

ModernGraham Valuation

Company Name:

Company Ticker TRIP

Date of Analysis

1/12/2019

Tripadvisor Inc
Common Stock



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	\$7,712,066,189	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.04	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	9.09%	Fail
5. Earnings Growth	PEmg < 20	84.28	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.48	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	2.04	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.66
MG Growth Estimate	-4.25%
MG Value	\$1.25
MG Value based on 3% Growth	\$9.64
MG Value based on 0% Growth	\$5.65
Market Implied Growth Rate	37.89%

MG Opinion

Current Price	\$56.02
% of Intrinsic Value	4487.97%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.25
Graham Number	\$12.95
PEmg	84.28
Current Ratio	2.04
PB Ratio	5.48
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

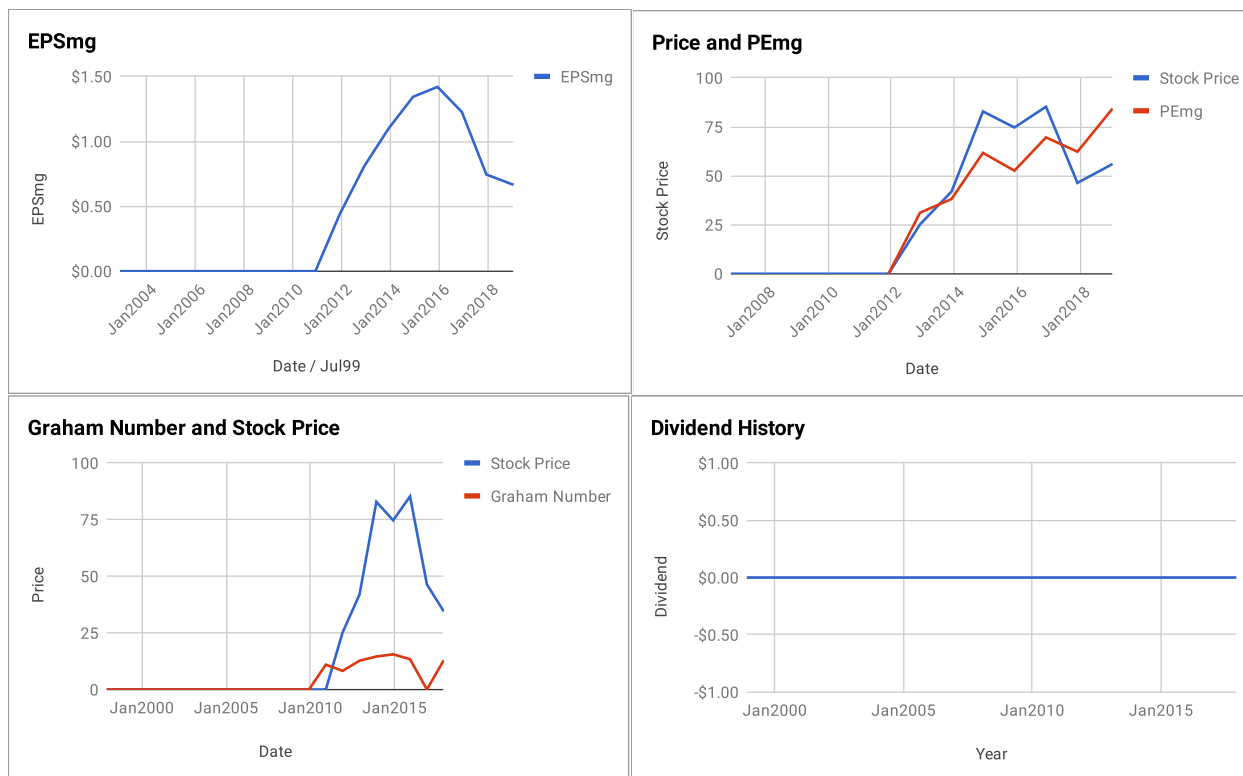
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.76		\$0.66
Dec2017	-\$0.14	Dec2017	\$0.74
Dec2016	\$0.82	Dec2016	\$1.23
Dec2015	\$1.36	Dec2015	\$1.42
Dec2014	\$1.55	Dec2014	\$1.34
Dec2013	\$1.41	Dec2013	\$1.10
Dec2012	\$1.37	Dec2012	\$0.81
Dec2011	\$1.32	Dec2011	\$0.44
Dec2010	\$0.00	Dec2010	\$0.00
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	Balance Sheet Information	
Dec2000	\$0.00	9/1/2018	
Dec1999	\$0.00	Total Current Assets	\$926,000,000
Dec1998	\$0.00	Total Current Liabilities	\$453,000,000
		Long-Term Debt	\$0
		Total Assets	\$2,192,000,000
		Intangible Assets	\$889,000,000
		Total Liabilities	\$750,000,000
		Shares Outstanding (Diluted Average)	141,000,000





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

- [10 Most Overvalued Stocks of the S&P 500 – July 2018](#)
- [TripAdvisor Inc Valuation – March 2018 \\$TRIP](#)
- [TripAdvisor Inc Valuation – June 2016 \\$TRIP](#)
- [TripAdvisor Inc. Valuation – November 2015 Update \\$TRIP](#)
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- [Royal Caribbean Cruises Ltd Valuation – Initial Coverage June 2018 \\$RCL](#)
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- [TripAdvisor Inc Valuation – March 2018 \\$TRIP](#)
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- [TripAdvisor Inc. Valuation – November 2015 Update \\$TRIP](#)
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