

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
September 28, 2024**

Diluted earnings per share (EPS) excluding certain items (also referred to as adjusted EPS), total segment operating income, free cash flow, DTC streaming businesses operating income (loss) and forward-looking operating margin for Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service), which is calculated as operating income divided by revenue, 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 before income taxes, cash provided by operations, Entertainment and Sports segment operating income (loss) or Entertainment segment operating income as determined in accordance with GAAP. Diluted EPS excluding certain items, total segment operating income, free cash flow, DTC streaming businesses operating income (loss) and operating income (and related margin) for Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service) as we have calculated them may not be comparable to similarly titled measures reported by other companies.

Our definitions and calculations of diluted EPS excluding certain items, total segment operating income, free cash flow and DTC streaming businesses operating income (loss), as well as quantitative reconciliations of each of these measures to the most directly comparable GAAP financial measures are provided below. In addition, our definition of operating income (and related margin) for Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service) is provided below.

The Company is not providing the forward-looking measure for diluted EPS or Entertainment segment operating income (and related margin), which are the most directly comparable GAAP measures to diluted EPS excluding certain items and operating income (and related margin) for Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service), respectively, or quantitative reconciliations of forward-looking diluted EPS excluding certain items and operating income (and related margin) for our Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service) 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 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 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 28, 2024					
As reported	\$ 948	\$ (384)	\$ 564	\$ 0.25	79 %
Exclude:					
Restructuring and impairment charges ⁽⁴⁾	1,543	(172)	1,371	0.73	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾	395	(92)	303	0.16	
Excluding certain items	<u>\$ 2,886</u>	<u>\$ (648)</u>	<u>\$ 2,238</u>	<u>\$ 1.14</u>	39 %
Quarter Ended September 30, 2023					
As reported	\$ 1,007	\$ (313)	\$ 694	\$ 0.14	
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	<u>\$ 2,401</u>	<u>\$ (470)</u>	<u>\$ 1,931</u>	<u>\$ 0.82</u>	

⁽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 (\$584 million), assets at our retail business (\$328 million), Star India (\$210 million), content (\$187 million) and equity investments (\$165 million), and severance costs (\$69 million). Charges for the prior-year 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 \$326 million, step-up amortization was \$66 million and amortization of intangible assets related to a TFCF equity investee was \$3 million. For the prior-year quarter, intangible asset amortization was \$361 million, step-up amortization was \$65 million and amortization of intangible assets related to a TFCF equity investee was \$3 million.

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 September 28, 2024:					
As reported	\$ 7,569	\$ (1,796)	\$ 5,773	\$ 2.72	>100 %
Exclude:					
Restructuring and impairment charges ⁽⁴⁾	3,595	(293)	3,302	1.78	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs ⁽⁵⁾	1,677	(391)	1,286	0.68	
Other expense ⁽⁶⁾	65	(11)	54	0.03	
Income Tax Reserve Adjustments	—	(418)	(418)	(0.23)	
Excluding certain items	<u>\$ 12,906</u>	<u>\$ (2,909)</u>	<u>\$ 9,997</u>	<u>\$ 4.97</u>	32 %
Year Ended September 30, 2023:					
As reported	\$ 4,769	\$ (1,379)	\$ 3,390	\$ 1.29	
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	<u>\$ 10,507</u>	<u>\$ (2,548)</u>	<u>\$ 7,959</u>	<u>\$ 3.76</u>	

⁽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 impairments of Star India (\$1,545 million), goodwill (\$1,287 million), assets at our retail business (\$328 million), content (\$187 million) and equity investments (\$165 million), and severance costs (\$83 million). Charges for the prior 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).

⁽⁵⁾ For the current year, intangible asset amortization was \$1,394 million, step-up amortization was \$271 million and amortization of intangible assets related to a TFCF equity investee was \$12 million. For the prior year, intangible asset amortization was \$1,547 million, step-up amortization was \$439 million and amortization of intangible assets related to a TFCF equity investee was \$12 million.

⁽⁶⁾ For the current year, other expense was due to a charge related to a legal ruling (\$65 million). For the prior year, other income, net was due to a gain on our investment in DraftKings (\$169 million), partially offset by a charge related to a legal ruling (\$101 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			Year Ended		
	Sept. 28, 2024	Sept. 30, 2023	Change	Sept. 28, 2024	Sept. 30, 2023	Change
Income before income taxes	\$ 948	\$ 1,007	(6) %	\$ 7,569	\$ 4,769	59 %
Add (subtract):						
Corporate and unallocated shared expenses	408	293	(39) %	1,435	1,147	(25) %
Restructuring and impairment charges	1,543	965	(60) %	3,595	3,836	6 %
Other (income) expense, net	—	—	— %	65	(96)	nm
Interest expense, net	361	282	(28) %	1,260	1,209	(4) %
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	395	429	8 %	1,677	1,998	16 %
Total segment operating income	<u>\$ 3,655</u>	<u>\$ 2,976</u>	23 %	<u>\$ 15,601</u>	<u>\$ 12,863</u>	21 %

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 Company's consolidated cash flows:

(\$ in millions)	Quarter Ended		Year Ended	
	Sept. 28, 2024	Sept. 30, 2023	Sept. 28, 2024	Sept. 30, 2023
Cash provided by operations	\$ 5,518	\$ 4,802	\$ 13,971	\$ 9,866
Cash used in investing activities	(1,978)	(1,382)	(6,881)	(4,641)
Cash used in financing activities	(3,566)	(597)	(15,288)	(2,724)
Impact of exchange rates on cash, cash equivalents and restricted cash	79	(101)	65	73
Change in cash, cash equivalents and restricted cash	53	2,722	(8,133)	2,574
Cash, cash equivalents and restricted cash, beginning of period	6,049	11,513	14,235	11,661
Cash, cash equivalents and restricted cash, end of period	<u>\$ 6,102</u>	<u>\$ 14,235</u>	<u>\$ 6,102</u>	<u>\$ 14,235</u>

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

(\$ in millions)	Quarter Ended			Year Ended		
	Sept. 28, 2024	Sept. 30, 2023	Change	Sept. 28, 2024	Sept. 30, 2023	Change
Cash provided by operations	\$ 5,518	\$ 4,802	\$ 716	\$ 13,971	\$ 9,866	\$ 4,105
Investments in parks, resorts and other property	(1,489)	(1,374)	(115)	(5,412)	(4,969)	(443)
Free cash flow	<u>\$ 4,029</u>	<u>\$ 3,428</u>	<u>\$ 601</u>	<u>\$ 8,559</u>	<u>\$ 4,897</u>	<u>\$ 3,662</u>

DTC Streaming Businesses

The Company uses combined DTC streaming businesses operating income (loss) because it believes that this measure allows investors to evaluate the performance of its portfolio of streaming businesses and track progress against the Company's goal of reaching profitability at its combined streaming businesses.

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

(\$ in millions)	Quarter Ended					
	September 28, 2024			September 30, 2023		
	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	\$ 498	\$ 861		\$ 805	\$ 948	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	253	68	\$ 321	(420)	33	\$ (387)
Content Sales/Licensing and Other	316	—		(149)	—	
Segment operating income	<u>\$ 1,067</u>	<u>\$ 929</u>		<u>\$ 236</u>	<u>\$ 981</u>	

(\$ in millions)	Year Ended					
	September 28, 2024			September 30, 2023		
	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	\$ 3,452	\$ 2,415		\$ 4,119	\$ 2,581	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	143	(9)	\$ 134	(2,496)	(116)	\$ (2,612)
Content Sales/Licensing and Other	328	—		(179)	—	
Segment operating income	<u>\$ 3,923</u>	<u>\$ 2,406</u>		<u>\$ 1,444</u>	<u>\$ 2,465</u>	

Operating Income for Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service)

Operating income for Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service) consists of operating income for the Direct-to-Consumer line of business at the Entertainment segment less our Hulu Live DMVPD service.

The Company uses operating income (and related margin) for Entertainment SVOD DTC businesses (excluding our Hulu Live DMVPD service) as a measure of the performance of our Entertainment SVOD direct-to-consumer services separate from our Hulu Live DMVPD service, which we believe assists investors by allowing them to evaluate the performance of these SVOD direct-to-consumer services.