

GOLDMAN SACHS NYSE-GS

RECENT PRICE **202.69** P/E RATIO **7.8** (Trailing: 8.5 Median: 10.0) RELATIVE P/E RATIO **0.47** DIV'D YLD **2.5%** **VALUE LINE**

TIMELINESS 3 Raised 6/21/19	High: 215.0	193.6	186.4	175.3	129.7	177.4	198.1	218.8	245.6	262.1	275.3	222.2	Target Price Range 2022 2023 2024
SAFETY 1 Raised 10/13/17	Low: 47.4	59.1	129.5	84.3	90.4	129.6	151.6	167.5	138.2	209.6	151.7	163.4	
TECHNICAL 3 Raised 9/27/19	LEGENDS --- 1.1 x Book value p sh Relative Price Strength Options: Yes Shaded area indicates recession												480
BETA 1.20 (1.00 = Market)													400



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC		22-24
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	142.63	153.10	160.00	Revenues per sh ^A	200.00	
8.1%	8.8%	7.1%	6.5%	5.3%	7.9%	7.7%	7.9%	10.2%	7.5%	7.9%	8.2%	8.4%	8.5%	7.2%	6.0%	7.0%	7.0%	Commissions	7.0%	
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%	11.0%	11.5%	11.5%	Principal Trans	11.5%	
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%	14.9%	16.5%	16.5%	Invest Banking	16.5%	
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%	17.9%	20.0%	20.0%	Interest Income	20.0%	
.1%	.2%	.2%	.2%	.3%	.1%	.2%	10.4%	12.9%	39.4%	37.5%	38.5%	36.8%	40.2%	44.9%	50.2%	45.0%	45.0%	Other	45.0%	
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	25.27	25.30	28.00	Earnings per sh ^{AB}	36.00	
.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	4.15	5.00	Div'ds Decl'd per sh ^C	8.00	
45.73	52.00	60.21	79.21	108.11	145.45	137.28	152.42	144.97	162.78	175.79	192.43	206.75	218.12	216.49	244.89	280.90	302.85	Book Value per sh	380.00	
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	368.27	356.00	350.00	Common Shs Outst'g ^D	330.00	
13.7	10.8	9.9	7.9	8.5	36.9	6.3	10.4	29.1	7.9	10.2	10.5	10.3	11.8	9.2	9.2	11.8	11.8	Avg Ann'l P/E Ratio	11.0	
.78	.57	.53	.43	.45	2.22	.42	.66	1.83	.50	.57	.54	.53	.54	.59	.50	.59	.50	Relative P/E Ratio	.60	
.9%	1.0%	.9%	.9%	.7%	.9%	.7%	.9%	1.1%	1.6%	1.3%	1.3%	1.3%	1.5%	1.2%	1.4%	1.2%	1.4%	Avg Ann'l Div'd Yield	2.0%	

CAPITAL STRUCTURE as of 6/30/19		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total Revenues (\$mill) ^A	
ST Borrowings \$49.6 bill.								51673	45967	36793	41664	40874	40085	39208	37712	42254	52528	54500	56000	66000	
LT Debt \$221.1 bill. (Total int. cov.: 1.8x)								13385	9363.0	4442.0	7475.0	8040.0	8477.0	8933.0	7398.0	6886.0	10459	9010	9800	11880	
Leases, Uncapitalized Annual rentals \$281 mill. No Defined Pension Benefit Plan								32.5%	27.4%	28.0%	33.3%	31.5%	31.4%	25.4%	28.2%	22.0%	16.2%	20.0%	20.0%	Income Tax Rate	20.0%
Pfd Stock \$11203 mill. Pfd Div'd \$599.0 mill. Common Stock 359,563,518 shs. as of 7/19/19								25.9%	20.4%	12.1%	17.9%	19.7%	21.1%	22.8%	19.6%	20.6%	19.9%	16.5%	17.5%	Net Profit Margin	18.0%
MARKET CAP: \$72.9 billion (Large Cap)								185085	174399	173545	167305	160965	167571	175422	189086	217687	224149	200000	190000	Long-Term Debt	160000
								70714	77356	70379	75716	78467	82797	86728	86893	82243	90185	100000	100000	Shr. Equity (\$mill)	125400
								6.4%	4.8%	2.9%	3.9%	4.8%	4.5%	4.4%	4.0%	4.6%	5.7%	3.0%	3.5%	Return on Total Cap'l	4.0%
								18.9%	12.1%	6.3%	9.9%	10.2%	10.2%	10.3%	8.5%	10.6%	11.6%	9.0%	9.0%	Return on Shr. Equity	9.5%
								17.5%	11.3%	2.5%	9.2%	9.5%	9.5%	9.6%	7.5%	9.8%	11.0%	7.5%	7.5%	Retained to Com Eq	7.5%
								16%	15%	62%	15%	16%	17%	19%	23%	20%	17%	16%	18%	All Div'ds to Net Prof	22%

BALANCE SHEET (SMILL.)

2017	2018	6/30/19	
Cash Assets	110051	130547	91092
Securities Owned	311670	274543	276097
Other	495055	526706	577714
Total Assets	916776	931796	944903
ST Financings	46922	40502	49643
LT Borrowings	217687	224149	221145
Other	569924	576960	583223
Total Liab.	834533	841611	854011

BUSINESS: The Goldman Sachs Group, Inc. is a global investment banking and securities firm. Operates in four business segments: Investment Banking (22% of '18 revenues), Institutional Client Services (37%), Investing & Lending (22%), and Investment Management (19%). 39% of '18 revenues came from outside the Americas. Has over \$1 trillion in assets under management. Acq. Ayco, 7/03.

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2016	7803	9708	9943	10258	37712
2017	10256	10319	11007	10672	42254
2018	13392	13554	13025	12557	52528
2019	13186	14150	13500	13664	54500
2020	13500	13800	14200	14500	56000

Cal-endar	EARNINGS PER SHARE ^{AB}				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
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	6.28	6.04	25.27
2019	5.71	5.81	6.70	7.08	25.30
2020	6.50	6.60	7.20	7.70	28.00

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	.80	3.15
2019	.80	.85	1.25		

Goldman Sachs reported mixed second-quarter financial results. Revenue of \$14.2 billion beat our estimate of \$13.5 billion, as well as the \$13.6 billion figure for the previous-year period. On the other hand, share net of \$5.81 missed our \$6.00 estimate, and also fell short of the \$5.98 a share earned in the June quarter of last year. The declining profit margin was driven by a less favorable revenue mix. Companywide revenue growth was boosted by a 16% increase in the Investing & Lending segment, which was owed to significantly higher gains from private investments. On the other hand, a sharp decline in debt underwriting drove Investment Banking revenue down 9%. **We have lowered our 2019 and 2020 earnings estimates by a small margin.** Whereas we had previously called for earnings per share of \$26.00 in 2019 and \$29.00 in 2020, we now anticipate totals of \$25.30 and \$28.00, respectively. Despite this, shares of the global investment banking behemoth may be oversold at the recent quotation, as they currently trade at a very conservative price/earnings ratio. **The company is returning capital to shareholders.** During the first half of this year, Goldman Sachs spent \$2.5 billion to repurchase 12.5 million shares. The board of directors also approved a nearly 50% increase in the quarterly dividend, to \$1.25 per share, beginning with the September payout. In the wake of this increase, the stock's dividend yield, which has historically been relatively low, now exceeds the Value Line median for all stocks. **The company is aiming to increase its footprint in China.** Goldman Sachs recently asked Chinese regulators to allow it to take a majority stake in Gao Hua Securities, with the eventual goal of complete ownership of the joint venture. This represents a new opportunity in the world's second-largest economy, which until 2017 did not allow foreign companies to own majority stakes in securities firms. **These shares hold appeal for cautious investors with a long-term horizon.** This issue holds our Highest rank (1) for Safety, and strong appreciation potential out to the 2022-2024 stretch. However, it has a poor 18-month outlook.

Adam J. Platt October 11, 2019