

# ModernGraham Valuation

Company Name:

Tripadvisor Inc

Company Ticker TRIP

Date of Analysis

6/20/2016



## 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	\$9,229,686,798	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.23	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	14566.67%	Pass
6. Moderate PEmg Ratio	PEmg < 20	44.63	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.49	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	2.23	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.21	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.45
MG Growth Estimate	6.37%
<b>MG Value</b>	<b>\$30.78</b>
MG Value based on 3% Growth	\$21.01
MG Value based on 0% Growth	\$12.31
Market Implied Growth Rate	18.07%

### MG Opinion

Current Price	\$64.66
% of Intrinsic Value	210.07%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

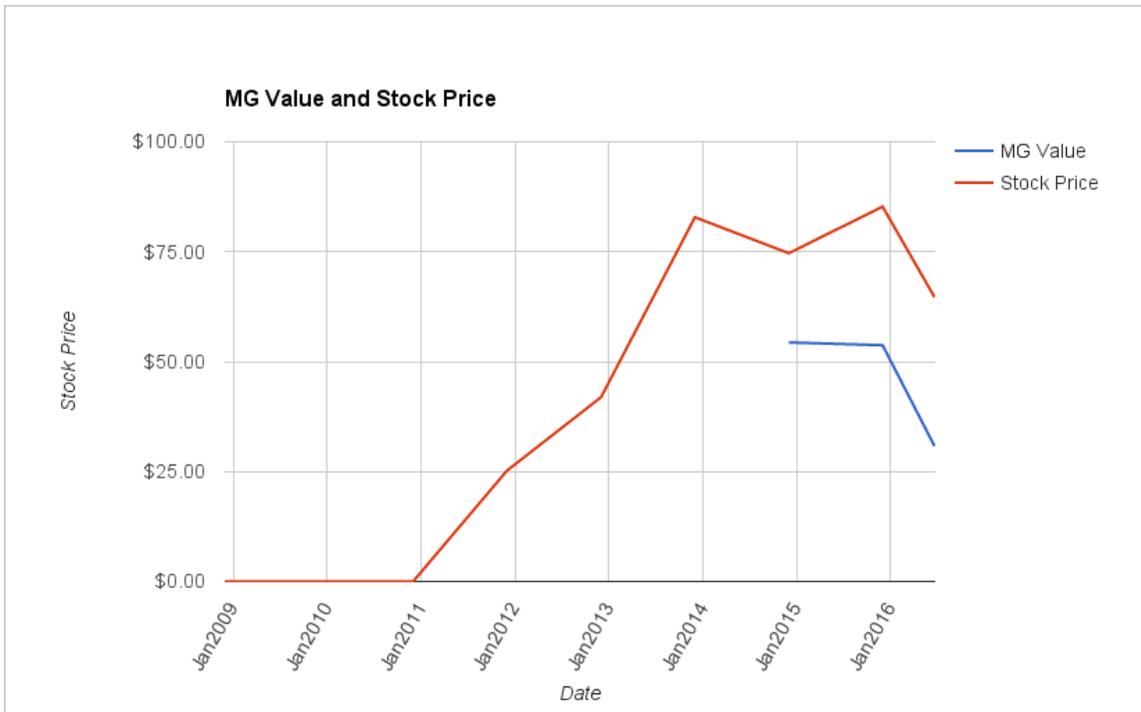
## Stage 3: Information for Further Research

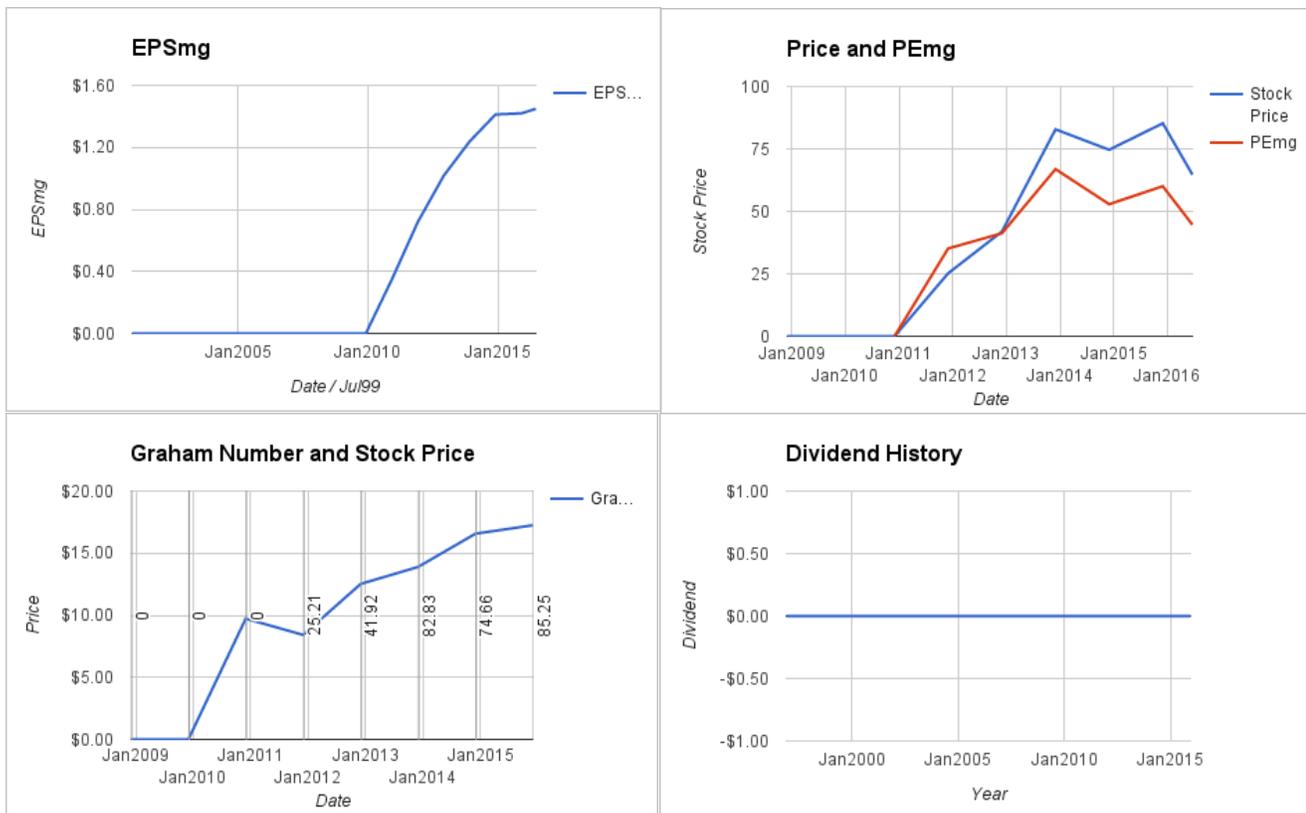
Net Current Asset Value (NCAV)	\$1.46
Graham Number	\$18.35
PEmg	44.63
Current Ratio	2.23
PB Ratio	6.49
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.49	Next Fiscal Year Estimate	\$1.45
Dec2015	\$1.36	Dec2015	\$1.42
Dec2014	\$1.55	Dec2014	\$1.41
Dec2013	\$1.41	Dec2013	\$1.24
Dec2012	\$1.37	Dec2012	\$1.02
Dec2011	\$1.32	Dec2011	\$0.72
Dec2010	\$1.04	Dec2010	\$0.35
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$964,000,000
Dec1997	\$0.00	Total Current Liabilities	\$432,000,000
Dec1996	\$0.00	Long-Term Debt	\$110,000,000
		Total Assets	\$2,214,000,000
		Intangible Assets	\$909,000,000
		Total Liabilities	\$750,000,000
		Shares Outstanding (Diluted Average)	147,000,000





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

[TripAdvisor Inc. Valuation – November 2015 Update \\$TRIP](#)

[Tripadvisor Stock Analysis – August 2015 Update \\$TRIP](#)

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

[Tripadvisor Inc. Quarterly Valuation – May 2015 \\$TRIP](#)

[28 Companies in the Spotlight This Week – 2/28/15](#)

Other ModernGraham posts about related companies

[TripAdvisor Inc. Valuation – November 2015 Update \\$TRIP](#)

[Expedia Inc. Analysis – October 2015 Update \\$EXPE](#)

[Tripadvisor Stock Analysis – August 2015 Update \\$TRIP](#)

[Priceline Group Annual Valuation – 2015 \\$PCLN](#)

[Tripadvisor Inc. Quarterly Valuation – May 2015 \\$TRIP](#)

[Tripadvisor Inc. Quarterly Valuation – February 2015 \\$TRIP](#)

[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](#)