



COMPANY UPDATE / ESTIMATE CHANGES

UBA - NYSE (as of 12/18/2017)	\$22.08
Price Target	N/A
52-Week Range	\$18.32 - \$24.62
Class A Shares Outstanding (mm)	30
Market Cap. (\$mm)	\$777
3-Mo. Average Daily Volume (000)	104
Institutional Ownership	82%
Debt/Total Market Capital (10/17)	22.6%
Est 3 - Year Dividend Growth Rate	1% - 4%
Dividend	\$1.08
Dividend Yield	4.9%

FFO Per Class A Common Share FY 10/31

	2016	2017	Prior 2018E	Curr. 2018E
1Q	\$0.26	\$0.28	\$0.30	\$0.28
2Q	\$0.31	\$0.30	\$0.31	\$0.29
3Q	\$0.31	\$0.37	\$0.33	\$0.33
4Q	\$0.36	\$0.21	\$0.33	\$0.36
Year	\$1.25	\$1.15	\$1.27	\$1.26
P/FFO	17.7x	19.2x		17.5x

Revenue (\$mm)

	2016	2017	Prior 2018E	Curr. 2018E
1Q	\$27	\$29	\$30	\$30
2Q	\$29	\$30	\$31	\$31
3Q	\$28	\$32	\$32	\$31
4Q	\$32	\$32	\$33	\$35
Year	\$117	\$124	\$126	\$127

Quarterly amounts may not add up to full year amounts due to rounding.
Revenue includes other income.

Company Description: *Urstadt Biddle Properties, Inc., headquartered in Greenwich, Connecticut, is a self-administered real estate investment trust (REIT). The company owns or has interest in 81 real estate properties, primarily community shopping centers in the suburbs of New York City.*

REITs

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Urstadt Biddle Properties, Inc.

UBA - NYSE - Neutral - 3

Fourth Quarter Results

- **4Q17 results.** Fiscal fourth quarter (ended October 31, 2017) FFO per Class A common share were \$0.21, fifteen cents below the year ago period. Both quarters were impacted by one-time items. This was above our estimate, but below the consensus.
- **Leasing declined from fiscal 2016 year end.** The percentage of space leased in the consolidated core portfolio was 92.7%, down from 93.3% at the end of fiscal 2016.
- **We believe UBA has a strong balance sheet.** At the end of the fourth quarter, debt to total market capitalization was 22.6%, lower than at any of the other retail REITs under our coverage.
- **Dividend Increase.** On December 14, 2017, UBA raised the annual dividend. The annual payment went from \$1.06 to \$1.08 per Class A common share, a 1.9% increase. UBA has raised its dividend for 24 consecutive years.
- **We are maintaining our Neutral rating on UBA.** We are lowering our 2018 FFO per Class A common share estimate by one cent to \$1.26. We believe UBA shares are fairly valued at this time.

**Note Important Disclosures on Pages 5 and 6.
Note Analyst Certification on Page 5.**

Additional Discussion

Urstadt Biddle reported fourth quarter (ended October 31) base rental revenues of \$23.5 million, down 2.0% from the year ago period (please see quarterly income statement on page 3). Recoveries from tenants increased 9.3% and represented 72.7% of property operating and tax expenses compared to 72.2% of property operating and tax expenses in the year ago period. Total real estate revenues were \$31.2 million versus \$31.3 million, a 0.2% year-over-year decline. The percentage of leased space in the core portfolio at October 31 was 92.7%, down from 93.3% at the end of fiscal year 2016.

Real estate NOI (net operating income) declined 4.1% to \$20.6 million. Fourth quarter net income available to common and Class A common shareholders (after preferred dividends) was \$0.3 million compared to \$6.8 million in the year ago period. EPS for Class A common were \$0.01 compared to \$0.18 in the year ago period. Fourth quarter FFO per share (Class A) were \$0.21, fifteen cents below the year ago period.

Urstadt's balance sheet remained fairly strong, in our opinion. Debt to total market capitalization at the end of the quarter was 22.6%.

Acquisitions & Dispositions

In August, UBA acquired a 31.0% interest in a new DownReit entity that was formed to own the 72,000 square foot Washington Commons Shopping Center in Dumont, New Jersey. This grocery anchored center is 100% leased and contains 26 residential apartments.

We believe management will continue to explore further acquisition opportunities. Finding attractively priced properties in UBA's markets can be difficult and competitive, and we believe this may be the biggest challenge UBA will face in the near term. We do not expect UBA to overpay for a property just to complete a deal.

Preferreds

In September, UBA sold 4,600,000 shares of its 6.250% Series H Preferred Stock (UBP.H - \$25.92). Proceeds were used to fund the redemption of the company's 7.125% Series F Cumulative Redeemable Preferred Stock in October.

Quarterly Income Statement			
October fiscal year	4Q17	4Q16	% Change
(in thousands, except per share data)			
Base Rents	\$23,520	\$23,997	-2.0%
Recoveries from Tenants	7,697	7,045	9.3%
Lease Termination Income		239	
Total Property Revenue	31,217	31,281	-0.2%
Property Operating Expenses	5,439	4,947	9.9%
Property Taxes	5,145	4,808	7.0%
Real Estate Operating Income (NOI)	20,633	21,526	-4.1%
Other Income	1,096	618	77.3%
Equity in Net Income from Unconsolidated Joint Ventures	579	535	8.2%
General and Administrative Expenses	2,290	2,144	6.8%
Provision for Tenant Credit Losses	154	326	-52.8%
Acquisition Costs		207	
Directors' Fees and Expenses	81	83	-2.4%
EBITDA	19,783	19,919	-0.7%
Interest Expense (net of interest income)	2,979	3,146	-5.3%
Depreciation and Amortization Expense	7,070	6,223	13.6%
Income Before Minority Interests, Gains & Preferred Dividends	9,734	10,550	-7.7%
Noncontrolling Interests	(1,048)	(230)	
Gain on Sale of Marketable Securities			
Gain on Sale of Properties	(38)		
Other Income (Expense)			
Discontinued Operations (including Real Estate Gains)			
Net Income	8,648	10,320	-16.2%
Preferred Stock Dividends	(4,249)	(3,570)	
Redemption of Preferred Stock	(4,075)		
Net Income Applicable to Common and Class A Shareholders	\$324	\$6,750	-95.2%
Earnings Per Share (diluted) - Common	\$0.01	\$0.16	-93.8%
Earnings Per Share (diluted) - Class A Common	\$0.01	\$0.18	-94.4%
Avg. Shares Outstanding (diluted) - Common	9,110	9,000	1.2%
Avg. Shares Outstanding (diluted) - Class A Common	29,547	29,486	0.2%
Funds From Operations			
Net Income Applicable to Common and Class A Shareholders	\$324	\$6,750	-95.2%
Real Estate Depreciation (incl. discontinued operations)	5,400	4,750	13.7%
Amortization of Tenant Improvements & Allowances	1,208	1,276	-5.3%
Amortization of Deferred Leasing Costs	440	173	
Depreciation and Amortization on Unconsolidated Joint Ventures	409	385	6.2%
Other Adjustments (incl. Real Estate Gains)	38	(3)	
Total Funds From Operations	\$7,819	\$13,331	-41.3%
FFO Per Share - Common	\$0.18	\$0.31	-41.9%
FFO Per Share - Class A Common	\$0.21	\$0.36	-41.7%

Source: Company reports

Valuation

We are lowering our 2018 Class A common share FFO estimate by a penny to \$1.26.

Shopping Center REITs	Symbol	Closing Price	Current	Yield	Payout Ratio	FFO Per Share			18/17E	Price / FFO	
		12/18/2017	Dividend			2016	2017E	2018E	Growth	2017E	2018E
Kimco Realty Corporation	KIM	\$18.85	\$1.12	5.9%	72.3%	\$1.31	\$1.55	\$1.55	0.0%	12.2x	12.2x
DDR Corp.	DDR	\$8.79	\$0.76	8.6%	110.1%	\$1.27	\$0.69	\$0.97	40.6%	12.7x	9.1x
Weingarten Realty Investors	WRI	\$33.60	\$1.54	4.6%	64.4%	\$2.28	\$2.39	\$2.49	4.2%	14.1x	13.5x
Kite Realty Group Trust	KRG	\$20.00	\$1.27	6.4%	62.3%	\$2.00	\$2.04	\$2.11	3.4%	9.8x	9.5x
Cedar Realty Trust	CDR	\$6.14	\$0.20	3.3%	35.7%	\$0.26	\$0.56	\$0.57	1.8%	11.0x	10.8x
Peer Average		\$17.48	\$0.98	5.8%	70.6%	\$1.42	\$1.45	\$1.54	11.6%	11.9x	11.0x
S&P 500	.SPX	2,690.16	\$50.14	1.9%	38.3%	\$116.75	\$130.81	\$142.17	8.7%	20.6x	18.9x
Urstadt Biddle Properties	UBA	\$22.08	\$1.08	4.9%	93.9%	\$1.25	\$1.15	\$1.26	9.6%	19.2x	17.5x

Note: Hilliard Lyons has KRG rated Buy and DDR and WRI rated Neutral. The rest are not rated.

SPX figures are EPS not FFO per share.

UBA's fiscal year ends in October.

Source: NAREIT, HL Estimates, and Thomson Eikon.

At 17.5x our fiscal 2018 FFO forecast, UBA is trading at a premium to a select group of shopping center REITs and at a discount to its 5-year historic forward price/FFO multiple. We believe UBA deserves to trade at a premium to its peer group based on its geographic footprint and strong balance sheet. We believe UBA shares are fairly valued in the current economic environment. **We are maintaining our Neutral (Sector Perform) rating.** Our Neutral rating is based on valuation only as we like the company's balance sheet and geographic concentration.

Dividend - UBA raised the annual dividend on December 14, 2017. The annual payment went from \$1.06 to \$1.08 per Class A common share, a 1.9% increase. UBA has raised its dividend for 24 consecutive years.

Suitability

We assign shares of Urstadt Biddle Properties a suitability rating of 3 on our scale of 1 - 4 (1=most conservative, 4=most aggressive). Our rating is based on the company's small market cap, low relative trading volume, and lack of property type diversification offset by what we view as a strong balance sheet.

Risks and Considerations

UBA's FFO could be impacted by external factors beyond the company's control or due to internal factors. We believe these risk factors include, but are not limited to: interest rate risk, a decline in consumer spending, change in consumer spending patterns/trends, an inability to finance acquisitions or developments, development risk, higher construction or supply cost, bankruptcy of tenant(s), etc.

Annual yield is calculated by dividing the distribution amount by the current market price of the security. For US income tax purposes, the Company may classify all or a portion of its distributions as dividends or other non-dividend distributions. Note that for some investors, for US income tax purposes all or a portion of the Company's 2016 dividend or distribution was treated as return of capital and not as "dividend income" as reflected on the IRS Form 1099-Div for the 2016 tax year. The Company generally makes a final determination regarding the proper tax treatment of distributions after calendar year end. We urge each shareholder to consult with his or her own tax advisor to determine the tax consequences of the distributions received, including any state, local or foreign tax considerations.

Additional information is available upon request.

Analyst Certification

I, Carol L. Kemple, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Important Disclosures

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

Hilliard Lyons acted as a manager or co-manager of an offering of securities of Urstadt Biddle Properties, Inc, in the past 12 months.

Hilliard Lyons received investment banking compensation from Urstadt Biddle Properties, Inc. in the past 12 months.

Investment Ratings

Buy - We believe the stock has significant total return potential in the coming 12 months.

Long-term Buy - We believe the stock is an above average holding in its sector, and expect solid returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.

Neutral - We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.

Underperform - We believe the stock is vulnerable to a price set back in the next 12 months.

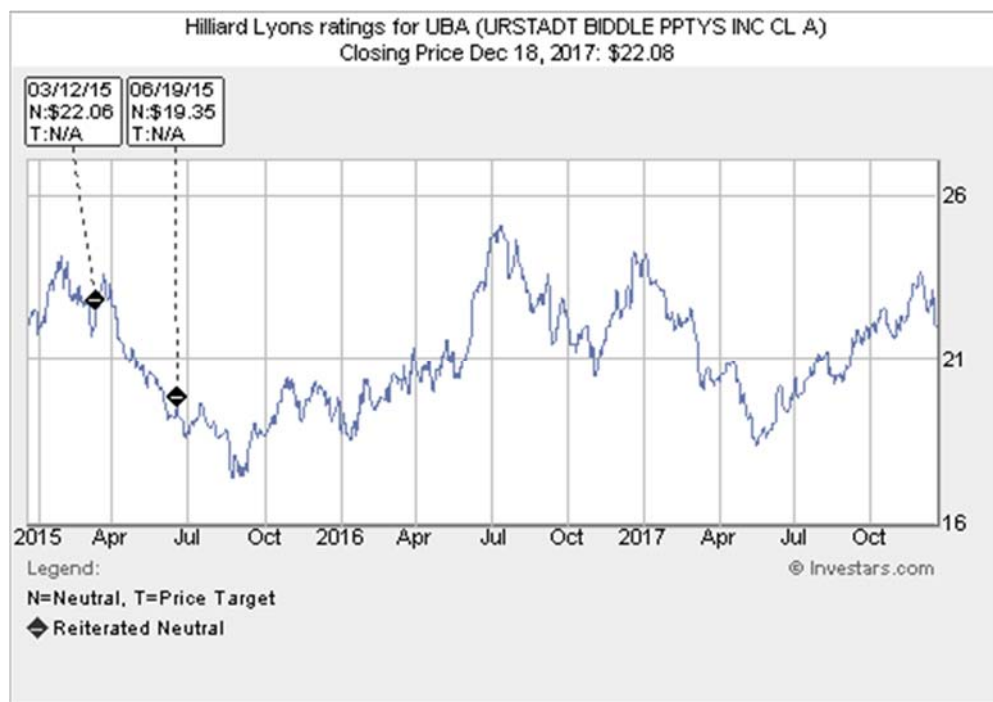
Suitability Ratings

1 - A large cap, core holding with a solid history

2 - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks

3 - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage

4 - Speculative, due to small size, inconsistent profitability, erratic revenue, volatility, low trading volume or a narrow customer or product base



Rating	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	31	28%	13%	87%
Hold/Neutral	74	66%	9%	91%
Sell	7	6%	0%	100%

As of 6 December 2017

Other Disclosures

Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of J.J.B. Hilliard, W.L. Lyons, LLC or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed here.

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