DISNEY (WALT) NYSE-DIS

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
143.56	23.2 (Trailing: 21.7 Median: 17.0)	1.23	1.2%

VALUE LINE

TIMELINESS 3 Lowered 9/20/19
SAFETY 1 Raised 2/13/09
TECHNICAL 2 Raised 1/3/20
BETA .90 (1.00 = Market)

18-Month Target Price Range
Low-High: $107-$168 — Midpoint (% to Mid): $138 (-5%)

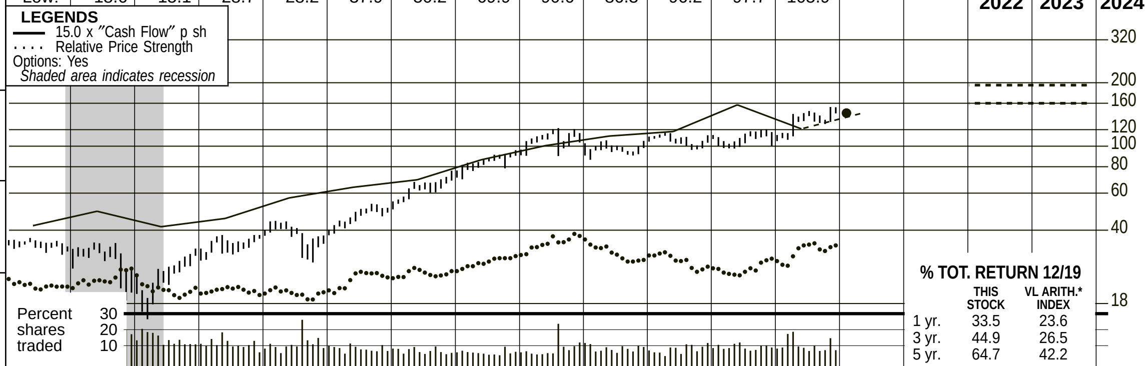
2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	195	(+35%)	9%
Low	160	(+10%)	4%

Institutional Decisions

	1Q2019	2Q2019	3Q2019
to Buy	1690	1318	1358
to Sell	640	1081	1001
Hld's(000)	1157135	1253933	1172094

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High:	35.0	32.8	38.0	44.3	53.4	76.5	95.9	122.1	106.8	116.1	120.2	153.4
Low:	18.6	15.1	28.7	28.2	37.9	50.2	69.9	90.0	86.3	96.2	97.7	105.9



% TOT. RETURN 12/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.5	23.6
3 yr.	44.9	26.5
5 yr.	64.7	42.2

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	38.61	*45.55*	Revenues per sh A	*54.45*
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	10.49	8.07	*9.65*	"Cash Flow" per sh	*11.65*
.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	6.27	*7.50*	Earnings per sh A B	*9.75*
.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	1.81	1.42	1.56	1.68	1.76	*1.80*	Div'ds Decl'd per sh C	*2.00*
.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	2.71	*2.65*	Cap'l Spending per sh	*2.75*
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	49.32	*62.65*	Book Value per sh D	*95.85*
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	1802.0	*1800.0*	Common Shs Outst'g E	*1800.0*
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	12.6	19.8		Avg Ann'l P/E Ratio	*18.0*
1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	.98	1.05	.93	.93	.68	1.08		Relative P/E Ratio	*1.00*
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%	1.4%		Avg Ann'l Div'd Yield	*1.1%*

CAPITAL STRUCTURE as of 9/30/19
Total Debt $46986 mill. **Due in 5 Yrs** $20400 mill.
LT Debt $38129 mill. **LT Interest** $1000 mill.
(Total interest coverage: 15.3x)
(30% of Cap'l)
Leases, Uncapitalized Annual rentals 982.0 mill.
Pension Assets-10/18 $14.88 bill.
Oblig. $18.53 bill.

Pfd Stock None
Common Stock 1,802,398,289 shs.
as of 11/13/19

MARKET CAP: $259 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
36149	38063	40893	42278	45041	48813	52465	55632	55137	59434	69570	*82000*	Revenues ($mill) A	*98000*
20.3%	22.2%	23.5%	25.7%	25.8%	28.3%	29.7%	30.4%	30.2%	30.0%	23.0%	*30.0%*	Operating Margin	*32.0%*
1631.0	1713.0	1841.0	1987.0	2192.0	2288.0	2354.0	2527.0	2782.0	3011.0	4160.0	*3125*	Depreciation ($mill)	*3400*
3408.0	4035.0	4839.0	5682.0	6136.0	7501.0	8382.0	9391.0	8980.0	12598	10383	*14000*	Net Profit ($mill)	*17550*
36.1%	35.1%	34.5%	33.3%	31.0%	34.6%	36.2%	34.2%	32.1%	11.3%	21.7%	*21.0%*	Income Tax Rate	*21.0%*
9.4%	10.6%	11.8%	13.4%	13.6%	15.4%	16.0%	16.9%	16.3%	21.2%	14.9%	*17.1%*	Net Profit Margin	*17.9%*
2955.0	1225.0	1669.0	896.0	2405.0	1884.0	424.0	124.0	d3706	d1035	d3217	*d2200*	Working Cap'l ($mill)	*d1500*
11495	10130	10922	10697	12776	12676	12773	16483	19119	17084	38129	*30000*	Long-Term Debt ($mill)	*30000*
33734	37519	37385	39759	45429	44958	44525	43265	41315	48773	88877	*112750*	Shr. Equity ($mill)	*172500*
8.1%	8.9%	10.4%	11.6%	10.8%	13.0%	14.7%	15.9%	15.2%	19.6%	8.6%	*10.0%*	Return on Total Cap'l	*8.5%*
10.1%	10.8%	12.9%	14.3%	13.5%	16.7%	18.8%	21.7%	21.7%	25.8%	11.7%	*12.5%*	Return on Shr. Equity	*10.0%*
8.2%	9.0%	10.9%	11.6%	10.6%	13.3%	11.9%	16.4%	15.8%	20.7%	8.4%	*11.5%*	Retained to Com Eq	*8.0%*
19%	16%	16%	19%	22%	20%	37%	25%	27%	20%	28%	*23%*	All Div'ds to Net Prof	*21%*

CURRENT POSITION ($MILL.)	2017	2018	9/30/19
Cash Assets	4017	4150	5418
Receivables	8633	9334	12882
Inventory (Avg Cst)	1373	1392	1649
Other	1866	1949	8175
Current Assets	15889	16825	28124
Accts Payable	8855	9479	14752
Debt Due	6172	3790	8857
Other	4568	4591	7732
Current Liab.	19595	17860	31341

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '22-'24
Revenues	7.0%	8.5%	7.0%
"Cash Flow"	11.5%	12.5%	6.0%
Earnings	13.0%	13.5%	7.5%
Dividends	17.5%	17.5%	3.5%
Book Value	8.0%	8.0%	21.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.Per	Mar.Per	Jun.Per	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	19100	69570
2020	*20850*	*19550*	*21275*	*20325*	*82000*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full 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	.43	6.27
2020	*1.50*	*2.25*	*2.00*	*1.75*	*7.50*

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2016	.71	- -	.71	- -	1.42
2017	.78	- -	.78	- -	1.56
2018	.84	- -	.84	- -	1.68
2019	.88	- -	.88	- -	1.76
2020					

BUSINESS: The Walt Disney Company operates Media Networks, incl. *ABC*, *Freeform*, *ESPN*, *FX*, *National Geographic* (35% of Fiscal '19 revs.); Parks, Experiences & Products (37%), including theme parks and cruise lines, and branded consumer products; Studio Entertainment (15%); Direct-to-Consumer & International (DTCI), which will incl. *Disney+* (13%). Has 67% equity interest in Hulu. Acq. Pixar, 5/06; Marvel, 12/09; LucasFilms, 12/12; Twenty-First Century Fox, 3/19.. Div. ABC Radio, 6/07. Employs about 223,000. Off./dir., less than 1% of stock; Vanguard, 5.9%; Blackrock, 5.1% (1/20 proxy). Chairman/CEO: Robert A. Iger. Inc.: DE. Address: 500 S. Buena Vista St., Burbank, CA 91521. Telephone: 818-560-1000. Internet: www.thewaltdisneycompany.com.

The Walt Disney Company will probably post mixed results for the fiscal first quarter. (Year began October 1st). The media and entertainment conglomerate's bottom line took a hit in fiscal 2019, as restructuring charges and acquisition-related expenses took their toll, causing share net (on a GAAP basis) to fall 25% year to year. And even though we are optimistic with the ongoing integration of Twenty-First Century Fox (completed in March, 2019), the box office hits of *Frozen 2* and *Star Wars: The Rise of Skywalker*, and growing success of *Disney+*, rising operating costs and other business expenses may have eclipsed the good news in the December period. As such, share earnings may fall about 20%, while revenues likely increased 36% for the interim. Note: First-quarter results were scheduled to be released shortly after this report reached our subscribers.

Things should shape up as fiscal 2020 progresses. We believe Disney's branded content and direct-to-consumer streaming platforms (more below) will bolster totals in the coming quarters. All told, share net ought to bounce back 20% this year, on a 15%-20% top-line advance.

Many eyes and ears seem to be on *Disney+*. The company launched the new video streaming service in November to much fanfare, and has been focusing on creating exclusive content for the new platform. It created partnerships with several mobile, cable, and tech companies to offer trial subscriptions, and seems to be growing its customer base quite nicely. Overall, management believes that the direct-to-consumer streaming media will augur well for long-term gains. It should enable Disney to better compete against industry peers. However, the hefty investment in its content library will likely hinder results in the near term.

These top-quality shares appear to be well valued at this juncture. The stock price got a nice lift in mid-November, driven by the enthusiasm surrounding the launch of Disney+, though some of the momentum tapered off in the following weeks. This issue climbed almost 10% in value since our November review, but remains ranked to perform in tandem with the broader market averages.

Orly Seidman — *January 31, 2020*

(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¢; '08, 2¢; '09, 6¢; '10, (4¢); '11, (2¢). Excl. disc. ops.: '07, 1¢. Fiscal '19 EPS doesn't sum due to change in shares outstanding. Next egs. report due early Feb. (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 '19: $103.5 bill., $57.44/sh. (E) In millions.

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