EDISON

Supermarket Income REIT

Equity raise to fund accretive growth

Equity issue and acquisitions

Real estate

5 November 2026

Supermarket Income REIT (SUPR) has raised £60m of equity at 82p per share to partfund six earningsenhancing transactions, comprising 12 grocery and logistics assets with aggregate consideration of £65.2m. The assets have a blended net initial yield (NIY) of 7.3%, compared with 6.1% for the existing portfolio, and a weighted average unexpired lease term of 12 years. SUPR expects the acquisitions to complete by December 2026, to be EPS accretive from the first full year, incldluding a reduction in the EPRA cost ratio to below 9% in the near term, with minimal dilution to June EPRA net tangible assets (NTA) per share of 87.5p.

Year end	EPRA EPS (p)	NAV/share (£)	DPS (p)	Yield (%)	P/NAV (x)
6/25	6.0	0.87	6.12	7.2	0.97
6/26e	5.7	0.88	6.18	7.3	0.97
6/27e	6.2	0.88	6.30	7.4	0.96
6/28e	6.5	0.91	6.40	7.6	0.93

Estimates are consensus using data supplied by the company.

A further step in growth plans

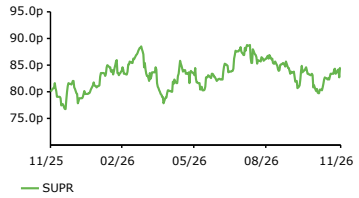
The acquisitions include two direct transactions with Sainsbury's: seven convenience stores for £19m (6.2% NIY) on new 15-year inflation-linked leases, and a £47m distribution centre in Darlington (8.0% NIY), leased to Sainsbury's and sublet to Argos. SUPR is acquiring a 50% interest (£23.5m) in the warehouse through its Blue Owl joint venture (JV). The lease has 10 years remaining, and SUPR will receive a 0.6% management fee on its JV partner's share. Other investments comprise a £14.2m Waitrose-anchored scheme in Woking, a £5m Sainsbury's store in Essex, a £1.1m Tesco store in Surrey and a Lidl pre-let development contribution of up to £2.5m. The expired Waitrose lease offers scope for renewal.

The £60m issue follows July's £100m raise, deployed with borrowing into £222m of acquisitions within six weeks. The 73.2m new shares (5.4% of existing capital) were allocated through institutional and South African placings and a UK RetailBook offer. SUPR says allocations respected preemption principles where possible.

The issue proceeds will substantially fund the targetted acquisitions, requiring only modest additional borrowing. We estimate a pro-forma loan-to-value (LTV) of less than 45% (43.9% at June 2026), with net debt/EBITDA of 7–8x. Although above the normal upper LTV target of 40%, management considers this appropriate at the current stage of the property cycle. A £445m refinancing in July reduced the average cost of debt to 4.4%, predominantly fixed or hedged, and extended average maturity to 3.8 years. The latest acquisitions are another step towards SUPR's ambition to at least double its portfolio to £4bn or more, supported by an actionable acquisition pipeline exceeding £500m highlighted at the September FY26 results.

Price	**84.60p**
Market cap	**£1,156m**
Net cash/(debt) as at 30 June 2026	£(882.1)m
Shares in issue (prior to listing of 73.2m new shares)	1,366.7m
Code	SUPR
Primary exchange	LSE
Secondary exchange	JSE

Share price performance



Business description

Supermarket Income REIT, listed on the premium segment of the LSE, with a secondary listing on the JSE, invests in grocery property, let to leading supermarket operators in the UK and Europe on long, inflation-linked leases. The investment objective is to provide an attractive level of income, with the potential for capital appreciation over the longer term.

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