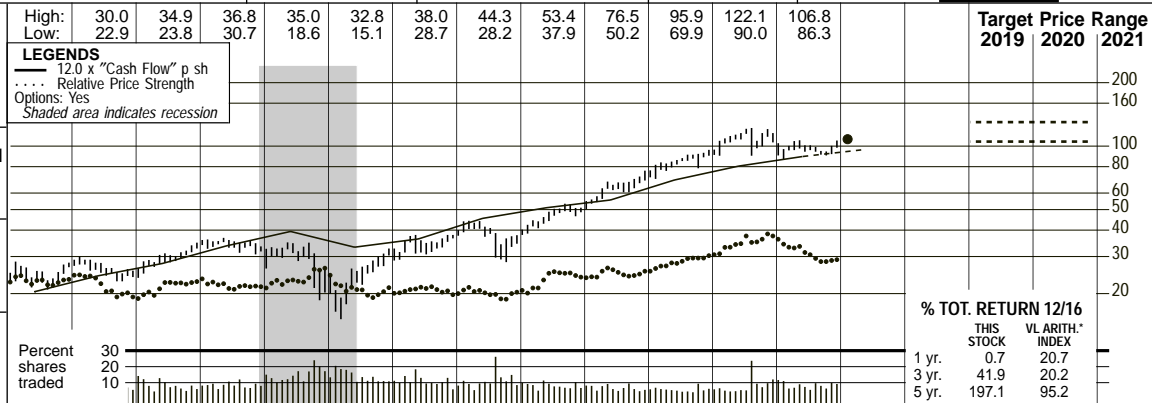


DISNEY (WALT) NYSE-DIS

RECENT PRICE **107.90** P/E RATIO **18.3** (Trailing: 18.9; Median: 16.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **1.4%** VALUE LINE

TIMELINESS 3 Lowered 3/11/16
SAFETY 1 Raised 2/13/09
TECHNICAL 4 Raised 1/27/17
BETA 1.00 (1.00 = Market)



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+20%)	6%
Low	105	(-5%)	1%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	1	0	0	0	0	0	0
Options	1	1	1	0	0	1	0	1	0
to Sell	1	1	1	0	0	0	0	0	3

Institutional Decisions

	12/2016	2/2016	3/2016
to Buy	929	830	828
to Sell	749	783	795
Hlds(000)	997717	938707	909837

Percent shares traded: 30, 20, 10

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
12.09	12.52	12.40	13.23	15.05	15.91	16.61	18.10	20.76	19.88	20.07	23.21	23.49	25.02	28.71	32.79	34.77	36.35	Revenues per sh ^A	41.95
1.98	1.89	1.06	1.19	1.70	2.03	2.32	2.81	3.28	2.77	3.03	3.79	4.26	4.63	5.76	6.71	7.45	8.05	"Cash Flow" per sh	9.20
.90	.98	.55	.66	1.09	1.31	1.61	1.92	2.26	1.82	2.07	2.54	3.13	3.38	4.26	4.90	5.73	6.00	Earnings per sh ^{A B}	7.40
.21	.21	.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	1.81	1.42	1.56	Div'ds Decl'd per sh ^C	2.00
1.02	.89	.53	.51	.70	.91	.63	.80	.87	.96	1.11	2.02	2.10	1.55	1.95	2.67	2.98	3.00	Cap'l Spending per sh	3.00
11.65	11.23	11.48	11.63	12.77	13.06	15.42	15.67	17.73	18.55	19.78	21.22	22.09	25.24	26.45	27.83	27.04	28.75	Book Value per sh ^D	39.55
2069.0	2019.0	2042.0	2045.0	2043.0	2007.2	2064.0	1962.2	1822.9	1818.3	1896.9	1762.2	1800.0	1800.0	1700.0	1600.0	1600.0	1585.0	Common Shs Outst'g ^E	1550.0
39.5	30.4	37.2	28.0	21.8	20.4	17.1	17.8	14.2	12.5	15.7	15.1	13.6	17.1	18.6	20.9	17.7		Avg Ann'l P/E Ratio	16.0
2.57	1.56	2.03	1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	.98	1.05	.93		Relative P/E Ratio	1.00
.6%	.7%	1.0%	1.1%	.9%	.9%	1.0%	.9%	1.1%	1.5%	1.1%	1.0%	1.4%	1.3%	1.1%	1.8%	1.4%		Avg Ann'l Div'd Yield	1.7%

CAPITAL STRUCTURE as of 10/1/16		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
Total Debt \$20170 mill. Due in 5 Yrs \$11275 mill.		34285	35510	37843	36149	38063	40893	42278	45041	48813	52465	55632	57590	Revenues (\$mill) ^A	65000						
LT Debt \$16483 mill. LT Interest \$600 mill.		20.2%	23.3%	23.7%	20.3%	22.2%	23.5%	25.7%	25.8%	28.3%	29.7%	30.4%	30.5%	Operating Margin	32.0%						
(Total interest coverage: NMF)		1436.0	1491.0	1582.0	1631.0	1713.0	1841.0	1987.0	2192.0	2288.0	2354.0	2527.0	2600	Depreciation (\$mill)	2750						
(28% of Cap'l)		3343.0	4014.0	4405.0	3408.0	4035.0	4839.0	5682.0	6136.0	7501.0	8382.0	9391.0	10150	Net Profit (\$mill)	11500						
Leases, Uncapitalized Annual rentals 477.0 mill.		34.2%	37.2%	36.6%	36.1%	35.1%	34.5%	33.3%	31.0%	34.6%	36.2%	34.2%	32.0%	Income Tax Rate	32.0%						
Pension Assets-10/15 \$10.41 bill.		9.8%	11.3%	11.6%	9.4%	10.6%	11.8%	13.4%	13.6%	15.4%	16.0%	16.9%	17.6%	Net Profit Margin	17.7%						
Oblig. \$14.48 bill.		d648.0	d77.0	75.0	2955.0	1225.0	1669.0	896.0	2405.0	1884.0	424.0	124.0	175	Working Cap'l (\$mill)	585						
Pfd Stock None		10843	11892	11110	11495	10130	10922	10697	12776	12676	12773	16483	15000	Long-Term Debt (\$mill)	15000						
Common Stock 1,591,460,982 shs.		31820	30753	32323	37374	37519	37385	39759	45429	44958	44525	43265	45550	Shr. Equity (\$mill)	61275						
as of 11/16/16		8.4%	10.0%	10.8%	8.1%	8.9%	10.4%	11.6%	10.8%	13.0%	14.7%	15.9%	17.0%	Return on Total Cap'l	13.5%						
MARKET CAP: \$172 billion (Large Cap)		10.5%	13.1%	13.6%	10.1%	10.8%	12.9%	14.3%	13.5%	16.7%	18.8%	21.7%	22.5%	Return on Shr. Equity	19.0%						
CURRENT POSITION		8.9%	11.0%	11.6%	8.2%	9.0%	10.9%	11.6%	10.6%	13.3%	11.9%	16.4%	16.5%	Retained to Com Eq	15.0%						
(\$MILL.)		16%	16%	15%	19%	16%	16%	19%	22%	20%	37%	25%	26%	All Div'ds to Net Prof	27%						

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '14-'16 to '19-'21
Revenues (per sh)	7.5%	9.0%	5.5%
"Cash Flow"	12.5%	15.5%	6.5%
Earnings	14.0%	18.5%	8.5%
Dividends	19.0%	30.0%	8.0%
Book Value	7.0%	6.5%	8.0%

Fiscal Year Ends	QUARTERLY REVENUES (\$mill.) ^A	Full Fiscal Year
	Dec.Per Mar.Per Jun.Per Sep.Per	
2013	11341 10554 11578 11568	45041
2014	12309 11649 12466 12389	48813
2015	13391 12461 13101 13512	52465
2016	15244 12969 14277 13142	55632
2017	15300 13575 14365 14350	57590

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}	Full Fiscal Year
	Dec.Per Mar.Per Jun.Per Sep.Per	
2013	.77 .83 1.01 .77	3.38
2014	1.03 1.08 1.28 .87	4.26
2015	1.27 1.23 1.45 .95	4.90
2016	1.73 1.30 1.59 1.10	5.73
2017	1.75 1.40 1.65 1.20	6.00

Cal-endar	QUARTERLY DIVIDENDS PAID ^C	Full Year
	Mar.Per Jun.Per Sep.Per Dec.Per	
2013	-- -- -- --	--
2014	.86 -- -- --	.86
2015	1.15 -- .66 --	1.81
2016	.71 -- .71 --	1.42
2017	.78 -- -- --	

BUSINESS: The Walt Disney Company operates Media Networks, incl. ABC and ESPN (43% of '16 revs.); Parks and Resorts: Disneyland, Walt Disney World (Magic Kingdom, Epcot, Hollywood Studios, Animal Kingdom), and a cruise line (30%); Studio Entertainment (17%); Consumer Products and Interactive Media (10%). Earns Tokyo Disneyland royalties. Manages Disneyland Paris and Hong Kong Disneyland. Acq. Pixar, 5/06; Marvel, 12/09; Lucas-Films, 12/12. Div. ABC Radio, 6/07. '16 depr. rate: 4.7%. Employs 195,000. Off. and dir., less than 1% of common stock; Vanguard, 5.5% (1/17 proxy). Chairman/CEO: Robert A. Iger. Inc.: DE. Address: 500 S. Buena Vista St., Burbank, CA 91521-7320. Telephone: 818-560-1000. Internet: www.thewaltdisneycompany.com.

The Walt Disney Company is well positioned for the near term. The media conglomerate has registered dynamic top- and bottom-line growth over the past few years. Recent results have been driven by Disney's strong brands and content, strategic investments in its business, and spurred by accretive acquisitions. And even though we expect that these factors will continue to support growth in the coming quarters, we envision much-more moderate gains for fiscal 2017 (year ends September 30th). Rising operating expenses may take their toll on the company in the near term. For now, we believe revenues and earnings will advance at a 3%-5% clip in the year ahead.

The Studio Entertainment segment will likely lead the way. Indeed, the blockbuster success of *Rogue One*, the stand-alone Star Wars movie, likely boosted first-quarter totals. And Disney's upcoming film slate, along with the merchandising push of the Star Wars and Marvel superhero brands, should continue to drive the top and bottom lines.

Media Networks may be another key focus in the coming months. This divi-

sion has faced some static in the last few quarters, likely due to rising operating and programming costs and a wavering ad market. Nevertheless, we believe the BAMTech joint venture will help expand its audiences. Likewise, the media conglomerate has inked deals with various cable providers to widen the distribution of its content. And rumors abound as to whether Disney will buy Netflix or eye another tuck-in acquisition to extend its reach. The company plans to roll out its own ESPN-branded content platform this year. What's more, it will likely rely on other technological enhancements to improve its streaming capabilities, helping boost market share.

These top-quality shares are fairly valued at this juncture. Although the stock has rebounded nicely since our October review, it is ranked to perform in tandem with the broader market averages in the year ahead. Nevertheless, DIS is already trading within our projected 2019-2021 Target Price Range, thereby limiting much of its capital appreciation potential over that span.

Orly Seidman
 February 3, 2017

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks. (B) Dil. egs. Excl. nonrecurring gains/(losses): '00, 2c; '01, (\$1.00); '02, 8c; '03, (4c); '04, 4c; '05, (9c); '06, 3c; '07, 32c; '08, 2c; '09, 6c; '10, (4c); '11, (2c). Excl. disc. ops.: '07, 1c. Excl. loss from interest in Disney Internet Group: '00, 35c. Next egs. report due early May. (C) Div'ds hist. paid in mid-Jan. Initiated semi-annual dividend in July '15. Two div'ds paid in calendar 2012. (D) Incl. intang. in fiscal '16: \$34.8 bill., \$21.75/sh. (E) In millions.

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Company's Financial Strength A++
Stock's Price Stability 90
Price Growth Persistence 100
Earnings Predictability 100

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