# **GLOBAL® SELFSTORAGE**MaxManagement®

NASDAQ: SELF



## Important Cautions Regarding Forward-Looking Statements



Certain information presented in this presentation may contain "forward-looking statements" within the meaning of the federal securities laws including, but not limited to, the Private Securities Litigation Reform Act of 1995. Forward looking statements include statements concerning the company's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions, and other information that is not historical information. In some cases, forward looking statements can be identified by terminology such as "believes," "plans," "intends," "expects," "estimates," "may," "will," "should," "anticipates," or the negative of such terms or other comparable terminology, or by discussions of strategy. All forward-looking statements by the company involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the company, which may cause the company's actual results to be materially different from those expressed or implied by such statements. The company may also make additional forward looking statements from time to time.

All such subsequent forward-looking statements, whether written or oral, by the company or on its behalf, are also expressly qualified by these cautionary statements. Investors should carefully consider the risks, uncertainties, and other factors, together with all of the other information included in the company's filings with the Securities and Exchange Commission, and similar information. All forward-looking statements, including without limitation, the company's examination of historical operating trends and estimates of future earnings, are based upon the company's current expectations and various assumptions. The company's expectations, beliefs and projections are expressed in good faith, but there can be no assurance that the company's expectations, beliefs and projections will result or be achieved. All forward looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events. The amount, nature, and/or frequency of dividends paid by the company may be changed at any time without notice.







## **Non-GAAP Measures & Same-Store Definition**

## GLOBAL<sup>®</sup> SELESTORACE NASDAQ: SELF

#### **Non-GAAP Measures**

Funds from Operations ("FFO") and FFO per share are non-GAAP measures defined by the National Association of Real Estate Investment Trusts ("NAREIT") and are considered helpful measures of REIT performance by REITs and many REIT analysts. NAREIT defines FFO as a REIT's net income, excluding gains or losses from sales of property, and adding back real estate depreciation and amortization. The company also excludes unrealized gains on marketable equity securities and gains relating to PPP loan forgiveness. FFO and FFO per share are not a substitute for net income or earnings per share. FFO is not a substitute for GAAP net cash flow in evaluating our liquidity or ability to pay dividends, because it excludes financing activities presented on our statements of cash flows. In addition, other REITs may compute these measures differently, so comparisons among REITs may not be helpful. However, the company believes that to further understand the performance of its stores, FFOshould be considered along with the net income and cash flows reported in accordance with GAAP and as presented in the company's financial statements.

Adjusted FFO ("AFFO") and AFFO per share are non-GAAP measures that represent FFO and FFO per share excluding the effects of stock-based compensation, business development, capital raising, and acquisition related costs and non-recurring items, which we believe are not indicative of the company's operating results. AFFO and AFFO per share are not a substitute for net income or earnings per share. AFFO is not a substitute for GAAP net cash flow in evaluating our liquidity or ability to pay dividends, because it excludes financing activities presented on our statements of cash flows. We present AFFO because we believe it is a helpful measure in understanding our results of operations insofar as we believe that the items noted above that are included in FFO, but excluded from AFFO, are not indicative of our ongoing operating results. We also believe that the analyst community considers our AFFO (or similar measures using different terminology) when evaluating us. Because other REITs or real estate companies may not compute AFFO in the same manner as we do, and may use different terminology, our computation of AFFO may not be comparable to AFFO reported by other REITs or real estate companies. However, the company believes that to further understand the performance of its stores, AFFO should be considered along with the net income and cash flows reported in accordance with GAAP and as presented in the company's financial statements.

We believe net operating income or "NOI" is a meaningful measure of operating performance because we utilize NOI in making decisions with respect to, among other things, capital allocations, determining current store values, evaluating store performance, and in comparing period-to-period and market-to-market store operating results. In addition, we believe the investment community utilizes NOI in determining operating performance and real estate values and does not consider depreciation expense because it is based upon historical cost. NOI is defined as net store earnings before general and administrative expenses, interest, taxes, depreciation, and amortization.

NOI is not a substitute for net income, net operating cash flow, or other related GAAP financial measures, in evaluating our operating results.

#### Same-Store Self Storage Operations Definition

We consider our same-store portfolio to consist of only those stores owned and operated on a stabilized basis at the beginning and at the end of the applicable periods presented. We consider a store to be stabilized once it has achieved an occupancy rate that we believe, based on our assessment of market-specific data, is representative of similar self storage assets in the applicable market for a full year measured as of the most recent January 1 and has not been significantly damaged by natural disaster or undergone significant renovation or expansion. We believe that same-store results are useful to investors in evaluating our performance because they provide information relating to changes in store-level operating performance without taking into account the effects of acquisitions, dispositions, or new ground-up developments. At March 31, 2023, we owned twelve same-store properties and zero non same-store properties. The Company believes that by providing same-store results from a stabilized pool of stores, with accompanying operating metrics including, but not limited to, variances in occupancy, rental revenue, operating expenses, NOI, etc., stockholders and potential investors are able to evaluate operating performance without the effects of non-stabilized occupancy levels, rent levels, expense levels, acquisitions, or completed developments. Same-store results should not be used as a basis for future same-store performance or for the performance of the company's stores as a whole.

## Who We Are



- Global Self Storage is a self-administered and selfmanaged Real Estate Investment Trust (REIT).
- Own and/or manage 13 self-storage properties with 967,137 sf. of total leasable space.<sup>1</sup>
- Operational excellence and industry strength continued to drive record-high annual revenues, net operating income, FFO and AFFO.<sup>2</sup>
- Seeking additional properties to own, operate, manage and acquire where our highly-effective professional management and best practices can improve operations.

1) As of 3/31/23; Includes outside parking (RV, boat, auto), retail, office and commercial space, and West Henrietta Acquisition. 2) Source: Company's Form 10-K for December 31, 2022 as filed with the SEC. See definition of FFO, AFFO, NOI, non-GAAP terms, on slide 3 of this presentation.



# Q1 2023 Highlights



#### Quarterly Results

- Total revenues: Up 7.7% to \$3.0M
- Funds from operations (FFO): Up 13.5% to \$1.0M or \$0.09 per diluted share<sup>1</sup>
- Adjusted funds from operations (AFFO): Up 11.2% to \$1.1M or \$0.10 per diluted share<sup>1</sup>

#### Same-Store Results

- Revenues: Up 7.7% to a record \$3.0M
- Net operating income (NOI): Up 8.4% to \$1.9M

**Occupancy at Mar. 31, 2023:** Decreased to 87.9% from 92.6% at Mar. 31, 2022, as the company optimized rental revenue under its revenue rate management program. As of May 1, 2023, increased to 89.9%.

**Same-store average tenant duration of stay:** ~3.4 years at quarter end, up from ~3.2 years at Mar. 31, 2022.

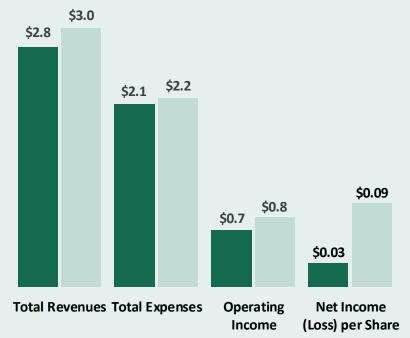
Capital resources at Mar. 31, 2023: \$24.2M, comprised of:

- \$6.5M in cash, cash equivalents & restricted cash
- \$2.7M in marketable equity securities
- \$15.0M available under a revolving credit line.

## **GAAP** Quarterly Performance

#### **Q1-22 Q1-23**

\$millions, except per share data



## **Full Year 2022 Financial Results**

#### **Record Annual Results**

- Total revenues: Up 14% to \$11.9M.
- Funds from operations (FFO): Up 34% to \$4.5M or \$0.41 per diluted share.<sup>1</sup>
- Adjusted funds from operations (AFFO): Up 31% to \$4.7M or \$0.43 per diluted share.<sup>1</sup>

#### **Record Same-Store Results**

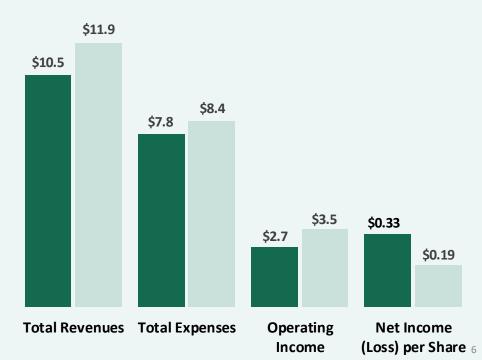
- **Revenues:** Up 14% to \$11.9M.
- Net operating income (NOI): Up 16% to \$7.7M.
- Occupancy at Dec. 31, 2022: Decreased to 89.6% from 93.1% at Dec. 31, 2021, as the company optimized rental revenue under its revenue rate management program.

## **GAAP** Annual Performance

■ Full Year 2021 ■ Full Year 2022

NASDAQ: SELF

\$millions, except per share data





# Why Choose Third-Party Management?





- Maximize the value of your property with experienced and dedicated industry professionals working for you.
- Avoid the challenges of managing staff, budgets, Search Engine Optimization (SEO), marketing, and maintenance.
- **Rely on industry professionals** with decades of experience to handle your self storage operational needs and success.

# Why Choose Global Self Storage?



- **Strong same-store** double-digit percentage growth in FFO & AFFO.
- **Highly trained and experienced regional managers** provide dedicated support to your local property managers.
- Sophisticated and effective revenue rate management.
- Revenue generating internet presence and instant brand recognition.
- SEO strategy that makes you competitive.
- Automated collections services and auction process.
- **Reliable,** industry-leading call center.
- Personalized rate increase program.
- Access to a team of experienced management professionals.
- Exemplary attention to staff training and development.
- Strong financial foundation.
- Purchasing power and reduced operating expenses.
- Exit strategy opportunities that fit your needs.



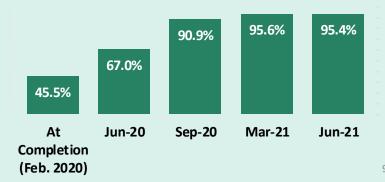
## Expansion/Lease Up Case Study: **Millbrook**, NY

## February 2020, completed expansion of Millbrook, NY store

- Added 11,800 leasable sq. ft. of valuable climate-controlled units.
- Increased non-occupied, available lease space from 11.3% to 54.5%.
- Tailored lease-up program increased occupancy to **95.4%** by ٠ end of June 2021 – much higher than before adding the new units and despite COVID-19.
- Strong lease up performance driven by:
  - Meeting pent-up demand for climate-controlled storage.
  - Increased migration to the suburbs.
  - Effective internet & digital marketing. ٠
  - Attractive roadside signage and drive-by curb appeal.



#### **Total Occupancy During Lease-up Period**





## Acquisition Case Study: 476-unit Property in West Henrietta, NY

### Nov. 2019: Acquired Erie Station Storage for \$6.2M.

- Located in West Henrietta, N.Y., a growing upstate suburban community of Rochester near the Rochester Institute of Technology.
- Seven buildings less than three years old.
- 55,550 net leasable sf.
- 476 storage units (230-climate controlled).

#### Aug. 2020: Completed property expansion:

- Added 7,300 leasable sf. of drive-up storage units.
- Increased occupancy from 77.9% in Aug. 2020 to 89.1% in June 2021.
- Tailored lease-up programs produced better than expected results despite COVID-19.
- Benefited immediately from our proprietary property management techniques.

#### Acquired & Expanded Storage Property in West Henrietta, NY



#### **Total Occupancy During Lease-up Period**





10

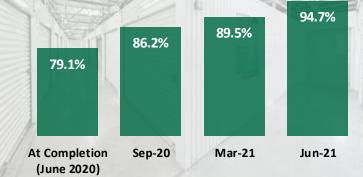
## Expansion/Upgrade Case Study: Converting to Climate-Controlled Units



## June 2020, completed conversion of certain commercially-leased space to climate-controlled self storage units in McCordsville, Indiana.

- Added ~135 of all-climate-controlled units with 13,713 sq. ft. of leasable space.
- Brought total unit at this location to 540 with 76,360 leasable sq. ft. of self storage space.
- Increased occupancy from 79.1% in June 2020 to 94.7% by end of June 2021.
- As with all of our properties, the new climatecontrolled units generate higher margins versus non-climate-controlled units.





## Why Customers Choose Us: Secure, Clean, High-Quality Service & Facilities

- Property managers encouraged to maintain the highest security and cleanliness standards.
- Employees are motivated to deliver courteous, attentive customer service.
- All facilities include customer service call centers and 24/7 rental and payment kiosks.
- Our goal is to make the customer experience as **pleasant and hassle-free** as possible.

## **Easy Gate Access**

24/7 Security Monitoring



24/7 Rental & Payment Kiosks





# How We Attract & Retain High Quality Tenants

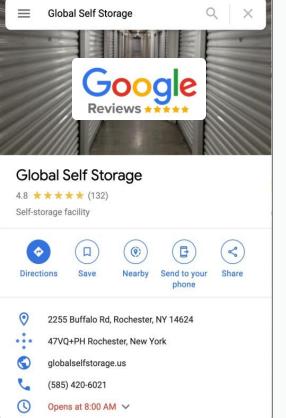


- Prioritize tenant *quality* in marketing and operational efforts.
- Focus on credit card payers, who rent for longer duration and accept greater rental rate increases.
- **Referral marketing** generates new tenant inquiries for **high quality new tenants.**
- Strong Internet & social media presence generate new tenant inquiries.
- Certain facilities offer referral discounts and complementary truck rental.
- As a result, average same-store tenant duration was ~3.4 years as of the end of Q1 2023.



# **Key Competitive Factors vs. Public REIT Peers**

- Attract quality, long-staying tenants by incentivizing credit card auto-payers.
- Effective revenue rate management program:
  - Dynamic rate management through daily analysis of competitive rates.
  - Systematic rate increases per customers.
  - Self-service kiosks make rentals and payments convenient.
- **Greater agility** allows innovation and faster response to market conditions and trends.
- Security is Our First Priority<sup>SM</sup> we provide high-end and highly secure facilities with security cameras.
- **Positive reviews** on Google and other platforms attract customers.





## Key Takeaways



- Self-storage REIT with double-digit percentage growth in FFO and AFFO, driven by record revenue.<sup>1</sup>
- **Strong lease-up performance** at expansions/conversions in 2020.
- Unique focus on high-quality tenants in select markets supports higher occupancy rates, longer lengths of stay and revenue rate increases.
- **Digital marketing expertise** leads to positive brand reputation and visibility online.

Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO)<sup>2</sup>



## **Management** Team



#### Mark C. Winmill CEO & President

Chief executive officer since company's inception in 2012.

40+years of real estateinvesting experience.

Led the acquisition, development and management of over 50 projects valued at \$300+million since 1982, including over \$65 million of selfstorage properties since 2012.

Previously founder and CEO of Bull & Bear, a nationwide discount broker, from 1987 until its sale to the Roval Bank of Canada in 1999.

Trustee of two charitable foundations. numerous family trusts and a director of two other companies.

Thomas O'Malley CFO. Treasurer & Senior Vice President

Chief financial officer, chiefaccounting officer, treasurer and senior vice president since compan√s inception in 2012.

30+years of financial and operating estate, financial services, and investment management sectors.

Previously served as assistant controller of the investment advisory, Reich & Tang. Earlier, was an audit manager at RSM.

Certified public

experience in the real

accountant.

Donald Klimoski II Senior Vice President -Operations, General Counsel, Secretary & CCO

> General counsel, secretary, chief compliance officer since 2017 and senior vice president-operations since 2022.

> > Previously, served as the associate general counsel of NASDAO-listed Commvault Systems from 2014 to 2017.

Prior to leaving private practice, was an associate at Sullivan and Cromwell. where his practice focused on mergers and acquisitions, securities law, corporate governance, intellectual property and related matters from 2008 to 2014

Member of the New York and New Jersey State Bars, and U.S. Patent and Trademark Office.

Robert J. Mathers Property Operations, Vice President

Vice president of property operations since compan√s inception in 2012. 30+ years of real estate property operations management experience.

#### Jon Arasin Customer Operations.

Vice President Vice president of customer operations since 2023.

15+years of customer service and sales experience in the retail and self storage industries

Russell Kamerman Asst.General Counsel, Asst. Secretary, Asst. CCO & Vice President

Assistant general counsel, assistant secretary, assistant chiefcompliance officer and vice presidentsince 2014.

Previously, an associate at Fried, Frank, Harris, Shriver & Jacobson LLP and Kleinberg, Kaplan, Wolff & Cohen, where his practice focused on asset management, securities law. compliance, and other corporate matters 2008 - 2014.

Member of the New York State Bar.

#### Louis Soulios Finance.

Vice President

Vice president of finance since 2022.

18+years of senior financial and operating experience in financial service & investment management industries.

Previously, served as vice president and head of finance at **Berenberg** Capital Markets, VP of finance at Kimberlite Group and controller at Brean Capital.

Mastersin Accounting from Kean University.

Certified public accountant.

#### Angelito Sarabia Controller

Controller and accounting coordinatorsince 2013.

15+years of combined experience in financial and management services.

## **Contact Us**



**NASDAQ: SELF** 

Mark Winmill CEO and President (212) 785-0900 mwinmill@globalselfstorage.us

#### Donald Klimoski II

SVP Operations & General Counsel (212) 785-0900 x 280 <u>dklimoski@globalselfstorage.us</u> Chandler Wright Marketing Associate (212) 785-0900 cwright@globalselfstorage.us