

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): July 24, 2023

PUBLIC STORAGE

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-33519
(Commission
File Number)

95-3551121
(IRS Employer
Identification No.)

**701 Western Avenue,
Glendale, California**
(Address of principal executive offices)

91201-2349
(Zip Code)

(818) 244-8080
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Class	Trading Symbol	Name of exchange on which registered
Common Shares, \$0.10 par value	PSA	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 5.150% Cum Pref Share, Series F, \$0.01 par value	PSAPrF	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 5.050% Cum Pref Share, Series G, \$0.01 par value	PSAPrG	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 5.600% Cum Pref Share, Series H, \$0.01 par value	PSAPrH	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.875% Cum Pref Share, Series I, \$0.01 par value	PSAPrI	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.700% Cum Pref Share, Series J, \$0.01 par value	PSAPrJ	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.750% Cum Pref Share, Series K, \$0.01 par value	PSAPrK	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.625% Cum Pref Share, Series L, \$0.01 par value	PSAPrL	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.125% Cum Pref Share, Series M, \$0.01 par value	PSAPrM	New York Stock Exchange

Depository Shares Each Representing 1/1,000 of a 3.875% Cum Pref Share, Series N, \$0.01 par value	PSAPrN	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 3.900% Cum Pref Share, Series O, \$0.01 par value	PSAPrO	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.000% Cum Pref Share, Series P, \$0.01 par value	PSAPrP	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 3.950% Cum Pref Share, Series Q, \$0.01 par value	PSAPrQ	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.000% Cum Pref Share, Series R, \$0.01 par value	PSAPrR	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a 4.100% Cum Pref Share, Series S, \$0.01 par value	PSAPrS	New York Stock Exchange
0.875% Senior Notes due 2032	PSA32	New York Stock Exchange
0.500% Senior Notes due 2030	PSA30	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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 pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On Monday, July 24, 2023, Public Storage (the “Company”) posted on its website the presentation attached to this Form 8-K as Exhibit 99.1 and issued the press release attached to this Form 8-K as Exhibit 99.2 regarding the acquisition described below.

The information in Item 7.01 of this Form 8-K and the information contained in Exhibit 99.1 and Exhibit 99.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

On Monday, July 24, 2023, the Company announced that it entered into a definitive agreement to acquire BREIT Simply Storage LLC, a self-storage company that owns and operates 127 self-storage facilities (9.4 million square feet) and manages 25 self-storage facilities (1.8 million square feet) for third parties, for a cash acquisition price of \$2.2 billion (the “Acquisition”). The owned facilities are located in Texas (33), Florida (18), Oklahoma (12), Tennessee (9), Indiana (8), Michigan (8), New Jersey (5), California (4), Mississippi (4), Washington (3) and other states (23). The Acquisition, which is subject to the satisfaction of customary closing conditions, is currently expected to close in the third quarter of 2023. However, there can be no assurances that these closing conditions will be satisfied or that the Acquisition will close on the terms described herein, or at all.

Forward-Looking Statements

This Form 8-K includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All forward-looking statements speak only as of the date of this Form 8-K. These forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company’s actual results and performance to be materially different from those expressed or implied in the forward-looking statements. Factors and risks that may impact future results and performance are described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022. The Company disclaims any obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, new estimates, or other factors, events or circumstances after the date of this report, except where required by law.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**Exhibit
No.

99.1	Public Storage Presentation dated July 24, 2023
99.2	Joint Press Release dated July 24, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

PUBLIC STORAGE

By: /s/ H. Thomas Boyle

H. Thomas Boyle

Senior Vice President, Chief Financial and Investment Officer

Date: July 24, 2023

Simply Self Storage Acquisition Overview

July 2023



**Public
Storage**

Important Information

FORWARD-LOOKING STATEMENTS: This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements relating to our 2023 outlook and all underlying assumptions, our expected acquisition, disposition, development, and redevelopment activity, supply and demand for our self-storage facilities, information relating to operating trends in our markets, expectations regarding operating expenses, including property tax changes, expectations regarding the impacts from inflation and a potential future recession, our strategic priorities, expectations with respect to financing activities, rental rates, cap rates, and yields, leasing expectations, our credit ratings, and all other statements other than statements of historical fact. Such statements are based on management's beliefs and assumptions made based on information currently available to management and may be identified by the use of the words "outlook," "guidance," "expects," "believes," "anticipates," "should," "estimates," and similar expressions. These forward-looking statements involve known and unknown risks and uncertainties, which may cause our actual results and performance to be materially different from those expressed or implied in the forward-looking statements. Risks and uncertainties that may impact future results and performance include, but are not limited to those described in Part 1, Item 1A, "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 21, 2023 and in our other filings with the SEC. These include changes in demand for our facilities, impacts of natural disasters, adverse changes in laws and regulations including governing property tax, evictions, rental rates, minimum wage levels, and insurance, adverse economic effects from the COVID-19 Pandemic, international military conflicts, or similar events impacting public health and/or economic activity, increases in the costs of our primary customer acquisition channels, adverse impacts to us and our customers from inflation, unfavorable foreign currency rate fluctuations, changes in federal or state tax laws related to the taxation of REITs, security breaches, including ransomware, or a failure of our networks, systems, or technology. These forward-looking statements speak only as of the date of this presentation or as of the dates indicated in the statements. All of our forward-looking statements, including those in this presentation, are qualified in their entirety by this cautionary statement. We expressly disclaim any obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, new estimates, or other factors, events, or circumstances after the date of these forward-looking statements, except when expressly required by law. Given these risks and uncertainties, you should not rely on any forward-looking statements in this presentation, or which management may make orally or in writing from time to time, neither as predictions of future events nor guarantees of future performance.

NON-GAAP MEASURES: This presentation contains non-GAAP measures, including FFO and NOI. Non-GAAP measures should not be considered as an alternative to, or more meaningful than, net income (determined in accordance with GAAP) or other GAAP financial measures, as an indicator of financial performance and is not an alternative to, or more meaningful than, cash flow from operating activities (determined in accordance with GAAP) as a measure of liquidity. Non-GAAP measures have limitations as they do not include all items of income and expense that affect operations and, accordingly, should always be considered as supplemental financial results to those presented in accordance with GAAP. In addition, other REITs may compute these measures differently, so comparisons among REITs may not be helpful. Please refer to our SEC periodic reports for definitions of our non-GAAP measures and reconciliations to the nearest GAAP measures.



Transaction Summary

A Portfolio Poised for Growth Driven by Public Storage's Competitive Advantages

- \$2.2 billion acquisition of Simply Self Storage ("Simply"), a large, geographically diversified, and growth-oriented portfolio
 - Owned by Blackstone Real Estate Income Trust, Inc. (BREIT)
 - 127 wholly-owned properties and 25 third-party managed properties
 - *Stabilized*: 121 properties at 92% occupancy
 - *Lease-up*: 6 properties at 75% occupancy
- Portfolio market population growth twice the national average since 2018
- Strong Sunbelt presence comprising 65% of wholly-owned properties
 - Complementary to our presence in Dallas, Houston, Tampa, and Orlando
- Transaction benefits enabled by Public Storage's platform, brand, and growth-oriented balance sheet

Accelerating Accretion

- Public Storage to enhance operations with significant upside to Simply's 69% direct NOI margin¹ anticipated
- 6.25% - 6.75% nominal yield expected during year 3 upon stabilization²
- Expected to be accretive to 2024 Core FFO per share with accretion accelerating to 1% through stabilization

Financing and Closing According to Plan

- Since 2015, Public Storage has funded growth with unsecured debt and free cash flow
- Simply acquisition will be funded with unsecured debt
- Expected to close during the third quarter of 2023
- Pro forma leverage of 3.8x net debt and preferred equity to EBITDA positions Public Storage for further growth



Source: Company filings and Simply Self Storage

1. Trailing twelve months as of 5/31/23

2. Purchase price yield based on NOI and tenant insurance income per Public Storage's forward-looking underwriting

A Growth Portfolio



Simply Portfolio Overview

152 properties

- 127 wholly-owned
- 25 third-party managed

11 million net rentable square feet¹

- 9.4m wholly-owned
- 1.8m third-party managed

91% occupancy²

69% NOI margin³

3.3% 3-mile avg. population growth since 2018

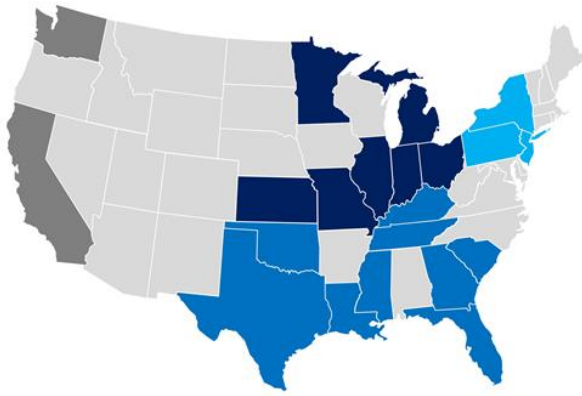


Source: Simply Self Storage
 1. Self-storage net rentable square feet as of 5/31/23
 2. Self-storage net rentable square footage for wholly-owned portfolio as of 5/31/23
 3. Trailing twelve months as of 5/31/23

Geographically Diversified Footprint

Regional Distribution

	Sunbelt	Midwest	Northeast	West	Total
Properties ¹	83	28	9	7	127
Square feet (millions) ¹	6.0	2.0	0.7	0.6	9.4



Top Markets

Market	Properties ¹	% of Total Sq. Ft. ¹	% of Total NOI ²
1. Dallas-Ft. Worth	16	13.9%	13.9%
2. Houston	17	13.2%	11.2%
3. Orlando-Daytona	9	6.0%	8.3%
4. Tampa	6	5.0%	7.2%
5. Memphis	11	8.3%	7.2%
6. New York	6	4.8%	6.4%
7. Oklahoma City	12	8.5%	5.8%
8. Los Angeles	3	3.3%	5.2%
9. Detroit	6	3.9%	4.7%
10. Chicago	6	4.7%	4.2%
11. Columbus	5	4.5%	3.7%
12. Seattle-Tacoma	3	2.6%	3.7%
13. Mobile-Pensacola	3	3.2%	3.2%
14. Philadelphia	3	3.1%	3.0%
15. Indianapolis	6	4.4%	2.7%
Other	15	10.6%	9.7%
Total	127	100.0%	100.0%



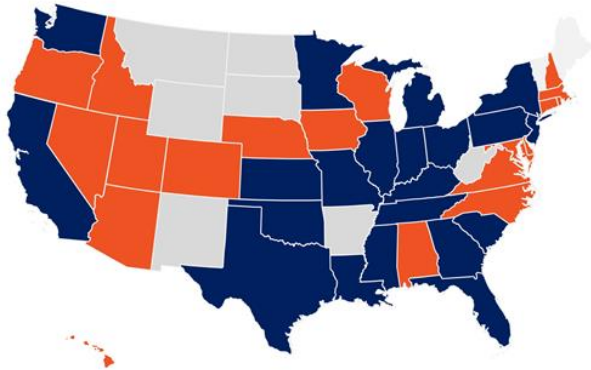
Source: Simply Self Storage
 1. For the wholly-owned portfolio as of 5/31/23
 2. Trailing twelve months as of 5/31/23

Complementary National Coverage

Geographic Coverage

Property Presence

- Public Storage and Simply
- Public Storage only



Source: Company filings and Simply Self Storage
 1. As of 3/31/23. Third-party management properties includes contracts to manage properties that are currently under construction.

Benefits of Expanded Footprint

	Public Storage ¹	Combined Company	Increase
Owned Properties	2,877	3,004	+4%
Owned Square Feet	205 million	214 million	+4%
Third-Party Managed Properties	193	218	+13%



Public Storage properties benefit from expanded footprint

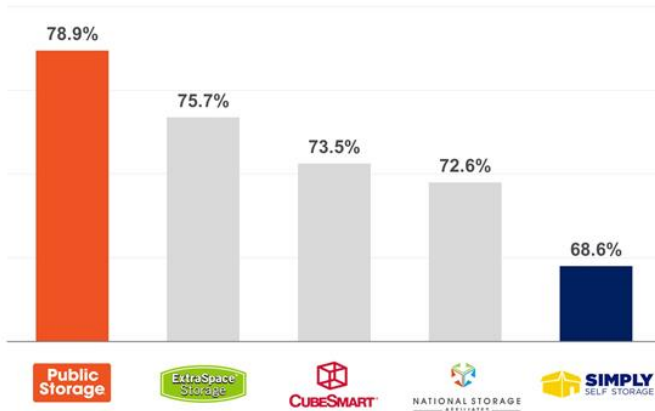
Public Storage drives upside in Simply properties through its industry-leading operating platform



Public Storage's Industry-Leading NOI Generation

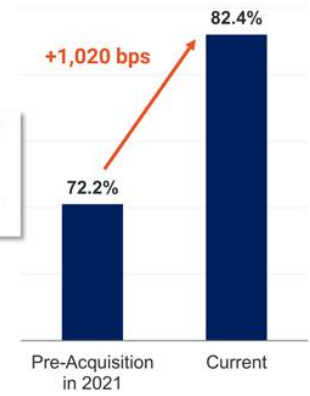
Public Storage will enhance operations on Simply's owned and third-party managed properties

Direct NOI Margin Comparison¹



Case Study: ezStorage Direct NOI Margin²

Public Storage has a track record of significant margin expansion on stabilized acquisitions, including 36 properties acquired from ezStorage, a well-run portfolio, in 2021.



Source: Company filings and data

1. REIT same-store pools for the year ended 3/31/23. Simply trailing twelve months as of 5/31/23.
2. As of 3/31/23. Only includes ezStorage properties that were stabilized at the time of Public Storage's acquisition (36 out of 48 total properties acquired) in 2021.

Utilizing Our Growth-Oriented Balance Sheet

Transaction Summary

- Entered acquisition agreement on July 23rd
- Combination of the Public Storage and Simply teams enhances core strengths and experience

Financial Summary

- \$2.2 billion total acquisition cost
- 6.25% - 6.75% nominal yield expected during year 3 upon stabilization¹
- Expected to be accretive to 2024 Core FFO per share with accretion accelerating to 1% through stabilization

Public Storage's leading balance sheet provides capacity for funding accretive growth

Sources	
Unsecured Debt	\$2,265

Uses	
Acquisition of Simply Self Storage	\$2,200
Transaction Costs	65
Total Uses	\$2,265



Source: Company filings and Simply Self Storage

1. Purchase price yield based on NOI and tenant insurance income per Public Storage's forward-looking underwriting

Public Storage is the Self-Storage Acquirer of Choice

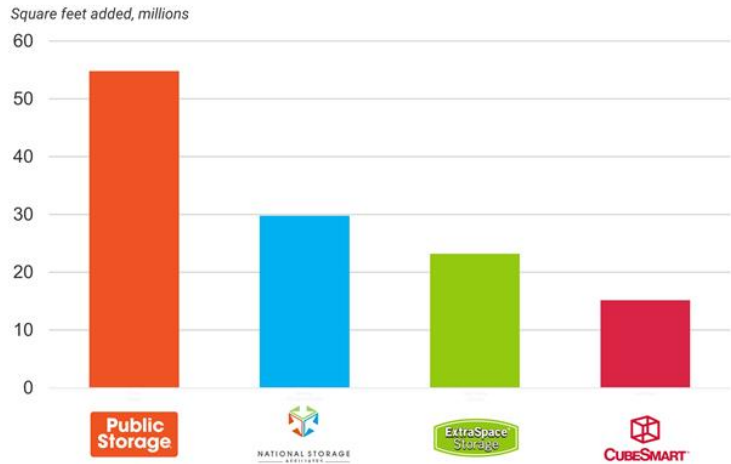
Public Storage Quick Facts

- ✓ World's leading owner, acquirer, and developer of self-storage properties
- ✓ Most active private-market acquirer since 2019

Execution Certainty with Speed to Close

- ✓ Executing in a "win-win" transaction marketplace
 - Sellers transact at fair valuations
 - Public Storage enhances cash flow growth through its best-in-class operating platform
- ✓ Reputation as a preferred property acquirer with no financing contingencies, execution certainty, and speed to close on a cash basis
- ✓ Acquisitions consistently funded with free cash flow and unsecured debt issued via growth-oriented balance sheet

Portfolio Expansion via Private Market Transactions (2019 – 2023 YTD)¹



Source: Company filings
1. Includes acquisition properties closed or under contract subsequent to 3/31/23.

A Growth Transaction As We Are...



Strengthening our wide-ranging **competitive advantages**



Transforming our operating model through customer experience, employee satisfaction, and margin expanding **digitalization**



Enhancing our industry-leading **property and income stream quality**



Generating significant **earnings upside** through multi-factor external growth



Achieving **superior returns** on invested capital through **industry-best operations** and a **growth-oriented balance sheet**



Uniquely positioned for continued industry **leadership, innovation, and growth**

Appendix

**Public
Storage**

An Advantageous Pro Forma Leverage Position

	Q1 2023	Simply Adjustment	Pro Forma
Net Debt and Preferred Equity¹			
Notes Payable	\$6,937	\$2,265	\$9,202
Preferred Equity	4,350	-	4,350
Total	11,287	2,265	13,552
Cash	(695)	-	(695)
Net Debt and Preferred Equity	\$10,592	-	\$12,857
EBITDA			
EBITDA	\$3,202 ²	\$143 ³	\$3,345
Leverage Metrics			
Net Debt to EBITDA	1.9x	-	2.5x
Net Debt and Preferred Equity to EBITDA	3.3x	-	3.8x



Source: Company filings and Simply Self Storage

1. Notes payable, preferred equity, and cash as of 3/31/23

2. Public Storage's actual trailing twelve month EBITDA for the period ending 3/31/23

3. Assumes 6.5% midpoint of expected stabilized nominal yield range

Non-GAAP Reconciliation

Net Income to EBITDA Reconciliation

	1Q23 TTM
Net income	\$4,370
Net operating income attributed to noncontrolling interests	(16)
Depreciation and amortization	888
Interest expense	139
Extraordinary and nonrecurring gains and losses	(2,167)
PS Business Parks and Shurgard equity earnings	(70)
Distributions received from PS Business Parks and Shurgard ¹	58
EBITDA	\$3,202



Source: Company Filings
1. Excludes \$2.7 billion of proceeds from the sale of our equity investment in PS Business Parks, Inc. on July 20, 2022.

News Release

Public Storage
701 Western Avenue
Glendale, CA 91201-2349
PublicStorage.com

For Release: Immediately
Date: July 24, 2023

Public Storage Accelerates Growth with Simply Self Storage Acquisition

GLENDALE, California and New York – Public Storage (NYSE:PSA) (the “Company”) and Blackstone Real Estate Income Trust, Inc. (“BREIT”) announced today an agreement for Public Storage to acquire Simply Self Storage (“Simply”) from BREIT for \$2.2 billion.

The portfolio comprises 127 wholly-owned properties and 9 million net rentable square feet that are geographically diversified across 18 states and located in markets with population growth that has been approximately double the national average since 2018. Approximately 65% of the properties are located in high-growth Sunbelt markets. During BREIT’s ownership period, Blackstone made investments into the Simply platform that enabled the company to enhance the quality of the portfolio and management team, and ultimately significantly increased Simply’s net operating income.

Public Storage will deploy its industry-leading brand and operating platform to drive customer recognition and further enhance performance. The Company will integrate an additional 25 properties into its PS Advantage® third-party management platform. By combining the Simply team with Public Storage’s leading platform, the Company will deepen its presence in fast-growing markets, bolster its core strengths, and unlock additional opportunities for growth and value creation.

This acquisition reflects Public Storage’s continued execution of its opportunistic growth strategy. Since 2019, Public Storage has expanded its portfolio by approximately 55 million net rentable square feet, or 34%, through \$10.6 billion of acquisitions, development, and redevelopment, including Simply and additional properties previously announced as under contract.

“We are pleased to welcome Simply’s team, customers, and third-party management partners to Public Storage’s industry-leading brand and platform,” said Joe Russell, Public Storage’s Chief Executive Officer. “This acquisition reflects the continued execution of our multi-factor external growth platform, which includes acquisitions, development, redevelopment, expansion, and third-party management. We are pleased to complete this important transaction with Blackstone, which further demonstrates our position as an acquirer of choice in the industry. Blackstone has done a tremendous job of growing and improving the quality and operations of the Simply portfolio over the past few years.”

Nadeem Meghji, Head of Blackstone Real Estate Americas, said “Where you invest matters, and this transaction demonstrates the strong investor demand for the high-quality assets and platforms we have assembled within BREIT. This sale is a terrific outcome for BREIT stockholders and enables us to further concentrate BREIT’s portfolio in its highest growth sectors. Public Storage is a leader in its space and will be a terrific steward of this portfolio.”

The acquisition is currently expected to close in the third quarter of 2023, subject to the satisfaction of customary closing conditions. A detailed presentation is available in the [Investor Relations](#) section of Public Storage’s [website](#).

Eastdil Secured served as financial advisor to Public Storage, and Wachtell, Lipton, Rosen & Katz and Hogan Lovells US LLP acted as legal advisors. Wells Fargo and Newmark Group, Inc. served as lead financial advisors to BREIT, and BMO Capital Markets and Sumitomo Mitsui Banking Corporation (SMBC) also served as financial advisors. Simpson Thacher & Bartlett LLP acted as BREIT’s legal advisor.

About Public Storage

Public Storage, a member of the S&P 500 and FT Global 500, is a REIT that primarily acquires, develops, owns, and operates self-storage facilities. At March 31, 2023, we had: (i) interests in 2,877 self-storage facilities located in 40 states with approximately 205 million net rentable square feet in the United States and (ii) a 35% common equity interest in Shurgard Self Storage Limited (Euronext Brussels:SHUR), which owned 266 self-storage facilities located in seven Western European nations with approximately 15 million net rentable square feet operated under the Shurgard® brand. Our headquarters are located in Glendale, California.

About Blackstone Real Estate Income Trust

Blackstone Real Estate Income Trust, Inc. (BREIT) is a perpetual-life, institutional quality real estate investment platform that brings private real estate to income focused investors. BREIT invests primarily in stabilized, income-generating U.S. commercial real estate across asset classes in the United States and, to a lesser extent, real estate debt investments. BREIT is externally managed by a subsidiary of Blackstone (NYSE: BX), a global leader in real estate investing. Blackstone's real estate business was founded in 1991 and has approximately \$333 billion in investor capital under management. Further information is available at www.breit.com.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All forward-looking statements speak only as of the date of this release. These forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company's or BREIT's actual results and performance to be materially different from those expressed or implied in the forward-looking statements. Factors and risks that may impact the Company's or BREIT's respective future results and performance are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and BREIT's Annual Report on Form 10-K for the most recent fiscal year, its periodic filings with the SEC, as well as under the section entitled “Risk Factors” in BREIT's prospectus, each of which is accessible on the SEC's website at www.sec.gov. Each of the Company and BREIT disclaims any obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, new estimates, or other factors, events or circumstances after the date of this release, except where required by law.

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Blackstone

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