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Safestore Holdings plc
16 January 2025

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Safestore Holdings plc
("Safestore", "the Company" or "the Group")

Results for the year ended 31 October 2024

Continued improvement in UK trading and strong growth in Expansion Markets

Key measures	**Year ended 31 October 2024**	**Year ended 31 October 2023**	**Change[1]**	**Change-CER[2]**
Underlying and Operating Metrics - total				
Revenue (£'m)[3]	223.4	224.2	(0.3%)	0.2%
Underlying EBITDA (£'m)[4]	135.4	142.2	(4.8%)	(4.2%)
Closing Occupancy (let sq ft - million)[5]	6.41	6.23	2.9%	n/a
Closing Occupancy (% of MLA)[6]	74.6%	77.0%	(2.4ppt)	n/a
Maximum Lettable Area ("MLA")	8.59	8.09	6.2%	n/a
Average Storage Rate (£ / sq ft)[7]	29.85	30.26	(1.4%)	(0.8%)
REVPAF (£ / sq ft)[8]	26.69	27.70	(3.7%)	(3.1%)
Adjusted Diluted EPRA Earnings per Share (pence)[9]	42.3	47.9	(11.7%)	n/a
Free Cash flow (£'m)[10]	86.2	89.2	(3.4%)	n/a
EPRA Basic NTA per Share (pence)[11]	1,091	952	14.6%	n/a
Underlying and Operating Metrics - like-for-like[12]				
Revenue (£'m)	217.9	218.9	(0.5%)	0.0%
Storage Revenue (£'m)	183.6	186.4	(1.5%)	(0.9%)
Ancillary Revenue (£'m)	34.3	32.6	5.2%	5.5%
Underlying EBITDA (£'m)	134.7	142.4	(5.4%)	(4.9%)
Closing Occupancy (let sq ft - million)	6.11	6.12	(0.2%)	n/a
Closing Occupancy (% of MLA)	78.8%	79.3%	(0.5ppt)	n/a
Average Occupancy (let sq ft - million)	6.05	6.12	(1.1%)	n/a
Average Storage Rate (£ / sq ft)	30.33	30.46	(0.4%)	0.2%
REVPAF (£ / sq ft)	28.18	28.39	(0.7%)	(0.2%)
Statutory Metrics				
Operating Profit (£'m)	425.8	230.4	84.8%	n/a
Profit before Tax (£'m)	398.6	207.8	91.8%	n/a
Diluted Earnings per Share (pence)	170.1	91.8	85.3%	n/a
Dividend per Share (pence)	30.4	30.1	1.0%	n/a
Net Cash Flow from Operating Activities (£'m)	95.9	98.0	(2.0%)	n/a
Basic net assets per share (pence)	1,020	888	14.8%	n/a

Highlights

Resilient Financial performance

- Group revenue at CER grew 1.1% year on year excluding £2.2m of insurance premium tax ("IPT") relating to the sale of customer goods insurance in FY 2023 not repeated this year
- Group revenue flat year on year: down 0.3% at actual FX rates and up 0.2% at CER
- Group like-for-like revenue in CER flat year on year
- Underlying EBITDA down 4.2% in CER reflecting market inflationary pressures on key cost lines and the impact of new developments
- Adjusted Diluted EPRA EPS down 11.7% at 42.3 pence (FY 2023: 47.9 pence)
- 1% increase in the dividend for the year to 30.4 pence per share (FY2023: 30.1 pence per share) in line with our progressive policy

Strategic Progress

- Opening of ten new stores and extensions in the year with a further five opened following year end, adding a total of 386,000 sq ft of MLA
- Development pipeline of an additional 26 stores with a total of 1.3m sq ft MLA, equivalent of 16% of the portfolio at year end with potential to add, together with other open non like-for-like stores, £35-£40 million of future EBITDA at stabilisation
- Acquisition of 19,800 sq ft trading store in Chelsea Embankment, London

- Purchase of the freehold interests of two stores in Le Marais (Paris) and Manchester
- Continued growth of German joint venture portfolio with three development opportunities secured in the year
- Following year end, entered into a joint venture with Nuveen to acquire the EasyBox self-storage business in Italy with ten operating stores and two under development totalling 780,000 sq ft of MLA. This follows the Group strategy of entering high-potential markets with low levels of supply alongside partners. Safestore will operate the business, leveraging Group capabilities

Strong and Flexible Balance Sheet

- 13.6% increase in property revaluation (including investment properties under construction) to £3,284.1 million (FY 2023: £2,890.9 million)
- 14.6% increase in EPRA Basic NTA per share to £10.91 (FY 2023: £9.52)
- Exercise of RCF accordion option to increase facility size by £100.0 million to £500.0 million.
- Exercise of RCF extension option to increase maturity date by one year to November 2028
- Net Debt £899.5 million (FY 2023: £810.3 million). Group loan-to-value ratio ("LTV"[14]) at 25.1% (FY 2023: 25.4%) and interest cover ratio ("ICR"[15]) at 4.3x (FY 2023: 6.7x)
- Ample liquidity with unutilised bank facilities of £144.3m at 31 October 2024 (FY 2023: £197.0m)
- €51.0 million USPP matured and repaid in FY 2024 and in December 2024, following year end, new €70.0 million USPP issued with an eight-year term

Frederic Vecchioli, Safestore's Chief Executive Officer, commented:

"We have delivered resilient operating performance in challenging market conditions and have made good progress on our strategic priorities.

Over the year, the Group's revenue stabilised with improving performance in the UK supported by solid results in Paris and strong growth in our Expansion Markets.

In the UK, we are encouraged by the continued improvements in domestic customer occupancy with increasingly positive levels of occupied space vs prior year through the second half of the year.

We have presented our other countries combined together as "Expansion Markets" to reflect their importance in driving growth for the Group. These markets have once again delivered strong performance in the year both in like-for-like growth and in total revenue terms through the additional revenue from new stores.

In the financial year, we added 386,000 sq ft of MLA (equivalent to 5% of the start of year MLA) through ten new stores and extensions with a further five stores with 263,400 sq ft of MLA opened following year end. In addition our development pipeline includes 26 stores with a projected total MLA of 1,338,200 sq ft, reflecting 16% of year end MLA, providing a clear pathway for further future revenue growth.

The borrowings for the expansion of our asset base has led to higher interest costs, with a £5.5 million increase year on year. Adjusted EPRA earnings of £92.7 million reflect an 11.8% decrease year on year.

We have further strengthened our balance sheet by extending our RCF by £100 million to £500 million as well as its term by one year to provide additional liquidity. Following year end, we successfully issued a new €70 million eight-year USPP.

Our business performance remains robust with strong levels of cash generation and our development programme is adding the potential for meaningful EBITDA growth, so we remain confident to recommend a full year dividend of 30.4 pence per share, representing a 1% increase on prior year.

Finally, I would like to thank all of our colleagues across our stores and head office whose commitment, hard work and customer-centric approach have been instrumental in driving our performance and sustained growth."

Notes

We prepare our financial statements using IFRS. However, we also use a number of adjusted measures in assessing and managing the performance of the business. These measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures and are not intended to be a substitute for, or superior to, any IFRS measures of performance. These include like-for-like figures, to aid in the comparability of the underlying business as they exclude the impact on results of purchased, sold, opened or closed stores; and constant exchange rate ("CER") figures are provided in order to present results on a more comparable basis, removing FX movements. These metrics have been disclosed because management review and monitor performance of the business on this basis. We have also included a number of measures defined by EPRA, which are designed to enhance transparency and comparability across the European Real Estate sector; see notes 9 and 11 below and 'Non-GAAP financial information' in the notes to the financial statements.

1 - Where reported amounts are presented either to the nearest £0.1 million or to the nearest 10,000 sq ft, the effect of rounding may impact the reported percentage change.

2 - CER is Constant Exchange Rate (Euro denominated results for the current period have been retranslated at the exchange rate effective for the comparative period. Euro denominated results for the comparative period are translated at the exchange rates effective in that period. This is performed in order to present the reported results for the current period on a more comparable basis).

3- Store Protect replaced our customer goods insurance programme in the UK from 1 November 2023, attracting VAT rather than Insurance Premium Tax ("IPT"). FY 2023 revenue includes £2.2 million representing 12% IPT on insurance sales for that financial year. The IPT in FY 2023 has been excluded from like-for-like figures to aid comparability

4 - Underlying EBITDA is defined as Operating Profit before exceptional items, share-based payments, corporate transaction costs, change in fair value of derivatives, gain/loss on investment properties, variable lease payments, depreciation and the share of associate's depreciation, interest and tax. Underlying EBITDA therefore excludes all leasehold rent charges. Underlying profit before tax is defined as underlying EBITDA less leasehold rent, depreciation charged on property, plant and equipment and net finance charges relating to bank loans and cash.

5 - Occupancy excludes offices but includes bulk tenancy.

6 - MLA is Maximum Lettable Area. Measured in square feet ("sq ft")

7 - Average Storage Rate is calculated as the revenue generated from self-storage revenues divided by the average square footage occupied during the period in question.

8 - Revenue per Available Square Foot ("REVPAF") is an alternate performance measure used by the business and is considered by management as the best KPI of economic performance of a mature self-storage asset as it is the net outcome of the occupancy/rate mix plus ancillary sales. It is calculated by dividing revenue for the period by weighted average available square feet for the same period.

9 - Adjusted Diluted EPRA EPS is based on the European Public Real Estate Association's definition of Earnings and is defined as profit or loss for the period after tax but excluding corporate transaction costs, change in fair value of derivatives, gain/loss on investment properties and the associated tax impacts. The Company then makes further adjustments for the impact of exceptional items, IFRS 2 share-based payment charges, exceptional tax items, and deferred tax charges. This adjusted earnings is divided by the diluted number of shares. The IFRS 2 cost is excluded as it is written back to distributable reserves and is a non-cash item (with the exception of the associated National Insurance element). Therefore, neither the Company's ability to distribute nor pay dividends are impacted (with the exception of the associated National Insurance element). The financial statements will disclose earnings on a statutory, EPRA and Adjusted Diluted EPRA basis and will provide a full reconciliation of the differences in the financial year in which any LTIP awards may vest.

10 - Free cash flow is defined as cash flow before investing and financing activities but after leasehold rent payments.

11 - EPRA's Best Practices Recommendations guidelines for Net Asset Value ("NAV") metrics are EPRA Net Tangible Assets ("NTA"), EPRA Net Reinstatement Value ("NRV") and EPRA Net Disposal Value ("NDV"). EPRA NTA is considered to be the most relevant measure for the Group's business which provides sustainable long term progressive returns and is now the primary measure of net assets. The basis of calculation, including a reconciliation to reported net assets, is set out in note 14.

12 - Like-for-like information includes only those stores which have been open throughout both the current and prior financial years, with adjustments made to

remove the impact of new and closed stores, as well as corporate transactions
13 - Expansion Markets comprise Spain, the Netherlands and Belgium plus income earned in relation to the joint venture in Germany (previously shown in the UK segment)
14 - LTV ratio is Loan-to-Value ratio, which is defined as net debt (excluding lease liabilities) as a proportion of the valuation of investment properties and investment properties under construction (excluding lease liabilities).
15 - ICR is interest cover ratio and is calculated as the ratio of underlying EBITDA after leasehold rent to underlying finance charges.

Reconciliations between underlying metrics and statutory metrics can be found in the financial review and financial statements sections of this announcement.

Summary

The Group has delivered a resilient performance in FY 2024 in challenging market conditions, particularly in the UK and Paris, whilst continuing to make good progress with our strategic priorities including our ongoing development programme.

The Group's reported revenue decreased by 0.3% or £0.8 million during the year at actual exchange rates, growing 0.2% at CER. Revenue grew 1.1% year on year at constant exchange rates, excluding the insurance premium tax relating to the sale of customer goods insurance in the UK in FY 2023 not repeated this year due to changes in the nature of the protection afforded to customers.

Group like-for-like ("LFL") revenue at CER was flat year on year reflecting gradually improving performance over the course of FY 2024 in the UK led by increases in occupancy by domestic customers. Both closing occupancy of 78.8% and an average rate of £30.51 (at CER) for the Group were broadly stable year on year on a LFL basis.

In the UK, we have seen steadily improving domestic demand and we are accelerating the conversion of larger units (over 250 sq ft) into smaller ones more suitable for domestic customers, reducing the historic over-weight towards business customers in the UK.

In Paris, LFL revenue increased by 1.4% driven by growth in average storage rate of 1.3% to €42.33 reflecting continued progress in a challenging market. Revenue in Paris grew for the 26th consecutive year.

Expansion Markets revenue grew 29% to €20.6 million in the year driven by strong LFL growth supported by the income from new stores. Expansion Markets comprise Spain, the Netherlands and Belgium together with our Joint Venture in Germany. Revenue increases were seen in all markets on a LFL basis with a 12.9% increase overall. Non-LFL stores contributed £3.4 million to revenue in the year for the segment.

Group Underlying EBITDA decreased by £6.8 million (4.8%) year on year driven by a 7.4% increase in underlying costs principally due to increased employee remuneration, higher bad debt provisions and increased business rates. Interest expense increased year on year as result of additional borrowings to fund our development programme and higher rates on floating rate debt. Coupled with the decrease in Underlying EBITDA, the increase in finance costs of £5.5m led to an 11.7% year on year decrease in Adjusted Diluted EPRA earnings to 42.3 pence.

Statutory operating profit increased by 84.8% to £425.8 million (FY 2023: £230.4 million) as a result of a larger gain from investment properties revaluation reflecting the healthy asset transactional market in the year.

The Group delivered eight new stores through developments, two extensions plus one acquisition in the year. At the end of October 2024, we had a pipeline of 31 new stores to open in 2025 and beyond. The pipeline, together with non-LFL stores, is projected to add £35-£40 million of EBITDA in FY 2029 but will be dilutive to EPS in FY 2025 due to additional interest costs and expected customer move-in trajectories.

Investment Property value increased by £393.2 million with a 53bps reduction in exit yields, taking the value of the portfolio to £3,284.1 million. The increase included £122.6 million of capital expenditure on new stores and extensions in the year.

The business remains in a strong position with robust cash generation, and therefore the Board is pleased to recommend a 1% increase in the dividend for the full year to 30.4 pence per share (FY2023: 30.1 pence per share) in line with our progressive policy.

Outlook

We remain focused on further optimising the Group's operational performance and continuing to grow in all of our geographies. Our development pipeline represents 19% of our existing MLA and our balance sheet strength and flexibility provide us with the opportunity to consider further selective development and acquisition opportunities across all of our markets, either self-funded or within joint ventures.

We expect our development programme together with its associated financing to be dilutive to earnings in FY 2025 and FY 2026 before becoming highly accretive to the Group in future years as the stores stabilise. We believe that, on stabilisation, an incremental £35-£40 million of EBITDA will be added by the pipeline together with the stores opened in the last two years.

Our business model has proven to be highly resilient as we navigate the current economic backdrop. We believe the Group is strongly positioned with low leverage at 25.1% LTV, 57% fixed-rate debt, continued strong operating margins and the potential for material earnings growth through the opening of our pipeline space together with our existing stores. This is all underpinned by our 25-year track record of delivering market leading operational performance.

In the first two months of FY 2025 financial year, we have seen continued improvements in LFL revenue growth with Group LFL increasing 2.4% year on year at CER. This included the UK delivering a 0.9% increase and Paris 1.0% with Expansion Markets delivering further strong growth of 21.4%

Looking ahead for FY 2025, we anticipate that there will be further market inflationary pressure on operating costs with an expected 7% to 8% increase on a LFL basis. This includes the impact from store staff costs in the UK rising through a combination of further increases in the National Living Wage and additional employers' national insurance costs, business rates increases as a result of inflation uplifts and the unwinding of transitional relief on rateable value increase, and higher energy costs as we come to the end of long term purchasing contracts. In addition, interest expense is also expected to further rise by £6-7 million in FY 2025 predominantly as a result of additional borrowing to finance our development programme.

Notes to Editors

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Analyst and investor presentation

An analyst and investor presentation will be held at 9:30am GMT today, 16 January 2025.

To register for the live webcast, please email Safestore@Instinctif.com

- Safestore is the UK's largest self-storage group with 203 stores on 26 November 2024; comprising 138 in the UK (including 77 in London and the South East with the remainder in key metropolitan areas such as Manchester, Birmingham, Glasgow, Edinburgh, Liverpool, Sheffield, Leeds, Newcastle, and Bristol), 30 in the Paris region, 15 in Spain, 14 in the Netherlands and 6 in Belgium. In addition, the Group operates 7 stores in Germany under a Joint Venture agreement with Carlyle, and has recently entered a new Joint Venture agreement in Italy with the acquisition of EasyBox with Nuveen.

- Safestore operates more self-storage sites inside the M25 and in central Paris than any competitor providing more proximity to customers in the wealthiest and more densely populated UK and French markets.

- Safestore was founded in the UK in 1998. It acquired the French business "Une Pièce en Plus" ("UPP") in 2004 which was founded in 1998 by the current Safestore Group CEO Frederic Vecchioli.

- Safestore has been listed on the London Stock Exchange since 2007. It entered the FTSE 250 index in October 2015.

- The Group provides storage to around 96,000 personal and business customers.

- As of 31 October 2024, Safestore had a maximum lettable area ("MLA") of 8.59 million sq ft (excluding the expansion pipeline stores) of which 6.41 million sq ft was occupied.

- Safestore employs around 800 people in the Group.

Chairman's statement

Our purpose remains simple - to add stakeholder value by developing profitable and sustainable spaces that allow individuals, businesses and local communities to thrive.

David Hearn
Chairman

The last year has demonstrated Safestore's continued resilience and has seen significant strategic and operational progress. After five years in the role, I continue to be impressed by the dedication and resilience of the store, property development and Head Office teams which have been instrumental in delivering this progress.

Our purpose remains simple, to continue to add stakeholder value by developing profitable and sustainable spaces that allow individuals, businesses and local communities to thrive. Our strategy is underpinned by our values, our behaviours and our governance structure which shape our culture and remain central to the way we conduct our business.

I would like to take this opportunity to congratulate all my colleagues throughout the Group for their exceptional contributions this year.

Strategic progress

Management's first priority remains to maximise the economic return on our existing store portfolio and its 2.2 million sq ft of fully invested unlet space, building on the significant operational improvements made over the current management team's tenure.

In addition, the Group has continued to make significant strategic progress in expanding its presence across Europe through a combination of new store openings and acquisitions. The Group has now acquired 48 and opened 39 stores over the last eight years creating value for all stakeholders of the Group.

This includes our investments in Expansion Markets (Spain, the Netherlands and Belgium) where we see a significant opportunity for growth both in terms of new stores and from like for like improvements. Expansion Markets totaled 32 stores with 1.29 million sq ft of MLA and contributed €20.6 million of revenue in the 2024 financial year.

Our joint venture with Carlyle in Germany provides us with an exciting platform to gain exposure to that market. In addition, following year end, we entered into a new joint venture with Nuveen acquiring together EasyBox in Italy, which provides the best possible entry point to a great new market with the lowest self-storage supply of major western European economies. I believe that Safestore's highly scalable platform and international experience will allow us to capitalise on these opportunities.

We have further strengthened our balance sheet in the year with the exercise of an additional £100 million option on our revolving credit facility which takes total funds available under the committed RCF to £500m. In addition, the term of the RCF was extended by one year in FY 2024 to a new maturity of November 2028. Following the year end, a new USPP of €70.0m was issued in December 2024, with a maturity in December 2032 and a fixed rate of interest of 4.03%.

Financial results

Revenue for the year was £223.4 million, 0.3% behind last year (FY 2023: £224.2 million), or 0.2% ahead on a constant currency basis. Like-for-like revenue was flat year on year on a CER basis.

On a total basis, underlying EBITDA decreased by 4.8% to £135.4 million (FY 2023: £142.2 million) and on a constant currency basis by 4.2%.

Statutory operating profit increased by £195.4 million to £425.8 (FY 2023: £230.4 million), reflecting a higher investment property valuation gain in FY 2024.

Adjusted Diluted EPRA Earnings per Share reduced by 11.7% to 42.3 pence (FY 2023: 47.9 pence). Adjusted Diluted EPRA Earnings per Share has grown by 31.6 pence or 295% over the last eleven years. Statutory diluted Earnings per Share increased to 170.1 pence (FY 2023: 91.8 pence) as a result of the valuation gain on investment properties.

The Group's balance sheet remains robust with a Group LTV ratio of 25.1% (FY 2023: 25.4%) and an ICR of 4.3x (FY 2023: 6.7x) leaving considerable headroom against our banking covenants and internal thresholds. This represents a level of gearing we consider appropriate for the business to enable the Group to increase returns on equity, maintain financial flexibility and achieve our medium term strategic objectives.

Finally, this year's results consolidated a sustained period of excellent performance by the Group. Over the last eleven years, the management and store teams have delivered a Total Shareholder Return of 748.0%, ranking at number one in the UK property sector. Since flotation in 2007, Safestore has also delivered the highest Total Shareholder Return of any UK listed self-storage operator.

ESG (Environmental, Social and Governance)

Away from the financial results, I am pleased with the progress the Group has made with its ESG strategy.

Even though Safestore already has one of the lowest environmental impact profiles of any company within the overall property sector, we have continued to focus on our environmental agenda, with year on year reductions in greenhouse gas emissions and enhanced disclosures in recognition of the recommendations of the TCFD. I am pleased to report that we have been given our first ever Gold rating in the 2024 EPRA Sustainability BPR awards. The Global ESG Benchmark for Real Assets ("GRESB") has once again awarded us an 'A' rating in its 2024 Public Disclosures assessment. MSCI has also awarded us our second-highest rating of 'AA' for ESG.

We continue to demonstrate our commitment to our ESG agenda by linking the margin on our £500 million bank facility to ESG related KPIs agreed with our lending group. Details of these achievements are covered more fully in the Chief Executive's report and the sustainability section of our Annual Report.

Board changes

Following Ian Krieger stepping down from the Board in the year Jane Bentall took over as Senior Independent Director and Chair of the Audit Committee in 2024. Jane has extensive experience and understanding of operating multi-site, consumer-led businesses and has been on the Board of Safestore since May 2022.

Simon Clinton replaced Andy Jones as CFO in April 2024, following Andy's retirement. Simon was previously Chief Financial Officer of Logicor, one of Europe's largest logistics real estate companies. He joined Logicor as Director of Group Finance in February 2017, before being promoted to Chief Financial Officer in May 2018. Prior to this, Simon held a number of senior finance roles at Tesco and Diageo. Simon is a qualified chartered accountant.

Dividend

Reflecting the Group's progressive dividend policy, the Board is pleased to recommend a final dividend of 20.4 pence per share (FY 2023: 20.2 pence) resulting in a full year dividend up 1% to 30.4 pence per share (FY 2023: 30.1 pence).

Over the last eleven years, the Group has grown the dividend by 24.6 pence per share during which period the Group has returned to shareholders a total of 216.5 pence per share. The total dividend for the year is covered 1.39 times by Adjusted EPRA Diluted Earnings (1.59 times in 2023). Shareholders will be asked to approve the dividend at the Company's Annual General Meeting on 19 March 2025 and, if approved, the final dividend will be payable on 15 April 2025 to Shareholders on the register at close of business on 13 March 2025.

Summary

The Board remains confident in the future growth prospects for the Group and will continue its progressive dividend policy in 2025 and beyond. In the medium term it is anticipated that the Group's dividend will grow at least in line with Adjusted Diluted EPRA Earnings per Share.

David Hearn
15 January 2025

Our Strategy

The Group intends to continue to deliver on its proven strategy of leveraging its well-located asset base, management expertise, infrastructure, scale and balance sheet strength and further increase its Earnings per Share by:

- optimising the trading performance of the existing portfolio;
- maintaining a strong and flexible capital structure; and
- taking advantage of selective portfolio management and expansion opportunities in our existing markets and, if appropriate, in attractive new geographies either through a joint venture or in our own right.

In addition, the Group's strategy is pursued whilst maintaining a strong focus on Environmental, Social and Governance ("ESG") matters and a summary of our ESG strategy is provided further on.

Optimisation of Portfolio

With the opening of 41 new stores since 2016, in addition to the acquisitions of 48 existing trading stores, we have established and strengthened our market-leading portfolio in the UK and Paris and have entered the Spanish, Dutch and Belgian markets. We have a high quality, fully invested estate in all geographies and, of our 199 stores as at 31 October 2024, 107 are in London and the South East of England or in Paris, with 60 in the other major UK cities and 32 in the Expansion Markets region. In the UK, we now operate 51 stores within the M25, which represents a higher number of stores than any other competitor.

Our MLA has increased to 8.6m sq ft as at 31 October 2024 (31 October 2023: 8.1m sq ft). At the current occupancy level of 74.6%, we have 2.2m sq ft of fully invested unoccupied space (3.8m sq ft including the development pipeline and post-period end openings), of which 1.6m sq ft is in our UK stores, 0.3m sq ft is in Paris and 0.3m sq ft is in Expansion Markets. In total, unlet space including pipeline is the equivalent of c. 88 additional stores located across the estate and provides the Group with significant opportunity to grow further. We have a proven track record of filling our vacant space at efficiently managed rates, so we view this availability of space with considerable optimism. We will also benefit from the operational leverage from the fact that this available space is fully invested, and the related operating costs are essentially fixed and already included in the Group cost base. Our continued focus will be on ensuring that we drive occupancy to utilise this capacity at carefully managed rates.

There are three elements that are critical to the optimisation of our existing portfolio:

- enquiry generation through an efficient marketing operation;
- strong conversion of enquiries into new lets; and
- disciplined central revenue management and cost control.

As we develop new assets, we normally build out internal fittings in phases spread over a number of years after the initial store opening, enabling efficient capital deployment and optimisation of unit mix based on actual local demand. If we exclude this unavailable space, we have a Current Leasable Area ("CLA") of 8.2m sq ft as at 31 October 2024. As a result, Occupancy as a % of CLA at the year-end was 78.3%.

m sq ft	MLA	To be Built Out	Operationally unavailable	CLA	% Occupancy of CLA
UK	5.9	(0.1)	(0.1)	5.7	79.6%
Paris	1.4	(0.1)	(0.0)	1.3	82.8%
Expansion Markets	1.3	(0.1)	(0.0)	1.2	66.6%
Total	**8.6**	**(0.3)**	**(0.1)**	**8.2**	**78.3%**

Digital Marketing Expertise

Awareness of self-storage remains relatively low with half of the UK population either knowing very little or nothing about self-storage (source: SSA Annual Report 2024). In the UK, many of our new customers are using self-storage for the first time and it is largely a brand-blind purchase. Typically, customers requiring storage start their journey by conducting online research using generic keywords in their locality (e.g. 'storage in Borehamwood', 'self-storage near me') which means that geographic coverage and search engine prominence remain key competitive advantages.

We believe there is a clear benefit of scale in the generation of customer enquiries. The Group has continued to invest in technology and in-house expertise which has resulted in the development of a leading digital marketing platform that has generated 34% enquiry growth for the Group over the last five years, an annual growth of 6%. Our in-house expertise and significant annual budget have enabled us to deliver strong results.

The Group's online strength has meant that it continues to be the predominant channel for customer acquisition. Online enquiries this year made up 89% of all our enquiries in the UK (FY 2023: 89%), with 86% in France (FY 2023: 84%). The majority of our online enquiries now originate from a mobile device (71% share in UK for FY 2024, FY 2023: 65%), highlighting the need for continual investment in our responsive web platform for a 'mobile-first' world. We continue to invest in activities that promote a strong search engine presence to grow enquiry volume whilst managing efficiency in terms of overall cost per enquiry and cost per new let. Group marketing costs for the year as a percentage of revenue were in line with the previous year at 4.1% (FY 2023: 3.8%).

During the period and post-period end, the Group demonstrated its ability to integrate newly developed and acquired stores into its marketing platform with successful new openings. We have clearly demonstrated that our marketing platform is transferrable into multiple overseas geographies.

Central Revenue Management and Cost Control

We continue to pursue a balanced approach to revenue management. We aim to optimise revenue per available space ("REVPAF") by improving the utilisation of the available space in our portfolio at carefully managed rates. Our central pricing team is responsible for the management of our dynamic pricing policy, which is set weekly at the granular level of store / unit size, together with the implementation of promotional offers and the identification of additional ancillary revenue opportunities. Whilst prices are managed centrally, where it is appropriate the store sales teams have the ability to offer discretionary discounts or a Lowest Price Guarantee in the event that a local competitor is offering a lower price in order to optimise REVPAF.

Average rates are predominantly influenced by:

- the store location and catchment area;
- the volume of enquiries generated online and available space;
- the store team's skills at converting these enquiries into new lets at the expected price; and
- the very granular pricing policy and the confidence provided by analytical capabilities and systems that smaller players might lack.

We believe that Safestore has a very strong proposition in each of these areas.

Costs are managed centrally with a lean structure maintained at Head Office. Enhancements to cost control are continually considered and, particularly in the context of the current inflationary environment, the cost base is challenged on an ongoing basis.

Motivated and effective store teams benefiting from investment in training and development

Training, People and Performance Management

In what is still a relatively immature and poorly understood market, customer service and selling skills at the point of sale remain essential in earning the trust of the customer and in driving the appropriate balance of volumes and unit price in order to optimise revenue growth in each store.

Our enthusiastic, well-trained, and customer-centric sales team remains a key differentiator and a strength of our business. Understanding the needs of our customers and using this knowledge to develop trusted in-store advisors is a fundamental part of driving revenue growth and market share.

We have been an Investors in People ("IIP") accredited organisation since 2003 and we passionately believe that our continued success is dependent on our highly motivated and well-trained colleagues. Following the award of a Bronze accreditation in 2015, a Gold accreditation in 2018, and a Platinum accreditation in 2021, we were delighted to be awarded the 'we invest in people' Platinum accreditation again in March 2024. Platinum is the highest accolade in the Investors in People scale and achieving Platinum twice is a fantastic achievement, placing us as an employer of choice.

IIP is the international standard for people management, defining what it takes to lead, support, and engage people effectively to achieve sustainable results. Underpinning the standard is the IIP framework, reflecting the latest workplace trends, essential skills and effective structures required to outperform in any industry. Investors in People enables organisations to benchmark against the best in the business on an international scale. We are proud to have our colleagues recognised to such a high standard.

We are committed to growing and rewarding our people and we tailor our development, reward and recognition programmes to reflect this. Our IIP recognised coaching programme, launched in 2018 and upgraded every year since, continues to be a driving force behind the continuous performance improvement demonstrated by our store colleagues.

Our online learning portal, combined with the energy and flexibility of our store colleagues, allows us to deliver our award-winning development programmes.

All new recruits to the business benefit from enhanced induction and training tools that have been developed in-house and enable us to quickly identify high-potential individuals and increase their speed to competency. They receive individual performance targets within four weeks of joining the business and are placed on the 'pay-for-skills' programme that allows accelerated basic pay increases dependent on success in demonstrating specific and defined skills. The key target of our programme remains that we grow our talent through our internal Store Manager Development ("SMD") programme, and we are pleased with our progress to date.

Our SMD programme has been in place since 2016 and is a key part of succession planning for future Store Managers. All eleven participants of our 2023 SMD programme successfully completed their Level 3 Management and Leadership apprenticeship, and we're delighted that ten of those participants were awarded distinctions.

In January 2024, we commenced our seventh SMD programme. Funded by the Apprenticeship Levy, this programme provides the opportunity to complete a Level 3 Management and Leadership apprenticeship, with the additional opportunity to complete an Institute of Leadership and Management ("ILM") qualification.

Our Senior Leadership Development programme ("LEAD") focuses on developing our high performing Store Managers, aimed at preparing them for more senior roles within the business. We are proud that all eight participants of our Senior Leadership Development programme (LEAD Academy) successfully completed their Level 5 Management and Leadership apprenticeship; seven of those participants were awarded Distinctions.

Our performance dashboard allows our store and field teams to focus on the key operating metrics of the business, providing an appropriate level of management information to enable swift decision making. Reporting performance down to individual colleague level enhances our competitive approach to team and individual performance. We continue to reward our store colleagues for their performance with bonuses of up to 50% of basic salary based on their achievements against individual targets for new lets, occupancy, and ancillary sales. In addition, our Values and Behaviours framework is overlaid on individuals' performance in order to assess performance and development needs on a quarterly basis.

Our 'Make the Difference' people forum, launched in 2018, enables frequent opportunities for us to hear and respond to our colleagues. Our network of 15 "People Champions" collects questions and feedback from their peers across the business and put them to members of the Executive Committee. We drive change and continuous improvement in responding to the feedback we receive for "Our Business, Our Customers and Our Colleagues".

People Champions:

- consult and collect the views and suggestions of all colleagues that they represent;
- engage in the bi-annual 'Make the Difference' people forum, raising and representing the views of their colleagues; and
- consult with and discuss feedback with management and the leadership team at Safestore.

Our values are authentic, having been created by our people. They are core to the employment life cycle and bring consistency to our culture. Our leaders have high values alignment enabling us to make the right decisions for our colleagues and our customers.

Our customers continue to be at the heart of everything we do, whether it be in store, online or in their communities. Our commitment to our customers mirrors that of our commitment to our colleagues.

Technological Developments

After delivering the appropriate technology the Group opened in FY 2024 a further two fully automated, unmanned, satellite self-storage centres in Eastleigh and London Paddington Park West, having opened its first in Christchurch in FY 2023. Utilising industry leading automated technology, along with in-house created communication and control technologies, customers can securely enter the building and their storage unit from a simple app on their mobile phone. Following this success, additional unmanned satellite stores are currently under various stages of assessment and development in the UK.

Our customers also have the option to complete a booking and contract for a self-storage unit online for any UK store location. Our belief is that our multi-channel sales strategy utilising fully automated channels, colleague interaction through our store sales teams or our specialist call centre and National Accounts teams provide each type of customer with the most tailored and easy way to buy self-storage at Safestore.

Customer Satisfaction

In February 2024, Safestore UK won the Feefo Platinum Trusted Service award for the fifth time. The award is given to businesses which have achieved Gold standard for three consecutive years. It is an independent mark of excellence that recognises businesses for delivering exceptional experiences, as rated by real customers. In addition to using Feefo, Safestore invites customers to leave a review on a number of review platforms, including Google and Trustpilot. Our ratings for each of these three providers in the UK are between 4.7 and 4.9 out of 5. In France, Une Pièce en Plus uses Google and Trustpilot to obtain independent customer reviews and in 2024, achieved a 4.7 out of 5 and a "TrustScore" of 4.6 out of 5 respectively. In Spain, our business collects customer feedback via Google reviews and has attained a score of 4.9 out of 5. Belgium also collects feedback via Google and has a score of 4.7 in 2024.

Strong and Flexible Capital Structure

We believe that our capital structure is appropriate for our business, with a strong balance sheet which provides us with the flexibility to take advantage of carefully evaluated development and acquisition opportunities.

The Group finances its operations through a combination of equity and debt. As at 31 October 2024, the loan to value ("LTV") ratio for the Group was 25.1% (31 October 2023: 25.4%), which is well below the 40% maximum policy rate which the Board considers appropriate.

Both this LTV and the interest cover ratio ("ICR") of 4.3x for FY 2024 (FY 2023: 6.7x) provides us with significant headroom compared to our banking covenants (LTV of 60% and ICR of 2.4x). The reduction in ICR in year reflects higher interest costs from increased borrowings to finance our development programme together with higher interest rates during the year.

At year end, the Group's weighted average cost of debt on drawn debt was 3.96% and 57% of our drawn debt attracts fixed rates of interest (FY 2023: 3.58% and 67% respectively). The weighted average maturity of the Group's drawn debt was 4.2 years (FY 2023: 4.7 years) following the repayment of the 2024 USPP in May 2024.

We have ample liquidity with £144.3 million of undrawn bank facilities at 31 October 2024 following the exercise of an additional £100.0 million accordion option on our revolving credit facility ("RCF") which takes total funds available under our committed RCF to £500 million. In addition, the term of the RCF was extended by one year in FY 2024 to a new maturity of November 2028.

Together with the available financing, the Group's operations are strongly cash generative and produce sufficient free cash flow to fund our progressive dividend policy together with our development programme.

Recent refinancing

Following the year end, a new USPP of €70.0 million was issued in December 2024 with a maturity in December 2032 and a fixed rate of interest of 4.03%. With the inclusion of this note, the weighted average term to maturity of the Group's debt is 4.5 years and average cost of debt is 3.97% on a pro-forma basis.

ESG Strategy

ESG: Sustainable Self-Storage

Our purpose - *to add stakeholder value by developing profitable and sustainable spaces that allow individuals, businesses and local communities to thrive* - is supported by the 'pillars' of our sustainability strategy: our people, our customers, our community and our environment. In addition, the Group and its stakeholders recognise that its efforts are part of a broader movement and we have, therefore, aligned our objectives with the UN Sustainable Development Goals ("SDGs"). We reviewed the significance of each goal to our business, their importance to our stakeholders and assessed our ability to contribute to each of them. Following this materiality exercise, we have chosen to focus our efforts in the areas where we can have a meaningful impact. These are 'Decent work and economic growth' (goal 8), 'Sustainable cities and communities' (goal 11), 'Responsible consumption and production' (goal 12) and 'Climate action' (goal 13).

Sustainability is embedded into day-to-day responsibilities at Safestore and, accordingly, we have opted for a governance structure which reflects this. Two members of the Executive Management team co-chair a cross-functional sustainability group consisting of the functional leads responsible for each area of the business.

In 2018, the Group established medium term targets in each of the 'pillars' towards which the Group continued to progress in FY 2024.

Our people: Safestore was awarded the prestigious Investors in People ("IIP") Platinum accreditation in both 2021 and 2024. Platinum is the highest level of accreditation possible to achieve on our 'We invest in people' accreditation.

It means policies and practices around supporting people are embedded in every corner of Safestore. In a platinum company, everyone knows they have a part to play in the company doing well and are always looking for ways to company, everyone knows they have a part to play in the company doing well and are always looking for ways to improve.

Our customers: the Group's brands continue to deliver a high-quality experience, from online enquiry to move-in. This is reflected in customer satisfaction scores on independent review platforms (Trustpilot, Feefo and Google) of over 90% in each market. The introduction of digital contracts offers both customer convenience and a reduction in printing, saving an estimated 959,055 printed pages this year.

Our community: we remain committed to being a responsible business by making a positive contribution within the local communities wherever our stores are based. We continue to do this by developing brownfield sites and actively engaging with local communities when we establish a new store, identifying and implementing greener approaches in the way we build and operate our stores, helping charities and communities to make better use of limited space, and creating and sustaining local employment opportunities directly and indirectly through the many small and medium-sized enterprises which use our space. During FY 2024, the space occupied by local charities across 118 stores was 23,862 sq ft and worth £1.0 million.

Our environment: we are committed to ensuring our buildings are constructed responsibly and their ongoing operation has a minimal impact on local communities and the environment. It should be noted that …. the self-storage sector is not a significant consumer of energy when compared with other segments of the real estate landscape. According to a 2024 report by KPMG and EPRA, self-storage generates the lowest greenhouse gas emissions intensity of all European real estate sub-sectors. Reflecting the considerable progress made on efficiency measures and waste reduction to date, Safestore's emissions intensity is lower than the self-storage sector average.

In FY 2024, the Group continued progress towards achieving operational carbon neutrality (target 2035) by implementing key elements of the transition plan, specifically removal of gas-burning appliances from a further six stores in the UK estate and ensuring all new openings meet or exceed the minimum energy performance standard of a 'B' rating and include energy solar PV installations where viable. In May 2024, we signed a green electricity contract in Belgium which means stores in all Group markets are now powered by zero carbon electricity.

In addition to the IIP award and the customer satisfaction ratings, the Group has received recognition for its sustainability progress and disclosures in the last twelve months. Safestore has been given its first ever Gold rating in the 2024 EPRA Sustainability BPR awards. The Global ESG Benchmark for Real Assets ("GRESB") has once again awarded Safestore an 'A' rating in its 2024 Public Disclosures assessment. MSCI has also awarded Safestore its second-highest rating of 'AA' for ESG.

Portfolio Management

Our approach to store development and acquisitions in the UK, Paris, Expansion Markets and our joint ventures, with Carlyle in Germany and Nuveen in Italy continues to be pragmatic, flexible and focused on the return on capital with a proven track record of double-digit cash-on-cash store returns at maturity.

Our experienced and skilled property teams in all geographies continue to seek investment opportunities in new sites to add to the store pipeline. However, investments will only be made if they comply with our disciplined and strict investment criteria. Our preference is to acquire sites that are capable of being fully operational within 18 - 24 months from completion.

Since 2016, the Group has opened 41 new stores in the UK (20), Paris (8), Spain (8) and the Netherlands (5) adding 1,816,700 sq ft of MLA.

In addition, the Group has acquired 48 existing stores through the acquisitions of Space Maker, Alligator, Fort Box, Salus and Your Room in the UK, OhMyBox! in Barcelona, the Lokabox and M3 group from our Benelux JV acquisition, Apeldoorn in the Netherlands and Chelsea Self Storage. These acquisitions added a further 1,909,800 sq ft of MLA and revenue performance has been enhanced in all cases under the Group's ownership.

In the same period, we have also completed the revenue enhancing extensions and refurbishments of 14 stores adding a net 156,900 sq ft of fully invested space to the estate. All of these stores are performing in line with or ahead of their business plans.

The Group's pipeline of new developments and store extensions (see below) at year end is projected to add 1,607,100 sq ft of future MLA, the equivalent to c. 19% of the existing portfolio as at the end of October 2024. The outstanding capital expenditure of £150.0 million for the pipeline is expected to be funded from the Group's existing resources.

Property Pipeline

Openings of New Stores and Extensions

Opened FY 2024	FH/LH	MLA	Development Type
New Developments			
St Albans	FH	56.0	Conversion
Eastleigh	LH	14.5	Conversion, Satellite
London - Paddington Park West	FH	13.0	Conversion, Satellite
Paris - South Paris	FH	55.0	New build
Madrid - South 2	FH	67.9	Conversion

Randstad - Aalsmeer	FH	48.4	New build
Randstad - Almere	FH	43.3	Conversion
Randstad - Rotterdam	FH	71.0	New build
Redevelopments and Extensions			
London - Holloway	FH	9.5	Extension
Paris - Poissy	FH	7.4	Extension
Total opened FY 2024		**386.0**	

In the year we opened four stores and extensions in the UK, two in Paris, one in Spain, and three in the Netherlands adding in total 386,000 sq ft of MLA to our portfolio, contributing significantly to our operational scale in our growing EU markets. The new stores include two new satellite stores, adding capacity in high-demand locations whilst leveraging our existing cost base and customer relationships.

We have a total pipeline of 31 developments and extensions opening in FY 2025 and beyond which is expected to add a total of 1.6 million sq ft, representing 19% of portfolio MLA as at October 2024. This includes the five new stores and extensions below which had already opened in the first two months of the financial year.

Opened since year end	**FH/LH**	**MLA**	**Development Type**
New Developments			
London - Lea Bridge	FH	80.9	New build
Madrid - North East (Barajas)	FH	57.2	Conversion
Madrid - South West (Carabanchel)	FH	45.4	Conversion
Pamplona	FH	64.5	Conversion
Total new developments		**248.0**	
Redevelopments and Extensions			
Paris - Pyrénées	LH	15.4	Extension
Total opened in November 2024		**263.4**	

In addition to the 263,400 sq ft of MLA added in November, there is a pipeline of nine stores with 419,500 sq ft of MLA projected to be opening during the remainder of FY 2025. This brings a total additional MLA projected to be delivered in FY 2025 to 682,900 sq ft.

Remaining FY 2025 Openings	**FH/LH**	**MLA**	**Type**	**Status**
London - Walton	FH	20.7	Conversion	C, UC
Paris - East 1 (Noisy-le-Grand)	FH	60.0	Conversion	C, PG
Paris - West 3 (Mantes-Buchelay)	FH	58.0	New build	C, UC
Paris - North West 1 (Taverny)	FH	54.0	Conversion	C, UC
Paris - La Défense	FH	44.0	Mixed-Use Facility	C, UC
Barcelona - Central 2 (Manso)	LH	20.0	Conversion	C, UC
Randstad - Amsterdam	LH	65.4	New build	C, UC
Randstad - Utrecht	FH	50.0	Conversion	C, UC
Brussels - Zaventem	FH	47.4	New build	C, UC
Total remaining to open in 2025		**419.5**		

FY 2026 Openings	**FH/LH**	**MLA**	**Type**	**Status**
London - Woodford	FH	68.7	New build	C, PG
London - Watford	FH	57.5	New build	CE, PG
London - Wembley	FH	55.3	New build	C, PG
London - Kingston	FH	55.0	New build	CE, STP
London - Romford	FH	41.0	New build	C, PG
Norwich	FH	52.7	New build	CE, STP
Hemel Hempstead	FH	51.3	New build	CE, PG
Shoreham	FH	47.1	New build	CE, PG
Paris - West 4 (Orgeval)	FH	53.0	New build	CE, PG
Paris - West 1 (Conflans)	FH	56.0	New build	C, UC
Paris - Colombes	FH	65.5	Conversion	CE, PG
Madrid - Perseo	FH	18.5	Conversion	CE, STP
Total Opening in 2026		**621.6**		

Beyond FY 2026 Openings	**FH/LH**	**MLA**	**Type**	**Status**

London - Old Kent Road	FH	75.6	New build	C, STP
London - Belvedere	FH	56.3	New build	C, STP
London - Bermondsey	FH	50.0	New build	C, STP
Welwyn Garden City	FH	51.0	New build	CE, STP
Barcelona - Hospitalet	FH	64.3	New build	CE, STP
Total Opening beyond 2026		**297.2**		

**C = completed, CE = contracts exchanged, STP = subject to planning, PG = planning granted, UC = under construction*

Following the openings in November 2024, our ongoing pipeline of new store developments comprises 26 projects identified which will deliver an additional 1,338,300 sq ft of new space. The developments are located in all of our markets and are focused in the key cities of London (nine stores, 480,100 sq ft), Paris (seven stores, 390,500 sq ft), Madrid and Barcelona (three stores, 102,800 sq ft), the Randstad in the Netherlands (two stores, 115,400 sq ft), Brussels (one store, 47,400 sq ft) and other regional cities (four stores, 202,100 sq ft).

This pipeline, together with the stores delivered in the first two months of FY 2025, is expected to deliver 682,900 sq ft of new space opening in FY 2025 and 969,000 sq ft in later years. All property projects require planning permission and of the projects 62% are projects with planning granted and 38% are still subject to planning. Typically, we aim to structure our development opportunities to minimise planning risk and working capital by making completion on contracts for sites to also be subject to planning.

Of the pipeline development projects, two (8%) are leasehold sites where the city centre locations have limited freehold development opportunities but are where we believe there is strong customer demand.

Following the year end, the Group entered into a joint venture with Nuveen, jointly acquiring the EasyBox business in Italy. The business has ten open stores in the key cities across the country with a further two under development. Safestore will manage the business on behalf of the joint venture, leveraging Group expertise. EasyBox is a leading platform in the emerging Italian storage market with a strong trading track record. In Italy, the supply of self-storage at 0.02 sqft per inhabitant is equivalent to 2% of that of the UK. The investment will provide the initial critical size of operations as well as 20 years of marketing and trading data points that will be key to inform potential further investment decisions over time.

Portfolio Summary

The self-storage market has been growing consistently for over 20 years across many European countries, but few regions offer the unique characteristics of London and Paris, both of which consist of large, wealthy and densely populated markets. In the London region, the population is 13 million inhabitants with a density of 5,200 inhabitants per square mile in the region, 11,000 per square mile in central London and up to 32,000 per square mile in the densest boroughs.

The population of the Paris urban area is 10.7 million inhabitants with a density of 9,300 inhabitants per square mile in the urban area and 54,000 per square mile in the City of Paris and first belt, where 69% of our French stores are located and which has one of the highest population densities in the western world. 85% of the Paris region population live in central parts of the city versus the rest of the urban area, which compares with 60% in the London region. There are currently c. 250 storage centres within the M25 as compared to only c. 125 in the Paris urban area. The density of self-storage supply is estimated to be 0.89 sq ft per inhabitant in the UK and 0.40 sq ft in Paris.

In addition, barriers to entry in these two important city markets are high, due to land values and limited availability of sites as well as planning regulation. This is the case for Paris and its first belt in particular, which inhibits new development possibilities.

Over the last four years the Group has expanded into further attractive, under-penetrated markets in Spain, the Netherlands and Belgium with a focus on the conurbations of Barcelona, Madrid, the Randstad area and Brussels. All these new markets, particularly Madrid and Barcelona, are wealthy, high density conurbations with very high barriers to entry. The density of self-storage supply is estimated at 0.50 sq ft per inhabitant in the Netherlands, 0.20 sq ft in Belgium, 0.54 sq ft in Madrid and 0.65 sq ft in Barcelona.

Store Portfolio by Region	London & South East	Rest of UK	UK Total	Paris	Expansion Markets	Group Total

	South East	UK	Total		Markets	Total
Number of Stores	76	61	137	30	32	199
Let Square Feet (m sq ft)	2.375	2.164	4.539	1.094	0.777	6.410
Maximum Lettable Area (m sq ft)	3.056	2.822	5.878	1.424	1.290	8.592
Average Let Square Feet per store (k sq ft)	31	35	33	36	24	32
Average Store MLA (k sq ft)	40	46	43	47	40	42
Closing Occupancy %	77.7%	76.7%	77.2%	76.8%	60.3%	74.6%
Average Rate (£ per sq ft)	36.39	23.04	29.94	36.04	19.84	29.85
Revenue (£'m)	101.4	60.8	162.2	43.7	17.5	223.4
Average Revenue per Store (£'m)	1.33	1.00	1.18	1.46	0.55	1.12

We have a strong position in both the UK and Paris markets operating 137 stores in the UK, 76 of which are in London and the South East, and 30 stores in Paris.

In the UK, 62% of our revenue is generated by our stores in London and the South East. On average, our stores in London and the South East are smaller than in the rest of the UK but the rental rates achieved are materially higher, enabling these stores to typically achieve similar or better margins than the larger stores. In London we operate 51 stores within the M25, more than any other competitor.

In addition, we have the benefit of a leading national presence in the UK outside of London where the stores are predominantly located in the centre of key metropolitan areas such as Birmingham, Manchester, Liverpool, Bristol, Newcastle, Glasgow and Edinburgh.

In France, we have a leading position in the heart of the affluent City of Paris market with nine stores branded as Une Pièce en Plus ("UPP") ("A spare room"). Over 57% of the UPP stores are located in a cluster within a five-mile radius of the city centre, which facilitates strong operational and marketing synergies as well as options to differentiate and channel customers to the right store subject to their preference for convenience or price affordability. The Parisian market has attractive socio-demographic characteristics for self-storage and we believe that UPP enjoys unique strategic strength in such an attractive market.

In Spain, including three post period-end openings, the Group has fourteen stores open in Barcelona and Madrid and one open in Pamplona in the Basque Country/ Navarra region, which has clusters of population benefitting from above average economic dynamics.

The Group has fourteen stores open in the Netherlands and six in Belgium. The pipeline contains a further two stores in the Netherlands and one in Belgium.

Overall Expansion Markets now comprises 35 stores, a 25% increase from the 2023 year-end position.

Market

The self-storage market in the UK, France, Spain, the Netherlands and Belgium remains relatively immature compared to geographies such as the USA and Australia. The SSA Annual Survey (May 2024) confirmed that self-storage capacity stands at 0.89 sq ft per head of population in the UK. The most recent report relating to Europe (FEDESSA's 2023 report) showed that capacity in France is 0.41 sq ft per capita. This compares with closer to 7 sq ft per inhabitant in the USA and 2 sq ft in Australia. In the UK, in order to reach the US density of supply, it would require the addition of around another 18,500 stores as compared to c. 2,700 currently.

In Spain, the Netherlands and Belgium, penetration is similarly low. In Spain, capacity is around 0.43 sq ft per head of population and the consumer is serviced by 1,300 stores. In the Netherlands, penetration is 0.73 sq ft per head of population (750 stores) and in Belgium 0.23 sq ft per head of population (153 stores).

The Group has a joint venture in Germany. The German market is one of Europe's more under-penetrated markets with just 0.27 sq ft of storage space per capita and, according to the 2024 FEDESSA report, there are 1,028 facilities in the country and 24.7 million sq ft of lettable space.

Post year end, the Group entered into a joint venture in Italy. This market has the lowest penetration of major economies in Western Europe with 0.03 sq feet per head of population (130 stores).

Our interpretation of the most recent 2024 SSA report is that operators remain optimistic about their trading and the future growth of the industry. In the past few years, the self-storage industry has undergone an unprecedented period of change largely due to developments in technology. The level of development estimated for the next three years is similar to that witnessed in recent years and we do not consider this level of new supply growth to be of concern, especially as we believe new supply helps to create increased awareness of what is a relatively immature product in Europe. We estimate new supply to represent around 5% to 6% of the traditional self-storage industry in the UK. These figures represent gross openings and do not consider storage facilities closing or being converted for alternative uses. We estimate that a small proportion of these sites compete with existing Safestore stores as many new developments happen in areas with lower barriers to entry in which we tend not to operate.

New supply in London and Paris is likely to continue to be limited in the short and medium term as a result of planning restrictions, competition from a variety of other uses and the availability of suitable land.

The supply in the UK market, according to the SSA Survey, remains relatively fragmented despite a number of acquisitions in the sector in recent years. The SSA's estimates of the scale of the UK industry are finessed each year and changes from one year to the next represent improved data in addition to new supply. In the 2024 report the SSA estimates that 2,706 self-storage facilities exist in the UK market including around 1,012 container-based operations. At the point in time that the 2024 survey was written, Safestore was the industry leader by number of stores with 133 wholly owned sites. In aggregate, the top seven leading operators account for around 20% of the UK store portfolio. The remaining c. 2,182 self-storage outlets (including container-based operations) are independently owned in small chains or single units.

Our French business, UPP, is mainly present in the core wealthier and more densely populated inner Paris and first belt areas, whereas our two main competitors, have a greater presence in the outskirts and second belt of Paris.

Our Spanish business currently operates in Barcelona and Madrid with one store in Pamplona. The metropolitan areas of Barcelona and Madrid have combined growing high-density populations of twelve million inhabitants and significant barriers to entry.

Our focus in the Netherlands market is on the densely populated Amsterdam and Randstad conurbations. The Netherlands is the second most developed self-storage market in Europe (after the UK).

Belgium is one of the more under-penetrated markets in Europe with just 153 stores and 0.23 sq ft per capita of self-storage space. In Belgium our presence is focused on Brussels and the significant urban conurbations of Liege, Charleroi and Nivelles.

Consumer awareness of self-storage appears to be increasing but at a relatively slow rate, providing an opportunity for future industry growth. The SSA survey indicates that approximately half of consumers have low awareness about the service offered by self-storage operators or had not heard of self-storage at all. Since 2014, this statistic has only fallen 14ppts from 61%. Therefore, the opportunity to grow awareness, combined with limited new industry supply, makes for an attractive industry backdrop.

Self-storage is a brand-blind product. 52% of respondents in the 2024 SSA Survey were unable to name a self-storage business in their local area. The lack of relevance of brand in the process of purchasing a self-storage product emphasises the need for operators to have a strong online presence. This requirement for a strong online presence was also reiterated by the SSA Survey where 76% of those surveyed (76% in 2023) confirmed that an internet search would be their chosen means of finding a self-storage unit to contact, whilst knowledge of a physical location of a store as reason for enquiry was only c. 30% of respondents (c. 30% in 2023).

There are numerous drivers of self-storage growth. Most domestic and business customers need storage either temporarily or permanently for different reasons at any point in the economic cycle, resulting in a market depth that is, in our view, the reason for its exceptional resilience. The growth of the market is driven both by the fluctuation of economic conditions, which has an impact on the mix of demand, and by growing awareness of the product.

Our domestic customers' need for storage is often driven by life events such as births, marriages, bereavements, divorces or by the housing market including house moves and developments and moves between rental properties. We have estimated that UK owner-occupied housing transactions drive around 8-13% of the Group's new lets.

At 41% of square feet occupied, our customer base in the UK is more heavily weighted to business customers than the rest of the Group due to historic property configurations. As such we are accelerating the conversion of larger units (over 250 sq ft) into smaller ones to serve a wider range of customers. Through this partitioning programme, we anticipate significantly reducing the current c 1.0 million sq ft of larger units so that the UK ratio of domestic to business customers comes closer to the 70/30 split seen in the rest of the Group.

Our customer base is resilient and diverse and consists of around 94,000 domestic, business and National Accounts customers across the Group.

Business and Personal Customers	UK	Paris	Expansion Markets
Numbers (% of total)	**77%**	81%	88%
Square feet occupied (% of total)	**59%**	63%	80%
Average Length of Stay (months)	**17.8**	25.4	24.0
Business Customers			
Numbers (% of total)	**23%**	19%	12%
Square feet occupied (% of total)	**41%**	37%	20%
Average Length of Stay (months)	**26.1**	27.1	26.1

Business Model

The Group operates in a market with relatively low consumer awareness. It is anticipated that this will increase over time as the industry matures. To date, despite the financial crisis in 2007/08, the implementation of VAT in the UK on self-storage in 2012, Brexit and the Covid-19 pandemic and inflation and the conflict in the Ukraine, the industry has been exceptionally resilient. In the context of continued uncertain economic conditions, the industry remains well positioned with limited new supply coming into the self-storage market.

With more stores inside London's M25 than any other operator and a strong position in central Paris, we have leading positions in the two most important and demographically favourable markets in Europe. In addition, our regional presence in the UK is unsurpassed and contributes to the success of our industry-leading National Accounts business. In the UK, Safestore is the leading operator by number of wholly owned stores. With 53% of customers travelling for less than 15 minutes to their storage facility (2024 SSA Survey). Our national store footprint represents a competitive advantage. Based on the revenue reported by Cushman and Wakefield in the various SSA reports, our market share in the UK based on revenue is 21%.

The Group's capital-efficient portfolio of 203 stores in the UK, Paris and Expansion Markets consists of a mix of freehold and leasehold stores. In order to grow the business and secure the best locations for our facilities we have maintained a flexible approach to leasehold and freehold developments as well as being comfortable with a range of building types, from new builds to conversions of warehouses and underground car parks.

Currently, around a quarter of our stores in the UK are leaseholds with an average remaining lease length at 31 October 2024 of 13.2 years (FY 2023: 12.4 years). Although our property valuation for leaseholds is based on future cash flows until the next contractual lease renewal date, Safestore has a demonstrable track record of successfully re-gearing leases several years before renewal whilst at the same time achieving concessions from landlords. From time to time, we will purchase the freehold on leasehold properties, when these become available at appropriate prices.

In England, we benefit from the Landlord and Tenant Act that protects our rights for renewal except in case of redevelopment. The vast majority of our leasehold stores have building characteristics or locations in retail parks that make current usage either the optimal and best use of the property or the only one authorised by planning. We observe that our landlords, who are property investors, value the quality of Safestore as a tenant and typically prefer to extend the length of the leases that they have in their portfolio, enabling Safestore to maintain favourable terms.

In Paris, where 35% of stores (including the pipeline) are leaseholds, our leases typically benefit from the well-enshrined Commercial Lease statute that provides that tenants own the commercial property of the premises and that they are entitled to renew their lease. Taking this context into account, the valuer values the French leaseholds based on an indefinite property tenure, similar to freeholds but at a significantly higher exit cap rate.

The Group believes there is an opportunity to leverage its highly scalable marketing and operational expertise in geographies outside the UK and Paris to make a significant contribution to Group expansion.

The Group has 12 stores in Spain, including four opened in the year, 14 stores in the Netherlands and six in Belgium. There are a further nine stores in the development pipeline (Spain - six, the Netherlands - two, Belgium - one) at the end of October 2024.

These stores in Expansion Markets are principally located in the key metropolitan areas of the Randstad, Barcelona, Madrid and Brussels. The growth opportunity from these markets is in both the availability of high-quality sites for new stores and LFL income growth as the markets mature.

In 2022, Safestore entered the German self-storage market via a joint venture with Carlyle, which has acquired the myStorage business. After acquiring the freehold to one of their sites, myStorage now has five medium to long-term leasehold in addition to a further leasehold expiring in 2026. The 326,000 sq ft of MLA is spread across Berlin, Heidelburg, Mannheim, Fürth, Nuremburg, Neu-Ulm and Reutlingen.

Following year end, Safestore entered in a new joint venture in Italy. The EasyBox business comprises ten open stores and two under development in the key economic centres of Italy. The total MLA for the business is 780,000 sq ft.

Our experience is that being flexible in its approach has enabled us to operate from properties and in markets that would have been otherwise unavailable and to generate strong cash-on-cash returns.

We excel in the generation of customer enquiries which are received through a variety of channels including the internet, telephone and "walk-ins". In the early days of the industry, local directories and store visibility were key drivers of enquiries. However, the internet is now by far the dominant channel, accounting for 89% (FY 2023: 89%) of our enquiries in the UK and 86% (FY 2023: 84%) in France. This dynamic is a clear benefit to the leading national operators that possess the budget and the management skills necessary to generate a commanding presence in the major search engines. We have developed and continue to invest in a leading digital marketing platform that has generated 39% enquiry growth over the last five years.

Although mostly generated online, our enquiries are predominantly handled directly by the stores and, in the UK, we have a Customer Support Centre ("CSC") which handles customer service issues in addition to enquiries, in particular when the store colleagues are busy handling calls or outside of normal store opening hours.

Our pricing platform provides the store and CSC colleagues with system-generated real-time prices managed by our centrally based yield-management team. Local colleagues have certain levels of discretion to flex the system-generated prices, but this is continually monitored.

Customer service standards are high and customer satisfaction feedback is consistently very positive. The key drivers of sales success are the capacity to generate enquiries in a digital world, the capacity to provide storage locations that are conveniently located close to the customers' requirements and the ability to maintain a consistently high quality, motivated retail team that is able to secure customer sales at an appropriate storage rate, all of which can be better provided by larger, more efficient organisations.

We remain focused on business as well as domestic customers. Our national network means that we are uniquely placed to further grow the business customer market and in particular National Accounts. Within our business customer category, our National Accounts business represents around 493,000 sq ft of occupied space (around 11% of the UK's occupancy). Approximately 71% of the space occupied by National Accounts customers is outside London, demonstrating the importance and quality of our well invested national estate.

At the year end, business customers constitute 41% of our total space let in the UK. We are accelerating the conversion of larger units (over 250 sq ft) into smaller ones more suitable for domestic customers, reducing the historic over-weight towards business customers in the UK. Through this partitioning programme we expect to significantly reduce the current 1.0 million sq ft of larger units, which are predominantly located in London (36%) and south east England (24%), so that the UK ratio of domestic to business customers comes closer to the 70/30 split by occupied space seen in the rest of the Group.

The business now has in excess of 94,000 business and domestic customers with an average length of stay of 27 months and 21 months respectively.

The cost base of the business is relatively fixed with regard to changes in occupancy. Each store typically employs three staff. Our Group Head Office comprises business support functions such as Yield Management, Property, Marketing, HR, IT and Finance.

Trading performance

Trading Data - Total

Revenue (millions)	**Q4 2024**	**Q4 2023**	**Change[9]**	**FY 2024**	**FY 2023**	**Change**
Group (GBP)	£57.9	£57.6	0.5%	£223.4	£224.2	(0.3%)
UK (GBP)	£41.8	£42.6	(1.9%)	£162.2	£166.2	(2.4%)
Paris (EUR)	€13.2	€13.0	1.6%	€51.3	€50.5	1.5%
Expansion Markets (EUR)	€6.0	€4.4	35.2%	€20.6	€16.0	29.0%

Average Rate (per sq ft)	**Q4 2024**	**Q4 2023**	**Change**	**FY 2024**	**FY 2023**	**Change**
Group (GBP)	£29.64	£30.22	(1.9%)	£29.85	£30.26	(1.4%)
UK (GBP)	£29.64	£30.26	(2.0%)	£29.94	£30.25	(1.0%)
Paris (EUR)	€43.17	€42.28	2.1%	€42.28	€42.05	0.5%
Expansion Markets (EUR)	€23.87	€22.42	6.5%	€23.28	€22.02	5.7%

REVPAF (per sq ft)	**Q4 2024**	**Q4 2023**	**Change**	**FY 2024**	**FY 2023**	**Change**
Group (GBP)	£26.81	£28.24	(5.1%)	£26.69	£27.70	(3.6%)
UK (GBP)	£28.53	£29.58	(3.5%)	£28.00	£29.07	(3.7%)
Paris (EUR)	€36.93	€37.84	(2.4%)	€37.12	€37.10	0.1%
Expansion Markets (EUR)	€18.42	€17.52	5.2%	€17.63	€17.89	(1.4%)

Closing Occupancy (million sq ft)	**FY 2024**	**FY 2023**	**Change**
Group	6.41	6.23	2.9%
UK	4.54	4.47	1.6%
Paris	1.09	1.11	(1.8%)
Expansion Markets	0.78	0.65	20.0%

Closing Occupancy (% of MLA)	**FY 2024**	**FY 2023**	**Change**
Group	74.6%	77.0%	(2.4ppt)
UK	77.2%	78.1%	(0.9ppt)
Paris	76.8%	81.3%	(4.5ppt)
Expansion Markets	60.3%	65.1%	(4.9ppt)

MLA (million sq ft)	**FY 2024**	**FY 2023**	**Change**
Group	8.59	8.09	6.2%
UK	5.88	5.73	2.6%
Paris	1.42	1.36	4.4%
Expansion Markets	1.29	1.00	29.0%

Trading Data - Like-For-Like

Revenue (millions)	**Q4 2024**	**Q4 2023**	**Change[9]**	**FY 2024**	**FY 2023**	**Change**
Group (GBP at CER[1])	£56.3	£55.9	0.7%	£219.0	£218.9	0.0%
UK (GBP)	£41.2	£41.3	(0.2%)	£160.1	£162.0	(1.2%)
Paris (EUR)	€13.2	€13.0	1.4%	€51.2	€50.5	1.4%
Expansion Markets (EUR)	€4.3	€3.9	10.3%	€16.6	€14.7	12.9%

Average Rate (per sq ft)	**Q4 2024**	**Q4 2023**	**Change**	**FY 2024**	**FY 2023**	**Change**
Group (GBP at CER)	£30.48	£30.50	(0.1%)	£30.51	£30.46	0.2%
UK (GBP)	£29.88	£30.30	(1.4%)	£30.10	£30.27	(0.6%)
Paris (EUR)	€43.34	€42.28	2.5%	€42.33	€42.05	0.7%
Expansion Markets (EUR)	€25.60	€23.60	8.5%	€24.75	€22.98	7.7%

Expansion Markets (EUR)	€25.60	€23.60	8.5%	€24.75	€22.98	7.7%

REVPAF (per sq ft)	**Q4 2024**	**Q4 2023**	**Change**	**FY 2024**	**FY 2023**	**Change**
Group (GBP at CER)	£28.94	£28.74	0.7%	£28.34	£28.39	(0.2%)
UK (GBP)	£28.99	£29.11	(0.4%)	£28.36	£28.80	(1.5%)
Paris (EUR)	€38.32	€37.84	1.3%	€37.59	€37.10	1.3%
Expansion Markets (EUR)	€24.01	€21.39	12.2%	€22.92	€20.55	11.5%

Closing Occupancy (million sq ft)	**FY 2024**	**FY 2023**	**Change**
Group	6.11	6.12	(0.2%)
UK	4.45	4.45	-
Paris	1.09	1.11	(1.8%)
Expansion Markets	0.57	0.56	1.8%

Closing Occupancy (% of MLA)	**FY 2024**	**FY 2023**	**Change**
Group	78.8%	79.3%	(0.5ppt)
UK	78.6%	79.0%	(0.4ppt)
Paris	79.3%	81.3%	(2.0ppt)
Expansion Markets	80.1%	78.1%	1.9ppt

MLA (million sq ft)	**FY 2024**	**FY 2023**	**Change**
Group	7.75	7.72	0.4%
UK	5.66	5.64	0.4%
Paris	1.37	1.36	0.7%
Expansion Markets	0.72	0.72	0.0%

UK

Our operational performance across the UK, has been resilient in the current economic environment with revenue down 2.4% year on year, 1.2% on a like-for-like ("LFL") basis.

This resulted from a broadly stable like-for-like average rental rate of £30.10 (0.6% down on FY 2023 at £30.27) together with flat LFL occupancy.

This like-for-like occupancy position reflects strengthening domestic demand, which had a steadily improving trajectory through the second half of FY 2024 to be 4.3% ahead of prior year at 31 October 2024, offset by continued soft demand from business customers which was 6.0% behind at the year end.

Overall revenue in the UK was impacted by £2.2 million due to changes in the nature of customer goods protection with cover in FY 2024 not attracting insurance premium tax ("IPT"). This difference has been excluded from like-for-like measures to better reflect performance.

In addition, new stores and developments contributed £2.1 million of revenue in the year.

The LFL cost base in the UK increased by £2.3 million year on year due market inflationary increases in store employment costs, business rates and administrative costs which was offset by a £2.2 million reduction in IPT in costs of sales due to the changes in the nature of customer goods protection.

As a result, underlying EBITDA for the UK business was £99.3 million (FY 2023: £105.9 million), a decrease of £6.6 million or 6.2%.

Paris

In Paris, LFL revenue grew 1.4% on prior year reflecting a robust performance in challenging market conditions with total revenue growth of 1.5% year on year.

The growth on prior year was driven by improving rental rates which increased to €42.33 for the year, an increase of 0.7% on FY 2023 (€42.05) offset by flat average occupancy for the year, both on a LFL basis.

REVPAF, which we believe is materially ahead of the local competition, grew by 1.3% against prior year.

Underlying EBITDA at €33.8 million, was down by 3.4% against FY 2023 with cost of sales and administrative costs increasing by €2.0 million.

Expansion Markets

The performance of Spain, the Netherlands and Belgium has been presented together, reflecting both their combined scale and their common strategic focus on providing expansion opportunities for the Group.

Overall, they delivered 12.9% LFL revenue growth in FY 2024 with positive momentum in all three markets. Total revenue, including the benefit of new stores, increased 29.0% year on year to €20.6 million.

In Spain LFL revenue grew 3.6% year on year, driven by improvement in occupancy (closing at 78.0% FY 2023: 74.8%) and flat rental rates. In the Netherlands, LFL revenue growth was 12.2% driven by increased rental rates with occupancy broadly in line with prior year. LFL revenue in Belgium grew 17.8% year on year through a combination of both increased rental rates and improved occupancy.

In addition, new stores and expansions contributed an additional €3.4 million in revenue in the year, largely through openings in Spain, taking total revenue to €20.6 million, a 29.0% increase year on year for the combined markets.

Underlying EBITDA increased by €3.0 million to €8.7 million as the increase in revenue was partially offset by an increase in the underlying cost of sales and administrative expenses of €2.0 million, resulting from additional costs to support the new stores as well as their dilutive impact whilst they achieve stabilisation.

Frederic Vecchioli
15 January 2025

Financial Review

Underlying Income Statement

The table below sets out the Group's underlying results of operations for the twelve months ended 31 October 2024 ("FY 2024") and the twelve months ended 31 October 2023 ("FY 2023"). To calculate the underlying performance metrics, adjustments are made for the impact of exceptional items, share-based payments, corporate transaction costs, change in fair value of derivatives, gain or loss on investment properties and the associated tax impacts, as well as exceptional tax items and deferred tax. Although not superseding IFRS, management considers this presentation of earnings to be representative of the underlying performance of the business, as it removes the income statement impact of items not fully controllable by management, such as the revaluation of derivatives and investment properties, and the impact of exceptional credits, costs and finance charges.

	2024	**2023**	**Mvmt**
	£'m	**£'m**	**%**
Revenue	223.4	224.2	*(0.3%)*
Underlying costs	(88.0)	(82.0)	*7.4%*
Underlying EBITDA	**135.4**	**142.2**	***(4.8%)***
Leasehold rent	(15.5)	(14.9)	*4.0%*
Underlying EBITDA after leasehold rent	**119.9**	**127.3**	***(5.8%)***
Depreciation	(1.5)	(1.3)	*15.4%*
Net underlying finance charges	(21.4)	(15.9)	*34.6%*
Underlying profit before tax	**97.0**	**110.1**	***(12.0%)***
Current tax	(4.3)	(5.1)	*15.7%*
Adjusted EPRA earnings	**92.7**	**105.0**	***(11.8%)***
Share-based payments charge	(0.3)	(3.5)	*(91.4%)*
EPRA basic earnings	**92.4**	**101.5**	***(9.0%)***
Average shares in issue (m)	218.3	217.2	
Diluted shares (for ADE EPS) (m)	219.2	219.1	

Adjusted diluted EPRA EPS (p)	**42.3**	**47.9**	***(11.7%)***

Notes:

1. *Adjusted Diluted EPRA EPS is defined in note 2 to the financial statements.*
2. *Adjusted EPRA earnings excludes share-based payment charges and, accordingly, the underlying EBITDA, underlying EBITDA after leasehold costs and underlying profit before tax measures have been presented excluding share-based payment charges for consistency.*

The table below reconciles statutory profit before tax in the income statement to underlying profit before tax in the table above.

	2024 £'m	2023 £'m
Statutory profit before tax	398.6	207.8
Adjusted for		
- gain on investment properties and investment properties under construction	(301.9)	(102.6)
- change in fair value of derivatives	-	1.7
- net exchange loss	-	(0.3)
- share-based payments	0.3	3.5
Underlying profit before tax	97.0	110.1

Management considers the above presentation of earnings to be representative of the underlying performance of the business.

Underlying EBITDA decreased by 4.8% to £135.4 million (FY 2023: £142.2 million) reflecting a 0.3% decrease in revenue and a 7.4% increase in underlying costs.

Net underlying finance charges increased from £15.9 million for FY 2023 to £21.4 million for FY 2024. This principally reflects the increased borrowing to finance our development programme and higher interest rates.

As a result, underlying profit before tax decreased 12.0% to £97.0 million (FY 2023: £110.1 million). The increase in statutory profit before tax of £190.8 million to £398.6 million (FY 2023: £207.8 million) results from the increased gain on the fair value of investment properties of £199.3 million to £301.9m (FY 2023: £102.6 million). This increase reflects the increased value of the Group's store portfolio primarily as a result of a healthy transactional market with 53bps reduction in exit yields.

Given the Group's REIT status in the UK, tax is not normally payable on rental income in the UK but is payable on non-UK earnings. The current underlying tax charge for the year was £4.3 million (FY 2023: £5.1 million).

As explained in note 2 to the financial statements, management considers that the most representative earnings per share ("EPS") measure is Adjusted Diluted EPRA EPS which has decreased by 5.6p or 11.7% to 42.3 pence (FY 2023: 47.9 pence).

Reconciliation of Underlying EBITDA

The table below reconciles the operating profit included in the consolidated income statement to underlying EBITDA.

	2024 £'m	2023 £'m
Statutory operating profit	425.8	230.4
Adjusted for		
gain on investment properties and investment properties under		

gain on investment properties and investment properties under construction	(301.9)	(102.6)
- fair value re-measurement of lease liabilities	9.7	8.8
- variable lease payments	-	0.8
- depreciation	1.5	1.3
- share-based payments	0.3	3.5
Underlying EBITDA	135.4	142.2

The main reconciling items between statutory operating profit and underlying EBITDA are the gain on investment properties of £292.2 million at 31 October 2024 (31 October 2023: £93.8 million), represented by a gain on investment properties and investment properties under construction of £301.9 million less fair value re-measurement of lease liabilities of £9.7 million.

Underlying Profit by geographical region

The Group is organised and managed in three operating segments based on geographical region, with Expansion Markets including our operations in Spain, the Netherlands and Belgium together with our German joint venture. The table below details the underlying profitability of each region.

	FY 2024				FY 2023			
	UK	**Paris**	**Expansion Markets**	**Total (CER)**	**UK**	**Paris**	**Expansion Markets**	**Total (CER)**
	£'m	**€'m**	**€'m**	**£'m**	**£'m**	**€'m**	**€'m**	**£'m**
Revenue	162.2	51.3	20.6	224.7	166.2	50.5	16.0	224.2
Underlying cost of sales	(52.6)	(13.7)	(9.1)	(72.2)	(51.1)	(12.1)	(7.0)	(67.8)
Store EBITDA	109.6	37.6	11.5	152.5	115.1	38.4	9.0	156.4
Store EBITDA margin	***67.6%***	***73.3%***	***55.7%***	***67.9%***	***69.3%***	***76.0%***	***56.3%***	***69.8%***
LFL Store EBITDA margin	***68.0%***	***73.4%***	***60.1%***	***68.8%***	***70.3%***	***76.0%***	***65.8%***	***71.3%***
Underlying administrative expenses	(10.3)	(3.8)	(2.7)	(16.2)	(9.2)	(3.4)	(2.8)	(14.2)
Underlying EBITDA	99.3	33.8	8.8	136.3	105.9	35.0	6.2	142.2
EBITDA margin	***61.2%***	***65.9%***	***42.6%***	***60.7%***	***63.7%***	***69.3%***	***38.8%***	***63.4%***
Leasehold costs	(9.3)	(6.4)	(1.0)	(15.6)	(8.6)	(6.4)	(0.8)	(14.9)
Underlying EBITDA after leasehold costs	**90.0**	**27.4**	**7.8**	**120.7**	**97.3**	**28.6**	**5.4**	**127.3**
EBITDA after leasehold costs margin	***55.5%***	***53.4%***	***37.7%***	***53.7%***	***58.5%***	***56.6%***	***33.8%***	***56.8%***
	UK	**Paris**	**Expansion Markets**	**Total**	**UK**	**Paris**	**Expansion Markets**	**Total**
	£'m	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**
Underlying EBITDA after leasehold costs (CER)	89.9	23.8	7.0	120.7	97.3	24.9	5.1	127.3
Adjustment to actual exchange rate	-	(0.2)	(0.6)	(0.8)	-	-	-	-
Reported underlying EBITDA after leasehold costs	**89.9**	**23.6**	**6.4**	**119.9**	**97.3**	**24.9**	**5.1**	**127.3**

Note: CER is Constant Exchange Rates with Euro denominated results for the current period translated at the exchange rate effective for the comparative period in order to present the reported results on a more comparable basis.

Underlying EBITDA in the UK decreased by £6.6m, or 6.2%, to £99.3 million (FY 2023: £105.9 million), reflecting a 2.6% reduction in revenue together with an increase in underlying cost of sales and administrative expenses of £2.7 million. The Underlying EBITDA margin reduced to 61.2% compared to 63.8% in FY 2023.

In Paris, underlying EBITDA decreased by €1.2 million to €33.8 million, reflecting a €0.8 million increase in revenue less an increase in cost of sales and administrative expenses of €2.0 million. As a result, Underlying EBITDA margin decreased to 65.9% from 69.3% in FY 2023.

Underlying EBITDA in Expansion Markets increased by €2.6 million or 41.9% to €8.8 million (FY 2023: €6.2 million) reflecting a €5.0 million increase in revenue less an increase in cost of sales and administrative expenses of €2.0 million. As a result, Underlying EBITDA margin increased from 38.4% in FY 2023 to 42.3% in FY 2024 million. As a result, Underlying EBITDA margin increased from 38.4% in FY 2023 to 42.3% in FY 2024.

Adjusting for an unfavourable exchange rate movement of 2.1% resulting in an impact of £0.8 million in the current year, Group reported underlying EBITDA after leasehold rent decreased by 5.8% or £7.4 million to £119.9 million (FY 2023: £127.3 million).

Revenue

Revenue for the Group is primarily derived from the rental of self-storage space and the sale of ancillary products such as StoreProtect and merchandise (e.g. packing materials and padlocks).

The split of the Group's revenues by geographical segment is set out below for FY 2023 and FY 2024.

		2024	% of total	2023	% of total	% change
UK	£'m	162.2	73%	166.2	74%	(2.4%)
Paris						
Local currency	€'m	51.3		50.5		1.5%
Paris in GBP	£'m	43.7	19%	43.9	20%	(0.5%)
Expansion Markets						
Local currency	€'m	20.6		16.0		29.0%
Expansion Markets in GBP	£'m	17.5	8%	14.2	6%	23.2%
Average exchange rate	€:£	*1.173*		*1.149*		
Total revenue		223.4		224.2	100%	(0.3%)

The Group's reported revenue decreased by 0.3% or £0.8 million during the year. LFL revenue at CER was flat.

Total revenue in FY 2023 included £2.2 million of Insurance Premium Tax ("IPT") relating to customer goods insurance which was not repeated in FY 2024 due to changes in the nature of the protection for liability for loss and damage offered to customers storing goods with us. This amount has been excluded from like-for-like revenue figures to better reflect underlying performance.

Average rental rates for the Group on a LFL CER basis increased by 0.2% to £30.51 (FY 2023: £30.46) coupled with a decrease in average occupancy of 0.5ppts to 78.8% (FY 2023: 79.3%).

In the UK, LFL revenue decreased by £1.9 million or 1.2%. This was driven by a 1.8% decrease in the average occupancy together with a decrease in average store rate of 0.6%.

In addition, new stores and developments in the UK contributed an additional £2.1 million of revenue in the year.

In Paris, revenue increased by €0.8 million or 1.5%. There was an increase in the average rental rate in Paris to €42.28 for the period, an increase of 0.5% on €42.05 in FY 2023.

The performance of Spain, the Netherlands and Belgium has been presented together as Expansion Markets, reflecting both their combined scale and their common strategic focus on providing expansion opportunities for the Group.

Overall, they delivered 12.9% LFL revenue growth in FY 2024 with positive momentum in all three markets. Total revenue, including the benefit of new stores, increased 29.0% year on year to €20.6 million.

Analysis of Cost Base

On a like-for-like CER basis, adjusting for new stores, total costs increased by 8.7% from £62.9 million for FY 2023 to £68.3 million for FY 2024.

Cost of sales

	2024 £'m	2023 £'m
Volume related including bad debt	**5.6**	3.6
Store employee and related	**22.5**	21.8
Marketing	**8.8**	8.3
Business rates	**16.2**	14.6
Facilities and premises insurance	**15.2**	14.6
Underlying cost of sales (Like-for-like; CER)	**68.3**	**62.9**
New stores and developments	**4.0**	2.7
Store Protect replacement IPT	**-**	2.2
Foreign exchange	**(0.1)**	-
Underlying costs of sales	**72.2**	**67.8**
Depreciation	**1.5**	1.3
Variable lease payments	**-**	0.8
Total costs of sales	**73.7**	69.9

In order to arrive at underlying cost of sales, adjustments are made to remove the impact of depreciation and variable lease payments.

Adjusting for the impact of new stores, underlying cost of sales at CER on a like-for-like basis increased by 8.7% or £5.4 million, to £68.3 million (FY 2023: £62.9 million).

Of this, volume related costs including bad debt, increased £2.0 million, principally due to higher provisioning in France as a result of changes to non-payer management processes. Store employee costs increased £0.8 million, led by £0.9 million higher costs in the UK as a result of increases in the National Living Wage in April 2024. Business rates were £1.6 million higher in the year as a result of CPI-linked increases and increased ratable values.

The cost of sales attributable to non-LFL stores added £1.3 million year on year.

Cost of sales in FY 2023 included £2.2 million of IPT which is not repeated in FY 2024 due to changes in the nature of the protection for liability for loss and damage offered to customers storing goods with us.***Administrative Expenses***

The table below reconciles reported administrative expenses to underlying administrative expenses and details the key movements in underlying administrative expenses between FY 2023 and FY 2024.

	2024 £'m	2023 £'m
Underlying administrative expenses (Like-for-like; CER)	**15.2**	**13.6**
New stores and developments	0.7	0.6
Foreign exchange	(0.1)	-
Underlying administrative expenses	**15.8**	**14.2**
Share based payments	0.3	3.5
Total administrative expenses	**16.1**	**17.7**

In order to arrive at underlying administrative expenses, adjustments are made to remove the impact of exceptional items and share-based payments.

Underlying administrative expenses increased by 11.3% or £1.6 million to £15.8 million (FY 2023: £14.2 million). The increase primarily arose from a rise in employee and related costs.

Gain on revaluation of Investment Properties

A full, independent external valuation of the store portfolio is undertaken by the Group on an annual basis for year-end reporting.

As a result of this exercise, the net gain on investment properties during the year was as follows.

	2024 £'m	2023 £'m
Gain on revaluation of investment properties	301.9	103.5
Loss on revaluation of investment properties under construction	-	(0.9)
Fair value re-measurement of lease liabilities	(9.7)	(8.8)
Gain on revaluation of investment properties	292.2	93.8

The movement on investment properties reflects the increased value of the Group's store portfolio primarily as a result of an improvement in cap rates, reflecting recent market transactions in self-storage. The UK business contributed £231.7 million of the £292.2 million net revaluation gain, with a £45.0m revaluation gain arising in Paris and a £25.2 million revaluation gain arising in Expansion Markets.

Operating profit

Reported operating profit increased by £195.4 million from £230.4 million for FY 2023 to £425.8 million for FY 2024, primarily reflecting an increase in the investment property gain offset by a £6.8 million reduction in underlying EBITDA.

Net finance costs

Net finance costs include interest payable, interest on obligations under lease labilities, fair value movements on derivatives, exchange gains or losses, unwinding of discounts and exceptional finance income. Net finance costs increased by £4.6 million to £27.2 million in FY 2024 (FY 2023: £22.6 million). The main driver of the increase was net bank interest payable reflecting the Group's additional borrowings to fund the Group's acquisition and development activity, higher interest rates on floating-rate borrowings and a positive variance to prior year fair value movements on derivatives.

	2024 £'m	2023 £'m
Net exchange gains	-	0.3
Other interest received	0.1	0.1
Financial instruments income	-	0.4
Total finance income	**0.1**	**0.8**
Net bank interest payable	(27.7)	(19.5)
Capitalised interest on developments	7.8	4.4
Amortisation of debt issuance costs on bank loans	(1.6)	(1.3)
Underlying finance costs	**(21.5)**	**(16.4)**
Interest on lease liabilities	(5.8)	(5.3)
Fair value movement on derivatives	-	(1.7)
Total finance costs	**(27.3)**	**(23.4)**
Net finance costs	**(27.2)**	**(22.6)**

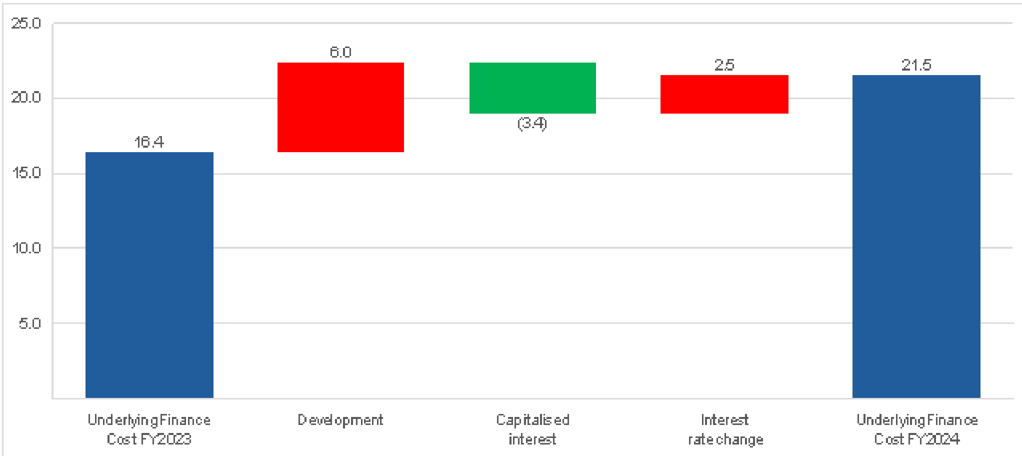
The underlying finance costs represent the finance expense before interest on obligations under lease liabilities.

changes in fair value of derivatives and exceptional items and is disclosed because management reviews and monitors performance of the business on this basis.

The underlying finance costs (reflecting revolving credit facility ("RCF") and US Private Placement ("USPP") interest costs and the amortisation of capitalised debt issuance costs) increased by £5.1 million to £21.5 million (FY 2024: £16.4 million).

Net interest on borrowings increased £8.5 million year on year due to on higher average borrowings from financing our development programme and increased interest rates on our floating-rate RCF. Partially offsetting this was a £3.4 million increase in interest capitalised on store developments.

The movement in underlying finance costs can be summarised as follows:



Non-underlying finance charge

Interest on finance leases was £5.8 million (FY 2024: £5.3 million) and reflects part of the leasehold rental payment. The balance of the leasehold payment is charged through the gain or loss on investment properties line and variable lease payments in the income statement. Overall, the leasehold rent charge increased by £0.6 million to £15.5 million in FY 2024 (FY 2023: £14.9 million). In the prior year, a net loss of £1.7 million was recognised on fair valuation of derivatives when they matured.

The Group undertakes net investment hedge accounting for its Euro denominated loan notes reflecting the natural currency hedge against Euro denominated assets.

Tax

The tax charge for the period is analysed below:

Tax charge	**2024 £'m**	**2023 £'m**
Underlying current tax losses	(4.3)	(5.1)
Current tax charge	(4.3)	(5.1)
Tax on investment properties movement	(21.7)	(8.3)
Adjustment in respect of prior years	1.3	2.8
Losses in respect of current year	(1.6)	3.0
Deferred tax charge	(22.0)	(2.5)
Net tax charge	(26.3)	(7.6)

Income tax in the period was a net charge of £26.3 million (FY 2023: £7.6 million).

In the UK, the Group is a REIT, so the current tax charge relates to the Paris and Spain businesses. The underlying current tax charge for the period amounted to £4.3 million (FY 2023: £5.1m).

Profit after tax

The profit after tax for the period was £372.3 million, compared with £200.2 million in FY 2023, an increase of £172.1m which arose principally due to the increased gain on investment properties, which is explained above.

Earnings per Share

Basic EPS was 170.5 pence (FY 2023: 92.2 pence) and diluted EPS was 170.1 pence (FY 2023: 91.8 pence). As explained in note 2 to the financial statements, management considers adjusted diluted EPRA EPS to be more representative of the underlying EPS performance of the business

Adjusted Diluted EPRA EPS is based on the European Public Real Estate Association's ("EPRA") definition of earnings and is defined as profit or loss for the period after tax excluding corporate transaction costs, changes in fair value of derivatives, gain/loss on the fair value of investment properties and the associated tax impacts. The Company then makes further adjustments for the impact of exceptional items, IFRS 2 share-based payment charges, exceptional tax items and deferred tax charges. This adjusted earnings figure is divided by the diluted number of shares. The IFRS 2 cost is excluded as it is written back to distributable reserves and is a non-cash item (with the exception of the associated National Insurance element). Therefore, neither the Company's ability to distribute nor pay dividends is impacted (with the exception of the associated National Insurance element). The financial statements disclose earnings on a statutory, EPRA and Adjusted Diluted EPRA basis and provide a full reconciliation of the differences in the financial year in which any Long Term Incentive Plan ("LTIP") awards may vest.

Management introduced Adjusted Diluted EPRA EPS as a measure of EPS following the implementation of the Group's LTIP schemes. Management considers that the real cost to existing shareholders from such schemes is the dilution that they will experience on the granting of shares. Therefore, earnings has been adjusted for the IFRS 2 share-based payment charge and the number of shares used in the EPS calculation has also been adjusted for the dilutive effect of the LTIP schemes.

Adjusted Diluted EPRA EPS for the year was 42.3 pence (FY2023: 47.9 pence), calculated on a pro forma basis, as if the dilutive LTIP shares were in issue throughout both the current and prior years, as follows:

The Group has exposure to the movement in the Euro/GBP exchange rate. Based on the FY 2024 results, for a 10 cent increase to the average exchange rate of 1.173 would cause an impact of £1.7 million to Adjusted EPRA Earnings (FY 2023: £1.3 million).

		2024			**2023**	
	Earnings £'m	**Shares million**	**Pence per share**	**Earnings £'m**	**Shares million**	**Pence per share**
Basic earnings	372.3	218.3	170.5	200.2	217.2	92.2
Adjustments:						
Gain on investment properties	(292.2)		(133.9)	(93.8)	-	(43.2)
Net exchange loss				(0.3)	-	(0.1)
Change in fair value of derivatives				1.7	-	0.8
Tax on adjustments/exceptional tax	20.9		9.6	1.4	-	0.6
Adjusted	**101.0**	**218.3**	**46.2**	**109.2**	**217.2**	**50.3**
EPRA adjusted:						
Fair value re-measurement of lease liabilities add-back	(9.7)	-	(4.5)	(8.8)	-	(4.1)
Tax on lease liabilities add-back adjustment	1.1	-	0.5	1.1	-	0.5

EPRA basic EPS	92.4	218.3	42.2	101.5	217.2	46.7
Share-based payments charge	0.3	-	0.1	3.5	-	1.6
Dilutive shares		0.9	-	-	1.9	(0.4)
Adjusted Diluted EPRA EPS	**92.7**	**219.2**	**42.3**	**105.0**	**219.1**	**47.9**

Investment Properties

Cushman & Wakefield Debenham Tie Leung Limited LLP ("C&W") has valued the Group's property portfolio. As at 31 October 2024, the total value of the Group's property portfolio of open stores was £3,052.9 million (31 October 2023: £2,681.1 million).

	UK £'m	Paris £'m	Expansion Markets £'m	Total IP £'m	Paris €'m	Expansion Markets €'m
Value of IP as at 1 November 2023	1,872.2	573.9	235.0	**2,681.1**	657.9	269.4
Developments and Acquisitions	40.5	30.9	30.6	**102.0**	36.3	35.9
Disposals	-	-	-	**-**	-	-
Revaluation	231.7	45.0	25.2	**301.9**	52.8	29.5
FX		(22.7)	(9.6)	**(32.3)**		
Value of IP as at 31 October 2024	**2,144.4**	**627.1**	**281.3**	**3,052.8**	747.0	334.8
IP Under Construction	75.8	22.2	32.7	**130.7**	26.4	38.8
IP and IPUC	**2,220.2**	**649.3**	**314.0**	**3,183.5**	773.4	373.6
IP Lease Liabilities	73.1	19.1	8.4	**100.6**	22.7	10.1
Total as at 31 October 2024	**2,293.3**	**668.4**	**322.4**	**3,284.1**	796.1	383.7

Property Valuation £m (including Investment Properties under construction), before lease liabilities

The above tables summarise the movement in the valuations of the Group's investment property portfolio including investment properties under construction.

The Group's property portfolio valuation, including investment properties under construction, increased by £393.9 million, which includes the gain on valuation of £301.9 million and £125.9 million relating to additions and store refurbishments and foreign currency movements.

The exchange rate at 31 Oct 2024 was €1.191:£1 compared to €1.146:£1 at 31 October 2023. This movement in the foreign exchange rate has resulted in a £34.0m unfavourable currency translation movement in the value of our investment properties in the year.

Valuation movement as a result of yield compression reflecting investor confidence in the sector with average freehold exit yield reducing 53bps to 5.19% in the year (FY 2023: 5.72%), partially offset by discount rates for future cash flows increasing 12bps to 8.66% in the year (FY 2023: 8.54%).

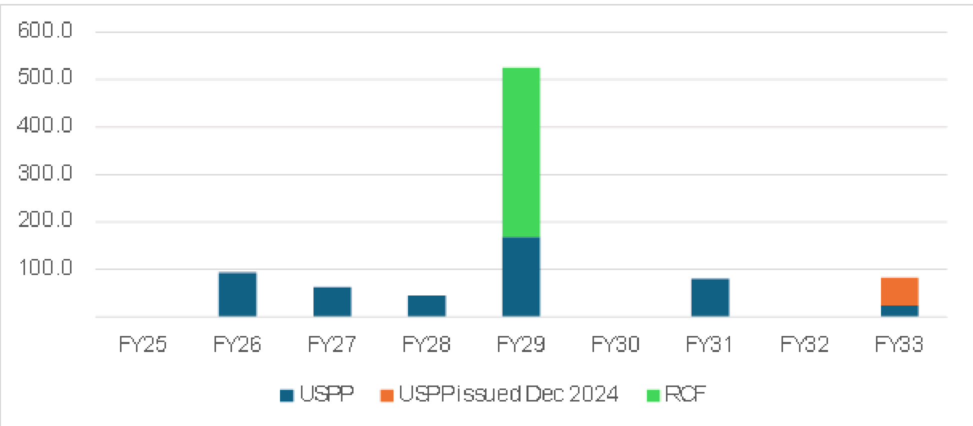
The EPRA basic NTA per share, as reconciled to IFRS net assets per share in financial statements, was 1,091 pence at 31 October 2024, up 14.6% since 31 October 2023 (952 pence), and the IFRS reported diluted NAV per share was 1,017 pence (FY 2023: 884 pence), reflecting the £307.8 million growth in reported net assets since 31 October 2023.**Gearing, and Capital Structure**

The Group finances its activities through a combination of equity and borrowings. As at 31 October 2024, the Group's borrowings comprise bank borrowing facilities, made up of a Revolving Credit Facility "RCF", together with US Private Placement notes "USPPs".

The drawn debt position as at 31 October 2024 is analysed as follows:

	Facility	**Fixed-rate borrowings**	**Floating-rate borrowings**	**Total rate**
	£/€'m	**£'m**	**£'m**	
RCF - GBP drawn	£500.0		£249.0	6.15%
RCF - EUR drawn			£106.7	4.57%
RCF - non-utilisation		£144.3		0.42%
USPP 2026	€70.0	£58.7		1.26%
USPP 2026	£35.0	£35.0		2.59%
USPP 2027	€74.1	£62.1		2.00%
USPP 2028	£20.0	£20.0		1.96%
USPP 2028	€29.0	£24.4		0.93%
USPP 2029	£50.5	£50.5		2.92%
USPP 2029	£30.0	£30.0		2.69%
USPP 2029	€105.0	£88.1		2.45%
USPP 2031	£80.0	£80.0		2.39%
USPP 2033	€29.0	£24.4		1.42%
Unamortised finance costs	-	(£4.8)		-
Total	973.2	612.7	355.7	3.96%

The debt repayment schedule can be summarised as follows ('£m)



During the year, the Group exercised an accordion option to increase the committed facility in the RCF by £100.0 million to £500.0 million. The facility was originally for a four-year term with two one-year extension options exercisable after the first and second years of the agreement. The first of these extensions was exercised in FY 2023. The Group exercised the second one-year extension in FY 2024 with the RCF now to expiring in November 2028.

As at 31 October 2024, £355.7 million of the £500.0 million RCF was drawn, split £249.0 million and €127 million (£106.7 million).

The Group pays interest on the RCF at an initial margin of 125bps plus SONIA or Euribor. The margin payable is linked to certain ESG targets, which have been met, enabling a reduction in the margin by 5bps to 120bps. In addition, the Group pays a non-utilisation fee of 0.42% on the undrawn facility balance.

USPPs are denominated in Euros and Sterling and incur fixed rates of interest.

The 2026, 2027, 2028, 2029 and 2033 USPP Notes are denominated in Euros and have interest rates of 1.26% (on €70.0 million), 2.00% (on €74.1 million), 0.93% (on €29.0 million), 2.45% (on €105.0 million) and 1.42% (on €29.0 million) respectively.

The 2026 (£35.0 million), 2028 (£20.0 million), 2029 (£50.5 million), 2029 (£30.0 million) and 2031 (£80.0 million) USPP Notes are denominated in Sterling and have interest rates of 2.59%, 1.96%, 2.92%, 2.69% and 2.39% respectively.

In the year, a €51.0 million USPP matured at the end of May 2024 and was fully repaid utilising existing facilities. Following the year end, a new USPP of €70.0 million was issued in December 2024 with a maturity in December 2032 and a fixed rate of interest of 4.03%.

As at 31 October 2024, 57% of the Group's drawn debt is at fixed rates of interest. Overall, the Group has an effective interest rate on its borrowings of 3.96% as at 31 October 2024, compared with 3.58% at the previous year end.

The Euro denominated borrowings provide a natural hedge against the Group's investment in the Paris and Expansion Markets businesses.

Net debt (including finance leases and cash) stood at £899.5 million at 31 October 2024, an increase of £89.2 million during the year, principally due to increased funding required for store acquisitions and developments.

Total capital (net debt plus equity) increased from £2,745.4m at 31 October 2023 to £3,126.3 million at 31 October 2024. The net impact is that the gearing ratio has decreased to 28.8% at 31 October 2024 from 29.5% at 31 October 2023.

Management also measures leverage with reference to its loan to value ("LTV") ratio defined as net debt (excluding lease liabilities) as a proportion of the valuation of investment properties (excluding finance leases), including investment properties under construction. As at 31 October 2024, the Group LTV ratio was 25.1% compared with 25.4% at 31 October 2023.

The Board considers the current level of gearing is appropriate for the business to enable the Group to increase returns on equity, maintain financial flexibility and to achieve our medium-term strategic objectives.

As at 31 October 2024, £355.7 million of the £500.0 million UK revolver was drawn. Including the USPP debt of €307.1 million (£257.8 million) and £215.5 million, the Group's borrowings totalled £829.0 million (before adjustment for unamortised finance costs). As at 31 October 2024, the weighted average remaining term for the Group's committed borrowing facilities is 4.2 years.

Following the repayment of the 2024 USPP, the Group has no other maturities until 2026 and has a weighted average term to maturity of 4.2 years.

Borrowings under the existing loan facilities are subject to certain financial covenants. The RCF and the USPPs share interest cover and LTV covenants. The interest cover requirement of a minimum of EBITDA interest of 2.4:1. Interest cover for FY 2024 was 4.3x (FY 2023: 6.7x), calculated on the basis required under our financial covenants.

The LTV covenant is 60% for the Group. As at 31 October 2024, there is significant headroom in the Group LTV covenant calculations.

Going Concern

The Group is in compliance with its covenants at 31 October 2024 and, based on forecast projections (which considered a number of factors, including the current balance sheet position, the principal and emerging risks which could impact the performance of the Group, and the Group's strategic and financial plan), is expected to be in compliance and have ample liquidity for a period in excess of twelve months from the date of this report and accordingly, this year end statement is prepared on the basis of going concern.

Cash flow

The table below sets out the cash flow of the business in FY 2024 and FY 2023.

	2024 £'m	2023 £'m
Underlying EBITDA	135.4	142.2
Working capital/ exceptionals/ other	(2.3)	(13.0)
Adjusted operating cash inflow	133.1	129.2
Interest payments	(25.3)	(19.6)
Leasehold payments	(15.5)	(14.9)
Tax payments	(6.1)	(5.5)
Free cash flow (before investing and financing activities)	86.2	89.2
Investment in associates	(2.5)	(2.3)
Capital expenditure - investment properties	(118.3)	(119.0)
Capital expenditure - property, plant and equipment	(1.8)	(2.9)
Adjusted net cash flow after investing activities	(36.4)	(35.0)
Issues of share capital	0.7	0.2
Dividends paid	(65.9)	(65.9)
Net drawdown of borrowings	111.6	101.3
Financial instruments	-	0.4
Debt issuance costs	(1.3)	(4.9)
Net (decrease) in cash	8.7	(3.9)

Note: Free cash flow is a non-GAAP measure, defined as cash flow before investing and financing activities but after leasehold rent payments.

Adjusted operating cash flow increased by £4.2m in the year.

Interest payments increased compared to the prior year as a result of the increased interest charge associated with the additional borrowings to fund the capital expenditure on new stores. With small increases in Leasehold and Tax payments, Free Cash Flow was broadly stable year on year at £86.2 million (FY 2023: £89.2 million).

In the year, we invested £122.6 million (FY 2023: net outflow of £124.2 million) on capital expenditure, principally on the development of new stores.

Dividends paid to shareholders were £65.9 million FY 2024 (£65.9 million FY 2023), and the Group drew a net £111.6 million of borrowings, primarily to finance capital expenditure.

The first table below reconciles free cash flow (before investing and financing activities) in the table above to net cash inflow from operating activities in the consolidated cash flow statement. The second table below reconciles adjusted net cash flow after investing activities in the table above to the consolidated cash flow statement.

	2024 £'m	2023 £'m

Free cash flow (before investing and financing activities)	86.2	89.2
Addback: Finance lease principal payments	9.7	8.8
Net cash inflow from operating activities	95.9	98.0

	2024	**2023**
	£'m	**£'m**
From table above:		
Adjusted net cash flow after investing activities	(36.4)	(35.0)
Addback: Finance lease principal payments	9.7	8.8
Net cash outflow after investing activities	(26.7)	(26.2)
From consolidated cash flow:		
Net cash inflow from operating activities	95.9	98.0
Net cash outflow from investing activities	(122.6)	(124.2)
Net cash outflow after investing activities	(26.7)	(26.2)

Dividends

The Directors are recommending a final dividend of 20.4 pence per share (FY 2023: 20.2 pence per share) which Shareholders will be asked to approve at the Company's Annual General Meeting on 19 March 2025. If approved by Shareholders, the final dividend will be payable on 15 April 2025 to Shareholders on the register at close of business on 19 March 2025. Reflective of the continued strong cash generation and positive outlook for the Group's long term prospects, the Group's full year dividend of 30.40 pence per share is 1.0% up on the prior year dividend of 30.10 pence per share. The Property Income Distribution ("PID") element of the full year dividend is 17.60 pence per share (FY2023: 17.62 pence per share).

Consolidated income statement

for the year ended 31 October 2024

		Group	
	Notes	**2024 £'m**	2023 £'m
Revenue	2, 3	**223.4**	224.2
Cost of sales		**(73.7)**	(69.9)
Gross profit		**149.7**	154.3
Administrative expenses		**(16.1)**	(17.7)
Operating profit before gains on investment properties		**133.6**	136.6
Gain on revaluation of investment properties	9	**292.2**	93.8
Operating profit	3	**425.8**	230.4
Finance income	4	**0.1**	0.8
Finance expense	4	**(27.3)**	(23.4)
Profit before income tax		**398.6**	207.8
Income tax charge	5	**(26.3)**	(7.6)
Profit for the year		**372.3**	200.2
Earnings per share for profit attributable to the equity holders			
- basic (pence)	7	**170.5**	92.2
- diluted (pence)	7	**170.1**	91.8

The financial results for both years relate to continuing operations.

Consolidated statement of comprehensive income

for the year ended 31 October 2024

	Group	
	2024	2023
	£'m	£'m
Profit for the year	**372.3**	200.2
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(22.0)**	7.1
Net investment hedge	**6.9**	(2.9)
Other comprehensive income, net of tax	**(15.1)**	4.2
Total comprehensive income for the year	**357.2**	204.4

Consolidated balance sheet

as at 31 October 2024

		Group	
		2024	2023
	Notes	**£'m**	£'m
Assets			
Non-current assets			
Investment in associates	8	**6.6**	4.1
Investment properties	9	**3,284.1**	2,890.9
Property, plant and equipment		**5.7**	5.2
Deferred tax assets		**6.3**	6.6
		3,302.7	2,906.8
Current assets			
Inventories		**0.4**	0.4
Current income tax receivables		**1.0**	-
Trade and other receivables		**31.7**	32.8
Cash and cash equivalents	11,17	**25.3**	16.9
		58.4	50.1
Total assets		**3,361.1**	2,956.9
Current liabilities			
Bank borrowings	12,17	**-**	(44.5)
Trade and other payables		**(51.8)**	(52.4)
Current income tax liabilities		**-**	(0.4)
Lease liabilities	14	**(14.0)**	(13.1)
		(65.8)	(110.4)
Non-current liabilities			
Bank borrowings	12, 17	**(824.2)**	(681.3)
Deferred tax liabilities		**(155.4)**	(139.2)
Lease liabilities	14	**(86.6)**	(88.3)
Provisions	18	**(2.3)**	(2.6)
		(1,068.5)	(911.4)
Total liabilities		**(1,134.3)**	(1,021.8)
Net assets		**2,226.8**	1,935.1
Equity			
Ordinary share capital	15	**2.2**	2.2
Share premium		**62.7**	62.0
Translation reserve		**(2.4)**	12.7
Retained earnings		**2,164.3**	1,858.2
Total equity		**2,226.8**	1,935.1

These financial statements were authorised for issue by the Board of Directors on 15 January 2025 and signed on its behalf by:

S Clinton **F Vecchioli**

Chief Financial Officer ***Chief Executive Officer***

Company registration number: 04726380

Consolidated statement of changes in shareholders' equity

for the year ended 31 October 2024

	Group				
	Share capital	Share premium	Translation reserve	Retained earnings	Total
	£'m	£'m	£'m	£'m	£'m
Balance at 1 November 2022	2.1	61.8	8.5	1,721.0	1,793.4
Comprehensive income					
Profit for the year	-	-	-	200.2	200.2
Other comprehensive income					
Currency translation differences	-	-	7.1	-	7.1
Net investment hedge	-	-	(2.9)	-	(2.9)
Total other comprehensive income			4.2		4.2

Total other comprehensive income	-	-	4.2	-	4.2
Total comprehensive income	-	-	4.2	200.2	204.4
Transactions with owners					
Dividends (note 6)	-	-	-	(65.9)	(65.9)
Increase in share capital and share premium	0.1	0.2	-	-	0.3
Employee share options	-	-	-	2.9	2.9
Transactions with owners	0.1	0.2	-	(63.0)	(62.7)
Balance at 1 November 2023	2.2	62.0	12.7	1,858.2	1,935.1
Comprehensive income					
Profit for the year	-	-	-	372.3	372.3
Other comprehensive income					
Currency translation differences	-	-	(22.0)	-	(22.0)
Net investment hedge	-	-	6.9	-	6.9
Total other comprehensive income	-	-	(15.1)	-	(15.1)
Total comprehensive income	-	-	(15.1)	372.3	357.2
Transactions with owners					
Dividends (note 6)	-	-	-	(65.9)	(65.9)
Increase in share capital and share premium	-	0.7	-	-	0.7
Employee share options	-	-	-	(0.3)	(0.3)
Transactions with owners	-	0.7	-	(66.2)	(65.5)
Balance at 31 October 2024	**2.2**	**62.7**	**(2.4)**	**2,164.3**	**2,226.8**

The translation reserve balance of (£2.4) million (FY 2023: £12.7 million) comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and the impact of the net investment hedge. The cumulative impact of the net investment hedge included within this reserve is a net income of £4.1 million (FY 2023: loss of £2.8 million).

Consolidated cash flow statement

for the year ended 31 October 2024

		Group	
		2024	2023
	Notes	**£'m**	£'m
Cash flows from operating activities			
Cash generated from operations	16	**133.1**	128.4
Interest received		**0.1**	-
Interest paid		**(31.2)**	(24.9)
Tax paid		**(6.1)**	(5.5)
Net cash inflow from operating activities		**95.9**	98.0
Cash flows from investing activities			
Investment in associates	8	**(2.5)**	(2.3)
Expenditure on investment properties		**(118.3)**	(119.0)
Purchase of property, plant and equipment		**(1.8)**	(2.9)
Net cash outflow from investing activities		**(122.6)**	(124.2)
Cash flows from financing activities			
Issue of share capital		**0.7**	0.2
Equity dividends paid	6	**(65.9)**	(65.9)
Proceeds from borrowings		**173.8**	108.4
Repayment of borrowings		**(62.2)**	(7.1)
Financial instruments income		**-**	0.4
Debt issuance costs		**(1.3)**	(4.9)
Principal payment of lease liabilities		**(9.7)**	(8.8)
Net cash inflow from financing activities		**35.4**	22.3
Net increase/(decrease) in cash and cash equivalents		**8.7**	(3.9)
Exchange loss on cash and cash equivalents		**(0.3)**	(0.1)
Cash and cash equivalents at 1 November		**16.9**	20.9
Cash and cash equivalents at 31 October	11,17	**25.3**	16.9

Notes to the financial statements

for the year ended 31 October 2024

The Board approved this preliminary announcement on 15 January 2025.

The financial information included in this preliminary announcement does not constitute the Group's statutory accounts for the years ended 31 October 2024 or 31 October 2023. Statutory accounts for the year ended 31 October 2023 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 October 2024 will be delivered to the Registrar of Companies following the Company's annual general meeting.

The auditor has reported on the 2024 and 2023 statutory accounts; their report was unqualified, did not include any references to any matters by way of emphasis and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

These financial statements for the year ended 31 October 2024 have been prepared under the historical cost convention except for the following assets and liabilities, which are stated at their fair value: investment property, derivative financial instruments and financial interest in property assets. The accounting policies used are consistent with those contained in the Group's last annual report and accounts for the year ended 31 October 2023, except for items as described below. All amounts are presented in Sterling and are rounded to the nearest £0.1 million, unless otherwise stated.

The financial information included in this preliminary announcement has been prepared in accordance with United Kingdom adopted International Financial Reporting Standards ("IFRS"), International Financial Reporting Interpretations Committee ("IFRIC") interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing this consolidated financial information.

In assessing the Group's going concern position as at 31 October 2024, the Directors have considered a number of factors, including the current balance sheet position, the principal and emerging risks which could impact the performance of the Group and the Group's strategic and financial plan. Consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts. The Directors considered the most recent three-year financial plans, in particular the projections for the period to 30 April 2026, approved by the Board. In the context of the current environment, plausible downside scenarios were applied to the plan, including a reverse stress test scenario. These scenarios are differentiated by the impact of lower demand levels, lower average rate growth and what level of cost savings is reasonable. A scenario was also performed where we carried out a reverse stress test to model what would be required to breach ICR and LTV covenants, which indicated highly improbable changes would be needed before any issues were to arise. The impact of the downside scenarios has been reviewed against the Group's projected cash flow position and financial covenants over a three-year period. Should any of these scenarios occur, clear mitigating actions are available to ensure that the Group remains liquid and able to meet its liabilities as they fall due. The financial position of the Group, including details of its financing and capital structure, is set out in the financial review section of this report.

Standards, amendments to standards and interpretations issued and applied

The following new or revised accounting standards or IFRIC interpretations are applicable for the first time in the year ended 31 October 2024:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The adoption of the standards and interpretations has not significantly impacted these financial statements and any changes to our accounting policies as a result of their adoption have been reflected in this note.

Critical accounting judgements and key sources of estimation uncertainty

The following key source of estimation uncertainty has significant risk of causing a material adjustment, within the next financial year, to the carrying amounts of assets and liabilities within the consolidated financial statements:

Estimate of fair value of investment properties and investment properties under construction

The Group values its investment properties using a discounted cash flow methodology which is based on projections of net operating income. Principal assumptions and management's underlying estimation of the fair value of those relate to: stabilised occupancy levels; expected future growth in storage rental income and operating costs; maintenance requirements; capitalisation rate; and discount rates. There are inter-relationships between the valuation inputs and they are primarily determined by market conditions. The effect of an increase in more than one input could be to magnify the impact on the valuation. However, the impact on the valuation could be offset by the inter-relationship of two inputs moving in opposite directions, e.g. an increase in rent may be offset by a decrease in occupancy, resulting in minimal net impact on the valuation. For immature stores, these underlying estimates hold a higher risk of uncertainty, due to the unproven nature of its cash flows. C&W has considered Safestore's commitment to operational net zero carbon emissions by 2035 and the impacts that this could have on each of the Group's investment properties. A more detailed explanation of the background, methodology and estimates made by management that are adopted in the valuation of the investment properties, as well as detailed sensitivity analysis, is set out in note 12 to the financial statements.

Non-GAAP financial information/Alternative Performance Measures

The Directors have identified certain measures that they believe will assist the understanding of the performance of the business. The measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. The non-GAAP/Alternative Performance Measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but they have been included as the Directors consider them to be important comparables and key measures used within the business for assessing performance. The following are the key non-GAAP/Alternative Performance Measures identified by the Group:

- The Group defines exceptional items to be those that warrant, by virtue of their nature, size or frequency, separate disclosure on the face of the income statement where, in the opinion of the Directors, this enhances the understanding of the Group's financial performance.
- Underlying EBITDA is an Alternative Performance Measure and is defined as operating profit before exceptional items, share-based payments, corporate transaction costs, gain/loss on investment properties, depreciation and variable lease payments and the share of associate's depreciation, interest and tax. Management considers this presentation to be representative of the underlying performance of the business, as it removes the income statement impact of items not fully controllable by management, such as the revaluation of derivatives and investment properties, and the impact of exceptional credits, costs and finance charges. A reconciliation of statutory operating profit to Underlying EBITDA can be found in the financial review of this announcement.
- Adjusted Diluted EPRA Earnings per Share is based on the European Public Real Estate Association's definition of earnings and is defined as profit or loss for the period after tax but excluding corporate transaction costs, change in fair value of derivatives, gain/loss on investment properties and the associated tax impacts. The Company then makes further company-specific adjustments for the impact of exceptional items, net exchange gains/losses recognised in net finance costs, exceptional tax items, and deferred and current tax in respect of these adjustments. The Company also adjusts for IFRS 2 share-based payment charges. This adjusted earnings is divided by the diluted number of shares. The IFRS 2 cost is excluded as it is written back to distributable reserves and is a non-cash item (with the exception of the associated National Insurance element). Therefore, neither the Company's ability to distribute nor pay dividends are impacted (with the exception of the associated National Insurance element). The financial statements disclose earnings on a statutory, EPRA and Adjusted Diluted EPRA basis and will provide a full reconciliation of the differences in the financial year in which any LTIP awards may vest. A reconciliation of statutory basic Earnings per Share to Adjusted Diluted EPRA Earnings per Share can be found in note 10.
- EPRA's Best Practices Recommendations guidelines for Net Asset Value ("NAV") metrics are EPRA Net

Tangible Assets ("NTA"), EPRA Net Reinstatement Value ("NRV") and EPRA Net Disposal Value ("NDV"). EPRA NTA is considered to be the most relevant measure for the Group's business which provides sustainable long term progressive returns and is now the primary measure of net assets. The basis of calculation, including a reconciliation to reported net assets, is set out in note 14.

- Like-for-like figures are presented to aid in the comparability of the underlying business as they exclude the impact on results of purchased, sold, opened or closed stores.
- Constant exchange rate ("CER") figures are provided in order to present results on a more comparable basis, removing foreign exchange movements.

Forward-looking statements

Certain statements in this preliminary announcement are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct.

Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

2. Revenue

Analysis of the Group's operating revenue can be found below:

	2024 £'m	2023 £'m
Self-storage income	**186.6**	187.2
Customer goods protection Income	**25.1**	25.5
Other non-storage income	**11.7**	11.5
Total revenue	**223.4**	224.2

3. Segmental analysis

The Group's revenue, profit before income tax and net assets are attributable to one activity: the provision of self-storage accommodation and related services. This is based on the Group's management and internal reporting structure.

Safestore is organised and managed in three operating segments, based on geographical areas, being the United Kingdom, Paris in France and Expansion Markets (Spain, the Netherlands and Belgium). This change has been made from the prior periods to reflect the importance of these three markets in driving growth for the Group.

The chief operating decision maker, being the Executive Directors, assesses the performance of the operating segments on the basis of Underlying EBITDA, which is defined as operating profit before exceptional items, share-based payments, corporate transaction costs, gain/loss on investment properties, depreciation and variable lease payments, and the share of associate's depreciation, interest and tax.

The operating profits and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Year ended 31 October 2024	**UK £'m**	**Paris £'m**	**Expansion Markets £'m**	**Group £'m**
Continuing operations				
Revenue	**162.2**	**43.7**	**17.5**	**223.4**
Underlying EBITDA	**99.3**	**28.7**	**7.4**	**135.4**
Share-based payments	**(0.1)**	**(0.1)**	**(0.1)**	**(0.3)**
Variable lease payments and depreciation	**(1.4)**	**(0.1)**	**-**	**(1.5)**
Operating profit before gain on revaluation of investment properties and other exceptional gains	**97.8**	**28.5**	**7.3**	**133.6**
Gain on investment properties	**226.8**	**40.9**	**24.5**	**292.2**
Operating profit	**324.6**	**69.4**	**31.8**	**425.8**
Net finance expense	**(17.2)**	**(1.3)**	**(8.7)**	**(27.2)**
Profit before tax	**307.4**	**68.1**	**23.1**	**398.6**
Total investment properties	**2,293.2**	**668.6**	**322.3**	**3,284.1**

Year ended 31 October 2023 re-presented	UK £'m	Paris £'m	Expansion Markets £'m	Group £'m
Continuing operations				
Revenue	166.2	43.9	14.1	224.2
Underlying EBITDA	105.9	30.5	5.8	142.2
Share-based payments	(3.1)	(0.3)	(0.1)	(3.5)
Variable lease payments and depreciation	(1.9)	(0.2)	-	(2.1)
Operating profit before gain on revaluation of investment properties and other exceptional gains	100.9	30.0	5.7	136.6
Gain on investment properties	70.9	16.3	6.6	93.8
Operating profit	171.8	46.3	12.3	230.4
Net finance expense	(13.8)	(2.2)	(6.6)	(22.6)
Profit before tax	158.0	44.1	5.7	207.8
Total investment properties	2,002.2	612.7	276.0	2,890.9

Results for the UK segment for FY 2023 have been re-presented with the inclusion of transactions between the Group and the German associate being included in Expansion Markets. The impact is to lower Revenue by £0.3 million, Profit before tax by £0.3 million and Total assets by £0.3 million within the UK segment and increase it by the same amounts in the Expansion Markets segment.

Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. There is no material impact from inter-segment transactions on the Group's results. The segmental results exclude intercompany transactions.

4. Finance income and costs

	2024 £'m	2023 £'m
Finance income		
Other interest and similar income	**0.1**	0.1
Financial instruments income	**-**	0.4
Underlying finance income	**0.1**	0.5
Net exchange gains	**-**	0.3
Total finance income	**0.1**	0.8
Finance costs		
Interest payable on borrowings	**(19.9)**	(15.1)
Amortisation of debt issuance costs on bank loan	**(1.5)**	(1.3)
Underlying finance charges	**(21.5)**	(16.4)
Interest on lease liabilities	**(5.7)**	(5.3)
Fair value loss on derivatives	**-**	(1.7)
Net exchange losses	**-**	-
Total finance costs	**(27.3)**	(23.4)
Net finance costs	**(27.2)**	(22.6)

The total change in fair value of derivatives reported within net finance costs for the year is £nil (FY 2023: £1.7 million net loss). Included within 2023 finance income is £0.4 million relating to swaps settled in June 2023.

5. Income tax charge

Analysis of tax charge in the year:

	Note	2024 £'m	2023 £'m
Current tax:			
- current year		**4.3**	5.1
- prior year		**-**	-
		4.3	5.1
Deferred tax:			
- current year		**21.7**	5.3
- prior year		**0.3**	(2.8)
		22.0	2.5
Tax charge		**26.3**	7.6

Reconciliation of income tax charge

The tax for the period is lower (FY 2023: lower) than the standard rate of corporation tax in the UK for the year ended 31 October 2024 of 25% (FY 2023: 22.5%). The differences are explained below:

	2024 £'m	2023 £'m
Profit before tax	**398.6**	207.8
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25% (FY 2023: 22.5%)	**99.7**	46.8
Effect of:		
- permanent differences	**1.5**	(6.3)
- profits from the tax exempt business	**(78.2)**	(32.4)
- deferred tax arising on acquisition of overseas subsidiary	**-**	-
- difference from overseas tax rates	**1.5**	0.9
- potential deferred tax assets not recognised	**1.7**	1.4
- prior year adjustment	**0.1**	(2.8)
Tax charge	**26.3**	7.6

The Group is a UK real estate investment trust ("REIT"). As a result, the Group is exempt from UK corporation tax on the profits and gains from its qualifying property rental business in the UK, providing it meets certain conditions. Non-qualifying profits and gains of the Group remain subject to corporation tax as normal. The Group monitors its compliance with the REIT conditions. There have been no breaches of the conditions to date.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

6. Dividends per share

Dividends paid in 2024 were £65.9 million (30.2 pence per share) (FY 2023: £65.9 million (30.30 pence per share)). A final dividend in respect of the year ended 31 October 2024 of 20.4 pence (FY 2023: 20.20 pence) per share, amounting to a total final dividend of £44.6 million (FY 2023: £44.1 million), is to be proposed at the AGM on 19 March 2025. The ex-dividend date will be 13 March 2025 and the record date will be 14 March 2025 with an intended payment date of 15 April 2025. The final dividend has not been included as a liability at 31 October 2024.

The Property Income Distribution ("PID") element of the final dividend is 15.3 pence (FY 2023: 15.15 pence), making the PID payable for the year 17.60 pence (FY 2023: 17.62 pence) per share.

7. Earnings per Share

Basic Earnings per Share ("EPS") is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares held as treasury shares. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all dilutive potential shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is performed to determine the number of shares that could have been options. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Year ended 31 October 2024			Year ended 31 October 2023		
	Earnings £'m	**Shares million**	**Pence per share**	Earnings £'m	Shares million	Pence per share
Basic	**372.3**	**218.3**	**170.5**	200.2	217.2	92.2
Dilutive securities	**-**	**0.6**	**(0.4)**	-	0.9	(0.4)
Diluted	**372.3**	**218.9**	**170.1**	200.2	218.1	91.8

Adjusted Earnings per Share

Explanations related to the adjusted earnings measures adopted by the Group are set out in note 2 under the heading, Non-GAAP financial information/Alternative Performance Measures. Adjusted EPS represents profit after tax adjusted for the valuation movement on investment properties, exceptional items, change in fair value of derivatives, exchange gains/losses, The Directors consider that these alternative measures provide useful information on the performance of the Group. EPRA earnings and Earnings per Share before non-recurring items, movements on revaluations of investment properties and changes in the fair value of derivatives have been disclosed to give a clearer understanding of the Group's underlying trading performance.

	Year ended 31 October 2024			Year ended 31 October 2023		
	Earnings £'m	**Shares million**	**Pence per share**	Earnings £'m	Shares million	Pence per share
Basic	**372.3**	**218.3**	**170.5**	200.2	217.2	92.2
Adjustments:						
Gain on revaluation of investment properties	**(292.2)**	**-**	**(133.9)**	(93.8)	-	(43.2)
Fair value re-measurement of investment properties lease liabilities	**(9.7)**	**-**	**(4.5)**	(8.8)	-	(4.1)
Net exchange gain	**-**	**-**	**-**	(0.3)	-	(0.1)
Change in fair value of derivatives	**-**	**-**	**-**	1.7	-	0.8
Tax on adjustments	**22.0**	**-**	**10.1**	2.5	**-**	1.1
Adjusted EPRA basic EPS	**92.4**	**218.3**	**42.2**	101.5	217.2	46.7
Share-based payments charge	**0.3**	-	**0.1**	3.5		1.6
Dilutive shares	-	**0.9**	-	-	1.9	(0.4)
Adjusted Diluted EPRA EPS[1]	**92.7**	**219.2**	**42.3**	105.0	219.1	47.9

Note:

1 Adjusted Diluted EPRA EPS is based on the European Public Real Estate Association's definition of earnings and is defined as profit or loss for the period after tax but excluding corporate transaction costs, change in fair value of derivatives, gain/loss on investment properties and the associated tax impacts. The Company then makes further adjustments for the impact of exceptional items, IFRS 2 share based payment charges, exceptional tax items, and deferred tax charges. This adjusted earnings is divided by the diluted number of shares. The IFRS 2 cost is excluded as it is written back to distributable reserves and is a non-cash item (with the exception of the associated National Insurance element). Therefore neither the company's ability to distribute nor pay dividends are impacted (with the exception of the associated National Insurance element). The financial statements disclose earnings both on a statutory, EPRA and Adjusted Diluted EPRA basis and will provide a full reconciliation of the differences in the financial year in which any LTIP awards may vest.

Gain on revaluation of investment properties includes the fair value re-measurement of investment properties lease liabilities of £9.7 million (FY 2023: £8.8 million) and the related tax thereon of £1.1 million (FY 2023: £1.1 million). As an industry standard measure, EPRA earnings is presented. EPRA earnings of £92.4 million (FY 2023: £101.5 million) and EPRA Earnings per Share of 42.2 pence (FY 2023: 46.7 pence) are calculated after further adjusting for these items.

EPRA adjusted income statement (non-statutory)	**2024 £'m**	2023 £'m	Movement %
Revenue	**223.4**	224.2	(0.3%)
Underlying operating expenses (excluding depreciation and variable lease payments)	**(88.0)**	(82.0)	7.4%
Share of associate's Underlying EBITDA	-	-	-
Underlying EBITDA before variable lease payments	**135.4**	142.2	(4.8%)
Share-based payments charge	**(0.3)**	(3.5)	(91.4%)
Depreciation and variable lease payments	**(1.5)**	(2.1)	(28.6%)
Operating profit before fair value re-measurement of investment properties lease liabilities	**133.6**	136.6	(2.2%)
Fair value re-measurement of investment properties lease liabilities	**(9.7)**	(8.8)	10.2%
Operating profit	**123.9**	127.8	(3.1%)
Net financing costs	**(27.2)**	(21.2)	28.3%
Profit before income tax	**96.7**	106.6	(9.4%)
Income tax	**(4.3)**	(5.1)	(15.7%)
Profit for the year ("Adjusted EPRA basic earnings")	**92.4**	101.5	(9.0%)
Adjusted EPRA basic EPS	**42.2 pence**	46.7 pence	(9.6%)
Final dividend per share	**20.4 pence**	20.2 pence	1.0%

Underlying EBITDA of £135.4 million (FY 2023: £142.2 million) is an Alternative Performance Measure and is defined as operating profit before exceptional items, share-based payments, corporate transaction costs, gain/loss on investment properties, depreciation and variable lease payments and the share of associate's depreciation, interest and tax.

8. Investment in associates

	2024	2023
	£'m	£'m
PBC Les Groues SAS	**1.8**	1.8
CERF II German Storage Topco S.a.r.l.	**4.8**	2.3
	6.6	4.1

PBC Les Groues SAS

The Group has a 24.9% interest in PBC Les Groues SAS ("PBC"), a company registered and operating in France. PBC is accounted for using the equity method of accounting. PBC is the parent company of Nanterre FOCD 92, a company also registered and operating in France, which is developing a new store as part of a wider development programme located in Paris. The development project is managed by its joint venture partners, therefore the Group has no operational liability during this phase. During the current period there has been no material investment in the company (31 October 2023: £nil). The investment is considered immaterial relative to the Group's underlying operations. The aggregate carrying value of the Group's interest in PBC was £1.8 million (31 October 2023: £1.8 million), made up of an investment of £1.8 million (31 October 2023: £1.8 million). The Group's share of profits from continuing operations for the period was £nil (30 October 2023: £nil). The Group's share of total comprehensive income of associates for the period was £nil (31 October 2023: £nil).

CERF II German Storage Topco S.a.r.l.

On 1 December 2022 the Group acquired a 10.0% interest in CERF II German Storage Topco S.a.r.l. "CERF II", a company registered in Luxembourg for which the Group has board representation. The reporting date of the financial statements for the company is 31 December. CERF II is accounted for using the equity method of accounting. Safestore entered the German Self - Storage market via a new investment with Carlyle which acquired the myStorage business. The aggregate carrying value of the Group's interest in CERF II was £4.2 million (31 October 2023: £2.3 million), made up of an investment of £4.2 million (31 October 2023: £2.3 million). The carrying value of the investment increased in the financial year as a result of equity investment to fund the Group's share of the cost of 3 new stores. The Group's share of profits from continuing operations for the period was £nil (31 October 2023: £nil). The Group's share of total comprehensive income of associates for the period was £nil (31 October 2023: £nil).

9. Investment properties

	Investment properties, net of lease liabilities £'m	Investment properties lease liabilities £'m	Investment property under construction £'m	Total investment properties £'m
At 1 November 2023	2,681.1	101.2	108.6	2,890.9
Additions	45.9	11.7	80.0	137.6
Disposals	-	(1.6)	-	(1.6)
Reclassification at completed cost	56.1	-	(56.1)	-
Revaluations	301.9	-	-	301.9
Fair value re-measurement of investment properties lease liabilities	-	(9.7)	-	(9.7)
Exchange movements	(32.2)	(1.0)	(1.8)	(35.0)
At 31 October 2024	**3,052.8**	**100.6**	**130.7**	**3,284.1**

	Investment properties, net of lease liabilities £'m	Investment properties lease liabilities £'m	Investment property under construction £'m	Total investment properties £'m
At 1 November 2022	2,457.8	95.1	94.5	2,647.4
Additions	67.6	17.5	56.4	141.5
Disposals	-	(3.1)	-	(3.1)
Reclassifications	42.0	-	(42.0)	-
Revaluations	103.5	-	(0.9)	102.6
Fair value re-measurement of lease liabilities	-	(8.8)	-	(8.8)
Exchange movements	10.2	0.5	0.6	11.3
At 31 October 2023	**2,681.1**	**101.2**	**108.6**	**2,890.9**

The Group acquired the freehold of the Marais, Paris, property in May 2024. This resulted in the disposal of lease liabilities with a carrying value of £1.6 million.

The gain on revaluation of investment properties, net of lease liabilities comprises:

	Cost £'m	Revaluation on cost £'m	Valuation £'m
Freehold stores			
At 1 November 2023	1,018.8	1,218.1	2,236.9
Movement in year	76.0	252.3	328.3
At 31 October 2024	**1,094.8**	**1,470.4**	**2,565.2**
Leasehold stores			
At 1 November 2023	139.2	305.0	444.2
Movement in year	25.0	18.4	43.4
At 31 October 2024	**164.2**	**323.4**	**487.6**
All stores			
At 1 November 2023	1,158.0	1,523.1	2,681.1

Movement in year	101.0	270.7	371.7
At 31 October 2024	**1,259.0**	**1,793.8**	**3,052.8**

	2024 **£'m**	2023 £'m
Revaluations of investment property and investment property under construction	**301.9**	102.6
Fair value re-measurement of investment properties lease liabilities	**(9.7)**	(8.8)
Gain on revaluation of investment properties	**292.2**	93.8

The valuation of £3,052.8 million (FY 2023: £2,681.1 million) excludes £0.4 million in respect of owner-occupied property, which is included within property, plant and equipment. Rental income earned from investment properties for the year ended 31 October 2024 was £186.6 million (FY 2023: £188.5 million).

The Group has classified the investment property and investment property under construction, held at fair value, within Level 3 of the fair value hierarchy. There were no transfers to or from Level 3 during the year.]

As described in note 2, summary of significant accounting policies, where the valuation obtained for investment property is net of all payments to be made, it is necessary to add back the lease liability to arrive at the carrying amount of investment property at fair value. The FY 2023 lease liability of £101.4 million per note 20 differs to the £101.2 million disclosed above as a result of accounting for the French Head Office lease under IFRS 16. This lease is included as part of property, plant and equipment, and has a net book value of FY 2023: £0.2 million (note 13).There are no differences between lease liabilities and lease assets in the current year.

All direct operating expenses arising from investment property that generated rental income as outlined in note 3 were £88.1 million (FY 2023: £82.0 million).

The freehold and leasehold investment properties have been valued as at 31 October 2024 by external valuer Cushman & Wakefield Debenham Tie Leung Limited ("C&W"). The valuation has been carried out in accordance with the current edition of the RICS Valuation - Global Standards, which incorporates the International Valuation Standards and the RICS Valuation UK National Supplement (the "RICS Red Book"). The valuation of each of the investment properties has been prepared on the basis of fair value as a fully equipped operational entity, having regard to trading potential. Two non-trading properties were valued on the basis of fair value. The valuation has been provided for accounts purposes and, as such, is a Regulated Purpose Valuation as defined in the RICS Red Book.

In compliance with the disclosure requirements of the RICS Red Book, C&W has confirmed that:

- the member of the RICS who has been the signatory to the valuations provided to the Group for the same purposes as this valuation has done so since April 2020. The valuations have been reviewed by an internal investment committee comprising two valuation partners and an investment partner, all unconnected with the assignment;
- C&W has been carrying out regular valuations for the same purpose as this valuation on behalf of the Group since October 2006;
- C&W does not provide other significant professional or agency services to the Group;
- in relation to the preceding financial year of C&W, the proportion of total fees payable by the Group to the total fee income of the firm is less than 5%; and
- the fee payable to C&W is a fixed amount per property and is not contingent on the appraised value.

Valuation method and assumptions

The valuation of the operational self storage facilities has been prepared having regard to trading potential. Cash flow projections have been prepared for all of the properties reflecting estimated absorption, revenue growth and expense inflation. A discounted cash flow method of valuation based on these cash flow projections has been used by C&W to arrive at its opinion of fair value for these properties.

C&W has adopted different approaches for the valuation of the leasehold and freehold assets as follows:

Freehold and long leasehold (UK, Paris, Spain, the Netherlands, and Belgium)

The valuation is based on a discounted cash flow of the net operating income over a ten-year period and a notional sale of the asset at the end of the tenth year.

Assumptions:

- Net operating income is based on projected revenue received less projected operating costs together with a central administration charge of 6% of the estimated annual revenue, subject to a cap and collar. The initial net operating income is calculated by estimating the net operating income in the first twelve months following the valuation date.
- The net operating income in future years is calculated assuming either straight-line absorption from day one actual occupancy or variable absorption over years one to four of the cash flow period, to an estimated stabilised/mature occupancy level. In the valuation the assumed stabilised occupancy level for the trading stores (both freeholds and all leaseholds) open at 31 October 2024 averages 90.9% (FY 2023: 89.3%). The projected revenues and costs have been adjusted for estimated cost inflation and revenue growth. The average time assumed for stores to trade at their maturity levels is 12.1 months (FY 2023: 13.4 months).
- The capitalisation rates applied to existing and future net cash flows have been estimated by reference to underlying yields for industrial and retail warehouse property, yields for other trading property types such as purpose-built student housing and hotels, bank base rates, ten-year money rates, inflation and the available evidence of transactions in the sector. The valuation included in the accounts assumes rental growth in future periods
- The weighted average freehold exit yield on UK freeholds is 5.21% (FY 2023: 5.75%), on France freeholds is 5.22% (FY 2023: 5.61%), on Spain freeholds is 5.49% (FY 2023: 5.50%), on the Netherlands freeholds is 4.99% (FY 2023: 5.15%) and on Belgium freeholds is 4.77% (FY 2023: 5.00%). The weighted average freehold exit yield for all freeholds adopted is 5.19% (FY 2023: 5.72%).

  The future net cash flow projections (including revenue growth and cost inflation) have been discounted at a rate that reflects the risk associated with each asset. The weighted average annual discount rate adopted (for both freeholds and leaseholds) in the UK portfolio is 8.81% (FY 2023: 8.59%), in the France portfolio is 8.76% (FY 2023: 8.38%), in the Spain portfolio is 8.60% (FY 2023: 8.39%), in the Netherlands portfolio is 7.26% (FY 2023: 7.74%) and in the Belgium portfolio is 8.12% (FY 2023: 7.99%). The weighted average annual discount rate adopted (for both freeholds and all leaseholds) is 8.66% (FY 2023: 8.54%).

- The Group's investment property assets have been valued for the purposes of the financial statements after adjusting for notional purchaser's costs of approximately 5.0% (UK), 5.0% to 6.4% (Paris), 6.0% to 10.0% (Spain), 10.4% (the Netherlands) and 12.0% to 12.5% (Belgium), as if they were sold directly as property assets and sales plus purchaser's costs totalling approximately 6.8% (UK), 6.8% to 8.2% (Paris), 7.8% to 11.8% (Spain), 12.2% (the Netherlands) and 13.8% to 14.3% (Belgium) are assumed on the notional sales in the tenth year in relation to freehold and long leasehold stores. The valuation is an asset valuation which is strongly linked to the operating performance of the business. They would have to be sold with the benefit of operational contracts, employment contracts and customer contracts, which would be difficult to achieve except in a corporate structure. This approach follows the logic of the valuation methodology in that the valuation is based on a capitalisation of the net operating income after allowing a deduction for operational cost and an allowance for central administration costs. A sale in a corporate structure would result in a reduction in the assumed stamp duty land tax but an increase in other transaction costs reflecting additional due diligence resulting in a reduced notional purchaser's cost of c.2.0% of gross value. All the significant sized transactions that have been concluded in the UK in recent years were completed in a corporate structure.

Short leaseholds (UK)
The same methodology has been used as for freeholds, except that no sale of the assets in the tenth year is assumed but the discounted cash flow is extended to the expiry of the lease.

Short leaseholds (Paris)
In relation to the commercial leases in Paris, C&W has valued the cash flow projections in perpetuity due to the security of tenure arrangements in that market and the potential compensation arrangements in the event of the landlord wishing to take possession. The valuation treatment is therefore the same as for the freehold properties. The capitalisation rates on these stores reflect the risk of the landlord terminating the lease arrangements.

Short leaseholds (Spain)
In relation to the commercial leases in Spain, C&W has valued the cash flow projections in perpetuity due to the nature of the lease agreements which allows the tenant to renew the lease year on year into perpetuity. The valuation treatment is therefore the same as for the freehold properties. The capitalisation rates on these stores reflect the risk of the rolling lease arrangements.

Short leaseholds (the Netherlands)
The same methodology has been used as for freeholds, except that no sale of the assets in the tenth year is assumed but the discounted cash flow is extended to the expiry of the lease.

Short leaseholds (Belgium)
There are no short term leaseholds in Belgium.

Investment properties under construction
Investment properties under construction are initially measured at cost, including related transaction and borrowing costs. After initial recognition, investment properties under construction are held at fair value based on a market valuation by C&W at each balance sheet date, unless development of the property is not yet certain, in which case investment properties under construction would be held at cost. To establish certainty, the Group considers whether planning is unconditional, funding is in place, a full business case has been approved by the Board and whether there is full control over the site.

Immature stores
C&W has assessed the value of each property individually. Where the stores in the portfolio are relatively immature and have low initial cash flow, C&W has endeavoured to reflect the nature of the cash flow profile for these properties in its valuation, and the higher associated risks relating to the as yet unproven future cash flow, by adjustment to the capitalisation rates and discount rates adopted. However, immature low cash flow stores of this nature are rarely, if ever, traded individually in the market, unless as part of a distressed sale or similar situation, although there is more evidence of such stores being traded as part of a group or portfolio transaction.

C&W states that, in practice, if an actual sale of the properties was to be contemplated then any immature low cash flow stores would normally be presented to the market for sale, lotted or grouped with other more mature assets owned by the same entity, in order to alleviate the issue of negative or low short term cash flow. This approach would enhance the marketability of the group of assets and assist in achieving the best price available in the market by diluting the cash flow risk.

C&W has not adjusted its opinion of fair value to reflect such a grouping of the immature assets with other properties in the portfolio and all stores having been valued individually. However, C&W highlights the matter to alert the Group to the manner in which the properties might be grouped or lotted in order to maximise their attractiveness to the marketplace.

C&W considers this approach to be a valuation assumption but not a special assumption, the latter being an assumption that assumes facts that differ from the actual facts existing at the valuation date and which, if not adopted, could produce a material difference in value.

Sensitivity of the valuation to assumptions
As noted in 'Key sources of estimation uncertainty', self-storage valuations are complex, derived from data which is not widely publicly available and involves a degree of judgement. All other factors being equal, higher net operating income would lead to an increase in the valuation of a store and an increase in the capitalisation rate or discount rate would result in a lower valuation, and vice versa. Higher assumptions for stabilised occupancy, absorption rate, rental rate and other revenue, and a lower assumption for operating costs, would result in an increase in projected net operating income, and thus an increase in valuation.

There are inter-relationships between the valuation inputs, and they are primarily determined by market conditions. The effect of an increase in more than one input could be to magnify the impact on the valuation. However, the impact on the valuation could be offset by the inter-relationship of two inputs moving in opposite directions, e.g. an increase in rent may be offset by a decrease in occupancy, resulting in no net impact on the valuation.

For these reasons we have classified the valuation of our property portfolio as Level 3 as defined by IFRS 13. Inputs to the valuation, some of which are 'unobservable' as defined by IFRS 13, include capitalisation yields, stable occupancy rates, and time to stabilised occupancy. The existence of an increase of more than one 'unobservable' input would augment the impact on the valuation. The impact on the valuation would be mitigated by the inter-relationship between unobservable inputs moving in opposite directions. For example, an increase in stable occupancy may be offset by an increase in yield, resulting in no net impact on the valuation. A sensitivity analysis showing the impact on valuations of changes in capitalisation rates and stable occupancy is shown below:

	Impact of change in capitalisation rates £'m		Impact of a change in stabilised occupancy assumption £'m		Impact of a delay in stabilised occupancy assumption £'m
	25 bps decrease	25 bps increase	1% increase	1% decrease	24-month delay
Reported group	136.5	(124.0)	45.0	(45.0)	(54.4)

10. Net assets per share

EPRA's Best Practices Recommendations guidelines for Net Asset Value ("NAV") metrics are EPRA Net Tangible Assets ("NTA"), EPRA Net Reinstatement Value ("NRV") and EPRA Net Disposal Value ("NDV").

EPRA NTA is considered to be the most relevant measure for the Group's business which provides sustainable long term progressive returns and is now the primary measure of net assets, replacing the previously reported EPRA NAV metric. EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Due to the Group's REIT status, deferred tax is only provided at each balance sheet date on properties outside the REIT regime. As a result, deferred taxes are excluded from EPRA NTA for properties within the REIT regime. For properties outside of the REIT regime, deferred tax is included to the extent that it is expected to crystallise, based on the Group's track record and tax structuring.

There are no reconciling items between EPRA NTA and the previously reported EPRA NAV metric. EPRA NTA is shown in the table below:

	2024		2023	
	£'m	**Diluted pence per share**	£'m	Diluted pence per share
Balance sheet net assets	**2,226.8**	**1,017**	1,935.1	884
Adjustments to exclude:				
Deferred tax liabilities on the revaluation of investment properties	**155.4**		139.2	
EPRA NTA	**2,382.2**	**1,088**	2,074.3	948
Basic net assets per share		**1,020**		888
EPRA basic NTA per share		**1,091**		952

The basic and diluted net assets per share have been calculated based on the following number of shares:

	2024 Number	2023 Number
Shares in issue		
At year end	**218,490,500**	218,039,419
Adjustment for Employee Benefit Trust (treasury) shares	**(75,397)**	(64,363)
IFRS/EPRA number of shares (basic)	**218,415,103**	217,975,056
Dilutive effect of Save As You Earn shares	**7,769**	39,269
Dilutive effect of Long Term Incentive Plan shares	**567,621**	860,328
IFRS/EPRA number of shares (diluted)	**218,990,493**	218,874,653

Basic net assets per share is shareholders' funds divided by the number of shares at the year end. Diluted net assets per share is shareholders' funds divided by the number of shares at the year end, adjusted for dilutive share options of 575,390 shares (FY 2023: 899,597 shares). EPRA diluted net assets per share excludes deferred tax liabilities arising on the revaluation of investment properties. The EPRA NAV, which further excludes fair value adjustments for debt and related derivatives net of deferred tax, was £2,382.2 million (FY 2023: £2,074.3 million), giving EPRA NTA per share of 1,088 pence (FY 2023: 948 pence). The Directors consider that these alternative measures provide useful information on the performance of the Group.

EPRA adjusted balance sheet (non-statutory)

	2024 £'m	2023 £'m
Assets		
Non-current assets	**3,302.7**	2,906.8
Current assets	**58.5**	50.1
Total assets	**3,361.2**	2,956.9
Liabilities		
Current liabilities	**(65.8)**	(110.4)
Non-current liabilities	**(913.0)**	(772.2)
Total liabilities	**(979.0)**	(882.6)
EPRA adjusted Net Asset Value	**2,382.2**	2,074.3
EPRA adjusted basic net assets per share	**1,091 pence**	952 pence

11. Cash and cash equivalents

	2024 £'m	2023 £'m
Cash at bank and in hand	**25.3**	16.9

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	2024 £'m	2023 £'m
Sterling	**12.2**	4.9
Euros	**13.1**	12.0

	25.3	16.9

Restricted cash of £0.9 million (FY 2023: £1.1 million) relates to the provision in note 18. The restricted cash is held by HSBC and is used to settle any amounts owed to the French tax authorities pending results of the ongoing litigation.

12. Financial liabilities - bank borrowings and notes

	2024 **£'m**	2023 £'m
Bank loans and notes		
Bank loans - RCF	**355.7**	203.0
USPP Notes	**473.3**	527.8
Debt issue costs	**(4.8)**	(5.0)
	824.2	725.8

As at 31 October 2024 the Group has US Private Placement Notes ("USPPs") of €307.1 million (FY 2023: €358 million) which have maturities between 2026 and 2033 with fixed-rate coupons of between 0.93% and 2.45% and £212.5 million (FY 2023: £212.5 million) which have maturities between 2026 and 2031 with fixed-rate coupons of between 1.96% and 2.92%. The weighted average cost of interest on the overall USPPs at 31 October 2024 was 2.16% per annum. In addition the Group has arranged a Revolving Credit Facility ("RCF") with its relationship banks. In the financial year, the facility was extended by £100 million to £500 million and the maturity was extended by one year to November 2028. The RCF attracts a margin over SONIA/EURIBOR of between 1.25% and 2.50%, by reference to the Group's performance against its interest cover covenant.

The €434.1 million of Euro denominated borrowings provides a natural hedge against the Group's investment in the Paris and Expansion Markets businesses, so the Group has applied net investment hedge accounting and the retranslation of these borrowings is recognised directly in the translation reserve.

Bank loans and notes are stated after unamortised issue costs of £4.8 million (FY 2023: £5.0 million).

Bank loans and unsecured notes are repayable as follows:

	Group	
	2024 **£'m**	2023 £'m
Within one year	**-**	44.5
Between one and two years	**93.7**	-
Between two and five years	**630.9**	409.0
After more than five years	**104.4**	277.3
Bank loans and notes	**829.0**	730.8
Unamortised debt issue costs	**(4.8)**	(5.0)
	824.2	725.8

The effective interest rates at the balance sheet date were as follows:

	2024	2023
Bank loans (UK term loan)	Monthly, quarterly or six-monthly SONIA plus 1.25%	Monthly, quarterly or six-monthly SONIA plus 1.25%
Bank loans (Euro term loan)	Monthly, quarterly or six-monthly EURIBOR plus 1.25%	Monthly, quarterly or six-monthly EURIBOR plus 1.25%
Private Placement Notes (Euros)	1.83%	1.80%
Private Placement Notes (Sterling)	2.55%	2.55%

In addition to the margin of 1.25%, the RCF also has ESG targets enabling a reduction in the margin of up to 5bps to 1.20%. In the period these targets were all met.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2024 **£'m**	2023 £'m
Sterling	**464.5**	377.5
Euros	**364.5**	353.3
	829.0	730.8

Borrowing facilities

The Group has the following undrawn committed borrowing facilities available at 31 October 2024 in respect of which all conditions precedent had been met at that date:

	Floating rate	
	2024 **£'m**	2023 £'m
Expiring within one year	**-**	-
Expiring beyond one year	**144.3**	297.0
	144.3	297.0

13. Financial instruments

Financial risk management

Financial risk management is an integral part of the way the Group is managed. In the course of its business, the Group is exposed primarily to foreign exchange risk, interest rate risk, liquidity risk, and credit risk. The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and Net Asset Value ("NAV"). The Group manages the financial risks within policies and operating parameters approved by the Board of Directors and does not enter into speculative transactions. Treasury activities are managed centrally under a framework of policies and procedures approved and monitored by the Board. These objectives are to protect the assets of the Group and to identify and then manage financial risk. In applying these policies, the Group will utilise derivative instruments, but only for risk management purposes.

The principal financial risks facing the Group are described below.

Interest rate risk

The Group finances its operations through a mixture of retained profits, issued share capital, bank borrowings, and notes. The Group borrows in Sterling and Euros at floating rates and, where necessary, uses interest rate swaps to convert these to fixed rates to generate the preferred interest rate profile and to manage its exposure to interest rate fluctuations. A 1ppt change in interest rates would have a £3.5 million (FY 2023: £2.0 million) impact on net interest. This sensitivity impact has been prepared by determining average floating interest rates and flexing these against average floating rate deposits and borrowings by major currency area over the course of the year.

Liquidity risk

The Group's policy on liquidity risk is to ensure that sufficient cash is available to fund ongoing operations without the need to carry significant net debt over the medium term. The Group's principal borrowing facilities are provided by a group of core relationship banks in the form of term loans and overdrafts, revolving credit facilities and notes. The quantum of committed borrowing facilities available to the Group is reviewed regularly and is designed to exceed forecast peak gross debt levels. Further details of the Group's borrowing facilities, including the repayment profile of existing borrowings and the amount of undrawn committed borrowing facilities, are set out in note 12.

Credit risk

Credit risk arises on financial instruments such as trade and other receivables and short term bank deposits. Policies and procedures exist to ensure that customers have an appropriate credit history and account customers are given credit limits that are monitored. Short term bank deposits are executed only with A-rated or above authorised counterparties based on ratings issued by the major rating agencies. Counterparty exposure positions are monitored regularly so that credit exposures to any one counterparty are within predetermined limits. Overall, the Group considers that it is not exposed to a significant amount of credit risk. The amount of trade receivables outstanding at the year end does not represent the maximum exposure to operational credit risk due to the normal patterns of supply and payment over the course of a year. Based on management information collected as at month ends the maximum level of net trade receivables at any one point during the year was £15.6 million (FY 2023: £16.0 million).

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk in respect of the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has investments in foreign operations in France, Spain, the Netherlands and Belgium, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The Group holds Euro denominated loan notes totalling €364.5 million (FY 2023: €358 million) and as such is exposed to foreign exchange risk on these notes. The foreign exchange risk relating to the notes provides a natural hedge against the Euro denominated assets of its operations in France, Spain, the Netherlands and Belgium and were 100% effective. As a result, the Group applies net investment hedging in respect of these loan notes and the change in fair value during the year of £6.9 million (FY 2023: (£2.9) million) was recognised in other comprehensive income.

At 31 October 2024, if Sterling had weakened by 10% against the Euro with all other variables held constant, pre-tax profit for the year would have been £0.1 million lower due to Euro bank balances held by UK entities (FY 2023: £0.4 million lower). Equity (translation reserve) would have been £34.7 million higher (FY 2023: £22.8 million higher), arising primarily on translation of Euro denominated net assets held by subsidiary companies with a Euro functional currency less the Euro denominated loan notes.

The Group is not exposed to significant transaction foreign exchange risk as purchases are invoiced in either Sterling or Euros.

Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Being a REIT, the Group is required to distribute as a dividend a minimum of 90% of its property rental income to shareholders. This is factored into the Group's capital risk management.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings and lease liabilities' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

The gearing ratios at 31 October 2024 and 2023 were as follows:

	2024 **£'m**	2023 £'m
Total borrowings (excluding derivatives)	**924.8**	827.2
Less: cash and cash equivalents (note 11)	**(25.3)**	(16.9)
Net debt	**899.5**	810.3
Total equity	**2,226.8**	1,935.1
Total capital	**3,126.3**	2,745.4
Gearing ratio	**28.8%**	29.5%

The Group considers that a loan-to-value ("LTV") ratio, defined as gross debt (excluding lease liabilities) as a proportion of the valuation of investment properties and investment properties under construction (excluding lease liabilities), below 40% represents an appropriate medium term capital structure objective. The Group's LTV ratio was

25.1% at 31 October 2024 (FY 2023: 25.4%).

The Group has complied with all of the covenants on its banking facilities during the year. The fair value of bank loans and notes is calculated as:

	2024		2023	
	Book value £'m	**Fair value £'m**	Book value £'m	Fair value £'m
Bank loans and notes	**824.2**	**759.6**	725.8	789.3

Fair value hierarchy

IFRS 13 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs for the asset or liability that are not based on observable market data.

The table below shows the level in the fair value hierarchy into which fair value measurements have been categorised:

Assets per the balance sheet	**2024 £'m**	2023 £'m
Amounts due from associates - Level 2	**0.5**	0.1

Liabilities per the balance sheet	**2024 £'m**	2023 £'m
Bank loans - Level 2	**829.0**	725.8

There were no transfers between Level 1, 2 and 3 fair value measurements during the current or prior year.

Over the life of the Group's derivative financial instruments, the cumulative fair value gain/loss on those instruments will be £nil as it is the Group's intention to hold them to maturity.

Hedging arrangements

No hedging instruments were used in FY2024. In FY 2023 a net loss of £1.7 million was recorded in the income statement due to the interest rate hedging instruments which matured in June 2023 and the foreign currency hedging instruments which matured in April 2023.

Financial instruments by category

Assets per the balance sheet	Financial assets at amortised cost £'m	Assets at fair value through profit and loss £'m	Total £'m
Trade receivables and other receivables excluding prepayments	22.6	-	22.6
Cash and cash equivalents	25.3	-	25.3
At 31 October 2024	**47.9**	**-**	**47.9**

Liabilities per the balance sheet	Other financial liabilities at amortised cost £'m	Liabilities at fair value through profit and loss £'m	Total £'m
Borrowings (excluding lease liabilities)	824.2	-	824.2
Lease liabilities	100.6	-	100.6
Payables and accruals	29.2	-	29.2
At 31 October 2024	**954.0**	**-**	**954.0**

Assets per the balance sheet	Financial assets at amortised cost £'m	Assets at fair value through profit and loss £'m	Total £'m
Trade receivables and other receivables excluding prepayments	22.5	-	22.5
Derivative financial instruments	-	-	-
Cash and cash equivalents	16.9	-	16.9
At 31 October 2023	39.4	-	39.4

	Other financial liabilities at amortised	Liabilities at fair value through profit and	

Liabilities per the balance sheet	cost £'m	loss £'m	Total £'m
Borrowings (excluding lease liabilities)	725.8	-	725.8
Lease liabilities	101.4	-	101.4
Payables and accruals	27.2	-	27.2
At 31 October 2023	854.4	-	854.4

The interest rate risk profile, after taking account of derivative financial instruments, was as follows:

	2024			2023		
	Floating rate £'m	**Fixed rate £'m**	**Total £'m**	Floating rate £'m	Fixed rate £'m	Total £'m
Borrowings	**355.7**	**468.5**	**824.2**	203.0	522.8	725.8

The weighted average interest rate of the fixed rate financial borrowing was 2.16% (FY 2023: 2.10%) and the weighted average remaining period for which the rate is fixed was 4.3 years (FY 2023: five years).

Maturity analysis

The table below analyses the Group's financial liabilities and non-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year £'m	**One to two years £'m**	**Two to five years £'m**	**More than five years £'m**
2024				
Borrowings	**9.3**	**103.1**	**657.4**	**123.6**
Lease liabilities	**14.7**	**14.2**	**35.0**	**75.5**
Payables and accruals	**28.6**	**-**	**-**	**-**
	52.6	**23.5**	**617.6**	**367.8**

	Less than one year £'m	One to two years £'m	Two to five years £'m	More than five years £'m
2023				
Borrowings	54.6	10.2	436.0	297.0
Lease liabilities	13.8	13.7	36.4	77.0
Payables and accruals	29.4	-	-	-
	97.8	23.9	472.4	374.0

14. Lease liabilities

The Group leases certain of its investment properties under lease liabilities. The average remaining lease term is 13.2 years (FY 2023: 10.7 years).

	Minimum lease payments		Present value of minimum lease payments	
	2024 £'m	2023 £'m	**2024 £'m**	2023 £'m
Within one year	**14.7**	13.8	**14.0**	13.1
Within two to five years	**49.2**	50.1	**42.3**	42.0
Greater than five years	**75.5**	77.0	**44.3**	46.3
	139.4	140.9	**100.6**	101.4
Less: future finance charges on lease liabilities	**(38.8)**	(39.5)	**-**	-
Present value of lease liabilities	**100.6**	101.4	**100.6**	101.4

	2024 £'m	2023 £'m
Current	**14.0**	13.1
Non-current	**86.6**	88.3
	100.6	101.4

15. Called up share capital

	2024 £'m	2023 £'m
Called up, allotted, and fully paid		
218,490,500 (FY 2023: 218,039,419) ordinary shares of 1 pence each	**2.2**	2.2

Ordinary shares

The holders of the ordinary shares shall be entitled to one vote for each ordinary share.

During the year the Company issued 451,081 ordinary shares (FY 2023: 6,111,922 ordinary shares).

16. Cash flow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities:

Cash generated from continuing operations	Notes	**2024 £'m**	2023 £'m

Profit before income tax		**398.6**	207.8
Gain on revaluation of investment properties	9	**(292.2)**	(93.8)
Depreciation		**1.5**	1.3
Net finance expense		**27.2**	22.6
Employee share options		**(0.3)**	2.9
Changes in working capital:			
Decrease in inventories		**-**	-
(Increase)/decrease in trade and other receivables		**1.2**	(1.4)
(Increase) in trade and other payables		**(2.6)**	(11.2)
Increase/(decrease) in provisions		**(0.3)**	0.2
Cash generated from continuing operations		**133.1**	128.4

17. Analysis of movement in gross and net debt

	2023 £'m	Cash flows £'m	Non-cash movements £'m	**2024 £'m**
Bank loans	(725.8)	(110.3)	11.9	**(824.2)**
Lease liabilities	(101.4)	9.7	(8.9)	**(100.6)**
Total gross debt (liabilities from financing activities)	(827.2)	(100.6)	3.0	**(924.8)**
Cash in hand	16.9	8.7	(0.3)	**25.3**
Total net debt	(810.3)	(91.9)	2.7	**(899.5)**

	2022 £'m	Cash flows £'m	Non-cash movements £'m	2023 £'m
Bank loans	(623.8)	(96.4)	(5.6)	(725.8)
Lease liabilities	(95.4)	8.8	(14.8)	(101.4)
Total gross debt (liabilities from financing activities)	(719.2)	(87.6)	(20.4)	(827.2)
Cash in hand	20.9	(3.9)	(0.1)	16.9
Total net debt	(698.3)	(91.5)	(20.5)	(810.3)

The table above details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

The cash flows from bank loans make up the net amount of proceeds from borrowings, repayment of borrowings and debt issuance costs.

Non-cash movements relate to the amortisation of debt issue costs of £1.6 million (FY 2023: £1.3 million), foreign exchange movements of £13.2 million (FY 2023: £4.3 million) and unwinding of discount to lease liabilities of £8.9 million (FY 2023: £14.8 million).

18. Provisions

In France, the basis on which property taxes have been assessed has been challenged by the tax authority for financial years 2011 onwards. In November 2022, the French Supreme Court delivered a final judgement in respect of litigation for years 2011 to 2013, which resulted in a partial success for the Group. The Group is separately pursuing litigation in respect of years since 2013 and has lodged an appeal with the French administrative tribunal against the issues included in assessments for 2013 onwards on which it was ultimately unsuccessful in the French Supreme Court for the earlier years. A provision is included in the consolidated financial accounts of £2.3 million at 31 October 2024 (31 October 2023: £2.6 million) to reflect the increased uncertainty surrounding the likelihood of a successful outcome. Of the total provided, £(0.2) million has been released in relation to the year ended 31 October 2024 within cost of sales (Underlying EBITDA) (31 October 2023: £0.3 million within cost of sales (Underlying EBITDA). The litigation is expected to be resolved over the next few years.

It is possible that the French tax authority may appeal the decisions of the French Court of Appeal in which the Group was successful to the French Supreme Court. The maximum potential exposure in relation to these issues at 31 October 2024 is £0.8 million (31 October 2023: £3.0 million). No provision for any further potential exposure has been recorded in the consolidated financial statements since the Group believes it is more likely than not that a successful outcome will be achieved, resulting in no additional liabilities.

19. Contingent liabilities

The Group has a contingent liability in respect of property taxation in the French subsidiary as disclosed in note 18.

20. Capital commitments

The Group had £119 million of capital commitments as at 31 October 2024 (FY 2023: £128 million).

21. Related party transactions

The Group's shares are widely held. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with PBC Les Groues SAS

As described in note 8, the Group has a 24.9% interest in PBC Les Groues SAS ("PBC"). During the period, the Group made no transactions with PBC (FY 2023: £nil (€nil)). The total amount invested is included as part of its non-current investments in associates. The total amount outstanding at 31 October 2024 included within trade and other receivables was £nil (FY 2023: £nil).

Transactions with CERF II German Storage Topco S.a.r.l ("CERF II")

As described in note 8, the Group has a 10.0% interest in CERF II German Storage Topco S.a.r.l ("CERF II"). During the period, the Group recharged £0.4 million relating to management services. The balance outstanding at 31 October 2024 is £0.5 million (FY 2023: £0.1m). These amounts are considered to be fully recoverable and have not been impaired (FY 2023: £nil).

22. Post-balance sheet events

In December 2024, the Group issued a new USPP loan note for a total of €70.0 million expiring in December 2032 with an all-in coupon of 4.03%.

In December 2024, the Group entered into a Joint Venture with Nuveen to acquire the EasyBox self-storage business in Italy. The Group is investing €42 million for a 50% share of EasyBox which has ten operating stores and two further stores under development, all located in key cities in Italy. The Group also entered into an agreement to manage the EasyBox business on behalf of the Joint Venture.