

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
June 29, 2024**

Diluted earnings per share (EPS) excluding certain items (also referred to as adjusted EPS), 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 (loss) before income taxes, cash provided by 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.

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 historical measures and the forward-looking measure of free cash flow to the most directly comparable GAAP financial measure are provided below.

The Company is not providing the forward-looking measure for diluted EPS, which is the most directly comparable GAAP measure to diluted EPS excluding certain items, or a quantitative reconciliation of forward-looking diluted EPS excluding certain items to that most directly comparable GAAP measure. The Company is unable to predict or estimate with reasonable certainty the ultimate outcome of certain significant items required for such GAAP measure 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 third quarter:

(\$ in millions except EPS)	Pre-Tax Income/ Loss	Tax Benefit/ Expense <sup>(1)</sup>	After-Tax Income/ Loss <sup>(2)</sup>	Diluted EPS <sup>(3)</sup>	Change vs. prior-year period
<b>Quarter Ended June 29, 2024</b>					
As reported	\$ 3,093	\$ (251)	\$ 2,842	\$ 1.43	n/m
Exclude:					
Income Tax Reserve Adjustments	—	(418)	(418)	(0.23)	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs <sup>(5)</sup>	397	(93)	304	0.16	
Other expense <sup>(6)</sup>	65	(11)	54	0.03	
<b>Excluding certain items</b>	<b>\$ 3,555</b>	<b>\$ (773)</b>	<b>\$ 2,782</b>	<b>\$ 1.39</b>	<b>35 %</b>
<b>Quarter Ended July 1, 2023</b>					
As reported	\$ (134)	\$ (19)	\$ (153)	\$ (0.25)	
Exclude:					
Restructuring and impairment charges <sup>(4)</sup>	2,650	(617)	2,033	1.10	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs <sup>(5)</sup>	432	(101)	331	0.18	
Other expense, net <sup>(6)</sup>	11	(5)	6	—	
<b>Excluding certain items</b>	<b>\$ 2,959</b>	<b>\$ (742)</b>	<b>\$ 2,217</b>	<b>\$ 1.03</b>	

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

<sup>(2)</sup> Before noncontrolling interest share.

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

<sup>(4)</sup> Reflects the Content Impairment (\$2,440 million) and severance (\$210 million).

<sup>(5)</sup> For the current quarter, intangible asset amortization was \$326 million, step-up amortization was \$68 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 \$68 million and amortization of intangible assets related to a TFCF equity investee was \$3 million.

<sup>(6)</sup> For the current quarter, other expense was due to a charge related to a legal ruling (\$65 million). For the prior-year quarter, other expense, net was due to a charge related to a legal ruling (\$101 million), largely offset by the DraftKings Gain (\$90 million).

The following table reconciles reported diluted EPS from continuing operations to diluted EPS excluding certain items for the nine-month period:

(\$ in millions except EPS)	Pre-Tax Income/ Loss	Tax Benefit/ Expense <sup>(1)</sup>	After-Tax Income/ Loss <sup>(2)</sup>	Diluted EPS <sup>(3)</sup>	Change vs. prior year
<b>Nine Months Ended June 29, 2024:</b>					
As reported	\$ 6,621	\$ (1,412)	\$ 5,209	\$ 2.46	>100 %
Exclude:					
Restructuring and impairment charges <sup>(4)</sup>	2,052	(121)	1,931	1.05	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs <sup>(5)</sup>	1,282	(299)	983	0.52	
Other expense <sup>(6)</sup>	65	(11)	54	0.03	
Income Tax Reserve Adjustments	—	(418)	(418)	(0.23)	
Excluding certain items	<u>\$ 10,020</u>	<u>\$ (2,261)</u>	<u>\$ 7,759</u>	<u>\$ 3.83</u>	30 %
<b>Nine Months Ended July 1, 2023:</b>					
As reported	\$ 3,762	\$ (1,066)	\$ 2,696	\$ 1.14	
Exclude:					
Restructuring and impairment charges <sup>(4)</sup>	2,871	(660)	2,211	1.20	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs <sup>(5)</sup>	1,569	(365)	1,204	0.65	
Other income, net <sup>(6)</sup>	(96)	13	(83)	(0.05)	
Excluding certain items	<u>\$ 8,106</u>	<u>\$ (2,078)</u>	<u>\$ 6,028</u>	<u>\$ 2.94</u>	

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

<sup>(2)</sup> Before noncontrolling interest share.

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

<sup>(4)</sup> Charges for the current period included impairments of goodwill (\$2,038 million). Charges for the prior-year period reflect the Content Impairment, severance and costs to exit our businesses in Russia.

<sup>(5)</sup> For the current period, intangible asset amortization was \$1,068 million, step-up amortization was \$205 million and amortization of intangible assets related to a TFCF equity investee was \$9 million. For the prior-year period, intangible asset amortization was \$1,186 million, step-up amortization was \$374 million and amortization of intangible assets related to a TFCF equity investee was \$9 million.

<sup>(6)</sup> For the current period, other expense was due to a charge related to a legal ruling (\$65 million). For the prior-year period, other income, net was due to the DraftKings Gain (\$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).

### 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 (loss) before income taxes to total segment operating income:

(\$ in millions)	Quarter Ended			Nine Months Ended		
	June 29, 2024	July 1, 2023	Change	June 29, 2024	July 1, 2023	Change
Income (loss) before income taxes	\$ 3,093	\$ (134)	nm	\$ 6,621	\$ 3,762	76 %
Add (subtract):						
Corporate and unallocated shared expenses	328	295	(11) %	1,027	854	(20) %
Restructuring and impairment charges	—	2,650	100 %	2,052	2,871	29 %
Other (income) expense, net	65	11	>(100) %	65	(96)	nm
Interest expense, net	342	305	(12) %	899	927	3 %
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	397	432	8 %	1,282	1,569	18 %
<b>Total segment operating income</b>	<b>\$ 4,225</b>	<b>\$ 3,559</b>	<b>19 %</b>	<b>\$ 11,946</b>	<b>\$ 9,887</b>	<b>21 %</b>

### 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		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Cash provided by operations	\$ 2,602	\$ 2,802	\$ 8,453	\$ 5,064
Cash used in investing activities	(2,350)	(718)	(4,903)	(3,259)
Cash used in financing activities	(898)	(1,001)	(11,722)	(2,127)
Impact of exchange rates on cash, cash equivalents and restricted cash	(31)	(23)	(14)	174
Change in cash, cash equivalents and restricted cash	(677)	1,060	(8,186)	(148)
Cash, cash equivalents and restricted cash, beginning of period	6,726	10,453	14,235	11,661
Cash, cash equivalents and restricted cash, end of period	<b>\$ 6,049</b>	<b>\$ 11,513</b>	<b>\$ 6,049</b>	<b>\$ 11,513</b>

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

(\$ in millions)	Quarter Ended			Nine Months Ended		
	June 29, 2024	July 1, 2023	Change	June 29, 2024	July 1, 2023	Change
Cash provided by operations	\$ 2,602	\$ 2,802	\$ (200)	\$ 8,453	\$ 5,064	\$ 3,389
Investments in parks, resorts and other property	(1,365)	(1,165)	(200)	(3,923)	(3,595)	(328)
Free cash flow	\$ 1,237	\$ 1,637	\$ (400)	\$ 4,530	\$ 1,469	\$ 3,061

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 2024:

(estimated \$ in billions)	Full year fiscal 2024
Cash provided by operations	\$ 14
Investments in parks, resorts and other property	(6)
Free cash flow	\$ 8

### 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					
	June 29, 2024			July 1, 2023		
	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	\$ 966	\$ 736		\$ 1,025	\$ 861	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	(19)	66	\$ 47	(505)	(7)	\$ (512)
Content Sales/Licensing and Other	254	—		(112)	—	
Segment operating income	\$ 1,201	\$ 802		\$ 408	\$ 854	
(\$ in millions)	Nine Months Ended					
	June 29, 2024			July 1, 2023		
	Entertainment	Sports	DTC Streaming Businesses	Entertainment	Sports	DTC Streaming Businesses
Linear Networks	\$ 2,954	\$ 1,554		\$ 3,314	\$ 1,632	
DTC streaming businesses (Direct-to-Consumer and ESPN+ businesses)	(110)	(77)	\$ (187)	(2,076)	(148)	\$ (2,224)
Content Sales/Licensing and Other	12	—		(30)	—	
Segment operating income	\$ 2,856	\$ 1,477		\$ 1,208	\$ 1,484	