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LONDONMETRIC SELLS FOUR DISTRIBUTION ASSETS FOR £145.3 MILLION FURTHER REDUCING ITS MEGA BOX EXPOSURE

LondonMetric Property Plc (“LondonMetric”) announces that it has sold two mega box warehouses and two regional distribution warehouses, in three transactions, for a combined consideration of £145.3 million (LondonMetric share: £141.9 million).

In Newark, it has sold a 726,000 sq ft mega warehouse to an international investor for £80.8 million, reflecting a NIY of 5.1%. The asset was acquired in 2014 for £68.5 million and is let to Dixons Carphone for a further 14 years at a rent of £6.00 psf.

In Doncaster, two distribution assets have been sold to an overseas buyer for £51.2 million (£47.9 million at share), reflecting a NIY of 6.2%. They comprise a 330,000 sq ft mega warehouse which was acquired in 2015 for £29.0 million and is let to Next for a further four years at a rent of £6.60 psf; and a 176,000 sq ft regional warehouse which LondonMetric’s DFS joint venture acquired in 2013 for £16.6 million and is let to DFS for a further 10 years at a rent of £7.00 psf.

In Rotherham, a 152,000 sq ft regional distribution warehouse has been sold to a global investor for £13.3 million at a NIY of 5.0%. The warehouse was acquired in 2014 for £10.3 million and is let to the Royal Mail for a further eight years at a rent of £4.70 psf.

The four properties have a WAULT of 10 years and generate a rent of £8.3 million pa (LondonMetric share), of which £3.9 million is subject to delayed completion until June 2020. The assets have delivered ungeared IRRs of between 8% to 10% since purchase.

The total consideration reflects a 2.6% discount to 30 September book value.

Following the sales, LondonMetric’s big box warehousing will represent 14% of its portfolio, across three assets. Income exposure from Dixons Carphone will fall significantly from 6.3% to 3.0% and DFS exposure reduces from 5.4% to 4.3%.

On a pro forma basis, these sales reduce LTV to 35% compared to 38% at 30 September.

Andrew Jones, Chief Executive of LondonMetric, commented:

“We have taken the opportunity to respond to global investor demand for distribution warehousing to monetise some of our larger assets in geographies where we expect income growth to be more muted. The sales further improve the income diversification of our largest

occupiers and provides headroom to invest further into urban logistics, which continues to offer superior income growth prospects.”

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About LondonMetric Property Plc

LondonMetric is a FTSE 250 REIT that owns one of the UK's leading listed logistics platforms alongside a diversified long income portfolio. It owns and manages desirable real estate that meets occupiers' demands, delivers reliable, repetitive and growing income-led returns and outperforms over the long term. LondonMetric has 16 million sq ft under management.

Further information is available at www.londonmetric.com