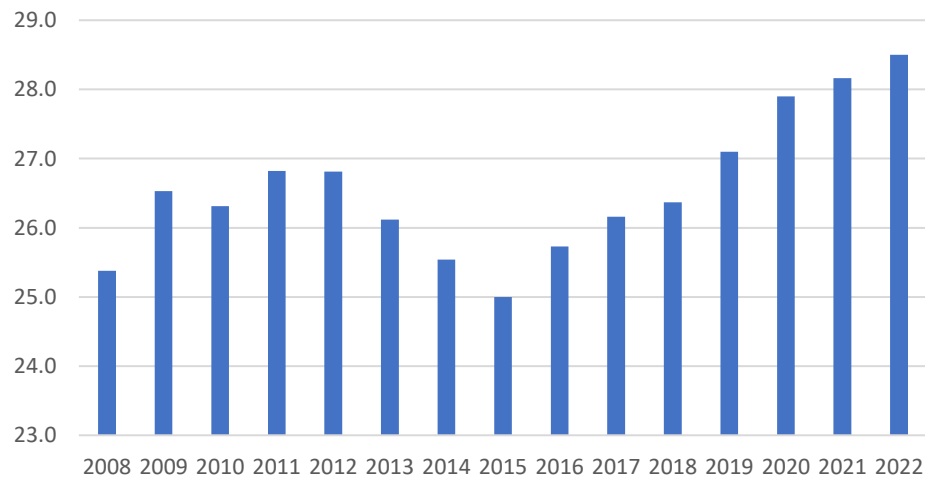
## Revenue



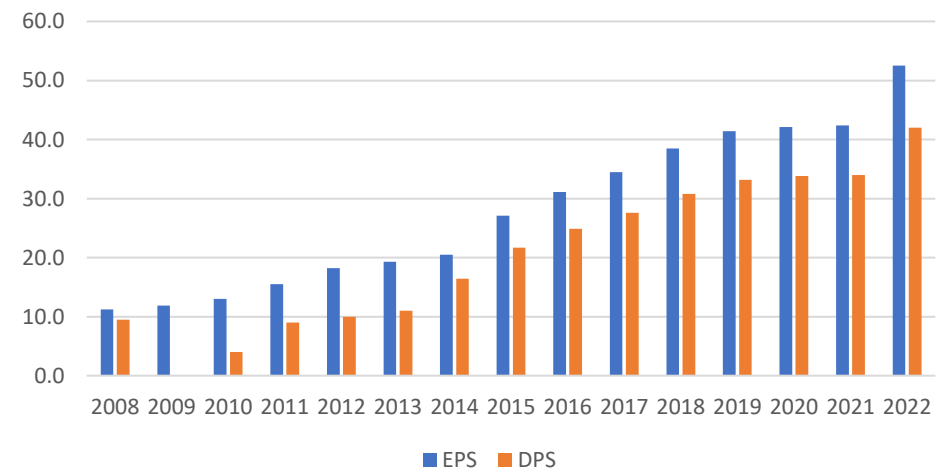
## Occupancy



## Avg annual rent per sq ft per annum (£)



## Adjusted eps and dps (pence)



NB – VAT introduced on self storage in October 2012, Pramerica JV acquired in December 2014, Armadillo acquired in July 2021



# Big Yellow Relative TSR Performance



Source: Datastream as at 31 March 2022





**Hove, March 2022**  
MLA - 58,000 sq ft



**Hayes, January 2022**  
MLA - 73,000 sq ft



**Uxbridge, June 2021**  
MLA - 54,000 sq ft



**Battersea, November 2020**  
MLA - 70,000 sq ft



**Bracknell, September 2020**  
MLA - 59,000 sq ft



**Camberwell, July 2020**  
MLA - 75,000 sq ft



**Manchester, May 2019**  
MLA - 60,000 sq ft



**Wapping, July 2018**  
MLA - 26,000 sq ft



**Guildford Central, March 2018**  
MLA - 55,000 sq ft



**Twickenham 2, April 2016**  
MLA - 22,000 sq ft



**Nine Elms, April 2016**  
MLA - 65,000 sq ft



**Cambridge, January 2016**  
MLA - 60,000 sq ft



**Enfield, April 2015**  
MLA - 60,000 sq ft



**Chester, February 2015**  
MLA - 69,000 sq ft



**Oxford 2, July 2014**  
MLA - 35,000 sq ft



**Gypsy Corner, April 2014**  
MLA - 70,000 sq ft



**Chiswick, April 2012**  
MLA - 73,000 sq ft



**New Cross, February 2012**  
MLA - 61,000 sq ft



**Stockport, September 2011**  
MLA - 65,000 sq ft



**Eltham, April 2011**  
MLA - 70,000 sq ft



**Camberley, January 2011**  
MLA - 67,000 sq ft



**High Wycombe, June 2010**  
MLA - 60,000 sq ft



**Reading, December 2009**  
MLA - 62,000 sq ft



**Sheffield Bramall Lane,  
September 2009** MLA - 60,000 sq ft



**Poole, August 2009**  
MLA - 55,000 sq ft



**Nottingham, August 2009**  
MLA - 67,000 sq ft



**Edinburgh, July 2009**  
MLA - 63,000 sq ft



**Twickenham, May 2009**  
MLA - 73,000 sq ft



**Liverpool, March 2009**  
MLA - 60,000 sq ft



**Bromley, March 2009**  
MLA - 71,000 sq ft



**Birmingham, February 2009**  
MLA - 60,000 sq ft



**Sheen, December 2008**  
MLA - 64,000 sq ft



**Sheffield Hillsborough,  
October 2008** MLA - 60,000 sq ft



**Kennington, May 2008**  
MLA - 66,000 sq ft



**Merton, March 2008**  
MLA - 70,000 sq ft



**Fulham, March 2008**  
MLA - 138,000 sq ft



**Balham, March 2008**  
MLA - 61,000 sq ft



**Barking, November 2007**  
MLA - 64,000 sq ft



**Ealing Southall, November 2007**  
MLA - 57,000 sq ft



**Sutton, July 2007**  
MLA - 70,000 sq ft



**Gloucester, December 2006**  
MLA - 50,000 sq ft



**Edmonton, October 2006**  
MLA - 75,000 sq ft



**Kingston, August 2006**  
MLA - 62,000 sq ft



**Bristol Ashton Gate, July 2006**  
MLA - 61,000 sq ft



**Finchley East, May 2006**  
MLA - 54,000 sq ft



**Tunbridge Wells, April 2006**  
MLA - 57,000 sq ft



**Bristol Central, March 2006**  
MLA - 64,000 sq ft



**North Kensington, December 2005**  
MLA - 50,000 sq ft



**Leeds, July 2005**  
MLA - 76,000 sq ft



**Beckenham, May 2005**  
MLA - 71,000 sq ft



**Tolworth, November 2004**  
MLA - 56,000 sq ft



**Watford, August 2004**  
MLA - 64,000 sq ft



**Swindon, April 2004**  
MLA - 53,000 sq ft



**Orpington, December 2003**  
MLA - 64,000 sq ft



**Byfleet, November 2003**  
MLA - 48,000 sq ft



**Chelmsford, April 2003**  
MLA - 54,000 sq ft



**Finchley North, March 2003**  
MLA - 62,000 sq ft



**West Norwood, January 2003**  
MLA - 57,000 sq ft



**Colchester, December 2002**  
MLA - 54,000 sq ft



**Bow, November 2002**  
MLA - 132,000 sq ft



**Brighton, October 2002**  
MLA - 59,000 sq ft



**Guildford Slyfield, June 2002**  
MLA - 55,000 sq ft



**New Malden, May 2002**  
MLA - 81,000 sq ft



**Hounslow, December 2001**  
MLA - 54,000 sq ft



**Ilford, November 2001**  
MLA - 58,000 sq ft



**Cardiff, October 2001**  
MLA - 74,000 sq ft



**Portsmouth, October 2001**  
MLA - 61,000 sq ft



**Norwich, September 2001**  
MLA - 47,000 sq ft



**Dagenham, July 2001**  
MLA - 51,000 sq ft



**Wandsworth, April 2001**  
MLA - 72,000 sq ft



**Luton, March 2001**  
MLA - 41,000 sq ft



**Southend, March 2001**  
MLA - 57,000 sq ft



**Staples Corner, March 2001**  
MLA - 112,000 sq ft



**Romford, November 2000**  
MLA - 70,000 sq ft



**Milton Keynes, September 2000**  
MLA - 60,000 sq ft



**Cheltenham, April 2000**  
MLA - 50,000 sq ft



**Slough, February 2000**  
MLA - 67,000 sq ft



**Hanger Lane, October 1999**  
MLA - 66,000 sq ft



**Oxford, August 1999**  
MLA - 33,000 sq ft



**Croydon, July 1999**  
MLA - 79,000 sq ft



**Richmond, May 1999**  
MLA - 35,000 sq ft



**Canterbury**  
MLA - 35,000 sq ft



**Daventry**  
MLA - 26,000 sq ft



**Derby**  
MLA - 45,000 sq ft



**Dundee**  
MLA - 39,000 sq ft



**Exeter**  
MLA - 33,000 sq ft



**Gateshead**  
MLA - 46,000 sq ft



**Grimsby**  
MLA - 40,000 sq ft



**Hull**  
MLA - 32,000 sq ft



**Liverpool Aintree**  
MLA - 49,000 sq ft



**Liverpool Bootle**  
MLA - 35,000 sq ft



**Liverpool South**  
MLA - 50,000 sq ft



**Macclesfield**  
MLA - 63,000 sq ft



**Morecambe**  
MLA - 50,000 sq ft



**Newcastle**  
MLA - 56,000 sq ft



**Peterborough**  
MLA - 50,000 sq ft



**Plymouth**  
MLA - 26,000 sq ft



**Sheffield Parkway**  
MLA - 48,000 sq ft



**Sheffield West Bar**  
MLA - 29,000 sq ft



**Stockton Central**  
MLA - 43,000 sq ft



**Stockton South**  
MLA - 25,000 sq ft



**Stoke**  
MLA - 38,000 sq ft



**Torquay**  
MLA - 32,000 sq ft



**Warrington**  
MLA - 57,000 sq ft



**West Molesey**  
MLA - 36,000 sq ft



# Disclaimer

This presentation contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking in nature and are subject to risks and uncertainties. Actual future results may differ materially from those expressed in or implied by these statements.

Many of these risks and uncertainties relate to factors that are beyond Big Yellow's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Big Yellow does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials. Information contained in this presentation relating to the Company or its share price, or the yield on its shares, should not be relied upon as a guide to future performance.