

Six acquisitions, full equity deployment & update

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LXI REIT PLC
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LXi REIT plc

(the "Company" or "LXi REIT")

SIX ACQUISITIONS FOR A COMBINED PURCHASE PRICE OF £55 MILLION

FULL DEPLOYMENT OF EQUITY RAISE AND UPDATE

The Board of Directors of LXI REIT (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce the following long-let, index-linked acquisitions from separate developers and vendors (the "**Acquisitions**"), for a combined total investment of approximately £55 million, reflecting a weighted average net initial acquisition yield of 5.83% (net of acquisition costs).

These Acquisitions, in combination with those announced on 25 June 2019, represent full deployment of the net proceeds of the Company's £200 million equity issue announced on 13 June 2019, at a weighted average net initial acquisition yield of 5.74%, which compares favourably to the Company's latest valuation yield of 5.13% as at 31 March 2019.

Lidl foodstore forward funding, Cornwall

The Company has acquired, by way of a pre-let forward funding, a new Lidl-led scheme in Camborne, Cornwall.

The foodstore has been pre-let to Lidl UK GmbH, on a new 25-year lease (with a tenant break right at year 15) from completion of the building works, with five yearly rental uplifts in line with the Retail Prices Index.

Lidl UK GmbH is the principal UK trading company of Schwarz Gruppe GmbH, a top four global retail group that owns and operates the Lidl and Kaufland brands, operating over 11,800 stores across 30 countries.

Lidl foodstore forward funding, Greater Manchester

The Company has acquired, by way of a pre-let forward funding, a new Lidl-led scheme in Hattersley, Greater Manchester.

The foodstore has been pre-let to Lidl UK GmbH, on a new 25-year lease (with a tenant break right at year 15) from completion of the building works, with five yearly rental uplifts in line with the Retail Prices Index.

Premier Inn hotel forward funding, Scottish Highlands

The Company has acquired, by way of a pre-let forward funding, a new Premier Inn hotel in Pitlochry, in the Scottish Highlands.

The hotel has been pre-let to Premier Inn Hotels Limited, with a guarantee from its parent Whitbread Group plc, on a new 25-year lease (with a tenant break right at year 20) from completion of the building works, with five yearly rental uplifts in line with the Consumer Prices Index.

Premier Inn is the UK's largest hotel brand, operating over 72,000 rooms across 785 hotels, and is part of Whitbread PLC, a FTSE 100 constituent and the UK's largest operator of hotels and restaurants, with a market capitalisation of approximately £8 billion.

The Company is not developing the above sites or assuming development risk and is forward funding each property on a fixed price basis. The Company will receive an income from the developers during the construction periods.

Care home, Midlands

The Company has acquired a care home in the Midlands, which is fully let to Bupa Care Homes (ANS) Limited and guaranteed by its parent Bupa Care Homes (CFG) plc, on a long lease with over 23 years unexpired to first break and benefits from annual rent reviews increasing in line with the Retail Prices Index.

The tenant and guarantor are part of the Bupa group, the leading investment grade international healthcare company.

Waste management facility, Poole

The Company has acquired a new waste management facility in Poole, Dorset, which is fully let to Veolia ES (UK) Limited on a new 25-year lease (with a tenant break right at year 20), with five yearly rental uplifts in line with the Retail Prices Index.

Veolia ES (UK) Limited is the principal UK trading company of Veolia Environnement SA, the global leader in water, waste and energy management solutions and listed on Paris Euronext with a market capitalisation of approximately €12 billion.

PGL activity centre, Lancaster

The Company has acquired, on a sale and leaseback basis, a PGL outdoor activity centre in Lancaster, Lancashire.

The property, which benefits from a 48 acre plot and 308 beds, has been leased back to PGL Travel Limited, with a guarantee from its parent HB Education Limited, on a new, unbroken 35-year lease, with annual rent reviews index-linked to the Retail Prices Index.

HB Education is Europe's leading outdoor education and study group, providing residential adventure and study trips for schools and youth organisations through the PGL brand, as well as educational tours for schools and further or higher education students through its NST, EST, Studylink and Travelplus brands.

Portfolio update

Following these Acquisitions, the Company's portfolio is currently positioned as follows:

- attractive average net initial acquisition yield of 5.8% (versus latest portfolio valuation yield of 5.13%);
- 100% let or pre-let;
- long weighted average unexpired lease term to first break of 22 years;
- 97% of rental income benefits from index-linked or fixed uplift reviews, comprising: 63% RPI, 20% CPI and 14% fixed uplifts; and
- highly diversified across 44 robust tenants and 10 sectors, the largest being: hotels 23%, industrial 21%, healthcare 17%, leisure 14%, discount foodstores 13% and car parks 7%.

Commenting on today's announcement, Simon Lee, partner of LXI REIT Advisors Limited, said:

"We are pleased to have deployed fully, swiftly and prudently the net proceeds of the Company's recent £200 million capital raise, announced on 13 June 2019, in attractively-priced, secure and index-linked assets that are diversified by strong tenant covenants across robust property sectors, which we anticipate will deliver further value for our shareholders."

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 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 an annual dividend of 5.75 pence per ordinary share, starting from the financial period commencing 1 April 2019, with the potential to grow the dividend in absolute terms through upward-only inflation-protected long-term lease agreements, and is targeting a total NAV return of a minimum of 8 per cent. per annum over the medium term.*

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 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 EPRA/NAREIT and MSCI indices.

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

* These are targets only and not a profit forecast and there can be no assurance that they will be met.

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