Zacks Report Date: January 08, 2026

# The Walt Disney (DIS)

**$114.17** (Stock Price as of 01/08/2026)

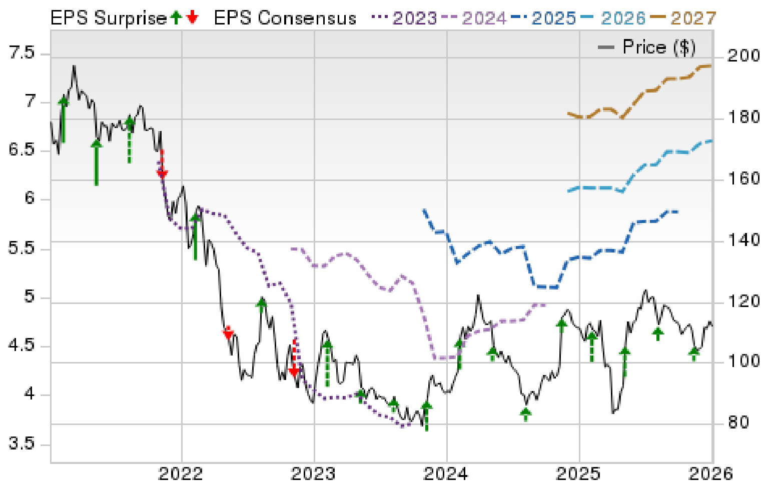
Price Target (6-12 Months): **$118.00**

| | | |
|---|---|---|
| Long Term: 6-12 Months | **Zacks Recommendation:** (Since: 12/29/23) Prior Recommendation: Underperform | **Neutral** |
| Short Term: 1-3 Months | **Zacks Rank:** (1-5) Zacks Style Scores: Value: B \| Growth: B \| Momentum: F | **3-Hold** VGM: B |

## Summary

Disney's unparalleled IP portfolio spanning Marvel, Star Wars, Pixar, and classic animation provide sustainable competitive advantages and multiple revenue monetization opportunities across streaming, theatrical, parks, and merchandise. The streaming business has achieved profitability after years of losses, demonstrating operational improvement and pricing power. The experiences segment continues generating strong cash flows with expanding global footprint. Per Zacks model, fiscal 2026 net sales is expected to increase 5.8% from fiscal 2025. However, escalating programming costs, particularly for sports rights, pressure margins substantially. Streaming competition from Netflix and Apple TV+ among others is an overhang. The balance sheet carries elevated debt levels while aggressive capital expenditure plans strain financial flexibility.<

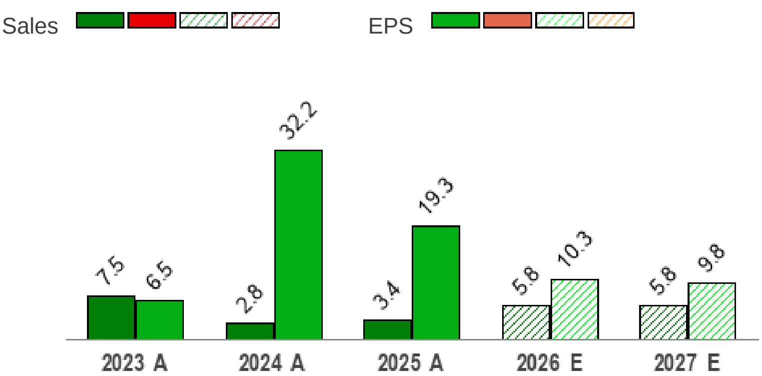
## Price, Consensus & Surprise(1)




## Data Overview

| | |
|---|---|
| 52 Week High-Low | $124.69 - $80.10 |
| 20 Day Average Volume (sh) | 9,349,223 |
| Market Cap | $201.6 B |
| YTD Price Change | -0.8% |
| Beta | 1.44 |
| Dividend / Div Yld | $1.50 / 1.3% |
| Industry | Media Conglomerates |
| Zacks Industry Rank | Top 35% (86 out of 244) |
| | |
| Last EPS Surprise | 7.8% |
| Last Sales Surprise | -1.7% |
| EPS F1 Est- 4 week change | -0.1% |
| Expected Report Date | 02/04/2026 |
| Earnings ESP | -4.6% |
| | |
| P/E TTM | 19.0 |
| P/E F1 | 17.5 |
| PEG F1 | 1.7 |
| P/S TTM | 2.1 |

## Sales and EPS Growth Rates (Y/Y %)(2)




## Sales Estimates (millions of $)(2)

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|---|---|---|---|---|---|
| 2027 | 27,237 E | 26,372 E | 26,551 E | 25,525 E | 105,686 E |
| 2026 | 25,799 E | 24,922 E | 25,064 E | 24,110 E | 99,895 E |
| 2025 | 24,690 A | 23,621 A | 23,650 A | 22,464 A | 94,425 A |

## EPS Estimates(2)

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|---|---|---|---|---|---|
| 2027 | 1.81 E | 1.80 E | 1.83 E | 1.75 E | 7.18 E |
| 2026 | 1.56 E | 1.63 E | 1.77 E | 1.58 E | 6.54 E |
| 2025 | 1.76 A | 1.45 A | 1.61 A | 1.11 A | 5.93 A |

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.
(2) The report's text, the analyst-provided estimates, and the price target are as of 12/23/2025.

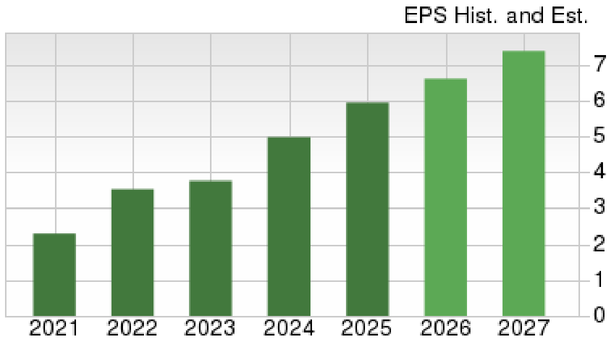
## Overview

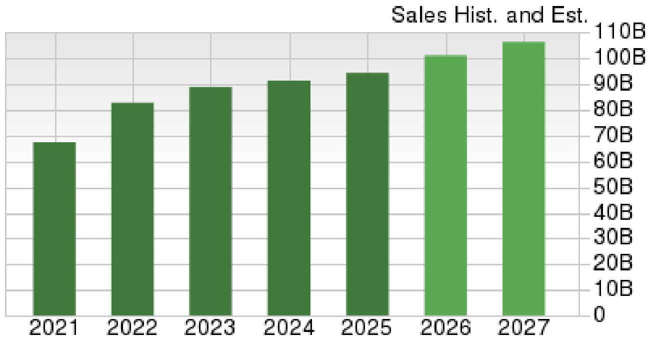
Burbank, CA-based Walt Disney Company has assets that span movies, television shows and theme parks. Revenues were $94.4 billion in fiscal 2025.

From fiscal 2021, Disney reports its financial results across three operating segments:

Entertainment (45.0% of total revenues) includes Linear Networks comprising domestic channels (ABC, Disney Channel, Freeform, FX, National Geographic) and international channels, a 50% equity investment in A+E Television Networks, Direct-to-Consumer streaming services (Disney+, Hulu and ESPN+ bundled offerings), Content Sales/Licensing of film and television content to third-party television and subscription video-on-demand services, theatrical distribution, music distribution, and staging and licensing of live entertainment events. The segment generated $42.5 billion in revenues in fiscal 2025. In November 2024, Disney completed the Star India Transaction, forming a joint venture with Reliance Industries Limited. RIL holds a 56% controlling interest in the joint venture, with Disney retaining 37%.

Sports (18.7% of revenues) consists primarily of ESPN and related sports properties. The segment operates domestic and international ESPN television networks, the ESPN+ direct-to-consumer service, and generates revenues from affiliate fees, advertising, and subscriptions. In August 2025, ESPN launched its enhanced direct-to-consumer service. The Sports segment generated $17.7 billion in revenues in fiscal 2025.




*As of 12/23/2025*

Experiences (38.3% of revenues) combines global consumer products business with Parks and Resorts. Parks and Resorts owns and operates the Walt Disney World Resort in Florida, Disneyland Resort in California, Disney Vacation Club, Disney Cruise Line (which expanded with new ships Disney Destiny and Disney Adventure in fiscal 2026), and Adventures by Disney. The company also has ownership interests in Disneyland Paris, Hong Kong Disneyland Resort and Shanghai Disney Resort, and licenses the operations of Tokyo Disney Resort in Japan. Consumer Products engages with licensees, manufacturers, publishers and retailers to design, develop, publish, promote and sell products based on Disney characters and intellectual property through Merchandise Licensing, Publishing and Retail businesses. The Experiences segment generated $36.2 billion in revenues in fiscal 2025.


*As of 01/08/2026*

## Reasons To Buy:

> Streaming transformation, strengthening sports entertainment, content library monetization, operating leverage and margin expansion are key growth drivers for Disney.

- Disney's streaming segment has achieved a remarkable transformation, delivering sustainable profitability that positions it as a formidable competitor in digital entertainment. The combined Disney+ and Hulu platform now generates consistent operating income, driven by disciplined pricing strategies and robust subscriber engagement. Management's guidance indicates continued margin expansion through fiscal 2026, supported by reducing content costs while maintaining quality programming. The integration of Hulu content into Disney+ creates a comprehensive entertainment ecosystem that enhances customer retention and reduces churn. This streaming success directly addresses previous investor concerns about capital-intensive content spending, demonstrating Disney's ability to monetize its unparalleled intellectual property portfolio effectively in the digital age.

- ESPN's evolution into a comprehensive sports streaming powerhouse represents a significant growth catalyst for Disney's future revenue streams. The upcoming launch of ESPN's flagship direct-to-consumer platform in fiscal 2026 will unlock substantial value from Disney's premium sports content library. Strategic partnerships with major sports leagues provide exclusive broadcasting rights that create high-value, appointment viewing that commands premium advertising rates. Management has emphasized that sports content remains recession-resistant, maintaining strong viewership and engagement regardless of economic conditions. The combination of traditional linear ESPN networks with innovative streaming offerings positions Disney to capture both existing cable subscribers and cord-cutting younger demographics seeking live sports content.

- Disney possesses the entertainment industry's most valuable content library, encompassing Marvel, Star Wars, Pixar, and classic animated franchises that generate perpetual revenue opportunities. Management's strategic focus on franchise extension through sequels, spin-offs, and theme park integrations creates multiple monetization channels from single intellectual properties. Fiscal 2026 guidance indicates accelerated theatrical releases that drive downstream revenue through streaming platforms, merchandise sales, and theme park experiences. The company's vertical integration allows content to generate value across all business segments simultaneously, creating synergies unmatched by pure-play streaming competitors. This content moat ensures Disney maintains pricing power in negotiations with advertisers, distributors, and consumers.

- Disney's operational structure is positioned to deliver significant margin expansion as revenue growth accelerates without proportional cost increases through fiscal 2026 and beyond. Management's restructuring initiatives have streamlined decision-making processes and reduced redundant expenses, creating a leaner organization focused on profitability rather than subscriber growth at any cost. The company's guidance emphasizes high-single-digit earnings per share growth potential as investments in streaming infrastructure and content reach optimal efficiency levels. Disney's scale advantages in content production, distribution, and marketing create barriers to entry that protect market share while improving profitability. Free cash flow generation is expected to strengthen substantially, enabling increased shareholder returns through dividends and buybacks.

## Reasons To Sell:

- Disney faces relentless pressure from ballooning content expenditures across its streaming and linear networks. The company must continuously invest billions in premium programming to retain subscribers in an oversaturated market where content is the primary differentiator. Production costs have surged due to talent inflation, special effects budgets, and the need for franchises that resonate globally. This creates a vicious cycle where Disney cannot reduce spending without risking subscriber defections, yet maintaining current investment levels compresses operating margins. The content arms race shows no signs of abating, particularly as competitors also increase their budgets. This structural cost inflation fundamentally undermines Disney's ability to achieve sustainable profitability targets in streaming while simultaneously straining resources across traditional media segments that still generate meaningful cash flow.

Escalating programming costs, intensified streaming competition, capital expenditure explosion and crushing debt burden are headwinds.

- The streaming landscape has become brutally competitive with well-capitalized rivals aggressively expanding content libraries and global footprints. Netflix continues dominating with superior recommendation algorithms and original content volume, while Amazon leverages Prime membership bundling to retain subscribers without profitability pressure. Warner Bros Discovery, Paramount, and Apple are all vying for the same subscriber dollars, creating pricing pressure that limits Disney's ability to raise subscription fees. International expansion faces entrenched local competitors with regional content advantages and lower cost structures. This fragmentation means Disney must spend disproportionately to maintain market share while facing constant churn risks. The competitive intensity fundamentally challenges Disney's streaming growth assumptions and timeline to profitability, particularly as the easy growth phase from pent-up demand has ended and incremental subscriber acquisition becomes increasingly expensive across saturated markets.

- Disney's ambitious theme park expansion plans and cruise ship investments require unprecedented capital deployment at a time when returns face mounting uncertainty. The company has committed billions toward new attractions, park expansions internationally, and fleet additions that lock in spending obligations for years ahead. These projects carry extended payback periods and execution risks, particularly in international markets where consumer spending patterns remain volatile. Simultaneously, technology infrastructure investments for streaming platforms and digital initiatives demand ongoing capital allocation. This capital intensity occurs while free cash flow generation faces pressure from streaming losses and cyclical softness in traditional businesses. The magnitude of these commitments reduces financial flexibility to navigate unexpected challenges, limits share repurchase capacity, and constrains dividend growth potential that investors traditionally valued in Disney's investment proposition.

- Disney's balance sheet remains burdened by substantial debt accumulated through acquisitions and aggressive streaming investments, creating financial vulnerability in a rising interest rate environment. The debt load generates significant annual interest expenses that drain cash flow otherwise available for growth investments or shareholder returns. Refinancing maturing obligations at current rates will increase interest costs meaningfully, further pressuring profitability metrics. This leverage constrains management's ability to pursue opportunistic acquisitions, weather economic downturns, or respond to competitive threats requiring capital deployment. Credit rating agencies monitor Disney's leverage metrics closely, and any deterioration could trigger downgrades that increase borrowing costs further. The debt burden represents a fundamental structural weakness that limits strategic flexibility precisely when the company needs maximum optionality to navigate streaming transitions, address linear television declines, and capitalize on theme park opportunities requiring significant investment. Total borrowings (including the current portion of borrowings) were $42 billion as of Sept. 27, 2025, compared with $45.8 billion as of Sept. 28, 2024.

## Last Earnings Report

### Disney Q4 Earnings Beat Estimates, Revenues Flat Y/Y

| FY Quarter Ending | 9/30/2025 |
|---|---|
| Earnings Reporting Date | Nov 13, 2025 |
| Sales Surprise | -1.72% |
| EPS Surprise | 7.77% |
| Quarterly EPS | 1.11 |
| Annual EPS (TTM) | 5.93 |

The Walt Disney Company reported fourth-quarter fiscal 2025 adjusted earnings of $1.11 per share, which beat the Zacks Consensus Estimate by 7.77% but decreased 2.6% year over year.

Revenues were $22.5 billion, comparable to the prior year (flat year over year) but missed the consensus mark by 1.72%.

**Segment Details**

Entertainment revenues (45.4% of revenues) declined 6% year over year to $10.2 billion.

Revenues from Linear Networks decreased 16% year over year to $2.06 billion. Direct-to-Consumer revenues increased 8% year over year to $6.25 billion. Content Sales/Licensing and Other revenues fell 26% year over year to $1.90 billion.

Sports revenues (17.7% of revenues) rose 2% year over year to $3.98 billion.

Experiences revenues (39% of revenues) increased 6% year over year to $8.77 billion. Domestic revenues were $5.86 billion, up 6% year over year. International revenues increased 10% year over year to $1.74 billion in the reported quarter.

Meanwhile, revenues from Disney's Consumer Products increased 3% year over year to $1.17 billion.

**Subscriber Details**

As of Sept. 27, 2025, Disney+ had 131.6 million paid subscribers compared with 127.8 million as of June 28, 2025, representing an increase of 3.8 million subscribers.

Domestic Disney+ average monthly revenue per paid subscriber remained flat sequentially at $8.09.

International Disney+ average monthly revenue per paid subscriber rose 4% sequentially to $8.00 due to favorable impacts from foreign exchange and subscriber mix shifts.

Hulu SVOD Only had 59.7 million paid subscribers as of Sept. 27, 2025, compared to 51.2 million as of June 28, 2025, an increase of 17% driven primarily by the expanded Charter deal. Hulu SVOD Only average monthly revenue per paid subscriber decreased 2% sequentially to $12.20 due to the impact of subscriber mix shifts.

Total Disney+ and Hulu subscriptions reached 196 million as of quarter-end, an increase of 12.4 million compared to Q3 fiscal 2025.

**Operating Details**

Costs & expenses decreased 0.2% year over year to $19.9 billion in the reported quarter.

Total segmental operating income was $3.48 billion, down 5% year over year.

Entertainment segmental operating income declined 35% year over year to $691 million driven by theatrical slate comparisons.

Linear Networks' operating income declined 21% to $391 million. Domestic operating income fell 5% year over year to $329 million due to a decline in advertising revenues attributable to lower rates and decreases in average viewership. The decrease in advertising revenue reflected lower political advertising (which had a $40 million adverse impact versus Q4 fiscal 2024) and the comparison to the Emmy Awards show, which aired in the prior-year quarter. Lower affiliate revenue attributable to fewer subscribers, partially offset by higher effective rates, also contributed to the decline.

International Linear Networks reported an operating loss of $33 million compared to operating income of $52 million in the year-ago quarter due to the Star India Transaction.

Direct-to-Consumer operating income was $352 million compared to $253 million reported in the year-ago quarter, an increase of $99 million or 39%. The increase was primarily driven by subscription revenue growth attributable to higher effective rates reflecting price increases, subscriber growth, and the absence of Star India subscription revenues in the current quarter due to the Star India Transaction.

Content Sales/Licensing and Other operating loss came in at $52 million against operating income of $316 million reported in the year-ago quarter. The decrease in operating results was due to lower theatrical distribution results, partially offset by a decrease in film cost impairments. The current quarter reflected the release of *The Fantastic Four: First Steps, The Roses*, and *Freakier Friday* and the carry-over performance of *Lilo & Stitch*, while the prior-year quarter included the release of *Deadpool & Wolverine* and the carry-over performance of *Inside Out 2.*

Sports segmental operating income was $911 million, down 2% year over year.

Domestic ESPN operating income declined 3% to $908 million as higher marketing costs (due to the August 2025 launch of the ESPN direct-to-consumer service) and increased programming and production costs were partially offset by higher advertising and subscription revenues.

Domestic advertising revenue increased 8%.

Experiences' operating income was $1.88 billion, up 13% year over year.

The Domestic Parks & Experiences segment reported operating income of $920 million, up 9% year over year, due to growth at Disney Cruise Line attributable to an increase in passenger cruise days, partially offset by higher fleet expansion costs, both reflecting the launch of the Disney Treasure in the first quarter of fiscal 2025.

The International Parks & Experiences segment reported operating income of $375 million, up 25% year over year, primarily due to growth at Disneyland Paris driven by volume growth from increased attendance and higher guest spending.

Consumer Products' operating profit increased 14% year over year to $583 million due to higher licensing revenue.

### Balance Sheet

As of Sept. 27, 2025, cash and cash equivalents were $5.70 billion compared with $5.36 billion as of June 28, 2025.

Total borrowings (including the current portion of borrowings) were $42 billion as of Sept. 27, 2025, compared with $42.2 billion as of June 28, 2025.

Free cash flow was $10.1 billion for fiscal 2025, up 18% from $8.6 billion in fiscal 2024.

### Guidance

For the first quarter of fiscal 2026, Disney expects Entertainment Direct-to-Consumer SVOD operating income of approximately $375 million. The company anticipates theatrical slate comparisons to drive an adverse impact to Entertainment segment operating income of $400 million compared to Q1 fiscal 2025. Lower political advertising revenue of $140 million and an unfavorable comparison to $73 million of Star India operating income in Q1 fiscal 2025 will also pressure first-quarter results. For Experiences, the company projects $90 million in pre-opening expenses at Disney Cruise Line driven by the Disney Destiny and Disney Adventure, and $60 million in dry dock expenses.

Disney provided comprehensive guidance for fiscal 2026, projecting double-digit adjusted earnings per share growth compared to fiscal 2025. For the Entertainment segment, the company expects double-digit percentage segment operating income growth compared to fiscal 2025, weighted to the second half of the year, and an operating margin of 10% for Entertainment DTC SVOD. The Sports segment is projected to achieve low-single digit percentage segment operating income growth compared to fiscal 2025, with growth weighted to Q4 reflecting the timing of rights expenses. The Experiences segment is expected to deliver high-single digit percentage growth in segment operating income compared to fiscal 2025, weighted to the second half of the year.

The company also provided specific operational expense guidance for fiscal 2026, projecting $160 million in pre-opening expenses driven by the Disney Adventure and Disney Destiny, and $120 million in dry dock expenses. Disney plans to invest $24 billion in content across Entertainment and Sports. The company expects $19 billion in cash provided by operations (which includes the impact of $1.7 billion in taxes deferred from fiscal 2025 to fiscal 2026 as a result of tax relief granted due to the California wildfires) and $9 billion of capital expenditures.

Disney also announced it is doubling its share repurchase target to $7 billion for fiscal 2026 compared to fiscal 2025. The Board declared a cash dividend of $1.50 per share, payable in two installments of $0.75 per share on January 15, 2026 (record date December 15, 2025) and July 22, 2026 (record date June 30, 2026), representing a 50% increase from the $1 per share dividend in fiscal 2025.

For fiscal 2027, Disney expects double-digit adjusted EPS growth compared to fiscal 2026.

This guidance reflects Disney's expectations as management continues to execute on its strategic priorities across streaming services, traditional entertainment, sports programming, and theme park experiences, while managing the integration costs and impacts from recent strategic transactions including the Star India joint venture and business expansions.

## Recent News

On Dec.11, Disney and OpenAI reached an agreement for Disney to become the first major content licensing partner on Sora, OpenAI's short-form generative AI video platform. Beyond content licensing, Disney will become a major OpenAI customer, deploying ChatGPT company-wide for employees and using APIs to build enhanced Disney+ subscriber experiences.

On Nov.14, Disney announced a multi-year distribution agreement with YouTube TV. As part of the new deal, Disney's full suite of networks and stations – including ESPN and ABC – have already begun to be restored to YouTube TV subscribers.

On Nov. 9, Disney announced that *Predator: Badlands* opened No. 1 at the global box office with an estimated $80 million, delivering the strongest global opening in the *Predator* franchise's nearly 40-year history.

On Oct. 20, Disney announced its "Disney Celebrates America" campaign to mark the U.S.'s 250th anniversary, launching Nov. 11 2025 and culminating July 4 2026—with special programming, a new ride "Soarin' Across America," and a $2.5 million donation to Blue Star Families.

On Oct. 17, Disney announced it has acquired film-rights to the *Impossible Creatures* series by acclaimed author Katherine Rundell, with Rundell set to adapt the first two books into screenplays.

## Valuation

Disney shares have declined 5.4% in the past six-month period and 0.2% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Discretionary sector have decreased by 8.4% and 5.3%, respectively, in the past six-month period. Over the past year, the Zacks sub-industry and the sector have declined 2% and 0.1%, respectively.

The S&P 500 index is up 14.9% in the past six-month period and up 15.1% in the past year.

The stock is currently trading at 17.07X forward 12-month earnings, which compares to 19.61X for the Zacks industry, 19.1X for the Zacks sector and 23.99X for the S&P 500 index.

Over the past five years, the stock has traded as high as 72.64X and as low as 14.09X, with a 5-year median of 20.41X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $118 price target reflects 17.92X forward 12-month earnings.

The table below shows summary valuation data for DIS

**Valuation Multiples - DIS**

| | | Stock | Industry | Sector | S&P 500 |
|---|---|---|---|---|---|
| P/E F12M | Current | 17.07 | 19.61 | 19.1 | 23.99 |
| | 5-Year High | 72.64 | 46.69 | 39.38 | 23.99 |
| | 5-Year Low | 14.09 | 16.04 | 15.29 | 15.72 |
| | 5-Year Median | 20.41 | 20.52 | 19.1 | 21.2 |
| P/B TTM | Current | 1.77 | 1.3 | 3.21 | 9.04 |
| | 5-Year High | 4.13 | 3.94 | 5.1 | 9.19 |
| | 5-Year Low | 1.36 | 0.79 | 2.31 | 6.62 |
| | 5-Year Median | 1.88 | 1.37 | 3.14 | 8.03 |
| P/S TTM | Current | 2.13 | 1.66 | 2.55 | 6.13 |
| | 5-Year High | 6.06 | 1.81 | 4.03 | 6.13 |
| | 5-Year Low | 1.58 | 1.23 | 1.77 | 3.98 |
| | 5-Year Median | 2.24 | 1.5 | 2.24 | 5.35 |

*As of 12/22/2025* *Source: Zacks Investment Research*

## Industry Analysis[1]

**Zacks Industry Rank:** Top 35% (86 out of 244)


## Top Peers [1]

| Company (Ticker) | Rec | Rank |
|---|---|---|
| Fox Corporation **(FOXA)** | Outperform | 2 |
| Amazon.com, Inc. **(AMZN)** | Neutral | 2 |
| Comcast Corporation **(CMCSA)** | Neutral | 3 |
| Netflix, Inc. **(NFLX)** | Neutral | 3 |
| Sinclair, Inc. **(SBGI)** | Neutral | 3 |
| Tencent Music Entert...**(TME)** | Neutral | 3 |
| Warner Bros. Discove...**(WBD)** | Neutral | 2 |

## Industry Comparison[1]

Industry: Media Conglomerates | Industry Peers

| | DIS | X Industry | S&P 500 | CMCSA | NFLX | WBD |
|---|---|---|---|---|---|---|
| **Zacks Recommendation (Long Term)** | Neutral | - | - | Neutral | Neutral | Neutral |
| **Zacks Rank (Short Term)** | 3 | - | - | 3 | 3 | 2 |
| **VGM Score** | B | - | - | A | C | F |
| Market Cap | 201.58 B | 923.11 M | 40.07 B | 101.66 B | 384.45 B | 70.85 B |
| # of Analysts | 10 | 2 | 22 | 6 | 9 | 6 |
| Dividend Yield | 1.33% | 0.00% | 1.38% | 4.73% | 0.00% | 0.00% |
| **Value Score** | B | - | - | A | D | B |
| Cash/Price | 0.03 | 0.07 | 0.04 | 0.09 | 0.02 | 0.06 |
| EV/EBITDA | 11.85 | 3.00 | 14.89 | 4.93 | 14.81 | 8.61 |
| PEG Ratio | 1.75 | 0.97 | 2.04 | 1.95 | NA | NA |
| Price/Book (P/B) | 1.79 | 1.49 | 3.41 | 1.04 | 14.81 | 1.90 |
| Price/Cash Flow (P/CF) | 12.45 | 11.28 | 15.44 | 3.32 | 15.94 | 7.25 |
| P/E (F1) | 17.52 | 16.86 | 18.58 | 6.79 | 28.25 | 109.26 |
| Price/Sales (P/S) | 2.13 | 1.84 | 3.06 | 0.82 | 8.86 | 1.87 |
| Earnings Yield | 5.85% | 2.83% | 5.38% | 14.73% | 3.54% | 0.91% |
| Debt/Equity | 0.31 | 0.31 | 0.57 | 0.96 | 0.56 | 0.90 |
| Cash Flow ($/share) | 9.07 | 0.59 | 8.98 | 8.39 | 5.69 | 3.94 |
| **Growth Score** | B | - | - | C | B | F |
| Hist. EPS Growth (3-5 yrs) | 38.69% | -14.51% | 8.24% | 11.65% | 24.75% | -45.05% |
| Proj. EPS Growth (F1/F0) | 10.29% | 27.66% | 9.21% | -2.77% | 27.78% | NA |
| Curr. Cash Flow Growth | -6.71% | 1.42% | 7.00% | 2.95% | 21.94% | -53.68% |
| Hist. Cash Flow Growth (3-5 yrs) | 3.33% | 5.82% | 7.49% | 3.01% | 16.82% | 6.68% |
| Current Ratio | 0.71 | 0.95 | 1.19 | 0.88 | 1.33 | 1.07 |
| Debt/Capital | 23.56% | 26.73% | 38.14% | 48.96% | 35.78% | 47.26% |
| Net Margin | 13.14% | -0.04% | 12.77% | 18.33% | 24.05% | 1.28% |
| Return on Equity | 9.37% | -0.19% | 17.03% | 18.06% | 41.86% | 1.34% |
| Sales/Assets | 0.48 | 0.53 | 0.53 | 0.46 | 0.81 | 0.37 |
| Proj. Sales Growth (F1/F0) | 5.80% | 6.97% | 5.29% | -0.10% | 15.60% | -5.20% |
| **Momentum Score** | F | - | - | A | C | F |
| Daily Price Chg | -1.45% | -0.43% | -0.34% | 1.75% | 0.09% | 0.42% |
| 1 Week Price Chg | -1.51% | 0.00% | 1.10% | -0.40% | -3.68% | -1.01% |
| 4 Week Price Chg | 3.75% | -0.42% | 0.50% | 1.16% | -2.14% | -3.18% |
| 12 Week Price Chg | 1.07% | -4.81% | 3.75% | -6.12% | -24.60% | 54.96% |
| 52 Week Price Chg | 2.87% | -0.79% | 16.94% | -24.94% | 3.69% | 184.20% |
| 20 Day Average Volume | 9,349,223 | 329,607 | 2,431,070 | 34,898,948 | 33,287,242 | 39,584,272 |
| (F1) EPS Est 1 week change | -0.06% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (F1) EPS Est 4 week change | -0.09% | 0.00% | 0.00% | 0.17% | 0.76% | -15.70% |
| (F1) EPS Est 12 week change | 1.81% | -0.04% | 0.44% | -8.16% | -0.46% | 840.24% |
| (Q1) EPS Est Mthly Chg | -0.17% | 0.00% | 0.00% | -3.13% | 0.00% | -0.86% |

## Analyst Earnings Model[2]

### The Walt Disney Company (DIS)

*In $MM, except per share data*

| | 2022A | 2023A | 2024A | | | 2025A | | | | | 2026E | | | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY | FY | FY | 1QA | 2QA | 3QA | 4QA | FY | 1QE | 2QE | 3QE | 4QE | FY | FY | FY |
| FY Ends September 30th | Sep-22 | Sep-23 | Sep-24 | 31-Dec-24 | 31-Mar-25 | 30-Jun-25 | 30-Sep-25 | Sep-25 | 31-Dec-25 | 31-Mar-26 | 30-Jun-26 | 30-Sep-26 | Sep-26 | Sep-27 | Sep-28 |
| **Income Statement** | | | | | | | | | | | | | | | | |
| **Total Revenue** | **$82,722.0** | **$88,898.0** | **$91,361.0** | **$24,690.0** | **$23,621.0** | **$23,650.0** | **$22,464.0** | **$94,425.0** | **$25,799.0** | **$24,922.1** | **$25,063.5** | **$24,110.0** | **$99,894.6** | **$105,685.7** | **$109,013.6** |
| Costs and Expenses | $75,952.0 | $79,906.0 | $79,447.0 | $20,612.0 | $20,115.0 | $20,005.0 | $19,861.0 | $80,593.0 | $21,983.4 | $20,994.8 | $20,831.1 | $20,335.5 | $84,144.7 | $88,386.4 | $89,500.1 |
| Depreciation | $3,183.0 | $3,626.0 | $3,434.0 | $909.0 | $957.0 | $966.0 | $1,027.0 | $3,859.0 | $1,057.1 | $1,047.0 | $1,062.4 | $1,031.3 | $4,197.8 | $4,467.2 | $4,613.0 |
| Amortization | $1,980.0 | $1,743.0 | $1,556.0 | $367.0 | $367.0 | $366.0 | $367.0 | $1,467.0 | $401.3 | $391.9 | $395.3 | $382.1 | $1,570.6 | $1,665.8 | $1,719.1 |
| Depreciation and Amortization | $5,163.0 | $5,369.0 | $4,990.0 | $1,276.0 | $1,324.0 | $1,332.0 | $1,394.0 | $5,326.0 | $1,458.3 | $1,439.0 | $1,457.7 | $1,413.3 | $5,768.4 | $6,133.1 | $6,332.2 |
| **Segment Operating Income** | **$12,121.0** | **$12,863.0** | **$15,601.0** | **$5,060.0** | **$4,436.0** | **$4,575.0** | **$3,480.0** | **$17,551.0** | **$4,663.2** | **$4,681.9** | **$5,048.5** | **$4,574.4** | **$18,968.1** | **$20,501.1** | **$22,964.8** |
| Corporate Expense and Unallocated Share Expense | $1,159.0 | $1,147.0 | $1,435.0 | $460.0 | $395.0 | $410.0 | $381.0 | $1,646.0 | $475.0 | $432.6 | $439.0 | $423.4 | $1,770.1 | $1,861.0 | $1,918.0 |
| Restructuring and Impairment Charges | ($237.0) | ($3,892.0) | ($3,595.0) | ($143.0) | ($109.0) | ($185.0) | ($382.0) | ($819.0) | ($382.0) | ($382.0) | ($382.0) | ($382.0) | ($1,528.0) | ($1,528.0) | ($1,528.0) |
| Other Income (Expense), net | ($667.0) | $96.0 | ($65.0) | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Interest Expense | $1,549.0 | $1,973.0 | $2,070.0 | $487.0 | $471.0 | $438.0 | $416.0 | $1,812.0 | $546.3 | $486.9 | $487.2 | $474.2 | $1,994.6 | $2,088.0 | $2,150.5 |
| Interest & Investment Income | $152.0 | $764.0 | $810.0 | $120.0 | $125.0 | $114.0 | $148.0 | $507.0 | $87.5 | $125.2 | $124.2 | $120.3 | $457.1 | $506.2 | $525.6 |
| Interest Expense/(Income), net | $1,397.0 | $1,209.0 | $1,260.0 | $367.0 | $346.0 | $324.0 | $268.0 | $1,305.0 | $458.8 | $361.8 | $363.0 | $353.9 | $1,537.5 | $1,581.8 | $1,625.0 |
| Equity in the Loss of India Joint Venture | | | $0.0 | $33.0 | $103.0 | $50.0 | $16.0 | $202.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Equity Income | $816.0 | $782.0 | $575.0 | $92.0 | $36.0 | $75.0 | $92.0 | $295.0 | $106.5 | $80.5 | $91.6 | $91.1 | $369.8 | $387.3 | $399.6 |
| **Pre-Tax Income, Adjusted** | **$9,565.0** | **$10,507.0** | **$12,906.0** | **$4,200.0** | **$3,592.0** | **$3,791.0** | **$2,815.0** | **$14,398.0** | **$3,851.3** | **$4,034.0** | **$4,349.1** | **$3,899.7** | **$16,134.1** | **$17,656.8** | **$19,840.1** |
| **Pre-Tax Income, GAAP** | **$5,285.0** | **$4,769.0** | **$7,569.0** | **$3,660.0** | **$3,087.0** | **$3,211.0** | **$2,045.0** | **$12,003.0** | **$3,081.3** | **$3,264.0** | **$3,579.1** | **$3,129.7** | **$13,054.1** | **$14,576.8** | **$16,760.1** |
| Income Tax, Adjusted | $2,730.0 | $2,548.0 | $2,909.0 | $896.0 | $819.0 | $680.0 | $664.0 | $3,058.0 | $908.4 | $951.5 | $1,025.9 | $919.9 | $3,805.7 | $4,164.9 | $4,679.9 |
| Income Tax, GAAP | $1,732.0 | $1,379.0 | $1,796.0 | $1,016.0 | ($314.0) | ($2,732.0) | $602.0 | ($1,428.0) | $905.9 | $959.6 | $1,052.3 | $920.1 | $3,837.9 | $4,285.6 | $4,927.5 |
| Tax Rate, Adjusted | 28.5% | 24.3% | 22.5% | 21.3% | 22.8% | 17.9% | 23.6% | 21.2% | 23.6% | 23.6% | 23.6% | 23.6% | 23.6% | 23.6% | 23.6% |
| Tax Rate, GAAP | 32.8% | 28.9% | 23.7% | 27.8% | (10.2%) | (85.1%) | 29.4% | (11.9%) | 29.4% | 29.4% | 29.4% | 29.4% | 29.4% | 29.4% | 29.4% |
| **Net Income, Adjusted** | **$6,835.0** | **$7,959.0** | **$9,997.0** | **$3,304.0** | **$2,773.0** | **$3,111.0** | **$2,151.0** | **$11,340.0** | **$2,942.9** | **$3,082.4** | **$3,323.2** | **$2,979.9** | **$12,328.4** | **$13,491.9** | **$15,160.3** |
| **Net Income from Continuing Operations, GAAP** | **$3,553.0** | **$3,390.0** | **$5,773.0** | **$2,644.0** | **$3,401.0** | **$5,943.0** | **$1,443.0** | **$13,431.0** | **$2,175.4** | **$2,304.4** | **$2,526.8** | **$2,209.6** | **$9,216.2** | **$10,291.2** | **$11,832.7** |
| Net (Income)/Loss From Discontinued Operations | $48.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Minority Interest | $360.0 | $1,036.0 | $801.0 | $90.0 | $126.0 | $681.0 | $130.0 | $1,027.0 | $130.0 | $130.0 | $130.0 | $130.0 | $520.0 | $520.0 | $520.0 |
| **Net Income, Adjusted after Minority Interest** | **$6,475.0** | **$6,923.0** | **$9,196.0** | **$3,214.0** | **$2,647.0** | **$2,430.0** | **$2,021.0** | **$10,313.0** | **$2,812.9** | **$2,952.4** | **$3,193.2** | **$2,849.9** | **$11,808.4** | **$12,971.9** | **$14,640.3** |
| **Net Income, GAAP** | **$3,145.0** | **$2,354.0** | **$4,972.0** | **$2,554.0** | **$3,275.0** | **$5,262.0** | **$1,313.0** | **$12,404.0** | **$2,045.4** | **$2,174.4** | **$2,396.8** | **$2,079.6** | **$8,696.2** | **$9,771.2** | **$11,312.7** |
| Basic Shares Outstanding | 1,822.0 | 1,828.0 | 1,825.0 | 1,812.0 | 1,808.0 | 1,799.0 | 1,797.0 | 1,804.0 | 1,797.0 | 1,797.0 | 1,797.0 | 1,797.0 | 1,797.0 | 1,797.0 | 1,797.0 |
| Diluted Shares Outstanding | 1,827.0 | 1,830.0 | 1,831.0 | 1,818.0 | 1,814.0 | 1,805.0 | 1,806.0 | 1,811.0 | 1,806.0 | 1,806.0 | 1,806.0 | 1,806.0 | 1,806.0 | 1,806.0 | 1,806.0 |
| **Basic EPS** | **$1.73** | **$1.29** | **$2.72** | **$1.41** | **$1.81** | **$2.92** | **$0.73** | **$6.88** | **$1.14** | **$1.21** | **$1.33** | **$1.16** | **$4.84** | **$5.44** | **$6.30** |
| **Diluted EPS, Adjusted** | **$3.53** | **$3.76** | **$4.97** | **$1.76** | **$1.45** | **$1.61** | **$1.11** | **$5.93** | **$1.56** | **$1.63** | **$1.77** | **$1.58** | **$6.54** | **$7.18** | **$8.11** |
| **Diluted EPS, GAAP** | **$1.72** | **$1.29** | **$2.72** | **$1.40** | **$1.81** | **$2.92** | **$0.73** | **$6.85** | **$1.13** | **$1.20** | **$1.33** | **$1.15** | **$4.82** | **$5.41** | **$6.26** |

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

## Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

| | |
|---|---|
| Value Score | B |
| Growth Score | B |
| Momentum Score | F |
| VGM Score | B |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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