



# DSR STOCK CARD

07/07/2017

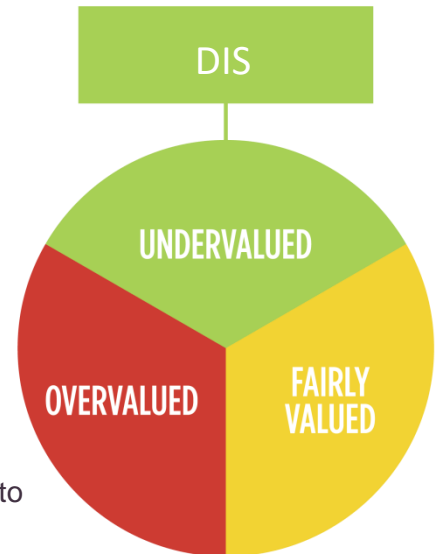
## Walt Disney (DIS)

### Business Model

DIS has become more than entertainment parks and Mickey. It is now the largest entertainment business in the world. Walt Disney is divided into five different segments: Media Networks, Parks and Resorts, Studio Entertainments, Consumer Products and Interactive.

### What Makes It a Great Company

- DIS has built one of the most respectable brands in the world. Its attention to details makes its theme parks and movies almost perfect each time.
- Over the past decade, the acquisition of Pixar, Marvel and Lucas Film give it access to an infinite bank of content.
- Dividend payment grew aggressively in the past 5 years, but is still very low, opening the gate for additional growth.



### Investment Thesis

Disney divisions will benefit from the US consumers spending more, especially with the coming of the new Star Wars trilogy. Finally, Disney is the strongest brand for family entertainment and this competitive advantage is nearly impossible to replicate.

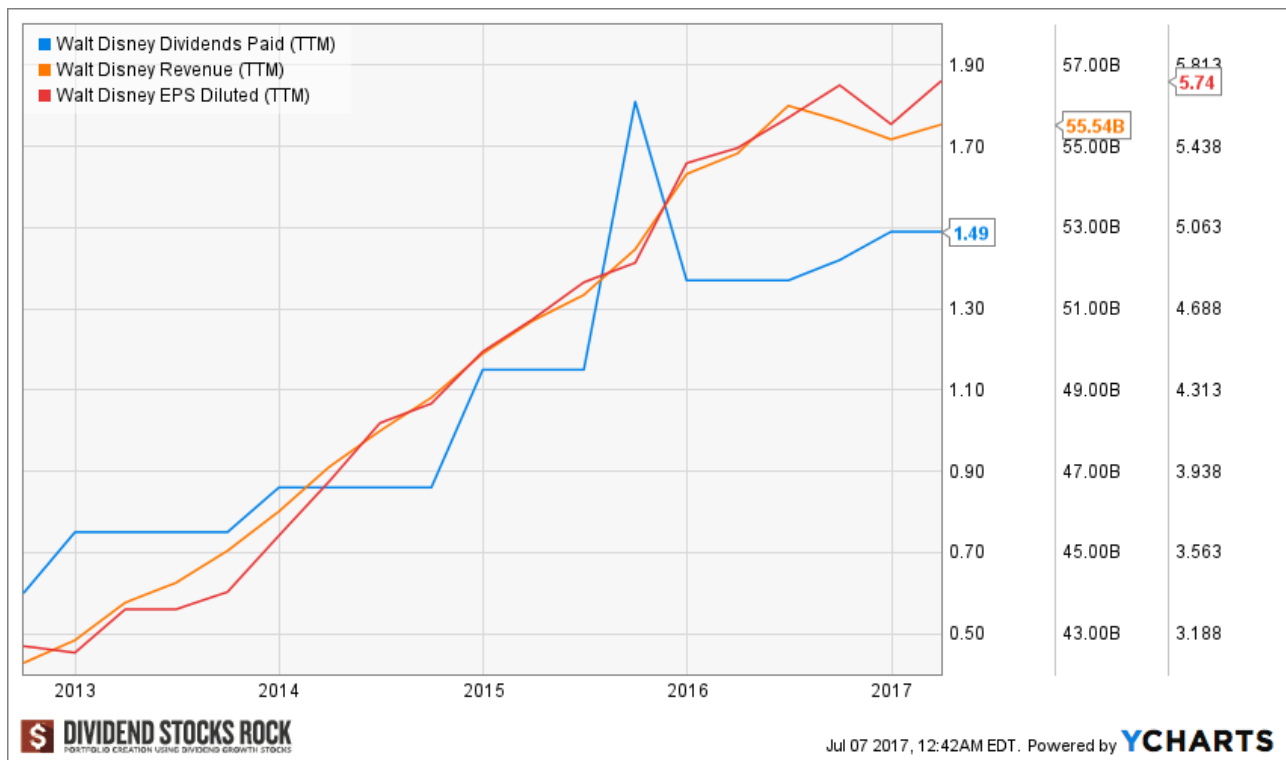
## VALUATION

Intrinsic Value	Discount Rate (Horizontal)		
	9.00%	10.00%	11.00%
Margin of Safety			
20% Premium	\$464.76	\$154.13	\$92.03
10% Premium	\$426.03	\$141.28	\$84.36
Intrinsic Value	\$387.30	<b>\$128.44</b>	\$76.19
10% Discount	\$348.57	\$115.60	\$69.02
20% Discount	\$309.84	\$102.75	\$61.35



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**COMPANY NAME (TICKER):** WALT DISNEY (DIS)

**TYPE OF HOLDING:** GROWTH

**SECTOR:** CONSUMER CYCLICAL

**CURRENT DIVIDEND YIELD:** 1.44%

**5 YEAR REVENUE GROWTH:** 6.35%

**5 YEAR EPS GROWTH:** 18.18%

**5 YEAR DIVIDEND GROWTH:** 28.84%

**PAYOUT RATIO:** 25.79%

## Potential Risks

Analysts are concerned about the highly profitable ESPN network eventually losing its customers to streaming. This could hurt the stock price for a short period of time. We remain strongly bullish over the long haul. Now that DIS announced it will stream ESPN in 2019, management has probably found a solution to this problem.

## Dividend Growth Perspective

Disney is not known for its dividend payments. It is usually paying a shy 1% yield even with a strong dividend growth policy. Good news is the yield is now closer to 1.50% (stock price stagnated while the dividend continued to grow). 5 years ago, DIS dividend payment was at \$0.75 per share for the year. The payout ratio is still very low at 26.45%. This shows you how strong the dividend growth potential is.