The Walt Disney Company

November 17, 2026

To Our Shareholders and the Broader Investment Community,

We closed fiscal 2026 with a strong fourth quarter. Consumers around the world, faced with endless options, chose Disney. We welcomed 4% more global guests at Experiences and increased engagement on our streaming platforms and across the ESPN networks[(1)], trends that support strong revenue growth. Disney's mission is to be the world's leading entertainment company and to compound growth for shareholders over time. Our strong fiscal 2026 results, delivered amid a challenging macroeconomic environment, show we are succeeding on that mission.

Revenues increased 16% for the fourth quarter to $25.9 billion from $22.5 billion in Q4 fiscal 2025. Income before income taxes increased 71% to $3.5 billion from $2.0 billion in Q4 fiscal 2025. Total segment operating income[(2)] increased 43% to $5.0 billion from $3.5 billion in Q4 fiscal 2025. Diluted earnings per share (EPS) increased to $1.51 from $0.73 in Q4 fiscal 2025. Adjusted EPS increased to $1.77 from $1.11 in Q4 fiscal 2025.

Revenues increased 8% for the fiscal year to $102.3 billion from $94.4 billion in fiscal 2025. Income before income taxes increased 18% to $14.2 billion from $12.0 billion in fiscal 2025. Total segment operating income increased 12% to $19.7 billion from $17.6 billion in fiscal 2025. Diluted EPS decreased 18% to $5.63 from $6.85 in fiscal 2025. Adjusted EPS increased 18% to $7.02 from $5.93 in fiscal 2025.

We exceeded our fourth quarter total segment operating income and full year adjusted EPS guidance. In a pivotal year for the Company, we delivered approximately 10% total segment operating income growth and 16% adjusted EPS growth, excluding the 53rd week.

As a reminder, our fourth quarter and fiscal 2026 results had one additional week of operations (the 53rd week). We estimate that the 53rd week contributed approximately $0.17 to full year adjusted EPS. See the table on page 3 for the estimated impact of the 53rd week across segment revenues and segment operating income[(3)].

We continue to expect double-digit growth in adjusted EPS in fiscal 2027, excluding the impact of the 53rd week. Note that in Q4 fiscal 2027 we will lap the impact of the 53rd week in Q4 fiscal 2026. Additional guidance points are included on pages 11 through 12.

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(1) Excluding the 53rd week

(2) (A) Total segment operating income, diluted EPS excluding certain items (also referred to as adjusted EPS), Entertainment SVOD operating income (also referred to as SVOD operating income), SVOD operating margin and free cash flow, including such measures, as applicable, excluding the impact of the 53rd week and, as applicable, giving effect to the reporting changes described on page 10 (the "reporting changes"), and (B) segment operating income for Entertainment, Sports and Experiences excluding the impact of the 53rd week and, as applicable, giving effect to the reporting changes are non-GAAP financial measures. The most comparable GAAP measures are in the case of clause (A), income before income taxes, diluted EPS, Entertainment segment operating income, Entertainment segment operating margin and cash provided by operations, and in the case of clause (B), the applicable segment operating income measure. See the discussion on pages 25 through 34 for how we define and calculate these measures, a reconciliation thereof to the most directly comparable GAAP measures and as applicable, why the Company is not providing the forward-looking quantitative reconciliation thereof to the most comparable GAAP measures.

(3) The impact of the additional week (also referred to as the 53rd week) reflects an estimate of the impact of an additional week on segment revenues and expenses in the fourth quarter of fiscal 2026.

SUMMARIZED FINANCIAL RESULTS

The following table summarizes fourth quarter and full year results for fiscal 2026 and 2025. Fiscal 2026 results for the fourth quarter and full year include the benefit from one additional week of operations compared to the prior-year quarter and prior year due to our fiscal period end.

	Quarter Ended			Year Ended		
($ in millions, except per share amounts)	Oct. 3, 2026	Sept. 27, 2025	Change	Oct. 3, 2026	Sept. 27, 2025	Change
Revenues	$ 25,947	$ 22,464	16 %	$ 102,344	$ 94,425	8 %
Income before income taxes	$ 3,507	$ 2,045	71 %	$ 14,212	$ 12,003	18 %
Total segment operating income[(1)]	$ 4,970	$ 3,480	43 %	$ 19,728	$ 17,551	12 %
Diluted EPS	$ 1.51	$ 0.73	>100 %	$ 5.63	$ 6.85	(18) %
Diluted EPS excluding certain items[(1)]	$ 1.77	$ 1.11	59 %	$ 7.02	$ 5.93	18 %
Cash provided by operations	$ 6,755	$ 4,474	51 %	$ 19,270	$ 18,101	6 %
Free cash flow[(1)]	$ 4,837	$ 2,558	89 %	$ 10,572	$ 10,077	5 %

(1) Total segment operating income, diluted EPS excluding certain items and free cash flow are non-GAAP financial measures. The most comparable GAAP measures are income before income taxes, diluted EPS and cash provided by operations, respectively. See the discussion on pages 25 through 34 for how we define and calculate these measures and a reconciliation thereof to the most directly comparable GAAP measures.

SUMMARIZED SEGMENT FINANCIAL RESULTS

The following table summarizes fourth quarter and full year segment revenue and operating income for fiscal 2026 and 2025:

($ in millions)	Quarter Ended Oct. 3, 2026	Quarter Ended Sept. 27, 2025	Change	Year Ended Oct. 3, 2026	Year Ended Sept. 27, 2025	Change
Revenues[1]:						
Entertainment	$ 11,893	$ 10,208	17 %	$ 46,562	$ 42,466	10 %
Sports	4,614	3,980	16 %	18,632	17,672	5 %
Experiences	10,105	8,766	15 %	39,566	36,156	9 %
Eliminations[2]	(665)	(490)	(36) %	(2,416)	(1,869)	(29) %
Total revenues	$ 25,947	$ 22,464	16 %	$ 102,344	$ 94,425	8 %
Segment operating income[1]:						
Entertainment	$ 1,327	$ 691	92 %	$ 5,443	$ 4,674	16 %
Sports	1,393	911	53 %	3,094	2,882	7 %
Experiences	2,250	1,878	20 %	11,191	9,995	12 %
Total segment operating income[3]	$ 4,970	$ 3,480	43 %	$ 19,728	$ 17,551	12 %

(1) The estimated benefit from one additional week of operations on fourth quarter and full year segment revenue and operating income was as follows:

($ in millions)	Revenues	Estimated Impact from One Additional Week of Operations on Segment Revenue Growth Percentage: vs. prior-year quarter	Estimated Impact from One Additional Week of Operations on Segment Revenue Growth Percentage: vs. prior year	Segment operating income	Estimated Impact from One Additional Week of Operations on Segment Operating Income Growth Percentage: vs. prior-year quarter	Estimated Impact from One Additional Week of Operations on Segment Operating Income Growth Percentage: vs. prior year
Entertainment	$ 810	8 ppts	2 ppts	$ 230	33 ppts	5 ppts
Sports	290	7 ppts	2 ppts	80	9 ppts	3 ppts
Experiences	580	7 ppts	2 ppts	180	10 ppts	2 ppts
Eliminations	(50)	nm	nm	—	—	—

The impact of the additional week (also referred to as the 53rd week) reflects an estimate of the impact of an additional week on segment revenues and expenses in the fourth quarter of fiscal 2026.

(2) Reflects fees paid by (a) the entertainment vMVPD services to the sports and entertainment linear networks for the right to air the networks on the Hulu Live TV and Fubo services and (b) the Entertainment segment to the Sports segment to program sports content on ABC Network and Disney+. The increase in eliminations for the quarter and year was due to the Fubo and NFL Transactions (refer to page 20) and one additional week of operations compared to the prior-year quarter and prior year.

(3) Total segment operating income is a non-GAAP financial measure. The most comparable GAAP measure is income before income taxes. See the discussion on pages 25 through 34 for how we define and calculate this measure and a reconciliation thereof to the most directly comparable GAAP measure.

OUR STRATEGY

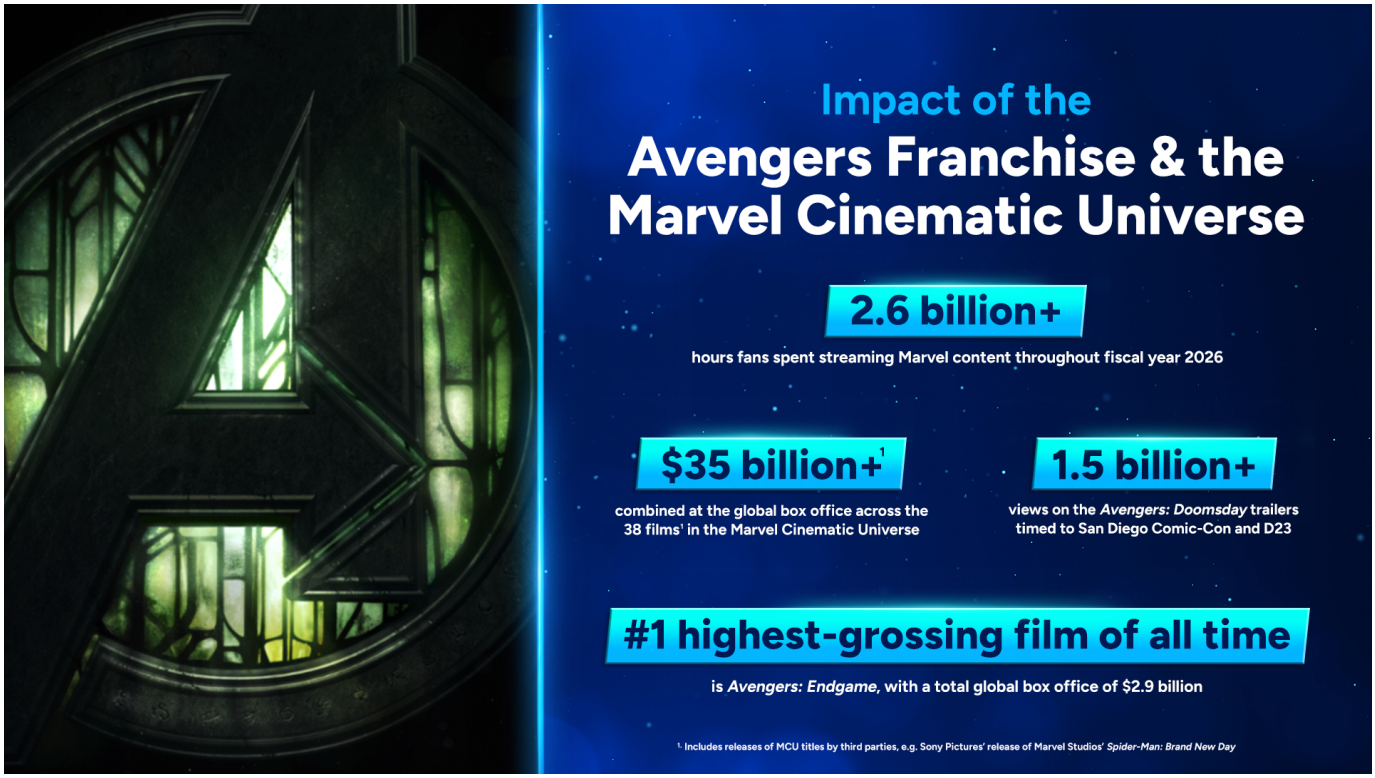
Our results in the quarter reflect our continued execution across our three strategic pillars:

1. Investing in IP and creativity that breaks through, builds connections, and endures
2. Using advanced technologies to power our storytelling and increase monetization and returns
3. Reaching more consumers in more seamless, engaging ways around the world with a One Disney operating model

INVESTING IN IP

Creativity and the pursuit of creative excellence will always be at the core of our company. The increased engagement we saw across our streaming platforms and networks in the fourth quarter, which directly supports our revenue growth, reflects the strength of our creative talent, our focused investment in storytelling, and our leading sports rights portfolio.

Our IP continued to deliver. Following its Disney+ premiere on September 23, *Toy Story 5* attracted 20 million views in its first five days on the platform. August was the highest month ever for Marvel Studios viewing, fueled by the summer theatrical success of *Spider-Man: Brand New Day*[(1)] and the debut of the *Avengers: Doomsday* trailer. And during the quarter, Marvel viewership on Disney+ more than doubled compared to its historical baseline. Our successful re-release of *Avengers: Endgame* in late September also showed how anticipation continues to build for *Avengers: Doomsday*, which arrives in theaters December 18.



To put the scale of Marvel fandom in context, the 38 films of the Marvel Cinematic Universe (MCU) have now generated more than $35 billion at the global box office[(2)]. Marvel's impact extends well beyond the screen as we build fandom in ways unique to Disney. Marvel is consistently one of our top consumer products brands in global retail sales[(3)]. Additionally, Marvel is expanding its presence across our

[(1)] Released by Sony Pictures
[(2)] Includes releases of MCU titles by third parties, e.g. Sony Pictures' release of Marvel Studios' S*pider-Man: Brand New Da*y
[(3)] Includes third-party retail sales

Experiences portfolio with Avengers Campus at Disney California Adventure set to double in size in 2028, an Avengers tower in development to transform the skyline of Hong Kong Disneyland, and a first-of-its-kind Spider-Man coaster designed to anchor a new themed land at Shanghai Disneyland.

Alongside Marvel, we have a deep portfolio of beloved franchises that set us apart. By continuing to invest in our existing franchises while innovating to build new ones, we can reach new audiences and deepen our relationship with consumers for generations to come. We have a robust portfolio of franchises that generate over $1 billion in annual global retail sales[(1)].

Looking ahead, fans are eagerly awaiting the next chapters in two of our billion-dollar retail sales[(1)] franchises – *Frozen 3* and the live-action *Lilo & Stitch 2* – in fiscal year 2028. We are also investing in new stories that have the potential to become future franchises. We look forward to releasing some of our newest IP, including Disney's *Hexed* next week and Disney and Pixar's *Gatto* in March.



At the same time, we continue to invest in delivering compelling general entertainment content and benefited from strong performance of our television series in the fourth quarter. *American Horror Story: 13* debuted as the most-streamed premiere in series history with viewership up 50% over the prior season. And *Dancing with the Stars* returned for its 35th season with its biggest premiere in six years, drawing nearly 7 million viewers across ABC and Disney+, up 24% over the prior season[(2)]. These hits drive engagement across our platforms and support our strategy of expanding reach and deepening fandom.

Beyond premium film and television, we are expanding our short-form and creator content offerings across our services. In December we will begin introducing creator content on Disney+ through our agreement with TikTok, strategically aligned with the buildup to *Avengers: Doomsday* on December 18. We are also adding more vertical video, live sports, and podcasts to the platform, while continuing to explore other emerging content genres.

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(1) Includes third-party retail sales
(2) Nielsen National Live+Same Day Preliminary Panel Only Program Ratings for 9/15/26 and 9/16/26

At ESPN, viewership for the start of the NFL and college football seasons reached historic highs. *Monday Night Football* opened with its best Week 1 and Week 2 audiences ever with aggregate viewership up 20% in the fourth quarter – and up 24% season-to-date through week 9[(1)]. In September, ABC's broadcast of Ohio State–Texas drew 14 million viewers, making it ESPN's most-watched regular-season college football game in 10 years[(1)]. We are excited about ESPN's recently announced College Football Playoff agreement, which extends exclusive rights to the expanded 24-team format starting next season.

Meanwhile, our coverage of the US Open delivered viewership at four-year highs, highlighted by the largest US Open Men's Final in ESPN's history[(1)]. We also debuted RedZone at the US Open on ESPN Unlimited after we acquired the RedZone brand as part of the NFL Transaction earlier this year.

With ESPN set to carry its first Super Bowl in 2027, we are looking forward to delivering the year's biggest event on ESPN and ABC, in addition to Disney+ audiences in the U.S. and more than 55 international markets around the world.



IMPROVING MONETIZATION AND RETURNS

We are focused on leveraging technology to expand our reach and increase the value we deliver to our fans. This focus supports our financial goals: consistent revenue, total segment operating income, and adjusted EPS growth, along with strong free cash flow generation.

We are pleased to announce that our Board of Directors has declared a dividend of $2.00 per share, payable in two installments of $1.00 per share on January 22, 2027 (record date December 16, 2026) and on July 13, 2027 (record date June 11, 2027). This represents a 33% increase over the $1.50 per share paid to shareholders during fiscal year 2026.

In fiscal 2026, total company revenue increased 8% to $102.3 billion, total segment operating income increased 12% to $19.7 billion, and adjusted EPS expanded 18% to $7.02. We estimate that the 53rd week contributed approximately $1.6 billion or 2% to total company revenue growth, $490 million or 3% to

(1) Nielsen, L+SD, P2+ viewers

total segment operating income growth, and $0.17 or 3% to adjusted EPS[(1)] growth in fiscal 2026. Notably, adjusted EPS growth excluding the 53rd week exceeded our prior guidance of approximately 12%.

The fourth quarter and full year were record periods for Experiences revenue and segment operating income, even without the contribution of the 53rd week. Experiences revenue increased 9% and segment operating income increased 12% on the year, while we estimate the 53rd week contributed approximately 2% to Experiences revenue growth and 2% to Experiences segment operating income growth on the year.

For the fourth quarter, Experiences revenue increased 15%, with the 53rd week contributing approximately 7%. Experiences segment operating income increased 20% in the quarter, with the 53rd week contributing approximately 10%. Domestic Parks & Experiences revenue increased 19% in the quarter, with the 53rd week contributing approximately 8%. Domestic Parks & Experiences operating income increased 36% in the quarter, with the 53rd week contributing approximately 15%.

Our continued growth in both guests and guest spending at Experiences once again highlights the differentiated strength of our diversified global portfolio. Per capita guest spending increased 4% across our domestic parks and 5% across our international parks in the fourth quarter, with strength at Disneyland Paris more than offsetting incremental weakness relative to the third quarter at our Hong Kong and Shanghai parks. It was another strong quarter for our largest site, Walt Disney World, where a steady run of new offerings, our IP, and a commercial strategy focused on domestic guests drove strong growth, aided by favorable comparisons to the prior-year quarter.

Guests are also increasingly using AI-powered tools to discover, plan, and book their travel, and we are exploring several new ways to meet them where they are. We want Disney to appear as a vacation option within the AI tools guests use for inspiration and planning, and we are integrating our offerings directly into those tools so guests can book more efficiently. On our own channels, we are using AI to simplify planning and booking, including a vacation planning experience now in beta on our Walt Disney World website, built in collaboration with Google.

Our investments in franchise IP during the fiscal year and anticipation for *Avengers: Doomsday* continued to drive strong consumer products sales in the quarter. Consumer Products revenue increased 12% in the quarter, with the 53rd week contributing approximately 4%, led by games and licensing.

Our streaming strategy is built on two pillars: making our core streaming experience the best in the marketplace and connecting our services into a single ecosystem. We are executing this strategy from a position of strength, reflected by another quarter of double-digit Entertainment SVOD (SVOD) revenue growth.

SVOD revenue increased 19% to $6.1 billion from $5.1 billion in Q4 fiscal 2025, with 22% subscription revenue growth. We estimate that the 53rd week contributed approximately 9% to SVOD revenue growth and 9% to subscription revenue growth in the quarter, while our growth in subscription revenue was driven by both volume and rate. We are encouraged by our continued strong SVOD revenue growth and plan to invest behind this success. In fiscal 2027 we expect to increase both content and marketing investment in support of our longer-term goals.

SVOD operating income increased $422 million to $824 million in the quarter with the 53rd week contributing approximately $160 million. We achieved a double-digit SVOD operating margin of 11.5% for the full fiscal year, and we remain focused on expanding SVOD operating margin over time.

[(1)] The Fubo and NFL Transactions contributed approximately 2% to revenue growth and 1% to total segment operating income growth. The 53rd week contribution described above includes a nominal amount attributable to these transactions.

The strong SVOD revenue and operating income growth helped drive 16% Entertainment segment operating income growth for the full year, with the 53rd week contributing approximately 5%.

Our app unification of Disney+ and Hulu is nearly complete. Beginning this December, subscribers will have a fully unified experience on Disney+, including live TV and select premium add-ons, creating a more seamless way to discover and engage with the breadth of content across our brands and franchises. We believe our continued focus on product and technology will yield further benefits in engagement and churn over time.

ESPN plays an important role in the overall Disney portfolio by contributing live and on-demand offerings to Disney+, lifting engagement and supporting revenue growth, and encouraging users to upgrade to the Disney+, Hulu, ESPN Bundle. This fall, we increased the volume of sports content we offer Disney+ subscribers without the need for an ESPN subscription, continuing our simulcast of College GameDay, adding more live college football games, and airing select NFL games, which kicked off with the Dallas Cowboys at the Philadelphia Eagles on October 26. Following the expansion of ESPN content into Europe and select APAC markets this year, ESPN now reaches fans through Disney+ in approximately 100 markets.

Sports segment subscription and affiliate fee revenue increased 18% in the quarter to $3.4 billion from $2.9 billion in Q4 fiscal 2025, with advertising revenue growth of 20%. We estimate that the 53rd week and NFL Transaction contributed 11% to segment revenue growth, 12% to subscription and affiliate fee revenue growth, and 9% to advertising revenue growth in the quarter.

In September, we named two leaders who will accelerate how we build, test, and deliver technology across the company:

Karandeep Anand was appointed Senior Executive Vice President and Chief Technology Officer, a newly created role at Disney, where he oversees enterprise technology, infrastructure, data and AI platforms, product, and engineering, while working with the segment technology teams to modernize how we build and deliver technology across the company.

Adam Smith was named Chairman of Direct-to-Consumer for Disney Entertainment and is responsible for Disney's global entertainment SVOD business, while leading strategy, development, and continued innovation across our streaming platforms, proprietary advertising technology, and emerging technologies.

INCREASING REACH AND ENGAGEMENT

We are successfully executing on our strategy to reach more fans around the world across both digital and physical experiences. As AI accelerates the growth in content supply over time, we believe that the strength of our franchises and live sports offering, combined with the depth of our consumer relationships, will strengthen our competitive advantage.

The record fiscal fourth quarter at Disney Experiences was propelled by an 11% increase in global guests[(1)] (4% increase excluding the 53rd week), driven by continued attendance strength at Walt Disney World and Disneyland Paris, and by increased capacity at Disney Cruise Line following the launches of the Disney Adventure and Disney Destiny earlier in the fiscal year. Our capacity expansion, operational excellence, and unmatched IP portfolio helped Disney Experiences set an all-time global guests record, up 5% for the full fiscal year (4% excluding the 53rd week).

[(1)] Global guests is used to analyze combined volume trends across our theme parks and cruise businesses and is defined as the sum of theme park attendance and passenger cruise days. Passenger cruise days is the number of passengers on a cruise multiplied by the number of days in the voyage.





We continued to see headwinds from lower international attendance at our domestic parks in the quarter, but as expected, those headwinds moderated from the year-over-year impact observed in the third quarter. Domestic parks attendance was up 11% in the quarter (3% excluding the 53rd week).

Meanwhile, Disneyland Paris continued to deliver strong growth, benefiting from recent investment and expansion, including World of Frozen. In contrast, attendance at our Hong Kong and Shanghai parks worsened during the quarter and we expect this pressure to continue in fiscal 2027. We expect growth in

global guests to continue in the first quarter of fiscal 2027, despite consumer softness in Hong Kong and Shanghai.

Beyond our international parks, we are focused on bringing Disney+ to more households outside the U.S. We are pleased with the progress we saw in the quarter across EMEA, LATAM, and APAC, including healthy engagement growth, which we believe directly supports revenue growth.

Over the last two years we released nine of our most-watched international originals of all time on Disney+. Key local originals in Q4 included *A Shop for Killers* Season 2 (APAC) and *Soy Luna: Let's Roll Again* (LATAM). And *The Remarried Empress,* our latest breakout hit from South Korea which debuted earlier this month, is our biggest local original premiere to date. We believe our local free-to-air collaborations are a meaningful competitive advantage – we now have more than 30 across the regions. Local content remains one of the strongest drivers of international subscriber acquisition and engagement, and over the next three years we plan to roughly triple our delivery of local originals.

We continue to see the power of ESPN and live sports in our results. Both the fourth quarter and the full fiscal year delivered the most consumption on the ESPN networks since fiscal 2015, with hours watched up 4% and 10%, respectively[(1)]. On the full year, the ESPN networks captured the largest share of sports viewership, both overall and among adults 18-49, even with the Winter Olympics and World Cup airing on competitor networks in the US[(2)]. Across digital and social, ESPN remained No. 1 in the U.S. Sports Category in September with a monthly record 237 million unique users, while reaching 96% of internet users 35-44 and 99% of internet users 25-34[(3)].

In total, we are reaching more consumers in more seamless, engaging ways around the world. We are also breaking down legacy processes and building new muscle to grow faster and deliver sustainable returns over time.

CAPITAL ALLOCATION AND OTHER MATTERS

Last quarter, we said we were mid-stream on an efficiency program to create incremental capacity to drive growth. We now expect the program to realize annual run-rate operating expense savings of approximately $3 billion by fiscal 2029. While these efficiencies will be used primarily to fund future growth, we do expect a portion to drop to the bottom line over time.

We repurchased $1.8 billion of Disney shares in the quarter and $9.0 billion across the full fiscal year. Combined with our 2026 dividend, we returned $11.6 billion to shareholders in fiscal 2026.

In the fiscal fourth quarter we closed the previously announced transaction to sell our 50% stake in A+E Global Media to an affiliate of co-owner Hearst Corporation. On a full-year basis, A+E contributed approximately $390 million in equity income to Entertainment segment operating income.

REPORTING CHANGES

We understand the importance of consistent disclosure to the investment community. At the same time, our disclosure evolves as our business does, reflecting how we manage the company. We believe it is important our disclosure reflects relevant growth drivers and helps investors track our progress as we execute our strategy.

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(1) Nielsen, L+SD, P2+ Total hours viewed on ABC Sports, ESPN and ESPN2, based on Nielsen currency by date; fiscal Q4 (6/28/26-10/3/26 vs. 6/29/25-9/27/25) and full year (9/28/25-10/3/26 vs. 9/29/24-9/27/25) to account for NFL and college football comparability

(2) Nielsen, L+SD

(3) ComScore Media Metrix, Total Mobile, Custom Category (ESPN applicable digital properties), Total Audience (Desktop P2+ and Mobile 18+), September 2026, U.S., Social Incremental (unduplicated audience reached through social platforms: Instagram, Facebook, and X/Twitter, to ESPN's measured digital audience)

Beginning with the first fiscal quarter of 2027, which we expect to report in February, we will update our disclosure as summarized below. We will provide supplemental financial information reflecting these changes for fiscal 2024, 2025, and 2026, including fiscal 2026 quarters, later today and available on our Investor Relations website:

1. As disclosed in our Form 10-Q filed August 5, 2026, we will shift reporting of our Consumer Products business, excluding Branded Retail, from Disney Experiences to Disney Entertainment.
2. We will provide additional revenue disclosure at Disney Entertainment. The new disclosure will provide greater visibility into how we monetize Entertainment content across distribution platforms, third-party licensing, and consumer products.
3. We will exclude equity income from our Entertainment segment operating results. Our 50% interest in A+E Global Media, which we sold on September 30, 2026, was the most significant equity investment inside the Entertainment segment. The supplemental financial information referenced above will exclude equity income from Entertainment segment operating income.

Finally, our strategy at Disney Entertainment is to drive revenue and segment operating income overall as we aim to maximize the value of our IP. We have made strong progress scaling our SVOD businesses and, as a result, see a long runway for growth and margin expansion at Disney Entertainment. We no longer believe the supplemental disclosure of SVOD operating income reflects this segment focus and strategy. Accordingly, we do not plan to continue providing this disclosure going forward.

In aggregate, these disclosure changes reflect management's continued desire to simplify the structure of our businesses and position The Walt Disney Company for continued long-term growth.

FISCAL 2027 GUIDANCE

Given the impact of calendar shifts and the timing of events on our quarterly results and growth rates, we believe our business is best assessed on an annual basis.

Detailed guidance provided below gives effect to the reporting changes described above, including for fiscal 2026 as recast, and assumes no material deterioration of the global macroeconomic environment during fiscal 2027:

Fiscal 2027

- Adjusted EPS: We continue to expect double-digit growth in adjusted EPS, excluding the impact of the 53rd week. We estimate that the 53rd week contributed approximately $0.17 to adjusted EPS in fiscal 2026.
- Total Segment Operating Income: We expect total segment operating income growth of approximately 8%, excluding the impact of the 53rd week and giving effect to the reporting changes. The reporting changes include the exclusion of equity income from Entertainment segment operating results.
- Quarterly Phasing: We expect the majority of our growth in fiscal 2027 total segment operating income and adjusted EPS to occur in the first half of the fiscal year. Quarterly trends in fiscal 2027 are affected by the calendar and timing impacts referenced below, including the impact of the 53rd week in Q4 fiscal 2026.
- Experiences: We expect Experiences segment operating income to grow in the high-single digits, excluding the impact of the 53rd week and giving effect to the reporting changes.
    - On a reported basis, we expect segment operating income growth in the first half of the fiscal year and relatively flat segment operating income in the second half of the fiscal year, all relative to the prior year periods. Quarterly trends in fiscal 2027 are affected by

the calendar and timing impacts referenced below, including the lapping of cruise ship launches and the opening of World of Frozen, as well as tariff refunds in fiscal 2026.

- Entertainment: We expect Entertainment segment operating income to grow in the high-single digits, excluding the impact of the 53rd week and giving effect to the reporting changes, including the exclusion of equity income from Entertainment segment operating results.
    - On a reported basis, we expect all of the growth in segment operating income for the year to be realized in Q1 fiscal 2027. Quarterly trends are impacted by the expected timing of theatrical releases and programming and production costs relative to fiscal 2026.
- Sports: On a reported basis, we expect Sports segment operating income growth of high-single digits. We expect Sports segment operating income to grow double digits, excluding the impact of the 53rd week.
    - On a reported basis, we expect healthy revenue growth, but segment operating income declines in Q1 compared to the prior year quarter, driven by the timing of College Football Playoff (CFP) games in the New Years window. We expect strong revenue and segment operating income growth in Q2 driven by the same timing impact of CFP games and the broadcast of Super Bowl LXI. We expect relatively flat segment operating income in the second half of the fiscal year, primarily due to the calendar and timing impacts referenced below, including the impact of the 53rd week in Q4 fiscal 2026.
- Capital Expenditures: We expect capital expenditures of approximately $9 billion as we continue to execute against our strategy to turbocharge growth at Disney Experiences.
- Cash Content Spend: We expect cash content spending of approximately $26 billion, or an approximately 9% increase from fiscal 2026. This includes our increased investment in sports rights and international programming, as well as the timing of feature film production spend.
- Free Cash Flow: We expect approximately $11 billion in free cash flow[(1)].
- Share Repurchases: We are targeting approximately $9 billion in share repurchases.
- Tax Rate: We expect an effective tax rate in the low 20's.
- Acquisition Amortization: We expect approximately $1.2 billion of acquisition amortization.

Q1 2027

- We expect Q1 fiscal 2027 total segment operating income of approximately $5.4 billion.

Thank you,

Josh D'Amaro, Chief Executive Officer and Hugh Johnston, Chief Financial Officer

[(1)] Free cash flow is defined as cash provided by operations less investment in parks, resorts and other property.

NOTABLE FISCAL 2027 CALENDAR AND TIMING IMPACTS

- October – Lap prior year Fubo Transaction (October 25, 2025)
- October / November – Lap prior year YouTube TV distribution dispute
- November – Lap prior year launch of Disney Destiny at Disney Cruise Line
- January – New Years falls in Q1 of fiscal 2027 compared to Q2 of fiscal 2026
- January – Lap prior year NFL Transaction (January 31, 2026)
- February – Super Bowl LXI
- March – Easter falls in Q2 of fiscal 2027 compared to Q3 of fiscal 2026
- March – Lap prior year launch of Disney Adventure at Disney Cruise Line
- March – Lap prior year launch of World of Frozen at Disneyland Paris
- Q3 – Lap prior year tariff refund at Disney Experiences
- Q4 – Lap prior year 53rd week

FORM 10-K AND WEBCAST INFORMATION

Please review this release in conjunction with our Form 10-K, which can be found on our website at www.disney.com/investors. The Walt Disney Company will host a live Webcast today, November 17, 2026, at 8:30 AM ET / 5:30 AM PT. The webcast can be viewed at www.disney.com/investors, and will be archived and available for replay following the conclusion of the event.

DISCUSSION OF FOURTH QUARTER SEGMENT RESULTS

Entertainment

Operating results for Entertainment were as follows:

(in millions)	Quarter Ended October 3, 2026	Quarter Ended September 27, 2025	Change
Revenues			
Subscription and affiliate fees	$ 8,084	$ 6,777	19 %
Advertising	1,691	1,542	10 %
Content sales	1,478	1,222	21 %
Other	640	667	(4) %
Total revenues	11,893	10,208	17 %
Operating expenses	(7,783)	(6,708)	(16) %
Selling, general, administrative and other	(2,643)	(2,658)	1 %
Depreciation and amortization	(230)	(246)	7 %
Total costs and expenses	(10,656)	(9,612)	(11) %
Equity in the income of investees	90	95	(5) %
Operating Income	$ 1,327	$ 691	92 %

Revenues - Subscription and affiliate fees

Growth in subscription and affiliate fees was due to increases of 9% from the additional week of operations, 5% from the Fubo Transaction, 4% from more subscribers and 2% from higher effective rates.

Revenues - Advertising

The increase in advertising revenue was attributable to increases of 9% from the additional week of operations, 4% from more impressions and 2% from the Fubo Transaction, partially offset by a decrease of 5% from lower rates.

Revenues - Content sales

Higher content sales revenue was due to increases of 8% from TV/VOD and home entertainment distribution, 8% from theatrical distribution and 6% from the additional week of operations. Higher theatrical distribution revenue was attributable to the stronger performance of animated titles in the current quarter compared to the prior-year quarter, partially offset by fewer live-action titles in the current quarter compared to the prior-year quarter. Animated titles included the ongoing performance of *Toy Story 5* in the current quarter and *Elio* in the prior-year quarter. Live-action titles released in the current quarter included *Moana* and *Avengers Endgame: Encore* (a re-release of *Avengers: Endgame*) while the prior-year quarter included *The Fantastic Four: First Steps* and *Freakier Friday,* along with the ongoing performance of *Lilo & Stitch.*

Operating Expenses

(in millions)	Quarter Ended October 3, 2026	Quarter Ended September 27, 2025	Change
Programming and production costs	$ (6,282)	$ (5,335)	(18) %
Other operating expenses	(1,501)	(1,373)	(9) %
	$ (7,783)	$ (6,708)	(16) %

Programming and production costs reflected increases of 7% from the additional week of operations, 5% from the Fubo Transaction, 3% from our streaming services and 1% from theatrical distribution.

The increase in other operating expenses was attributable to the additional week of operations, higher technology and distribution costs and the Fubo Transaction.

Selling, general, administrative and other

Selling, general, administrative and other costs decreased $15 million, to $2,643 million from $2,658 million, due to lower marketing costs, partially offset by the additional week of operations.

Operating Income from Entertainment

Segment operating income increased $636 million, to $1,327 million from $691 million, due to growth in subscription and affiliate fees and higher content sales, partially offset by increased programming and production costs.

Supplemental SVOD detail

The following table provides supplemental SVOD detail:

($ in millions)	Quarter Ended October 3, 2026	Quarter Ended September 27, 2025	Change
Revenues			
Subscription fees	$ 5,127	$ 4,201	22 %
Advertising	931	882	6 %
Other	(8)	(2)	>(100) %
Total revenues	6,050	5,081	19 %
Programming and production costs	(2,775)	(2,392)	(16) %
Other expenses[(1)]	(2,451)	(2,287)	(7) %
Total costs and expenses	(5,226)	(4,679)	(12) %
Entertainment SVOD operating income[(2)]	$ 824	$ 402	>100 %

(1) Includes other operating expenses, selling, general and administrative expenses and depreciation and amortization.

(2) Entertainment SVOD operating income (also referred to as SVOD operating income) is a non-GAAP financial measure. The most comparable GAAP measure is Entertainment segment operating income. See the discussion on pages 25 through 34 for how we define and calculate this measure and a reconciliation thereof to the most directly comparable GAAP measure.

Growth in subscription fees was attributable to increases of 10% from more subscribers, 9% from the additional week of operations and 2% from higher effective rates.

Higher advertising revenue was due to increases of 8% from the additional week of operations and 6% from more impressions, partially offset by a decrease of 6% from lower rates.

Sports

Operating results for Sports were as follows:

(in millions)	Quarter Ended October 3, 2026	Quarter Ended September 27, 2025	Change
Revenues			
Subscription and affiliate fees	$ 3,422	$ 2,908	18 %
Advertising	955	797	20 %
Other	237	275	(14) %
Total revenues	4,614	3,980	16 %
Operating expenses	(2,828)	(2,670)	(6) %
Selling, general, administrative and other	(386)	(398)	3 %
Depreciation and amortization	(34)	(14)	>(100) %
Total costs and expenses	(3,248)	(3,082)	(5) %
Equity in the income of investees	27	13	>100 %
Operating Income	$ 1,393	$ 911	53 %

Revenues - Subscription and affiliate fees

Growth in subscription and affiliate fees was due to increases of 8% from the additional week of operations, 6% from higher effective rates and 4% from the NFL Transaction.

Revenues - Advertising

Advertising revenue growth was attributable to increases of 8% from higher rates, 5% from the additional week of operations and 4% from the NFL Transaction.

Revenues - Other

The decrease in other revenue was due to the comparison to Ultimate Fighting Championship (UFC) pay-per-view revenue in the prior-year quarter as our rights to air UFC programming expired in December 2025.

Operating expenses

(in millions)	Quarter Ended October 3, 2026	Quarter Ended September 27, 2025	Change
Programming and production costs	$ (2,552)	$ (2,420)	(5) %
Other operating expenses	(276)	(250)	(10) %
	$ (2,828)	$ (2,670)	(6) %

Programming and production costs increased in the current quarter compared to the prior-year quarter primarily due to the additional week of operations, contractual rate increases and costs for new sports rights. These increases were partially offset by the absence of certain rights costs compared to the prior-year quarter, primarily for UFC content, and the impact of one less NFL game in the current quarter compared to the prior-year quarter.

Selling, general, administrative and other

Selling, general, administrative and other costs decreased $12 million, to $386 million from $398 million, due to lower marketing and sales costs, partially offset by the NFL Transaction and the additional week of operations. The decrease in marketing and sales costs was due to the comparison to marketing related to the launch of ESPN Unlimited in the prior-year quarter.

Depreciation and amortization

Depreciation and amortization increased $20 million, to $34 million from $14 million, due to investments in technology.

Operating Income from Sports

Segment operating income increased $482 million, to $1,393 million from $911 million, due to increases in subscription and affiliate fees and advertising revenue, partially offset by higher programming and production costs.

Experiences

Operating results for Experiences were as follows:

	Quarter Ended		
(in millions)	October 3, 2026	September 27, 2025	Change
Revenues			
Theme park admissions	$ 3,063	$ 2,705	13 %
Resorts and vacations	2,804	2,257	24 %
Parks & Experiences merchandise, food and beverage	2,293	2,066	11 %
Merchandise licensing, branded retail and publishing	1,290	1,153	12 %
Parks licensing and other	655	585	12 %
Total revenues	10,105	8,766	15 %
Operating expenses	(5,742)	(5,069)	(13) %
Selling, general, administrative and other	(1,261)	(1,091)	(16) %
Depreciation and amortization	(852)	(728)	(17) %
Total costs and expenses	(7,855)	(6,888)	(14) %
Operating Income	$ 2,250	$ 1,878	20 %

Revenues - Theme park admissions

Theme park admissions revenue growth was due to increases of 7% from the additional week of operations and 5% from higher average per capita ticket revenue.

Revenues - Resorts and vacations

Higher resorts and vacations revenue was attributable to increases of 11% from additional passenger cruise days, 8% from the additional week of operations and 3% from an increase in average daily hotel room rates. The increase in passenger cruise days reflected the launches of the *Disney Destiny* in November 2025 and the *Disney Adventure* in March 2026.

Revenues - Parks & Experiences merchandise, food and beverage

Parks & Experiences merchandise, food and beverage revenue growth was due to increases of 7% from the additional week of operations and 3% from volume growth.

Revenues - Merchandise licensing, branded retail and publishing

Higher merchandise licensing, branded retail and publishing revenue was due to increases of 8% from merchandise licensing and 4% from the additional week of operations.

Revenues - Parks licensing and other

The increase in parks licensing and other revenue was driven by increases in co-branding and sponsorship revenue and a favorable foreign exchange impact, partially offset by lower real estate sales.

Operating expenses

	Quarter Ended		
(in millions)	October 3, 2026	September 27, 2025	Change
Operating labor	$ (2,590)	$ (2,287)	(13) %
Infrastructure costs	(1,087)	(984)	(10) %
Cost of goods sold and distribution costs	(923)	(822)	(12) %
Other operating expense	(1,142)	(976)	(17) %
	$ (5,742)	$ (5,069)	(13) %

The additional week of operations resulted in a 6% average increase in total operating expenses. Aside from this impact:

- Higher operating labor was due to inflation and new guest offerings
- The increase in infrastructure costs was attributable to higher operations support costs
- Higher cost of goods sold and distribution costs were due to volume growth
- The increase in other operating expense was attributable to volume growth and new guest offerings

Selling, general, administrative and other

Selling, general, administrative and other costs increased $170 million, to $1,261 million from $1,091 million, primarily due to higher marketing costs and the additional week of operations.

Depreciation and amortization

Depreciation and amortization increased $124 million, to $852 million from $728 million, due to higher depreciation at our domestic parks and experiences driven by an increase at Disney Cruise Line.

Operating Income from Experiences

Segment operating income increased $372 million, to $2,250 million from $1,878 million, due to higher revenues at Parks & Experiences and, to a lesser extent, Consumer Products, partially offset by higher costs.

Supplemental revenue and operating income

The following table presents supplemental revenue and operating income detail for the Experiences segment:

(in millions)	Quarter Ended October 3, 2026	Quarter Ended September 27, 2025	Change
Supplemental revenue detail			
Parks & Experiences			
Domestic	$ 6,974	$ 5,857	19 %
International	1,820	1,742	4 %
Total Parks & Experiences	8,794	7,599	16 %
Consumer Products	1,311	1,167	12 %
	$ 10,105	$ 8,766	15 %
Supplemental operating income detail			
Parks & Experiences			
Domestic	$ 1,252	$ 920	36 %
International	347	375	(7) %
Consumer Products	651	583	12 %
	$ 2,250	$ 1,878	20 %

Total Parks & Experiences revenue increased $1,195 million, to $8,794 million from $7,599 million due to increases of 7% from the additional week of operations, 4% from higher volumes and 3% from increased average guest spending.

OTHER DEVELOPMENTS

On September 30, 2026, the Company sold its 50% interest in A+E Global Media (A+E) to an affiliate of co-owner Hearst Corporation for approximately $1.3 billion in cash.

On January 31, 2026, ESPN acquired NFL Network and certain other media assets owned and controlled by NFL Enterprises LLC, including the NFL RedZone channel's pay TV distribution and NFL Fantasy (collectively the Specified Assets), from NFL Enterprises LLC in exchange for a 10% noncontrolling interest in ESPN (the NFL Transaction). Following the NFL Transaction, the Company has an effective 72% interest in ESPN and Hearst Corporation has an 18% interest. As of January 31, 2026, the operating results attributable to the Specified Assets are included in the Company's consolidated results.

On October 29, 2025, the Company and FuboTV Inc. (FuboTV), a publicly-traded virtual multi-channel video programming distributor (vMVPD) company, combined certain Hulu Live TV assets with the FuboTV business (the Fubo Transaction). The Company has an approximate 70% interest in the combined operations. As of October 29, 2025, the operating results attributable to FuboTV are included in the Company's consolidated results.

FULL YEAR CASH FLOW

Cash provided by operations and free cash flow[(1)] were as follows:

($ in millions)	Year Ended October 3, 2026	Year Ended September 27, 2025	Change
Cash provided by operations	$ 19,270	$ 18,101	$ 1,169
Investments in parks, resorts and other property	(8,698)	(8,024)	(674)
Free cash flow[(1)]	$ 10,572	$ 10,077	$ 495

(1) Free cash flow is not a financial measure defined by GAAP. The most comparable GAAP measure is cash provided by operations. See the discussion on pages 25 through 34.

Cash provided by operations increased $1.2 billion to $19.3 billion in the current year from $18.1 billion in the prior year due to higher operating cash flows at Experiences, Entertainment and Sports, partially offset by higher income tax payments in the current year attributable to payment of U.S. federal and California state income tax liabilities for fiscal 2025 and a portion of fiscal 2024, which were deferred pursuant to relief related to the 2025 wildfires in California.

Investments in parks, resorts and other property increased to $8.7 billion from $8.0 billion due to higher spending at Experiences attributable to new theme park attractions, partially offset by lower spending on cruise ship fleet expansion.

THE WALT DISNEY COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited; $ in millions, except per share data)

	Quarter Ended		Year Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Revenues	$ 25,947	$ 22,464	$ 102,344	$ 94,425
Costs and expenses	(21,874)	(19,861)	(85,847)	(80,593)
Restructuring and impairment charges	(317)	(382)	(1,456)	(819)
Interest expense, net	(344)	(268)	(1,157)	(1,305)
Equity in the income of investees	95	92	328	295
Income before income taxes	3,507	2,045	14,212	12,003
Income taxes	(652)	(602)	(3,564)	1,428
Net income	2,855	1,443	10,648	13,431
Net income attributable to noncontrolling interests	(243)	(130)	(749)	(1,027)
Net income attributable to The Walt Disney Company (Disney)	$ 2,612	$ 1,313	$ 9,899	$ 12,404
Earnings per share attributable to Disney:				
Diluted	$ 1.51	$ 0.73	$ 5.63	$ 6.85
Basic	$ 1.51	$ 0.73	$ 5.64	$ 6.88
Weighted average number of common and common equivalent shares outstanding:				
Diluted	1,731	1,806	1,759	1,811
Basic	1,725	1,797	1,754	1,804

THE WALT DISNEY COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited; $ in millions, except per share data)

	October 3, 2026	September 27, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,679	$ 5,695
Receivables, net	13,389	13,217
Inventories	2,190	2,134
Content advances	2,199	2,063
Other current assets	1,402	1,158
Total current assets	25,859	24,267
Produced and licensed content costs	30,537	31,327
Investments	6,266	8,097
Parks, resorts and other property		
Attractions, buildings and equipment	86,151	82,041
Accumulated depreciation	(47,921)	(48,889)
	38,230	33,152
Projects in progress	6,266	6,911
Land	1,214	1,192
	45,710	41,255
Intangible assets, net	9,473	9,272
Goodwill	74,700	73,294
Other assets	13,593	10,002
Total assets	$ 206,138	$ 197,514
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and other accrued liabilities	$ 20,347	$ 21,203
Current portion of borrowings	7,331	6,711
Deferred revenue and other	7,229	6,248
Total current liabilities	34,907	34,162
Borrowings	37,142	35,315
Deferred income taxes	5,146	3,524
Other long-term liabilities	10,238	9,901
Commitments and contingencies		
Equity		
Preferred stock	—	—
Common stock and additional paid-in capital, $0.01 par value, Authorized – 4.6 billion shares, Issued – 1.9 billion shares	63,049	59,814
Retained earnings	67,651	60,410
Accumulated other comprehensive loss	(2,581)	(2,914)
Treasury stock, at cost, 165 million shares at October 3, 2026 and 79 million shares at September 27, 2025	(16,519)	(7,441)
Total Disney Shareholders' equity	111,600	109,869
Noncontrolling interests	7,105	4,743
Total equity	118,705	114,612
Total liabilities and equity	$ 206,138	$ 197,514

THE WALT DISNEY COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited; $ in millions)

	Year Ended	
	October 3, 2026	September 27, 2025
OPERATING ACTIVITIES		
Net income	$ 10,648	$ 13,431
Depreciation and amortization	5,605	5,326
Impairments of goodwill, produced and licensed content and other assets	1,012	871
Deferred income taxes	872	(2,739)
Equity in the income of investees	(328)	(295)
Cash distributions received from equity investees	206	145
Net change in produced and licensed content costs and advances	781	577
Equity-based compensation	1,645	1,363
Other, net	(27)	(148)
Changes in operating assets and liabilities		
Receivables	163	(283)
Inventories	(111)	(114)
Other assets	(891)	(42)
Accounts payable and other liabilities	972	237
Income taxes	(1,277)	(228)
Cash provided by operations	19,270	18,101
INVESTING ACTIVITIES		
Investments in parks, resorts and other property	(8,698)	(8,024)
Proceeds from sales of investments	1,280	4
Acquisitions and purchase of investments, net	(548)	(98)
Other, net	73	75
Cash used in investing activities	(7,893)	(8,043)
FINANCING ACTIVITIES		
Commercial paper borrowings (payments), net	2,164	(943)
Borrowings	5,075	1,057
Reduction of borrowings	(4,861)	(3,735)
Dividends	(2,634)	(1,803)
Repurchases of common stock	(9,000)	(3,500)
Acquisition of redeemable noncontrolling interests	—	(439)
Other, net	(1,043)	(1,003)
Cash used in financing activities	(10,299)	(10,366)
Impact of exchange rates on cash, cash equivalents and restricted cash	(34)	5
Change in cash, cash equivalents and restricted cash	1,044	(303)
Cash, cash equivalents and restricted cash, beginning of year	5,799	6,102
Cash, cash equivalents and restricted cash, end of year	$ 6,843	$ 5,799

NON-GAAP FINANCIAL MEASURES

This earnings release presents the following financial measures, which are important financial measures for the Company but are not financial measures defined by GAAP:

- diluted EPS excluding certain items (also referred to as adjusted EPS);
- total segment operating income;
- free cash flow;
- Entertainment SVOD operating income;
- Entertainment SVOD operating margin;
- adjusted EPS excluding the 53rd week;
- total segment operating income excluding the 53rd week;
- Entertainment segment operating income excluding the 53rd week and giving effect to the reporting changes;
- Sports segment operating income excluding the 53rd week;
- Experiences segment operating income excluding the 53rd week and giving effect to the reporting changes; and
- total segment operating income excluding the 53rd week and giving effect to the reporting changes

These non-GAAP financial measures should be reviewed in conjunction with the most directly comparable GAAP financial measures as noted below and are not presented as alternatives to the measures as determined in accordance with GAAP.

Non-GAAP Financial Measure	Most Directly Comparable GAAP Financial Measure
Diluted EPS excluding certain items	Diluted EPS
Total segment operating income	Income before income taxes
Free cash flow	Cash provided by operations
Entertainment SVOD operating income	Entertainment segment operating income
Entertainment SVOD operating margin	Entertainment segment operating margin
Adjusted EPS excluding the 53rd week	Diluted EPS
Total segment operating income excluding the 53rd week	Income before income taxes
Entertainment segment operating income excluding the 53rd week and giving effect to the reporting changes	Entertainment segment operating income
Sports segment operating income excluding the 53rd week	Sports segment operating income
Experiences segment operating income excluding the 53rd week and giving effect to the reporting changes	Experiences segment operating income
Total segment operating income excluding the 53rd week and giving effect to the reporting changes	Income before income taxes

The non-GAAP financial measures above as we have calculated them may not be comparable to similarly titled measures reported by other companies. Our definitions and calculations of these non-

GAAP financial measures as well as quantitative reconciliations of each of these measures to the most directly comparable GAAP financial measure, are provided below or herein.

The Company is not providing the forward-looking measure for diluted EPS; income before income taxes; Entertainment segment operating income or Experiences segment operating income, which are the most directly comparable GAAP measures to adjusted EPS excluding the impact of the 53rd week; total segment operating income and total segment operating income excluding the impact of the 53rd week and giving effect to the reporting changes; Entertainment segment operating income and Experiences segment operating income, in the case of the preceding two measures excluding the impact of the 53rd week and giving effect to the reporting changes, respectively, or reconciliations of these forward-looking non-GAAP measures to those most directly comparable GAAP measures. 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 intangible assets, including purchase accounting step-up adjustments for released content recognized in the fiscal 2019 acquisition of TFCF and Hulu and business acquisitions occurring after fiscal 2025 (Acquisition Amortization), 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 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 following table reconciles reported diluted EPS to diluted EPS excluding certain items for the fourth 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 October 3, 2026					
As reported	$ 3,507	$ (652)	$ 2,855	$ 1.51	>100 %
Exclude:					
Restructuring and impairment charges[4]	317	(86)	231	0.13	
Acquisition Amortization[5]	337	(77)	260	0.13	
Excluding certain items	$ 4,161	$ (815)	$ 3,346	$ 1.77	59 %
Quarter Ended September 27, 2025					
As reported	$ 2,045	$ (602)	$ 1,443	$ 0.73	
Exclude:					
Restructuring and impairment charges[4]	382	28	410	0.23	
Acquisition Amortization[5]	388	(90)	298	0.16	
Hulu Transaction Impacts[6]	—	—	—	(0.01)	
Excluding certain items	$ 2,815	$ (664)	$ 2,151	$ 1.11	

(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) Charges for the current quarter included severance costs ($212 million), an impairment of our investment in A+E ($53 million) and costs related to exiting a facility ($52 million). Amounts for the prior-year quarter included an impairment of our investment in A+E ($450 million), partially offset by a benefit from the resolution of certain matters related to the Star India Transaction ($68 million).

(5) For the current quarter, intangible asset amortization was $271 million and step-up amortization was $66 million. For the prior-year quarter, intangible asset amortization was $327 million and step-up amortization was $61 million.

(6) Reflects $15 million recognized in “Net income attributable to noncontrolling interests” related to the acquisition of Hulu (Hulu Transaction Impacts).

The following table reconciles reported diluted EPS to diluted EPS excluding certain items for the year:

($ in millions except EPS)	Pre-Tax Income/ Loss	Tax Benefit/ Expense[1]	After-Tax Income/ Loss[2]	Diluted EPS[3]	Change vs. prior year
Year Ended October 3, 2026					
As reported	$ 14,212	$ (3,564)	$ 10,648	$ 5.63	(18) %
Exclude:					
Restructuring and impairment charges[4]	1,456	(283)	1,173	0.65	
Acquisition Amortization[5]	1,284	(293)	991	0.50	
Non-cash tax charges resulting from the Fubo and NFL Transactions	—	422	422	0.23	
Excluding certain items	$ 16,952	$ (3,718)	$ 13,234	$ 7.02	18 %
Year Ended September 27, 2025					
As reported	$ 12,003	$ 1,428	$ 13,431	$ 6.85	
Exclude:					
Hulu Transaction Impacts	—	(3,277)	(3,277)	(1.55)	
Resolution of a prior-year tax matter	—	(1,016)	(1,016)	(0.56)	
Acquisition Amortization[5]	1,576	(366)	1,210	0.64	
Restructuring and impairment charges[4]	819	173	992	0.55	
Excluding certain items	$ 14,398	$ (3,058)	$ 11,340	$ 5.93	

(1) Tax benefit/expense is determined using the tax rate applicable to the individual item.

(2) Before noncontrolling interest share.

(3) Net of noncontrolling interest share, where applicable. Total may not equal the sum of the column due to rounding.

(4) Amounts for the current year included impairments of our investment in A+E ($1,012 million), severance costs ($392 million) and costs relating to exiting a facility ($52 million). Amounts for the prior year included impairment charges related to our investment in A+E and Tata Play Limited ($635 million), content ($109 million) and the Star India Transaction ($143 million), partially offset by a benefit from the resolution of certain tax matters related to the Star India Transaction ($68 million). Tax expense in the prior year included the estimated tax impact of these charges and a non-cash tax charge of $244 million related to the Star India Transaction.

(5) For the current year, intangible asset amortization was $1,026 million and step-up amortization was $258 million. For the prior year, intangible asset amortization was $1,307 million, step-up amortization was $260 million and amortization of intangible assets related to an equity investee was $9 million.

Total segment operating income

The Company evaluates the performance of its operating segments based on segment operating income, and management uses total segment operating income (the sum of segment operating income from all of the Company's segments) as a measure of the performance of operating businesses separate from non-operating factors. The Company believes that information about total segment operating income assists investors by allowing them to evaluate changes in the operating results of the Company's portfolio of businesses separate from non-operational factors that affect net income, thus providing separate insight into both operations and other factors that affect reported results.

The following table reconciles income before income taxes to total segment operating income:

($ in millions)	Quarter Ended Oct. 3, 2026	Quarter Ended Sept. 27, 2025	Change	Year Ended Oct. 3, 2026	Year Ended Sept. 27, 2025	Change
Income before income taxes	$ 3,507	$ 2,045	71 %	$ 14,212	$ 12,003	18 %
Add (subtract):						
Corporate and unallocated shared expenses	443	381	(16) %	1,461	1,646	11 %
Equity in the loss of India joint venture	22	16	(38) %	158	202	22 %
Restructuring and impairment charges	317	382	17 %	1,456	819	(78) %
Interest expense, net	344	268	(28) %	1,157	1,305	11 %
Acquisition Amortization	337	388	13 %	1,284	1,576	19 %
Total segment operating income	$ 4,970	$ 3,480	43 %	$ 19,728	$ 17,551	12 %

Free cash flow

The Company uses free cash flow (cash provided by operations less investments in parks, resorts and other property), among other measures, to evaluate the ability of its operations to generate cash that is available for purposes other than capital expenditures. Management believes that information about free cash flow provides investors with an important perspective on the cash available to service debt obligations, make strategic acquisitions and investments and pay dividends or repurchase shares.

The following table presents a summary of the three major categories of the Company's consolidated cash flows:

($ in millions)	Quarter Ended Oct. 3, 2026	Quarter Ended Sept. 27, 2025	Year Ended Oct. 3, 2026	Year Ended Sept. 27, 2025
Cash provided by operations	$ 6,755	$ 4,474	$ 19,270	$ 18,101
Cash used in investing activities	(637)	(1,850)	(7,893)	(8,043)
Cash used in financing activities	(4,559)	(2,276)	(10,299)	(10,366)

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

($ in millions)	Quarter Ended Oct. 3, 2026	Quarter Ended Sept. 27, 2025	Change	Year Ended Oct. 3, 2026	Year Ended Sept. 27, 2025	Change
Cash provided by operations	$ 6,755	$ 4,474	$ 2,281	$ 19,270	$ 18,101	$ 1,169
Investments in parks, resorts and other property	(1,918)	(1,916)	(2)	(8,698)	(8,024)	(674)
Free cash flow	$ 4,837	$ 2,558	$ 2,279	$ 10,572	$ 10,077	$ 495

The following table reconciles the Company's consolidated estimated forward-looking cash provided by operations to estimated forward-looking free cash flow for full year fiscal 2027:

(estimated $ in billions)	Full year fiscal 2027
Cash provided by operations	$ 20
Investments in parks, resorts and other property	(9)
Free cash flow	$ 11

Entertainment SVOD operating income

Entertainment SVOD operating income consists of operating income for the Disney+, Hulu subscription video-on-demand and Disney+ Hotstar (through November 14, 2024) streaming services (collectively, "Entertainment SVOD" or "SVOD"), which excludes results for the Hulu Live TV and Fubo vMVPD services.

The Company uses Entertainment SVOD operating income (and related SVOD operating margin) as a measure of the performance of Entertainment SVOD, and we believe Entertainment SVOD operating income (and related SVOD operating margin) assists investors by allowing them to evaluate the performance of Entertainment SVOD separately from our other Entertainment businesses.

The following table reconciles Entertainment segment operating income to Entertainment SVOD operating income:

	Quarter Ended			Year Ended		
($ in millions)	Oct. 3, 2026	Sept. 27, 2025	Change	Oct. 3, 2026	Sept. 27, 2025	Change
Entertainment segment operating income[(1)]	$ 1,327	$ 691	92 %	$ 5,443	$ 4,674	16 %
Subtract: Other Entertainment businesses operating income	503	289	74 %	2,875	3,372	(15) %
Entertainment SVOD operating income[(1)]	$ 824	$ 402	>100 %	$ 2,568	$ 1,302	97 %

(1) For the current quarter, Entertainment segment operating margin and SVOD operating margin were 11.2% and 13.6%, respectively. For the current year, Entertainment segment operating margin and SVOD operating margin were 11.7% and 11.5%, respectively. Entertainment segment operating margin is calculated as Entertainment segment operating income divided by Entertainment segment revenue, and SVOD operating margin is calculated as Entertainment SVOD operating income divided by Entertainment SVOD revenue.

Adjusted EPS and total segment operating income excluding the 53rd week

The Company uses adjusted EPS excluding the 53rd week and total segment operating income excluding the 53rd week to facilitate the evaluation of the performance of the Company's operations excluding the benefit from an additional week of operations in fiscal year 2026. We believe that adjusted EPS excluding the 53rd week and total segment operating income excluding the 53rd week are useful to investors because these measures allow for comparability between periods of the operating performance of the Company.

The following table reconciles reported diluted EPS to adjusted EPS excluding the 53rd week:

	Quarter Ended			Year Ended		
	Oct. 3, 2026	Sept. 27, 2025	Change	Oct. 3, 2026	Sept. 27, 2025	Change
Diluted EPS, as reported	$ 1.51	$ 0.73	>100 %	$ 5.63	$ 6.85	(18) %
Exclude:						
Restructuring and impairment charges	0.13	0.23		0.65	0.55	
Acquisition Amortization	0.13	0.16		0.50	0.64	
Hulu Transaction Impacts	—	(0.01)		—	(1.55)	
Non-cash tax charges resulting from the Fubo and NFL Transactions	—	—		0.23	—	
Resolution of a prior-year tax matter	—	—		—	(0.56)	
Adjusted EPS[(1)]	$ 1.77	$ 1.11	59 %	$ 7.02	$ 5.93	18 %
Estimated benefit from the 53rd week	(0.18)	—		(0.17)	—	
Adjusted EPS, excluding the 53rd week[(1)]	$ 1.59	$ 1.11	43 %	$ 6.85	$ 5.93	16 %

(1) Total may not equal the sum of the column due to rounding.

The following table reconciles income before income taxes to total segment operating income excluding the 53rd week:

	Quarter Ended			Year Ended		
($ in millions)	Oct. 3, 2026	Sept. 27, 2025	Change	Oct. 3, 2026	Sept. 27, 2025	Change
Income before income taxes	$ 3,507	$ 2,045	71 %	$ 14,212	$ 12,003	18 %
Add (subtract):						
Corporate and unallocated shared expenses	443	381	(16) %	1,461	1,646	11 %
Equity in the loss of India joint venture	22	16	(38) %	158	202	22 %
Restructuring and impairment charges	317	382	17 %	1,456	819	(78) %
Interest expense, net	344	268	(28) %	1,157	1,305	11 %
Acquisition Amortization	337	388	13 %	1,284	1,576	19 %
Total segment operating income	4,970	3,480	43 %	19,728	17,551	12 %
Estimated benefit from the 53rd week	(490)	—	nm	(490)	—	nm
Total segment operating income, excluding the 53rd week	$ 4,480	$ 3,480	29 %	$ 19,238	$ 17,551	10 %

Total segment operating income and segment operating income excluding the 53rd week and giving effect to the reporting changes

The Company uses (1) total segment operating income excluding the 53rd week and giving effect to the reporting changes, (2) Entertainment segment operating income excluding the 53rd week and giving effect to the reporting changes, (3) Sports segment operating income excluding the 53rd week and (4) Experiences segment operating income excluding the 53rd week and giving effect to the reporting changes to facilitate the evaluation of the performance of the Company's operating segments excluding the benefit from an additional week of operations in the fourth quarter of fiscal year 2026 and giving effect to the reporting changes. We believe that (1) total segment operating income excluding the 53rd week and giving effect to the reporting changes, (2) Entertainment segment operating income excluding the 53rd week and giving effect to the reporting changes, (3) Sports segment operating income excluding the 53rd week and (4) Experiences segment operating income excluding the 53rd week and giving effect to the reporting changes is useful to investors because these measures allow for comparability between periods of the operating performance of the Company's operating segments.

FORWARD-LOOKING STATEMENTS

Certain statements and information in this earnings release 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 and guidance; financial or performance estimates and expectations (including estimated or expected revenues, earnings, operating income, timing of expenses, tax rates, acquisition amortization and cash flow) and expected drivers; impact of future efficiencies and cost savings; future capital allocation, including investments, content spend, capital expenditures and share repurchases, and expected drivers; strategies, priorities and opportunities for growth, including plans for, future value of and investments in, as applicable, our IP, franchises, content offerings, businesses and assets, increasing reach and engagement and using technologies, including to increase monetization and returns and reduce churn; the completion and benefits of, as applicable, new initiatives and agreements, future projects, including at parks and experiences, and technologies, including AI; plans, expectations or drivers for growth in our streaming services and parks and experiences; anticipated demand (including, as applicable, visitation patterns) for and timing, availability or nature of our offerings, including at our parks and experiences, the content and functionality within our products and services and our content releases, including the applicable distribution channel; estimates of the financial impact of certain items, accounting treatment, 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. Management does not undertake any obligation to update these statements.

Actual results may differ materially from those expressed or implied. Such differences may result from actions taken by the Company, including restructuring or strategic initiatives (including capital investments, asset acquisitions or dispositions, new or expanded business lines or cessation of certain operations), our execution of our business plans (including the content we create and IP we invest in, our pricing decisions, our cost structure and our management and other personnel decisions), our ability to 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 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 for and acceptance of our content offerings and the distribution channel (including pricing and bundling of our streaming services and impact on churn and subscriber additions) and our travel destinations;
- the market for advertising sales on our streaming 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;
- the continued availability of our licenses;
- 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;
- 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," subsequent 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," "company," "we," and "our" are used in this report to refer collectively to the parent company and the subsidiaries through which our various businesses are actually conducted.

CONTACTS:

David Jefferson
Corporate Communications
818-560-4832

Benjamin Swinburne
Investor Relations
818-560-4245