

The logo for ExtraSpace Storage, featuring the brand name in white text on a green background with a white border.

ExtraSpace[®]
Storage

Company Presentation
June 2018



FORWARD-LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Forward Looking Statements

- Certain information set forth in this presentation contains “forward-looking statements” within the meaning of the federal securities laws. Please refer to the Appendix for information on how to identify these statement as well as risks and uncertainties that could cause our actual results to differ materially from those expressed or implied by the forward looking statements.

Use of Non-GAAP Financial Measures and other Definitions

- This presentation contains certain non-GAAP financial measures within the meaning of Regulation G and other terms that have particular definitions when used by us. The definitions of these non-GAAP financial measures and other terms may differ from those used by other REITs and, accordingly, may not be comparable. The definitions of these terms, the reasons for their use, and reconciliations to the most directly comparable GAAP measures are either included in the Appendix hereto or in our Supplemental Operating and Financial Data report for the quarter ended March 31, 2018.

QUICK FACTS AS OF MARCH 31, 2018

**\$11.8
Billion**
Market Cap

708%
10-year Total
Shareholder Return

1,523
Properties

**115
Million**
Square feet

92.1%
Same-store Occupancy

5.8%
YOY Core FFO
Growth Per Share

**\$1.2
Billion**
Annual Revenue

5.2%
YOY Same-Store
Revenue Growth

S&P 500

\$4.5 Billion
in acquisitions over
past 5 years

1977
Founded

2004
IPO – NYSE “EXR”

244%
5-year Dividend
Increase

TIME LINE – EXTRA SPACE STORAGE INC. (EXR)

1977

Founded by Ken Woolley

1998

Recapitalized through JV with Prudential Real Estate Investors (PREI)

2004

Completed Initial Public Offering (NYSE)

2005

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

2008

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

2015

Acquired SmartStop Self Storage (122 owned & 43 managed stores)

2016

Added to the S&P 500

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



Joe Margolis – CEO
13 years*



Scott Stubbs – CFO
17 years



Gwyn McNeal – CLO
13 years



Samrat Sondhi – COO
15 years



James Overturf – CMO
19 years

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

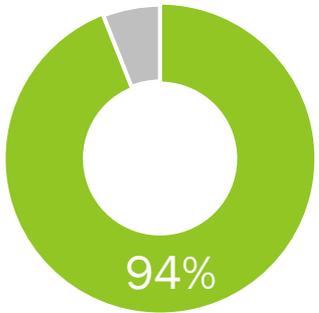
FOCUS ON PEOPLE

glassdoor®

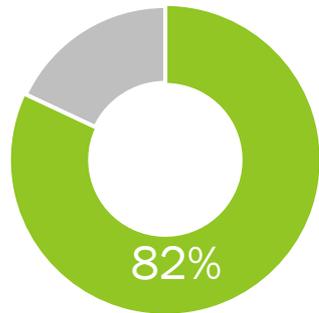
2018 BEST PLACES TO WORK

EMPLOYEES' CHOICE

Awarded to Top 100 Companies Out of 700,000+



Approve of the CEO

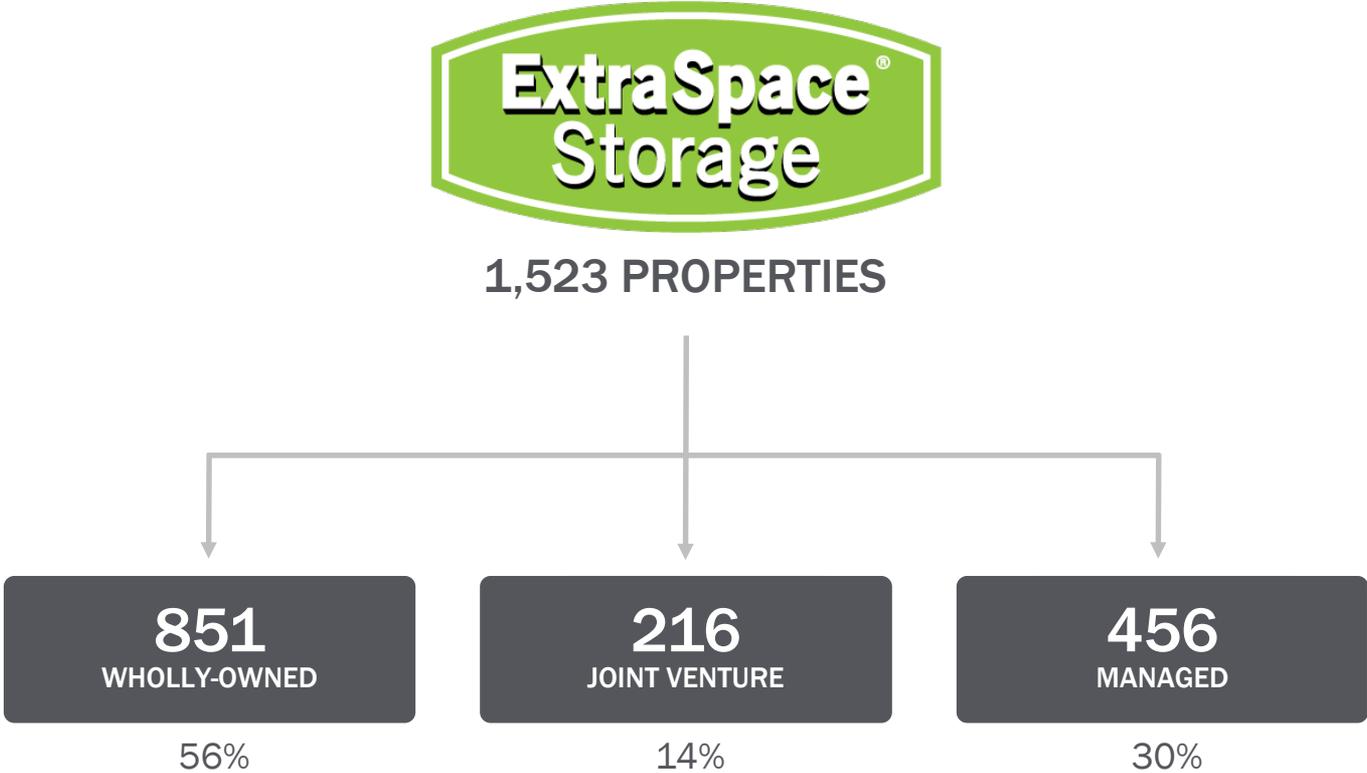


Would refer a friend to work at EXR



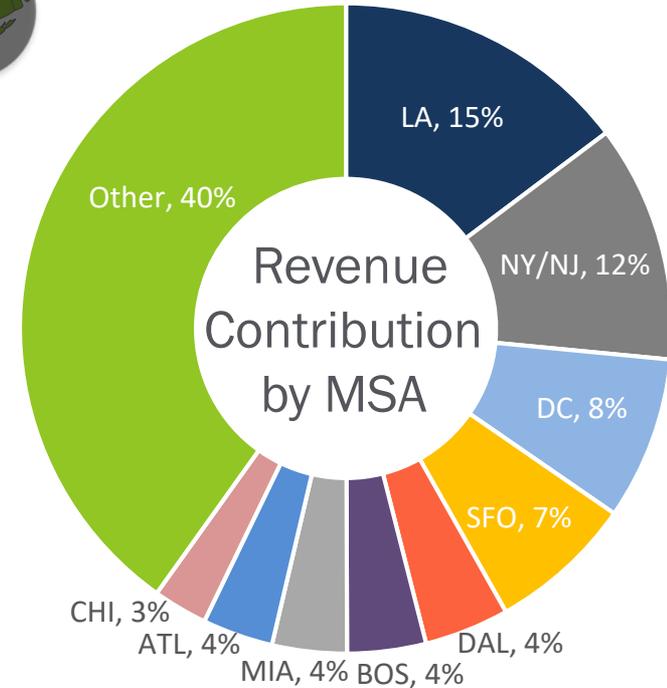
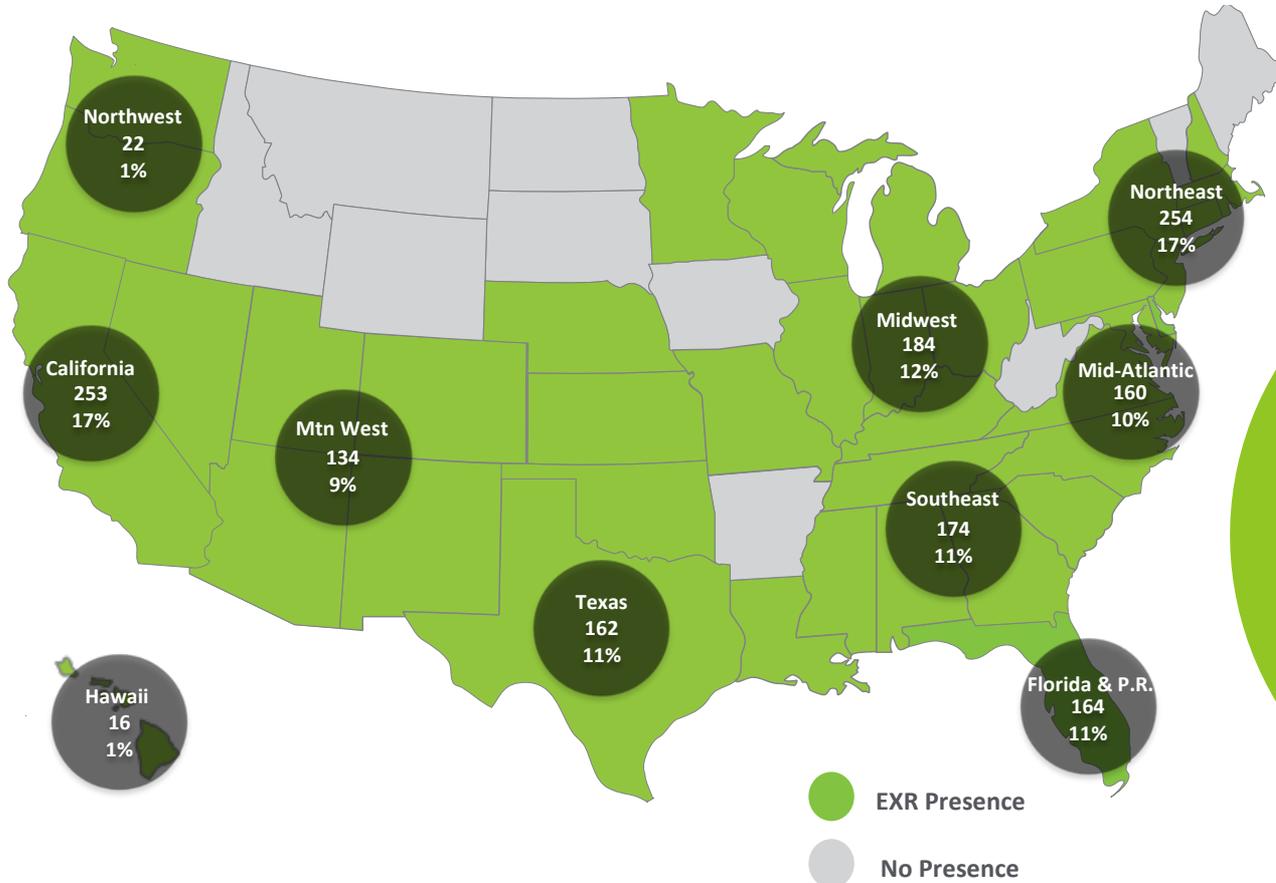
4.2/5 Overall Rating

EFFICIENT OWNERSHIP STRUCTURE



*As of March 31, 2018

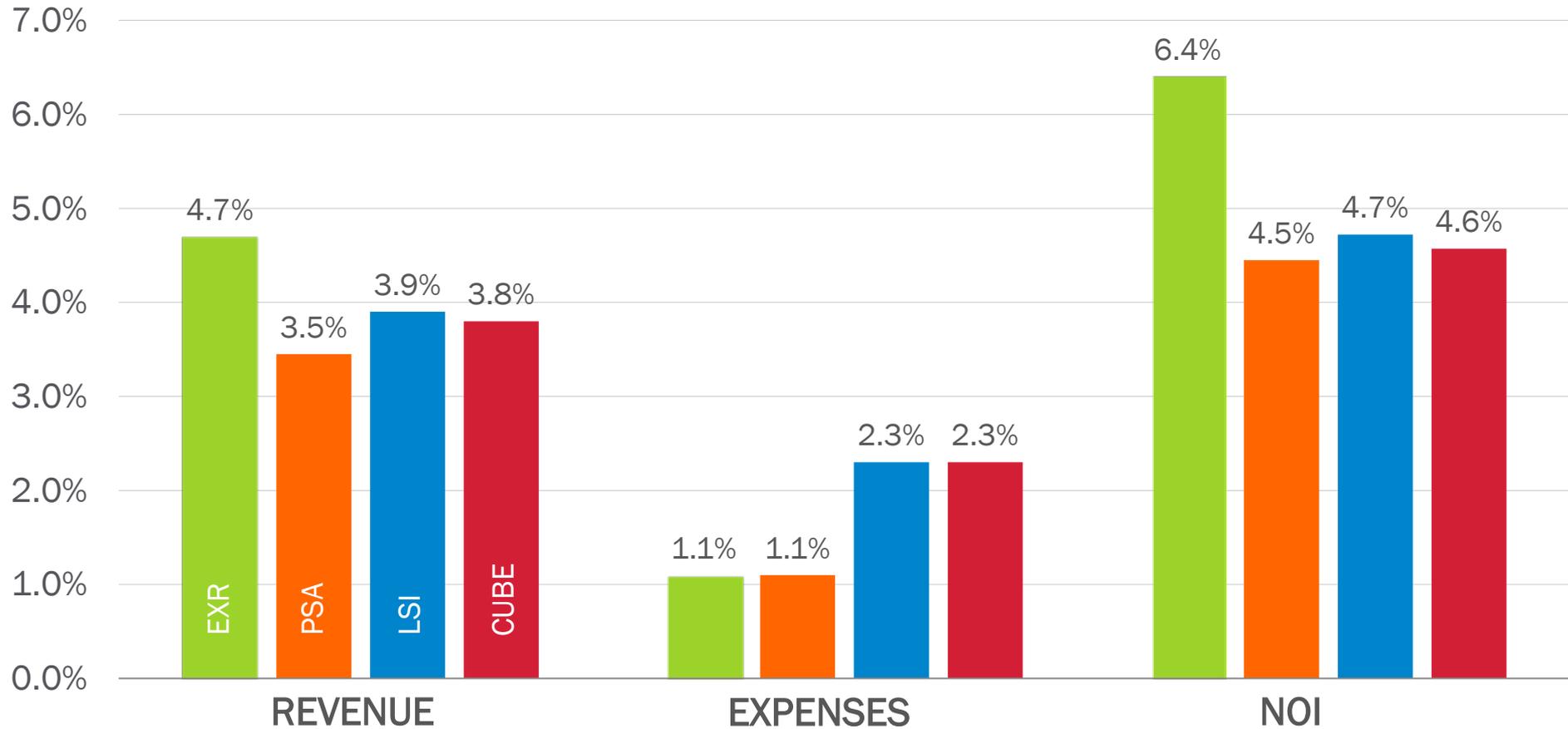
DIVERSIFICATION AND SCALE



*As of March 31, 2018

BEST IN-CLASS OPERATOR

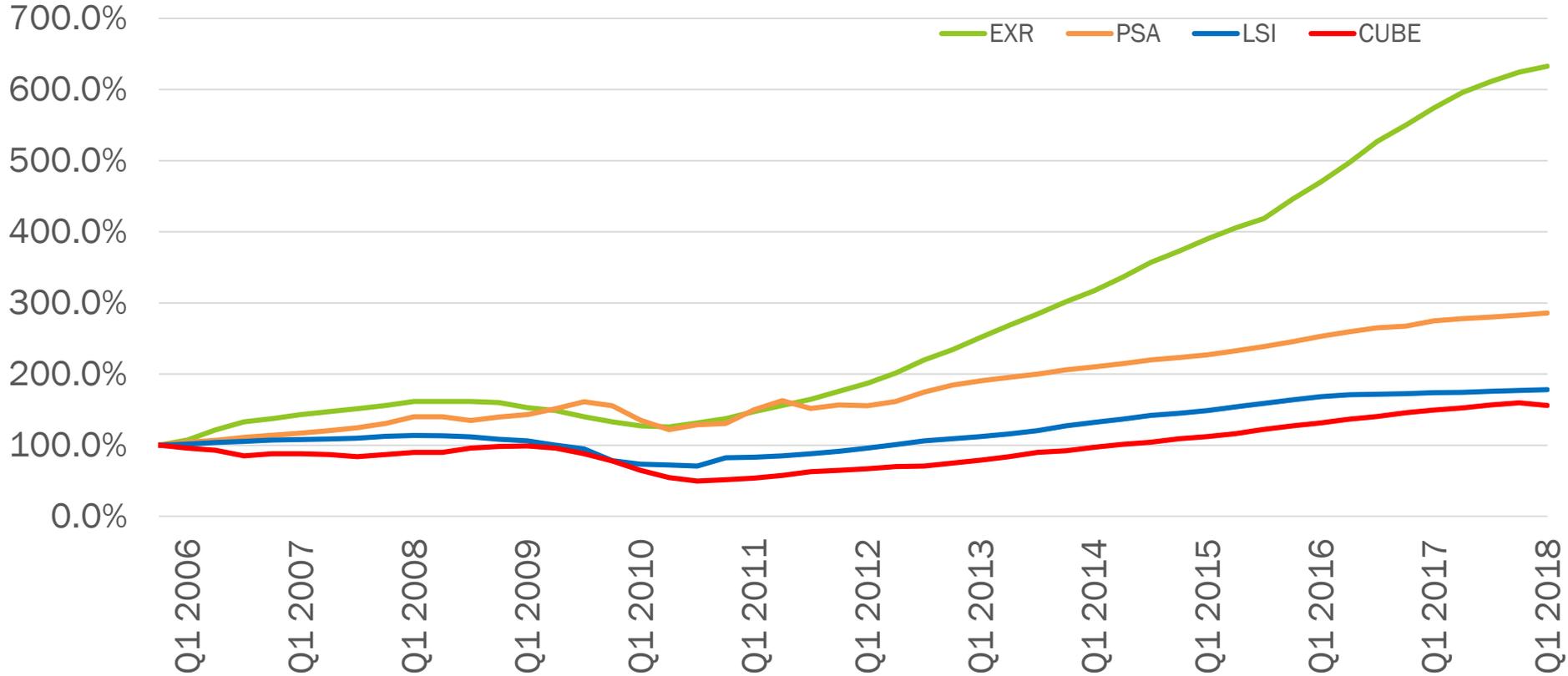
49 Quarters of Average Same-Store Outperformance



*EXR and PSA results exclude tenant reinsurance revenues and expenses, and LSI and CUBE results include the benefit from tenant insurance revenue. Data as of March 31, 2018 as reported in public filings.

SECTOR-LEADING CORE FFO GROWTH

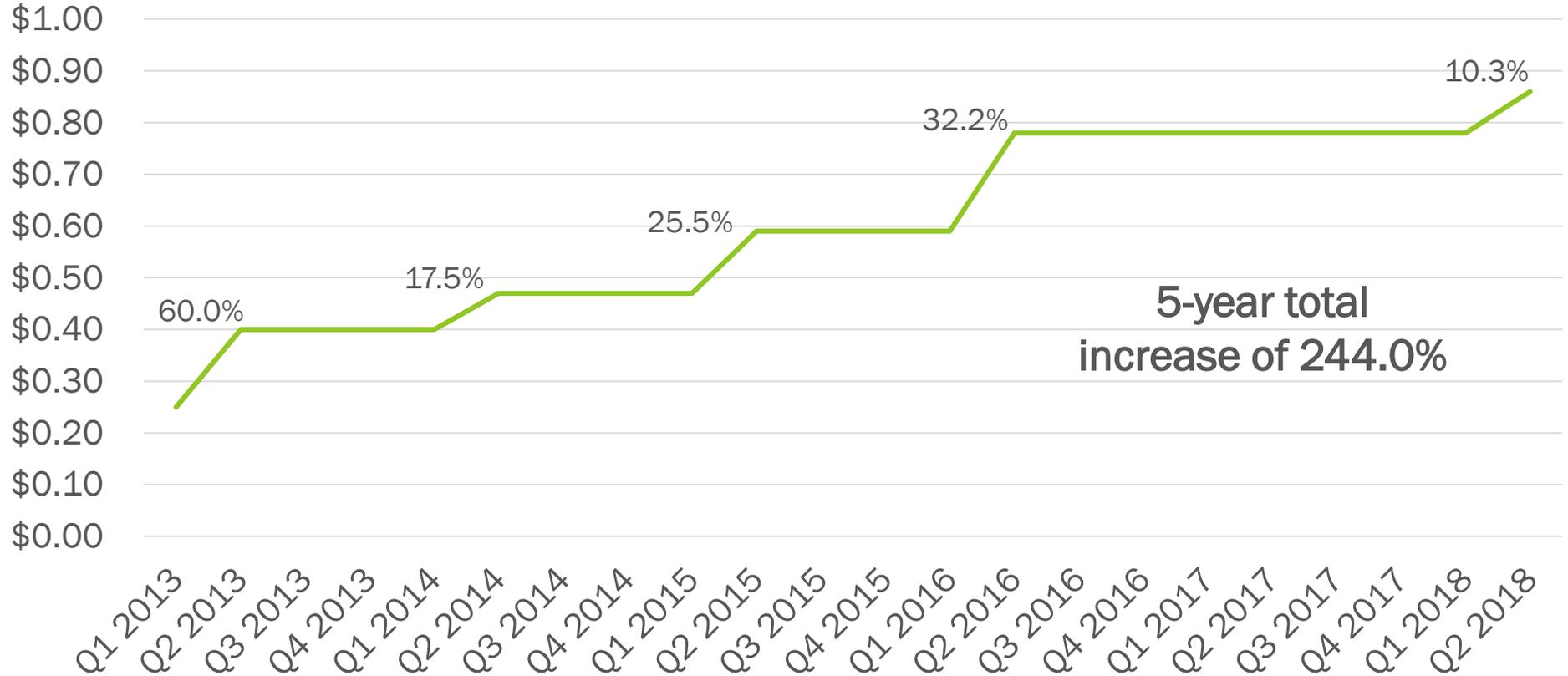
Core FFO Per Share Growth - Normalized



*Data as of March 31, 2018 as reported in public filings

SIGNIFICANT DIVIDEND GROWTH

Quarterly Dividend Per Share



*As reported in public filings

BEST-IN-CLASS STOCK PERFORMANCE

10-Year Total Return

Storage Sector

1. Extra Space Storage (EXR)	707.9%
2. CubeSmart (CUBE)	247.2%
3. Public Storage (PSA)	217.2%
4. Life Storage (LSI)	214.5%

All Public REITS

1. Sun Communities (SUI)	839.0%
2. Extra Space Storage (EXR)	707.9%
3. Equinix - REIT (EQIX)	627.7%
4. SBA Communications (SBAC)	467.8%
5. Digital Realty Trust (DLR)	357.9%

SOLID BALANCE SHEET

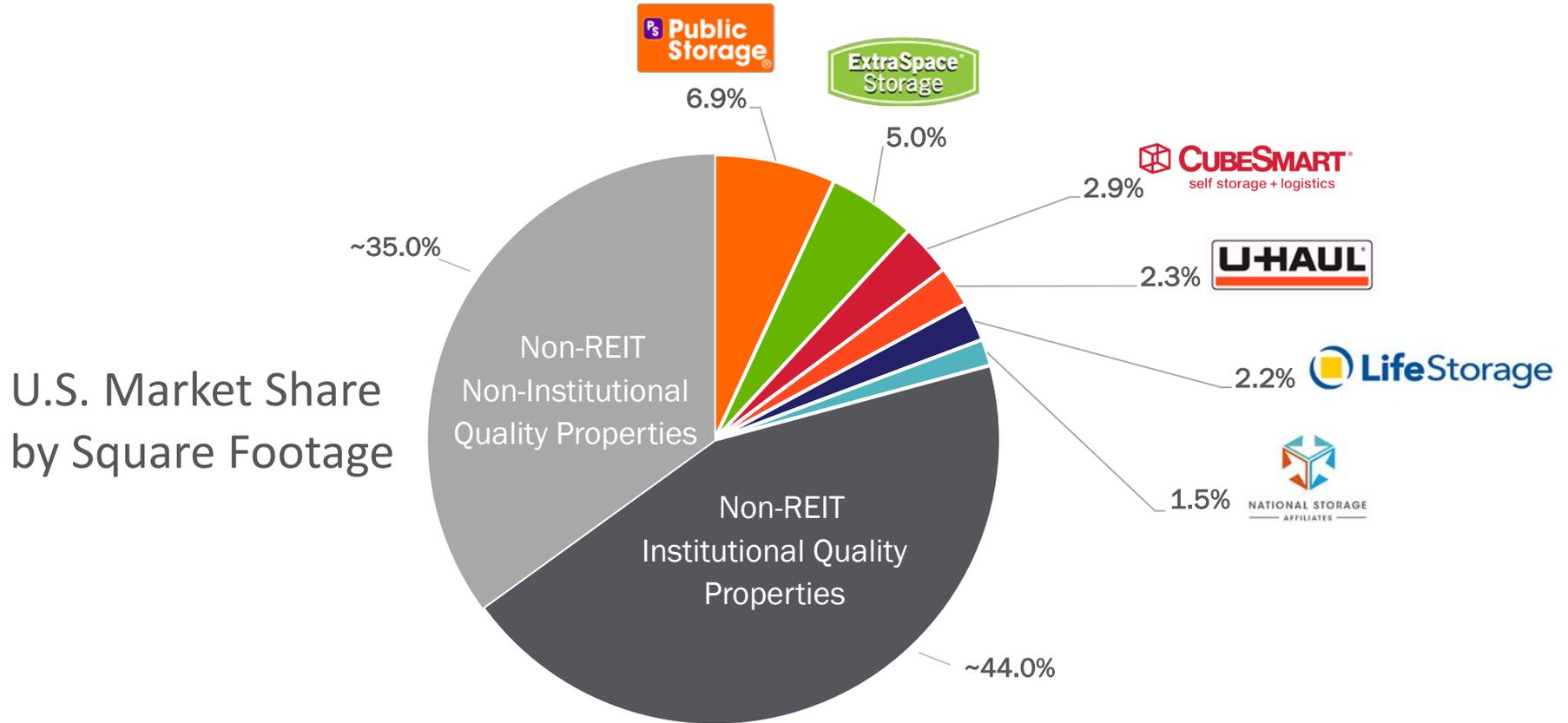
	<u>03/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Interest Coverage Ratio:	4.68	4.95	5.34	6.29	5.25
Fixed Charge Ratio:	3.57	3.68	3.75	4.41	3.69
Net Debt/EBITDA:	5.90	5.79	6.06	5.85	5.46
Fixed Debt %:	74.4%	74.7%	70.0%	68.6%	64.5%
Weighted Ave. Interest Rate:	3.4%	3.3%	3.0%	3.1%	3.4%
Average Maturity:	4.5 years	4.7 years	4.7 years	4.9 years	4.6 years
Total Revolving Capacity:	\$600 million	\$600 million	\$600 million	\$360 million	\$265 million
ATM Capacity:	\$349 million	\$349 million	\$349 million	\$369 million	N/A

*EBITDA is reported quarter annualized.

INDUSTRY TRENDS

- 
- Near peak occupancy levels
 - New supply in certain MSA's
 - Positive revenue growth
 - Growing per capita usage of storage
 - Ownership and management consolidation
 - Technology advantage of REITs

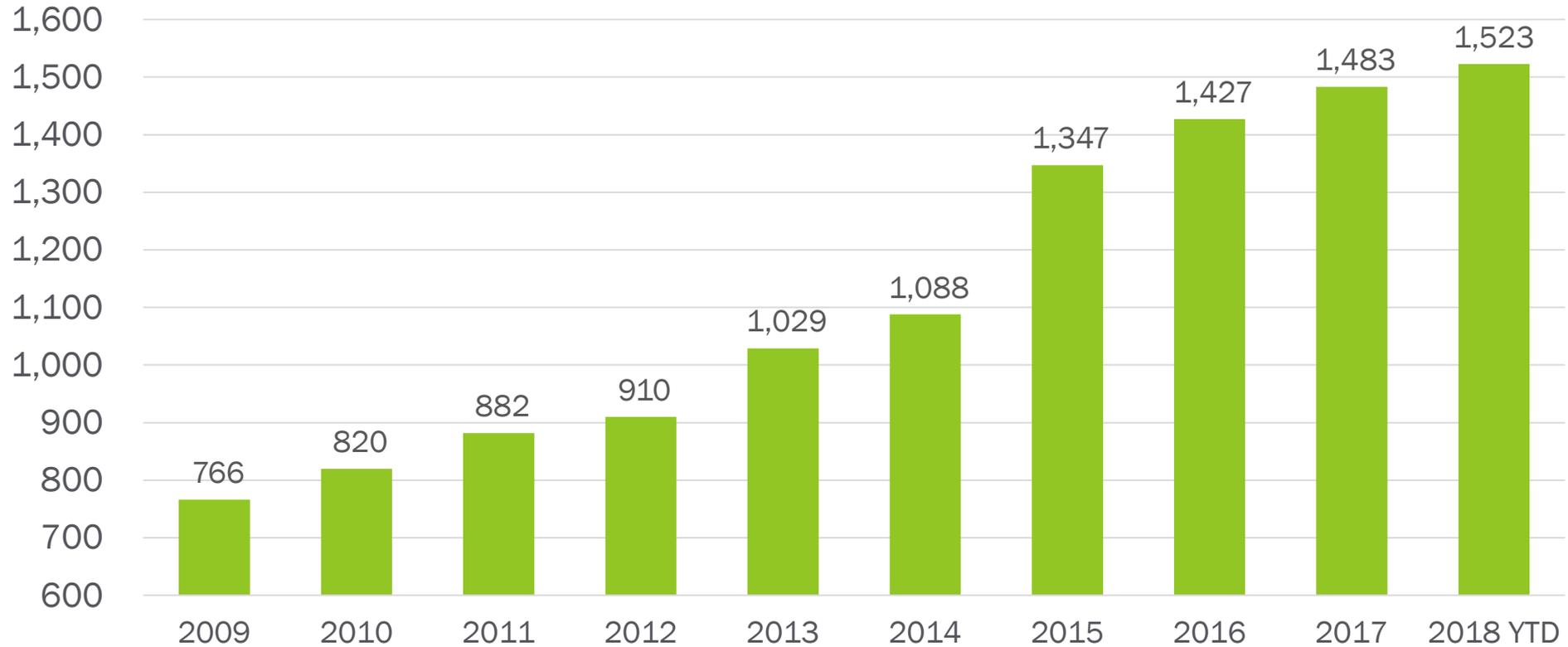
OPPORTUNITY FOR CONSOLIDATION



*REIT data from public filings as of March 31, 2018. U-Haul and total U.S. storage square footage per the 2018 Self-Storage Almanac.

CONSISTENT GROWTH

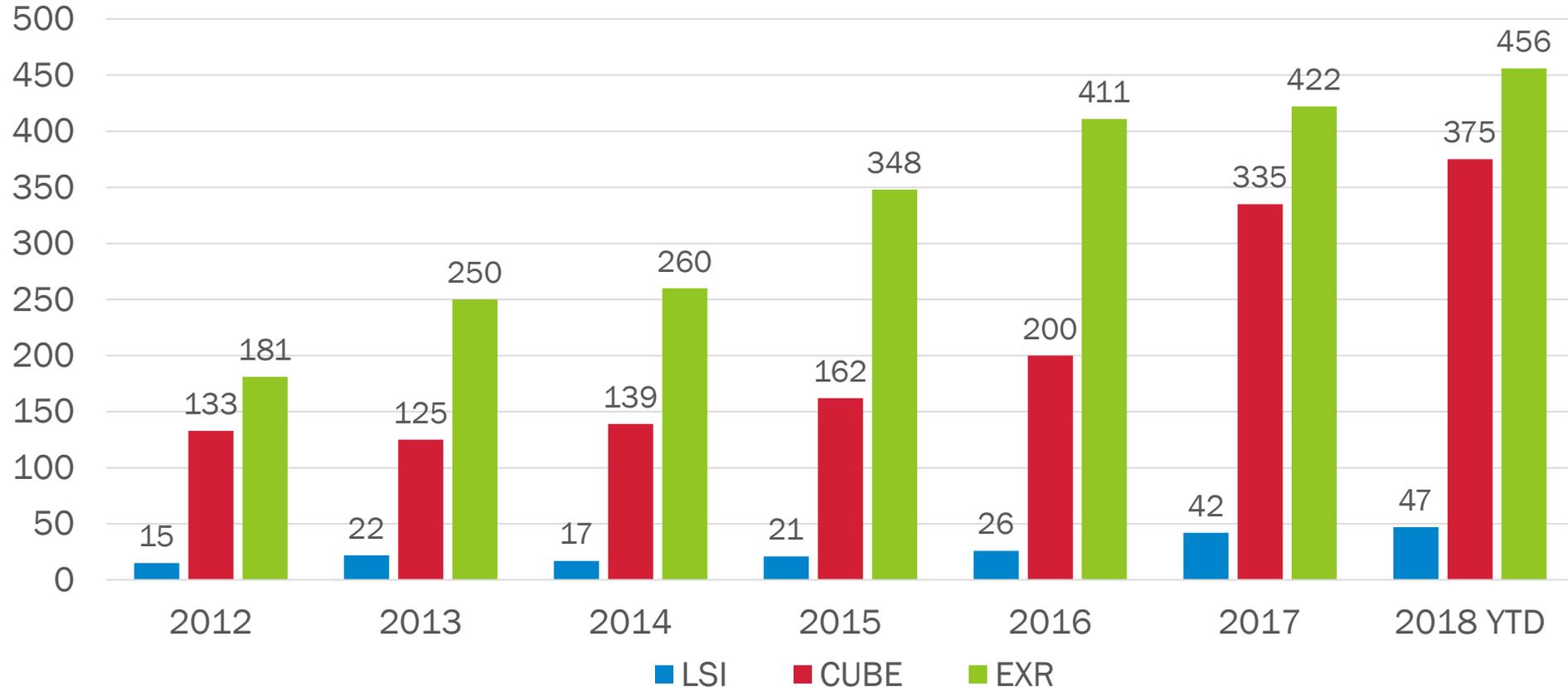
Extra Space Storage Branded Stores



*Data as of March 31, 2018 as reported in public filings

THIRD-PARTY MANAGEMENT GROWTH

Total Stores Managed for Third-Party Owners



*Data as of March 31, 2018 as reported in public filings.

THIRD-PARTY MANAGEMENT QUICK FACTS



“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*

456 Third-Party Managed Stores

- 456 third party locations plus 216 in joint ventures
- All properties branded Extra Space Storage
- Nation’s largest third-party management platform

Customer Satisfaction

- Voted Best Third-Party Management 6 years in a row by ISS
- REIT, JV and Managed stores all on the same platform
- 98% partner satisfaction rating – Hulbert Consulting Group, June 2017

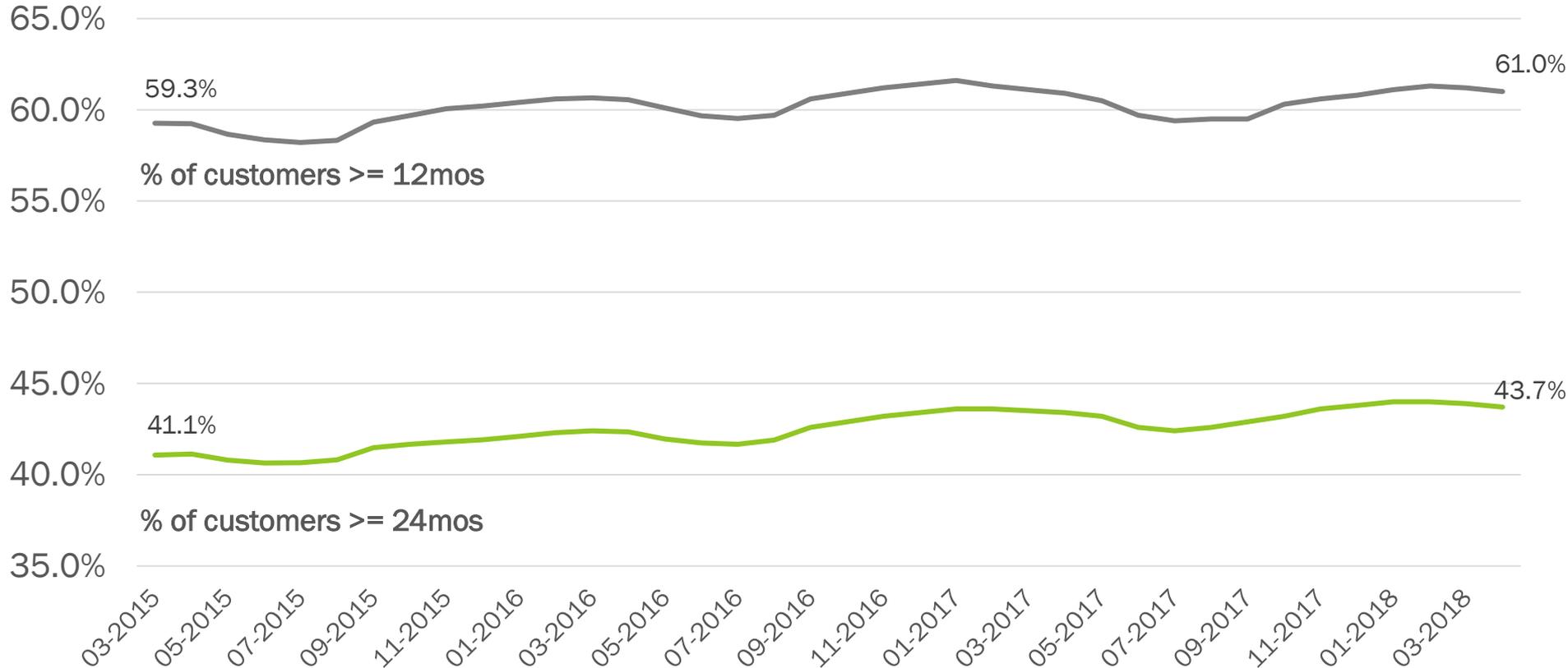
On-boarding Expertise

- Added 156 stores in 2017 (1 every 1.6 business days)
- Added 610 stores over the last 10 years

Partner Diversification

- 156 separate ownership groups
- 62% of stores are owned by partners with ≤ 9 properties
- 35-40% of 2018 additions will be with new partners

INCREASING LENGTH OF STAY



*Data measured for in-place customers mid-month to reduce volatility. 599 "Core" stores.

TECHNOLOGY ADVANTAGE

HOW SMALL
OPERATORS DO IT

HOW EXTRA SPACE
STORAGE DOES IT

**CUSTOMER
ACQUISITION**



SEARCH
ENGINES



CALL
CENTER



PAY-PER-
CLICK



SOCIAL

PRICING



ALGORITHMIC PROPRIETARY
REVENUE MANAGEMENT

**DECISION
MAKING**



ANALYTICS



DATA



OPTIMIZATION

TECHNOLOGY AND DATA QUICK FACTS

39
Million

annual website
views

970,000

calls to call
center

3rd Gen

revenue
management system

17

digital marketing
employees

\$25
million+

in digital
marketing spend

Millions

of key words bid
daily

10
Million

website visitors

Over
900,000

customers

Google

advisory board
member

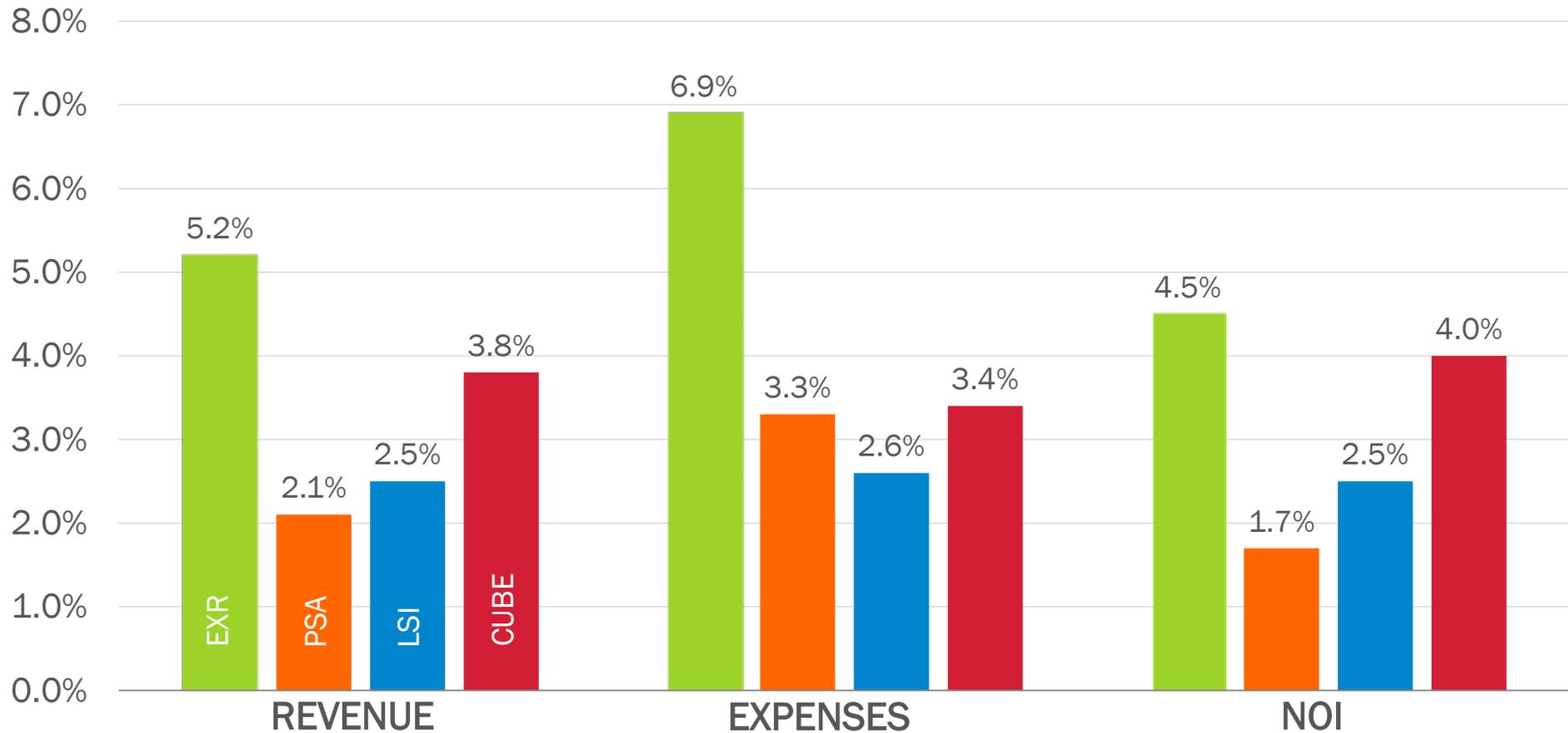
10

data scientists
and pricing
analysts



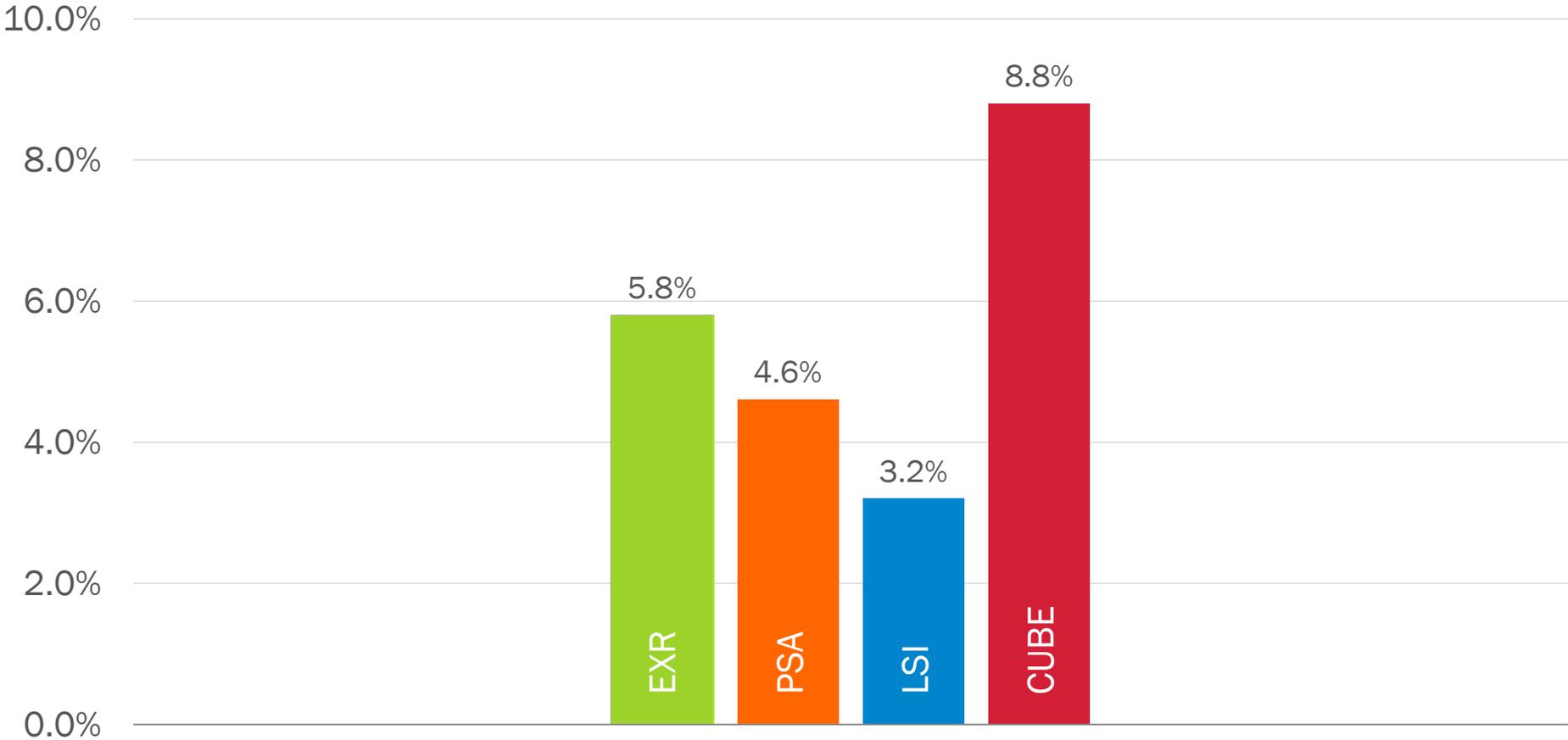
Quarterly Update

2018 Q1 SAME-STORE PERFORMANCE*



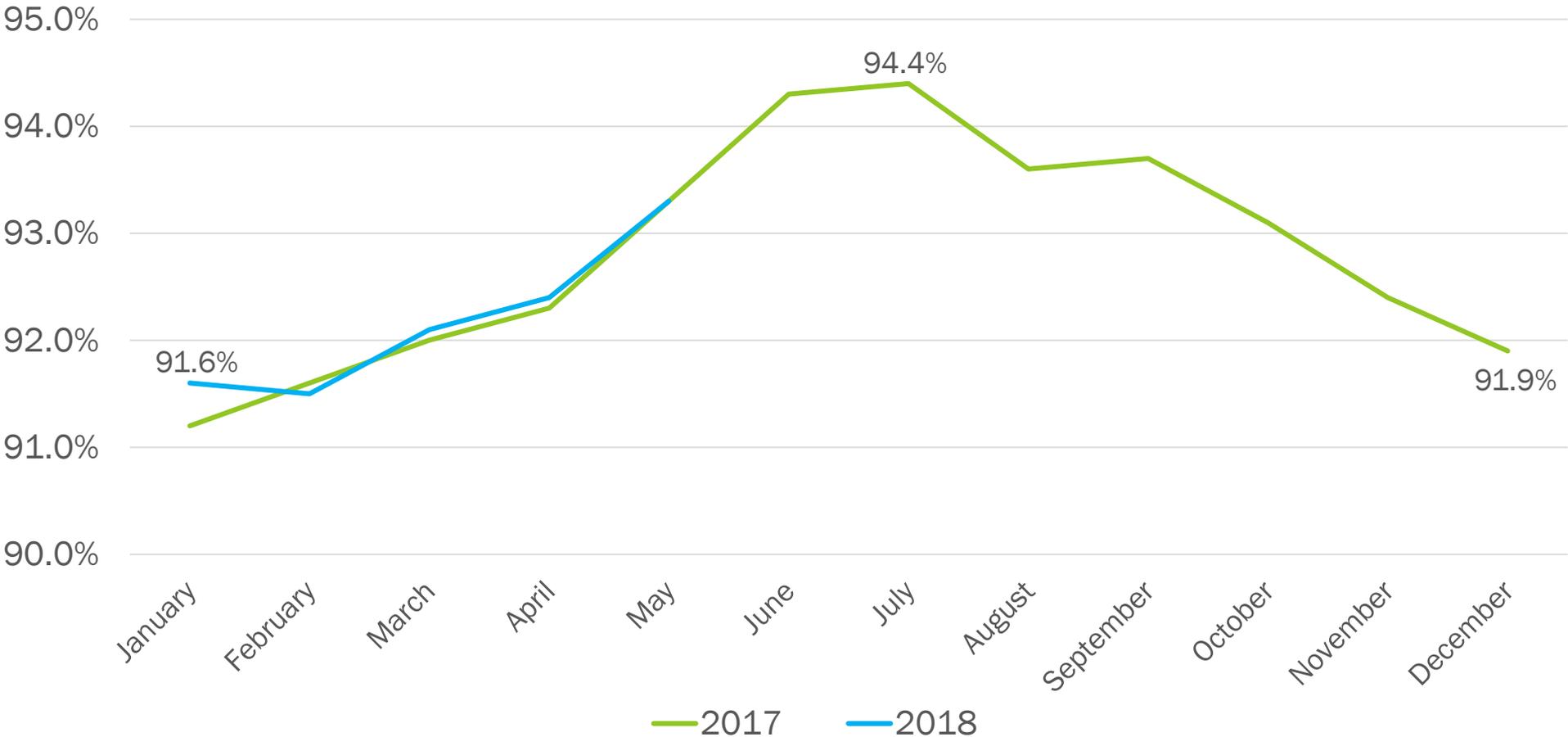
*EXR and PSA results exclude tenant reinsurance revenues and expenses, and LSI and CUBE include the benefit from tenant insurance revenue. Data as of March 31, 2018 as reported in public filings.

2018 Q1 CORE FFO PER SHARE GROWTH



*Data as of March 31, 2018 as reported in public filings.

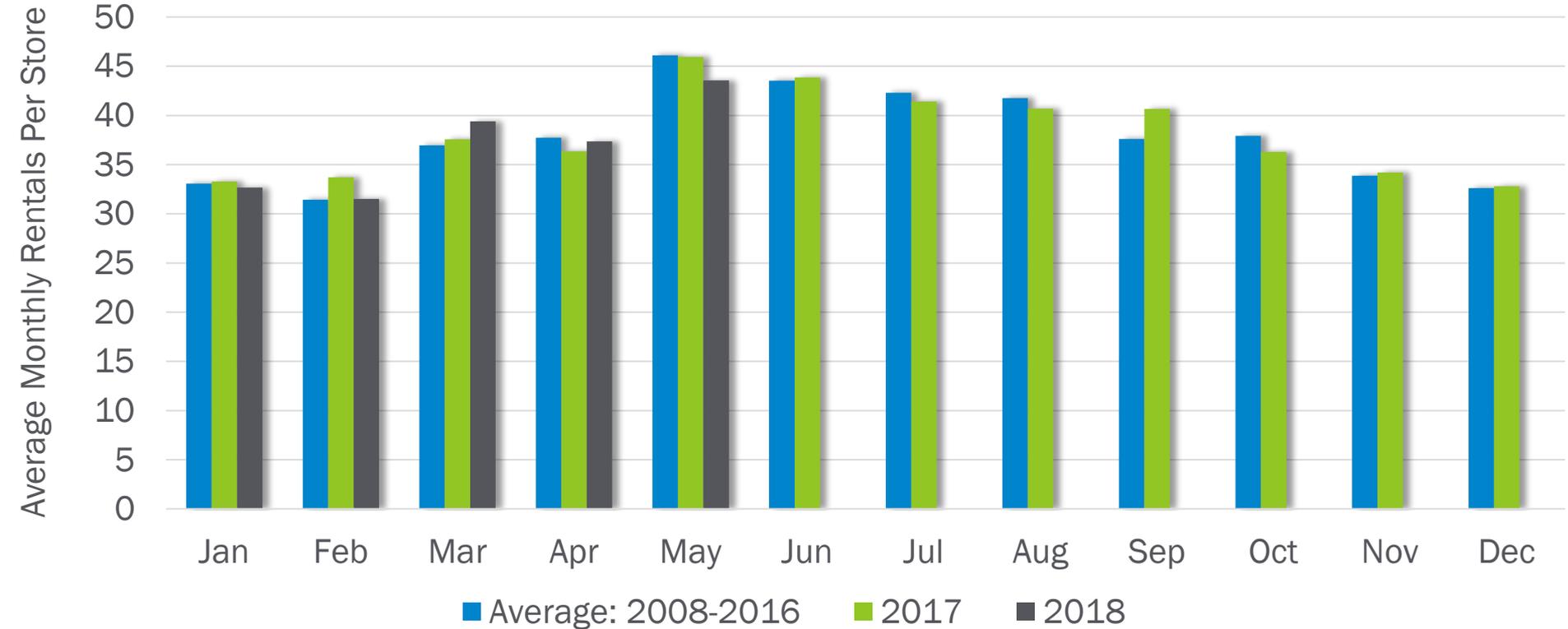
OCCUPANCY TRENDS – SAME-STORE POOL



*Data for "Same-store" pool of 787 stores

STRONG RENTAL ACTIVITY

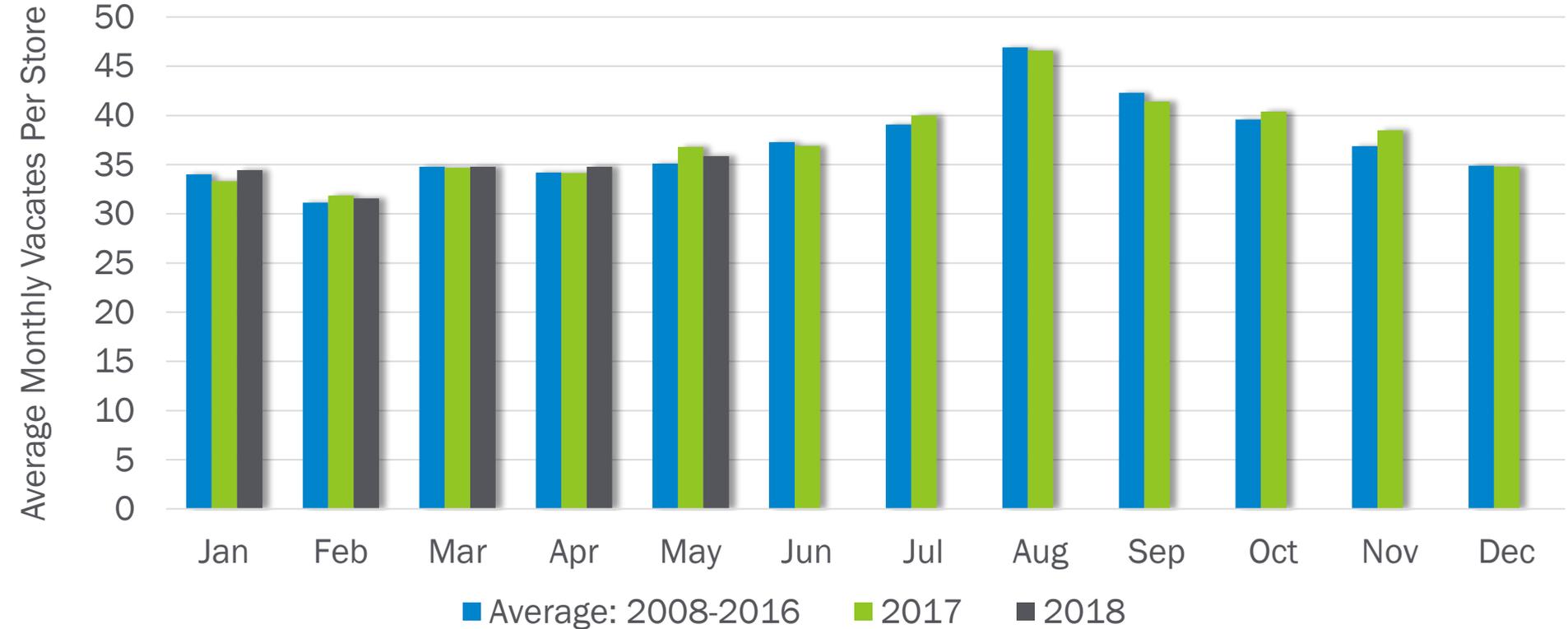
Average Monthly Rentals Per Store



*Data for "Core" pool of 599 stores

STABLE VACATES

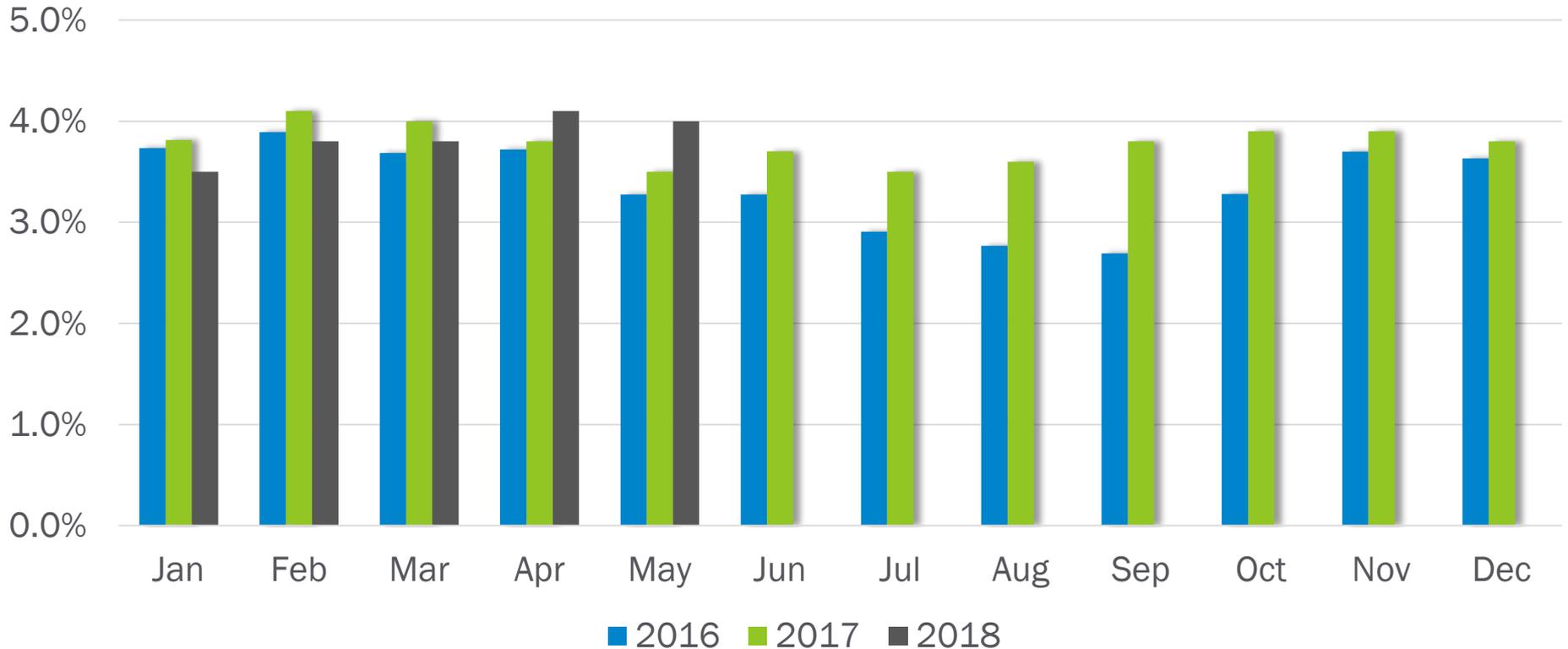
Average Monthly Vacates Per Store



*Data for "Core" pool of 599 stores

DISCOUNT TRENDS

Discounts as a Percentage of Rental Revenue



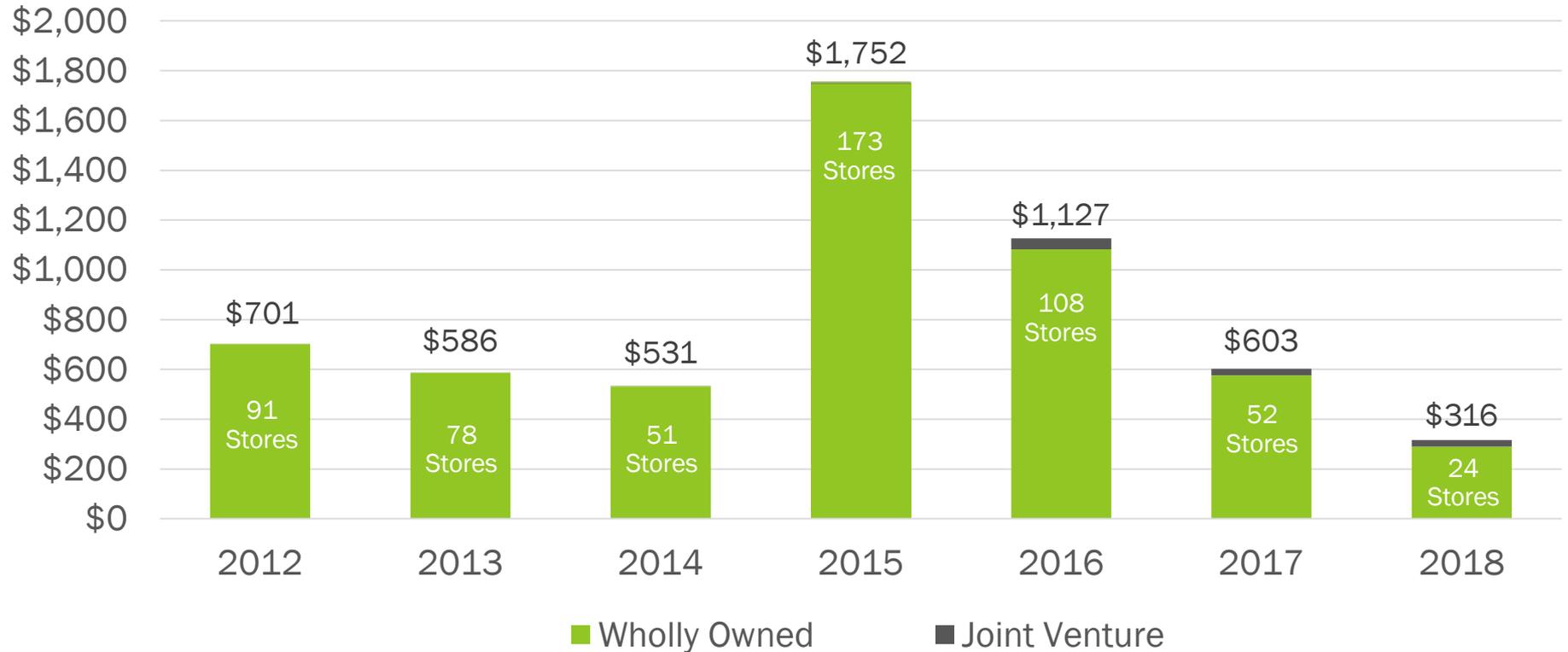
*Data for "Core" pool of 599 stores



Acquisitions and Redevelopment

ROBUST ACQUISITION ACTIVITY

Annual Acquisition Volume
(\$ in millions)



*As of May 1, 2018, 1st Quarter 2018 earnings release. Investments in joint ventures are considered at EXR net investment in the joint venture.

JOINT VENTURE PORTFOLIO BUYOUT

Closing Date:	April 28, 2018
Details of Sold Stores:	14 Stores in 13 states 1.1 million SF & 9,300 units
Ownership Interest Purchased:	95.0%
Sales Price (100% interest):	\$225.0 million*
Promote Realized by EXR:	\$14.1 million
Assumed Debt	\$83.1 million
Occupancy at closing	91.5%
Effective Year 1 Capitalization Rate	6.0%

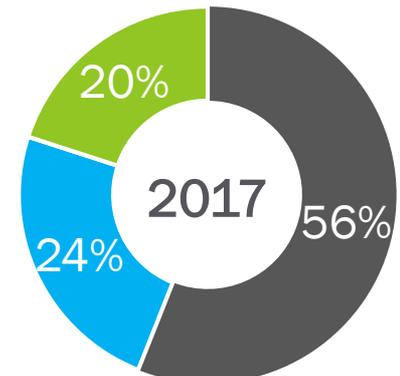
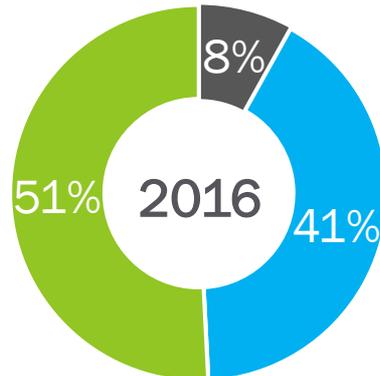
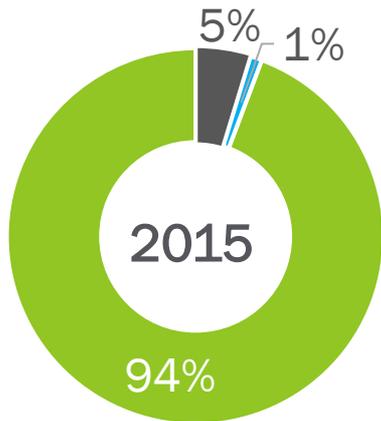
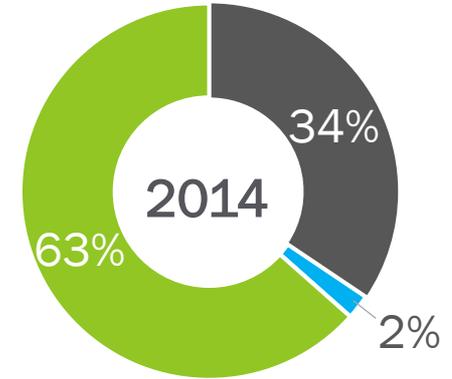
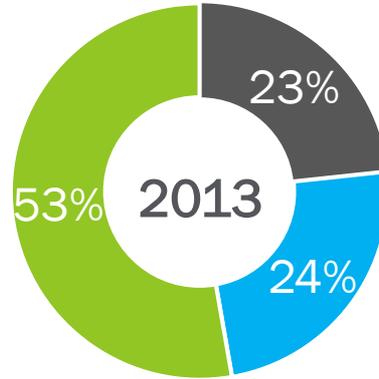
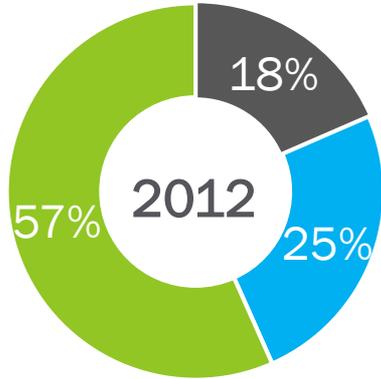
River Edge, NJ



*The purchase price shown is the gross value. EXR purchased joint venture partner's interest for approximately \$116.5 million plus the assumption of existing debt.

RELATED PARTY ACQUISITION VOLUME

Percentage of Annual Acquisition Investment by Seller Type



■ Management Plus

■ Joint Venture

■ Outside Third Party

CERTIFICATE OF OCCUPANCY & DEVELOPMENT ACTIVITY

	<u>Wholly-owned</u>		<u>Joint Venture</u>		
	<u>Stores</u>	<u>Price</u>	<u>Stores</u>	<u>Price</u>	<u>EXR Inv.</u>
2014 Closed	2	\$29.3M	-	-	-
2015 Closed	5	\$46.1M	2	\$21.5M	\$8.6M
2016 Closed	8	\$79.6M	9	\$150.6M	\$45.6M
2017 Closed	9	\$110.2M	7	\$87.4M	\$26.7M
2018 Closed	1	\$19.5M	4	\$41.8M	\$26.4M
2018 To Close	5	\$69.8M	12	\$270.5M	\$67.2M
2019-20 To Close	4	\$48.9M	4	\$81.6M	\$31.1M

* As of May 1, 2018, 1st Quarter earnings release. Stores are included in projected close totals once they are under agreement.

REDEVELOPMENT & CERTIFICATE OF OCCUPANCY STRATEGY

- Enhance NOI at existing properties, by increasing NRSF 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



PROACTIVE SITE REDEVELOPMENT

Bronx, NY - before



PROACTIVE SITE REDEVELOPMENT

Bronx, NY - after



SITE EXPANSION

Charlotte, NC
Project Cost: \$2.8 million
SF Added: 20,500
Expected ROI: 9.1%

ExtraSpace Storage

ExtraSpace
Storage

FDC



CERTIFICATE OF OCCUPANCY

Buford, GA





Appendix

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, 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;

FORWARD-LOOKING STATEMENTS (CONTINUED)

- 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.

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.

NON-GAAP FINANCIAL MEASURES (CONTINUED)

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.