

ModernGraham Valuation

Company Name:

Tripadvisor Inc

Company Ticker TRIP

Date of Analysis

8/20/2015



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	Fail
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Fail

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	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.51
MG Growth Estimate	15.00%
MG Value	\$58.11
MG Value based on 3% Growth	\$21.89
MG Value based on 0% Growth	\$12.83
Market Implied Growth Rate	19.13%

MG Opinion

Current Price	\$70.57
% of Intrinsic Value	121.44%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.16
PEmg	46.76
Current Ratio	1.94
PB Ratio	8.30
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	\$1.63	Next Fiscal Year Estimate	\$1.51
Dec14	\$1.55	Dec14	\$1.41
Dec13	\$1.41	Dec13	\$1.24
Dec12	\$1.37	Dec12	\$1.02
Dec11	\$1.32	Dec11	\$0.72
Dec10	\$1.04	Dec10	\$0.35
Dec09	\$0.00	Dec09	\$0.00
Dec08	\$0.00	Dec08	\$0.00
Dec07	\$0.00	Dec07	\$0.00
Dec06	\$0.00	Dec06	\$0.00
Dec05	\$0.00	Dec05	\$0.00
Dec04	\$0.00	Dec04	\$0.00
Dec03	\$0.00	Dec03	\$0.00
Dec02	\$0.00	Dec02	\$0.00
Dec01	\$0.00	Dec01	\$0.00
Dec00	\$0.00	Dec00	\$0.00
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	Balance Sheet Information Jun15	
Dec97	\$0.00	Total Current Assets	\$1,012,000,000
Dec96	\$0.00	Total Current Liabilities	\$522,000,000
Dec95	\$0.00	Long-Term Debt	\$287,000,000
		Total Assets	\$2,277,000,000
		Intangible Assets	\$942,000,000
		Total Liabilities	\$1,036,000,000
		Shares Outstanding (Diluted Average)	146,000,000



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.

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[Priceline Group Inc. Quarterly Valuation – February 2015 \\$PCLN](#)
[Tripadvisor Inc. Quarterly Valuation – November 2014 \\$TRIP](#)
[Priceline.com Inc. Quarterly Valuation – November 2014 \\$PCLN](#)
[Expedia Inc. Annual Stock Valuation – 2014 \\$EXPE](#)
[Tripadvisor Inc. Quarterly Valuation – August 2014 \\$TRIP](#)
[Priceline Group Quarterly Valuation – July 2014 \\$PCLN](#)
[The Priceline Group \(PCLN\) Quarterly Valuation – April 2014](#)