

DISNEY (WALT) NYSE-DIS

RECENT PRICE **106.42** P/E RATIO **17.4** (Trailing: 18.5; Median: 16.0) RELATIVE P/E RATIO **0.87** DIV'D YLD **1.5%** VALUE LINE

TIMELINESS 3 Lowered 3/11/16
SAFETY 1 Raised 2/13/09
TECHNICAL 3 Lowered 7/28/17
BETA 1.00 (1.00 = Market)

High: 34.9 36.8 35.0 32.8 38.0 44.3 53.4 76.5 95.9 122.1 106.8 116.1
 Low: 23.8 30.7 18.6 15.1 28.7 28.2 37.9 50.2 69.9 90.0 86.3 102.7

LEGENDS
 — 12.0 x "Cash Flow" p sh
 ... Relative Price Strength
 Options: Yes
 Shaded area indicates recession

2020-22 PROJECTIONS

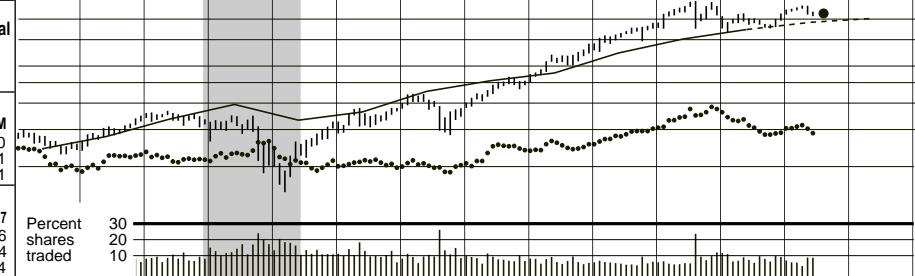
	Price	Gain	Ann'l Total Return
High	140	(+30%)	9%
Low	115	(+10%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	7	15	3	1	1	1	1
to Sell	0	0	3	2	1	3	0	1	1

Institutional Decisions

	3Q2016	4Q2016	1Q2017
to Buy	828	915	866
to Sell	795	811	944
Hld's(000)	909837	962026	1082264



Target Price Range	2020	2021	2022
	100	100	100
% TOT. RETURN 6/17	THIS STOCK	VLARITH. INDEX	
1 yr.	10.2	18.8	
3 yr.	28.9	20.3	
5 yr.	134.2	91.4	

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
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	36.75	39.05	Revenues per sh ^A	41.15
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	8.40	"Cash Flow" per sh	9.70
.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	6.40	Earnings per sh ^{A B}	7.85
.21	.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	1.81	1.42	1.56	1.72	Div'ds Decl'd per sh ^C	2.35
.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	3.00	Cap'l Spending per sh	3.00
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	28.85	31.45	Book Value per sh ^D	47.40
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	1550.0	1540.0	Common Shs Outst'g ^E	1525.0
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	17.7	17.7	Avg Ann'l P/E Ratio	16.0
1.56	2.03	1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	.98	1.05	.93	.93	.93	Relative P/E Ratio	1.00
.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%	1.4%	1.4%	Avg Ann'l Div'd Yield	1.9%

CAPITAL STRUCTURE as of 4/1/17
 Total Debt \$21653 mill. Due in 5 Yrs \$11275 mill.
 LT Debt \$16788 mill. LT Interest \$850 mill.
 (Total interest coverage: NMF)

(28% of Cap'l)
 Leases, Uncapitalized Annual rentals 477.0 mill.
 Pension Assets-10/16 \$10.41 bill.
 Oblig. \$14.48 bill.

Pfd Stock None
Common Stock 1,564,879,056 shs.
 as of 2/1/17

MARKET CAP: \$167 billion (Large Cap)

35510	37843	36149	38063	40893	42278	45041	48813	52465	55632	57000	60100	62750
23.3%	23.7%	20.3%	22.2%	23.5%	25.7%	25.8%	28.3%	29.7%	30.4%	31.5%	32.0%	33.0%
1491.0	1582.0	1631.0	1713.0	1841.0	1987.0	2192.0	2288.0	2354.0	2527.0	2600	2625	2800
4014.0	4405.0	3408.0	4035.0	4839.0	5682.0	6136.0	7501.0	8382.0	9391.0	9850	10340	11970
37.2%	36.6%	36.1%	35.1%	34.5%	33.3%	31.0%	34.6%	36.2%	34.2%	32.0%	32.0%	32.0%
11.3%	11.6%	9.4%	10.6%	11.8%	13.4%	13.6%	15.4%	16.0%	16.9%	17.3%	17.2%	19.1%
d77.0	75.0	2955.0	1225.0	1669.0	896.0	2405.0	1884.0	424.0	124.0	175	220	585
11892	11110	11495	10130	10922	10697	12776	12676	12773	16483	16000	16000	16000
30753	32323	33734	37519	37385	39759	45429	44958	44525	43265	44680	48420	72250
10.0%	10.8%	8.1%	8.9%	10.4%	11.6%	10.8%	13.0%	14.7%	15.9%	16.0%	16.0%	13.5%
13.1%	13.6%	10.1%	10.8%	12.9%	14.3%	13.5%	16.7%	18.8%	21.7%	22.0%	21.5%	16.5%
11.0%	11.6%	8.2%	9.0%	10.9%	11.6%	10.6%	13.3%	11.9%	16.4%	16.5%	16.0%	11.5%
16%	15%	19%	16%	16%	19%	22%	20%	37%	25%	25%	26%	30%

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.

CURRENT POSITION

	2015	2016	4/1/17
Cash Assets	4269	4610	3800
Receivables	8019	9065	9293
Inventory (Avg Cst)	1571	1390	1304
Other	2899	1901	1873
Current Assets	16758	16966	16270
Accts Payable	7844	9130	8077
Debt Due	4563	3687	4865
Other	3927	4025	4423
Current Liab.	16334	16842	17365

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '14-'16 to '20-'22
Revenues (per sh)	7.5%	9.0%	4.0%
"Cash Flow"	12.5%	15.5%	6.5%
Earnings	14.0%	18.5%	8.0%
Dividends	19.0%	30.0%	9.5%
Book Value	7.0%	6.5%	10.0%

The Walt Disney Company ought to perform well in the back half of fiscal 2017. (Fiscal year ends September 30th.) Even though the media conglomerate began the year on soft footing, it gathered steam in the second quarter. The strong performances of its Studio Entertainment and Parks & Resorts segments helped offset some of the recent struggle of its Media Networks division. Looking ahead, we figure Disney's focus on its brands, innovative technologies, and global expansion will support its growth in the latter part of the year. Note: June-period results were scheduled to be released shortly after we went to press with this report.

QUARTERLY REVENUES (\$ mill.) ^A

Fiscal Year Ends	Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2014	12309	11649	12466	12389	48813
2015	13391	12461	13101	13512	52465
2016	15244	12969	14277	13142	55632
2017	14784	13336	14550	14330	57000
2018	15250	14775	14850	15225	60100

Still, the company's overall growth rate may begin to moderate this year. We think share earnings will climb 5%, on a 2% revenue advance. And even though this forecast is positive for the mature media conglomerate, it is somewhat light given the dynamic top- and bottom-line performance the company has given over the past few years. What's more, although we anticipate good buzz from Disney's summer blockbusters and strong movie slate, year-to-year comparisons may be

challenging given the tremendous success from its earlier films (including *Frozen* and the reboot of the *Star Wars* franchise). **Disney has been investing in its business.** The company will likely focus on technological improvements to help better monetize its branded content. To wit, the BAMTech partnership should increase its streaming capabilities, and management plans to launch a new on-demand service for ESPN. In addition, Disney will likely increase investment and expansion in Park & Resorts unit. Too, in the past few years the company has made a few tuck-in asset purchases in the autumn months, so it may consider an acquisition to complement its current roster, or to help widen its geographic or market reach. **These shares appear to be fairly valued at this juncture.** The stock price has had a very nice run over the last several months, but this issue is now trading close to our 2020-2022 Target Price Range, suggesting relatively modest long-term capital appreciation potential. Nevertheless, this blue chip holds conservative appeal.

EARNINGS PER SHARE ^{A B}

Fiscal Year Ends	Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
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	1.55	1.50	1.70	1.25	6.00
2018	1.65	1.60	1.75	1.40	6.40

Orly Seidman

August 4, 2017

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks.	(B) Dil. egs. Excl. nonrecurring gains/(losses): '01, (\$1.00); '02, 8¢; '03, (4¢); '04, 4¢; '05, (9¢); '06, 3¢; '07, 32¢; '08, 2¢; '09, 6¢; '10, (4¢); '11, (2¢). Excl. disc. ops.: '07, 1¢. Next egs. report due early November.	(C) Div'ds hist. paid in mid-Jan. Two div'ds paid in calendar 2012. Initiated semi-annual dividend in July '15.	(D) Incl. intang., in fiscal '16: \$34.8 bill., \$21.75/sh. (E) In millions.	Company's Financial Strength	A++
				Stock's Price Stability	90
				Price Growth Persistence	100
				Earnings Predictability	100