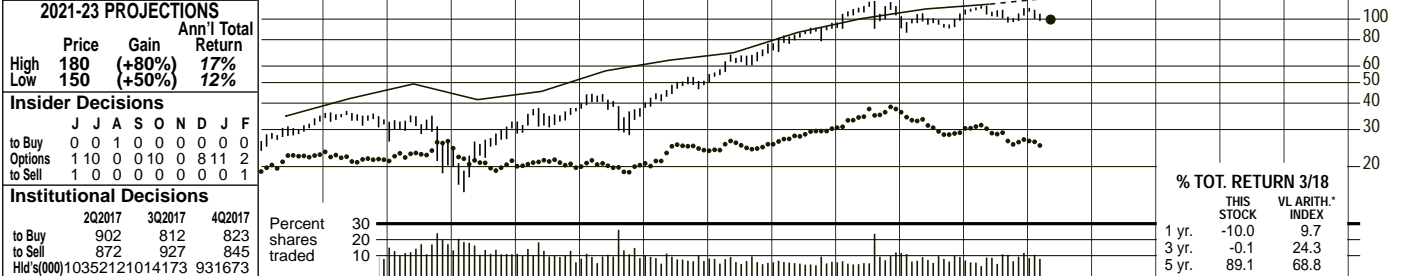


DISNEY (WALT) NYSE-DIS

RECENT PRICE **99.46** P/E RATIO **15.3** (Trailing: 16.5; Median: 16.0) RELATIVE P/E RATIO **0.82** DIV'D YLD **1.7%** VALUE LINE

TIMELINESS 2 Raised 3/9/18	High: 36.8	35.0	32.8	38.0	44.3	53.4	76.5	95.9	122.1	106.8	116.1	113.2		Target Price Range
SAFETY 1 Raised 2/13/09	Low: 30.7	18.6	15.1	28.7	28.2	37.9	50.2	69.9	90.0	86.3	96.2	97.7		2021 2022 2023
TECHNICAL 3 Lowered 4/20/18	LEGENDS — 15.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession													
BETA 1.00 (1.00 = Market)														



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	36.76	39.65	40.95	Revenues per sh ^A	48.30
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	7.84	8.45	9.40	"Cash Flow" per sh	11.20
.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	5.69	6.50	7.40	Earnings per sh ^{A B}	9.15
.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	1.81	1.42	1.56	1.72	1.80	Div'ds Decl'd per sh ^C	2.00
.53	.51	.70	.91	.63	.80	.87	.96	1.11	2.02	2.10	1.55	1.95	2.67	2.98	2.42	3.00	3.00	Cap'l Spending per sh	3.00
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	27.54	32.50	35.30	Book Value per sh ^D	49.85
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	1500.0	1490.0	1485.0	Common Shs Outst'g ^E	1450.0
NMF	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	18.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
NMF	1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	.98	1.05	.93	.91			Relative P/E Ratio	1.00
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%	1.5%			Avg Ann'l Div'd Yield	1.2%

CAPITAL STRUCTURE as of 12/30/17										37843 36149 38063 40893 42278 45041 48813 52465 55632 55137 59050 60820										Revenues (\$mill) ^A		70000	
Total Debt \$26091 mill. Due in 5 Yrs \$16000 mill.										23.7% 20.3% 22.2% 23.5% 25.7% 25.8% 28.3% 29.7% 30.4% 30.2%										Operating Margin		33.0%	
LT Debt \$20082 mill. LT Interest \$1200 mill.										1582.0 1631.0 1713.0 1841.0 1987.0 2192.0 2288.0 2354.0 2527.0 2782.0										Depreciation (\$mill)		3000	
(Total interest coverage: NMF)										4405.0 3408.0 4035.0 4839.0 5682.0 6136.0 7501.0 8382.0 9391.0 8980.0										Net Profit (\$mill)		13270	
(30% of Cap'l)										36.6% 36.1% 35.1% 34.5% 33.3% 31.0% 34.6% 36.2%										Income Tax Rate		21.0%	
Leases, Uncapitalized Annual rentals 580.0 mill.										11.6% 9.4% 10.6% 11.8% 13.4% 13.6% 15.4% 16.0%										Net Profit Margin		19.0%	
Pension Assets-10/17 \$12.33 bill.										75.0 2955.0 1225.0 1669.0 896.0 2405.0 1884.0 424.0										Working Cap'l (\$mill)		585	
Oblig. \$14.53 bill.										11110 11495 10130 10922 10697 12776 12676 12773										Long-Term Debt (\$mill)		16000	
Pfd Stock None										32323 33734 37519 37385 39759 45429 44958 44525										Shr. Equity (\$mill)		72250	
Common Stock 1,503,675,479 shs. as of 1/31/17										10.8% 8.1% 8.9% 10.4% 11.6% 10.8% 13.0% 14.7%										Return on Total Cap'l		15.0%	
MARKET CAP: \$150 billion (Large Cap)										13.6% 10.1% 10.8% 12.9% 14.3% 13.5% 16.7% 18.8%										Return on Shr. Equity		18.5%	
CURRENT POSITION										11.6% 8.2% 9.0% 10.9% 11.6% 10.6% 13.3% 11.9%										Retained to Com Eq		14.5%	
(SMILL.)										15% 19% 16% 16% 19% 22% 20%										All Div'ds to Net Prof		22%	

BUSINESS: The Walt Disney Company operates Media Networks, incl. ABC and ESPN (43% of '17 revs.); Parks and Resorts: Disneyland, Walt Disney World (Magic Kingdom, Epcot, Hollywood Studios, Animal Kingdom), and a cruise line (33%); Studio Entertainment (15%); Consumer Products and Interactive Media (9%). 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. '17 depr. rate: 4.8%. Employs 199,000. Off. and dir., less than 1% of common stock; Vanguard, 6.1%; Blackrock, 5.5% (1/18 proxy). Chairman/CEO: Robert A. Iger. Inc.: DE. Addr.: 500 S. Buena Vista St., Burbank, CA 91521. Tel.: 818-560-1000. Internet: www.thewaltdisneycompany.com.

The Walt Disney Company is well positioned for the near term. The media conglomerate got off to a decent start in fiscal 2018 (year began October 1st), and we think it will continue to build traction in the coming quarters. Note: March-period results were scheduled to be released shortly after we went to press with this report. In all, the top and bottom lines ought to climb 5%-10% and 10%-15%, respectively, this year.

The company is making progress on its planned acquisition of Twenty-First Century Fox. Last December, Disney inked an acquisition agreement to buy the bulk of its industry peer for \$52.4 billion in stock, plus \$13.7 billion of Fox's assumed debt, valuing the merger at \$66.1 billion. Under the terms of the deal, Fox stockholders would receive 0.2745 DIS shares for each FOXA share held, and would own approximately 25% of the combined company. The tie-up, which will add Twentieth Century Fox Film and Television Studios, and much of Fox's cable and international TV operations, would create a powerhouse of brands and content, complement Disney's direct-to-consumer growth strategy, increase its production capacity, and expand its geographic and market reach. Still, the tie-up is subject to regulatory approval and closing conditions, and given recent turbulence in other media mergers, there remains some concern that the deal will not come to fruition. But if all goes well, the combination ought to be completed in fiscal 2019.

The company has been strengthening its digital distribution. Previously, Disney announced plans to pursue a direct-to-consumer approach, and as such intends to launch a Disney-branded subscription streaming service in 2019. In mid-April EPSN rolled out a new app to complement its sports programming. And we look for Disney to invest further in its technological capabilities in order to both improve its mobile and online platforms and better leverage its massive content library.

These shares are ranked to outperform the broader market averages in the year ahead. The stock generally had a nice run over the last decade, and we think it still has some room to grow over the 2021-2023 pull.

Orly Seidman *May 4, 2018*

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks.	32c; '08, 2c; '09, 6c; '10, (4c); '11, (2c). Excl. disc. ops.: '07, 1c. Next egs. report due early August.	paid in calendar 2012. Initiated semi-annual dividend in July '15.	Company's Financial Strength A++
(B) Dil. egs. Excl. nonrecurring gains/(losses): '02, 8c; '03, (4c); '04, 4c; '05, (9c); '06, 3c; '07, (2c).	(C) Div'ds hist. paid in mid-Jan. Two div'ds	(D) Incl. intang., in fiscal '17: \$38.4 bill., \$25.60/sh. (E) In millions.	Stock's Price Stability 90
			Price Growth Persistence 90
			Earnings Predictability 95