



Q3 FY25 Earnings –
Prepared Management Commentary
August 6, 2025

Please view these remarks in conjunction with our Q3 FY 2025 earnings release and Form 10-Q that can be found on our website at <https://thewaltdisneycompany.com/investor-relations/>

We also invite you to listen to today's call session with Bob Iger (Chief Executive Officer) and Hugh Johnston (Sr. Executive Vice President and Chief Financial Officer) at 8:30 am Eastern Time. The webcast will be available at <https://thewaltdisneycompany.com/disneys-q3-fy25-earnings-results-webcast/>

FORWARD-LOOKING STATEMENTS

Certain statements in these remarks 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, and cash position) and expected drivers; business plans and opportunities, including transactions for which conditions to close have not been satisfied, including entering into definitive agreements, regulatory or other approvals, or other conditions; content, benefits, timing, pricing, or completion of future projects and product offerings; capital expenditures and investments, including opportunities for growth and expansion; plans, expectations or drivers, as applicable, for direct-to-consumer profitability, subscribers, growth, churn, product acceptance, and enhancements and changes to subscription offerings; anticipated demand, timing, pricing, availability, or nature of our offerings (including experiences and business openings, content within our products and services and content releases and distribution channel); consumer and advertiser sentiment, behavior, or demand; strategies and strategic priorities and opportunities; expected benefits of new initiatives; value of our intellectual property, content offerings, businesses, and assets; estimates of the financial impact of certain items, events, or circumstances; 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. The Company 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;
- 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 DTC 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 these remarks to refer collectively to the parent company and the subsidiaries through which our various businesses are actually conducted.

Q3 FY25 EARNINGS COMMENTARY

We are pleased with our continued creative success and financial performance in the quarter, with adjusted EPS¹ up 16% from the prior year. At a time of great change for our industry when a number of companies are contracting, we are operating from a position of strength and building across our company with a continued focus on quality and innovation, leveraging our integrated businesses to create value in a way that is unique to Disney.

- We are building on the creative success at our film studios, resulting in the continued emergence of popular new franchises at a level that is unparalleled in the industry.
- We are building on Disney's value proposition in streaming by combining Hulu into Disney+ to create a unified app experience featuring branded and general entertainment, news, and sports that will be a one-of-a-kind entertainment destination for subscribers.
- We are building ESPN into the preeminent digital sports platform with the launch of our highly anticipated Direct-to-Consumer sports offering on August 21. Our just-announced plans with the NFL would, upon closing, expand ESPN's programming and content offerings for sports fans. And today we announced that ESPN will be the exclusive home for WWE Premium Live Events.
- We are building on our best-in-class parks and experiences businesses, with more expansions underway around the world than at any other time in our history.

These efforts reinforce that Disney is an entertainment company like no other with a robust portfolio of growth businesses that are seamlessly integrated, supported by a deep library of beloved IP, and enabled with cutting-edge technology.

FILM & TELEVISION

Our renewed momentum at our film studios continued in Q3, growing our popular brands and franchises and further demonstrating their ability to generate ongoing, long-term value across our businesses. The Walt Disney Studios' live-action *Lilo & Stitch* recently crossed the \$1 billion mark at the worldwide box office, making it Hollywood's first film to reach that milestone this year. *Lilo & Stitch* joins global hits *Moana 2*, *Deadpool & Wolverine*, and *Inside Out 2* to become Disney's fourth billion-dollar-film in just over a year.

Lilo & Stitch's success has fueled viewership of the original 2002 animated film and related content on Disney+, with more than 640 million hours streamed globally, and a sequel to the live-action film is already in development. Meanwhile, *Lilo & Stitch* is on track to become the company's second-largest licensed merchandise franchise this year behind only Mickey Mouse, with more than 70% revenue growth compared to last year. *Stitch* has also been deployed across our parks and experiences worldwide as we leverage the popularity of this global phenomenon.

Meanwhile, Marvel's *The Fantastic Four: First Steps* opened to rave reviews two weeks ago, successfully launching this important franchise into the Marvel Cinematic Universe. And later in the calendar year, we will release the highly anticipated *Zootopia 2* and *Avatar: Fire and Ash*. In 2026, we are looking forward to

¹ Diluted EPS excluding certain items (also referred to as adjusted EPS) is a non-GAAP financial measure. The most comparable GAAP measure is diluted earnings per share ("EPS"). See the discussion on pages 9 through 10 for how we define and calculate this measure and a quantitative reconciliation thereof to the most directly comparable GAAP measure.

bringing audiences Lucasfilm's *Star Wars: The Mandalorian and Grogu*, Pixar's *Toy Story 5*, a live-action *Moana*, and Marvel's *Avengers: Doomsday*, among other exciting new originals and sequels.

Our branded and general entertainment content demonstrated strong performance across streaming and linear. Disney is responsible for four of the top five streaming programs in the U.S. for the first half of the calendar year, including *Bluey*, *Grey's Anatomy*, *Family Guy*, and *Bob's Burgers*.² We earned 137 Emmy nominations last month across 50 titles — a testament to the strength and breadth of our portfolio. Leading the way was Lucasfilm's *Andor* with 14 nominations, and we're proud to have five of the eight shows nominated for Outstanding Comedy Series. Disney also remains a leader in children's and family programming. We continue to serve this audience with the three most streamed shows for preschoolers: *Bluey*, *Spidey and His Amazing Friends*, and *Mickey Mouse Clubhouse*.³

STREAMING

Our streaming business continued to deliver strong results in Q3, with growth in Entertainment Direct-to-Consumer profitability, demonstrating the progress we are making to increase our streaming margins and build this business into a core growth driver for the company.

Today we are announcing a major step forward in strengthening our streaming offering by fully integrating Hulu into Disney+. This will create an impressive package of entertainment, pairing the highest-caliber brands and franchises, great general entertainment, family programming, news, and industry-leading live sports content in a single app. By creating a truly differentiated streaming offering, we will be providing subscribers tremendous choice, convenience, quality, and enhanced personalization. This will enhance our ability to continue to grow profitability and margins in our entertainment streaming business through expected higher engagement, lower churn, and advertising revenue potential, as well as operational efficiencies that over time may result in savings that we can reinvest back into the business.

Hulu will also become a global general entertainment brand, and in the fall, it will replace the Star tile on Disney+ internationally. Work is already underway to continue enhancing our technology, and over the coming months, we will be implementing numerous improvements within the Disney+ app, including exciting new features and a more personalized homepage. All of this work will culminate with the unified Disney+ and Hulu streaming app experience that will be available to consumers next year.

SPORTS

On August 21, we will launch ESPN's long-awaited Direct-to-Consumer offering, with ESPN's full suite of networks and services made directly available to fans for the first time. At launch, we will introduce an enhanced ESPN App on mobile and connected TV devices, which will boost the fan experience and reinforce ESPN's position as the preeminent digital sports platform. Key new features planned for launch include multi-view, enhanced personalization, integration of stats, betting, fantasy sports and commerce, and a personalized SportsCenter, and we will continue to innovate post-launch.

² According to Nielsen rankings: <https://www.nielsen.com/news-center/2025/bluey-and-squid-game-top-nielsens-streaming-charts-in-first-half-of-2025/>

³ <https://kidscreen.com/2025/05/30/disney-jr-shows-dominate-preschool-streaming-in-the-us/>

We are committed to offering sports fans tremendous choice, convenience, and quality. Fans with subscriptions to a Disney+, Hulu, and ESPN bundle will be able to watch ESPN content within Disney+,⁴ while ESPN will continue to be available through traditional MVPDs and DMVPDs, and all ESPN App users will have access to enhanced App features. The unlimited package will cost \$29.99/month and the select option will cost \$11.99/month, with a special offer at launch for \$29.99/month for the first 12 months for subscribers who bundle the ESPN unlimited plan with Disney+ and Hulu.

In addition, yesterday ESPN and the NFL announced a non-binding agreement under which ESPN will acquire NFL Network and certain other media assets owned and controlled by the NFL, providing an even richer content experience for fans, in exchange for a 10% equity stake in ESPN.⁵

Separately, ESPN and the NFL reached an agreement which includes expanded NFL highlight rights within multiple fan-engagement platforms, and more interactive features for ESPN's DTC offering and the ESPN App, including betting and fantasy. ESPN will also gain the ability to sell and bundle NFL+ Premium, which includes NFL Network and NFL RedZone, to its ESPN DTC subscribers, along with rights to additional non-exclusive preseason NFL games for its DTC offering, both starting in the 2025 season. An additional separate agreement extends ESPN's NFL Draft rights, with the ability to stream ESPN and ABC's draft coverage on ESPN DTC, Hulu, and Disney+.

Under the terms of these agreements:

- NFL Network, including both linear and digital rights, would be owned and operated by ESPN and fully integrated into ESPN DTC, alongside traditional pay television distribution, increasing accessibility and flexibility for consumers and promoting innovation in sports programming.
- ESPN would own broad rights to the RedZone brand and distribute the NFL RedZone Channel to pay TV operators for continued inclusion into their sports packages.
- NFL Fantasy Football would merge with ESPN Fantasy Football, creating the official Fantasy season-long game of the NFL and one best-in-class digital experience, driving innovation and enabling broader reach to meet global demand.
- In total, ESPN's platforms will license an additional three NFL games per season to air on NFL Network as a result of this news. In addition, ESPN will adjust its overall NFL game schedule, with four games (including some from overlapping windows) shifting to the NFL Network, which will continue to present seven games per season.
- The NFL will continue to own and operate its retained media businesses including properties such as NFL Films and key fan-facing platforms such as NFL+, NFL.com, the NFL Podcast Network, the NFL FAST Channel, and the official sites for the league's 32 clubs. It will also continue to own, operate, and produce NFL RedZone, and retain the rights to distribute NFL RedZone digitally.

We also announced today that ESPN will be the exclusive home for WWE Premium Live Events, further expanding ESPN's rights portfolio, and we look forward to sharing more soon.

⁴ At launch, MVPD and DMVPD subscribers whose providers have DTC entitlement deals with Disney will have access to the full suite of ESPN DTC content within our enhanced ESPN App.

⁵ The planned transaction is subject to the parties' negotiation of definitive agreements, regulatory and other approvals, and satisfaction of other closing conditions.

The great content we offer to consumers is a result of the strategic investments we have made across a number of marquee and growing sports. In Q3, the NBA Finals Game 7 (Indiana Pacers vs. Oklahoma City Thunder) was the most-watched NBA game in six years, with 16.6 million average viewers. ESPN also delivered the most-watched college softball game ever with Game 3 of the NCAA Division I Women's College World Series. This comes after a great first half of 2025, with ESPN and Sports on ABC delivering the most-watched first half of the year since 2016, with more than 254 billion minutes consumed.⁶ Meanwhile, ESPN Digital & Social was again No. 1 in the U.S. Sports Category in June with 193.6 million unique users,⁷ and ESPN Social was No. 1 among sports properties for the 48th month in a row.⁸

EXPERIENCES

Our Experiences segment delivered another outstanding quarter driven by growth across all businesses at Domestic Parks & Experiences.

We recently celebrated Disneyland's 70th anniversary and Hong Kong Disneyland's 20th anniversary, and the ongoing celebrations are receiving tremendous receptions from our guests. We have expansions currently underway at every one of our theme parks globally, including a new World of Frozen land opening at Disneyland Paris in 2026, Villains and *Cars* themed areas coming to Magic Kingdom, a *Monsters, Inc.* area coming to Disney's Hollywood Studios, and an *Avatar*-themed destination coming to Disney California Adventure. This is in addition to a new theme park coming to Abu Dhabi.

Disney Cruise Line is also expanding as we prepare to launch two new ships, which will bring our fleet to a total of eight cruise ships. In November, we will launch the *Disney Destiny*, followed by the *Disney Adventure*, our largest cruise ship ever and the first to have its homeport in Asia. The *Disney Treasure*, launched last year, has gotten off to a strong start and continues to perform well.

Disney operates in a league of its own, and our achievements this quarter demonstrate how we continue to successfully execute across our strategic priorities. We are taking major steps forward in streaming with the upcoming launch of ESPN's direct-to-consumer service, our just-announced plans with the NFL, and our forthcoming integration of Hulu into Disney+, creating a truly differentiated streaming proposition that harnesses the highest caliber brands and franchises, general entertainment, family programming, news, and industry-leading sports content. With ambitious plans ahead for all of our businesses, we're not done building, and we are excited for the company's future.

FINANCIAL REVIEW AND OUTLOOK

Q3 results reflect ongoing execution against our strategic priorities and further progress toward delivering our fiscal 2025 guidance. Revenue was up 2% compared to the prior-year quarter, total segment operating income⁹ was up 8%, and diluted EPS excluding certain items⁹ was up 16%.

⁶ According to Nielsen: <https://espnpressroom.com/us/press-releases/2025/07/espn-outstanding-nielsen-viewership-for-first-six-months-of-2025-at-the-halfway-mark-espn-has-achieved-multiple-successes-across-the-board/>

⁷ According to ComScore MediaMetrix

⁸ According to ComScore Shareablee

⁹ Total segment operating income and diluted EPS excluding certain items (also referred to as adjusted EPS) are non-GAAP financial measures. The most comparable GAAP measures are income before income taxes and diluted EPS, respectively. See the discussion

ENTERTAINMENT

At Entertainment, segment operating income declined \$179 million compared to the prior-year quarter due to lower results at Content Sales/Licensing and Other and Linear Networks, partially offset by growth at Direct-to-Consumer.

Q3 Direct-to-Consumer revenue was up 6%, which reflects an adverse impact of three percentage points due to Disney+ Hotstar being included in the prior-year quarter's results. Direct-to-Consumer operating income increased \$365 million year-over-year, reaching \$346 million in Q3, primarily driven by growth in subscription revenue reflecting price increases and an increase in subscribers, and lower programming and production costs driven by a comparison to International Cricket Council (ICC) programming carried on Disney+ Hotstar in the prior-year quarter. This was partially offset by higher technology and distribution costs (reflecting the ongoing investments we're making to improve the user experience, increase engagement, and drive greater monetization), and lower advertising revenue.

We ended Q3 with 183 million Disney+ and Hulu subscriptions, an increase of 2.6 million compared to Q2. Disney+ ended the quarter with 128 million subscribers, an increase of 1.8 million compared to Q2, due to growth internationally. In Q4, we expect total Disney+ and Hulu subscriptions to increase more than 10 million compared to Q3, with the majority of the increase coming from Hulu as a result of our expanded Charter deal. We expect a modest increase in the number of Disney+ subscribers in Q4.

Following the strong Direct-to-Consumer results we've seen in the first three quarters of fiscal 2025, we now expect to deliver full-year fiscal 2025 operating income of approximately \$1.3 billion.

Content Sales/Licensing and Other operating income declined \$275 million, reflecting the performance of titles in the quarter compared to the strong performance of *Inside Out 2* in the prior-year quarter and higher film impairments in the current quarter. We expect difficult theatrical comparisons to continue into Q4, leading to a decline in CSL&O operating income of about \$400 million versus the prior year. Q4 results last year reflected the exceptional performance of *Inside Out 2* and *Deadpool & Wolverine*, which both went on to set box office records.

Linear Networks operating income was lower in Q3 compared to the prior-year quarter largely driven by the Star India transaction. Star India contributed \$131 million in operating income to International Linear Networks results in Q3 last year. Lower results at Domestic Linear Networks were driven by declines in advertising and affiliate revenue.

We continue to expect double digit Entertainment segment operating income growth for fiscal 2025.

SPORTS

Q3 Sports segment operating income of \$1.0 billion was up \$235 million compared to the prior-year quarter due to the Star India transaction, as the prior-year quarter included costs for cricket programming that resulted in a \$314 million loss at Star India. Domestic ESPN operating income declined

on pages 9 through 10 for how we define and calculate these measures and a quantitative reconciliation of measures thereof to the most directly comparable GAAP measures.

7% versus the prior-year quarter primarily due to higher programming and production costs reflecting contractual rate increases for the NBA and college sports.

Advertising revenue at Domestic ESPN was up 3% in Q3 versus the prior-year quarter driven by rate increases. Results reflect a one percentage point adverse impact due to event comparability related to NBA Playoff games and the absence of the Stanley Cup Final.

We continue to expect Sports segment operating income to increase approximately 18% for fiscal 2025, which includes a comparison to results that included a \$636 million loss at Star India in fiscal 2024.

EXPERIENCES

Q3 Experiences segment operating income of \$2.5 billion was up 13% compared to the prior-year quarter driven by strong Domestic Parks & Experiences results. Operating income in the quarter reflects a benefit of approximately \$40 million from the timing of the Easter holiday, which fell in Q3 this year compared to Q2 last year.

Operating income at Domestic Parks & Experiences grew 22% compared to the prior-year quarter, driven by growth in domestic parks and resorts and Disney Cruise Line. Results reflect higher guest spending at our theme parks, an increase in passenger cruise days due to the launch of the *Disney Treasure*, and higher occupied room nights, partially offset by higher costs reflecting new guest offerings including the expansion of our Disney Cruise Line fleet.

We are pleased with these results and encouraged by the continued resiliency of our domestic parks business, particularly at Walt Disney World given increased competition in the Orlando market. Results include approximately \$30 million of pre-opening expenses driven primarily by the *Disney Destiny* and *Disney Adventure*. We expect full-year fiscal 2025 pre-opening expenses for Disney Cruise Line of approximately \$185 million, with \$50 million in Q4.

Based on what we are currently seeing across the Experiences segment, we now expect segment operating income growth of approximately 8% for fiscal 2025 compared to the prior year.

UPDATES & FINANCIAL OUTLOOK

During fiscal Q1, we began recognizing our share of a newly formed India JV in “Equity in the income of investees.” In Q3, we recognized a \$50 million loss, and for Q4 we expect to incur a loss of approximately \$20 million. As a result, for the full year we expect to incur a loss of approximately \$200 million, primarily due to the impact of purchase accounting.

All in all, we have had a great year-to-date. With three quarters behind us and what we are seeing so far in Q4, we now expect to deliver full year fiscal 2025 adjusted EPS¹⁰ of approximately \$5.85.

¹⁰ Diluted EPS excluding certain items (also referred to as adjusted EPS) is a non-GAAP financial measure. The most comparable GAAP measure is diluted EPS. See the discussion on pages 9 through 10 for how we define and calculate this measure and why the Company is not providing a forward-looking quantitative reconciliation of diluted EPS excluding certain items to the most comparable GAAP measure.

As we look forward, our focus remains on investing to build on top of the strong foundation we have established, further integrating our businesses, and operating more efficiently to drive strong financial results.

We take an integrated approach to operating our Entertainment segment businesses, leveraging distribution platforms in a strategic and purposeful way across linear, theatrical, and streaming, to drive returns on our content investments. Similarly at Sports, our integrated approach focuses on driving growth in the business across multiple distribution platforms, and at no point is this more evident than on the eve of launching ESPN DTC.

We are focused on managing our businesses to deliver growth in a sustained way, and to align our financial reporting with how we operate. Since we began reporting the number of paid subscribers and ARPU, our DTC strategy and the operating environment have evolved. Given this evolution, we plan to implement changes to our Entertainment and Sports financial disclosures. Among our planned changes, we believe quarterly updates on the number of paid subscribers and ARPU have become less meaningful to evaluating the performance of our businesses, and we will no longer report these metrics starting with the first quarter of fiscal 2026 for Disney+ and Hulu and the fourth quarter of fiscal 2025 for ESPN+. While we will no longer disclose subscribers and ARPU, we will provide information on Entertainment Direct-to-Consumer profitability.

We believe our reporting going forward will better align with changes in the media landscape, the unique nature of our integrated assets, how we operate our businesses, and will reflect how management evaluates the progress and success of our strategic initiatives.

Bob Iger, Chief Executive Officer

Hugh Johnston, Senior Executive Vice President and Chief Financial Officer

NON-GAAP FINANCIAL MEASURES

This executive commentary presents diluted EPS excluding certain items (also referred to as adjusted EPS) and total segment operating income. Diluted EPS excluding certain items and total segment operating income 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 or income before income taxes as determined in accordance with GAAP. Diluted EPS excluding certain items and total segment 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 and total segment operating income, as well as quantitative reconciliations of each of these measures 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 measures 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 third 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 June 28, 2025					
As reported	\$3,211	\$2,732	\$5,943	\$2.92	>100%
Exclude:					
Hulu Transaction Impacts ⁽⁴⁾	—	(3,277)	(3,277)	(1.56)	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾	395	(92)	303	0.16	
Restructuring and impairment charges ⁽⁶⁾	185	(43)	142	0.08	
Excluding certain items	\$3,791	(\$680)	\$3,111	\$1.61	16%
Quarter Ended June 29, 2024					
As reported	\$3,093	(\$251)	\$2,842	\$1.43	
Exclude:					
Income Tax Reserve Adjustments	—	(418)	(418)	(0.23)	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾	397	(93)	304	0.16	
Other Expense ⁽⁷⁾	65	(11)	54	0.03	
Excluding certain items	\$3,555	(\$773)	\$2,782	\$1.39	

(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) Reflects a \$3,277 million non-cash tax benefit recognized upon the change in Hulu's U.S. income tax classification and \$477 million recognized in "Net income attributable to noncontrolling interests" related to the acquisition of Hulu (Hulu Transaction Impacts).

(5) For the current quarter, intangible asset amortization was \$326 million, step-up amortization was \$66 million, and amortization of intangible assets related to a TFCF equity investee was \$3 million. For the prior-year quarter, intangible asset amortization was \$326 million, step-up amortization was \$68 million, and amortization of intangible assets related to a TFCF equity investee was \$3 million.

(6) Amounts for the current quarter include an impairment charge related to an equity investment (\$179 million).

(7) For the prior-year quarter, other expense was due to a charge related to a legal ruling (\$65 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:

	Quarter Ended		Change
	June 28, 2025	June 29, 2024	
Income before income taxes	\$3,211	\$3,093	4%
Add (subtract):			
Corporate and unallocated shared expenses	410	328	(25%)
Equity in the loss of India joint venture	50	—	nm
Restructuring and impairment charges	185	—	nm
Other expense	—	65	100%
Interest expense, net	324	342	5%
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	395	397	1%
Total segment operating income	\$4,575	\$4,225	8%