

Alternative performance measures

The definitions and verification of the calculation of the Allreal Group's alternative performance measures for the 2020 financial year are set out below. In 2020, the consolidated financial statements were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures have also been restated accordingly when calculating the alternative performance measures.

Total sales

Total sales resulting from rental of investment real estate plus completed project volume in the Projects & Development division.

CHF million	2020	2019
Rental income from investment real estate	200.4	203.1
Sales Projects & Development division	363.4	340.7
Total sales	563.8	543.8

Operating profit (EBIT) excl. revaluation gains

CHF million	2020	2019
Operating profit (EBIT)	225.3	329.8
Earnings from revaluation of investment real estate	-55.2	-140.0
Operating profit (EBIT) excl. revaluation effect	170.1	189.8

Net profit excl. revaluation effect

CHF million	2020	2019
Net profit	167.2	243.2
Earnings from revaluation of investment real estate	-55.2	-140.0
Deferred taxes on revaluation	12.7	38.8
Net profit excl. revaluation effect	124.7	142.0

Return on equity incl. revaluation effect

Net profit in relation to average group equity (balance from 1 January and 31 December, divided by two).

CHF million	2020	2019
Net profit incl. revaluation effect	167.2	243.2
Group equity, balance as at 1 January	2 352.6	2 210.5
Group equity, balance as at 31 December	2 412.9	2 352.6
Average group equity incl. revaluation effect	2 382.8	2 281.6
Return on equity incl. revaluation effect	7.0%	10.6%

Return on equity excl. revaluation effect

Net profit excl. revaluation effect in relation to average group equity without the revaluation reserves recognised in group equity (balance from 1 January and 31 December, divided by two).

CHF million	2020	2019
Net profit excl. revaluation effect	124.7	142.0
Group equity, balance as at 1 January	2 352.6	2 210.5
Revaluation reserves, balance as at 1 January	-359.7	-259.5
Group equity, balance as at 31 December	2 412.9	2 352.6
Revaluation reserves, balance as at 31 December	-402.2	-359.7
Average group equity without revaluation reserves	2 001.8	1 972.0
Return on equity excl. revaluation effect	6.2%	7.2%

Sales Projects & Development division

Completed project volume of third-party projects and own projects corresponds to the total of all project costs, fees and profits accrued according to the progress of construction.

CHF million	2020	2019
Completed project volume third-party projects	280.4	270.0
Completed project volume own projects	83.0	70.7
Sales Projects & Development division	363.4	340.7

Gross margin third-party projects Projects & Development division

Gross margin reflects earnings from the Projects & Development division as a percentage of income from realisation Projects & Development.

CHF million	2020	2019
Earnings from realisation Projects & Development	33.7	35.8
Completed project volume third-party projects	280.4	270.0
Gross margin third-party projects Projects & Development	12.0%	13.3%

Gross yield

Gross yield reflects the income from rental of investment properties as a percentage of the amortised market value of the yield-producing properties as at 1 January, without rights of use of investment properties, adjusted for portfolio changes over time.

CHF million	2020	2019
Income from renting investment real estate	200.4	203.1
Amortised market value of yield-producing properties as at 1 January without rights of use of investment real estate	4 242.4	4 101.8
Portfolio changes over time	13.4	-6.0
Own use	-37.8	-
Amortised market value of yield-producing properties as at 1 January without rights of use of investment real estate after portfolio changes	4 218.0	4 095.8
Gross yield	4.8%	5.0%

Net yield

Net yield reflects earnings from renting investment real estate as a percentage of amortised market value of yield-producing properties as at 1 January, without rights of use of investment real estate, adjusted by portfolio changes over time.

CHF million	2020	2019
Earnings from renting investment real estate	172.5	175.5
Amortised market value of yield-producing properties as at 1 January without rights of use of investment real estate	4 242.4	4 101.8
Portfolio changes over time	13.4	-6.0
Own use	-37.8	-
Amortised market value of yield-producing properties as at 1 January without rights of use of investment real estate after portfolio changes	4 218.0	4 095.8
Net yield	4.1%	4.3%

Vacancy rate

Vacancy rate corresponds to the cumulated vacancy rate due to non-letting as a percentage of the target rental income for one year.

CHF million	2020	2019
Vacancy loss	-2.8	-4.6
Targeted rental income	206.9	210.1
Vacancy rate	1.4%	2.2%