



NEWS RELEASE

## Extra Space Storage Inc. Reports 2021 Fourth Quarter and Year-End Results

2022-02-23

SALT LAKE CITY, Feb. 23, 2022 /PRNewswire/ -- Extra Space Storage Inc. (NYSE: EXR) (the "Company"), a leading owner and operator of self-storage facilities in the United States and a member of the S&P 500, announced operating results for the three months and year ended December 31, 2021.

### Highlights for the three months ended December 31, 2021:

- Achieved net income attributable to common stockholders of \$2.00 per diluted share, representing a 68.1% increase compared to the same period in the prior year.
- Achieved funds from operations attributable to common stockholders and unit holders ("FFO") of \$1.91 per diluted share. FFO, excluding adjustments due to acceleration of compensation expense due to a retired executive, and non-cash interest ("Core FFO"), was \$1.91 per diluted share, representing a 29.1% increase compared to the same period in the prior year.
- Increased same-store revenue by 18.3% and same-store net operating income ("NOI") by 24.2% compared to the same period in the prior year.
- Reported same-store occupancy of 95.3% as of December 31, 2021, compared to 94.9% as of December 31, 2020.
- Acquired 37 operating stores and one store at completion of construction (a "Certificate of Occupancy store" or "C of O store") for a total cost of approximately \$699.4 million.

- In conjunction with joint venture partners, acquired 28 operating stores for a total cost of approximately \$455.5 million, of which the Company invested \$146.2 million.
- Sold 17 stores for a total sales price of \$210.6 million, resulting in a gain on real estate transactions of \$76.9 million. The Company retained management of 12 of the stores.
- Originated \$187.4 million in mortgage and mezzanine bridge loans, and sold \$56.6 million in mortgage bridge loans.
- Issued 0.9 million common operating partnership units at a value of \$188.3 million and 3.5 million preferred operating partnership units at a value of \$88.1 million (\$25.00 per share par value) in conjunction with acquisitions.
- Added 69 stores (gross) to the Company's third-party management platform. As of December 31, 2021, the Company managed 828 stores for third parties and 287 stores in joint ventures, for a total of 1,115 managed stores.
- Paid a quarterly dividend of \$1.25 per share.

### Highlights for the year ended December 31, 2021

- Achieved net income attributable to common stockholders of \$6.19 per diluted share, representing a 66.8% increase compared to the same period in the prior year.
- Achieved FFO of \$6.91 per diluted share. Core FFO was \$6.91 per diluted share, representing a 30.9% increase compared to the same period in the prior year.
- Increased same-store revenue by 13.8% and same-store NOI by 19.7% compared to the same period in the prior year.
- Acquired 63 operating stores and seven C of O stores for a total cost of approximately \$1.1 billion.
- In conjunction with joint venture partners, acquired 49 operating stores for a total cost of approximately \$757.7 million, of which the Company invested \$191.4 million.
- Sold 17 stores for a total sales price of \$210.6 million, resulting in a gain on real estate transactions of \$76.9 million, and sold an additional 16 wholly-owned stores into a new joint venture for a total sales price of \$168.9 million resulting in a gain on real estate transactions of \$64.5 million. The Company retained a 55% interest in the joint venture.
- Originated \$333.0 million in mortgage and mezzanine bridge loans, and sold \$177.4 million in mortgage bridge loans.
- Sold 1.6 million shares of common stock through an overnight offering and an additional 0.6 million shares of common stock using the Company's "at the market" ("ATM") program resulting in total net proceeds of approximately \$273.7 million.
- Issued 0.9 million common operating partnership units at a value of \$188.3 million and 3.5 million preferred operating partnership units at a value of \$88.1 million (\$25.00 per share par value) in conjunction with acquisitions.

- Added 265 stores (gross) to the Company's third-party management platform.

Joe Margolis, CEO of Extra Space Storage Inc., commented: "We had exceptional performance with all-time high occupancy and strong pricing power, resulting in same-store NOI of 24.2% in the fourth quarter and 19.7% for the year. External growth further contributed to our Core FFO growth, which was 29.1% for the fourth quarter and 30.9% for the year. We expect solid storage fundamentals again in 2022, with anticipated same-store revenue growth of 11.5% and Core FFO growth of 13.2% at the mid-points, despite very challenging 2021 comparables. We will continue to innovate and grow Extra Space accretively across all strategies."

### FFO Per Share:

The following table (unaudited) outlines the Company's FFO and Core FFO for the three months and year ended December 31, 2021 and 2020. The table also provides a reconciliation to GAAP net income attributable to common stockholders and earnings per diluted share for each period presented (amounts shown in thousands, except share and per share data):

	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021		2020		2021		2020	
	(per share) <sup>1</sup>		(per share) <sup>1</sup>		(per share) <sup>1</sup>		(per share) <sup>1</sup>	
Net income attributable to common stockholders	\$ 268,427	\$ 2.00	\$ 156,056	\$ 1.19	\$ 827,649	\$ 6.19	\$ 481,779	\$ 3.71
Impact of the difference in weighted average number of shares – diluted <sup>2</sup>		(0.10)		(0.06)		(0.32)		(0.21)
Adjustments:								
Real estate depreciation	58,671	0.41	54,143	0.39	229,133	1.63	214,345	1.55
Amortization of intangibles	1,457	0.01	498	—	4,420	0.03	1,900	0.01
Gain on real estate transactions	(76,877)	(0.54)	(18,075)	(0.13)	(140,760)	(1.00)	(18,075)	(0.13)
Unconsolidated joint venture real estate depreciation and amortization	3,319	0.02	2,354	0.02	11,954	0.08	9,021	0.07
Unconsolidated joint venture gain on sale of real estate assets and purchase of partner's interest	—	—	—	—	(6,251)	(0.04)	—	—
Distributions paid on Series A Preferred Operating Partnership units	(572)	—	(572)	—	(2,288)	(0.02)	(2,288)	(0.02)

Income allocated to Operating Partnership and other noncontrolling interests	15,431	0.11	10,253	0.07	50,109	0.36	35,803	0.26
FFO	\$ 269,856	\$ 1.91	\$ 204,657	\$ 1.48	\$ 973,966	\$ 6.91	\$ 722,485	\$ 5.24
Adjustments:								
Acceleration of share-based compensation expense due to executive officer retirement	—	—	—	—	—	—	1,823	0.01
Non-cash interest expense related to amortization of discount on equity portion of exchangeable senior notes	—	—	—	—	—	—	3,675	0.03
CORE FFO	\$ 269,856	\$ 1.91	\$ 204,657	\$ 1.48	\$ 973,966	\$ 6.91	\$ 727,983	\$ 5.28
Weighted average number of shares — diluted <sup>3</sup>	141,281,049		138,487,044		140,988,683		137,858,441	

- (1) Per share amounts may not recalculate due to rounding.
- (2) Adjustment to account for the difference between the number of shares used to calculate earnings per share and the number of shares used to calculate FFO per share. Earnings per share is calculated using the two-class method, which uses a lower number of shares than the calculation for FFO per share and Core FFO per share, which are calculated assuming full redemption of all OP units as described in note (3).
- (3) Extra Space Storage LP (the "Operating Partnership") has outstanding preferred and common Operating Partnership units ("OP units"). These OP units can be redeemed for cash or, at the Company's election, shares of the Company's common stock. Redemption of all OP units for common stock has been assumed for purposes of calculating the weighted average number of shares — diluted, as presented above. The computation of weighted average number of shares — diluted, for FFO per share and Core FFO per share also includes the effect of share-based compensation plans and our exchangeable senior notes using the treasury stock method.

## Operating Results and Same-Store Performance:

The following table (unaudited) outlines the Company's same-store performance for the three months and year ended December 31, 2021 and 2020 (amounts shown in thousands, except store count data)<sup>1</sup>:

	For the Three Months Ended December 31,		Percent Change	For the Year Ended December 31,		Percent Change
	2021	2020		2021	2020	
Same-store rental revenues <sup>2</sup>	\$ 321,872	\$ 272,059	18.3%	\$ 1,199,750	\$ 1,054,669	13.8%
Same-store operating expenses <sup>2</sup>	76,054	74,206	2.5%	300,935	303,831	(1.0)%
Same-store net operating income <sup>2</sup>	\$ 245,818	\$ 197,853	24.2%	\$ 898,815	\$ 750,838	19.7%
Same-store square foot occupancy as of quarter end	95.3%	94.9%		95.3%	94.9%	
Properties included in same-store	842	842		842	842	

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- (1) A reconciliation of net income to same-store net operating income is provided later in this release, entitled "Reconciliation of GAAP Net Income to Total Same-Store Net Operating Income."
- (2) Same-store revenues, operating expenses and net operating income do not include tenant reinsurance revenue or expense.

Same-store revenues for the three months and year ended December 31, 2021 increased compared to the same periods in 2020 due to higher average occupancy, higher average rates to new and existing customers and higher late fees partially offset by higher discounts.

Same-store expenses increased for the three months ended December 31, 2021 compared to the same period in 2020 due to increases in credit card processing fees, payroll, property taxes and insurance, partially offset by lower marketing expense.

Same-store expenses were lower for the year ended December 31, 2021 compared to the same period in 2020 due to decreases in payroll and marketing expense, partially offset by increases in credit card processing fees, repairs and maintenance expense, property taxes and insurance expense.

Details related to the same-store performance of stores by metropolitan statistical area ("MSA") for the three months and year ended December 31, 2021 are provided in the supplemental financial information published on the Company's Investor Relations website at <https://ir.extraspace.com/>.

### Investment and Property Management Activity:

The following table (unaudited) outlines the Company's acquisitions and developments that are closed, completed or under agreement (dollars in thousands):

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	Closed through December 31, 2021		Closed/Completed Subsequent to December 31, 2021		Scheduled to Still Close/Complete in 2022		Total 2022	
	Stores	Price	Stores	Price	Stores	Price	Stores	Price
<u>Wholly-Owned</u>								
<u>Investment</u>								
Operating Stores <sup>1</sup>	63	\$ 1,026,264	4	\$ 63,616	4	\$ 72,934	8	\$ 136,550
C of O and Development Stores <sup>2</sup>	7	103,600	—	—	7	85,642	7	85,642
EXR Investment in Wholly- Owned Stores	70	1,129,864	4	63,616	11	158,576	15	222,192
<u>Joint Venture</u>								

## Investment

EXR Investment in JV Acquisition of Operating Stores <sup>1</sup>	49	191,383	2	4,250	—	—	2	4,250
EXR Investment in JV Development and C of O <sup>2</sup>	—	—	—	—	4	29,675	4	29,675
EXR Investment in Joint Ventures	49	191,383	2	4,250	4	29,675	6	33,925
Total EXR Investment	119	\$ 1,321,247	6	\$ 67,866	15	\$ 188,251	21	\$ 256,117

- (1) The Company acquired a six-store portfolio during the three months ended September 30, 2021 and a seven-store portfolio during the three months ended December 31, 2021 on a wholly-owned basis, which it transferred into joint ventures during the three months ended December 31, 2021. The original combined investment of the two portfolios of \$250.0 million, has been removed from the wholly-owned investment totals, and is reported in the joint venture investment totals as 13 stores for a total investment of \$56.2 million.
- (2) The locations of C of O and development stores and joint venture ownership interest details are included in the supplemental financial information published on the Company's Investor Relations website at <https://ir.extraspace.com/>.

The projected developments and acquisitions under agreement described above are subject to customary closing conditions and no assurance can be provided that these developments and acquisitions will be completed on the terms described, or at all.

## Bridge Loans:

During the three months ended December 31, 2021, the Company originated \$187.4 million in bridge loans, and the Company has an additional \$227.5 million closed or under agreement to close in 2022. The Company sold \$56.6 million in loans during the three months ended December 31, 2021. Subsequent to year end, the Company sold a \$103.0 million note to a junior mezzanine lender, which exercised its right to buy the Company's position for the full principal balance plus interest due and costs incurred. Additional details related to the Company's loan activity and balances held are included in the supplemental financial information published on the Company's Investor Relations website at <https://ir.extraspace.com/>.

## Dispositions:

The Company sold 17 properties in two transactions, totaling \$210.6 million. The Company retained third-party management of 12 of the stores. The dispositions resulted in a gain on real estate transactions of \$76.9 million.

## Property Management:

As of December 31, 2021, the Company managed 828 stores for third-party owners and 287 stores owned in joint ventures, for a total of 1,115 stores under management. The Company is the largest self-storage management

company in the United States.

### Balance Sheet:

During the three months ended December 31, 2021, the Company issued 0.9 million common operating partnership units at a value of \$188.3 million and 3.5 million preferred operating partnership units at a value of \$88.1 million (\$25.00 per share par value). During the three months ended December 31, 2021, the Company did not issue any shares on its ATM program, and it currently has \$800.0 million available for issuance.

Subsequent to the three months ended December 31, 2021, the Company issued 0.2 million shares of common stock in a private placement at a sales price of \$219.34 per share, resulting in net proceeds of \$41.0 million, in conjunction with the acquisition of two stores.

As of December 31, 2021, the Company's percentage of fixed-rate debt to total debt was 75.3%. The weighted average interest rates of the Company's fixed and variable-rate debt were 3.1% and 1.3%, respectively. The combined weighted average interest rate was 2.6% with a weighted average maturity of approximately 5.5 years.

### Dividends:

On December 31, 2021, the Company paid a fourth quarter common stock dividend of \$1.25 per share to stockholders of record at the close of business on December 15, 2021.

### Outlook:

The following table outlines the Company's FFO estimates and annual assumptions for the year ending December 31, 2022<sup>1</sup>:

	Ranges for 2022 Annual Assumptions		Notes
	Low	High	
FFO	\$ 7.70	\$ 7.95	
Core FFO	\$ 7.70	\$ 7.95	
Dilution per share from C of O and value add acquisitions	\$ 0.23	\$ 0.23	
Same-store revenue growth	10.50 %	12.50 %	Same-store pool of 870 stores
Same-store expense growth	6.00 %	7.50 %	Same-store pool of 870 stores
Same-store NOI growth	11.50 %	14.50 %	Same-store pool of 870 stores
Weighted average one-month LIBOR	0.80 %	0.80 %	
Net tenant reinsurance income	\$ 153,500,000	\$ 155,500,000	
Management fees and other income	\$ 76,000,000	\$ 77,000,000	
Interest income	\$ 50,000,000	\$ 51,000,000	Includes dividends from JCAP preferred investment
General and administrative expenses	\$ 121,500,000	\$ 123,000,000	Includes non-cash compensation
Average monthly cash balance	\$ 60,000,000	\$ 60,000,000	

Equity in earnings of real estate ventures	\$ 36,500,000	\$ 37,500,000	Includes dividends from SmartStop preferred investment
Interest expense	\$ 183,500,000	\$ 185,500,000	
Taxes associated with Company's taxable REIT subsidiary	\$ 21,500,000	\$ 22,500,000	Represents the Company's investment Represents the Company's share of loans net of loan sales Assumes redemption of all OP units for common stock
Acquisitions	\$ 500,000,000	\$ 500,000,000	
Bridge loans	\$ 120,000,000	\$ 120,000,000	
Weighted average share count	143,000,000	143,000,000	

- (1) A reconciliation of net income outlook to same-store net operating income outlook is provided later in this release entitled "Reconciliation of Estimated GAAP Net Income to Estimated Same-Store Net Operating Income." The reconciliation includes details related to same-store revenue and same-store expense outlooks. A reconciliation of net income per share outlook to funds from operations per share outlook is provided later in this release entitled "Reconciliation of the Range of Estimated GAAP Fully Diluted Earnings Per Share to Estimated Fully Diluted FFO Per Share."

FFO estimates for the year are fully diluted for an estimated average number of shares and OP units outstanding during the year. The Company's estimates are forward-looking and based on management's view of current and future market conditions. The Company's actual results may differ materially from these estimates.

### Supplemental Financial Information:

Supplemental unaudited financial information regarding the Company's performance can be found on the Company's website at [www.extraspace.com](http://www.extraspace.com). Under the "Company Info" navigation menu on the home page, click on "Investor Relations," then under the "Financials & Stock Information" navigation menu click on "Quarterly Earnings." This supplemental information provides additional detail on items that include store occupancy and financial performance by portfolio and market, debt maturity schedules and performance of lease-up assets.

### Conference Call:

The Company will host a conference call at 1:00 p.m. Eastern Time on Thursday, February 24, 2022, to discuss its financial results. To participate in the conference call, please dial 855-791-2026 or 631-485-4899 for international participants; audience passcode: 1815029. The conference call will also be available on the Company's investor relations website at <https://ir.extraspace.com>. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software. A replay of the call will be available for 30 days on the Company's website in the Investor Relations section.

A replay of the call will also be available by telephone from 4:30 p.m. Eastern Time on February 24, 2022, until 4:30 p.m. Eastern Time on March 3, 2022. The replay dial-in numbers are 855-859-2056 or 404-537-3406 for international callers; passcode: 1815029.

### Forward-Looking Statements:

Certain information set forth in this release contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning the benefits of store acquisitions, developments, 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, the competitive landscape, plans or intentions relating to acquisitions and developments 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 and developments 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;
- potential liability for uninsured losses and environmental contamination;
- 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;
- impacts from the COVID-19 pandemic or the future outbreak of other highly infectious or contagious diseases, including reduced demand for self-storage space and ancillary products and services such as tenant reinsurance, and potential decreases in occupancy and rental rates and staffing levels, which could adversely affect our results;
- increases in interest rates;
- reductions in asset valuations and related impairment charges;
- our lack of sole decision-making authority with respect to our joint venture investments;
- the effect of recent or future changes to U.S. tax laws;
- the failure to maintain our REIT status for U.S. federal income tax purposes; and
- economic uncertainty due to the impact of natural disasters, war or terrorism, which could adversely affect

our business plan.

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.

### 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 related to real estate 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 Core FFO. Core FFO excludes revenues and expenses not core to our operations and non-cash interest. Although the Company's calculation of Core FFO 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 and non-cash interest charges, stockholders and potential investors are presented with an indicator of our operating performance that more closely achieves the objectives of the real estate industry in presenting FFO. Core FFO 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.

### Definition of Same-Store:

The Company's same-store pool for the periods presented consists of 842 stores that are wholly-owned and operated and that were stabilized by the first day of the earliest calendar year presented. The Company considers a store to be stabilized once it has been open for three years or has sustained average square foot occupancy of 80.0% or more for one calendar year. The Company believes that by providing same-store results from a stabilized pool of stores, with accompanying operating metrics including, but not limited to occupancy, rental revenue (growth), operating expenses (growth), net operating income (growth), etc., stockholders and potential investors are able to evaluate operating performance without the effects of non-stabilized occupancy levels, rent levels, expense levels, acquisitions or completed developments. Same-store results should not be used as a basis for future same-store performance or for the performance of the Company's stores as a whole.

### About Extra Space Storage Inc.:

Extra Space Storage Inc., headquartered in Salt Lake City, Utah, is a self-administered and self-managed REIT and a member of the S&P 500. As of December 31, 2021, the Company owned and/or operated 2,096 self-storage stores in 41 states and Washington, D.C. The Company's stores comprise approximately 1.5 million units and approximately 160.9 million square feet of rentable space. The Company offers customers a wide selection of conveniently located and secure storage units across the country, including boat storage, RV storage and business storage. The Company is the second largest owner and/or operator of self-storage stores in the United States and is the largest self-storage management company in the United States.

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Extra Space Storage Inc.  
Condensed Consolidated Balance Sheets  
(In thousands, except share data)

	December 31, 2021 (Unaudited)	December 31, 2020
Assets:		
Real estate assets, net	\$ 8,834,649	\$ 7,893,802
Real estate assets - operating lease right-of-use assets	227,949	252,172
Investments in unconsolidated real estate entities	457,326	397,444
Investments in debt securities and notes receivable	719,187	593,810
Cash and cash equivalents	71,126	109,124
Restricted cash	5,068	18,885

Other assets, net	159,172	130,611
Total assets	<u>\$ 10,474,477</u>	<u>\$ 9,395,848</u>
Liabilities, Noncontrolling Interests and Equity:		
Notes payable, net	\$ 1,320,755	\$ 2,283,454
Unsecured term loans, net	1,741,926	1,194,383
Unsecured senior notes, net	2,360,066	1,319,466
Revolving lines of credit	535,000	949,000
Operating lease liabilities	233,356	263,485
Cash distributions in unconsolidated real estate ventures	63,582	47,126
Accounts payable and accrued expenses	142,285	130,012
Other liabilities	291,531	272,798
Total liabilities	<u>6,688,501</u>	<u>6,459,724</u>
Commitments and contingencies		
Noncontrolling Interests and Equity:		
Extra Space Storage Inc. stockholders' equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value, 500,000,000 shares authorized, 133,922,305 and 131,357,961 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	1,339	1,314
Additional paid-in capital	3,285,948	3,000,458
Accumulated other comprehensive loss	(42,546)	(99,093)
Accumulated deficit	(128,245)	(354,900)
Total Extra Space Storage Inc. stockholders' equity	<u>3,116,496</u>	<u>2,547,779</u>
Noncontrolling interest represented by Preferred Operating Partnership units, net	259,110	172,052
Noncontrolling interests in Operating Partnership, net and other noncontrolling interests	410,370	216,293
Total noncontrolling interests and equity	<u>3,785,976</u>	<u>2,936,124</u>
Total liabilities, noncontrolling interests and equity	<u>\$ 10,474,477</u>	<u>\$ 9,395,848</u>

Consolidated Statement of Operations for the Three Months and Year Ended December 31, 2021 and 2020  
(In thousands, except share and per share data) - Unaudited

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020
Revenues:				
Property rental	\$ 364,542	\$ 301,084	\$ 1,340,990	\$ 1,157,522
Tenant reinsurance	43,897	38,576	170,108	146,561
Management fees and other income	18,944	13,830	66,264	52,129
Total revenues	<u>427,383</u>	<u>353,490</u>	<u>1,577,362</u>	<u>1,356,212</u>
Expenses:				
Property operations	94,292	88,956	368,608	360,615
Tenant reinsurance	8,083	5,769	29,488	26,494
General and administrative	27,918	24,352	102,194	96,594
Depreciation and amortization	62,194	56,739	241,879	224,444
Total expenses	<u>192,487</u>	<u>175,816</u>	<u>742,169</u>	<u>708,147</u>
Gain on real estate transactions	76,877	18,075	140,760	18,075
Income from operations	311,773	195,749	975,953	666,140
Interest expense	(45,578)	(41,016)	(166,183)	(168,626)
Non-cash interest expense related to amortization of discount on equity component of exchangeable senior notes	—	—	—	(3,675)
Interest income	12,832	8,704	49,703	15,192
Income before equity in earnings and dividend income from unconsolidated real estate ventures and income tax expense	279,027	163,437	859,473	509,031
Equity in earnings and dividend income from unconsolidated real estate entities	8,825	6,669	32,358	22,361
Equity in earnings of unconsolidated real estate ventures - gain on sale of real estate assets and purchase of joint venture partner's interest	—	—	6,251	—
Income tax expense	(3,994)	(3,797)	(20,324)	(13,810)
Net income	<u>283,858</u>	<u>166,309</u>	<u>877,758</u>	<u>517,582</u>
Net income allocated to Preferred Operating Partnership noncontrolling interests	(4,050)	(3,384)	(14,697)	(12,882)
Net income allocated to Operating Partnership and other noncontrolling interests	<u>(11,381)</u>	<u>(6,869)</u>	<u>(35,412)</u>	<u>(22,921)</u>

Net income attributable to common stockholders	<u>\$ 268,427</u>	<u>\$ 156,056</u>	<u>\$ 827,649</u>	<u>\$ 481,779</u>
Earnings per common share				
Basic	<u>\$ 2.00</u>	<u>\$ 1.20</u>	<u>\$ 6.20</u>	<u>\$ 3.71</u>
Diluted	<u>\$ 2.00</u>	<u>\$ 1.19</u>	<u>\$ 6.19</u>	<u>\$ 3.71</u>
Weighted average number of shares				
Basic	133,900,276	130,388,071	133,374,938	129,541,531
Diluted	141,088,941	138,127,843	140,016,028	129,584,829

Reconciliation of GAAP Net Income to Total Same-Store Net Operating Income — for the Three Months and Year Ended December 31, 2021 and 2020  
(In thousands) - Unaudited

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020
Net Income	\$ 283,858	\$ 166,309	\$ 877,758	\$ 517,582
Adjusted to exclude:				
Gain on real estate transactions	(76,877)	(18,075)	(140,760)	(18,075)
Equity in earnings and dividend income from unconsolidated real estate entities	(8,825)	(6,669)	(32,358)	(22,361)
Equity in earnings of unconsolidated real estate ventures - gain on sale of real estate assets and purchase of joint venture partner's interest	—	—	(6,251)	—
Interest expense	45,578	41,016	166,183	172,301
Depreciation and amortization	62,194	56,739	241,879	224,444
Income tax expense	3,994	3,797	20,324	13,810
General and administrative	27,918	24,352	102,194	96,594
Management fees, other income and interest income	(31,776)	(22,534)	(115,967)	(67,321)
Net tenant insurance	(35,814)	(32,807)	(140,620)	(120,067)
Non same-store rental revenue	(42,670)	(29,025)	(141,240)	(102,853)
Non same-store operating expense	18,238	14,750	67,673	56,784
Total same-store net operating income	<u>\$ 245,818</u>	<u>\$ 197,853</u>	<u>\$ 898,815</u>	<u>\$ 750,838</u>
Same-store rental revenues	321,872	272,059	1,199,750	1,054,669
Same-store operating expenses	76,054	74,206	300,935	303,831
Same-store net operating income	<u>\$ 245,818</u>	<u>\$ 197,853</u>	<u>\$ 898,815</u>	<u>\$ 750,838</u>

Reconciliation of the Range of Estimated GAAP Fully Diluted Earnings Per Share to Estimated Fully Diluted FFO Per Share — for the Year Ending December 31, 2022 - Unaudited

	For the Year Ending December 31, 2022	
	Low End	High End
Net income attributable to common stockholders per diluted share	\$ 5.54	\$ 5.79
Income allocated to noncontrolling interest - Preferred Operating Partnership and Operating		

Partnership	0.35	0.35
Fixed component of income allocated to non-controlling interest - Preferred Operating Partnership	(0.02)	(0.02)
Net income attributable to common stockholders for diluted computations	5.87	6.12
Adjustments:		
Real estate depreciation	1.69	1.69
Amortization of intangibles	0.03	0.03
Unconsolidated joint venture real estate depreciation and amortization	0.11	0.11
Funds from operations attributable to common stockholders	7.70	7.95
Core funds from operations attributable to common stockholders	\$ 7.70	\$ 7.95

Reconciliation of Estimated GAAP Net Income to Estimated Same-Store Net Operating Income — for the Year Ending December 31, 2022 (In thousands) - Unaudited

	For the Year Ending December 31, 2022	
	Low	High
Net Income	\$ 839,500	\$ 878,750
Adjusted to exclude:		
Equity in earnings of unconsolidated joint ventures	(36,500)	(37,500)
Interest expense	185,500	183,500
Depreciation and amortization	255,000	255,000
Income tax expense	22,500	21,500
General and administrative	123,000	121,500
Management fees and other income	(76,000)	(77,000)
Interest income	(50,000)	(51,000)
Net tenant reinsurance income	(153,500)	(155,500)
Non same-store rental revenues	(158,000)	(158,000)
Non same-store operating expenses	73,000	73,000
Total same-store net operating income <sup>1</sup>	\$ 1,024,500	\$ 1,054,250
Same-store rental revenues <sup>1</sup>	1,361,000	1,386,000
Same-store operating expenses <sup>1</sup>	336,500	331,750
Total same-store net operating income <sup>1</sup>	\$ 1,024,500	\$ 1,054,250

(1) Estimated same-store rental revenues, operating expenses and net operating income are for the Company's 2022 same-store pool of 871 stores.

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Jeff Norman, Extra Space Storage Inc., (801) 365-1759