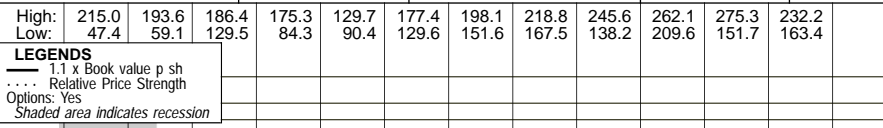


# GOLDMAN SACHS NYSE-GS

RECENT PRICE **229.80** P/E RATIO **10.0** (Trailing: 10.3 Median: 10.0) RELATIVE P/E RATIO **0.54** DIV'D YLD **2.2%** VALUE LINE

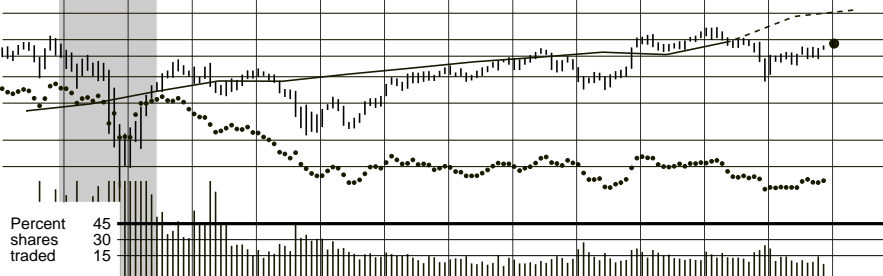
TIMELINESS **3** Raised 6/21/19  
SAFETY **1** Raised 10/13/17  
TECHNICAL **2** Raised 1/10/20  
BETA 1.25 (1.00 = Market)



18-Month Target Price Range  
Low-High Midpoint (% to Mid)  
\$143-\$247 \$195 (-15%)

2022-24 PROJECTIONS  
Price Gain Ann'l Total Return  
High 435 (+90%) 19%  
Low 355 (+55%) 13%

Institutional Decisions			
	10/2019	10/2019	30/2019
to Buy	594	519	534
to Sell	571	591	578
Hlds(000)	250922	251692	250865



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	<b>150.30</b>	<b>157.15</b>	Revenues per sh <sup>A</sup>	200.00
8.1%	8.8%	7.1%	6.5%	5.3%	7.9%	7.7%	7.7%	10.2%	7.5%	7.9%	8.2%	8.4%	8.5%	7.0%	6.0%	<b>7.0%</b>	<b>7.0%</b>	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%	<b>11.5%</b>	<b>11.5%</b>	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%	<b>16.5%</b>	<b>16.5%</b>	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%	<b>20.0%</b>	<b>20.0%</b>	Interest Income	20.0%
.1%	.2%	.2%	.2%	.3%	.1%	.2%	10.4%	12.9%	39.4%	37.5%	38.5%	40.2%	44.9%	50.2%	45.0%	<b>45.0%</b>	<b>45.0%</b>	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	<b>22.30</b>	<b>26.00</b>	Earnings per sh <sup>AB</sup>	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	<b>5.00</b>	Div'ds Decl'd per sh <sup>C</sup>	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	<b>280.90</b>	<b>302.85</b>	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	<b>356.00</b>	<b>350.00</b>	Common Shs Outst'g <sup>D</sup>	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	<b>11.8</b>	<b>11.8</b>	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	<b>.59</b>	<b>.59</b>	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%	<b>1.4%</b>	<b>1.4%</b>	Avg Ann'l Div'd Yield	2.0%

**CAPITAL STRUCTURE as of 9/30/19**  
ST Borrowings \$52.0 bill.  
LT Debt \$216.9 bill.  
(Total int. cov.: 1.8x)  
Leases, Uncapitalized Annual rentals \$281 mill.  
No Defined Pension Benefit Plan  
Pfd Stock \$11203 mill. Pfd Div'd \$599.0 mill.  
Common Stock 354,087,045 shs.  
as of 10/18/19  
MARKET CAP: \$81.4 billion (Large Cap)

51673	45967	36793	41664	40874	40085	39208	37712	42254	52528	<b>53500</b>	<b>55000</b>	Total Revenues (\$mill) <sup>A</sup>	66000
13385	9363.0	4442.0	7475.0	8040.0	8477.0	8933.0	7398.0	8686.0	10459	<b>7940</b>	<b>9100</b>	Net Profit (\$mill)	11880
32.5%	27.4%	28.0%	33.3%	31.5%	31.4%	25.4%	28.2%	22.0%	16.2%	<b>20.0%</b>	<b>20.0%</b>	Income Tax Rate	20.0%
25.9%	20.4%	12.1%	17.9%	19.7%	21.1%	22.8%	19.6%	20.6%	19.9%	<b>14.8%</b>	<b>16.5%</b>	Net Profit Margin	18.0%
185085	174399	173545	167305	160965	167571	175422	189086	217687	224149	<b>200000</b>	<b>190000</b>	Long-Term Debt	160000
70714	77356	70379	75716	78467	82797	86728	86893	82243	90185	<b>100000</b>	<b>106000</b>	Shr. Equity (\$mill)	125400
6.4%	4.8%	2.9%	3.9%	4.8%	4.5%	4.4%	4.0%	4.6%	5.7%	<b>2.5%</b>	<b>3.0%</b>	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%	<b>8.0%</b>	<b>8.5%</b>	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%	<b>6.5%</b>	<b>7.0%</b>	Retained to Com Eq	7.5%
16%	15%	62%	15%	16%	17%	19%	23%	20%	17%	<b>19%</b>	<b>19%</b>	All Div'ds to Net Prof	22%

BALANCE SHEET (SMILL.)			
	2017	2018	9/30/19
Cash Assets	110051	130547	94094
Securities Owned	311670	274543	278668
Other	495055	526706	634558
Total Assets	916776	931796	1007320
ST Financings	46922	40502	51958
LT Borrowings	217687	224149	216878
Other	569924	576960	646472
Total Liab.	834533	841611	915308

**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.

Has about 36,600 employees. BlackRock owns 6.1% of common stock; Vanguard Group, 6.8%; State Street Corporation, 5.8%; officers and directors, 1.4% (3/19 Proxy). Chairman/Chief Executive Officer: David M. Solomon. President: John E. Waldron. Incorporated: Delaware. Address: 200 West St., New York, NY 10282. Telephone: 212-902-1000. Internet: www.gs.com.

ANNUAL RATES				
	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18	'16-'18 to '22-'24
Revenues	6.0%	8.0%	9.5%	
Earnings	11.5%	10.0%	10.0%	
Dividends	18.5%	7.5%	18.5%	
Book Value	18.0%	18.5%	11.5%	

**Shares of Goldman Sachs have risen substantially in price since our October report.** This was despite weak third-quarter financial results. The global investment banking leader reported revenues of \$12.774 billion, which was below our estimate of \$13.5 billion, as well as the \$13.025 billion figure in the year-ago quarter. Meanwhile, earnings per share of \$4.79 missed our \$6.70 estimate by a wide margin, and also marked a decline from the \$6.28 tally in the previous-year period. The weak performance was partly driven by a 17% revenue decline in the Investing & Lending segment, which owed to major losses from equity investments. Meanwhile, the Investment Banking division saw a 15% revenue decline, driven by declines in merger and acquisition transactions, equity underwriting activity, and initial public offerings.

**We have lowered our 2019 and 2020 outlook for the company.** At the time of our October report, we had expected full-year revenues of \$54.5 billion and \$56.0 billion for this year and next, but we now anticipate totals of \$53.5 billion and \$55.0 billion, respectively. Meanwhile, we have

reduced our 2019 share-net estimate by \$3.00, to \$22.30, and our 2020 call by \$2.00, to \$26.00.

**Goldman Sachs has stepped up its return of capital to shareholders over the past year.** Since a successful stress test last June, the Federal Reserve has approved a significant increase in the quarterly dividend, as well as the pace of share repurchases. The board of directors increased the quarterly payout from \$0.85 to \$1.25 beginning with the August distribution, which reflected a much bolder pace than the nickel-a-year increases of the past half-decade. During the third quarter of 2019, the company repurchased 3.1 million shares of common stock, for a total cost of \$673 million, bringing the share count to a record low, and paid \$466 million in common stock dividends.

**These shares are a solid long-term investment on a risk-adjusted basis.** On the other hand, the stock does not stand out for year-ahead relative price performance, and our 18-month Target Price Range indicates significant downside potential in the near term.

Adam J. Platt January 10, 2020

Cal-endar	QUARTERLY REVENUES (\$ mill.) <sup>A</sup>				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	12774	<b>13390</b>	<b>53500</b>
2020	<b>13500</b>	<b>13700</b>	<b>13800</b>	<b>14000</b>	<b>55000</b>

Cal-endar	EARNINGS PER SHARE <sup>AB</sup>				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	4.79	<b>5.99</b>	<b>22.30</b>
2020	<b>6.00</b>	<b>6.10</b>	<b>6.20</b>	<b>7.70</b>	<b>26.00</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	1.25	4.15
2020					

(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 75  
Price Growth Persistence 45  
Earnings Predictability 70

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