

# Alternative Income REIT PLC

## NAV, Dividend Declaration and Portfolio Valuation

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Alternative Income REIT PLC  
31 October 2024

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The following amendment has been made to the 'NAV, Dividend Declaration and Portfolio Valuation' announcement released on 31 October 2024 at 7.00am under RNS No 3174K.

The record date and ex-dividend date for the dividend have been corrected to state that "This dividend will be distributed as Property Income Distribution ("PID") and will be paid on 22 November 2024 to shareholders on the register on 8 November 2024. The ex-dividend date will be 7 November 2024."

All other details remain unchanged.

The full amended text is shown below.

### Alternative Income REIT PLC

(the "Company" or "Group" or "AIRE")

#### NET ASSET VALUE, DIVIDEND DECLARATION AND PORTFOLIO VALUATION UPDATE TO 30 SEPTEMBER 2024

**New target annual dividend of 6.2 pence per share ("pps") for the year ending 30 June 2025<sup>†</sup>,  
an increase of 5.1% on the prior year target of 5.9pps**

**Unaudited NAV total return for the quarter of 2.5%**

**Resilient portfolio well-placed to continue to provide secure, index-linked income with the potential for  
capital growth**

The Board of Directors of Alternative Income REIT PLC (ticker: AIRE), the owner of a diversified portfolio of UK commercial property assets, predominantly let on long leases with index-linked rent reviews, provides a trading and business update and declares an interim dividend for the quarter ended 30 September 2024.

#### **Simon Bennett, Non-Executive Chair of Alternative Income REIT plc, comments:**

"Having achieved the Company's target dividend of 5.9pps last year, subject to the continued collection of rent from the Group's portfolio as it falls due, the Board has set a new dividend target of 6.2pps for the year ending 30 June 2025<sup>†</sup>, which represents an increase of 5.1% over the previous year.

At 30 September 2024, the Group's unaudited NAV was £65.4 million, 81.3pps, representing a 0.5% increase over the previous quarter. When combined with the 1.625pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 2.5%.

The Group's portfolio remains relatively insulated from market fluctuations, benefiting from being 100% let, achieving 100% collection of rent due, and a 95.9% index-linked rent review profile. The Board continues to actively seek properties to invest the remaining proceeds from the sale of the hotel in Glasgow which amounts to £2.2 million, which has taken longer than originally anticipated.

The Group produces a secure and increasing income stream and this is the second quarter where the valuation of the portfolio has risen, albeit modestly, and the Group will continue to benefit from low borrowing costs until October 2025. I look forward to reporting on AIRE's continued progress in the coming months."

### Overview of Key Financials

	<b>At 30 September 2024 (unaudited)</b>	<b>At 30 June 2024 (audited)</b>	<b>Change</b>
Net Asset Value ("NAV")	£65.4 million	£65.1 million	+0.5%
NAV per share	81.3p	80.9p	+0.5%
Share price per share	72.5p	66.0p	+9.8%
Share price discount to NAV	10.8%	18.4%	-7.6%
Investment property fair value (based on external valuation)	£103.1 million	£102.7 million	+0.4%
Loan to gross asset value ("GAV") <sup>A B</sup>	37.6%	37.7%	

	<b>Quarter ended 30 September 2024 (unaudited)</b>	<b>Quarter ended 30 June 2024 (unaudited)</b>	<b>Change</b>
EPRA earnings per share <sup>A</sup>	1.6p	1.6p	-
Adjusted earnings per share <sup>A</sup>	1.6p	1.6p	-
Dividend cover <sup>A</sup>	100.7%	98.0%	+2.7%
Total dividends per share	1.55p	1.625p	-4.6%
Dividend yield (annualised) <sup>A</sup>	8.6%	8.9%	-0.3%
Earnings per share	2.0p	1.7p	+17.4%
Share price total return <sup>A</sup>	12.3%	-0.8%	
NAV total return <sup>A</sup>	2.5%	2.1%	
Annualised passing rent	£7.8 million	£7.7 million	+1.1%
Ongoing charges <sup>A</sup> (annualised)	1.5%	1.5%	-

<sup>A</sup> Considered to be an Alternative Performance Measure.

<sup>B</sup> The loan facility at 30 September 2024 of £41.0 million (30 June 2024: £41.0 million) with Canada Life Investments, matures on 20 October 2025 and has a weighted average interest cost of 3.19%.

### Dividend Declaration, Earnings Per Share and Dividend Cover

The Board has set a new dividend target of 6.2pps for the year ending 30 June 2025<sup>†</sup>, which represents an increase of 5.1% over the previous year.

The Board is pleased to declare an interim quarterly dividend of 1.55pps for the quarter ended 30 September 2024. This dividend will be distributed as Property Income Distribution ("PID") and will be paid on 22 November 2024 to shareholders on the register on 8 November 2024. The ex-dividend date will be 7 November 2024.

The Adjusted EPS was 1.6pps for the quarter (30 June 2024: 1.6pps). The dividend cover for the quarter was 100.7% (30 June 2024: 98.0%).

### Property Portfolio

The Group's portfolio is relatively insulated from market fluctuations, benefiting from being 100% let, with 100% collection of rent due and 95.9% index-linked rent review profile which continues to provide a secure and growing rental income stream.

The anticipated increase in the UK commercial property investment market activity, fueled by interest rate cuts, lower inflation and enhanced debt financing opportunities has been slow to materialise.

At 30 September 2024, the Group held 19 properties valued at £103.1million (30 June 2024: £102.7 million). The Company's property values increased by £0.4 million or 0.4% for the quarter ended 30 September 2024.

At 30 September 2024, the Net Initial Yield on the Group's portfolio was 7.1% (30 June 2024: 7.1%) and the Group's assets remained 100% let (30 June 2024: 100%). The weighted average unexpired lease term at 30 September 2024 was 16.2 years to the earlier of break and expiry (30 June 2024: 16.5 years) and 18.1 years to expiry (30 June 2024: 18.4 years).

The Group's contracted annualised rent increased by 1.3% during the quarter to 30 September 2024 (30 June 2024: 0.8%). This was due to annual indexation of one lease and a five yearly index-linked rent review on another. 95.9% of leases within our portfolio are index-linked, with 37.3% of this rental income reviewed annually. The portfolio continues to be actively managed: one tenant has agreed to remove their lease break; and discussions continue with four other tenants considering re-gearing leases, removing tenant breaks and extending lease lengths. The Estimated Rental Value of the Group's property assets has risen by 3.1% as compared to the previous quarter driven by growth in rents in the industrial and social housing sectors.

For the upcoming quarter to 31 December 2024, 9.6% of the Group's income will be reviewed with two annual index-linked rent reviews.

### Net Asset Value, Share Price and Share Price Discount to NAV

At 30 September 2024, the Group's unaudited NAV was £65.4 million, 81.3pps (30 June 2024: £65.1million, 80.9pps), representing a 0.5% increase over the previous quarter.

When combined with the 1.625pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 2.5% (30 June 2024: 2.1%). The Company's share price increased by 9.8% to 72.5pps, reflecting the increase in the NAV and the decrease in the discount from 18.4% to 10.8%.

The table below sets out the movement in NAV during the quarter.

	Pence per share	£ million
<b>NAV at 30 June 2024</b>	<b>80.9</b>	<b>65.1</b>
Valuation movement in property portfolio	+0.5	+0.4
Income earned for the period	+2.4	+1.9
Expenses for the period	-0.5	-0.3
Net finance costs for the period	-0.4	-0.4
Interim dividend paid during the quarter ended 30 June 2024	-1.6	-1.3
<b>NAV at 30 September 2024</b>	<b>81.3</b>	<b>65.4</b>

The NAV attributable to the ordinary shares has been calculated under International Financial Reporting Standards as adopted by the United Kingdom and incorporates both the Group's property portfolio individually valued on a 'Red Book' basis at 30 September 2024 and net income for the quarter but does not include a provision for the interim dividend declared today (see above).

The income earned for the period includes an accrual for the minimum contractual uplifts contained in the index-linked leases. In the event that inflation is greater than these minimum contractual uplifts, the actual income will be greater than the income currently accrued.

### Rent Collection

Rent collection remains resilient with 100% collection of rent due for the quarter ended 30 September 2024. 83.6% of the portfolio's rent is payable quarterly in advance and 16.40% payable monthly in advance.

† This is a target and not a formal dividend forecast or a profit forecast

## ENQUIRIES

### Alternative Income REIT PLC

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via H/Advisors Maitland below

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The Company's LEI is 213800MPBIJS12Q88F71.

Further information on Alternative Income REIT PLC is available at [www.alternativeincomereit.com](http://www.alternativeincomereit.com)<sup>1</sup>.

<sup>1</sup> Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website or any other website, is incorporated into, or forms part of, this announcement nor, unless previously published on a Regulatory Information Service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

## NOTES

Alternative Income REIT PLC aims to generate a sustainable, secure and attractive income return for shareholders from a diversified portfolio of UK property investments, with a particular focus on alternative and specialist real estate sectors. The majority of the assets in the Group's portfolio are let on long leases which contain index linked rent review provisions.

The Company's asset manager is Martley Capital Real Estate Investment Management Limited ("Martley Capital"). Martley Capital is a full-service real estate investment management platform whose activities cover real estate investing, lending, asset management and fund management. It has over 40 employees across five offices in the UK and Europe. The team manages assets with a value of circa £900 million across 19 mandates (at 30 September 2024).

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