

Warner Bros Discovery Urges Shareholders to Reject Paramount Skydance Takeover Bid

Warner Bros Discovery has publicly advised its shareholders to *reject an unsolicited takeover bid* from **Paramount Skydance Corp.**, intensifying a high-stakes corporate battle among major entertainment and streaming giants. The media company argues that a competing offer linked to **Netflix Inc.** represents greater clarity, stronger financial backing and better long-term value for investors than Paramount's proposal.

Paramount Skydance's Hostile All-Cash Offer Explained

On **December 8, 2025**, Paramount Skydance launched a **hostile all-cash tender offer** to buy all outstanding shares of Warner Bros Discovery (WBD). The bid was valued at approximately **\$108.4 billion**, with a tender price of **\$30 per share** delivered directly to WBD shareholders.

Unlike conventional negotiated mergers, a *hostile takeover* allows an acquiring company to appeal directly to shareholders when the target's board refuses to engage on terms. Paramount's approach bypasses traditional negotiations with the WBD board, signaling heightened urgency and competitive pressure in the media industry.

Paramount framed its all-cash bid as delivering more *certainty and faster completion* than alternatives, claiming its offer is superior in net value and regulatory ease. It cited a backstop of equity funding alongside debt financing from major lenders, though Warner Bros Discovery questioned the robustness of this financing support.

Warner Bros Discovery's Board Responds: Reject the Paramount Proposal

Warner Bros Discovery's Board of Directors has *unanimously recommended* shareholders reject Paramount's tender offer, declaring that it does not constitute a "superior proposal" under the terms of the company's existing agreement with Netflix.

According to the board:

- Paramount's bid **lacks adequate value** relative to the Netflix deal.
- Its **financial structure carries significant risks**, with heavy reliance on borrowed funds and uncommitted equity sources.
- The proposal **could expose shareholders** to cost and regulatory uncertainties.

In a detailed statement, the board reaffirmed its full support for Warner Bros Discovery's merger arrangement with Netflix — a deal viewed by many analysts as more financially sound, more certain to close, and backed by a globally established streaming leader.

The Netflix Deal: Why Warner Bros Supports It

Earlier in December, Warner Bros Discovery and Netflix announced an agreement under which Netflix would *acquire Warner's studio and streaming assets*, including HBO Max and Warner's extensive film and television library. This combination aims to create a deeper content portfolio and competitive edge in the ongoing streaming wars.

Key advantages Warner's board highlighted in favor of the Netflix deal include:

- **Binding commitments:** Netflix's offer is backed by enforceable agreements and significant equity.
- **Stable financial backing:** Netflix's public company status and strong balance sheet provide greater deal certainty than Paramount's proposal.
- **Lower execution risk:** The structure of the Netflix transaction reduces ambiguity around regulatory approval and financing.

By contrast, the Paramount bid is seen as more speculative, with lingering questions about financing continuity and post-deal debt levels that could strain the combined company's financial stability.

A Closer Look at Industry Impacts

What This Means for Shareholders

Warner Bros Discovery shareholders now face a pivotal decision: whether to tender shares in favor of Paramount's cash-only offer or to side with the board's recommendation supporting the Netflix deal. The choice carries significant implications for investment returns, company strategy and future earnings potential.

Paramount's all-cash bid appeals to some investors because it promises immediate cash value, removing uncertainty over future stock performance. However, Warner's board believes the *longer-term strategic benefit and structural stability* of the Netflix arrangement outweigh short-term cash gains.

Regulatory and Competitive Landscape

Both deals are likely to draw sharp scrutiny from regulators due to their implications for media ownership, market concentration and competitive dynamics in streaming, film, and television. Paramount has argued that a Netflix-WBD combination could raise antitrust concerns by consolidating market share among the largest streaming platforms.

Senator **Elizabeth Warren** publicly criticized Paramount's hostile offer, labeling it a "*five-alarm antitrust fire*" and warning of potential influence-peddling from associated financial backers. [TheWrap](#)

Meanwhile, foreign investments and political ties linked to Paramount's financing — including partial backing from sovereign wealth funds — have also drawn attention, adding further complexity to the regulatory review process.

Paramount's Continued Pursuit and Industry Reaction

Despite Warner Bros Discovery's formal opposition, Paramount's tender offer remains valid. It could continue to press shareholders directly, potentially extending the bid deadline, increasing the offer price, or suing to block the Netflix merger agreement. These scenarios are part of an unfolding corporate tug-of-war that could extend into 2026.

The competitive dynamics among Paramount, Warner Bros, and Netflix reflect broader industry trends:

- Consolidation pressure as streaming platforms vie for global audiences.
- Rising content costs and profitability challenges.

- Strategic alliances and mergers reshaping media ownership.

Industry analysts note that this battle underscores how legacy media companies are navigating the transition to digital and streaming dominance, trying to balance content libraries, subscriber growth, and shareholder value in an increasingly competitive environment.

What Shareholders Should Know Next

Warner Bros Discovery is expected to file official **proxy guidance** and recommendation statements with the U.S. Securities and Exchange Commission in the coming days. These filings will include detailed assessments of both Paramount's offer and the Netflix merger, outlining risks, potential benefits, and voting considerations.

In the interim, investors are encouraged to *review official disclosures*, including tender offer documents, SEC filings and board statements, before making decisions.

Final Words: A Defining Moment in Media M&A

Warner Bros Discovery's call for investors to reject Paramount Skydance's hostile takeover bid highlights a turning point in media mergers and acquisitions. With streaming growth, content diversification and regulatory pressures at play, the outcome of this dispute could reshape the entertainment landscape for years to come.