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Disney Speaker:

Josh D'Amaro

Chairman, Disney Experiences

PRESENTATION

Voice Over

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Michael Nathanson – *MoffettNathanson*

Josh, thank you so much for being here. We're so excited to have you.

Josh D’Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Great to be here.

Michael Nathanson – *MoffettNathanson*

You made some big news last week when – with you and Bob announcing Disney's seventh Park in Abu Dhabi. There's lots of excitement for the growth opportunity for Disney over the next decade and tapping into a new region of the world. How’d you reach the decision to lead creative design and operational oversight while your partners will be making the investment to develop and build the park?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

So this is obviously an incredible, incredibly exciting announcement for me, for The Walt Disney Company. Maybe I'll start with Abu Dhabi in general and I'll come specifically to your question.

Disneyland will be 70 years old in just a couple of months. Our first park opened on July 17, 1955. And since then, we've built six different resort destinations around the world. So, it's a big announcement. Once every decade, essentially, we're talking about something like this. And so, when we were thinking about where we wanted to be in the world, we knew that there was demand for Disney product around the world.

I've said this publicly before, for every one theme park visitor that we have in our existing experiences today, we believe there are ten more out there that want to come and participate in a Disney experience, they just haven't had an opportunity to do so.

So, as we looked around the world, we looked at the Middle East and UAE specifically and ended up in Abu Dhabi. The numbers are incredible in Abu Dhabi. So, if you look at a four-hour flight radius into Abu Dhabi, a third of the world's population is there. It's a pretty significant number.

If you look at the number of passengers that are coming into Abu Dhabi or Dubai, 120 million passengers a year. So, this is a crossroads for the world essentially. And then of course, we assess the potential for Disney in that market specifically, and we think that there are half a billion consumers that have the right Disney affinity and income to visit one of these theme parks. So, the numbers were clear. This is a part of the region – part of the world that we wanted to be operating in.

A few months back, Bob and I visited Abu Dhabi. We wanted to get our feet on the ground and see specifically what was going on there. And we left incredibly impressed with what we saw. This is a city that's relatively young. It celebrates its culture and heritage but has a really compelling vision for where it's going in the future, particularly from a tourism point-of-view.

The designs and infrastructures are elegant and sophisticated and very tech-forward. And we knew after that trip, again, this is a place that matches Disney and a place that we wanted to be.

We also spent a lot of time with Miral Group, to your point. And this is a group who has proven themselves to be very effective in building tourism assets. They have high ambitions like we do. They operate with a high level of expertise, and we knew this is the partner that we wanted to work with.

And so, the arrangement here is we control all of the creative, all of the design elements, as we do with all of our experiences around the world. We leverage all of our operating expertise from around the world, and then Miral fully funds the project.

They will build the project and ultimately operate the project with a significant amount of oversight from us. So, we think this was the right place, the right partner, and the right time for this new theme park.

Michael Nathanson – *MoffettNathanson*

And in terms of this model, is this a new way to think about how you may be looking forward – to the licensing and what the plans are?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

I don't think that this model is necessarily a predictor of how we'll do it in the future. If you look around the world today, we have a variety of models that match the market, the partnership opportunities, and the specific timing of the park and how we're thinking about capital allocation.

Our domestic theme parks are vertical. Disneyland Paris is now a vertically operated park. Our two Chinese parks are partnerships, and in Japan we have a licensing deal with the Oriental Land Company. So, it really depends on the specific situation. And for Abu Dhabi, specifically given how strong we thought Miral was and what our investment portfolio looks like right at this time, we think that's the right model for this market.

Robert Fishman – *MoffettNathanson*

So, Josh, just maybe expanding upon that, just if you can talk about how opening a new park helps expand Disney's premium IP: the brands, all the businesses in the different parts of the world. Maybe if you can talk about any success stories from other international parks that you just talked about, how does that demonstrate the Disney flywheel effect?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

So, our experiences are incredibly powerful. So, bringing stories to life through attractions and entertainment, and doing so in a way that can pull consumers into these stories that they love. It's incredibly powerful, and when done at-scale, which we do in our theme parks, it essentially creates brand ambassadors that then utilize the full array of businesses that we have in The Walt Disney Company.

We have somewhere around 120 million guests on average every year coming through these theme parks. So anytime we plant the Disney flag, so to speak, in an international market, it has a very powerful effect on the company. That's happened in Shanghai. We opened in Shanghai in 2016. We saw an immediate impact, positive impact on the brand, as well as an incredibly powerful business. And we know the same thing will happen with Abu Dhabi.

Michael Nathanson – *MoffettNathanson*

And on that point, we're living in an increasingly screen-first world, more virtual realities than we've had in the past. How important is the live experience of what the Parks offers to the entire Disney flywheel and consumer connectivity to Disney?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

It's a good question. I'll step-back and kind of talk about this broadly for a moment. You talked about screen time. We're incredibly fortunate in Disney in that we have an array of businesses that accommodates different experience types. Somebody wants to watch something on Disney+, that's great for us. Watch something on Disney+. Somebody wants to go visit a theme park, that's great for us as well.

And this notion goes back to the early 1950s as Walt was just starting to think about the Disneyland Park. Some of you may have seen this before. He drew a diagram that had stories and content in the middle, which is still core to who we are today. And outside of that circle, he started to draw all the businesses, all the additional touch points that we can engage with consumers in terms of those stories. Merchandise, theme parks, music, television, et cetera. And that idea, that ecosystem, the flywheel that you call it, is more powerful today than it was even back in the 50s.

And in terms of your specific question, what does it – what do the theme parks mean in that ecosystem? They're very powerful. So, when the Studios group has a movie that is successful and powerful, our ability to take that into the market that we're operating it in and pull people into the story and in fact extend the story, this again – it creates stickiness to the brand, and it makes that flywheel spin even faster.

Of course, not only do we create great experiences that our fans respond to very well, but the model works incredibly well for The Walt Disney Company. I think you know it's a significant contributor from an operating income perspective to the whole company and it helps us then think about new businesses that we might want to enter into.

Robert Fishman – *MoffettNathanson*

So, I'm just kind of building upon that a little bit more. So, all of the creative people that you oversee, I think the broader team is 185,000 cast members. Clearly, the company is very focused on turbocharging this business as a creative engine for the overall company that you just hit on. So, when you think about Parks within that lens, how does it – how does parks become more about the – given that Parks are more about the lands and storytelling nature – I'm trying to go a little bit bigger here – how do you tap into Disney's creativity to drive that innovation and develop within your overall portfolio?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

I think you're talking probably about the imagineering group specifically.

Robert Fishman – *MoffettNathanson*

Exactly.

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

So, we have 3,000 imagineers around the world and this is essentially the creative heartbeat of our Company. These are the folks that are thinking ambitiously about how to create that next experience, how to raise the bar on immersive storytelling.

As we sit here today, we have more projects underway than we ever have in the history of Disney Experiences or The Walt Disney Company. And that means that our creatives are incredibly hard at work to deliver all of these new projects. Like Abu Dhabi, like all the work that's going on at Walt Disney World, and again around the world.

I'm incredibly lucky that this is part of my organization. So a few times each week, I'm with the imagineers reviewing all of the creative, making sure we are actually pushing the bar, being ambitious in our planning and creative deployment. And we just continue to get stronger on that front, bringing in new talent all of the time to make sure that we're always cutting edge.

One of the things that's working really well for us right now at Disney is the interaction and the relationship back to the studios. Alan Bergman, who runs our studios, is doing a phenomenal job, and he and I are hip-to-hip. As he's thinking about the next franchise that he wants to birth or the next movie that's coming out, he's pulling the imagineers in very, very early and that allows us to, in some cases, influence the story, and at a minimum to start thinking about how we're going to build these immersive new worlds. So much so now that when a film hits the screens, we're doing something in the park immediately to showcase that story and bring it to life in physical form.

Robert Fishman – *MoffettNathanson*

So, just maybe building upon that and getting into some specifics. In September '23, you guys announced the 10-year roadmap of $60 billion of investment globally for new attractions: the lands, the hotels and the ships we'll get to in a second.

And you just mentioned that more projects, right now than ever before. So, maybe just talk a little bit more in detail about some of these growth initiatives in place that are set to build upon the monetization and the creative engine that is working much better now.

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Well, on that last point, much better now, Alan Bergman and the Studios team are doing an incredible job. I just had a chance to see *Thunderbolts**. I hope you've had a chance to see that as well. *Moana 2*, *Deadpool & Wolverine*, I mean it's hit after hit after hit, and the slate going forward is phenomenal and incredibly strong. So that obviously is helpful to us.

As the Studio creates more powerful IP, we bring that in, and we tell those stories in physical form around the world. So let me step back a little bit. I'll answer your question on what those growth initiatives are specifically.

Two and a half years ago or so, Bob Iger returned to the Company. And I had a meeting with him on basically the first day that he was back, and I went up to his office with a big binder. And inside of that binder was an update on every aspect of the business that we run. And we flipped through the binder, and we didn't get through everything. The next day he comes down to my office, he had read the whole thing. I mean, it was like 250 pages in this binder, and he pulled out one page specifically that articulated two things.

Number one, we have plenty of room to grow this business. We've got land in all of our locations around the world that we can continue to utilize to increase capacity at those theme parks. We've only scratched the surface in terms of the stories that we're telling. We haven't told the story of Coco, for example. We haven't done anything with Wakanda. I said there's so much more that we can do on that front. And we know that there are consumers out there today that want to become guests. We just haven't had an opportunity to put a location, an attraction in place that can accommodate them. So, we've got the space, we've got the stories, we've got the fans.

In addition to that, what it said on that page that he pulled out, was that if you look back 10 years, and you look at the return on invested capital, the curve essentially looks like this. And we have figured out a way to pull stories in, tell them in immersive ways, have guests respond and have the business respond. He saw those two things and that's where he said, “Josh, we've got to turbocharge this business.”

And over the last two and a half years or so, you all have seen – our fans and consumers have certainly seen – what we mean by that. We're investing on land, across all of our experiences around the world. We're certainly investing at sea. I hope we get a chance to talk about Cruise. We're doubling the size of our fleet in Disney Cruise Line. And we're even investing online. We put a substantial amount of money into Epic Games, which we believe will be a storytelling platform for us in the future. So, we have very ambitious plans in place for the future.

Michael Nathanson – *MoffettNathanson*

The way your Parks – it’s interesting because you guys control your destiny – you have direct contact with your clients, and in many of the other businesses you don't. And Disney’s always – and Bob has always talked about the fact that you know your clients, you have direct connections with them, and it’s a role model for other parts of Disney's future ambitions.

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

And one of the ways that we've done that is by leaning into technology very aggressively. All of our businesses do that. I mean, you see it on Direct-to-Consumer, you see it when Jimmy was announcing recently on ESPN. And certainly, on the Experiences side of the business, we've leaned in heavily to tech, which leads to then first party consumer information.

Coming out of COVID, specifically, we had an opportunity when the theme parks shut down to really be thoughtful about how we wanted to reopen and how we could use technology in a more progressive way to create a better guest experience and to run a better business.

And we've done it across the board from how we think about pricing, to how we think about controlling attendance inside of our parks through things like reservation systems and date-based ticketing. And how we think about it through apps that allow our guests to take in our experiences in a way that makes sense for them.

Let me dwell on that for a moment, if I could. We have an app called Disney Genie that is adopted by almost all of the guests that come into our theme park today. And essentially what this product does, is it asks you what you're interested in. Do you want to see princesses? Do you want to go on thrill rides? Maybe you want to have Mexican food. Which kind of entertainment do you want to see? And then it comes back to you, and it says, "Michael, this is the path that you should take at the Magic Kingdom today." It prioritizes the attractions, and the shows, and the meals in such a way that makes sure your experience is optimized.

What that information also allows us to do, though, is understand where everybody in the park is and sequence their visits in a way that allows every single asset in our park to be utilized most efficiently. Consumers get what they want. We're able to deploy labor in the most effective way that we possibly can. And the situation works incredibly well for us.

So, all this consumer data that's coming in is then allowing us to be very thoughtful about how we deploy capital, about the next IP that we want to use in our theme parks, about what guests are looking for, but may not be getting. Incredibly powerful.

One step back, as we start to link up all of this first-party data that we have with the first-party data that's coming from Direct-to-Consumer, from Jimmy's organization at ESPN, we can now start to think about the consumer from a 365 perspective: the lifetime value of a guest. Make sure we're serving up the right information at the right time, giving them a great experience and maximizing value for The Walt Disney Company.

Robert Fishman – *MoffettNathanson*

So, I'm curious, maybe putting some of those points together, and you mentioned the strong returns looking backwards over the past 10 years. I think the ROIC has increased by 3x. So, when you take all of that technology and think about the investments of what's coming, can you help us think about how the returns that you can generate going forward can be in the same ballpark?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

You're right, the return on invested capital[1] has been 3x over the period that you talked about. This is one of the reasons that we said we want to turbocharge the business. We have a good understanding of what it takes to drive those kinds of results, and you'll see that perpetuated in the investments that we're making in the long term.

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[1] Return on invested capital is a non-GAAP financial measure. The most comparable GAAP measure is operating income. See the Company's investor relations website for how we define and calculate this measure and a quantitative reconciliation thereof to the most directly comparable GAAP measure for the period discussed above (FY 2009 to FY2023).

One thing that's really important that I want this group to understand is when we talk about turbocharging the business and deploying capital at the rate that we've suggested we are, we break those investments down into small pieces and parts.

So, every dollar that is deployed, if it's on an attraction, a food and beverage location, a new show, there is a specific pro-forma that is developed for that experience, and everything needs to pass a threshold from a return point of view.

I certainly wouldn't advocate putting money into an experience that's not going to have direct return associated with it, nor would Bob and certainly Hugh wouldn't either. So, as we think about these investments, we have a high degree of confidence that when we start to build, that the returns will come at the rates that you all expect of us, and we expect of ourselves.

Robert Fishman – *MoffettNathanson*

We're going to get into macro in one second. But before we even go there, over the past year there has been lots of investor attention on Universal's opening of Epic Universe. So now that the official opening is very near, just curious if you can share your thoughts about how this might impact Walt Disney World in Orlando, both in the near-term and maybe just thinking about longer-term what this means for the overall market?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Great. I was thinking and hoping you were going to ask this question. And I'll tell you, it's –

Michael Nathanson – *MoffettNathanson*

And he's been there too.

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Yes, and you've been there. It's nice to be sitting here after our Q2 earnings call, so I can be a little bit more explicit with all of you. But before I go into that level of detail from a performance standpoint, one of the things that I think it's important for this audience to understand is our investment thesis, our investment strategy, across all of our experiences and particularly Walt Disney World.

If we just go back five or ten years and you think about what's happened at Walt Disney World, we've always been on the offensive. You'll never find us in a defensive position. I could just take a walk around the parks and tell you what's happened. Magic Kingdom, for example, a TRON Roller Coaster, which I hope some of you have had a chance to experience. You go to Animal Kingdom, we opened the World of Pandora with arguably one of our coolest attractions, Flights of Passage. Disney Hollywood Studios, we built a massive new land-based on Star Wars, which is incredibly popular. And then even at Epcot, it's totally transformed with a new attraction there called Guardians of the Galaxy, which is now one of our top attractions literally around the world.

My point is that we're constantly investing for the long-term, fortifying each one of our theme parks to make sure that our destination stays together as a whole, and that's worked incredibly well for us. What that all means is if something is built new in Central Florida, like Epic Universe, and if it brings in additional tourists, I can almost guarantee you that new tourist coming into the market is going to have to visit the Magic Kingdom. They got to go on Tron. They're not going to miss Star Wars at Hollywood Studios. They're absolutely getting on Guardians of the Galaxy, and Epcot, and I am going to get on that Flight of Passage attraction. And so that four-park ecosystem holds together very well. And again, we're very clear on what we're trying to do here.

So now we talk about the Q2 earnings, you saw the results. They were phenomenal for Q2, and Hugh talked about the forward bookings in Q3 and Q4 being very strong. So, our strategy is working.

One of the things that gets discussed quite a bit in groups like this is how you think about cannibalization. Well, if something new is going to be built, then something must be cannibalized. Based on our results, based on the forward bookings, that cannibalization is not coming from us.

And so again, we have a very solid strategy in place, always on the offensive. And as our investment plan – as you see our investment plan in the future, you'll notice that will continue.

Michael Nathanson – *MoffettNathanson*

Can you talk about macro for a second because you're right, the earnings and the forward bookings really help dispel worries we all had about the macro and what was happening. But can you talk a bit, if you haven't seen any weakness to date, is there anything that you're doing now to get ahead of any potential weakening of the consumer given where consumer confidence is? So, what are you doing forward – actions to pretty much potentially mitigate any softening that could happen?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Let me dwell on the positive just for one more moment if I can. The results in Q2 were pretty phenomenal, as I said. If you look at Domestic Parks and Experiences, 13% OI growth year-over-year. Consumer Products, 14% growth in OI year-over- year. And then again, the forward bookings, particularly in Florida where we can see how the consumer is responding and if there are any changes in trajectory, very strong as well. So we feel good where we stand.

That said, we're always looking for indications in the market of fluctuations or change. We do this all of the time. We are so much more sophisticated now than we were a year ago, five years ago, certainly ten years ago in terms of our commercial capabilities and our operational capabilities. We are able to sense changes in consumer behavior very, very early.

Part of this is based on the fact that we have date-based tickets in-place, a lot of hotel inventory. So we can see early if there is an issue there. We're much more sophisticated in our pricing and promotional models, so we can dial promotions up and down when we need to against specific segments if we're sensing the need to do that.

And then operationally, because we have this foresight, because we can see what's happening with the market, we're able to focus on the middle of the P&L and manage costs in much more granular detail than we've ever been able to do before.

So, the answer to your question is, we're watching all of the time and we're preparing all of the time. The way I think about it now is we have a dashboard with so many buttons and knobs that we're constantly fine tuning to react to what we're seeing in a broader macro marketplace.

Michael Nathanson – *MoffettNathanson*

Just a quick follow-up, you mentioned on the cost structure; any impact from tariffs or any trade pressures on the cost structure that you're seeing right now?

Josh D’Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Yeah. I think like any big company that has a global supply chain, we anticipate there's some impacts, but we're monitoring this closely and I've got a great team looking at that.

Robert Fishman – *MoffettNathanson*

Josh, so there's been lots of discussion around the accessibility of a Disney vacation for the average family in America. Can you share your thoughts on pricing at the parks and any new strategies to make family visits more affordable, especially given the current macro backdrop?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

So, I'll start with something that I think about every single day and that is how do we create experiences, and pricing structures, and optionality to invite as many families as possible into these experiences. I grew up with these experiences, they're important to me, and that's kind of my mission is to invite as many as I can.

When we think about this subject of pricing and value, the first place that I start is value. What is it that we're actually offering the guests? And you have to stop and think about the product that we're talking about here. This is Disney, right? So, there are very few places in the world where you can have a 10, 12, 16-hour experience, have the best stories that have ever been told on full display in front of you. Attractions that will blow your mind, Broadway-style entertainment, an array of food that's spectacular. You can meet all of your favorite characters in person, and you can go home after a beautiful fireworks show at night. There's literally nothing like it in the world.

And we're always making sure that we are delivering value to every single guest that comes into one of our experiences or theme parks. And we know that we are because that's what they tell us. We measure a lot of things. I can tell you what every guest leaving one of our theme parks is feeling. And so, we feel very good about the value that we deliver in all of our experiences around the world.

On a more tactical level, the way that we think about pricing and the offerings that we have is I want to have as much flexibility as I possibly can. I want the consumer to be able to choose when they come, how they take in these experiences, where they stay, where they eat.

As an example, you can still go to Disneyland today for $104, which is the same price it was in 2018 or 2019. You can still stay in a value hotel at Walt Disney World, which is very affordable. Of course, there's a suite you could go stay at if you choose. But what I'm trying to do is give as much flexibility, as much optionality as I can to our guests.

Now, of course, costs are increasing. We all know that, and I have a responsibility to the Disney Company and to our investors to make sure that we're very thoughtful about those costs. But we keep the same frame in mind: deliver great value, think about pricing and promotion strategies that allow that level of flexibility for our guests to decide when to come and what to experience. And I think we're doing a really nice job of that.

Robert Fishman – *MoffettNathanson*

So maybe just a quick follow-up there. When you think about the balance, right, the goal to keep crowds limited, wait times lower, but keep that guest experience as high as possible. How does pricing play into that?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Well, I'll start with the fact that we are watching very closely what our guests are telling us. I can tell you on any day of the year at a specific attraction at the beginning of the day, at the end-of the day, what a guest is telling us based on their experience.

What that means then is we can define thresholds inside of the theme park that tell us what the attendance levels should be, what the ride per-cap – the number of rides that our guests are getting on – can be at those attendance levels. And when guests leave the park, are they going to still be advocates? Are they going to go out and say they want to come back again? Will their intent to return be high. So, we're watching all of that very closely.

One of the things that I think we've done very well through our pricing strategies is we've taken seasonality – which used to look like a heart rate monitor – and we've flattened that out. So, in periods of lower demand, we've offered more flexible pricing to, again, invite those families in and fill the demand up. And in periods where we have an incredible amount of demand coming at one specific day, we obviously use pricing levers to maximize the value for that day and also control crowding.

Michael Nathanson – *MoffettNathanson*

You teased us earlier about cruises, and ships, and your plans. So, Disney Cruise Lines is experiencing enormous growth. You are going to double the number of ships to 13 in time. So how should investors be thinking about the financial benefits as the new ships ramp-up, including, you have two – *Destiny* and *Adventure* – and what gives you confidence that the growth in your cruise business is sustainable?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

I'm incredibly excited about the cruise space. This goes back to 1998, when – before Disney was involved in the cruise space, it was not really a family vacation type. This was for a little bit older clientele. And we came in and we knew that if we took our stories, our intellectual property, if we operated these cruise ships like a theme park – the same level of guest service that we've developed over all these years of operating theme parks – and we built elegant ships that were incredibly fun, that we could create a new space for us in the cruise industry. And in fact, that's what happened.

These ships now are amongst the highest-rated experiences that we deliver. The experiences are magnificent. The demand against the ships is very high, which means there is a following rate associated with that. And the repeat level and the ecosystem impact from the cruise ships is pretty phenomenal, which is why we went from those two ships back in 1998 to now 6 ships that are in the water, Michael, with two more coming as you as you just mentioned. These ships have double-digit rates of return, and we expect that that will continue.

The other thing that we've realized with the cruise ships is they are the best ambassadors for our brand that you can possibly think of. When we take one of our ships to a new port, there's an immediate reaction – an elevation of the brand – and access to these experiences that we're able to deploy physically in many places.

I'll give you just an example of that. The *Disney Adventure*, which will be our largest ship, it will launch at the end of the year, it will be sailing out of Singapore. We put that ship on sale and within a day and a half, three months of inventory, completely gone.

So, this is a testament to the fact that the Disney brand is strong, that this cruise business works exceptionally well for us. So, I think our investors should have high expectations of us. We have those expectations of ourselves, and I'm very confident in what we're able to deliver here.

One more note on the cruise space. Doubling your fleet, it sounds like a big deal, and it is for us. But if you look at it in the context of the cruise industry, we're still only going to be single-digit market-share. So, we have plenty of opportunity, I believe, even beyond where we are now.

Robert Fishman – *MoffettNathanson*

Awesome. So, let's go more global on the cruise ship idea. So, you have a more balanced global portfolio today. We talked about at the beginning the six locations around the world before Abu Dhabi, and you've already announced significant international investments as well.

So maybe just kind of bigger picture, how would you characterize the success of your international parks to date? And maybe even talking about Disneyland Paris, you acquired full ownership. So, help us think about how international fits into the overall portfolio?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

First, it's been great to diversify our portfolio from domestic parks to an international footprint. And all of our theme parks have performed exceptionally well. And the more we deploy experiences internationally, the better that we get at it. We know there's a brand elevation impact, and we know that there's a return – healthy return associated with these international parks.

Shanghai Disney Resort is a great example of this, by the way. So, after 50 years or so of experience running theme parks, we had an opportunity to build our newest theme park in Shanghai and it incorporates all of those learnings from each of the theme parks that we had operated before. So, the makeup of the park, the way the guests flow through the park, the way that we've laid out the attractions and the shows are all optimized. It is kind of the next generation theme park when we built it.

And you see the reaction from the fans and the way that they're using the park, and you see the reaction from a volume and revenue standpoint as well. So, we're feeling very good about our international portfolio. In fact, 2024, record operating income for our international parks. So, we're bullish on continuing to invest in these assets. And I think Abu Dhabi is obviously an addition there.

Michael Nathanson – *MoffettNathanson*

Awesome. Okay, so put this in perspective, you joined Disney over 26 years ago. And you've been through various creative and economic cycles, plus a pandemic to boot, right? So how have you maintained focus and aligned your business with leadership across the company through all these various periods, right? So, talk about how you've approached connecting to the mothership during all these different types of cycles.

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

It will actually be 27 years in July at the Disney Company, and it feels like it went by in a moment because I've had an opportunity over those 27 years to be in different parts of the world, to be in different disciplines, different segments within Disney.

And I think I've been very fortunate in that regard to have had an opportunity to connect with and meet a lot of our executives and understand the different businesses, which makes it a bit easier to navigate and keep connected with the rest of the company so that we can generate the experiences that we're generating and the returns ultimately that we're generating.

I think I'll start by answering that question in the sense that I'm so proud to work for The Walt Disney Company. I don't think there are – there is any other company like The Walt Disney Company in terms of the intellectual property that we have, the way that we tell stories, the collection of businesses that we have. And it means something to people around the world, and that's important because I think our north star, the vision that we have, the mission that we have at The Walt Disney Company is always long-term in nature.

And so, when you come across a pandemic or you come across an economic cycle that challenges the business, we have always kept our eyes on that north star. Kept investing from a theme park and cruise perspective, kept in tune with the consumer and where they're heading and pivoting the businesses where we need to pivot the businesses. And again, I don't think that there are a lot of companies that have been around for 100 years that are able to be as resilient, and flexible, and long-term focused as we have been. And I'm proud to be a part of that.

I think in terms of what I'm excited about, listen, the last two and a half years or so at the company, we’ve made a lot of progress. When Bob got back, he outlined four very clear priorities for his team to follow: let's get streaming where it needs to be, let's bring ESPN into the digital age, let's make great movies, and let's turbocharge this Disney Experiences business.

The progress against each one of those tracks is phenomenal, I think. I think all of us at Disney are very proud of where we stand as a company. I think we're bullish on the future. And I think it positions us incredibly well for the future as consumers continue to change in terms of how they're consuming content and what types of experiences they're looking for. I think, like I said, we're on solid ground and we've demonstrated our ability to flex and move and set ourselves up well for the future. And I just feel lucky to be a part of that.

Robert Fishman – *MoffettNathanson*

That's awesome. This is probably a tough question because I'm sure you can't pick your favorite child, but with so much going on with the parks around the world and all the different investments, like just the follow-up question would be, what are you most excited about given all the different growth initiatives within the parks?

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

That is an unfair question. We probably have an imagineer or two who is listening or one of our presidents of the theme parks. I can't pick one. I mean, there's just so much good happening around the world. You have the biggest expansion ever that's taking place at the Magic Kingdom. Disneyland has a DisneylandForward initiative, so expanding the footprint of what we can build at Disneyland. All of our international parks are undergoing massive expansion.

I will be heading out right after this trip to Germany to check out our two new ships, which will be hitting the seas at the end of this year. I'm excited about where we're heading from a digital perspective. I think our relationship with Epic Games continues to strengthen and give us more ambition for pushing into this space. So, there is so much to be excited about. I'm not going to pick one because I'd get myself in trouble.

Michael Nathanson – *MoffettNathanson*

Josh, thanks for being here.

Josh D'Amaro – *Chairman, Disney Experiences, The Walt Disney Company*

Thanks for having me. It's great to be here.

Robert Fishman – *MoffettNathanson*

Thank you.

Forward-Looking Statements

Certain statements in this discussion may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our expectations, beliefs, plans, goals, financial prospects, trends, outlook or guidance and drivers; business plans, priorities and opportunities; future capital expenditures, investments and opportunities for expansion; timing, availability, nature and expected benefits of our offerings and new initiatives; the completion of projects in development, including features, offerings and expected resulting benefits; consumer sentiment, behavior or demand; value of our intellectual property, content offerings, businesses and assets, including franchises and brands; 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 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;
- deterioration in domestic and global economic conditions or a failure of conditions to improve as anticipated;
- deterioration 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 direct-to-consumer services and linear networks;
- health concerns and their impact on our businesses and productions;
- international, including tariffs and other trade policies, 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;
- taxation; 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 most recent Annual Report on Form 10-K, 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 discussion to refer collectively to the parent company and the subsidiaries through which our various businesses are actually conducted.