

TheStreet Quant Ratings

BUY				HOLD			SELL						BUY	RATING SINCE	07/29/2020		
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+		E	E-	F	TARGET PRICE
Annual Dividend Rate \$0.72				Annual Dividend Yield 0.99%			Beta 1.11			Market Capitalization \$45.5 Billion			52-Week Range \$48.67-\$81.19		Price as of 11/24/2021 \$72.66		

Sector: **Information** | Industry Group: **Data Processing, Hosting, and Related Services****EBAY BUSINESS DESCRIPTION**

eBay Inc. operates marketplace platforms that connect buyers and sellers worldwide. The company's Marketplace platform includes its online marketplace at ebay.com and the eBay suite of mobile apps.

STOCK PERFORMANCE (%)

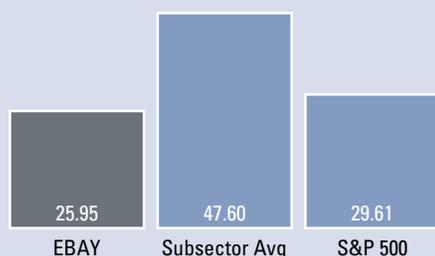
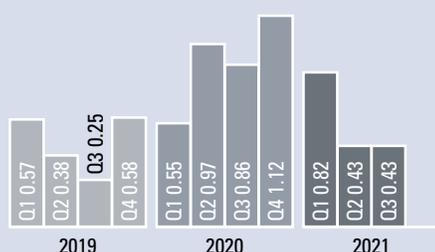
	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	-0.25	43.80	36.71

GROWTH (%)

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	10.76	23.38	0.31
Net Income	-60.25	132.13	157.24
EPS	-50.00	-5.41	79.50

RETURN ON EQUITY (%)

	EBAY	Subsector Avg	S&P 500
Q3 2021	17.60	28.03	16.80
Q3 2020	74.79	16.75	11.22
Q3 2019	55.35	16.74	15.63

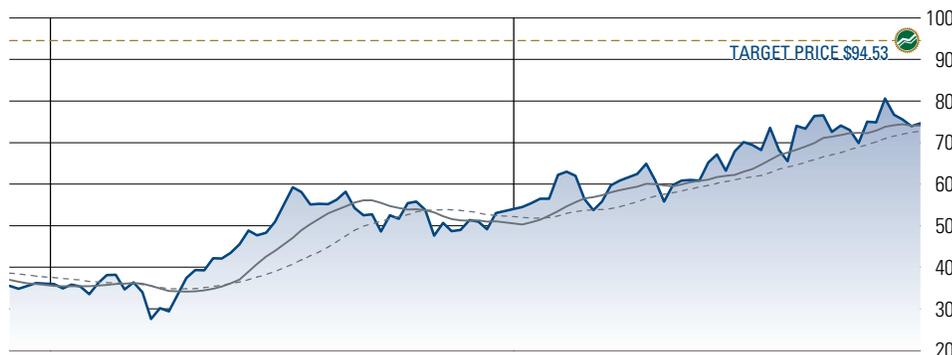
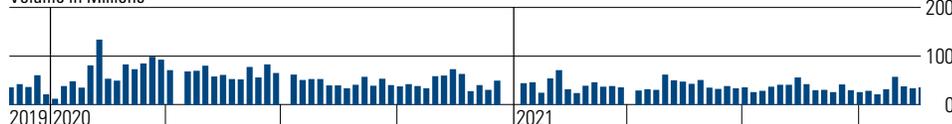
P/E COMPARISON**EPS ANALYSIS' (\$)**

NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

1 Year | 2 Years

**Rating History****Volume in Millions**

COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

RECOMMENDATION

We rate EBAY INC (EBAY) a BUY. This is driven by several positive factors, which we believe should have a greater impact than any weaknesses, and should give investors a better performance opportunity than most stocks we cover. The company's strengths can be seen in multiple areas, such as its solid stock price performance, revenue growth, reasonable valuation levels, good cash flow from operations and largely solid financial position with reasonable debt levels by most measures. We feel its strengths outweigh the fact that the company has had sub par growth in net income.

HIGHLIGHTS

Compared to its closing price of one year ago, EBAY's share price has jumped by 43.79%, exceeding the performance of the broader market during that same time frame. Regarding the stock's future course, although almost any stock can fall in a broad market decline, EBAY should continue to move higher despite the fact that it has already enjoyed a very nice gain in the past year.

The revenue growth significantly trails the subsector average of 42.6%. Since the same quarter one year prior, revenues rose by 10.8%. This growth in revenue does not appear to have trickled down to the company's bottom line, displayed by a decline in earnings per share.

Net operating cash flow has significantly increased by 142.85% to \$255.00 million when compared to the same quarter last year. In addition, EBAY INC has also vastly surpassed the subsector average cash flow growth rate of 51.92%.

EBAY INC's earnings per share declined by 50.0% in the most recent quarter compared to the same quarter a year ago. This company has reported somewhat volatile earnings recently. But, we feel it is poised for EPS growth in the coming year. During the past fiscal year, EBAY INC increased its bottom line by earning \$3.50 versus \$1.78 in the prior year. This year, the market expects an improvement in earnings (\$3.96 versus \$3.50).

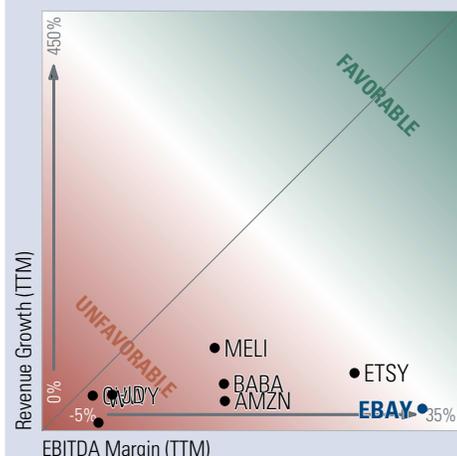
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PEER GROUP ANALYSIS

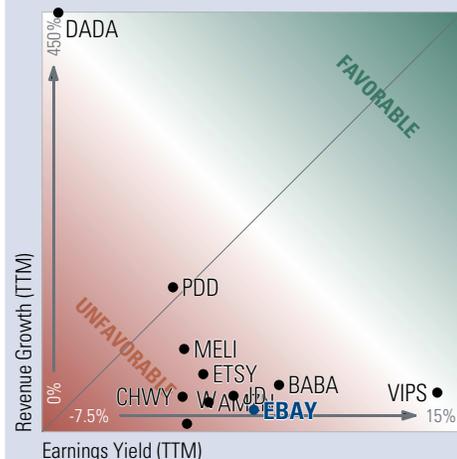
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$5.6 Billion and \$1.8 Trillion. Companies with NA or NM values do not appear.

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between 8.6% and 449.3%. Companies with NA or NM values do not appear.

SUBSECTOR ANALYSIS

EBAY INC falls within the Information sector and the Data Processing, Hosting, and Related Services industry group of the North American Industry Classification System or NAICS.

TheStreet Quant Ratings is currently tracking 605 companies in the Information sector that total around \$15,382 billion in market capitalization as well as \$3,075 billion in annual sales.

The Data Processing, Hosting, and Related Services subsector accounts for 22.9% of those revenues.

Industries in the Data Processing, Hosting, and Related Services subsector group establishments that provide the infrastructure for hosting and/or data processing services.

PEER GROUP: Data Processing, Hosting, and Related Services

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
EBAY	EBAY INC	72.66	45,485	25.95	10,675.00	12,484.00
CHWY	CHEWY INC	67.10	7,151	3,355.00	8,115.23	10.23
MELI	MERCADOLIBRE INC	1,273.00	64,234	800.63	6,265.95	78.83
VIPS	VIPSHOP HOLDINGS LTD	10.31	6,287	7.31	18,351.69	989.61
DADA	DADA NEXUS LTD -ADR	23.61	5,631	NM	1,033.99	-364.35
ETSY	ETSY INC	296.91	37,643	87.84	2,229.33	480.49
BABA	ALIBABA GROUP HLDG	136.52	370,094	19.23	127,056.13	19,530.82
W	WAYFAIR INC	279.32	21,782	358.10	14,127.08	94.46
AMZN	AMAZON.COM INC	3,580.41	1,815,798	70.04	457,965.00	26,263.00
JD	JD.COM INC	89.36	119,694	36.18	142,345.52	4,126.89
PDD	PINDUODUO INC -ADR	81.36	101,968	NM	13,402.60	-458.08

The peer group comparison is based on Major Data Processing, Hosting, and Related Services companies of comparable size.

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Sector: Information | Data Processing, Hosting, and Related Services

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COMPANY DESCRIPTION

eBay Inc. operates marketplace platforms that connect buyers and sellers worldwide. The company's Marketplace platform includes its online marketplace at ebay.com and the eBay suite of mobile apps. Its platforms enable users to list, buy, sell, and pay for items through various online, mobile, and offline channels that include retailers, distributors, liquidators, import and export companies, auctioneers, catalog and mail-order companies, classifieds, directories, search engines, commerce participants, shopping channels, and networks. eBay Inc. has a strategic partnership with Bidadoo, Inc. to transform heavy equipment industry. The company was founded in 1995 and is headquartered in San Jose, California.

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STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of EBAY shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
Growth	4.0 out of 5 stars	★	★	★	★	☆
Measures the growth of both the company's income statement and cash flow. On this factor, EBAY has a growth score better than 70% of the stocks we rate.		weak				strong
Total Return	3.5 out of 5 stars	★	★	★	☆	☆
Measures the historical price movement of the stock. The stock performance of this company has beaten 60% of the companies we cover.		weak				strong
Efficiency	4.5 out of 5 stars	★	★	★	★	☆
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 80% of the companies we review.		weak				strong
Price volatility	4.5 out of 5 stars	★	★	★	★	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 80% of the stocks we monitor.		weak				strong
Solvency	4.0 out of 5 stars	★	★	★	★	☆
Measures the solvency of the company based on several ratios. The company is more solvent than 70% of the companies we analyze.		weak				strong
Income	3.5 out of 5 stars	★	★	★	☆	☆
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 60% of the companies we track.		weak				strong

THESTREET QUANT RATINGS RESEARCH METHODOLOGY

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

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Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial



FINANCIAL ANALYSIS

EBAY INC's gross profit margin for the third quarter of its fiscal year 2021 has decreased when compared to the same period a year ago. Even though sales increased, the net income has decreased. EBAY INC has average liquidity. Currently, the Quick Ratio is 1.01 which shows that technically this company has the ability to cover short-term cash needs. The company's liquidity has decreased from the same period last year.

At the same time, stockholders' equity ("net worth") has greatly increased by 274.82% from the same quarter last year. Together, the key liquidity measurements indicate that it is relatively unlikely that the company will face financial difficulties in the near future.

STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

INCOME STATEMENT

	Q3 FY21	Q3 FY20
Net Sales (\$mil)	2,501.00	2,258.00
EBITDA (\$mil)	781.00	818.00
EBIT (\$mil)	662.00	661.00
Net Income (\$mil)	264.00	664.00

BALANCE SHEET

	Q3 FY21	Q3 FY20
Cash & Equiv. (\$mil)	5,282.00	3,660.00
Total Assets (\$mil)	29,257.00	18,421.00
Total Debt (\$mil)	9,306.00	8,134.00
Equity (\$mil)	10,945.00	2,920.00

PROFITABILITY

	Q3 FY21	Q3 FY20
Gross Profit Margin	77.65%	85.52%
EBITDA Margin	31.22%	36.22%
Operating Margin	26.47%	29.27%
Sales Turnover	0.36	0.47
Return on Assets	42.67%	29.19%
Return on Equity	17.60%	74.79%

DEBT

	Q3 FY21	Q3 FY20
Current Ratio	3.35	1.75
Debt/Capital	0.46	0.74
Interest Expense	65.00	67.00
Interest Coverage	10.18	9.87

SHARE DATA

	Q3 FY21	Q3 FY20
Shares outstanding (mil)	633	689
Div / share	0.18	0.16
EPS	0.43	0.86
Book value / share	17.29	4.24
Institutional Own %	NA	NA
Avg Daily Volume	6,180,835	7,062,998

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

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RATINGS HISTORY

Our rating for EBAY INC has not changed since 7/29/2020. As of 11/24/2021, the stock was trading at a price of \$72.66 which is 10.5% below its 52-week high of \$81.19 and 49.3% above its 52-week low of \$48.67.

2 Year Chart



MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
7/29/20	\$54.53	Upgrade	Hold	Buy
4/3/20	\$29.41	Downgrade	Buy	Hold
11/22/19	\$35.12	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

RATINGS DEFINITIONS & DISTRIBUTION OF THE STREET RATINGS

(as of 11/24/2021)

44.25% Buy - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

29.82% Hold - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

25.94% Sell - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

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VALUATION

BUY. The current P/E ratio indicates a significant discount compared to an average of 47.60 for the Data Processing, Hosting, and Related Services subsector and a discount compared to the S&P 500 average of 29.61. To use another comparison, its price-to-book ratio of 4.20 indicates a discount versus the S&P 500 average of 4.73 and a significant discount versus the subsector average of 15.06. The price-to-sales ratio is well above the S&P 500 average, but well below the subsector average. Upon assessment of these and other key valuation criteria, EBAY INC proves to trade at a discount to investment alternatives.

Price/Earnings	1	2	3	4	5
		premium			discount

EBAY 25.95 Peers **47.60**

- Discount. A lower P/E ratio than its peers can signify a less expensive stock or lower growth expectations.
- EBAY is trading at a significant discount to its peers.

Price/Projected Earnings	1	2	3	4	5
		premium			discount

EBAY 16.15 Peers **37.68**

- Discount. A lower price-to-projected earnings ratio than its peers can signify a less expensive stock or lower future growth expectations.
- EBAY is trading at a significant discount to its peers.

Price/Book	1	2	3	4	5
		premium			discount

EBAY 4.20 Peers **15.06**

- Discount. A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- EBAY is trading at a significant discount to its peers.

Price/Sales	1	2	3	4	5
		premium			discount

EBAY 4.31 Peers **13.66**

- Discount. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- EBAY is trading at a significant discount to its subsector on this measurement.

Price/CashFlow	1	2	3	4	5
		premium			discount

EBAY 14.95 Peers **192.74**

- Discount. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- EBAY is trading at a significant discount to its peers.

Price to Earnings/Growth	1	2	3	4	5
	premium				discount

EBAY 2.19 Peers **0.54**

- Premium. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- EBAY trades at a significant premium to its peers.

Earnings Growth	1	2	3	4	5
	lower				higher

EBAY -5.41 Peers **74.83**

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, EBAY is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth	1	2	3	4	5
	lower				higher

EBAY 23.38 Peers **40.56**

- Lower. A sales growth rate that trails the subsector implies that a company is losing market share.
- EBAY significantly trails its peers on the basis of sales growth.

DISCLAIMER:

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NAICS is the North American Industry Classification System which provides the Sector, Subsector, and Industry Group structure used in this report. As many companies are diversified, the companies may also operate in other industry segments than the one listed.