

ModernGraham Valuation

Company Name:

eBay Inc

Company Ticker EBAY

Date of Analysis

2/24/2019



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	\$34,298,867,731	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.60	Fail
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	-29.26%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.53	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.66	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	1.60	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.88	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.27
MG Growth Estimate	10.21%
MG Value	\$65.60
MG Value based on 3% Growth	\$32.89
MG Value based on 0% Growth	\$19.28
Market Implied Growth Rate	4.01%

MG Opinion

Current Price	\$37.49
% of Intrinsic Value	57.15%
Opinion	Undervalued
MG Grade	C-

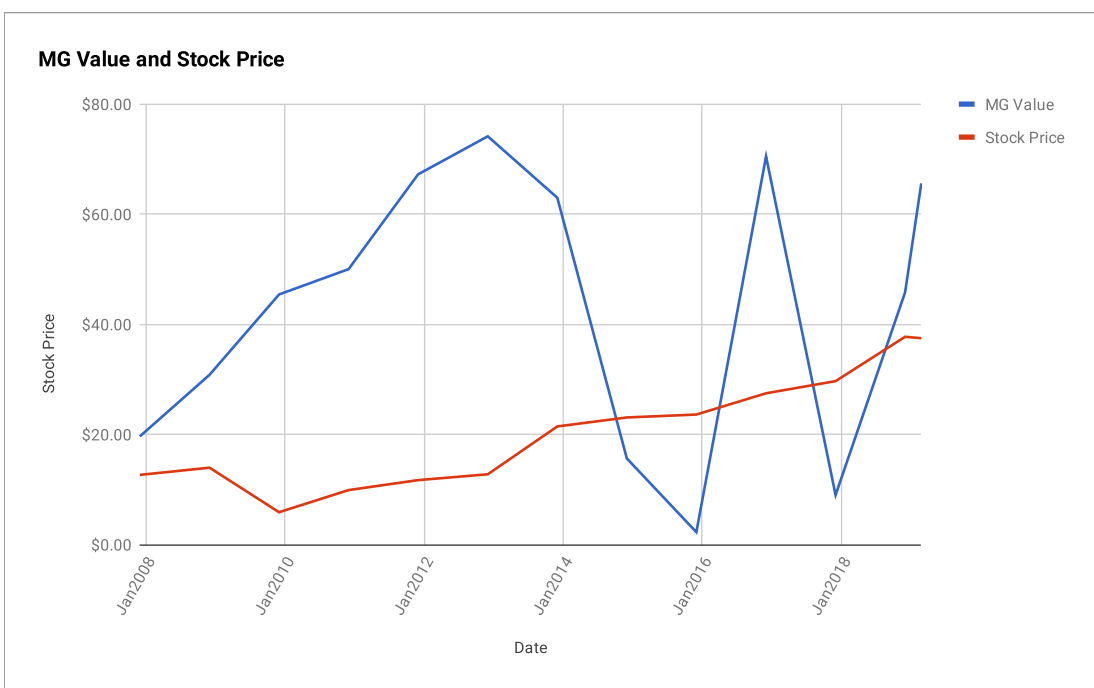
Stage 3: Information for Further Research

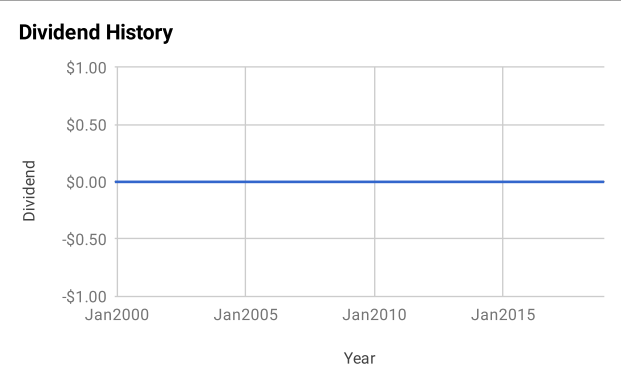
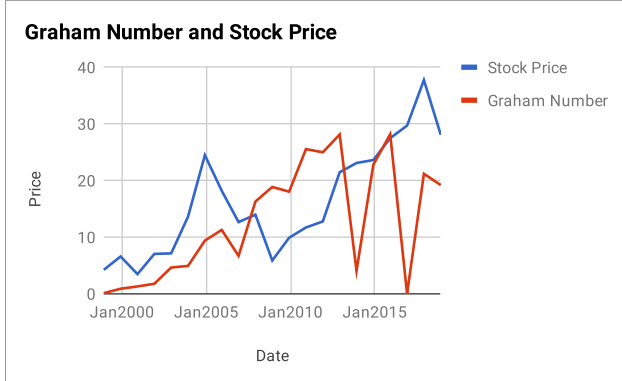
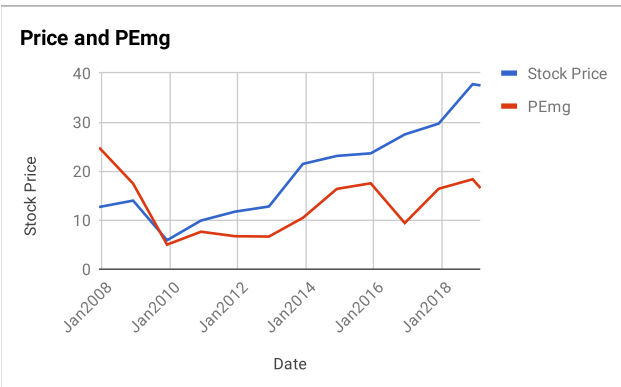
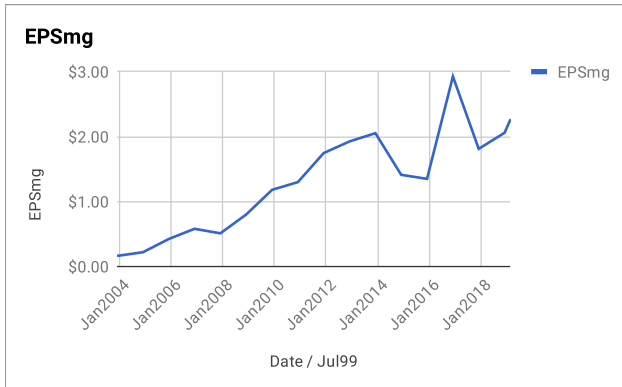
Net Current Asset Value (NCAV)	-\$9.92
Graham Number	\$19.19
PEmg	16.53
Current Ratio	1.60
PB Ratio	5.66
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$2.51	Next Fiscal Year Estimate	\$2.27
Dec2018	\$2.55	Dec2018	\$2.06
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	\$0.80
Dec2007	\$0.25	Dec2007	\$0.51
Dec2006	\$0.79	Dec2006	\$0.58
Dec2005	\$0.78	Dec2005	\$0.42
Dec2004	\$0.29	Dec2004	\$0.22
Dec2003	\$0.34	Dec2003	\$0.16
Dec2002	\$0.11	Balance Sheet Information 12/1/2018	
Dec2001	\$0.08	Total Current Assets	\$7,126,000,000
Dec2000	\$0.04	Total Current Liabilities	\$4,454,000,000
Dec1999	\$0.01	Long-Term Debt	\$7,685,000,000
		Total Assets	\$22,819,000,000
		Intangible Assets	\$5,252,000,000
		Total Liabilities	\$16,538,000,000
		Shares Outstanding (Diluted Average)	949,000,000





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 – May 2018 \\$EBAY](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [Facebook Inc Valuation – January 2019 \\$FB](#)
 - [Shutterstock Inc Valuation – August 2018 \\$SSTK](#)
 - [Twitter Inc Valuation – June 2018 \\$TWTR](#)
 - [Salesforce.com Inc Valuation – June 2018 \\$CRM](#)
 - [eBay Inc Valuation – May 2018 \\$EBAY](#)
 - [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](#)