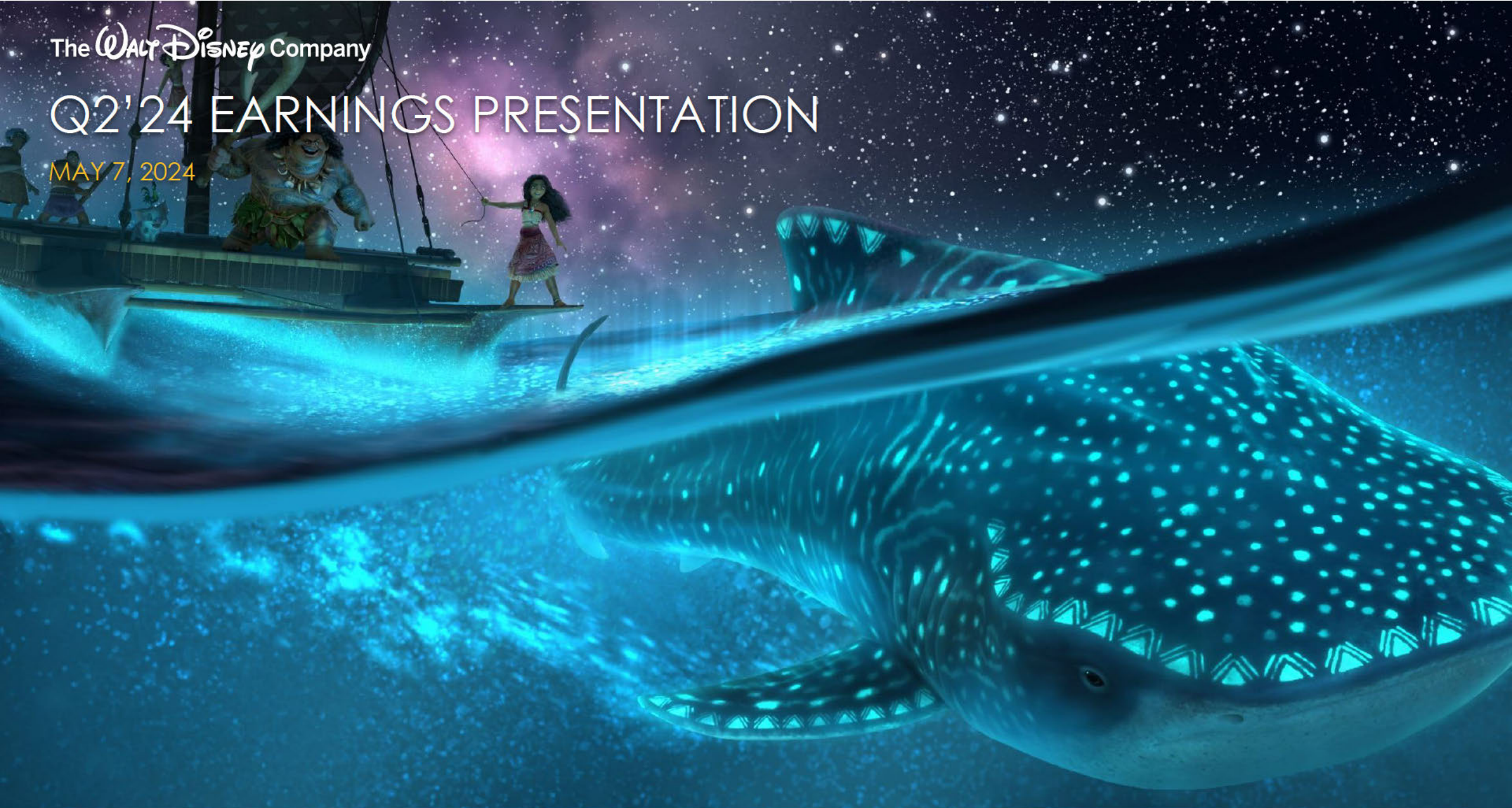


The WALT DISNEY Company

Q2'24 EARNINGS PRESENTATION

MAY 7, 2024



Forward-Looking Statements

Certain statements in this presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our expectations, beliefs, plans, financial prospects, trends or outlook and guidance; financial or performance estimates and expectations (including estimated or expected revenues, earnings, operating income, free cash flow and margins) and expected drivers; business plans and opportunities; future programming and production costs, capital expenditures and investments, including opportunities for growth and expansion; plans, expectations or drivers, as applicable, for direct-to-consumer profitability and growth; anticipated demand, timing, availability, pricing, utilization or nature of our offerings (including experiences and business openings, content within our products and services and content releases and distribution channel); shareholder returns; cost reductions and available efficiencies; strategies and strategic priorities and opportunities; expected benefits of new initiatives, including for which definitive agreements have not been signed and may not be consummated or subject to other approval or conditions; and other statements that are not historical in nature. Any information that is not historical in nature is subject to change. These statements are made on the basis of management’s views and assumptions regarding future events and business performance as of the time the statements are made. Management does not undertake any obligation to update these statements.

Actual results may differ materially from those expressed or implied. Such differences may result from actions taken by the Company, including restructuring or strategic initiatives (including capital investments, asset acquisitions or dispositions, new or expanded business lines or cessation of certain operations), our execution of our business plans (including the content we create and IP we invest in, our pricing decisions, our cost structure and our management and other personnel decisions), our ability to quickly execute on cost rationalization while preserving revenue, the discovery of additional information or other business decisions, as well as from developments beyond the Company’s control, including:

- the occurrence of subsequent events;
- further deterioration in domestic and global economic conditions or a failure of conditions to improve as anticipated;
- in or pressures from competitive conditions, including competition to create or acquire content, competition for talent and competition for advertising revenue;
- consumer preferences and acceptance of our content, offerings, pricing model and price increases, and corresponding subscriber additions and churn, and the market for advertising sales on our DTC services and linear networks;
- health concerns and their impact on our businesses and productions;
- international, political or military developments;
- regulatory and legal developments;
- technological developments;
- labor markets and activities, including work stoppages;
- adverse weather conditions or natural disasters; and
- availability of content.

Such developments may further affect entertainment, travel and leisure businesses generally and may, among other things, affect (or further affect, as applicable):

- our operations, business plans or profitability, including direct-to-consumer profitability;
- demand for our products and services;
- the performance of the Company’s content;
- our ability to create or obtain desirable content at or under the value we assign the content;
- the advertising market for programming;
- income tax expense; and
- performance of some or all Company businesses either directly or through their impact on those who distribute our products.

Additional factors are set forth in the Company’s Annual Report on Form 10-K for the year ended September 30, 2023, including under the captions “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business,” quarterly reports on Form 10-Q, including under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and subsequent filings with the Securities and Exchange Commission.

The terms “Company,” “Disney,” “we,” and “our” are used above and in this presentation to refer collectively to the parent company and the subsidiaries through which our various businesses are actually conducted.

On Track to Meet or Exceed our Fiscal 2024 Guidance



We are now targeting **25% growth in diluted EPS excluding certain items⁽¹⁾** this fiscal year, exceeding our previous guidance of at least 20% growth



We still expect to generate over **\$8 billion in free cash flow⁽¹⁾** this fiscal year



On a total company basis, we remain positioned to exceed our **\$7.5 billion annualized cost target** by the end of fiscal 2024



In Q2, the company **repurchased \$1 billion of stock**, and we are on track to buy back **\$3 billion** by fiscal year end



We declared a **dividend of \$0.45 per share** to be paid in July 2024, a 50% increase from the January dividend

(1) Diluted EPS excluding certain items and free cash flow are not financial measures defined by GAAP. The most comparable GAAP measures are diluted EPS and cash provided by operations, respectively. See the discussion on page 20 for a definition of diluted EPS excluding certain items and why Disney is not providing a forward-looking quantitative reconciliation to the most comparable GAAP measure, and see the discussion on pages 20 and 23 for how we define and calculate free cash flow and a reconciliation thereof to an estimate of the most directly comparable GAAP measure.

Q2 Results for Fiscal 2024

(In Billions, Except Per Share Amounts)



(1) Total segment operating income and diluted EPS excluding certain items are non-GAAP financial measures. The most comparable GAAP measures are income before income taxes and diluted EPS, respectively. See the discussion on pages 20-22 for how we define and calculate these measures and a reconciliation thereof to the most directly comparable GAAP measures.

Recent Business Highlights



The 2024 NCAA Women's Championship was the most-viewed women's college basketball game ever and ESPN platforms' most-viewed college basketball game (men's or women's) on record⁽¹⁾

ESPN had a fantastic April in terms of viewership, the highest since 2012 and primetime viewership the highest on record⁽¹⁾



DisneylandForward park expansion plan received unanimous preliminary approval by the Anaheim City Council on April 16, a significant milestone as we continue to focus on turbocharging growth at our Experiences business with long-term strategic investments



ABC is the #1 entertainment broadcast network for the 5th consecutive season⁽²⁾



Bluey's first-ever extended-length special, "The Sign," ranks as the most-viewed *Bluey* and Disney Junior episode premiere on Disney+⁽³⁾



FX's *Shogun* has proven to be a global hit, tracking as FX's most-watched show ever on our streaming platforms and driving the second largest number of signups to our streaming services since 2022, behind only *Black Panther: Wakanda Forever*

(1) Per Nielsen reporting; The 2024 NCAA Women's Championship between Iowa and South Carolina scored 18.9 million viewers; ESPN averaged 781K Total Day viewers and 2.1M in Primetime (4/1/24 – 4/28/24).

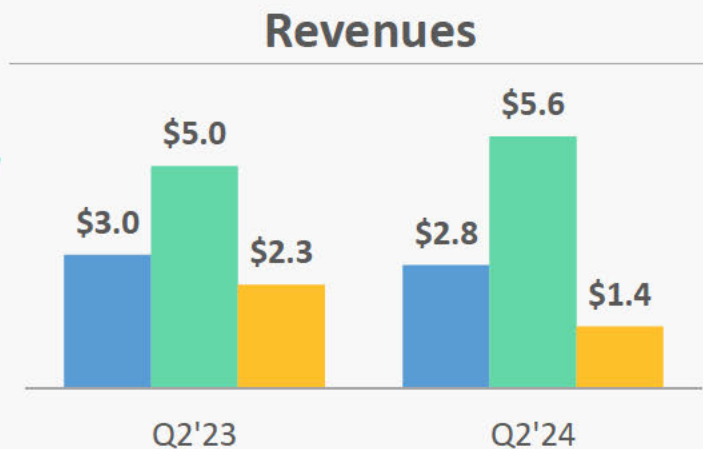
(2) Network Primetime Average Adults 18-49 (L+7); Source: Nielsen P18-49 Ratings, Standard Broadcast Primetime, Strict Daypart only for L7, Sept-May seasons, NNTV, excludes Spanish language programming.

(3) Based on 10.4 million views globally on Disney+ after seven days of streaming. A view is defined as total stream time divided by runtime.

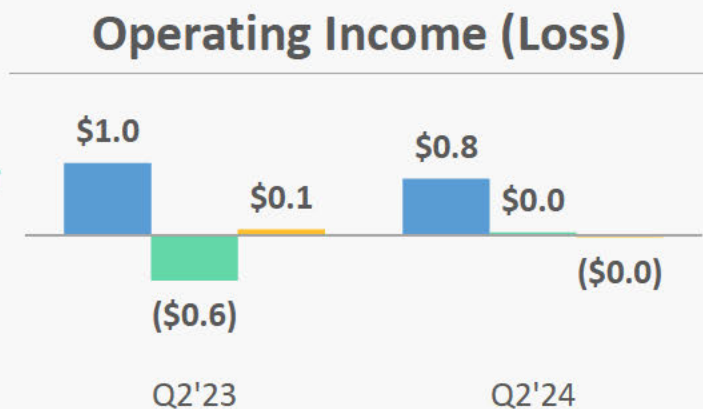
Q2 Entertainment Results

(In Billions)

Linear Networks
Direct-to-Consumer
CSLO



Linear Networks
Direct-to-Consumer
CSLO



Linear Networks

- Decrease in domestic operating income vs. the prior year was due to:
 - Lower affiliate revenue due to a decrease in subscribers, including the impact of the non-renewal of carriage of certain networks by an affiliate, partially offset by higher rates
 - Lower advertising revenue attributable to lower average viewership, partially offset by higher rates
- Lower international results were due to a decrease in affiliate revenue primarily attributable to fewer subscribers and rate decreases

Direct-to-Consumer

- The improvement in operating results vs. the prior year was due to:
 - Subscription revenue growth attributable to increases in retail pricing across our streaming services, and subscriber growth at Disney+ Core
 - Lower distribution costs
 - Higher advertising revenue due to higher impressions, partially offset by lower rates
 - Partially offset by higher marketing and programming & production costs

Content Sales / Licensing and Other (CSLO)

- Lower results vs. the prior year were driven by the absence of significant theatrical releases in the quarter and film impairments

On the Path to Sustained Streaming Profitability & Growth

This is the first quarter that our Entertainment DTC business was profitable, and while we anticipate softer results in Q3 driven by Disney+ Hotstar, **we expect streaming to be a growth driver for the company in the future**



- Recent Charter deal drove Disney+ ad tier subscriber growth; we ended Q2 with **22.5 million subscribers** globally
- Disney+ ad tier is currently available in the U.S., Canada and select markets across Europe



- Hulu on Disney+ **officially launched** in the U.S. on March 27
- Bundle subscribers now see Hulu content **integrated** into Disney+ recommendations, sets and collections



- In Latin America, general entertainment and ESPN sports content from Star+ will be **combined with Disney+** on June 26
- Three Disney+ plans will be available including Premium, Standard and Standard with Ads

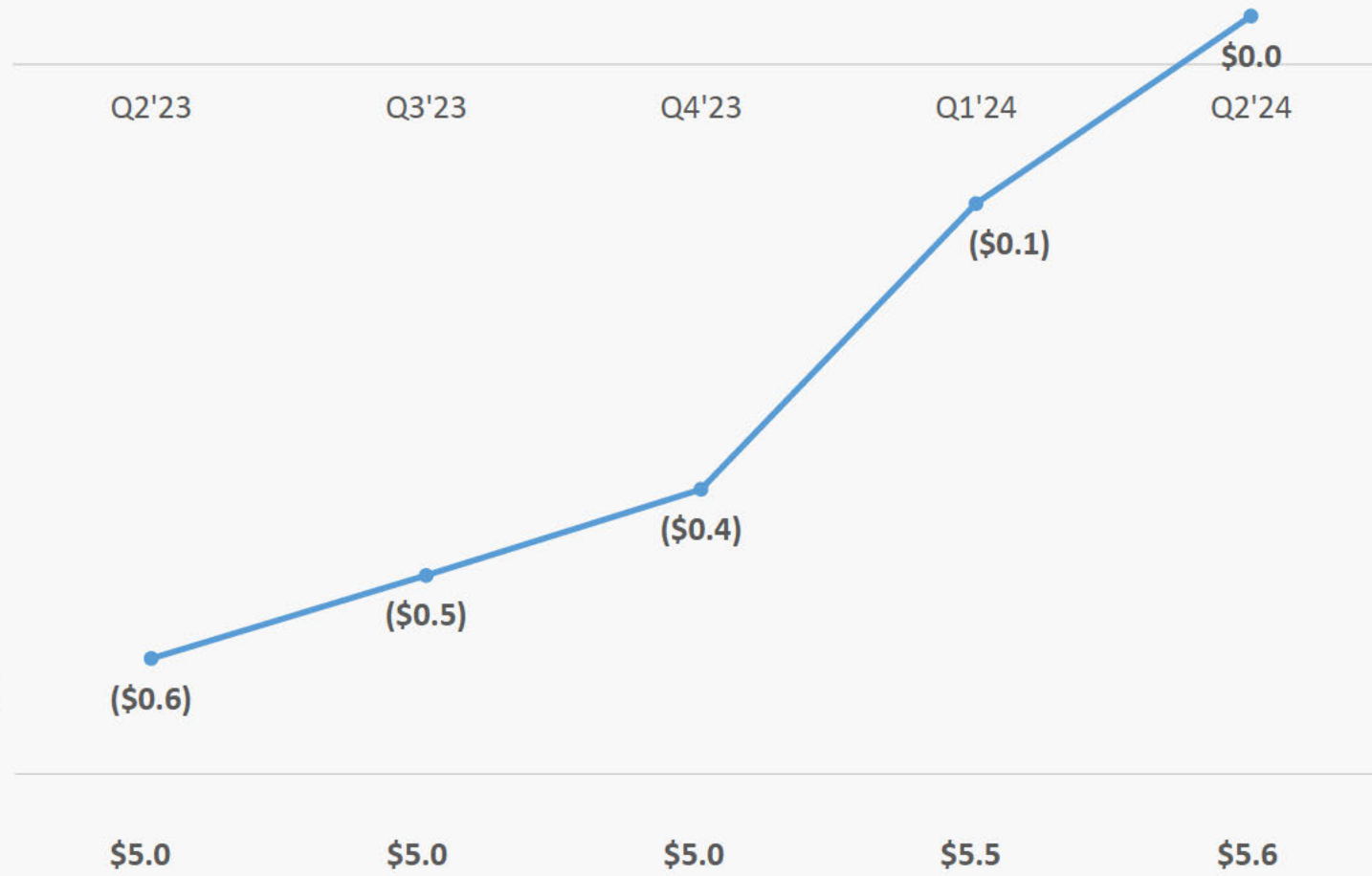


- ESPN tile will be **added to Disney+** by the end of calendar 2024
- Will give all U.S. subscribers **access to select live games and studio programming**, as well as ESPN+ content for Trio Bundle⁽¹⁾ subscribers, within the Disney+ app

(1) Includes subscribers to the Trio Basic (with ads) and Premium bundle offerings that include Disney+, Hulu and ESPN+.

Entertainment DTC Quarterly Results

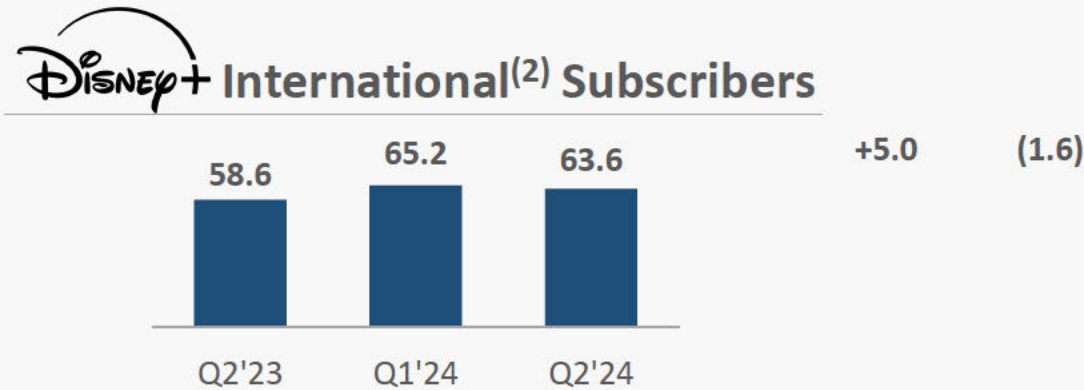
(In Billions)



- In Q2'24, Entertainment DTC generated \$47 million in operating income, an improvement of over \$600 million vs. the prior year and ~\$185 million vs. Q1'24
- Entertainment DTC revenue increased 13% vs. the prior year and 2% vs. Q1'24

Q2 Disney+ Core Subscribers & ARPU

(Paid Subscribers in Millions and Average Monthly Revenue per Paid Subscriber (ARPU) in USD)



Disney+ Domestic ARPU⁽¹⁾	\$7.14	\$8.15	\$8.00	+\$0.86	(\$0.15)
Disney+ International ARPU⁽²⁾	\$5.93	\$5.91	\$6.66	+\$0.73	+\$0.75

Disney+ Core

- Subscribers increased by 6.3 million in the quarter, reflecting nearly 8 million additions domestically, driven by Charter entitlements, and a slight loss internationally from the impacts of wholesale deal changes and price increases
- ARPU increased sequentially by 6%, or \$0.44, reflecting price increases for the domestic premium tier as well as international ARPU growth, partially offset by lower ad-supported ARPU domestically, driven by dilution from Charter entitlements

Disney+ Domestic⁽¹⁾

- ARPU decreased by \$0.15 vs. the prior quarter driven by Charter entitlements, partially offset by increases in retail pricing

Disney+ International⁽²⁾

- ARPU increased by \$0.75 vs. the prior quarter due to increases in retail pricing and a lower mix of subscribers to promotional offerings

Note: See DTC Product Descriptions and Key Definitions on page 19

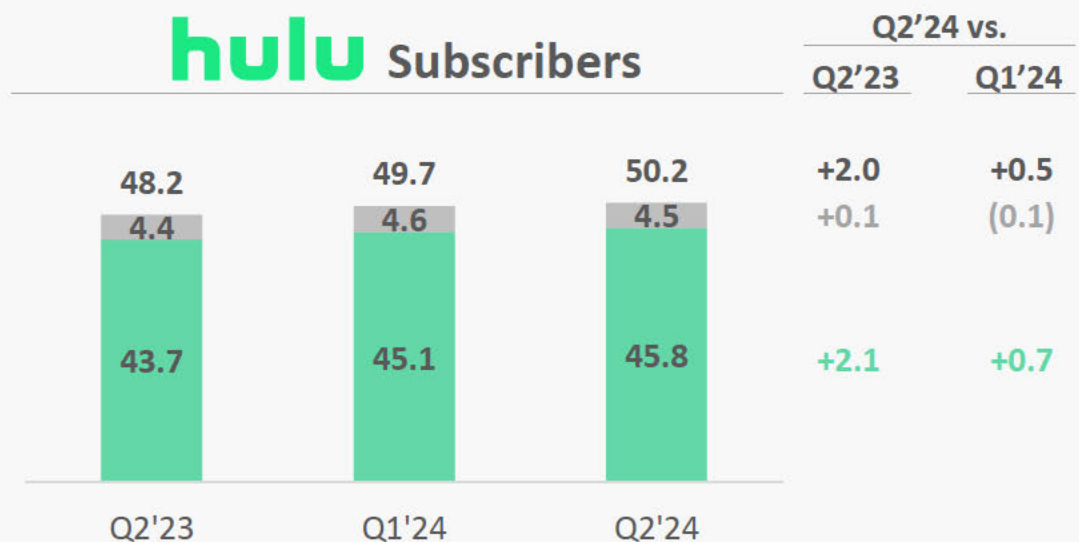
(1) U.S. and Canada

(2) Excluding Disney+ Hotstar

Q2 Hulu Subscribers & ARPU

(Paid Subscribers in Millions and Average Monthly Revenue per Paid Subscriber (ARPU) in USD)

hulu Subscribers



SVOD Only ARPU \$11.73 \$12.29 \$11.84 +\$0.11 (\$0.45)

Live TV + SVOD ARPU \$92.32 \$93.61 \$95.01 +\$2.69 +\$1.40

Hulu

- Total Hulu subscribers increased by 0.5 million vs. the prior quarter
- Hulu SVOD Only ARPU decreased by \$0.45 vs. the prior quarter due to lower advertising revenue, partially offset by increases in retail pricing
- Hulu Live TV + SVOD ARPU increased by \$1.40 vs. the prior quarter due to increases in retail pricing and a lower mix of subscribers to promotional offerings, partially offset by lower advertising revenue

Totals may not equal the sum due to rounding.

Note: See DTC Product Descriptions and Key Definitions on page 19

Q2 Sports Results

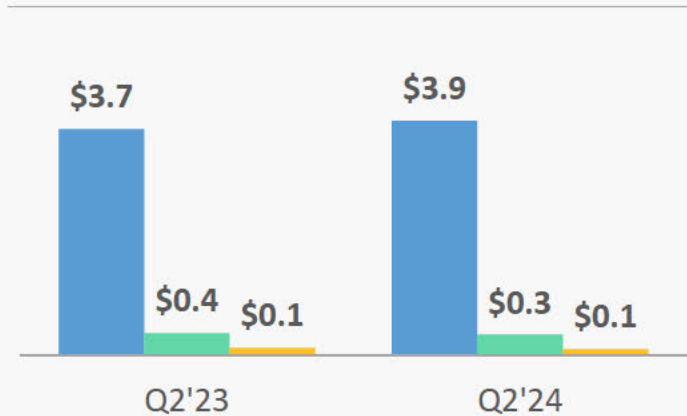
(In Billions)

ESPN Domestic

ESPN International

Star India

Revenues

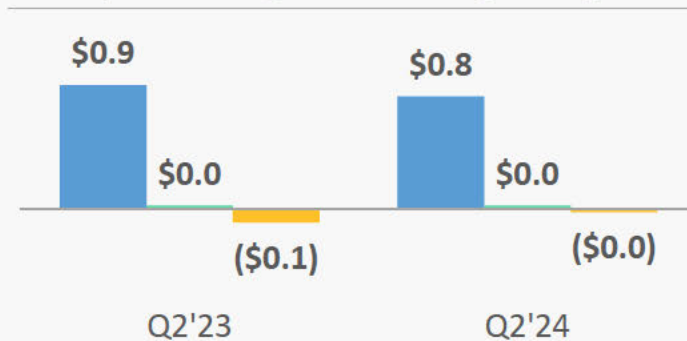


Operating Income (Loss)⁽¹⁾

ESPN Domestic

ESPN International

Star India



ESPN Domestic






- Operating income decreased vs. the prior year driven by:
 - An increase in programming & production costs as a result of airing an additional College Football Playoff (CFP) game in the current quarter due to timing
 - Lower affiliate revenue attributable to fewer subscribers, partially offset by contractual rate increases
 - Higher advertising revenue driven by increases in rates and average viewership, including benefits from the additional CFP game and an additional NFL playoff game in the quarter
 - Growth in ESPN+ subscription revenue due to higher rates

Star India

- A decrease in operating loss vs. the prior year was due to:
 - Lower programming & production costs attributable to the non-renewal of BCCI rights
 - Partially offset by an increase in IPL costs due to more matches aired

(1) Sports operating income also includes Equity in the Income of Investees of \$16 million in Q2'23 and \$6 million in Q2'24.

Creating Consumer Choice by Increasing Distribution Across the Spectrum

ESPN Tile on Disney+	ESPN+	"Flagship" DTC	Sports JV	D/MVPD
 <p>Limited news, info, and originals; sampling of live events⁽¹⁾</p> <p>Expected Launch: By the end of calendar 2024</p>	 <p>Light sports offering; included in Disney Trio Bundle⁽¹⁾</p> <p>Already in Service</p>	 <p>ESPN and ESPN+ DTC; enhanced personalization & interactivity</p> <p>Expected Launch: Fall 2025</p>	 <p>Bundle of ESPN / ABC, Fox, TNT Sports</p> <p>Expected Launch: Fall 2024⁽²⁾</p>	 <p>Traditional, bundled distribution of linear networks</p> <p>Already in Service</p>

Entry-level offerings; appeal to casual sports fans

Premium, comprehensive offerings; appeal to households with diverse tastes

(1) As part of the ESPN tile on Disney+, Disney Trio Bundle subscribers will have access to ESPN+ content.

(2) The formation of the streaming sports service is subject to the negotiation of definitive agreements among the parties.

Q2 Experiences Results

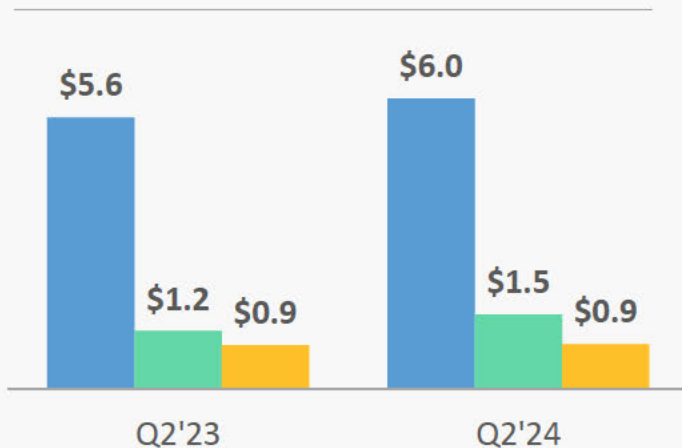
(In Billions)

Revenues

Domestic Parks & Experiences

Int'l Parks & Experiences

Consumer Products

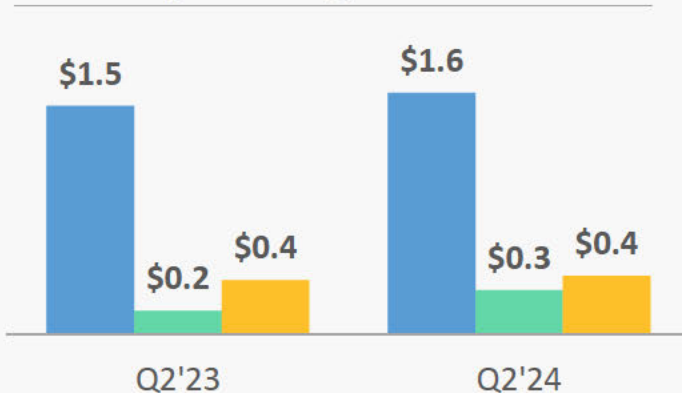


Operating Income

Domestic Parks & Experiences

Int'l Parks & Experiences

Consumer Products



Domestic Parks & Experiences

- Higher results vs. the prior year were due to increases at Walt Disney World and Disney Cruise Line, partially offset by lower results at Disneyland Resort
 - Increase at Walt Disney World was driven by higher average ticket prices, lower depreciation and cost savings initiatives, partially offset by higher costs due to inflation
 - Growth at Disney Cruise Line was due to an increase in average ticket prices, partially offset by higher costs
 - Lower results at Disneyland were due to higher costs driven by inflation, partially offset by higher attendance and per capita spend

International Parks & Experiences

- Operating income increased vs. the prior year driven by Hong Kong Disneyland:
 - Guest spending growth due to increases in average ticket prices and food, beverage and merchandise spending
 - Higher volumes resulting from increases in attendance and occupied room nights
 - Increased costs driven by inflation and new guest offerings

Focusing on Turbocharging Our Experiences Business with Several Key Openings in 2024



Fantasy Springs

June 6, 2024



Disney Lookout Cay at Lighthouse Point

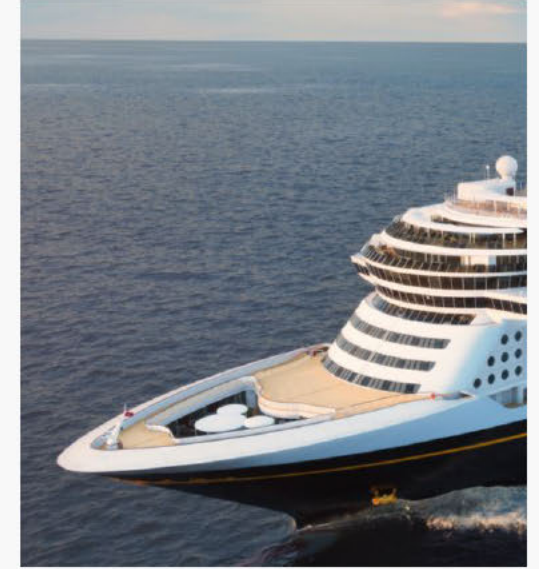
June 6, 2024



TIANA'S BAYOU ADVENTURE

Summer 2024 at Walt Disney World.

2024 at Disneyland.



Disney TREASURE

December 21, 2024 (Maiden Voyage)



APPENDIX

Select Upcoming Theatrical Releases

(Reflects publicly announced planned releases as of May 7, 2024; list is not exhaustive; subject to change)

Date	Title	Brand
May 10, 2024	<i>Kingdom of the Planet of the Apes</i>	20th Century
May 31, 2024	<i>Young Woman and the Sea</i>	Disney
June 14, 2024	<i>Inside Out 2</i>	Pixar
June 21, 2024	<i>Kinds of Kindness</i>	Searchlight
July 26, 2024	<i>Deadpool & Wolverine</i>	Marvel
August 16, 2024	<i>Alien: Romulus</i>	20th Century
October 18, 2024	<i>A Real Pain</i>	Searchlight
November 27, 2024	<i>Moana 2 (Animated Sequel)</i>	Disney
December 6, 2024	<i>Nightbitch</i>	Searchlight
December 20, 2024	<i>Mufasa: The Lion King</i>	Disney
February 14, 2025	<i>Captain America: Brave New World</i>	Marvel
March 7, 2025	<i>Untitled Disney</i>	Disney
March 21, 2025	<i>Snow White</i>	Disney
April 11, 2025	<i>The Amateur</i>	20th Century
May 2, 2025	<i>Thunderbolts</i>	Marvel
May 23, 2025	<i>Untitled Disney</i>	Disney
June 13, 2025	<i>Elio</i>	Pixar
July 25, 2025	<i>The Fantastic Four</i>	Marvel

Select Upcoming Disney+ and Hulu Releases

(Reflects publicly announced planned domestic releases as of May 7, 2024; list is not exhaustive; subject to change)

Date	Title	Brand	Platform	Type
May 8	<i>Let It Be</i>	Disney	Disney+	Unscripted Film
May 10	<i>Doctor Who</i>	Disney Branded Television	Disney+	Scripted Series
May 15	<i>Queen Rock Montreal</i>	Disney	Disney+	Unscripted Film
May 23	<i>The Kardashians (Season 5)</i>	Hulu Originals	Hulu	Unscripted Series
May 24	<i>The Beach Boys</i>	Disney	Disney+	Unscripted Film
June 2024	<i>The Bear (Season 3)</i>	FX	Hulu	Scripted Series
June 4	<i>Star Wars: The Acolyte</i>	Lucasfilm	Disney+	Scripted Series
June 7	<i>Becoming Karl Lagerfeld</i>	Hulu Originals	Hulu	Limited Original Series
June 25	<i>Diane von Furstenberg: Woman in Charge</i>	Hulu Originals	Hulu	Documentary Film
July 2024	<i>How I Caught My Killer (Season 2)</i>	Hulu Originals	Hulu	Documentary Series
July 2024	<i>Dress My Tour</i>	Hulu Originals	Hulu	Unscripted Series
July 12	<i>Descendants: The Rise of Red</i>	Disney Branded Television	Disney+	Scripted Film
July 15	<i>Hit-Monkey (Season 2)</i>	Hulu Originals	Hulu	Animated Series
July 29	<i>Futurama (Season 12)</i>	Hulu Originals	Hulu	Animated Series
Aug 12	<i>Solar Opposites (Season 5)</i>	Hulu Originals	Hulu	Animated Series
Release dates not yet announced; Titles listed in alphabetical order	<i>Agatha: Darkhold Diaries</i>	Marvel	Disney+	Scripted Series
	<i>Deadpool & Wolverine</i>	Marvel	Disney+	Scripted Film (Pay 1)
	<i>Eyes of Wakanda</i>	Marvel	Disney+	Animated Series
	<i>The First Omen</i>	20th Century Studios	Hulu	Scripted Film (Pay 1)
	<i>Inside Out 2</i>	Pixar	Disney+	Animated Film (Pay 1)
	<i>Kingdom of the Planet of the Apes</i>	20th Century Studios	Hulu	Scripted Film (Pay 1)
	<i>Only Murders in the Building (Season 4)</i>	Hulu Originals	Hulu	Scripted Series
	<i>Star Wars: Skeleton Crew</i>	Lucasfilm	Disney+	Scripted Series
	<i>UnPrisoned (Season 2)</i>	Onyx Collective	Hulu	Scripted Series
	<i>Win or Lose</i>	Pixar	Disney+	Animated Series
	<i>Your Friendly Neighborhood Spider-Man</i>	Marvel	Disney+	Animated Series

Fiscal 2024 – Selected Sports Timing Comparisons

(As of May 7, 2024; items are not exhaustive; subject to change)

Q1

No Big 10 renewal in FY24
(held rights in Q1'23)

Net shift of 1 College Football Playoff game, including 2 semi-final games,
from Q1'23 to Q2'24

ICC Cricket World Cup in FY24
vs. ICC T20 World Cup in FY23

No BCCI renewal in FY24 (vs. matches in Q1'23 and Q2'23)

Q2

Q3

ICC T20 in FY24
vs. in Q1'23

Q4

New SEC deal begins

No Pac-12 rights
(held rights in Q4'23)

Upcoming Parks and Experiences Openings & Events

(Reflects publicly announced planned openings and events as of May 7, 2024; list is not exhaustive)

Date	Attraction / Event	Location
June 6, 2024	Fantasy Springs	Tokyo Disney Resort
June 6, 2024	Disney Lookout Cay at Lighthouse Point	Disney Cruise Line
June 10, 2024	EPCOT CommuniCore Hall and Plaza	Walt Disney World Resort
July 1, 2024	Disney Vacation Club Cabins at Fort Wilderness Resort	Walt Disney World Resort
December 21, 2024	Disney Treasure (<i>Maiden Voyage</i>)	Disney Cruise Line
Late 2024	Disney Vacation Club Villas at Polynesian Village Resort	Walt Disney World Resort
2024	Tiana’s Bayou Adventure	Walt Disney World Resort (Summer) Disneyland Resort
2025	Storyliving by Disney – Cotino Welcomes First Residents	Storyliving by Disney – Cotino
Fiscal Year 2025	Disney Adventure	Disney Cruise Line
Fiscal Year 2026	Disney Destiny	Disney Cruise Line

Note: Dates provided are based on calendar year unless otherwise specified.

DTC Product Descriptions and Key Definitions

Product offerings

In the U.S., Disney+, ESPN+ and Hulu SVOD Only are each offered as a standalone service or together as part of various multi-product offerings. Hulu Live TV + SVOD includes Disney+ and ESPN+. Disney+ is available in more than 150 countries and territories outside the U.S. and Canada. In India and certain other Southeast Asian countries, the service is branded Disney+ Hotstar. In certain Latin American countries, we offer Disney+ as well as Star+, a general entertainment SVOD service, which is available on a standalone basis or together with Disney+ (Combo+). Depending on the market, our services can be purchased on our websites or through third-party platforms/apps or are available via wholesale arrangements.

Paid subscribers

Paid subscribers reflect subscribers for which we recognized subscription revenue. Subscribers cease to be a paid subscriber as of their effective cancellation date or as a result of a failed payment method. Subscribers to multi-product offerings in the U.S. are counted as a paid subscriber for each service included in the multi-product offering and subscribers to Hulu Live TV + SVOD are counted as one paid subscriber for each of the Hulu Live TV + SVOD, Disney+ and ESPN+ services. In Latin America, if a subscriber has either the standalone Disney+ or Star+ service or subscribes to Combo+, the subscriber is counted as one Disney+ paid subscriber. Subscribers include those who receive an entitlement to a service through wholesale arrangements, including those for which the service is available to each subscriber of an existing content distribution tier. When we aggregate the total number of paid subscribers across our DTC streaming services, we refer to them as paid subscriptions.

International Disney+ (excluding Disney+ Hotstar)

International Disney+ (excluding Disney+ Hotstar) includes the Disney+ service outside the U.S. and Canada and the Star+ service in Latin America.

Average Monthly Revenue Per Paid Subscriber (ARPU)

Hulu and ESPN+ average monthly revenue per paid subscriber is calculated based on the average of the monthly average paid subscribers for each month in the period. The monthly average paid subscribers is calculated as the sum of the beginning of the month and end of the month paid subscriber count, divided by two. Disney+ average monthly revenue per paid subscriber is calculated using a daily average of paid subscribers for the period. Revenue includes subscription fees, advertising (excluding revenue earned from selling advertising spots to other Company businesses) and premium and feature add-on revenue but excludes Pay-Per-View revenue. Advertising revenue generated by content on one DTC streaming service that is accessed through another DTC streaming service by subscribers to both streaming services is allocated between both streaming services. The average revenue per paid subscriber is net of discounts on offerings that carry more than one service. Revenue is allocated to each service based on the relative retail or wholesale price of each service on a standalone basis. Hulu Live TV + SVOD revenue is allocated to the SVOD services based on the wholesale price of the Hulu SVOD Only, Disney+ and ESPN+ multi-product offering. In general, wholesale arrangements have a lower average monthly revenue per paid subscriber than subscribers that we acquire directly or through third-party platforms.

Non-GAAP Financial Measures

This presentation includes historical diluted EPS excluding certain items and total segment operating income and forward-looking free cash flow, all of which are important financial measures for the Company, but are not financial measures defined by GAAP.

These measures should be reviewed in conjunction with the most comparable GAAP financial measures and are not presented as alternative measures of diluted EPS, income before income taxes, or cash provided by operations as determined in accordance with GAAP. Diluted EPS excluding certain items, total segment operating income and free cash flow as we have calculated them may not be comparable to similarly titled measures reported by other companies.

In addition, this presentation includes forward-looking diluted EPS excluding certain items. Disney is not providing the forward-looking measures for diluted EPS, which is the most directly comparable GAAP measure, or a quantitative reconciliation of the forward-looking diluted EPS excluding certain items to that most directly comparable GAAP measure. Disney is unable to predict or estimate with reasonable certainty the ultimate outcome of certain significant items required for the GAAP measure without unreasonable effort. Information about other adjusting items that is currently not available to Disney could have a potentially unpredictable and significant impact on future GAAP financial results.

Diluted EPS excluding certain items

The Company uses diluted EPS excluding (1) certain items affecting comparability of results from period to period and (2) amortization of TFCF and Hulu intangible assets, including purchase accounting step-up adjustments for released content, to facilitate the evaluation of the performance of the Company's operations exclusive of these items, and these adjustments reflect how senior management is evaluating segment performance.

The Company believes that providing diluted EPS exclusive of certain items impacting comparability is useful to investors, particularly where the impact of the excluded items is significant in relation to reported earnings and because the measure allows for comparability between periods of the operating performance of the Company's business and allows investors to evaluate the impact of these items separately.

The Company further believes that providing diluted EPS exclusive of amortization of TFCF and Hulu intangible assets associated with the acquisition in 2019 is useful to investors because the TFCF and Hulu acquisition was considerably larger than the Company's historic acquisitions with a significantly greater acquisition accounting impact.

Total segment operating income

The Company evaluates the performance of its operating segments based on segment operating income, and management uses total segment operating income as a measure of the performance of operating businesses separate from non-operating factors. The Company believes that information about total segment operating income assists investors by allowing them to evaluate changes in the operating results of the Company's portfolio of businesses separate from non-operational factors that affect net income, thus providing separate insight into both operations and other factors that affect reported results.

Free cash flow

Free cash flow is calculated as cash provided by operations less investments in parks, resorts and other property. The Company believes that information about free cash flow provides investors with an important perspective on the cash available to service debt obligations, make strategic acquisitions and investments and pay dividends and repurchase shares.

Reconciliation of Diluted EPS Excluding Certain Items for Q2

(In Millions except EPS)

The following table reconciles reported diluted EPS to diluted EPS excluding certain items for the second quarter:

(in millions except EPS)	Pre-Tax Income/Loss	Tax Benefit/ Expense ⁽¹⁾	After-Tax Income/Loss ⁽²⁾	Diluted EPS ⁽³⁾	Change vs. prior-year period
<u>Quarter Ended March 30, 2024</u>					
As reported	\$657	(\$441)	\$216	(\$0.01)	n/m
Exclude:					
Restructuring and impairment charges ⁽⁴⁾	2,052	(121)	1,931	1.06	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾	434	(101)	333	0.17	
Excluding certain items	\$3,143	(\$663)	\$2,480	\$1.21	30%
<u>Quarter Ended April 1, 2023</u>					
As reported	\$2,123	(\$635)	\$1,488	\$0.69	
Exclude:					
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾	558	(130)	428	0.23	
Restructuring and impairment charges ⁽⁴⁾	152	(35)	117	0.06	
Other income, net ⁽⁶⁾	(149)	35	(114)	(0.06)	
Excluding certain items	\$2,684	(\$765)	\$1,919	\$0.93	

(1) Tax benefit/expense is determined using the tax rate applicable to the individual item.

(2) Before noncontrolling interest share.

(3) Net of noncontrolling interest share, where applicable. Total may not equal the sum of the column due to rounding.

(4) Charges in the current quarter included impairments of goodwill (\$2,038 million). Charges in the prior-year quarter were primarily for severance.

(5) For the current quarter, intangible asset amortization was \$362 million, step-up amortization was \$69 million and amortization of intangible assets related to TFCF equity investees was \$3 million. For the prior-year quarter, intangible asset amortization was \$408 million, step-up amortization was \$147 million and amortization of intangible assets related to TFCF equity investees was \$3 million.

(6) DraftKings gain (\$149 million).

Reconciliation of Total Segment Operating Income for Q2

(In Millions)

The following table reconciles income before income taxes to total segment operating income (\$ in millions):

	Quarter Ended		Change
	March 30, 2024	April 1, 2023	
Income before income taxes	\$657	\$2,123	(69%)
Add (subtract):			
Corporate and unallocated shared expenses	391	279	(40%)
Restructuring and impairment charges	2,052	152	>(100%)
Other income, net	—	(149)	(100%)
Interest expense, net	311	322	3%
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	434	558	22 %
Total segment operating income	\$3,845	\$3,285	17 %

Reconciliation of Free Cash Flow

(In Billions)

The following table reconciles the Company's consolidated estimated forward-looking cash provided by operations to estimated forward-looking free cash flow for full year fiscal 2024 (estimated \$ in billions):

	Full year fiscal 2024
Cash provided by operations	\$14
Add (subtract):	
Investments in parks, resorts and other property	(6)
Free cash flow	\$8