

# ModernGraham Valuation

Goldman Sachs  
Group Inc



Company Name:

Company Ticker GS

Date of Analysis

2/24/2018

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$100,625,995,727	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	13.76%	Fail
5. Moderate PEmg Ratio	PEmg < 20	17.69	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.27	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	15.08
MG Growth Estimate	1.03%
<b>MG Value</b>	<b>\$159.15</b>
MG Value based on 3% Growth	\$218.72
MG Value based on 0% Growth	\$128.21
Market Implied Growth Rate	4.59%

### MG Opinion

Current Price	\$266.77
% of Intrinsic Value	167.62%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B-</b>

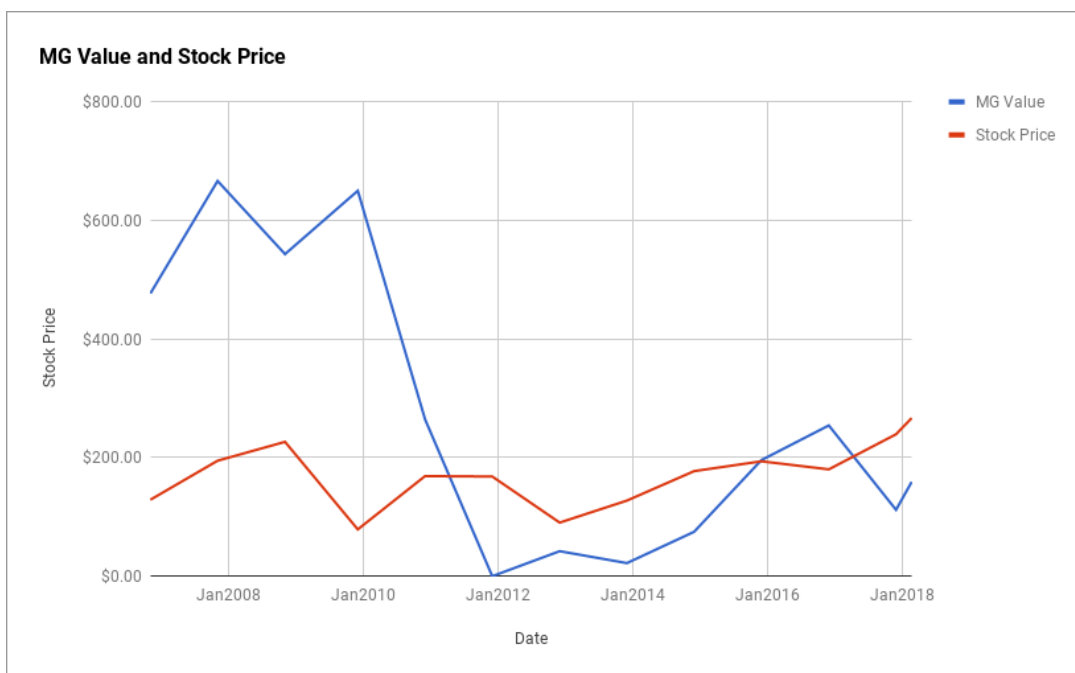
## Stage 3: Information for Further Research

Graham Number	\$312.77
PEmg	17.69
PB Ratio	1.27
Dividend Yield	1.09%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$20.00	Next Fiscal Year Estimate	\$15.08
Dec2017	\$9.01	Dec2017	\$13.08
Dec2016	\$16.29	Dec2016	\$15.08
Dec2015	\$12.14	Dec2015	\$13.88
Dec2014	\$17.07	Dec2014	\$14.12
Dec2013	\$15.46	Dec2013	\$13.06
Dec2012	\$14.13	Dec2012	\$11.80
Dec2011	\$4.51	Dec2011	\$11.69
Dec2010	\$13.18	Dec2010	\$15.80
Dec2009	\$22.13	Dec2009	\$16.89
Nov2008	\$4.47	Nov2008	\$14.11
Nov2007	\$24.73	Nov2007	\$17.32
Nov2006	\$19.69	Nov2006	\$12.39
Nov2005	\$11.21	Nov2005	\$8.11
Nov2004	\$8.92	Nov2004	\$6.31
Nov2003	\$5.87	Nov2003	\$5.05
Nov2002	\$4.03	Nov2002	\$4.42
Nov2001	\$4.26		
Nov2000	\$6.00		
Nov1999	\$5.57		
Dec1998	\$0.00		
		<b>Balance Sheet Information</b>	<b>12/1/2017</b>
		Long-Term Debt & Capital Lease Obligation	\$265,000,000,000
		Total Assets	\$917,000,000,000
		Intangible Assets	\$0
		Total Liabilities	\$835,000,000,000
		Shares Outstanding (Diluted Average)	389,800,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

Other ModernGraham posts about the company

- [10 Low PE Stocks for the Enterprising Investor – June 2016](#)
- [Stocks Trading Below Their Graham Number – May 2016](#)
- [Stocks Trading Below Their Graham Number – March 2016](#)
- [5 Undervalued Companies for Enterprising Investors Near 52 Week Lows – February 2016](#)
- [12 Best Stocks For Value Investors This Week – 11/14/15](#)

Other ModernGraham posts about related companies

- [American Express Co. Valuation – February 2018 \\$AXP](#)
- [Encore Capital Group Inc Valuation – Initial Coverage \\$ECPG](#)
- [T.Rowe Price Group Inc Valuation – July 2017 \\$TROW](#)
- [T.Rowe Price Group Inc Valuation – June 2017 \\$TROW](#)
- [Tricon Capital Group Inc Valuation – Initial Coverage \\$TSE:TCN](#)
- [Moody's Corporation Valuation – March 2017 \\$MCO](#)
- [KKR & Co Ltd Valuation – March 2017 \\$KKR](#)
- [Charles Schwab Corp Valuation – March 2017 \\$SCHW](#)
- [Synchrony Financial Valuation – Initial Coverage \\$SYF](#)
- [Franklin Resources Inc Valuation – February 2017 \\$BEN](#)