

RNS Miscellaneous



VALUATION-NTA & PORTFOLIO UPDATE AT 31 MARCH 2023

[LXI REIT PLC](#)

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LXi REIT plc

(the "Company", the "Group" or "LXi")



VALUATION, NTA AND PORTFOLIO UPDATE AS AT 31 MARCH 2023

The Board of LXI REIT plc (ticker: LXI), the specialist inflation-protected very long income REIT, reports that the Company's independent valuer, Knight Frank LLP, has valued the Group's property portfolio as at 31 March 2023 at £3.36 billion (31 March 2022: £1.54 billion, 30 September 2022: £3.66 billion), reflecting a net initial yield of 5.35% (31 March 2022: 4.35%, 30 September 2022: 4.87%).

The valuation reflects an outward yield shift of 48 basis points and an 8.6% life-for-like reduction in value in the six months to 31 March 2023 (six months to September 2022: 52bps yield shift, 1.4% like for like reduction in value).

Although the Company has clearly not been immune to the repricing of real assets driven by rising interest rates and high inflation, this valuation change reflects material outperformance relative to the wider property market, as evidenced by the CBRE All Property monthly index which shows a fall of 15.4% between October 2022 and February 2023.

This valuation performance reflects (i) the resilience of the Company's portfolio, which comprises very long let (27 years to first break), inflation-linked assets, which are highly diversified by sector and tenant; and (ii) accretive asset management initiatives carried out by the Company during the period, including the Travelodge rent-smoothing and re-gear.

The valuation movement in the six-month period across the Company's largest sector exposures was:

Like for like change in valuation	Six-months to 31 Mar 2023	Six-months to 30 Sep 2022
Healthcare	-6.1%	-0.1%
Budget hotels	-5.5%	+4.6%
Theme parks	-10.7%	+5.3%
Foodstores	-12.8%	-8.4%
Industrial	-11.8%	-12.5%
Other sectors	-9.4%	-1.4%
Portfolio	-8.6%	-1.4%

As at 31 March 2023, the Company's estimated unaudited EPRA NTA per share is expected to be approximately 120 pence (31 March 2022: 143 pence, 30 September 2022: 140 pence).

On the basis of the above valuation, the Company's loan-to-value is expected to stand at 38% (31 March 2022: 22%, 30 September 2022: 32%), providing material headroom to its LTV default covenants. The Company's medium-term target remains an LTV level of 30%.

Portfolio update

In the six months to 31 March 2023, the Company carried out 39 rent reviews, representing 6% of the rent roll, at an average uplift of 3.4% per annum and adding £0.5 million to the total rent roll, which stands at £201.8 million per annum as at the year end (gross of headlease rents).

More significantly, 48% of the rent roll will undergo a rent review in the six months from 1 April 2023 to 30 September 2023.

The Company's operational performance remains robust, with 100% of rent collected in advance for the quarter ending 30 June 2023 (which continues the post-Covid 100% collection record).

100% of the Company's portfolio is let, with 98% of the rent benefitting from inflation-linked or fixed rental uplifts and 2% containing upward-only open market reviews.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 2138008YZGXOKAXQV145

NOTES

LXI REIT plc invests in commercial property assets predominantly in the UK, 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, 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 Financial Conduct 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, MSCI and STOXX Europe 600 indices.

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

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