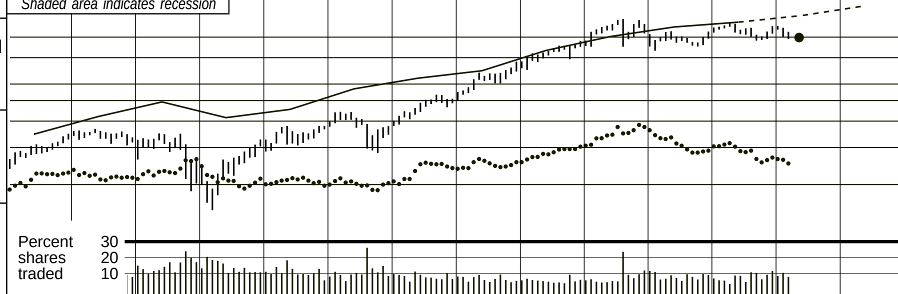
DISNEY (WALT) NYSE-DIS

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
SAFETY 1 Raised 2/13/09
TECHNICAL 3 Lowered 4/20/18
BETA 1.00 (1.00 = Market)

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
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

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



Target Price Range
2021 | 2022 | 2023
200
160
100
80
60
50
40
30
20

2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	180	(+80%)	*17%*
Low	150	(+50%)	*12%*

Insider Decisions

	J	J	A	S	O	N	D	J	F
to Buy	0	0	1	0	0	0	0	0	0
Options	1	10	0	0	10	0	8	11	2
to Sell	1	0	0	0	0	0	0	0	1

Institutional Decisions

	2Q2017	3Q2017	4Q2017
to Buy	902	812	823
to Sell	872	927	845
Hld's(000)	1035212	1014173	931673

Percent shares traded 30 20 10

% TOT. RETURN 3/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-10.0	9.7
3 yr.	-0.1	24.3
5 yr.	89.1	68.8

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*		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	*Value Line*		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%	*estimates*		Avg Ann'l Div'd Yield	***1.2%***

CAPITAL STRUCTURE as of 12/30/17
Total Debt $26091 mill. **Due in 5 Yrs** $16000 mill.
LT Debt $20082 mill. **LT Interest** $1200 mill.
(Total interest coverage: NMF)
(30% of Cap'l)
Leases, Uncapitalized Annual rentals 580.0 mill.
Pension Assets-10/17 $12.33 bill.
Oblig. $14.53 bill.

Pfd Stock None
Common Stock 1,503,675,479 shs.
as of 1/31/17

MARKET CAP: $150 billion (Large Cap)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		21-23
37843	36149	38063	40893	42278	45041	48813	52465	55632	55137	***59050***	***60820***	Revenues ($mill) A	***70000***
23.7%	20.3%	22.2%	23.5%	25.7%	25.8%	28.3%	29.7%	30.4%	30.2%	***31.0%***	***31.0%***	Operating Margin	***33.0%***
1582.0	1631.0	1713.0	1841.0	1987.0	2192.0	2288.0	2354.0	2527.0	2782.0	***2820***	***2950***	Depreciation ($mill)	***3000***
4405.0	3408.0	4035.0	4839.0	5682.0	6136.0	7501.0	8382.0	9391.0	8980.0	***9750***	***11025***	Net Profit ($mill)	***13270***
36.6%	36.1%	35.1%	34.5%	33.3%	31.0%	34.6%	36.2%	34.2%	32.1%	***21.0%***	***21.0%***	Income Tax Rate	***21.0%***
11.6%	9.4%	10.6%	11.8%	13.4%	13.6%	15.4%	16.0%	16.9%	16.3%	***16.5%***	***16.6%***	Net Profit Margin	***19.0%***
75.0	2955.0	1225.0	1669.0	896.0	2405.0	1884.0	424.0	124.0	d3706	***d1500***	***d220***	Working Cap'l ($mill)	***585***
11110	11495	10130	10922	10697	12776	12676	12773	16483	19119	***18750***	***17500***	Long-Term Debt ($mill)	***16000***
32323	33734	37519	37385	39759	45429	44958	44525	43265	41315	***48400***	***52420***	Shr. Equity ($mill)	***72250***
10.8%	8.1%	8.9%	10.4%	11.6%	10.8%	13.0%	14.7%	15.9%	15.2%	***14.5%***	***16.0%***	Return on Total Cap'l	***15.0%***
13.6%	10.1%	10.8%	12.9%	14.3%	13.5%	16.7%	18.8%	21.7%	21.7%	***20.0%***	***21.0%***	Return on Shr. Equity	***18.5%***
11.6%	8.2%	9.0%	10.9%	11.6%	10.6%	13.3%	11.9%	16.4%	15.8%	***15.0%***	***14.0%***	Retained to Com Eq	***14.5%***
15%	19%	16%	16%	19%	22%	20%	37%	25%	27%	***26%***	***24%***	All Div'ds to Net Prof	***22%***

CURRENT POSITION ($MILL.)	2016	2017	12/30/17
Cash Assets	4610	4017	4677
Receivables	9065	8633	9886
Inventory (Avg Cst)	1390	1373	1307
Other	1901	1866	1404
Current Assets	16966	15889	17274
Accts Payable	9130	8855	9574
Debt Due	3687	6172	6009
Other	4025	4568	4292
Current Liab.	16842	19595	19875

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Revenues	7.5%	9.5%	*5.5%*
"Cash Flow"	12.0%	14.5%	*7.5%*
Earnings	13.0%	16.0%	*9.0%*
Dividends	19.5%	29.0%	*4.0%*
Book Value	6.5%	5.5%	*10.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2015	13391	12461	13101	13512	52465
2016	15244	12969	14277	13142	55632
2017	14784	13336	14238	12779	55137
2018	15351	***14024***	***15115***	***14560***	***59050***
2019	***15500***	***14850***	***15450***	***15020***	***60820***

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2015	1.27	1.23	1.45	.95	4.90
2016	1.73	1.30	1.59	1.11	5.73
2017	1.55	1.50	1.51	1.13	5.69
2018	1.89	***1.70***	***1.65***	***1.26***	***6.50***
2019	***2.00***	***1.90***	***1.85***	***1.65***	***7.40***

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2014	.86	--	--	--	.86
2015	1.15	--	.66	--	1.81
2016	.71	--	.71	--	1.42
2017	.78	--	.78	--	1.56
2018	.84				

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; LucasFilms, 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.
(B) Dil. egs. Excl. nonrecurring gains/(losses): '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 August.
(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 '17: $38.4 bill., $25.60/sh. (E) In millions.

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	90
Earnings Predictability	95