



Paramount

NASDAQ: PARA
Paramount Global

Fundamental Analysis





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Introduction

GICS Sector: Communication Services

Sub-Industry: Entertainment



CEO: Bob Bakish

Tenure: 3.4yrs

Paramount Global's management team has an average tenure of **3.4 years**. It is considered experienced.

Source of revenue:

- Paramount Global operates as a media and entertainment company worldwide.
- The company operates through TV Media, Direct-to-Consumer, and Filmed Entertainment segments.
- TV Media segment operates domestic and international broadcast networks, including CBS Television Network, and cable networks.
- Direct-to-Consumer segment provides portfolio of domestic and international pay and free streaming services, including Paramount+, and Pluto TV.
- Filmed Entertainment segment produces and acquires films, series, and short-form content for release and media licensing around the world.
- Visit my website to learn more.



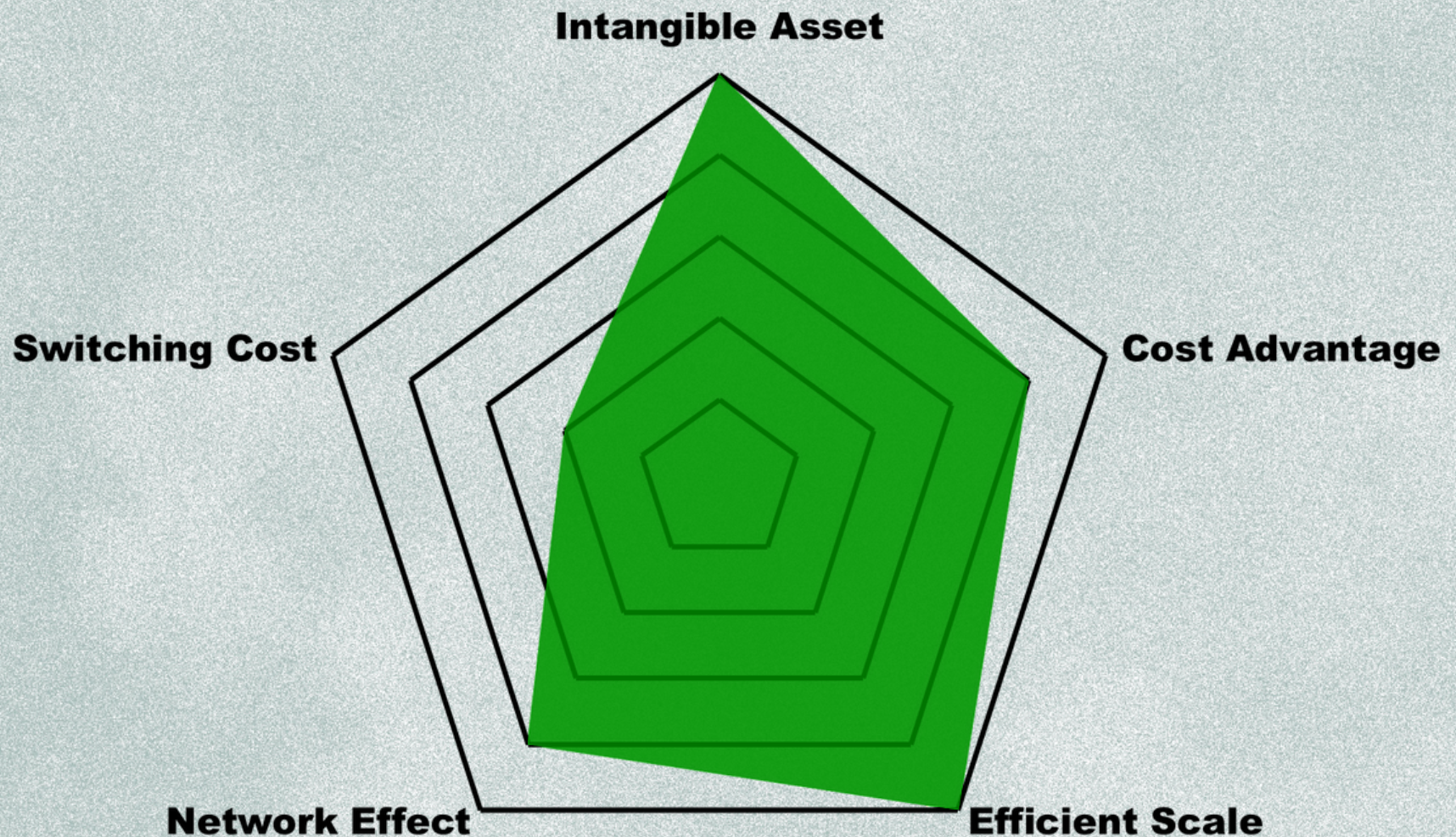
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Economic Moat



Economic moat: **Narrow**

There are many ways to identify a company's economic moat, but I focus on the above 5 types. The rating is purely subjective, and it is based on my in-depth understanding and analysis of the company.



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Performance

	Yes	Inconsistent	No
Revenue growing YoY for the past 5 years consistently?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Net income growing YoY for the past 5 years consistently?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cash flow from operating activities growing YoY for the past 5 years consistently?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Free cash flow is positive for the past 5 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gross margin % is consistent/growing for the past 5 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EPS growing for the past 5 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>





Management Effectiveness

Yes

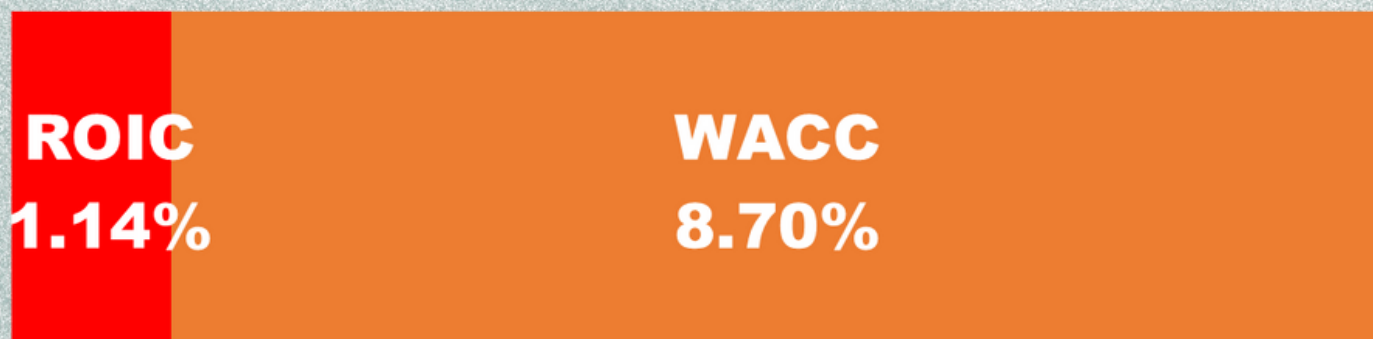
Inconsistent

No

ROE is consistently at 12%-15%
YoY for the past 5 years?

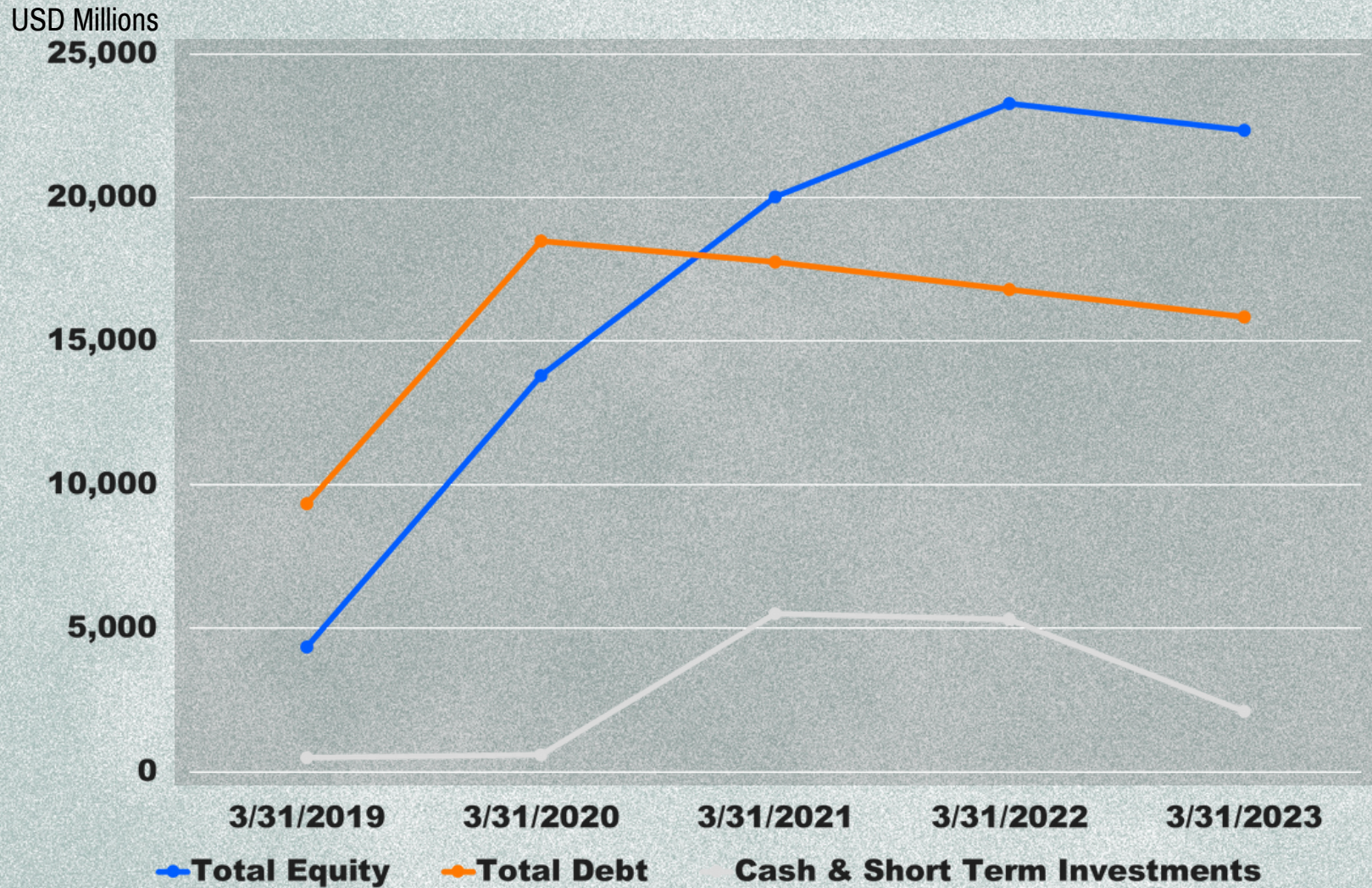
Paramount Global has a negative ROE as it is currently unprofitable.

ROIC is consistently at 12%-15%
YoY for the past 5 years?





Financial Health



Current Ratio: 1.12



Debt-to-EBITDA: 26.18



Interest Coverage: 0.81



Debt Servicing Ratio: 425.11%



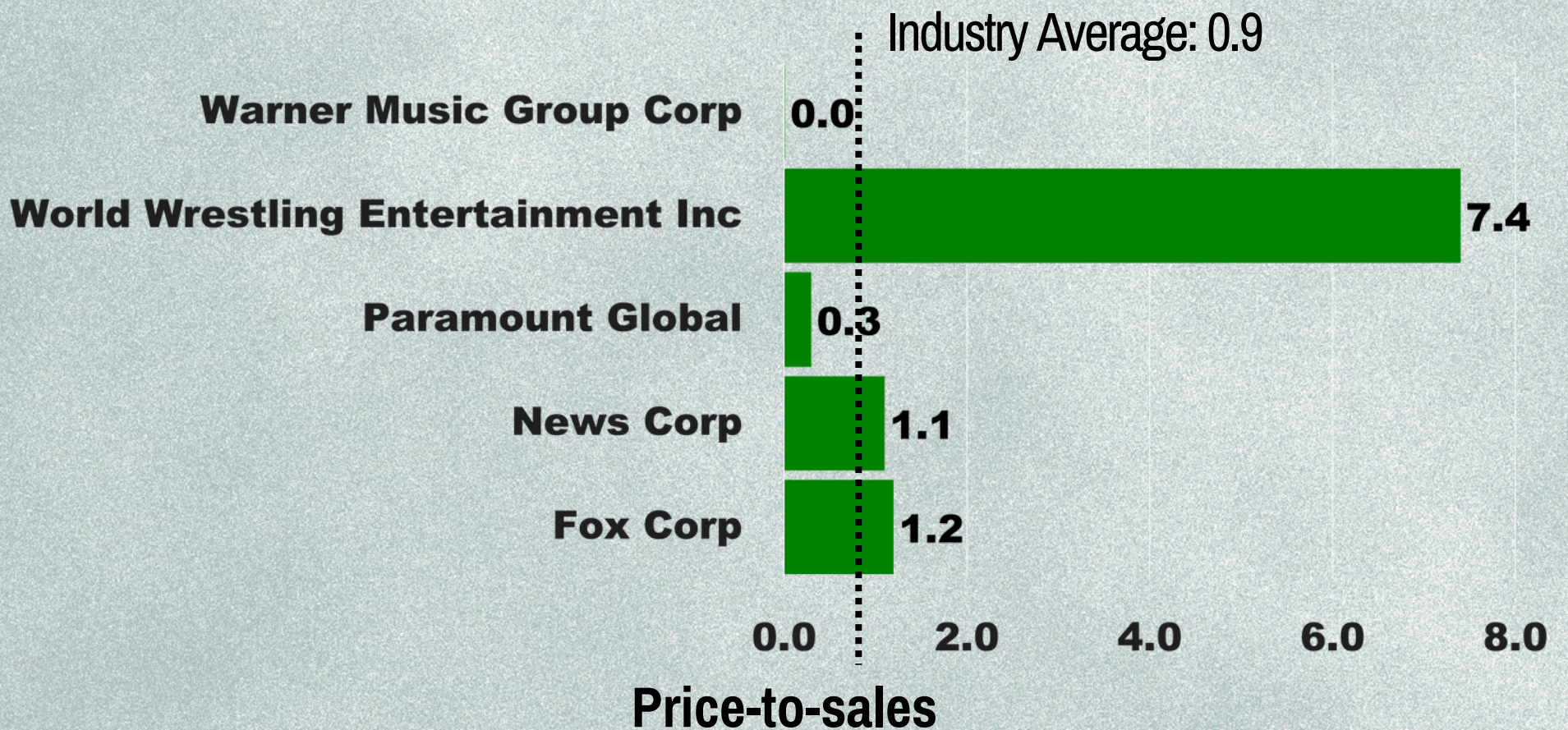
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Relative Valuation





Intrinsic Valuation

Estimated intrinsic value: **\$17.67**

Value is calculated using discounted cash flow method (taking into account their cash and debt) and scenario planning.

Average free cash flow used: USD\$800M

Projected growth rate: 5% - 6%

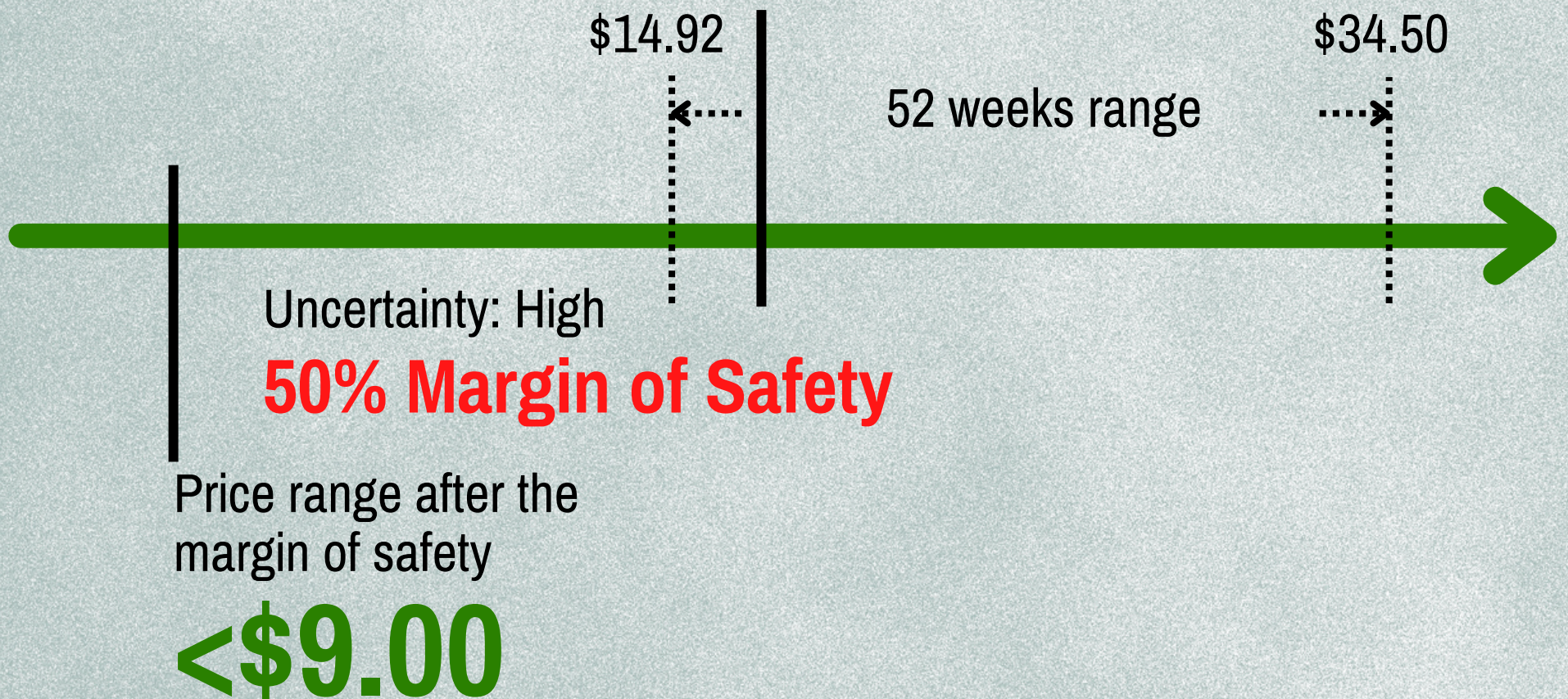
Beta: 1.4%

Discount rate: 9.0%

Date of calculation: 18 May 2023

Estimated intrinsic value of
Paramount Global

\$17.67



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