

GOLDMAN SACHS NYSE-GS

RECENT PRICE **226.07** P/E RATIO **9.2** (Trailing: 9.6 Median: 10.0) RELATIVE P/E RATIO **0.51** DIV'D YLD **1.4%** VALUE LINE

TIMELINESS 2 Lowered 8/24/18	High: 250.7	215.0	193.6	186.4	175.3	129.7	177.4	198.1	218.8	245.6	262.1	275.3	Target Price Range 2021 2022 2023		
SAFETY 1 Raised 10/13/17	Low: 157.4	47.4	59.1	129.5	84.3	90.4	129.6	151.6	167.5	138.2	209.6	218.9			
TECHNICAL 3 Raised 10/5/18	LEGENDS — 1.3 x Book value p sh ... Relative Price Strength Options: Yes Shaded area indicates recession														
BETA 1.15 (1.00 = Market)															
2021-23 PROJECTIONS													640		
Price	Gain	Ann'l Total											480		
High 375	(+65%)	15%											400		
Low 305	(+35%)	9%											320		
Insider Decisions													240		
D	J	F	M	A	M	J	J	A					200		
to Buy	0	0	0	0	0	0	0	0					160		
Options	10	8	0	0	1	0	1	1					80		
to Sell	0	1	2	0	1	0	1	1					60		
Institutional Decisions													% TOT. RETURN 9/18		
4Q2017	1Q2018	2Q2018											THIS STOCK	VL ARITH. INDEX	
to Buy	504	645											1 yr.	-4.2	13.0
to Sell	449	531											3 yr.	34.4	54.8
Hlds(000)	278034	275539											5 yr.	51.5	62.8

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
48.32	49.94	61.87	99.52	168.06	222.19	121.07	100.31	90.57	75.79	89.57	91.57	93.16	93.47	94.66	111.23	141.35	144.00	Revenues per sh ^A	152.00
21.6%	8.1%	8.8%	7.1%	6.5%	5.3%	8.7%	7.9%	7.7%	10.2%	7.5%	7.9%	8.2%	8.4%	8.5%	7.2%	8.0%	8.0%	Commissions	8.0%
17.7%	36.2%	40.1%	35.6%	34.6%	33.7%	15.1%	55.8%	44.8%	7.6%	14.0%	17.1%	16.4%	12.7%	8.4%	12.4%	10.5%	10.5%	Principal Trans	10.5%
11.2%	10.1%	11.0%	8.2%	8.0%	8.5%	9.6%	9.2%	10.4%	11.8%	11.8%	14.6%	16.1%	17.9%	16.6%	17.4%	16.5%	16.5%	Invest Banking	16.5%
49.3%	45.5%	39.9%	48.9%	50.7%	52.2%	66.5%	26.9%	26.7%	57.5%	27.3%	22.9%	20.8%	24.2%	26.3%	18.1%	25.0%	25.0%	Interest Income	25.0%
2%	1%	2%	2%	2%	3%	1%	2%	10.4%	12.9%	39.4%	37.5%	38.5%	36.8%	40.2%	44.9%	40.0%	40.0%	Other	40.0%
4.03	5.87	8.92	11.21	19.69	24.73	4.47	22.13	14.90	4.51	14.13	15.46	17.07	18.32	16.36	19.76	25.00	27.00	Earnings per sh ^{AB}	30.80
.48	.74	1.00	1.00	1.40	1.40	1.52	1.05	1.40	1.40	1.77	2.05	2.25	2.55	2.60	2.90	3.15	3.40	Div'ds Decl'd per sh ^C	3.60
40.18	45.73	52.00	60.21	79.21	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	218.12	216.49	250.65	266.65	Book Value per sh	346.65
472.94	473.02	482.30	436.01	412.67	395.91	442.54	515.11	507.53	485.47	465.15	446.36	430.26	419.48	398.38	379.89	375.00	375.00	Common Shs Outst'g ^D	375.00
19.7	13.7	10.8	9.9	7.9	8.5	36.9	6.3	10.4	29.1	7.9	10.2	10.2	10.5	10.3	11.8	11.8	11.8	Avg Ann'l P/E Ratio	11.0
1.08	.78	.57	.53	.43	.45	2.22	.42	.66	1.83	.50	.57	.54	.53	.54	.59	.59	.59	Relative P/E Ratio	.60
.6%	.9%	1.0%	.9%	.9%	.7%	.9%	.7%	.9%	1.1%	1.6%	1.3%	1.3%	1.3%	1.5%	1.2%	1.2%	1.2%	Avg Ann'l Div'd Yield	1.1%

CAPITAL STRUCTURE as of 6/30/18		2016		2017		6/30/18		BUSINESS:		2016		2017		2018		2019		© VALUE LINE PUB. LLC		21-23	
ST Borrowings \$44.4 bill.		53579		51673		45967		The Goldman Sachs Group, Inc. is a global investment banking and securities firm. Operates in four business segments: Investment Banking (23% of '17 revenues), Institutional Client Services (37%), Investing & Lending (21%), and Investment Management (19%). 40% of '17 revenues came from outside the Americas. Has over \$1 trillion in assets under management. Acq. Ayco, 7/03.		37712		42254		53000		54000		Total Revenues (\$mill) ^A		57000	
LT Debt \$227.4 bill.		2322.0		13385		9363.0		7475.0		8040.0		8933.0		9375		10125		Total Net Profit (\$mill)		11550	
(Total int. cov.: 2.1x)		.6%		32.5%		27.4%		28.0%		31.5%		31.4%		25.4%		28.2%		Income Tax Rate		20.0%	
Leases, Uncapitalized Annual rentals \$299 mill.		4.3%		25.9%		20.4%		12.1%		19.7%		21.1%		22.8%		19.6%		Net Profit Margin		20.3%	
No Defined Pension Benefit Plan		168220		185085		174399		173545		167305		160965		167571		175422		189086		217687	
Pfd Stock \$11853 mill. Pfd Div'd \$601.0 mill.		64369		70714		77356		70379		7516		78467		82797		86728		200000		180000	
Common Stock 377,556,226 shs. as of 7/20/18		7.7%		6.4%		4.8%		2.9%		3.9%		4.8%		4.5%		4.4%		4.0%		4.6%	
MARKET CAP: \$85.4 billion (Large Cap)		3.6%		18.9%		12.1%		6.3%		9.9%		10.2%		10.3%		8.5%		10.6%		10.0%	
		3.1%		17.5%		11.3%		2.5%		9.2%		9.5%		9.6%		7.5%		9.8%		8.5%	
		37%		16%		15%		62%		15%		16%		17%		19%		23%		20%	

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2015	11793	10556	8138	8721	39208
2016	7803	9708	9943	10258	37712
2017	10256	10319	11007	10672	42254
2018	13348	13320	13000	13332	53000
2019	13000	13500	13500	14000	54000

Shares of Goldman Sachs have recovered slightly since our July report. This was largely due to strong second-quarter results. Revenues of \$13.320 billion were considerably higher than our earlier estimate of \$11.0 billion, and a significant increase over the \$10.319 billion figure that the company posted in the previous-year period. Meanwhile, share net of \$5.98 for the June period was significantly ahead of our earlier call of \$5.00, as well as the \$3.95 sum that was recorded in the second quarter of last year. **We have raised our revenues and share-net estimates for 2018 and 2019.** Whereas we previously foresaw 2018 revenues of \$48 billion, we now predict they will come in at \$53 billion. Meantime, for 2019 we have raised our outlook to \$54 billion, from \$49 billion previously. Meanwhile, we have raised our earnings-per-share estimate for 2018 from \$24.00 to \$25.00, and for 2019 from \$26.00 to \$27.00. **Increased profit estimates are partly due to recently passed tax reform legislation.** The drop in the U.S. corporate tax rate from 35% to 21% should provide a boost to Goldman's bottom line. Furthermore, it could raise the company's revenues by fueling mergers & acquisitions, as well as other corporate activity in which Goldman specializes. **The company has announced an imminent change at the top.** Goldman intends to replace longtime Chairman and CEO Lloyd Blankfein with the firm's President and COO David M. Solomon in October. **Reports have emerged that the company is prepared to sell stakes in a major investment application.** The application, called Simon, has attracted the interest of a number of major banks, which are in advanced talks to buy stakes in the business. The application connects banks looking to sell structured notes to retail brokers willing to buy them. **These timely shares hold solid risk-adjusted long-term appreciation potential.** This stock garners our Highest rank (1) for Safety. Meanwhile, the stock has the potential to deliver above-average appreciation potential out to the 2021-2023 stretch.

Cal-endar	EARNINGS PER SHARE ^{AB}				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2015	5.94	4.75	2.90	4.68	18.32
2016	2.68	3.72	4.88	5.08	16.36
2017	5.15	3.95	5.02	5.64	19.76
2018	6.95	5.98	6.00	6.07	25.00
2019	6.50	6.00	7.00	7.50	27.00

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.55	.55	.55	.60	2.25
2015	.60	.65	.65	.65	2.55
2016	.65	.65	.65	.65	2.60
2017	.65	.75	.75	.75	2.90
2018	.75	.80	.80		

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.55	.55	.55	.60	2.25
2015	.60	.65	.65	.65	2.55
2016	.65	.65	.65	.65	2.60
2017	.65	.75	.75	.75	2.90
2018	.75	.80	.80		

(A) Fiscal year ends on last Friday in Dec. Prior to fiscal 2009, year ended on last Friday in Nov. Data for stub period (Nov. 28, 2008 - Dec. 27, 2008) incl.: Revenues, \$1,185 million; earnings, (\$2.15).		(B) Dil. egs. Excl. n/r gains/(losses): '10, (\$1.72), '17, (\$10.75). Earnings may not sum due to changes in the number of shares out.		(C) Div'd historically paid in late Feb., May, Aug., and Nov.		(D) In millions.	
Company's Financial Strength		A++		Stock's Price Stability		80	
Price Growth Persistence		40		Earnings Predictability		55	

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Adam J. Platt October 12, 2018