



Reliance Industries & The Walt Disney Company's India Media Merger

Redefining India's Media Landscape



Scenario Overview

- Reliance Industries and Disney merge media operations in India.
- Strategic joint venture valued at \$8.8 billion.
- Reliance controls 60%, Disney holds 36.84%.
- Reliance invests \$1.4 billion for growth.

The logo for The Walt Disney Company, featuring the word "The" in a simple sans-serif font above the stylized script "WALT DISNEY", which is then followed by the word "Company" in a bold sans-serif font. The entire logo is centered within a light blue circular area.

The
WALT DISNEY
Company

The logo for Reliance Industries Limited, featuring a stylized orange flame-like icon above the word "Reliance" in a large serif font, with "Industries Limited" in a smaller serif font below it. The entire logo is centered within a light blue circular area.


Reliance
Industries Limited

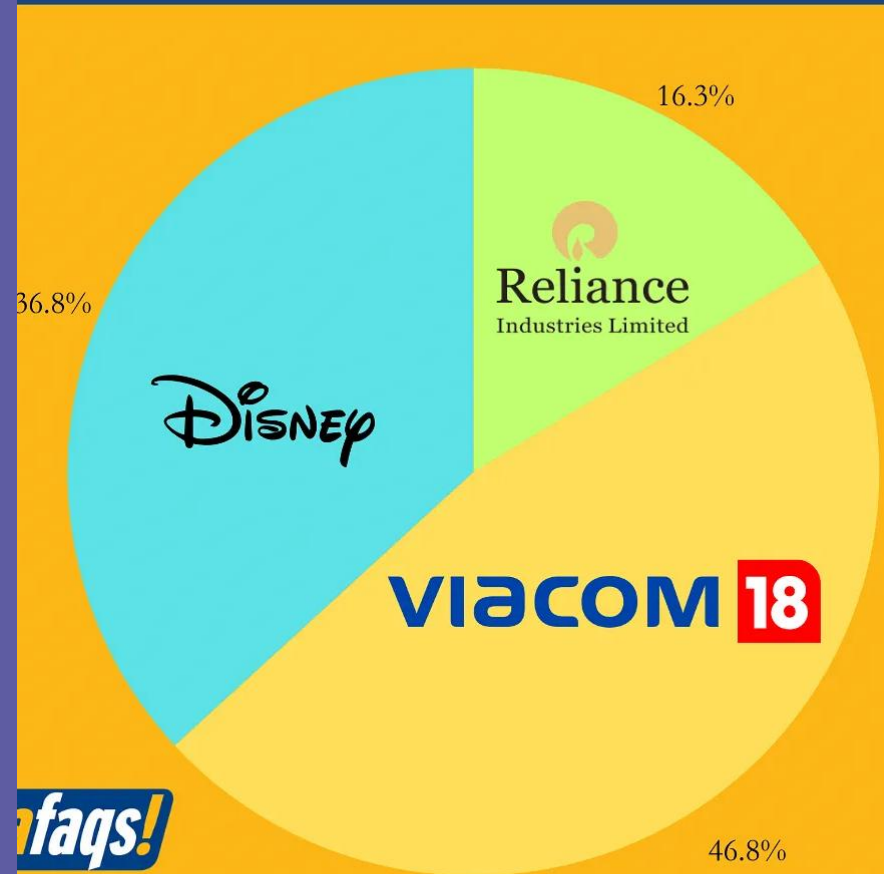
A complex background graphic with a blue color scheme. It features a central vertical column of small, overlapping images, possibly movie posters or character portraits, which are connected by a network of glowing blue lines. The background is filled with abstract geometric shapes, including circles and triangles, and a sense of depth created by perspective lines.

Background

Background

- Reliance Industries: Diversified conglomerate with Jio platforms.
- Viacom18: Entertainment and sports player.

Reliance-Disney Merger Ownership Distribution



- Disney: Global entertainment powerhouse.
- Disney+ Hotstar impacted by IPL rights loss.

**JOINT
VENTURE**

SUPPORT

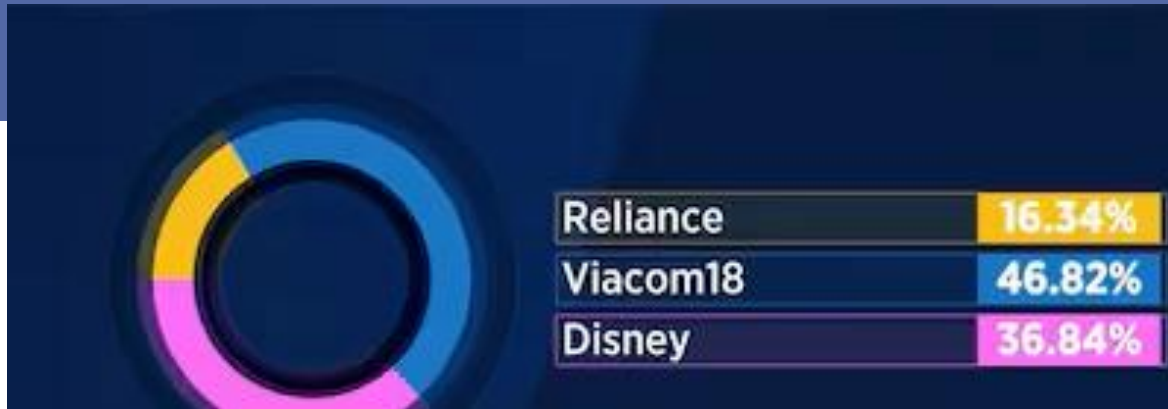

Reliance
Industries Limited

Disney

RELIANCE AND DISNEY

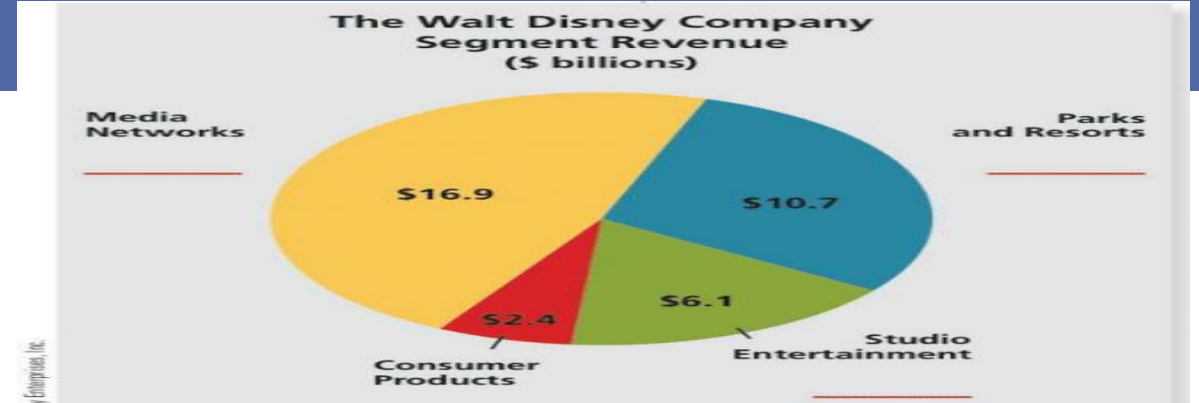
**A STRATEGIC JOINT VENTURE
FOR INDIA'S ENTERTAINMENT**

Strategic Fit



Reliance

- Reliance: Expands digital ecosystem, content leadership, and market dominance.



Disney

- Disney: Mitigates risk, optimizes capital, and gains local expertise.

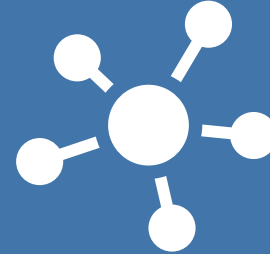
Long-term vision: Creates media powerhouse, adapts to market changes, and expands globally

Deal Structure Analysis:



Reliance owns 60%,
Disney owns 36.84%

Joint venture shares
risk, expertise, and
regulatory ease



Advantages and
disadvantages for both
Reliance and Disney

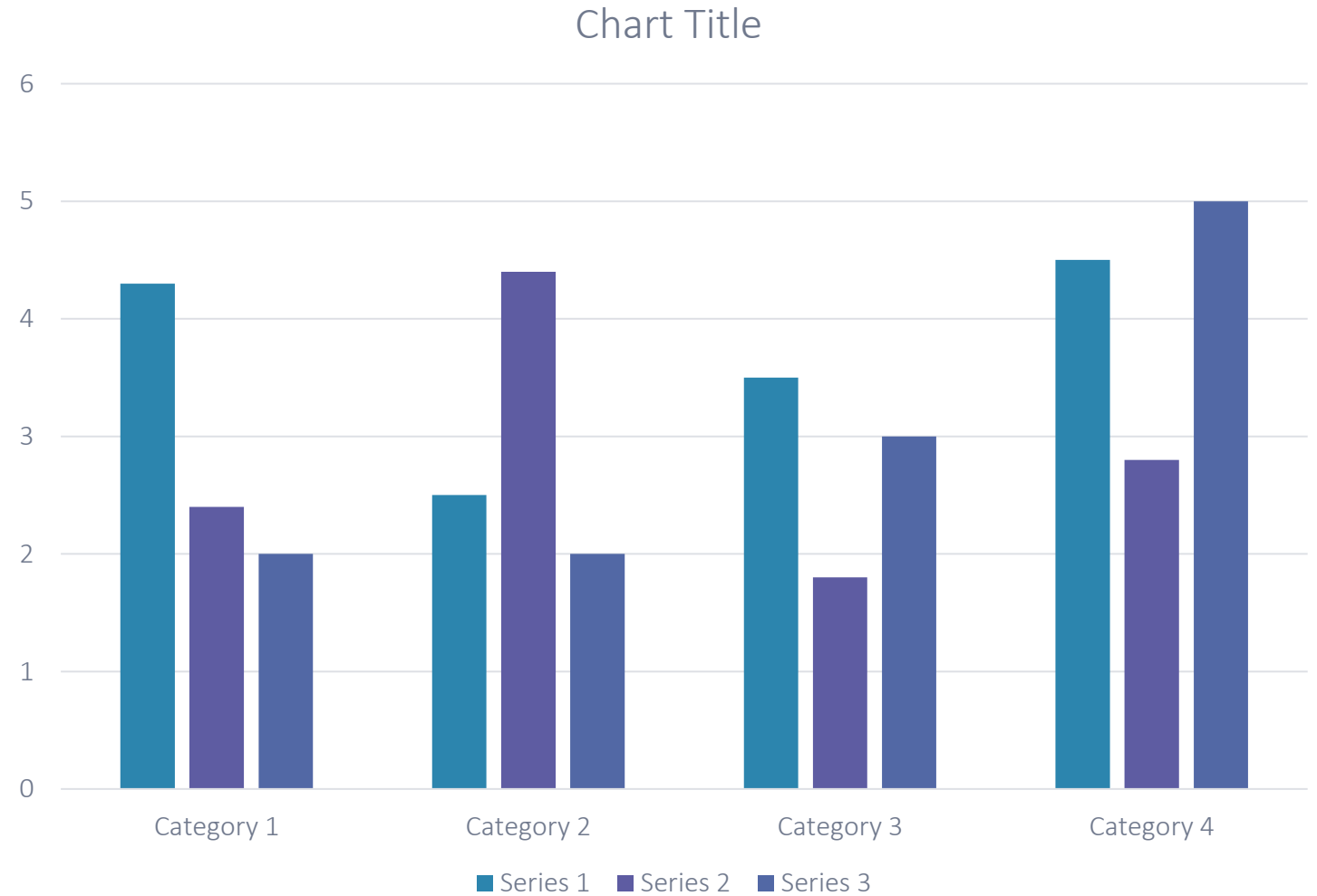
Ownership Structure:

The newly formed joint venture, valued at Rs 70,352 crore (approximately \$8.5 billion), is majority-owned by Reliance, with a 63.16% stake.



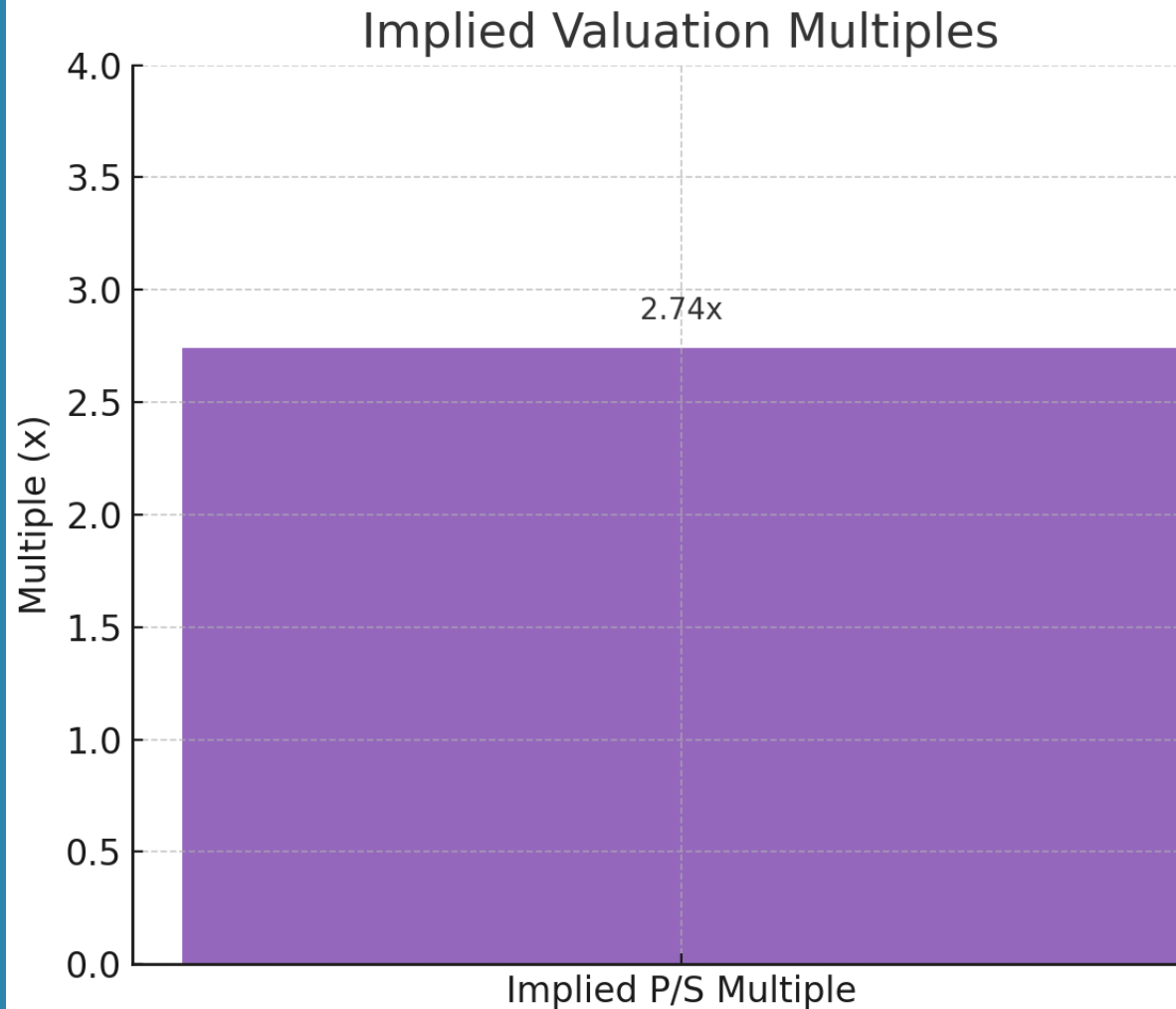
Financial Terms & Implied Valuation

- Transaction value: \$8.5 billion.
- Reliance invests \$1.4 billion.
- Pro forma revenue for FY24: \$3.1 billion.

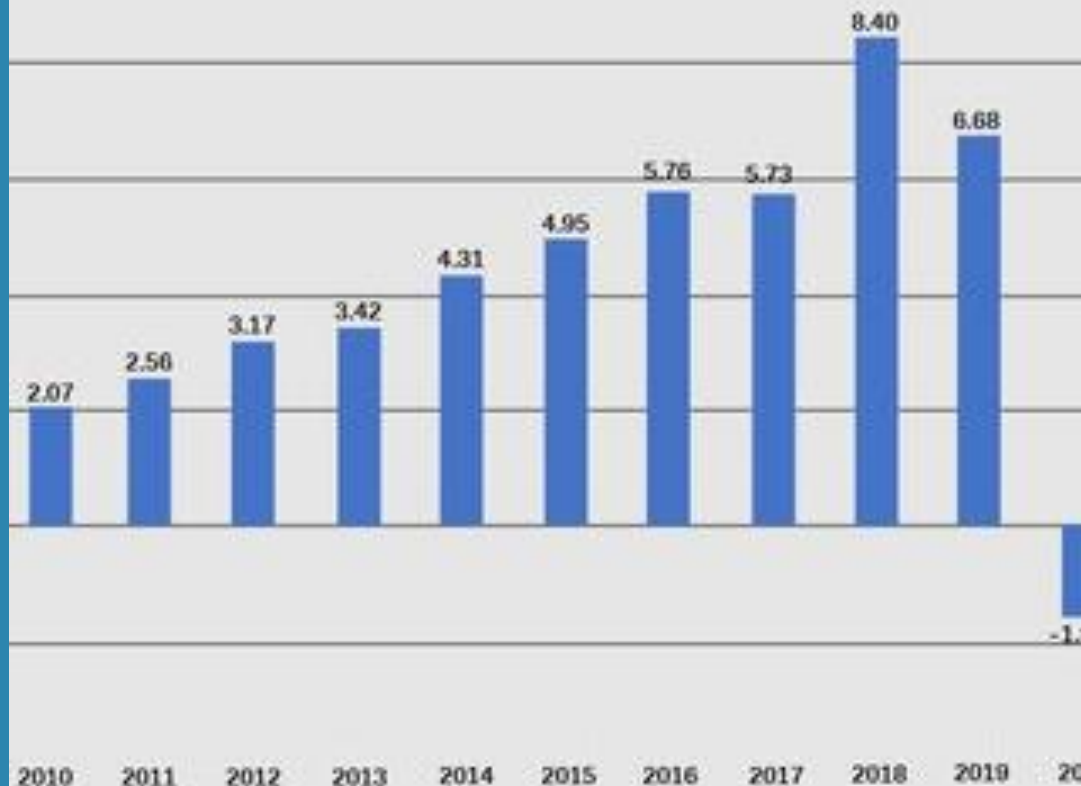


Implied Valuation Multiples

- Implied P/S multiple: 2.74x
- Challenges in valuation: market changes, limited disclosure, uncertainty in cash flows.
- Impact of IPL rights loss on Disney+ Hotstar.



Basic earnings per share (Unit: USD)



Financing Structure and Cash Flow Implications

- Reliance's \$1.4 billion infusion: growth investments, operational efficiency.
- Impact on cash flow and balance sheet: Reliance and Disney



Conclusion:

- Significant consolidation in India's media sector.
- Combining strengths to create a dominant player.
- Strategic rationale, deal structure, valuation implications, and financial considerations.

A hand is shown interacting with a futuristic digital interface. The hand is positioned on the left side of the frame, with fingers extended towards a glowing, translucent blue plane. The background is dark, featuring a network of glowing blue lines and dots, suggesting a digital or data environment. The text "THANK YOU" is prominently displayed in the center of the image, overlaid on the glowing plane.

**THANK
YOU**