



United Bankshares, Inc. (UBSI)

Updated July 28th, 2025, by Josh Arnold

Key Metrics

Current Price:	\$36	5 Year CAGR Estimate:	6.2%	Market Cap:	\$5.1 B
Fair Value Price:	\$39	5 Year Growth Estimate:	1.0%	Ex-Dividend Date:	09/13/25 ¹
% Fair Value:	92%	5 Year Valuation Multiple Estimate:	1.6%	Dividend Payment Date:	10/01/25
Dividend Yield:	4.1%	5 Year Price Target	\$41	Years Of Dividend Growth:	51
Dividend Risk Score:	B	Sector:	Financials	Rating:	Hold

Overview & Current Events

United Bankshares was formed in 1982 and since that time, has acquired more than 30 separate banking institutions. This focus on acquisitions, in addition to organic growth, has allowed United to expand into a regional powerhouse in the Mid-Atlantic with a \$5.1 billion market capitalization, about \$30 billion in total assets, and annual revenue of about a billion dollars. The company has a long dividend history, with a very impressive 51 consecutive years of dividend increases.

United posted second quarter earnings on July 24th, 2025, and results were better than expected on both the top and bottom lines. Earnings came to 85 cents, which was 9 cents ahead of estimates. Earnings were higher from \$97 million, or 71 cents per share, from the year-ago period.

Revenue was up almost 20% year-on-year to \$306 million, beating estimates by \$8 million. Net interest income was up \$49 million, or 22%, from the year-ago period. The increase was primarily from an increase in average earning assets, lower rates paid on deposits, higher loan yields, and the acquired assets of Piedmont. Net interest margin was 3.81% in Q2, up sharply from 3.50% a year ago.

Provisions for credit losses came to \$5.9 million, up fractionally year-over-year. Noninterest expense was \$148 million, an increase of 10% from the year-ago period. The increase was driven by an increase in employee compensation, as well as increases in smaller, miscellaneous expense categories.

We now see \$3.25 in earnings-per-share for this year as early indications are for the Piedmont acquisition being highly accretive. We note this would easily be a record earnings performance if it comes to fruition.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.98	\$1.99	\$1.54	\$2.45	\$2.55	\$2.80	\$2.97	\$2.80	\$2.71	\$2.75	\$3.25	\$3.42
DPS	\$1.29	\$1.32	\$1.33	\$1.36	\$1.37	\$1.40	\$1.41	\$1.44	\$1.45	\$1.48	\$1.48	\$1.59
Shares ²	70	74	98	102	102	129	129	129	135	135	143	155

Earnings-per-share have been flat for a few years now, as the company has struggled with translating asset and loan growth into profits. We now see 1% annual earnings growth. We note the relatively high base in earnings for 2025 as making future growth more challenging.

United has always grown through acquisitions, and we do not believe that will change. However, its net interest margin is going to be at risk in the coming quarters as the rapid decline in rates in 2020 produced a huge decline in the cost of funds. Rates moved favorably for banks in 2021, and moved sharply higher in 2022. Assuming rates remain elevated, United will be subject to potentially much higher funding costs, which will see its NIM deteriorate if it cannot produce commensurate gains in lending yields. Net interest margin is off to a great start in the first half of 2025.

¹ Estimated date

² Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	19.4	19.3	23.6	14.7	14.6	10.0	12.5	14.5	13.6	13.7	11.1	12.0
Avg. Yld.	3.4%	3.4%	3.8%	3.8%	3.7%	5.0%	3.8%	3.6%	4.1%	3.9%	4.1%	3.9%

We see fair value at 12 times earnings, given where peer valuations are at present. We see increased risk for United given the relatively weak performance historically of the company's net interest margin and we think investors will pay slightly less for the stock as a result. Shares are undervalued at the moment given they go for 11.1 times earnings. The yield on the stock is now 4.1%, so it is a strong choice for income investors, and we think the dividend will rise at low single-digit rates over the intermediate term. We believe the yield could be lower in the coming years given the stock is quite cheap today. Given the yield and its 50-year dividend increase streak, United is an exemplary dividend stock.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	64%	66%	87%	56%	54%	50%	47%	51%	54%	54%	46%	47%

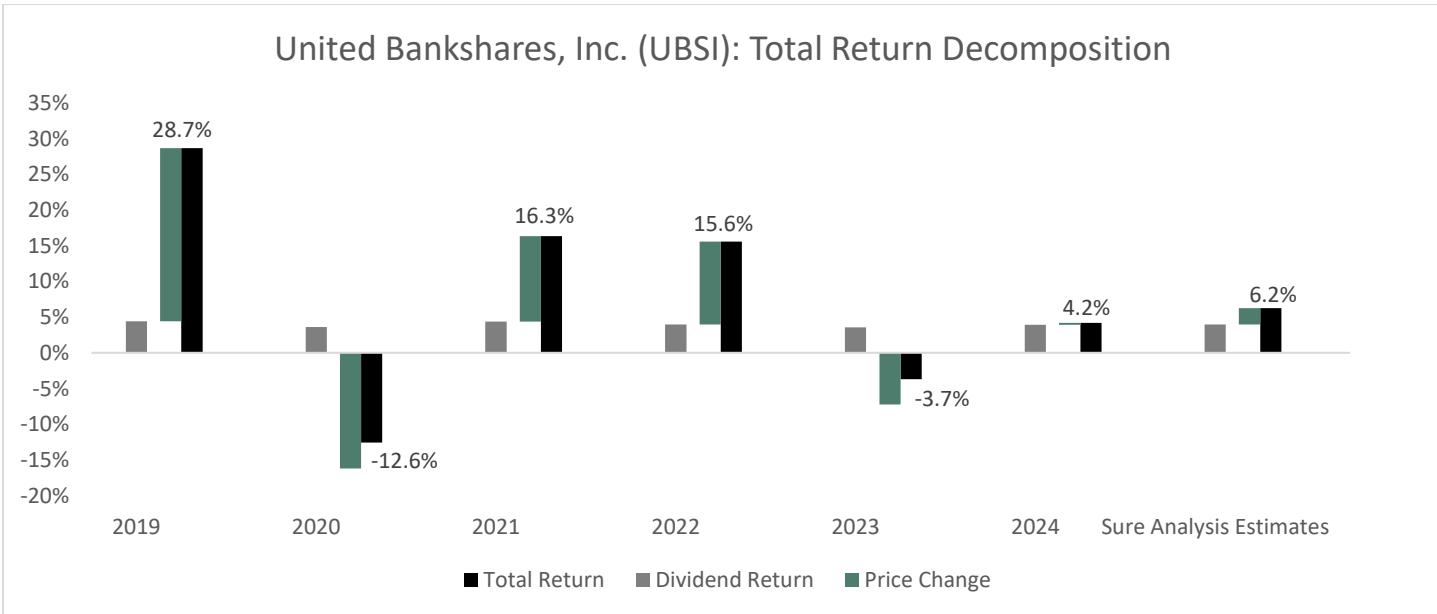
United's dividend payout ratio is now 46% of earnings, and we expect it will remain there. We see United's dividend as safe and able to weather an economic downturn, as it did during the Great Recession. The higher share count makes the dividend more costly, but United has raised its payout for an extremely impressive five decades.

United's competitive advantage is in its strong market position in the areas it serves. It is headquartered in West Virginia where competition is relatively light, and it is expanding into more densely populated areas like northern Virginia. That does not make it immune from recessions, but its performance in 2008 and 2009 was exemplary, and held up in very challenging conditions in 2020, and thrived in 2021.

Final Thoughts & Recommendation

United is now expected to produce 6.2% annual returns in the coming years, as we forecast 1% growth, and see the stock as undervalued, driving a 1.6% tailwind. The yield is highly attractive at 4.1% and should remain safe for years to come, so United could be worth a look for pure income investors. Shares continue to earn a hold rating as we see the road ahead being somewhat tough from a growth perspective, albeit with record earnings on tap this year.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	456	494	679	713	727	1037	1007	1032	1047	1046
SG&A Exp.	138	146	229	236	240	369	374	300	310	308
D&A Exp.	1	(9)	(22)	(21)	(21)	(16)	8	24	23	10
Net Profit	138	147	151	256	260	289	368	380	366	373
Net Margin	30.2%	29.8%	22.2%	36.0%	35.8%	27.9%	36.5%	36.8%	35.0%	35.7%
Free Cash Flow	170	163	240	287	137	121	594	744	424	433
Income Tax	66	76	134	71	64	71	95	101	97	95

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	12578	14509	19059	19250	19662	26184	29328	29489	29926	30024
Cash & Equivalents	857	1434	1665	1020	837	2209	3757	1177	1598	2292
Accounts Receivable	36	39	53	61	58	67	65	95	111	102
Goodwill & Int. Ass.	710	864	1478	1478	1478	1845	1910	1929	1893	1898
Total Liabilities	10865	12273	15818	15999	16298	21887	24610	24973	25155	25030
Long-Term Debt	1074	1122	1514	1674	2088	1007	817	2358	1789	717
Shareholder's Equity	1713	2236	3241	3252	3364	4298	4719	4516	4771	4993
LTD/E Ratio	0.63	0.50	0.47	0.51	0.62	0.23	0.17	0.52	0.38	0.14

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.1%	1.1%	0.9%	1.3%	1.3%	1.3%	1.3%	1.3%	1.2%	1.2%
Return on Equity	8.2%	7.5%	5.5%	7.9%	7.9%	7.5%	8.2%	8.2%	7.9%	7.6%
ROIC	5.0%	4.8%	3.7%	5.3%	5.0%	5.4%	6.9%	6.1%	5.5%	6.1%
Shares Out.	70	74	98	102	102	129	130	135	135	135
Revenue/Share	6.52	6.62	6.89	6.82	7.13	8.63	7.77	7.63	7.77	7.73
FCF/Share	2.44	2.21	2.45	2.75	1.34	1.01	4.59	5.51	3.14	3.20

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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