

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
December 28, 2024**

Diluted earnings per share (EPS) excluding certain items (also referred to as adjusted EPS), total segment operating income and free cash flow 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 and 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.

Our definitions and calculations of diluted EPS excluding certain items, total segment operating income and free cash flow, as well as quantitative reconciliations of each of these measures to the most directly comparable GAAP financial measures 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 first 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 December 28, 2024 | | | | | |
| As reported | \$ 3,660 | \$ (1,016) | \$ 2,644 | \$ 1.40 | 35 % |
| Exclude: | | | | | |
| Restructuring and impairment charges ⁽⁴⁾ | 143 | 213 | 356 | 0.20 | |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾ | 397 | (93) | 304 | 0.16 | |
| Excluding certain items | <u>\$ 4,200</u> | <u>\$ (896)</u> | <u>\$ 3,304</u> | <u>\$ 1.76</u> | 44 % |
| Quarter Ended December 30, 2023 | | | | | |
| As reported | \$ 2,871 | \$ (720) | \$ 2,151 | \$ 1.04 | |
| Exclude: | | | | | |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾ | 451 | (106) | 345 | 0.18 | |
| Excluding certain items | <u>\$ 3,322</u> | <u>\$ (826)</u> | <u>\$ 2,496</u> | <u>\$ 1.22</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⁾ Amounts relate to the Star India Transaction.

⁽⁵⁾ For the current quarter, intangible asset amortization was \$327 million, step-up amortization was \$67 million and amortization of intangible assets related to a TFCF equity investee was \$3 million. For the prior-year quarter, intangible asset amortization was \$380 million, step-up amortization was \$68 million and amortization of intangible assets related to a TFCF equity investee was \$3 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 (the sum of segment operating income from all of the Company's segments) 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 | | Change |
|---|-------------------|-------------------|--------|
| | December 28, 2024 | December 30, 2023 | |
| Income before income taxes | \$ 3,660 | \$ 2,871 | 27 % |
| Add (subtract): | | | |
| Corporate and unallocated shared expenses | 460 | 308 | (49) % |
| Equity in the loss of India joint venture | 33 | — | nm |
| Restructuring and impairment charges | 143 | — | nm |
| Interest expense, net | 367 | 246 | (49) % |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs | 397 | 451 | 12 % |
| Total segment operating income | <u>\$ 5,060</u> | <u>\$ 3,876</u> | 31 % |

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 | |
|--|-------------------|-------------------|
| | December 28, 2024 | December 30, 2023 |
| Cash provided by operations | \$ 3,205 | \$ 2,185 |
| Cash used in investing activities | (2,575) | (1,246) |
| Cash used in financing activities | (997) | (8,006) |
| Impact of exchange rates on cash, cash equivalents and restricted cash | (153) | 79 |
| Change in cash, cash equivalents and restricted cash | (520) | (6,988) |
| Cash, cash equivalents and restricted cash, beginning of period | 6,102 | 14,235 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 5,582</u> | <u>\$ 7,247</u> |

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

| (\$ in millions) | Quarter Ended | | Change |
|--|----------------------|----------------------|----------|
| | December 28, 2024 | December 30, 2023 | |
| Cash provided by operations | \$ 3,205 | \$ 2,185 | \$ 1,020 |
| Investments in parks, resorts and other property | (2,466) | (1,299) | (1,167) |
| Free cash flow | \$ 739 | \$ 886 | \$ (147) |