

ModernGraham Valuation

Company Name:

eBay Inc

Company Ticker EBAY

Date of Analysis

8/15/2015



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

Defensive Investor; must pass 6 out of the following 7 tests.

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

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	1.33
MG Growth Estimate	-3.58%
MG Value	\$2.20
MG Value based on 3% Growth	\$19.28
MG Value based on 0% Growth	\$11.30
Market Implied Growth Rate	6.38%

MG Opinion

Current Price	\$28.26
% of Intrinsic Value	1284.07%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.20
PEmg	21.26
Current Ratio	1.67
PB Ratio	1.75
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.36	Next Fiscal Year Estimate	\$1.33
Dec14	\$0.04	Dec14	\$1.41
Dec13	\$2.18	Dec13	\$2.05
Dec12	\$1.99	Dec12	\$1.93
Dec11	\$2.46	Dec11	\$1.75
Dec10	\$1.36	Dec10	\$1.30
Dec09	\$1.83	Dec09	\$1.18
Dec08	\$1.36	Dec08	\$0.82
Dec07	\$0.25	Dec07	\$0.55
Dec06	\$0.79	Dec06	\$0.64
Dec05	\$0.78	Dec05	\$0.51
Dec04	\$0.57	Dec04	\$0.34
Dec03	\$0.34	Dec03	\$0.19
Dec02	\$0.21	Dec02	\$0.10
Dec01	\$0.08	Dec01	\$0.04
Dec00	\$0.04	Dec00	\$0.02
Dec99	\$0.01	Dec99	\$0.00
Dec98	\$0.00	Balance Sheet Information Jun15	
Dec97	\$0.00	Total Current Assets	\$28,549,000,000
Dec96	\$0.00	Total Current Liabilities	\$17,060,000,000
Dec95	\$0.00	Long-Term Debt	\$6,757,000,000
		Total Assets	\$45,658,000,000
		Intangible Assets	\$8,185,000,000
		Total Liabilities	\$25,853,000,000
		Outstanding Shares	1,225,000,000



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

[30 Companies in the Spotlight This Week – 5/23/15](#)

[eBay Inc. Quarterly Valuation – May 2015 \\$EBAY](#)

[17 Companies in the Spotlight This Week – 5/10/14](#)

[eBay Inc. \(EBAY\) Annual Valuation – 2014](#)

[15 Companies in the Spotlight This Week – 2/1/14](#)

Other
ModernGraham
posts about related
companies

[Facebook Stock Analysis – Quarterly Update May 2015 \\$FB](#)

[eBay Inc. Quarterly Valuation – May 2015 \\$EBAY](#)

[Facebook Inc. Quarterly Valuation – February 2015 \\$FB](#)

[Salesforce.com Inc. Annual Valuation – 2014 \\$CRM](#)

[Facebook Inc. Quarterly Valuation – November 2014 \\$FB](#)

[Netflix Inc. Annual Valuation – 2014 \\$NFLX](#)

[Facebook Inc. Quarterly Valuation – August 2014 \\$FB](#)

[Netflix Inc. Quarterly Valuation – August 2014 \\$NFLX](#)

[Facebook Inc. \(FB\) Quarterly Valuation – May 2014](#)

[Netflix Inc. \(NFLX\) Quarterly Valuation – May 2014](#)