

"Some imagination huh?" -Mickey

Questions?

thank you

Recommendation...



P I X A R

Disney and Pixar would be greater if in an exclusive relationship together!

Disney's strengths + Pixar's weaknesses
Pixar's strengths + Disney's weaknesses

Strengths and Weaknesses

VS.

P I X A R

1) Bring complementary skills and assets together
2) Major synergy
3) Develop new capabilities
4) Increase market power
5) Lower risks with an exclusive relationship

	Disney	Pixar
Revenue	10,100,000,000	1,000,000,000
Profit	2,000,000,000	200,000,000
Assets	10,000,000,000	1,000,000,000
Liabilities	1,000,000,000	100,000,000
Equity	9,000,000,000	900,000,000
Debt	1,000,000,000	100,000,000
Market Cap	10,000,000,000	1,000,000,000
Employees	100,000	10,000
Locations	100	10
Products	100	10
Brands	100	10
Patents	100	10
Trademarks	100	10
Copyrights	100	10
Other	100	10

2) From the comparison of P/E ratio, we find that the P/E ratio for Pixar was 46, and the P/E ratio for Disney was 17 before 2006, much lower than Pixar. But in 2012-2014, as can be seen from the picture, the ratio was increased after the acquisition of Pixar. P/E ratio indicates the future potential of the growth of a company, the result reveals that it is better in an exclusive relationship together.

	2014-01-01	2013-01-01	2012-01-01
Disney			
Disney P/E	17.00	17.00	17.00
Pixar P/E	46.00	46.00	46.00
Disney P/E	17.00	17.00	17.00
Pixar P/E	46.00	46.00	46.00
Disney P/E	17.00	17.00	17.00
Pixar P/E	46.00	46.00	46.00

ACQUISITION

P I X A R

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The Pixar Animation Studios is a subsidiary of Disney.

P I X A R

Animation Industry

Partnership

Case Questions

Question 1: What is a possible reason for the acquisition of Pixar by Disney?

Question 2: How did the acquisition of Pixar by Disney benefit Disney?

Question 3: How did the acquisition of Pixar by Disney benefit Pixar?

Disney's acquisition of Pixar was a strategic move to strengthen its position in the animation industry.

3) We also downloaded the quotes of Disney from NYSE. From the income statement of 2005-2014 of Disney, the revenue of the company steadily grew after 2006, the year Disney acquired Pixar. The fact demonstrates that the acquisition was a right choice of the company.

REVENUES



The Walt Disney Company & Pixar Inc: To Acquire or Not to Acquire



OUR OVERVIEW

- History of Disney and Pixar
- Strengths and Weaknesses of both companies
- Question #1
- Relationship of Disney + Pixar
- Question #2
- To acquire or not to acquire?
- Question #3
- Our recommendation
- What's going on today?

History of DISNEY

- Founded in 1923
- Largest media conglomerates in the world
 - Television
 - Distribution
 - Radio
 - Theme Parks and Attractions
- First Disney film: Snow White & the Seven Dwarfs
- 1966: Walt Disney passed away
- 1984: Michael Eisner
 - Lion King
- 2003: CG animation department



Walt Disney



Roy Disney



Michael Eisner



Robert Iger

History of PIXAR

3 Proprietary technologies:

Renderman
Marionette
Ringmaster

George Lucas
Lucasfilm in 1980s



2nd step



Steve Jobs
Hardware/software genius



John Lasseter
Animator from Disney



Edwin Catmull
Studied computer science

Start

Alexander Schure
President at NYIT

1st step

