

RNS Acquisition



ACQUISITION OF SIX SUPERMARKETS

SUPERMARKET INCOME REIT PLC

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SUPERMARKET INCOME REIT PLC
(the "Company")
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ACQUISITION OF SIX SUPERMARKETS FOR A COMBINED PRICE OF £113M

Supermarket Income REIT plc (LSE: SUPR), the real estate investment trust providing secure, inflation-protected, long income from grocery property in the UK, announces the acquisition of six supermarkets for a total purchase price of £113.1 million (excluding acquisition costs), reflecting a combined net initial yield of 4.6%. Acquired from different vendors, the purchases consist of a Tesco in Prescot, two Morrisons in Durham and Cumbria, an Aldi in Oldham and an Aldi and M&S Foodhall site in Liverpool.

The Tesco in Prescot, Merseyside is being acquired from an undisclosed vendor for £50.0 million (excluding acquisition costs). Tesco has operated from the store since 1993, which was redeveloped in 2010. The 7.5 acre site comprises an 89,000 sq ft net sales area supermarket, a 12-pump petrol filling station and 496 car parking spaces. The store has a purpose-built online fulfilment centre which operates 12 vans, supporting Tesco's online grocery network across the region. It is being acquired with an unexpired lease term of 15 years, with annual, upwards only, CPI-linked rent reviews (subject to 4.0% cap and a 0.0% floor).

The Morrisons in Murton, Durham was acquired from Janus Henderson UK Property PAIF for £18.4 million (excluding acquisition costs). The store was developed in 2016. The 7.5 acre site comprises a 50,000 sq ft net sales area supermarket, a 16-pump petrol filling station and 475 car parking spaces. The store has several purpose-built online fulfilment docks making it a key part of Morrisons' online grocery fulfilment operations across the region. It is being acquired with an unexpired lease term of 20 years, with 5-yearly, upwards only, RPIX-linked rent reviews (subject to a 4.0% cap and a 0.0% floor).

The Morrisons in Workington, Cumbria was acquired from Land Securities Group plc for £28.9 million (excluding acquisition costs). Morrisons has operated from the store since 2004, which was fully refurbished in 2019. The 13.7 acre site comprises a 35,000 sq ft net sales area supermarket, an 8-pump petrol filling station and 605 car parking spaces. The store offers online grocery click and collect. The acquisition includes 5 adjoining non-food units. The Morrisons supermarket has an unexpired lease term of 17 years, with 5-yearly, upwards only, CPIH-linked rent reviews (subject to a 2.0% cap and a 0.0% floor).

The Aldi in Oldham, Greater Manchester was acquired from O.P.P Investments Ltd for £5.6 million (excluding acquisition costs). The 1.0 acre site comprises a 13,000 sq ft net sales area supermarket, which was developed in 2011 and 108 car parking spaces. The store is being acquired with an unexpired lease term of 10 years, with 5-yearly, 2.0% fixed, annually compounded uplifts.

The Aldi and M&S Foodhall in West Derby, Liverpool was acquired from London Metric Property plc for £10.2 million (excluding acquisition costs). Developed in 2016, the 1.7 acre site comprises a combined 23,000 sq ft net sales area with 120 car parking spaces. The Aldi supermarket has an unexpired lease term of 15 years, with 5-yearly, 2.5% fixed, annually compounded uplifts. The M&S Foodhall has an unexpired lease term of 10 years, with 5-yearly, open market rent reviews.

Ben Green, Director of Atrato Capital Limited, the Investment Adviser to Supermarket Income REIT plc, said:

"These acquisitions provide geographic and tenant diversification, with the purchase of our first M&S Foodhall, as well as exposure to a number of high quality omnichannel supermarket assets. With an aggregate WAULT of 15 years, they support our strategy to deliver attractive long term income."

FOR FURTHER INFORMATION

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NOTES TO EDITORS:

Supermarket Income REIT plc (LSE: SUPR) is a real estate investment trust dedicated to investing in grocery properties which are an essential part of the UK's feed the nation infrastructure. The Company focuses on grocery stores which are omnichannel, fulfilling online and in-person sales. All of the Company's 61 supermarkets⁽¹⁾ are let to leading UK supermarket operators, diversified by both tenant and geography.

The Company provides investors with attractive, long-dated, secure, inflation-linked, growing income with the potential for capital appreciation over the longer term and targets a 7% to 10% p.a. total shareholder return over the medium term⁽²⁾. The Company has increased its dividend target in line with inflation each year.

The Company's ordinary shares were admitted to trading on the Main Market of the London Stock Exchange, Specialist Fund Segment, on 21 July 2017.

Atrato Capital Limited is the Company's Investment Adviser.

Further information is available on the Company's website www.supermarketincomereit.com

(1) 35 directly owned supermarkets, plus 26 via joint venture

(2) There is no certainty that these illustrative projections will be achieved

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