

neyland, 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

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.

20214 16842 19595 Current Liab. **ANNUAL RATES** Past Est'd '15-'17 Past 10 Yrs. 7.5% 12.0% 13.0% 5 Yrs. 9.5% of change (per sh) to '21-'23 5.5% 7.0% 9.0% Revenues "Cash Flow" 14.5% 16.0% Earnings Dividends Book Value 19.5% 6.5% 29.0% 5.5%

16966

9130

3687

4025

15889

8855

4568

17729

9763

5992

4459

**Current Assets** 

Accts Payable Debt Due

2001. Tailab 01070 01070 707070					
Fiscal Year Ends			/ENUES (\$ Jun.Per	mill.) <sup>A</sup> 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	14548	15228	13748	58875
2019	15650	14880	15460	14330	60320
Fiscal	EARNINGS PER SHARE A B				Full
Year Ends			Jun.Per		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	1.95	1.95	1.06	6.85
2019	2.00	2.05	1.85	1.50	7.40
Cal-	QUARTERLY DIVIDENDS PAID C				
endar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Year
2014	.86				.86
2015	1.15		.66		1.81
2016	.71		.71		1.42
2017	.78		.78		1.56
2018	.84		.84		

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks. 32¢; '08, 2¢; '09, 6¢; '10, (4¢); '11, (2¢). Excl. disc. ops.: '07, 1¢. Next egs. report due early (B) Dil. egs. Excl. nonrecurring gains/(losses) February. 02, 8¢; 03, (4¢); 04, 4¢; 05, (9¢); 06, 3¢; 07, (**C)** Div'ds hist. paid in mid-Jan. Two div'ds

Walt Disney Company closed fiscal 2018 on a good note. (Year ended September 29th.) Share earnings probably increased 20%, on a 7% revenue advance for the year just ended. Indeed, the Studio Entertainment and Parks & Resorts segments have been leading the charge over the past several quarters. And we imagine the success of recent box office hits and solid tourism and visitor revenues overshadowed some of the difficulties Disney faced at its Media Networks and Consumer Products/Interactive divisions.

The Twenty-First Century Fox merger is still pending. Disney proposed to buy the bulk of Twenty-First Century Fox last December. Under the terms of the agreement (amended in late June), the company will issue \$38 in cash and between 0.3324 and 0.4063 DIS shares for each FOXA share held. Plus, Disney will assume Fox's \$19.5 billion debt load, and it has already begun a tender offer for outstanding notes. (It will issue new Disney notes and cash in return for the outstanding borrowings.) The \$71.3 billion tie-up earned the blessing from shareholders, and could close by early 2019, assuming closing conditions

are met. The U.S. Department of Justice gave its go-ahead, but requires the combined company to sell Fox Sports Regional Networks. The companies are still in talks with EU officials, and may need to make other concessions in order to garner the necessary antitrust permissions. Meanwhile, Fox is restructuring its portfolio, and sold its stake in Sky, and may divest or spin off other parts of its business ahead of the combination.

The tie-up ought to augur well for long-term growth. We think Fox's content library will complement Disney's quite nicely. Moreover, the media conglomerate plans to build a direct-toconsumer platform, and the addition of Fox's technology and streaming services, should aid that consumer growth strategy. Too, the combination should achieve billion in cost synergies by the end of 2021. These shares are timely. The stock price has continued to gain ground over the past few months, and still has some room to run over the next 3 to 5 years. Nevertheless, this issue may trade on mergerrelated news in the near term. Orly Seidman November 2, 2018

> Company's Financial Strength Stock's Price Stability A++ 90 Price Growth Persistence 80 **Earnings Predictability** 95

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.