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Equity Valuation: The Walt Disney Company

João José Caetano Coelho

Master (MSc) in Finance

Supervisor:

PhD Pedro Manuel de Sousa Leite Inácio, Assistant Professor,
ISCTE-IUL

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BUSINESS
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Department of Finance

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What you do not learn today you have to learn tomorrow, lost a day.

Agradecimentos

Começo por agradecer aos meus pais e avó, aos meus amigos da Guarda e Lisboa, à minha família, à Paula. Obrigado por todo o esforço e paciência para comigo durante a realização deste trabalho final de mestrado e ao longo do meu percurso académico que agora finda. O meu sincero bem-hajam também aos meus colegas que se cruzaram comigo ao longo do mestrado em Finanças e Double Degree, sem vós, nada disto seria possível.
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Resumo

Esta dissertação foi produzida com o objectivo de estimar o valor justo das acções da The Walt Disney Company em 31 de Dezembro de 2021 e avaliar se a empresa estava a ser sub ou sobrevalorizada pelo mercado e pelos investidores, comparando o preço real das acções cotado nessa data.

The Walt Disney Company foi seleccionada para realizar este relatório devido a vários factores importantes. Por um lado, esta empresa tem uma história interessante, conhecida em todo o mundo. É interessante analisar os desafios que a Disney enfrentou ao longo dos anos e recentemente como a empresa está a lidar com a Pandemia da COVID-19. Outro desafio importante para a Disney é a abordagem feita para competir com as plataformas de streaming.

Para valorizar as acções da The Walt Disney Company, foram realizados dois procedimentos: Modelo DCF e Análise de Múltiplos.

Além disso, foi realizada uma análise comparativa com investigações feitas por especialistas para avaliar a exactidão dos pressupostos e inferências. Todos os dados utilizados nesta tese são os dados oficiais dos relatórios da Walt Disney Company e da Bloomberg com o ticker DIS US Equity.

Foi encontrado um price-target de 122.48 USD, o que implica um potencial de -20.924% de diminuição em relação ao preço de referência de 154.89 USD registado no final de 2021, o que traduz a análise numa recomendação de venda.

Classificação JEL: G30, G32

Palavras-Chave: Avaliação de Empresas, Fluxo de Caixa Descontado DCF, Múltiplos, Indústria do entretenimento e media, The Walt Disney Company.

Abstract

This report was produced with the objective of estimating the fair value for The Walt Disney Company´s shares as of 31 December 2021 and evaluate if the company was being under or over evaluated by the market and investors, by comparing the real shares close price at that date.

The Walt Disney Company was selected to perform this report due to several important factors. In one hand, this company has an interesting story, known worldwide. It is interesting to analyse the challenges that Disney faced across the years and recently how the business is handling the COVID-19 Pandemic. Other important challenge for Disney is the approach made to compete with the digital stream platforms.

To value The Walt Disney Company stock two procedures were performed: DCF model and Multiple Analysis.

Additionally, a comparison with specialists analysis was performed to evaluate the accuracy of the assumptions and inferences. All data used in this Thesis is the official data retrieved from the Walt Disney Company reports and Bloomberg with the ticker DIS US Equity.

A price target of 122.48 USD was found, which implies a -20.924% downside potential from the reference price of 154.89 USD recorded in the end of the 2021, which traduces the analysis in a Sell recommendation.

JEL Classification: G30, G32

Keywords: Business Valuation; DCF Discounted Cash Flow; Multiples; Entertainment and media industry; The Walt Disney Company.

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List of Abbreviations

AAGR : Average Annual Growth Rate
APAC : Asia-Pacific region
API : Application Programming Interface
APV : Adjusted Present Value
AVoD : Advertising-Based Video on Demand
CAGR : Compound Annual Growth Rate
CAPM : Capital Asset Pricing Model
CEO : Chief Executive Officer
COVID-19 : Coronavirus Disease
DA : Depreciation and Amortization
DCF : Discounted Cash Flow
DDM : Dividend Discount Model
Disney : The Walt Disney Company
DMEM: Disney Media and Entertainment Distribution
DPEP: Disney Parks, Experiences and Products
DVD : Digital Video Disc
EM : Entertainment and Media
EBIT : Earnings Before Interest and Taxes
EBITDA : Earnings Before Interest, Taxes, Depreciation and Amortization
EBT : Earnings Before Taxes
EM: Entertainment and Media
EMEA : Europe, Africa, and Middle East
ERP : Equity Risk Premium
ESG : Environmental, social, and corporate governance
ETF: Exchange traded Fund
EU: European Union
EV : Enterprise Value
EV/EBIT: Enterprise Value-to-EBIT
EV/EBITDA : Enterprise Value-to-EBITDA
F : Future
FCFE : Free Cash Flow to Equity
FCFF : Free Cash Flow to the Firm
FOMC: Federal Open Market Committee
FY: Fiscal Year

GDP: Gross Domestic Product
IPTV: Internet Protocol television
LATAM : Latin America
LTM : Last Twelve Months
NOPLAT : Net Operating Profit Less Adjusted Taxes
NYU: New-York University
NTM: Next Twelve Months
NWC : Net Working Capital
P/BV : Price-to-Book Value
P/E : Price-to-Earnings
RD : Research and Development
ROA : Return on Assets
ROE : Return on Equity
ROIC : Return on Invested Capital
SFDR : Sustainable Finance Disclosure Regulation
SWOT: Strengths, Weaknesses, Opportunities, and Threats
S&P 500: The Standard and Poor's 500
TMT : Technology, Media, and Telecommunications
TTM : Trailing Twelve Months
TV : Terminal Value
US : United States
USD : United States Dollars
VOD : Video on Demand
WACC: Weighted Average Cost of Capital
WC : Working Capital
YoY : Year-on-Year
YTM : Yield-to-Maturity

Introduction

The Walt Disney Company is a multifaceted global entertainment business that runs theme parks, resorts, a cruise line, broadcast television networks, and related goods. Its stock ticker is DIS US Equity on Bloomberg. Along with creating live entertainment events, the company also creates and broadcasts a wide variety of entertainment-related movies and TV shows via its newest digital content streaming platforms.

Therefore, the primary objective of this case study is to estimate the fair value of Disney shares as of December 31, 2021 and determine whether or not it is overvalued and compare it to the company's peers.

Consequently, a number of strategies for conducting a valuation exercise are initially introduced, together with their own benefits and drawbacks. The goal is to identify the approaches that work best for this business based on Walt Disney's traits and particularities. In order to frame the valuation exercise, the company is described afterward, along with the industries in which it operates.

The Walt Disney Company restructured its report business segments beginning in Q1 FY2021. Disney Parks, Experiences and Products (DPEP) and Disney Media and Entertainment Distribution (DMED) are the company's two primary business sectors. Thus, it is crucial to better understand what this business segments include and how they are predicted to evolve in the next years.

From 31/12/2020 to 31/12/2021 Disney´s stock recorded a stock price decrease of 14.51% while the American Index S&P 500 saw an exceptional total return of of 26.68%. The Dow Jones Industrial Average a yearly total return of 20.95% . Hence, we can state a return difference of 43.19% between Disney´s stock and the S&P 500 total return what lead us to inquire if Disney´s stock is currently undervaluated or not.

Using Disney's financial statements, we project the company's cash flows in detail in the valuation chapter using the discounted cash flow (DCF) approach. As a second stage of valuation, we compare Disney's characteristics and multiples to those of the specified peer group using a Multiples comparison analysis.

CHAPTER 1

Literature Review

1.1. Valuation approaches review

Damodaran (2009) [**7**] comes to the conclusion that employing equity techniques, such as the Discounted Cash Flow model (DCF), Dividend Discount Model (DDM), Free Cash Flow for the Equity (FCFE), and using Relative Valuation to confirm the fundamental research, is the best way to value a financial services organization. Relative valuation can be used to assess the validity of the assumptions made during the valuation process. If assumptions are aligned, it is anticipated that multiples comparison will point in the same direction as DCF models. The author believes that relative valuation may be useful to "double-check" fundamental valuation. DCF and Relative Valuation can diverge, though, if the market is consistently over or undervaluing the entire sector.

The various methods that can be utilized to conduct a valuation exercise are presented in this section. The models are described and explained, along with the determination of their specific benefits and drawbacks. The methodologies to be used in this valuation exercise are listed at the end of this section, along with the justification for each option. "Valuation is the process of estimating price. The methods used to determine value attempt to model the thought processes of the market and thus estimate price by reference to observed historic data. This information is utilised in the discounted cash flow (DCF) valuation model to determine the single point valuation figure." (Lundholm et al. 2001)[**23**]

When attempting to determine the intrinsic value of any asset, analysts from investment banks and other financial sectors most frequently employ and rely on the discounted cash flow (DCF) methodology. To do this, each analyst must project the company's cash flows and determine the discount rate or rates that best reflect the riskiness of those cash flows. In addition, the analyst sets assumptions about the industry and the firm to be included in the capital investment assumptions, income statement assumptions, and balance sheet assumptions that would be reflected in a DCF model.

According to Damodaran (2005) [**9**], analysts perform valuation exercises using a wide range of models, from the most basic to the most complex.

However, a valuation exercise is always a function of three crucial aspects, according to Luehrman (1997)[**24**]: cash, risk, and timing. As one comes to the conclusion later in this section, these aspects are handled differently in accordance with the various methodologies used, which partially explains the various valuations they produce.

In the other hand, it is referred by Young et al. (1999) [**31**] the execution of different valuation techniques result in comparable results if the assumptions made are accurate and consistent. Thus, different techniques are presented in the next sections.

1.2. Discounted Cash Flow (DCF)

According to the features of the firm, the information needed, and the desired outcomes, various methodologies may be used to value the company, as was previously indicated. However, it appears that the Discounted Cash Flows (DCF) model is the most widely used approach. The approach involves predicting future cash flows to the business, discounted at a rate that appropriately captures its risk. Additionally, this approach can be used with either the Free Cash Flows for the Equity (FCFE), which only shows the cash flows available to the firm's shareholders, or the Free Cash Flows to the Firm (FCFF), which shows all sources of capital to the enterprise.

In order to obtain the different FCFF across time, it is required to forecast the future cash flows of the company. The time period chosen can differ according to the state of the company. If the company is already operating on a steady case it is not required to perform this type of analysis for the usual 5 to 10 years. So for the case of Disney it is required to add the yearly income after tax of each period plus the depreciation and amortization values and finally subtracting the capital expenditures and increments on working capital. Thus, after the FCFF for each period are obtained, they are discounted at an interest rate that represents weighted average cost of capital (WACC) with both equity and debt costs in consideration. Finally the value of the company, can be calculated by the Enterprise Value (EV) formula as:

$$EV = \sum_{t=1}^{N} \frac{FCFF_t}{(1 + WACC)^t} \tag{1.1}$$

Where:

$FCFF_t$ is the Free Cash Flow to the firm for the period t

$WACC$ is the weighted average cost of capital

In terms of FCFE, it is required to forecast the cash flows from operations and companies new debt and subtracting the effect of capital expenditures and major repayments to debt-holders. In this case, we will no longer use WACC to discount the different cash flows of the firm. Thus, the cost of equity (R_e) is now considered to represent a cost of opportunity for the shareholders of the company. The equation for the Equity Value is the following:

$$EquityValue = \sum_{t=1}^{N} \frac{FCFE_t}{(1 + R_e)^t} \tag{1.2}$$

Where:

$FCFE_t$ is the expected free cash flow to equity for the period t

R_e is the cost of equity

A relation between FCFF and FCFE can be derived with the following equation:

$$FCFE = FCFF - InterestPayments(1 - T) - PrincipalRepayments + NewDebt$$

The decision of using FCFF or FCFE is strongly related to the capital structure of the company. FCFF approach is preferred if the company shows high levels of leverage or shows negative FCFE patterns.

One of the dangers related to the DCF model is the incorrect cash flows forecast. Since it is tried to "predict the future", one have to continually to have present that the values achieved can also be unreliable. Consequently, as the forecasting time duration increases, the risk of failing will increase as well, diminishing the accuracy of the valuation. Therefore, after the analysis of the explicit period is performed it is important to add the concept of Terminal Value (TV) to the Discounted Cash Flow formula as follows:

$$DCF_{Valuation} = \sum_{t=1}^{N} \frac{CashFlow_t}{(1+R)^t} + \frac{TerminalValue_N}{(1+R)^N} \tag{1.3}$$

Where:
R is the discounted rate computed to perform the DCF Valuation
$CashFlow_t$ is the the cash flow recorded by the company in the period t
$TerminalValue_N$ is the terminal value recorded in the last explicit period N;

Terminal value is calculated by dividing the last cash flow forecast by the difference between the discount rate and terminal growth rate. The terminal value calculation estimates the value of the company after the forecast period. under the assumption that perpetual reinvestment of cash flows is made by the company, we can assume that the company is set to grow in perpetuity. So, Terminal Value (TV) can be computed for the Cash Flow in the last explicit time period N and discounted rate (R) as:

$$TV_t = \frac{CashFlow_N \times (1+g)}{(R-g)} \tag{1.4}$$

Where:
g is the terminal growth rate
R is the discounted rate computed to perform the DCF Valuation
$CashFlow_N$ is the cash flow recorded by the company in in the last explicit period N

1.3. Discount Rate

The discount rate is the interest rate at which cash flows should be discounted in order to account for a company's opportunity cost and risk; it is used to calculate the present value of those cash flows. The cost of capital will rely on the risk a firm is exposed to as well as its capital structure, as was already established. Due to the ease of calculation and Luehrman (1997)[**24**] claim that it may take into account the tax benefit from the company's borrowings, the Weighted Average Cost of Capital (WACC) has been regarded

as the preferable rate to discount cash flows on valuation exercises. The following is its formula:

$$WACC = \frac{E}{E+D} \times R_E + \frac{D}{E+D} \times R_D \times (1-T) \tag{1.5}$$

Where:
E represents the market value of Equity, D is the market value of Debt,
R_E is the cost of equity
R_D is the cost of debt and T is the applicable Tax Rate.

1.4. Cost of Debt

Van Binsbergen et al. (2010) [**28**] cite that numerous studies examine the elements influencing capital structure and company financial decisions. In a lot of theoretical work, corporations determine their ideal debt ratio by weighing the benefits and costs, characterizing the decision between debt and equity in a trade-off scenario. Historically, tax benefits from interest deductions have been viewed as the main advantage of debt.

According to Damodaran (2006) [**8**], the cost of debt gauges the firm's present cost of debt, or the cost of borrowing money to finance a certain project (2006). The cost of debt is equal to the risk-free rate plus the corporate default spread plus any tax benefits connected with debt, separating the before-tax cost of debt from the after-tax cost of debt, and separating the book value from the market value of debt (see, for example, Berk et al. (2011))[**2**]. If there is enough market liquidity, we can use the implicit yield-to-maturity (YTM) of the outstanding long-term bonds to determine the default spread.

The yield-to-maturity (YTM) technique is recommended by Koller, T., Goedhart, M., Wessels, D. (2010) [**21**] for businesses having publicly listed long-term debt. The annual return a bond investor would receive if he bought it today and held it until it matured is known as the YTM. In other words, it is the ratio of the bond's market price to the present value of its payments.

Demirci et al. (2020) [**12**] cite another technique used by mostly used practitioners the last fiscal year end Interest Expense divided by the latest two-year average debt to get the simplified cost of debt.

Another issue may arise when executing the YTM method. Liquidity on the bond market can mislead the results for the computation of Disney´s cost of debt. Thus, we calculate the YTM (%) of Disney´s most liquid issued bond using its price at 31/12/2021 in order to obtain the cost of debt of the company.

Other strategy, according to Damodaran (2002) [**10**] is to consider the company's credit rating as determined by credit rating organizations like SP, Moody's, and Fitch. Using that supplied rating, a yield spread over US treasuries can be calculated. The cost of debt for the corporation can then be calculated by adding that yield spread to the

risk-free rate. This strategy is especially helpful for private businesses without a readily discernible cost of debt in the market.

Since Disney is a public traded company we will then just use the most liquid bond YTM(%) and Interest Expense techniques, being the latter a confirmation for the result found in the former.

1.5. Cost of Equity

The most prevalent risk and return model for determining the cost of equity is the Capital Asset Pricing Model (CAPM). Damodaran (2002) [**10**] claims that the model is predicated on the notion that investors are well-diversified and concerned with systematic risk, necessitating a compensation for the risk added to his "market portfolio" and calculated by the company's beta.

Using the CAPM model we obtain the following formula for the Cost of Equity (R_e)

$$R_e = R_f + \beta_L \times (E(R_M) - R_F) \tag{1.6}$$

Where:
R_f represents the risk-free rate on the market
$E(R_M)$, is the expected return on the market
β_L is the leveraged beta of the company which can be computed as:

$$\beta_L = \beta_U \times (1 + (1 - T) * \frac{D}{E}) \tag{1.7}$$

Where:
β_U is the Unlevered beta of a company
T Is the effective Tax Rate
$\frac{D}{E}$ is the Debt-to-Equity Ratio

1.6. Market Risk Premium

Damodaran (1999) [**11**] states that every risk and return model in finance revolves around equity risk premiums. Given their significance, it is astonishing how haphazardly equity risk premium assessment is still done in practice. The traditional method for calculating equity risk premiums continues to be the comparison of historical returns, with the yearly return differential between stocks and bonds over a lengthy period of time being used to calculate the predicted risk premium. We point out the drawbacks of this strategy, even in markets like the US where extensive historical data is accessible, and its total failure in developing countries where historical data is typically sparse and noisy.

Using a base equity premium and a nation risk premium, the article makes suggestions for how equity risk premiums for certain markets can be computed. Finally, it presents a different method for calculating stock risk premiums that doesn't depend on past data and offers up-to-date figures for the majority of markets. On Professor Aswath Damodaran's computations webpage at NYU, it is possible to use these calculations but it is more accurate to use official Bloomberg data.

1.7. Adjusted Beta Techniques

Blume (1975)[**3**],Professor of Finance at the University of Pennsylvania, put forth the Blume Technique. Blume asserts that betas have a propensity to converge towards the mean of all betas. By correcting past betas, he describes the propensity for the beta to revert to 1, presuming that the correction in one era is a reliable estimate in the following period.

His studies were based on considering betas for a stock in period 1 ($\beta 1$) and the beta for the same stock in period 2 ($\beta 2$). The beta for period 2 are also regressed against the betas for period 1, yielding the equation shown below:

$$\beta_2 = \beta_0 + b1\beta_1 \tag{1.8}$$

Another important contribution in this topic is mentioned in Vasicek (1973) [**29**].By changing each beta in accordance with the beta's sampling error, the author converted earlier betas to the average beta. The Vasicek technique entails taking a weighted average of 1 and the historical beta for security j if 1 represents the average beta across the sample of equities during the historical period.

Depending on the stock, the time period and sample size we can distinguish three type of regressions to be made depending on the type of return that we want to consider. The most common is to regress 5-year monthly returns, but it is also possible to do the same for weekly or even daily returns. The best way to decide between these options is to choose the regression which shows a higher value for the correlation coefficient (r) and Coefficient of Determination (R^2) which are computed as following:

$$r = \frac{\sum(x_i - \overline{x})(y_i - \overline{y})}{\sum(x_i - \overline{x})^2(y_i - \overline{y})^2} \tag{1.9}$$

Where:
$\overline{x}$ is the average of the independent variable observations
$\overline{y}$ is the average of the dependent variable observations

and the Coefficient of Determination (R^2):

$$R^2 = \frac{\sum(\hat{y}_i - \overline{y})^2}{\sum(y_i - \overline{y})^2} \tag{1.10}$$

Where:
$\hat{y}_i$ is the regression predicted value for the dependent variable y
$\overline{y}$ is the average of the dependent variable observations

R^2 evaluates how well a model fits the data. The R^2 coefficient of determination in regression is a statistical indicator of how closely the regression predictions match the actual data points. When the R2 value is 1, the regression's predictions accurately reflect the data.

According to Jayasuriya et al. (2008)[**18**] , all organizations betas have a general propensity to converge over time. This fact is intuitive. Over time, beta mean reversion occurs because most businesses have a tendency to expand in size, diversify their portfolios, and acquire more assets. The study find that "markets that exhibit divergence (in betas estimation) still show significant correlation with the U.S. market".

Another important empirical result comes from the most well know financial data provider: Bloomberg. Both the Raw Beta and the Adjusted Beta are reported by Bloomberg. The future beta of a security is predicted by the adjusted beta. While using the stock's historical data, it makes the assumption that a security's beta will eventually move toward the market average. The equation reads as follows:

$$\beta_{adjusted} = \beta_{raw} \times \frac{2}{3} + \frac{1}{3} \tag{1.11}$$

Thereafter there are conditions to compute the Weighted Average Cost of Capital, by including also the cost of debt and the tax rate.

1.8. Risk free rate

Since it is the most reliable risk-free rate on the market, Koller et al. (2010) [**20**] and Damodaran (2002) [**10**] recommend adopting a 10-year government bond (of the nation where the company conducts the majority of its business) as the best proxy for the risk-free rate. Because it can be challenging to estimate or find an accurate proxy, Koller et al. (2010) [**20**] recommend using historical returns and extrapolating them to calculate the equity risk premium, which is the excess return over the risk-free rate gained when investing in a stock as a compensation for the additional risk.

1.9. Discount Dividend Model (DDM)

According to Damodaran (2006)[**8**], the Gordon Model states that the value of a company results from its expected dividends in the next period, its cost of equity and its expected growth rate in dividends in perpetuity.

The Discount Dividend Model (DDM) is a quantitative technique for forecasting the price of a company's stock based on the idea that, when discounted back to their present value, all of the company's future dividend payments are worth the present price of the stock. It considers the dividend distribution criteria and the market expected returns in an effort to determine the fair value of a company regardless of the current market conditions.

The formula for computing the stock value of a company is very straightforward using again perpetuity concepts as it follows:

$$Value_{stock} = \frac{E(Div_{t+1})}{R_e - g_{div}} \tag{1.12}$$

Where:

$E(Div_{t+1})$ is the expected dividends per share in the next period

R_e is the cost of equity
g_{div} is the dividend growth rate.

The two-stage Dividend Discount Model, which seeks to close the gap left by the Gordon Model's assumption of a constant growth rate, can be used to generate a more accurate model. The dividend growth rate is initially unstable in this model, but once it reaches steady state, it becomes stable and constant forever.

$$DDM_{2-stage} = \sum_{t=1}^{N} \frac{D_t}{(1+R)^t} + \frac{\frac{D_N(1+G_2)}{R-G_2}}{(1+R)^N} \tag{1.13}$$

Where $\sum_{t=1}^{N} \frac{D_t}{(1+R)^t}$ is related to the first stage of growth and $\frac{\frac{D_N(1+G_2)}{R-G_2}}{(1+R)^N}$ is related to the second stage. This improved model accounts for more volatile dividend activity, and thus can lead to more accurate results when compared to the simplest Gordon Growth Model which a particular case for this model with just one stage.

The main drawbacks on the DDM Models are:

- The company must pay dividends- This problem arises in our case since 2019
- The DDM's value computation, which makes a number of assumptions about things like growth rate, needed rate of return, and tax rate, is another drawback. This includes the DDM model's presumption that earnings and dividends are connected.
- The DDM is also criticized for ignoring the implications of stock buybacks, which can significantly impact the amount of stock value that is returned to shareholders. Ignoring stock buybacks highlights the DDM's flaw, which is generally too conservative in estimating stock value. In contrast, share buybacks instead of dividends are more favorable in other nations due to their tax systems.

1.10. Valuation Multiples

According to Damodaran (2006)[**8**], the objective of relative valuation is to assign a value to assets based on the cost of comparable ones in the market. Relative valuation is frequently employed and effective in financial studies even though it is not thought to be the optimum valuation method. It is a practical instrument that is simple to use and provides investors with a broad estimation of the asset under consideration in relation to the market as a whole.

The multiples approach is appealing since it is not a challenging practical practice. Finding comparable companies that are priced in the market, which Damodaran (2006) [**8**] defines as those that display similar risk, cash flows, and prospective growth as the company under analysis, is the first stage.

According to Lie et al. (2002) [**22**], there is no consensus regarding the optimal practices for multiples. However, they found out that multiples diverge significantly according to company size or profitability.

Although the price-to-earnings multiple is the one that is most frequently utilized in financial analysis, capital structures have a significant impact on it. Since the P/E ratio increases with leverage, it can be misleading when used to companies with negative earnings because in this case the P/E ratio has no relevance. It can also be misleading when applied to corporations with increasing debt levels. Since it is less vulnerable to changes in the capital structure, using the enterprise value to EBITDA multiple is a reasonable substitute. But if a change in capital structure lowers the cost of capital and raises the multiple as a result, this could also be deceptive. In this case the best solution is to use a sum of the parts approach to a P/S multiple valuation method in order to support this method. The EV/ Revenue and the EV/ EBITDA are also interesting multiple to analyse in relative valuation.

Another important definition for this type of analysis is the concept of Peer Group. A peer group of a company can be defined as a group of companies that share some characteristics with the company analyzed, being therefore acceptable to use them as comparative companies for valuation purposes.

As a result, multiples are more helpful in the second stage of the valuation, according to Fernández (2002) [**15**] and Kaplan Ruback (1995)[**19**], only after carrying out the valuation using a different technique, specifically the DCF valuation and DDM valuation. Together, the three techniques offer a more precise range of appropriate company values (Steiger, 2010)[**27**]. The best alternative is to compute four common multiples so that is easier to attribute a weight to each one of the company segments: Price/Earnings, EV/Revenue, EV/EBITDA and EV/EBIT. After that we can compute an average of the four estimates found.

According to Brotherson et al. [**4**], many times it is important to assess a business trough it specific segments in order to better understand their unique characteristics and only then we should look at the company at a whole unit by taking the Sum of the Parts of this different segment sub-units.

1.11. Conclusion

In conclusion two different methods are going to be taken into account:

- The Enterprise Value of the Walt Disney Company will be determined when all Cash Flows have been discounted using the correct rates and time-frame in accordance with the valuation date. The Net Market Value of the Debt will then be subtracted to get the Equity Value. The final price objective for The Walt Disney Company stock is then determined by dividing that figure by the total number of shares outstanding which is the volume of stock shares issued by the company and in the hands of the public. This number entails how much is being traded in the open market.

- To get yet another perspective on Disney's worth, we also use a relative valuation technique. We initially do market research to find comparable businesses for each business category. The selection of companies is based on factors including market capitalization, business similarity, and having a substantial global presence. Then, we compute the Implied Enterprise Value for each one of Disney´s Business segments using the Price/Earnings, EV/Revenue, EV/EBITDA and EV/EBIT ratios. In the final stage we perform a Sum Of Parts to value the company as whole and find the implicit Disney share price.

- We are not going to confirm our price target by executing a two-stage DDM analysis. This model would have to assume that Disney would return to pay regular dividends. In other hand, even if Disney starts to perform buyback strategies instead of paying dividends DDM models ignore this type of operations.

  Even though the methodology is straightforward, it is not thought to be the most appropriate way to assess Walt Disney because the corporation has a well defined dividend policy. The Walt Disney Company has not made any dividend payments or buybacks since the COVID-19 pandemic.

CHAPTER 2

Data

It is important to assess the accuracy of the data gathered and later used in constructing the two value models that will be employed in the Discounted Cash Flow Model and Multiple Analysis chapters. They will determine how trustworthy this Equity valuation project is overall.

The Discounted Cash Flow Model and the Relative Valuation using Multiples are described in the Literature Review chapter and are used to value companies based on their respective historical financial data and macroeconomic situation. Nonetheless, an accurate selection and treatment of this data is critical in a valuation project.

Therefore, the data that will be considered in the following chapters will be obtained in reliable sources only, such as the official Annual Reports of The Walt Disney Company and other cited companies, and the official Bloomberg Terminal. In case any additional website or paper is discussed, it will be properly identified along the report and in the References chapter.

CHAPTER 3

Macroeconomic Overview

The year 2021 saw several promising economic advancements. The economy recovered from the pandemic's early rapid drop and significant employment losses. But much effort needed to be done to keep the economy moving forward and create a system that is really inclusive. In order to properly analyse the Macroeconomic scenario for Disney an analysis is performed to four key regions for Disney across the Globe: United Sates, Europe, Asia and Pacific (APAC) and Latin America and Caribbean (LATAM).

3.1. United States

3.1.1. Economic growth rebound

In the spring of 2021, the economy experienced a new surge of growth, which can be attributed in large part to increased government intervention in the form of the American Rescue Plan. The economy swiftly recovered all of the output that had been lost since the start of the pandemic. In terms of inflation-adjusted size, the economy has grown by the second quarter of 2021 compared to the fourth quarter of 2019, right before the pandemic began. Within 18 months, there was a remarkably quick reversal. In contrast, during and after the Great Recession, the economy recovered to its pre-recession level from the fourth quarter of 2007 again in the fourth quarter of 2010: three years later.

3.1.2. Jobs recovery

Through November 2021, the American labor market added 6.1 million jobs. This equates to an annualized employment growth rate of 4.6% for the first 11 months of 2021, or a monthly average of 555,000 new jobs. This is a significant increase from the modest annualized rate of 1.8% job growth in the last three months of 2020. Then, as government aid for many families had ran out, the economy was being gripped by a big winter virus epidemic. The American Rescue Plan and a significant vaccination drive both contributed to stabilizing the economy in 2021. In the US,the largest job growth (2.3 million) was seen in the leisure and hospitality industry, which however still had 11.2% fewer workers than in February 2020. Professional and business services added 1.1 million jobs, the second-highest number of any industry, and by December 2021, employment levels were similar to those prior to the pandemic.

3.1.3. Wages out-passed inflation

In order to discover or change to higher-paying positions with wage increases that outpaced inflation, many people could take advantage of the high labor demand. This was particularly true for a number of low-paying jobs. From December 2020 to October 2021,

hotel and restaurant wages increased by 8.6% after adjusting for inflation. During that time, pay for child care employees increased by 2.5%, while during the first ten months of 2020, pay in nursing facilities increased by 0.3%, barely keeping up with inflation.

3.1.4. Inflation concerns for 2022

Consumer prices were 7.5% higher in January 2022 than January 2021, the largest 12-month change in 40 years.

3.2. Europe

3.2.1. Real GDP growing now at lower pace

The ECB Economic Bulletin states that real GDP growth in the euro area slowed in the final quarter of 2021 after two quarters of rapid expansion, but it still reached its pre-pandemic level by the end of the year. For a number of factors, economic activity and demand are projected to remain subdued in the first half of 2022. First, customer services are being impacted by containment efforts, especially the ones that require the most engagement. However, despite the fact that infection rates are still very high, the pandemic's effects on the economy are beginning to lessen.

3.2.2. High energy costs are a threat

High energy prices are limiting consumption and investment since they are lowering household purchasing power and company revenues. Thus, some industries continue to struggle with a lack of workers, materials, and equipment, which slows down building, hinders manufacturing, and slows the recovery of portions of the services sector. Although there are some indications that these bottlenecks may be beginning to diminish, they will likely continue for some time.

3.2.3. High inflation scenario

From 5.0% in December 2021, inflation rose to 5.1% in January 2022. In the foreseeable future, it is probably going to stay high. The main driver of the high rate of inflation is still the cost of energy. Over half of the headline inflation in January was directly related to it, and energy costs are also driving up prices in many more sectors. Due to seasonal variations, rising transportation costs, and rising fertilizer prices, food prices have also gone up. Additionally, price increases have extended more widely, with a significant number of goods and services seeing an increase in price. The majority of inflation indicators have increased in recent months, but it is unclear if these rises will last given the transient pandemic factors at play.

3.2.4. Quantitative easing here to stay

Policy actions helped to sustain money creation in the euro area, which continued to normalize in December 2021 as a result of base effects. The major way that money is created continues to be *via* Eurosystem asset acquisitions. Despite rising pandemic-related risks, growth in loans to businesses increased thanks to favorable financing circumstances and an improving economy. According to the most recent survey of lending by euro area banks, loan demand increased in the fourth quarter of 2021 while credit requirements for housing loans remained stable while tightening only marginally for loans to businesses.

3.3. Asia and Pacific

3.3.1. New three growth risks

Over the past few decades, the global economy has been more integrated, which has increased the enforcement through both financial and real channels. Because of how important China and the United States are to the global economy, changes in these two nations have a significant macroeconomic impact. Through trade relations, countries in the area might be impacted by shocks to GDP or investment in China that indicate a structural slowdown and regulatory changes. Through the network of interconnected financial markets, changes in monetary policy or financial markets in the United States as a result of policymakers' responses to rising inflation or market corrections may have an impact on economies throughout the world, including East Asia. The East Asia and Pacific region (EAP) could (as unfortunately we know now it is true) experience shocks as a result of the conflict in Ukraine and the corresponding sanctions if the supply of certain commodities is disrupted, financial stress is raised, and world confidence is decreased. Limited amounts of products, services, and capital are imported and exported by the region that are directly dependent on Russia and Ukraine.

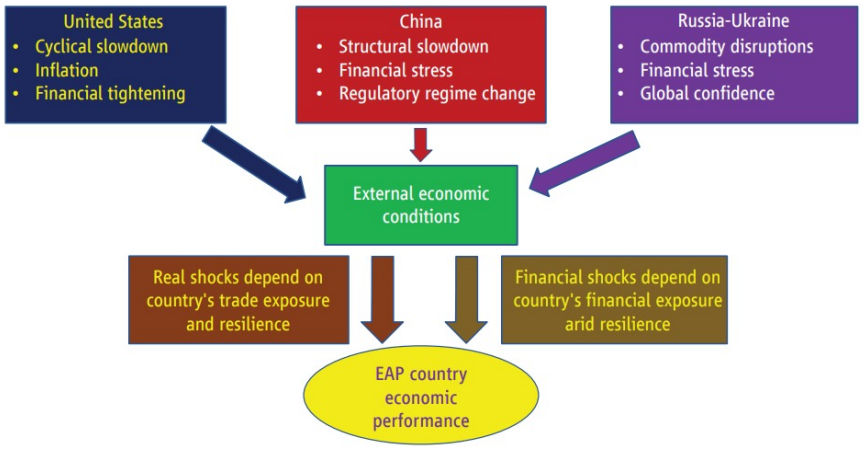

FIGURE 1. Three international developments shaping external conditions, **Source**: World Bank

According to the baseline scenario, regional growth is predicted to slow from 7.2% in 2021 to 5% in 2022, which is 0.5% slower than anticipated in October 2021. The main

cause of the decreasing growth will be China, where after a comeback of 8.1% in 2021, growth would decrease to 5% in 2022. The acceleration will be smaller than the 5.2% anticipated in October 2021, even if growth in the remainder of the area is predicted to return to 4.8% in 2022 from 2.6% growth in 2021.

3.4. Latin America and Caribbean

3.4.1. Low productivity levels

In 2021 Latin American and Caribbean region (LAC) productive structure, by-sector specialisation and business structure did not contribute to regional integration. LAC has failed to make long-term productivity improvements that would enable it to maintain higher growth. The productive structure of the LAC region is poorly diversified, concentrated in industries with little added value, and exports are largely made up of products with low technological content. Only 24% of the average GDP growth in LAC over the past 20 years has come from advances in labor productivity; 76% of it has come from job expansion. This tendency is in contrast to that of nations like China and India, where production contributes 96% and roughly 80%, respectively.

The limitations imposed by the region's production structure on technical change and diversification opportunities and incentives.

3.4.2. Limited capacity on the monetary front

The amount of room for stimulating activity during the transition to normalcy will depend on the policy space available before to the crisis and how much of that space has already been used up by the various countries. In LAC in 2020, monetary policy responses varied widely. For the first time in their histories, central banks in nations with credible monetary regimes (e.g. independent central banks with inflation targeting regimes) and well-anchored inflation expectations implemented counter-cyclical measures by dropping nominal interest rates to historical lows. This issues tend to ease a more hawkish policy by the Central Banks.

3.5. Main indicators comparison

In this section a comparison between the different regions Macroeconomic outlook for the last 10 years is made. The key factors chosen to perform this analysis are the real GDP % percentage change , the average consumer price index in % , the unemployment rate in % and the Debt-to-GDP ratios to access the level of leverage used by the different regions. **The US is represented in white, Europe in orange, the APC in yellow and LATAM in red.**

3.5.1. Real GDP

The Real GDP % change is set to to follow the trend from the last years in the next decade. We now observe to a consistent growth by the Latin America and Caribbean countries since 2020 when compared to a more steady performance for Europe who recovered more slowly as seen below:

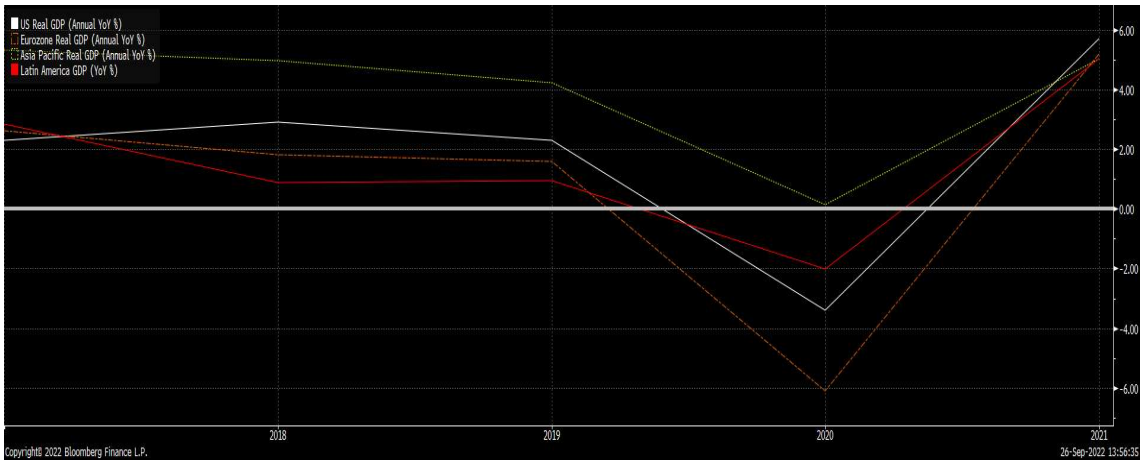

FIGURE 2. YoY% Real GDP change by region, **Source**: Bloomberg

3.5.2. Average consumer price index (CPI) in %

In Arbel et al. (1991) [**1**] the authors reflect the effects to a so far known "inflation-proof" industry : "the hotel industry is generally perceived to be inflation proof and to have been "smart" about its room-rate pricing policies during times of inflation, may not have been so smart in recent years". Quantitative studies perceived that pricing mistakes were already being make in the time the article was elaborated. The authors warn for the " insurmountable problems in hotels unless the industry changes its pricing policies" which applies directly to Disney´s case in a post-lockdown environment where central banks tend to take hawkish positions to combat inflation.

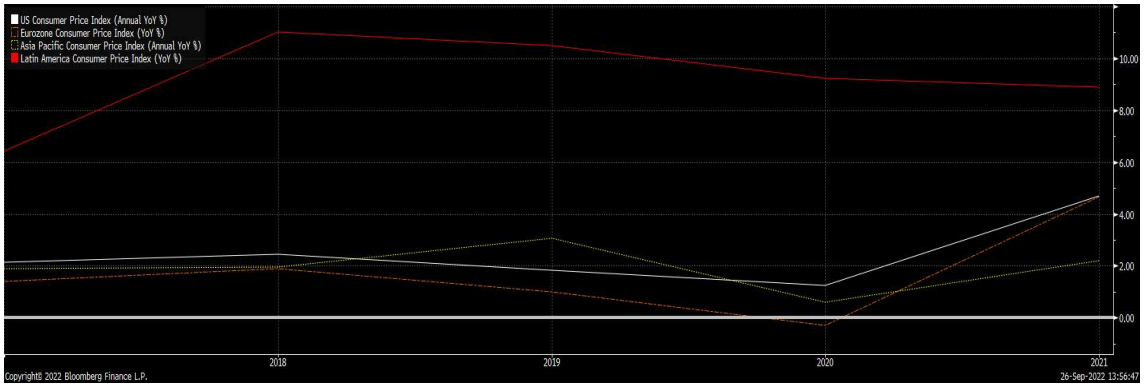

FIGURE 3. YoY% CPI change by region **Source**: Bloomberg

3.5.3. Yearly unemployment rate in %

Fuhrer (1995)[**17**] states in his well known article that "The literature review and empirical results are gloomy and indicate that Phillips curve forecasts (broadly interpreted as forecasts using an activity variable) are better than other multivariate forecasts" . This results show that in an high inflation environment wages tend to rise and unemployment tend to decrease. This conjecture is corroborated by the following exhibit as the yearly unemployment rate keeps steady trough recent years and projections for next years.

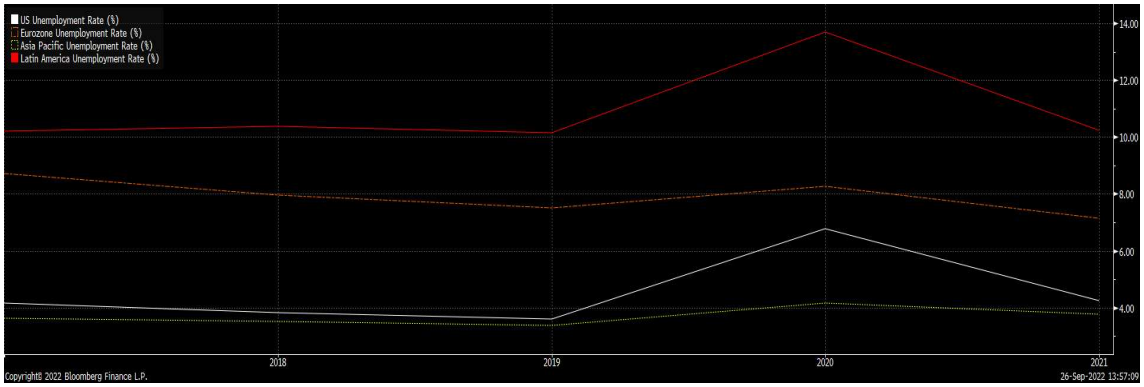

FIGURE 4. Yearly unemployment rate in % by region, **Source**: Bloomberg

3.5.4. Debt-to-GDP ratio

Chudik et al. (2018) [**5**] state that " While there is no simple universal threshold above which debt-to-GDP becomes a significant brake on growth, based on data from the last four decades we show that high and rising public debt burdens slow down growth in the long term". We can see from the exhibit below that developed countries are the ones which show an upwards trends in this ratio leading to more debt-dependent economies that may suffer in the long run, thanks to lower interest rates and quantitative easing, specially since the lock-downs of 2020 and 2021.

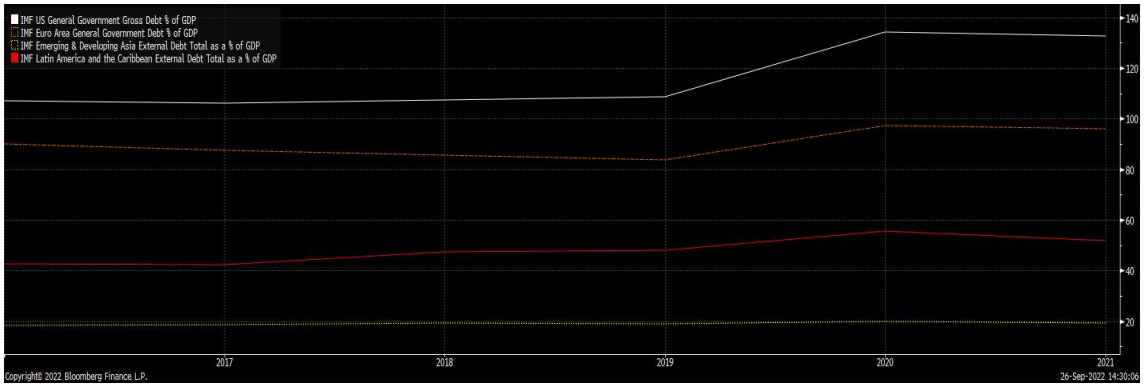

FIGURE 5. Yearly Debt-to-GDP ratio in% by region, **Source**: Bloomberg, IMF Data Base

CHAPTER 4

Industry Overview

4.1. TV Broadcasting Sector

An enormous shift in media content, and more importantly, its distribution, has been observed during the past several years. Numerous business opportunities, particularly those related to the distribution and consumption of digital information, as a result of this emerged.

The sector has become more competitive as a result of the ease of access to all types of content, notably through mobile devices, which allows customers to choose what they want to watch and when. In order to please their target clients, businesses must therefore modify their strategy. In actuality, this adaption process had already produced effects because businesses today sell multi-platform items to meet the demands of new, picky clients. It is now possible to get nearly every cable's channel content for a lower price which implies a cord-cutting on cable subscriptions.

Lockdowns brought by the pandemic may have benefited some media, but regular pay TV is not one of them. In fact, the most subscribers ever will be lost by cable, satellite, and telecom TV providers.

31.2 million US households collectively no longer had cable TV by the end of 2020 and 6.6 million homes stopped watching pay TV. More than one-third of US homes will no longer have pay TV by 2024.

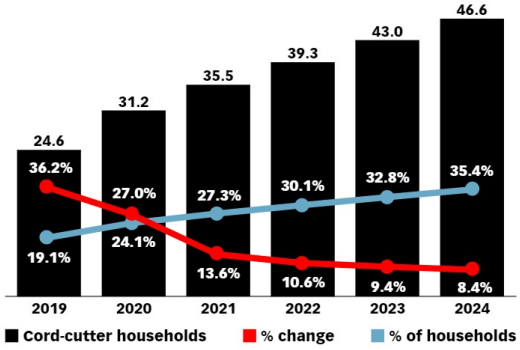

FIGURE 6. US Cord-Cutter Households 2019-2024, Millions % change and % household, **Source:** Marketer

4.1.1. Film Entertainment Sector

The American film and television business supported 2.5 million employment and 181 billion USD in total salaries in the United States in 2019. The primary industry of creating, promoting, and manufacturing movies and television programs supported close

to 320,000 jobs. The distribution of movies and television shows to customers involved an additional almost 573,000 jobs, including those at theaters, video stores and rental businesses, broadcasters of television, cable providers, and online video services. The thousands of businesses that do business with it, including shops, caterers, dry cleaners, florists, suppliers of hardware and lumber, and florists, provide indirect employment as well.

The COVID-19 situation continues to provide challenges, but the U.S. film and television production sector is still one of the most fiercely competitive in the world. The enduring worth and international allure of American entertainment generated 16.3 billion USD in audiovisual exports in 2019. Despite a much more encouraging outlook for 2022, the key question is that the new normalized level of domestic box will be. It is estimated that the risk from shorter windows in general could have shave off as much as 10% of domestic box.office sales.Thus, with delays and scheduling changes, a worry that comes up is the overcrowding of releases.

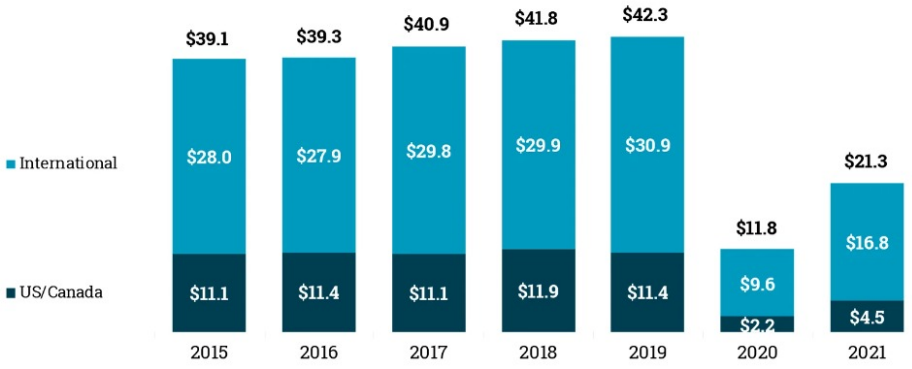

FIGURE 7. Global Box Office Revenues- All Films (US$B), Published on Marketing Charts.com , **Source**: Motion Picture Association (MPA)

4.1.2. Videogame Sector

Video games, the medium most popular with young people, are one of the industries growing the fastest. The overall revenue from video games (excluding e-sports) was 214.2 billion USD in 2021, and it will increase at a CAGR of 8.4 % to 321.1 billion USD in 2026 (The industry is one of only three to increase its base revenue by more than 100 billion USD throughout the projection period; the other two are internet access and online advertising.) In 2017, only 6.1 % of all Entertainment & Media expenditures were spent on video games globally. They will represent 10.9% of the market by 2026 as the niche gets more popular. The fast rising investment in in-app advertising will boost revenues. In 2021, about half of all gaming and e-sports revenue was generated outside of China and the US.

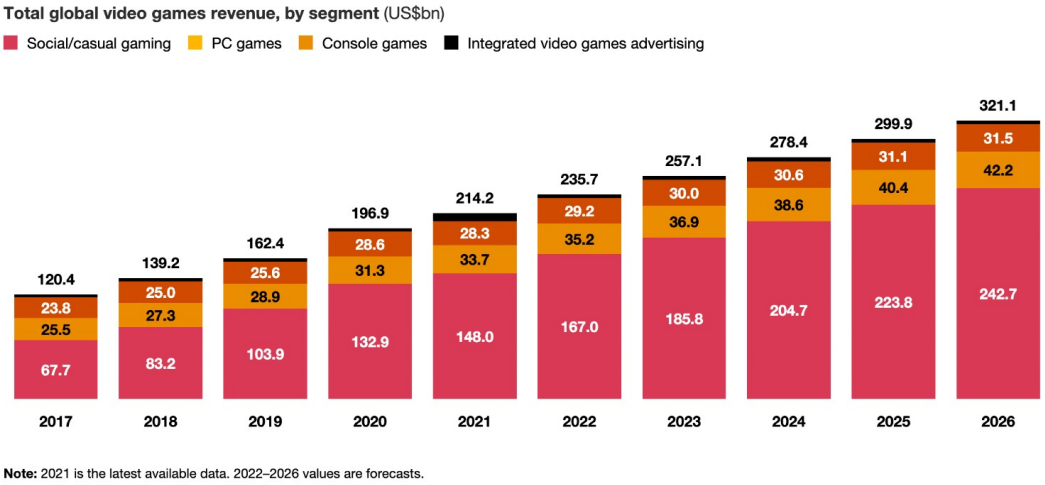

FIGURE 8. Total global video games revenue, by segment (US$bn), **Source**: PwC's Global Entertainment Media Outlook 2022–2026, Omdia

4.1.3. Tourism and Hotel Sector

The global market for hotels and resorts reached its peak in 2019 at 1.52 trillion USD. The coronavirus (COVID-19) pandemic caused the market size to fall under one trillion dollars in 2020 and 2021. The market was anticipated to be worth 1.06 trillion USD in 2022.

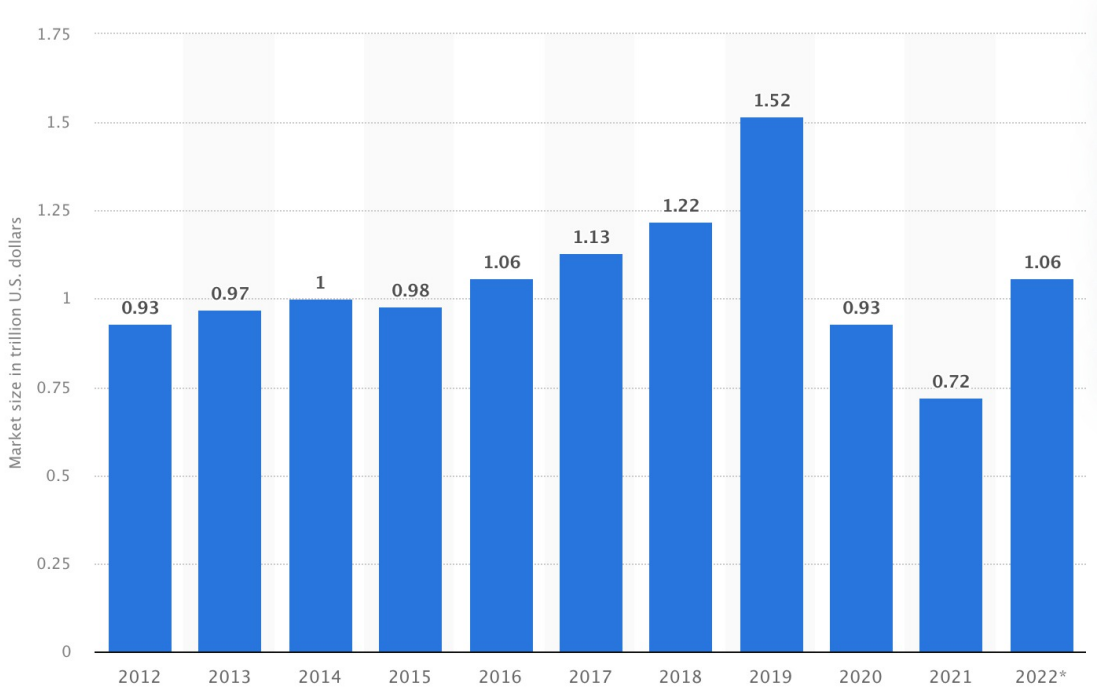

FIGURE 9. Market size of the hotel and resort industry worldwide from 2012 to 2021, with a forecast for 2022(in trillion U.S. dollars)), **Source**: Statista.com

However, for the travel industry, 2022 is about more than just seeing an increase in hotel occupancy rates and an increase in the number of passengers flying in and out of airports. There will be some trip kinds that perform better than others, and some demographic groupings will under-perform others. Our manner of living and working has changed as a result of the pandemic. After the health crisis passes, some of those changes are probably going to continue to have an impact on tourism.

The Delloite travel outlook for 2022 points for more than half of the laptop luggers added three or more days to the duration of their longest leisure trip due to remote working : "Working vacationers were more than twice as likely to increase the budget for their leisure trip as compared to 2019".

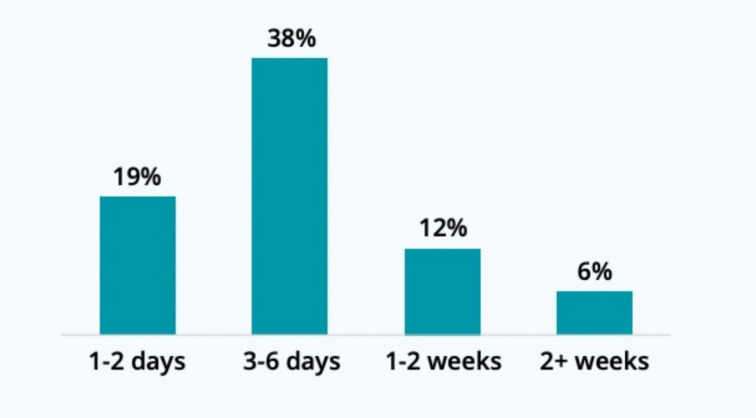

FIGURE 10. Trips extended by number of days by remote workers,
Source: Deloitte 2021 Holiday Travel Survey, N=633.

4.1.4. Consumer Products Sector

The year of 2022 is probably going to be very profitable for the consumer products (CP) sector. Driving more revenue is the top objective for executives in Deloitte's 2022 outlook poll, just like it was last year (93%). Companies' "no-regret moves" made amid the unpredictability of the previous year are paying off. Additionally, despite increased prices, at least half of the CP companies questioned anticipate growing operating margins. This is in line with a climate that supports boosting consumer pricing, which is a big reason why two-thirds of publicly traded corporations are now reporting larger profit margins than they did prior to the pandemic.However, Deloitte's 2022 outlook states that there would probably be some serious difficulties in 2022 as well. There are issues with the supply chain that are unlikely to be entirely or quickly resolved, labor is difficult to find and retain, and costs of all kinds are rising swiftly. Each is influencing the industry's capacity to experience the desired growth. In the year 2022 Delloite report states that "Two-thirds of executives surveyed said that building trust was their company's highest priority, and even more said it was their company's most valuable asset". Consumers, partners, and employees get to decide for themselves how much they trust your company. Thus Consumer Products companies will have to have present three main aspects: Increasing transparency, Expanding digital engagement and Investing in the future of work.

CHAPTER 5

The Walt Disney Company

5.1. Company history

"We keep moving forward, opening new doors, and doing new things, because we're curious and curiosity keeps leading us down new paths."- Walt Disney

The Disney Brother Studios, later known as The Walt Disney Company, was created in 1923 by Walt Disney and his brother Roy O. Disney. The introduction of Mickey Mouse in 1928, along with Minnie Mouse and Donald Duck, would provide the groundwork for a business that has expanded beyond animation. Walt decided to produce Snow White and the Seven Dwarfs, the company's first-ever full-length animated picture, in 1934. He explained his animators the plan by acting out the plot for them. The multiplane camera was developed during the filming of the story to give the backgrounds the appearance of depth. It was made of pieces of glass with drawings on them that were placed at various distances.

With the money made from this animated movie, Walt Disney was able to build the Walt Disney Studios, a studio complex in California where the firm is still based today. The Walt Disney Music Company was established in 1949 to contribute in generating revenue for merchandising, as it was anticipated that the soundtrack to the animated picture Cinderella would be a triumph. The first entirely live-action film, Treasure Island, the return to traditional animated movies with Cinderella, and the debut of a Disney television special over the holiday season were all notable accomplishments for the company in 1950. Walt was never happy with the work he had already done. He believed that there should be a park where families could go and enjoy themselves. This was how Disneyland got its start. The new park debuted on July 17, 1955 in Anaheim, California, following several years of planning and construction. In the meantime, preparations were being made to construct a second Disney theme park. Disney World, which would eventually become known as Walt Disney World, was announced in November 1965. Plans for theme parks, hotels, and even a mock city outside of Orlando, Florida, were mentioned in this statement. Disney will not open its first park outside the US until decades later, in 1983, in Tokyo. The current Disneyland Paris theme park in France opened its doors on April 12, 1992. The eagerly awaited, exquisitely planned park welcomed over 11 million visitors in its debut year.

Roy E. Disney, Sid Bass, Lillian and Diana Disney, and Irwin L. Jacobs, who collectively owned about 35.5% of the company's shares, forced Miller out of his position

as CEO in 1984 and replaced him with Michael Eisner, who had previously served as president of Paramount Pictures, along with Frank Wells as president.

The Disney Magic, the first of two opulent cruise ships, made its inaugural voyage to the Caribbean that year, arriving at Disney's very own island paradise, Castaway Cay. In 1998, Disney regional entertainment expanded with DisneyQuest and the ESPN Zone.

After Eisner's retirement in September, it was reported in March 2005 that Bob Iger, the company's president, would take over as Disney's CEO. Iger was formally named CEO on October 1st. On September 12nd, Hong Kong Disneyland, Disney's eleventh theme park, opened in Hong Kong, China. The park's construction cost Disney 3.5 billion USD. Disney launched a proposal to buy Pixar from Steve Jobs for 7.4 billion USD on January 24, 2006.

The acquisition of Marvel Entertainment made headlines in 2009. In the same year Disney and DreamWorks established a distribution agreement under which Touchstone Pictures would release 30 of their movies over the course of the next five years, with Disney receiving a 10% cut of the box office. Earth, the first Disneynature film, Up (which would go on to win two Oscars), and a return to hand-drawn animation. Aulani, A Disney Resort Spa opened in Hawaii in 2011 after the company acquired the rights to the Avatar theme park brand. The purchase of Lucasfilm Ltd. was the major business development in 2012.

The remarkable debut of Disney+ in November 2019 and the acquisition of 20th Century Fox in March respectively marked the end of the year for The Walt Disney Company with a number of significant acquisitions. Disney+ has introduced us to new films and streaming series like High School Musical: The Musical: The Series, a new interpretation of Lady and the Tramp, The Simpsons, and Disney+ Hotstar, which together with ESPN+, Hulu, and Disney+ deliver the Company's iconic brands and incredible stories directly to consumers.

In February of 2020, Bob Chapek,former head of the Parks, Experiences and Products segment, was appointed CEO of The Walt Disney Company, with prior CEO and Chairman Bob Iger taking on the position of Executive Chairman.

The Walt Disney Company has produced the best caliber entertainment for almost a century. Disney has always offered enduring entertainment for the whole family, from its humble beginnings as a cartoon studio in the early 1920s to the Company of today, which includes Pixar, Marvel, Lucasfilm, Searchlight Pictures, and 20th Century Studios, in addition to Disney Parks and Resorts around the world.

5.2. Ownership Structure

Disney's share capital in FY2021 consists only of common stocks. Institutional investors hold 68.99% of Disney's shares, a sizeable portion. Given that the Company is a constituent of the S&P 500 and the Dow Jones Industrial Average, this is not at all surprising.

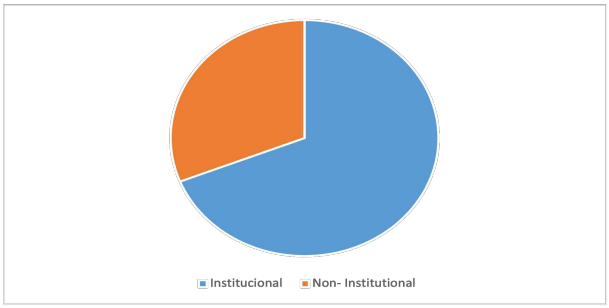

FIGURE 11. % of institutional vs. non-institutional shareholders, **Source**: Bloomberg

This increases interest from businesses that operate in the provision of passive investment instruments such index funds and ETFs, as seen by three major held positions: The Vanguard Group, Inc. (7.63%), BlackRock, Inc. (6.39%), and State Street Corp. (4%) holdings in Disney, as shown below:

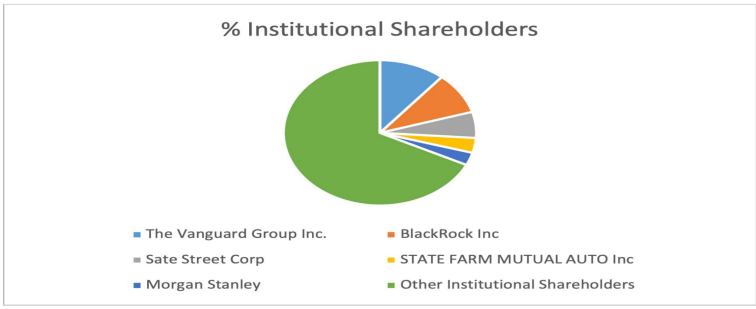

FIGURE 12. Decomposition of Institutional Shareholders by % , **Source**: Bloomberg

Another interesting conclusion is the ownership type of Disney stock. We can observe that the vast majority of Disney´s share capital is held by Investment Advisors (68.6%), a 8.78% share is held by Banks followed by 5.2% held by Insurance Companies.

On the other hand it is possible to retrieve data from Bloomberg about the Geographic ownership of Disney´s stocks. Here we find a 77.56% share of stocks held in the United States, followed by a share of 6.49% in the United Kingdom and Canada with a 2.76% share in Disney´s equity market.

Finally, other important fact is that since COVID-19 beginning the number of insiders that hold positions the security have been increasing to a current number at 31/12/2021 of 17 holders.

5.3. Executive Leadership in Management and Corporate Governance

A designated Board of Directors oversees and directs the operation of The Walt Disney Company in the best interests and for the benefit of the Company's stockholders. The Board may accomplish this either directly or by using committees that have been appointed. In order to achieve this, it has currently created the Executive, Audit, Compensation, and Governance and Nominating committees. There are mechanisms in place

to ensure that the Board is aligned with shareholder interests, including that a significant majority of Directors be independent of the Company and its management, despite the fact that the Board is responsible for choosing its own members through the Governance and Nominating Committee.In accordance with their duties to the shareholders, the Directors are also expected to own a sizable stock stake in Disney. All of the Directors are currently regarded as materially independent. The Walt Disney Company Board members are relatively recent in Disney´s board, being the most experienced Maria Elena Lagomasino being member since 22/09/2015. In addition to being a founder of the Institute for the Fiduciary Standard, Ms. Lagomasino is a member of the Council on Foreign Relations. She currently serves as a director of the Americas Society and formerly served from 2007 to 2015 as a Trustee of the National Geographic Society. Disney must abide by SEC rules because it is a publicly traded corporation, and in particular, it must annually publish its Named Executive Officers (CEO, CFO, and the three executive officers with the highest salaries).

CEO, Bob Chapek

Since the segment's establishment in 2018, Mr. Chapek has held the position of Chairman of Disney Parks, Experiences, and Products before taking over as the company's seventh CEO in its century-long history. He held the position of Chairman of Walt Disney Parks and Resorts since 2015 prior to that. The Shanghai Disney Resort was successfully opened during his leadership, and Disney Parks experienced the largest investment and growth in its sixty-year history. The Disney Cruise Line fleet also nearly doubled during his time in charge. Mr Chapek has been Chief Executive Officer since 2020.

Chairman, Susan E. Arnold

The Chairman is the most recent addition in the list of the Management and Corporate Governance. Susan E. Arnold starts position as Chairman in 31/12/2022. She was a director of NBTY, Inc. from 2013 to 2017, and she served as a director of McDonalds Corporation from 2008 to 2016. Ms. Arnold was chosen to serve as board chairman as of December 31, 2021. She has been a director of the company since 2007.

Christine M. McCarthy, Senior Executive VP and CFO

The Walt Disney Company's Senior Executive Vice President and Chief Financial Officer, Christine M. McCarthy, is in charge of the organization's global finance department, which includes managing the company's brands and franchises, corporate partnerships and alliances, corporate real estate, corporate strategy, and business development. She also oversees enterprise controllership, enterprise technology, financial planning and analysis, global product and labor standards, investor relations, and risk management.

The complete list of members of the Board with the respective start date is for FY2021:

	Age	Start
Chairman		
Susan E Arnold	68	31/12/2021
Board Members		
Maria Elena Lagomisano	72	22/09/2015
Dr Mark G Parker	66	11/01/2016
Mary Teresa Barra	60	24/08/2017
Safra A Catz	60	01/02/2018
Francisa A de Souza	51	01/02/2018
Michael B G Froman	60	07/09/2018
Derica W Rice	57	07/03/2019
Robert Alan Chapek	62	14/04/2020
Calvin R Mcdonald	50	27/05/2021
Amy L Chang	45	27/05/2021
Average	59	

FIGURE 13. Chairman and Board members composition with age and starting date, **Source**: Bloomberg

An interesting fact is that the average member age is 59, being the youngest Amy L. Chang with 45 years old. She has also worked with eBay, McKinsey, Intel, AMD, Motorola, and other companies. She has also previously served on the boards of Cisco, Splunk, and Informatica. Since 2021, Ms. Chang has served as a director of the company.

5.4. Bond Ratings

As of October 2, 2021, Standard and Poor's long and short-term debt ratings for the Company were BBB+ and A-2 (Stable), while Fitch's long- and short-term debt ratings for the Company were A- and F2 (Stable). Moody's Investors Service also assigned the Company a long-term debt rating of A2 and a short-term debt rating of P-1 (Stable). Only one financial covenant—relating to interest coverage—is present in the company's bank facilities, and on October 2, 2021, it was fully met.

5.5. Environmental, Social and Governance rankings

In terms of ESG, The Walt Disney Company presents the following Bloomberg Score (ranked from 1-10) for each one of the ESG components (Environmental, Social and Governance):

Bloomberg Scores | ESG SCORE »

	Score	2Y Change	Vs Peers
Environmental	3.05	+1.16	Above Median
Social	1.71	+0.07	Leading
Governance*	7.50	-0.06	Leading

FIGURE 14. Bloomberg ESG ratings by component, **Source**: Bloomberg

where:
Leading: Percentile score greater than or equal to 75% of peers
Above Average: Percentile score between 50% and 75% of peers
Below Average: Percentile score between 25% and 50% of peers
Lagging: Percentile score less than or equal to 25% of peers

The Walt Disney Company also shows exposure in 1165 ESG Funds and EU SFDR Funds (Article 9, 8 and 6). When a financial product has sustainable investment as its purpose and an index has been chosen as a reference benchmark, it is subject to Article 9, commonly known as "products targeting sustainable investments," which covers products seeking tailored sustainable investments. Article 8, also referred to as "environmentally and socially promoting," applies when a financial product, among other characteristics, promotes environmental or social characteristics, or a combination of those characteristics, so long as the businesses in which the investments are made adhere to good governance practices. Investing in funds that do not consider sustainability in any way might include equities that are now barred from ESG funds, like those belonging to the cigarette industry or those that produce thermal coal, according to Article 6. These may continue to be offered in the EU as long as they are explicitly marked as non-sustainable, but when compared to more sustainable funds, they may experience significant marketing challenges. In the EU SFDR Fund Exposure, Disney shows exposure to 74 Article 9 Funds, 975 Article 8 Funds and 3061 Article 6 Funds.

The Walt Disney Company also shows the following Disclosure Scores:

- ESG Disclosure Score FY2021 Score 51.15, a decrease from FY2020 53.49 score.
- Environmental Disclosure Score FY2021 34.07, steady from FY2020 34.07 score.
- Social Disclosure score FY2021 34.28, a decrease from FY2020 41.29.
- Governance Disclosure Score FY2021 84.98, the same as the score for FY2020.

FIGURE 15. Disclosure scores aggregated and by component, **Source**: Bloomberg

Other important facts to refer are that the percentage of women in workforce has been constant around 50% for 10 years, showing a value of 50.30% in FY2021. In the other hand, the percentage of minorities in Workforce has been increasing since 2017, with a percentage value of 46.30% in the workforce for FY2021.

5.6. SWOT Analysis

SWOT analysis is a framework for assessing a company's competitive position. It identifies a company's strengths, weaknesses, opportunities, and threats. It is intended to help you take a practical, fact-based, and data-driven look at the advantages and disadvantages of a company, its efforts, or its sector. The organization must avoid preconceived notions or gray regions and concentrate on real-life settings in order to maintain the analyses accuracy. Companies should use it as a reference rather than a strict prescription.

Strenghts: Market experience and presence, brand value, diversified Business;

Weaknesses: General criticism, internal rifts , inexperienced board members;

Opportunities: International expansions, changing trends in consumer behaviour;

Threaths: Competition and cannibalization, non specificity, pirated content;

5.7. Company segments

Disney Media and Entertainment Distribution (DMED) and Disney Parks, Experiences, and Products are the organization's two primary business sectors today (DPEP). The first segment is further divided into three groups: Linear Networks; Direct-to-Consumer; and Content Sales/Licensing and Other. The first of these groups is made up of Disney's media and entertainment operations. Each of these segments' revenue and operational income are broken down by Disney. Media Networks, Parks, Experiences and Products, Studio Entertainment and Direct-to-Consumer & International were the company's four main business sectors prior to this restructuring.

5.7.1. Disney Media and Entertainment Distribution (DMED)

5.7.1.1. ***Linear Networks:*** The Linear Networks division of Disney manages a wide range of businesses, including eight domestic television stations, the ABC broadcast network, National Geographic, ESPN, and Disney, as well as a 50% equity stake in A+E Television Networks.

- **ABC**: The American Broadcasting Company (ABC) is a commercial broadcast television network based in the United States. It serves as The Walt Disney Company's ABC Entertainment Group division's flagship asset. ABC maintains a number of video-on-demand (VOD) services for delayed watching of the network's programs. One of these services is a conventional VOD service called ABC on Demand, which is available via most standard cable and IPTV providers.
- **National Geographic**: National Geographic and other production companies' non-fiction television shows are broadcast on the main channel. The channel offers documentaries with factual content about nature, science, culture, and history along with some reality and entertainment programming that presents pseudo-scientific information, much to History (which was 50% owned by Disney through AE Networks) and Discovery Channel. Around 86,144,000 pay television

households (74% of homes with television) in the US had access to National Geographic as of February 2015.

- **ESPN** : ESPN airs a range of sports highlight, talk, and documentary-style programs in addition to its live sports broadcasts.In the United States, ESPN is available in 76 million television households as of November 2021, a 24% decrease from almost ten years earlier.

5.7.1.2. ***Direct-to-Consumer:*** Disney's Direct-to-Consumer (DTC) segment is composed of its various streaming services, including Disney+; Disney+ Hotstar; ESPN+; Hulu; and Star+

- **Disney +** : The service primarily distributes motion pictures and television shows created by The Walt Disney Studios and Walt Disney Television, and has specific content hubs for the Disney, Pixar, Marvel, Star Wars, and National Geographic brands. On November 12, 2019, Disney+ became live in the US, Canada, and the Netherlands before being made available in Australia, New Zealand, and Puerto Rico a week later. In March 2020, it was made available in a few European nations, and in April, it was made available in India via Star India's Hotstar streaming service, which had been renamed Disney+ Hotstar.
- **ESPN +** : Some of the material on ESPN+ was previously only available to cable customers via ESPN3 and the WatchESPN app. ESPN+ is advertised as an add-on to ESPN's primary linear networks. Since they are still exclusively accessible through television providers, ESPN+ does not provide access to these services. Thus, ESPN+ does not carry all of ESPN's sports rights.
- **Hulu**: It was released on October 29, 2007, and in addition to Hulu original programming, it includes a library of movies and TV shows from studios like 20th Century Studios, Searchlight Pictures, Disney Television Studios, ABC, Freeform, and FX Networks.With regard to the use of the Star brand in Latin America, Disney and Lionsgate's Starz Entertainment engaged in a trademark dispute in April 2021 in Brazil, Argentina, and Mexico. As a result, it would be revealed on May 13, 2021, that the introduction of Star+ in Latin America would be postponed until August 31.

5.7.1.3. ***Content Sales/Licensing and Other:*** The Content Sales/Licensing and Other segment of Disney sells video-on-demand (VOD) services and third-party TV networks film and television content. The staging and licensing of live entertainment events on Broadway and around the world, post-production services provided by Industrial Light Magic and Skywalker Sound and a 30% ownership interest in Tata Sky Ltd., an Indian company that runs a direct-to-home satellite distribution platform. The segment also includes the disclosed below:

- **Marvel Studios**: The Marvel Cinematic Universe movies are made by Marvel Studios and are based on Marvel Comics characters. In addition to the Marvel Cinematic Universe, Marvel Studios was also engaged in the creation of

other Marvel-character film franchises, such as the X-Men and Spider-Man multi-picture series, that have brought in more than $1 billion in North American box office revenue.

- **Pixar**: Pixar is most known for its feature films, which rely on RenderMan, the company's customized version of the image-rendering API that has become industry standard. The desk lamp Luxo Jr. from the production company's 1986 short film of the same name serves as the studio's mascot. Since 1995's Toy Story, the first fully computer-animated feature film, Pixar has created 26 full-length motion pictures.

5.7.2. Disney Parks, Experiences and Products (DPEP)

Theme parks and hotels can be found in Florida, California, Hawaii, Paris, Hong Kong, and Shanghai. These locations make up Disney's Parks, Experiences, and Products sector. A cruise line and vacation club are also included. The major sources of income include admission fees to theme parks, sales of food and drinks, various goods, hotel and holiday rentals, and royalties from intellectual property licensing.

The excitement of The Walt Disney Company's strong brands and franchises, such as Disney, Pixar, Marvel, Star Wars, ESPN, Twentieth Century Studios, and National Geographic, is brought to life by Disney Parks, Experiences, and Products. On July 17th, 1955, Walt Disney inaugurated Disneyland in Anaheim, California, ushering in a new era of family entertainment. Disneyland is a special place centered around storytelling and immersive experiences. More than 60 years later, Disney has developed into one of the top global suppliers of family travel and leisure activities, with well-known companies such as:

- Six resort destinations with 12 theme parks and 53 resorts in the United States, Europe and Asia;
- A top-rated cruise line with four ships and plans for three more to be completed in 2022, 2024 and 2025
- A luxurious family beach resort in Hawaii. On October 1, 2021, Walt Disney World Resort began "The World's Most Magical Celebration," celebrating the resort's 50th birthday.
- New areas at Tokyo Disneyland themed to Beauty and the Beast and Big Hero 6 were just inaugurated by Tokyo Disney Resort.
- The second phase of the Shanghai Disney Resort's development has been revealed, and it will bring the world of Zootopia to life with a brand-new attraction, entertainment, goods, and food and beverage options.
- At Disneyland Paris, the newly opened Disney's Hotel New York - The Art of Marvel immerses visitors in New York culture and lively energy while celebrating Marvel Super Heroes with a modern Art Deco flair. Recent openings at Walt Disney Studios Park include the new Disney Junior Dream Factory show and

Cars ROAD TRIP, which are part of an ongoing redevelopment that will provide new themed areas and activities.

5.8. The Walt Disney Company Q4 2021 Earnings Call

It was also interesting to ear the Q4 2021 earnings call for the Walt Disney Company. The Walt Disney Company failed their profitability and sales projections, which were made public during the Q4 2021 Earnings Call, primarily due to declining Disney+ subscriptions. It is possible to summarize that call in the following bullet points:

- The total revenue for the quarter was 18.53 billion USD, which was somewhat less than the 18.79 billion USD consensus expectation. However, Disney Parks, Experiences, and Products saw a positive fourth quarter, generating 640 million USD in profit, partly due to ongoing park reopening initiatives and Disney Cruise Line. In comparison to 2.7 billion USD in 2020, this division's revenue in Q4 was 5.5 billion USD.
- In the fourth quarter of 2021, Disney+ added 2.1 million new customers, bringing the total number of subscribers to about 118.1 million. Wall Street anticipated about 125 million members by the end of the quarter and fiscal year, so while this figure is in line with Disney's estimations and marks a 1.8% increase from Q3, it falls short of those projections.
- By noting, "I want to underline that we remain focused on managing our Direct-to-consumer business for the long term," Chapek allayed these worries. Not from quarter to quarter, and we're optimistic that we are on track to meet the predictions we made at investor day last year, which calls for between 230 and 260 million paid Disney Plus customers worldwide by the end of fiscal year 2024, with Disney Plus becoming profitable in the same year.
- In comparison to Q3 2021, Walt Disney World attendance increased by double digits, while Disneyland attendance also rose.
- Disney anticipates that the restrictions on social distance will last at least through the first half of fiscal year 2022.
- The second phase of the Paris expansion of Walt Disney Studios Park, two additional Disney Cruise Line ships, the renovation of EPCOT, and some smaller investments at Shanghai Disneyland and Hong Kong Disneyland with "Frozen" and "Zootopia" sections, respectively, are just a few of the major projects that Disney has planned.
- With this plans Disney's expects to increase their CAPEX to unprecedented values of 6 billion USD. A number that is a historical bold statement for The Walt Disney Company.

CHAPTER 6

The weighted Average Cost of Capital (WACC)

6.1. Risk Free Rate

Since there is no true risk-free rate in the markets, we utilized the yields on 10-Year US Treasury bond as the most accurate substitute. Because it is more liquid and makes yield curve construction simpler, the 10-year treasury yield rate is frequently chosen as the risk-free rate instead of the 30-year yield rate.

This calculation **resulted in a risk-free rate of 1.5101%** quoted yield for 31/12/2021

6.2. Market risk premium

The equity risk premium, which is the cost of risk in equity markets, is an important factor in evaluating the costs of equity and capital in corporate finance and valuation as well as a vital indicator of the market's health. As referred in the Literature Review chapter we can consult the calculations for the Market Risk Premium in the Damodaran NYU Stern website. In this website Damodaran states that: "These risk premiums are estimated based upon a simple 2-stage Augmented Dividend discount model and reflect the risk premium which would justify they current level of the index, given the dividend yield, expected growth in earnings and the level of the long term bond rate."

The data is the one retrieved from Bloomberg with an expected market return index: S&P index of 9.881%. Thus the Country/Region risk premium for Americas is 8.371%. The most accurate procedure is to weight the relative geographic revenue for Americas (80.3%), Europe (9.90%) and Asia Pacific (9.70%).

Walt Disney Co/The (DIS US) - By Geography

In Millions of USD except Per Share 12 Months Ending	FY 2020 10/03/2020		FY 2021 10/02/2021	
Revenue	**65 388,0**	**100,0%**	**67 418,0**	**100,0%**
Americas	**51 992,0**	**79,5%**	**54 157,0**	**80,3%**
Disney Media and Entertainment Distribution	39 163,0	59,9%	41 754,0	61,9%
Disney Parks, Experiences and Products	12 829,0	19,6%	12 403,0	18,4%
Europe	**7 333,0**	**11,2%**	**6 690,0**	**9,9%**
Disney Media and Entertainment Distribution	5 240,0	8,0%	5 022,0	7,4%
Disney Parks, Experiences and Products	2 093,0	3,2%	1 668,0	2,5%
Asia Pacific	**6 063,0**	**9,3%**	**6 571,0**	**9,7%**
Disney Media and Entertainment Distribution	3 947,0	6,0%	4 090,0	6,1%
Disney Parks, Experiences and Products	2 116,0	3,2%	2 481,0	3,7%

FIGURE 16. Disney revenue weights by region, **Source**: Bloomberg and author calculations

Thus, the Region/Country Risk Premium is computed as following:

$$ERP_{weighted} = 80.30\% \times 8.37\% + 9.90\% \times 12.141\% + 9.70\% \times 12.448\% = 9.131\%$$

Where 8.37%, 12.141% and 12.448% are the Region/Country risk premium for Americas, Europe and Asia, respectively.

Finally, using the previous calculated β of 1.004 we can state that the geographic Weighted Equity risk premium is 9.168%

6.3. Cost of Equity

The estimation of the Raw Beta is based on a regression that has been presented in Literature Review using the weekly returns for the The Walt Disney Company stock and the S&P500 for the period from 31/12/2016 until 31/12/2021. The linear regression for the weekly returns found a Raw Beta estimation of 1.006 with encouraging when compared to the results for daily and monthly data due to the highest values obtained for the correlation coefficient (r) and Coefficient of Determination (R^2) with values of 0.693 and 0.481 respectively. These results are presented below, as well as the scatter plot used for this regression and the final equation of $y = 1.006x - 0.117$:

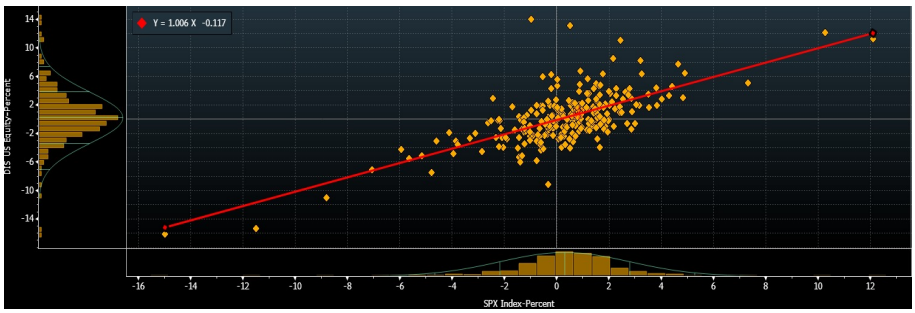

FIGURE 17. Regression with 5-year period weekly returns of Disney and SP&500 index, **Source**: Bloomberg and author calculations

Finally, we use the Bloomberg usual calculations for the $\beta_{adjusted}$ by computing the following expression also referred in the Literature Review. It uses the historical data of the stock, but assumes that a security's beta moves toward the market average over time. We then obtained a **final value for the $\beta_{adjusted}$ of 1.004**

Finally we use the previous computed weighted average Equity Risk Premium to calculate the final cost of equity weighted geographically adjusted by revenue

$$R_e = 1.5101\% + 9.168\% = 10.68\%$$

6.4. Tax Rate

Due to legislative effort to lower federal corporation tax rates, **the U.S. Statutory tax rate has reduced in the past years to 21%** after more than ten years of steady rates.

As long-term policies and highly unpredictable modifications, the statutory tax rate and tax adjustments are both elements we foresee remaining the same.

6.5. Cost of Debt

The study used the cost of debt estimating technique that derives its results from the yields on the company's issued bonds and loans, out of the many estimation techniques for that purpose put out by writers. This approach was chosen because it enables estimation of the cost of debt without the need for approximation, relying purely on the debt information provided by the organization. The Walt Disney Company has issued 26 bonds that have not yet matured, together with 3 unsecured loans that, when compared to the value of the bonds issued, make up a relatively tiny portion of the company's debt.

The study used the cost of debt estimating technique that derives its results from the yields on the company's issued bonds and loans, out of the many estimation techniques for that purpose put out by writers. This approach was chosen because it enables estimation of the cost of debt without the need for approximation, relying purely on the debt information provided by the organization.

The weighting of the yields on bonds yields can be an estimate of Walt Disney's cost of debt. The yields to maturity of loans, on the other hand, are derived from those of bonds. The assumption is that the loans yields to maturity come from a straightforward computation of the YTM(%) of the most liquid bond as 31/12/2021.

Hence, if we analyse the most liquid bond issued by Disney (ISIN: US254687FX90) it shows a price as 31/12/2021 of 103.21%. This mean that by this time the YTM(%) for this bond is 2.2890%.

Thus, we arrive at a YTM(%) of 2.2890% , which is equal to our pre-tax cost of debt. **We arrive at an after-tax cost of debt of 1.8083% after applying a marginal tax rate of 21%**.

Another way to compute r_D and confirm the previous computation is to use the last fiscal year end Interest Expense divided by the latest two-year average debt to get the simplified cost of debt. As of Sep. 2021, The Walt Disney Co's interest expense (positive number) for FY21 was \$1406 M. The Average Value of Debt (D) for FY20 (\$ 62323M.) and FY21 (\$58313M.). The average value is then \$60318 M. We obtain:

$$R_D = 1406/60318 = 2.3310\%.$$

This value deducted to the tax rate (21%) is 1.8415%

The value is coherent with Disney's bond issue for the most liquid Disney bond on the market derived from the first technique. **This being said, the cost of Debt (R_e) after tax is 1,8083%**.

6.6. Capital structure

In FY2021 the total amount of Debt and Equity was (Values in Million dollars):

- $Debt(D) = Debt_{LT} + Debt_{ST} = 51769 + 6544 = 58313$
- $Equity(E) = MarketCap = 313473.81$

And so:

$\frac{D}{D+E} = 15.6845\%$
$\frac{E}{D+E} = 1 - 15.6845\% = 84.3155\%$

6.7. WACC Estimation

For FY2021:

We have now all the inputs required to compute the Walt Disney Company stock WACC for FY2021. The inputs to equation 1.5 are summarized below:

- $E = \$313473.81M$.
- $D = \$58313M$.
- $R_E = 10.68\%$
- $R_D = 2.2890\%$
- $T = 21\%$
- After Tax $R_D = R_D \times (1 - T) = 1.8083\%$

Thus, the WACC calculation comes:

$$WACC = \frac{E}{D+E} \times R_E + \frac{D}{D+E} \times R_D \times (1 - T) =$$
$$= 84.3155\% \times 10.68\% + 15.6845\% \times 2.2890\% \times (1 - 21\%) = 9.2885\%$$

In conclusion, the Weighted Average Cost of Capital (WACC) for Disney stock as of 31/12/2021 is 9.2885%.

6.8. Terminal Growth Rate

The Federal Open Market Committee (FOMC) compiles and releases quarterly economic projections in the minutes. The predicted growth of 1.8% as of 31/12/2021 for the US economy was picked as the eternal growth rate because to Disney's maturity and local presence. This value will be essential to compute the Terminal Value in the next chapter.

CHAPTER 7

Discounted Cash-Flow Model

7.1. Balance Sheet mapping

The following map seeks to map The Walt Disney Balance sheet as of Q4 FY 2021 earning release date, in a more visual appealing way:

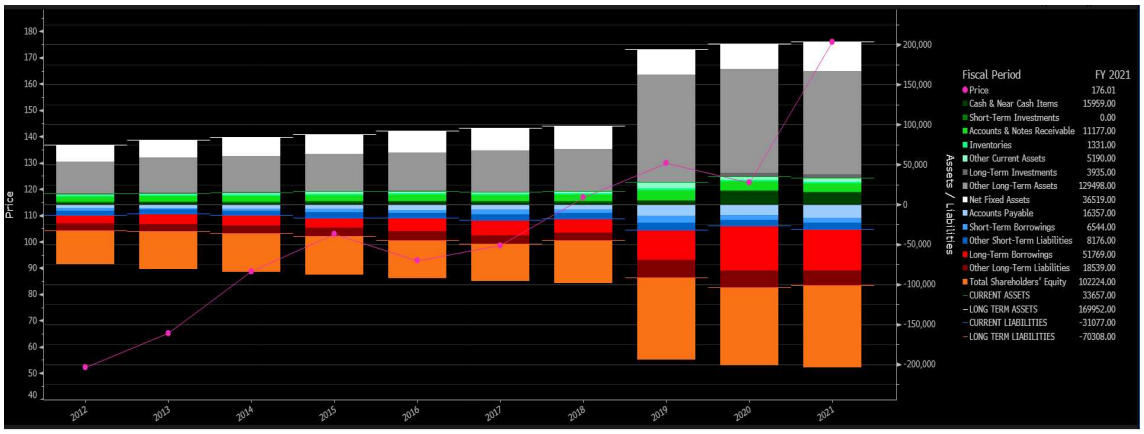

FIGURE 18. Balance sheet mapping (Annual values in Million USD), **Source**: Bloomberg and author calculations

7.2. Income Statement mapping

The same computations and conclusions can be derived for the Income Statement case:

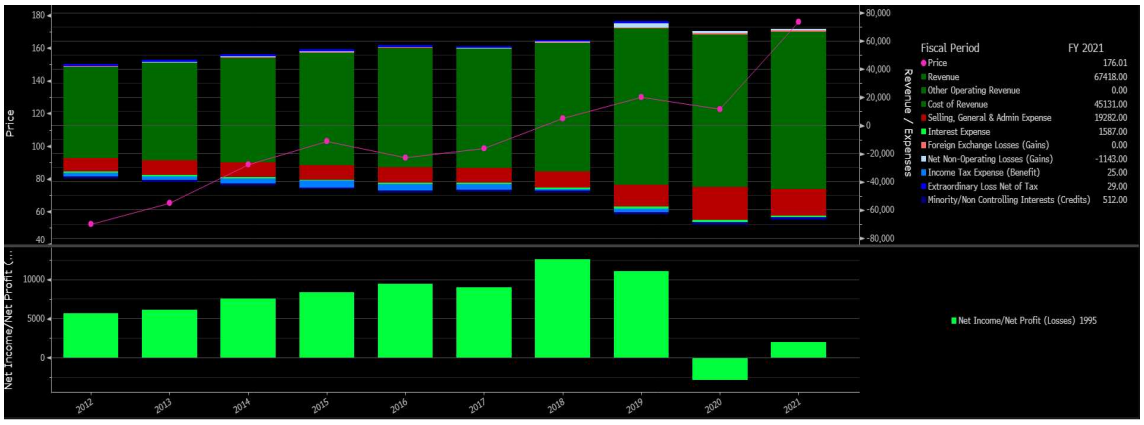

FIGURE 19. Income statement mapping (Annual values in Million USD), **Source**: Bloomberg and author calculations

7.3. The Walt Disney Company DCF

To compute the final DCF model for The Walt Disney Company we needed to forecast the different components of Disney´s Balance sheet for the period FY 22-FY 26. This assumptions are indexed with the macroeconomic environment predicted for The Walt Disney Company and their future cash flows, assets, liabilities and income sources. Thus, a forecasted Balance Sheet and Income statement are presented in the Appendix section. It was also crucial to assess other specifications of each Disney segment.

The procedures below were applied in order to determine the FCFF produced throughout the anticipated time-frame. The discounted rate used is the WACC rate computed before of 9.2885%.

Another important factor was to decide the future CAPEX of Disney. The CEO stated in the last call that they intend to achieve 6 Billion USD CAPEX in the next years. Disney is known to use this CAPEX in the construction and modernization of their parks, hotels and cruise lines. The expected projects for Disney, so far, does not add up to that bold CAPEX presented. This, allied to the an high inflation scenario predicted for the future years lead us to attribute a yearly growth rate of around 9%, from the time before the COVID-19 Pandemic, achieving 5.55 Billion USD in 2026. This result is adequate for the expectations of Disney, from our point of view. The Walt Disney Company change in NWC was computed used the Total Assets and Liabilities forecasted for the future periods.

The value for the FCFF for the terminal Period is computed by multiplying the FCFF of FY 2026 F by the expected growth rate (g) of the American economy of 1.80%. The computations for the FCFF are now presented:

(USD *in millions*)	FY21	FY22 F	FY23 F	FY24 F	FY25 F	FY 26 F	Terminal
EBIT	3659.00	18319.73	25604.97	28348.26	31208.97	34190.05	
Tax		21.00%	21.00%	21.00%	21.00%	21.00%	
EBIT*(1-Tax)		14472.59	20227.92	22395.12	24655.09	27010.14	
Non Cash Charges (+)		4887.24	4673.28	4468.69	4273.06	4085.98	
Change in NWC (-)		263.64	3205.74	2340.61	2608.94	2913.26	
CAPEX (-)		3907.35	4267.02	4659.80	5088.73	5557.14	
g	1.80%						
FCFF		15188.84	17428.45	19863.40	21230.47	22625.72	23032.98

FIGURE 20. FCFF computations (Million USD), **Source**: Author estimations

After this step we have to compute the Present Value of the FCFF of both of the explicit period (FY 2022-FY 2026) and the Terminal Value. After that we obtain the Enterprise Value of the firm. Finally by subtracting the Net Market Value of Debt used before we compute the Equity Value. After that we divide that figure by the total shares outstanding. The computations are presented below:

(USD *in millions*)	FY21	FY22 F	FY23 F	FY24 F	FY25 F	FY 26 F
Discounted Period		0.75	1.75	2.75	3.75	4.75
Discounted Factor		0.94	0.86	0.78	0.72	0.66
Discounted FCFF		14209.99	14919.47	15558.71	15216.16	14837.93
PV (2022-2026)	74742.26	27.04%				
PV Terminal Value	201709.02	72.96%				
Enterprise Value	276451.28					
Net Market Value Debt	58313.00					
Equity Value	218138.28					
Shares Outstanding	1781.00					
Price Target (USD)	$ 122.48					

FIGURE 21. Price target calculations (Million USD except the fraction values and the per share value), **Source**: Author estimations

The Price Target obtained for The Walt Disney Company shares is 122.48 USD. This value compared to its price as of 31/12/2021 shows a downward potential of -20.924%. This value clearly indicates that as of 31/12/2021 Disney shares being over-valuated.

It is also interesting to analyse what is the percentage that the Present Value of the explicit period and Terminal Value wight in the total Enterprise Value (EV). Thus, 72.96% of the EV results from the terminal value, while only 27.04% of the EV is explained from the explicit period computations

In the next section we are going to perform a Multiple Analysis in order to confirm if this Price Target is correctly specified.

CHAPTER 8

Multiples Analysis

We employed also a relative valuation approach to get yet another perspective on Disney's valuation. Due to Disney's distinctive business portfolio and the fact that a sizable portion of future revenues will be based on a sector that is still in its infancy, we had doubts about the usefulness and accuracy of such an approach. In order to perform this analysis we use the following ratios: Price to Earning (P/E), Enterprise Value to Revenue (EV/Revenue), Enterprise Value to EBITDA (EV/EBITDA) and Enterprise Value to EBIT (EV/EBIT). Finally by taking the Sum of Parts of Disney´s two segments we arrive at the implied Disney share price. In order to perform this analysis we use the Multiples released from each company in their annual Company Report for FY 2021.

8.1. The Walt Disney Company Peer Group

Since The Walt Disney Company started to segment their business reporting operations the best approach to valuate the Disney stock trough a Multiple Analysis is to two consider two distinct Peer groups, and consequently two groups of comparable ratios for each one of these segments.

Disney Media and Entertainment Distribution (DMED)

In this section the chosen Peer group is going to be presented with a short description of each company.For this Disney segment it is logical to choose some companies working in Direct to Consumer, Media Networks and Studio Entertainment fields.

- **Netflix Inc**: Netflix Inc. (Boomberg Ticker: NFLX US Equity) is a Direct to Consumer firm that sells subscriptions for streaming entertainment. On demand streaming of TV shows, documentaries, and feature films is available to subscribers via its digital platform. A variety of mobile games are also provided by the company. Netflix still provides its original DVD-by-mail service in the United States even though most customers get the most popular Netflix content online.
- **Comcast**: Comcast Corp (Bloomberg Ticker: CMCSA US Equity) is a Global Media Networks and Studio Entertainment conglomerate.Comcast Corporation Founded by Ralph Roberts' acquisition of American Cable Systems, a small subscriber cable system. Comcast has strengthened and expanded the types of companies it is involved in, including cable television, broadcast television stations, filmed entertainment, amusement parks, and more, through acquisitions. The

following five purchases of Comcast rank among its most significant ones: ATT Broadband, NBCUniversal, Sky, DreamWorks Animation, and XUMO.

- **Fox**: Fox Corp. (Blooomberg Ticker: FOX US Equity) is a media networks business. For distribution via cable television systems, direct broadcast satellite operators, telecommunications companies, and internet video distributors, the company creates and licenses news, sports, and entertainment programming. Fox also oversees sound stages, editing suites, and broadcast studios.
- **Sony**: Sony Group Corporation (Bloomberg Ticker: SONY US Equity) Sony Group Corporation is a studio entertainment organization that creates, sells, and delivers solutions for electronic gadgets. The company manufactures items for audio and video, cameras, mobile devices, and televisions and game equipment, among other things. The Sony Group also runs other businesses and produces movies, music, and video games.

In the FY 2021, we can see below the return performance of the Peer Group for this segment. We can see that the worst performance is from The Walt Disney Company, yielding a difference in the return for the best performance Peer- Sony Group Corp of 25.02%. The comparative graph and table are shown below. Visually the annual total

Range 12/31/2020 - 12/31/2021 Period Daily No. of Period 365 Day(s) Table

	Security	Currency	Price Change	Total Return	Difference
1)	DIS US Equity	USD	-14.51%	-14.51%	--
2)	NFLX US Equity	USD	11.41%	11.41%	25.92%
3)	CMCSA US Equity	USD	-3.95%	-2.22%	12.29%
4)	FOX US Equity	USD	18.66%	20.20%	34.71%
5)	AMZN US Equity	USD	2.38%	2.38%	16.89%
6)	SONY US Equity	USD	25.02%	25.64%	40.15%

FIGURE 22. Comparative Returns (%) for the DMED Segment Peers, **Source**: Bloomberg

Returns is displayed in the following comparative graph:

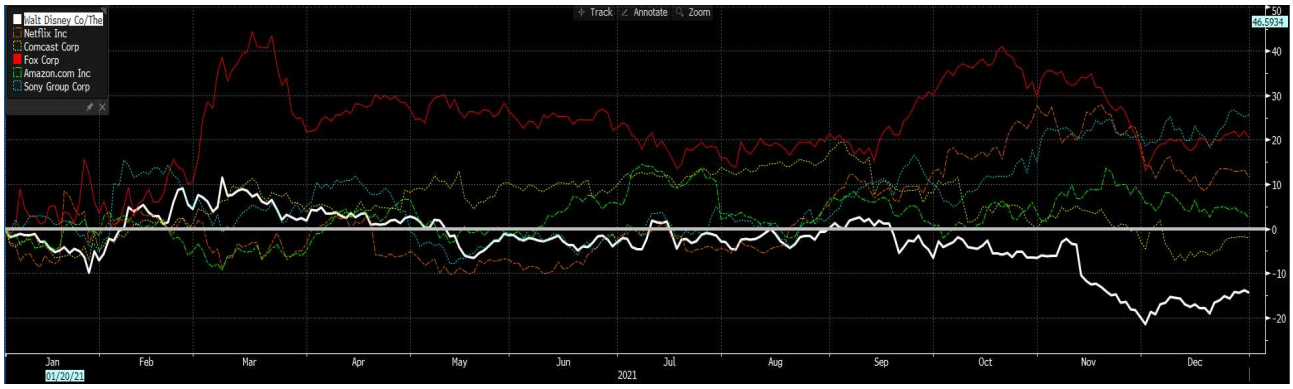

FIGURE 23. Comparative Total Returns (%) for the DMED Segment Peers, **Source**: Bloomberg

Disney Parks, Experiences and Products (DPEP)

In this section the chosen Peer group is going to be also presented with a short description of each company.For this Disney segment it is logical to choose some companies working in Parks and Experiences fields.

- **Six Flags**: Six Flags Entertainment Corporation (Bloomberg Ticker: SIX US Equity) is an American company that works with regional theme parks across North America. The Company´s parks include theme, water and zoological parks.
- **Cedar Fair**: Cedair Fair L.P (Bloomberg Ticker: FUN US Equity) provides entertainment facilities. The companies has and operates regional amusement parks and water parks. They also complement the business with resort, hotel and recreational properties.
- **SeaWorld**: Seaworld Entertainment Inc. (Bloomberg Ticker: SEAS US Equity) is a theme park and amusement company as well. Beside that the company engages in animal husbandry, veterinary care and welfare and rescue of marine and terrestrial animals.
- **Marcus Corporation:** The Marcus Corporation (Bloomberg Tciker: MCS US Equity) provides entertainment facilities. They operate in cinemas, hotels and restaurants. They serve clients in the United Sates.

Similarly, FY 2021, we can see below the return performance of the Peer Group for this segment. We can see that the worst performance is also from The Walt Disney Company, yielding a difference in the return for the best performance Peer- SeaWorld Entertainment Inc.of 119.83.%. The comparative graph and table are shown below.

Range 12/31/2020 - 12/31/2021 Period Daily No. of Period 365 Day(s) Table

	Security	Currency	Price Change	Total Return	Difference
1)	DIS US Equity	USD	-14.51%	-14.51%	--
2)	SIX US Equity	USD	24.87%	24.87%	39.38%
3)	FUN US Equity	USD	27.25%	27.25%	41.76%
4)	SEAS US Equity	USD	105.32%	105.32%	119.83%
5)	MCS US Equity	USD	32.49%	32.49%	47.00%

FIGURE 24. Comparative Returns (%) for the DPED Segment Peers,
Source: Bloomberg

Visually the annual total Returns is displayed in the following comparative graph:

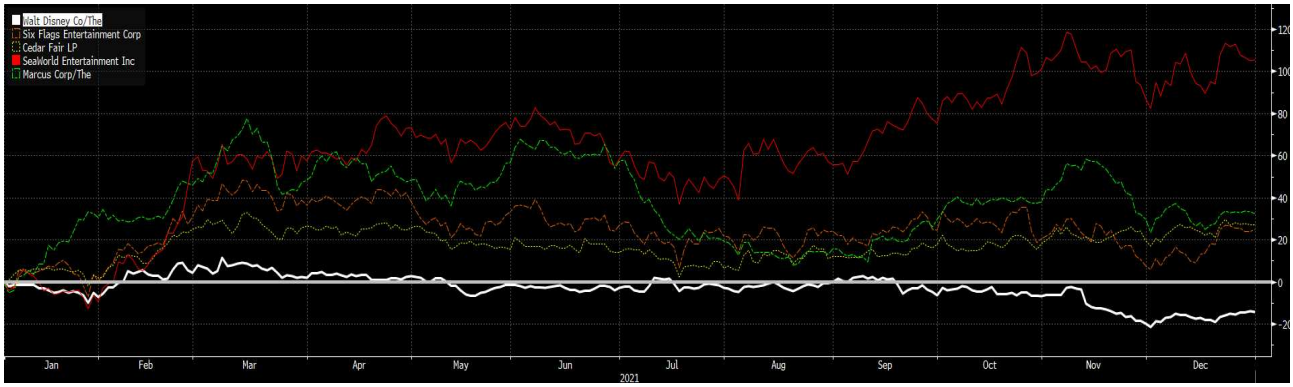

FIGURE 25. Comparative Total Returns (%) for the DMED Segment Peers, **Source**: Bloomberg

For each one of these companies all the previously referred ratios were found. Thus, we computed the Implied Enterprise Value (EV) of The Walt Disney Company stock for each one of the two segments. Since Disney started to divide its business segments recently we only have access to the weighted revenue of these segments. In order to compute a Sum of Parts analysis we take that same weights and allocate them in each one of the other ratios used. The computations and conclusion tables are as it follows:

The total Revenues for The Walt Disney Company for FY 2021 was 67418 Million $. From this total Revenue value, Disney disclosures the share of revenue per segment. Hence, the DMED segment totals 51758 Million $ of revenue which corresponds to a shares of 76.7718% of Dinsey total revenues for 2021. On the other hand the DPEP segment accounts for the rest of the Revenues share which is 16552 Million $ accounting for a percentage of (24.5513%) of the total Revenue. Thus a total of 982 Million$ difference is found when we conciliate the two segments revenues numbers for FY 2021, this difference account for approximately 1% of the total Revenue figure, so in order to simplify our assumptions we use the disclosure numbers and presented percentage share of each segment from this point.

Disney Media and Entertainment Distribution (DMED)

The results for the DMED segment ratios are:

Company	Price/Earnings	EV/Revenue	EV/EBIDTA	EV/EBIT
	FY 2021	FY 2021	FY 2021	FY 2021
The Walt Disney Co	**135.3700**	**5.4807**	**41.2000**	**119.6100**
Netflix Inc.	56.0300	9.4132	41.1500	44.5800
ComCast	16.2900	2.8236	9.8600	16.0910
Fox Corp	11.5060	1.6760	9.1700	15.6100
Amazon	71.5000	3.6897	26.1200	66.8000
Sony Corp	12.1800	1.3536	8.5200	12.6000
Minimum	11.5060	1.3536	8.5200	12.6000
Average	**50.4793**	**4.0728**	**22.6700**	**45.8818**
Maximum	135.3700	9.4132	41.2000	119.6100

FIGURE 26. Comparative Ratios for DMED segment Disney Peers, **Source**: Bloomberg and author calculations

Using these results we can computed the implied Enterprise Value (EV) for the DMED segment:

Comparable Multiples	Price/Earnings	EV/Revenue	EV/EBIDTA	EV/EBIT
Average Multiple	50.4793	4.0728	22.6700	45.8818
Multipling by (x)				
Net Income	1820.8731			
Revenue		51758.0000		
Adjusted EBIDTA			7387.7486	
EBIT				2809.0795
(=) Implied EV	91916.4615	210799.1848	167480.2604	128885.7176

FIGURE 27. Implied Enterprise Value for DMED segment. The Net Income, Revenue, Adjusted EBITDA and EBIT are expressed in Million Dollars, **Source**: Bloomberg and author calculations

Disney Parks, Experiences and Products (DPEP)

The results for the DPEP segment ratios are:

Company	Price/Earnings	EV/Revenue	EV/EBIDTA	EV/EBIT
	FY 2021	FY 2021	FY 2021	FY 2021
The Walt Disney Co	**135.3700**	**5.4807**	**41.2000**	**119.6100**
Six Flags Entertainment	24.4200	4.4587	12.5800	16.4700
Cedar Fair LP	16.3300	3.9749	9.6900	15.1100
Seaworld Entertainemnt	15.4200	4.4548	8.3300	11.0300
Marcus Corporation	-	2.3169	18.9000	-
Minimum	15.4200	2.3169	8.3300	11.0300
Average	**47.8850**	**4.1372**	**18.1400**	**40.5550**
Maximum	135.3700	5.4807	41.2000	119.6100

FIGURE 28. Comparative Ratios for DPED segment Disney Peers, **Source**: Bloomberg and author calculations

Using these results we can computed the implied Enterprise Value (EV) for the DPED segment:

Comparable Multiples	Price/Earnings	EV/Revenue	EV/EBIDTA	EV/EBIT
Average Multiple	47.8850	4.1372	18.1400	40.5550
Multipling by (x)				
Net Income	582.3079			
Revenue		16552.0000		
Adjusted EBIDTA			2362.5723	
EBIT				898.3323
(=) Implied EV	27883.8135	68478.9043	42857.0606	36431.8670

FIGURE 29. Implied Enterprise Value for DPED segment. The Net Income, Revenue, Adjusted EBITDA and EBIT are expressed in Million Dollars, **Source**: Bloomberg and author calculations

In comparison the Multiples computed for The Walt Disney Company and its Peers show that Disney´s multiples for the DMED segment are positioned above the average in each one of the four multiples. This may indicate us that Disney stock is trading at a premium when compared to its Direct to Consumer, Media Networks and Studio Entertainment Peers.

In the Parks, Experiences and Products the conclusion is the same, placing The Walt Disney Company ratios above the mean found for the Peers group. it also shows that the company has the highest ratios among the Peers in the Price/Earnings, EV//Revenue, EV/EBITDA and EV/EBIT cases.

Sum of the Parts and Implied Stock Price

Finally we can use a Sum of Parts approach to add the two Disney´s segments Implied Enterprise Value (EV) computed before. Thus, we compute for implied prices for Disney´s stock for each one of the four ratios used;

	Price/Earnings	EV/Revenue	EV/EBIDTA	EV/EBIT
EV (DMED)	91916.4615	**210799.1848**	167480.2604	128885.7176
EV (DPEP)	27883.8135	**68478.9043**	42857.0606	36431.8670
Total EV	119800.2750	**279278.0892**	210337.3210	165317.5846
(=) Sum of the Parts Equity Value	119800.2750	**279278.0892**	210337.3210	165317.5846
Diluted Outstanding shares	1781.0000	**1781.0000**	1781.0000	1781.0000
(=) Implied Share Price	$ 67.27	$ **156.81**	$ 118.10	$ 92.82

FIGURE 30. Implied Share Price for the four ratios, all values in in Million of dollars expect the final Implied Share Price **Source**: Bloomberg and author calculations

In Conclusion, when compared with the price of Disney´s share of 154.89$ as of 31/12/2021 one can state that according to this Multiple Analysis methods, Disney´s shares are trading at a premium using every ratio possibility.

Using the more reliable result for the EV/Revenue where we had access to the precise value for the Revenue for the two Disney segments we found a value of 156.81$ which still places Disney upward potential is 1.24%.

Finally, by taking the average of price found for the four multiples perspective, we find an average implied share price of 108.75$ which implies a downwards potential of -29.79%.

CHAPTER 9

Consensus Rating

Some of the major stock analysts disclosure their toughs in companies valuation every end-year time. Thus, we can analyse this estimations from prestigious entities around the world for The Walt Disney Company stock as of 31/12/2021.

- Wolfe Research (John Janedis): Outperform- Target Price 200.00$
- Morningstar (Neil Macker): Hold- Target Price 170.00$
- Morgan Stanley (Benjamin Swinburne): Overweight/ In line- Target Price 185.00$

Among 37 analysts the summary of recommendations is the 75.7% attribute to Disney stock a hold recommendation, 24.3% a Hold recommendation and 0.0% a Sell recommendation. Overall the Consensus Rating for Disney stock is 4.51. The consensus Rating is the current average rating of all analysts who updated within the last 12 months. This average is computed by standardizing analysts rating from 1(Sell) to 5 (Buy). An overall price target for Disney stock was found at 193.15$ implying a 24.7% upwards potential from its price as of 31/12/201.

A graph with % of Buy, Sell and Hold analysts recommendations is presented below. In this graph is also possible to assess the current The Walt Disney Company price and the 12-month Target Price for FY 20 and FY 21. The Price Spread (Target Price - Current Price) is also presented in the graph.

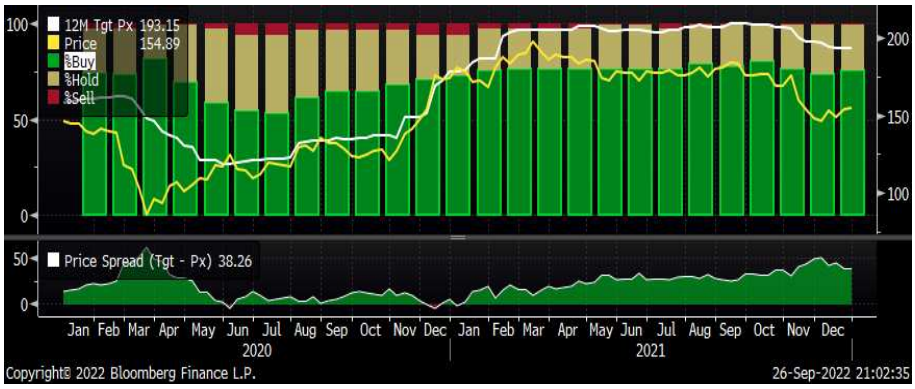

FIGURE 31. 12-month DIS US Equity Target Price, Current Price and % of Buy, Sell and Hold analysts recommendations **Source**: Bloomberg and author calculations

CHAPTER 10

Sensitivity Analysis and questions to the Board

10.1. Sensitivity Analysis

A sensitivity analysis was also performed in order to access how the Target Price for The Walt Disney Company fluctuates in a scenario of different cost of capital (WACC) and possible recession or higher perpetuity growth rate. By the end of 2021, a possible recession scenario was in discussion, this analysis makes total sense in our perspective, as a global GDP contraction is a possibility and will affect The Walt Disney Company business significantly. The base scenario of a perpetual growth rate of 1.8% and a WACC of 9.2885% is presented in bold in the next figure.

	WACC						
	8.99%	9.09%	9.19%	**9.29%**	9.39%	9.49%	9.59%
2.50%	142.84	140.14	137.52	134.98	132.51	130.11	127.78
2.25%	137.59	135.06	132.60	130.22	127.90	125.65	123.46
2.00%	132.71	130.33	128.03	125.78	123.60	121.48	119.41
Growth rate (g) **1.80%**	129.05	126.79	124.59	**122.48**	120.37	118.34	116.36
1.55%	124.75	122.62	120.54	118.52	116.56	114.64	112.77
1.30%	120.73	118.71	116.75	114.84	112.98	111.16	109.39
1.05%	116.96	115.06	113.20	111.39	109.62	107.89	106.20

FIGURE 32. Price Target in USD subject to variation in WACC and Perpetual Growth Rate **Source**: Bloomberg and author calculations

The results above traduce that The Walt Disney Company is over valuated in every scenario when compared to its price as of 31/12/2021. Even the case of lowest cost of capital and higher perpetual growth rate shows a price target of 142.84 USD, thus a downside potential of -7.78% from The Walt Disney company shares as of 31/12/2021.

10.2. Questions to the Board

In this section a number of questions for The Walt Disney Company board is going to be presented in order to access a better perspective of their future expectations and forecasts for both their DMED and DPEP segments. This methodology will permit to present our main concerns about their business profitability and disclosure a starting point for future studies on The Walt Disney Company valuation exercises.

- **What would be the impact on the company business if the current inflation scenario becomes more persistent than expected for the DPEP and DMED segments?**: By the end of 2021 there was a scenario of moderate inflation with interest rates close to zero in the US and negative in Europe. Aligned with this environment, Quantitative Easing levels were at its peak. Taking in consideration a possibility of higher inflation and higher interest rates, Disney´s business sector can face a decrease in the demand side. As cost of living rises, costumers will prioritize cheaper options in the streaming business and essential needs, traducing in less amusement spending in their parks, hotels and cruise lines.

- **DPEP shows great performance, but is it already running at maximum capacity in terms of revenue per costumer and number of costumers?**: The phenomenon of cannibalization inside Disney is something to have in account. If we look at their cheaper alternatives in the Streaming business, we can state that they have been facing a revenue decrease per paid costumer, has there is a trend for on to choose other Disney streaming platforms as Hotstar + in India and Star + in Latin America. In the other hand, in the DPEP segment, there may be still a margin to increase prices and capacities of facilities. Will this problem be persistent in 2022?

- **Does the DTC streaming business have relevant economies of scale? Will it generate ROIC above the WACC and surpass the decline in the Linear Networks?** This question is, in our perspective the "elephant in the room" in The Walt Disney Company business. The streaming business accounts for massive marketing, production, programming and technology costs since it was established. Will this costs be able to generate future benefits for Disney. It is crucial to access the magnitude of the future possible benefits and evaluate if they are enough to compensate the decline in the Linear Networks sector.

CHAPTER 11

Conclusions

A number of valuation methodologies can be employed to evaluate a company, as this valuation study's execution makes clear. According to the findings of this study, a model should be chosen based on the traits of the organization and its sector. However, no single valuation model is more accurate than another. Additionally, as demonstrated in this study, various valuation models can provide a range of outcomes.

The DCF method, where we projected the FCFF for five years into the future and discounted them back at WACC, was the primary strategy. Most of our estimates were based on presumptions about how the business and industry will develop. The primary conclusions from the industry analysis were that the video streaming business is becoming extremely saturated in most places and that Disney would face growing competition pressures from its Streaming Wars opponents in the coming years. Disney will experience a declining rise in the number of its subscription members as a result. On the other hand, it is believed that Disney will maintain its great reputation in the sector of theme parks and experiences. Furthermore, the Terminal Value, accounts for over 72% of the implied Enterprise Value, while the explicit period only weights 27.04% final valuation.

Finally, although there are commonly several problems with the examination of comparable multiples the result confirms the one computed in the DCF method. The first problem that usually arises is that valuation may not accurately reflect its potential for growth or the dynamic character of the DMED and DPEP segments and their rivalry if it is viewed in a static manner. The second relates to the fact that the usefulness of this system depends on peers who are appropriately rated. If it turns out that the stock market is indeed a overlooked market, usually known as a "bubble",both the peer group and the resulting multiples will have been improperly evaluated.

Using the Consensus Rating chapter results one can state that for the majority of the FY 20 and FY 21 the Walt Disney Company stock was found overvalued in comparison to its fair value. The overall Price target of 193.15$ diverges from our estimate in -36.59%.

Overall it indicates that investors are discounting a growth rate for Disney performance that in our opinion is not realistic. Furthermore, the streaming segment seems to be the crucial overvalued segment of Disney composition. The DPEP has proved to be a success with well established reputation. In the other hand Disney entered a overvalued industry trough its DMED segment, causing an overall overbought situation for the stock.

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Appendix

Appendix A: Macroeconomic Assumptions

Metric	FY16	FY17	FY18	FY19	FY20	FY21	FY22 F	FY23 F	FY24 F	FY25 F	FY26 F
US Real GDP Growth Rate (%)	1.70%	2.30%	2.90%	2.30%	-3.40%	5.70%	1.60%	0.90%	1.60%	1.70%	1.80%
Asia Pacific GDP Growth Rate (%)	4.90%	5.30%	5.00%	4.20%	0.10%	5.00%	3.30%	4.40%	4.30%	4.20%	4.10%
European Union GDP Growth Rate (%)	2.00%	2.70%	2.00%	1.80%	-6.00%	5.80%	3.10%	0.60%	1.90%	1.90%	1.90%
Latin America GDP Growth Rate (%)	-7.10%	-6.30%	-5.50%	-4.70%		-5.40%	-5.30%	-5.50%	-5.40%	-5.30%	-5.50%
US Inflation (YoY %)	1.30%	2.10%	2.50%	1.80%	1.20%	4.70%	8.20%	4.30%	2.30%	2.00%	2.00%
Asia and Pacific Inflation (YoY %)	1.80%	1.80%	2.10%	2.30%	2.20%	1.60%	3.10%	3.00%	2.30%	2.60%	2.50%
European Union Inflation (YoY %)	0.30%	1.70%	1.90%	1.50%	0.60%	2.70%	8.00%	5.20%	2.20%	2.20%	2.20%
Latin America Inflation (YoY %)	11.80%	6.50%	7.40%	9.60%	2.80%	6.20%	18.20%	14.00%	12.00%	11.00%	10.00%
US Unemployment (%)	4.90%	4.40%	3.90%	3.70%	8.10%	5.40%	3.80%	4.40%	4.40%	4.40%	4.40%
Asia and Pacific Unemployment (%)	3.90%	3.80%	3.60%	3.50%	4.10%	4.00%	3.80%	3.70%	3.70%	3.70%	3.70%
European Union Unemployment (%)	8.70%	7.90%	7.20%	6.70%	7.10%	7.00%	6.20%	6.40%	6.30%	6.30%	6.30%
Latin America Unemployment (%)	10.00%	10.70%	10.50%	10.40%		12.00%	9.20%	9.40%	9.40%	9.40%	9.40%

Source: Bloomberg and author estimations

	FY16	FY17	FY18	FY19	FY20	FY21	FY22 F	FY23 F	FY24 F	FY25 F	FY26 F
US Cable & Other Subscription Industry Revenues (billion USD)	81.51	83.33	85.7	87.83	84.18	86.93	90.32	94.41	95.66	97.75	99.90
US Cable & Other Subscription Industry Revenues growth (YoY)	3.27%	2.23%	2.84%	2.49%	-4.16%	3.27%	3.90%	4.53%	1.32%	2.19%	2.19%
Amusement and Theme Parks Industry Revenues (billion USD)	17.33	17.86	18.01	18.89	18.1	19.3	20.56	21.3	22.4	23.47	24.59
Amusement and Theme Parks Industry Revenues growth (YoY)	16.39%	3.06%	0.84%	4.89%	-4.18%	6.63%	6.53%	3.60%	5.16%	4.77%	4.77%
Global Cinema Segment CAGR FY22-FY26							7.00%	7.00%	7.00%	7.00%	7.00%
Direct to Consumer CAGR FY22-FY26							14.00%	14.00%	14.00%	14.00%	14.00%

Source: Bloomberg, Statista and author estimations

Appendix B: Balance Sheet

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021	FY2022 F 09/30/2022	FY 2023 F 09/30/2023	FY 2024 F 09/30/2024	FY 2025 F 09/30/2025	FY 2026 F 09/30/2026
Total Assets											
+ Cash, Cash Equivalents & STI	4 610.0	4 017.0	4 150.0	5 418.0	17 914.0	15 959.0	19 991.4	22 319.0	23 615.6	24 987.5	26 439.1
+ Cash & Cash Equivalents	4 610.0	4 017.0	4 150.0	5 418.0	17 914.0	15 959.0	19 991.4	22 319.0	23 615.6	24 987.5	26 439.1
+ ST Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Accounts & Notes Receiv	8 458.0	7 611.0	8 268.0	12 882.0	11 299.0	11 177.0	11 056.3	10 936.9	10 818.8	10 702.0	10 586.5
+ Accounts Receivable, Net	8 458.0	7 611.0	8 268.0	12 882.0	11 299.0	11 177.0	11 056.3	10 936.9	10 818.8	10 702.0	10 586.5
+ Notes Receivable, Net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Inventories	1 390.0	1 373.0	1 392.0	1 649.0	1 583.0	1 331.0	1 453.0	1 453.0	1 453.0	1 453.0	1 453.0
+ Other ST Assets	2 508.0	2 888.0	3 015.0	8 175.0	4 455.0	5 190.0	6 046.3	7 043.8	8 205.9	9 559.7	11 136.9
+ Prepaid Expenses	449.0	445.0	—	—	—	—	—	—	—	—	—
Total Current Assets	**16 966.0**	**15 889.0**	**16 825.0**	**28 124.0**	**35 251.0**	**33 657.0**	**38 547.0**	**41 752.7**	**44 093.3**	**46 702.3**	**49 615.5**
+ Property, Plant & Equip, Net	27 349.0	28 406.0	29 540.0	31 603.0	32 078.0	36 519.0	41 574.8	47 330.6	53 883.2	61 343.0	69 835.6
+ LT Investments & Receivables	198.0	115.0	131.0	302.0	3 903.0	3 935.0	3 935.0	3 935.0	3 935.0	3 935.0	3 935.0
+ LT Investments	198.0	115.0	131.0	302.0	3 903.0	3 935.0	3 935.0	3 935.0	3 935.0	3 935.0	3 935.0
+ Other LT Assets	47 520.0	51 379.0	52 102.0	133 955.0	130 317.0	129 498.0	129 498.0	129 498.0	129 498.0	129 498.0	129 498.0
+ Total Intangible Assets	34 759.0	38 421.0	38 081.0	103 508.0	96 862.0	95 186.0	95 186.0	95 186.0	95 186.0	95 186.0	95 186.0
+ *Goodwill*	*27 810.0*	*31 426.0*	*31 269.0*	*80 293.0*	*77 689.0*	*78 071.0*	*78 071.0*	*78 071.0*	*78 071.0*	*78 071.0*	*78 071.0*
+ *Other Intangible Assets*	*6 949.0*	*6 995.0*	*6 812.0*	*23 215.0*	*19 173.0*	*17 115.0*	*17 115.0*	*17 115.0*	*17 115.0*	*17 115.0*	*17 115.0*
+ Prepaid Expense	229.0	233.0	—	—	—	—	—	—	—	—	—
+ Derivative & Hedging Assets	85.0	5.0	40.0	142.0	263.0	134.0	134.0	134.0	134.0	134.0	134.0
+ Prepaid Pension Costs	0.0	70.0	113.0	5.0	20.0	88.0	88.0	88.0	88.0	88.0	88.0
+ Investments in Affiliates	4 082.0	3 087.0	2 768.0	2 922.0	—	—	—	—	—	—	—
+ Misc LT Assets	8 365.0	9 563.0	11 100.0	27 378.0	33 172.0	34 090.0	34 090.0	34 090.0	34 090.0	34 090.0	34 090.0
Total Noncurrent Assets	**75 067.0**	**79 900.0**	**81 773.0**	**165 860.0**	**166 298.0**	**169 952.0**	**175 007.8**	**180 763.6**	**187 316.2**	**194 776.0**	**203 268.6**
Total Assets	**92 033.0**	**95 789.0**	**98 598.0**	**193 984.0**	**201 549.0**	**203 609.0**	**213 554.8**	**222 516.3**	**231 409.6**	**241 478.3**	**252 884.1**
Liabilities & Shareholders' Equity											
+ Payables & Accruals	9 074.0	8 706.0	9 352.0	17 756.0	16 004.0	20 216.0	24 842.3	25 062.8	25 555.0	25 153.4	25 257.1
+ Accounts Payable	6 860.0	6 305.0	6 503.0	13 778.0	13 183.0	16 357.0	14 439.3	14 659.8	15 152.0	14 750.4	14 854.1
+ Accrued Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Interest & Dividends Payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Payables & Accruals	2 214.0	2 401.0	2 849.0	3 978.0	2 821.0	3 859.0	3 859.0	3 859.0	3 859.0	3 859.0	3 859.0
+ ST Debt	3 707.0	6 184.0	3 802.0	8 862.0	6 495.0	6 544.0	6 544.0	6 544.0	6 544.0	6 544.0	6 544.0
+ ST Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ ST Lease Liabilities	20.0	12.0	12.0	5.0	784.0	678.0	678.0	678.0	678.0	678.0	678.0
+ *ST Finance Leases*	*20.0*	*12.0*	*12.0*	*5.0*	*37.0*	*41.0*	41.0	41.0	41.0	41.0	41.0
+ *ST Operating Leases*	—	—	—	—	*747.0*	*637.0*	637.0	637.0	637.0	637.0	637.0
+ Current Portion of LT Debt	3 687.0	6 172.0	3 790.0	8 857.0	5 711.0	5 866.0	5 866.0	5 866.0	5 866.0	5 866.0	5 866.0
+ Other ST Liabilities	4 061.0	4 705.0	4 706.0	4 723.0	4 129.0	4 317.0	4 317.0	4 317.0	4 317.0	4 317.0	4 317.0
Total Current Liabilities	**16 842.0**	**19 595.0**	**17 860.0**	**31 341.0**	**26 628.0**	**31 077.0**	**35 703.3**	**35 703.3**	**35 703.3**	**35 703.3**	**35 703.3**
+ LT Debt	16 657.0	19 248.0	17 226.0	38 275.0	55 828.0	51 769.0	52 986.7	55 786.6	54 590.4	54 454.5	54 943.8
+ LT Borrowings	16 483.0	19 119.0	17 084.0	38 129.0	52 917.0	48 540.0	46 528.7	49 328.6	48 132.4	47 996.5	48 485.8
+ LT Lease Liabilities	174.0	129.0	142.0	146.0	2 911.0	3 229.0	3 229.0	3 229.0	3 229.0	3 229.0	3 229.0
+ *LT Finance Leases*	*174.0*	*129.0*	*142.0*	*146.0*	*271.0*	*246.0*	*246.0*	*246.0*	*246.0*	*246.0*	*246.0*
+ *LT Operating Leases*	—	—	—	—	*2 640.0*	*2 983.0*	*2 983.0*	*2 983.0*	*2 983.0*	*2 983.0*	*2 983.0*
+ Other LT Liabilities	11 211.0	10 794.0	9 557.0	21 516.0	21 581.0	18 539.0	22 671.0	22 671.0	22 671.0	22 671.0	22 671.0
+ Accrued Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Pension Liabilities	5 184.0	3 281.0	2 712.0	4 783.0	6 451.0	4 132.0	4 132.0	4 132.0	4 132.0	4 132.0	4 132.0
+ *Pensions*	*4 039.0*	*2 231.0*	*1 834.0*	*3 604.0*	*5 123.0*	*2 904.0*	*2 904.0*	*2 904.0*	*2 904.0*	*2 904.0*	*2 904.0*
+ *Other Post-Ret Benefits*	*1 145.0*	*1 050.0*	*878.0*	*1 179.0*	*1 328.0*	*1 228.0*	*1 228.0*	*1 228.0*	*1 228.0*	*1 228.0*	*1 228.0*
+ Deferred Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Deferred Tax Liabilities	3 679.0	4 480.0	3 109.0	7 902.0	7 288.0	7 246.0	7 246.0	7 246.0	7 246.0	7 246.0	7 246.0
+ Derivatives & Hedging	44.0	61.0	44.0	57.0	31.0	14.0	14.0	14.0	14.0	14.0	14.0
+ Misc LT Liabilities	2 304.0	2 972.0	3 692.0	8 774.0	7 811.0	7 147.0	7 147.0	7 147.0	7 147.0	7 147.0	7 147.0
Total Noncurrent Liabilities	**27 868.0**	**30 042.0**	**26 783.0**	**59 791.0**	**77 409.0**	**70 308.0**	**75 657.7**	**75 657.7**	**75 657.7**	**75 657.7**	**75 657.7**
Total Liabilities	**44 710.0**	**49 637.0**	**44 643.0**	**91 132.0**	**104 037.0**	**101 385.0**	**128 644.3**	**131 444.2**	**130 248.1**	**130 112.2**	**130 601.5**
+ Preferred Equity and Hybrid Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Share Capital & APIC	35 859.0	36 248.0	36 779.0	53 907.0	54 497.0	55 471.0	56 462.4	57 471.5	58 498.7	59 544.2	60 608.4
+ Common Stock	29.0	29.2	28.9	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
+ Additional Paid in Capital	35 830.0	36 218.8	36 750.1	53 889.0	54 479.0	55 453.0	56 444.4	57 453.5	58 480.7	59 526.2	60 590.4
- Treasury Stock	54 703.0	64 011.0	67 588.0	907.0	907.0	907.0	907.0	907.0	907.0	907.0	907.0
+ Retained Earnings	66 088.0	72 606.0	82 679.0	42 494.0	38 315.0	40 429.0	40 429.0	42 659.6	45 013.4	47 496.9	50 117.5
+ Other Equity	-3 979.0	-3 528.0	-3 097.0	-6 617.0	-8 322.0	-6 440.0	-6 440.0	-6 440.0	-6 440.0	-6 440.0	-6 440.0
Equity Before Minority Interest	**43 265.0**	**41 315.0**	**48 773.0**	**88 877.0**	**83 583.0**	**88 553.0**	**89 544.4**	**93 691.2**	**97 072.0**	**100 601.1**	**104 286.0**
+ Minority/Non Controlling Interest	4 058.0	4 837.0	5 182.0	13 975.0	13 929.0	13 671.0	13 858.3	13 819.4	13 782.9	13 820.2	13 807.5
Total Equity	**47 323.0**	**46 152.0**	**53 955.0**	**102 852.0**	**97 512.0**	**102 224.0**	**103 402.7**	**107 510.6**	**110 855.0**	**114 421.4**	**118 093.5**
Total Liabilities & Equity	**92 033.0**	**95 789.0**	**98 598.0**	**193 984.0**	**201 549.0**	**203 609.0**	**232 047.1**	**238 954.8**	**241 103.0**	**244 533.6**	**248 695.0**

Source: Bloomberg and author estimations

Appendix C: Balance Sheet- Common Size

Walt Disney Co/The (DIS US) - Common Size

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021	FY2022 F 09/30/2022	FY 2023 F 09/30/2023	FY 2024 F 09/30/2024	FY 2025 F 09/30/2025	FY 2026 F 09/30/2026
Total Assets	**92 033.0**	**95 789.0**	**98 598.0**	**193 984.0**	**201 549.0**	**203 609.0**	**213 555**	**222 516**	**231 410**	**241 478**	**252 884**
Total Assets											
+ Cash, Cash Equivalents & STI	5.0%	4.2%	4.2%	2.8%	8.9%	7.8%	9.4%	10.0%	10.2%	10.3%	10.5%
+ Cash & Cash Equivalents	5.0%	4.2%	4.2%	2.8%	8.9%	7.8%	9.4%	10.0%	10.2%	10.3%	10.5%
+ ST Investments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Accounts & Notes Receiv	9.2%	7.9%	8.4%	6.6%	5.6%	5.5%	5.2%	4.9%	4.7%	4.4%	4.2%
+ Accounts Receivable, Net	9.2%	7.9%	8.4%	6.6%	5.6%	5.5%	5.2%	4.9%	4.7%	4.4%	4.2%
+ Notes Receivable, Net	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Inventories	1.5%	1.4%	1.4%	0.9%	0.8%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%
+ Other ST Assets	2.7%	3.0%	3.1%	4.2%	2.2%	2.5%	2.8%	3.2%	3.5%	4.0%	4.4%
+ Prepaid Expenses	0.5%	0.5%	—	—	—	—	—	—	—	—	—
Total Current Assets	**18.4%**	**16.6%**	**17.1%**	**14.5%**	**17.5%**	**16.5%**	**18.1%**	**18.8%**	**19.1%**	**19.3%**	**19.6%**
+ Property, Plant & Equip, Net	29.7%	29.7%	30.0%	16.3%	15.9%	17.9%	19.5%	21.3%	23.3%	25.4%	27.6%
+ LT Investments & Receivables	0.2%	0.1%	0.1%	0.2%	1.9%	1.9%	1.8%	1.8%	1.7%	1.6%	1.6%
+ LT Investments	0.2%	0.1%	0.1%	0.2%	1.9%	1.9%	1.8%	1.8%	1.7%	1.6%	1.6%
+ Other LT Assets	51.6%	53.6%	52.8%	69.1%	64.7%	63.6%	60.6%	58.2%	56.0%	53.6%	51.2%
+ Total Intangible Assets	37.8%	40.1%	38.6%	53.4%	48.1%	46.7%	44.6%	42.8%	41.1%	39.4%	37.6%
+ *Goodwill*	*30.2%*	*32.8%*	*31.7%*	*41.4%*	*38.5%*	*38.3%*	36.6%	35.1%	33.7%	32.3%	30.9%
+ *Other Intangible Assets*	*7.6%*	*7.3%*	*6.9%*	*12.0%*	*9.5%*	*8.4%*	8.0%	7.7%	7.4%	7.1%	6.8%
+ Prepaid Expense	0.2%	0.2%	—	—	—	—	—	—	—	—	—
+ Derivative & Hedging Assets	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
+ Prepaid Pension Costs	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Investments in Affiliates	4.4%	3.2%	2.8%	1.5%	—	—	—	—	—	—	—
+ Misc LT Assets	9.1%	10.0%	11.3%	14.1%	16.5%	16.7%	16.0%	15.3%	14.7%	14.1%	13.5%
Total Noncurrent Assets	**81.6%**	**83.4%**	**82.9%**	**85.5%**	**82.5%**	**83.5%**	**81.9%**	**81.2%**	**80.9%**	**80.7%**	**80.4%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Liabilities & Shareholders' Equity											
Total Liabilities & Equity	**92 033**	**95 789**	**98 598**	**193 984**	**201 549**	**203 609**	**232 047**	**238 955**	**241 103**	**244 534**	**248 695**
+ Payables & Accruals	9.9%	9.1%	9.5%	9.2%	7.9%	9.9%	10.7%	10.5%	10.6%	10.3%	10.2%
+ Accounts Payable	7.5%	6.6%	6.6%	7.1%	6.5%	8.0%	6.2%	6.1%	6.3%	6.0%	6.0%
+ Accrued Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Interest & Dividends Payable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Other Payables & Accruals	2.4%	2.5%	2.9%	2.1%	1.4%	1.9%	1.7%	1.6%	1.6%	1.6%	1.6%
+ ST Debt	4.0%	6.5%	3.9%	4.6%	3.2%	3.2%	2.8%	2.7%	2.7%	2.7%	2.6%
+ ST Borrowings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ ST Lease Liabilities	0.0%	0.0%	0.0%	0.0%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
+ *ST Finance Leases*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	0.0%	0.0%	0.0%	0.0%	0.0%
+ *ST Operating Leases*	—	—	—	—	*0.4%*	*0.3%*	0.3%	0.3%	0.3%	0.3%	0.3%
+ Current Portion of LT Debt	4.0%	6.4%	3.8%	4.6%	2.8%	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%
+ Other ST Liabilities	4.4%	4.9%	4.8%	2.4%	2.0%	2.1%	1.9%	1.8%	1.8%	1.8%	1.7%
Total Current Liabilities	**18.3%**	**20.5%**	**18.1%**	**16.2%**	**13.2%**	**15.3%**	15.4%	14.9%	14.8%	14.6%	14.4%
+ LT Debt	18.1%	20.1%	17.5%	19.7%	27.7%	25.4%	22.8%	23.3%	22.6%	22.3%	22.1%
+ LT Borrowings	17.9%	20.0%	17.3%	19.7%	26.3%	23.8%	20.1%	20.6%	20.0%	19.6%	19.5%
+ LT Lease Liabilities	0.2%	0.1%	0.1%	0.1%	1.4%	1.6%	1.4%	1.4%	1.3%	1.3%	1.3%
+ *LT Finance Leases*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	0.1%	0.1%	0.1%	0.1%	0.1%
+ *LT Operating Leases*	—	—	—	—	*1.3%*	*1.5%*	1.3%	1.2%	1.2%	1.2%	1.2%
+ Other LT Liabilities	12.2%	11.3%	9.7%	11.1%	10.7%	9.1%	9.8%	9.5%	9.4%	9.3%	9.1%
+ Accrued Liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Pension Liabilities	5.6%	3.4%	2.8%	2.5%	3.2%	2.0%	1.8%	1.7%	1.7%	1.7%	1.7%
+ *Pensions*	*4.4%*	*2.3%*	*1.9%*	*1.9%*	*2.5%*	*1.4%*	1.3%	1.2%	1.2%	1.2%	1.2%
+ *Other Post-Ret Benefits*	*1.2%*	*1.1%*	*0.9%*	*0.6%*	*0.7%*	*0.6%*	0.5%	0.5%	0.5%	0.5%	0.5%
+ Deferred Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Deferred Tax Liabilities	4.0%	4.7%	3.2%	4.1%	3.6%	3.6%	3.1%	3.0%	3.0%	3.0%	2.9%
+ Derivatives & Hedging	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Misc LT Liabilities	2.5%	3.1%	3.7%	4.5%	3.9%	3.5%	3.1%	3.0%	3.0%	2.9%	2.9%
Total Noncurrent Liabilities	**30.3%**	**31.4%**	**27.2%**	**30.8%**	**38.4%**	**34.5%**	**32.6%**	**31.7%**	**31.4%**	**30.9%**	**30.4%**
Total Liabilities	**48.6%**	**51.8%**	**45.3%**	**47.0%**	**51.6%**	**49.8%**	**55.4%**	**55.0%**	**54.0%**	**53.2%**	**52.5%**
+ Preferred Equity and Hybrid Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Share Capital & APIC	39.0%	37.8%	37.3%	27.8%	27.0%	27.2%	24.3%	24.1%	24.3%	24.4%	24.4%
+ Common Stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Additional Paid in Capital	38.9%	37.8%	37.3%	27.8%	27.0%	27.2%	24.3%	24.0%	24.3%	24.3%	24.4%
- Treasury Stock	59.4%	66.8%	68.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
+ Retained Earnings	71.8%	75.8%	83.9%	21.9%	19.0%	19.9%	17.4%	17.9%	18.7%	19.4%	20.2%
+ Other Equity	-4.3%	-3.7%	-3.1%	-3.4%	-4.1%	-3.2%	-2.8%	-2.7%	-2.7%	-2.6%	-2.6%
Equity Before Minority Interest	**47.0%**	**43.1%**	**49.5%**	**45.8%**	**41.5%**	**43.5%**	38.6%	39.2%	40.3%	41.1%	41.9%
+ Minority/Non Controlling Interest	4.4%	5.0%	5.3%	7.2%	6.9%	6.7%	6.0%	5.8%	5.7%	5.7%	5.6%
Total Equity	**51.4%**	**48.2%**	**54.7%**	**53.0%**	**48.4%**	**50.2%**	**44.6%**	**45.0%**	**46.0%**	**46.8%**	**47.5%**
Total Liabilities & Equity	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Bloomberg and author estimations

Appendix D: Balance Sheet- Assumptions

Balance Sheet Assumptions	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021	FY2022 F 09/30/2022	FY 2023 F 09/30/2023	FY 2024 F 09/30/2024	FY 2025 F 09/30/2025	FY 2026 F 09/30/2026
Accounts Receivable Days	52.58	53.04	48.63	55.30	68.60	60.68	53.67	47.47	41.99	37.14	32.85
Accounts Receivable Days (YoY%)		0.89%	-8.33%	13.73%	24.05%	-11.55%	-11.55%	-11.55%	-11.55%	-11.55%	-11.55%
Days Inventory Outstanding	17.97	16.59	15.38	13.16	13.66	11.75	10.11	8.69	7.48	6.43	5.53
Days Inventory Outstanding (YoY%)		-7.65%	-7.33%	-14.43%	3.83%	-13.99%	-13.99%	-13.99%	-13.99%	-13.99%	-13.99%
Accounts Payable Turnover Days	75.48	79.11	71.19	87.22	114.15	119.80	125.72	131.94	138.47	145.32	152.51
Accounts Payable Turnover Days (YoY%)		4.80%	-10.01%	22.53%	30.87%	4.95%	4.95%	4.95%	4.95%	4.95%	4.95%
Deferred Taxes (Assets)	-	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & STI/Revenue (%)	8.29%	7.29%	6.98%	7.78%	27.40%	23.67%	23.67%	23.67%	23.67%	23.67%	23.67%
Accounts & Notes Receiv (YoY%)		-10.014%	8.632%	55.806%	-12.288%	-1.080%	-1.080%	-1.080%	-1.080%	-1.080%	-1.080%
Inventories (Average FY 2016- FY2021)	1390	1373	1392	1649	1583	1331	1453	1453	1453	1453	1453
Other ST Assets (YoY%)		15.2%	4.4%	171.1%	-45.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
LT Investments	constant										
Other LT Assets	constant										
Total Intangible Assets	constant										
Goodwill	constant										
Other Intangible Assets	constant										
Prepaid Expense	constant										
Derivative & Hedging Assets	constant										
Prepaid Pension Costs	constant										
Investments in Affiliates	constant										
Misc LT Assets	constant										
Payables & Accruals	9074	8706	9352	17756	16004	20216	25536.53	32257.34	40746.97	51470.93	65017.26
Payables & Accruals (YoY%)		-4.06%	7.42%	89.86%	-9.87%	26.32%	26.32%	26.32%	26.32%	26.32%	26.32%
Accounts Payable (3 year Average from FY 2022)	6860	6305	6503	13778	13183	16357	14439	14660	15152	14750	14854
LT Borrowings (3 year Average from FY 2022)	16483	19119	17084	38129	52917	48540	46529	49329	48132	47997	48486
Share Capital & APIC	35859	36248	36779	53907	54497	55471	56462.41	57471.53	58498.70	59544.22	60608.42
Share Capital & APIC (YoY%)		1.08%	1.46%	46.57%	1.09%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%
Retained Earnings	66088	72606	82679	42494	38315	40429	40429	42659.64	45013.35	47496.93	50117.53
Retained Earnings (YoY%)		9.86%	13.87%	-48.60%	-9.83%	5.52%	5.52%	5.52%	5.52%	5.52%	5.52%
Minority/Non Controlling Interest (3 year Average from FY 2022)	4058	4837	5182	13975	13929	13671	13858	13819	13783	13820	13808
Treasury Stock	constant										
Other Equity	constant										

Source: Bloomberg and author estimations

Appendix E: Income Statement

Walt Disney Co/The (DIS US) - Income Statement

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021	FY2022 F 09/30/2022	FY 2023 F 09/30/2023	FY 2024 F 09/30/2024	Y 2025 F 09/30/2025	FY 2026 F 09/30/2026
Revenue	**55 632.0**	**55 137.0**	**59 434.0**	**69 607.0**	**65 388.0**	**67 418.0**	**84 452.6**	**94 285.4**	**99 762.8**	**105 558.5**	**111 690.8**
+ Sales & Services Revenue	55 632.0	55 137.0	59 434.0	69 607.0	65 388.0	67 418.0	84 452.6	94 285.4	99 762.8	105 558.5	111 690.8
- Cost of Revenue	29 993.0	30 306.0	32 726.0	42 061.0	43 880.0	45 131.0	46 417.7	47 741.0	49 102.1	50 502.0	51 941.8
+ Cost of Goods & Services	29 993.0	30 306.0	32 726.0	42 061.0	43 880.0	45 131.0	46 417.7	47 741.0	49 102.1	50 502.0	51 941.8
Gross Profit	**25 639.0**	**24 831.0**	**26 708.0**	**27 546.0**	**21 508.0**	**22 287.0**	38 035.0	46 544.4	50 660.7	55 056.5	59 749.0
+ Other Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Operating Expenses	11 281.0	10 958.0	11 871.0	15 716.0	17 714.0	18 628.0	19 715.2	20 939.4	22 312.5	23 847.5	25 559.0
+ Selling, General & Admin	8 754.0	8 176.0	8 860.0	11 549.0	12 369.0	13 517.0	14 828.0	16 266.2	17 843.8	19 574.5	21 473.0
+ Research & Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Depreciation & Amortization	2 527.0	2 782.0	3 011.0	4 167.0	5 345.0	5 111.0	4 887.2	4 673.3	4 468.7	4 273.1	4 086.0
+ Other Operating Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income (Loss)	**14 358.0**	**13 873.0**	**14 837.0**	**11 830.0**	**3 794.0**	**3 659.0**	**18 319.7**	**25 605.0**	**28 348.3**	**31 209.0**	**34 190.1**
- Non-Operating (Income) Loss	-463.0	65.0	466.0	543.0	-4 895.0	645.0	1 698.0	1 032.2	1 125.9	1 203.7	1 227.1
+ Interest Expense, Net	260.0	385.0	574.0	978.0	1 491.0	1 406.0	**849.0**	**947.2**	**1 040.9**	**1 118.7**	**1 142.1**
+ *Interest Expense*	*354.0*	*507.0*	*682.0*	*1 246.0*	*1 647.0*	*1 587.0*	1 003.8	1 112.1	1 213.0	1 301.5	1 310.7
- *Interest Income*	*94.0*	*122.0*	*108.0*	*268.0*	*156.0*	*181.0*	154.8	165.0	172.1	182.8	168.6
+ Foreign Exch (Gain) Loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ (Income) Loss from Affiliates	-926.0	-320.0	102.0	103.0	-651.0	-761.0	85.0	85.0	85.0	85.0	85.0
+ Other Non-Op (Income) Loss	203.0	0.0	-210.0	-538.0	-5 735.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax Income (Loss), Adjusted	**14 821.0**	**13 808.0**	**14 371.0**	**11 287.0**	**8 689.0**	**3 014.0**	16 621.7	24 572.8	27 222.4	30 005.3	32 962.9
- Abnormal Losses (Gains)	-47.0	20.0	-358.0	-2 636.0	10 432.0	453.0	0.0	0.0	0.0	0.0	0.0
Pretax Income (Loss), GAAP	**14 868.0**	**13 788.0**	**14 729.0**	**13 923.0**	**-1 743.0**	**2 561.0**	16 621.7	24 572.8	27 222.4	30 005.3	32 962.9
- Income Tax Expense (Benefit)	5 078.0	4 422.0	1 663.0	3 026.0	699.0	25.0	25.0	25.0	25.0	25.0	25.0
+ Current Income Tax	3 833.0	4 078.0	3 244.0	950.0	974.0	1 277.0	1 277.0	1 277.0	1 277.0	1 277.0	1 277.0
+ Deferred Income Tax	1 245.0	344.0	-1 581.0	2 076.0	-275.0	-1 252.0	0.0	0.0	0.0	0.0	0.0
+ Tax Allowance/Credit	—	—	—	—	—	—	—	—	—	—	—
Income (Loss) from Cont Ops	**9 790.0**	**9 366.0**	**13 066.0**	**10 897.0**	**-2 442.0**	**2 536.0**	17 873.7	25 824.8	28 474.4	31 257.3	34 214.9
- Net Extraordinary Losses (Gains)	0.0	0.0	0.0	-687.0	32.0	29.0	—	—	—	—	—
+ Discontinued Operations	0.0	0.0	0.0	-687.0	32.0	29.0	—	—	—	—	—
+ XO & Accounting Changes	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—	—	—
Income (Loss) Incl. MI	**9 790.0**	**9 366.0**	**13 066.0**	**11 584.0**	**-2 474.0**	**2 507.0**	*17 873.7*	*25 824.8*	*28 474.4*	*31 257.3*	*34 214.9*
- Minority Interest	399.0	386.0	468.0	530.0	390.0	512.0	447.5	455.6	467.2	467.0	456.6
Net Income, GAAP	**9 391.0**	**8 980.0**	**12 598.0**	**11 054.0**	**-2 864.0**	**1 995.0**	17 426.2	25 369.2	28 007.2	30 790.3	33 758.4
- Preferred Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Other Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Avail to Common, GAAP	**9 391.0**	**8 980.0**	**12 598.0**	**11 054.0**	**-2 864.0**	**1 995.0**	17 426.2	25 369.2	28 007.2	30 790.3	33 758.4
Net Income Avail to Common, Adj	**9 376.0**	**8 997.0**	**10 641.0**	**8 301.5**	**6 678.4**	**2 371.8**	17 426.2	25 369.2	28 007.2	30 790.3	33 758.4
Net Abnormal Losses (Gains)	-15.0	17.0	-1 957.0	-2 065.5	9 510.4	347.8	—	—	—	—	—
Net Extraordinary Losses (Gains)	0.0	0.0	0.0	-687.0	32.0	29.0	—	—	—	—	—

Source: Bloomberg and author estimations

Appendix F: Income Statement-Common Size

Walt Disney Co/The (DIS US) - Income Statement Common Size

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021	FY2022 F 09/30/2022	FY 2023 F 09/30/2023	FY 2024 F 09/30/2024	FY 2025 F 09/30/2025	FY 2026 F 09/30/2026
Revenue	**55 632.0**	**55 137.0**	**59 434.0**	**69 607.0**	**65 388.0**	**67 418.0**	**84 452.6**	**94 285.4**	**99 762.8**	**105 558.5**	**111 690.8**
+ Sales & Services Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
- Cost of Revenue	53.9%	55.0%	55.1%	60.4%	67.1%	66.9%	55.0%	50.6%	49.2%	47.8%	46.5%
+ Cost of Goods & Services	53.9%	55.0%	55.1%	60.4%	67.1%	66.9%	55.0%	50.6%	49.2%	47.8%	46.5%
Gross Profit	**46.1%**	**45.0%**	**44.9%**	**39.6%**	**32.9%**	**33.1%**	**45.0%**	**49.4%**	**50.8%**	**52.2%**	**53.5%**
+ Other Operating Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
- Operating Expenses	20.3%	19.9%	20.0%	22.6%	27.1%	27.6%	23.3%	22.2%	22.4%	22.6%	22.9%
+ Selling, General & Admin	15.7%	14.8%	14.9%	16.6%	18.9%	20.0%	17.6%	17.3%	17.9%	18.5%	19.2%
+ Research & Development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Depreciation & Amortization	4.5%	5.0%	5.1%	6.0%	8.2%	7.6%	5.8%	5.0%	4.5%	4.0%	3.7%
+ Other Operating Expense	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Income (Loss)	**25.8%**	**25.2%**	**25.0%**	**17.0%**	**5.8%**	**5.4%**	**21.7%**	**27.2%**	**28.4%**	**29.6%**	**30.6%**
- Non-Operating (Income) Loss	-0.8%	0.1%	0.8%	0.8%	-7.5%	1.0%	2.0%	1.1%	1.1%	1.1%	1.1%
+ Interest Expense, Net	0.5%	0.7%	1.0%	1.4%	2.3%	2.1%	1.0%	1.0%	1.0%	1.1%	1.0%
+ *Interest Expense*	*0.6%*	*0.9%*	*1.1%*	*1.8%*	*2.5%*	*2.4%*	1.2%	1.2%	1.2%	1.2%	1.2%
- *Interest Income*	*0.2%*	*0.2%*	*0.2%*	*0.4%*	*0.2%*	*0.3%*	0.2%	0.2%	0.2%	0.2%	0.2%
+ Foreign Exch (Gain) Loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ (Income) Loss from Affiliates	-1.7%	-0.6%	0.2%	0.1%	-1.0%	-1.1%	0.1%	0.1%	0.1%	0.1%	0.1%
+ Other Non-Op (Income) Loss	0.4%	0.0%	-0.4%	-0.8%	-8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pretax Income (Loss), Adjusted	**26.6%**	**25.0%**	**24.2%**	**16.2%**	**13.3%**	**4.5%**	**19.7%**	**26.1%**	**27.3%**	**28.4%**	**29.5%**
- Abnormal Losses (Gains)	-0.1%	0.0%	-0.6%	-3.8%	16.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Pretax Income (Loss), GAAP	**26.7%**	**25.0%**	**24.8%**	**20.0%**	**-2.7%**	**3.8%**	**19.7%**	**26.1%**	**27.3%**	**28.4%**	**29.5%**
- Income Tax Expense (Benefit)	9.1%	8.0%	2.8%	4.3%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Current Income Tax	6.9%	7.4%	5.5%	1.4%	1.5%	1.9%	1.5%	1.4%	1.3%	1.2%	1.1%
+ Deferred Income Tax	2.2%	0.6%	-2.7%	3.0%	-0.4%	-1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
+ Tax Allowance/Credit	—	—	—	—	—	—	—	—	—	—	—
Income (Loss) from Cont Ops	**17.6%**	**17.0%**	**22.0%**	**15.7%**	**-3.7%**	**3.8%**	**21.2%**	**27.4%**	**28.5%**	**29.6%**	**30.6%**
- Net Extraordinary Losses (Gains)	0.0%	0.0%	0.0%	-1.0%	0.0%	0.0%	—	—	—	—	—
+ Discontinued Operations	0.0%	0.0%	0.0%	-1.0%	0.0%	0.0%	—	—	—	—	—
+ XO & Accounting Changes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	—	—	—	—	—
Income (Loss) Incl. MI	**17.6%**	**17.0%**	**22.0%**	**16.6%**	**-3.8%**	**3.7%**	**21.2%**	**27.4%**	**28.5%**	**29.6%**	**30.6%**
- Minority Interest	0.7%	0.7%	0.8%	0.8%	0.6%	0.8%	0.5%	0.5%	0.5%	0.4%	0.4%
Net Income, GAAP	**16.9%**	**16.3%**	**21.2%**	**15.9%**	**-4.4%**	**3.0%**	**20.6%**	**26.9%**	**28.1%**	**29.2%**	**30.2%**
- Preferred Dividends	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
- Other Adjustments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income Avail to Common, GAAP	**16.9%**	**16.3%**	**21.2%**	**15.9%**	**-4.4%**	**3.0%**	**20.6%**	**26.9%**	**28.1%**	**29.2%**	**30.2%**

Source: Bloomberg and author estimations

Appendix G: Income Statement-Assumptions

Income Statement Assumptions	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021	FY2022 F 09/30/2022	FY 2023 F 09/30/2023	FY 2024 F 09/30/2024	FY 2025 F 09/30/2025	FY 2026 F 09/30/2026
Revenue (indexed to the expected segments performance- weighted average)	55 632.0	55 137.0	59 434.0	69 607.0	65 388.0	67 418.0	84 452.6	94 285.4	99 762.8	105 558.5	111 690.8
Shares Outstanding	1 600.0	1 517.0	1 488.0	1 783.0	1 781.0	1 781.0	1 781.0	1 781.0	1 781.0	1 781.0	1 781.0
Net Abnormal Losses (Gains) (USD millions)	-15	17	-1957	-2065.46	9510.4407	347.767					
Net Extraordinary Losses (Gains) (USD millions)	0	0	0	-687	32	29					
Equity-Based Compensation / Revenues (%)											
Cost of Goods & Services	29993	30306	32726	42061	43880	45131	46418	47741	49102	50502	51942
Cost of Goods & Services (YoY%)		1.0436%	7.9852%	28.5247%	4.3247%	2.8510%	2.8510%	2.8510%	2.8510%	2.8510%	2.8510%
Selling, General & Admin	8754	8176	8860	11549	12369	13517	14828	16266	17844	19574	21473
Selling, General & Admin (YoY%)		-6.6027%	8.3659%	30.3499%	7.1002%	9.2813%	9.6989%	9.6989%	9.6989%	9.6989%	9.6989%
Depreciation & Amortization	2527	2782	3011	4167	5345	5111	4887	4673	4469	4273	4086
Depreciation & Amortization (Decrease YoY% 2020-2021)		10.0910%	8.2315%	38.3926%	28.2697%	-4.3779%	-4.3779%	-4.3779%	-4.3779%	-4.3779%	-4.3779%
Interest Income (Average last 6 periods)	94	122	108	268	156	181	155	165	172	183	169
Interest Expense (Average last 6 periods)	354	507	682	1246	1647	1587	1004	1112	1213	1301	1311
Effective Tax Rate							21%	21%	21%	21%	21%
Deferred Income Tax / Income Tax Expense (%)						–	–	–	–	–	
Minority Interest (Average 6 Periods)	399	386	468	530	390	512	448	456	467	467	457

Source: Bloomberg and author estimations

Appendix H: NWC and CAPEX-Assumptions

NWC and CAPEX assumptions	FY 2021 10/02/2021	FY2022 F 09/30/2022	FY 2023 F 09/30/2023	FY 2024 F 09/30/2024	FY 2025 F 09/30/2025	FY 2026 F 09/30/2026
Total Current Assets	33657	38546.9729	41752.7129	43689.4889	45854.9786	48282.2284
Total Current Liabilities	31077	35703.3333	35703.3333	35703.3333	35703.3333	35703.3333
Working Capital	2580	2843.63952	6049.37954	7986.15557	10151.6452	12578.895
Changes in Working Capital		263.639524	3205.74001	1936.77604	2165.48965	2427.24982
CAPEX	-3 578.0	-3907.35	-4267.02	-4659.80	-5088.73	-5557.14

Source: Bloomberg and author estimations

Appendix I: Cash flow Statement

Walt Disney Co/The (DIS US) - Cashflow statement

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021
Cash from Operating Activities						
+ Net Income	9 391.0	8 980.0	12 598.0	11 054.0	-2 864.0	1 995.0
+ Depreciation & Amortization	2 527.0	2 782.0	3 011.0	4 167.0	5 345.0	5 111.0
+ Non-Cash Items	1 983.0	639.0	-1 404.0	-2 661.0	5 623.0	-3 563.0
+ Stock-Based Compensation	393.0	364.0	393.0	711.0	525.0	600.0
+ Deferred Income Taxes	1 214.0	334.0	-1 573.0	117.0	-392.0	-1 241.0
+ Other Non-Cash Adj	376.0	-59.0	-224.0	-3 489.0	5 490.0	-2 922.0
+ Chg in Non-Cash Work Cap	-765.0	-58.0	90.0	-6 576.0	-488.0	2 023.0
+ (Inc) Dec in Accts Receiv	-393.0	107.0	-720.0	55.0	1 943.0	-357.0
+ (Inc) Dec in Inventories	186.0	-5.0	-17.0	-223.0	14.0	252.0
+ Inc (Dec) in Other	-558.0	-160.0	827.0	-6 408.0	-2 445.0	2 128.0
+ Net Cash From Disc Ops	0.0	0.0	0.0	622.0	2.0	1.0
Cash from Operating Activities	**13 136.0**	**12 343.0**	**14 295.0**	**6 606.0**	**7 618.0**	**5 567.0**
Cash from Investing Activities						
+ Change in Fixed & Intang	-4 773.0	-3 623.0	-4 465.0	-4 876.0	-4 022.0	-3 578.0
+ Disp in Fixed & Intang	0.0	0.0	0.0	0.0	0.0	0.0
+ Disp of Fixed Prod Assets	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
+ Disp of Intangible Assets	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
+ Acq of Fixed & Intang	-4 773.0	-3 623.0	-4 465.0	-4 876.0	-4 022.0	-3 578.0
+ Acq of Fixed Prod Assets	*-4 773.0*	*-3 623.0*	*-4 465.0*	*-4 876.0*	*-4 022.0*	*-3 578.0*
+ Acq of Intangible Assets	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
+ Net Change in LT Investment	0.0	0.0	0.0	0.0	0.0	0.0
+ Dec in LT Investment	0.0	0.0	0.0	0.0	0.0	0.0
+ Inc in LT Investment	0.0	0.0	0.0	0.0	0.0	0.0
+ Net Cash From Acq & Div	-850.0	-417.0	-1 581.0	-9 901.0	0.0	0.0
+ Cash from Divestitures	0.0	0.0	0.0	0.0	0.0	0.0
+ Cash for Acq of Subs	-850.0	-417.0	-1 581.0	-9 901.0	0.0	0.0
+ Cash for JVs	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Investing Activities	-135.0	-71.0	710.0	-319.0	172.0	407.0
+ Net Cash From Disc Ops	0.0	0.0	0.0	10 978.0	213.0	8.0
Cash from Investing Activities	**-5 758.0**	**-4 111.0**	**-5 336.0**	**-4 118.0**	**-3 637.0**	**-3 163.0**
Cash from Financing Activities						
+ Dividends Paid	-2 313.0	-2 445.0	-2 515.0	-2 895.0	-1 587.0	0.0
+ Cash From (Repayment) Debt	2 940.0	3 703.0	-2 583.0	3 677.0	11 233.0	-3 699.0
+ Cash (Repurchase) of Equity	-7 240.0	-9 092.0	-3 367.0	318.0	305.0	435.0
+ Increase in Capital Stock	259.0	276.0	210.0	318.0	305.0	435.0
+ Decrease in Capital Stock	-7 499.0	-9 368.0	-3 577.0	0.0	0.0	0.0
+ Other Financing Activities	-607.0	-1 125.0	-378.0	-1 564.0	-1 471.0	-1 121.0
+ Net Cash From Disc Ops	0.0	0.0	0.0	-626.0	0.0	0.0
Cash from Financing Activities	**-7 220.0**	**-8 959.0**	**-8 843.0**	**-1 090.0**	**8 480.0**	**-4 385.0**
Effect of Foreign Exchange Rates	-123.0	31.0	-25.0	-98.0	38.0	30.0
Net Changes in Cash	**35.0**	**-696.0**	**91.0**	**1 300.0**	**12 499.0**	**-1 951.0**
Cash Paid for Taxes	**4 133.0**	**3 801.0**	**2 503.0**	**9 259.0**	**738.0**	**1 638.0**
Cash Paid for Interest	**395.0**	**466.0**	**631.0**	**1 142.0**	**1 559.0**	**1 892.0**

Source: Bloomberg and author estimations

Appendix J: Ratios

Efficiency Ratios

Walt Disney Co/The (DIS US) - Effieincy Ratios

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021
Accounts Receivable Turnover	**6.92**	**6.86**	**7.49**	**6.58**	**5.41**	**6.00**
Days Sales Outstanding	52.58	53.04	48.63	55.30	68.60	60.68
Inventory Turnover	**20.26**	**21.94**	**23.67**	**27.66**	**27.15**	**30.98**
Days Inventory Outstanding	17.97	16.59	15.38	13.16	13.66	11.75
Accounts Payable Turnover	**4.82**	**4.60**	**5.11**	**4.17**	**3.25**	**3.04**
Accounts Payable Turnover Days	75.48	79.11	71.19	87.22	114.15	119.80
Cash Conversion Cycle	**-4.94**	**-9.47**	**-7.19**	**-18.76**	**-31.89**	**-47.37**
Inventory to Cash Days	**70.54**	**69.63**	**64.00**	**68.46**	**82.26**	**72.43**
Total Inventory	**1 390.0**	**1 373.0**	**1 392.0**	**1 649.0**	**1 583.0**	**1 331.0**

Source: Bloomberg and author estimations

Liquidity Ratios

Walt Disney Co/The (DIS US) - Liquidity Ratios

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021
Cash Ratio	0.27	0.21	0.23	0.17	0.67	0.51
Current Ratio	1.01	0.81	0.94	0.90	1.32	1.08
Quick Ratio	0.78	0.59	0.70	0.58	1.10	0.87
CFO/Avg Current Liab	0.79	0.68	0.76	0.27	0.26	0.19
Common Equity/Total Assets	47.01	43.13	49.47	45.82	41.47	43.49
Long-Term Debt/Equity	35.20	41.71	31.93	37.21	57.25	50.64
Long-Term Debt/Capital	24.61	26.89	22.97	25.52	34.93	32.25
Long-Term Debt/Total Assets	18.10	20.09	17.47	19.73	27.70	25.43
Total Debt/Equity	43.03	55.10	38.97	45.83	63.91	57.04
Total Debt/Capital	30.09	35.53	28.04	31.43	38.99	36.32
Total Debt/Total Assets	22.13	26.55	21.33	24.30	30.92	28.64
CFO/Total Liabilities	29.38	24.87	32.02	7.25	7.32	5.49
CFO/CapEx	2.75	3.41	3.20	1.35	1.89	1.56
Altman's Z-Score	5.42	5.29	6.02	3.36	2.45	3.16
Total Line of Credit	6 000.0	7 000.0	12 250.0	12 250.0	17 250.0	12 250.0
Total Available Line Of Credit	6 000.0	7 000.0	12 250.0	12 250.0	17 250.0	12 250.0
Total Credit Lines Drawn	0.0	0.0	0.0	0.0	0.0	0.0
Total Commercial Paper Outstanding	1 521.0	2 772.0	1 005.0	5 342.0	2 023.0	1 992.0

Source: Bloomberg and author estimations

Profitability Ratios

Walt Disney Co/The (DIS US) - Profitability Ratios

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021
Returns						
Return on Common Equity	21.39	21.23	27.97	16.06	-3.32	2.32
Return on Assets	10.42	9.56	12.96	7.56	-1.45	0.98
Return on Capital	14.97	13.94	18.65	11.17	-0.76	2.55
Return on Invested Capital	13.88	13.49	17.84	8.11	-1.67	1.94
Margins						
Gross Margin	46.09	45.04	44.94	39.57	32.89	33.06
EBITDA Margin	30.35	30.21	30.03	22.98	6.58	13.30
Operating Margin	25.81	25.16	24.96	17.00	-2.97	4.46
Incremental Operating Margin	35.81	-97.98	22.43	—	-326.40	243.65
Pretax Margin	26.73	25.01	24.78	20.00	-2.67	3.80
Income before XO Margin	17.60	16.99	21.98	15.66	-3.73	3.76
Net Income Margin	16.88	16.29	21.20	15.88	-4.38	2.96
Net Income to Common Margin	16.88	16.29	21.20	15.88	-4.38	2.96

Source: Bloomberg and author estimations

Credit Ratios

Walt Disney Co/The (DIS US) - Credit Ratios

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021
IFRS 16/ASC 842 Adoption	No	No	No	Yes	Yes	Yes
Total Debt	20 364.0	25 432.0	21 028.0	47 137.0	62 323.0	58 313.0
Short-Term Debt	3 707.0	6 184.0	3 802.0	8 862.0	6 495.0	6 544.0
Long Term Debt	16 657.0	19 248.0	17 226.0	38 275.0	55 828.0	51 769.0
Total Debt/T12M EBITDA	1.21	1.53	1.18	2.95	14.48	6.50
Net Debt/EBITDA	0.93	1.29	0.95	2.61	10.32	4.72
Total Debt/EBIT	1.42	1.83	1.42	3.98	—	18.88
Net Debt/EBIT	1.10	1.54	1.14	3.53	—	13.71
EBITDA to Interest Expense	47.70	32.85	26.17	12.84	2.61	5.65
EBITDA-CapEx/Interest Expense	24.57	21.94	16.58	7.58	0.16	3.04
EBIT to Interest Expense	40.56	27.36	21.76	9.49	-1.18	1.89
EBITDA/Cash Interest Paid	42.75	35.74	28.29	14.01	2.76	4.74
EBITDA-CapEx/Cash Interest Paid	30.66	27.97	21.21	9.74	0.18	2.85
EBIT/Cash Interest Paid	36.35	29.77	23.51	10.36	-1.25	1.59
Cash Interest Paid	395.0	466.0	631.0	1 142.0	1 559.0	1 892.0
Interest Expense	354.0	507.0	682.0	1 246.0	1 647.0	1 587.0
Common Equity/Total Assets	47.01	43.13	49.47	45.82	41.47	43.49
Long-Term Debt/Equity	35.20	41.71	31.93	37.21	57.25	50.64
Long-Term Debt/Capital	24.61	26.89	22.97	25.52	34.93	32.25
Long-Term Debt/Total Assets	18.10	20.09	17.47	19.73	27.70	25.43
Total Debt/Equity	43.03	55.10	38.97	45.83	63.91	57.04
Total Debt/Capital	30.09	35.53	28.04	31.43	38.99	36.32
Total Debt/Total Assets	22.13	26.55	21.33	24.30	30.92	28.64
Net Debt/Equity	33.29	46.40	31.28	40.56	45.54	41.43
Net Debt/Capital	24.98	31.69	23.83	28.86	31.29	29.29

Source: Bloomberg and author estimations

Appendix K: Dupont Analysis

12 Months Ending	10/01/2016	09/30/2017	09/29/2018	09/28/2019	10/03/2020	10/02/2021
Tax Burden						
Net Inc to Comn/Pre-Tax Profit %	63.16	65.13	85.53	79.39	164.31	77.90
Adjustment Factor						
Normlzd Net Inc/Net Inc to Cmn	1.00	1.00	0.84	0.75	—	1.19
Interest Burden						
Pre-Tax Profit/EBIT %	97.67	96.45	95.57	91.79	1 815.63	61.74
Operating Margin						
EBIT/Revenue %	27.36	25.93	25.93	21.79	-0.15	6.15
Asset Turnover						
Revenue/Avg Assets	0.62	0.59	0.61	0.48	0.33	0.33
Leverage Ratio						
Avg Assets/Avg Equity	2.05	2.22	2.16	2.13	2.29	2.35
Adjusted Return on Equity	21.36	21.27	23.62	12.06	7.74	2.76
5 Year Average Adj ROE	17.45	18.80	20.57	19.61	17.21	13.49
Payout Ratio (%)	24.63	27.24	19.99	28.11	—	0.00
Sustainable Growth Rate (%)	16.12	15.45	22.38	11.55	—	2.32
Growth (YoY%)	*35.7*	*-4.2*	*44.8*	*-48.4*	—	—

Source: Bloomberg and author estimations

Appendix L: CAPEX and Depreciation

Walt Disney Co/The (DIS US) - CAPEX & Depreciation

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021
Depreciation Expenses	2 320.0	2 586.0	2 758.0	2 844.0	3 140.0	3 068.0
Depr Exp / Net Sales	4.17	4.69	4.64	4.09	4.80	4.55
Depr Exp / Net Fixed Assets	0.09	0.09	0.10	0.09	0.10	0.09
Accum Depr / Total Assets	29.17	30.31	31.20	16.71	17.62	18.62
Accum Depr / Gross Fixed Assets	49.54	50.55	51.01	50.63	52.54	50.94
Capitalized Int Exp	139.0	87.0	125.0	222.0	157.0	187.0
Cap Interest/Pretax Income	0.93	0.63	0.85	1.59	—	7.30
Capital Expenditures	-4 773.0	-3 623.0	-4 465.0	-4 876.0	-4 022.0	-3 578.0
CAPEX/Sales	8.58	6.57	7.51	7.01	6.15	5.31
CAPEX/Total Assets	5.30	3.86	4.59	3.33	2.03	1.77
Capital Expend / Depr Exp	2.06	1.40	1.62	1.71	1.28	1.17
CAPEX to Depreciation Expense 5 Year Ave	1.84	1.70	1.74	1.76	1.61	1.44
Total Capital Expenditures - 1 Yr Growth	11.91	-24.09	23.24	9.20	-17.51	-11.04
Average Age of Assets in Years	11.57	11.23	11.15	11.40	11.31	12.36

Source: Bloomberg and author estimations

Appendix M: By measure Segmentation

Walt Disney Co/The (DIS US) - By Measure

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016		FY 2017 09/30/2017		FY 2018 09/29/2018		FY 2019 09/28/2019		FY 2020 10/03/2020		FY 2021 10/02/2021	
Revenue	**55 632.0**	**100.0%**	**55 137.0**	**100.0%**	**59 434.0**	**100.0%**	**69 607.0**	**100.0%**	**65 388.0**	**100.0%**	**67 418.0**	**100.0%**
Disney Media & Entertainment Distribution	—		—		—		—		49 112.0	74.2%	51 758.0	75.8%
Linear Networks	—		—		—		—		27 583.0	41.7%	28 093.0	41.1%
Domestic Channels	—		—		—		—		22 244.0	33.6%	22 463.0	32.9%
International Channels	—		—		—		—		5 339.0	8.1%	5 630.0	8.2%
Direct-to-Consumer	—		—		—		—		10 552.0	16.0%	16 319.0	23.9%
Content Sales/Licensing and Other	—		—		—		—		10 977.0	16.6%	7 346.0	10.8%
Disney Parks, Experiences & Products	—		—		24 701.0	41.1%	26 225.0	37.3%	17 038.0	25.8%	16 552.0	24.2%
Parks & Experiences	—		—		—		—		12 246.0	18.5%	11 212.0	16.4%
Domestic	—		—		16 161.0	26.9%	17 369.0	24.7%	10 226.0	15.5%	9 353.0	13.7%
International	—		—		4 135.0	6.9%	4 223.0	6.0%	2 020.0	3.1%	1 859.0	2.7%
Consumer Products	—		—		4 405.0	7.3%	4 633.0	6.6%	4 792.0	7.2%	5 340.0	7.8%
Reconciliation	—		—		-668.0		341.0		-762.0		-892.0	
Interactive	—		—		—		—		—		—	
Other Content	—		—		—		—		—		—	
Games	—		—		—		—		—		—	
Direct-to-Consumer & International	—		—		3 414.0	5.7%	8 074.0	11.5%	—		—	
Direct-to-Consumer Businesses and Other	—		—		1 494.0	2.5%	3 347.0	4.8%	—		—	
International Channels	—		—		1 920.0	3.2%	4 727.0	6.7%	—		—	
Media Networks	—		—		21 922.0	36.5%	24 827.0	35.3%	—		—	
Broadcasting	—		—		7 312.0	12.2%	8 341.0	11.9%	—		—	
Cable Networks	—		—		14 610.0	24.3%	16 486.0	23.5%	—		—	
Parks and Resorts	16 974.0	30.5%	18 415.0	33.4%	—		—		—		—	
International	2 732.0	4.9%	3 603.0	6.5%	—		—		—		—	
Domestic	14 242.0	25.6%	14 812.0	26.9%	—		—		—		—	
Studio Entertainment	9 441.0	17.0%	8 379.0	15.2%	10 065.0	16.7%	11 127.0	15.8%	—		—	
Consumer Products and Interactive Media	5 528.0	9.9%	4 833.0	8.8%	—		—		—		—	
Licensing, Publishing and Games	3 819.0	6.9%	3 256.0	5.9%	—		—		—		—	
Retail and other	1 709.0	3.1%	1 577.0	2.9%	—		—		—		—	
Media Networks	23 689.0	42.6%	23 510.0	42.6%	—		—		—		—	
Broadcasting	7 057.0	12.7%	6 983.0	12.7%	—		—		—		—	
Cable Networks	16 632.0	29.9%	16 527.0	30.0%	—		—		—		—	
Corporate	—		—		—		-987.0		—		—	
Consumer Products	—		—		—		—		—		—	
Retail and Other	—		—		—		—		—		—	
Licensing and Publishing	—		—		—		—		—		—	
Revenue - Supplementary Breakdown	**55 632.0**	**100.0%**	**55 137.0**	**100.0%**	—		—		—		—	
Interactive	—		—		—		—		—		—	
Parks and Resorts	16 974.0	30.5%	18 415.0	33.4%	—		—		—		—	
Studio Entertainment	9 441.0	17.0%	8 379.0	15.2%	—		—		—		—	
Theatrical Distribution - Studio Entertainme	3 672.0	6.6%	2 903.0	5.3%	—		—		—		—	
TV/SVOD Distribution and Other	3 661.0	6.6%	3 678.0	6.7%	—		—		—		—	
Home Entertainment - Studio Entertainmer	2 108.0	3.8%	1 798.0	3.3%	—		—		—		—	
Consumer Products and Interactive Media	5 528.0	9.9%	4 833.0	8.8%	—		—		—		—	
Media Networks	23 689.0	42.6%	23 510.0	42.6%	—		—		—		—	
Affiliate Fees	12 259.0	22.0%	12 659.0	23.0%	—		—		—		—	
Advertising	8 509.0	15.3%	8 129.0	14.7%	—		—		—		—	
TV/SVOD Distribution Licensing - Media Ne	2 921.0	5.3%	2 722.0	4.9%	—		—		—		—	
Consumer Products	—		—		—		—		—		—	
Revenue by Distribution Channel	—		—		**59 434.0**	**100.0%**	**69 607.0**	**100.0%**	**65 388.0**	**100.0%**	**67 418.0**	**100.0%**
Affiliate	—		—		13 279.0	22.3%	15 948.0	22.9%	17 929.0	27.4%	17 760.0	26.3%
Advertising	—		—		7 904.0	13.3%	10 513.0	15.1%	10 855.0	16.6%	12 429.0	18.4%
Subscription fees	—		—		168.0	0.3%	2 115.0	3.0%	7 645.0	11.7%	12 020.0	17.8%
TV/SVOD Distribution Licensing	—		—		4 897.0	8.2%	5 555.0	8.0%	6 253.0	9.6%	5 266.0	7.8%
Retail Merchandise, Food and Beverage	—		—		7 365.0	12.4%	7 716.0	11.1%	4 952.0	7.6%	4 957.0	7.4%
Theme Park Admissions	—		—		7 183.0	12.1%	7 540.0	10.8%	4 038.0	6.2%	3 848.0	5.7%
Merchandise Licensing	—		—		3 192.0	5.4%	3 380.0	4.9%	3 242.0	5.0%	3 598.0	5.3%
Other	—		—		3 455.0	5.8%	3 887.0	5.6%	3 136.0	4.8%	2 905.0	4.3%
Resorts and Vacations	—		—		5 938.0	10.0%	6 266.0	9.0%	3 402.0	5.2%	2 701.0	4.0%
Home Entertainment	—		—		1 750.0	2.9%	1 961.0	2.8%	1 802.0	2.8%	1 014.0	1.5%
Theatrical Distribution Licensing	—		—		4 303.0	7.2%	4 726.0	6.8%	2 134.0	3.3%	920.0	1.4%
Intersegment Revenue	—		**-613.0**		**-499.0**		—		—		—	
Media Networks	—		-454.0	74.1%	-471.0	94.4%	—		—		—	
Studio Entertainment	—		-159.0	25.9%	-28.0	5.6%	—		—		—	
Revenue Including Intersegment Revenue	—		**55 750.0**	**100.0%**	**60 102.0**	**100.0%**	**71 528.0**	**100.0%**	**66 150.0**	**100.0%**	**68 310.0**	**100.0%**
Disney Media & Entertainment Distribution	—		—		—		—		49 112.0	74.2%	51 758.0	75.8%
Linear Networks	—		—		—		—		27 583.0	41.7%	28 093.0	41.1%
Domestic Channels	—		—		—		—		22 244.0	33.6%	22 463.0	32.9%
International Channels	—		—		—		—		5 339.0	8.1%	5 630.0	8.2%
Direct-to-Consumer	—		—		—		—		10 552.0	16.0%	16 319.0	23.9%
Content Sales/Licensing and Other	—		—		—		—		10 977.0	16.6%	7 346.0	10.8%
Disney Parks, Experiences & Products	—		23 024.0	41.3%	24 701.0	41.1%	26 225.0	36.7%	17 038.0	25.8%	16 552.0	24.2%
Parks & Experiences	—		—		—		—		12 246.0	18.5%	11 212.0	16.4%
Domestic	—		14 812.0	26.6%	16 161.0	26.9%	17 369.0	24.3%	10 226.0	15.5%	9 353.0	13.7%
International	—		3 603.0	6.5%	4 135.0	6.9%	4 223.0	5.9%	2 020.0	3.1%	1 859.0	2.7%
Consumer Products	—		4 609.0	8.3%	4 405.0	7.3%	4 633.0	6.5%	4 792.0	7.2%	5 340.0	7.8%
Direct-to-Consumer & International	—		3 075.0	5.5%	3 414.0	5.7%	9 349.0	13.1%	—		—	
Direct-to-Consumer Businesses and Other	—		1 222.0	2.2%	1 494.0	2.5%	4 659.0	6.5%	—		—	
International Channels	—		1 853.0	3.3%	1 920.0	3.2%	4 690.0	6.6%	—		—	
Media Networks	—		21 299.0	38.2%	21 922.0	36.5%	24 827.0	34.7%	—		—	
Broadcasting	—		6 883.0	12.3%	7 312.0	12.2%	8 341.0	11.7%	—		—	
Cable Networks	—		14 416.0	25.9%	14 610.0	24.3%	16 486.0	23.0%	—		—	
Studio Entertainment	—		8 352.0	15.0%	10 065.0	16.7%	11 127.0	15.6%	—		—	
Revenue Including Intersegment - Supplem	—		—		**60 102.0**	**100.0%**	**69 607.0**	**100.0%**	**65 388.0**	**100.0%**	**67 418.0**	**100.0%**
Disney Media & Entertainment Distribution	—		—		—		42 821.0	61.5%	48 350.0	73.9%	50 866.0	75.4%
Media and Entertainment Division - Affiliate	—		—		—		15 948.0	22.9%	17 929.0	27.4%	17 760.0	26.3%
Media and Entertainment Division - Adverti	—		—		—		10 507.0	15.1%	10 851.0	16.6%	12 425.0	18.4%
Media and Entertainment Division - Subscr	—		—		—		2 115.0	3.0%	7 645.0	11.7%	12 020.0	17.8%
Media and Entertainment Division - TV/SV	—		—		—		5 555.0	8.0%	6 253.0	9.6%	5 266.0	7.8%
Media and Entertainment Division - Other	—		—		—		1 958.0	2.8%	1 704.0	2.6%	1 449.0	2.1%
Media and Entertainment Division - Home I	—		—		—		1 961.0	2.8%	1 802.0	2.8%	1 014.0	1.5%
Media and Entertainment Division - Theatri	—		—		—		4 726.0	6.8%	2 134.0	3.3%	920.0	1.4%
Media and Entertainment Division - Mercha	—		—		—		51.0	0.1%	32.0	0.0%	12.0	0.0%
Disney Parks, Experiences & Products	—		—		24 701.0	41.1%	26 786.0	38.5%	17 038.0	26.1%	16 552.0	24.6%
Retail and Wholesale Merchandise, Food a	—		—		7 365.0	12.3%	7 716.0	11.1%	4 952.0	7.6%	4 957.0	7.4%
Theme Park Admissions	—		—		7 183.0	12.0%	7 540.0	10.8%	4 038.0	6.2%	3 848.0	5.7%
Merchandise Licensing	—		—		2 566.0	4.3%	3 329.0	4.8%	3 210.0	4.9%	3 586.0	5.3%
Resorts and Vacation	—		—		5 938.0	9.9%	6 266.0	9.0%	3 402.0	5.2%	2 701.0	4.0%
Other	—		—		1 642.0	2.7%	1 929.0	2.8%	1 432.0	2.2%	1 456.0	2.2%
Advertising	—		—		7.0	0.0%	6.0	0.0%	4.0	0.0%	4.0	0.0%
Direct-to-Consumer & International	—		—		3 414.0	5.7%	—		—		—	
Other	—		—		285.0	0.5%	—		—		—	
Home entertainment	—		—		103.0	0.2%	—		—		—	
Merchandise Licensing	—		—		70.0	0.1%	—		—		—	
Advertising	—		—		1 311.0	2.2%	—		—		—	
TV/SVOD Distribution Licensing	—		—		105.0	0.2%	—		—		—	
Affiliate	—		—		1 372.0	2.3%	—		—		—	
Studio Entertainment	—		—		10 065.0	16.7%	—		—		—	
Other	—		—		1 219.0	2.0%	—		—		—	
Merchandise Licensing	—		—		556.0	0.9%	—		—		—	
Theatrical Distribution Licensing - Studio E	—		—		4 303.0	7.2%	—		—		—	
TV/SVOD Distribution and Other	—		—		2 340.0	3.9%	—		—		—	
Home Entertainment - Studio Entertainmer	—		—		1 647.0	2.7%	—		—		—	
Media Networks	—		—		21 922.0	36.5%	—		—		—	
Other	—		—		309.0	0.5%	—		—		—	
Affiliate	—		—		11 907.0	19.8%	—		—		—	
Advertising	—		—		6 586.0	11.0%	—		—		—	
TV/SVOD Distribution Licensing - Media Ne	—		—		3 120.0	5.2%	—		—		—	

Operating Income	**14 358.0**	**100.0%**	**13 873.0**	**100.0%**	**14 837.0**	**100.0%**	**11 830.0**	**100.0%**	**-1 941.0**		**3 005.0**	**100.0%**
Disney Media & Entertainment Distribution	—		—		—		—		7 653.0	94.4%	7 295.0	93.9%
Linear Networks	—		—		—		—		9 413.0	116.1%	8 407.0	108.3%
Domestic Channels	—		—		—		—		7 708.0	95.1%	6 594.0	84.9%
International Channels	—		—		—		—		974.0	12.0%	1 032.0	13.3%
Linear Network - Other	—		—		—		—		731.0	9.0%	781.0	10.1%
Content Sales/Licensing and Other	—		—		—		—		1 153.0	14.2%	567.0	7.3%
Direct-to-Consumer	—		—		—		—		-2 913.0	-35.9%	-1 679.0	-21.6%
Disney Parks, Experiences & Products	—		5 487.0	38.1%	—		6 758.0	100.0%	455.0	5.6%	471.0	6.1%
Consumer Products	—		1 713.0	11.9%	—		1 839.0	27.2%	2 151.0	26.5%	2 684.0	34.6%
Parks & Experiences	—		—		—		4 919.0	72.8%	-1 696.0	-20.9%	-2 213.0	-28.5%
International	—		310.0	2.2%	—		507.0	7.5%	-1 073.0	-13.2%	-1 074.0	-13.8%
Domestic	—		3 464.0	24.0%	—		4 412.0	65.3%	-623.0	-7.7%	-1 139.0	-14.7%
Reconciliation	-1 363.0		-888.0		11 857.0		4 369.0		-10 049.0		-4 761.0	
Interactive	—		—		—		—		—		—	
Direct-to-Consumer & International	—		137.0	1.0%	—		—		—		—	
Direct-to-Consumer Businesses and Other	—		-96.0	-0.7%	—		—		—		—	
International Channels	—		233.0	1.6%	—		—		—		—	
Media Networks	—		6 430.0	44.6%	—		—		—		—	
Broadcasting	—		1 256.0	8.7%	—		—		—		—	
Cable Networks	—		5 174.0	35.9%	—		—		—		—	
Parks and Resorts	3 298.0	21.0%	—		—		—		—		—	
Studio Entertainment	2 703.0	17.2%	2 363.0	16.4%	2 980.0	100.0%	—		—		—	
Consumer Products and Interactive Media	1 965.0	12.5%	—		—		—		—		—	
Media Networks	7 755.0	49.3%	—		—		—		—		—	
Broadcasting	1 007.0	6.4%	—		—		—		—		—	
Cable Networks	6 748.0	42.9%	—		—		—		—		—	
Corporate	—		344.0		—		703.0		—		—	
Consumer Products	—		—		—		—		—		—	
Operating Income Growth %	—		—		—		—		—		—	
Disney Parks, Experiences & Products	—		—		—		11.00		-12.00		4.00	
Consumer Products	—		—		—		13.00		-12.00		25.00	
International	—		—		—		11.00		0.00		0.00	
Domestic	—		—		—		10.00		0.00		-83.00	
Disney Media & Entertainment Distribution	—		—		—		—		—		-5.00	
Direct-to-Consumer	—		—		—		—		—		42.00	
Linear Networks	—		—		—		—		—		-11.00	
Content Sales/Licensing and Other	—		—		—		—		—		-51.00	
Media Networks	—		—		-4.00		—		21.00		—	
Broadcasting	—		—		14.00		—		48.00		—	
Cable Networks	—		—		-4.00		—		16.00		—	
Studio Entertainment	37.00		-13.00		27.00		—		-7.00		—	
Corporate	—		—		—		-100.00		-45.00		—	
Direct-to-Consumer & International	—		—		—		—		-53.00		—	
Interactive	—		—		—		—		—		—	
Parks and Resorts	9.00		14.00		—		—		—		—	
Consumer Products and Interactive Media	4.00		-11.00		—		—		—		—	
Media Networks	0.00		-11.00		—		—		—		—	
Broadcasting	0.00		1.00		—		—		—		—	
Cable Networks	-1.00		-10.00		—		—		—		—	
Consumer Products	—		—		—		—		—		—	
Revenue Growth %	—		—		—		—		—		—	
Disney Media & Entertainment Distribution	—		—		—		—		—		5.00	
Direct-to-Consumer	—		—		—		—		—		55.00	
Linear Networks	—		—		—		—		—		2.00	
Content Sales/Licensing and Other	—		—		—		—		—		-33.00	
Disney Parks, Experiences & Products	—		—		10.00		6.00		-37.00		-3.00	
Consumer Products	—		—		10.00		6.00		-37.00		11.00	
Parks / Experiences - Distribution	—		—		—		—		—		-4.00	
International	—		—		15.00		5.00		-8.00		-8.00	
Domestic	—		—		9.00		2.00		-52.00		-9.00	
Interactive	—		—		—		—		—		—	
Other Content	—		—		—		—		—		—	
Games	—		—		—		—		—		—	
Direct-to-Consumer & International	—		—		11.00		100.00		—		—	
Media Networks	—		—		4.00		13.00		—		—	
Broadcasting	—		—		7.00		14.00		—		—	
Cable Networks	—		—		3.00		13.00		—		—	
Parks and Resorts	5.00		8.00		—		—		—		—	
International	7.00		32.00		—		—		—		—	
Domestic	5.00		4.00		—		—		—		—	
Studio Entertainment	28.00		-11.00		19.00		11.00		—		—	
Consumer Products and Interactive Media	-3.00		-13.00		—		—		—		—	
Licensing, Publishing and Games	-1.00		-15.00		—		—		—		—	
Retail and other	-6.00		-8.00		—		—		—		—	
Media Networks	2.00		-1.00		—		—		—		—	
Broadcasting	6.00		-1.00		—		—		—		—	
Cable Networks	0.00		-1.00		—		—		—		—	
Consumer Products	—		—		—		—		—		—	
Retail and Other	—		—		—		—		—		—	
Licensing and Publishing	—		—		—		—		—		—	
Revenue Growth - Supplemental Breakdow	—		—		—		—		—		—	
Disney Parks, Experiences & Products	—		—		—		6.00		-42.00		-3.00	
Merchandise Licensing	—		—		—		6.00		-7.00		11.00	
Other	—		—		—		17.00		-26.00		2.00	
Retail and Wholesale Merchandise, Food a	—		—		—		5.00		-42.00		-4.00	
Theme Park Admissions	—		—		—		5.00		-46.00		-5.00	
Resorts and Vacation	—		—		—		6.00		-46.00		-21.00	
Direct-to-Consumer & International	—		—		—		100.00		81.00		—	
Affiliate	—		—		—		100.00		33.00		—	
Advertising	—		—		—		100.00		26.00		—	
TV/SVOD Distribution Licensing	—		—		—		—		22.00		—	
Media Networks	2.00		-1.00		4.00		13.00		14.00		—	
TV/SVOD Distribution Licensing - Media Ne	2.00		-7.00		27.00		29.00		58.00		—	
Advertising	2.00		-4.00		-5.00		6.00		12.00		—	
Affiliate	2.00		3.00		5.00		13.00		-8.00		—	
Studio Entertainment	28.00		-11.00		19.00		11.00		-13.00		—	
TV/SVOD Distribution and Other	13.00		0.00		7.00		13.00		28.00		—	
Home Entertainment - Studio Entertainmer	17.00		-15.00		-3.00		5.00		-12.00		—	
Theatrical Distribution Licensing - Studio E	58.00		-21.00		48.00		10.00		-55.00		—	
Interactive	—		—		—		—		—		—	
Parks and Resorts	5.00		—		—		—		—		—	
Consumer Products and Interactive Media	-3.00		—		—		—		—		—	
Consumer Products	—		—		—		—		—		—	

Total Operating Expense	**29 864.0**	**100.0%**	**30 910.0**	**100.0%**	**33 233.0**	**100.0%**	**43 198.0**	**100.0%**	**43 743.0**	**100.0%**	**45 377.0**	**100.0%**
Disney Media & Entertainment Distribution	—		—		—		—		32 258.0	73.7%	34 578.0	76.2%
Linear Networks	—		—		—		—		15 309.0	35.0%	16 808.0	37.0%
Domestic Channels	—		—		—		—		11 143.0	25.5%	12 120.0	26.7%
Disney Media & Entertainment - Linear Networks - Domestic Channels - Cable	—		—		—		—		8 538.0	19.5%	9 353.0	20.6%
Disney Media & Entertainment - Linear Networks - Domestic Channels - Broadcasting	—		—		—		—		2 605.0	6.0%	2 767.0	6.1%
International Channels	—		—		—		—		2 693.0	6.2%	3 139.0	6.9%
Linear Network - Other	—		—		—		—		1 473.0	3.4%	1 549.0	3.4%
Direct-to-Consumer	—		—		—		—		10 078.0	23.0%	13 234.0	29.2%
Programming & Production	—		—		—		—		8 124.0	18.6%	10 716.0	23.6%
Direct-to-Customer - Other	—		—		—		—		1 954.0	4.5%	2 518.0	5.5%
Content Sales/Licensing and Other	—		—		—		—		6 871.0	15.7%	4 536.0	10.0%
Content Sales / Licensing & Other - Programming & Production	—		—		—		—		5 729.0	13.1%	3 611.0	8.0%
Content Sales / Licensing & Other - Distribution	—		—		—		—		1 142.0	2.6%	925.0	2.0%
Disney Parks, Experiences & Products	—		12 455.0	40.3%	13 326.0	40.1%	14 015.0	32.4%	11 485.0	26.3%	10 799.0	23.8%
Parks & Experiences	—		—		—		—		11 485.0	26.3%	10 799.0	23.8%
Operating Labor	—		—		—		—		4 870.0	11.1%	4 711.0	10.4%
Infrastructure	—		—		—		—		2 422.0	5.5%	2 308.0	5.1%
Parks / Experiences - Distribution	—		—		—		—		2 202.0	5.0%	2 086.0	4.6%
Other - Parks / Experiences	—		—		—		—		1 991.0	4.6%	1 694.0	3.7%
Interactive	—		—		—		—		—		—	
Direct-to-Consumer & International	—		1 983.0	6.4%	2 384.0	7.2%	8 497.0	19.7%	—		—	
Media Networks	—		12 754.0	41.3%	13 197.0	39.7%	15 499.0	35.9%	—		—	
Parks and Resorts	10 039.0	33.6%	—		—		—		—		—	
Studio Entertainment	3 991.0	13.4%	3 718.0	12.0%	4 326.0	13.0%	5 187.0	12.0%	—		—	
Consumer Products and Interactive Media	2 263.0	7.6%	—		—		—		—		—	
Media Networks	13 571.0	45.4%	—		—		—		—		—	
Consumer Products	—		—		—		—		—		—	
Goodwill	**27 810.0**	**100.0%**	**31 426.0**	**100.0%**	**31 269.0**	**100.0%**	**80 293.0**	**100.0%**	**77 689.0**	**100.0%**	**78 071.0**	**100.0%**
Disney Media & Entertainment Distribution	—		—		—		—		—		72 521.0	92.9%
Disney Parks, Experiences & Products	—		4 684.0	16.8%	4 487.0	14.3%	5 535.0	6.9%	5 550.0	7.1%	5 550.0	7.1%
Media Networks	—		16 325.0	58.7%	15 989.0	51.1%	33 423.0	41.6%	33 991.0	43.8%	—	
Direct-to-Consumer & International	—		—		3 699.0	11.8%	23 538.0	29.3%	20 353.0	26.2%	—	
Studio Entertainment	6 830.0	24.6%	6 817.0	24.5%	7 094.0	22.7%	17 797.0	22.2%	17 795.0	22.9%	—	
Interactive	—		—		—		—		—		—	
Parks and Resorts	291.0	1.0%	—		—		—		—		—	
Consumer Products and Interactive Media	4 344.0	15.6%	—		—		—		—		—	
Reconciliation	—		—		—		—		—		—	
Media Networks	16 345.0	58.8%	—		—		—		—		—	
Corporate	0.0		3 600.0		0.0		0.0		—		—	
Consumer Products	—		—		—		—		—		—	
Assets	**92 033.0**	**100.0%**	**95 789.0**	**100.0%**	**23 236.0**	**100.0%**	**—**		**—**		**—**	
Interactive	—		—		—		—		—		—	
Parks and Resorts	28 275.0	33.0%	29 492.0	33.8%	—		—		—		—	
Studio Entertainment	15 359.0	17.9%	16 307.0	18.7%	17 154.0	100.0%	—		—		—	
Consumer Products and Interactive Media	9 332.0	10.9%	8 996.0	10.3%	—		—		—		—	
Media Networks	32 706.0	38.2%	32 475.0	37.2%	—		—		—		—	
Corporate	6 361.0		8 519.0		6 082.0		—		—		—	
Consumer Products	—		—		—		—		—		—	
Operating Income Change Amount	**1 035.0**	**100.0%**	**348.0**	**100.0%**	**625.0**	**100.0%**	**-252.0**		**-3 646.0**		**—**	
Direct-to-Consumer & International	—		—		—		-738.0	292.9%	1 835.0	-50.3%	—	
Media Networks	—		—		—		141.0	-56.0%	1 543.0	-42.3%	—	
Studio Entertainment	730.0	70.5%	348.0	100.0%	625.0	100.0%	-318.0	126.2%	-185.0	5.1%	—	
Disney Parks, Experiences & Products	—		—		—		663.0	-263.1%	-6 839.0	187.6%	—	
Interactive	—		—		—		—		—		—	
Parks and Resorts	267.0	25.8%	—		—		—		—		—	
Media Networks	38.0	3.7%	—		—		—		—		—	
Depreciation and Amortization	**—**		**—**		**—**		**4 167.0**	**100.0%**	**5 345.0**	**100.0%**	**5 111.0**	**100.0%**
Disney Parks, Experiences & Products	—		—		—		2 306.0	78.2%	2 437.0	75.0%	2 377.0	75.0%
Reconciliation	—		—		—		1 217.0		2 095.0		1 943.0	
Disney Media & Entertainment Distribution	—		—		—		—		813.0	25.0%	791.0	25.0%
Direct-to-Consumer	—		—		—		—		260.0	8.0%	329.0	10.4%
Content Sales/Licensing and Other	—		—		—		—		291.0	9.0%	294.0	9.3%
Linear Networks	—		—		—		—		262.0	8.1%	168.0	5.3%
Direct-to-Consumer & International	—		—		—		318.0	10.8%	—		—	
Media Networks	—		—		—		191.0	6.5%	—		—	
Studio Entertainment	—		—		—		135.0	4.6%	—		—	
Depreciation	**2 320.0**	**100.0%**	**2 586.0**	**100.0%**	**2 795.0**	**100.0%**	**2 844.0**	**100.0%**	**3 140.0**	**100.0%**	**3 068.0**	**100.0%**
Disney Parks, Experiences & Products	—		2 050.0	86.1%	2 217.0	86.0%	2 198.0	82.1%	2 328.0	78.5%	2 269.0	78.7%
Parks & Experiences	—		—		—		2 198.0	82.1%	2 328.0	78.5%	2 269.0	78.7%
Domestic	—		1 371.0	57.6%	1 449.0	56.2%	1 474.0	55.1%	1 634.0	55.1%	1 551.0	53.8%
International	—		679.0	28.5%	768.0	29.8%	724.0	27.0%	694.0	23.4%	718.0	24.9%
Disney Media & Entertainment Distribution	—		—		—		479.0	17.9%	638.0	21.5%	613.0	21.3%
Corporate	251.0		206.0		218.0		167.0		174.0		186.0	
Interactive	—		—		—		—		—		—	
Direct-to-Consumer & International	—		74.0	3.1%	106.0	4.1%	—		—		—	
Media Networks	—		206.0	8.7%	199.0	7.7%	—		—		—	
Broadcasting	—		84.0	3.5%	88.0	3.4%	—		—		—	
Cable Networks	—		122.0	5.1%	111.0	4.3%	—		—		—	
Parks and Resorts	1 718.0	83.0%	—		—		—		—		—	
International	445.0	21.5%	—		—		—		—		—	
Domestic	1 273.0	61.5%	—		—		—		—		—	
Studio Entertainment	51.0	2.5%	50.0	2.1%	55.0	2.1%	—		—		—	
Consumer Products and Interactive Media	63.0	3.0%	—		—		—		—		—	
Media Networks	237.0	11.5%	—		—		—		—		—	
Broadcasting	90.0	4.3%	—		—		—		—		—	
Cable Networks	147.0	7.1%	—		—		—		—		—	
Consumer Products	—		—		—		—		—		—	
Amortization of Intangible Assets	**—**		**196.0**	**100.0%**	**253.0**	**100.0%**	**1 323.0**	**100.0%**	**2 205.0**	**100.0%**	**2 043.0**	**100.0%**
TFCF & Hulu	—		—		—		—		1 921.0	87.1%	1 757.0	86.0%
Disney Media & Entertainment Distribution	—		—		—		—		175.0	7.9%	178.0	8.7%
Disney Parks, Experiences & Products	—		111.0	56.6%	110.0	43.5%	108.0	8.2%	109.0	4.9%	108.0	5.3%
Direct-to-Consumer & International	—		20.0	10.2%	79.0	31.2%	111.0	8.4%	—		—	
Media Networks	—		0.0		0.0		0.0		—		—	
21CF and Hulu	—		0.0		0.0		1 043.0	78.8%	—		—	
Studio Entertainment	—		65.0	33.2%	64.0	25.3%	61.0	4.6%	—		—	

Capital Expenditures	**-4 773.0**		**-3 623.0**		**-4 485.0**		**-4 876.0**		**-4 022.0**		**-3 578.0**	
Corporate	-253.0		-158.0		-179.0		-210.0		-335.0		-444.0	
Disney Media & Entertainment Distribution	—		—		—		-520.0	11.1%	-783.0	21.2%	-862.0	27.5%
Disney Parks, Experiences & Products	—		-3 219.0	92.9%	-3 900.0	90.6%	-4 146.0	88.9%	-2 904.0	78.8%	-2 272.0	72.5%
Parks & Experiences	—		—		—		-4 146.0	88.9%	-2 904.0	78.8%	-2 272.0	72.5%
International	—		-827.0	23.9%	-677.0	15.7%	-852.0	18.3%	-759.0	20.6%	-675.0	21.5%
Domestic	—		-2 392.0	69.0%	-3 223.0	74.8%	-3 294.0	70.6%	-2 145.0	58.2%	-1 597.0	51.0%
Consumer Products	—		—		-18.0	0.4%	—		—		—	
Interactive	—		—		—		—		—		—	
Direct-to-Consumer & International	—		-30.0	0.9%	-107.0	2.5%	—		—		—	
Media Networks	—		-131.0	3.8%	-203.0	4.7%	—		—		—	
Broadcasting	—		-67.0	1.9%	-107.0	2.5%	—		—		—	
Cable Networks	—		-64.0	1.8%	-96.0	2.2%	—		—		—	
Parks and Resorts	-4 215.0	93.3%	—		—		—		—		—	
International	-2 035.0	45.0%	—		—		—		—		—	
Domestic	-2 180.0	48.2%	—		—		—		—		—	
Studio Entertainment	-86.0	1.9%	-85.0	2.5%	-96.0	2.2%	—		—		—	
Consumer Products and Interactive Media	-53.0	1.2%	—		—		—		—		—	
Media Networks	-166.0	3.7%	—		—		—		—		—	
Broadcasting	-80.0	1.8%	—		—		—		—		—	
Cable Networks	-86.0	1.9%	—		—		—		—		—	
Consumer Products	—		—		—		—		—		—	
SG&A including Intersegment	**—**		**7 822.0**	**100.0%**	**8 325.0**	**100.0%**	**10 721.0**	**100.0%**	**11 726.0**	**100.0%**	**12 775.0**	**100.0%**
Disney Media & Entertainment Distribution	—		—		—		—		9 084.0	77.5%	9 889.0	77.4%
Direct-to-Consumer	—		—		—		—		3 126.0	26.7%	4 435.0	34.7%
Linear Networks	—		—		—		—		3 330.0	28.4%	3 491.0	27.3%
Content Sales/Licensing and Other	—		—		—		—		2 628.0	22.4%	1 963.0	15.4%
Disney Parks, Experiences & Products	—		2 896.0	37.0%	2 930.0	35.2%	3 133.0	29.2%	2 642.0	22.5%	2 886.0	22.6%
Direct-to-Consumer & International	—		861.0	11.0%	1 003.0	12.0%	2 108.0	19.7%	—		—	
Media Networks	—		1 909.0	24.4%	1 899.0	22.8%	2 361.0	22.0%	—		—	
Studio Entertainment	—		2 156.0	27.6%	2 493.0	29.9%	3 119.0	29.1%	—		—	
Average Revenue per User (ARPU)	**—**		**—**		**—**		**—**		**—**		**—**	
Live TV+SVOD	—		—		—		55.98		67.24		81.35	
SVOD Only	—		—		—		13.09		12.24		12.86	
ESPN Plus	—		—		—		5.12		4.35		4.57	
Disney +	—		—		—		0.00		4.80		4.08	
Number of Subscribers (end of period)	**1 816 000.0**	**100.0%**	**1 816 000.0**	**100.0%**	**1 797 000.0**	**100.0%**	**2 797 000.0**	**100.0%**	**2 701 000.0**	**100.0%**	**2 416 000.0**	**100.0%**
International Channels	645 000.0	35.5%	645 000.0	35.5%	669 000.0	37.2%	1 342 000.0	48.0%	1 252 000.0	46.4%	1 183 000.0	49.0%
National Geographic	—		—		—		316 000.0	11.3%	317 000.0	11.7%	320 000.0	13.2%
Star	—		—		—		221 000.0	7.9%	214 000.0	7.9%	216 000.0	8.9%
Fox	—		—		—		220 000.0	7.9%	201 000.0	7.4%	184 000.0	7.6%
Disney Channel	221 000.0	12.2%	221 000.0	12.2%	225 000.0	12.5%	227 000.0	8.1%	196 000.0	7.3%	162 000.0	6.7%
Disney Junior	151 000.0	8.3%	151 000.0	8.3%	159 000.0	8.8%	162 000.0	5.8%	166 000.0	6.1%	154 000.0	6.4%
Disney XD	127 000.0	7.0%	127 000.0	7.0%	128 000.0	7.1%	131 000.0	4.7%	105 000.0	3.9%	83 000.0	3.4%
ESPN	146 000.0	8.0%	146 000.0	8.0%	157 000.0	8.7%	65 000.0	2.3%	53 000.0	2.0%	64 000.0	2.6%
A+E	405 000.0	22.3%	405 000.0	22.3%	387 000.0	21.5%	370 000.0	13.2%	364 000.0	13.5%	328 000.0	13.6%
HISTORY	92 000.0	5.1%	92 000.0	5.1%	89 000.0	5.0%	86 000.0	3.1%	85 000.0	3.1%	76 000.0	3.1%
Lifetime	91 000.0	5.0%	91 000.0	5.0%	88 000.0	4.9%	85 000.0	3.0%	84 000.0	3.1%	75 000.0	3.1%
A&E	91 000.0	5.0%	91 000.0	5.0%	89 000.0	5.0%	85 000.0	3.0%	84 000.0	3.1%	75 000.0	3.1%
LMN	73 000.0	4.0%	73 000.0	4.0%	67 000.0	3.7%	63 000.0	2.3%	61 000.0	2.3%	56 000.0	2.3%
FYI	58 000.0	3.2%	58 000.0	3.2%	54 000.0	3.0%	51 000.0	1.8%	50 000.0	1.9%	46 000.0	1.9%
H2	—		—		—		—		—		—	
ESPN-Domestic	368 000.0	20.3%	368 000.0	20.3%	357 000.0	19.9%	344 000.0	12.3%	349 000.0	12.9%	317 000.0	13.1%
ESPN2	87 000.0	4.8%	87 000.0	4.8%	86 000.0	4.8%	83 000.0	3.0%	84 000.0	3.1%	76 000.0	3.1%
ESPN	88 000.0	4.8%	88 000.0	4.8%	86 000.0	4.8%	83 000.0	3.0%	84 000.0	3.1%	76 000.0	3.1%
ESPNNEWS	66 000.0	3.6%	66 000.0	3.6%	62 000.0	3.5%	58 000.0	2.1%	62 000.0	2.3%	59 000.0	2.4%
SEC Network	60 000.0	3.3%	60 000.0	3.3%	59 000.0	3.3%	59 000.0	2.1%	57 000.0	2.1%	55 000.0	2.3%
ESPNU	67 000.0	3.7%	67 000.0	3.7%	64 000.0	3.6%	61 000.0	2.2%	62 000.0	2.3%	51 000.0	2.1%
FX	—		—		—		227 000.0	8.1%	226 000.0	8.4%	196 000.0	8.1%
FX	—		—		—		87 000.0	3.1%	86 000.0	3.2%	77 000.0	3.2%
FXX	—		—		—		84 000.0	3.0%	57 000.0	2.1%	72 000.0	3.0%
FXM	—		—		—		56 000.0	2.0%	83 000.0	3.1%	47 000.0	1.9%
Disney	238 000.0	13.1%	238 000.0	13.1%	229 000.0	12.7%	220 000.0	7.9%	217 000.0	8.0%	189 000.0	7.8%
Disney Channel	92 000.0	5.1%	92 000.0	5.1%	89 000.0	5.0%	86 000.0	3.1%	85 000.0	3.1%	76 000.0	3.1%
Disney Junior	72 000.0	4.0%	72 000.0	4.0%	69 000.0	3.8%	66 000.0	2.4%	66 000.0	2.4%	57 000.0	2.4%
Disney XD	74 000.0	4.1%	74 000.0	4.1%	71 000.0	4.0%	68 000.0	2.4%	66 000.0	2.4%	56 000.0	2.3%
National Geographic	—		—		—		145 000.0	5.2%	145 000.0	5.4%	127 000.0	5.3%
National Geographic	—		—		—		86 000.0	3.1%	85 000.0	3.1%	76 000.0	3.1%
National Geographic Wild	—		—		—		59 000.0	2.1%	60 000.0	2.2%	51 000.0	2.1%
Freeform	90 000.0	5.0%	90 000.0	5.0%	88 000.0	4.9%	85 000.0	3.0%	85 000.0	3.1%	76 000.0	3.1%
Viceland	70 000.0	3.9%	70 000.0	3.9%	67 000.0	3.7%	64 000.0	2.3%	63 000.0	2.3%	—	
Disney Channels Worldwide	—		—		—		—		—		—	
SOAPnet	—		—		—		—		—		—	
ABC Family	—		—		—		—		—		—	
ESPN	—		—		—		—		—		—	
ESPN Channels Internationally	—		—		—		—		—		—	
SEC Network	—		—		—		—		—		—	
ESPNU	—		—		—		—		—		—	
ESPNEWS	—		—		—		—		—		—	
ESPN2	—		—		—		—		—		—	
ESPN	—		—		—		—		—		—	
ESPN Classic	—		—		—		—		—		—	
Net Subscriber Additions	**—**		**—**		**—**		**—**		**88 700.0**	**100.0%**	**58 300.0**	**100.0%**
Direct-to-Consumer & International	—		—		—		—		88 700.0	100.0%	58 300.0	100.0%
Disney +	—		—		—		—		73 700.0	83.1%	44 400.0	76.2%
Hulu	—		—		—		—		8 100.0	9.1%	7 100.0	12.2%
SVOD Only	—		—		—		—		—		7 200.0	12.3%
Live TV+SVOD	—		—		—		—		—		-100.0	-0.2%
ESPN Plus	—		—		—		—		6 900.0	7.8%	6 800.0	11.7%
Room Nights Available	**—**		**13 227 000.00**	**100.00%**	**13 224 000.00**	**100.00%**	**13 212 000.00**	**100.00%**	**14 321 000.00**	**100.00%**	**13 630 000.00**	**100.00%**
Parks, Experiences and Products	—		13 227 000.00	100.00%	13 224 000.00	100.00%	13 212 000.00	100.00%	14 321 000.00	100.00%	13 630 000.00	100.00%
Parks & Experiences	—		—		—		—		14 321 000.00	100.00%	13 630 000.00	100.00%
Domestic	—		10 205 000.00	77.15%	10 045 000.00	75.96%	10 030 000.00	75.92%	11 114 000.00	77.61%	10 451 000.00	76.68%
International	—		3 022 000.00	22.85%	3 179 000.00	24.04%	3 182 000.00	24.08%	3 207 000.00	22.39%	3 179 000.00	23.32%
Revenue per Available Room	**—**		**—**		**—**		**—**		**—**		**—**	
Parks, Experiences and Products	—		606.00		660.00		683.00		355.00		374.00	
International	—		289.00		315.00		330.00		308.00		377.00	
Domestic	—		317.00		345.00		353.00		367.00		374.00	
Parks and Resorts	583.00		—		—		—		—		—	
International	278.00		—		—		—		—		—	
Domestic	305.00		—		—		—		—		—	
Number of Subscribers (end of period) - Supplementary Breakdown	**—**		**—**		**—**		**32 000.0**	**100.0%**	**120 600.0**	**100.0%**	**178 900.0**	**100.0%**
Direct-to-Consumer & International	—		—		—		32 000.0	100.0%	120 600.0	100.0%	178 900.0	100.0%
Disney +	—		—		—		0.0		73 700.0	61.1%	118 100.0	66.0%
Hulu	—		—		—		28 500.0	89.1%	36 600.0	30.3%	43 700.0	24.4%
SVOD Only	—		—		—		25 600.0	80.0%	32 500.0	26.9%	39 700.0	22.2%
Live TV+SVOD	—		—		—		2 900.0	9.1%	4 100.0	3.4%	4 000.0	2.2%
ESPN Plus	—		—		—		3 500.0	10.9%	10 300.0	8.5%	17 100.0	9.6%
Occupancy Rate	**—**		**—**		**—**		**—**		**—**		**—**	
Parks, Experiences and Products	—		86.00		87.00		88.00		41.00		37.00	
Domestic	—		88.00		88.00		90.00		43.00		42.00	
International	—		80.00		84.00		81.00		35.00		21.00	
Parks and Resorts	87.00		—		—		—		—		—	
International	78.00		—		—		—		—		—	
Domestic	89.00		—		—		—		—		—	
Monthly Active Users (MAUs)	**—**		**—**		**—**		**300.0**	**100.0%**	**—**		**—**	
Direct-to-Consumer & International	—		—		—		300.0	100.0%	—		—	
Hotstar	—		—		—		300.0	100.0%	—		—	

Source: Bloomberg and author estimations

Appendix N: Employee Data

Walt Disney Co/The (DIS US) - Employee Data

In Millions of USD except Per Share 12 Months Ending	FY 2016 10/01/2016	FY 2017 09/30/2017	FY 2018 09/29/2018	FY 2019 09/28/2019	FY 2020 10/03/2020	FY 2021 10/02/2021
Number of Employees	195 000.00	199 000.00	201 000.00	223 000.00	203 000.00	190 000.00
Employees - 1 Yr Growth	5.41	2.05	1.01	10.95	-8.97	-6.40
Sales per Employee	285 292.31	277 070.35	295 691.54	312 139.01	322 108.37	354 831.58
Actual Net Income per Employee	48 158.97	45 125.63	62 676.62	49 569.51	-14 108.37	10 500.00
Actual Assets per Employee	471 964.10	481 351.76	490 537.31	869 883.41	992 852.22	1 071 626.32
Actual Cash Flow per Employee	67 364.10	62 025.13	71 119.40	29 623.32	37 527.09	29 300.00

Source: Bloomberg and author estimations