GS Healthcare Trading Preview 7.16.26

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GS HEALTHCARE | Morning Trading Preview

All references to "we/us/our" refer to the views and observations of the desk.

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U.S. Healthcare Trading Preview

Thursday, July 16, 2026

The HC Focus: A soggy start to the earnings season, with JNJ and ELV formally kicking off earnings yesterday, with JNJ -2.7% more on travel-and-arrive against a high bar rather than some specific emerging negative, while ELV -8.5% on continued debates and mixed messaging around the health of the M mkt weighing on the broader complex. Expecting some MCO reversion today, with UNH up 7% after a broad 2Q beat + guide raise on MLR and strong e results also this am and ISRG post close. On non-EPS news – MRK's oral PCSK9 approval this am kicking off a powerful new product cycle and M&A then in focus with a confirmed ATAI/LLY combination. GIR out with a preview of 2H26 biotech catalysts.

HC Highlights

UNH – Stock bid up 6% following a strong MCR beat - MCR 86.7% vs 88.4%. Mgmt raises FY EPS guide. "The medical care ratio was 86.7% and ref design changes, improved medical management and better aligned pricing; MCR was affected by $860 million of net favorable prior period develop majority related to 2026 dates of service." Mgmt also raised FY26 EPS guide to $19.50 - $20 vs above $18.25 previously. Q2 EPS $6.38 vs $4.91 revenue slightly above expectations ($65.7B vs $65.1B est).

ABT – 2Q Modestly Ahead + Topline Guide Reaffirmed + EPS Tweaked Higher: 2Q results were modestly ahead, with $12.6B (vs. $12.5B cons) and cc sales growth 4.8% (vs. 4.5% cons). Segment level revs were each modestly ahead of consensus. The company reaffirmed its FY26 comparable sales grov of 6.5% to 7.5%, while raising its adj EPS guide to $5.45 to $5.60 (vs. $5.38 to $5.58 prior).

ATAI/LLY – Lilly to buy AtaiBeckley for $6.75/share in cash plus a CVR of up to $2.50. The upfront cash consideration represents an aggregate equit approximately $2.8 billion and the CVR represents an additional potential aggregate equity value of approximately $1.0 billion. Milestones related to th and VLS-01 programs as follows: (a) $1.00 per share upon initiation of a Phase 3 clinical trial of VLS-01 prior to the fourth anniversary of closing; (b) $0 upon U.S. regulatory approval and DEA rescheduling of BPL-003 prior to the fifth anniversary of closing; and (c) $1.00 per share upon U.S. regulatory ap DEA rescheduling of VLS-01 prior to the seventh anniversary of closing.

MRK - Announces LIPFENDRA (enlicitide) approved by U.S. FDA to reduce LDL-C in adults with hypercholesterolemia. Merck announced the FDA LIPFENDRA (enlicitide) tablets 20 mg as an adjunct to diet and exercise to reduce low-density lipoprotein cholesterol (LDL-C) in adults with hypercholes including heterozygous familial hypercholesterolemia (HeFH). LIPFENDRA is a novel macrocyclic peptide and is the first FDA-approved oral PCSK9 inhib lower LDL-C, also known as bad cholesterol.

GS HC – Healthcare EPS Check-In Zoom Series: Will be hosting quick 30-minute zooms with several of our Healthcare analysts in GIR over the next fev you with the latest debates into and out of the earnings season. Reach out to your GS sales coverage or reply to this email to sign up for an individual se

- Biotech (Salveen Richter) – Mon 7/20 – 2:30pm ET *New Date/Time*
- Managed Care/Facilities (Scott Fidel) – Weds 7/22 – 10am ET
- Pharma (Asad Haider) – Mon 7/27 – 12:30pm ET

Most Active Names Prior Trading Day: UNH, CELC, GEHC, SYK, BMY, MRK

Notable Street Actions:
RMD Cut to Sector Perform at RBC; PT $234
RLAY Rated New Buy at Canaccord; PT $29
EYPT Rated New Buy at Stifel; PT $40

Research:
Johnson & Johnson (JNJ): Key Innovative Medicine Franchises Power Ahead Through Underlying Enterprise-Level Cross Currents Link
Biotechnology: 2H26: check down on key catalysts and investor debates through year-end Link
Japan Healthcare: GSe/TP revisions: Continue to prefer pharmaceuticals; look for re-rating phase on favorable earnings/pip
Roche (ROPC.S): Updated consensus comparison ahead of 1H26 Link
Ascletis Pharma Inc. (1672.HK): ASC30 global ph3 scheduled in September; eyes on dosing strategy / BD updates Link
UroGen Pharma (URGN): New patent potentially provides longer exclusivity in NMIBC; raise PT to $44 Link
Bayer AG (BAYGn.DE): Key takeaways from the Kerendia deep-dive event Link
Keymed Biosciences (2162.HK): Profit alert: Stapokibart outperformance and BD monetization drive profitability; Buy Link
Legend Biotech Corp. (LEGN): Inline Carvykti sales in 2Q; eyes on GPM recovery and in vivo CAR-T data updates Link
Genmab (GMAB.CO): JNJ cross read: Darzalex performance suggests potential upside to lower end of GMAB FY26 guidance
Merck & Co. (MRK): Sac-TMT Further De-Risked by Partner Kelun OptiTROP-Lung06 Link



Johnson & Johnson (JNJ): 2Q26 First Take -- Beat/Raise With Another Solid Print Link
Ottobock SE & Co. (OBCK.DE): Expect improved momentum in Q2; Buy Link
Elevance Health Inc. (ELV): 2Q26 Recap: Medicaid Cost Pressure Remains in Focus as UW Cycle Recovery Lagging vs. MA Link
Americas Medical Technology & HCIT: Changes in Coverage Link
Americas Healthcare Services: Providers: 2027 CMS Physician Fee Schedule Proposal: Expanding Accountable Care Incentives While Continuing Phys Recalibration Link
Elevance Health Inc. (ELV): 2Q First Take: Sizable Adj. EPS Beat but Quality in Focus given Below-the-line Benefit and Only Modest MLR Beat Link

GS Event Calendar:

- Hemab Therapeutics Holdings (COAG) Virtual Group Meeting w/ CEO, CFO | 16 July | Virtual
- The State of Biopharma in 2H26 | 20 July | Virtual
- Brazilian Diabetes Society Virtual Group Meeting w/ President | 23 July | Virtual
- Galderma Group AG (GALD) In-Person NDR w/ CEO, CFO | 28 July | Boston
- Boston Biotech Bus Tour | 4-6 August | Boston
- Novo Nordisk (NVO) In-Person NDR w/ CEO | 10 August | New York
- Goldman Sachs Asia Leaders Conference 2026 | 31 Aug - 2 Sep | Hong Kong
- European Medtech & Healthcare Services Conference | 9 - 10 September | London
- China Biopharma Trip | 22 - 24 September | Shanghai
- Asia Healthcare CDMO Day | 23 - 25 September | GS Office Singapore
- GS Healthcare Private Company Conference | 19 - 21 October | GS NYC Headquarters

Charts of the Day

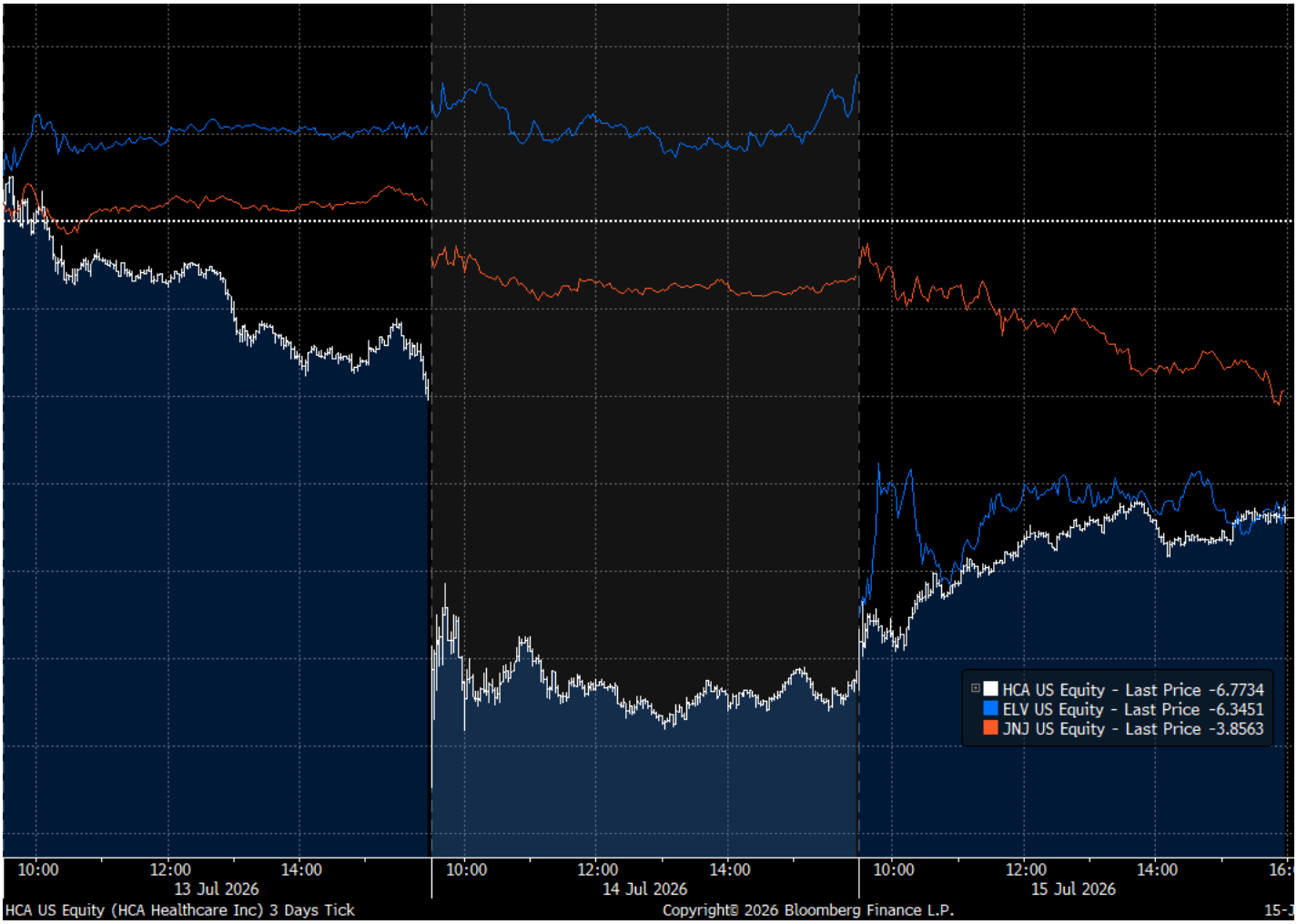
HC Earnings – Desk Positioning Scores

Ticker	Industry Group	Next Report Date	Implied Move	Positioning Score**	YTD
JNJ	Large Cap Pharma	7/15/2026	2.8%	9	24%
ELV	Managed Care	7/15/2026	5.5%	3	19%
ABT	Large Cap Medtech	7/16/2026	4.6%	6	-25%
ISRG	Large Cap Medtech	7/16/2026	6.9%	3	-28%
UNH	Managed Care	7/16/2026	5.9%	8	29%

Source: Goldman Sachs FICC and Equities as of 5/8/2026. Past Performance is not indicative of Future Results

Earnings Season Movers – HCA, ELV, JNJ - % Change (3D)

Heavier price action so far in the earnings season, with HCA's preannouncement on Tuesday and weaker stock performance post ELV and JNJ ye



Source: Goldman Sachs FICC and Equities as of 7/10/2026. Past Performance is not indicative of Future Results

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GS HEALTHCARE BASKETS MONITOR												
Subsector Baskets	**1d**	**1w**	**1mo**	**3mo**	**YTD**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**BBG Ticker**
Animal Health	2.2%	1.0%	3.2%	-5.9%	-7.4%	16.7%	-5.9%	19.3%	-45.4%	13.7%	47.6%	GSHLCANH
Hospitals & Providers	1.8%	-1.7%	9.9%	7.6%	15.7%	7.1%	7.5%	8.2%	-15.3%	9.5%	28.7%	GSHLCHSP
Dental & Vision Care	1.4%	2.0%	5.6%	0.9%	8.4%	-1.9%	-14.0%	2.5%	-32.2%	8.3%	19.7%	GSHLCDVC
Med Tech & Suppliers	1.0%	-0.6%	3.3%	0.8%	-4.7%	-1.8%	11.5%	-4.3%	-21.1%	5.5%	28.8%	GSHLCMTS
Spec Pharma/Generics	1.0%	-2.3%	-2.4%	6.2%	7.8%	9.8%	26.8%	3.8%	-21.1%	-15.5%	-5.1%	GSHLCSPG
Large Cap Biotech	0.9%	-4.1%	7.0%	2.4%	13.7%	20.8%	-9.3%	1.2%	8.1%	29.1%	17.0%	GSHLCLCB
Large Cap Pharma	0.9%	-2.2%	4.7%	8.2%	12.6%	21.6%	17.7%	-0.2%	19.3%	28.0%	8.3%	GSHLCLCP
SMID Biotech	0.7%	-5.4%	16.0%	22.0%	31.5%	58.7%	-2.6%	9.5%	-29.2%	-33.1%	47.8%	GSHLCSMB
HCIT & Digital/Disruptive Health	0.7%	3.1%	13.5%	55.9%	33.5%	2.1%	-4.5%	5.2%	-35.8%	-32.8%	40.6%	GSHLCITD
LS Tools & Diagnostics	0.3%	4.7%	15.3%	28.9%	20.5%	12.7%	2.3%	3.4%	-39.6%	3.3%	59.8%	GSHLCLST
CROs	-0.3%	2.2%	15.9%	17.1%	-2.0%	21.4%	-10.4%	14.8%	-32.4%	55.9%	21.6%	GSHLCCRO
Pharma Supply Channel	-1.2%	-1.6%	2.8%	13.0%	11.8%	31.0%	-9.9%	0.0%	5.5%	33.9%	-8.7%	GSHLCPSC
Managed Care	-2.4%	-0.1%	4.1%	47.0%	35.3%	-0.8%	-17.6%	-5.1%	15.4%	29.2%	10.0%	GSHLCMCR
Thematic Baskets	**1d**	**1w**	**1mo**	**3mo**	**YTD**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**BBG Ticker**
HC Strategic M&A	2.7%	-0.3%	24.3%	20.9%	53.6%	24.5%	-13.6%	-0.9%	-4.6%	-16.4%	29.1%	GSGLGHSA
Ophthalmology	2.0%	-2.6%	13.0%	8.4%	16.9%	16.1%	-12.7%	4.3%	-31.7%	-24.0%	27.1%	GSHLCOPT
Growth Medtech	1.7%	2.2%	7.7%	7.5%	-2.8%	7.5%	7.0%	-11.3%	-18.9%	5.1%	69.5%	GSHLCMED
Obesity	1.6%	-3.1%	4.6%	13.6%	6.9%	13.0%	1.9%	35.9%	-5.9%	15.2%	58.3%	GSHLCBMI
Elective Procedures	1.6%	-1.6%	2.6%	-4.1%	-7.2%	6.9%	11.3%	11.0%	-23.5%	17.7%	9.8%	GSHLCELE
High Leverage	1.1%	1.4%	12.3%	18.9%	15.6%	15.0%	9.4%	23.3%	-30.0%	37.1%	21.8%	GSHLCLEV
Oncology	1.0%	-2.7%	12.8%	14.0%	29.2%	32.6%	-5.3%	13.8%	-29.1%	-26.2%	48.9%	GSHLCONC
Metabolic/GI	1.0%	-2.6%	7.6%	8.1%	9.4%	32.9%	20.7%	2.9%	-0.2%	5.1%	6.7%	GSHLCMTB
Autoimmune/Inflammation	1.0%	-1.9%	9.3%	13.2%	20.1%	28.7%	17.4%	-1.9%	9.0%	15.1%	18.5%	GSHLCIMU
LIMBERS	1.0%	-3.5%	2.5%	-1.8%	-10.1%	14.7%	20.4%	23.5%	1.6%	28.4%	15.2%	GSHLCMEG
GLP-1 Risk	1.0%	-0.9%	5.6%	6.0%	-5.0%	5.8%	10.8%	-8.2%	-21.1%	16.4%	26.3%	GSHLCGLP
Genomics	0.9%	0.0%	17.0%	34.0%	42.4%	46.9%	12.8%	14.7%	-54.6%	-13.2%	70.4%	GSHLCGMC
HC Artificial Intelligence	0.6%	0.0%	12.6%	26.1%	10.3%	11.2%	-17.3%	0.3%	-28.5%	35.5%	69.6%	GSHLCAIP
Drug Pricing	0.5%	-1.9%	3.3%	4.7%	6.2%	32.9%	6.8%	-4.1%	11.2%	28.6%	3.6%	GSHLCDRP
Neurology/CNS	0.4%	-6.9%	2.8%	14.2%	13.9%	41.7%	11.0%	8.1%	7.9%	-13.9%	15.4%	GSHLCNER
HC Quality SMID Biotech	0.4%	-5.1%	14.4%	15.7%	29.4%	41.2%	1.9%	13.5%	-16.9%	-20.6%	46.2%	GSHLCSMQ
Nonprofitable Biotech	0.0%	-6.5%	11.9%	9.7%	20.6%	37.8%	-10.7%	5.0%	-26.6%	-5.0%	116.5%	GSHLCNPB
Gene Therapy/Editing	-0.5%	-10.6%	7.6%	10.7%	19.9%	-5.3%	-21.5%	4.3%	-31.3%	-36.7%	60.5%	GSHLCGEN
Factor Baskets	**1d**	**1w**	**1mo**	**3mo**	**YTD**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**BBG Ticker**
12M Losers	1.4%	-0.4%	7.5%	17.6%	16.9%	5.0%	-8.2%	15.8%	-34.2%	-0.2%	51.3%	GSHLCMOS
High Growth	1.2%	-1.3%	11.5%	14.7%	9.3%	25.1%	16.9%	-1.5%	-23.7%	7.2%	58.3%	GSHLCGRL
Low Growth	0.9%	-2.1%	20.1%	18.7%	35.2%	13.6%	-7.6%	4.3%	-21.0%	-11.5%	53.3%	GSHLCGRS
Cheap	0.9%	0.9%	7.1%	18.1%	17.5%	2.1%	-7.6%	6.6%	-17.2%	6.8%	25.5%	GSHLCVLL
12M Winners	0.2%	-1.9%	16.1%	15.7%	29.7%	20.6%	7.9%	1.9%	-13.4%	0.7%	53.2%	GSHLCMOL
Expensive	-0.1%	-3.8%	8.5%	11.2%	10.4%	52.5%	7.2%	8.7%	-14.1%	12.0%	44.5%	GSHLCVLS
Positioning Baskets	**1d**	**1w**	**1mo**	**3mo**	**YTD**	**2023**	**2023**	**2023**	**2022**	**2021**	**2020**	**BBG Ticker**
VIP Healthcare	-0.1%	-2.1%	12.5%	7.5%	15.3%	46.1%	18.1%	23.2%	-15.5%	17.2%	20.8%	GSCBHVHC
HC Most Short	0.2%	-4.2%	13.2%	11.2%	57.8%	10.9%	11.8%	-5.9%	-43.2%	-25.0%	42.0%	GSCBMSHC

Source: GS Global Markets as of 7/13/2026. Past Performance is not indicative of Future Results