The Australian Finance Podcast Episode Transcript

Episode: Advanced Share Analysis - The Walt Disney Company (NYSE: DIS)
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Speakers: Owen Raszkiewicz & Kevin Fung
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Episode transcript:

Owen:
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Owen:
Welcome to this episode of the Australian Finance Podcast. Today, we are joined by a very special guest. That guest is Kevin Fung. How are you going, mate?

Kevin:
Very good, Owen. How about yourself, mate?

Owen:
Very good. Thanks. Very good. So this is the third episode of Shares Month and we've labelled it advanced, but don't let that put you off, dear listener. We are talking about things and we're

going to try and break it down in simple terms while carrying through some of the lessons that we learned from the last couple of weeks, and in particular, we're going to talk about the five-part checklist. We're going to apply that to Disney. Well, the Walt Disney Company, NYSE, DIS, D-I-S or DIS Company is what we're talking about today. Kevin, straight up, I think you own Disney, right?

Kevin:
I actually do own, so full disclosure to our listeners out there, I do hold and own Disney.

Owen:
Yeah. Cool. How long have you held it for?

Kevin:
Probably a couple of years now, once I starting to dig into the details and started to understand the type of businesses that actually I own, and it was a bit more than some of the studio movies. Just sounded like a really good business, really interesting business as well. So probably a couple years ago I bought a little parcel of shares and been a happy shareholder since.

Owen:
Cool. Yeah. And I notice it was up 75% as of the date that we record this. It's up 75% year over year. So that's fantastic. Well done to you, my friend. So this is the first time you've been on the show. We had Cathryn on the show last week. Can you just give us a bit of an intro into Kevin and I guess how you got into investing?

Kevin:
Yeah, no worries. My folks really always taught me to be a saver and the idea of not spending a dollar that I have today and hopefully being able to have that $1 grow into something a little bit more. That was something that really related to me, just on a personal level. And then throughout high school, I did, I think through school, I did the ASX Sharemarket game. I actually didn't do very well at all, which is probably no surprise to anybody at that stage. The way that I thought about investing back then was really much more of a mindset of, how do you make money very quickly. And as we both know, that just doesn't really work. My thought process during that stage was here's this business that's worth $1 a share. If that can double to 2 cents a share, 1 cent to 2 cents, then I can double my money.

Kevin:
Sadly, it doesn't work that way. And you almost have to look at the problem the other way round and the way that I was approaching that was really how the tail wags the dog. But slowly after that, through a bit of luck and a bit of advice through people that I've met along the way, I started to get into more of the fundamentals of investing and what it actually means to really invest long-term.

Kevin:

I mean, this really led me down to start reading about Warren Buffet and Charlie Munger's life and investing lessons and just found their stuff really simple. The way that they explain their stuff was really simple. And I really actually related to their values as people, things like integrity, simplicity, and focusing on how a company and a business actually makes money. So that's a little bit about my story, my investing story so far.

Owen:
Cool. Yeah, it's great. I gravitated towards Charlie and Warren because their message is almost always the same whenever you hear from them. And I think PR companies and comms people spend their life trying to perfect the best communication strategy to an audience. And these guys, I would dare say they haven't had any training. They just know what they know, and they just keep that principle going every time. And I keep those principles through times, or I should say there was a Warren Buffet video, a really short snippet where he did an interview. It would have been 30, 40 years ago. I think it was black and white. And he was interviewed about something and the same things that he was saying all the way back then when no one knew who he was, are the same things that he's saying now when 50,000 people go to his shareholder meetings and it's live streamed and millions of people watch live, same principles. I just love that about them.

Kevin:
It's that message that they really repeat over and over. And I think it was Buffet that actually said, somebody keeps asking him, what is the secret of getting rich. And basically he said it's to do it slowly, but that's not what most people want to hear.

Owen:
Yeah. Jason Zweig, I think I've said this on the podcast before, Jason Zweig, economist at New York Times or Financial Times, he says he's paid to say the same thing every day 250 different ways a year, meaning that the lessons stay the same. It's just what we put around it that changes. Okay. So what's your favourite part about investing?

Kevin:
To me it's the learning part, learning about how different businesses and things work, learning about how founders bring great ideas into fruition. And the other part is really digging into the tactics and strategies that management execute on and finding out the reasoning behind why exactly these companies are successful. And finally, just being a part owner of a business that I love and where I use their products, I think that's something like, I almost feel like I'm a part of the story and the journey as well. And I really relate to investing almost where you are planting seeds, where you plant these little parcels of capital and it's a little seed in the ground, and then you wait 10, 20 years and then you have this big tree and some shade and something beautiful.

Owen:
Yeah, that's a good anecdote. I love it. So one thing that I asked Kate during the first episode was, do you invest more in shares or ETFs or funds? How do you think about that?

Kevin:
Yeah. Primarily it's in direct ownership of shares. And then I've got a little bit of my wealth in some funds here and there, and then that's pretty much it. Not too much so in the ETF space, but primarily directly in shares.

Owen:
Yeah. I think that's a really interesting one because you just hear different people's take on things. And I think a lot of investors that invest the way that you and I do, it's much more enjoyable, rewarding, and a better experience when you know what you're doing. It's easy to buy individual companies and I feel like it's a better opportunity set for investors.

Kevin:
Yeah, absolutely. When you can do the work and you find it interesting to read about these businesses and really understand what makes them tick and how they sell and the people that are involved within the company, I think that's just really interesting and I'm just a naturally curious person. So I love learning about those businesses.

Owen:
I've got to be honest, I snuck this point into the conversation, because you have a background in property development.

Kevin:
I do.

Owen:
I just thought I'd get you to weigh in on the property versus shares debate. And whether you have any type of insight or what you've found working on both sides of the fence over the years.

Kevin:
Yeah, no, absolutely. I know Melbourne and Australia in particular has a great love for real estate and property. And I've learned so much in my background working in that industry and met some really good people as well. I think it definitely has a place in everybody's portfolio because, diversification is something that is really important, but what I see property and how I see property is much more of a lifestyle choice. I think that's got to be one of the big focuses of property first and foremost, is that having a roof over your head, having a safe place that you can call home and for your family and for yourself, I think that's really important. However, I think the key ingredient, regardless of whether you're a property guy or a shares and business guy, is the time in the game and the ownership period of this asset or any asset is the key to being a long-term investor.

Kevin:
You think about how our parents and grandparents in their property journey, some of them have held onto their homes for 40 to 50 plus years. And the joke is that all these boomers have bought their houses, paying $10,000 or a $100,000 back 20, 30, 40 years back for their house.

And ultimately it's a product of being invested within that home for such a long period of time. And I think going back on property or shares, I think that's the key to success, letting time do the work and letting things compound over a long period of time.

Owen:
So time in the market, not timing the market.

Kevin:
Absolutely.

Owen:
Yeah, that's great. And this is something we always talk about and we just talked about managed funds, ETF shares. It's like the little girl in the taco ad, you can have both, you can have this, the flat bottom, you can have the wrap, you can have the triangle tacos, whatever you want.

Kevin:
Yeah. And why not? I don't think things are so binary. And I think most people, whether they realise it or not, they've got their house or what they save up for, their family home. And then over time, when they're working and they're employed, they'll have Super, and some of that Super is usually invested in shares anyway, whether they're fully aware of that. But it's just, again, going back on the part where it's just super interesting for me to learn about investing and having a part ownership of a business, I think is a really cool thing. And there's some really great businesses doing a lot of good in the world and because of their business model, I think it gives them structural advantages in comparison to other businesses. So just being able to read about them and analyse them, I think is a really cool thing to do.

Owen:
Yeah, for sure it is. It almost feels like you're doing, it can't be this much fun. How can investing with so much fun? So we're talking about Disney. We've spoken or the girls spoke last week about Disney and an introduction to how we apply it to our five-part checklist. I know when you joined Rask and you came along with some ideas around how we can improve the investment process, and one of those ways was developing a really rigorous checklist. I think at the moment we have a checklist that's about 43 points long, borne out of years of investing experience, learning from other investors, et cetera. And within those points, we have scores that we apply to companies. And I think the key insight here is that's only the initial filter. That's the first, we try and get that done in two to three hours.

Kevin:
I think it takes a little bit longer than that these days, but it is something that's constantly evolving.

Owen:

Yeah. So even though we talk about these five points and as they apply to Disney and what the girls talked about last week, there's so much more that goes into investing. So we're just hoping that this episode can be a bit of a primer for you. And it's great to have Kevin on the show. So Cathryn introduced us to Disney, and Kate, last week. They talked about the different brands. We've got this great, I guess, flow chart and outline of what Disney actually owns, which we'll share in the show notes. It doesn't come from us. We'll share it with full attribution of course, but I guess, did you always know that Disney owned so many brands?

Kevin:
No, I didn't. No. My association with Disney is really through some of the-

Owen:
Probably like Bugs Bunny.

Kevin:
Yeah, the Mickey Mouse type stuff, from your childhood days, right. It's all the classics. That's the stuff that you would think is Disney. And as you read about it a little bit more and find out that they own parts of Marvel and a little bit of Pixar and National Geographic and even the Star Wars franchises, you're like, wow, this is pretty big.

Owen:
Yeah. And so in investing, we call the things that you can't see when you're investing intangible assets, right? So an accountant looks at a building and they say it's worth this much. And that would be what we would put on a balance sheet as probably plant and equipment. But what accountants can't say, they pretty much just bucket into this infinite bowl of intangible assets. And one of the things that goes into intangible assets is brand. And I think the beauty of this, and this is what Charlie Munger talks about, is that intangible assets are the real assets.

Kevin:
Yep.

Owen:
And just because we can't quantify them with an exact science doesn't mean that they don't exist. And this is what distinguishes, in my opinion, wonderful businesses from good businesses, is these types of assets. And I gotta admit, didn't know they owned ABC.

Kevin:
No, neither.

Owen:
Not the ABC in Australia, we've got to add, not that ABC, the American ABC.

Kevin:

In that business just in itself is a really amazing business and wonderful business. So the fact that it's Disney as this overarching umbrella that owns so many parts of this, it makes it just a super interesting thing that we can share in as part owners.

Owen:
Yeah. I think one of the things that we're going to talk about is the acquisition model of Disney. Do you remember how much they paid for Marvel? Do you remember what that was?

Kevin:
I do. I'll get those figures up. Just one or two secs.

Owen:
No worries. Because one of the things that I think people misunderstood when they bought Marvel and when they bought Pixar, and if we look at say The Lion King, I asked you guys yesterday if you've watched the latest Lion Ling, which was released in 2019. That's the third highest grossing box office movie of all time.

Kevin:
Wow.

Owen:
And that was a rerun, it was a remake and that is incredible. Right? How amazing is that asset?

Kevin:
Yeah. And the really amazing part of that, just to hammer Owen's point home, is that that storyline, those characters or the IP that we talk about, or the intangible stuff, the stuff that you can't touch and feel, that was already within the box of Disney, right? They already owned that. They already produced it. They know it was such a successful thing. I remember that was one of my favourite shows as a kid.

Owen:
Yeah. But then you think about, so this is something that we call optionality in investing, right? So optionality is something again that you can't see and something that may not even exist. And this is where we, I think you and I differentiate from a lot of other investors. We're willing to bet on things you can't see that may not even exist and not in the way that a company, it's just a concept stock, it doesn't have any revenue, but I'm talking about something that you don't expect it to be, but it turns out to be, can be infinitely more valuable than something you can't predict accurately in advance.

Kevin:
A hundred percent. And I think as we dig deeper into what makes Disney Disney, we'll see this unfold over and over again. And just on your earlier point, way back in 2009 Disney paid 4.2 billion for Marvel. Now people, I'm sure most of our audience or most of the people that we've spoken to have seen a Marvel film and understand the breadth of characters, the breadth of

storylines that that franchise has now given them. And now that's extending to Disney Plus, and now they've got spinoffs of all the Avengers characters. And it's the storylines of all those years of comic books that have been written. That's just a really amazing asset to have.

Owen:
For sure. And one of the things that I found really interesting, and this is when I was watching, I can't remember what it was exactly, but I was watching something and it was a superhero show. And I was like, what is everyone's favourite superhero? Mine would have to be probably Thor. Do you have a favourite?

Kevin:
It's hard to go past the Iron Man. I think it channels that little kid feeling within all little boys, I guess, having some iron robotic suit over you that you could shoot things and rockets and lasers out of. I think that's a pretty cool thing.

Owen:
Yeah. Yeah. Black Widow's bad-ass, too. The reason I bring that up is as I looked into this and there are about 300 well-known characters from the comic book series. 300, and most of us probably only know 10 or 20.

Kevin:
That's incredible.

Owen:
That's incredible, right? Because then you think about that library of brands and intangible assets that they've got that haven't really been monetized yet.

Kevin:
Are untapped. You think about so many more franchises, so many more and they talk about what is it the, where they step out of the old universe into the new one? There's a whole new series of characters that are going to emerge or that the new Hulk or the new Captain Marvel, who's coming in next?

Owen:
How many... It's going to be, we should have looked up this in advance, but there's got to be a few Hulks by now. I did like Eric Bana as the Hulk. But was it Mark Ruffalo who does the-

Kevin:
I think he's the new guy and then Edward Norton did one as well.

Owen:
I think so. So there's been heaps of these things and we just love it and we cannot get enough. Anyway, before we get bogged down and just talking about our favourite superheroes, so we know that Disney has more than one thing that it does. And I think that's what makes it really

challenging for people to research and value, because what Kate uses Disney Plus, I use Disney Plus. Do you use Disney Plus?

Kevin:
I do as well. And thank you to my girlfriend who might be listening to this. She's the one that actually pays for this stuff.

Owen:
Lucky you're at the same IP address. So, well, the thing is the people listening to this that are probably following along home, been doing some research hopefully over the past couple of weeks into Disney, the first thing you probably realise is, yikes, this is a big company. How do I value it? How do I do this? What am I looking for? And I think if we can just speak in general terms, we know that Disney is involved in the entertainment business, right? It's basically the ultimate entertainment show, because it has physical assets, like the theme parks. And then it's got what we talked about, imaginary assets, intangible brands, but then it also distributes licences so other people can use those. If you had to pick just one of the services or products that it provides, theme parks, broadcast, Disney Plus or licencing, which one appeals to you, from an investment perspective, what seems interesting?

Kevin:
Probably the most interesting piece for me is the emergence of Disney Plus and how through obviously everything that's happened with COVID, it's been really hard for the business in terms of the parks and their cruises and their hotels and resorts and all that kind of stuff, where restrictions have not let those facilities run at full capacity, but having started Disney Plus in November, 2019, to where it is now from a subscriber base of almost nothing to now at close to 95 million subscribers, that is a big, big number. And it's a very, very quick rate at which they've done that.

Kevin:
And the reason why I'm so excited about that part of the business is this is one of the most recognisable brands in the world, and yes, they've had their direct connection to the consumer where people can visit the parks and they can buy the merch and all that kind of stuff. But now having in the emergence of how important data is to businesses, being able to analyse people's viewing habits, what shows are working, what ones aren't, which franchises do they like the most, which characters they like the most, having that data in their hands with the management team of Disney, I think is a very, very big advantage. And I think that the way this story will unfold over the next couple of years is going to be very interesting to watch.

Owen:
Yeah. Because we know that in the subscription space, and I would agree, I have to think that licencing is free money because you've already got the brand. You can just say, "Yeah, sure. Go for it, Kevin, you can use my brand, but I want a 4% royalty of everything that you sell." It's just free money because it doesn't cost me anything.

Kevin:
Just cream on the top.

Owen:
Yeah. But the thing is, the reason I'm glad you said the subscription business, because one of the things that we talk about when we talk about investing in direct companies, we often use this phrase called the economics, the economics of a business. People are like-

Kevin:
You have a very serious word you use there, Owen.

Owen:
Economics. So economics is what we think of at school, where you study supply and demand and all that stuff. In this sense, it's a little bit different. Really the study of economics is how two financial variables relate to one another. And in this instance, why we like the Disney Plus part of the business, and maybe the theme parks is more of a handbrake, is because the economics are better.

Owen:
And so what do we mean by that? We mean that it can add a hundred million people every month paying for the service, which means that I've paid for Disney Plus for over a year now. But I've been to a theme park once in my life. And they didn't have to buy a theme park to offer that one service to me. They've bought a company, but they've effectively providing this service to me every month. I'm on a contract. They just get their money flowing in. And the next part of it, which is really interesting, is once it hits scale, which is code in analyst land for once it hits its preferred size, once it gets to a point where we think it's more mature, the cashflow is just going to explode, because the cost base is so low.

Kevin:
Yeah. That's right. It only costs them so much to make these shows or for a lot of the content that they're actually already own, it doesn't cost them anything to really host it, apart from maybe the server fees or the IT and computer expenses that it takes actually to deliver that Disney Plus service to you in your home to your TV. Right? Everything else, if they have 200 million subscribers or the 300 to 400 million that they're aiming for in 2024, it has all the makings of something that could be very big, because every additional subscriber, everybody that has Disney and all the friends that don't, if they start to get on as well, well that's just extra money that comes in on top, because the cost to stream it to them isn't that much more.

Owen:
Yeah. So once they've got the servers in place, once they've created the content, effectively at every new person that comes on after the 100 million is just pure profit. Up to that a hundred million, that money that they earn from those people might be the money that covers all of the costs and all the content. But beyond that point is what we would call an inflexion point. Let's just say hypothetically, it's a hundred million. That means the hundredth million and the first

person that comes on after that, I don't know how I phrase that. But the first person after a hundred million, that $9 a month or $11 a month is basically streaming straight through the income statement past the cost and expenses and straight down the bottom line. They might make more from that customer than they did from the very first one. Right?

Kevin:
Absolutely. And that's the beauty of that whole imaginary intangible asset, right? It is highly, highly scalable and it's something that we look for in the businesses that we look at and it's something that we love as analysts and shareholders.

Owen:
Yeah. And this is the thing. And totally, so for the mechanics of this, so people maybe thinking, okay, that sounds cool, but is there anything else that goes on? So there are costs that go into creating content, which is a serious expense for many of these companies. Netflix spends billions on content. So does Disney now, and they have to. That's table stakes, especially for Disney because it's new. So that means when we're forecasting these companies and when we're trying to come to evaluations, what we need to rely on is the company hitting that scale in time to create positive cashflow. So to cover all their costs and send some of that back to the mothership, if you like, which is what we're trying to buy into. But there are other parts of the business that we also need to factor in. Maybe we'll get to evaluation in just a moment, but do you think that Disneyland and the physical assets also play a role?

Kevin:
I think they also play a really big role. If we really sort of dig into the weeds of the financials and everything and it's something that also surprised me before I looked into them, is that the park section, the theme parks, the resorts, all that type of stuff is actually the biggest owner.

Owen:
Which I was surprised about as well.

Kevin:
Absolutely. Because you think, ah, these blockbuster movies, especially after the Avengers were so successful, are you thinking, wow, that's where they're making all their money, but realistically, and I think Disney understood this at a very, very early stage, was their ability to monetize and their content and their creative storylines and characters and all that stuff, that is done through the merchandise. It's done through going to that ticket at Disneyland or Disney World. I'm not sure if you've been before, Owen, but-

Owen:
Yeah. Went to the Tokyo, it's busy.

Kevin:
It is long, the lines. I hope you like standing in line, because that's what you'll be doing for a lot of it. And then what they do is they upsell you on these things called FastPasses where you can

skip most of the line, but you still have to line up, too. But in saying that, the experience is amazing. I went there as an adult, probably four or five years ago actually. And you feel like a little kid again. When you're there, you've just got a smile on your face despite the long lines. And it's executed very, very well. Everybody's in character and you go to different sections of the park and you're in a bit of a time warp or a bit of a teleport where you go into that world and you're immersed in all the characters and the ride and the merchandise as well.

Owen:
Yeah. And I love it. It's something that I've realised recently with the podcast is that we do a lot of these things from behind the curtain, so to speak, but getting out and actually meeting with people is probably the best thing for us. And it's for the best thing for the listeners, because you guys want to talk to us, you want to come and talk to Kevin and myself, or Kate. Or whoever is in the team, that physical aspect, while we don't make money from that, that is actually a really fundamental point of differentiation for the brand and for just engaging with people and reaching people. So I think it has its role in the business. I think for Disney it's the ugly sisters to the Cinderella in terms of the Cinderella might be the licencing and the actual Disney Plus subscription, that's going to be the big game changer going forward.

Owen:
Just skipping along a bit, Kev, if we talk about, we know that from the last two episodes, we know that we prefer owner-operators and people with skin in the game. Cathryn talked about Bob Iger leaving, the new Bob being in town and how his pay is skewed more so to his performance, which is a good thing for the longterm. I want to take it to the next level and just ask you a question. Around about skin in the game and how important that is to you as an investor, because everyone has a different opinion on this, I found, especially once I've been investing quite a few years.

Kevin:
Yeah. For me, it means that the management team who are essentially in charge of running the company on behalf of us as shareholders, I tend to think of that as almost the captain of the ship, right? They're the ones that are steering and navigating this business to where we want to be as long-term investors. And for them to have skin in the game and to have ownership in the business, I think that's a critical thing for me as an investor. I just think it means that they're super aligned and it's important, because when they own shares and when they have that ownership, they will share the same long-term investing mindset. And this is critical, I think, because as part owners of a business for the next 10 to 20 years, that's something that you want for them to be on your side and to also share the views that you have of the business going forward.

Owen:
For sure. One of the things that we talk about when it comes to small caps though, is there is a limit to how much they need to have. And I think the easiest way to relate it is just back to versus their personal wealth or versus their salary, how many shares they own versus their salary. I think that's a really easy way to quantify it in your head. But one of the other things that

we talk about a lot is, I guess at least at Rask, not every analyst does this, but one of the things that, at least I believe, is a good workplace culture. Good doesn't mean ping pong tables and fresh fruit every day, good is horses for courses. Some businesses need a rough and ready culture. Some businesses need a kosher culture.

Owen:
So one of the things that's really important is understanding the culture of a business and effectively how the business fosters innovation and fosters creative thinking, because for a business to be enduring, effectively what we're looking at is people to make creative things, right? I'm sure we can use CGU and we can use graphics to make some of these new films, but it starts with innovation and brand and creativity. As an investor, how can we get a sense of what's going on inside a business? Are there any tools or anything that we can use?

Kevin:
Yeah. There's a few tools that we look at internally at Rask that really can give us an idea or clues as to what the heart of this business actually is like. One of the ones that we use quite often is Glassdoor. That's a website that people can Google. And it's basically a website that goes through and lets employees, whether current or ex, to rate their company that they actually work in. And having just looked up the numbers and the reviews just earlier, the Walt Disney Company itself is at 4.1 stars out of 5. Marvel is 3.6 out of 5. Pixar is 4.2 out of 5. And Lucasfilm is 3.6 out of 5. And these are pretty high numbers, especially the ones at Walt Disney and Pixar are-

Owen:
Very high.

Kevin:
Really gives us confidence as investors that these guys, long-term holders as well, because if you're not treating your staff well, and if the culture at work is not great, then every year you're going to have to go through new employees and all that knowledge that you pick up about the company's history, about the company's values, all that gets lost if turnover is high. And I think we even looked up earlier that the average employee at Disney is there for nine years, which is-

Owen:
Huge.

Kevin:
Pretty long.

Owen:
In this modern age where people don't like it after six months, they go to something else.

Kevin:

Yeah. And I think that's a really good sign of building something that is pretty special. And for the listeners at home, there's a book out there called Creativity, Inc. And that's about the Pixar story and how that evolved. So that's a really, really good read and just gives you clues as an investor and a shareholder about what it is to be actually working in one of these great businesses.

Owen:
Yeah. And the thing is, some of these businesses don't just go up the score and think that that's great. One of the things you can do is you can compare it to another business. And sometimes if a company has a low score, it could be because there's not many responses on Glassdoor or Seek Companies. So make sure that you actually look for common elements in the reviews to try and determine, is this just a bunch of people that got laid off because that business was made redundant or every business has disgruntled employees. So even the greatest businesses on it. So it's about determining how much of a role that plays in the creativity or in the innovation inside a business, the growth of your business.

Owen:
Some companies don't need that much creativity. We might use another example of say, what's maybe an example. Just take Berkshire Hathaway, which is Warren Buffett's company. That doesn't need a lot of creativity. And it doesn't have that many employees at all. It owns other companies which have employees, but for them, that rating's not going to mean a lot.

Owen:
Talking about Disney, Kev, I feel like you've got some numbers here in how employees are incentivized. Is that you? Or is that Cathryn?

Kevin:
Yeah. One of the other really interesting things was, and just reiterating Cathryn's point from the other podcast is how high the ratio of the salary being paid to the CEO and even other members of the board, how high that is compared to other businesses that we've looked at. For Disney, the CEO, his salary is 90% performance based. And that is-

Owen:
Up there.

Kevin:
Really up there.

Owen:
I don't think I've heard of that.

Kevin:
I haven't either, unless-

Owen:

Unless you count maybe Larry Page or the Google founders that effectively take a dollar, but they are incentivized in a totally different way.

Kevin:
Yeah. For somebody to come along and go, "Hey, 90% of your end outcome financially result is really measured." I think that shows you that all of that is merit-based. It means that if all these goals that are being set and the strategy that's being put out isn't achieved or isn't tracking along where the board and the shareholders and everybody thinks it should be, well, he is not actually going to be financially remunerated. It's the same with the board. It's really high there. They're sitting at 83% performance based comp.

Kevin:
I think it tells you that these guys are very good at what they do. And they're willing to put their money where their mouth is so to speak.

Owen:
Yeah. And if you look at say, even of that 90% performance based compensation, 30% of the salary in total is effectively restricted stock units. Then we've got stock options for 15% time vested restricted stock units, 15%. So in effect, 50% of everything, regardless, is going to be given to them in stock or shares in the company. So even that itself, even if you do do well, most of that then becomes long-term focused options or shares that skews the bonus and the incentive again towards the long-term, which is really promising.

Kevin:
And something that we love to see as investors and analysts, because it means that if they perform and if they do deliver on the things that they say they do, they're also getting shares. So it means that they just become further aligned to us as shareholders. And that really builds long-term wealth.

Owen:
Absolutely it does. I tell you the worst. We look at counterpoints, when you see this even in the big US companies, the Australian companies, is when a manager earns more short term incentives than long-term. One of the most important things in... This is why it's in the top five. One of the most important things is actually just making sure that the people running the business are incentivized in accordance with your incentives as well as the long-term investor. If they have short-term incentives, you're going to get short-term results. Charlie Munger, show me where I'm going to die and I won't go there. The ultimate incentive, just don't get involved with businesses that don't have the right skew in this mix, both at the board level and at the executive level. I think that's a huge, huge advantage for people.

Owen:
There is one other thing here. When Bob Iger resigned, Bob Chapek took the reins. After 30 years, I believe internally, not necessarily with Walt Disney, the company itself, but after 30

years internally, got the top job. Do you like to see that? Do you like to see internal hires versus external hires?

Kevin:
It's something that I love to see, Owen. I think it means that everything that was spoken about with the culture, with knowing the business well and being involved at for so many years, he would know that business inside and out. And just means that transition is often seamless. And it means that that person has also really earned their stripes. And it isn't some professional CEO that comes in and is there for a salary or is there to bump up his next retirement plan.

Kevin:
He probably loves and really loves working at the business and wants to see it succeed as well. And I think having that pool of internal talent is something that the best companies in the world do.

Owen:
Yeah. Again, we see a lot of, Kev used the phrase professional CEOs, and we see a lot of CEOs. You probably know the type if you walk down Collins Street in Melbourne, George Street in Sydney, or anywhere in your capital city where it's a business hub. You probably see them shiny suits and people that are professional business people. I, for one, do not want those types of people running my company. I want the guy that walks up in ripped trackies and the old Marvel t-shirt from 30 years ago and just loves what they do. And they're just happy to create a product that is an extension of themselves.

Kevin:
And it goes just back to the whole, long-term thinking, the long-term horizon of these people. The guy that's in there for the contract that's worth X amount of million for that many years, doesn't have any stock, doesn't have any ownership. He's not going to care when his contract is up. And we want that level of care in the management, in the leadership in the businesses that we own.

Owen:
For sure. I know you own a different company, which we spoke about recently, but there are many companies out there that have really good remuneration structures that are effectively paid out over five years. That's probably ideal for me. So when the CEO gets rewarded with shares in the company, which vests, meaning that they start out as options, or they start out as something else, and then they turn into shares at a particular time when they vest, if I give you a bonus this year, or you give me a bonus this year, I don't get all the bonus upfront. I get it over one, two, three, four, and five years. That again creates more incentive, because then by the fifth year of me being at the company, I'm earning bonuses from all of the years prior. And if I leave, then I give up all of the bonuses that I could add in the future. Those are really, really compelling things that augment people's incentives to the longterm.

Kevin:

Yeah, absolutely. And I think if they're shareholders and if they're truly building something great here, they're going to want to participate long after they're gone as well, from the employment in that sense. When they're leaving, if they're retired and Disney is still doing well, maybe they've got 500 million subscribers by then. That's something that they're going to enjoy all the fruits of their labour, all the hard work that they've put in.

Owen:
For sure. Yeah. For sure. So how about when we talk about brand, Cathryn and Kate talked about it, I talked about it with Kate in the first episode as well. We talked about the basics of what a moat is and the competitive advantage. What do you see as Disney's competitive advantage, if it has any at all?

Kevin:
I think their biggest competitive advantage is that premium content, the premium storyline, the premium creativity. With Disney and the whole intangibles thing, again, there is no commodity to Disney. And I think we've seen this play out with DC Comics and their supposed attack on Marvel. They've tried to replicate this hot superhero theme with their blockbuster movies and it just hasn't really delivered to anywhere near the same level. And that's because one superhero is not the same as the other. And one movie storyline is not the same as the other. And I think having that premium brand and also having that brand in something that's vastly scalable, like a movie where you pay X amount to produce it, but then you can make potentially 10 times that if it's a blockbuster. I think that's something that really is driving this business forward.

Owen:
Yeah. I can't think of any company in the world that has a better competitive advantage from intellectual property. Maybe you could say Coca-Cola with its brand, maybe Nike. I mean there may be some sporting clubs even have really good brands. McDonald's. But to be honest, Disney is probably the number one in terms of its capital model and its ability to monetize. And I think that's something that we were talking about just before we recorded was its ability to monetize is far superior than almost any other business. Even it's streaming land.

Kevin:
It's actually centre to their whole business plan. I know you mentioned that infographic that we'll leave in the show notes. There's actually one that's original from 1957, which I believe was... It's almost like the original business plan of how Disney would work with the shows that it has, with the storybooks that it has, with the merchandise. All of that, at the centre of all of that, almost like the Iron Man heart, so to speak, was the creative output. And that is in the best storytelling in the world. And to really put some numbers to that, in that scale and the premium content and the IP is, Avengers End Game cost 356 million to make, but it took in 2.8 billion at the box office.

Owen:
And this is only one of many. If you go through the top 10 grossing films of all time, is a Wikipedia list, I think it's top 100. You can see that Disney dominates, absolutely dominates even just with reruns like The Lion King from before. And that is such a strong, competitive

advantage. It's kind of forging itself in the production capabilities as well. There aren't too many, now that they bought 20th Century Fox, Pixar, Lucasfilms, there's really on the production side of things, it's really not that many notable competitors, not this size. I mean, there are production companies, but these guys are huge in that way as well. And one of the things we spoke about before with regards to the streaming and video on demand was effectively free CAC. And what we mean by free CAC is, CAC stands for C-A-C, stands for Customer Acquisition Cost.

Owen:
Because Disney has so many loyal followers, it can effectively get so many customers for every new product or every new service that it launches overnight. Whereas everyone else, all the rest of us, we have to fight for every new customer, for every new podcast listener, for every email subscriber, we have to fight for that. But Disney can effectively turn on something and people are lining up.

Kevin:
There's so much time that's been put into every customer that they already have. And I think that comes back to the long term business model and the plan that they have. And that's what gives them confidence that they can outbid other people on these massive acquisitions that they make. When they paid for Marvel, when they paid for Pixar, even though they might not make money on the front end, even if the films start off small, but then they're not making that much from that movie ticket. It's the Christmas Day when the kid buys the booty toy. It's when they buy the lunch box, the t-shirt, all the other ways that they can actually monetize. And I think Disney are probably one of the best companies in the world at doing that.

Owen:
Yeah, for sure. You've got some notes in here around the size of the business. So we know that Disney is a $300 billion plus company, right, in terms of what we call enterprise value, which is all of the shares in the company plus the debt. Enterprise value represents the cost that any person or company would have to pay if they bought the company outright. It's like when you buy a house, the house has debt. You have to effectively pay for the house to be paid out as well. So we look at that, but you've got in the notes here, and this comes from the investor day presentation, which you can access on the Disney investor relations website. They currently have say 95 million subscribers across their primary assets, which are Disney Plus, Hulu and ESPN. But by 2024, their outlook is for 300 to 350 million subscribers, which is a huge feat if they can get to that.

Kevin:
It's massive, because just for comparison sake, Netflix at the minute has about 208 million subscribers.

Owen:
And this is interesting because these three units are across a broad spectrum. They've got sports, entertainment and live TV, and then right down to video on demand. So if it can do that, it's already at a hundred million or thereabouts. This is a business that could achieve that. And if

it does, it's going to be at serious scale. I want to talk to you briefly about, I guess, is this industry growing and how do you see Disney's ability to grow in the future? Is there something that they can do to grow their business over time? What are they going to do even if they get to that 300 million? Can they monetize that effectively?

Kevin:
Having touched on it earlier, I think it just gives them so many more opportunities to have a better and deeper relationship with their customers. If your little kids are watching Frozen or a spin off of that or they can pull up The Lion King or Aladdin whenever, for every weekend, without ads, think about how much time they're getting in front of that person. And we talked a lot about investing, especially in this big technology space of attention and eyeballs. And I think for Disney Plus to really control that, it's a really big step in feeding the funnel back into parks and back into resorts and all that kind of stuff.

Kevin:
I think the performance of Disney Plus is something to really stop and marvel at I think.

Owen:
Marvel, interesting.

Kevin:
No pun intended there. Originally way back then, they had guidance for the Disney Plus at 2024 to be 60 to 90 million subscribers. And this is a service again that only started a year and a half ago, and it's already surpassed that. So we talk about COVID pulling forward a lot of demands, these targets that were pretty big targets, it's half of what Netflix subscribers have right now. They've pulled that forward in a year and a half, not even, and-

Owen:
It's crazy when you think it's taken nearly two decades for Netflix.

Kevin:
Exactly. Yeah. Netflix started in January, 2007 when they started streaming. It's taken them that long to get to 200 million subscribers, yet Disney have been able to do that in a year and a bit. I think that really shows the power of the brand and the demand that people have for their content.

Owen:
For sure. I want to talk about something called TAM, Total Addressable Market, T-A-M. It's something that a lot of investors talk about. It effectively represents the yearly revenue or the yearly sales for a particular service product or industry. So TAM, Total Addressable Market, and you can use Google search to find some snippets of paid reports that are free. They give you a insight into what other analysts and investors think of an industry. So here's one from Grandview, which is a research company. And they said that they believe streaming video will be worth 230 US billion dollars by 2028. And that includes both enterprise video streaming and

consumer grade connections. But I think if you include YouTube ads, TikTok, and all the other social media platforms, I believe that might even be larger by then, because all of these social platforms are converting to that.

Owen:
Another source was Statista. Sometimes they use other people's data to put it into their charts. But Statista did some research into video streaming, just pure streaming video on demand. And they said that it's projected to reach US $71 billion in 2021. The Australian market by 2025 was estimated to be 1.17 billion. So tiny. Globally, the streaming video on demand market is estimated to be worth $108 billion. So if Disney can snatch more and more of the share, they're going to be a beast just as it is. We're looking at five to $10 billion in revenue from the Disney Plus segment. If it can get well beyond that and start pushing for more affiliates, we're talking tens of billions of dollars potentially up for grabs. And that is when it'll hit scale, because I'll just throw some statistics at you here, Kevin.

Owen:
So the share of US adults who pay between $10 and $20 per month for streaming services, this is based in 2019, was 46%. So 46% effectively have one, maybe two low cost streaming services. And so I have about four or five. Maybe I'm the outlier. Disney, Netflix, Optus Sport, Stan, just the list goes on. I may have to trim few in the future, but that gets me excited about how much further this business could have to run as well.

Kevin:
I think the race numbers are that Disney has come up as a clear number two to Netflix and really quickly as well. Even though some of their revenues are dropping from all the cord cutting from their cable TV services, and it is getting a little bit cannibalised by Disney Plus, I think that platform is a much more effective platform for the business and while those other revenues drop and it might be a little bit of short-term pain for the longer-term game, we've seen a lot of software businesses transition out of that perpetual licence, meaning that software that you used to pay $2,000 or $3,000 forever fee for, but then didn't get any updates. Well, now instead they're charging you that 20 or 30 bucks a month, and it's just a far superior business model because it means that month on month, that business is getting reliable income. And I think we're really seeing this come to fruition with Disney.

Owen:
And so this is all to say, we've looked at some external research on this as well. And if you're an analyst trying to piece this together, you can look at what the other big competitors are doing to try and get a sense of how big the industry might be. When an industry is growing, we like growing industries because yes, there is competition, but the business should still be lifted by the growth in the industry generally speaking. So one of the stats was that 28% of US adults had never subscribed to a streaming service. So that's 28% of people that will almost certainly have to in the next few years, maybe say not next few, maybe next 10 years or so. So that's even more people coming on to the platform. And of course, many of you will know that you

don't just have to have one of these services. I imagine in the US market, many people will have more than one in say, five years. That's my belief.

Owen:
You might not agree and that's investing, but my belief is that people will have more than one of these or at least something to bundle them all together, which by the way, Disney does.

Kevin:
I think that's fast becoming the norm. If we look back 10 years ago, as Aussies, we would pay for Foxtel and have that box there and it might cost us $60 to $90 a month. Whereas now we're getting these services for $10, $15 a month, then it's $10 for Netflix or $14 for Netflix and then $10 for Disney and then $10 for Kayo. That's still not as much as what we used to be paying and we're getting a better quality service, on demand service in high quality stream, straight to our home. We had the money back then and the budgets back then to pay for something that was not a superior product. And I think that tells you that people have that entertainment budget to spend.

Owen:
One of the things that's interesting is when you brought up Kayo, I just realised I also have that and also have Amazon and Apple Plus, because I was looking at the next thing we're talking about. And Statista says that while the growth of the video streaming services like Netflix and Amazon is not over, we assume that the adoption of such services will soon reach its peak, especially in developed countries, which I agree, it's probably fair that the growth rate of the industry might slow. They say new offers such as Apple TV might attract new customers, but the general lack of willingness to pay in huge potential markets like China will cap the growth in this segment on a global scale.

Owen:
I want to refute one of those points, which is that about the developing markets or emerging markets like China, India, et cetera. Netflix is most likely to do this in the future if they don't already, I don't follow the company that closely. But advertising is, I think, a key way that businesses will be able to extract value from more markets over time. So offer a light version where you get served ads. I know one of the companies that I follow closely, which is The Trade Desk, they effectively specialise and they're knocking on the doors of these streaming services saying, "Hey, we advertise everywhere else. On YouTube you get ads. Why don't you let us put an ad on your Netflix account?" And so this is something that's interesting. Kev, at risk of this conversation going for too long, there's one final section or one part that I wanted to acknowledge, which is the key risks. Can you just give us the short version of some of the risks that you've identified?

Kevin:
I think one of the big ones is really post COVID-world. When do these restrictions and things start opening up for Disney, especially with their parks division. It is such a big driver of revenue for them. Even if the government in the US has restrictions on the capacity, for the park, for

Disney World or Disneyland open only say 20% to 40% capacity, they might actually still be losing money. So that is something that we're keeping a very close eye on. The other one would be, the golden well really here is that storyline and the new blockbusters and the new movies that are coming out. If for instance, we see a few flops there with a few different movies or a few series that come on to Disney Plus that aren't as successful as The Mandalorian. That's something that is going to be a big risk.

Kevin:
But really the other one is culminating in that. And it all relates onto the same thread is these big acquisitions that they've done over in time, whether it be Pixar back in 2006 for 7.4 billion or Lucasfilm with all the Star Wars rights for 4 billion in 2012, or paying 70 billion for 20th Century Fox, which owns all the Simpson stuff.

Kevin:
If one of these big bets doesn't pay off, I think that's going to be a very big risk to the company and shareholders, because it means that they're paying a whole lot of money for this asset, for these storylines, for these characters. And if the public don't take to that, it's means that all of that money could be going up in flames, but seeing that record, seeing the track record of Disney, 4.2 billion for Marvel, I think they would have made that in chump change through one of their movies. And look at all the storylines that they've yet to explore.

Owen:
So their savviness in acquisitions, which is not common, it's got to be said that most acquisitions do fail at least to fail to add value for longterm investors, but Disney has done it so well I think by just focusing on intangibles, I think that we're very early in that piece. There are some other really good examples of companies that I know you and I follow closely, like Constellation Software, which is out of Canada, which is another company that focuses on intangibles, but a totally different type of intangibles. It focuses on software and buying those smaller software companies and putting them all together, but not in a way that's normal. And so some companies do find a recipe that works for acquisitions, because obviously, just so we're clear, there are two ways to grow. You can grow by buying other companies and acquisition, or you can grow organically just by improving your business, more sales, more sales staff, more marketing, et cetera.

Owen:
So one final thing, Kev, which is just the valuation. Last week, Cathryn walked us through valuation in, I guess, the simpler sense or simpler sense, which was that you can use ratios like the price earnings ratio, which compares share price to the profit per share.

Owen:
That's a really simple ratio. There are many others, but one that we might talk about is a DCF analysis. And if I may, I might just speak to that quickly. So a DCF analysis, otherwise known as a Discounted Cash Flow, effectively takes the cash flows of a company, so in this case, we're talking free cashflow, what that equals is not exactly profit, but something similar to that. And

you can follow this in tutorials on our website. But it's effectively making a forecast. How many Disney Plus subscribers are we going to get? How much are they going to be charged? How many people are going to go to theme parks? How much revenue is that going to bring in? How many licence deals are they going to do? How much revenue is that going to bring in? And then we forecast that typically five to 10 years into the future, which to be honest is very, very, very, very difficult. It's not difficult to do in a spreadsheet, it's difficult to get right.

Kevin:
We're just trying to make a very educated guess here. Yeah. So our research informs our forecast, and then we say, "It's going to make this much cash in the future." What is the value of that cash that Disney is going to generate in today's dollars? So let's say hypothetically, it's $200 per share. We forecast all the cash flows. We sum them up in Excel. We put them in today's dollars with the NPV formula, the Net Present Value. And then we divide that by the shares and we get to a value, which is effectively the value per share of all that cash in the future. Have I missed anything important there?

Kevin:
No, I think the one thing about valuation is that it is much more an art than a science. You can get very technical, which into the statistics and modelling out things to three decimal places and whatever, but ultimately it is my valuation be different to your valuation. Your valuation will be different to some other fund manager's valuation. And that it all comes back to what is the story that we as analysts are telling? How fast do we think that Disney can grow? How fast do we think the parks will come back? All of that is a very personal thing and I don't think anybody can be exactly right, but we can be hopefully directionally right is what we're aiming for.

Owen:
So when you say directionally right, if we forecast growth from Disney, we would hope that we're seeing growth, not declining sales. But that doesn't mean if a company isn't growing as fast as Disney, it doesn't mean that it's not worth anything. It's still worth something. And this is what a lot of people get wrong is that we can even come to a reasonable valuation of a company. But the thing that changes is what's called sentiment or effectively people's behaviour in the investment markets. We can have a great company that no one else recognises as a great company and the valuation or the share price can be depressed, and that's a buying opportunity, but that might take years. It might take years for people to recognise this.

Owen:
So one of the things that I looked at with Disney for example is the ratios like Cathryn talked about, which was comparing the price of the company to its fundamental value, like its profits every year. And if you look, the relationship between those two things, the Disney share price and the profits, is actually growing. So meaning that for every dollar of profit, the company is getting more expensive. So the valuation is stretching up. And I believe the reason that that's happening is because people have realised how good Disney Plus is going to be for the company, how much money they're going to make for that. So then all the investors in the market like you and I, we will pay more for Disney than we would have five years ago.

Owen:
And so us as analysts, we're effectively looking for things in the financial statements that suggest the business is growing more profitable and other investors might think that it's better in the future as well, which is not easy.

Kevin:
No. But you're absolutely spot on with all those points there.

Owen:
Yeah. What we will say is that people who don't know Discounted Cash Flow analysis or any type of advanced valuation, what they tend to think is that it is the answer. And I don't think it is.

Kevin:
No, and it's the mistake that I made while I was developing and learning my skills as an analyst. I thought if I could understand Discounted Cash Flows, this DCF thing that everybody kept talking about, I thought that was the magic bullet to find undervalued businesses. And after understanding and picking that apart and building my own models, I learned that actually it's not. It's all the other research. It's all the other little things that understanding why exactly Disney Plus could be better than Netflix, or why is it catching up so quickly? That's the stuff that really matters.

Owen:
Just a quick question then on the end here, just as a final piece on this. Would you use something like a Discounted Cash Flow analysis on Disney if you're going to... Would it be appropriate company to use that type of modelling on?

Kevin:
I think it definitely is. It's much more than some of the other businesses that we look at where... We do look at some businesses that are classified as disruptors in the industry. And these are businesses that are spending a whole lot of money right now to really grab market share quickly. And often what that means is they're not profitable and traditional investors would look at that and go, "Oh, they're just losing all this money. What a terrible business." And it's the same mistake that people early on in a story like Xero, which is a business that I own and listed on the ASX. It's like early days, people saw that business as a money incinerating machine and what they didn't realise was the stickiness and that just means the customers that they brought on. They were really long-term customers. They were staying with the business for a long time.

Owen:
So sticky, sticky.

Kevin:
Which means that, yes, in year one, it doesn't look like they're making much money, but in years five, six, seven, eight, nine, 10, that's when their machine really turns on. But in order to do a

Discounted Cash Flow, you need to have cash flows. And if these businesses aren't making money, well, it makes it very hard to forecast something when it doesn't exist or is negative in this case. But Disney on the other hand has a very good history, very long history of positive cash flows. And what that means is there is certainty in some of these businesses, if we can see these points where the vaccines roll out in a post-COVID world, that's when we can start to say, "Hey, this business is back to where it is." And Disney Plus is growing really well. What does that mean in terms of the forecasting? What does that mean in terms of the revenue that they're bringing in?

Owen:
And I think if I was going to value Disney, I would be valuing it using a Discounted Cash Flow analysis. You could value it with some other things. What I will say for those people who didn't keep up here or want to keep up but didn't, you can go and take our free valuation course on Rask Education. It's totally free. It's five or six videos, recorded about three years ago. And it takes you through everything you need to know about all of the different valuation techniques, and you can get some downloads and spreadsheets actually, use Woolworths, the Australian Supermarket Company, as my example company.

Owen:
So Kev, the question that everyone wants to know, we've been through intellectual property rights. We've been through the history of the business, using acquisitions, some of the key risks, like failing to adapt, acquisitions, many others. We've been through a discussion of valuation. Would you consider buying shares in Disney today?

Kevin:
I would. In terms of my investing philosophy, I usually buy small pieces of shares. And all that means is one year I might buy a few Disney shares and then the next year I might buy another few. And then the year after I might buy a little bit more. And the reason I do that is because I want to own a small piece of the very best businesses in the world. And I honestly believe that Disney is one of those very best businesses in the world. I usually don't rush into the buying, but what I am happy doing is buying a little bit and then waiting for the business and the management team to really deliver.

Kevin:
So we want to see those results being delivered onto the scorecard, and as they keep delivering those good results, it means that the business is actually strengthening in time. I'd love to hear your views on this matter as well.

Owen:
So we've got Rask Invest, which details all the companies that I own, but I would buy, I would consider taking a small part in Disney today. And I think anyone that has listened to this in it's fullness, well done for making it through over an hour of podcasting and talking about investing at a more advanced level. As you can see that most of our discussion is around business. Not

about what's going on on a stock screen, or what's going on on a chart. It actually has very little to do with that, because that's the way that Kevin and I invest.

Owen:
And when I think about Disney, I think it's pretty much a business. It's like a fortress. The fortress has to be maintained, but if they can do that, I can see it printing more money long into the future. And so for me right now, I would be happy to take a small position. So whether that's 1% of a portfolio, whether it's a little bit less, a little bit more and giving it time to grow. Some of the key things that I'd be watching out for, if you do own it, are things like, are they still growing with subscriptions? That's a key metric, making sure they're growing there. The free cashflow thing that we talked about, that's important, but that's a trailing indicator. So free cashflow you can look up on our education site and there'll be a tutorial on that. But effectively what I want to see is more subscribers. I want to see a new franchise in the next, say three years, or plans for that. And I want to say good quality content inside the Disney Plus subscription.

Owen:
I think the key differentiator between Disney Plus, Netflix and Amazon is its ability to distribute high quality content. Because the way that Netflix was described to me as a spaghetti wall analogy, just throw it out there, see what sticks. Whereas Disney is very, very high quality and I think that's the differentiating factor. So if they can nail that, which they say they are, I'd be a happy holder for a very long period of time, knowing that it's been around for what? More than 50 years?

Kevin:
Yeah. It's not something that's just popped up. And I think their recipe book is pretty much spot on there.

Owen:
Yeah. Cool. So this was a long conversation, Kev, talking about Disney, a beautiful company in every sense of the word. If you want to talk about Disney, if you want to ask some questions, you can still do that. You can jump into the Facebook group, the Rask Facebook Community will point you in the right direction. And you can just request to join and share some of your thoughts and ideas from this episode. If you want to ask me more advanced questions, you can do that in coming months. Just send your emails in, podcast@rask.com.au. Kevin, first podcast. I thought you did really well, mate. Thanks for joining me on the show.

Kevin:
Lovely to be here, mate. And thanks for having me.

Kate:
Thanks for tuning in to this episode of the Australian Finance Podcast, where our mission is to improve the financial futures of all Australians. If you'd like to learn more, create a free account at rask.com.au accounts. To download free episode workbooks, bonus resources and take our amazing free personal finance courses.

Owen:
You can also join our online community by following the link in the description. If you enjoyed the show, what we'd love is for you to leave us a snappy review on iTunes, and you can follow us on Twitter and Instagram @RaskAustralia. Kate and I are also on both of those channels. Finally, if you have any feedback, suggestions for episodes or guests to come on the show, or you just have a question for us, shoot us an email at podcast@rask.com.au.