

neyland, 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

Walt Disney Company

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.

ANNUAL RATES Past Est'd '16-'18 Past 10 Yrs. 7.0% 12.0% 13.0% 5 Yrs. 9.0% of change (per sh) to '22-'24 6.5% 5.0% 6.5% Revenues "Cash Flow" 15.5% 17.0% Earnings Dividends Book Value 21.5% 5.0% 4.5% 22.5% 17.5%

15889

8855

4568

19595

16825

9479 3790

4591

17860

31370

17647

21923

44593

5023

Current Assets

Accts Payable Debt Due

Current Liab.

Fiscal Year Ends			ENUES (\$ Jun.Per	mill.) ^A Sep.Per	Full Fiscal Year
2016	15244	12969	14277	13142	55632
2017	14784	13336	14238	12779	55137
2018	15351	14548	15228	14307	59434
2019	15303	14922	20245	19150	69620
2020	19500	19000	22275	21250	82025
Fiscal	EARNINGS PER SHARE A BFull				
Year Ends	Dec.Per	Mar.Per	Jun.Per	Sep.Per	Fiscal Year
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	1.86	3.53	.79	1.32	7.50
2020	2.00	2.50	2.00	1.40	7.90
Cal-	.,		/IDENDS F		Full
endar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Year
2015	1.15		.66		1.81
2016	.71		.71		1.42
2017	.78		.78		1.56
2018	.84		.84		1.68
2019	.88		.88		

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks. (B) Dil. egs. Excl. nonrecurring gains/(losses): '03, (4¢); '04, 4¢; '05, (9¢); '06, 3¢; '07, 32¢;

rebound nicely next year. We believe more of the Twenty First Century Fox merger synergies will be realized in the coming quarters. Moreover, Disney's hefty movie slate and continued investment in '08, 2¢; '09, 6¢; '10, (4¢); '11, (2¢). Excl. disc. ops.. '07, 1¢. Next egs. report due early Feb. (C) Div'ds hist. paid in mid-Jan. Two div'ds

dividend in July '15. **(D)** Incl. intang., in fiscal '18: \$38.8 bill., \$26.61/sh. **(E)** In millions.

should

closed fiscal 2019 on a soft note. (Fiscal year ended September 30th.) The media conglomerate struggled during the fiscal third quarter. Acquisition-related expenses, restructuring costs, and expenses associated with the consolidation of Hulu eclipsed much of the benefits from the ongoing integration of the Twenty First Century Fox tie-up. Plus, third-quarter revenues came in short of our expectations, despite decent showings at Disney's Media Networks, Studio Entertainment, and Parks, Experiences & Products divisions. Even though we look for some sequential improvement during the final period of the year, we have shaved \$1.7 billion and \$1.25 from our top- and bottom-line estimates, respectively. Thus, revenues may climb about 18% to \$69.62 billion, while profits fall 10% to \$7.50 a share

conglomerate

its branded content should boost revenues and earnings. Thus, we look for the top and bottom lines to advance 15%-20% and 5%, respectively, through fiscal 2020.

The company is gearing up for the

launch of *Disney+*. Disney plans to roll out its direct-to-consumer streaming platform in mid-November. The company has already seen demand for the new service and sold subscriptions to Disney+. Even though it likely faces higher programming costs as it develops the new platform and migrates exclusive content as well as its legacy library to that medium, overall, we anticipate it will be better able to compete with streaming digital video giants, such as Netflix and Amazon.com's Prime Video.

The issue appears to be well valued at this time. These shares slipped after the company issued the weaker-than-expected fiscal third-quarter report, and have not picked up that much ground in the ensuing months. The stock fell two notches in Timeliness since our last review, to 3 (Average). Even with the recent pullback, the blue chip offers merely modest longterm capital gains potential. Orly Seidman

November 1, 2019

Company's Financial Strength Stock's Price Stability A++ 90 Price Growth Persistence 75 **Earnings Predictability** 85

for the full year.

media

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