February 28, 2023

The Walt Disney Company (NYSE: DIS) 

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100 Years of Unparalleled Storytelling & Innovation

Disney

Disney is well-positioned to succeed with its unrivaled global scale, irreplaceable brands, and inimitable parks

Company Overview

Founded in 1921 in Burbank, California, The Walt Disney Company (NYSE: DIS) is a **leading and diversified media and entertainment company** with key operations in **theme parks, television, filmed entertainment, direct-to-consumer** and other businesses

Revenue Segmentation

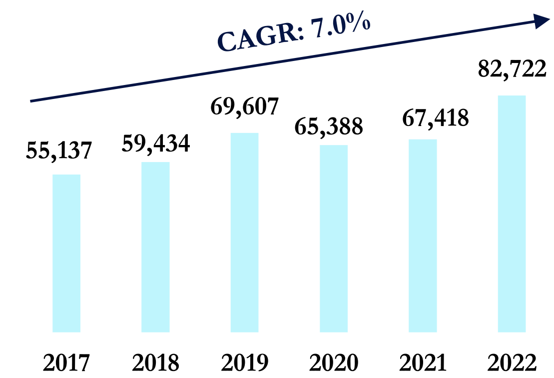
65.7% | 34.3%

■ DMED ■ DPEP

Recent Business Highlights

- **December '22:** *Avatar: The Way of Water* has become the fourth highest grossing film of all time
- **Jan '23:** Led all studios with the most Academy Award nominations
- **Jan '23:** ESPN linear ratings **up 8% overall**; 14% in primetime in 2022
- **Feb '23:** Streaming passes cable television as leading form of US entertainment

Revenue Growth ($mm)



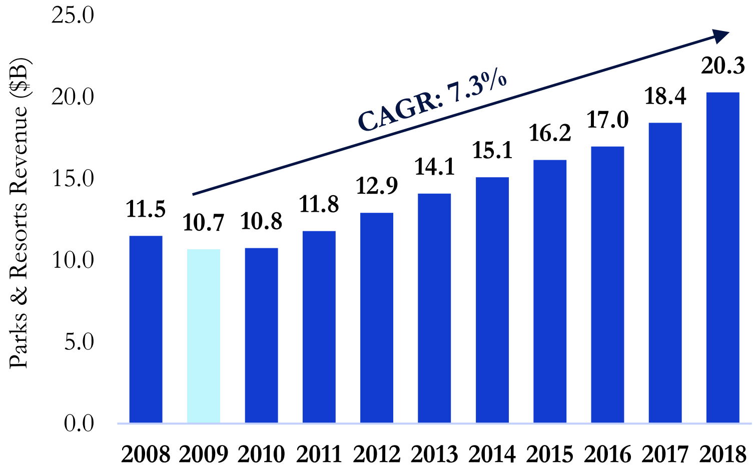
The Most Advantaged Consumer Entertainment Company in the World

Media and Entertainment Distribution			Parks, Experiences & Products
Linear Networks	**Licensing/Studio**	**Direct-to-Consumer**	
abc, Disney, ESPN, FOX, FX Networks, National Geographic, Star, Freeform	Walt Disney Pictures, Marvel Studios, 20th Century Fox, Pixar, Lucasfilm Ltd, Fox Searchlight Studios	ESPN+, Disney+, Hulu, Star+, Disney+ Hotstar	Walt Disney World, Disneyland Park, Shanghai Disney Resort 上海迪士尼度假区, Hong Kong Disneyland, Disneyland Paris, Disney Cruise Line, The Walt Disney Company, Disney Resorts

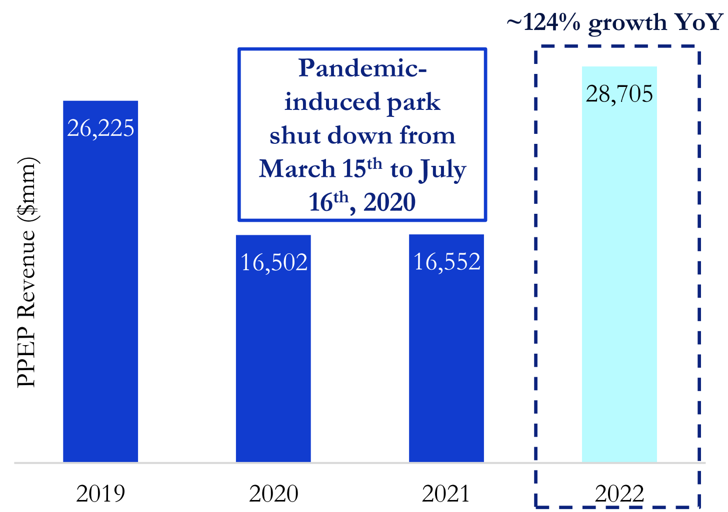
"Taking a Step Back"

Proven resiliency through a pandemic and recession, the return of Bob Iger points toward future success for Disney

Proven Resiliency In Parks Through '08 Recession…



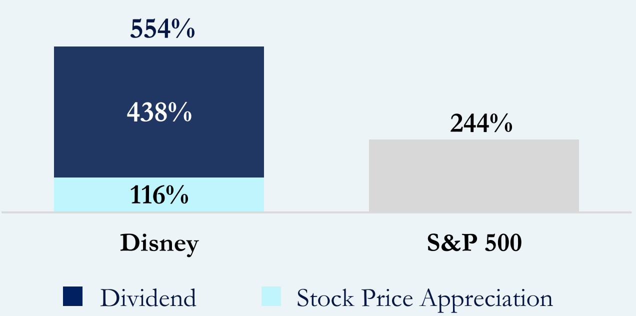
…And A Global Pandemic



Reinstatement of Bob Iger

- **Business Model: away from pure production** towards a hybrid production and distribution
- **Profitability:** planned launch of a more **profitable DTC offering**
- **Dividend:** an important component of Total Shareholder Return during Bob Iger's first tenure as CEO (see graph)
- **Reinstatement:** Disney's **recovery from the pandemic, strong balance sheet,** and **commitment to cost cutting put** Disney on track to declare a modest dividend by the **end of FY23**

Total Shareholder Return With Iger As CEO (Sept '05 – Feb '20)

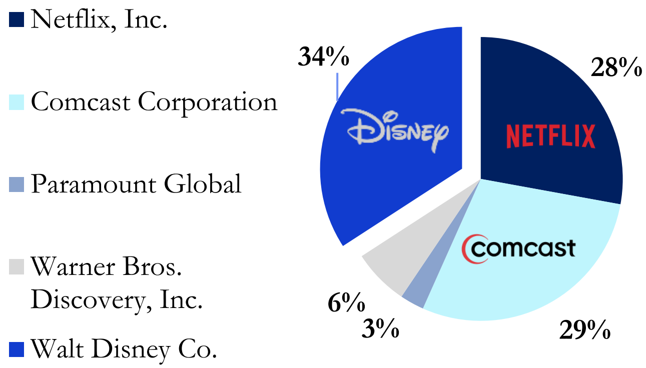


Company Filings, Statista, Trian Partners

The State of the Streaming Wars

Disney's offering will focus on variety: sports, mature content, originals, old and new Disney productions, Marvel projects, and Fox content

Competitive Landscape



Aggressive M&A Scene

- Disney now has access to thousands of titles from **21st Century Fox**, from 'Family Guy' and 'The Simpsons' to 'Avatar' and 'X-Men' to offer to Disney+ subscribers
- **Deal Size:** $71.3 B

- AT&T acquired **Time Warner, owning HBO** and Warner Brothers Studio
- AT&T has since spun Time Warner off to Discovery
- **Deal Size:** $108 B

- Comcast has access to **NBCUniversal and Sky Studios**, Universal Pictures' *'Jurassic Park', 'Fast and Furious', and 'Despicable Me'* and **streaming service Peacock**
- **Deal Size:** $30 B

Video Content is Not Important to Consumers Anymore - It's Vital

	Live Sports	Content Monetization	Original Content	Disney Content
Disney	✓	✓	✓	✓
NETFLIX	✗	✗	✓	✓
prime video	✓	✗	✓	✓
Paramount	✓	✗	✓	✓
comcast	✓	✓	✓	✓

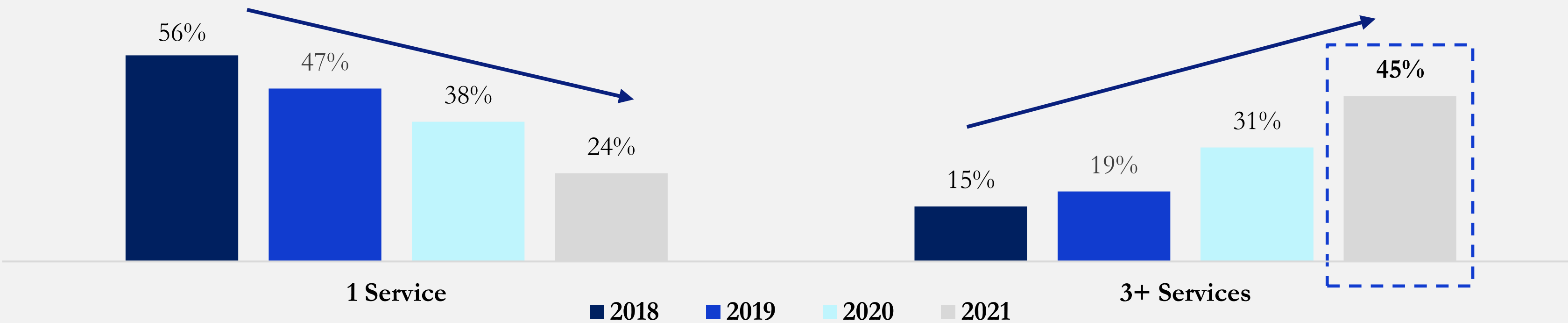
Statista, S&P Capital IQ

Disney vs. Netflix; Quality vs. Quantity

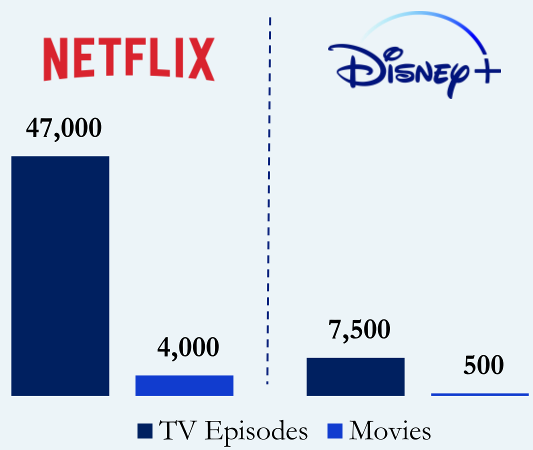
Consumers will sign up to multiple services if that means they can access what they want to watch

Disney Plus wins the streaming wars price competition*, even after it changes subscription prices on Dec. 8. The straightforward $8 per month plan includes 4K streaming, Imax capabilities and four simultaneous streams. You can also download available titles on up to 10 devices.* ***It has Netflix beat.***

For Many Consumers, One Subscription Service is No Longer Enough



Netflix is Famous for Quantity, Disney+ Will Focus on Quality



"If a platform has an enormous content catalog (like Netflix), but the viewer cannot find what they want to watch, **they will go elsewhere.**"

With Disney+, you **get at least HD quality** for everything you stream. With a Basic Netflix plan, you only get standard definition (SD) content

NETFLIX

- $ **$9.99 / month Basic Plan**
- ✗ **NO Live Sports NO Live TV**
- ✗ **Max 1 Stream**
- ✗ **Monthly access to TV Programs**

Disney+ / hulu / ESPN+

- $ **$12.99 / month Basic Plan**
- ✓ **Live Sports Live TV**
- ✓ **4 Simultaneous Streams**
- ✓ **Next-day access to TV Programs**

Statista, Activate; GfK; Digital TV Research; Hulu; Netflix

Investment Thesis

1. Past CEO, Bob Iger, returns to Disney with a 3-point plan to restore creativity, lower costs, and debloat the company.

2. Disney's comprehensive suite of intellectual property and library of assets is currently undervalued, due to being in an operationally transitional period

3. Disney's ability to monetize their media content in their parks strengthens their brand and adds a unique competitive advantage over more traditional streaming competitors

BUY

Price Target: $143.44

Implied Upside: 43.0%

1

Past CEO, Bob Iger, returns to Disney with a 3-point plan to restore creativity, lower costs, and debloat the company.

Iger’s 3 Key Strategic Priorities

Reorganization of leadership structure, cost reductions, and predicted profitability in the DTC position Disney for success

Reorganize leadership structure to put more decision-making back in the hands of creative teams

Implement cost reductions and streamline organizational structure to enhance productivity

Achieve sustained growth and profitability in DTC segment

Reinvigorating Creativity and More Autonomy

Reorganizing leadership structure will put more decision-making back in the hands of creative teams and optimize value

Chapek's Three-Year Tenure

From 2020 to 2022, Chapek led Disney through **the most turbulent period of the company's century-long history**

- Created a **distribution arm** to determine best platform for in-house content; content decisions no longer made by producers

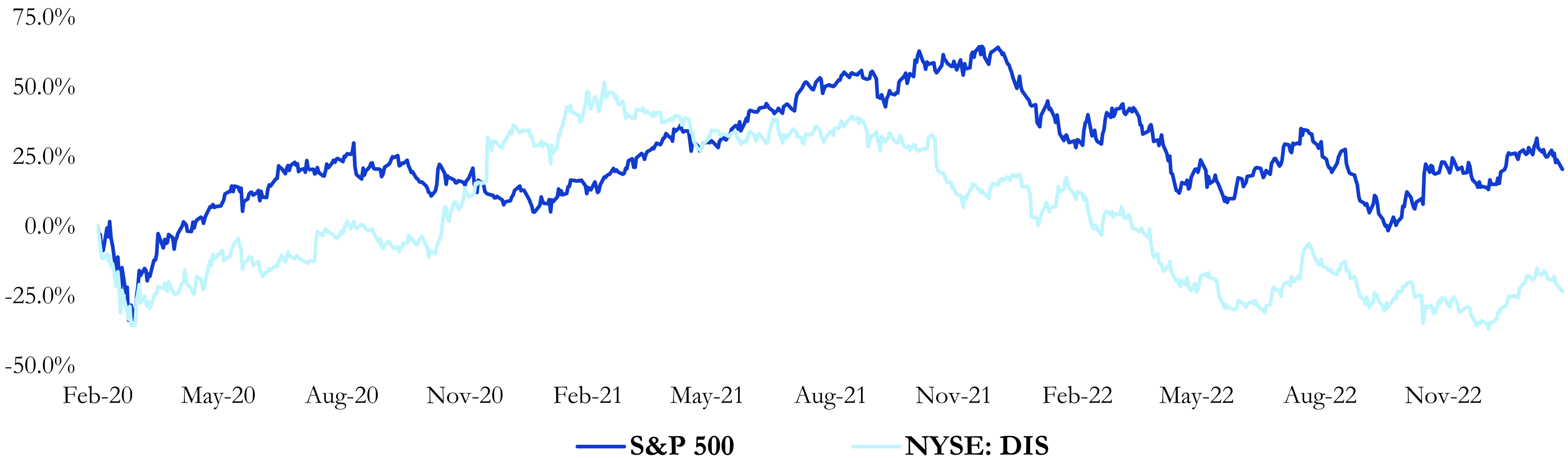
Black Widow Lawsuit: In July '21, Chapek decided to release Black Widow simultaneously in theatres **and** on Disney+, a breach of contract, which cut into Johansson's promised residuals

Vs. The Iger Era…

- Plans to emulate previous strategy and **give budget control and creative freedom back to the content producers**
- Proven M&A track record

"Our company is fueled by **storytelling and creativity**. Every dollar we earn emanates from something creative, I have always believed that the best way to spur great creativity is to **make sure the people who are managing the creative processes feel empowered**"

Share Price During Chapek's Term



Debloating the Company and Restructure

Disney is reorganizing reported segments to be driven by creativity, rooted in accountability and coordination, and committed to efficiency

Disney Media & Entertainment Distribution | **Disney's Parks, Experiences and Products**

Disney Entertainment

Disney's full portfolio of entertainment media and content businesses globally, including Disney+ and Hulu

ESPN

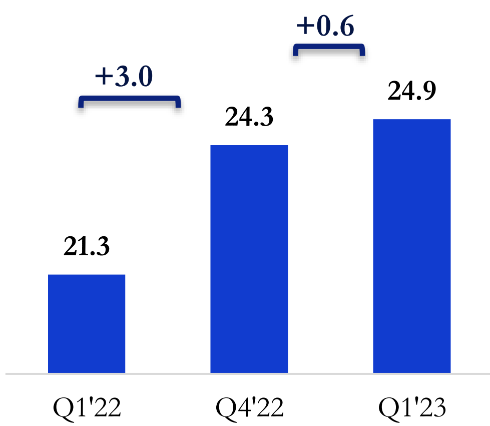
ESPN networks, ESPN+, and international sports channels

***As of Q1 2023, ESPN is now reported as its own segment**

Disney Parks, Experiences and Products

Theme parks, resort destinations, and cruise line, as well as Disney consumer products, games and publishing businesses

ESPN+ Subscribers (in millions)



ARPU	**$5.16**	**$4.84**	**$5.53**

It's Not Going Away Anytime Soon…

- Reporting ESPN as an individual segment reveals its importance within Disney's business model, squashes spin-off rumors and holds producers accountable for content-specific performance
- Iger announced plans to debloat Disney's labor force by laying off 7,000 employees, increasing autonomy for content producers & workers

"Actually, ESPN is a **differentiator** for this company. It is one of the best brands in television, and the best brand in sports. It continues to create real value for us."

"The brand of ESPN is very healthy. And the programming of ESPN is very healthy. We just have to figure **out how to monetize it in a continuing disruptive world.**"

Lower Costs of Streaming to Achieve Profitability

Implementing cost reductions and streamlining organizational structure will enhance productivity

$5.5 Billion in Cost Savings to Become Profitable by FY24

- Disney expects to reduce annualized non-content related expenses by **$2.5 billion** through labor force reduction and marketing cost cuts:

$1 B FY 2023 + **$1.5 B** EOY 2024

- Also targeting **$3 billion in annualized savings** in non-sports related content spending, which is expected to be realized in the next 2-3 years

Target Savings on Produced and Licensed Content Spend (excluding Sports)

Breakdown of $2.5 billion SG&A and Other Operating Cost Savings

~50% Marketing
~30% Labor
~20% Other

Iger's Planned Process to Rebuild Disney's DTC Segment

Enhance Operating Efficiencies → **Focus on Content** → **Expand Subscriber Base** → **Grow ARPU**

Streamline Operations

Drive efficiencies in marketing, labor, and technology, resulting in a more cost-effective, coordinated and streamlined organization

Drive Returns on Content

Focus on core franchises, aggressively curate general entertainment, and evaluate/rationalize spend

Grow Global Subscribers

Future subscriber growth will be driven by the cadence and prominence of Disney's content releases and growth in existing markets (i.e. Disney+ Hotstar makes up 37.3% of Disney+ total paid subscriber base)

Pricing and Advertising

Optimize pricing and grow advertising revenue through enhancements and increased inventory

Company Filings

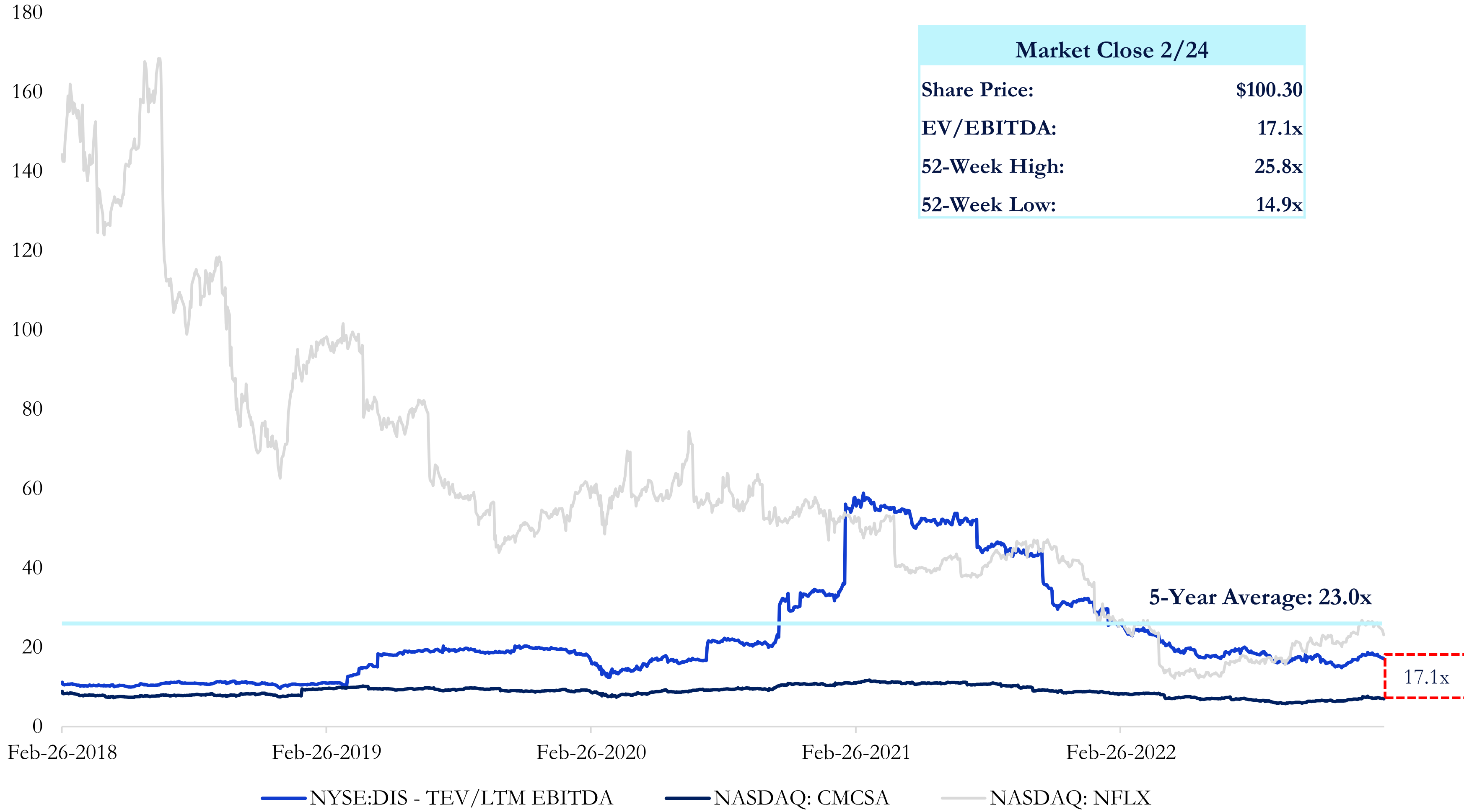
2

Disney's comprehensive suite of intellectual property and library of assets is currently undervalued, due to being in an operationally transitional period

A Unique Opportunity to Buy

Disney is currently trading at an attractive multiple relative to the company's history

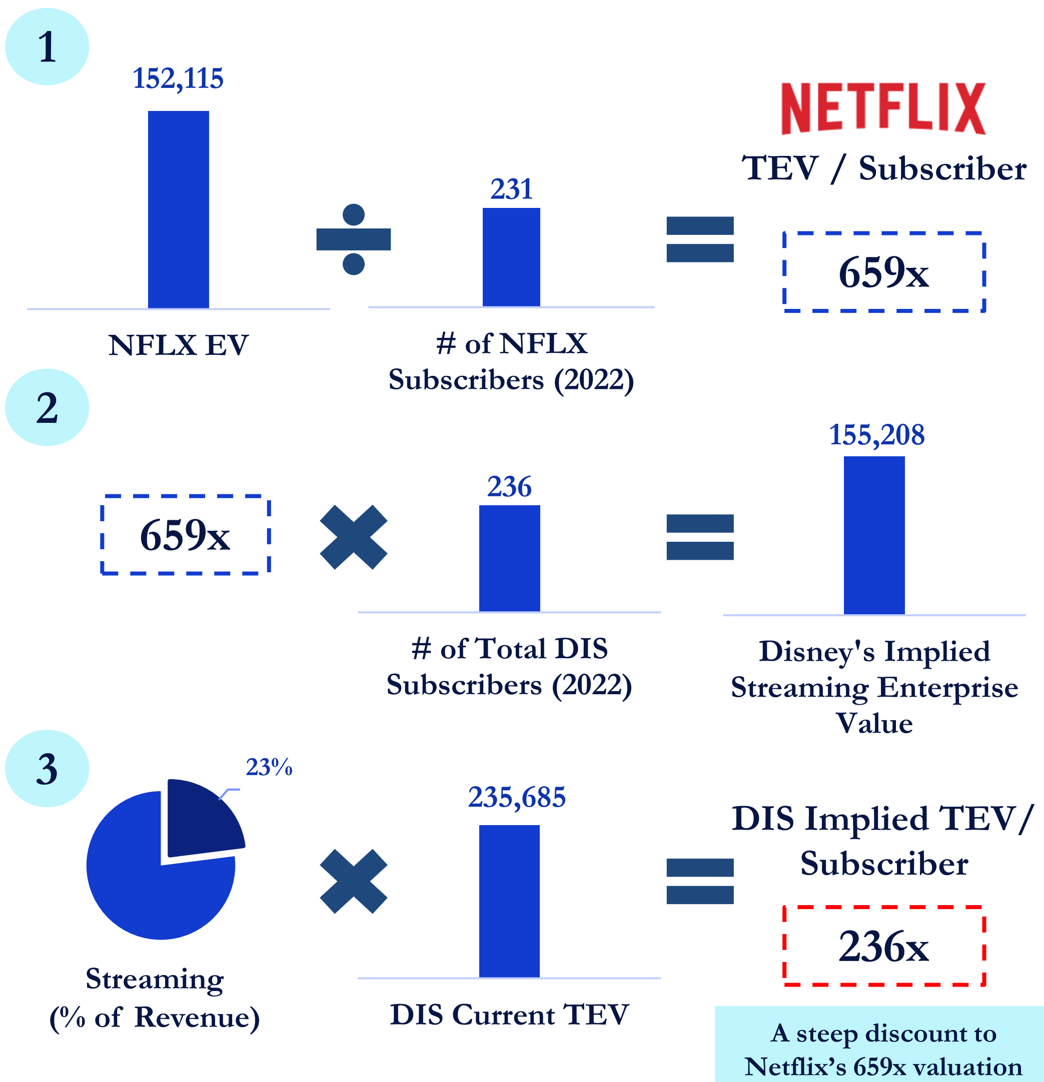
Multiple Evolution

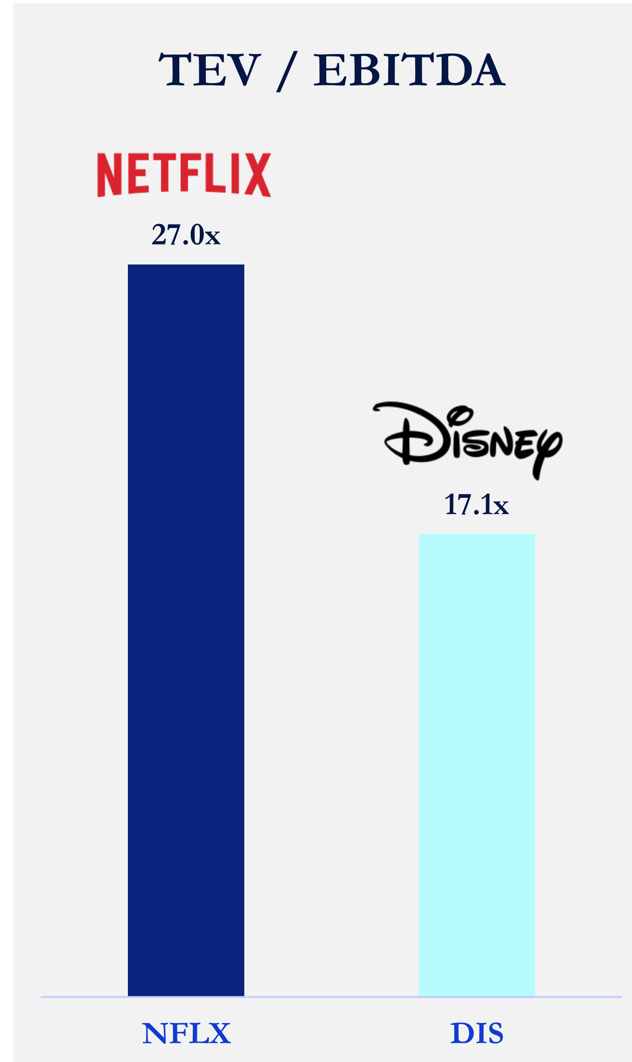


Market Close 2/24	
Share Price:	$100.30
EV/EBITDA:	17.1x
52-Week High:	25.8x
52-Week Low:	14.9x

Trading At A Discount To Closest Streaming Peer

Disney's streaming service is trading an implied EV/Subscriber multiple of 236.2x, a steep discount to Netflix's valuation of 658.5x





3

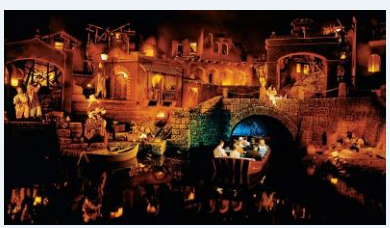
Disney's ability to monetize their media content in their parks strengthens their brand and adds a unique competitive advantage over more traditional streaming competitors

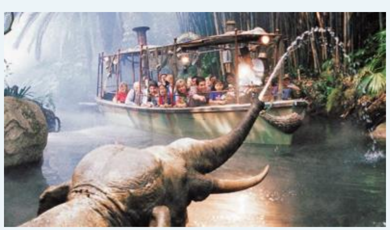
Driving Value in Parks

Disney increases their competitive advantage through its ability to monetize their content in their Parks & Experiences segment

Content as Inspiration for Rides and Attractions

Rides Provide Opportunity for Content





Increased Flexibility at Parks

Listening to guests' feedback to **improve quality and value of guest experience**

Continuing purposeful efforts to control capacity and **preserve guest experience**

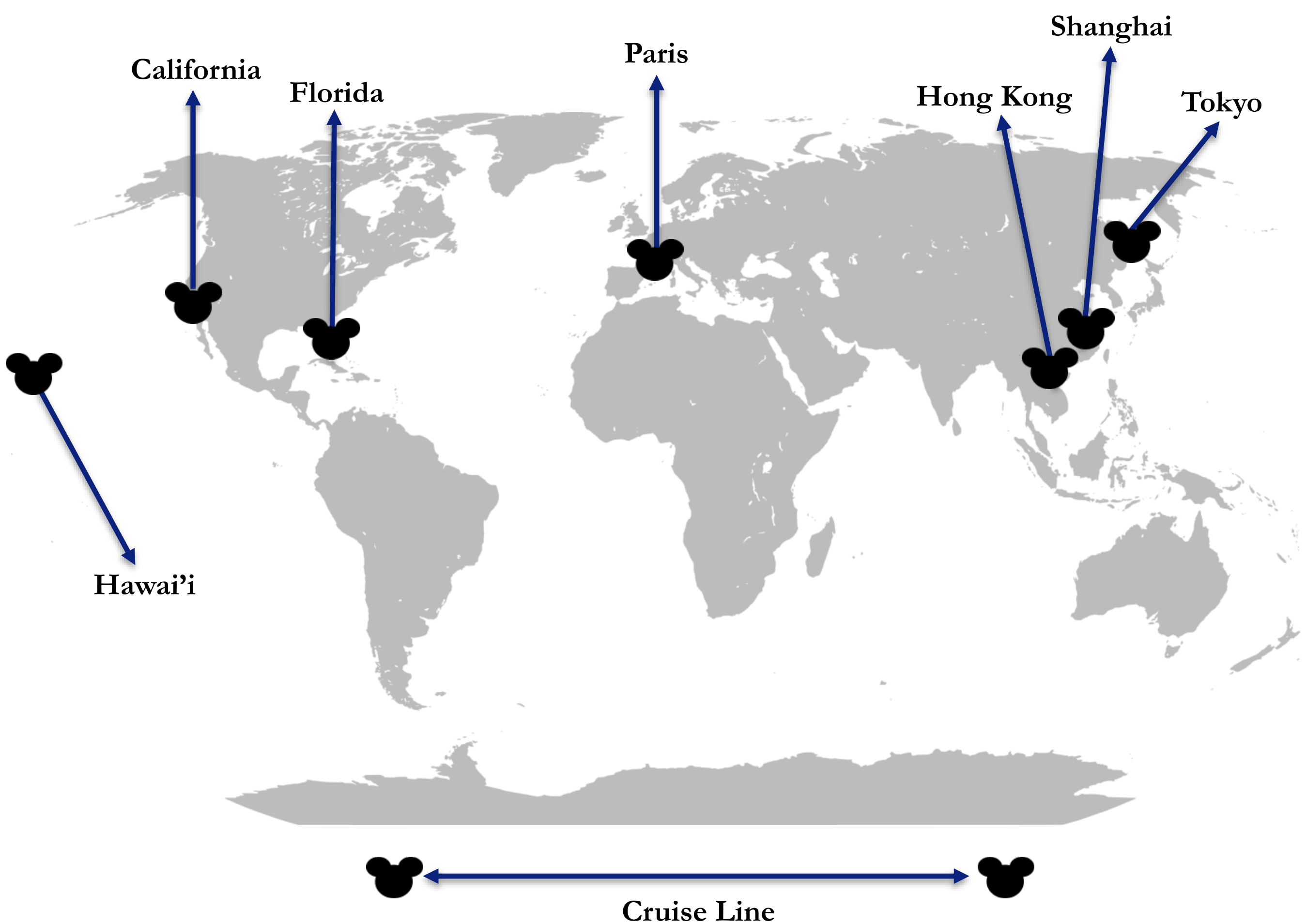
Ticketing Tier	Price	Capacity Level
0	$104	Under Capacity
1	$119	
2	$134	
3	$139	
4	$159	
5	$164	Crowded Park

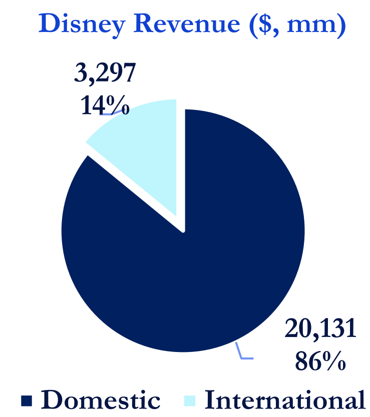
Notre Dame
INVESTMENT CLUB

Disney Q1FY24 Earnings Call, Company Website

Parks & Experiences: Global Presence

Disney has an unrivaled global presence, reaching larger audiences to optimize the value of its content





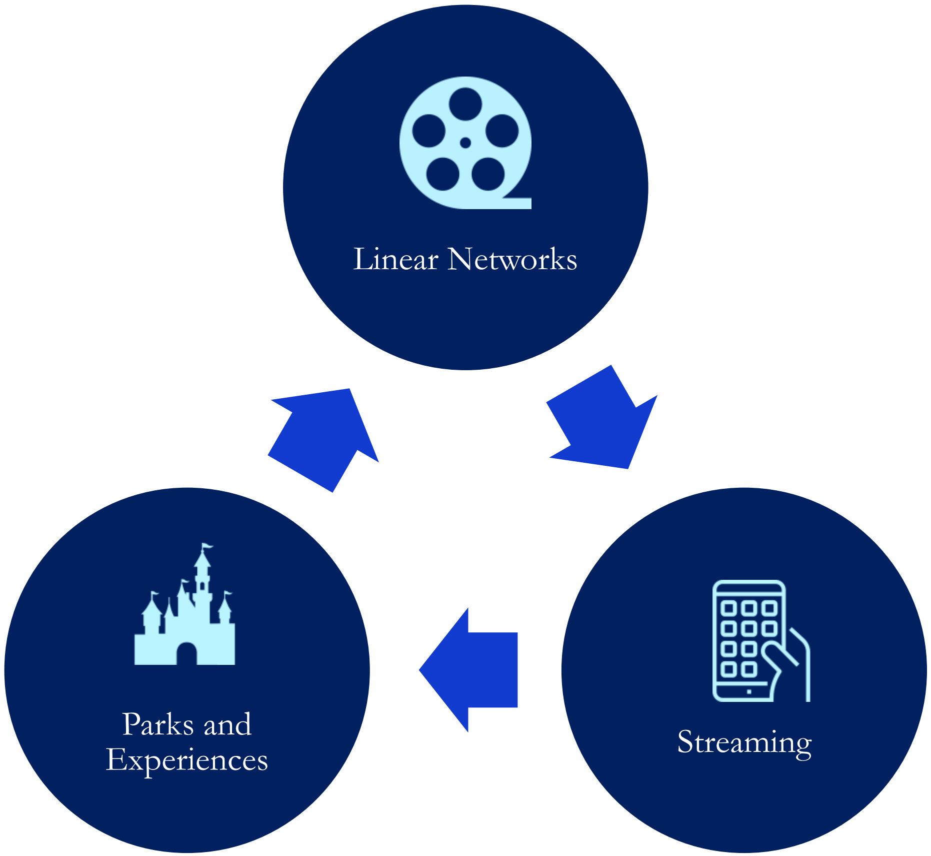
48% ownership interest in operations of **Hong Kong Disney Resort**

43% ownership interest in operations of **Shanghai Disney Resort**

100% ownership of **Disneyland Paris**

Disney "Flywheel"

Disney can leverage the Disney "flywheel" to monetize its intellectual property well beyond the box office life cycle



Conclusion

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MARVEL
Disney
THE LION KING
Disney
HANNAH MONTANA
Disney
MOANA
Disney PIXAR
TOY STORY

Q&A


Walt Disney
HIGH SCHOOL MUSICAL

Appendix

DCF Base Case

The Walt Disney Company					
Discounted Cash Flow Valuation				As of	2/22/2023
	Forecasted Years				
($ in millions)	2023E	2024E	2025E	2026E	2027E
Revenue	$ 89,346.2	$ 95,503.8	$ 98,585.2	$ 102,698.6	$ 106,946.1
% Growth	*8.0%*	*6.9%*	*3.2%*	*4.2%*	*4.1%*
(-) Operating Expenses	$ (61,137.2)	$ (65,959.0)	$ (70,262.7)	$ (71,879.0)	$ (74,191.5)
(+) Depreciation & Amortization	$ 5,073.2	$ 5,422.9	$ 5,597.8	$ 5,831.4	$ 6,072.6
Depreciation and Amortization as a % of Revenue	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*
EBITDA	**$ 33,282.2**	**$ 34,967.7**	**$ 33,920.4**	**$ 36,651.0**	**$ 38,827.2**
% Margin	*37.3%*	*36.6%*	*34.4%*	*35.7%*	*36.3%*
(-) Depreciation & Amortization	$ (5,073.2)	$ (5,422.9)	$ (5,597.8)	$ (5,831.4)	$ (6,072.6)
EBIT	$ 28,209.0	$ 29,544.8	$ 28,322.5	$ 30,819.6	$ 32,754.6
% Margin	*31.6%*	*30.9%*	*28.7%*	*30.0%*	*30.6%*
(-) Taxes	$ (5,923.9)	$ (6,204.4)	$ (5,947.7)	$ (6,472.1)	$ (6,878.5)
Effective Tax Rate	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*
NOPAT	$ 22,285.1	$ 23,340.4	$ 22,374.8	$ 24,347.5	$ 25,876.1
(+) Depreciation & Amortization	$ 5,073.2	$ 5,422.9	$ 5,597.8	$ 5,831.4	$ 6,072.6
(-) Capital Expenditures	($5,736.02)	($6,131.35)	($6,329.17)	($6,593.25)	($6,865.94)
Capex as a % of Revenue	*6.42%*	*6.42%*	*6.42%*	*6.42%*	*6.42%*
(-) Change in Net Working Capital	$ (2,759.6)	$ (2,949.8)	$ (3,045.0)	$ (3,172.0)	$ (3,303.2)
Unlevered FCF	**$ 18,862.7**	**$ 19,682.2**	**$ 18,598.6**	**$ 20,413.7**	**$ 21,779.6**
% Growth	*(27.8%)*	*4.3%*	*(5.5%)*	*9.8%*	*6.7%*
WACC	8.63%	8.63%	8.63%	8.63%	8.63%
Discount Period	0.61	1.61	2.61	3.61	4.61
Discount Factor	0.95	0.88	0.81	0.74	0.68
PV of Unlevered FCF	$17,936.1	$17,228.0	$14,985.7	$15,141.1	$14,870.4
	6.9%	-4.5%	3.1%	-18.1%	9.0%

WACC	8.6%

DCF Base Case

Exit Multiple Method

Tax Rate	21%

Terminal Value:	
2027E EBITDA	$38,827.2
Exit Multiple	9.0x
Terminal Value	$351,275.9
PV of Terminal Value	**$239,840.0**

Enterprise Value	
PV of Period Cash Flow	$80,161.4
PV of Terminal Value	$239,840.0
Implied EV	$320,001.4
(-) Debt	(48,369.0)
(+) Cash	11,615.0
Implied Equity Value	$283,247.4
Shares Outstanding	1,827.0
Implied Share Price	**$155.0**

Gordon Growth Method

Tax Rate	21%

Terminal Value:	
2027E FCF	$21,779.6
Terminal Growth Rate (PGR)	1.5%
Terminal Value	$309,909.7
PV of Terminal Value	**$211,596.5**

Enterprise Value	
PV of Period Cash Flow	$80,161.4
PV of Terminal Value	211,596.50
Implied EV	291,757.86
(-) Debt	(48,369.0)
(+) Cash	11,615.0
Implied Equity Value	255,003.86
Shares Outstanding	1,827.0
Implied Share Price	**$139.6**

Blended Implied Share Price

Upside/Downside

Operating Build & Base Case Assumptions

($ in millions)	Historical						Projections				
	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E
Revenues											
DMED Build											
Linear Networks/Media	21,299.0	21,922.0	24,827.0	28,393.0	28,093.0	28,346.0	27,779.1	27,167.9	26,515.9	25,853.0	25,155.0
% Growth		*2.9%*	*13.3%*	*14.4%*	*(1.1%)*	*0.9%*	❶ *(2.0%)*	*(2.2%)*	*(2.4%)*	*(2.5%)*	*(2.7%)*
DTC	3,075.0	3,414.0	9,386.0	16,967.0	16,319.0	19,558.0	23,469.6	27,694.1	29,355.8	32,291.4	35,520.5
% Growth		*11.0%*	*174.9%*	*80.8%*	*(3.8%)*	*19.8%*	*20.0%*	❷ *18.0%*	*6.0%*	*10.0%*	*10.0%*
Licensing/Studio	8,352.0	10,065.0	11,127.0	9,636.0	7,346.0	8,146.0	8,879.1	9,367.5	9,817.1	10,209.8	10,587.6
% Growth		*20.5%*	*10.6%*	*-13.4%*	*-23.8%*	*10.9%*	*9.0%*	*5.5%*	*4.8%*	*4.0%*	*3.7%*
(Eliminations)	(613.0)	(668.0)	(1,958.0)	(6,110.0)	(892.0)	(1,010.0)	(1,100.0)	(1,177.0)	(1,259.0)	(1,348.0)	(1,437.0)
		9.0%	*193.1%*	*212.1%*	*(85.4%)*	*13.2%*	*8.9%*		*7.0%*	*7.1%*	*6.6%*
Total DMED Revenue	**32,113.0**	**34,733.0**	**43,384.0**	**48,886.0**	**50,866.0**	**55,040.0**	**59,027.8**	**63,052.6**	**64,429.8**	**67,006.2**	**69,826.1**
% Growth		*8.2%*	*24.9%*	*12.7%*	*4.1%*	*8.2%*	*7.2%*	*6.8%*	*2.2%*	*4.0%*	*4.2%*
(Linear Networks/Media Operating Expens	(12,754.0)	(14,584.0)	(17,348.0)	(19,371.0)	(19,686.0)	(16,902.0)	(18,254.2)	(18,801.8)	(20,117.9)	(19,715.6)	(19,912.7)
% Growth		*14.3%*	*19.0%*	*11.7%*	*1.6%*	*(14.1%)*	*8.0%*	*3.0%*	*7.0%*	*(2.0%)*	*1.0%*
(DTC Operating Expense)		(4,152.0)	(11,221.0)	(19,773.0)	(17,998.0)	(17,440.0)	❸ (19,358.4)	(20,519.9)	(21,176.5)	(21,600.1)	(22,032.1)
% Growth			*170.3%*	*76.2%*	*(9.0%)*	*(3.1%)*	*11.0%*	*6.0%*	*3.2%*	*2.0%*	*2.0%*
(Licensing/Studio Operating Expense)	(3,667.0)	(7,061.0)	(8,441.0)	(7,135.0)	(6,779.0)	(5,499.0)	(7,423.7)	(9,650.7)	(11,098.4)	(11,764.3)	(12,470.1)
% Growth		*92.6%*	*19.5%*	*(15.5%)*	*(5.0%)*	*(18.9%)*	*35.0%*	*30.0%*	*15.0%*	*6.0%*	*6.0%*
(Eliminations)		658.0	1,717.0	5,582.0	892.0	(10,983.0)					
Total DMED Operating Profit	**15,692.0**	**9,594.0**	**8,089.0**	**8,189.0**	**7,295.0**	**4,216.0**	**13,991.6**	**14,080.1**	**12,037.0**	**13,926.3**	**15,411.2**
Revenues											
DPEP Build											
Theme Park Admissions	6,504.0	7,183.0	7,540.0	4,038.0	3,848.0	8,602.0	9,126.7	9,802.1	10,311.8	10,775.8	11,206.9
% Growth		*10.4%*	*5.0%*	*(46.4%)*	*(4.7%)*	*123.5%*	❹ *6.1%*	*7.4%*	*5.2%*	*4.5%*	*4.0%*
Parks & Experience Merch, Food and Bev	5,154.0	5,674.0	5,963.0	3,441.0	3,299.0	6,579.0	6,914.5	7,398.5	7,783.3	8,133.5	8,458.9
% Growth		*10.1%*	*5.1%*	*(42.3%)*	*(4.1%)*	*99.4%*	*5.1%*	*7.0%*	*5.2%*	*4.5%*	*4.0%*
Resorts and Vacation	5,378.0	5,938.0	6,266.0	3,402.0	2,701.0	6,410.0	6,634.4	7,185.0	7,558.6	7,898.8	8,214.7
% Growth		*10.4%*	*5.5%*	*(45.7%)*	*(20.6%)*	*137.3%*	*3.5%*	*8.3%*	*5.2%*	*4.5%*	*4.0%*
Merchandise Licensing & Retail	4,494.0	4,249.0	4,519.0	4,185.0	5,241.0	5,229.0	5,610.7	5,913.7	6,227.1	6,507.3	6,767.6
% Growth		*(5.5%)*	*6.4%*	*(7.4%)*	*25.2%*	*(0.2%)*	*7.3%*	*5.4%*	*5.3%*	*4.5%*	*4.0%*
Parks Licensing and Other	1,494.0	1,657.0	1,937.0	1,436.0	1,463.0	1,885.0	2,032.0	2,151.9	2,274.6	2,376.9	2,472.0
		10.9%	*16.9%*	*(25.9%)*	*1.9%*	*28.8%*	*7.8%*	*5.9%*	*5.7%*	*4.5%*	*4.0%*
Total DPEP Revenue	**23,024.0**	**24,701.3**	**26,225.0**	**16,502.0**	**16,552.0**	**28,705.0**	**30,318.3**	**32,451.3**	**34,155.4**	**35,692.4**	**37,120.1**
		7.3%	*6.2%*	*(37.1%)*	*0.3%*	*73.4%*	*5.6%*	*7.0%*	*5.3%*	*4.5%*	*4.0%*
Total DPEP Expenses	(10,667.0)	(11,590.0)	(14,015.0)	(11,485.0)	(10,799.0)	(14,936.0)	(16,101.0)	(16,986.6)	(17,869.9)	(18,799.1)	(19,776.7)
% Growth		*8.7%*	*20.9%*	*(18.1%)*	*(6.0%)*	*38.3%*	*7.8%*	*5.5%*	*5.2%*	*5.2%*	*5.2%*
Total DPEP Profit	**12,357.0**	**13,111.3**	**12,210.0**	**5,017.0**	**5,753.0**	**13,769.0**	**14,217.3**	**15,464.7**	**16,285.5**	**16,893.3**	**17,343.4**

Assumptions

❶ This revenue decline is driven by higher subscriber losses, lower affiliate rate increases due to lack of renewals, and Iger **prioritizing streaming**

❷ Expect to continue seeing **strong growth** after 2019 acquisition of Fox studios/large content spend and as Iger **shifts to streaming strategy**

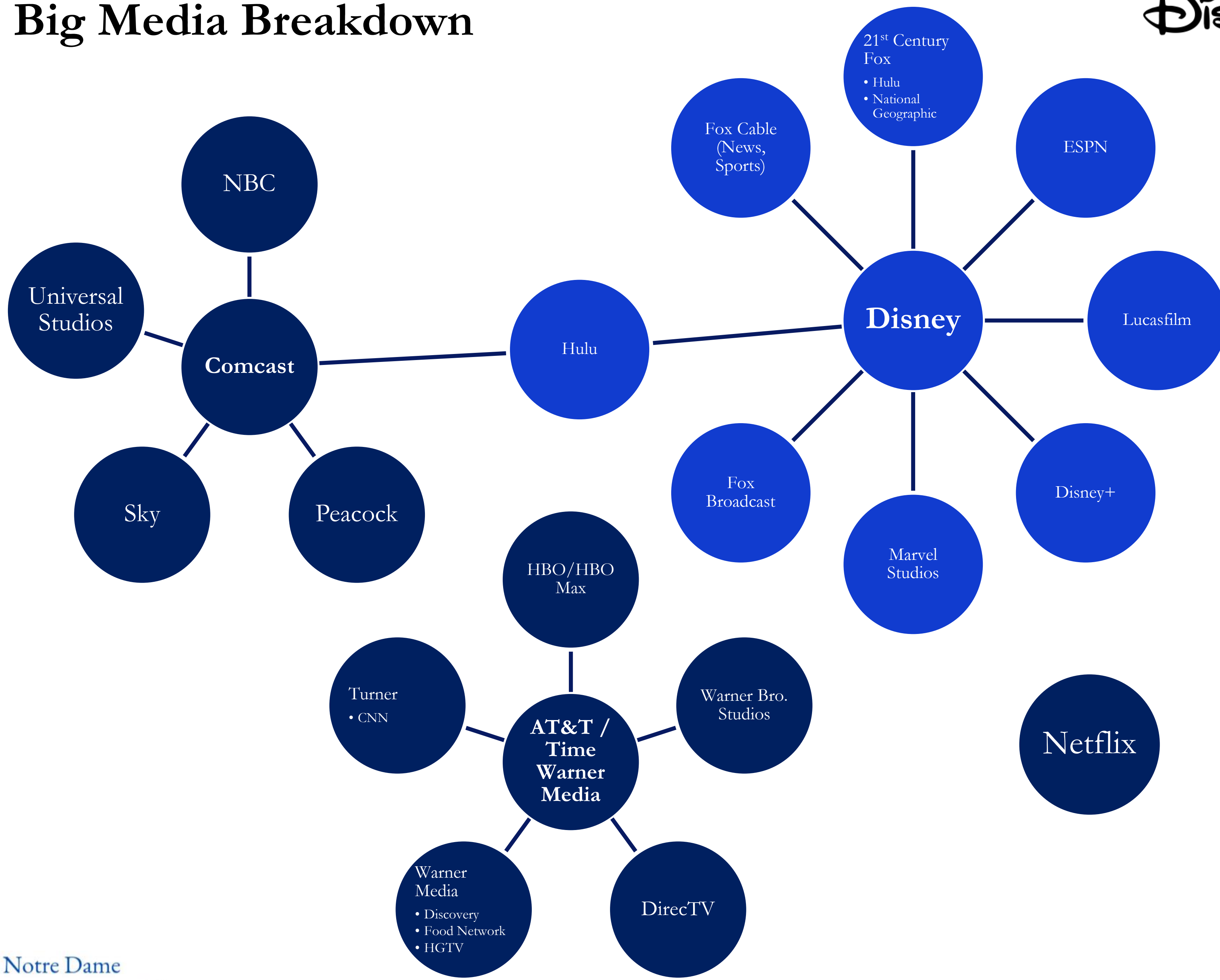
❸ This includes a focus **on improving the profitability of streaming** while continuing to invest in long term growth. We think the early focus will be on SG&A, but over time, management will reevaluate content spend

❹ Pent up demand for travel as a result of the pandemic, built up savings, and changes in by hybrid/remote work continue to boost strong growth; we expect a recessionary environment to slow down an otherwise strong underlying growth rate, allowing Disney to generate solid Parks results in FY23

Annotated Stock Chart

Disney outperformed the market by ~160% from 2010 to 2019, but it currently is trading near its 8-Year Low

Big Media Breakdown



M&A Timeline

A strong track record of acquisitions to build its content library creates allows DIS to remain competitive in the streaming and media industry

1993
$60mm

- Leading producer of independent films in the 1980's and 1990's

1996
ESPN: $19B
abc: $19B

2001
abc family: $5.3B
Fox Family: $3B

2006
$7.4B

- Inherited library of films, including Toy Story, Finding Nemo. Monster's Inc. & The Incredibles
- Subsequently produced Inside Out, Up, and Cars Sequels

2009
$4B

- Inherited rights to Avengers franchise, including Iron Man & Captain America
- One of Disney's most successful franchises

2012
$4.05B

- Assumed rights to Star Wars Corporation and Indiana Jones franchises
- Led to production of four subsequent Star Wars films, all of which became in the 50 highest-grossing films of all time

2019
$71B

- Acquired National Geographic, FX, Fox Networks, Star India & Hulu (67% stake)

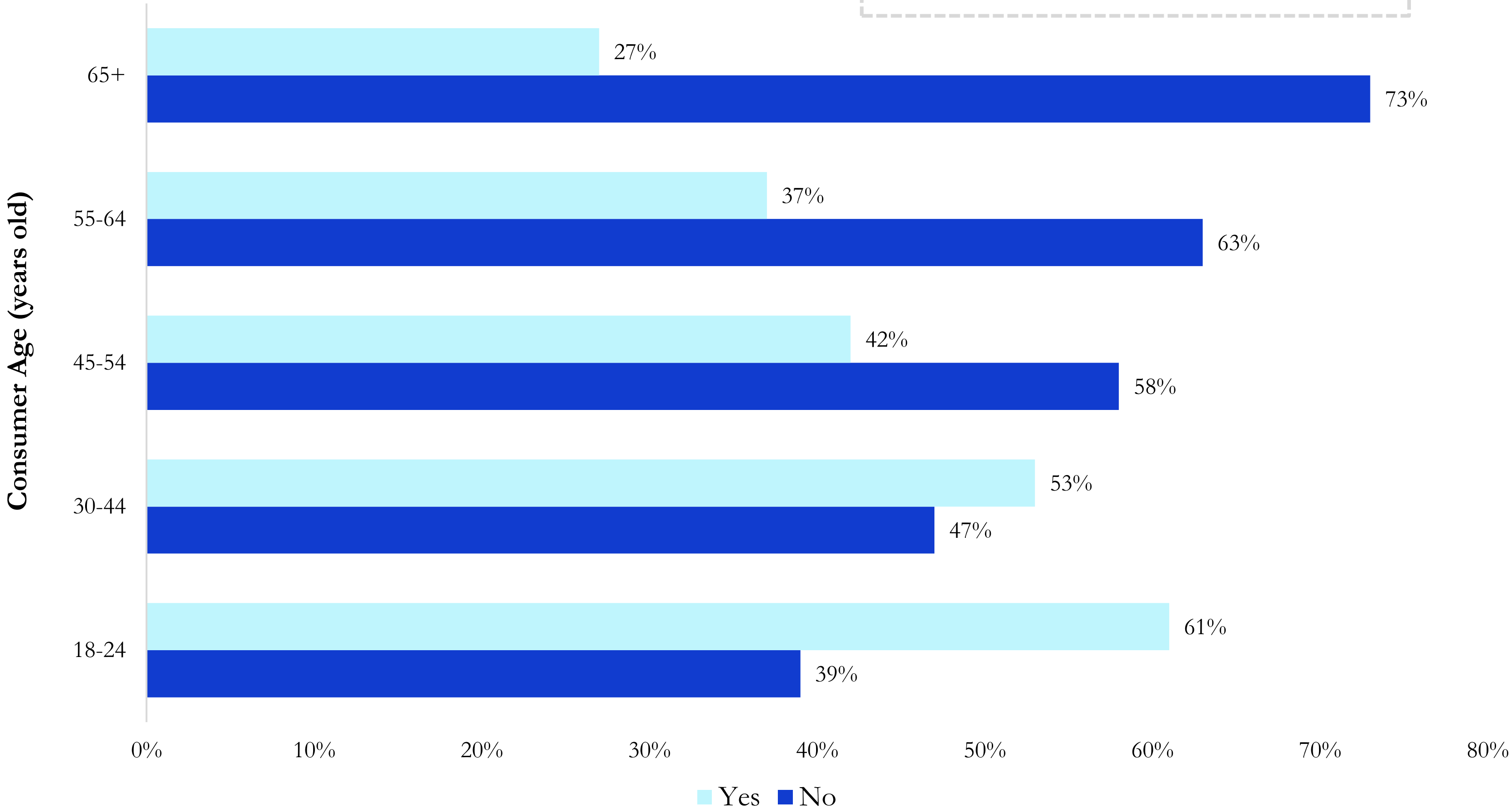
Statista, Company Filings

Consumers Sign Up for Multiple Services

Younger consumers especially are willing to subscribe to a service solely to watch a specific show

Content Overrides Cash

Many consumers are willing to spend the money on an additional service to satisfy their need for content that they cannot watch elsewhere

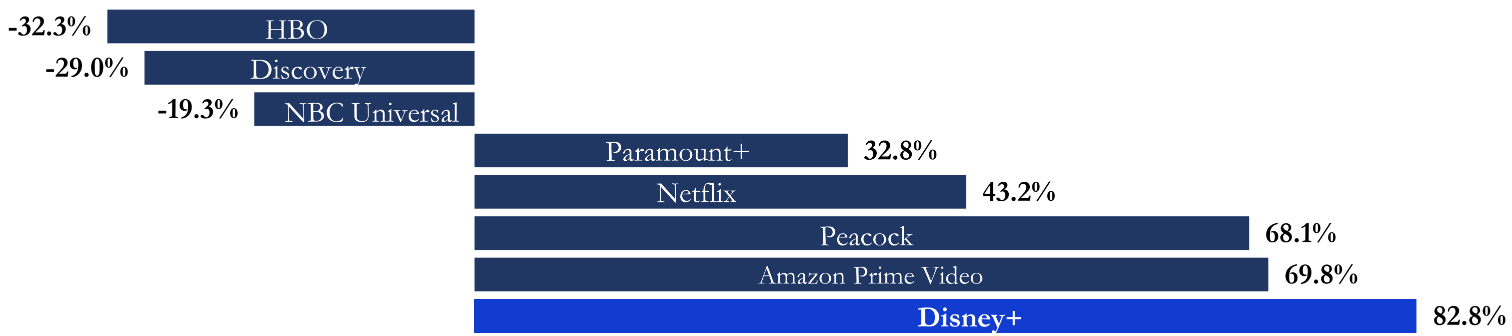


Morning Consult, Statista

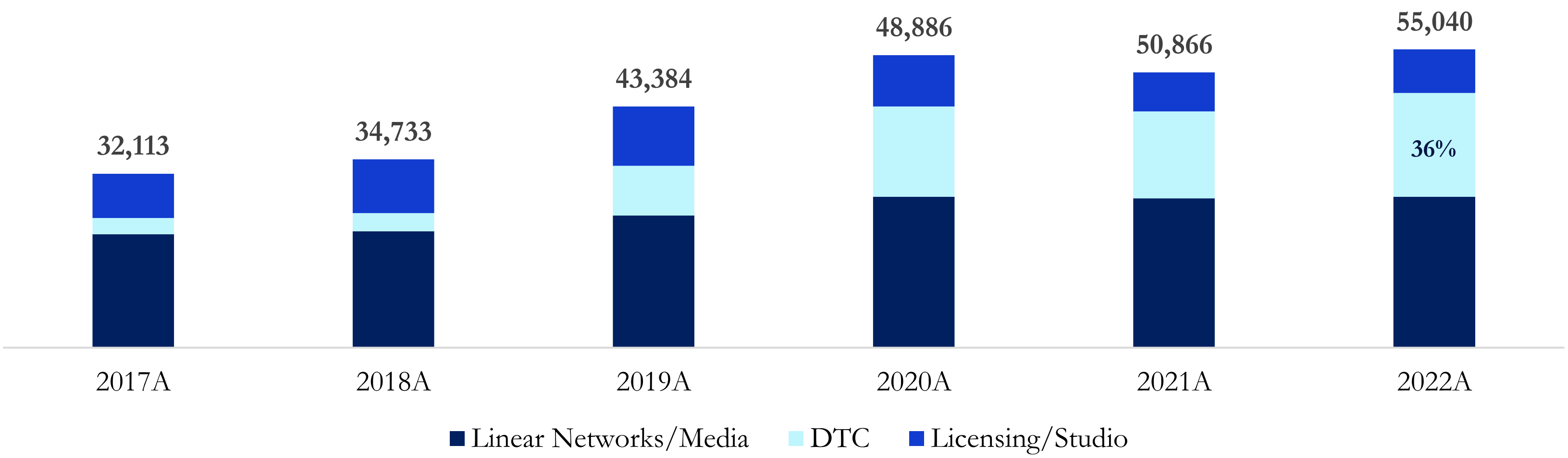
Content Library is Iger's "#1 Priority"

Disney continues to invest in its content library to remain competitive in the streaming industry

Projected Content Spend by Streaming Service, 2022-2027



DMED Revenue, Segmented by Distribution Type ($, mm)



Morning Consult, Statista

DCF Bear Case

The Walt Disney Company					
Discounted Cash Flow Valuation				As of	2/22/2023
	Forecasted Years				
($ in millions)	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**
Revenue	$ 88,655.9	$ 94,699.1	$ 99,809.6	$ 103,414.7	$ 105,500.4
% Growth	*7.2%*	*6.8%*	*5.4%*	*3.6%*	*2.0%*
(-) Operating Expenses	$ (62,202.2)	$ (67,601.6)	$ (73,210.3)	$ (77,346.5)	$ (82,465.9)
(+) Depreciation & Amortization	$ 5,034.0	$ 5,377.2	$ 5,667.4	$ 5,872.1	$ 5,990.5
Depreciation and Amortization as a % of Revenue	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*
EBITDA	**$ 31,487.7**	**$ 32,474.7**	**$ 32,266.7**	**$ 31,940.3**	**$ 29,024.9**
% Margin	*35.5%*	*34.3%*	*32.3%*	*30.9%*	*27.5%*
(-) Depreciation & Amortization	$ (5,034.0)	$ (5,377.2)	$ (5,667.4)	$ (5,872.1)	$ (5,990.5)
EBIT	$ 26,453.6	$ 27,097.6	$ 26,599.3	$ 26,068.2	$ 23,034.4
% Margin	*29.8%*	*28.6%*	*26.7%*	*25.2%*	*21.8%*
(-) Taxes	$ (5,555.3)	$ (5,690.5)	$ (5,585.9)	$ (5,474.3)	$ (4,837.2)
Effective Tax Rate	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*
NOPAT	$ 20,898.4	$ 21,407.1	$ 21,013.5	$ 20,593.9	$ 18,197.2
(+) Depreciation & Amortization	$ 5,034.0	$ 5,377.2	$ 5,667.4	$ 5,872.1	$ 5,990.5
(-) Capital Expenditures	($5,691.71)	($6,079.68)	($6,407.78)	($6,639.22)	($6,773.12)
Capex as a % of Revenue	*6.42%*	*6.42%*	*6.42%*	*6.42%*	*6.42%*
(-) Change in Net Working Capital	$ (2,738.3)	$ (2,924.9)	$ (3,082.8)	$ (3,194.1)	$ (3,258.5)
Unlevered FCF	**$ 17,502.5**	**$ 17,779.7**	**$ 17,190.3**	**$ 16,632.7**	**$ 14,156.1**
% Growth	*(33.1%)*	*1.6%*	*(3.3%)*	*(3.2%)*	*(14.9%)*
WACC	8.63%	8.63%	8.63%	8.63%	8.63%
Discount Period	0.61	1.61	2.61	3.61	4.61
Discount Factor	0.95	0.88	0.81	0.74	0.68
PV of Unlevered FCF	$16,642.7	$15,562.7	$13,851.0	$12,336.7	$9,665.3
	6.9%	-4.5%	3.1%	-18.1%	9.0%
WACC	8.6%				

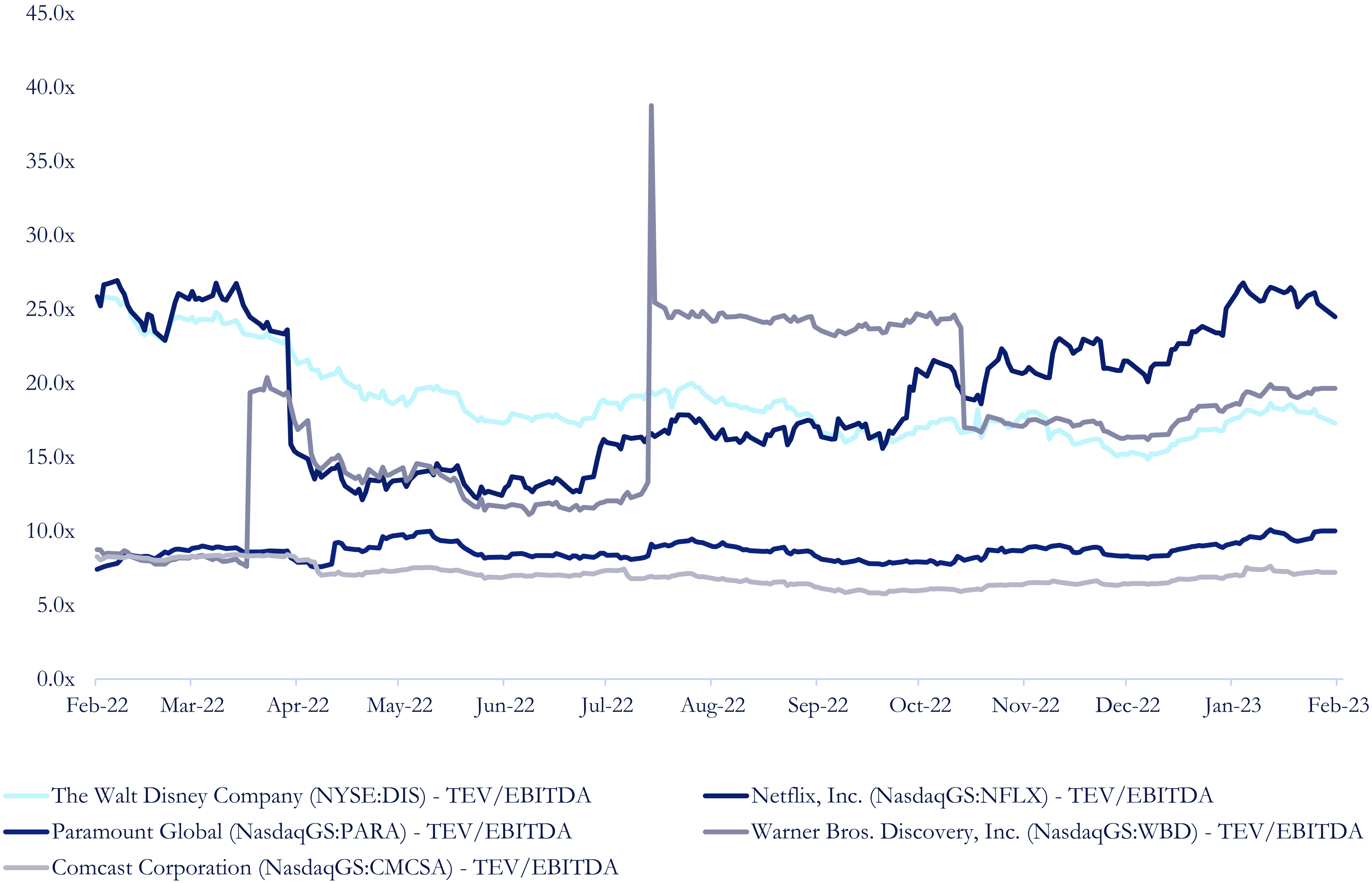
DCF Bull Case

The Walt Disney Company					
Discounted Cash Flow Valuation				As of	2/22/2023
	Forecasted Years				
($ in millions)	2023E	2024E	2025E	2026E	2027E
Revenue	$ 91,537.9	$ 100,783.8	$ 107,575.4	$ 113,579.3	$ 118,416.4
% Growth	*10.7%*	*10.1%*	*6.7%*	*5.6%*	*4.3%*
(-) Operating Expenses	$ (59,653.5)	$ (63,931.5)	$ (67,452.0)	$ (69,671.4)	$ (71,789.8)
(+) Depreciation & Amortization	$ 5,197.7	$ 5,722.7	$ 6,108.3	$ 6,449.2	$ 6,723.9
Depreciation and Amortization as a % of Revenue	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*
EBITDA	**$ 37,082.1**	**$ 42,575.0**	**$ 46,231.7**	**$ 50,357.1**	**$ 53,350.5**
% Margin	*40.5%*	*42.2%*	*43.0%*	*44.3%*	*45.1%*
(-) Depreciation & Amortization	$ (5,197.7)	$ (5,722.7)	$ (6,108.3)	$ (6,449.2)	$ (6,723.9)
EBIT	$ 31,884.4	$ 36,852.3	$ 40,123.4	$ 43,907.9	$ 46,626.6
% Margin	*34.8%*	*36.6%*	*37.3%*	*38.7%*	*39.4%*
(-) Taxes	$ (6,695.7)	$ (7,739.0)	$ (8,425.9)	$ (9,220.7)	$ (9,791.6)
Effective Tax Rate	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*
NOPAT	$ 25,188.7	$ 29,113.3	$ 31,697.5	$ 34,687.2	$ 36,835.0
(+) Depreciation & Amortization	$ 5,197.7	$ 5,722.7	$ 6,108.3	$ 6,449.2	$ 6,723.9
(-) Capital Expenditures	($5,876.73)	($6,470.32)	($6,906.34)	($7,291.79)	($7,602.33)
Capex as a % of Revenue	*6.42%*	*6.42%*	*6.42%*	*6.42%*	*6.42%*
(-) Change in Net Working Capital	$ (2,827.3)	$ (3,112.9)	$ (3,322.6)	$ (3,508.1)	$ (3,657.5)
Unlevered FCF	**$ 21,682.4**	**$ 25,252.9**	**$ 27,576.9**	**$ 30,336.7**	**$ 32,299.2**
% Growth	*(17.1%)*	*16.5%*	*9.2%*	*10.0%*	*6.5%*
WACC	8.63%	8.63%	8.63%	8.63%	8.63%
Discount Period	0.61	1.61	2.61	3.61	4.61
Discount Factor	0.95	0.88	0.81	0.74	0.68
PV of Unlevered FCF	$20,617.2	$22,104.1	$22,220.0	$22,501.1	$22,052.9
	6.9%	-4.5%	3.1%	-18.1%	9.0%
WACC	8.6%				

Notre Dame
INVESTMENT CLUB

DMED Comparable Companies

TEV/EBITDA



DPEP Comparable Companies

TEV/EBITDA