

Increase in Dividend Targets

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LXI REIT PLC
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LXi REIT plc

(the "Company" or "LXi REIT")

INCREASE IN DIVIDEND TARGETS

The Board of LXi REIT plc (ticker: LXI) is pleased to announce that the Company has increased its dividend targets as follows:

- for the period from IPO to 31 March 2018, the target total dividend has been increased by 33.3% to 4.0 pence per share*, up from a minimum of 3.0 pence per share
- for the period from 1 April 2018 to 31 March 2019, the target annual dividend has been increased by 10% to 5.5 pence per share*, up from a minimum of 5.0 pence per share

This increase follows the full deployment by the Company of its equity and debt capital at an average net initial property yield of 6.03%. This net initial property yield is higher than the original target level and is 313 basis points above the Company's average cost of debt of 2.90% per annum, which is fully fixed until July 2029.

The attractive average acquisition yield reflects, *inter alia*, the discount achieved on forward funding pre-let developments in smaller lot sizes, the off-market nature of the vast majority of the Company's investments and our multi-sector approach which enables the Company to selectively acquire attractively-priced assets across a wide range of sectors.

Since its IPO in February 2017, the Company has carefully assembled a £273 million portfolio of secure, long-dated and inflation-linked UK property assets, through both forward funding pre-let developments and built asset acquisitions. The portfolio is highly diversified across 25 strong tenants and nine property sectors and benefits from a long weighted average unexpired lease term to first break of 24 years.

97% of the Company's rental income is index-linked to inflation or benefits from fixed rental uplifts and the target dividend is expected to grow further over time broadly in line with UK inflation.*

The Company pays a quarterly dividend, with payments having commenced in December 2017. The Company is targeting a net total shareholder return of a minimum of 8 per cent. plus per annum over the medium term.*

Stephen Hubbard, Chairman of LXi REIT plc, commented

"Following our IPO in February 2017, we have carefully assembled a high quality portfolio of secure, long-let and inflation-linked assets, highly diversified by sector, tenant and geography, whilst maintaining capital discipline.

Our disciplined and value-led approach is driving attractive long term and secure income and capital returns for our shareholders, ahead of original expectations, and we are well placed to deliver further value for the long term."

The Company's LEI is: 2138008YZGXOKAXQVI45

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

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 an annual dividend of 5.5 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 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.

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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