Public Storage

Company Update

January 2025



Important Information

FORWARD-LOOKING STATEMENTS: This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements relating to our 2024 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; expectations regarding the impacts from inflation and changes in macroeconomic conditions; 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 and 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. Risks and uncertainties 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 filed with the Securities and Exchange Commission (the "SEC") on February 20, 2024 and in our other filings with the SEC. These include changes in demand for our facilities; changes in macroeconomic conditions; changes in national self-storage facility development activity; impacts of natural disasters; adverse changes in laws and regulations including governing property tax, evictions, rental rates, minimum wage levels, and insurance; adverse economic effects from public health emergencies, international military conflicts, or similar events impacting public health and/or economic activity; increases in the costs of our primary customer acquisition channels; adverse impacts to us and our customers from high interest rates, inflation, unfavorable foreign currency rate fluctuations, or changes in federal or state tax laws related to the taxation of REITs; security breaches, including ransomware; or a failure of our networks, systems, or technology. These forward-looking statements speak only as of the date of this presentation or as of the dates indicated in the statements. All of our forward-looking statements, including those in this presentation, are qualified in their entirety by this cautionary statement. We expressly disclaim any obligation to update publicly or otherwise revise any forward-looking statements, whether because of new information, new estimates, or other factors, events, or circumstances after the date of these forward-looking statements, except when expressly required by law. Given these risks and uncertainties, you should not rely on any forward-looking statements in this presentation, or which management may make orally or in writing from time to time, neither as predictions of future events nor guarantees of future performance.

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.

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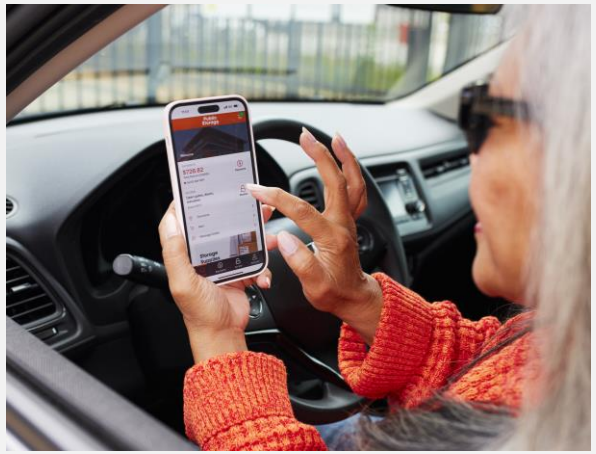






Company Highlights

I. The Self-Storage Industry Leader

II. Favorable Sector Dynamics

III. Transforming Our Operating Model

IV. Multi-Factor External Growth

V. Growth-Oriented Balance Sheet

VI. Outperformer at an Attractive Valuation

Appendix: 4Q24 Operating Update

Public Storage

The Self-Storage Industry Leader

NYSE / S&P 500
company

52
years in operation

A2 / A
credit rating (Moody's/S&P)

$4.6B
TTM revenues

$3.4B
TTM net operating income (NOI)

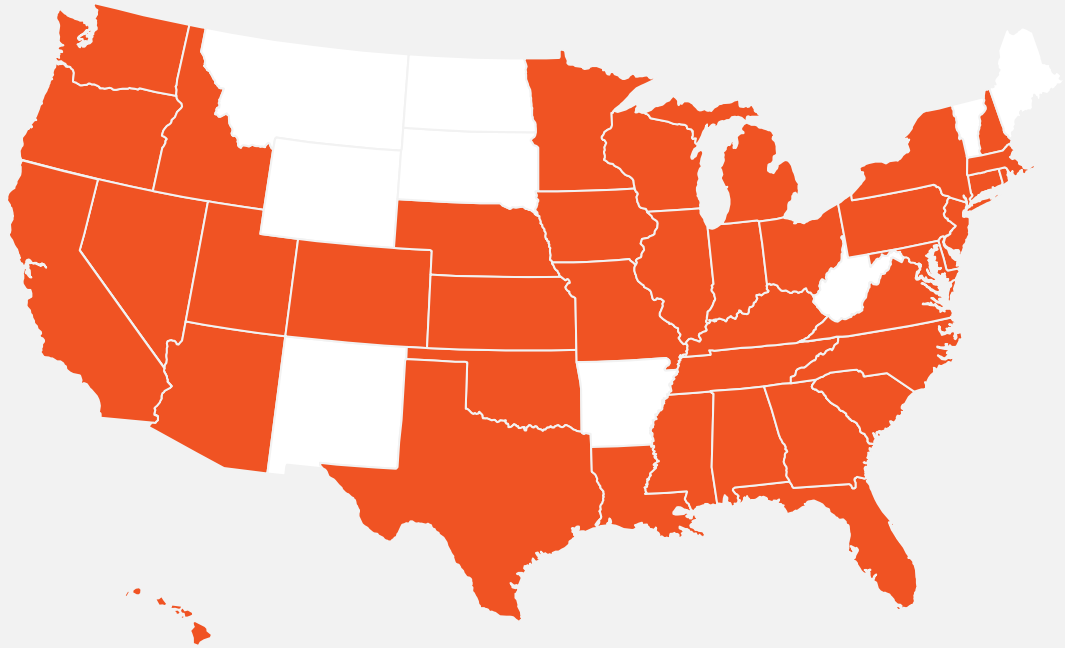
3,333
properties

241M
rentable square feet

40
states

2.0M
customers in place

23%
of total portfolio is in the high growth lease-up pool with $120 million of NOI upside over the next few years



Public Storage

Source: Company filings and data
Note: As of 9/30/24 unless otherwise noted. Properties, square footage, states, and customers in place include owned and third-party managed properties, including acquisitions announced subsequent to 9/30/24.

Unique Competitive Advantages



Unmatched Owned 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



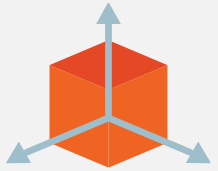
High-Integrity Team & Culture

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, redevelopment, and third-party management expertise drives value creation



Growth-Oriented Balance Sheet

Capacity to fund further accretive growth

Committed to Sustainable Growth

Environmental

A Low Impact Company

- **Light footprint** | Carbon, water, and waste intensities 88% 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

Social

A People Focus

- **Great Place to Work®** | Received prestigious Great Place to Work® recognition based entirely on employee feedback
- **Diverse team** | 53% people of color and 65% female
- **High-integrity culture** | Built on accountability, entrepreneurship, employee development, diversity, and inclusion
- **Career advancement** | 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

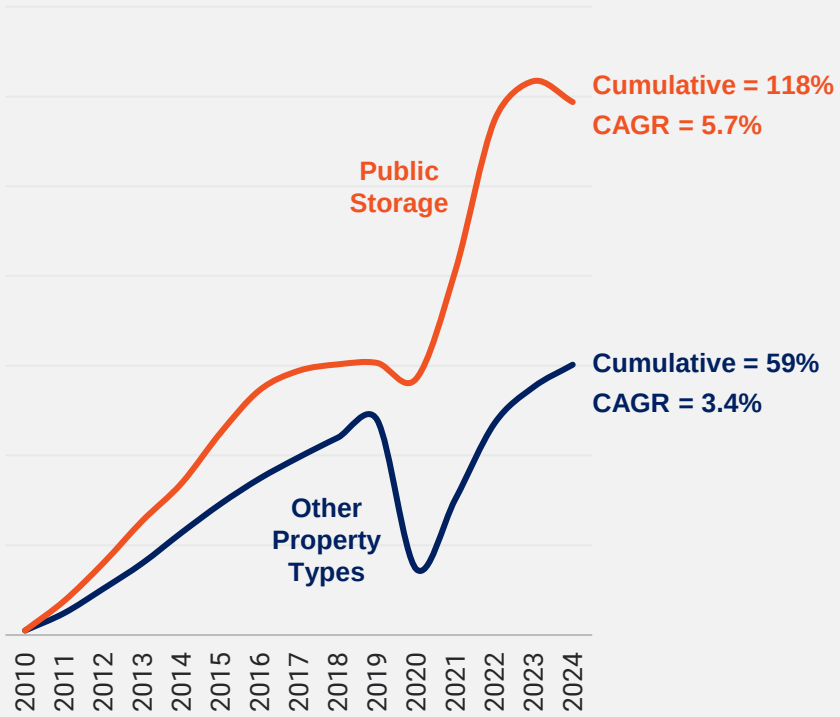
Governance

Integral to operational, financial, and reputational resilience

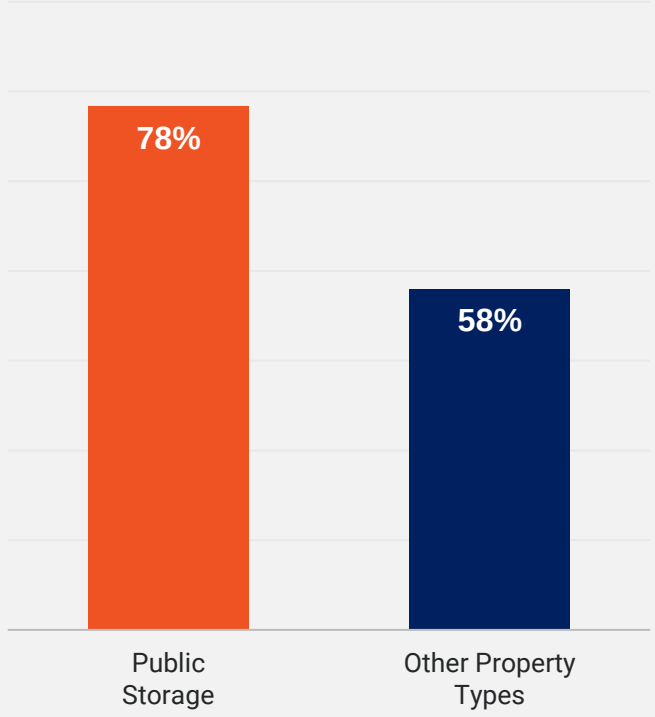
- **Enterprise Risk Management** | Focused on strategic, operational, financial, and governance risks, including cyber security and data privacy
- **Highest ethical standards** | Foundational structure for oversight and accountability, promoting fairness and compliance, and proactively managing risk
- **Strong Board composition** | High independence and diversity with wide-ranging and complementary skill sets
- **Enhanced communication** | Committed to deep and frequent communication with investors and analysts
- **Executive compensation plan** | Well-aligned with our strategy of creating sustainable long-term value though a multi-year and multi-metric approach

A Superior Cash Flow Profile

Strong NOI Growth[1]

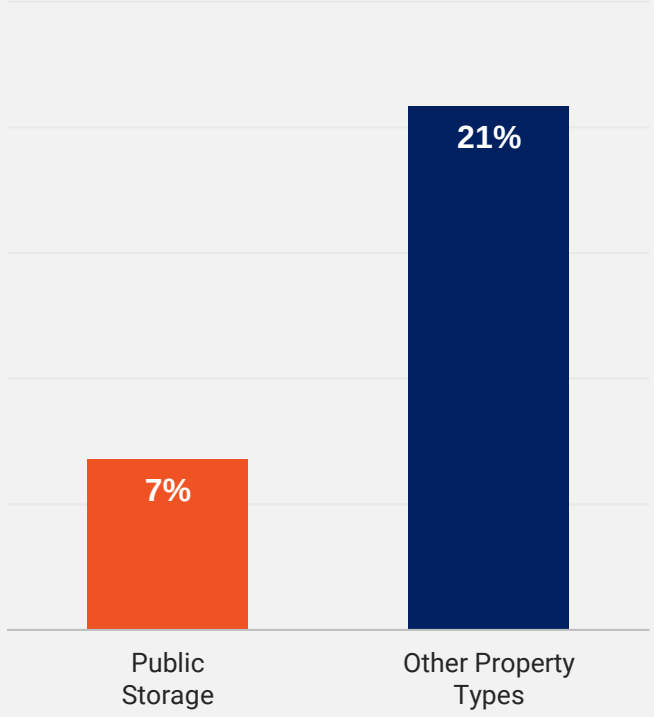


High NOI Margin[1]



Low Capital Expenditures[1]

% of NOI



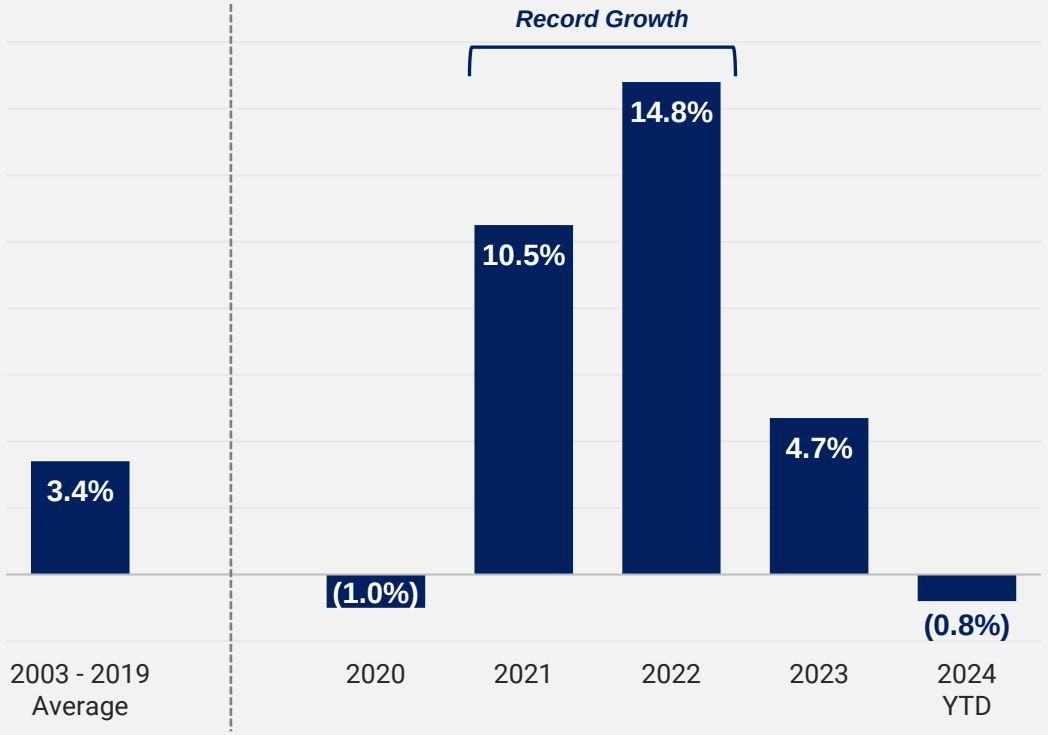
Strong long-term growth + high margins + low capital expenditures = robust cash flows and returns

Source: Company filings, Green Street

1. NOI growth and margins are for respective same store pools. YTD figures through 9/30/24. Maintenance capital expenditures are for consolidated pools. Other Property Types is an average of apartments, office, industrial, mall, strip center, manufactured housing, and lodging sectors.

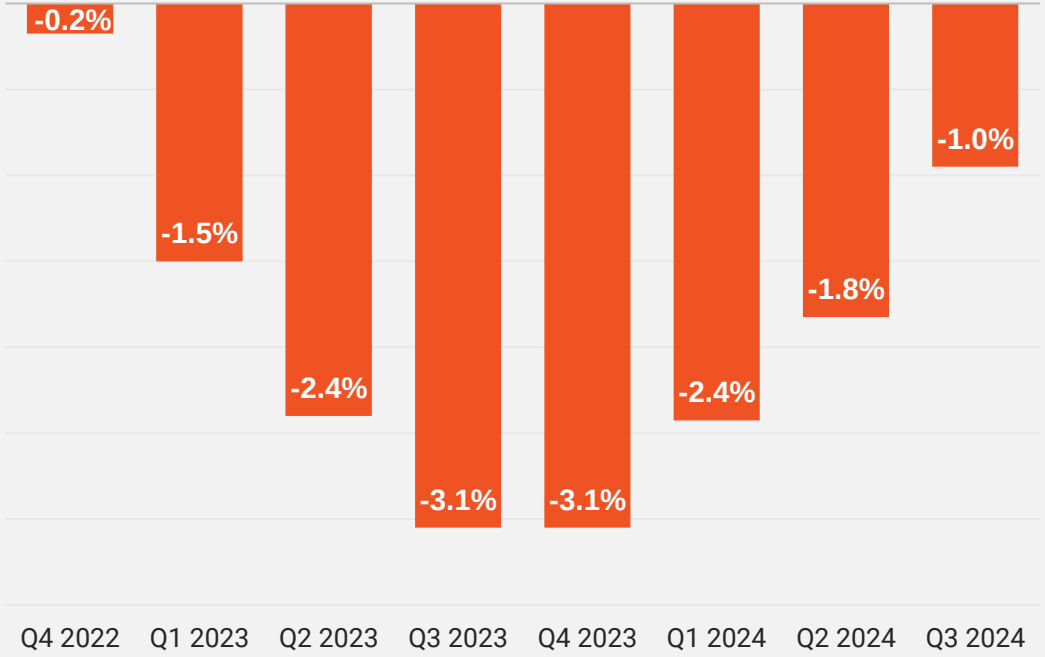
Industry Stabilizing from Extraordinary Times

Revenue Growth[1]



Revenue Growth Deceleration[1]

Trailing twelve month sequential change



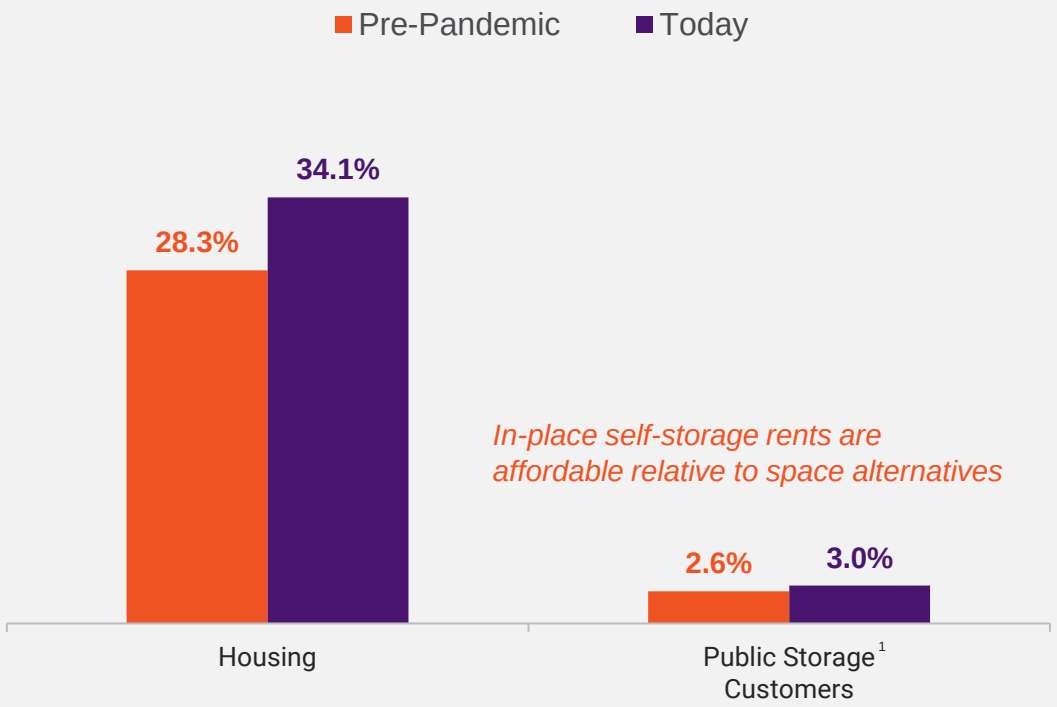
Broad stabilization following tough comparisons, demand moderation, and competitive market move-in rent dynamics

Public Storage

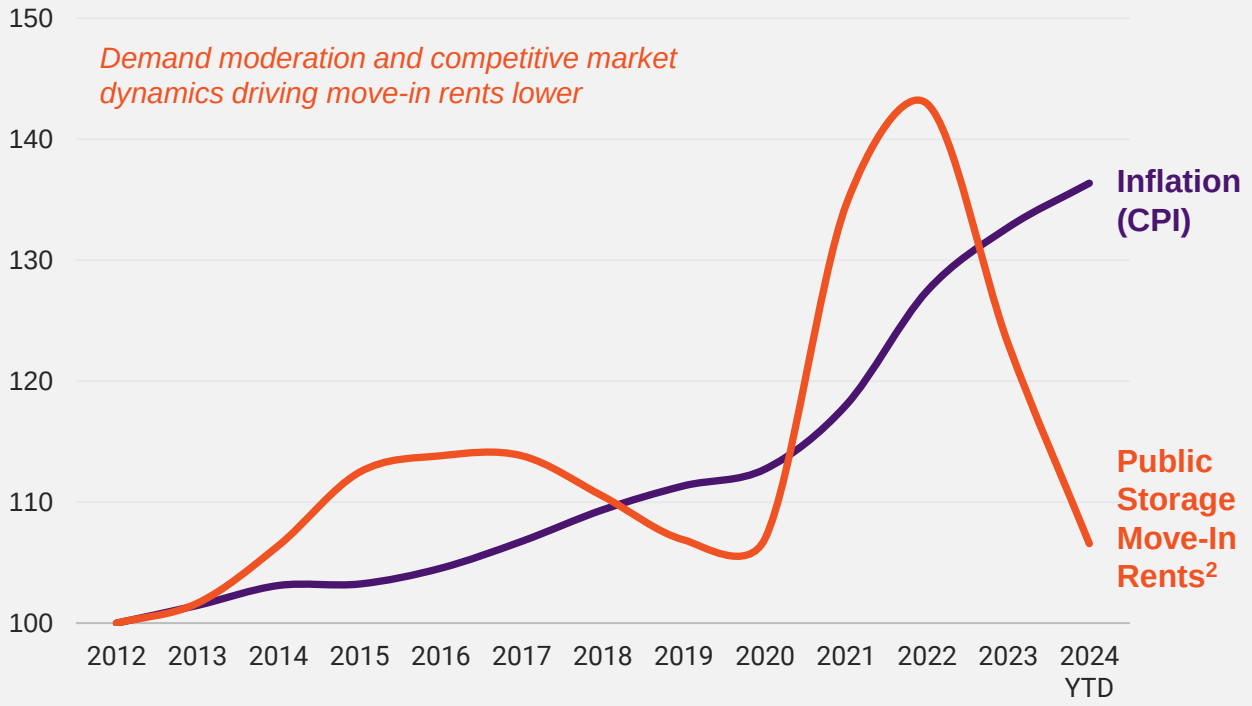
Source: Company filings
1. Public Storage same store pool. YTD figures through 9/30/24.

The Affordable Space Alternative

Consumer Spend
(% of monthly income)



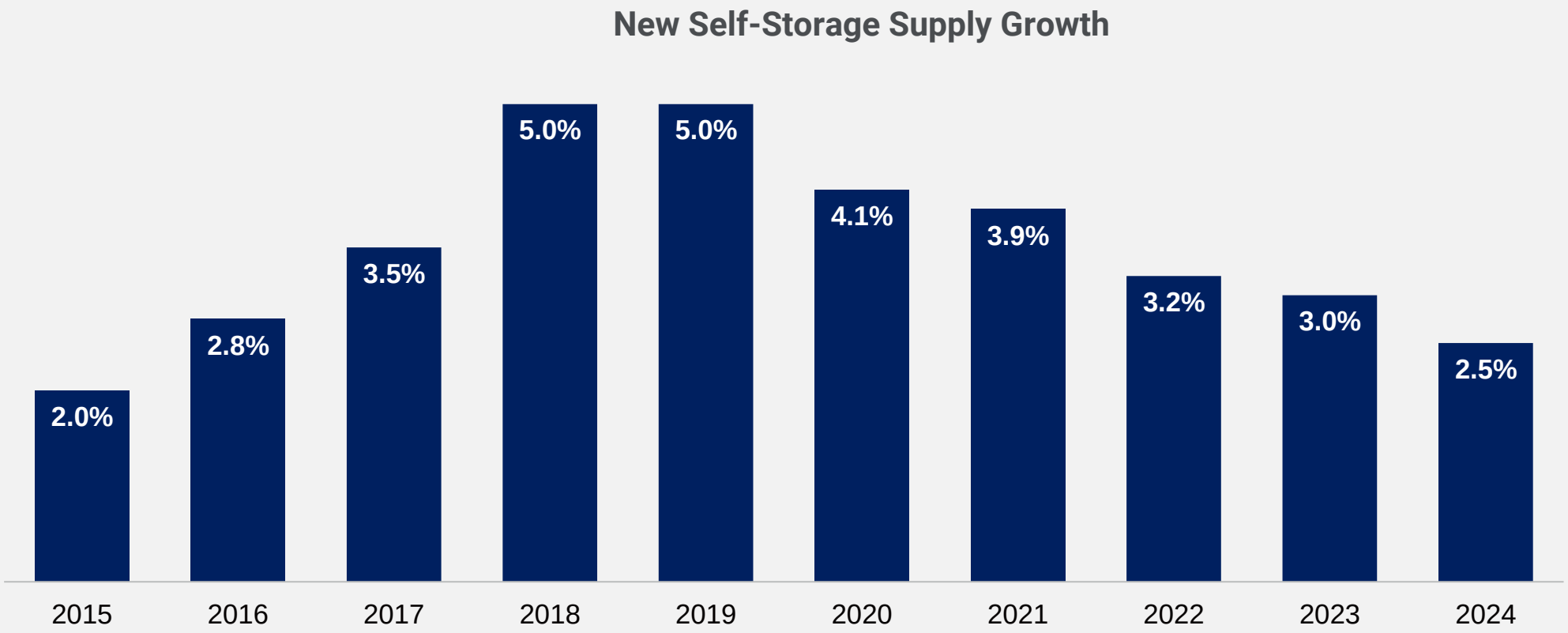
Move-In Rents vs. Inflation
Indexed to 100 in 2012



Customer move-in rents are affordable today having reverted to 2014 levels

Source: Company filings, Bureau of Labor Statistics, Census Bureau, National Association of Realtors, Rent.com
1. Based on Public Storage overall same store average rent per square foot for Q3 2024.
2. Based on Public Storage same store average rent per square foot for customers that moved in during each period.

New Supply Growth Decelerating



Further reductions expected over the next few years

Slowing new competitive supply will be supportive to fundamentals over the next few years

Source: Yardi Matrix and Public Storage. Reflects estimated annual expansion of total self-storage stock in the United States.

Our Hybrid Digital Operating Model Transformation

Digital Field Operating Model

Omni-Channel Digital Customer Experience



Website



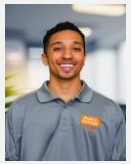
PS App
(w/ live help)



Kiosk
(w/ live help)



Digital
Care Team



Specialized
Field Personnel

Digital Property Access & Safety



Digital Access
Systems



Smart Camera Security
(w/centralized monitoring)

Advanced Asset Management

- ✓ Multi-property local asset teams
- ✓ Specialized cleaning and repair personnel
- ✓ Data-driven preventative maintenance

Digital Corporate Platform

Centralized Enterprise Platform Fully Integrated With Field Operations

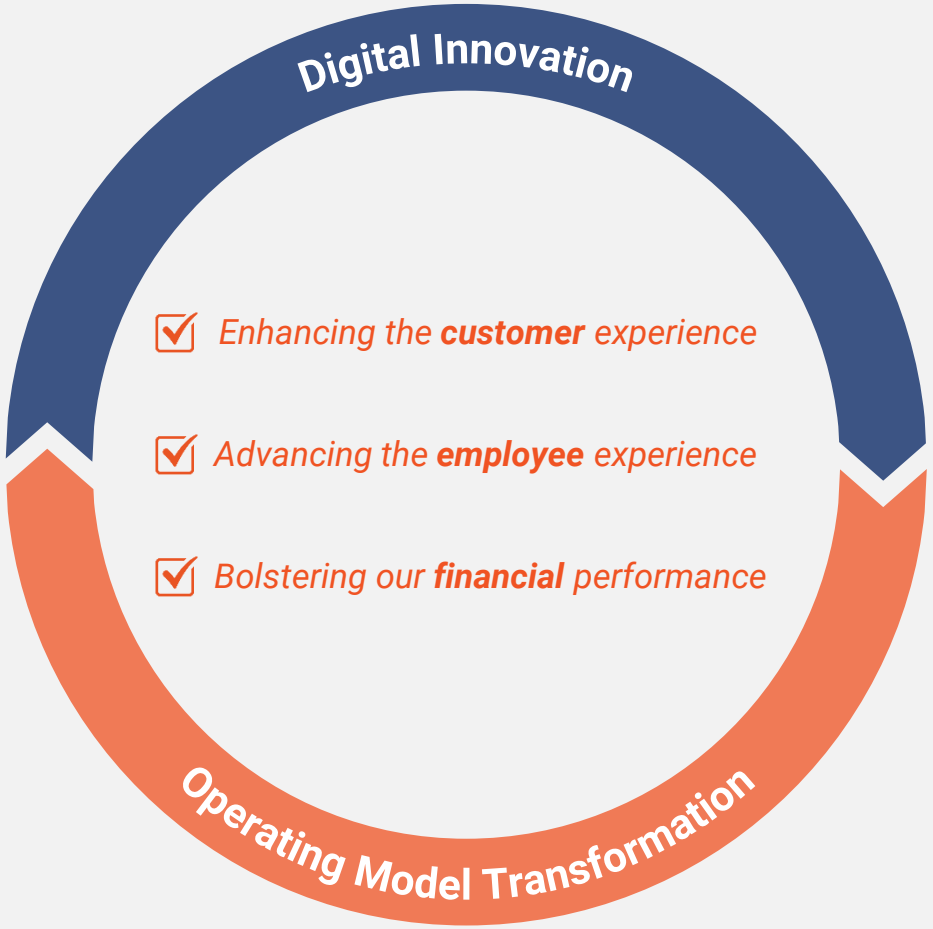
- ✓ Proprietary & cloud based
- ✓ Optimized data warehouse
- ✓ Data-driven analytics & decisions
- ✓ Infused AI
- ✓ Prompt & clear employee direction
- ✓ Predictive field labor scheduling

Cohesively connecting our customers, teams, and systems across field and corporate operations

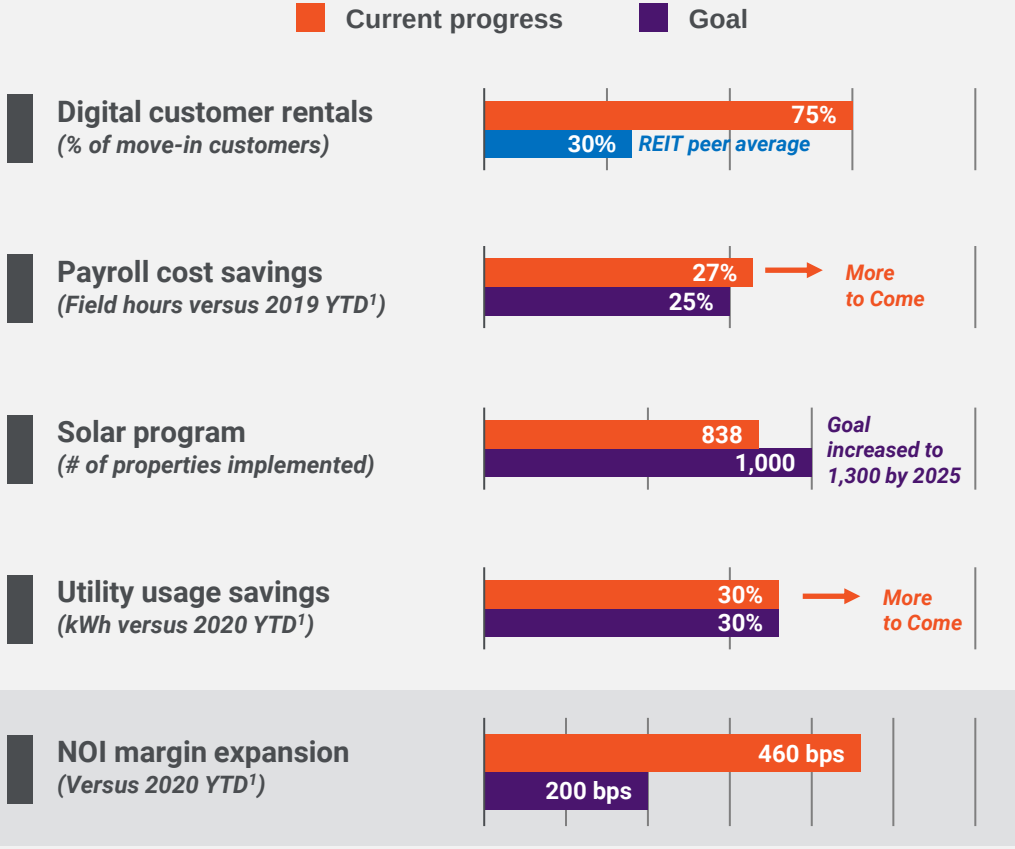
Public Storage

Source: Company filings

Tracking Ahead of Our Transformation Plan



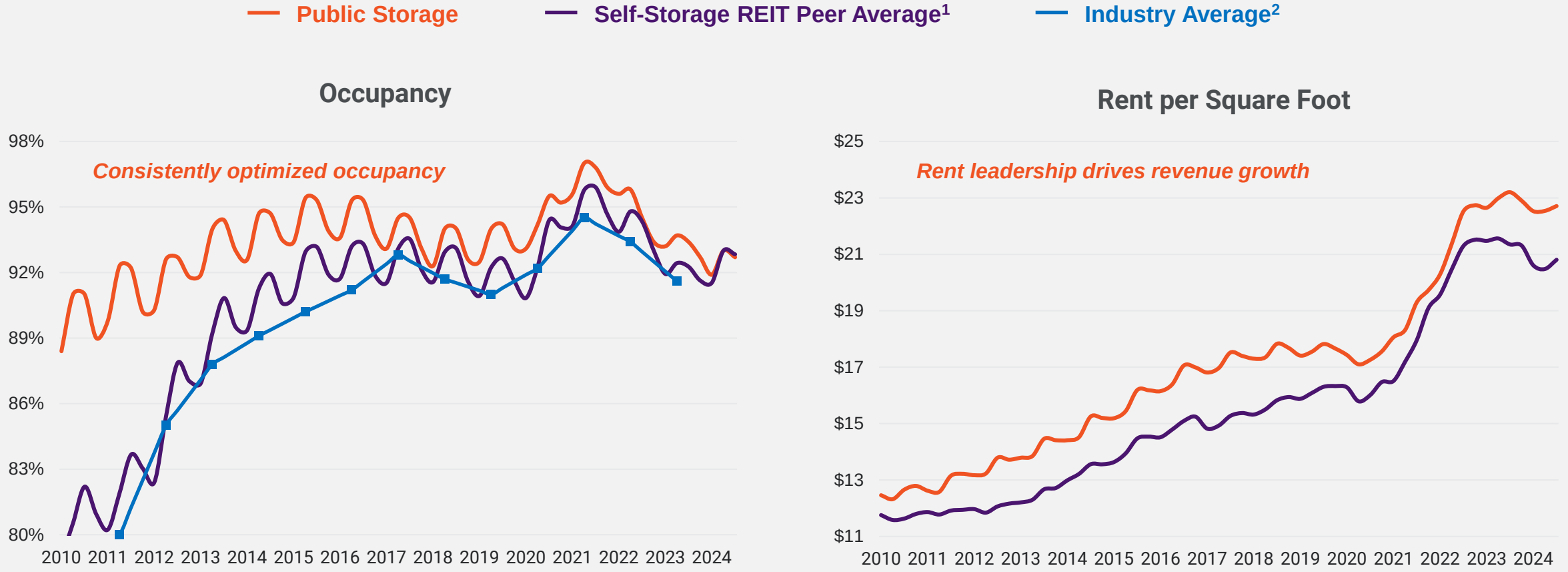
Select Progress & Goals



We are outperforming our transformation goals

Source: Company filings
1. Public Storage same store pool.

Industry-Leading Revenue Management

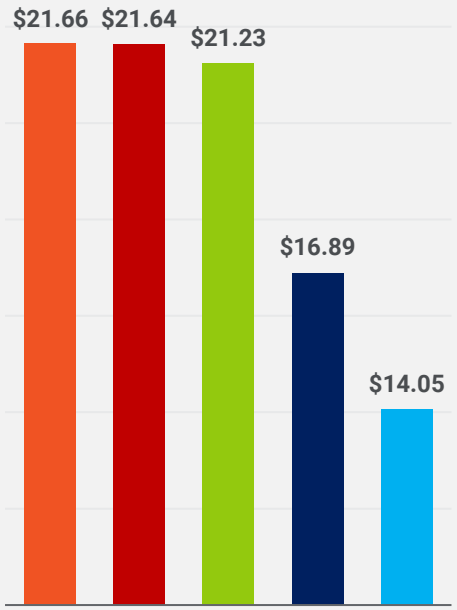


Data-driven, AI-based revenue optimization

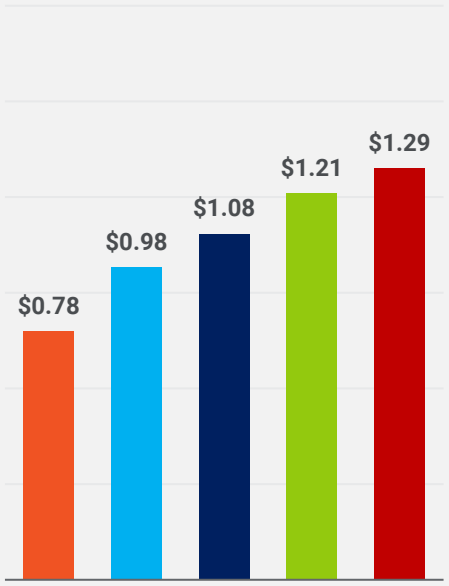
Source: Company filings, Self-Storage Almanac, and Radius+
1. Includes CubeSmart (CUBE), Extra Space (EXR), and Life Storage (LSI). Excludes National Storage Affiliates (NSA) due to lack of data history prior to IPO in 2015.
2. Includes estimate of private and public operators nationwide.

Transformation is Enhancing Our Outperformance

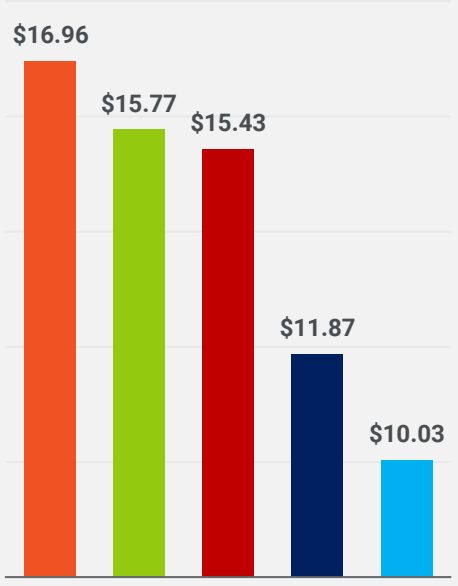
Highest Revenues[1]



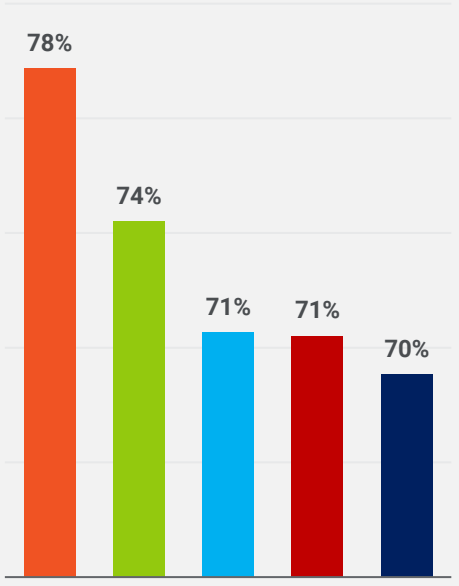
Most Optimized Labor Hours[1]
(payroll costs)



Highest NOI[1]



Most Profitable[1]
(NOI margin)



Public Storage | Extra Space | Extra Space / Life Storage | CubeSmart | National Storage Affiliates

Industry-leading revenue and NOI performance at higher operational efficiency

Source: Company filings
1. Same store pools on a per square foot basis for the nine months ended 9/30/24 annualized.

Superior External Growth Strategy

Acquisitions



Development



Redevelopment & Expansion



- **Infuses Proprietary Big Data and Analytics**
  Deep analytics underpin investment decisions made by our experienced team
- **Demonstrates Strong History of Successful Integration**
  Long-standing and consistent portfolio integration performance
- **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
- **Achieves Superior Returns**
  Retained cash flow and debt funding complement our operating outperformance

Advantages across the external growth spectrum drive superior returns

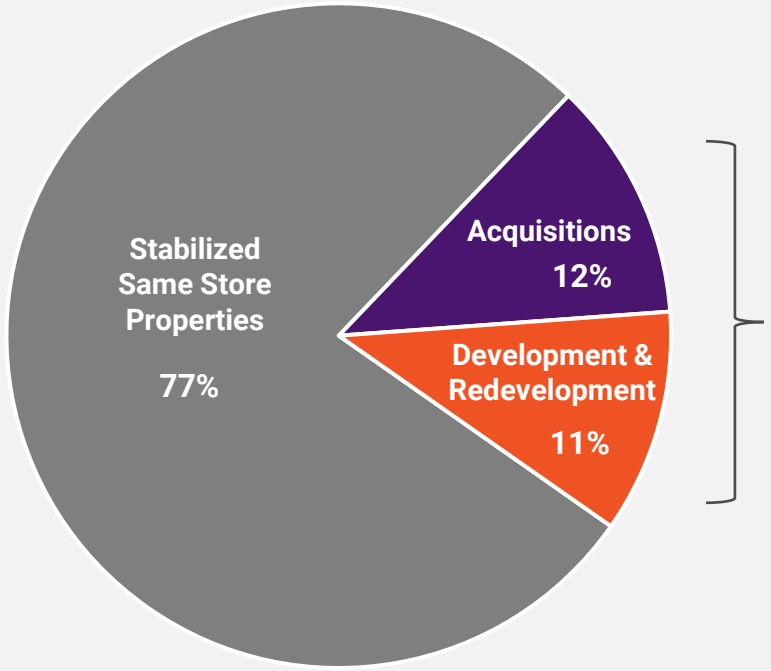
Public Storage

Source: Company filings

Significant Growth Achieved & Ahead

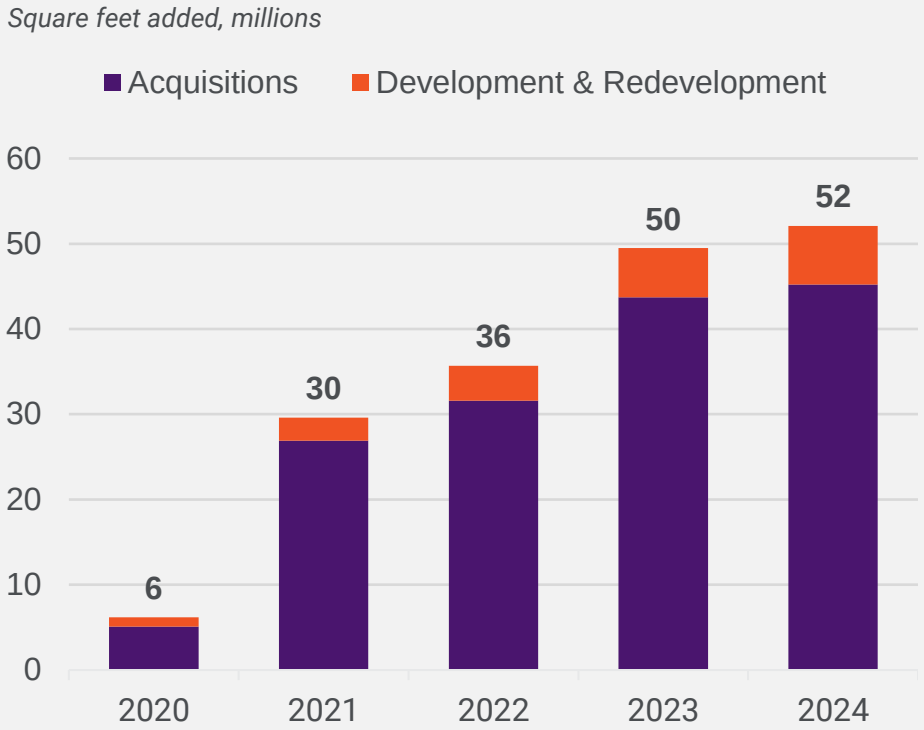
Total Owned Portfolio By Property Type[1]

~221 million square feet



Our 546 lease-up properties are 23% of the total portfolio

Five-Year Cumulative External Growth Activity



High growth lease-up pool has $120 million of NOI upside over the next few years

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Source: Company filings

1. Includes acquisition properties previously announced as closed or under contract subsequent to 9/30/24.

Acquisition Execution & Integration

Case Study: Acquiring & Executing at Scale

SIMPLY SELF STORAGE

$2.2B *acquisition in 2023*

152 *properties* | **11M *square feet*** | **90K *customers***



- ☑ Integrated on day one
- ☑ Fully re-imaged to Public Storage branding
- ☑ Funded on deal announcement day with our growth-oriented balance sheet
- ☑ Performance is outpacing expectations

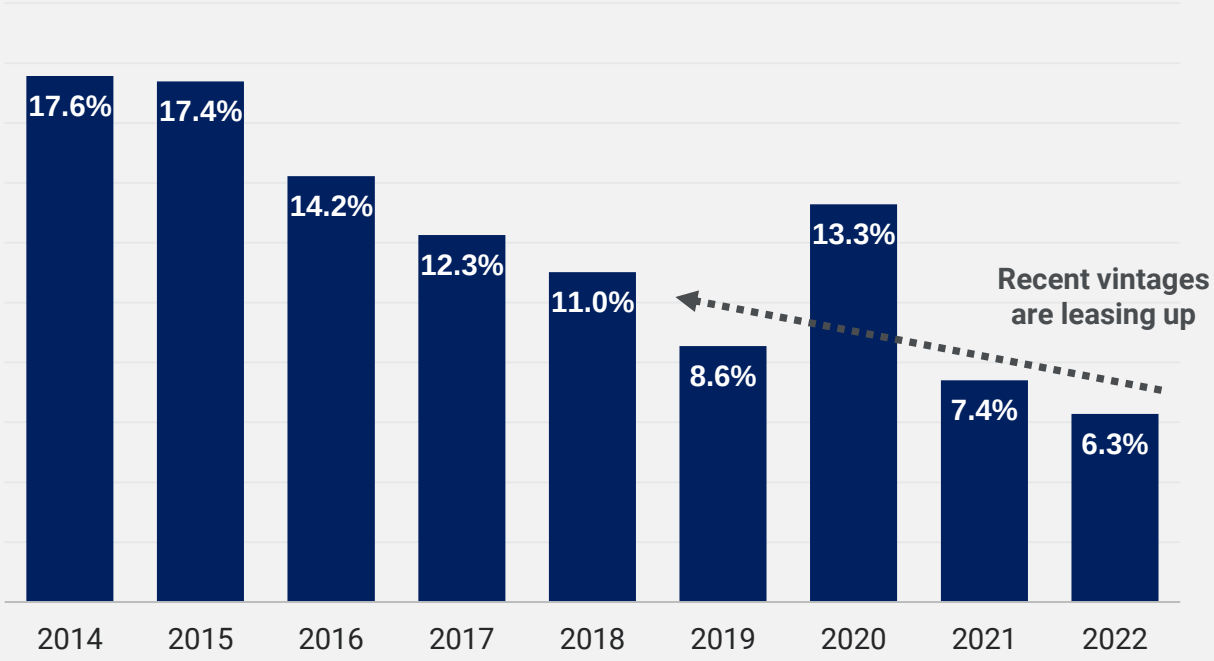
Public Storage

Source: Company filings

Best-in-Class Development Program

- Largest and most experienced team in the industry
- Data-driven submarket and site selection
- Optimized property size, design, and unit mixing
- Construction costs supported by efficiencies of scale and long-standing vendor relationships
- Primarily funded with retained cash flow
- Significant value creation

NOI Yield by Delivery Year[1]

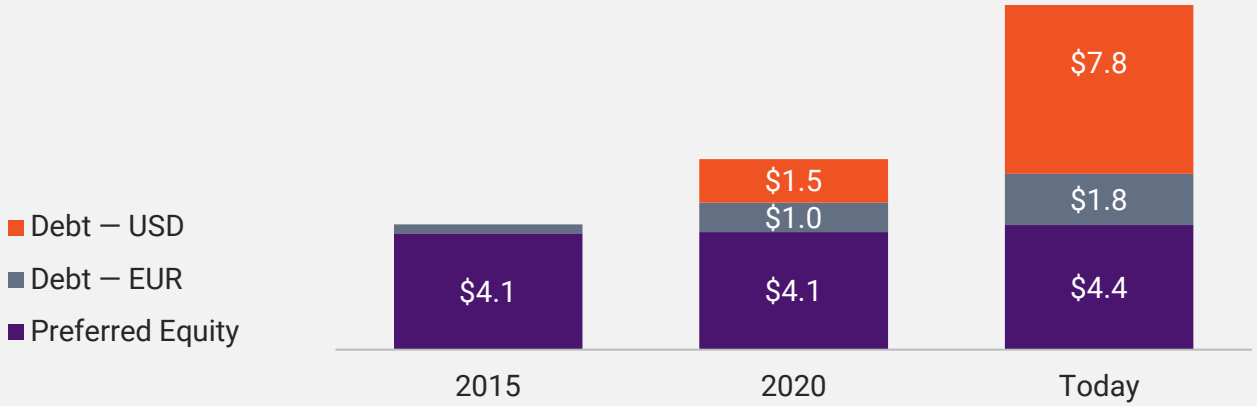


Wide-ranging advantages generate industry-leading delivery volumes and returns

Source: Company filings
1. Based on NOI for the twelve months ended 9/30/24.

Balance Sheet Positioned to Fund Additional Growth

Net Debt and Preferred Equity on Balance Sheet[1] (billions)



	2015	2020	Today
% Debt	7%	38%	69%
Cost of Debt and Preferred Equity	5.6%	3.9%	3.5%
Net Debt + Preferred Equity to EBITDA[2]	2.5x	3.1x	3.9x

Long-Term Target = 4.0x - 5.0x

Debt and free cash flow fund significant external growth

- $9.5 billion of debt issued at a 3.1% blended rate

Preferred equity has been refinanced at lower rates

- $6 billion of preferred equity refinanced since 2015
- Blended rate reduced by more than 130 bps to 4.5%

Debt capacity to fund additional growth along with other capital sources and significant retained cash flow

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

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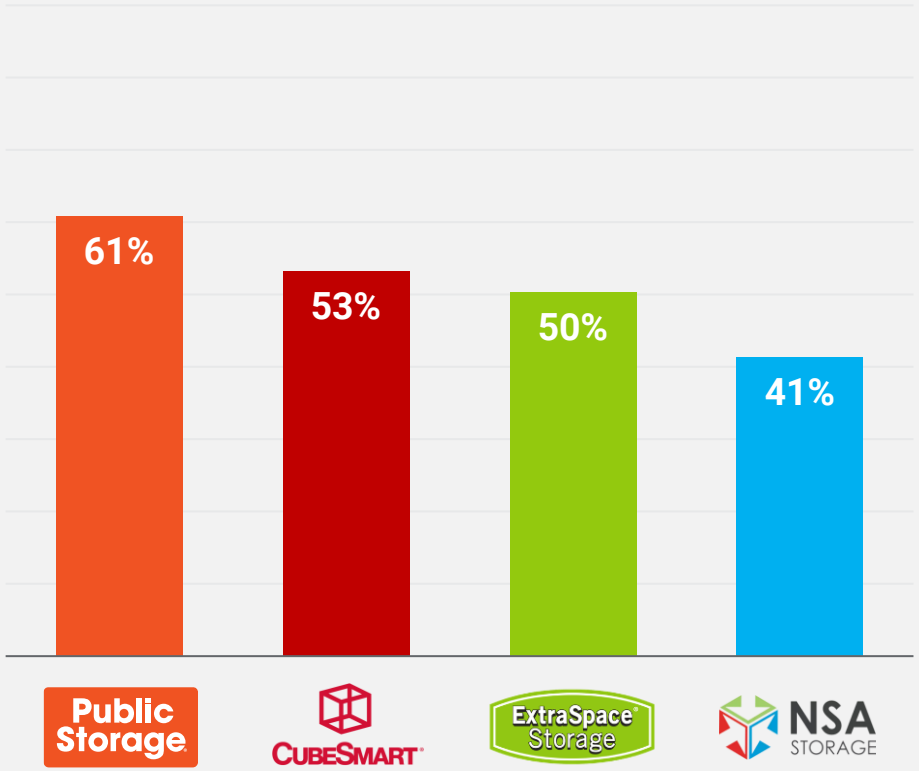
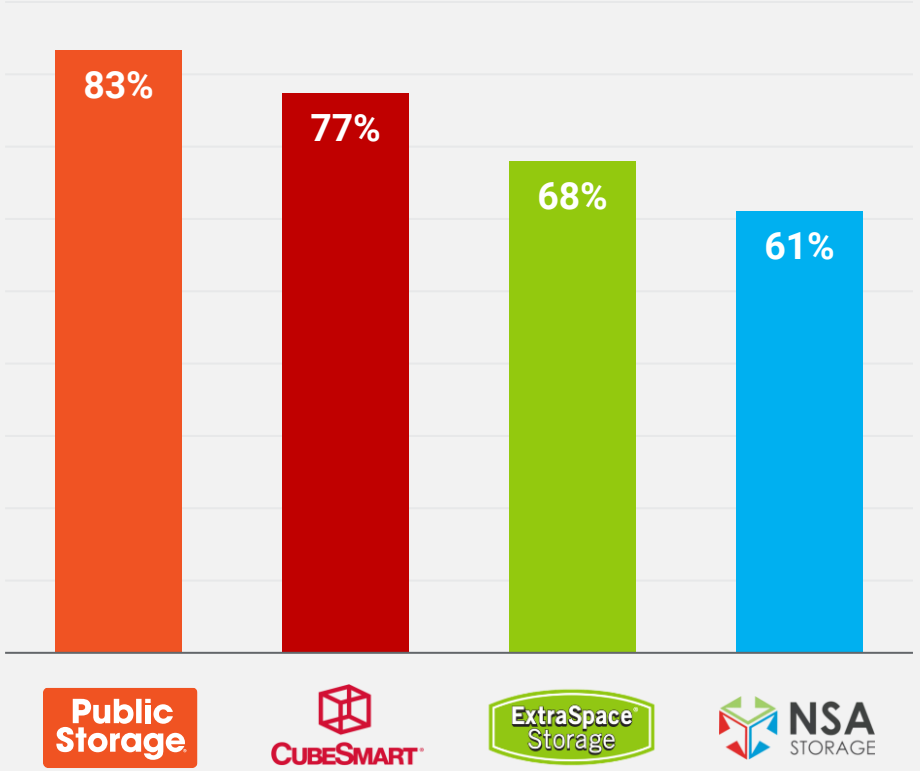
Source: Company filings. See appendix for a definition of EBITDA, a non-GAAP metric, and a reconciliation of EBITDA to net income in accordance to GAAP.
1. As of 9/30/24.
2. Current figure based on EBITDA for the twelve months ending 9/30/24. See appendix for a definition of EBITDA, a non-GAAP metric, and a reconciliation of EBITDA to net income in accordance with GAAP.

Industry-Leading Cash Flow Generation

Free Cash Flow Margin[1]



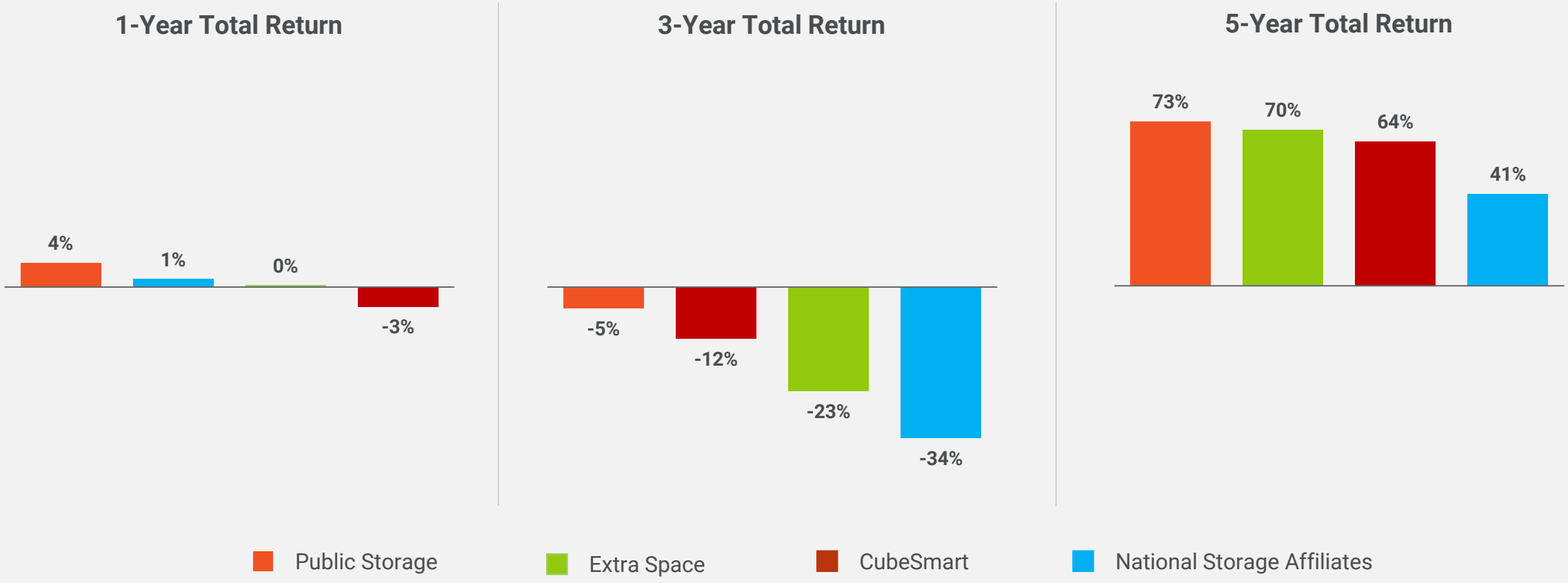
Free Cash Flow Conversion[2]



Strongest operating metrics, lowest leverage, and highest free cash flow margin and conversion

Source: Company filings
Note: Free cash flow defined as cash flows from operating activities less capital expenditures (excludes enhancement capex). Due to lack of capital expenditure disclosure, peer capital expenditures assumed to be equal to Public Storage's as a percent of EBITDA.
1. Free cash flow relative to consolidated revenue for twelve months ended 9/30/24.
2. Free cash flow relative to EBITDA for twelve months ended 9/30/24.

Total Shareholder Return Outperformance



Operating outperformance, strategic initiatives, and broader competitive advantages driving peer-leading total returns

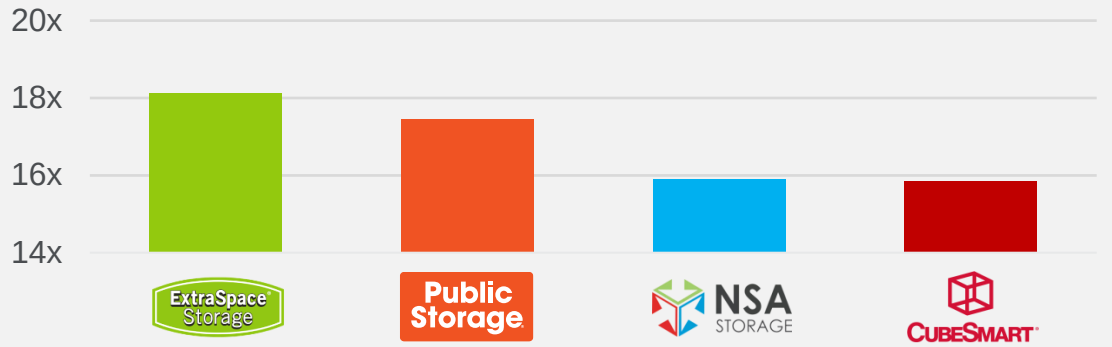
Source: FactSet
1. As of 1/3/25.

Premium Valuation Drivers

Valuation Drivers

- Most recognizable brand
- Unmatched owned portfolio scale and locations
- Leading end-to-end digital ecosystem
- Pioneering operating model transformation
- Highest revenue, NOI, and NOI margin
- Industry-leading acquisition and development platforms
- Significant non-same store NOI growth upside
- Lowest leverage and cost of capital
- Highest free cash flow margin and conversion
- Strongest FFO growth[1]
- Strongest dividend growth[1]

2025 FFO Multiple[2]



Public Storage Premium to Peer Average[3]



Upside to Public Storage's historical premium valuation

Source: Bloomberg and Company filings
1. Measured since Q4 2022.
2. Based on share prices and analyst consensus as of 1/3/25.
3. Based on pre-pandemic 20-year historical average premium.

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 **property and income stream quality**



Generating significant **earnings upside** through multi-factor external growth



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**

Public Storage

Appendix

Same Store Move-In and Move-Out Update

Rents Gained from Move-Ins

(Amounts in thousands, except for per square foot amounts)

Move-Ins	Three months ended December 31,		
	2024	2023	Δ
Average annual contract rent	$13.04	$13.73	**-5.0%**
Square footage	28,906	29,216	**-1.1%**
Contract rents gained	$94,234	$100,284	**-6.0%**

Rents Lost from Move-Outs

(Amounts in thousands, except for per square foot amounts)

Move-Outs	Three months ended December 31,		
	2024	2023	Δ
Average annual contract rent	$20.28	$21.06	**-3.7%**
Square footage	30,439	30,359	**0.3%**
Contract rents lost	$154,326	$159,840	**-3.4%**

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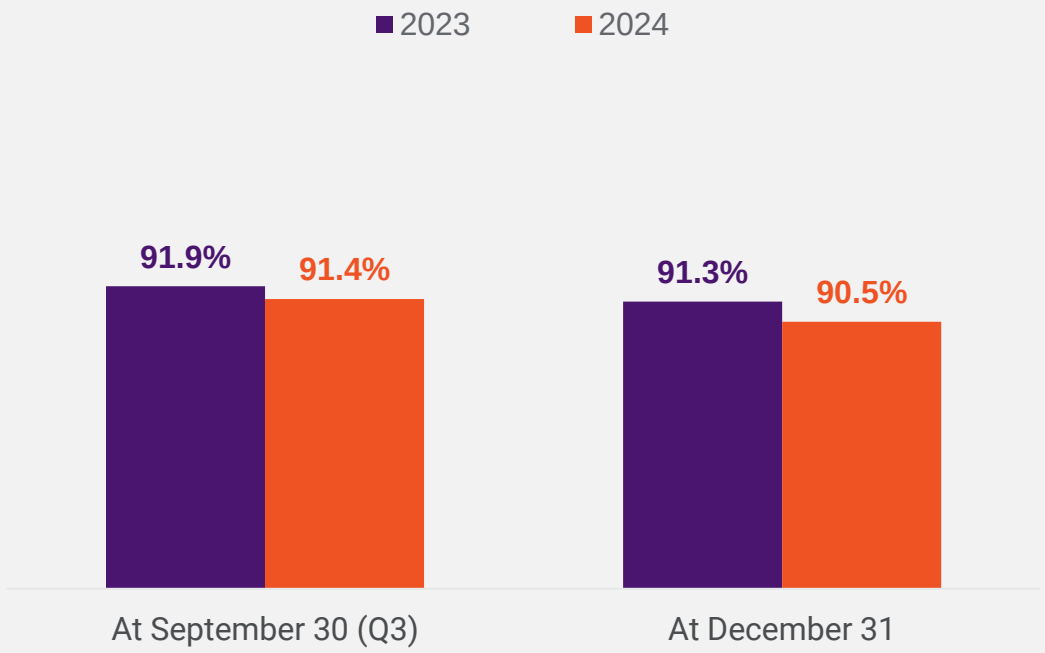
Source: Company filings

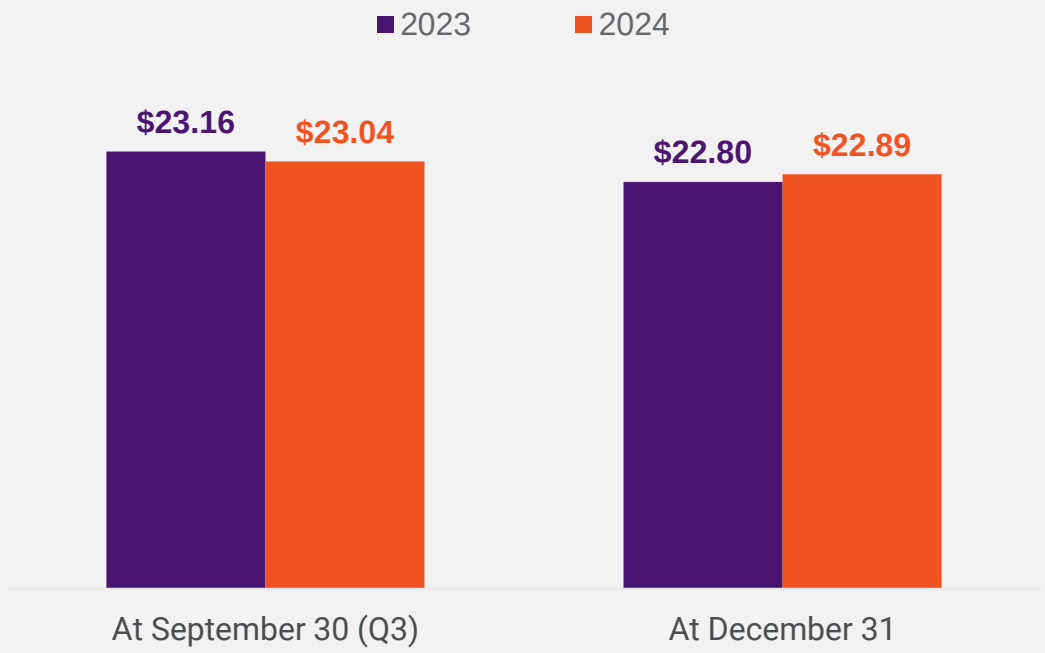
Same Store Occupancy and Rent Trends

Square Foot Occupancy at Period End



Growth:	*-50 bps*	*-80 bps*

Annual Contract Rent Per Square Foot at Period End



Growth:	*(0.5)%*	*+0.4%*

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Source: Company filings

Non-GAAP Reconciliations

Net Income to EBITDA Reconciliation

	2015	2020	3Q24 TTM
Net income	$1,318	$1,361	$1,908
Net operating income attributed to noncontrolling interests	(8)	(6)	(18)
Depreciation and amortization	425	553	1,136
Interest expense	1	56	283
Income tax expense	8	8	9
Extraordinary and nonrecurring gains and losses	(19)	96	73
PS Business Parks and Shurgard equity earnings	(48)	(80)	(20)
Distributions received from PS Business Parks and Shurgard[1]	33	97	43
EBITDA	**$1,710**	**$2,085**	**$3,414**

Public Storage

Source: Company filings