Part 1

Warner Bros. is a leading global entertainment and media company that distributes content across television, film, and streaming worldwide (WBD, 2024). Warner Bros. mission statement is to act as a team, create what's next, empower storytelling, champion inclusion, dream it, and own it (WBD, 2020). Warner Bros. was founded in 1923, and the company now owns over thirty iconic brands and products, including DC, Discovery, HBO Max, Cartoon Network, and HGTV (WBD, 2024). Warner Bros. Discovery (WBD) began trading on Nasdaq on April 11, 2022, with the merger of WarnerMedia and Discovery (WBD, 2022b). The CEO of Warner Bros. Discovery, David Zaslav, was named on April 8, 2022, prior to the IPO (WBD, 2022a). This time last year, the price of the stock was at 9.98 and had a huge spike in September of 2025 at 19.46 after there were reports that Paramount was going to make a bid for the company. It continued to rise until its peak in December at 29.53. The current price as of Monday, February 9, is 27.21 (Google, 2026).

Warner Bros. Discovery (2024 annual)	NASDAQ: WBD
Total Revenue	39.32B (Google, 2026)
Net Income	-11.31B (Google, 2026)
Earnings Per Share	-0.19 (Google, 2026)
Price/Earning Ratio	-2.29 (CompaniesMarketcap, 2024).

Warner Bros. Discovery (2023 annual)	NASDAQ: WBD
Total Revenue	41.32B (Google, 2026)
Net Income	-3.13B (Google, 2026)

From the tables, WBD lost more money from 2023 to 2024. They gained 2 billion less, and they lost more in their net income by losing about 8 billion more. If I were a stakeholder, I would absolutely not be happy with the results of the annual fiscal reports.

The Warner Bros. stock has been doing much better since September 2025 with the announcement of open bids for the company. The stock has been heavily influenced due to the acquisition drama with Netflix. Recently, Netflix and Warner Bros. have amended their pending transaction to an all-cash transaction valued at $27.75 per WBD share, with stockholders also receiving the additional value of shares of Discovery Global following its separation from WBD (WBD, 2026a). Recently, however, WBD has also received an unsolicited tender offer from Paramount Skydance to acquire all of the outstanding shares of WBD common stock, creating a competitive bidding situation (WBD, 2026b). WBD stockholders are advised not to take any action at this time with respect to the amended Paramount Skydance tender offer, and the board is reviewing it in terms of the Netflix agreement (WBD, 2026b).

The most recent quarterly report is Q3 on November 6, 2025. The positives they focus on are that the studio's revenues increased 23% ex-FX to $3,321 million, theatrical revenue increased 74% ex-FX due to the strong performance of Superman, The Conjuring: Last Rites, and Weapons released in the current quarter, as well as carry-over from F1 released in Q2, and adjusted EBITDA was $695 million, a $387 million increase compared to the prior-year quarter (WBD, 2025). They repaid $1.2 billion of debt during the quarter, including $1.0 billion of the bridge loan facility, and ended Q3 with $4.3 billion of cash on hand, $34.5 billion of gross debt, and 3.3x net leverage (improved from 3.8x at year-end 2024) (WBD, 2025). Some challenges they focus on is the Global Linear Networks revenues decreased 23% ex-FX to $3,883 million (12% decline excluding Olympics impact), distribution revenue decreased 8% ex-FX, primarily

driven by a 9% decrease in domestic linear pay TV subscribers, advertising revenue decreased 21% ex-FX, primarily driven by domestic audience declines of 26% and the broadcast of the Olympics in Europe in 2024, audience declines of 26%, total revenues $9.0 billion, down 6% (flat excluding Olympics impact), and net loss of $148 million (WBD, 2025).

Overall, they are growing and profitable when it comes to streaming and studio work. They are declining rapidly, though, when it comes to linear networks (traditional cable television). After the November 6th report, I think the company is doing better than they expected. The acquisition deals upped the stock significantly since September, and even more on December 5, 2025 when it was Netflix's bid was announced. Netflix just wants the movies, while Paramount wants everything (Yahoo Finance Video, 2026). After the report on November 7, 2025, the stock was at 22.67, while now the stock lies between 27 and 28 (Google, 2026). The stock price now is close to Netflix's offer, suggesting the market expects the acquisition to close. It is easy to see why, since WBD has valuable, growing streaming and content assets, but is burdened by legacy cable television. The Netflix deal provides an exit from the low in April 2025, when the stock was around 7 dollars a share. Just recently, on February 11th, activist investor Ancora is going to oppose Warner Bros.' deal with Netflix (Yahoo Finance Video, 2026). Ancora has 200 million dollars of stake in the company and is favoring Paramount's offer.

Comparing this stock to one of its competitors, Disney (DIS), WBD has a significant change compared to Disney's stock. Disney stock is higher at 108.12 a share; the percent change is more in the green than Disney (Google, 2026). On August 13, both of their change percentages were near each other, though WBD was still higher at 11.78%, while Disney was at 3.63% (Google, 2026). However, on September 15, we see the spike where Warner stock soars above Disney in percentages. Warner goes to 80.52% while Disney stays at 2.73% (Google, 2026).

Warner continues to soar as Disney slightly decreases. The biggest peak on December 15, 2025, WBD hit a 175.6% change, while Disney dropped to -1.83% (Google, 2026). Right now, the stock is up 159.65%, while Disney is at -3.94% (Google, 2026).

Recently, 24 analysts on MarketBeat shared their recommendations. It is sitting at moderate buy right now, with 11 people saying hold and another 12 giving it a buy rating (MarketBeat Staff, 2026). People are saying to buy because recent analysts have placed the stock value as high as $29.50, indicating positive market sentiment; it has potential for growth with its diverse portfolio, and with the ongoing acquisition, it is well-positioned to capitalize on the growing demand for digital content (MarketBeat Staff, 2026). On the other hand, people are saying to hold or even sell because of regulatory risks due to ongoing scrutiny of potential deals, which could delay or block transactions that might benefit the company (MarketBeat Staff, 2026). Also, concerns about competition and pricing in the streaming market have been raised during Senate hearings, and weakening box-office performance for major franchise films (MarketBeat Staff, 2026).

Instead of doing a traditional report, Warner Bros. does an Earnings Call Webcast after each of its quarterly and annual reports. I found a transcript online to access this report. This is what they share with investors. The whole thing was moderated, and people asked questions to the CEO of WBD, David Zaslav, and Andrew Slabin, Executive Vice President, Global Investor Strategy. There was not just one quote from the CEO, as he was part of the presentation and answered questions. When talking about 2024's performance, David Zaslav said, "2024 marked a year of significant progress in transforming Warner Bros. Discovery, laying the foundation for what's next, and positioning us as a global media leader committed to providing shareholders with sustainable future growth" (Stock Insights, 2025). He noted success in streaming,

profitability turnarounds, vision for global streaming, and the path they have to 150 million subscribers by the end of 2026.

The business media around the 2024 annual report was more positive than expected. Many noted the paradox of this. Although WBD missed major financial milestones like earnings expectations and revenue, many focused on the positive of their streaming numbers. CNBC reported that the stock grew 5% the day of the report (Leung, 2025). Although the CNBC news talked a bit about the shortfalls in the end, the major highlights were focused on streaming revenue being up, the number of subscribers going up, and the "clear path" they have to reach that 150 million number (Leung, 2025). CNBC is a good example to show because many of the other articles were like this. I think the reason why it was more positively skewed is that people understand the importance of streaming compared to traditional platforms. WBD may have lost money on their traditional TV channels, but that doesn/t matter because they are making money in the field that matters for the future, streaming. The journalists covered streaming specifically, and so did the company in the investor-facing conference. In the spreadsheet, it was all the numbers and insights, but when we look at the webcast report, they also pushed the streaming agenda and let other things fall to the wayside. It makes sense that the outlets would focus on streaming and the positives when that is what the webcast and CEO focused on.

If I were an investor, I would not buy into my stock right now. I believe that right now, it is too little, too late. I think if you already had Warner Stock before December, you should hold on to it, but if you don't already have it, I think it is too risky to buy it now. I do not think there will be that much payout, and the risks are too high with the mounting controversy and backlash from the Netflix offer.

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Part 2

From the last paper, a lot has happened with Warner Bros. On February 17, WBD said it would reopen its negotiations with Paramount, and eventually, on February 26, WBD determined that Paramount's 111 billion offer with shares at 31 dollars was a superior deal to Netflix. Netflix walked away from the deal as they felt it was no longer beneficial (Forristal, 2026). The transaction has been unanimously approved by the Boards of Directors of both companies and is expected to close in Q3 of 2026 (WBD, 2026). The deal reportedly could close as soon as the end of July. (Sen, 2026). WBD has now set the shareholder meeting date to April 23 to approve the transaction with Paramount Skydance (WBD, 2026).

WBD stock peaked at 29.15 a couple of days before the close with Paramount on February 24. After the deal was announced, the stock has declined slightly and has stayed pretty steady at around 27.46 for the past month (Yahoo Finance, 2026). Analysts have shifted dramatically. While there was a moderate buy last time from analysts, there is now a strong call for a hold. Right now, out of the 23 analysts, 2 have given a sell rating, 15 have given a hold rating, and 5 have given a buy rating, with 1 giving a strong buy. Analysts cite regulatory risk and limited upside as the primary reasons to hold rather than buy. Back in February, there were 12 holds, 11 buys, and 1 strong buy (MarketBeat.com Staff, 2026). This makes sense, as the hard deal ceiling for Paramount is 31 dollars a share, and the current price is shifting toward 27 and 28 per share. There isn’t really a benefit for new buyers (Yahoo Finance, 2026).

For executive leadership, David Zaslav remains the CEO and President of WBD through the close of the deal, though his future role when they combine remains uncertain. Although the deal he orchestrated was astonishing, there is controversy as he cashed out more than 114 million dollars in stock, a move that, with layoffs coming, many saw as an insult (O’Falt, 2026). The

biggest controversy right now, however, is his compensation package. He will receive 30 million dollars in “golden parachute” compensation, along with 537 million dollars in equity for a total of 567 million dollars in pay. CFO Gunnar Wiedenfels stands to see 144 million dollars in cash and stock considerations if the transaction closes (Hayden, 2025). Influential stakeholder advisory firm ISS has recommended that investors vote against the executive compensation measure at the April 23 special shareholder meeting, calling it extraordinary, not in a good way, citing "problematic" tax reimbursements and accelerated stock vesting (Spangler, 2026). People are worried going forward if the people in charge care about storytelling or financial engineering.

The doubt about the deal is growing. Right now, over 1,000 film and TV professionals have signed a letter opposing the Paramount deal, citing harm to consumers and creators. The letter was signed by Hollywood stars such as Glenn Close, Emma Thompson, and Jason Bateman, going against the consolidation of the media industry. The stock being at 27.46 is about a 13 percent spread from the $31-a-share price Paramount agreed to pay. This is relatively high and implies that shareholders have doubts about the deal going through (Palumbo, 2026).

WBD has been vocal about its CSR efforts. On their website, they have pages and stories about inclusion and impact, where they publish their own Impact Reports (WBD, 2025a). The main pillars are helping vulnerable communities, creating career pathways, and protecting the planet. The company supports many organizations that focus on issues like food insecurity, mental health, and youth empowerment. More recently, WBD reached an agreement with investor advocate Green Century to enhance its climate reporting (Green Century, 2024). However, with the merger happening, it will be interesting to see if these commitments will survive through the acquisition. WBD’s own 10-K filing provided a somewhat defensive outlook on the matter, acknowledging that the increasing scrutiny and expectations for sustainability

could increase costs relating to tracking, reporting, and compliance, harm reputation, or otherwise adversely affect the business, financial condition, and results of operations (WBD, 2025b). This shows caution, positioning ESG compliance more as a potential risk and financial burden rather than a core value or a strategic advantage. Right now, it seems that they might go into a “quiet shift.” WBD’s CSR efforts are legitimate. However, with the Paramount merger and the threat of layoffs, there is a gap between WBD's stated values and its current trajectory.

WBD has not publicly commented on specific recent social or political issues such as consumer boycotts, ICE protests, or military conflicts. However, they have addressed the macroeconomic issues facing them and the broader industry, such as tariffs. In the Q1 2025 earnings call, Zaslav addressed the tariffs. He stated that the business, specifically in advertising, is sensitive to overall macroeconomic conditions. Things that negatively influence consumer sentiment and costs could have financial impacts on WBD (Goldsmith, 2025). This statement signals that WBD is watching the economic landscape carefully. WBD's ad chiefs noted that coming out of Q4 2024, there had been a sense of optimism about "going from stability to potential growth in the advertising ecosystem," but that budgets were being reevaluated as ads and brands sought clarity on President Trump's tariff policy. That uncertainty prompted more conversations with WBD's clients about optionality and flexibility (Manfredi, 2025). By the time of the Q2 2025 earnings call, JB Perrette, WBD's Streaming CEO, noted that while they have had concerns going into the year with the macroeconomic and geopolitical environment, the market has held up well and that they have seen prices up across all categories, especially in sports rather than in general entertainment (Investing.com, 2025). WBD's own 10-K filing flagged the tariff risk explicitly. The report warned that the potential tariffs by the U.S.

government and retaliatory tariffs from foreign governments could lead to higher production costs and decreased advertising spending (WBD, 2025b).

WBD's approach to AI is cautious and operational rather than a creative tool. The company is not positioning itself as an AI innovator; it is using AI as a cost management tool while navigating the acquisition. In the Q4 2025 earnings call, CFO Gunnar Wiedenfels says they are utilizing AI to further improve efficiency and effectiveness (Insider Monkey Transcripts, 2026). However, David Ellison of Paramount has been explicit about how he wants to "embrace AI," and Paramount's earlier round of layoffs were framed around roles "no longer aligned with evolving priorities." Although it doesn't explicitly blame AI, it signals the same tech-brand efficiency mindset (Spangler, 2025).

Media companies are experiencing staff cuts and desperate dealmaking. WBD has been both a cause and a victim of this. Going into the merger, many are focusing on WBD's CNN. Paramount's earlier acquisition resulted in ideological restructuring at CBS, including the appointment of Bari Weiss as CBS editor-in-chief and the cancellation of *The Late Show with Stephen Colbert*. Critics warn that a Paramount takeover of CNN, a network that has historically been called out by the Trump administration, could represent a major political realignment of American media because of Ellison's alignment with Trump (Scialla, 2026).

Warner Bros. Discovery NASDAQ: WBD	2024 Annual	Latest Data (2025)
Total Revenue	39.32B (Google, 2026)	37.30B (Google, 2026)
Net Income	-11.31B (Google, 2026)	727.00M (Google, 2026)
Earnings Per Share	-0.19 (Google, 2026)	0.29 (Google, 2026)
Price/Earning Ratio	-2.29 (CompaniesMarketcap, 2024).	94.66 (Yahoo Finance, 2026) As of 4/15/24

I would not invest in WBD now, nor would I want to work there. The stock is only going to buy at $31, as previously stated, so there is no need to buy. The way the merger is happening and the threat of layoffs, I would not want to work there at this time, or join. It is really sad too because I wanted to get into entertainment PR to work at Warner Bros. I grew up with it in my backyard; my dad worked on the lot there when he was young, and I've been to it before as well. It is so historic and was a company that represented the American Dream, and the Hollywood people think about. It is truly sad seeing it merge under Paramount. It feels as if it is the definitive death of the Hollywood I once knew and grew up with, and right now, the changes don't look like they are going to be for the better. I'll miss the Warner Bros. as we know it now deeply, but I am intrigued to see where this will go.

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