

Six Acquisitions, New Debt & Fully Deployed

Released : 13 November 2018 07:00

RNS Number : 1179H
LXI REIT PLC
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LXI REIT plc

(the "Company" or "LXI REIT")

SIX ACQUISITIONS WITH A COMBINED PURCHASE PRICE OF £62.4 MILLION

UPDATE OF FULL EQUITY DEPLOYMENT, NEW LOAN FACILITY & CONSTRUCTION WORKS

The Board of LXI REIT plc (ticker: LXI), the specialist inflation-protected very long income REIT, is pleased to announce six further property acquisitions (the "**Acquisitions**"), with a combined total consideration of £62.4 million (excluding costs). This takes the Company to full deployment of its recent £175 million equity raise announced on 12 October 2018.

The Acquisitions are highly accretive to the Company's existing portfolio yield and rent review profile.

- Of the combined passing rents of the Acquisitions, 100% are RPI-linked.
- The weighted average unexpired lease term ("**WAULT**") to first break of the Acquisitions is 22.1 years.
- The weighted average net initial acquisition yield of the Acquisitions is 5.7%.

The Company is also in solicitors' hands and under offer on further accretive acquisitions, comprising pre-let forward fundings, to deploy its new debt facility, on which further details are set out below.

Five Travelodge hotels

The Company has acquired five Travelodge budget hotels for a combined total consideration of £45.2 million, reflecting a 5.8% net initial yield (net of acquisition costs to the Company).

Each property is fully let to Travelodge Hotels Limited, the principal trading company of the Travelodge hotel group, with a WAULT to first break of 24 years. Each benefit from five yearly rent reviews index-linked to the uncapped Retail Prices Index.

Founded in 1985, Travelodge is one of the UK's leading hotel brands, operating over 550 hotels and over 41,000 rooms in the UK, Spain and Ireland.

The properties trade well with strong occupancy levels and are well-located to city centre amenities and/or strong communications links, with good geographic diversification:

- Aberdeen: 97 bedrooms
- Brighton: 94 bedrooms
- Liverpool: 105 bedrooms
- Llanelli: 51 bedrooms
- Nuneaton: 40 bedrooms

Industrial facility, Newbury, Berkshire

The Company has acquired an industrial facility in Newbury, Berkshire for £17.2 million, reflecting a 5.5% net initial yield (net of acquisition costs to the Company), rising to approximately 6.0% at the next five yearly rent review, which is due in two years.

The property is fully let to Snell Advanced Media Limited, and guaranteed by its parent Belden Inc., a Nasdaq listed company with a market capitalisation of approximately \$2.5 billion, on an unbroken 17-year unexpired lease term, with five yearly rent reviews index-linked to the Retail Prices Index (capped at 3% pa and collared at 1.5% pa compound).

The property comprises a headquarters facility, operating as a mix of office, production and warehouse space totalling 101,377 sq ft, with extensive parking. The property is situated on a well configured site of 6.3 acres, providing a low site density of approximately 37%. The tenant has been headquartered at the site for over 30 years and has recently invested significantly into the building.

The property is located in a prominent position on Turnpike Road, close to Newbury town centre and Newbury Business Park, Newbury's principal office park. Newbury is an affluent market town located in West Berkshire, which serves as the region's principal commercial and retail centre. The town benefits from excellent infrastructure and transport links, with Junction 13 of the M4 motorway passing to the north of the town.

The property benefits from strong residual and alternative use values and is being acquired at a low capital cost per sq ft and with a low rental base.

Belden Inc. (NYSE: BDC), is a global leader in high quality, end-to-end signal transmission solutions for mission-critical applications. The company delivers a comprehensive product portfolio designed to meet the mission-critical network infrastructure needs of industrial and enterprise markets. Founded in 1902, the company is headquartered in St. Louis and has manufacturing capabilities in North and South America, Europe and Asia.

New 15-year, fixed rate term-loan facility

The Company has agreed terms and received credit committee approval for a new, 15-year fixed-rate term loan facility with Scottish Widows Limited, acting in partnership with Lloyds Bank Commercial Banking (the "**New Loan Facility**"), to gear the proceeds of its recent £175 million equity raise. When fully drawn, this will extend the Company's average debt maturity profile to 12.6 years across all facilities.

The New Loan Facility is interest-only and benefits from a low margin of 1.55% per annum, which is highly accretive to the Company's earnings per share.

The total loan amount is £75 million which, when fully drawn, will take the Company to a 30% loan-to-value level. As set out in the Company's investment policy, the Company will maintain a conservative level of aggregate borrowings, with a maximum level of aggregate borrowings of 35% of the Company's gross assets.

Completion of construction works - Camborne and Bradford

The Company is also pleased to report that construction works have now completed, on time and on budget, on the fully pre-let Aldi-anchored scheme in Bradford and the fully pre-let Travelodge-anchored scheme in Camborne. The Company forward funded both properties on a fixed-price basis, both at a 6.15% net initial yield (the exchange of which was announced previously).

John White, Partner of LXi REIT Advisors Limited, commented:

"We are pleased to have acquired these property assets which are further accretive to the Company's existing portfolio yield and rent review profile. The Company has now carefully and in short order deployed all of the £175 million of equity raised on 12 October 2018 into investments, with attractive net initial yields and long, index-linked leases, that are highly diversified across a wide range of robust sectors and strong tenants.

We are also delighted to have agreed terms on our new 15-year loan facility, which we will deploy into our further pipeline of accretive pre-let forward funding assets in the coming weeks."

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 5.50 pence per ordinary share, starting from the financial period commencing 1 April 2018, with the potential to grow the dividend in absolute terms through upward-only inflation-protected long-term lease agreements, and is targeting a net total shareholder return of a minimum of 8 per cent. plus 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 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 EPRA/NAREIT index.

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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