

A large, modern Public Storage building with a prominent corner featuring orange and red vertical siding. The building has multiple stories with large glass windows. The "Public Storage" logo is visible on the upper part of the building. The sky is overcast, and there are orange geometric shapes in the corners of the image.

# Company Update

March 2022

# Important Information

**FORWARD-LOOKING STATEMENTS:** This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements relating to our 2022 outlook and all underlying assumptions, our expected acquisition, disposition, development and redevelopment activity, supply and demand for our self-storage facilities, information relating to operating trends in our markets, expectations regarding operating expenses, including property tax changes, our strategic priorities, expectations with respect to financing activities, rental rates, cap rates and yields, leasing expectations, our credit ratings, and all other statements other than statements of historical fact. Such statements are based on management's beliefs and assumptions made based on information currently available to management. All statements in this presentation, other than statements of historical fact, are forward-looking statements which may be identified by the use of the words "outlook," "guidance," "expects," "believes," "anticipates," "should," "estimates," and similar expressions. These forward-looking statements involve known and unknown risks and uncertainties, which may cause our actual results and performance to be materially different from those expressed or implied in the forward-looking statements. Factors and risks that may impact future results and performance include, but are not limited to, those described in Part 1, Item 1A, "Risk Factors" in our most recent Annual Report on Form 10-K that will be filed with the Securities and Exchange Commission (the "SEC") on February 22, 2022 and in our other filings with the SEC including: general risks associated with the ownership and operation of real estate, including changes in demand, risks related to development, expansion, and acquisition of self-storage facilities, potential liability for environmental contamination, natural disasters, and adverse changes in laws and regulations governing property tax, real estate, and zoning; risks associated with downturns in the national and local economies in the markets in which we operate, including risks related to current economic conditions and the economic health of our customers; risks that inflation could increase our operating costs; risks associated with the COVID-19 pandemic (the "COVID Pandemic") or similar events, including but not limited to illness or death of our employees or customers, negative impacts to the economic environment and to self-storage customers that could reduce the demand for self-storage or reduce our ability to collect rent, and/or potential regulatory actions to (i) close our facilities if we were determined not to be an "essential business" or for other reasons, (ii) limit our ability to increase rent or otherwise limit the rent we can charge, or (iii) limit our ability to collect rent or evict delinquent tenants; the risk that there could be an out-migration of population from certain high-cost major markets, if it is determined that the ability to "work from home," which has become more prominent during the COVID Pandemic, could allow certain workers to live in less expensive localities, which could negatively impact the occupancies and revenues of our properties in such major high-cost markets; the risk that more jurisdictions will reinstitute COVID Pandemic restrictions, which were previously eased, in response to increases in infections, including as a result of variants such as the Delta or Omicron variants, or if additional pandemics occur; the risk that we could experience a change in the move-out patterns of our long-term customers due to economic uncertainty and increases in unemployment resulting from changes in the macro environment, which could lead to lower occupancies and rent "roll down" as long-term customers are replaced with new customers at lower rates; the risk of negative impacts on the cost and availability of debt and equity capital as a result of the COVID Pandemic, which could have a material impact upon our capital and growth plans; the risk that the COVID Pandemic could adversely impact our ability to retain and hire employees, including as a result of vaccine or testing mandates; the impact of competition from new and existing self-storage and commercial facilities and other storage alternatives; the risk that our existing self-storage facilities may be at a disadvantage in competing with newly developed facilities with more visual and customer appeal; risks related to increased reliance on Google and Sparefoot as customer acquisition channels; difficulties in our ability to successfully evaluate, finance, integrate into our existing operations, and manage properties that we acquire directly or through the acquisition of entities that own and operate self-storage facilities, or to consummate announced acquisitions in the expected timeframe or at all; risks associated with international operations including, but not limited to, unfavorable foreign currency rate fluctuations, changes in tax laws, and local and global economic uncertainty that could adversely affect our earnings and cash flows; risks related to our participation in joint ventures; the impact of the legal and regulatory environment, as well as national, state, and local laws and regulations including, without limitation, those governing environmental issues, taxes, our tenant reinsurance business, and labor, including risks related to the impact of new laws and regulations; risks of increased tax expense associated either with a possible failure by us to qualify as a real estate investment trust ("REIT"), or with challenges to the determination of taxable income for our taxable REIT subsidiaries; risks due to ballot initiatives or other actions that could remove the protections of Proposition 13 with respect to our real estate and result in substantial increases in our assessed values and property tax bills in California; changes in United States ("U.S.") federal or state tax laws related to the taxation of REITs and other corporations; security breaches, including ransomware, or a failure of our networks, systems or technology, which could adversely impact our operations or our business, customer, and employee relationships or result in fraudulent payments; risks associated with the self-insurance of certain business risks, including property and casualty insurance, employee health insurance, and workers compensation liabilities; difficulties in raising capital at a reasonable cost; delays and cost overruns on our projects to develop new facilities or expand our existing facilities; difficulties in our ability to hire and retain skilled management and staff; ineffective succession planning for our CEO, executive management and our other key employees; ongoing litigation and other legal and regulatory actions that may divert management's time and attention, require us to pay damages and expenses, or restrict the operation of our business; and economic uncertainty due to the impact of war or terrorism.

**NON-GAAP MEASURES:** This presentation contains non-GAAP measures, including FFO and NOI. Non-GAAP measures should not be considered as an alternative to, or more meaningful than, net income (determined in accordance with GAAP) or other GAAP financial measures, as an indicator of financial performance and is not an alternative to, or more meaningful than, cash flow from operating activities (determined in accordance with GAAP) as a measure of liquidity. Non-GAAP measures have limitations as they do not include all items of income and expense that affect operations and, accordingly, should always be considered as supplemental financial results to those presented in accordance with GAAP. In addition, other REITs may compute these measures differently, so comparisons among REITs may not be helpful. Please refer to our SEC periodic reports for definitions of our non-GAAP measures and reconciliations to the nearest GAAP measures.





## Company Highlights

- I. Self-Storage Industry Leader
- II. Innovation-Powered Organic Growth
- III. Multi-Factor External Growth
- IV. Growth-Oriented Balance Sheet
- V. Attractive Valuation and Outlook

*Note: This presentation complements our 2021 Investor Day presentation, which is available in the Investor Relations section of [PublicStorage.com](https://www.PublicStorage.com)*

# The Self-Storage Industry Leader

**NYSE / S&P 500**

company

**50**

years in operation

**A / A2**

credit rating (S&P/Moody's)

**\$3.4B**

2021 revenues

**\$2.5B**

2021 net operating  
income (NOI)

**2,800+**

owned properties

**200M**

owned rentable square feet

**39**

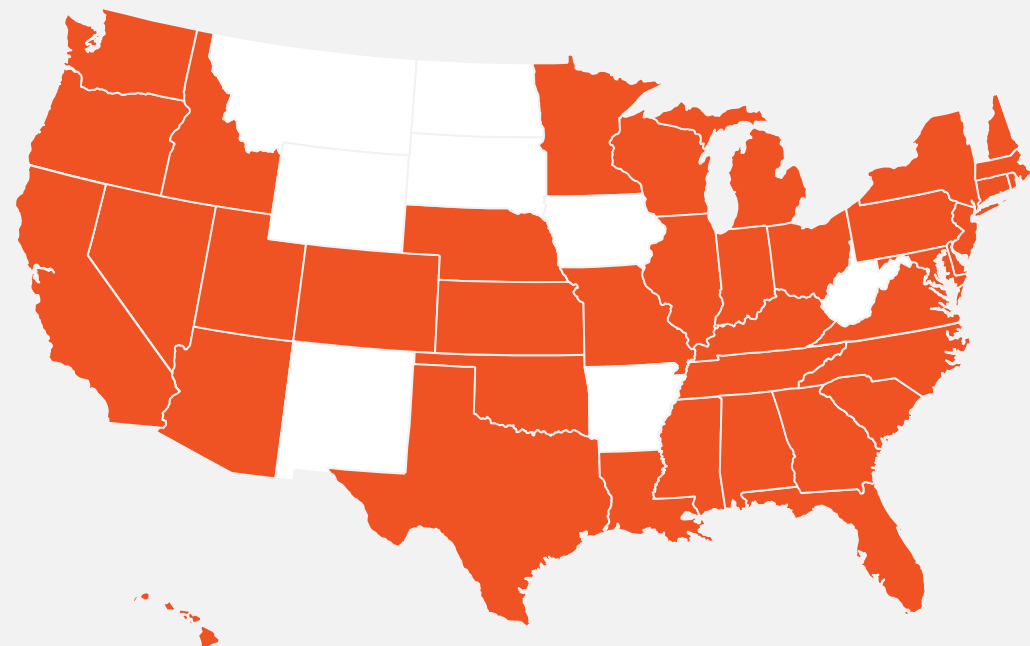
states

**1.8**

million customers in place

**22%**

portfolio expansion through  
\$7.3 billion of investment  
over the past three years



# Unique Competitive Advantages



## Unmatched Scale & Locations

Half of the U.S. population lives within a Public Storage trade area



## Platform Strength & Innovation

Continuous first-mover strategy, technology, and platform innovation with an unmatched data set



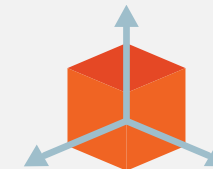
## High-Integrity Team & Culture

An innovation-driven culture with broad diversity

**Public  
Storage**

## Iconic Brand

Strongest consumer recognition with accompanying scalable economic benefits



## Multi-Lever External Growth

Acquisition, development, and redevelopment expertise drives value creation



## Growth-Oriented Balance Sheet

Capacity to fund further accretive growth

# Committed to Sustainable Growth



## Environmental

A Low Impact Company



## Social

A People Focus



## Governance

Integral to operational, financial, and reputational resilience

- ✓ **Light footprint** | Energy, carbon, water, and waste intensities 91% lower than other property types on average
- ✓ **Proactive initiatives** | Focus on further reducing our impact and generating ROIC through initiatives including LED lighting, solar power, and low water use landscaping across the portfolio
- ✓ **Low obsolescence** | Properties retain physical and functional usefulness over decades
- ✓ **High structural resilience** | Designed and built to mitigate the impact of climate and natural disasters

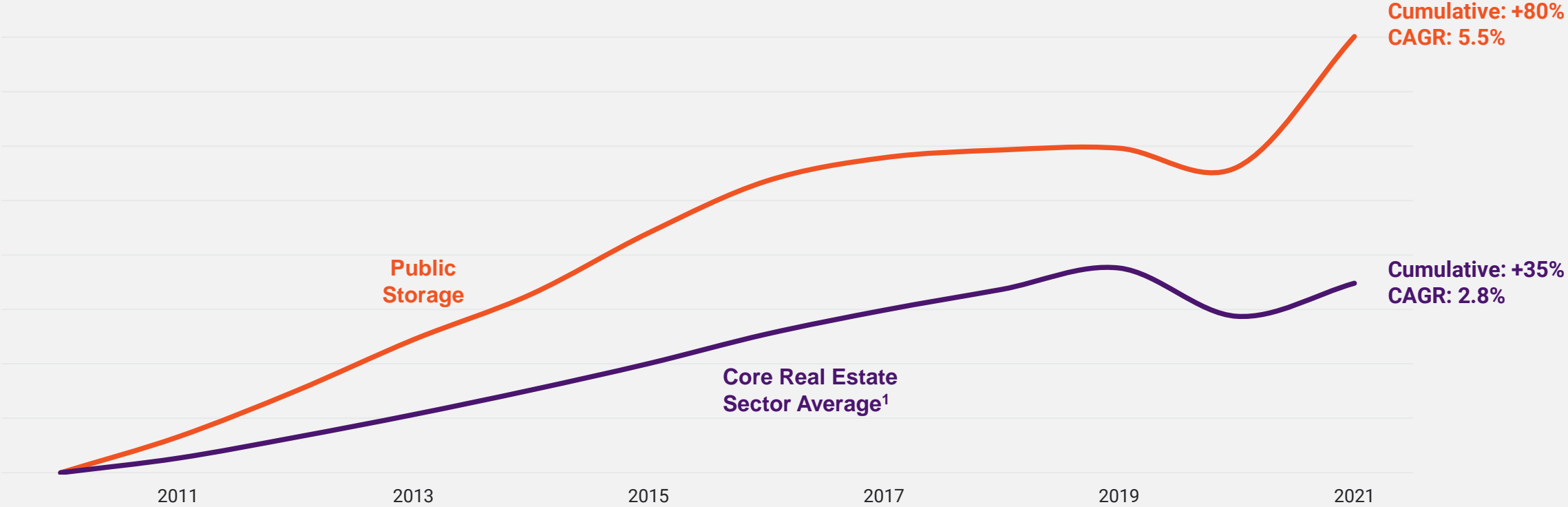
- ✓ **Diverse team** | 52% people of color and 68% female
- ✓ **High-integrity culture** | Built on accountability, entrepreneurship, employee development, diversity, and inclusion
- ✓ **Career Advancement** | Recently created three new positions for our property and customer care center employees
- ✓ **Health, Safety, and Wellbeing** | Comprehensive benefits and programs provided to nearly all employees, including part-time
- ✓ **PS Cares Emergency Fund** | Established to provide additional incentive pay, childcare assistance, extended paid time off, and mental wellness support during the pandemic

- ✓ **Significant board refreshment** | Added 7 new trustees over 2 years, increasing diversity and reducing average tenure to less than 6 years
- ✓ **Enhanced communication** | Committed to deeper and more frequent communication with investors and analysts
- ✓ **Enterprise Risk Management** | Focused on operational risk, cyber security, and data privacy
- ✓ **Highest ethical standards** | Foundational structure for oversight and accountability, promoting fairness and compliance, and proactively managing risk
- ✓ **Executive compensation plan** | Well-aligned with our strategy of creating sustainable long-term value through a multi-year and multi-metric approach

# Attractive Income Growth Profile

Public Storage’s income generation outpaces the broader real estate space

Same-Store Net Operating Income Growth  
*Indexed to 2010*



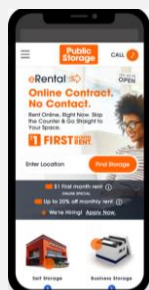
Source: Company filings  
1. Core real estate sector average includes apartment, industrial, office, and retail REITs.

# Delivering the Digital Customer Experience

Digital transformation enhances the customer experience while also enabling our operating model transformation

## Finding a Space

### Website



#### Industry-Leading Platform

- ✓ Mobile centric
- ✓ Click-to-call and AI-enabled chat
- ✓ Dynamic pricing across channels
- ✓ 24 million visitors per year

## Lease Execution

### Digital Rental Agreement



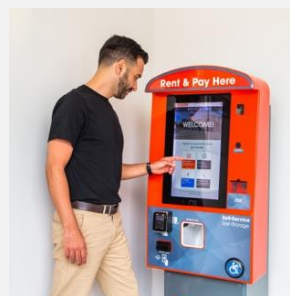
#### Leading Adoption by Customers Enables Operating Efficiency

**~50%**  
of move-ins  
Public Storage

**~28%**  
of move-ins  
Self-Storage  
Peer Average

## Account Management

### Remote Customer Care



#### Development Complete and on Location in Several Markets

- ✓ Full leasing, account management, and customer care functionality
- ✓ Live video interaction with customer care representatives

## Daily Property Use

### Comprehensive Mobile App



#### Highest Customer Utilization and Satisfaction (out of 5)<sup>1</sup>

**4.6 stars**  
21,000 reviews  
Public Storage

**2.3 stars**  
130 reviews  
Self-Storage  
Peer Average

- ✓ Full leasing, account management, customer care, and digital property access functionality

### Digital Property Access<sup>2</sup>



#### Enabling Customer Access and Data on Property Utilization

**First company to**  
**100% of properties**  
Public Storage

- ✓ Electronic locks in testing to complement building access



Source: Company disclosure and data, Apple, Google

1. Based on Apple and Android reviews as of November 2021.

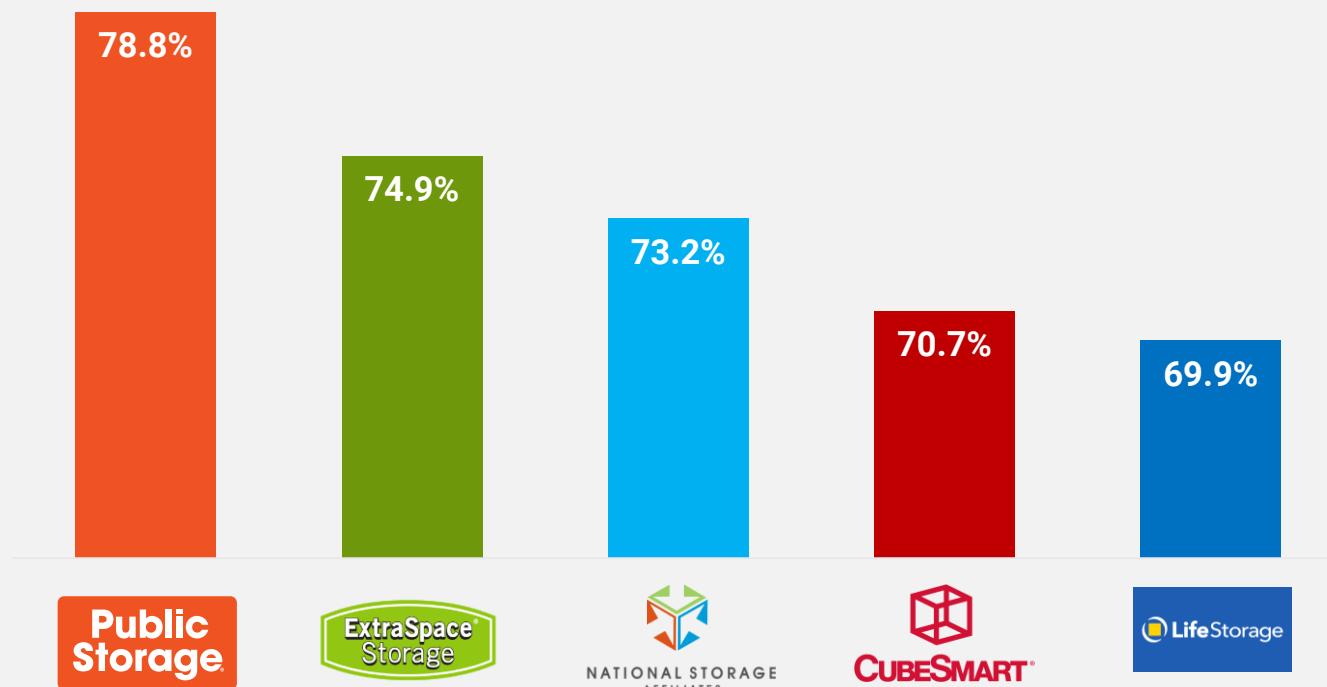
2. Digital property access systems provide hands-free digital access through parking gates, doors, and elevators via the PS App.



# Strengthening Our Operating Advantage

First-mover technology implementation and operating model transformation are further enhancing our profitability

## Same-Store NOI Margin<sup>1</sup>



**Further margin expansion** through operating model transformation and sustainability initiatives over the next few years, including:

**25%**

Payroll cost savings through customer experience optimization<sup>2</sup>

**30%**

Utility cost savings through solar power and LED light implementation<sup>2</sup>

# Accelerated External Growth

Executing as higher-quality, better-priced acquisitions come to market and robust fundamentals support property development

## Growth Since Beginning of 2019<sup>1</sup>

**\$7.3 billion**

of investment in acquisitions,  
development, and redevelopment

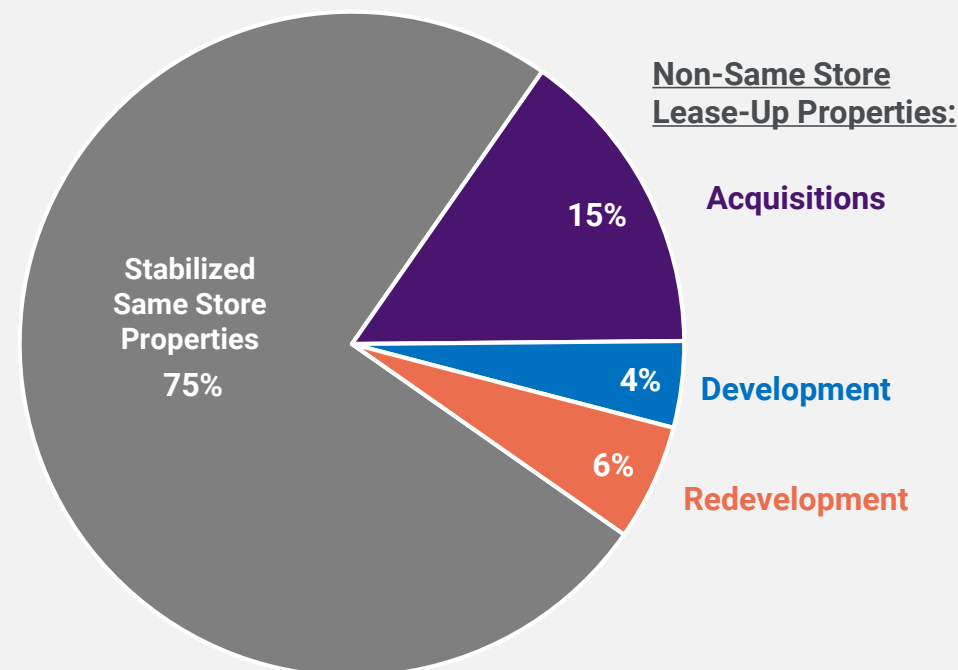
**38 million**

square feet added to the portfolio

**22%**

increase in portfolio size






## Total Owned Portfolio By Property Type<sup>1</sup> 200 million square feet



**High growth lease-up properties are now 25% of the total portfolio and growing**

# Advantages and Unique Capabilities Drive Growth

## Differentiated Acquisition Strategy

-  **Infuses Proprietary Big Data and Analytics**  
*Deep analytics underpin investment decisions made by our experienced team*
-  **Enhances Benefits of Diversification and Coverage**  
*Unique operating upside is fully captured within markets and across the portfolio*
-  **Generates Industry-Leading Income Performance**  
*Platform advantages drive NOI in lease-up and seasoned properties acquired*
-  **Unlocks Redevelopment and Expansion Opportunities**  
*Only REIT in-house development team identifies and executes on additive growth*
-  **Achieves Superior Returns**  
*Retained cash flow and debt funding complement our operating outperformance*

*Reputation as a preferred property acquirer with no contingencies, execution certainty, and speed to close on a cash basis*

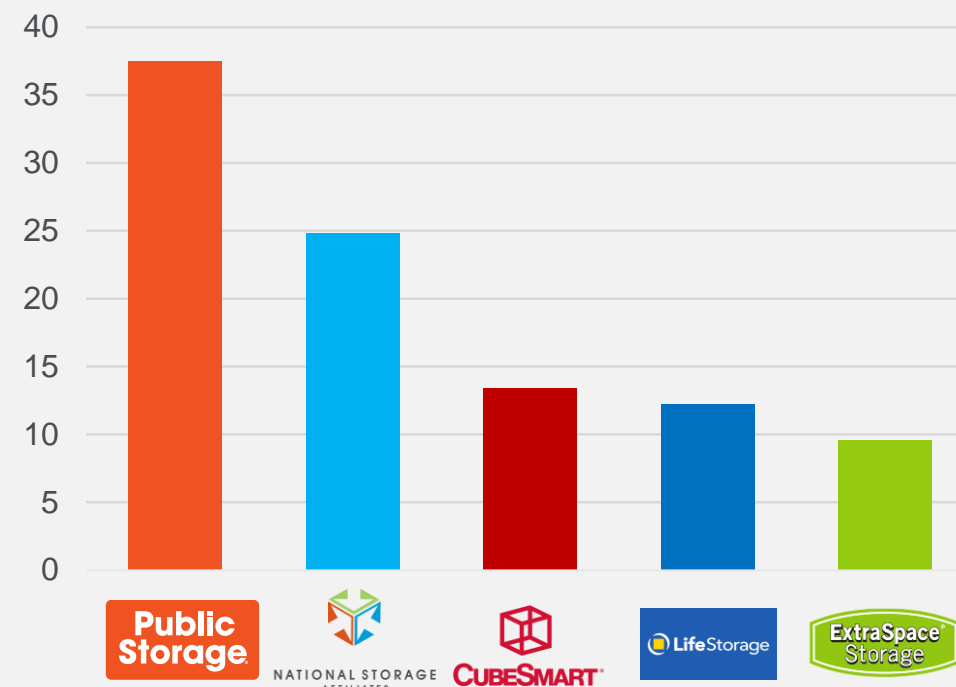


Source: Company filings

1. Includes acquisition properties closed or under contract subsequent to 12/31/21.

## Portfolio Expansion (2019 – 2022 YTD)<sup>1</sup>

Square feet added, millions



# Significant Income Growth & Value Creation

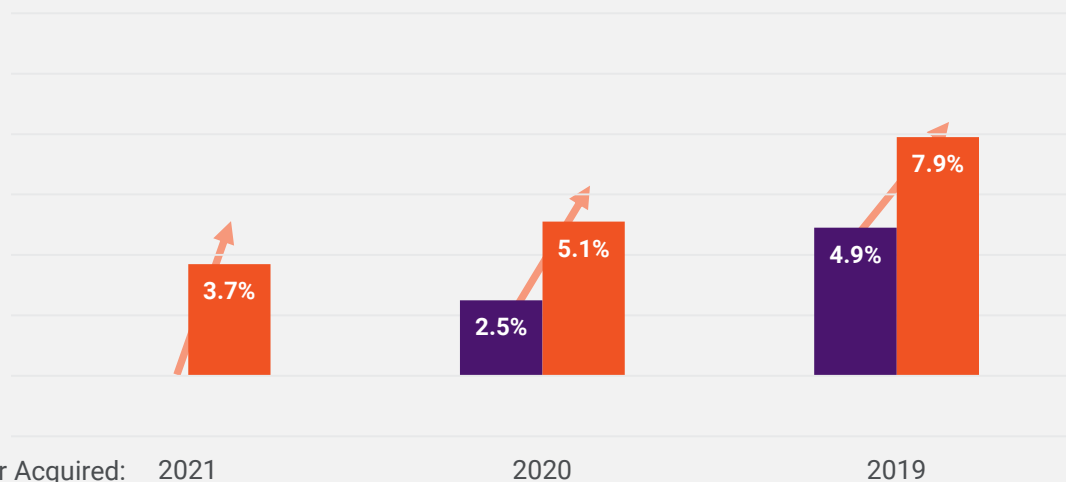
Historically strong acquisition and development performance with embedded earnings upside



Considerable future earnings growth through occupancy and rent lease-up

## Acquisition Yields<sup>1</sup>

■ Yield in 2020 ■ Yield in 2021



Year Acquired: 2021

2020

2019

Occupancy / Growth (yoy)<sup>2</sup>:

88% (+39%)

92% (+1%)

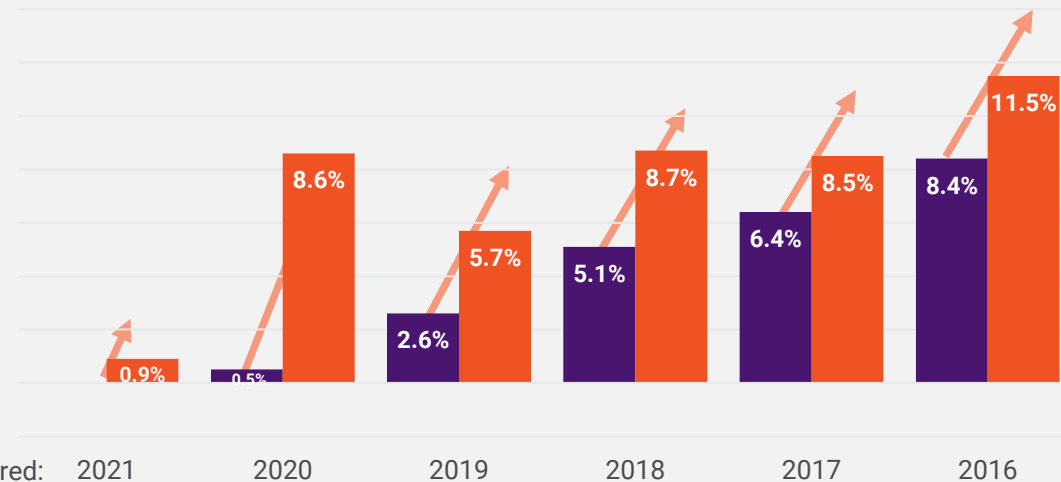
Rent Growth (yoy)<sup>3</sup>:

19%

31%

## Development Yields<sup>1</sup>

■ Yield in 2020 ■ Yield in 2021



Year Delivered: 2021

2020

2019

2018

2017

2016

Occupancy / Growth (yoy)<sup>2</sup>:

89% (+161%)

87% (+3%)

89% (+2%)

91% (+3%)

92% (+1%)

Rent Growth (yoy)<sup>2</sup>:

75%

50%

34%

27%

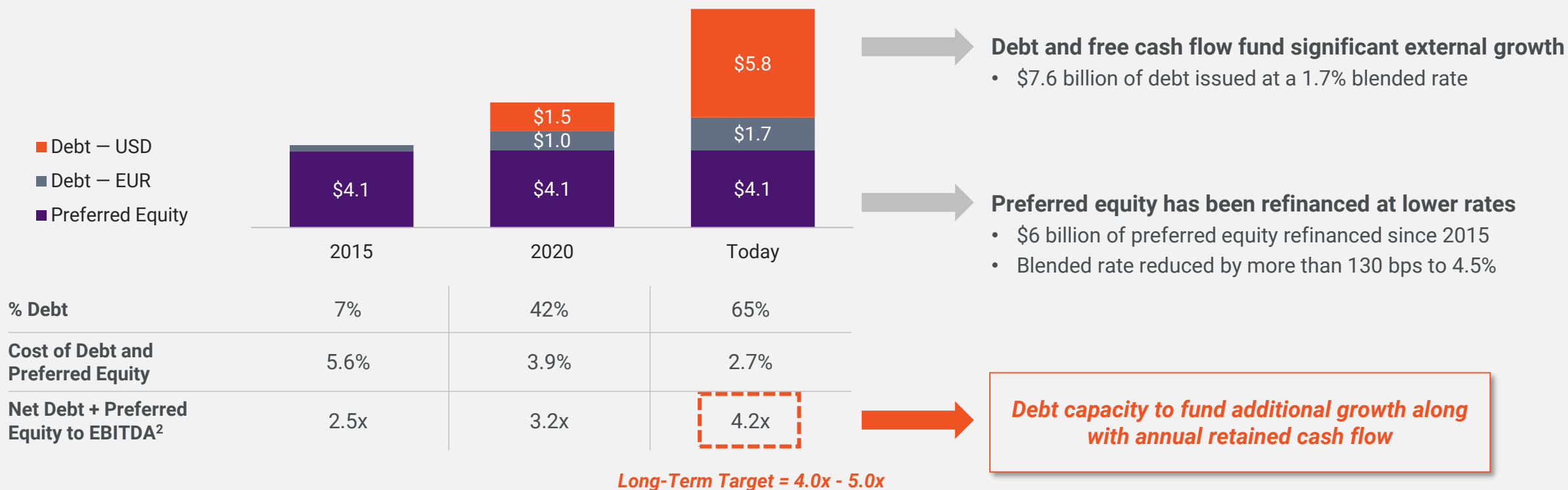
25%



# Balance Sheet Positioned to Fund Additional Growth

Capacity remains following balance sheet evolution towards utilizing debt to fund external growth

## Net Debt and Preferred Equity on Balance Sheet<sup>1</sup> (billions)



# Attractive Valuation

## Quality and Growth

Strong geographic mix with the most owned and “A” locations

Margin-expanding operating model transformation underway

Industry-leading external growth with unique development platform

25% of square footage now in the high-growth non same-store pool

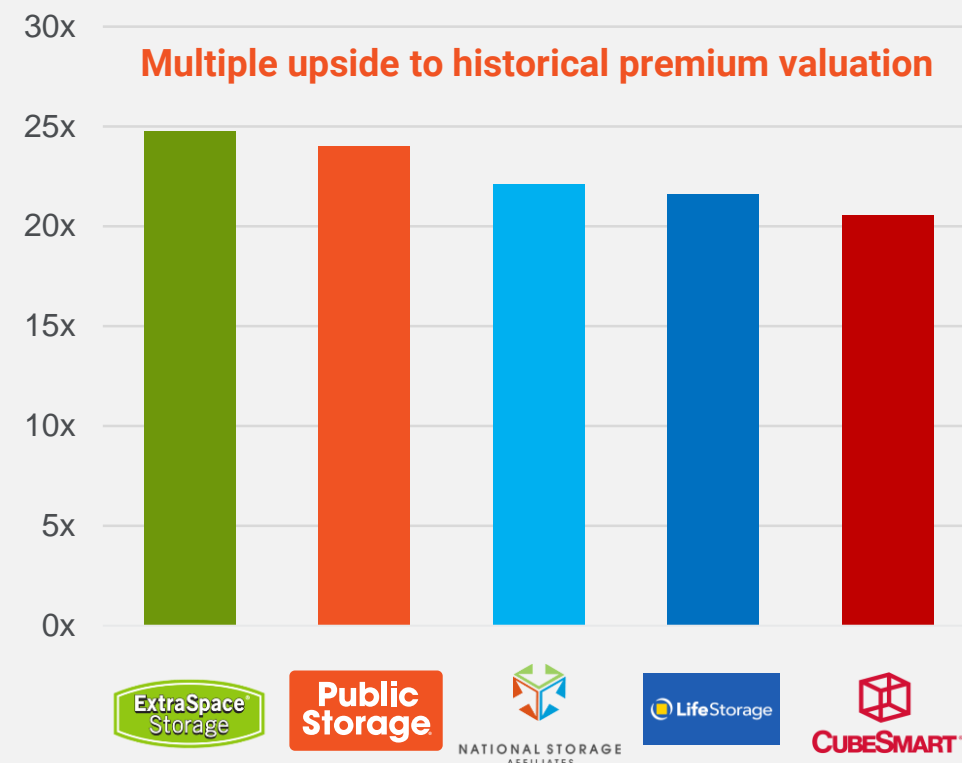
Balance sheet positioned to fund growth plans



Source: Company filings

1. Based on midpoint of 2022 guidance and share price on 3/2/22.

## 2022 FFO Multiple<sup>1</sup>



# Public Storage is...



Strengthening our wide-ranging **competitive advantages**



Transforming our operating model through customer experience, employee satisfaction, and margin expanding **digitalization**



Enhancing our industry-leading **portfolio quality**



Accelerating external growth with significant embedded **future earnings upside**



Achieving **superior returns** on invested capital through **industry-best operations** and a **growth-oriented balance sheet**



Uniquely positioned for continued industry **leadership**, **innovation**, and **growth**

# Non-GAAP Reconciliations

## Net Income to EBITDA Reconciliation

	2015	2020	2021
Net income	\$1,318	\$1,361	\$1,960
Net operating income attributed to noncontrolling interests	(8)	(6)	(8)
Depreciation and amortization	425	553	713
Interest expense	1	56	91
Extraordinary and nonrecurring gains and losses	(19)	96	(125)
PS Business Parks and Shurgard equity earnings	(48)	(80)	(232)
Distributions received from PS Business Parks and Shurgard	33	97	170
<b>EBITDA</b>	<b>\$1,702</b>	<b>\$2,077</b>	<b>\$2,569</b>