

SoFi Technologies, Inc. (SOFI)

Equity research note · Coverage review · Prepared 29 August 2026 · Prices as at the close of 28 August 2026

WATCHLIST Reaffirmed — terms modestly better	Last close (28 Aug 2026)	\$18.06
	Change since 4 Aug report	-3.4%
	Market capitalisation	\$23.3bn
	Price / tangible book value	2.46x
	Probability-weighted fair value	\$19.25

What Has Changed Since the Last Report

The previous note, written on 5 August after the second-quarter release, reaffirmed a Watchlist rating at \$18.70. It found the business better than the bear case allowed — cross-buy at 51% of new products, credit improving while originations grew 69%, a quantified deposit funding advantage — and the share too expensive for the return on offer, because management had raised revenue guidance while explicitly holding adjusted EBITDA, net income and EPS guidance flat. Two conditions were named for an upgrade: a retreat into \$15.50-16.50, or a third quarter converting the revenue raise into a raised profit outlook.

Neither has occurred, and the third quarter will not be reported until late October. The shares are \$18.06, 3.4% below the level of the last report, having traded as high as \$19.50 intraday on 28 August before closing at the session low. That single session accounted for the entire net decline of the period: the stock was \$19.18 on 27 August and fell 5.8% on 28 August on 45.7 million shares, closing at the bottom of an outside-day range. No company disclosure accompanied it, and the coverage published during the session described a pause after a strong month rather than a specific catalyst. The honest characterisation is that no identifiable cause has been established, and the move should be read as positioning rather than information until one emerges.

The more consequential development is the direction of sell-side opinion, which has hardened. Morgan Stanley cut its target to \$15 from \$16 and retained Underweight, arguing that SoFi's growth is becoming more capital intensive and that this raises balance-sheet questions. That is not a new observation, but it is an independent one, and it lands squarely on the point the previous report identified as the structural weakness in management's own explanation — CEO Anthony Noto's stated preference for holding loans on the balance sheet to produce visible net interest income into 2027, in place of routing them through the capital-light Loan Platform Business. When a second party reaches the same concern from the same disclosures, the concern has not become more true, but it has become more likely to be priced.

Development	Date	Assessment
Morgan Stanley cuts target to \$15, Underweight	24 Aug	Cites rising capital intensity and balance-sheet risk. Corroborates the structural concern flagged in the previous report rather than introducing a new one
Piper Sandler initiates Overweight, \$22 target	18 Aug	Argues the expanded product flywheel is working and that SoFi deserves a premium to peers. The clearest articulation of the bull case in the period
Truist raises target to \$19, keeps Hold	18 Aug	Higher second-half estimates, unchanged rating. Representative of where the consensus has settled
Wells Fargo and BTIG reiterate Hold	25-26 Aug	Wells Fargo cautious on neobank valuations generally. Consensus rating across 24 analysts is now Hold with a \$20.02 average target
SoFi Plus reaches 206,000 paying subscribers	Reported in Aug	Up from the 200,000 disclosed at the quarter. Management's stated ambition is 1m members and \$120m of recurring revenue within a year; the run rate today is roughly \$25m

Development	Date	Assessment
SoFiUSD stablecoin ~\$300m in circulation	As at Q2 close	First stablecoin issued by a nationally chartered bank on a public blockchain. Immaterial to revenue today; strategically relevant as a deposit-adjacent rail
Goldman Sachs Communacopia participation	25 Aug	Conference appearance announced. A venue for incremental disclosure, not itself information

Sources: moomoo news search and StockAnalysis.com news and ratings history, 5 to 29 August 2026.

Valuation: Modestly Better Terms, Same Verdict

A 3.4% decline does not transform a valuation, but the direction is worth recording precisely because the previous report put the entire case on price. At \$18.06 the market capitalisation is \$23.3bn on 1.29bn shares. Against full-year adjusted EPS guidance of approximately \$0.60, unchanged since July, the shares trade at 30.1 times, down from 31.2 times. Against tangible book value per share of \$7.34 they trade at 2.46 times, down from 2.55 times. Against the midpoint of full-year adjusted net revenue guidance of \$4.8bn they trade at 4.86 times, down from roughly 5.1 times.

The underlying tension is unchanged and worth restating without softening. A balance-sheet business earning a return on equity in the mid single digits does not conventionally support two and a half times tangible book. Trailing twelve-month net income of \$636m on shareholders' equity of roughly \$11.1bn is approximately 5.7%; the full-year adjusted net income guidance of \$825m implies roughly 7.5%. The multiple is an expression of expected future returns, and the reinvestment decision management defended in July is precisely what defers those returns beyond the period being paid for.

What the three weeks have added is that the market appears to be reaching the same conclusion. The consensus rating across 24 analysts is now Hold, with an average target of \$20.02 — 10.9% above the current price, and below where the shares traded as recently as 27 August. The dispersion remains unusually wide: Citi at \$30 and Piper Sandler at \$22 against Morgan Stanley at \$15 and KBW at \$16. A \$15-to-\$30 spread on an \$18 stock is not a consensus with error bars; it is two incompatible views of the same disclosures, and it is the honest picture of where this name sits.

Valuation measure	4 Aug 2026	28 Aug 2026	Note
Share price	\$18.70	\$18.06	-3.4%
Market capitalisation	~\$24.4bn	\$23.3bn	1.29bn shares outstanding
Forward P/E on FY26 adj. EPS \$0.60	31.2x	30.1x	Guidance unchanged since July
Price / tangible book (\$7.34)	2.55x	2.46x	Against ~5.7% trailing ROE
Price / book (\$8.58)	2.18x	2.10x	—
Price / FY26 adj. revenue (~\$4.8bn)	~5.1x	~4.86x	Reasonable for 32-35% growth in isolation
Trailing P/E	—	38.0x	TTM EPS \$0.47 on revenue of \$4.27bn
Consensus target (24 analysts)	—	\$20.02	Rating Hold; range \$15 to \$30
Probability-weighted fair value	\$19.25	\$19.25	Implied upside widens from 2.9% to 6.6%

Market capitalisation, share count, trailing figures and consensus from StockAnalysis.com as at 29 August 2026. Book and tangible book per share are the Q2 FY2026 reported figures and are not restated for the period since. Forward multiples are this analysis's calculation.

What Has Not Changed

No financial disclosure has been made since the second-quarter release, so every element of the operating thesis stands exactly as written three weeks ago. Cross-buy at 51% of new products opened by existing members, up sixteen percentage points in a year, remains the strongest evidence the everything-app strategy produces measurable operating

leverage. Deposits above 90% of average total liabilities, and roughly \$713m of annualised interest expense saved against warehouse funding, remain the most durable competitive advantage in the business. The personal loan annualised charge-off rate at 2.62%, improving both sequentially and year on year while originations grew 69%, remains the answer to the adverse-selection objection.

So do the offsetting concerns. \$46.6bn of loans held at fair value, carrying \$2.03bn of cumulative positive fair-value adjustments set against management's own default, prepayment and discount assumptions, remain a permanent quality-of-earnings discount rather than a temporary one. And the decision to hold profitability guidance flat while raising revenue remains the single fact on which the investment case turns. The next opportunity to test it is the third-quarter release in late October.

Risks

Risk	Probability	Severity	Comment
Capital intensity of growth	Medium	High	Morgan Stanley's stated basis for Underweight. Choosing on-balance-sheet lending over the capital-light platform raises the equity required per dollar of growth and the sensitivity to the credit cycle
Consumer credit cycle	Medium	High	\$46.6bn of loans at fair value against a US consumer whose resilience is the core untested assumption. Current data is improving, which is when this risk is cheapest to ignore
Fair-value mark reversal	Medium	High	\$2.03bn of cumulative positive adjustments rest on management assumptions; a move in default or discount inputs flows straight through equity
Reinvestment fails to convert	Medium	Medium	Guidance holds EBITDA flat while revenue rises. If the FY27 outlook again defers profitability, the market's patience is the variable that breaks
Valuation compression	Medium	High	30x guided adjusted EPS and 2.46x tangible book on a mid-single-digit return on equity
Volatility and positioning	High	Medium	Beta of 2.20 and a 4.9% average true range. The 5.8% decline on 28 August came without an identified catalyst, which is characteristic of this share
Rate sensitivity	Medium	Medium	Net interest margin of 5.98% benefits from the current deposit repricing gap; a rapid move in either direction compresses the spread or the marks
Regulatory	Low	Medium	Bank charter brings capital and consumer-protection oversight; student lending remains politically exposed

Technical Position

This is where the picture has genuinely deteriorated, and it is the main change in this report's scoring. On 4 August the shares sat above every computable moving average with a fresh bullish MACD crossover and a constructive relative strength index of 59.1. They now sit below the 20-day average, barely above the 50-day, with the relative strength index at 49.6 and the MACD histogram flattened to +0.02. The 28 August session opened at \$19.21, reached \$19.50, and closed at \$18.06, the low of the day, on volume above the twenty-day average. An outside-day reversal that closes on its low, at the top of a three-week range, is a distribution pattern rather than a consolidation one.

The wider frame is worth keeping in view. The shares have a 52-week range of \$14.88 to \$32.73 and are down roughly 30% year to date. The entire move discussed in this report and the last one is a recovery within a much larger decline, not a breakout from it. The \$20.13 level that capped the June and July advances remains unbroken, and 28 August was the third failure to hold above \$19.20 this month.

Indicator (28 Aug 2026)	Value	Reading
Close	\$18.06	-5.84% on the session, at the low of an outside day
SMA20	\$18.34	Price 1.5% below — lost on 28 Aug
SMA50	\$17.83	Price 1.3% above; the nearest meaningful support
SMA100	\$17.37	Price 4.0% above
SMA200	not computed	Insufficient history in the 100-session series; not estimated
EMA20 / EMA50	\$18.24 / \$17.82	Price below the 20-day exponential average
RSI(14)	49.6	Neutral; down from 59.1 on 4 Aug
MACD / signal / histogram	0.30 / 0.28 / +0.02	Positive but flattened to the point of crossover risk
ATR(14)	\$0.89	4.9% of price; beta 2.20
Volume, 20-day average	47.8m	Below the 50-day average of 71.1m; participation has thinned
100-session range	\$14.88 - \$20.13	Price mid-range; \$20.13 remains the unbroken cap

Indicators computed by this analysis from 100 daily OHLCV sessions (8 April to 28 August 2026) supplied by Alpha Vantage. The 200-day average cannot be derived from a 100-session window and has not been estimated. The 52-week range of \$14.88 to \$32.73 is from StockAnalysis.com.

Scorecard

One score moves. Technical Setup falls from 6 to 4 on the loss of the 20-day average and the reversal pattern of 28 August. Valuation is held at 4 despite genuinely better terms, because a 3.4% price move does not reclassify a stock trading at thirty times guided earnings. Risk is held at 5: Morgan Stanley's capital-intensity argument is a reading of disclosures already in evidence, not new information, and the concern was already carried in the previous report's risk table.

Category	Score	Comment
Business Quality	8/10	Everything-app flywheel evidenced by cross-buy data, not asserted; unchanged
Financial Strength	7/10	18.8% total capital ratio and deposit funding, offset by fair-value dependence
Competitive Advantage	7/10	Funding cost and near-zero-CAC cross-sell are real; lending is commoditised
Management	8/10	Nineteen straight Rule-of-40 quarters; conservative guidance choice in July
Growth Potential	9/10	35% member and 42% product growth at \$4.8bn scale remains exceptional
Valuation	4/10	30.1x guided EPS and 2.46x tangible book; better than 31.2x, not enough to reclassify
Risk (10 = lowest risk)	5/10	Credit exposure, modelled marks, capital intensity, beta 2.20
Technical Setup	4/10	Lost the 20-day average on an outside-day reversal; RSI 59.1 to 49.6

Overall Investment Score: 67 / 100

Scored 1-10, where 10 is always best, including Risk. Weightings: growth 18, valuation 18, business quality 15, financial strength 12, competitive advantage 12, management 10, risk 10, technicals 5. The previous report scored 68.2 on the same weightings and the same factor scores except Technical Setup, and its Risk score already ran in this direction, so no restatement was required. The change is 68.2 to 67.2.

Recommendation: Watchlist (reaffirmed)

The rating is unchanged and, unusually for a reaffirmation, the terms have improved slightly rather than worsened. The shares are 3.4% cheaper against unchanged guidance, so every multiple has come in a little, and the implied upside to probability-weighted fair value widens from 2.9% to 6.6%. That is movement in the right direction. It is not enough.

The reason it is not enough is a matter of arithmetic rather than judgement. A share with a 4.9% average true range and a beta of 2.20 covers 6.6% of ground in a little over a session. An expected return of that size does not compensate for the distribution of outcomes below it, in which a bear case at \$12 carries a 25% weight. The upgrade level named in the previous report, \$15.50-16.50, was chosen because it is where the expected return becomes large enough to survive the volatility, and that reasoning is unaffected by a move to \$18.06.

The published levels are therefore reaffirmed rather than reset, which is the correct outcome when the underlying business has not reported and the price has moved less than 4%. The \$15.50-16.50 band still corresponds to the 50-day average region and the pre-release level, and the 50-day average at \$17.83 has moved close enough to the price that a modest further decline would put the two within reach of each other. The more likely route to an upgrade remains the third quarter in late October, in which management either converts the revenue raise into a raised profit outlook or does not.

What would change the view	Level or condition	Direction
Price retracement to the pre-release region	\$15.50-16.50	Toward Buy
Q3 release converting the revenue raise into raised EBITDA or EPS guidance	Late October 2026	Toward Buy
FY27 guidance that again holds profitability flat against rising revenue	Q4 result, early 2027	Toward Avoid
All-in personal loan annualised charge-off rate back above 3.5%	Any reporting period	Toward Avoid
Downward revision to fair-value default or discount assumptions	Any reporting period	Toward Avoid

Scenario Analysis

Scenario	Prob.	Earnings path	Fair value	Conditions
Bull	25%	FY27 adj. EPS ~\$0.95	\$26.60	Reinvestment converts, cross-buy compounds, SoFi Plus reaches management's million-member ambition, Technology Platform stabilises; multiple holds near 28x
Base	50%	FY26 lands at guidance; FY27 adj. EPS ~\$0.80	\$19.20	Execution continues, profitability improves gradually rather than stepwise, multiple compresses toward 24x on the larger base
Bear	25%	Charge-offs rise, marks reverse	\$12.00	Consumer credit deteriorates, fair-value adjustments unwind, capital intensity forces a slower balance sheet; stock de-rates toward 1.5x tangible book

Probabilities sum to 100%. Probability-weighted fair value: \$19.25, approximately 6.6% above the 28 August close of \$18.06. The scenario paths and probabilities are carried forward unchanged from the 5 August report, because no financial disclosure has been made in the interval and nothing in the period constitutes evidence about the FY2027 earnings path. The implied upside widens from 2.9% purely because the price fell. Fair values are this analysis's own estimates.

Final Verdict

Three weeks have produced a slightly cheaper share, a weaker chart, and a sell-side that has converged on the same reservation this analysis already held.

The business is unexamined in that period, which is the correct thing for a report of this kind to say plainly. Nothing has tested the July thesis. Cross-buy, credit quality and the deposit funding advantage are exactly as reported, and the

decision to spend the revenue raise rather than bank it is exactly as defended. The two small additions — SoFi Plus at 206,000 subscribers and a stablecoin with roughly \$300m in circulation — are strategically interesting and financially immaterial against a \$4.8bn revenue base.

What is new is the shape of the disagreement. Morgan Stanley has put a number on the capital-intensity objection at \$15, Piper Sandler has put one on the flywheel at \$22, and the consensus of twenty-four analysts sits at Hold with a \$20.02 target. A \$15-to-\$30 target range says the market cannot agree whether the reinvestment is an investment or a cost, which is the same question this report has been unable to settle from the disclosed numbers. When a question of that size is open, the price at which it is worth taking a position is a low one.

\$18.06 is not that price, though it is closer than \$18.70 was. The share remains a good business bought at a demanding multiple with the answer deferred to a quarter that has not yet been reported, and a 6.6% expected return against a 4.9% daily range is not a margin of safety. The position remains a watchful one, with the levels and the calendar date already defined.

Sources

StockAnalysis.com — SoFi Technologies overview, statistics and analyst ratings history, as at 29 August 2026 · Alpha Vantage — daily OHLCV series, 8 April to 28 August 2026 · moomoo news search — SoFi Technologies news items, 24 to 28 August 2026 · Morgan Stanley, Piper Sandler, Truist, Wells Fargo, BTIG and KBW rating actions as reported by TipRanks, TheFly, Barron's and Benzinga, 13 to 28 August 2026 · Beating The Bull — SoFi Technologies report, 5 August 2026 · SEC EDGAR — SoFi Technologies Form 8-K Exhibit 99.1, Q2 2026 earnings release, 29 July 2026, as cited in the prior report.

This document is produced for informational and educational purposes only. It is not financial advice, not a recommendation to buy or sell any security, and does not take account of any individual's circumstances or objectives. Figures are drawn from the sources listed above as at 29 August 2026 and may subsequently change. No earnings call has taken place since the 29 July second-quarter call reviewed in the previous report, so no new transcript exists for this period; the quarter's results, guidance and operating metrics are carried forward from that report and were not re-derived here. Book and tangible book per share are the Q2 FY2026 reported figures. Forward multiples, scenario fair values, the probability-weighted estimate and all moving-average distances are this analysis's own calculations from the cited inputs and are not company measures. No cause has been established for the 5.84% decline of 28 August, and none is asserted here. This report supersedes the SoFi Technologies report issued on 5 August 2026.