
# Company Presentation

September 2020

# FORWARD-LOOKING STATEMENTS

Certain information set forth in this release contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning the benefits of store acquisitions, developments, favorable market conditions, our outlook and estimates for the year and other statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, the competitive landscape, plans or intentions relating to acquisitions and developments and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "estimates," "expects," "may," "will," "should," "anticipates," or "intends," or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this release. Any forward-looking statements should be considered in light of the risks referenced in the "Risk Factors" section included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Such factors include, but are not limited to:

- adverse changes in general economic conditions, the real estate industry and the markets in which we operate;
- failure to close pending acquisitions and developments on expected terms, or at all;
- the effect of competition from new and existing stores or other storage alternatives, which could cause rents and occupancy rates to decline;
- potential liability for uninsured losses and environmental contamination;
- the impact of the regulatory environment as well as national, state and local laws and regulations, including, without limitation, those governing real estate investment trusts ("REITs"), tenant reinsurance and other aspects of our business, which could adversely affect our results;
- disruptions in credit and financial markets and resulting difficulties in raising capital or obtaining credit at reasonable rates or at all, which could impede our ability to grow;
- increases in interest rates;
- reductions in asset valuations and related impairment charges;
- our lack of sole decision-making authority with respect to our joint venture investments;
- the effect of recent changes to U.S. tax laws
- the failure to maintain our REIT status for U.S. federal income tax purposes; and
- economic uncertainty due to the impact of war or terrorism, which could adversely affect our business plan.

All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

# Q2 2020 QUICK FACTS

**4.6%**
Year-to-Date Core FFO Growth Per Share

**905.6%**
10-year Total Shareholder Return

**1,878**
Properties

**145 Million**
Square feet

**94.5%**
Same-store Occupancy at Quarter End

**$12.7 Billion**
Equity Market Cap

**$6.8 Billion**
in acquisitions over past 10 years

**700**
Third-party Management Stores

**S&P 500**

**1977**
Founded

**$1.3 Billion**
Annual Revenue

**2004**
IPO – NYSE "EXR"

**52.5%**
5-year Dividend Increase

# EXTRA SPACE STORAGE TIMELINE

**1977**
*Founded by Ken Woolley (Current Chairman)*

**1998**
*Recapitalized through JV with Prudential Real Estate Investors (PREI)*

**2004**
*Completed Initial Public Offering*

**2005**
*Acquired Storage USA (458 stores) for $2.3 billion in a JV with PREI*

**2008**
*Started third-party property management program (nation's largest today)*

**2015**
*Acquired SmartStop Self Storage (122 owned & 43 managed stores) for $1.4 billion*

**2016**
*Added to the S&P 500 Index*

**2018**
*Ranked 73 out of 700,000+ companies*

**2019**
*Assigned a BBB/Stable credit rating by S&P Global Ratings*

**2020**
*Ranked 90 out of 1 million+ companies*

# WHY INVEST IN EXTRA SPACE STORAGE (EXR)?

## ATTRACTIVE SECTOR

Need-based, recession resilient asset class with high operating margins and low cap-ex requirements, resulting in high FAD. The granularity of assets and tenant base, reduces volatility, tenant risk and market risk.

## OPERATIONAL EXCELLENCE

Enhancing value of existing and newly acquired self-storage facilities, through best-in-class customer acquisition, revenue management and customer service platforms.

## DISCIPLINED GROWTH

Consistent growth of our geographically-diverse portfolio through accretive acquisitions, mutually-beneficial joint-venture partnerships, and third-party management services in a highly fragmented sector.

## SOLID BALANCE SHEET

Appropriately leveraged balance sheet, consisting of diversified capital sources to provide access to the cheapest sources of funds in different economic climates.

## STRONG PARTNERSHIPS

Creating growth opportunities through joint-venture and third-party management relationships. Our partnerships provide capital, additional income streams, leveraged returns and future acquisition opportunities.

# MANAGEMENT DEPTH


CMO
17 YEARS


CFO
19 YEARS


CEO
15 YEARS*


CLO
15 YEARS


COO
13 YEARS

*Includes Mr. Margolis' time as Director on Extra Space Storage's board.

# ENVIRONMENTAL HIGHLIGHTS

Highest-rated U.S.
Self-storage REIT
by GRESB

**GRESB Public Disclosure Level**

↓

E D C **B** A

Global Average: C


**GRESB REAL ESTATE ASSESSMENT**
2019 Improvement

**Best ESG Risk Rating of**
**U.S. Self-storage REIT**
***8th Percentile – Company Risk***
***(Lowest = Best)***

**Highest Rated U.S. Self-storage REIT**

# ENVIRONMENTAL HIGHLIGHTS





# SOCIAL HIGHLIGHTS

GLASSDOOR 2020
BEST PLACES TO WORK WINNER

FORBES 2020
BEST EMPLOYERS FOR DIVERSITY WINNER

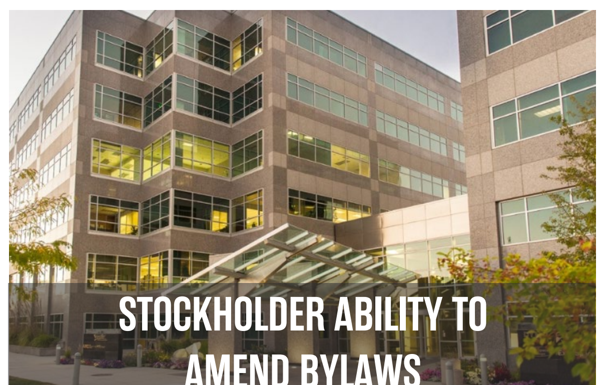
WOMEN'S LEADERSHIP INSTITUTION
“ELEVATE HER” CHALLENGE MEMBER

EMPLOYEE EDUCATION PARTNERSHIP
WESTERN GOVERNORS UNIVERSITY

PAID EMPLOYEE VOLUNTEER
TIME OFF PROGRAM

# GOVERNANCE HIGHLIGHTS






# PORTFOLIO & PERFORMANCE

# EFFICIENT OWNERSHIP STRUCTURE

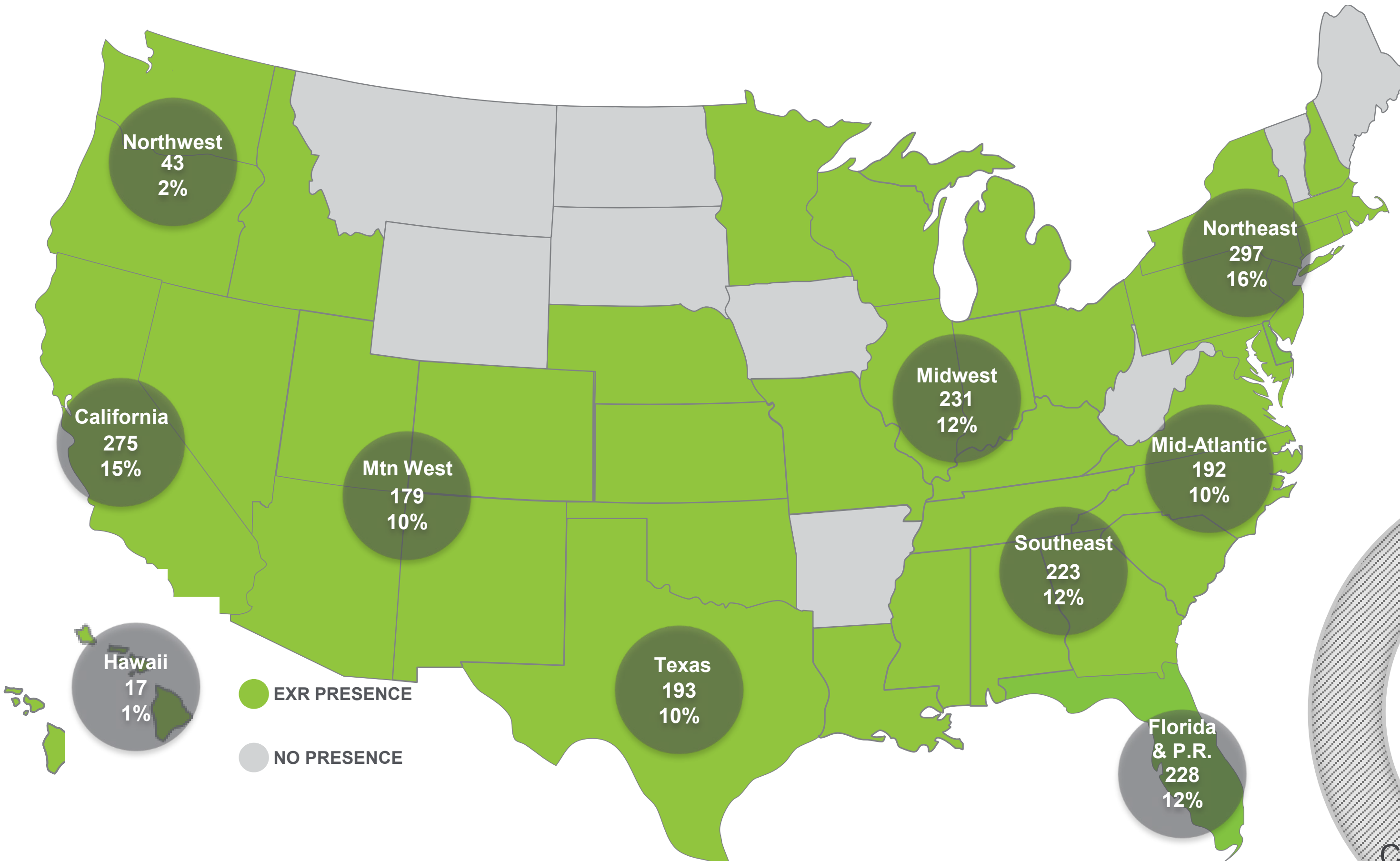
Extra Space Storage

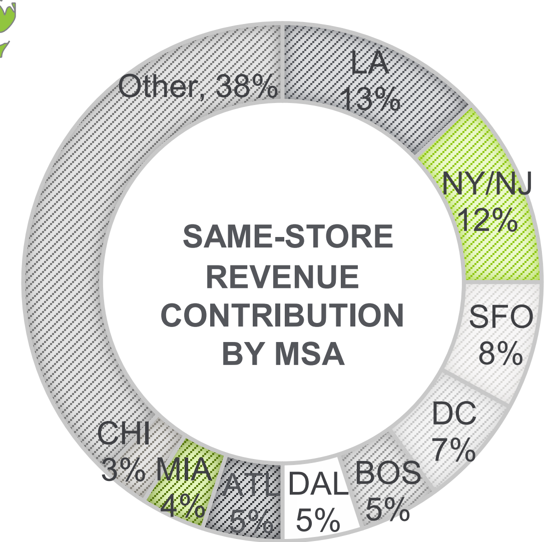
**1,878 PROPERTIES**

| 927 WHOLLY-OWNED | 251 JOINT VENTURE | 700 MANAGED |
|---|---|---|
| 50% | 13% | 37% |

*As of June 30, 2020

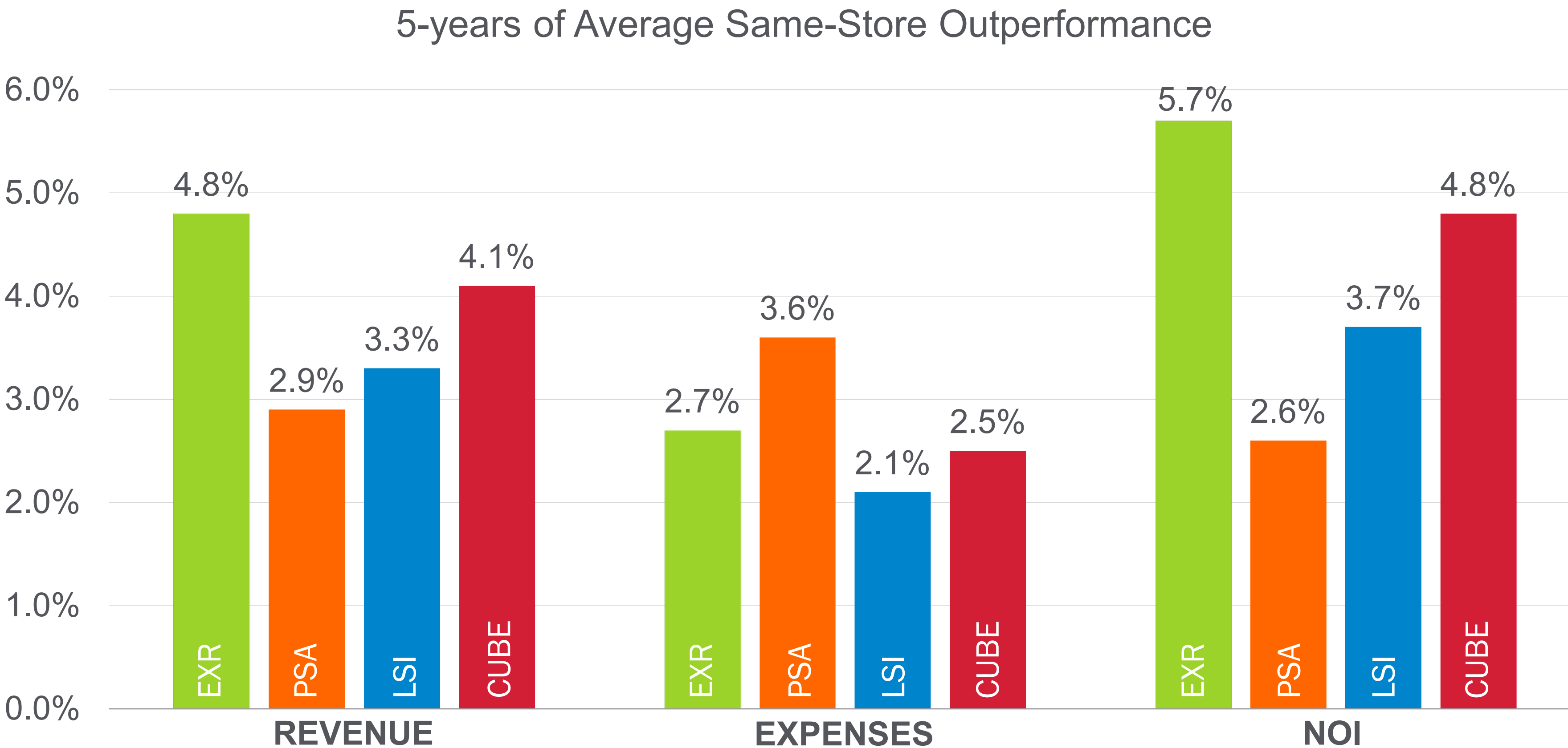
# DIVERSIFICATION AND SCALE



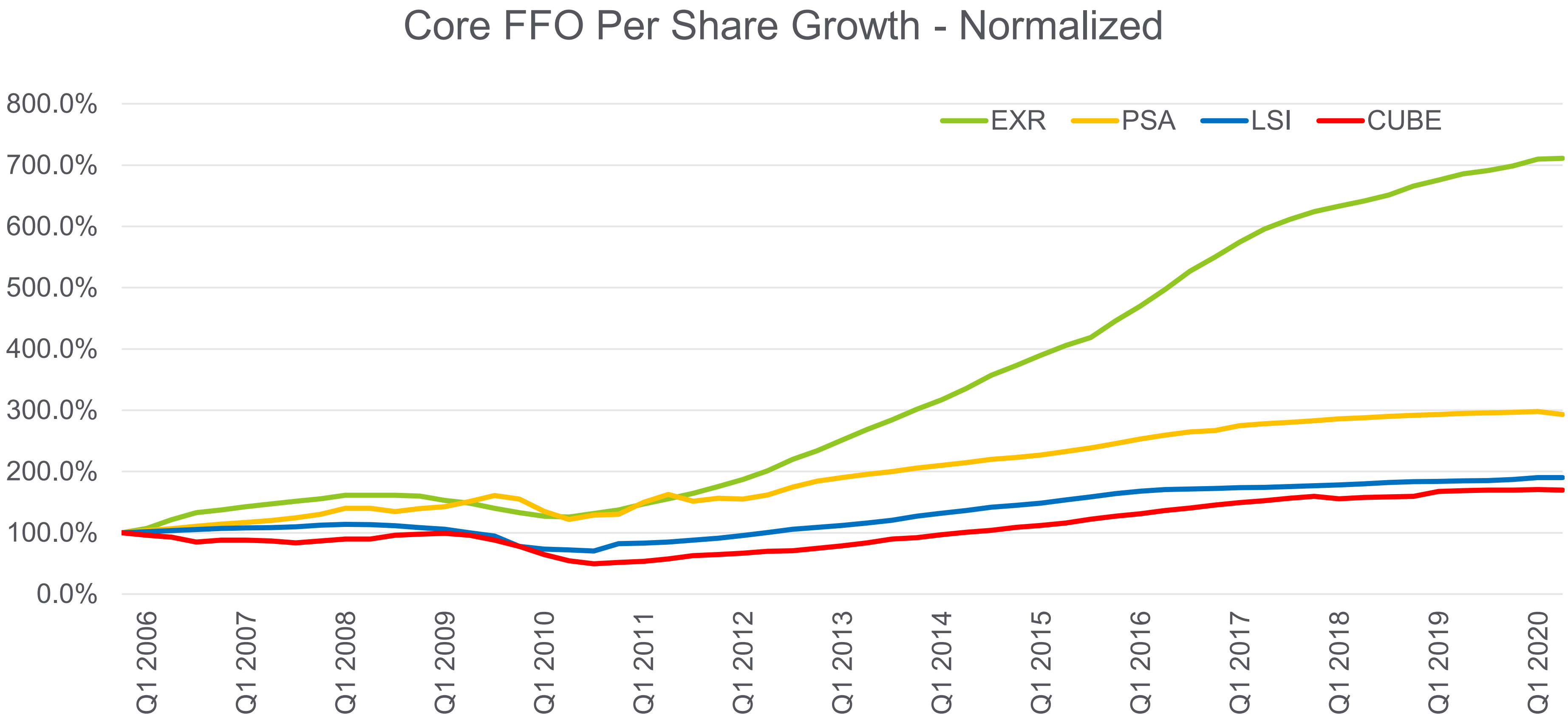

*As of June 30, 2020

# BEST IN-CLASS OPERATOR



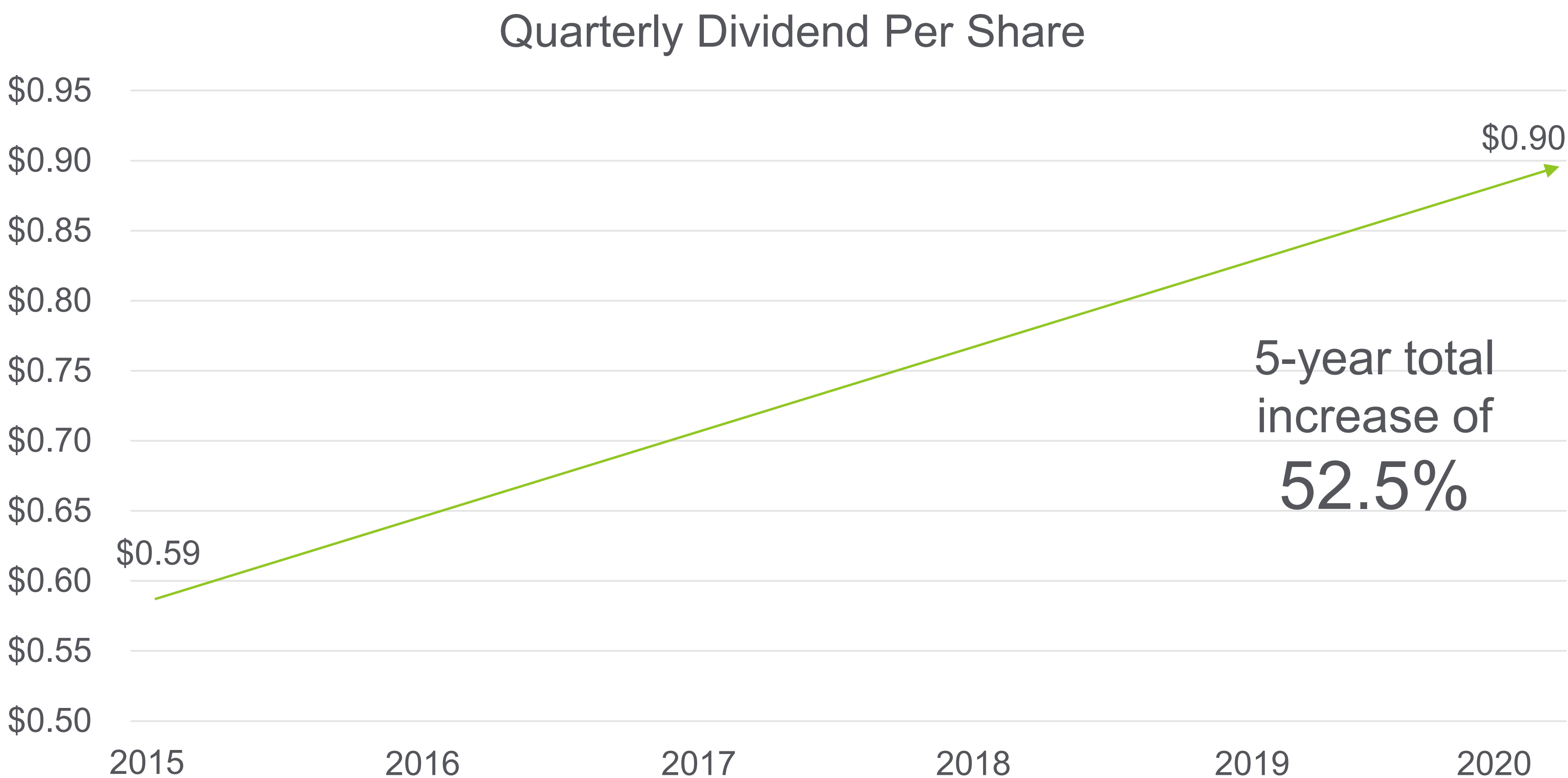

*EXR and PSA results exclude tenant reinsurance revenues and expenses. CUBE results (and LSI results prior to 2019) include the benefit from tenant insurance revenue. Data as of June 30, 2020 as reported in public filings.

# SECTOR-LEADING CORE FFO GROWTH




*Data as of June 30, 2020 as reported in public filings

# SIGNIFICANT DIVIDEND GROWTH




*As reported in public filings

# BEST-IN-CLASS STOCK PERFORMANCE

## 10-Year Total Return

| STORAGE SECTOR | |
|---|---|
| 1. **Extra Space Storage (EXR)** | **905.6%** |
| 2. CubeSmart (CUBE) | 451.5% |
| 3. Life Storage (LSI) | 338.3% |
| 4. Public Storage (PSA) | 223.0% |

| ALL PUBLIC REITS | |
|---|---|
| 1. Equinix (REIT)(EQIX) | 1,008.0% |
| 2. First Industrial Realty (FR) | 1,006.3% |
| 3. **Extra Space Storage (EXR)** | **905.6%** |
| 4. SBA Comms REIT (SBAC) | 810.1% |
| 5. Sun Communities (SUI) | 759.7% |

*Results from “KeyBanc Leaderboard” as of June 30, 2020.

# SOLID BALANCE SHEET

## S&P Global Ratings: BBB/Stable

| | 06/30/2020 | 12/31/2019 | 12/31/2018 | 12/31/2017 | 12/31/2016 |
|---|---|---|---|---|---|
| **Interest Coverage Ratio[1]:** | 5.22 | 4.81 | 4.85 | 4.95 | 5.34 |
| **Fixed Charge Ratio[1]:** | 4.14 | 3.82 | 3.76 | 3.68 | 3.75 |
| **Net Debt/EBITDA[1]:** | 5.89 | 5.59 | 5.54 | 5.79 | 6.06 |
| **Fixed Debt %:** | 79.0% | 78.7% | 74.1% | 74.7% | 70.0% |
| **Weighted Ave. Interest Rate:** | 3.0% | 3.3% | 3.5% | 3.3% | 3.0% |
| **Average Maturity:** | 4.2 years | 4.7 years | 5.0 years | 4.7 years | 4.7 years |
| **Total Revolving Capacity:** | $1,090 million | $790 million | $790 million | $600 million | $600 million |
| **ATM Capacity:** | $299 million | $299 million | $258 million | $349 million | $349 million |

1. EBITDA is reported quarter annualized.

Extra Space Storage

# CURRENT SECTOR TRENDS

Changes To Operations Related To COVID-19

New Supply in Many Markets / Deliveries Experiencing Delays

Near Peak Occupancy Levels; Inflated by Delayed Auctions

Moderating Revenue Growth

Increasing Customer Utilization

Scale and Technology Advantage of REITs

Ownership and Management Consolidation

Muted Acquisitions Environment

# COVID-19 UPDATES

All properties and offices open

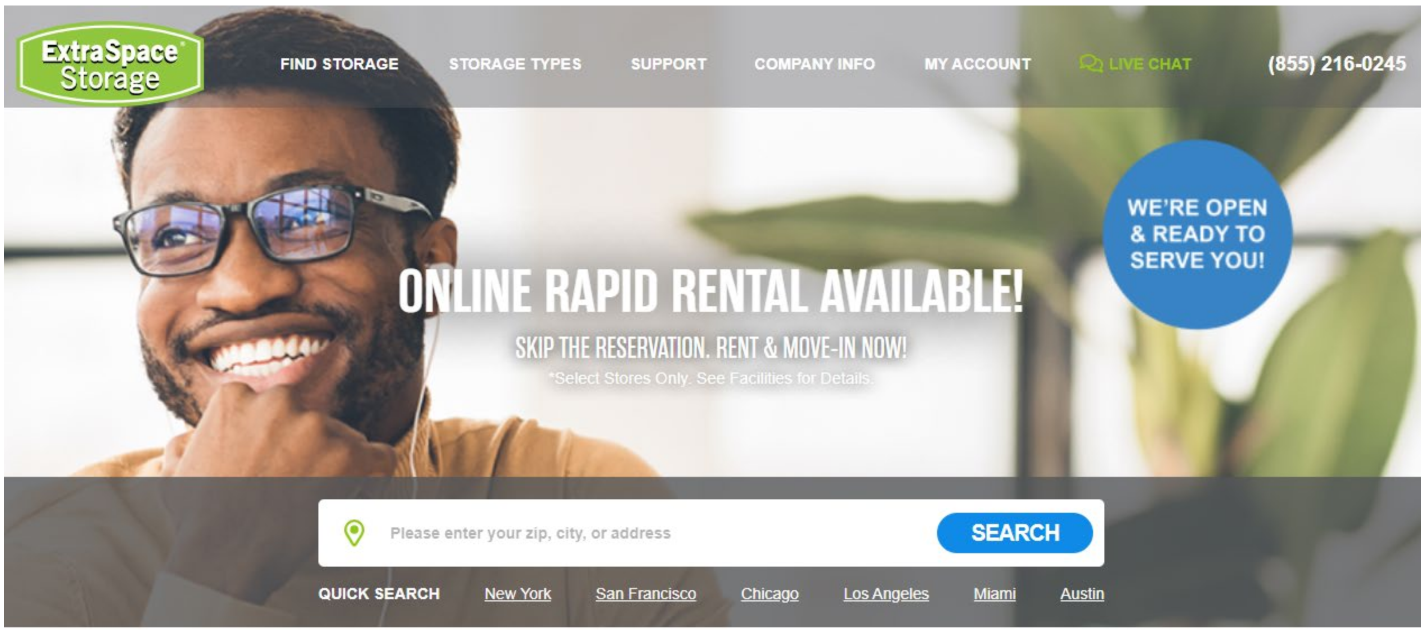
Auctions resumed in most markets

No layoffs or furloughs or hazard pay necessary

ECRI resumed in most markets

Online lease option "Rapid Rental" at all locations

Accounts Receivable ≤ 60 days at historical levels



# NEW SUPPLY IN MANY MARKETS

Initially Impacted Primary Markets; Moving to Secondary and Tertiary Markets

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Geographically Diversified Portfolios are Holding up Better

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Lease-up Periods Reverting to Historical Durations or Longer

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Development Yields Compressing Due to Increased Construction Costs and Moderating Revenue Projections

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Deliveries Peaked in 2018, Modest Moderation in 2019

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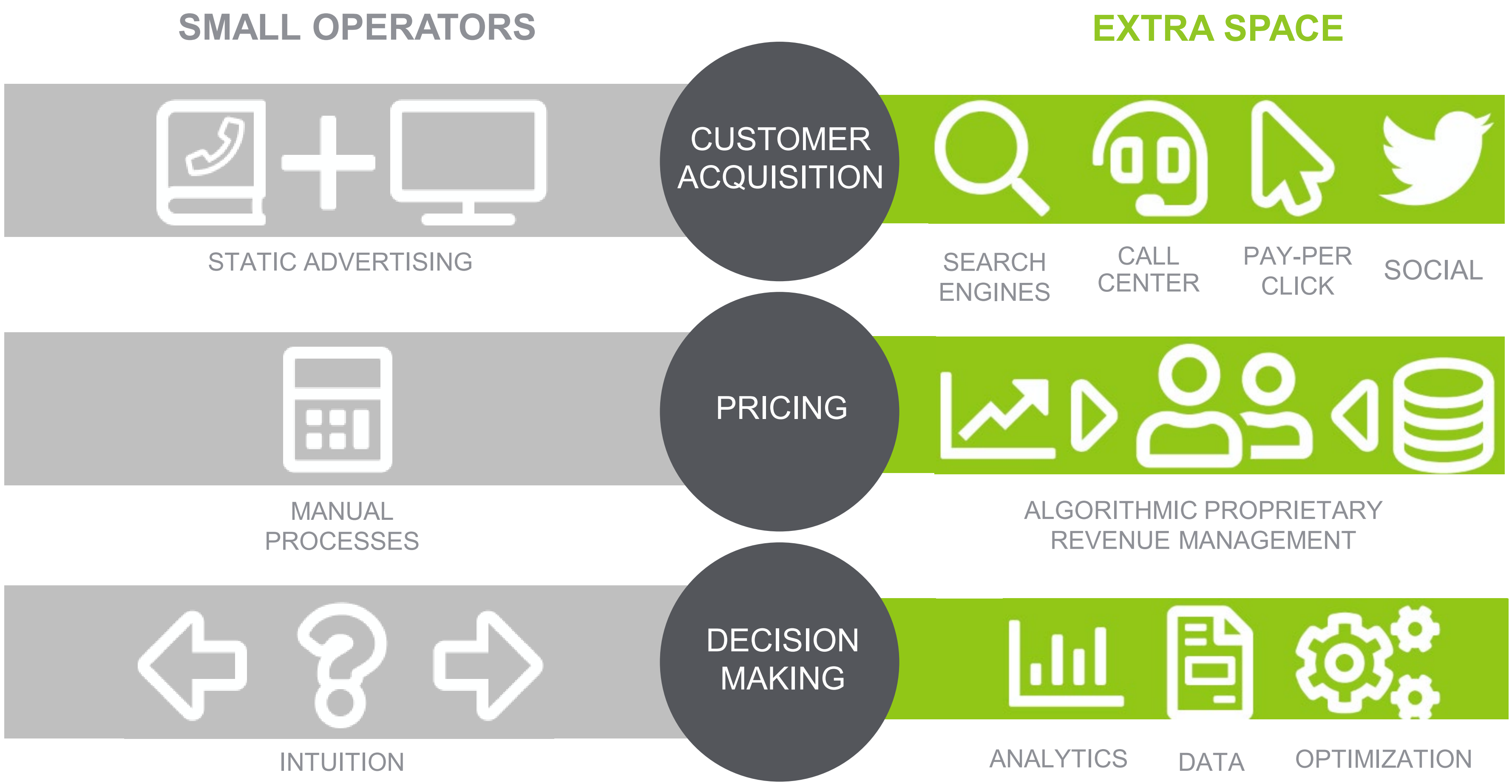
Projects Under Construction Expected to Deliver with Delays; Many Projects in Planning Likely to be Cancelled

# TECHNOLOGY ADVANTAGE



# TECHNOLOGY AND DATA QUICK FACTS

Extra Space Storage

**39 Million**
annual website views

**1+ Million**
calls to call center

**3rd Gen**
revenue management system

**17**
digital marketing employees

**$30 Million+**
in digital marketing spend

**Millions**
of key words bid daily

**10 Million**
website visitors

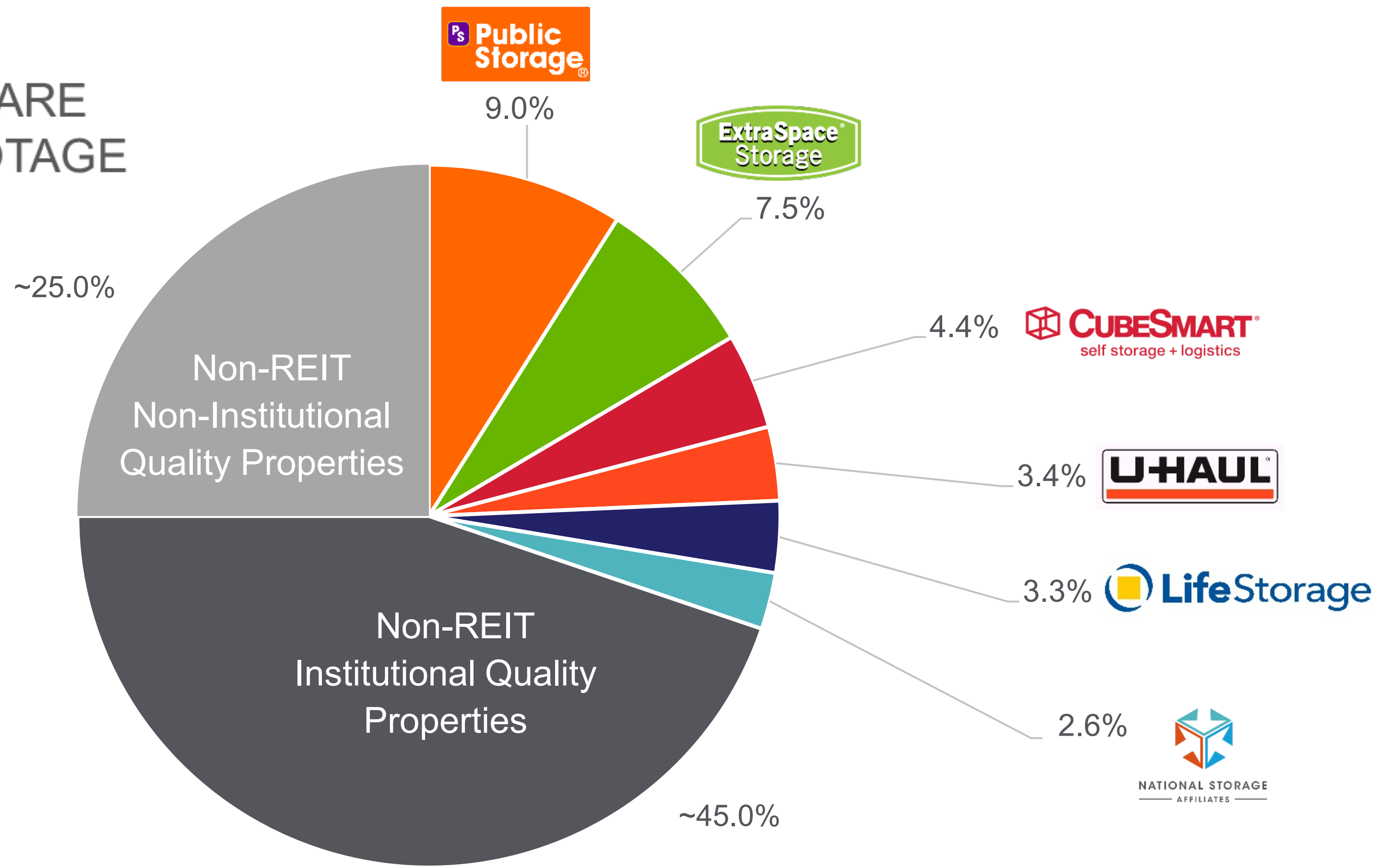
**1+ Million**
customers

**Google**
advisory board member

**11**
data scientists and pricing analysts

# OPPORTUNITY FOR CONSOLIDATION

## U.S. MARKET SHARE BY SQUARE FOOTAGE




*REIT data from public filings as of June 30, 2020. U-Haul and total U.S. storage square footage per the 2020 Self-Storage Almanac. Percentage of Institutional and Non-Institutional Quality Properties estimated by Extra Space Storage.

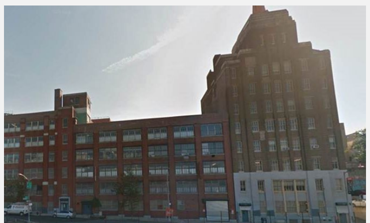
# GROWTH STRATEGY

# OVERVIEW OF GROWTH STRATEGIES

ExtraSpace Storage

## Third-Party Management

Before



After


BRONX, NY

## Acquisitions


ATLANTA, GA

ExtraSpace® Storage

## Certificate of Occupancy


DALLAS, TX

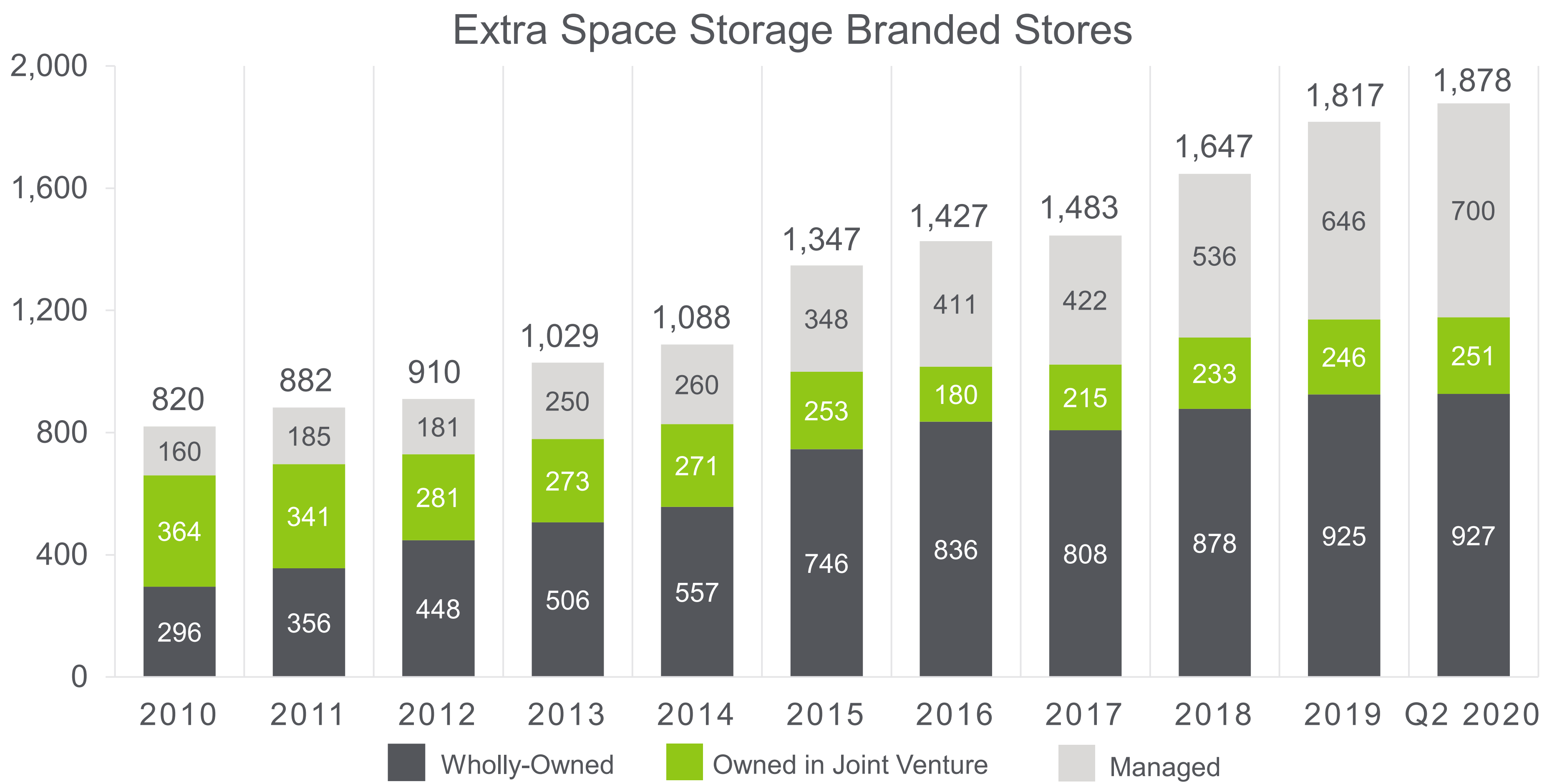
## Redevelopment

Before


After

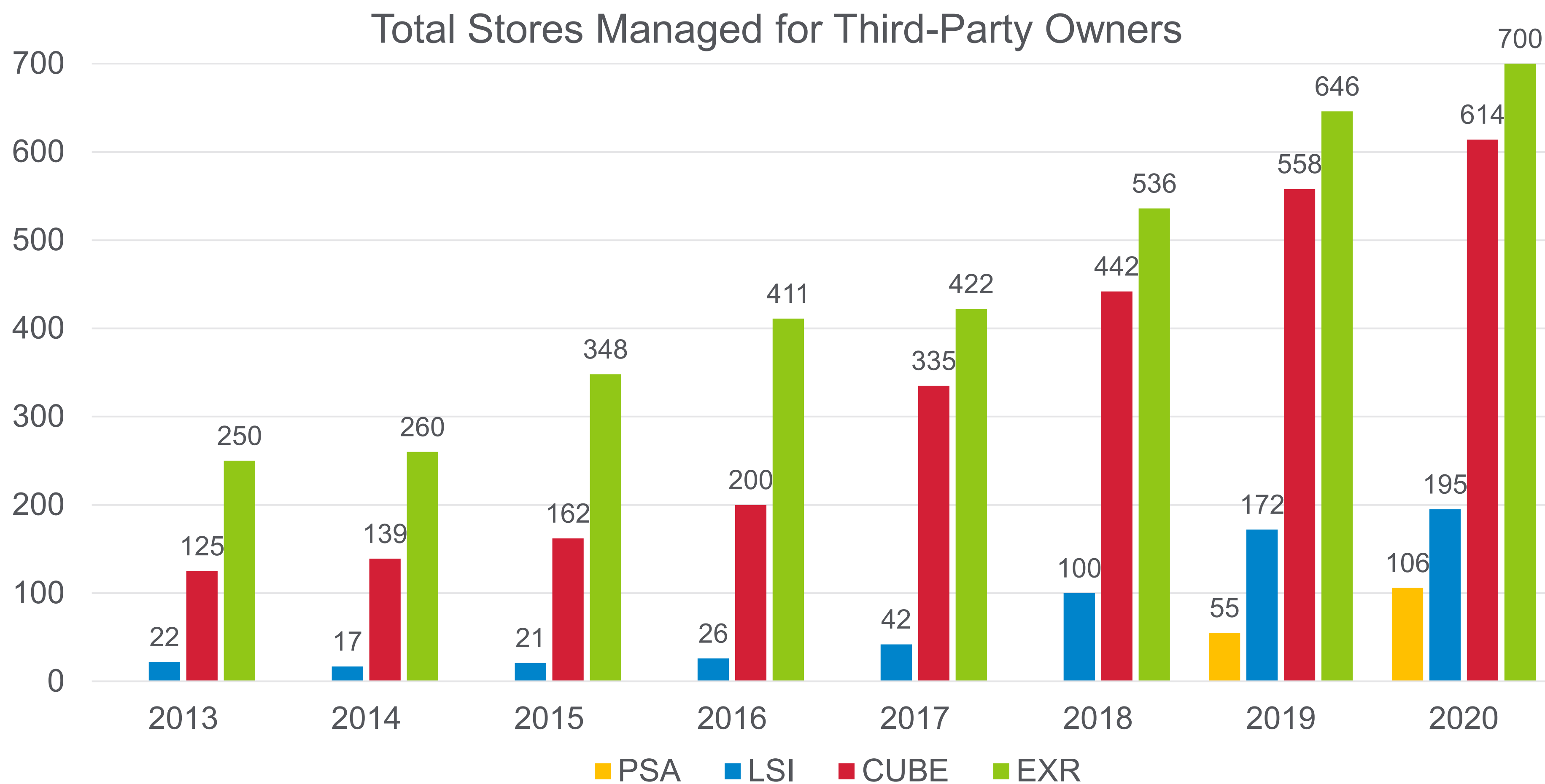

BRONX, NY

# CONSISTENT GROWTH




*Data as of June 30, 2020 as reported in public filings.

# THIRD-PARTY MANAGEMENT STRATEGY




*Data as of June 30, 2020 as reported in public filings. Public Storage property count based on comments made on its 2nd Quarter earnings call. Totals exclude properties held in joint venture.

# THIRD-PARTY MANAGEMENT STRATEGY


*"My challenges before EXR were to stay afloat. Today, occupancy and profits are great. I have been in the business around 40 years and I could not think of the numbers or keeping the properties on the par that you (EXR) have done."*

*-Partner since 2012, 6 stores in Florida*

## Additional Income Streams

- Management Fees
- Tenant reinsurance revenue from managed properties
- Asset management fees and financing fees for services to partners
- A focus on profitability over store count

## Increased Scale

- Increase store count, customer set and data points by ~35%
- Nation's largest third-party management platform
- Cost efficiencies generated through scale
- Increased brand promotion and awareness
- Opportunities to further develop and expand best management practices

## Acquisition Pipeline

- Semi-proprietary acquisition pipeline
- Low-risk transactions and integration through perfect operational knowledge
- Deep relationships established with future sellers
- No broker fees or market auction process

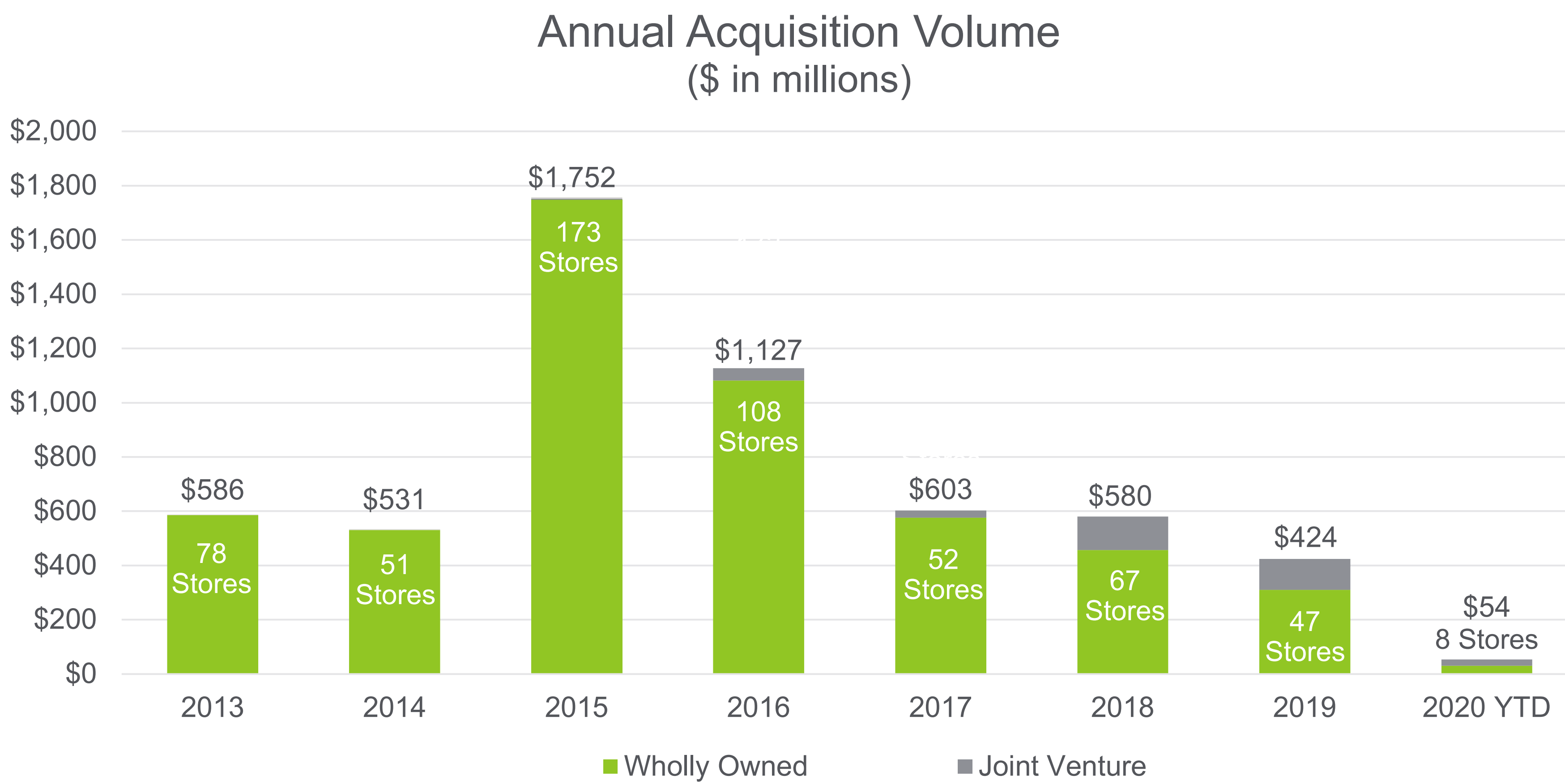
## Partner Diversification

- Over 200 separate ownership groups
- 66% of stores are owned by partners with ≤ 9 properties
- 73% of 2019 store additions were new developments


# ACQUISITION STRATEGY

- Acquire undermanaged stores, raise to EXR portfolio operating averages, achieve outsized NOI growth
- Emphasis on geographic diversification
- Focus on primary and secondary markets
- Reduce transaction and integration risk through acquiring assets already on the management platform
- Seek to enhance operational efficiencies by building scale in core markets

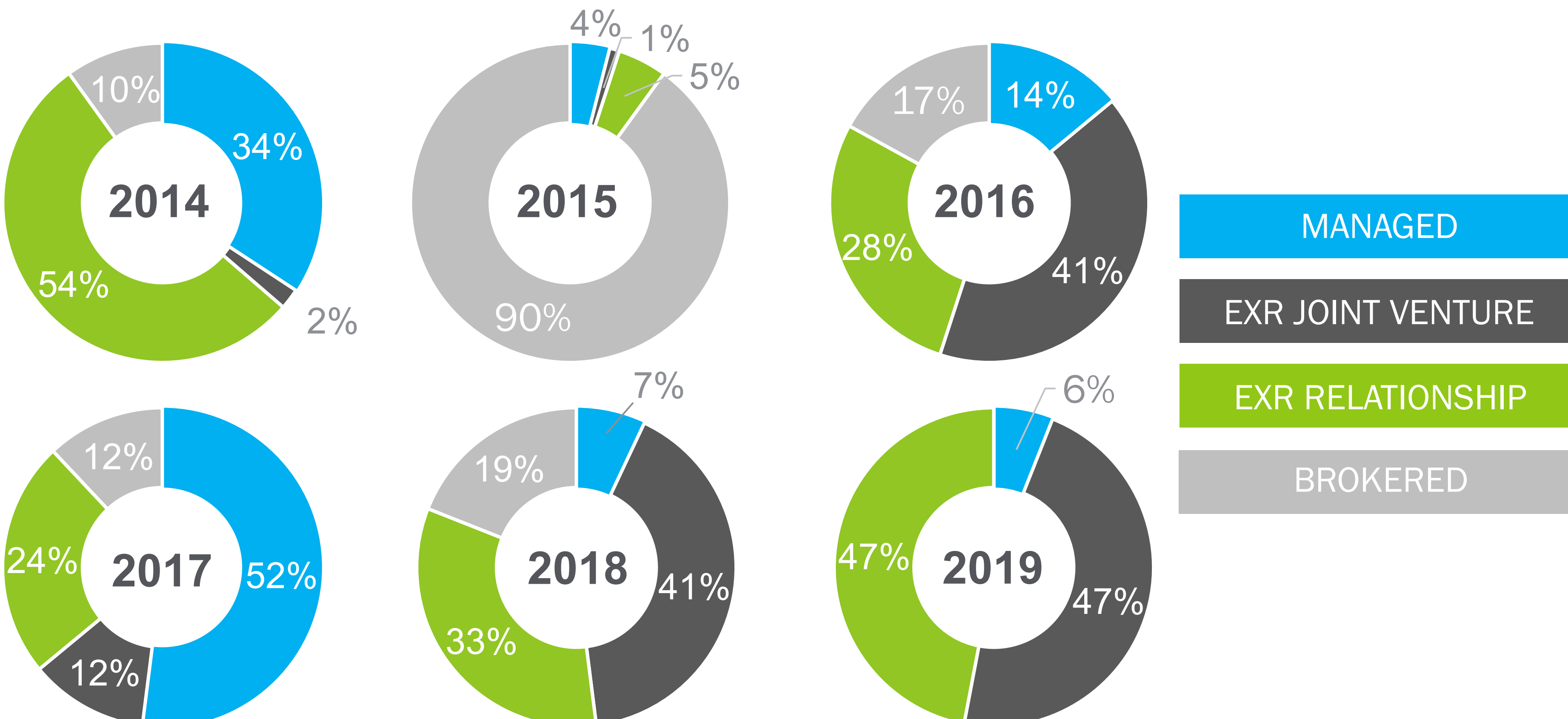
# ROBUST ACQUISITION ACTIVITY




*As of 2nd Quarter Earnings Release dated August 4, 2020. Investments in joint ventures are considered at EXR net investment in the joint venture. Excludes investments in preferred equity, bridge loans or net lease assets.

# SOURCES OF ACQUISITIONS

Percentage of Annual Acquisition Investment by Seller Type




*Data based on EXR investment dollar volume.

# ADDITIONAL GROWTH STRATEGIES

## CERTIFICATE OF OCCUPANCY

- Acquire newly developed properties at completion of construction
  - Avoid development, entitlement and construction risk
  - Avoid carrying costs during development
  - Receive a higher stabilized return by accepting the lease-up risk

## REDEVELOPMENT / SITE EXPANSION

- Redevelop existing properties in order to:
  - Provide brand consistency across portfolio
  - Increase revenue by increasing SF and optimizing unit mix
  - Improve retail feel of properties
  - Achieve attractive risk-adjusted yields given existing cost basis and operating familiarity

✓ Enhance NOI at existing properties by increasing net rent per square foot and optimizing unit mix

✓ Maintain balanced average portfolio life through addition of new, purpose-built assets in key markets

✓ Reduce effective age of existing assets through redevelopment in high-rent markets

✓ Improve Extra Space Storage brand consistency throughout portfolio

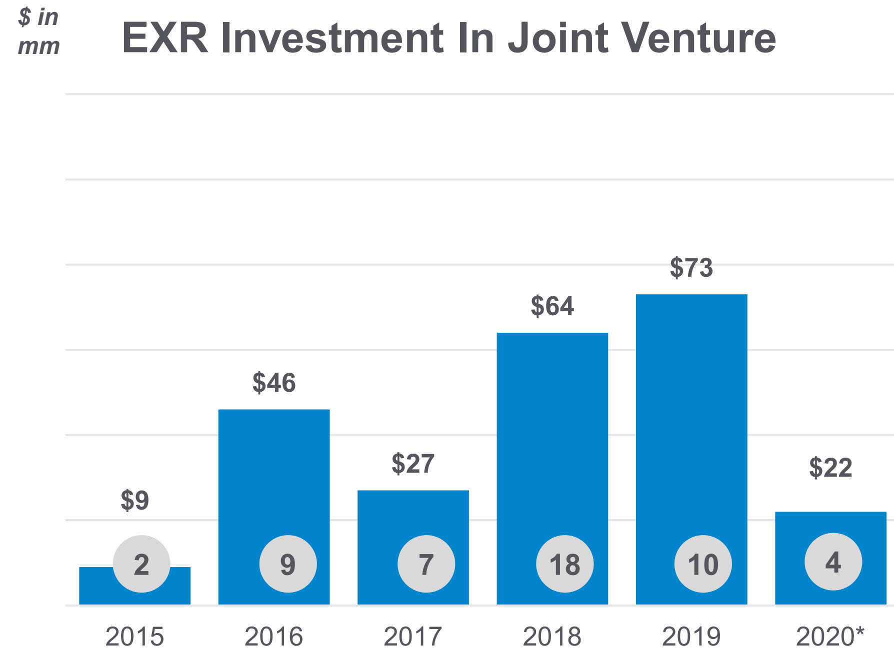
✓ Offer highly amenitized product to maintain strong market share and customer experience

# CERTIFICATE OF OCCUPANCY

## BOSTON, MA

# CERTIFICATE OF OCCUPANCY: WHOLLY-OWNED VS. JV INVESTMENTS

- Primarily held 100% ownership of projects delivered early in the current real estate cycle with early deliveries experiencing very fast lease-up and strong yields
- Currently closing most “C of O” acquisitions in joint venture structures to increase EXR yield and reduce our risk


Number of Stores

*As of 2nd Quarter Earnings Release dated August 4, 2020. Investments in joint ventures are considered at EXR net investment in the joint venture. Excludes investments in preferred equity, bridge loans or net lease assets.

# PROACTIVE SITE REDEVELOPMENT: BEFORE


ATLANTA, GA

# PROACTIVE SITE REDEVELOPMENT: AFTER


ATLANTA, GA

# SITE EXPANSION

**Project Cost: $4.1 million**

**Units Added: 419**

**Expected ROI: 12.2%**


**ST. PETERSBURG, FL**

# BRIDGE LENDING PROGRAM

- Completed projects only (no construction loans)
- All properties to be managed by EXR
- Steady loan submission volume
- Volume of approvals increasing
- Mix of requests on existing and to be delivered projects

## 2020 Year-to-Date Overview

**$52M** Closed

**$170M** Approved to close in 2020-2021

**$100M** Total Balances Outstanding

*As of 2nd Quarter Earnings Release dated August 4, 2020. Does not include $103 million senior mezzanine loan purchase.

Recently Closed
$19,300,000


Hollywood, CA

# QUARTERLY UPDATE

# Q3 2020 TAILWINDS AND HEADWINDS

## Tailwinds/Opportunities

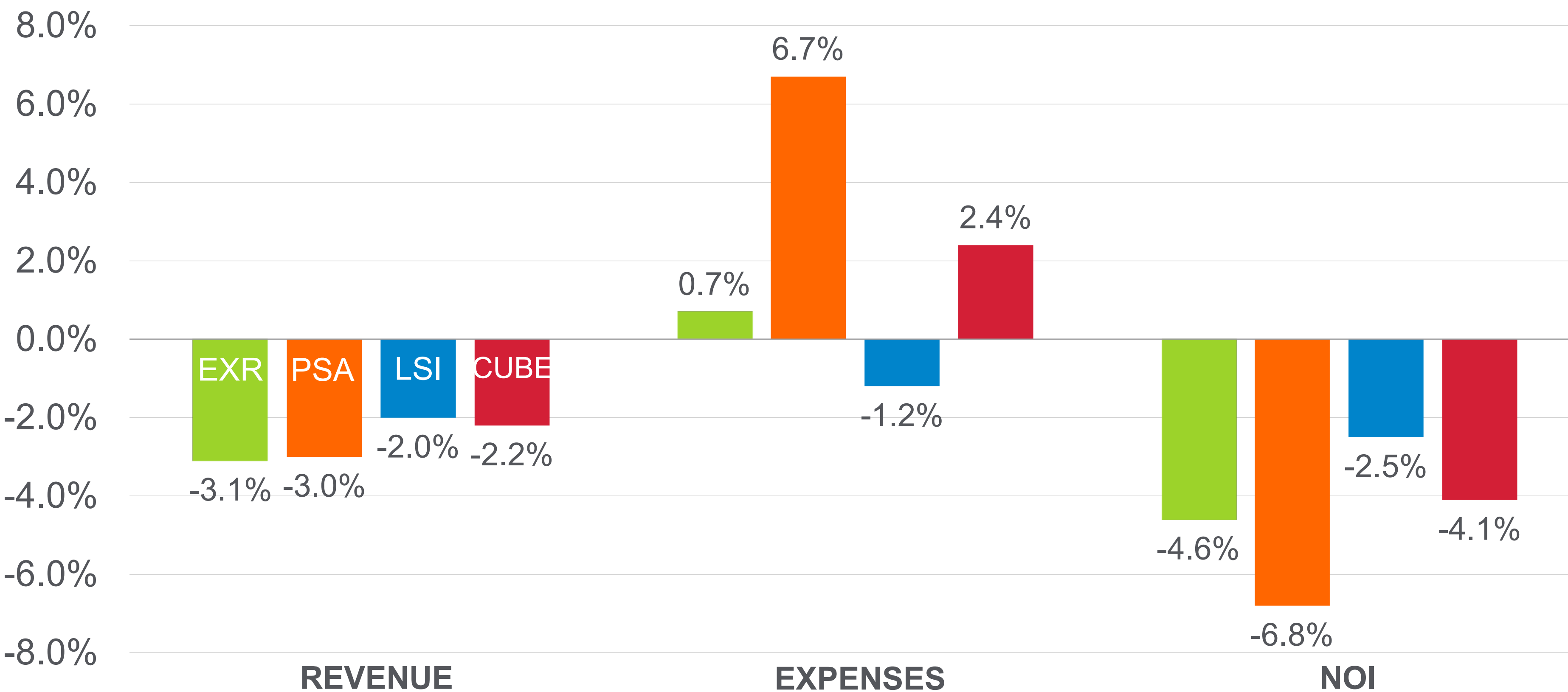
- Strong occupancy of 95.9%
- Q3 achieved rental rates positive QTD
- Collections normalizing
- ECRI resuming in most markets
- Vacates remain muted
- Auction activity resuming in most markets
- Benefiting from lower interest expense & G&A
- Potential increased demand for third-party management due to operating environment

## Headwinds/Risks

- Current occupancy inflated by ~100 basis points due to delayed auctions
- Current rent roll still flat due to lower achieved rents to new customers in Q2
- Continued rate pressure from new supply in many markets
- Vacates may normalize or increase due to ECRI acceptance
- Auctions in significant states not to be completed until late September
- Future uncertainty due to COVID-19, changes in customer behavior and general economic conditions

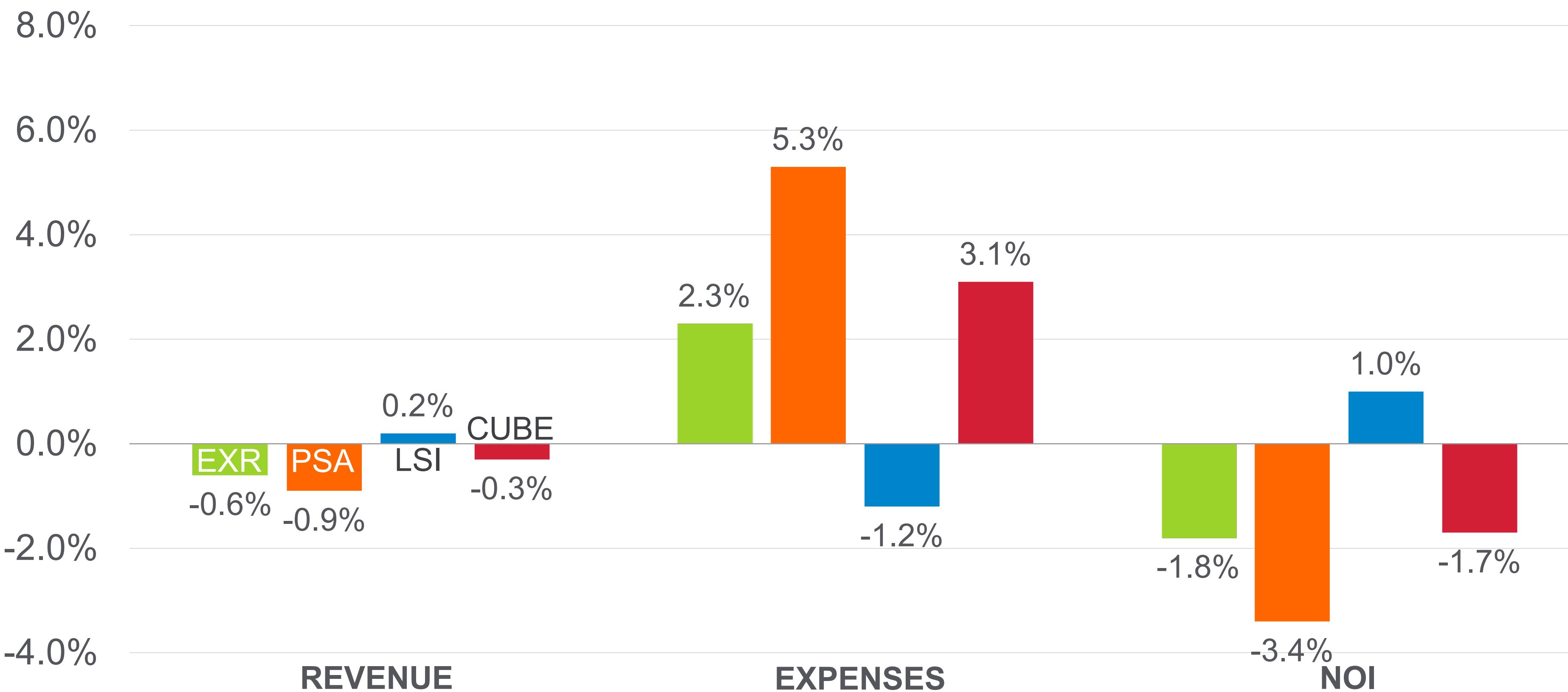
*The Company may have additional risks and uncertainties which are not listed

# 2020 Q2 SAME-STORE PERFORMANCE



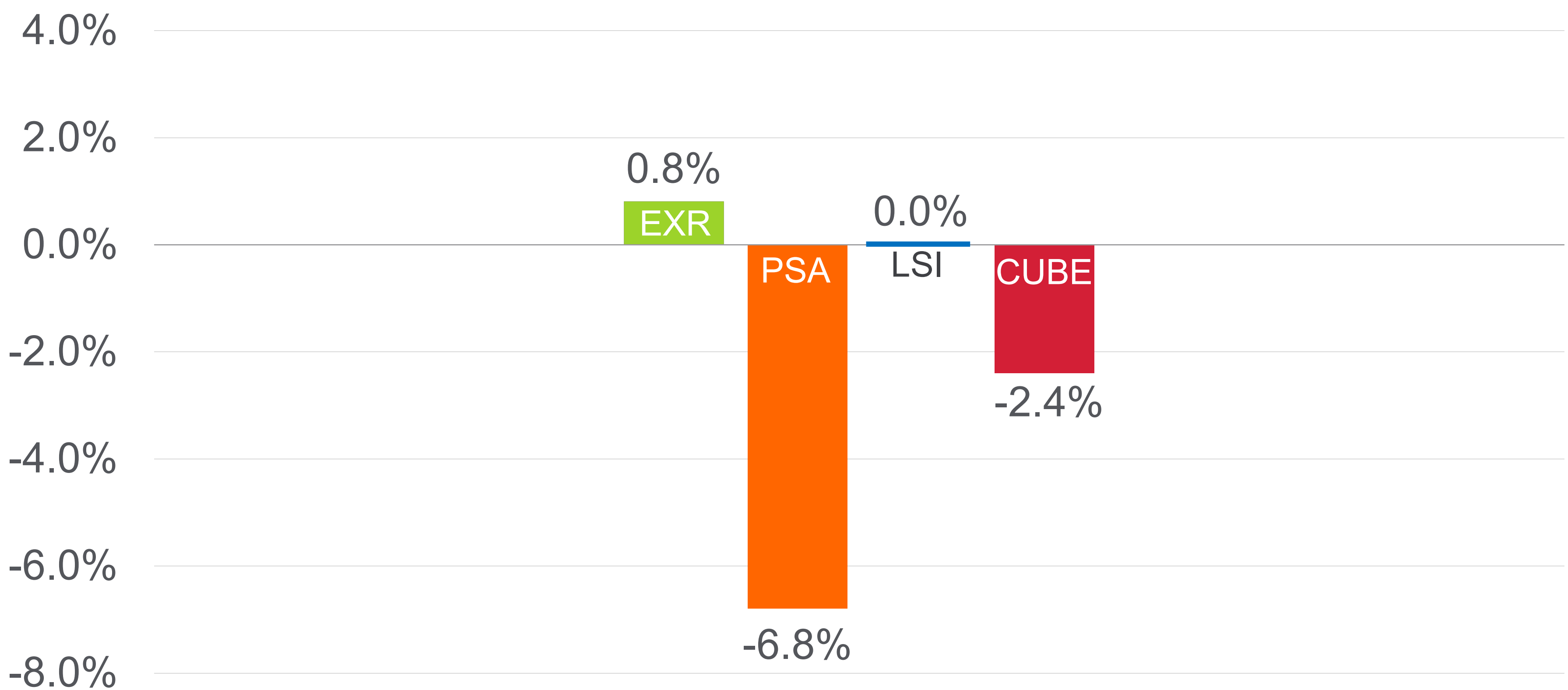

* CUBE results include the benefit from tenant insurance revenue. Data as of June 30, 2020 as reported in public filings.

# 2020 YEAR-TO-DATE SAME-STORE PERFORMANCE



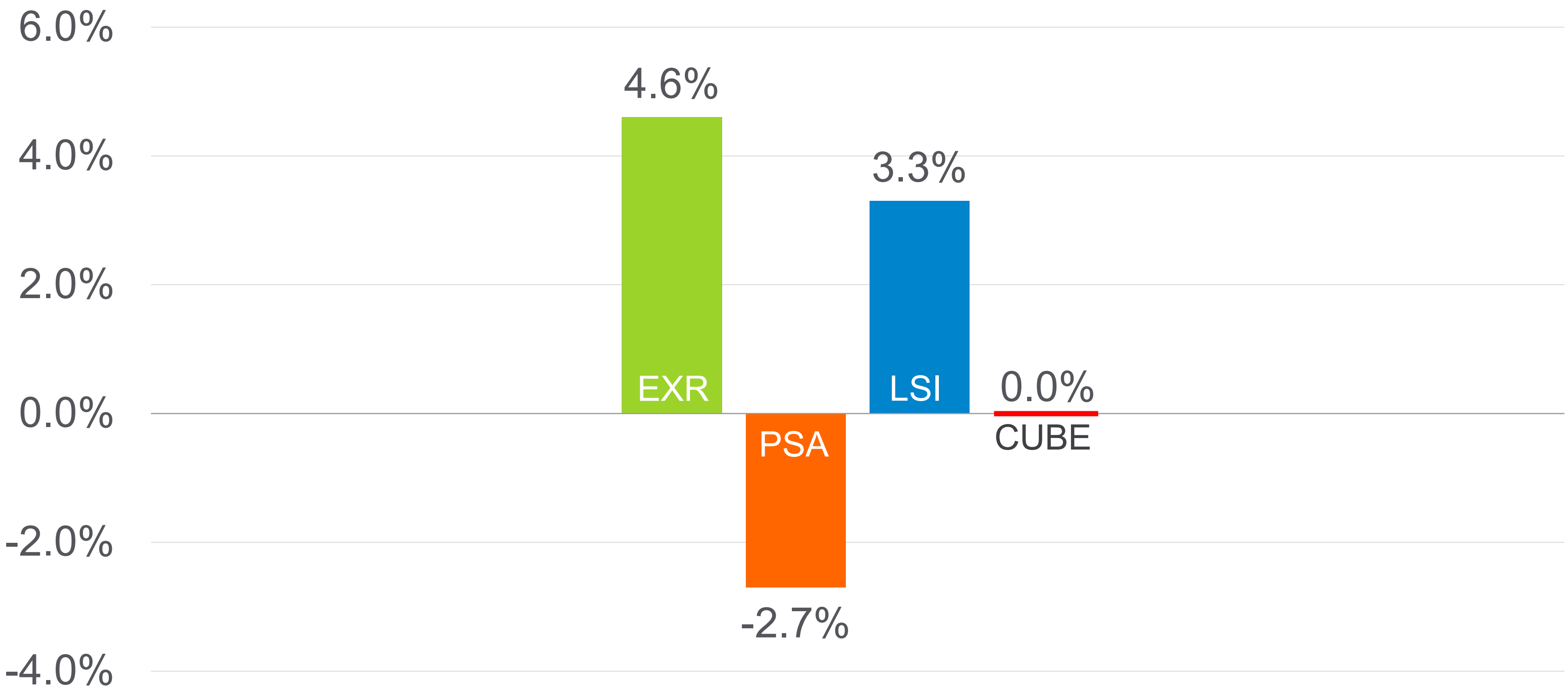

* CUBE results include the benefit from tenant insurance revenue. Data as of June 30, 2020 as reported in public filings.

# 2020 Q2 CORE FFO PER SHARE GROWTH



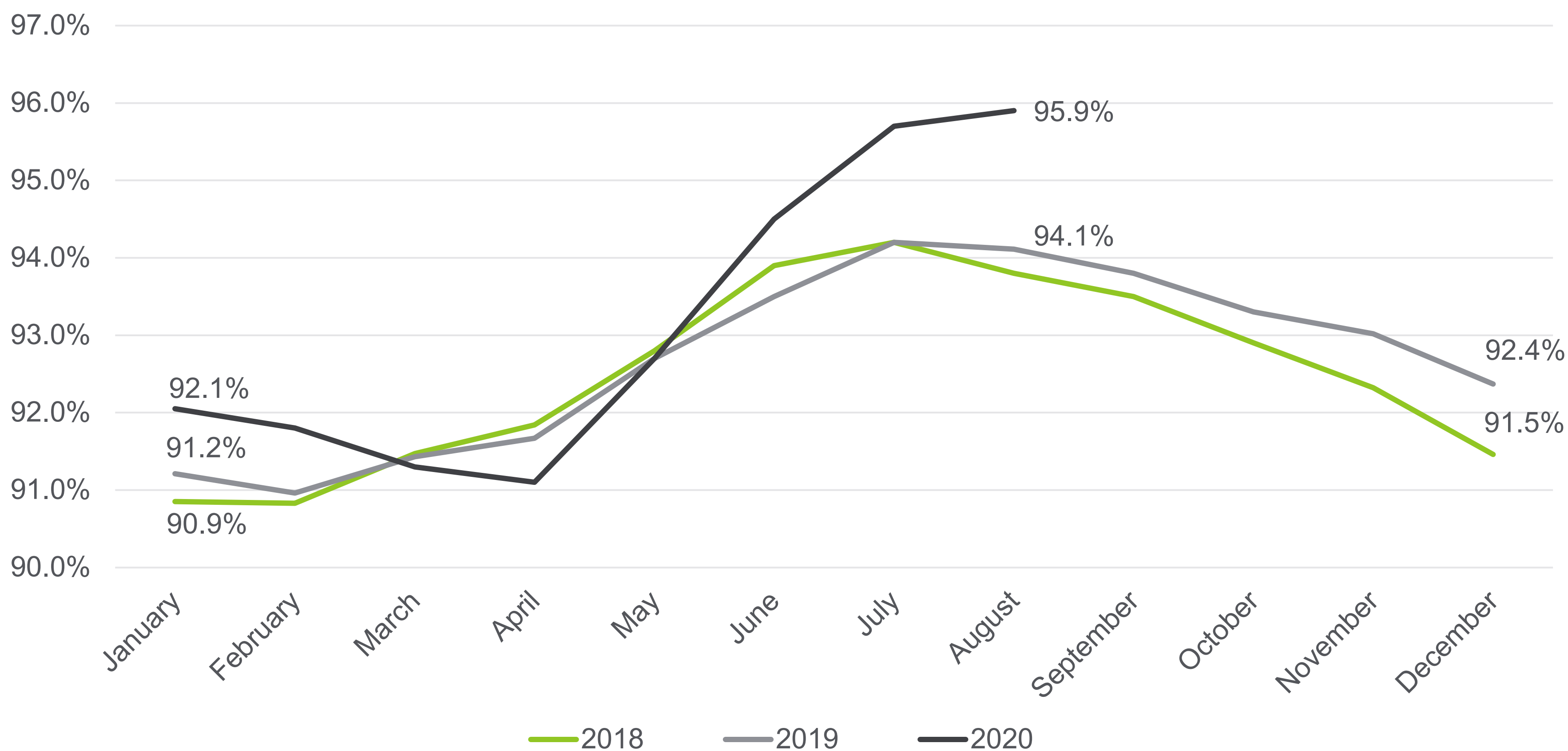

*Data as of June 30, 2020 as reported in public filings.

# 2020 YEAR-TO-DATE CORE FFO PER SHARE GROWTH



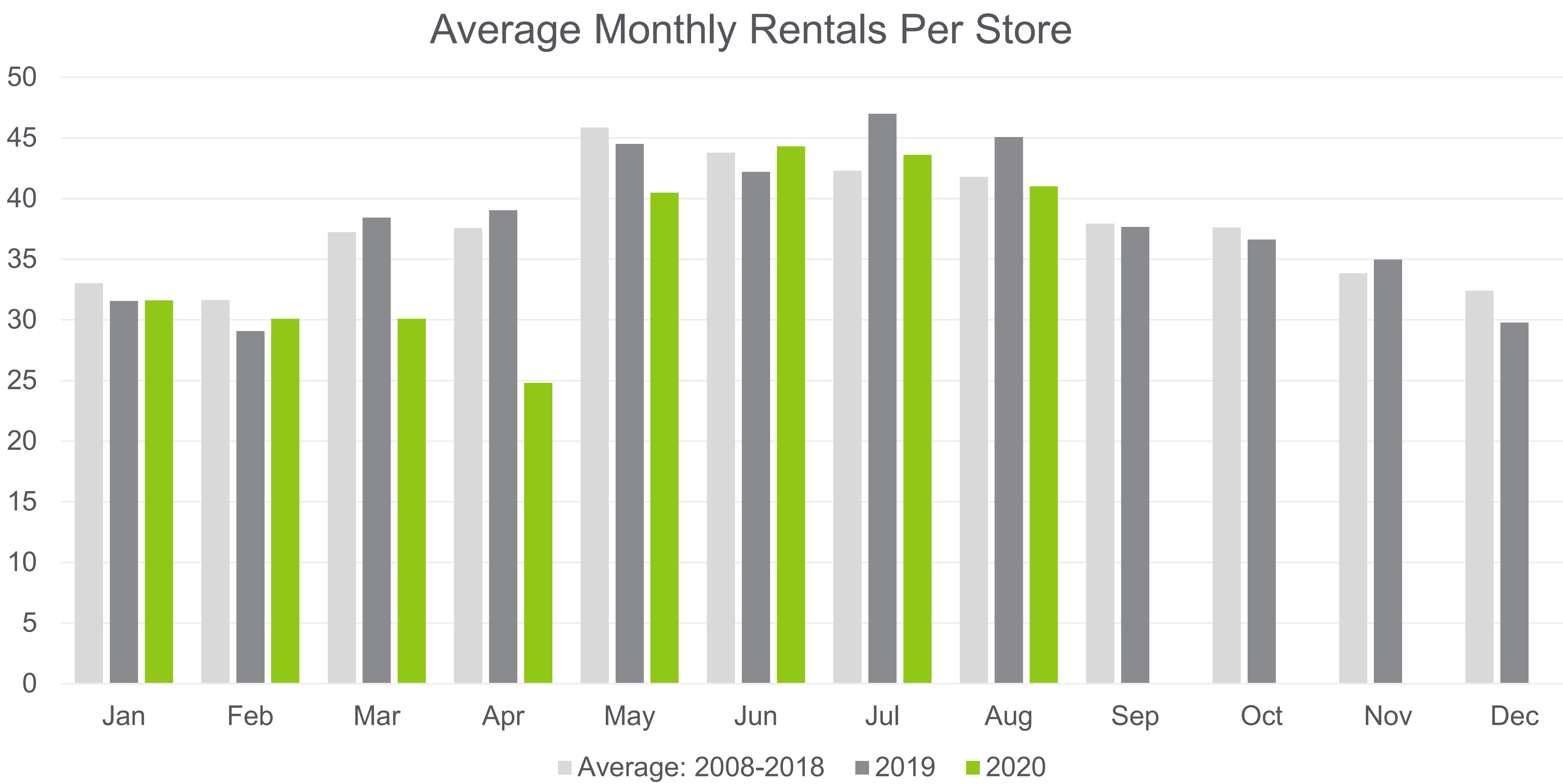

*Data as of June 30, 2020 as reported in public filings.

# OCCUPANCY TRENDS – SAME-STORE POOL



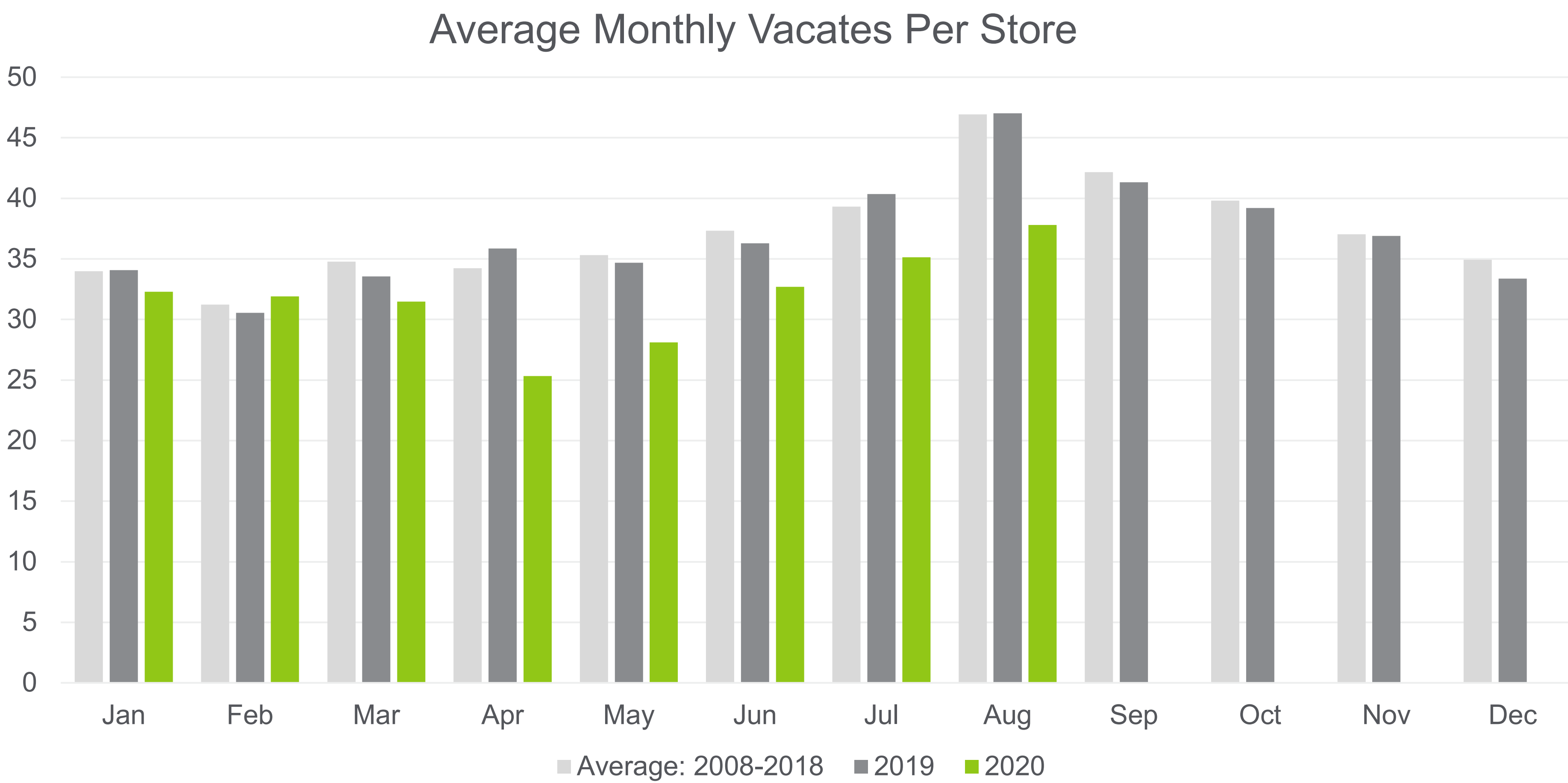

* End of month occupancy for 2020 “Same-store” pool of 863 stores.

# RENTAL ACTIVITY



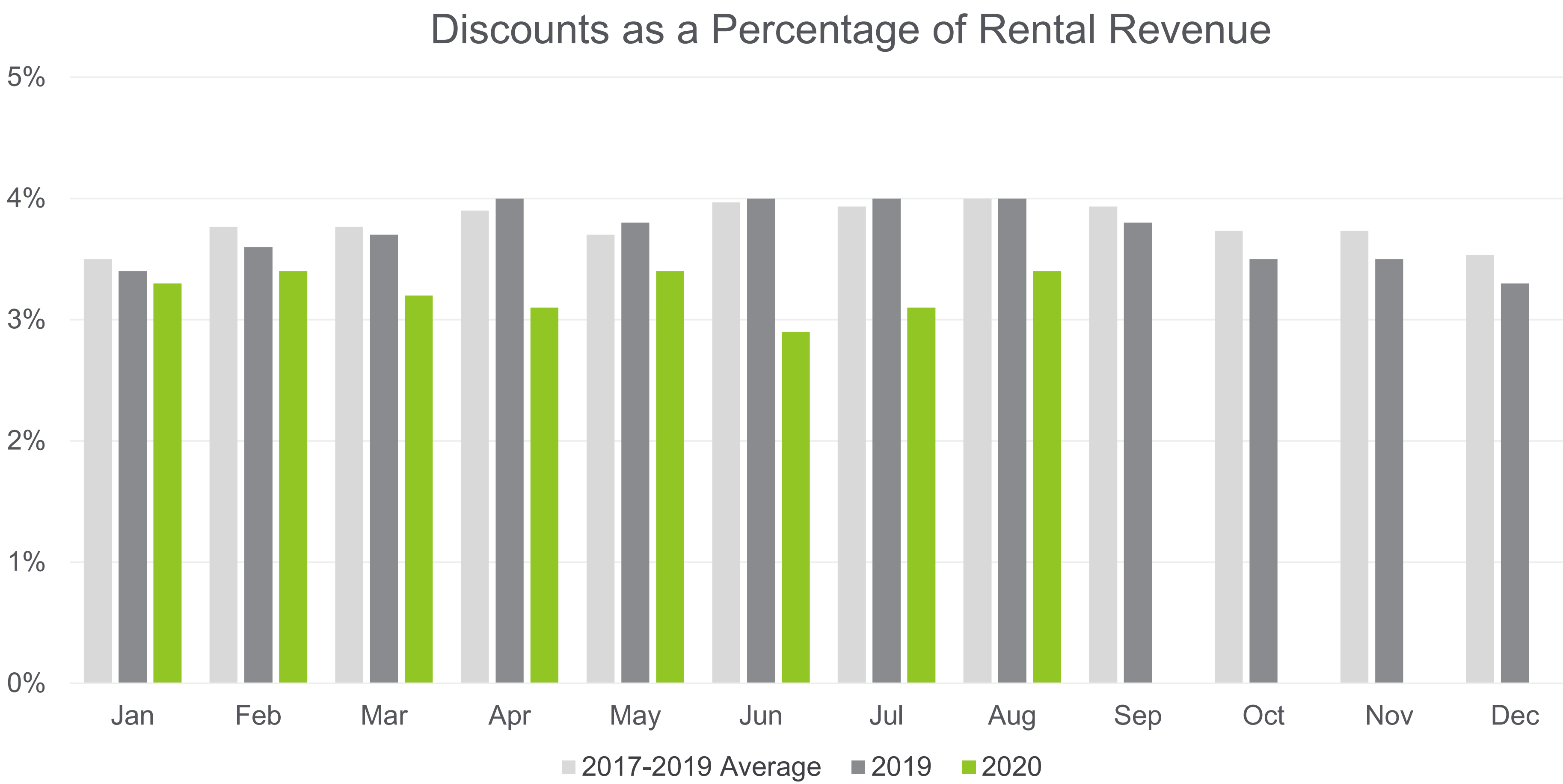

*Data for “Core” pool of 597 stores

# STABLE VACATES




*Data for "Core" pool of 597 stores

# DISCOUNT TRENDS




*Data for “Core” pool of 597 stores.

# APPENDIX

# NON-GAAP FINANCIAL MEASURES

**Definition of FFO:**

FFO provides relevant and meaningful information about the Company's operating performance that is necessary, along with net income and cash flows, for an understanding of the Company's operating results. The Company believes FFO is a meaningful disclosure as a supplement to net income. Net income assumes that the values of real estate assets diminish predictably over time as reflected through depreciation and amortization expenses. The values of real estate assets fluctuate due to market conditions and the Company believes FFO more accurately reflects the value of the Company's real estate assets. FFO is defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") as net income computed in accordance with U.S. generally accepted accounting principles ("GAAP"), excluding gains or losses on sales of operating stores and impairment write downs of depreciable real estate assets, plus depreciation and amortization related to real estate and after adjustments to record unconsolidated partnerships and joint ventures on the same basis. The Company believes that to further understand the Company's performance, FFO should be considered along with the reported net income and cash flows in accordance with GAAP, as presented in the Company's consolidated financial statements. FFO should not be considered a replacement of net income computed in accordance with GAAP.

For informational purposes, the Company also presents Core FFO, which in previous quarters was referred to as FFO as adjusted. There have been no definitional changes between FFO as adjusted and Core FFO. Core FFO excludes revenues and expenses not core to our operations and non-cash interest. Although the Company's calculation of Core FFO differs from NAREIT's definition of FFO and may not be comparable to that of other REITs and real estate companies, the Company believes it provides a meaningful supplemental measure of operating performance.

The Company believes that by excluding revenues and expenses not core to our operations, the costs related to acquiring stores and non-cash interest charges, stockholders and potential investors are presented with an indicator of its operating performance that more closely achieves the objectives of the real estate industry in presenting FFO.

Core FFO by the Company should not be considered a replacement of the NAREIT definition of FFO. The computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and should not be considered as an alternative to net income as an indication of the Company's performance, as an alternative to net cash flow from operating activities as a measure of liquidity, or as an indicator of the Company's ability to make cash distributions.