

Long lines, lots of kids, and plenty to touch: How does Disney reopen its parks

For a glimpse at how Disney recovers from the coronavirus pandemic, look no further than Shanghai, where the entertainment giant has staged a limited reopening of Shanghai Disney Resort.

The high-touch, high-volume, kid-centered nature of the parks, and Disney's need to prevent damage to a brand synonymous with safety and families, will make reopening difficult, experts said.

Executive Chairman Bob Iger recently said checking guests' temperature could become routine at Disney park entrances. Among other plans under consideration, according to a source briefed on Disney's thinking: Rides like the Space Mountain roller coaster could stagger guests in each "rocket" to enforce social distancing.

Staffers, known as cast members, and guests could be required to wear masks. But in true Disney fashion, employees' masks would be fun, not scary, the source said.

Business and political leaders in Florida, home to Walt Disney World, have floated ideas such as limiting capacity at all theme parks during an initial re-opening phase.

The question that health experts and financial analysts are asking is whether any of these measures will be enough to protect employees, guests or Disney's bottom line.

Social distancing could come at a steep price.

In April, UBS downgraded its rating on Disney and lowered its division profit estimates to \$500 million in fiscal 2020 and just \$200 million in 2021 compared to \$6.8 billion in 2019.

Disney parks need to be running at roughly 50% of capacity to be profitable, according to the firm.