

# The Walt Disney Company

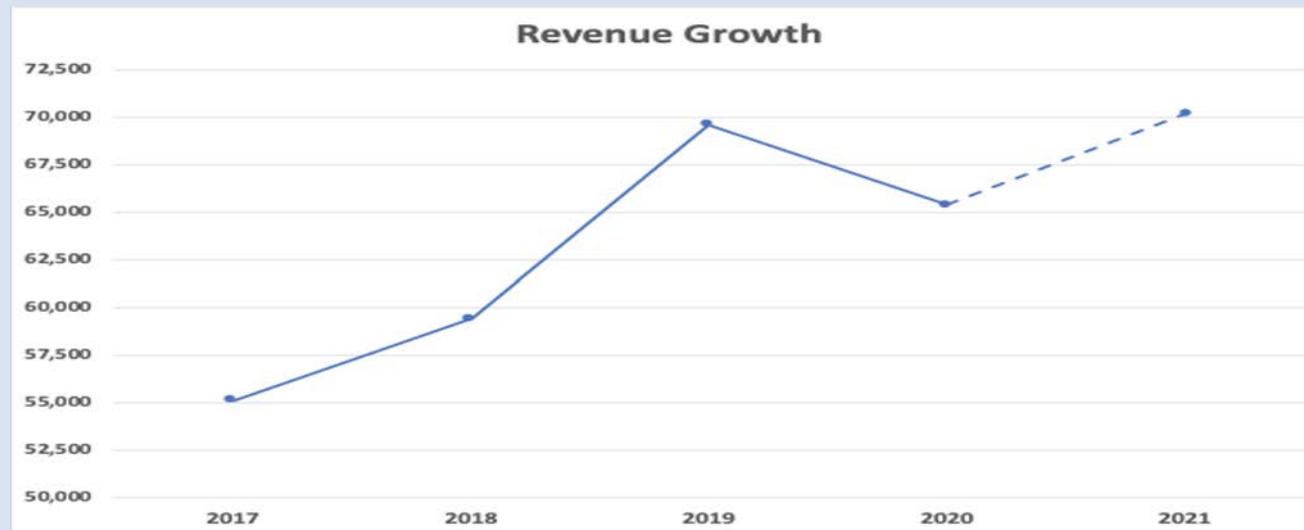
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## PRESENTATION TO THE Celani Fund

The Walt Disney Company | February 15,  
2021

## Disney Plus And Other Media

- Disney Plus launched in November 2019, and have recently announced that they have nearly hit 95 million subscribers in Q1 of 2021. They set a new goal of 260 million subscribers by 2024.
- The other two streaming services owned by Disney, Hulu and ESPN, have recently increased their subscriber count as well, proving that Disney is a well-diversified media company.
- Disney's media networks are their largest source of revenue and profit. They have multiple channels and networks, one of them being ABC which has one of the widest viewerships in the U.S.



## Amusement Parks / Other

- Disney has six parks: Walt Disney World Resort, Disneyland Resort, Disneyland Paris, Hong Kong Disneyland, Shanghai Disneyland.
- In addition, they have their Cruise Ship line & Vacation Club.
- Most of this segments revenue comes from admissions, food, beverages, merchandise, and resort stays.
- With Multiple operating segments this leaves Disney more diversified against potential Macro risks

## Amusement Parks/Other

- Complete park closures that started on March 15th
- Currently only three of the six parks have reopened: Shanghai Disney, Walt Disney World Resort, and Tokyo Disney.
- Since April 20, 2020 over 100,000 staff at Disney Parks and Hotels were put on indefinite unpaid leave to save the company \$500M.
- Cruises stopped sailing on March 14th with unclear restart dates

## Cinema, Television, & Stage

- Disney+, Hulu, ESPN all gained subscribers
- Delayed production/releases in 30+ titles
- Closure of Disney Theatrical Productions

	<b>EPS (MRQ)</b>	<b>P/E</b>	<b>P/B</b>	<b>P/S</b>	<b>EV/EBITDA</b>	<b>Debt/Equity</b>
<b>Disney</b>	0.32	51.22	4.05	5.59	140.91	1.35
<b>Netflix</b>	1.19	91.53	22.28	10.11	16.42	1.47
<b>AT&amp;T</b>	0.75	19.23	1.27	1.2	11.16	1.11



## Observation's

- Strong Revenue growth in the coming years.
- EBITDA percentage of revenues climbs
- Operating income continues to increase allowing for more cushion in case of stagnating growth
- EBITDA Margin going back to pre-streaming levels

	2020	2021	2022	2023	2024	2025
Total Revenues	65,388	85,520	99,452	113,476	127,022	138,872
Growth Rate		24.33%	20.45%	14.48%	12.21%	9.47%
EBITDA% of Revenues	14.85%	17.00%	20.00%	22.50%	25.00%	30.00%
EBITDA	9,710	14,538	19,890	25,532	31,756	41,622
EBIT	4,360	8,653	13,417	18,411	23,923	33,045
Tax Rate	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%

## Observation's

- Strong projected FCF in the coming years
- As the media segment expands so will WC accounts, but will be offset by increasing revenues

## Further DCF Information

Earnings After Tax	3,444	6,836	10,599	14,545	18,899	26,106
D&A	5,350	5,885	6,474	7,121	7,833	8,616
Changes in NWC	(645)	(774)	(929)	(1,115)	(1,337)	(1,605)
Capex	(4,000)	(4,600)	(5,290)	(6,084)	(6,996)	(8,045)
Unlevered FCF's	4,149	7,347	10,854	14,468	18,398	25,072
disocunt rate		9.00%	9.00%	9.00%	9.00%	9.00%
PV of FCF's		6,741	9,136	11,172	13,034	16,295

## Company Overview

- Market may have potentially priced in Disney plus growth and COVID concerns
- While Disney's revenue segments all may have competition, Disney has performed well in nearly every facet of their business regardless.

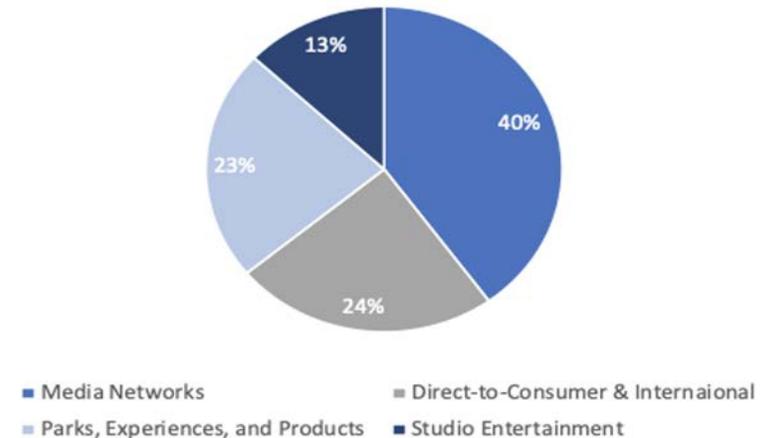
## Valuation

### Metrics

- WACC: 7.50%
- LTGR: 3.50%
- Valuation: \$175.32

LT growth Rate	3.50%
2025 FCF *(1+gr)	25,949
TV 2025	471,803
PV of TV	306,640
Enterprise value	363,016
Per Share Value	175.32
Analyst PT	202.38
Current Price	187.67
Overvalued	7%

Disney Segment Breakdown



- The re-opening of parks and increased subscriber volume for disney plus give sufficient reason for us to recommend a purchase of 250,000 worth of shares roughly equivalent to 1332 shares.
- Disney does still face some reopening risks but we believe these are not substantial enough to sway a buy decision

Questions?

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