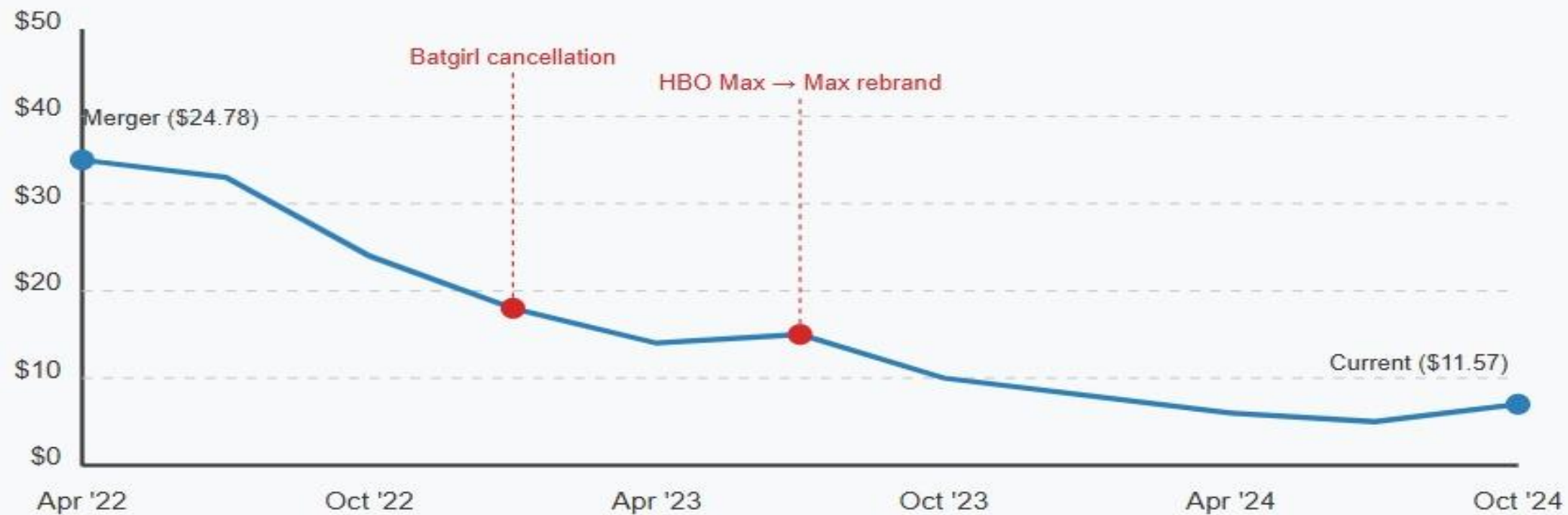


Warner Bros. Discovery

Warner Bros. Discovery: Key Financial Challenges



\$55B

Total Debt

-53%

Stock Price Decline

\$4.8B

Annual Content Spend



Financial Challenges

\$55B

Debt Burden

Following 2022 merger

\$2.5B

Annual Interest

Payments due each year

53%

Stock Decline

Since merger (market cap from \$43B to ~\$20B)

BB/Ba3

Credit Rating

Junk status, limiting financial flexibility

WBD Gaming Division Strategic Restructuring



Retain Core Gaming Assets

DC Comics (Batman/Superman) and Harry Potter/Wizarding World franchises



Divest Non-Core Studios/IPs

Sell seven studios while maintaining IP licensing opportunities



Financial Impact

Generate \$2.8-3.4 billion from divestitures, reducing debt by 5.1-6.2%



Implementation Timeline

12-month phased approach from preparation to completion

Securitization of Future Cable Revenue Streams

Create Special Purpose Vehicle

Establish legally separate entity that owns rights to specific cable revenue streams

Immediate Capital

Warner receives \$5-7 billion in upfront cash



Revenue Assignment

Dedicate 40-60% of cable carriage fees and 20-30% of advertising revenue to the SPV

Bond Issuance

SPV issues bonds to investors backed by these revenue streams

Refined Mid-Term Strategy for Content & Subscriber Growth

Consolidate and Clarify Streaming Portfolio

- Finalize the integration of HBO Max and Discovery+ under a single, clearly branded platform
- Create distinct content verticals within the platform (Entertainment, Documentary, Sports)
- Introduce tiered subscription plans with transparent value propositions

Double Down on Franchise Excellence

- Create a dedicated DC Studios team with creative autonomy but financial oversight
- Develop a 5-year roadmap for major franchises with consistent release schedules
- Establish quality control benchmarks before greenlight decisions

International Expansion & Relationship Building

Targeted International Expansion

Implementation Plan:

- Invest 15-20% of content budget in region-specific productions
- Focus on 5-7 key growth markets (Brazil, India, South Korea, Mexico, Germany)
- Partner with local creators while maintaining WBD production values

Data-Backed Rationale: Netflix attributes 65% of its subscriber growth to international markets. Local-language content drives 2-3x higher retention rates in those regions.

Transparent Relationship Building

Implementation Plan:

- Establish an industry-leading profit-sharing model for creators
- Communicate clear content strategy to shareholders and talent partners
- Host quarterly "State of WBD" presentations to rebuild trust

Data-Backed Rationale: A McKinsey study found that companies with high transparency scores outperformed peers by 12% in market valuation.

Long-Term Trend Analysis

Warner Bros. Discovery: 5-Year Financial Projections

