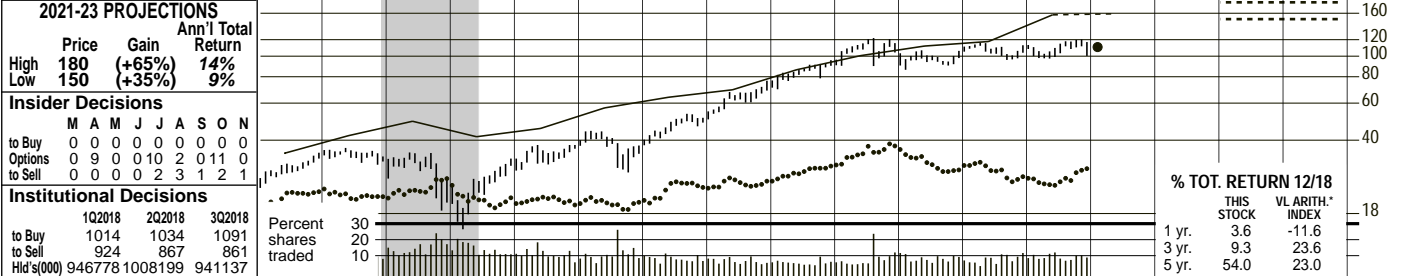


# DISNEY (WALT) NYSE-DIS

RECENT PRICE **110.60** P/E RATIO **13.7** (Trailing: 13.2; Median: 16.0) RELATIVE P/E RATIO **0.84** DIV'D YLD **1.6%** VALUE LINE

TIMELINESS <b>1</b> Raised 12/7/18	High: 36.8	35.0	32.8	38.0	44.3	53.4	76.5	95.9	122.1	106.8	116.1	120.2		Target Price Range
SAFETY <b>1</b> 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 <b>1</b> Raised 2/1/19	<b>LEGENDS</b> — 15.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession													
BETA .95 (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	39.94	<b>40.95</b>	Revenues per sh <sup>A</sup>	<b>47.45</b>
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	9.17	<b>10.60</b>	"Cash Flow" per sh	<b>11.35</b>
.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	8.36	<b>8.50</b>	Earnings per sh <sup>A B</sup>	<b>9.20</b>
.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	1.81	1.42	1.56	1.68	<b>1.76</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>1.85</b>
.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	<b>3.00</b>	Cap'l Spending per sh	<b>3.00</b>
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	32.78	<b>35.40</b>	Book Value per sh <sup>D</sup>	<b>49.00</b>
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	1488.0	<b>1480.0</b>	Common Shs Outst'g <sup>E</sup>	<b>1475.0</b>
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	18.5	14.9		Avg Ann'l P/E Ratio	<b>18.0</b>
2.03	1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	.98	1.05	.93	.93	.80		Relative P/E Ratio	<b>1.00</b>
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%	1.6%		Avg Ann'l Div'd Yield	<b>1.1%</b>

<b>CAPITAL STRUCTURE as of 9/30/18</b>																			
Total Debt \$20874 mill. Due in 5 Yrs \$11840 mill.																			
LT Debt \$17084 mill. LT Interest \$1000 mill.																			
(Total interest coverage: NMF)																			
(26% of Cap'l)																			
Leases, Uncapitalized Annual rentals 681.0 mill.																			
Pension Assets-10/17 \$12.73 bill.																			
Oblig. \$14.50 bill.																			
<b>Pfd Stock None</b>																			
Common Stock 1,488,670,964 shs.																			
as of 11/14/18																			
<b>MARKET CAP: \$165 billion (Large Cap)</b>																			
<b>CURRENT POSITION</b>				2016	2017	9/30/18													
(SMILL.)																			
Cash Assets	4610	4017	4150																
Receivables	9065	8633	9334																
Inventory (Avg Cst)	1390	1373	1392																
Other	1901	1866	1949																
Current Assets	16966	15889	16825																
Accts Payable	9130	8855	9479																
Debt Due	3687	6172	3790																
Other	4025	4568	4591																
Current Liab.	16842	19595	17860																

**BUSINESS:** The Walt Disney Company operates Media Networks, incl. ABC and ESPN (41% of '18 revs.); Parks and Resorts: Disneyland, Walt Disney World (Magic Kingdom, Epcot, Hollywood Studios, Animal Kingdom), and a cruise line (34%); Studio Entertainment (17%); Consumer Products and Interactive Media (8%). 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. '18 depr. rate: 5.0%. Employs 201,000. Off. and dir., less than 1% of common stock; Vanguard, 6.8%; Blackrock, 6.2% (1/19 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.

<b>ANNUAL RATES</b>																			
of revenue (per sh)				Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '21-'23													
Revenues	7.0%	9.0%	5.0%																
"Cash Flow"	11.5%	14.0%	5.5%																
Earnings	12.5%	15.5%	7.0%																
Dividends	17.5%	21.5%	3.5%																
Book Value	6.0%	5.0%	11.0%																
Fiscal Year Ends	<b>QUARTERLY REVENUES (\$ mill.) <sup>A</sup></b>				Full Fiscal Year														
	Dec.Per	Mar.Per	Jun.Per	Sep.Per															
2015	13391	12461	13101	13512	52465														
2016	15244	12969	14277	13142	55632														
2017	14784	13336	14238	12779	55137														
2018	15351	14548	15228	14307	59434														
2019	<b>15650</b>	<b>14880</b>	<b>15560</b>	<b>14530</b>	<b>60620</b>														
Fiscal Year Ends	<b>EARNINGS PER SHARE <sup>A B</sup></b>				Full Fiscal Year														
	Dec.Per	Mar.Per	Jun.Per	Sep.Per															
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	2.91	1.95	1.95	1.55	8.36														
2019	<b>2.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>8.50</b>														
Cal-endar	<b>QUARTERLY DIVIDENDS PAID <sup>C</sup></b>				Full Year														
	Mar.Per	Jun.Per	Sep.Per	Dec.Per															
2015	1.15	--	.66	--	1.81														
2016	.71	--	.71	--	1.42														
2017	.78	--	.78	--	1.56														
2018	.84	--	.84	--	1.68														
2019	.88	--	.88	--															

**The Walt Disney Company-Twenty-First Century Fox tie-up may be closing soon.** To review, Disney proposed to acquire the bulk of Fox's film and television properties last December. The \$71.3 billion cash-and-stock deal has earned shareholder approval and regulatory permissions, but awaits other closing conditions. The company will assume Fox's \$19.5 billion debt load as part of the acquisition, and it has already begun to make a tender offer to eliminate some of its outstanding notes. Overall, we are optimistic that this deal will create a powerhouse of branded entertainment. Moreover, we expect the combination will achieve \$2 billion in cost synergies by the end of 2021. Even though the companies have had to make certain concessions in light of antitrust authorization, including the planned divestiture of the regional sports networks, we think the tie-up will focus on the content library of the combined entertainment assets and ought to leverage their combined technologies. **Disney is revamping its media platforms.** The company reiterated plans to launch Disney+ in the new year. The direct-to-consumer video streaming subscription service has been in the works for some time. And we expect that it will migrate much of its original content and older entertainment properties to that platform. Meanwhile, Disney has been investing in and ramping up ESPN+, which it rolled out last year. We think these moves will enable the company to better compete with media makers Netflix and Amazon Studios. **Overall, we think Disney is well positioned for the near term.** The company made good progress over the past few years. And the top and bottom lines are liable to advance at a 2% clip in fiscal 2019. **These shares are favorably ranked for year-ahead relative price performance.** This issue has done fairly well over the past few years, driven, in large part, by investor enthusiasm surrounding Disney's branded content. But DIS' recent price momentum has discounted some of the earnings growth we envision out to 2021-2023. On the other hand, the stock offers decent risk-adjusted total return potential over that span.

*Orly Seidman* February 1, 2019

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks. (B) Dil. egs. Excl. nonrecurring gains/(losses): '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. Next egs. report due early May. (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 80 Earnings Predictability 95

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