



RNS

Miscellaneous

Increase in Dividend Target, Portfolio Value & NAV

LXI REIT PLC

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014. This announcement has been authorised for release by the Board of Directors.

10 January 2022

LXi REIT plc

(the "Company" or "LXi REIT")

5% INCREASE IN ANNUAL DIVIDEND TARGET TO 6.3 PENCE PER SHARE FOR THE 12 MONTHS STARTING 1 APRIL 2022

INCREASE IN PORTFOLIO VALUE AND NET ASSET VALUE

LXi REIT (ticker: LXI), the specialist inflation-protected long income REIT, announces the following positive updates.

Dividend target

The Board is pleased to announce that the Company is targeting a fully covered annual dividend of 6.3 pence per share ("pps") for the 12-month period commencing 1 April 2022¹ (the "New Annual Dividend Target").

This represents a 5% increase over the 6.0 pps dividend target for the year ending 31 March 2022¹, which the Company continues to target and remains on track to meet.

The New Annual Dividend Target assumes that future rent collection is not materially lower than that achieved so far throughout the pandemic and is expected to be paid to shareholders in four equal quarterly instalments of 1.575 pps. The Company targets a total shareholder return of a minimum of 8% per annum over the medium-term¹.

Rent collection

The Company's rent collection remains resilient, and we expect to collect 100% of the rent due for Q1 2022, which would represent 100% rent collection for the 12 months ending 31 March 2022.

Portfolio valuation

The Company's independent valuer, Knight Frank LLP, has valued the Group's property portfolio, as at 31 December 2021, at £1.33 billion.

The valuation represents a +3.3% like-for-like increase over the three-month period since 30 September 2021 and a total increase of +9.0% over that period with the Company continuing to actively recycle assets through profitable disposals and acquisitions of assets typically at wider yields and often via relationship driven forward funding transactions.

The Company's valuation movement reflects an element of yield compression, with the portfolio net valuation yield being 4.5% (4.6% as at 30 September 2021), alongside ongoing rental growth within the portfolio, through index-linked rent reviews, in a period where inflation has substantially increased. 96% of the Group's contracted rents are index-linked or contain fixed uplifts designed to reflect inflation over the medium term.

Over the last 12 months, the Company has successfully deployed £294 million of new equity and debt across a range of defensive and structurally supported sub-sectors with the assets being let to a variety of high-quality tenants.

The like-for-like movements over the three-month period were spread across the Company's main sub-sectors as follows:

Life Sciences	+7.0%
Industrial	+5.8%
Education	+4.0%
Drive-Thru Coffee	+3.3%
Garden Centres	+3.1%
Foodstores and Essentials	+3.0%
Hotels	+1.5%
Healthcare	+0.6%
Car parks	No change
Pubs	No change

Unaudited net asset value

On the basis of the updated property valuation, the Group's estimated unaudited net asset value per share as at 31 December 2021, is approximately 139.5 pence, reflecting growth of approximately +4.1% over the three-month period.

When combined with the 1.5 pps dividend paid for the quarter, this produces a total NAV return of 5.2% for the three months ended 31 December 2021.

Stephen Hubbard, Chairman of LXI REIT plc, commented

"We are delighted today to increase our target annual dividend by 5% to 6.3 pence per share for the year commencing 1 April 2022¹, whilst also reporting strong growth in our portfolio valuation and unaudited NAV.

These reflect the Company's solid foundation of secure, long-dated and index-linked assets diversified across structurally supported sectors and robust tenants, underlined by our continuing very strong and resilient collection of rent due.

The Company remains well positioned to provide further value to our shareholders and with 96% of the Group's contracted rents either inflation-linked or containing fixed uplifts, the Group's portfolio is well placed to deliver defensive inflation protected income returns and capital growth going forward."

Notes

- 1 These are guidance levels or targets only and not a profit forecast. In setting this target the Board has applied sensitivities to contracted rental income that reflect the possible impact of the Covid-19 pandemic and assessed the effect of such sensitivities on the net earnings and liquidity of the Group. The target assumes that future rent collection is not materially lower than that achieved so far throughout the pandemic and the Board reserves the right to withdraw or amend guidance in the event that rent collection materially worsens.

There can be no assurance that this target will be met, and it should not be taken as an indication of the Group's expected future results which may be impacted by events or circumstances existing or arising after the date of this announcement.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 2138008YZGXOKAXQVI45

NOTES:

LXI REIT plc invests in UK commercial property assets let, or pre-let, on long (typically 20 to 30 years to expiry or first break), inflation-linked leases to a wide range of strong tenant covenants across a diverse range of robust property sectors

The Company may invest in fixed-price forward funded developments, provided they are pre-let to an acceptable tenant and full planning permission is in place. The Company will not undertake any direct development activity nor assume direct development risk.

The Company is targeting a dividend of 6 pence per ordinary share for the year which commenced on 1 April 2021 and a

dividend of 6.3 pence per ordinary share for the year commencing on 1 April 2022¹.

The Company, a real estate investment trust ("**REIT**") incorporated in England and Wales, is listed on the premium listing segment of the Official List of the UK Listing Authority and was admitted to trading on the main market for listed securities of the London Stock Exchange in February 2017.

The Company is a constituent of the FTSE 250, EPRA/NAREIT and MSCI indices.

Further information on the Company is available at www.lxireit.com

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