

ModernGraham Valuation

Company Name:

eBay Inc

Company Ticker EBAY

Date of Analysis

12/31/2016



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	\$32,837,308,785	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.60	Pass
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		
5. Earnings Growth		-9.01%	Fail
6. Moderate PEmg Ratio	PEmg < 20	21.72	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.96	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	2.60	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.26	Fail
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	\$1.37
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$19.82
MG Value based on 0% Growth	\$11.62
Market Implied Growth Rate	6.61%

MG Opinion

Current Price	\$29.69
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.42
Graham Number	\$15.15
PEmg	21.72
Current Ratio	2.60
PB Ratio	4.96
Current Dividend	\$0.00
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		Next Fiscal Year Estimate	
Dec2015	\$1.67	Dec2015	\$1.37
Dec2014	\$1.42	Dec2014	\$1.35
Dec2013	\$0.04	Dec2013	\$1.41
Dec2012	\$2.18	Dec2012	\$2.05
Dec2011	\$1.99	Dec2011	\$1.93
Dec2010	\$2.46	Dec2010	\$1.75
Dec2009	\$1.36	Dec2009	\$1.30
Dec2008	\$1.83	Dec2008	\$1.18
Dec2007	\$1.36	Dec2007	\$0.82
Dec2006	\$0.25	Dec2006	\$0.55
Dec2005	\$0.79	Dec2005	\$0.64
Dec2004	\$0.78	Dec2004	\$0.51
Dec2003	\$0.57	Dec2003	\$0.34
Dec2002	\$0.34	Dec2002	\$0.19
Dec2001	\$0.22	Dec2001	\$0.10
Dec2000	\$0.08	Dec2000	\$0.04
Dec1999	\$0.04	Dec2000	\$0.02
Dec1998	\$0.01	Balance Sheet Information 9/1/2016	
Dec1997	\$0.01	Total Current Assets	\$9,783,000,000
Dec1996	\$0.00	Total Current Liabilities	\$3,763,000,000
		Long-Term Debt	\$7,582,000,000
		Total Assets	\$20,502,000,000
		Intangible Assets	\$4,844,000,000
		Total Liabilities	\$13,683,000,000
		Shares Outstanding (Diluted Average)	1,139,000,000





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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