

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

<https://www.wsj.com/business/earnings/disney-dis-q2-earnings-report-2026-b6102f6c>

BUSINESS • EARNINGS

New Disney CEO Gives Vision for Company as Revenue Rises

In letter to shareholders, Josh D'Amato explains plan to use technology

By Ben Fritz [Follow](#)

Updated May 6, 2026 10:24 am ET



Disney CEO Josh D'Amato CHRISTOPHE ENA/AP

Quick Summary ∨

- Josh D'Amato, Disney's new chief executive, outlined his long-term vision for the company, focusing on technology to reach consumers and increase profits.

[View more](#)

The new chief executive at Disney DIS -0.59% ▼ on Wednesday laid out his long-term vision for the company, centered on using technology to reach consumers and increase profits.

In a nearly 3,000-word letter to shareholders accompanying quarterly financial results and comments in a conference call with analysts, Josh D'Amato emphasized his plans to make Disney+ a digital hub for all the

company's businesses and invest in new technology, particularly around videogames.

Chief Financial Officer Hugh Johnston also answered a burning question among Disney investors by saying the company doesn't intend to sell or spin off its linear networks, including ESPN.

The shareholder letter, a new tack for Disney, provides fresh insights on how D'Amaro hopes to boost the company's stagnant stock price. Disney faces a costly transition from linear TV to streaming; economic and political instability; and heightened competition from tech companies such as YouTube.

For the second fiscal quarter, ended March 28, Disney reported revenue of \$25.17 billion, up 7% from a year earlier. Net income fell around 30% to \$2.25 billion, largely owing to a one-time tax benefit the prior year. Earnings per share excluding certain items rose 8% to \$1.57, above analysts' expectations, thanks in large part to growing streaming margins.

Disney shares rose more than 7%.

D'Amaro said the Disney+ streaming service will become "the primary relationship between Disney and its fans." Initially the company is focusing on adding short-form content and improving recommendations to reduce customer churn, while in the longer term it can add games and connect planning for theme park visits.

Asked about declining revenue from television networks, Johnston said a sale or spinoff would be "highly complex and in our view unlikely to create value for shareholders, especially given where linear networks are valued in today's marketplace."



Disney's Marvel Studios is currently streaming the second season of 'Daredevil: Born Again.' JOJO WHILDEN/DISNEY+

The CFO acknowledged ESPN has further to go than entertainment in transitioning to digital, but said sports helps to reduce streaming churn and Disney has an advantage over competitors in monetizing costly sports rights given its large and established presence.

Disney's deal with OpenAI fell apart in late March when the ChatGPT maker killed its Sora video-generation tool. D'Amaro and Johnston said they "continue to explore potential commercial opportunities with OpenAI and others."

Since succeeding Bob Iger in March, D'Amaro has pushed the company to use technology to move faster and reach customers online. He has overseen layoffs of some 1,000 employees, primarily from a newly unified marketing operation.

He was hit last week with a political test as the Federal Communications Commission ordered an early review of the licenses for Disney's ABC stations in the midst of the late-night host Jimmy Kimmel's latest feud with President Trump. FCC Chairman Brendan Carr said the review is related to Disney's diversity policies.



As late-night host Jimmy Kimmel and President Trump feuded, the FCC ordered an early review of Disney's ABC station licenses. RANDY HOLMES/DISNEY

Disney's domestic theme parks continued to lose overseas customers last quarter, in the midst of rising political and economic tensions between the U.S. and the rest of the world. Domestic theme park attendance fell 1% last quarter, though global attendance including international theme parks and cruise ships rose 2%.

Johnston said in an interview that the company has compensated by shifting marketing dollars for Disneyland and Walt Disney World from overseas to the U.S. Despite aggressive promotions to get guests in the door, he said total spending per visitor is rising.

Profits from Disney+ and Hulu shot up 88% last quarter to \$582 million, thanks to a combination of subscriber growth, price increases and advertising improvements. Disney no longer discloses its streaming subscriber totals.

Sports-rights costs continued to put pressure on ESPN, which reported a 5% drop in operating income to \$652 million despite a 2% increase in revenue to \$4.6 billion.

Disney said earnings per share in the fiscal year ending in September will grow about 12%, narrowing prior guidance that it would expand by double

digits.

Appeared in the May 7, 2026, print edition as 'New Disney CEO Offers Vision for Company'.

Ben Fritz covers the entertainment industry from The Wall Street Journal's Los Angeles bureau. He was previously the Journal's artificial intelligence editor and its West Coast U.S. News editor. Before joining the Journal in 2013, Ben covered Hollywood for the Los Angeles Times and Variety...



Videos

