

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
March 30, 2024**

Diluted earnings per share (EPS) excluding certain items (also referred to as adjusted EPS), total segment operating income, free cash flow, DTC streaming businesses operating income (loss) and Parks & Experiences operating income are not measures of performance defined by, or calculated in accordance with, generally accepted accounting principles (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, cash provided by operations, Entertainment and Sports segment operating income (loss) or Experiences segment operating income as determined in accordance with GAAP. Diluted EPS excluding certain items, total segment operating income, free cash flow, DTC streaming businesses operating income (loss), and Parks & Experiences operating income as we have calculated them may not be comparable to similarly titled measures reported by other companies.

Our definitions and calculations of diluted EPS excluding certain items, total segment operating income, free cash flow, DTC streaming businesses operating income (loss), and Parks & Experiences operating income, as well as quantitative reconciliations of each of these historical measures and the forward-looking measure of free cash flow to the most directly comparable GAAP financial measure are provided below.

The Company is not providing the forward-looking measure for diluted EPS, which is the most directly comparable GAAP measure to diluted EPS excluding certain items, or a quantitative reconciliation of forward-looking diluted EPS excluding certain items to that most directly comparable GAAP measure. The Company is unable to predict or estimate with reasonable certainty the ultimate outcome of certain significant items required for such GAAP measure without unreasonable effort. Information about other adjusting items that is currently not available to the Company 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.

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
Quarter Ended March 30, 2024					
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	<u>\$ 3,143</u>	<u>\$ (663)</u>	<u>\$ 2,480</u>	<u>\$ 1.21</u>	30 %
Quarter Ended April 1, 2023					
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	<u>\$ 2,684</u>	<u>\$ (765)</u>	<u>\$ 1,919</u>	<u>\$ 0.93</u>	

⁽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).

The following table reconciles reported diluted EPS from continuing operations to diluted EPS excluding certain items for the six-month period:

(\$ in millions except EPS)	Pre-Tax Income/ Loss	Tax Benefit/ Expense ⁽¹⁾	After-Tax Income/ Loss ⁽²⁾	Diluted EPS ⁽³⁾	Change vs. prior year
Six Months Ended March 30, 2024:					
As reported	\$ 3,528	\$ (1,161)	\$ 2,367	\$ 1.03	(26) %
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⁾	885	(206)	679	0.36	
Excluding certain items	<u>\$ 6,465</u>	<u>\$ (1,488)</u>	<u>\$ 4,977</u>	<u>\$ 2.44</u>	28 %
Six Months Ended April 1, 2023:					
As reported	\$ 3,896	\$ (1,047)	\$ 2,849	\$ 1.39	
Exclude:					
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾	1,137	(264)	873	0.47	
Restructuring and impairment charges ⁽⁴⁾	221	(43)	178	0.10	
Other income, net ⁽⁶⁾	(107)	18	(89)	(0.05)	
Excluding certain items	<u>\$ 5,147</u>	<u>\$ (1,336)</u>	<u>\$ 3,811</u>	<u>\$ 1.91</u>	

⁽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 for the current period included impairments of goodwill (\$2,038 million). Charges for the prior-year period included severance (\$125 million) and exiting our businesses in Russia (\$69 million).

⁽⁵⁾ For the current period, intangible asset amortization was \$742 million, step-up amortization was \$137 million and amortization of intangible assets related to TFCF equity investees was \$6 million. For the prior-year period, intangible asset amortization was \$825 million, step-up amortization was \$306 million and amortization of intangible assets related to TFCF equity investees was \$6 million.

⁽⁶⁾ For the prior-year period, other income, net was due to the DraftKings gain (\$79 million) and a gain on the sale of a business (\$28 million).

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.

The following table reconciles income before income taxes to total segment operating income:

(\$ in millions)	Quarter Ended			Six Months Ended		
	March 30, 2024	April 1, 2023	Change	March 30, 2024	April 1, 2023	Change
Income before income taxes	\$ 657	\$ 2,123	(69) %	\$ 3,528	\$ 3,896	(9) %
Add (subtract):						
Corporate and unallocated shared expenses	391	279	(40) %	699	559	(25) %
Restructuring and impairment charges	2,052	152	>(100) %	2,052	221	>(100) %
Other income, net	—	(149)	(100) %	—	(107)	(100) %
Interest expense, net	311	322	3 %	557	622	10 %
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	434	558	22 %	885	1,137	22 %
Total segment operating income	<u>\$ 3,845</u>	<u>\$ 3,285</u>	17 %	<u>\$ 7,721</u>	<u>\$ 6,328</u>	22 %

Free cash flow

The Company uses free cash flow (cash provided by operations less investments in parks, resorts and other property), among other measures, to evaluate the ability of its operations to generate cash that is available for purposes other than capital expenditures. Management 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 or repurchase shares.

The following table presents a summary of the Company's consolidated cash flows:

(\$ in millions)	Quarter Ended		Six Months Ended	
	March 30, 2024	April 1, 2023	March 30, 2024	April 1, 2023
Cash provided by operations	\$ 3,666	\$ 3,236	\$ 5,851	\$ 2,262
Cash used in investing activities	(1,307)	(1,249)	(2,553)	(2,541)
Cash used in financing activities	(2,818)	(83)	(10,824)	(1,126)
Impact of exchange rates on cash, cash equivalents and restricted cash	(62)	33	17	197
Change in cash, cash equivalents and restricted cash	(521)	1,937	(7,509)	(1,208)
Cash, cash equivalents and restricted cash, beginning of period	7,247	8,516	14,235	11,661
Cash, cash equivalents and restricted cash, end of period	<u>\$ 6,726</u>	<u>\$ 10,453</u>	<u>\$ 6,726</u>	<u>\$ 10,453</u>

The following table reconciles the Company's consolidated cash provided by operations to free cash flow:

(\$ in millions)	Quarter Ended			Six Months Ended		
	March 30, 2024	April 1, 2023	Change	March 30, 2024	April 1, 2023	Change
Cash provided by operations	\$ 3,666	\$ 3,236	\$ 430	\$ 5,851	\$ 2,262	\$ 3,589
Investments in parks, resorts and other property	(1,259)	(1,249)	(10)	(2,558)	(2,430)	(128)
Free cash flow	\$ 2,407	\$ 1,987	\$ 420	\$ 3,293	\$ (168)	\$ 3,461

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
Investments in parks, resorts and other property	(6)
Free cash flow	\$ 8

DTC Streaming Businesses

The Company uses combined DTC streaming businesses operating income (loss) because it believes that this measure allows investors to evaluate the performance of its portfolio of streaming businesses and track progress against the Company's goal of reaching profitability in the fourth quarter of fiscal 2024 at its combined streaming businesses.

The following tables reconcile Entertainment and Sports segment operating income (loss) to the DTC streaming businesses operating loss:

(\$ in millions)	Quarter Ended					
	March 30, 2024			April 1, 2023		
	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	\$ 752	\$ 843		\$ 959	\$ 866	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	47	(65)	\$ (18)	(587)	(72)	\$ (659)
Content Sales/Licensing and Other	(18)	—		83	—	
Segment operating income (loss)	\$ 781	\$ 778		\$ 455	\$ 794	

(\$ in millions)	Six Months Ended					
	March 30, 2024			April 1, 2023		
	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	\$ 1,988	\$ 818		\$ 2,289	\$ 771	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	(91)	(143)	\$ (234)	(1,571)	(141)	\$ (1,712)
Content Sales/Licensing and Other	(242)	—		82	—	
Segment operating income	\$ 1,655	\$ 675		\$ 800	\$ 630	

Parks & Experiences Operating Income

Parks & Experiences operating income is calculated as Experiences segment operating income less Consumer Products operating income. The Company believes that information about components of segment operating income assists investors by allowing them to evaluate changes in the operating

results of the Company's portfolio of businesses, thus providing separate insight into operations that affect reported results.

The following table reconciles Experiences segment operating income to Parks & Experiences operating income (in millions):

	Quarter Ended		Change
	Mar. 30, 2024	Apr. 1, 2023	
Experiences segment operating income	\$ 2,286	\$ 2,036	12 %
Subtract:			
Consumer Products operating income	387	361	7 %
Parks & Experiences operating income	<u>\$ 1,899</u>	<u>\$ 1,675</u>	13 %