UBM Development AG

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

29 | August | 2025

Der Spezialist für Finanzaktien

Price (Euro)	**21,40**
52 weeks range	21.90 / 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)	159,9
Number of shares (million)	7,47
Free Float	49,2%
Free Float MCap (million)	78,7
CAGR pre tax profit '22 - '27e	12,2%

Multiples	**2024**	**2025e**	**2026e**	**2027e**
MarketCap/revenues	1,51	1,14	0,86	0,76
PE ratio	**-4,5**	**102,9**	**8,9**	**0,0**
Dividend yield	**0,0%**	**0,0%**	**2,3%**	**4,7%**
Price-to-Book ratio	**0,47**	**0,46**	**0,44**	**0,41**

Key Data per Share (Euro)	**2024**	**2025e**	**2026e**	**2027e**
Earnings per share (EPS)	**-4,77**	**0,21**	**2,40**	**4,68**
Dividends per share (DPS)	**0,00**	**0,00**	**0,50**	**1,00**
Book Value per share (BVpS)	45,99	46,20	48,60	52,78

Financial Data (Euro '000)	**2024**	**2025e**	**2026e**	**2027e**
Revenues	**106.239**	**139.884**	**185.149**	**211.478**
Operating profit (EBITDA)	**-6.694**	**31.534**	**55.916**	**79.126**
Operating profit (EBIT)	-9.169	28.204	52.262	83.453
Pre-tax profit (EBT)	-23.191	7.456	29.710	55.921
Net profit (after minorities)	**-35.646**	**1.554**	**17.910**	**34.965**
Adj. shareholders' equity	343.653	345.207	363.117	394.347
RoE after tax	**-9,9%**	**0,5%**	**5,1%**	**9,2%**

Financial Calendar

3Q 2025	27 November 2025
2025 annual report	27 March 2026
AGM	21 May 2026
1Q 2026	28 May 2026

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

2Q pre-tax profit back to black and residential sales quadrupled in only 2 years, liquidity position still high, return to profitability in the second half of the year - Buy and € 30.00 target affirmed

Yesterday, UBM Development released the 1H 2025 report and invited for a conference call. The firm continued the success story in the residential development from last year and more than doubled the number of sold residential units, from 97 units in 1H 2024 to 208 units in 1H 2025, facing a great demand in all three countries Austria, Germany and Czech Republic. The demand and accordingly the sales numbers could be even higher with a lower interest rate level, as for instance in Germany the real estate bank loans for buyers are mostly in a range of 3.3% to 3.8% for a 10 to 15 years term, but might come down with the next ECB interest rate cuts.

The hike in residential sales is even more impressive if you see a number of 51 units sold two years ago in 1H 2023, means that 1H 2025 delivered a quadruplication in a very short time. These numbers speak a clear language that UBM offers a very attractive portfolio and pipeline of modern living space in sought-after European hubs. UBM has about 2,800 residential units on sale or under development in the next four years until 2029. Thereof c. 850 units are in Germany (Mainz, Munich and Berlin) and 1,200 units are in Austria (mainly Vienna). The rest is Prague, where UBM has very high sales numbers and very decent margins and acquired a higher stake in one of their big projects in 1Q 2025.

The second quarter was a clear improvement in terms of profitability, as EBITDA turned from Euro -3.7m in 1Q to Euro +3.4m in 2Q and also pre-tax profit came back to black, after Euro -6.3m in 1Q it surged to Euro +0.5m in the second quarter. On a bottom-line basis, the net profit after minorities was still negative, but strongly improved from Euro -8.1m in 1Q to only Euro -1.8m in 2Q 2025. UBM confirmed once again the outlook for the full year to return to profitability during the second half of the year, which is realistic in our view. The liquidity situation remains comfortable with cash & cash equivalents of over Euro 167m, above the Euro 143m in 1Q, supported by the successful placement of the first Green Hybrid Bond in May with a volume of Euro 65m, thereof c. Euro 44m prolongations of the 2021 – 2026 sustainability-linked bond and Euro 21m fresh capital. With the improving operating performance and the Green Bond placement the equity ratio climbed back to above 30%, now at 30.1%, after 29.1% in 2024 and 29.4% in 1Q 2025. With the high liquidity, the 2019 – 2025 bond due in mid-November with a volume of Euro 87m will be paid back easily. UBM continues to regularly screen the market climate if there might be a window in the next quarters to place a bond to further improve the debt maturity profile.

With a big and rising overhang in demand for residential space, alone in Germany 800k apartments missing, and as survivor in a still rough market climate for real estate developers, UBM should profit the next years as the leading ESG conform and timber-oriented developer. Buy and € 30.00 target affirmed.

THOMSON REUTERS ANALYST AWARDS 2017 WINNER
THOMSON REUTERS ANALYST AWARDS 2018 WINNER

SRC Der Spezialist für Finanzaktien

UBM Development AG

Industry:	Real Estate Development
Sub-segment:	Residential, Office
Country:	Austria
Headquarter:	Vienna
Foundation:	1873
Employees:	218

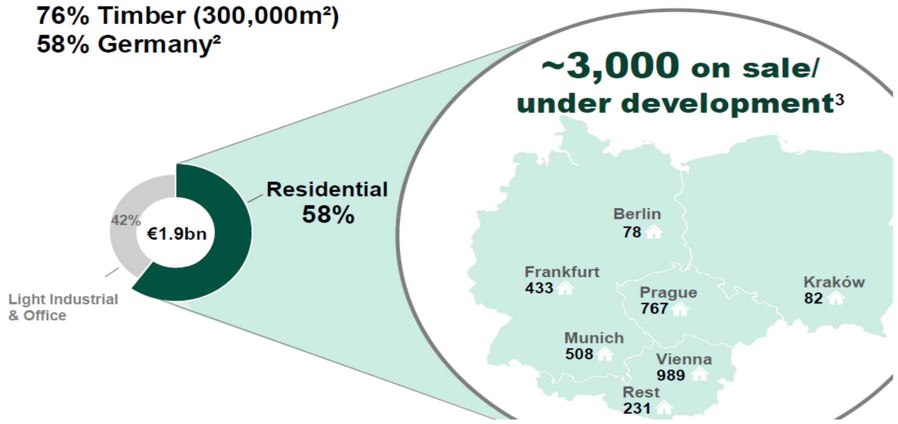
Management Board of UBM
Thomas G. Winkler, LL.M. (CEO)
Dipl.-Ökonom Patric Thate (CFO)
Martina Maly-Gärtner, MRICS (COO)
Dipl.-Ing. Peter Schaller (CTO)

Supervisory Board of UBM
Ing. Karl-Heinz Strauss (Chairman)
DI Iris Ortner (Dep. Chairwoman)
DI Klaus Ortner
Dr. Ludwig Steinbauer
Mag. Paul Unterluggauer
Martin Mann
Anke Duchow
Dr. Bernhard Vanas
Dr. Susanne Weiss
Dkff. Birgit Wagner
Hannes Muster
Günter Schnötzinger

IR Contact
Christoph Rainer
Phone: +43664801873200
Mail: investor.relations@ubm-development.com

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, 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 appealling and sustainable pipeline for residential and ligt 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.



Source: Company data, SRC Research

2

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	19.500	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	-1.200	22.240	26.457	
Income from fair-value adjustments to investment property	69.853	11.568	25.454	318	16.084	11.758	16.558	15.871	
Other operating income	8.224	11.767	12.740	51.039	10.477	5.545	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	-24.579	-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	-19.350	-31.310	-35.784	
Operating profit (EBITDA)	**65.099**	**75.929**	**39.173**	**-27.284**	**-6.694**	**31.534**	**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**	**28.204**	**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	-36.533	-34.630	-41.010	
Financial result	**245**	**-13.163**	**-2.457**	**-9.300**	**-14.022**	**-20.748**	**-22.552**	**-27.532**	
Earnings before tax (EBT)	**62.259**	**60.139**	**31.450**	**-39.363**	**-23.191**	**7.456**	**29.710**	**55.921**	*12,2%*
Income tax expense	-21.506	-16.428	-4.338	-6.682	-6.402	-1.141	-7.362	-14.409	
Tax rate	34,5%	27,3%	-13,8%	17,0%	27,6%	15,3%	24,8%	25,8%	
Net profit before minorities	**40.753**	**43.711**	**27.112**	**-46.045**	**-29.593**	**6.315**	**22.348**	**41.512**	*8,9%*
Minorities and shares of hybrid capital	-7.984	-10.086	-10.322	-6.454	-6.053	-4.761	-4.438	-6.547	
Net profit after minorities	**32.769**	**33.625**	**16.790**	**-52.499**	**-35.646**	**1.554**	**17.910**	**34.965**	*15,8%*
Earnings per share (EPS)	4,39	4,50	2,25	-7,03	-4,77	0,21	2,40	4,68	
Dividends per share (DPS)	2,20	2,25	1,10	0,00	0,00	0,00	0,50	1,00	
Payout ratio	50,2%	50,0%	49,0%	0,0%	0,0%	0,0%	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**	**345.207**	**363.117**	**394.347**	*-4,7%*
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%**	**29,6%**	**29,9%**	**31,2%**	
Book value per share (BVpS)	**64,03**	**73,00**	**67,11**	**50,82**	**45,99**	**46,20**	**48,60**	**52,78**	*-4,7%*
RoE (after tax)	7,0%	6,6%	3,2%	-11,9%	-9,9%	0,5%	5,1%	9,2%	

Key ratios & figures

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%	-407,6%	85,3%	59,7%
EBT	-11,7%	-3,4%	-47,7%	-225,2%	-41,1%	-132,2%	298,5%	88,2%
Net profit after minorities	-28,8%	2,6%	-50,1%	-412,7%	-32,1%	-104,4%	1052,4%	95,2%
Margins in %								
Operating profit (EBIT)	33,8%	26,3%	25,3%	-35,2%	-8,6%	20,2%	28,2%	39,5%
Pre-tax profit (EBT)	34,0%	21,6%	23,5%	-46,1%	-21,8%	5,3%	16,0%	26,4%
Net Profit (after minorities)	17,9%	12,1%	12,5%	-61,5%	-33,6%	1,1%	9,7%	16,5%
Expense ratios in %								
Personnel costs to sales	19,0%	13,2%	27,8%	36,2%	21,4%	17,6%	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%	0,5%	5,1%	9,2%
Return on assets (RoA)	2,4%	2,2%	1,2%	-4,2%	-3,0%	0,1%	1,5%	2,8%
Valuation								
P/E-ratio	4,5	4,4	8,7	-2,8	-4,1	94,5	8,2	4,2
Price/ BV per Share	0,31	0,27	0,29	0,39	0,43	0,43	0,40	0,37
Dividend yield	11,2%	11,5%	5,6%	0,0%	0,0%	0,0%	2,5%	5,1%

SRC Research

- The Specialist for Financial and Real Estate Stocks -

SRC - Scharff Research und Consulting GmbH

Visiting address:

Dahmestr. 5

D-12527 Berlin

Germany

Fon: +49 (0)170/ 316 12 08

Mail: scharff@src-research.de

Internet: www.src-research.de

Rating Chronicle	Date	Rating	Former Price	Former Target
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 €
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 €

Please note:

The UBM share price mentioned in this report is from closing of 28 August 2025.
UBM mandated SRC Research for covering the UBM share.