



COMPANY UPDATE / ESTIMATE CHANGES

Key Metrics

UBA - NYSE (as of 9/8/2017)	\$20.92
Price Target	N/A
52-Week Range	\$18.32 - \$25.43
Class A Shares Outstanding (mm)	30
Market Cap. (\$mm)	\$736
3-Mo. Average Daily Volume (000)	144
Institutional Ownership	81%
Debt/Total Market Capital (7/17)	22.2%
Est 3 - Year Dividend Growth Rate	1% - 4%
Dividend	\$1.06
Dividend Yield	5.1%

FFO Per Class A Common Share FY 10/31

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr. 2018E
1Q	\$0.26		\$0.28A	\$0.29	\$0.29
2Q	\$0.31		\$0.30A	\$0.30	\$0.30
3Q	\$0.31		\$0.37A	\$0.32	\$0.33
4Q	\$0.36	\$0.30	\$0.31	\$0.32	\$0.33
Year	\$1.25	\$1.19	\$1.27	\$1.23	\$1.24
P/FFO	16.7x		16.5x		16.9x

Revenue (\$mm)

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr. 2018E
1Q	\$27		\$29A	\$31	\$30
2Q	\$29		\$30A	\$32	\$31
3Q	\$28		\$32A	\$32	\$32
4Q	\$32	\$30	\$30	\$33	\$33
Year	\$117	\$119	\$121	\$127	\$126

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

Third Quarter Results

- **3Q17 results.** Fiscal third quarter (ended July 31, 2017) FFO per Class A common share were \$0.37, six cents above the year ago period. This was above our estimate, based mostly on lease termination income.
- **Leasing increased from fiscal 2016 year end.** The percentage of space leased in the consolidated core portfolio was 93.4%, up from 93.3% at the end of fiscal 2016.
- **We believe UBA has a strong balance sheet.** At the end of the third quarter, debt to total market capitalization was 22.2%, lower than any of the other retail REITs under our coverage.
- **We are maintaining our Neutral rating on UBA.** We are raising our 2017 FFO per Class A common share estimate by eight cents to \$1.27, to mostly account for the 3Q17 beat. We believe UBA shares are fairly valued at this time.

**Note Important Disclosures on Pages 6 and 7.
Note Analyst Certification on Page 6.**

Additional Discussion

Urstadt Biddle reported third quarter (ended July 31) base rental revenues of \$22.1 million, up 2.2% from the year ago period (please see quarterly income statement on page 3). Recoveries from tenants increased 14.9% and represented 76.0% of property operating and tax expenses compared to 68.2% of property operating and tax expenses in the year ago period. Total real estate revenues were \$31.0 million versus \$27.5 million, a 12.5% year-over-year increase. The percentage of leased space in the core portfolio at July 31 was 93.4%, up from 93.3% at the end of fiscal year 2016.

Real estate NOI (net operating income) increased 16.8% to \$22.1 million. Third quarter net income available to common and Class A common shareholders (after preferred dividends) was \$6.1 million compared to \$5.0 million in the year ago period. EPS for Class A common were \$0.16 compared to \$0.15 in the year ago period. Third quarter FFO per share (Class A) were \$0.37, six cents above 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 22.2%.

Acquisitions & Dispositions

In July, UBA acquired the Waldwick Plaza Shopping Center in Waldwick, New Jersey for \$8.2 million. The 26,500 square foot center includes a post office, Supercuts, Verizon (VZ - \$46.11), Massage Envy, The Little Gym and several local tenants. The average household income within a three mile radius of this center is \$126,000 per year. UBA sold a single tenant property for \$1.2 million in the quarter.

Subsequent to the end of the quarter, UBA acquired a 31.4% interest in a newly formed entity, UB Dumont, LLC. This entity owns a 74,000 square foot commercial property and a 19,000 square foot apartment property.

We believe management will continue to explore further acquisition opportunities. Finding attractively priced properties in UBA's markets is 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.

Share Repurchase Program

In June, UBA announced a share repurchase program of up to 2,000,000 shares of the company's common stock, Class A common stock, and preferred shares (UBP.F - \$25.41 and UBP.G - \$26.56). This replaces a prior repurchase program. Any repurchase will be funded with cash. The company did not repurchase any shares during the 3Q17.

Quarterly Income Statement			
October fiscal year	3Q17	3Q16	% Change
(in thousands, except per share data)			
Base Rents	\$22,074	\$21,605	2.2%
Recoveries from Tenants	6,753	5,878	14.9%
Lease Termination Income	2,148	48	
Total Property Revenue	30,975	27,531	12.5%
Property Operating Expenses	3,989	4,030	-1.0%
Property Taxes	4,891	4,592	6.5%
Real Estate Operating Income (NOI)	22,095	18,909	16.8%
Other Income	899	745	20.7%
Equity in Net Income from Unconsolidated Joint Ventures	439	564	-22.2%
General and Administrative Expenses	2,226	2,387	-6.7%
Provision for Tenant Credit Losses	69	227	-69.6%
Acquisition Costs		76	
Directors' Fees and Expenses	74	70	5.7%
EBITDA	21,064	17,458	20.7%
Interest Expense (net of interest income)	3,085	3,176	-2.9%
Depreciation and Amortization Expense	6,678	5,455	22.4%
Income Before Minority Interests, Gains & Preferred Dividends	11,301	8,827	28.0%
Noncontrolling Interests	(982)	(217)	
Gain on Sale of Marketable Securities			
Gain on Sale of Properties	(688)		
Other Income (Expense)			
Discontinued Operations (including Real Estate Gains)			
Net Income	9,631	8,610	11.9%
Preferred Stock Dividends	(3,570)	(3,570)	
Redemption of Preferred Stock			
Net Income Applicable to Common and Class A Shareholders	\$6,061	\$5,040	20.3%
Earnings Per Share (diluted) - Common	\$0.14	\$0.13	7.7%
Earnings Per Share (diluted) - Class A Common	\$0.16	\$0.15	6.7%
Avg. Shares Outstanding (diluted) - Common	9,061	9,001	0.7%
Avg. Shares Outstanding (diluted) - Class A Common	29,509	26,495	11.4%
Funds From Operations			
	3Q17	3Q16	% Change
Net Income Applicable to Common and Class A Shareholders	\$6,061	\$5,040	20.3%
Real Estate Depreciation (incl. discontinued operations)	5,238	4,512	16.1%
Amortization of Tenant Improvements & Allowances	996	788	26.4%
Amortization of Deferred Leasing Costs	423	134	
Depreciation and Amortization on Unconsolidated Joint Ventures	409	370	10.5%
Other Adjustments (incl. Real Estate Gains)	688		
Total Funds From Operations	\$13,815	\$10,844	27.4%
FFO Per Share - Common	\$0.33	\$0.28	17.9%
FFO Per Share - Class A Common	\$0.37	\$0.31	19.4%

Source: Company reports

Condensed Balance Sheet

October fiscal year	10/31/2015	10/31/2016	7/31/2017
(in thousands)			
Assets			
Real Estate Investments:			
Core Properties - At Cost	\$941,690	\$1,016,838	\$1,066,319
Non-Core Properties - At Cost	941,690	1,016,838	1,066,319
Less: Accumulated Depreciation	(165,660)	(186,098)	(189,516)
	776,030	830,740	876,803
Investment in Unconsolidated Joint Ventures	39,305	38,469	38,218
Mortgage Notes Receivable		13,500	13,500
	815,335	882,709	928,521
Cash and Cash Equivalents	6,623	7,271	18,540
Restricted Cash	2,191	2,024	2,063
Marketable Securities			
Tenant Receivables, Net of Allowances if any	22,353	18,890	23,086
Prepaid Expenses and Other Assets	9,334	13,338	17,225
Deferred Charges, Net of Accumulated Amortization	5,239	7,092	10,741
Deposits on Real Estate Investments			
Total Assets	\$861,075	\$931,324	\$1,000,176
Liabilities and Stockholders' Equity			
Liabilities:			
Revolving Credit Line	22,750	8,000	
Unsecured Term Loan			
Mortgage Notes Payable	260,457	273,016	288,791
Preferred Stock Called for Redemption			
Accounts Payable and Accrued Expenses	3,438	4,977	7,451
Deferred Compensation - Officers	155	130	93
Other Liabilities	17,542	27,915	21,644
Total Liabilities	\$304,342	\$314,038	\$317,979
Redeemable Noncontrolling Interests	15,955	18,253	71,238
Redeemable Preferred Stock			
Commitment and Contingencies			
Stockholders' Equity:			
7.5% Series D Senior Cumulative Preferred Stock			
7.125% Series F Cumulative Preferred Stock	129,375	129,375	129,375
6.750% Series G Cumulative Preferred Stock	75,000	75,000	75,000
Excess Stock			
Common Stock	94	96	98
Class A Common Stock	264	296	297
Additional Paid In Capital	431,411	509,660	512,741
Cumulative Distributions in Excess of Net Income	(94,136)	(114,091)	(108,730)
Accumulated Other Comprehensive Income	(1,230)	(1,303)	2,178
Unamortized Restricted Stock Compensation			
Total Stockholders' Equity	\$540,778	\$599,033	\$610,959
Total Liabilities and Stockholders' Equity	\$861,075	\$931,324	\$1,000,176

Balance Sheet Ratio Analysis	10/31/2015	10/31/2016	7/31/2017
Net R/E Investments / Total Debt	287.9%	314.1%	321.5%
Debt to Equity	52.4%	46.9%	47.3%
Total Debt as % of Total Assets	32.9%	30.2%	28.9%
Shareholders' Equity as % of Total Assets	62.8%	64.3%	61.1%

Previous numbers have not been restated.

Source: Company reports

Valuation

We are raising our 2017 Class A common share FFO estimate by eight cents to \$1.27.

Shopping Center REITs		Closing Price	Current	Yield	Payout Ratio	FFO Per Share			18/17E	Price / FFO	
	Symbol	9/8/2017	Dividend			2016	2017E	2018E	Growth	2017E	2018E
Kimco Realty Corporation	KIM	\$20.17	\$1.08	5.4%	70.6%	\$1.31	\$1.53	\$1.60	4.6%	13.2x	12.6x
DDR Corp.	DDR	\$9.87	\$0.76	7.7%	96.2%	\$1.27	\$0.79	\$0.92	16.5%	12.5x	10.7x
Weingarten Realty Investors	WRI	\$32.45	\$1.54	4.7%	65.0%	\$2.28	\$2.37	\$2.52	6.3%	13.7x	12.9x
Kite Realty Group Trust	KRG	\$20.34	\$1.21	5.9%	59.0%	\$2.00	\$2.05	\$2.11	2.9%	9.9x	9.6x
Cedar Realty Trust	CDR	\$5.12	\$0.20	3.9%	37.0%	\$0.26	\$0.54	\$0.55	1.9%	9.5x	9.3x
Peer Average		\$17.59	\$0.96	5.5%	67.2%	\$1.42	\$1.46	\$1.54	7.3%	11.8x	11.0x
S&P 500	.SPX	\$2,461.43	\$48.91	2.0%	37.5%	\$116.75	\$130.35	\$140.58	7.8%	18.9x	17.5x
Urstadt Biddle Properties	UBA	\$20.92	\$1.06	5.1%	83.5%	\$1.25	\$1.27	\$1.24	-2.4%	16.5x	16.9x

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 16.9x 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 15, 2016. The annual payment went from \$1.04 to \$1.06 per Class A common share, a 1.9% increase. UBA has raised its dividend for 23 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.

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.

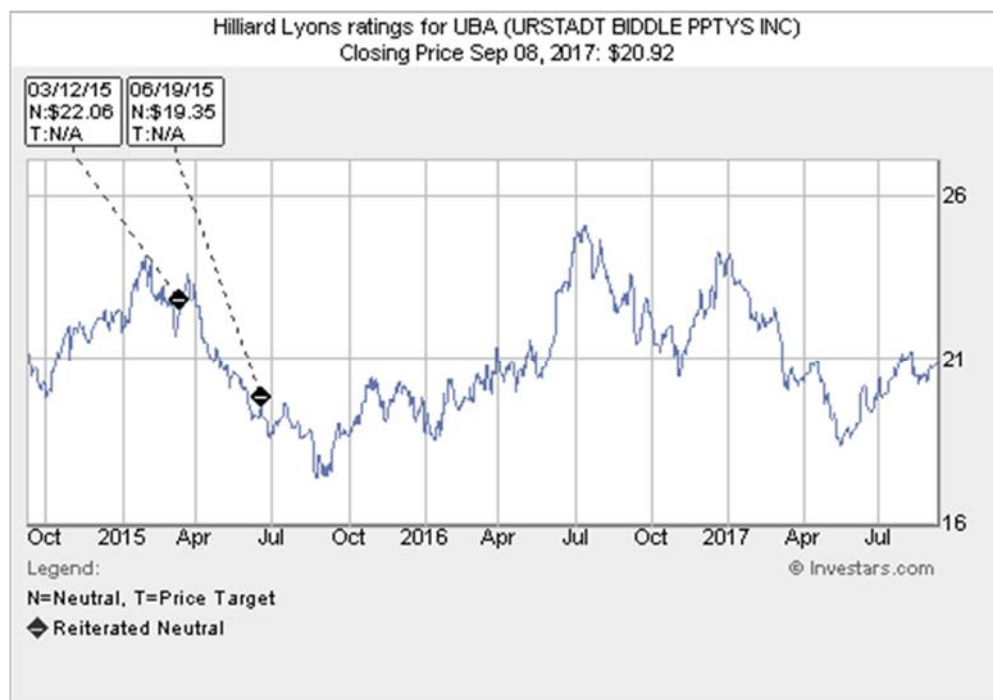
Suitability Ratings

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



Hilliard Lyons Recommended Issues			Investment Banking Provided in Past 12 Mo.	
Rating	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	40	32%	10%	90%
Hold/Neutral	77	62%	8%	92%
Sell	8	6%	0%	100%

As of 6 September 2017

Other Disclosures

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