ModernGraham Valuation

Company Name:

Company Ticker

eBay Inc

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.

EBAY

 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
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
Earnings Growth	beginning and end	43.36% Pass
Moderate PEmg Ratio	PEmg < 20	30.76 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.04 Fail

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

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		Fail

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.21
MG Growth Estimate	-2.15%
MG Value	\$5.07
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%

Opinion Overvalued MG Grade

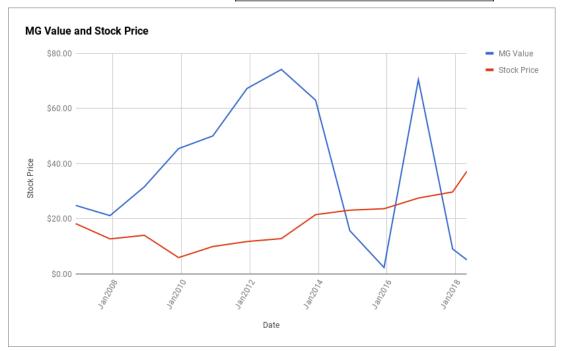
Stage 3: Information for Further Research

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

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$1.21
Dec2017	-\$0.95	Dec2017	\$1.81
Dec2016	\$6.35	Dec2016	\$2.93
Dec2015	\$1.42	Dec2015	\$1.35
Dec2014	\$0.04	Dec2014	\$1.41
Dec2013	\$2.18	Dec2013	\$2.05
Dec2012	\$1.99	Dec2012	\$1.93
Dec2011	\$2.46	Dec2011	\$1.75
Dec2010	\$1.36	Dec2010	\$1.30
Dec2009	\$1.83	Dec2009	\$1.18
Dec2008	\$1.36	Dec2008	\$0.82
Dec2007	\$0.25	Dec2007	\$0.55
Dec2006	\$0.79	Dec2006	\$0.64
Dec2005	\$0.78	Dec2005	\$0.51
Dec2004	\$0.57	Dec2004	\$0.34
Dec2003	\$0.34	Dec2003	\$0.19
Dec2002	\$0.22	Dec2002	\$0.10
Dec2001	\$0.08	Balance Sheet Information	3/1/2018
Dec2000	\$0.04	Total Current Assets	\$6,763,000,000
Dec1999	\$0.01	Total Current Liabilities	\$2,568,000,000
Dec1998	\$0.01	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:

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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

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