

ExtraSpace
Storage

Company Presentation
June 2017



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 March 31, 2017.

QUICK FACTS AS OF MARCH 31, 2017

**\$10.0
Billion**
Market Cap

490%
10-year Total
Shareholder Return

1,441
Properties

**109
Million**
Square feet

92.2%
Same-store Occupancy

19.8%
YOY FFO-as adjusted
Growth Per Share

~\$1 Billion
Annualized Revenue

9.2%
YOY Same-Store
NOI Growth

S&P 500

\$4.8 Billion
in acquisitions over
past 5 years

1977
Founded

2004
IPO – NYSE “EXR”

290%
5-year Dividend
Increase

TIME LINE – EXTRA SPACE STORAGE INC. (EXR)

1977

Founded by Ken Woolley

1998

Recapitalized through JV with Prudential Real Estate Investors (PREI)

2004

Completed Initial Public Offering (NYSE)

2005

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

2008

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

2015

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

2016

Added to the S&P 500

WHY INVEST IN EXTRA SPACE STORAGE (EXR)?

Attractive Sector

Need-based, recession resilient asset class with high operating margins and low cap-ex requirements, resulting in high FAD. The granularity of assets and tenant base, reduces volatility, tenant risk and market risk.

Operational Excellence

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

Disciplined Growth

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

Solid Balance Sheet

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

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.

MANAGEMENT DEPTH



Scott Stubbs – CFO
16 years



Joe Margolis – CEO
12 years*



James Overturf – CMO
18 years



Gwyn McNeal – CLO
12 years



Samrat Sondhi – COO
13 years



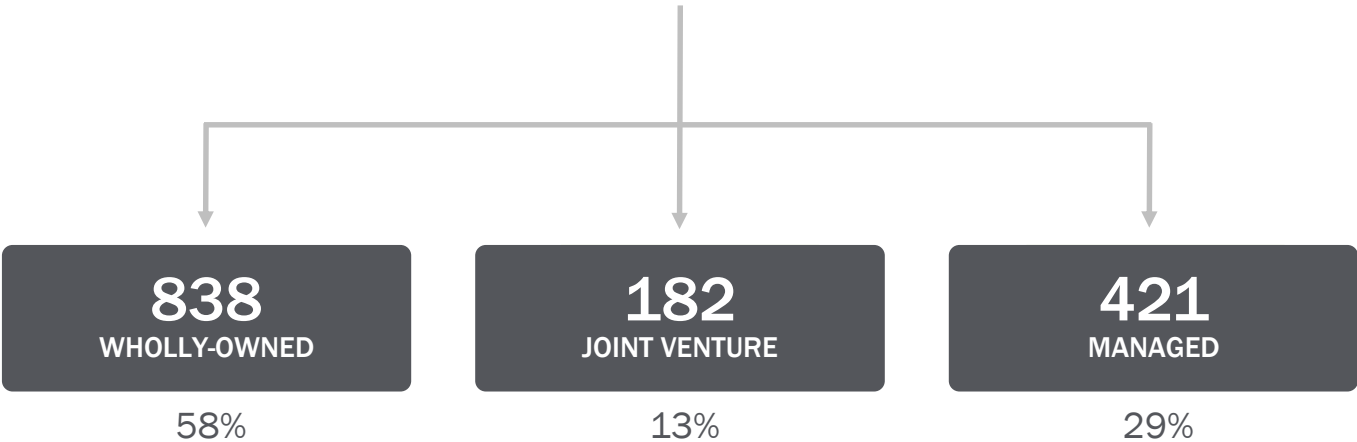
Ken Woolley
Executive Chairman
40 years

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

NATIONAL FOOTPRINT

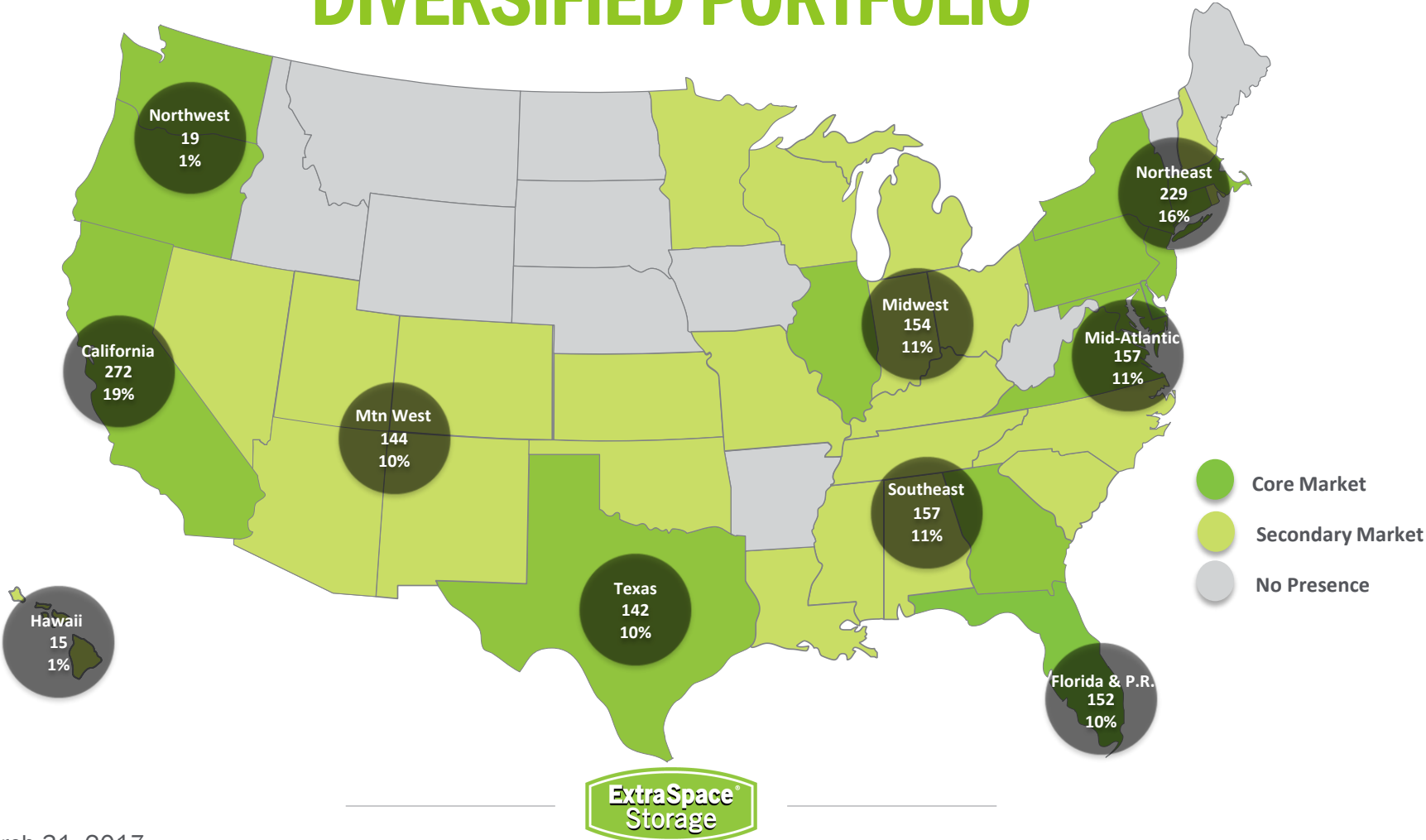


1,441 PROPERTIES



*As of March 31, 2017

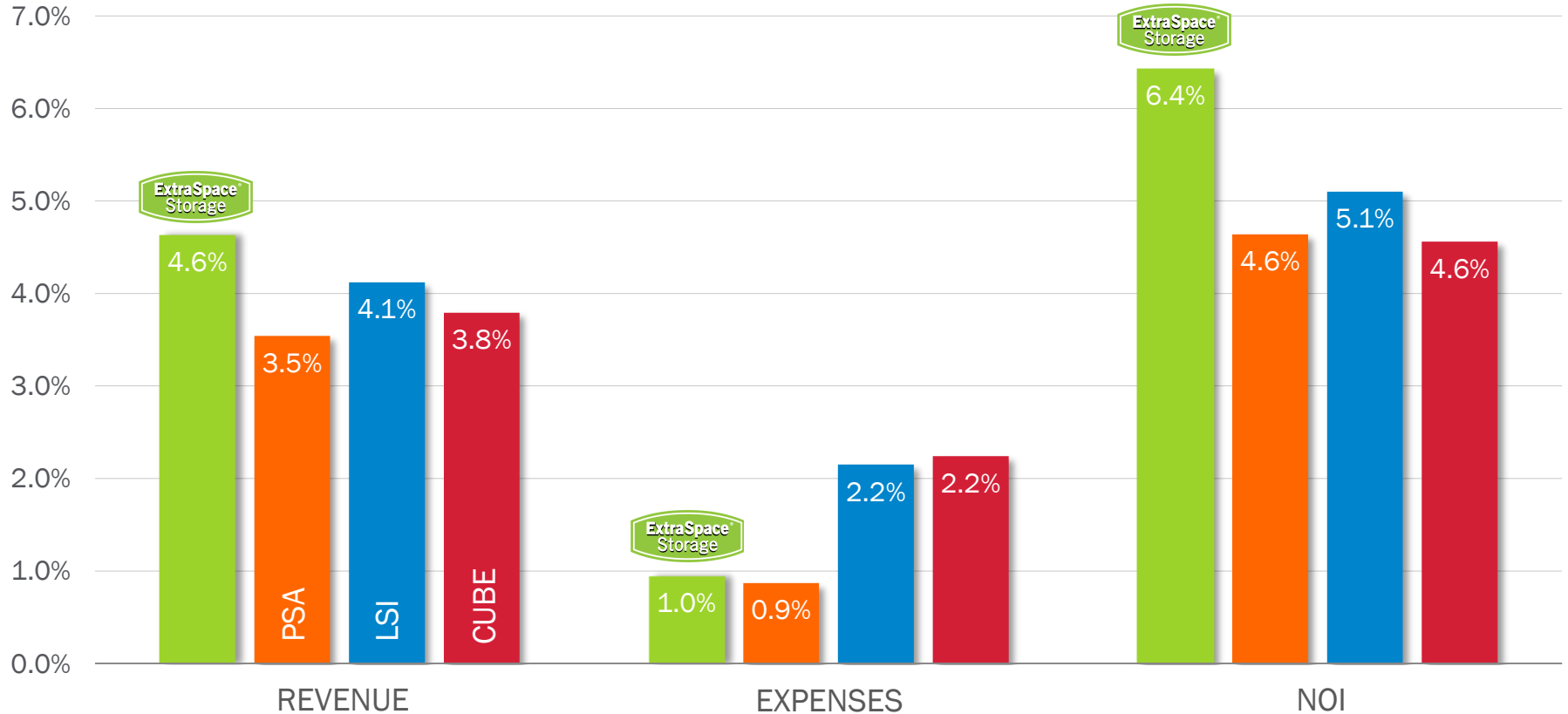
DIVERSIFIED PORTFOLIO



*As of March 31, 2017

BEST-IN-CLASS OPERATORS

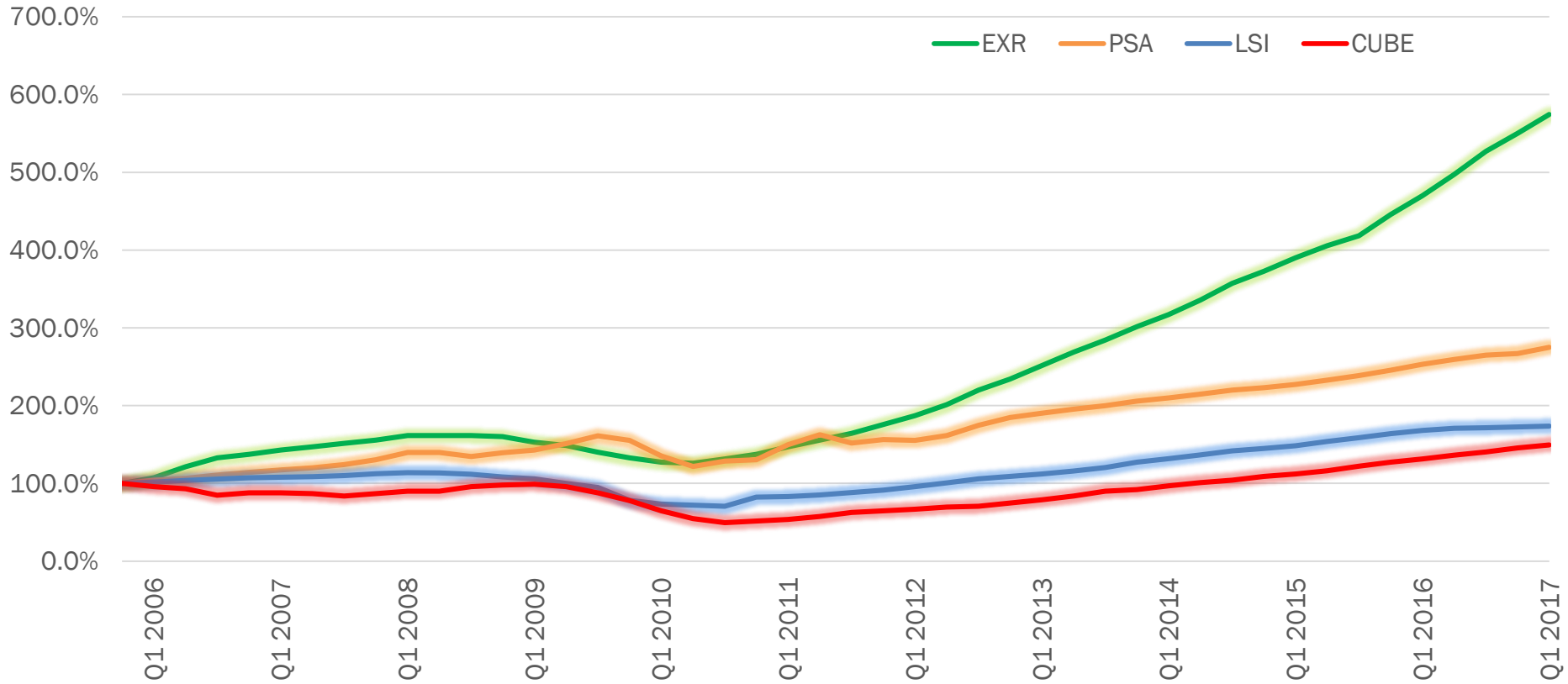
45 Quarters of Average Same-Store Outperformance*



*EXR and PSA results exclude tenant reinsurance revenues and expenses, and LSI and CUBE include the benefit from tenant insurance revenue. Data as of March 31, 2017 as reported in public filings.

SECTOR-LEADING AFFO GROWTH

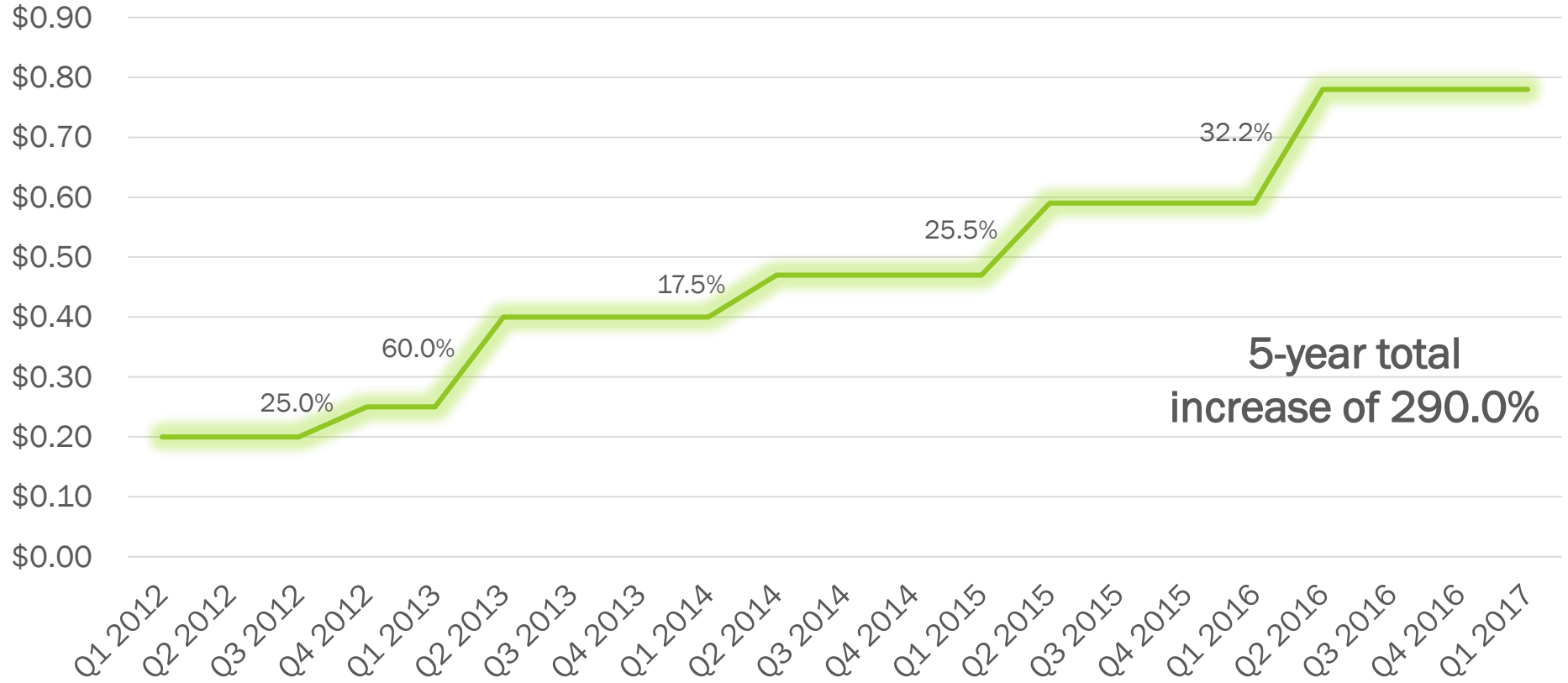
AFFO Per Share Growth - Normalized



*Data as of March 31, 2017 as reported in public filings

SIGNIFICANT DIVIDEND GROWTH

Quarterly Dividend Per Share



**5-year total
increase of 290.0%**

*As reported in public filings

BEST-IN-CLASS REIT PERFORMANCE

10-Year Total Return

All Public REITS

1. Extra Space Storage (EXR)	582.2%
2. Sun Communities (SUI)	538.9%
3. Digital Realty Trust (DLR)	366.1%
4. Equity LifeStyle (ELS)	308.8%
3. National Health Investors (NHI)	302.2%

Storage Sector

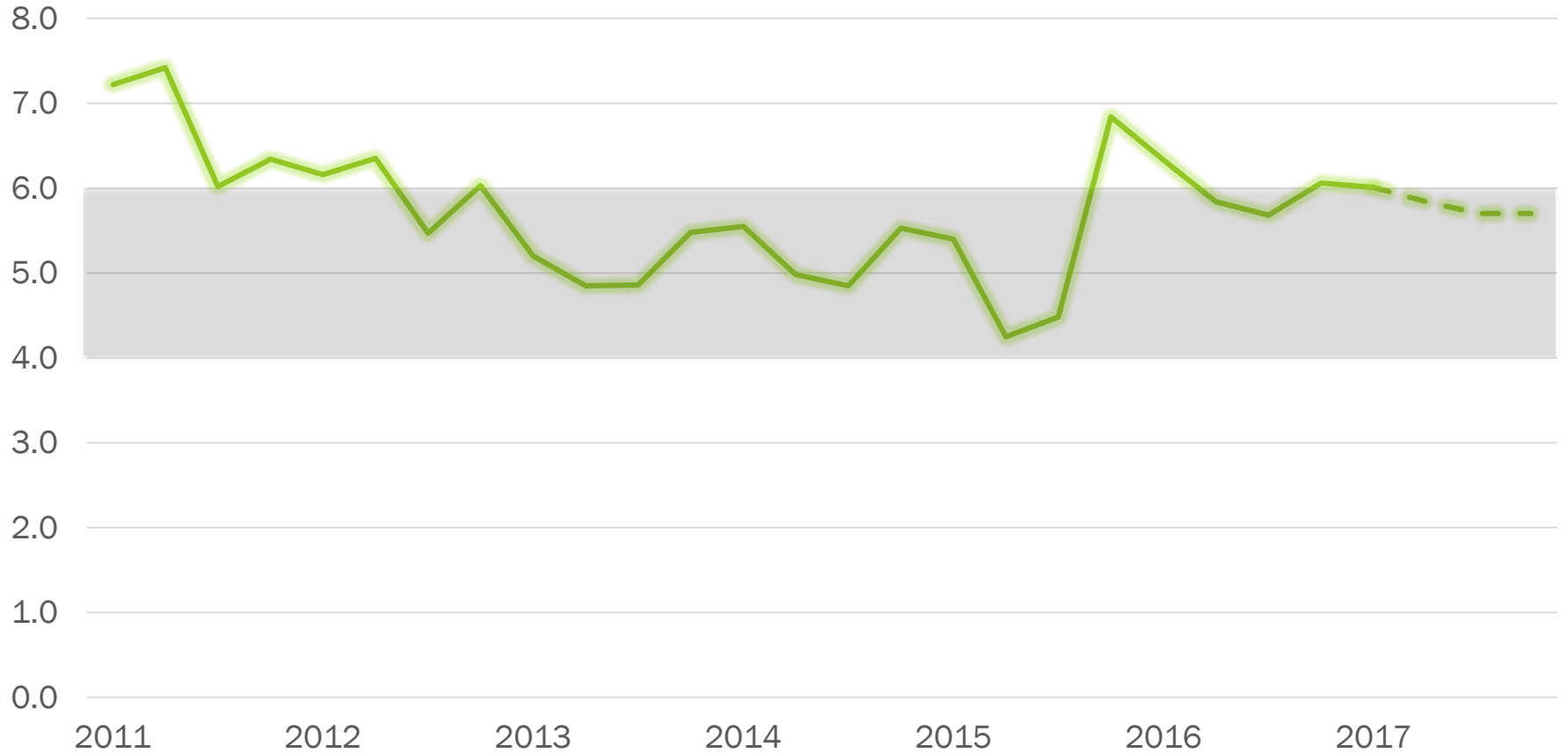
1. Extra Space Storage (EXR)	582.2%
2. Public Storage (PSA)	261.1%
3. Life Storage (LSI)	140.8%
4. CubeSmart (CUBE)	103.0%

SOLID BALANCE SHEET

	<u>03/31/17</u>	<u>12/31/16</u>	<u>9/30/16</u>	<u>6/30/16</u>	<u>3/31/16</u>
Interest Coverage Ratio:	4.99	5.34	5.29	4.98	4.65
Fixed Charge Ratio:	3.61	3.75	3.67	3.52	3.21
Net Debt/EBITDA:	6.01	6.06	5.68	5.84	6.33
Fixed Debt %:	69.0%	70.0%	76.1%	78.0%	77.8%
Weighted Ave. Interest Rate:	3.1%	3.0%	3.1%	3.1%	3.2%
Average Maturity:	4.5 years	4.7 years	4.8 years	4.9 years	4.8 years
Total Revolving Capacity:	\$600 million	\$600 million	\$600 million	\$360 million	\$360 million
ATM Capacity:	\$350 million	\$350 million	\$350 million	\$400 million	\$295 million

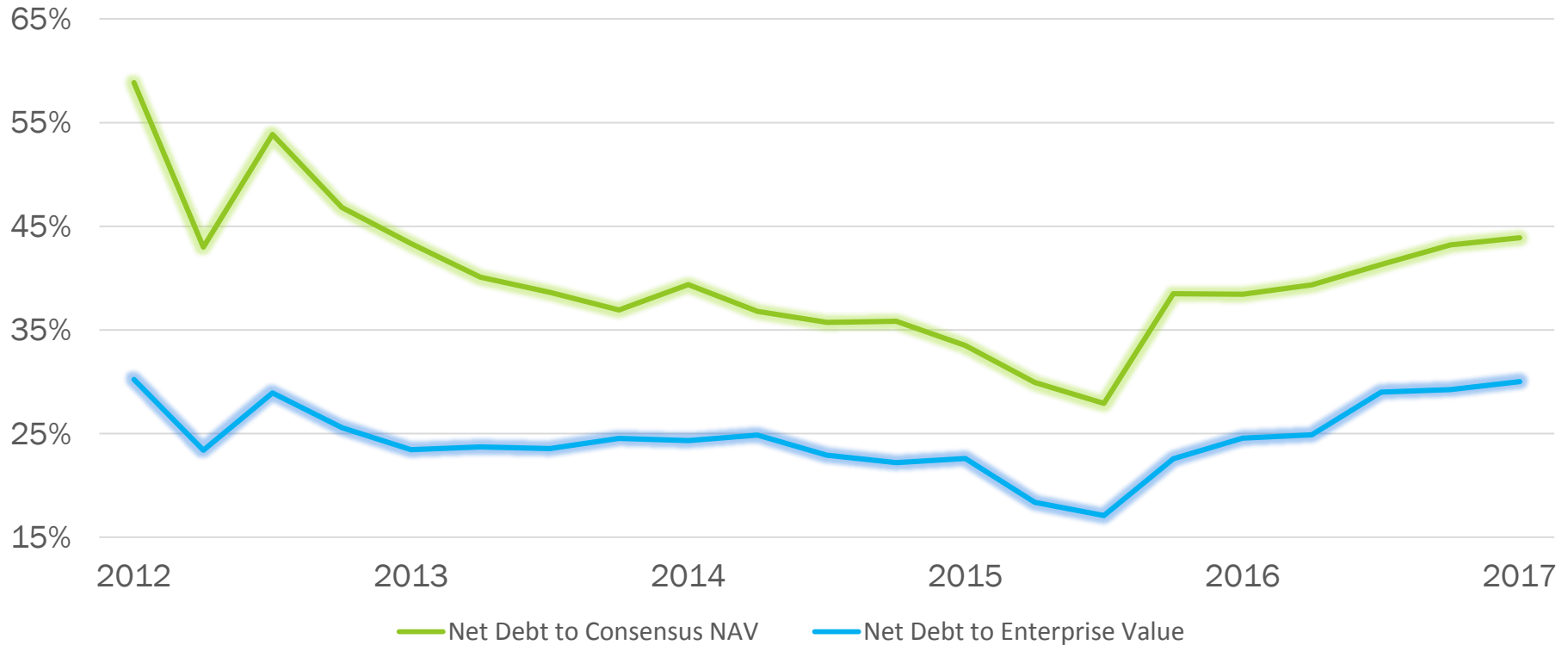
*EBITDA is current quarter annualized.

NET DEBT TO EBITDA RATIO



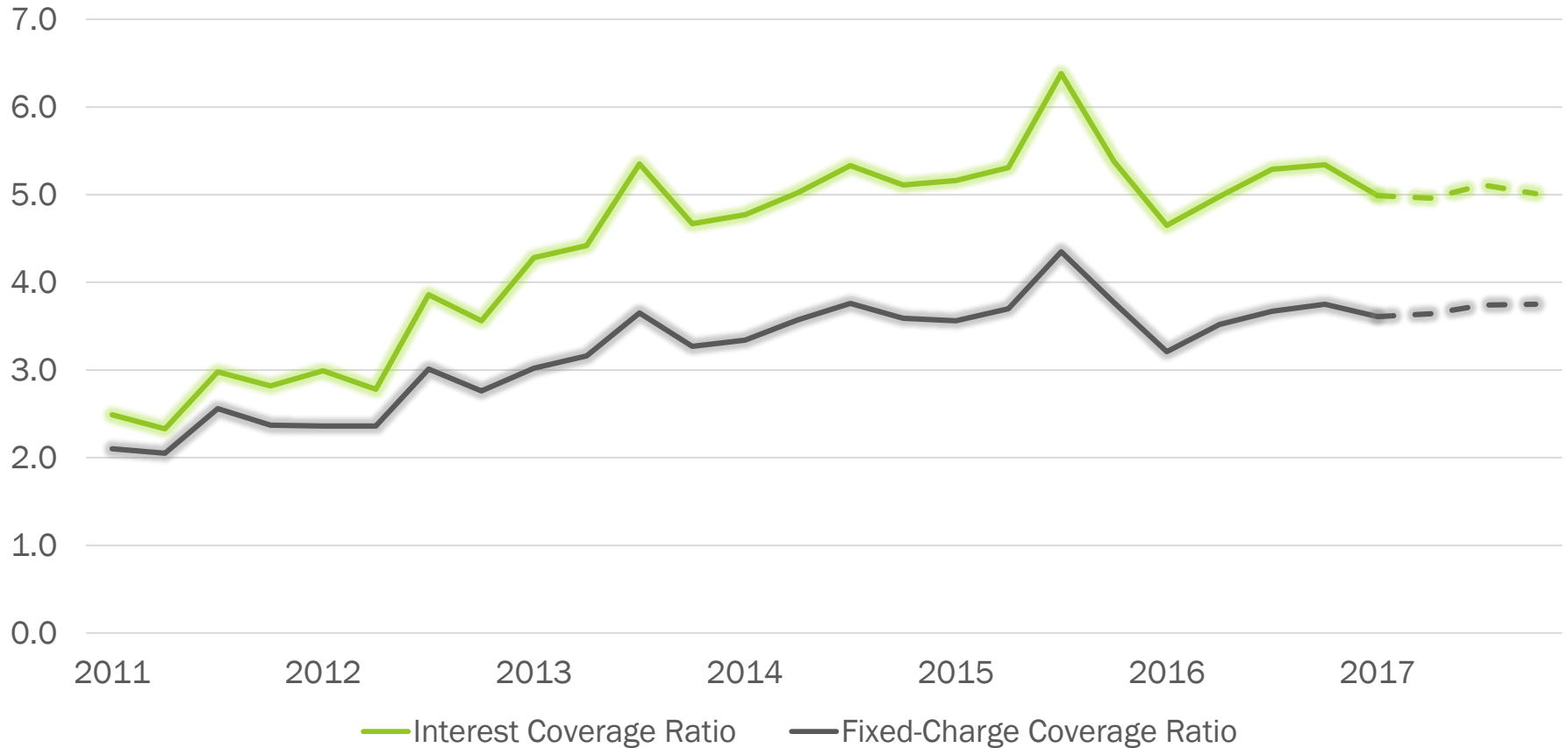
*EBITDA is the reported quarter annualized. Projected ratios assume \$400 million in acquisitions weighted to the second half of the year, NOI growth of 5.0% and equity of approximately \$100 million mid-year 2017.

NET DEBT TO CONSENSUS NAV & NET DEBT TO ENTERPRISE VALUE



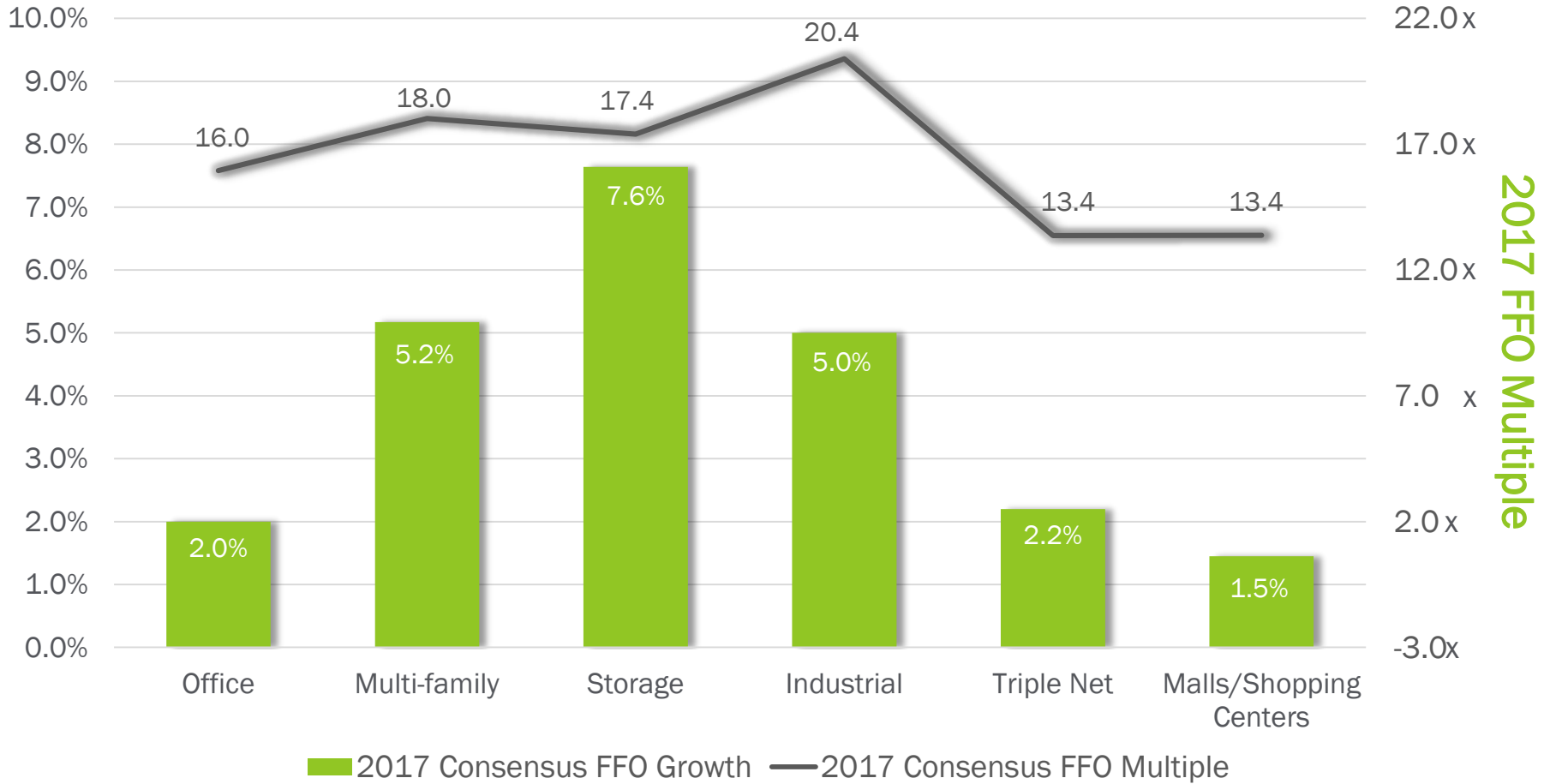
*Data from public filings and Factset

COVERAGE RATIOS



*EBITDA is the reported quarter annualized. Projected ratios assume \$400 million in acquisitions weighted to the second half of the year, NOI growth of 5.0% and equity of approximately \$100 million mid-year 2017.

STRONG FFO GROWTH AT A LOW MULTIPLE



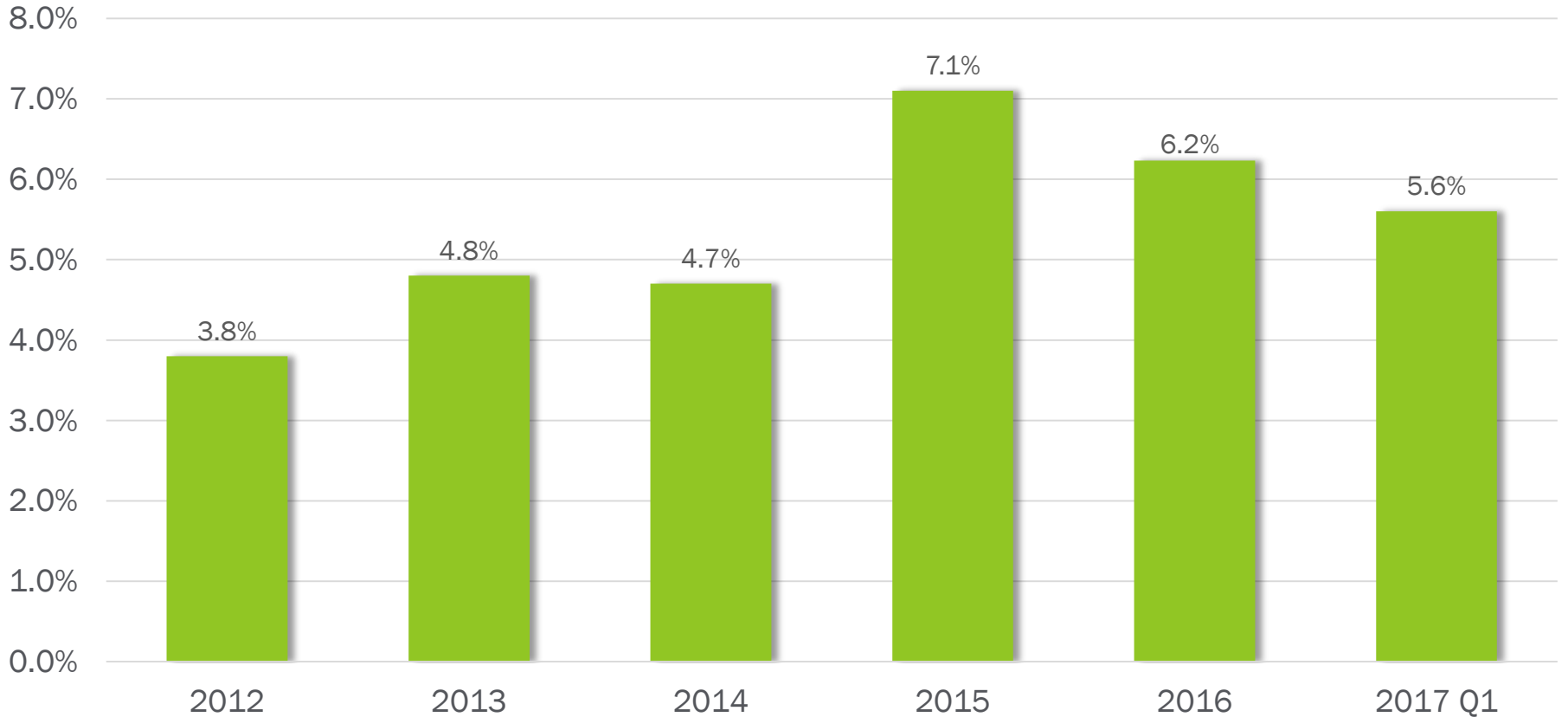
*Reflects sector median, based on analyst consensus from “KeyBanc Leaderboard” as of May 5, 2017.

INDUSTRY TRENDS

- Near peak occupancy levels
- New supply in certain MSA's
- Positive rent rate growth
- Growing per capita usage of storage
- Ownership and management consolidation
- Technology advantage of REITs

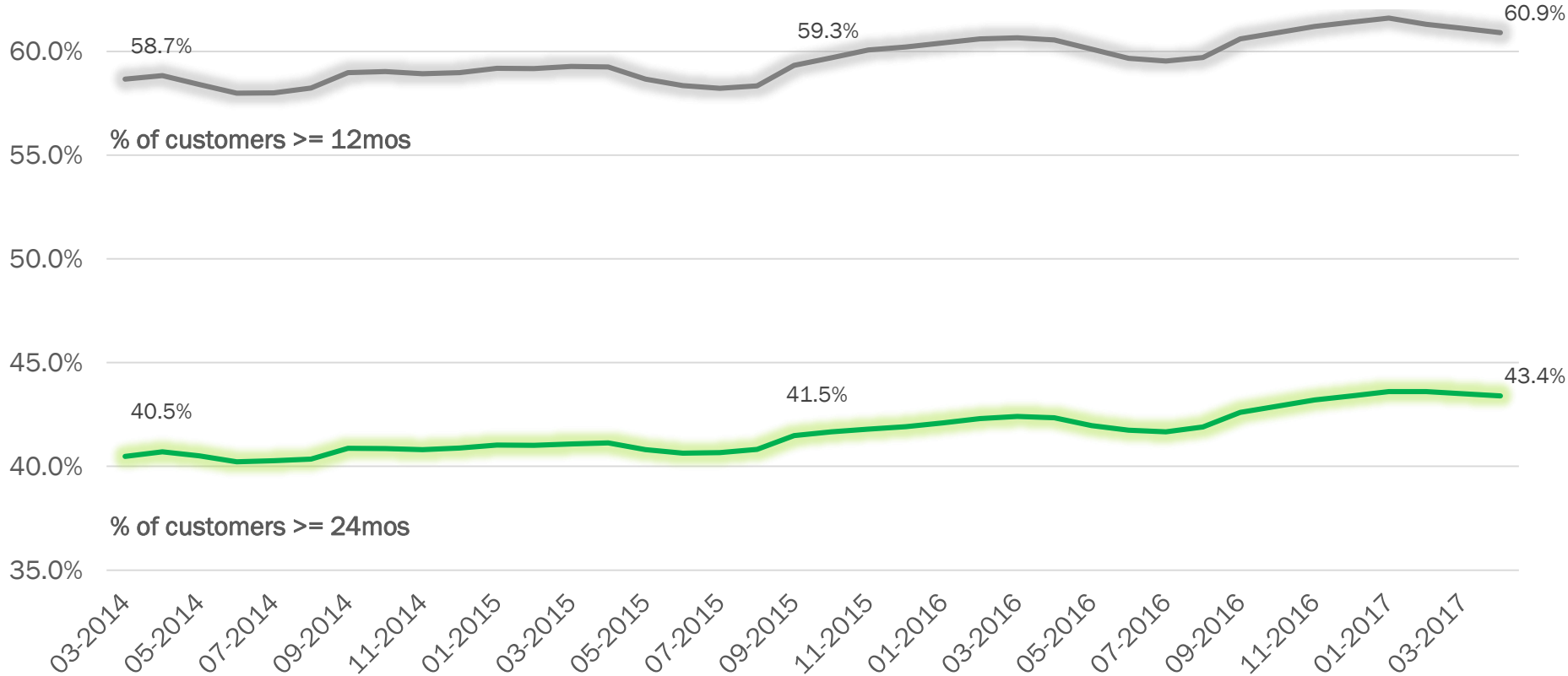


SOLID SAME-STORE ACHIEVED RENT PER SQUARE FOOT



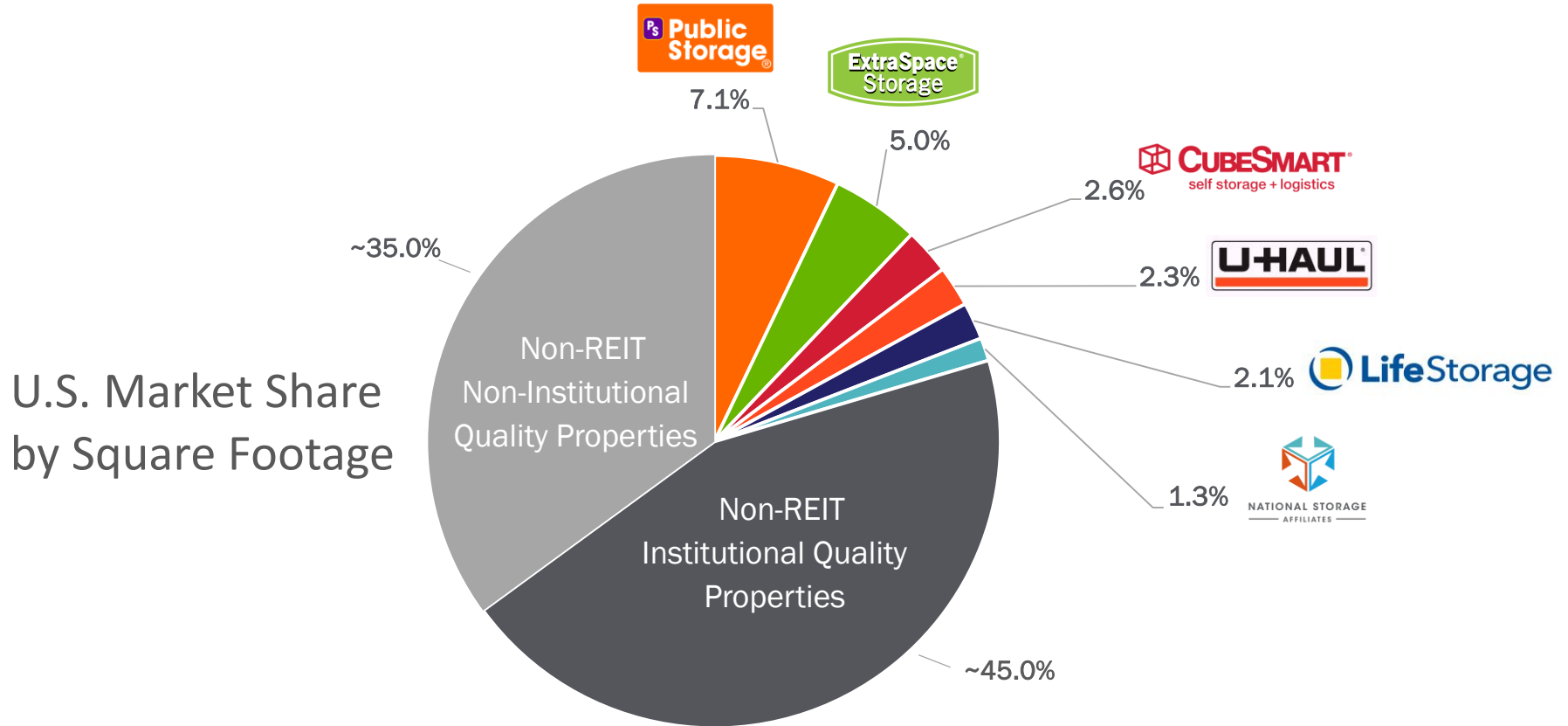
*Data from EXR supplemental financial information.

INCREASING LENGTH OF STAY



*Data measured for in-place customers mid-month to reduce volatility. 607 "Core" stores.

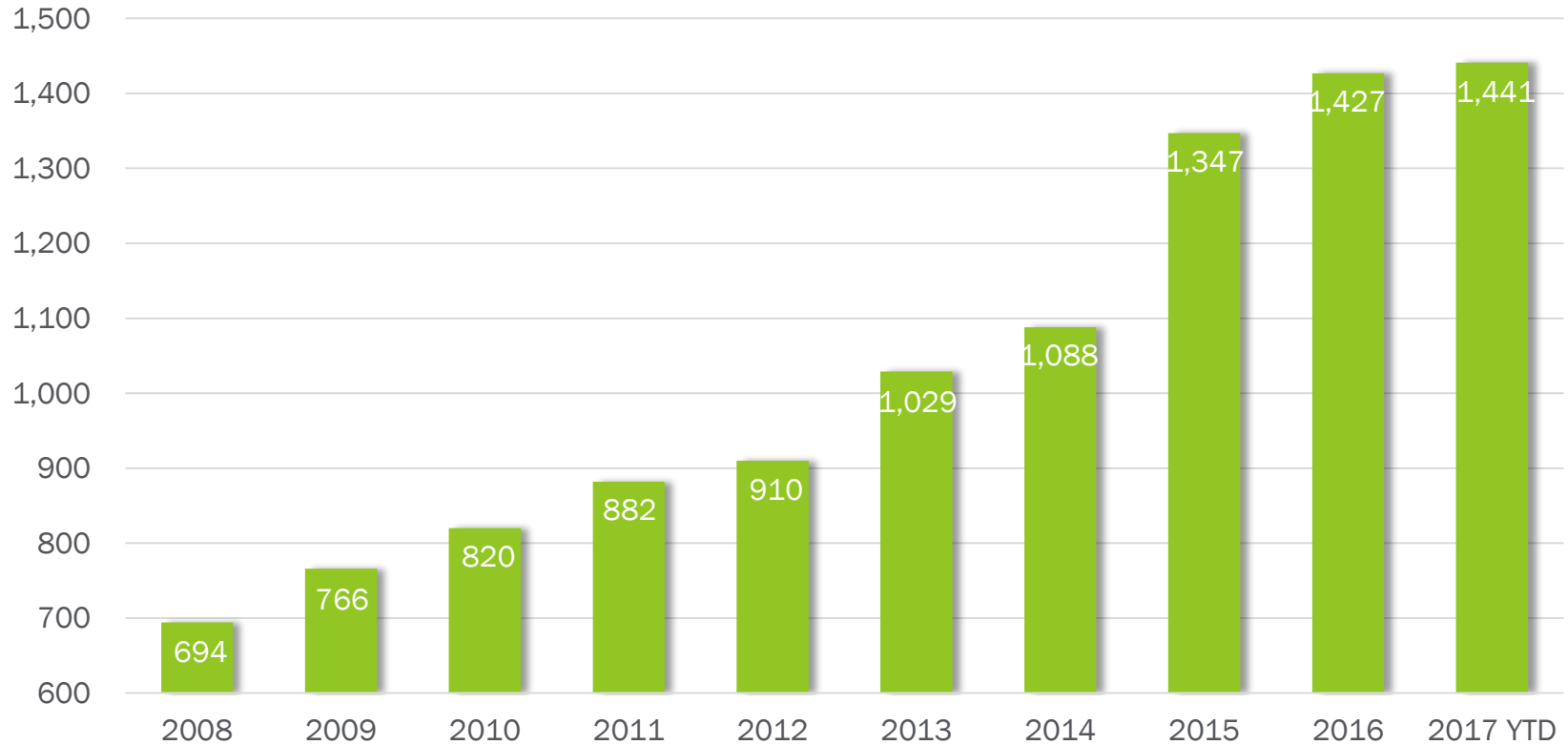
OPPORTUNITY FOR CONSOLIDATION



*REIT data from public filings as of March 31, 2017. U-Haul and total U.S. storage square footage per the 2017 Self-Storage Almanac.

CONSISTENT GROWTH

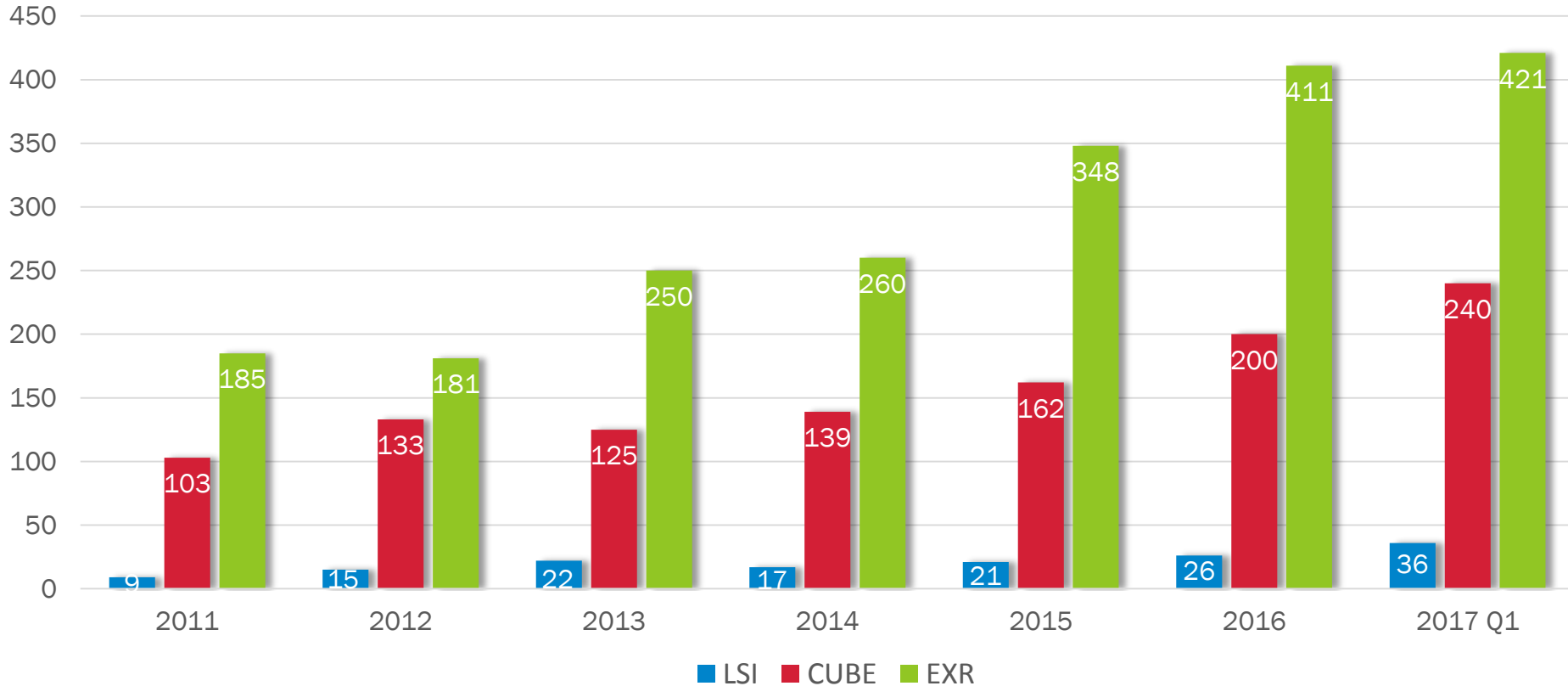
Extra Space Storage Branded Stores



*Data as of March 31, 2017 as reported in public filings

THIRD-PARTY MANAGEMENT GROWTH

Total Stores Managed for Third-Party Owners



*Data as of March 31, 2017 as reported in public filings.

TECHNOLOGY ADVANTAGE

HOW SMALL OPERATORS DO IT

HOW EXTRA SPACE STORAGE DOES IT

Customer Acquisition



SEARCH ENGINES



PAY-PER-CLICK



SOCIAL

Pricing



ALGORITHMIC REVENUE MANAGEMENT

Decision Making



ANALYTICS

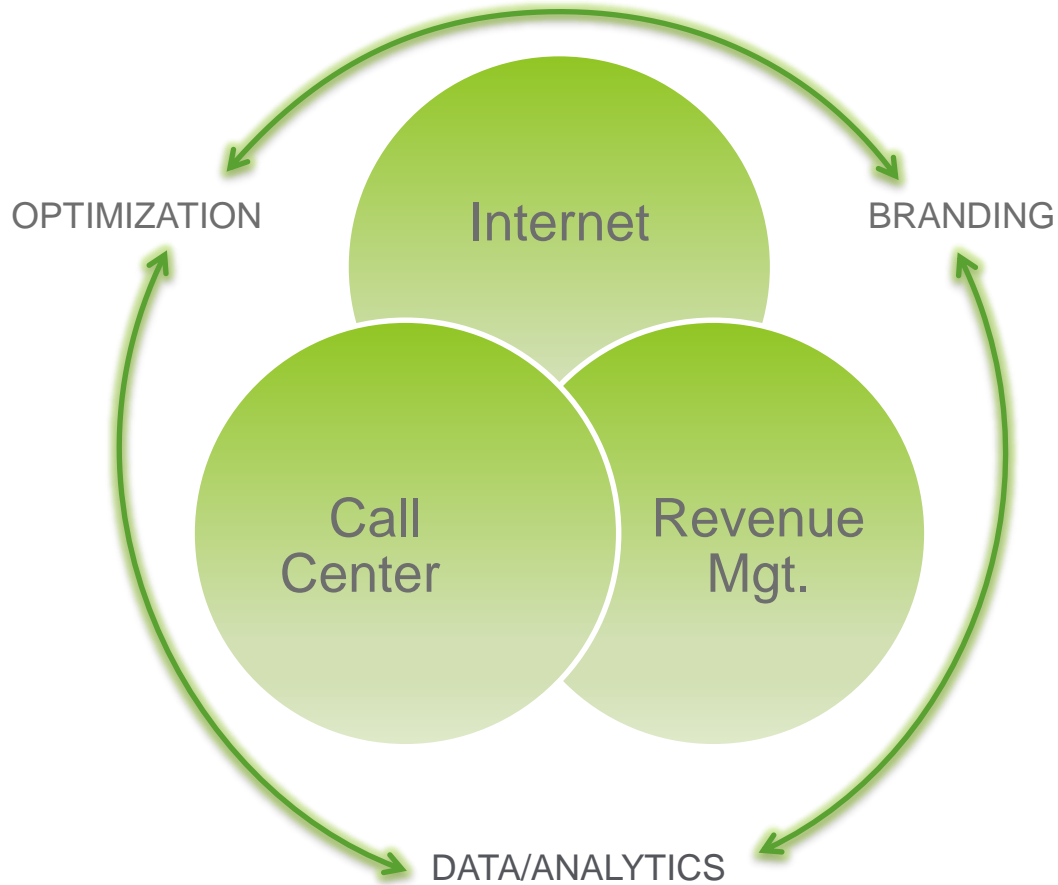


DATA



OPTIMIZATION

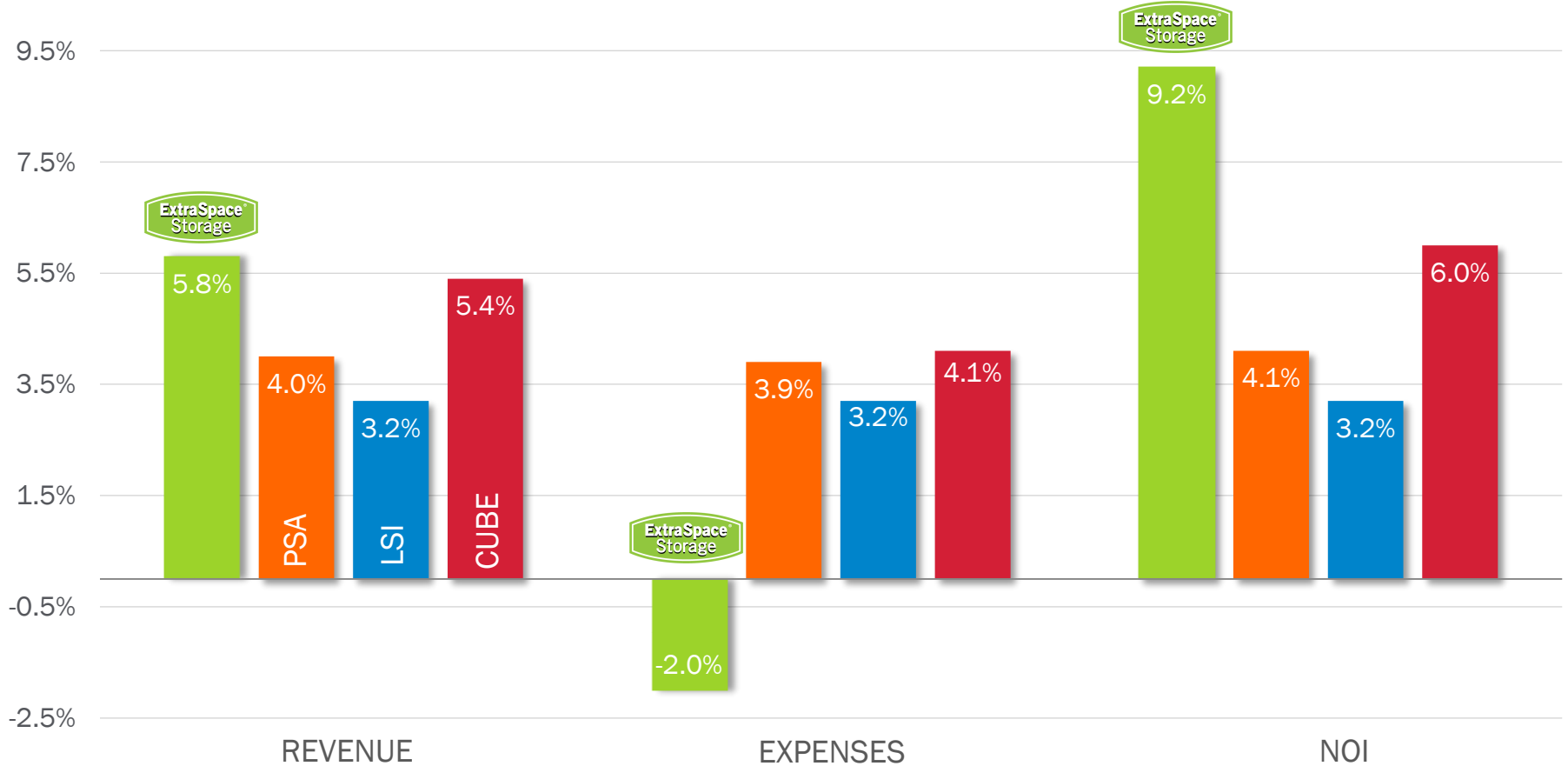
COMMITMENT TO TECHNOLOGY





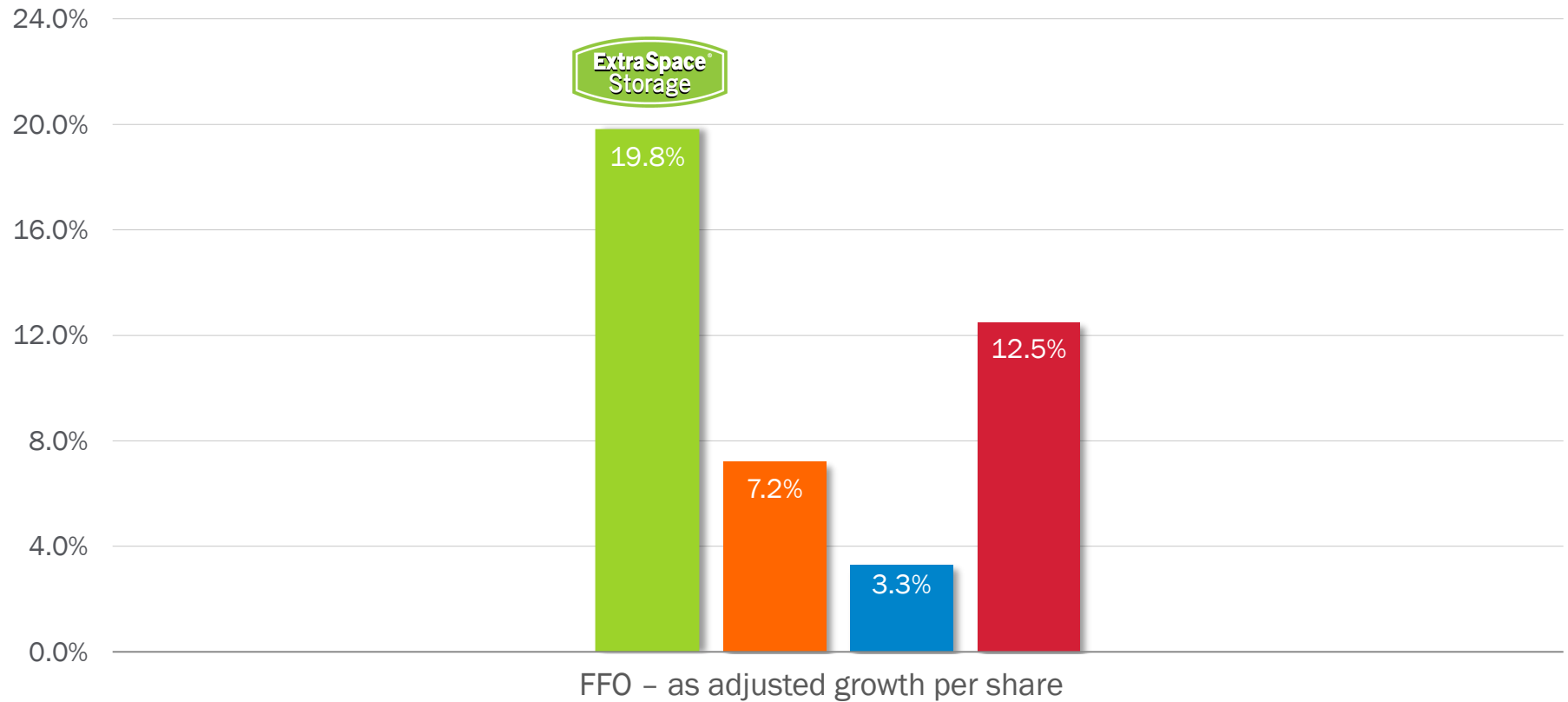
Quarterly Update

2017 Q1 SAME-STORE PERFORMANCE*



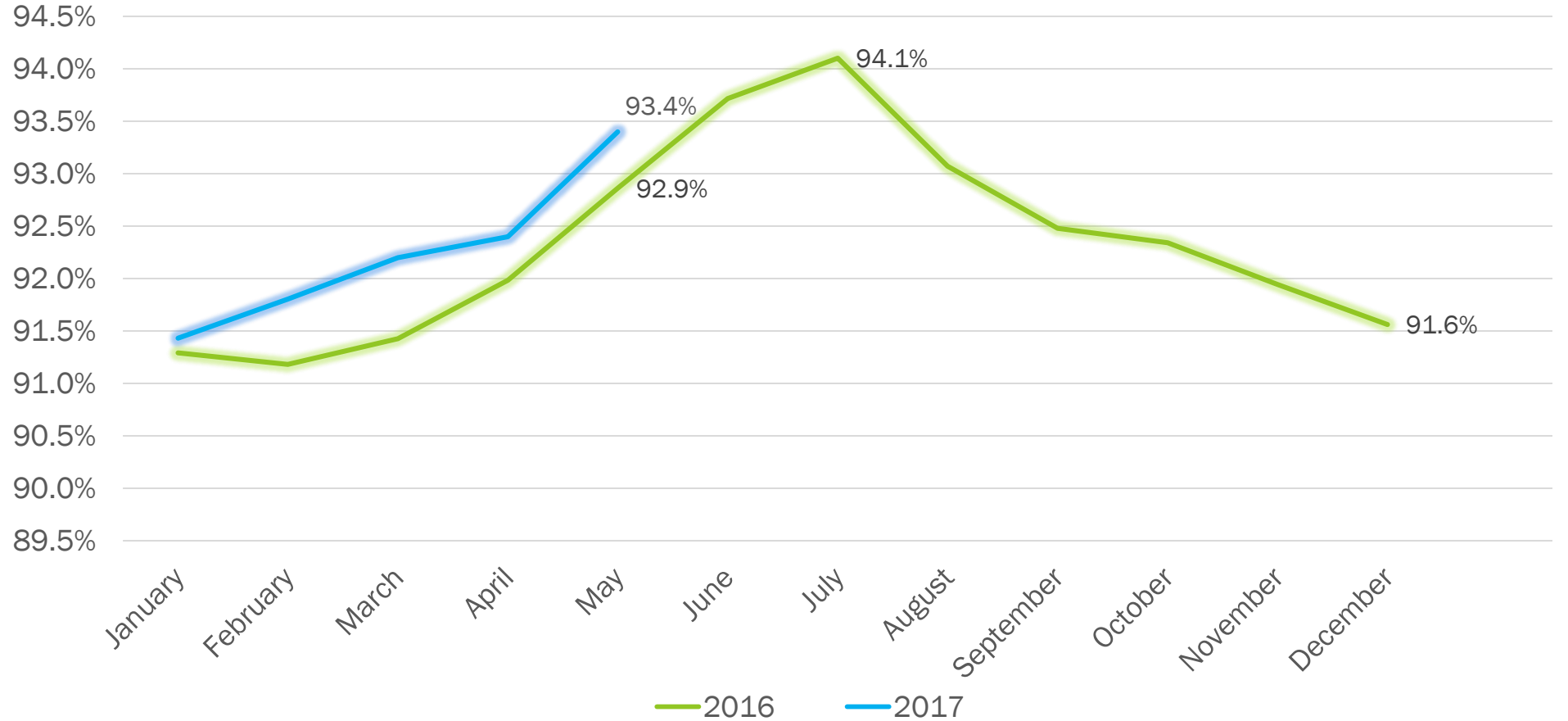
*EXR and PSA results exclude tenant reinsurance revenues and expenses, and LSI and CUBE include the benefit from tenant insurance revenue. Data as of March 31, 2017 as reported in public filings.

Q1 AFFO PER SHARE GROWTH



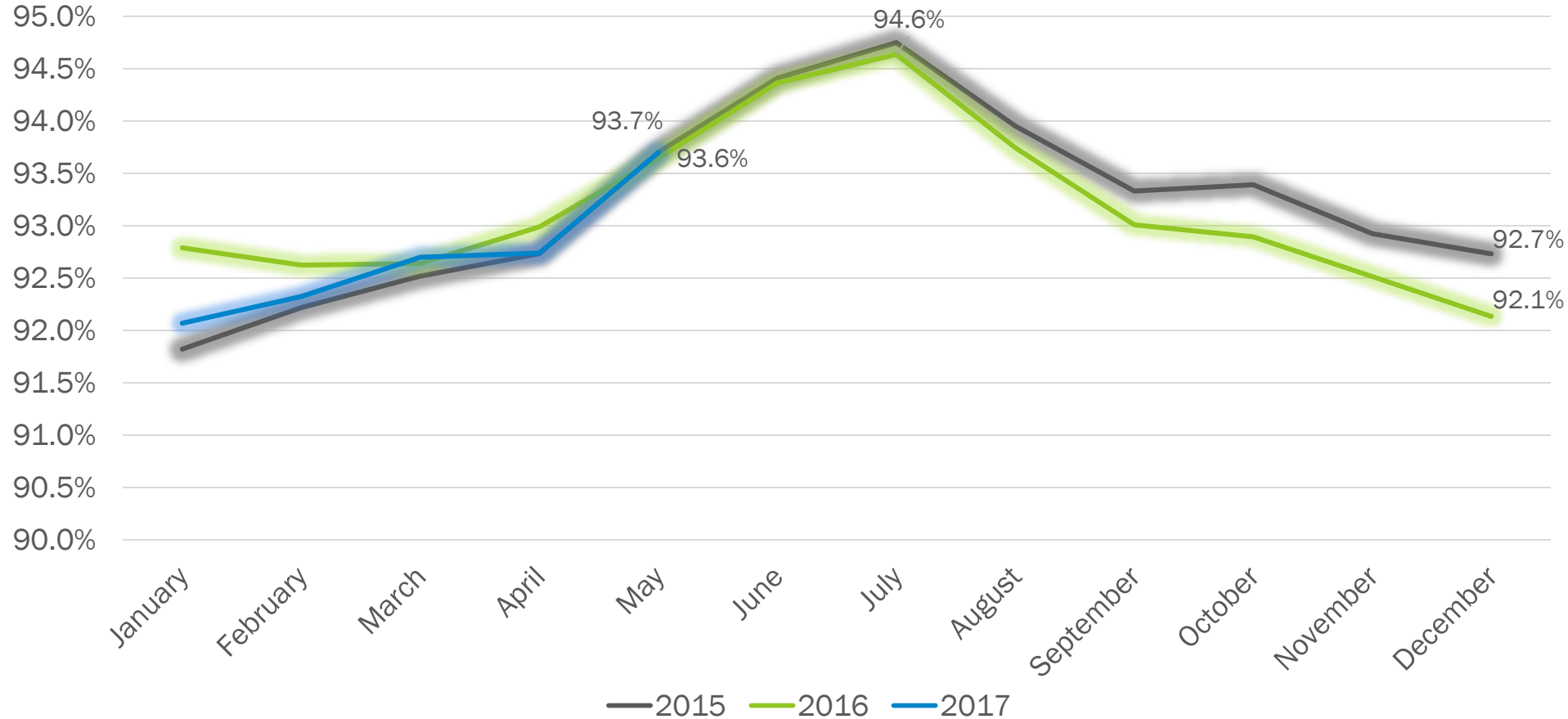
*Data as of March 31, 2017 as reported in public filings.

OCCUPANCY TRENDS – SAME-STORE POOL



*Data for "Same-store" pool of 732 stores

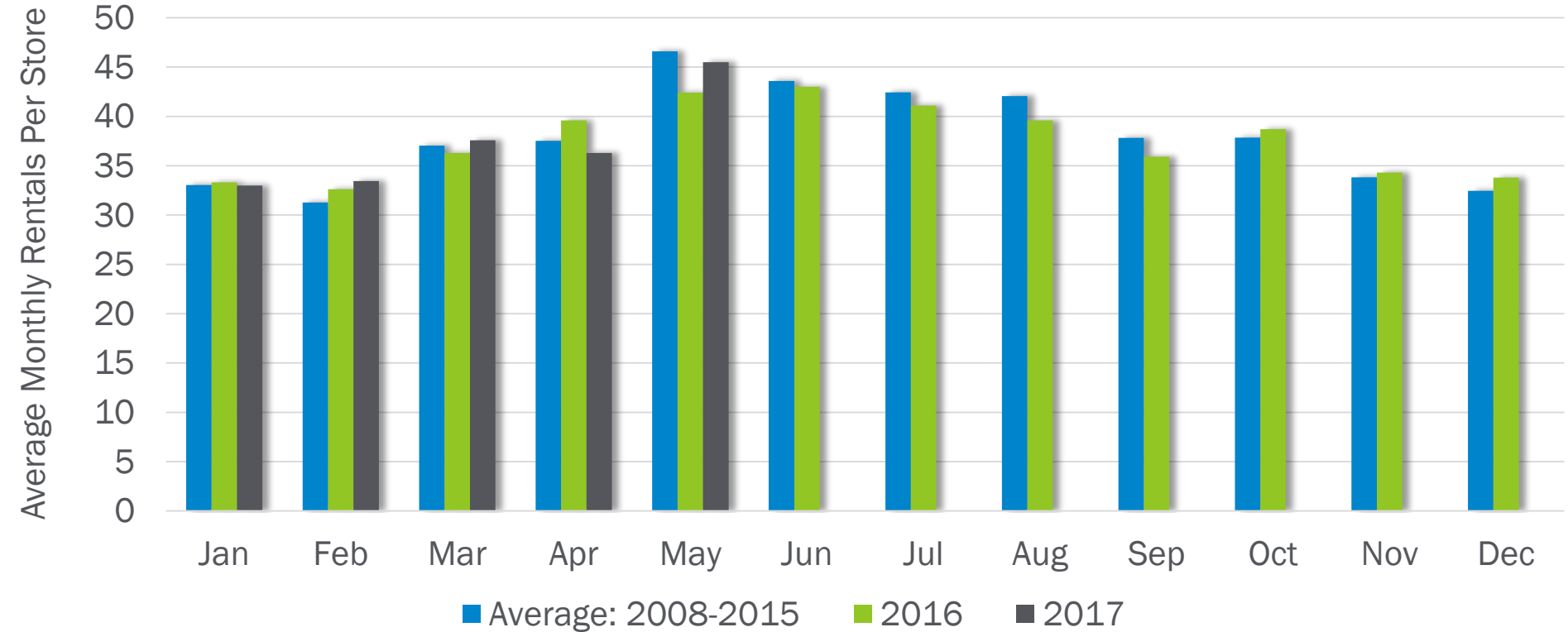
OCCUPANCY TRENDS – CORE POOL



*Data for "Core" pool of 607 stores

STRONG RENTAL ACTIVITY

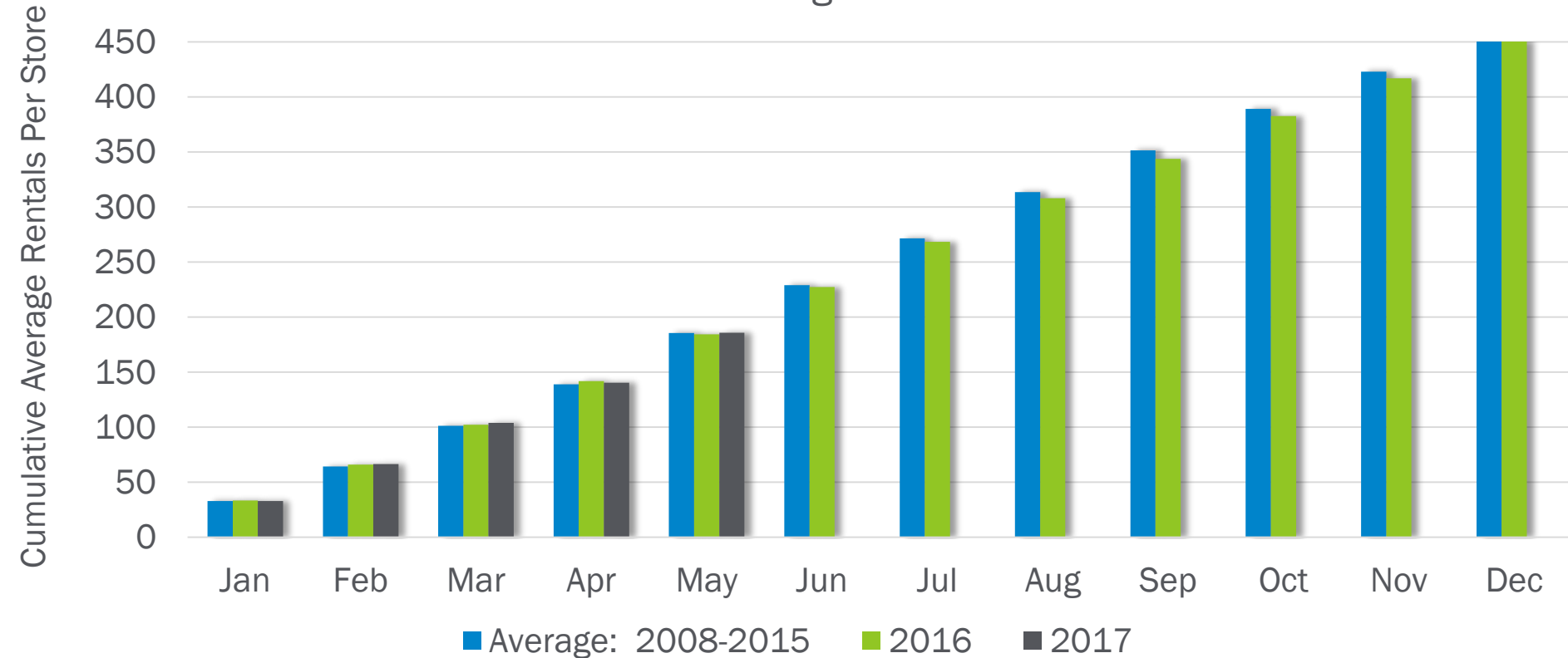
Average Monthly Rentals Per Store



*Data for "Core" pool of 607 stores

STRONG RENTAL ACTIVITY

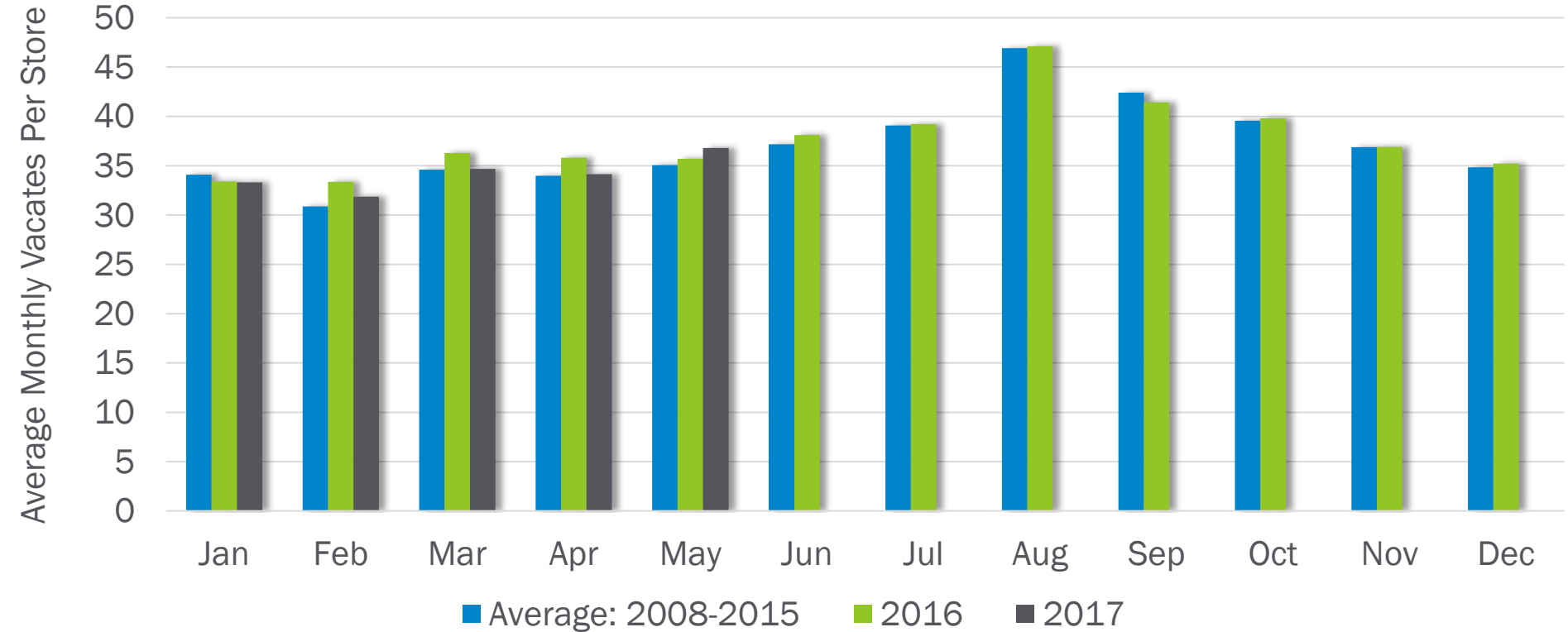
Cumulative Average Rentals Per Store



*Data for "Core" pool of 607 stores

STABLE VACATES

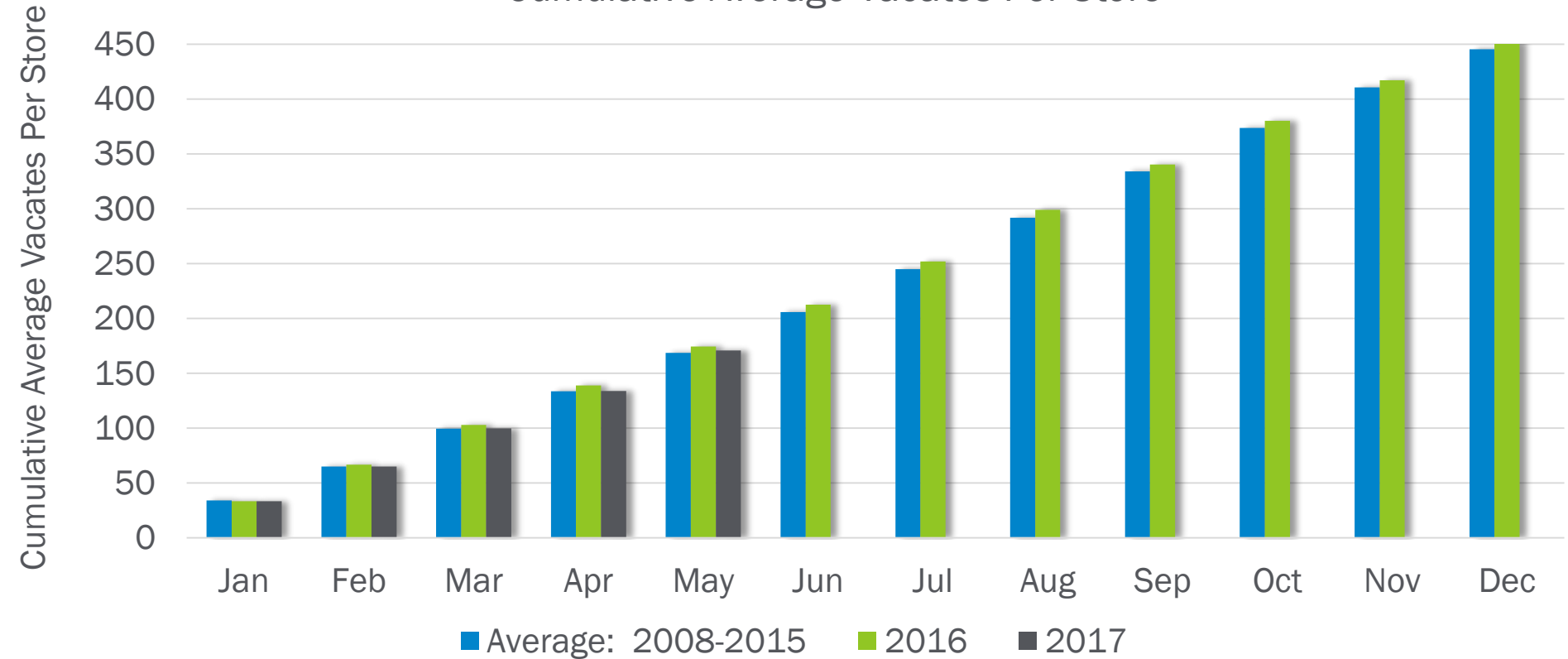
Average Monthly Vacates Per Store



*Data for "Core" pool of 607 stores

STABLE VACATES

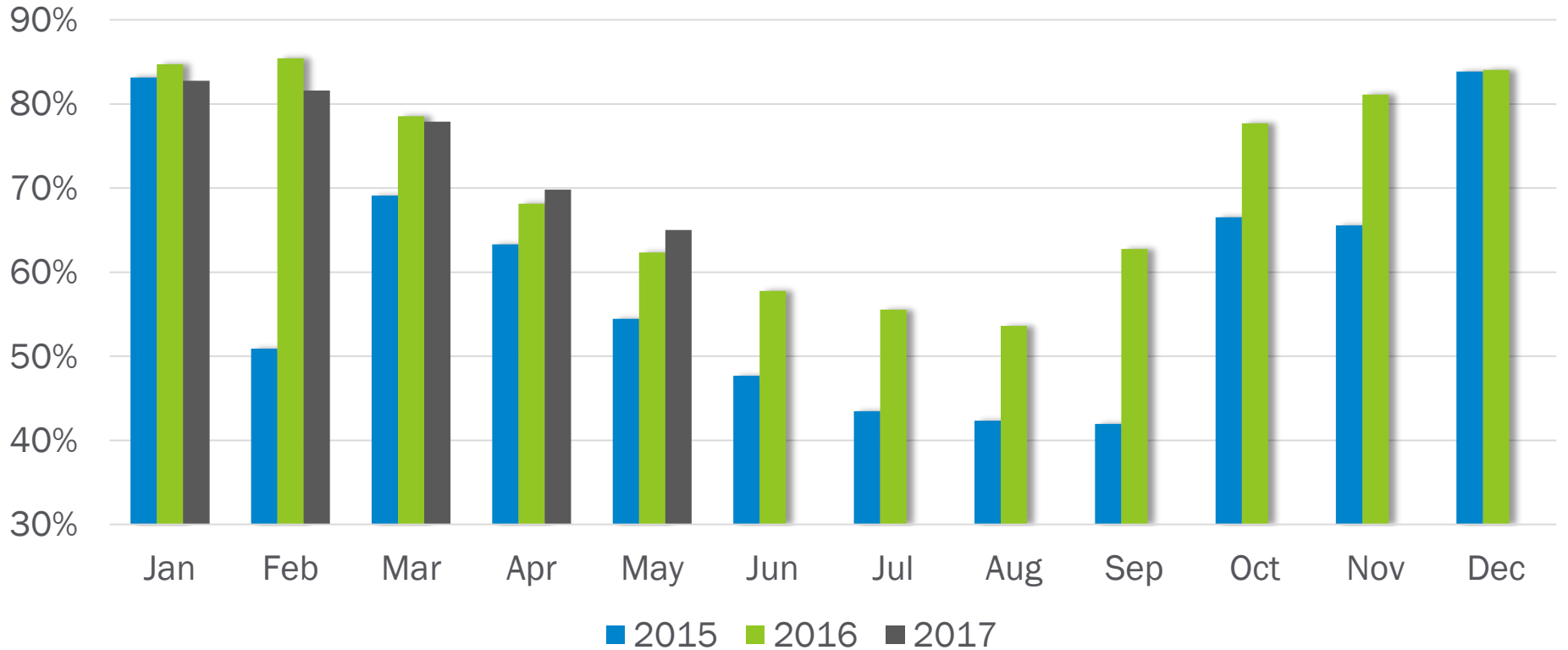
Cumulative Average Vacates Per Store



*Data for "Core" pool of 607 stores

DISCOUNT TRENDS

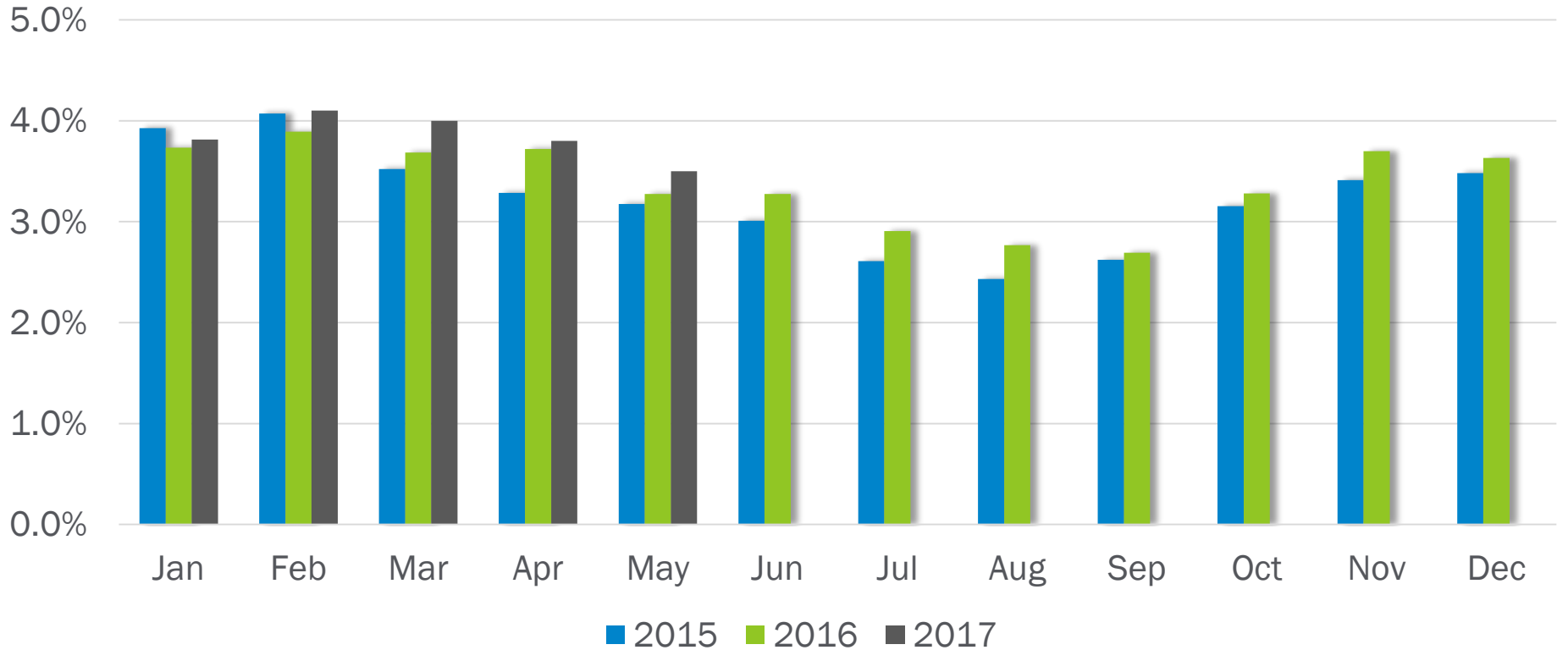
Percentage of New Customers Receiving a Discount



*Data for "Core" pool of 607 stores

DISCOUNT TRENDS

Discounts as a Percentage of Rental Revenue



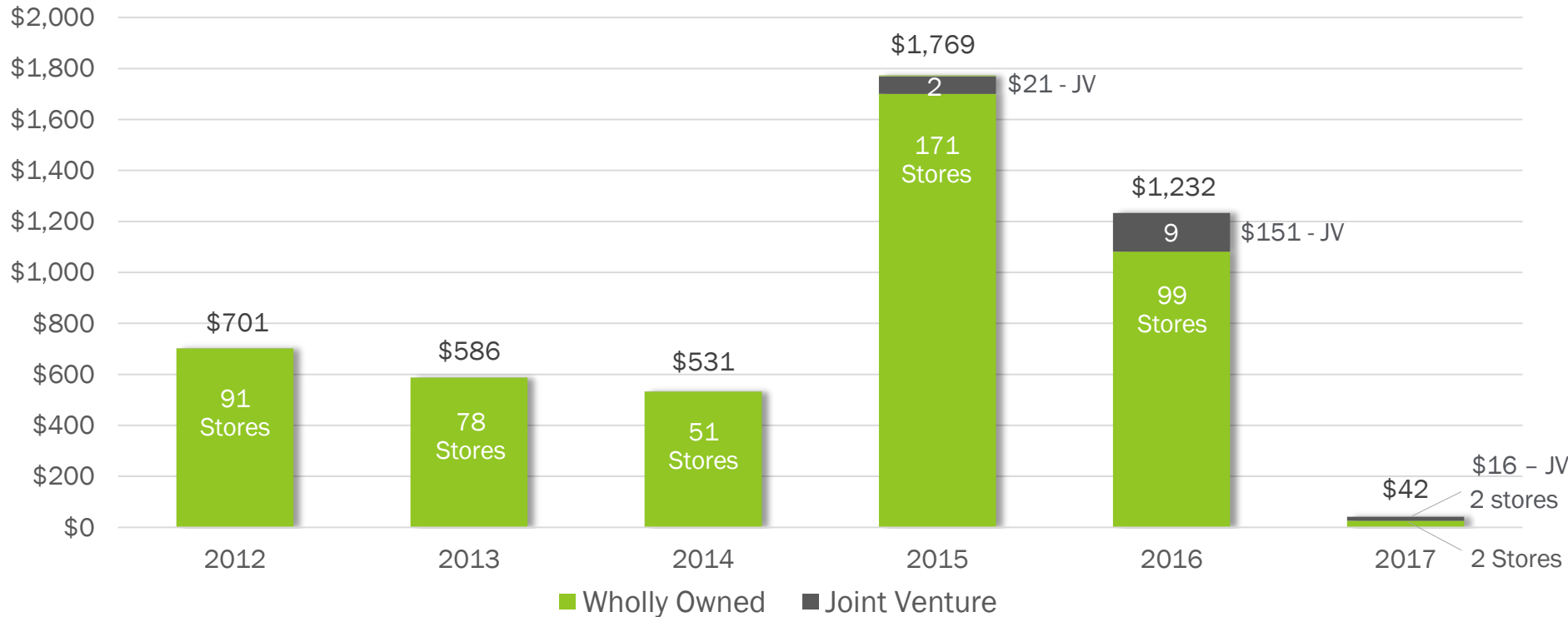
*Data for "Core" pool of 607 stores



Acquisitions and Redevelopment

ROBUST ACQUISITION ACTIVITY

Annual Acquisition Volume
(\$ in millions)



*As of April 26, 2017, Q1 earnings release. Certificate of occupancy acquisitions in joint ventures are considered at purchase price.

CERTIFICATE OF OCCUPANCY & DEVELOPMENT 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>
2014 Closed	2	\$29.3M	-	-	-
2015 Closed	5	\$46.1M	2	\$21.5M	\$8.6M
2016 Closed	8	\$79.6M	9	\$150.6M	\$45.6M
2017 Closed	1	\$7.3M	3	\$32.1M	\$14.0M
2017 To Close	1	\$9.0M	11	\$158.0M	\$61.6M
2018-19 To Close	14	\$182.4M	13	\$341.3M	\$96.2M

*As of April 26, 2017. Stores are included in projected close totals once they are under agreement.

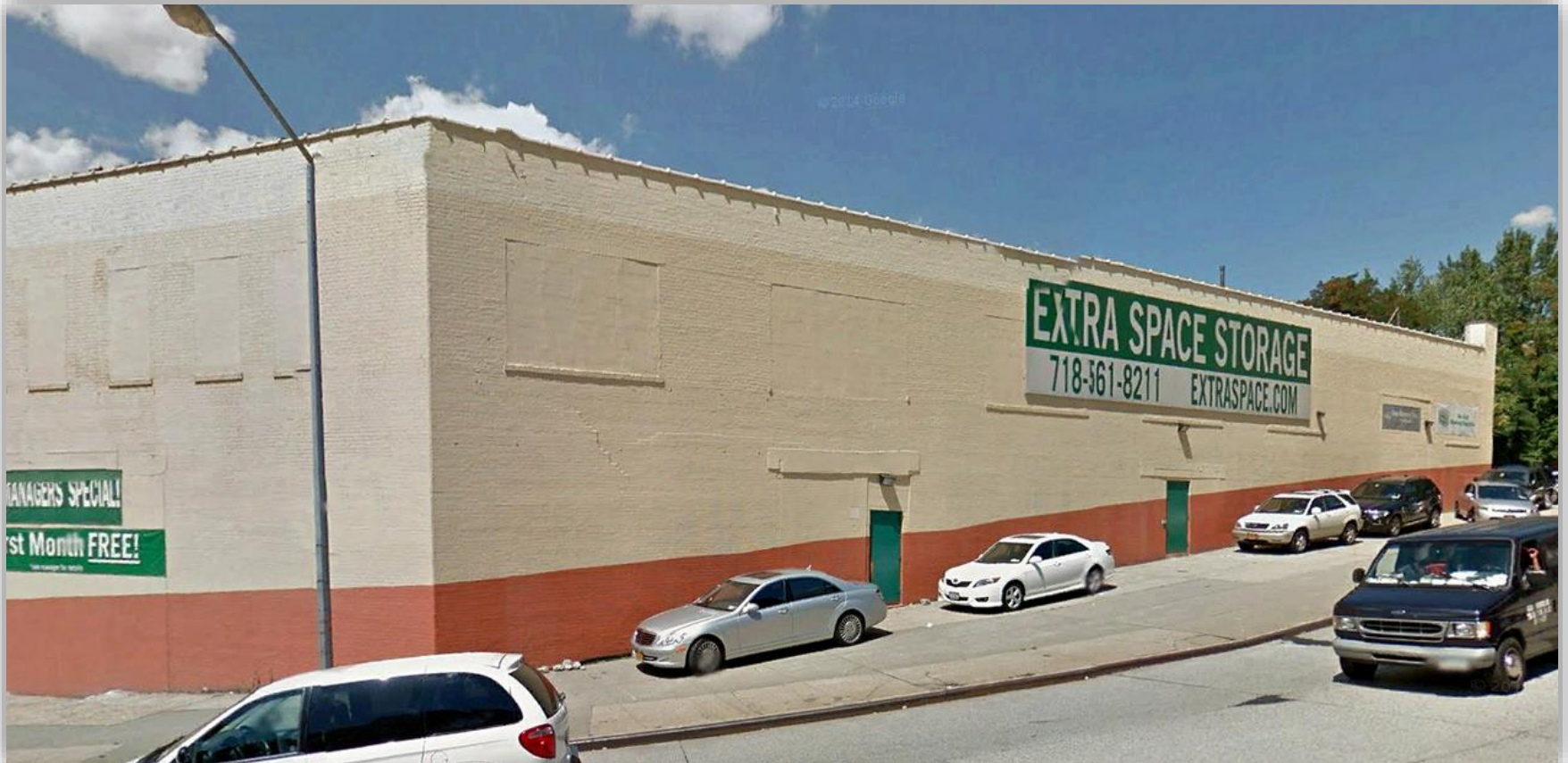
REDEVELOPMENT & CERTIFICATE OF OCCUPANCY STRATEGY

- 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

Sommerville, MA - before



PROACTIVE SITE REDEVELOPMENT

Somerville, MA - after



PROACTIVE SITE EXPANSION

Atlanta, GA - before



PROACTIVE SITE EXPANSION

Atlanta, GA - after



CERTIFICATE OF OCCUPANCY STORES

Tampa, FL



CERTIFICATE OF OCCUPANCY STORES

Norwood, MA





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.