**Capital Expenditure**

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The Walt Disney Company's intention to increase its capital expenditures in its Parks, Experiences, and Products business calls for a calculated approach to financing. Disney intends to almost double its capital expenditures to $60 billion over ten years, which means that financing choices and the accompanying risks and rewards must be carefully considered (The Walt Disney, 2023). Disney will likely use a combination of debt and equity financing to pay for its capital expenditures. Debt financing is taking out loans from outside parties, such as banks, to pay for business expansion plans (Hecht, 2016). Disney can obtain advantageous borrowing conditions by utilizing its current assets and cash flows in this manner. On the other hand, it exposes the business to the danger of higher leverage and interest costs, which may eventually affect its profitability and financial flexibility.

Conversely, equity financing entails obtaining funds through the issuance of fresh stock shares or the retention of earnings. Although equity financing does not have payback obligations like debt financing, it may indicate undervaluation to the market and reduce the ownership of current shareholders (Postma, 2018). That does, however, provide Disney the freedom to seize expansion prospects without taking on more debt. Various factors, including interest rates, market circumstances, and Disney’s financial status and aspirations, will determine whether the company chooses to fund its capital expenditures through a combination of debt and equity. Disney may maximize its capital structure and meet its expansion objectives by carefully weighing the benefits and drawbacks of each financing choice.

Disney also anticipates increased revenue streams, better guest experiences, and increased brand loyalty as a result of its investment in the Parks division. Disney hopes to leverage its vast intellectual property collection and narrative skills to create engaging and inventive experiences for visitors from all over the world by investing in the growth and improvement of its domestic and foreign parks as well as its cruise line capacity. Disney’s emphasis on fans, storylines, and scale further highlights the company's dedication to providing great entertainment and fostering long-term value generation. Disney aims to expand into new areas and audiences while strengthening its bonds with current followers by utilizing its unparalleled worldwide reach and consumer appeal.

**References**

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