

# UBM Development AG

Buy (unchanged) Target: Euro 26.00 (unchanged)



Der Spezialist für Finanzaktien

15 | April | 2024

■ **Price (Euro)** **19.45**  
52 weeks range 33.00 / 18.00

## ■ 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)	145.3
Number of shares (million)	7.47
Free Float	49.2%
Free Float MCap (million)	71.5
CAGR pre tax profit '22 - '26e	9.5%

■ Multiples	2023	2024e	2025e	2026e
MarketCap/revenues	1.70	0.83	0.62	0.51
PE ratio	-2.8	30.6	10.7	0.0
Dividend yield	0.0%	1.5%	4.4%	9.8%
Price-to-Book ratio	0.38	0.38	0.37	0.35

■ Key Data per Share (Euro)	2023	2024e	2025e	2026e
Earnings per share (EPS)	-7.03	0.64	1.82	3.87
Dividends per share (DPS)	0.00	0.30	0.85	1.90
Book Value per share (BvPS)	50.82	51.46	52.97	55.99

■ Financial Data (Euro '000)	2023	2024e	2025e	2026e
Revenues	85,315	176,090	234,287	286,554
Operating profit (EBITDA)	-27,284	26,040	42,014	69,370
Operating profit (EBIT)	-30,063	22,785	38,538	65,143
Pre-tax profit (EBT)	-39,363	7,440	21,813	45,203
Net profit (after minorities)	-52,499	4,755	13,587	28,922
Adj. shareholders' equity	379,722	384,477	395,823	418,393
RoE after tax	-11.9%	1.2%	3.5%	7.1%

## ■ Financial Calendar

AGM	21 May 2024
1Q 2024	29 May 2024
1H 2024	29 August 2024

## ■ 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](mailto:scharff@src-research.de)

**Internet** [www.src-research.de](http://www.src-research.de)  
[www.aktienmarkt-international.at](http://www.aktienmarkt-international.at)  
[www.aktienmarkt-international.de](http://www.aktienmarkt-international.de)

## 2023 numbers turn red as they are clearly coined by negative valuation result, but UBM still delivered on the transaction- and capital markets – Buy rating and Euro 26.00 target price affirmed

Last week, on 11 April, the company released the 2023 annual report and held a conference call. The released numbers confirmed the prelim figures from 12 March and were clearly impacted by the continuing very difficult market environment, **which led to a revaluation loss of about Euro 70m in 2023 that turned an otherwise profitable year red.** Total output for the year amounted to Euro 284m, down about 27% from last year's number of Euro 391m. The largest share of last year's output came from the hotel segment, which benefited from the recovery after the pandemic. The revaluation result stood at more than Euro -40m compared to last year's number of about Euro 21m. These losses are mainly attributable to larger office projects in Austria, Germany and Poland. Profit from at-equity companies was at Euro -14.1m and included also about Euro 17m of revaluation loss, while the remaining negative revaluation result is included in other operating expenses. Other operating income largely benefited from the receipt of the preliminary building permit for the Timber Factory Campus and hiked from Euro 12.7m in 2022 to Euro 51.0m. Cost of materials and other related production services declined from Euro 87m to Euro 70m year-over-year, while personnel expenses came down from Euro 37m to Euro 31m. The financial result was at Euro -9.3m compared to Euro -2.5m last year, leading to a pre-tax result of Euro -39.4m (FY 2022: Euro 31.5m). The bottom line after minorities thus amounted to Euro -52.5m, translating into a loss per share of Euro 7.03. Given the occurred loss, the management decided not to propose a dividend for 2023, as already expected.

**Even though the numbers for 2023 turned red, the loss for the year is still quite moderate, given the bad overall market circumstances and problems elsewhere. This comparative strength also became apparent when looking at the transaction activities and the balance sheet.** While the transaction markets were practically dead in 2023, UBM still managed to deliver some sales and attractive acquisitions, such as the Timber Marina Tower. The same applies to capital market activities. Here, in a difficult market, the firm managed to place its first Green Bond with a volume of Euro 50m. Furthermore, UBM successfully repaid its 2017 Hybrid Bond with a volume of Euro 53m as well as its 2018-2023 senior bond with a volume of Euro 91m, both on time and fully out of cash. Thus, when looking at the liquidity position and balance sheet, the situation still looks good, as liquidity is still at Euro 151.5m, despite the repayments. Moreover, and more important, there is no bond repayment this year and next year the first three quarters are also clean. The equity ratio at year-end was at a decent level of 30.3%.

**The company is still very stable and well positioned for another difficult year ahead, which is a quite likely scenario. The firm has understandably not given a concrete guidance for the current year, but stated that it will continue to sell some non-strategic assets and is optimistic to find more tenants for the already more than 70% leased Timber Pioneer in Frankfurt, which would help for a possible lucrative sale in a scenario of a market recovery. The pipeline is still very attractive with about 75% of the Euro 2.3bn pipeline in timber construction. We confirm our Euro 26.00 target price and stick to our Buy rating.**

## UBM Development AG

**Industry:** Real Estate Development  
**Sub-segment:** Residential, Office  
**Country:** Austria  
**Headquarter:** Vienna  
**Foundation:** 1873  
**Employees:** 278

### IR Contact

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

### Management Board of UBM

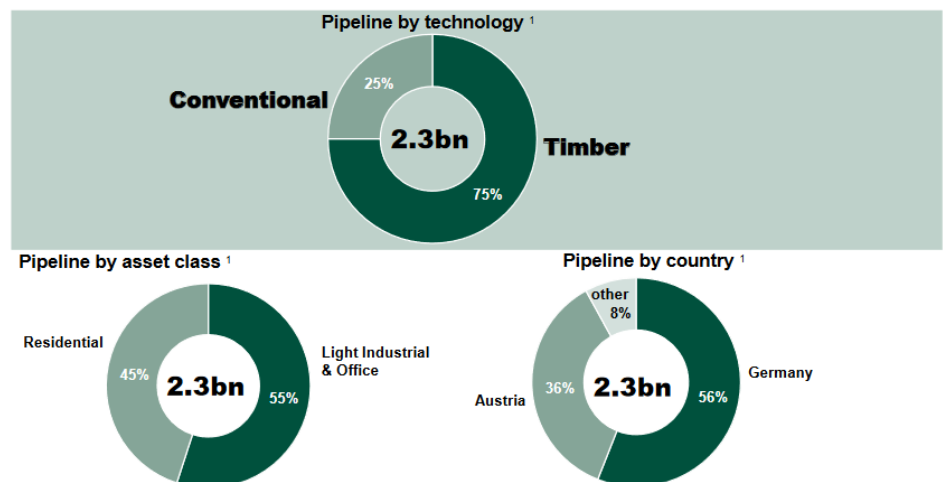
Thomas G. Winkler, LL.M. (CEO)  
Dipl.-Ökonom Patric Thate (CFO)  
Martina Maly-Gärtner, MRICS (COO)  
Dipl.-Ing. Peter Schaller (CTO)

### Supervisory Board of UBM

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 Schnötzingner

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, 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 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. Another deal was done mid of June 23 with the acquisition of Donaumarina Tower at Vienna Handelskai for only Euro 24.5m. Another good news came end of June 23 with the closing of FAZ Tower deal with HanseMerkur Grundvermögen AG. The demand for this kind of office space with a low carbon footprint should remain quite high from tenants and from investors, as UBM recently delivered a big rental contract for 10k sqm with fund specialist Universal Investment for Frankfurt's Timber Pioneer. With regards to the debt side, UBM issued a 4 years Euro 50m Green bond in July 2023 with a 7% coupon. After the repayment of 2018-2023 bond on 16 November 2023 there is no bond maturity until Nov. 2025.



Source: Company data, SRC Research



## SRC Research

### - The Specialist for Financial and Real Estate Stocks -

SRC - Scharff Research und Consulting GmbH

Klingerstr. 23

D-60313 Frankfurt

Germany

Fon: +49 (0)69/ 400 313-80

Mail: scharff@src-research.de

Internet: www.src-research.de

Rating Chronicle	Date	Rating	Former Price	Former Target
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 €
UBM Development AG	24 November 2022	Buy	30.40 €	44.00 €
UBM Development AG	28 September 2022	Buy	28.50 €	44.00 €
UBM Development AG	26 August 2022	Buy	32.90 €	50.00 €
UBM Development AG	30 May 2022	Buy	38.50 €	55.00 €
UBM Development AG	11 April 2022	Buy	40.40 €	55.00 €
UBM Development AG	02 March 2022	Buy	39.50 €	55.00 €

#### Please note:

The UBM share price mentioned in this report is from 12 April 2024. UBM mandated SRC Research for covering the UBM share.

Disclaimer © 2024: This equity research report is published by: SRC-Scharff Research und Consulting GmbH, Klingerstr. 23, D-60313 Frankfurt, Germany (short name: SRC Research). All rights reserved.

Although we feel sure that all information in this SRC report originates from carefully selected sources with high credibility, we cannot give any guarantee for accuracy, trueness and completeness. All opinions quoted in this report give the current judgement of the author which is not necessarily the same opinion as SRC-Scharff Research und Consulting GmbH or another staff member. All the opinions and assessment made in this report may be changed without prior notice. Within the scope of German regulative framework the author and SRC-Scharff Research und Consulting GmbH do not assume any liability for this document or its content being used. This report is solely for information purposes and does not constitute a request or an invitation or a recommendation to buy or sell any stock that is mentioned here. Private clients should obtain personal advice at their bank or investment house and should keep in mind that prices and dividends of equities can rise and fall and that nobody can give a guarantee of the future development of equities. The author of this report and the SRC-Scharff Research und Consulting GmbH commit themselves on a unsolicited basis to having no long or short-positions in equities or derivatives related to equities mentioned in this report.

Reproduction, distribution or publishing this report and its content as a whole or in parts is only allowed with approval of SRC management written form. With acceptance of this document you agree with all regulations mentioned here and all general terms and conditions you will find at anytime at our website www.src-research.de.