

UBM Development AG

Buy (unchanged) Target: Euro 30.00 (unchanged)



Der Spezialist für Finanzaktien

11 | April | 2025

UBM presents the 2024 annual report – Getting the Most out of the Year – high cash, stable balance and a steep growth in resi sales

Yesterday, UBM released the 2024 annual report and invited for a conference call. The clear message was that the company was successful and getting out the very most of the 2024 year. The company was very successful in the sales of residential units with the modern attractive products in Germany, Austria and Czech Republic. The number of sold units more than quadrupled from a difficult 2023 year with 96 units to 403 units. The company stated in the call that there is a huge demand and interest prevailing for all residential products that are in the pipeline. The pipeline for the coming years is promising with more than 3,000 residential units, thereof more than 1,000 in the German hubs of Munich, Mainz and Berlin and more than 1,200 in Austria (mainly Vienna). About another 800 residential units will come to the market in Prague, which has a very stable positive trend, as more than 30% of the last year's resi sales were made in the Czech capital (125 units). UBM reacted quickly and secured the second 50% of the Residenze Na Plzeň project in Prague just recently in February, to bring a bigger stake here to the own future bottom line. The Timber Living project in Munich at the old Bogner area with more than 220 apartments is another landmark of UBM that will boost future profits and construction will start soon. The general strong upswing in the residential sales numbers and the ongoing sales of non-core assets throughout the last year helped the firm for a steep +32% hike in the cash position from Euro 151.5m at year-end 2023 to Euro 199.5m at year-end 2024. By some bond repayments and prolongations as with the new Green Bond in October (Euro 74m prolongation + Euro 19m fresh), the company managed not only to reduce the net debt by over 10%, from Euro 610 to Euro 546m, but also to model a much more staggered debt maturity profile for the future. That profile might be further improved, when UBM decides for the issue of a new Green Hybrid bond as the management did some very positive market sounding in the last weeks.

The office market remains difficult as office transactions remained below logistics and retail in the commercial market in Germany, but UBM is prepared to sail through. For instance, Timber Peak Mainz Office with 9,500 sqm to be completed in the fourth quarter 2025 is very unique and not a too big product not be sold in the next year. An even bigger milestone will be the completion of LeopoldQuartier Vienna Office (section A) in this year in the final quarter, with 29k sqm gross floor area. UBM already rented a good portion of the office space for high Euro 26.60 per sqm, which might indicate a lucrative sale of the property within the next 12 to 18 months.

All in all, UBM was getting the Most out of 2024, with a focus to improve Cash and Balance sheet with a stable 29% equity ratio. EBT loss was reduced from Euro -39m to Euro -23m and UBM will probably return to profit zone during the second half of the year. From 2026 on, UBM will profit from a lower competitive level as “the survivors” can expand margins and a lower supply will meet a high level of demand. Buy and Euro 30.00 confirmed.

Price (Euro)	20,00			
52 weeks range	22.80 / 14.95			
Key Data				
Country	Austria			
Industry	Real Estate			
Segment	Development (trading oriented)			
ISIN	AT0000815402			
WKN	852735			
Reuters	UBMV.VI			
Bloomberg	UBS VI			
Internet	www.ubm-development.com			
Reporting Standard	IFRS			
Fiscal Year	31/12			
Market Cap (EUR million)	149,4			
Number of shares (million)	7,47			
Free Float	49,2%			
Free Float MCap (million)	73,5			
CAGR pre tax profit '22 - '27e	12,2%			
Multiples	2024	2025e	2026e	2027e
MarketCap/revenues	1,41	1,07	0,81	0,71
PE ratio	-4,2	30,5	8,3	0,0
Dividend yield	0,0%	1,0%	2,5%	5,0%
Price-to-Book ratio	0,43	0,43	0,41	0,38
Key Data per Share (Euro)	2024	2025e	2026e	2027e
Earnings per share (EPS)	-4,77	0,66	2,40	4,68
Dividends per share (DPS)	0,00	0,20	0,50	1,00
Book Value per share (BVpS)	45,99	46,65	48,84	53,02
Financial Data (Euro '000)	2024	2025e	2026e	2027e
Revenues	106.239	139.884	185.149	211.478
Operating profit (EBITDA)	-6.694	32.946	55.916	79.126
Operating profit (EBIT)	-9.169	29.616	52.262	83.453
Pre-tax profit (EBT)	-23.191	8.596	29.710	55.921
Net profit (after minorities)	-35.646	4.900	17.910	34.965
Adj. shareholders' equity	343.653	348.553	364.969	396.198
RoE after tax	-9,9%	1,4%	5,0%	9,2%
Financial Calendar				
AGM			21 May 2025	
1Q 2025			28 May 2025	
2Q 2025			28 August 2025	
3Q 2025			27 November 2025	
Main Shareholders				
Syndicate Ortner/ Strauss			38,8%	
IGO Ortner Gruppe			7,0%	
J. Dickinger			5,0%	
Management & Supervisory board			3,9%	
Analyst	Dipl.-Kfm. Stefan Scharff, CREA			
E-Mail	scharff@src-research.de			
Internet	www.src-research.de www.aktienmarkt-international.at www.aktienmarkt-international.de			

UBM Development AG

Industry: Real Estate Development
Sub-segment: Residential, Office
Country: Austria
Headquarter: Vienna
Foundation: 1873
Employees: 231

IR Contact

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Management Board of UBM

Thomas G. Winkler, LL.M. (CEO)
Dipl.-Ökonom Patric Thate (CFO)
Martina Maly-Gärtner, MRICS (COO)
Dipl.-Ing. Peter Schaller (CTO)

Supervisory Board of UBM

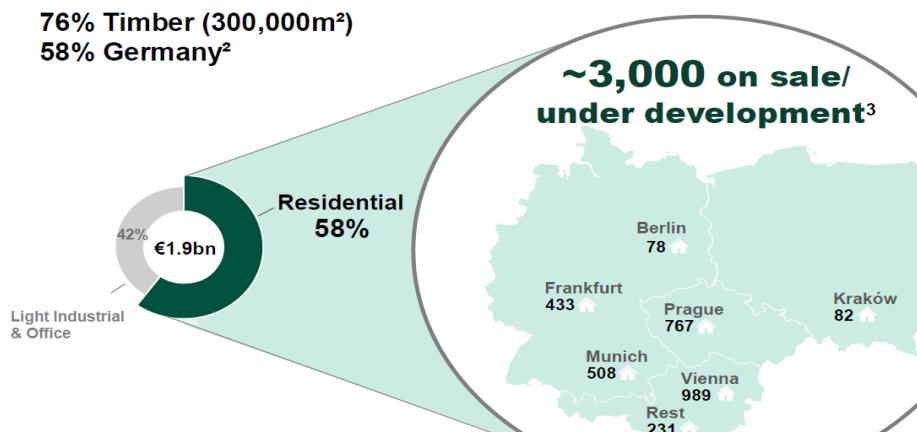
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Martin Mann
Anke Duchow
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Hannes Muster
Günter Schnötzing

Founded in 1873 as "Union-Baumaterialien-Gesellschaft" the company has now an outstanding history of more than 145 years. Keep in mind, that since 1873, the firm is also listed on the Viennese stock market and thus is the oldest Austrian real estate company. After the initial focus was on the renting of construction equipment, the firm made a significant step ahead since the early Nineties where the firm started to initiate many new development projects after a 50% increase of share capital in 1991. In 1992 the firm started to develop numerous lucrative projects in Eastern Europe, in particular in Poland and Czech Republic. Between 2001 and 2010 UBM entered some opportunistic marketes like France and the Netherlands with hotels. In 2014 PORR, the Vienna-based construction and development conglomerate decided to separate its non-core real estate development activities from its construction activities with the destination to create two pure play entities and separately listed companies. In this spirit, PIAG was used as a spin-off vehicle which held PORR's non-core real estate development activities as well as PORR's share in UBM. In a second step UBM Realitäten AG was merged with PIAG and Strauss & Partner to the "new" UBM.

The UBM Development AG acts now since 2016 as a pure-play trade developer. After a record year in 2019 with a net profit of Euro 53m, the 2020 fiscal year was impacted by the Covid pandemic, however, considering the circumstances turned out to be very successful as well and above expectations. 2021, which was originally considered to be a year that reflects a Corona dent, turned out to deliver the second highest bottom line in the firm's history at almost Euro 44m. Thus, UBM lifted the dividend to Euro 2.25 per share, representing a new record dividend. The strong balance sheet remained with the full year 2022 numbers as equity ratio remained at almost 35% and with Euro 1.10 the company continued the shareholder friendly policy in a much more rough economic and interest environment. The 2022 bottom line was impaired by two major delays, the permit for Munich Bauberger Strasse and the Frankfurt FAZ tower closing did not come in 2022. Net profit after minorities halved from Euro 34m to Euro 17m. Due to the current market environment and mainly the high increase of interest rates, the firm reported a net loss for 2023 of Euro 46m, driven by the negative impact of revaluations. The times could be easier for developers, but UBM has an appealing and sustainable pipeline for residential and light industrial & office properties, as for instance the highly rated Timber Highrises in Germany to come in Frankfurt, Mainz and Düsseldorf as well as in Vienna with the TimberOffice at Leopoldquartier, here the section A is to be completed soon, in 4Q 2025.

The year 2024 remained challenging, in particular for the office and hotel investment markets, but UBM managed a steep growth of sales in residential units, which quadrupled in only one year. The company also managed a much higher cash position and a lower debt level. The equity ratio remained more or less stable at 29% at year-end 2024. The pre-tax loss of Euro -39m in 2023 was reduced to a relatively small Euro -23m in 2024, with improved residential sales and a cost cutting in staff and other operating expenses. As the firm did not return to profit zone yet, there will be no dividend payment for 2024. The share price might profit from a quick return to the shareholder friendly dividend policy in the coming years and also from the new share buyback program which recently started on 18 March 2025 and will run presumably until mid of November 2025. Almost 60% of the current Euro 1.9bn pipeline is residential and 76% is focused on a green and carbon saving timber construction.

76% Timber (300,000m²)
58% Germany²



Source: Company data, SRC Research

P & L UBM Development AG

31/12 IFRS (Euro '000 except for per share-data)	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR '22 - '27e
Revenues	183.339	278.313	133.944	85.315	106.239	139.884	185.149	211.478	9,6%
Changes in the portfolio	-21.145	-45.874	2.965	33.011	12.323	18.001	12.012	34.004	
Share of profit/loss of companies accounted for under the equity method	27.813	36.003	25.396	-14.059	-13.102	4.544	22.240	26.457	
Income from fair-value adjustments to investment property	69.853	11.568	25.454	318	16.084	11.454	16.558	15.871	
Other operating income	8.224	11.767	12.740	51.039	10.477	4.541	17.812	15.445	
Cost of materials and other related production services	-115.673	-141.421	-86.858	-70.389	-66.218	-98.774	-139.147	-158.789	
Staff expenses	-34.847	-36.807	-37.255	-30.910	-22.728	-24.145	-26.521	-28.771	
Expenses from fair-value adjustments to investment property	-7.543	-6.550	-4.619	-40.767	-23.220	-1.250	-879	-785	
Other operating expenses	-44.922	-31.070	-32.594	-40.842	-26.550	-21.309	-31.310	-35.784	
Operating profit (EBITDA)	65.099	75.929	39.173	-27.284	-6.694	32.946	55.916	79.126	15,1%
Depreciation, amortisation and impairment expenses	-3.085	-2.627	-5.266	-2.779	-2.475	-3.330	-3.654	4.327	
Operating profit (EBIT)	62.014	73.302	33.907	-30.063	-9.169	29.616	52.262	83.453	19,7%
Financial income	23.899	14.040	23.442	21.760	18.087	15.785	12.078	13.478	
Finance costs	-23.654	-27.203	-25.899	-31.060	-32.109	-36.805	-34.630	-41.010	
Financial result	245	-13.163	-2.457	-9.300	-14.022	-21.020	-22.552	-27.532	
Earnings before tax (EBT)	62.259	60.139	31.450	-39.363	-23.191	8.596	29.710	55.921	12,2%
Income tax expense	-21.506	-16.428	-4.338	-6.682	-6.402	-1.252	-7.362	-14.409	
Tax rate	34,5%	27,3%	-13,8%	17,0%	27,6%	14,6%	24,8%	25,8%	
Net profit before minorities	40.753	43.711	27.112	-46.045	-29.593	7.344	22.348	41.512	8,9%
Minorities and shares of hybrid capital	-7.984	-10.086	-10.322	-6.454	-6.053	-2.444	-4.438	-6.547	
Net profit after minorities	32.769	33.625	16.790	-52.499	-35.646	4.900	17.910	34.965	15,8%
Earnings per share (EPS)	4,39	4,50	2,25	-7,03	-4,77	0,66	2,40	4,68	
Dividends per share (DPS)	2,20	2,25	1,10	0,00	0,00	0,20	0,50	1,00	
Payout ratio	50,2%	50,0%	49,0%	0,0%	0,0%	30,5%	20,9%	21,4%	
Number of shares ('000)	7.472	7.472	7.472	7.472	7.472	7.472	7.472	7.472	
Adjusted shareholders' equity without minorities	478.467	545.435	501.449	379.722	343.653	348.553	364.969	396.198	-4,6%
Total assets	1.372.021	1.494.463	1.451.831	1.253.777	1.182.396	1.168.207	1.214.936	1.263.533	-2,7%
Equity ratio	35,5%	37,1%	35,1%	30,3%	29,1%	29,8%	30,0%	31,4%	
Book value per share (BVpS)	64,03	73,00	67,11	50,82	45,99	46,65	48,84	53,02	-4,6%
RoE (after tax)	7,0%	6,6%	3,2%	-11,9%	-9,9%	1,4%	5,0%	9,2%	
Key ratios & figures	2020	2021	2022	2023	2024	2025e	2026e	2027e	
Growth rates in %									
Sales revenues	-24,2%	51,8%	-51,9%	-36,3%	24,5%	31,7%	32,4%	14,2%	
EBIT	-13,2%	18,2%	-53,7%	-188,7%	-69,5%	-423,0%	76,5%	59,7%	
EBT	-11,7%	-3,4%	-47,7%	-225,2%	-41,1%	-137,1%	245,6%	88,2%	
Net profit after minorities	-28,8%	2,6%	-50,1%	-412,7%	-32,1%	-113,7%	265,5%	95,2%	
Margins in %									
Operating profit (EBIT)	33,8%	26,3%	25,3%	-35,2%	-8,6%	21,2%	28,2%	39,5%	
Pre-tax profit (EBT)	34,0%	21,6%	23,5%	-46,1%	-21,8%	6,1%	16,0%	26,4%	
Net Profit (after minorities)	17,9%	12,1%	12,5%	-61,5%	-33,6%	3,5%	9,7%	16,5%	
Expense ratios in %									
Personnel costs to sales	19,0%	13,2%	27,8%	36,2%	21,4%	17,3%	14,3%	13,6%	
Cost of material to sales	63,1%	50,8%	64,8%	82,5%	62,3%	70,6%	75,2%	75,1%	
Depreciation to sales	1,7%	0,9%	3,9%	3,3%	2,3%	2,4%	2,0%	-2,0%	
Profitability in %									
Return on equity (RoE) after tax	7,0%	6,6%	3,2%	-11,9%	-9,9%	1,4%	5,0%	9,2%	
Return on assets (RoA)	2,4%	2,2%	1,2%	-4,2%	-3,0%	0,4%	1,5%	2,8%	
Valuation									
P/E-ratio	4,6	4,4	8,9	-2,8	-4,2	30,5	8,3	4,3	
Price/ BV per Share	0,31	0,27	0,30	0,39	0,43	0,43	0,41	0,38	
Dividend yield	11,0%	11,3%	5,5%	0,0%	0,0%	1,0%	2,5%	5,0%	

SRC Research

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Rating Chronicle	Date	Rating	Former Price	Former Target
UBM Development AG	10 March 2025	Buy	19,20 €	30,00 €
UBM Development AG	28 November 2024	Buy	17,10 €	30,00 €
UBM Development AG	22 October 2024	Buy	19,40 €	30,00 €
UBM Development AG	01 October 2024	Buy	20,70 €	28,00 €
UBM Development AG	29 August 2024	Buy	20,50 €	28,00 €
UBM Development AG	29 May 2024	Buy	20,30 €	26,00 €
UBM Development AG	18 March 2024	Buy	18,95 €	26,00 €
UBM Development AG	23 November 2023	Buy	20,80 €	30,00 €
UBM Development AG	31 August 2023	Buy	21,10 €	32,00 €
UBM Development AG	22 August 2023	Buy	21,30 €	32,00 €
UBM Development AG	26 May 2023	Buy	27,40 €	40,00 €
UBM Development AG	19 April 2023	Buy	27,50 €	40,00 €
UBM Development AG	05 April 2023	Buy	26,90 €	40,00 €
UBM Development AG	21 February 2023	Buy	29,60 €	40,00 €

Please note:

The UBM share price mentioned in this report is from closing of 10 April 2025.

UBM mandated SRC Research for covering the UBM share.

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