Risk Factors Comparison 2023-11-21 to 2022-11-29 Form: 10-K

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For an enterprise as large and complex as the Company, a wide range of factors could materially affect future developments and performance. In addition to the factors affecting specific business operations identified in connection with the description of these operations and the financial results of these operations elsewhere in our filings with the SEC, the most significant factors affecting our business include the following: BUSINESS, ECONOMIC, MARKET and OPERATING CONDITION RISKS **Declines** ~~The adverse impact of COVID- 19 on our businesses will continue for an unknown length of time and may continue to impact certain of our key sources of revenue. Since early 2020, the world has been and continues to be impacted by COVID- 19 and its variants. COVID- 19 and measures to prevent its spread have impacted our segments in a number of ways, most significantly at DPEP where our theme parks and resorts were closed and cruise ship sailings and guided tours were suspended. In addition, at DMED we delayed, or in some cases, shortened or canceled theatrical releases and experienced disruptions in the production and availability of content. Collectively, our impacted businesses have historically been the source of the majority of our revenue. Operations have resumed at various points since May 2020, with certain theme parks and resort operations and film and television productions resuming by the end of fiscal 2020 and throughout 2021. Although operations resumed, many of our businesses continue to experience impacts from COVID- 19, such as incremental health and safety measures and related increased expenses, capacity restrictions and closures (including at some of our international parks and in theaters in certain markets), and disruptions of content production activities. COVID- 19 impacts and future health outbreaks and pandemics could hasten the erosion of historical sources of revenue at our Linear Networks businesses and change consumer preferences. For example, COVID- 19 impacts have changed, and may continue to change, consumer behavior and consumption patterns, such as theater- going to watch movies. Some industries in which our customers operate, such as theatrical distribution, retail and travel, have experienced, and could continue to experience, contraction and financial distress, which could impact the profitability of our businesses going forward. Our mitigation efforts in response to the impacts of COVID- 19 on our businesses have had, or may continue to have, negative impacts. For example, in response to COVID- 19 impacts, we incurred significant additional indebtedness and delayed or suspended certain projects in which we have invested, particularly at our parks and resorts and studio operations. In addition, we may take mitigation actions in the future to respond to the impacts of COVID- 19 or other health outbreaks or pandemics on our businesses, such as raising additional financing; not declaring future dividends; further suspending or reducing capital spending; reducing film and television content investments; implementing furloughs or reductions in force or modifying our operating strategy. These and other of our mitigating actions may have an adverse impact on our businesses. Additionally, there are limitations on our ability to mitigate the adverse financial impact of COVID- 19 and other health outbreaks or pandemics, including the fixed costs of our theme park business and the impact such events may have on capital markets and our cost of borrowing. Geographic variation in government requirements and ongoing changes to restrictions have disrupted and could further disrupt our businesses, including our production operations. Our operations could be suspended, re- suspended or subjected to new or reinstated limitations by government action or otherwise in the future as a result of developments related to COVID- 19, such as the expansion of the Omicron subvariants or other variants, and other future health outbreaks and pandemics. For example, our international parks have reopened and closed multiple times since the onset of COVID- 19. Some of our employees who returned to work were later refurloughed. Our operations could be further negatively impacted and our reputation could be negatively impacted by a significant COVID- 19 or other health outbreak impacting our employees, customers or others interacting with our businesses, including our supply chain. The impacts of COVID- 19 to our business have generally amplified, or reduced our ability to mitigate, the other risks discussed in our filings with the SEC and our remediation efforts may not be successful. COVID- 19 also makes it more challenging for management to estimate future performance of our businesses. COVID- 19 has already adversely impacted our businesses and net cash flow, and we expect the ultimate magnitude of these disruptions on our financial and operational results will be dictated by the length of time that such disruptions continue which will, in turn, depend on the currently unknowable duration and severity of the impacts of COVID- 19, and among other things, the impact and duration of governmental actions imposed in response to COVID- 19 and individuals' and companies' risk tolerance regarding health matters going forward. Changes~~ in U. S., global, and regional economic conditions **generally** ~~are expected to have an adverse~~ **adversely** ~~effect~~ **affect** ~~on~~ the profitability of our businesses. ~~A decline~~ **Declines** in economic conditions, such as recession, economic downturn, and / or inflationary conditions in the U. S. and other regions of the world in which we do business ~~can~~ **, or a failure of conditions to improve as anticipated typically** adversely affect demand and / or expenses for ~~any~~ **one or more** of our businesses, ~~thus~~ reducing our revenue and earnings. Past declines in economic conditions reduced **guest** spending at our parks and resorts, ~~purchasesof~~ -- **purchases of** and prices for advertising on our broadcast and cable networks and owned stations, performance of our home entertainment releases, and purchases of Company- branded consumer products, and similar impacts can be expected as such conditions recur. **Recent inflationary conditions increased certain of our costs.** The current ~~decline in~~ economic conditions could also ~~reduce~~ **have the effect of reducing** attendance at our parks and resorts, prices that MVPDs pay for our cable programming, purchases of and prices for advertising on our DTC products or subscription levels for our cable programming or DTC products, while also **continuing to** ~~increasing~~ **increase** the prices we pay for goods, services and labor. **Unfavorable** ~~Economic~~ **economic** conditions ~~can~~ also impair the ability of those with whom we do business to satisfy their obligations to us. In addition, an increase in price levels generally, or in price levels in a particular sector ~~such as current inflation in the domestic and global energy sector and other pronounced price increases generally and in certain other sectors~~ , could result in a shift in consumer demand away from the entertainment and **experiences** ~~consumer products~~ we offer, which could also adversely affect our revenues and, at the same time, increase our costs. A decline in economic conditions **or a failure of conditions to improve as anticipated** could impact implementation **or success** of our business plans, such as our plans to **increase investment in our Experiences segment, the** ~~realign~~ **realignment of** our cost structure and **plans** for **our** ~~the new~~ DTC ad- supported ~~service~~ **services , enhancements** , pricing structure and price increases. In addition, actions to reduce inflation, including raising interest rates, increase our cost of borrowing, which in turn ~~could~~ make it more difficult to obtain financing for our operations or investments on favorable terms. Further, global economic conditions ~~may~~ impact foreign currency exchange rates against the U. S. dollar. The current or continued strength in the value of the U. S. dollar has adversely impacted the U. S. dollar value of revenue we receive and expect to receive from other markets and may reduce international demand for our products and services. ~~A decrease in the value of the U. S. dollar may increase our labor, supply or other costs in non- U. S. markets.~~ Although we hedge exposure to certain foreign currency fluctuations, any such hedging activity may not substantially offset the negative financial impact of exchange rate fluctuations and is not expected to offset all such negative financial impact, particularly in periods of sustained U. S. dollar strength relative to multiple foreign currencies. Further, economic or political conditions in countries outside the U. S. also have reduced, and could continue to reduce, our ability to hedge exposure to currency fluctuations in those countries or our ability to repatriate revenue from those countries. Broader **or targeted** supply chain delays, such as those ~~currently impacting~~ **that have impacted** global distribution **from time to time,** may further exacerbate ~~current~~ inflationary pressures and impact our ability to sell and deliver goods or otherwise disrupt our operations. The adverse impact on our businesses of ~~the decline~~ **declines** in economic conditions **or a failure of conditions to improve as anticipated** will depend, in part, on ~~its~~ **the** severity and duration **of such economic conditions** and our ability to mitigate the impacts of ~~this decline~~ **economic conditions** on our businesses ~~will~~ **may** be limited. Changes in technology ~~and~~ **,** in consumer consumption patterns ~~may~~ **and in how entertainment products are created** affect demand for our entertainment products, the revenue we can generate from these products ~~or~~ **and** the cost of producing or distributing **these** products. The media entertainment and internet businesses in which we participate increasingly depend on our ability to successfully adapt to **new technologies including** shifting patterns of content consumption ~~through the adoption~~ and ~~exploitation of new technologies~~ **how entertainment products are generated** . New technologies affect the demand for our products, the manner in which our products are distributed to consumers, ways we charge for and receive revenue for our entertainment products and the stability of those revenue streams, the sources and nature of competing content offerings, the time and manner in which consumers acquire and view some of our entertainment products and the options available to advertisers for reaching their desired audiences. ~~This trend has~~ **These developments have** impacted the business model for certain traditional forms of distribution, as evidenced by the industry- wide decline in ratings for broadcast **and cable** television, the reduction in demand for home entertainment sales of theatrical content, the development of alternative distribution channels for broadcast and cable programming and declines in subscriber levels for traditional cable channels ~~, including for a number~~ **. These trends have decreased advertising and affiliate revenue at some** of our **linear** networks. In addition, theater- going to watch movies currently is, and may continue to be, below pre- COVID- 19 levels. ~~Declines~~ **Rules governing new technological developments, such as developments** in ~~linear viewership have resulted in decreased advertising~~ **generative artificial intelligence (AI), remain unsettled, and these developments may affect aspects of our existing business model, including** revenue **streams for the use of our IP and how we create our entertainment products** . In order to respond to ~~these~~ -- **the** ~~developments~~ **impact of new technologies on our businesses** , we regularly consider, and from time to time implement changes to our business models, most recently by developing, investing in and acquiring DTC products, ~~initiating plans to again reorganize~~ **reorganizing** our media and entertainment businesses to advance our DTC strategies, and developing **new media** ~~next generation storytelling~~ offerings. There can be no assurance that our DTC offerings, **new media** ~~next generation storytelling~~ offerings and other efforts will successfully respond to ~~these~~ **technological** changes. In addition, declines in certain traditional forms of distribution may increase the cost of content allocable to our DTC offerings, negatively impacting the profitability of our DTC offerings. We expect to forgo revenue from traditional sources, particularly as we expand our DTC offerings. To date ~~we~~ **our DTC streaming services** have experienced significant losses ~~in our DTC businesses~~ . There can be no assurance that the DTC model and other business models we may develop will ultimately be profitable or as profitable as our existing or historic business models. **We face risks relating to** ~~Misalignment~~ **misalignment** with public and consumer tastes and preferences for entertainment, travel and consumer products ~~could negatively~~ **, which** impact demand for our entertainment offerings and products and ~~adversely affect~~ the profitability of any of our businesses. Our businesses create entertainment, travel and consumer products whose success depends substantially on consumer tastes and preferences that change in often unpredictable ways. The success of our businesses depends on our ability to consistently create compelling content, which may be distributed, among other ways, through broadcast, cable, **theaters,** internet or ~~cellular~~ **mobile** technology, **and used in** theme park attractions, hotels and other resort facilities and travel experiences and consumer products. Such distribution must meet the changing preferences of the broad consumer market and respond to competition from an expanding array of choices facilitated by technological developments in the delivery of content. The success of our theme parks, resorts, cruise ships and experiences, as well as our theatrical releases, depends on demand for public or out- of- home entertainment experiences. Demand for certain ~~of our~~ out- of- home entertainment experiences, such as theater- going to watch movies, has not returned to pre- pandemic levels ~~, and COVID- 19 may continue to impact consumer tastes and preferences~~ . In addition, many of our businesses increasingly depend on acceptance of our offerings and products by consumers outside the U. S. The success of our businesses therefore depends on our ability to successfully predict and adapt to changing consumer tastes and preferences outside as well as inside the U. S. Moreover, we must often invest substantial amounts in content production and acquisition, acquisition of sports rights **, launch of new sports- related studio programming** , theme park attractions, cruise ships or hotels and other facilities or customer facing platforms before we know the extent to which these products will earn consumer acceptance, and these products may be introduced into a significantly different market or economic or social climate from the one we anticipated at the time of the investment decisions. ~~If~~ **Generally, our revenues and profitability are adversely impacted when** our entertainment offerings and products ~~(including our content offerings~~ , ~~which have been impacted by COVID- 19 and may in the future be impacted by COVID- 19 developments or other health outbreaks or pandemics)~~ as well as our methods to make our offerings and products available to consumers, do not achieve sufficient consumer acceptance ~~, our revenue may decline, decline further or fail to grow to the extent we anticipate when making investment decisions and thereby further adversely affect the profitability of one or more of our businesses~~ . Further, consumers' perceptions of our position on matters of public interest, including our efforts to achieve certain of our environmental and social goals, often differ widely and present risks to our reputation and brands. Consumer tastes and preferences impact, among other items, revenue from advertising sales (which are based in part on ratings for the programs in which advertisements air), affiliate fees, subscription fees, theatrical film receipts, the license of rights to other distributors, theme park admissions, hotel room charges and merchandise, food and beverage sales, sales of licensed consumer products or sales of our other consumer products and services. The success of our businesses is highly dependent on the existence and maintenance of intellectual property rights in the entertainment products and services we create. The value to us of our IP is dependent on the scope and duration of our rights as defined by applicable laws in the U. S. and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of our rights, or if existing laws are changed, our ability to generate revenue from our IP may decrease, or the cost of obtaining and maintaining rights may increase. The terms of some copyrights for IP related to some of our products and services have expired and other copyrights will expire in the future. For example, in the United States and countries that look to the United States copyright term when shorter than their own, the copyright term for early works such as the short film Steamboat Willie (1928), and the specific early versions of characters depicted in those works, expires at the end of the 95th calendar year after the date the copyright was originally secured in the United States. **As copyrights expire, we expect that** ~~Revenues~~ **revenues** generated from **such IP will** ~~this intellectual property could~~ be negatively impacted **to some extent** . The unauthorized use of our IP may increase the cost of protecting rights in our IP or reduce our revenues. The convergence of computing, communication and entertainment devices, increased broadband internet speed and penetration, increased availability and speed of mobile data transmission and increasingly sophisticated attempts to obtain unauthorized access to data systems have made the unauthorized digital copying and distribution of our films, television productions and other creative works easier and faster and protection and enforcement of IP rights more challenging. The unauthorized distribution and access to entertainment content generally continues to be a significant challenge for IP rights holders. Inadequate laws or weak enforcement mechanisms to protect entertainment industry IP in one country can adversely affect the results of the Company' s operations worldwide, despite the Company' s efforts to protect its IP rights. **Distribution innovations, including in response to** COVID- 19 **, have** ~~and distribution innovation in response to COVID- 19 has~~ increased opportunities to access content in unauthorized ways. Additionally, negative economic conditions coupled with a shift in government priorities could lead to less enforcement. These developments require us to devote substantial resources to protecting our IP against unlicensed use and present the risk of increased losses of revenue as a result of unlicensed distribution of our content and other commercial misuses of our IP. **The legal landscape for some new technologies, including some generative AI, remains uncertain, and development of the law in this area could impact our ability to protect against infringing uses.** With respect to IP developed by the Company and rights acquired by the Company from others, the Company is subject to the risk of challenges to our copyright, trademark and patent rights by third parties **. In addition, the availability of copyright protection and other legal protections for IP generated by certain new technologies, such as generative AI, is uncertain** . Successful challenges to our rights in IP may result in increased costs for obtaining rights or the loss of the opportunity to earn revenue from or utilize the IP that is the subject of challenged rights. From time to time, the Company has been notified that it may be infringing certain IP rights of third parties. Technological changes in industries in which the Company operates and extensive patent coverage in those areas may increase the risk of such claims being brought and prevailing. Protection of electronically stored data and other cybersecurity is costly, and if our data or systems are materially compromised in spite of this protection, we may incur additional costs, lost opportunities, damage to our reputation, disruption of service or theft of our assets. We maintain information necessary to conduct our business, including confidential and proprietary information as well as personal information regarding our customers and employees, in digital form. We also use computer systems to deliver our products and services and operate our businesses. Data maintained in digital form is subject to the risk of unauthorized access, modification, exfiltration, destruction or denial of access and our computer systems are subject to cyberattacks that may result in disruptions in service. We use many third- party systems and software, which are also subject to supply chain and other cyberattacks. We develop and maintain an information security program to identify and mitigate cyber risks but the development and maintenance of this program is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Accordingly, despite our efforts, the risk of unauthorized access, modification, exfiltration, destruction or denial of access with respect to data or systems and other cybersecurity attacks cannot be eliminated entirely, and the risks associated with a potentially material incident remain. In addition, we provide ~~some~~ confidential, proprietary and personal information to third parties in certain cases, which ~~may~~ **information is** also ~~be~~ **subject to risk of** ~~compromised~~ - **compromise** . If our information or cyber security systems or data are compromised in a material way, our ability to conduct our business may be impaired, we may lose profitable opportunities or the value of those opportunities may be diminished and, as described above, we may lose revenue as a result of unlicensed use of our intellectual property. If personal information of our customers or employees is misappropriated, our reputation with our customers and employees may be damaged resulting in loss of business or morale, and **related** ~~we may incur costs to remediate~~ **remediation** ~~possible~~ **of** harm to our customers and employees or damages arising from litigation and / or ~~to pay~~ fines or **other actions we** take ~~other action~~ with respect to judicial or regulatory actions arising out of ~~the~~ **an** incident **create additional costs** . Insurance we obtain ~~may~~ **does** not cover **all potential** losses or damages associated with such attacks or events. Our systems and users and those of third parties with whom we engage are continually attacked, sometimes successfully **, and there can be no assurance that future incidents will not have material adverse effects on our operations or financial results** . A variety of uncontrollable events may **disrupt our businesses,** reduce demand for or consumption of our products and services, impair our ability to provide our products and services or increase the cost or reduce the profitability of providing our products and services. **The operation and profitability of our businesses and** ~~Demand~~ **demand** for and consumption of our products and services, particularly our ~~theme~~ parks and ~~resorts~~ **experiences businesses** , ~~is~~ **are** highly dependent on the general environment for travel and tourism **, including in the specific regions in which our parks and experiences businesses operate. In addition, we have extensive international operations, including our international theme parks and resorts, which are dependent on domestic and international regulations consistent with trade and investment in those regions** . The **operation of our businesses and the** environment for travel and tourism, as well as demand for and consumption of **our** other entertainment products, can be significantly adversely affected in the U. S., globally or in specific regions as a result of a variety of factors beyond our control, including: health concerns (including as it has been by COVID- 19 and could be by future health outbreaks and pandemics); adverse weather conditions arising from short- term weather patterns or long- term climate change, **including longer and more regular excessive heat conditions,** catastrophic events or natural disasters (such as excessive heat or rain, hurricanes, typhoons, floods, droughts, tsunamis and earthquakes); international, political or military developments ~~(~~ **,** including **trade and other international disputes and** social unrest ~~)~~; **macroeconomic conditions, including** a decline in economic activity **, inflation and foreign exchange rates** ; and terrorist attacks. These events and others, such as fluctuations in travel and energy costs and computer virus attacks, intrusions or other widespread computing or telecommunications failures, may also damage our ability to provide our products and services or to obtain insurance coverage with respect to some of these events. An incident that affected our property directly would have a direct impact on our ability to provide goods and services and could have an extended effect of discouraging consumers from attending our facilities. Moreover, the costs of protecting against such incidents **reduces** ~~, including~~ the ~~costs~~ **profitability** of ~~protecting against the spread of~~ **our operations. For example,** COVID- 19 **and measures to prevent its spread impacted our businesses in a number of ways** , ~~reduces~~ **most significantly at the Experiences segment where our** ~~the~~ **theme** ~~profitability of~~ **parks and resorts were closed and cruise ship sailings and guided tours were suspended. In addition, we delayed,** ~~our~~ - **or** ~~operations.~~ **in some cases, shortened** ~~For~~ - **or** ~~example~~ **canceled theatrical releases and experienced disruptions in the production and availability of content. Collectively, our impacted businesses historically have been the source of the majority of our revenue. In addition** , hurricanes ~~, including Hurricane Ian in late September 2022, which caused Walt Disney World Resort parks in Florida to close for two days,~~ have impacted the profitability of Walt Disney World Resort and may do so in the future. The Company has paused certain operations in certain regions **, including in response to sanctions, trade restrictions and related developments** and the profitability of certain operations has been impacted as a result of events in the corresponding regions. In addition, we derive affiliate fees and royalties from the distribution of our programming, sales of our licensed goods and services by third parties, and the management of businesses operated under brands licensed from the Company, and we are therefore dependent on the successes of those third parties for that portion of our revenue. **The profitability of one or more of our businesses could be adversely impacted by the significant contraction of distribution channels for our products and services, including through third- party licensees or sellers of our licensed goods and services. In addition, third- party suppliers provide products and services essential to the operation of a number of our businesses.** A wide variety of factors could influence the success of those third parties and if negative factors significantly impacted a sufficient number of those third parties **or materially impacted a supplier of a significant product or service** , the profitability of one or more of our businesses could be adversely affected. In specific geographic markets, we have experienced delayed and / or partial payments from certain ~~affiliate~~ **third** ~~partners~~ - **parties** due to liquidity issues. We obtain insurance against the risk of losses relating to some of these events, generally including certain physical damage to our property and resulting business interruption, certain injuries occurring on our property and some liabilities for alleged breach of legal responsibilities. When insurance is obtained it is subject to deductibles, exclusions, terms, conditions and limits of liability. The types and levels of coverage we obtain vary from time to time depending on our view of the likelihood of specific types and levels of loss in relation to the cost of obtaining coverage for such types and levels of loss and we may experience material losses not covered by our insurance. **We face risks** ~~For example, many losses~~ related to ~~impacts of COVID- 19 have not been covered by insurance available to us. Changes~~ **changes** in our business strategy or restructuring of our businesses ~~has increased~~ **, which have affected** and may continue to ~~increase our costs and has otherwise affected and may continue to~~ affect **our cost structure,** the profitability of our businesses or the value of our assets. As changes in our business environment occur we have adjusted, continue to adjust and may further adjust our business strategies to meet these changes and we may otherwise decide to further restructure our operations or particular businesses or assets. For example, in ~~November~~ **fiscal** ~~2022~~ **2023** , **we reorganized our media and entertainment operations, which had been previously reported in one segment, into two segments, Entertainment and Sports; in fiscal 2023** we announced ~~plans to reorganize DMED to advance~~ **that we would review content, primarily on** our DTC **services, for alignment with a** ~~strategies~~ **strategic change in our approach to content curation, resulting in removal of certain content from our platforms** and ~~rationalize costs~~ **related impairment charges** ; in fiscal 2022, we announced plans to introduce an ad- supported Disney service, new pricing model and price increases and cost realignment; in ~~March~~ **fiscal** 2021, we announced the closure of a substantial number of our Disney- branded retail stores; and we have announced exploration of a number of new types of businesses. ~~In addition~~ **Changes in strategy** , **such as was the case** with the **most** recent **reorganization of** ~~change in leadership, there may be additional adjustments to~~ our ~~business strategies~~ **media and entertainment operations, can lead to workforce disruptions** . Our new organization and strategies are, among other things, subject to execution risk and may not produce the anticipated benefits, such as supporting our growth strategies and enhancing shareholder value. For example, notwithstanding our announced plans to rationalize costs, the costs of our DTC strategy, and associated losses, may continue to grow or be reduced more slowly than anticipated, which may impact our distribution strategy across businesses / distribution platforms, the types of content we distribute through various businesses / distribution platforms, and the timing and sequencing of content windows. Our new organization and strategies could be less successful than our previous organizational structure and strategies. In addition, external events including changing technology, changing consumer purchasing patterns, acceptance of content offerings and changes in macroeconomic conditions may impair the value of our assets. When these changes or events occur, we have incurred and may continue to incur costs to change our business strategy and have needed and may in the future need to write- down the value of assets. ~~For example~~ **In addition to the content impairment noted above** , **among** ~~current conditions, including COVID- 19 and our business decisions, have reduced the~~ **other** ~~value of some of our~~ assets ~~. We~~ **, we** have impaired goodwill and intangible assets at our **linear networks** ~~International Channels businesses~~ and impaired the value of certain of our retail store assets. We may write ~~–~~down other assets as our strategy evolves to account for the current business environment. We also make investments in existing or new businesses, including investments in international expansion of our business and in new business lines. **For example, in fiscal 2023, we announced that we are developing plans to accelerate and expand investment in our Experiences segment.** In **addition, in** recent years, ~~such~~ **other** investments have included expansion and renovation of certain of our theme parks, expansion of our fleet of cruise ships, the acquisition of TFCF **Corporation (TFCF)** and investments related to DTC offerings. Some of these **and future** investments ~~have~~ **may ultimately result in** returns that are negative or low, the ultimate business prospects of the businesses related to these investments are uncertain, **and** these investments may impact the **resources available to, and the** profitability of **,** our other businesses ~~, and these risks are exacerbated by COVID- 19~~. In **addition** ~~any of these events~~ , our costs may increase, we may have significant charges associated with the write- down of assets **, as occurred in connection with the closure of Star Wars: Galactic Starcruiser** or returns on new investments may be negative or lower than prior to the change in strategy or restructuring. Even if our strategies are effective in the long term, our new offerings will generally not be profitable in the short term, growth of our new offerings is unlikely to be even quarter over quarter and we may not expand into new markets as or when anticipated. Our ability to forecast for new businesses may be impacted by our lack of experience operating in those new businesses, speed with which the competitive landscape changes, volatility beyond our control (such as the events beyond our control noted above) and our ability to obtain or develop the content and rights on which our projections are based. Accordingly, we may not achieve our forecasted outcomes. Increased competitive pressures **impact** ~~may reduce~~ our revenues ~~or~~ **and** increase our costs. We face substantial competition in each of our businesses from alternative providers of the products and services we offer and from other forms of entertainment, lodging, tourism and recreational activities. This includes, among other types, competition for human resources, content and other resources we require in operating our business. For example: • Our programming and production operations compete to obtain creative, performing **, production** and business talent, sports and other programming, story properties, advertiser support **, production facilities** and market share with **traditional and new media platforms, including** other studio operators, television networks, ~~SVOD~~ - **VOD** providers and other ~~new~~ sources of broadband delivered content. • Our television networks and stations and DTC offerings compete for the sale of advertising time with **traditional and new media platforms, including** other television and ~~SVOD~~ - **VOD** services, as well as with newspapers, magazines, billboards and radio stations ~~. In addition~~ , **and various** ~~we increasingly face competition for~~ **forms of** ~~advertising sales from~~ internet and mobile delivered content, which offer advertising delivery technologies that are more targeted than can be achieved through traditional means. • Our television networks compete for carriage of their programming with other programming providers. • Our theme parks and resorts compete for guests with all other forms of entertainment, lodging, tourism and recreation activities **and compete for creative, performing and business talent, including with other theme park and resort operators** . • Our content sales / licensing operations compete for customers with all other forms of entertainment. • Our consumer products business competes with other licensors and creators of IP. • Our DTC ~~businesses~~ **streaming services** compete for customers with an increasing number of competitors' DTC offerings, all other forms of media and all other forms of entertainment, as well as for technology, creative, performing and business talent and for content. Competition in each of these areas may further increase as a result of technological developments and changes in market structure, including consolidation of suppliers of resources and distribution channels. Increased competition **has increased, and** may **continue to** increase **,** the cost of programming **, including sports** and other products and ~~divert~~ **diverts** consumers from **, or delays their consumption of,** our creative or other products, or to other products or other forms of entertainment **and experiences** , which could reduce our revenue or increase our marketing costs. Competition for the acquisition of resources can further increase the cost of producing our products and services **; change the composition of our offerings** , **including sports;** deprive us of **talent needed for our entertainment and experiences businesses, including the** talent necessary to produce high quality creative material **; increase employee turnover and staffing instability;** or increase the cost of compensation for our employees. Such competition may also reduce, or limit growth in, prices for our products and services, including advertising rates and subscription fees at our media networks and DTC offerings, parks and resorts admissions and room rates and prices for consumer products from which we derive license revenues. Our results may be adversely affected if long- term programming or ~~carriage~~ **distribution** contracts are not renewed on sufficiently favorable terms. We enter into long- term contracts for both the acquisition and the distribution of media programming and products, including contracts for the acquisition of programming rights for sporting events and other programs, and contracts for the distribution of our programming to content distributors. As these contracts expire, we must renew or renegotiate the contracts, **which from time to time has led to service blackouts when distribution contracts expired before renewal terms were agreed,** and if we are unable to renew ~~them~~ **these contracts** on acceptable terms, we may lose programming rights or distribution rights. As a result, our portfolio of programming rights **we acquire** and the distributors of our programming **and the portfolio of programming rights our distributors acquire** have changed and may continue to change over time. Even if these contracts are renewed, the cost of obtaining certain programming rights has increased and may continue to increase (or increase at faster rates than our historical experience) and programming distributors, facing pressures resulting from increased subscription fees and alternative distribution challenges, have demanded and may continue to demand terms (including **with respect to the** pricing **for,** and the ~~breadth~~ **nature and amount** of **, programming** ~~distribution~~ **distributed**) that reduce our revenue from distribution of programs (or increase revenue at slower rates than our historical experience). **For example, a recent carriage agreement renewal includes fewer of our linear networks but provides for certain of our DTC streaming services to be made available to the distributor' s subscribers.** Moreover, our ability to renew these contracts on favorable terms may be affected by a number of factors, such as consolidation in the market for program distribution ~~,~~ **and** the entrance of new participants in the market for distribution of content on digital platforms ~~and the impacts of COVID- 19~~ . With respect to the acquisition of programming rights, particularly sports programming rights, the impact of these long- term contracts on our results over the term of the contracts depends on a number of factors, including the strength of advertising markets, subscription levels and ~~rates for~~ programming **rights costs increases** , effectiveness of marketing efforts and the size of viewer audiences. There can be no assurance that revenues from programming based on these rights will exceed the cost of the rights plus the other costs of producing and distributing the programming. ~~Changes in regulations~~ **Regulations** applicable to our businesses may impair the profitability of our businesses. ~~Our~~ **Each of our businesses, including our** broadcast networks and television stations ~~are highly regulated~~ , ~~and each of our other businesses~~ is subject to a variety of U. S. and ~~overseas~~ **international** regulations **, which impact the operations and profitability of our businesses** . Some of these regulations include: • U. S. FCC regulation of our television and radio networks, our national programming networks and our owned television stations. See Item 1 — ~~Business — Disney Media and Entertainment Distribution,~~ Federal Regulation **- Entertainment and Sports** . • Federal, state and foreign privacy and data protection laws and regulations. • Regulation of the safety and supply chain of consumer products and theme park operations, including ~~potential~~ regulation regarding the sourcing, importation and the sale of goods. • Environmental protection regulations. • U. S. and international anti- corruption laws, sanction programs ~~and~~ **,** trade restrictions ~~,~~ **and anti- money laundering laws. •** ~~restrictions~~ **Restrictions** on the manner in which content is currently licensed and distributed, ownership restrictions ~~, currency exchange controls~~ or film or television content requirements, investment obligations or quotas. • Domestic and international labor laws, tax laws or currency controls. New laws and regulations, as well as changes in any of these current laws and regulations or regulator activities in any of these areas, or others, may require us to spend additional amounts to comply with the regulations, or may restrict our ability to offer products and services in ways that are profitable, and create an increasingly unpredictable regulatory landscape. **In addition, ongoing and future developments in international political, trade and security policy may lead to new regulations limiting international trade and investment and disrupting our operations outside the U. S., including our international theme parks and resorts operations in France, mainland China and Hong Kong.** For example, ~~in 2019 India implemented regulation and tariffs impacting certain bundling of channels;~~ in 2022 the U. S. and other countries implemented a series of sanctions against Russia in response to events in Russia and Ukraine; U. S. agencies have enhanced trade restrictions **, including new** ~~and legislation is currently under consideration that would prohibit~~ **prohibitions on the** importation of goods from certain regions **and other jurisdictions are considering similar measures** ; U. S. state governments have become more active in passing legislation targeted at specific sectors and companies **and applying existing laws in novel ways to new technologies, including streaming and online commerce** ; and in many countries / regions around the world (including but not limited to the EU) regulators are requiring us to broadcast on our linear (or display on our DTC streaming services) programming produced in specific countries as well as invest specified amounts of our revenues in local content productions. ~~Public health and~~ **In Florida, steps directed at** ~~other~~ -- **the** ~~regional, national, state~~ **Company (including the passage of legislation) have been taken** and ~~local regulations and policies are~~ **future actions have been threatened, which collectively could negatively** ~~impacting~~ --- **impact (and may have already impacted)** our ability to ~~operate~~ **execute on** our ~~businesses~~ -- **business** ~~at all~~ **strategy,** ~~or~~ **our costs and** ~~in accordance with historic practice. In addition to~~ the **profitability** ~~government requirements that have impacted most~~ of our ~~businesses as a result of~~ **operations in Florida. Further, in response to the** COVID- 19 **pandemic** , **public health and other regional, national, state and local regulations and policies impacted most of our businesses.** ~~government~~ **Government** requirements **could** ~~may continue to~~ be ~~extended~~ **reinstated** and new government requirements may be imposed to address COVID- 19 or future health outbreaks or pandemics. Our operations outside the U. S. may be adversely affected by the operation of laws in those jurisdictions. Our operations in non- U. S. jurisdictions are in many cases subject to the laws of the jurisdictions in which they operate rather than, or in addition to, U. S. law ~~. Our risks of operating internationally have increased following the completion of the TFCF acquisition, which increased the importance of international operations to our future operations, growth and prospects~~ . Laws in some jurisdictions differ in significant respects from those in the U. S. These differences can affect our ability to react to changes in our business, and our rights or ability to enforce rights may be different than would be expected under U. S. law. Moreover, enforcement of laws in some international jurisdictions can be inconsistent and unpredictable, which can affect both our ability to enforce our rights and to undertake activities that we believe are beneficial to our business. In addition, the business and political climate in some jurisdictions may encourage corruption, which could reduce our ability to compete successfully in those jurisdictions while remaining in compliance with local laws or U. S. anti- corruption laws applicable to our businesses. As a result, our ability to generate revenue and our expenses in non- U. S. jurisdictions may differ from what would be expected if U. S. law alone governed these operations. Environmental, social and governance matters and any related reporting obligations may impact our businesses. U. S. and international regulators, investors and other stakeholders are increasingly focused on environmental, social ~~,~~ and governance ~~(ESG)~~ matters. For example, new domestic and international laws and regulations relating to ~~ESG~~ **environmental, social and governance** matters, including **environmental sustainability and climate change,** human capital **management** ~~, diversity, sustainability, climate change~~ and cybersecurity, are under consideration or being adopted, which may include specific, target- driven disclosure requirements or obligations. Our response will require ~~additional investments and~~

increased costs to comply, the implementation of new ~~practices and~~ reporting processes, ~~all~~ entailing additional compliance risk **, a skilled workforce and other incremental investments** . In addition, we have **undertaken or** announced a number of ~~ESG initiatives~~ **related actions** and goals, which will require **changes to operations and** ongoing investment **.** ~~, and there~~ **There** is no assurance ~~that we will achieve any of these goals or~~ that our initiatives will achieve their intended outcomes **or that we will achieve any of these goals** . ~~Consumers~~ - **Consumer** ~~'~~ **, government and other stakeholder** perceptions of our efforts to achieve these ~~goals~~ **objectives** often differ widely and present risks to our reputation and brands. In addition, our ability to implement some initiatives or achieve some goals is dependent on external factors. For example, our ability to meet certain **environmental** sustainability goals or initiatives ~~may~~ **will** depend in part on third- party collaboration **, the availability of suppliers that can satisfy new requirements** , mitigation innovations and / or the availability of economically feasible solutions at scale. Damage to our reputation or brands may negatively impact our Company across businesses and regions. Our reputation and globally recognizable brands are integral to the success of our businesses. Because our brands engage consumers across our businesses, damage to our reputation or brands in one business may have an impact on our other businesses. Because some of our brands are globally recognized, brand damage may not be locally contained. Maintenance of the reputation of our Company and brands depends on many factors including the quality of our offerings, maintenance of trust with our customers and our ability to successfully innovate. In addition, we may pursue brand or product integration combining previously separate brands or products targeting different audiences under one brand or pursue other business initiatives inconsistent with one or more of our brands, and there is no assurance that these initiatives will be accepted by our customers and not adversely impact one or more of our brands. Significant negative claims or publicity regarding the Company or its operations, products, management, employees, practices, business partners, business decisions, social responsibility and culture **, which** may ~~materially damage~~ **be amplified by social media, adversely impact** our brands or reputation, even if such claims are untrue. Damage to our reputation or brands could impact our sales, business opportunities, profitability, recruiting and valuation of our securities. Various risks may impact the success of our DTC ~~business~~ **streaming services** . We may not successfully execute on our DTC strategy. The success of our DTC strategy and profitability of our DTC ~~businesses~~ **streaming services** will be impacted by the success of **the** ~~our efforts to reorganize~~ **reorganization** ~~DMED~~ **of our media and entertainment business and our ability** to advance our DTC strategies, drive subscriber additions and retention based on the attractiveness of our content, manage churn in reaction to price increases, achieve the desired financial impact of the Disney ad supported service, pricing model and price increases, our ability to execute on cost realignment and the effects of our determinations with regard to distribution for our creative content across windows. The initial costs of marketing campaigns are generally recognized in the ~~DMED~~ business ~~/ distribution platform~~ of initial exploitation, and ~~allocation~~ **amortization** of **capitalized** ~~programming and~~ production costs ~~is driven by~~ **and licensed programming rights are generally allocated across businesses based on the estimated relative value of the** distribution ~~of the relevant content across~~ windows. Accordingly, our distribution determinations impact the costs of each business ~~/ distribution channel~~ , including **the applicable** DTC **service** . ~~An increasing~~ **There are a** number of **competing** ~~competitors have entered~~ DTC businesses. Consumers may not be willing to pay for an expanding set of DTC streaming services at increasing prices, potentially exacerbated by an economic downturn. In addition, economic downturns negatively impact the purchase of and price for advertising on our DTC streaming services. We face competition for creative talent and **sports and other programming rights and** may not be successful in recruiting and retaining talent ~~,~~ **and obtaining desired programming rights** or ~~may~~ face increased costs to do so. **Acquisition of new subscribers to our DTC streaming services is not linear, and we have experienced net losses of subscribers in some periods.** Our content ~~may~~ **does** not **always** successfully attract and retain subscribers in the quantities that we expect. Our content is subject to cost pressures and may cost more than we expect. We may not successfully manage our costs to meet our profitability goals. Government regulation, including revised foreign content and ownership regulations **as well as government-imposed content restrictions** , ~~may impact~~ **impacts** the implementation of our DTC business plans. The highly competitive environment in which we operate puts pricing pressure on our DTC offerings and may require us to lower our prices or not take price increases to attract or retain customers or ~~experience~~ **lead to** higher churn rates. These and other risks may impact the profitability and success of our DTC ~~businesses~~ **streaming services** . Potential credit ratings actions, increases in interest rates, or volatility in the U. S. and global financial markets could impede access to, or increase the cost of, financing our operations and investments. Our borrowing costs have been ~~,~~ and can be affected by short- and long- term debt ratings assigned by independent ratings agencies that are based, in part, on the Company' s performance as measured by credit metrics such as leverage and interest coverage ratios. As a result of the financial impact of COVID- 19 on our businesses, Standard and Poor' s downgraded our long- term debt ratings by two notches to BBB and downgraded our short- term debt ratings by one notch to A- 2. Fitch downgraded our long- and short- term credit ratings by one notch to A- and F2, respectively. **On June 5, 2023, Standard and Poor' s upgraded our long- term debt ratings by one notch to A-.** As of ~~October 1~~ **September 30** , ~~2022~~ **2023** Moody' s Investors Service' s long- and short- term debt ratings for the Company were A2 and P- 1 (Stable), respectively, Standard and Poor' s long- and short- term debt ratings for the Company were ~~BBB~~ **A-** and A- 2 (Positive), respectively, and Fitch' s long- and short- term debt ratings for the Company were A- and F2 (Stable), respectively. **Any** ~~These ratings actions have increased, and any potential~~ future downgrades could ~~further~~ increase ~~,~~ our cost of borrowing and / or make it more difficult for us to obtain financing on acceptable terms. In addition, increases in interest rates have increased our cost of borrowing and volatility in U. S. and global financial markets could impact our access to, or further increase the cost of, financing. Past disruptions in the U. S. and global credit and equity markets made it more difficult for many businesses to obtain financing on acceptable terms. These conditions tended to increase the cost of borrowing and if they recur, our cost of borrowing could increase and it may be more difficult to obtain financing for our operations or investments. **Elevated indebtedness or leverage ratios could adversely affect us, including by decreasing our business flexibility. Elevated indebtedness could have the effect of, among other things, reducing our financial flexibility and our ability to respond to**

changing business and economic conditions and other uncontrollable events. Debt repayment obligations could also reduce funds available for investments, capital expenditures, share repurchases and dividends, and other activities and may create competitive disadvantages for us relative to other companies with lower debt levels. Our leverage ratios increased as the result of COVID- 19' s impact on financial performance, which caused certain of the credit ratings agencies to downgrade their assessment of our credit ratings. Downgrades to our debt rating may negatively impact our cost of borrowings and / or make it more difficult for us to obtain financing on acceptable terms. Labor disputes ~~may~~ disrupt our operations and **may** adversely affect the profitability of ~~any~~ **one or more** of our businesses. A significant number of employees in various parts of our businesses, including employees of our theme parks **,** and writers, directors, actors ~~,~~ and production personnel for our productions are covered by collective bargaining agreements. In addition, some of our employees outside the U. S. are represented by works councils, trade unions or other employee associations. Further, the employees of licensees who manufacture and retailers who sell our **licensed** consumer products, and employees of providers of programming content (such as sports leagues) may be covered by labor agreements with their employers. **From time to time, collective bargaining agreements and other labor agreements expire, requiring renegotiation of their terms.** In general, ~~a~~ labor ~~dispute~~ **disputes and work stoppages** involving our employees **; persons employed on our productions; athletes or others employed by, or otherwise connected with, sports leagues or organizers;** or the employees of our licensees or retailers who sell our **licensed** consumer products or providers of programming content may disrupt our operations and reduce our revenues. **For example, on May 2, 2023, members of the Writers Guild of America (WGA) commenced a work stoppage, which lasted for almost five months. On July 14, 2023, members of SAG- AFTRA, the union representing television and movie actors, also commenced a work stoppage, which lasted for almost four months. These work stoppages have impacted our productions and the pipeline for programming and theatrical releases, which could result in reduced revenue and have an adverse effect on our profitability. The new collective bargaining agreements with the Directors Guild of America, WGA and SAG- AFTRA will lead to increased costs to create content, including as a result of increases in rates, residuals and benefits. Generally,** ~~Resolution~~ **resolution** of disputes or negotiation of **new agreements, including** rate increases **and other changes to employee benefits, has in the past increased our costs and** may increase our costs **in the future** . The seasonality of certain of our businesses and timing of certain of our product offerings could exacerbate negative impacts on our operations. Each of our businesses is normally subject to seasonal variations and variations in connection with the timing of our product offerings, including as follows: • Revenues at ~~DPEP~~ **the Experiences segment** fluctuate with changes in theme park attendance and resort occupancy resulting from the seasonal nature of vacation travel and leisure activities and seasonal consumer purchasing behavior, which generally results in increased revenues during the Company' s first and fourth fiscal quarters. Peak attendance and resort occupancy generally occur during the summer months when school vacations occur and during early winter and spring holiday periods. **Revenues at the Experiences segment also may fluctuate with changes in theme park attendance and resort occupancy resulting from special celebrations or events that may increase demand in the applicable periods and decrease demand in prior or later periods as guests time their vacations to occur during such special celebrations or events.** In addition, licensing revenues fluctuate with the timing and performance of our theatrical releases and cable programming broadcasts ~~, many of which have been delayed, canceled or modified~~ . • Revenues from television networks and stations are subject to seasonal advertising patterns and changes in viewership levels **, including related to certain sporting events** . In general, **domestic general entertainment linear networks** advertising revenues are **typically** somewhat higher during the fall and somewhat lower during the summer months **, and sports advertising revenues are impacted by the timing of sports seasons and events, which varies throughout the year or may take place periodically** . • Revenues from content sales / licensing fluctuate due to the timing of content releases across various distribution markets. Release dates and methods are determined by a number of factors, including, among others, competition, **and** the timing of vacation and holiday periods ~~and impacts of COVID- 19 to various distribution markets~~ . • DTC revenues fluctuate based on **:** changes in the number of subscribers **, mix of subscribers to different offerings** and subscriber ~~fee~~ **fees** ~~or revenue mix~~ ; viewership levels ~~on our digital platforms~~ ; and the demand for sports and film and television content. Each of these may depend on the availability of content, which varies from time to time throughout the year based on, among other things, sports seasons, content production schedules and **sports** league **work stoppages** ~~shut downs. Because our DTC business is relatively new, we have limited data on which to base our understanding of DTC seasonality~~ . Accordingly, negative impacts on our business occurring during a time of typical high seasonal demand such as our park closures due to COVID- 19 restrictions or hurricane damage during the summer travel season or other high seasons, could have a disproportionate effect on the results of that business for the year. **Our operations are impacted by our ability to attract and retain employees and** ~~Costs~~ **costs** of employee **wages and** health, welfare and pension benefits, including postretirement medical benefits for some employees and retirees, may reduce our profitability. With approximately ~~220~~ **225** , 000 employees **, the success of our businesses is substantially affected by our ability to attract and retain a workforce with the necessary skills for our varied businesses, including executing successfully on succession planning for the talent at all levels necessary to advance the Company' s key objectives and strategies. Further** , our profitability is substantially affected by **labor** costs ~~of~~ **, including wages and** our health, welfare and pension benefits, including the costs of medical benefits for current employees and the costs of postretirement medical benefits for some current employees and retirees. We may experience significant increases in these costs as a result of macroeconomic **, regulatory, competitive and other** factors **. For example** , ~~which are beyond~~ **labor costs in** our ~~control~~ **parks and resorts have increased** , ~~including~~ **and we expect will continue to** ~~increases~~ **increase** ~~in the cost~~ **, as a result** of ~~health care~~ **collective bargaining agreements and wage laws and regulations where we operate** . ~~Impacts of COVID- 19 or future~~ **Future** health outbreaks and pandemics may lead to an increase in the cost of medical insurance and expenses. In addition, changes in investment returns and discount rates used to calculate pension and postretirement medical expense and related assets and liabilities can be volatile and may have an unfavorable impact on our costs in some years. These macroeconomic factors as well as a decline in the fair value of pension and postretirement medical plan assets may put upward pressure on the cost of providing pension and postretirement medical benefits and may increase future funding requirements. There can be no assurance that we will succeed in **attracting and retaining the human resources necessary for the success of our businesses or in** limiting cost increases ~~,~~ **from wages** and ~~continued upward pressure~~ **other employee benefits, which** could reduce the profitability of our businesses. ~~ACQUISITION RISKS Our consolidated indebtedness increased substantially following completion~~ **We face risks related to costs and expenses in connection with the acquisition** of **NBCU’ s equity interest in Hulu and** the TFCF acquisition ~~and further increased~~ **. On November 1, 2023, NBCU exercised its right to require the Company to purchase NBCU’ s equity interest in Hulu under a put / call arrangement between the parties. The purchase price for NBCU’ s equity interest in Hulu will be determined based on NBCU’ s equity ownership percentage of the greater of Hulu’ s equity fair value** as **of September 30, 2023, and** a **guaranteed floor value** ~~result of the impacts of COVID- 19~~ . **Further** ~~This increased level of indebtedness could adversely affect us~~ , ~~including by decreasing our business flexibility. As a result of~~ the ~~TFCF acquisition in fiscal 2019,~~ **Company will share with NBCU 50 % of** the Company’ s **tax benefit from** ~~net indebtedness increased substantially. The increased indebtedness could have the effect of, among other~~ -- **the** ~~things, reducing our financial flexibility and reducing our flexibility to respond to changing business and economic conditions, such as those presented by COVID- 19, among others. Increased levels of indebtedness could also reduce funds available for investments, capital expenditures, share repurchases~~ --- **purchase** ~~and dividends, and other activities and may create competitive disadvantages for us relative to other companies with lower debt levels. Our leverage ratios have increased as the result~~ of **NBCU** ~~COVID- 19~~ ’ s **interest in Hulu** ~~impact on financial performance~~ , which **payments** ~~caused certain of the credit ratings agencies to downgrade their assessment of our credit ratings, and~~ are expected to ~~remain elevated at least in the near term. Our debt ratings may~~ be **made primarily over a 15- year period** ~~further downgraded, which may negatively impact our cost of borrowings~~ . **In** ~~The TFCF acquisition and integration and Hulu put / call may result in additional~~ - - **addition, we** ~~costs and expenses. We have incurred and~~ may ~~continue to~~ incur significant costs ~~,~~ **and** expenses ~~and fees for professional services and other transaction and financing costs~~ in connection with ~~the TFCF acquisition and integration and the Hulu put / call agreement with NBCU. We may also incur accounting and other costs that were not anticipated at the time of~~ the TFCF acquisition, including costs for which we have established reserves or which may lead to reserves in the future. **The cost to purchase NBCU’ s equity interest in Hulu and related obligations to NBCU and any** ~~Such~~ **such other** costs ~~, including~~ **could negatively impact** the Company’ s ~~obligations under the Hulu put / call agreement with NBCU, could negatively impact the Company’ s free~~ cash ~~flow~~ **position** and result in the Company incurring additional indebtedness. GENERAL RISKS The price of our common stock has been, and may continue to be, volatile. The price of our common stock has experienced substantial volatility and may continue to be volatile. Various factors have impacted, and may continue to impact, the price of our common stock, including, among others, changes in management; variations in our operating results; variations between our actual results and expectations of securities analysts; changes in our estimates, guidance or business plans; changes in financial estimates and recommendations by securities analysts; the activities, operating results or stock price of our competitors or other industry participants in the industries in which we operate; the announcement or completion of significant transactions by us or a competitor; events affecting the stock market generally; and the economic and political conditions in the U. S. and internationally, as well as other factors described in this Item 1A. Some of these factors may adversely impact the price of our common stock, regardless of our operating performance. Further, volatility in the price of our common stock may negatively impact one or more of our businesses, including by increasing cash compensation or stock awards for our employees who participate in our stock incentive programs or limiting our financing options for acquisitions and other business expansion. The Company’ s amended and restated bylaws provide to the fullest extent permitted by law that the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions between the Company and its stockholders, which could increase costs to bring a claim, discourage claims or limit the ability of the Company’ s stockholders to bring a claim in a judicial forum viewed by the stockholders as more favorable for disputes with the Company or the Company’ s directors, officers or other employees. The Company’ s amended and restated bylaws provide to the fullest extent permitted by law that unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of the Company, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or stockholder of the Company to the Company or the Company’ s stockholders, (iii) any action or proceeding asserting a claim arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the General Corporation Law of the State of Delaware (the “ DGCL ”), the Certificate of Incorporation or these Bylaws (as each may be amended from time to time), (iv) any action or proceeding as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware, (v) or any action or proceeding asserting a claim governed by the internal affairs doctrine. The choice of forum provision may increase costs to bring a claim, discourage claims or limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or the Company’ s directors, officers or other employees, which may discourage such lawsuits against the Company or the Company’ s directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in the Company’ s amended and restated bylaws to be inapplicable or unenforceable in an action, the Company may incur additional costs associated with resolving such action in other jurisdictions. The exclusive forum provision in the Company’ s amended and restated bylaws will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under the federal securities laws including the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, or the respective rules and regulations promulgated thereunder. ~~27~~