

Goldman Sachs: Losing billions on its consumer banking push

EQUITY STRATEGY TEAM

12 JULY 2023

TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS

Current Price	320.88
Latest Dividend	2.50
Dividend Ex-Date	31/5/2023
Indicated Dividend Yield	3.12%
14 Day RSI	47.85
Analysts 12M Target Price	377.72

REFINITIV STOCKREPORTS+ AVERAGE SCORE

9/10

As of 11 Jul 2023

Refer to page 3 for indicator components

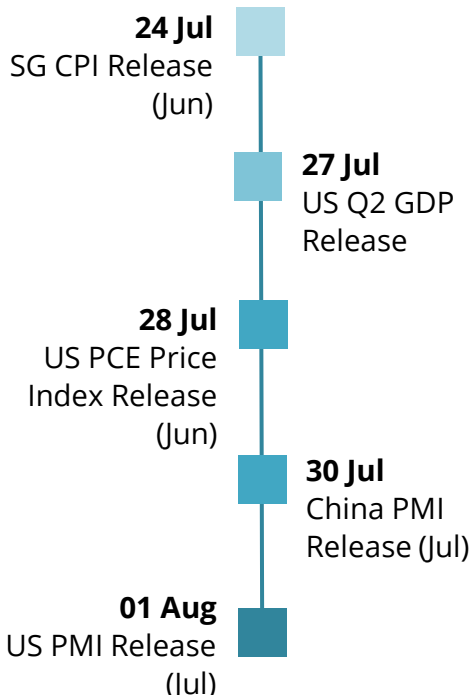
Goldman Sachs Group Inc (GS US) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 11 Jul 2023 closing

KEY MARKET EVENTS



S&P 500 Index Price Chart



As of 11 Jul 2023 closing

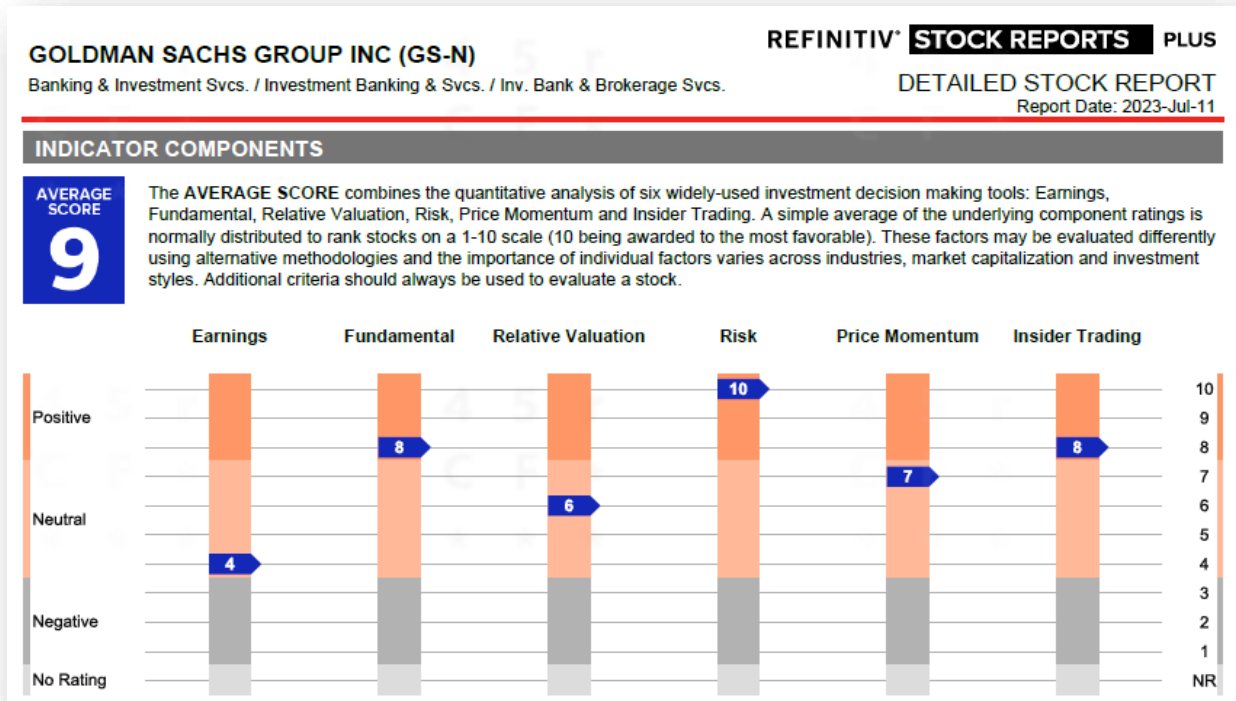
Headline News & Information

- The Goldman Sachs Group, a bank holding company, is a global investment banking and securities firm specializing in investment banking, trading and principal investments, asset management and securities services. The company provides services to corporations, financial institutions, governments, and high-net worth individuals (Bloomberg)
- Next earning announcement on 19 Jul 2023 (Bloomberg)
- Goldman Sachs is thinking about breaking up with Apple after losing billions on its consumer banking push (02 Jul 2023, Business Insider)
 - In 2019 the bank started offering an Apple-branded credit card, and launched a savings account and "buy now pay later" service with the tech giant earlier in 2023
 - However, Goldman's broader consumer efforts have struggled, leading to criticism of CEO David Solomon over his support of attempts to diversify away from its traditional activities
 - Goldman may also be looking to get out of offering a General Motors-branded credit card
- JPMorgan, Goldman line up US\$9 billion of debt for Worldpay buyout (07 Jul 2023, Bloomberg)
 - A group of banks led by JPMorgan Chase & Co. and Goldman Sachs Group Inc. are lining up around US\$9.4 billion of debt to back GTCR's purchase of a majority stake in Worldpay Inc., in what would be the largest buyout financing in over a year
 - The financing will include US\$8.4 billion of leveraged loans and high yield bonds, denominated primarily in dollars but also in euros
 - The funding package will also include a roughly US\$1 billion revolving credit facility

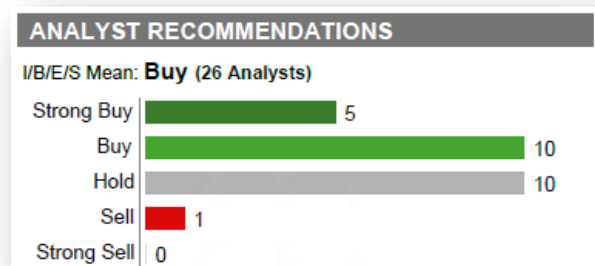
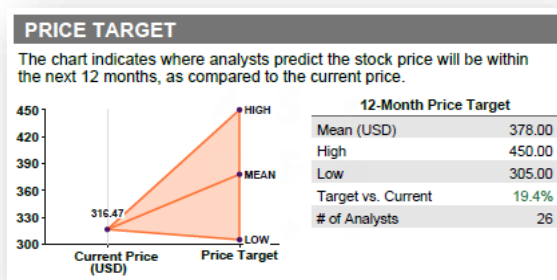
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> • Shares fell 1.8% in the past 5 days and are down 5.5% in the past 30 days 	<ul style="list-style-type: none"> • 348.00 (Jun 2023) • 380.00 (Feb 2023) • 390.00 (Nov 2022) 	<ul style="list-style-type: none"> • 311.00 (Jun 2023) • 302.00 (May 2023) • 279.00 (Jul 2022)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 11 Jul 2023

US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS												Currency in USD	
Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (2023-07-10)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	
5	MS	83.40	-3.3%	-0.71%	8.7%	139.2B	14.3	13.1	3.7%	14.0%	5.0% Buy	28	
9	GS	316.47	-5.8%	-2.6%	6.7%	104.8B	11.3	11.2	3.2%	13.2%	11.9% Buy	26	
6	SCHW	57.83	5.1%	11.8%	-10.1%	100.5B	15.8	18.8	1.7%	30.9%	8.6% Buy	22	
6	C	45.67	-5.4%	-1.8%	-2.5%	89.0B	6.4	8.2	4.5%	12.9%	3.9% Hold	27	
6	RJF	103.99	8.7%	13.9%	14.7%	22.1B	13.7	11.3	1.6%	14.0%	- Buy	11	
9	LPLA	221.15	8.1%	12.0%	21.6%	17.5B	17.0	13.3	0.54%	11.7%	- Buy	12	
3	JEF	32.99	3.9%	4.7%	22.5%	7.5B	17.0	13.6	3.6%	8.2%	- Hold	5	
7	SF	59.82	1.8%	3.0%	7.1%	6.3B	11.5	9.0	2.4%	13.7%	- Buy	6	
4	FRHC	81.10	-0.55%	16.1%	66.7%	4.7B	80.0	--	--	10.9%	- --	--	
7	EVR	120.74	0.27%	4.8%	31.6%	4.5B	12.2	12.9	2.5%	15.3%	- Buy	8	
9	SNEX	82.92	-5.5%	-16.7%	11.0%	1.7B	8.0	8.7	--	0.3%	- Strong Buy	1	
6.5	Average	109.64	0.67%	4.1%	16.2%	45.3B	18.8	12.0	2.6%	13.2%	7.3% Buy	14.6	

PEER COMPANIES			
C	Citigroup Inc	MS	Morgan Stanley
EVR	Evercore Inc	RJF	Raymond James Financial Inc
FRHC	Freedom Holding Corp	SCHW	Charles Schwab Corp
JEF	Jefferies Financial Group Inc	SF	Stifel Financial Corp
LPLA	LPL Financial Holdings Inc	SNEX	StoneX Group Inc

Source: REFINITIV STOCKREPORTS+, extracted 11 Jul 2023

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
Average		108,826	202.87	10.46	9.55	0.96	0.97	3.48
GS US	GOLDMAN SACHS GROUP INC	111,361	320.88	10.97	8.50	1.00	1.01	3.12
MS US	MORGAN STANLEY	141,893	84.96	13.97	11.92	1.54	1.52	3.65
C US	CITIGROUP INC	90,582	46.53	6.10	5.51	0.48	0.50	4.39
BAC US	BANK OF AMERICA CORP	231,265	29.02	8.42	9.78	0.92	1.09	3.03
JPM US	JPMORGAN CHASE & CO	430,804	147.42	10.71	9.53	1.56	1.39	2.71
DBK GR	DEUTSCHE BANK AG-REGISTERED	21,310	9.48	3.74	6.00	0.31	0.32	3.17
BARC LN	BARCLAYS PLC	30,187	149.86	4.45	4.72	0.42	0.43	4.84
MQG AU	MACQUARIE GROUP LTD	45,690	176.09	13.01	14.99	1.96	2.29	4.26
UBSG SW	UBS GROUP AG-REG	73,843	17.82	9.94	8.14	1.09	1.01	2.76
8601 JP	DAIWA SECURITIES GROUP INC	8,017	713.50	16.38	12.10	0.73	0.64	3.22
8604 JP	NOMURA HOLDINGS INC	12,141	536.00	17.34	13.81	0.51	0.49	3.17

Source: Bloomberg, extracted 11 Jul 2023 closing

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