United Bancorp (UBCP)

Updated August 5th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	$14.13	**5 Year CAGR Estimate:**	10.4%	**Market Cap:**	$81.4 M
Fair Value Price:	$14.00	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	09/10/2025[1]
% Fair Value:	101%	**5 Year Valuation Multiple Estimate:**	-0.2%	**Dividend Payment Date:**	09/19/2025
Dividend Yield:	5.2%	**5 Year Price Target**	$18.74	**Years Of Dividend Growth:**	11
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

United Bancorp a financial holding company based in the United States, operating primarily through its wholly-owned subsidiary, United Bank. The company offers a wide range of banking services including retail and commercial banking, mortgage lending, and investment services. Some of its other solutions include checking and savings accounts, personal and business loans, as well as wealth management. United Bancorp maintains a network of branches across its regional markets, while continuously expanding its branch footprint and enhancing its product offerings to drive growth and its market share. It generated $39.5 million in total interest income last year, and is based in Martins Ferry, Ohio.

On April 16th, 2025, United Bancorp raised its dividend by 5.7% (YoY) to a quarterly rate of $0.1850, marking the 18th consecutive sequential (QoQ) increase.

On July 31st, 2025, United Bancorp posted its Q2 results for the period ending June 30th, 2025. The company announced total interest income of $10.4 million, which was up 5.4% year-over-year. This growth was primarily driven by a 3.4% increase in gross loans and continued repricing in a higher-rate environment, despite macroeconomic uncertainty and modest softness in securities income.

Total interest expenses rose marginally, with interest expense to average assets increasing by 4 basis points year-over-year to 1.75%. However, net interest income still improved by $131,000, or 2.2%, reaching $6.0 million. Earnings-per-share (EPS) were $0.32, marking an 8.6% decline compared to the previous year, although last year's EPS included non-recurring items that inflated results. For FY2025, we believe the company is set to achieve EPS of $1.40.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.64	$0.71	$0.69	$0.82	$1.19	$1.38	$1.62	$1.50	$1.57	$1.27	***$1.40***	***$1.87***
DPS	$0.37	$0.42	$0.46	$0.52	$0.55	$0.57	$0.59	$0.63	$0.67	$0.71	***$0.74***	***$0.99***
Shares[2]	4.9	5.0	5.0	5.0	5.5	5.5	5.5	5.5	5.5	5.5	***5.5***	***5.6***

Over the past decade, United Bancorp has achieved a 7.9% CAGR in EPS through several drivers. A significant milestone was the acquisition of The First National Bank of Jackson in 2017, which expanded its branch network and enhanced its market presence in Ohio. In 2020, the company further bolstered its regional footprint by acquiring The Peoples Bank Company, adding new locations and increasing its customer base.

United Bancorp has also invested in modernizing its digital banking infrastructure; in 2019, it launched a new mobile app with advanced features like mobile check deposit and real-time transaction alerts, which have likely improved customer engagement.

Looking ahead, the company is likely to pursue additional acquisitions in its primary markets to drive growth. It is also committed to expanding its digital capabilities, including developing new online services and potentially leveraging fintech partnerships to enhance its offerings.

[1] Estimated dates based on past dividend dates.

[2] Share count is in millions.

Still, United Bancorp remains a traditional regional bank with nothing in particular standing out against its industry peers. Its EPS will is directly linked to the net interest margin it can achieve through its assets, which when done right, tends to be boring business with no potential for outsized gains. For this reason, we have applied a 6% annual growth rate in our EPS projections, moving forward. We have applied the same rate to our dividend projections. The company has already increased its dividend for 11 connective years, after cutting it in half in 2012.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	13.0	13.6	17.1	15.4	10.1	8.6	8.5	10.5	8.5	9.6	***10.1***	***10.0***
Avg. Yld.	4.5%	4.3%	3.9%	4.1%	4.6%	4.8%	4.3%	4.0%	5.0%	5.8%	***5.2%***	***5.3%***

United Bancorp has historically traded attached to a P/E in the high single digits to mid-teens, mirroring the earnings estimates that the market has factored in at various times. Today, the stock is trading at 10.1 times our expected EPS for the year, which we believe fairly values the company. Today's dividend yield of 5.2% is significant and notably higher from its last-decade yield levels.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	58%	59%	67%	63%	46%	41%	36%	42%	43%	56%	***53%***	***53%***

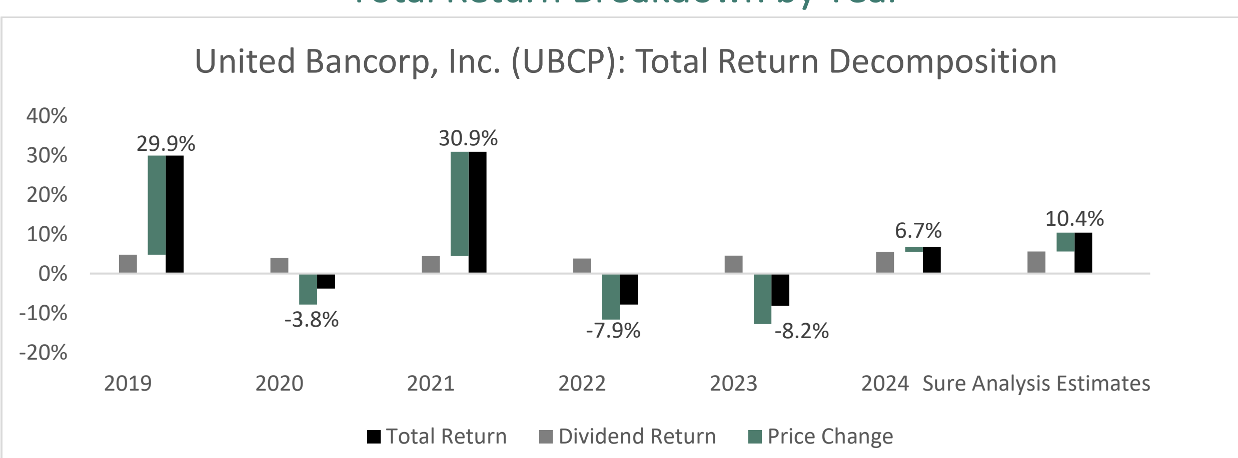
United Bancorp boasts several key qualities and competitive advantages that are worth considering. For instance, the company's strong regional presence and wide branch network provide deep local market knowledge and personalized customer service, fostering strong community relationships and customer loyalty.

However, as a regional bank, United Bancorp faces challenges in achieving the scale and diversification of larger national banks, which can limit its ability to leverage economies of scale and compete on a national level. Moreover, in economic downturns, such as the 2008 financial crisis, the company could see its loans default and net interest margins collapse. If such a scenario were to play out again, a dividend cut shouldn't come as a surprise.

Final Thoughts & Recommendation

United Bancorp is a regional bank with nothing out of the ordinary making it stand out amongst its industry peers. Still, we believe the company has decent growth prospects moving forward. We also believe shares are attractively priced as well. Assuming growth of 6%, the starting yield, and a very soft valuation headwind, we believe United Bancorp could produce annualized total returns of 10.4 % over through 2030. We rate United Bancorp as a hold.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	18	19	19	22	25	30	28	28	30	29
SG&A Exp.	7	8	8	9	10	10	11	11	12	12
D&A	1	1	1	1	1	1	1	1	1	1.2
Net Profit	3	4	4	4	7	8	9	9	9	7.4
Net Margin	18.3%	19.3%	18.3%	19.7%	27.5%	26.7%	34.0%	30.4%	29.9%	25.5%
Free Cash Flow	3	2	4	5	7	7	7	8	8	(1.2)
Tax Provision	1	2	2	1	1	1	1	1	1	(0.1)

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	405	438	459	593	686	693	724	757	819	817
Cash & Equivalents	13	12	14	25	15	52	83	30	41	19.6
Acct. Recv.	1	1	1	2	3	3	2	3	4	4.3
Goodwill & Intang.				2	2	1	1	1	1	0.8
Total Liabilities	364	395	415	543	626	625	653	698	756	753
Long-Term Debt	31	44	14	4	63	24	24	24	99	99
Shareholder's Equity	41	43	44	51	60	68	72	60	64	63
LTD/E Ratio	0.74	1.03	0.32	0.08	1.06	0.35	0.33	0.40	1.55	1.56

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.8%	0.8%	0.8%	0.8%	1.1%	1.2%	1.3%	1.2%	1.1%	0.9%
Return on Equity	7.9%	8.5%	8.2%	9.1%	12.3%	12.4%	13.5%	13.2%	14.5%	11.7%
ROIC	4.5%	4.5%	4.9%	7.6%	7.6%	7.4%	10.1%	9.7%	7.3%	4.6%
Shares Out.	4.9	5.0	5.0	5.0	5.5	5.5	5.5	5.5	5.5	5.5
Revenue/Share	3.57	3.69	3.88	4.40	4.49	5.44	5.08	5.19	5.44	5.28
FCF/Share	0.60	0.38	0.76	1.00	1.32	1.25	1.35	1.45	1.53	(0.23)

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