



RNS

Acquisition



Profitable disposal & accretive acquisitions

LXI REIT PLC

Released 07:00:02 22 April 2022

RNS Number : 9704I
LXI REIT PLC
22 April 2022

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LXi REIT plc

(the "Company" or the "Group")

PROFITABLE DISPOSAL AND ACCRETIVE ACQUISITIONS

The Board of LXI REIT plc (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce the following profitable disposal and accretive acquisitions.

Disposal of Premier Inn anchored property

Following an unsolicited approach by a UK pension fund, the Company has exchanged contracts on the sale of its property in Saffron Walden let to Premier Inn, B&M, Pure Gym, Pets at Home and Costa for £19.33 million (a 4.45% net exit yield).

The Company acquired the property, through a forward funding transaction, for £15.8 million (a 5.72% net initial yield) and the sale generates an attractive 19% pa IRR for the Company. (The property was held for sale at the last valuation date.)

Acquisition of foodstore and industrial unit

The Company has exchanged contracts to purchase a M&S Simply Food store and a MKM trade unit, for a combined £9.44 million (reflecting an accretive 5.25% blended net initial yield), from separate developers.

The Company is acquiring the foodstore in Largs, North Ayrshire, by means of a pre-let forward funding transaction. The property, which will comprise 13,450 sq ft, has been fully pre-let to Marks & Spencer plc on a new, unbroken 15-year lease, with five yearly rental uplifts at a fixed growth rate of 2.5% per annum compounded. Marks & Spencer plc is a FTSE 250 constituent with a market cap of approximately £3 billion.

The trade unit, comprising 15,250 sq ft, is a builders' merchant facility constructed this year and fully let to MKM Building Supplies on a long lease, with 20 years unexpired to first break. The rent increases on a five-yearly basis in line with RPI inflation (capped at 3.5% pa and collared at 1.5% pa). MKM is the UK's largest independent builders' merchant.

Both acquisitions benefit from strong ESG credentials, including an EPC "A" rating and rooftop solar panelling at the MKM unit, and the M&S Simply Food development is also targeting an EPC "A" rating.

The balance of the sales proceeds will be invested in the Company's accretive pipeline.

FOR FURTHER INFORMATION, PLEASE CONTACT:

LXI REIT Advisors Limited Simon Lee (Partner, Fund Manager) John White (Partner, Fund Manager)	Via Maitland/AMO

Peel Hunt LLP Luke Simpson/Liz Yong	020 7418 8900
Jefferies International Ed Matthews/Tom Yeadon	020 7029 8000
Maitland/AMO (Communications Adviser) James Benjamin/Alistair de Kare-silver	07747 113 930 / 020 7379 5151 lxireit-maitland@maitland.co.uk

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, which commenced 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

- 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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