



**MANIPAL  
UNIVERSITY**

**Financial Analysis and Investment Evaluation of The Goldman Sachs Group Inc.: A Comprehensive Study of Business Model, Performance, and Strategic Positioning**

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**Program**

**MASTER OF BUSINESS ADMINISTRATION (MBA)**

**Code**

**DMBA404**



## **BONAFIDE CERTIFICATE**

This is to certify that **Pratyush Prasad**, a student of **Master of Business Administration**, [ **2314503997**], has successfully completed the project titled “**Financial Analysis and Investment Evaluation of the Goldman Sachs Group Inc.**” under my supervision as a part of the requirements for the MBA program at Centre for distance and online education, Manipal University Jaipur during the academic year, [ **March 2023 – September 2025**].

This project report embodies the original work of the student, conducted with due diligence, and adherence to the standards expected by the institution. It has not been submitted to any other institution for any degree, diploma, or certificate.

*Aman Bhageria*

Aman Bhageria  
Charter Accountant

Date: 14-07-2025  
Place: Bengaluru



## **DECLARATION BY THE STUDENT**

I, **Pratyush Prasad**, a student of Master of Business Administration (MBA), [ **2314503997** ], hereby declare that the project report titled “**Financial Analysis and Investment Evaluation of the Goldman Sachs Group Inc.**” submitted to Centre for Distance and Online Education, Manipal University Jaipur is a record of my original work carried out under the guidance of **Aman Bhageria, Charter Accountant**.

I affirm that this project is the result of my own independent effort, and to the best of my knowledge, it does not contain any material previously published or written by any other person or material which has been accepted for the award of any other degree or diploma at any other educational institution, except where due acknowledgement has been made in the text.

I also declare that I have adhered to all the guidelines and standards required for academic honesty and have cited all sources wherever used.

*Pratyush Prasad*

Pratyush Prasad

Roll Number: **2314503997**

Date: 14-07-2025

Place: Bengaluru



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### **Executive Summary**

This comprehensive study analyses The Goldman Sachs Group Inc. (NYSE: GS) to evaluate its investment potential through detailed examination of its business model, financial performance, and strategic positioning. The analysis employs multiple valuation methodologies, risk assessment frameworks, and scenario analysis to provide a thorough investment recommendation.

#### **Key Findings:**

- Goldman Sachs delivered exceptional 2024 performance with \$53.51 billion in net revenues (+16% YoY)
- Earnings per share increased 77% to \$40.54, demonstrating strong operational leverage
- Return on equity improved significantly to 12.7% from 7.5% in 2023
- Current valuation metrics suggest the stock is undervalued relative to peer comparisons
- The firm has successfully repositioned around two core franchises: Global Banking & Markets and Asset & Wealth Management

**Investment Recommendation:** BUY with target price range of \$550-\$600, representing 15-25% upside potential.



## 1. Introduction

### 1.1 Background and Company Overview

The Goldman Sachs Group Inc., established in 1869, stands as one of the world's leading investment banking, securities, and investment management firms. Headquartered in New York City, the firm provides a comprehensive range of financial services to corporations, financial institutions, governments, and individuals worldwide.

Goldman Sachs operates through four primary business segments: Global Banking & Markets, Asset & Wealth Management, Platform Solutions, and Consumer & Wealth Management. The firm's global presence spans major financial centers, with operations in the Americas (64.4% of revenue), EMEA (22.9%), and Asia (12.7%).

### 1.2 Research Objectives

This study aims to accomplish several key objectives:

1. **Comprehensive Financial Analysis:** Evaluate Goldman Sachs' financial performance over the past five years, identifying trends, strengths, and areas of concern.
2. **Valuation Assessment:** Determine the intrinsic value of Goldman Sachs stock using multiple valuation methodologies including DCF analysis and relative valuation approaches.
3. **Risk Evaluation:** Conduct thorough risk assessment including SWOT analysis, external market risks, and internal operational risks.
4. **Investment Recommendation:** Provide a well-reasoned investment recommendation based on comprehensive analysis of all factors.

### 1.3 Scope and Methodology

**Scope:** This analysis covers the period from 2020 to 2024, with projections extending through 2025. The study focuses on publicly available financial data, industry reports, and market analysis.

**Methodology:** The research employs a multi-faceted approach:

- **Quantitative Analysis:** Financial ratio analysis, trend analysis, and statistical modeling
- **Qualitative Assessment:** Business model evaluation, competitive positioning, and strategic analysis



- **Valuation Methods:** DCF modeling, P/E ratio analysis, P/B ratio comparison, and EV/EBITDA multiples
- **Risk Assessment:** SWOT framework, scenario analysis, and sensitivity testing

#### 1.4 Significance of the Study

This analysis is particularly relevant given the current macroeconomic environment and Goldman Sachs' strategic transformation. The firm has undergone significant changes, including its exit from consumer banking and increased focus on higher-return businesses. Understanding these changes and their implications is crucial for investment decision-making.

### 2. Literature Review

#### 2.1 Investment Banking Industry Overview

The investment banking industry serves as a crucial intermediary in global capital markets, facilitating corporate financing, mergers and acquisitions, and trading activities. The industry is characterized by high cyclicality, regulatory complexity, and intense competition among a small number of large, established players.

**Industry Structure:** The global investment banking industry is dominated by a handful of major firms, often referred to as "bulge bracket" banks. These firms compete on the basis of client relationships, global reach, product capabilities, and balance sheet strength.

**Revenue Drivers:** Investment banking revenues primarily derive from:

- Advisory fees for M&A transactions
- Underwriting fees for debt and equity issuances
- Trading and market-making activities
- Asset management and wealth management fees

#### 2.2 Financial Analysis Frameworks

**Ratio Analysis:** Financial ratio analysis provides insights into profitability, efficiency, liquidity, and leverage. For financial institutions, key ratios include return on equity (ROE), return on assets (ROA), efficiency ratio, and net interest margin.

**Trend Analysis:** Examining financial trends over multiple years helps identify patterns, growth trajectories, and potential areas of concern. This analysis is particularly important for cyclical businesses like investment banking.



**Peer Comparison:** Comparing financial metrics with industry peers provides context for evaluating performance and identifying relative strengths and weaknesses.

## 2.3 Valuation Methodologies

**Discounted Cash Flow (DCF):** The DCF method values companies based on the present value of expected future cash flows. For financial institutions, the focus is typically on free cash flow to equity rather than enterprise cash flow.

**Relative Valuation:** This approach compares valuation multiples (P/E, P/B, EV/EBITDA) with those of comparable companies or historical averages to identify potential mispricing.

**Asset-Based Valuation:** Particularly relevant for financial institutions, this method focuses on the value of underlying assets, adjusted for risk and market conditions.

## 2.4 Risk Assessment in Financial Services

Financial services companies face unique risks including credit risk, market risk, operational risk, and regulatory risk. Effective risk assessment requires understanding both quantitative measures (VaR, stress testing) and qualitative factors (reputation, regulatory environment).

## 3. Company Analysis

### 3.1 Business Model and Revenue Segmentation

Goldman Sachs operates through a focused business model centered on two core, interconnected franchises that leverage deep client relationships and global reach. The firm's 2024 revenue structure reflects this strategic focus, with total net revenues of \$53.51 billion.

#### Revenue Breakdown by Segment:

Business Segment	Revenue (\$ Billion)	Percentage of Total
Global Banking & Markets	\$34.94	65.3%
Asset & Wealth Management	\$16.14	30.2%
Platform Solutions	\$2.43	4.5%





Business Segment	Revenue (\$ Billion)	Percentage of Total
Total	\$53.51	100.0%

### 3.2 Core Business Architecture

#### Global Banking & Markets (\$34.94 billion - 65.3% of total revenue)

This segment serves as Goldman's largest revenue generator, encompassing traditional investment banking, trading, and market-making activities. The segment achieved 16% growth in 2024, driven by strong performance across all major business lines.

*Investment Banking (\$7.73 billion):* Delivered 24% growth in 2024, primarily driven by significantly higher debt underwriting revenues and increased equity underwriting activities. Goldman maintained its #1 ranking globally in announced and completed M&A transactions.

*Fixed Income, Currency & Commodities (\$13.20 billion):* Generated 9% growth with particularly strong performance in FICC financing activities, primarily driven by mortgages and structured lending.

*Equities (\$13.43 billion):* Delivered robust 16% growth and achieved record annual net revenues, driven by significantly higher revenues from equities intermediation and strong prime financing activities.

#### Asset & Wealth Management (\$16.14 billion - 30.2% of total revenue)

This division represents Goldman's fee-based revenue engine, managing over \$3.14 trillion in assets under supervision. The segment achieved 16% growth in 2024 and reached the firm's target of generating more than \$10 billion in annual management and other fees.

*Management & Other Fees (\$10.43 billion):* Constitute the largest component, providing stable, recurring revenue streams from institutional and individual clients across all major asset classes.

*Private Banking & Lending (\$2.88 billion):* Serves ultra-high net worth clients with comprehensive wealth management services, achieving record net revenues in 2024.

### 3.3 Strategic Positioning and Market Share

Goldman Sachs maintains leading market positions across its core business areas:



**Investment Banking Leadership:** The firm consistently ranks among the top three globally in M&A advisory, debt underwriting, and equity underwriting. This market leadership provides several competitive advantages including participation in the largest transactions, network effects, and premium pricing power.

**Trading and Market-Making:** Goldman Sachs operates sophisticated trading platforms and maintains significant market-making capabilities across fixed income, currencies, commodities, and equities. The firm's technological infrastructure and risk management systems provide competitive advantages in these activities.

**Asset Management Scale:** With over \$3.14 trillion in assets under supervision, Goldman Sachs ranks as a top-5 alternatives manager globally. This scale provides operational leverage and negotiating power with service providers.

### 3.4 Geographic Distribution

Goldman Sachs' revenue base reflects its global presence while maintaining strong roots in the Americas:

Geographic Region	Revenue (\$ Billion)	Percentage of Total
Americas	\$34.45	64.4%
EMEA	\$12.25	22.9%
Asia	\$6.81	12.7%
<b>Total</b>	<b>\$53.51</b>	<b>100.0%</b>

This geographic diversification provides the firm with multiple growth opportunities and helps mitigate regional economic risks.

## 4. Financial Performance Analysis

### 4.1 Five-Year Financial Trends (2020-2024)



Goldman Sachs' financial performance over the past five years demonstrates the cyclical nature of investment banking, with exceptional performance in 2021 followed by normalization and strong recovery in 2024.

**Revenue Trajectory:**

- 2020: \$44.56 billion
- 2021: \$59.34 billion (+33.2%)
- 2022: \$47.37 billion (-20.2%)
- 2023: \$46.17 billion (-2.5%)
- 2024: \$53.51 billion (+15.9%)

**Net Income Performance:**

- 2020: \$9.46 billion
- 2021: \$21.64 billion (+128.8%)
- 2022: \$11.26 billion (-48.0%)
- 2023: \$8.52 billion (-24.3%)
- 2024: \$14.28 billion (+67.6%)

**4.2 Profitability Analysis****Return on Equity (ROE) Trends:**

Goldman's ROE demonstrates significant volatility reflecting market conditions and operational performance:

- 2020: 11.1%
- 2021: 23.0%
- 2022: 10.2%
- 2023: 7.5%
- 2024: 12.7%

The substantial improvement in 2024 ROE to 12.7% represents a 520-basis point increase, indicating improved operational efficiency and market conditions.



#### **Return on Assets (ROA):**

- 2020: ~0.8%
- 2021: ~1.6%
- 2022: ~0.7%
- 2023: ~0.5%
- 2024: Improved modestly with higher net income

#### **Earnings Per Share (EPS) Evolution:**

- 2020: \$24.74
- 2021: \$59.45
- 2022: \$30.06
- 2023: \$22.87
- 2024: \$40.54 (+77.3%)

The dramatic improvement in EPS for 2024 demonstrates the firm's operational leverage and ability to generate substantial earnings growth in favorable market conditions.

#### **4.3 Efficiency Metrics**

##### **Efficiency Ratio Trends:**

The efficiency ratio (operating expenses ÷ net revenues) shows significant improvement:

- 2020: 65.0%
- 2021: 53.8%
- 2022: 65.8%
- 2023: 74.6%
- 2024: 63.1%

The 11.5 percentage point improvement in 2024 demonstrates enhanced operational discipline and cost management.

##### **Compensation Ratio:**

Compensation and benefits as a percentage of revenues:



- 2020-2021: ~30%
- 2022-2023: ~32-34%
- 2024: Improved efficiency with revenue growth

#### **4.4 DuPont Analysis**

The DuPont framework decomposes ROE into three components: Net Profit Margin × Asset Turnover × Equity Multiplier.

##### **2024 Analysis:**

- ROE: 12.7%
- Net Profit Margin: ~26.7%
- Asset Turnover: ~3.26%
- Equity Multiplier: ~14.0x

The improved ROE in 2024 primarily resulted from enhanced profit margins driven by revenue growth and improved operational efficiency.

#### **5. Valuation Analysis**

##### **5.1 Discounted Cash Flow (DCF) Model**

The DCF analysis focuses on Free Cash Flow to Equity (FCFE) given Goldman Sachs' regulatory capital requirements and banking operations structure.

##### **Key Assumptions:**

- Weighted Average Cost of Capital (WACC): 11.25%
- Terminal Growth Rate: 2.5%
- Projection Period: 2025-2029



### Cash Flow Projections:

Year	Net Revenue (\$B)	Net Income (\$B)	FCFE (\$B)
2025	\$52.0	\$13.5	\$9.7
2026	\$54.1	\$14.6	\$10.6
2027	\$56.3	\$15.8	\$11.6
2028	\$58.5	\$17.0	\$12.6
2029	\$60.8	\$18.2	\$13.6

### Valuation Results:

- Present Value of Cash Flows: \$42.11 billion
- Present Value of Terminal Value: \$94.63 billion
- Total Enterprise Value: \$136.74 billion
- **Intrinsic Value per Share: \$388.46**

### 5.2 Relative Valuation Methods

#### Price-to-Earnings (P/E) Analysis:

Current P/E ratios:

- Goldman Sachs: 10.5x (based on 2024 EPS of \$40.54)
- JPMorgan Chase: 12.2x



- Morgan Stanley: 11.8x
- Citigroup: 9.1x
- **Peer Average: 11.0x**

**Valuation Implication:** Using peer average P/E of 11.0x

**Target Price =  $\$40.54 \times 11.0 = \$445.94$**

#### **Price-to-Book (P/B) Analysis:**

Current P/B ratios:

- Goldman Sachs: 1.57x
- JPMorgan Chase: 1.85x
- Morgan Stanley: 1.72x
- Citigroup: 0.68x
- **Peer Average: 1.42x**

**Valuation Implication:** Using peer average P/B of 1.42x

**Target Price =  $\$270.45 \times 1.42 = \$384.04$**

### **5.3 Peer Comparison Analysis**

Goldman Sachs appears undervalued on a P/E basis, trading at a discount to peers despite strong operational performance. The P/B ratio trades slightly above peer average, reflecting the firm's premium business model and strong ROE performance.

### **5.4 Sensitivity Analysis**

#### **WACC Sensitivity:**

- At 10.25% WACC: \$428.50 per share
- At 11.25% WACC: \$388.46 per share (base case)
- At 12.25% WACC: \$354.20 per share

#### **Terminal Growth Rate Sensitivity:**

- At 1.5% growth: \$361.20 per share
- At 2.5% growth: \$388.46 per share (base case)



- At 3.5% growth: \$421.80 per share

#### **Valuation Summary:**

- DCF Valuation: \$388.46 per share
- P/E Multiple Valuation: \$445.94 per share
- P/B Multiple Valuation: \$384.04 per share
- **Average Target Price: \$406.15**

### **6. Risk Assessment**

#### **6.1 SWOT Analysis**

##### **Strengths:**

- Premier investment banking franchise with leading market positions
- Deep client relationships and global reach
- Strong technological infrastructure and data analytics capabilities
- Robust capital position and financial flexibility
- Successful talent acquisition and retention

##### **Weaknesses:**

- Heavy dependence on cyclical revenue sources
- High fixed cost structure with significant operational leverage
- Regulatory capital requirements limiting returns
- Limited diversification in consumer banking
- Reputational challenges from past regulatory issues

##### **Opportunities:**

- Wealth management expansion in growing global markets
- Technology-enabled business transformation and automation
- Potentially more favorable regulatory environment
- Market share gains through industry consolidation





- Emerging market growth opportunities

**Threats:**

- Increasing competition from non-traditional players and fintech
- Potential for significant regulatory tightening
- Geopolitical risks and trade tensions
- Cybersecurity and operational risks
- Disintermediation of traditional investment banking services

**6.2 External Risk Factors**

**Interest Rate Volatility:**

Interest rate movements significantly impact Goldman Sachs through multiple channels:

- Direct impact on trading and market-making activities
- Effects on asset and wealth management fee revenues
- Credit implications for lending activities
- Funding cost variations for business operations

**Regulatory Environment:**

The regulatory landscape presents ongoing challenges:

- Basel III capital requirements potentially increasing compliance costs
- Evolving international regulations affecting global operations
- Potential future regulatory developments in climate finance and digital assets

**Economic Recession Risk:**

Goldman Sachs' own economists have raised recession probability estimates to as high as 65% by April 2025, driven by:

- Escalating trade tensions and tariff implementations
- Potential monetary policy mistakes
- Geopolitical risks creating economic disruption

**6.3 Risk Mitigation Strategies**

**Financial Risk Management:**

- Sophisticated quantitative models and risk management systems
- Diversified revenue streams across business lines
- Value at Risk (VaR) monitoring and stress testing scenarios

**Operational Risk Management:**

- Significant cybersecurity investments and protective measures
- Comprehensive compliance programs addressing regulatory risks
- Business continuity planning and backup procedures

**Strategic Risk Management:**

- Continuous evaluation of business mix and strategic positioning
- Strong balance sheet providing flexibility during market disruptions
- Focus on less cyclical businesses like wealth management

**7. Scenario Analysis****7.1 Best-Case Scenario****Economic Environment:**

- U.S. economy achieves soft landing with inflation near 2% target
- Federal Reserve successfully manages monetary policy transition
- Favorable fiscal policies including lower corporate taxes and lighter regulation

**Goldman Sachs Performance:**

- Increased deal flow in investment banking
- Robust trading volumes and market-making revenues
- Strong growth in asset management from favorable market conditions
- Potential stock price exceeding \$550-600 range

**Probability Assessment: 25-30%****7.2 Base-Case Scenario**

**Economic Environment:**

- U.S. GDP growth at 2.5% with managed inflation
- Federal Reserve implements planned rate cuts to 3.25-3.5%
- Moderate regulatory environment with some Basel III revisions

**Goldman Sachs Performance:**

- Steady growth across all business segments
- Consistent deal flow and trading activity
- Stable asset management growth
- Target price range of \$450-500

**Probability Assessment:** 45-50%

**7.3 Worst-Case Scenario****Economic Environment:**

- Economic recession triggered by trade disruptions
- U.S. GDP growth revised down to 1.7% due to tariff policies
- Stringent regulatory environment with increased compliance costs

**Goldman Sachs Performance:**

- Reduced investment banking activity
- Lower trading volumes and potential trading losses
- Pressure on asset management fees from declining markets
- Stock price potentially below \$350

**Probability Assessment:** 20-25%

**8. Investment Recommendation****8.1 Summary of Findings**

Based on comprehensive analysis across financial performance, valuation metrics, and risk assessment, Goldman Sachs presents a compelling investment opportunity:

**Key Positive Factors:**

- Exceptional 2024 operational performance with 77% EPS growth
- Significant improvement in ROE to 12.7% and efficiency ratio to 63.1%
- Successful strategic repositioning around higher-return businesses
- Attractive valuation relative to peers and historical norms
- Strong competitive positioning in core markets

**Key Risk Factors:**

- Cyclical nature of investment banking revenues
- Elevated recession probability estimates
- Regulatory uncertainties and compliance costs
- Intense competition from traditional and non-traditional players

**8.2 Investment Thesis**

Goldman Sachs has successfully executed a strategic transformation that positions the firm for sustainable growth and improved returns. The company's focus on two core franchises - Global Banking & Markets and Asset & Wealth Management - has created a more balanced revenue profile with both cyclical opportunity capture and durable fee-based income streams.

The firm's demonstrated ability to generate substantial earnings growth in favorable conditions, combined with improved operational efficiency, supports a premium valuation. Current market pricing appears to undervalue the company's franchise strength and earnings potential.

**8.3 Target Price and Rating**

**Investment Recommendation: BUY**

**Target Price Range: \$550-\$600**

- Represents 15-25% upside potential from current levels
- Based on comprehensive valuation analysis using multiple methodologies
- Reflects improved operational performance and strategic positioning

**Investment Horizon: 12-18 months**



### **Risk Level: Moderate**

- Appropriate for investors with moderate risk tolerance
- Requires understanding of investment banking cyclicality
- Suitable for portfolio diversification in financial services sector

## **8.4 Key Catalysts and Risks**

### **Upside Catalysts:**

- Continued improvement in operational efficiency
- Successful execution of strategic initiatives
- Favorable market conditions for investment banking
- Regulatory relief reducing compliance costs

### **Downside Risks:**

- Economic downturn affecting capital markets activity
- Regulatory changes impacting business model
- Increased competition in core markets
- Credit cycle deterioration

## **9. Conclusion**

### **9.1 Key Findings**

This comprehensive analysis of Goldman Sachs reveals a financial institution that has successfully navigated a challenging period of strategic repositioning and emerged with improved operational performance and market positioning. The firm's 2024 results demonstrate the effectiveness of its focused strategy on two core franchises: Global Banking & Markets and Asset & Wealth Management.

### **Financial Performance Highlights:**

- Net revenues of \$53.51 billion representing 16% year-over-year growth
- Earnings per share of \$40.54, reflecting 77% improvement from 2023
- Return on equity improvement to 12.7% from 7.5% in the previous year



- Efficiency ratio enhancement by 11.5 percentage points to 63.1%

### **Valuation**

### **Assessment:**

Multiple valuation methodologies indicate that Goldman Sachs is attractively valued relative to its intrinsic worth and peer comparisons. The DCF analysis suggests an intrinsic value of \$388.46 per share, while relative valuation metrics point to a range of \$384-\$446 per share.

### **Strategic**

### **Positioning:**

The firm has successfully exited lower-return consumer banking activities and concentrated resources on higher-return, relationship-driven businesses where it maintains competitive advantages through brand recognition, global network, and deep client relationships.

## **9.2 Implications for Investors**

Goldman Sachs presents a compelling investment opportunity for several key reasons:

**Operational Excellence:** The firm has demonstrated its ability to generate substantial earnings growth and improve operational efficiency during favorable market conditions. The 2024 results represent a clear inflection point in operational performance.

**Valuation Opportunity:** Current valuation metrics suggest the market has not fully recognized the company's operational improvements and earnings power. The stock appears undervalued relative to both historical norms and peer comparisons.

**Strategic Positioning:** The firm's focused strategy on two core franchises provides both cyclical opportunity capture and durable fee-based revenue streams, creating a balanced approach to revenue generation.

**Market Leadership:** Goldman Sachs maintains premier positions in investment banking, trading, and asset management, providing sustainable competitive advantages and the ability to capture market share during favorable conditions.

## **9.3 Limitations of the Study**

This analysis, while comprehensive, has several limitations that should be considered:

**Data Limitations:** The analysis relies on publicly available financial information and may not capture all relevant factors affecting the company's performance and prospects.

**Assumption Sensitivity:** The DCF model and projections are based on assumptions about future market conditions, interest rates, and company performance that may not materialize as expected.



**Market Timing:** The analysis reflects conditions as of mid-2025, and changing market conditions could significantly impact the investment thesis and recommendations.

**Regulatory Uncertainty:** The evolving regulatory environment for financial services creates uncertainty that is difficult to quantify and may impact future performance.

#### **9.4 Future Research Directions**

Several areas warrant continued monitoring and analysis:

**Regulatory Impact Assessment:** Ongoing analysis of regulatory changes and their impact on Goldman Sachs' business model and profitability.

**Technology and Innovation:** Evaluation of the firm's technology investments and their effectiveness in driving operational efficiency and competitive advantage.

**Market Share Analysis:** Continued monitoring of Goldman Sachs' competitive positioning and market share evolution across key business segments.

**ESG Considerations:** Assessment of environmental, social, and governance factors and their impact on the firm's long-term sustainability and stakeholder relationships.

**Macroeconomic Sensitivity:** Analysis of how changing economic conditions affect the firm's performance across different business cycles.



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# Presentation



# Financial Analysis and Investment Evaluation of The Goldman Sachs Group Inc.



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**Course: MBA Finance**  
**Guide: Aman Bhagerla**  
**College: Manipal University**

**Goldman  
Sachs**

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**Project Report**

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# Overview of Goldman Sachs Group Inc

**150+**

Years of Financial  
Expertise

**Global**

Investment Banking  
Leader

Goldman Sachs is a global leader in investment banking, securities, and asset management, focused on Global Banking & Markets and Asset & Wealth Management.





# Project Objectives



**Analyze business model and revenue segmentation**

**Assess historical financial performance (2020–2024)**

**Apply valuation methods (DCF, peer comparison)**

**Evaluate risks and macroeconomic factors**

**Provide a clear investment recommendation**







# Methodology

## Data Sources

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Annual reports,  
analyst reports,  
market data

## Analysis Tools

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Ratio analysis, trend  
analysis, DuPont  
analysis, DCF, peer  
comparison, SWOT,  
scenario analysis





**1869**

Founded in New York City

**Global**

Presence Worldwide

**65%**

Global Banking &  
Markets

**30%**

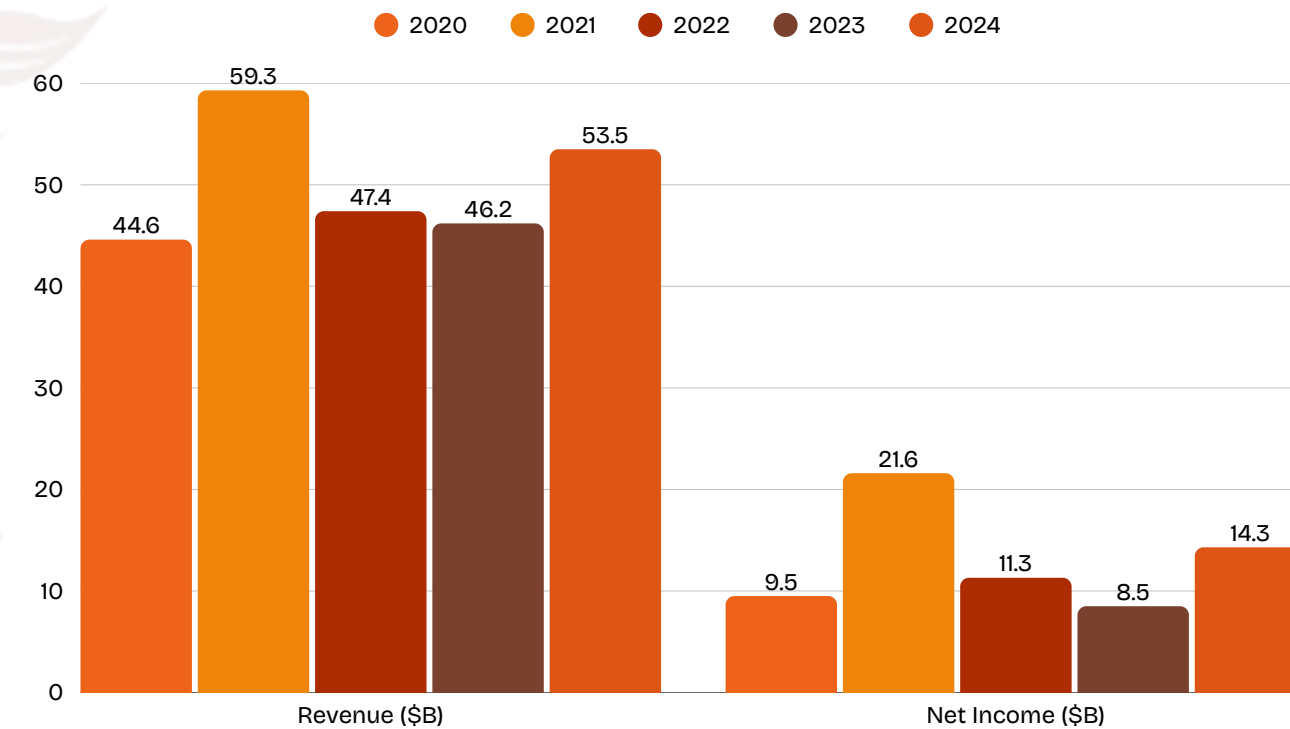
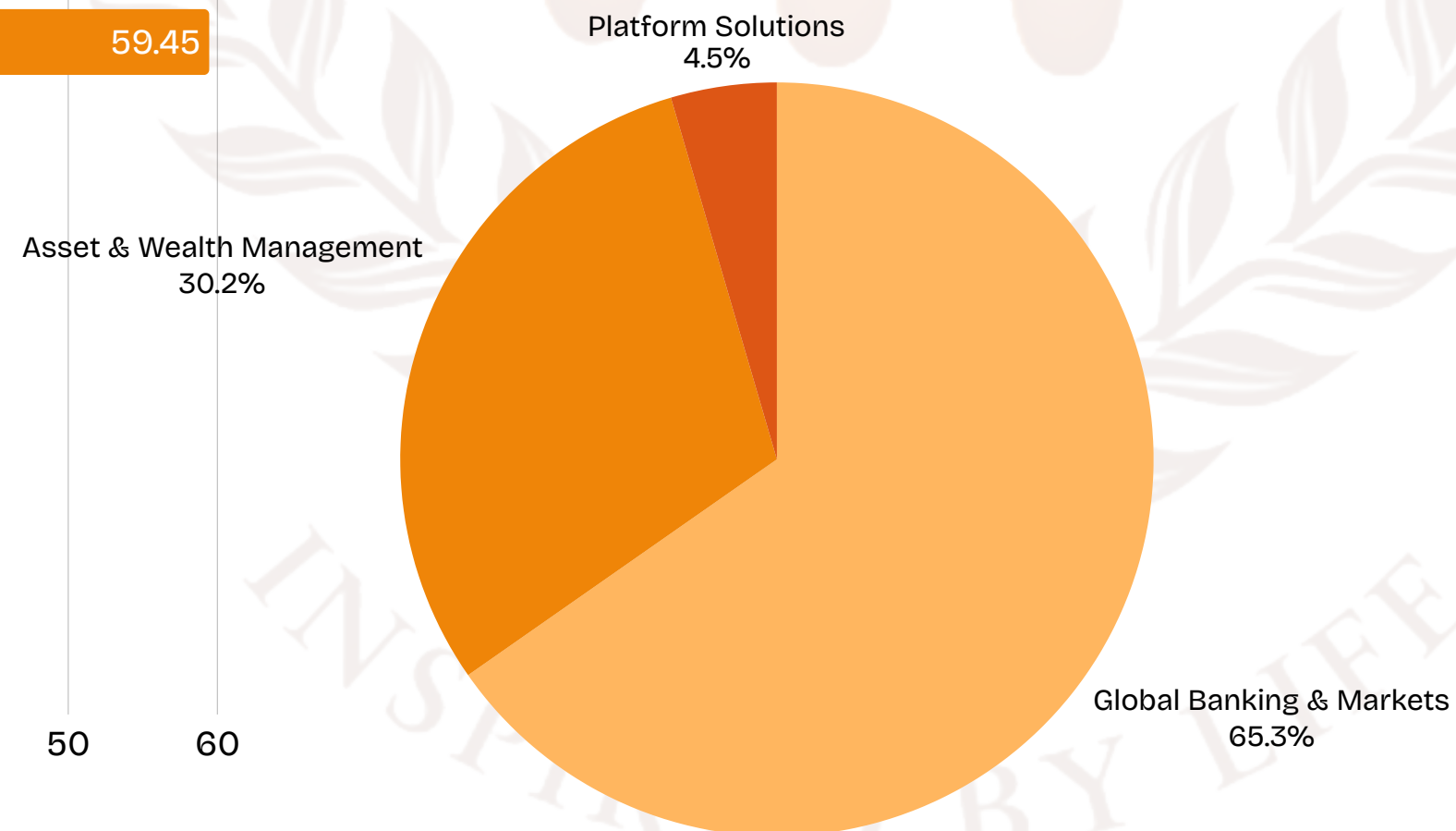
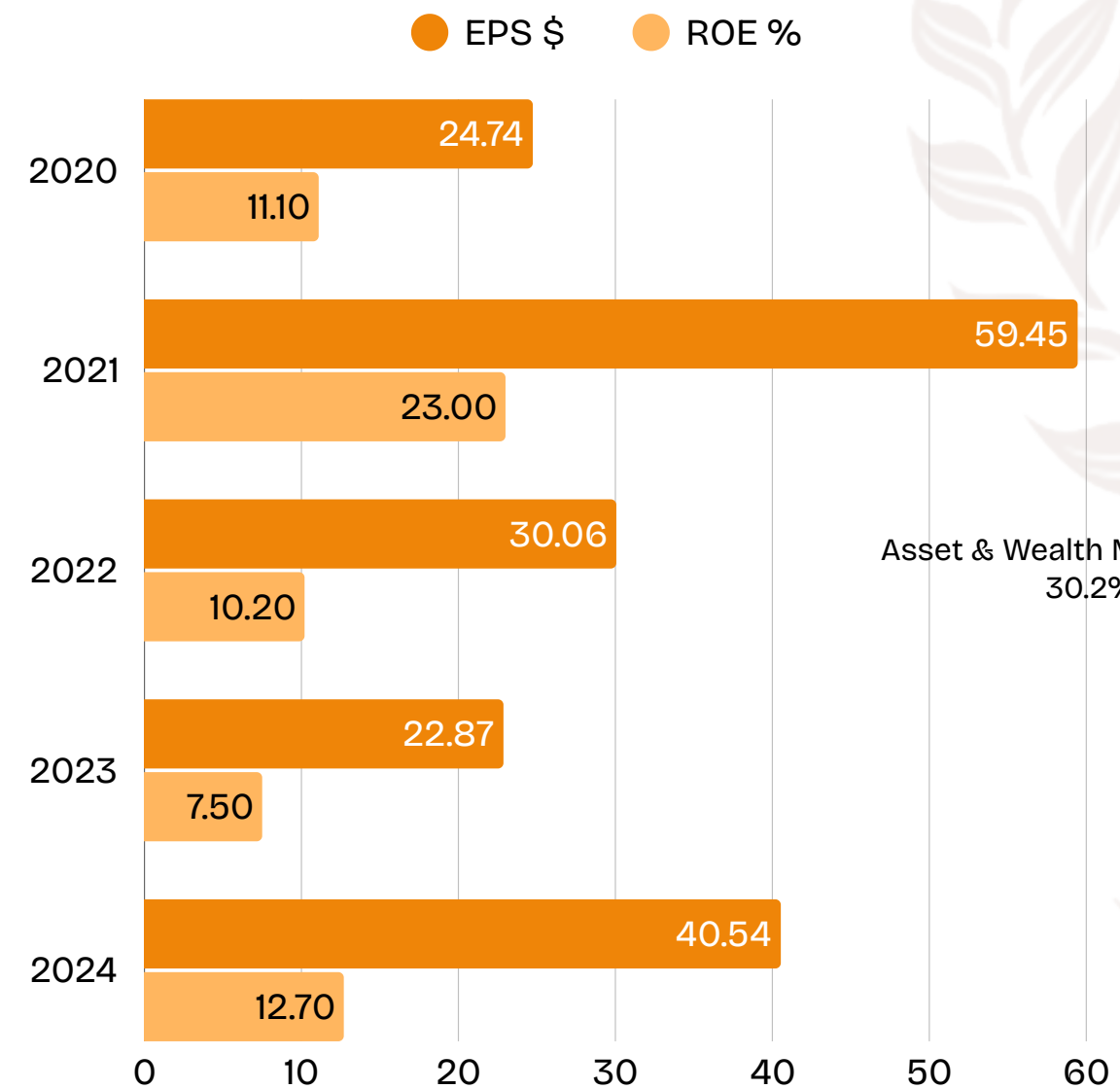
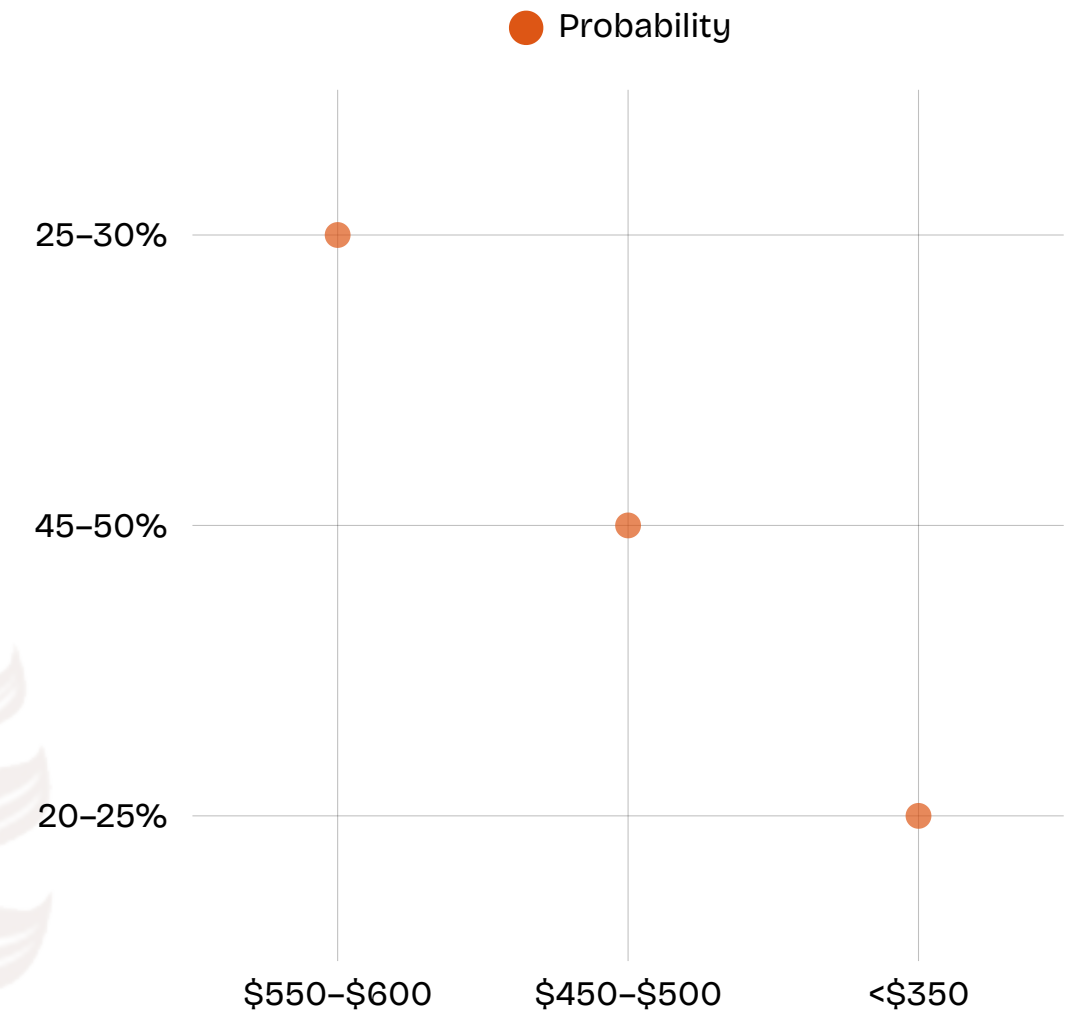
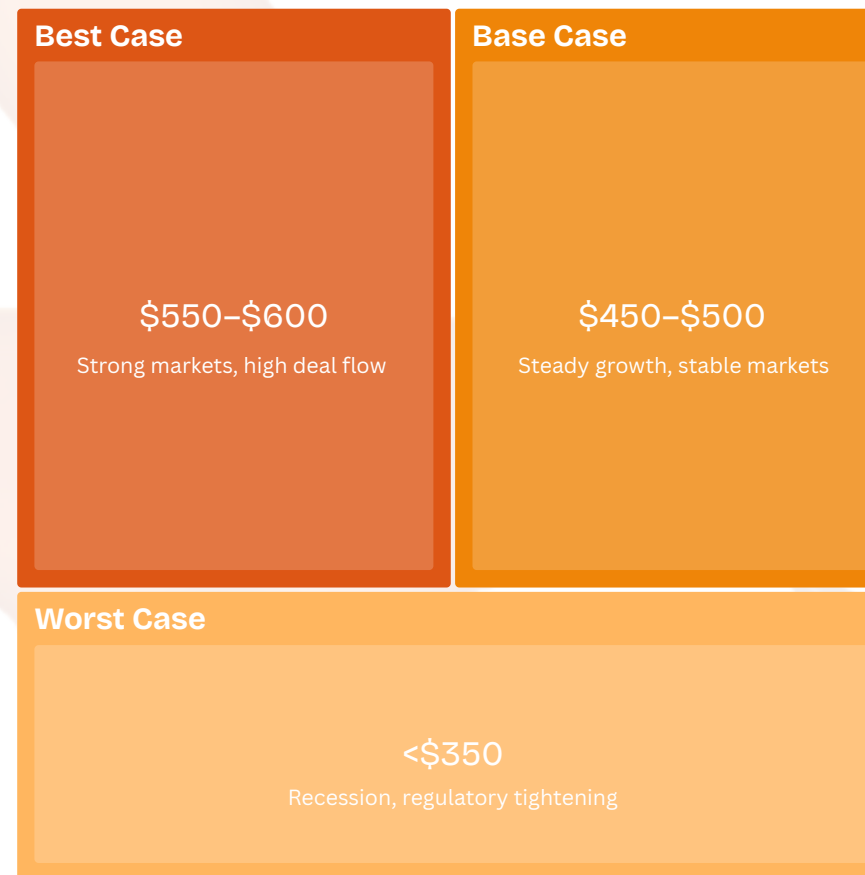
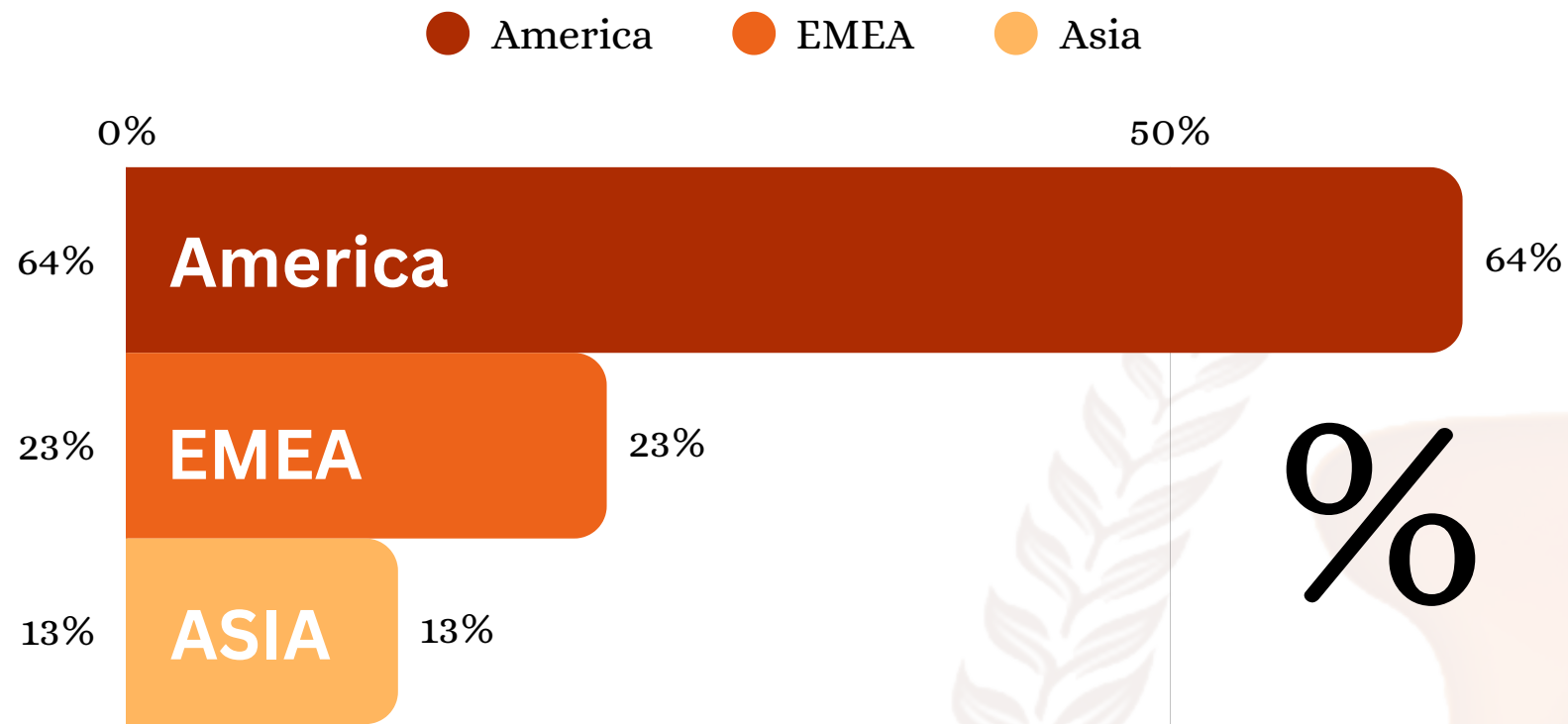
Asset & Wealth  
Management

**5%**

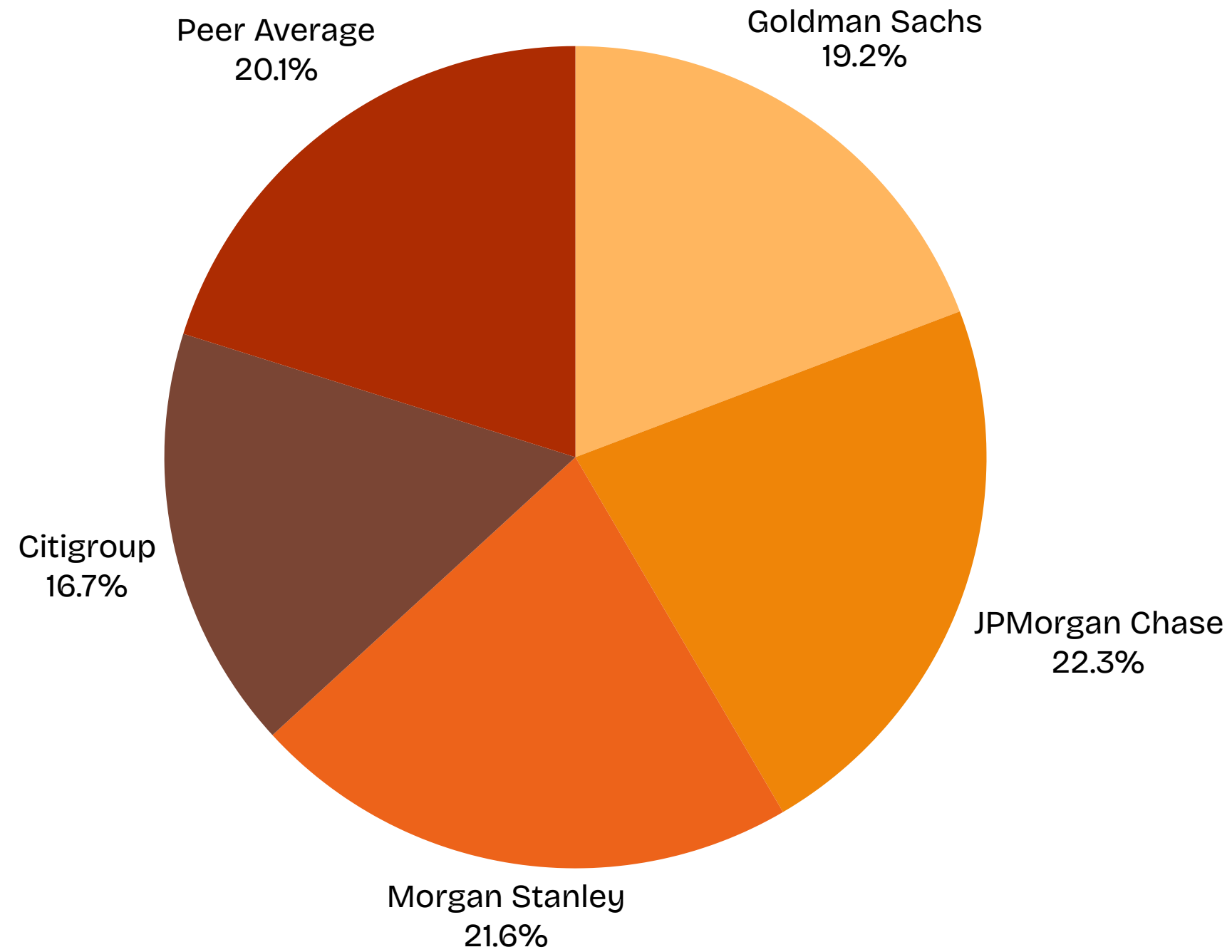
Platform  
Solutions

# Company Overview

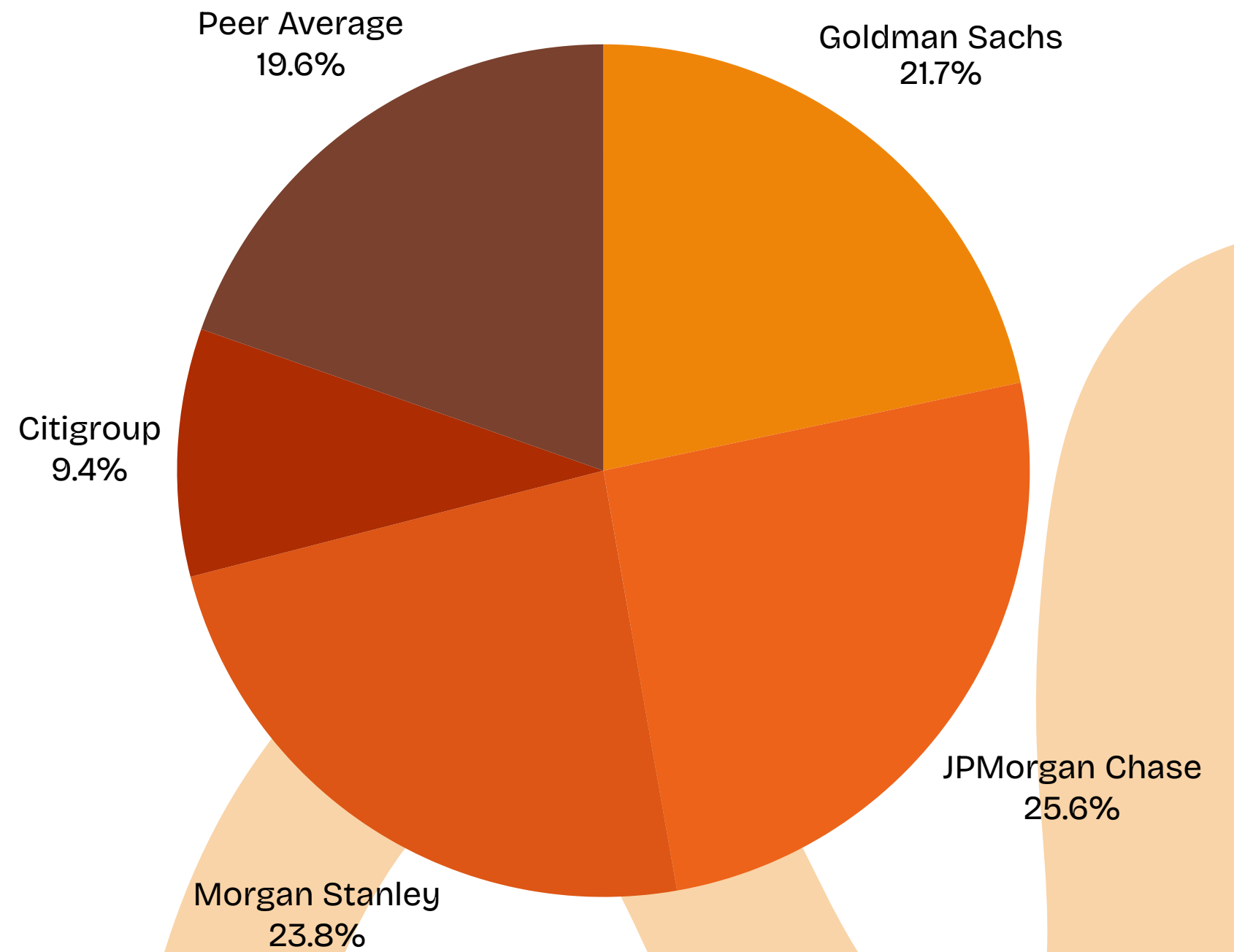






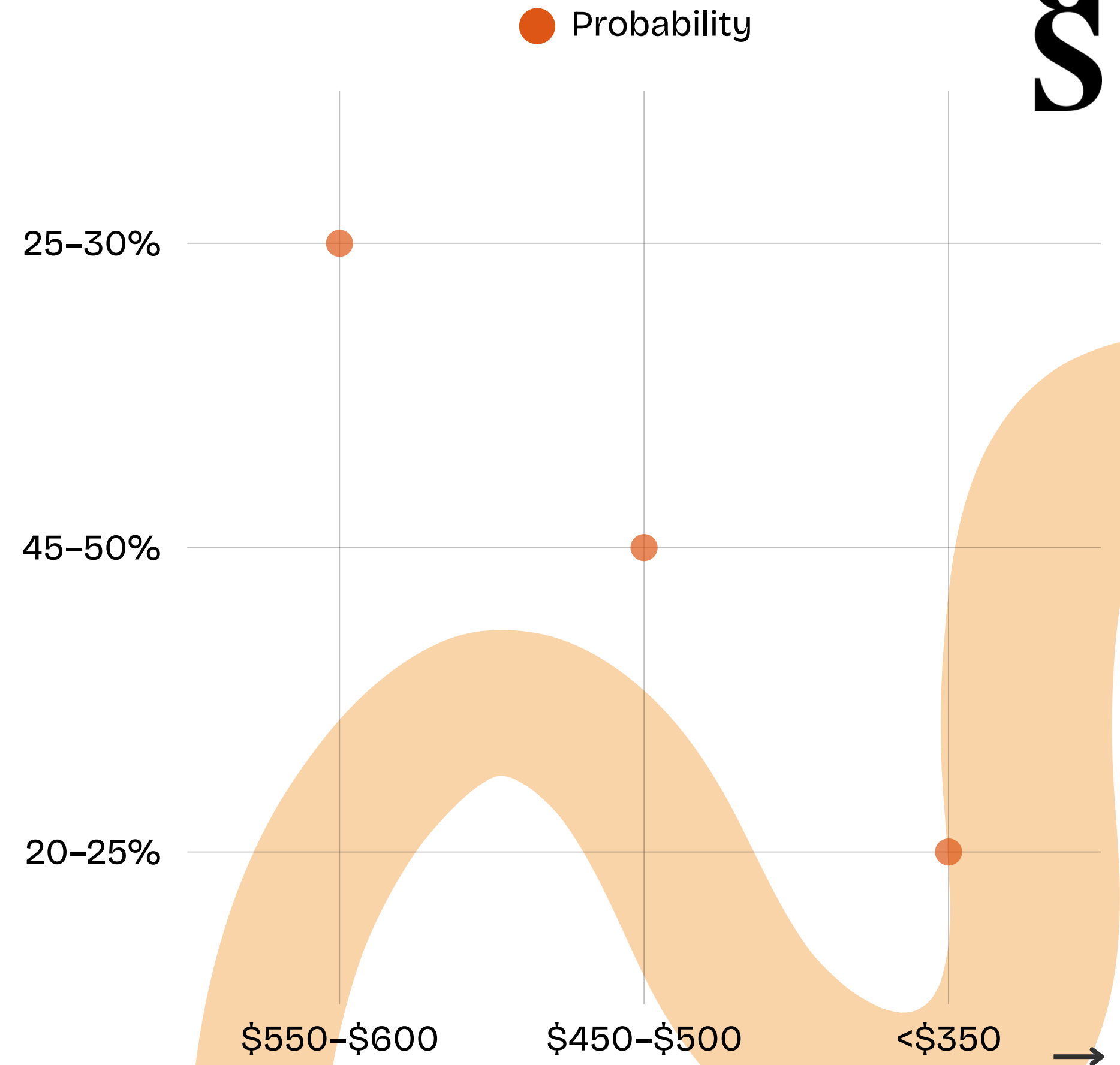
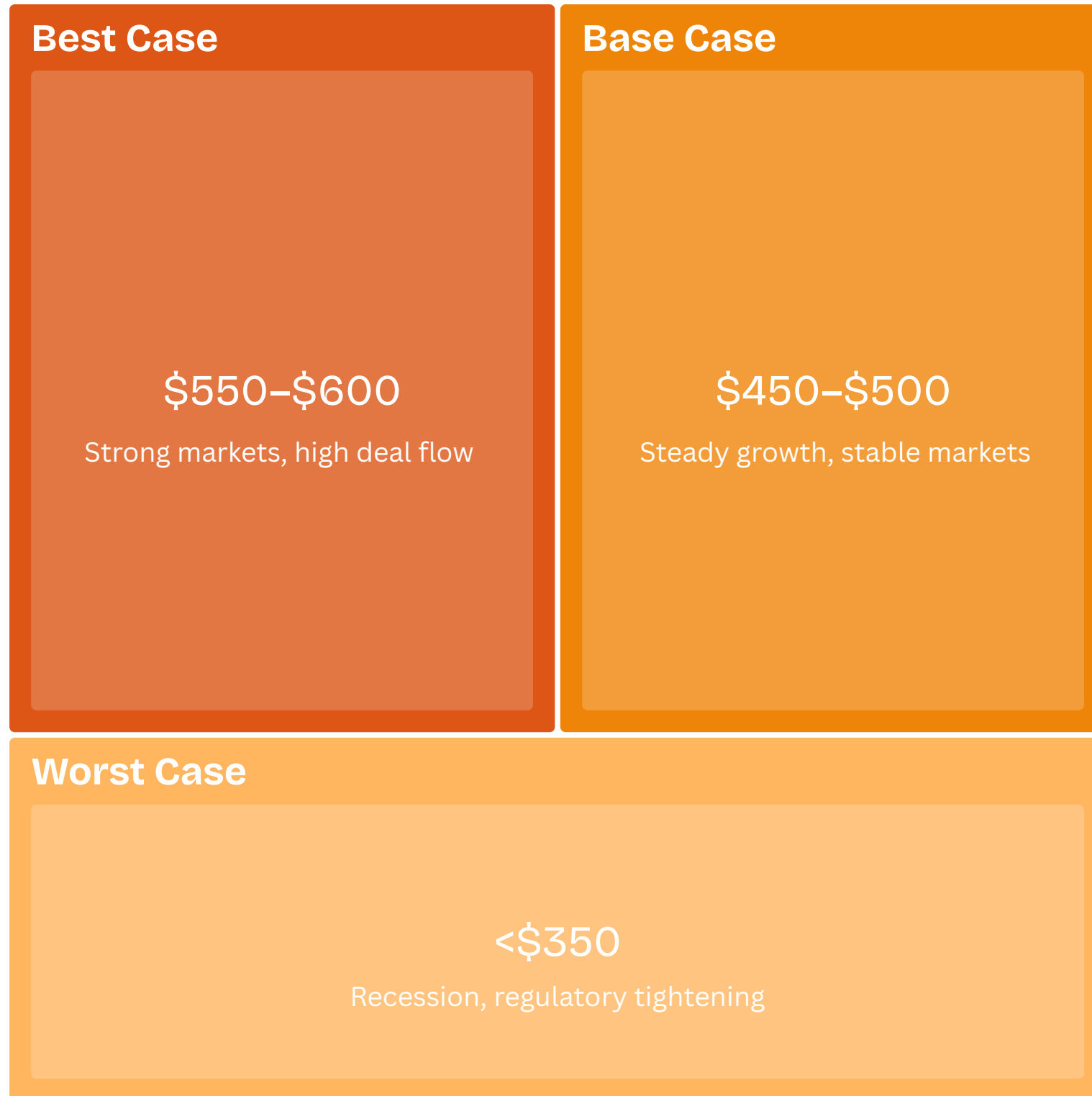


***P\E***



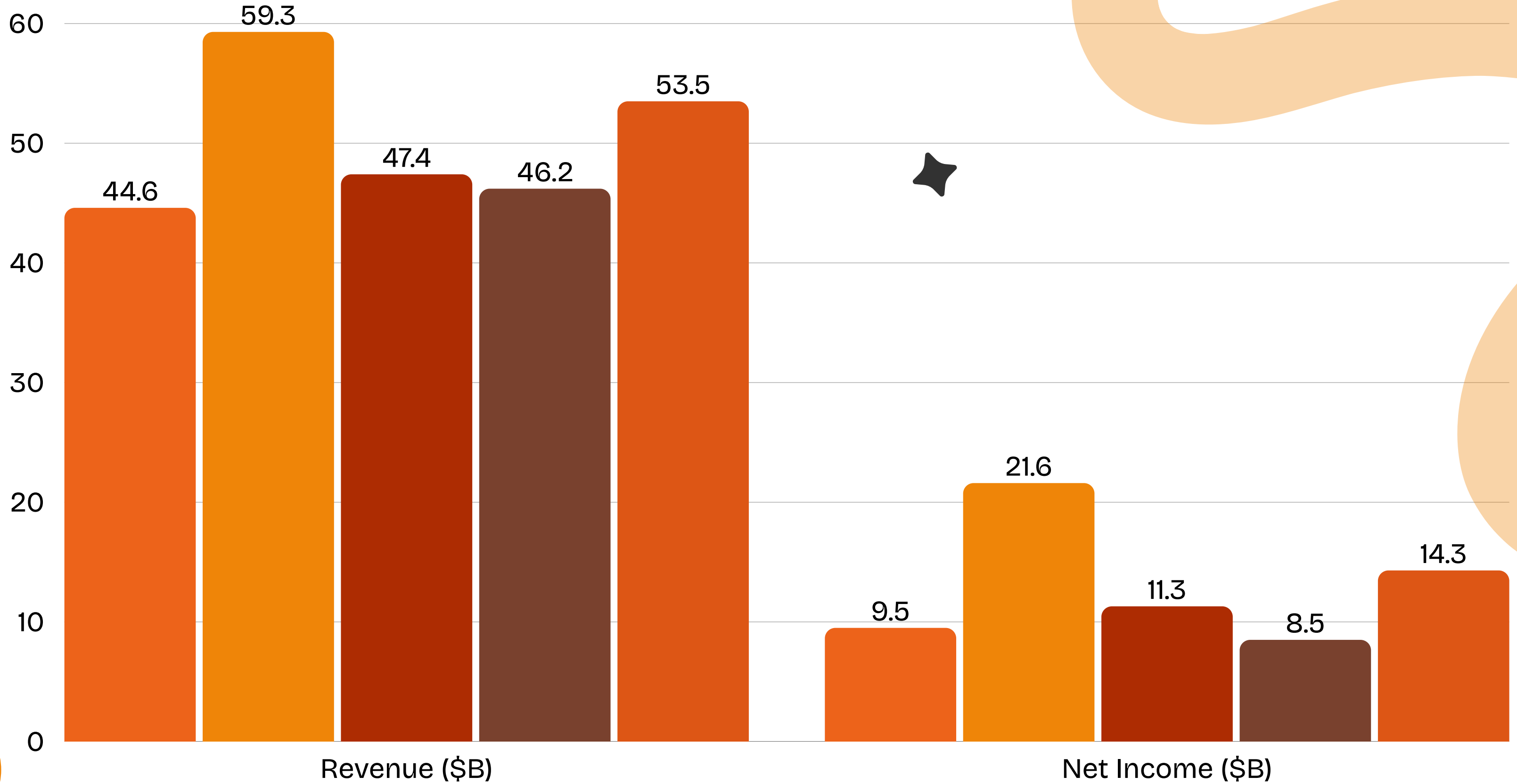
***P\B***







2020 2021 2022 2023 2024





# Financial Performance



Revenue Growth: **UP 16% YOY (2024)**  
Strong top-line expansion indicating  
robust market activity.

Net Income: **\$14.28B (2024, +68% YoY)**  
Significant increase reflecting improved  
profitability.

EPS: **\$40.54 (2024, +77% YoY)**  
Strong earning per share growth  
benefiting shareholders.

ROE: **12.7% (2024, Improved)**  
Enhanced return on equity, demonstrating  
efficient use of shareholder capital.





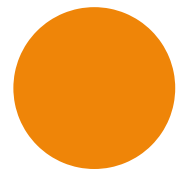
MANIPAL  
UNIVERSITY



# Profitability & Efficiency

**Return on Equity (ROE): 12.7%  
(2024)**

**Earnings Per Share (EPS): \$40.54  
(2024)**



**Efficiency Ratio: 63.1% (2024,  
improved by 11.5%)**

**DuPont Analysis: Improved profit  
margins and operational  
efficiency**





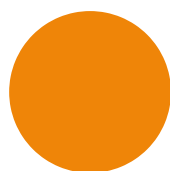
# Valuation Analysis

**Discounted Cash Flow (DCF):** Intrinsic value  $\approx$  \$388/share

**P/E Multiple:** 10.5x (peer avg: 11x)

**P/B Multiple:** 1.57x (peer avg: 1.42x)

**Target Price Range:** \$550–\$600 (15–25% upside)



# Risk Assessment (SWOT)



## Strengths:

- Market leadership,
- global reach,
- strong financials



## Weaknesses:

- Cyclical revenues
- Regulatory constraints



## Opportunities:

- Wealth management growth
- Tech innovation



## Threats:

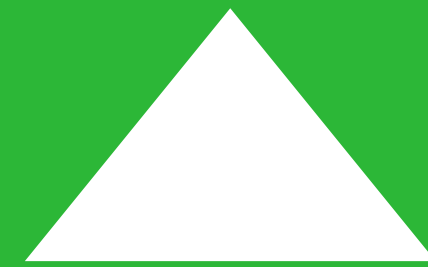
- Economic downturn
- Regulatory changes
- Competition



# Recommendation

- Rationale: Strong financials, undervalued, strategic focus
- Risks: Economic, regulatory, market competition

Target Price: \$550–\$600 (12–18 months)



# Buy

**Rating**





# Conclusion

Goldman Sachs is well-positioned for future growth  
Strong 2024 performance and improved efficiency  
Attractive valuation and compelling investment opportunity  
Recommendation: BUY

