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Acquisition

NINE ACCRETIVE ACQUISITIONS TOTALLING £87 MILLION

LXI REIT PLC

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LXI REIT plc

(the "**Company**" or the "**Group**")

NINE ACCRETIVE ACQUISITIONS TOTALLING £87 MILLION AT 5.1% NIY

The Board of LXI REIT plc (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce the following nine acquisitions, funded by its recent £250 million equity capital raise (the "Capital Raise").

The acquisitions, which have been transacted predominantly on an off-market basis with seven different vendors/developers, total £87 million and reflect an accretive 5.1% net initial yield (net of purchase costs), versus the current portfolio valuation yield of 4.5%.

The assets are secured to a wide range of strong tenant covenants on long-term, index-linked leases and are underpinned by robust sectors and affordable rents with strong rent cover.

The Company is in solicitors' hands on a range of further assets and further announcements are expected to be made shortly.

Co-op Group convenience stores

The Company has acquired three convenience stores in Norwich, Aston and Washington. Each benefit from new, unbroken 20-year leases to Co-operative Food Group Limited, with fixed rental uplifts of 2.5% per annum compounded every five years.

The properties occupy strategic locations with direct access to key arterial routes and motorways as well as strong catchment areas. They each have a strong trading history and have recently been refurbished to Co-op's latest trading format. The Co-operative Group, which was established in 1844, now operates 2,500 food stores across the UK and has an annual turnover of £11.5 billion.

David Lloyd Club, Hamilton

The Company has acquired a premium health and racquets club, extending to 100,000 sq ft and with 333 parking spaces. Facilities include an aerobics studio, fully equipped gym, indoor heated pool, sauna, steam room, spinning rooms, 4 badminton courts, 7 indoor and 3 outdoor tennis courts, 6 treatment rooms and hair salon.

The property is fully let to David Lloyd Leisure Limited with 25 years unexpired until first break. The passing rent is an exceptionally low £6.70 per sq ft and increases annually in line with RPI inflation, capped at 4% per annum.

The property trades strongly, with a robust rent cover of 2.2X, and is well located in Hamilton, a popular commuter town serving Glasgow. David Lloyd is one of Europe's leading health, sport and leisure groups, operating 122 clubs.

Q-Park, York

The Company has acquired a two-storey car park incorporating 385 spaces in York.

The property is fully let to Q-Park Limited and guaranteed by Q-Park Holding BV on a long lease with 21 years unexpired to first break. The rent increases annually in line with RPI inflation, capped at 4% per annum and collared at 2.5% per annum.

The car park trades strongly and occupies a central location in the affluent and historic city of York, with the benefit of

multiple demand drivers, including tourism, leisure and the university.

Q-Park, an existing tenant of the Company, is one of Europe's leading car park operators, with 570,000 parking spaces in over 3,000 locations.

Sainsbury's forward funding, Bewdley

The Company has acquired, by means of a pre-let forward funding, a convenience store in Bewdley.

The property has been fully pre-let to Sainsbury's Supermarkets Limited on a new, unbroken 15-year lease, with five yearly CPI inflation linked rental uplifts, capped at 3% per annum and collared at 1% per annum compounded. Sainsbury's is a FTSE 100 constituent with a market cap of approximately £6.8 billion.

Premier Inn, Exeter

The Company has acquired a 44 bedroom Premier Inn budget hotel in Exeter.

The property is fully let to Whitbread Group plc, parent company of Premier Inn, on a long lease with 16 years unexpired to first break. The rent reviews five yearly in line with CPI inflation, capped at 4% per annum compounded.

The property trades strongly, with a robust 2.4X rent cover, and is well located with a strong residual and alternative use value. Whitbread is a FTSE 100 constituent with a market cap of approximately £6 billion.

Compass training facility, Milton Keynes

The Company has acquired a training facility extending to 160,000 sq ft across four buildings on a 12 acre site.

The property is fully let to Compass Group Holdings plc, a FTSE 100 constituent with a market cap of approximately £31 billion, on a long lease with 20 years unexpired to first break. The current rent equates to a low £11 per sq ft and reviews annually in line with RPI inflation, capped at 5% per annum.

The property is well located in Milton Keynes and is underpinned by a strong residual and alternative use value.

Cazoo sale and leaseback, Edinburgh

The Company has acquired a customer service, car storage and repair and maintenance facility in Edinburgh, by means of a sale and leaseback with Cazoo.

The property is fully let to Cazoo Limited on a new, unbroken 20-year lease with five yearly CPI linked rental uplifts, capped at 4% per annum and collared at 2% per annum compounded.

Cazoo is a leading online car retailer, listed on the NYSE, with a market cap of approximately \$3.4 billion.

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 very 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 6.3 pence per ordinary share for the year commencing on 1 April 2022 and a dividend of 6 pence per ordinary share for the year which commenced on 1 April 2021¹.

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

- 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.

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