**Reconciliation of Non-GAAP Financial Measures**
**To Corresponding GAAP Financial Measures**
**July 2, 2022**

Total segment operating income, free cash flow and diluted earnings per share (EPS) excluding certain items are not measures of performance defined by, or calculated in accordance with, generally accepted accounting principles (GAAP). These measures should not be considered in isolation, or as a substitute for the corresponding GAAP financial measure. These measures, as calculated by the Company, may not be comparable to similarly titled measures employed by other companies.

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 the 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 | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | July 2, 2022 | July 3, 2021 | Change | July 2, 2022 | July 3, 2021 | Change |
| Income from continuing operations before income taxes | $ 2,119 | $ 995 | >100 % | $ 4,909 | $ 2,271 | >100 % |
| Add/(subtract): | | | | | | |
| Content License Early Termination[1] | — | — | nm | 1,023 | — | nm |
| Corporate and unallocated shared expenses | 325 | 212 | (53) % | 825 | 645 | (28) % |
| Restructuring and impairment charges | 42 | 35 | (20) % | 237 | 562 | 58 % |
| Other (income) expense, net | 136 | 91 | nm | 730 | (214) | nm |
| Interest expense, net | 360 | 445 | 19 % | 1,026 | 1,089 | 6 % |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs | 585 | 604 | 3 % | 1,774 | 1,826 | 3 % |
| Total Segment Operating Income | $ 3,567 | $ 2,382 | 50 % | $ 10,524 | $ 6,179 | 70 % |

[1] During the nine months ended July 2, 2022, the Company recognized a $1,023 million reduction in revenue for the amount due to a customer to early terminate license agreements for film and television content delivered in previous years in order for the Company to use the content primarily on our direct-to-consumer services (Content License Early Termination).

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 | | Nine Months Ended | |
|---|---|---|---|---|
| | July 2, 2022 | July 3, 2021 | July 2, 2022 | July 3, 2021 |
| Cash provided by operations - continuing operations | $ 1,922 | $ 1,466 | $ 3,478 | $ 2,934 |
| Cash used in investing activities - continuing operations | (1,848) | (758) | (3,872) | (2,085) |
| Cash used in financing activities - continuing operations | (150) | (530) | (2,247) | (2,771) |
| Cash (used in) provided by discontinued operations | — | (2) | (4) | 6 |
| Impact of exchange rates on cash, cash equivalents and restricted cash | (238) | 7 | (354) | 77 |
| Change in cash, cash equivalents and restricted cash | (314) | 183 | (2,999) | (1,839) |
| Cash, cash equivalents and restricted cash, beginning of period | 13,318 | 15,932 | 16,003 | 17,954 |
| Cash, cash equivalents and restricted cash, end of period | $ 13,004 | $ 16,115 | $ 13,004 | $ 16,115 |

The following table presents a reconciliation of the Company's consolidated cash provided by operations to free cash flow (in millions):

| | Quarter Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | July 2, 2022 | July 3, 2021 | Change | July 2, 2022 | July 3, 2021 | Change |
| Cash provided by operations - continuing operations | $ 1,922 | $ 1,466 | $ 456 | $ 3,478 | $ 2,934 | $ 544 |
| Investments in parks, resorts and other property | (1,735) | (938) | (797) | (3,795) | (2,468) | (1,327) |
| Free cash flow | $ 187 | $ 528 | $ (341) | $ (317) | $ 466 | $ (783) |

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 third 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 July 2, 2022 | | | | | |
| As reported | $ 2,119 | $ (617) | $ 1,502 | $ 0.77 | 54 % |
| Exclude: | | | | | |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[4] | 585 | (136) | 449 | 0.24 | |
| Other (income) expense, net[5] | 136 | (32) | 104 | 0.06 | |
| Restructuring and impairment charges[6] | 42 | (10) | 32 | 0.02 | |
| Excluding certain items | $ 2,882 | $ (795) | $ 2,087 | $ 1.09 | 36 % |
| Quarter Ended July 3, 2021 | | | | | |
| As reported | $ 995 | $ 133 | $ 1,128 | $ 0.50 | |
| Exclude: | | | | | |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[4] | 604 | (141) | 463 | 0.25 | |
| Other (income) expense, net[5] | 91 | (22) | 69 | 0.04 | |
| Restructuring and impairment charges[6] | 35 | (8) | 27 | 0.01 | |
| Excluding certain items | $ 1,725 | $ (38) | $ 1,687 | $ 0.80 | |

(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) For the current quarter, intangible asset amortization was $422 million, step-up amortization was $160 million and amortization of intangible assets related to TFCF equity investees was $3 million. For the prior-year quarter, intangible asset amortization was $434 million, step-up amortization was $166 million and amortization of intangible assets related to TFCF equity investees was $4 million.

(5) In the current quarter, other income (expense), net was due to the DraftKings loss ($136 million). For the prior-year quarter, other income (expense), net was due to the DraftKings loss ($217 million), partially offset by the German FTA gain ($126 million).

(6) Charges for the current quarter were primarily due to asset impairments related to our businesses in Russia. Charges for the prior-year quarter were due to severance at our parks and experiences businesses.

The following table reconciles reported diluted EPS from continuing operations to diluted EPS excluding certain items for the current and prior year nine-month periods:

| (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 |
|---|---|---|---|---|---|
| Nine Months Ended July 2, 2022: | | | | | |
| As reported | $ 4,909 | $ (1,610) | $ 3,299 | $ 1.66 | 63 % |
| Exclude: | | | | | |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[4] | 1,774 | (413) | 1,361 | 0.73 | |
| Contract License Early Termination | 1,023 | (238) | 785 | 0.43 | |
| Other (income) expense, net[5] | 730 | (170) | 560 | 0.31 | |
| Restructuring and impairment charges[6] | 237 | (55) | 182 | 0.10 | |
| Excluding certain items | $ 8,673 | $ (2,486) | $ 6,187 | $ 3.22 | 69 % |
| Nine Months Ended July 3, 2021: | | | | | |
| As reported | $ 2,271 | $ 9 | $ 2,280 | $ 1.02 | |
| Exclude: | | | | | |
| Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs[4] | 1,826 | (425) | 1,401 | 0.74 | |
| Restructuring and impairment charges[6] | 562 | (132) | 430 | 0.24 | |
| Other (income) expense, net[5] | (214) | 49 | (165) | (0.09) | |
| Excluding certain items | $ 4,445 | $ (499) | $ 3,946 | $ 1.91 | |

(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) For the current nine-month period, intangible asset amortization was $1,292 million, step-up amortization was $473 million and amortization of intangible assets related to TFCF equity investees was $9 million. For the prior-year nine-month period, intangible asset amortization was $1,328 million, step-up amortization was $487 million and amortization of intangible assets related to TFCF equity investees was $11 million.

(5) For the current nine-month period, other (income) expense, net was due to the DraftKings loss ($726 million). For the prior-year nine-month period, other (income) expense, net was due to gains from the sales of investments ($312 million), partially offset by the DraftKings loss ($98 million).

(6) Charges for the current nine-month period were due to the impairment of an intangible and other assets related to our businesses in Russia. Charges for the prior-year nine-month period, were due to asset impairments and severance costs primarily related to the planned closure of an animation studio and a substantial number of our Disney-branded retail stores, as well as severance at our other businesses.