

Supermarket Income REIT PLC

07:59 17 Sep 2020

Supermarket Income REIT beefs up balance sheet as pipeline grows

?????What it does

Supermarket Income Reit PLC (LON:SUPR) is an investment trust that specialises in grocery store freeholds and long leasehold property.

Supermarket Income's current portfolio comprises sites occupied by Tesco, Sainsbury's and Morrisons supermarket stores.

The company was set up by an ex-Goldman Sachs pair, Ben Green and Steve Windsor, who used to work with supermarkets to sell and lease back stores, carrying out several billion pounds worth of deals over the years.

With the advent of IFRS accounting rules, meaning that assets that supermarkets had been able to class as off their balance sheet now were being classed on their balance sheet, Green and Windsor saw a consolidation role would be profitable.

They set up Atrato Capital, which is the trust's adviser and since March has counted ex-Sainsbury's chief executive Justin King as a senior investment advisor.

How does the trust operate?

Purchases are made only of supermarket property with long unexpired lease terms, with a targeted average lease term of more than 15 years, leased only to the UK's big four supermarkets on upward only rental contracts to provide investors with income security and considerable inflation protection.

Investments may in future be made in assets let to other supermarket operators such as Aldi, Lidl, Marks & Spencer or Waitrose.

In the short-term, the firm is looking for interesting opportunities to acquire new spaces from other companies needing to make a sale.

How's it doing

In September, SUPR announced plans to raise £150m to take advantage of opportunities that have become available since the onset of coronavirus restrictions.

The trust said it had identified £400m worth of omnichannel sites that meet its criteria of size and online fulfilment potential.

Property funds having to meet redemptions are one source of sites, it said, and due diligence has already been carried

Price: 104.25

Market Cap: £694.23 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: SUPR

Listing: LSE

52 week High Low
113 88

Sector: Real Estate

Website: www.supermarketincomereit.com

Company Synopsis:

Supermarket Income REIT PLC (SUPR) is a real estate investment trust dedicated to investing in supermarket property forming a key part of the future model of UK grocery. We acquire omnichannel supermarkets which operate both as physical supermarkets and as online fulfilment centres.

action@proactiveinvestors.com

out on three worth £135m in total.

Since lockdown was introduced in March, Supermarket Income has spent £240m on new additions to its portfolio.

The REIT also announced it was increasing its dividend target for 2021 to 5.86p after raising the dividend by 4% to 5.8p in the year to June just ended.

Total net assets more than doubled to £477m over the period while its net asset value (NAV) rose by 4% to 101p.

What the boss says: Nick Hewson, chairman

"This has been another year of solid performance by the group in which we have generated a Total Shareholder Return of 11.6%.

"In an environment where income has become increasingly scarce, our highly specific investment strategy continues to provide our investors with stable, long-term, inflation-protected income, confirming our belief that supermarket real estate assets remain one of the most compelling asset classes in the UK investment market."

Video

Inflexion points

- **Continued expansion across the UK grocery sector**
- **Continues to raise the dividend**
- **One of the winners in the coronavirus crisis**

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Supermarket Income REIT PLC named herein, including the promotion by the Company of Supermarket Income REIT PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).