



# **THE NEXT STEP IN TRANSFORMING OUR BUSINESS**

AUGUST 10, 2020

**WarnerMedia**



# A MOMENT OF CHANGE

- Each day, more consumers are looking for **on-demand access** to quality entertainment, from any device, at any time... at a price they determine to be a great value.
- In order to meet consumers where they are at, it is critical we evolve from a wholesale mentality to a **consumer mentality**.
- The internet makes it possible for content owners – specifically, content owners of sufficient size and quality – to have **direct relationships with consumers**. This presents perhaps the biggest opportunity in the history of media. Missing out on this opportunity would be very costly, as increasingly large internet gatekeepers could otherwise dictate business terms to those that do not have robust direct relationships with consumers.
- Covid-19 is clearly challenging the traditional parts of the media and entertainment industry.
- All of the above puts a premium on our need to **lean aggressively and quickly into the future**.



# OUR AMBITIONS

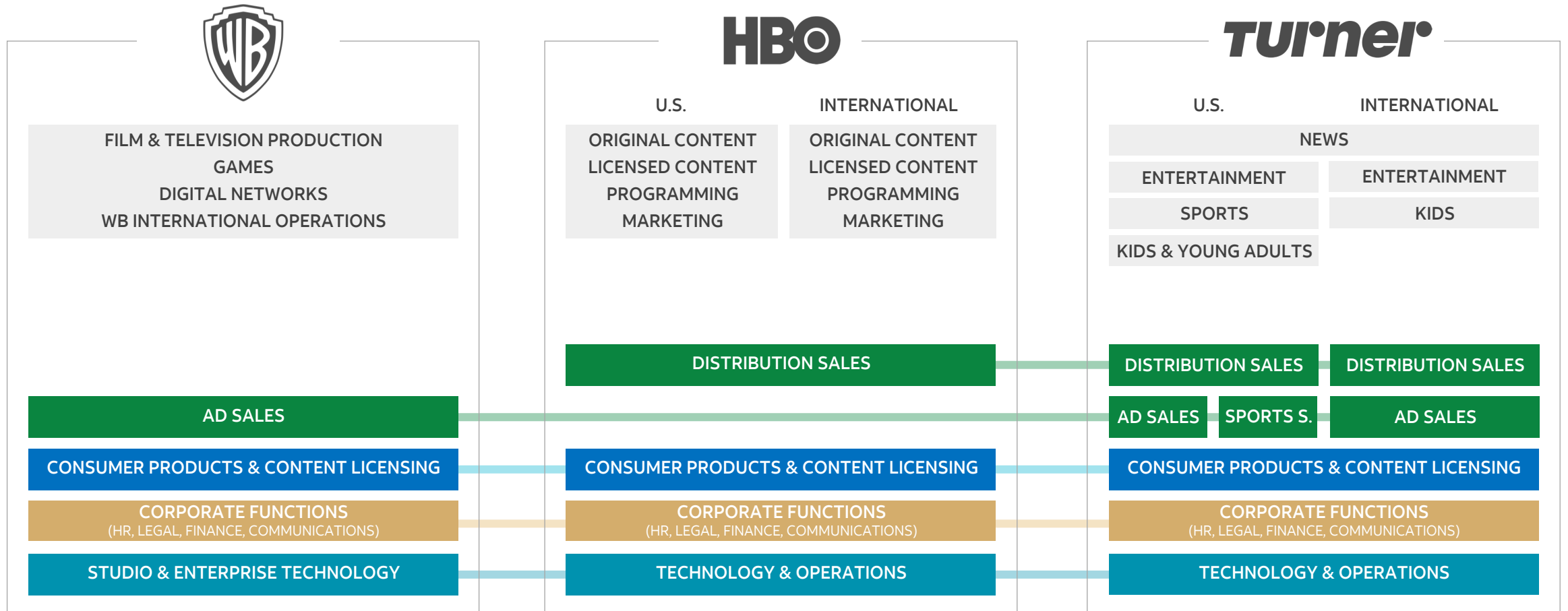
- **Be the best in the world at storytelling.**  
Specifically via television series, motion pictures, news and information, and interactive storytelling (from games to casual interactivity).
- **Go direct to consumers** via these 3 types of storytelling (television series + motion picture formats, news and information, interactive storytelling).
- **Go global.**
- As we go direct to consumers, we must become as **world class at product and technology** as we are world class at storytelling.
- Be the **best place in the world for talent** to do their best work. This goes for both WarnerMedia team members and the storytellers with which we partner.

# **A SIMPLER, INTEGRATED ORGANIZATION**



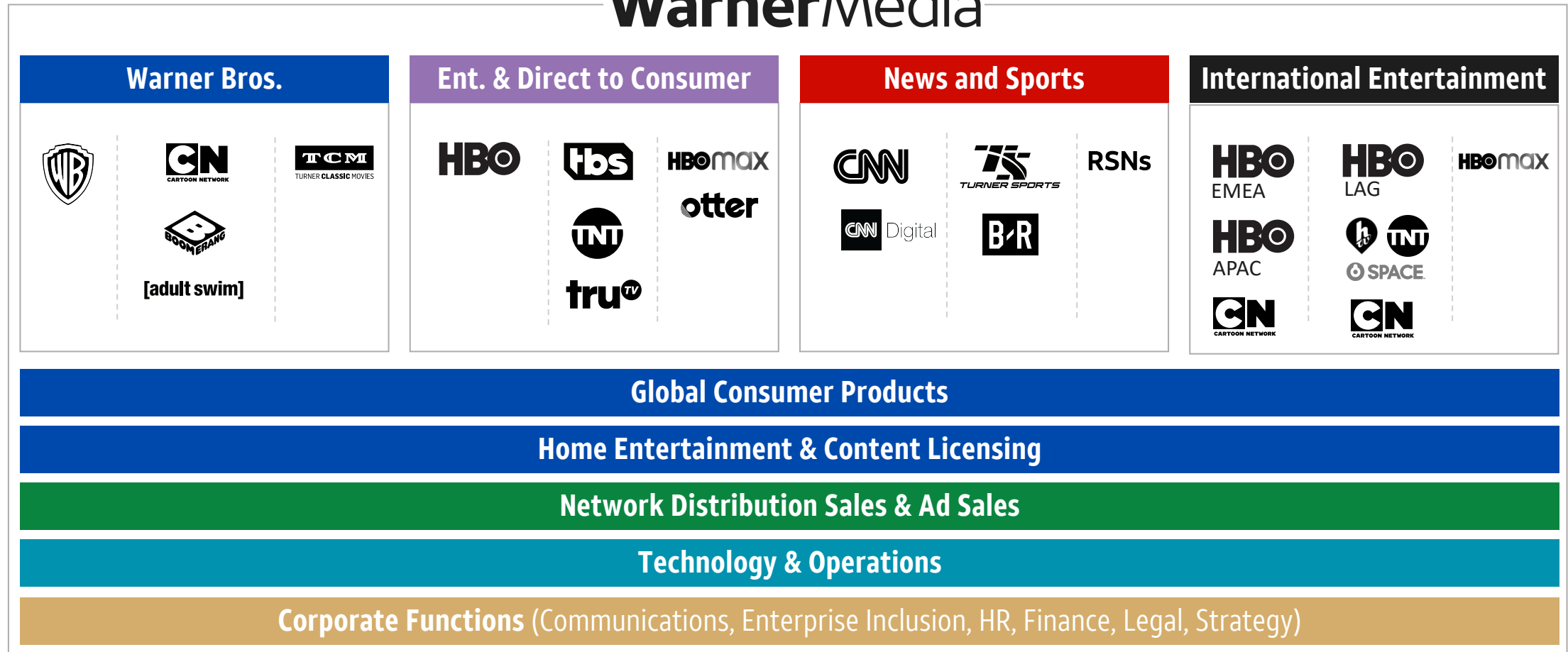


# HOW WE LOOKED IN 2018



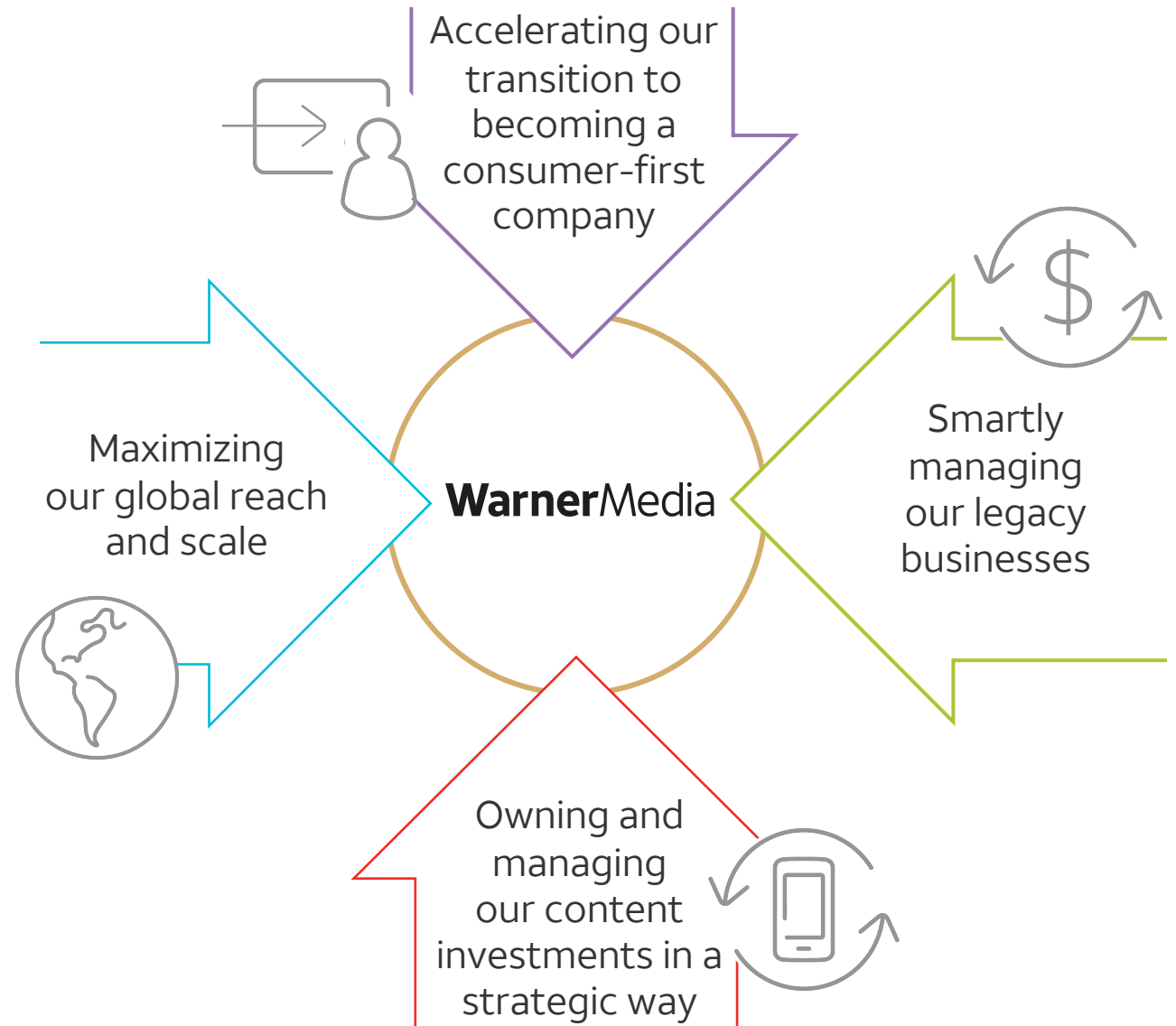
# “BETTER TOGETHER” IN 2019

## WarnerMedia

































# TIME TO TAKE THE NEXT STEP

We need to organize around:





# WarnerMedia

STUDIOS & NETWORKS		DIRECT-TO-CONSUMER	INTERNATIONAL	NEWS & SPORTS
Motion Pictures	Media Networks & Original Content		EMEA   APAC   LatAm	
 PICTURES & THEATRICAL DISTRIBUTION	          		          	     
Ann Sarnoff		Andy Forssell	Gerhard Zeiler	Jeff Zucker
TELEVISION STUDIOS (NON-LIVE)				
Original television productions for all networks & platforms   Non-live production				Ann Sarnoff
COMMERCIAL				
U.S. Network Distribution   U.S. Content Licensing   U.S. Ad Sales   Home Entertainment				Tony Goncalves
TECHNOLOGY & OPERATIONS				
Data   Content Supply Chain   Broadcast and Studio   Enterprise   Digital				Richard Tom
CORPORATE FUNCTIONS				
Finance   Human Resources, Security, Business Resilience   Communications and D&I   Strategy and Corporate Development   Legal				





# HEADLINES



**ELEVATED**  
HBO Max and  
expanded scope

HBO Max reports directly to CEO with an expanded scope to expand direct-to-consumer offerings internationally.



**UNIFIED**  
Original content and  
programming group

Combined the production and programming capabilities from WB, HBO, Turner, and HBO Max into a single creative content hub to oversee all WarnerMedia original motion pictures and television production/programming.



**CONSOLIDATED**  
international unit  
focused on efficiency  
and scale

Established an international unit that will achieve operating efficiencies and improved scale through integrated management of both the WB and legacy Turner/HBO businesses.



**INTEGRATED**  
key commercial activities

Combined the U.S. ad sales and network distribution teams with key monetization functions from Warner Bros. including content licensing, and home entertainment, in order to optimize the revenue portfolio and create more scale.



**MAINTAINED**  
News & Sports

Maintained as a single global unit focused on news and live production.

DIRECT-TO-CONSUMER

STUDIOS & NETWORKS

INTERNATIONAL

COMMERCIAL

NEWS & SPORTS



# HOW ARE THESE CHANGES DIFFERENT FROM WHAT HAS HAPPENED BEFORE?

- This is **more than a restructuring** of the organization.
- We are **moving much faster** with these changes than other changes made in the past.
- There is **more leadership involvement and accountability** as we manage through these changes.
- Employee **engagement and transparency** is a priority.



# ROADMAP

- Today we have announced the headline-level changes.
- By October, we want to have all other changes decided/determined (consistent with the principles and headline-level changes we announced today)
- It is important we be done with this in October.



# ROADMAP

