Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
September 30, 2023

Diluted earnings per share (EPS) excluding certain items, total segment operating income, free cash flow and DTC streaming businesses operating income (loss) are not measures of performance defined by, or calculated in accordance with, generally accepted accounting principles (GAAP).

These measures should be reviewed in conjunction with the most comparable GAAP financial measures and are not presented as alternative measures of diluted EPS, income from continuing operations before income taxes, cash provided by continuing operations, or Entertainment and Sports segment operating income (loss) as determined in accordance with GAAP. Diluted EPS excluding certain items, total segment operating income, free cash flow, and DTC streaming businesses operating income (loss) as we have calculated them may not be comparable to similarly titled measures reported by other companies.

Diluted EPS excluding certain items

The Company uses diluted EPS excluding (1) certain items affecting comparability of results from period to period and (2) amortization of TFCF and Hulu intangible assets, including purchase accounting step-up adjustments for released content, to facilitate the evaluation of the performance of the Company's operations exclusive of these items, and these adjustments reflect how senior management is evaluating segment performance.

The Company believes that providing diluted EPS exclusive of certain items impacting comparability is useful to investors, particularly where the impact of the excluded items is significant in relation to reported earnings and because the measure allows for comparability between periods of the operating performance of the Company's business and allows investors to evaluate the impact of these items separately.

The Company further believes that providing diluted EPS exclusive of amortization of TFCF and Hulu intangible assets associated with the acquisition in 2019 is useful to investors because the TFCF and Hulu acquisition was considerably larger than the Company's historic acquisitions with a significantly greater acquisition accounting impact.

The following table reconciles reported diluted EPS from continuing operations 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 September 30, 2023					
As reported	$ 1,007	$ (313)	$ 694	$ 0.14	56 %
Exclude:					
Restructuring and impairment charges[4]	965	(57)	908	0.50	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[5]	429	(100)	329	0.18	
Excluding certain items	$ 2,401	$ (470)	$ 1,931	$ 0.82	>100 %
Quarter Ended October 1, 2022					
As reported	$ 376	$ (122)	$ 254	$ 0.09	
Exclude:					
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[5]	579	(136)	443	0.24	
Other income, net[6]	(63)	15	(48)	(0.03)	
Excluding certain items	$ 892	$ (243)	$ 649	$ 0.30	

(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 impairments of goodwill ($721 million), an equity investment ($141 million), and licensed content ($137 million) and severance costs ($22 million), net of the A+E gain ($56 million).

(5) For the current quarter, intangible asset amortization was $361 million, step-up amortization was $65 million and amortization of intangible assets related to TFCF equity investees was $3 million. For the prior-year quarter, intangible asset amortization was $415 million, step-up amortization was $161 million and amortization of intangible assets related to TFCF equity investees was $3 million.

(6) DraftKings gain ($63 million).

The following table reconciles reported diluted EPS from continuing operations 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 September 30, 2023:					
As reported	$ 4,769	$ (1,379)	$ 3,390	$ 1.29	(26) %
Exclude:					
Restructuring and impairment charges[4]	3,836	(717)	3,119	1.69	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[5]	1,998	(465)	1,533	0.82	
Other income, net[6]	(96)	13	(83)	(0.05)	
Excluding certain items	$ 10,507	$ (2,548)	$ 7,959	$ 3.76	7 %
Year Ended October 1, 2022:					
As reported	$ 5,285	$ (1,732)	$ 3,553	$ 1.75	
Exclude:					
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[5]	2,353	(549)	1,804	0.97	
Content License Early Termination	1,023	(238)	785	0.43	
Other expense, net[6]	667	(156)	511	0.28	
Restructuring and impairment charges[4]	237	(55)	182	0.10	
Excluding certain items	$ 9,565	$ (2,730)	$ 6,835	$ 3.53	

(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 year included content impairments ($2,577 million), severance costs ($357 million), impairments of goodwill ($721 million) and an equity investment ($141 million), and costs related to exiting our businesses in Russia ($69 million), net of the A+E gain ($56 million). Charges for the prior year were due to impairments of an intangible and other assets related to exiting our businesses in Russia.

(5) For the current year, intangible asset amortization was $1,547 million, step-up amortization was $439 million and amortization of intangible assets related to TFCF equity investees was $12 million. For the prior year, intangible asset amortization was $1,707 million, step-up amortization was $634 million and amortization of intangible assets related to TFCF equity investees was $12 million.

(6) For the current year, other income, net was due to a DraftKings loss ($169 million) and a gain on the sale of a business ($28 million), partially offset by a charge related to a legal ruling ($101 million). For the prior year, other expense, net was due to a DraftKings loss ($663 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 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 from continuing operations before income taxes to total segment operating income:

($ in millions)	Quarter Ended Sept. 30, 2023	Quarter Ended Oct. 1, 2022	Change	Year Ended Sept. 30, 2023	Year Ended Oct. 1, 2022	Change
Income from continuing operations before income taxes	$ 1,007	$ 376	>100 %	$ 4,769	$ 5,285	(10) %
Add (subtract):						
Content License Early Termination	—	—	nm	—	1,023	100 %
Corporate and unallocated shared expenses	293	334	12 %	1,147	1,159	1 %
Restructuring and impairment charges and A+E gain	965	—	nm	3,836	237	>(100) %
Other (income) expense, net	—	(63)	(100) %	(96)	667	nm
Interest expense, net	282	371	24 %	1,209	1,397	13 %
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	429	579	26 %	1,998	2,353	15 %
Total segment operating income	$ 2,976	$ 1,597	86 %	$ 12,863	$ 12,121	6 %

Free cash flow

The Company uses free cash flow (cash provided by continuing 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 Company's consolidated cash flows:

($ in millions)	Quarter Ended Sept. 30, 2023	Quarter Ended Oct. 1, 2022	Year Ended Sept. 30, 2023	Year Ended Oct. 1, 2022
Cash provided by operations - continuing operations	$ 4,802	$ 2,524	$ 9,866	$ 6,002
Cash used in investing activities - continuing operations	(1,382)	(1,136)	(4,641)	(5,008)
Cash used in financing activities - continuing operations	(597)	(2,482)	(2,724)	(4,729)
Cash used in discontinued operations	—	—	—	(4)
Impact of exchange rates on cash, cash equivalents and restricted cash	(101)	(249)	73	(603)
Change in cash, cash equivalents and restricted cash	2,722	(1,343)	2,574	(4,342)
Cash, cash equivalents and restricted cash, beginning of period	11,513	13,004	11,661	16,003
Cash, cash equivalents and restricted cash, end of period	$ 14,235	$ 11,661	$ 14,235	$ 11,661

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

($ in millions)	Quarter Ended Sept. 30, 2023	Quarter Ended Oct. 1, 2022	Change	Year Ended Sept. 30, 2023	Year Ended Oct. 1, 2022	Change
Cash provided by operations - continuing operations	$ 4,802	$ 2,524	$ 2,278	$ 9,866	$ 6,002	$ 3,864
Investments in parks, resorts and other property	(1,374)	(1,148)	(226)	(4,969)	(4,943)	(26)
Free cash flow	$ 3,428	$ 1,376	$ 2,052	$ 4,897	$ 1,059	$ 3,838

DTC Streaming Businesses

The Company uses combined DTC streaming businesses operating income (loss) to evaluate the performance of its portfolio of streaming businesses and track progress against the Company's goal of reaching profitability in Q4 of fiscal 2024 at its combined streaming businesses.

The following tables reconcile Entertainment and Sports segment operating income (loss) to the DTC streaming businesses operating loss:

	Quarter Ended					
	September 30, 2023			October 1, 2022		
($ in millions)	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	$ 805	$ 948		$ 806	$ 929	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	(420)	33	**$ (387)**	(1,406)	(66)	**$ (1,472)**
Content Sales/Licensing and Other	(149)	—		(8)	—	
Segment operating income (loss)	$ 236	$ 981		$ (608)	$ 863	

	Year Ended					
	September 30, 2023			October 1, 2022		
	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	$ 4,119	$ 2,581		$ 5,198	$ 3,299	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	(2,496)	(116)	**$ (2,612)**	(3,424)	(589)	**$ (4,013)**
Content Sales/Licensing and Other	(179)	—		352	—	
Segment operating income	$ 1,444	$ 2,465		$ 2,126	$ 2,710	