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GREATEST COMPANIES · RESEARCH SHEET · The Brand & IP Moat

The Walt Disney Company

The Vault of Other People's Childhoods

NYSE: DIS · Media / Entertainment · Founded 1923 · Burbank, California, USA

Public · v1.0 · July 2026

In the spring of 1984, the company that owned Mickey Mouse was for sale to whoever could seize it, and the raiders circling it intended to take it apart, to sell the film library, the theme parks and the real estate for more than the whole had been trading for. Inside the studio, employees wore buttons that read “Save Disney.” The market value of the entire enterprise, the studio Walt built, the parks, Mickey himself, was around $2 billion, a number that would later look like a rounding error.

Key Facts

Origin	Walt and Roy Disney, Hollywood, 16 October 1923, after Walt's first studio went bankrupt
Builders	Walt (characters and vision); Roy (finances); later Michael Eisner and Bob Iger
Sector	Media and entertainment — film, parks, streaming
Moat	Brand and heritage layered over an IP ecosystem — the character flywheel
The Founding Lesson	Lost Oswald to his distributor in 1928; created Mickey, and vowed to own his characters
The Iger Acquisitions	Pixar, Marvel, Lucasfilm and 21st Century Fox
Status	Public (NYSE: DIS)

By the Numbers

Iger bought Pixar ($7.4B, 2006), Marvel (~$4B, 2009), Lucasfilm (~$4.05B, 2012) and Fox ($71.3B, 2019)

Peaked above $350 billion in value, the stock closing near $197 in early 2021, then roughly halved

Paid about $297 million in 1984 greenmail to make a corporate raider go away

Walt arrived in Hollywood in 1923 with an unfinished cartoon and, by legend, about $40

Its whole enterprise was worth ~$2 billion in 1984, when raiders meant to break it apart

Iger returned as CEO in 2022 after the board removed his hand-picked successor

The Moat

A Vault of Other People's Childhoods

Disney is the richest single example of the brand-and-heritage moat layered on an ecosystem. The brand is the emotional bond, the same kind as Coca-Cola's, built over a century and inherited across generations, so a parent introduces a child to the same characters their own parent introduced them to. The ecosystem is the flywheel Walt invented and Iger industrialised: a character proven in one medium is pushed through every other, a Marvel hero becomes films, then sequels, then a streaming series, then a theme-park land, then merchandise, then the reason for a subscription, each channel feeding the next. The moat is a vault of intellectual property so deep, and so emotionally held, that no competitor can build an equivalent in less than several human generations, because the essential ingredient is time and the love it accumulates. The vulnerability: the vault still has to be delivered, and the delivery system can change.

The 1984 Raid

The Vault Left Open

Walt died in 1966, and without him Disney drifted, coasting on his legacy while the creative engine that justified the brand stalled and the stock languished. A languishing company sitting on priceless, underexploited assets is the most tempting target in all of finance, and by the early 1980s the market had noticed that Disney's pieces were worth more than its share price, the financial equivalent of leaving the vault door open. That brought the raider Saul Steinberg, who accumulated better than a tenth of the company meaning to break it up. Disney paid him ~$297 million in greenmail to leave, and the wealthy Bass family stepped in as a friendly anchor, backing new leaders Michael Eisner and Frank Wells, who spent a decade proving the assets had been starved, not exhausted. The raiders were right about the gap, but only because the company was mismanaged, the assets were never the problem; the stewardship was.

> *" The assets were never the problem. The stewardship was. "*

The Legendary Scorecard

Category	Score	Notes
Founder Vision	10	Walt invented the IP flywheel: a beloved character monetised across every medium, forever
Innovation	9	Synchronised-sound animation, the feature cartoon, the theme park, all category-defining firsts
Execution	8	Brilliant under Walt, Eisner and Iger; the post-Walt drift and streaming stumble cost points
Moat	9	One of the deepest IP vaults on Earth; the delivery model, not the moat, is the vulnerability
Capital Allocation	8	The Iger acquisitions were masterful; the greenmail and costly streaming build were not
Wealth Creation	8	Enormous over the long run, but a roughly 50% drawdown since 2021 is still unhealed

Durability	9	A century old; survived its founder's death, a hostile raid and repeated model shifts
Historical Importance	10	Defined modern animation, the theme park and the global entertainment conglomerate
Overall Legendary	**9.0 / 10**	**The deepest IP vault on Earth, and the hardest lesson that a permanent moat can be a poor stock for years**

Scores are an editorial verdict on the standard eight-category Greatest Companies scale. The overall is a judgment, not a weighted average.

Timeline

1923	Walt's Laugh-O-Gram goes bankrupt; he founds the Disney studio with Roy on 16 October
1928	Loses Oswald when his distributor poaches his animators; creates Mickey; Steamboat Willie debuts with sound
1937	Snow White, the first feature-length animation, succeeds against all predictions
1955	Disneyland opens
1966	Walt Disney dies, beginning a long creative and financial drift
1984	Steinberg's takeover raid; ~$297M greenmail buyback; the Bass family anchors; Eisner and Wells take over
2005	Bob Iger becomes CEO
2006–19	Buys Pixar, Marvel, Lucasfilm and 21st Century Fox; launches Disney+ in 2019
2021	Stock hits an all-time-high close near $197
2022	Iger returns as CEO after the board removes his successor

Lessons — What This Means for You

THE MOVE · Own your characters, build a flywheel

Own the irreplaceable asset and rent everything else. Walt's whole career turned on the Oswald lesson, never build value into something another party controls, and Iger's acquisitions were the same lesson at scale: buy proven engines that manufacture beloved characters, and feed them into the flywheel so each one feeds every line of business at once.

THE MONEY · Great acquisitions can be the cheapest growth a company ever buys

Pixar, Marvel and Lucasfilm looked expensive and turned out to be bargains, because each delivered decades of monetisable stories into a machine built to exploit them. What looks costly at purchase can be cheap against the cash flows it produces for a generation, Iger was buying proven character factories, not companies.

THE MIND · Separate your love of a thing from your judgment of its price

The most expensive mistake in Disney's investor history is buying the stock because the brand is wonderful, at the moment the wonder is fully priced and a hard transition lies ahead. A great brand guarantees you will matter; it does not guarantee when, or at what price, that mattering turns back into profit. The affection has been constant; the stock has soared, stalled and soared again on the business model wrapped around it.

Related Reading

The other great brand moat — the upside case: Coca-Cola: The Most Valuable Feeling in the World

Saved from near-death by owning its ecosystem: Apple: Ninety Days From Death to the World's Most Valuable Company

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Sources & Further Reading

Neal Gabler, Walt Disney: The Triumph of the American Imagination (2006)

Bob Iger, The Ride of a Lifetime (2019)

Greatest Companies (Disney chapter), The Complete Trader's Edge

How to cite: van Riet, L. (2026). "The Walt Disney Company" — Greatest Companies Research Sheet, v1.0. The Complete Trader's Edge, completetradersedge.com.

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