

DEAL READ · CASE 5 · THE DISNEY READ-ACROSS

If Roku is worth \$22 billion, what is Disney's media worth?

Companion note to Deal Read Case 5 (Fox / Roku) · Method sum-of-the-parts, anchored on the announced ~\$22B Roku price · Educational analysis only

THE ANSWER, IN ONE LINE

Carve Disney's parks out at a defensible ~15× operating income, and the market is implying that **all** of Disney's media — Studios, ESPN, linear networks and Disney+/Hulu combined — is worth only about **~\$68 billion**, roughly **9×** its operating income. Yet the Roku deal just paid **\$22 billion** for a single near-breakeven streaming-distribution platform. On the same yardstick, Disney's far larger, profitable DTC business alone is worth **~\$44–113B** — on its own, at or above the entire implied media residual.

Fox agreed to pay roughly \$22 billion for Roku — about 4.6× revenue and ~\$218 per streaming household for a business at roughly breakeven EBITDA. That price is a fresh, public market mark on the streaming-and-CTV-distribution asset class. This note applies that mark to The Walt Disney Company. The mechanism is a sum-of-the-parts: bridge Disney's market cap to enterprise value, carve out the parks (Experiences) at a defensible multiple, and read the residual the market is assigning to everything else — the media empire. The result is a striking asymmetry: the conglomerate appears to hand you Disney's studios, ESPN and streaming for very little once you own the parks.

\$22B

WHAT FOX PAID FOR ROKU

~4.6×

ROKU EV / REVENUE MARK

~\$218

ROKU EV / STREAMING HH

~\$218B

DISNEY ENTERPRISE VALUE

~\$68B

IMPLIED VALUE, ALL DISNEY MEDIA

~9.0×

IMPLIED MULTIPLE ON MEDIA OI

~\$24.6B

DISNEY DTC REVENUE (FY25)

~200M

DISNEY+ & HULU SUBSCRIBERS

~\$44–113B

IMPLIED DTC VALUE (ROKU MARKS)

Roku price per Fox's June 15, 2026 announcement (~\$22B headline; reconciled enterprise value ~\$21.8B). Roku EV/revenue and EV/household computed on the reconciled ~\$21.8B enterprise value against Roku FY2025 revenue (~\$4.74B) and 100M+ households (4.6x; ~\$218/hh). Disney figures from FY2025 segment disclosures and June 2026 market data; net debt ~\$41B. All figures rounded; re-verify against primary filings before relying on them.

Why the Roku price is the right yardstick

Valuation read-across only works when the comp is fresh, public and economically comparable. The Roku deal satisfies all three. It is a June 2026 transaction, struck in the open market with a disclosed price; it values a pure-play connected-TV distribution platform; and it does so on revenue and per-household terms precisely because the target earns almost no profit — the same problem that makes Disney's own streaming hard to value on earnings. The deal therefore prices the *asset class* Disney participates in: streaming reach, first-party household relationships, and an advertising-and-distribution layer.

The comp is directional, not identical. Roku is an ad- and distribution-led aggregator that monetizes other people's content; Disney's DTC is a subscription-led service built on owned IP, with higher revenue per household and real operating leverage ahead of it. Those are different businesses, so the Roku multiple is best used as a market signal and a sanity check — applied at a discount — not as a precise like-for-like comp. With that caveat stated once, the read-across is genuinely useful.

Step 1 — bridge Disney to enterprise value

A sum-of-the-parts must start from enterprise value, not market cap, so the pieces are valued against the right denominator.

Disney enterprise value bridge	\$B	Note
Market capitalization (~Jun 2026)	~\$177.4	Public market data
Plus: net debt	~\$41.0	Borrowings net of cash; residual Fox-deal financing
Enterprise value	~\$218.4	The number the SOTP must add back to

Net debt is an approximation; Disney's gross borrowings were ~\$47B at the Q2 FY26 10-Q (filed May 6, 2026), against which cash and equivalents net down to roughly ~\$41B. Either basis lands enterprise value near ~\$218–219B.

Step 2 — carve out the parks (the anchor)

Experiences — the global parks, resorts, cruise line and consumer products — is Disney's most valuable and most independently valuable segment, earning roughly \$10B of operating income. It is the part of Disney that trades least

like media and most like a high-quality real-asset and experiential franchise, so it carries the highest and most defensible standalone multiple. Carving it out cleanly is what isolates the media residual.

Experiences carve-out	FY25 OI	Multiple	Value \$B
Conservative	~\$10.0B	13×	~\$130
Base case	~\$10.0B	15×	~\$150
High	~\$10.0B	17×	~\$170

A 13–17× operating-income range is consistent with how high-quality experiential and real-asset franchises are valued; the base case uses 15×.

Step 3 — read the residual: what the market gives you for ALL of Disney media

Subtract the parks from enterprise value and the remainder is what the market is implicitly paying for everything else Disney owns in media — the Studios (Disney, Pixar, Marvel, Lucasfilm, 20th Century), ESPN and the sports business, the linear television networks, and the Disney+/Hulu streaming stack. The sensitivity below shows the residual under each parks multiple.

Implied value of ALL Disney media (residual)	Parks at 13×	Parks at 15×	Parks at 17×
Enterprise value	~\$218.4	~\$218.4	~\$218.4
Less: Experiences value	~\$(130)	~\$(150)	~\$(170)
Implied value: Entertainment + Sports (media)	~\$88.4	~\$68.4	~\$48.4
Disney media operating income	~\$7.6	~\$7.6	~\$7.6
Implied multiple on media OI	~11.6×	~9.0×	~6.4×

Disney media operating income = Entertainment (~\$4.7B) + Sports/ESPN (~\$2.9B) ≈ \$7.6B (FY2025 segment OI). Right-aligned figures per house table standard.

Even in the conservative case — parks at only 13× — the market values Disney’s entire media empire at ~\$88B, about 11.6× operating income. In the base case it falls to ~\$68B and ~9×. That is a strikingly modest figure for a portfolio that contains the most valuable film IP on earth, the dominant U.S. sports-rights franchise, and a streaming service with ~200M subscribers.

Step 4 — the Roku cross-check on Disney’s streaming alone

The residual says the market values *all* Disney media at ~\$68B. The Roku deal lets us pressure-test just one slice of that — Disney’s direct-to-consumer streaming — against a fresh market mark. Three independent methods, each applying a Roku-derived yardstick to Disney’s DTC business:

Disney DTC valued on Roku marks	Basis	Implied DTC value \$B
At Roku EV/revenue (~4.6x)	\$24.6B revenue	~\$113.2
At half the Roku multiple (~2.3x)	\$24.6B revenue	~\$56.6
At Roku’s ~\$218 / household	~200M subs	~\$43.6

Disney DTC (Disney+, Hulu, ESPN+) revenue ~\$24.6B in FY2025; subscriber count ~200M is an approximation across Disney+ and Hulu. Methods are illustrative; subscription DTC and Roku’s ad/distribution model are different businesses.

The punchline: applied even at a steep discount, Disney’s streaming business *alone* is worth somewhere between ~\$44B and ~\$113B — a range whose midpoint approaches, and whose top end far exceeds, the ~\$68B the market implies for *all* of Disney’s media combined. Put differently, once you own the parks, the conglomerate structure appears to hand you Disney’s studios, ESPN and library for close to nothing — with the streaming business alone accounting for most or all of the residual.

Step 5 — the Hulu read-across: what if Disney spun out Hulu and kept Disney+?

The Roku deal also speaks to a structural question Disney itself keeps circling: the company now owns 100% of Hulu (the Comcast appraisal closed in fiscal 2025 at the ~\$27.5B floor, with Disney paying NBCU an incremental ~\$0.4B to reach ~\$9.0B for the 33% stake). One credible path is to keep **Disney+** — the franchise SVOD built on Disney, Pixar, Marvel, Lucasfilm and 20th Century IP — as the strategic core, and to **spin out or separate Hulu**, the general-entertainment service and its Hulu + Live TV bundle. Is that anything like the Fox/Roku deal? It is the mirror image of it — and the comparison is instructive.

Two streaming assets, priced two different ways	Roku (Fox buys)	Hulu (Disney could sell)
Headline enterprise value	~\$21.8B	~\$27.5B
Subscribers / households	~100M households	~64M subscribers
EV per sub / household	~\$218	~\$430
Revenue	~\$4.74B	~\$12B

EV / revenue	~4.6×	~2.3×
What it really is	Ad & distribution platform (OS, home screen, CTV ad inventory)	Subscription content service + live-TV bundle

Roku figures as elsewhere in this note (reconciled ~\$21.8B EV; 100M+ households; FY2025 revenue ~\$4.74B). Hulu enterprise value uses the ~\$27.5B floor valuation Disney itself transacted on when it bought Comcast's 33% (closed fiscal 2025); ~64.1M subscribers (59.7M SVOD-only + 4.4M Live TV) is Disney's last disclosed Q4 FY2025 figure before it stopped reporting subscriber counts; Hulu revenue ~\$12B is approximate from public reporting. A spin-out would price on the open market and could clear above or below the ~\$27.5B mark.

Read side by side, the two transactions price *opposite axes* of streaming. Fox is paying a rich revenue multiple — ~4.6× — and a low price per household (~\$218) to **buy reach and an advertising/distribution layer it does not have**. Hulu is the reverse: a low revenue multiple (~2.3×) but roughly double the value per subscriber (~\$430), because a premium subscription service monetizes far more dollars per user than an ad-supported aggregator does. One asset is valued for breadth of reach; the other for depth of wallet.

That asymmetry is exactly why the keep-Disney+/spin-Hulu split has logic. **Disney+ is the irreplaceable piece** — the franchise moat that no acquirer could rebuild — and it belongs at the strategic core. **Hulu is the separable piece**: general-entertainment content plus a Hulu + Live TV bundle that is, functionally, a distribution/aggregation business of the very kind the Roku deal just repriced upward. A platform- or distribution-minded buyer (a Roku-type aggregator, a telecom, or a larger streamer buying ad scale) might pay a fuller multiple for Hulu's ad-tier reach and live-TV bundle than the ~9× media residual the market currently buries it inside Disney at. Spinning it lets the market price Hulu directly against fresh comps like Roku — instead of leaving it inside the conglomerate discount documented above.

What Disney paid to own Hulu — and what Roku reprices it at

The cleanest test of the read-across is to set Disney's own cost basis for Hulu against the mark the Roku deal implies. Disney built up to 100% in tranches at escalating prices, and the most recent — the Comcast appraisal — is itself a fresh, transacted mark on the whole company.

Hulu — what it has been valued at	When	Stake	Price / implied 100% EV
Disney buys AT&T (WarnerMedia) stake	Apr 2019	~9.5%	~\$1.43B → ~\$15B EV
Disney buys Comcast (NBCUniversal) stake	FY2025 appraisal	33%	~\$9.0B at the ~\$27.5B floor
Disney's last transacted mark, 100%	FY2025	100%	~\$27.5B
Roku read-across at ~2.3× revenue	Jun 2026	standalone	~\$27.5B
Roku read-across at ~4.6× revenue	Jun 2026	standalone	~\$55B

Disney paid ~\$1.43B for AT&T's ~9.5% Hulu stake in April 2019, valuing Hulu at ~\$15B at the time. The Comcast 33% stake was settled at the ~\$27.5B floor agreed in 2019, closing in fiscal 2025 (~\$8.6B initial payment plus a ~\$0.4B appraisal true-up ≈ ~\$9.0B). The Roku read-across applies the deal's ~4.6× EV/revenue mark, and half of it, to Hulu's ~\$12B revenue. Disney's pre-2019 30% founding stake and the 30% acquired with Fox are not separately priced here.

The escalator is the story: Disney's own buy-ins repriced Hulu from ~\$15B in 2019 to ~\$27.5B by the 2025 appraisal. The Roku deal then sets a fresh, higher mark on the streaming-distribution asset class — and applied to Hulu it brackets Disney's number. At a discounted ~2.3× revenue, Hulu pencils to ~\$27.5B, essentially *confirming* the appraisal floor Disney just transacted at; at Roku's full ~4.6×, it implies ~\$55B — roughly double the floor, suggesting the Comcast buyout may have closed at a conservative mark relative to the repriced comp. A spin-out is precisely the mechanism that would let the public market arbitrate between Disney's ~\$27.5B internal mark and the higher figure the Roku transaction implies.

Where the Fox content lives — and who collects the licensing fees

A spin-out raises an ownership question the headline valuations skip: who keeps the content? The answer favors Disney. When Disney acquired 21st Century Fox's entertainment assets in 2019, it bought the *studios and libraries themselves* — 20th Century Studios (the Avatar, X-Men/Deadpool and Alien franchises), 20th Television and FX Productions (the television library, including The Simpsons), Searchlight, FX and National Geographic. The ~\$71.3B headline was gross; the Institute's Disney work nets it to roughly ~\$43.6B of apples-to-apples cost once the Sky stake (~\$15.0B, sold to Comcast for cash before close), the DOJ-mandated regional sports networks (~\$9.6B) and the later Star India contribution (~\$3.1B) are stripped out. The 30% Hulu stake rode along in the same transaction, but it was a separate asset: an equity interest in a distribution platform, not the content. Hulu streams content; it does not own the Fox IP. That IP sits in the studio entities, held directly at the Disney parent.

So in a keep-Disney+/spin-Hulu split, the Fox libraries stay with Disney. A standalone Hulu would own its own originals, but to keep carrying the Fox, FX and 20th catalog it would need a content-licensing or output agreement with the parent — and Disney, as the IP owner, would collect the fees. That lets Disney monetize the asset twice: once through the spin itself (sale proceeds or retained equity) and again as Hulu's ongoing content licensor. The durable value, exactly as in the Roku read-across, is in owning the content, not the pipe.

The same control, though, is the catch. Disney decides what it licenses and on what terms. It could reserve the crown-jewel Fox and FX titles for Disney+ exclusivity and license only general-entertainment fare to Hulu — protecting Disney+ while hollowing out Hulu's catalog and depressing the very standalone value a spin is meant to surface. The parent's incentive (feed Disney+) runs against maximizing the spun entity's worth, so a credible spin would need a long-dated content-supply agreement to make Hulu investable. (A handful of Fox titles also carry pre-existing third-party streaming encumbrances, so not every library is cleanly Disney's to redirect.)

The counter-argument, stated fairly.

The Roku deal rewards *scale* — households, ad inventory, first-party data. Disney+ and Hulu share a combined app, a single ad stack, bundle pricing, and the BAMTech technology spine. Separating Hulu sacrifices exactly the scale and bundle economics the market is paying premiums for, and a standalone general-entertainment service competes head-on with Netflix without a franchise moat. The same comp that argues Hulu could fetch a platform multiple also argues Disney's combined ~200M-subscriber footprint is worth more held together than split apart.

What this does and does not prove

It does not prove Disney is mispriced.

A holding-company structure that buries profitable streaming inside a media segment alongside declining linear networks is exactly the kind of asset where a sum-of-the-parts looks cheap on paper but is hard to realize without a break-up. Conglomerate discounts exist for reasons — shared costs, tax friction, and the difficulty of separating ESPN, the studios and DTC cleanly.

It does sharpen the central question.

The Roku deal is a real, fresh, public price for a near-breakeven streaming-distribution platform. If the market will pay \$22B for that, the ~\$68B it implies for *all* of Disney's media — a far larger, profitable, higher-ARPU collection of assets — looks like either a deep conglomerate discount or a market that has not repriced Disney's streaming to the new comp. Both are worth a serious investor's attention.

Two honest caveats keep the analysis grounded. First, the comp is directional: Roku is an ad/distribution aggregator, Disney DTC is subscription-led, and a one-line multiple cannot capture that difference — which is why the cross-check is run at a discount. Second, the residual method is sensitive to the parks multiple; at 13× the media residual is ~\$88B, at 17× it is ~\$48B. The conclusion — that Disney's media looks cheap relative to the Roku mark — holds across that whole range, but the precise figure does not.

The Roku deal didn't just price Roku. It repriced the streaming-distribution asset class — and on that new yardstick, the market is handing you Disney's media empire cheap once you own the parks.

— The Disney read-across, in one line

The Read

The most durable lesson of the Fox/Roku deal sits next door, at a company Fox did not buy. By paying \$22 billion for a single near-breakeven CTV platform, the market set a fresh mark on streaming distribution. Apply that mark to Disney through a sum-of-the-parts — carve the parks out at a defensible ~15× and read the residual — and the market implies all of Disney's media is worth only ~\$68B, about 9× operating income, with the DTC business alone plausibly worth that much or more. That is not a verdict that Disney is precisely mispriced; conglomerate discounts are real and hard to unlock. It is the observation that the Roku transaction repriced the asset class, and Disney owns a bigger, profitable version of it that the conglomerate appears to give away cheap once the parks are accounted for. For a capital-allocation thinker, that asymmetry — not a price target — is the point.

Sources & verification notes

Roku price and terms: Fox Corporation press release, “Fox Corporation to Acquire Roku, Inc.,” June 15, 2026 (~\$22B headline enterprise value; reconciled ~\$21.8B), corroborated by Bloomberg, CNBC and Variety (June 15, 2026); Roku FY2025 revenue ~\$4.74B and 100M+ streaming households per Roku, Inc. results. Disney figures: The Walt Disney Company FY2025 segment disclosures — Experiences operating income ~\$10.0B; Entertainment ~\$4.7B; Sports/ESPN ~\$2.9B; Direct-to-Consumer revenue ~\$24.6B; Disney+/Hulu subscribers ~200M (approximate). Disney market capitalization ~\$177.4B and net debt ~\$41B per public market data and the Q2 FY26 Form 10-Q (filed May 6, 2026; gross borrowings ~\$47B), June 2026. The enterprise-value bridge, parks carve-out, residual and DTC cross-checks are computed in the companion model’s “Disney Read-Across” tab and align with the Institute’s standing Disney sum-of-the-parts analysis. Multiples are directional; subscription DTC and Roku’s ad/distribution model are different businesses, so the comp is a market signal applied at a discount, not a like-for-like valuation. Reconcile every figure against primary filings before relying on it. Educational analysis only — not investment advice.

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