

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2025
or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.
Commission File Number: 001-32269
-

EXTRA SPACE STORAGE INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

20-1076777
(I.R.S. Employer
Identification No.)

2795 East Cottonwood Parkway, Suite 300
Salt Lake City, Utah 84121
(Address of principal executive offices)

Registrant's telephone number, including area code: (801) 365-4600

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	EXR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock, par value \$0.01 per share, as of April 28, 2025, was 212,210,881.

EXTRA SPACE STORAGE INC.

TABLE OF CONTENTS

STATEMENT ON FORWARD-LOOKING INFORMATION	4
PART I. FINANCIAL INFORMATION	6
ITEM 1. FINANCIAL STATEMENTS (unaudited)	6
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	12
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	28
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	39
ITEM 4. CONTROLS AND PROCEDURES	39
PART II. OTHER INFORMATION	40
ITEM 1. LEGAL PROCEEDINGS	40
ITEM 1A. RISK FACTORS	40
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	40
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	40
ITEM 4. MINE SAFETY DISCLOSURES	40
ITEM 5. OTHER INFORMATION	40
ITEM 6. EXHIBITS	41
SIGNATURES	44

STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information set forth in this report contains “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements include 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,” “expects,” “estimates,” “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.

All forward-looking statements, including without limitation, management’s examination of historical operating trends and estimates of future earnings, 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.

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 report. Any forward-looking statements should be considered in light of the risks referenced in “Part II. Item 1A. Risk Factors” below and in “Part I. Item 1A. Risk Factors” included in our most recent Annual Report on Form 10-K. Such factors include, but are not limited to, the following:

- adverse changes in general economic conditions, the real estate industry and the markets in which we operate;
- potential liability for uninsured losses and environmental contamination;
- our ability to recover losses under our insurance policies;
- 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;
- the effect of competition from new and existing stores or other storage alternatives, including increased or unanticipated competition for our properties, which could cause rents and occupancy rates to decline;
- failure to close pending acquisitions and developments on expected terms, or at all;
- risks associated with acquisitions, dispositions and development of properties, including increased development costs due to additional regulatory requirements related to climate change and other factors;
- reductions in asset valuations and related impairment charges;
- our reliance on information technologies, which are vulnerable to, among other things, attack from computer viruses and malware, hacking, cyberattacks and other unauthorized access or misuse, any of which could adversely affect our business and results;
- impacts from any outbreak of 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;
- economic uncertainty due to the impact of natural disasters, war or terrorism, which could adversely affect our business plan;
- our lack of sole decision-making authority with respect to our joint venture investments;
- 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;
- availability of financing and capital, the levels of debt that we maintain and our credit ratings;
- changes in global financial markets and increases in interest rates;
- the effect of recent or future changes to U.S. tax laws; and
- the failure to maintain our REIT status for U.S. federal income tax purposes.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-

looking statements. You should carefully consider these risks before you make an investment decision with respect to our securities.

We disclaim any duty or obligation to update or revise any forward-looking statements set forth in this report to reflect new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 2025 (unaudited)	December 31, 2024
Assets:		
Real estate assets, net	\$ 24,683,924	\$ 24,587,627
Real estate assets - operating lease right-of-use assets	685,393	689,803
Investments in unconsolidated real estate entities	1,320,849	1,332,338
Investments in debt securities and notes receivable	1,675,464	1,550,950
Cash and cash equivalents	119,559	138,222
Other assets, net	508,729	548,986
Total assets	\$ 28,993,918	\$ 28,847,926
Liabilities, Noncontrolling Interests and Equity:		
Secured notes payable, net	\$ 999,062	\$ 1,010,541
Unsecured term loans, net	1,948,161	2,192,507
Unsecured senior notes, net	8,616,517	7,756,968
Revolving lines of credit and commercial paper	978,000	1,362,000
Operating lease liabilities	704,730	705,845
Cash distributions in unconsolidated real estate ventures	76,097	75,319
Accounts payable and accrued expenses	359,495	346,519
Other liabilities	533,353	538,865
Total liabilities	14,215,415	13,988,564
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, 212,225,353 and 211,995,510 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	2,122	2,120
Additional paid-in capital	14,851,126	14,831,946
Accumulated other comprehensive income	6,204	12,806
Accumulated deficit	(972,665)	(899,337)
Total Extra Space Storage Inc. stockholders' equity	13,886,787	13,947,535
Noncontrolling interest represented by Preferred Operating Partnership units	53,827	76,092
Noncontrolling interests in Operating Partnership, net and other noncontrolling interests	837,889	835,735
Total noncontrolling interests and equity	14,778,503	14,859,362
Total liabilities, noncontrolling interests and equity	\$ 28,993,918	\$ 28,847,926

See notes to unaudited condensed consolidated financial statements.

Extra Space Storage Inc.
Condensed Consolidated Statements of Operations
(amounts in thousands, except share data)
(unaudited)

	For the Three Months Ended March 31,	
	2025	2024
Revenues:		
Property rental	\$ 704,380	\$ 688,044
Tenant reinsurance	84,712	81,347
Management fees and other income	30,905	30,148
Total revenues	819,997	799,539
Expenses:		
Property operations	223,582	204,518
Tenant reinsurance	17,116	18,505
General and administrative	45,974	43,722
Depreciation and amortization	180,356	196,966
Total expenses	467,028	463,711
Gain on real estate assets held for sale and sold, net	35,761	—
Income from operations	388,730	335,828
Interest expense	(142,399)	(132,887)
Non-cash interest expense related to amortization of discount on Life Storage unsecured senior notes	(11,313)	(10,705)
Interest income	38,967	23,573
Income before equity in earnings and dividend income from unconsolidated real estate entities and income tax expense	273,985	215,809
Equity in earnings and dividend income from unconsolidated real estate entities	19,931	15,007
Income tax expense	(8,991)	(6,742)
Net income	284,925	224,074
Net income allocated to Preferred Operating Partnership noncontrolling interests	(724)	(2,208)
Net income allocated to Operating Partnership and other noncontrolling interests	(13,326)	(8,754)
Net income attributable to common stockholders	\$ 270,875	\$ 213,112
Earnings per common share		
Basic	\$ 1.28	\$ 1.01
Diluted	\$ 1.28	\$ 1.01
Weighted average number of shares		
Basic	211,850,618	211,283,335
Diluted	212,052,742	220,018,777
Cash dividends paid per common share	\$ 1.62	\$ 1.62

See notes to unaudited condensed consolidated financial statements.

Extra Space Storage Inc.
Condensed Consolidated Statements of Comprehensive Income
(amounts in thousands)
(unaudited)

	For the Three Months Ended March 31,	
	2025	2024
Net income	\$ 284,925	\$ 224,074
Other comprehensive income:		
Change in fair value of interest rate swaps	(6,937)	11,202
Total comprehensive income	277,988	235,276
Less: comprehensive income attributable to noncontrolling interests	13,715	11,408
Comprehensive income attributable to common stockholders	\$ 264,273	\$ 223,868

See notes to unaudited condensed consolidated financial statements.

Extra Space Storage Inc.
Condensed Consolidated Statements of Noncontrolling Interests and Equity
(unaudited, amounts in thousands, except share data)

	Noncontrolling Interest			Extra Space Storage Inc. Stockholders' Equity					Total Noncontrolling Interests and Equity
	Preferred Operating Partnership	Operating Partnership	Other	Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	
Balances at December 31, 2023	\$ 222,360	\$ 791,754	\$ 8,914	211,278,803	\$ 2,113	\$14,750,388	\$ 17,435	\$ (379,015)	\$ 15,413,949
Issuance of common stock for share based compensation, exercise of options and taxes paid upon net settlement	—	—	—	96,927	1	(392)	—	—	(391)
Issuance of common stock, net of offering costs	—	—	—	2,310	—	365	—	—	365
Redemption of Operating Partnership units for stock	(3,536)	(22,991)	—	280,772	3	26,527	—	—	3
Noncontrolling interest in consolidated joint ventures	—	—	206	—	—	—	—	—	206
Net income	2,208	8,737	17	—	—	—	—	213,112	224,074
Other comprehensive loss	—	446	—	—	—	—	10,756	—	11,202
Distributions to Operating Partnership units and other noncontrolling interests	(2,208)	(13,975)	—	—	—	—	—	—	(16,183)
Dividends paid on common stock at \$1.62 per share	—	—	—	—	—	—	—	(344,247)	(344,247)
Balances at March 31, 2024	\$ 218,824	\$ 763,971	\$ 9,137	211,658,812	\$ 2,117	\$14,776,888	\$ 28,191	\$ (510,150)	\$ 15,288,978
Balances at December 31, 2024	\$ 76,092	\$ 823,898	\$11,837	211,995,510	\$ 2,120	\$14,831,946	\$ 12,806	\$ (899,337)	\$ 14,859,362
Issuance of common stock for share based compensation and taxes paid upon net settlement	—	—	—	74,513	—	400	—	—	400
Redemption of Operating Partnership units for stock	(22,265)	(1,085)	—	155,330	2	23,348	—	—	—
Issuance of Operating Partnership units in conjunction with acquisitions	—	5,878	—	—	—	—	—	—	5,878
Purchase of remaining equity interest in existing consolidated joint venture	—	—	—	—	—	(4,568)	—	—	(4,568)
Noncontrolling interest in consolidated joint ventures	—	—	(275)	—	—	—	—	—	(275)
Net income (loss)	723	13,335	(8)	—	—	—	—	270,875	284,925
Other comprehensive loss	—	(335)	—	—	—	—	(6,602)	—	(6,937)
Distributions to Operating Partnership units and other noncontrolling interests	(723)	(15,339)	(17)	—	—	—	—	—	(16,079)
Dividends paid on common stock at \$1.62 per share	—	—	—	—	—	—	—	(344,203)	(344,203)
Balances at March 31, 2025	\$ 53,827	\$ 826,352	\$11,537	212,225,353	\$ 2,122	\$14,851,126	\$ 6,204	\$ (972,665)	\$ 14,778,503

See notes to unaudited condensed consolidated financial statements.

Extra Space Storage Inc.
Condensed Consolidated Statements of Cash Flows
(amounts in thousands)
(unaudited)

	For the Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 284,925	\$ 224,074
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	180,356	196,966
Amortization of deferred financing costs	2,790	4,008
Non-cash interest expense related to amortization of discount on Life Storage unsecured senior notes	11,313	10,705
Compensation expense related to share-based awards	7,167	5,912
Accrual of interest income added to principal of debt securities and notes receivable	(8,273)	(7,555)
Gain on real estate assets held for sale and sold, net	(35,761)	—
Distributions from unconsolidated real estate ventures	9,192	8,300
Changes in operating assets and liabilities:		
Other assets	10,218	19,663
Accounts payable and accrued expenses	4,998	1,112
Other liabilities	14,479	2,371
Net cash provided by operating activities	<u>481,404</u>	<u>465,556</u>
Cash flows from investing activities:		
Acquisition of real estate assets and improvements	(208,624)	(91,050)
Development and redevelopment of real estate assets	(35,237)	(35,825)
Proceeds from sale of real estate assets	124,730	—
Investment in unconsolidated real estate entities	(102,397)	(2,412)
Issuance and repurchase of notes receivable	(182,079)	(158,005)
Payments received on notes receivable	39,963	11,823
Proceeds from sale of notes receivable	25,875	—
Purchase of equipment and fixtures	(4,269)	(6,602)
Net cash used in investing activities	<u>(342,038)</u>	<u>(282,071)</u>
Cash flows from financing activities:		
Proceeds from unsecured term loans, senior notes, revolving lines of credit and commercial paper	3,979,431	1,679,470
Principal payments on unsecured term loans, senior notes, revolving lines of credit and commercial paper	(4,615,810)	(2,147,191)
Proceeds from issuance of public bonds, net	850,000	600,000
Deferred financing costs	(13,528)	(5,614)
Proceeds from share issuances	—	592
Dividends paid on common stock	(344,203)	(344,208)
Distributions to noncontrolling interests, net of contributions	(15,511)	(16,231)
Net cash used in financing activities	<u>\$ (159,621)</u>	<u>(233,182)</u>
Net decrease in cash, cash equivalents, and restricted cash	(20,255)	(49,697)
Cash, cash equivalents, and restricted cash, beginning of the period	143,303	105,083
Cash, cash equivalents, and restricted cash, end of the period	<u>\$ 123,048</u>	<u>\$ 55,386</u>
Cash and equivalents, including restricted cash at the beginning of the period:		
Cash and equivalents	\$ 138,222	\$ 99,062
Restricted cash included in other assets	5,081	6,021
	<u>\$ 143,303</u>	<u>\$ 105,083</u>
Cash and equivalents, including restricted cash at the end of the period:		

Extra Space Storage Inc.
Condensed Consolidated Statements of Cash Flows
(amounts in thousands)
(unaudited)

	For the Three Months Ended March 31,	
	2025	2024
Cash and equivalents	\$ 119,559	\$ 50,816
Restricted cash included in other assets	3,489	4,570
	<u>\$ 123,048</u>	<u>\$ 55,386</u>
Supplemental schedule of cash flow information		
Interest paid	\$ 116,751	\$ 107,758
Income taxes paid	1,353	1,539
Supplemental schedule of noncash investing and financing activities:		
Redemption of Operating Partnership units held by noncontrolling interests for common stock		
Noncontrolling interests in Operating Partnership	(22,265)	(30,063)
Common stock and paid-in capital	\$ 22,265	\$ 30,063
Acquisitions of real estate assets		
Real estate assets, net	\$ 111,984	\$ —
Value of OP units issued	(5,878)	—
Value of investment in consolidated real estate ventures	(105,471)	—
Net liabilities assumed	(635)	—
Accrued construction costs and capital expenditures		
Acquisition of real estate assets	\$ 7,978	\$ 2,397
Accounts payable and accrued expenses	(7,978)	(2,397)

See notes to unaudited condensed consolidated financial statements.

EXTRA SPACE STORAGE INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Amounts in thousands, except store and share data, unless otherwise stated

1. ORGANIZATION

Extra Space Storage Inc. (the “Company”) is a fully integrated, self-administered and self-managed REIT, formed as a Maryland corporation on April 30, 2004, to own, operate, manage, acquire, develop and redevelop self-storage properties (“stores”) located throughout the United States. The Company was formed to continue the business of Extra Space Storage LLC and its subsidiaries, which had engaged in the self-storage business since 1977. The Company’s interest in its stores is held through its operating partnership, Extra Space Storage LP (the “Operating Partnership”), which was formed on May 5, 2004. The Company’s primary assets are general partner and limited partner interests in the Operating Partnership, which meets the definition of a variable interest entity and is consolidated. This structure is commonly referred to as an umbrella partnership REIT, or UPREIT.

The Company invests in stores by acquiring wholly-owned stores or by acquiring an equity interest in real estate entities. At March 31, 2025, the Company had direct and indirect equity interests in 2,424 stores. In addition, the Company managed 1,675 stores for third parties, bringing the total number of stores which it owns and/or manages to 4,099. These stores are located in 43 states and Washington, D.C. The Company offers tenant reinsurance at its owned and managed stores that insures the value of goods in the storage units and also offers bridge loan financing to certain of its third-party self-storage owners.

2. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of the Company are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information, and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they may not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2025 are not necessarily indicative of results that may be expected for the year ending December 31, 2025. The condensed consolidated balance sheet as of December 31, 2024 has been derived from the Company’s audited financial statements as of that date, but does not include all of the information and footnotes required by GAAP for complete financial statements. For further information refer to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission.

Recently Issued Accounting Standards

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07 – “*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*”. The amended guidance requires the disclosure of incremental segment information, including significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and a reconciliation of segment profit or loss to net income. The title and position of the CODM must also be disclosed, along with how the CODM uses the reported measures to assess segment performance and to allocate resources. Pursuant to this ASU, the footnotes to the Company’s condensed consolidated financial statements include incremental disclosures related to its two reportable segments: (1) self-storage operations and (2) tenant reinsurance. The Company has adopted this standard as of December 31, 2024. Refer to note 15 for further discussion of the Company’s reportable segments.

In December 2023, the FASB issued ASU No. 2023-09 – “*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*”. The amended guidance focuses on providing more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. Pursuant to this ASU, the footnotes to the Company’s consolidated financial statements may include incremental disclosures related to income taxes. This standard is effective for annual periods beginning after December 15, 2024; therefore, compliance with this ASU will be required beginning with the Company’s annual report on Form 10-K for the year ending December 31, 2025, with early adoption permitted. The Company expects to adopt this ASU for its annual report on Form 10-K for the year ending December 31, 2025, is continuing to research the impact of this amended guidance, and does not expect this standard to have a material impact on its consolidated financial statements.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)****Amounts in thousands, except store and share data, unless otherwise stated**

In November 2024, the FASB issued ASU No. 2024-03 – “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)”. The guidance requires the disclosure of additional information related to certain costs and expenses, including amounts of inventory purchases, employee compensation, and depreciation and amortization included in each income statement line item. For any remaining items within each relevant expense caption, entities must provide a qualitative description of the nature of those expenses. The guidance also requires disclosure of the total amount of selling expenses and the entity’s definition of selling expenses. The guidance is effective for annual periods beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027; therefore, compliance with this ASU will be required beginning with the Company’s annual report on Form 10-K for the year ending December 31, 2027. The guidance may be applied prospectively or retrospectively, and early adoption is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

3. FAIR VALUE DISCLOSURES*Derivative Financial Instruments*

Currently, the Company uses interest rate swaps to manage its interest rate risk. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate forward curves.

The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty’s nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees. In conjunction with the FASB’s fair value measurement guidance, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of March 31, 2025, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments were not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety were classified in Level 2 of the fair value hierarchy.

The table below presents the Company’s assets and liabilities measured at fair value on a recurring basis as of March 31, 2025, aggregated by the level in the fair value hierarchy within which those measurements fall.

Description	Fair Value Measurements at Reporting Date Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other assets - Cash flow hedge swap agreements	\$ —	\$ 10,137	\$ —
Other liabilities - Cash flow hedge swap agreements	\$ —	\$ 2,261	\$ —

The Company did not have any significant assets or liabilities that are re-measured on a recurring basis using significant unobservable inputs as of March 31, 2025 or December 31, 2024.

EXTRA SPACE STORAGE INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

Amounts in thousands, except store and share data, unless otherwise stated

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Long-lived assets held for use are evaluated for impairment when events or circumstances indicate there may be impairment. The Company reviews each store at least annually to determine if any such events or circumstances have occurred or exist. The Company focuses on stores where occupancy and/or rental income have decreased by a significant amount. For these stores, the Company determines whether the decrease is temporary or permanent, and whether the store will likely recover the lost occupancy and/or revenue in the short term. In addition, the Company reviews stores in the lease-up stage and compares actual operating results to original projections.

When the Company determines that an event that may indicate impairment has occurred, the Company compares the carrying value of the related long-lived assets to the undiscounted future net operating cash flows attributable to the assets. An impairment loss is recorded if the net carrying value of the assets exceeds the undiscounted future net operating cash flows attributable to the assets. The impairment loss recognized equals the excess of net carrying value over the related fair value of the assets.

When real estate assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the fair value of the assets, net of selling costs. The Company compares the carrying value of the related long-lived assets to the discounted future net operating cash flows attributable to the assets (categorized within Level 3 of the fair value hierarchy). If the estimated fair value, net of selling costs, is less than the net carrying value of the assets, the Company would recognize a loss on the assets held for sale. The operations of assets held for sale or sold during the period are presented as part of normal operations. As of March 31, 2025, the Company had five stores classified as held for sale which are included in real estate assets, net. Of the five stores, three had an estimated fair value, net of selling costs, of \$8,018. During the three months ended March 31, 2025, the Company recorded a loss of \$3,759 as the fair value of these three stores was less than the net carrying value.

The Company assesses annually whether there are any indicators that the value of the Company's investments in unconsolidated real estate entities may be impaired and when events or circumstances indicate that there may be impairment. An investment is impaired if management's estimate of the fair value of the investment is less than its carrying value. To the extent impairment has occurred, and is considered to be other than temporary, the loss is measured as the excess of the carrying amount of the investment over the fair value of the investment.

The Company evaluates goodwill for impairment at least annually and whenever events, circumstances, and other related factors indicate that the fair value of the related reporting unit may be less than the carrying value. If the fair value of the reporting unit is determined to exceed the aggregate carrying amount, no impairment charge is recorded. Otherwise, an impairment charge is recorded for the amount in which the carrying value of the reporting unit exceeds the fair value. No impairments of goodwill were recorded for any period presented herein.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, receivables, other financial instruments included in other assets, net, accounts payable and accrued expenses, variable-rate notes payable, investments in debt securities and notes receivable, revolving lines of credit and commercial paper and other liabilities reflected in the condensed consolidated balance sheets at March 31, 2025 and December 31, 2024 approximate fair value. Restricted cash is comprised of funds deposited with financial institutions located throughout the United States and the Cayman Islands, primarily relating to operating cash reserve for the Company's captive insurance subsidiary and earnest money deposits on potential acquisitions.

The fair values of the Company's fixed-rate notes payable were estimated using the discounted estimated future cash payments to be made on such debt (categorized within Level 3 of the fair value hierarchy). The discount rates used approximated current market rates for loans, or groups of loans, with similar maturities and credit quality.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

Amounts in thousands, except store and share data, unless otherwise stated

The fair values of the Company's fixed-rate assets and liabilities were as follows for the periods indicated:

	March 31, 2025		December 31, 2024	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Note receivable from Common Operating Partnership unit holder	\$ 51,610	\$ 50,000	\$ 52,112	\$ 50,000
Fixed rate notes receivable	41,309	42,000	40,818	42,000
Fixed rate debt	9,607,398	9,976,730	8,949,297	9,420,848

4. ACQUISITIONS AND DISPOSITIONS

The following table shows the Company's acquisitions of stores for the three months ended March 31, 2025 and 2024. The table excludes purchases of raw land and improvements made to existing assets. All store acquisitions are considered asset acquisitions under ASU 2017-01, "*Business Combinations (Topic 805): Clarifying the Definition of a Business.*"

Period	Number of Stores	Cash Paid	Loan Assumed	Finance Lease Liability	Investments in Real Estate Ventures	Net Liabilities/ (Assets) Assumed	Value of Equity Issued	Total
								Real estate assets
Q1 2025	17	136,025	—	—	105,471	847	\$ 5,878	248,221
Q1 2024	6	35,084	—	—	—	171	\$ —	35,255

On March 31, 2025, the Company closed on the transfer and distribution of membership interests in its PR II EXR JV LLC joint venture. The Company exchanged its 25% ownership interest in 17 properties for its partner's 75% ownership interest in six properties. The portfolio consisted of 23 properties; therefore, the Company now owns 100% of the six properties, and its partner now owns 100% of the 17 properties, which the Company will continue to manage.

Dispositions

The Company disposed of 11 previously held for sale stores during the three months ended March 31, 2025 for approximately \$124,855, resulting in a gain of \$39,520. This amount is shown net of \$3,759 in losses related to the sale of three land parcels and three properties listed for sale during the quarter where the estimated fair value, net of selling costs, was less than the net carrying value of the assets. The net gain is shown on the Company's condensed consolidated statements of operations for the three months ended March 31, 2025, presented as gain on real estate assets held for sale and sold, net.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

Amounts in thousands, except store and share data, unless otherwise stated

5. REAL ESTATE ASSETS

The components of real estate assets are summarized as follows:

	March 31, 2025	December 31, 2024
Land	\$ 5,015,490	\$ 4,994,642
Buildings, improvements and other intangibles	22,554,373	22,336,386
Right of use assets - finance lease	140,259	140,259
Intangible assets - tenant relationships	328,413	326,440
Intangible lease rights	27,743	27,743
	<u>28,066,278</u>	<u>27,825,470</u>
Less: accumulated depreciation and amortization	(3,494,166)	(3,339,136)
Net operating real estate assets	24,572,112	24,486,334
Real estate under development/redevelopment	111,812	101,293
Real estate assets, net	\$ 24,683,924	\$ 24,587,627
Real estate assets held for sale included in real estate assets, net	\$ 28,238	\$ 103,756

As of March 31, 2025, the Company had five stores classified as held for sale which are included in real estate assets, net.

6. OTHER ASSETS

The components of other assets are summarized as follows:

	March 31, 2025	December 31, 2024
Goodwill	\$ 170,811	\$ 170,811
Receivables, net	116,059	129,748
Prepaid expenses and deposits	124,814	137,494
Other intangible assets, net	26,469	32,206
Fair value of interest rate swaps	10,137	15,733
Equipment and fixtures, net	49,962	50,365
Deferred line of credit financing costs, net	6,988	7,548
Restricted cash	3,489	5,081
	<u>\$ 508,729</u>	<u>\$ 548,986</u>

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)****Amounts in thousands, except store and share data, unless otherwise stated****7. EARNINGS PER COMMON SHARE**

Basic earnings per common share is computed using the two-class method by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding during the period. All outstanding unvested restricted stock awards contain rights to non-forfeitable dividends and participate in undistributed earnings with common stockholders; accordingly, they are considered participating securities that are included in the two-class method. Diluted earnings per common share measures the performance of the Company over the reporting period while giving effect to all potential common shares that were dilutive and outstanding during the period. The denominator includes the weighted average number of basic shares and the number of additional common shares that would have been outstanding if the potential common shares that were dilutive had been issued, and is calculated using the two-class, treasury stock or if-converted method, whichever is most dilutive. Potential common shares are securities (such as Series B Redeemable Preferred Units (“Series B Units”), Series D Redeemable Preferred Units (“Series D Units” and, together with the Series B Units, the “Preferred OP Units”) and common Operating Partnership units (“OP Units”)) that do not have a current right to participate in earnings of the Company but could do so in the future by virtue of their option, redemption or conversion right.

In computing the dilutive effect of convertible securities, net income is adjusted to add back any changes in earnings in the period associated with the convertible security. The numerator also is adjusted for the effects of any other non-discretionary changes in income or loss that would result from the assumed conversion of those potential common shares. In computing diluted earnings per common share, only potential common shares that are dilutive (i.e. those that reduce earnings per common share) are included.

For the purposes of computing the diluted impact of the potential exchange of the Preferred OP Units for common shares upon redemption, where the Company has the option to redeem in cash or shares and where the Company has stated the intent and ability to settle the redemption in shares, the Company divided the total liquidation value of the Preferred OP Units by the average share price for the period presented. The average share price for the three months ended March 31, 2025 and 2024 was \$151.64 and \$145.80, respectively.

The following table presents the number of weighted OP Units and Preferred OP Units, and the potential common shares that were excluded from the computation of earnings per share as their effect would have been anti-dilutive:

	For the Three Months Ended March 31,	
	2025	2024
	Equivalent Shares (if converted)	Equivalent Shares (if converted)
Common OP Units	9,369,704	—
Series B Units	221,368	230,234
Series D Units	—	1,272,862
	<u>9,591,072</u>	<u>1,503,096</u>

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)****Amounts in thousands, except store and share data, unless otherwise stated**

The computation of earnings per common share is as follows for the periods presented:

	For the Three Months Ended March 31,	
	2025	2024
Net income attributable to common stockholders	\$ 270,875	\$ 213,112
Earnings and dividends allocated to participating securities	(416)	(354)
Earnings for basic computations	270,459	212,758
Income allocated to noncontrolling interest - Preferred OP Units and OP Units	220	8,764
Net income for diluted computations	<u>\$ 270,679</u>	<u>\$ 221,522</u>
Weighted average common shares outstanding:		
Average number of common shares outstanding - basic	211,850,618	211,283,335
Common OP Units	—	8,731,738
Series D Units	202,124	—
Shares related to dilutive stock options	—	3,704
Average number of common shares outstanding - diluted	<u>212,052,742</u>	<u>220,018,777</u>
Earnings per common share		
Basic	\$ 1.28	\$ 1.01
Diluted	\$ 1.28	\$ 1.01

8. INVESTMENTS IN UNCONSOLIDATED REAL ESTATE ENTITIES

Investments in unconsolidated real estate entities and cash distributions in unconsolidated real estate ventures represent the Company's interest in preferred stock of SmartStop Self Storage REIT, Inc. ("SmartStop"), Strategic Storage Trust VI, Inc. and Strategic Storage Growth Trust III, Inc. (collectively, "Strategic Storage"), affiliates of SmartStop, and the Company's noncontrolling interest in real estate joint ventures. The Company accounts for its investments in SmartStop and Strategic Storage preferred stock, which do not have a readily determinable fair value, at the transaction price less impairment, if any. The Company accounts for its investments in joint ventures using the equity method of accounting. The Company initially records these investments at cost and subsequently adjusts for cash contributions, distributions and net equity in income or loss, which is allocated in accordance with the provisions of the applicable partnership or joint venture agreement.

In these joint ventures, the Company and the joint venture partner generally receive a preferred return on their invested capital. To the extent that cash or profits in excess of these preferred returns are generated through operations or capital transactions, the Company would receive a higher percentage of the excess cash or profits, as applicable, than its equity interest.

The Company separately reports investments with net equity less than zero in cash distributions in unconsolidated real estate ventures in the condensed consolidated balance sheets. The net equity of certain joint ventures is less than zero because distributions have exceeded the Company's investment in and share of income from these joint ventures. This is generally the result of financing distributions, capital events or operating distributions that are usually greater than net income, as net income includes non-cash charges for depreciation and amortization while distributions do not.

EXTRA SPACE STORAGE INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)
Amounts in thousands, except store and share data, unless otherwise stated

Net investments in unconsolidated real estate entities and cash distributions in unconsolidated real estate ventures consist of the following:

	Number of Stores	Equity Ownership %	Excess Profit % ⁽¹⁾	March 31, 2025	December 31, 2024
PRISA Self Storage LLC	85	4%	4%	\$ 8,640	\$ 8,967
HF1 Sovran HHF Storage Holdings LLC	37	49%	49%-59%	302,982	304,526
Storage Portfolio II JV LLC	36	10%	30%	(9,777)	(9,584)
Storage Portfolio IV JV LLC	32	10%	30%	46,832	47,150
Storage Portfolio I LLC	24	34%	49%	(43,913)	(43,803)
PR II EXR JV LLC ⁽²⁾	—	25%	25%	—	105,909
HF2 Sovran HHF Storage Holdings II LLC	22	49%	49%-59%	113,180	114,034
HF5 Life Storage-HIERS Storage LLC	17	20%	20%	25,047	25,192
HF6 191 V Life Storage Holdings LLC	17	20%	20%	10,532	10,821
ESS-CA TIVS JV LP	16	55%	55%-65%	27,097	27,217
VRS Self Storage, LLC	16	45%	54%	(17,913)	(17,557)
HF10 Life Storage HHF Wasatch Holdings LLC	16	20%	20%	18,913	19,295
Other unconsolidated real estate ventures	121	10%-50%	10%-50%	313,132	314,852
SmartStop Self Storage REIT, Inc. Preferred Stock ⁽⁵⁾	n/a	n/a	n/a	200,000	200,000
Strategic Storage Trust VI, Inc. Preferred Stock ⁽⁴⁾	n/a	n/a	n/a	150,000	150,000
Strategic Storage Growth Trust III, Inc. Preferred Stock ⁽³⁾	n/a	n/a	n/a	100,000	—
Net Investments in and Cash distributions in unconsolidated real estate entities	<u>439</u>			<u>\$ 1,244,752</u>	<u>\$ 1,257,019</u>
Investments in unconsolidated real estate entities				\$ 1,320,849	\$ 1,332,338
Cash distributions in unconsolidated real estate ventures				(76,097)	(75,319)
Net Investments in and Cash distributions in unconsolidated real estate entities				<u>\$ 1,244,752</u>	<u>\$ 1,257,019</u>

(1) Includes pro-rata equity ownership share and promoted interest.

(2) On March 31, 2025, the Company closed on the transfer and distribution of membership interests in its PR II EXR JV LLC joint venture. The Company exchanged its 25% ownership interest in 17 properties for its partner's 75% ownership interest in six properties. The portfolio consisted of 23 properties; therefore, the Company now owns 100% of the six properties, and its partner now owns 100% of the 17 properties.

(3) On February 4, 2025, the Company invested \$100,000 in shares of newly issued convertible preferred stock of Strategic Storage Growth Trust III, Inc., an affiliate of SmartStop. The dividend rate for the preferred shares is 8.85% per annum, subject to increase after five years. The preferred shares are generally not redeemable for five years, except in the case of a change of control or initial listing, and are redeemable thereafter subject to a redemption premium. Dividend income from this investment is included on the equity in earnings and dividend income from unconsolidated real estate entities line on the Company's condensed consolidated statements of operations.

(4) In May 2023, the Company invested \$150,000 in shares of convertible preferred stock of Strategic Storage Trust VI, Inc. with a dividend rate of 8.35% per annum, subject to increase after five years. The preferred shares are generally not redeemable for three years, except in the case of a change of control or initial listing of Strategic Storage. Dividend income from this investment is included on the equity in earnings and dividend income from unconsolidated real estate entities on the Company's condensed consolidated statements of operations.

(5) In October 2019, the Company invested \$200,000 in shares of convertible preferred stock of SmartStop with a dividend rate of 7.00% per annum, subject to increase after five years. The preferred shares are generally not redeemable for five years, except in the case of a change of control or initial listing of SmartStop. Dividend income from this investment is included on the equity in earnings and dividend income from unconsolidated real estate entities line on the Company's

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)****Amounts in thousands, except store and share data, unless otherwise stated**

condensed consolidated statements of operations. Subsequent to quarter end, the Company was repaid its \$200,000 preferred equity investment in SmartStop.

9. INVESTMENTS IN DEBT SECURITIES AND NOTES RECEIVABLE

Investments in debt securities and notes receivable consists of the Company's investment in mandatorily redeemable preferred stock of Jernigan Capital, Inc. ("JCAP") in connection with JCAP's acquisition by affiliates of NexPoint Advisors, L.P. ("NexPoint") and receivables due to the Company under its bridge loan program. Information about these balances is as follows:

	March 31, 2025	December 31, 2024
Debt securities - Preferred Stock	\$ 300,000	\$ 300,000
Notes Receivable - Bridge Loans	1,369,089	1,244,575
Dividends and Interest Receivable	6,375	6,375
	<u>\$ 1,675,464</u>	<u>\$ 1,550,950</u>

In November 2020, the Company invested \$300,000 in the preferred stock of JCAP in connection with the acquisition of JCAP by NexPoint. This investment consisted of 200,000 Series A Preferred Shares valued at a total of \$200,000, and 100,000 Series B Preferred Shares valued at a total of \$100,000. In December 2022, the Company completed a modification with NexPoint Storage Partners (as successor in interest to JCAP) that exchanged the Series A and Series B Preferred Shares for 300,000 Series D Preferred Shares, valued at a total of \$300,000. The Series D Preferred Shares are mandatorily redeemable after six years from the modification in December 2022, with two one-year extension options. NexPoint may redeem the Series D Preferred Shares at any time, subject to certain prepayment penalties. The Company accounts for the Series D Preferred Shares as a held to maturity debt security at amortized cost and evaluates whether the fair value is below the amortized cost basis at each reporting period. The Series D Preferred Shares have an initial dividend rate of 8.5%. If the investment is not retired after six years, the preferred dividends increase annually.

The Company offers bridge loan financing to certain of its third-party self-storage owners. These notes receivable consist of mortgage loans receivable, which are collateralized by self-storage properties that the Company manages, and mezzanine loans receivable, which are secured by equity interest pledges. As of March 31, 2025, 77% of the notes held are mortgage receivables. The Company may sell a portion of the mortgage receivables. These notes receivable typically have a term of three years with two one-year extensions and have variable interest rates. During the three months ended March 31, 2025, the Company sold a total principal amount of \$25,875 of its mortgage bridge loans receivable to third parties for par, closed on \$49,870 in initial loan draws, and recorded \$12,855 of draws for interest payments.

The bridge loans typically have a loan to value ratio between 70% and 80% at origination. As of March 31, 2025, none of the notes receivable are in past-due or nonaccrual status, and the allowance for potential credit losses is immaterial.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

Amounts in thousands, except store and share data, unless otherwise stated

10. DEBT

The components of term debt are summarized as follows:

Term Debt	March 31, 2025	December 31, 2024
Secured notes payable ⁽¹⁾	\$ 1,001,851	\$ 1,013,661
Unsecured term loans	1,955,000	2,200,000
Unsecured senior notes	8,875,000	8,025,000
Total	11,831,851	11,238,661
Less: Discount on unsecured senior notes, net ⁽²⁾	(206,461)	(222,254)
Less: Unamortized debt issuance costs	(61,650)	(56,391)
Total	<u>\$ 11,563,740</u>	<u>\$ 10,960,016</u>

(1) The loans are collateralized by mortgages on real estate assets and the assignment of rents.

(2) Unsecured senior notes from the Life Storage Merger were recorded at fair value, resulting in a discount to be amortized over the term of the debt.

The following table summarizes the scheduled maturities of term debt, excluding available extensions, at March 31, 2025:

2025	\$ 534,123
2026	1,402,104
2027	1,309,675
2028	1,627,500
2029	1,515,976
2030	1,692,473
2031	1,650,000
2032	600,000
2033	—
2034	600,000
Thereafter	900,000
	<u>\$ 11,831,851</u>

On November 20, 2024, the Company established a commercial paper note program. Under the terms of the program, the Company may issue up to \$1,000,000 of unsecured commercial paper notes that bear interest at variable rates and have varying maturities (generally 30 days or less, with a maximum of 397 days). The commercial paper notes are issued under customary terms in the commercial paper market and are issued at a discount from par or, alternatively, can be issued at par and bear varying interest rates on a fixed or floating basis. The net proceeds from the issuances of the notes will be used for general working capital and other general corporate purposes. General corporate purposes may include, but are not limited to, the repayment of other debt and selective development, redevelopment, or acquisition of properties. Outstanding commercial paper notes have been included in revolving lines of credit and commercial paper on the Company's consolidated balance sheets. The commercial paper notes sold during the three months ended March 31, 2025 had a weighted-average maturity term of 13 days. At March 31, 2025, there were \$580,000 in issuances outstanding under the commercial paper program.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)****Amounts in thousands, except store and share data, unless otherwise stated**

All of the Company's lines of credit and commercial paper are guaranteed by the Company. The following table presents information on the Company's lines of credit and commercial paper for the periods indicated:

Revolving Lines of Credit and Commercial Paper	As of March 31, 2025				
	Amount Drawn	Capacity	Interest Rate	Maturity	Basis Rate ⁽¹⁾
Secured credit line	\$ 8,000	\$ 140,000	5.76%	7/1/2026	SOFR plus 1.35%
Unsecured credit line ⁽²⁾	390,000	2,000,000	5.29%	6/22/2027	SOFR plus 0.875%
Commercial paper	580,000	1,000,000	4.66% ⁽³⁾	Various	
	<u>\$ 978,000</u>	<u>\$ 3,140,000</u>			

(1) Daily Simple Secured Overnight Financing Rate ("SOFR") for credit lines.

(2) Basis Rate as of March 31, 2025. Rate is subject to change based on the Company's investment grade rating.

(3) Commercial paper interest rate is variable based on market rates at the time of each issuance. Therefore, interest rate shown in the table above is a weighted average interest rate.

On August 21, 2024, the Company entered into Amendment 1 to the Third Amended and Restated Credit Agreement (the "Credit Agreement"). The Credit Agreement is guaranteed by the Company and is not secured by any assets of the Company. The Company's unsecured debt is subject to certain financial covenants. As of March 31, 2025, the Company was in compliance with all of its financial covenants.

As of March 31, 2025, the Company's percentage of fixed-rate debt to total debt was 78.8%. The weighted average interest rates of the Company's fixed and variable-rate debt were 4.2% and 5.3%, respectively. The combined weighted average interest rate was 4.4%.

11. DERIVATIVES

The Company is exposed to certain risk arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity and credit risk, primarily by managing the amount, sources and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing and duration of the Company's known or expected cash payments principally related to the Company's borrowings.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive income ("OCI") and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. A portion of these changes is excluded from accumulated other comprehensive income as it is allocated to noncontrolling interests. During the three months ended March 31, 2025 and 2024, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt. In the coming 12 months, the Company estimates that \$7,518 will be reclassified as an increase to interest income.

The Company held 12 active derivative financial instruments, which had a total current notional amount of \$1,079,466 as of March 31, 2025 and one forward-starting derivative financial instrument with an effective date of July 14, 2025.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

Amounts in thousands, except store and share data, unless otherwise stated

Fair Values of Derivative Instruments

The table below presents the fair values of the Company's derivative financial instruments as well as their classification on the condensed consolidated balance sheets:

	Asset / Liability Derivatives	
	March 31, 2025	December 31, 2024
Derivatives designated as hedging instruments:		
Other assets	\$ 10,137	\$ 15,733
Other liabilities	\$ 2,261	\$ 710

Effect of Derivative Instruments

The table below presents the effect of the Company's derivative financial instruments on the condensed consolidated statements of operations for the periods presented. No tax effect has been presented as the derivative instruments are held by the Company:

Type	Gain (loss) recognized in OCI for the Three Months Ended March 31,		Location of amounts reclassified from OCI into income	Gain (loss) reclassified from OCI for the Three Months Ended March 31,	
	2025	2024		2025	2024
Swap Agreements	\$ (3,467)	\$ 19,249	Interest expense	\$ 3,482	\$ 8,017

Credit-Risk-Related Contingent Features

The Company has agreements with some of its derivative counterparties that contain provisions pursuant to which the Company could be declared in default of its derivative obligations if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender.

The Company also has an agreement with some of its derivative counterparties that incorporates the loan covenant provisions of the Company's indebtedness with a lender affiliate of the derivative counterparty. Failure to comply with the loan covenant provisions would result in the Company being in default on any derivative instrument obligations covered by the agreement.

As of March 31, 2025, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk related to these agreements, was immaterial. As of March 31, 2025, the Company had not posted any collateral related to these agreements. If the Company had breached any of these provisions as of March 31, 2025, it could have been required to cash settle its obligations under these agreements at their termination value.

12. STOCKHOLDERS' EQUITY

On April 15, 2024, the Company filed its \$800,000 "at the market" equity program with the Securities and Exchange Commission using a shelf registration statement on Form S-3, and entered into an equity distribution agreement with nine sales agents. No shares have been sold under the current "at the market" equity program, and no shares were sold under the previous "at the market" equity program, which spanned from August 9, 2021 through April 14, 2024.

On November 13, 2023, the Company's board of directors authorized a share repurchase program allowing for the repurchase of shares with an aggregate value up to \$500,000. During the year ended December 31, 2024 and the three months ended March 31, 2025, no shares were repurchased. As of March 31, 2025, the Company had remaining authorization to repurchase shares with an aggregate value up to \$500,000. Subsequent to quarter end, the Company repurchased 68,585 shares at an average price of \$125.62 per share, paying a total of \$8,616.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

Amounts in thousands, except store and share data, unless otherwise stated

13. NONCONTROLLING INTEREST REPRESENTED BY PREFERRED OPERATING PARTNERSHIP UNITS*Classification of Noncontrolling Interests*

GAAP requires a company to present ownership interests in subsidiaries held by parties other than the company in the consolidated financial statements within the equity section, but separate from the Company's equity. It also requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest to be clearly identified and presented on the face of the consolidated statement of operations and requires changes in ownership interest to be accounted for similarly as equity transactions. If noncontrolling interests are determined to be redeemable, they are to be carried at their redemption value as of the balance sheet date and reported as temporary equity.

The Company has evaluated the terms of the Operating Partnership's preferred units and classifies the noncontrolling interest represented by such preferred units as stockholders' equity in the accompanying condensed consolidated balance sheets. The Company will periodically evaluate individual noncontrolling interests for the ability to continue to recognize the noncontrolling interest as permanent equity in the condensed consolidated balance sheets. Any noncontrolling interests that fail to qualify as permanent equity will be reclassified as temporary equity and adjusted to the greater of (1) the carrying amount and (2) the redemption value as of the end of the period in which the determination is made.

At March 31, 2025 and December 31, 2024, the noncontrolling interests represented by the Preferred OP Units qualified for classification as permanent equity on the Company's condensed consolidated balance sheets. The partnership agreement of the Operating Partnership (as amended, the "Partnership Agreement") provides for the designation and issuance of the OP Units. The balances for each of the specific Preferred OP Units as presented in the Statements of Noncontrolling Interests and Equity as of the periods indicated are as follows:

	March 31, 2025	December 31, 2024
Series B Units	\$ 33,567	\$ 33,567
Series D Units	20,260	42,525
	<u>\$ 53,827</u>	<u>\$ 76,092</u>

Series A Participating Redeemable Preferred Units

The Partnership Agreement provides for the designation and issuance of the Series A Units. The Series A Units have priority over all other partnership interests of the Operating Partnership with respect to distributions and liquidation. As of March 31, 2025 and December 31, 2024, there were no outstanding Series A Units.

Series B Redeemable Preferred Units

The Partnership Agreement provides for the designation and issuance of the Series B Units. The Series B Units rank junior to the Series A Units, on parity with the Series C Units and Series D Units, and senior to all other partnership interests of the Operating Partnership with respect to distributions and liquidation.

The Series B Units were issued in 2013 and 2014. The Series B Units have a liquidation value of \$25.00 per unit for a fixed liquidation value of \$33,567 which represents 1,342,727 Series B Units outstanding at March 31, 2025. Holders of the Series B Units receive distributions at an annual rate of 6.0%. These distributions are cumulative. The Series B Units became redeemable at the option of the holder on the first anniversary of the date of issuance, which redemption obligation may be satisfied at the Company's option in cash or shares of its common stock.

Series C Redeemable Preferred Units

The Partnership Agreement provides for the designation and issuance of the Series C Units. The Series C Units ranked junior to the Series A Units, on parity with the Series B Units and Series D Units, and senior to all other partnership interests of the Operating Partnership with respect to distributions and liquidation. As of March 31, 2025 and December 31, 2024, there were no outstanding Series C Units.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)****Amounts in thousands, except store and share data, unless otherwise stated***Series D Redeemable Preferred Units*

The Partnership Agreement provides for the designation and issuance of the Series D Units. The Series D Units rank junior to the Series A Units, on parity with the Series B Units and Series C Units, and senior to all other partnership interests of the Operating Partnership with respect to distributions and liquidation.

The Series D Units have a liquidation value of \$25.00 per unit, for a fixed liquidation value of \$20,260, which represents 810,395 Series D Units. Holders of the Series D Units receive distributions at an annual rate between 3.0% and 5.0%. These distributions are cumulative. The Series D Units become redeemable at the option of the holder on the first anniversary of the date of issuance, which redemption obligation may be satisfied at the Company's option in cash or shares of its common stock. In addition, certain of the Series D Units are exchangeable for OP Units at the option of the holder until the tenth anniversary of the date of issuance, with the number of OP Units to be issued equal to \$25.00 per Series D Unit, divided by the value of a share of common stock as of the exchange date.

During the three months ended March 31, 2025, 890,594 Series D Units were redeemed for 143,830 shares of common stock.

14. NONCONTROLLING INTEREST IN OPERATING PARTNERSHIP AND OTHER NONCONTROLLING INTERESTS*Noncontrolling Interest in Operating Partnership*

The Company's interest in its stores is held through the Operating Partnership. Between its general partner and limited partner interests, the Company held a 95.6% ownership interest in the Operating Partnership as of March 31, 2025. The remaining ownership interests in the Operating Partnership (including Preferred OP Units) of 4.4% are held by certain former owners of assets acquired by the Operating Partnership. As of March 31, 2025 and December 31, 2024, the noncontrolling interest in the Operating Partnership is shown on the balance sheet net of a note receivable of \$50,000 because a borrower under the note receivable is also a holder of OP Units. This note receivable originated in December 2024, bears interest at 10% per annum and matures on December 30, 2025.

The noncontrolling interest in the Operating Partnership represents OP Units that are not owned by the Company. OP Units are redeemable at the option of the holder, which redemption may be satisfied at the Company's option in cash, based upon the fair market value of an equivalent number of shares of the Company's common stock (based on the ten-day average trading price) at the time of the redemption, or shares of the Company's common stock on a one-for-one basis, subject to anti-dilution adjustments provided in the Partnership Agreement. As of March 31, 2025, the ten-day average closing price of the Company's common stock was \$145.97 and there were 9,380,327 OP Units outstanding. Assuming that all of the OP Unit holders exercised their right to redeem all of their OP Units on March 31, 2025 and the Company elected to pay the OP Unit holders cash, the Company would have paid \$1,369,246 in cash consideration to redeem the units.

OP Unit activity is summarized as follows for the periods presented:

	For the Three Months Ended March 31,	
	2025	2024
OP Units redeemed for common stock	11,500	259,145
OP Units issued in conjunction with business combination, acquisitions, and preferred unit conversion	37,886	—
Value of OP Units issued in conjunction with business combination, acquisitions, and preferred unit conversion	\$ 5,878	\$ —

GAAP requires a company to present ownership interests in subsidiaries held by parties other than the company in the consolidated financial statements within the equity section, but separate from the company's equity. It also requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest to be clearly identified and presented on the face of the consolidated statement of operations, and requires changes in ownership interest to be accounted for similarly as equity transactions. If noncontrolling interests are determined to be redeemable, they are to be carried at their redemption value as of the balance sheet date and reported as temporary equity.

EXTRA SPACE STORAGE INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

Amounts in thousands, except store and share data, unless otherwise stated

The Company has evaluated the terms of the OP Units and classifies the noncontrolling interest represented by the OP Units as stockholders' equity in the accompanying condensed consolidated balance sheets. The Company will periodically evaluate individual noncontrolling interests for the ability to continue to recognize the noncontrolling amount as permanent equity in the condensed consolidated balance sheets. Any noncontrolling interests that fail to qualify as permanent equity will be reclassified as temporary equity and adjusted to the greater of (1) the carrying amount, or (2) its redemption value as of the end of the period in which the determination is made.

Other Noncontrolling Interests

Other noncontrolling interests represent the ownership interest of partners in ten consolidated joint ventures as of March 31, 2025. There are a total of 15 stores in consolidated joint ventures, ten of which are operating and five of which are under development. The voting interests of the partners are 25.0% or less.

Based on the facts and circumstances of each of the Company's joint ventures, the Company has determined that one of the joint ventures at March 31, 2025 was a variable interest entity ("VIE") in accordance with ASC 810, "Consolidation." The Company has consolidated that joint venture as it was determined that the Company has the power to direct the activities of the joint venture and is the primary beneficiary of the joint venture.

15. SEGMENT INFORMATION

The Company's segment disclosures present the measure used by the chief operating decision maker ("CODM") for purposes of assessing each segment's performance. The Company's CODM is its Executive Committee ("EC"), which uses net operating income ("NOI") to assess the performance of the business for the Company's reportable operating segments. The EC is comprised of the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Digital Officer, Chief Strategy and Partnership Officer, Chief Operating Officer, and Chief Legal Officer. The Company's segments are comprised of two reportable segments: (1) self-storage operations and (2) tenant reinsurance. NOI for the Company's self-storage operations represents total property revenue less direct property operating expenses. NOI for the Company's tenant reinsurance segment represents tenant reinsurance revenue less tenant reinsurance expenses.

The Company's consolidated revenues equal total segment revenues plus management fees and other income. The self-storage operations activities include rental operations of wholly-owned stores. Tenant reinsurance activities include the reinsurance of risks relating to the loss of goods stored by tenants in the stores operated by the Company. Management fees and other income is excluded from segment revenues and net operating income.

The CODM regularly reviews NOI to assess the performance of each segment and makes decisions about resources to be allocated to each segment. As part of this process, the CODM approves each operating segment's budget, determines allocation of funds for capital expenditures, and reviews discrete financial information on a quarterly basis. Based on each segment's budgeted operating revenues and expenses, resources are allocated to each segment, and these budgeted amounts comprising NOI are compared against actual segment performance.

For all periods presented, substantially all of the Company's real estate assets, intangible assets, other assets, and accrued and other liabilities are associated with the self-storage operations segment. Financial information for the Company's business segments is set forth below:

	For the Three Months Ended March 31,	
	2025	2024
Revenues		
Self-Storage Operations	\$ 704,380	\$ 688,044
Tenant Reinsurance	84,712	81,347
Total segment revenues	\$ 789,092	\$ 769,391
Operating expenses		
Self-Storage Operations:		
Payroll and benefits	\$ 43,746	\$ 43,399
Marketing	15,150	16,625
Office expense	34,994	29,454
Property operating expense	21,225	20,218
Repairs and maintenance	16,257	15,211
Property taxes	79,884	67,680
Insurance	8,432	8,245
Other segment items ⁽¹⁾	3,894	3,686
Total self-storage operations expenses	223,582	204,518
Tenant Reinsurance:		
Tenant reinsurance expense and other segment items ⁽²⁾	\$ 17,116	\$ 18,505
Total segment operating expenses	\$ 240,698	\$ 223,023
Net operating income		
Self-Storage Operations	\$ 480,798	\$ 483,526
Tenant Reinsurance	67,596	62,842

Total segment net operating income:	\$	548,394	\$	546,368
Other components of net income:				
Management fees and other income		30,905		30,148
General and administrative expense		(45,974)		(43,722)
Depreciation and amortization expense		(180,356)		(196,966)
Gain on real estate assets held for sale and sold, net		35,761		—
Interest expense		(142,399)		(132,887)
Non-cash interest expense related to amortization of discount on Life Storage unsecured senior notes		(11,313)		(10,705)
Interest income		38,967		23,573
Equity in earnings and dividend income from unconsolidated real estate entities		19,931		15,007
Income tax expense		(8,991)		(6,742)
Net income	\$	284,925	\$	224,074

(1) Other segment items for the Self-Storage Operations segment include miscellaneous items such as legal and professional fees, capital expenditures, taxes, and casualty losses.

(2) Tenant reinsurance expense and other segment items for the Tenant Reinsurance segment include claims expense, acquisition costs, claims service fees, and miscellaneous administrative items.

EXTRA SPACE STORAGE INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

Amounts in thousands, except store and share data, unless otherwise stated

16. COMMITMENTS AND CONTINGENCIES

As of March 31, 2025, the Company was under agreement to originate \$106,484 in bridge loans in 2025.

As of March 31, 2025, the Company was involved in various legal proceedings and was subject to various claims and complaints arising in the ordinary course of business. Because litigation is inherently unpredictable, the outcome of these matters cannot presently be determined with any degree of certainty. In accordance with applicable accounting guidance, management establishes an accrued liability for litigation when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. The estimated loss, if any, is based upon currently available information and is subject to significant judgment, a variety of assumptions, and known and unknown uncertainties. The Company could incur judgments or enter into settlements of claims in the future that could have a material adverse effect on its results of operations in any particular period, notwithstanding the fact that the Company is currently vigorously defending any legal proceedings against it.

Although there can be no assurance, the Company is not aware of any material environmental liability, for which it believes it will be ultimately responsible, that could have a material adverse effect on its financial condition or results of operations. However, changes in applicable environmental laws and regulations, the uses and conditions of properties in the vicinity of the Company's properties, the activities of its tenants and other environmental conditions of which the Company is unaware with respect to its properties could result in future material environmental liabilities.

17. SUBSEQUENT EVENTS

On April 30, 2025, the Company closed on the acquisition of 11 properties from the ESS-NYFL JV LP joint venture, where the Company purchased its joint venture partners' equity interest of 84% for \$99,512 in cash and \$150,000 in assumed debt. Additionally, on April 30, 2025, the Company closed on the acquisition of 16 properties from the ESS CA-TIVS JV LP joint venture, where the Company purchased its joint venture partner's equity interest of 45% for \$53,662 in cash and \$108,000 in assumed debt. These joint ventures are included in the Company's condensed consolidated financial statements at March 31, 2025 in investments in unconsolidated real estate entities and accounted for under the equity method of accounting.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY LANGUAGE

The following discussion and analysis should be read in conjunction with our unaudited "*Condensed Consolidated Financial Statements*" and the "*Notes to Condensed Consolidated Financial Statements (unaudited)*" appearing elsewhere in this report and the "*Consolidated Financial Statements*," "*Notes to Consolidated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" contained in our Form 10-K for the year ended December 31, 2024. We make statements in this section that are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section in this Form 10-Q entitled "*Statement on Forward-Looking Information*."

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations are based on our unaudited condensed consolidated financial statements contained elsewhere in this report, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Our notes to the unaudited condensed consolidated financial statements contained elsewhere in this report and the audited financial statements contained in our Form 10-K for the year ended December 31, 2024 describe the significant accounting policies essential to our unaudited condensed consolidated financial statements. Preparation of our financial statements requires estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions that we have used are appropriate and correct based on information available at the time they were made. These estimates, judgments and assumptions can affect our reported assets and liabilities as of the date of the financial statements, as well as the reported revenues and expenses during the period presented. If there are material differences between these estimates, judgments and assumptions and actual facts, our financial statements may be affected.

In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require our judgment in its application. There are areas in which our judgment in selecting among available alternatives would not produce a materially different result, but there are some areas in which our judgment in selecting among available alternatives would produce a materially different result. See the notes to the unaudited condensed consolidated financial statements that contain additional information regarding our accounting policies and other disclosures.

OVERVIEW

We are a fully integrated, self-administered and self-managed real estate investment trust ("REIT"), formed to own, operate, manage, acquire, develop and redevelop self-storage properties ("stores"). We derive substantially all of our revenues from our two segments: self-storage operations and tenant reinsurance. Primary sources of revenue for our self-storage operations segment include rents received from tenants under leases at each of our wholly-owned stores. Our operating results depend materially on our ability to lease available self-storage units, to actively manage unit rental rates, and on the ability of our tenants to make required rental payments. Consequently, management spends a significant portion of their time maximizing cash flows from our diverse portfolio of stores. Revenue from our tenant reinsurance segment consists of insurance revenues from the reinsurance of risks relating to the loss of goods stored by tenants in our stores.

Our stores are generally situated in highly visible locations clustered around large population centers. The clustering of our assets around these population centers enables us to reduce our operating costs through economies of scale. To maximize the performance of our stores, we employ industry-leading revenue management systems. Developed by our management team, these systems enable us to analyze, set and adjust rental rates daily across our portfolio in order to respond to changing market conditions. We believe our systems and processes allow us to more pro-actively manage revenues.

We operate in competitive markets, often where consumers have multiple stores from which to choose. Competition has impacted, and will continue to impact, our store results. We experience seasonal fluctuations in occupancy levels, with occupancy levels generally higher in the summer months due to increased moving activity. We believe that we are able to respond quickly and effectively to changes in local, regional and national economic conditions by adjusting rental rates through the combination of our revenue management team and our industry-leading technology systems. We consider a store to be in the lease-up stage after it has been issued a certificate of occupancy, but before it has achieved stabilization. We consider a store to be stabilized once it has achieved either an 80% occupancy rate for a full year measured as of January 1 of the current year, or has been open for three years prior to January 1 of the current year.

PROPERTIES

As of March 31, 2025, we owned or had ownership interests in 2,424 operating stores. Of these stores, 1,975 are wholly-owned, ten are in consolidated joint ventures, and 439 are in unconsolidated joint ventures. In addition, we managed an additional 1,675 stores for third parties bringing the total number of stores which we own and/or manage to 4,099. These stores are located in 43 states and Washington, D.C. The majority of our stores are clustered around large population centers. The clustering of assets around these population centers enables us to reduce our operating costs through economies of scale. Our acquisitions have given us an increased scale in many core markets as well as a foothold in many markets where we had no previous presence.

As of March 31, 2025, approximately 2,350,000 tenants were leasing storage units at the operating stores that we own and/or manage, primarily on a month-to-month basis, providing the flexibility to increase rental rates over time as market conditions permit. Existing tenants generally receive rate increases at least annually, for which no direct correlation has been drawn to our vacancy trends. Although leases are short-term in duration, the typical tenant tends to remain at our stores for an extended period of time. For same-stores as of March 31, 2025, the average length of stay for tenants who have vacated was approximately 17.7 months.

Our store portfolio is made up of different types of construction and building configurations. Most often sites are what we consider “hybrid” stores, a mix of drive-up and multi-floor buildings.

The following table presents additional information regarding net rentable square feet and the number of stores by state:

Location	March 31, 2025							
	REIT Owned		Joint Venture Owned		Managed		Total	
	Property Count ⁽¹⁾	Net Rentable Square Feet	Property Count	Net Rentable Square Feet	Property Count	Net Rentable Square Feet	Property Count	Net Rentable Square Feet
Alabama	38	2,992,746	2	150,959	17	1,190,240	57	4,333,945
Arizona	50	3,841,361	25	2,027,317	58	4,730,971	133	10,599,649
Arkansas	—	—	—	—	4	483,458	4	483,458
California	219	18,102,867	49	3,620,253	147	13,582,643	415	35,305,763
Colorado	27	1,890,221	13	938,019	37	2,736,680	77	5,564,920
Connecticut	23	1,756,035	8	713,592	17	1,203,774	48	3,673,401
Delaware	—	—	1	76,645	5	374,211	6	450,856
Florida	256	19,389,581	47	3,963,096	224	17,378,011	527	40,730,688
Georgia	121	9,296,442	22	1,857,700	65	5,068,530	208	16,222,672
Hawaii	14	941,369	—	—	5	343,546	19	1,284,915
Idaho	2	131,834	—	—	4	361,612	6	493,446
Illinois	105	7,429,126	12	938,862	61	4,830,021	178	13,198,009
Indiana	94	4,156,294	1	57,525	29	2,180,294	124	6,394,113
Iowa	—	—	—	—	1	86,899	1	86,899
Kansas	1	50,264	2	108,656	3	236,745	6	395,665
Kentucky	15	1,093,096	1	51,641	16	1,267,763	32	2,412,500
Louisiana	11	861,008	—	—	16	1,157,691	27	2,018,699
Maine	5	354,452	—	—	12	798,921	17	1,153,373
Maryland	45	3,590,424	8	629,119	58	4,351,477	111	8,571,020
Massachusetts	67	4,206,280	16	985,362	44	2,715,709	127	7,907,351
Michigan	11	850,644	4	309,002	13	1,055,497	28	2,215,143
Minnesota	7	587,586	8	645,933	13	903,283	28	2,136,802
Mississippi	7	563,504	—	—	6	532,878	13	1,096,382
Missouri	29	2,394,260	7	507,684	26	2,003,867	62	4,905,811
Nebraska	—	—	—	—	5	445,054	5	445,054
Nevada	34	3,029,280	9	824,415	18	1,669,933	61	5,523,628
New Hampshire	17	1,283,120	2	84,165	13	647,528	32	2,014,813
New Jersey	91	7,218,354	32	2,533,809	78	5,982,660	201	15,734,823
New Mexico	12	762,466	10	681,485	17	1,236,042	39	2,679,993
New York	80	5,743,964	29	2,406,763	95	6,781,855	204	14,932,582
North Carolina	56	4,086,407	5	396,661	46	3,650,716	107	8,133,784
Ohio	50	3,437,459	5	327,188	22	1,840,024	77	5,604,671
Oklahoma	4	269,753	—	—	36	2,569,260	40	2,839,013
Oregon	8	549,874	2	166,638	7	479,912	17	1,196,424
Pennsylvania	33	2,555,858	10	785,747	62	4,599,073	105	7,940,678
Rhode Island	6	350,642	1	95,844	6	482,006	13	928,492
South Carolina	47	3,439,597	2	134,115	51	4,239,360	100	7,813,072
Tennessee	32	2,573,215	16	1,092,216	31	2,172,368	79	5,837,799
Texas	266	21,371,762	69	5,368,327	181	14,941,875	516	41,681,964
Utah	10	733,798	—	—	47	3,783,525	57	4,517,323
Virginia	73	5,949,007	10	758,497	39	2,745,813	122	9,453,317
Washington	16	1,280,269	1	77,320	18	1,447,086	35	2,804,675
Washington, DC	1	100,203	1	104,197	6	534,417	8	738,817
Wisconsin	2	187,485	9	871,331	16	1,448,624	27	2,507,440
Totals	1,985	149,401,907	439	34,290,083	1,675	131,271,852	4,099	314,963,842

(1) Includes ten consolidated joint ventures.

RESULTS OF OPERATIONS

Amounts in thousands, except store and share data

Comparison of the three months ended March 31, 2025 and 2024

Overview

Results for the three months ended March 31, 2025 included the operations of 2,424 stores (1,975 wholly-owned, ten in consolidated joint ventures, and 439 in joint ventures accounted for using the equity method) compared to the results for the three months ended March 31, 2024, which included the operations of 2,384 stores (1,909 wholly-owned, three in a consolidated joint venture, and 472 in joint ventures accounted for using the equity method).

Revenues

The following table presents information on revenues earned for the periods indicated:

	For the Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
Revenues:				
Property rental	\$ 704,380	\$ 688,044	\$ 16,336	2.4 %
Tenant reinsurance	84,712	81,347	3,365	4.1 %
Management fees and other income	30,905	30,148	757	2.5 %
Total revenues	<u>\$ 819,997</u>	<u>\$ 799,539</u>	<u>\$ 20,458</u>	<u>2.6 %</u>

Property rental—The increase in property rental revenues for the three months ended March 31, 2025 was primarily the result of an increase of \$17,542 associated with acquisitions completed in 2024 and acquisitions completed in the first three months of 2025. We acquired 58 wholly-owned stores in 2024 and an additional 17 wholly-owned stores during the three months ended March 31, 2025.

Tenant reinsurance—The increase in tenant reinsurance revenues was due primarily to an increase in the number of stores operated. We operated 4,099 stores at March 31, 2025 compared to 3,793 stores at March 31, 2024.

Management fees and other income—Management fees and other income primarily represent the fees collected for our management of stores owned by third parties and unconsolidated joint ventures and other transaction fee income. The increase for the three months ended March 31, 2025 was due to both an increase in the number of stores managed and an increase in the overall revenue of stores under management when compared to the same period last year. As of March 31, 2025, we managed 2,124 stores for unconsolidated joint ventures and third parties, compared to 1,884 stores as of March 31, 2024.

Expenses

The following table presents information on expenses for the periods indicated:

	For the Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
Expenses:				
Property operations	\$ 223,582	\$ 204,518	\$ 19,064	9.3 %
Tenant reinsurance	17,116	18,505	(1,389)	(7.5)%
General and administrative	45,974	43,722	2,252	5.2 %
Depreciation and amortization	180,356	196,966	(16,610)	(8.4)%
Total expenses	<u>\$ 467,028</u>	<u>\$ 463,711</u>	<u>\$ 3,317</u>	<u>0.7 %</u>

Property operations—The increase in property operations expense during the three months ended March 31, 2025 consists primarily of an increase of \$10,006 related to acquisitions completed in 2024 and acquisitions completed in the first three months of 2025. We acquired 58 wholly-owned stores in 2024 and an additional 17 wholly-owned stores during the three months ended March 31, 2025. Additionally, for the three months ended March 31, 2025 there was an increase of \$10,742 at our same-store properties primarily due to increases in property tax, utilities and snow removal, offset by marketing and payroll.

Tenant reinsurance—Tenant reinsurance expense represents the costs that are incurred to provide tenant reinsurance.

General and administrative—General and administrative expenses primarily include all expenses not directly related to our stores, including corporate payroll, office expense, office rent, travel and professional fees. These expenses are recognized as incurred. Our overall General and Administrative expense has increased primarily as a result of our increased size through acquisitions, business combinations and growth through our joint venture partners and managed portfolio.

Depreciation and amortization—The company amortizes to expense intangible assets-customer intangibles on a straight-line basis over the average period that a tenant is expected to utilize the facility (currently estimated at 18 months). Depreciation and amortization expense decreased for the period, primarily due to the full amortization of customer intangibles associated with our merger with Life Storage which were fully expensed as of January of this year.

Other Revenues and Expenses

The following table presents information on other revenues and expenses for the periods indicated:

	For the Three Months Ended March 31,		\$ Change	% Change
	2025	2024		
Gain on real estate assets held for sale and sold, net	\$ 35,761	\$ —	\$ 35,761	100.0 %
Interest expense	(142,399)	(132,887)	(9,512)	7.2 %
Non-cash interest expense related to amortization of discount on Life Storage unsecured senior notes	(11,313)	(10,705)	(608)	5.7 %
Interest income	38,967	23,573	15,394	65.3 %
Equity in earnings and dividend income from unconsolidated real estate entities	19,931	15,007	4,924	32.8 %
Income tax expense	(8,991)	(6,742)	(2,249)	33.4 %
Total other revenues & expenses, net	\$ (68,044)	\$ (111,754)	\$ 43,710	(39.1)%

Gain on real estate assets held for sale and sold, net—We disposed of 11 previously held for sale stores during the three months ended March 31, 2025 resulting in a gain of \$39,520. This gain was offset by losses of \$3,759 related to the sale of three land parcels and three properties listed for sale during the quarter where the estimated fair value, net of selling costs, was less than the net carrying value of the assets.

Interest expense—The increase in interest expense during the three months ended March 31, 2025 was primarily the result of higher outstanding debt. As of March 31, 2025, we had approximately \$12,809,851 in total face value of debt, compared to approximately \$11,479,914 as of March 31, 2024.

Non-cash interest expense related to amortization of discount on Life Storage unsecured senior notes—Represents the amortization of the discount assigned to the fair value of the Life Storage unsecured senior notes assumed as part of the Life Storage Merger.

Interest income—Interest income represents interest earned on variable interest rate bridge loans, debt securities and on notes receivable from Common and Preferred Operating Partnership unit holders. The increase in interest income during the three months ended March 31, 2025 was primarily the result of an increase in the amount of bridge loans outstanding. The balance of bridge loans was \$1,369,089 as of March 31, 2025, compared to \$752,336 as of March 31, 2024.

Equity in earnings and dividend income from unconsolidated real estate entities—Equity in earnings of unconsolidated real estate entities represents the income earned through our ownership interests in unconsolidated joint ventures. In these joint ventures, we and our joint venture partners generally receive a preferred return on our invested capital. To the extent that cash or profits in excess of these preferred returns are generated, we receive a higher percentage of the excess cash or profits. The increase is primarily due to the transaction in November 2024 in which we acquired additional ownership interest in the HF1 Sovran HHF Storage Holdings LLC and HF2 Sovran HHF Storage Holdings II LLC from our partner in the unconsolidated joint ventures. The transaction increased our equity ownership percentages from 20% and 15%, respectively, to 49% in each unconsolidated joint venture. Dividend income represents dividends from our investment in preferred stock of SmartStop and its affiliates. In addition, during February 2025, we invested \$100,000 in Strategic Storage Growth Trust III, Inc. Preferred Stock at a dividend rate of 8.85%, which represents \$1,400 of the increase.

Income tax expense—The increase in income tax expense for the three months ended March 31, 2025 was primarily the result of an increase in book income and a decrease in permanent tax deductions related to stock awards.

FUNDS FROM OPERATIONS

Funds from operations (“FFO”) provides relevant and meaningful information about our operating performance that is necessary, along with net income and cash flows, for an understanding of our operating results. We believe FFO is a meaningful disclosure as a supplement to net earnings. Net earnings assume 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 we believe FFO more accurately reflects the value of our real estate assets. FFO is defined by the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”) as net income computed in accordance with GAAP, excluding gains or losses on sales of operating stores and impairment write-downs of depreciable real estate assets, plus real estate related depreciation and amortization and after adjustments to record unconsolidated partnerships and joint ventures on the same basis. We believe that to further understand our performance, FFO should be considered along with the reported net income and cash flows in accordance with GAAP, as presented in our condensed consolidated financial statements. FFO should not be considered a replacement of net income computed in accordance with GAAP.

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 our performance, as an alternative to net cash flow from operating activities, as a measure of our liquidity, or as an indicator of our ability to make cash distributions.

The following table presents the calculation of FFO for the periods indicated:

	For the Three Months Ended March 31,	
	2025	2024
Net income attributable to common stockholders	\$ 270,875	\$ 213,112
Adjustments:		
Real estate depreciation	159,170	154,372
Amortization of intangibles	11,079	29,284
Gain on real estate assets held for sale and sold, net	(35,761)	—
Unconsolidated joint venture real estate depreciation and amortization	8,689	7,840
Income allocated to Operating Partnership noncontrolling interests	14,050	10,962
Funds from operations attributable to common stockholders and unit holders	<u>\$ 428,102</u>	<u>\$ 415,570</u>

SAME-STORE RESULTS

Our same-store pool for the periods presented consists of 1,829 stores that are wholly-owned and operated and that were stabilized by the first day of the earliest calendar year presented. We consider a store to be stabilized once it has been open for three years or has sustained average square foot occupancy of 80% or more for one calendar year. We believe 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 expense 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 our stores as a whole. The following table presents operating data for our same-store portfolio.

	For the Three Months Ended March 31,		Percent Change
	2025	2024	
Same-store rental revenues			
Net rental income	\$ 635,798	\$ 631,313	0.7 %
Other operating income	23,938	26,210	(8.7)%
Total same-store rental revenues	659,736	657,523	0.3 %
Same-store operating expenses			
Payroll and benefits	40,220	41,152	(2.3)%
Marketing	13,929	15,917	(12.5)%
Office expense	20,305	20,873	(2.7)%
Property operating expense	19,568	19,131	2.3 %
Repairs and maintenance	15,207	14,574	4.3 %
Property taxes	75,448	65,149	15.8 %
Insurance	7,750	7,841	(1.2)%
Total same-store operating expenses	192,427	184,637	4.2 %
Same-store net operating income	\$ 467,309	\$ 472,886	(1.2)%
Same-store square foot occupancy as of period end	93.4%	92.4%	
Average same-store square foot occupancy	93.3%	92.1%	
Properties included in same-store	1,829	1,829	

The following table presents additional information for our same-store portfolio:

Same-store portfolio	For the Three Months Ended March 31,	
	2025	2024
Average annual rent per occupied square foot, net of discounts and bad debt	\$ 19.75	\$ 19.94
New leases average annual rent per square foot	\$ 12.18	\$ 12.15
Average discounts as a percentage of rental revenues	1.7%	1.9%

The following table presents a reconciliation of same-store net operating income to net income as presented on our condensed consolidated statements of operations for the periods indicated:

	For the Three Months Ended March 31,	
	2025	2024
Net Income	\$ 284,925	\$ 224,074
Adjusted to exclude:		
Gain on real estate assets held for sale and sold, net	(35,761)	—
Equity in earnings and dividend income from unconsolidated real estate entities	(19,931)	(15,007)
Interest expense	142,399	132,887
Non-cash interest expense related to amortization of discount on Life Storage unsecured senior notes	11,313	10,705
Depreciation and amortization	180,356	196,966
Income tax expense	8,991	6,742
General and administrative	45,974	43,722
Management fees, other income and interest income	(69,872)	(53,721)
Net tenant insurance	(67,596)	(62,842)
Non same-store rental revenue	(44,644)	(30,521)
Non same-store operating expense	31,155	19,881
Total same-store net operating income	\$ 467,309	\$ 472,886
Same-store rental revenues	\$ 659,736	\$ 657,523
Same-store operating expenses	192,427	184,637
Same-store net operating income	<u>\$ 467,309</u>	<u>\$ 472,886</u>

CASH FLOWS

Cash flows from operating activities for the three months ended March 31, 2025 increased when compared to the same period in the prior year. Cash flows used in investing activities relate primarily to our acquisition and development of new stores, sales of stores, investments in unconsolidated real estate entities, and notes receivable from bridge loans and fluctuate depending on our actions in those areas. Cash flows from financing activities depend primarily on our debt and equity financing activities. A summary of cash flows along with significant components are as follows:

	For the Three Months Ended March 31,	
	2025	2024
Net cash provided by operating activities	\$ 481,404	\$ 465,556
Net cash used in investing activities	(342,038)	(282,071)
Net cash used in financing activities	(159,621)	(233,182)
Significant components of net cash flow included:		
Net income	\$ 284,925	\$ 224,074
Depreciation and amortization	180,356	196,966
Acquisition and development of real estate assets	(243,861)	(126,875)
Proceeds from sale of real estate assets	124,730	—
Investment in unconsolidated real estate entities	(102,397)	(2,412)
Issuance and repurchase of notes receivable, net of sales and principal payments	(116,241)	(146,182)
Proceeds from unsecured term loans, senior notes, revolving lines of credit and commercial paper	3,979,431	1,679,470
Principal payments on unsecured term loans, senior notes, revolving lines of credit and commercial paper	(4,615,810)	(2,147,191)
Proceeds from issuance of public bonds, net	850,000	600,000
Dividends paid on common stock	(344,203)	(344,208)

We believe that cash flows generated by operations, along with our existing cash and cash equivalents, the availability of funds under our existing lines of credit, and our access to capital markets will be sufficient to meet all of our reasonably anticipated cash needs during the next twelve months. These cash needs include operating expenses, monthly debt service payments, recurring capital expenditures, acquisitions, funding for the bridge loan program, building redevelopments and expansions, distributions to unit holders and dividends to stockholders necessary to maintain our REIT qualification.

We expect to generate positive cash flow from operations in 2025, and we consider projected cash flows in our sources and uses of cash. These cash flows are principally derived from rents paid by our tenants. A significant deterioration in projected cash flows from operations could cause us to increase our reliance on available funds under our existing lines of credit, curtail planned capital expenditures, or seek other additional sources of financing.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2025, we had \$119,559 available in cash and cash equivalents. Our cash and cash equivalents are held in accounts managed by third party financial institutions and consist of invested cash and cash in our operating accounts. During 2025 and 2024, we experienced no loss or lack of access to our cash and cash equivalents; however, there can be no assurance that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

The following table presents information relating to our debt:

	March 31, 2025
Total face value of debt	\$ 12,809,851
Total enterprise value ratio	28.0 %
Total fixed-rate debt and other instruments to total debt	78.8% ⁽¹⁾
Weighted average interest rate of total debt	4.4 %

(1) \$10,095,495 total fixed-rate debt including \$1,079,466 on which we have interest rate swaps that have been included as fixed-rate debt.

We expect to fund our short-term liquidity requirements, including operating expenses, recurring capital expenditures, dividends to stockholders, distributions to holders of Operating Partnership units and interest on our outstanding indebtedness, out of our operating cash flow, cash on hand and borrowings under our revolving lines of credit and commercial paper. In addition, we are pursuing additional sources of financing based on anticipated funding needs and growth assumptions.

In November 2024, we established our commercial paper program, under which we may issue, repay and re-issue short-term unsecured commercial paper notes. The aggregate principal amount outstanding under the program at any time cannot exceed \$1,000,000, and the net proceeds of the commercial paper notes are expected to be used for general corporate purposes. The maturities of the notes generally range from overnight to three months, with a maximum of up to 13 months. The commercial paper notes are issued under customary terms in the commercial paper market and are issued at a discount from par or, alternatively, can be issued at par and bear varying interest rates on a fixed or floating basis. At any point in time, we expect to maintain available commitments under our Credit Facilities in an amount at least equal to the amount of commercial paper notes outstanding. At March 31, 2025, we had \$580,000 in issuances outstanding under the commercial paper program.

We hold a BBB+/Stable rating from S&P, which was upgraded from BBB/Stable in July 2023 in connection with the Life Storage Merger, and a Baa2 rating from Moody's Investors Service. We intend to manage our balance sheet to maintain these ratings. Certain of our real estate assets are pledged as collateral for our debt. As of March 31, 2025, we had a total of 1,754 unencumbered stores as defined by our public bonds. Our unencumbered asset value was calculated as \$30,065,371 and our total asset value was calculated as \$36,034,628 according to the calculations as defined by our public bonds. We are subject to certain restrictive covenants relating to our outstanding debt. We were in compliance with all financial covenants at March 31, 2025.

Our liquidity needs consist primarily of operating expenses, monthly debt service payments, recurring capital expenditures, dividends to stockholders and distributions to unit holders necessary to maintain our REIT qualification. We may from time to time seek to repurchase our outstanding debt, shares of common stock or other securities in open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. In addition, we evaluate, on an ongoing basis, the merits of strategic acquisitions and other relationships, which may require us to raise additional funds. We may also use Operating Partnership units as currency to fund acquisitions from self-storage owners.

On April 15, 2024, we entered into an equity distribution agreement (the "Equity Distribution Agreement") with certain sales agents and forward purchasers named therein. Under the terms of the Equity Distribution Agreement, we may issue and sell, and the forward purchasers may sell, from time to time through or to the sales agents, shares of our common stock having an aggregate offering price of up to \$800,000. The shares of common stock will be offered pursuant to our effective registration statement on Form S-3 (Registration Statement No. 333-278690) previously filed with and declared effective by the Securities and Exchange Commission (the "SEC") and a prospectus supplement and accompanying prospectus, filed with the SEC. As of March 31, 2025, no shares have been sold under the Equity Distribution Agreement, which we refer to as our "at the market" equity program.

OFF-BALANCE SHEET ARRANGEMENTS

Except as disclosed in the notes to our consolidated financial statements of our most recently filed Annual Report on Form 10-K, we do not currently have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purposes entities, which typically are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, except as disclosed in the notes to our condensed consolidated financial statements, we have not guaranteed any obligations of unconsolidated entities, nor do we have any commitments or intent to provide funding to any such entities. Accordingly, we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in these relationships.

SEASONALITY

The self-storage business is subject to seasonal fluctuations. A greater portion of revenues and profits is typically realized from May through September. Historically, our highest level of occupancy has been at the end of July, while our lowest level of occupancy has been in late February and early March. Results for any quarter may not be indicative of the results that may be achieved for the full fiscal year.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

Market risk refers to the risk of loss from adverse changes in market prices and interest rates. Our future income, cash flows and fair values of financial instruments are dependent upon prevailing market interest rates.

Interest Rate Risk

Interest rate risk is highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control.

As of March 31, 2025, we had approximately \$12.8 billion in total face value of debt, of which approximately \$2.7 billion was subject to variable interest rates (excluding debt with interest rate swaps). If SOFR was to increase or decrease by 100 basis points, the increase or decrease in interest expense on the variable-rate debt would increase or decrease future earnings and cash flows by approximately \$27.1 million annually.

Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

ITEM 4. CONTROLS AND PROCEDURES

(1) Disclosure Controls and Procedures

We maintain disclosure controls and procedures to ensure that information required to be disclosed in the reports we file pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based on the definition of “disclosure controls and procedures” in Rule 13a-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide a reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We have a disclosure committee that is responsible for considering the materiality of information and determining the disclosure obligations of the Company on a timely basis. The disclosure committee meets quarterly and reports directly to our Chief Executive Officer and Chief Financial Officer.

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this report.

(2) Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred during our most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in various legal proceedings and are subject to various claims and complaints arising in the ordinary course of business. Because litigation is inherently unpredictable, the outcome of these matters cannot presently be determined with any degree of certainty. In accordance with applicable accounting guidance, management establishes an accrued liability for litigation when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. The estimated loss, if any, is based upon currently available information and is subject to significant judgment, a variety of assumptions, and known and unknown uncertainties. We could in the future incur judgments or enter into settlements of claims that could have a material adverse effect on our results of operations in any particular period, notwithstanding the fact that we are currently vigorously defending any legal proceedings against us.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in “Part I. Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, which could materially affect our business, financial condition and results of operations. There have been no material changes to the risk factors described in the “Risk Factors” section in our Annual Report on Form 10-K for the year ended December 31, 2024. The risks described in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During the three months ended March 31, 2025, none of our officers or directors adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non Rule 10b5-1 trading arrangement,” except as follows:

On February 28, 2025, Joseph D. Margolis, our Chief Executive Officer and Director, adopted a trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 30,000 shares of our common stock from July 1, 2025 through April 3, 2026.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Form</u>	<u>Incorporated by Reference Date</u>	<u>Number</u>	<u>Filed Herewith</u>
1.1	Equity Distribution Agreement, dated April 15, 2024, by and among Extra Space Storage Inc., Extra Space Storage LP, BMO Capital Markets Corp., BofA Securities, Inc., Citigroup Global Markets Inc., Jefferies LLC, J.P. Morgan Securities LLC, Regions Securities LLC, TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC	S-3ASR	April 15, 2024	1.2	
2.1	Agreement and Plan of Merger, dated as of April 2, 2023, by and among Extra Space Storage Inc., Extra Space Storage LP, Eros Merger Sub, LLC, Eros OP Merger Sub, LLC, Life Storage, Inc. and Life Storage LP	8-K	April 3, 2023	2.1	
2.2	Amendment to Agreement and Plan of Merger, dated as of May 18, 2023, by and among Extra Space Storage Inc., Extra Space Storage LP, Eros Merger Sub, LLC, Eros OP Merger Sub, LLC, Life Storage, Inc. and Life Storage LP	8-K	July 20, 2023	2.2	
3.1	Amended and Restated Articles of Incorporation of Extra Space Storage Inc.	S-11	August 10, 2004	3.1	
3.2	Articles of Amendment of Extra Space Storage Inc., dated September 28, 2007.	8-K	October 3, 2007	3.1	
3.3	Articles of Amendment of Extra Space Storage Inc., dated August 29, 2013.	8-K	August 29, 2013	3.1	
3.4	Articles of Amendment of Extra Space Storage Inc., dated May 21, 2014.	8-K	May 28, 2014	3.1	
3.5	Second Amended and Restated Bylaws of Extra Space Storage Inc.	8-K	January 17, 2018	3.1	
3.6	Fourth Amended and Restated Agreement of Limited Partnership of Extra Space Storage LP.	8-K	December 6, 2013	10.1	
4.1	Junior Subordinated Note	10-K	February 26, 2010	4.3	
4.2	Description of Securities	10-K	February 25, 2020	4.6	
4.3	Indenture, dated as of May 11, 2021, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Wells Fargo Bank, National Association, as trustee.	8-K	May 11, 2021	4.1	
4.4	First Supplemental Indenture, dated as of May 11, 2021, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Wells Fargo Bank, National Association, as trustee, including the form of the Notes and the Guarantee.	8-K	May 11, 2021	4.2	
4.5	Second Supplemental Indenture, dated as of September 22, 2021, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Wells Fargo Bank, National Association, as trustee, including the form of the Notes and the Guarantee.	8-K	September 22, 2021	4.2	
4.6	Third Supplemental Indenture, dated as of March 31, 2022, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.	8-K	March 31, 2022	4.2	

4.7	<u>Fourth Supplemental Indenture, dated as of March 28, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	March 28, 2023	4.2
4.8	<u>Fifth Supplemental Indenture, dated as of June 16, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	June 16, 2023	4.2
4.9	<u>Sixth Supplemental Indenture, dated as of July 25, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	July 25, 2023	4.4
4.10	<u>Seventh Supplemental Indenture, dated as of July 25, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	July 25, 2023	4.5
4.11	<u>Eighth Supplemental Indenture, dated as of July 25, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	July 25, 2023	4.6
4.12	<u>Ninth Supplemental Indenture, dated as of July 25, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	July 25, 2023	4.7
4.13	<u>Tenth Supplemental Indenture, dated as of July 25, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	July 25, 2023	4.8
4.14	<u>Eleventh Supplemental Indenture, dated as of December 1, 2023, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	December 1, 2023	4.2
4.15	<u>Twelfth Supplemental Indenture, dated as of January 19, 2024, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	January 19, 2024	4.2
4.16	<u>Thirteenth Supplemental Indenture, dated as of August 12, 2024, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	August 12, 2024	4.2

4.17	<u>Fourteenth Supplemental Indenture, dated as of March 19, 2025, among Extra Space Storage LP, as issuer, Extra Space Storage Inc., ESS Holdings Business Trust I and ESS Holdings Business Trust II, as guarantors, and Computershare Trust Company, N.A., as trustee, including the form of the Notes and the Guarantee.</u>	8-K	March 19, 2025	4.2	
4.18	<u>Base Indenture, dated as of June 20, 2016, among Life Storage, Inc., Life Storage LP and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.2 to the Current Report on Form 10-K filed by Life Storage Inc. on February 24, 2023).</u>	8-K	July 25, 2023	4.1	
4.19	<u>Sixth Supplemental Indenture, dated as of July 25, 2023, among Life Storage LP, as issuer, Life Storage LLC, as parent guarantor, and Computershare Trust Company, N.A., as trustee.</u>	8-K	July 25, 2023	4.2	
22.1	<u>Issuer and Guarantors of Guaranteed Securities</u>				X
31.1	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>				X
31.2	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>				X
32.1	<u>Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>				X
101	The following materials from Extra Space Storage Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, are formatted in XBRL (eXtensible Business Reporting Language): (1) the Condensed Consolidated Balance Sheets, (2) the Condensed Consolidated Statements of Operations, (3) the Condensed Consolidated Statements of Comprehensive Income (4) the Condensed Consolidated Statements of Noncontrolling Interests and Equity, (5) the Condensed Consolidated Statements of Cash Flows and (6) notes to these financial statements.				X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).				X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EXTRA SPACE STORAGE INC.

Registrant

Date: May 2, 2025

/s/ Joseph D. Margolis

Joseph D. Margolis

Chief Executive Officer

(Principal Executive Officer)

Date: May 2, 2025

/s/ P. Scott Stubbs

P. Scott Stubbs

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Issuer and Guarantors of Guaranteed Securities

As of March 31, 2025, the following entities were issuers or guarantors, as set forth below, for the 3.500% Senior Notes due 2026, the 3.875% Senior Notes due 2027, the 5.700% Senior Notes due 2028, the 3.900% Senior Notes due 2029, the 4.000% Senior Notes due 2029, the 2.200% Senior Notes due 2030, the 2.550% Senior Notes due 2031, the 2.400% Senior Notes due 2031, the 2.350% Senior Notes due 2032, the 5.400% Senior Notes due 2034, the 5.350% Senior Notes due 2035, and the 5.400% Senior Notes due 2035 (collectively, the “Notes”). The guarantors have fully and unconditionally guaranteed the Notes on a joint and several basis.

Name of Issuer or Guarantor	Reported as Issuer or Guarantor	State of Incorporation or Organization
Extra Space Storage LP	Issuer	Delaware
Extra Space Storage Inc.	Parent Guarantor	Maryland
ESS Holdings Business Trust I	Subsidiary Guarantor	Massachusetts
ESS Holdings Business Trust II	Subsidiary Guarantor	Massachusetts

CERTIFICATION

I, Joseph D. Margolis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Extra Space Storage Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

By: /s/ Joseph D. Margolis
Name: Joseph D. Margolis
Title: Chief Executive Officer

CERTIFICATION

I, P. Scott Stubbs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Extra Space Storage Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

By: /s/ P. Scott Stubbs

Name: P. Scott Stubbs

Title: Executive Vice President and Chief Financial Officer

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Executive Officer of Extra Space Storage Inc. (the “Company”), hereby certifies to his knowledge on the date hereof, pursuant to 18 U.S.C. 1350(a), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the “Form 10-Q”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Joseph D. Margolis

Name: Joseph D. Margolis

Title: Chief Executive Officer

Date: May 2, 2025

The undersigned, the Chief Financial Officer of Extra Space Storage Inc. (the “Company”), hereby certifies to his knowledge on the date hereof, pursuant to 18 U.S.C. 1350(a), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the “Form 10-Q”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ P. Scott Stubbs

Name: P. Scott Stubbs

Title: Executive Vice President and Chief Financial Officer

Date: May 2, 2025