

May 10, 2023 at 6 a.m. GMT

"Regulated Information"

Shurgard Self Storage Ltd
 ("Shurgard" or the "Company")

First quarter 2023 results
 January 1, 2023 to March 31, 2023

Strong operational performance based on:
All stores revenue growth of 10.6% (at CER)⁽¹⁾
With growth of occupancy (+0.2pp) and in-place rate growth (+7.9%) for our same store pool
Efficient cost control leading to a same store NOI growth of 9.6%
Delivering a total company Adj. EPRA earnings growth of 12.1%

Strong Q1 results (at CER)⁽¹⁾

- 10.6% property operating revenue growth, supported by double digit growth in the Netherlands, the UK and Germany;
 - 11.5% income from property (NOI) growth;
 - 7.4% same store property operating revenue growth;
 - 90.2% same store average occupancy rate (0.2pp growth vs. same period last year);
 - 7.9% same store average in-place rent growth, continued pricing power;
 - Limited growth of 4.2% of our same store operating expenses as a result of our digitalization initiatives;
 - 60.0% same store NOI margin, a strong increase of 1.2pp compared to the prior year⁽²⁾;
 - Delivered €30.2 million of adjusted EPRA earnings, representing a growth of 12.1%;
 - EPRA net tangible assets (NTA) per share: €40.96, an increase of 18.6% vs. March 31, 2022;
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- Shurgard became a UK REIT in March 2023;
 - On April 27, 2023, as part of its short- to mid-term financing strategy, Shurgard signed an unsecured €450 million floating interest committed bank loan facility, being available for three years, with two one-year renewal possibilities. The facility is priced with an initial 120bps margin on EURIBOR. Shurgard intends to draw on the facility when financing needs arise. ABN AMRO, Belfius, BNP Paribas Fortis (Coordinator) and KBC were acting as Bookrunner Mandated Lead Arranger (BMLA), and Banque Internationale à Luxembourg as a Mandated Lead Arranger (MLA);
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- Cash position: €105.3 million⁽³⁾;
 - LTV: 17.5%⁽³⁾;
 - Net debt/ EBITDA: 4.5x^{(2) (3)};
 - ICR (interest coverage ratio): 9.0x⁽³⁾;
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- Consistent growth in our expansion plan delivering new capacity to 2025 representing 8% (107,711 sqm or c. €222.3 million of direct project cost) of our net rentable sqm either developed, under construction or signed. Notably, this does not include acquisitions (20,000 sqm), which will be added in our pipeline upon completion;

⁽¹⁾ Constant Exchange Rate

⁽²⁾ Lower than yearly average margin due to the impact of the recognition of most of the yearly real estate tax expenses in Q1

⁽³⁾ As of March 31, 2023

- I. Marcus will be appointed Chairman of the Board (independent), R. Havner is stepping down from the Board of Directors and will remain Chairman Emeritus;
- Increased ratio of independent directors, both Public Storage and NYSCRF will reduce their representation from two to one Board Member⁽¹⁾.

2023 Outlook

- Based on our strong 2022 results and on first trading numbers for 2023, we expect to deliver above 8% total revenue growth for the year 2023;
- Our target of c. 2pp growth for all store NOI margin vs. 2020 has been achieved in 2022, ahead of our medium term guidance of 2024. In 2023, we plan a 0.2pp NOI margin growth for all stores;
- We plan to add c. 70,000 sqm (or c. €150 million) via redevelopment, new developments and acquisitions;
- For all investment decisions taken as from 2023, we are increasing our expected property yield to c. 8% to 9% at maturity (from c. 7% to 8%);
- Our average effective income tax rate is expected to be at c. 18% in 2023 (based on Adjusted EPRA Earnings before tax);
- Shurgard intends to declare a dividend of €1.17 per share for the fiscal year. Shurgard will continue to review its dividend policy to ensure it remains competitive.

Marc Oursin, Shurgard Chief Executive Officer, commented⁽²⁾:

“Q1 (January to March) is another strong quarter for our company and in line with our expectations. Shurgard continues to demonstrate its ability to grow and remain resilient during these challenging times. Our significant geographical spread is a clear benefit to deliver this performance as well as the optimized management of our platform.

The same store pool (c. 90% of the portfolio) has been particularly efficient with its top line growth (+7.4%) due to pricing power and keeping a high-level of occupancy (90.2%). Another point of focus explaining this global high performance is the limited growth of operational expenses at +4.2% CER fueled by the benefits of our digitalization (e-rental) and other optimizations.

All markets are positive, including the Nordics despite tough macro conditions and a very competitive landscape in Sweden. France, the Netherlands, London, Germany, and Belgium continue to show high occupancy and high in-place rental growth with positive demand levels. So far, Shurgard has not experienced any change in behavior from prospects and customers.

Q2, which is the “high season” in our industry, will be a good marker to evaluate prospect and client behavior which, to date, continues to show good performance in volume and pricing power.”

(1) Proposal at the AGM May 10, 2023

(2) The data is presented at constant exchange rate (CER)

Operational update

Compared to the same period prior year, our all-store property operating revenue grew by 10.6% in Q1 2023, delivering revenue of €86.7 million, and confirming the resilience of Shurgard in challenging market conditions. All our markets contributed to that performance, with three countries delivering a double-digit growth. This performance was achieved through our expansion, with 11 new stores offering 4.5% additional rentable sqm vs. Q1 2022, but also through strong performance of our Same Store segment.

Same store revenue grew by 7.4% compared to the prior year, mainly fuelled by an average in-place rent increase of 7.9% versus the prior year, and a 0.2pp increase in average same store occupancy. The Netherlands, the United Kingdom, Denmark, Belgium have strongly performed this quarter. As foreseen the Nordics (Sweden and Denmark) are suffering from the macro conditions and an aggressive pricing environment in Sweden.

- In France, our largest market, Q1 2023 same store revenue grew by 5.2% compared to the same period prior year. This is attributed to a 6.1% rise in average in-place rent, with stable occupancy at 89.1%;
- The Netherlands same store continue to perform very well. Revenue increased by 9.8% versus the prior year. Rental rates grew by 9.3% compared to the first three months of 2022, and average occupancy reached 91.1% (+1.3pp);
- The United Kingdom (London) has demonstrated its resilience with a same store revenue growth of 8.8%, fully driven by a double-digit increase in rental rates (+10.1%), while occupancy remained stable at 87.6%;
- Sweden's revenue for Q1 2023 was 2.9% higher than the prior year. Rates increased by 4.3%, while occupancy decreased by 0.5pp, however still at high levels (90.8%);
- In Germany, we saw the most impressive performance in all our markets, with rates 12.6% higher than Q1 2022, while increasing occupancy by 0.1pp (to 90.9%), achieving 14.1% revenue growth compared to the first three months of 2022;
- Belgium's revenue grew 8.3% versus the prior year, supported by an 8.2% increase in rental rates coupled with all time high occupancy levels (+0.5pp versus the prior year) at 91.9%;
- In Denmark (Copenhagen) rental rate growth of 7.1% compensated the 2.6pp occupancy decline (the occupancy still being at a high 91.9%) versus the prior year, resulting in revenue growth of 3.6% versus the prior year;

Portfolio expansion

Our pipeline for 2023, 2024 and 2025 represents 8% (or 107,711 sqm or c. €222.3 million) of our total net rentable sqm.

2023

- Five major redevelopments planned in 2023 (10,500 sqm) and the addition of direct access units in our seven markets (8,000 sqm);
- Seven openings foreseen (39,200 sqm) for €80.0 million in Randstad and London;

2024-2025

- Five major redevelopments planned (11,700 sqm) in Randstad, Stockholm and London;
- Seven projects signed (38,400 sqm) in Berlin, Nice, Stuttgart, NRW, Randstad and Frankfurt of which permits have been received for two projects.

Amounts in € millions At closing rate March 31, 2023		Property	Region	Country	Number of properties	Completi on date	Net sqm ('000)	Direct project cost /Purchase price (*)
Scheduled to open in 2023					13		57.7	94.5
Major redevelopments	Unterfoehring	Munich	Germany	1	Q2 2023	2.4	2.8	
	Unterfoehring	Munich	Germany	1	Q2 2023	1.2	1.1	
	Euston	London	UK	1	Q2 2023	0.7	0.1	
	Danmarksgatan (**)	Stockholm	Sweden	1	Q2 2023	1.7	0.0	
	Rotterdam	Randstad	Netherlands	1	Q4 2023	4.5	2.2	
	Direct access units (***)	-	-	1	Q4 2023	8.0	8.2	
New developments	Diemen Visseringweg	Randstad	Netherlands	1	Q2 2023	4.0	3.1	
	Amersfoort	Randstad	Netherlands	1	Q3 2023	3.1	5.4	
	Portsmuiden	Randstad	Netherlands	1	Q4 2023	7.5	6.1	
	Chadwell Heath	London	UK	1	Q4 2023	6.8	17.7	
	Chiswick	London	UK	1	Q4 2023	6.5	24.1	
	Tottenham	London	UK	1	Q4 2023	8.2	21.0	
	1 property	Randstad	Netherlands	1	Q4 2023	3.2	2.6	
Scheduled to open in 2024					8		32.4	79.8
Major redevelopments	Almere Buiten	Randstad	Netherlands	1	2024	1.2	1.9	
	Hayes	London	UK	1	2024	4.2	8.8	
	Southwark	London	UK	1	2024	2.7	7.1	
New developments	Charlottenburg	Berlin	Germany	1	2024	4.9	15.5	
	Nice project	Nice	France	1	2024	1.3	2.5	
	1 property	Stuttgart	Germany	1	2024	7.0	16.4	
	1 property	NRW	Germany	1	2024	5.8	16.1	
	1 property	Randstad	Netherlands	1	2024	5.4	11.5	
Scheduled to open in 2025					4		17.6	48.1
Major redevelopments	Handen	Stockholm	Sweden	1	2025	1.6	3.2	
	Nacka	Stockholm	Sweden	1	2025	2.0	4.2	
New developments	1 property	Frankfurt	Germany	1	2025	7.3	20.9	
	1 property	Stuttgart	Germany	1	2025	6.6	19.8	
Total portfolio expansion					25		107.7	222.3

Out of 14 new developments in the pipeline, all permits have been received except for two projects in Randstad, two in Stuttgart, one in NRW and one in Frankfurt.

(*) Including development fees but excluding absorption costs.

(**) Redevelopment project part of the 2022 acquisition of Instorage.

(***) Direct access units across all markets.

Robust balance sheet with long-term maturities, gearing for growth⁽¹⁾

- Undrawn revolving credit facility of €250 million – maturity extended to October 2025;
- Uncommitted €250 million Shelf Note Facility available until February 2024;
- €800 million Senior Notes USPP long-term and well scattered maturities with next maturity in July 2024 (€100 million – effective interest rate at 3.24%);
- 100% of all maturities with fixed interest, no variable component, and all unsecured debt.

(1) As of March 31, 2023

<i>Unaudited financial information</i> <i>(in € millions except where indicated)</i>	Three months ended		% var.	% var. CER (*)
	March, 31 2023	March, 31 2022		
All store				
Number of stores	266	255	4.3%	
Closing rentable sqm (1)	1,344	1,286	4.5%	
Closing rented sqm (2)	1,184	1,131	4.6%	
Closing occupancy rate (3)	88.1%	87.9%	0.1pp	
Average rented sqm (4)	1,177	1,128	4.4%	
Average occupancy rate (5)	87.6%	87.9%	-0.4pp	
Average in-place rent (in € per sqm) (6)	257.5	245.9	4.7%	6.9%
Average revPAM (in € per sqm) (7)	258.1	249.5	3.5%	5.6%
Property operating revenue (8)	86.7	80.0	8.4%	10.6%
Income from property (NOI) (9)	50.4	46.2	9.0%	11.5%
NOI margin (10)	58.1%	57.8%	0.3pp	0.5pp
EBITDA (11)	44.4	41.3	7.6%	10.3%
Adj. EPRA earnings (12)	30.2	27.7	9.1%	12.1%
Adj. EPRA earnings per share in € (basic) (13)	0.34	0.31	9.0%	12.0%
Same store				
Number of stores	240	240	0.0%	
Closing rentable sqm (1)	1,199	1,197	0.2%	
Closing rented sqm (2)	1,084	1,079	0.5%	
Closing occupancy rate (3)	90.4%	90.1%	0.3pp	
Average rented sqm (4)	1,081	1,078	0.3%	
Average occupancy rate (5)	90.2%	90.0%	0.2pp	
Average in-place rent (in € per sqm) (6)	261.9	247.8	5.7%	7.9%
Average revPAM (in € per sqm) (7)	269.4	256.5	5.0%	7.2%
Property operating revenue (8)	80.8	76.8	5.2%	7.4%
Income from property (NOI) (9)	48.5	45.3	7.1%	9.6%
NOI margin (10)	60.0%	59.0%	1.0pp	1.2pp
All store property operating revenue by country				
France	20.9	19.2	8.4%	8.4%
The Netherlands	18.5	16.3	13.7%	13.7%
The United Kingdom	17.0	15.7	8.1%	14.1%
Sweden	11.7	11.9	-1.0%	5.8%
Germany	8.2	7.1	15.7%	15.7%
Belgium	6.5	6.0	8.3%	8.3%
Denmark	3.9	3.8	3.5%	3.6%
Total	86.7	80.0	8.4%	10.6%
Same store property operating revenue by country				
France	19.3	18.4	5.2%	5.2%
The Netherlands	17.3	15.7	9.8%	9.8%
The United Kingdom	15.4	14.9	3.0%	8.8%
Sweden	11.4	11.9	-3.7%	2.9%
Germany	6.9	6.0	14.1%	14.1%
Belgium	6.5	6.0	8.3%	8.3%
Denmark	3.9	3.8	3.5%	3.6%
Total	80.8	76.8	5.2%	7.4%
Same store average occupancy by country				
France	89.1%	89.2%	-0.1pp	
The Netherlands	91.1%	89.8%	1.3pp	
The United Kingdom	87.6%	87.6%	-0.1pp	
Sweden	90.8%	91.3%	-0.5pp	
Germany	90.9%	90.8%	0.1pp	
Belgium	91.9%	91.4%	0.5pp	
Denmark	91.9%	94.5%	-2.6pp	
Total	90.2%	90.0%	0.2pp	

(*) Constant Exchange Rate



About Shurgard

Shurgard is the largest provider of self storage in Europe. The company owns and/or operates 267 self-storage facilities and approximately 1.4 million net rentable square meters in seven countries: France, the Netherlands, the United Kingdom, Sweden, Germany, Belgium and Denmark.

Shurgard is a GRESB 5-star and Sector Leader, has a 'AA' ESG rating from MSCI, Sustainalytics Low risk, EPRA sBPR Gold medal.

Shurgard's European network currently serves more than 180,000 customers and employs approximately 750 people. Shurgard is listed on Euronext Brussels under the symbol "SHUR".

For additional information: www.shurgard.com/corporate
 For high resolution images: <https://shurgard.prezly.com/media>

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Notes:

1. Closing rentable sqm is presented in thousands of sqm and calculated as the sum of available sqm for customer storage use at our stores, as of the reporting date.
2. Closing rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, as of the reporting date.
3. Closing occupancy rate is presented in percent and calculated as the closing rented sqm divided by closing rentable sqm as of the reporting date.
4. Average rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, for the reporting period.
5. Average occupancy rate is presented in percent and is calculated as the average of the rented sqm divided by the average of the rentable sqm, each for the reporting periods.
6. Average in-place rent is presented in euros per sqm per year and calculated as rental revenue, divided by the average rented sqm for the reporting period.
7. Average revPAM, which stands for revenue per available sqm, is presented in euros per sqm per year for the reporting period and calculated as property operating revenue, divided by the average rentable sqm for the reporting period.
8. Property operating revenue represents our revenue from operating our properties, and comprises our rental revenue, insurance revenue and ancillary revenue.
9. Income from property (NOI) is calculated as property operating revenue less real estate operating expense for the reporting period.
10. NOI margin is calculated as income from property (NOI) divided by property operating revenue for the reporting period.
11. EBITDA is calculated as earnings before interest, tax, depreciation and amortization, excluding (i) valuation gains or losses from investment property and investment property under construction, (ii) gains or losses on disposal of investment property, plant and equipment and assets held for sale, (iii) acquisition costs and dead deals and (iv) casualty losses (gains).
12. Adjusted EPRA earnings is calculated as EPRA earnings adjusted for (i) deferred tax expenses on items other than the revaluation of investment property and (ii) special items ('one-offs') that are significant and arise from events or transactions distinct from regular operating activities.
13. Adjusted EPRA earnings per share in euros (basic) is calculated as adjusted EPRA earnings divided by the weighted average number of outstanding shares.

Legal 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. 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 (including, without limitation, as a result of the impact of the COVID-19 pandemic).

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.

Basis of Preparation

This summarized financial information has been prepared in accordance with the accounting policies as applied by Shurgard. This press release does not constitute the full financial statements. Full year numbers have been derived from Shurgard's audited 2022 Financial Statements as included in the 2022 Annual Report, prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, and as adopted by the European Union, or EU. The Annual report has been published on February 20, 2023 and can be found on the Shurgard website (<https://corporate.shurgard.eu/investors/reports-and-presentations>). Other reported data in this press release has not been audited.

Use of alternative performance measures

The information contained in this press releases includes alternative performance measures (also known as non-GAAP measures). The descriptions of the alternative performance measures can be found on the Shurgard website (<https://corporate.shurgard.eu/resources/alternative-performance-measures>)