

Self Storage Group ASA

Third quarter 2017

16 November 2017



GROUP HIGHLIGHTS – THIRD QUARTER 2017



- Revenues in Q3 2017 NOK 55.6 million, up from NOK 51.4 million in Q2 2017
- Adjusted EBITDA in Q3 2017 of NOK 17.4 million¹⁾, up from NOK 11.8 million¹⁾ in Q2 2017
- Current lettable area (CLA) 100 968 m², up from 100 170 m² in Q2 2017
- Acquired 4 properties with a total lettable area of approximately 3 300 m²

GROUP HIGHLIGHTS – SUBSEQUENT EVENTS



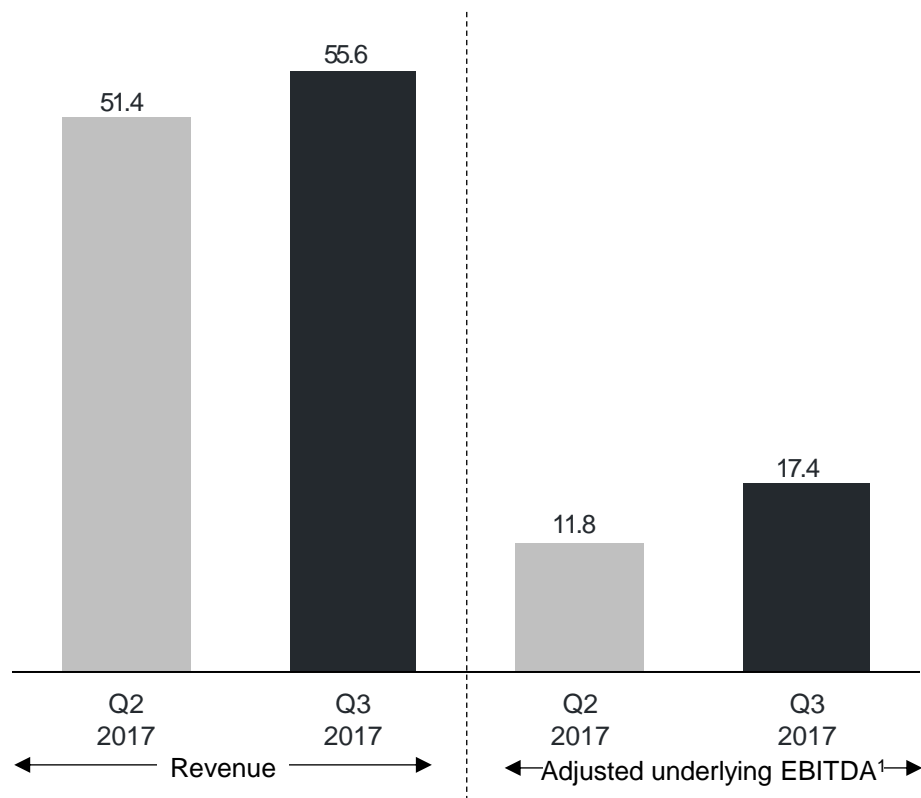
Self Storage Group ASA successfully listed on Oslo Stock Exchange on 27 October 2017

- Private placement of NOK 200 million
- Successful listing on Oslo Stock Exchange
- Acquisition of 5 new properties with a total lettable area of approximately 3 000 m²
- Total lettable area as of 16 November 2017 is 115 900 m² including 14 000 m² lettable area under development
- 17 900 storage rooms in 30 cities and towns
- Cash position NOK 225 million

KEY FIGURES – Q3 2017¹⁾

Key figures (NOK million)

	Q2 2017	Q3 2017
Revenue	51,4	55,6
Total operating costs	39,6	38,2
Adjusted EBITDA	11,8	17,4
<u>Adjustments:</u>		
IPO-costs	0,9	2,7
Transaction costs acquisition of Minilageret	-	1,9



Notes:

1) Unaudited figures. EBITDA adjusted for non-recurring costs of NOK 4.6m in Q3 2017 and NOK 0.9m in Q2 2017

KEY FIGURES – Q3 2017

(Amounts in NOK million)

P&L and cash flows

KEY FIGURES	Q3'17	Q2'17	Q3'16	YTD '17	YTD '16	FY '16
Revenue	55.6	51.4	10.6	156.8	30.0	80.9
Total operating costs ¹	38.2	39.6	4.8	117.8	13.0	54.9
Underlying EBITDA	17.4	11.8	5.8	39.1	17.0	26.0
Underlying EBIT	15.2	9.6	4.8	28.8	14.4	21.8
Underlying Pre-tax profit	14.6	9.4	4.4	45.3	14.3	38.6
Underlying Net profit	7.6	7.0	3.3	30.4	10.8	28.8
Current lettable area (thousands m ²)	101.0	100.2	93.2	101.0	93.2	93.8
Lettable area under development (thousands m ²)	11.8	9.3	N/A	11.8	N/A	N/A

Cash flows

For the nine months ended 30.9.2017 (unaudited)

Net cash flows from operating activities	31
Net cash flows from investing activities	-102
Net cash flows from financing activities	83
Cash and cash equivalents at beginning of the period	34
Cash and equivalents at end of the period	47

Balance sheet

	Unaudited 30 September 2017	Including subsequent events ²
ASSETS		
<i>Investment property</i>	324	346
<i>Property, plant and equipment</i>	45	45
<i>Goodwill</i>	62	62
Total non-current assets	431	453
Other current assets	25	25
Cash and bank deposits	47	218
Total current assets	72	243
TOTAL ASSETS	503	696
EQUITY AND LIABILITIES		
Total equity	281	474
<i>Long-term interest-bearing debt</i>	118	118
<i>Deferred tax liabilities</i>	18	18
Total non-current liabilities	137	137
Total current liabilities	85	85
Total liabilities	222	222
TOTAL EQUITY AND LIABILITIES	503	696

Notes:

1) Adjusted for IPO and non-recurring items of NOK 4.6 million in Q3 2017 and NOK 5.5 million YTD

2) Illustration of financial position after private placement. Balance sheet as of 30 September 2017 is adjusted for net proceeds from private placement of NOK 193 million and acquisition of 5 new properties amounting to NOK 22 million

KEY FIGURES – Q3 2017

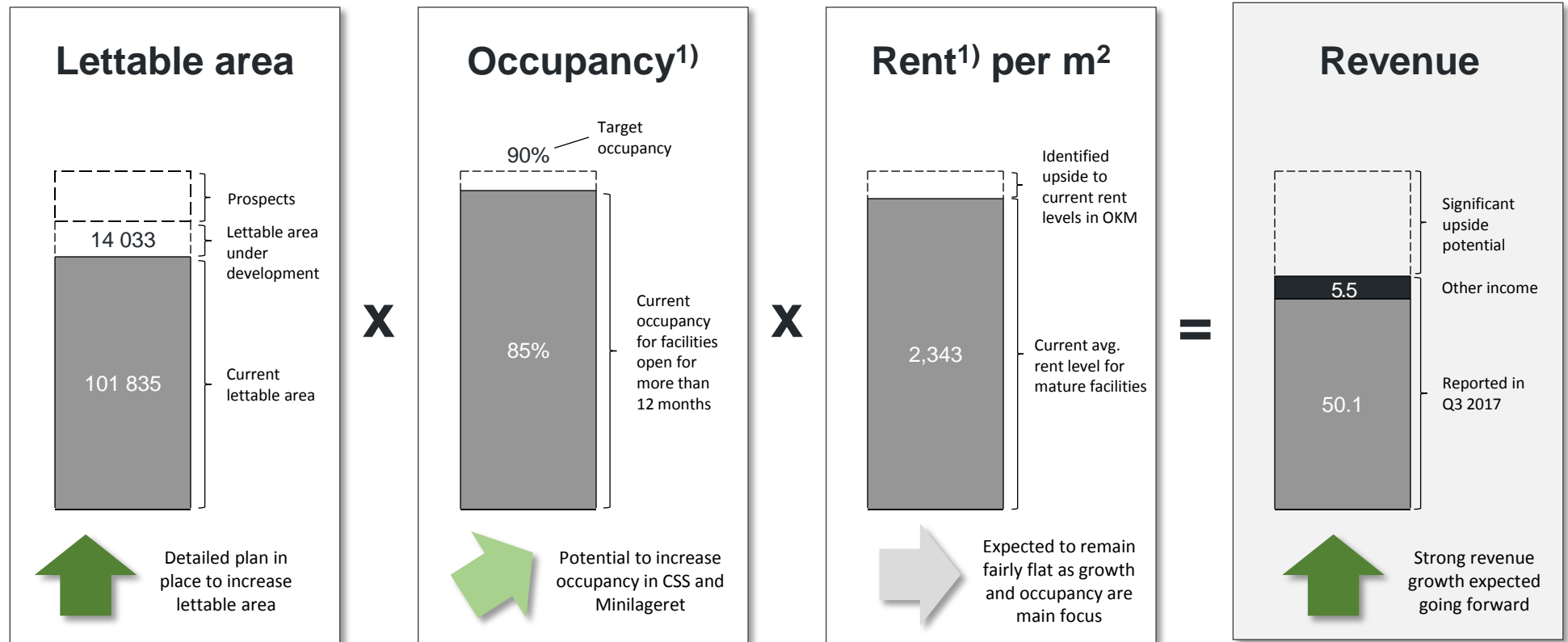


- Current lettable area 100 968 m²
- Lettable area under development 11 852 m²
- 2 new facilities of 800 m² opened
- Acquisition of 4 properties with approximately 3 300 m² lettable area
- Average rent¹⁾ 2 343 NOK per m²
- Occupancy¹⁾ 85%

Notes:

1) Average occupancy and rent price per m² for all sites with more than 12 months of operation

REVENUE DYNAMICS

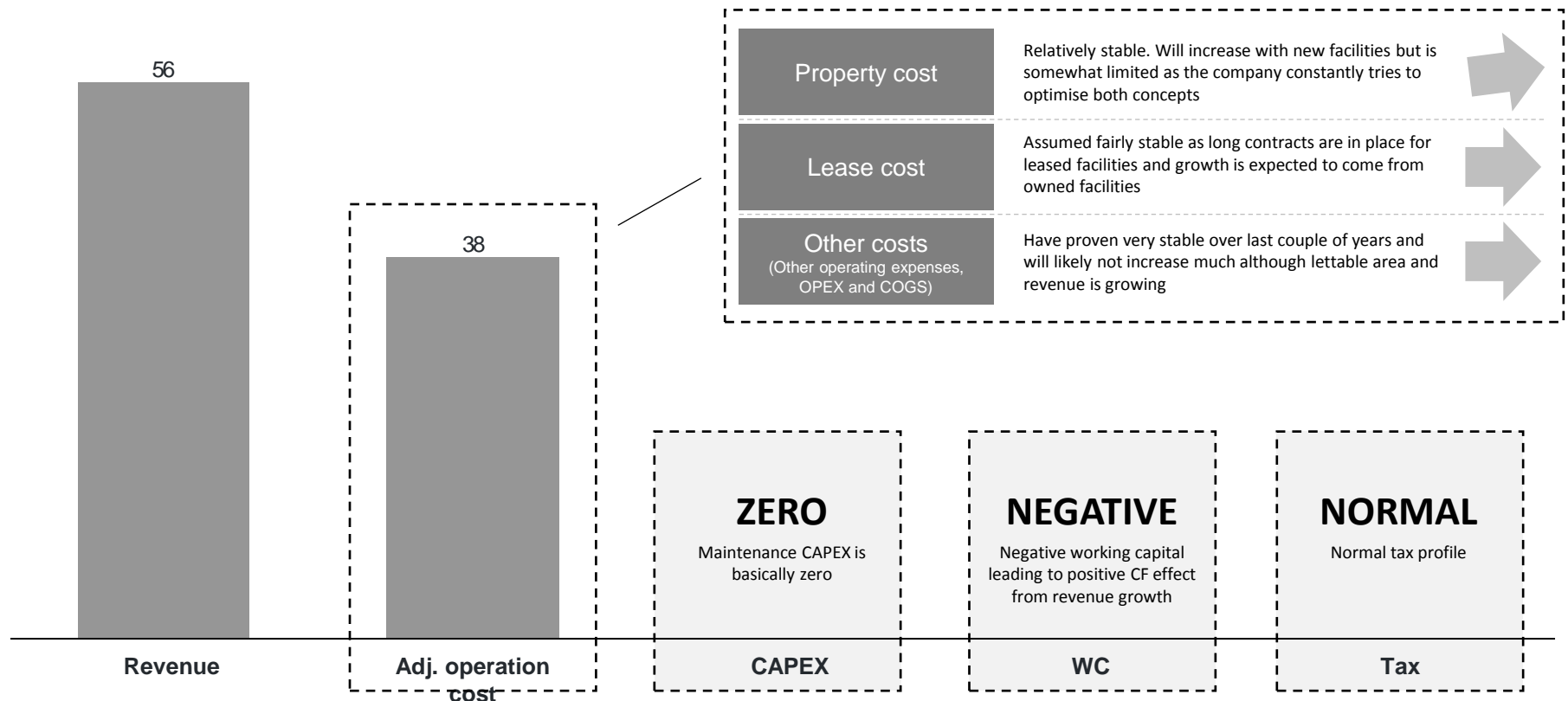


Note:

1) Average occupancy and rent per m² for sites with more than 12 months of operation

STRONG LINK BETWEEN REVENUE GROWTH AND ABSOLUTE GROWTH IN PRE TAX FREE CASH FLOW

Strong link between further growth in revenue and EBITDA



ACQUISITIONS IN THE QUARTER

Acquisition of 4 new properties with a potential CLA of 3,300 m²

Oslo



Signed: 1 July 2017

Type: Property (building)

Potential lettable area:
1,122 m²

Location:

Located in Groruddalen with great visibility and a significant catchment area. Will address the growing demand for self-storage in the northern part of Oslo

Sandnes



Signed: 1 August 2017

Type: Property (building)

Potential lettable area:
783 m²

Location:

Our first temperate facility in Sandnes, Norway's 7th largest city. Attractive location, just south of the city, close to future housing developments

Stavanger



Signed: 1 September 2017

Type: Property (building)

Potential lettable area:
578 m²

Location:

Our third facility in Stavanger. With this new Facility in the Northern part of the city, we strengthen our position as the market leader in the Greater Stavanger Region

Vestby



Signed: 25 August 2017

Type: Property (land)

Potential lettable area:
816 m²

Location:

Greenfield project in a growing region south of Oslo. A local market as well as the opportunity to attract price sensitive customers from Oslo.

THE COMPANY



SELF STORAGE GROUP AT A GLANCE

Provider of self storage solutions to both individuals and businesses through (i) OK Minilager and (ii) City Self Storage

Operations in Norway, Sweden and Denmark

Focus on cost effective operations through self service/automated storage facilities

Currently, operational facilities have a total lettable area of 101,835 m²

17 900 storage rooms in 30 cities and towns



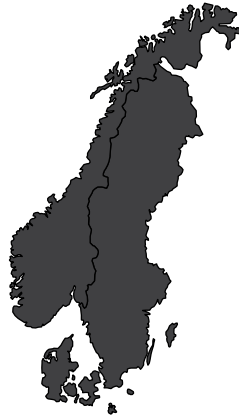
SSG CONSISTS OF TWO DISTINCT BUSINESS CONCEPTS

City Self-Storage



High-end brand providing self-storage rental and ancillary products and services in Scandinavia's capital cities

- 26 temperate storage facilities across
- One of the leading self-storage providers in the Scandinavian market
- Located in the Oslo, Stockholm and Copenhagen
- 58,594 m² of lettable storage space

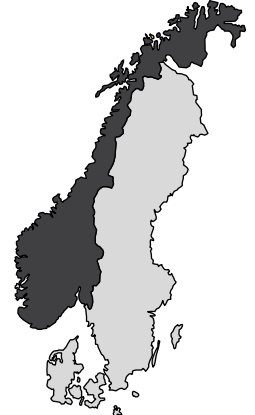


OK Minilager



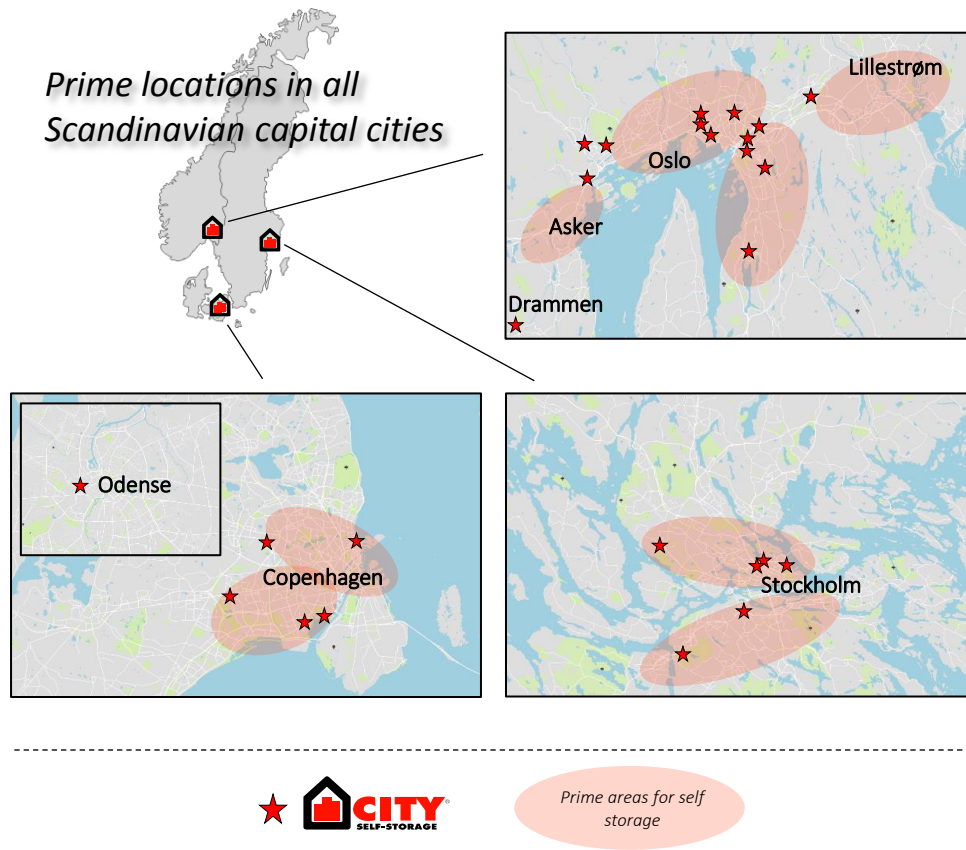
Countrywide, discount-priced offering of self-served storage facilities in Norway

- 56 facilities located across Norway
- 28 drive-in storage facilities and 28 temperate storage facilities
- 2nd largest player in Norway, behind CSS
- Self service, open 24 hr/day and 7 days a week
- 43,241 m² of lettable storage space

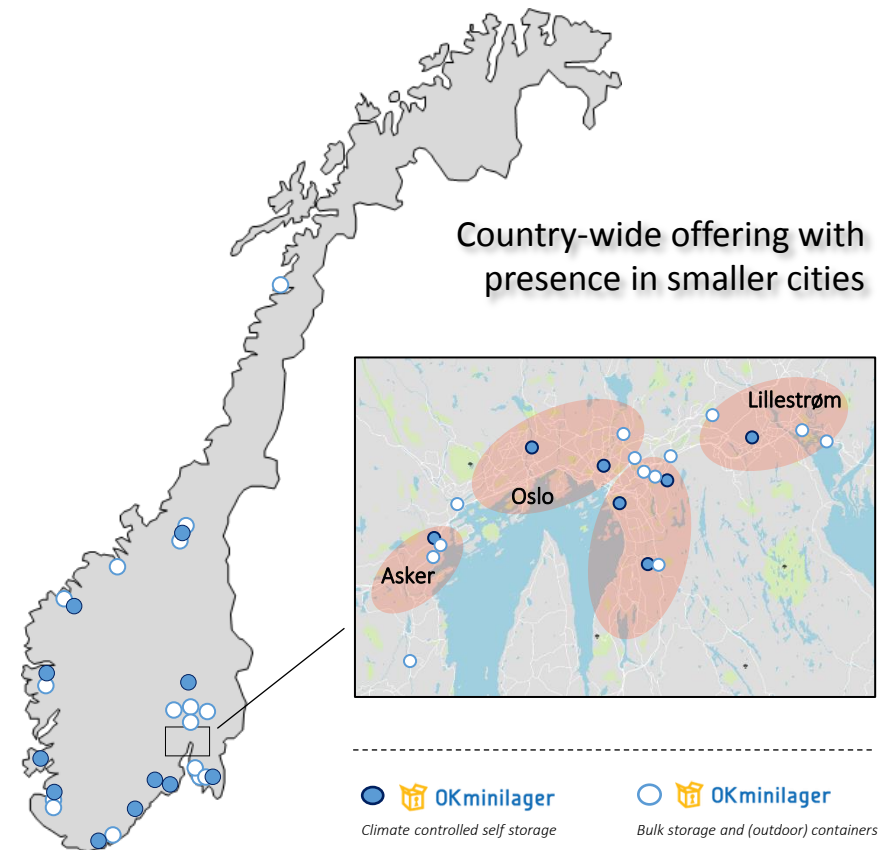


CURRENT PORTFOLIO PROVIDES A STRONG PLATFORM FOR FUTURE GROWTH WITH TWO DIFFERENT MARKET SEGMENTS

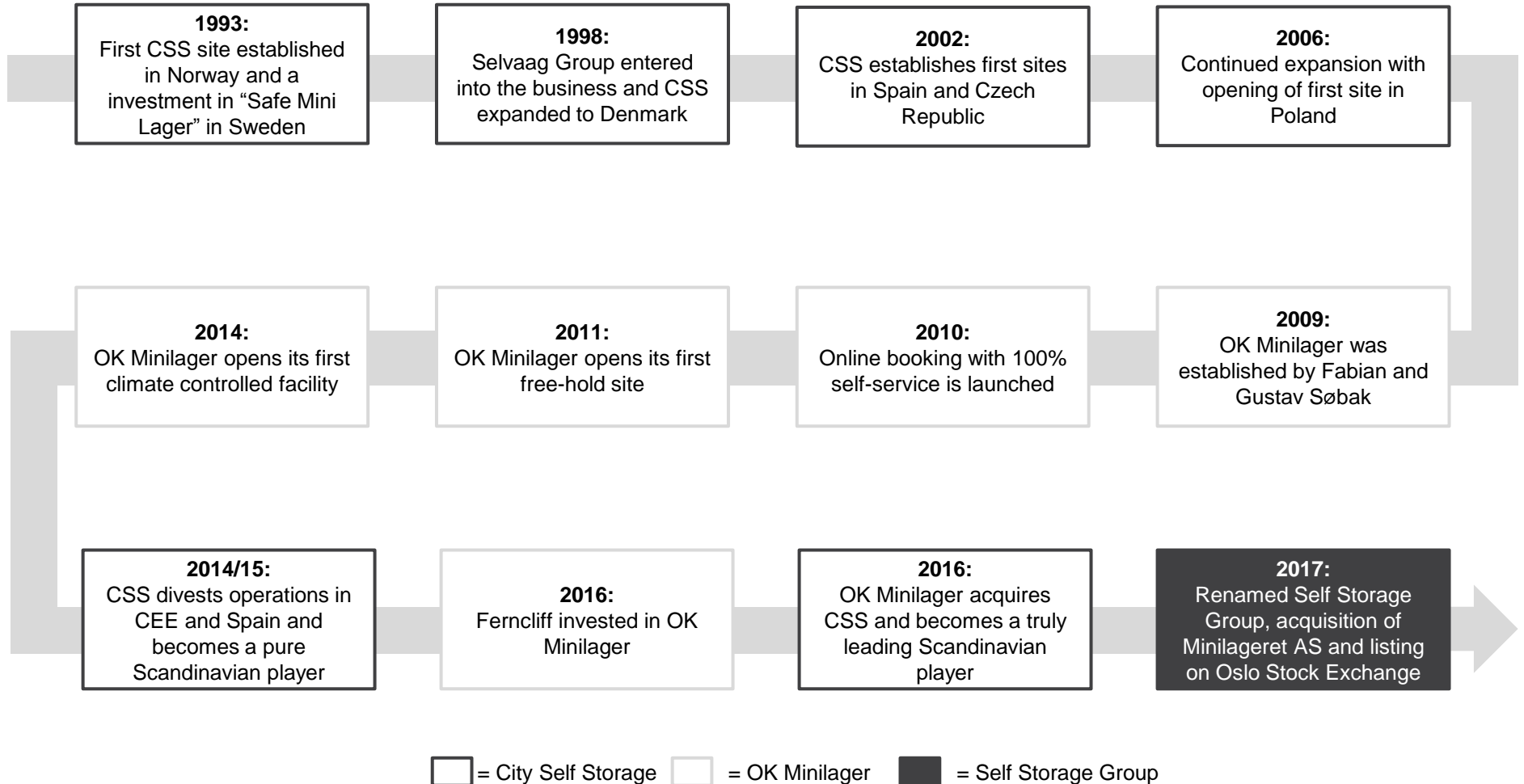
City Self-Storage



OK Minilager



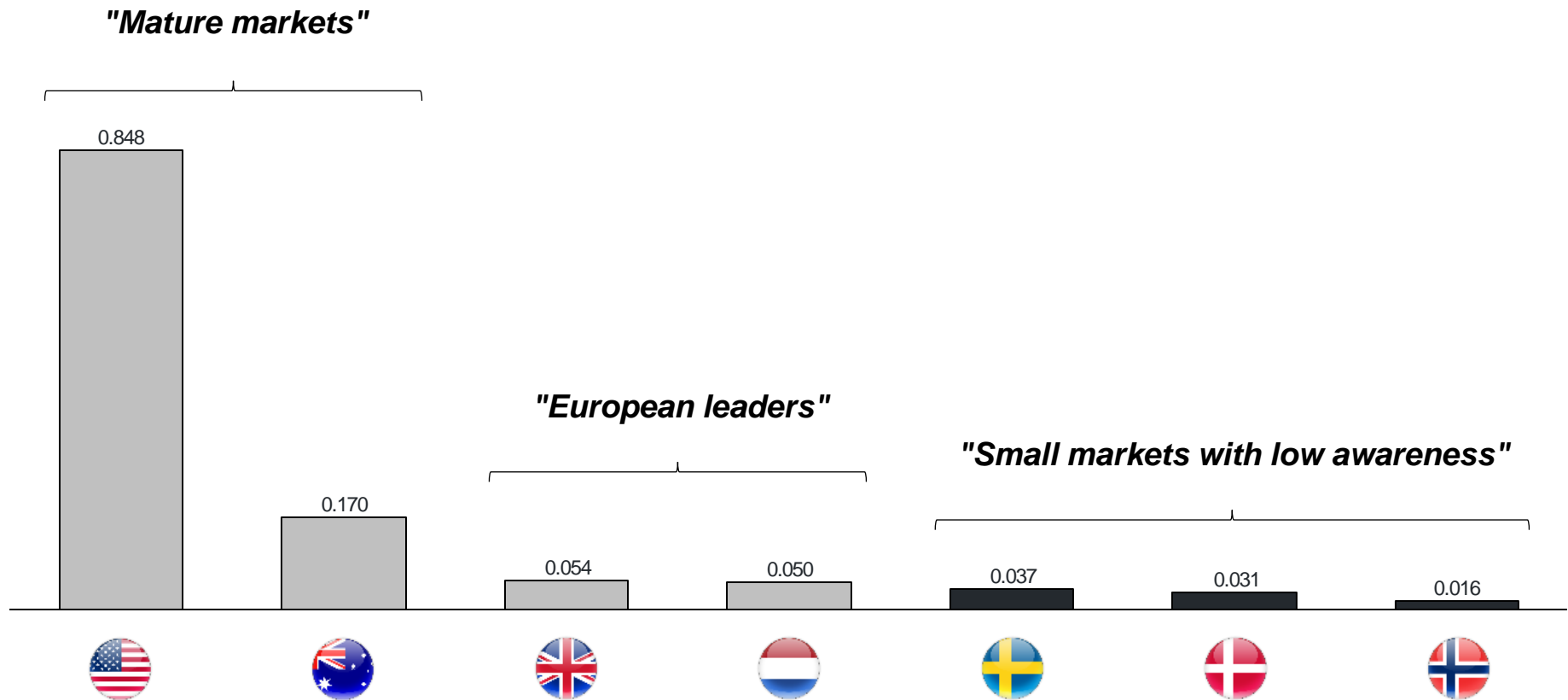
OUR HISTORY



THE MARKET



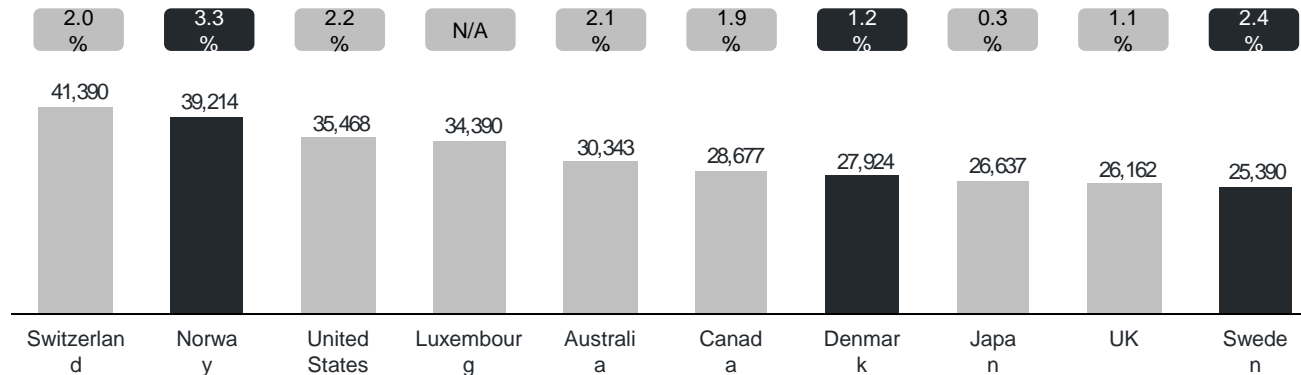
SCANDINAVIA LAGGING IN TERMS OF SELF STORAGE SPACE PER CAPITA (m²)



ALL FACTORS SUGGESTING INCREASING DEMAND FOR STORAGE GOING FORWARD

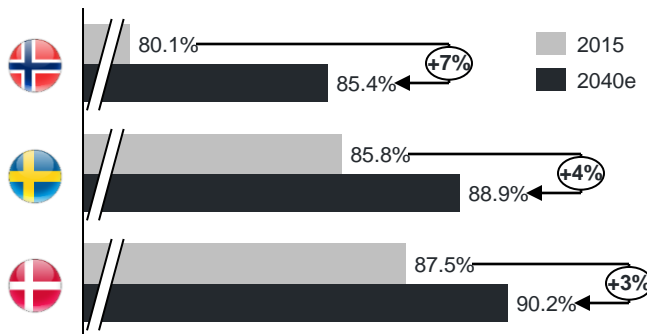
Private consumption and 5 year growth in disposable income¹⁾²⁾

Household final consumption expenditure per capita in 2015 (constant 2010 USD) and avg. growth in disposable income last 5 years



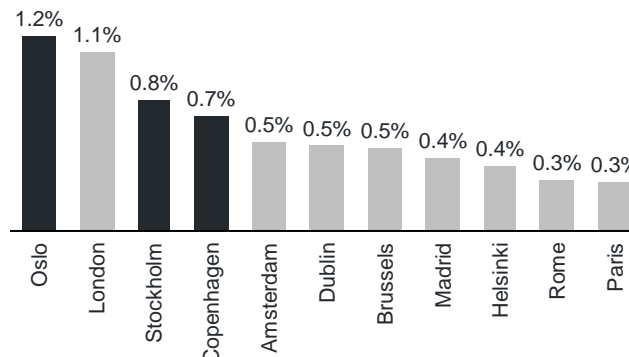
Strong urbanization trend...

% of population living in cities



...particularly in the Nordics

Population growth ('13-'25e CAGR) in selected European cities



Comments

- Scandinavian countries ranking high in terms of consumption per capita
- In 2015 net household disposable income in Norway, Sweden and Denmark grew with 4.3%, 2.5% and 2.5% respectively
- Spending levels expected to continue growing
- Oslo, Stockholm and Copenhagen expected to remain among the fastest growing capitals in Europe

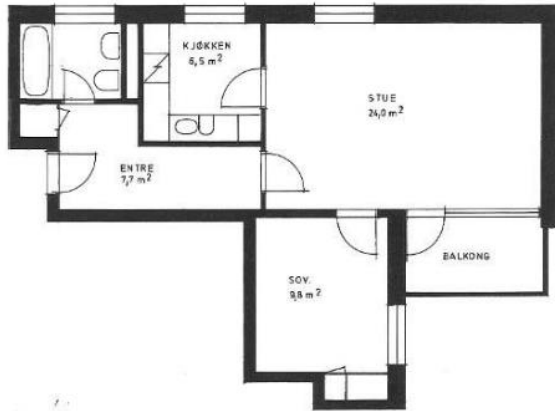
Source: The World Bank, OECD Data, Eurostat, SSB, FEDESSA European Self Storage Annual Survey 2016, Arctic Securities Research

Notes: 1) Private consumption per capita calculated using constant 2010 prices and World Bank population estimates

2) Growth rates based on average growth in real household net disposable income for the period 2011-2015

URBANISATION AND RISING HOUSING PRICES HAVE LEAD TO NEW BUILDING STANDARDS WITH LESS STORAGE SPACE

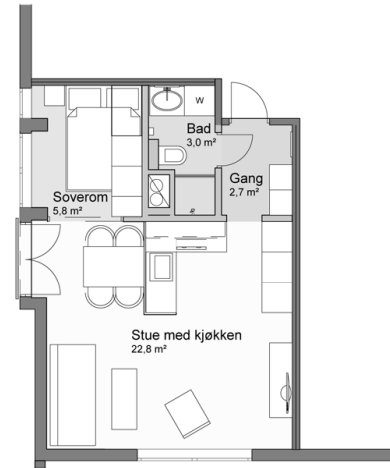
Old building standards



- *Approx. 50m²*
- *3 rooms*
- *Closed kitchen*

- More functional layout with focus on practical solutions and storage space
- «Closed kitchen» with necessary storage space
- Larger bedrooms and bathrooms
- Common areas in basements were previously reserved for storage space









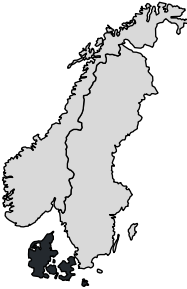



New building standards



- *Approx. 40m²*
- *2 rooms*
- *Open kitchen*

- Smaller apartments on the back of rapidly rising housing prices, especially in the larger cities
- «Open kitchen» solution with less storage space
- No link between size of apartment and storage space
- The required 3 sq.m. storage space has become a «walk-in closet» and may even be eliminated following TEK17

GROWTH STRATEGY AND OUTLOOK

Market	Strategy	Capacity	Occupancy	Rent
	<ul style="list-style-type: none"> Expansion Operating efficiency Improve the mix between owned and leased facilities 			
	<ul style="list-style-type: none"> Focus on increasing occupancy and rent levels at existing facilities Operating efficiency Opportunistic approach 			
	<ul style="list-style-type: none"> Focus on increasing occupancy and rent levels at existing facilities Operating efficiency Opportunistic approach 			

Appendix



THIRD QUARTER AND YTD 2017 – COMPREHENSIVE INCOME

Profit and loss statement¹⁾

NOK 000's	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Revenue	55 648	10 575	156 834	30 001
Other operating income	-	-	-	56
Property-related expenses	23 448	3 339	71 531	9 656
Salary and other employee benefits	8 434	1 009	25 447	2 449
Depreciation	2 217	1 001	4 779	2 582
Other operating expenses	10 934	464	26 310	902
Operating profit before fair value adjustments	10 615	4 762	28 767	14 468
Change in fair value of investment properties	755	-	13 928	440
Operating profit after fair value adjustments	11 370	4 762	42 695	14 908
Finance income	-102	3	385	9
Finance expense	1 263	414	3 308	574
Profit before tax	10 005	4 351	39 772	14 343
Income tax expense	2 283	1 050	9 757	3 536
Profit for the period	7 722	3 301	30 015	10 807
Earnings per share				
Basic and diluted (in NOK)	0,16	0,14	0,63	0,46
Other comprehensive income, net of income tax				
Items that may be reclassified subsequently to profit or loss				
- currency translation difference	-160	-	428	-
Other comprehensive income for the period, net of income tax	-160	-	428	-
Total comprehensive income for the period	7 562	3 301	30 443	10 807

Comments

- Financial development affected by the acquisition of the City Self-Storage companies 28 September 2016 and the acquisition of Minilageret AS 30 June 2017
- Revenue for Q3 2017 was NOK 55,6 million, up NOK 4,3 million from Q2 2017. The increase is due to income from Minilageret and growth in rentals in the Norwegian market
- Operating profit in Q3 2017 was impacted by transaction costs related to the acquisition of Minilageret AS and extraordinary costs related to the IPO. In total extraordinary costs amounted to NOK 4,6 million in Q3 and NOK 5,5 million YTD
- The fair value of investment property is based on external valuations in combination with management estimates and judgments

Notes:

1) Unaudited figures

YTD 2017– FINANCIAL POSITION

Financial position (NOK 000's)¹⁾

ASSETS	30 Sept 2017	31 Dec 2016	EQUITY AND LIABILITIES	30 Sept 2017	31 Dec 2016
Non-current assets			Equity		
Investment property	323 893	163 738	Issued share capital	4 792	395
Property, plant and equipment	45 551	45 291	Share premium	189 779	89 863
Goodwill	61 547	51 985	Other reserves	295	-114
Total non-current assets	430 991	261 014	Retained earnings	86 470	64 903
			Total equity	281 336	155 047
Current assets			Liabilities		
Inventories	1 383	1 623	Non-current liabilities		
Trade and other receivables	11 018	10 577	Long-term interest-bearing debt	118 182	23 179
Other current assets	12 819	15 078	Deferred tax liabilities	18 226	4 383
Cash and bank deposits	47 053	34 115	Obligations under finance leases	341	526
Total current assets	72 273	61 393	Total non-current liabilities	136 749	28 088
TOTAL ASSETS	503 264	322 407	Current liabilities		
			Short-term interest-bearing debt	7 423	86 169
			Trade and other payables	10 524	8 743
			Income tax payable	6 806	8 171
			Other taxes and withholdings	3 834	3 912
			Obligations under finance leases	372	384
			Other current liabilities	56 220	31 893
			Total current liabilities	85 179	139 272
			Total liabilities	221 928	167 360
			TOTAL EQUITY AND LIABILITIES	503 264	322 407

Comments

- Total assets increased to NOK 503 million at the end of Q3 2017 following acquisition of investment properties and balance sheet consolidation
- Increased equity through issue of ordinary shares and result for the period
- Net interest-bearing debt was NOK 79.6 million
- Other current liabilities increased due to settlement of Minilageret
- Equity ratio was 56%
- Negative working capital due to invoicing of customers in advance and stable cost

YTD 2017 – CASH FLOW

Condensed consolidated statement of cash flows¹⁾

NOK 000's	YTD 2017	YTD 2016
Cash flows from operating activities		
Profit before tax	39 772	14 343
Income tax paid	-7 701	-
Interest paid	490	-
Interest received	-201	-186
Depreciation	4 779	2 582
Gain/loss on disposal of property, plant and equipment	144	-
Change in fair value of investment property	-13 928	-440
Change in trade and other receivables	1 271	-263
Change in trade and other payables	1 811	-778
Change in other current assets	5 052	-
Change in other current liabilities	-49	-2 676
Net cash flows from operating activities	31 440	12 581
Cash flows from investing activities		
Payments for investment property	-32 890	-32 911
Payments for property, plant and equipment	-6 629	-830
Net cash outflow on acquisition of subsidiaries	-62 265	-75 721
Net cash flows from investing activities	-101 784	-109 462
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	95 865	60 000
Proceeds from borrowings	95 000	91 728
Repayment of borrowings	-107 790	-1 319
Net cash flows from financing activities	83 075	150 409
Net change in cash and cash equivalents	12 731	53 528
Cash and cash equivalents at beginning of the period	34 115	6 661
Effect of foreign currency rate changes on cash and cash equivalents	207	-
Cash and equivalents at end of the period	47 053	60 190

Comments

Operating activities

- Strong cash flow
- Invoicing of customers in advance – predictable and stable costs

Investing activities

- Acquisition of Minilageret AS
- Acquisition of 4 investment properties and 2 company assets acquisitions
- Low capex as maintenance is posted as property cost

Financing activities

- Private placement in January
- New loan facility with Handelsbanken in July
- Repayment of shareholders

SSG's cash balance at the end of Q3 was NOK 47 million

THANK YOU

