

## **Goldman Sachs**

### **“European equities: Less boring than you think”**

**Date of recording: Feb. 8, 2024**

**Sharon Bell:** So, European equities, I think, are more exciting than most people think. Yes, Europe has underperformed in the last decade. US equities, the S&P, has tripled, really. Europe's done well, but it's only up 60 percent. US earnings have been much stronger. Also, Europe has gone onto a bigger valuation discount versus the US - round about a 35 percent discount. And that's much bigger than it's been historically, even on a sector-adjusted basis.

I think often European companies are seen as boring. US companies, with the big weight in the tech sector, are seen as much faster growth. But the largest 11 companies in Europe make up a quarter of the European market. And they're in fast-growing areas like tech, healthcare, luxury goods, branded consumer areas. These companies have margins which are just as high as the big tech companies in the US, but with a lower volatility. They are quality compounding growers with a global footprint.

While the European economy has its problems. Europe's biggest companies pursue growth around the world, and that makes them pretty exciting.

*This transcript should not be copied, distributed, published, or reproduced, in whole or in part, or disclosed by any recipient to any other person. The information contained in this transcript does not constitute a recommendation from any Goldman Sachs entity to the recipient. Neither Goldman Sachs nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this transcript and any liability therefor (including in respect of direct, indirect, or consequential loss or damage) are expressly disclaimed. The views expressed in this transcript are not necessarily those of Goldman Sachs, and Goldman Sachs is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this transcript. In addition, the receipt of this transcript by any recipient is not to be taken as constituting the giving of investment advice by Goldman Sachs to that recipient, nor to constitute such person a client of any Goldman Sachs entity. This transcript is provided in conjunction with the associated video/audio content for convenience. The content of this transcript may differ from the associated video/audio, please consult the original content as the definitive source. Goldman Sachs is not responsible for any errors in the transcript.*