

# UBM Development AG

Buy (unchanged) Target: Euro 30.00 (unchanged)



Der Spezialist für Finanzaktien

07 | May | 2025

## Successful placement of the first Green Hybrid Bond to further improve the debt maturity profile – target and rating unchanged

This morning UBM Development released a corporate news about the successful placement of the first green hybrid bond in company's history, in a volume of Euro 65m with a 10.0% coupon. After the company issued a Euro 93m green senior bond in November 2024, UBM delivered a second important milestone within only six months by the new green hybrid bond, what means a total transaction volume of Euro 158m in six months despite a still challenging overall economic framework.

About Euro 43.6m of Euro 100m of the 2021 sustainability-linked hybrid bond were tendered into the new hybrid bond which helps for a much more staggered debt maturity profile, as the 2021 bond has its step-up next year, in June 2026.

In our last update from 7 April we stated that the firm was getting the Most out of the last year 2024 with a huge upswing in residential sales which more than quadrupled. UBM also delivered some good progress by selling several non-core assets in Poland and Austria that helped to set free capital and reduce complexity.

The news flow remains good and UBM should be amongst the winners of an economic upswing, in particular in Austria and Germany, when these countries return to a more stable path of growth and face a rising national and international appetite, not only for residential but also for office, light industrial and hotel properties.

The AGM is in two weeks on 21 May and the 1Q report will follow a week later on 28 May. For the moment, we clearly confirm our positive view with our Buy recommendation and our Euro 30.00 target price.

■ Price (Euro)	<b>19,80</b>			
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)	147,9			
Number of shares (million)	7,47			
Free Float	49,2%			
Free Float MCap (million)	72,8			
CAGR pre tax profit '22 - '27e	12,2%			
■ Multiples	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
MarketCap/revenues	1,39	1,06	0,80	0,70
PE ratio	-4,2	30,8	8,3	0,0
Dividend yield	0,0%	1,0%	2,5%	5,1%
Price-to-Book ratio	0,43	0,42	0,41	0,37
■ Key Data per Share (Euro)	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Earnings per share (EPS)	-4,77	0,64	2,40	4,68
Dividends per share (DPS)	0,00	0,20	0,50	1,00
Book Value per share (BVpS)	45,99	46,63	48,83	53,01
■ Financial Data (Euro '000)	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Revenues	106.239	139.884	185.149	211.478
Operating profit (EBITDA)	-6.694	34.254	55.916	79.126
Operating profit (EBIT)	-9.169	30.924	52.262	83.453
Pre-tax profit (EBT)	-23.191	8.498	29.710	55.921
Net profit (after minorities)	-35.646	4.802	17.910	34.965
Adj. shareholders' equity	343.653	348.455	364.871	396.100
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**  
 Christoph Rainer  
 Phone: +43664801873200  
 Mail: investor.relations@ubm-development.com

**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)

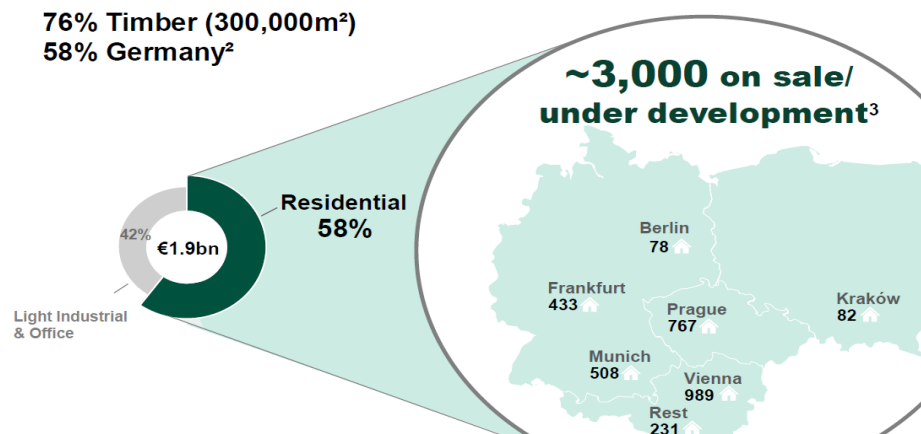
**Supervisory Board of UBM**  
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 DI Iris Ortner (Dep. Chairwoman)  
 DI Klaus Ortner  
 Dr. Ludwig Steinbauer  
 Mag. Paul Unterluggauer  
 Martin Mann  
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 Dr. Susanne Weiss  
 Dkff. Birgit Wagner  
 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
<b>Revenues</b>	<b>183.339</b>	<b>278.313</b>	<b>133.944</b>	<b>85.315</b>	<b>106.239</b>	<b>139.884</b>	<b>185.149</b>	<b>211.478</b>	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	11.758	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	-24.145	-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	
<b>Operating profit (EBITDA)</b>	<b>65.099</b>	<b>75.929</b>	<b>39.173</b>	<b>-27.284</b>	<b>-6.694</b>	<b>34.254</b>	<b>55.916</b>	<b>79.126</b>	15,1%
Depreciation, amortisation and impairment expenses	-3.085	-2.627	-5.266	-2.779	-2.475	-3.330	-3.654	4.327	
<b>Operating profit (EBIT)</b>	<b>62.014</b>	<b>73.302</b>	<b>33.907</b>	<b>-30.063</b>	<b>-9.169</b>	<b>30.924</b>	<b>52.262</b>	<b>83.453</b>	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	-38.211	-34.630	-41.010	
<b>Financial result</b>	<b>245</b>	<b>-13.163</b>	<b>-2.457</b>	<b>-9.300</b>	<b>-14.022</b>	<b>-22.426</b>	<b>-22.552</b>	<b>-27.532</b>	
<b>Earnings before tax (EBT)</b>	<b>62.259</b>	<b>60.139</b>	<b>31.450</b>	<b>-39.363</b>	<b>-23.191</b>	<b>8.498</b>	<b>29.710</b>	<b>55.921</b>	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%	14,7%	24,8%	25,8%	
<b>Net profit before minorities</b>	<b>40.753</b>	<b>43.711</b>	<b>27.112</b>	<b>-46.045</b>	<b>-29.593</b>	<b>7.246</b>	<b>22.348</b>	<b>41.512</b>	8,9%
Minorities and shares of hybrid capital	-7.984	-10.086	-10.322	-6.454	-6.053	-2.444	-4.438	-6.547	
<b>Net profit after minorities</b>	<b>32.769</b>	<b>33.625</b>	<b>16.790</b>	<b>-52.499</b>	<b>-35.646</b>	<b>4.802</b>	<b>17.910</b>	<b>34.965</b>	15,8%
Earnings per share (EPS)	4,39	4,50	2,25	-7,03	-4,77	0,64	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%	31,1%	20,9%	21,4%	
Number of shares ('000)	7.472	7.472	7.472	7.472	7.472	7.472	7.472	7.472	
<b>Adjusted shareholders' equity without minorities</b>	<b>478.467</b>	<b>545.435</b>	<b>501.449</b>	<b>379.722</b>	<b>343.653</b>	<b>348.455</b>	<b>364.871</b>	<b>396.100</b>	-4,6%
<b>Total assets</b>	<b>1.372.021</b>	<b>1.494.463</b>	<b>1.451.831</b>	<b>1.253.777</b>	<b>1.182.396</b>	<b>1.168.207</b>	<b>1.214.936</b>	<b>1.263.533</b>	-2,7%
<b>Equity ratio</b>	<b>35,5%</b>	<b>37,1%</b>	<b>35,1%</b>	<b>30,3%</b>	<b>29,1%</b>	<b>29,8%</b>	<b>30,0%</b>	<b>31,3%</b>	
<b>Book value per share (BVpS)</b>	<b>64,03</b>	<b>73,00</b>	<b>67,11</b>	<b>50,82</b>	<b>45,99</b>	<b>46,63</b>	<b>48,83</b>	<b>53,01</b>	-4,6%
<b>RoE (after tax)</b>	<b>7,0%</b>	<b>6,6%</b>	<b>3,2%</b>	<b>-11,9%</b>	<b>-9,9%</b>	<b>1,4%</b>	<b>5,0%</b>	<b>9,2%</b>	
<b>Key ratios &amp; figures</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>	
<b>Growth rates in %</b>									
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%	-437,3%	69,0%	59,7%	
EBT	-11,7%	-3,4%	-47,7%	-225,2%	-41,1%	-136,6%	249,6%	88,2%	
Net profit after minorities	-28,8%	2,6%	-50,1%	-412,7%	-32,1%	-113,5%	273,0%	95,2%	
<b>Margins in %</b>									
Operating profit (EBIT)	33,8%	26,3%	25,3%	-35,2%	-8,6%	22,1%	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%	3,4%	9,7%	16,5%	
<b>Expense ratios in %</b>									
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%	
<b>Profitability in %</b>									
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%	
<b>Valuation</b>									
P/E-ratio	4,5	4,4	8,8	-2,8	-4,2	30,8	8,3	4,2	
Price/ BV per Share	0,31	0,27	0,30	0,39	0,43	0,42	0,41	0,37	
Dividend yield	11,1%	11,4%	5,6%	0,0%	0,0%	1,0%	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	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 €
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 €

#### Please note:

The UBM share price mentioned in this report is from closing of 6 May 2025. UBM mandated SRC Research for covering the UBM share.

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