

MONEY MAKING MELTING POT PRESENTS:



Disney

Who makes the magic happen?



Esam Hijazi
Chief Executive Officer

Maryam Shah
Chief Artistic Officer

Maria Gonzalez
Growth Strategist

Rich Tran
Valuation Expert

Luis Green
Chief Financial Officer

Money Making Melting Pot

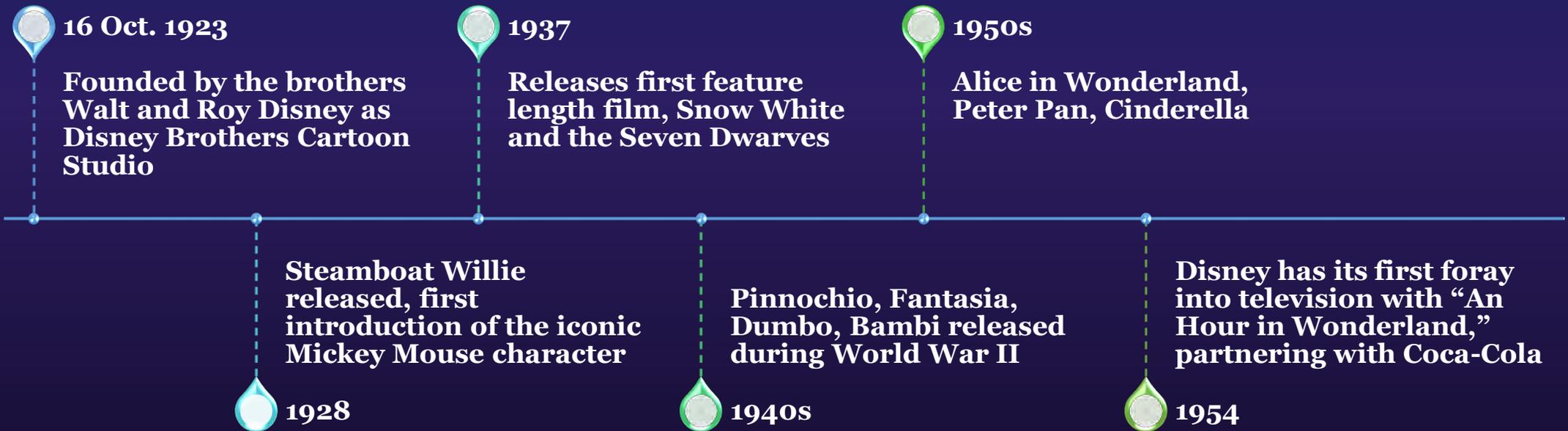
Overview

- The Walt Disney Company
- Ticker: DIS (NYSE)
- Stock Price: \$132.13
- Market Cap: \$246.71B
- Revenues (FY2019): \$59.43B

Disney is a worldwide entertainment and mass media company, operating in a variety of different industries.



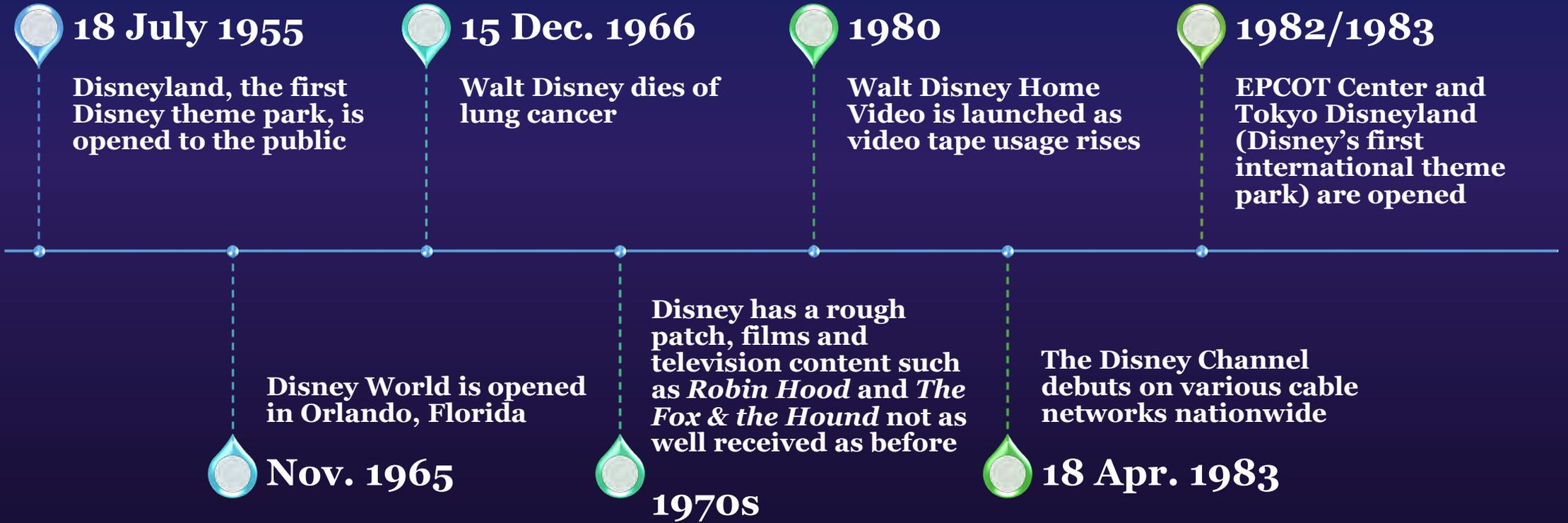
History



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History



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History – “Save Disney”



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Performance (52 Weeks)



- **Stock has traded in the 100-120 range over the past 52 weeks, but has recently broke out higher.**
- **Up over 23% YTD, having fallen along with the broader market in October through December.**
- **The massive push upward in early April was due to the unveiling of Disney+ in the company's Investor Day, being offered at rates which were lower than expected.**

Investor Day

• April 11, 2019

• Disney+ is unveiled, and is expected to grow to have over 36 million subscribers by 2023

• Discussion of international growth strategy

• Disney brand awareness in India/growth of technology

• Shanghai Disneyland

• Upcoming projects are discussed

• 2019 film lineup includes Lion King, Aladdin, Avengers: Endgame and Captain Marvel



Recent News



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Investor Day Highlights - Streaming

Disney+	ESPN+	hulu	hotstar
AD FREE SUBSCRIPTION	LIMITED AD SUBSCRIPTION	LIMITED AD SUBSCRIPTION	AD SUPPORTED / FREE SERVICE
		AD FREE SUBSCRIPTION	PREMIUM SUBSCRIPTION
		HULU LIVE DMVPD	

The Disney Company
INVESTOR DAY

Disney+	ESPN+	hulu
GLOBAL	US & EXPANDING	US & EXPANDING

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Investor Day – Indian Growth



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AVENGERS

INFINITY WAR

MARVEL STUDIOS

AVENGERS

ENDGAME



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Mergers and Acquisitions



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Pixar Studios



- Previously collaborated with Disney for years under the tenure of Steve Jobs
- Acquired by Disney on January 25, 2006 for \$3.9 billion in all stock deal
- Pixar is a computer animation studio specializing in family-friendly pictures
- Some of its notable works include Toy Story, The Incredibles, Finding Nemo, Ratatouille, Up, Brave, and Cars

Marvel

- ❧ An entertainment company historically specializing in superhero comics and later became a producer of media franchises
- ❧ Owns a broad arena of intangible assets
- ❧ Acquired by Disney on December 31, 2009 for \$4 billion
- ❧ Since acquisition, the Marvel Cinematic Universe has produced gross revenues of \$18.621 billion over the course of its 21 films



Lucasfilm

- Acquired on December 21, 2012 for \$4.05 billion in a cash-and-stock deal
- As a subsidiary, Lucasfilm has released four new Star Wars films
 - The Force Awakens grossed \$2.1 billion
- American film studio and television production company, best known for creating Star Wars and later Indiana Jones, named after its founded filmmaker George Lucas





- Technology company focusing on streaming and video content
- Originally founded as a spin-off of the digital media segment of the MLB in 2015. Major clients include Riot Games, and ESPN
- Disney upped its stake to 75% in September 2017, becoming a majority owner and began consolidating its financials
- **BamTech's** assets are being used to help in the creation of ESPN+ and Disney+





- Mass media corp included news, sports, television programming and a film studio (20th Century Fox)
 - Distributing many Marvel-owned brands such as X-Men
- Announced in December 2017, followed by brief bidding war with Comcast
- \$71.3b cash and stock offer
- News and sports divisions were spun-off into “New Fox,” which was not acquired by Disney
- Acquired on March 20th, 2019
- Fox’s film/TV studios, FX Network, and National Geographic

hulu

- Streaming service company
- Offered in the US and Japan - television and film content from various networks and original content
- Content partners include networks such as FX, PBS, Fox Sports, Syfy, NFL Network, NBC, and ABC
- **Will be Disney's exclusive streaming location for adult-themed movies and shows**

ESPN vs CBS Sports

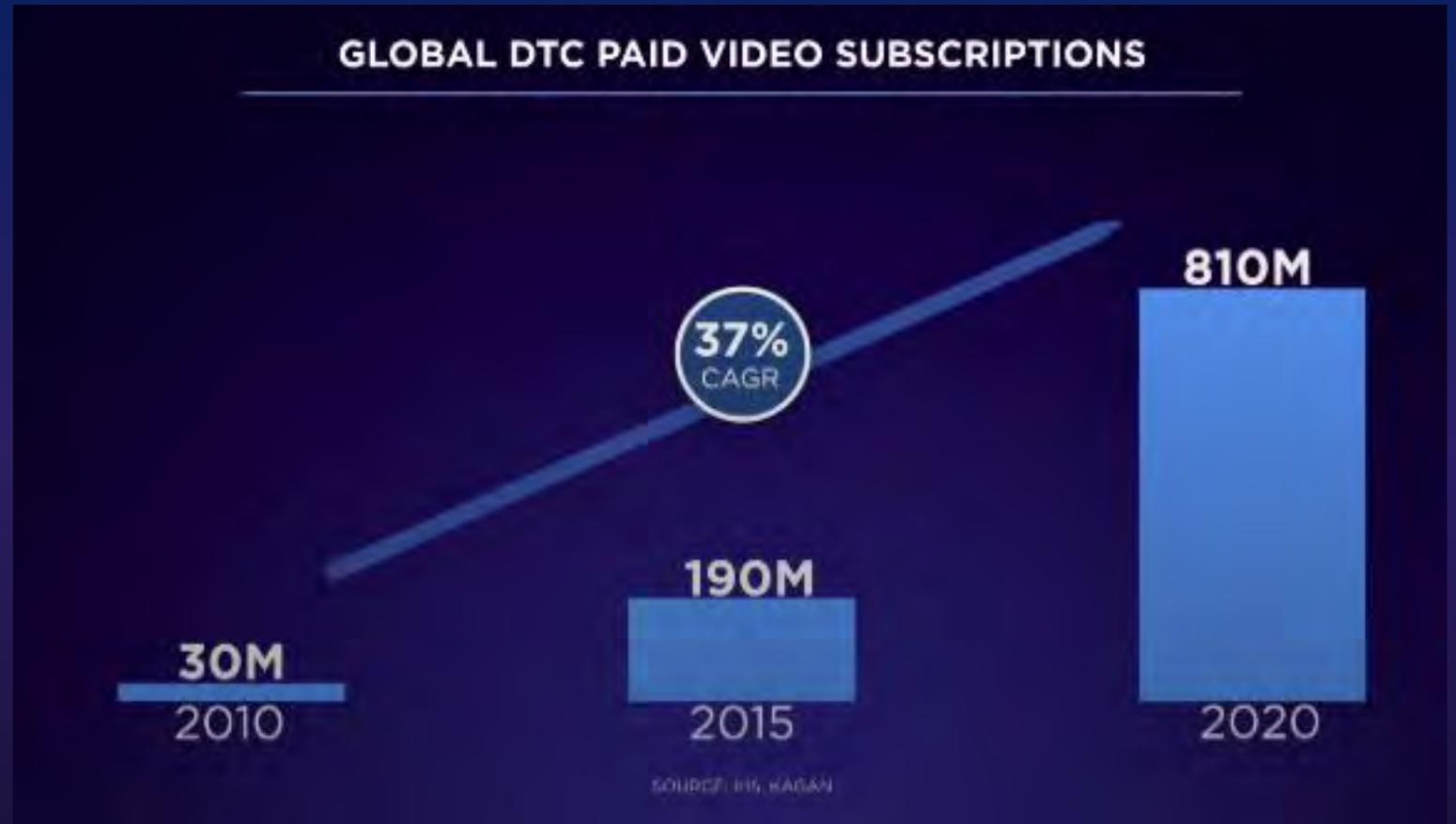
- ESPN - the “most well known and trusted name in sports”, especially amongst men
- 300 million viewers
- ESPN better rated for fantasy sports over CBS

Consumer Trends



Global DTC Paid Video Subscription

- Sizeable increase in the number of direct to consumer subscriptions globally
- It is growing by 37 % annually



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Total Hours per day

- Rise in content consumption with an expected annual growth of 50%
- Making the streaming services even more important





Direct and Consumer Entertainment

The logo for ESPN+ is displayed in a large, bold, white font against a black rectangular background. The letters 'ESPN' are in a stylized, italicized font, and a bright yellow plus sign follows.

ESPN+

THIS NEW STREAMING PLATFORM HAS OVER 2 MILLION PAID SUBSCRIBERS.

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A photograph of James Pitaro, a man in a dark suit and light blue shirt, smiling. He is standing in front of a large, red, 3D ESPN logo. The background is slightly blurred.

The **Walt** Disney Company has picked **James Pitaro**, the chairman of its consumer products and interactive division, to be the next president of ESPN.



- ESPN is a sports entertainment company owned 80% by Disney and 20% by Hearst Corporation

- ESPN holds rights for various professional and college sports programming including:

- College football and basketball, NBA, NFL, Major League Baseball (MLB), US Open Tennis, the **Professional Golfers' Association (PGA)**, various soccer rights



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- ESPN is the #1 sport streaming service for unique users and minutes
- They will do over 24,000 live events in 2019

#1
**UNIQUE USERS
& MINUTES**
GLOBAL DIGITAL SPORTS CATEGORY

THE MOST WELL KNOWN AND TRUSTED BRAND IN SPORTS

200M
PEOPLE REACHED
PER MONTH / TV & DIGITAL IN THE US

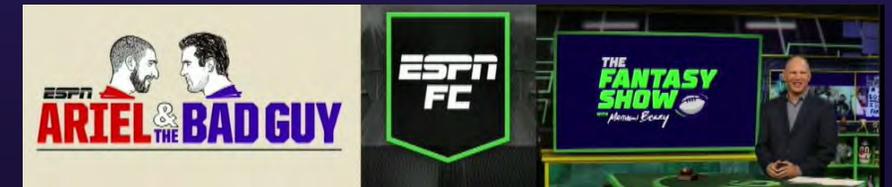
#1 TOP RATED
CABLE NETWORK
AMONG MEN / 13 YEARS IN A ROW

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ESPN's Original Programming

- Include Detail with Koby Bryant and Payton Manning, the UFC edition with Daniel Cormier, and series like More Than An Athlete with LeBron James
- They also offer regular studio shows



ESPN+

\$4.99/MONTH

\$49.99/YEAR

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hotstar



Hotstar Asia

- Streaming service for sports & entertainment in Asia
- Had more than 300 million active viewers
- Also set a world record by serving 13 million viewers for Indian premier league matches



UDAY SHANKAR

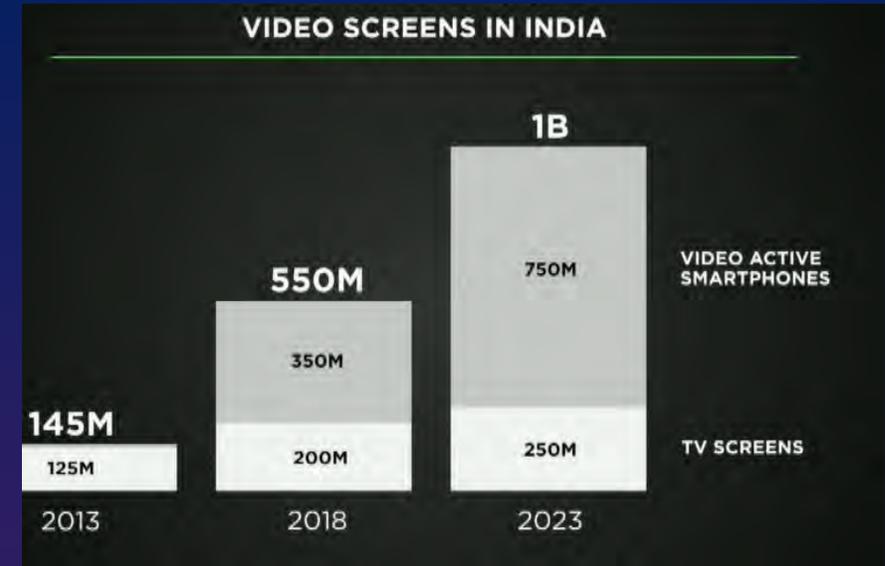
PRESIDENT, THE WALT DISNEY COMPANY ASIA PACIFIC



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Hotstar

- ♥ India is one of the world's fastest growing economies
- ♥ India has the largest population below 25 years of age that are internet users. That is 600 million in internet users
- ♥ India is said to have more internet users than the entire population in the group of the top 7 countries put together
- ♥ Next 5 years India will have over 1 billion people using video screens



The Disney+ logo is centered on a dark blue background. It features the word "Disney" in its signature white script font, followed by a plus sign. A blue arc is positioned above the text, starting from the top of the "D" and ending at the top of the plus sign.

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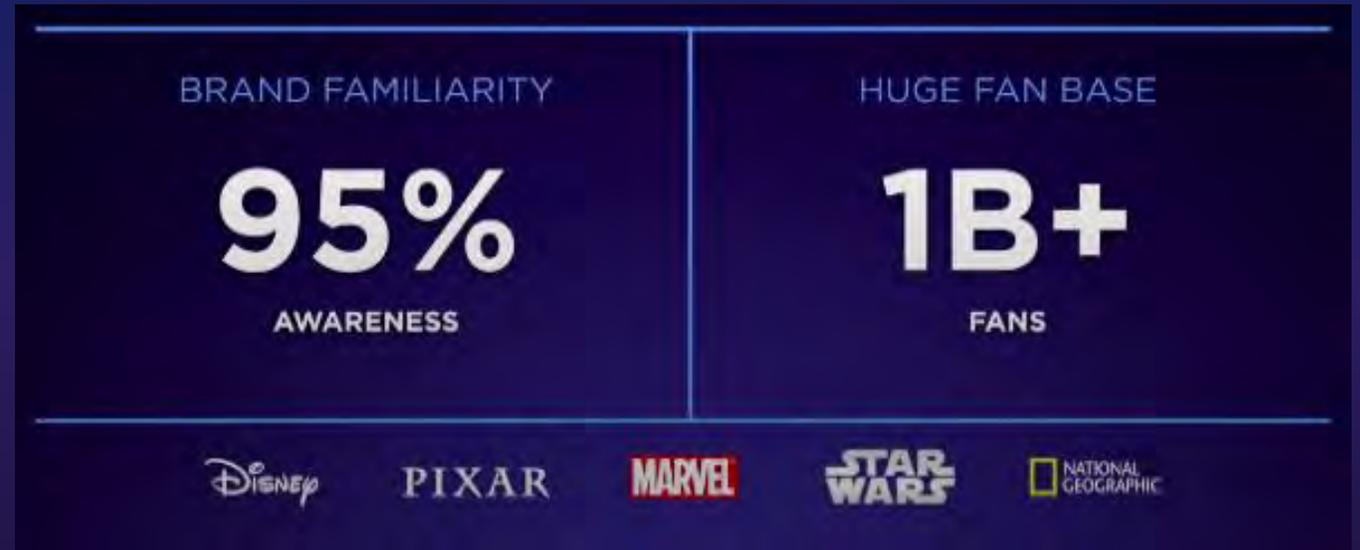
Disney +

- Family friendly service will provide original content from Disney, Pixar, Nat Geo, Star Wars, and Marvel.
- As well as recently released films.



Disney +

- Almost all consumers from the major markets around the world are familiar with Disney
- More than 1B are regarded as true fans. This are passionate consumers with a strong relationship with Disney



Disney +

- Disney is the only studio in history to ever top \$7B in total box office in a single year and last year they did it for a second time
- Consumers around the world bought over 900 million tickets
- They bought over 290 million tickets just to see avengers infinity war



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Theatrical Success

- Since acquiring Pixar, Disney has released 22 films with an average of \$690M in box office per movie.



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Theatrical Success

- Since acquiring Marvel they have released over 18 films
- Each averaging over \$960 M in box office per movie



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Theatrical Success

- Since acquiring Lucas Film Disney has averaged \$1.2 B in box office



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Theatrical Success

🐭 Disney has released 44 films since 2006 making a total of \$37 B in box office

🐭 Averages about \$850M per movie

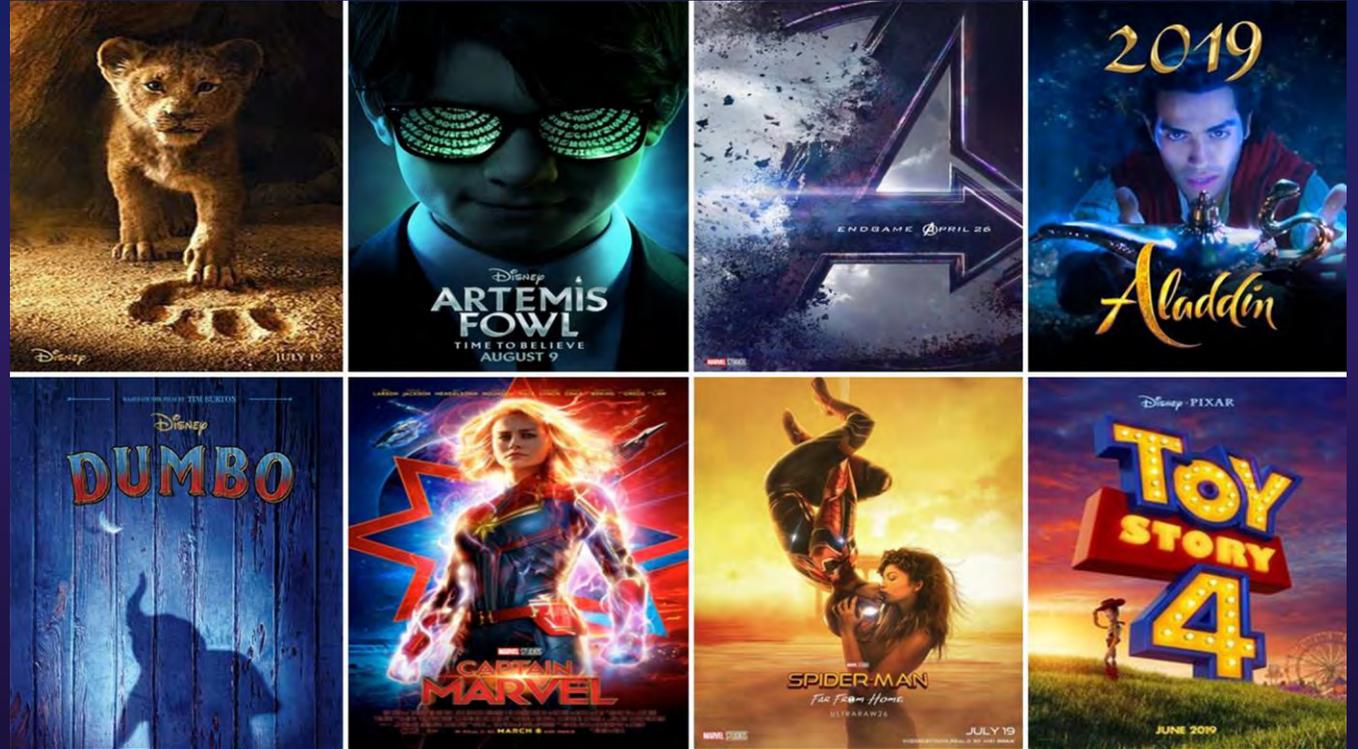


Money Making Mickey



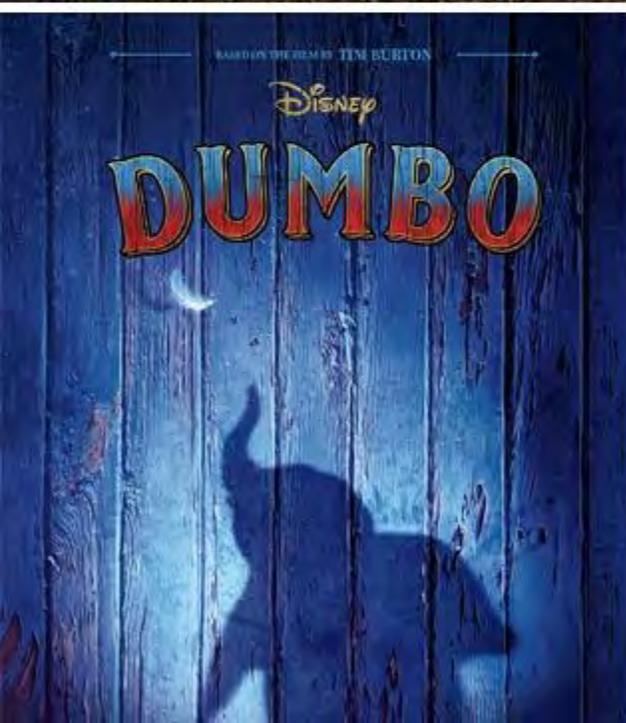
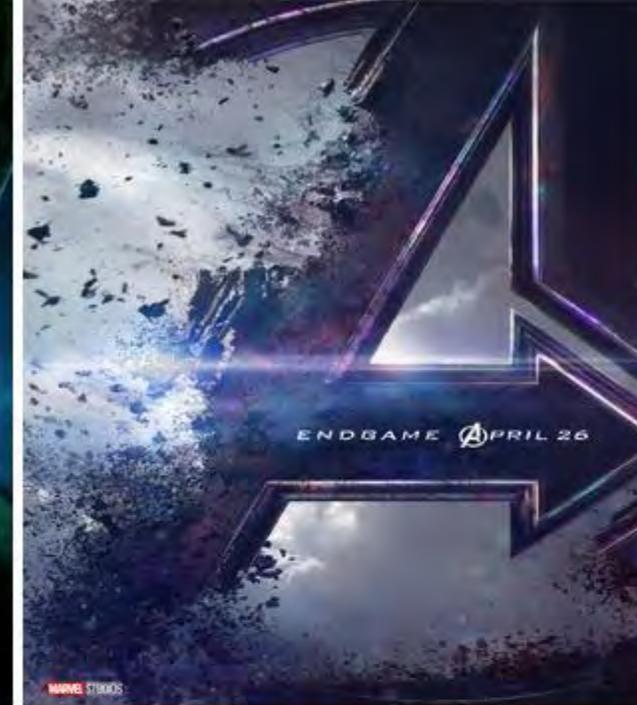
2019 Upcoming Films

- ♥ Captain Marvel
- ♥ Dumbo
- ♥ Avengers: EndGame
- ♥ Aladdin
- ♥ Toy Story 4
- ♥ Lion King
- ♥ Artemis Fowl
- ♥ Maleficent 2
- ♥ Frozen 2
- ♥ Star Wars: The Rise of Skywalker



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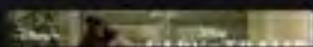




Recommended For You



Continue Watching



Disney+



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ANNUAL PRICE

\$69.99
(OR \$5.83/MO)

\$6.99/MO

Disney+ Price Menu

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What they offer

			
AD FREE SUBSCRIPTION	LIMITED AD SUBSCRIPTION	LIMITED AD SUBSCRIPTION	AD SUPPORTED / FREE SERVICE
		AD FREE SUBSCRIPTION	PREMIUM SUBSCRIPTION
		HULU LIVE DMVPD	

amazon
instant video



NETFLIX



Big Competitors of their Streaming Service

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Media Networks



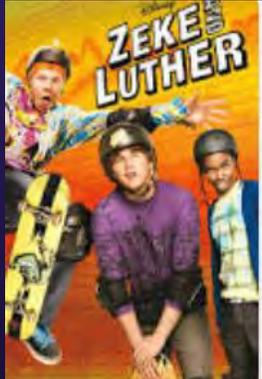
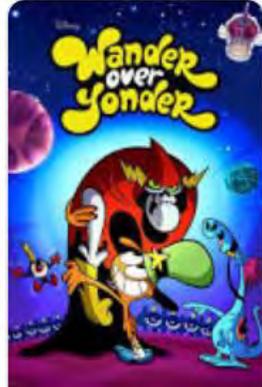
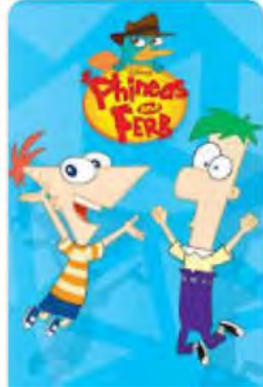
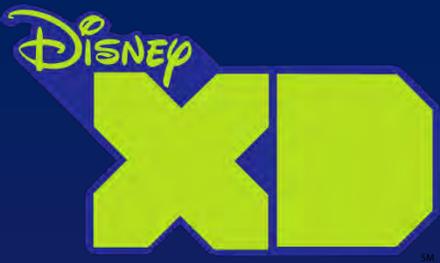
Disney TV

- The Company operates over 100 Disney branded television channels
- Broadcast in 34 languages and in 164 countries/territories
- Branded channels include Disney Channel, Disney Junior, Disney XD, Disney Cinematic, Disney Cinema, Disney International HD and Dlife



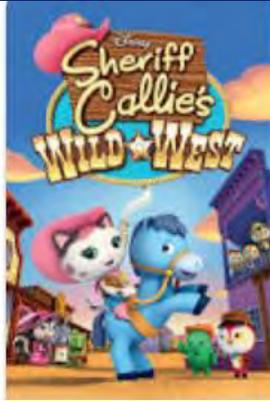
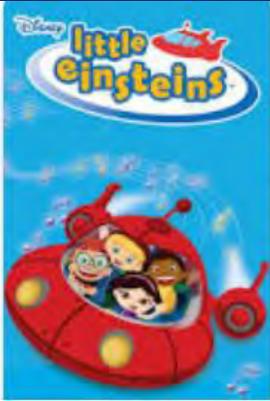


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Money Making Melting Pot





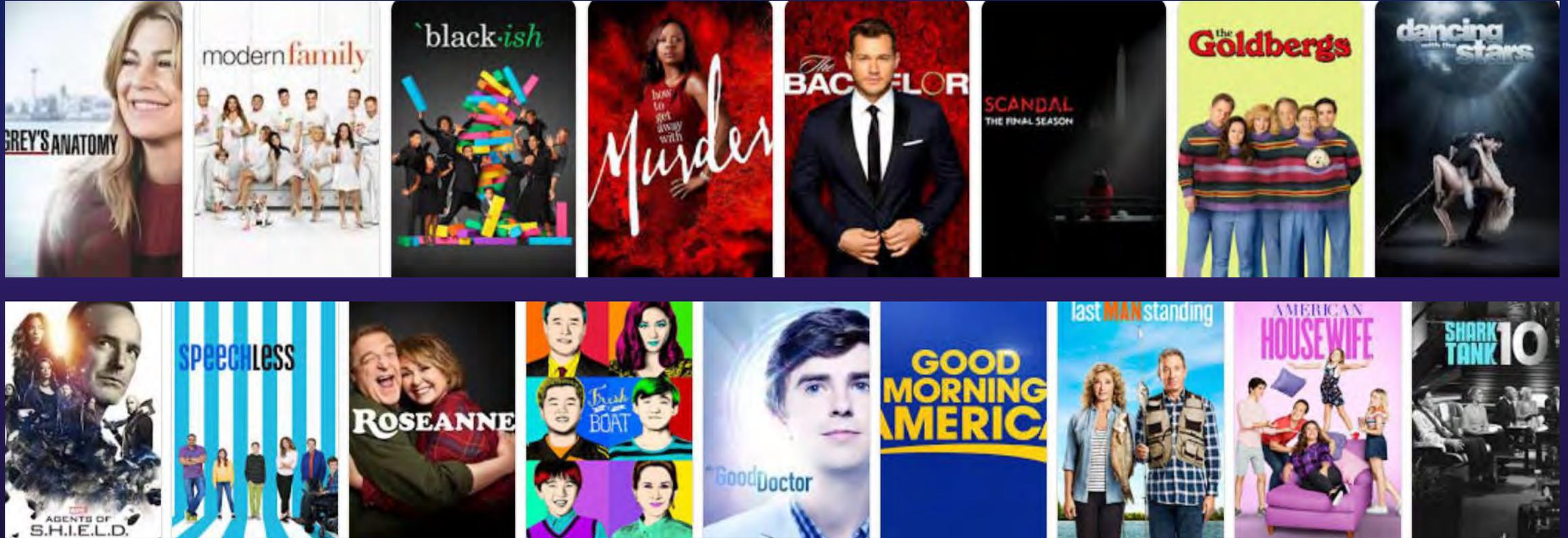
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Broadcasting

- Operates the ABC Television Network (ABC)
- As of September 29, 2018, had affiliation agreements with 244 local television stations reaching almost 100% of U.S. television households
- ABC broadcasts programs in the primetime, daytime, late night, news and sports





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Parks, Experiences, and Products



Parks and Resorts

- ♥ The Company owns and operates the Walt Disney World Resort in:
 - ♥ Florida; the Disneyland Resort in California
 - ♥ Disneyland Paris
 - ♥ Aulani, a Disney Resort & Spa in Hawaii
 - ♥ the Disney Vacation Club (DVC)
 - ♥ the Disney Cruise Line
 - ♥ Adventures by Disney
- ♥ The Company manages and has effective ownership interests of 47% in Hong Kong Disneyland Resort and 43% in Shanghai Disney Resort



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New Theme Park

- Disney is nearing completion of STAR WARS: Galaxy's Edge in Anaheim & in Orlando
- Largest lands that they have ever built
- STAR WARS: Galaxy's Edge is going to open up in Disneyland on May 31st & in Disney World on August 29th



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Merchandise Licensing

- ❖ The Company's merchandise licensing operations cover the following:
 - ❖ Toys, apparel, home décor and furnishings, accessories, health and beauty, stationery, food, footwear and consumer electronics.
- ❖ Some of the major properties licensed by the Company include:
 - ❖ Mickey and Minnie, Star Wars, Avengers, Disney Princess, Frozen, Cars, Disney Channel characters, Spider-Man, Winnie the Pooh, Disney Classics and The Incredibles



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A photograph of a Disney store interior. The scene is filled with shelves of merchandise, including toys and collectibles. A prominent feature is a large, illuminated blue tree sculpture in the background. The lighting is warm and focused on the products. The text "Disney store" is overlaid in a white, stylized font in the center of the image.

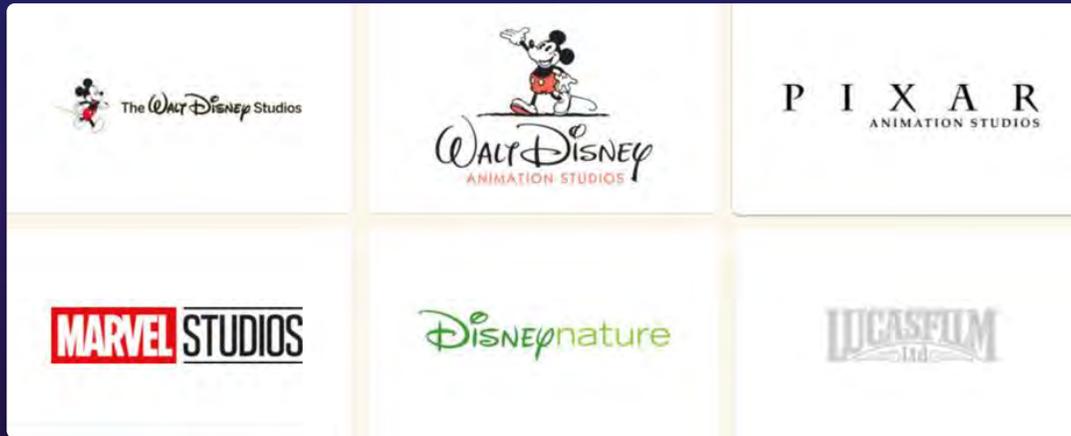
Disney store

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Retail

- Markets Disney, Marvel and Lucasfilm products through retail stores
- Stores are generally located in leading shopping malls and other retail complexes
- Disney currently owns and operates 214 stores in North America, 87 stores in Europe, 53 stores in Japan and two stores in China.
- Internet sites are branded shopDisney and shopMarvel in the United States, shopDisney in Europe, and store Disney in Japan

Studio and Entertainment



Studio and Entertainment

- The Studio Entertainment segment produces and acquires live-action and animated motion pictures, musical recordings and live stage play.
- The Company distributes films primarily under the Walt Disney Pictures, Pixar, Marvel, Lucasfilm and Touchstone banners

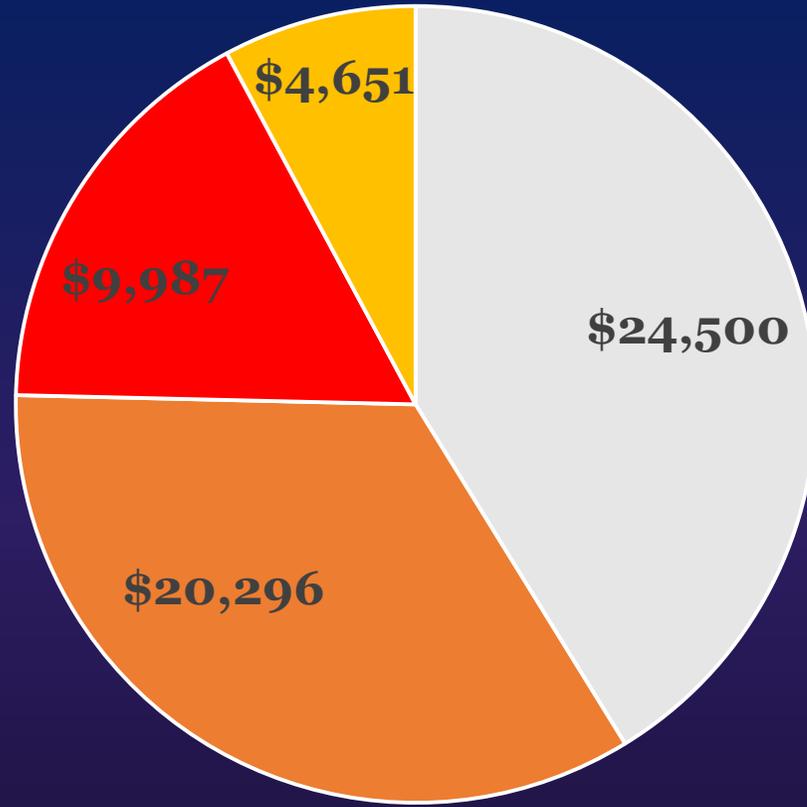


Revenues by Segment



Revenues in millions in 2018

Total: \$55,434M

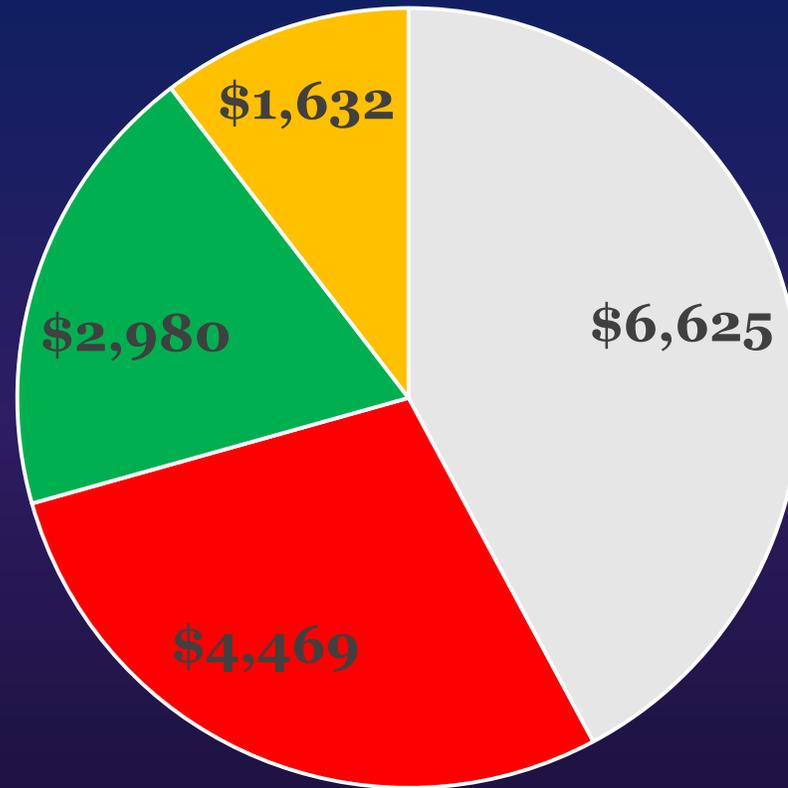


- Media Networks
- Parks and Resorts
- Studio Entertainment
- Consumer Products & Interactive Media



Operating Income in millions for 2018

Total: \$15,709M



■ Media Networks

■ Studio Entertainment

■ Parks and Resorts

■ Consumer Products & Interactive Media

Money Making Melting Pot

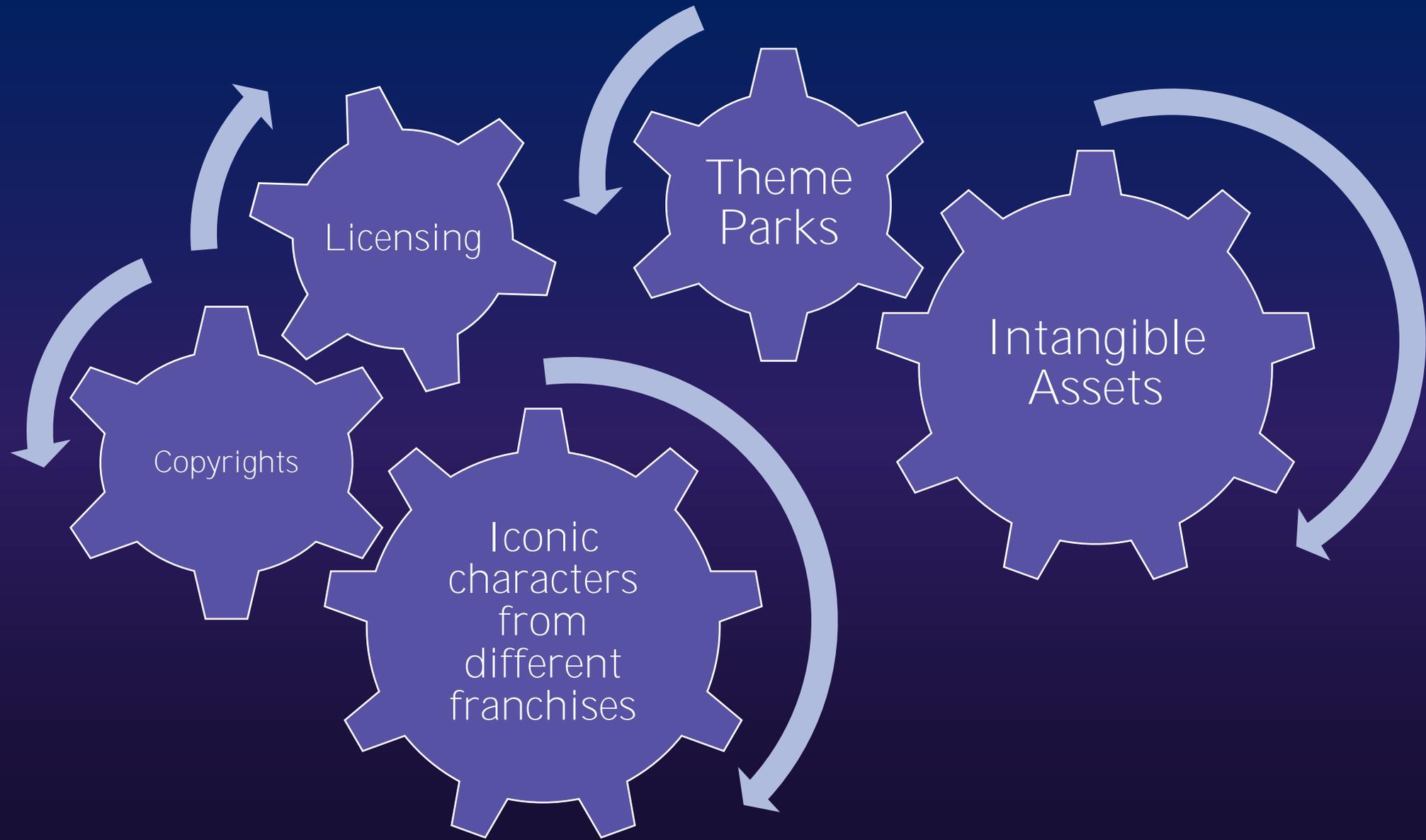


Disney *literally* has a moat

Moat

- Disney has developed an image of trust and excellent entertainment
- Their large portfolio of the most popular trending entertainment targets people from all ages
- Making them the most unique entertainment company there is





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Their Reach

Although the cable viewership has decline over the past decade, Disney still out paces cable ratings, which, provides advertisers with one of the only remaining avenues to reaching a mass audience.

Both cable networks Disney and ABC reach almost all 116 million households in the U.S.

And with their new online streaming services they will continue to grow.

ESPN

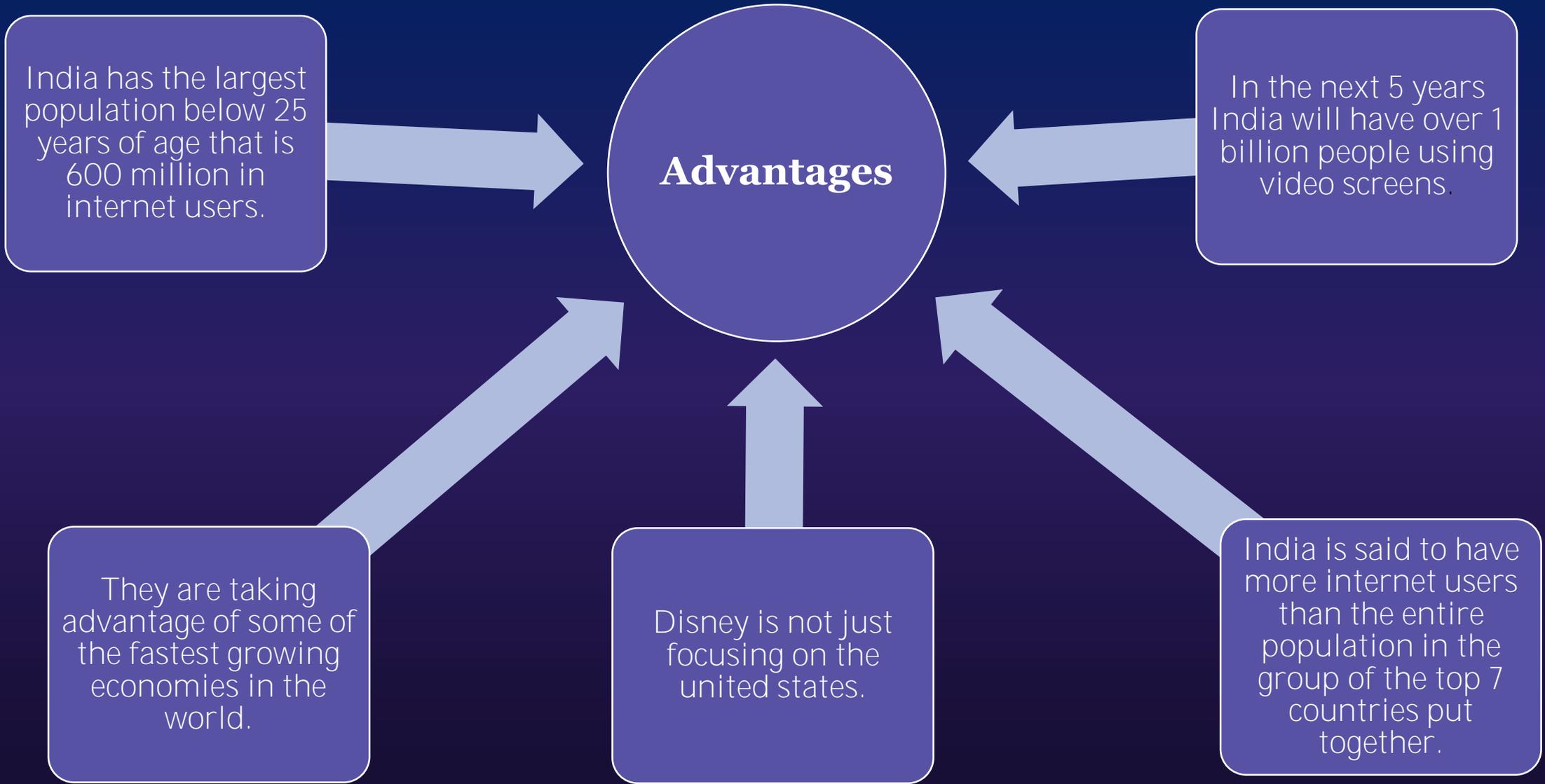
ESPN holds rights to some of the most viewed sports entertainment like the NFL, NBA, college football and basket ball, various soccer rights, and golf networks.

Which makes them a monopoly in the sports entertainment sector.

ESPN's position allows them to charge the higher subscriber fees of any cable network.

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Risk Factors



Risk Factors

- Changes in public & consumer taste/preference
- Dependent on the protection of data & property
- Increased competitive pressures
- Changes in technology

Risk Factors

- Renewals
- Increase cost of sports rights
- Changes in regulations
- Increase of debt

Growth Opportunities



How every movie is gonna start in
2035, after Disney buys the entire film
industry



Growth Opportunities

- 21st Century Fox
- Disney+
- ESPN+
- Disney Shanghai
- MOVIES



Management



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Bob Iger



- CHAIRMAN & CHIEF EXECUTIVE OFFICER
- ROBERT A. IGER
- HAS BEEN WITH DISNEY SINCE 1974
- APPOINTED CEO IN 2000
- DISNEY HAS GROWN 300% DURING HIS TENURE
- ARCHITECT BEHIND RECENT M&A



Senior Executive Vice President
& Chief Financial Officer
Christine M. McCarthy



Chairman of Direct-to-Consumer
Kevin Mayer



Chairman of Walt Disney Television
Peter Rice



Chairman of Walt Disney Studios
Alan F. Horn



President of ESPN
James Pitaro



Chairman of Parks,
Experiences, & Products
Bob Chapek

Qualitative Analysis



Qualitative Analysis

Criteria	Yes/No
Competitive Advantage?	Yes
Easily Explainable?	Yes
Heavily Unionized?	Yes
Heavy Capital Infusion?	Yes
Heavy R&D?	No
Obsolete Inventory?	No
Chronic one-time write offs?	No
Able to raise prices to offset inflation?	Yes
Sell more in the future?	Yes
Billion Dollar competitor?	No

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Quantitative Analysis

2019	Value	Threshold	Pass/Fail
Gross Profit Margin	44.45%	Above 20%	Pass
SGA to Gross Profit	33.84%	Below 80%	Pass
R&D to Gross Profit	0.00%	Below 10%	Pass
Depreciation	11.46	Below 10%	Fail
Interest to Operating Income	4.83%	Below 15%	Pass
Net Profit Margin	20.90%	Above 10%	Pass
Current Ratio	1.00	Above 1	Pass
Obligation Ratio	1.54	Below 5 years	Pass
Debt to Equity	0.41	Below 0.8	Pass
ROE	24.00%	Above 15%	Pass
ROIC	18.50%	Above 15%	Pass
Payout Ratio	21.00%	Below 60%	Pass
Preferred Stock	None	None	Pass
Capital Expenditures	7.33%	Below 25%	Pass

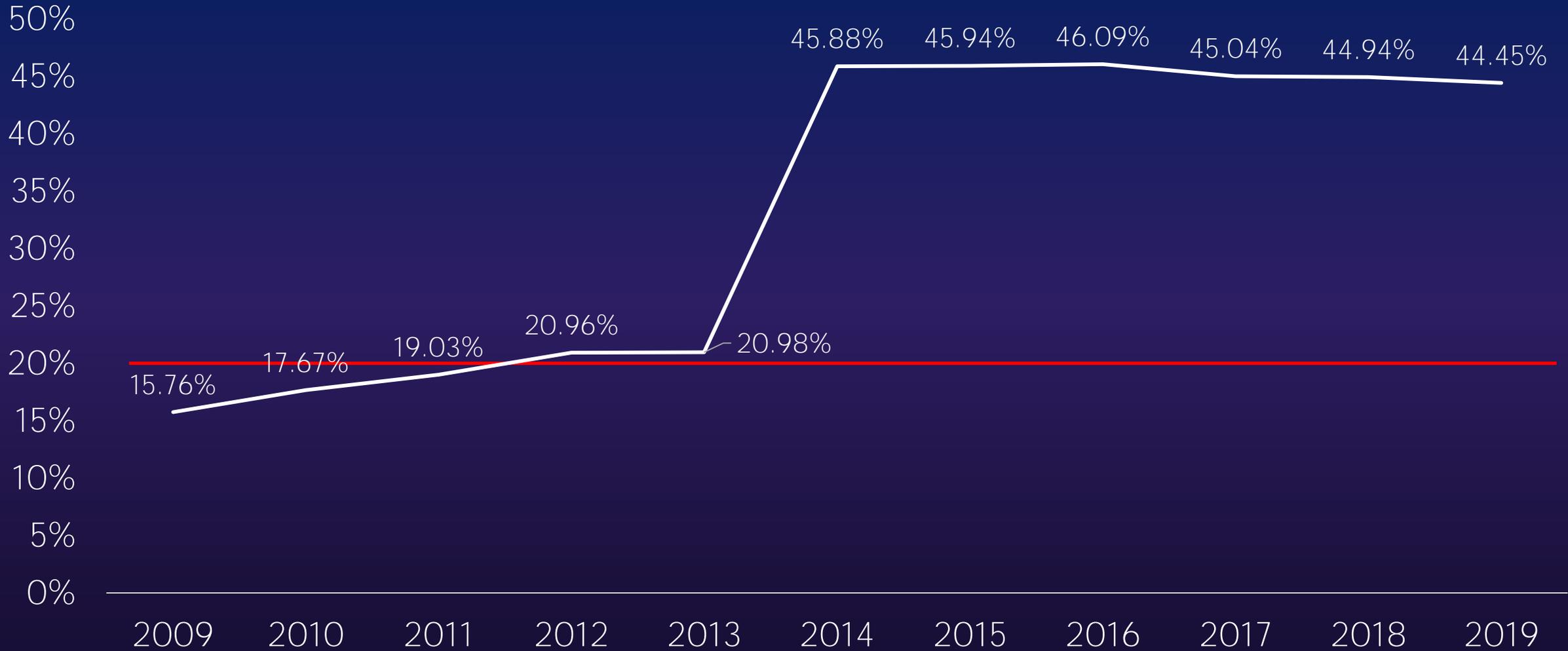
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Interpretation of Financial Statements



Gross Margin



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Operating Margin



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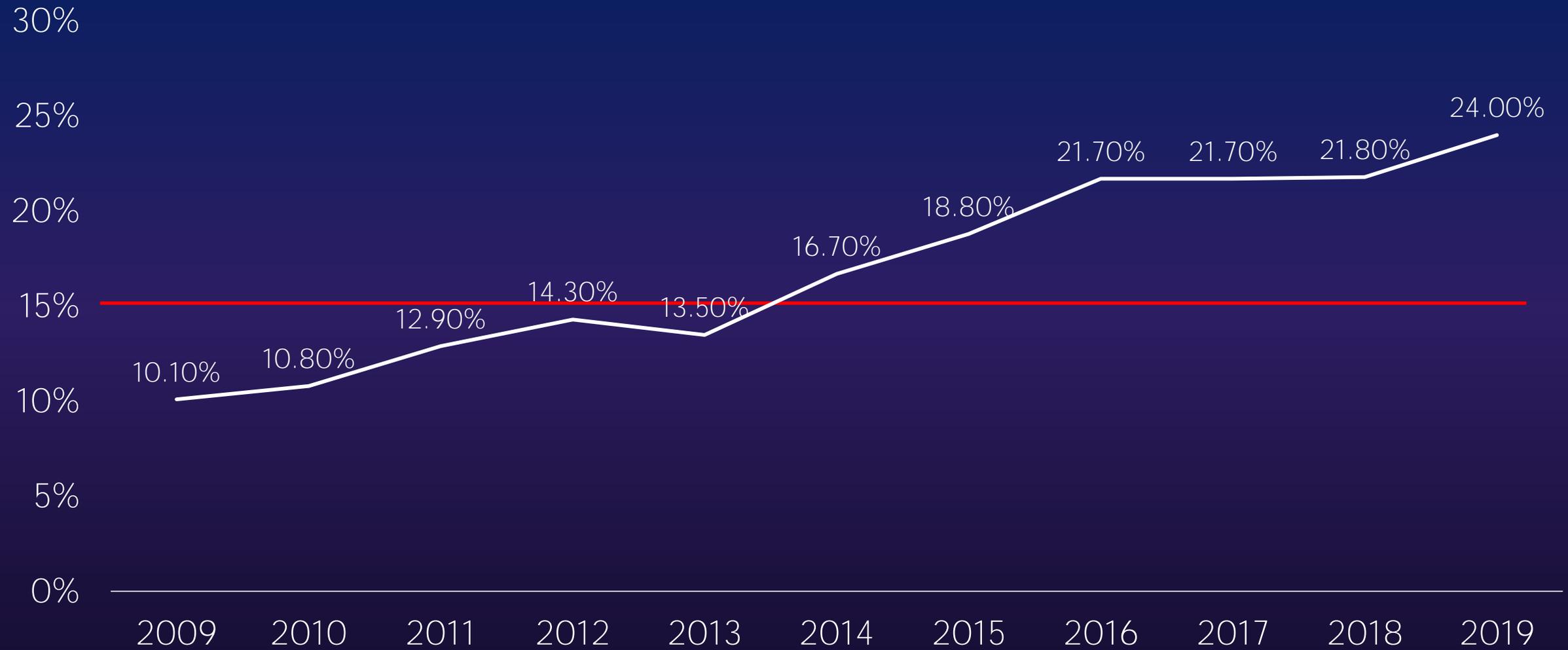
Net Margin



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Return on Equity



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Return on Invested Capital

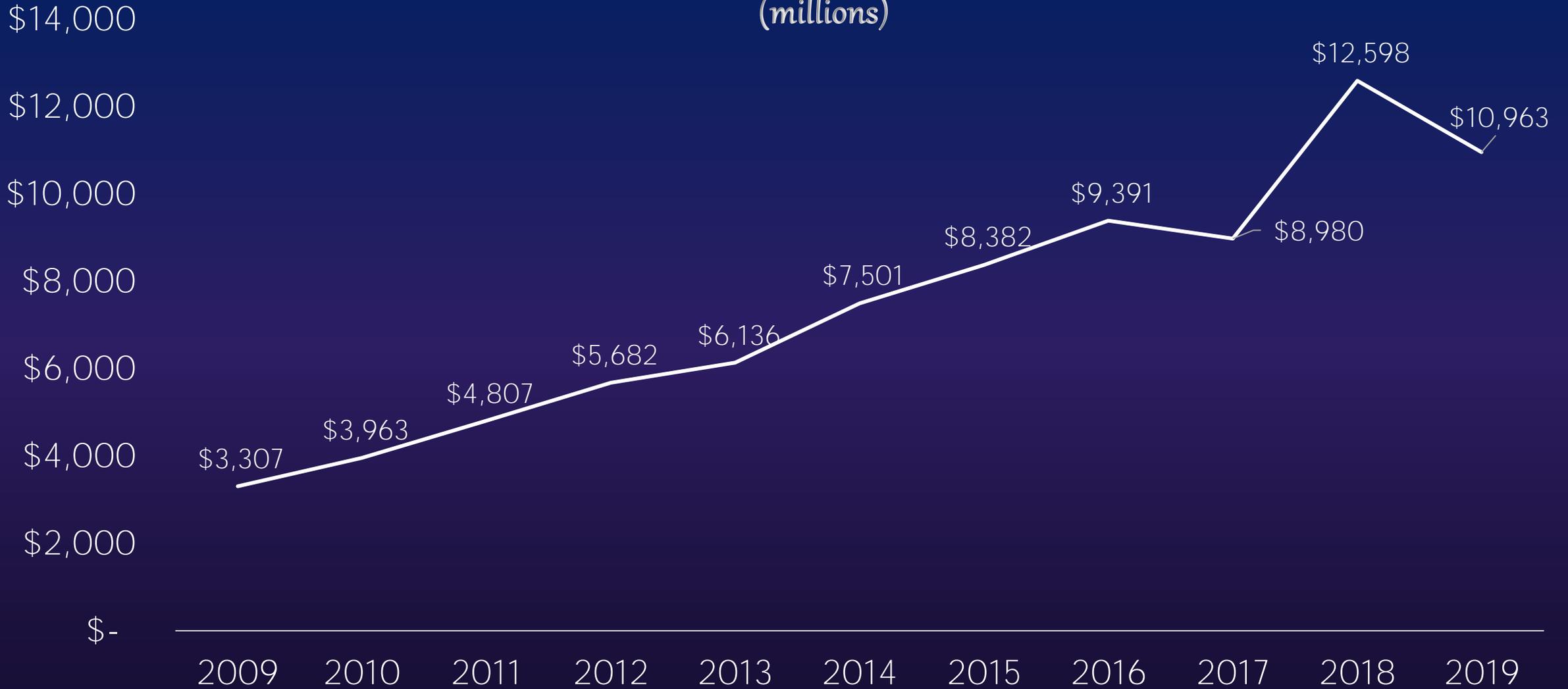


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Net Income

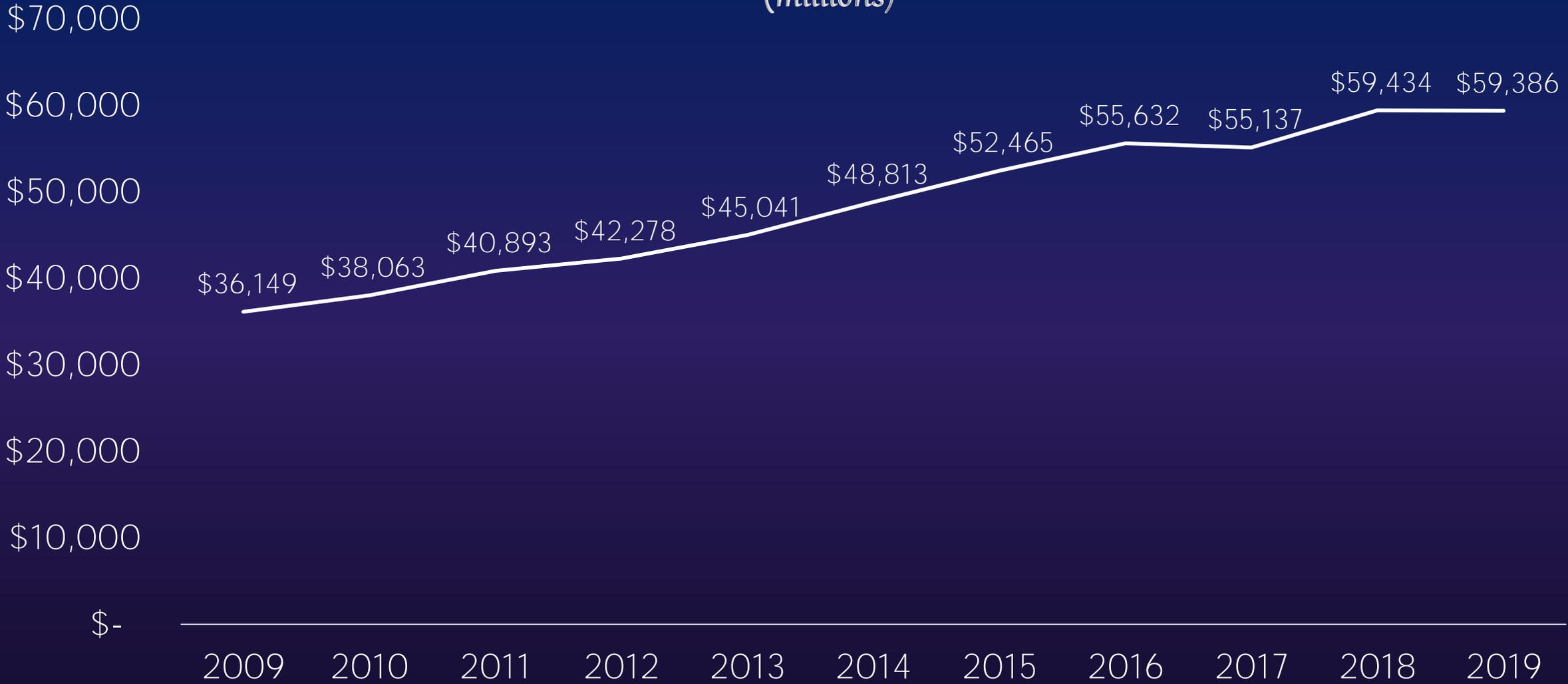
(millions)



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Revenue (millions)



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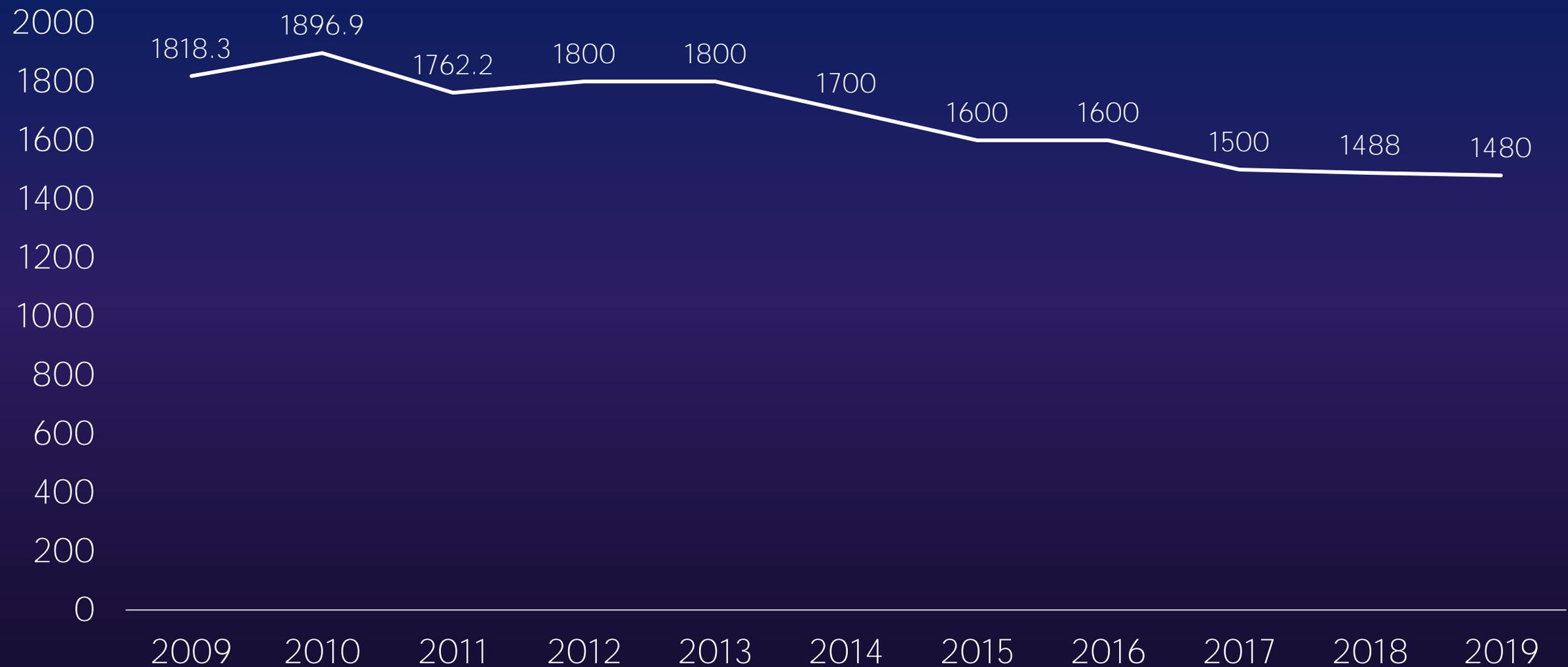
Retained Earnings (millions)



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Total Shares Outstanding (millions)



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Long Term Debt (millions)

Obligation Ratio = (Long Term Debt + Leases(7) + Preferred Stock + Pension shortfalls – Cash) / Net Income

Obligation Ratio = (\$17084 + \$681(7) + \$1770 – 4150) / 12650

Obligation Ratio = 1.54 years



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Dividends Payout Ratio



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DuPont Analysis (Historical)

	FLM	TAT	NPM	ROE
2019	1.99	0.60	20.9%	24.9%
2018	2.02	0.61	17.9%	22.1%
2017	2.32	0.59	16.3%	22.3%
2016	2.13	0.62	16.9%	22.3%
2015	1.98	0.61	16.0%	19.3%

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DuPont Analysis (Industry)

	FLM	TAT	NPM	ROE
	1.99	0.60	20.9%	24.9%
	2.97	0.56	13.1%	21.8%
	3.51	0.46	11.9%	19.2%
	4.77	0.70	10.5%	35.1%
	5.53	0.43	8.4%	20.0%
	7.80	0.69	12.2%	65.7%

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Disney

- 🐭 ESPN – dominant US sports entertainment
- 🐭 ABC – 1 of 4 major US broadcast networks
- 🐭 Disney Channel – 1 of 2 dominant children networks
- 🐭 Lucasfilm, Marvel, Pixar



Comcast

- ❖ Recently acquired Sky for \$40 billion
- ❖ Projected \$3 billion revenue from Sky
- ❖ NBCUniversal slow growing operations
- ❖ Doing well because primary internet access provider
- ❖ May sell Hulu shares to Disney



Disney

- ❖ Disney Channel
- ❖ Disney Junior
- ❖ Disney XD
- ❖ Vice



Viacom

- ❖ Nickelodeon
- ❖ Nick Jr.
- ❖ MTV
- ❖ BET
- ❖ Comedy Central
- ❖ Paramount
- ❖ More leveraged than Disney



nick jr.™

nickelodeon™

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🐭 \$6.99 a month

🐭 All the Marvel movies, 10,000 episodes of TV shows, & live action *Aladdin*, *Beauty & the Beast*, *The Lion King*

🐭 Higher quality video streaming

🐭 Will have some of the highest grossing films

NETFLIX

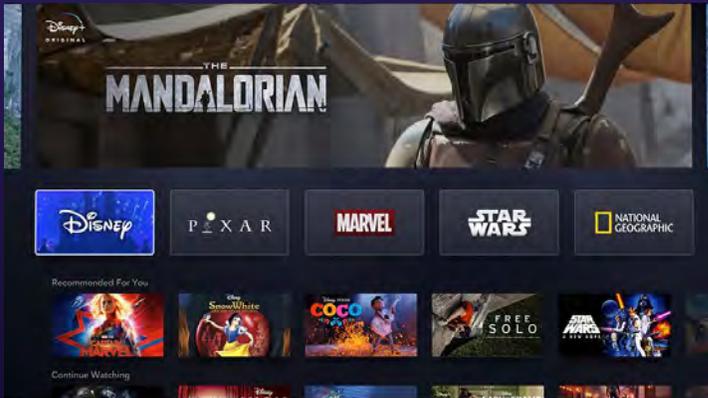
❖ \$8.99 to \$15.99 a month

❖ No longer will have access to Disney content

❖ Long-term, Netflix users may subscribe to only Disney+

❖ Highly leveraged company

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Conscious Investor



10 Years

	9/09	9/10	9/11	9/12	9/13	9/14	9/15	9/16	9/17	9/18
EPS (\$)	1.76	2.03	2.52	3.13	3.38	4.26	4.90	5.73	5.69	8.36
SPS (\$)	19.45	19.90	22.03	23.48	25.03	28.71	31.08	34.61	36.75	39.62

Growth	STAEGR
17.90%	95.04%
8.84%	98.14%

10 Years

	9/09	9/10	9/11	9/12	9/13	9/14	9/15	9/16	9/17	9/18
EPS (\$)	1.76	2.03	2.52	3.13	3.38	4.26	4.90	5.73	5.69	8.36
SPS (\$)	19.45	19.90	22.03	23.48	25.03	28.71	31.08	34.61	36.75	39.62

Growth	STAEGR
17.90%	95.04%
8.84%	98.14%

10 Years

	9/09	9/10	9/11	9/12	9/13	9/14	9/15	9/16	9/17	9/18
EPS (\$)	1.76	2.03	2.52	3.13	3.38	4.26	4.90	5.73	5.69	8.36
SPS (\$)	19.45	19.90	22.03	23.48	25.03	28.71	31.08	34.61	36.75	39.62

Growth	STAEGR
17.90%	95.04%
8.84%	98.14%

10 Years

	9/09	9/10	9/11	9/12	9/13	9/14	9/15	9/16	9/17	9/18
EPS (\$)	1.76	2.03	2.52	3.13	3.38	4.26	4.90	5.73	5.69	8.36
SPS (\$)	19.45	19.90	22.03	23.48	25.03	28.71	31.08	34.61	36.75	39.62

Growth	STAEGR
17.90%	95.04%
8.84%	98.14%

10 Years

	9/09	9/10	9/11	9/12	9/13	9/14	9/15	9/16	9/17	9/18
EPS (\$)	1.76	2.03	2.52	3.13	3.38	4.26	4.90	5.73	5.69	8.36
SPS (\$)	19.45	19.90	22.03	23.48	25.03	28.71	31.08	34.61	36.75	39.62

Growth	STAEGR
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8.84%	98.14%

6 Years

	9/13	9/14	9/15	9/16	9/17	9/18
EPS (\$)	3.38	4.26	4.90	5.73	5.69	8.36
SPS (\$)	25.02	28.71	31.08	34.61	36.75	39.62

Growth	STAEGR
17.35%	94.86%
9.35%	98.54%

6 Years

	9/13	9/14	9/15	9/16	9/17	9/18
EPS (\$)	3.38	4.26	4.90	5.73	5.69	8.36
SPS (\$)	25.02	28.71	31.08	34.61	36.75	39.62

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Growth	STAEGR
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3 Years

	9/16	9/17	9/18
EPS (\$)	5.73	5.69	8.36
SPS (\$)	34.61	36.75	39.62

Growth	STAEGR
20.79%	91.87%
6.99%	99.83%

Money Making Melting Pot

3 Years

	9/16	9/17	9/18
EPS (\$)	5.73	5.69	8.36
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3 Years

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3 Years

	9/16	9/17	9/18
EPS (\$)	5.73	5.69	8.36
SPS (\$)	34.61	36.75	39.62

Growth	STAEGR
20.79%	91.87%
6.99%	99.83%

Conscious Investor- Safety

	Price	EPSttm	P/E Ratio	HGrowth	Payout	STRETD
Default	131.68	8.50	16.77	17.90%	25.80%	17.98%
Safety	131.68	8.50	13.31	9.41%	18.90%	7.59%

-20.0%

-47.4%

-26.7%

-57.8%

Conscious Investor- Kill it

	Price	EPSttm	P/E Ratio	HGrowth	Payout	STRETD
Default	131.68	8.50	16.77	17.90%	25.80%	17.98%
Kill it	131.68	8.50	12.00	2.59%	0.00%	0.00%

-28.4% -85.5% -100% -100%

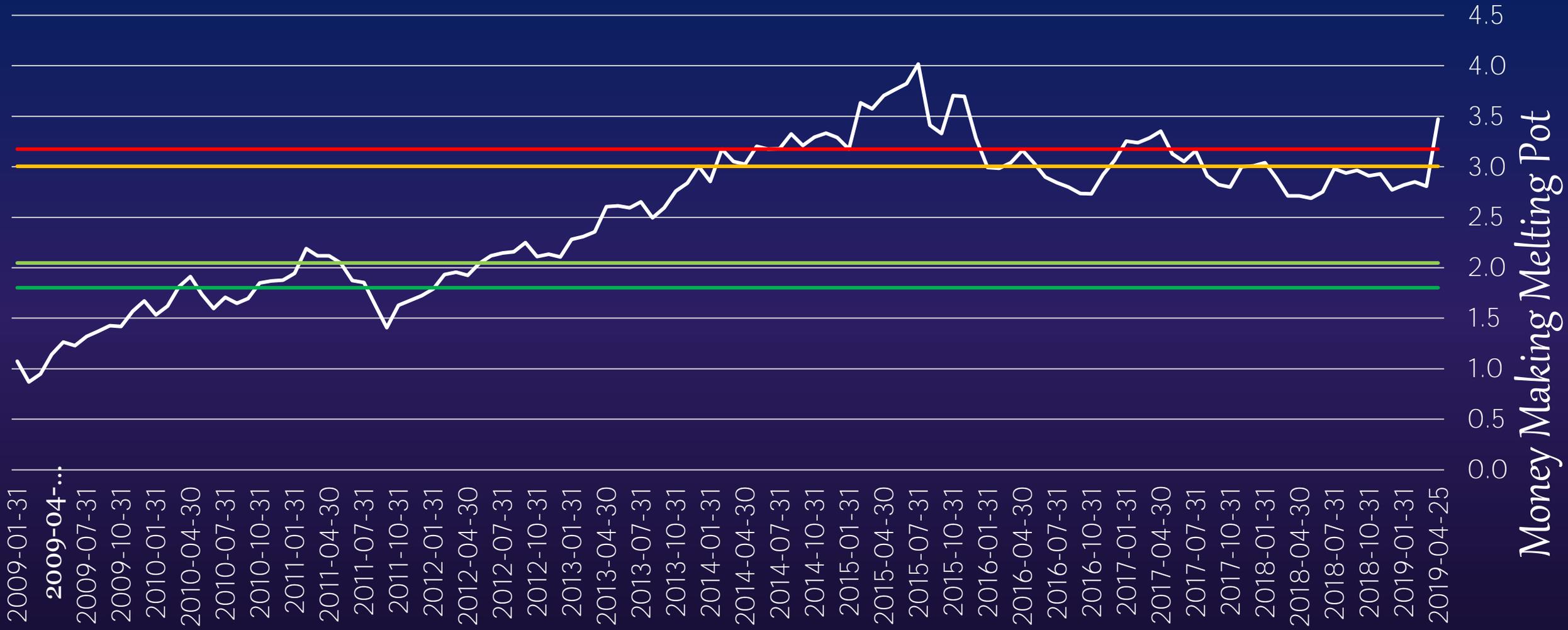
Money Making Melting Pot



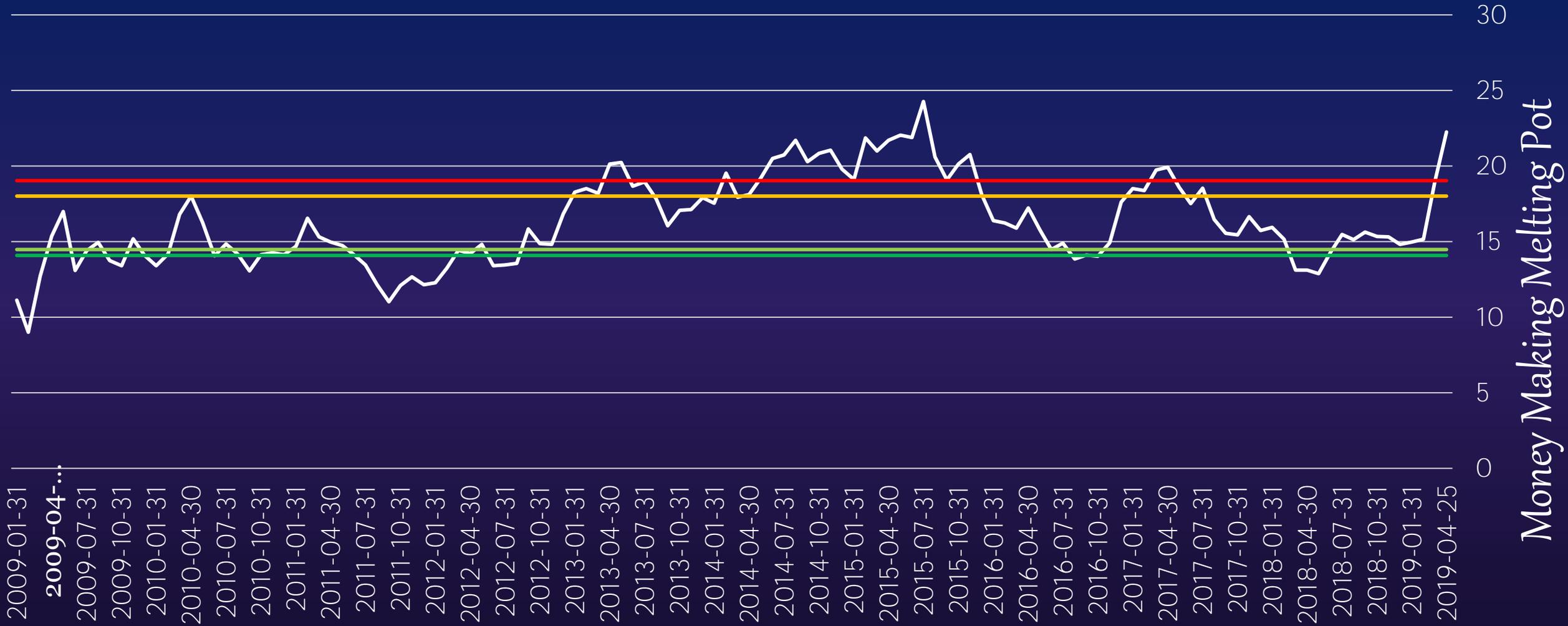
Value Bands



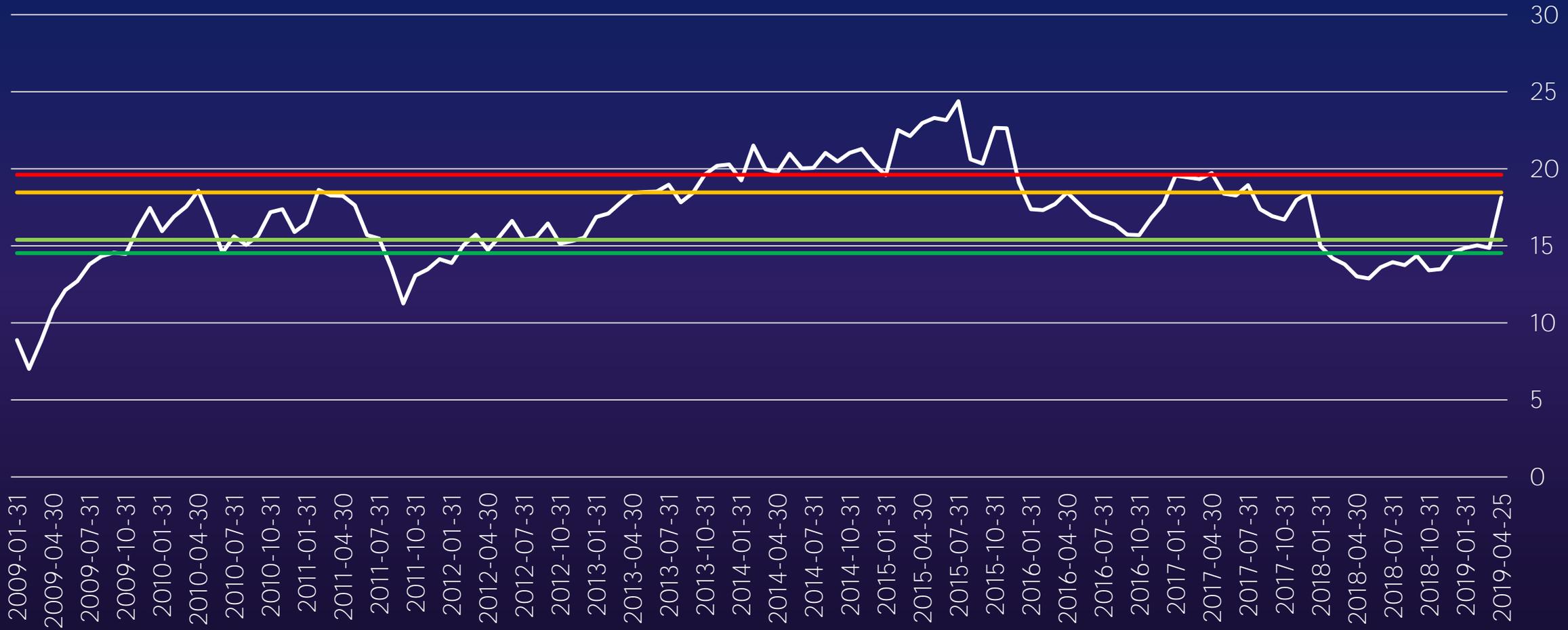
Price/Sales



Price/Owner's Earnings



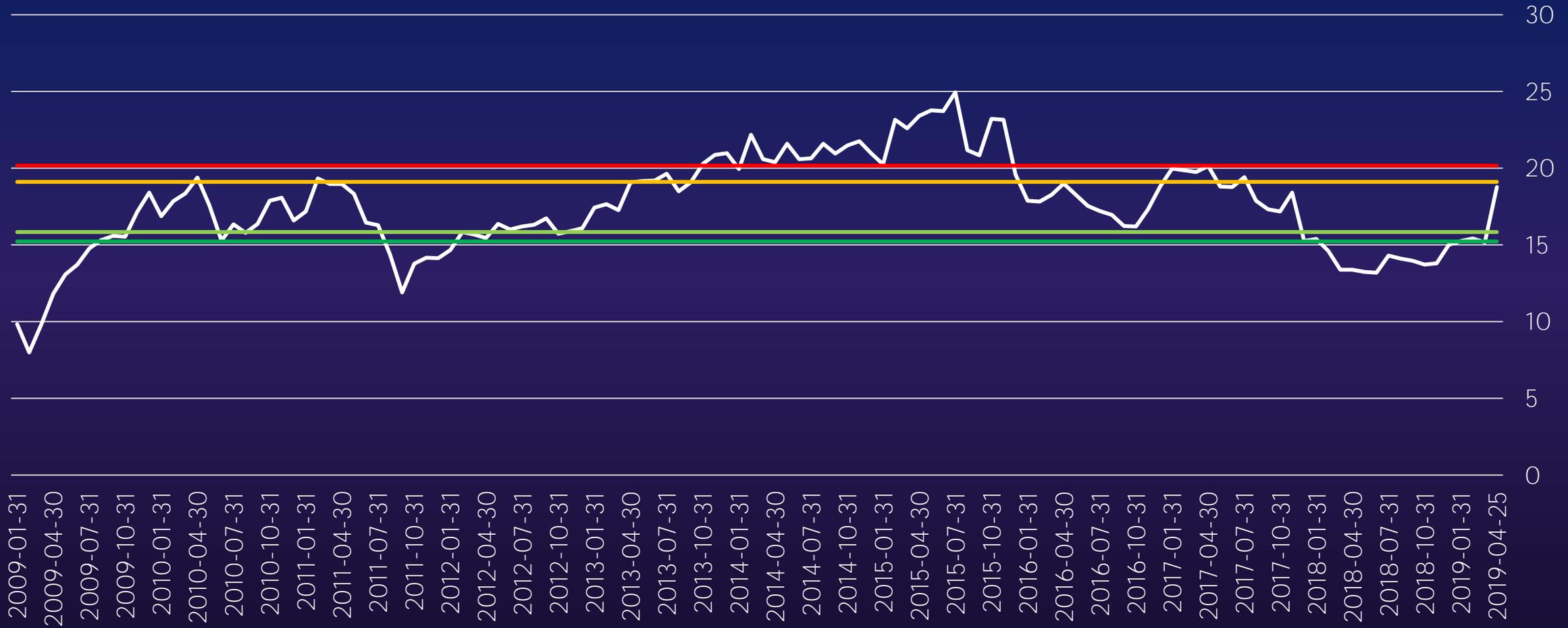
Price/Earnings less Cash



Money Making Melting Pot



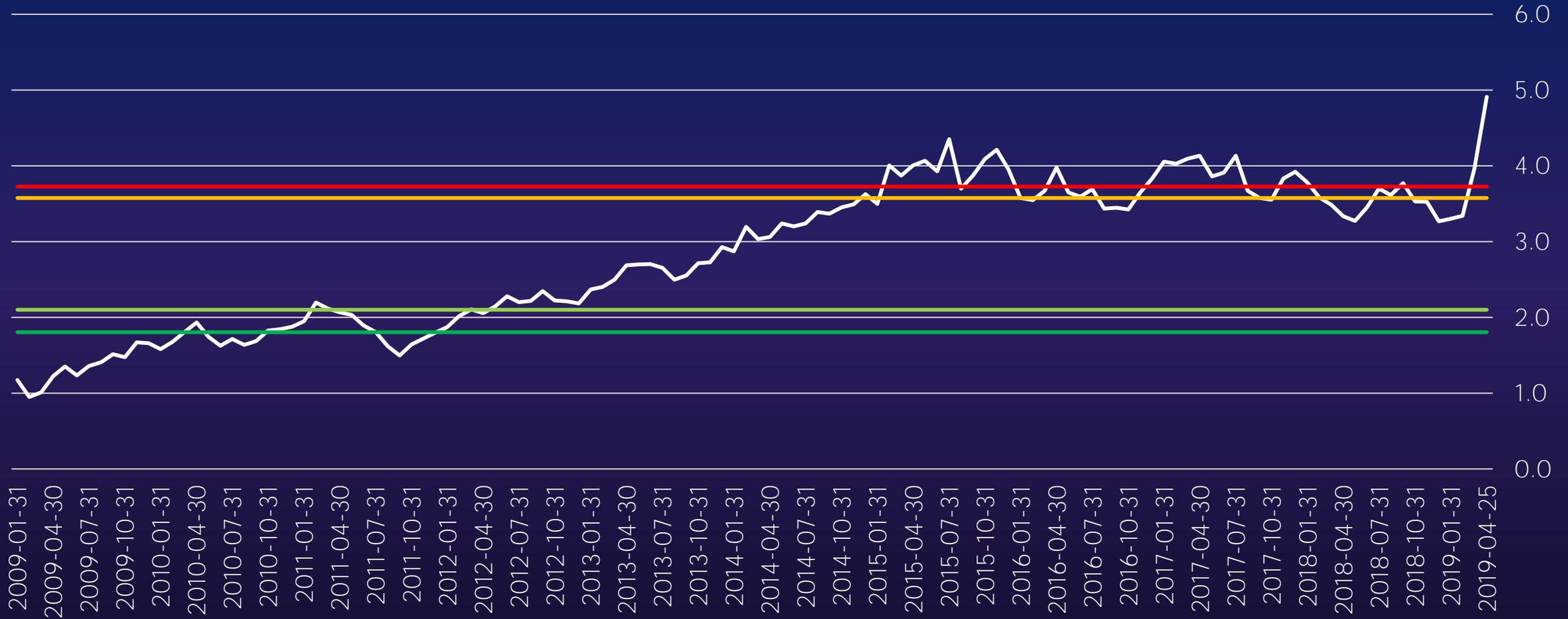
Price/Earnings



Money Making Melting Pot



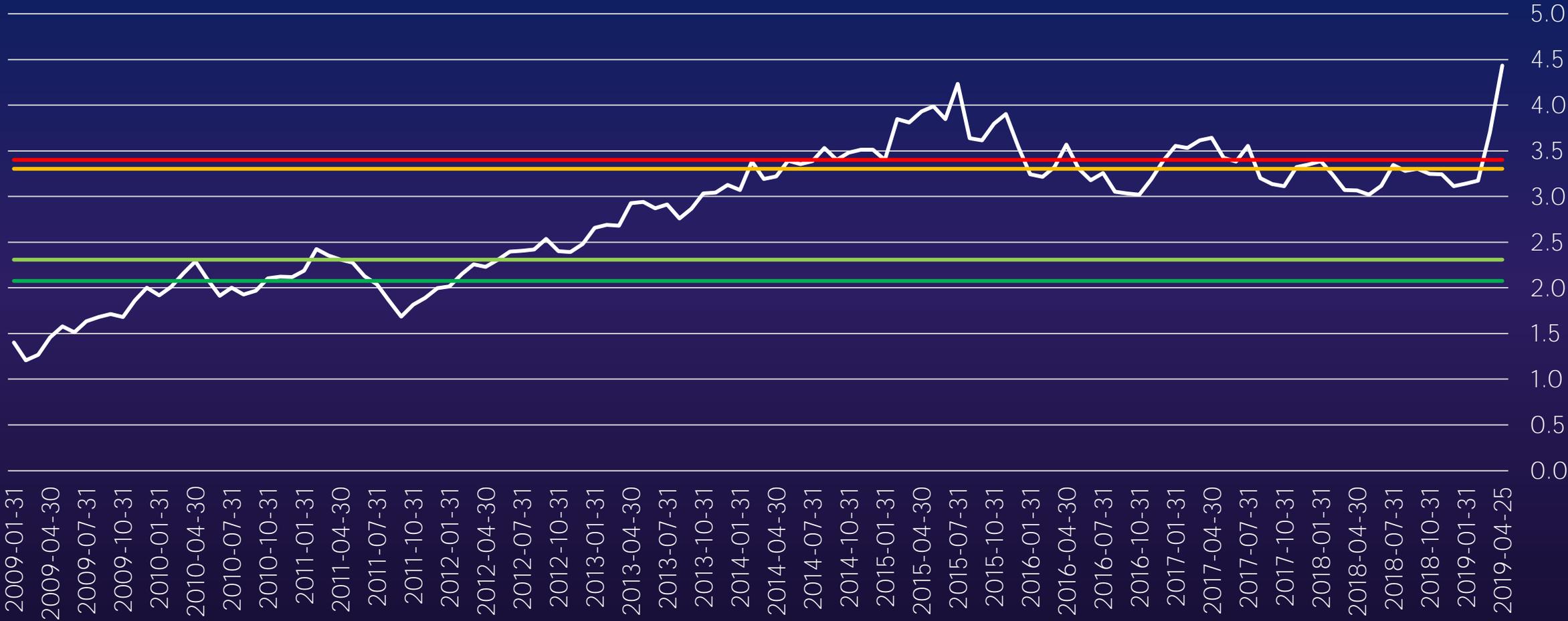
Price/Book



Money Making Melting Pot



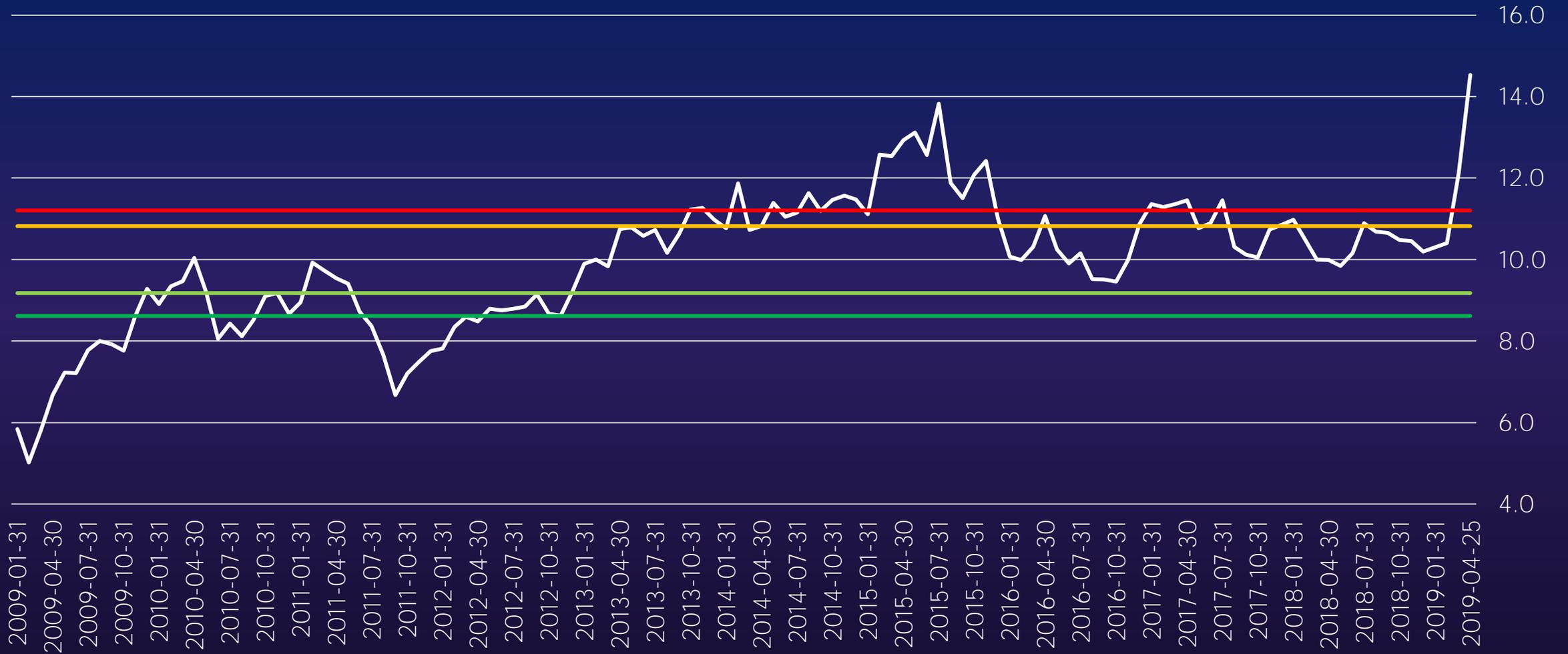
EV/Revenue



Money Making Melting Pot



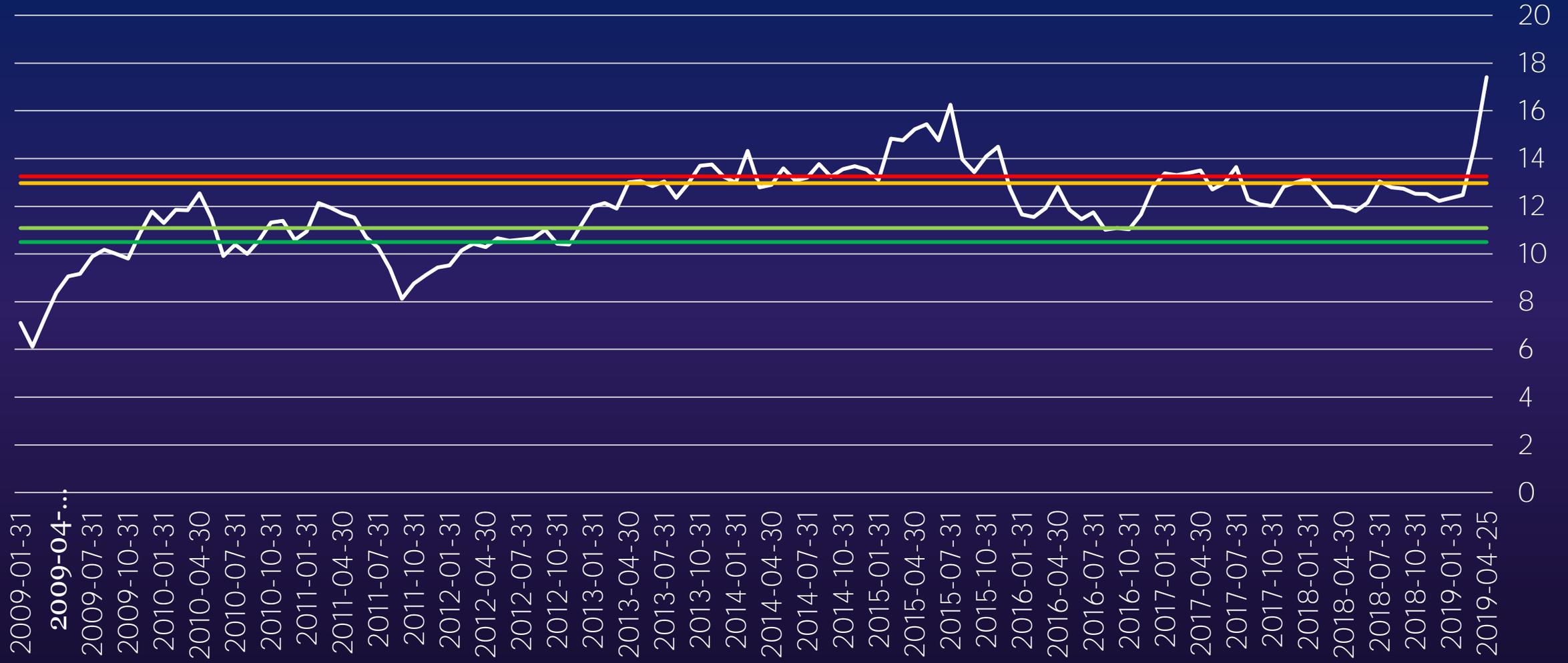
EV/EBITDA



Money Making Melting Pot



EV/EBIT



Money Making Melting Pot



Discounted Cash Flow



DCF Bear Case

DCF Parameters		DCF Results	
Earnings Per Share ⓘ :	\$ 8.36	Fair Value ⓘ :	\$ 145.81
Growth Rate In the Next ⓘ :	10 Years 10 %	Tangible Book Value ⓘ :	\$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ⓘ :	4 %	Growth Value ⓘ :	83.6
Years of Terminal Growth ⓘ :	10	Terminal Value ⓘ :	62.21
Discount Rate ⓘ :	10 %	Stock Price :	\$ 133.42
Business Predictability ⓘ :	★★★★★	Margin Of Safety :	8.50%
<input type="button" value="Save the parameters"/>			

DCF Bear Case

DCF Parameters		DCF Results	
Earnings Per Share ⓘ :	\$ 8.36	Fair Value ⓘ :	\$ 145.81
Growth Rate In the Next ⓘ :	10 Years 10 %	Tangible Book Value ⓘ :	\$ 8.19 <input type="checkbox"/> Add to Fair Value
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Discount Rate ⓘ :	10 %	Stock Price :	\$ 133.42
Business Predictability ⓘ :	★★★★★	Margin Of Safety :	8.50%

Save the parameters

Money Making Melting Pot



DCF Bear Case

DCF Parameters		DCF Results	
Earnings Per Share ⓘ :	\$ 8.36	Fair Value ⓘ :	\$ 145.81
Growth Rate In the Next ⓘ :	10 Years 10 %	Tangible Book Value ⓘ :	\$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ⓘ :	4 %	Growth Value ⓘ :	83.6
Years of Terminal Growth ⓘ :	10	Terminal Value ⓘ :	62.21
Discount Rate ⓘ :	10 %	Stock Price :	\$ 133.42
Business Predictability ⓘ :	★★★★★	Margin Of Safety :	8.50%

Save the parameters

DCF Bear Case

DCF Parameters		DCF Results	
Earnings Per Share (E):	\$ 8.36	Fair Value (F):	\$ 145.81
Growth Rate In the Next (G):	10 Years 10 %	Tangible Book Value (T):	\$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate (T):	4 %	Growth Value (V):	83.6
Years of Terminal Growth (Y):	10	Terminal Value (V):	62.21
Discount Rate (D):	10 %	Stock Price (S):	\$ 133.42
Business Predictability (P):	★★★★★	Margin Of Safety (M):	8.50%

Save the parameters

Money Making Melting Pot



DCF Default Case

DCF Parameters	DCF Results
Earnings Per Share ⓘ : \$ 8.36	Fair Value ⓘ : \$ 229.7
Growth Rate In the Next ⓘ : 10 Years 16 %	Tangible Book Value ⓘ : \$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ⓘ : 4 %	Growth Value ⓘ : 116.38
Years of Terminal Growth ⓘ : 10	Terminal Value ⓘ : 113.32
Discount Rate ⓘ : 9.5 %	Stock Price : \$ 133.42
Business Predictability ⓘ : ★★★★★	Margin Of Safety : 41.92%
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DCF Default Case

DCF Parameters	DCF Results
Earnings Per Share ⓘ : \$ 8.36	Fair Value ⓘ : \$ 229.7
Growth Rate In the Next ⓘ : 10 Years 16 %	Tangible Book Value ⓘ : \$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ⓘ : 4 %	Growth Value ⓘ : 116.38
Years of Terminal Growth ⓘ : 10	Terminal Value ⓘ : 113.32
Discount Rate ⓘ : 9.5 %	Stock Price : \$ 133.42
Business Predictability ⓘ : ★★★★★	Margin Of Safety : 41.92%
<input type="button" value="Save the parameters"/>	

DCF Default Case

DCF Parameters	DCF Results
Earnings Per Share ⓘ : \$ 8.36	Fair Value ⓘ : \$ 229.7
Growth Rate In the Next ⓘ : 10 Years 16 %	Tangible Book Value ⓘ : \$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ⓘ : 4 %	Growth Value ⓘ : 116.38
Years of Terminal Growth ⓘ : 10	Terminal Value ⓘ : 113.32
Discount Rate ⓘ : 9.5 %	Stock Price : \$ 133.42
Business Predictability ⓘ : ★★★★★	Margin Of Safety : 41.92%
<input type="button" value="Save the parameters"/>	

DCF Bull Case

DCF Parameters		DCF Results	
Earnings Per Share ? :	\$ 8.36	Fair Value ? :	\$ 317.75
Growth Rate In the Next ? :	10 Years 20 %	Tangible Book Value ? :	\$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ? :	4 %	Growth Value ? :	147.33
Years of Terminal Growth ? :	10	Terminal Value ? :	170.43
Discount Rate ? :	9 %	Stock Price :	\$ 133.42
Business Predictability ? :	★★★★★	Margin Of Safety :	58.01%

Save the parameters



DCF Bull Case

DCF Parameters		DCF Results	
Earnings Per Share ⓘ :	\$ 8.36	Fair Value ⓘ :	\$ 317.75
Growth Rate In the Next ⓘ :	10 Years 20 %	Tangible Book Value ⓘ :	\$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ⓘ :	4 %	Growth Value ⓘ :	147.33
Years of Terminal Growth ⓘ :	10	Terminal Value ⓘ :	170.43
Discount Rate ⓘ :	9 %	Stock Price :	\$ 133.42
Business Predictability ⓘ :	★★★★★	Margin Of Safety :	58.01%

Save the parameters

DCF Bull Case

DCF Parameters	DCF Results
Earnings Per Share ⓘ : \$ 8.36	Fair Value ⓘ : \$ 317.75
Growth Rate In the Next ⓘ : 10 Years 20 %	Tangible Book Value ⓘ : \$ 8.19 <input type="checkbox"/> Add to Fair Value
Terminal Growth Rate ⓘ : 4 %	Growth Value ⓘ : 147.33
Years of Terminal Growth ⓘ : 10	Terminal Value ⓘ : 170.43
Discount Rate ⓘ : 9 %	Stock Price : \$ 133.42
Business Predictability ⓘ : ★★★★★	Margin Of Safety : 58.01%

Save the parameters

Money Making Melting Pot



Reverse DCF

Reverse DCF Results

Growth Rate ⓘ : **8.05%**

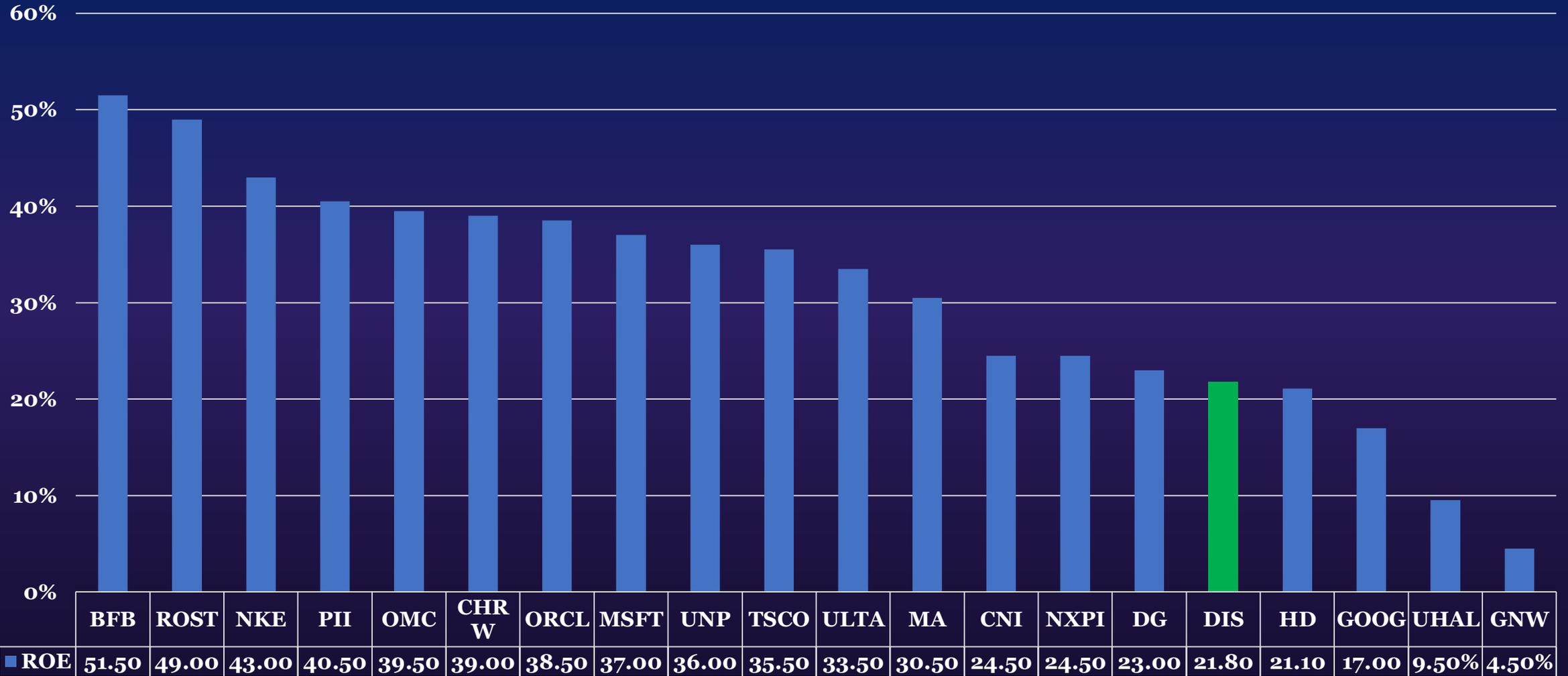
Stock Price : \$

Annual Rates (per share)	10 yrs	5 yrs	12 months
Revenue Growth (%) ⓘ	8.0	9.3	10.6
EBITDA Growth (%) ⓘ	12.3	11.7	9.4
Operating Income Growth (%) ⓘ	12.9	12.7	7.5
EPS without NRI Growth (%) ⓘ	15.6	17.2	3.7
Free Cash Flow Growth (%) ⓘ	14.6	13.3	1.1
Book Value Growth (%) ⓘ	5.9	4.0	16.2

Intraportfolio Comparisons



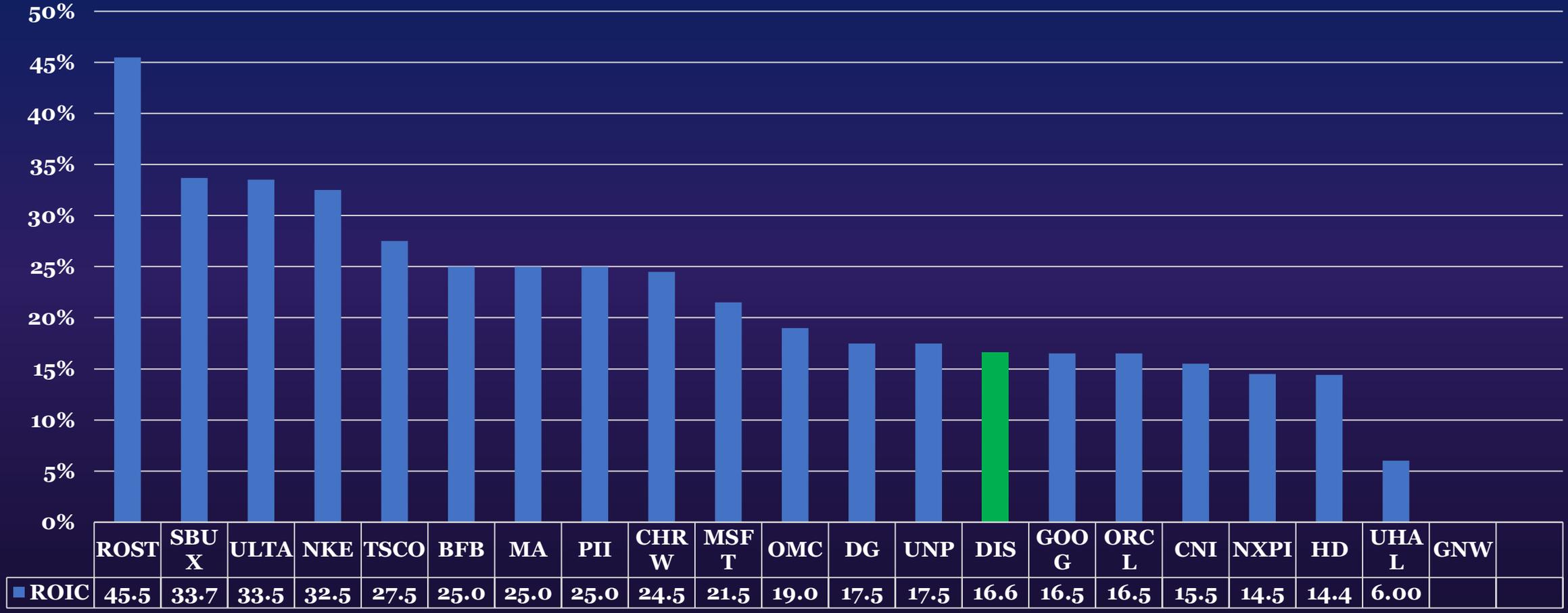
ROE



Money Making Melting Pot



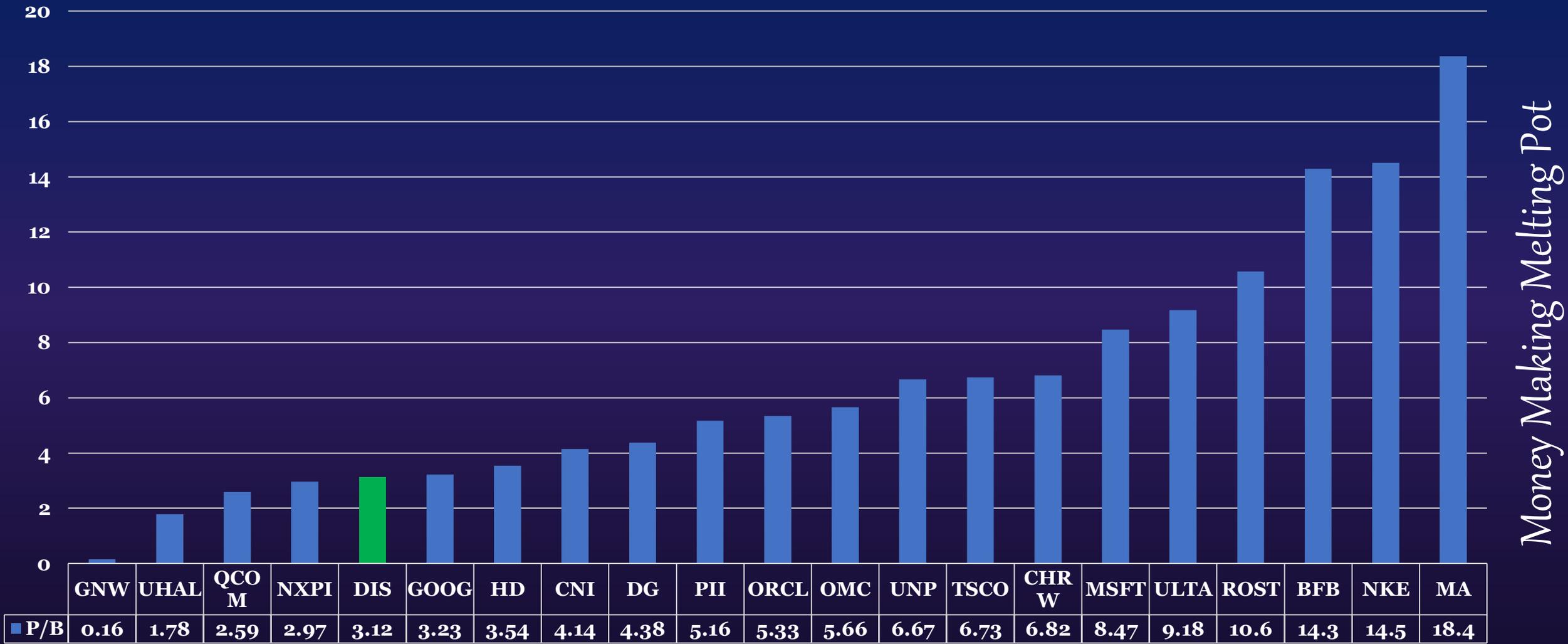
ROIC



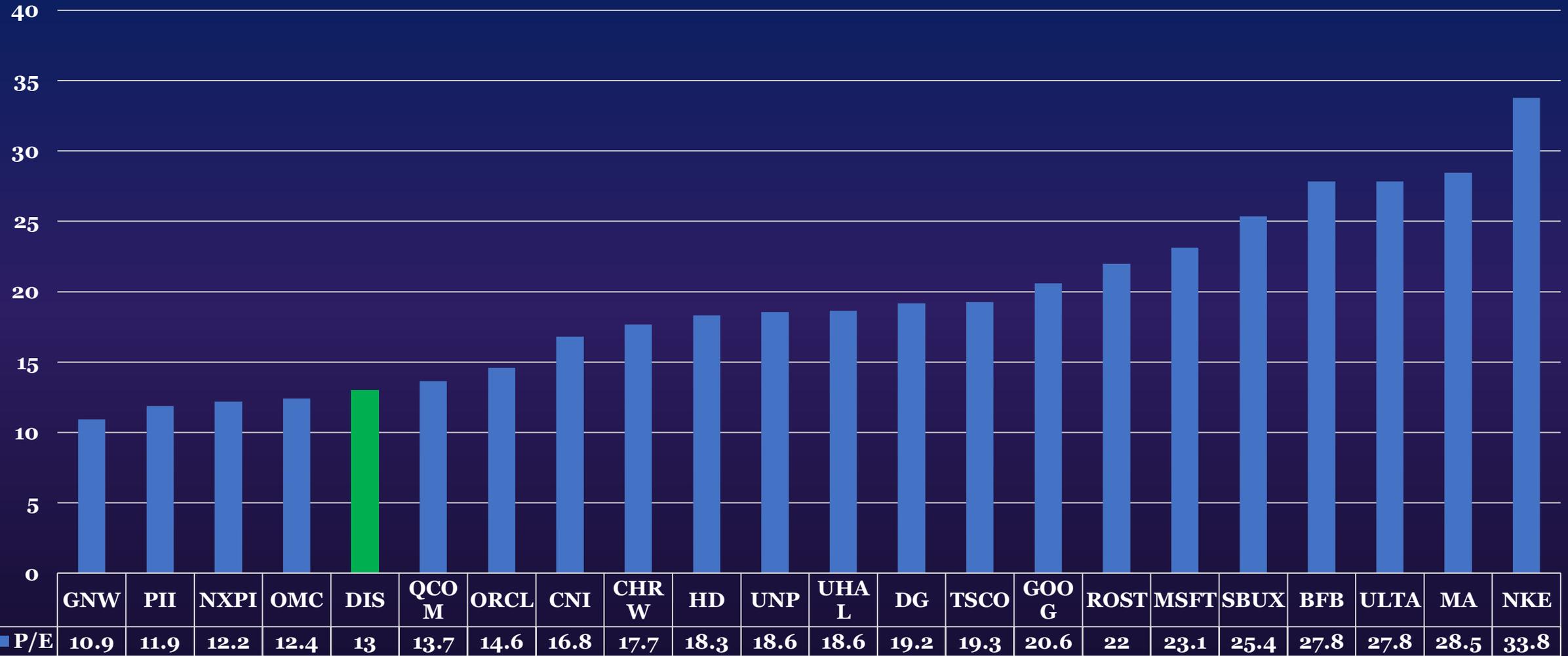
Money Making Melting Pot



Price / Book



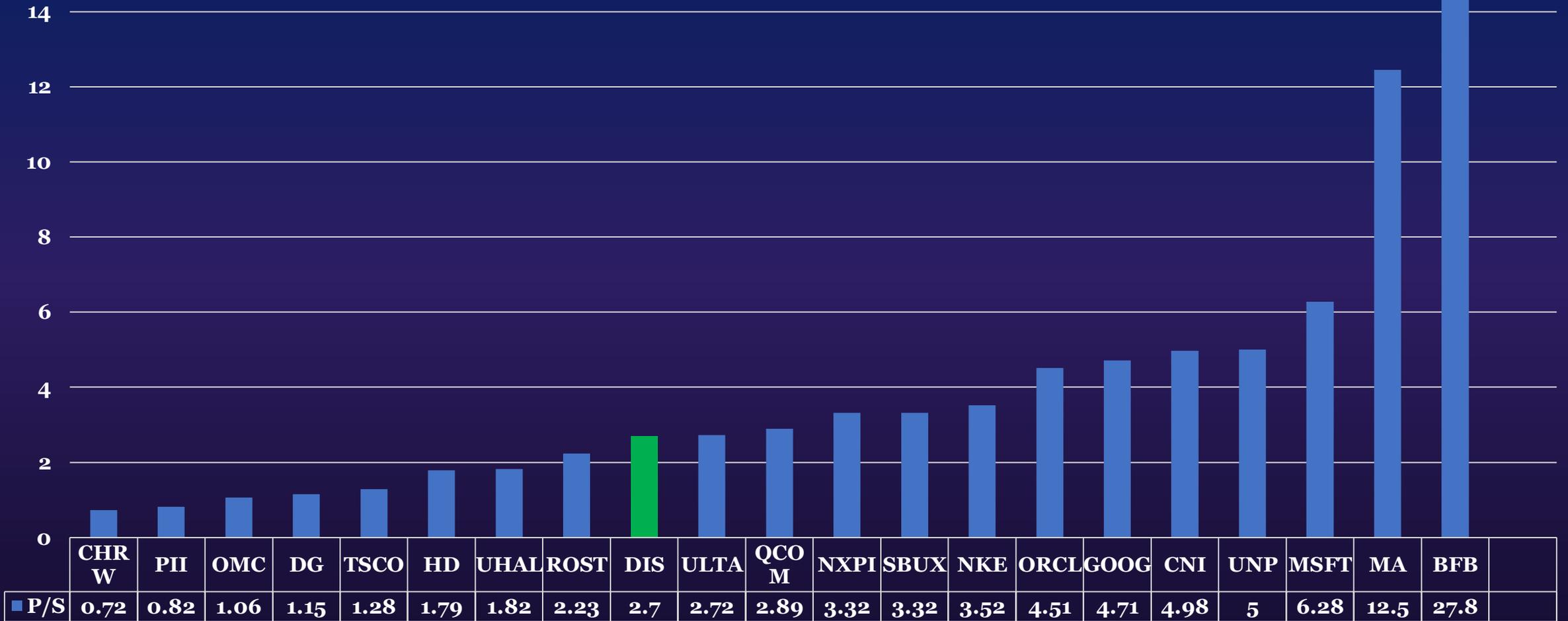
Price/ Earnings



Money Making Melting Pot



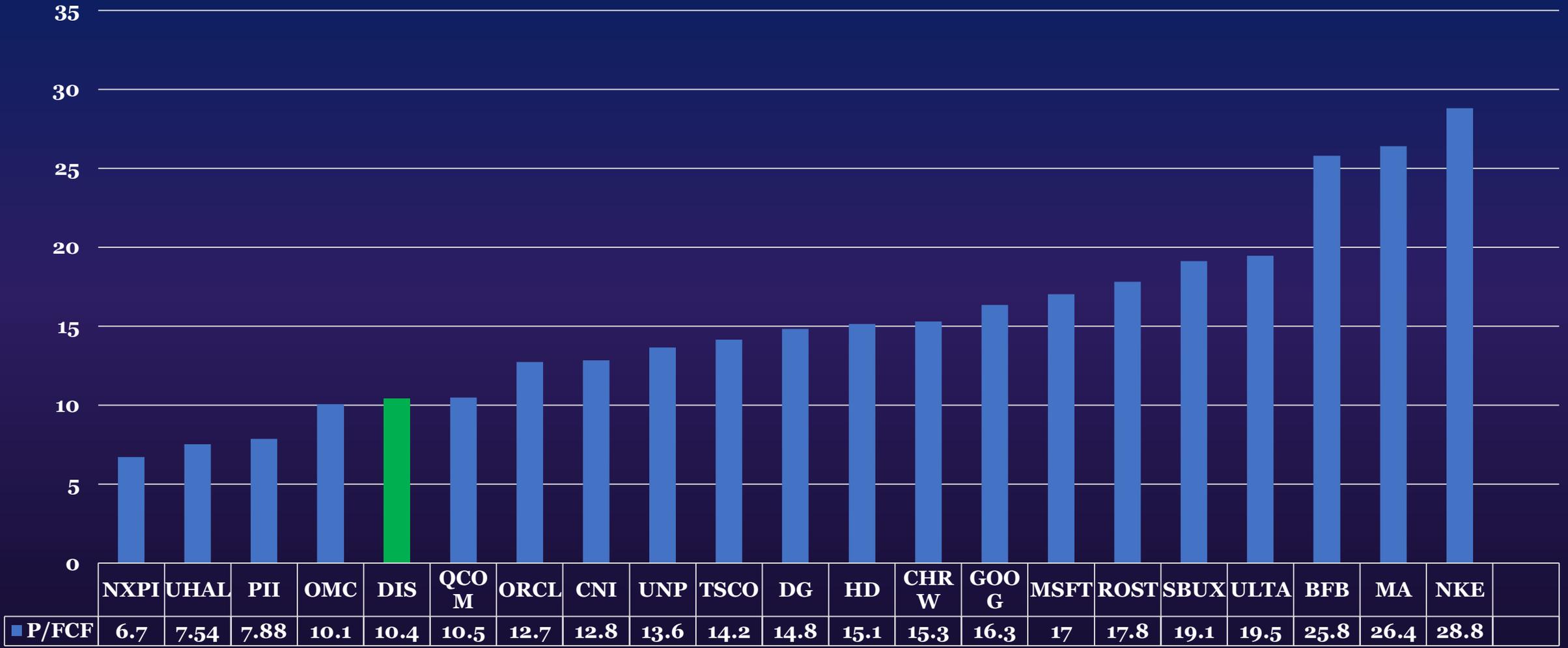
Price/ Sales



Money Making Melting Pot



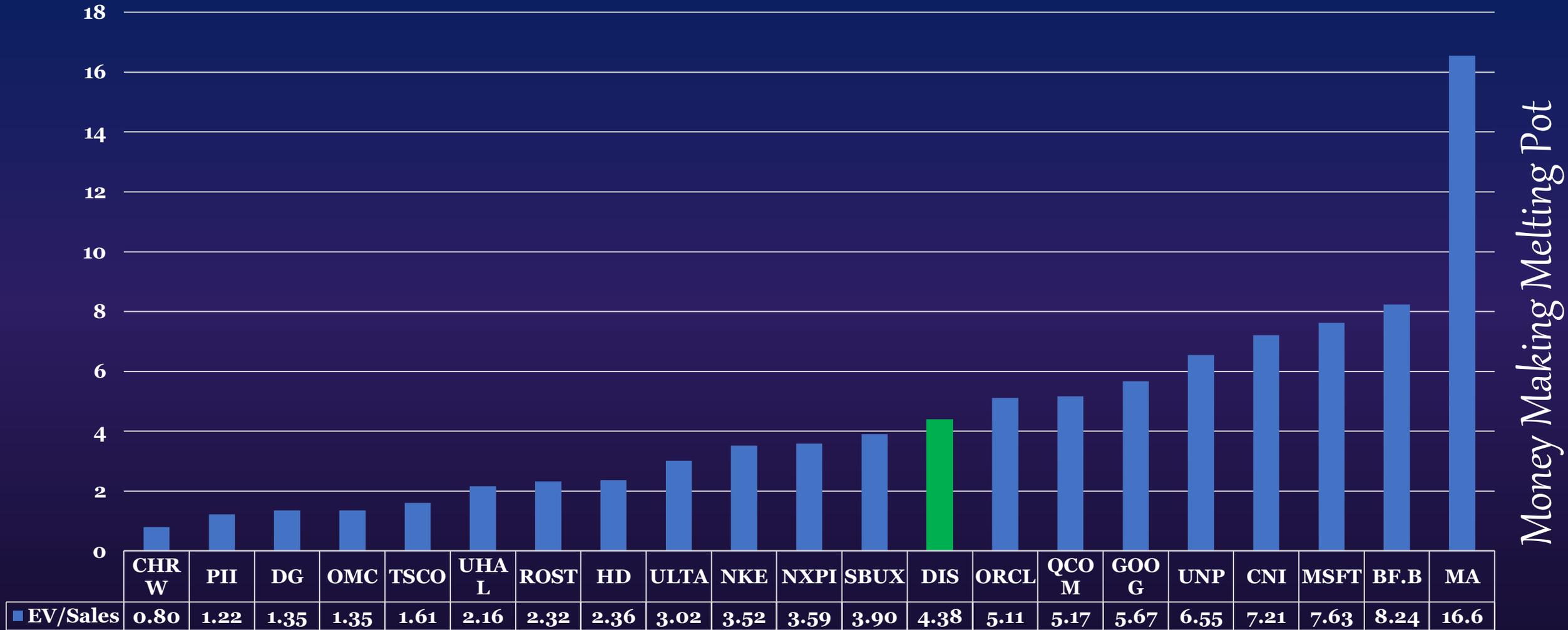
Price/ Free Cash Flow



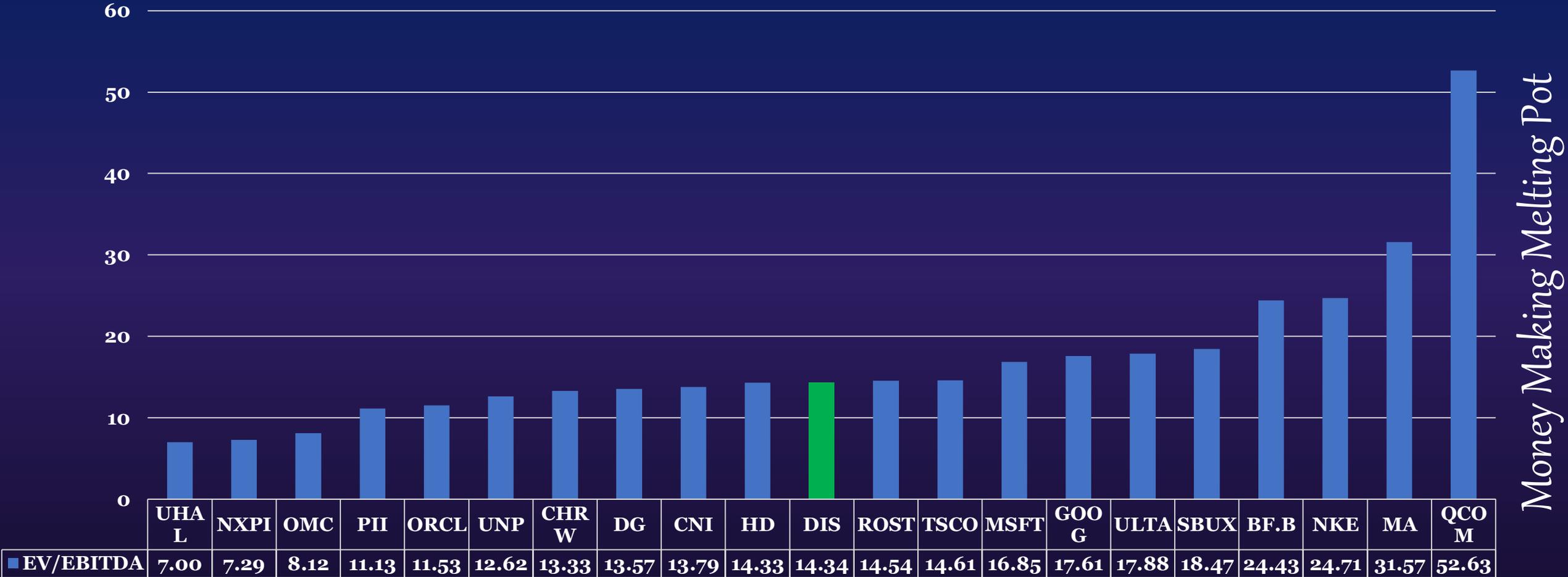
Money Making Melting Pot



EV to Revenue



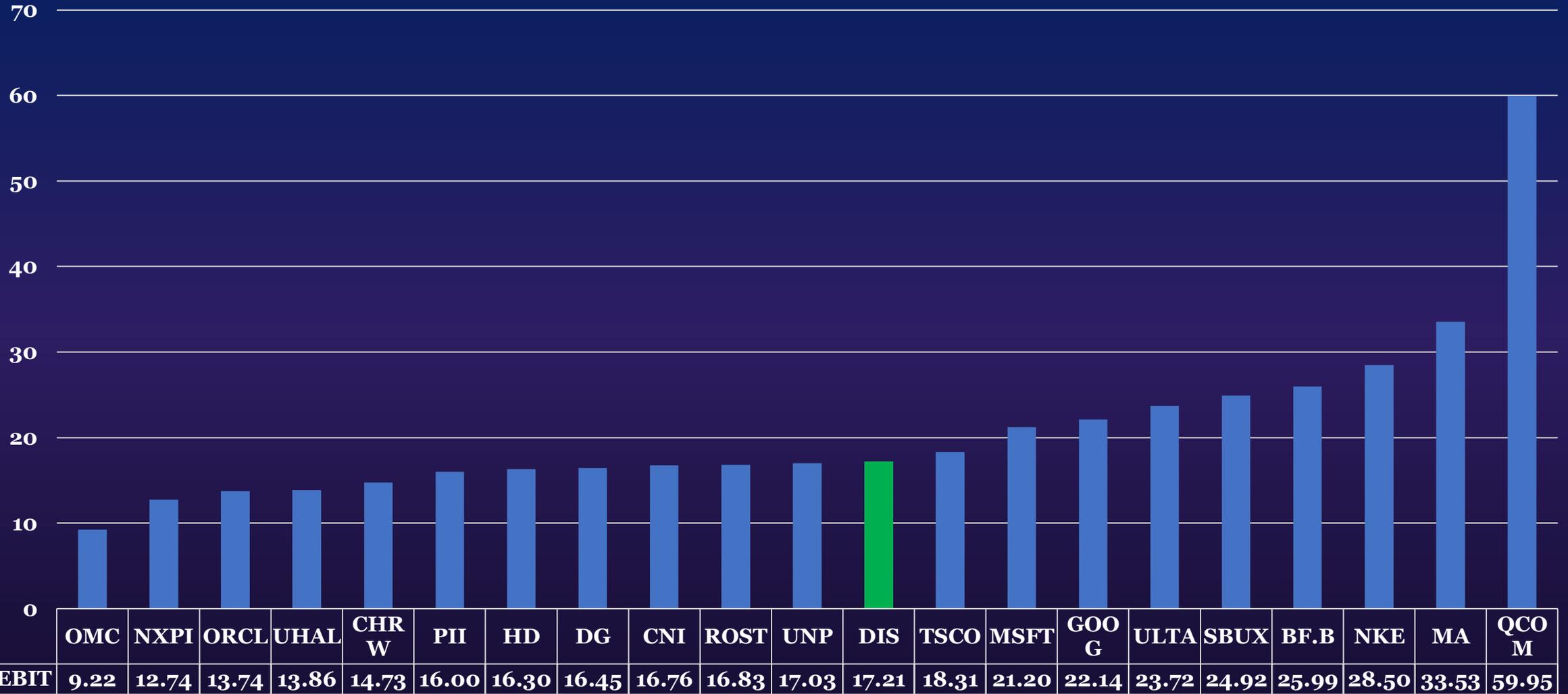
EV to EBITDA



Money Making Melting Pot



EV to EBIT

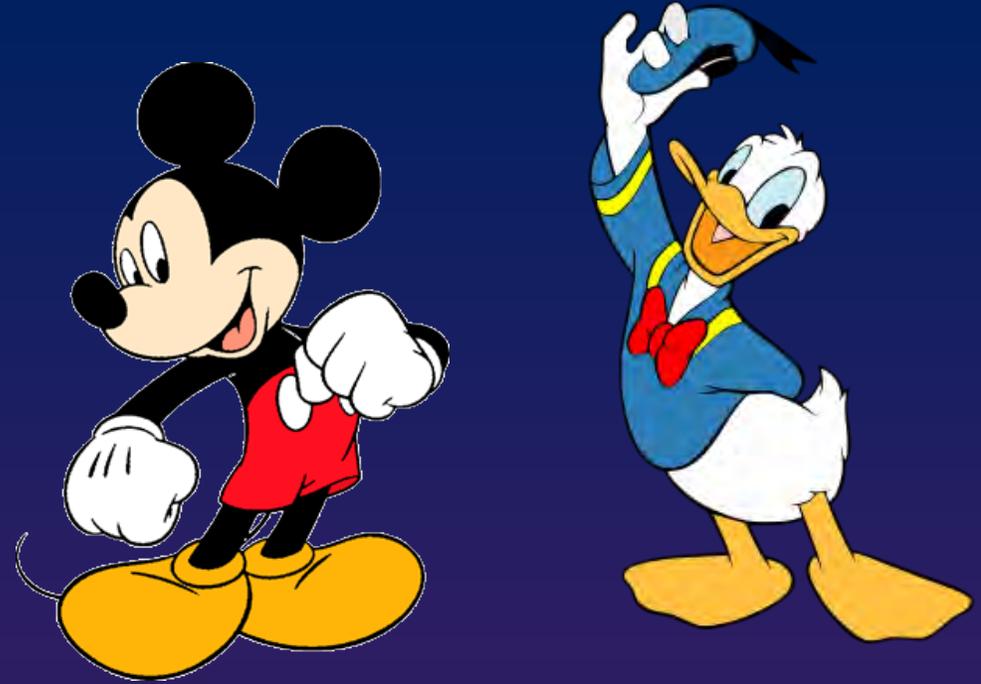


Money Making Melting Pot



In Conclusion...

- Disney is a wide moat business
- Huge portfolio of intangible assets, acquisition of Fox adds key **titles and brands** to Disney's production studio
- Anticipated streaming growth from Disney+ and ESPN+



Recommendation

TWO OPTIONS (to be determined by other team)

Buy Disney NOW
Market Order

Do we really wanna miss out on this new growth narrative?

Buy Disney SOON
Limit Order (\$130)

It has increased 24% YTD, wait for a pullback?



Money Making Melting Pot



Questions?



Money Making Melting Pot