

# The Walt Disney Company (DIS)

October 16, 2023

## Communication Services – Entertainment

Stock Rating

**HOLD**

### Investment Thesis

Disney has a strong portfolio of media and licensed content and a stable parks and experiences business. But the company faces a great deal of uncertainty as it navigates the decline in Linear TV and shifts focus to the highly competitive streaming market. As a result, we recommend a hold rating on Disney with a price target of \$90-95.

### Tailwinds

- Continued strength in DTC streaming business as subscriber growth and digital advertising demand will drive a 15% CAGR over the next five years
- Stable revenues and profitability in the Parks segment, bolstered in the near term by pent up demand for Disney Hong Kong and Shanghai
- Recent restructuring and a reduced content portfolio should help service operating margins recover towards pre-pandemic levels of 40%

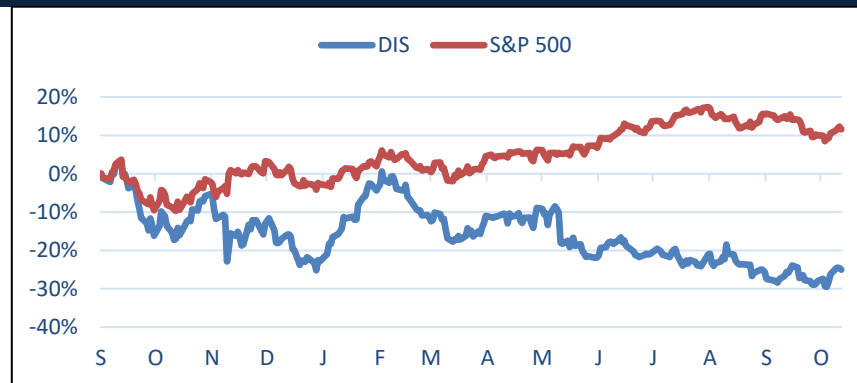
### Headwinds

- Expect Linear Network revenues to decline at 5% annually as cord-cutting trend accelerates and advertisers move to digital platforms.
- Higher interest rates and sticky inflation may lead to a slowing in consumer demand and impact growth in the near term.
- Increased competition for sports broadcasting rights may result in higher costs or potentially losing rights to new market entrants.

### Earnings Estimates

Year	2020	2021	2022	2023E	2024E	2025E
EPS	(\$1.58)	\$1.10	\$1.73	\$1.73	\$4.12	\$5.09
HF est.				\$1.76	\$3.86	\$4.67
growth	--%	--%	57.1%	2.0%	130.7%	13.7%

### 12 Month Performance



FactSet

### Target Price

\$90-95

Henry Fund DCF	\$93
Henry Fund DDM	\$47
Relative Multiple	\$69

### Price Data

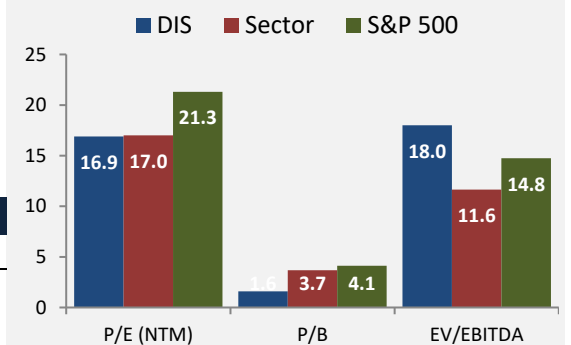
Current Price	\$84
52wk Range	\$79 – 118
Consensus 1yr Target	\$105

### Key Statistics

Market Cap (B)	\$154.3
Shares Outstanding (M)	1,829.8
Institutional Ownership	63.8%
Beta	1.02
Dividend Yield	0.0%
Est. 5yr Growth	18.0%
Price/Earnings (TTM)	68.6
Price/Earnings (FY1)	16.9
Price/Sales (TTM)	1.8
Price/Book (mrq)	1.6

### Profitability

Operating Margin	8.2%
Profit Margin	3.8%
Return on Assets (TTM)	1.5%
Return on Equity (TTM)	3.4%



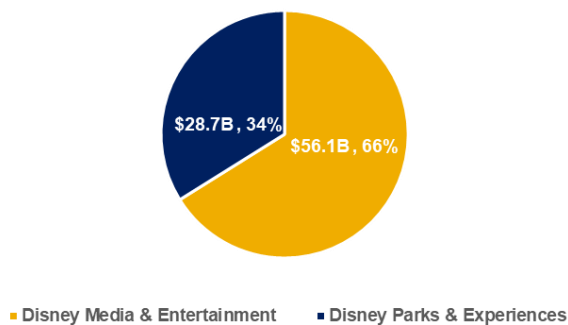
### Company Description

The Walt Disney Company is a global media and entertainment conglomerate. Disney is an industry leader in linear television, film production, sports broadcasting, and streaming. Additionally, Disney parks, resorts, and cruise lines attract millions of visitors annually. The business is anchored by its unparalleled portfolio of IP rights and franchises including Mickey Mouse & Friends, Star Wars, Pixar films, Frozen, and the Marvel Cinematic Universe.

## COMPANY DESCRIPTION

The Walt Disney company has been an industry leader in media and entertainment for decades. The company's intellectual property portfolio includes some of the most widely recognized and beloved franchises and characters around the world. The company also operates a number of the most visited theme parks globally including the flagship Disneyland and Disney World locations in the US. In FY22 Disney generated \$83b in sales, with \$29b coming from Parks and Experiences and \$56b from Disney Media and Entertainment.

### Disney Revenue by Segment 2022



Disney 10-K

Disney has continued to develop and acquire franchises that are leveraged to drive both the parks and media and entertainment businesses. Disney now owns five of the ten highest grossing media franchises of all time including Mickey Mouse and Friends, Winnie the Pooh, Star Wars, Disney Princesses, and the Marvel Cinematic Universe.<sup>12</sup> The company also holds a portfolio of film studios and TV networks including Pixar, 20<sup>th</sup> Century Studios, Searchlight Pictures, ESPN, ABC Networks, and the Disney Channel. Finally, the company has accelerated its expansion into streaming with Disney+, ESPN+, and a majority stake in Hulu.<sup>3</sup>

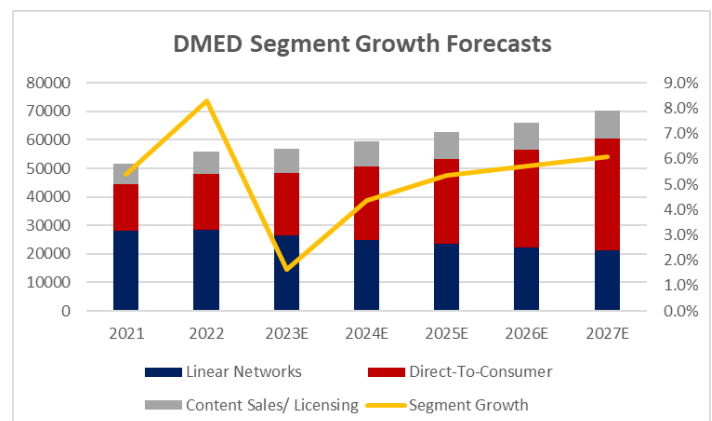
Despite the impressive asset base, Disney has faced a multitude of challenges in recent years. The company was hit on all fronts during the Covid-19 pandemic. Movie theaters and theme parks were closed, productions halted, and sporting events were canceled or delayed. Additionally, the linear TV business has experienced declining growth for the past three years as the cord cutting trend accelerates. As a result, the company has shifted focus towards its direct-to-consumer (DTC) streaming business.

Former CEO Bob Iger returned in November 2022 to steady the ship and develop a strategy to navigate the new TV and media landscape. The company will look to gracefully phase out the linear TV business and take a more measured approach to content development and selection. Since returning, Iger has reiterated a focus on the DTC business, with a goal of turning a profit by the end of 2024. A degree of uncertainty still remains on the strategic direction of the business over the next 5 years. Tradeoffs will likely be made as the company transitions away from the declining but still profitable linear TV business and shifts focus to its DTC streaming services. Despite the uncertainty, we still see potential for upside given the current depressed valuation and strong portfolio of content and intellectual property.

### Disney Media & Entertainment

The Disney Media and Entertainment segment (DMED) accounts for 65% of revenues but just 35% of total operating income. The segment had an operating margin of 7.7% in FY22. Large losses in the direct-to-consumer business and disappointing results in film releases are driving the lower operating income.<sup>3</sup>

The DMED segment is broken into three subcategories: Linear Networks, DTC, and Content Sales and Licensing. In 2022 Linear Networks generated 56.3% of the revenue. DTC and Content/Licensing accounted for 21.3% and 22.4% respectively.<sup>3</sup> We expect this to change drastically over the coming years as Linear TV declines and streaming experiences strong growth. The graph below shows our expectations through 2027. We see the segment overall growing at 4.6% annually over the next 5 years. Additionally, we have forecasted DTC to account for 56% of DMED sales by 2027, with Linear TV and Content Licensing segments to be 30% and 14% respectively.



Disney 10-K, Henry Fund

Revenues from the Linear Networks segment include affiliate fees from multi-channel distributors and sales of advertising space. Within Linear Networks Disney owns the ABC Television Network, eight ABC affiliate stations, ESPN networks, Disney Channel, Freeform, FX, and National Geographic. Additionally, the company has a 50% stake in A+E TV networks including A&E, History, and Lifetime. Disney is able to bundle these channels to cable and streaming companies and charges an estimated \$18-20/month per subscriber.<sup>2</sup> As the cord cutting trend continues, both subscriber numbers and advertising revenue are falling. The Pay TV market is expected to decline by 3.3% annually over the next five years with cable and satellite subscriptions falling at a faster pace than live TV streaming services.<sup>19</sup> Due to Disney's exposure to cable and satellite subscribers, we've forecasted a more accelerated decline of -5.5% annually for the Linear TV segment.

The DTC segment is the fastest growing revenue stream for the company, but also currently the least profitable. DTC revenues come from Disney+, Disney+ Hotstar, ESPN+, and Hulu streaming services.<sup>3</sup> A breakdown of subscriber numbers and monthly revenues per service is below.

Service	Subscribers (m)	YoY Change	Mthly Rev/Subscriber	Yoy Change (%)
Disney+ Domestic	46.0	-1%	\$7.3	2%
Disney+ Intl	59.7	2%	\$6.0	1%
Disney+ Hotstar	40.4	-24%	\$0.6	2%
ESPN+	25.2	0%	\$5.5	-3%
Hulu SVOD	44.0	1%	\$12.4	6%
Hulu Live TV +SVOD	4.3	-2%	\$91.8	-1%

Disney Q3 Earnings

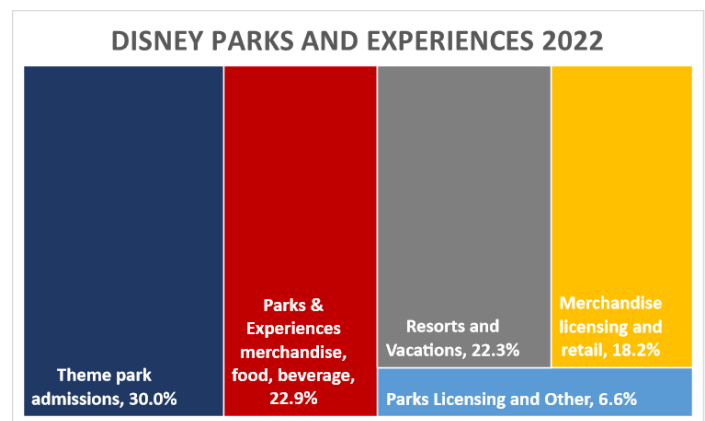
Most of the company's services have seen slow or flat growth in subscribers YoY. There has however been moderate increases in revenue per paid subscriber. As of October 13<sup>th</sup>, Disney is raising the price of ad free Disney+ and Hulu services. Disney is also expected to buy the remaining 33% of Hulu from Comcast and eventually transition ESPN to streaming only. With higher subscription fees, more DTC content, and greater digital ad spending, we expect the segment to see 15% annual growth through 2028.

## Disney Parks and Experiences

The Disney Parks and Experiences (DPEP) segment includes revenues from five distinct categories: Park Admissions, Parks Merchandise & Food, Resorts and Vacations, Parks Licensing, and Merchandising & Retail. In fiscal year 2022, DPEP accounted for just 35% of total company revenues but 65% of operating income. The

segment has an operating margin of 27.5% and apart from Covid-19 shutdowns has been the most stable source of income for the company.

Revenues generated from segments related to the Theme Park operations accounted for 53% of the DPEP revenues. There are 12 Disney parks across 6 locations around the world. The company fully owns and operates Disneyworld in Orlando, Disneyland in California, and Disney Paris. Additionally, Disney holds 48% and 43% stakes in Hong Kong and Shanghai Disney resorts respectively. Finally, Disney receives licensing fees and royalties for Tokyo Disney Resort which is owned and operated by a third-party Japanese corporation. Those revenues are represented in the Parks Licensing and Other segment.<sup>3</sup>



Disney 10-K

The Resorts and Vacations segment includes revenues from 35 company owned and operated hotels and the Disney Vacation Club. It also includes the Disney Cruise Line with a fleet of 5 ships and three more expected by 2026.<sup>3</sup>

The last portion of DPEP revenues is the Merchandising, Licensing, and Retail segment. Disney leverages its IP portfolio to sell a wide range of licensed products featuring popular Disney characters and franchises. The company also operates 64 retail stores around the world.<sup>3</sup>

Looking forward, we expect the DPEP segment to continue to be the most stable source of operating income for the company. Disney remains focused on Parks and Experiences as a core business driver. The company has over 1,000 acres of undeveloped land and has announced plans to nearly double their capex spending on parks over the next 10 years to \$60b.<sup>10</sup> In the near-term we expect pent-up demand in China and higher admission prices will continue to drive growth for the parks segments as US demand lags. Long-term we

forecast a stable growth rate of 4.3% annually for the business, in line with recent historical growth.

## ESPN

Starting in Q4 of FY2023 Disney will begin to separate ESPN operating results from DMED as a third standalone segment. ESPN accounts for an estimated 65% of Disney's affiliate TV revenues. In addition, ESPN+ had 25.2m subscribers at an average monthly price of \$5.45/month as of Q3.<sup>6</sup> Live sports continue to be a major sticking point for pay tv subscribers. In 2022, 94 of the most watched television broadcasts were sporting events.<sup>12</sup> In the coming years Disney plans to pull ESPN off of linear TV and move to a subscription only model. We expect the company should eventually be able to replace the lost TV revenues with DTC ESPN streaming through a combination of subscription fees and ad revenues.

## Cost Structure Analysis

Given Disney's restructuring efforts and commitment to profitability from streaming, we see opportunities for gradual margin improvement. Our net and operating margin expectations are detailed in the table below.

	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E
Operating Margin	5.4%	8.2%	11.5%	13.4%	15.2%	16.7%	17.9%	19.2%
Net Margin	3.0%	3.8%	4.1%	7.8%	9.1%	10.2%	11.0%	11.9%

HF Estimate

The main driver for improved operating margin is the gradual decline in cost of services as a percentage of sales. Prior to 2019, cost of services accounted for roughly 52-54% of services revenue. The introduction of Disney+ and the additional content spend lead to an increase to 66% of sales over the past few years. As the company looks to cut back on content spending and accelerates the shift away from linear, we see this cost gradually improving to a new normal of 60% by 2028. We also expect to see improvement on SG&A following the recent headcount reduction. We see Operating margin reaching 20% by 2030, and net margin stabilizing at 12%.

## Debt Maturity Analysis

Disney currently has \$45b in long-term debt outstanding with a weighted average coupon rate of approx. 4%. The company has an A- credit rating from S&P. Disney has more than doubled its long-term debt over the past few years stemming from the acquisition of 21st Century Fox in 2019 and Covid-19 related shutdowns. The company has between \$3.5b - \$4b in debt maturing each of the

next three years, and \$29.1b or 64% of debt outstanding maturing in 2028 or later.<sup>1</sup>

### Five-Year Debt Maturity Schedule

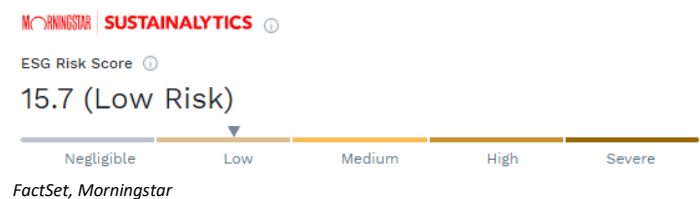
Fiscal Year	Coupon (%)	Payment (\$mil)
2023	4.00	\$295.6
2024	3.29	3,567.9
2025	3.96	3,701.1
2026	2.56	4,173.6
2027	3.14	2,482.4
2028	4.47	1,982.8
Thereafter	4.34	29,131.1
<b>Total</b>	<b>3.99%</b>	<b>\$45,334.51</b>

Factset

Disney is expected to purchase Comcast's 33% stake in Hulu in late 2023 or early 2024. That acquisition is expected to be somewhere in the \$10-13b range with a floor of \$9.2b. As of July 1st, Disney held \$11.45b in cash on its balance sheet so it is likely that the company will need to issue additional debt to finance that acquisition.<sup>3</sup>

While we don't foresee the company having issues meeting its debt obligations, the elevated levels of debt may impact the timeline of other investments or the future payout policy. The company hopes to reinstate a small dividend by the end of the year. Assuming the company issues new debt for the Hulu acquisition or needs to reissue maturing debt at current market rates, the ability to pay a meaningful dividend may be limited in the near future.

## ESG Analysis



Disney has an ESG risk score of 15.7 from Sustainalytics, making the company low risk. The score ranks 106<sup>th</sup> out of 295 media companies. The 15.7 rating is broken into cluster scores of 0 for Environmental, 9 for Social, and 6.7 for Governance.

Key Social risk factors to highlight for the company include labor and wage disputes. The company has faced public criticisms, strikes, and lawsuits in recent years over its labor practices. In California, Disney has been hit with class action lawsuits for violating both local minimum wage laws and that state's Equal Pay Act. The California

## RECENT TRENDS & DEVELOPMENTS

Supreme Court recently denied the company's appeal in the minimum wage dispute, obliging the company to comply with a local Anaheim law establishing higher minimum pay for certain employers. Disney will be required to provide back pay and meet the new minimum wage requirements which are currently at \$19.40/hr.<sup>15</sup>

The company has also dealt with labor disputes and strikes in recent months. 53% of Disney's US based employees are covered by collective bargaining agreements.<sup>14</sup> In March the company reached a new agreement with unions for service workers at Walt Disney World. The deal includes an increase in minimum wage from \$15 to \$18.<sup>16</sup> Disney and other entertainment companies have also dealt with both writers and actors strikes, which we will touch on later in the report.

From a Governance standpoint the company has had recent shakeups in management and on the Board of Directors. Longtime CEO Bob Iger returned in November 2022 after his replacement Bob Chapek was fired by the board after just two years. Chapek had received a three-year extension just months before being let go.<sup>17</sup> CFO Chistine McCarthy also stepped down in June of this year and the company has yet to find a permanent replacement. Finally, longtime board member Mark Parker was appointed Chairman in January. His appointment comes after Susan Arnold spent one year as Chairman. She was appointed at the end of 2021 despite being one year from reaching the 15-year term limit for directorship.<sup>17</sup>

Leadership dysfunction and poor share performance has led to pressure from outside investors. Nelson Peltz and Triun Asset Management have relaunched their proxy battle, increasing their stake in Disney to over \$2.5b and pushing for multiple board seats. Peltz has been critical of Disney's recent acquisitions spending and the lack of succession plan for Bob Iger after the failures following his initial departure.<sup>18</sup>

Disney was able to fend off Peltz's first proxy battle by announcing its restructuring plans in February. The Board has also created a succession committee.<sup>4</sup> Given the recent turmoil, we would like to see more stability in leadership and a clear plan laid out for the future direction of the business.

### Recent Earnings Announcement

Disney reported Q3 earnings for FY23 on August 9th. The company's adjusted EPS came in at \$1.03 compared to an expected \$0.95. Revenues came in slightly lower than consensus estimates at \$22.33b vs \$22.5b. Additionally, the company reported 146.1m total subscribers for Disney+ compared to 157.8m subscribers the prior quarter. The large drop comes from a 24% decrease in subscribers for the Disney+ Hotstar service that targets the Indian market. The company lost the streaming rights to Indian Premier League (IPL) Cricket which drove the subscriber exodus. For Disney+ Core, subscribers grew 1% to 105.7m.<sup>4</sup>

DPEP revenues grew 13% YOY, largely due to the Hong Kong and Shanghai parks growth of 94%. Those two parks were only open for a combined 57 days in Q3 of 2022 due to covid-19 lockdowns. Domestic Parks and Experiences revenue grew 4% for the quarter with higher ticket prices outweighing lower attendance numbers in Orlando.

During the earnings call, CEO Bob Iger reiterated the company's focus on the parks business, streaming, and film productions as being the main drivers for growth over the next 5 years. Iger also remained bullish on their goal achieving profitability in the DTC segment by the end of next year.<sup>4</sup> The timeline seems ambitious given the \$2.25b in DTC operating losses through Q3. The company will likely need to see an acceleration in subscriber growth and revenue per subscriber to achieve this within the next year.

### Hulu Acquisition

As a result of the 21st Century Fox acquisition in 2019 Disney obtained a majority stake in Hulu. Disney now owns 66% with the remaining third held by Comcast. The two companies have a mutual call/put option that gives Disney either the right or obligation to purchase Comcast's stake. Starting November 1<sup>st</sup>, 2023 either side can trigger the option, which is expected to happen. Both Disney and Comcast have hired investment banks to value Hulu and arrive at a final sale price. The floor valuation set out in the initial agreement is \$27.5b, meaning Disney will have to pay out a minimum of \$9.16b.<sup>6</sup> Having full ownership of Hulu should give Disney more flexibility in shaping its DTC strategy going forward.

## Penn Gaming Deal

Disney announced a new sports betting partnership with Penn Entertainment on August 8th. The company will launch ESPN Bet, rebranding Penn’s existing sportsbooks. In addition to licensing the ESPN brand, Disney will provide Penn promotional services, original media content, and access to ESPN’s on-air talent.<sup>5</sup>

The terms of the deal include Penn paying Disney \$150m a year for 10 years, plus \$500m of warrants to purchase PENN shares. This deal allows Disney to expand further into sports betting without having to deal with licensing and regulators. It also leverages the ESPN brand to generate additional revenue with little added expenses.

## Charter Communications Dispute

In late August Disney and Charter Communications failed to reach an agreement to renew their carriage deal. Charter Communications is the second largest cable provider in the US with 15m subscribers. Charter pays Disney \$2.2b annually in carriage fees, accounting for nearly 3% of revenue.<sup>9</sup>

The dispute centered around Charter’s claims that Disney was keeping premium content for their DTC streaming services, and simultaneously raising prices for linear networks to fund them. The two companies ultimately came to an agreement where Disney will provide access to the ad supported Disney+ and ESPN+ for Charter customers. Specific terms for the agreement have not been made public, however it is expected that Charter will pay a wholesale rate per customer for the inclusion of streaming services into their cable packages. Disney will retain all of the advertising revenues from the services. Additionally, Charter will drop eight of the least popular Disney owned channels including Disney Junior, FXX, Nat Geo Wild, and Freeform.<sup>9</sup> Disney has previously been able to force these channels into cable packages by bundling them with their more popular channels including ESPN and ABC.

Without knowing the final terms it is difficult to say whether this deal is a net gain or loss for Disney. However, it does signal a shift in strategy. The company is trying to strike a delicate balance between the declining linear business and the growth in streaming. Disney is accepting losses in linear with the hope that the increase in ad sales from streaming will make up the difference. An estimated 9-10m Charter subscribers will now have the ad supported Disney+ as part of their cable package.<sup>9</sup>

This hybrid linear-streaming deal is likely the first of many going forward.

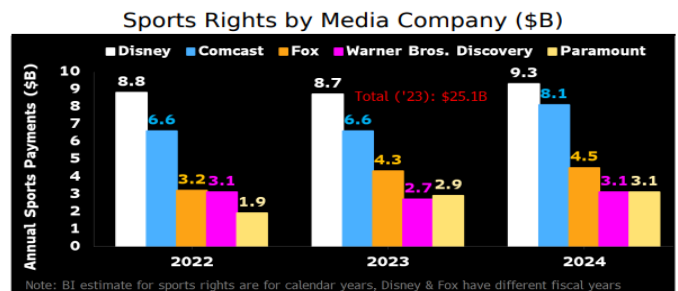
# MARKETS AND COMPETITION

## Peer Comparisons

Disney competes primarily with other media and content providers in both linear TV and streaming. It also faces competition in the Parks and Experience segment from other amusement park operators. We have broken down Disney’s competitive landscape into three markets: Sports, Media & Entertainment, and Amusement Parks.

## Sports

Disney competes with a number of media conglomerates for sports broadcasting rights. It has also seen new competition enter the market as major tech companies have started to bid on major sports right deals to add live sports to their streaming services. Key players in the industry include Paramount, Warner Bros. Discovery, Fox, and Comcast. Annual sports rights payments by company are found below:



Source: Bloomberg Intelligence

Disney currently spends the most on sports rights annually at just under \$9b. Significant sports broadcasting rights held by Disney include the NBA, MLB, NHL, College Football Playoffs, Monday Night Football, and the SEC and ACC networks.

Sports Property	2022	2023	2024
NFL	1,900	↑ 2,700	2,700
NBA	1,435	1,435	1,435
MLB	550	550	550
NHL	405	405	405
College Sports	1,388	↑ 1,888	1,888
Tennis	130	130	130
Cricket	750	↓ 600	↑ 850
Martial Arts	475	475	475
Golf, Racing	75	↑ 165	165
European Soccer	205	205	205

Note: Calendar rights, Disney's fiscal year ends September; Scaled in USD Millions

Source: Bloomberg Intelligence

Disney's closest competitor on sports rights spending is Comcast, which owns NBC and has started adding live sports to its Peacock streaming network. As more companies look to secure sports deals to draw in new streaming subscribers, we expect rights deals to increase. As mentioned, tech companies including Apple, Amazon, and Alphabet have started broadcasting live sports. Apple has exclusive rights to MLS soccer and some MLB games, while Amazon and Google have added NFL rights with Thursday Night Football and Sunday Ticket respectively. In many cases these companies are likely using these deals as a loss leader to draw in subscribers. Given their size and spending power, they can afford to overpay for sports deals without significantly hurting their bottom line.<sup>2</sup> This trend will be important to monitor, especially as the NBA rights are up for renewal after the 2024 season. The added threat of tech companies bidding on rights deals may make it difficult for Disney and other traditional media companies to compete. However, we still see Disney having strong positioning in the industry, ESPN has a strong portfolio of live sports and a reputation as the industry leader. Leagues will also be considering size of viewership when negotiating new deals as the goal remains to get broad exposure to their on-field product. Disney will be able to leverage its wide reach so long as it successfully manages the transition of ESPN from linear to streaming only.

## Media & Entertainment

Disney's Media & Entertainment segment encompasses its streaming, linear TV, and film production revenues. The industry as a whole is fairly concentrated, with a few large media and streaming companies dominating the market. Key industry competitors include Comcast, Warner Bros. Discovery, Fox, Netflix, and Paramount. Amazon and Apple are also competitors in this space, but we've excluded them from the peer comparison as media and entertainment are not their core businesses.

Company	Mkt Cap (b)	Sales Growth		P/E FY1	Margin	
		1 Year	3 Year		EBIT	NET
Walt Disney	151.1	5.2	24.7%	22.4x	7.1%	2.6%
Comcast	179.3	-0.9%	14.3%	11.4x	19.1%	5.4%
Warner Bros. Discovery	24.6	116.8%	289.6%	-	-5.1%	-16.0%
Fox	14.2	6.7%	21.2%	9.9x	18.5%	8.3%
Netflix	209.6	4.0%	37.5%	39.5x	19.8%	13.8%
Paramount Global	7.4	0.7%	29.5%	36.6x	-0.8%	-5.2%

FactSet

Among the peer group, all companies now have a major streaming service and in-house film production company with the exception of Fox. Notably, Netflix is the only pure streaming and content company, while all other

players own linear tv networks. As a result, Netflix has not been impacted by the decline in pay tv and has the highest margins and organic sales growth over the past three years.

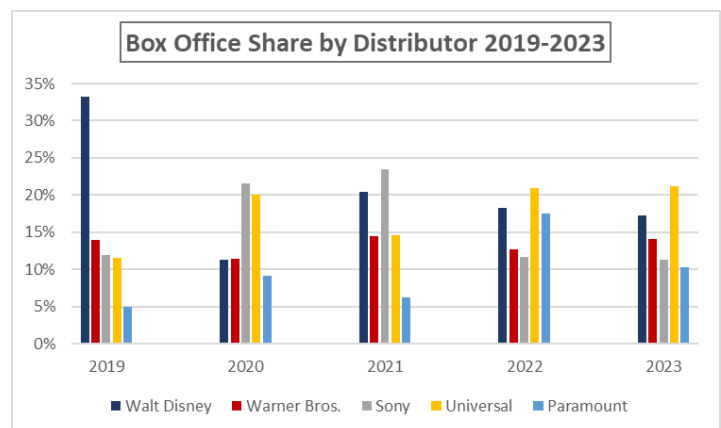
## Movies

The film industry has been hit hard by both Covid-19 and the growth in streaming. The table below highlights the gradual recovery in total domestic box office coming out of the pandemic. Looking at box office numbers through the end of September, 2023 has seen a 26% increase compared to 2022 but still lags the 2019 pre-covid numbers by 16.4%. In total, US box office is on pace to reach \$9.3b for this year, compared to \$11.3b in 2019.<sup>23</sup> We expect to see a gradual recovery for the movie industry, but don't foresee it reaching pre-pandemic levels any time soon. Big blockbuster films from popular franchises can still draw large audiences to the theater. However, for smaller movies many customers may now be comfortable waiting for the movies to show up on one of the streaming services.

US Domestic Box Office				
Year	Through Sept. (\$B)	vs. 2023	vs. 2022	vs. 2019
2023	\$7,050	-	26.0%	-16.4%
2022	\$5,595	-20.6%	-	-33.6%
2019	\$8,433	19.6%	50.7%	-

Box Office Mojo

From a market share perspective, five major film distributors typically account for 70-80% of the total box office. Market share varies from year to year depending on how many films a company makes and when major films are released. Disney is on pace to finish second in total box office for the third consecutive year. The company had a dominant run from 2016-2019, ranking first each year aided by Star Wars, Marvel, and Pixar releases.<sup>24</sup>



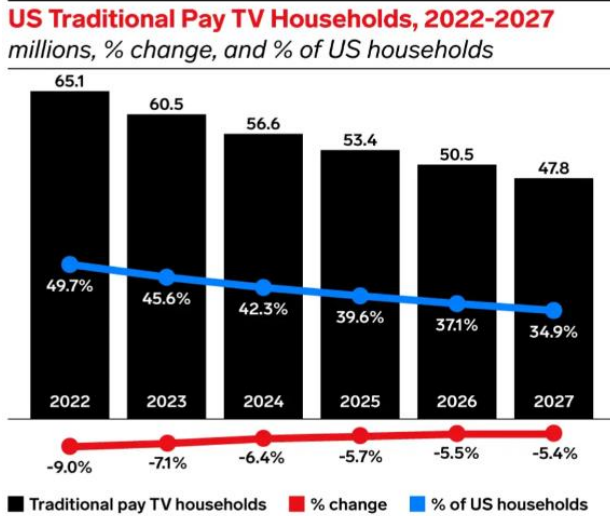
The Numbers - Nash Information Services

Overall, we expect market share to continue to vary each year.

Disney will likely remain near the top given the number of films it puts out and the IP and franchises it can leverage. However, it will be difficult to replicate the run of dominance the company had in the late 2010s now that that era of Marvel and Star Wars films has largely come to an end.

## Linear TV

The Pay TV market in the US has been in steady decline over the past few years. There are currently an estimated 60.5m pay TV households, and that number is expected to fall to just 48m by 2027.



eMarketer

Companies that own and operate broadcast and cable TV networks earn revenue from two primary sources: carriage fees paid by TV providers, and advertising revenues.<sup>3</sup> Both of these income streams are dependent upon the number of viewers. As the total number of Pay TV subscribers declines, media companies including Disney, Comcast, Paramount, and Warner Bros. Discovery will continue to see revenues drop.

Company	Pay TV Revenues (\$b)	% of Total Revenue
Disney	33.3	40%
WBD	19.3	53%
Comcast	87.6	69.0%
Paramount	21.7	72%

FactSet

The table above shows the revenue these companies generated from Pay TV in 2022 as well as the % of total revenues. Of the group, Disney currently has the lowest percentage of its revenue coming from Pay TV with just 40%. For most of these companies, Pay TV not only serves as the main revenue generator but also the primary source of profits. All of these companies have developed streaming services, but none of them have reached profitability yet. We believe that Disney is positioned the best given that its main source of

earnings comes from its Parks and Experiences segment and not its TV networks. Comcast, Paramount, and Warner Bros. will likely face greater headwinds over the coming years given their heavy reliance on the Pay TV market.

## Streaming

As linear TV gradually phases out, streaming has become the main growth driver for most major media and entertainment companies. As a result, the video streaming industry has become increasingly fragmented. Traditional media giants including Disney, Comcast, Paramount, and Warner Bros. Discovery are now competing with the likes of Netflix, Apple, and Amazon for subscribers. Netflix is currently the industry leader with 247.2 million subscribers followed by Disney with a combined 149.6m subscribers for Disney+ Core and Hulu SVOD services.<sup>1</sup> Peacock and Paramount+ have the fewest subscribers, but those services are relatively new and have seen the highest growth over the past year. Once again, we have excluded Apple and Amazon from this analysis as Apple does not report subscriber numbers and Amazon Prime subscriptions include other benefits besides just video streaming.

Streaming Services Comparison			
Service	Subscribers (m)	YoY Growth	Monthly ARPU
Disney+ Core	105.7	2.9%	\$6.6
Hulu-SVOD	43.9	-6.6%	\$12.4
Netflix	247.2	11.0%	\$11.7
Comcast - Peacock	28.0	77.8%	-
Warner Bros. - HBO Max	95.1	0.2%	\$7.8
Paramount +	63.4	37.8%	-

FactSet, Company 10-Ks

Given the decline in linear TV, we believe tech companies and pure streamers are likely best suited to navigate the current market environment. These companies aren't being weighed down by declining TV networks. Disney, Warner Bros., Comcast, and Paramount will have to strike a delicate balance between streaming and linear/cable. Disney is already facing difficult decisions stemming from rights negotiations with cable companies. As these old school media giants look to maintain market share, they will need to make compromises such as the new hybrid cable and streaming deal reached with Charter Communications. This will likely bring lower average revenue per subscriber (ARPU) as the companies have accept wholesale rates for streaming services to satisfy the cable and satellite TV providers.

Another factor to consider is profitability or lack thereof. Currently Netflix is the only company generating an operating profit from its streaming business.<sup>25</sup> New entrants into streaming are still working to figure out the



right mix of content spend and pricing to attract a stable subscriber base without overspending. Newer services like Disney are starting to transition away from focusing purely on subscriber growth and are now placing a greater emphasis on profits.

Another recent trend is the introduction or expansion of ad-supported streaming services. Both Disney and

## Amusement Parks

Disney's theme parks are among the most popular in the world. Its main competitor in space is Comcast's Universal Studios. It also competes to a lesser degree with other park operators including Six Flags Entertainment and Cedar Fair.

In 2022 all of the top 12 most visited amusement parks were operated by either Disney or Universal. Disney held 8 of those 12 spots, with Walt Disney World's Magic Kingdom and Disneyland Anaheim taking the top 2 spots.<sup>21</sup> Those two parks combined for 34m visitors last year. Disney's spot as the premier park operator is fairly secure. The company can lean on their franchises and characters to create unique attractions that continue to draw in new visitors. Despite the competition from Comcast's Universal Studios and other park operators, we see the biggest threat to park revenues being a decline in discretionary spending.

## ECONOMIC OUTLOOK

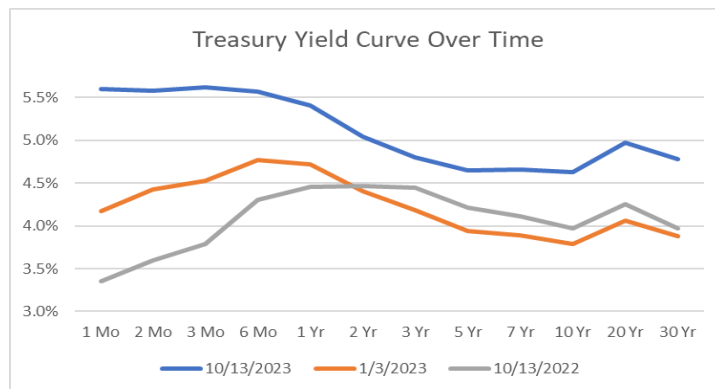
Disney's business relies primarily on strong consumer spending. The Parks and Experiences revenues in particular are driven by customers willingness to commit significant portions of their discretionary income to visit Disney parks and resorts, and book cruises. Additionally, Disney's DTC streaming services and Linear TV networks require strong advertising spend from businesses to drive growth. Therefore, the company's topline revenue is susceptible to changes in the business cycle.

## Interest Rates

In an effort to curb inflation, the Federal Reserve has embarked on its most aggressive rate hiking cycle since the early 1980s. We believe the Fed is likely nearing the end of its rate hikes, with potential for one more increase before year end. The current Federal Funds target rate now sits at 5.25%-5.5% compared to 0.5% just 18months ago.<sup>7</sup> Despite the significant rise of the short end of the curve, the long-term rates have just now started to catch

up. The 10-year yield has risen nearly 50bps in the past month as the market may be starting to accept the higher for longer narrative. The longer that interest rates remain elevated, the more likely that businesses and consumers alike begin to feel the pain from drastically higher borrowing costs.

It is also worth noting that Disney will likely need to fund a portion of its Hulu purchase through newly issued debt. The current rate environment is much less favorable for debt financed acquisitions.

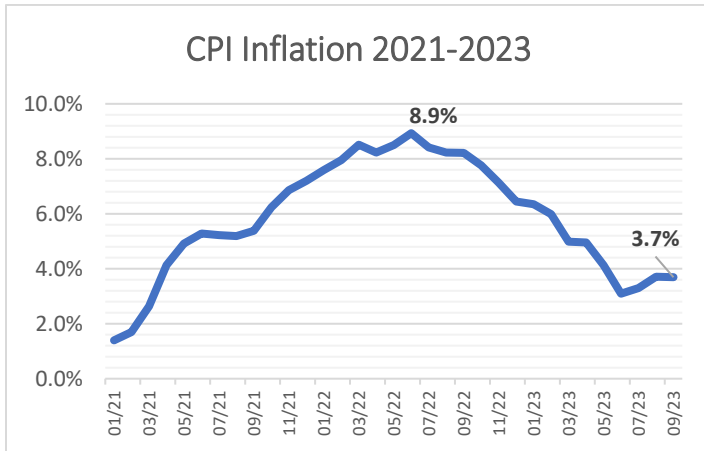


US Treasury

## Inflation

As we mentioned earlier, the main driver for this new interest rate reality has been high inflation coming out of the Covid-19 pandemic. The monthly CPI inflation rate peaked at 8.9% in June 2022 and has since come down to 3.7% in September. However, inflation still remains nearly double the Fed's target 2% rate. A tight labor market has led to stickiness in inflation, with unemployment still low at 3.7%.<sup>7</sup> We may need to see a recession and accompanying rise in unemployment for inflation to return to the pre-pandemic norm.

For Disney, a strong labor market and high wages should mean sustained demand for parks experiences, movie tickets, and streaming services. But much like with higher rates, the cumulative impact of sustained high inflation may start to weigh on consumers. A dollar today has the equivalent purchasing power of \$0.84 in January 2020.<sup>7</sup>



Bureau of Labor Statistics

Provided that we stay in this new equilibrium with low unemployment and resilient consumer spending, Disney’s more cyclical business may continue to see strong growth. However, challenging times may be on the horizon should the higher rates and prices begin to weigh on consumers.

### Consumer Confidence

The Conference Board’s Consumer Confidence Index fell in September to 103.0 down from 108.7 in August. The Expectations index based on consumers’ short-term outlook also fell to 73.7 vs 83.3 the prior month. Historically, when the index falls below 80 it typically precedes a recession within the next year.<sup>20</sup> Despite the negative outlook, consumer spending has held strong throughout the year. Many younger consumers who didn’t purchase a home during the low-rate environment may now be giving up on home ownership and spending their discretionary income on goods and experiences rather than saving for a down payment.

Overall, given the more negative consumer confidence report in September, and the potential impact from resumed student loan payments, we have a cautious outlook on discretionary spending and Disney’s sales growth in the near term.

## VALUATION

### Key Assumptions

Key assumptions in our valuation models include:

- WACC: 8.53%
- Normal Cash: 7% of Sales
- Marginal Tax Rate: 28.5%
- Equity Risk Premium: 5%

- CV NOPLAT growth rate: 3%
- CV EPS growth rate: 4%

Of note we expect long-term growth for NOPLAT to be 3%. As the streaming business matures and linear TV is phased out towards the end of our forecast horizon we see little opportunity for long-term growth to outpace the broader economy.

### Revenue Growth

Our revenue projections call for fairly stable growth throughout our 10-year forecast horizon. We expect a 5% CAGR for the company over the next 5 years with growth tailing off at 3.2% by 2033. The main growth driver is the streaming business which we see growing at 12.5% through 2027. That strong growth will be partially offset by the 5.5% annual decline in linear TV. The trends for both of those segments will be accelerated when Disney decides to move ESPN to a streaming only model. We believe its likely that the company may see a decrease in total revenues immediately following that move but should have the pricing power to be able to replace the lost revenues from linear over time.

### DCF/Economic Profit Model

Our DCF and Economic Profit Model yielded a share value of \$93.4, the highest of our three models. Key drivers of the model are the 3% CV NOPLAT growth, a 21% ROIC and our estimated WACC of 8.53%. We sensitivity tested our WACC and NOPLAT growth rate yielding the results below. Should rates start to come down, the share valuation improves significantly. A 25bps decrease in the cost of capital results in an \$8/share increase.

		CV Growth NOPLAT							
		93.37	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
WACC	7.65%	107.82	111.22	114.96	119.10	123.71	128.88	134.72	
	7.95%	99.72	102.61	105.79	109.28	113.15	117.44	122.26	
	8.25%	92.44	94.92	97.63	100.60	103.86	107.46	111.47	
	8.53%	86.29	88.45	90.79	93.35	96.15	99.23	102.63	
	8.85%	79.91	81.76	83.76	85.93	88.30	90.89	93.73	
	9.15%	74.49	76.09	77.82	79.69	81.72	83.93	86.35	
	9.40%	70.32	71.75	73.29	74.95	76.74	78.69	80.80	

### Relative Valuation Model

Our relative multiple valuation used a peer group consisting of traditional media companies, big tech streaming companies, and two amusement park operators. We arrived at an implied relative value of \$69.04/share using FY24 P/E multiples. We feel that Disney likely warrants a higher multiple relative to other

theme park operators and media companies. Despite recent underperformance, Disney still has an unparalleled content portfolio that will bolster its streaming and parks businesses.

## Summary

To arrive at our final price target of \$90-95, we relied on our DCF valuation model. Disney has yet to reinstate its dividend, so the DDM model was not taken into consideration. We also felt that the relative valuation model understated the company's value given its industry positioning and the depressed valuation of many traditional media businesses. Relative to consensus of \$105, our price target comes in around 10% lower. We believe the upside is there for further share recovery but took a more conservative approach to our valuation given the relative uncertainty on what the business looks like five years from now.

## KEYS TO MONITOR

To unlock shareholder value and return to profitable growth, Disney must come up with the right strategy to leverage its strong content portfolio and successfully navigate the changing media and entertainment landscape. The Parks and Experiences business should always be there to provide a backstop. But we don't expect a significant rise in valuation until the company has demonstrated an ability to generate stable profit from the direct-to-consumer business. Disney needs to strike a delicate balance as it winds down the linear TV segment and focuses on streaming. Key things to monitor in the coming years include:

- Focus on ad-supported streaming vs premium ad-free streaming to capture growing digital ad revenues.
- Phasing out or potential sale of some Linear TV channels
- ESPN moving to DTC only model, and renegotiating key sports rights deals including the NBA in 2025
- More renegotiated carriage fee deals like the hybrid streaming/cable agreement reached with Charter Communications
- Reshaping and streamlining the content portfolio emphasizing profitability over subscriber growth.

We reiterate a Hold rating for Disney, with potential for long-term upside provided the company executes on its strategy to maximize the value of its content portfolio.

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**The Walt Disney Company**

*Revenue Decomposition*

*in millions*

<i>Fiscal Years Ending Dec. 31</i>	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>Disney Media &amp; Entertainment</b>														
Linear Networks	27,583	28,093	28,346	26,504	24,913	23,543	22,366	21,359	20,508	19,893	19,296	18,717	18,156	17,611
growth	11.1%	1.8%	0.9%	-6.5%	-6.0%	-5.5%	-5.0%	-4.5%	-4.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
Direct-to-Consumer	10,552	16,319	19,558	21,905	25,629	29,858	34,336	39,143	44,059	48,685	53,066	56,781	60,472	63,252
growth	12.9%	54.7%	19.8%	12.0%	17.0%	16.5%	15.0%	14.0%	12.6%	10.5%	9.0%	7.0%	6.5%	4.6%
Content Sales/ Licensing and Other	10,977	7,346	8,146	8,553	8,895	9,207	9,483	9,720	9,916	10,064	10,215	10,369	10,524	10,682
growth	-1.3%	-33.1%	10.9%	5.0%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Less intrasegment revenue	(762)	(892)	(1,010)	(997)	(1,040)	(1,096)	(1,158)	(1,229)	(1,303)	(1,376)	(1,445)	(1,503)	(1,560)	(1,602)
growth	-61.1%	17.1%	13.2%	-1.3%	4.3%	5.3%	5.7%	6.1%	6.1%	5.6%	5.0%	4.0%	3.8%	2.7%
Total DMED revenue	48,350	50,866	55,040	55,965	58,397	61,512	65,027	68,994	73,179	77,266	81,133	84,364	87,591	89,943
growth	11.5%	5.2%	8.2%	1.7%	4.3%	5.3%	5.7%	6.1%	4.9%	5.5%	5.6%	5.4%	5.1%	4.5%
<b>Disney Parks, Experiences and Products</b>														
Theme park admissions	4,038	3,848	8,602	9,247	9,710	10,195	10,705	11,240	11,802	12,392	13,012	13,662	14,345	15,063
growth	-46.4%	-4.7%	123.5%	7.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Parks & Experiences merchandise, food, beverage	3,441	3,299	6,579	6,974	7,253	7,543	7,845	8,158	8,485	8,824	9,177	9,544	9,926	10,323
growth	-42.3%	-4.1%	99.4%	6.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Resorts and Vacations	3,402	2,701	6,410	6,795	7,066	7,349	7,643	7,949	8,267	8,597	8,941	9,299	9,671	10,058
growth	-45.7%	-20.6%	137.3%	6.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Merchandise licensing and retail	4,721	5,241	5,229	5,438	5,601	5,769	5,942	6,121	6,304	6,493	6,688	6,889	7,096	7,308
growth	4.5%	11.0%	-0.2%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Parks licensing and other	1,436	1,463	1,885	1,942	2,039	2,141	2,248	2,360	2,478	2,602	2,732	2,869	3,012	3,163
growth	-25.9%	1.9%	28.8%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total DPEP revenue	17,038	16,552	28,705	30,395	31,669	32,997	34,382	35,828	37,336	38,909	40,550	42,263	44,050	45,914
growth	-35.0%	-2.9%	73.4%	5.9%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Total Revenue	65,388	67,418	82,722	86,360	90,066	94,508	99,409	104,821	110,514	116,174	121,683	126,627	131,641	135,857
growth	-6.0%	3.1%	22.7%	4.4%	4.3%	4.9%	5.2%	5.4%	5.4%	5.1%	4.7%	4.1%	4.0%	3.2%

The Walt Disney Company

Income Statement

in millions

Fiscal Years Ending Dec. 31

	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>Revenues:</b>														
Services	59,265	61,768	74,200	77,724	81,059	85,058	89,468	94,339	99,463	104,557	109,514	113,964	118,477	122,271
Products	6,123	5,650	8,522	8,636	9,007	9,451	9,941	10,482	11,051	11,617	12,168	12,663	13,164	13,586
Total revenues	65,388	67,418	82,722	86,360	90,066	94,508	99,409	104,821	110,514	116,174	121,683	126,627	131,641	135,857
<b>Costs and expenses:</b>														
Cost of services	39,406	41,129	48,962	51,185	52,165	53,463	55,340	57,410	60,030	62,582	65,002	67,643	70,322	72,574
Cost of products	4,474	4,002	5,439	5,484	5,719	6,001	6,312	6,656	7,018	7,377	7,727	8,041	8,359	8,627
Depreciation & amortization	5,345	5,111	5,163	4,989	4,933	5,072	4,822	4,982	4,327	4,557	4,784	5,009	5,234	5,458
Selling, general, administrative & other expenses	12,369	13,517	16,388	14,728	15,135	15,646	16,308	17,038	17,964	18,884	19,779	20,583	21,398	22,083
Total costs & expenses	61,594	63,759	75,952	76,387	77,953	80,181	82,782	86,086	89,339	93,400	97,292	101,276	105,312	108,741
Income from operations	3,794	3,659	6,770	9,973	12,113	14,327	16,627	18,736	21,176	22,775	24,391	25,351	26,329	27,116
Restructuring & impairment charges	(5,735)	(654)	(237)	(2,871)	-	-	-	-	-	-	-	-	-	-
Other income (expense), net	1,038	201	(667)	-	-	-	-	-	-	-	-	-	-	-
Interest Expense, net	(1,491)	(1,406)	(1,397)	(1,814)	(1,825)	(1,863)	(1,904)	(1,950)	(1,999)	(2,059)	(2,118)	(2,179)	(2,239)	(2,301)
Equity in the income (loss) of investees	651	761	816	800	784	768	753	738	723	708	694	680	667	653
Income (loss) from continuing operations before income tax	(1,743)	2,561	5,285	6,088	11,072	13,232	15,476	17,523	19,899	21,425	22,967	23,853	24,757	25,468
Total current income tax expense (benefit)	(699)	(25)	(1,732)	(1,796)	(3,266)	(3,903)	(4,565)	(5,169)	(5,870)	(6,320)	(6,775)	(7,037)	(7,303)	(7,513)
Net income (loss) from continuing operations	(2,442)	2,536	3,553	4,292	7,805	9,329	10,910	12,353	14,029	15,104	16,192	16,816	17,453	17,955
Income (loss) from discontinued operations, net of income tax	(32)	(29)	(48)	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	(2,474)	2,507	3,505	4,292	7,805	9,329	10,910	12,353	14,029	15,104	16,192	16,816	17,453	17,955
Net income attributable to noncontrolling interests	(390)	(512)	(360)	(720)	(745)	(771)	(798)	(826)	(855)	(885)	(916)	(948)	(981)	(1,016)
Net income (loss) attributable to The Walt Disney Company	(2,864)	1,995	3,145	3,572	7,060	8,557	10,112	11,527	13,174	14,219	15,276	15,868	16,472	16,939
<b>Weighted average common shares outstanding - basic</b>														
Year end shares outstanding	1,808	1,816	1,822	1,825	1,828	1,831	1,834	1,836	1,837	1,837	1,837	1,837	1,837	1,837
Earnings Per Share (basic)	(1.58)	1.10	1.73	1.96	3.86	4.67	5.51	6.28	7.17	7.74	8.32	8.64	8.97	9.22
Dividends Per Share	0.88	-	-	-	0.19	0.23	0.55	0.63	1.08	1.16	1.66	1.73	2.24	2.31

The Walt Disney Company

Balance Sheet

in millions

Fiscal Years Ending Dec. 31

	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>Assets</b>														
<b>Current Assets:</b>														
Cash & cash equivalents	17,914	15,959	11,615	17,243	23,533	31,356	39,890	49,652	59,402	69,984	80,602	91,475	101,950	112,476
Receivables, net	12,708	13,367	12,652	13,208	13,775	14,455	15,204	16,032	16,903	17,768	18,611	19,367	20,134	20,779
Inventories	1,583	1,331	1,742	1,765	1,841	1,932	2,032	2,143	2,259	2,375	2,487	2,588	2,691	2,777
Licensed content costs & advances	2,171	2,183	1,890	1,947	2,005	2,065	2,127	2,191	2,257	2,324	2,394	2,466	2,540	2,616
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	875	817	1,199	1,118	1,166	1,224	1,287	1,357	1,431	1,504	1,576	1,640	1,705	1,759
<b>Total current assets</b>	<b>35,251</b>	<b>33,657</b>	<b>29,098</b>	<b>35,282</b>	<b>42,321</b>	<b>51,031</b>	<b>60,540</b>	<b>71,375</b>	<b>82,252</b>	<b>93,956</b>	<b>105,670</b>	<b>117,536</b>	<b>129,020</b>	<b>140,408</b>
Produced & licensed content costs	25,022	29,549	35,777	34,607	36,337	38,154	40,062	42,065	44,168	46,377	48,696	51,130	53,687	56,371
Investments	3,903	3,935	3,218	3,315	3,414	3,516	3,622	3,731	3,842	3,958	4,076	4,199	4,325	4,454
Attractions, buildings & equipment, at cost	62,111	64,892	66,998	72,098	78,098	84,278	90,643	97,200	103,953	110,908	118,073	125,452	133,053	140,881
Projects in progress	4,449	4,521	4,814	4,814	4,814	4,814	4,814	4,814	4,814	4,814	4,814	4,814	4,814	4,814
Land	1,035	1,131	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140
Accumulated depreciation	35,517	37,920	39,356	42,537	45,901	49,513	53,369	57,463	61,790	66,346	71,130	76,139	81,373	86,830
Parks, resorts & other property, net	32,078	32,624	33,596	35,515	38,151	40,719	43,228	45,691	48,117	50,516	52,897	55,267	57,634	60,005
Intangible assets, net	19,173	17,115	14,837	13,029	11,459	10,000	9,034	8,146	7,338	6,593	5,914	5,294	4,724	4,204
Goodwill	77,689	78,071	77,897	77,897	77,897	77,897	77,897	77,897	77,897	77,897	77,897	77,897	77,897	77,897
Other assets	4,746	4,763	5,242	5,399	5,561	5,728	5,900	6,077	6,259	6,447	6,640	6,840	7,045	7,256
Operating lease assets	3,687	3,895	3,966	4,192	4,504	4,807	5,103	5,394	5,680	5,963	6,244	6,524	6,804	7,084
<b>Total non-current assets</b>	<b>166,298</b>	<b>169,952</b>	<b>174,533</b>	<b>173,954</b>	<b>177,324</b>	<b>180,821</b>	<b>184,846</b>	<b>189,000</b>	<b>194,110</b>	<b>199,304</b>	<b>204,597</b>	<b>210,003</b>	<b>215,537</b>	<b>221,213</b>
<b>Total assets</b>	<b>201,549</b>	<b>203,609</b>	<b>203,631</b>	<b>209,235</b>	<b>219,645</b>	<b>231,853</b>	<b>245,386</b>	<b>260,376</b>	<b>276,362</b>	<b>293,260</b>	<b>310,267</b>	<b>327,539</b>	<b>344,557</b>	<b>361,621</b>
<b>Liabilities and Equity</b>														
<b>Current Liabilities:</b>														
Accounts payable & other accrued liabilities	16,801	20,894	20,213	21,158	22,066	23,155	24,355	25,681	27,076	28,463	29,812	31,024	32,252	33,285
Current portion of borrowings	5,711	5,866	3,070	4,383	4,476	4,576	4,689	4,808	4,951	5,095	5,240	5,386	5,535	5,684
Deferred revenue & other current liabilities	4,116	4,317	5,790	6,045	6,305	6,616	6,959	7,338	7,736	8,132	8,518	8,864	9,215	9,510
<b>Total current liabilities</b>	<b>26,628</b>	<b>31,077</b>	<b>29,073</b>	<b>31,586</b>	<b>32,847</b>	<b>34,346</b>	<b>36,003</b>	<b>37,827</b>	<b>39,763</b>	<b>41,690</b>	<b>43,570</b>	<b>45,273</b>	<b>47,002</b>	<b>48,479</b>
Long-term borrowings	52,917	48,540	45,299	44,339	45,284	46,290	47,441	48,643	50,083	51,540	53,013	54,488	55,996	57,502
Deferred income taxes	7,288	7,246	8,363	7,772	8,106	8,506	8,947	9,434	9,946	10,456	10,951	11,396	11,848	12,227
Other long-term liabilities	13,817	10,902	8,884	9,151	9,425	9,708	9,999	10,299	10,608	10,926	11,254	11,592	11,939	12,298
Operating lease liabilities	3,387	3,620	3,634	3,842	4,127	4,404	4,676	4,942	5,205	5,464	5,722	5,978	6,234	6,491
Redeemable noncontrolling interests	9,249	9,213	9,499	9,784	10,077	10,380	10,691	11,012	11,342	11,683	12,033	12,394	12,766	13,149
<b>Total liabilities</b>	<b>113,286</b>	<b>110,598</b>	<b>104,752</b>	<b>106,474</b>	<b>109,866</b>	<b>113,634</b>	<b>117,757</b>	<b>122,158</b>	<b>126,947</b>	<b>131,758</b>	<b>136,544</b>	<b>141,122</b>	<b>145,785</b>	<b>150,145</b>
<b>Shareholders' Equity</b>														
Common stock	54,497	55,471	56,398	56,708	57,018	57,329	57,639	57,853	57,853	57,853	57,853	57,853	57,853	57,853
Retained earnings	38,315	40,429	43,636	47,208	53,915	62,045	71,146	81,520	92,718	104,804	117,025	129,719	142,073	154,778
Accumulated other comprehensive income (loss)	(8,322)	(6,440)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)	(4,119)
Treasury stock, at cost	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)
<b>Total The Walt Disney Company shareholders' equity</b>	<b>83,583</b>	<b>88,553</b>	<b>95,008</b>	<b>98,890</b>	<b>105,908</b>	<b>114,347</b>	<b>123,759</b>	<b>134,347</b>	<b>145,545</b>	<b>157,631</b>	<b>169,852</b>	<b>182,546</b>	<b>194,900</b>	<b>207,605</b>
Noncontrolling interests	4,680	4,458	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871
<b>Total shareholders' equity</b>	<b>88,263</b>	<b>93,011</b>	<b>98,879</b>	<b>102,761</b>	<b>109,779</b>	<b>118,218</b>	<b>127,630</b>	<b>138,218</b>	<b>149,416</b>	<b>161,502</b>	<b>173,723</b>	<b>186,417</b>	<b>198,771</b>	<b>211,476</b>

**The Walt Disney Company**  
*Historical Cash Flow Statement*  
*in millions*

<b>Fiscal Years Ending Dec. 31</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Operating Activities:</b>										
Net income (loss) from continuing operations	6,636	8,004	8,852	9,790	9,366	13,066	10,913	(2,442)	2,536	3,553
Depreciation & amortization	2,192	2,288	2,354	2,527	2,782	3,011	4,160	5,345	5,111	5,163
Goodwill & intangible asset impairment	-	-	-	-	-	-	-	4,953	-	-
Net loss (gain) on investments, acquisitions & dispositions	(252)	(299)	(91)	(26)	(289)	(560)	(4,794)	(920)	(332)	714
Deferred income taxes	92	517	(102)	1,214	334	(1,573)	117	(392)	(1,241)	200
Equity in the loss (income) of investees	(688)	(854)	(814)	(926)	(320)	102	103	(651)	(761)	(816)
Cash distributions received from equity investees	694	718	752	799	788	775	754	774	754	779
Net change in produced & licensed content	(49)	(964)	(922)	(101)	(1,075)	(523)	(542)	397	(4,301)	(6,271)
Net change in operating lease right of use assets	-	-	-	-	-	-	-	31	46	-
Equity-based compensation	402	408	410	393	364	393	711	525	600	977
Pension & postretirement medical amortization	-	-	-	-	-	-	-	-	816	620
Other adjustments	322	234	341	445	503	441	206	641	144	595
Receivables	(374)	(480)	(211)	(393)	107	(720)	55	1,943	(357)	605
Inventories	51	(81)	1	186	(5)	(17)	(223)	14	252	(420)
Other assets	(30)	(151)	34	(137)	(52)	(927)	932	(157)	171	(707)
Accounts payable & other liabilities	367	536	(49)	40	(368)	235	191	(2,293)	2,410	964
Income taxes	89	(96)	354	(598)	208	592	(6,599)	(152)	(282)	46
Net cash flows from operating activities	9,452	9,780	10,909	13,213	12,343	14,295	5,984	7,616	5,566	6,002
<b>Investing Activities:</b>										
Investments in parks, resorts & other properties	(2,796)	(3,311)	(4,265)	(4,773)	(3,623)	(4,465)	(4,876)	(4,022)	(3,578)	(4,943)
Proceeds from dispositions	397	-	-	-	-	-	-	-	-	-
Sales of investments or proceeds from dispositions	-	395	166	45	-	-	-	-	-	-
Acquisitions	(2,443)	(402)	-	(850)	(417)	(1,581)	(9,901)	-	-	-
Other investing activities, net	166	(27)	(146)	(180)	(71)	710	(319)	172	407	(65)
Net cash flows from investing activities	(4,676)	(3,345)	(4,245)	(5,758)	(4,111)	(5,336)	(15,096)	(3,850)	(3,171)	(5,008)
<b>Financing Activities:</b>										
Commercial paper borrowings (payments), net	(2,050)	50	2,376	(920)	1,247	(1,768)	4,318	(3,354)	(26)	(334)
Borrowings	3,931	2,231	2,550	6,065	4,820	1,056	38,240	18,120	64	333
Reduction of borrowings	(1,502)	(1,648)	(2,221)	(2,205)	(2,364)	(1,871)	(38,881)	(3,533)	(3,737)	(4,016)
Dividends	(1,324)	(1,508)	(3,063)	(2,313)	(2,445)	(2,515)	(2,895)	(1,587)	-	-
Repurchases of common stock	(4,087)	(6,527)	(6,095)	(7,499)	(9,368)	(3,577)	-	-	-	-
Proceeds from exercise of stock options	587	404	329	259	276	210	318	305	435	127
Contributions from or sales of noncontrolling interests	-	-	1,012	-	17	399	737	94	91	-
Acquisitions of noncontrolling & redeemable interests	-	-	-	-	-	-	(1,430)	-	(350)	-
Other financing activities	231	288	(402)	(378)	(1,142)	(777)	(871)	(1,565)	(862)	(839)
Net cash flows from financing activities	(4,214)	(6,710)	(5,514)	(6,991)	(8,959)	(8,843)	(464)	8,480	(4,385)	(4,729)

The Walt Disney Company  
Forecasted Cash Flow Statement

<b>Fiscal Years Ending Dec. 31</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>
<b>Cash flow from operating activities:</b>											
<b>Net Income</b>	<b>3,572</b>	<b>7,060</b>	<b>8,557</b>	<b>10,112</b>	<b>11,527</b>	<b>13,174</b>	<b>14,219</b>	<b>15,276</b>	<b>15,868</b>	<b>16,472</b>	<b>16,939</b>
Adjustments											
Depreciation & Amortization	4,989	4,933	5,072	4,822	4,982	4,327	4,557	4,784	5,009	5,234	5,458
Accounts receivable	(556)	(567)	(679)	(750)	(828)	(871)	(866)	(842)	(756)	(767)	(645)
Inventories	(23)	(76)	(91)	(100)	(111)	(116)	(116)	(113)	(101)	(102)	(86)
Licensed content costs & advances	(57)	(58)	(60)	(62)	(64)	(66)	(68)	(70)	(72)	(74)	(76)
Other current assets	81	(48)	(58)	(63)	(70)	(74)	(73)	(71)	(64)	(65)	(55)
Produced & licensed content costs	1,170	(1,730)	(1,817)	(1,908)	(2,003)	(2,103)	(2,208)	(2,319)	(2,435)	(2,557)	(2,684)
Other Assets	(157)	(162)	(167)	(172)	(177)	(182)	(188)	(193)	(199)	(205)	(211)
Accounts payable & other accrued liabilities	945	908	1,088	1,201	1,326	1,395	1,387	1,350	1,211	1,228	1,033
Deferred revenue & other current liabilities	255	259	311	343	379	398	396	386	346	351	295
Deferred income taxes	(591)	334	400	441	487	512	509	496	445	451	379
Other long-term liabilities	267	275	283	291	300	309	318	328	338	348	358
Redeemable noncontrolling interests	285	294	302	311	321	330	340	350	361	372	383
<b>Net Cash Flow from Operating Activities</b>	<b>10,180</b>	<b>11,421</b>	<b>13,142</b>	<b>14,467</b>	<b>16,069</b>	<b>17,033</b>	<b>18,208</b>	<b>19,360</b>	<b>19,951</b>	<b>20,686</b>	<b>21,088</b>
<b>Cash flow from investing activities:</b>											
Investments	-97	-99	-102	-105	-109	-112	-115	-119	-122	-126	-130
Purchase of buildings & Equipment	-5100	-6000	-6180	-6365	-6556	-6753	-6956	-7164	-7379	-7601	-7829
Operating lease assets	-226	-311	-303	-296	-291	-286	-283	-281	-280	-279	-280
<b>Net cash used in Investing Activities</b>	<b>(5,423)</b>	<b>(6,411)</b>	<b>(6,585)</b>	<b>(6,767)</b>	<b>(6,956)</b>	<b>(7,151)</b>	<b>(7,354)</b>	<b>(7,564)</b>	<b>(7,781)</b>	<b>(8,006)</b>	<b>(8,238)</b>
<b>Cash flow from Financing Activities:</b>											
Current portion of borrowings	1313	93	99	114	119	142	144	146	146	149	149
Long-term borrowings	-960	945	1006	1150	1203	1439	1457	1473	1475	1508	1506
Cash from ESOP	310	310	310	310	214	0	0	0	0	0	0
Operating lease liabilities	208	285	278	271	266	262	260	258	256	256	256
Dividends	0	-353	-428	-1011	-1153	-1976	-2133	-3055	-3174	-4118	-4235
<b>Net cash from Financing Activities</b>	<b>871</b>	<b>1280</b>	<b>1266</b>	<b>834</b>	<b>649</b>	<b>-132</b>	<b>-272</b>	<b>-1179</b>	<b>-1296</b>	<b>-2205</b>	<b>-2324</b>
Net increase (decrease) in cash	5,628	6,291	7,822	8,534	9,763	9,750	10,582	10,618	10,873	10,475	10,526
Beginning Cash	11,615	17,243	23,533	31,356	39,890	49,652	59,402	69,984	80,602	91,475	101,950
<b>Ending Cash</b>	<b>17,243</b>	<b>23,533</b>	<b>31,356</b>	<b>39,890</b>	<b>49,652</b>	<b>59,402</b>	<b>69,984</b>	<b>80,602</b>	<b>91,475</b>	<b>101,950</b>	<b>112,476</b>



The Walt Disney Company  
Common Size Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenues:														
Services	90.6%	91.6%	89.7%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Products	9.4%	8.4%	10.3%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Costs and expenses:														
Cost of services	66.5%	66.6%	66.0%	65.9%	64.4%	62.9%	61.9%	60.9%	60.4%	59.9%	59.4%	59.4%	59.4%	59.4%
Cost of products	73.1%	70.8%	63.8%	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%
Depreciation & amortization	8.17%	7.58%	6.24%	5.78%	5.48%	5.37%	4.85%	4.75%	3.92%	3.92%	3.93%	3.96%	3.98%	4.02%
Selling, general, administrative & c	18.92%	20.05%	19.81%	17.05%	16.80%	16.55%	16.40%	16.25%	16.25%	16.25%	16.25%	16.25%	16.25%	16.25%
Total costs & expenses	94.20%	94.57%	91.82%	88.45%	86.55%	84.84%	83.27%	82.13%	80.84%	80.40%	79.96%	79.98%	80.00%	80.04%
Income from operations	5.80%	5.43%	8.18%	11.55%	13.45%	15.16%	16.73%	17.87%	19.16%	19.60%	20.04%	20.02%	20.00%	19.96%
Restructuring & impairment charg	-8.77%	-0.97%	-0.29%	-3.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other income (expense), net	1.59%	0.30%	-0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Expense, net	-2.28%	-2.09%	-1.69%	-2.10%	-2.03%	-1.97%	-1.92%	-1.86%	-1.81%	-1.77%	-1.74%	-1.72%	-1.70%	-1.69%
Equity in the income (loss) of inve	1.00%	1.13%	0.99%	0.93%	0.87%	0.81%	0.76%	0.70%	0.65%	0.61%	0.57%	0.54%	0.51%	0.48%
Income (loss) from continuing ope	-2.67%	3.80%	6.39%	7.05%	12.29%	14.00%	15.57%	16.72%	18.01%	18.44%	18.87%	18.84%	18.81%	18.75%
Total current income tax expense	-1.07%	-0.04%	-2.09%	-2.08%	-3.63%	-4.13%	-4.59%	-4.93%	-5.31%	-5.44%	-5.57%	-5.56%	-5.55%	-5.53%
Net income (loss) from continuing	-3.73%	3.76%	4.30%	4.97%	8.67%	9.87%	10.98%	11.79%	12.69%	13.00%	13.31%	13.28%	13.26%	13.22%
Income (loss) from discontinued o	-0.05%	-0.04%	-0.06%	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-3.78%	3.72%	4.24%	4.97%	8.67%	9.87%	10.98%	11.79%	12.69%	13.00%	13.31%	13.28%	13.26%	13.22%
Net income attributable to noncor	-0.60%	-0.76%	-0.44%	-0.83%	-0.83%	-0.82%	-0.80%	-0.79%	-0.77%	-0.76%	-0.75%	-0.75%	-0.75%	-0.75%
Net income (loss) attributable to	-4.38%	2.96%	3.80%	4.14%	7.84%	9.05%	10.17%	11.00%	11.92%	12.24%	12.55%	12.53%	12.51%	12.47%

The Walt Disney Company  
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>Assets</b>														
<b>Current Assets:</b>														
Cash & cash equivalents	27.40%	23.67%	14.04%	19.97%	26.13%	33.18%	40.13%	47.37%	53.75%	60.24%	66.24%	72.24%	77.45%	82.79%
Receivables, net	19.43%	19.83%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%
Inventories	2.42%	1.97%	2.11%	2.04%	2.04%	2.04%	2.04%	2.04%	2.04%	2.04%	2.04%	2.04%	2.04%	2.04%
Licensed content costs & advances	3.32%	3.24%	2.28%	2.25%	2.23%	2.19%	2.14%	2.09%	2.04%	2.00%	1.97%	1.95%	1.93%	1.93%
Deferred income taxes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other current assets	1.34%	1.21%	1.45%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
<b>Total current assets</b>	<b>53.91%</b>	<b>49.92%</b>	<b>35.18%</b>	<b>40.85%</b>	<b>46.99%</b>	<b>54.00%</b>	<b>60.90%</b>	<b>68.09%</b>	<b>74.43%</b>	<b>80.88%</b>	<b>86.84%</b>	<b>92.82%</b>	<b>98.01%</b>	<b>103.35%</b>
Produced & licensed content costs	38.27%	43.83%	43.25%	40.07%	40.35%	40.37%	40.30%	40.13%	39.97%	39.92%	40.02%	40.38%	40.78%	41.49%
Investments	5.97%	5.84%	3.89%	3.84%	3.79%	3.72%	3.64%	3.56%	3.48%	3.41%	3.35%	3.32%	3.29%	3.28%
Attractions, buildings & equipment, at cost	94.99%	96.25%	80.99%	83.49%	86.71%	89.18%	91.18%	92.73%	94.06%	95.47%	97.03%	99.07%	101.07%	103.70%
Projects in progress	6.80%	6.71%	5.82%	5.57%	5.34%	5.09%	4.84%	4.59%	4.36%	4.14%	3.96%	3.80%	3.66%	3.54%
Land	1.58%	1.68%	1.38%	1.32%	1.27%	1.21%	1.15%	1.09%	1.03%	0.98%	0.94%	0.90%	0.87%	0.84%
Accumulated depreciation	54.32%	56.25%	47.58%	49.26%	50.96%	52.39%	53.69%	54.82%	55.91%	57.11%	58.46%	60.13%	61.81%	63.91%
Parks, resorts & other property, net	49.06%	48.39%	40.61%	41.12%	42.36%	43.08%	43.49%	43.59%	43.54%	43.48%	43.47%	43.65%	43.78%	44.17%
Intangible assets, net	29.32%	25.39%	17.94%	15.09%	12.72%	10.58%	9.09%	7.77%	7.37%	7.01%	6.69%	6.43%	6.19%	6.00%
Goodwill	118.81%	115.80%	94.17%	90.20%	86.49%	82.42%	78.36%	74.31%	70.49%	67.05%	64.02%	61.52%	59.17%	57.34%
Other assets	7.26%	7.06%	6.34%	6.25%	6.17%	6.06%	5.93%	5.80%	5.66%	5.55%	5.46%	5.40%	5.35%	5.34%
<b>Total non-current assets</b>	<b>254.32%</b>	<b>252.09%</b>	<b>210.99%</b>	<b>201.43%</b>	<b>196.88%</b>	<b>191.33%</b>	<b>185.94%</b>	<b>180.31%</b>	<b>175.64%</b>	<b>171.56%</b>	<b>168.14%</b>	<b>165.84%</b>	<b>163.73%</b>	<b>162.83%</b>
<b>Total assets</b>	<b>308.24%</b>	<b>302.01%</b>	<b>246.16%</b>	<b>242.28%</b>	<b>243.87%</b>	<b>245.32%</b>	<b>246.84%</b>	<b>248.40%</b>	<b>250.07%</b>	<b>252.43%</b>	<b>254.98%</b>	<b>258.67%</b>	<b>261.74%</b>	<b>266.18%</b>
<b>Liabilities and Equity</b>														
<b>Current liabilities:</b>														
Accounts payable & other accrued liabilities	25.69%	30.99%	24.43%	24.50%	24.50%	24.50%	24.50%	24.50%	24.50%	24.50%	24.50%	24.50%	24.50%	24.50%
Current portion of borrowings	8.73%	8.70%	3.71%	5.08%	4.97%	4.84%	4.72%	4.59%	4.48%	4.39%	4.31%	4.25%	4.20%	4.18%
Deferred revenue & other current liabilities	6.29%	6.40%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
<b>Total current liabilities</b>	<b>40.72%</b>	<b>46.10%</b>	<b>35.15%</b>	<b>36.58%</b>	<b>36.47%</b>	<b>36.34%</b>	<b>36.22%</b>	<b>36.09%</b>	<b>35.98%</b>	<b>35.89%</b>	<b>35.81%</b>	<b>35.75%</b>	<b>35.70%</b>	<b>35.68%</b>
Long-term borrowings	80.93%	72.00%	54.76%	51.34%	50.28%	48.98%	47.72%	46.41%	45.32%	44.36%	43.57%	43.03%	42.54%	42.33%
Deferred income taxes	11.15%	10.75%	10.11%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Other long-term liabilities	21.13%	16.17%	10.74%	10.60%	10.46%	10.27%	10.06%	9.83%	9.60%	9.40%	9.25%	9.15%	9.07%	9.05%
Redeemable noncontrolling interests	14.14%	13.67%	11.48%	11.33%	11.19%	10.98%	10.75%	10.51%	10.26%	10.06%	9.89%	9.79%	9.70%	9.68%
<b>Total liabilities</b>	<b>173.25%</b>	<b>164.05%</b>	<b>126.63%</b>	<b>123.29%</b>	<b>121.98%</b>	<b>120.24%</b>	<b>118.46%</b>	<b>116.54%</b>	<b>114.87%</b>	<b>113.41%</b>	<b>112.21%</b>	<b>111.45%</b>	<b>110.74%</b>	<b>110.52%</b>
<b>Shareholders' Equity</b>														
Common stock	83.34%	82.28%	68.18%	65.66%	63.31%	60.66%	57.98%	55.19%	52.35%	49.80%	47.54%	45.69%	43.95%	42.58%
Retained earnings (accumulated deficit)	58.60%	59.97%	52.75%	54.66%	59.86%	65.65%	71.57%	77.77%	83.90%	90.21%	96.17%	102.44%	107.92%	113.93%
Accumulated other comprehensive income (loss)	-12.73%	-9.55%	-4.98%	-4.77%	-4.57%	-4.36%	-4.14%	-3.93%	-3.73%	-3.55%	-3.39%	-3.25%	-3.13%	-3.03%
Treasury stock, at cost	-1.39%	-1.35%	-1.10%	-1.05%	-1.01%	-0.96%	-0.91%	-0.87%	-0.82%	-0.78%	-0.75%	-0.72%	-0.69%	-0.67%
Total The Walt Disney Company shareholders'	127.83%	131.35%	114.85%	114.51%	117.59%	120.99%	124.49%	128.17%	131.70%	135.69%	139.59%	144.16%	148.05%	152.81%
Noncontrolling interests	7.16%	6.61%	4.68%	4.48%	4.30%	4.10%	3.89%	3.69%	3.50%	3.33%	3.18%	3.06%	2.94%	2.85%
<b>Total shareholders' equity</b>	<b>134.98%</b>	<b>137.96%</b>	<b>119.53%</b>	<b>118.99%</b>	<b>121.89%</b>	<b>125.09%</b>	<b>128.39%</b>	<b>131.86%</b>	<b>135.20%</b>	<b>139.02%</b>	<b>142.77%</b>	<b>147.22%</b>	<b>151.00%</b>	<b>155.66%</b>

The Walt Disney Company  
Value Driver Estimation

Fiscal Years Ending Dec. 31	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>NOPLAT:</b>														
Revenues	65,388	67,418	82,722	86,360	90,066	94,508	99,409	104,821	110,514	116,174	121,683	126,627	131,641	135,857
Cost of Revenues	43,880	45,131	54,401	56,669	57,885	59,464	61,653	64,066	67,048	69,959	72,729	75,684	78,681	81,201
Depreciation & amortization	5,345	5,111	5,163	4,989	4,933	5,072	4,822	4,982	4,327	4,557	4,784	5,009	5,234	5,458
Selling, general, administrative & other expenses	12,369	13,517	16,388	14,728	15,135	15,646	16,308	17,038	17,964	18,884	19,779	20,583	21,398	22,083
Plus implied interest on operating leases	256	270	275	291	313	334	354	374	394	414	433	453	472	492
<b>EBIT</b>	<b>4,050</b>	<b>3,929</b>	<b>7,045</b>	<b>10,264</b>	<b>12,425</b>	<b>14,661</b>	<b>16,981</b>	<b>19,110</b>	<b>21,570</b>	<b>23,189</b>	<b>24,825</b>	<b>25,804</b>	<b>26,801</b>	<b>27,607</b>
Provision for Income Taxes:	699	25	1,732	1,796	3,266	3,903	4,565	5,169	5,870	6,320	6,775	7,037	7,303	7,513
Add: Tax shield on interest expense	423	399	397	515	518	529	541	554	568	585	602	619	636	653
Add: Tax shield on operating lease interest	23	94	78	83	89	95	101	106	112	118	123	129	134	140
Add: Restructuring and impairment charges	505	228	67	815	-	-	-	-	-	-	-	-	-	-
Less: Other Income (expense)	(91)	(70)	189	-	-	-	-	-	-	-	-	-	-	-
Less: Equity in the income (loss) of investees	57	266	232	227	223	218	214	209	205	201	197	193	189	186
<b>Total adjusted taxes</b>	<b>1,684</b>	<b>551</b>	<b>1,853</b>	<b>2,982</b>	<b>3,651</b>	<b>4,309</b>	<b>4,993</b>	<b>5,620</b>	<b>6,345</b>	<b>6,821</b>	<b>7,303</b>	<b>7,591</b>	<b>7,884</b>	<b>8,121</b>
<b>Change in deferred taxes</b>	<b>(614)</b>	<b>(42)</b>	<b>1,117</b>	<b>(591)</b>	<b>334</b>	<b>400</b>	<b>441</b>	<b>487</b>	<b>512</b>	<b>509</b>	<b>496</b>	<b>445</b>	<b>451</b>	<b>379</b>
<b>NOPLAT</b>	<b>1,752</b>	<b>3,336</b>	<b>6,309</b>	<b>6,692</b>	<b>9,108</b>	<b>10,751</b>	<b>12,429</b>	<b>13,977</b>	<b>15,738</b>	<b>16,877</b>	<b>18,017</b>	<b>18,658</b>	<b>19,369</b>	<b>19,866</b>
<b>Invested Capital (IC):</b>														
<b>Operating current assets</b>														
Normal Cash	4,566	4,707	5,776	6,030	6,289	6,599	6,941	7,319	7,717	8,112	8,497	8,842	9,192	9,486
Receivables	12,708	13,367	12,652	13,208	13,775	14,455	15,204	16,032	16,903	17,768	18,611	19,367	20,134	20,779
Inventories	1,583	1,331	1,742	1,765	1,841	1,932	2,032	2,143	2,259	2,375	2,487	2,588	2,691	2,777
Licensed content costs & advances	2,171	2,183	1,890	1,947	2,005	2,065	2,127	2,191	2,257	2,324	2,394	2,466	2,540	2,616
Other current assets	875	817	1,199	1,118	1,166	1,224	1,287	1,357	1,431	1,504	1,576	1,640	1,705	1,759
<b>Total operating current assets</b>	<b>21,903</b>	<b>22,405</b>	<b>23,259</b>	<b>24,069</b>	<b>25,077</b>	<b>26,275</b>	<b>27,592</b>	<b>29,042</b>	<b>30,566</b>	<b>32,084</b>	<b>33,565</b>	<b>34,903</b>	<b>36,261</b>	<b>37,418</b>
<b>Operating current liabilities</b>														
Accounts payable & other accrued liabilities	16,801	20,894	20,213	21,158	22,066	23,155	24,355	25,681	27,076	28,463	29,812	31,024	32,252	33,285
Deferred revenue & other current liabilities	4,116	4,317	5,790	6,045	6,305	6,616	6,959	7,338	7,736	8,132	8,518	8,864	9,215	9,510
<b>Total operating current liabilities</b>	<b>20,917</b>	<b>25,211</b>	<b>26,003</b>	<b>27,203</b>	<b>28,371</b>	<b>29,770</b>	<b>31,314</b>	<b>33,019</b>	<b>34,812</b>	<b>36,595</b>	<b>38,330</b>	<b>39,887</b>	<b>41,467</b>	<b>42,795</b>
<b>Net Operating Working Capital</b>	<b>986</b>	<b>(2,806)</b>	<b>(2,744)</b>	<b>(3,134)</b>	<b>(3,294)</b>	<b>(3,495)</b>	<b>(3,722)</b>	<b>(3,976)</b>	<b>(4,246)</b>	<b>(4,511)</b>	<b>(4,765)</b>	<b>(4,984)</b>	<b>(5,205)</b>	<b>(5,377)</b>
<b>Non-Current operating assets</b>														
Produced & licensed content costs	25,022	29,549	35,777	34,607	36,337	38,154	40,062	42,065	44,168	46,377	48,696	51,130	53,687	56,371
Parks, resorts & other property, net	32,078	32,624	33,596	35,515	38,151	40,719	43,228	45,691	48,117	50,516	52,897	55,267	57,634	60,005
Intangible assets, net	19,173	17,115	14,837	13,029	11,459	10,000	9,034	8,146	8,146	8,146	8,146	8,146	8,146	8,146
Other assets	4,746	4,763	5,242	5,399	5,561	5,728	5,900	6,077	6,259	6,447	6,640	6,840	7,045	7,256
<b>Total non-current operating assets</b>	<b>81,019</b>	<b>84,051</b>	<b>89,452</b>	<b>88,550</b>	<b>91,509</b>	<b>94,601</b>	<b>98,224</b>	<b>101,979</b>	<b>106,691</b>	<b>111,486</b>	<b>116,379</b>	<b>121,383</b>	<b>126,512</b>	<b>131,778</b>
<b>Non-Current operating liabilities</b>														
Other long-term liabilities	13,817	10,902	8,884	9,151	9,425	9,708	9,999	10,299	10,608	10,926	11,254	11,592	11,939	12,298
Redeemable noncontrolling interests	9,249	9,213	9,499	9,784	10,077	10,380	10,691	11,012	11,342	11,683	12,033	12,394	12,766	13,149
<b>Total non-current operating liabilities</b>	<b>23,066</b>	<b>20,115</b>	<b>18,383</b>	<b>18,934</b>	<b>19,503</b>	<b>20,088</b>	<b>20,690</b>	<b>21,311</b>	<b>21,950</b>	<b>22,609</b>	<b>23,287</b>	<b>23,986</b>	<b>24,705</b>	<b>25,446</b>
<b>Invested Capital</b>	<b>58,939</b>	<b>61,130</b>	<b>68,325</b>	<b>66,481</b>	<b>68,712</b>	<b>71,018</b>	<b>73,812</b>	<b>76,692</b>	<b>80,495</b>	<b>84,366</b>	<b>88,326</b>	<b>92,413</b>	<b>96,601</b>	<b>100,955</b>
<b>Free Cash Flow (FCF):</b>														
NOPLAT	1,752	3,336	6,309	6,692	9,108	10,751	12,429	13,977	15,738	16,877	18,017	18,658	19,369	19,866
Change in IC	(5,761)	2,192	7,195	(1,844)	2,232	2,306	2,794	2,880	3,803	3,871	3,960	4,086	4,188	4,354
<b>FCF</b>	<b>7,513</b>	<b>1,144</b>	<b>(885)</b>	<b>8,536</b>	<b>6,877</b>	<b>8,446</b>	<b>9,635</b>	<b>11,097</b>	<b>11,934</b>	<b>13,005</b>	<b>14,057</b>	<b>14,572</b>	<b>15,180</b>	<b>15,512</b>
<b>Return on Invested Capital (ROIC):</b>														
NOPLAT	1,752	3,336	6,309	6,692	9,108	10,751	12,429	13,977	15,738	16,877	18,017	18,658	19,369	19,866
Beginning IC	64,700	58,939	61,130	68,325	66,481	68,712	71,018	73,812	76,692	80,495	84,366	88,326	92,413	96,601
<b>ROIC</b>	<b>2.7%</b>	<b>5.7%</b>	<b>10.3%</b>	<b>9.8%</b>	<b>13.7%</b>	<b>15.6%</b>	<b>17.5%</b>	<b>18.9%</b>	<b>20.5%</b>	<b>21.0%</b>	<b>21.4%</b>	<b>21.1%</b>	<b>21.0%</b>	<b>20.6%</b>
<b>Economic Profit (EP):</b>														
Beginning IC	64,700	58,939	61,130	68,325	66,481	68,712	71,018	73,812	76,692	80,495	84,366	88,326	92,413	96,601
x (ROIC - WACC)	-5.8%	-2.9%	1.8%	1.3%	5.2%	7.1%	9.0%	10.4%	12.0%	12.4%	12.8%	12.6%	12.4%	12.0%
<b>EP</b>	<b>(3,766)</b>	<b>(1,691)</b>	<b>1,095</b>	<b>864</b>	<b>3,438</b>	<b>4,891</b>	<b>6,372</b>	<b>7,681</b>	<b>9,196</b>	<b>10,011</b>	<b>10,822</b>	<b>11,125</b>	<b>11,486</b>	<b>11,627</b>

## The Walt Disney Company

### Weighted Average Cost of Capital (WACC) Estimation

#### Cost of Equity:

Risk-Free Rate	4.66%
Beta	1.02
Equity Risk Premium	5.00%
<b>Cost of Equity</b>	<b>9.73%</b>

#### ASSUMPTIONS:

10-year Treasury Bond  
Average of 1-5yr weekly beta  
Henry Fund Assumption

#### Cost of Debt:

Risk-Free Rate	4.66%
Implied Default Premium	2.29%
Pre-Tax Cost of Debt	6.94%
Marginal Tax Rate	28%
<b>After-Tax Cost of Debt</b>	<b>4.97%</b>

#### Market Value of Common Equity:

Total Shares Outstanding	1,827,304,988
Current Stock Price	\$82.94
<b>MV of Equity</b>	<b>151,556,675,704.72</b>

#### MV Weights

74.76%
--------

#### Market Value of Debt:

Short-Term Debt	1705
Current Portion of LTD	940
Long-Term Debt	44544
PV of Operating Leases	3966
<b>MV of Total Debt</b>	<b>51,155,000,000.00</b>

25.24%
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#### Market Value of the Firm

202,711,675,704.72

100.00%

#### Estimated WACC

8.53%
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**The Walt Disney Company**

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

<b>Fiscal Years Ending Dec. 31</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	
EPS	\$ 1.96	\$ 3.86	\$ 4.67	\$ 5.51	\$ 6.28	\$ 7.17	\$ 7.74	\$ 8.32	\$ 8.64	\$ 8.97	
<b>Key Assumptions</b>											
CV growth of EPS	4.00%										
CV Year ROE	8.52%										
Cost of Equity	9.73%										
<b>Future Cash Flows</b>											
P/E Multiple (CV Year)											9.26
EPS (CV Year)											\$ 8.97
Future Stock Price											\$ 83.02
Dividends Per Share	-	0.19	0.23	0.55	0.63	1.08	1.16	1.66	1.73		
Discounted Cash Flows	\$ 0.160	\$ 0.234	\$ 0.552	\$ 0.628	\$ 1.076	\$ 1.161	\$ 1.663	\$ 1.728	\$	35.99	
Intrinsic Value as of Last FYE	\$ 43.20										
<b>Implied Price as of Today</b>	<b>\$ 47.48</b>										



**The Walt Disney Company***Present Value of Operating Lease Obligations*

<b>Fiscal Years Ending Dec. 31</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Year 1	507.0	460.0	463.0	477.0	580.0	681.0	982.0
Year 2	422.0	392.0	389.0	376.0	472.0	571.0	849.0
Year 3	342.0	327.0	326.0	329.0	401.0	470.0	670.0
Year 4	272.0	268.0	281.0	278.0	324.0	381.0	532.0
Year 5	217.0	225.0	239.0	227.0	244.0	261.0	407.0
Thereafter	1784.0	1715.0	1626.0	1419.0	1327.0	1220.0	2491.0
Total Minimum Payments	3544.0	3387.0	3324.0	3106.0	3348.0	3584.0	5931.0
Less: Cumulative Interest	1110.3	1052.8	996.2	886.1	874.3	861.8	1612.5
<b>PV of Minimum Payments</b>	<b>2433.7</b>	<b>2334.2</b>	<b>2327.8</b>	<b>2219.9</b>	<b>2473.7</b>	<b>2722.2</b>	<b>4318.5</b>
<b>Implied Interest in Year 1 Payment</b>		<b>168.9</b>	<b>162.0</b>	<b>161.6</b>	<b>154.1</b>	<b>171.7</b>	<b>188.9</b>
Pre-Tax Cost of Debt	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%
Years Implied by Year 6 Payment	8.2	7.6	6.8	6.3	5.4	4.7	6.1
Expected Obligation in Year 6 & Beyond	217	225	239	227	244	261	407



**The Walt Disney Company***Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	13
Average Time to Maturity (years):	4.69
Expected Annual Number of Options Exercised:	3

Current Average Strike Price:	\$ 111.97
Cost of Equity:	9.73%
Current Stock Price:	\$82.94

<b>Fiscal Years Ending Dec. 31</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Increase in Shares Outstanding:	3	3	3	3	2
Average Strike Price:	\$ 111.97	\$ 111.97	\$ 111.97	\$ 111.97	\$ 111.97
<b>Increase in Common Stock Account:</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>214</b>
Share Repurchases (\$)	0	0	0	0	0
Expected Price of Repurchased Shares:	\$ 82.94	\$ 91.01	\$ 99.87	\$ 109.59	\$ 120.25
<b>Number of Shares Repurchased:</b>	-	-	-	-	-
Shares Outstanding (beginning of the year)	1,824	1,827	1,830	1,832	1,835
Plus: Shares Issued Through ESOP	2.8	2.8	2.8	2.8	1.9
Less: Shares Repurchased in Treasury	-	-	-	-	-
<b>Shares Outstanding (end of the year)</b>	<b>1,827</b>	<b>1,830</b>	<b>1,832</b>	<b>1,835</b>	<b>1,837</b>

## The Walt Disney Company

### Valuation of Options Granted under ESOP

Current Stock Price	\$82.94
Risk Free Rate	4.66%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	28.00%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	1	51.28	0.30	\$ 32.37	\$ 32
Range 2	4	95.59	3.10	\$ 16.23	\$ 65
Range 3	7	120.61	5.70	\$ 18.48	\$ 129
Range 4	1	177.74	8.40	\$ 16.44	\$ 16
Total	13	\$ 111.97	4.69	\$ 17.26	<b>\$ 243</b>

The Walt Disney Company  
Sensitivity Tables

		Equity Risk Premium						
		4.00%	4.50%	4.75%	5.00%	5.25%	5.50%	6.00%
Beta	93.37							
	0.70	150.76	138.84	133.43	128.35	123.56	119.04	110.73
	0.80	137.26	125.58	120.31	115.37	110.73	106.37	98.38
	0.90	125.58	114.18	109.07	104.29	99.81	95.61	87.94
	1.02	113.95	102.91	97.98	93.39	89.09	85.08	77.76
	1.10	106.37	95.61	90.81	86.35	82.20	78.31	71.24
	1.20	98.38	87.94	83.30	79.00	74.99	71.24	64.46
1.30	91.24	81.11	76.62	72.46	68.60	64.99	58.47	

		Risk Free Rate						
		4.05%	4.25%	4.45%	4.66%	4.85%	5.05%	5.25%
Effective Tax Rate	93.37							
	29.75%	104.38	100.37	96.58	92.81	89.59	86.36	83.30
	30.75%	102.34	98.39	94.65	90.95	87.77	84.59	81.57
	31.75%	100.30	96.41	92.73	89.08	85.95	82.82	79.84
	29.50%	104.89	100.86	97.06	93.28	90.04	86.81	83.73
	33.75%	96.22	92.45	88.88	85.34	82.31	79.27	76.39
	34.75%	94.18	90.47	86.96	83.47	80.49	77.50	74.66
35.75%	92.14	88.49	85.03	81.61	78.67	75.73	72.93	

		CV Growth NOPLAT						
		2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
WACC	93.37							
	7.65%	107.82	111.22	114.96	119.10	123.71	128.88	134.72
	7.95%	99.72	102.61	105.79	109.28	113.15	117.44	122.26
	8.25%	92.44	94.92	97.63	100.60	103.86	107.46	111.47
	8.53%	86.29	88.45	90.79	93.35	96.15	99.23	102.63
	8.85%	79.91	81.76	83.76	85.93	88.30	90.89	93.73
	9.15%	74.49	76.09	77.82	79.69	81.72	83.93	86.35
9.40%	70.32	71.75	73.29	74.95	76.74	78.69	80.80	

		COGS - Products 2024						
		61.5%	62.0%	63.0%	63.5%	64.5%	65.5%	65.0%
Normal Cash % of Sa	93.37							
	1%	100.10	99.73	98.98	98.60	97.85	97.10	97.47
	30%	74.75	74.37	73.62	73.25	72.49	71.74	72.12
	5%	96.61	96.23	95.48	95.10	94.35	93.60	93.98
	7.0%	94.87	94.50	93.75	93.37	92.62	91.87	92.24
	9%	93.11	92.73	91.98	91.61	90.85	90.10	90.48
	11%	91.36	90.98	90.23	89.86	89.11	88.35	88.73
13%	89.61	89.24	88.48	88.11	87.36	86.61	86.98	

		COGS - Services 2024						
		62.50%	63.50%	64.50%	65.86%	66.50%	67.50%	68.50%
SG&A 2024	93.37							
	15.50%	127.74	120.98	114.22	105.05	100.69	93.92	87.16
	16.00%	123.98	117.22	110.46	101.29	96.93	90.17	83.40
	16.50%	120.23	113.46	106.70	97.54	93.17	86.41	79.64
	17.05%	116.06	109.30	102.53	93.37	89.00	82.24	75.47
	17.50%	112.71	105.95	99.19	90.02	85.66	78.89	72.13
	18.00%	108.96	102.19	95.43	86.26	81.90	75.13	68.37
18.50%	105.20	98.43	91.67	82.50	78.14	71.37	64.61	

		CV Growth of EPS						
		1%	2%	3%	4.0%	5%	6%	7%
Cost of Equity	47.48							
	8.5%	62.86	62.89	62.92	62.97	63.05	63.18	63.51
	9.0%	57.60	57.15	56.55	55.70	54.44	52.33	48.12
	9.5%	53.03	52.25	51.22	49.83	47.81	44.65	38.95
	9.7%	51.13	50.23	49.06	47.49	45.26	41.83	35.88
	10.0%	49.04	48.03	46.73	45.00	42.58	38.94	32.89
	10.5%	45.52	44.36	42.89	40.97	38.34	34.55	28.60
11.0%	42.42	41.16	39.58	37.56	34.86	31.08	25.41	

**The Walt Disney Company**  
Key Management Ratios

<b>Fiscal Years Ending Dec. 31</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>
<b>Liquidity Ratios:</b>														
Current Ratio (Current Assets/Current Liab)	1.32	1.08	1.00	1.12	1.29	1.49	1.68	1.89	2.07	2.25	2.43	2.60	2.74	2.90
Quick Ratio (Cash+Mkt securities + AR)/ Current Liab	1.15	0.94	0.83	0.96	1.14	1.33	1.53	1.74	1.92	2.10	2.28	2.45	2.60	2.75
Operating Cash Flow ratio (Op CF/ Current Liab)	0.29	0.18	0.21	0.32	0.35	0.38	0.40	0.42	0.43	0.44	0.44	0.44	0.44	0.44
<b>Asset-Management Ratios:</b>														
Asset Turnover (Net Sales / Avg Total Assets)	0.33	0.33	0.41	0.42	0.42	0.42	0.42	0.41	0.41	0.41	0.40	0.40	0.39	0.38
Receivables Turnover (Net Sales / Avg Accounts Receivable)	4.64	5.17	6.36	6.68	6.68	6.70	6.70	6.71	6.71	6.70	6.69	6.67	6.67	6.64
Fixed Asset Turnover (Net Sales / Avg Fixed Assets)	0.40	0.41	0.49	0.51	0.52	0.54	0.55	0.57	0.59	0.60	0.61	0.62	0.63	0.63
<b>Financial Leverage Ratios:</b>														
Debt Ratio (Total Liabilities/Total Assets)	0.56	0.54	0.51	0.51	0.50	0.49	0.48	0.47	0.46	0.45	0.44	0.43	0.42	0.42
Deb to Equity Ratio (Total Debt/ Shareholder's Equity)	0.82	0.70	0.58	0.56	0.54	0.51	0.49	0.46	0.44	0.42	0.40	0.38	0.37	0.36
Interest Coverage Ratio (Operating Income/ Interest Expenses)	2.54	2.60	4.85	5.50	6.64	7.69	8.73	9.61	10.59	11.06	11.51	11.64	11.76	11.79
<b>Profitability Ratios:</b>														
Return on Equity (NI/Beg TSE)	-3.05%	2.26%	3.38%	3.61%	6.87%	7.80%	8.55%	9.03%	9.53%	9.52%	9.46%	9.13%	8.84%	8.52%
Return on Assets (NI/Avg total assets)	-1.45%	0.98%	1.54%	1.73%	3.29%	3.79%	4.24%	4.56%	4.91%	4.99%	5.06%	4.98%	4.90%	4.80%
Operating Margin (Op Income/Sales)	5.80%	5.43%	8.18%	11.55%	13.45%	15.16%	16.73%	17.87%	19.16%	19.60%	20.04%	20.02%	20.00%	19.96%
Net Margin (NI/Sales)	-4.38%	2.96%	3.80%	4.14%	7.84%	9.05%	10.17%	11.00%	11.92%	12.24%	12.55%	12.53%	12.51%	12.47%
<b>Payout Policy Ratios:</b>														
Dividend Payout Ratio (Dividend/EPS)	-55.41%	0.00%	0.00%	0.00%	5.00%	5.00%	10.01%	10.01%	15.00%	15.00%	20.00%	20.00%	25.00%	25.00%
Total Payout Ratio ((Divs. + Repurchases)/NI)	-55.41%	0.00%	0.00%	0.00%	5.00%	5.00%	10.01%	10.01%	15.00%	15.00%	20.00%	20.00%	25.00%	25.00%

Company	Ticker	Mkt Cap (b)	Price	YTD (%)	Sales Growth			Margin					
					1 Year	3 Year	P/E FY1	P/S FY1	PEG	EPS FY1	EBIT	NET	
Walt Disney	DIS	151.1	82.6	-5.0	5.2	24.7%	22.4x	1.7x	1.0x	3.7	7.1%	2.6%	
Comcast	CMCSA	179.3	43.46	24.3%	-0.9%	14.3%	11.4x	1.49x	1.05x	3.8	19.1%	5.4%	
Warner Bros. Discovery	WBD	24.6	10.08	6.3%	116.8%	289.6%	-	0.59x	-	-0.9	-5.1%	-16.0%	
Fox	FOXA	14.2	30.45	0.3%	6.7%	21.2%	9.9x	0.99x	1.42x	3.1	18.5%	8.3%	
Netflix		209.6	479.00	61.9%	4.0%	37.5%	39.5X	30.24x	1.35x	12.1	19.8%	13.8%	
Paramount Global	PARAA	7.4	11.15	-27.2%	0.7%	29.5%	36.6x	0.25x	-	0.4	-0.8%	-5.2%	
Amazon.com	AMZN	1,319.1	128.56	53.0%	10.7%	67.2%	58.1x	2.31x	1.65x	2.2	3.5%	2.4%	
Apple	AAPL	2,711.6	173.44	33.5%	-0.9%	40.4%	28.6x	7.08x	3.22x	6.1	29.2%	24.7%	
<b>Amusement Parks</b>													
Six Flags Entertainment	SIX	1.6	18.98	-18.4%	-10.3%	36.5%	14.47x	1.11x	-	1.3	25.6%	5.8%	
Cedar Fair	FUN	1.8	35.45	-14.2%	4.8%	73.9%	14.48x	1.02x	-	2.4	18.1%	14.7%	