



Q3 FY24 Earnings Conference Call

August 7, 2024

Disney Speakers:

Bob Iger

Chief Executive Officer

Hugh Johnston

Senior Executive Vice President & Chief Financial Officer

Moderated by:

Alexia Quadrani

Executive Vice President, Investor Relations

PRESENTATION

Operator

Good day, and welcome to The Walt Disney Company Third Quarter 2024 Financial Results Conference Call. (Operator Instructions).

After some brief introductory remarks, there will be an opportunity to ask questions. (Operator Instructions). Please note, today's event is being recorded.

I would now like to turn the conference over to Alexia Quadrani, [Executive] Vice President, Investor Relations. Please go ahead.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Good morning. It's my pleasure to welcome everybody to The Walt Disney [Company] third quarter 2024 earnings call. Our press release, Form 10-Q, and management's prepared remarks were issued earlier this morning and are available on our website at www.disney.com/investors. Today's call is being webcast, and a replay and transcript, as well as the third quarter earnings presentation, will all be made available on our website after the call. As we previously announced, today's call will follow a new format consisting only of a question-and-answer session.

Joining me this morning are Bob Iger, Disney's Chief Executive Officer, and Hugh Johnston, Senior Executive Vice President and Chief Financial Officer.

As we start the Q&A session, we ask that you please try to limit yourself to one question in order to help us get to as many analysts as possible today. And with that, operator, we're ready for the first question.

Operator

(Operator Instructions). Today's first question comes from Jessica Reif Ehrlich with Bank of America. Please go ahead.

Jessica Reif Ehrlich – *Bank of America*

Thank you. I'm going to try to squeeze in two: one on theme parks and one on NBA.

So first on theme parks, there's really a lot of moving pieces here. Can you provide color on global park demand and where you expect this protracted weakness? Maybe include the benefit from cruise ships since you have three ships coming on over the next, I guess, 18 months or so. And with the stated fiscal Q4 mid-single digit decline and the expectation that this will last for several quarters, is that the right level to think about OI as we think about fiscal '25?

And on the NBA, with the rights now complete, you'll likely have several hundred million dollar step-up when the new contract begins in fiscal '26. Are there incremental monetization drivers, including maybe WNBA growth, that can make the new contract profitable in the early years? Thank you.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

Great. Thanks, Jessica. This is Hugh, good morning. That was a six-part first question, so I'll try to answer it as best I can.

First, just to sort of peel apart Q3, again, I want to emphasize we actually had 2% revenue growth in Q3. The reason obviously is the IP is so strong in our parks. It really does attract a strong audience, and people are reluctant to cancel vacations. So while we saw a slight moderation in demand, I certainly wouldn't call it a significant change.

That said, 40% of the Experiences business is actually not Domestic Parks. It's either International Parks or Consumer Products, and that's from an operating income perspective. 60% is Domestic Parks, including cruise ships.

Within that, we saw attendance flat in the quarter, and we saw per caps up a little bit. We expect to see a flattish revenue number in Q4 coming out of the parks.¹ And as we mentioned in – earlier in the letter, really just a few quarters. So I don't think I'd refer to it as protracted, but just a couple of quarters of likely similar results.

Now keep in mind, we do have some expenses attached to our ships coming in, and that will affect us a bit in '24 and a bit in '25. But overall, I would just call this as a bit of a slowdown that's being more than offset by the Entertainment business, both what we've seen so far and our expectations for *Moana 2* as well as *Mufasa*.

Bob Iger – Chief Executive Officer, The Walt Disney Company

Regarding the NBA deal, Jessica, first of all, let me just remind you and everyone that the deal doesn't kick in next year, it's a year later. We have one more year on the current deal.

And as we looked at it, first of all, one goal was to maintain what we call the “A” package, which means we've got the Finals for 11 more years, or now we have the Finals for 12 years, and they drive significant value for us. Also, overall, the deal reflects the value of live programming. We know that that's been an advertiser's delight and also an audience delight. It also reflects the growing value of basketball and the growing value of women's sports – there's a large WNBA component to this.

¹ Refers to the Experiences segment.

Also as part of this deal and has been the strategy of ESPN for a while to lock in sports rights for a long period of time, it secures our ability to bring ESPN in the digital direction, particularly as we look to launch flagship sometime at the end of 2025. So we believe that by the time this kicks in a year from now, that a lot of the pieces will be in place in terms of driving more advertising revenue, more distribution revenue, moving to digital.

And another thing that we've done here is we've secured international rights, particularly to the Finals, not in every market around the world, but in most markets. And that will drive some added revenue as well. Not going to be specific about the profitability in the early years, but there's tremendous value in this deal.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Thank you. Next question.

Operator

Thank you. Our next question today comes from Ben Swinburne at Morgan Stanley. Please go ahead.

Ben Swinburne – *Morgan Stanley*

Thank you, good morning. Maybe for Bob, I wanted to ask you about sort of the outlook for Disney+, both in the context of where the product's going, but also how this becomes a significant earnings contributor to the company as you look ahead.

When you look at the product, it's really broadening. You've got – obviously brought in Hulu, now you're adding news, a lot of sports, ESPN coming in, you've added the international NBA rights to the product overseas. What's the vision here? And in your mind, does it support both continued subscriber growth and pricing power? I think there's probably some concern out

there that the recent price increases might face some consumer pushback. So I'd love to get your thoughts on that big topic.

And then just wanted to clarify – Hugh, when you say flattish revenue, Q4, are you talking about at the Experiences segment level? Or is that just the Domestic Parks comment? I just wanted to clarify. Thank you.

Bob Iger – *Chief Executive Officer, The Walt Disney Company*

Let me start by saying that what we've been seeing with streaming is significant success driven largely by the success of our creativity. Whether it's on the television side, the company had 183 Emmy nominations, for instance, led by shows like *Shōgun*, and *The Bear*, and *Abbott Elementary*, and *Only Murders in the Building*, and I can go on and on.

And obviously, on top of the television success creatively, we've had huge success in the motion picture front recently. And when you look at what the current motion picture lineup drives in terms of value on streaming, it's profound.

So *Inside Out*, and it's in our comments today, the first film has had tremendous consumption since the first trailer for *Inside Out 2* launched in November. The same thing is true for the early *Deadpool* movies, for the early *Planet of the Apes* movies. I could go on and on.

So when we look across our portfolio of IP – and this includes Disney-branded, Fox-branded,² obviously, everything that's on Hulu, programming from FX, programming from ABC, National Geographic – what we're basically seeing is we're seeing growth in consumption and the popularity of our offerings, which gives us the pricing leverage that we believe we have.

² Intended to refer to 20th Century Studios and 20th Television.

So every time we've taken a price increase, we've had only modest churn from that, nothing that we would consider significant. We believe that as we add these new features, like the channels that we're going to be adding later this year that – and the success of our movie slate, and I'll get into that a little bit more, that the pricing leverage that we have has actually increased. We're not concerned.

The goal is to grow engagement on the platform. And what I mean by that is obviously offering a wider variety of programming, which is why we're adding news, why we're adding the ESPN tile to it, while we're bundling aggressively to give consumers the ability to buy across all of our, basically, creative engines.

And we feel very bullish about the future of this business. We're not saying much more about it, except you can expect that it's going to grow nicely in fiscal 2025.

The other thing I want to add is that we've been talking a lot about adding the technology features that we need to basically make it a higher-return, higher-margin business and a more successful business. And we're doing that right now.

We started our password-sharing initiative in June. That kicks in, in earnest, in September. By the way, we've had no backlash at all to the notifications that have gone out and to the work that we've already been doing. We know that we need stronger recommendation engines, and we're working on that technology, and we need to make our marketing more efficient. But by adding all of these features, both on the technological side and also on the programming side, we're bullish about the future of this business.

And then when you think about it, over – Hugh mentioned *Moana* and *Mufasa*, let me just read to you the movies that we'll be making and releasing in the next almost two years. We have

Moana, Mufasa, Captain America, Snow White, Thunderbolts, Fantastic Four, Zootopia, Avatar, Avengers, Mandalorian and Toy Story, just to name a few.*

And when you think about not only the potential of those in box office but the potential of those to drive global streaming value, I think there's a reason to be bullish about where we're headed.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

And, Ben, to answer your other question, flattish was in reference to Experiences.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Thank you. Next question, please.

Operator

Yes ma'am. Our next question today comes from Robert Fishman with MoffettNathanson. Please go ahead.

Robert Fishman – *MoffettNathanson*

Thank you. Bob, as you think about the future of content spending for Disney, especially after the NBA deal and all the content that you're just talking about now, what is the right balance of investment between sports, scripted TV and movies going forward?

And then for Hugh, can you just update us on free cash flow expectations this year with one quarter to go, and how to think about the parks impact and the content spending on free cash flow in '25? Thank you.

Bob Iger – *Chief Executive Officer, The Walt Disney Company*

Well, we obviously are investing significantly in all directions because of the value that it creates, and also because of the value that it represents to our future in streaming. We talked about sports, the long-term deals that we've made. Obviously, college football is part of that and on top of the NBA and on top of the NFL.

On the movie side, we've talked a lot about the creative improvements that our studio has brought to bear, and the quality of the IP, and the known quality of our IP.

And television, I can't say enough about how great our television businesses have been performing, both in terms of the bottom line, but also in terms of creatively. You don't get 183 Emmy nominations by accident. That's the work of a lot of really great, talented people, meaning on the management side, working with a lot of talented creative people.

So it's a balance, it's a mix. And I think it's one that you'll ultimately see really blended together as our streaming platform grows over time.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

And Robert, on free cash flow, we had previously guided to \$8 billion. We don't have any news on that, but if there were a material change on it, obviously, we would have changed the guide.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Thank you. Next question, please.

Operator

Thank you. And our next question comes from Steven Cahall with Wells Fargo. Please go ahead.

Steven Cahall – *Wells Fargo*

Thanks. So Hugh, you've talked about DTC getting to double-digit margins with the big price increases and the paid sharing efforts coming. I was wondering if you could just update us on your thinking. Would love to get some timing around double-digit margins if that's something you're comfortable with at this point, but any context would be helpful.

And then just on parks, as we think about cruise ship pre-opening costs in there, what's implied in the fourth quarter? And as we think about cruise pre-opening costs in fiscal '25, what do those look like? I think you'll sail the *Treasure*, but you've still got the *Adventure* and the *Destiny*. I think the Singapore dock is a little heavier on cost, so I'd just love to understand that component. Thank you.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

Sure. Happy to talk about both.

In terms of the journey on getting to double-digit margins, the levers haven't changed. And frankly, we're actually doing quite well with them. Bundling has had a positive impact on churn. So from that perspective, obviously, that helps us with growth, which is one of the drivers. Password sharing is just starting to roll out. That's also going to be helpful in terms of driving growth.

We've announced pricing, and we feel good with all of the value that we're providing to consumers with all the creative that Bob mentioned earlier and all the creative that's still to

come. We do feel like we've earned that pricing in the marketplace, and we feel positively about that.

With that will come scale benefits. The product improvements also should reduce churn and keep our consumers with us as they're evaluating their options. And then obviously, we're going to look at the entire cost structure and continue to drive productivity.

In terms of timing, no update on that. It's something that we've said we are approaching with great urgency. We still intend to do that. Obviously, I think we've made a ton of progress. We were losing \$1 billion a quarter not all that long ago, and now we're making money. And our expectation is we're going to continue on that journey to making more money to get to and then, ultimately, well surpass the double-digit margins that we've talked about.

Regarding the cruise ships, we've shared a number for this year.³ The number will be a little over double that in terms of the startup costs in 2025. So you can assume that, that will be about that. That said, the cruise ships tend to pay back very quickly. So we certainly feel positive about those investments.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Thank you. Next question, please.

Operator

Thank you. And our next question comes from David Karnovsky with JPMorgan. Please go ahead.

³ While Disney has discussed generally the impact of pre-launch costs, Disney has not previously disclosed these costs related to specific cruise ships or for FY24.

David Karnovsky – *JPMorgan*

Hi, thank you. On Sports, Bob, wanted to see if you could update on strategic partner conversations for ESPN. Is this still a priority? And if so, can you refresh on what you're looking for in terms of marketing or content?

And then for Hugh, in the exec commentary, there's multiple references to tightly managing costs. So I wanted to see if you could expand on this. Where are you realizing savings now? How much opportunity is left? Thanks.

Bob Iger – *Chief Executive Officer, The Walt Disney Company*

I know I've sounded like a broken record because I've talked about strategic partnerships for ESPN over the last number of quarters. The only thing I can say is, believe it or not, we're still having conversations about it. We thought and continue to believe there may be opportunities to partner with others, particularly on the content side. And that's why we've continued to explore it, but nothing more to add.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

Right. And regarding costs, recall our original cost estimate was \$5.5 billion. We raised that to in excess of \$7.5 billion. Look, in big companies, my world view is there's always opportunity to do more with less. So we're going to continue to go after it aggressively as we can to both deliver the bottom line and to invest back in the business with all the great opportunities we have.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Thank you. Next question, please.

Operator

Thank you. And our next question today comes from John Hodulik with UBS. Please go ahead.

John Hodulik – UBS

Great. Maybe first on the parks. Any further details in terms of the softening and the flat revenues that you expect for 4Q and looking out into '25? I mean, do you expect attendance to continue to soften or potentially turn negative? And just any commentary on what you're seeing or expectations on the per caps side?

And then secondly, Venu launches this fall, just any expectations in terms of what it could do to trends in the linear business for you guys? Thanks.

Hugh Johnston – Chief Financial Officer, The Walt Disney Company

Yeah, I'll take that. In terms of the Parks business, I've kind of given you a lot of our expectation already. I'm not sure I'm ready to peel it down to attendance versus per caps.

I think, again, we're going to be pretty consistent with what we saw in Q3. And we talked about the fact that the lower-income consumer is feeling a little bit of stress. The high-income consumer is traveling internationally a bit more. I think you're just going to see more of a continuation of those trends in terms of the top line. And then the bottom line will be reflective of the fact that we've got some one-time costs coming in and going out both this year and last year.

I do expect to see international strengthen. Disneyland Paris has obviously felt some challenge due to the Olympics. Not a surprise, but something that happens. And the good news is the

Olympics are over in a couple of weeks, and the booking will certainly look good in that regard. So overall, feeling positively on that front.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Next question, please.

Operator

Yes ma'am. Our next question comes from Michael Morris at Guggenheim. Please go ahead.

Michael Morris – *Guggenheim*

Thank you. Good morning, guys. Wanted to ask you on ARPU at domestic Disney+. It did slip a little bit in the quarter, and you cited the impact of subscriber mix shift. Are you saying that that's a function of bundling in terms of mix shift? Or is it mix shift to the ad-supported tier? And if so, can you talk a little bit about what you're seeing in the CTV environment, how you're performing there?

And just one follow-up on the Experiences segment. We generally think of parks vacations as being booked pretty well in advance. So it was a little bit surprising to hear about demand moderation within the quarter. So can you help us a little bit with how much visibility you feel like you have? And if it does vary by quarter, if there's maybe less advanced bookings in certain quarters versus others? Thank you.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

Yeah, to answer the question on ARPU, you hit both points correctly. Number one, bundling has a small effect. And then in addition to that, the shift to the ad model certainly has a small effect as well. From a profitability standpoint, we're pretty happy with whether people choose the ad model or the ad-free model.

Regarding visibility, we do have very good visibility, which is why I'm emphasizing these are really all changes at the margins: daily visitors and late bookers, and things like that. Looking forward, we have very good visibility into the book that we're expecting, which is why I've got a good level of confidence in the projections that I'm sharing with you.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Thank you. Next question, please.

Operator

Our next question today comes from Bryan Kraft at Deutsche Bank. Please go ahead.

Bryan Kraft – *Deutsche Bank*

Hi, good morning. I had two if I could. Just first on advertising, you highlighted the strong results from the upfront this year, which is very encouraging. But I wanted to ask what you're seeing more immediately in terms of advertising demand today, given some of the macro pressures that have recently come to light. Are advertisers becoming more cautious? Are you seeing that more in the real-time ad sales part of the business?

And then just on the Content Sales and Licensing part of the business, the press release mentioned increased sales of TV content in Content Sales/Licensing and Other as a driver of the OI performance this quarter, along with the box office, of course. Is there anything to read into this? Is it the beginning of a trend toward increasing content licensing to third parties? Or is it just a timing benefit or a one-off? Thank you.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

Sure. Happy to talk about it. Ad market is actually very healthy right now. We saw overall advertising grow 8% for the quarter. ESPN was up 17%.⁴ DTC streaming was actually up 20%.⁵ So certainly feeling very, very positively in that regard.

In terms of the categories, financial services, consumer products doing very well, consumer services doing very well, and technology doing very well. Auto is a little bit softer in that regard. But overall, the ad market is really, really strong and healthy for us.

And a lot of that is a product of the fact that we have live sports and the fact that our streaming service is doing so well in terms of the IP that we have. It's an attractive audience. We also have a new capability called Disney Streaming [Entertainment] that allows us to basically sell across our platforms very effectively. We're selling audiences rather than just selling streaming channels, which enables advertisers to more effectively target the audiences that they're seeking. So from a technology perspective, we're seeing good payback.

The second piece was around licensing. The licensing numbers that you see are mostly a reality around the fact that we've had so much success at the box office.⁶ So that's really what's driving things more than anything else. No change in our licensing strategy, which has been pretty clear. The things that we consider core IP to the company, we don't license. There are things that are non-strategic we'll continue to license tactically, but it's not a big strategy for us. The big strategy is producing our own IP and monetizing it.

⁴ Refers to Domestic ESPN advertising revenue.

⁵ Refers to Entertainment Direct-to-Consumer advertising revenue.

⁶ Refers to Content Sales/Licensing and Other results.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Thank you. Operator, we have time for one more question.

Operator

Yes ma'am. Our next question comes from Kannan Venkateshwar with Barclays. Please go ahead.

Kannan Venkateshwar – *Barclays*

Thank you. So maybe on theme parks, I mean there's a few growth elements, I guess, over the next few years in terms of cruise ships and broadly other CapEx investments that you're making in the park. Maybe if you could just step back and talk about what kind of growth impact you expect maybe over the next two or three years? And if that can offset – to what extent that can offset some of the weakness you're seeing in the parks, that would be useful.

And then one other segment, which probably goes out of your numbers next year is India, and that's been a loss-making business. So Hugh, to the extent you can talk about the potential earnings contribution once India is deconsolidated, that would be much appreciated. Thank you.

Hugh Johnston – *Chief Financial Officer, The Walt Disney Company*

Yes, good morning, Kannan. Two things: one, obviously, the investments that we're making into the Experiences business, we feel very, very good about. It's been a great-returning business for a long time. So while I'm not here to give you long-term guidance in terms of that segment of the business, we wouldn't be making capital investments in an accelerated way if we didn't expect to accelerate growth out of those businesses. And that's true of the cruise ships as well.

Now keep in mind that the lead time on investments in this business are multiple years. So when exactly all of that manifests, we'll share with you as we go along. But obviously, we're investing because we're looking to accelerate growth, and hence the term "turbocharge."

Regarding the India question, we'll share that when we close the deal. I think that's the right time to do it, and we'll lay it out for you all very clearly so that you can model it very, very effectively.

Alexia Quadrani – *Executive Vice President, Investor Relations, The Walt Disney Company*

Okay, thank you. Thanks for the questions, and I want to thank everyone for joining us today.

Jenn Kettlich – *Vice President, Investor Relations, The Walt Disney Company*

Note that a reconciliation of non-GAAP measures that were referred to on this call to the most comparable GAAP measures can be found on our Investor Relations website. Let me also remind you that certain statements on this call, including financial estimates or statements about our plans, guidance or expectations and drivers, including future revenues, profitability, DTC subscribers, free cash flow, adjusted EPS and capital allocation, and other statements that are not historical in nature may constitute forward-looking statements under the securities laws.

We make these statements on the basis of our views and assumptions regarding future events and business performance at the time we make them, and we do not undertake any obligation to update these statements.

Forward-looking statements are subject to a variety of risks and uncertainties, and actual results may differ materially from the results expressed or implied in light of a variety of factors.

These factors include, among others, economic or industry conditions; competition; and execution risks, including in connection with our business plans, potential strategic transactions and our content; cost savings; the market for advertising; our future financial performance; and legal and regulatory developments.

In particular, our expectations regarding DTC profitability, subscriber levels and ARPU are built on certain assumptions based on the future strength of our content slate; churn expectations; the financial impact of the Disney+ ad tier and ESPN Flagship; pricing decisions; bundling and availability of our other streaming services on Disney+; technological advances and paid sharing efforts; our ability to continue to rationalize costs while preserving revenue; and macroeconomic conditions, all of which, while based on extensive internal analysis as well as recent experience, provide a layer of uncertainty in our outlook.

For more information about key risk factors, please refer to our Investor Relations website, the press release issued today, and the risks and uncertainties described in our Form 10-K, Form 10-Q and other filings with the Securities and Exchange Commission.

We want to thank you for joining us and wish everyone a good rest of the day.

Forward-Looking Statements

Certain statements in this communication 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, trends or outlook and guidance; financial or performance estimates and expectations (including estimated or expected revenues, earnings, operating income, free cash flow and margins) and expected drivers; business plans and opportunities; future programming and production costs, capital expenditures and investments, including opportunities for growth and expansion; impact of leadership decisions; plans, expectations or drivers, as applicable, for DTC streaming services profitability, growth, product acceptance and enhancements, changes to subscription offerings and margins; anticipated demand and drivers, timing, availability or nature of our offerings (including experiences and business openings, content within our products and services and content releases and distribution channel); consumer or advertiser sentiment, behavior or demand; cost reductions and available efficiencies; strategies and strategic priorities and opportunities; expected benefits of new initiatives, including those subject to approvals or other conditions; value of our intellectual property, content offerings, businesses and assets; 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 a 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 and acceptance of our content, offerings, pricing model and price increases, and corresponding subscriber additions and churn, and the market for advertising sales on our DTC streaming services and linear networks;
- health concerns and their impact on our businesses and productions;
- international, political or military developments;
- regulatory and legal developments;
- technological developments;
- 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, including direct-to-consumer 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 Annual Report on Form 10-K for the year ended September 30, 2023, including under the captions “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business,” 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,” “we,” and “our” are used above and in this communication to refer collectively to the parent company and the subsidiaries through which our various businesses are actually conducted.