BIG YELLOW GROUP PLC

20 November 2023

Big Yellow Group PLC
(“Big Yellow”, “the Group” or “the Company”)

Results for the Six Months ended 30 September 2023

Financial metrics	**Six months ended 30 September 2023**	Six months ended 30 September 2022	Change
Revenue	**£99.6 million**	£93.8 million	6%
Store revenue [1]	**£98.3 million**	£92.8 million	6%
Like-for-like store revenue [1,2]	**£96.8 million**	£92.5 million	5%
Store EBITDA [1]	**£71.5 million**	£66.8 million	7%
Adjusted profit before tax [1]	**£53.5 million**	£54.6 million	(2%)
EPRA earnings per share [1]	**29.0 pence**	29.3 pence	(1%)
Interim dividend per share	**22.6 pence**	22.3 pence	1%
Statutory metrics			
Profit before tax	**£119.6 million**	£6.8 million	£112.8m
Cash flow from operating activities (after net finance costs and pre-working capital movements)[3]	**£54.3 million**	£55.2 million	(2%)
Basic earnings per share	**65.3 pence**	3.3 pence	62.0p
Store metrics			
Store Maximum Lettable Area (“MLA”) [1]	**6,419,000**	6,295,000	2%
Closing occupancy (sq ft) [1]	**5,228,000**	5,300,000	(1%)
Occupancy growth in the period (sq ft) [1,4]	**140,000**	154,000	(9%)
Closing occupancy [1]	**81.4%**	84.2%	(2.8 ppts)
Occupancy – Big Yellow like-for-like stores [1,5]	**84.6%**	86.8%	(2.2 ppts)
Average achieved net rent per sq ft [1]	**£33.02**	£30.55	8%
Closing net rent per sq ft [1]	**£33.47**	£31.44	6.5%

(1) See note 20 for glossary of terms
(2) Excluding Aberdeen (acquired June 2022), Harrow and Kingston North (both opened September 2022) and Kings Cross (opened June 2023)
(3) See reconciliation in Financial Review
(4) In June 2022, the Group acquired a store in Aberdeen with 39,000 sq ft of occupancy. The total increase in the Group’s occupancy for the six months to 30 September 2022 was 193,000 sq ft
(5) As per (2), additionally excluding the Armadillo stores

First Half Highlights

- Revenue growth for the period was 6%, with like-for-like store revenue up by 5%, driven by increases in average achieved rents
- Like-for-like occupancy increase of 1.5 ppts from 1 April 2023 and down 2.2 ppts from same time last year to 84.6% (September 2022: 86.8%). Closing occupancy, reflecting the additional capacity from recently opened stores, is 81.4% (September 2022: 84.2%)
- Average achieved net rent per sq ft increased by 8% period on period, closing net rent up by 6.5% from September 2022
- Overall store EBITDA was up 7% in the period and the EBITDA margin increased over the six months to 72.7% (2022: 72.0%); the established store portfolio increased to 75.1% (2022: 74.1%) with closing occupancy of 85.5% (2022: 88.2%)
- Cash flow from operating activities (after net finance costs and pre-working capital movements) decreased by 2% to £54.3 million, which reflects our increased borrowing and operating costs over the period
- Adjusted profit before tax down 2% to £53.5 million, with EPRA earnings per share down 1%

- Statutory profit before tax of £119.6 million compared to £6.8 million in the prior period due to a revaluation surplus of £67.2 million in the period (2022: deficit of £47.7 million), reflecting the growth in operating cash flow during the period
- Interim dividend of 22.6 pence per share declared, an increase of 1%

Investment in new capacity

- £107 million (net of expenses) raised by way of a placing of 6.3% of the Company's issued share capital to fund the build out of the development pipeline
- 121,000 sq ft of capacity added in the period with one new store opened in Kings Cross, and an extension completed at Armadillo Stockton South
- Acquisition of freehold property in Leicester, taking the pipeline to 11 development sites and two replacement stores of approximately 0.9 million sq ft (14% of current MLA), of which 11 are in London or within close proximity. 1.2 million sq ft of fully built vacant space is currently available for future growth
- Planning consent granted for new store in Wapping (London); we now have seven of our 13 pipeline stores with planning

Commenting, Nicholas Vetch CBE, Executive Chairman, said:

"We have delivered strong EBITDA growth with the increase in net achieved rents offsetting the rise in operating costs, with profit marginally down due to higher interest rates. Our London and South East stores, representing 74% of revenue, have outperformed those located in the regions.

The transition to a higher interest rate environment has been testing but we believe that this has now been largely absorbed into the business.

Following the recent placing, we have the funding and balance sheet strength to commence the build out of the next phase of stores. We believe that this, along with the available space on our existing platform, will drive a significant increase in revenue and earnings over the next few years.

The balance sheet will be further strengthened by the sale of approximately £90 million of surplus non-storage assets, which we expect to complete over the next 18 months.

There is evidence that land prices have been, and are, dropping materially and this will provide an opportunity to replenish the pipeline."

- Ends -

ABOUT US

Big Yellow is the UK's brand leader in self storage. Big Yellow now operates from a platform of 109 stores, including 24 stores branded as Armadillo Self Storage. We have a pipeline of 0.9 million sq ft comprising 13 proposed Big Yellow self storage facilities. The current maximum lettable area of the existing platform (including Armadillo) is 6.4 million sq ft. When fully built out the portfolio will provide approximately 7.3 million sq ft of flexible storage space. 99% of our stores and sites by value are held freehold and long leasehold, with the remaining 1% short leasehold.

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 stores, with excellent customer service, a market-leading online platform, and significant and increasing investment in sustainability, has created in Big Yellow the most recognised brand name in the UK self storage industry.

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CHAIRMAN'S STATEMENT

Big Yellow Group PLC, the UK's brand leader in self storage, is pleased to announce its results for the six months ended 30 September 2023.

We have delivered strong EBITDA growth with the increase in net achieved rents offsetting the rise in operating costs, with profit marginally down due to higher interest rates. Our London and South East stores, representing 74% of revenue, have outperformed those located in the regions.

Our operating expenses for the six months are up 8% (7% on a like-for-like basis), principally from a significant increase in property rates from 1 April. However, we have benefited from rates provision releases on historic assessments relating to the previous rating list, so our overall store operating expense for the six months is up 4%.

The roll-out of our pipeline has continued with the successful opening of our landmark store in Kings Cross (London) in June 2023, adding 103,000 sq ft of capacity. Early trading from the store has been very encouraging, with the store adding 24,000 sq ft of occupancy by 30 September 2023, and has now reached breakeven at the EBITDA level. The pipeline is an important driver of our performance, as illustrated by Camberwell, Bracknell and Battersea, which opened during the second half of 2020. These three stores, at a current average occupancy of 78%, are delivering an average EBITDA margin of 67%, and an EBITDA yield of 8.2% on cost, and we expect both these metrics to grow over the next 12 months.

Financial results

Revenue for the period was £99.6 million (2022: £93.8 million), an increase of 6%, with storage income up 7%, offset by lower growth in non-storage income. Like-for-like store revenue was up 5%, driven by an increase in average achieved net rent, offset by a slight fall in average occupancy. Like-for-like store revenue excludes new store openings and acquired stores. Store EBITDA was £71.5 million, an increase of 7% from the prior period (2022: £66.8 million).

The Group made an adjusted profit before tax in the period of £53.5 million, down 2% from £54.6 million for the same period last year (see note 6). The Group's cash flow from operating activities (after net finance costs and pre-working capital movements) also reduced by 2% to £54.3 million for the period (2022: £55.2 million). The increase in the profitability from the stores was more than offset by an increase in the Group's interest expense for the period, following the rises in interest rates. We expect the Group's interest expense to reduce in the second half following the placing in October.

Adjusted diluted EPRA earnings per share were 29.0 pence (2022: 29.3 pence), a decrease of 1%. The Group's statutory profit before tax for the period was £119.6 million, an increase from £6.8 million for the same period last year, due to a revaluation surplus of £67 million in the period (2022: deficit of £47.7 million), reflecting the growth in cash flow during the period.

Dividends

The Board has approved an interim dividend of 22.6 pence per share representing a 1% increase from the prior period (77% of first half adjusted eps). We expect the dividend for the full year to be in line with our policy of distributing 80% of full year adjusted earnings per share. This first half dividend has all been declared as Property Income Distribution ("PID").

Placing

We have made it clear for many years that we believe that a low level of debt is appropriate. That belief has been reinforced by the rise in interest rates over the last 21 months. We believe it is therefore optimal that future capital expenditure over the medium term should be funded from equity, cash flow and surplus land and property sales.

In October 2023, the Group raised £107 million (net of expenses) through a placing of 6.3% of the Company's share capital. The net proceeds will allow us to expand capacity in London, our strongest market, and monetise land that we already own. It will also be marginally accretive to earnings in the short term, and the Directors expect it to be significantly so over the medium to long term.

Development pipeline

In June, the Group acquired a 0.8 acre property for development on Belgrave Gate, central Leicester for £1.85 million. We will be seeking planning permission for a 58,000 sq ft self-storage centre on the site. The site is currently generating an income of approximately £110,000 per annum, across four short-term rolling tenancies.

During the period we obtained planning consent for a 132,000 sq ft self storage centre and 114 flats at appeal on our site in Wapping, London. We expect that this new store will deliver an approximately 9% net operating income return on the total capital deployed of £56 million, including the estimated £36 million to be spent on construction. Demolition of the existing buildings on the self storage site will commence shortly.

In May 2022, we suspended construction on all projects that were not already on site because conditions in the construction market were unfavourable. Those conditions have improved considerably with steelwork and cladding prices falling, and other material prices stabilising. In addition, we are seeing that main contractors and specialist sub-contractors are pricing new projects more competitively.

Following the placing, we will now press on with the construction of an initial six sites including Farnham Road, Slough, Wapping, Wembley, Queensbury, Staines, and Slough Bath Road, all of which have planning consent at an incremental cost of £90 million.

Subject to receipt of planning and vacant possession, construction will then follow in due course on the remaining sites we own at a further incremental cost of £147 million.

The projected net operating income of the increase in our total capacity of 902,000 sq ft when stabilised is £30.4 million representing an approximate 13% return on the incremental capital deployed. On a proforma basis at stabilisation, the projected net operating income for the 11 new stores and two replacement stores is £33.9 million, a return of approximately 8.7% on the total development cost of £389 million, including land already acquired.

Capital structure

The Group owns its assets largely freehold, representing some 99% by value of our portfolio which has shielded us from the significant rise in industrial and warehouse rents that has occurred over the last 10 years.

In addition, we view rent liabilities as quasi-debt. Once we have relocated our Farnham Road Slough and Staples Corner stores (the latter subject to planning) we expect our total rent liability to fall to approximately £1 million per annum.

The Group's interest cover for the period (expressed as the ratio of cash generated from operations pre-working capital movements against interest paid) was 5.3 times (2022: 9.3 times). On a proforma basis (see note 19) following the placing, based on October's EBITDA and following the repayment of debt, this interest cover ratio is currently estimated at over 6 times, and also on a proforma basis, the Group's net debt to EBITDA ratio is now 3.0x.

Net debt was £495.3 million at 30 September 2023. Following the placing, on a proforma basis (see note 19), it was £388.3 million, giving the Group undrawn facilities of £159 million and in addition the $225 million bilateral shelf facility with Pricoa. Following the placing, approximately 50% of our debt is fixed, with the balance floating, in line with our hedging policy, and our current average cost of debt is 5.6%.

Outlook

The transition to a higher interest rate environment has been testing but we believe that this has now been largely absorbed into the business.

Following the recent placing, we have the funding and balance sheet strength to commence the build out of the next phase of stores. We believe that this, along with the available space on our existing platform, will drive a significant increase in revenue and earnings over the next few years.

The balance sheet will be further strengthened by the sale of approximately £90 million of surplus non-storage assets, which we expect to complete over the next 18 months.

There is evidence that land prices have been, and are, dropping materially and this will provide an opportunity to replenish the pipeline.

Nicholas Vetch CBE
Executive Chairman
20 November 2023

BUSINESS AND FINANCIAL REVIEW

Store occupancy

We now have a portfolio of 109 open and trading stores, with a current maximum lettable area of 6.4 million sq ft (2022: 108 stores, MLA of 6.3 million sq ft).

Like-for-like occupancy increased by 1.5 ppts from 1 April 2023 but was down 2.2 ppts from the same time last year. Like-for-like store revenue growth for the half year was 5%, driven by improvements in average achieved net rent per sq ft.

Prospect numbers are more in-line with the pre-Covid period on a like-for-like basis, and activity levels within the business have consequently been a little bit slower than last year, with move-ins down 5%, and move-outs down 5% over the period, reflecting less churn. Our conversion rates over the period have increased, which is indicative of more needs-driven demand. This trend has continued post period end, where move-in and move-out activity are down similar amounts to last year.

Occupancy across all 109 stores increased by 140,000 sq ft over the six months compared to a gain of 154,000 sq ft in the same period last year (with an additional 39,000 sq ft of occupancy acquired with Aberdeen in June 2022). Demand from domestic customers has been stronger than last year, up 133,000 sq ft. Business occupancy dropped by 1.6% or 31,000 sq ft, on 1.9 million sq ft occupied at the beginning of the period and student occupancy rose by 38,000 sq ft. Our larger rooms, which are occupied in the main by businesses, remain highly occupied, particularly in London. 68% of our revenue derives from domestic and student customers, with the balance from our business customers.

As we have experienced over the years, there are businesses who outgrow us and move to their own accommodation, others cease operations, some are seasonal, and we continue to replace any vacated space with new move-ins from online traders, e-tailers and service providers. We are not seeing any noticeable softening in demand from businesses, particularly in London, and since the period end, our business occupancy performance is better than last year. Over the six months, revenue from national customers (businesses who occupy space in multiple stores) has increased by 11% compared to the same period last year.

Our third quarter is historically the weakest trading quarter where we see a loss in occupancy with a return to growth in the fourth quarter. In the current year, we have lost 117,000 sq ft (1.8% of maximum lettable area “MLA”) since the end of September, compared to a loss of 141,000 sq ft (2.2% of MLA) at the same stage last year.

At 30 September, the 76 established Big Yellow stores were 85.5% occupied compared to 88.2% at the same time last year. The nine developing Big Yellow stores added 52,000 sq ft of occupancy in the past six months to reach closing occupancy of 56.5%.

The Armadillo stores, representing 10% of the Group’s revenue, added 27,000 sq ft of occupancy with closing occupancy of 78%, including an additional 20,000 sq ft of capacity added at Stockton South. Overall store occupancy was 81.5%.

Rental growth

We continue to manage pricing dynamically, taking account of room availability, customer demand and local competition, with our pricing model reducing promotions and increasing asking prices where individual units are in scarce supply.

In the current trading environment against the backdrop of higher inflation, we continue to price competitively to win new customers, and are achieving rental growth from existing customers broadly in line with inflation. It must be remembered that some 60% to 70% of our customers move-out within six months, and therefore do not receive any price increases.

The average achieved net rent per sq ft increased by 8% compared to the prior period, with closing net rent up 3% compared to 31 March 2023, and up 6.5% from the same time last year. The table below shows the change in net rent per sq ft for the portfolio by average occupancy over the six months (on a non-weighted basis).

Average occupancy in the six months	**Net rent per sq ft growth from 1 April to 30 September 2023**	Net rent per sq ft growth from 1 April to 30 September 2022
75% to 85%	2.6%	4.9%
85 to 90%	3.5%	5.0%
Above 90%	4.7%	5.9%

Security of income

We believe that self storage income is essentially evergreen income with highly defensive characteristics driven from buildings with very low obsolescence and relatively low maintenance requirements. Although our contract with our customers is in theory as short as a week, we do not rely on any one contract for our income security. At 30 September 2023 the average length of stay for existing customers was 30 months (March 2023: 31 months). For all customers, including those who have moved out of the business throughout the life of the portfolio, the average length of stay was 8.8 months (March 2023: 8.7 months). We have seen an increase in the length of stay of customers who moved out over the six months, which increased to 9.1 months from 8.6 months for the same period last year.

37% of our customers by occupied space have been storing with us for over two years (2022: 38%), and a further 15% of customers have been in the business for between one and two years (2022: 16%). For the 52% of customers that have stayed for more than one year, the average length of stay is 52 months.

Our business customer base is comprised of online retailers, B2B traders looking for flexible mini-warehousing for e-fulfilment, service providers, those looking to shorten supply chains, and businesses looking to rationalise their other fixed costs of accommodation. For these customers, who typically are looking for rooms which could be from 50 sq ft to 500 sq ft in facilities that meet their operational requirements, the only supply in big cities is from self storage providers.

We saw continued growth in occupancy from our domestic customer base, with demand across a broad spectrum of uses. Over 70% of our domestic customers are in the top 3 ACORN categories: Affluent Achievers, Rising Prosperity, and Comfortable Communities. The largest element of demand into our business each year is customers who use us for relatively short periods driven by a need.

We therefore have a very diverse base of domestic and business customers currently occupying 76,000 rooms. This, together with the location and quality of our stores, limited growth in new supply, market-leading brand and digital platform, and customer service, all contribute to the resilience and security of our income.

We are not seeing any deterioration in rent collection. Approximately 80% of our customers pay by direct debit, and the proportion of our billings that is more than 10 days overdue is in line with last year and lower than pre-Covid. Our bad debt expense for the period was 0.2%, unchanged from last year.

Supply

New supply and competition is a key risk to our business model, hence our weighting to London and its commuter towns, where barriers to entry in terms of competition for land and difficulty around obtaining planning are highest. Growth in new self storage centre openings, excluding container operators, over the last five years has averaged approximately 3% of total capacity per annum. We continue to see limited new supply growth in our key areas of operation, with an anticipated twelve stores openings in 2023 and 2024 in London, including our Kings Cross store, representing around 2.5% to 3% of capacity.

Revenue

Total revenue for the six-month period was £99.6 million, an increase of £5.8 million (6%) from £93.8 million in the same period last year with storage income up 7%, offset by lower growth in non-storage income. Like-for-like store revenue (see glossary in note 20) was £96.8 million, an increase of 5% from the 2022 figure of £92.5 million.

Revenue growth for the period in our London stores was 8%, our south east commuter stores 5%, and our regional stores 3%.

Other sales comprise the selling of packing materials, insurance/enhanced liability service ("ELS"), and storage related charges. The Group changed the way it sold contents protections to its customers on 1 June 2022 to an Enhanced Liability Service ("ELS"), which is subject to VAT at 20% and not Insurance Premium Tax ("IPT") at 12%, the latter being included in revenue. We estimate the impact of this on the total revenue and like-for-like revenue for the six months is 0.35%. For the remainder of the year, revenue from ELS will be on a comparable basis.

The other revenue earned is tenant income on sites where we have not started development.

Operating costs

Cost of sales comprises principally direct store operating costs, including store staff salaries, utilities, business rates, insurance, a full allocation of the central marketing budget, and repairs and maintenance.

The table below shows the breakdown of store operating costs compared to the same period last year, with Armadillo's costs included in full in both periods:

Category	**Period ended 30 September 2023 £000**	Period ended 30 September 2022 £000	Change	% of store operating costs in period
Cost of sales (insurance/ELS and packing materials)	865	1,428	(39%)	3%
Staff costs	7,209	6,999	3%	27%
General & admin	676	695	(3%)	3%
Utilities	862	959	(10%)	3%
Property rates	9,155	7,521	22%	34%
Marketing	3,329	3,292	1%	12%
Repairs and maintenance	2,747	2,314	19%	10%
Insurance	1,697	1,290	32%	6%
Computer costs	509	509	-	2%
Total before non-recurring items	27,049	25,007	8%	
Non-recurring items	(1,272)	(120)		
Total per portfolio summary	25,777	24,887	4%	

Store operating costs have increased by £0.9 million (4%). The non-recurring items in the current period relate principally to the release of a provision for property rates from the 2017 rating list, and a reassessment of the Group's bad debt provision. Store operating costs before these non-recurring items have increased by £2.0 million (8%) compared to the same period last year. New stores accounted for £0.8 million of operating expenses in the period. Cost of sales have decreased by £0.6 million following the move to selling an ELS rather than insurance (see explanation in revenue above). The remaining increase is £1.8 million (7%), with commentary below:

- Staff costs have increased by £0.2 million (3%), with the salary review of on average 5.5% (including a 6% increase to those at the lower end of the pay scale), which has been partly offset by lower bonuses for the six months, which have averaged 8% compared to 11% in the prior period. Additionally, given the investment we have made in recent years in the automation of our store operations, particularly in relation to interaction with prospects and customers, we continue to review every vacancy before making a decision to recruit, and have made savings from this through the salary line.

- Property rates have increased by £1.6 million (22%), following the Rating Revaluation published in November 2022, the like-for-like increase is 19%, with an additional four months' worth of rates payable on Kings Cross, which opened in June 2023.

- We continue to see the benefit of our solar retrofit programme on our utilities expense, which has reduced by 10% compared to the same period last year. Our three year energy contract expired in September 2023. We have placed a new one year contract from 1 October 2023, which had an increase in cost of 74% from the expiring contract, albeit part of this increase will be mitigated through our solar programme. We will review this next summer.

- The repairs and maintenance expense has increased due to higher store numbers, timing of works in the current period, and an increase in solar panel maintenance costs, with higher numbers of stores now with solar PVs.
- Overall insurance premiums increased from April and the new contents policy includes Big Yellow paying for claims up to £250,000 in any one loss. As a consequence, £215,000 in total was paid in claims this period (2022: £54,000).

The table below reconciles store operating costs per the portfolio summary to cost of sales in the income statement:

	Period ended 30 September 2023 £000	Period ended 30 September 2022 £000
Direct store operating costs per portfolio summary (excluding rent)	25,777	24,887
Rent included in cost of sales (total rent payable is included in portfolio summary)	915	718
Depreciation charged to cost of sales	280	235
Head office operational management costs charged to cost of sales	832	610
Cost of sales per income statement	27,804	26,450

Store EBITDA

Store EBITDA for the period was £71.5 million, an increase of £4.7 million (7%) from £66.8 million for the period ended 30 September 2022 (see Portfolio Summary). The overall EBITDA margin for all stores during the period was 72.7%, up from 72.0% in 2022.

All stores are currently trading profitably at the Store EBITDA level, with our recently opened store in Kings Cross breaking even after four months.

Administrative expenses

Administrative expenses in the income statement have decreased by £0.2 million (3%), following a reduction in the accrual for national insurance on the exercise of share options given the fall in the Company's share price, partly offset by an increase in the IFRS 2 charge in the period. Excluding these two items, administrative expenses have increased by 4%.

Other operating income

In February 2022 the Group experienced a fire at our Cheadle store, which resulted in a total loss to the store. Buildings all risk insurance is in place for the full reinstatement value with the landlord. We also have insurance cover in place for both our fit-out and four years loss of income. The loss of income booked during the first six months of the financial year was £0.8 million (2022: £0.7 million) which is included in other operating income.

In the prior period the Group acquired the freehold of its Oxford store, thus extinguishing the asset and liability in relation to the lease from the previous landlord. This extinguishment gave rise to a gain of £0.2 million, which is included in other operating income for 2022.

Interest expense on bank borrowings

Interest on bank borrowings during the period was £13.6 million, £5.8 million higher than the same period last year, due to higher average debt levels in the period, coupled with a higher average cost of debt following the increase in interest rates. The interest expense will be lower in the second half of the year, as the placing proceeds were used to repay part of our Revolving Credit Facility.

Interest capitalised in the period amounted to £1.8 million (2022: £1.6 million), arising on the Group's construction programme.

Profit before tax

The Group's statutory profit before tax for the period was £119.6 million, compared to £6.8 million for the same period last year. The increase in profitability is due to a revaluation gain in the in the period compared to a loss in the prior period, which contained an outward shift of cap rates due to the underlying market conditions.

After adjusting for the revaluation movement of investment properties and other matters shown in the table below, the Group made an adjusted profit before tax in the period of £53.5 million, down 2% from £54.6 million in 2022.

Profit before tax analysis	**Six months ended 30 September 2023 £m**	Six months ended 30 September 2022 £m
Profit before tax	119.6	6.8
(Gain)/loss on revaluation of investment properties	(67.2)	47.7
Change in fair value of interest rate derivatives	1.1	(0.6)
Refinancing costs	-	0.7
Adjusted profit before tax	53.5	54.6
Tax	-	(0.7)
Adjusted profit after tax	53.5	53.9

The movement in the adjusted profit before tax from the prior year is shown in the table below:

Movement in adjusted profit before tax	**£m**
Adjusted profit before tax for the six months to 30 September 2022	54.6
Increase in gross profit	4.4
Decrease in administrative expenses	0.2
Decrease in other operating income	(0.1)
Increase in net interest payable	(5.7)
Increase in capitalised interest	0.1
Adjusted profit before tax for the six months to 30 September 2023	53.5

Diluted EPRA earnings per share was 29.0 pence (2022: 29.3 pence), a decrease of 1% from the same period last year.

Taxation

The Group is a Real Estate Investment Trust (“REIT”). We benefit from a zero-tax rate on our qualifying self storage earnings. We only pay corporation tax on the profits attributable to our residual business, comprising primarily of the sale of packing materials and insurance, and management fees earned by the Group.

There is a £0.9 million tax charge in the residual business for the period ended 30 September 2023 (six months to 30 September 2022: £0.7 million). The current period tax charge is largely offset in the income statement by an adjustment to the prior year tax estimate.

Dividends

REIT regulatory requirements determine the level of Property Income Distribution (“PID”) payable by the Group. A PID of 22.6 pence per share is proposed as the total interim dividend, an increase of 1% from 22.3 pence per share for the same period last year.

The interim dividend will be paid on 26 January 2024. The ex-dividend date is 4 January 2024, and the record date is 5 January 2024.

Cash flow

Cash flows from operating activities (after net finance costs and pre-working capital movements) have decreased by 2% to £54.3 million for the period (2022: £55.2 million), with a higher interest expense in the period leading to the reduction. These operating cash flows are after the ongoing maintenance costs of the stores, which for this first half were on average approximately £25,000 per store. The Group’s net debt has increased over the period to £495.3 million (March 2023: £486.6 million), but on a proforma basis following the placing has reduced to £388.3 million.

There are distortive working capital items in the current period, and therefore the summary cash flow below sets out the free cash flow pre-working capital movements

	Six months ended 30 September 2023 £m	Six months ended 30 September 2022 £m
Cash generated from operations pre-working capital movements	68.3	63.3
Net finance costs	(12.8)	(6.9)
Interest on obligations under lease liabilities	(0.3)	(0.4)
Other operating income received	0.1	0.7
Tax	(1.0)	(1.5)
Cash flow from operating activities pre-working capital movements	54.3	55.2
Working capital movements	(3.5)	(0.6)
Cash flow from operating activities	50.8	54.6
Capital expenditure	(17.8)	(73.5)
Receipt from Capital Goods Scheme	-	0.2
Cash flow after investing activities	33.0	(18.7)
Dividends	(41.7)	(38.7)
Payment of finance lease liabilities	(0.9)	(0.7)
Issue of share capital	0.9	0.9
Receipt from termination of interest rate derivatives	-	0.4
Loan arrangement fees paid	-	(1.2)
Increase in borrowings	7.4	58.0
Net cash outflow	(1.3)	-

The Group’s interest cover for the period (expressed as the ratio of cash generated from operations pre-working capital movements against interest paid) was 5.3 times (2022: 9.3 times), with the reduction caused by the increase in the interest expense over the period following the rise in borrowing costs and a higher average debt level. On a proforma basis (see note 19) following the placing, based on October’s EBITDA and following the repayment of debt, this interest cover ratio is currently estimated at over 6 times.

£2 million of the capital expenditure in the period related to the acquisition of Leicester, with the balance of £15.8 million principally construction capital expenditure on our new stores in Kings Cross, Slough Farnham Road, and including an investment in the solar retrofitting of £2.1 million.

Balance sheet

Investment property

The Group’s investment properties are carried at the half year at Directors’ valuation. They are valued externally by Jones Lang Lasalle (“JLL”) at the year end. The Directors’ valuations reflect the latest cash flows derived from each of the stores at the end of September.

In performing the valuations, the Directors consulted with JLL on the capitalisation rates used in the valuations, which are based on the JLL model. The Directors, as advised by the valuers, consider that the prime capitalisation rates have remained stable since the March 2023 valuation date.

The Directors have made some minor amendments to a couple of the valuation assumptions, namely the adjustment of stable occupancy levels on certain stores that are consistently trading ahead of the previously used assumptions and to certain assumptions on net achieved rents within the valuations. Other than the above, the Directors believe the core assumptions used by JLL in the March 2023 valuations are still appropriate at the September valuation date.

At 30 September 2023 the external valuation of the Group's properties is shown in the table below:

Analysis of property portfolio	Value at 30 September 2023 £m	Revaluation movement in the period £m
Investment property	2,604.7	81.8
Investment property under construction	186.8	(14.6)
Investment property total	2,791.5	67.2

The revaluation surplus for the open stores in the period was £81.8 million, reflecting the growth in operating cash flow. The revaluation deficit of £14.6 million on the investment property under construction, is reflective of discussions with JLL and is largely as a result of a reduction in the value of our land without self storage planning.

The initial yield on the portfolio is 5.3% (31 March 2023: 5.3%). The Group's annual report and accounts for the year ended 31 March 2023 contains a detailed explanation of the valuation methodology.

Current development pipeline – with planning

Site	Location	Status	Anticipated capacity
Wapping, London	On the Highway, adjacent to existing Big Yellow store	Planning consent granted, demolition of existing building to commence shortly	Additional 95,000 sq ft
Wembley, London	Towers Business Park	Discussions ongoing to secure vacant possession	70,000 sq ft
Queensbury, London	Honeypot Lane	Site acquired in November 2018	70,000 sq ft
Staines, London	The Causeway	Site acquired in December 2020. Consent also received to develop 9 industrial units totalling 99,000 sq ft	65,000 sq ft
Slough	Farnham Road	Construction commenced in Summer 2023 with a view to opening in Summer 2024	Replacement for existing leasehold store
Slough	Bath Road	Site acquired in April 2019	90,000 sq ft
Newcastle	Scotswood Road	Planning consent granted	60,000 sq ft

Current development pipeline – without planning

Site	Location	Status	Anticipated capacity
Leicester	Belgrave Gate, Central Leicester	Site acquired in June 2023. Planning discussions underway with Leicester City Council	58,000 sq ft
Epsom, London	East Street	Site acquired in March 2021. Planning application refused by Epsom and Ewell Council and an appeal has been submitted	58,000 sq ft
Kentish Town, London	Regis Road	Site acquired in April 2021. Planning application refused by Camden Council and an appeal to be submitted	68,000 sq ft
West Kensington, London	Hammersmith Road	Site acquired in June 2021. Planning application submitted to Hammersmith and Fulham Council in February 2023	175,000 sq ft
Old Kent Road, London	Old Kent Road	Site acquired in June 2022. Planning application submitted to Southwark Council in August 2023	75,000 sq ft
Staples Corner, London	North Circular Road	Site acquired in December 2022. Planning discussions underway with Barnet Council	Replacement for existing leasehold store, additional 18,000 sq ft
Total – all sites			**902,000 sq ft**

The capital expenditure forecast for the remainder of the financial year (excluding any new site acquisitions) is approximately £17 million, which principally relates to construction costs on our development sites and the continued retrofitting of solar panels across the Group's estate.

Financing and treasury

Our financing policy is to fund our current needs through a mix of debt, equity, and cash flow to allow us to build out, and add to, our development pipeline and achieve our strategic growth objectives, which we believe improve returns for shareholders. We aim to ensure that there are sufficient medium-term facilities in place to finance our committed development programme, secured against the freehold portfolio, with debt serviced by our strong operational cash flows. We maintain a keen watch on medium and long-term rates and the Group's policy in respect of interest rates is to maintain a balance between flexibility and hedging of interest rate risk.

The table below shows the Group's debt position at 30 September 2023:

Debt	Expiry	Facility	Drawn	Cost
Aviva Loan (fixed rate loan)	September 2028	£157.4m	£157.4m	3.4%
M&G loan (£35 million fixed at 4.5%, £85 million floating)	September 2029	£120m	£120m	6.9%
Revolving bank facility (Lloyds, HSBC, and Bank of Ireland, floating)	October 2024	£270m	£225m	6.6%
Total		£547.4m	£502.4m	5.7%

The Group is well progressed in refinancing our medium-term revolving credit facility which expires in October 2024 and anticipate completing this shortly.

In addition to the facilities above, the Group has a $225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two years with terms of between 7 and 15 years at short notice, typically 10 days.

The Group was comfortably in compliance with its banking covenants at 30 September 2023 and is forecast to be for the period covered by the going concern statement.

The Group's key balance sheet ratios are shown in the table below, including on a proforma basis (see note 19) following the placing in October 2023:

Ratio	30 September 2023	30 September 2023 proforma post-placing	30 September 2022
Net debt to gross property assets	18%	14%	18%
Net debt to adjusted net assets	21%	16%	21%
Net debt to market capitalisation	29%	19%[1]	24%
Net debt to Group EBITDA ratio	3.8x	3.0x	3.9x

[1] Based on the market capitalisation at 17 November 2023

Net asset value

The adjusted net asset value per share is 1,277.5 pence (see note 13), up 3% from 1,237.3 pence per share at 31 March 2023. The table below reconciles the movement from 31 March 2023:

Movement in adjusted net asset value	Equity shareholders' funds £m	EPRA adjusted NAV pence per share
31 March 2023	2,287.2	1,237.3
Adjusted profit after tax	53.5	28.9
Equity dividends paid	(41.9)	(22.7)
Revaluation movements	67.2	36.3
Movement in purchaser's cost adjustment	2.9	1.6
Other movements (e.g. share schemes)	3.2	(3.9)
30 September 2023	2,372.1	1,277.5

Jim Gibson
Chief Executive Officer

John Trotman
Chief Financial Officer

20 November 2023

BIG YELLOW GROUP PLC

PORTFOLIO SUMMARY

	September 2023					September 2022				
	Big Yellow Established	**Big Yellow Developing**	**Total Big Yellow**	**Armadillo**	**Total**	**Big Yellow Established**	**Big Yellow Developing**	**Total Big Yellow**	**Armadillo**	**Total**
Number of stores	76	9	85	24	109	76	8	84	24	108
At 30 September:										
Total capacity (sq ft)	4,784,000	627,000	5,411,000	1,008,000	6,419,000	4,784,000	524,000	5,308,000	987,000	6,295,000
Occupied space (sq ft)	4,089,000	354,000	4,443,000	785,000	5,228,000	4,221,000	265,000	4,486,000	814,000	5,300,000
Percentage occupied	85.5%	56.5%	82.1%	77.9%	81.4%	88.2%	50.6%	84.5%	82.5%	84.2%
Net rent per sq ft	£35.67	£32.30	£35.40	£22.44	£33.47	£33.50	£29.45	£33.26	£21.40	£31.44
For the period:										
REVPAF(2)	£34.33	£19.59	£32.71	£20.17	£30.73	£32.99	£19.02	£31.88	£20.46	£30.05
Average occupancy	85.5%	55.8%	82.2%	77.9%	81.5%	88.3%	55.5%	85.7%	83.7%	85.4%
Average annual net rent psf	£35.17	£31.55	£34.90	£22.42	£33.02	£32.53	£28.70	£32.33	£20.98	£30.55
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Self storage income	72,113	5,225	77,338	8,824	86,162	68,586	3,285	71,871	8,684	80,555
Other storage related income (2)	9,424	764	10,188	1,362	11,550	9,791	550	10,341	1,432	11,773
Ancillary store rental Income	532	95	627	10	637	430	84	514	7	521
Total store revenue	82,069	6,084	88,153	10,196	98,349	78,807	3,919	82,726	10,123	92,849
Direct store operating costs (excluding depreciation)	(19,447)	(2,621)	(22,068)	(3,709)	(25,777)	(19,384)	(1,762)	(21,146)	(3,741)	(24,887)
Short and long leasehold rent(3)	(999)	-	(999)	(84)	(1,083)	(1,063)	-	(1,063)	(85)	(1,148)
Store EBITDA(2)	61,623	3,463	65,086	6,403	71,489	58,360	2,157	60,517	6,297	66,814
Store EBITDA margin	75.1%	56.9%	73.8%	62.8%	72.7%	74.1%	55.0%	73.2%	62.2%	72.0%
Deemed cost	**£m**	**£m**	**£m**	**£m**	**£m**					
To 30 September 2023	729.2	199.0	928.2	142.0	1,070.2					
Capex to complete	-	1.0	1.0	-	1.0					
Total	729.2	200.0	929.2	142.0	1,071.2					

(1) The Big Yellow established stores have been open for more than three years at 1 April 2023, and the developing stores have been open for fewer than three years at 1 April 2023.

(2) See glossary in note 20.

(3) Rent under IFRS 16 for seven short leasehold properties accounted for as investment properties under IAS 40.

The table below reconciles Store EBITDA to gross profit in the income statement:

	Period ended 30 September 2023 £000			Period ended 30 September 2022 £000		
	Store EBITDA	Reconciling items	Gross profit per income statement	Store EBITDA	Reconciling items	Gross profit per income statement
Store revenue/Revenue(4)	98,349	1,215	99,564	92,849	967	93,816
Cost of sales(5)	(25,777)	(2,027)	(27,804)	(24,887)	(1,563)	(26,450)
Rent(6)	(1,083)	1,083	-	(1,148)	1,148	-
	71,489	271	71,760	66,814	552	67,366

(4) See note 2 of the interim statement, reconciling items are management fees and non-storage income.

(5) See reconciliation in cost of sales section in Business and Financial Review.

(6) The rent shown above is the cost associated with leasehold stores, only part of which is recognised within gross profit in line with finance lease accounting principles. The amount included in gross profit is shown in the reconciling items in cost of sales.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Jim Gibson	John Trotman
Chief Executive Officer	Chief Financial Officer

20 November 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 September 2023

	Note	**Six months ended 30 September 2023 (unaudited) £000**	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Revenue	2	99,564	93,816	188,829
Cost of sales		(27,804)	(26,450)	(54,307)
Gross profit		71,760	67,366	134,522
Administrative expenses		(6,864)	(7,091)	(14,519)
Operating profit before gains and losses on property assets		64,896	60,275	120,003
Gain/(loss) on the revaluation of investment properties	9a	67,165	(47,673)	(29,861)
Operating profit		132,061	12,602	90,142
Other operating income	2	762	899	2,185
Investment income – interest receivable	3	17	1	9
– fair value movement of derivatives	3	-	564	-
Finance costs – interest payable	4	(12,157)	(7,313)	(16,894)
– fair value movement of derivatives		(1,071)	-	(133)
Profit before taxation		119,612	6,753	75,309
Taxation	5	(20)	(710)	(1,977)
Profit for the period (attributable to equity shareholders)		119,592	6,043	73,332
Total comprehensive income for the period attributable to equity shareholders		119,592	6,043	73,332
Basic earnings per share	8	65.3p	3.3p	40.1p
Diluted earnings per share	8	64.9p	3.3p	39.8p

Adjusted profit before taxation is shown in note 6 and EPRA earnings per share is shown in note 8.

All items in the income statement relate to continuing operations.

The notes on pages 19 to 31 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET
30 September 2023

	Note	**30 September 2023 (unaudited) £000**	30 September 2022 (unaudited) £000	31 March 2023 (audited) £000
Non-current assets				
Investment property	9a	2,604,745	2,386,246	2,449,640
Investment property under construction	9a	186,847	268,012	260,720
Right-of-use assets	9a	17,952	18,849	18,148
Plant, equipment, and owner-occupied property	9b	4,159	3,882	4,003
Intangible assets	9c	1,433	1,433	1,433
Investment	9d	588	588	588
		2,815,724	2,679,010	2,734,532
Current assets				
Derivative financial instruments	12	-	1,013	316
Inventories		483	480	496
Trade and other receivables	10	11,199	8,506	8,314
Cash and cash equivalents		7,069	8,604	8,329
		18,751	18,603	17,455
Total assets		2,834,475	2,697,613	2,751,987
Current liabilities				
Trade and other payables	11	(50,714)	(47,399)	(57,275)
Borrowings	12	(3,237)	(3,083)	(3,159)
Obligations under lease liabilities		(2,252)	(1,805)	(2,020)
		(56,203)	(52,287)	(62,454)
Non-current liabilities				
Borrowings	12	(497,076)	(473,056)	(489,411)
Obligations under lease liabilities		(17,333)	(18,386)	(17,676)
Derivative financial instruments	12	(755)	-	-
		(515,164)	(491,442)	(507,087)
Total liabilities		(571,367)	(543,729)	(569,541)
Net assets		2,263,108	2,153,884	2,182,446
Equity				
Called up share capital		18,456	18,422	18,427
Share premium account		291,774	290,771	290,857
Reserves		1,952,878	1,844,691	1,873,162
Equity shareholders' funds		2,263,108	2,153,884	2,182,446

The notes on pages 19 to 31 are an integral part of these condensed consolidated interim financial statements.

BIG YELLOW GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 September 2023 (unaudited)

	Share capital £000	**Share premium account £000**	**Other non-distributable reserve £000**	**Capital redemption reserve £000**	**Retained earnings £000**	**Own shares £000**	**Total £000**
At 1 April 2023	18,427	290,857	74,950	1,795	1,797,436	(1,019)	2,182,446
Total comprehensive income for the period	-	-	-	-	119,592	-	119,592
Issue of share capital	29	917	-	-	-	-	946
Credit to equity for equity-settled share-based payments	-	-	-	-	2,063	-	2,063
Dividends	-	-	-	-	(41,939)	-	(41,939)
At 30 September 2023	18,456	291,774	74,950	1,795	1,877,152	(1,019)	2,263,108

Six months ended 30 September 2022 (unaudited)

	Share capital £000	Share premium account £000	Other non-distributable reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total £000
At 1 April 2022	18,397	289,923	74,950	1,795	1,800,329	(1,019)	2,184,375
Total comprehensive income for the period	-	-	-	-	6,043	-	6,043
Issue of share capital	25	848	-	-	-	-	873
Credit to equity for equity-settled share-based payments	-	-	-	-	1,730	-	1,730
Dividends	-	-	-	-	(39,137)	-	(39,137)
At 30 September 2022	18,422	290,771	74,950	1,795	1,768,965	(1,019)	2,153,884

Year ended 31 March 2023 (audited)

	Share capital £000	Share premium account £000	Other non-distributable reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total £000
At 1 April 2022	18,397	289,923	74,950	1,795	1,800,329	(1,019)	2,184,375
Total comprehensive income for the year	-	-	-	-	73,332	-	73,332
Issue of share capital	30	934	-	-	-	-	964
Credit to equity for equity-settled share-based payments	-	-	-	-	3,735	-	3,735
Dividends	-	-	-	-	(79,960)	-	(79,960)
At 31 March 2023	18,427	290,857	74,950	1,795	1,797,436	(1,019)	2,182,446

The notes on pages 19 to 31 are an integral part of these condensed consolidated interim financial statements.

BIG YELLOW GROUP PLC

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Six months ended 30 September 2023

	Note	**Six months ended 30 September 2023 (unaudited) £000**	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Cash generated from operations	17	64,789	62,660	128,973
Bank interest paid		(12,778)	(6,907)	(16,486)
Interest on obligations under lease liabilities		(293)	(394)	(706)
Interest received		17	-	8
Other operating income received		61	745	2,032
Tax paid		(989)	(1,517)	(1,844)
Cash flows from operating activities		50,807	54,587	111,977
Investing activities				
Purchase of non-current assets		(17,804)	(73,462)	(106,413)
Receipt from Capital Goods Scheme		-	173	182
Cash flows from investing activities		(17,804)	(73,289)	(106,231)
Financing activities				
Issue of share capital		946	873	964
Payment of finance lease liabilities		(908)	(706)	(1,267)
Equity dividends paid		(41,741)	(38,731)	(79,140)
Receipt from termination of interest rate derivatives		-	436	436
Loan arrangement fees paid		-	(1,155)	(1,507)
Increase in borrowings		7,440	57,984	74,492
Cash flows from financing activities		(34,263)	18,701	(6,022)
Net decrease in cash and cash equivalents		(1,260)	(1)	(276)
Opening cash and cash equivalents		8,329	8,605	8,605
Closing cash and cash equivalents		7,069	8,604	8,329

The notes on pages 19 to 31 are an integral part of these condensed consolidated interim financial statements.

Notes to the Interim Review

1. ACCOUNTING POLICIES

Basis of preparation

The results for the period ended 30 September 2023 are unaudited and were approved by the Board on 20 November 2023. The financial information contained in this report in respect of the year ended 31 March 2023 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 March 2023.

The Group has adopted IFRS 17 (Insurance Contracts) during the period. There has not been a material impact on the Group of the adoption of this standard.

Valuation of assets and liabilities held at fair value

For those financial instruments held at fair value, the Group has categorised them into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique in accordance with IFRS 13. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. The fair value of the Group's outstanding interest rate derivative has been estimated by calculating the present value of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined by IFRS 13. Investment Property and Investment Property under Construction have been classified as Level 3. This is discussed further in note 14.

Going concern

A review of the Group's business activities, together with the factors likely to affect its future development, performance, and position, is set out in the Chairman's Statement and the Business and Financial Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are shown in the balance sheet, cash flow statement and accompanying notes to the interim statement. Further information concerning the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk remain the same and can be found in the Strategic Report within the Group's Annual Report for the year ended 31 March 2023.

At 30 September 2023 the Group had available liquidity of £52.0 million, from a combination of cash and undrawn debt facilities. On 10 October 2023, the Group raised £107 million (net of expenses) through a placing of 6.3% of the Company's issued share capital. This further increased the liquidity available to the Group. In addition, the Group has a $225 million shelf facility in place with Pricoa Private Capital to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next three years with terms of between 7 and 15 years at short notice, typically 10 days. The Group also has land surplus to its needs which will be realised over the medium term, generating net cash proceeds estimated currently at over £100 million. The Group is cash generative and for the six months ended 30 September 2023, had operational cash flow of £50.8 million, with capital commitments at the balance sheet date of £8.0 million.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements, taking into account the Group's operating plan and budget for the year ending 31 March 2024 and projections contained in the longer-term business plan which covers the period to March 2027. After reviewing these projected cash flows together with the Group's and Company's cash balances, borrowing facilities and covenant requirements, and potential property valuation movements over that period, the Directors believe that, taking account of severe but plausible downsides, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period. The Group is well progressed in refinancing our medium-term revolving credit facility which expires in October 2024 and anticipate completing this shortly.

Notes to the Interim Review

1. ACCOUNTING POLICIES (continued)

In making their assessment, the Directors have carefully considered the outlook for the Group's trading performance and cash flows as a result of the current geopolitical and macroeconomic environment, taking into account the recent trading performance of the Group. The Directors have also considered the performance of the business during the Global Financial Crisis and the Covid-19 pandemic. The Directors modelled a number of different scenarios, including material reductions in the Group's occupancy rates and property valuations, and assessed the impact of these scenarios against the Group's liquidity and the Group's banking covenants. The scenarios considered did not lead to breaching any of the banking covenants, and the Group retained sufficient liquidity to meet its financial obligations as they fall due. Consequently, the Directors continue to adopt the going concern basis in preparing the half year report.

2. SEGMENTAL INFORMATION

Revenue represents amounts derived from the provision of self storage accommodation and related services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax. The Group's net assets, revenue and profit before tax are attributable to one activity, the provision of self storage accommodation and related services. These all arise in the United Kingdom.

	Six months ended 30 September 2023 (unaudited) £000	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Open stores			
Self storage income	86,162	80,555	162,911
Insurance income	-	3,043	3,047
Enhanced liability service income	8,927	5,906	14,272
Packing materials income	1,631	1,822	3,286
Other income from storage customers	992	1,002	2,010
Ancillary store rental income	637	521	1,213
	98,349	92,849	186,739
Other revenue			
Non-storage income	1,215	967	2,090
Total revenue	99,564	93,816	188,829

Non-storage income derives principally from rental income earned from tenants of properties awaiting development.

The Group has also earned other operating income of £0.8 million in the period, which is principally insurance proceeds for loss of income following the destruction of the Group's Cheadle store by fire in 2022 (2022: £0.9 million).

Further analysis of the Group's operating revenue and costs are in the Portfolio Summary and the Business and Financial Review. The seasonality of the business is discussed in note 18.

3. INVESTMENT INCOME

	Six months ended 30 September 2023 (unaudited) £000	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Bank interest receivable	17	-	8
Unwinding of discount on Capital Goods Scheme receivable	-	1	1
Total	17	1	9
Change in fair value of interest rate derivatives	-	564	-
Total investment income	17	565	9

4. FINANCE COSTS

	Six months ended 30 September 2023 (unaudited) £000	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Interest on bank borrowings	13,617	7,836	18,156
Capitalised interest	(1,753)	(1,649)	(2,761)
Interest on finance lease obligations	293	394	706
Other interest payable	-	-	61
Loan refinancing costs	-	732	732
Total interest payable	12,157	7,313	16,894
Fair value movement on derivatives	1,071	-	133
Total finance costs	13,228	7,313	17,027

5. TAXATION

The Group is a REIT. As a result, the Group does not pay UK corporation tax on the profits and gains from its qualifying rental business in the UK if it meets certain conditions. Non-qualifying profits and gains of the Group are subject to corporation tax as normal. The Group monitors its compliance with the REIT conditions. There have been no breaches of the conditions to date.

	Six months ended 30 September 2023 (unaudited) £000	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Current tax:			
- Current year	983	895	2,296
- Prior year	(963)	(185)	(319)
	20	710	1,977

6. ADJUSTED PROFIT

	Six months ended 30 September 2023 (unaudited) £000	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Profit before tax	119,612	6,753	75,309
(Gain)/loss on revaluation of investment properties	(67,165)	47,673	29,861
Change in fair value of interest rate derivatives	1,071	(564)	133
Refinancing fees	-	732	732
Adjusted profit before tax	53,518	54,594	106,035
Tax	(20)	(710)	(1,977)
Adjusted profit after tax (EPRA earnings)	53,498	53,884	104,058

Adjusted profit before tax which excludes gains and losses on the revaluation of investment properties, changes in fair value of interest rate derivatives, net gains and losses on disposal of investment property, and material non-recurring items of income and expenditure have been disclosed as, in the Board’s view, this provides a clearer understanding of the Group’s underlying trading performance.

BIG YELLOW GROUP PLC

Notes to the Interim Review

7. DIVIDENDS

	Six months ended 30 September 2023 (unaudited) £000	Six months ended 30 September 2022 (unaudited) £000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 March 2023 of 22.9p (2022: 21.4p) per share	41,939	39,137
Proposed interim dividend for the year ending 31 March 2024 of 22.6p (2023: 22.3p) per share	44,086	40,824

The proposed interim dividend of 22.6 pence per ordinary share will be paid to shareholders on 26 January 2024. The ex-dividend date is 4 January 2024, and the record date is 5 January 2024. The interim dividend is all Property Income Distribution.

8. EARNINGS PER ORDINARY SHARE

The European Public Real Estate Association ("EPRA") has issued recommended bases for the calculation of certain per share information and these are included in the following table:

	Six months ended 30 September 2023 (unaudited)			Six months ended 30 September 2022 (unaudited)			Year ended 31 March 2023 (audited)		
	Earnings £m	**Shares million**	**Pence per share**	Earnings £m	Shares million	Pence per share	Earnings £m	Shares million	Pence per share
Basic	119.6	183.2	65.3	6.0	182.9	3.3	73.3	183.0	40.1
Dilutive share options	-	1.1	(0.4)	-	1.0	-	-	1.1	(0.3)
Diluted	119.6	184.3	64.9	6.0	183.9	3.3	73.3	184.1	39.8
Adjustments:									
(Gain)/loss on revaluation of investment properties	(67.2)	-	(36.5)	47.7	-	25.9	30.0	-	16.2
Change in fair value of interest rate derivatives	1.1	-	0.6	(0.5)	-	(0.3)	0.1	-	0.1
Refinancing fees	-	-	-	0.7	-	0.4	0.7	-	0.4
EPRA - diluted	53.5	184.3	29.0	53.9	183.9	29.3	104.1	184.1	56.5
EPRA – basic	53.5	183.2	29.2	53.9	182.9	29.5	104.1	183.0	56.9

The calculation of basic earnings is based on profit after tax for the period. The weighted average number of shares used to calculate diluted earnings per share has been adjusted for the conversion of share options.

EPRA earnings and earnings per ordinary share have been disclosed to give a clearer understanding of the Group's underlying trading performance.

Notes to the Interim Review

9. NON-CURRENT ASSETS

a) Investment property

	Investment property £000	Investment property under construction £000	Right-of-use assets £000	Total £000
At 1 April 2023	2,449,640	260,720	18,148	2,728,508
Additions	7,168	6,839	-	14,007
Adjustment to present value	-	-	604	604
Reclassification	66,162	(66,102)	-	60
Revaluation	81,775	(14,610)	-	67,165
Depreciation	-	-	(800)	(800)
At 30 September 2023	2,604,745	186,847	17,952	2,809,544

Capital commitments at 30 September 2023 were £8.0 million (31 March 2023: £6.1 million).

b) Plant, equipment, and owner-occupied property

	Freehold property £000	Leasehold improve-ments £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings, and office equipment £000	Right-of-use assets £000	Total £000
Cost							
At 1 April 2023	2,406	59	647	32	1,691	875	5,710
Additions	19	-	221	-	345	131	716
Reclassification to investment property under construction	(60)	-	-	-	-	-	(60)
Retirement of fully depreciated assets	-	-	(70)	-	(316)	-	(386)
At 30 September 2023	2,365	59	798	32	1,720	1,006	5,980
Accumulated depreciation							
At 1 April 2023	(682)	(20)	(210)	(32)	(340)	(423)	(1,707)
Charge for the period	(24)	(2)	(89)	-	(318)	(67)	(500)
Retirement of fully depreciated assets	-	-	70	-	316	-	386
At 30 September 2023	(706)	(22)	(229)	(32)	(342)	(490)	(1,821)
Net book value							
At 30 September 2023	1,659	37	569	-	1,378	516	4,159
At 31 March 2023	1,724	39	437	-	1,351	452	4,003

c) Intangible assets

The intangible asset relates to the Big Yellow brand, which was acquired through the acquisition of Big Yellow Self Storage Company Limited in 1999. The carrying value of £1.4 million remains unchanged from the prior year as there is considered to be no impairment in the value of the asset. The asset has an indefinite life and is tested annually for impairment or more frequently if there are indicators of impairment.

d) Investment

The Group has an £0.6 million investment in Doncaster Security Operations Centre Limited, a company which provides out-of-hours monitoring and alarm receiving services, including for the Group's stores. The investment is carried at cost and tested annually for impairment.

Notes to the Interim Review

10. TRADE AND OTHER RECEIVABLES

	30 September 2023 (unaudited) £000	30 September 2022 (unaudited) £000	31 March 2023 (audited) £000
Current			
Trade receivables	5,466	5,184	5,181
Other receivables	335	310	209
Prepayments and accrued income	5,398	3,012	2,924
	11,199	8,506	8,314

11. TRADE AND OTHER PAYABLES

	30 September 2023 (unaudited) £000	30 September 2022 (unaudited) £000	31 March 2023 (audited) £000
Current			
Trade payables	2,845	1,424	4,208
Other payables	18,213	15,612	18,199
Accruals and deferred income	29,656	30,363	34,868
	50,714	47,399	57,275

12. BORROWINGS

	30 September 2023 (unaudited) £000	30 September 2022 (unaudited) £000	31 March 2023 (audited) £000
Aviva loan	3,237	3,083	3,159
Current borrowings	3,237	3,083	3,159
Aviva loan	154,130	157,336	155,768
M&G loan	120,000	120,000	120,000
Bank borrowings	225,000	198,000	216,000
Unamortised debt arrangement costs	(2,054)	(2,280)	(2,357)
Non-current borrowings	497,076	473,056	489,411
Total borrowings	500,313	476,139	492,570

The Group does not hedge account for its interest rate swaps and states them at fair value, with changes in fair value included in the income statement. The loss in the income statement for the period on its interest rate swaps was £1,071,000 (2022: gain of £564,000).

At 30 September 2023 the Group was in compliance with all loan covenants. The movement in the Group’s loans are shown net in the cash flow statement as the bank loan is a revolving facility and is repaid and redrawn each month.

The Group’s Revolving Credit Facility expires in October 2024. See commentary in the Financial Review on the refinancing of this facility.

13. ADJUSTED NET ASSETS PER SHARE

EPRA's Best Practices Recommendations guidelines contain three Net Asset Value (NAV) metrics: EPRA Net Tangible Assets (NTA), EPRA Net Reinstatement Value (NRV) and EPRA Net Disposal Value (NDV).

EPRA NTA is considered to be most consistent with the nature of Big Yellow's business which provides sustainable long-term progressive returns. EPRA NTA is shown in the table below. This measure is further adjusted by the adjustment the Group makes for purchaser's costs, which is the Group's Adjusted Net Asset Value (or Adjusted NAV).

Basic net assets per share are shareholders' funds divided by the number of shares at the period end. Any shares currently held in the Group's Employee Benefit Trust are excluded from both net assets and the number of shares. Adjusted net assets per share include: the effect of those shares issuable under employee share option schemes and the effect of alternative valuation methodology assumptions (see note 14).

	Six months ended 30 September 2023			Six months ended 30 September 2022			Year ended 31 March 2023		
	Equity attributable to ordinary shareholders £000	**Shares million**	**Pence per share**	Equity attributable to ordinary shareholders £000	Shares million	Pence per share	Equity attributable to ordinary shareholders £000	Shares million	Pence per share
Basic NAV	2,263,108	183.4	1,233.8	2,153,884	183.1	1,176.3	2,182,446	183.1	1,191.7
Share and save as you earn schemes	2,107	2.3	(13.8)	1,172	1.7	(10.1)	1,909	1.7	(10.0)
Diluted NAV	2,265,215	185.7	1,220.0	2,155,056	184.8	1,166.2	2,184,355	184.8	1,181.7
Fair value of derivatives	755	-	0.4	(1,013)	-	(0.6)	(316)	-	(0.2)
Intangible assets	(1,433)	-	(0.8)	(1,433)	-	(0.8)	(1,433)	-	(0.7)
EPRA NTA	2,264,537	185.7	1,219.6	2,152,610	184.8	1,164.8	2,182,606	184.8	1,180.8
Valuation methodology assumption (see note 14)	107,545	-	57.9	102,108	-	55.3	104,605	-	56.5
Adjusted NAV	2,372,082	185.7	1,277.5	2,254,718	184.8	1,220.1	2,287,211	184.8	1,237.3

Notes to the Interim Review

14. VALUATION OF INVESTMENT PROPERTY

The Group has classified the fair value investment property and the investment property under construction within Level 3 of the fair value hierarchy. There has been no transfer to or from Level 3 in the period.

The freehold and leasehold investment properties have been valued at 30 September 2023 by the Directors. The valuation has been carried out in accordance with the same methodology as the year end valuations prepared by Jones Lang Lasalle (“JLL”).

The Directors’ valuations reflect the latest cash flows derived from each of the stores at 30 September 2023. In performing the valuations, the Directors consulted with JLL on the capitalisation rates used in the valuations. The Directors, as advised by JLL, consider that the capitalisation rates for prime self storage stores are unchanged since the year end valuation date, with continuing demand being seen from investors for self storage assets.

The Directors have made some minor amendments to a couple of the valuation assumptions, namely the adjustment of stable occupancy levels on certain stores that are consistently trading ahead of the previously used assumptions and to certain assumptions on net achieved rents within the valuations. Other than the above, the Directors believe the core assumptions used by JLL in the March 2023 valuations are still appropriate at the September valuation date. See the Group’s annual report for the year ended 31 March 2023 for the full detail of the valuation methodology.

Sensitivities

Self storage valuations are complex, derived from data which is not widely publicly available and involve a degree of judgement. For these reasons we have classified the valuations of our property portfolio as Level 3 as defined by IFRS 13. Inputs to the valuations, some of which are ‘unobservable’ as defined by IFRS 13, include capitalisation yields, stable occupancy rates, and rental growth rates. The existence of an increase of more than one unobservable input would augment the impact on valuation. The impact on the valuation would be mitigated by the inter-relationship between unobservable inputs moving in opposite directions. For example, an increase in stable occupancy may be offset by an increase in yield, resulting in no net impact on the valuation. A sensitivity analysis showing the impact on valuations of changes in yields and stable occupancy is shown below:

	Impact of a change in capitalisation rates		**Impact of a change in stabilised occupancy assumption**	
	25 bps decrease	**25 bps increase**	**1% increase**	**1% decrease**
Reported Group	4.7%	(4.3%)	1.2%	(1.2%)

A sensitivity analysis has not been provided for a change in the rental growth rate adopted as there is a relationship between this measure and the discount rate adopted. So, in theory, an increase in the rental growth rate would give rise to a corresponding increase in the discount rate and the resulting value impact would be limited.

Valuation assumption for purchaser’s costs

The Group’s investment property assets have been valued for the purposes of the financial statements after deducting notional weighted average purchaser’s cost of 6.8% of gross value, as if they were sold directly as property assets. The valuation is an asset valuation that is entirely linked to the operating performance of the business. The assets would have to be sold with the benefit of operational contracts, employment contracts and customer contracts, which would be very difficult to achieve except in a corporate structure.

This approach follows the logic of the valuation methodology in that the valuation is based on a capitalisation of the net operating income after allowing for the deduction of operational costs and an allowance for central administration costs. Sale in a corporate structure would result in a reduction in the assumed Stamp Duty Land Tax but an increase in other transaction costs, reflecting additional due diligence, resulting in a reduced notional purchaser’s cost of 2.75% of gross value. All the significant sized transactions that have been concluded in the UK in recent years were completed in a corporate structure. The Directors have therefore carried out a valuation on the above basis, and this results in a higher property valuation at 30 September 2023 of £2,899.1 million (£107.5 million higher than the value recorded in the balance sheet) which translates to 57.9 pence per share. We have included this revised valuation in the adjusted diluted net asset calculation (see note 13).

15. FINANCIAL INSTRUMENTS FAIR VALUE DISCLOSURES

The table below sets out the categorisation of the financial instruments held by the Group at 30 September 2023. Where the financial instruments are held at fair value the valuation level indicates the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuations categorised as Level 2 are obtained from third parties. If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

	Valuation level	30 September 2023 (unaudited) £000	30 September 2022 (unaudited) £000
Interest rate derivatives (liability)/asset	2	(755)	1,013

16. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

AnyJunk Limited

Jim Gibson is a Non-Executive Director and shareholder in AnyJunk Limited, and Adrian Lee is a shareholder in AnyJunk Limited. During the period AnyJunk Limited provided waste disposal services to the Group on normal commercial terms amounting to £7,000 (2022: £8,000).

London Children's Ballet

The Group signed a Section 106 agreement with Wandsworth Council relating to the development of our Battersea store, which required the Group to provide cultural space to Wandsworth Borough Council. In 2021, the Group granted a twenty year lease over this space to London Children's Ballet at a peppercorn rent, who in turn have agreed to enter into a Social Agreement with Wandsworth Borough Council coterminous with the lease. Jim Gibson is the Chairman of Trustees of the London Children's Ballet. London Children's Ballet rent storage space from the Group on normal commercial terms, amounting to £2,000 during the period (2022: £1,000).

DS Operations Centre Limited

The Group has invested £0.6 million in DS Operations Centre Limited ("DSOC"). DSOC provided alarm and CCTV monitoring services to the Group under normal commercial terms during the period, amounting to £154,000 (2022: £148,000).

Treepoints Limited

Jim Gibson is a Non-Executive Director and an investor in City Stasher Limited, which in turn has a minority investment in Treepoints Limited. Treepoints Limited provided offsetting tree planting services in respect of our online packing material sales, under normal commercial terms during the period, amounting to £1,000 (2022: £6,000).

Ukrainian Sponsorship Pathway UK

Nicholas Vetch and Heather Savory are trustees of a charity called Ukrainian Sponsorship Pathway UK ("USPUK") to help Ukrainians displaced by the war to travel to the UK as part of the "Homes for Ukraine" scheme. The charity has set up offices in Warsaw and Krakow and is one of the few that has been recognised for this purpose by the UK Government. We are proud to be financial supporters of this charity and the Board approved a donation which was made in May 2023 of £50,000 (2022: £50,000).

Notes to the Interim Review

17. CASH FLOW NOTES

a) Reconciliation of profit after tax to cash generated from operations

	Note	**Six months ended 30 September 2023 (unaudited) £000**	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Profit after tax		119,592	6,043	73,332
Taxation		20	710	1,977
Other operating income		(762)	(899)	(2,185)
Investment income		(17)	(565)	(9)
Finance costs		13,228	7,313	17,027
Operating profit		132,061	12,602	90,142
(Gain)/loss on the revaluation of investment properties	14	(67,165)	47,673	29,861
Depreciation of plant, equipment, and owner-occupied property	9b	433	465	888
Depreciation of finance lease capital obligations	9a,9b	867	815	1,569
Employee share options		2,063	1,730	3,735
Cash generated from operations pre-working capital movements		68,259	63,285	126,195
Decrease/(increase) in inventories		13	3	(13)
Increase in receivables		(2,704)	(906)	(740)
(Decrease)/increase in payables		(779)	278	3,531
Cash generated from operations		64,789	62,660	128,973

b) Reconciliation of net cash flow to movement in net debt

	Six months ended 30 September 2023 (unaudited) £000	Six months ended 30 September 2022 (unaudited) £000	Year ended 31 March 2023 (audited) £000
Net decrease in cash and cash equivalents	(1,260)	(1)	(276)
Cash flow from movement in debt financing	(7,440)	(57,984)	(74,492)
Change in net debt resulting from cash flows	(8,700)	(57,985)	(74,768)
Movement in net debt in the period	(8,700)	(57,985)	(74,768)
Net debt at start of period	(486,598)	(411,830)	(411,830)
Net debt at end of period	(495,298)	(469,815)	(486,598)

Notes to the Interim Review

18. RISKS AND UNCERTAINTIES

The risks facing the Group for the remaining six months of the financial year are consistent with those outlined in the Annual Report for the year ended 31 March 2023. The risk mitigating factors listed in the 2023 Annual Report are still appropriate.

The economic outlook remains uncertain, with high, albeit moderating, inflation and an associated impact on the cost of living. This, along with geo-political uncertainty, may create economic headwinds in the quarter to December 2023 and into 2024, which may have an impact on the demand for self storage.

The value of Big Yellow's property portfolio is affected by the conditions prevailing in the property investment market and the general economic environment. Accordingly, the Group's net asset value can rise and fall due to external factors beyond management's control. The uncertainties in the global economy look set to continue. We have a high-quality prime portfolio of assets that should help to mitigate the impact of this on the Group.

Self storage is a seasonal business, and we typically lose occupancy in the December quarter. The new year typically sees an increase in activity, occupancy, and revenue growth. The visibility we have in the business is relatively limited at three to four weeks and is based on the net reservations we have in hand, which are currently in line with our expectations.

There is a risk that our customers may default on their rent payments, however we have not seen an increase in bad debts since the onset of the pandemic. We have approximately 76,000 occupied rooms and this, coupled with the diversity of our customers' reasons for using storage, mean the risk of individual tenant default to Big Yellow is low. 80% of our customers pay by direct debit and we take a deposit from all customers. Furthermore, we have a right of lien over customers' goods, so in the ultimate event of default, we are able to auction the goods to recover the debts.

19. POST BALANCE SHEET EVENT

In October 2023, the Group raised £107 million (net of expenses) through a placing of 6.3% of the Company's share capital.

Notes to the Interim Review

20. GLOSSARY

Absorption	The rate of growth in occupancy assumed within the external property valuations from the current occupancy level to the assumed stable occupancy level.
Adjusted earnings growth	The increase in adjusted eps period-on-period.
Adjusted eps	Adjusted profit after tax divided by the diluted weighted average number of shares in issue during the financial period.
Adjusted NAV	EPRA NTA adjusted for an investment property valuation carried out at purchasers' costs of 2.75%, see note 13.
Adjusted profit before tax	The Company's pre-tax EPRA earnings measure with additional Company adjustments.
Average net achieved rent per sq ft	Storage revenue divided by average occupied space over the period.
Average rental growth	The growth in average net achieved rent per sq ft period-on-period.
BREEAM	An environmental rating assessed under the Building Research Establishment's Environmental Assessment Method.
Carbon intensity	Carbon emissions divided by the Group's average occupied space.
Closing net rent per sq ft	Annual storage revenue generated from in-place customers divided by occupied space at the balance sheet date.
Committed facilities	Available undrawn debt facilities plus cash and cash equivalents.
Consolidated EBITDA	Consolidated EBITDA calculated in accordance with the terms of the Group's Revolving Credit Facility Agreement.
Debt	Long-term and short-term borrowings, as detailed in note 12, excluding finance leases and debt issue costs.
Earnings per share (eps)	Profit for the financial period attributable to equity shareholders divided by the average number of shares in issue during the financial period.
EBITDA	Earnings before interest, tax, depreciation, and amortisation.
EPRA	The European Public Real Estate Association, a real estate industry body. This organisation has issued Best Practice Recommendations with the intention of improving the transparency, comparability, and relevance of the published results of listed real estate companies in Europe.
EPRA earnings	The IFRS profit after taxation attributable to shareholders of the Company excluding investment property revaluations, gains/losses on investment property disposals and changes in the fair value of financial instruments.
EPRA earnings per share	EPRA earnings divided by the average number of shares in issue during the period.
EPRA NTA per share	EPRA NTA divided by the diluted number of shares at the period end.
EPRA net tangible asset value (EPRA NTA)	IFRS net assets excluding the mark-to-market on interest rate derivatives, deferred taxation on property valuations where it arises, and intangible assets. It is adjusted for the dilutive impact of share options.
Equity	All capital and reserves of the Group attributable to equity holders of the Company.
Gross property assets	The sum of investment property and investment property under construction.
Gross value added	The measure of the value of goods and services produced in an area, industry, or sector of an economy.
Interest cover	The ratio of operating cash flow divided by interest paid (before exceptional finance costs, capitalised interest, and changes in fair value of interest rate derivatives). This metric is provided to give readers a clear view of the Group's financial position.
Like-for-like occupancy	Excludes the closing occupancy of new stores acquired, opened, or closed in the current or preceding financial year in both the current financial year and comparative figures. This excludes Aberdeen, Harrow, Kingston North, Kings Cross, and for Big Yellow stores like-for-like occupancy, the Armadillo stores.
Like-for-like store revenue	Excludes the impact of new stores acquired, opened or stores closed in the current or preceding financial year in both the current year and comparative figures. This excludes Aberdeen, Harrow, Kingston North, and Kings Cross.

Notes to the Interim Review

20. GLOSSARY (CONTINUED)

LTV (loan to value)	Net debt expressed as a percentage of the external valuation of the Group's investment properties.
Maximum lettable area (MLA)	The total square foot (sq ft) available to rent to customers.
Move-ins	The number of customers taking a storage room in the defined period.
Move-outs	The number of customers vacating a storage room in the defined period.
NAV	Net asset value.
Net debt	Gross borrowings less cash and cash equivalents.
Net initial yield	The forthcoming year's net operating income expressed as a percentage of capital value, after adding notional purchaser's costs.
Net operating income	Store EBITDA after an allocation of central overhead.
Net operating income on stabilisation	The projected net operating income delivered by a store when it reaches a stable level of occupancy.
Net promoter score (NPS)	The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. The Company measures NPS based on surveys sent to all its move-ins and move-outs.
Net Renewable Energy Positive	Big Yellow's strategy is that by 2030 the Group will generate as much renewable energy as it is able to across its store portfolio and meet any remaining Scope 1 and Scope 2 emissions via the retirement of REGOs from offsite energy generation.
Net rent per sq ft	Storage revenue generated from in place customers divided by occupancy.
Net Zero Strategy	The Group's published strategy to have Net Zero Scope 1, 2 and 3 Emissions.
Non like-for-like stores	Stores excluded from like-for-like metrics, as they were acquired, opened or closed in the current or preceding financial year. In 2023 this includes Aberdeen, Harrow, Kingston North, Kings Cross, and for Big Yellow stores like-for-like occupancy, the Armadillo stores.
Occupancy	The space occupied by customers divided by the MLA expressed as a % or in sq ft.
Occupied space	The space occupied by customers in sq ft.
Other storage related income	Packing materials, insurance/enhanced liability service and other storage related fees.
Pipeline	The Group's development sites.
Proforma basis	On 10 October 2023, the Group raised £107 million (net of expenses) through a placing of 6.3% of the Company's share capital. Certain financial metrics at 30 September 2023 have been re-presented in this statement as if the placing had happened at 30 September 2023, to allow the reader to see the financial position of the Group after adjusting for the impact of the placing.
Property Income Distribution (PID)	A dividend, generally subject to withholding tax, that a UK REIT is required to pay from its tax-exempt property rental business, and which is taxable for UK-resident shareholders at their marginal tax rate.
REGO	Renewable Energy Guarantees of Origin.
REIT	Real Estate Investment Trust. A tax regime which in the UK exempts participants from corporation tax both on UK rental income and gains arising on UK investment property sales, subject to certain conditions.
REVPAF	Total store revenue divided by the average maximum lettable area in the period.
Store EBITDA	Store earnings before interest, tax, depreciation, and amortisation.
Store revenue	Revenue earned from the Group's open self storage centres.
TCFD	Task Force on Climate Related Financial Disclosure.
Total shareholder return (TSR)	The growth in value of a shareholding over a specified period, assuming dividends are reinvested to purchase additional units of shares.

INDEPENDENT REVIEW REPORT TO BIG YELLOW GROUP PLC

Conclusion

We have been engaged by Big Yellow Group PLC ("the Group") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Cash Flow Statement, and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the latest annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

INDEPENDENT REVIEW REPORT TO BIG YELLOW GROUP PLC

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Group in accordance with the terms of our engagement to assist the Group in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Group those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group for our review work, for this report, or for the conclusions we have reached.

Anna Jones
for and on behalf of KPMG LLP
Chartered Accountants
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD

20 November 2023