Walt Disney Company (DIS-US)

Media

- We reiterate our Buy rating on DIS as the power of Disney+ continues to help cushion COVID-19 headwinds, and a vaccine-driven global recovery from the COVID-19 pandemic creates a significant upside opportunity for DIS's stock.
- DIS's industry-leading position and strong brand equity will drive a reacceleration in long-term Business Performance trends in a post-COVID-19 pandemic global recovery.
- DIS's strong balance sheet and cash flow have enabled it to overcome the COVID-19 pandemic and continue to drive strategic acquisitions and new growth initiatives, better positioning it for a post-pandemic recovery.
- DIS is on our Research Focus List and is in our Focus Opportunity Portfolio.

Research
(646) 780-8880
research@tigressfp.com

Trading
(646) 780-8890
trading@tigressfp.com

Tigress Financial Partners LLC
Member of FINRA / MSRB / SIPC
410 Park Avenue
New York, NY 10022
(212) 430-8700
www.tigressfinancialpartners.com

Company Note

Walt Disney Company (DIS-US)

Media

Ivan Feinseth
Director of Research
(646) 780-8901 Direct
ifeinseth@tigressfp.com

Research Action:

Reiterate rating	
Rating:	Buy
Prior Rating:	Buy
Price 11/23/2020:	$145.98
52 Week High / Low:	$153.41 / $79.07
Key Data: (TTM as of Sep-20)	
Excess Cash per Share:	$10.26
Annual Dividend:	$0.00
Dividend Yield:	0.00%
Avg. Volume (30 Day):	11.5M
Shares Outstanding:	1,781.0M
Float:	1,777.9M
Short Interest:	17.2M
SI % / Float	0.97%
Equity MV:	$259,990.4M
Sales TTM:	$65,124.0M
Beta:	1.13
EBITDAR:	$18,015.0M
NOPAT:	$12,670.0M
Total Invested Capital:	$153,372.0M
Return on Capital:	6.61%
Cost of Capital:	5.06%
Economic Profit:	$4,986.6M
Market Value Added:	$156,501.7M
Current Operations Value:	$198,516.8M
Future Growth Value:	$111,356.9M

- **We reiterate our Buy rating on DIS as the power of Disney+ continues to help cushion COVID-19 headwinds, and a vaccine-driven global recovery from the COVID-19 pandemic creates a significant upside opportunity for DIS's stock.** Disney+ continues to be a powerful force against the COVID-19 pandemic headwind. Gains in Disney+ subscribers, along with strong broadcast network results and strategic cost savings, help DIS overcome the negative impact that the pandemic has had on its parks, studio, and cruise line businesses. DIS recently reported a smaller than expected Q4 loss even as many of its parks operate at limited capacity, and two of its parks, Anaheim California and Paris France, remain closed. Disney+ has also hit 73.7 million subscribers, which was the midpoint of its 60 to 90 million five year projection, on the anniversary of its November 12th, 2019 launch date. Disney+'s success is driven by its powerful and broad content offering, helped significantly by the success of The Mandalorian, which has already received positive critical and fan reviews two episodes into its second season. DIS has over 120 million total subscribers to its DTC subscription services, including Disney+, ESPN+, Hulu, and Hulu+, coming ahead of the launch of its international streaming service, Stars. In September, DIS CEO Bob Chapek announced a strategic reorganization to leverage and create further leadership of its Disney+ streaming service. DIS is merging its TV networks, film studio, and DTC services in a new division called Media & Entertainment to better leverage the value of its content production and meeting the needs of how and where consumers want to watch movies and shows. DIS will emphasize a balance between launching new content on its Disney+ platform and continuing to work with movie theaters, enabling it to maximize the value of its content, Disney+ platform, and massive customer base. Content is King, and DIS remains the King of Content, driving the success of its DTC streaming platforms and the halo effect it will have when its Studios resume production and theaters and its theme parks reopen. DIS's strong balance sheet and cash flow give it more than enough financial resources and liquidity to make it over the COVID-19 pandemic hump. While DIS has currently suspended its dividend and share repurchases, once business trends return to normal, DIS will continue its history of dividend increases and share repurchases. Eventually, we will overcome the pandemic, and DIS will be in an even better position to take advantage of increasing consumer demand for new movies, park attendance, cruises, and merchandise driven by its leadership position and strong brand equity. DIS will further outline details at an upcoming virtual investor day on December 10th. We believe that significant upside exists from current levels and continue to recommend purchase.

- **DIS's industry-leading position and strong brand equity will drive a reacceleration in long-term Business Performance trends in a post-COVID-19 pandemic global recovery.** For the 12 months ending September 2020, Net Sales Revenue declined 6.04% Y/Y from $69.31 billion to $65.12 billion. As we expect business trends to continue to improve throughout 2021, we forecast an increase of 11.40% to $72.55 billion over the NTM. Economic Operating Cash Flow (EBITDAR) increased 8.27% Y/Y from $16.34 billion to $18.02 billion over the LTM. We forecast a further increase of 11.52% to $20.09 billion over the NTM. Net Operating Profit After Tax (NOPAT) increased 11.31% Y/Y from $8.91 billion to $10.04 billion over the LTM. We forecast a further increase of 17.09% to $11.76 billion over the NTM. Return on Capital (ROC) declined from 7.92% to 6.61% over the LTM. We forecast an increase to 7.50% over the NTM. Economic Profit increased 3.63% Y/Y from $2.28 billion to $2.36 billion over the LTM. We forecast a further increase of 4.42% to $2.46 billion over the NTM. The potential recovery driven by the ramp-up of the distribution of a COVID-19 vaccine throughout next year, along with the ongoing success of DIS's platform, creates significant upside potential for our current estimates, expectations, and outlook.
- **DIS's strong balance sheet and cash flow have enabled it to overcome the COVID-19 pandemic and continue to drive strategic acquisitions and new growth initiatives, better positioning it for a post-pandemic recovery.** As of September 2020, DIS had $18.56 billion, $10.26 per share, in excess cash. Along with the expected generation of $20.09 billion in Economic Operating Cash Flow (EBITDAR) over the NTM, DIS's excess cash and EBITDAR will provide more than enough financial resources and liquidity until their business recovers with cruising resuming, theme park reopenings, studio productions resuming, and theater reopenings. While the current COVID-19 pandemic has led DIS to conserve cash and suspend its dividend and share repurchases, once operations return to normal, DIS will continue to enhance shareholder returns through ongoing dividend increases and share repurchases.
- **DIS is on our Research Focus List and is in our Focus Opportunity Portfolio.** A vaccine-driven global recovery from the COVID-19 pandemic creates significant upside opportunity for DIS's stock. DIS's industry-leading position in media entertainment, the value of its vast media library and intellectual property, its DTC streaming service Disney+, and constant upgrades to its theme parks, makes it the best way to play the ongoing evolution in consumer entertainment.

Investment Thesis

A vaccine-driven global recovery from the COVID-19 pandemic creates significant upside opportunity for DIS's stock. DIS's ability to develop and leverage unique and valuable content will continue to drive long-term revenue growth across all mediums, including TV, theaters, streaming networks, cable networks, and wireless networks. The launch of DIS's direct-to-consumer (DTC) streaming service Disney+ will continue to emerge as the company's driving platform, leveraging ongoing investment in new entertainment initiatives including Star Wars-based theme park attractions which, along with Hulu and ESPN+ will further add to increased value creation for its content. DIS's content also enables it to drive increased traffic to its theme parks and add incremental consumer product, gaming, and licensing revenue. Content is King, and DIS is the King of Content. DIS's strong brand equity and innovative entertainment development capabilities, together with ongoing investments in new digital media development initiatives, will continue to drive greater Return on Capital, increasing economic Profit, and long-term gains in shareholder value creation.

Company Overview

The Walt Disney Company (DIS-US) is a diversified international entertainment and media company and one of the world's largest media conglomerates. Its properties include consumer products, interactive media, movies, music, publishing, cruise ships, and theme parks. Disney has also expanded its content and development capabilities through several key acquisitions. Disney acquired Pixar Animation Studios in 2006, comic book and movie producer Marvel Entertainment in 2010, and *Star Wars* creator and production company Lucasfilms in 2012. In 2017, Disney acquired 75% interest in streaming video technology platform BAMTech, which became Disney Streaming Services in 2017. Disney acquired the media assets of 21st Century Fox in March 2019 and Hulu in May 2019. Disney launched its direct-to-consumer (DTC) platform Disney+ in November 2019.

Disney operates and reports revenue by four Business Segments:

Parks, Experiences & Products: (37% of revenue) A new reporting segment that combines Disney's global consumer products business with its parks and resorts along with publishing and digital operations. Disney owns and operates theme parks, resorts, and cruise lines, including The Disney World Resort in Florida, the Disneyland Resort in California, the Disney Vacation Club, the Disney Cruise Line, and Adventures by Disney.

Disney also has ownership interests in Disneyland Paris, Hong Kong Disneyland Resort, and Shanghai Disney Resort. Disney licenses the operations of the Tokyo Disney Resort in Japan and owns properties in the U.S., Canada, Asia, Australia, Europe, and Latin America. Disney operates international Disney park locations, including a 77% interest in Euro Disney, which operates Disneyland Paris, and it collects royalties and fees from Tokyo Disneyland Resort operator Oriental Land Co. Disney owns and operates four cruise ships: The Disney Dream, Fantasy, Magic and Wonder ships that feature U.S., Caribbean, and European destinations. Disney will be adding three more ships to its fleet between 2021 in 2023.

Media Networks: (35% of revenue) Operates domestic broadcast television network, television production and distribution operations, domestic television stations, cable networks, domestic broadcast radio networks, and stations. Disney operates the ABC Television Network and several owned television stations, the Disney Channel and Radio Disney, ESPN and ESPN Radio, Freeform, FX, and National Geographic.

Studio Entertainment: (16% of revenue) Produces animated and live-action motion pictures, direct-to-video programming, musical recordings, and live stage plays. Disney distributes its library of films through its film studios: Walt Disney Studios, Walt Disney Animation Studios, Pixar Animation Studios, Marvel Studios, Disneynature, Lucasfilm Ltd., Disney Music Group, Disney Theatrical Group, Blue Sky Studios and with the integration of 21st Century Fox's media properties, now owns 20th Century Fox, Fox 2000 Pictures, and Fox Searchlight Pictures.

Direct-to-Consumer & International: (13% of revenue) Includes Disney's new direct-to-consumer (DTC) streaming services consisting of Disney+, ESPN+, Hulu, and Indian OTT streaming service Hotstar.

Disney reports revenue by four Geographic Regions: United States & Canada (73% of revenue); Europe (12% of revenue); Asia-Pacific (11% of revenue); and Latin America & Other (5% of revenue).

Walt Disney Company (DIS-US)

Media

Financial Data

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	10/03/2015	10/01/2016	09/30/2017	09/29/2018	09/28/2019	10/03/2020	09/30/2021	Average	Average	Trend
Net Sales Revenue	$52,003.0	$55,368.0	$54,943.0	$59,509.0	$69,307.0	$65,124.0	$72,545.0	$60,850.2	$64,646.7	$68,834.5
Sales Growth	6.70%	6.47%	-0.77%	8.31%	16.46%	-6.04%	11.40%	4.89%	6.25%	2.68%
Sales Growth Trend	7.37%	6.56%	2.13%	4.68%	13.20%	2.96%	4.42%	5.91%	6.95%	3.69%
Economic Operating Cash Flow (EBITDAR)	$15,778.2	$17,416.3	$17,185.7	$18,691.1	$16,638.5	$18,015.0	$20,089.7	$17,589.3	$17,781.5	$19,052.4
EBITDAR Margin	30.34%	31.46%	31.28%	31.41%	24.01%	27.66%	27.69%	29.16%	27.69%	27.68%
EBITDAR Growth	5.76%	10.38%	-1.32%	8.76%	-10.98%	8.27%	11.52%	3.02%	2.02%	9.89%
Net Operating Profit Before Tax (NOPBT)	$12,565.2	$14,042.3	$13,535.7	$14,750.1	$11,378.5	$12,670.0	$14,668.4	$13,275.3	$12,932.9	$13,669.2
NOPBT Margin	24.16%	25.36%	24.64%	24.79%	16.42%	19.46%	20.22%	22.13%	20.22%	19.84%
NOPBT Growth	6.96%	11.76%	-3.61%	8.97%	-22.86%	11.35%	15.77%	1.12%	-0.85%	13.56%
Cash Operating Income Tax	$4,146.5	$4,633.9	$4,341.1	$1,665.4	$2,473.3	$2,629.0	$2,911.7	$3,148.6	$2,255.9	$2,770.3
Economic Tax Effective Rate	33.00%	33.00%	32.07%	11.29%	21.74%	20.75%	19.85%	23.77%	17.93%	20.30%
Net Operating Profit After Tax (NOPAT)	$8,418.7	$9,408.3	$9,194.6	$13,084.7	$8,905.2	$10,041.0	$11,756.7	$10,126.7	$10,676.9	$10,898.8
NOPAT Margin	16.19%	16.99%	16.73%	21.99%	12.85%	19.46%	16.21%	17.60%	18.10%	17.83%
NOPAT Growth	6.96%	11.76%	-2.27%	42.31%	-31.94%	11.31%	17.09%	6.23%	7.23%	14.20%
Cash & Equivalents	$4,641.0	$4,893.0	$4,137.0	$4,321.0	$5,862.0	$21,817.0	$22,781.9	$8,206.0	$10,666.7	$22,299.5
Total Assets	$88,182.0	$92,033.0	$95,789.0	$98,598.0	$193,984.0	$201,549.0	$210,463.4	$136,390.6	$164,710.3	$206,006.2
Non - Interest Bearing Liabilities (NIBLs)	$20,394.0	$22,793.0	$22,527.0	$23,769.0	$41,136.0	$45,409.0	$47,417.4	$31,126.8	$36,771.3	$46,413.2
Net Assets	$63,658.0	$65,182.0	$68,425.0	$69,647.0	$138,873.0	$142,211.0	$148,500.9	$96,867.6	$116,910.3	$145,355.9
Economic Asset Adjustments	$2,512.6	$7,557.8	$8,631.2	$4,885.4	$14,576.9	$11,161.0	$11,654.6	$9,362.5	$10,207.8	$11,407.8
Net Operating Assets	$66,170.6	$72,739.8	$77,056.2	$74,532.4	$153,449.9	$153,372.0	$160,155.5	$106,230.1	$127,118.1	$156,763.8
Debt & Debt Equivalents	$20,285.6	$22,929.8	$28,279.2	$23,927.4	$52,278.9	$58,628.0	$61,221.1	$37,208.7	$44,944.8	$59,924.5
Equity & Equivalents	$44,525.0	$43,265.0	$41,315.0	$48,773.0	$88,877.0	$83,583.0	$87,279.8	$61,162.6	$73,744.3	$85,431.4
Total Capital - Financing Sources	$64,810.6	$66,194.8	$69,594.2	$72,700.4	$141,155.9	$142,211.0	$148,500.9	$98,371.3	$118,689.1	$145,355.9
Capital Adjustments	($437.0)	$4,798.0	$5,643.0	$1,832.0	$9,284.0	$11,161.0	$11,654.6	$6,543.6	$7,425.7	$11,407.8
Net Capital Financing Sources	$64,373.6	$70,992.8	$75,237.2	$74,532.4	$150,439.9	$153,372.0	$160,155.5	$104,914.9	$126,114.8	$156,763.8
Net Working Capital	$4,102.2	$2,661.4	$1,924.2	$458.5	$2,100.4	($2,494.8)	($2,605.1)	$929.9	$21.3	($2,550.0)
Cost of Net Working Capital	$268.6	$224.5	$150.2	$88.7	$75.4	($10.0)	($10.4)	$105.8	$51.4	($10.2)
% of Revenue	0.52%	0.41%	0.27%	0.15%	0.11%	-0.02%	-0.01%	0.18%	0.08%	-0.01%
Operational Capital	$26,202.7	$30,086.2	$31,173.3	$29,109.8	$34,732.2	$25,134.2	$26,245.9	$30,047.2	$29,658.8	$25,690.0
Cost of Operational Capital	$1,769.9	$1,868.5	$2,007.1	$2,244.1	$1,881.5	$1,514.0	$1,581.0	$1,903.0	$1,879.9	$1,547.5
% of Revenue	3.40%	3.37%	3.65%	3.77%	2.71%	2.32%	2.18%	3.17%	2.94%	2.25%
Productive Capital	$61,200.7	$64,845.2	$69,594.3	$67,190.8	$138,240.2	$121,996.2	$127,392.0	$92,373.4	$109,142.4	$124,694.1
Cost of Productive Capital	$4,122.3	$4,184.2	$4,404.7	$5,092.0	$6,054.3	$6,581.4	$6,872.5	$5,263.3	$5,909.2	$6,726.9
% of Revenue	7.93%	7.56%	8.02%	8.56%	8.74%	10.11%	9.47%	8.59%	9.13%	9.79%
Total Operating Capital	$64,129.7	$70,615.2	$75,666.3	$73,186.8	$151,053.2	$134,811.2	$140,773.8	$101,066.6	$119,683.8	$137,792.5
Cost of Total Operating Capital	$4,332.6	$4,472.9	$4,792.7	$5,541.2	$6,608.6	$7,229.5	$7,549.3	$5,729.0	$6,459.8	$7,389.4
% of Revenue	8.33%	8.08%	8.72%	9.31%	9.54%	11.10%	10.41%	9.35%	9.98%	10.75%
Non - Operating Capital	$2,040.9	$2,124.6	$1,389.9	$1,345.6	$2,396.7	$18,560.8	$19,381.7	$5,163.5	$7,434.3	$18,971.3
Cost of Non - Operating Capital	$114.6	$138.3	$115.1	$101.8	$110.3	$530.0	$553.5	$199.1	$247.4	$541.7
% of Revenue	0.22%	0.25%	0.21%	0.17%	0.16%	0.81%	0.76%	0.32%	0.38%	0.79%
Total Capital	$66,170.6	$72,739.8	$77,056.2	$74,532.4	$153,449.9	$153,372.0	$160,155.5	$106,230.1	$127,118.1	$156,763.8
Cost of Total Capital	$4,447.2	$4,611.2	$4,907.8	$5,643.0	$6,718.9	$7,759.5	$8,102.7	$5,928.1	$6,707.2	$7,931.1
% of Revenue	8.55%	8.33%	8.93%	9.48%	9.69%	11.91%	11.17%	9.67%	10.36%	11.54%
Cost of Capital (WACC)	6.69%	6.64%	6.55%	7.45%	5.89%	5.06%	5.06%	6.32%	6.13%	5.06%
Capital Structure										
Debt & Debt Equivalents	$20,285.6	$22,929.8	$28,279.2	$23,927.4	$52,278.9	$58,628.0	$61,221.1	$37,208.7	$44,944.8	$59,924.5
Debt & Debt Equivalents % of Market Value	10.45%	13.32%	15.67%	12.09%	18.25%	20.93%	20.93%	16.66%	17.64%	20.93%
Preferred Equity	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Preferred Equity % of Market Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Market Value of Common Equity	$173,849.4	$149,235.4	$152,140.9	$173,918.2	$234,107.2	$221,455.6	$231,250.4	$186,171.5	$209,827.0	$226,353.0
Common Equity % of Market Value	89.55%	86.68%	84.33%	87.91%	81.75%	79.07%	79.07%	83.34%	82.36%	79.07%
Total Economic Market Value (MV)	$194,134.9	$172,165.2	$180,420.1	$197,845.6	$286,386.1	$280,083.6	$292,471.5	$223,380.1	$254,771.8	$286,277.6
Total %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Excess Cash	$2,040.9	$2,124.6	$1,389.9	$1,345.6	$2,396.7	$18,560.8	$19,381.7	$5,163.5	$7,434.3	$18,971.3
Economic Enterprise Value	$192,094.1	$170,040.6	$179,030.2	$196,500.0	$283,989.5	$261,522.8	$273,089.8	$218,216.6	$247,337.4	$267,306.3
Average Capital	$64,680.4	$67,683.2	$73,115.0	$74,884.8	$112,486.1	$151,905.9	$156,763.8	$96,015.0	$113,092.3	$154,334.9
Capital ∆	($613.6)	$6,619.3	$4,244.3	($704.8)	$75,907.5	$2,932.1	$6,783.5	$17,799.7	$26,044.9	$4,857.8

Source: Company Data, Financial statements and Tigress Research

Tigress Financial Partners

Walt Disney Company (DIS-US) — Media

Financial Analysis

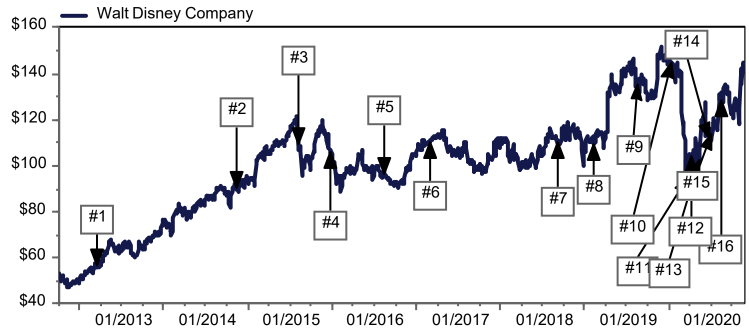
Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	**10/03/2015**	**10/01/2016**	**09/30/2017**	**09/29/2018**	**09/28/2019**	**10/03/2020**	**09/30/2021**	**Average**	**Average**	**Trend**
Return on Market Value (NOPAT / MV)	**4.34%**	**5.46%**	**5.10%**	**6.61%**	**3.11%**	**3.58%**	**3.74%**	**4.77%**	**4.44%**	**3.66%**
Return on Enterprise Value (NOPAT / EV)	**4.38%**	**5.53%**	**5.14%**	**6.66%**	**3.14%**	**3.84%**	**4.01%**	**4.86%**	**4.54%**	**3.92%**
Return on Capital (NOPAT / Average Capital)	**13.02%**	**13.90%**	**12.58%**	**17.47%**	**7.92%**	**6.61%**	**7.50%**	**11.70%**	**10.67%**	**7.05%**
Cost of Capital (WACC)	**6.69%**	**6.64%**	**6.55%**	**7.45%**	**5.89%**	**5.06%**	**5.06%**	**6.32%**	**6.13%**	**5.06%**
Economic Return Spread	**6.32%**	**7.26%**	**6.02%**	**10.03%**	**2.02%**	**1.55%**	**1.62%**	**5.38%**	**4.53%**	**1.59%**
Capital Charge	**$4,327.9**	**$4,493.6**	**$4,791.0**	**$5,575.3**	**$6,630.2**	**$7,683.4**	**$8,023.2**	**$5,834.7**	**$6,629.6**	**$7,853.3**
Economic Profit (EP)	**$4,090.8**	**$4,914.7**	**$4,403.6**	**$7,509.4**	**$2,275.0**	**$2,357.6**	**$2,461.9**	**$4,292.1**	**$4,047.3**	**$2,409.7**
Economic Profit Improvement (EPI)	**$635.4**	**$824.0**	**($511.1)**	**$3,105.7**	**($5,234.4)**	**$82.6**	**$104.3**	**($346.6)**	**($682.0)**	**$93.4**
EP Growth	*18.39%*	*20.14%*	*-10.40%*	*70.53%*	*-69.70%*	*3.63%*	*4.42%*	*2.84%*	*1.48%*	*4.03%*
Economic Profit Margin on Sales	*7.87%*	*8.88%*	*8.01%*	*12.62%*	*3.28%*	*3.62%*	*3.39%*	*7.28%*	*6.51%*	*3.51%*
Economic Profit Per Share	**$2.41**	**$3.02**	**$2.81**	**$5.01**	**$1.37**	**$1.30**	**$1.36**	**$2.70**	**$2.56**	**$1.33**
GAAP Earnings Per Share	**$4.94**	**$5.75**	**$5.72**	**$8.40**	**$7.00**	**($1.58)**	**$1.88**	**$5.06**	**$4.61**	**$0.15**
Excess Cash Per Share	**$1.22**	**$1.32**	**$0.90**	**$0.90**	**$1.33**	**$10.26**	**$10.71**	**$2.94**	**$4.16**	**$10.49**
Performance Drivers										
Sales Growth	6.70%	6.47%	-0.77%	8.31%	16.46%	-6.04%	11.40%	4.89%	6.25%	2.68%
Sales Growth Trend (ROC Sales Growth)	7.37%	6.56%	2.13%	4.68%	13.20%	2.96%	4.42%	5.91%	6.95%	3.69%
EBITDAR Margin	30.34%	31.46%	31.28%	31.41%	24.01%	27.66%	27.69%	29.16%	27.69%	27.68%
EBITDAR Growth	5.76%	10.38%	-1.32%	8.76%	-10.98%	8.27%	11.52%	3.02%	2.02%	9.89%
NOPBT Margin	24.16%	25.36%	24.64%	24.79%	16.42%	19.46%	20.22%	22.13%	20.22%	19.84%
NOPBT Growth	6.96%	11.76%	-3.61%	8.97%	-22.86%	11.35%	15.77%	1.12%	-0.85%	13.56%
NOPAT Margin	16.19%	16.99%	16.73%	21.99%	12.85%	19.46%	16.21%	17.60%	18.10%	17.83%
NOPAT Growth	6.96%	11.76%	-2.27%	42.31%	-31.94%	11.31%	17.09%	6.23%	7.23%	14.20%
Economic Profit Margin on Sales (EP / Sales)	7.87%	8.88%	8.01%	12.62%	3.28%	3.62%	3.39%	7.28%	6.51%	3.51%
Economic Profit Growth	18.39%	20.14%	-10.40%	70.53%	-69.70%	3.63%	4.42%	2.84%	1.48%	4.03%
Economic Return Spread (ROC-WACC)	6.32%	7.26%	6.02%	10.03%	2.02%	1.55%	2.44%	5.38%	4.53%	2.00%
Economic Return Ratio (ROC / WACC)	194.52%	209.37%	191.92%	234.69%	134.31%	130.68%	148.27%	180.19%	166.56%	139.48%
Economic Profit Momentum (ΔEP/Capital)	0.99%	1.16%	-0.68%	4.17%	-3.48%	0.05%	0.07%	0.24%	0.25%	0.06%
Economic Profit Momentum Margin (ΔEP/Sales)	1.22%	1.49%	-0.93%	5.22%	-7.55%	0.13%	0.14%	-0.33%	-0.74%	0.14%
Capital Growth	-0.94%	10.28%	5.98%	-0.94%	101.85%	1.95%	4.42%	23.82%	34.29%	3.19%
Capital Turns	0.81X	0.78X	0.73X	0.80X	0.46X	0.42X	0.45X	0.64X	0.56X	0.44X
EVC Acceleration Margin	*1.30%*	*1.58%*	*-0.92%*	*5.65%*	*-8.80%*	*0.12%*	*0.16%*	*-0.48%*	*-1.12%*	*0.14%*
EVC Acceleration Spread	*0.97%*	*1.27%*	*-0.76%*	*4.25%*	*-6.99%*	*0.07%*	*0.07%*	*-0.22%*	*-0.71%*	*0.08%*
Risk Factors										
Free Cash Flow (NOPAT - Δ Capital)	$9,032.3	$2,789.0	$4,950.3	$13,789.5	($67,002.4)	$7,108.9	$4,973.2	($7,672.9)	($15,368.0)	$6,041.0
Free Cash Flow Rate (FCF / Capital)	14.03%	3.93%	6.58%	18.50%	-44.54%	4.64%	3.11%	-2.18%	-7.13%	3.87%
Free Cash Flow Yield (FCF / MV)	4.65%	1.62%	2.74%	6.97%	-23.40%	2.54%	1.70%	-1.90%	-4.63%	2.12%
Total Debt / Total Capital	31.51%	32.30%	37.59%	32.10%	34.75%	38.23%	38.23%	34.99%	35.03%	38.23%
Total Debt / EBITDAR	128.57%	131.66%	164.55%	128.02%	314.20%	325.44%	304.74%	212.77%	255.89%	315.09%
Excess Cash	$2,040.9	$2,124.6	$1,389.9	$1,345.6	$2,396.7	$18,560.8	$0.0	$5,163.5	$7,434.3	$9,280.4
Financial Leverage ((Total Debt - Excess Cash) /	9.40%	12.08%	14.90%	11.41%	17.42%	14.31%	20.93%	14.03%	14.38%	17.62%
Pension Leverage (Net Pension Liability / MV)	-1.29%	-2.12%	-1.70%	-1.33%	-2.01%	0.00%	0.00%	-1.43%	-1.11%	0.00%
Equity Risk Index (S&P 500 = 1.00)	1.08	1.08	1.08	1.06	1.07	1.07	1.07	1.07	1.07	1.07
Stock Price Volatility	2.65	2.81	2.37	2.44	3.00	4.52	4.52	3.03	3.32	4.52
Sales Index (NL Sales)	10.86	10.92	10.91	10.99	11.15	11.08	11.19	11.01	11.07	11.14
Market Value Index (NL Market Value)	12.18	12.06	12.10	12.20	12.57	12.54	12.59	12.29	12.43	12.56
Size Index (NL Sales: MV)	11.52	11.49	11.51	11.59	11.86	11.81	11.89	11.65	11.75	11.85
Beta	1.13	1.12	1.12	1.10	1.11	1.11	1.11	1.11	1.10	1.11
TFP Adjusted Beta	1.08	1.08	1.08	1.06	1.07	1.07	1.07	1.07	1.07	1.07
Stock Price Volatility	2.65	2.81	2.37	2.44	3.00	4.52	4.52	3.03	3.32	4.52
Valuation Measures										
Total Economic Market Value (MV)	$194,134.9	$172,165.2	$180,420.1	$197,845.6	$286,386.1	$280,083.6	$292,471.5	$223,380.1	$254,771.8	$286,277.6
Economic Enterprise Value	$192,094.1	$170,040.6	$179,030.2	$196,500.0	$283,989.5	$261,522.8	$273,089.8	$218,216.6	$247,337.4	$267,306.3
Equity Market Value	$173,849.4	$149,235.4	$152,140.9	$173,918.2	$234,107.2	$221,455.6	$231,250.4	$186,171.5	$209,827.0	$226,353.0
Total Capital	$66,170.6	$72,739.8	$77,056.2	$74,532.4	$153,449.9	$153,372.0	$160,155.5	$106,230.1	$127,118.1	$156,763.8
Market Value Created MVC (MV - Capital)	$127,964.4	$99,425.4	$103,363.9	$123,313.2	$132,936.2	$126,711.6	$132,316.0	$117,150.1	$127,653.7	$129,513.8
MVC Margin (MVC / Sales)	246.07%	179.57%	188.13%	207.22%	191.81%	194.57%	182.39%	192.52%	197.46%	188.15%
MVC Spread (MVC / Capital)	193.39%	136.69%	134.14%	165.45%	86.63%	82.62%	82.62%	110.28%	100.42%	82.62%
Current EVC Value (EP / WACC)	$61,136.7	$74,027.0	$67,204.1	$100,862.0	$38,596.6	$46,610.9	$48,672.4	$67,935.6	$65,997.9	$47,641.6
Current Operations Value COV	$125,817.1	$141,710.2	$140,319.1	$175,746.8	$151,082.7	$198,516.8	$205,436.2	$163,950.6	$179,090.2	$201,976.5
Current Operations Value Per Share	$74.27	$86.99	$89.49	$117.24	$91.23	$109.80	$125.88	$100.46	$108.26	$117.43
Future Growth Value (MVC - EVA Value)	$68,317.8	$30,455.0	$40,101.0	$22,098.8	$135,303.4	$81,566.8	$87,035.3	$59,429.5	$75,681.6	$84,301.1
Future Growth Value Reliance (FGV / MV)	35.19%	17.69%	22.23%	11.17%	47.25%	29.12%	29.76%	26.60%	29.71%	29.45%
Share Price	$103.00	$92.86	$98.57	$104.81	$139.64	$122.55	$122.55	$111.69	$122.33	$122.55
Dividend Yield	1.76%	1.53%	1.58%	1.60%	1.26%	0.72%				
Total Shareholder Return (TTM)	22.51%	-8.32%	7.73%	7.93%	34.49%	-11.52%	0.00%	-8.86%	9.53%	0.18%
MV to IC Ratio	2.93X	2.37X	2.34X	2.65X	1.87X	1.83X	1.83X	2.10X	2.00X	1.83X
EV / EBITDAR Multiple	12.17X	9.76X	10.42X	10.51X	17.07X	14.52X	13.59X	12.41X	13.91X	14.03X
EV / NOPBIT Multiple	15.29X	12.11X	13.23X	13.32X	24.96X	20.64X	18.62X	16.44X	19.12X	19.56X
EV / NOPAT Multiple	22.82X	18.07X	19.47X	15.02X	31.89X	26.05X	23.23X	21.55X	23.17X	24.53X
EV / EP Multiple	46.96X	34.60X	40.65X	26.17X	124.83X	110.93X	110.93X	50.84X	61.11X	110.93X
Future Growth Value (% of MV)	35.19%	17.69%	22.23%	11.17%	47.25%	29.12%	29.76%	26.60%	29.71%	29.45%
Current Operations Value (% of MV)	64.81%	82.31%	77.77%	88.83%	52.75%	70.88%	70.24%	73.40%	70.29%	70.55%
Market Value (COV + FGV %)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Basic Shares Outstanding	1,694.0	1,629.0	1,568.0	1,499.0	1,656.0	1,808.0	1,632.0	1,632.0	1,654.3	1,720.0

Source: Company Data, Financial statements and Tigress Research

Ratings History

Walt Disney Company (DIS-US)

Item #	Date	Research Action	Rating	Price
#16	08/18/2020	Reiterate Rating	Buy	$128.92
#15	07/07/2020	Reiterate Rating	Buy	$114.43
#14	06/24/2020	Reiterate Rating	Buy	$116.59
#13	05/13/2020	Reiterate Rating	Buy	$104.56
#12	04/09/2020	Reiterate Rating	Buy	$101.07
#11	03/19/2020	Reiterate Rating	Buy	$88.80
#10	01/16/2020	Reiterate Rating	Buy	$145.12
#9	08/11/2019	Reiterate Rating	Buy	$134.61
#8	02/12/2019	Reiterate Rating	Buy	$109.20
#7	09/06/2018	Reiterate Rating	Buy	$110.26
#6	02/27/2018	Reiterate Rating	Buy	$110.23
#5	08/16/2016	Reiterate Rating	Buy	$96.88
#4	12/24/2015	Reiterate Rating	Buy	$105.83
#3	08/07/2015	Reiterate Rating	Buy	$109.35
#2	11/14/2014	Reiterate Rating	Buy	$90.80
#1	03/20/2013	Initiation of Coverage	Buy	$56.94



Tigress Research Investment Rating Meanings and Distribution

Tigress Research employs a five-tier rating system for evaluating the investment opportunity and potential return associated with owning the common equity of rated firms within our research universe. The potential return is measured on a relative basis to the general market, which is represented by the S&P 500 and to the subject company's industry peer group as indicated.

Rating Distribution (11/23/2020)

Rating:	Meaning:	Companies Under Coverage #	Companies Under Coverage %	Relationship Companies Under Coverage* #	Relationship Companies Under Coverage* %
Strong Buy:	Expect significant price gains in the price of the stock relative to its industry peer group and general market over the next 12 months.	17	14%	2	20%
Buy:	Expect out-performance for the price of the stock relative to its industry peer group and general market over the next 12 months.	56	46%	7	70%
Neutral:	Expect little or no outperformance opportunity over the next 12 months.	45	36%	1	10%
Underperform:	Expect underperformance for the price of the stock relative to its industry peer group and general market over the next 12 months.	5	4%	0	0%
Sell:	Expect price decline or significant relative market and industry underperformance over the next 12 months.	0	0%	0	0%
Not Rated	No Current Research Rating	NA	NA	97	NA
	Total	123	100%	107	100%

*Relationship Companies under research coverage are companies in which Tigress Financial Partners LLC or one of its affiliates has received compensation for investment banking or non-investment banking services from the company, affiliated entities and/or its employees within the past twelve months or expects to do so within the next three months.

Contacts

Ivan Feinseth
Director of Research
(646) 780-8901 Direct
ifeinseth@tigressfp.com

Aaron Ju
Research Analyst
(646) 780-8887 Direct
aaronju@tigressfp.com

Brad Distel
Research Support
(646) 780-8938 Direct
bdistel@tigressfp.com

Hollis Copeland
Head of Equity Capital Markets
(646) 780-8940 Direct
hcopeland@tigressfp.com

Joaquin Escamille
Co-Head, Debt Capital Markets
(646) 780-8910 Direct
jescamille@tigressfp.com

Vernon Gatling
Co-Head, Debt Capital Markets
(646) 780-8896 Direct
vgatling@tigressfp.com

Andrew Mayers
Operations Manager
(646) 780-8895 Direct
amayers@tigressfp.com

Christian Mitchell
Managing Director, Equity Trading
(646) 780-8915 Direct
cmitchell@tigressfp.com

Scott Duxbury
Institutional Relationship Manager
(646) 780-8914 Direct
sduxbury@tigressfp.com

Mehdi Sunderji
Institutional Relationship Manager
(646) 780-8891 Direct
msunderji@tigressfp.com

Lily Li
Head, Global Wealth Management
(646) 780-8903 Direct
lillyeli@tigressfp.com

Analyst Certification

I, Ivan Feinseth, hereby certify that the views expressed herein accurately reflect my personal views about the subject company and their securities and that I have not been and will not be directly or indirectly compensated for expressing specific recommendations or views in the report.

Research Disclosures

Employees, officers, directors, and shareholders of Tigress Financial Partners LLC and of any of Tigress Financial Partners LLC affiliated entities that are not directly involved with the production of any Tigress Research report (s) and/or their family members may buy/sell or hold securities for their own accounts contrary to the current recommendation expressed in any report published by Tigress Research.

Tigress Financial Partners LLC, as well as affiliates of Tigress Financial Partners LLC, provide or may seek to provide investment banking, consulting and/or other services to the companies and / or the officers, directors, and employees of the companies that are the subject of research reports published by Tigress Research.

Tigress Financial Partners research personnel, including the Analyst (s) responsible for the production of this report, receive compensation based upon the overall profitability of the entire firm, including profits derived from investment banking revenues.

Tigress Research Methodology Overview

We employ proprietary quantitative valuation models combined with dynamic fundamental analysis based on the principles of Economic Profit to formulate timely and insightful investment ratings, analysis, strategies, and recommendations.

We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

Business Performance: Measuring economic profitability, growth, and operating efficiency.

Risk: Measuring business sustainability, volatility, strength, and consistency.

Valuation: Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of Economic Profit and cash flow.

We score and rank 24 key measurements of performance, risk, and value into relative market and industry investment recommendations.

Glossary of Key Terms and Measures

Excess Cash per Share: Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities, less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.

EBITDAR: Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring, and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.

NOPAT: Net Operating Profit After Tax represents a company's after-tax cash operating Profit, excluding financing costs.

Total Invested Capital: Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of the company.

Return on Capital: Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.

Cost of Capital: Is the proportionately weighted cost of each category of capital – common equity, preferred equity, and debt.

Economic Profit: Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.

Current Operations Value: Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream, assuming it remains constant forever.

Future Growth Value: Future Growth Value is the portion of market value based on un-earned Economic Profit

Specific Disclosures for the companies that are the subject of this report

Company:	Disclosure:
Walt Disney Company (DIS-US)	14

Key	Disclosure:
1.	The Analyst or a household member responsible for the production of this report currently holds a position in securities of the company that is the primary subject of this report in a personal, related, or beneficial account.
2.	The Analyst or a household member responsible for the production of this report beneficially owns one percent or more in securities of the company that is the primary subject of this report in a personal, related, or beneficial account.
3.	Tigress Financial Partners LLC, together with its affiliates, beneficially owns one percent or more of the security that is the primary subject of this report.
4.	The Analyst or a household member responsible for the production of this report currently serves as an officer, director, or advisory board member of the company that is the primary subject of this report.
5.	An employee of Tigress Financial Partners LLC, its affiliates, or subsidiaries currently serves as an officer, director, or advisory board member of the company that is the primary subject of this report.
6.	Tigress Financial Partners LLC, its affiliates, or subsidiaries, is acting as manager/co-manager, underwriter, selling group member, placement, or sales agent regarding an offering of securities of this subject company/entity or one of its affiliates.
7.	Tigress Financial Partners LLC, its affiliates or subsidiaries has acted as manager/co-manager, underwriter, selling group member, placement, or sales agent regarding an offering of securities of this subject company/entity or one of its affiliates within the past 12 months.
8.	Tigress Financial Partners LLC or an affiliated entity currently receives compensation for non-investment banking services from the company and / or employees and / or affiliated persons of the company that is the primary subject of this report.
9.	Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for investment banking services from the company that is the primary subject of this report.
10.	Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for non-investment banking services from the company that is the primary subject of this report.
11.	Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for non-investment banking services from employees and / or affiliated persons of the company that is the primary subject of this report.
12.	In the next three months, Tigress Financial Partners LLC, or an affiliated entity, expects to receive compensation for investment banking services from the company that is the primary subject of this report.
13.	In the next three months, Tigress Financial Partners LLC, or an affiliated entity, expects to receive compensation for non-investment banking services from the company that is the primary subject of this report.
14.	Accounts managed by Tigress Financial Partners LLC, and / or an employee or an affiliated entity currently hold a position in the security that is the primary subject of this report.
15.	Tigress Financial Partners LLC and /or an affiliated entity currently has contracted the products and / or services of the company that is the primary subject of this report.

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC
Research: (646) 780-8880 research@tigressfp.com
410 Park Avenue New York NY, 10022 (212) 430-8700 www.tigressfinancialpartners.com

Research Report Disclaimer

This report is produced for informational purposes only and is not a solicitation to buy or sell any securities or services from any companies or issuers mentioned herein or to participate in any particular trading strategy or in any jurisdiction in which such an offer or solicitation would violate applicable laws or regulations.

Tigress research is distributed in the United States by Tigress Financial Partners LLC, a registered broker-dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA).

The information contained herein has been obtained or derived from sources believed to be reliable, but its accuracy and completeness is not guaranteed and should not be the sole basis for any investment decision but only to be used as a factor in the investment decision process.

This report does not provide individually tailored investment advice and has been prepared without regard to the individual financial circumstances and investment objectives of any person(s) receiving it. The analysis and conclusions herein are not a complete analysis of every material fact respecting any company, industry, or security. The opinions expressed in this report reflect the judgment of the author(s) at this date and are subject to change without further notice. Tigress Financial Partners is under no obligation to provide updates to recipients of any previously issued reports or recommendations.

The market value and expected income from any investment may vary because of changes in interest rates or foreign exchange rates, securities prices, or market indexes, operational or financial conditions of the underlying companies, or other factors. Past performance is not indicative of future performance. Estimates of future performance, research ratings, and target prices are based on assumptions that may not be realized. Unless otherwise stated, the cover page provides the most recently available closing price on the primary exchange of the subject company's securities/instruments.

Securities are offered through Tigress Financial Partners LLC; an SEC Registered Broker-Dealer and registered investment advisor and a member of FINRA/MSRB/SIPC which clears its securities transactions and provides custody of client accounts on a fully disclosed basis through Pershing LLC, a subsidiary of The Bank of New York Mellon. Securities in your account are protected up to $500,000, of which $250,000 can be for claims for cash awaiting reinvestment. Please note that SIPC does not protect against loss due to market fluctuation. For additional information, please go to www.sipc.org.

In addition to SIPC protection, Pershing provides Tigress Financial Partners LLC client accounts coverage in excess of SIPC limits from Lloyd's of London, in conjunction with other insurance companies. The excess of SIPC coverage provides an aggregate loss limit of $1 billion for eligible securities over all client accounts and a per-client loss limit of $1.9 million for cash awaiting reinvestment within the aggregate loss limit of $1 billion. The excess of SIPC coverage does not protect against loss due to market fluctuation. For additional information, please go to www.lloyds.com. Pershing's excess of SIPC coverage is provided by Lloyd's of London in conjunction with XL Specialty Insurance Co., Axis Specialty Europe Ltd., Great Lakes Reinsurance (UK) PLC and Ironshore Specialty Insurance Co.

About Tigress Financial Partners LLC

Tigress Financial Partners is a specialized financial services firm providing expertise and services in investment banking, investment research, asset management, corporate advisory, and trade execution services.

Tigress Financial Partners provides its services to corporate entities, institutional investors, high-net-worth individual investors, public and private pensions, federal, state, and municipal governments.

Tigress Financial Partners LLC is a registered broker-dealer and registered investment advisor with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB) and a member of the Securities Investor Protection Corporation (SIPC).

Tigress Financial Partners LLC is a Woman-Owned Business Enterprise (WBE) and is nationally certified by WBENC, the Women's Business Enterprise National Council.

Tigress Financial Partners LLC is a wholly-owned subsidiary of Tigress Holdings LLC. For further information, please go to www.tigressfinancialpartners.com.

About BCS Global Markets

BCS Global Markets is an affiliate of Tigress Financial Partners, and it holds a minority stake in its broker-dealer.

BCS Global Markets is the Global Markets and Investment Banking division of BCS Financial Group and offers prime services and global markets business lines to institutional clients globally. For further information, please go to http://www.bcsgm.com