

Walt Disney Co/The

Walt Disney is a diversified international entertainment and media enterprise. The company operates through two main divisions - the Disney Media and Entertainment Distribution (DMED) segment and Disney Parks, Experiences, and Products (DPEP) segment. The DMED segment manages the global distribution of home entertainment, theatrical, and third-party television and subscription video-on-demand (TV/SVOD) across all platforms. Disney's Q4 2021/22 results were weaker than expected. Slowing advertising demand, weak foreign currencies, rising costs at the parks business, and higher operating losses in the streaming business overshadowed a faster-than-expected growth of streaming subscribers. Management sees no slowdown in domestic parks attendance and spending, but the Shanghai park remains closed for now. Revenues rose 9% y/y to USD20.2bn (a 5% miss). Revenues from DMED fell 3% y/y to USD12.7bn. Disney+ subscriber growth came in at 12.1m (vs cons. of 9.3m). Furthermore, revenues in DPEP grew 36% y/y to USD7.4bn. Total segment OI rose a mere 1% y/y to USD1.6bn on a surging DPEP segment (+137% y/y), largely offset by a steep decline in the DMED segment (-91% y/y) due to higher operating loss in the DTC segment on higher losses in the Disney+ segment and weaker results at Hulu. Adj. EPS stood at USD 0.30 (-19% y/y; cons.: USD 51). Guidance for FY 2022/23 of high single-digit growth in both revenues and operating income trails expectations of 13% y/y and 18% y/y growth.

Corporate Ratings	Periodicity	Fiscal Quarterly	Currency	Default	Parent/Consolidated	C	Data	Adjusted (If Available)
S&P	BBB+							
Outlook	Stable							
Moody's	A2							
Outlook	Stable							
Fitch	A-							
Outlook	Stable							

CDS Data	04/23 E	01/23 E	LTM	10/22 Q	07/22 Q	04/22 Q	01/22 Q	10/21 Q	07/21 Q	04/21 Q	01/21 Q
5 YR CDS	#N/A	N/A									
% 3 Months	#N/A	N/A									
% 6 Months	#N/A	N/A									
% 1 Year	#N/A	N/A									
52 Week Low	#N/A	N/A									
52 Week High	#N/A	N/A									

Income Statement Summary	04/23 E	01/23 E	LTM	10/22 Q	07/22 Q	04/22 Q	01/22 Q	10/21 Q	07/21 Q	04/21 Q	01/21 Q
Revenue	22,042.0	23,369.2	83,745.0	20,150.0	21,504.0	19,249.0	21,819.0	18,534.0	17,022.0	15,613.0	16,249.0
Operating Income	3,576.6	2,628.3	7,793.0	542.0	2,568.0	2,781.0	2,196.0	599.0	1,355.0	1,446.0	259.0
Pretax Income	2,795.7	1,825.9	7,212.0	313.0	2,444.0	2,478.0	1,688.0	395.0	1,186.0	1,339.0	159.0
Income bef XO Items	2,171.4	1,533.4	3,553.0	254.0	1,502.0	597.0	1,200.0	256.0	1,128.0	1,122.0	30.0
Net Income	2,185.8	1,538.7	4,671.0	114.0	1,661.1	1,526.0	1,152.0	241.0	1,073.2	995.0	114.0
Basic EPS Before XO Items	--	--	2.56	0.06	0.91	0.84	0.63	0.13	0.59	0.55	0.06
Basic EPS	1.18	0.82	3.53	0.30	1.09	1.08	1.06	0.37	0.80	0.79	0.32
Diluted EPS Before XO Items			2.56	0.06	0.91	0.84	0.63	0.13	0.58	0.55	0.06
Diluted EPS			1.72	0.09	0.77	0.26	0.60	0.09	0.50	0.49	0.01
Dividends per Share	0.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA	4,336.1	3,330.2	17,284.0	4,269.0	4,372.0	4,551.0	4,092.0	2,433.0	3,319.0	3,737.0	2,183.0
Return on Common Equity	4.0	3.0	3.4	3.4	3.5	3.0	3.5	2.3	1.3	-5.1	-5.7

Profitability	04/23 E	01/23 E	LTM	10/22 Q	07/22 Q	04/22 Q	01/22 Q	10/21 Q	07/21 Q	04/21 Q	01/21 Q
EBIT	7,793		29,098.0	29,098.0	31,422.0	31,427.0	32,913.0	33,657.0	33,966.0	32,877.0	34,874.0
Operating Margin	9.31		174,533.0	174,533.0	172,652.0	171,026.0	170,398.0	169,952.0	168,255.0	167,373.0	167,014.0
Pretax Margin	8.61		203,631.0	203,631.0	204,074.0	202,453.0	203,311.0	203,609.0	202,221.0	200,250.0	201,888.0
Return on Assets	2.29		29,073.0	29,073.0	30,704.0	29,601.0	30,037.0	31,077.0	27,413.0	26,642.0	26,546.0
Return on Common Equity	5.09		66,180.0	66,180.0	67,512.0	68,839.0	69,681.0	70,308.0	74,194.0	74,412.0	77,284.0
Return on Capital	3.85		95,253.0	95,253.0	98,216.0	98,440.0	99,718.0	101,385.0	101,607.0	101,054.0	103,830.0
Asset turnover	0.41		108,378.0	108,378.0	105,858.0	104,013.0	103,593.0	102,224.0	100,614.0	99,196.0	98,058.0

Structure	04/23 E	01/23 E	LTM	10/22 Q	07/22 Q	04/22 Q	01/22 Q	10/21 Q	07/21 Q	04/21 Q	01/21 Q
Current Ratio	1.00		1,781.0	1,781.0	1,781.0	1,781.0	1,781.0	1,781.0	1,781.0	1,781.0	1,781.0
Quick Ratio	0.83		53.3	53.3	51.9	50.9	50.5	49.7	48.7	48.0	47.2
Total Debt to Total Assets	23.75		1.3	1.3	-0.4	-1.8	-2.7	-3.7	-4.9	-5.9	-6.9
Total Debt to Com Equity	50.91		53.2	53.2	51.9	51.4	51.0	50.2	49.8	49.5	48.6

Cash Flow Summary	04/23 E	01/23 E	LTM	10/22 Q	07/22 Q	04/22 Q	01/22 Q	10/21 Q	07/21 Q	04/21 Q	01/21 Q
Net Income	2,171.4	1,533.4	3,145.0	162.0	1,409.0	470.0	1,104.0	159.0	918.0	901.0	17.0
Depreciation and Amortization	801.1	824.4	3,183.0	825.0	805.0	786.0	767.0	776.0	761.0	754.0	777.0
Change in Working Capital			-2,555.0	-693.0	-1,108.0	-1,050.0	296.0	-3,973.0	318.0	-2,093.0	-295.0
Cash - Operating Activities			6,010.0	2,524.0	1,934.0	1,765.0	-213.0	2,635.0	1,460.0	1,388.0	84.0
Capital Expenditures			-4,943.0	-1,148.0	-1,735.0	-1,079.0	-981.0	-1,110.0	-938.0	-770.0	-760.0
Cash - Investing Activities			-5,008.0	-1,136.0	-1,860.0	-1,025.0	-987.0	-1,086.0	-754.0	-591.0	-732.0
Cash - Financing Activities			-5,344.0	-2,731.0	-388.0	-1,910.0	-315.0	-1,661.0	-523.0	-1,977.0	-194.0
Net Changes in Cash			-4,342.0	-1,343.0	-314.0	-1,170.0	-1,515.0	-112.0	183.0	-1,180.0	-842.0
Free Cash Flow	2,088.2	142.5	1,067.0	1,376.0	199.0	686.0	-1,194.0	1,525.0	522.0	618.0	-676.0

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