



Comcast Corporation (CMCSA)

Updated April 25th, 2025 by Kay Ng

Key Metrics

Current Price:	\$34	5 Year Annual Expected Total Return:	14.1%	Market Cap:	\$128B
Fair Value Price:	\$41	5 Year Growth Estimate:	7.0%	Ex-Dividend Date¹:	07/03/25
% Fair Value:	82%	5 Year Valuation Multiple Estimate:	3.9%	Dividend Payment Date¹:	07/24/25
Dividend Yield:	3.9%	5 Year Price Target	\$58	Years Of Dividend Growth:	17
Dividend Risk Score:	B	Sector:	Communication Services	Rating:	Buy

Overview & Current Events

Comcast is a media, entertainment and communications company. As of Q1 2023, Comcast began reporting in 2 key business segments: Connectivity & Platforms (Residential Connectivity & Platforms and Business Services Connectivity), and Content & Experiences (Media, Studios, Theme Parks). Comcast was founded in 1963 and is headquartered in Philadelphia, PA.

Comcast reported its Q1 2025 results on Apr. 24th, 2025. As anticipated, broadband competition worsened with the company losing 199,000 net broadband customers during the quarter. Revenue dropped slightly by 0.6% year over year to \$29.9 billion. Adjusted earnings-per-share (EPS) rose 4.5% to \$1.09. However, cash flow generation remained strong. Adjusted EBITDA (a cash flow proxy) rose 1.9% to \$9.5 billion and free cash flow climbed 19% to \$5.4 billion.

The Connectivity & Platforms segment's revenues fell marginally by 0.7% to \$20.1 billion. That said, the segment experienced adjusted EBITDA growing marginally by 1.5% to \$8.3 billion, helped by margins expansion of 0.9% to 41.4%. The Content & Experiences segment grew revenue marginally by 0.8% to \$10.5 billion, driven by Media and Studios, while its adjusted EBITDA fell marginally by 0.1% to \$1.5 billion.

For the quarter, Comcast repurchased \$2.0 billion worth of common stock at ~\$35.59 per share. We maintain our 2025 EPS estimate at \$4.33.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.63	\$1.74	\$2.06	\$2.55	\$3.13	\$2.61	\$3.23	\$3.64	\$3.98	\$4.33	\$4.33	\$6.07
DPS	\$0.50	\$0.55	\$0.61	\$0.76	\$0.84	\$0.92	\$1.00	\$1.06	\$1.16	\$1.24	\$1.32	\$1.81
Shares¹	4.88	4.75	4.64	4.60	4.62	4.64	4.61	4.29	4.04	3.80	3.70	3.44

Comcast generates substantial cash flow. From 2021 to 2024, it allocated just over 50% of its operating cash flow for capital spending in the long-term growth of the business, which left ample free cash flow to cover the dividend. Capital spending was ~55% of operating cash flow in 2024. For example, Comcast has been building a new theme park, Epic Universe, which is scheduled to open in May 2025 in Orlando, Florida.

From 2015 to 2024, Comcast increased its EPS at a compound annual growth rate (CAGR) of 11.5%. The past five years saw a CAGR of 6.7%. Comcast resumed share buybacks in late Q2 2021 after the business recovered from negative COVID impacts. We estimate EPS growth of 7.0% and DPS of 6.5% per year through 2030.

¹ Projected dividend dates; Shares in billions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	17.8	28.1	40.6	21.2	19.9	16.9	18.8	11.5	10.9	10.0	7.8	9.5
Avg. Yld.	3.3%	3.1%	3.1%	2.9%	3.1%	2.2%	1.8%	2.6%	2.8%	2.9%	3.9%	3.1%

CMCSA stock trades at 7.8 times our 2025 estimated earnings -- lower than its average P/E of 13.6 from 2020-2024. Because of increasing competition and higher interest rates, we have a target P/E of 9.5. So, we believe that Comcast stock trades at a discount today.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	31%	32%	30%	30%	27%	35%	31%	29%	29%	29%	30%	30%

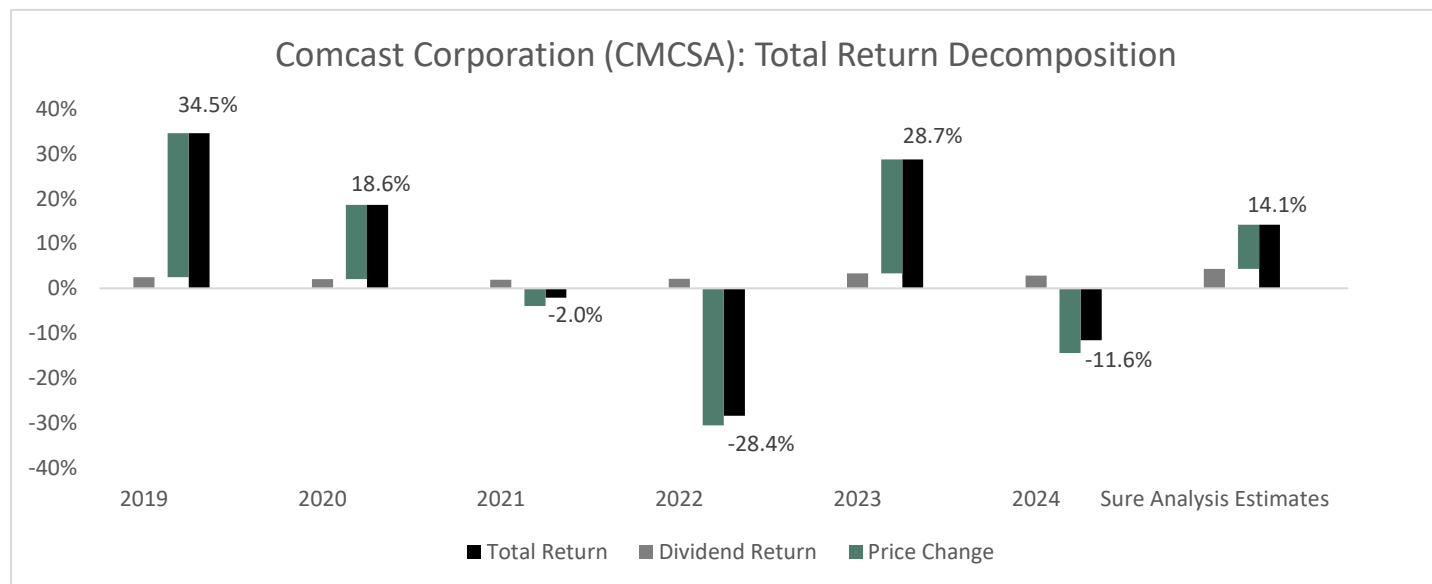
Comcast has had 17 consecutive years of dividend increases through two recessions. Its 15-year compounded dividend growth rate was 14%. This fast dividend growth was made possible through solid earnings growth and the firm's conservative dividend payout ratio. Its dividend is well-covered by earnings and cash flows. Comcast is one of the largest players in the entertainment industry.

New market entrants would have to spend many billions of dollars to establish themselves as a key cable player or entertainment network. The cable industry is impacted by the nationwide cord-cutting trend, though, as some customers are ditching traditional pay-TV entirely. So far, its consolidated business has been resilient with continued profitability and cash flow generation. Comcast's balance sheet remains solid with a consolidated net leverage ratio of 2.3x at the end of Q1 2025, same as a year ago.

Final Thoughts & Recommendation

Comcast is leveraged and it will likely remain challenged from increased broadband competition this year. As a result, the stock valuation is discounted. It has multi-year turnaround potential. We expect EPS growth to be 7.0% per year. Adding a dividend yield of 3.9% and a valuation expansion of 3.9%, and we think Comcast can deliver total returns of 14.1% per year through 2030. Sure Dividend rates Comcast shares as a buy.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	74,510	80,736	85,029	94,507	108,942	103,564	116,385	121,427	121,570	123,731
Gross Profit	51,960	56,388	59,674	64,815	74,502	70,443	77,935	83,214	84,810	86,705
Gross Margin	69.7%	69.8%	70.2%	68.6%	68.4%	68.0%	67.0%	68.5%	69.8%	70.1%
SG&A Exp.		30,130	31,970	35,130	40,420	39,850	43,310	46,770	47,160	48,606
D&A Exp.	8,680	9,426	9,688	10,676	12,953	13,100	13,804	13,821	14,340	14,801
Operating Profit	15,998	16,831	18,018	19,009	21,125	17,493	20,817	22,624	23,310	23,298
Operating Margin	21.5%	20.8%	21.2%	20.1%	19.4%	16.9%	17.9%	18.6%	19.2%	18.8%
Net Profit	8163	8,678	22,735	11,731	13,057	10,534	14,159	5,370	15,390	16,192
Net Margin	11.0%	10.7%	26.7%	12.4%	12.0%	10.2%	12.2%	4.4%	12.7%	13.1%
Free Cash Flow	9,616	9,004	10,106	12,588	13,269	13,103	17,089	12,646	12,960	15,492
Income Tax	4,959	5,298	-7,569	3,380	3,673	3,364	5,259	4,359	5,371	2,796

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets (\$B)	166.6	180.5	187.5	251.7	263.4	273.9	275.9	257.2	264.8	266.2
Cash & Equivalents	2,295	3,301	3,428	3814	5,500	11,740	8,711	4,749	6,215	7,322
Accounts Receivable	6,896	7,955	8,834	11,104	11,292	11,466	12,008	12,671	13,810	13,661
Goodwill (\$B)	115.1	119.9	121.4	171.7	173.2	178.8	175.9	159.7	159.4	155.7
Total Liabilities (\$B)	112.6	124.3	118.0	179.2	179.5	182.1	178.4	175.2	181.3	179.9
Accounts Payable	6,215	6,915	6,908	8,494	10,826	11,364	12,455	12,544	12,440	11,321
Long-Term Debt (\$B)	52.6	61.0	64.6	111.7	102.2	103.8	94.9	94.8	97.1	94.2
Shareholder's Equity	52,269	53,943	68,616	71,613	82,726	90,323	96,092	80,943	82,700	86,274
LTD/E Ratio	1.01	1.13	0.94	1.56	1.24	1.15	0.99	1.17	1.17	1.09

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.0%	5.0%	12.4%	5.3%	5.1%	3.9%	5.2%	2.0%	5.9%	6.1%
Return on Equity	15.6%	16.3%	37.1%	16.7%	16.9%	12.2%	15.2%	6.1%	18.8%	19.1%
ROIC	7.9%	7.8%	18.1%	7.4%	7.1%	5.5%	7.3%	2.9%	8.5%	8.8%
Shares Out.	4.88	4.75	4.64	4.60	4.62	4.64	4.61	4.43	4.15	3.91
Revenue/Share	14.80	16.56	17.77	20.37	23.63	22.40	25.01	27.41	29.31	31.66
FCF/Share	1.91	1.85	2.11	2.71	2.88	2.83	3.67	2.85	3.13	3.96

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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