

# ModernGraham Valuation

Company Name:

Twitter Inc

Company Ticker TWTR

Date of Analysis

4/3/2019



## 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	\$26,509,140,015	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.69	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	-183.13%	Fail
5. Earnings Growth	PEmg < 20	76.76	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.94	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	4.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.31	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		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.45
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$17.33</b>
MG Value based on 3% Growth	\$6.53
MG Value based on 0% Growth	\$3.83
Market Implied Growth Rate	34.13%

### MG Opinion

Current Price	\$34.54
% of Intrinsic Value	199.37%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

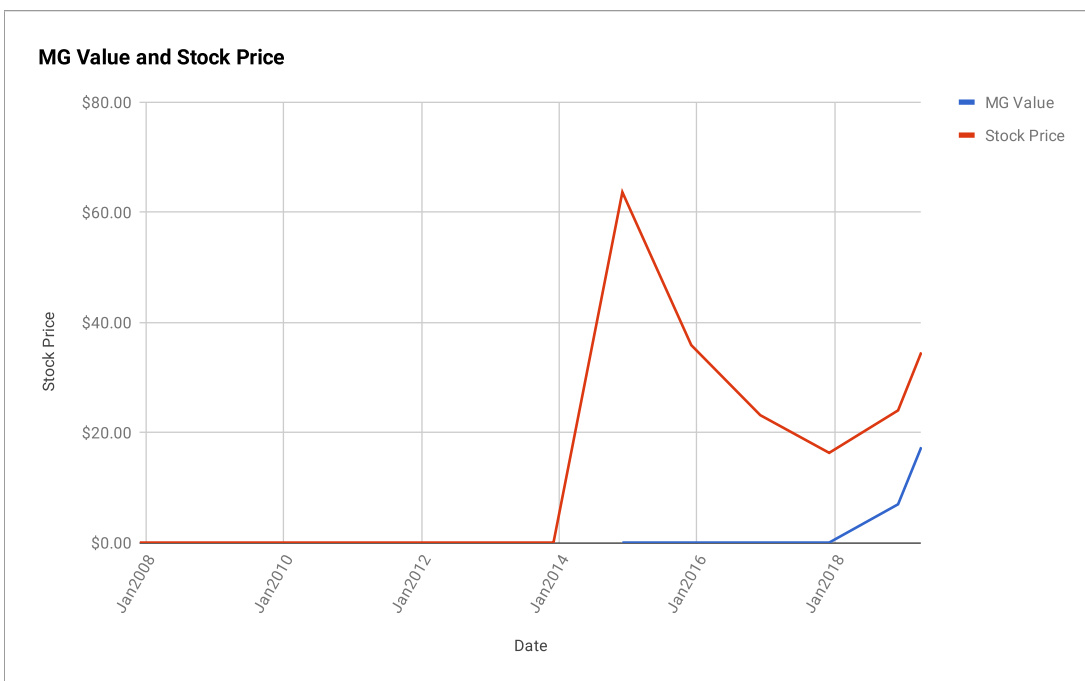
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.84
Graham Number	\$11.08
PEmg	76.76
Current Ratio	4.69
PB Ratio	3.94
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.61		\$0.45
Dec2018	\$1.56	Dec2018	\$0.18
Dec2017	-\$0.15	Dec2017	-\$0.74
Dec2016	-\$0.65	Dec2016	-\$1.12
Dec2015	-\$0.79	Dec2015	-\$1.40
Dec2014	-\$0.96	Dec2014	-\$1.59
Dec2013	-\$3.41	Dec2013	-\$1.66
Dec2012	-\$0.68	Dec2012	-\$0.68
Dec2011	-\$1.60	Dec2011	-\$0.57
Dec2010	-\$0.15	Dec2010	-\$0.05
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	<b>Balance Sheet Information</b>	
Dec2001	\$0.00	<b>12/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$7,111,036,000
Dec1999	\$0.00	Total Current Liabilities	\$1,516,311,000
		Long-Term Debt	\$1,730,922,000
		Total Assets	\$10,162,572,000
		Intangible Assets	\$1,272,294,000
		Total Liabilities	\$3,356,978,000
		Shares Outstanding (Diluted Average)	776,211,000





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 [Twitter Inc Valuation – June 2018 \\$TWTR](#)

ModernGraham  
posts about the  
company

Other [eBay Inc Valuation – February 2019 \\$EBAY](#)  
ModernGraham [Facebook Inc Valuation – January 2019 \\$FB](#)  
posts about related [Shutterstock Inc Valuation – August 2018 \\$SSTK](#)  
companies [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](#)