Q2'23 EARNINGS PRESENTATION

MAY 10, 2023

Walt Disney

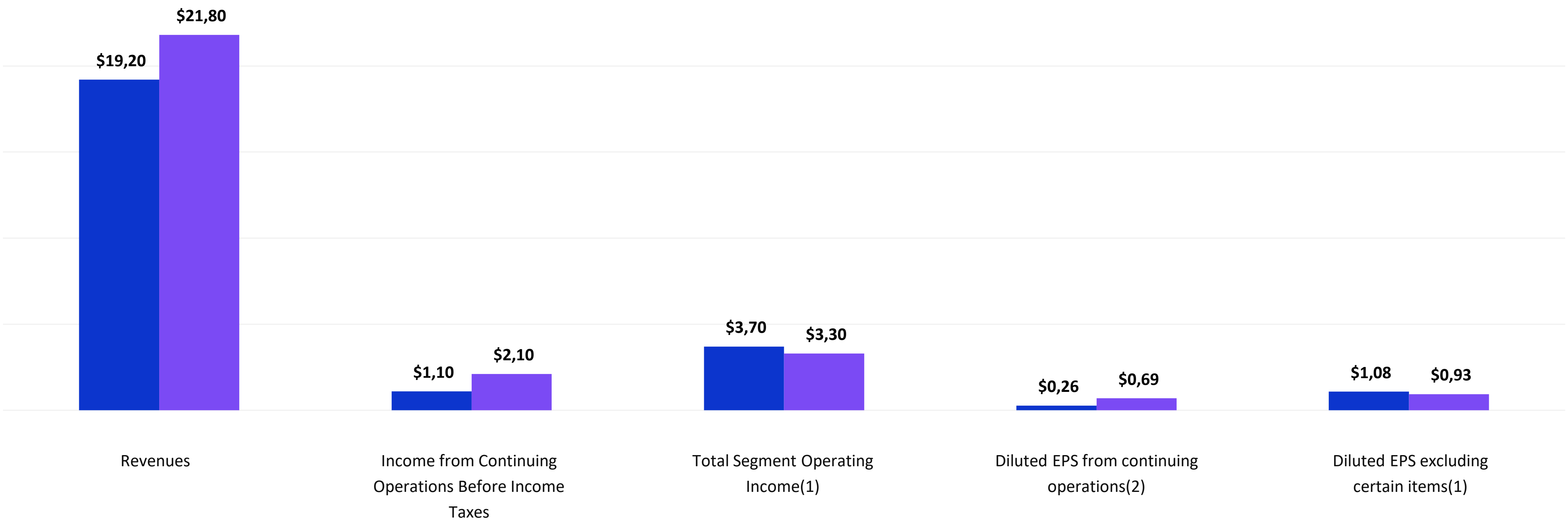
Q2'23 EARNINGS PRESENTATION

MAY 10, 2023

DI
SN
EY

Q2 Results for Fiscal 2023

(In Billions, Except Per Share Amounts)



1. *Diluted EPS excluding certain items and total segment operating income are non-GAAP financial measures. The most comparable GAAP measures are diluted EPS from continuing operations and income from continuing operations before income taxes, respectively. See the discussion on pages 14–16 for how we define and calculate these measures and a reconciliation thereof to the most directly comparable GAAP measures.*
2. *Reflects amounts attributable to shareholders of The Walt Disney Company, i.e. after deduction of income attributable to noncontrolling interests.*

Recent Business Highlights

Guardians of the Galaxy Vol. 3. topped the global box office in its opening weekend, earning $289 million

Season 3 of The Mandalorian is the most watched series on Disney+ globally this year(1)

The first round of the NBA playoffs was the most-watched ever across Disney networks, and through the first 22 games viewership has averaged 5 million

Won 7 Peabody Awards after receiving 11 nominations

Tokyo Disney Resort kicked off its 40th Anniversary "Dream-Go-Round"(2)

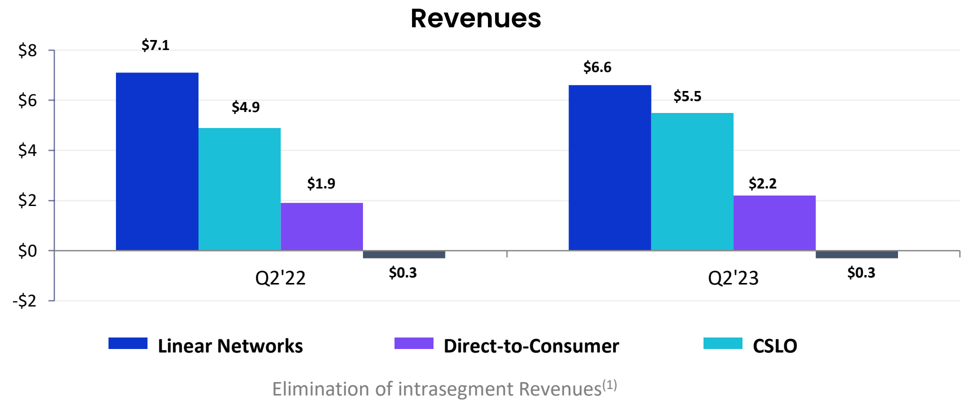
Reimagined Mickey's Toontown at Disneyland Resort opened March 19 and TRON Lightcycle / Run opened at Walt Disney World on April 4

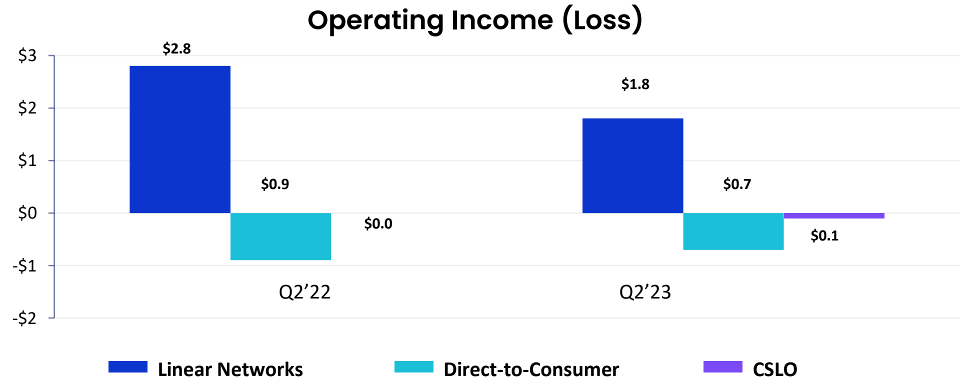
ABC is the #1 entertainment broadcast network for the 4th consecutive season(3)

1. *Based on hours streamed; As of May 5, 2023*
2. *The Company earns royalties on revenues generated by the Tokyo Disney Resort, which is owned and operated by Oriental Land Co., Ltd., a third-party Japanese company*
3. *L7 P18-49; Excluding Sports; September 19, 2022 – April 2, 2023*

Q2 Media & Entertainment Distribution Results

(In Billions)





(1) Reflects fees received by the Linear Networks from other DMED businesses for the right to air our Linear Networks and related services

Linear Networks

- The decline in operating income vs. prior year was primarily driven by decreases of ~$800 million at our domestic linear networks and ~$160 million at our international linear networks. Domestic results decreased at both Cable and Broadcasting.
  - Lower Cable results were largely due to higher sports programming and production costs, which were driven by the timing of costs for the College Football Playoffs and the NFL, in addition to NBA contractual rate increases and higher sports production costs.
  - Lower Broadcasting results reflected decreases in advertising revenue across the ABC Network and our owned television stations.
- International Channels operating income decreased due to lower advertising revenue, partially offset by a decrease in programming costs.

Direct-to-Consumer

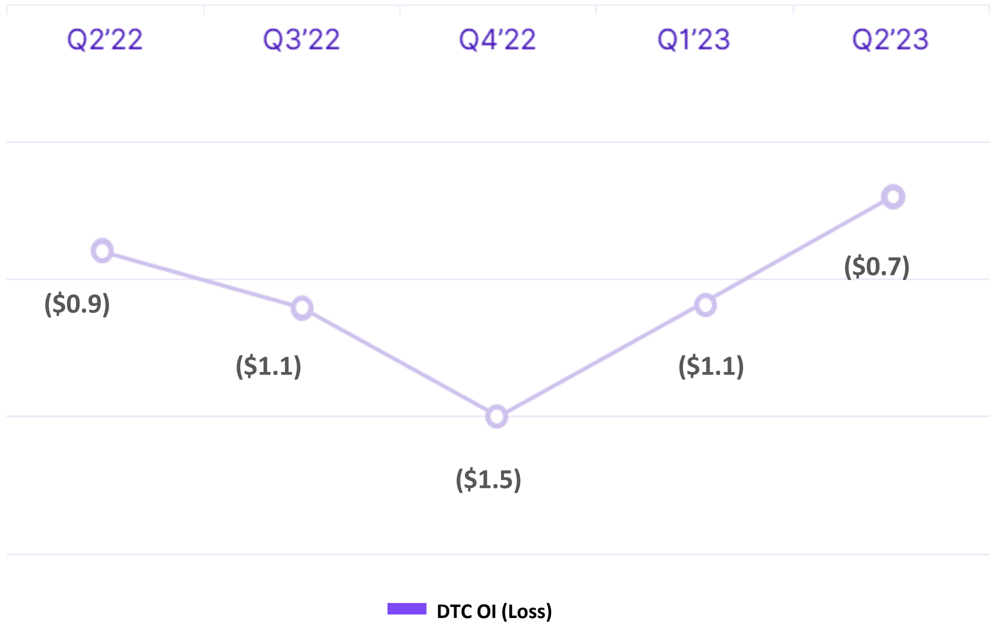
Revenues increased by 12% and operating loss decreased by ~$200 million vs. the prior year due to improved results at Disney+ and ESPN+, partially offset by lower operating income at Hulu.

Content Sales / Licensing and Other (CSLO)

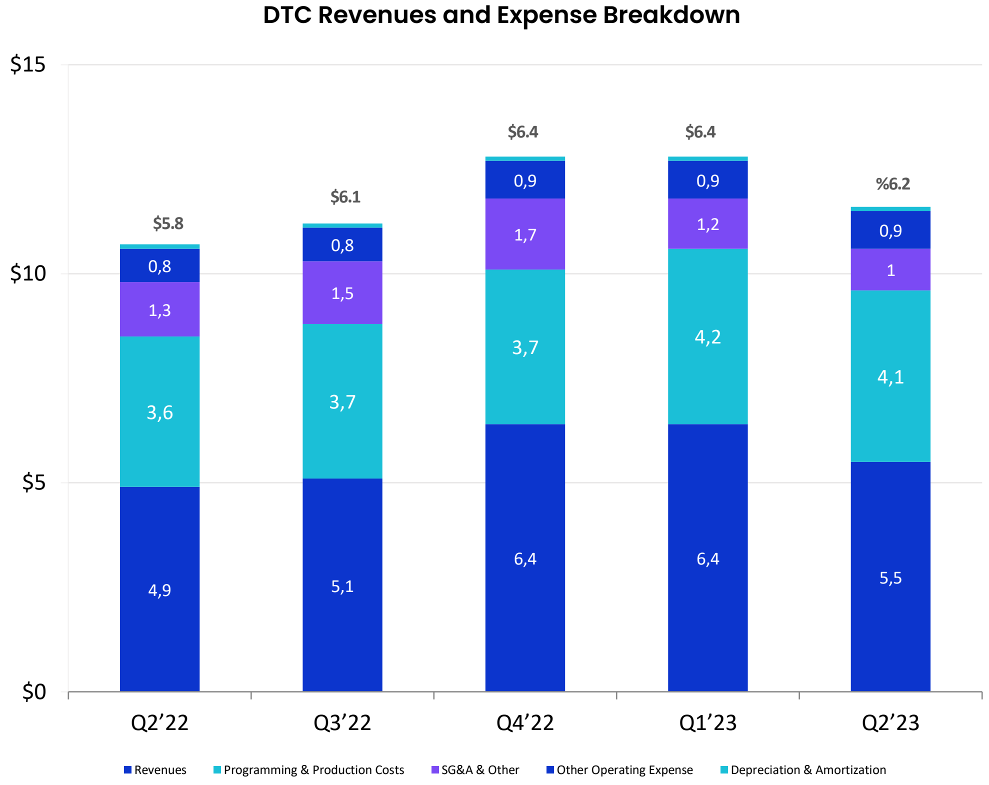
Operating results decreased by $66 million vs. the prior year due to lower TV/SVOD distribution results, partially offset by an improvement at theatrical distribution.

DTC Quarterly Operating Income (Loss)

(In Billions)



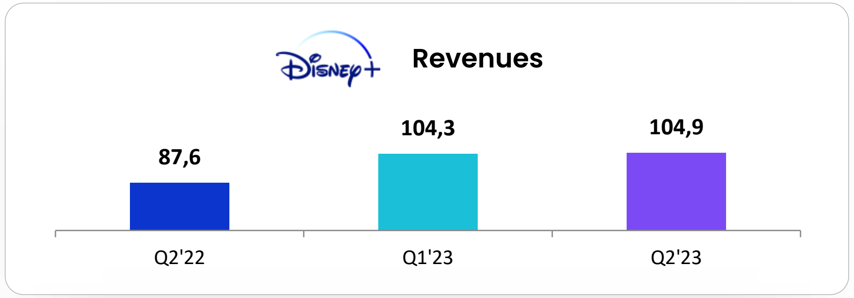
Q2 DTC operating losses improved sequentially by ~$400 million vs. the prior quarter driven by revenue growth and cost reductions.

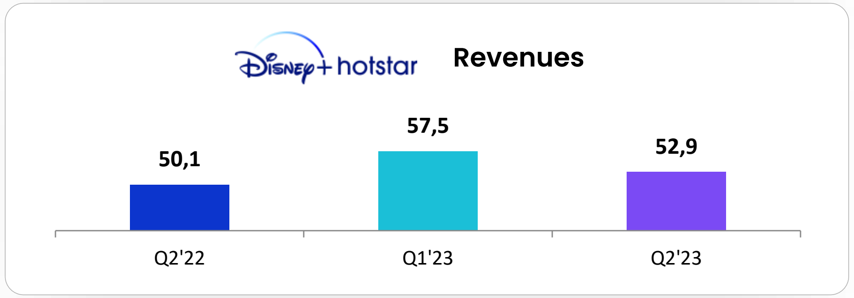


Note: All quarters shown include $0.1 billion in Depreciation & Amortization

Q2 Disney+ Subscribers & ARPU

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





Q2'23 vs.	Q2'22	Q1'23
Disney+	*+17.3*	*+0.6*
Disney+ hotstar	*+2.8*	*(4.6)*

	Q2'22	Q1'23	Q2'23	Q2'23 vs. Q2'22	Q2'23 vs. Q1'23
Total Disney+ Subscribers[(1)]	**137.7**	**161.8**	**157.8**	*+20.1*	*(4.0)*
Global ARPU	**$4.35**	**$3.93**	**$4.44**	+$0.09	+$0.51
Disney+ Core	**$6.33**	**$5.77**	**$6.47**	**+$0.14**	**+$0.70**
Disney+ Hotstar	**$0.76**	**$0.74**	**$0.59**	**($0.17)**	**($0.15)**

Disney+ Core

- Disney+ core subscribers grew modestly vs. the prior quarter.
- Disney+ core ARPU increased by $0.70 vs. the prior quarter driven primarily by an increase in average retail pricing and a favorable foreign exchange impact.

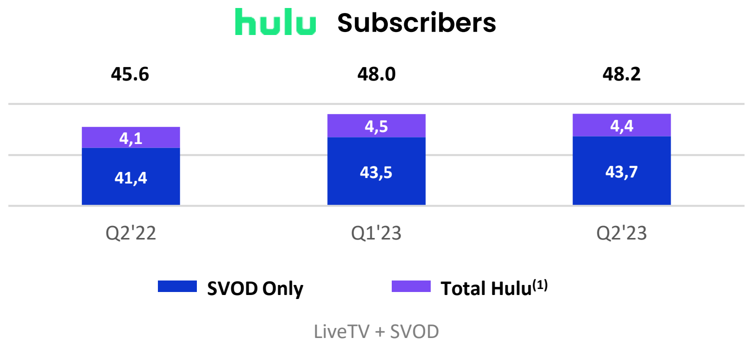
Disney+ Hotstar

- Disney+ Hotstar subscribers decreased by 4.6 million vs. the prior quarter.
- Disney+ Hotstar ARPU decreased by $0.15 vs. the prior quarter due to lower per-subscriber advertising revenue.

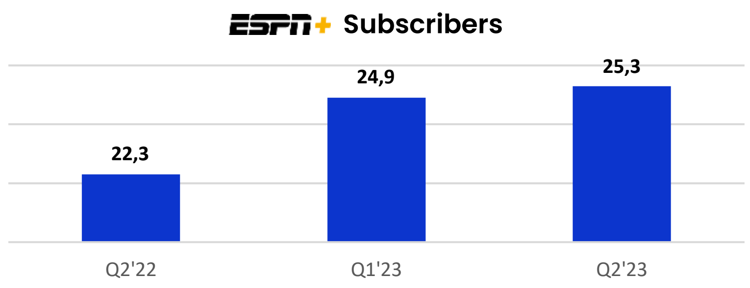
Note: See DTC Product Descriptions and Key Definitions on page 17
1) Total may not equal the sum due to rounding

Q2 Hulu and ESPN+ Subscribers & ARPU

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



	Q2'22	Q1'23	Q2'23	Q2'23 vs. Q2'22	Q2'23 vs. Q1'23
				+2.6	+0.2
				+0.3	0.1
				+2.3	+0.2
SVOD Only ARPU	$12.77	$12.46	$11.73	($1.04)	($0.73)
Live TV+SVOD ARPU	$88.77	$87.90	$92.32	+$3.55	+$4.42



	Q2'22	Q1'23	Q2'23	Q2'23 vs. Q2'22	Q2'23 vs. Q1'23
				+3.0	+0.4
ARPU	$4.73	$5.53	$5.64	+$0.91	+$0.11

Hulu

- Total Hulu subscribers increased slightly vs. the prior quarter.
- Hulu SVOD Only ARPU decreased by $0.73 vs. the prior quarter due to lower per-subscriber advertising revenue and a higher mix of subscribers to multi-product offerings, partially offset by an increase in average retail pricing.
- Hulu Live TV+SVOD ARPU increased by $4.42 vs. the prior quarter primarily due to an increase in average retail pricing, partially offset by lower per-subscriber advertising revenue.

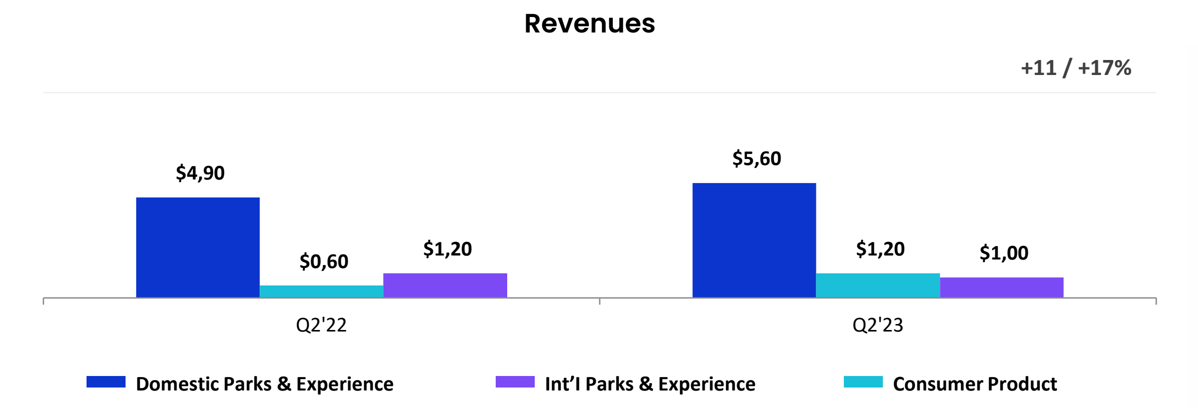
ESPN+

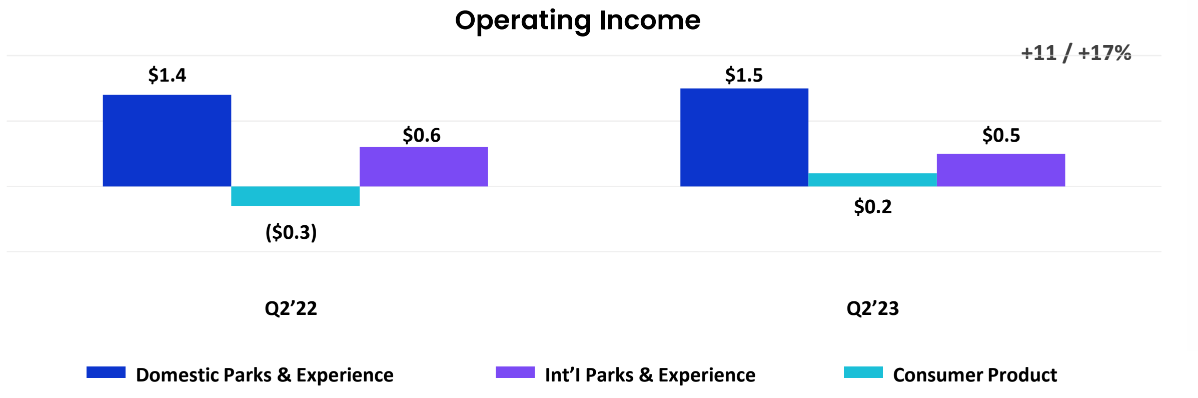
- Both subscribers and ARPU grew vs. the prior quarter.
- ESPN+ ARPU increased by $0.11 vs. the prior quarter driven by higher per-subscriber advertising revenue, partially offset by a higher mix of subscribers to multi-product offerings.

Note: See DTC Product Descriptions and Key Definitions on page 17
1) Total may not equal the sum due to rounding

Q2 Parks, Experiences & Products Results

(In Billions)





Note: Total may not equal the sum of the column due to rounding

Domestic Parks & Experiences

- Operating income increased 10% versus the prior year, driven primarily by the continued post-pandemic recovery of our cruise line, partially offset by a comparison to a real estate gain in the prior year.
- Domestic Parks growth in attendance and guest spending was more than offset by higher costs, reflecting cost pressures including wage increases, costs associated with new guest offerings and other inflationary cost impacts.

International Parks & Experiences

- Strong year-over-year operating income growth was driven by higher volumes and guest spending at Shanghai Disney Resort and Disneyland Paris, as well as a favorable comparison at Hong Kong Disneyland Resort due to a closure in the prior year.

Consumer Products

- Decrease in operating income vs. the prior year included lower merchandise revenue on certain franchises.

Upcoming Theatrical Releases

(Reflects publicly announced planned releases as of May 10, 2023)

Date	Title	Brand
May 26, 2023	*The Little Mermaid*	Disney
June 2, 2023	*The Boogeyman*	20th Century
June 16, 2023	*Elemental*	Pixar
June 30, 2023	*Indiana Jones and the Dial of Destiny*	Lucasfilm
July 14, 2023	*Theater Camp*	Searchlight
July 28, 2023	*Haunted Mansion*	Disney
September 8, 2023	*Poor Things*	Searchlight
September 15, 2023	*A Haunting in Venice*	20th Century
September 29, 2023	*The Creator*	20th Century
November 10, 2023	*The Marvels*	Marvel
November 17, 2023	*Next Goal Wins*	Searchlight

Key Upcoming Disney+ and Hulu Releases

(Reflects publicly announced planned domestic releases as of May 10, 2023; list is not exhaustive)

Date	Title	Brand	Platform	Type
May 12	*Crater*	Disney	Disney+	Scripted Feature
May 19	*White Men Can't Jump*	20th Century Studios	Hulu	Scripted Feature
May 24	*American Born Chinese (Season 1)*	20th Television Studios	Disney+	Scripted Series
June 9	*Flamin' Hot*	Searchlight Pictures	Hulu and Disney+	Scripted Feature
June 21	*Secret Invasion*	Marvel	Disney+	Scripted Series
June 22	*The Bear (Season 2)*	FX	Hulu	Scripted Series
August	*Ahsoka (Season 1)*	Star Wars	Disney+	Scripted Series
Release dates not yet announced; titles listed in alphabetical order	*Anthem*	Onyx Collective	Hulu	Documentary
	Class of '09 (Season 1)	FX	Hulu	Scripted Series
	The Full Monty (Season 1)	FX	Hulu	Scripted Series
	The Great (Season 3)	Hulu Originals	Hulu	Scripted Series
	The Kardashians (Season 3)	Disney	Hulu	Unscripted Series
	Loki (Season 2)	Marvel	Disney+	Scripted Series
	Only Murders in the Building (Season 3)	20th Television	Hulu	Scripted Series
	Secret Invasion	Marvel	Disney+	Scripted Series
	Skeleton Crew	Star Wars	Disney+	Scripted Series
	X-Men '97 (Season 1)	Marvel	Disney+	Scripted Series

Upcoming Parks and Experiences Openings & Events

(Reflects publicly announced planned openings and events as of May 10, 2023; list is not exhaustive)

Date	Attraction / Event	Location
May – Sep 2023	Silver Anniversary at Sea (25th Anniversary)	Disney Cruise Line
June 30, 2023	"Rogers: The Musical" Stage Show	Disneyland Resort
Summer 2023	San Fransokyo Square at Disney California Adventure Park	Disneyland Resort
Summer 2023	"Pixar: We Belong Together" Stage Show	Disneyland Paris
Fall 2023	Journey of Water, Inspired by Moana	Walt Disney World Resort
Fall 2023	The Villas at Disneyland Hotel, a new Disney Vacation Club Resort	Disneyland Resort
2nd Half of 2023	World of Frozen	Hong Kong Disneyland
2023	Adventureland Treehouse	Disneyland Resort
Late 2023	Zootopia-Themed Land	Shanghai Disney Resort
Spring 2024	Fantasy Springs	Tokyo Disney Resort
Summer 2024	Lighthouse Point	Disney Cruise Line
2024	Disney Treasure	Disney Cruise Line
2024	Tiana's Bayou Adventure	Disneyland Resort & Walt Disney World
2024	Disneyland Hotel Royal Transformation	Disneyland Paris

Note: Total may not equal the sum of the column due to rounding

Total Segment Operating Income

(In Billions)

The following are reconciliations of income from continuing operations before income taxes to total segment operating income (in millions):

	Quarter Ended		
	April 1, 2023	April 2, 2023	Change
Income from continuing operations before income taxes	$2,123	$1,102	93%
Add (subtract):			
Content license early termination (1)	—	1,023	100%
Corporate and unallocated shared expenses	279	272	(3%)
Restructuring and impairment charges	152	195	(22%)
Other (income) expense, net	(149)	158	nm
Interest expense, net	322	355	9%
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	558	594	6%
Total segment operating income	**$3,285**	**$3,699**	**(11%)**

(1) In February 2022, the Company terminated certain license agreements with a customer for film and television content, which was delivered in previous years, in order for the Company to use the content primarily on our direct-to-consumer services (Content License Early Termination).

Diluted EPS Excluding Certain Items

(In millions except EPS)

The following table reconciles reported diluted EPS from continuing operations to diluted EPS excluding certain items:

(In millions except EPS)	Pre-Tax Income/Loss	Tax Benefit/ (Expense)	After-Tax Income/Loss	Diluted EPS	Change vs. prior year period
Quarter Ended April 1, 2023					
As reported	$2,123	($635)	$1,488	$0.69	>100%
Exclude:					
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs (4)	558	(130)	428	0.23	
Restructuring and impairment charges (5)	152	(35)	117	0.06	
Other Income, net (6)	(149)	35	(114)	(0.06)	
Excluding certain items	**$2,684**	**($765)**	**$1,919**	**$0.93**	**(14%)**
As reported	$2,123	($635)	$1,488	$0.69	>100%
Exclude:					
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs (4)	558	(130)	428	0.23	
Restructuring and impairment charges (5)	152	(35)	117	0.06	
Other Income, net (6)	(149)	35	(114)	(0.06)	
Excluding certain items	**$2,684**	**($765)**	**$1,919**	**$0.93**	**(14%)**
Quarter Ended April 1, 2023					
As reported	$1,102	($505)	$597	$0.26	
Exclude:					
Content license early termination	1,023	(238)	785	0.43	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs (4)	594	(138)	456	0.24	
Restructuring and impairment charges (5)	195	(45)	150	0.08	
Other expense, net (6)	158	(37)	121	0.07	
Excluding certain items	**$3,072**	**($963)**	**$2,109**	**$1.08**	
As reported	$1,102	($505)	$597	$0.26	
Exclude:					
Content license early termination	1,023	(238)	785	0.43	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs (4)	594	(138)	456	0.24	
Restructuring and impairment charges (5)	195	(45)	150	0.08	
Other expense, net (6)	158	(37)	121	0.07	

(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) For the current 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. For the prior-year quarter, intangible asset amortization was $435 million, step-up amortization was $156 million and amortization of intangible assets related to TFCF equity investees was $3 million.
(5) Charges for the current quarter were primarily for severance. For the prior-year quarter were due to the impairment of an intangible asset related to the Disney Channel in Russia.
(6) In the current quarter, other income, net was due to the DraftKings gain ($149 million). For the prior-year quarter, other expense, net was due to the DraftKings loss ($158 million).