UBS Group AG (UBS)

Updated February 11th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$44	**5 Year CAGR Estimate:**	-0.2%	**Market Cap:**	$136 B
Fair Value Price:	$31	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	4/21/2026[1]
% Fair Value:	142%	**5 Year Valuation Multiple Estimate:**	-6.8%	**Dividend Payment Date:**	4/32/2026
Dividend Yield:	2.5%	**5 Year Price Target**	$38	**Years Of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:** Financials		**Rating:**	Hold

Overview & Current Events

UBS Group's roots go back to the mid-19th century through many different financial institutions. In 1998, two of the three largest banks in Switzerland, Union Bank of Switzerland and Swiss Bank Corporation (SBC), merged to form UBS Group. A few years later, in 2000, the bank acquired PaineWebber, a U.S. brokerage and asset management firm, to establish a presence in the U.S. market. The primary goal of UBS is to provide financial services to private, corporate and institutional clients. The bank has a market cap of $136 billion and offers investment, retail, corporate and institutional banking, in addition to wealth management planning and asset management services.

On March 19th, 2023, UBS agreed to acquire Credit Suisse in an all-stock deal valued at $3.25 billion. UBS rescued Credit Suisse, which had incurred massive cash outflows ($69 billion in the first quarter of 2023) from its depositors, who lost faith in the bank after the collapse of Silicon Valley Bank. We consider the deal positive for UBS, as it has enhanced the scale and reputation of the bank. Credit Suisse has already begun to turn around, as it has enjoyed material net deposit inflows and has maintained positive momentum since its takeover.

In early February, UBS reported (2/4/26) financial results for the fourth quarter of fiscal 2026. The global wealth management segment, which generated essentially half of the profit of the bank, grew its pre-tax profit 36% over the prior year's quarter, primarily thanks to high levels of stock market and strong inflows. Total operating profit grew 62%. We expect UBS to continue to greatly benefit from the acquisition of Credit Suisse in the upcoming years. UBS plans to complete the integration of Credit Suisse by the end of 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Book/S	$14.20	$14.10	$14.40	$15.07	$16.76	$17.07	$18.30	$27.20	$26.80	$29.18	***$31.00***	***$37.72***
DPS	$0.59	$0.67	$0.71	$0.69	$0.73	$0.37	$0.50	$0.55	$0.70	$0.90	***$1.10***	***$1.22***
Shares[2]	3,712	3,721	3,821	3,745	3,713	3,574	3,182	3,226	3,336	3,245	***3,200***	***3,000***

UBS Group has enjoyed strong business momentum in the last five years thanks to the fiscal stimulus packages offered by most governments in response to the pandemic. However, the bank has a poor and inconsistent earnings growth record. We have thus used book value per share as its primary growth metric, as it shows how the company has been able to acquire new assets and revenue while it has also issued new shares. Thanks to the takeover of Credit Suisse, UBS has grown its book value per share at an 8.3% average annual rate over the last decade, with a volatile performance record. Given the fading tailwind from the takeover, we assume 4% annual growth of book value per share until 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/B	1.01	1.15	1.15	0.80	0.70	0.95	0.95	0.83	1.15	1.23	***1.42***	***1.00***
Avg. Yld.	0.0%	3.3%	5.3%	5.7%	6.2%	2.3%	2.9%	2.4%	2.3%	2.5%	***2.5%***	***3.2%***

[1] Annual dividend.

[2] In millions.

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UBS failed to post a meaningful profit during the 2009-2013 period. UBS has rallied 31% in the last 12 months and thus it is currently trading at a high price-to-book value ratio of 1.42, which is much higher than the 9-year average ratio of 1.00 of the stock. Given the volatile performance record of UBS, we assume a fair price-to-book value ratio of 1.00 for the stock. If the stock trades at our assumed fair valuation level in five years, it will incur a -6.8% annualized valuation drag over the next five years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

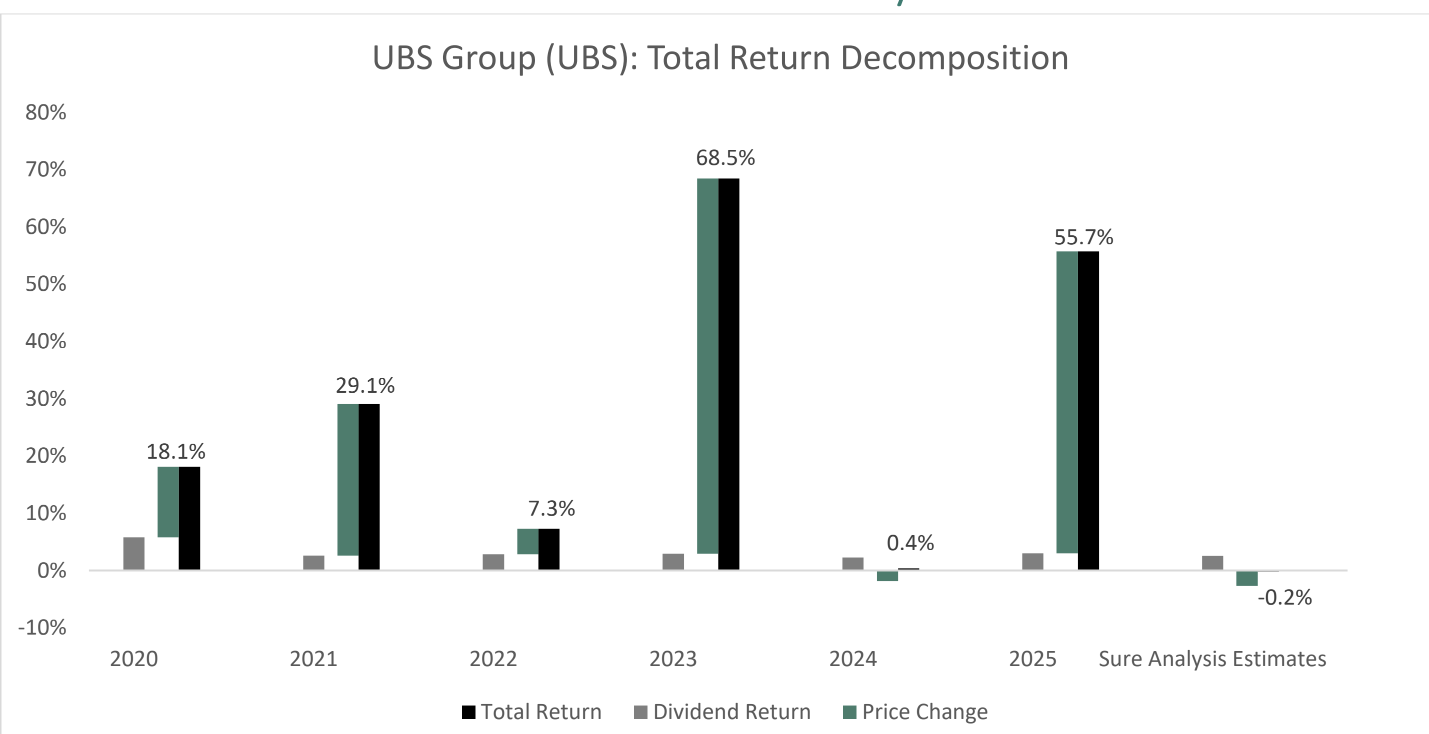
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	70%	230%	57%	61%	43%	18%	24%	26%	36%	36%	***37%***	***31%***

UBS just raised its dividend by 22% but it is still offering a modest dividend yield of 2.5%. This yield is higher than the 1.1% yield of the S&P 500 and is well covered this year, with a decent payout ratio of 37%. However, it is important to remember that the bank posted sizeable losses during the Great Recession. In the recession caused by the pandemic in 2020, UBS performed much better but its volatile performance record raises concerns. We believe that this bank is not suitable for income-oriented investors due to its volatile performance and its vulnerability to recessions.

Final Thoughts & Recommendation

UBS has emerged stronger from the pandemic thanks to the excessive liquidity that has flooded the financial sector in the aftermath of the pandemic. We also view the takeover of Credit Suisse as positive, as we are confident that the valuation of the rescue deal was positive for the rescuer (UBS). However, as the stock of UBS has nearly tripled over the last five years, it has become less attractive. UBS could offer a -0.2% average annual return over the next five years, as 4.0% growth and a 2.5% dividend may be offset by a -6.8% valuation headwind. The stock receives a hold rating. In addition, we caution investors that this security is likely to perform poorly during a severe recession as evidenced by its weak performance over the Great Recession, when earnings collapsed and the dividend was cut. Moreover, its volatile earnings record is a great concern to us.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	28600	29622	29981	28969	33084	35394	33270	39063	45814	49670
SG&A Exp.	20431	20579	20342	19944	22109	23940	21324	30356	33193	---
D&A Exp.	1090	1124	1293	1830	2126	2118	2061	3750	3795	---
Net Profit	3348	969	4515	4304	6629	7457	7629	29027	5086	7797
Net Margin	11.7%	3.3%	15.1%	14.9%	20.0%	21.1%	22.1%	74.3%	11.1%	15.7%
Free Cash Flow	-20.0B	-53.7B	27225	18121	35104	29584	13004	84383	9066	---
Income Tax	777	4305	1468	1267	1583	1998	1942	873	1675	1056

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	918.9	939.3	958.5	972.2	1,126	1,117	1,104	1,718	1,565	1,617
Cash & Eq. ($B)	105.9	91.4	109.7	108.4	158.2	192.8	172.8	314.1	223.3	---
Goodwill & Int.	6442	6563	6647	6469	6480	6378	6267	7515	6887	---
Total Liab. ($B)	865.3	886.7	905.4	917.5	1,066	1,056	1,047	1,630	1,479	---
Accounts Payable	---	---	39,964	38,795	38,742	44,045	47,034	42,522	49,023	---
LT Debt ($B)	150.9	193.9	181.3	172.1	200.5	213.0	189.9	366.1	322.1	---
Total Equity	52916	52495	52928	54533	59517	60662	56876	87285	85079	---
LTD/E Ratio	2.85	3.69	3.43	3.16	3.37	3.51	3.34	4.19	3.79	---

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.4%	0.1%	0.5%	0.4%	0.6%	0.7%	0.7%	2.1%	0.3%	0.5%
Return on Equity	6.2%	1.8%	8.6%	8.0%	11.6%	12.4%	13.0%	40.0%	5.9%	8.9%
ROIC	1.9%	0.4%	1.8%	1.8%	2.7%	2.8%	2.9%	8.3%	1.2%	2.8%
Shares Out.	3,712	3,721	3,821	3,745	3,713	3,574	3,397	3,296	3,351	---
Revenue/Share	7.48	7.72	7.80	7.68	8.92	9.78	9.79	11.85	13.67	---
FCF/Share	-5.25	-14.00	7.09	4.81	9.48	8.16	3.83	25.60	2.71	---

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