

Key Statistics (USD)

Price	39.79
Market Cap	168.55 B
Enterprise Value	434.43 B
PEG	-2.66
52 weeks high	41.54
52 weeks low	20.76
Beta (5Y-monthly)	1.33
Dividend yield %	0.99
EPS (TTM)	0.41
DPS	0.40
One year stock performance	31.75%

Growth Rates	Company	Sector
Revenue (Q/Q last year)	-32.86%	-0.67%
Net earnings (YTD/YTD last year)	-90.47%	6.41%
Net earnings (Q/Q last year)	3.77%	-21.55%

Margins	Company	Sector
Gross Profit margin	-	46.68%
EBITDA margin	-	-
EBT margin	0.80%	21.85%
Net Profit margin	4.96%	17.05%
Gross Profit margin (5Y average)	-	41.46%
EBT margin (5Y average)	26.83%	28.15%

Key Ratios	Company	Sector
Current Ratio	-	1.16
Quick Ratio	-	1.09
Cash Ratio	-	-
Leverage Ratio	10.57	15.18
ROE	1.04	7.44
ROA	0.18	0.69
ROC	-	0.89
D/E	1.15	2.67

Valuation Metrics	Company	Sector (median)
P/E (NTM)	12.79	12.57
P/E (TTM)	97.92	20.04
P/B (TTM)	0.91	1.44
P/Sales (TTM)	2.31	3.68

Firm's Brief Description.

Wells Fargo & Company is a bank holding company. The Company is a diversified financial services company. It has three operating segments: Community Banking, Wholesale Banking, and Wealth and Investment Management. The Company offers its services under three categories: personal, small business and commercial. It provides retail, commercial and corporate banking services through banking locations and offices, the Internet and other distribution channels to individuals, businesses and institutions in all 50 states, the District of Columbia and in other countries. It provides other financial services through its subsidiaries engaged in various businesses, including wholesale banking, mortgage banking, consumer finance, equipment leasing, agricultural finance, commercial finance, securities brokerage and investment banking, computer and data processing services, investment advisory services, mortgage-backed securities servicing and venture capital investment.

Sector Overview

- The US Commercial Banking Market is expected to register a CAGR of 7% over the forecast period, 2019 – 2024.
- The Federal Reserve's so-called dot-plot projections budgeted little, with most members still expecting to keep rates near zero through 2023.
- The global digital banking market size was valued at \$803.8 Billion in 2018, and is anticipated to reach \$ 1.610 Billion by 2027, growing at a CAGR of 8.9% during the forecast period.

Fundamental Analysis

Wells Fargo stock performance during the COVID-19 period rose by near 32%. Taking into consideration the last 12 months, the bank underperformed its competitors in the growth rates. Revenue shrinkage was 32.86% whereas the sector average was at 0.67%. Only, net earnings quarter to quarter, in particular, increased at a rate of 3.77%, whereas the sector's average decreased by 21.55%. In addition, the bank is ineffective in reinvesting its profits, with a low Return on Equity (ROE) ratio of 1.04 and a lower Return on Assets (ROA) of 0.18 while the sector's average is 7.44 and 0.69, respectively. The above can be interpreted because of the lower leverage ratio of 10.57 that the bank has, which is good, compared to sector's average of 15.18. Also, a debt to equity of 1.15 below the sector's average of 2.67 indicates a bank with lower risk to shareholders.

Furthermore, price to earnings ratio for the next twelve months is higher but still close to the sector's median. Lastly, with a price to book ratio of 0.91 WFC stock could be considered as fair valued with positive future performance prospects.

Target Price (1 year forward): 43.92\$

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