

# EXTRA SPACE STORAGE & LIFE STORAGE TO COMBINE TO FORM THE PREEMINENT STORAGE OPERATOR



# SAFE HARBOR

## Forward Looking Statements

The statements in this communication that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which Extra Space and Life Storage operate as well as beliefs and assumptions of Extra Space and Life Storage. Such statements involve uncertainties that could significantly impact Extra Space's or Life Storage's financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates," including variations of such words and similar expressions, are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that Extra Space or Life Storage expects or anticipates will occur in the future—including statements relating to any possible transaction between Extra Space and Life Storage, acquisition and development activity, disposition activity, general conditions in the geographic areas where Extra Space or Life Storage operate, and Extra Space's and Life Storage's respective debt, capital structure and financial position—are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although Extra Space and Life Storage believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, neither Extra Space nor Life Storage can give assurance that its expectations will be attained and, therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) Extra Space's and Life Storage's ability to complete the proposed transaction on the proposed terms or on the anticipated timeline, or at all, including risks and uncertainties related to securing the necessary stockholder approvals and satisfaction of other closing conditions to consummate the proposed transaction; (ii) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement relating to the proposed transaction; (iii) risks related to diverting the attention of Extra Space's and Life Storage's management from ongoing business operations; (iv) failure to realize the expected benefits of the proposed transaction; (v) significant transaction costs and/or unknown or inestimable liabilities; (vi) the risk of shareholder litigation in connection with the proposed transaction, including resulting expense or delay; (vii) the risk that Life Storage's business will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; (viii) risks related to future opportunities and plans for the combined company, including the uncertainty of expected future financial performance and results of the combined company following completion of the proposed transaction; (ix) the effect of the announcement of the proposed transaction on the ability of Extra Space and Life Storage to operate their respective businesses and retain and hire key personnel and to maintain favorable business relationships; (x) risks related to the market value of the Extra Space common stock to be issued in the proposed transaction; (xi) other risks related to the completion of the proposed transaction and actions related thereto; (xii) national, international, regional and local economic and political climates and conditions; (xiii) changes in global financial markets and interest rates; (xiv) increased or unanticipated competition for Extra Space's or Life Storage's properties; (xv) risks associated with acquisitions, dispositions and development of properties, including increased development costs due to additional regulatory requirements related to climate change; (xvi) maintenance of Real Estate Investment Trust status, tax structuring and changes in income tax laws and rates; (xvii) availability of financing and capital, the levels of debt that Extra Space and Life Storage maintain and their credit ratings; (xviii) environmental uncertainties, including risks of natural disasters; (xix) risks related to the coronavirus pandemic; and (xx) those additional factors discussed under Part I, Item 1A. Risk Factors in Extra Space's and Life Storage's respective Annual Reports on Form 10-K for the year ended December 31, 2022. Neither Extra Space nor Life Storage undertakes any duty to update any forward-looking statements appearing in this communication except as may be required by law.

## Additional Information about the Proposed Transaction and Where to Find It

In connection with the proposed transaction, Extra Space intends to file with the SEC a registration statement on Form S-4, which will include a document that serves as a prospectus of Extra Space and a joint proxy statement of Extra Space and Life Storage (the "joint proxy statement/prospectus"). Each party also plans to file other relevant documents with the SEC regarding the proposed transaction. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** A definitive joint proxy statement/prospectus will be sent to Extra Space's stockholders and Life Storage's stockholders. Investors and securityholders may obtain a free copy of the joint proxy statement/prospectus (if and when it becomes available) and other relevant documents filed by Extra Space and Life Storage with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of the documents filed by Extra Space with the SEC will be available free of charge on Extra Space's website at [www.extraspace.com](http://www.extraspace.com) or by contacting Extra Space's Investor Relations at [info@extraspace.com](mailto:info@extraspace.com). Copies of the documents filed by Life Storage with the SEC will be available free of charge on Life Storage's website at [www.lifestorage.com](http://www.lifestorage.com) or by contacting Brent Maedl with Life Storage's Investor Relations department at [bmaedl@lifestorage.com](mailto:bmaedl@lifestorage.com) or by calling (716) 328-9756.

## Participants in the Solicitation

Extra Space and Life Storage and their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about directors and executive officers of Extra Space is available in the Extra Space proxy statement for its 2022 Annual Meeting, which was filed with the SEC on April 5, 2022. Information about directors and executive officers of Life Storage is available in the Life Storage proxy statement for its 2022 Annual Meeting, which was filed with the SEC on April 14, 2022. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials filed with the SEC regarding the proposed transaction when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. Investors may obtain free copies of these documents from Extra Space and Life Storage as indicated above.

## No Offer or Sale

This communication and the information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

# TRANSACTION OVERVIEW

## Transaction Details

- All stock strategic combination between Extra Space Storage Inc. (NYSE: EXR) and Life Storage, Inc. (NYSE: LSI)
  - LSI's shareholders to receive 0.895 shares of EXR common stock for each share of LSI common stock
  - Pro forma ownership<sup>(1)</sup> of ~65% for EXR's shareholders and ~35% for LSI's shareholders
- Leverage neutral, non-taxable transaction
- Combined company enterprise value<sup>(1)</sup> of over \$47 billion

## Management and Governance

- Extra Space Storage will retain its name and continue to trade on the NYSE under the ticker "EXR"
- Kenneth M. Woolley will remain Chairman of EXR's Board
- Joseph D. Margolis will remain EXR's CEO and continue to serve as a Director on EXR's Board
- EXR's Board will expand to 12 directors with LSI having the right to nominate three directors

## Anticipated Synergies and Earnings Impact

- Anticipate at least \$100 million of run-rate annual operating synergies
  - Includes G&A and property operating expense savings as well as uplift in property operating revenue and tenant insurance income
- Expected to be accretive to Core FFO per Share (a non-GAAP measure) within the first year following closing
- Transaction expected to accelerate long-term earnings growth of the combined company
- Potential for additional synergies from improved cost of capital

## Expected Closing

- 2H 2023, subject to customary conditions, including approval by EXR and LSI shareholders

# FORMS THE PREEMINENT STORAGE OPERATOR



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**PRO FORMA**

PORTFOLIO STATISTICS	# of System-Wide Stores <sup>(1)</sup>	2,338	1,198	3,536
	# of States	41	37	43
	Same-Store Net Rentable Sq. Ft. (mm)	66.6	42.2	108.8
	Same-Store Average Occupancy <sup>(2)</sup>	95.0%	93.0%	94.2% <sup>(3)</sup>
	Same-Store Net Rent per Occupied Sq. Ft. <sup>(2)</sup>	\$22.03	\$18.64	\$20.71 <sup>(3)</sup>
	Same-Store Margin <sup>(2)</sup>	76.5%	72.5%	75.2% <sup>(4)</sup>
STORE OWNERSHIP (% OF STORES)	System-Wide Stores			
KEY GROWTH CHANNELS	Joint Ventures	✓	✓	✓
	Third-Party Management	✓	✓	✓
	Bridge Lending	✓	✓	✓
	Redevelopment	✓	✓	✓
	Preferred Equity	✓		✓

Note: Portfolio data as of December 31, 2022.

(1) Includes wholly-owned, unconsolidated joint ventures and managed stores.

(2) Same-store performance data for the twelve months ended December 31, 2022. LSI data represents arithmetic average of quarterly results over calendar year 2022.

(3) Weighted average based on same-store net rentable sq. ft.

(4) Pro forma same-store margin calculated based on simple sum of results for the twelve months ended December 31, 2022. **Excludes synergies.**



# TRANSACTION STRATEGIC RATIONALE

1

## TRANSFORMATIVE SCALE

- ✓ Creates the largest storage operator
- ✓ Becomes the 6<sup>th</sup> largest REIT included in the RMZ by equity market cap
- ✓ Combines industry leaders with long-term track records of outperformance
- ✓ Better data and analytics from being a large operator



2

## ENHANCED DIVERSIFICATION

- ✓ More than 3,500 stores serving millions of customers
- ✓ Increases geographic diversification
- ✓ Over 5% increase in stores located in desirable growth markets



3

## VALUE CREATION FROM SIGNIFICANT SYNERGY OPPORTUNITIES

- ✓ Positioned to deliver higher same-store NOI and tenant insurance income growth
- ✓ Direct corporate overhead savings
- ✓ Better access to capital enhances return profile of future growth opportunities



4

## EMBEDDED GROWTH DRIVERS

- ✓ 3<sup>rd</sup> party mgmt. platform is largest (2x nearest competitor) and most profitable<sup>(1)</sup>
- ✓ Additional JV relationships provide more capital light growth options
- ✓ Greater site and redevelopment opportunities



5

## POSITIVE FINANCIAL IMPACT

- ✓ Expected to be accretive to Core FFO per share in the first year following closing
- ✓ Stronger growth profile to support continued dividend growth outperformance<sup>(2)</sup>
- ✓ Strengthened balance sheet with staggered debt maturities



(1) Among publicly-traded U.S. storage REITs (CUBE, NSA and PSA).

(2) Since March 1, 2019, EXR and LSI have raised their dividend five and six times, respectively, resulting in 88.4% and 80.0% growth, respectively, in dividend per share.

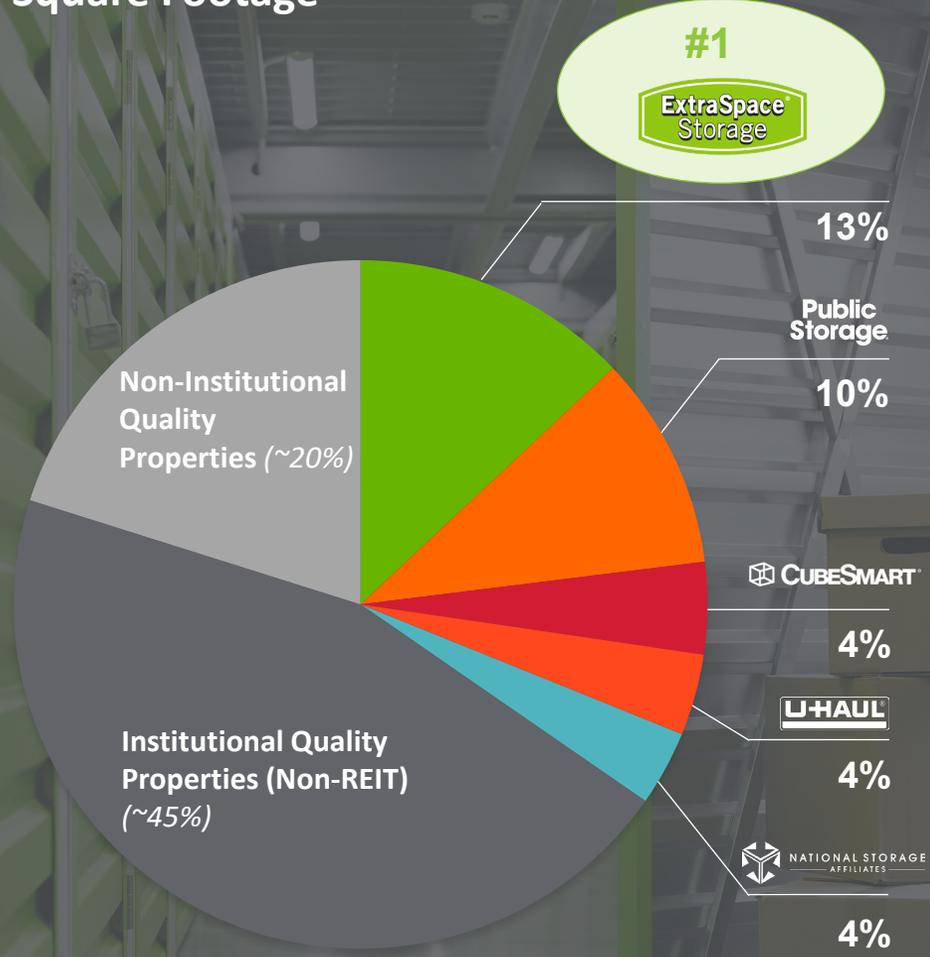
# 1 CREATES THE LARGEST STORAGE OPERATOR


 + 
 
 = **PRO FORMA**

WHOLLY-OWNED STORES	1,133 (48%)	758 (63%)	1,891 (53%)
JOINT VENTURE STORES	318 (14%)	141 (12%)	459 (13%)
MANAGED STORES	887 (38%)	299 (25%)	1,186 (34%)
SYSTEM-WIDE STORES	2,338	1,198	3,536

**>50% Increase in System-Wide Stores**

U.S. Market Share by Square Footage<sup>(1)</sup>

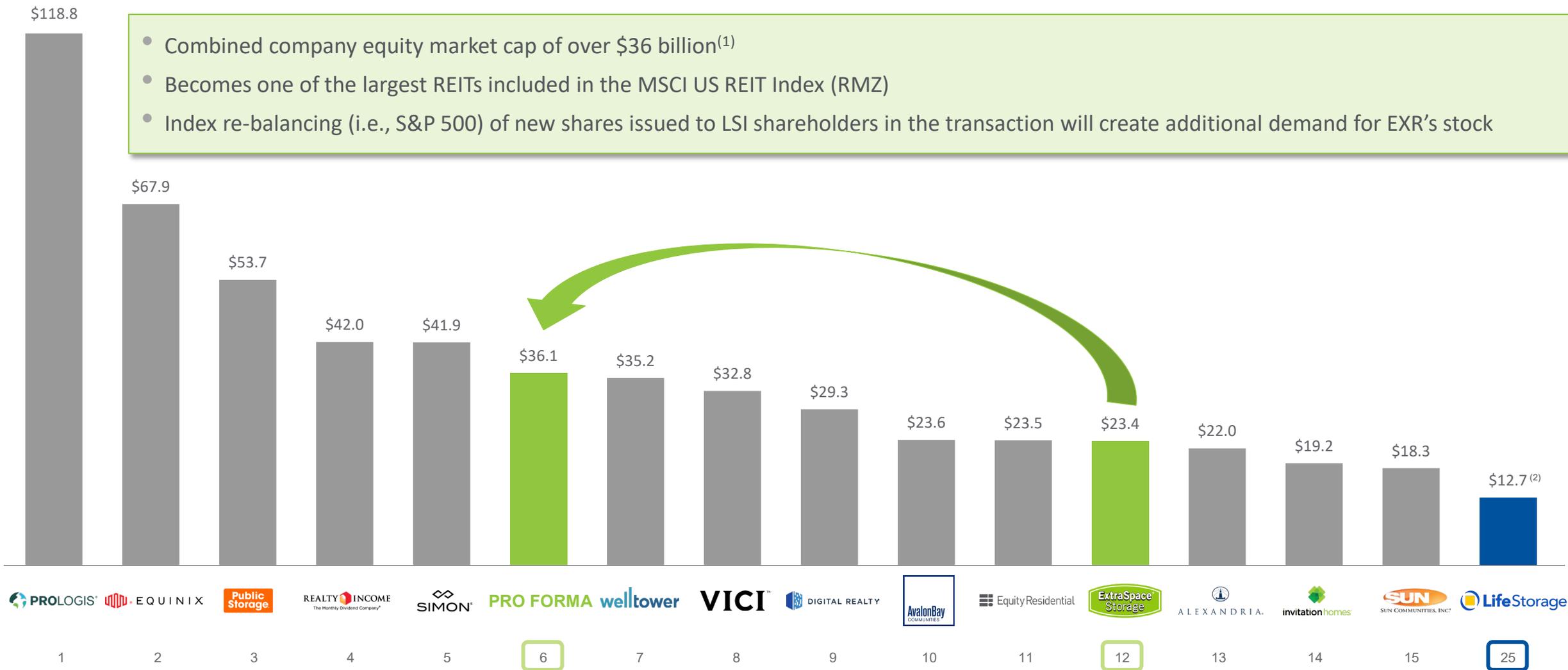


(1) Sources: REIT data from public filings as of December 31, 2022. U-Haul and total U.S. storage square footage per the 2023 Self-Storage Almanac. Percentage of Institutional and Non-Institutional Quality Properties estimated by Extra Space Storage.

# 1 BECOMES THE 6<sup>th</sup> LARGEST REIT IN THE RMZ

## LARGEST REITS INCLUDED IN THE RMZ BY EQUITY MARKET CAP

- Combined company equity market cap of over \$36 billion<sup>(1)</sup>
- Becomes one of the largest REITs included in the MSCI US REIT Index (RMZ)
- Index re-balancing (i.e., S&P 500) of new shares issued to LSI shareholders in the transaction will create additional demand for EXR's stock



Source: FactSet. Note: market data as of March 31, 2023.

(1) Pro forma equity market cap based on 0.895x exchange ratio and EXR closing share price as of March 31, 2023.

(2) LSI shown at implied offer price based on 0.895x exchange ratio and EXR closing share price as of March 31, 2023.

# 1 COMBINING INDUSTRY LEADERS WITH PROVEN TRACK RECORDS OF GROWTH

## Same-Store Revenue Growth Leaderboard

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 <sup>st</sup>	EXR	EXR	EXR	LSI	EXR	EXR	CUBE	EXR	EXR	EXR	LSI	LSI	EXR
2 <sup>nd</sup>	LSI	PSA	LSI	EXR	LSI	CUBE	EXR	CUBE	LSI	LSI	CUBE	EXR	LSI
3 <sup>rd</sup>	PSA	LSI	PSA	CUBE	CUBE	PSA	PSA	PSA	CUBE	CUBE	EXR	CUBE	PSA
4 <sup>th</sup>	CUBE	CUBE	CUBE	PSA	PSA	LSI	LSI	LSI	PSA	PSA	PSA	PSA	CUBE

EXR & LSI #1 Ranking:  
**12 of 13**  
**Years**

## Core FFO per Share Growth Leaderboard

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 <sup>st</sup>	LSI	EXR	LSI										
2 <sup>nd</sup>	EXR	CUBE	LSI	CUBE	CUBE	CUBE	CUBE	CUBE	LSI	CUBE	LSI	LSI	PSA
3 <sup>rd</sup>	PSA	PSA	PSA	LSI	LSI	LSI	PSA	PSA	PSA	LSI	CUBE	CUBE	EXR
4 <sup>th</sup>	CUBE	LSI	CUBE	PSA	PSA	PSA	LSI	LSI	CUBE	PSA	PSA	PSA	CUBE

EXR & LSI #1 Ranking:  
**13 of 13**  
**Years**

# 1 TECH ADVANTAGE AS A LARGE OPERATOR

Additional scale will provide an advantage that will make the combined company stronger in...

## CUSTOMER ACQUISITION



## REVENUE MANAGEMENT

### SELECT A UNIT BELOW

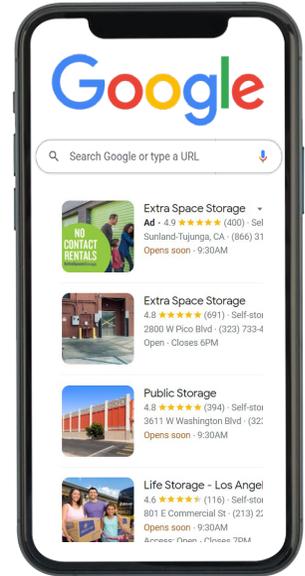
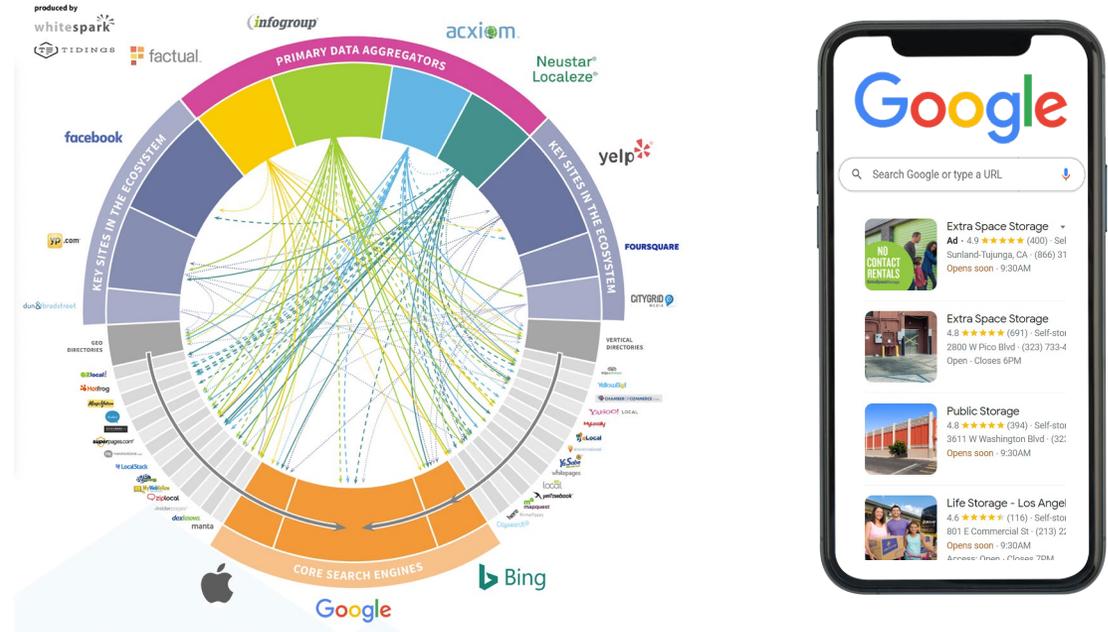
Features ▾ Sort by: Size: Small - Large ▾

Unit Size	Features	IN STORE	WEB RATE	Action
Small 3' x 5'	Climate Controlled Elevator Access Indoor	-\$79	\$61	<a href="#">SELECT</a> ACT FAST: 1 LEFT!
Small 5' x 5'	Elevator Access Heated Indoor Rolling Stair Access Reduced Height	-\$59	\$46	<a href="#">SELECT</a>

## SOCIAL MEDIA



## SEARCH ENGINE & WEBSITE OPTIMIZATION



## CUSTOMER EXPERIENCE & TRENDS



★★★★★  
Kristi Toubbeh Jan 27, 2022

Christina was extremely helpful!

Nancy M replied on Google Jan 27, 2022 02:33 PM (PST)  
Thank you for the kind review, Kristi. We're thrilled to hear Christina was able to help! Our team is here to serve you, so give us a call at (916) 967-3885 if you need any future assistance.

# 2 DIVERSIFICATION – GREATER PRESENCE IN GROWTH MARKETS

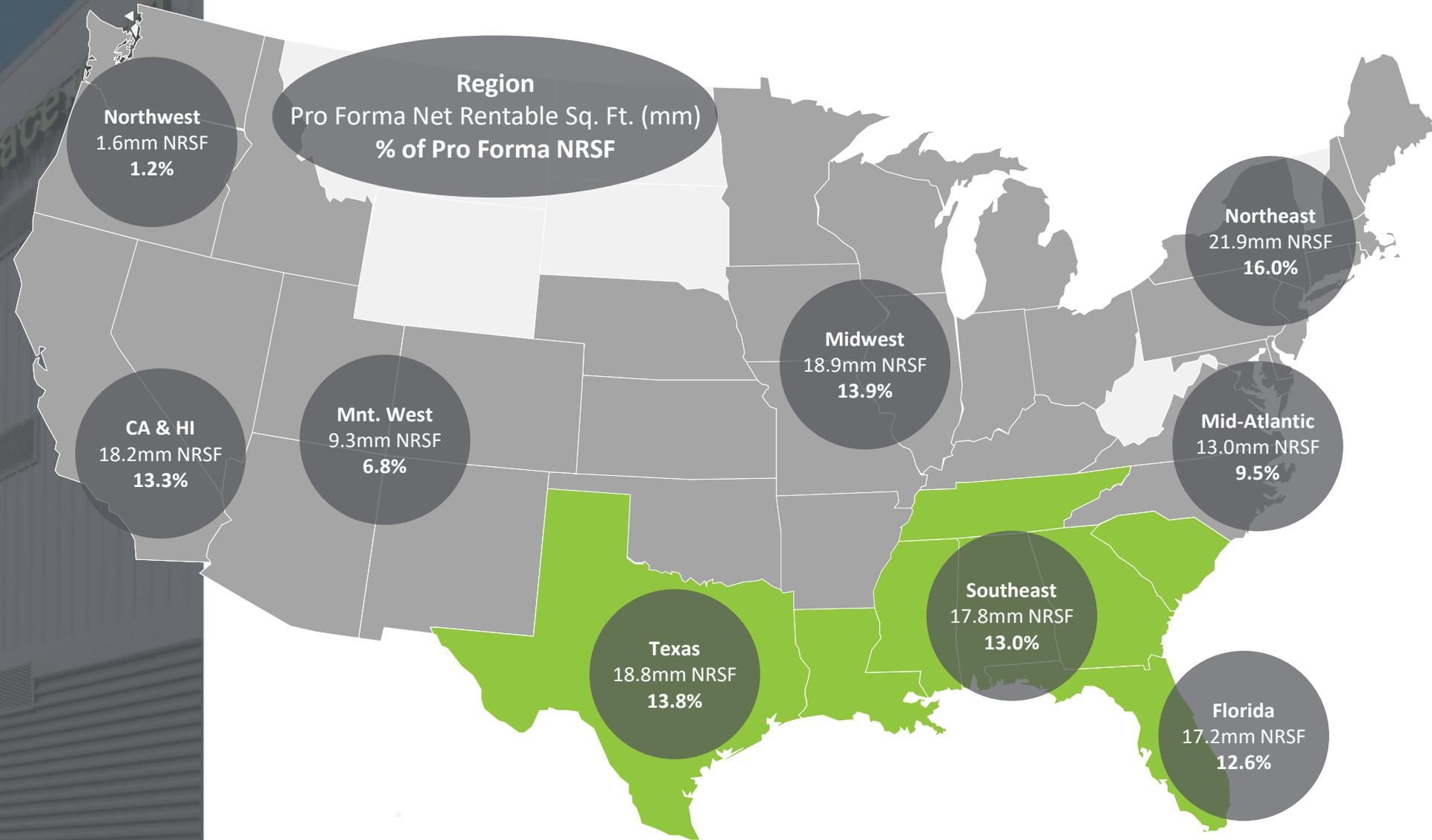
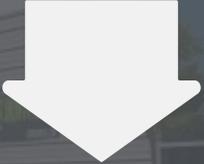


**INCREASED PRESENCE**

Texas: +2.8%  
Florida: +2.1%  
Southeast: +0.8%

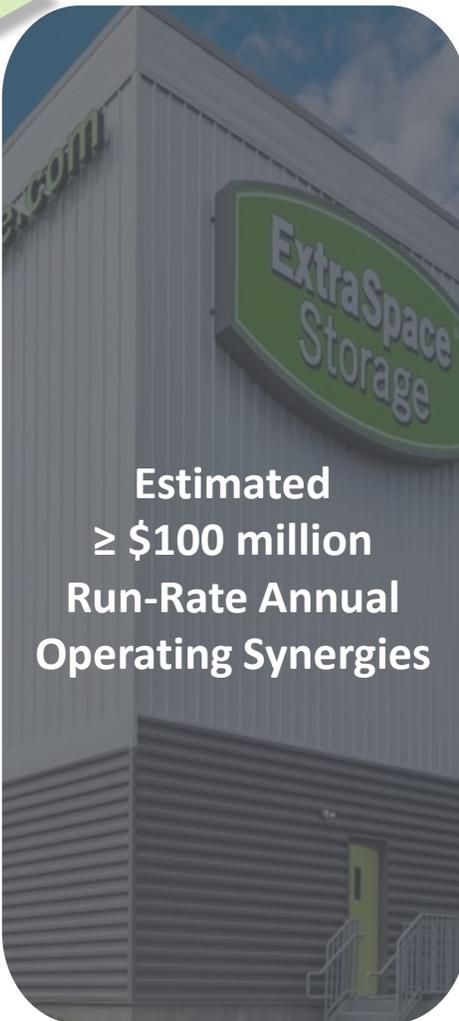
**REDUCED EXPOSURE**

CA & HI: (4.3%)  
Mid-Atlantic: (1.5%)  
Midwest: (0.5%)



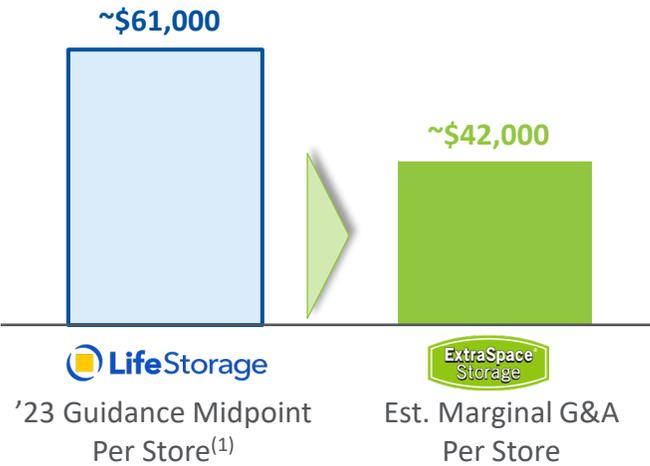
Notes: Analysis and map encompass wholly-owned/consolidated stores as of December 31, 2022. Excludes JV and managed stores.

# 3 SIGNIFICANT VALUE CREATION OPPORTUNITIES



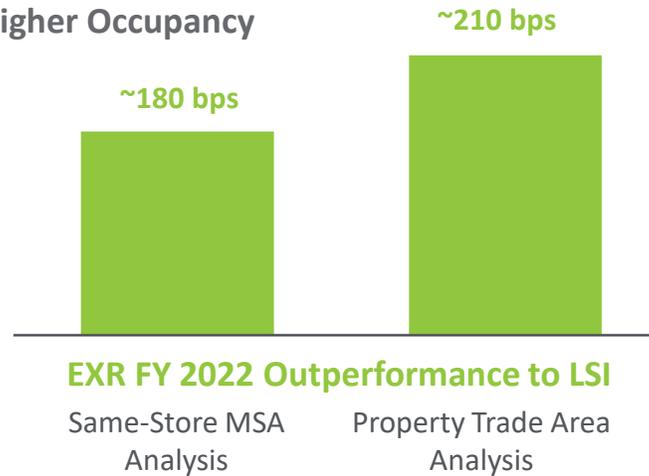
# CLEAR PATHWAY TO IDENTIFIED SYNERGIES

## LOWER G&A EXPENSE PER STORE

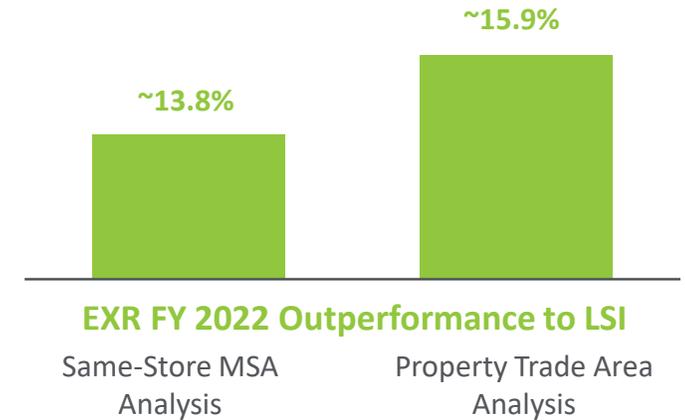


## CONSISTENT EXR STORE REVENUE OUTPERFORMANCE

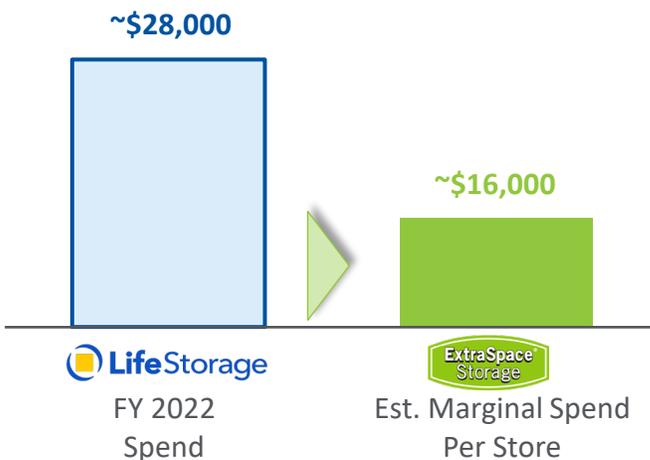
### Higher Occupancy



### Better Net Rent per Sq. Ft.

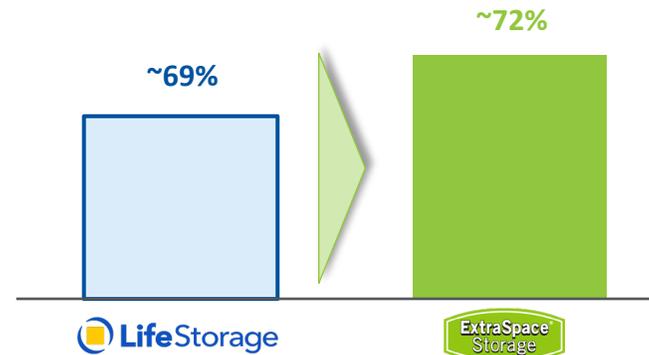


## LOWER MARKETING SPEND PER STORE

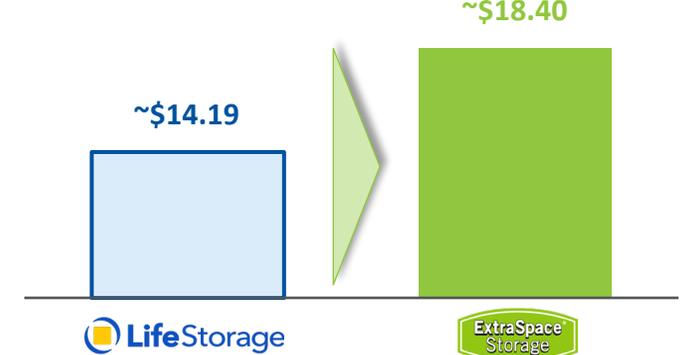


## EXECUTION OF EXR'S SUCCESSFUL TENANT INSURANCE STRATEGY

### Higher Penetration Rate<sup>(2)</sup>



### Better Policy Premia<sup>(2)</sup>



(1) Excludes estimated call center expense, which LSI allocates to G&A expense.

(2) Based on February 2023 data.

# 4 EMBEDDED GROWTH THROUGH MULTIPLE CHANNELS

## A Stabilized & Value-Add Acquisitions

- Opportunities bolstered by improved cost of capital

## B Joint Ventures

- Best in class positioning attractive to potential capital partners; opportunity for management, TI and other income

## C Third Party Management

- Owners stand to benefit from sector's largest, most profitable platform

## D Certificate of Occupancy and Development

- CofO and other lease-up properties to provide outsized NOI growth as they move to stabilization

## E Bridge Lending

- Potential to grow program through larger audience of potential borrowers

## F Site Expansion & Redevelopment

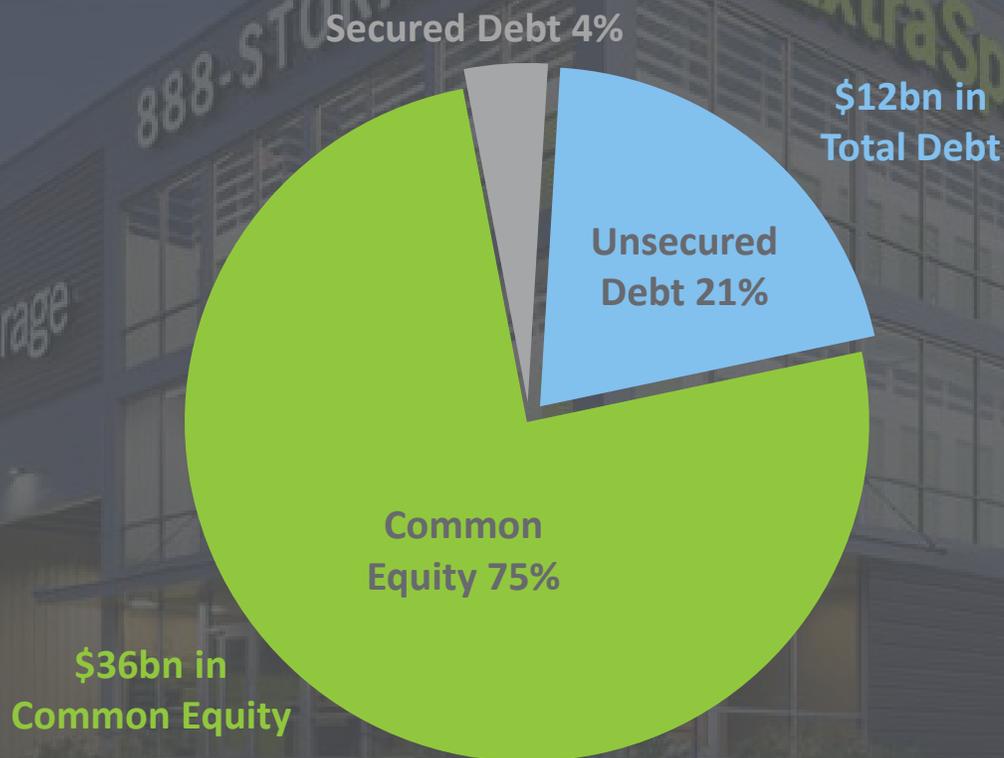
- Expands opportunity set

## G Preferred Equity

- Greater balance sheet capacity to serve as leading capital provider to sector

# 5 STRENGTHENED CREDIT PROFILE

## PRO FORMA CAPITAL STRUCTURE



**Total Debt / Total Market Capitalization: 25%**

Notes: EXR and LSI standalone capitalizations as of December 31, 2022, as adjusted for subsequent events and including share of unconsolidated joint ventures. Pro forma capital structure, credit statistics and debt maturity profile represent a simple sum of EXR and LSI figures, as-adjusted for transaction sources and uses, including potential repayment of LSI private placement notes but excluding synergies. Market data as of close on March 31, 2023. LQA means last quarter annualized.

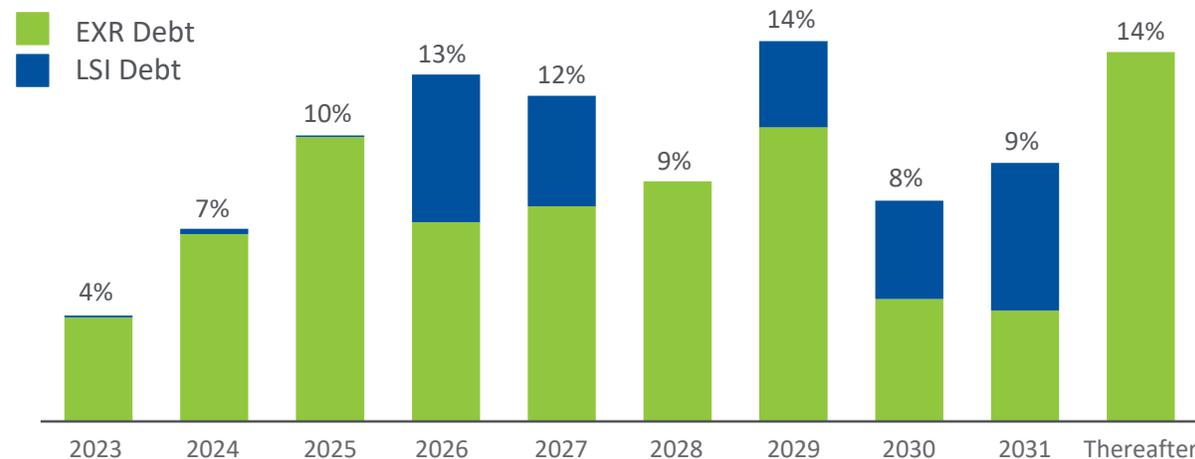
## CREDIT STATISTICS

ExtraSpace Storage + LifeStorage = PRO FORMA

Enterprise Value	\$31 billion	\$16 billion	\$47 billion
Unencumbered Assets	\$18 billion	\$15 billion	\$33 billion
Net Debt	\$8 billion	\$4 billion	\$12 billion
Net Debt to LQA EBITDA	4.9x	4.8x	5.0x
Fixed Charge Coverage Ratio	5.7x	5.9x	5.4x
Secured Debt % of Total Debt	21%	7%	16%
Credit Ratings	Moody's: Baa2 S&P: BBB	Moody's: Baa2 S&P: BBB	

## PRO FORMA CONSOLIDATED DEBT MATURITY PROFILE

(assumes exercise of extension options)



# WHY EXR? BEST-IN-CLASS RETURN PERFORMANCE

## 10-YEAR TOTAL RETURN

### STORAGE SECTOR

1. Extra Space Storage (EXR)	475.0%
2. CubeSmart (CUBE)	293.3%
3. National Storage (NSA)	289.9%
4. Life Storage (LSI)	247.4%
5. Public Storage (PSA)	179.6%

### ALL PUBLIC REITS

1. Extra Space Storage (EXR)	475.0%
2. Sun Communities (SUI)	396.9%
3. Equity LifeStyle (ELS)	387.3%
4. Terreno Realty (TRNO)	377.9%
5. First Industrial Realty (FR)	338.8%

# HISTORY OF SUCCESSFUL M&A INTEGRATION

## EXR's Successful Track Record of Accretive Acquisitions

- Integration of stores onto the EXR platform is a core competency
- Invested more than \$8 billion over the last five years
- History of M&A – Storage USA (458 stores for \$2.3 billion); SmartStop (122 stores for \$1.4 billion) and Storage Express (107 stores for \$590 million)
  - Delivered significant excess total shareholder returns relative to peers over a three-year period following the Storage USA and SmartStop transactions<sup>(1)</sup>
- Seamlessly integrated legacy LSI stores and realized EXR-level operating performance

## Customer Acquisition / Revenue Management / Call Center

- Acquisition costs reduced as fixed costs are spread over a larger number of stores
- Existing market presence allows for more efficient marketing – additional data in these markets enhances sophistication
- EXR and LSI are technology leaders in the industry and have made substantial investments in their platforms
- EXR's customer acquisition model is scalable – additional stores provide more locations and larger inventory to offer prospective customers

(1) Source: S&P Capital IQ. For the three years following announcement of the acquisition of Storage USA (05/05/2005), Extra Space delivered a total shareholder return of 63.4%, as compared to the simple peer arithmetic average of 33.7% (range of (14.4)% to 66.3%) and RMZ of 25.4%. For the three years following announcement of the acquisition of SmartStop (06/15/2015), Extra Space delivered a total shareholder return of 60.7%, as compared to the simple peer arithmetic average of 39.3% (range of 20.0% to 48.5%) and RMZ of 5.7%. Notes: Peers include CUBE, LSI and PSA (NSA conducted its IPO in 2015). Storage Express was acquired in 2022.

# KEY TRANSACTION HIGHLIGHTS



TRANSFORMATIVE SCALE



ENHANCED DIVERSIFICATION



VALUE CREATION FROM  
SIGNIFICANT SYNERGY OPPORTUNITIES



EMBEDDED GROWTH DRIVERS



POSITIVE FINANCIAL IMPACT

