



Results for the half-year ended June 30, 2019

August 14, 2019

Building up our pipeline for the coming years

- 5 projects signed conditional to permit consent (29,000sqm) in London, Paris, Berlin in line with our 2019 guidance
Out of which, permits have been received for 3 (2 in Paris and 1 in Berlin)
- 2 openings in 2019 (11,800sqm) for €24.7 million in London and Utrecht (the Netherlands) generating an expected property yield between 8-10% at maturity
The opening of Berlin Oberschoeneweide (6,100sqm) for €9.5 million has been postponed from Q4 2019 to Q3 2020 due to construction delays
- 2 redevelopments finalized in the first 6 months of 2019 (4,300sqm) for €7.0 million in London and Paris
- 1 redevelopment to be finalized in the last 6 months of 2019 (800sqm) for €2.6 million in London and 2 more redevelopments planned for 2020 (3,700sqm) for €8.6 million in London and Paris

Strong financial performance in line with our 2019 guidance

- Property operating revenue for the first 6 months of 2019 grew by 5.5% (6.0% at CER)
- Income from property (NOI) growth of 8.1% (8.7% at CER)
- Same store property operating revenue growth of 1.3% at CER
- Same store NOI margin of 61.6%, up 1.5pp at CER
- Delivery of €50.9 million of adjusted EPRA earnings, which represents growth of 9.9% (10.6% at CER)

Solid Q2 performance

- Property operating revenue for the quarter grew by 5.5% (6.0% at CER)
- Income from property (NOI) growth for the quarter of 8.0% (8.5% at CER)
- Same store property operating revenue growth for the quarter of 1.4% at CER
- Same store NOI margin of 66.7%, up 1.7pp at CER

Robust financing

- Undrawn revolving credit facility for €250 million – matures in 2023
- Long term funding with no immediate maturities (first maturity due in 2021)
- LTV: 15.8% (down from 24.8% in 2018) as of June 30, 2019
- Net debt / annualized EBITDA: 3.0x as of June 30, 2019
- Cash position: €250.8 million as of June 30, 2019

Interim dividend

- €0.45 per share
- Payment on or about October 3, 2019

Financial performance

In € millions
At actual exchange rate

Comments

	Q2 2018	Q2 2019	% var.CER	H1 2018	H1 2019	% var.	% var.CER	
Property operating revenue	59.8	63.1	6.0%	119.4	126.0	5.5%	6.0%	+5.5% (+6.0% at CER) year-on-year revenue growth mainly driven by acquisitions performance
Other revenue ⁽¹⁾	0.1	0.0	n/m	0.1	0.0	n/m		
Real estate operating revenue	59.9	63.1	5.9%	119.5	126.0	5.4%	5.9%	
% growth	1.3%	5.4%		1.8%	5.4%			
Net income from real estate operations	38.7	41.7	8.3%	71.3	77.0	7.9%	8.5%	+1.4pp margin improvement driven by operational efficiency at store level and performance of acquisitions
% growth	0.6%	7.8%		2.3%	7.9%			
% margin	64.6%	66.0%	1.5pp	59.7%	61.1%	1.4pp	1.5pp	
G&A and other	(3.0)	(4.5)		(5.7)	(8.2)			
% margin	5.0%	7.2%		4.8%	6.5%			
EBITDA	35.7	37.2	4.8%	65.6	68.8	4.8%	5.5%	
% margin	56.9%	57.7%		56.9%	57.7%			
Acquisition costs and dead deals	(0.1)	0.0		(0.1)	0.0			
Casualty loss/gain	0.0	1.6		1.3	1.6			
EBITDA incl. exceptional items ⁽²⁾	35.6	38.8	9.7%	66.8	70.4	5.4%	6.0%	CIT as a % of adj. EPRA earnings before tax at 15.0%, down from 17.5% in 2018
% margin	59.4%	61.5%		55.9%	55.9%			
Adj. EPRA earnings	24.6	28.6	16.9%	46.3	50.9	9.9%	10.6%	
% margin	41.1%	45.4%		38.8%	40.4%			

In line with guidance across all metrics

(1) Other revenue consists of management fees revenue and partnership income from self-storage operations
(2) Excluding D&A and including royalty fee expense and acquisition costs

Same store property operating revenue by country – 2019 vs 2018

In € millions
At actual exchange rate

	Q2 2018	Q2 2019	% var. CER	H1 2018	H1 2019	% var.	% var. CER
The Netherlands	13.2	13.5	2.2%	26.4	27.0	2.0%	2.0%
France	15.9	16.1	1.7%	31.7	32.1	1.3%	1.3%
Sweden	9.6	9.3	-0.3%	19.4	18.7	-4.0%	-0.6%
UK	7.3	7.7	4.7%	14.4	15.3	6.0%	5.2%
Belgium	5.2	5.1	-2.0%	10.4	10.2	-1.6%	-1.6%
Germany	4.4	4.5	2.6%	8.7	9.0	2.8%	2.8%
Denmark	3.3	3.2	-2.0%	6.6	6.5	-2.2%	-2.0%
Total	58.9	59.5	1.4%	117.8	118.7	0.8%	1.3%

Comments

- 1 No large promotional activities in bigger markets compared to end of June 2018, leading to a lower occupancy rate across the portfolio (-1.6pp at period end) compensated by an increase in in-place rent (+2.1%)
- 2 Recovering revenue growth in Sweden (-0.6%) versus Q1 2019 (-0.9%) mainly driven by improvements in in-place rent growth. Negative impact of foreign exchange rate (-3%)
- 3 Strong revenue growth in the UK (5.2%) from increasing year-on-year occupancy and in-place rent. Positive impact of foreign exchange rate (+1%)
- 4 Deteriorating revenue growth in Belgium (-1.6%) mainly due to the temporary impact of unit mix changes (in 8 stores)
- 5 The uplift in in-place rent growth versus Q1 2019 is countered by decreasing year-on-year occupancy leading to decreased revenue for Denmark (-2.0%, stable versus Q1 2019)

Uplift in same store revenue growth in second quarter

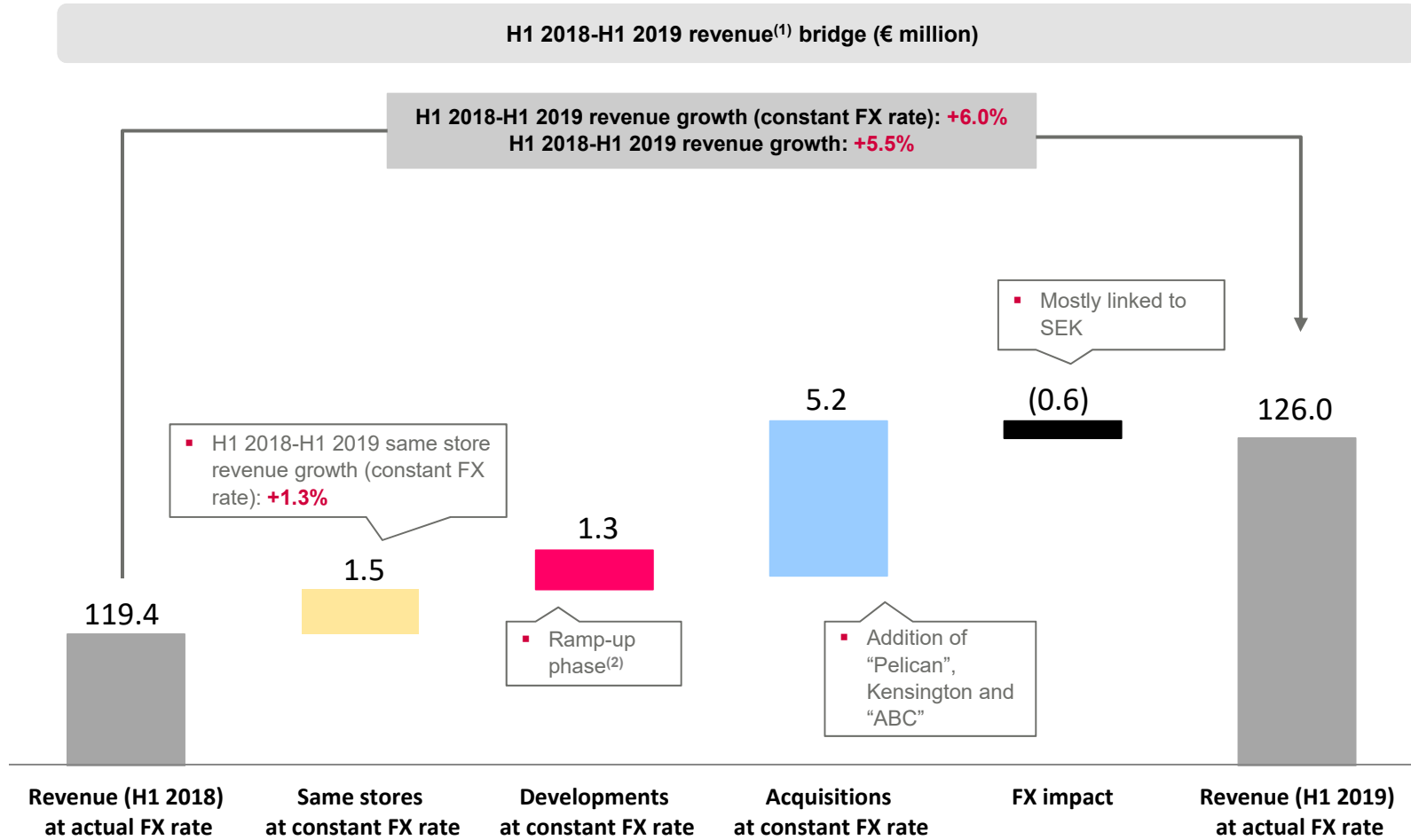
Current operating results – Top line growth and scalability

In € 000' (except in-place rent and revPAM)
At constant exchange rate

	All store			Same store			Non-same store		
	H1 2018	H1 2019	% var.	H1 2018	H1 2019	% var.	H1 2018	H1 2019	% var.
Property operating revenue	118,814	125,974	6.0%	117,189	118,693	1.3%	1,625	7,282	348.2%
Real estate operating expense	(48,007)	(48,990)	2.0%	(46,761)	(45,587)	-2.5%	(1,247)	(3,403)	173.0%
Income from property (NOI)	70,807	76,984	8.7%	70,429	73,105	3.8%	378	3,879	925.9%
NOI margin	59.6%	61.1%	1.5pp	60.1%	61.6%	1.5pp	23.3%	53.3%	30.0pp
Average sqm occupancy	86.6%	86.2%	-0.4pp	88.1%	87.4%	-0.7pp	41.2%	70.1%	28.9pp
In-place rent	209.4	214.5	2.4%	210.0	214.3	2.1%	168.8	217.1	28.6%
RevPAM	212.3	216.1	1.8%	216.2	218.4	1.0%	91.7	184.1	100.6%
Rentable sqm (000's) at period end	1,122	1,166	4.0%	1,084	1,088	0.3%	37	78	108.4%

NOI growth driven both by same and non-same store

H1 2019 revenue evolution – 3 levers of growth



Acquisitions of "Pelican", Kensington and "ABC" contributed largely to the revenue growth

(1) Excluding other revenue (management fee revenue and partnership income from self-storage operations)
 (2) Excluding the negative impact of CPW (€0.9 million)

Real estate operating expenses

In € 000¹

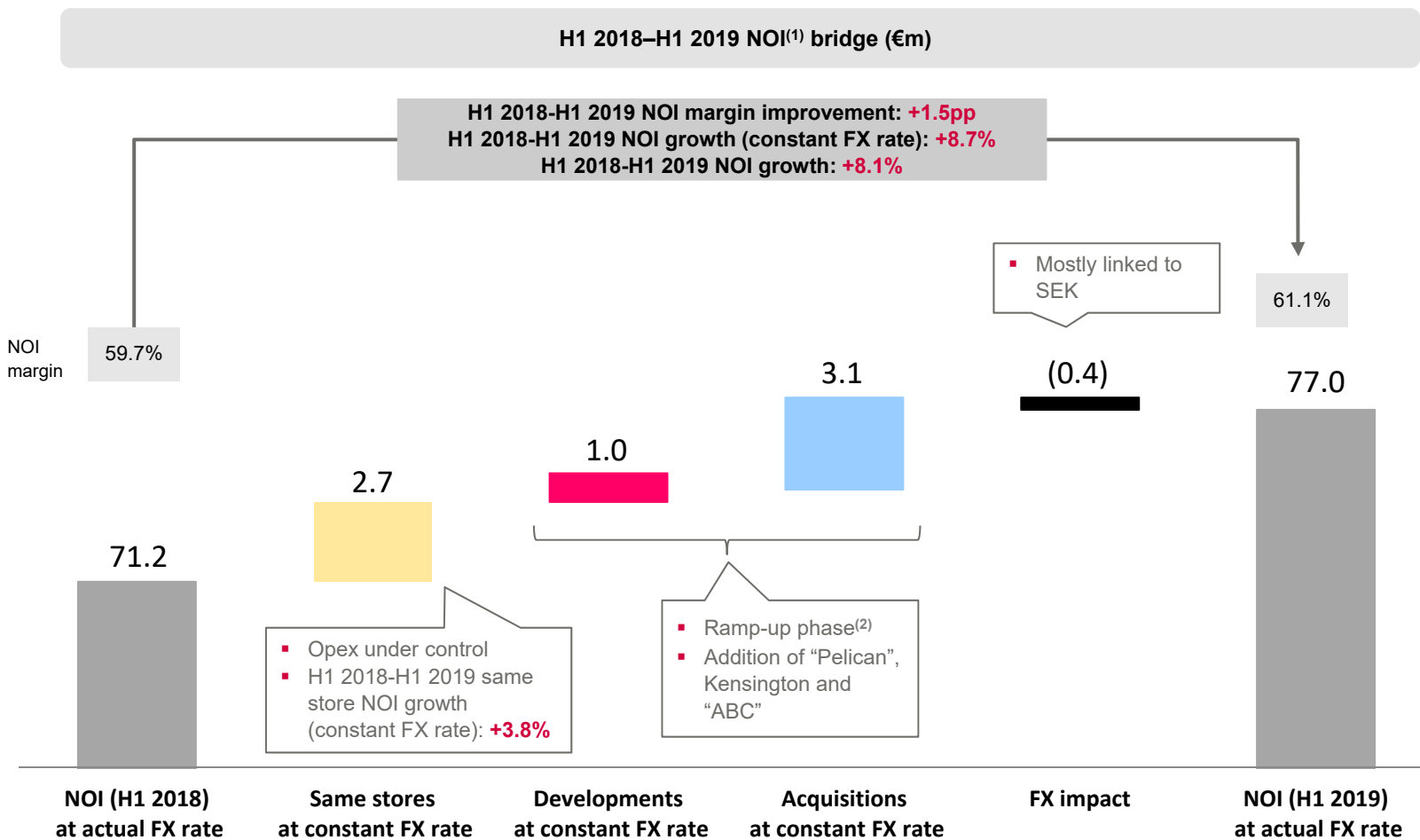
At constant exchange rate unless otherwise specified

	H1 2018	H1 2019	% var.
Payroll expense	17,627	18,714	6.2%
Real estate and other taxes	9,223	9,601	4.1%
Repairs and maintenance	3,367	3,401	1.0%
Marketing expense	3,049	3,373	10.6%
Utility expense	2,046	1,933	-5.5%
Other operating expenses (1)	6,864	7,267	5.9%
Doubtful debt expense	1,892	2,081	10.0%
Cost of insurance and merchandise sales	2,168	2,347	8.3%
Real estate operating expense excluding property lease expense	46,236	48,717	5.4%
Property lease expense	1,771	273	-84.6%
Real estate operating expense (CER)	48,007	48,990	2.0%
Foreign exchange	162		
Real estate operating expense (AER)	48,169	48,990	1.7%
NOI margin (AER)	59.7%	61.1%	1.5pp

Expense growth slower than revenue growth

(1) Other operating expenses mainly include: travel expenses, legal and consultancy fees, insurance expenses, non-deductible VAT and information system expenses.

H1 2019 NOI evolution – Top line growth and scalability



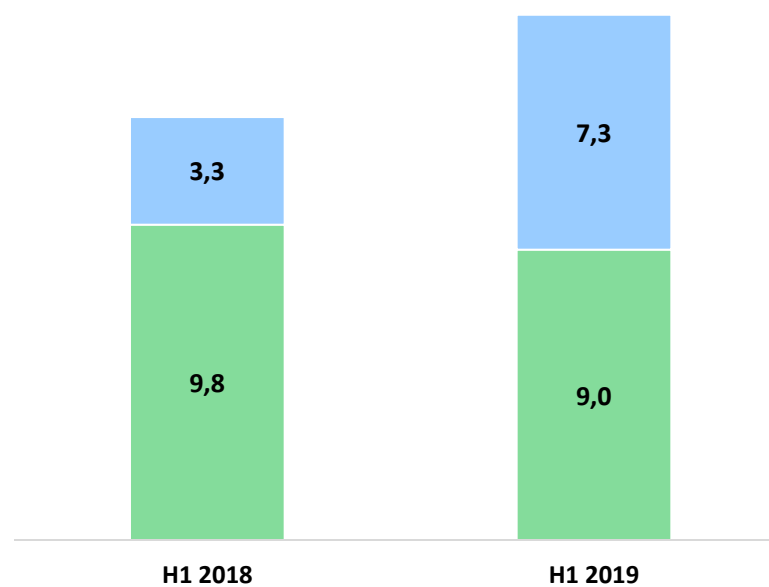
Improved margin driven by same store performance, addition of stores and platform scalability

(1) Excluding other revenue (management fee revenue and partnership income from self-storage operations)
 (2) Excluding the negative impact of CPW (€0.6 million)

Income tax expense – Towards stabilization

In € millions
At constant exchange rate

■ Current Tax Expense ■ Deferred Tax Expense



Effective tax rate ⁽¹⁾	H1 2018	H1 2019
	17.5%	15.0%

Guidance of 18 to 20% of adjusted EPRA earnings before tax in the medium-term

(1) Effective tax rate is current expense divided by adjusted EPRA earnings before tax

EBITDA to adjusted EPRA earnings

In € 000'

At constant exchange rate

	H1 2018	H1 2019	% var.
EBITDA	65,218	68,802	5.5%
Net attributable profit adjustments			
Acquisition costs and dead deals	(124)	0	N/A
Casualty loss/gain	1,336	1,645	23.1%
Depreciation & amortization	(830)	(883)	6.4%
Finance costs	(9,841)	(9,530)	-3.2%
Current tax	(9,768)	(8,994)	-7.9%
Minority interest, net of EPRA adjustments	(182)	(91)	-49.9%
EPRA adjustments			
Loss/(gain) on revaluation of investment properties and deferred tax expense (net of adjustments)	140	(1)	N/A
Acquisition costs of business combinations, net of taxes	97	0	N/A
Adjusted EPRA earnings	46,045	50,948	10.6%
<i>FX rate</i>	304		
Adjusted EPRA earnings at actual rate	46,349	50,948	9.9%

Adjusted EPRA earnings growth driven by revenue increase and current tax saving

Balance sheet – solid and ready for growth

In € 000'

At actual exchange rate

As of June 30

	2018	2019		Comments
Investment property	2,351,641	2,638,739	1	
Other assets (1)	17,224	17,568		1 Increase mainly due to the 9 acquisitions and 1 development performed in H2 2018
Trade receivable, net	9,569	11,459		
Cash and cash equivalents	22,158	250,798	2	
TOTAL ASSETS	2,400,592	2,918,564		2 Increase coming from IPO proceeds raised
Equity	1,370,089	1,810,243	3	
Senior guaranteed notes	597,546	597,913		3 Equity increase following IPO (issued share capital)
Deferred tax liabilities and other	354,384	434,187		
Trade and other payables	78,572	76,221		4 Growth in EPRA NAV following increased equity
TOTAL LIABILITIES	2,400,592	2,918,564		
EPRA NAV	1,698,670	2,161,714	4	
EPRA NAV per share (diluted) €	26.53	24.19		

Funds available for developments and acquisitions

(1) Consist mainly of other current assets (mainly prepayments), intangible assets and other

Cash flow statement

In € millions

At actual exchange rate

	H1 2018	H1 2019	% var.	Comments
EBITDA incl. exceptional items	66.8	70.4	5.4%	
Other / working capital	12.0	8.0	-33.6%	
Taxes	(8.5)	(15.1)	78.3%	
TOTAL CASH FROM OPERATIONS	70.4	63.3	-10.0%	
New stores, redevelopments and acquisitions	(58.6)	(25.5)	-56.5%	1 Less investments compared to first half of 2018
Maintenance capex	(3.8)	(4.5)	18.9%	
IS capex	(0.8)	(1.0)	27.1%	
Capitalized internal development costs and other	(0.5)	(1.0)	95.3%	
Proceeds from insurance recovery	1.1	1.6	40.1%	
TOTAL CASH FROM INVESTMENTS	(62.6)	(30.5)	-51.3%	2 Dividend paid out on May 15, 2019
Proceeds from sale of treasury shares	0.0	0.7	NA	
Repayment of lease obligations	(0.3)	(1.2)	356.5%	
Purchase of treasury shares	0.0	(3.0)	NA	
Payment of dividend	0.0	(19.6)	NA	2 3 Cash balance still at IPO level
Interests paid	(9.1)	(9.6)	5.7%	
TOTAL CASH FROM FINANCING	(9.4)	(32.6)	248.4%	
Adjustments cash (equivalent) and exchange rate fluctuation	(1.5)	(0.1)	-91.6%	
Cash: beginning balance	23.6	250.9	961.2%	3
Cash: ending balance	22.2	250.8	1031.8%	

Cash balance at IPO level

Development pipeline – well positioned to achieve our guidance

In € millions
At closing rate June 2019

	Project	Period of opening	Net sqm (000's)	Direct project cost proforma (1)
<u>Total 2019</u>		2	11.8	24.7
	Utrecht Leidsche Rijn	Q4 2019	5.9	9.5
	London Herne Hill	Q4 2019	5.9	15.2
<u>Total 2020</u>		6	35.1	56.0
	Paris	3	18.0	25.3
	London	1	6.0	12.5
	Berlin Oberschoeneweide	1 Q3 2020	6.1	9.5
	Berlin	1	5.0	8.6
Total development pipeline		8	46.9	80.8

Out of 6 projects in the pipeline for 2020, permits have been received for 4 (2 in Paris and 2 in Berlin), while the regular permit process is ongoing for 2 (1 in Paris and 1 in London)

Company medium-term guidance

Revenue growth	<ul style="list-style-type: none">▪ All store growth of 4-6% in the medium term▪ Same store growth of 1.5-2.5% p.a. in the medium term
NOI margin	<ul style="list-style-type: none">▪ At least 2 percentage points same store NOI margin improvement in the medium term
Occupancy	<ul style="list-style-type: none">▪ An average of c. 92% stabilized occupancy in the medium term
Tax	<ul style="list-style-type: none">▪ Average effective income tax rate of 18-20% based on adjusted EPRA earnings before tax, based on current tax laws
Dividend	<ul style="list-style-type: none">▪ Distribute 80% of adjusted EPRA earnings as annual dividends with semi-annual payment
LTV	<ul style="list-style-type: none">▪ Below 35% in the long-term
New openings	<ul style="list-style-type: none">▪ New store openings at a targeted property NOI yield⁽¹⁾ of 8-10% at maturity:<ul style="list-style-type: none">- 2019: 3- Medium term there after: at least 5 per year
Acquisitions	<ul style="list-style-type: none">▪ On average 3 stores per year

Medium-term guidance remains unchanged since IPO

Note: all guidance on the basis of constant FX rate

(1) Property yield is defined as expected stabilized NOI including ancillary revenue divided by project cost

Disclaimer

This release contains “forward-looking statements”. These statements are based on the current expectations and views of future events and developments of the management of Shurgard and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements include statements typically containing words such as “will”, “may”, “should”, “believe”, “intends”, “expects”, “anticipates”, “targets”, “estimates”, “likely”, “foresees” and words of similar import. All statements other than statements of historical facts are forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect the current views of the management of Shurgard, are subject to risks and uncertainties about Shurgard and are dependent on many factors, some of which are outside of Shurgard’s control. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.



Thank you for your attention!