



Company Presentation  
September 2016



# FORWARD-LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

## Forward Looking Statements

- Certain information set forth in this presentation contains “forward-looking statements” within the meaning of the federal securities laws. Please refer to the Appendix for information on how to identify these statement as well as risks and uncertainties that could cause our actual results to differ materially from those expressed or implied by the forward looking statements.

## Use of Non-GAAP Financial Measures and other Definitions

- This presentation contains certain non-GAAP financial measures within the meaning of Regulation G and other terms that have particular definitions when used by us. The definitions of these non-GAAP financial measures and other terms may differ from those used by other REITs and, accordingly, may not be comparable. The definitions of these terms, the reasons for their use, and reconciliations to the most directly comparable GAAP measures are either included in the Appendix hereto or in our Supplemental Operating and Financial Data report for the quarter ended June 30, 2016.

# QUICK FACTS AS OF JUNE 30, 2016

**\$12.2  
Billion**  
Market Cap

**743%**  
10-year Total  
Shareholder Return

**1,412**  
Properties

**106  
Million**  
Square feet

**94.4%**  
Same-store Occupancy

**25.3%**  
YOY FFO-as adjusted  
Growth Per Share

**~\$1 Billion**  
Annualized Revenue

**9.4%**  
YOY Same-Store  
NOI Growth

**S&P 500**

**\$4.3 Billion**  
in acquisitions over  
past 5 years

**1977**  
Founded

**2004**  
IPO – NYSE “EXR”

**680%**  
5-year Dividend  
Increase

# DOUBLE DIGIT GROWTH STRATEGY

## Operational Excellence

Enhancing value of existing and newly acquired self-storage facilities, through best-in-class customer acquisition, revenue management and customer service platforms.

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## Disciplined Growth

Consistent growth of our geographically-diverse portfolio through accretive acquisitions, mutually-beneficial joint-venture partnerships, and third-party management services.

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## Solid Balance Sheet

An appropriately leveraged balance sheet, consisting of diversified capital sources to provide access to the cheapest sources of funds.

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## Strong Partnerships

Creating growth opportunities through joint-venture and third-party management relationships. Our partnerships provide capital, additional income streams, leveraged returns and future acquisition opportunities.

# TIME LINE – EXTRA SPACE STORAGE INC. (EXR)

1977

Founded by Ken Woolley

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1998

Recapitalized through JV with Prudential Real Estate Investors (PREI)

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2004

Completed Initial Public Offering (NYSE)

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2005

Acquired Storage USA (458 stores) for \$2.3 billion in a JV with PREI

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2008

Started third-party management program (nation's largest today)

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2015

Acquired SmartStop Self Storage (122 owned & 43 managed stores)

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2016

Added to the S&P 500

# MANAGEMENT DEPTH

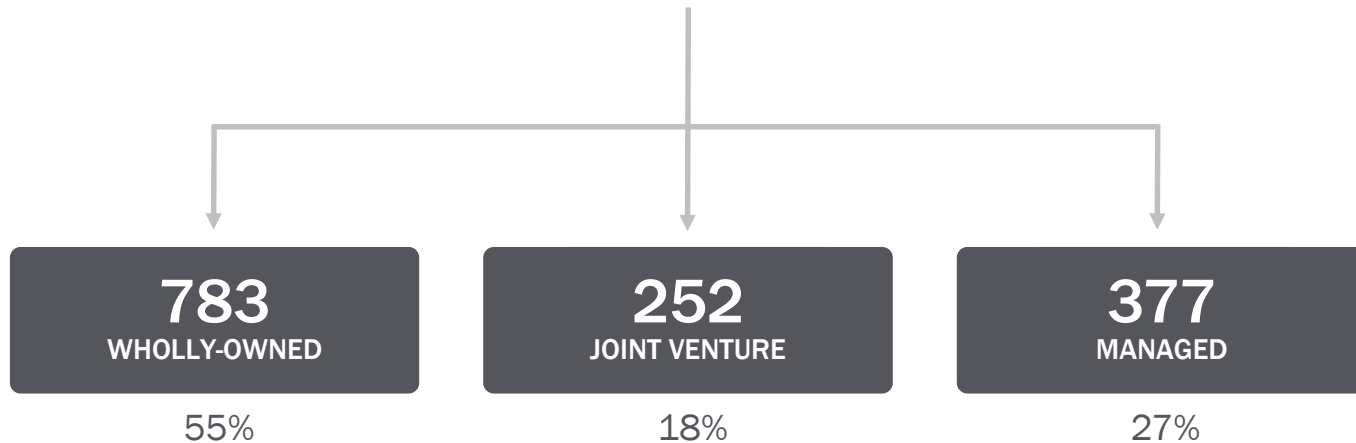


\*Includes Mr. Margolis' time as Director on Extra Space Storage's board.

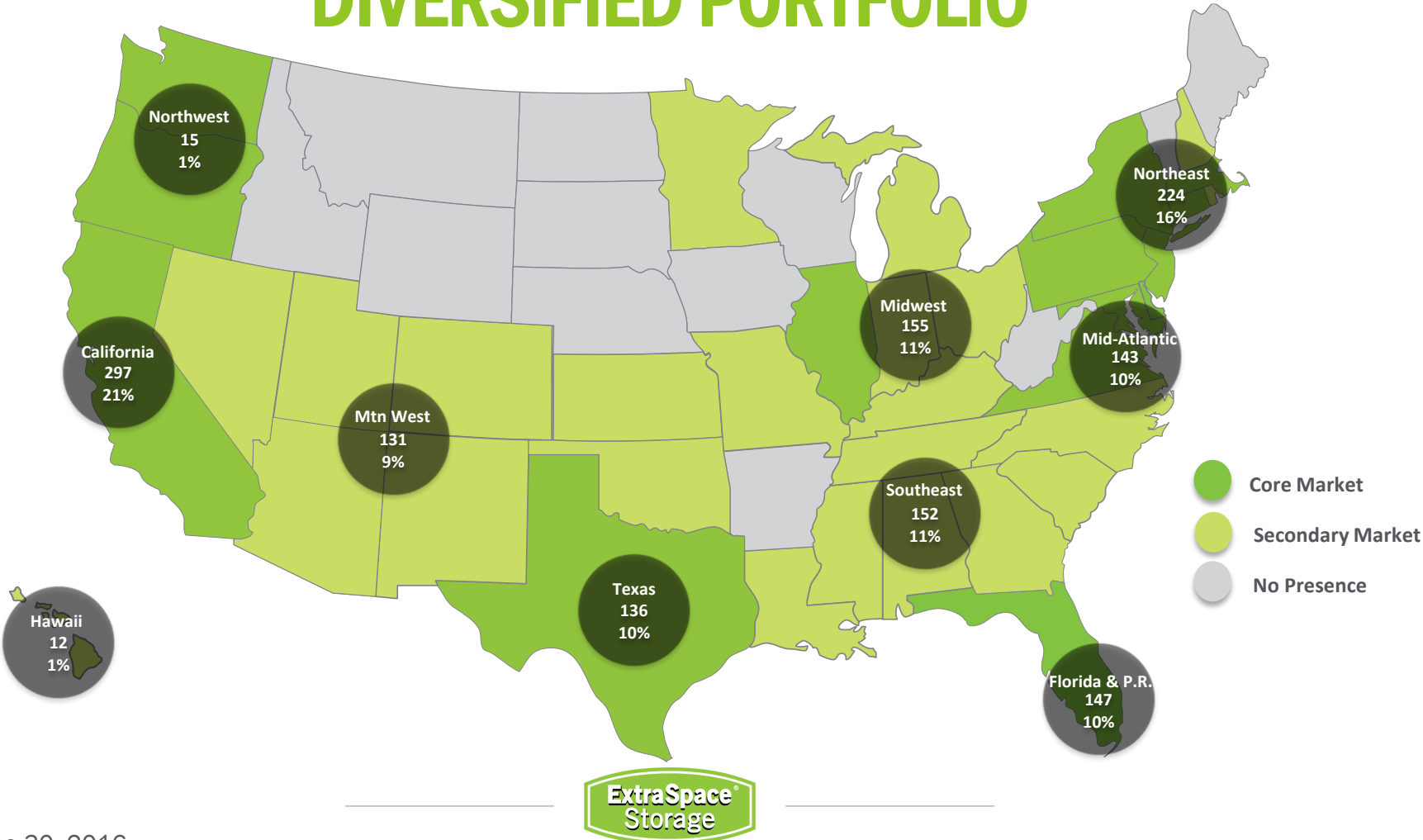
# NATIONAL FOOTPRINT



1,412 PROPERTIES



# DIVERSIFIED PORTFOLIO

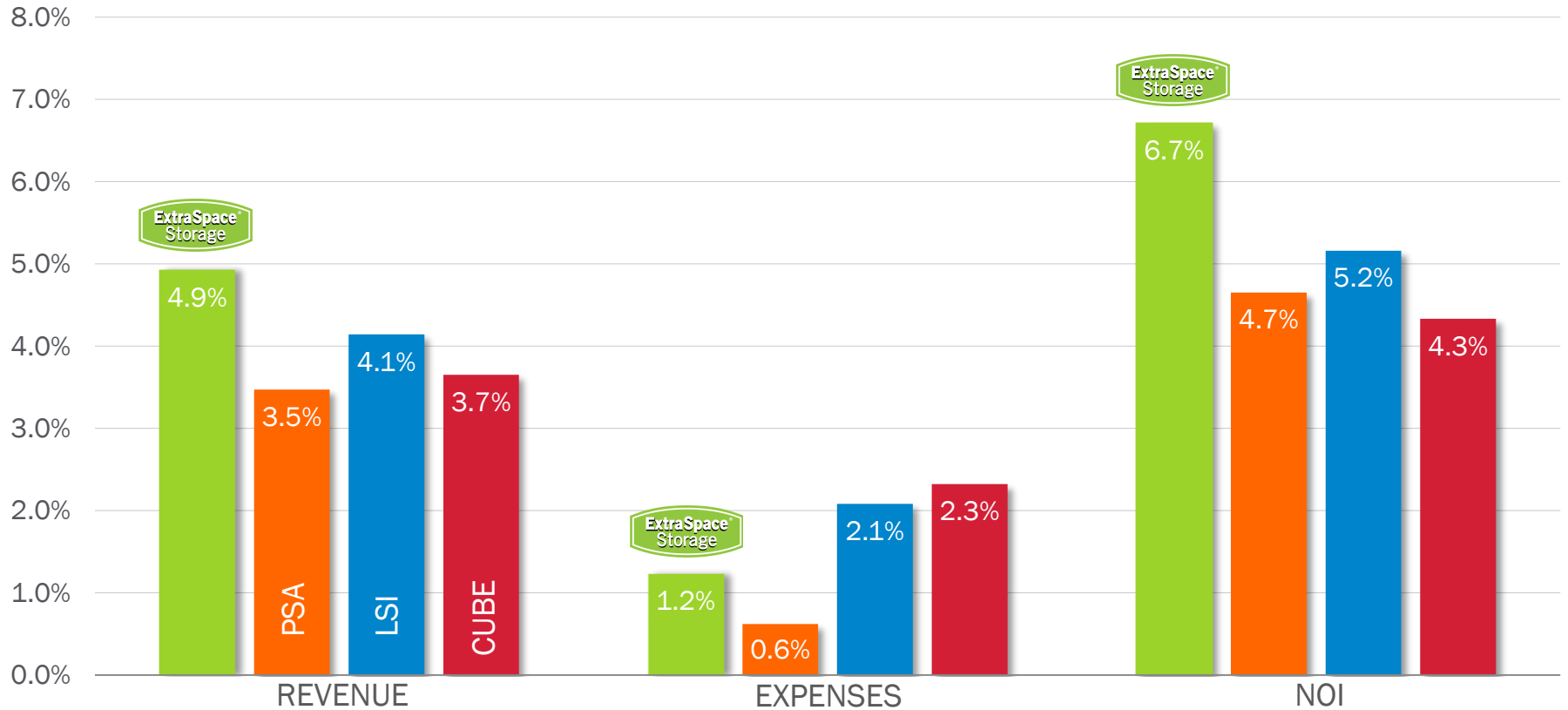


\*As of June 30, 2016



# BEST-IN-CLASS OPERATORS

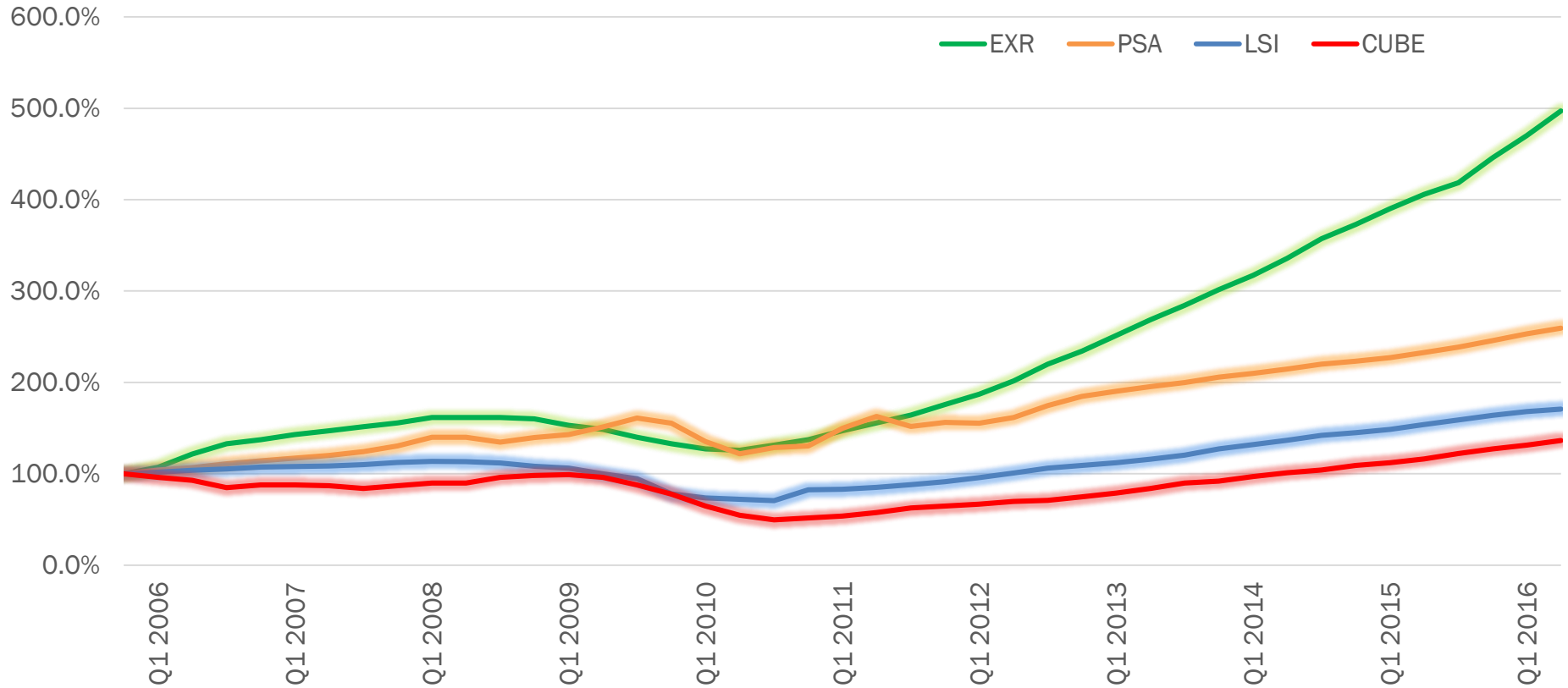
42 Quarters of Average Same-Store Outperformance



\*Data as of June 30, 2016 as reported in public filings

# SECTOR-LEADING AFFO GROWTH

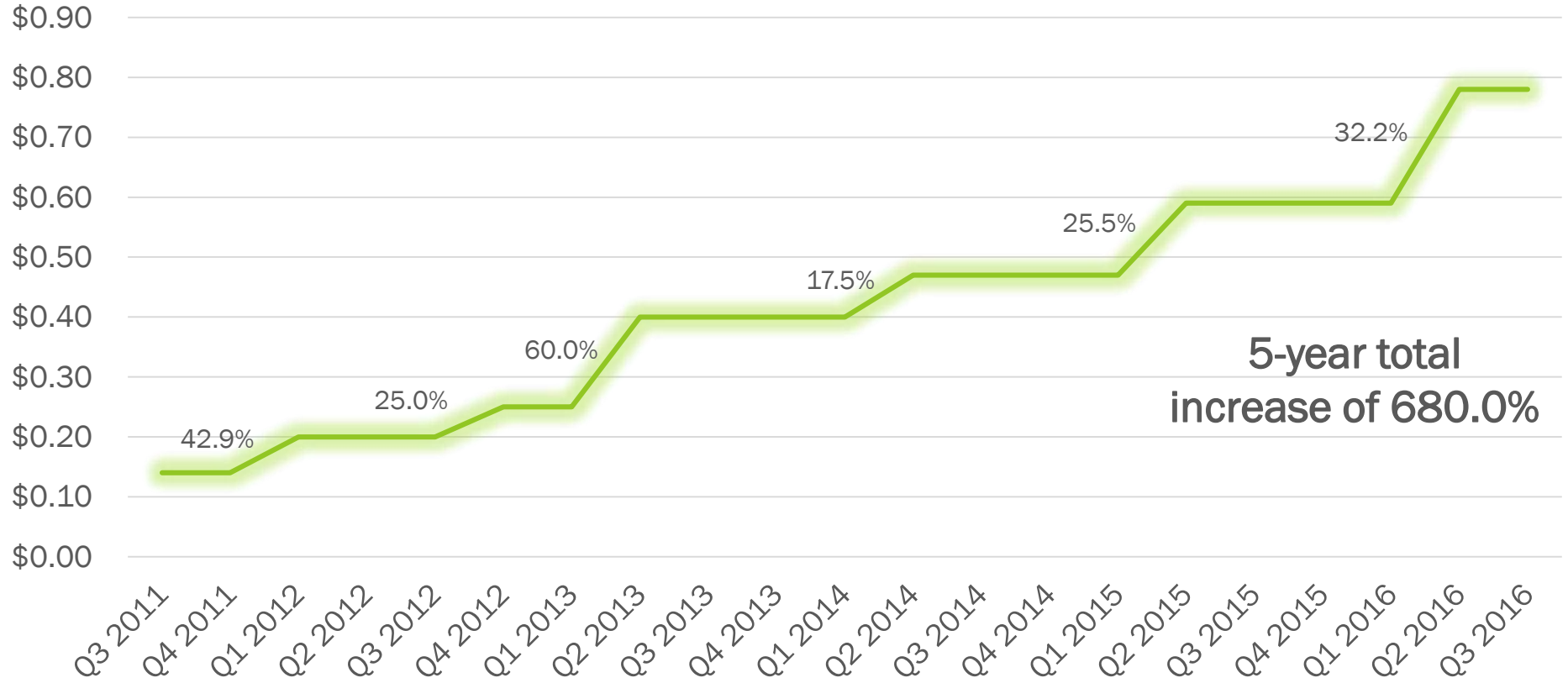
AFFO Per Share Growth - Normalized



\*Data as of June 30, 2016 as reported in public filings

# SIGNIFICANT DIVIDEND GROWTH

Quarterly Dividend Per Share



\*As reported in public filings

# BEST-IN-CLASS REIT PERFORMANCE

## 10-Year Total Return

### All Public REITS

1. Extra Space Storage (EXR)	616.7%
2. National Health Investors (NHI)	464.4%
3. Sun Communities (SUI)	439.8%
4. Digital Realty Trust (DLR)	414.1%
5. Omega Healthcare (OHI)	381.6%

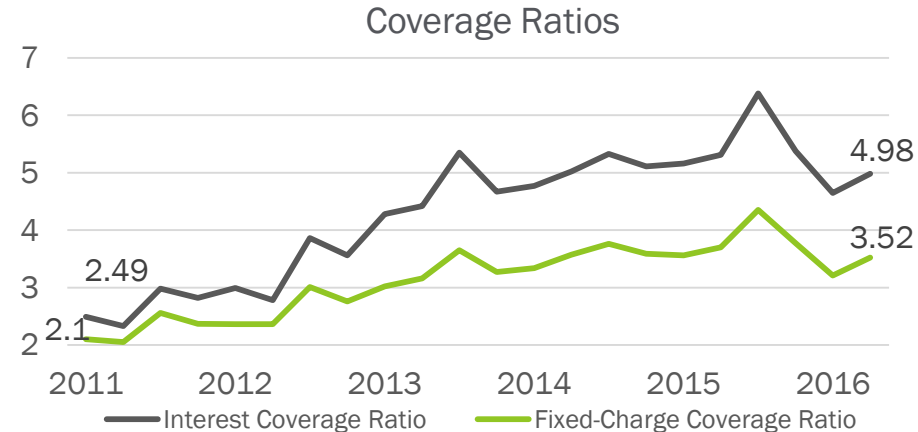
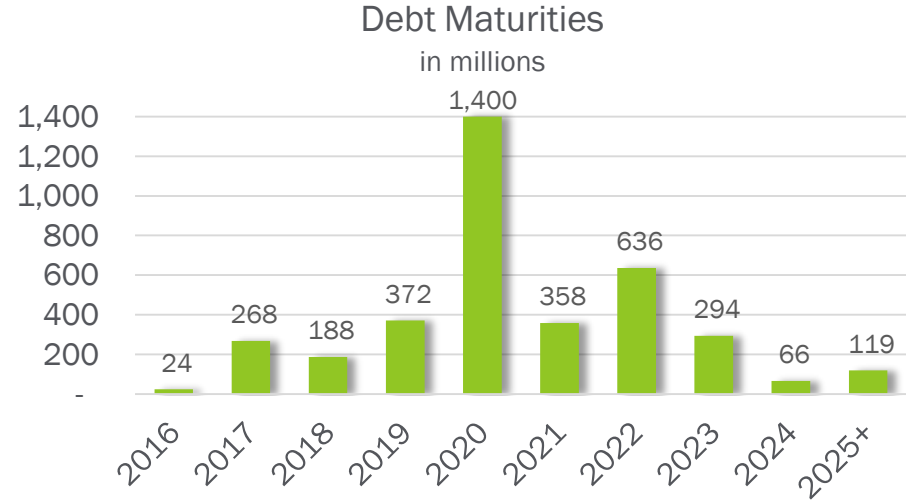
### Storage Sector

1. Extra Space Storage (EXR)	607.6%
2. Public Storage (PSA)	256.8%
3. Life Storage (LSI)	172.1%
4. CubeSmart (CUBE)	103.6%



# SOLID BALANCE SHEET

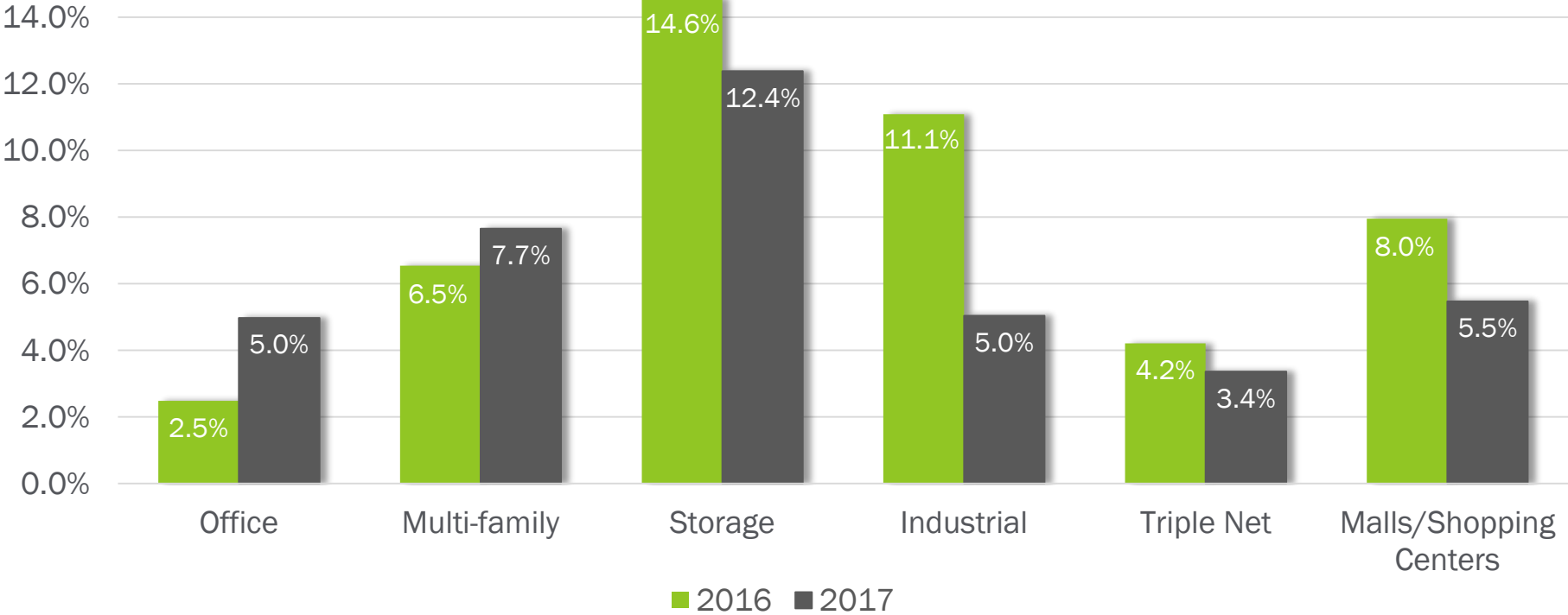
Interest Coverage Ratio:	4.98
Fixed Charge Ratio:	3.52
Net Debt/EBITDA:	5.84
Fixed Debt %:	78.0%
Weighted Average Interest Rate:	3.1%
Average Maturity:	4.9 years
Total Revolving Capacity:	\$360 million
ATM Capacity:	\$400 million



\*For the quarter ending June 30, 2016.

# A HIGH-GROWTH SECTOR

Median Projected FFO Growth



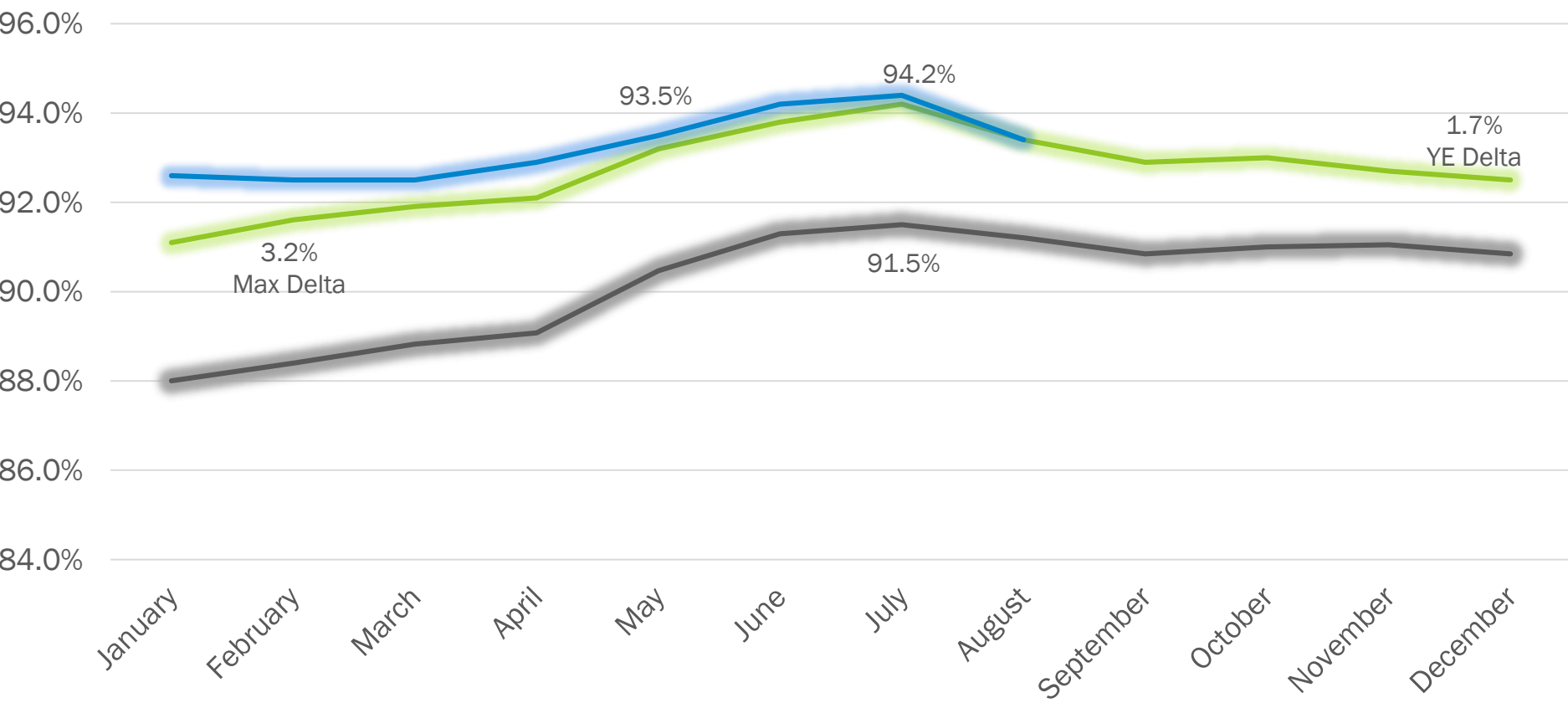
\*Data from "KeyBanc Leaderboard" as of September 2, 2016.

# INDUSTRY TRENDS

- All-time high occupancy
- Muted new supply- appearing in certain MSA's
- Pricing power and rent rate growth
- Growing per capita usage of storage
- Ownership and management consolidation
- Growing technology advantage of REITs



# OCCUPANCY TRENDS



\*Data for "Mature" pool of 1,005 stores

— 2014 — 2015 — 2016



# NATIONAL NEW SUPPLY

Marcus &  
Millichap

2016

500 Stores  
\$1.7 Billion



# NEW SUPPLY COMPETING WITH EXR

## CoStar Data

Within 3 miles of an EXR store:

**72** new facilities built in 2014-2016 YTD

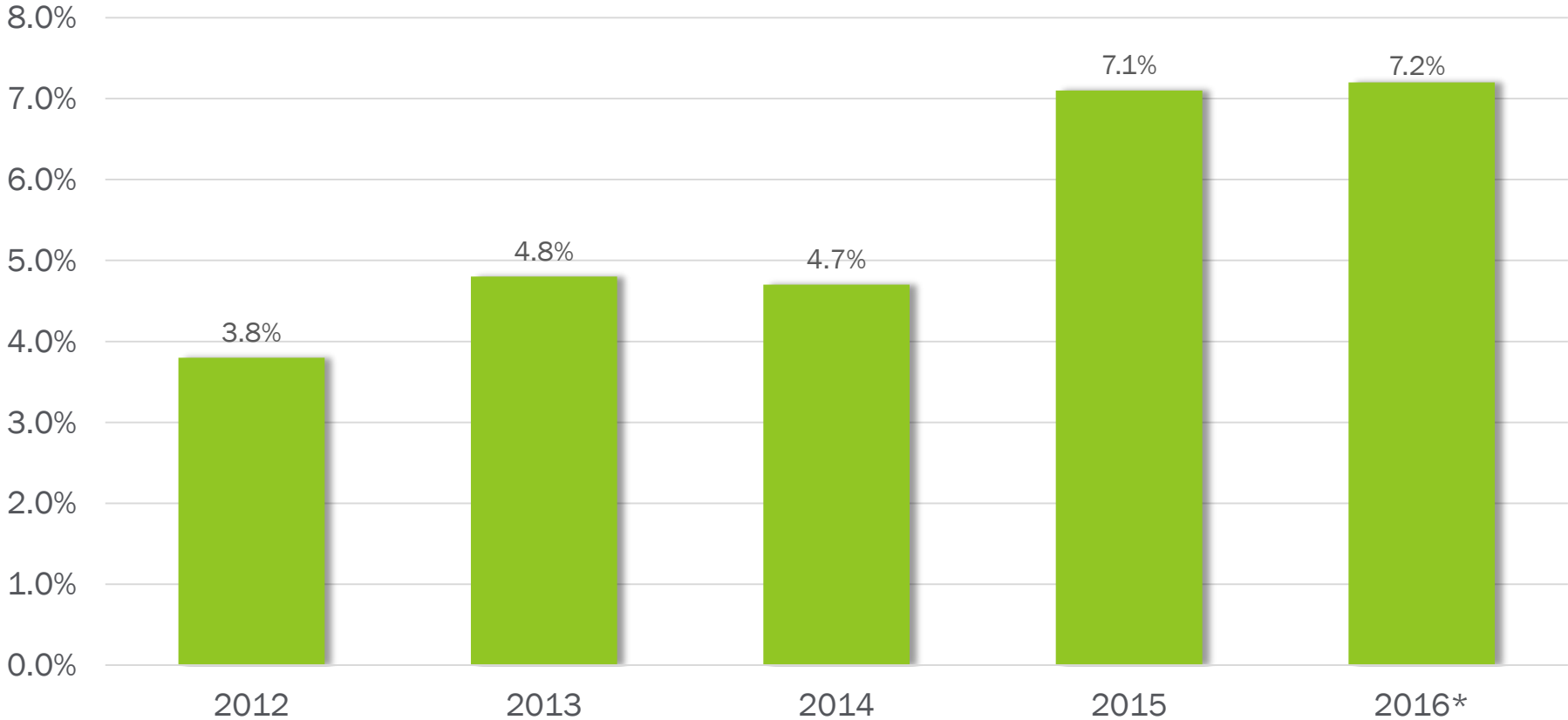
**31** new facilities under construction

**34** new facilities are proposed



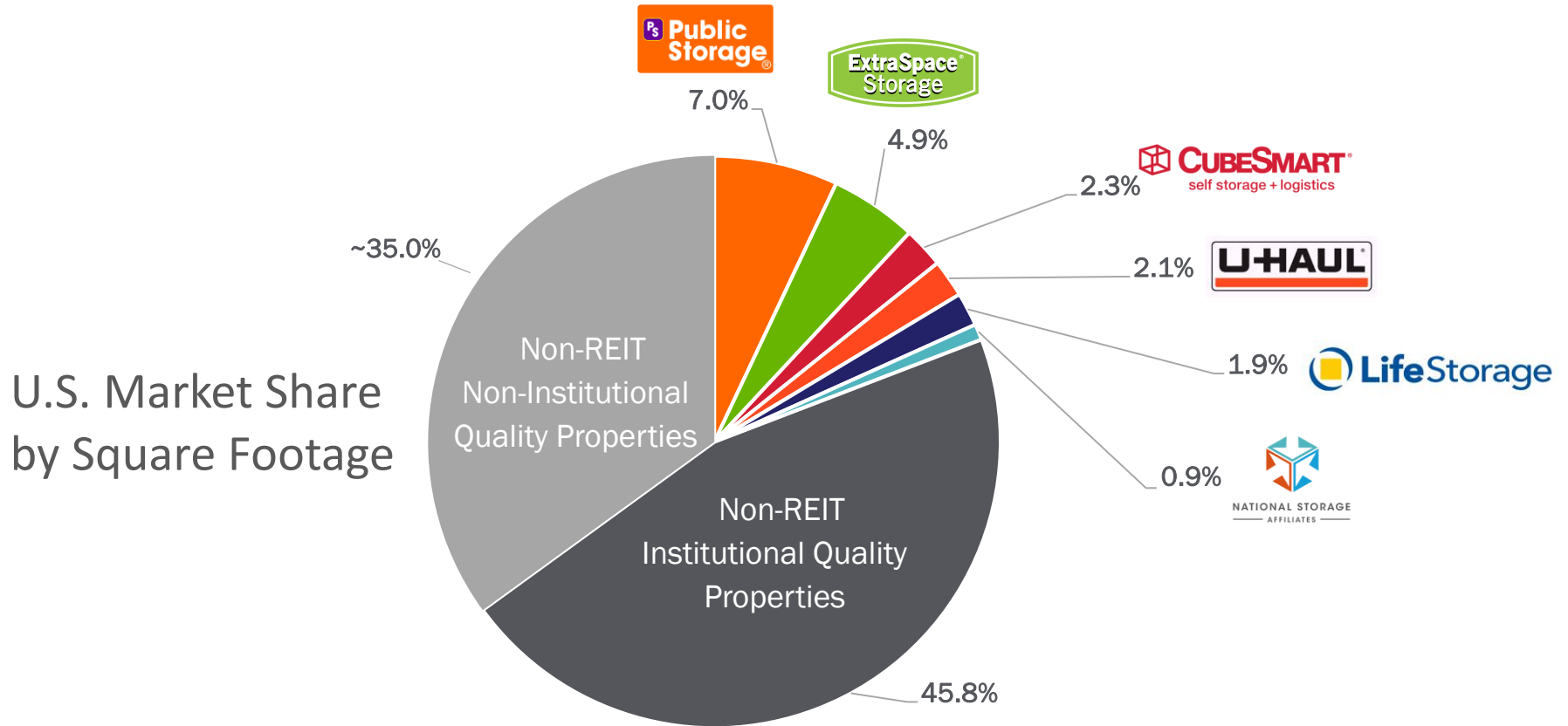
\*Only considers storage facilities with 50,000 NRSF or greater.

# SOLID SAME-STORE ACHIEVED RATE GROWTH



\*Data from EXR supplemental financial information. 2016 rate growth calculated as of June 30, 2016 on a YOY basis.

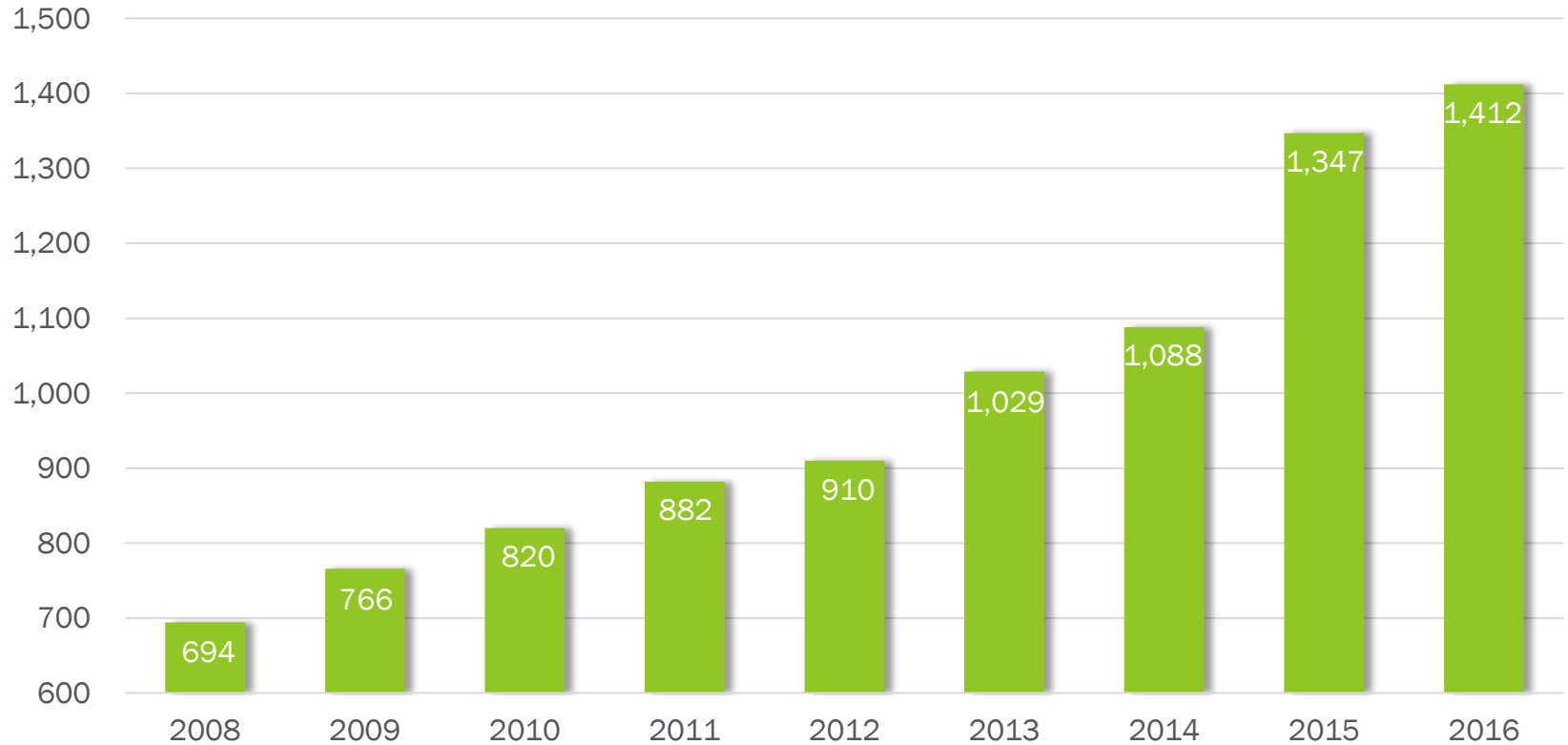
# OPPORTUNITY FOR CONSOLIDATION



\*REIT data from public filings as of June 30, 2016. U-Haul and total U.S. storage square footage per the 2016 Self-Storage Almanac.

# CONSISTENT GROWTH

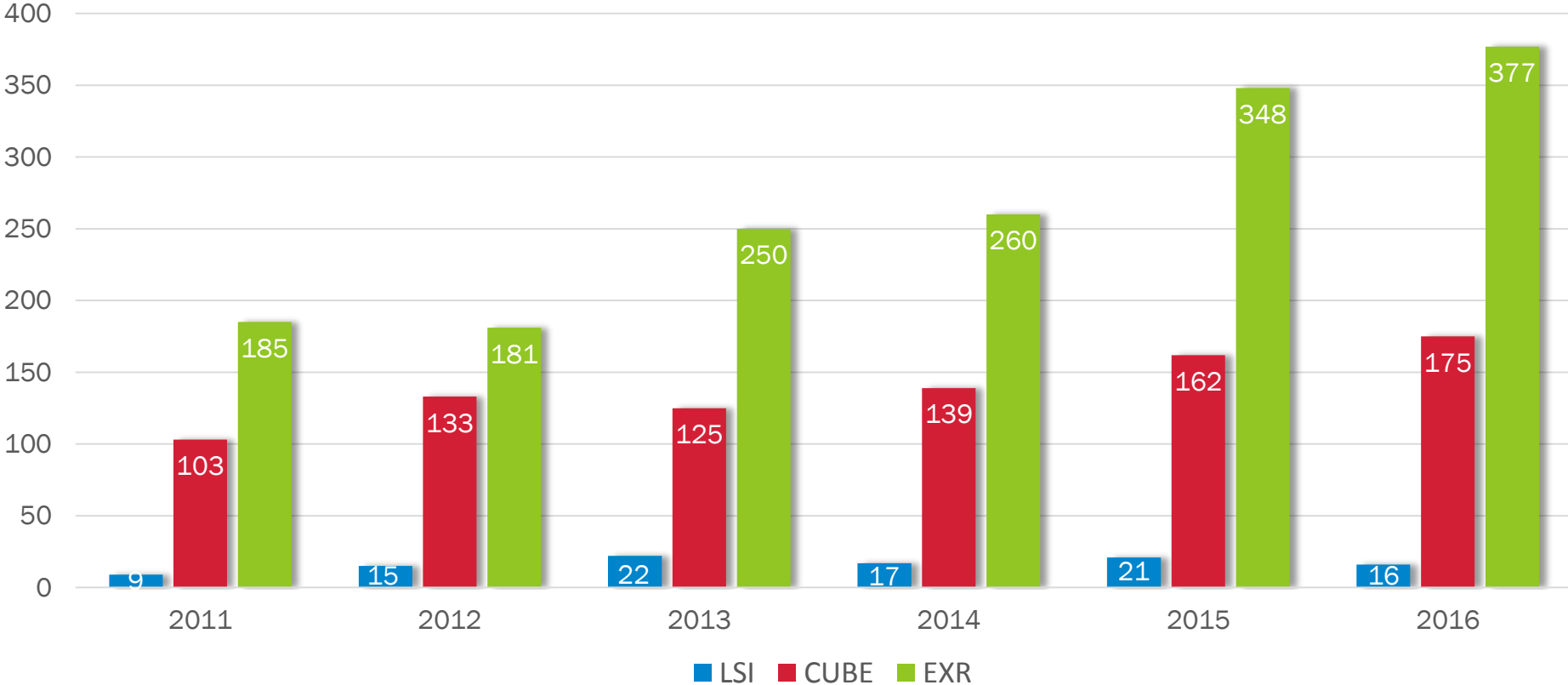
## Extra Space Storage Branded Stores



\*Data as of June 30, 2016 as reported in public filings

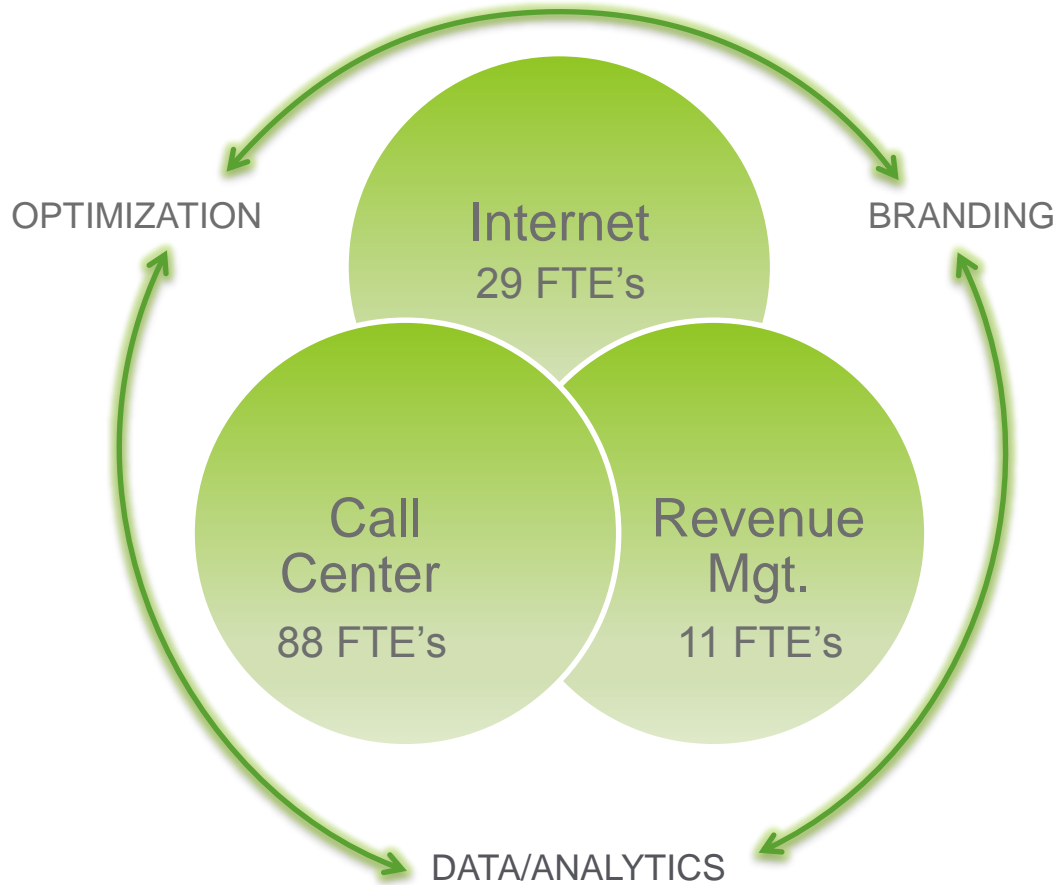
# THIRD-PARTY MANAGEMENT GROWTH

Total Stores Managed for Third-Party Owners

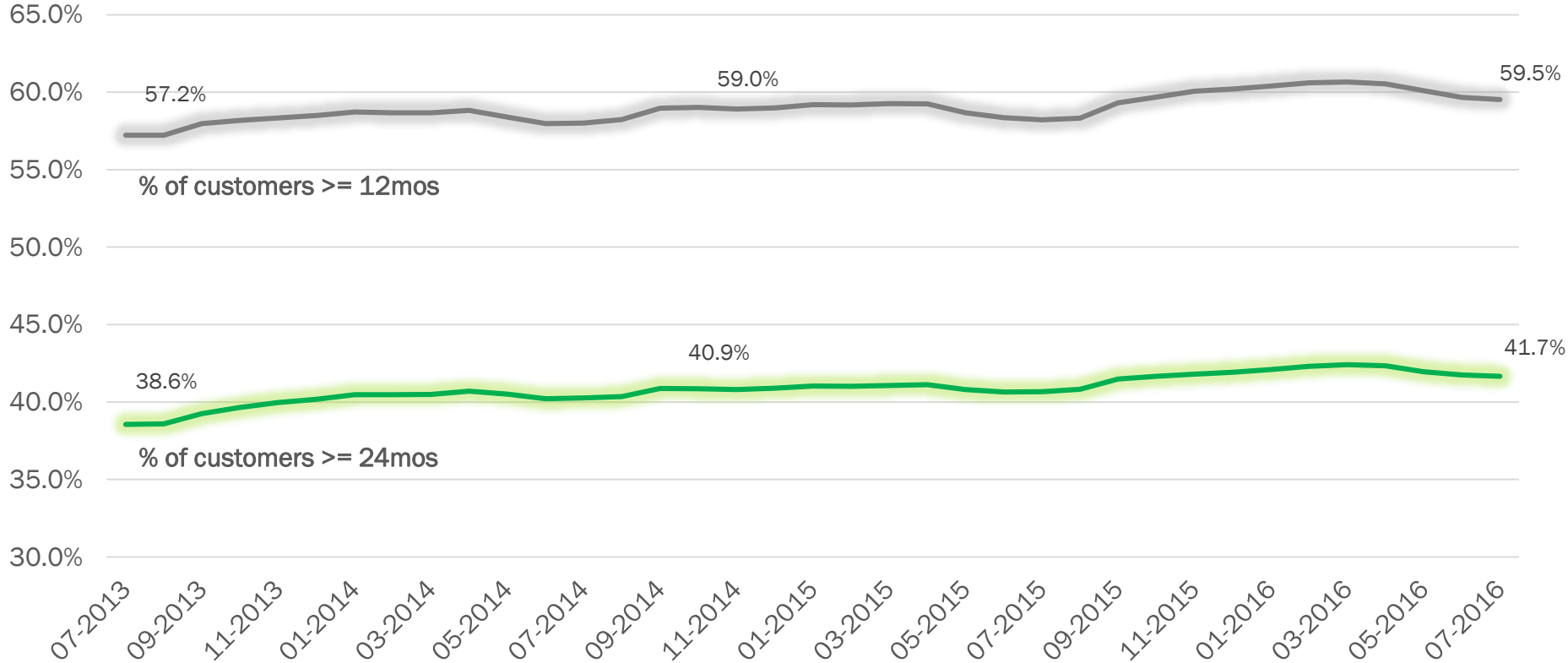


\*Data as of June 30, 2016 as reported in public filings.

# COMMITMENT TO TECHNOLOGY



# INCREASING LENGTH OF STAY



\*Data measured mid-month to reduce volatility. 607 "Core" stores.



# COMMITMENT TO MOBILE

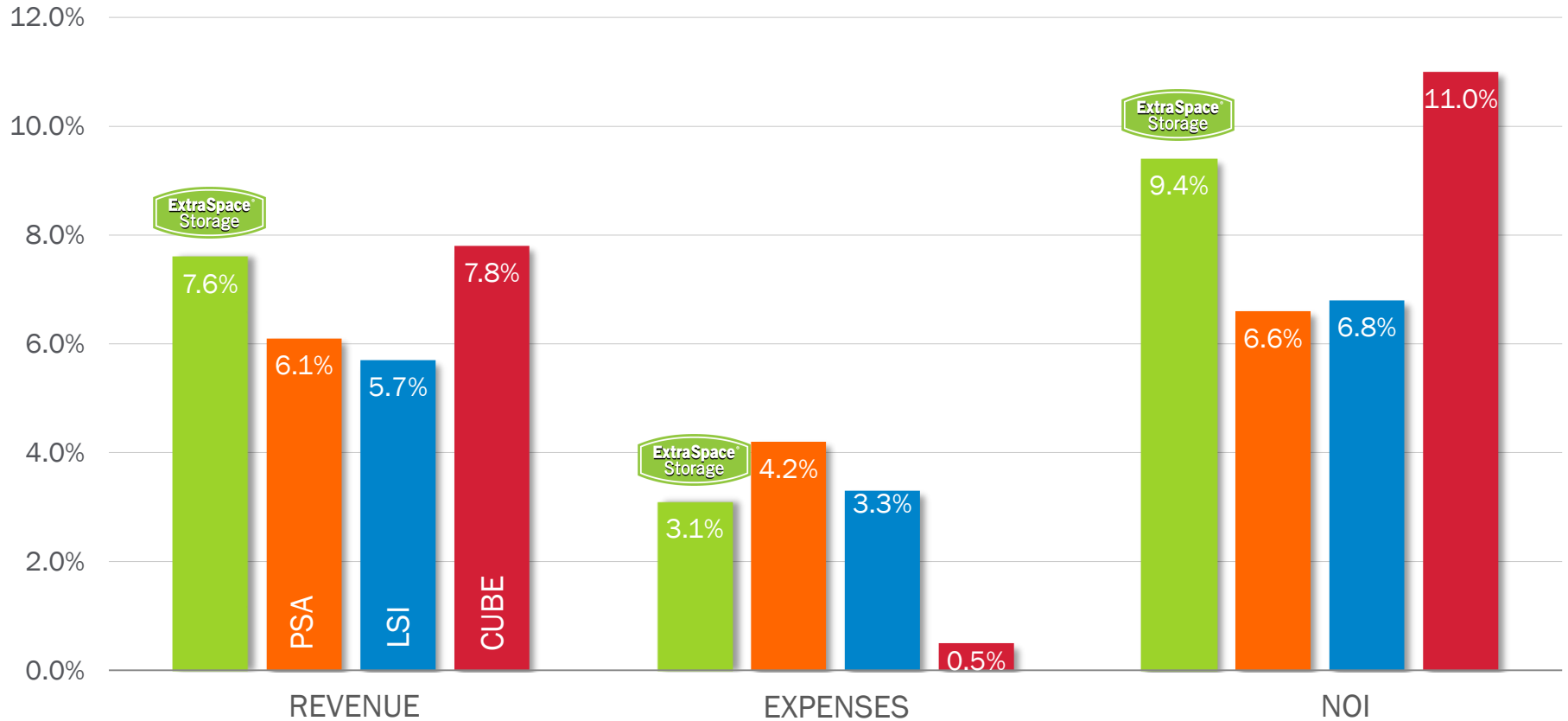
**THE AVERAGE  
AMERICAN LOOKS AT  
THEIR PHONE  
120 TIMES A DAY**





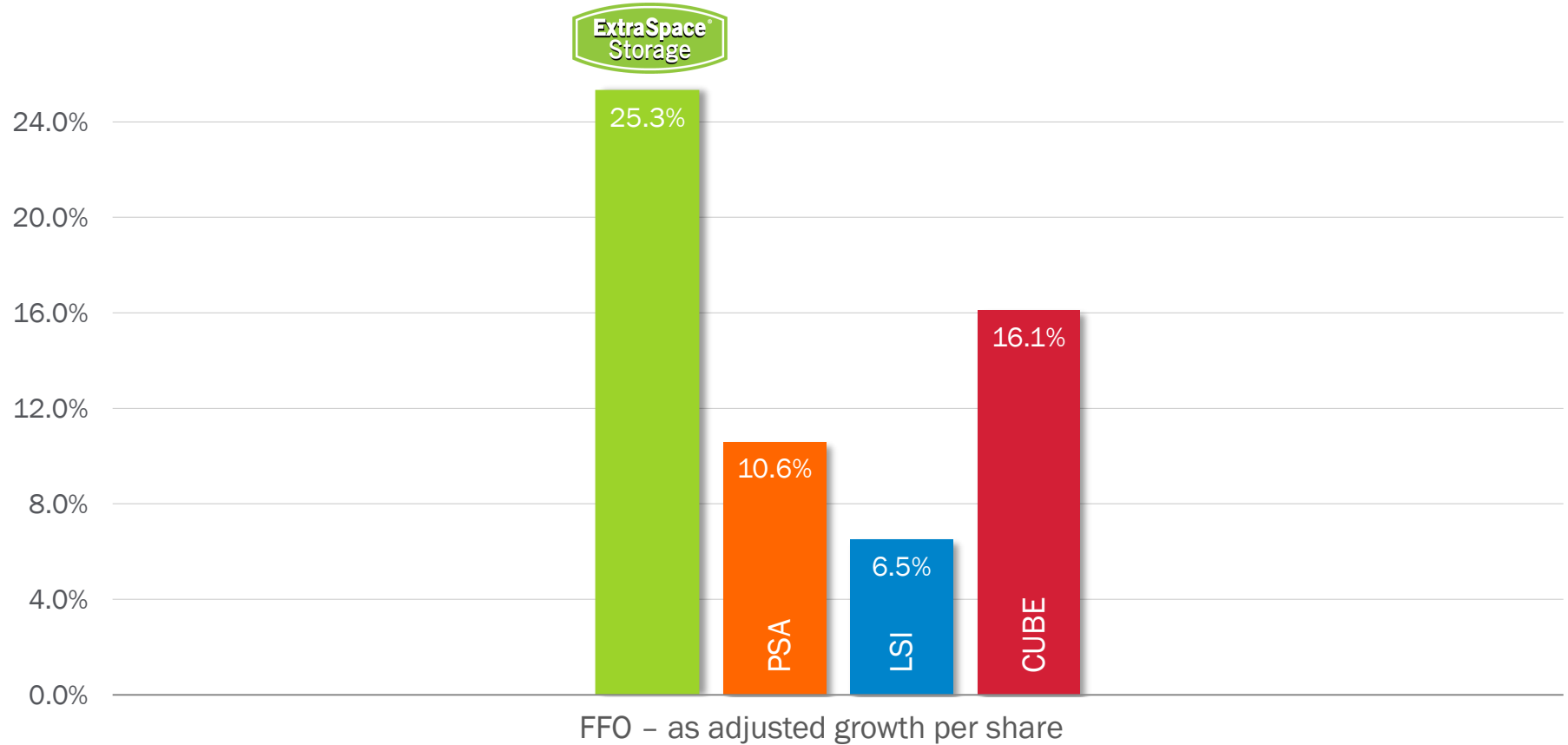
**Quarterly Update**

# 2016 Q2 SAME-STORE PERFORMANCE



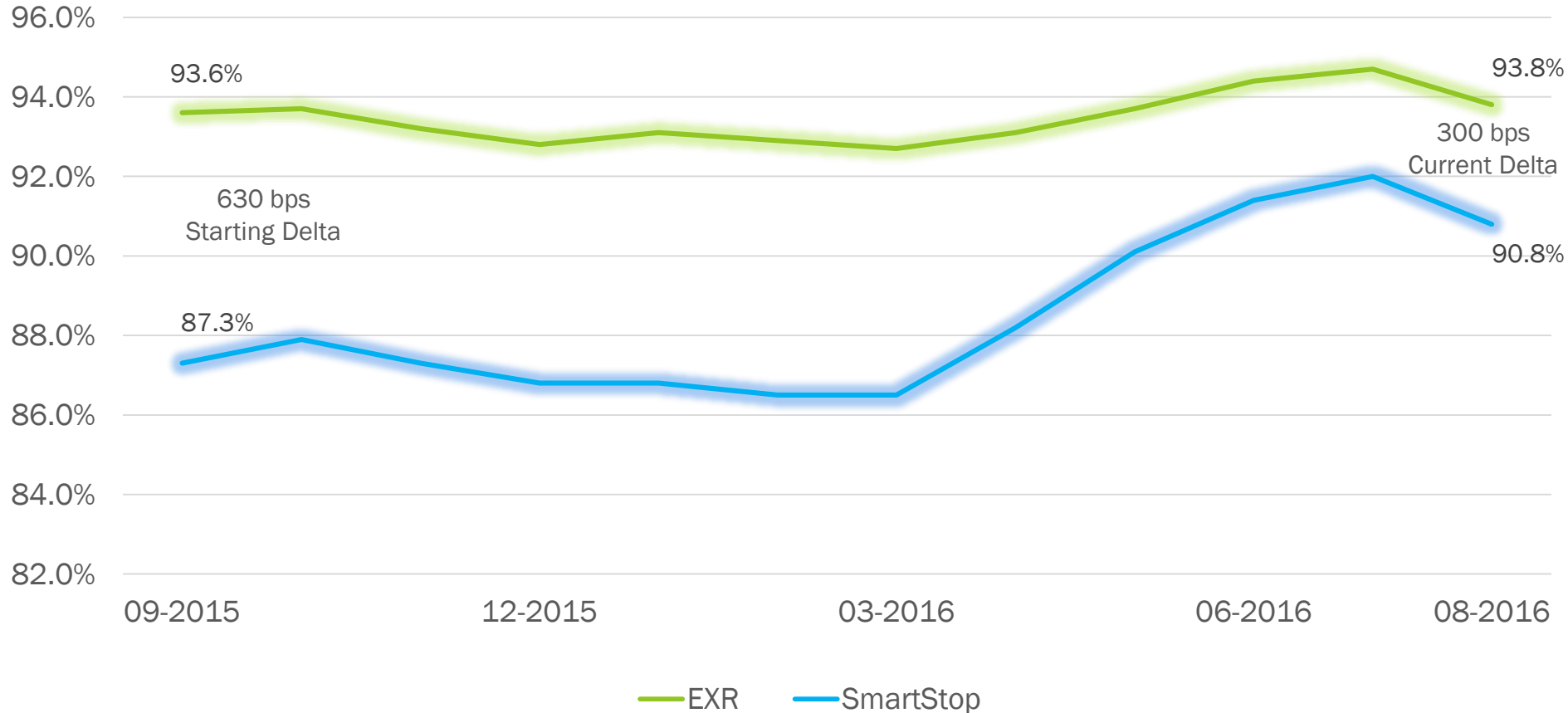
\*Data as of June 30, 2016 as reported in public filings.

# Q2 DOUBLE-DIGIT AFFO PER SHARE GROWTH



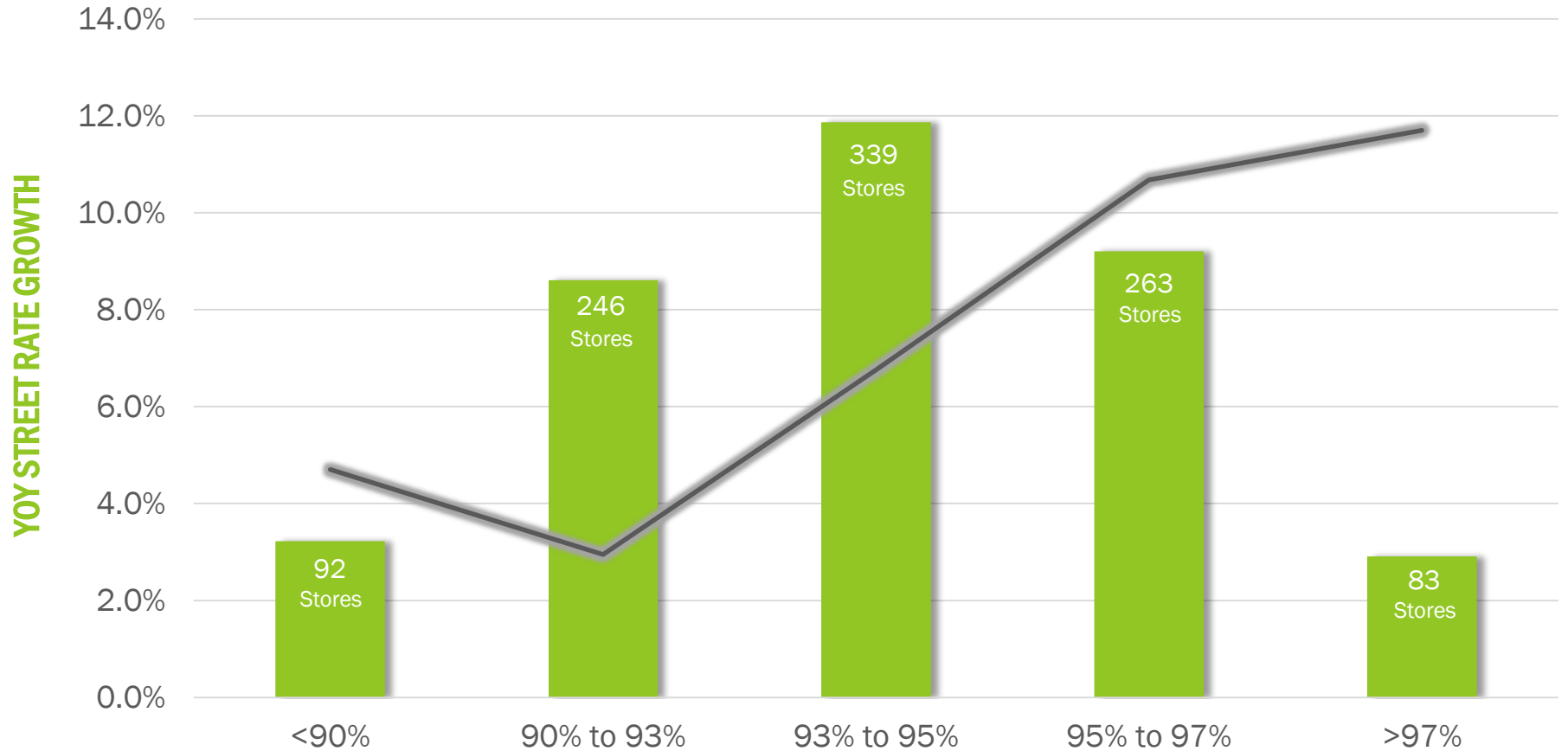
\*Data as of June 30, 2016 as reported in public filings.

# SMARTSTOP OCCUPANCY UPDATE



\*Occupancy for the common markets same-store pool as of August 31, 2016.

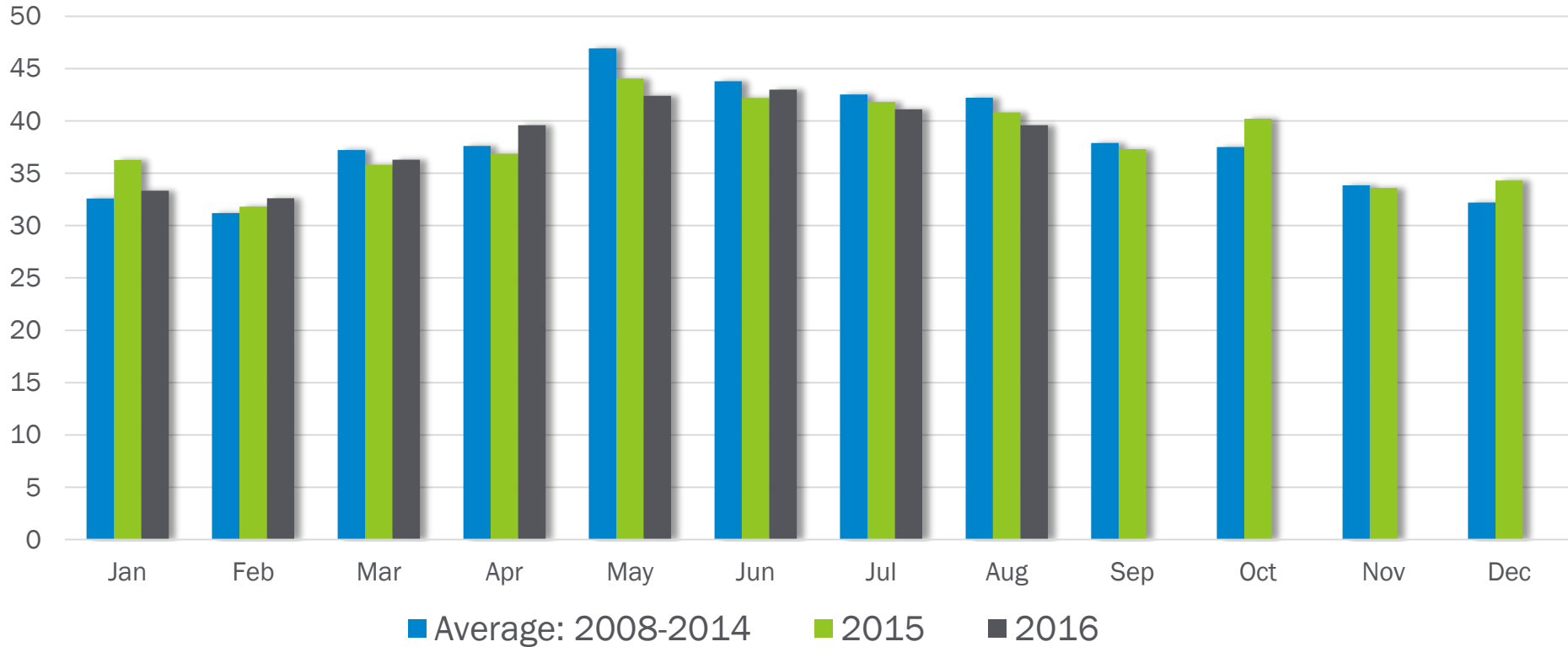
# RECORD OCCUPANCY LEADS TO PRICING POWER



\*Data for mature pool of 1023 stores as of August 31, 2016

# STRONG RENTAL ACTIVITY

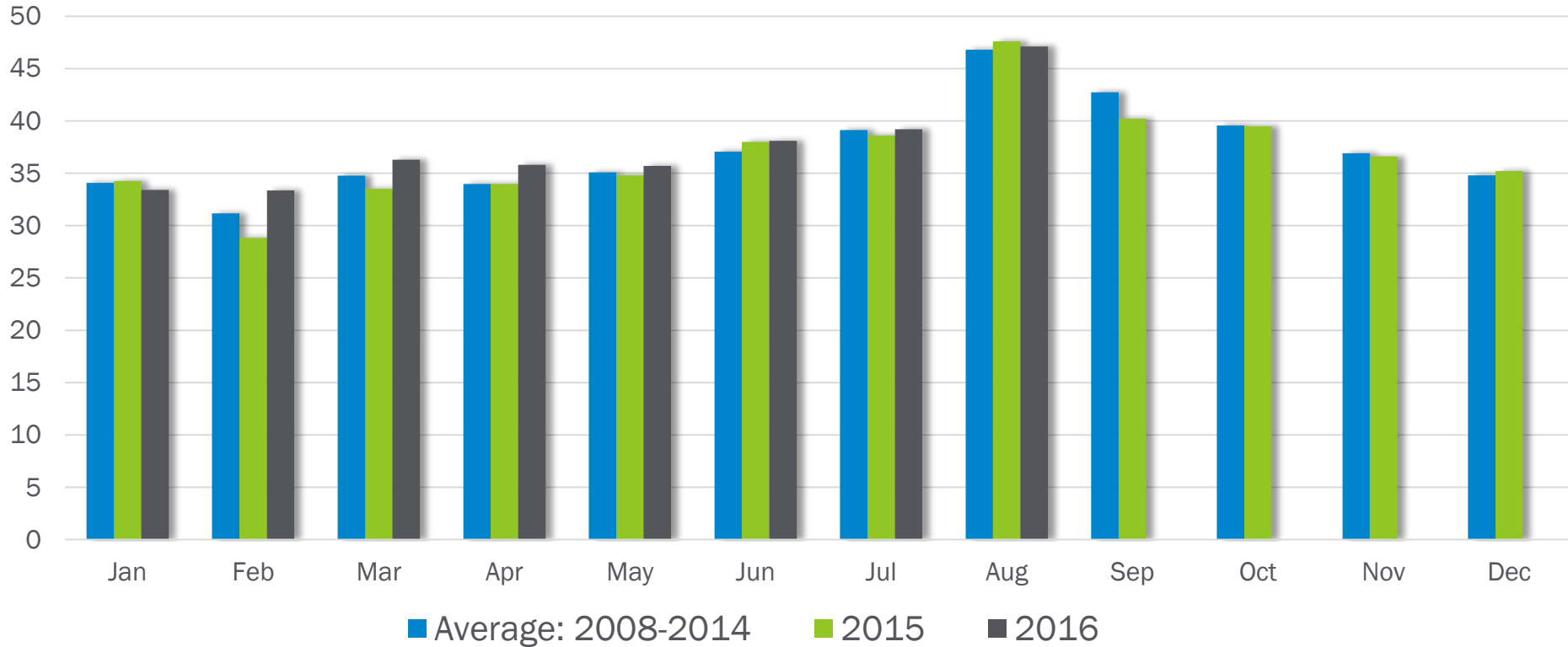
Average Monthly Rentals Per Store



\*Data for 607 "Core" pool.

# STABLE VACATES

Average Monthly Vacates Per Store

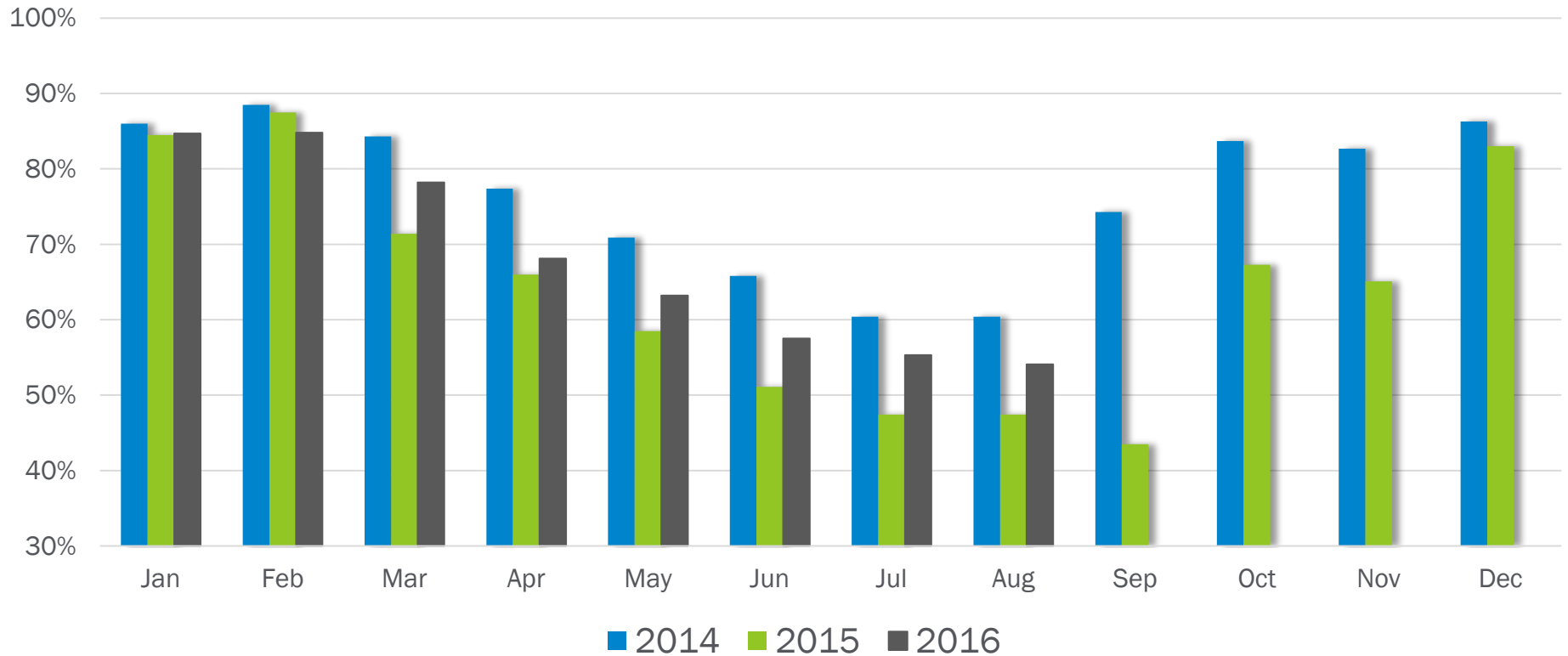


\*Data for 607 "Core" pool.



# DISCOUNT TRENDS

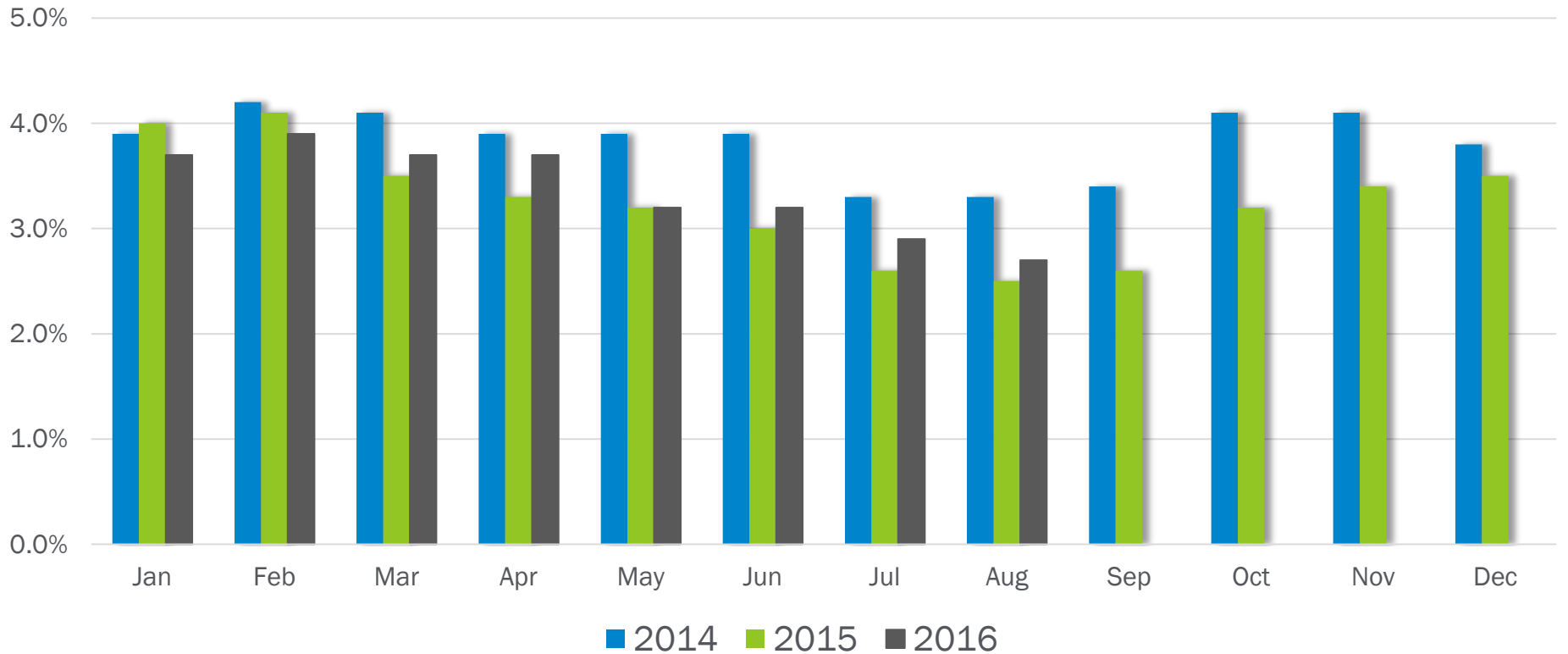
Percentage of New Customers Receiving a Discount



\*Data for "Mature" pool of 1,005 stores

# DISCOUNT TRENDS

Discounts as a Percentage of Rental Revenue



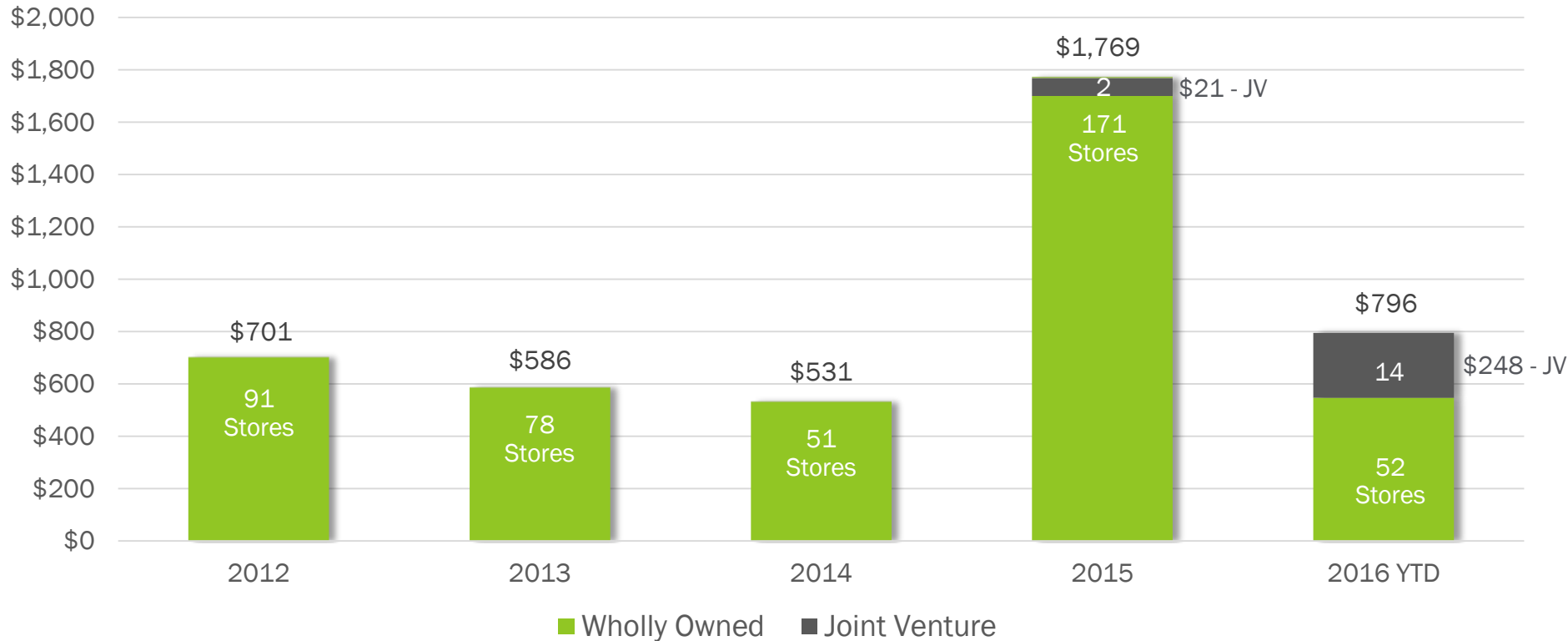
\*Data for "Mature" pool of 1,005 stores



**Acquisitions and Redevelopment**

# ROBUST ACQUISITION ACTIVITY

Annual Acquisition Volume  
(\$ in millions)



\*As of July 27, 2016. Acquisitions in 2016 include closings YTD and stores under contract to close in 2016. JV's considered at purchase price.

# CERTIFICATE OF OCCUPANCY ACTIVITY

	<u>Wholly-owned</u>		<u>Joint Venture</u>		
	<u>Stores</u>	<u>Price</u>	<u>Stores</u>	<u>Price</u>	<u>EXR Inv.</u>
2013 Closed	1	\$13.5M	-	-	-
2014 Closed	2	\$29.3M	-	-	-
2015 Closed	5	\$46.1M	2	\$21.5M	\$8.6M
2016 Closed	4	\$45.6M	5	\$98.1M	\$25.8M
2016 To Close	3	\$19.6M	9	\$150.2M	\$55.2M
2017 To Close	5	\$65.2M	10	\$247.3M	\$65.5M
2018 To Close	4	\$47.8M	1	\$8.8M	\$0.9M

\*As of July 27, 2016. Stores are included in projected close totals once they are under contract.

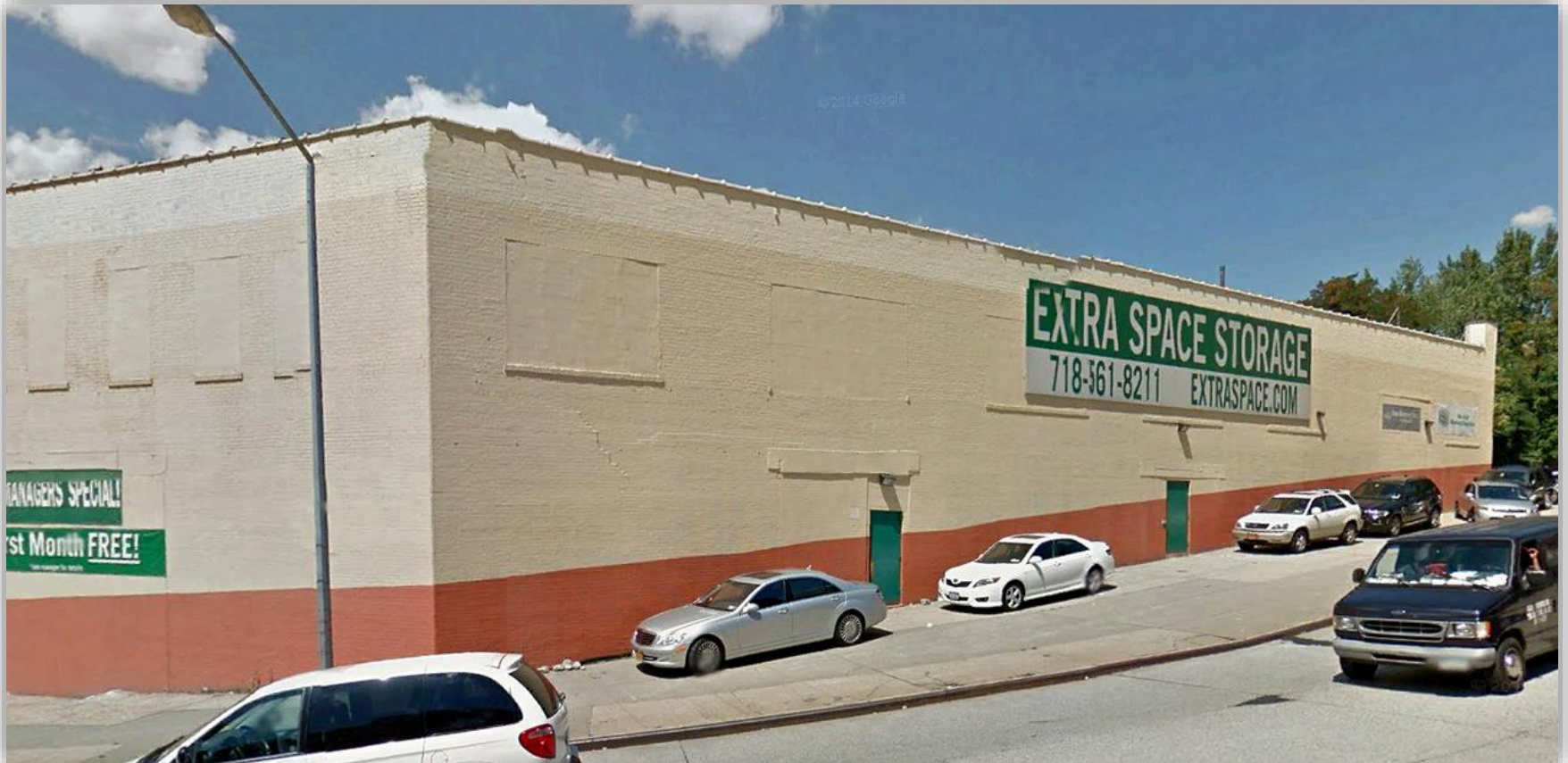
# REDEVELOPMENT & CERTIFICATE OF OCCUPANCY STRATEGY

- Enhance NOI at existing properties, by increasing NRSF and optimizing unit mix
- Maintain balanced average portfolio life through addition of new, purpose-built assets in key markets
- Reduce effective age of existing assets through redevelopment in high-rent markets
- Improve Extra Space Storage brand consistency throughout portfolio



# PROACTIVE SITE REDEVELOPMENT

Bronx, NY - before



# PROACTIVE SITE REDEVELOPMENT

Bronx, NY - after





# PROACTIVE SITE REDEVELOPMENT

Ft. Lauderdale, FL - before



# PROACTIVE SITE REDEVELOPMENT

Ft. Lauderdale, FL - after



# CERTIFICATE OF OCCUPANCY STORES

Dallas, TX



# CERTIFICATE OF OCCUPANCY STORES

Manhattan, NY





## Appendix

# FORWARD-LOOKING STATEMENTS

- Forward-looking statements include statements concerning the benefits of store acquisitions, favorable market conditions, our outlook and estimates for the year and other statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as “believes,” “estimates,” “expects,” “may,” “will,” “should,” “anticipates,” or “intends,” or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this release. Any forward-looking statements should be considered in light of the risks referenced in the “Risk Factors” section included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Such factors include, but are not limited to:
  - adverse changes in general economic conditions, the real estate industry and the markets in which we operate;
  - failure to close pending acquisitions on expected terms, or at all;
  - the effect of competition from new and existing stores or other storage alternatives, which could cause rents and occupancy rates to decline;
  - difficulties in our ability to evaluate, finance, complete and integrate acquisitions and developments successfully and to lease up those stores, which could adversely affect our profitability;
  - potential liability for uninsured losses and environmental contamination;

# FORWARD-LOOKING STATEMENTS (CONTINUED)

- the impact of the regulatory environment as well as national, state and local laws and regulations, including, without limitation, those governing real estate investment trusts (“REITs”), tenant reinsurance and other aspects of our business, which could adversely affect our results;
- disruptions in credit and financial markets and resulting difficulties in raising capital or obtaining credit at reasonable rates or at all, which could impede our ability to grow;
- the failure to effectively manage our growth and expansion into new markets or to successfully operate acquired stores and operations;
- increased interest rates and operating costs;
- reductions in asset valuations and related impairment charges;
- the failure of our joint venture partners to fulfill their obligations to us or their pursuit of actions that are inconsistent with our objectives;
- the failure to maintain our REIT status for U.S. federal income tax purposes;
- economic uncertainty due to the impact of war or terrorism, which could adversely affect our business plan; and
- difficulties in our ability to attract and retain qualified personnel and management members.

All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management’s expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

# NON-GAAP FINANCIAL MEASURES

## Definition of FFO:

FFO provides relevant and meaningful information about the Company's operating performance that is necessary, along with net income and cash flows, for an understanding of the Company's operating results. The Company believes FFO is a meaningful disclosure as a supplement to net income. Net income assumes that the values of real estate assets diminish predictably over time as reflected through depreciation and amortization expenses. The values of real estate assets fluctuate due to market conditions and the Company believes FFO more accurately reflects the value of the Company's real estate assets. FFO is defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") as net income computed in accordance with U.S. generally accepted accounting principles ("GAAP"), excluding gains or losses on sales of operating stores and impairment write downs of depreciable real estate assets, plus depreciation and amortization and after adjustments to record unconsolidated partnerships and joint ventures on the same basis. The Company believes that to further understand the Company's performance, FFO should be considered along with the reported net income and cash flows in accordance with GAAP, as presented in the Company's consolidated financial statements. FFO should not be considered a replacement of net income computed in accordance with GAAP.

For informational purposes, the Company also presents FFO as adjusted which excludes revenues and expenses not core to our operations, acquisition related costs and non-cash interest. Although the Company's calculation of FFO as adjusted differs from NAREIT's definition of FFO and may not be comparable to that of other REITs and real estate companies, the Company believes it provides a meaningful supplemental measure of operating performance. The Company believes that by excluding revenues and expenses not core to our operations, the costs related to acquiring stores and non-cash interest charges, stockholders and potential investors are presented with an indicator of its operating performance that more closely achieves the objectives of the real estate industry in presenting FFO.



# NON-GAAP FINANCIAL MEASURES (CONTINUED)

FFO as adjusted by the Company should not be considered a replacement of the NAREIT definition of FFO. The computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and should not be considered as an alternative to net income as an indication of the Company's performance, as an alternative to net cash flow from operating activities as a measure of liquidity, or as an indicator of the Company's ability to make cash distributions.