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Authorisation
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Abacus Storage King (ASK)

ASK and you shall receive

Recommendation
Buy (Initiation)
Price
$1.52
Target (12 months)
$1.70 (Initiation)

Sector

Real Estate

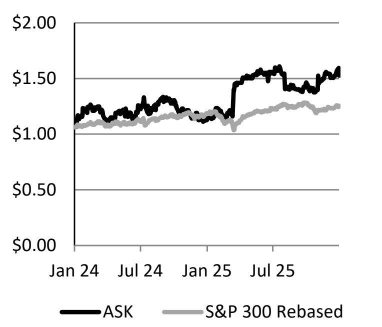
Expected Return	
Capital growth	11.8%
Dividend yield	4.2%
Total expected return	16.1%

Company Data & Ratios	
Enterprise value	$3,210m
Market cap	$1,997m
Issued capital	1314.1m
Free float	40.5%
Avg. daily val. (52wk)	$2.58m
12 month price range	$1.12 - $1.62

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	1.55	1.43	1.13
Absolute (%)	-1.29	6.64	34.96
Rel market (%)	-3.24	8.36	28.29

Absolute Price



SOURCE: IRESS

Abacus Storage King (ASK) is a top 3 owner-operator of self-storage facilities in Australia's fragmented but rapidly consolidating self-storage market. It is externally managed by Abacus Group (ABG). We initiate coverage with a Buy recommendation.

Strong capital demand and valuation disconnect. Australia's self-storage market is attracting increasing institutional capital. Prime storage assets are trading at-or-below c.5.0% cap rates (portfolios attracting a further c.50bp premium) yet ASK is trading at a listed market implied cap rate of 6.1% – +65bp wider than book, +85bp wider than BPe WACR (5.25%) and c.+50bp wider than the WACR implied by Brookfield / GIC's bid for NSR. ASK received a takeover approach at a +3% premium to NTA in Apr-25, while sole listed peer NSR is currently subject to a +9% premium bid. ASK trades at a -13% discount to NTA (-20% to FY26e NTA), offering listed exposure to the sector at pricing inconsistent with private-market valuations.

Multiple levers for growth. ASK has 3 key earnings growth levers: **1)** generating alpha across the operating portfolio, not just passive rent collection; **2)** broad universe of accretive acquisition opportunities (some already under ASK mgmt.); and **3)** deep development pipeline. These levers – particularly acquisitions and development (which account for >50% of incremental growth) – provide a higher degree of control over forward earnings and support a structurally higher multiple vs. more passive peers.

Upside catalysts not-in-the-price. While not in our valuation, the potential internalisation of management would likely lead to a near-immediate FFO uplift and the erosion of ASK's 'external manager discount'. Also, any further corporate activity in Australian self-storage (particularly if involving ASK) would likely be a positive catalyst.

Investment View: Initiate with Buy Rating

We initiate coverage of ASK with a Buy recommendation and a $1.70 target price. We forecast FY26e DPU of 6.2c (in line with guidance, VA consensus) and a 3yr EPS CAGR of +3.8%. While near term EPS growth is modest, the investment case is anchored in NTA compounding and convergence of listed market pricing toward private-market cap rates, with expected +8.2% 3yr NTA growth CAGR providing a clear benchmark for share price performance over time.

Earnings Forecast

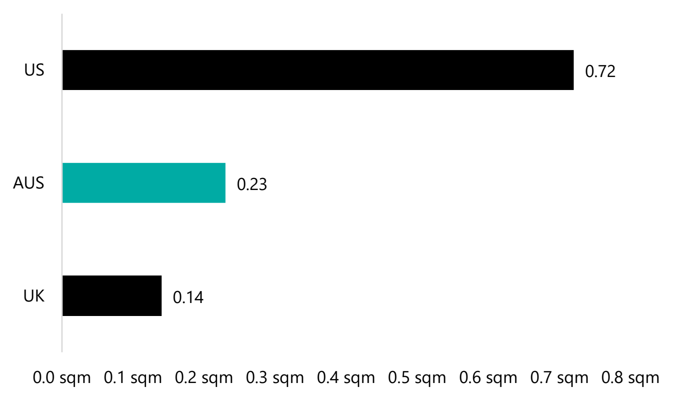
Year end 30 June	2025	2026e	2027e	2028e
Total revenue (A$m)	228.4	248.8	273.9	299.0
EBITDA (A$m)	120.1	130.1	146.4	164.1
Funds From Operations (A$m)	85.0	88.5	91.9	95.0
FFO (diluted) (cps)	6.5	6.7	7.0	7.2
FFO growth (%)	4%	4%	4%	3%
P/FFO Ratio	23.7	22.6	21.7	21.0
Price/CF (x)	23.7	23.3	22.4	21.7
EV/EBITDA (x)	26.7	24.7	21.9	19.6
Dividend (¢ps)	6.2	6.2	6.4	6.6
Yield (%)	4.0%	4.1%	4.2%	4.4%
ROE (%)	3.6%	3.5%	3.4%	3.2%
Franking (%)	25%	25%	25%	25%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Contents

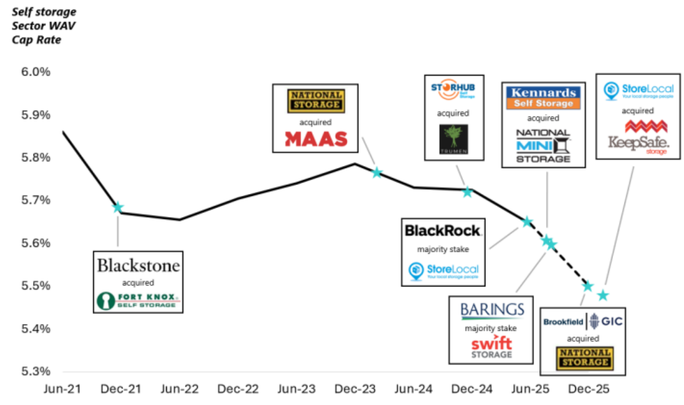
ASK – Thesis in Charts

Figure 1 – Australia and NZ remain heavily undersupplied in self-storage space per capita…



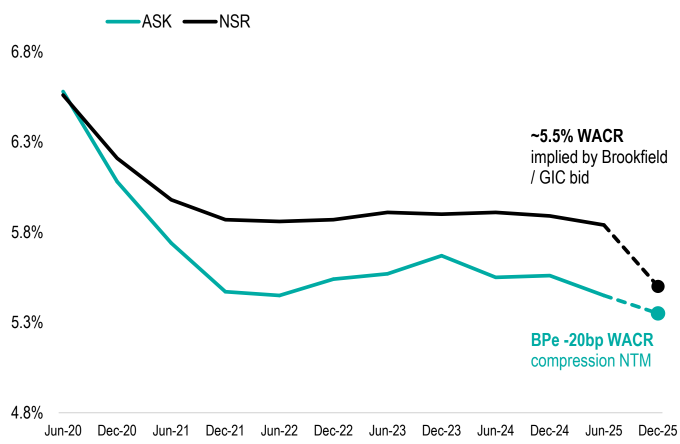
SOURCE: SELF STORAGE ASSOCIATION OF AUSTRALIA, PUBLIC STORAGE COMPANY DATA, STORTRACK. NOTE: THE UK HAS MUCH SMALLER HOUSING STOCK.

Figure 2 – …drawing elevated levels of global institutional capital…



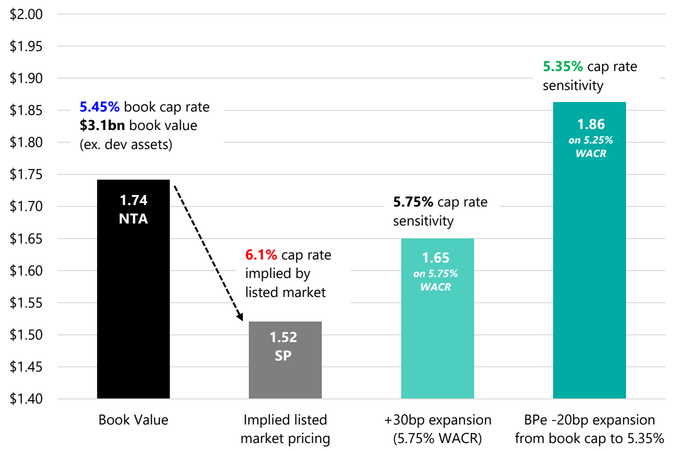
SOURCE: BELL POTTER SECURITIES ESTIMATES, COMPANY DATA, REAL ESTATE SOURCE.

Figure 3 – leading to significant cap rate compression and valuation growth in the sector…



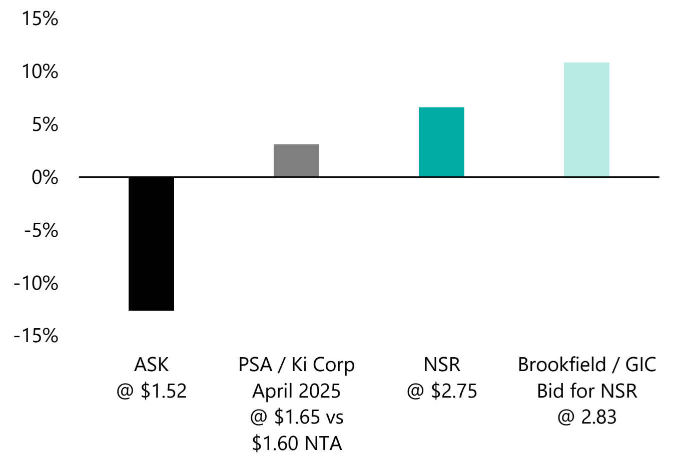
SOURCE: COMPANY DATA.

Figure 4 – …yet the listed market is implying +65bp of cap rate expansion for ASK (versus BPe -20bp compression)



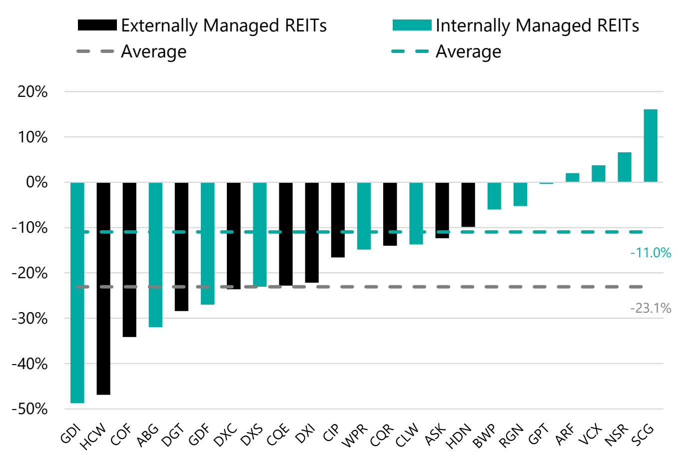
SOURCE: COMPANY DATA, IRESS.

Figure 5 – …with ASK trading at a -12.6% discount to NTA vs closest peer NSR's potential takeover at +10.9% premium



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES.

Figure 6 – Internalisation a key catalyst to drive some of that re-rate towards NTA



SOURCE: COMPANY DATA, IRESS.

Abacus Storage King Overview

Key information

Abacus Storage King REIT is a fully integrated owner and operator of 128 operating self-storage facilities and 21 future-self-storage development sites across Australia and New Zealand. ASK is structured as an externally managed REIT, managed by Abacus Group (ABG) who retain a 19.9% stake in the vehicle today.

Key details:

- 149 asset portfolio.
- 102 established stores,12 recently acquired stores, 14 stores in stabilisation, and 21 development sites (including 2 long term development assets).
- Property valuation of $3.4bn ($3.1bn operating, $0.3bn development).
- Weighted average cap rate on operating portfolio of 5.45%.
- Externally managed by Abacus Group (ABG).

History & 2023 de-stapling from Abacus Group (ABG)

The Storage King operating platform was founded in 1998 by Michael Tate and David Scanlen. In August 2018, Abacus Group (ABG) acquired a 25% stake in Storage King for an undisclosed amount. In November 2020 ABG acquired the remaining 75% of Storage King for $50m.

In August 2023, Abacus Group (ABG) de-stapled its self-storage assets to give investors an opportunity to invest in a pure-play self-storage, creating a new ASX listed Abacus Storage King REIT (ASK).

Key Management & directors

- **Nikki Lawson, Fund Managed ASK.** Nikki has been the Fund Manager of ASK since its de-stapling and joined ABG in 2022. Nikki has over 25 years' experience covering business strategy, marketing and management roles at Unilever and YUM! Brands.
- **Steven Sewell, Managing Director ABG.** Steven joined ABG in 2017, bringing 20+ years' experience in real estate funds management, asset management, equity and debt capital markets and M&A transactions. Steven's prior career experience is in listed and unlisted real estate funds management businesses, across various real estate sectors. Steven was appointed ABG's Managing Director in 2018.
- **Evan Goodridge, Chief Financial Officer ABG.** Evan joined ABG in 2011 and is the group's CFO. Evan has 15+ years' experience across real estate and finance including treasury, valuations, accounting, tax and financial reporting. Prior to ABG, Evan worked for a leading ASX listed real estate valuation firm.
- **Cynthia Rouse, Executive General Manager – IR & Communications ABG.** Cynthia joined ABG in 2018 and is responsible for the group's investor relations and corporate communications functions. Cynthia has extensive equities investment experience on both the buy side and sell side and is a Chartered Accountant.

Register

Abacus Group's 19.9% direct interest. ASK is an externally managed REIT with a majority independent board of directors. At the de-stapling ABG retained a minority interest of approximately 19.9% which it continues to hold today.

Nathan Kirsh's 39.6% direct interest *(~59.5% effective interest)*. South African billionaire Nathan Kirsh, via Ki Corporation, is the dominant economic stakeholder in ASK. Ki Corp owns a 39.6% direct interest through the Eurona Foundation. He also holds a 50% interest in ABG, providing Kirsh with an additional ~10% look through exposure to ASK via ABG-controlled entities. Whilst Kirsh's look-through economic interest is ~50%, his effective voting influence is ~59.5%.

Minorities. Other notable shareholders include direct competitor National Storage REIT (NSR) which holds a 10.4% stake via Runway Technologies Pty Ltd. NSR has entered into a scheme implementation deed to be acquired by a Brookfield / GIC consortium.

Figure 7 – ASK shareholder register

#	Shareholder	Beneficial Owner	Shares	Held (%)
1	The Eurona Foundation	Ki Corp (Nathan Kirsh)	520,680,473	39.6%
2	Abacus Funds Management Limited	ABG / Ki Corp (Nathan Kirsh)	221,912,249	16.9%
3	Runway Technologies Pty Ltd	NSR (Brookfield / GIC)	135,996,567	10.4%
4	The Vanguard Group, Inc.		39,774,289	3.0%
5	Abacus Group Holdings Limited	ABG / Ki Corp (Nathan Kirsh)	38,947,054	3.0%
6	Myra Salkinder		14,600,000	1.1%
7	BlackRock, Inc.		13,422,547	1.0%
8	Dimensional Fund Advisors LP		9,251,726	0.7%
9	Charter Hall Office Management Limited		7,227,857	0.6%
10	Norges Bank Investment Management		6,710,025	0.5%

SOURCE: IRESS.

Associated entities. Ki Corp, ABG and their respective controlled entities are considered associates under the Corporations Act. As a result, shares held by Ki-controlled entities (including The Eurona Foundation) and ABG-controlled vehicles would be treated as interested parties in any Ki- or ABG-led proposal and would therefore be excluded from voting on a scheme of arrangement or similar control transaction. While these interests are disclosed as "relevant interests" in substantial holder notices, they do not translate into scheme-eligible voting power.

Portfolio Summary

Established, acquisition, stabilising & development portfolios

ASK categorises assets to distinguish between core established stores and those stores / sites which are undergoing development, still in lease-up or yet to complete migration onto the ASK platform. The definitions for each category are displayed in Figure 9, and the way assets move between categories is shown in Figure 10.

Figure 8 – ASK Portfolio Summary

	Established portfolio	Acquisition portfolio	Stabilising portfolio	Development sites
# of Assets	102	12	14	19
Valuation	$2,577m	$187m	$331m	$272m
WACR	5.45%	5.72%	5.33%	n/a
NLA	555,100 sqm	49,200 sqm	79,900 sqm	n/a
Occupancy	91.20%	88.60%	60.70%	n/a
Avg Rent / sqm	$373	$297	$275	n/a
RevPAM	$340	$263	$167	n/a
RevPAM growth	4.50%	n/a	n/a	n/a

SOURCE: COMPANY DATA.

Figure 9 – Features of assets in each category

Criteria	Established	Acquisition	Stabilising	Development
Operating / Trading	✓	✓	✓	×
>80% occupancy	✓	✓	×	×
Operating under ASK for >2yrs	✓	×	×	×
Undergoing development	×	×	×	✓

SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Established portfolio.

- 102 established assets.
- Operating storage stores that have stabilised after acquisition and/or development.
- Core driver of ASK revenue (88% of FY25 storage revenue).
- Typically has strongest occupancy (91.2% in FY25) and highest average rent ($373/sqm in FY25).

Acquisition portfolio.

- 12 acquisition portfolio assets.
- Rolling total which includes any stores acquired in the past 24 months.
- Typically high occupancy (88.6% at FY25) – ASK usually acquire mature operating assets – but the average rent is usually lower ($297/sqm at FY25).
- Without a step-change in the cadence of acquisitions, the number of stores within the acquisition portfolio should remain stable, as 2yr old acquisitions move into the established portfolio and are replaced by new acquisitions.

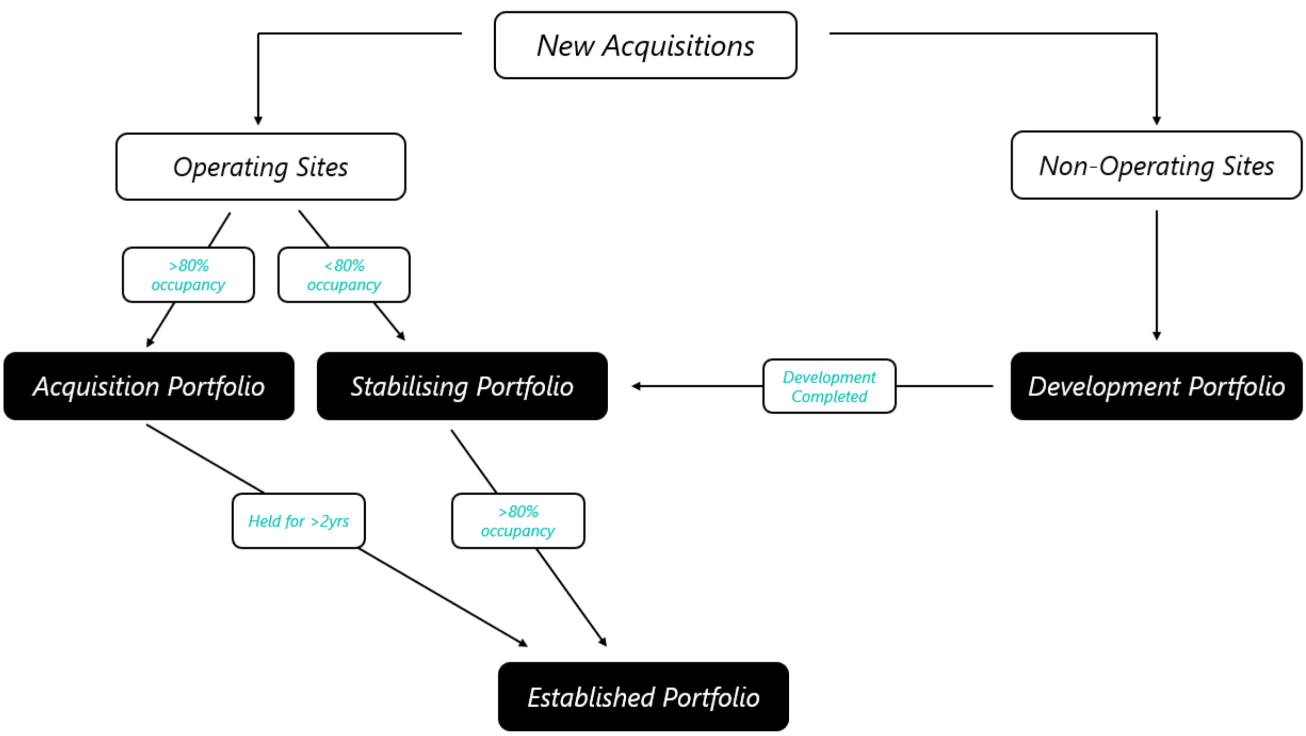
Stabilising portfolio.

- 14 stabilising portfolio assets.
- Stores which have been recently developed / expanded and are yet to reach a stabilised level occupancy (>80% occupancy).
- Also includes recently acquired stores with sub-80% occupancy.

Development sites.

- 21 development sites (includes 2 long term development assets)
- Sites earmarked for development that are yet to produce income.

Figure 10 – Asset flow diagram



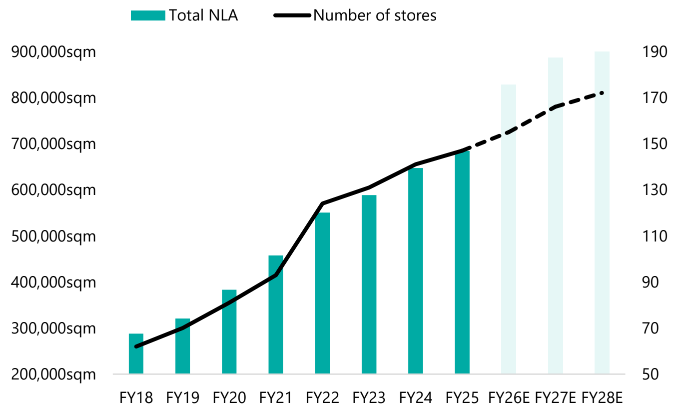
SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Business model

The self-storage model is simple in principle but involves several nuances, including variations in storage types, specific customer requirements, and the rents operators can command as a result. Storage space is used by both individuals and businesses to securely store items ranging from documents and clothing to wine, furniture, cars and boats. Key variables to rent include:

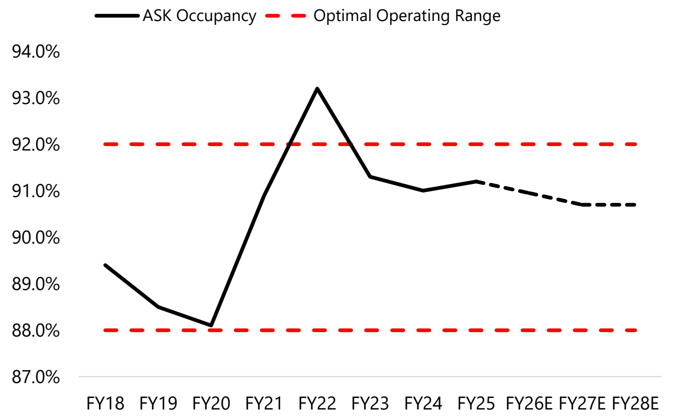
- Size of unit (floorspace, unit height / ceiling clearance, shape / useability of unit)
- Level / floor location (ground floor vs upper levels, drive-up access vs corridor access)
- Door type and opening width (roller door vs hinged)
- Load capacity and suitability for heavy items
- Power availability within the unit
- 24/7 access availability & security features (CCTV, individual alarms, gated access)
- Cooling or climate control (e.g. for wine storage)
- Quality, age and presentation of the facility
- Parking availability and vehicle access (cars, trailers, boats)

Figure 11 – ASK has added 12 stores (or 56k sqm) per annum on average since FY18



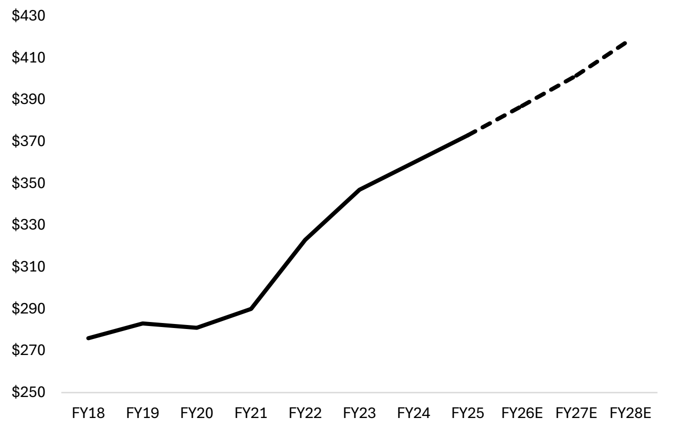
SOURCE: COMPANY DATA.

Figure 12 – Established occupancy has remained consistently near 90% *(informal 88% to 92% target range)*



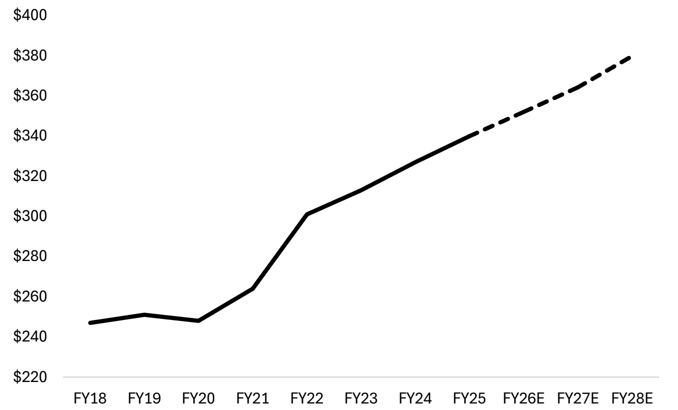
SOURCE: COMPANY DATA.

Figure 13 – +4.5% avg Established rate growth since FY18



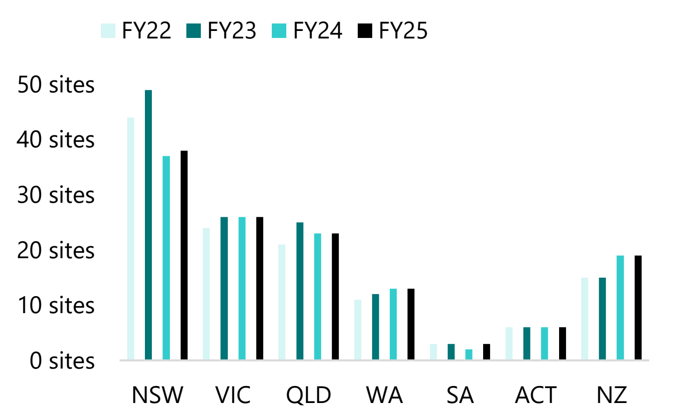
SOURCE: COMPANY DATA.

Figure 14 – +4.8% avg Established RevPAM growth since FY18



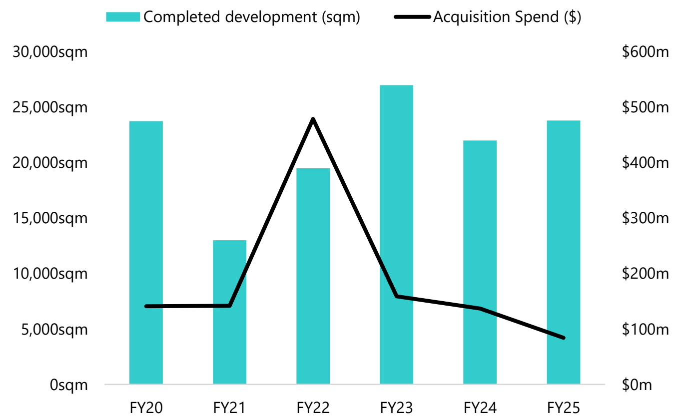
SOURCE: COMPANY DATA.

Figure 15 – ASK maintains a metro focus, and is diversifying geographically in locations such as WA, SA & NZ



SOURCE: COMPANY DATA. NOTE: THIS EXCLUDES LICENSED AND MANAGED STORES.

Figure 16 – ASK has consistently grown the business through acquisition and development



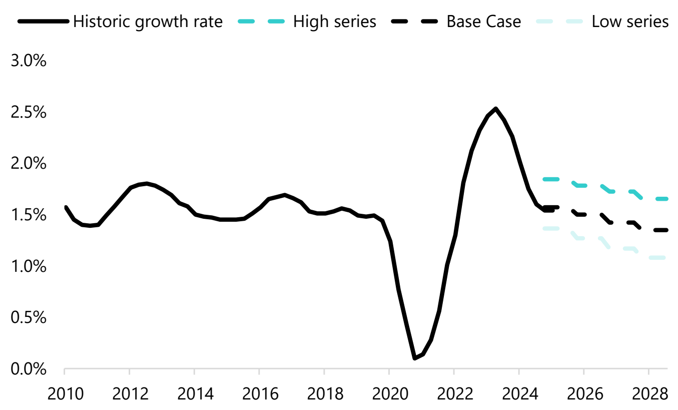
SOURCE: COMPANY DATA. NOTE: ACQUISITION SPEND DOES NOT LINE UP ACCURATELY WITH COMPLETIONS DUE TO TIMING.

Key Investment Themes / Macro-Overview

Structurally attractive & underpenetrated asset class

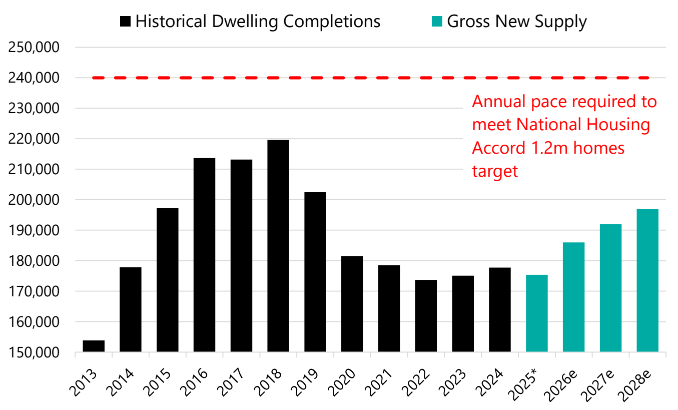
Self-storage is increasingly being recognised as key alternative asset class sought after by major real estate owners, underpinned by a range of durable demand drivers rather than cyclical factors. Demand is supported by well-established structural trends – often referred to as the "five Ds" of self-storage: death, divorce, downsizing, disaster and displacement – each of which is becoming more prevalent in Australia.

Figure 17 – Australia's population is growing +1.6% p.a. …



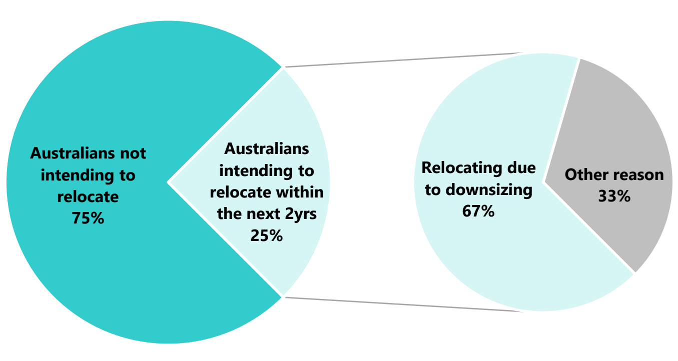
SOURCE: AUSTRALIAN BUREAU OF STATISTICS.

Figure 18 – but lagging new housing is creating a demand bottleneck for residential dwellings…



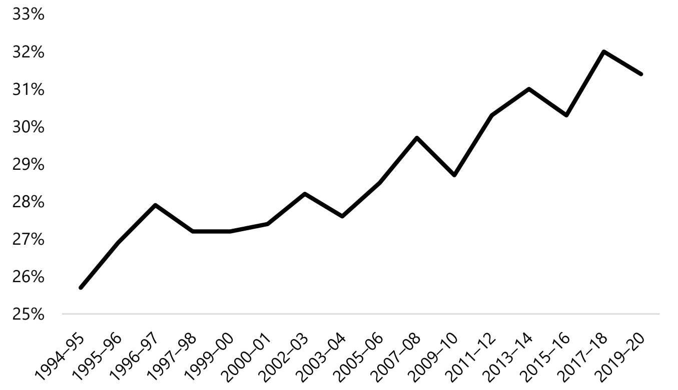
SOURCE: ABS, NATIONAL HOUSING ACCORD. NOTE: 2025 IS AN AVERAGE OF NHSAC PROJECTIONS AND A BP FORECAST USING ACTUAL MARCH AND JUNE QUARTER ABS COMPLETION DATA.

Figure 19 – …Prompting elevated relocation between homes…



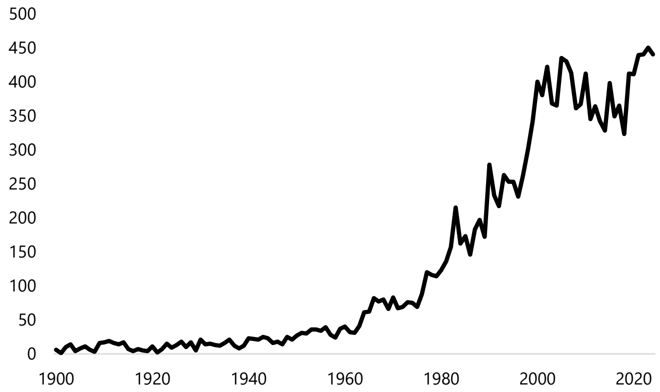
SOURCE: AUSSIE HOME LOANS, TEMPLE & WEBSTER COMPANY DATA. NOTE: THIS SURVEY INCLUDED ONLY AUSTRALIANS OVER 55.

Figure 20 – …as the percentage of Australians renting continues to grow.



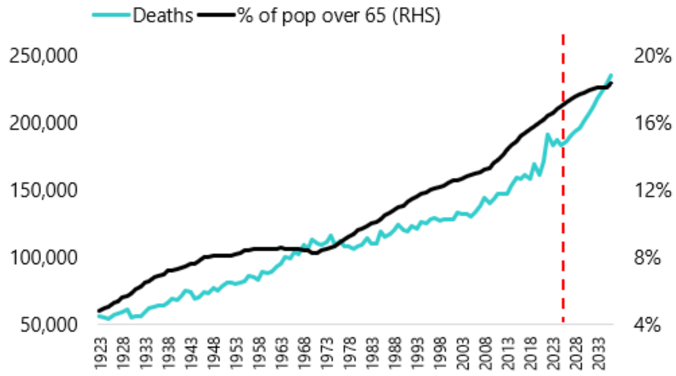
SOURCE: AUSTRALIAN BUREAU OF STATISTICS.

Figure 21 – The number of natural disasters continues to increase over time



SOURCE: EM-DAT, CRED / UCLOUVAIN (2025) – WITH MAJOR PROCESSING BY OUR WORLD IN DATA
NOTE: GLOBAL NUMBER NATURAL DISASTERS

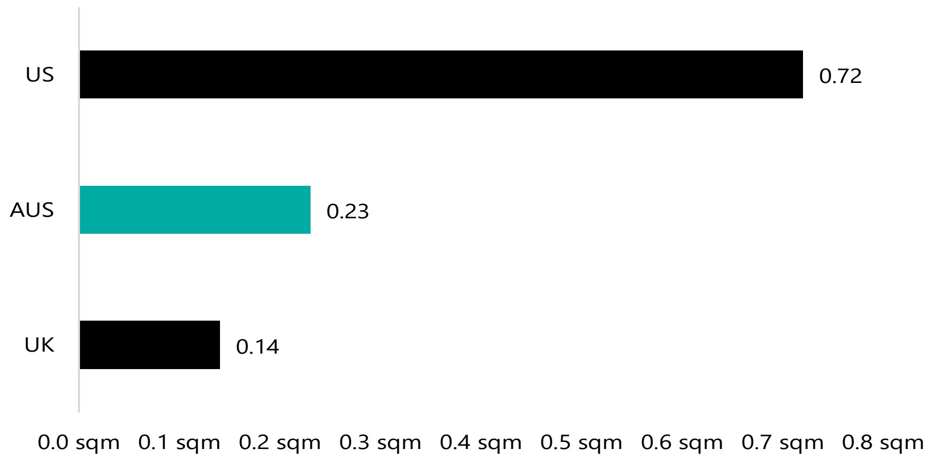
Figure 22 – Increasing number of deaths as Australia's population ages



SOURCE: AUSTRALIAN BUREAU OF STATISTICS.

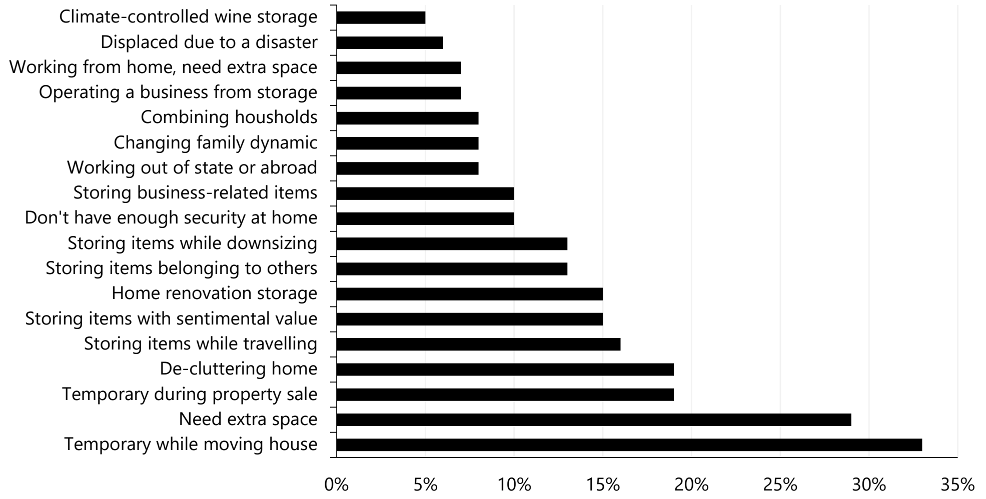
Australia's self-storage market remains undersupplied (c.0.2sqm per capita) compared to other comparable international storage sectors (US 0.7sqm per capita). This disparity exists despite broadly comparable utilisation rates, 10% of the US population uses self-storage compared to 9.2% in Australia, which continues to be a strong demand signal for Australian self-storage providers. While the UK has lower self-storage space per capita than Australia, this does not necessarily imply greater effective undersupply. Structural differences in discretionary income, housing mobility, and lifestyle-driven transition events mean that Australia exhibits a higher propensity to use self-storage, supporting higher equilibrium supply levels.

Figure 23 – Australian storage per capita in-line with UK despite having demand drivers akin to the US



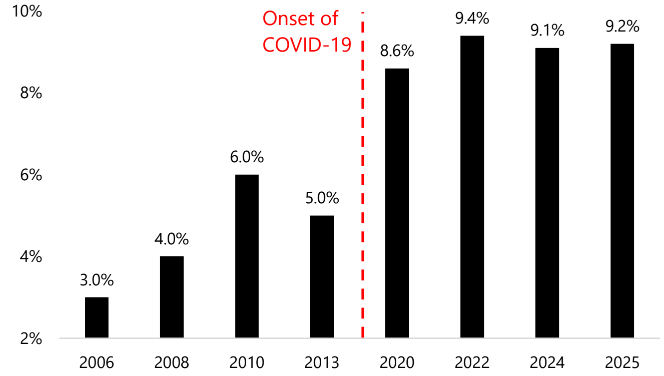
SOURCE: SELF STORAGE ASSOCIATION OF AUSTRALIA, PUBLIC STORAGE COMPANY DATA.

Figure 24 – Key reasons for using self-storage in Australia



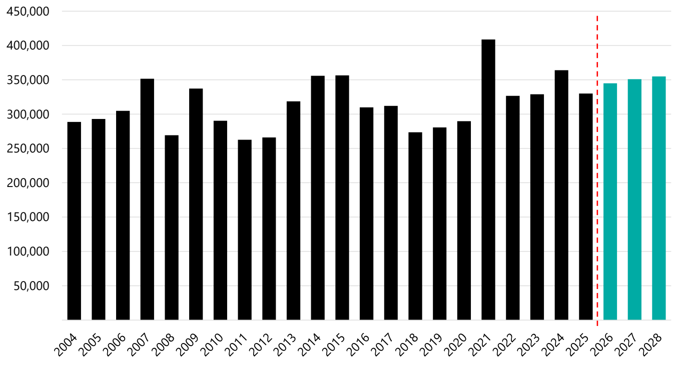
SOURCE: SELF STORAGE ASSOCIATION OF AUSTRALIA, M3 PROPERTY VALUERS.

Figure 25 – Self storage usage in Australian capital cities increased dramatically with the onset of COVID-19



SOURCE: SSAA, M3 PROPERTY.

Figure 26 – Number of housing transfers

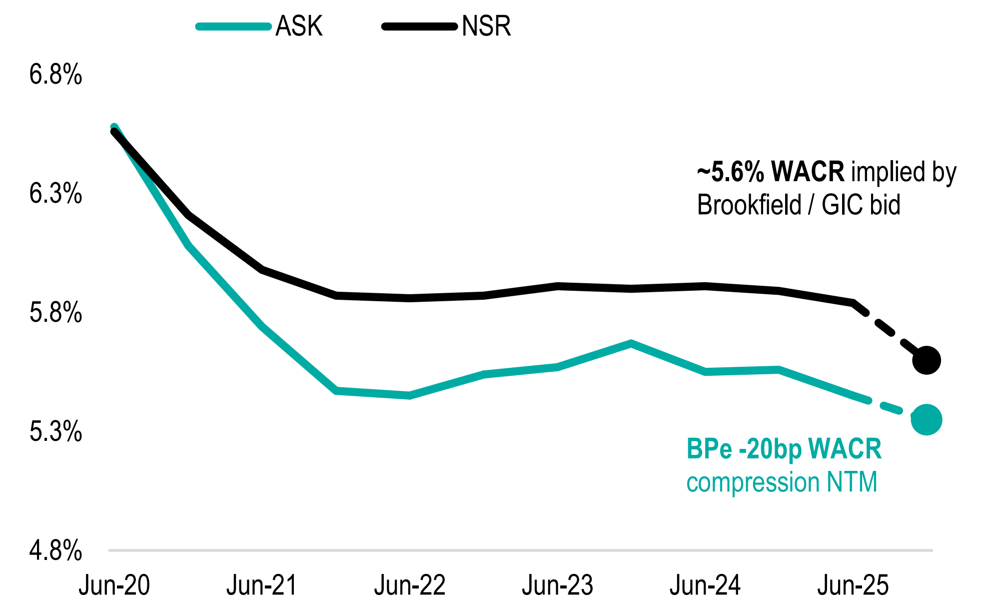


SOURCE: ABS, IBISWORLD, M3 PROPERTY

Deep capital interest for Australian Self Storage

Due to the attractive supply and demand fundamentals underpinning the self-storage asset class, the sub-sector has seen increased capital investment in recent years. The COVID-19 pandemic was a particular catalyst for self-storage demand and therefore, asset valuations.

Figure 27 – Self-storage asset WACR compression



SOURCE: COMPANY DATA. • NOTE: NSR IMPLIED WACR IS CALCULATED BY ASSUMING NON-PROPERTY ASSETS ARE FAIRLY VALUED BY THE MARKET AND THAT MOVEMENTS IN THE SHARE PRICE PRIMARILY REFLECT THE MARKET'S ASSESSMENT OF THE PROPERTY PORTFOLIO VALUE. AS SUCH, WE APPLY THE WACR TO THE ENTIRE PORTFOLIO AND DO NOT DIFFERENTIATE BETWEEN DEVELOPMENT AND STABILISED ASSETS.

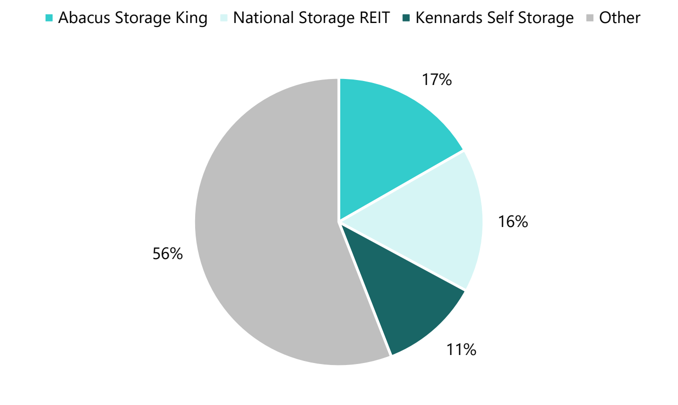
The WACR across ASK (previously ABG's Self Storage portfolio) and NSR's portfolio assets has experienced significant compression since FY20, as capital has migrated into the sector whilst more traditional sub-sectors have underperformed. Note, the spread between NSR and ASK cap rates largely relates to the location disparities, with NSR focussing more on adding supply in regional locations versus ASK with a heavy metro bias. Consolidation in the sector is also contributing to cap rate compression with the most recent example being Brookfield and GIC's proposed acquisition of NSR at a ~5.6% implied cap rate (see note in Figure 27).

Key market participants: favourable ownership dynamics

There are three major players in an otherwise highly fragmented Australian self-storage market:

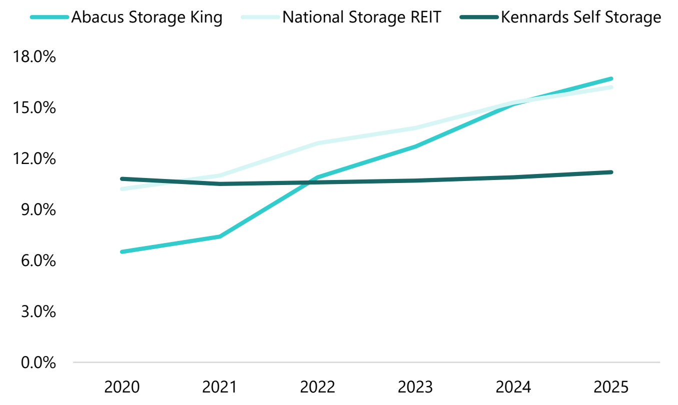
- **Abacus Storage King's** strategy has centred around developing metro storage facilities while leveraging its operating and third-party management platform.
- **National Storage REIT** has concentrated on rapid NLA expansion through acquisition and development and is more regionally focussed. Its extensive network allows greater discounting for customer acquisition and sector leading rent escalations.
- **Kennards Self Storage** is a long-term developer, placing emphasis on providing the best self-storage facilities in East-Coast metropolitan areas. We believe Kennards currently has 151 operational facilities across Australia and NZ (including recent 13-asset portfolio expansion into NZ).

Figure 28 – Highly fragmented industry beyond the 3 largest operators



SOURCE: IBIS WORLD.

Figure 29 – ASK and NSR have become the top 2 operators (respectively) by market share over the past 5yrs



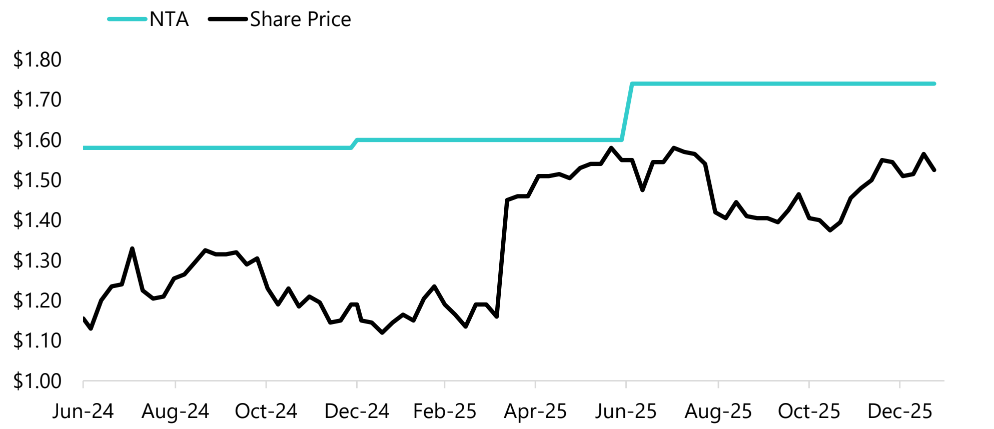
SOURCE: IBIS WORLD.

Why we like ASK?
1. Listed market valuation disconnect

-13% discount to growing book values

ASK trades at a material -13% discount to NTA. We view this discount as broad-based rather than driven by specific asset-quality, earnings, or balance-sheet concerns.

Figure 30 – ASK price to NTA back to a -13% discount after reaching parity in Jun-25

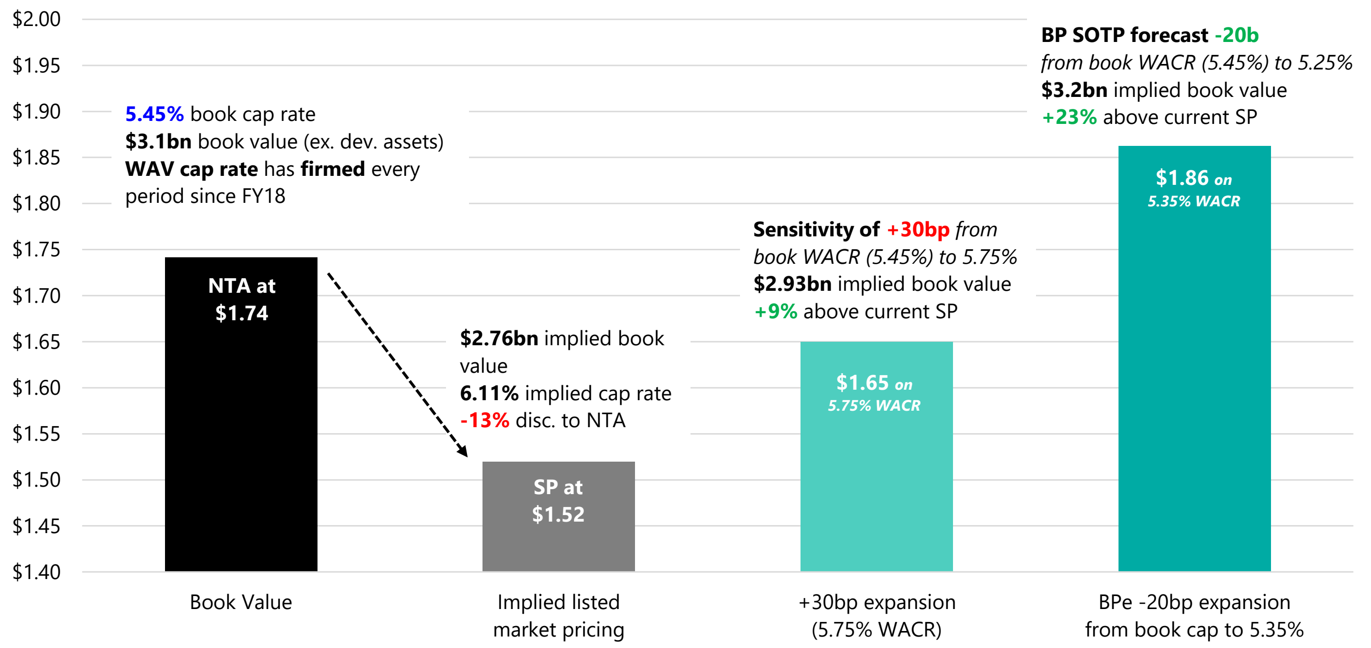


SOURCE: COMPANY DATA, IRESS.

Market implied cap rate 6.1% vs actual 5.45%

At the current share price, ASK's discount to NTA implies a market-implied capitalisation rate of 6.1%, compared with an independently assessed valuation cap rate of 5.45%. In effect, the equity market is valuing ASK's stabilised property cashflows at a materially higher yield than valuers, and in our view, higher than private market clearing levels for comparable metro self-storage assets.

Figure 31 - Current share price is implying +65bps of cap rate expansion from 5.45% to 6.1%

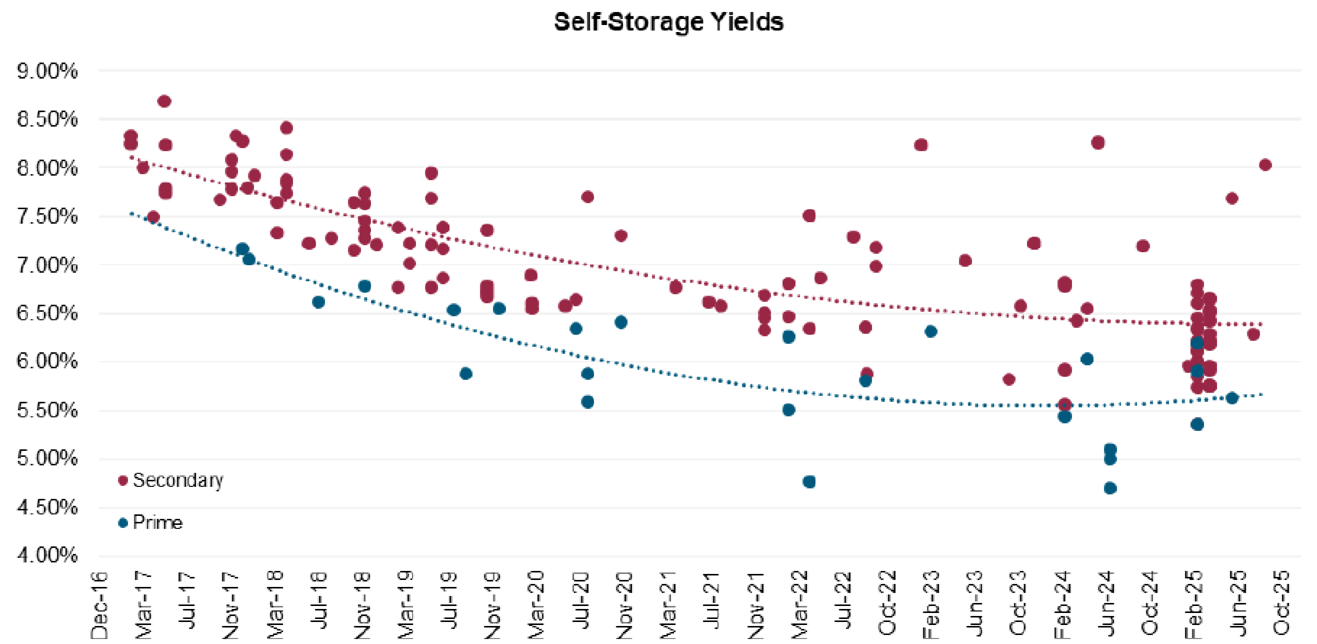


SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES.

Sector in vogue – record year of Self Storage cap trans

Listed self-storage REITs in Australia have seen valuation cap rates compress by ~200bps since 2020, reflecting the maturation of the asset class and increasing institutional participation. While near-term uncertainty around interest rates has weighed on listed valuations, private-market pricing continues to reflect strong demand for well-located self-storage assets.

Figure 32 – Yield compression in self-storage – particularly in high quality, well-located, nationally operated 'prime' assets.



SOURCE: M3 PROPERTY, RCA.

Transactional evidence highlights the disconnect

Recent single-asset transactions for metro self-storage facilities have consistently cleared at sub-5% yields, underscoring the gap between private-market pricing and ASK's current implied listed-market yield.

Figure 33 – Comp Transactions – Single Assets

Date	Asset	Buyer	Vendor	Price ($m)	Cap rate / Market yield	Units	$ / unit	NLA (sqm)	$ / NLA	City	% Operational (vs Development)
2H CY25	Existing self-storage facility	National Storage (NSR)	N.D	40	Sub-5.0%	N.D	N.D	N.D	N.D	Sydney (South West	Operational
Oct-25	StoreLocal Hackham	National Storage	N.D	13.2	5.76%	472	$27,966	4,410	$2,993	Adelaide	~90%
May-25	Pacific Pines self-storage facility	StoreLocal (BlackRock)	N.D	65.6	5.63%	1303	$50,345	>12,000	~$5,300	Gold Coast	~50%
Feb-25	Guardian Self Storage	Storage King	N.D	16.2	5.97%	435	$37,241	4,220	$3,839	Brisbane	~82.5%
Feb-25	91 Remington Dr	Troon Group	N.D	10	N.D	215	$46,512	3,609	$2,771	Dandenong South, \	Operational
Jul-24	Braeside warehouse (self-storage conversion)	StorHub(Walburg Pincus)	N.D	8.2	N.D	N.D	N.D	N.D	N.D	Braeside, VIC	Development
May-23	ex-Kodak HQ (self-storage conversion)	Carl Sachs	N.D	19	N.D	N.D	N.D	3,099	$6,131	Abbotsford, VIC	Development
					5.32%		$40,516	5,468sqm	$4,207		

SOURCE: REAL COMMERCIAL, M3 PROPERTY VALUERS, BELL POTTER SECURITIES ESTIMATES.

Additionally, portfolio premium should be applied

Channel checks suggest portfolio transactions attract a ~50bp yield premium relative to individual asset sales. Given ASK's assets are valued on a store-by-store basis and the reported WACR is a blended average, we question whether current valuations fully capture the incremental value of operating scale and portfolio synergies.

Figure 34 – Comp Transactions – Portfolio Transactions

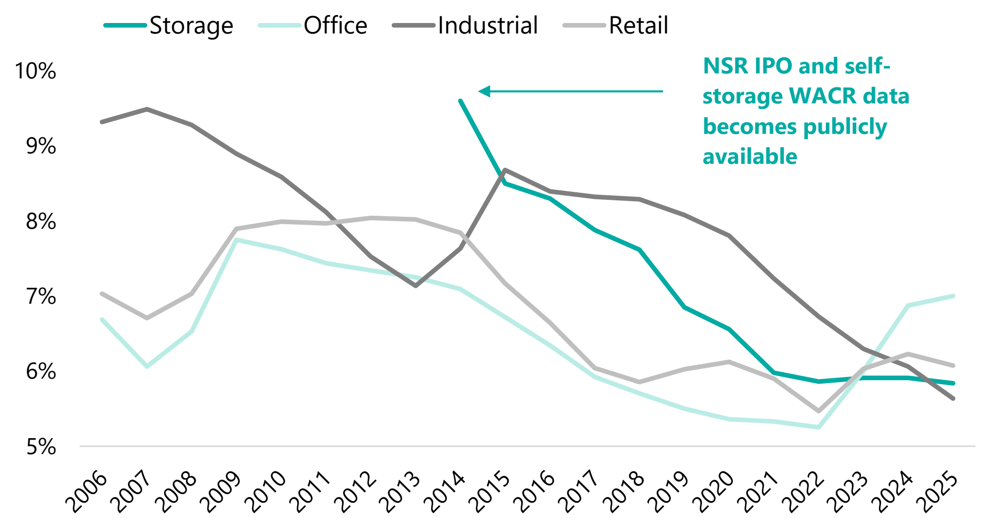
Date	Portfolio	Acquirer	Transaction Type	Total Cost	Cap rate / Market yield	Centres	$ per centre	NLA	Location
Jan-26	KeepSafe	StoreLocal (BlackRock)	Acquisition	$150m+	~4.75%	5	$30m+	N.D	Perth (WA)
Nov-25	National Storage	Brookfield / GIC (consortium)	Acquisition	$4bn	~5.5%	274	~$15m	1.5m sqm	AUS + NZ
Jul-25	Swift Storage	Barings	Majority Stake (95%)	$200m	N.D	15	~$14m	N.D	QLD
Jul-25	National Mini	Kennards	Acquisition	Undisclosed	<5%	14	N.D	N.D	Auckland (NZ)
May-25	StoreLocal	BlackRock	Majority Stake	c.$380m	N.D	40	~$10m	N.D	AUS Nationwide
Nov-24	Trumen & Norm	StorHub (Warburg Pincus)	Acquisition	A$110m	N.D	3	~$37m	18,000 sqm	Sydney
Feb-24	Maas Group	National Storage	Acquisition	A$50m	N.D	9	~$5.5m	N.D	NSW & ACT
					5.0%		$18.6m		

SOURCE: BELL POTTER SECURITIES ESTIMATES, M3 PROPERTY VALUERS, CBRE, REAL COMMERCIAL, BLACKROCK.

Valuation runway as self-storage is institutionalised

Self-storage is being increasingly recognised amongst other alternative real estate asset classes, with global capital migrating to the sector and validating lower required returns over time. Unlike office/retail (and arguably parts of industrial) where cap rates have already been aggressively compressed and are now more anchored to macro/terminal rate assumptions, storage has further potential for yield compression as market depth and transaction evidence builds — particularly for scaled, metro portfolios with strong operating platforms.

Figure 35 – Incremental buyers of self-storage supporting faster-than-peer WACR compression



SOURCE: COMPANY DATA, JLL, BELL POTTER SECURITIES ESTIMATES.

2. Strong growth rate over medium term

Highly dynamic rent model

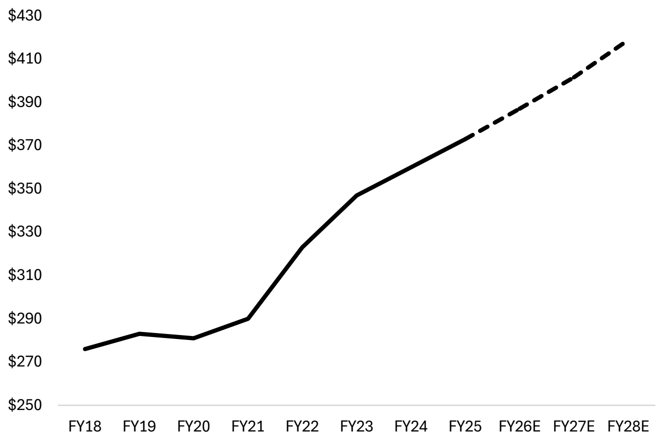
Self-storage benefits from shorter-term dynamic pricing that provides scope for enhanced rent growth. Unlike industrial, office and most retail leases where rent reviews are typically annual (CPI/fixed) and market resets are only captured at lease expiry, storage customers can be repriced frequently, allowing revenue to track demand and inflation in near real time. This "high-frequency repricing" underpins ASK's ability to deliver high-single-digit like-for-like rent growth with less reliance on infrequent leasing events. We estimate that ASK increase rental rates for customers by +7% every 10 months, equating to an effective annual rate of +8.5% for customers who don't leave.

Figure 36- Self storage assets provide unique lease terms vs other real estate sub-sectors

Sector	Lease term	Rent reviews	Market reset?
Industrial	~5yrs	Fixed / CPI	At Expiry
Retail	~5yrs	Fixed / CPI	At Expiry
Office	~5yrs	Fixed / CPI	At Expiry
Storage	*Monthly*	*Frequent step ups*	*Continuous / Churn-driven*

SOURCE: BELL POTTER SECURITIES ESTIMATES.

Figure 37 - +4.5% avg Established rate growth since FY18



SOURCE: COMPANY DATA

Churn is a feature, not a flaw, in short term leasing model

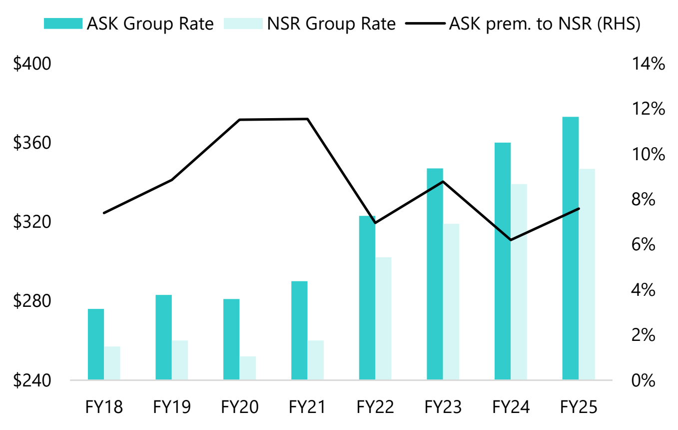
Churn is the natural counterpart to rate-led growth in a short-duration leasing model. In the established portfolio, churn usually means a negative reversion to street rents (given in-place rents usually exceed street rents) but is a necessary trade-off because low churn indicates you aren't pushing rents enough. We estimate that ASK experiences approximately 7% churn per month (BPe NSR at 6%, Kennards estimate approximately 50% of customers will stay for less than 7 months), necessary for the 33% increase in rental rates since FY20.

Occupancy is a key indicator of the effectiveness of rental escalations and customer churn. ASK communicate occupancy between the 88–92% range as the optimal level for efficient portfolio turnover. Occupancy above 92% suggests rate-escalations left on the table, and below that suggests too many customers have been deterred by rate increases.

Technology disrupting self-storage; driving rate growth & lowering costs

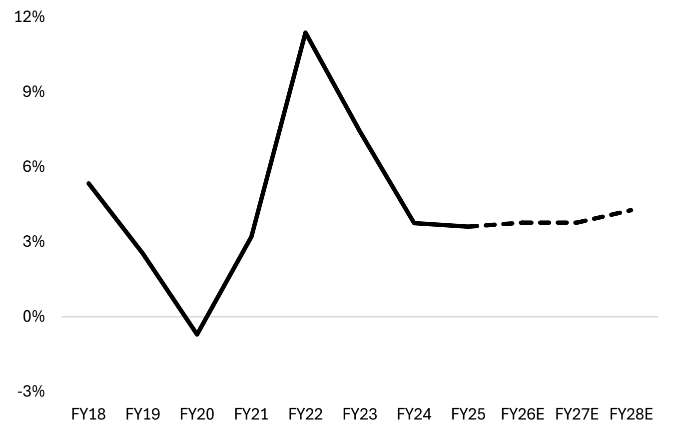
Technology is an important aid to productivity enhancements in self-storage. Integration of artificial intelligence enabled smart systems is becoming increasingly prevalent in self-storage operations, with approximately half of operators in Australia now using or trialling AI (Self Storage Association of Australasia). Offshore, operators such as PSA have been able to dramatically reduce their FTEs / store to as little as 0.5 using technology.

Figure 38 – ASK rental rate over time vs NSR



SOURCE: COMPANY DATA.

Figure 39 – ASK established rate growth y/y

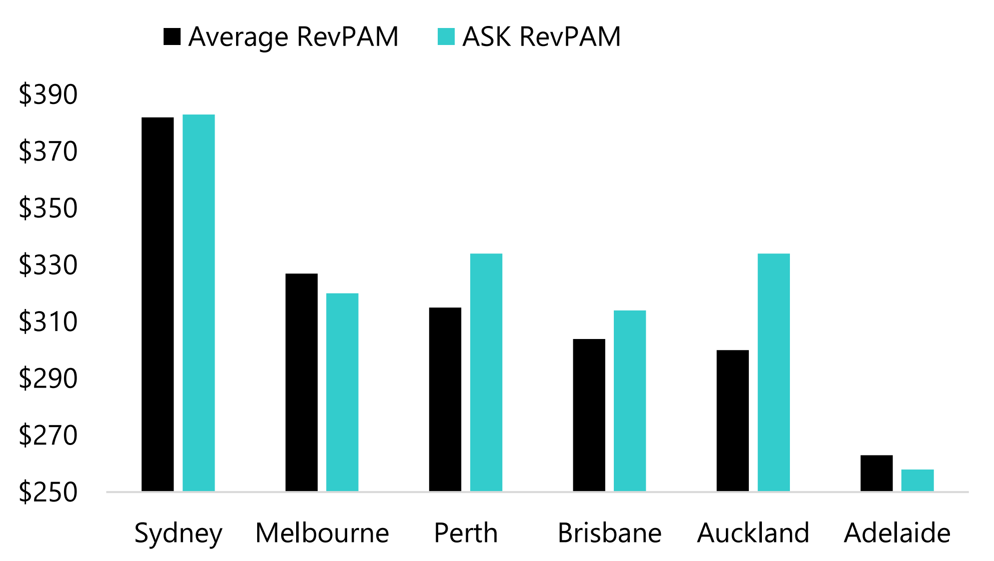


SOURCE: COMPANY DATA.

Rents at a premium vs national & city-specific average

City-average RevPAMs are influenced by a range of factors, and it would be overly simplistic to draw conclusions on the quality of ASK's portfolio based solely on its premium or discount to these averages. The data is most representative in markets where ASK has had long-standing exposure, particularly Sydney, where the group has assembled a portfolio of highly strategic and increasingly irreplaceable assets. By contrast, ASK's shorter operating history in Melbourne likely contributes to the observed lag in RevPAM but also highlights a potential opportunity to unlock latent value as the portfolio matures over the medium term.

Figure 40 – ASK RevPAM by city vs national averages



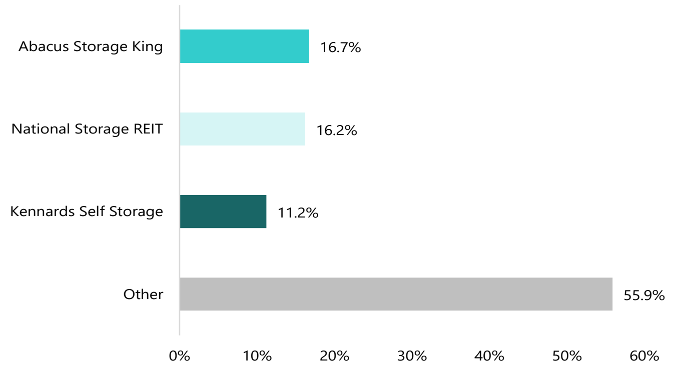
SOURCE: COMPANY DATA, CUSHMAN & WAKEFIELD, M3 , BELL POTTER SECURITIES ESTIMATES.

3. Unique opportunity to grow footprint

Highly fragmented market creates acquisition opportunities

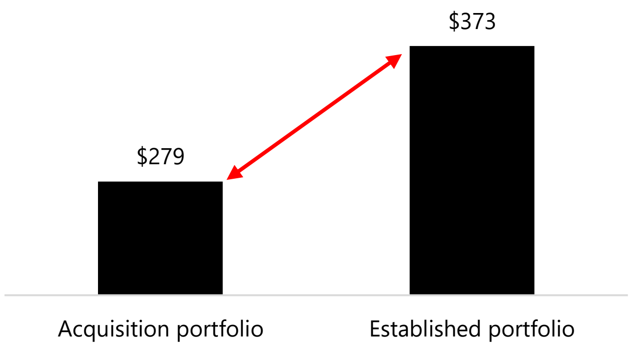
More than half of Australia's self-storage market is owned by small, privately held operators with limited scale, who are often operating just a small number of sites. These centres are commonly run at or near full occupancy but lack the pricing sophistication, marketing reach and systems required to optimise achieved rental rates. In many cases, owners also have limited natural exit options. This fragmentation creates a consistent acquisition opportunity for ASK, who can typically drive immediate value uplift through the application of the Storage King brand, the rollout of its revenue management system, and integration into its national marketing and operating platform. These factors allow ASK to improve pricing outcomes, even before leaning on incremental development or expansion capital.

Figure 41 – 55.9% of Australia's self-storage market is held by sub-scale operators



SOURCE: IBIS WORLD.

Figure 42 – Sites that ASK acquire are typically 20% to 30% under rented, creating an immediate value uplift opportunity



SOURCE: COMPANY DATA.

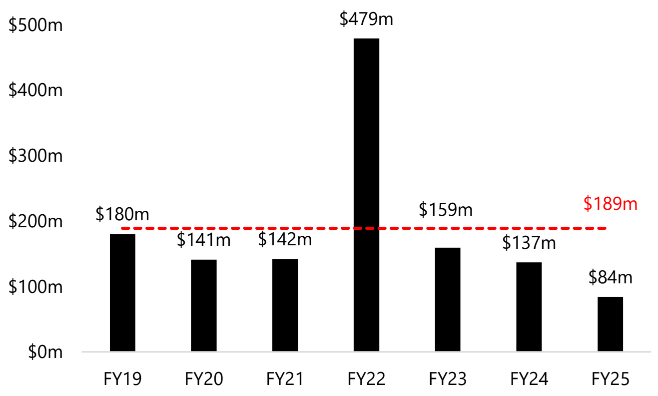
Additional pipeline from 3rd party licensed stores

ASK also benefits from a unique pipeline of potential acquisitions through Storage King's licensed store network, which precedes Abacus' involvement. Storage King has for a long-time enabled independent landlords / owner-operators to use Storage King branding and/or systems at their storage facilities in exchange for a licensing and/or management fee. There are currently 76 licensed stores across the network nationally, of which approximately 51 are managed by ASK, generating management fee income.

- *BPe $950k of fee income per managed store, equating to $7.2m annual income in FY26e, or c.4% of operating profit. We expect this to remain steady as the number of licensed stores is maintained.*

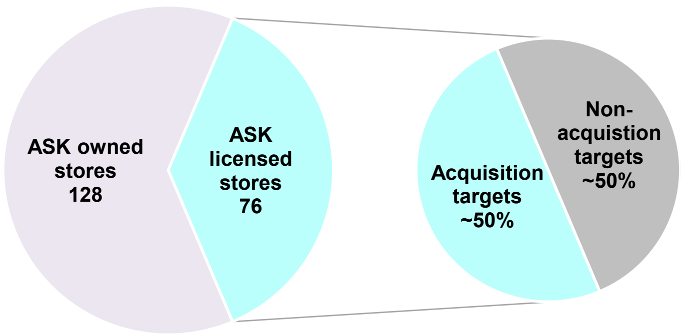
ASK has indicated a long-term ambition to acquire approximately half of this licensed store network, with the remainder excluded primarily due to regional location or supply dynamics. The licensed model provides ASK with a first-look advantage and reduces execution risk, given brand alignment and pre-existing operational integration. We view this as a differentiated and repeatable source of acquisition-led growth.

Figure 43 – ASK have spent an avg. $189m on acquisitions per annum



SOURCE: COMPANY DATA.

Figure 44 – Strong opportunity to acquire stores within the licensed network

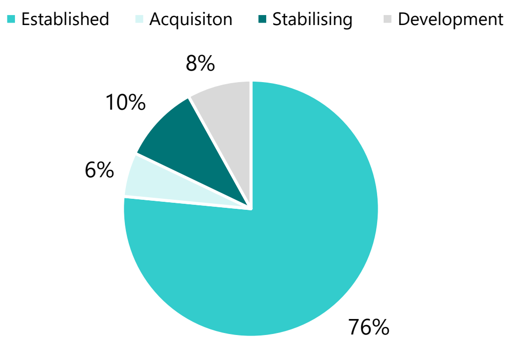


SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Growing and improving the book via development

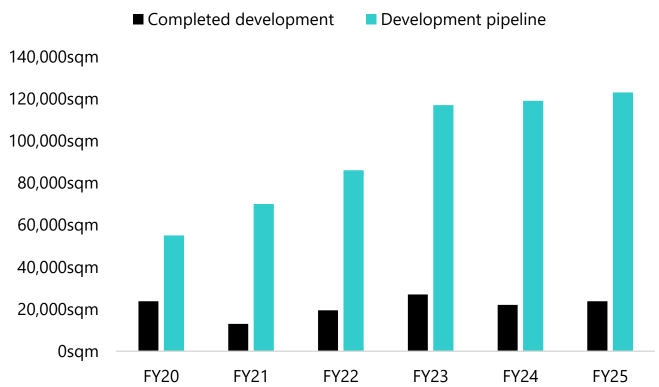
ASK's development pipeline represents a scalable and internally controlled source of medium-term earnings growth, executed with a clear bias toward metro infill locations. Development and stabilising assets account for approximately 20% of portfolio value, with new projects progressing through a defined pathway from development to stabilisation before entering the established portfolio, enabling ASK to expand scale while maintaining visibility over portfolio maturity and risk.

Figure 45 – Portfolio value by segment



SOURCE: COMPANY DATA.

Figure 46 – Development pipeline and completions

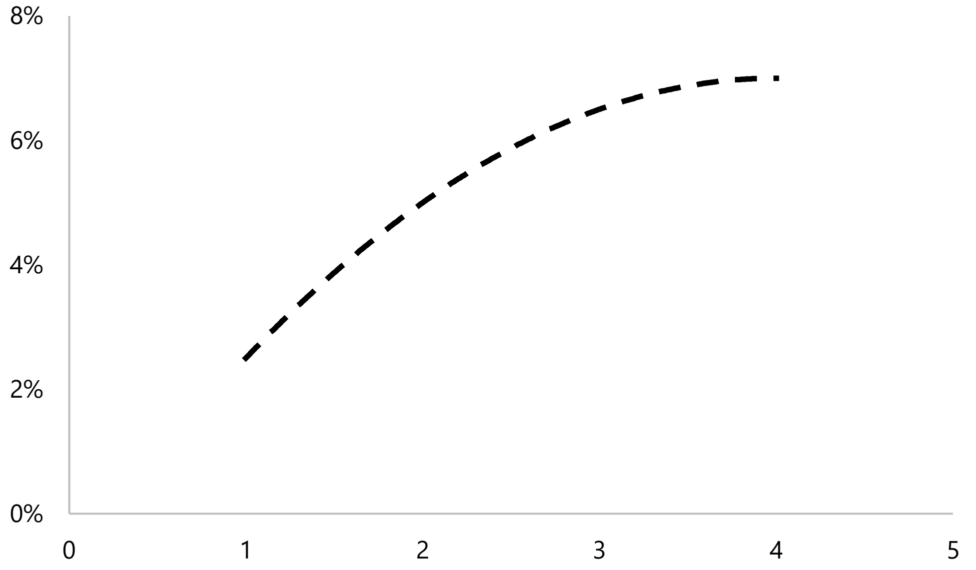


SOURCE: COMPANY DATA.

A key differentiator is ASK's **location discipline**. Management is focused on established metropolitan catchments where demand is proven and supply risk is constrained, rather than pursuing greenfield or outer-corridor developments that rely on future population growth to justify lease-up. This approach reduces the risk of prolonged stabilisation periods and mitigates the potential for self-cannibalisation through incremental supply within overlapping trade areas. As development assets transition into the established portfolio, they contribute to recurring earnings growth without increasing exposure to regional supply dynamics or materially diluting portfolio quality. In our view, ASK's development strategy prioritises risk-adjusted returns and earnings visibility, rather than absolute unit growth.

ASK's developments are often delivered through the repurposing of existing assets rather than speculative greenfield builds, further limiting execution risk. Management targets **yields on cost of between 6% and 8%**, with recent projects achieving faster lease-up than historical averages, reducing stabilisation periods from approximately four years to closer to three. The application of the Storage King brand and ASK's revenue management systems during lease-up supports early rate discovery and improves realised returns.

Figure 47 – BP estimate YoC to be between 6-8% over a 4-year stabilisation period



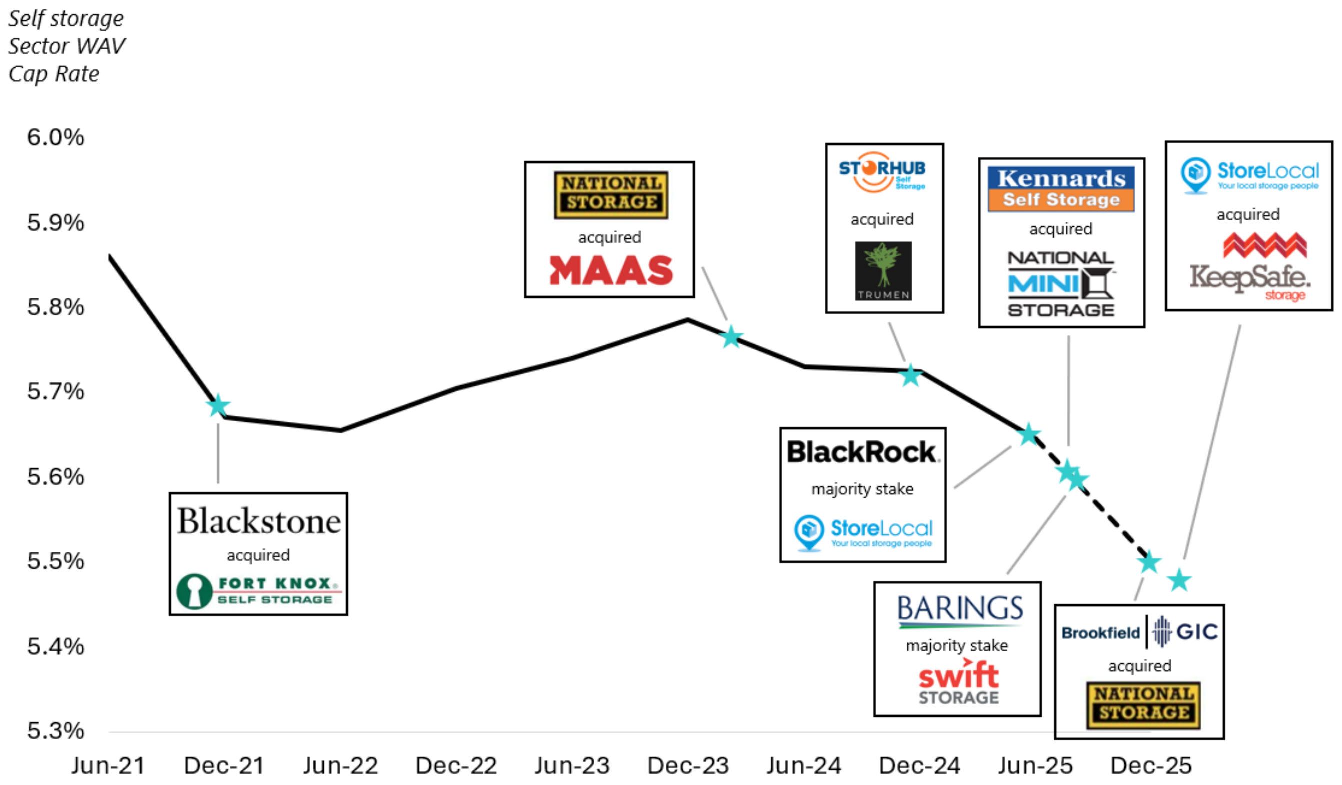
SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

4. Potential target

Global interest for scaled storage platforms is strong…

ASK sits within a globally sought-after asset class that continues to attract deep pools of institutional and private capital, both in Australia and offshore. Recent investments by BlackRock (Fort Knox), Barings (Swift Storage), Warburg Pincus & CapitaLand (StorHub), and most recently Brookfield / GIC (NSR), as well as unsuccessful bids (Gaw Capital, PSA / Ki Corp), highlight growing institutional appetite for scaled self-storage platforms, reinforcing the depth of capital targeting the sector and the strategic value of established operating businesses.

Figure 48 – Platform Investments into Australian Self Storage vs. blended sector cap rates historically



SOURCE: BELL POTTER SECURITIES ESTIMATES, COMPANY DATA, REAL ESTATE SOURCE.

… and ASK now has strategic scarcity.

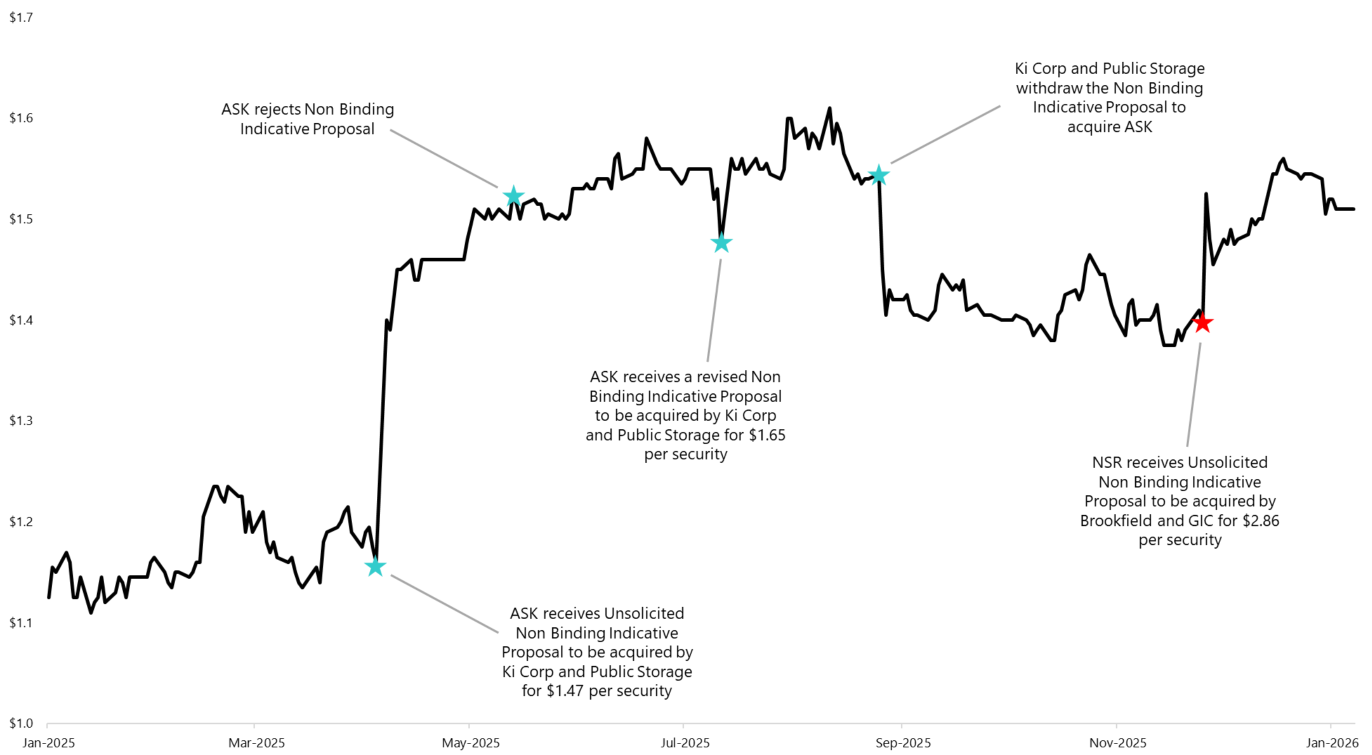
The Australian self-storage sector has reached a point where scaled entry opportunities are increasingly scarce. Given the current potential privatisation of National Storage REIT and with Kennards remaining privately owned, ASK represents the only remaining listed platform offering immediate national scale, operating infrastructure, brand awareness and portfolio depth. For global operators or institutional capital seeking exposure to the Australian market, ASK would effectively be the sole listed avenue to acquire scale in a single transaction.

PSA / Ki Corp bid $1.65/sh for ASK in July, a premium to NTA at the time

In April 2025, a Kirsh-led consortium (Ki Corp) partnered with Public Storage (PSA.NYSE) lodged a non-binding indicative proposal for ASK at $1.47 per security (-8% discount to NTA), subsequently increasing its offer to $1.65 per security (+3% premium to NTA) in July following due diligence. The proposal was withdrawn in August after the consortium was unable to meet the valuation expectations of the independent board committee and minority shareholders.

While non-binding and ultimately unsuccessful, the approach validated the quality of ASK's assets and highlighted the strategic appeal of ASK's platform to both global self-storage operators operating platform and long-term private capital. While the proposal was ultimately withdrawn it underscored the disconnect between listed market pricing and control value in the sector and suggests that any future corporate activity would require a valuation above current market levels.

Figure 49 – ASK share price performance relative to corporate activity

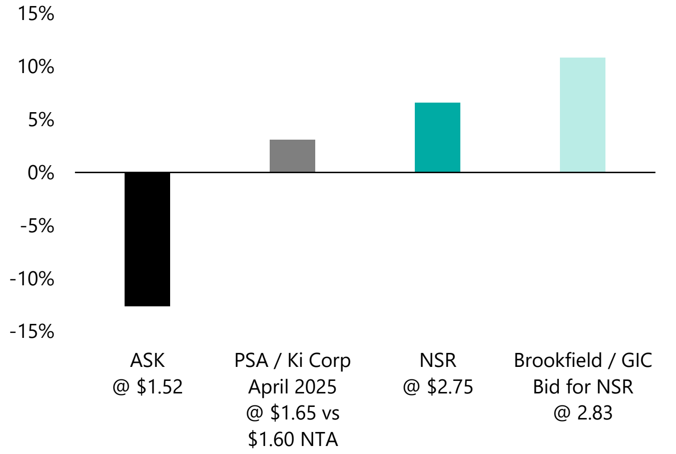


SOURCE: IRESS.

NSR taken private at +8.8% premium to NTA or 23.9x underlying earnings

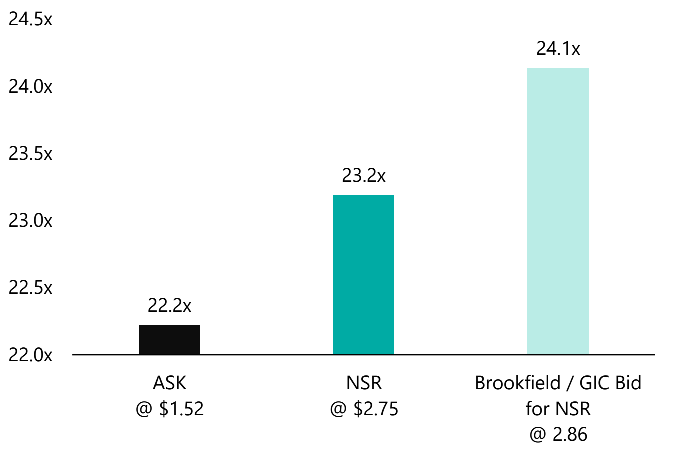
Brookfield and GIC's joint take-private bid for NSR in October reflected a +26.5% premium to undistributed share price, an +8.8% premium to NTA, and a 23.9x pre-tax underlying earnings multiple (pre-tax used for comparability with ASK). This validates the quality of the asset class and the premium required to get access to a portfolio with platform and branding. We do not think there is much difference between the way the two portfolios have been valued, and we see no reason that ASK should be trading at a discount, other than the fact that it is externally managed, but with internalisation imminent we expect this discount to close. Brookfield / GIC will also inherit a c.10% position in ASK which NSR had built as a blocking stake. If Brookfield / GIC were to offload this blocking stake it would be a key enabler for Ki Corp / PSA to return to the table or for another party to make a play at ASK.

Figure 50 – ASK trading at -13% discount to NTA vs recent NSR bid



SOURCE: COMPANY DATA, IRESS.

Figure 51 – ASK trading at c.2x lower multiple than Brookfield / GIC's pre-tax underlying earnings multiple bid for NSR



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES.

StorHub raising equity for APAC expansion

StorHub's mooted equity raising (amount TBD, announced early Jan-2026) is a constructive read-through for self-storage M&A momentum in Australia, pointing to incremental dry powder for expansion and follows StorHub's recent entry and rapid scaling in-market. This recent announcement reinforces that well-capitalised institutional operators are actively deploying capital into the sector, supporting competitive tension for both assets and platforms and keeping the backdrop for corporate activity constructive.

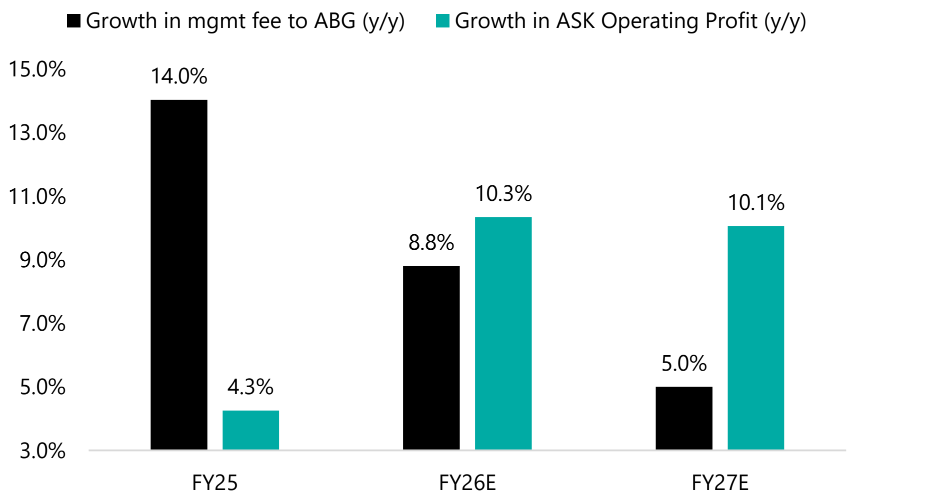
5. Potential benefit from internalisation

Mgmt. fee no longer cost neutral, internalisation logical

The internalisation of ASK's management is a likely medium-term catalyst for ASK, but is not in our numbers and reflects a 'nice-to-have'. Importantly, when ASK de-stapled in 2023, ABG was never seeking to evolve into a long-term fund manager, has always maintained consistent messaging that an internalisation of management would eventually be pursued once the platform reached sufficient scale and market conditions allowed, a threshold ASK now appears to have met.

Paying management fees to ABG was effectively cost neutral at inception, but the flat fee structure on GAV only makes sense up to a certain scale, beyond which management fees can outgrow core earnings within the REIT. As per Figure 52, management fees are currently growing faster than ASK operating earnings. In our view, and in light of recent press speculation around the matter, we think management fees have surpassed a point of cost neutrality, and an internalisation of management is the next logical step. However, we have no visibility on timing so do not assume an internalisation event in our forecasts.

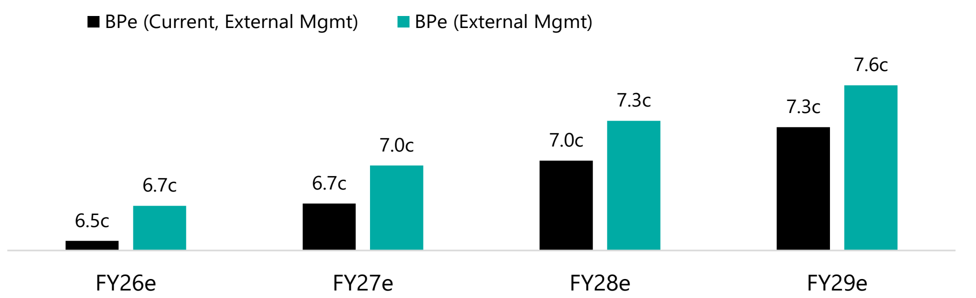
Figure 52 – ABG management fee earnings are growing faster than ASK operating profit



SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

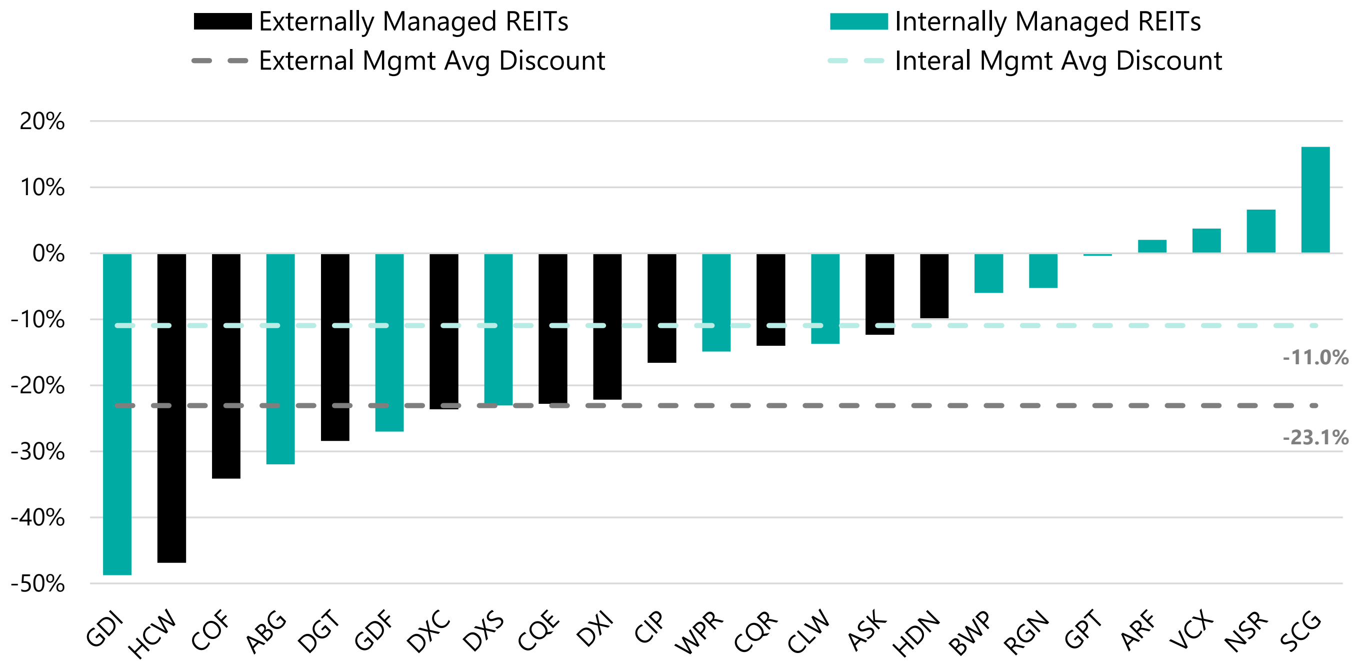
Under the current externally managed structure ASK pays a 40bp fee on gross asset value to ABG (also performance fees for ABG on developments), which has become an increasing drag on earnings as the portfolio has scaled with ABG extracting what we estimate to be a c.25% margin on base management fees. Internalisation would remove this structural leakage, directly reducing non-operating expenses and providing a clear uplift to FFO (see Figure 51), while also improving transparency and governance.

Figure 53 – BPe FFO uplift from internalising management



SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Figure 54 – Externally managed REITs trade at an average -23% discount vs. internally managed REITs at -11%



SOURCE: IRESS, COMPANY DATA. NOTE: INCLUDES ALL PASSIVE REITS (EX DEVELOPERS AND FUND MANAGERS)

…and opens the door to a possible but unlikely sell-down

Internalisation may also facilitate a sell-down by Abacus Group as manager, removing a longstanding structural overhang on the stock. Post-internalisation, any sell-down would be more palatable to the market as ABG would no longer maintain an operating role in ASK, reducing perceived conflicts of interest. An increase in free float would likely support index weightings across the ASX200 and ASX300, improving liquidity and attracting incremental passive capital flows.

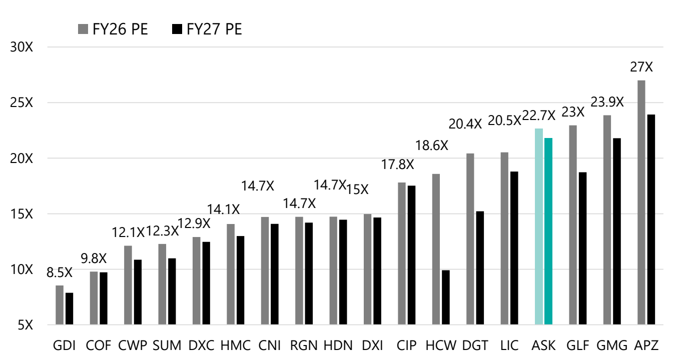
Sector Comps & Comparable Stock Metrics

Figure 55 – Bell Potter REITs Comps Sheet

Ticker	Last Close	Target Price	Upside to TP	Investment Rating	DPS Yield (1yr forward)	Total Return	Market Cap	Price / NTA	Price / NAV	1 Week Perf.	1 Month Perf.	3 Month Perf.	12 Month Perf.	PE Ratio (FY26 PE)	1yr EPS CAGR	3yr EPS CAGR	PEG	1yr DPS CAGR	3yr DPS CAGR
	A$	*A$*	*%*		*%*	*%*	*A$m*			*%*	*%*	*%*	*%*	*x*	*%*	*%*	*x*	*%*	*%*
Active REITs					**1.1%**		**$66,127**	**180.3%**	**-27.0%**	**-2.0%**	**0.3%**	**-7.5%**	**-19.0%**	**23.4**	**8.9%**	**10.3%**	**0.7**	**0.0%**	**0.1%**
CNI	$1.99	$2.25	13.1%	Hold	5.3%	18.4%	$1,615	306.1%	-26.4%	-3.9%	-1.5%	-16.4%	12.7%	14.7	7.2%	8.5%	1.7	1.5%	3.3%
GMG	$31.00	$37.40	20.6%	Buy	1.0%	21.6%	$62,796	181.1%	-27.9%	-1.9%	0.1%	-8.4%	-18.8%	23.9	9.7%	10.6%	2.1	0.0%	0.0%
HMC	$4.32	$4.25	-1.6%	Hold	2.8%	1.2%	$1,716	33.3%	7.1%	-3.1%	9.1%	35.0%	-54.3%	14.1	-20.4%	-0.3%	-51.5	0.0%	0.0%
Passive REITs					**6.3%**		**$11,685**	**-17.4%**	**-11.4%**	**-2.2%**	**-1.6%**	**-5.2%**	**7.0%**	**15.6**	**7.7%**	**8.2%**	**3.1**	**5.8%**	**7.3%**
ASK	$1.53	$1.70	11.5%	Buy	4.2%	15.6%	$2,096	-12.4%	-4.7%	-2.6%	0.3%	4.8%	35.6%	22.7	3.9%	6.3%	3.5	1.8%	5.2%
CIP	$3.27	$3.75	14.7%	Buy	5.2%	19.9%	$2,060	-16.6%	-16.9%	-1.8%	-1.2%	-7.9%	14.3%	17.8	3.1%	5.1%	3.5	2.9%	4.1%
COF	$1.10	$1.05	-4.5%	Sell	9.0%	4.4%	$660	-32.9%	5.3%	-1.8%	-4.3%	-7.9%	-2.7%	9.8	-1.7%	0.6%	15.6	-1.7%	-1.9%
DGT	$2.72	$3.25	19.5%	Buy	5.2%	24.7%	$1,461	-28.4%	-22.5%	-2.9%	-1.4%	-1.4%	n/a	20.4	40.1%	24.6%	0.7	20.8%	18.1%
DXC	$2.78	$3.45	24.1%	Buy	7.9%	32.0%	$384	-23.6%	-19.8%	-2.1%	-1.1%	-5.1%	-0.4%	12.9	3.3%	6.7%	1.9	3.1%	3.4%
DXI	$2.60	$3.10	19.2%	Buy	6.4%	25.7%	$828	-22.2%	-18.0%	-2.3%	-3.3%	-10.7%	-4.8%	15.0	-1.0%	6.1%	2.4	1.2%	3.7%
GDI	$0.62	$0.85	38.2%	Buy	8.1%	46.3%	$335	-48.8%	-39.4%	-1.6%	-3.1%	-6.8%	6.0%	8.5	8.6%	4.9%	1.7	0.0%	0.0%
HDN	$1.33	$1.35	1.9%	Sell	6.7%	8.5%	$2,798	-9.9%	1.4%	-3.3%	-2.9%	-5.0%	15.2%	14.7	2.2%	6.4%	2.3	2.7%	3.1%
HCW	$0.77	$1.00	30.7%	Buy	5.3%	36.1%	$421	-46.9%	-24.1%	0.7%	5.5%	11.7%	-17.7%	18.6	18.5%	20.4%	0.6	33.2%	53.3%
RGN	$2.34	$2.70	15.4%	Buy	6.1%	21.5%	$2,737	-5.3%	-10.1%	-1.7%	-0.4%	-5.3%	7.8%	14.7	3.3%	5.0%	2.9	3.0%	6.0%
Living Sector					**1.6%**		**$7,488**	**26.3%**	**-10.1%**	**-1.6%**	**-0.8%**	**2.4%**	**22.5%**	**12.1**	**81.9%**	**21.6%**	**0.8**	**3.6%**	**3.2%**
APZ	$5.52	$6.25	7.8%	Buy	2.1%	9.9%	$1,293	129.0%	-7.3%	-3.7%	-4.7%	5.1%	131.9%	27.0	16.3%	14.1%	1.8	9.6%	6.8%
CWP	$8.51	$10.00	17.5%	Buy	4.4%	21.9%	$729	43.8%	-15.5%	2.9%	-0.6%	2.7%	60.9%	12.1	15.0%	10.2%	1.1	16.2%	11.1%
GLF	$5.20	$5.55	6.7%	Buy	0.2%	7.0%	$1,970	103.9%	-3.3%	2.2%	2.4%	3.0%	0.0%	18.7	19.6%	19.4%	0.9	0.0%	0.0%
LIC	$5.65	$6.05	0.9%	Hold	0.0%	0.9%	$699	9.3%	-1.4%	1.8%	11.9%	5.6%	-41.2%	20.5	786.2%	143.2%	0.1	n/a	n/a
SUM	$11.93	$14.75	27.8%	Buy	2.1%	29.9%	$2,797	-3.0%	-19.3%	-3.8%	-2.9%	2.0%	-6.4%	11.6	11.4%	12.9%	0.9	0.9%	2.6%
			18.7%		**2.0%**	**20.7%**	**$85,299**	**139.4%**	**-23.5%**					**21.9**	**15.2%**	**11.2%**	**1.1**	**1.2%**	**1.5%**
XPJ	**1,788**									**-2.1%**	**-1.7%**	**-7.7%**	**-0.8%**						
XPJ ex. GMG										*-2.2%*	*-2.6%*	*-7.2%*	*12.8%*						
XPK	**1,782**									**-2.1%**	**-1.7%**	**-7.5%**	**-0.4%**						
XJO	**8,860**									**-0.5%**	**1.7%**	**-1.9%**	**5.7%**						
XKO	**8,831**									**-0.4%**	**1.7%**	**-1.7%**	**6.3%**						

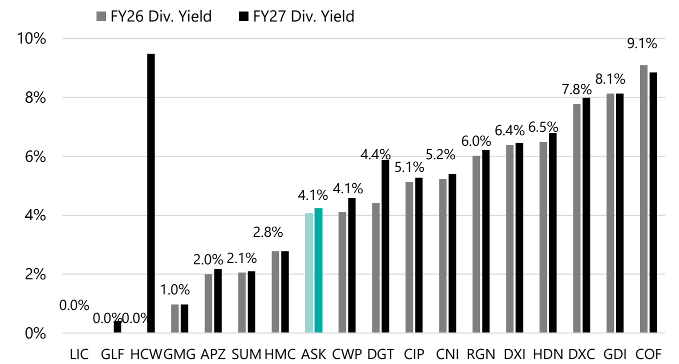
SOURCE: COMPANY DATA, IRESS, BLOOMBERG, BELL POTTER SECURITIES ESTIMATES.

Figure 56 – PE Ratio (FY26 & FY27)



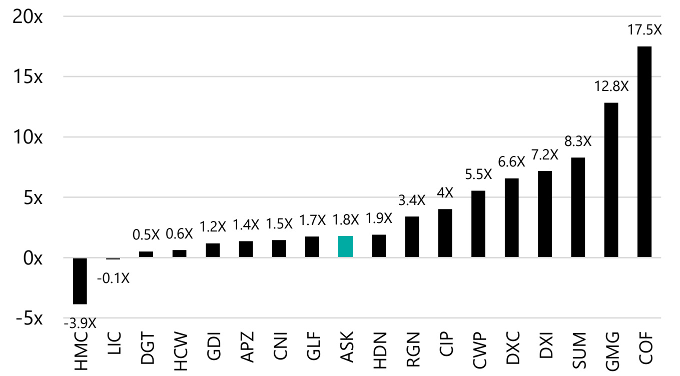
SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES.

Figure 57 – Dividend yield (FY26 & FY27)



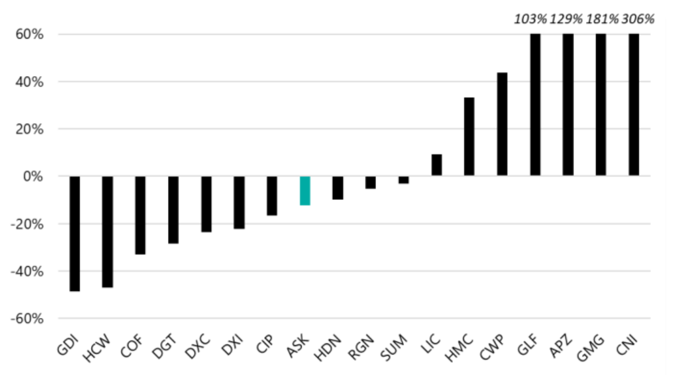
SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES.

Figure 58 – PEG Ratios



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES.

Figure 59 – Discount / premium to NTA



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES.

High quality earnings commands high sector relative PE multiple

We note that ASK's PE multiple screens at the higher end of our coverage. We believe this is where ASK should sit given:

- **Earnings quality and resilience of sub-sector**, with self-storage being a low-beta subsector with demand driven by "life-events" rather than external factors, reducing downsize vs most cyclicals.
- **Diversified revenue stream** from 1000+ customers means ASK has less exposure to single-tenant / lease-expiry cliffs and has more levers to defend FFO
- **Ability to reprice frequently** due to month-to-month contract structure gives ASK an ability to protect real earnings in inflationary environments.
- **Margins lower today, higher tomorrow.** ASK is very much in growth phase. Storage has a high fixed cost base at the site level, but once occupancy is mature, incremental revenue drops through at high margin. Earnings growth may be temporarily subdued today but there is a higher margin return on those earnings coming as mature revenues grow beyond the high fixed costs.
- **High FCF conversion** in mature stores with little-to-no leakage from FFO to AFFO.
- **Long-runway via development / expansion optionality**. Storage has a repeatable roll-out model (in addition to organic growth) which should underpin ASK earnings over the long term.
- **Scarcity value premium**. Higher multiple warranted due to ASK being the only listed avenue for exposure to an in-vogue real estate sub-sector, with high quality assets and in irreplaceable locations.

Key assumptions

+3.5% RevPAM growth in the Established Portfolio

Revenue from established stores is ultimately driven by RevPAM and portfolio scale, with RevPAM reflecting the interaction between achieved 1) rental rates and 2) physical occupancy.

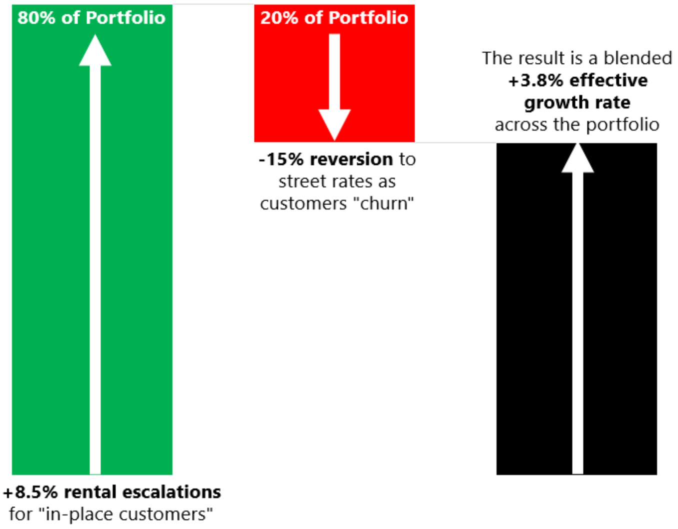
1) Strong rate growth execution. Together, the assumptions below in Figure 60 and 61 imply blended rate growth of **+3.8%** across the established portfolio, reflecting the interaction between in-place rent escalation (+7% existing customer rental increase every 10 months, or +8.5% annually) and churn-driven reversion to street rents (-15% on average).

Figure 60 – Key inputs to blended rate escalation across the established portfolio

Input / Reasoning	*Assumption*	*Reasoning*
Rate escalation *ASK typically increases rents by ~7% every ~10 months. In practice, not all customers receive increases on schedule and few receive multiple increases in a single year. We therefore assume an effective annual in-place escalation of ~8.5%.*	*8.5%*	*ASK typically increases rents by ~7% every ~10 months. In practice, not all customers receive increases on schedule and few receive multiple increases in a single year. We therefore assume an effective annual in-place escalation of ~8.5%.*
Share of customers that churn *While headline monthly churn is ~7%, we understand a significant portion reflects repeat churn from newer customers. We conservatively assume ~20% of the portfolio is impacted by churn at least once per year.*	*20%*	*"While headline monthly churn is ~7%, a meaningful proportion reflects repeat churn among newer customers. We conservatively assume ~20% of the portfolio is impacted by churn at least once per year.*
Reversion from in-place to street rents *Due to sustained in-place rent escalation, street rents typically sit below in-place levels. When customers churn, replacement tenants reset closer to street rents, creating a drag on blended portfolio rate growth.*	*-15.0%*	*Due to sustained in-place rent escalation, street rents typically sit below in-place levels. When customers churn, replacement tenants reset closer to street rents, creating a drag on blended portfolio rate growth.*
Implied blended rate growth (derived)	*3.8%*	*Reflects the interaction between in-place escalation and churn driven reversion*

SOURCE: BELL POTTER SECURITIES ESTIMATES.

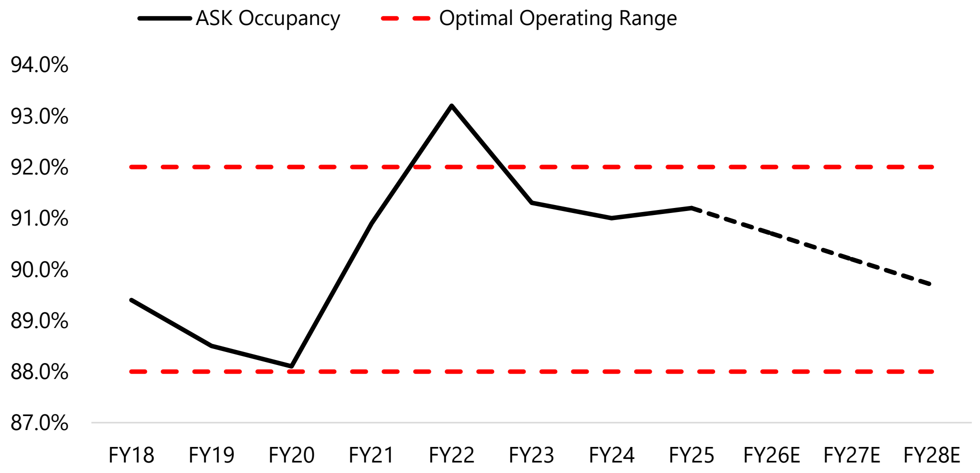
Figure 61 – Illustrative breakdown of blended rate growth across the established portfolio



SOURCE: BELL POTTER SECURITIES ESTIMATES.

2) Necessary churn lowering occupancy. ASK's occupancy is currently at **91.2%**, which is approaching the higher end of their optimal operating range (88% - 92%). We believe that occupancy should trend downwards (-0.5% in FY26e), back towards 90%, as ASK roll out new technology systems to optimise rate across the established portfolio. This assumption is consistent with ASK's stated preference for optimising yield rather than maximising unit fullness.

Figure 62 – BPe expect occupancy to stay steady in FY26, in-line with historical range



SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

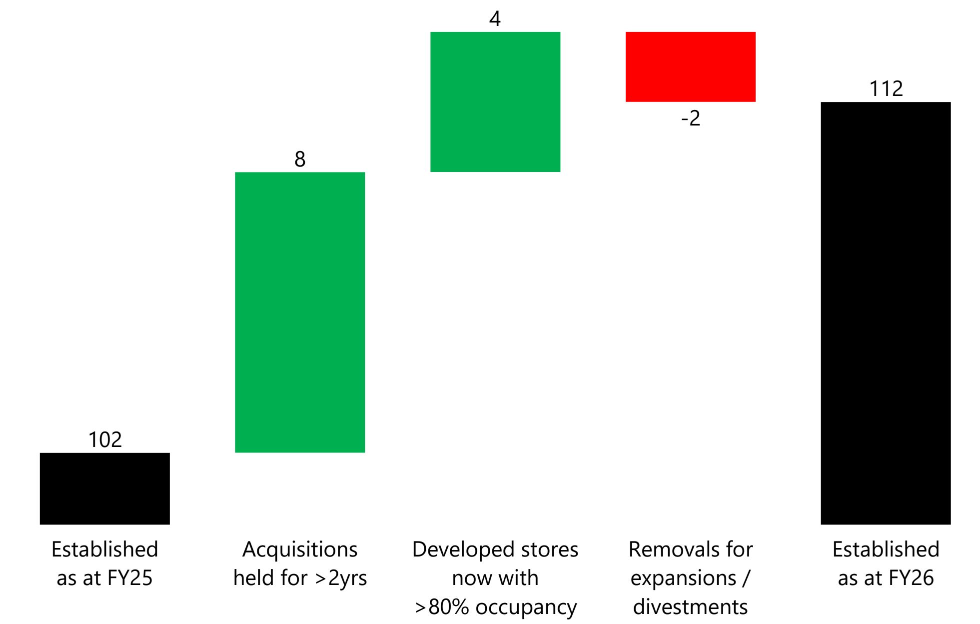
+8% 3yr CAGR in established store count

We assume that the number of established stores grows at a +7.9% 3yr CAGR from 102 stores at FY25 to 112, 120 and then 128 in FY26-FY29. Growth in established store count reflects the maturation of development and acquired assets rather than new build within the core portfolio.

The key drivers to our forecasted number of established stores are:

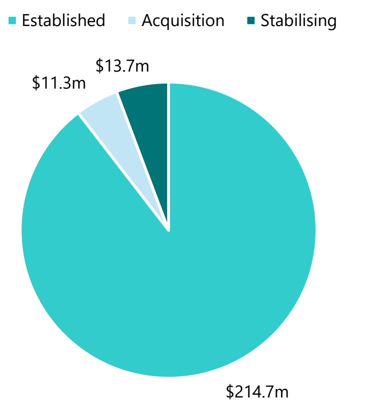
- The addition of **acquisitions** which have been held for 2 years.
- The addition of **stabilised assets** that have been held for 3-4 years or reached >80% occupancy.
- The removal of **divestments** or assets being earmarked for **development / expansions**.

Figure 63 – Stabilised developments and maturing acquisitions are the primary drivers of increasing established stores (+10 stores y/y) in FY26e



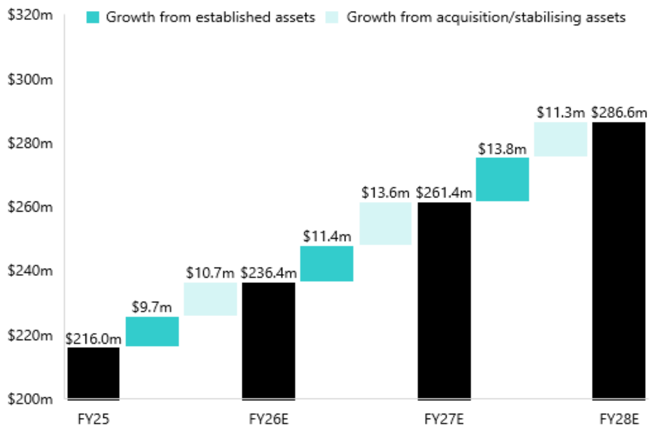
SOURCE: BELL POTTER SECURITIES ESTIMATES, COMPANY DATA.

Figure 64 – BPe estimate established stores the large contributor to FY26 revenue



SOURCE: BELL POTTER SECURITIES ESTIMATES.

Figure 65 – But acquisitions and development are forecast to contribute >50% of incremental revenue in future years



SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

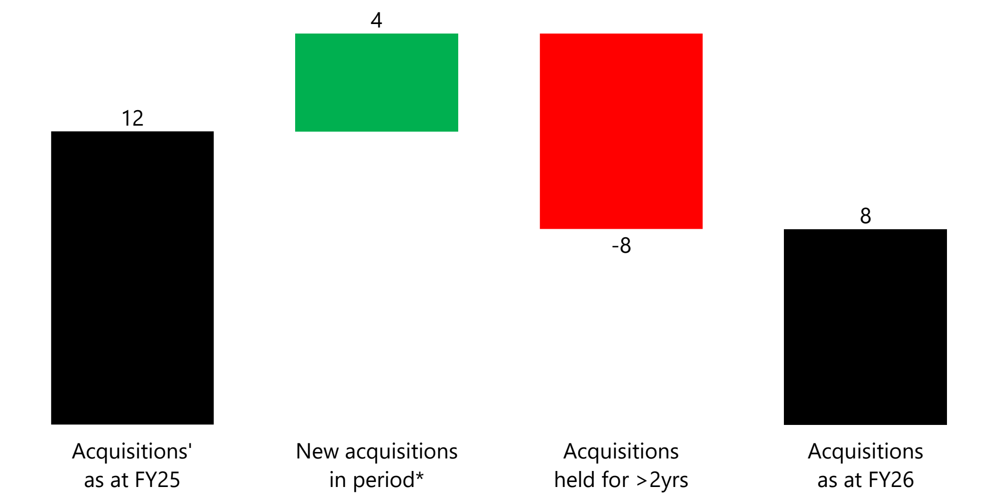
2) Role of acquisitions in the earnings model

Acquisitions represent the primary source of future established stores. Following a stabilisation period of approximately two years – during which ASK applies its branding, pricing discipline and revenue management systems – these assets are assumed to transition into the established portfolio. Acquisitions therefore expand the pool of established stores over time and underpin medium-term revenue growth.

Mature vs. development acquisitions

Acquisitions that are less than 80% occupied when acquired go into the 'stabilising' portfolio, otherwise they move into the 'acquisitions' portfolio where they will sit for 2yrs until they transition into established.

Figure 66 – The number of stores 'recently acquired' should remain steady if ASK are acquiring a similar number of stores today as they did 2 years ago



SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES. NOTE: THIS REFERS TO ONLY NEW ACQUISTIONS WITH >60% OCCUPANCY.

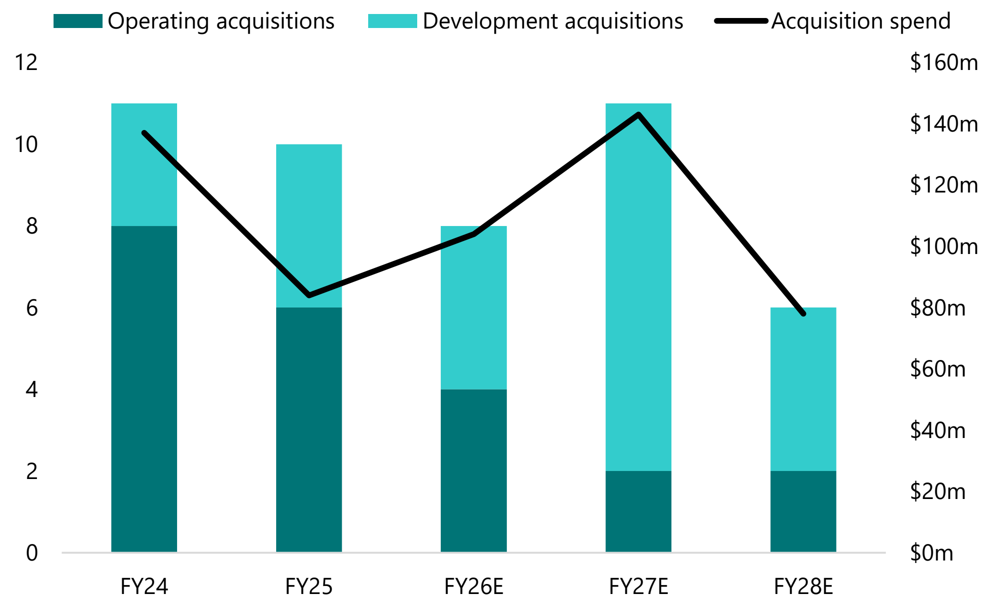
Acquisition volume & cadence

As per section *"Why we like ASK #3"* we assume ASK continues to execute a steady and disciplined acquisition program, forecasting 12 acquisitions per annum, broadly consistent with historical activity and management's stated pipeline.

The key factor here is that we assume that 4 of the 8 acquisitions (50%) are mature, operating stores, and the other 4 are development opportunities. As a result, 'acquisitions' increase by 4, and so does 'stabilising'.

Acquisitions are predominantly sourced from the existing licensed store network and other privately owned assets, with a strong bias toward metro and inner-suburban locations where supply risk is limited.

Figure 67 – BPe assumes 12 acquisitions per year from FY26-FY28



SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Our forecast assumes acquisitions occur at a measured cadence rather than in large, lumpy transactions, reflecting ASK's portfolio-led approach and focus on asset quality over scale. Importantly, the acquisition program is not assumed to accelerate materially beyond recent levels, with growth in established store count driven primarily by the maturation of previously acquired and developed assets rather than step-changes in acquisition volume. We assume that ASK will replenish the development pipeline with enough new acquisitions to offset completing developments. This gives us 4 development acquisitions in FY26e, 9 in FY27e and 4 in FY28e. We estimate acquisition of 4 operating stores in FY26e, decreasing to 2 stores in FY27e and FY28e, as the business shifts priority towards development.

Cost of acquisitions and funding

We assume ASK completes approximately 12 acquisitions per annum, comprising a mix of six stabilised operating assets and six development-oriented acquisitions. Historically, ASK has paid between $8m to $13m per site, equating to approximately $3,000/sqm to $5,000/sqm of NLA, reflecting a blend of mature operating stores and lower-cost development acquisitions.

For modelling purposes, we assume an average acquisition size of c.4,000 sqm and a blended acquisition cost of $13m per store. While mature assets can transact closer to c.$5,000 per sqm (depending on location) and development sites closer to c.$3,000 per sqm, we believe a $12m average appropriately balances this mix and avoids over-specifying asset-level variability.

Initial economics of acquired assets

Assets are typically acquired from family-owned vendors and are generally highly occupied (88.6% on acquisition versus 91.2% for the established portfolio at FY25), but lower yielding at entry, with achieved rental rates below portfolio averages (c. $297 per sqm versus $373 for established stores at FY25).

As a result, acquired stores are initially classified outside the established portfolio to avoid diluting core operating metrics. While occupancy and pricing typically improve under ASK's branding and revenue management systems, the 'recent acquisitions' bucket is continually replenished with new assets. Accordingly, the average rental rate within this bucket remains persistently below that of the established portfolio.

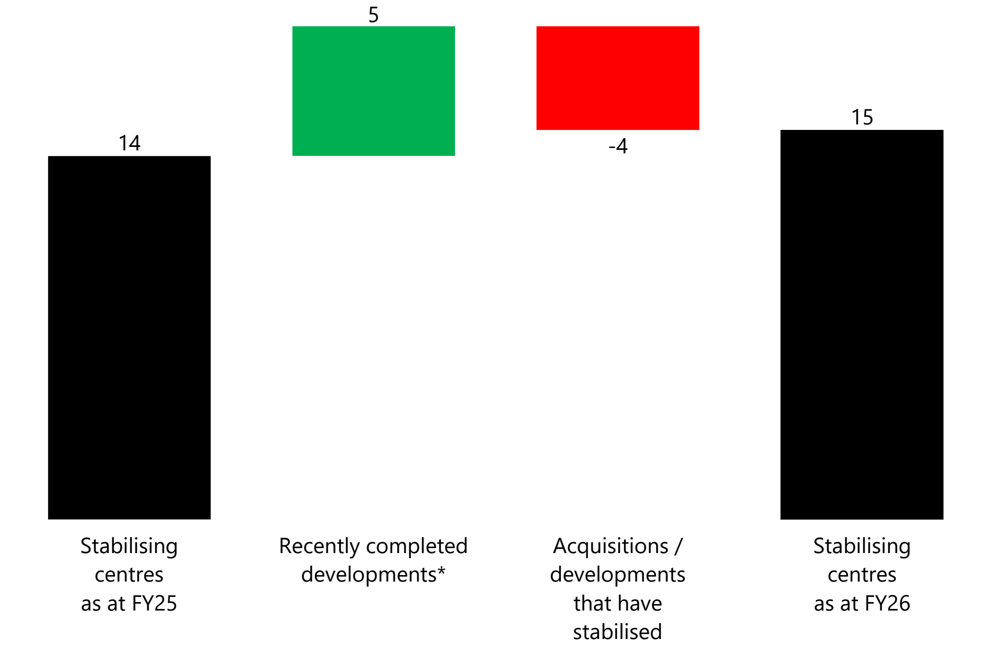
We assume this discount remains broadly consistent with historical experience, at approximately ~20% below established store rates, until assets transition into the established portfolio after the stabilisation period.

3) Role of development in the earnings model

Development assets represent a key medium-term growth engine for ASK, albeit with a period of near-term earnings dilution during lease-up.

Assets that have recently completed development or are currently under development are held outside the established portfolio in a separate 'stabilising' bucket until stabilised. As a result, the stabilising bucket reflects lower initial occupancy and revenue contribution.

Figure 68 – The pool of stabilising stores grows when developments complete and shrinks when they stabilise



SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Development pipeline & cadence

ASK has historically maintained a rolling development pipeline, typically delivering 4 to 6 projects per annum, with management indicating an intention to replenish the pipeline broadly in line with completions. Our assumptions do not require a material acceleration in development activity beyond recent levels.

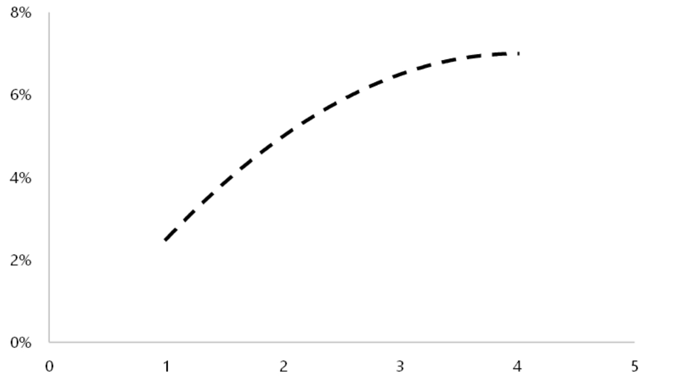
Figure 69 – Forecast completion of development pipeline

SOURCE: COMPANY DATA.

Lease-up & stabilisation assumptions

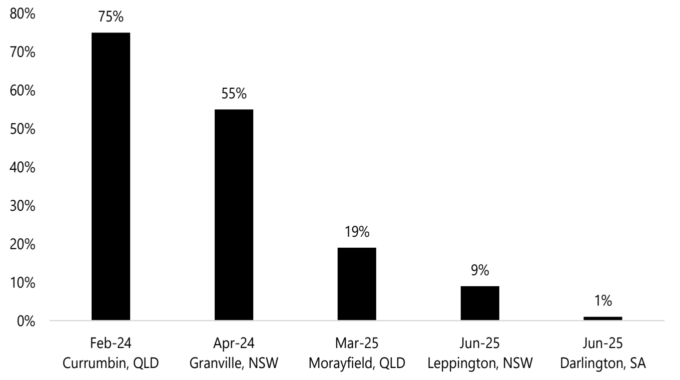
Newly developed stores typically progress through a defined lease-up profile, reaching approximately 50% occupancy in the first year, around 80% by the second year, and stabilising thereafter. While ASK has historically assumed a four-year stabilisation period, recent developments have achieved stabilisation closer to three years. We adopt a conservative stabilisation timeline broadly consistent with this experience.

Figure 70 - Yield on cost of new developments



SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 71 – New developments consistently reaching 'stabilisation' occupancy in less than 2yr period (as at Jun-25)



SOURCE: COMPANY DATA. NOTE: DATES ON X-AXIS ARE DATES WHEN DEVELOPMENT COMPLETED.

Financials

P&L

Figure 72 – Summary P&L

	FY25A	FY26e	FY27e	FY28e
Total storage revenue	216.0	236.4	261.4	286.6
Leased tenancy & fee revenue	12.4	12.4	12.4	12.4
Total revenue	**228.4**	**248.8**	**273.9**	**299.0**
Operating expenses	-86.4	-94.9	-101.6	-108.9
Operating Profit	**142.0**	**153.9**	**172.2**	**190.1**
Operating Profit Margin	*62.2%*	*61.9%*	*62.9%*	*63.6%*
Management fee to ABG	-13.0	-14.1	-14.9	-15.6
Corp & systems expense	-8.9	-9.2	-9.2	-9.2
Non-operating expenses	**-21.9**	**-23.3**	**-24.0**	**-24.8**
EBITDA	**120.1**	**130.6**	**148.2**	**165.3**
Net Interest Expense	-33.8	-37.0	-49.7	-64.1
Tax Expense	-4.8	-4.7	-4.9	-5.1
Other adjustments	3.5	0.0	0.0	0.0
FFO	**85.0**	**89.0**	**93.6**	**96.2**
FFO / share	**6.5**	**6.8**	**7.1**	**7.3**
AFFO / share	**6.5**	**6.6**	**6.9**	**7.1**
DPS	**6.2**	**6.2**	**6.5**	**6.7**

SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Revenue is forecasted to grow at 9.0% in FY26e, then 10.1% and 9.2% in FY27e and FY28e. The two components of revenue are:

- **Storage Revenue**, which includes all revenue from ASK owned storage stores and is growing at 9.5% in FY26e, then 10.6% and 9.6% in FY27e and FY28e. While established store revenue makes up the majority of total ASK storage revenue, the incremental revenue add opportunity is much higher from new acquisitions and stabilising stores. As a result, we estimate that about 50% of the dollar quantum growth in revenue comes from established stores and the other 50% of incremental revenue is from new acquisitions and newly developed / expanded stores, with the latter contributing more and more as development becomes a greater focus in future years.
- **Leased tenancy & fee revenue**. ASK own some sites that are not yet storage facilities (typically recent acquisitions earmarked for development) which are still on prior leases creating an additional **leased tenancy revenue** stream. ASK also receive **fee revenue** from the 76 stores that are licensed to use the Storage King branding, 51 of which are also managed by ASK contributing extra income. From an earnings perspective this is a non-core part of ASK's business, although it does provide acquisition opportunities for the group, and management are not actively looking to grow or shrink this part of the business. We forecast flat growth for this P&L line as a result.

Operating expenses are forecasted to grow at 8.4% in FY26e then 11.9% in FY27e and 10.4% in FY28e. Costs remain a key challenge for ASK (and peer storage operators), continuing to increase on both a per store basis, impacted by rising land tax and insurance costs, as well in absolute terms as ASK grow the group store count. As a result, we have operating profit margin declining slightly to 61.9% in FY26e (from 62.2% in FY25) then increasing to 62.9% in FY27e and 63.6% in FY28e.

Non-operating expenses are forecasted to grow at 6.4% in then grow in-line with CPI giving 3% growth in FY27e and 3% in FY28e.

- **Management fee paid to ABG** should be relatively stable period to period, estimated to be 0.4% of GAV. We do not assume any benefits from internalisation here, though per Figure 51 we would notionally estimate a 25% reduction to overall costs by internalising management.
- **Corporate systems & expenses** are expenses associated with being a listed entity. They are small but significant, although will not move much between periods or as ASK grows.

Interest expense. We forecast interest expense to grow by 9.4% in FY26e then 34.5% in FY27e and 28.9% in FY28e. To calculate interest expense, we look at the percentage of debt that has been hedged versus the percentage of average debt that is floating. We adopt ASK's disclosed hedged base rates (3.2% in FY26e, 3.7% in FY27e and 4.0% in FY28e) and add a +130bp margin (decreasing to +125bp in FY27e). For floating debt, we adopt average 90-day BBSW rates for the periods (3.74% in FY26e, 4.14% in FY27e, 4.30% in FY28e) and again add a +130bp margin. It is important to note that any interest expenses associated with development are capitalised, which we estimate to be approximately 25% of total interest expense costs. We also assume that ASK make a return of c.4% on cash reserves.

Tax expense. We assume an effective tax rate of 5%, broadly in line with historical outcomes (FY25: 5.6%). ASK operates a split structure in which the property assets are held within a trust, while operating activities are undertaken by a separate operating entity. Rental income received by the trust is largely tax-deferred and can be distributed to securityholders, whereas income earned at the operating entity level is subject to corporate tax. As rental payments between the operating business and the property trust do not perfectly offset total operating earnings, a portion of group income remains taxable, resulting in a modest but persistent effective tax rate of around 5%.

Distribution. We assume a payout ratio of 92% of FFO in FY26e-FY28e, which is at the lower end of ASK's 90-100% payout ratio and in-line with prior periods (FY25 96%, FY24 95%).

Adjusted FFO. Adjusted FFO. While not disclosed by ASK, we forecast adjusted FFO (AFFO) as a proxy for sustainable free cash flow. AFFO is calculated by deducting maintenance capex from FFO, with maintenance capex assumed at 0.1% of the value of established properties only, excluding new acquisitions and development assets.

Balance sheet

Figure 73 – Summary Balance Sheet

	FY25A	FY26e	FY27e	FY28e
Cash	119.5	135.2	146.8	159.2
PP&E	32.9	35.6	38.5	41.6
Investment properties	3,315.7	3,708.8	4,248.4	4,652.0
Other assets	145.9	149.3	153.4	157.6
Total assets	**3,614.0**	**4,028.9**	**4,587.1**	**5,010.4**
Borrow ings	1,142.6	1,347.4	1,692.0	1,878.2
Other liabilities	141.8	153.1	163.1	173.2
Total liabilities	**1,284.4**	**1,500.5**	**1,855.1**	**2,051.4**
Net assets	**2,329.6**	**2,528.4**	**2,732.0**	**2,958.9**
NTA / share	$1.74	$1.89	$2.05	$2.22
Gearing ratio	29.3%	31.1%	34.8%	35.4%

SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

The fair value of investment properties (FV). FV is the key balance sheet driver for ASK, influencing NTA and gearing but not FFO. We forecast fair value movements through two channels.

- First, we assume **2% per annum like-for-like growth** across the stabilised portfolio, consistent with historical outcomes and ongoing institutionalisation of the self-storage sector.
- Second, we incorporate fair value uplift from development activity. Development assets are carried at cost during the lease-up period and assumed to stabilise in **Year 3**, with yields on cost of **2% in Year 1**, **5% in Year 2** and **8% at stabilisation**. Upon stabilisation, we revalue assets using a **5.0% exit cap rate**, implying a stabilised value of ~**1.6x total development cost**, with the resulting uplift recognised as a lagged fair value gain.

NTA. As most earnings are distributed, cash retention is minimal and NTA growth is driven by increases in the fair value of investment properties. We forecast NTA to increase by 15c in FY26e, 16c in FY27e and 17c in FY28e.

Gearing. Gearing increases modestly over the forecast period as ASK continues to fund acquisitions and development while maintaining a high distribution payout, but remains well within ASK's target range of 25-40%.

Cash flow statement

Figure 74 – Summary Cash Flow statement

	FY25A	FY26e	FY27e	FY28e
Gross cash flow	127.1	138.5	154.1	171.3
Net interest expense	-34.4	-37.0	-49.7	-64.1
Tax expense	-4.0	-4.7	-4.9	-5.1
Operating cash flow	**88.7**	**96.8**	**99.5**	**102.1**
Investing cash flow	**-121.2**	**-207.5**	**-347.5**	**-189.4**
Financing cash flow	**62.8**	**126.3**	**259.7**	**99.7**
Net change in cash	**30.4**	**15.7**	**11.6**	**12.4**
Cash at end of period	119.5	135.2	146.8	159.2

SOURCE: SOURCE: COMPANY DATA, BELL POTTER SECURITIES ESTIMATES.

Operating cash flow grows steadily over the forecast period, underpinned by rising NOI from the established portfolio and newly stabilised assets, partially offset by higher interest and modest tax expense.

Investing cash flow remains consistently negative, reflecting ASK's capital allocation strategy of deploying capital into acquisitions, development projects and ongoing maintenance capex.

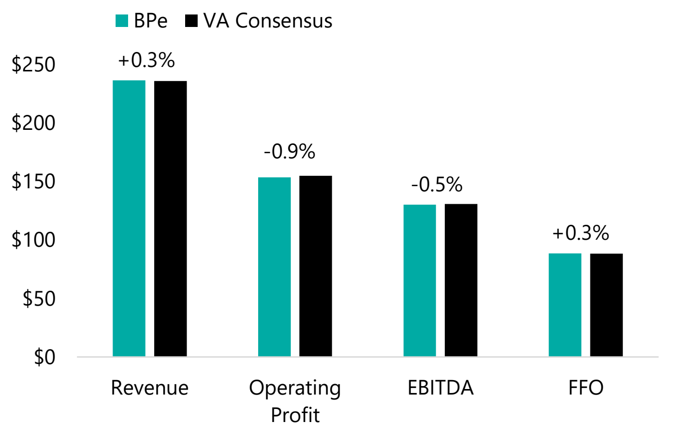
Financing cash flow is structurally positive, as growth capex and acquisitions are primarily debt-funded, with incremental borrowings more than offsetting distributions paid to securityholders.

BP vs Consensus

BPe ahead of consensus; top line helping, interest hurting.

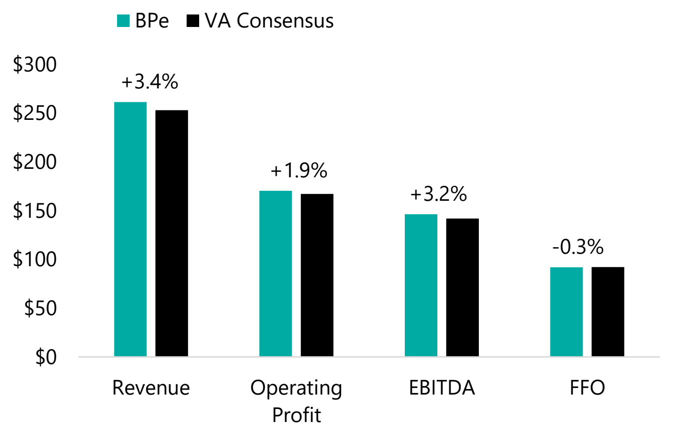
Our revenue estimates are ahead of consensus in FY26e (+0.2%), FY27e (+3.4%) and FY28e (+5.7%), likely driven by stronger than consensus RevPAM forecasts, though partially offset by weaker than consensus estimates for 'Other Revenue' (leased tenancy and fee revenue).

Figure 75 –BPe vs Consensus FY26e



SOURCE: BELL POTTER SECURITIES ESTIMATES, VISBILE ALPHA.

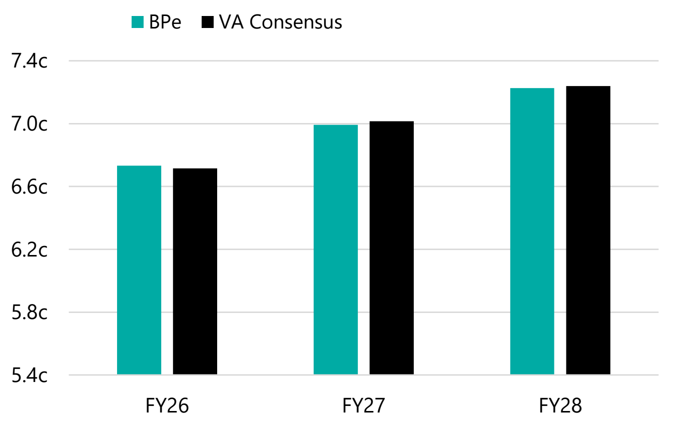
Figure 76 –BPe vs Consensus FY27e



SOURCE: BELL POTTER SECURITIES ESTIMATES, VISBILE ALPHA.

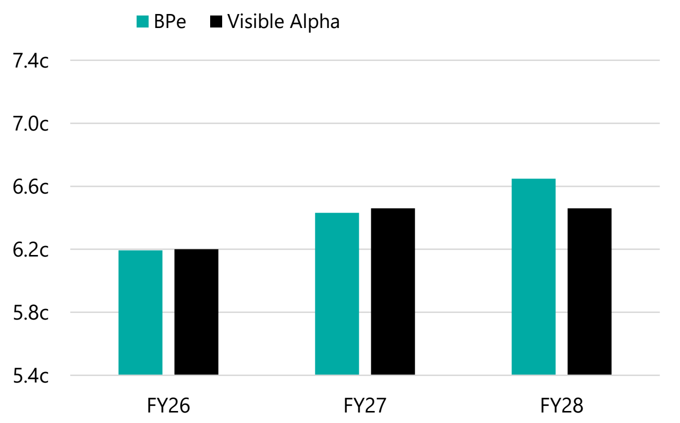
However, our operating expenses sit -1% to +5% greater than consensus across FY26e to FY28e, which hurts operating margin, leaving operating profit -0.9% behind consensus in FY26e, +2% above in FY27e and 4.4% above in FY28e. Our interest expense costs are marginally higher than the street in FY27 and FY28, which is largely down to the timing of this initiation having the hindsight of seeing the movements in the 90day BBSW for FY27 and FY28 versus less recent notes contributing to consensus. We think consensus is too low on net interest expense in FY27e but is offset by what we believe to be conservative revenue numbers.

Figure 77 – BP FFO / share vs Consensus



SOURCE: BELL POTTER SECURITIES ESTIMATES, VISBILE ALPHA.

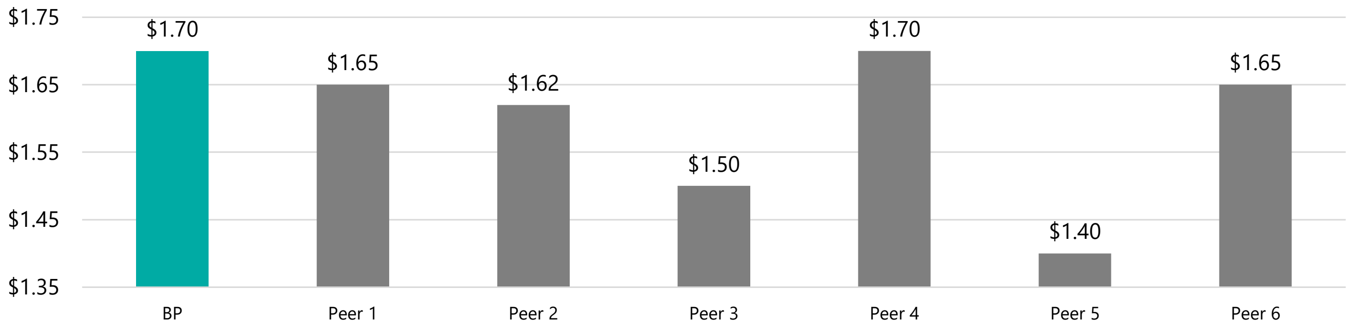
Figure 78 – BP DPS vs Consensus



SOURCE: BELL POTTER SECURITIES ESTIMATES, VISBILE ALPHA.

BPe assume a constant 92% payout ratio from FY26e to FY28e. Consensus has the payout ratio dropping to 89% in FY28e. This explains the discrepancy between BPe vs and consensus in FY28e.

Figure 79 – BP Valuation vs Consensus



SOURCE: BLOOMBERG, BELL POTTER SECURITIES ESTIMATES

Valuation Framework

Blend of SOTP & DCF Approach

We adopt a valuation approach using 50% SOTP (NAV) and 50% DCF of AFFO across our coverage universe to derive our stock Price Targets.

We believe the NAV approach is the most generally accepted real estate equities valuation methodology utilised, and the key approach that direct real estate investors (particularly for M&A / take-private) utilise when looking at the sector to understand the constituent value of the parts. We also utilise a DCF of AFFO approach which ultimately should track the free cash flow to equity available to shareholders and regardless of if the REIT / developer is a high dividend payer (DDM valuation applicable if so) provides the cashflow available for distribution to shareholders.

Sum-of-the-Parts (SOTP) / NAV Approach

In deriving our SOTP valuations for all real estate companies we give consideration to the following components:

- **Cap rate / Trust valuation:** Using the most recent book value of assets and stated portfolio WAV cap rate, we apply our (BPe) view on the 12m forward portfolio WAV cap rate which is gives consideration to the sub-sector dynamics, capital appetite, and stock-specific overlay including relative portfolio quality and view on how aggressive / conservative Managements' book values are relative to direct transaction market evidence. Our specific stock-by-stock assumptions are detailed below in Figure 78.
- **Other assets / liabilities / net debt:** Unless post balance date adjustments have been made, or asset acquisitions / disposals have occurred / or are foreseeable to occur, then we assume the most recent balance date. In this case that was FY25 / June-25.
- **Active earnings (Corporation):** While many passive or externally managed REITs do not have (or have very immaterial) earnings besides Trust NOI, internally managed REITs, real estate operating companies and developers have a corporation (stapled or not) with active earnings streams comprising namely funds / asset management and development. In valuing these earnings streams (see specific detail below in Figure 65), we apply an estimate / market earnings multiple to the 1yr forward EBIT, and we account for the higher risk vs. Trust rental income in our assessment of Beta where we assume a beta of 1.4-1.5 for development and 0.6-1.3 for management.
- **Unallocated corporate overhead:** We reduce our valuation for the value of capitalised corporate overheads where we assume a 4-12x multiple on 1yr forward cost estimates depending on fiduciary vs. management value-add, and cost control.
- **Discount / Premium to NAV:** An overlay to our assessment of real estate asset valuation, we apply a subjective premium or discount to NAV. In most instances we tend not to apply either a premium or a discount so to derive a fundamental view on underlying value, however, this allows us to factor cyclical and momentum aspects into our valuation. At present, we believe that market momentum for office sub-sector exposure and unlisted funds management exposure will continue short-to-medium term.

DCF Approach

For our DCF valuation approach, we also give regard to the following key components:

- **Risk free rate & equity risk premium:** A 4.5% risk free rate and 6.0% equity risk premium is consistently applied our coverage universe which considers current 10yr spot and forward estimates as well as a through-cycle equity risk premium for REITs, real estate operating companies and developers.
- **Beta:** As above, we derive a Beta for each REIT based on the WAV of its components. The components include Investment (typically 0.7-1.3), Development (range of 1.4-1.5), Management (0.6-1.3) and Trading profits / Performance Fees (1-2x), with risk assessments based on the sub-sector of assets, as well as consistency, track record, size and scale of active components.
- **Terminal growth rate:** We assume a terminal growth rate between 1.5 – 3.5% for all stocks based on the long term growth prospects of the relevant sub-sector(s) as well as active % of earnings derived by the business.

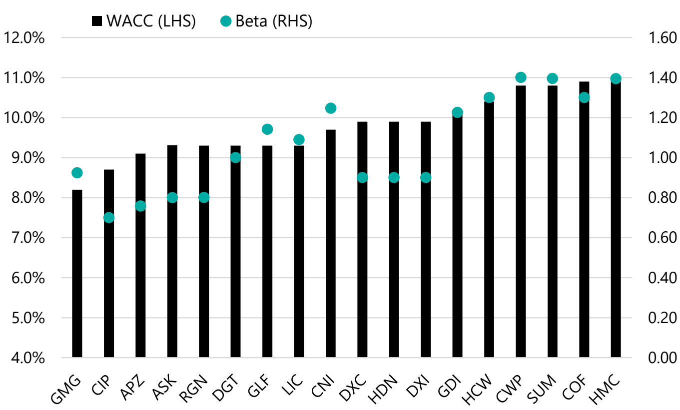
A summary of our stock by stock valuation assumptions is included below, with Figures 80 & 81 highlighting our coverage universe costs of capital and prevailing share price discounts to our assessment of SOTP / NAV. Despite what we consider conservative spot and through the cycle estimates the sector is trading at material discounts to our NAV valuations.

Figure 80 - Stock by stock valuation summary & assumptions

Valuation Summary	ASK	APZ	CIP	CNI	COF	CWP	DGT	DXC	DXI	GDI	GLF	GMG	HCW	HDN	HMC	LIC	RGN	SUM
Price Target	**1.70**	**6.25**	**3.75**	**2.25**	**1.05**	**10.00**	**3.25**	**3.45**	**3.10**	**0.85**	**5.55**	**37.40**	**1.00**	**1.35**	**4.25**	**6.05**	**2.70**	**14.75**
SOTP	1.86	6.43	3.93	2.56	1.04	10.08	3.51	3.47	3.17	1.01	5.38	39.80	1.01	1.31	4.03	5.73	2.60	15.35
DCF	1.55	6.06	3.53	1.92	1.02	9.95	3.25	3.44	2.98	0.68	5.69	34.98	0.95	1.43	4.43	6.37	2.78	14.18
12m Fwd PE Ratio	22.7x	26.7x	17.8x	14.8x	9.8x	12.1x	20.4x	12.9x	15.0x	8.5x	18.7x	23.9x	18.6x	14.7x	14.1x	20.5x	14.7x	11.6x
General / DCF Assumptions																		
Risk Free Rate	4.50%	4.50%	4.5%	4.5%	4.5%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Equity Risk Premium	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
WACC	9.3%	9.1%	8.7%	9.7%	10.9%	10.8%	9.3%	9.9%	9.9%	10.1%	9.3%	8.2%	10.4%	9.9%	10.9%	9.3%	9.3%	10.8%
Beta - Avg	0.8	0.8	0.7	1.2	1.3	1.4	1.0	0.9	0.9	1.2	1.1	0.9	1.3	0.9	1.4	1.1	0.8	1.4
Terminal Value Growth Rate	2.50%	3.5%	2.5%	1.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.5%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
SOTP Assumptions																		
BPe Cap Rate	5.25%	5.50%	5.86%	n/a	6.89%	n/a	4.93%	6.23%	5.94%	6.70%	5.07%	4.90%	5.88%	5.52%	n/a	5.44%	5.97%	n/a
Expansion / Compression in BPe Cap Rate	-0.20%	-0.65%	-0.30%	n/a	0.40%	n/a	0.10%	-0.15%	-0.10%	0.40%	-0.10%	-0.20%	0.20%	-0.10%	n/a	0.20%	-0.15%	n/a
BPe Premium / Discount to NAV	-18%	-14%	-17%	-22%	5%	-16%	-23%	-20%	-18%	-39%	-3%	-22%	-24%	1%	7%	-1%	-10%	-22%
FM Multiple	n/a	n/a	n/a	10.0x	n/a	n/a	n/a	n/a	n/a	8.0x	n/a	22.0x	n/a	n/a	10.0x	n/a	8.0x	n/a
Development Multiple	n/a	16.6x	n/a	n/a	n/a	10.0x	n/a	n/a	n/a	n/a	14.0x	17.5x	n/a	n/a	n/a	8.0x	n/a	12.0x
Unallocated Corporate Overhead Multiple	8.0x	4.0x	8.0x	8.0x	8.0x	8.0x	8.0x	8.0x	8.0x	8.0x	8.0x	12.5x	8.0x	8.0x	12.5x	8.0x	8.0x	8.0x
Premium / Discount on Co-Investments	n/a	n/a	n/a	-0.2	n/a	n/a	n/a	n/a	n/a	-20%	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a

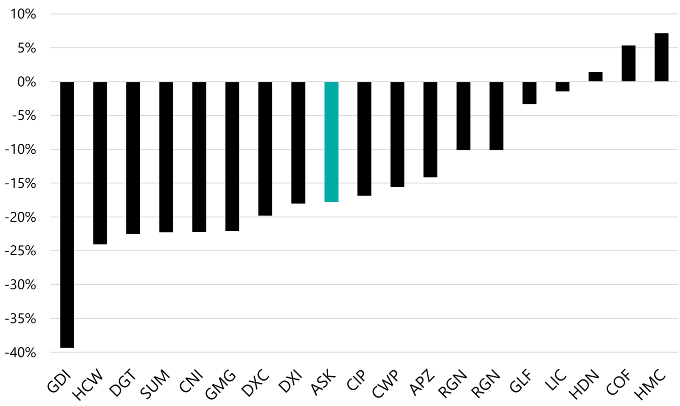
SOURCE: BELL POTTER SECURITIES ESTIMATES; IRESS

Figure 81 – REITs WACC vs Beta (BPe)



SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 82 - REITs Discount / Premium to BPe NAV



SOURCE: BELL POTTER SECURITIES ESTIMATES

Abacus Storage King REIT

Company Description

Abacus Storage King REIT (ASK) is a fully integrated owner and operator of 128 operating self-storage facilities and 21 future-self-storage development sites across Australia and New Zealand. ASK is structured as an externally-managed REIT, managed by Abacus Group (ABG) who retain a 20% stake in the vehicle today.

Investment Thesis

Our Buy recommendation on ASK is based on:

- **Valuation**: Our valuation of ASK, based on 50% SOTP / 50% DCF, is $1.70 which implies 16.1% projected return.
- **Attractive pricing vs. NTA**: ASK trades at a meaningful discount to NTA and a market implied cap rate significantly wider than book cap rate, comparable market evidence, and BPe cap rate.
- **Leading portfolio in rapidly maturing market:** ASK is a clear top 3 player in Australia's self-storage market with c.17% market share and 128 operating assets. We expect ASK to be a key beneficiary of sustained growth in utilisation rates and increasing institutional capital flowing into the sector.
- **Multiple levers for growth:** ASK has a high degree of control over future earnings via 1) organic growth which is being boosted through technology-based systems across the operating portfolio, and inorganic growth through 2) a large pipeline of accretive potential acquisitions and 3) a deep development pipeline.
- **Upside catalysts:** 1) A potential internalisation of ASK management (not in our numbers), would likely lead to a near-immediate FFO uplift and the erosion of ASK's 'external management discount'. 2) Further corporate activity (particularly if involving ASK), with Australian self-storage experiencing elevated M&A interest (including prior bids for ASK and the ongoing offer for sole listed peer NSR) would likely act as a positive SP catalyst.

Key Risks

Key up / downside risks to our estimates and valuation include (but are not limited to):

- **Demand & Occupancy Risk:** Whilst the key drivers for self-storage demand are likely to persist over the medium to long term, adverse macroeconomic conditions or shifts in household and business activity could weaken demand, leading to lower occupancy and earnings pressure for ASK
- **Addition of excess supply:** Although the industry is currently undersupplied, sustained favourable operating conditions and strong return metrics could incentivise new supply, potentially cannibalising demand and constraining ASK's ability to drive rental growth.
- **Interest Rate Volatility:** ASK is c.30% geared, which we expect to increase over the medium term as the group debt funds acquisitions and development. While hedging provides some protection, adverse interest rate movements could increase interest expense or reduce development margins (where interest is capitalised), weighing on earnings and lender covenants.

- **Operating cost risk:** Property costs and employee expenses are key factors in operating margins. Property-level expenses, in particular, have risen materially in recent years due to higher land taxes. Further inflation in either cost line could pressure margins and earnings.
- **Development risk:** As ASK increases its development pipeline, it will be increasingly exposed to execution risk, including planning approvals, labour availability, construction cost inflation, weather delays and interest rate movements, which could impact delivery timelines and project returns.
- **Policy risk:** While not a core risk, incremental increases in state land taxes (which have been a big contributor to property expense growth for ASK in recent years) and property levies pose a potential headwind to earnings.

Abacus Storage King
as at 23 January 2026

Recommendation	Buy
Price	$1.52
Target (12 months)	$1.70

Table 1 - Financial summary

Abacus Storage King (ASK.AX)
ASK.AX

Bell Potter Securities
Connor Eldridge, celdridge@bellpotter.com.au
+61 416 616 334

Profit & Loss *(A$m)*

Year End 30 Jun	2023	2024	2025	2026e	2027e	2028e
Revenue	**191.2**	**210.7**	**228.4**	**248.8**	**273.9**	**299.0**
Growth %		*10%*	*8%*	*9%*	*10%*	*9%*
Operating Expenses		-74.5	-86.4	-95.4	-102.8	-109.5
Operating Profit		**136.2**	**142.0**	**153.4**	**171.1**	**189.5**
Non-Operating Expenses		-20.8	-21.9	-23.3	-24.0	-24.8
Group EBITDA		**115.4**	**120.1**	**130.1**	**147.0**	**164.7**
Depreciation & Amortisation		0.0	0.0	0.0	0.0	0.0
EBIT		**115.4**	**120.1**	**130.1**	**147.0**	**164.7**
Net Interest Expense		-32.7	-33.8	-37.0	-49.7	-64.1
Profit Before Tax		**82.7**	**86.3**	**93.1**	**97.3**	**100.6**
Tax Expense		-7.0	-4.8	-4.7	-4.9	-5.0
Funds From Operations		**81.1**	**85.0**	**88.5**	**92.4**	**95.6**
Growth %		*N/A*	*5%*	*4%*	*4%*	*3%*
FFO / share		**6.2**	**6.5**	**6.7**	**7.0**	**7.3**
Growth %		*N/A*	*4%*	*4%*	*4%*	*3%*
AFFO / share		*N/A*	**6.5**	**6.5**	**6.8**	**7.0**
Growth %		*N/A*	*N/A*	*1%*	*4%*	*3%*
DPS		**6.0**	**6.2**	**6.2**	**6.5**	**6.7**
Growth %		*N/A*	*3%*	*0%*	*4%*	*3%*

Cash Flow *(A$m)*

Year End 30 Jun	2024	2025	2026e	2027e	2028e
NOI	106.2	124.9	138.0	152.9	170.6
Interest Received / (Paid)	-35.2	-34.4	-37.0	-49.7	-64.1
Other - Incl. Tax	-6.5	-4.0	-4.7	-4.9	-5.0
Operating Cash Flow	**73.8**	**88.7**	**96.3**	**98.4**	**101.5**
Purchase & Dev of Inv. Properties	-197.0	-217.2	-204.8	-344.6	-186.3
Investing Cash Flow	**-8.0**	**-121.2**	**-207.5**	**-347.5**	**-189.4**
Net proceeds from borrowings	-144.5	154.2	204.8	344.6	186.3
Financing Cash Flow	**-12.6**	**62.8**	**126.5**	**260.4**	**100.8**
Net Change in Cash	53.3	30.4	15.3	11.2	12.9
Cash at Beginning of Period	20.2	89.0	119.5	134.8	146.0
Cash at End of Period	**89.0**	**119.5**	**134.8**	**146.0**	**158.9**
Dividends Paid	-94.1	-83.7	-78.3	-84.2	-85.5
Change in Debt	0.0	152.3	204.8	344.6	186.3

Balance Sheet *(A$m)*

Year End 30 Jun	2023	2024	2025	2026e	2027e	2028e
Cash and Cash Equivalents		89.0	119.5	134.8	146.0	158.9
Other Current Assets		131.3	48.1	51.5	55.6	59.7
Investment Property		2,878.1	3,315.7	3,708.8	4,248.4	4,652.0
Equity Accounted Investments		21.8	21.7	21.7	21.7	21.7
Intangibles		72.6	74.9	74.9	74.9	74.9
Other Non-Current Assets		38.8	34.1	36.8	39.7	42.8
Total assets		**3,231.6**	**3,614.0**	**4,028.5**	**4,586.3**	**5,010.0**
Payables		79.1	88.3	99.5	109.5	119.6
Interest Bearing Liabilities		990.2	1,142.6	1,347.4	1,692.0	1,878.2
Other Liabilities		45.1	53.6	53.6	53.6	53.6
Total Liabilities		**1,114.5**	**1,284.4**	**1,500.5**	**1,855.1**	**2,051.4**
Total Shareholders' Equity		**2,117.1**	**2,329.6**	**2,528.0**	**2,731.2**	**2,958.6**

Key Metrics

Year End 30 Jun	2023	2024	2025	2026e	2027e	2028e
RevPAM growth (%)		*N/A*	3.8%	3.5%	3.5%	4.3%
WAV Cap Rate (%)		5.61%	5.45%	5.35%	5.25%	5.15%

Valuation Data

Year End 30 Jun	2024	2025	2026e	2027e	2028e
FFO (A$m)	81.1	85.0	88.5	92.4	95.6
FFO / share (cps)	**6.2**	**6.5**	**6.7**	**7.0**	**7.3**
Growth %	*N.D*	*4%*	*4%*	*4%*	*3%*
P/E Ratio (x)	**18.6**	**23.7**	**22.6**	**21.6**	**20.9**
3-yr FFO CAGR	**4.3%**	**4.0%**	**10.9%**	**15.5%**	**22.5%**
PEG Ratio	4.3	6.0	2.1	1.4	0.9
Earnings Yield	5.4%	4.2%	4.4%	4.6%	4.8%
Dividend Yield	**5.2%**	**4.0%**	**4.1%**	**4.3%**	**4.4%**
2-yr DPS CAGR	0.0%	2.2%	3.9%	14.2%	22.0%
CFPS (cps)	*N/A*	6.5	6.5	6.8	7.0
Price / CF (x)	*N/A*	23.7	23.3	22.3	21.6
Franking	25%	25%	25%	25%	25%
EV / EBITDA (x)	27.8	26.7	24.7	21.8	19.5
EV / EBIT (x)	**27.8**	**26.7**	**24.7**	**21.8**	**19.5**
NTA per share ($)	1.58	1.74	1.89	2.05	2.22
Premium / (Discount) to NTA (%)	**-27%**	**-12%**	**-20%**	**-26%**	**-32%**
Share Price ($)	1.16	1.53	1.52	1.52	1.52

Performance & Leverage Metrics

Year End 30 Jun	2024	2025	2026e	2027e	2028e
EBIT Margin	54.8%	52.6%	52.3%	53.7%	55.1%
Return on Assets	2.5%	2.4%	2.2%	2.0%	1.9%
Return on Equity	**3.8%**	**3.6%**	**3.5%**	**3.4%**	**3.2%**
ROIC	3.5%	3.8%	3.7%	3.7%	3.7%
Payout Ratio	96.8%	95.9%	92.0%	92.0%	92.0%
Effective Tax Rate	8%	6%	5%	5%	5%
Net Debt / (Cash) (A$m)	901.3	1,023.1	1,212.6	1,545.9	1,719.3
Net Debt / EBITDA (x)	7.8	8.5	9.3	10.5	10.4
Gearing	28.7%	29.3%	31.1%	34.8%	35.4%
Interest Cover (x)	3.5	3.6	3.5	3.0	2.6

Valuation Summary

Valuation Methodology	*Weight*	*A$ / share*
SOTP	50%	1.86
DCF	50%	1.55
Price Target		**1.70**

SOTP Components

Portfolio	**Stated Cap Rate**	**BPe Cap Rate**	**BPe Cap Value**
Direct Portfolio	5.45%	5.25%	$3,496m

Corporation	**EBIT**	**Multiple**	**Value**
Funds Management EBIT			
Property Management EBIT			
Trading Profits / Other			
Unallocated Corporate Overhead	-$42m	8.0x	-$337m

Key WACC / DCF Components

Risk Free Rate	4.5%
Equity Risk Premium	6.0%
Beta	0.80
WACC	8.3%
DCF / DDM Terminal Growth Rate	2.5%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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