**1. Revenue Trends:**

• **Walt Disney (DIS):**

• Disney has maintained a **strong and consistent revenue growth**, with a peak of **$88.93 billion in 2023**.

• The revenue decline in 2020 (COVID-19 pandemic) affected Disney significantly, dropping to **$60.76 billion**, but the company recovered well in the following years.

• The **steady revenue growth post-2020** suggests strong market resilience, successful business strategies (such as Disney+ streaming services, theme parks reopening, and acquisitions), and diversified revenue streams.

• **Warner Bros (WB):**

• Warner Bros’ revenue is **much lower than Disney’s**, peaking at **$41.32 billion in 2023**.

• A **substantial jump in revenue from 2020 to 2023** suggests successful business restructuring and new revenue sources (such as HBO Max and content licensing).

• However, Warner Bros remains **far behind Disney** in terms of revenue generation.

**2. Earnings (Profitability & Losses):**

• **Disney:**

• Disney’s earnings followed a **positive trend** over the years but suffered a **severe loss of -$2.64 billion in 2020** due to pandemic-related impacts (closed theme parks, reduced movie productions, and decreased tourism).

• However, Disney made a **strong comeback, reaching $7.9 billion in earnings by 2023**.

• This indicates a **strong business recovery strategy** through streaming (Disney+), improved box office sales, and reopening of physical entertainment venues.

• **Warner Bros:**

• Warner Bros has had **volatile earnings**, with major losses in **2022 (-$7.19 billion) and 2023 (-$1.65 billion)**.

• The company was **profitable before 2022**, but financial instability grew after **the Warner Bros Discovery merger and increasing streaming competition**.

• The substantial losses suggest **high operating costs, inefficient cost management, and weaker financial resilience** compared to Disney.

**3. Total Liabilities (Financial Commitments & Risks):**

• **Disney:**

• Disney carries **very high liabilities** (peaking at **$104 billion in 2020**), reflecting its **massive investments and acquisitions (like 21st Century Fox)**.

• Although liabilities slightly decreased in 2023 (**$92.56 billion**), the company remains heavily committed financially.

• This suggests Disney operates on **large-scale financial leverage**, but due to high revenues, it manages to maintain stability.

• **Warner Bros:**

• Warner Bros had **relatively low liabilities before 2021**, but liabilities **skyrocketed to $85.33 billion in 2022**.

• The surge in liabilities correlates with **the Warner Bros Discovery merger**, which significantly increased financial burdens.

• Compared to Disney, **Warner Bros is more financially fragile**, as their high liabilities are not supported by strong revenues.

**4. Total Debt (Long-Term Financial Health):**

• **Disney:**

• Disney has **consistently high debt levels**, peaking at **$61.53 billion in 2020** and slightly reducing to **$49.89 billion in 2023**.

• High debt suggests **large-scale investments, but also financial risks if revenues drop**.

• The ability to manage and gradually reduce debt indicates **good financial discipline**.

• **Warner Bros:**

• Warner Bros had **moderate debt levels until 2021** but saw a **sharp rise in 2022 ($48.99 billion)**.

• The company’s increasing debt burden, combined with its **negative earnings**, raises **concerns about its ability to recover and sustain operations**.

• Unlike Disney, Warner Bros does not have enough revenue and earnings to support such high debt, making it a **riskier investment**.

**Key Insights and Conclusion:**

**Disney vs Warner Bros – Who is Financially Stronger?**

✅ **Disney is the dominant player in the entertainment industry**:

• **Higher and stable revenues.**

• **Consistent earnings growth post-2020.**

• **Strong recovery strategies** (expanding Disney+, theme parks, acquisitions).

• **Better debt and liability management.**

⚠️ **Warner Bros is struggling financially**:

• **Lower revenue and earnings volatility.**

• **Massive losses in 2022 and 2023, showing financial instability.**

• **Growing debt burden without enough earnings to support it.**

• **Merger complications may have worsened financial health.**

**Future Outlook:**

🔹 **Disney:**

• Likely to continue **strong revenue growth** and **financial stability**.

• Need to manage debt carefully while **expanding streaming and entertainment ventures**.

🔹 **Warner Bros:**

• Needs to **cut costs, improve profitability, and reduce debt**.

• The success of HBO Max and film productions will determine if they can **regain financial stability**.

**Final Verdict:**

• **Disney remains the stronger, more profitable, and stable entertainment giant.**

• **Warner Bros faces financial challenges and risks that need urgent solutions.**

REFERENCES:

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