

RATING

AUSTRALIA

Buy

Gaming & Entertainment

LISTING DATE

03/12/2007

REUTERS

CWN.AX

BLOOMBERG

CWN:AU

CROWN RESORTS LIMITED (CWN)



PRICE AT 22ND APRIL 2015

AUD13.48

MARKET CAP (MIL)

AUD9971.72

PRICE FORECAST

AUD16.43

SHARES OUTSTANDING

(MIL) **728.39**

52-WEEK RANGE

AUD11.66 – AUD 16.60

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EXECUTIVE SUMMARY

This report aims to present an equity valuation analysis

1.0 INTRODUCTION

2.0 RECENT FINANCIAL PERFORMANCE

Share Price Performance



Figure ...

3.0 OVERTIME FINANCIAL PERFORMANCE

Share Price Performance



Figure ...

4.0 CURRENT ISSUES

4.1 Macroeconomics Factors

4.2 Microeconomics Factors

5.0 PEER COMPARISON

6.1 DUPONT ANALYSIS (2013-2017)

Figure

7.0 ESTIMATE VALUATION MODELS

7.1 Capital Asset Pricing Model (CAPM)

$$E(R_i) = RFR + \beta_i [E(R_M) - RFR]$$

Risk Free Rate

Market Return

Market Risk Premium

Market Portfolio

Beta (β_i)

7.2 Dividend Discount Model (DDM)

Constant Growth in DDM Model

Multi-stage Growth in DDM Model

Dividend Forecast

5-years Dividend History

5-years Sustainable Growth Rate History of Crown

Forecasted Dividend Growth Rates

Phase 1: High Growth Stage (2018-2020)
Dividend Growth Rate of %
1.
2.
3.
Phase 2: Slow – Moderate Growth Stage (2021-2023)
Dividend Growth Rate of %
1.
2.
3.
Phase 3: Stable Growth Stage (2024-onwards)
Dividend Growth Rate of %
1.
2.
3.

Intrinsic Share Price

Calculate company share price (see video on canvas)

8.0 COMPANY EVALUATION

Based on DDM, is the company overvalued or undervalued?

9.0 APPENDICES

10.0 REFERENCES