

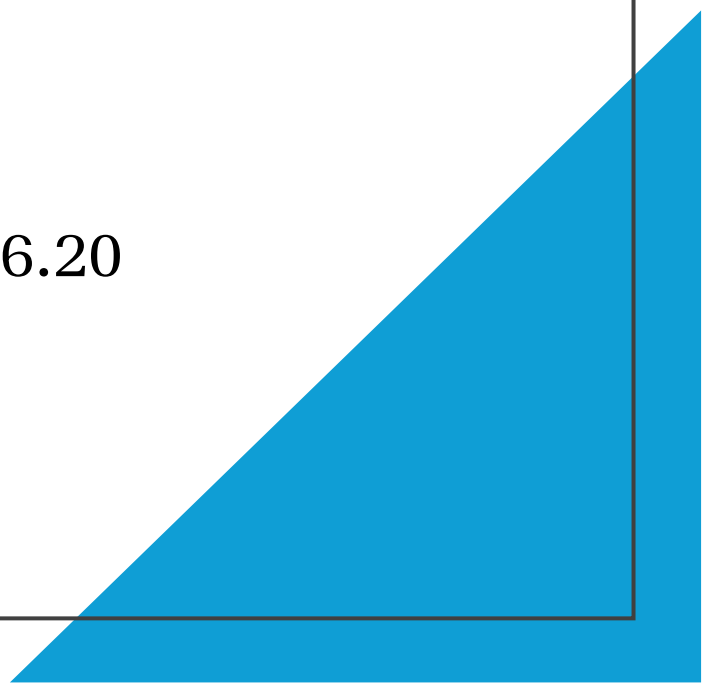


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# Disney (DIS) & Gold (GLD)

## *Divestments*

# Executive Summary

- Review holdings of Disney (DIS) & Gold (GLD)
  - We recommend to completely divest from these holdings from the Celani Portfolio
  - This would increase our cash holdings by \$103,726.20
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- A solid blue triangle is positioned in the bottom right corner of the slide, pointing towards the top right.





# Disney Overview

- Founded in 1923 & headquartered in California
- Lead by CEO Bob Iger
- Multiple Industries:
  - o Amusement & Water Parks
  - o Information & Intellectual Property Licensing
  - o Movie & Video Production
  - o Television Production & Video Streaming Services
- Current goals are to expand streaming services, with Disney+ at the center, create new content across TV & movies, new attractions, and more expansive sports broadcasting

## Examples:

- Disney World, Disney+, Pixar, Marvel, ABC, ESPN, Lucasfilm, Pixar, Hulu, National Geographic

# SWOT Analysis

## Strengths

- Brand Recognition and Loyalty
- Diversified Portfolio
- Global Reach & Resilience
- Strategic Acquisitions

## Weaknesses

- High Operating Costs
- Dependence on North America
- Changing Consumer Preferences

## Opportunities

- Expansion of Disney+
- Technological Innovations
- Intellectual Property

## Threats

- Intense Competition
- Content Saturation & Piracy
- Regulatory & Economic Changes

# Recent Headwinds

- 2022, Ron DeSantis against Disney
- \$223 Million settlement for a minimum wage lawsuit in 2024
- On-Going court dispute over copyright infringements for "Moana"
- Federal lawsuit from misled investors over Disney+ lofty subscription growth.



# Ratio Analysis

## Disney (DIS)

### Liquidity

Current Ratio	.73
Cash Ratio	.17

### Leverage

Debt to Equity	.43
Times Interest Earned	5.16

### Profitability

Operating Margin	9.03%
Net Profit Margin	6.32%
EBITDA/Sales	7.65%

## Netflix (NFLX)

### Liquidity

Current Ratio	1.22
Cash Ratio	.73

### Leverage

Debt to Equity	.63
Times Interest Earned	5.64

### Profitability

Operating Margin	26.71%
Net Profit Margin	22.34%
EBITDA/Sales	66.79%

## Comcast (CMCSA)

### Liquidity

Current Ratio	.68
Cash Ratio	.18

### Leverage

Debt to Equity	1.15
Times Interest Earned	14.49

### Profitability

Operating Margin	18.83%
Net Profit Margin	12.83%
EBITDA/Sales	30.79%

# EV to EBITDA

Using CMCSA to Value DIS	
EBIT	10,417,614,000
Add: Depreciation and Amortization	
EBITDA	26,048,045,000
Share Price	\$ 971.60
Shares Outstanding	427,757,100
Market Cap	415,608,798,360
Total Debt	15,582,804,000
Enterprise Value	431,191,602,360
EV/EBITDA Multiple	16.55

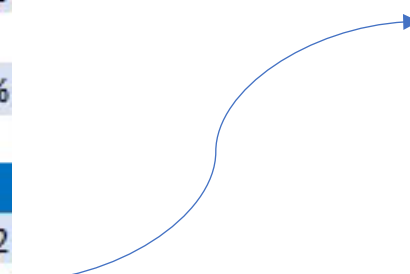
DIS Valuation	
EV/EBITDA Multiple	16.55
EBIT	8,254,000,000
Add: Depreciation and Amortization	
EBITDA	13,244,000,000
Enterprise Value	219,237,243,396
Less: Total Debt	45,815,000,000
Equity Value	173,422,243,396
Shares Outstanding	1,807,788,865
Implied Price Per Share	\$95.93
Market Price Per Share	\$112.87
Company Overvalued	15.01%



# DCF Valuation

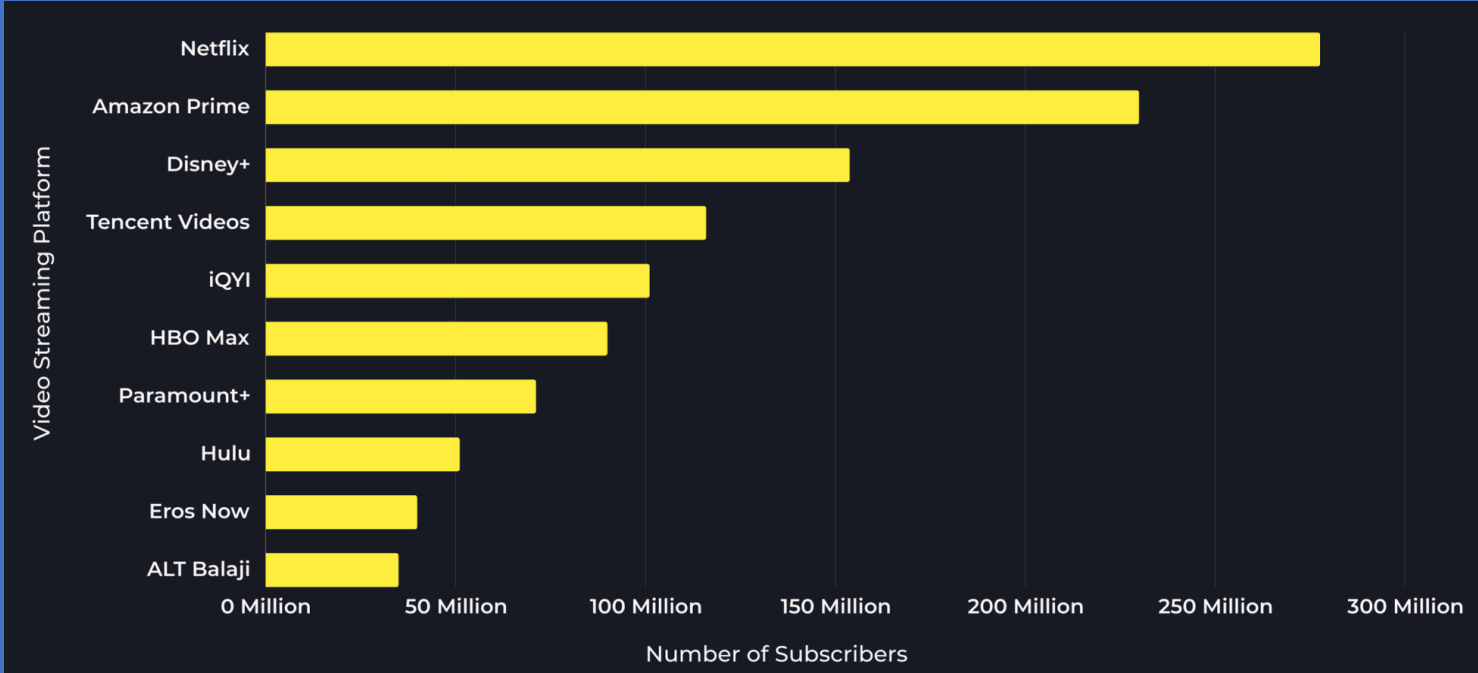
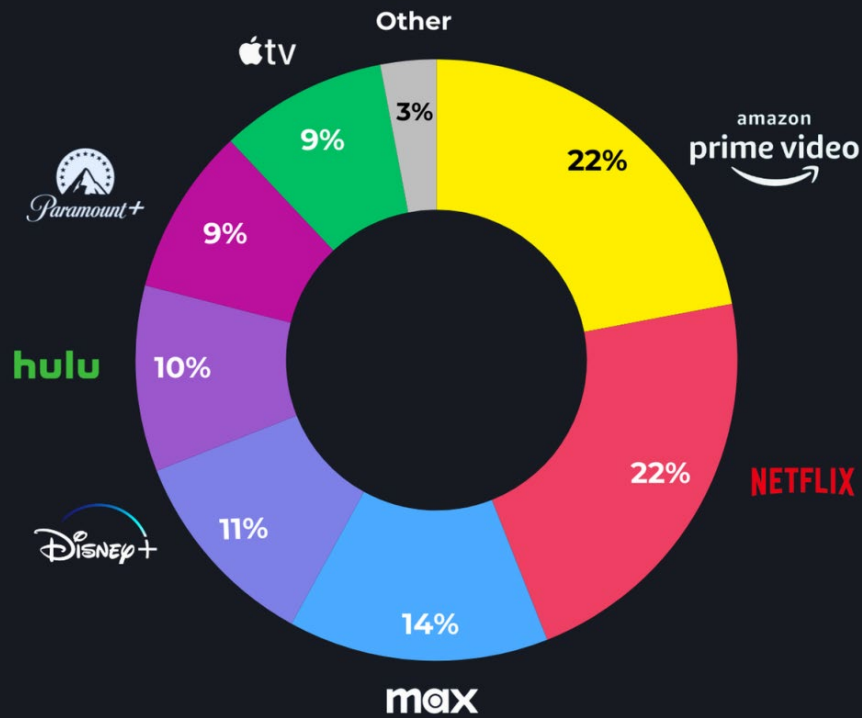
Smooth TY and NPV	
Smooth TY	11,128
NPV Next 5 Years	12,634
WACC	9.76%
Reinvestment	
NWC Investment	915
Capex Dep	6,665
Total Reinvestment	7,580
NOPAT	10,213
Net Reinvestment Rate	74.22%
Total Invested Capital	
Invested Capital	105,522
Debt	45,815
Total Invested Capital	151,337
ROIC	6.75%
LTG	5.01%

DCF Valuation	
Numerator	11,686
Denominator	4.75%
TV	245,826.01
PV of TV	154,298.96
Enterprise Value	166,933
Net Debt	45,815
Equity Value	121,118
Shares O/S	1808
Share Price	67.00
Market Price	\$112.87
Shares Overvalued	-40.64%



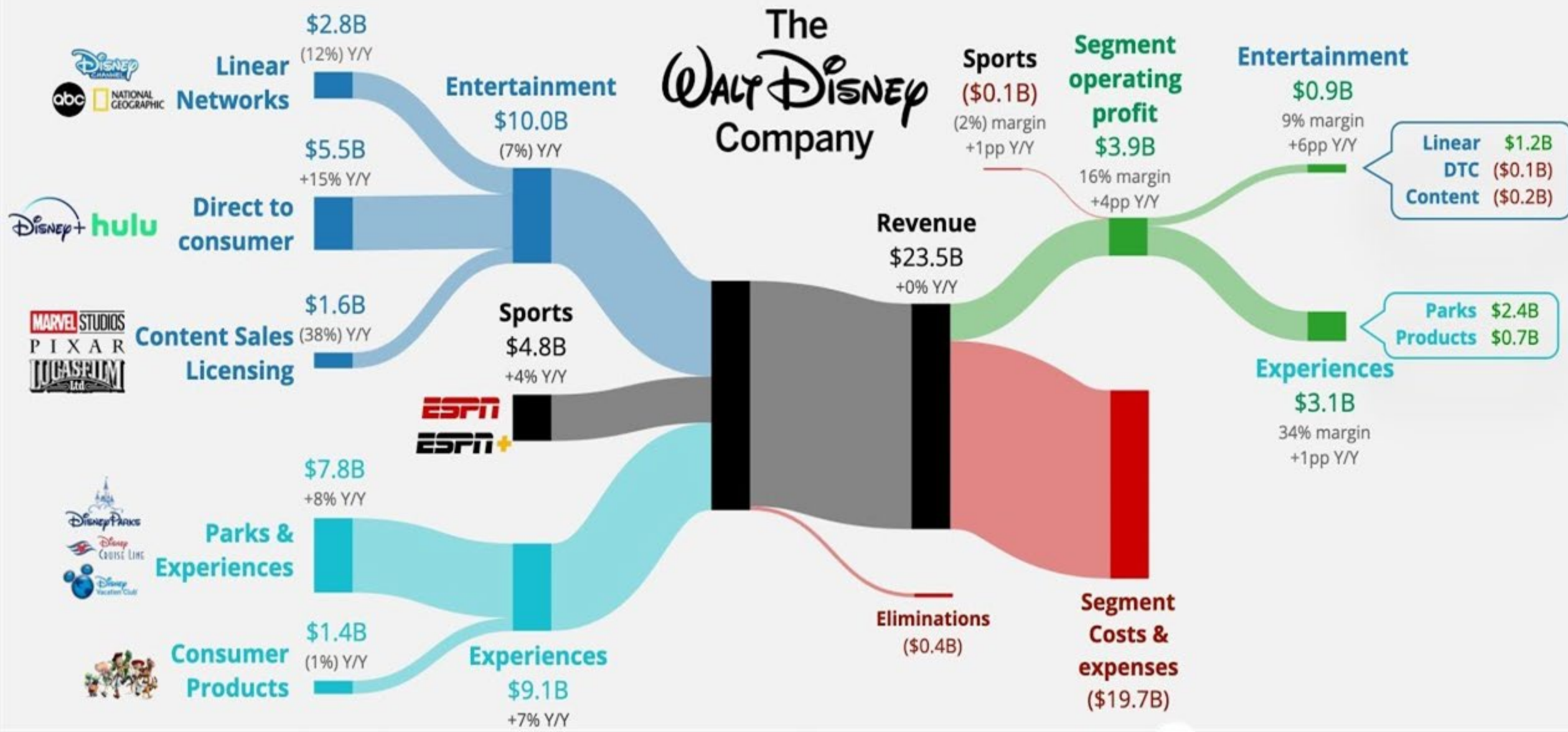


# Streaming Services Market Share

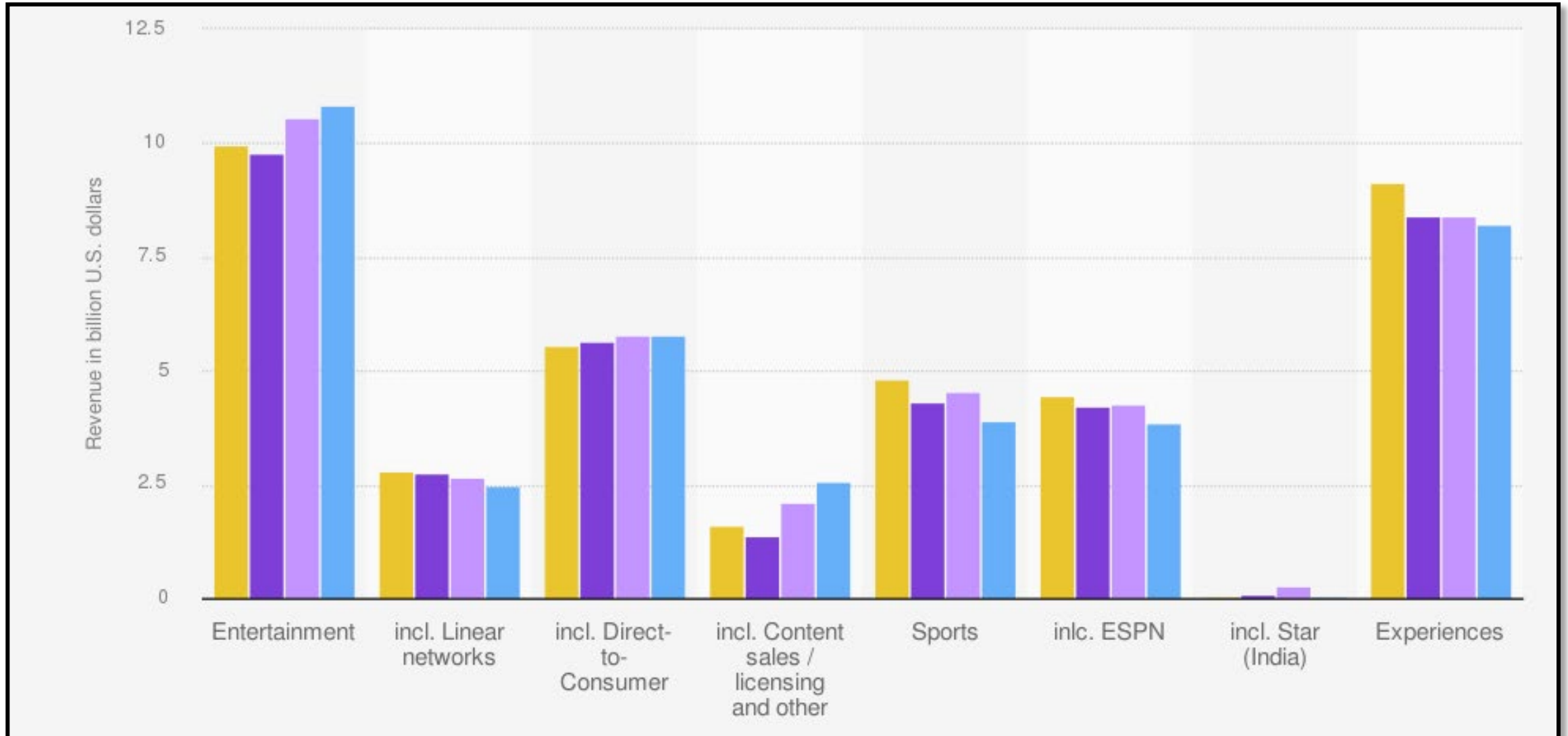


# Disney Q1 FY24 by Segment

Q1 FY24  
Ending Dec. 2023



## Revenue of the Walt Disney Company worldwide from Q1 2024 to Q4 2024, by segment *(in billion U.S. dollars)*







# Profit & Loss

- Bought 641 Shares at **\$195.16**
- Price as of 3/3/25 is **\$112.41**
- Total Cost Basis: \$125,097.56
- Total Principal Today: \$72,048.40

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P&L = - **41.69%**



# Gold Overview

## Reasons Why Gold is a Good Investment:

- **Safe-Haven Asset** – Historically, retains value during economic downturns and inflationary periods, making it a reliable store of wealth.
- **Rising Demand** – Investor interest surged during the COVID-19 pandemic, and demand remains strong.
- **Price Growth** – The industry has experienced revenue growth, with gold prices spiking in 2024.

## Reasons Why Gold is a Bad Investment:

- **Market Volatility** – Prices are highly dependent on global demand shifts.

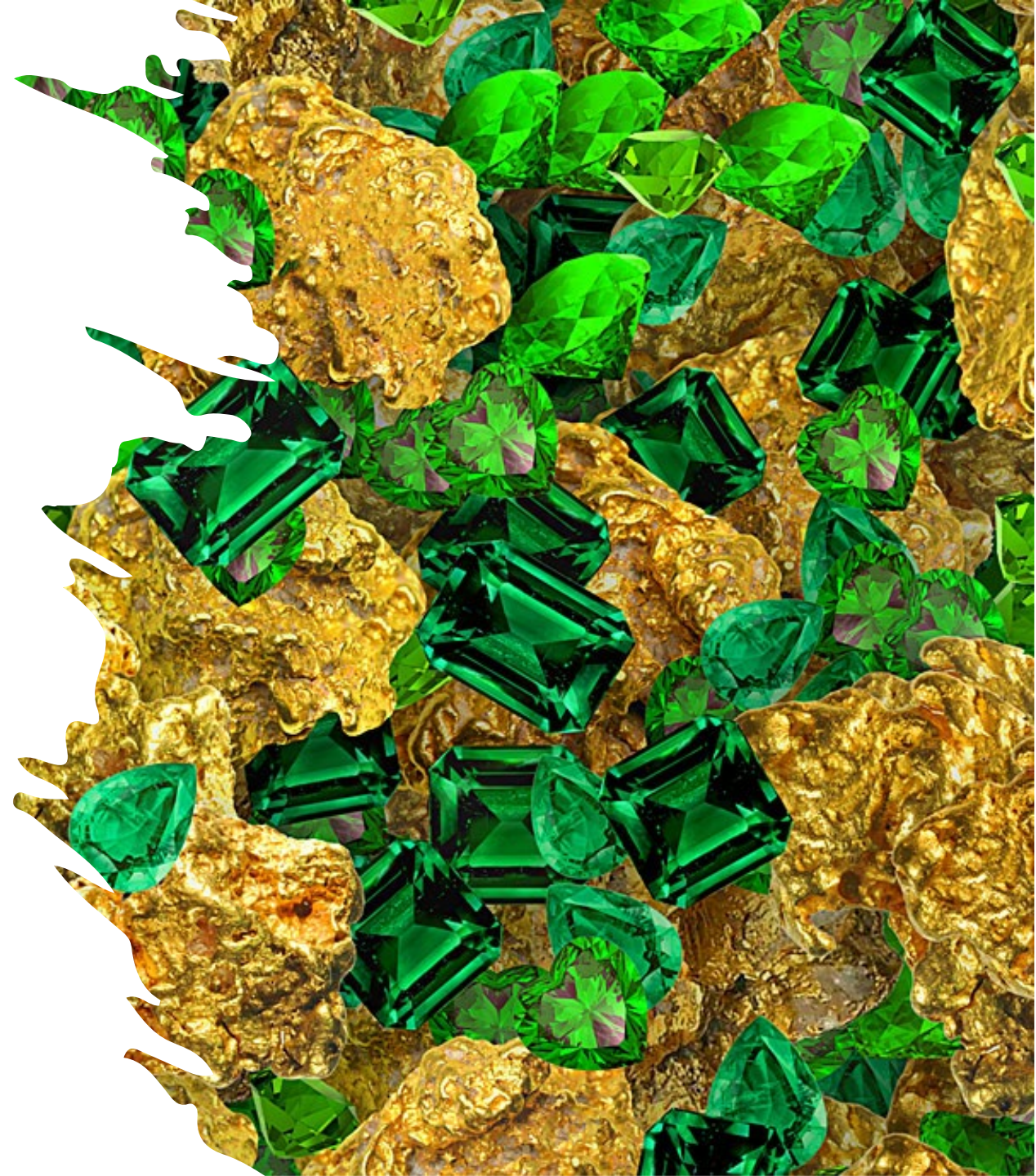


# Profit & Loss

- Bought 119 Shares at \$102.45
- Price as of 3/3/25 is \$266.20
- Total Cost Basis: \$12,191.55
- Total Principal Today: \$31,677.80

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P&L = **159.83%**



# Risk/Return Statistics

Before Changes	After Changes
Sharpe Ratio: 2.03	Sharpe Ratio: 1.80
Jensen Alpha: 10.99	Jensen Alpha: 10.01
Treynor Ratio: .26	Treynor Ratio: .28



# Change in Portfolio Weighting

## Before Changes

Sector	Weight	Benchmark	Weighting
Communication Services	7.55%	10.08%	Underweight
Consumer Discretionary	18.23%	10.94%	Overweight
Consumer Staples	11.20%	5.45%	Overweight
Energy	8.13%	2.12%	Overweight
Financials	12.77%	13.68%	Underweight
Health Care	10.64%	10.35%	Overweight
Industrials	18.11%	8.11%	Overweight
Information Technology	11.38%	32.06%	Underweight
Materials	-	1.91%	Underweight
Utilities	0.87%	2.21%	Underweight
Not Classified(GOLD)	1.11%	-	Overweight

## After Changes

Sector	Weight	Benchmark	Weighting
Communication Services	4.75%	9.76%	Underweight
Consumer Discretionary	18.72%	10.50%	Overweight
Consumer Staples	11.22%	5.75%	Overweight
Energy	8.48%	3.34%	Overweight
Financials	12.70%	14.04%	Underweight
Health Care	8.09%	11.00%	Underweight
Industrials	17.84%	8.30%	Overweight
Information Technology	17.29%	30.95%	Underweight
Materials	-	1.91%	Underweight
Utilities	0.90%	2.13%	Underweight
Not Classified(GOLD)	0%	-	Overweight

# Recommendation

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- Divest entirely out of our Disney (DIS) and Gold (GLD) holdings
- This would increase our cash holdings by \$103,726.20

Disney and Gold

