



Self Storage Group ASA

Third quarter 2018

8 November 2018




GROUP HIGHLIGHTS – THIRD QUARTER 2018





- Revenues in Q3 2018 NOK 60.6 million, up from NOK 55.6 million in Q3 2017
- Adjusted EBITDA in Q3 2018 of 22.4 million¹⁾, up from NOK 17.4 million in Q3 2017
- Fair value of investment property end September 2018 of NOK 456.4 million
- Total gross owned property portfolio of 65 100 m²
- Two new facilities opened during the quarter and expansions increasing current lettable area by 2 000 m² to 114 900 m²
- Cash position 108 million
- The Group's current loan to value on investment property is 20%


KEY PERFORMANCE INDICATORS – THIRD QUARTER 2018

	CLA	Facilities	Occupancy*	Average rent*
Q3 2018	114 900 m ²	96	85.5%	2 333 NOK pr m ²
Q3 2017	101 000 m ²	82	85.0%	2 343 NOK pr m ²

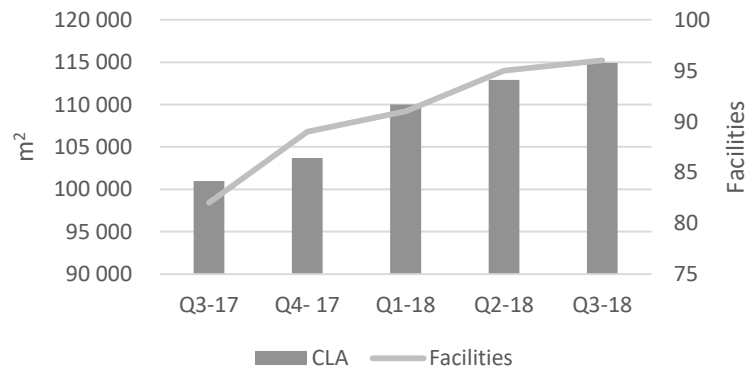




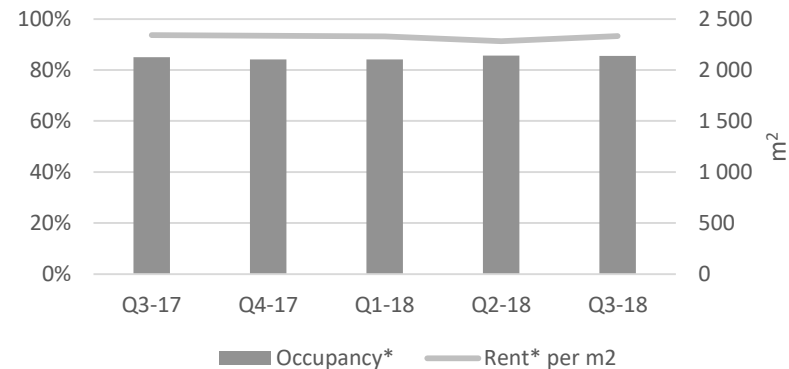




Development CLA and facilities



Development occupancy and rent



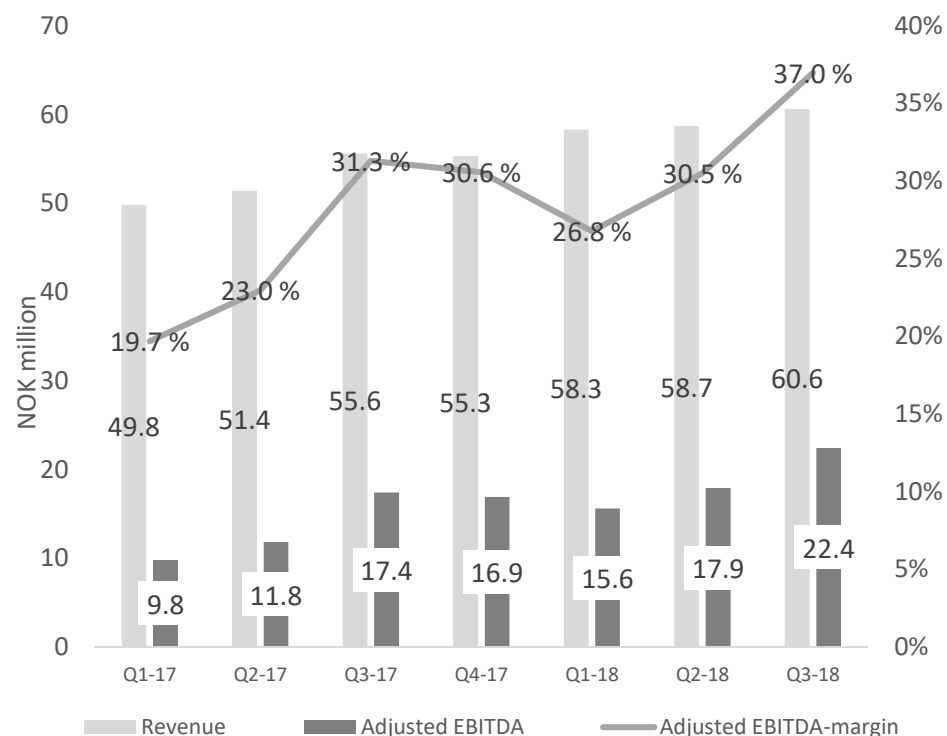
KEY FIGURES – THIRD QUARTER 2018

(NOK million)

KEY FIGURES

	2018	2017	2017
	Q3	Q3	FY
Revenue	60.6	55.6	212.1
Total operating costs ¹⁾	38.2	38.2	158.0
Adjusted EBITDA	22.4	17.4	54.2
Non-recurring costs	0.0	4.6	11.3
Reported EBITDA	22.4	12.8	42.9

DEVELOPMENT Q1 2017-Q3 2018



1) Adjusted for non-recurring costs of NOK 0.0 million in Q3 2018, NOK 4.6 million in Q2 2017 and NOK 11.3 million in FY 2017

KEY FIGURES¹⁾ – THIRD QUARTER 2018

(NOK million)

P&L	Q3 18	Q3 17	FY 17
Revenue	60.6	55.6	212.1
Total operating costs ²⁾	38.2	38.2	158.0
Adjusted EBITDA	22.4	17.4	54.2
Adjusted EBIT	19.2	15.2	46.9
Change in fair value of investment properties	0.0	0.8	29.8
Adjusted Pre-tax profit	18.3	14.6	73.5
Adjusted Net profit	15.1	11.3	59.7
Current lettable area (thousands m2)	114.9	101.0	103.7
Lettable area under development (thousands m2)	12.8	11.8	12.3

Cash flows	Q3 18	Q3 17	31.12.17
Net cash flows from operating activities	17.9	18.8	42.3
Net cash flows from investing activities	-16.7	-23.8	-123.4
Net cash flows from financing activities	-1.2	25.4	241.6
Cash and cash equivalents at beginning of the period	108.3	26.5	34.1
Cash and cash equivalents at end of the period	108.1	47.1	195.2

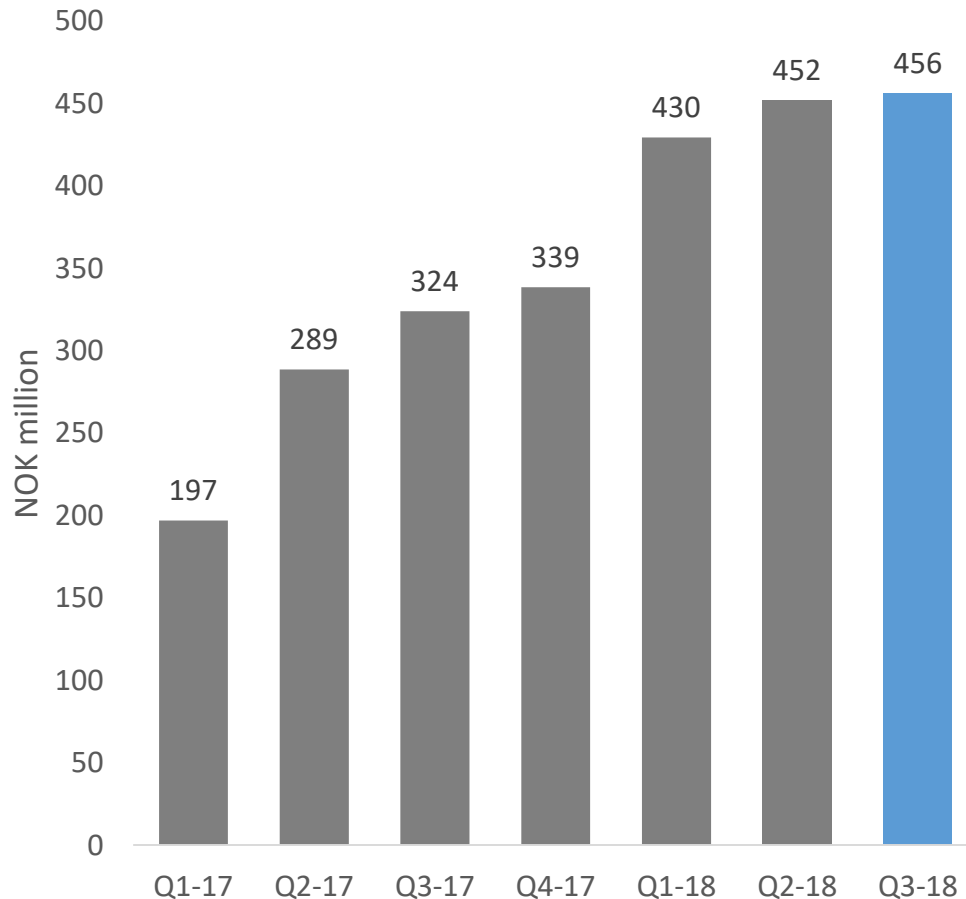
Balance sheet

	30.9.18	31.12.17
ASSETS		
Investment property	456.4	338.6
Property, plant and equipment	66.6	52.6
Goodwill	95.0	72.3
Total non-current assets	619.2	463.5
Other current assets	31.3	26.3
Cash and bank deposits	108.1	195.2
Total current assets	139.4	221.5
TOTAL ASSETS	758.6	685.0
EQUITY AND LIABILITIES		
Total equity	581.2	514.0
Long-term interest-bearing debt	86.0	89.7
Deferred tax liabilities	37.8	22.3
Total non-current liabilities	125.0	112.2
Total current liabilities	52.5	58.9
Total liabilities	177.4	171.0
TOTAL EQUITY AND LIABILITIES	758.6	685.0

1) Unaudited figures for 2018

2) Adjusted for non-recurring costs of NOK 0.0 million in Q3 2018, NOK 4.6 million in Q3 2017 and NOK 11.3 million in FY 2017

PROPERTY VALUE INCREASED BY 35% PER Q3 2018

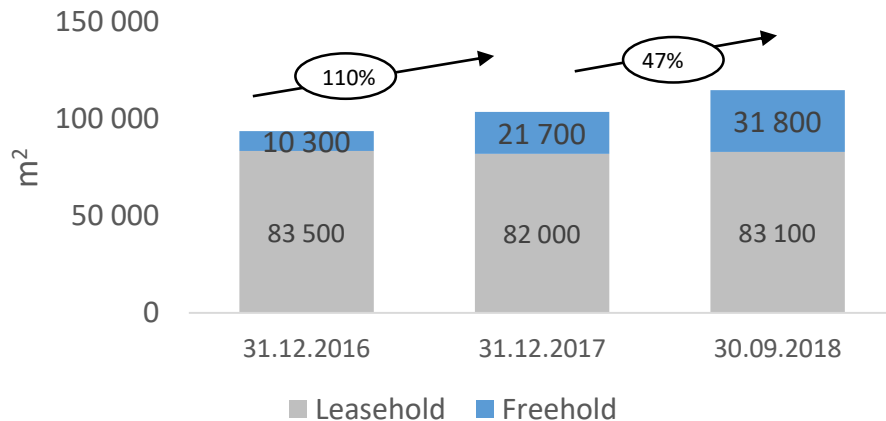


- As of 8 November SSG owns 46 properties with a total gross area of 68 400 and a potential lettable area of 47 600 m²
 - 32 400 m² in operation
 - 15 200 m² under development (4 900 m² is leased to other businesses than self-storage)
- In addition the Group is developing a property in Trondheim for a greenfield project¹⁾, with an estimated lettable area of 3 600 m²
- Internal lease agreements at commercial terms are signed between OK Property and the operating companies in the Group
- External valuations performed by Newsec - conservative yields

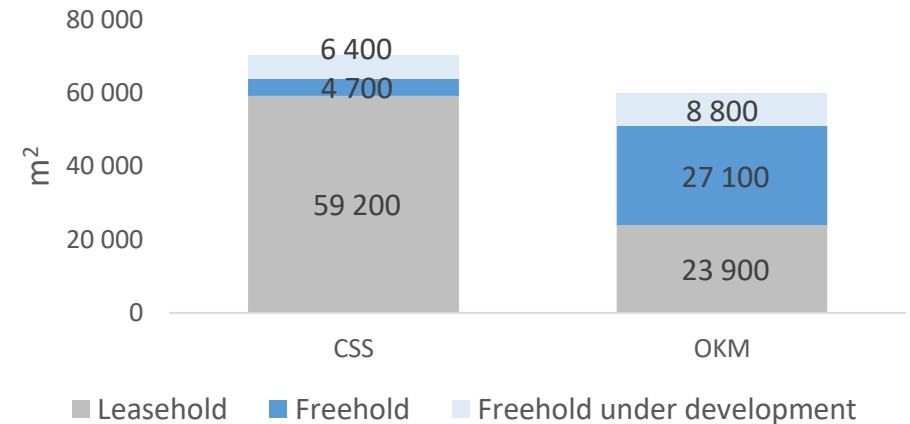
1) The potential lettable area in Tiller of 3 600 m² is subject to building permits

STEADY GROWTH IN SHARE OF OWNED PORTFOLIO

DEVELOPMENT IN SHARE OF FREEHOLD FACILITIES



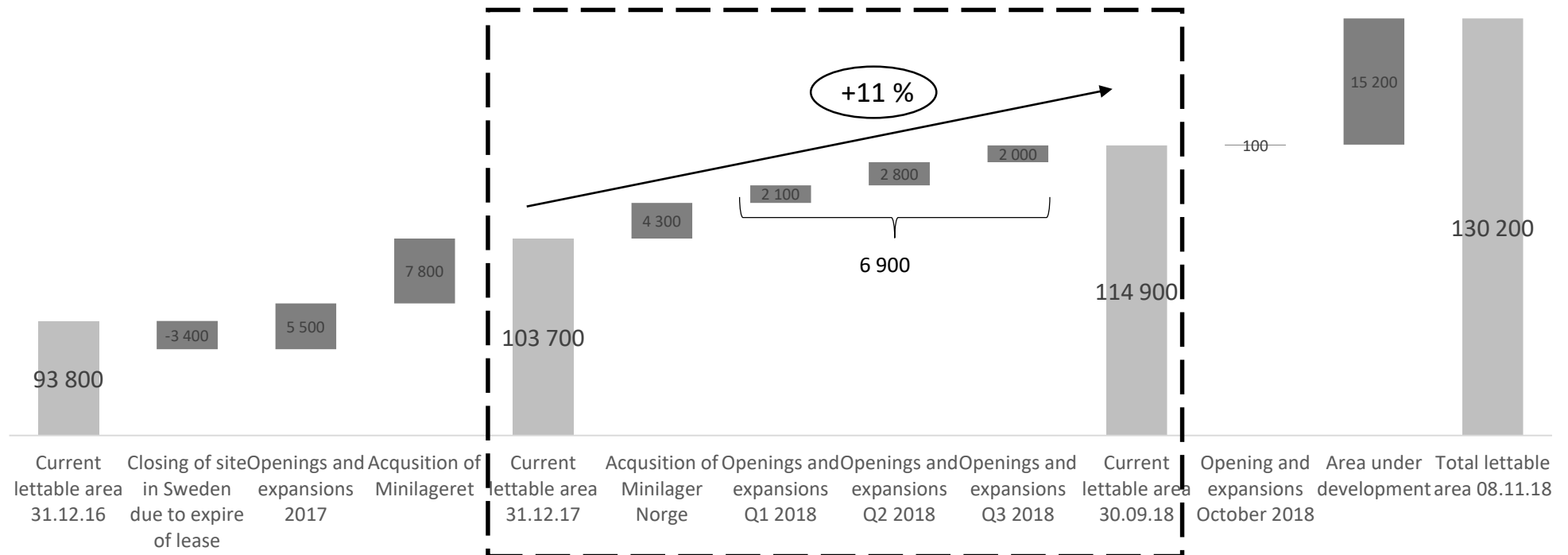
SHARE OF FREEHOLD FACILITIES PER CONCEPT



- SSG's strategy is to expand within owned facilities
- 28% of current lettable area in operation at the end of September 2018 was freehold
 - 83 100 m² leased
 - 31 800 m² owned
- Freehold m² increased with 110% during 2017 and additional 47% in the first nine months of 2018

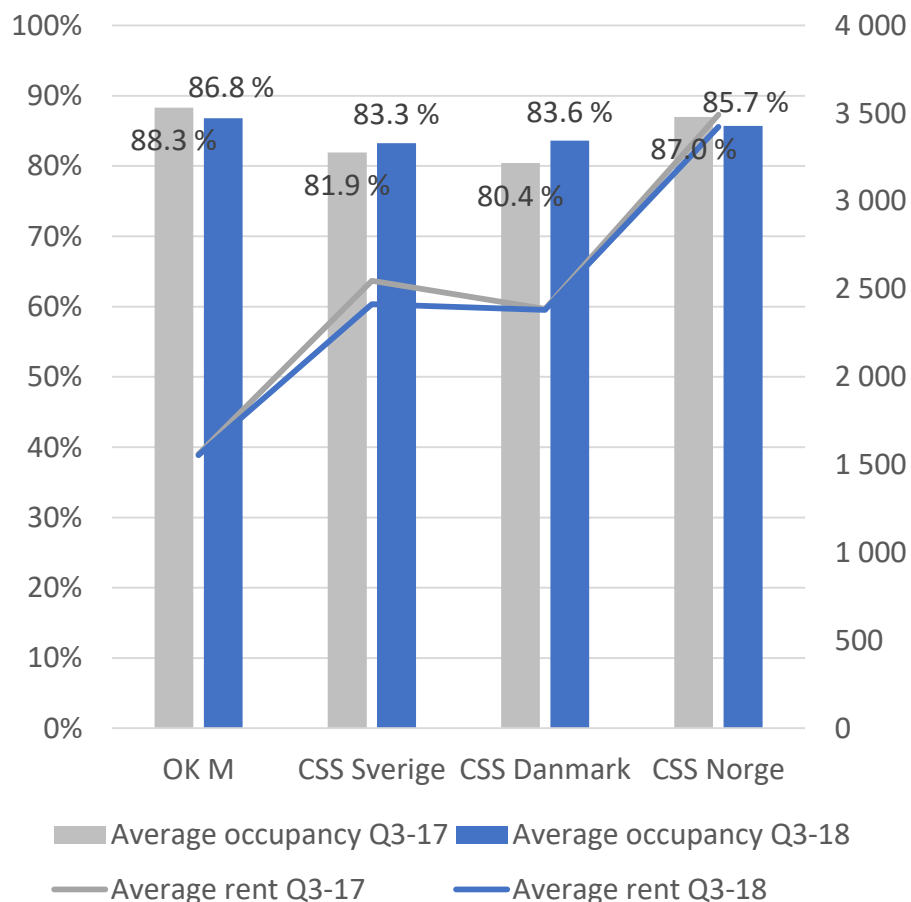
- 40 of a total of 96 facilities in operation (42%) were freehold as of September 2018

CURRENT LETTABLE AREA INCREASED BY 11 300 M² YTD 2018 – 15 200 M² IN PIPELINE

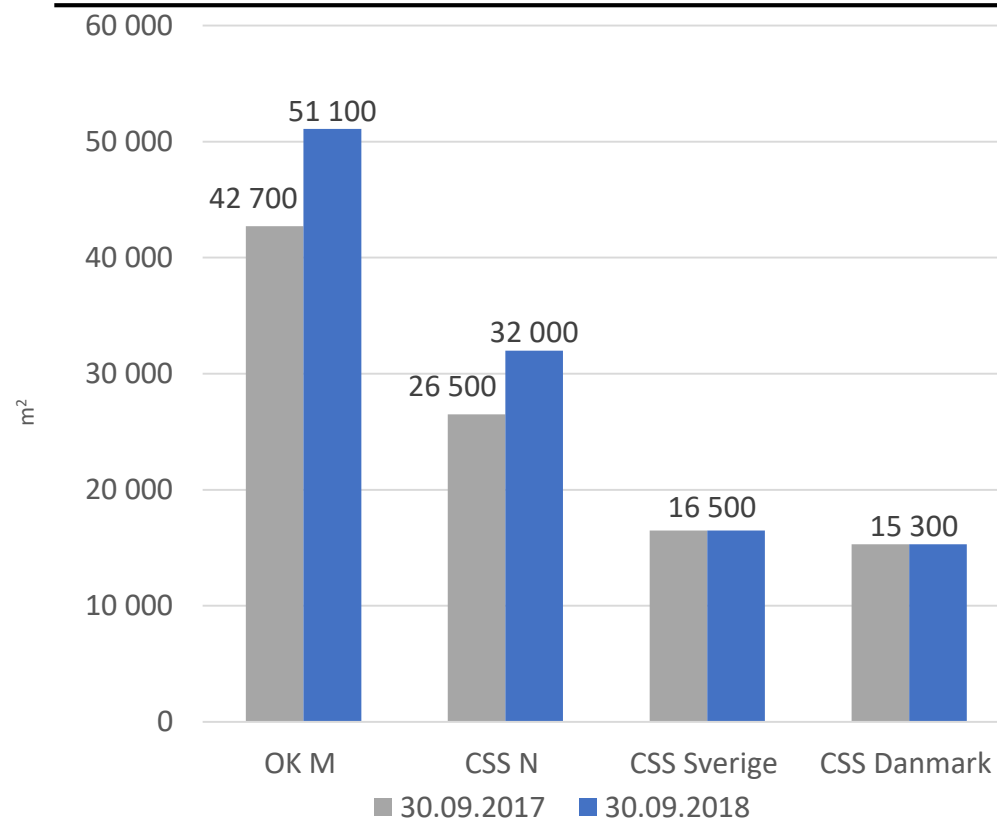


INCREASED CAPACITY BUT STABLE OCCUPANCY AND RENT

Average occupancy¹ and rent¹

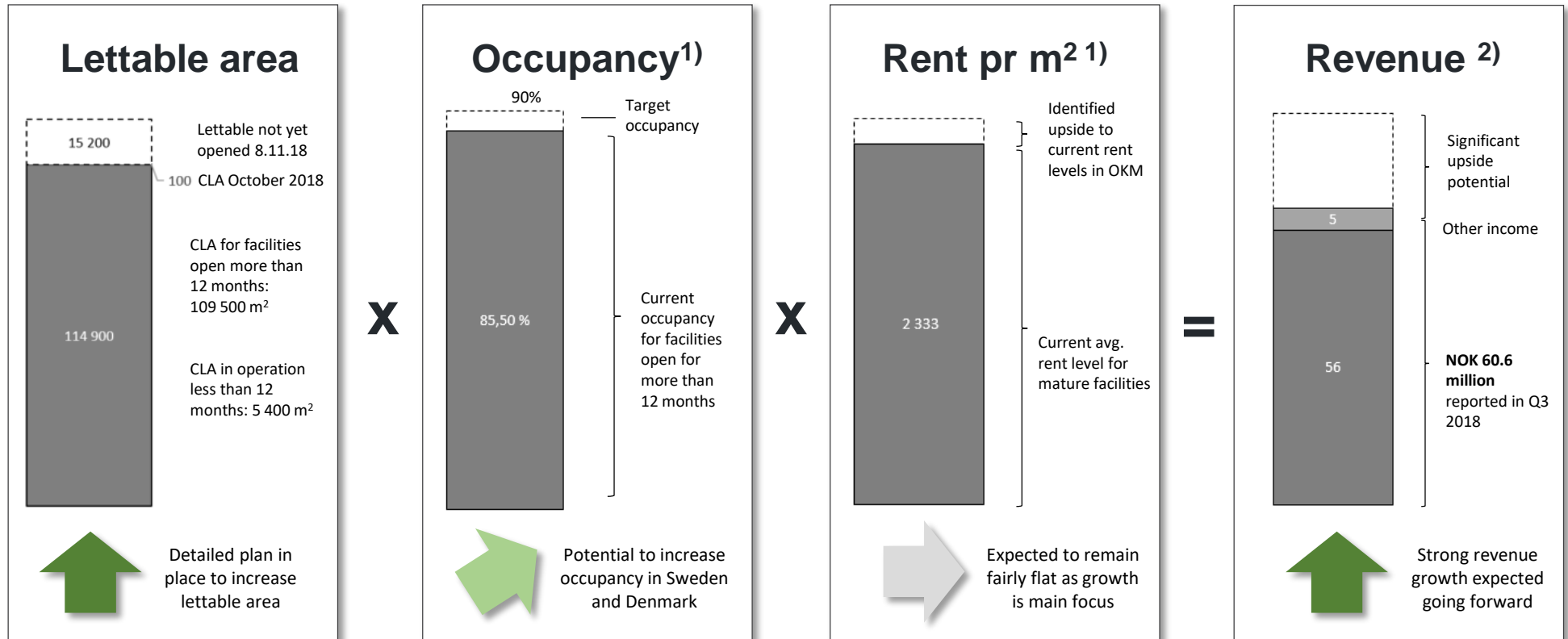


Current lettable area



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

REVENUE DYNAMICS Q3 2018

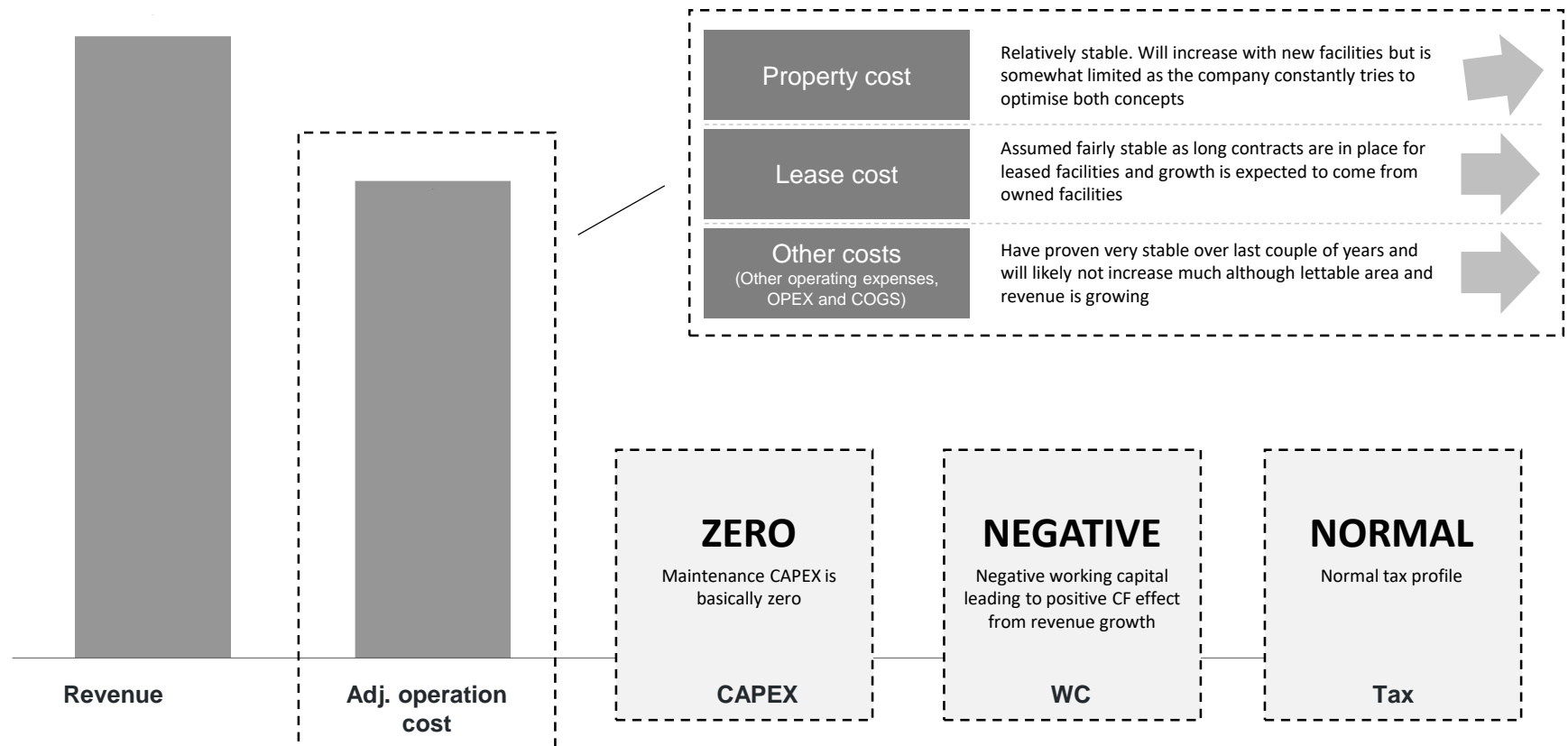


1) Average occupancy and rent pr m² for sites with more than 12 months of operation in NOK

2) Numbers in NOK million

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

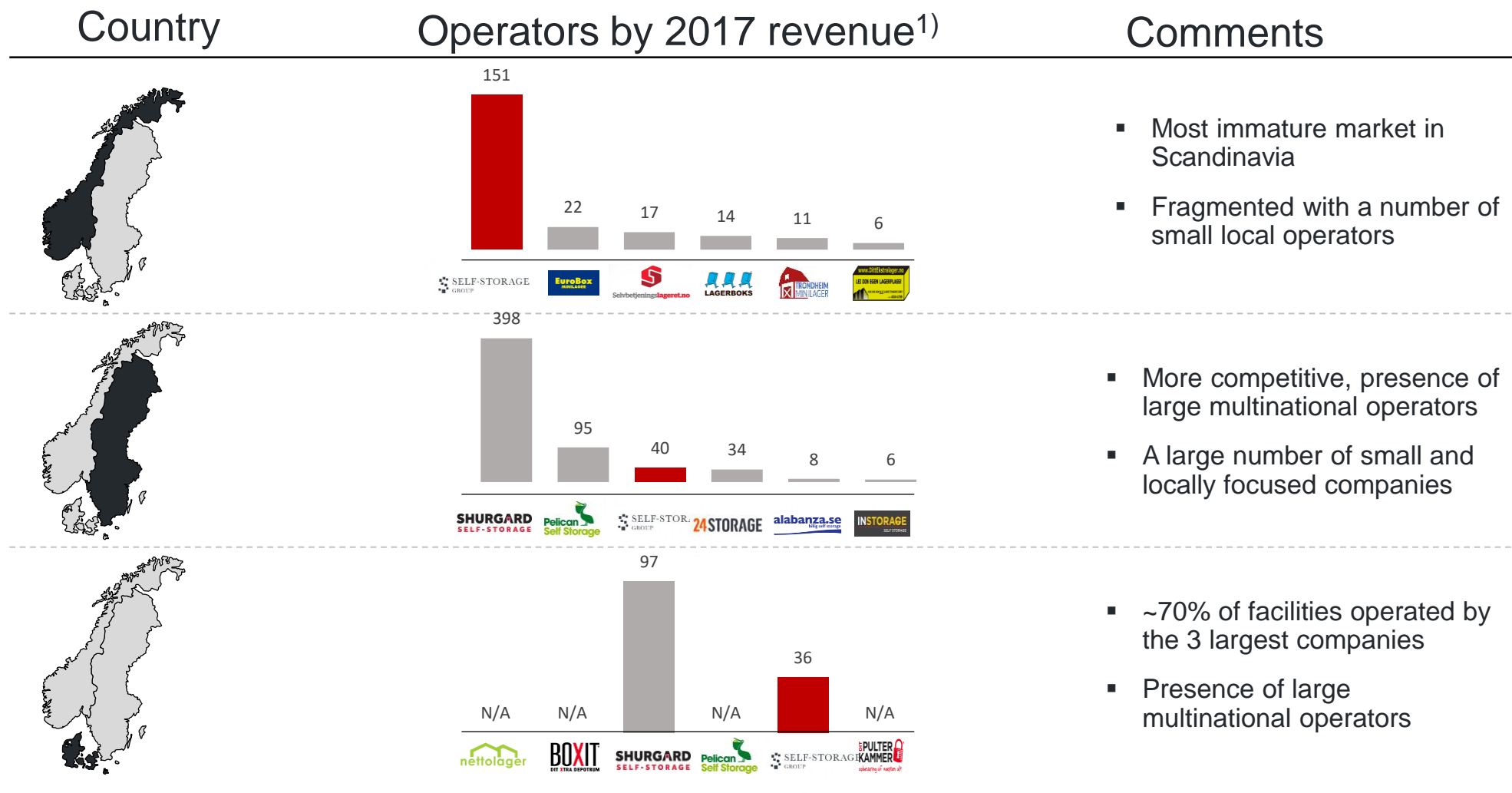
Strong link between further growth in revenue and EBITDA



THE MARKET



THE SCANDINAVIAN SELF STORAGE MARKET AT A GLANCE



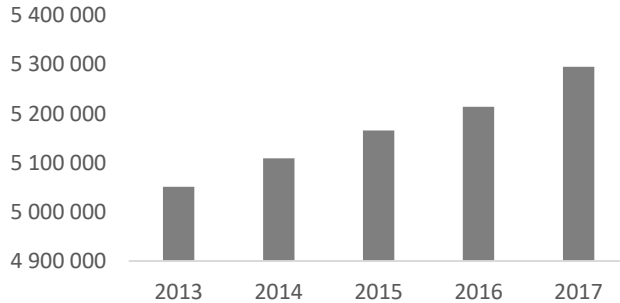
Source: Company information, proff.no, proff.se

1) Showing revenue in local currencies. Ranking in Denmark based on number of sites as revenue is not available

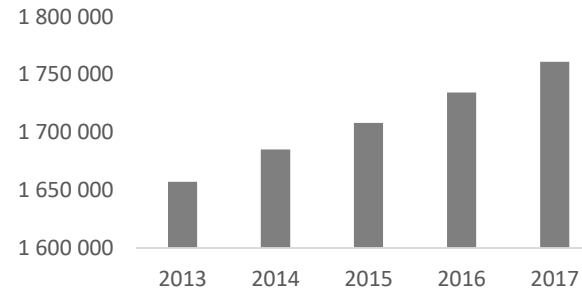
THE NORWEGAIN MARKET IS UNDERDEVELOPED

-AN INCREASING NEED FOR STORAGE GOING FORWARD

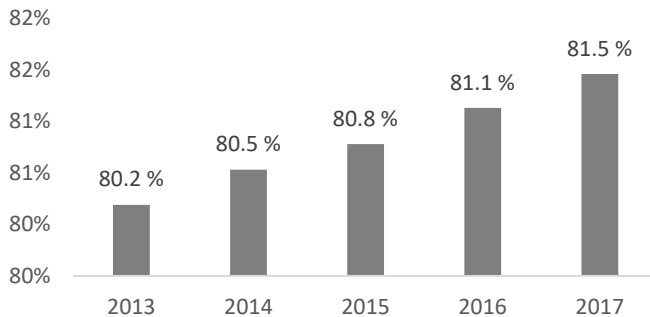
Growth in population



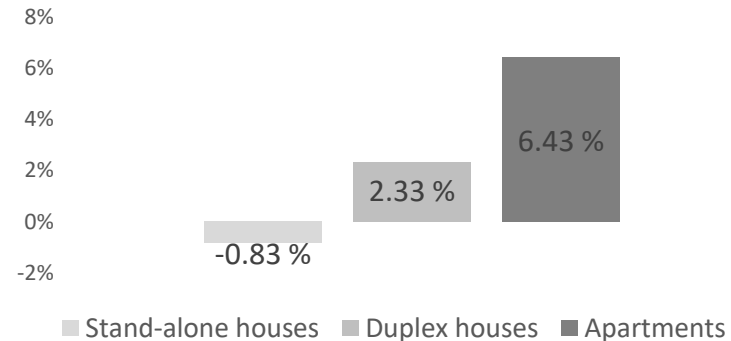
Growth in population in 5 largest cities¹⁾



% of population living in cities



Growth in types of households 2013-2017



BNP-level in Norway is 50% higher than European average

- 1) Oslo, Bergen, Stavanger/Sandnes, Trondheim, Drammen
- Source: SSB (Statistics Norway)

THE COMPANY



SELF STORAGE GROUP AT A GLANCE

97

Facilities

19 300

Storage rooms

115 000 m²

Current lettable area

130 200 m²

Total lettable area

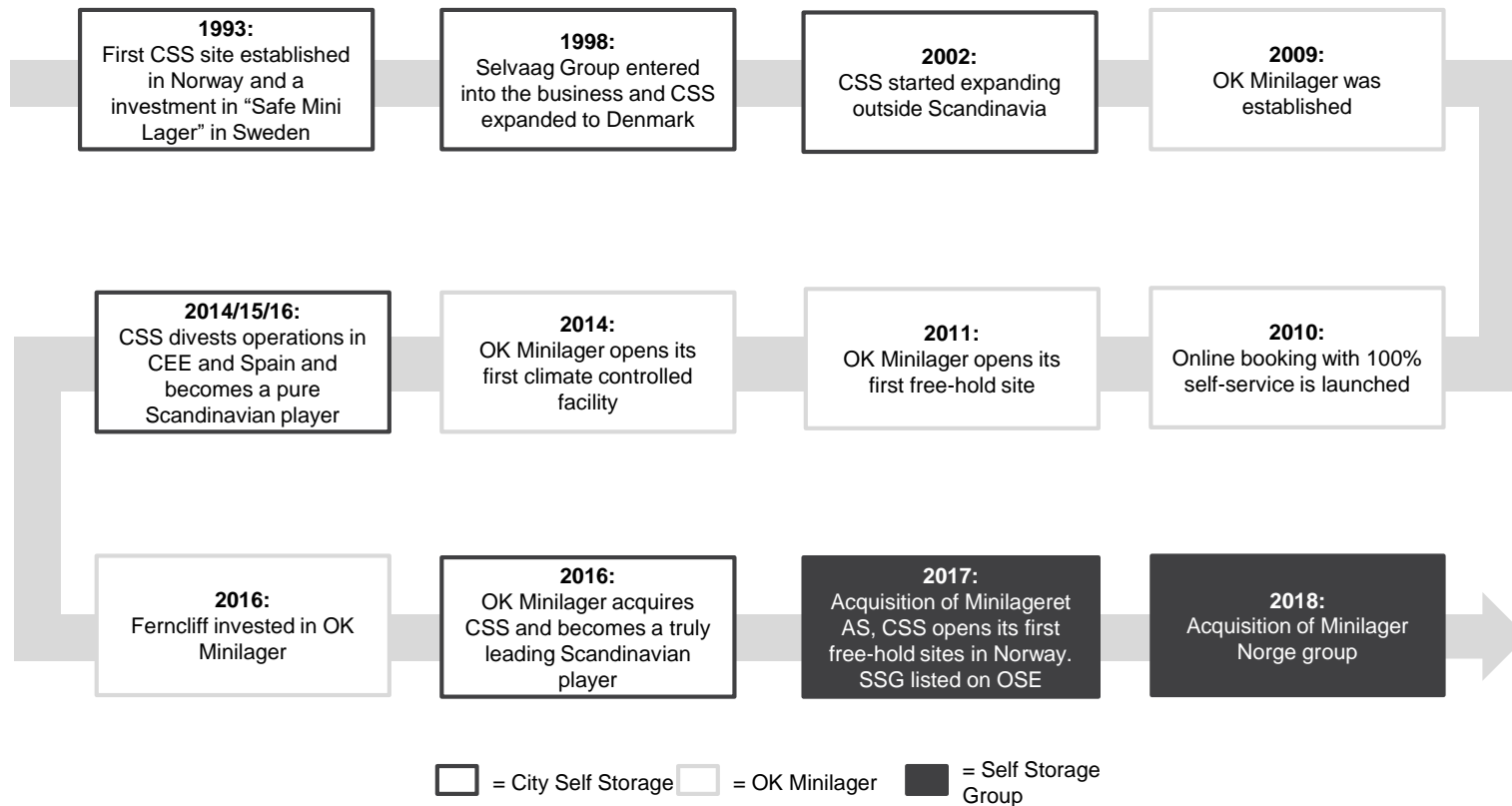
68 400 m²

Gross owned area

15 200 m²

Lettable area under
development

OUR HISTORY



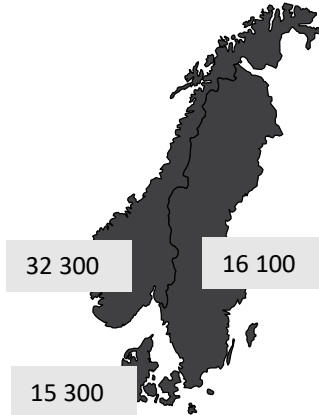
SSG CONSISTS OF TWO DISTINCT BUSINESS CONCEPTS

City Self-Storage



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

- 31¹⁾ temperate storage facilities across Scandinavia
- One of the leading self-storage providers in the Scandinavian market
- Located in Oslo, Stockholm and Copenhagen, due to open in Trondheim and Stavanger
- 63 700 m² CLA (4 900 m² is freehold)

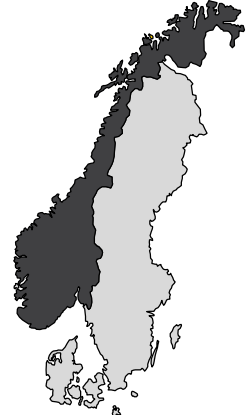


OK Minilager



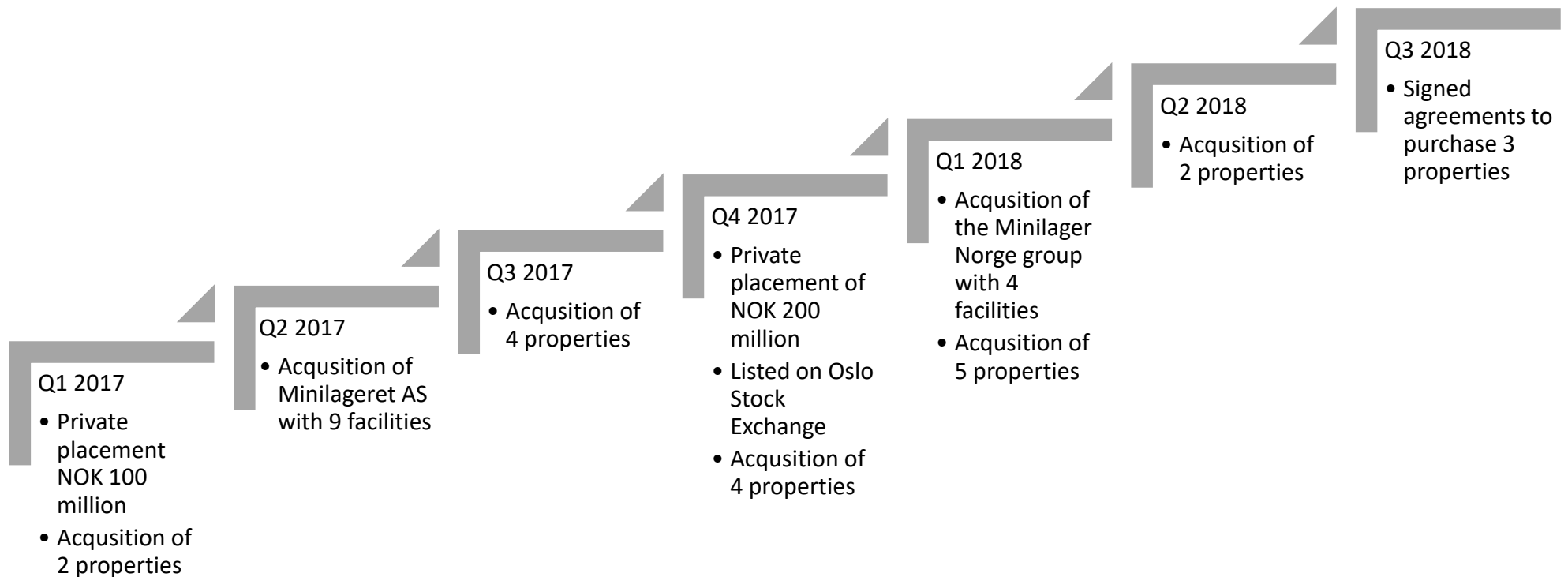
Countrywide, discount-priced offering of self-served storage facilities in Norway

- 66¹⁾ facilities located across Norway
- 37 temperate storage facilities and 29 drive-in storage facilities
- 2nd largest player in Norway, behind CSS
- Self service, open 24 hr/day and 7 days a week
- 51 300m² CLA (27 500 m² is freehold)



1) As of 8 November 2018

HIGH ACTIVITY IN 2017 – CONTINUING THE GROWTH IN 2018



SSG IS INNOVATING ON THE WORLD'S #1 CRM PLATFORM



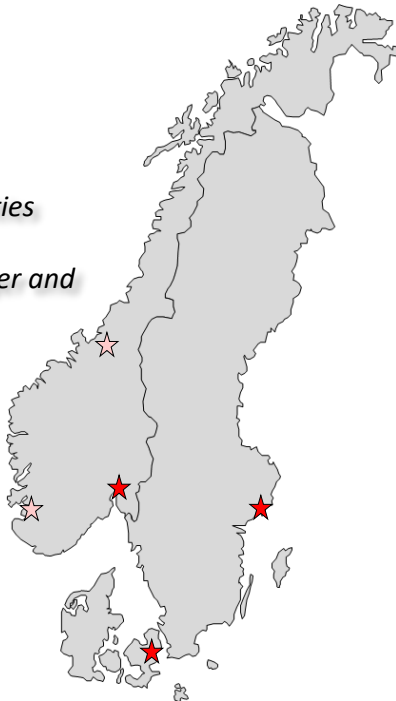
- OK Minilager has been using Salesforce® since 2011, and the platform has been upgraded in 2018 with several new features
- Minilager Norge was migrated to the platform in Q3 2018 and Minilageret will migrate in Q4 2018. CSS will move to the platform in 2019/2020
- A scalable platform with ERP-and website integrations
- 360-degree view of the customers
- Customer insights for better customers experiences
- Innovation opportunities with AI and machine learning (Salesforce Einstein), Marketing automation (Salesforce Marketing Cloud) and IoT (Salesforce IoT)

SSG HAS A STRONG PLATFORM FOR FUTURE GROWTH

City Self-Storage

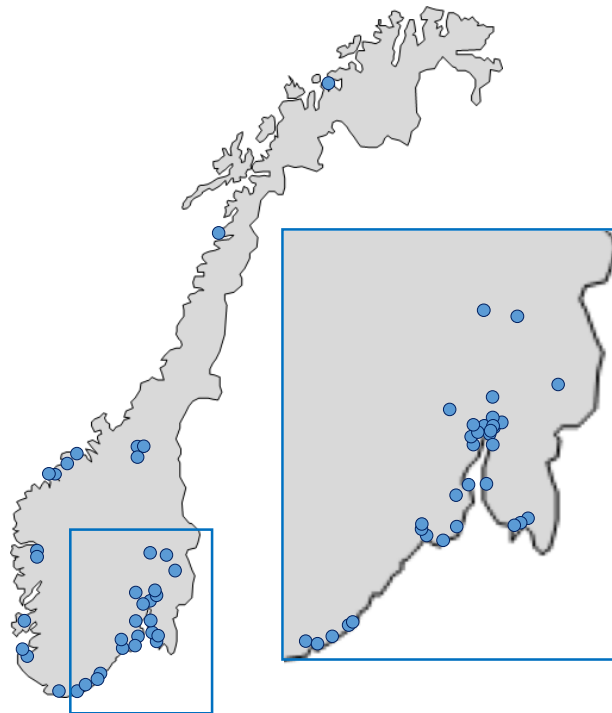
*Prime locations in all
Scandinavian capital cities*

*Due to open in Stavanger and
Trondheim*



OK Minilager

Country-wide offering
with presence in Oslo,
Bergen, Trondheim,
Stavanger and 29 other
cities and towns in
Norway



PARTICULAR GROWTH POTENTIAL IN THE UNDERDEVELOPED NORWEGIAN MARKET

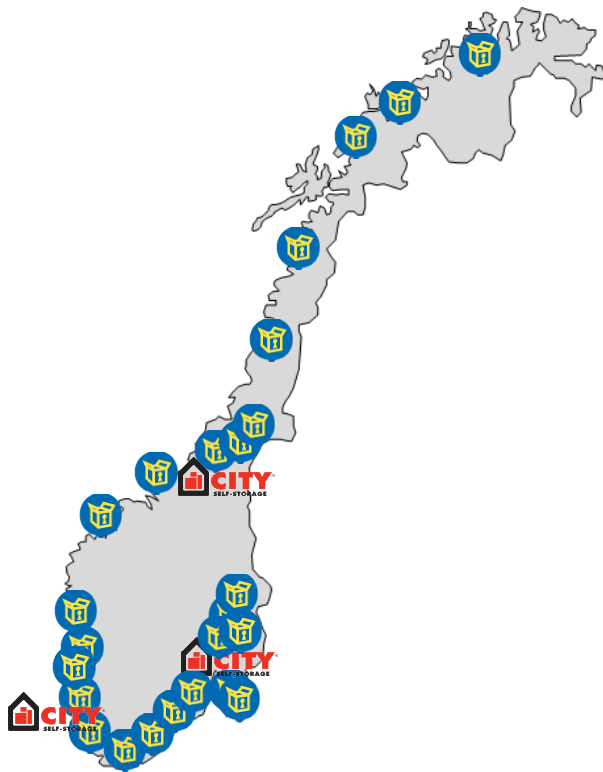


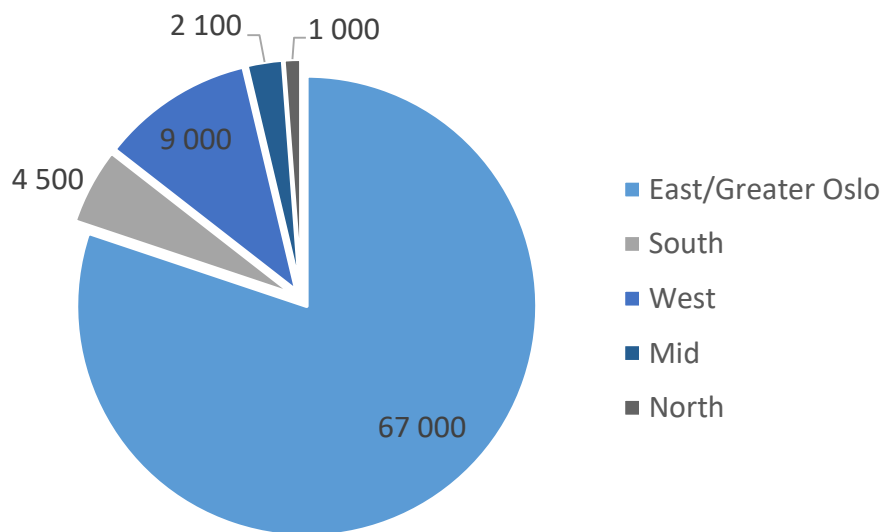
Illustration showing markets with immediate growth potential

- Focus on organic growth in Greater Oslo. Strengthening the position of both the CSS and OK Minilager brands in the region
- Focus on the larger urban areas in Norway, with automated sites operated under the OK Minilager brand
- Potential to enter 30+ smaller markets with population of 10.000<
- Growth potential within existing smaller markets
- Opportunity for M&A in selected markets

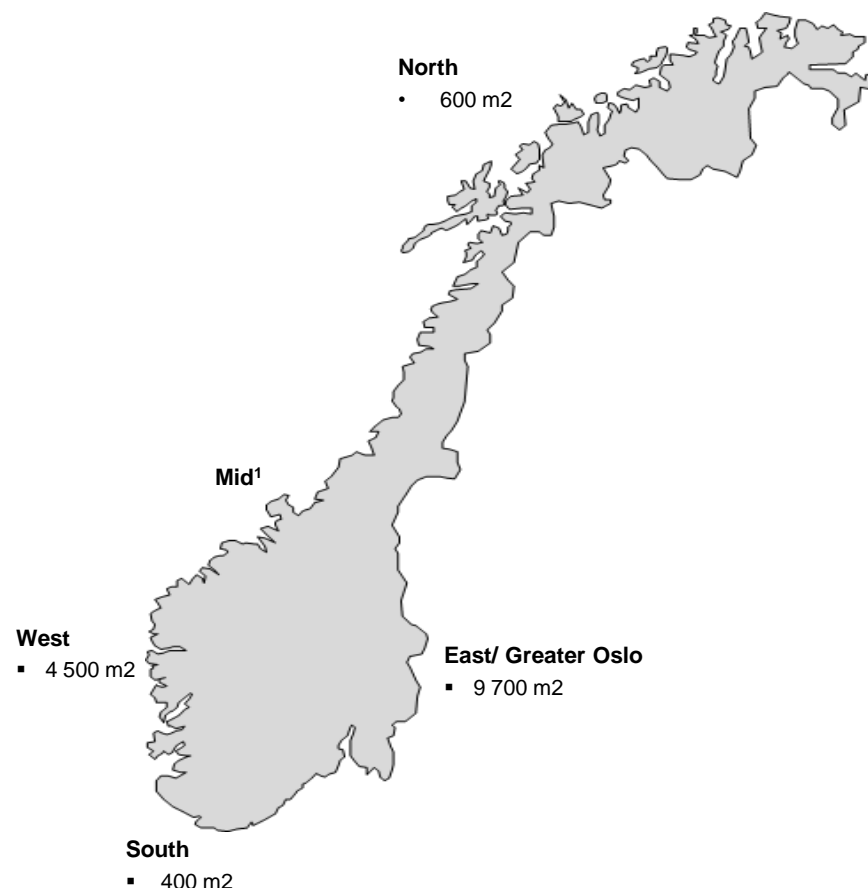
15 200 M² IN POTENTIAL LETTABLE AREA¹⁾

- The potential m² is in freehold facilities in Norway
- Rent income from expiring lease contracts from 4 900 m² of the 15 200 m² not yet built into self-storage units
- 10 000+ m² are planned to open during 2018
- 7 000 m² are opened as of 8 November 2018 in addition to 4 300 m² from the acquisition of Minilager Norge group

Current lettable area pr region in Norway²⁾



Lettable area under development



1) In addition there is a potential area of 3 600 m² from the greenfield project in Trondheim that is not included in the KPIs of Q3 2018

2) As of 8 November 2018

Appendix



THIRD QUARTER AND YTD 2018 COMPREHENSIVE INCOME

Profit and loss statement

(Amounts in NOK 1 000)

	Note	Unaudited For the three months ended 30 September 2018	Unaudited For the three months ended 30 September 2017	Unaudited For the nine months ended 30 September 2018	Unaudited For the nine months ended 30 September 2017	Audited For the twelve months ended 31 December 2017
Revenue	3	60 630	55 648	177 609	156 834	212 143
Property-related expenses	3	23 544	23 448	72 697	71 531	94 994
Salary and other employee benefits	3	8 383	8 434	27 692	25 447	36 747
Depreciation		3 196	2 217	7 954	4 779	7 261
Other operating expenses	3	6 285	10 934	23 179	26 310	37 464
Operating profit before fair value adjustments		19 222	10 615	46 087	28 767	35 677
Change in fair value of investment properties	6	-	755	2 500	13 928	29 831
Operating profit after fair value adjustments		19 222	11 370	48 587	42 695	65 508
Finance income		174	- 102	786	385	1 333
Finance expense		1 093	1 263	3 680	3 308	4 626
Profit before tax		18 303	10 005	45 693	39 772	62 215
Income tax expense		3 187	2 283	9 537	9 757	11 996
Profit for the period		15 116	7 722	36 156	30 015	50 219
Total non-recurring costs		-	4 600	1 942	5 500	11 253

Comments

- Financial development affected by the acquisition of Minilageret AS 30 June 2017 and the consolidation of Minilager Norge group from 1 January 2018
- Revenue for Q3 2018 was NOK 60.6 million, up NOK 5.0 million from Q3 2017. The increase is due to income from Minilageret and Minilager Norge group, in addition to growth in rentals
- Operating profit in Q3 2018 was NOK 19.2 million, up NOK 8.6 million from Q3 2017. No non-recurring items adjusted for in Q3 2018.
- The fair value of investment property is based on external valuations in combination with management estimates and judgments

YTD 2018– FINANCIAL POSITION

Financial position

(Amounts in NOK 1 000)		Unaudited 30 September 2018	Audited 31 December 2017
ASSETS			
Non-current assets	Note		
Investment property	6	456 423	338 631
Property, plant and equipment		66 602	52 125
Goodwill		94 932	72 272
Other intangible assets		1 201	493
Deferred tax assets			
Total non-current assets		619 158	463 521
Current assets			
Inventories		1 360	1 434
Trade and other receivables		13 084	11 455
Other current assets		16 859	13 397
Cash and bank deposits		108 141	195 224
Total current assets		139 444	221 510
TOTAL ASSETS		758 602	685 031

(Amounts in NOK 1 000)		Unaudited 30 September 2018	Audited 31 December 2017
EQUITY AND LIABILITIES			
Equity			
Issued share capital	7	6 573	6 369
Share premium		427 931	396 416
Other reserves		- 241	363
Retained earnings		146 966	110 809
Total equity		581 229	513 957
LIABILITIES			
Non-current liabilities			
Long-term interest-bearing debt	8	85 972	89 690
Other financial liabilities		896	-
Deferred tax liabilities		37 842	22 289
Provisions			
Obligations under finance leases		181	214
Other non-current liabilities			
Total non-current liabilities		124 891	112 193
Current liabilities			
Short-term interest-bearing debt	8	4 750	4 750
Trade and other payables		11 274	10 282
Income tax payable		670	1 699
Other taxes and withholdings		5 633	4 789
Provisions			
Obligations under finance leases		77	312
Other current liabilities		30 078	37 049
Total current liabilities		52 482	58 881
Total liabilities		177 373	171 074
TOTAL EQUITY AND LIABILITIES		758 602	685 031

Comments

- Total assets of NOK 759 million
- Investment property increased by NOK 118 million since 31 December 2017
- Cash and bank deposits reduced due to acquisition of Minilager Norge group, purchase of investment properties (100% cash), and down payment of loan in Minilager Norge to DNB. New loan facility with Handelsbanken were signed in July 2018.
- Increased equity through issue of ordinary shares and result for the period
- Positive net interest-bearing debt was NOK 17.4 million
- Equity ratio was 77%
- Negative working capital due to invoicing of customers in advance and stable cost

YTD 2018 – CASH FLOW

Condensed consolidated statement of cash flows

		Unaudited For the three months ended 30 September 2018	Unaudited For the three months ended 30 September 2017	Unaudited For the nine months ended 30 September 2018	Unaudited For the nine months ended 30 September 2017	Audited For the year ended 31 December 2017
(Amounts in NOK 1 000)	Note					
Cash flow from operating activities						
Profit before tax		18 303	10 004	45 693	39 772	62 215
Income tax paid		153	-	- 1 700	- 7 701	- 8 170
Adjustment for net interests paid		- 154	289	- 736	289	242
Depreciation		3 196	2 217	7 954	4 779	7 261
Gain/loss on disposal of property, plant and equipment		-	11	-	144	148
Change in fair value of investment property	6	-	- 755	- 2 500	- 13 928	- 29 831
Change in trade and other receivables		- 1 112	1 748	- 1 548	1 271	- 733
Change in trade and other payables		- 1 071	6 073	660	1 811	1 466
Change in other current assets		- 2 821	1 052	- 3 344	5 052	5 047
Change in other current liabilities		1 396	- 1 877	- 662	- 49	4 623
Net cash flow from operating activities		17 890	18 762	43 817	31 440	42 268
Cash flow from investing activities						
Payments for investment property		- 4 686	- 5 044	- 51 442	- 32 890	- 42 163
Payments for property, plant and equipment		- 6 045	- 2 608	- 15 368	- 6 629	- 11 471
Net cash outflow on acquisition of subsidiaries		- 6 000	- 16 129	- 45 454	- 62 265	- 69 760
Net cash outflow from disposal of subsidiaries		-	-	-	-	-
Net cash flow from investing activities		- 16 731	- 23 781	- 112 264	- 101 784	- 123 394
Cash flow from financing activities						
Net proceeds from issue of equity instruments of the Company		-	-	-	95 865	287 416
Proceeds from borrowing		-	95 000	-	95 000	95 000
Repayment of borrowings		- 1 187	- 69 631	- 17 878	- 107 790	- 140 840
Net cash flow from financing activities		- 1 187	25 369	- 17 878	83 075	241 576
Net change in cash and cash equivalents		- 28	20 350	- 86 325	12 731	160 450
Cash and cash equivalents at beginning of the period		108 324	26 473	195 224	34 115	34 115
Effect of foreign currency rate changes on cash and cash equivalents		- 155	230	- 758	207	659
Cash and equivalents at end of the period		108 141	47 053	108 141	47 053	195 224

Comments

Operating activities

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

Investing activities

- Acquisition of Minilager Norge group Q1 2018 and settlement of contingent consideration in Q3 2018
- Acquisition of 7 investment properties and 1 company assets acquisitions (cash) the first nine months 2018
- Establishment and fit out new facilities and expansions
- Maintenance is posted as property cost

Financing activities

- Private placements in January and October 2017
- Loan facility with Handelsbanken in July 2017 – repayments to shareholders
- Down payment of loan in Minilager Norge group to DNB in Q2 2018

SSG's cash position at the end of September 2018 was NOK 108 million

EBITDA-DEVELOPMENT

(NOK million)

BRIDGE Q3 2017-Q3 2018

