UBM Development AG

Buy (unchanged) **Target: Euro 30.00** (unchanged)

27 | August | 2026

Der Spezialist für Finanzaktien

Price (Euro) **16,90**

52 weeks range 24.50 / 16.50

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)	126,3
Number of shares (million)	7,47
Free Float	46,7%
Free Float MCap (million)	59,0
CAGR pre tax profit '25 - '28e	107,4%

Multiples	2025	2026e	2027e	2028e
MarketCap/revenues	0,91	0,75	0,72	0,68
PE ratio	**-12,2**	**31,4**	**9,9**	**8,1**
Dividend yield	**0,0%**	**0,0%**	**2,4%**	**3,0%**
Price-to-Book ratio	**0,36**	**0,36**	**0,34**	**0,33**

Key Data per Share (Euro)	2025	2026e	2027e	2028e
Earnings per share (EPS)	**-1,39**	**0,54**	**1,71**	**2,08**
Dividends per share (DPS)	**0,00**	**0,00**	**0,40**	**0,50**
Book Value per share (BVpS)	46,87	47,41	49,11	50,80

Financial Data (Euro '000)	2025	2026e	2027e	2028e
Revenues	**139.201**	**169.450**	**175.221**	**184.855**
Operating profit (EBITDA)	**7.378**	**30.029**	**39.577**	**44.270**
Operating profit (EBIT)	4.915	27.675	36.679	40.725
Pre-tax profit (EBT)	3.934	18.569	30.645	35.090
Net profit (after minorities)	**-10.372**	**4.027**	**12.756**	**15.558**
Shareholders' equity	350.189	354.216	366.972	379.541
RoE after tax	**-3,0%**	**1,1%**	**3,5%**	**4,2%**

Financial Calendar

3Q 2026	26 November 2026
2026 annual report	March 2027

Main Shareholders

Syndicate Ortner/ Strauss	38,8%
IGO Industries	7,0%
J. Dickinger	5,0%
Own shares	1,6%
Strauss Group	0,9%

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Huge turnaround in pre-tax and after-tax profit, a steep hike in equity ratio and the first affordable housing project in Austria, first sales done and more to come – still Buy rating and € 30.00

Today, UBM Development released its 1H 2026 report. After the company surprisingly delivered a positive 2025 pre-tax result in March, the turnaround gained further momentum in the first half, with both pre-tax and net profit swinging strongly back into positive territory. **EBT improved from Euro -5.8m to Euro 7.3m, while net profit swung from Euro -6.6m to Euro 6.2m. Residential sales remained at the very high record level of 1H 2025, with 208 apartments sold again. This compares with just 97 apartments two years ago – not even half the current level. Even more encouragingly, another 91 units are already in the order backlog, with notarization appointments with potential buyers relatively close.** The main drivers were the numerous apartment sales in Austria and Czechia, while Germany remains a difficult market for the time being, with 21 apartments at the Mainz HAVN project still available, after the project was completed last year. The high level of residential sales and additional sales transactions in Austria translated into a steep 28% increase in total output, from Euro 140m to Euro 180m. The equity ratio moved above the targeted 30% - 35% range, up to 36.6%, compared with 32.1% at year-end 2025. Following the repayment of the 2021 – 2026 bond in May (Euro 73m), the cash position remains relatively high at Euro 84.4m (Dec. 2025: Euro 117.7m), **while the debt maturity profile remains undemanding.** There are no major refinancing requirements until the Euro 50m Green Bond matures in July 2027, followed by the Euro 93m maturity in Oct. 2029, more than 3 years from now.

With regards to the most important topic, the portfolio rebalancing, UBM delivered on its announcements at the Analyst Day in April. UBM is implementing its announced strategy and launching a pilot project for affordable housing in Vienna. The project will include 92 apartments, many of which will feature prefabricated elements, allowing for a high degree of standardization. This approach is intended to speed up construction, keep costs under control, while still ensuring high quality standards. For buyers, the apartments offer low operating costs of Euro 1.70 to Euro 1.90 per sqm, making it easier to purchase these relatively affordable apartments. They are therefore accessible to a broader range of households.

The 1H 2026 numbers provide a solid basis for further sales transactions, with UBM looking to sell additional standing and non-core assets over the next 6 to 12 months, including 5 hotels and selected German residential units and projects. This will free up additional capital to launch more affordable housing projects, particularly in Germany, where there is significant excess demand for affordable apartments across all major metropolitan regions. The company will push ahead with the development of an affordable housing project pipeline, being open for a wider range of technologies and also to smaller B and C cities. **With ongoing progress at portfolio rebalancing we could imagine higher target prices in the future. But first, we wait for more success in selling assets.**

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SRC Der Spezialist für Finanzaktien

UBM Development AG

Industry:	Real Estate Development
Sub-segment:	Residential, Office
Country:	Austria
Headquarter:	Vienna
Foundation:	1873
Employees:	211

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
Ing. Karl-Heinz Strauss (Chairman)
DI Iris Ortner (Dep. Chairwoman)
DI Klaus Ortner, Dr. Bernhard Vanas
Dr. Ludwig Steinbauer, Dr. Susanne Weiss
Mag. Paul Unterluggauer, Michael Strauss
Martin Mann, Hannes Muster
Anke Duchow, Günter Schnötzinger

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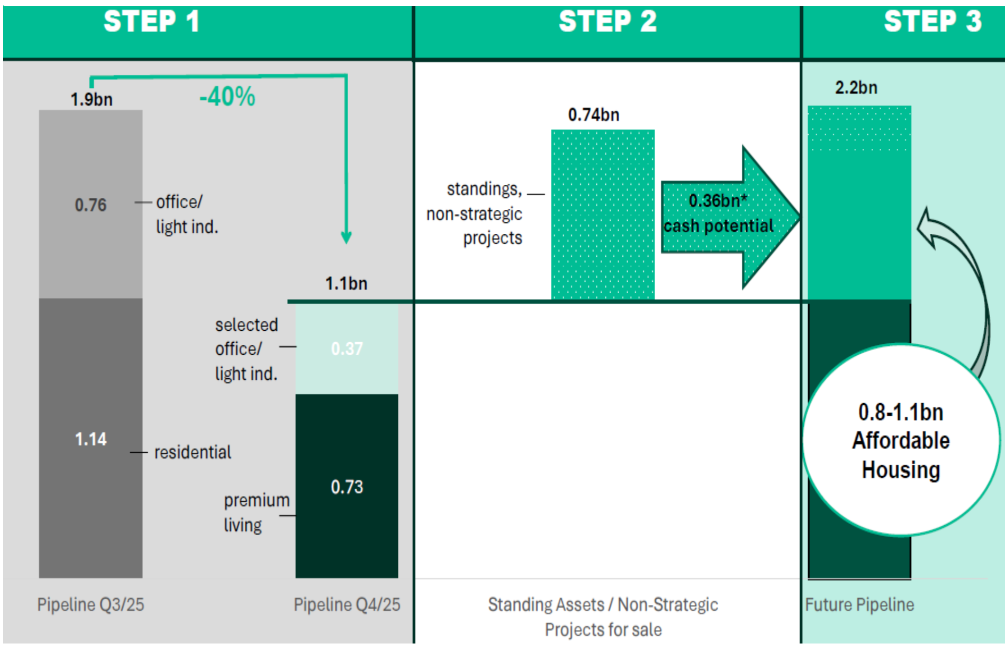
Founded in 1873 as "Union-Baumaterialien-Gesellschaft" the company has now an outstanding history of more than 145 years. Keep in mind, that since 1873, the firm is also listed on the Viennese stock market and thus is the oldest Austrian real estate company. After the initial focus was on the renting 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 marktes like France and the Netherlands with hotels. In 2014 PORR, the Vienna-based construction and development conglomerate decided to seperate its non-core real estate development activities from its construction activities with the destination to create two pure play entities and seperately 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, the company still delivered more than Euro 40m in net profit in 2020 and 2021 and at least Euro 27m in 2022. The ongoing sluggish econmic framework in Germany and Austria together with the remarkable hike in interest rates since 2022 and the reluctance in the office letting and investment market led to three loss making years 2023, 2024 and 2025 at bottom line level. But we have to state that UBM managed to come back to black numbers at pre-tax level already in 2025, with a EBT profit of Euro 3.9m (2024: Euro -23.2m)
The years 2024 and 2025 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 2024 in only one year. And from this high plattform UBM managed another 12% hike in apartment sales to 452 apartments in 2025, thereof about 50% in Austria and almost 45% in Czech Republic. The company also managed a much higher equity ratio which climbed from 29.1% to 32.1%. The 1H 2026 equity ratio even increased to 36.6%, above the targeted 30% to 35% level. The debt maturity profile is undemanding as the company has a sufficient cash level, also after recently paying back the 2021 -2026 Sustainability Bond in May 2026 (Euro 73m). The 1H 2026 cash level is above Euro 84m, with an undemanding maturity profil. There is only a Ero 50m bond maturing in July 2027 and a Euro 93m Green Bond in Oct. 2029, more than three years from now. The current pipeline is targeted to be re-balanced by the sale of standing assets and non cire assets the next two years. The freed up cash is to be used for the build-up of an affordablehusing pipeline of around Euro 1.0bn.



Source: Company data, SRC Research

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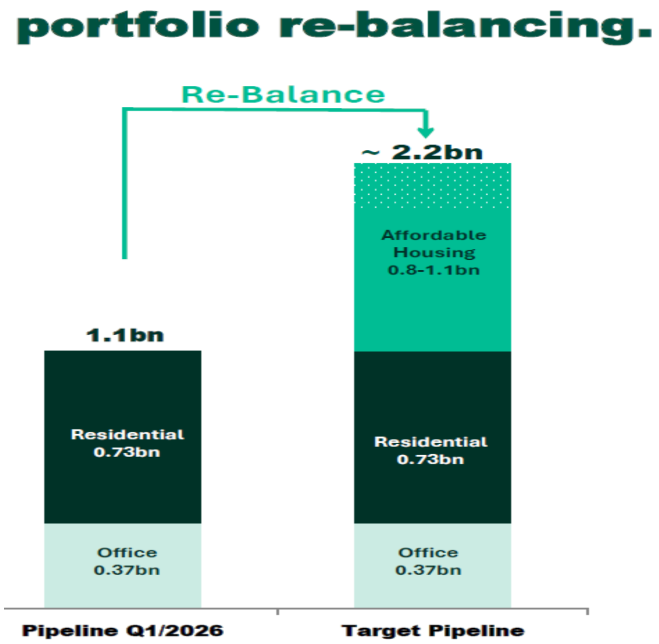
The pilot project in Vienna serves as the first proof for the portfolio re-balancing towards affordable housing

Affordable housing faces huge excess demand in Germany and Austria. About 1.5 million apartments may be missing across the two countries.

In co-operation with partner PORR the company offers a high level of standardization in the new affordable housing segment, focusing on prefabricated elements at production halls to reduce construction costs and construction time. The first project offers 92 new-build apartments in Vienna, with low operating costs of only Euro 1.70 to Euro 1.90 per sqm. This might be an important argument for potential buyers.



Source, company data, 1H 2026 presentation

P & L UBM Development AG

31/12 IFRS (Euro '000 except for per share-data)	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	CAGR '25 - '28e
Revenues	**183.339**	**278.313**	**133.944**	**85.315**	**106.239**	**139.201**	**169.450**	**175.221**	**184.855**	*9,9%*
Changes in the portfolio	-21.145	-45.874	2.965	33.011	12.323	-13.026	-23.458	-5.140	4.502	
Share of profit/loss of companies accounted for under the equity method	27.813	36.003	25.396	-14.059	-13.102	-10.788	22.240	26.457	12.450	
Income from fair-value adjustments to investment property	69.853	11.568	25.454	318	16.084	417	12.545	50	450	
Other operating income	8.224	11.767	12.740	51.039	10.477	17.757	4.511	15.745	16.540	
Cost of materials and other related production services	-115.673	-141.421	-86.858	-70.389	-66.218	-74.293	-114.048	-115.780	-118.210	
Staff expenses	-34.847	-36.807	-37.255	-30.910	-22.728	-24.601	-25.021	-26.771	-27.140	
Expenses from fair-value adjustments to investment property	-7.543	-6.550	-4.619	-40.767	-23.220	-7.436	-1.645	-541	-950	
Other operating expenses	-44.922	-31.070	-32.594	-40.842	-26.550	-19.853	-14.547	-29.664	-28.227	
Operating profit (EBITDA)	**65.099**	**75.929**	**39.173**	**-27.284**	**-6.694**	**7.378**	**30.029**	**39.577**	**44.270**	*81,7%*
Depreciation, amortisation and impairment expenses	-3.085	-2.627	-5.266	-2.779	-2.475	-2.463	-2.354	-2.898	-3.545	
Operating profit (EBIT)	**62.014**	**73.302**	**33.907**	**-30.063**	**-9.169**	**4.915**	**27.675**	**36.679**	**40.725**	*102,4%*
Financial income	23.899	14.040	23.442	21.760	18.087	26.698	21.001	24.178	24.850	
Financing costs	-23.654	-27.203	-25.899	-31.060	-32.109	-27.679	-30.107	-30.212	-30.485	
Financial result	**245**	**-13.163**	**-2.457**	**-9.300**	**-14.022**	**-981**	**-9.106**	**-6.034**	**-5.635**	
Earnings before tax (EBT)	**62.259**	**60.139**	**31.450**	**-39.363**	**-23.191**	**3.934**	**18.569**	**30.645**	**35.090**	*107,4%*
Income tax expense	-21.506	-16.428	-4.338	-6.682	-6.402	-6.249	-5.041	-7.039	-8.412	
Tax rate	34,5%	27,3%	-13,8%	17,0%	27,6%	158,8%	27,1%	23,0%	24,0%	
Net profit before minorities	**40.753**	**43.711**	**27.112**	**-46.045**	**-29.593**	**-2.315**	**13.528**	**23.606**	**26.678**	
Minorities and shares of hybrid capital	-7.984	-10.086	-10.322	-6.454	-6.053	-8.057	-9.501	-10.850	-11.120	
Net profit after minorities	**32.769**	**33.625**	**16.790**	**-52.499**	**-35.646**	**-10.372**	**4.027**	**12.756**	**15.558**	
Earnings per share (EPS)	4,39	4,50	2,25	-7,03	-4,77	-1,39	0,54	1,71	2,08	
Dividends per share (DPS)	2,20	2,25	1,10	0,00	0,00	0,00	0,00	0,40	0,50	
Payout ratio	50,2%	50,0%	49,0%	0,0%	0,0%	0,0%	0,0%	23,4%	24,0%	
Number of shares ('000)	7.472	7.472	7.472	7.472	7.472	7.472	7.472	7.472	7.472	
Shareholders' equity	**478.467**	**545.435**	**501.449**	**379.722**	**343.653**	**350.189**	**354.216**	**366.972**	**379.541**	*-6,1%*
Total assets	**1.372.021**	**1.494.463**	**1.451.831**	**1.253.777**	**1.182.396**	**1.092.257**	**1.081.334**	**1.092.148**	**1.118.359**	*-5,5%*
Equity ratio	**35,5%**	**37,1%**	**35,1%**	**30,3%**	**29,1%**	**32,1%**	**32,8%**	**33,6%**	**33,9%**	
Book value per share (BVpS)	**64,03**	**73,00**	**67,11**	**50,82**	**45,99**	**46,87**	**47,41**	**49,11**	**50,80**	*-6,1%*
RoE (after tax)	7,0%	6,6%	3,2%	-11,9%	-9,9%	-3,0%	1,1%	3,5%	4,2%	

Key ratios & figures

Key ratios & figures	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Growth rates in %									
Sales revenues	-24,2%	51,8%	-51,9%	-36,3%	24,5%	31,0%	21,7%	3,4%	5,5%
EBT	-11,7%	-3,4%	-47,7%	-225,2%	-41,1%	-117,0%	372,0%	65,0%	14,5%
Net profit after minorities	-28,8%	2,6%	-50,1%	-412,7%	-32,1%	-70,9%	-138,8%	216,8%	22,0%
Margins in %									
Operating profit (EBIT)	33,8%	26,3%	25,3%	-35,2%	-8,6%	3,5%	16,3%	20,9%	22,0%
Pre-tax profit (EBT)	34,0%	21,6%	23,5%	-46,1%	-21,8%	2,8%	11,0%	17,5%	19,0%
Net Profit (after minorities)	17,9%	12,1%	12,5%	-61,5%	-33,6%	-7,5%	2,4%	7,3%	8,4%
Expense ratios in %									
Personnel costs to sales	19,0%	13,2%	27,8%	36,2%	21,4%	17,7%	14,8%	15,3%	14,7%
Cost of material to sales	63,1%	50,8%	64,8%	82,5%	62,3%	53,4%	67,3%	66,1%	63,9%
Depreciation to sales	1,7%	0,9%	3,9%	3,3%	2,3%	1,8%	1,4%	1,7%	1,9%
Profitability in %									
Return on equity (RoE) after tax	7,0%	6,6%	3,2%	-11,9%	-9,9%	-3,0%	1,1%	3,5%	4,2%
Return on assets (RoA)	2,4%	2,2%	1,2%	-4,2%	-3,0%	-0,9%	0,4%	1,2%	1,4%
Valuation									
P/E-ratio	3,9	3,8	7,5	-2,4	-3,5	-12,2	31,4	9,9	811,7%
Price/ BV per Share	0,26	0,23	0,25	0,33	0,37	0,36	0,36	0,34	33,3%
Dividend yield	13,0%	13,3%	6,5%	0,0%	0,0%	0,0%	0,0%	2,4%	3,0%

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Rating Chronicle	Date	Rating	Former Price	Former Target
UBM Development AG	29 May 2026	Buy	17,60 €	30,00 €
UBM Development AG	27 March 2026	Buy	17,40 €	30,00 €
UBM Development AG	27 November 2025	Buy	22,40 €	30,00 €
UBM Development AG	24 October 2025	Buy	23,00 €	30,00 €
UBM Development AG	29 September 2025	Buy	21,40 €	30,00 €
UBM Development AG	29 August 2025	Buy	21,40 €	30,00 €
UBM Development AG	28 May 2025	Buy	19,65 €	30,00 €
UBM Development AG	07 May 2025	Buy	19,80 €	30,00 €
UBM Development AG	11 April 2025	Buy	20,00 €	30,00 €
UBM Development AG	10 March 2025	Buy	19,20 €	30,00 €
UBM Development AG	28 November 2024	Buy	17,10 €	30,00 €

Please note:
The UBM share price mentioned in this report is from closing of 26 August 2026.
UBM mandated SRC Research for covering the UBM share.