



Interim Management Statement

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Big Yellow Group PLC
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Interim Management Statement

The Board of Big Yellow Group PLC, the UK's brand leader in self storage, is pleased to provide the following update on trading for the third quarter ending 31 December 2014.

Big Yellow Limited Partnership

In the period, the Group completed the acquisition of the two thirds share of Big Yellow Limited Partnership that it did not previously own; the Partnership owning 12 Big Yellow stores in large metropolitan cities outside of London. The acquisition was partly financed through the successful placing of 14.35 million ordinary shares in November 2014. The occupancy figures presented in the table below show the occupancy of all Big Yellow stores in both reporting periods. The revenue and net rent per sq ft figures include the results of the Partnership stores from 1 December 2014.

Results

	Quarter ended 31 December 2014	Quarter ended 31 December 2013	%
Store maximum lettable area ("MLA")	4,275,000	4,170,000	3
Closing Occupancy (sq ft)	3,041,000	2,744,000	11
Closing Occupancy (%)	71.1%	65.8%	8
Occupancy change in quarter (sq ft)	(103,000)	(120,000)	14
Occupancy change in quarter (% of MLA)	(2.4%)	(2.9%)	17
Revenue*	£21.3m	£18.3m	16
Closing net rent per sq ft	£25.31	£25.73	(2)

* The revenue excluding the Partnership stores included from 1 December was £20.3 million for the quarter, representing an increase of 11% from the same quarter last year.

In what is always a seasonally weaker quarter for the Group, the 68 stores fell in occupancy by 103,000 sq ft (2.4% of MLA) compared to a loss of 120,000 sq ft (2.9% of MLA) in the same quarter last year. The number of move-ins was up 14% on the quarter to 31 December 2013. For the 56 stores that were wholly owned at 30 September 2014, the loss of occupancy in the quarter to December was 2.1% of their 3,526,000 sq ft MLA.

The decrease in closing net rent per sq ft reflects the inclusion of the Partnership stores, which have a lower net rent per sq ft than the Group's existing stores. Excluding these stores, the rental yield was £26.55, an increase of 3% from 31 March 2014.

The revenue for the nine months to 31 December 2014 is £61.2 million, an increase of 13% from £54.2 million for the nine months to 31 December 2013.

Store update

We have completed the shell of our 60,000 sq ft store at Enfield, North London, in a prominent location on the A10, and have now started the internal fit out. The store will open in April 2015.

We have acquired the freehold interest of our existing 34,000 sq ft store in Battersea, which had 12 years remaining on the occupational lease together with a 14,100 sq ft retail unit let to Halfords on an annual rent of £458,000 with 7 years unexpired, part of which is sublet to Pets at Home. The next rent review date is January 2017. The total consideration paid was £23 million. This increases the freehold ownership of our portfolio and protects our position in this important central London location. In the medium term, we will redevelop the 1.5 acre site to include a larger Big Yellow store together with other uses.

We unconditionally exchanged contracts in November to acquire the Royal Mail depot adjacent to the Cambridge retail park. We have now completed the internal strip out of the building and anticipate the store opening in late 2015.

James Gibson, Chief Executive Officer, commented:

"The seasonal loss of occupancy in the group this quarter is in the normal range of 2% to 3% of MLA, and pleasingly towards the lower end of this range, driven by year-on-year improvement in move-in numbers in the stores. This improving demand is broad based across domestic and business customers.

Whilst our main focus remains on occupancy performance we are pleased to have delivered net rent per sq ft growth of 1.6% from 30 September 2014 across the total portfolio of 68 Big Yellow stores.

Furthermore on a like-for-like basis over the quarter year on year revenue growth of 11% has remained in line with the first half of the year.

We are also delighted to have acquired the freehold of our store in Battersea and the adjoining retail unit. This both protects our self storage business in this key location, and provides us the opportunity to extend our store in the future.

We have had a positive start to January with the seasonal return to occupancy growth and an improving book of reservations. As we have indicated previously, the uncertainty around the General Election in May could lead to some prospects deferring decisions in the run up to and over the election period.

Looking through that, we believe the structural changes in London and other major cities, the barriers to new self-storage supply, the recent changes to stamp duty, reducing energy costs and continued low interest rates are all positive for self-storage demand. We now look forward to our seasonally busier spring and summer trading period."

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Notes to Editors

Big Yellow Group PLC is the UK's leading self storage brand and has the highest market share by revenue. We now operate from a platform of 78 stores, including 10 stores branded as Armadillo Self Storage. We own a further four Big Yellow self storage development sites, of which two have planning consent. Of the 82 total stores and sites, 93% are held freehold and long leasehold; with the remaining 7% short leasehold. The maximum lettable area of the open stores is 4.7 million sq ft. When fully built out the portfolio will provide approximately 4.9 million sq ft of flexible storage space.

The Group has pioneered the development of the latest generation of self storage facilities, which utilise state of the art technology and are located in high profile, accessible, main road locations. Our focus on the location and visibility of our Big Yellow stores, coupled with our excellent customer service and our market leading online platform, has created the most recognised brand name in the UK self storage industry.

This information is provided by RNS
The company news service from the London Stock Exchange

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