

# ModernGraham Valuation

Company Name:

eBay Inc

Company Ticker EBAY

Date of Analysis

5/2/2018



## 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	\$36,956,105,652	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.63	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	43.36%	Pass
5. Earnings Growth	PEmg < 20	30.76	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.04	Fail
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	2.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.19	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.21
MG Growth Estimate	-2.15%
<b>MG Value</b>	<b>\$5.07</b>
MG Value based on 3% Growth	\$17.53
MG Value based on 0% Growth	\$10.27
Market Implied Growth Rate	11.13%

### MG Opinion

Current Price	\$37.18
% of Intrinsic Value	733.80%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.91
Graham Number	\$0.00
PEmg	30.76
Current Ratio	2.63
PB Ratio	5.04
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	-\$0.95	Dec2017	\$1.21
Dec2016	\$6.35	Dec2016	\$1.81
Dec2015	\$1.42	Dec2015	\$2.93
Dec2014	\$0.04	Dec2014	\$1.35
Dec2013	\$2.18	Dec2013	\$1.41
Dec2012	\$1.99	Dec2013	\$2.05
Dec2011	\$2.46	Dec2012	\$1.93
Dec2010	\$1.36	Dec2011	\$1.75
Dec2009	\$1.83	Dec2010	\$1.30
Dec2008	\$1.36	Dec2009	\$1.18
Dec2007	\$0.25	Dec2008	\$0.82
Dec2006	\$0.79	Dec2007	\$0.55
Dec2005	\$0.78	Dec2006	\$0.64
Dec2004	\$0.57	Dec2005	\$0.51
Dec2003	\$0.34	Dec2004	\$0.34
Dec2002	\$0.22	Dec2003	\$0.19
Dec2001	\$0.08	Dec2002	\$0.10
Dec2000	\$0.04	<b>Balance Sheet Information</b>	
Dec1999	\$0.01	<b>3/1/2018</b>	
Dec1998	\$0.01	Total Current Assets	\$6,763,000,000
		Total Current Liabilities	\$2,568,000,000
		Long-Term Debt	\$9,208,000,000
		Total Assets	\$24,555,000,000
		Intangible Assets	\$4,868,000,000
		Total Liabilities	\$16,959,000,000
		Shares Outstanding (Diluted Average)	1,029,000,000





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**

- [eBay Inc Valuation – December 2016 \\$EBAY](#)
- [5 Speculative and Overvalued Companies to Avoid – August 2015](#)
- [Ebay Inc. Analysis – August 2015 Update \\$EBAY](#)
- [30 Companies in the Spotlight This Week – 5/23/15](#)
- [eBay Inc. Quarterly Valuation – May 2015 \\$EBAY](#)

**Other ModernGraham posts about related companies**

- [Facebook Inc Valuation – March 2018 \\$FB](#)
- [Salesforce.com Inc Valuation – April 2017 \\$CRM](#)
- [Paypal Holdings Inc Valuation – Initial Coverage \\$PYPL](#)
- [Netflix Inc Valuation – February 2017 \\$NFLX](#)
- [Shutterstock Inc Valuation – Initial Coverage \\$SSTK](#)
- [Synchronoss Technologies Inc Valuation – Initial Coverage \\$SNCR](#)
- [eBay Inc Valuation – December 2016 \\$EBAY](#)
- [Facebook Inc Valuation – July 2016 \\$FB](#)
- [Salesforce.com Valuation – January 2016 Update \\$CRM](#)
- [Facebook Inc Valuation – January 2016 Update \\$FB](#)