

Company	Ticker	Price	EPS	P/E	Credit Rating	Market Cap	Div Yield	ROE
Disney	DIS	\$95.01	\$1.72	40.5x	A2 (Moody's)	\$173.21 Bn	0%	3.5%

#### Business Overview:

Disney is a diversified mass media and entertainment company that operates internationally offering services in parks and resorts, studio entertainment, consumer products, and interactive media. The company's services are divided into two segments: the Disney Media and Entertainment industry and the Disney Parks, Experiences and Products. Disney is focused on expanding both segments of its business with future streaming video on demand and theme park expansions.

#### Investment Thesis:

Disney will continue to offer value to shareholders because it is a diverse company that offers many services through its various lines of business. The company has demonstrated its ability to recover from the COVID-19 pandemic. The company has competitive advantage in the streaming industry through its content library and strategic acquisitions. The company has an iconic brand with unmatched content production and recognition.

#### Investment Risks:

##### Changes in Technology & Consumer Patterns:

New technologies can affect the demand for products and distribution means to consumers and has an effect on the time and manner that consumers can view entertainment in relation to competitors

##### Changes in Global, Regional and Economic Conditions:

Disney's earnings depend on economic conditions in the U.S and internationally

##### Misalignment With Public & Consumer Tastes:

Disney's success is dependent on creating new products that will meet predicted preferences of consumers, especially outside the U.S

##### Seasonality of Certain Businesses May Fluctuate:

Increased theme park and resort attendance during the summer & winter/spring breaks usually result in increased revenues during the third and fourth quarter

#### Intrinsic Valuation:

Disney	Historical Period				Current Year		Projected Period							
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Revenue	59,434	69,607	65,388	67,418	82,722	90,167	97,380	105,171	112,533	119,285	126,442	132,764	138,074	142,217
% Growth		17.12%	-6.06%	3.10%	22.7%	9.0%	8.0%	8.0%	7.0%	6.0%	6.0%	5.0%	4.0%	3.0%
Cost of Revenue	32,726	42,061	43,880	45,131	55,424	60,412	65,245	68,361	73,146	77,535	79,658	83,641	84,225	86,752
% Margin	55%	60%	67%	67%	67%	67%	67%	65%	65%	65%	63%	63%	61%	61%
Gross Profit	26,708	27,546	21,508	22,287	27,298	29,755	32,136	36,810	39,386	41,750	46,783	49,123	53,849	55,464
% Margin	45%	40%	33%	33%	33%	33%	33%	35%	35%	35%	37%	37%	39%	39%
SG&A	8,860	11,349	12,382	13,684	14,890	15,328	16,555	17,879	18,005	19,086	20,231	19,915	20,711	21,332
% Margin	15%	16%	19%	20%	18%	17%	17%	17%	16%	16%	16%	15%	15%	15%
EBITDA	20,859	20,364	14,471	13,714	17,952	19,837	21,424	25,241	28,133	28,628	32,875	35,846	40,042	41,243
% Margin	35%	29%	22%	20%	22%	22%	22%	24%	25%	24%	26%	27%	29%	29%
Less: D&A	3,011	4,167	5,345	5,111	5,544.01	5,410	5,843	6,310	6,752	5,964	6,322	6,638	6,904	7,111
% Margin	5%	6%	8%	8%	7%	6%	6%	6%	6%	5%	5%	5%	5%	5%
Normalized EBIT	13,781	14,161	11,049	2,954	12,408	14,427	15,581	18,931	21,381	22,664	26,553	29,208	33,138	34,132
% Margin	23%	20%	17%	4%	15%	16%	16%	18%	19%	19%	21%	22%	24%	24%
Tax Expense	4,422	1,663	3,026	699	2,606	3,030	3,272	3,975	4,490	4,759	5,576	6,134	6,959	7,168
Tax Rate	32%	12%	27%	24%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
NOPLAT	9,359	12,498	8,023	2,255	9,803	11,397	12,309	14,955	16,891	17,905	20,977	23,074	26,179	26,964
Add: D&A	3,011	4,167	5,345	5,111	5,544	5,410	5,843	6,310	6,752	5,964	6,322	6,638	6,904	7,111
% Margin	5%	6%	8%	8%	7%	6%	6%	6%	6%	5%	5%	5%	5%	5%
Less: Capex	3623	4465	4876	4022	5,377	6,312	6,817	7,362	7,877	8,350	8,851	7,966	8,284	8,533
% Margin	6%	6%	7%	6%	7%	7%	7%	7%	7%	7%	6%	6%	6%	6%
Change in NWC	-	2,671	(2,182)	11,840	-	-	-	-	-	-	-	-	-	-
% Margin	-	3.84%	-3.34%	17.56%	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Free Operating Cash Flow	8,747	9,529	6,310	15,184	9,970	10,495	11,335	13,904	15,766	15,519	18,448	21,747	24,798	25,542
% Growth		8.94%	-33.78%	140.63%	-34.34%	5.27%	8.00%	22.66%	13.39%	-1.57%	18.87%	17.88%	14.03%	3.00%
% Margin	14.72%	13.69%	9.65%	22.52%	12.05%	11.64%	11.64%	13.22%	14.01%	13.01%	14.59%	16.38%	17.96%	17.96%

Terminal Year FCF	\$ 26,308.37
Wacc	9.0%
Terminal Value	\$ 451,627.04
Implied Perpetuity Growth Rate	3.00%

		Sensitivity Table				
		Discount Rate				
Perpetual Growth	\$ 138.03	8.00%	8.50%	9.00%	9.00%	9.50%
	2.00%	148.879533	134.022251	121.342648	121.342648	110.403119
	2.50%	160.316363	143.343979	129.040159	129.040159	116.830915
	3.00%	174.047047	154.3662	138.025521	138.025521	124.251951
	3.50%	190.836206	167.599061	148.649964	148.649964	132.914538
	4.00%	211.830768	183.779444	161.405215	161.405215	143.157281

Implied Value and Share Price	
PV of Terminal Value	\$ 190,772.14
PV of Cash Flows	\$99,295.38
Enterprise Value (EV)	\$290,067.52
Less: Debt	\$ 54,406.00
Add: Cash and Equivalents	\$ 15,959.00
Equity Value	\$251,620.52
Shares Outstanding	1,823
Equity Value per Share	\$ 138.03
Current Stock Price	\$ 90.60
Margin of Safety	34%