

FULL EQUITY INVESTMENT AND UPDATE

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LXI REIT PLC
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LXi REIT plc

(the "Company" or "LXI REIT")

FULL EQUITY INVESTMENT AND UPDATE

The Board of LXI REIT plc (ticker: LXI) is pleased to announce that the Company has now fully deployed the net proceeds of its £138 million IPO since listing on 27 February 2017.

The Company is also in solicitors' hands on additional acquisitions which will fully absorb the £55 million debt finance to be drawn under its Scottish Widows 12-year loan facility in the coming weeks.

The headline statistics for the acquired assets are:

- Attractive average net initial property yield of 5.90%;
- A wide spread (of just under 300 basis points) between (i) the 2.93% per annum all-in fixed rate payable on the Company's new 12-year loan facility with Scottish Widows, the signing of which was announced on 4 July 2017 and (ii) the current average net initial property yield of 5.90%;
- Long weighted average unexpired lease term to first break of 23 years;
- 95% inflation-linked rental uplifts;
- 16 individually strong tenants, including Aldi, Costa, General Electric, Home Bargains, Premier Inn, The Priory Group, Q-Park, SIG, specialist Housing Associations, Starbucks and Travelodge;
- Seven defensive and robust property sectors, including discount retail, budget hotels, car parks, industrial, supported living, care homes and restaurants/coffee shops, providing multi-sector diversification;
- Significant geographic diversification across 14 different counties in England; and
- The properties have been acquired via 17 separate purchase transactions, with an average lot size of £8 million and a good mix of pre-let forward funding, forward commitment and built asset structures.

Stephen Hubbard, Chairman of LXI REIT plc, commented:

"We are very pleased with the Company's progress since listing on 27 February 2017. The quality, security, diversification and income yield of the Company's assets have met and, in many cases, exceeded our original expectations and will provide a strong platform for future growth."

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

The Company 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 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 a minimum annual dividend of 5 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 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.

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

This information is provided by RNS
The company news service from the London Stock Exchange

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