A clearer view of recurring listed real estate earnings performance.

EPRA Earnings separates recurring performance from valuation noise by removing valuation movements, disposal results and other non-recurring items from IFRS income. Please refer to EPRA Guidelines here.

01

Reported profit follows the market.

Property revaluations flow straight through the income statement, so the reported earnings can vary significantly one year to another.

02

One number, two stories.

Market movements and one-off effects sit in the same figure as rental operations. Two very different signals for an investor to untangle.

03

EPRA Earnings follows the business.

It adjusts IFRS net income for items unrelated to ongoing operations making a sector-wide measure of recurring earnings, comparable across companies and cycles.

Starting from IFRS net income, EPRA Earnings applies more selective adjustments

EPRA Earnings and NAREIT FFO are the two most widely reported measures of underlying income in listed real estate, the European standard under IFRS and the US standard under US-GAAP. Both pursue the same objective, isolating recurring property income from reported earnings, which makes FFO the natural benchmark for EPRA Earnings.

IFRS Net Income

1	Fair value changes	EPRA ONLY
2	Gains / losses on property sales	SHARED
3	Non-recurring items	PARTLY SHARED
4	Consolidation & tax	EPRA ONLY

= EPRA Earnings

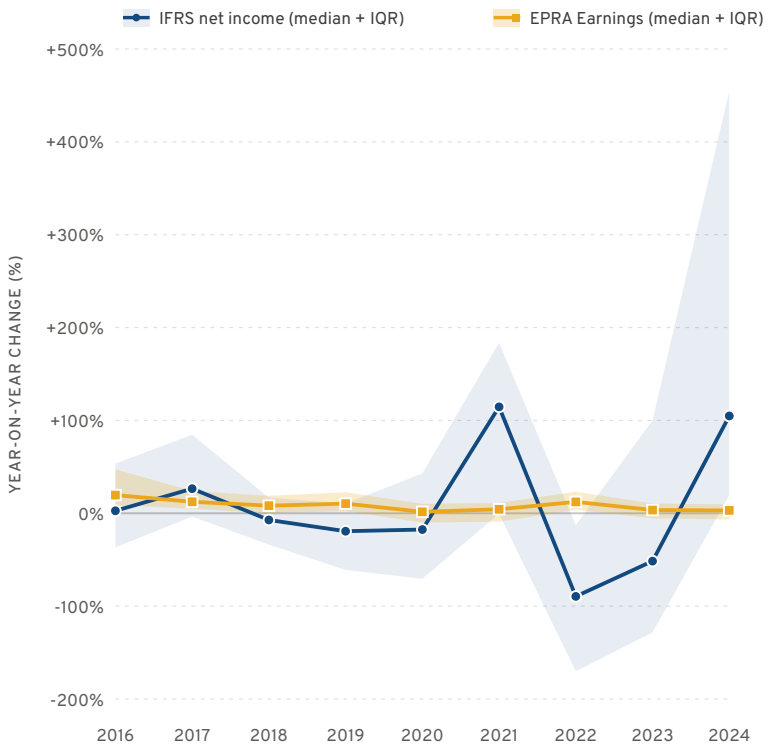
US GAAP Net Income

1	Depreciation & amortisation	NAREIT ONLY
2	Gains / losses on property sales	SHARED
3	Real-estate impairment	PARTLY SHARED

= NAREIT FFO

as defined in the Nareit FFO White Paper (2018 Restatement)

EPRA Earnings reduces reported volatility



Under IAS 40, European REITs recognize changes in the fair value of investment properties directly in profit or loss. These unrealized appraisal movements (which have swung median IFRS net income by as much as 200 percentage points year-on-year) dominate reported results and obscure the recurring cash earnings that fund dividends.

EPRA Earnings strips out this volatility. By removing fair value changes, disposal gain/(loss), and other non-recurring items through a standardized, IFRS-reconciled methodology, it isolates the income that is genuinely repeatable: rent receivable, expenditure paid, interest serviced.

The result is the most reliable basis for assessing dividend capacity, comparing companies across borders, and valuing recurring performance in listed real estate. Based on the analysis we have made on 55 of our members, IFRS net income is around 5x more volatile than EPRA Earnings.

SOURCE EPRA BPR Database — 55 European listed real estate companies, FY2016–FY2024.

EPRA Earnings is the most adopted Non-GAAP earnings measure in European listed real estate.

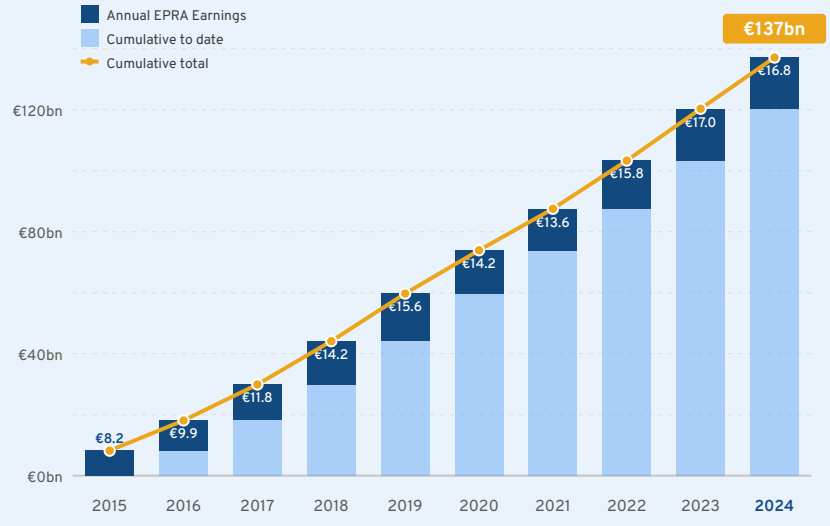
126
out of 171 EPRA members disclosed in FY2024

74%
adoption rate, up from 33 companies in 2011

95%
of reporters posted positive EPRA Earnings

Coverage spans all major property sectors and geographies across Europe, the Middle East, and beyond. Of the 126 companies that reported, **120 (95%) posted positive EPRA Earnings**, confirming the metric's role as a reliable indicator of underlying profitability.

Adoption extends beyond disclosure: EPRA Earnings anchors analyst consensus, company guidance, and dividend policy. Annual earnings have grown from €8bn in 2015 to roughly €17bn (holding through the pandemic and rate shock) for a cumulative €137bn over the decade.

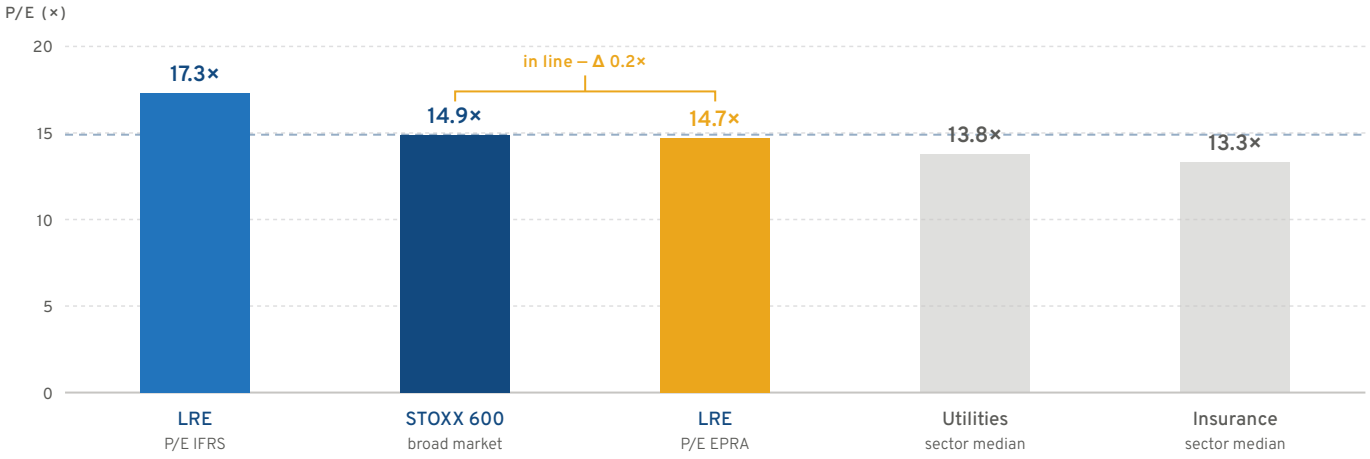


SOURCE EPRA BPR Database — cumulative EPRA Earnings, FY2015–FY2024.

Through an EPRA Earnings lens, LRE trades in line with the broad market.

Screened on IFRS earnings, European Listed Real Estate looks expensive against the broad market — a median P/E of **17.3×**, inflated by valuation movements flowing through net income. On an **EPRA Earnings** basis, LRE trades at **14.7×**, effectively in line with the STOXX 600 at **14.9×** and close to defensive income sectors such as **Utilities** and **Insurance**. Cross-sector comparability is restored once the right earnings lens is applied.

On EPRA Earnings, LRE's P/E converges to the broad-market multiple.



SOURCEBloomberg — IFRS and equity P/E ratios; median P/E for listed real estate. Data as of 2024. Based on in-house analysis.

IFRS 18 & Management-defined Performance Measures

Under **IFRS 18** (effective for financial years beginning on or after 1 January 2027), performance measures that are subtotals of income and expenses and that companies use in their public communications must be disclosed in the financial statements as Management-defined Performance Measures (MPMs) in a single note reconciled to the most directly comparable IFRS subtotal.

EPRA Earnings is built for this regime. It is already a standardized, IFRS-reconciled adjustment of net income, with every line-item adjustment individually disclosed. For companies reporting under the EPRA BPR, much of the groundwork is in place, but IFRS 18 requires further disclosures not generally provided today — notably the income tax and NCI effect of each reconciling item and how those are determined.

What changes is the level of assurance: performance measures move inside the audit perimeter. That shift rewards disciplined, transparent methodologies, and reinforces EPRA Earnings as the credible standard for recurring performance in listed real estate.

EPRA Earnings may qualify as an **MPM** under IFRS 18

EFFECTIVE FY2027

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