



28 November 2017

ASX Market Announcements Office
ASX Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

NATIONAL STORAGE REIT (NSR) 2017 ANNUAL GENERAL MEETING ADDRESSES

Please find attached the addresses by the Company's Chairman, Mr Laurence Brindle, and Managing Director, Mr Andrew Catsoulis, to be presented at today's Annual General Meetings commencing at 10am.

A handwritten signature in blue ink, appearing to read "C. Fidler", with a stylized flourish at the end.

Claire Fidler
Executive Director & Company Secretary
National Storage Holdings Limited



28 November 2017

CHAIRMAN'S ADDRESS

FY17 was another strong growth year for National Storage.

We commenced FY17 with two transformational transactions – announcing the acquisition of a 100% interest in the 26 centre Southern Cross Storage portfolio and a concurrent \$260 million capital raising. For the balance of FY17 we focused on improving our operating fundamentals and transacting high quality acquisitions while continuing to evolve our business model to deliver synergies and scalability.

Since listing in December 2013, our share price has increased from 98 cents at IPO to over \$1.50 and our market capitalisation rising from \$200 million to over \$750 million. At the same time our portfolio of storage assets has grown from an initial 28 owned storage properties and 62 operating business to over 100 owned properties and 120 operating business today.

You, our shareholders have enjoyed increasing earnings and distributions with earnings per share growing from 7.5 cps in year one to 9.2 cps or 23% growth over the period to the end of FY17. Total distributions paid to securityholders over the period from IPO to date has been 29.9 cps.

Our organic revenue growth in FY17 has been underpinned by the delivery of combined improvement in our twin drivers of occupancy and rate per square metre, resulting in revenue per available metre (REVPAM) growth of 5.0% from \$202 to \$212. We have continued to successfully execute our acquisition strategy with a further \$138 million in acquisitions transacted across the FY17 year at an average weighted passing income yield of 7.2%, highlighting the long term accretive nature of our acquisitions.

Assets under management have grown by 21% to surpass \$1.1 billion, firmly cementing our position as the largest storage owner-operator in Australasia.

In July we welcomed Claire Fidler to the board as an executive director. Claire has considerable experience in business and corporate governance in addition to her experience in the storage industry as an executive of National Storage. We look forward to working with Claire over the years ahead.

In August we were delighted to formalise our ongoing commitment to environmental and social sustainability and good governance through the

NATIONAL STORAGE REIT (NSR)

National Storage Holdings Limited (ACN 166 572 845)

The Trust Company (RE Services) Limited (ACN 003 278 831 AFSL 235 150) as responsible entity for National Storage Property Trust (ARSN 101 227 712)



release of our first standalone sustainability report, which is aligned to the Global Reporting Initiative Standards. We are pleased with our FY17 ESG performance and will use these results as a benchmark for future performance.

The Board is confident National Storage is well placed to continue the success of the past year, with the senior executive team focused on driving growth across the business and developing multiple revenue streams to deliver stable and growing returns for our investors.

We would like to thank you, our valued investors, for your continued support as we look forward to the year ahead.

Laurence Brindle
Chairman

A photograph of a National Storage building at dusk. The building is a large, modern structure with a corrugated metal facade. A large yellow sign with black text is mounted on the side of the building, reading "NATIONAL STORAGE" and "www.nationalstorage.com.au". Two bright lights are mounted on the roof of the building, casting a glow on the sky. The sky is a deep, dark blue.

NATIONAL STORAGE REIT

ANNUAL GENERAL MEETING

28 NOVEMBER 2017

DISCLAIMER

This presentation has been prepared by National Storage REIT ("NSR") comprising National Storage Holdings Limited (ACN 166 572 845) and National Storage Financial Services Limited (ACN 600 787 246 and AFSL 475 228) as responsible entity for the National Storage Property Trust (ARSN 101 227 712). You acknowledge and agree that you will rely on your own independent assessment of any information, statements or representations contained in this presentation and such reliance will be entirely at your own risk.

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This presentation contains summary information about the current activities of NSR and the entities within the NSR stapled group as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete. Statements made in this presentation are made only as of the date of this presentation and remain subject to change without notice. This presentation should be read in conjunction with NSR's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

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The past performance, including past security price performance, of NSR cannot be relied upon as an indicator of, and provides no guidance as to future NSR performance including future security price performance and is given for illustrative purposes only.

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This presentation may contain certain "forward-looking statements", including statements regarding future earnings and distributions. All statements other than statements of historical facts included in this presentation are forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of NSR, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. You are cautioned not to place undue reliance on forward-looking statements, opinions and estimates provided in this presentation as there can be no assurance, and no representation is made, that actual outcomes will not differ materially from these forward-looking statements. Further, no representation is given that the assumptions upon which a forward-looking statement or other forecast may be based is reasonable. Forward-looking statements, opinions and estimates provided in this presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of NSR. Similarly, statements about market and industry trends, which are based on interpretations of current market conditions, should be treated with caution. Such statements may cause the actual results or performance of NSR to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements are based on information available to NSR as at the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules), NSR undertakes no obligation to provide any additional, updated or supplementary information whether as a result of new information, future events or results, or otherwise including information that reflect any change in NSR's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward looking statements whether as a result of new information, future events or results or otherwise is disclaimed.

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Accounting standards

NSR's statutory results are prepared in accordance with International Financial Reporting Standards ("IFRS"). This presentation also includes certain non-IFRS measures in presenting NSR's results. Any additional financial information in this presentation which is not included in NSR's 2017 Financial Statements was not subject to independent audit or review. Investors should be aware that certain financial data included in this Presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC and may also be "non-GAAP financial information" within the meaning given under Regulation G of the U.S. Securities Exchange Act of 1934, as amended.

Non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards ("AAS"). Accordingly, the non-IFRS financial information in this Presentation: (i) may not be comparable to similarly titled measures presented by other entities; (ii) should not be construed as an alternative to other financial measures determined in accordance with AAS; and (iii) is not a measure of performance, liquidity or value under the IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation.



CHAIRMAN'S ADDRESS

LAURENCE BRINDLE

MANAGING DIRECTOR'S ADDRESS

ANDREW CATSOULIS



OVERVIEW



- Australasia's largest self-storage owner-operator
- 120 centres across Australia and New Zealand
- Strong pipeline of acquisition and development opportunities
- Driving organic storage growth

FY17 HIGHLIGHTS

IFRS PROFIT \$103.4 MILLION



UNDERLYING EARNINGS¹

9.2 CENTS

PER STAPLED SECURITY

\$45.7

MILLION



Underlying EPS¹

Delivered 5.7% growth in underlying earnings per stapled security



Underlying Earnings¹

Increased by 57% to \$45.7 million



Same Centre REVPAM

Delivered 5.2% growth in same centre REVPAM (June 16 v June 17)



Acquisitions

\$138 million successfully executed

\$285 million acquisition of Southern Cross portfolio



Assets Under Management

Increased by 21% to \$1.163 billion



Net Tangible Assets

Increased by 18% to \$1.34 per stapled security

FY18 OUTLOOK

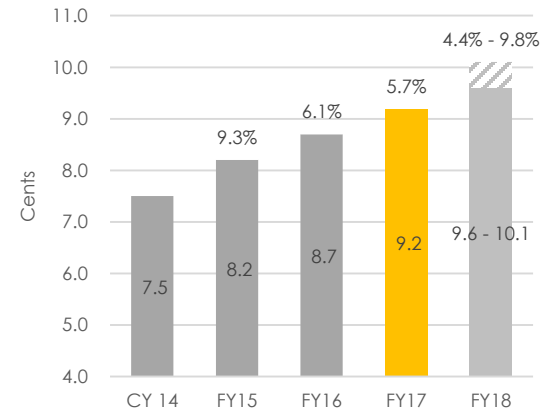


UNDERLYING EPS GUIDANCE²

9.6 – 10.1 CENTS

PER STAPLED SECURITY

Underlying Earnings Per Security



DISTRIBUTION GUIDANCE²

9.6 – 10.0 CENTS

PER STAPLED SECURITY

¹ - Underlying earnings is a non-IFRS measure (unaudited), see table on slide 7 for reconciliation

² - Assuming no material changes in market conditions or operating environments.

PROFIT & LOSS

for the year ended 30 June 2017

Strategy continues to deliver strong income growth:

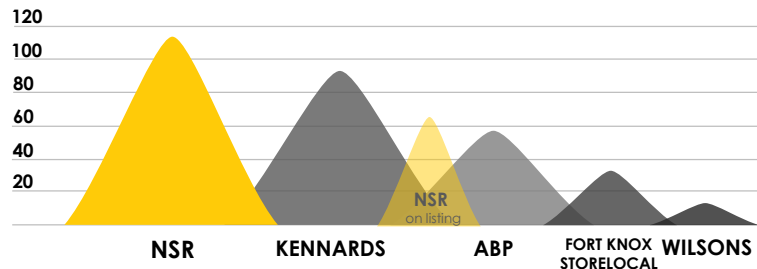
- Storage revenue up 50%
- June 16 – June 17 REVPAM up 5.2%,
7.6% annualised from October 16
- Operating profit up 57%
- Operating margin increased from 54% to 57% demonstrating platform leverage
- Internalised management minimises management fee leakage
- Finance cost reflects higher borrowings and extended debt tenor
- Fair value adjustments driven by valuation uplift from improved operational performance and cap rate compression
- Business combination and restructure expense:
 - Stamp duty and costs from Southern Cross acquisition
 - Corporate relocation and restructure of operational management and maintenance

\$ Million	FY17	FY16	% Change
Storage revenue	105.8	70.6	50%
Sales of goods and services	5.6	3.1	81%
Other revenue	4.8	4.1	17%
Total Revenue	116.2	77.8	49%
Operating Centre Expenditure			
Salaries and employee benefits	13.6	8.1	68%
Lease expense	12.5	12.8	-2%
Property rates and taxes	7.8	4.4	77%
Cost of goods sold	1.9	1.3	46%
Repairs and maintenance	1.3	1.1	18%
Other operating expenses	12.6	7.7	64%
Total Operating Centre Expenditure	49.7	35.4	40%
Operating Profit	66.5	42.4	57%
Operating Margin	57%	54%	5%
Operational management	3.0	2.3	30.0
General and administration	7.6	7.2	6%
Finance costs	14.5	7.3	99%
Depreciation and amortisation	0.6	0.6	0%
Total expenses	75.4	52.8	43%
Other income (Inc share of profit from JV and contracted gains)	(4.9)	(4.2)	17%
Underlying Earnings ⁽¹⁾	45.7	29.2	57%
Add / (less) fair value adjustments	75.3	10.0	
Add / (less) diminution of lease asset	3.6	4.6	
Add / (less) business combination and restructure expenses	(17.0)	-	
Profit / (loss) before income tax	107.6	43.8	
Income tax (expense) benefit	(4.2)	0.2	
Profit / (loss) after income tax	103.4	44.0	

1 - Underlying earnings is a non-IFRS measure (unaudited)

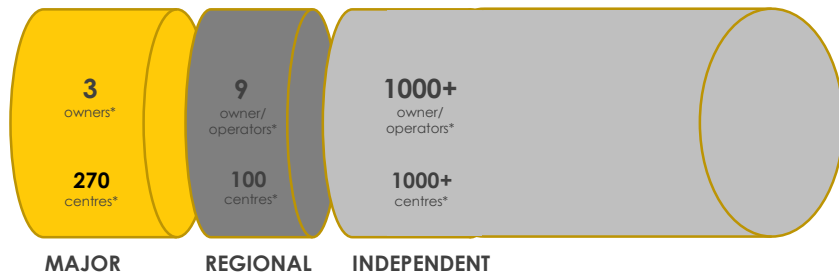
MARKET POSITION & OPPORTUNITIES

STORAGE OWNERS BY NUMBER OF CENTRES



As the largest owner-operator in the Australasian self-storage industry, NSR is in a unique position to continue to capitalise on a highly fragmented market, with over 60 executed acquisitions since IPO.

ACQUISITION OPPORTUNITY PIPELINE REMAINS STRONG



NSR has cemented its reputation as the acquirer of choice and a key part of the succession strategy for independent operators. The acquisition pipeline remains strong, with a number of attractive opportunities under active consideration.

* Number of centres and operators in Australasia is approximate and based on NSR opinion and publicly available information

ACQUISITIONS UPDATE

Acquisition Pipeline Remains Strong:

- Approximately \$30 million in acquisitions expected to settle prior to 31 December 2017
- Currently assessing additional \$60 million
- Actively investigating quality state based portfolio acquisitions
- Targeting \$100 million acquisitions for FY18

Contracted / Offers Accepted

CENTRE	STATE	DATE	NLA (SQM)	PURCHASE PRICE
Jandakot (Property) ¹	Western Australia	October 2017 ²	5,200	\$5.6 million
Perth Airport ¹	Western Australia	October 2017 ²	5,900	\$8.2 million
Milton (Development Site) ¹	Queensland	November 2017 ²	5,300	\$3.4 million
Marcoola	Queensland	November 2017 ²	3,400	\$4.5 million
	Queensland	December 2017 (Expected)	5,100	\$9.5 million
	New South Wales	December 2017 (Expected)	7,300	\$11.9 million
TOTAL				\$31.2 million

¹ -Newly developed or to be developed sites

² – Contracts Settled



National Storage Jandakot delivered via Parsons Group

STRATEGY



ASSET MANAGEMENT

Focus on
organic growth,
platform efficiencies
and scalability



ACQUISITIONS

Executing high quality
acquisitions across
AU + NZ



PORTFOLIO & DEVELOPMENT MANAGEMENT

Expansion projects and
developments in
key markets



PRODUCT & INNOVATION

Embracing digital
transformation and
product innovation



CAPITAL MANAGEMENT

Efficiency and
effectiveness in capital
and risk management

DEVELOPING MULTIPLE REVENUE STREAMS TO MAXIMISE RETURNS

ORGANIC GROWTH OPPORTUNITY

▲ Upside Potential From Occupancy Growth:

- Significant upside value in existing assets
- Benefit of "above average" size centres
- Occupancy target of >85%

CENTRES	NLA (SQM)	June 30 Occupancy	Stabilised Occupancy	Estimate Additional Revenue at Stabilised
Development (7 Centres)	33,700	28%	85%	\$3.4m
Established (91 Centres)	488,000	78%	85%	\$10.0m
TOTAL			85%	\$13.4 million

▲ Expansion Growth Opportunity:

- Expansion opportunity identified in up to 25 existing centres
- Planning underway for first 5 expansions
- Progressive rollout

Expansion Capacity (SQM)	Estimate Additional Revenue at 50% Occupancy*	Estimate Additional Revenue at 65% Occupancy*	Estimate Additional Revenue at 75% Occupancy*	Estimate Additional Revenue at 85% Occupancy (Stabilised)*
10,000	\$1.4m	\$1.8m	\$2.1m	\$2.3m
20,000	\$2.8m	\$3.6m	\$4.1m	\$4.7m
30,000	\$4.1m	\$5.4m	\$6.2m	\$7.0m
40,000	\$5.5m	\$7.2m	\$8.3m	\$9.4m
50,000	\$6.9m	\$8.9m	\$10.3m	\$11.7m
60,000	\$8.3m	\$10.7m	\$12.4m	\$14.0m

* - \$275 average rate per square

DEVELOPMENT AND PORTFOLIO MANAGEMENT

GENERATING INCOME AND OPPORTUNITY
WITH OUR PARTNERS

NSR continues to work with its investment partners on the delivery of a number of leading self-storage development projects:

- Australian Prime Storage Fund (APSF) – Carrara QLD, Albion QLD, Kelvin Grove QLD and Canterbury VIC
- Parsons Group – Five centres in Perth, WA
- Leyshon Group – Bundall, Gold Coast QLD



National Storage Albion delivered via APSF partnership, opened March 2017

National Storage Carrara delivered via APSF partnership, opened September 2016



National Storage Kelvin Grove delivered via APSF partnership opened November 2017



National Storage Jandakot, delivered by Parsons Group and acquired by NSR in May 2017



Concept drawings for National Storage Bundall in partnership with Leyshon Group



DEVELOPMENT AND PORTFOLIO MANAGEMENT

ADDING VALUE THROUGH EXPANSION OF EXISTING ASSETS

NSR has identified up to 25 centres within its existing portfolio with potential for further value add via expansion and development given current and future expected trading conditions.

Five centres have been initially selected for further financial feasibility with expansions expected to progressively commence throughout FY18.

This program of expansion and development works is expected to add approximately 3,000 sqm of net lettable area per centre which could yield an additional \$750k to \$1 million in income per centre at stabilised occupancy, with only a marginal increase in operating costs. The additional expansions will also improve the asset value of each of the expanded centres upon completion of the works.



National Storage Kurnell marked for further expansion and additional marine storage



National Storage Mitchell identified for further expansion



SUSTAINABILITY

PROACTIVELY DELIVERING ENVIRONMENTAL AND FINANCIAL BENEFITS

National Storage has completed an economic and feasibility study into the potential for installation of a solar photovoltaic network across the portfolio.

The comprehensive program is designed to deliver long term benefits both environmentally and from a cost saving perspective. The overall program is expected to save 3,200 MWh with a reduction in t-CO₂-e of 2,600, with a year one benefit on Phase One of \$400,000.

Importantly, 100% of these financial benefits will flow directly into NSR.

Phase One Solar PV Program	1.3 MW +
Number of Centres	50+
Electricity Savings (FY19)	2,000 MWh +
Emissions Reduced	1,500 + t-CO ₂ -e
Estimated Investment	\$2.8 million
Forecast IRR	> 20%



FY18 GUIDANCE AND OUTLOOK

9.6 cents to **10.1 cents**
4.4% to **9.8%**

PER STAPLED SECURITY

Growth over FY17

\$49.5 million to **\$52.0 million**
8.3% to **13.8%**

Underlying EPS

Underlying Earnings

FY17 underlying earnings	-	Less one off items	+	Same centre EBITDA uplift	+	FY17 Acquisitions Full Year	+	FY18 Acquisitions	-	Ops Mgmt and G&A	-	Additional interest cost	-	Reduced non-operating income	+	Other items	=	FY18 underlying earnings
\$45.7m		\$1.5m		\$3.9m		\$5.7m		\$3.1m		\$0.8m		\$5.7m		\$0.9m		\$0.0m - \$2.5m		\$49.5m - \$52.0m

NSR provides this guidance on the assumption there are no material changes in market conditions or operating environments.

THANK YOU

