

Acquisitions for a combined investment of £55M

Released : 02 September 2019 07:00

RNS Number : 7772K
LXI REIT PLC
02 September 2019

2 September 2019

LXi REIT plc

(the "Company" or "LXi REIT")

ACQUISITIONS FOR A COMBINED INVESTMENT OF £55 MILLION

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 (the "**Acquisitions**"), for a combined total investment of approximately £55 million, reflecting a weighted average net initial acquisition yield of 5.70%, net of acquisition costs (which compares favourably to the Company's latest portfolio valuation yield of 5.13% as at 31 March 2019).

These Acquisitions are being funded by the Company's new Revolving Credit Facility, announced on 22 July 2019. The Company is in legal on a number of additional acquisitions and further announcements are expected to be made shortly.

The Company is not developing the below four forward funding investments 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.

Aldi foodstore forward funding, Northumberland

The Company has acquired, by way of a pre-let forward funding, a new Aldi-led scheme in Berwick-upon-Tweed, Northumberland.

The foodstore has been pre-let to Aldi Stores Limited, on a new, unbroken 20-year lease from completion of the building works, with five yearly rental uplifts in line with the Retail Prices Index.

Aldi Stores Limited is the principal UK trading company of the Aldi group, a leading global supermarket chain which operates 10,000 foodstores across 20 countries.

Travelodge hotel forward funding, Kent

The Company has acquired, by way of a pre-let forward funding, a new 75-bedroom Travelodge hotel in Sandwich, Kent.

The hotel has been pre-let on a new, unbroken 25-year lease from completion of the building works to Travelodge Hotels Limited, the principal trading company of the Travelodge group, with five yearly rent reviews index-linked to the Consumer Prices Index.

Travelodge is a leading budget hotel operator, with over 40,000 bedrooms across more than 560 hotels in the UK, Ireland and Spain.

Premier Inn hotel forward funding, Essex

The Company has acquired, by way of a pre-let forward funding, a new 70-bedroom Premier Inn hotel in Saffron Walden, Essex.

The hotel has been pre-let to Premier Inn Hotels Limited 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 £5.8 billion.

Premier Inn hotel forward funding, Nottinghamshire

The Company has acquired, by way of a pre-let forward funding, a new 82-bedroom Premier Inn hotel in Worksop, Nottinghamshire.

The hotel has been pre-let to Premier Inn Hotels Limited 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.

Industrial warehouse facility, Durham

The Company has acquired a modern, purpose-built 178,617 sq ft industrial warehouse in Newton Aycliffe, Durham.

The property is fully let to Gestamp Tallent Limited and guaranteed by its parent, Automotive Chassis Products UK Limited, on a long lease with just under 20 years unexpired to first break and benefits from five yearly rent reviews increasing in line with the Retail Prices Index.

The tenant and guarantor are part of the Gestamp Automocion SA group, a multinational company leading in the design, development and manufacture of highly engineered components for the automotive industry worldwide, including for electric cars, with a market cap

of approximately €2.3 billion.

Gestamp occupy a number of other adjacent units at the site, which together comprise Gestamp's largest UK plant employing 1,400 staff. The tenant has invested significant capital into the site and has been based there for over 15 years.

The property is located on Aycliffe Industrial Estate, an established industrial estate, benefiting from its close proximity to the A1 motorway and which forms part of Aycliffe Business Park, the largest in County Durham with over 250 businesses.

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

"We are pleased to be acquiring, predominantly on a forward funding basis, these attractively-priced assets let on long leases to strong tenant covenants across robust sectors, which are expected to provide further diversified, secure and inflation-linked income and capital growth potential. The attractive entry yields provide a substantial spread to both the Company's latest portfolio valuation yield and the low cost of our new revolving credit facility which is funding these acquisitions."

FOR FURTHER INFORMATION, PLEASE CONTACT:

LXI REIT Advisors Limited John White Simon Lee Jamie Beale	Via Maitland/AMO
Peel Hunt LLP Luke Simpson / Liz Yong (Corporate Broking)	Tel: 020 7418 8900
Maitland/AMO (Communications Adviser) James Benjamin	Tel: 020 7379 5151 Email: 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 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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lse.com or visit www.rns.com.

END

ACQWGUPWRUPBGU