

BUY:
CMCSA

Current Price:
\$38.25

Target Price:
\$43.95

Upside:
14.90%

Comcast Corp. (NASDAQ: CMCSA)

Communication Services Sector

Sector Head: Adam Kawalek

Lead Analyst: Caitlin McMahon

Junior Analysts: Ava Lu and Denis Sadrijaj

Executive Summary



Investment Thesis and Key Statistics

BUY: CMCSA

Current Price:
\$38.25

Target Price:
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Upside:
14.90%

52 Wk Range: \$28.39-48.19

Market Cap: \$161.8 B

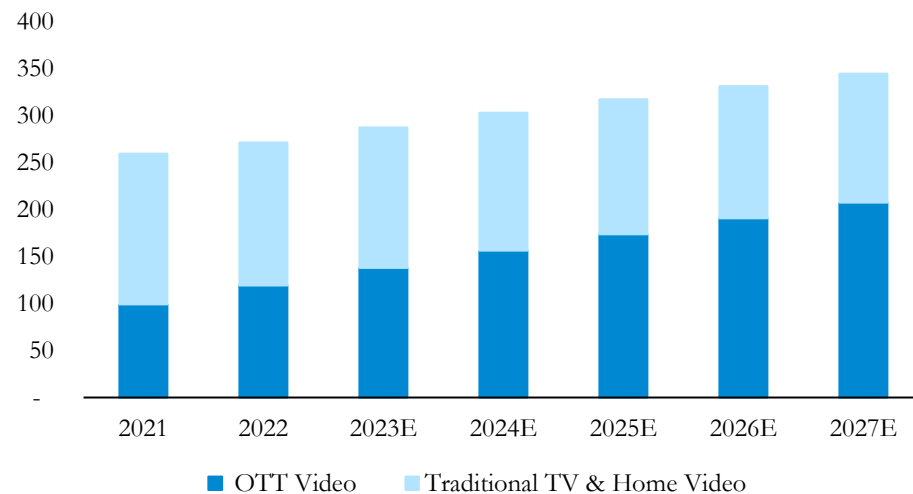
Revenue: \$121.4 B

EV: \$ 265.3 B

EBITDA: \$36.4 B

CEO: Brian Roberts

Growth Expectations of Video Content

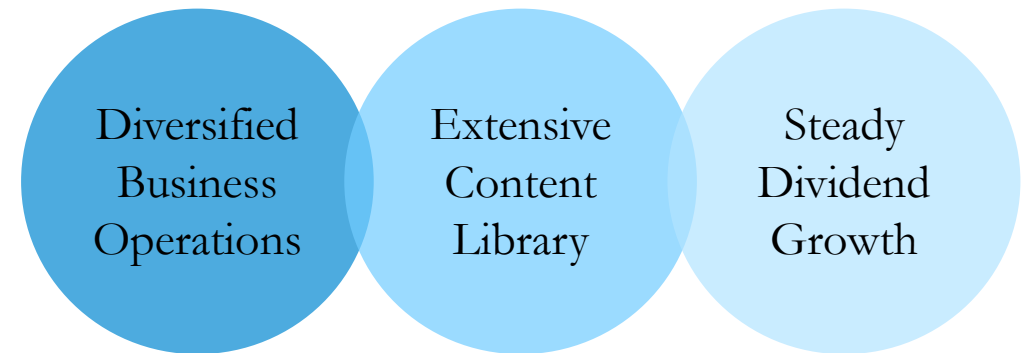


Overview

- Comcast is the second largest broadcasting and cable television company in the world by revenue
- It is one of the U.S.'s largest video, high-speed internet, and phone providers to residential individuals
- Xfinity mobile is a quickly growing mobile service and has surpassed 5 million customer lines

CMCSA has been able to reach many consumers, domestically and internationally through its various businesses and subsidiaries

Basis for Growth



Industry Overview



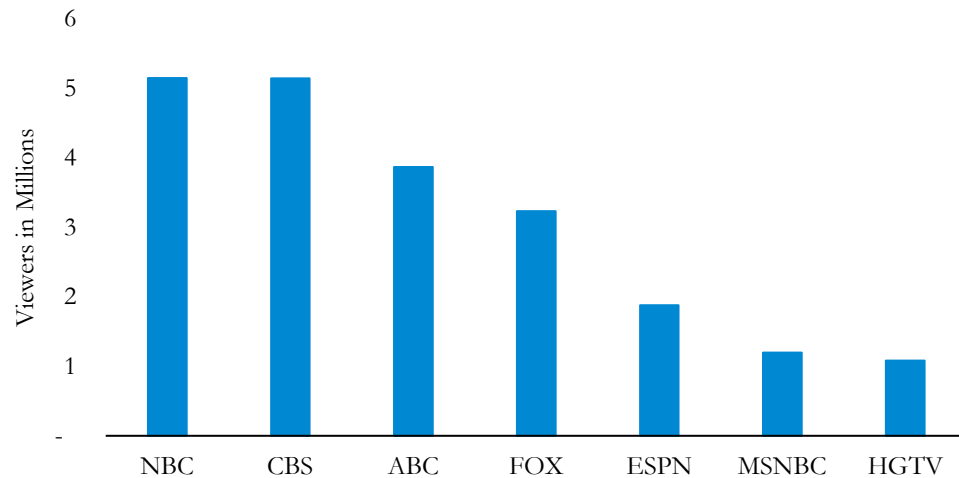
Trends in Media and Entertainment

Data, analytics, and AI will become more relevant to better predict audience behavior and preferences

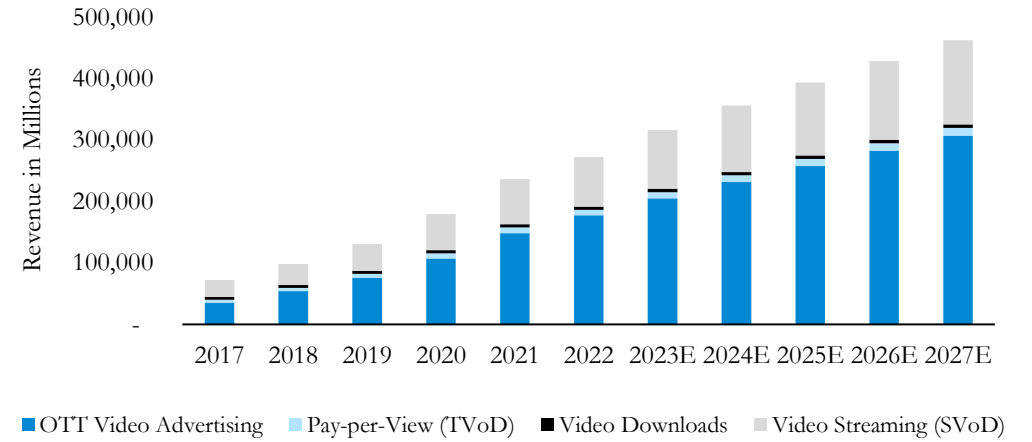
Increased demand for Direct-to-Consumer in the media and entertainment industries

Growth in popularity for home entertainment and consistent wireless connection

Most Watched Networks in 2022



Over-the-Top (OTT) Media Service Growth



Comcast Competitors



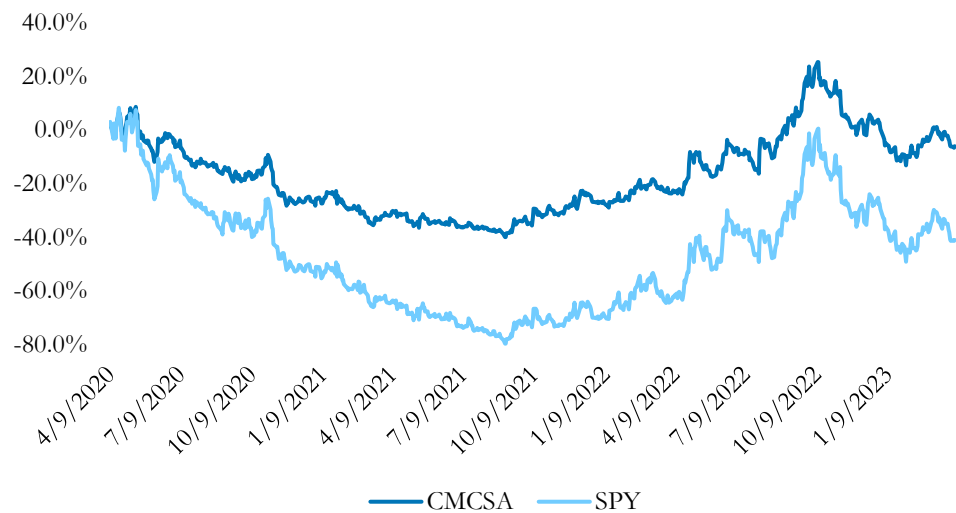
Company Overview



Major Business Operations

Cable Communications	Comcast cable includes cable system signal reception sites like antenna towers as well as a broadband network of fiber-optic cables and data centers
NBCUniversal	Reports as media, studios, and theme parks which consists of NBC, Peacock, production studios, and Universal parks
Sky	One of Europe's leading entertainment companies, includes DTC business of video, broadband, phone services, and entertainment networks

Historical Performance



Comcast Management Longevity



CEO
Brian Roberts
33 years

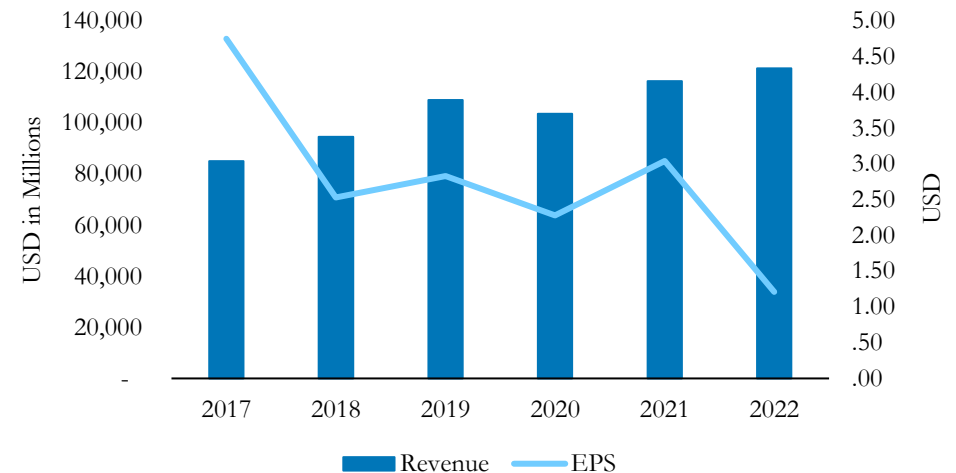


CFO
Jason Armstrong
10 years



CSO
Bob Eatroff
7 years

Revenue and EPS



Diversified Business Operations



Steady Growth in Cable Communications



Started rolling out multigigabit downstream speeds and increasing upstream speeds by 5-10x accessible to majority of users by 2025



Plan to deploy DOCSIS 4.0 in H2 23 to deliver symmetrical speeds and continue to deploy fiber-to-the-premises in limited locations



Acquired Masergy in 2021 to accelerate growth in serving large and mid-sized U.S. companies with SD-WAN channel distribution strategy

Sky Future Rebound



Revenue decreased in 2022 due to decreased DTC, advertising, and foreign currency translation

Sky Sports has extended its deal to maintain exclusive coverage of F1 in until 2029

Three of the largest pay TV markets and satellite transmission and broadband in Western Europe

NBCUniversal Dominance

Film Studios:

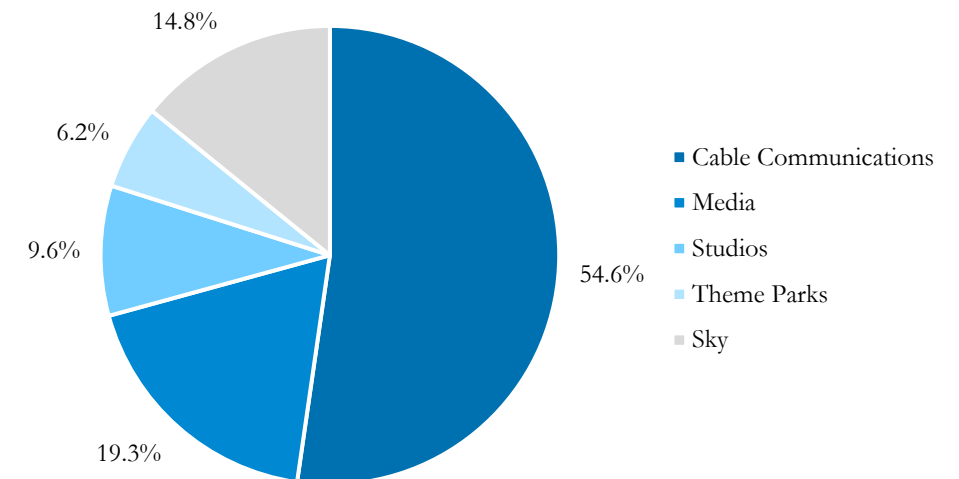
- Universal Pictures
- Illumination
- DreamWorks Animation
- Focus Features

Primary Park Locations:

- Orlando, FL
- Hollywood, CA
- Osaka, Japan
- Beijing, China

The global amusement park market is expected to grow at a CAGR of 3.7% from 2022-2027

2022 Operating Revenue Segments



Extensive Content Library



Building a Competitive Streaming Platform

- CMCSA has established itself within the streaming industry through its subsidiary Peacock which offers over 900 movies and 300 TV shows
- Peacock offers an ad-support subscription for \$4.99 and an all-inclusive subscription for \$9.99 which is 23% cheaper than Netflix
- In 2021, Peacock helped increase NBCUniversal's media revenue 25.7%

Comcast has already established itself in the entertainment production industry and will continue to create and release IP

Exclusivity of Content

Keeping content exclusive creates more competition

Appeal to broad market of consumers with popular content

Ability to increase subscription rates due to demand

Popular Titles



Released: 2004
Box Office: 81.0M



Released: 2015
Box Office: 652.3M



Released: 2001
Box Office: 267.7M



Released: 2010
Box Office: 251.5M

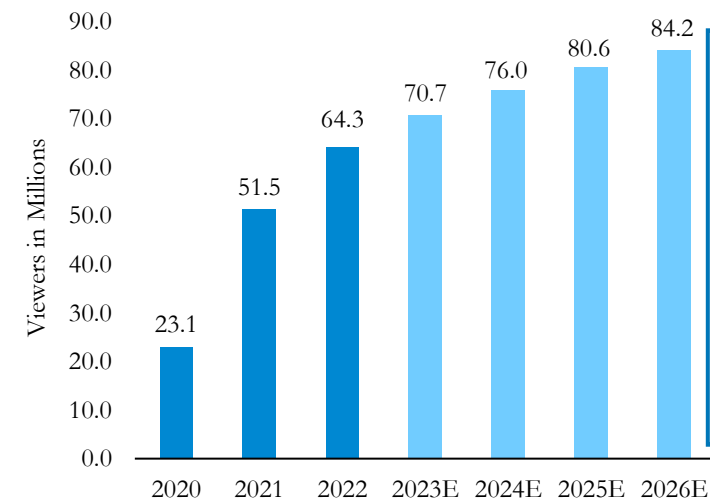


Released: 2023
Box Office: 678.0M



Released: 2015
Box Office: 353.0M

Future Subscriber Growth



NBCU has recently cut ties with Hulu to drive Peacock subscription rates by keeping current season TV shows solely on one platform

Steady Dividend Growth



Management Outlook on Dividend Offerings

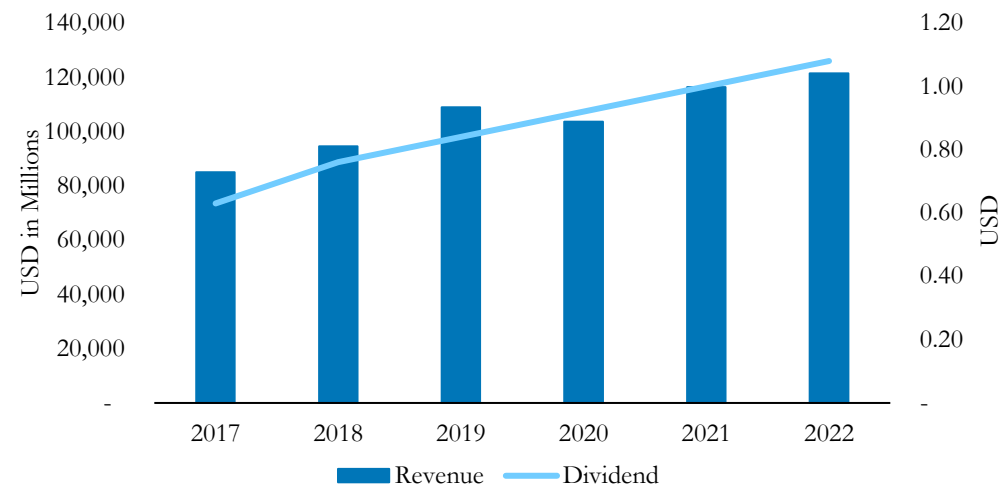


CMCSA has consistently paid out quarterly dividends since 1990



In January 2023, the Board of Directors approved a 7.4% increase to \$1.16 per share annually

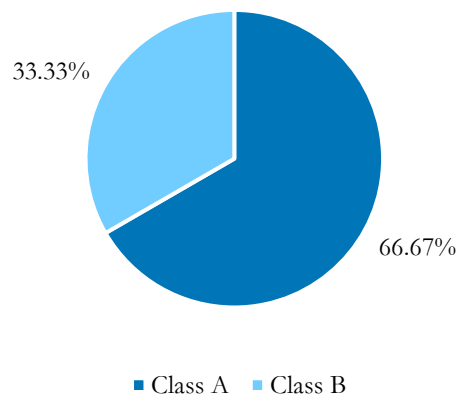
YoY Dividend Growth



CMCSA Voting Power

Class A common stock holds the majority of voting power

Brian Roberts beneficially owns all outstanding shares of Class B stock



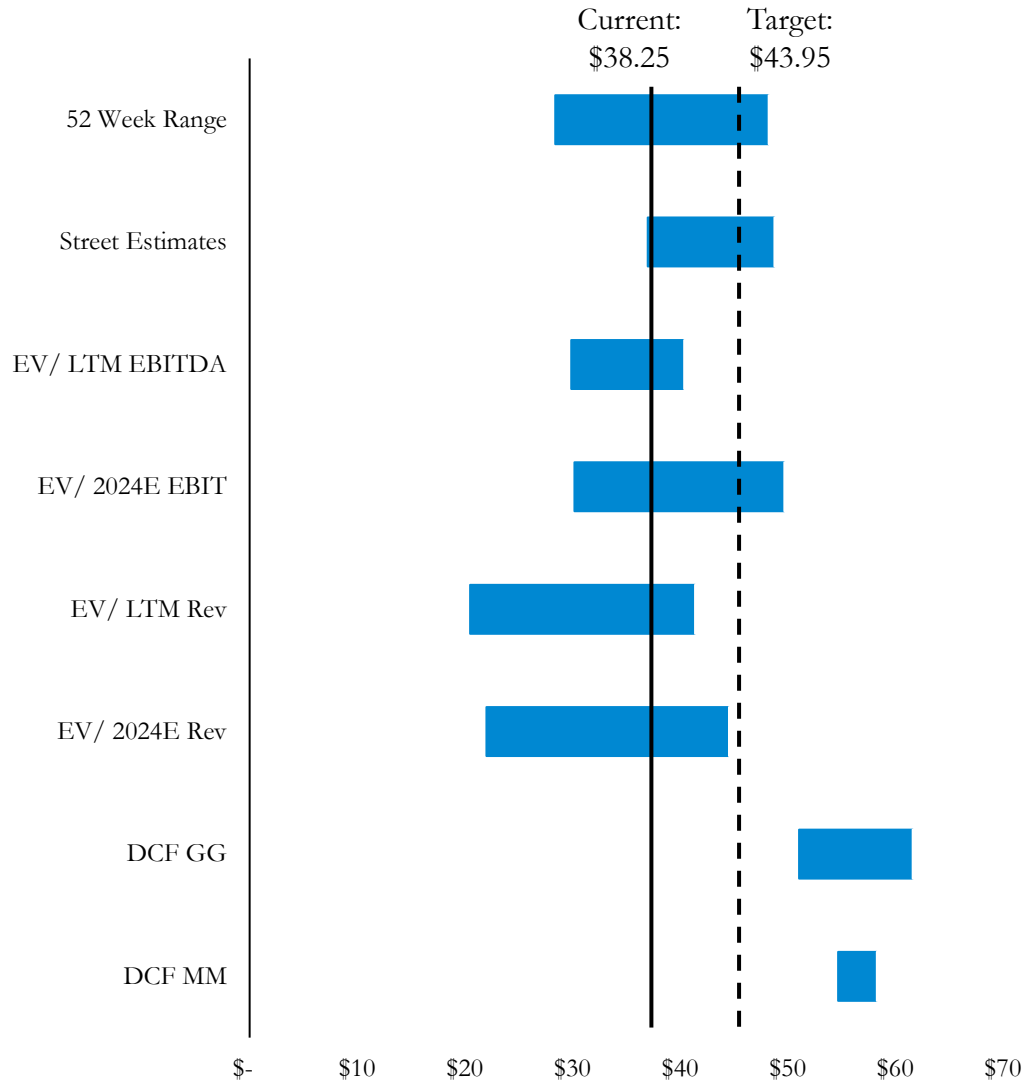
Looking Forward

- Comcast has experienced 16 years of consecutive dividend increase
- With a 3.03% forward dividend yield, CMCSA lands in the top 50% of dividend payers
- CMCSA remains a relatively steady company in the industry with a beta of 0.85

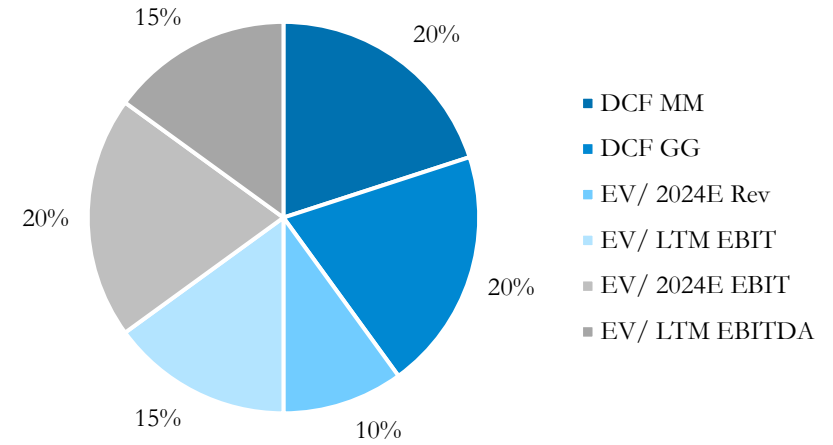
Valuation



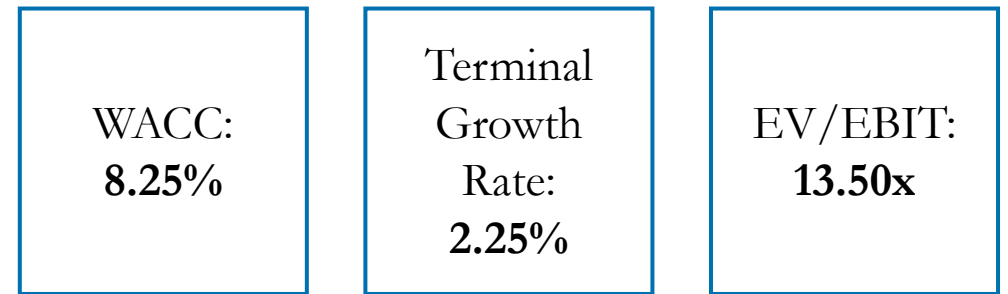
Football Field



Methodologies



Key Assumptions





New articles have recently come out about CMCSA trying to mislead customers about data offers by calling 10Gbps '10G' in the way 5th generation technology is referred to as '5G'



NBC and Sky contracts will expire in the next 10 years and could heavily affect the majority of CMCSA's revenue segment performance if existing contracts aren't extended new contracts are not formed



Broadcasting and cable networks are seeing variability in viewer counts as many people shift towards streaming platforms and other methods of watching TV shows and movies

Bear Case

- EV/2024E EBIT: 10.10x (share price of \$37.89)
- Board of Directors no longer approve dividend increases
- Sky's performance in DTC continues to decline

Base Case

- EV/2024E EBIT: 13.50x (share price of \$43.23)
- New movies and TV shows are consistently released
- Cable communications segment continues to steadily increase

Bull Case

- EV/2024E EBIT: 15.00x (share price of \$68.04)
- Peacock subscription rates grow faster than expectations
- Revenue exceeds expectations to beat estimates

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Thank You!

Any Questions?

Appendix Overview



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A: Income Statement



Comcast Corp. Income Statement								
Fiscal year ended Dec. 31 <i>(in millions, except per share data)</i>	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Revenue	103,564	116,385	121,427	126,725	127,556	128,638	129,535	130,520
Costs and Expenses:								
Programming and production <i>% of sales</i>	33,121 32%	38,450 33%	38,213 31%	38,018 30%	39,542 31%	39,878 31%	41,451 32%	41,766 32%
Other operating and administrative <i>% of sales</i>	33,109 32%	35,619 31%	38,263 32%	38,018 30%	39,542 31%	39,878 31%	40,156 31%	41,766 32%
Advertising, marketing and promotion <i>% of sales</i>	6,741 7%	7,695 7%	8,506 7%	8,871 7%	8,929 7%	9,005 7%	9,067 7%	9,136 7%
Depreciation and amortization	13,100	13,804	13,821	13,914	13,661	12,143	11,710	11,381
Goodwill and long-lived asset impairments	-	-	8,583	-	-	-	-	-
Total costs and expenses	86,071	95,568	107,386	98,821	101,675	100,904	102,384	104,050
Operating income (EBIT)	17,493	20,817	14,041	27,905	25,881	27,734	27,150	26,469
Interest expense	(4,588)	(4,281)	(3,896)					
Investment and other income (loss), net	1,160	2,557	(861)					
Income before income taxes	14,065	19,093	9,284					
Income tax expense	(3,364)	(5,259)	(4,359)					
Net income	10,701	13,834	4,925					
Less: Net income (loss) attributable to noncontrolling interests	167	(325)	(445)					
Net income attributable to Comcast Corporation	10,534	14,159	5,370					
Basic earnings per common share attributable to Comcast Corporation shareholders (in dollars per share)	\$ 2.30	\$ 3.09	\$ 1.22					
Diluted earnings per common share attributable to Comcast Corporation shareholders (in dollars per share)	\$ 2.28	\$ 3.04	\$ 1.21					

B: Statement of Cash Flows 1



Comcast Corp. Statement of Cash Flows								
Fiscal year ended Dec. 31 <i>(in millions, except per share data)</i>	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Operating Activities								
Net income	10,701	13,834	4,925					
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization	13,100	13,804	13,821	13,914	13,661	12,143	11,710	11,381
<i>% of CapEx</i>	143%	150%	130%	122%	119%	118%	113%	109%
Goodwill and long-lived asset impairments	0	0	8,583					
Share-based compensation	1,193	1,315	1,336					
Noncash interest expense (income), net	697	482	309					
Net (gain) loss on investment activity and other	(970)	(1,311)	1,177					
Deferred income taxes	(550)	1,892	(834)					
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:								
Current and noncurrent receivables, net	(20)	(1,335)	(1,327)					
Film and television costs, net	(244)	(680)	(451)					
Accounts payable and accrued expenses related to trade creditors	(266)	765	497					
Other operating assets and liabilities	1,096	382	(1,623)					
Net cash provided by operating activities	24,737	29,148	26,413					
Investing Activities								
Capital expenditures	(9,179)	(9,174)	(10,626)	(11,405)	(11,480)	(10,291)	(10,363)	(10,442)
<i>% of sales</i>	9%	8%	9%	9%	9%	8%	8%	8%

C: Statement of Cash Flows 2



Investing Activities									
Capital expenditures	(9,179)	(9,174)	(10,626)	(11,405)	(11,480)	(10,291)	(10,363)	(10,442)	
<i>% of sales</i>	<i>9%</i>	<i>8%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	
Cash paid for intangible assets	(2,455)	(2,883)	(3,141)						
Construction of Universal Beijing Resort	(1,498)	(976)	(330)						
Purchase of spectrum	(459)	0	0						
Acquisitions, net of cash acquired	(233)	(1,374)	(12)						
Proceeds from sales of businesses and investments	2,339	684	1,985						
Purchases of investments	(812)	(174)	(2,274)						
Other	250	451	258						
Net cash provided by (used in) investing activities	(12,047)	(13,446)	(14,140)						
Financing Activities									
Proceeds from (repayments of) short-term borrowings, net	0	0	660						
Proceeds from borrowings	18,644	2,628	2,745						
Repurchases and repayments of debt	(18,777)	(11,498)	(2,307)						
Repurchases of common stock under repurchase program and employee plans	(534)	(4,672)	(13,328)						
Dividends paid	(4,140)	(4,532)	(4,741)						
Other	(1,706)	(544)	786						
Net cash provided by (used in) financing activities	(6,513)	(18,618)	(16,185)						
Impact of foreign currency on cash, cash equivalents and restricted cash	2	(71)	(86)						
Increase (decrease) in cash, cash equivalents and restricted cash	6,179	(2,989)	(3,997)						
Cash, cash equivalents and restricted cash, beginning of year	5,589	11,768	8,778						
Cash, cash equivalents and restricted cash, end of year	11,768	8,778	4,782						

D: Balance Sheet 1



Comcast Corp.			
Statement of Cash Flows			
Fiscal year ended Dec. 31	FY 2020	FY 2021	FY 2022
<i>(in millions, except per share data)</i>			
Current Assets:			
Cash and cash equivalents	11,740	8,711	4,749
Receivables, net	11,466	12,008	12,672
Other current assets	3,535	4,088	4,406
Total current assets	26,741	24,807	21,827
Film and television costs	13,340	12,806	12,560
Investments	7,820	8,082	7,250
Investment securing collateralized obligation	447	605	490
Property and equipment, net	51,995	54,047	55,485
Goodwill	70,669	70,189	58,494
Franchise rights	59,365	59,365	59,365
Other intangible assets, net	35,389	33,580	29,308
Other noncurrent assets, net	8,103	12,424	12,497
Total long-term assets	247,128	251,098	235,449
Total assets	273,869	275,905	257,276

E: Balance Sheet 2



Current Liabilities:			
Accounts payable and accrued expenses related to trade creditors	11,364	12,455	12,544
Accrued participations and residuals	1,706	1,822	1,770
Deferred revenue	2,963	3,040	2,380
Accrued expenses and other current liabilities	9,617	9,899	9,450
Current portion of long-term debt	3,146	2,132	1,743
Total current liabilities	28,796	29,348	27,887
Long-term debt, less current portion	100,614	92,718	93,068
Collateralized obligation	5,168	5,170	5,172
Deferred income taxes	28,051	30,041	28,714
Other noncurrent liabilities	18,222	20,620	20,395
Commitments and contingencies			
Redeemable noncontrolling interests	1,280	519	411
Total long-term liabilities	153,335	149,068	147,760
Total liabilities	182,131	178,416	175,647
Equity:			
Preferred stock—authorized, 20,000,000 shares; issued, zero	-	-	-
Class A common stock, \$0.01 par value—authorized, 7,500,000,000 shares; issued, 5,083,466,045 and 5,			
Common stock	54	54	51
Class B Common Stock	-	-	-
Additional paid-in capital	39,464	40,173	39,412
Retained earnings	56,438	61,902	51,609
Treasury stock, 872,791,028 Class A common shares	(7,517)	(7,517)	(7,517)
Accumulated other comprehensive income (loss)	1,884	1,480	(2,611)
Total Comcast Corporation shareholders' equity	90,323	96,092	80,944
Noncontrolling interests	1,415	1,398	684
Total equity	91,738	97,490	81,628
Total liabilities and equity	273,869	275,905	257,275

F: Revenue Build 1



Comcast Corp. Revenue Build								
Fiscal year ended Dec. 31 <i>(in millions, except per share data)</i>	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Revenue								
Residential								
Broadband	20,599	22,979	24,469	25,105	25,909	26,815	27,432	27,981
<i>% of revenue</i>	19.9%	19.7%	20.2%	19.8%	20.3%	20.8%	21.2%	21.4%
<i>% growth</i>		11.6%	6.5%	2.6%	3.2%	3.5%	2.3%	2.0%
Video	21,937	22,079	21,314	21,485	21,807	22,025	22,135	22,224
<i>% of revenue</i>	21.2%	19.0%	17.6%	17.0%	17.1%	17.1%	17.1%	17.0%
<i>% growth</i>		0.6%	-3.5%	0.8%	1.5%	1.0%	0.5%	0.4%
Voice	3,532	3,417	3,010	2,613	2,250	1,930	1,646	1,401
<i>% of revenue</i>	3.4%	2.9%	2.5%	2.1%	1.8%	1.5%	1.3%	1.1%
<i>% growth</i>		-3.3%	-11.9%	-13.2%	-13.9%	-14.2%	-14.7%	-14.9%
Wireless	1,574	2,380	3,071	3,151	3,242	3,330	3,418	3,501
<i>% of revenue</i>	1.5%	2.0%	2.5%	2.5%	2.5%	2.6%	2.6%	2.7%
<i>% growth</i>		51.2%	29.0%	2.6%	2.9%	2.7%	2.7%	2.4%
Business services	8,191	8,933	9,700	9,933	10,191	10,425	10,634	10,836
<i>% of revenue</i>	7.9%	7.7%	8.0%	7.8%	8.0%	8.1%	8.2%	8.3%
<i>% growth</i>		9.1%	8.6%	2.4%	2.6%	2.3%	2.0%	1.9%
Advertising	2,594	2,820	3,067	3,352	3,677	3,836	3,989	4,141
<i>% of revenue</i>	2.5%	2.4%	2.5%	2.6%	2.9%	3.0%	3.1%	3.2%
<i>% growth</i>		8.7%	8.8%	9.3%	9.7%	4.3%	4.0%	3.8%
Other	1,624	1,719	1,687	1,651	1,621	1,594	1,570	1,546
<i>% of revenue</i>	1.6%	1.5%	1.4%	1.3%	1.3%	1.2%	1.2%	1.2%
<i>% growth</i>		5.8%	-1.9%	-2.1%	-1.8%	-1.7%	-1.5%	-1.5%
Total cable communications	60,051	64,327	66,318	67,289	68,697	69,955	70,824	71,629

G: Revenue Build 2



Advertising	8,296	10,291	10,467	10,676	10,922	11,064	11,186	11,286
<i>% of revenue</i>	8.0%	8.8%	8.6%	8.4%	8.6%	8.6%	8.6%	8.6%
<i>% growth</i>		24.0%	1.7%	2.0%	2.3%	1.3%	1.1%	0.9%
Distribution	8,795	10,449	10,881	11,207	11,555	11,925	12,306	12,700
<i>% of revenue</i>	8.5%	9.0%	9.0%	8.8%	9.1%	9.3%	9.5%	9.7%
<i>% growth</i>		18.8%	4.1%	3.0%	3.1%	3.2%	3.2%	3.2%
Other	1,845	2,040	2,058	2,074	2,084	2,088	2,090	2,092
<i>% of revenue</i>	1.8%	1.8%	1.7%	1.6%	1.6%	1.6%	1.6%	1.6%
<i>% growth</i>		10.6%	0.9%	0.8%	0.5%	0.2%	0.1%	0.1%
Total media	18,936	22,780	23,406	23,957	24,561	25,077	25,582	26,079
Content licensing	6,557	7,565	8,713	9,079	9,433	9,773	10,085	10,398
<i>% of revenue</i>	6.3%	6.5%	7.2%	7.2%	7.4%	7.6%	7.8%	8.0%
<i>% growth</i>		15.4%	15.2%	4.2%	3.9%	3.6%	3.2%	3.1%
Theatrical	418	691	1,607	1,739	1,878	2,019	2,162	2,311
<i>% of revenue</i>	0.4%	0.6%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%
<i>% growth</i>		65.3%	132.6%	8.2%	8.0%	7.5%	7.1%	6.9%
Home entertainment and other	1,159	1,193	1,302	1,333	1,367	1,395	1,422	1,447
<i>% of revenue</i>	1.1%	1.0%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
<i>% growth</i>		2.9%	9.1%	2.4%	2.5%	2.1%	1.9%	1.8%
Total studios	8,134	9,449	11,622	12,151	12,677	13,187	13,669	14,157
Total theme parks	2,094	5,051	7,541	7,828	8,141	8,426	8,712	8,991
<i>% of revenue</i>	2.0%	4.3%	6.2%	6.2%	6.4%	6.5%	6.7%	6.9%
<i>% growth</i>		141.2%	49.3%	3.8%	4.0%	3.5%	3.4%	3.2%
Headquarters and other	53	87	75					
<i>% of revenue</i>	0.1%	0.1%	0.1%					
<i>% growth</i>		64.2%	-13.8%					
Eliminations	(2,006)	(3,048)	(3,442)					
Total NBCUniversal	27,211	34,319	39,202	43,936	45,379	46,689	47,963	49,226

H: Revenue Build 3



Direct-to-consumer	15,223	16,455	14,621	12,662	11,028	9,859	8,873	8,013
<i>% of revenue</i>	14.7%	14.1%	12.0%	10.0%	8.6%	7.7%	6.9%	6.1%
<i>% growth</i>		8.1%	-11.1%	-13.4%	-12.9%	-10.6%	-10.0%	-9.7%
Content	1,373	1,341	1,138	975	842	731	639	560
<i>% of revenue</i>	1.3%	1.2%	0.9%	0.8%	0.7%	0.6%	0.5%	0.4%
<i>% growth</i>		-2.3%	-15.1%	-14.3%	-13.7%	-13.1%	-12.7%	-12.3%
Advertising	1,998	2,489	2,187	1,863	1,610	1,404	1,235	1,092
<i>% of revenue</i>	1.9%	2.1%	1.8%	1.5%	1.3%	1.1%	1.0%	0.8%
<i>% growth</i>		24.6%	-12.1%	-14.8%	-13.6%	-12.8%	-12.0%	-11.6%
Total Sky	18,594	20,285	17,946	15,500	13,480	11,995	10,747	9,665
Corporate and other	248	461	863					
Eliminations	(2,540)	(3,008)	(2,903)					
Total revenue	103,564	116,384	121,426	126,725	127,556	128,638	129,535	130,520

I: Net Working Capital



Comcast Corp. Net Working Capital								
Fiscal year ended Dec. 31	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
<i>(in millions, except per share data)</i>								
Current assets								
Receivables, net	11,466	12,008	12,672	13,443	13,698	13,983	14,250	14,530
Other current assets	3,535	4,088	4,406	4,435	4,464	4,502	4,534	4,568
Total current assets	15,001	16,096	17,078	17,879	18,163	18,486	18,784	19,098
Current liabilities								
Accounts payable and accrued expenses related to trade credit	11,364	12,455	12,544	12,032	12,140	12,273	12,388	12,513
Accrued participations and residuals	1,706	1,822	1,770	2,064	2,077	2,095	2,110	2,126
Deferred revenue	2,963	3,040	2,380	3,140	3,160	3,187	3,209	3,234
Accrued expenses and other current liabilities	9,617	9,899	9,450	10,333	10,747	10,838	10,914	11,351
Total current liabilities	25,650	27,216	26,144	27,568	28,125	28,393	28,621	29,224
NWC	(10,649)	(11,120)	(9,066)	(9,689)	(9,962)	(9,908)	(9,837)	(10,126)
Change in NWC	-	(471)	2,054	(623)	(273)	54	71	(289)
Drivers								
Assets								
AR days	40.4	37.7	38.1	38.7	39.2	39.7	40.2	40.6
Other assets as % of revenue	3.4%	3.5%	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%
Liabilities								
AP days	32.73	35.64	35.59	34.65	34.74	34.82	34.91	34.99
Accrued participations and residuals as % of advertising, marketing and promotion	25.3%	23.7%	20.8%	23.3%	23.3%	23.3%	23.3%	23.3%
Deferred revenue as % of revenue	2.9%	2.6%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Accrued expenses and other current liabilities as % of other operating and administrative	29.0%	27.8%	24.7%	27.2%	27.2%	27.2%	27.2%	27.2%

J: WACC Calculation & Beta



WACC Calculation	
<i>(in millions, except per share data)</i>	
Market return	12.40%
Risk free rate	3.43%
Equity risk premium	8.97%
Beta	0.85
Cost of equity	11.05%
Credit spread	1.62%
Cost of debt	5.05%
Tax rate	21%
Cost of debt after taxes	3.99%
Stock price	\$ 38.25
Shares outstanding	4,207
MV of equity	161,812
MV of debt	106,765
Weight of equity	60.25%
Weight of debt	39.75%
WACC	8.25%

Covariance	0.0001264
Variance	0.0001486
Beta	0.85

K: Discounted Cash Flow 1



Comcast Corp. Discounted Cash Flow								
Fiscal year ended Dec. 31	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
<i>(in millions, except per share data)</i>								
Revenue	103,564	116,384	121,426	126,725	127,556	128,638	129,535	130,520
% growth		12.4%	4.3%	4.4%	0.7%	0.8%	0.7%	0.8%
EBIT	17,493	20,817	14,041	27,905	25,881	27,734	27,150	26,469
EBIT margin	16.9%	17.9%	11.6%	22.0%	20.3%	21.6%	21.0%	20.3%
NOPAT	14,129	15,558	9,682	22,045	20,446	21,910	21,449	20,911
Tax rate	19%	25%	31%	21%	21%	21%	21%	21%
Plus: D&A	13,100	13,804	13,821	13,914	13,661	12,143	11,710	11,381
Less: CapEx	9,179	9,174	10,626	11,405	11,480	10,291	10,363	10,442
Less: Change in NWC	-	(471)	2,054	(623)	(273)	54	71	(289)
FCFF		20,659	10,823	25,177	22,900	23,708	22,725	22,139
Discount factor				0.5	1.5	2.5	3.5	4.5
Terminal Value (Growth)								377,548
Terminal Value (Multiple)								358,624
Cash Flows (Growth)				25,177	22,900	23,708	22,725	400,273
Cash Flows (Multiple)				25,177	22,900	23,708	22,725	381,349
PV of CF (Growth)				24,199	20,334	19,448	17,222	280,223
PV of CF (Multiple)				24,199	20,334	19,448	17,222	266,975

L: Discounted Cash Flow 2



Terminal Value Calculations			
Growth rate		Multiple Method	
Terminal Cash Flow	22,139	Terminal EBIT	26,469
WACC	8.25%	WACC	8.25%
Terminal growth rate	2.25%	EV/EBIT	13.5x
Terminal value	377,548	Terminal value	358,624
PV of terminal value	264,313	PV of terminal value	251,065
Enterprise value	361,426	Enterprise value	348,177
Debt	106,765	Debt	106,765
Cash	4,749	Cash	4,749
Equity Value	259,410	Equity Value	246,161
Diluted shares outstanding	4,207	Diluted shares outstanding	4,207
Price/Share	61.67	Price/Share	58.52

Sensitivity Analysis

		Gordon Growth				
		1.75%	2.00%	2.25%	2.50%	2.75%
WACC	7.75%	62.87	65.80	69.01	72.52	76.38
	8.00%	59.56	62.24	65.15	68.33	71.81
	8.25%	56.50	58.95	61.61	64.50	67.65
	8.50%	53.67	55.92	58.36	60.99	63.86
	8.75%	51.04	53.12	55.35	57.77	60.38

		Multiple Method				
		13.x	13.3x	13.5x	13.8x	14.x
WACC	7.75%	57.54	58.67	59.79	60.91	62.04
	8.00%	56.81	57.92	59.04	60.15	61.26
	8.25%	56.09	57.19	58.29	59.39	60.49
	8.50%	55.38	56.47	57.56	58.65	59.74
	8.75%	54.67	55.75	56.83	57.91	58.99

M: Comparable Companies Analysis 1



Comcast Corp.

Comparable Companies Analysis

(in millions, except per share data)

Company	Ticker	Price	Market Cap	Cash	Debt	EV	LTM Revenue	2024E Rev	LTM EBIT	2024E EBIT	LTM EBITDA
Comcast Corp.	CMCSA	\$ 38.25	161,812	4,749	106,765	265,260	121,427	127,556	14,041	25,881	36,455
Walt Disney Co.	DIS	\$ 98.75	184,930	8,470	48,377	237,566	84,415	96,330	7,782	15,907	12,982
Charter Communications Inc.	CHTR	\$ 343.67	63,352	809	98,981	161,524	54,022	56,791	12,243	13,458	21,146
Dish Network Corp.	DISH	\$ 7.83	4,762	2,789	24,231	26,669	16,679	16,087	2,046	1,148	3,095
Fox Corp.	FOX	\$ 31.06	17,721	4,058	8,217	22,145	14,285	14,521	3,151	2,503	3,544
AT&T Inc.	T	\$ 19.70	141,676	3,701	158,226	305,158	129,134	124,119	23,657	25,369	47,115
Minimum											
Q1											
Average											
Median											
Q3											
Max											
Minimum											
Q1											
Average											
Median											
Q3											
Max											

N: Comparable Companies Analysis 2



2024E EBITDA	LTM EPS	2024E EPS	EV/LTM Rev	EV/ 2024E Rev	EV/ LTM EBIT	EV/ 2024E EBIT	EV/ LTM EBITDA	EV/ 2024E EBITDA	LTM P/E	2024 P/E
37,710	3.22	4.13	2.2x	2.1x	18.9x	10.2x	7.3x	7.03x	11.88x	9.26x
18,531	2.56	5.45	2.8x	2.5x	30.5x	14.9x	18.3x	12.8x	38.57x	18.12x
23,015	33.15	39.75	3.x	2.8x	13.2x	12.x	7.6x	7.x	10.37x	8.65x
2,184	3.58	0.62	1.6x	1.7x	13.x	23.2x	8.6x	12.2x	2.19x	12.63x
2,895	3.63	3.22	1.6x	1.5x	7.03x	8.8x	6.2x	7.6x	8.56x	9.65x
43,896	2.67	2.50	2.4x	2.5x	12.9x	12.x	6.5x	7.x	7.38x	7.88x
			1.6x	1.5x	7.x	8.8x	6.2x	7.x	2.2x	7.9x
			1.6x	1.6x	11.4x	9.9x	6.4x	7.x	6.1x	8.5x
			2.3x	2.2x	15.9x	13.5x	9.1x	8.9x	13.16x	11.03x
			2.3x	2.3x	13.1x	12.x	7.5x	7.3x	9.46x	9.45x
			2.9x	2.6x	21.8x	17.x	11.x	12.4x	18.55x	14.x
			3.x	2.8x	30.5x	23.2x	18.3x	12.8x	38.57x	18.12x
			20.50	21.99		30.18	29.90	38.07	7.04	32.54
			21.55	25.01	13.90	36.65	31.38	38.51	19.58	34.92
			40.70	41.61	28.92	59.11	54.55	55.96	42.37	45.55
			41.38	44.55	19.52	49.67	40.38	41.56	30.47	39.04
			58.25	53.39	48.52	80.39	71.40	86.58	59.74	57.83
			62.06	61.99	77.64	118.68	134.34	90.67	124.21	74.83

O: Valuation



Methodology		
Multiple	Share Price	Weight
DCF MM	58.52	20%
DCF GG	61.67	20%
DCF	60.09	40%
EV/ 2024E Rev	44.55	10%
EV/ LTM Rev	58.25	15%
EV/ 2024E EBIT	59.11	20%
EV/ LTM EBITDA	54.55	15%
Comps	33.20	60%
Share Price	43.95	100%

P: Universal Upcoming Films



2023 Movies

- Fast X
- Strays
- Oppenheimer
- The Last Voyage of the Demeter
- Five Nights at Freddy's
- Trolls Band Together
- Migration

2024 Movies

- Night Swim
- The Fall Guy
- Kung Fu Panda 4
- Despicable Me 4
- Twisters
- Speak No Evil
- Wicked Part 1

2025 Movies

- M3GAN 2.0
- Untitled How to Train Your Dragon Film
- Wicked Part 2

Q: Cable Networks



Cable Network	Approx U.S. Households <i>(in millions)</i>	Description of Programming
USA Network	75	General entertainment and sports
E!	75	Entertainment and pop culture
Syfy	75	Imagination-based entertainment
Bravo	74	Entertainment, culture and arts
MSNBC	74	News, political commentary and information
CNBC	73	Business and financial news
Oxygen	64	Crime, mystery and suspense for women
Golf Channel	63	Golf competition and golf entertainment
Universal Kids	49	Children's entertainment
Universo	28	Spanish language entertainment
CNBC World	19	Global financial news

R: Networks and Technology



Data, Analytics, and AI

- Generative AI can help media companies engage and retain viewers by enabling powerful search and recommendations on content platforms
- Could also potentially automate tasks like segmenting scripts, creating shortlists, and building schedules
- The global artificial intelligence market is projected to grow at CAGR of 38.1% from 2022 to 2030

DOCSIS 4.0

- Data Over Cable Service Interface Specifications
- DOCSIS 4.0 technology enables the next generation of broadband over cable's hybrid fiber coax (HFC) networks
- Helps deliver symmetrical multigigabit speeds – an internet connection that gives you equally fast download and upload speeds
- This provides high reliability, high security, and low latency for users

Direct-to-Consumer

- A business model of selling products directly to customers and bypassing third-party retailers, wholesalers, or any other middleman
- DTC became popular during the dot-com bubble of the late 1990s when used to refer to online retailers who sold goods and services through the internet
- Estimates of ecommerce expect the DTC market in the U.S. to grow at a CAGR of about 6.1% from 2022-2028

SD-WAN

- Software-defined Wide Area Network
- Is a virtual WAN architecture that allows enterprises to leverage any combination of transport services to securely connect users to applications
- Can reduce costs with transport independence across 4G/5G LTE and other connection types
- Optimizes user experience and efficiency for software-as-a-service (SaaS)

S: NBCU Terminates Hulu Deal



Reasoning Behind the Decision

- NBCUniversal is attempting to retain streaming rights for its current season TV shows from Hulu
- Some of the titles include *Saturday Night Live*, *The Voice*, and *Law & Order: Organized Crime*
- Additionally, the rest of NBCU's broadcast and cable lineup for 2022-2023 season will not be available on Hulu
- The firm wants to keep these titles for Peacock in order to make a competitive streaming platform

Potential Effects

- A wide selection of titles will remain on Hulu such as *Law & Order: SVU*, *This is Us*, *Will & Grace*, and *Parenthood*
- CMCSA wants Disney to buy out its 33% stake, however Bob Iger remains hesitancy
- In 2019, the two companies came to an agreement to eventually give DIS full control of Hulu, but it isn't a done deal as it simply permits either DIS or CMCSA to force a sale of CMCSA's remaining stake starting from January 2024
- Once put into action, Hulu will be valued but expected to give a guaranteed minimum of \$27.5 billion; making CMCSA's share worth at least \$9 billion

T: Over-the-Top Media Service



What is it?

- OTT is a media service offered directly to viewers via the internet
- It bypasses cable, broadcast, and satellite television platforms
- An OTT app delivers video content to your smartphone, tablet, or smart TV using the internet rather than traditional distribution methods

Examples of OTT

xfinity

peacock

NETFLIX

HBOMAX

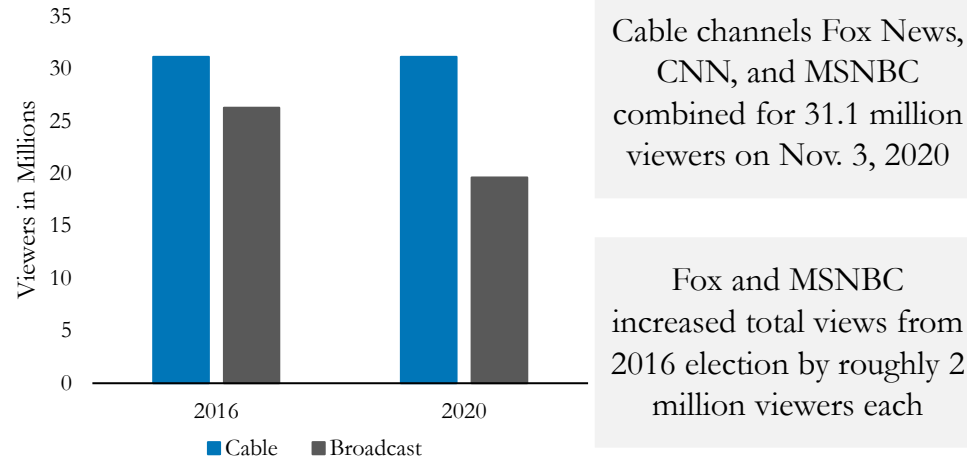
vimeo

prime video

U: Additional Opportunities within Comcast



2024 U.S. Presidential Election



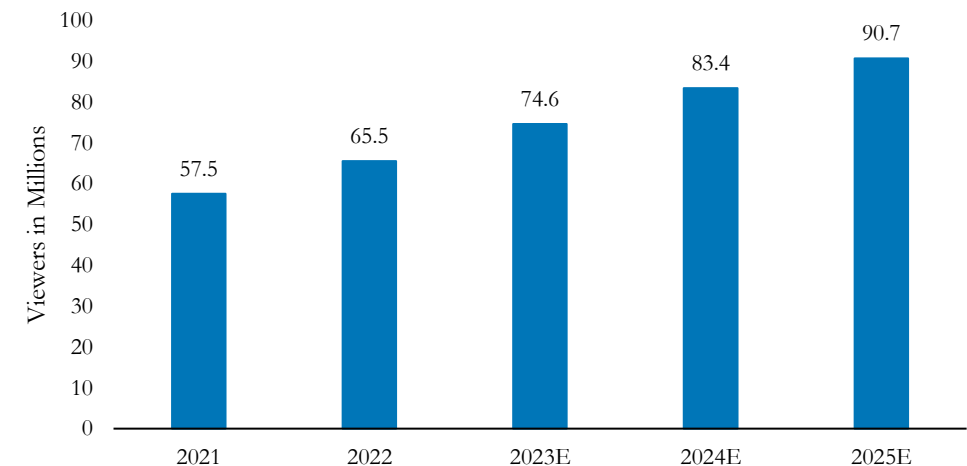
Reopening of China

- China's economy has been slow to recover after the Covid-19 pandemic
- Recently China has begun to announce reopening of its borders to travelers
- In general, these announcements will help boost the country's economy as economic activity picks up
- Universal has a theme park in Beijing which will hopefully benefit from the reopening and boost CMCSA revenue

Digital Sports Cable

- Some sports Sky Sports covers are:
 - Football (NFL)
 - F1
 - Rugby Union and League
 - Boxing
- 2023 World Cup championship match reached close to 1.5 billion viewers up from 1.12 billion in 2018
- Global sports online live video streaming is expected to grow at a 21.3% CAGR from 2021-2028

Online Live Sport Viewers in the U.S.



V: Masergy Acquisition



About Masergy

- October 2021 CMCSA completed its acquisition of Masergy
- A Plano, TX based pioneer in software-defined networking (SDN) and cloud platforms for global enterprises
- Masergy has over 20 years of experience and innovation in managed network, cloud, and security services and over 1,400 customers in about 100 countries as of 2021

Benefits to Comcast

- Masergy brings global network and IT innovation in high growth markets: A secure cloud networking platform including SD-WAN and SASE solutions
- Allows CMCSA to better cater to larger businesses by expanding capabilities and global footprint
- Masergy has been known for unrivaled customer experiences along side a strong channel partner program

Acquisition Rationale

- Accelerates Comcast Business's growth servicing large and mid-size companies, mostly U.S. based organizations with multi-site global operations
- The combination of CMCSA's leading advanced network and Masergy's innovative services would allow customers to better manage their international operations and networks

Product Offerings

SD-WAN	SASE
<ul style="list-style-type: none">• Performance Edge• Threat Monitoring and Response• Masergy Secure WiFi	<ul style="list-style-type: none">• Call Recording and Quality Management• Customer Portal with AIOps• Security Monitoring for Office 365