

ASX RELEASE

14 FEBRUARY 2025

STRONG OPERATING METRICS

Abacus Storage King (ASX:ASK) ('ASK') today announced its results for the half year ended 31 December 2024. ASK reported a statutory net profit of \$67.8 million, up \$67.4 million on HY24, noting HY24 was impacted by property devaluations.

HY25 highlights

- FFO of \$43.3 million (3.3 cents per security), up 15.1% on HY24
- Distribution of 3.1 cents per security, up 3.3% on HY24 and reflecting a payout ratio of 94%
- NTA of \$1.60 per security, up 1.3% on FY24 and total assets of \$3.3 billion, up 1.1% on FY24
- WACR of 5.56%, up 1 basis point on FY24

Established portfolio operating metrics

- Six month average revPAM of \$339psm, growth of 5.4% on HY24
- Six month average rental rate of \$373psm, growth of 4.4% on HY24
- Six month average occupancy of 91.0%, up 90 basis points on HY24

Growth drivers

- Acquisitions: \$60 million invested in four operating stores adding 13,200 sqm of NLA (2% of portfolio) and three development sites
- Developments: set to deliver 19 developments (112,000 NLA) and six expansions (18,000 NLA) in the short to medium term
- Stabilising assets leasing well, two assets opened in the last 12 months > 40% occupancy
- Platform: Storage King maintained number one most Google searched Self Storage brand in Australia in HY25, revenue management initiatives progressing to plan

Capital management

- Gearing 29.0%, within revised 25-40% target range (previously 25-35%), funding capacity of c.\$600 million
- HY25 average cost of debt was 4.0%, with no debt expiry in FY25-26

Earnings guidance

- Affirmed FY25 distribution guidance of 6.2 cents per security, targeting a full year payout of 90%-100% of FFO

Continued growth in rent and occupancy

ASK's strong operational performance reflects its irreplaceable, metro-focused property portfolio together with the market-leading Storage King operating brand and platform. Operational highlights include established store revPAM increasing by 5.4% to \$339psm (HY24: \$322psm¹), driven by rental rate growth of 4.4% to \$373psm (HY24: \$358psm¹), and a 90 basis point increase in occupancy to 91.0% (HY24: 90.1%¹).

Western Australia and New South Wales remained the strongest regions in the portfolio, demonstrating ongoing robust performance. Victoria also recorded high single digit revPAM growth, with ACT exhibiting year-on-year growth for the first time since resetting its pricing strategy post-COVID.

Diversified growth strategies enhancing ASK's portfolio net lettable area (NLA)

Enhancing the portfolio's organic growth are ASK's acquisition, development, and platform strategies:

- **Acquisitions:** The Self Storage market in Australia and New Zealand remains relatively tight with four operating stores and three development site transactions completed in the period. Leveraging the Storage King brand and platform, we expect acquisitions to remain a key growth driver for ASK moving forward.
- **Developments and expansions:** ASK's short to medium term development pipeline comprises 19 assets, adding 112,000 sqm of NLA (adding 17% to the portfolio). ASK also expects to add 18,000 sqm of NLA (adding 3% to the portfolio) over the short to medium term from expansions. It is anticipated that these assets will enhance the average rental rate and revPAM across the established portfolio over time.
- **Platform:** Storage King remained the number one most Google searched Self Storage brand in Australia in HY25, an important lead indicator for future enquiries. ASK continues to advance a number of platform technology initiatives, such as investing in revenue and data management technology, which are expected to expand margins over the longer term.

Robust and sustainable ESG strategy

ASK's sustainability strategy centres around three key pillars, Connect to People, Care for the Planet and Commit to do the Right Thing. In line with our strategy, we have continued to progress towards our net zero emissions by 2030² target with initiatives focused on energy efficiencies across our stores, enhancing the customer experience through active engagement and continuing to support our employee health and wellbeing through a range of initiatives. In HY25 ASK reduced scope 1 and 2 GHG emissions by 7.5% compared to HY24 and installed solar at a further two stores, taking the total number of sites with solar installed to 78 or 62% of our portfolio.

Balance sheet capacity to fund growth initiatives

ASK is geared at 29.0%² at the lower end of the revised target range of 25% - 40% and has circa \$600 million of capacity to fund future acquisition and development initiatives, enabling growth in the medium

1. For comparison purposes, HY24 established portfolio has been restated to include 103 mature stores trading since 1 July 2023. RevPAM excludes one established store due to mixed site use composition.

2. Scope 1 & 2 greenhouse gas emissions for ASK owned stores assuming access to green power remaining a feasible option, if required.

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to long term. The average cost of debt in HY25 was 4.0% and in line with prior guidance, the average cost of drawn debt for FY25 is expected to be no greater than 3.75%³.

Abacus Group's Chief Financial Officer, Evan Goodridge, commented "it was pleasing to see the business performing well, with strong topline growth across all segments in HY25. We successfully transitioned our debt to an unsecured platform and the associated hedging has been reset at lower rates, supporting ASK's future growth."

Outlook and guidance

Abacus Group's Managing Director, Steven Sewell commented, "the continued strength in revPAM is due to our right-sized, urban locations and sector leading Storage King platform. We expect our portfolio to benefit from organic growth; sector maturation; acquisition and development opportunities; and long-term platform initiatives. We expect these factors to drive growth in our brand, customer engagement, and revenue management, supporting sustained success in a fragmented market.

ASK remains well positioned to leverage its key enablers and deliver recurring income and value creation over the medium term, underpinned by its multi-pronged growth strategy. ASK affirms FY25 distribution guidance of 6.2 cents per security, targeting a full year distribution payout of 90%-100% of FFO. Our guidance is predicated on no material decline in current business conditions."

Market briefing

Abacus Storage King will conduct a market briefing on Friday, 14 February at 11:30am (AEST).

Access will be via webcast at: <https://abacusgroup.com.au/investor-centre/abacus-storage-king/key-dates-events/>

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Authorised for release by Lucy Spenceley, Company Secretary ASX:ASK

3. FY25 guidance for avg. cost of drawn debt to be no greater than 3.75% (excluding capitalised costs) assuming average floating rate of 4.2%.