



RNS Acquisition

Accretive long income acquisitions totalling £36M

LXI REIT PLC

Released 07:00:03 12 May 2021

RNS Number : 2972Y
LXI REIT PLC
12 May 2021

12 May 2021

LXI REIT plc

(the "Company", the "Group" or "LXI REIT")

ACCRETIVE LONG INCOME ACQUISITIONS TOTTALLING £36 MILLION

FULL DEPLOYMENT OF PROCEEDS OF RECENT EQUITY CAPITAL RAISE

The Board of LXI REIT (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce that it has exchanged contracts on the forward funding acquisition of a portfolio of Costa drive-thrus and an industrial asset for a total cost of £36 million (the "Acquisitions"). The Acquisitions fully deploy the balance of the Company's £125 million equity capital raise of 11 March 2021 and will further utilise the Group's revolving credit facility ("RCF").

The Acquisitions benefit from a long average unexpired lease term to first break of 22 years, an accretive average net initial yield of 5.25% (net of acquisition costs), are let to strong tenant covenants on sustainable rents, and 100% of the income is index-linked to RPI inflation through contractual rental uplifts.

The Company will fund further acquisitions through utilising the Group's RCF and further acquisition announcements are expected to be made shortly.

Costa coffee drive-thru portfolio forward funding

The Company has exchanged contracts on the pre-let forward funding of a portfolio of nine drive-thru coffee units across the UK, to be developed for and pre-let to Costa Limited on new, long term leases. The rent will increase in line with RPI inflation on a five yearly basis.

Each asset is being built on the car park of a Morrisons foodstore, with good roadside prominence and dense catchment populations. When combined with the 12 Starbucks drive-thrus and one Costa drive-thru that the Company forward funded in 2020, the Company will now own a portfolio of 22 drive-thru coffee units located in Morrisons car parks.

Costa Limited, which was acquired by Coca-Cola in 2019 from Whitbread PLC in a \$4.9 billion transaction, is the largest coffee shop operator in the UK with over 2,681 units. Coca-Cola is listed on the New York Stock Exchange with a market cap of \$235 billion.

Industrial facility, Midlands

The Company has acquired a substantial industrial facility in the Midlands. The property has been let to a leading operator on a new, unbroken 25 year lease. The rent will be reviewed on a five yearly basis in line with RPI inflation.

The property is a key operating asset for the tenant and is let on a low, sustainable rent, underpinned by a strong residual value.

John White, Partner, LXI REIT Advisors, commented:

"We are pleased to have deployed swiftly and carefully the full proceeds of our recent equity capital raise into accretive, high-quality investments. These acquisitions are in structurally supported sectors and further enhance the quality and diversification of our business, including providing further scale to our drive-thru coffee portfolio. Whilst we are not able to share some of the asset specific details due to confidentiality, all of the properties have been acquired off low base rents and at accretive average entry yields and provide secure, long-dated, index-linked income and potential for capital growth, underpinned by strong tenant covenants."

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	07747 113 930 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 an annual dividend of 6.0 pence per ordinary share for the 12-months commencing 1 April 2021*.

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, FTSE EPRA/NAREIT and MSCI indices.

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

* These are guidance levels or 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.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQUAORRAVUVAUR

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2021 London Stock Exchange plc. All rights reserved.