



## THE WHITMAN INVESTMENT COMPANY

Date: 4/18/18

### **12:00 Call meeting to order**

Go over agenda  
Motion to approve last week's minutes - passes  
Motion to approve agenda - passes

### **12:03 WIC Constitution Updates**

Add CIO Position, update CFO position  
2/3 of voting members for Quorum next week

### **12:05 Remaining Meetings**

Today: Disney  
Next Week (4/25): Semester Wrap-up  
Final Meeting (5/2): Guest Speaker Brian Brill

### **12:06 Vote in Members**

Motion to vote in Yuki Zhang, Joe Wally, and Luc Birchfield: passes (19I : 00)

### **12:08 Mock CFA Results**

Winning Presentation: Reily Wilken, Reza Darvish, and Steven Cockey  
Winning Report: Alex Woodard and Joe Wally  
Both teams have tie total scores, so both teams are winners

### **12:10 Disney Presentation (Reily, Reza, Steven Cockey)**

Investment Summary: Buy (Undervalued, Acquisition, Streaming, Reputation)  
Current Price \$101.37, Target Price \$120.10, Upside 18.48%  
Business Model: Media Networks (Cable, Broadcasting, Equity investment), Parks and Resorts, Studio Entertainment, Consumer Products & Interactive Media  
21<sup>st</sup> Century Fox and Sky News Acquisitions  
Management: 5 Executive Officers, 10 Board Directors, Robert Iger retiring in 2019  
Demand Drivers: Levels of Disposable Income, Cable and Streaming Consumption Patterns  
Competitors: Six Flags, Sony, CBS, Hasbro, Comcast, etc.

Industry Analysis: Porter's 5 Forces: Competition in the Industry(high), Potential of New Entrants in the Industry(low), Power of Suppliers(low), Power of Customers(high), Threat of Substitute Products(moderate)

Valuation: DCF (FCFF 3-stage), Beta 1.05, WACC 8.46%, Risk Free Rate: 2.77%, Weighted Average Growth Rate: 8.05%, Market Rate of Return: 8.88%, Upside 19.69%

Key Financials: Operating Margin: 25/06%, ROE 25.26%, ROC 16.93%, ROA: 11.54%. Earnings Per Share 5.73

Risks: Tech & Consumption Patterns, Implemented Strategy, Economy & World Events, Cybersecurity & IP Maintenance

Conclusion: Undervalued, Steady Acquisitions, Growth Oriented, Transition to Streaming, Reputation, Intellectual Property, Licensing

Thesis: purchase a total value of about \$45,000 in cash

Motion: passes (21I : 1O)

#### **12:40 Vote in Member**

Motion to vote in Eric Nielsen: passes (21I : 0O)

#### **12:50 Motion to adjourn meeting**

Motion passes