

Economy

Allreal covers the entire property value chain, from development and realisation to long-term property investment including portfolio management, building management and property management. In all that it does, Allreal strives to achieve consistent qualitative growth, steady returns and a stable dividend payout policy for its shareholders aimed at dividend growth. Thanks to the synergies that result from this, combined with financial strength and short decision-making paths, Allreal is in an excellent position in every respect.

Allreal builds value

Allreal endeavours to achieve a return comparable to a direct investment in property for its shareholders, thus allowing them to participate in the company's economic success. Up to 100 percent of the Real Estate division's operating net profit is distributed to shareholders. For the 2021 financial year, the Board of Directors will propose a distribution of CHF 7.00 per share, corresponding to a distribution yield of 3.5%.

Since its flotation in 2000, Allreal has distributed a total of CHF 1.41 billion to shareholders.

Thanks to the careful handling of risk, sound financing and high earnings power, Allreal provides good conditions for sustainable, continuous growth in shareholder value.

Key operating and financial targets

| | |
|---|-------------|
| Distribution yield – share of the Real Estate division's net profit (excl. revaluation effect) | ≤ 100% |
| Relative share performance – positive deviation from the SXI Real Estate Shares TR comparison index | > 0 |
| Share of residential segment in total rental earnings | > 20% |
| Weighted average unexpired lease term (WAULT) | > 48 months |
| Gross margin third-party projects Projects & Development division | > 12% |
| Interest lock-in period for financial liabilities | > 48 months |
| Return on equity excl. revaluation effect | > 5% |
| Equity ratio | > 35% |
| Net gearing | < 150% |
| Interest coverage ratio | > 2.0 |
| Share of debt relating to investment and development real estate | < 70% |

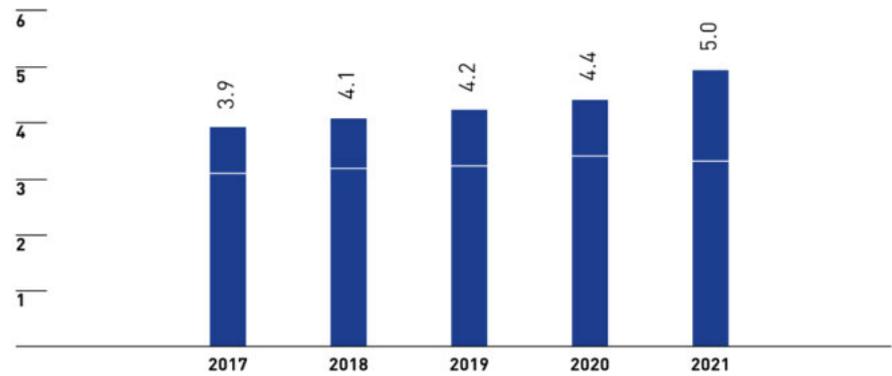
Real Estate division

Active management and continuous expansion of the portfolio guarantee stable value creation for the company in the long term. Allreal has its own in-house management team, which manages just under 60 percent of properties in terms of market value. In-house specialists in building management and building services provide advice on new builds right from the planning phase and also ensure an economic course of action in the operation of yield-producing properties.

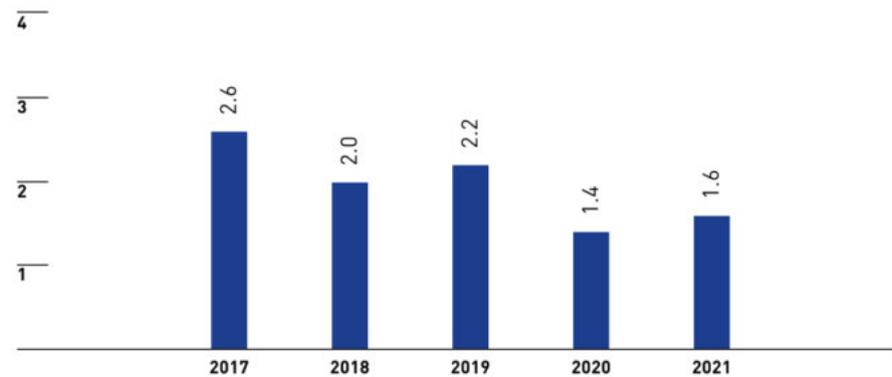
With full and partial renovation work being performed on a regular basis, the economic age of a third of the portfolio is under ten years and around two thirds of the portfolio have been modernised within the past 20 years.

With residential and commercial properties with a market value of around CHF 4.95 billion, Allreal has the third-largest property portfolio of all property companies listed on the Swiss Exchange.

Market value of portfolio
in CHF billion



Portfolio vacancy rate
in % (cumulative from gross target yield)



Projects & Development division

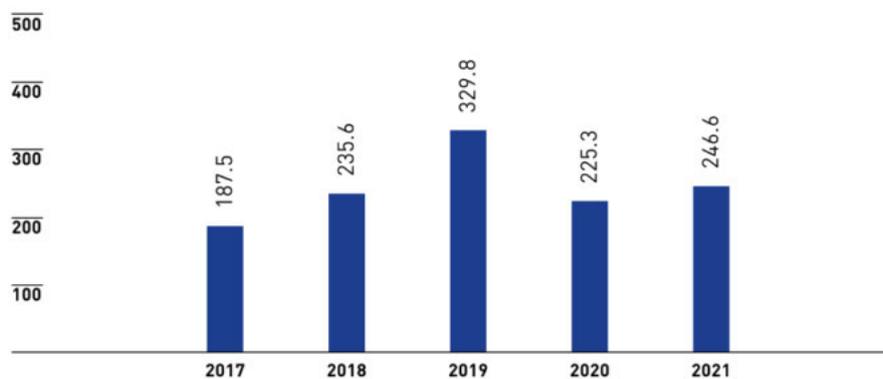
The Projects & Development division designs, plans and realises new builds, refurbishments and renovations of all sizes and levels of complexity from a single source for private and institutional investors and developers, as well as for its own portfolio: from acquisition and use and cost analyses to the finished building with value creation that is sustainable in the long term.

Allreal is relying more and more on digital processes within its workflows. In 2020, the company started using BIM to plan and realise all of its own projects and selected projects for third parties.

Other services include the initial letting of rental premises and the sale of residential property developed and realised in-house by Allreal.

Allreal operates exclusively in Switzerland. Its investment properties are located predominantly in the economic centres of Zurich and Geneva. The Projects & Development division provides its services at the sites on Glattpark, in Bern and in Geneva.

EBIT Allreal Group EBIT
in CHF million



Including revaluation gains

Key figures for 2021 at a glance

| | | 2021* | 2020* | Change |
|--|-------------|-------------------|------------|-------------------|
| | | 31.12.2021 | 31.12.2020 | in % ¹ |
| Total sales ² | CHF million | 547.6 | 563.8 | -2.9 |
| Operating profit (EBIT) incl. revaluation gains | CHF million | 246.6 | 225.3 | 9.5 |
| Net profit incl. revaluation effect ³ | CHF million | 182.6 | 167.2 | 9.2 |
| Operating profit (EBIT) excl. revaluation gains | CHF million | 182.3 | 170.1 | 7.2 |
| Net profit excl. revaluation effect ³ | CHF million | 133.3 | 124.7 | 6.9 |
| Return on equity incl. revaluation effect ³ | % | 7.3 | 7.0 | 0.3 |
| Return on equity excl. revaluation effect ³ | % | 6.5 | 6.2 | 0.3 |
| Equity ratio on cut-off date | % | 44.1 | 48.4 | -4.3 |
| Net gearing ⁴ on cut-off date | % | 103.7 | 88.6 | 15.1 |

* Should no further particulars be given, values referring to the income statement concern the full year and balance sheet value the cut-off dates 31.12.2020 and 31.12.2019.

- 1 Changes in number and percentage values are shown as an absolute difference
- 2 Income from rental of investment real estate plus completed project volume in the Projects & Development division
- 3 Revaluation effects correspond to gains from the revaluation of investment real estate less deferred taxes on revaluation
- 4 Borrowings minus cash and marketable securities as a percentage of equity