

UBM Development AG

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



Der Spezialist für Finanzaktien

29 | May | 2026

Turnaround gains momentum as pre-tax profit and bottom line are back in black after the first quarter, better equity ratio and improving debt side, disposals might follow soon – still Buy

Yesterday, UBM Development released the 1Q 2026 report. After the company surprisingly delivered a positive 2025 pre-tax result in March, the turnaround gained momentum with 1Q pre-tax and net profit both returning back to black. The pre-tax profit swung back from Euro -6.3m to a positive Euro 0.3m. Also, the bottom-line came back to black, from Euro -6.6m to Euro 0.3m. The residential sales remained on the very high record level of 1Q 2025, after selling 87 apartments, it was even at 88 apartments now. The main drivers were the numerous apartment sales in Austria and Czech, while Germany remains a difficult market for the moment, given the high-interest rate environment for buyers. All in all, group's revenues increased 11%, from Euro 28.5m to Euro 31.6m. The total output, which contains the revenues from property sales as share or asset deals, even jumped 63%, from Euro 59m to Euro 95m. This jump was supported by the sale of a 24% stake of the Warsaw Polezki Business Park, still having a 51% majority. With this sale the output of Poland quadrupled from Euro 9m to Euro 38m.

Besides the output, the revenues and the bottom line, the company also delivered an improved balance sheet picture. The equity ratio was up from 32.1% at year-end 2025 to 33.7% at the end of March. The cash and cash equivalents surged even 43%, from Euro 118m at year-end 2025 to now Euro 168m end of March, which was flattered by the issue of Euro 25m participation capital in the first quarter. The net debt was down from Euro 528m in December to Euro 484m in March. LTV also decreased from 48% to 43%. With this comfortable cash position, UBM paid back the 3.125% sustainability linked bond 2021 – 2026 on the 21 May (Euro 73m volume) and will also pay back the Euro 56m volume in the 2026 hybrid bond with a 5.5% coupon in June before the step-up date, by replacing it with a new participation capital in a similar size. We expect a coupon in the range of 8.5% to 9.5% to be appropriate. With regards to the debt maturity profile, there is just one Euro 50m green bond due for repayment in July 2027, and then no further bond repayments until October 2029, for more than 2 years. A good situation.

So that means that with a good picture in current apartment sales and picking up momentum also in the hotel business and investment activity, UBM will have the needed time and financial scope to roll-out and implement an even more focused residential strategy with the 2 product lines, which were already introduced in March and at the Analyst Day in April: The Premium Living (“the margin driver”) and the Affordable Housing (“the volume driver”), being very scalable and modular for broad urban markets to answer quickly on structural supply shortages in residential markets. **This new promising strategy needs 2 – 3 years time for the complete implementation in our view and of course some capital. UBM will set free capital by selling a list of standing assets and non-core assets the next quarters and in 2027. We expect good trading news to follow which might also lead us to a higher target price.**

Price (Euro)	17,60			
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)	131,5			
Number of shares (million)	7,47			
Free Float	46,7%			
Free Float MCap (million)	61,4			
CAGR pre tax profit '25 - '28e	105,2%			
Multiples	2025	2026e	2027e	2028e
MarketCap/revenues	0,94	0,78	0,75	0,71
PE ratio	-12,7	27,9	11,6	9,1
Dividend yield	0,0%	1,1%	2,3%	2,8%
Price-to-Book ratio	0,38	0,37	0,36	0,35
Key Data per Share (Euro)	2025	2026e	2027e	2028e
Earnings per share (EPS)	-1,39	0,63	1,52	1,94
Dividends per share (DPS)	0,00	0,20	0,40	0,50
Book Value per share (BVpS)	46,87	47,50	48,81	50,35
Financial Data (Euro '000)	2025	2026e	2027e	2028e
Revenues	139.201	169.450	175.221	184.855
Operating profit (EBITDA)	7.378	30.024	39.577	44.270
Operating profit (EBIT)	4.915	26.370	35.250	39.649
Pre-tax profit (EBT)	3.934	19.259	29.216	34.014
Net profit (after minorities)	-10.372	4.717	11.327	14.482
Shareholders' equity	350.189	354.906	364.739	376.232
RoE after tax	-3,0%	1,3%	3,1%	3,9%
Financial Calendar				
2Q 2026			27 August 2026	
3Q 2026			26 November 2026	
Main Shareholders				
Syndicate Ortner/ Strauss			38,8%	
IGO Industries			7,0%	
J. Dickinger			5,0%	
Own shares			1,6%	
Strauss Group			0,9%	
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: 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)

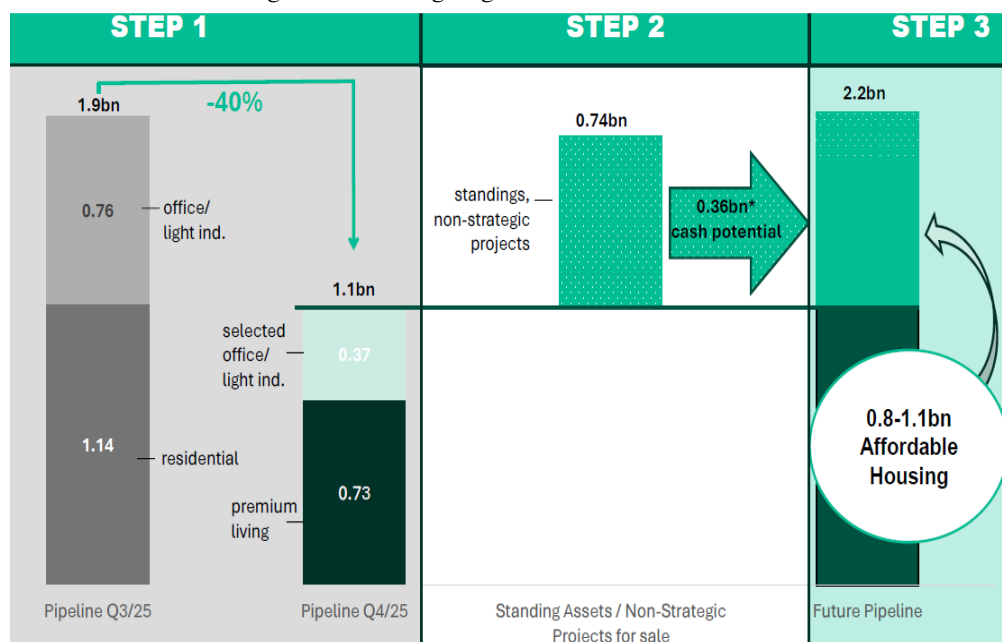
IR Contact
Victor-Leon Eggenberger
Phone: +43664801873200
Mail: investor.relations@ubm-development.com

Supervisory Board of UBM
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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 markets 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, 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 economic 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 platform 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 debt maturity profile is undemanding as the company has a sufficient cash level to pay back the Sustainability Bond in May 2026 (Euro 73m) and is also able to pay back the Hybrid Bond in June 2026 before the step-up date, which has a Euro 56m volume. This Hybrid will be replaced soon by the issue of new participation rights capital in the volume of up to Euro 90m. We might assume a coupon between 8% and 9% here. The current Euro 1.9bn pipeline is about 60% residential and 40% office and light industrial. But for 2026 and the following years a significant re-balancing towards affordable housing is on the strategic agenda.



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	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	3.501	50	450	
Other operating income	8.224	11.767	12.740	51.039	10.477	17.757	14.547	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	-879	-541	-950	
Other operating expenses	-44.922	-31.070	-32.594	-40.842	-26.550	-19.853	-16.310	-29.664	-28.227	
Operating profit (EBITDA)	65.099	75.929	39.173	-27.284	-6.694	7.378	30.024	39.577	44.270	81,7%
Depreciation, amortisation and impairment expenses	-3.085	-2.627	-5.266	-2.779	-2.475	-2.463	-3.654	-4.327	-4.621	
Operating profit (EBIT)	62.014	73.302	33.907	-30.063	-9.169	4.915	26.370	35.250	39.649	100,6%
Financial income	23.899	14.040	23.442	21.760	18.087	26.698	23.128	24.178	24.850	
Financing costs	-23.654	-27.203	-25.899	-31.060	-32.109	-27.679	-30.239	-30.212	-30.485	
Financial result	245	-13.163	-2.457	-9.300	-14.022	-981	-7.111	-6.034	-5.635	
Earnings before tax (EBT)	62.259	60.139	31.450	-39.363	-23.191	3.934	19.259	29.216	34.014	105,2%
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%	26,2%	24,1%	24,7%	
Net profit before minorities	40.753	43.711	27.112	-46.045	-29.593	-2.315	14.218	22.177	25.602	
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	4.717	11.327	14.482	
Earnings per share (EPS)	4,39	4,50	2,25	-7,03	-4,77	-1,39	0,63	1,52	1,94	
Dividends per share (DPS)	2,20	2,25	1,10	0,00	0,00	0,00	0,20	0,40	0,50	
Payout ratio	50,2%	50,0%	49,0%	0,0%	0,0%	0,0%	31,7%	26,4%	25,8%	
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	354.906	364.739	376.232	-6,2%
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%	33,4%	33,6%	
Book value per share (BVpS)	64,03	73,00	67,11	50,82	45,99	46,87	47,50	48,81	50,35	-6,2%
RoE (after tax)	7,0%	6,6%	3,2%	-11,9%	-9,9%	-3,0%	1,3%	3,1%	3,9%	
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%	389,6%	51,7%	16,4%	
Net profit after minorities	-28,8%	2,6%	-50,1%	-412,7%	-32,1%	-70,9%	-145,5%	140,1%	27,9%	
Margins in %										
Operating profit (EBIT)	33,8%	26,3%	25,3%	-35,2%	-8,6%	3,5%	15,6%	20,1%	21,4%	
Pre-tax profit (EBT)	34,0%	21,6%	23,5%	-46,1%	-21,8%	2,8%	11,4%	16,7%	18,4%	
Net Profit (after minorities)	17,9%	12,1%	12,5%	-61,5%	-33,6%	-7,5%	2,8%	6,5%	7,8%	
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%	2,2%	2,5%	2,5%	
Profitability in %										
Return on equity (RoE) after tax	7,0%	6,6%	3,2%	-11,9%	-9,9%	-3,0%	1,3%	3,1%	3,9%	
Return on assets (RoA)	2,4%	2,2%	1,2%	-4,2%	-3,0%	-0,9%	0,4%	1,0%	1,3%	
Valuation										
P/E-ratio	4,0	3,9	7,7	-2,5	-3,6	-12,5	27,6	11,5	897,8%	
Price/ BV per Share	0,27	0,24	0,26	0,34	0,38	0,37	0,37	0,36	34,6%	
Dividend yield	12,6%	12,9%	6,3%	0,0%	0,0%	0,0%	1,1%	2,3%	2,9%	

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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	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 28 May 2026.

UBM mandated SRC Research for covering the UBM share.

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