

# department of economic opportunity

COUNTY OF LOS ANGELES

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June 18, 2026

TO: Supervisor Hilda L. Solis  
Supervisor Kathryn Barger, Chair  
Supervisor Holly J. Mitchell  
Supervisor Lindsey P. Horvath  
Supervisor Janice Hahn

FROM: Kelly LoBianco, Director *Kelly LoBianco*

SUBJECT: **REPORT BACK ON MOTION BY SUPERVISOR  
LINDSEY P. HORVATH PROTECTING  
ENTERTAINMENT JOBS: EVALUATING THE  
ECONOMIC IMPACT OF THE PURCHASE OF  
WARNER BROS (ITEM NO. 19 OF THE MARCH  
17, 2026. AGENDA)**

On March 17, 2026, your Board of Supervisors (Board) adopted a motion introduced by Supervisor Lindsey P. Horvath, directing the LA County Department of Economic Opportunity (DEO) and the LA County Film Office (Film Office), in collaboration with the Chief Executive Office (CEO) and any other relevant County Departments and stakeholders, to:

1. Report back in writing in 60 days with an interim report back and 120 days with a final report back on the economic impact of the proposed purchase on the Los Angeles County economy, including but not limited to the workforce—direct, indirect and induced employment.
2. Delegate authority to the Director of DEO, or their designee, to negotiate, execute, and amend agreement(s) necessary to implement and advance the directive in this motion. The Board shall waive the requirements of Board Policy No. 5.100 for these agreements. These agreement(s) and any amendment(s) shall be approved as to form by County Counsel.

The Department will fund this using funds currently in their Board-approved FY2025-26 operating budget and work with CEO to ensure sufficient resources for the economic impact analysis.

3. Create an action plan to support this workforce with job training and job placement by leveraging High Road Training Partnerships and other workforce programs.
4. Direct County Counsel to submit formal comments to the U.S. Department of Justice regarding antitrust concerns, and monitor any action taken by State Attorneys General, including California Attorney General Rob Bonta, who are investigating this deal and its potential anti-competitive impacts.

This report responds to Directive One (1) 60-Day Interim Report through Four (4). The 120-Day Final Report will be submitted to your Board on August 18, 2026.

## **RECENT DEPARTMENT OF JUSTICE MERGER APPROVAL**

The United States Department of Justice (DOJ) recently approved the Paramount Skydance and Warner Brothers Discovery merger on June 12, 2026, earlier than the September 2026 expected deadline. The DOJ concluded that the merger would help workers by strengthening competition and not reducing job opportunities. The decision has prompted continued discourse from stakeholders on possible layoffs, reduced production, and weakened labor standards unless strong safeguards are put in place.

The California Attorney General (AG) Rob Bonta, under State and Federal antitrust law, has both the authority and ability to block or delay the merger<sup>1</sup>. The AG's office has publicly stated that they are actively investigating and coordinating with other states and expect to decide imminently whether to file suit<sup>2</sup>. A State-level lawsuit (and preliminary injunction) could significantly **delay or derail the deal**, despite DOJ approval.

## **DIRECTIVE ONE**

*Report back in writing in 60 days with an interim report back on the economic impact of the proposed purchase on the Los Angeles County economy, including but not limited to direct, indirect, and induced employment. (Attachment)*

## **Summary of Interim Merger Report Findings**

Pursuant to this motion, DEO retained CVL Economics, a Los Angeles-based economic consulting firm with significant experience assessing the media and entertainment industry, to complete a report that evaluates the potential economic and workforce implications of the proposed Paramount Skydance acquisition of Warner Bros. Discovery for Los Angeles County. The report identifies two distinct areas of exposure for the County:

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<sup>1</sup> [Block the Merger Vows to Stop Paramount-Warner Bros. Deal Despite DOJ Green Light - TheWrap](#)

<sup>2</sup> [California AG to Decide on Lawsuit to Block Paramount-Warner Merger | Forth](#)

1. Direct, merger-driven consolidation of duplicative operations, and
2. Potential indirect changes in the green lighting of projects and production locations that affect entertainment workers.

### **Possible Job Impacts**

- The merger places about **2,495 jobs in Greater Los Angeles County and about 6,000 globally at potential risk**, mainly in corporate, tech, real estate, and other shared functions due to duplicative roles across the two companies.
- This estimate should not be read as a layoff forecast; it only defines the scale of possible employment impacts that may be subject to consolidation. These roles are the most immediately exposed to consolidation.

### **Heavy Debt Load**

- The combined company would begin by carrying **approximately 82 billion dollars** in gross debt.
- That debt is unusually high relative to earnings — roughly seven times their current annual profits, raising concerns about whether its current earnings capacity is sufficient to sustain such a level of debt.
- Traditional television still brings in the most revenue for both companies, but audiences continue to shrink, which may widen the gap between earnings and debt.

### **Where Savings Could Come From**

- Paramount Skydance projects more than **6 billion dollars in savings**, largely by cutting duplicate corporate functions, streamlining technology and cloud systems, and consolidating real estate and procurement.
- Many of these areas are heavily based in Los Angeles County, meaning the County is particularly exposed to corporate consolidation.

### **Production Outlook**

- The new company has pledged to release 30 theatrical films a year, but that does not guarantee production work will stay in the Los Angeles area.
- Of 19 Paramount Skydance and Warner Brothers Discovery films scheduled for 2025, **only one** was primarily shot in California; most production happened out of State or overseas.

## **Recommendations**

The report also recommends that the DEO and the LA County Film Office craft distinct responses to the near-term risk of merger-driven workforce threats and the longer-term risks driven by competition from peer jurisdictions.

- Near-term responses would focus on monitoring corporate consolidation, preparing targeted support for affected workers, and engaging the newly formed company around local employment and facility commitments.
- Longer-term responses would focus on strengthening the region's ability to capture production spending through tools like local tax or other financial incentives, permitting streamlining and reduction of costs, production infrastructure development, and supplier retention.

A follow-up 120-Day report, due on August 18, 2026, will provide fuller analysis of production-worker implications, including the longer-term erosion of local production, the role of competing incentives from other jurisdictions, and potential effects on crews, crafts, post-production workers, vendors, and production-serving small businesses.

## **DIRECTIVE TWO**

*Delegate authority to the Director of DEO, or their designee, to negotiate, execute, and amend agreement(s) necessary to implement and advance the directive in this motion. The Board shall waive the requirements of Board Policy No. 5.100 for these agreements.*

On April 13th, the County executed a contract with CVL Economics to produce the attached interim report and the upcoming final report. The contract term is from April 13, 2026, to September 15, 2026.

## **DIRECTIVE THREE**

*Create an action plan to support this workforce with job training and job placement by leveraging High Road Training Partnerships (H RTP)s and other workforce programs.*

DEO oversees the County's public workforce system, including 18 America's Job Centers of California (AJCCs) and hiring and training services that advance economic mobility for workers and businesses. This includes \$1.57 million in the Arts, Media, and Entertainment High Road Training Partnership (H RTP), a worker-center, industry-informed training partnership with employers, labor, community organizations, and public sector at the table and supporting over 100 apprenticeships in editing, production, gaming, and animation.

As the DEO considers workforce impacts of a merger, it is proactively developing a plan that prioritizes stability and essential benefits and services as well as connections to H RTPs where applicable for upskilling and career changes and regional entertainment companies or other employers with similar roles for rehiring. A plan must recognize that projected losses are among mid-career and senior professionals.

Anticipating available FY 2025–26 and 2026-27 available resources, DEO’s plan will include:

- Rapid Response orientations and services, including expedited access to Unemployment Insurance, public benefits, and health and mental health services. DEO coordinates closely with regional workforce boards and agencies, including the California Employment Development Department (EDD), Covered California, and County departments like Public Social Services and Mental Health. DEO will work with EDD to apply for available Additional Assistance grants to amplify training and supportive services available to dislocated workers.
- Good job fairs are coordinated with Rapid Response teams, AJCC partners, and regional employers to support rehiring into available positions. These fairs provide job readiness assistance, including résumé and interview preparation, and help establish hiring commitments with employers offering relevant roles in the entertainment industry and other sectors. DEO can also support financial incentives for employers, such as tax credits and wage subsidies, in certain cases.
- New and scaled HRTPs in the entertainment industry or high-growth industries that support reskilling, rehiring, and career change among dislocated workers. This includes support for transitioning displaced workers into adjacent industries facing worker shortages (digital media, gaming, live events, technology).
- Consultation with the California Film Commission to assess the feasibility of creating direct connections, where possible, between laid-off workers and employers receiving California production tax credits.

DEO will expand on these recommendations and strategies in its final report due to the Board on August 18, 2026.

#### **DIRECTIVE FOUR**

*Direct County Counsel to submit formal comments to the U.S. Department of Justice regarding antitrust concerns, and monitor any action taken by State Attorneys General, including California Attorney General Rob Bonta, who are investigating this deal and its potential anti-competitive impacts.*

Counsel will submit formal comments to the U.S. Department of Justice regarding antitrust concerns, monitor any action taken by State Attorneys General regarding the proposed merger deal, and monitor the actions of California Attorney General Rob Bonta in his investigation of the proposed Paramount-Warner Brothers merger and its potential anti-competitive impacts.

#### **CONCLUSION**

The DOJ’s recent approval of the Paramount Skydance and Warner Brothers Discovery merger on June 12, 2026, heightens the urgency of the issues raised in Supervisor Lindsey P. Horvath’s March 17, 2026, Motion. Given strong interest from stakeholders, DEO is issuing a press release alongside release of this Board report to ensure broad awareness of the interim report and its

findings. DEO will act quickly to review its services to protect entertainment-sector jobs and mitigate the potential worker layoffs from the merger. Once CVL Economics completes its final analysis by August 18, 2026, the DEO and the County Film Office will report back to the Board with strategies and services it can employ to assist impacted workers.

These strategies and services will build on and align with other related County Film Office initiatives to support the entertainment industry and its workers, while advancing local production, streamlining film permitting, reducing production costs, strengthening industry partnerships through practical improvements like easing Fire Department oversight, adjusting Public Works fees, adopting electronic signatures within the Sheriff Department, developing an Evergreen Fund and creating an awareness campaign highlighting regional strengths to support local film production and retention.

If you have any questions, please contact me, or your staff may contact Gary Smith, Head of the Los Angeles County Film Office, at [gsmith@opportunity.lacounty.gov](mailto:gsmith@opportunity.lacounty.gov).

KL:LL:GS:npg:dm

c: Executive Office, Board of Supervisors  
Chief Executive Office  
County Counsel  
California Film Commission

Attachment

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# Assessing the Potential Effects of the Proposed Paramount Skydance Acquisition of Warner Bros. Discovery

on the Los Angeles County Economy and Workforce

60-Day Report

# Los Angeles County is assessing merger risk at a fragile moment for entertainment workers

This study responds to the March 17, 2026 motion directing the Los Angeles County Department of Economic Opportunity to assess the economic implications of the proposed Paramount Skydance acquisition of Warner Bros. Discovery.

The motion reflects a specific County concern: whether the transaction could deepen workforce and economic stress in a production economy already affected by the COVID-19 pandemic, the 2023 industry strikes, and the January 2025 wildfires.

The report therefore focuses on two questions: which local jobs and business functions are most exposed to consolidation, and how the transaction could affect project-based production activity in Los Angeles County.

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Paramount Skydance and Warner Bros. Discovery histories and operating health

# 60 Day Report | Executive Summary

This study assesses the potential economic and workforce implications of the proposed Paramount Skydance acquisition of Warner Bros. Discovery for Los Angeles County. The proposed transaction comes at a fragile moment for the region's entertainment economy, following the cumulative effects of the COVID-19 pandemic, the 2023 industry strikes, and the January 2025 wildfires. The County's policy question is not only whether the merged company will continue producing content. It is whether the transaction will reduce local employment, weaken the region's production base, or shift more economic activity outside Los Angeles County.

The central finding of this report is that the proposed transaction creates two distinct exposure channels for Los Angeles County. The first is direct and merger-driven: consolidation of duplicated enterprise and commercial operations. The second is indirect and more contingent: changes in commissioning, production location, and local production capture that affect project-based creative and production workers.

The clearest near-term risk is enterprise consolidation. The proposed deal would create a highly leveraged company, with roughly \$82 billion in pro-forma gross debt and leverage near 7x EBITDA before synergies. Management has committed to reaching investment-grade metrics within three years and has identified more than \$6 billion in projected synergies. The evidence indicates that corporate overhead, streaming technology, cloud systems, real estate, procurement, and other operating efficiencies are likely to be central savings categories. Los Angeles County is exposed because it contains the largest single concentration of overlapping enterprise and commercial operations roles in the transaction, approximately 2,500 roles performing comparable work in the same market. This estimate should not be read as a layoff forecast. It defines the scale of comparable local work that may be subject to consolidation.

The production-workforce risk is less direct but still material. Management has publicly committed to continued theatrical output, including roughly 30 films annually across both studios. However, release volume does not guarantee local production spending. The analysis shows that production activity is increasingly geographically dispersed and shaped by incentives, labor costs, infrastructure, and operational flexibility. Shorter seasons and reduced scripted commissioning may also weaken job continuity for project-based workers, even where consumer demand remains significant.

The policy implication is that Los Angeles County should distinguish between merger-driven job risk and broader location-competitiveness risk. Near-term response should focus on monitoring enterprise consolidation, preparing targeted support for affected workers, and engaging the company around local employment and facility commitments. Longer-term response should focus on strengthening the region's ability to capture production spending through state and local competitiveness tools, including incentives, permitting, infrastructure, and supplier retention. The scenario analysis should be used as a bounded planning tool, not a single-point forecast. Its value is in clarifying which assumptions drive local job and GDP exposure, and which policy levers the County can realistically influence.

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# 01 Why this transaction matters for Los Angeles County



# The financing structure makes deleveraging central to the transaction

Nothing about this deal came easily. Paramount launched a hostile approach on December 8, 2025, making a tender offer directly to WBD shareholders and running a contested proxy campaign. WBD's board agreed to a negotiated merger on February 27, 2026.

The financing structure is what gives this deal its weight. WBD shareholders are being cashed out at \$31.00 per share, a roughly 147% premium to the unaffected price, which requires Paramount to raise approximately \$101 billion. That capital stack includes a \$54 billion senior secured bridge loan led by Bank of America, Citi, and Apollo, plus a \$3.5 billion revolver, and \$47 billion in new Class B equity priced at \$16.02 per share, backstopped by the Ellison family and RedBird under an Ellison guarantee. WBD's existing legacy debt of approximately \$30 billion is partly refinanced and partly exchanged into junior-lien notes. The combined entity will carry roughly \$82 billion in gross debt. The agreement is not conditioned on financing. The termination fee structure reflects how much is at stake: WBD owes Paramount a \$3 billion breakup fee if it walks, and Paramount owes WBD a \$7 billion reverse termination fee if regulators block the transaction.

Paramount's April 7, 2026 8-K confirms that three Gulf sovereign wealth funds are participating in the equity syndication: Saudi Arabia's Public Investment Fund, Abu Dhabi's L'imad Holding, and the Qatar Investment Authority, alongside LionTree. All three funds hold non-voting Class B shares. The Ellison family and RedBird retain 100% of the voting Class A shares, making the combined entity a controlled company under Nasdaq rules. The ownership structure was designed to stay within FCC foreign-ownership limits.

Press coverage of the filing places the three Gulf funds at approximately 38.5% of post-close equity, or roughly 49.5% foreign-held in total: PIF at approximately 15.1%, Abu Dhabi at approximately 12.8%, and Qatar at approximately 10.6%, representing a combined investment of around \$24 billion. The funds agreed to

forgo board seats and governance rights. Economic exposure is distributed broadly across foreign investors; voting control stays concentrated domestically.

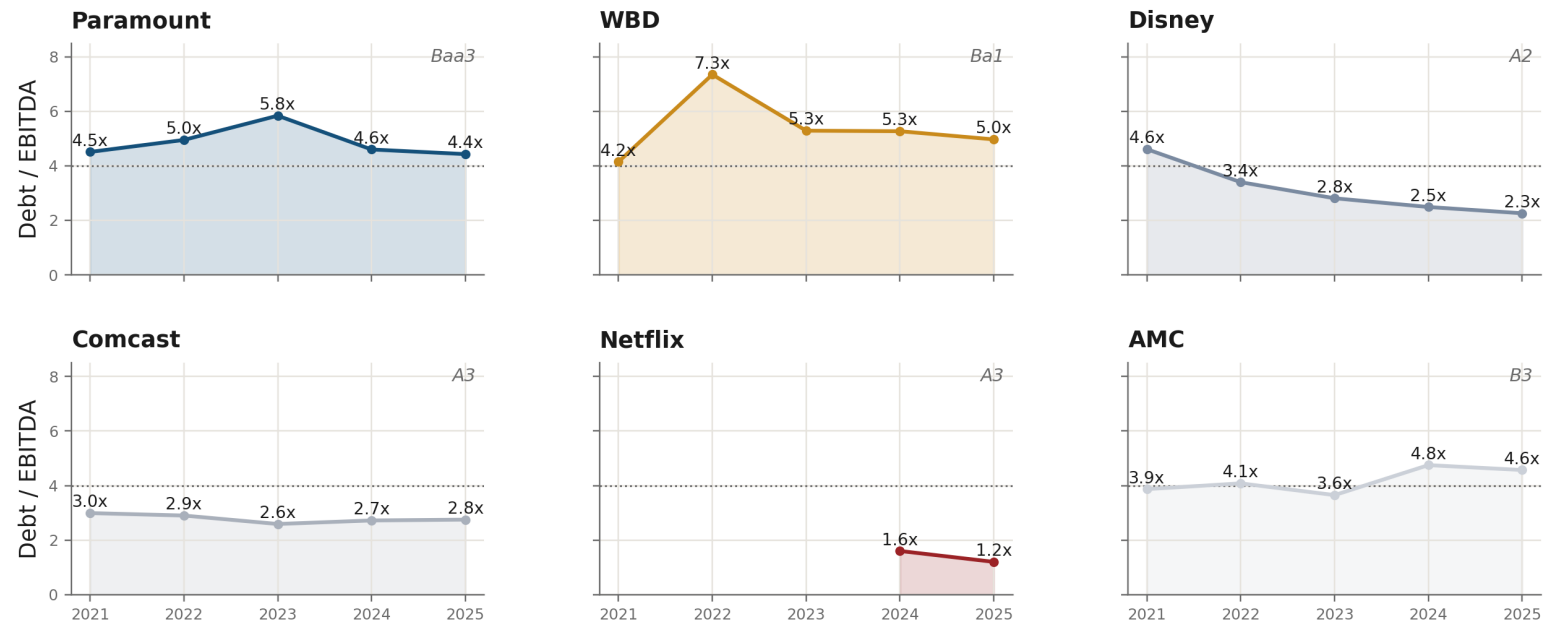
Regulatory clearances are accumulating across foreign jurisdictions. Australia's ACCC cleared the transaction on June 9, subject to a 14-day waiting period expiring June 23, 2026, and New Zealand's Commerce Commission declined to review the deal further. Paramount Skydance has also secured competition approvals in Saudi Arabia, Ukraine, Serbia, and North Macedonia, along with foreign-direct-investment sign-offs in Germany, Slovenia, Belgium, Czechia, New Zealand, Italy, France, and Romania. The U.S. Department of Justice closed its antitrust review on June 12, 2026, concluding an eight-month, two-million-document probe with a finding that the merger is unlikely to harm competition, which removes the federal antitrust constraint that previously gated the deal. The principal remaining hurdle is the European Union, which is conducting two parallel reviews: a standard Phase 1 merger review under Council Regulation 139/2004 (notified June 2, provisional deadline July 7) and a Foreign Subsidies Regulation review of approximately \$24 billion in financing from Gulf sovereign wealth funds (provisional deadline July 14). Secondary open inquiries remain at the U.K.'s Competition and Markets Authority, targeting an initial decision in early August, and at the office of California Attorney General Rob Bonta, which retains independent state antitrust authority.

For Los Angeles County, the key issue is the operating pressure created by the financing.

# Paramount and Warner Bros. Discovery already entered the transaction with elevated leverage

The merger partners carry heavier debt loads than several major media peers. Paramount and Warner Bros. Discovery have operated above or near the 4.0x debt-to-EBITDA threshold shown in the peer comparison, while Disney, Comcast, and Netflix sit materially lower. The proposed transaction would add another layer of leverage to companies already managing balance-sheet pressure.

**Leverage, 2021-2025: the merger partners already carry the heaviest debt loads**



Dotted line ≈ 4.0x. Higher = more debt per dollar of earnings. Ratings shown at right of each panel.

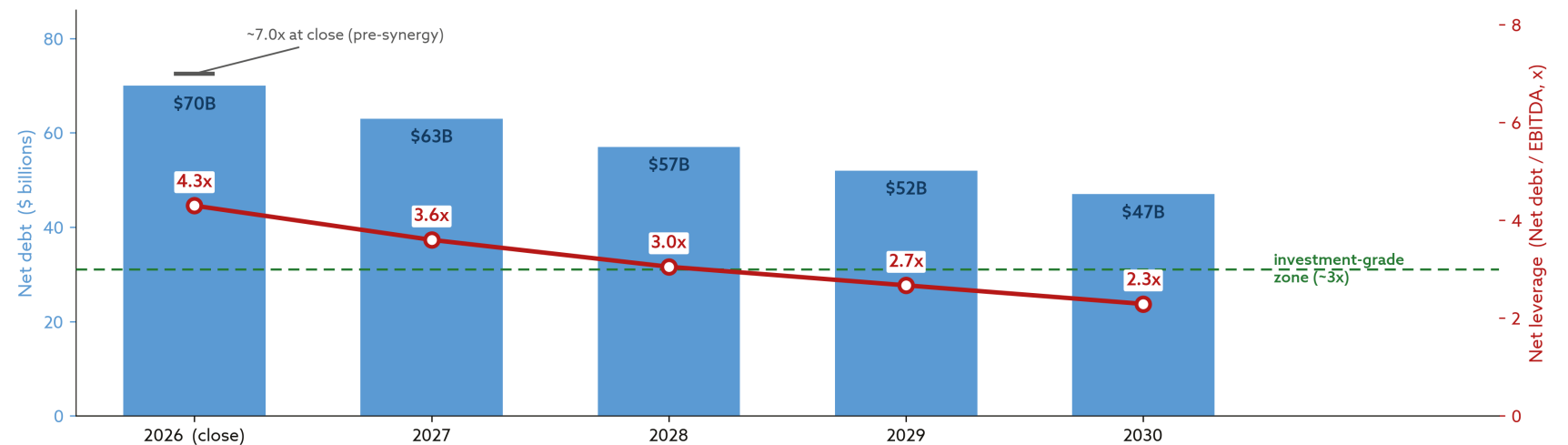
Source: Moody's peer snapshot (as adjusted); Netflix 2024-25 (peer-snapshot coverage).

# The investment-grade target depends on fast EBITDA growth and timely synergy capture

Opening leverage of roughly 7x EBITDA is well above where a media company can operate comfortably, and the BB+ rating reflects that. Management has committed to reaching investment-grade within three years, which requires the combined company to reduce net leverage from 4.3x at close (on a synergized basis) to approximately 3x by 2029 and lower thereafter. There are two ways to get there: shrink the numerator by paying down debt with free cash flow, or grow the denominator by lifting EBITDA, which is the work the projected \$6 billion-plus in synergies is supposed to do. Miss on either front and the timeline slips. A weak streaming ramp, sports rights cost inflation, or synergies that arrive later than modeled would each put the investment-grade target at risk.

## The deleveraging imperative: ~\$82B of debt must fall to investment grade by ~2029

Combined-company net debt and net leverage, close (2026) through 2030.



Source: PSKY press release 2026-02-27 (4.3x synergized at close; investment grade within three years) and WBD DEFM14A (~\$82B gross / ~\$70B net debt; ~7x 2026E EBITDA pre-synergy). Intermediate years illustrative.

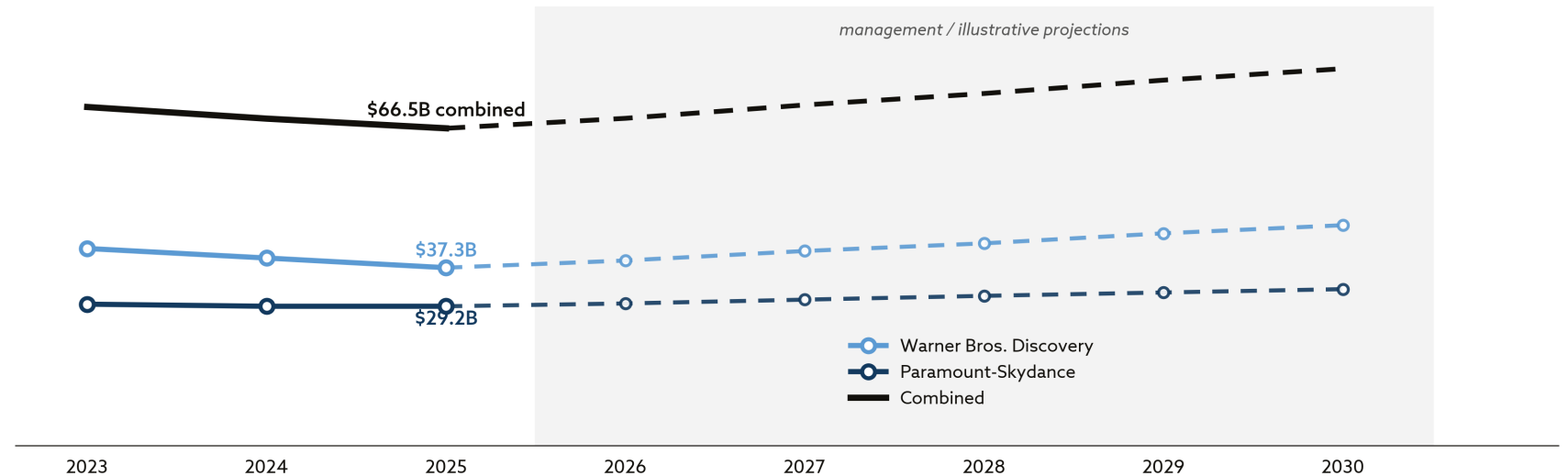
## The debt is fixed, but the revenue engine remains in transition

The combined company generates approximately \$66 billion in revenue today, but the composition matters more than the total. The cash that services the debt comes disproportionately from linear networks, and linear is shrinking. WBD's revenue fell from \$41.3 billion in 2023 to \$37.3 billion in 2025; Paramount has been roughly flat near \$29 billion. Growth has to come from streaming and studios, and it has to outrun the linear decline quickly enough to keep total revenue rising while approximately \$82 billion in debt is paid down.

Management's own projections, drawn from the proxy cases in WBD's filing, show revenue climbing back toward the high \$70 billions by 2030. That is a bet on streaming scaling at pace, not a projection that can be taken as given. This is the central tension in the deal: the debt is fixed and due; the revenue engine meant to retire it is still in transition.

### The revenue engine: ~\$66B today, but the mix matters more than the total

Annual revenue by company and combined, FY2023 actuals through 2030 projections (\$B).

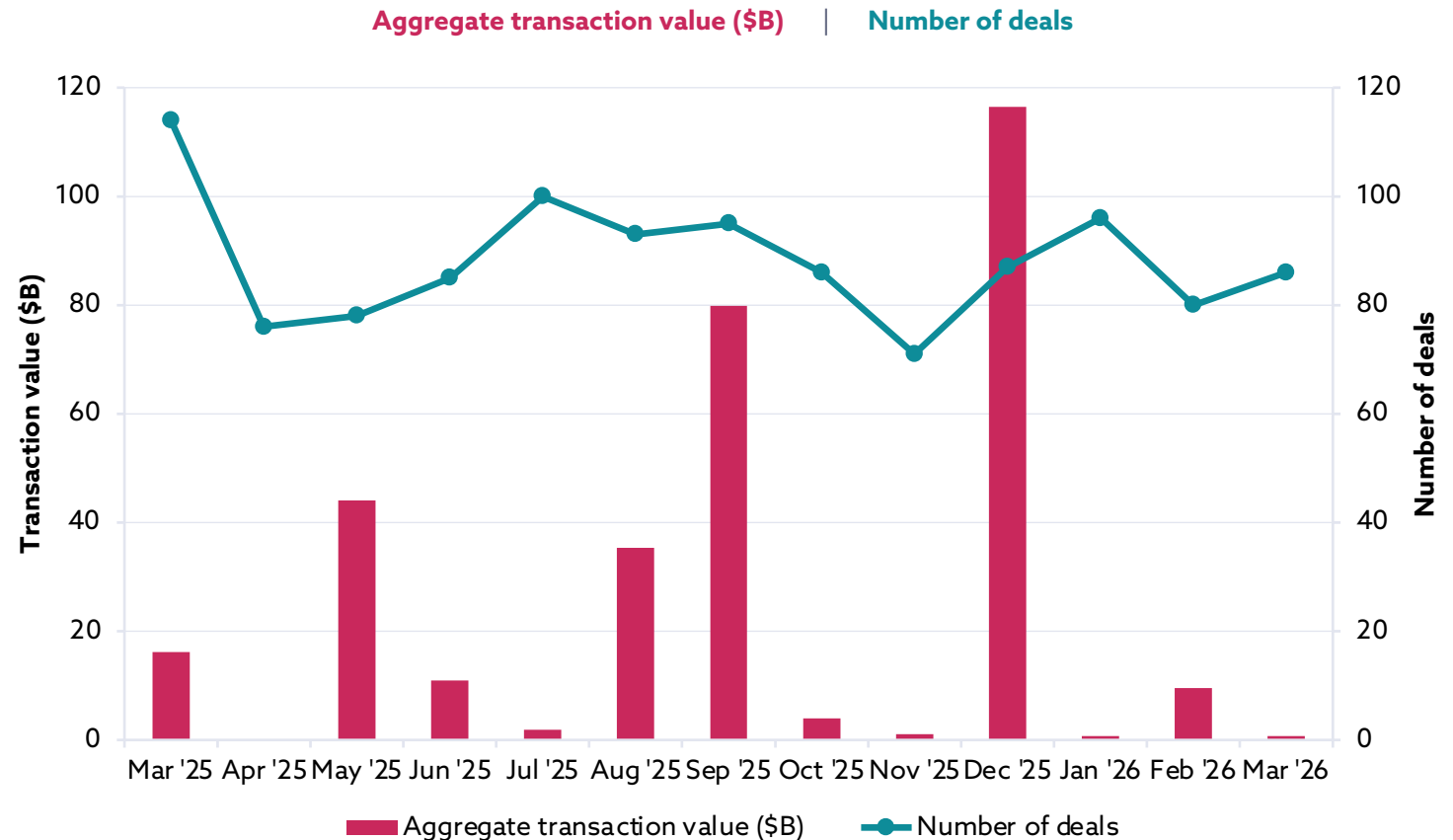


Source: WBD and Paramount Global / PSKY 10-Ks (FY2023-FY2025 actuals, solid); WBD DEFM14A 'WB'+DG' cases summed and Paramount illustrative forward (projections, dashed).

## Media companies are using scale to respond to streaming competition and legacy-revenue pressure

Media and telecommunications merger and acquisition activity entered 2026 at a subdued pace as companies navigate a rapidly evolving competitive landscape. Large-scale transactions remain limited while firms assess the strategic implications of potential the Paramount-Warner Bros. Discovery industry consolidation. The prospect of combining large media portfolios has heightened attention on scale, content libraries, direct-to-consumer distribution, and long-term positioning in an increasingly competitive streaming market. At the same time, major technology companies and diversified media firms continue to evaluate opportunities to strengthen their market positions through acquisitions, partnerships, and portfolio realignment.

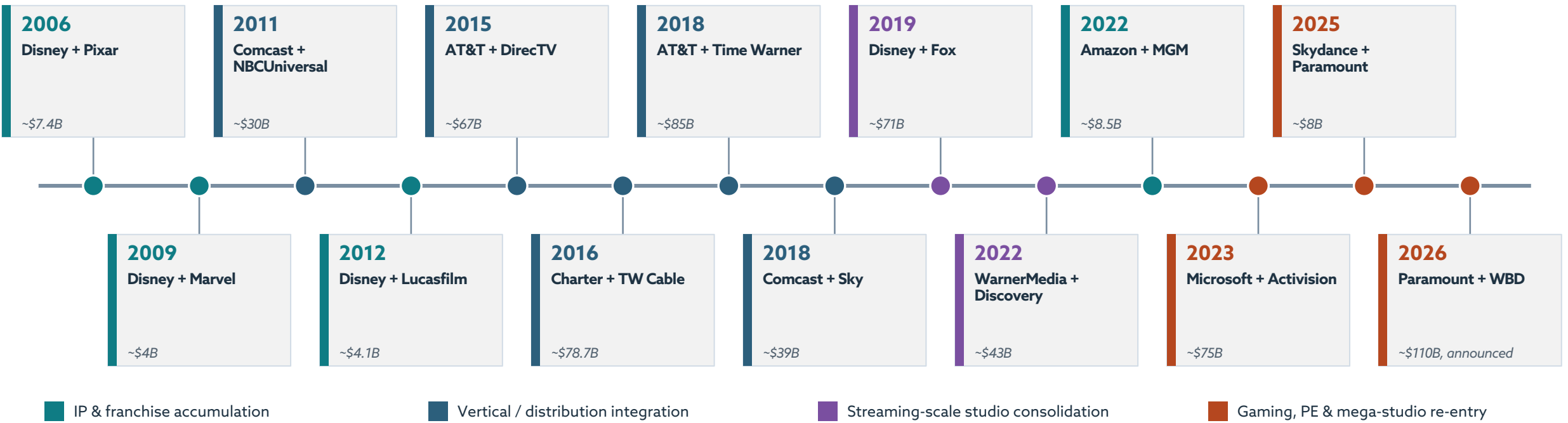
Strategic interest in the sector extends beyond streaming. Companies are increasingly focused on gaming, sports rights, intellectual property, broadcast assets, and other content-driven businesses that can support audience growth and diversification. Broadcast consolidation remains a significant theme as station groups seek greater scale to address audience fragmentation and shifting advertising markets. Meanwhile, advances in generative artificial intelligence are introducing new questions about content creation, distribution, and valuation, adding another layer of uncertainty to strategic decision-making.



Source: S&P Global Market Intelligence. Deal value on left axis, deal count on right axis.

# Recent media consolidation shows that scale deals often produce workforce rationalization

The proposed transaction follows two decades of large media consolidation, including horizontal studio combinations, vertical distribution deals, IP acquisitions, and streaming-scale transactions. Several prior deals produced documented restructuring, layoffs, or business-unit closures. These precedents do not determine the outcome here, but they show why Los Angeles County should treat synergy targets as workforce-relevant.



**Documented post-deal layoffs (selected):**

Disney + Fox: ~250 film-side roles by Aug 2019; Blue Sky Studios closed, 450, 2021 (Variety; Deadline).  
 AT&T + Time Warner / WarnerMedia: ~600 in Aug 2020 and more than 1,000 in Nov 2020 (Deadline; CNBC; AT&T did not confirm totals).  
 WarnerMedia + Discovery: up to \$4.3B in restructuring charges and thousands of roles, 2022 (Warner Bros. Discovery Form 8-K, U.S. SEC).  
 Microsoft + Activision: 1,900 gaming roles, Jan 2024 (CNBC; Spencer memo first reported by The Verge).  
 Skydance + Paramount: ~2,000 U.S. roles, Oct 2025 (NBC News). Deal values from CVL transaction analysis; figures are reported unless tied to SEC filings.

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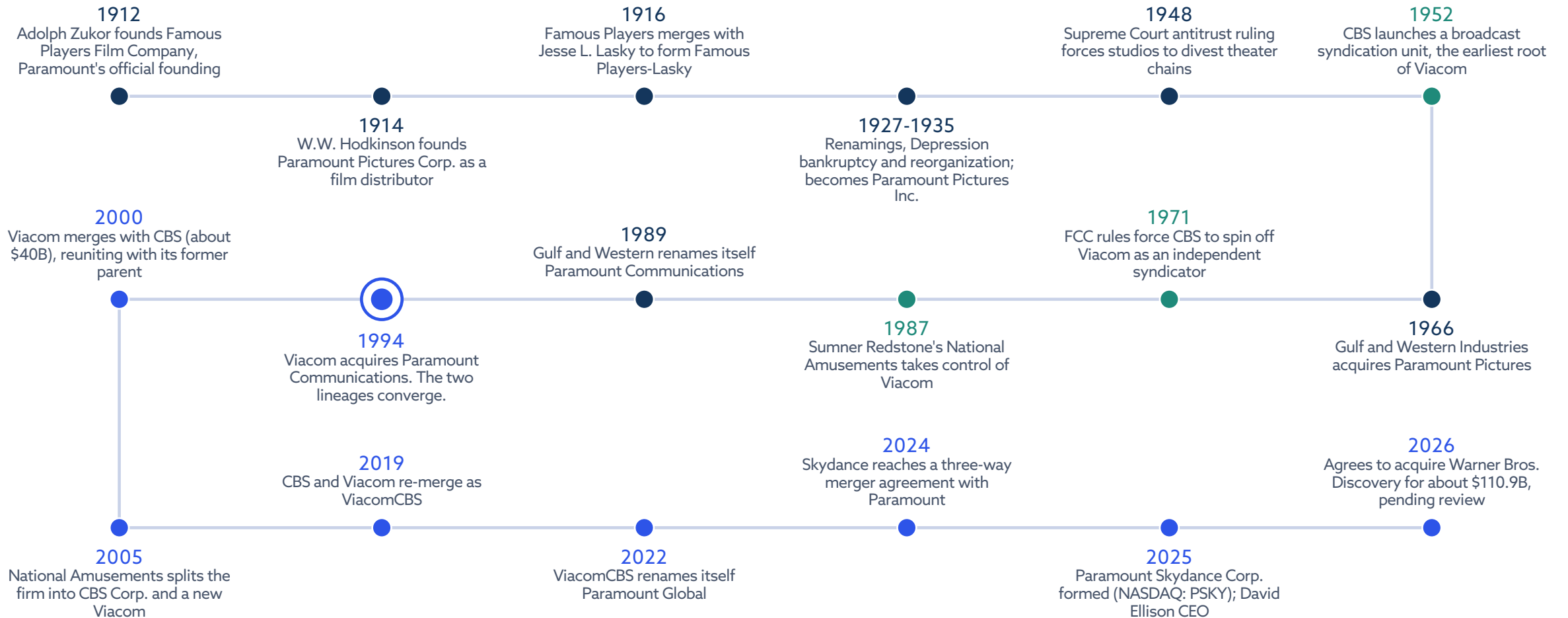
# 02 Corporate baseline and enterprise operations



# Paramount Skydance corporate evolution (1912-2026)

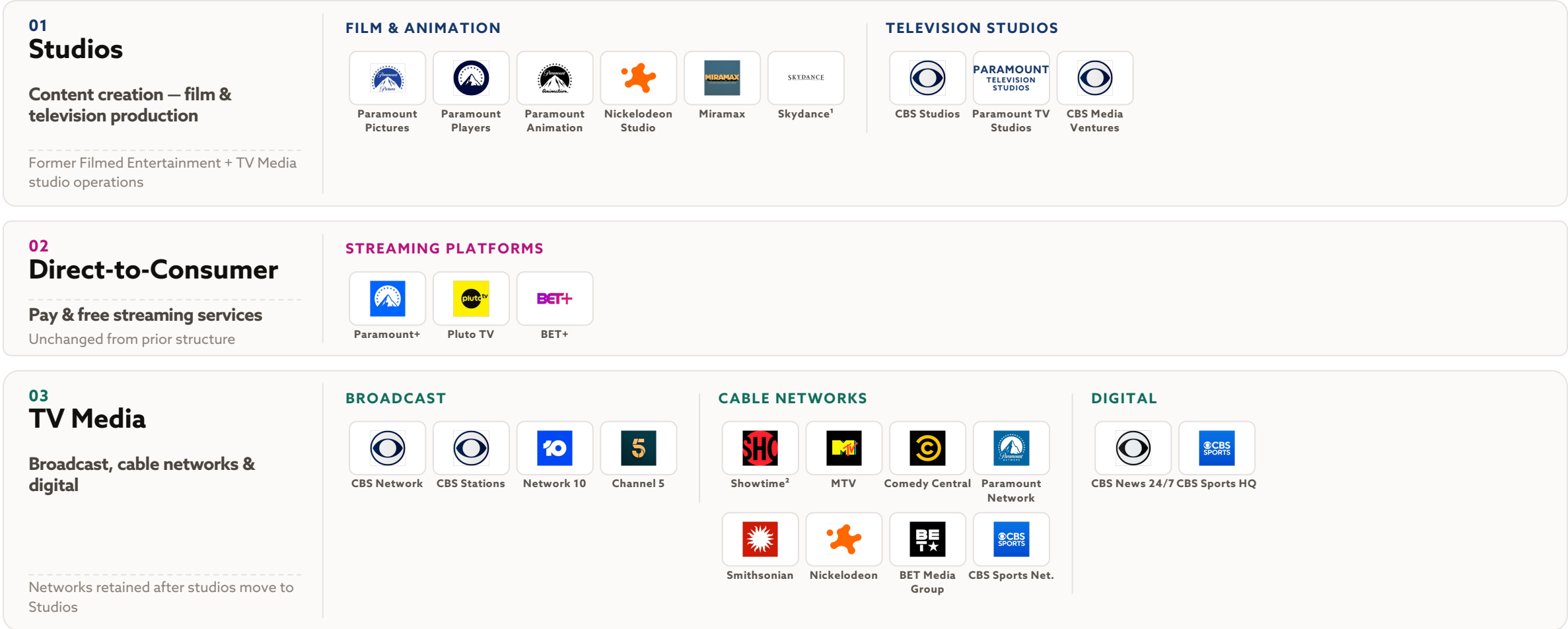
- Paramount Pictures lineage
- Viacom / CBS lineage
- Combined company

Paramount Skydance reflects the convergence of three histories: the Paramount Pictures studio, the CBS and Viacom broadcasting and cable portfolio, and the 2025 Skydance-Paramount combination.



# Paramount Skydance reporting segments

Three reporting segments replace the prior structure, first reported in the Form 10-Q for Q1 2026.



<sup>1</sup> Skydance animation, interactive/games and sports divisions. <sup>2</sup> Distributed as "Paramount+ with Showtime." Excludes Telefe (Argentina) and Chilevisión (Chile), divested Oct. 2025 and Jan. 2026. | Source: Company reporting-structure disclosure.

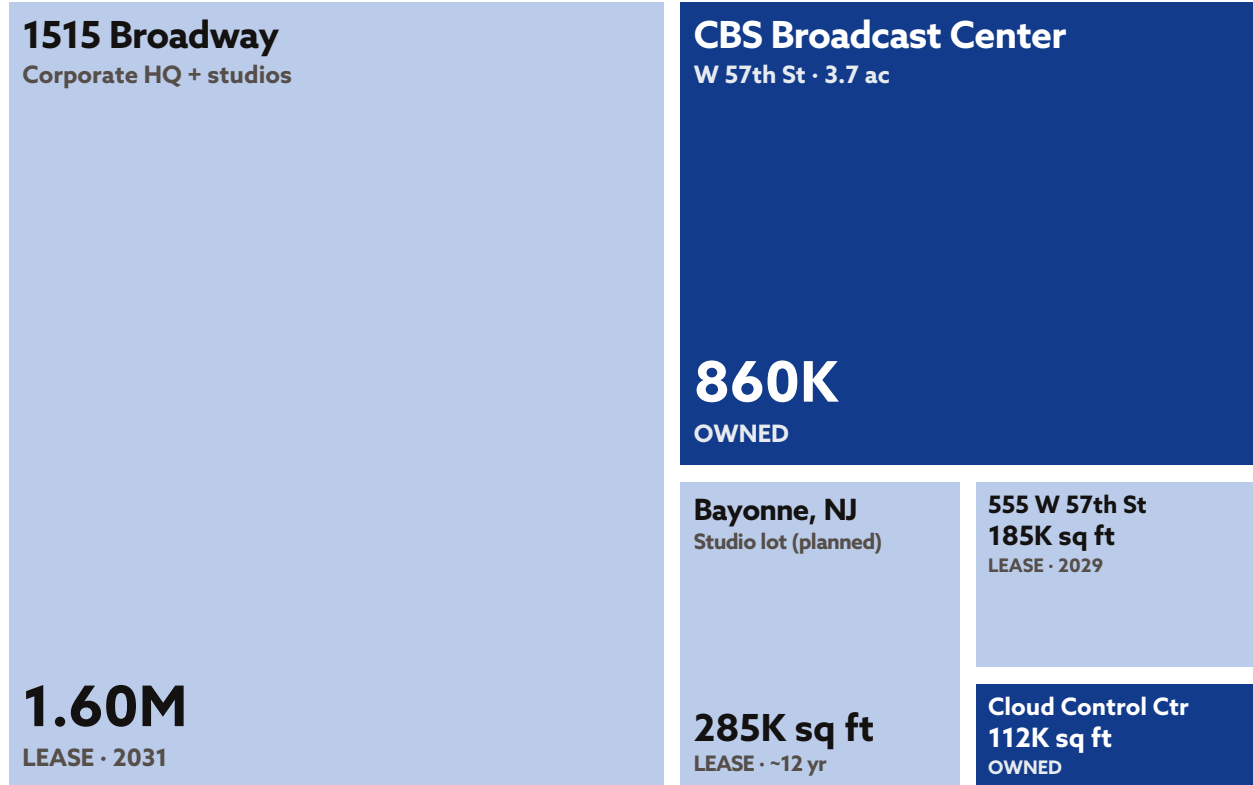
# Paramount Skydance physical properties

Two metros dominate the footprint: New York accounts for approximately 50 percent of the disclosed space, while Greater Los Angeles accounts for approximately 44 percent.

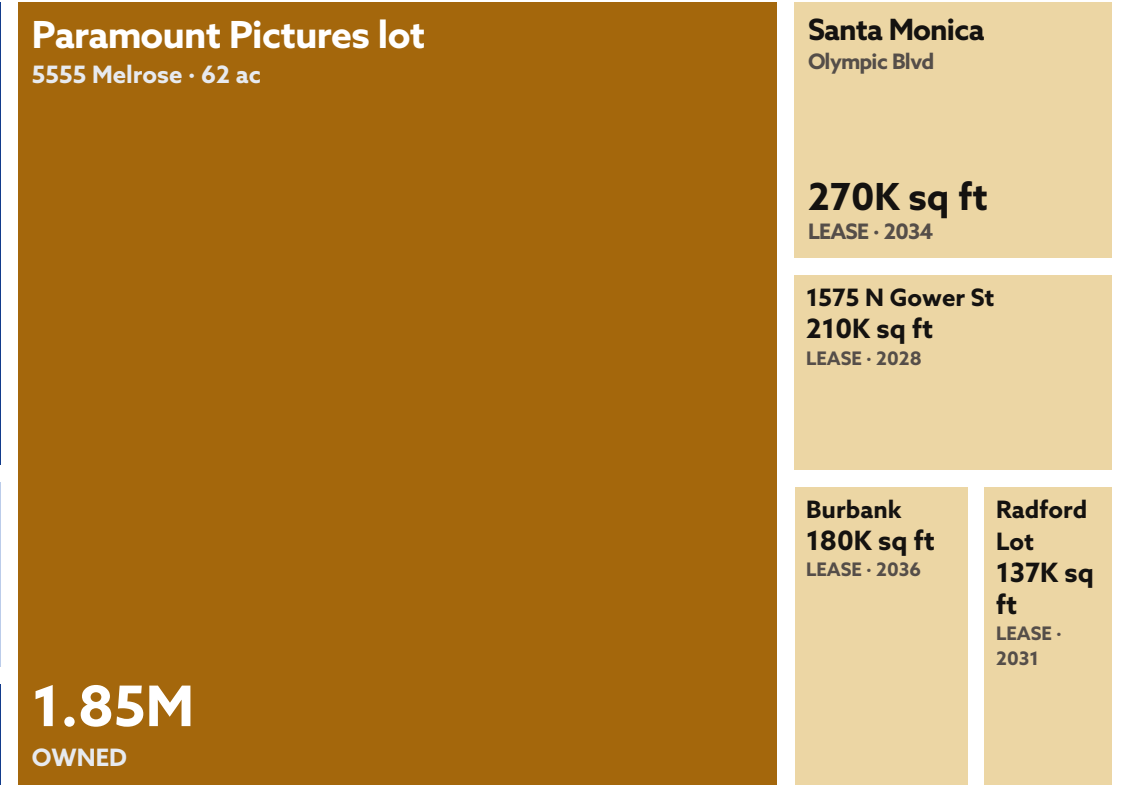
Owned  
Leased

□ area = square footage

## NEW YORK METRO 3.04M SF · 50%



## GREATER LOS ANGELES 2.65M SF · 44%



## INTERNATIONAL 341K · 6%

London 148K · OWNED

Sydney 118K · LEASE · 2033

Madrid 75K · LEASE · 2028

**6.03M**  
sq ft across 13 properties

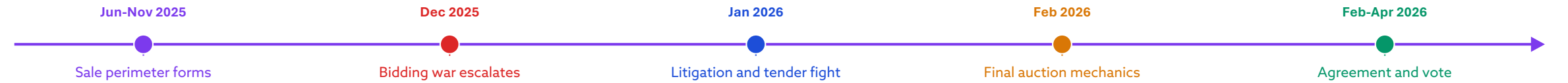
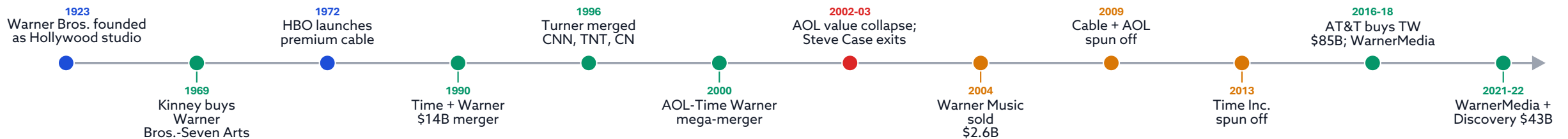
**49 / 51**  
owned vs leased, by area

**2 campuses**  
Paramount lot + 1515 Broadway = 57%

**3 metros**  
NY 50% · LA 44% · Intl 6%

# Warner Bros. Discovery: Corporate Evolution (1923-2026)

Warner Bros. Discovery has already been reshaped by repeated merger cycles. The proposed Paramount Skydance transaction would be another major restructuring event for an enterprise already shaped by AT&T, Discovery, and prior separation planning.



Jun 9: WBD announces split between studios/streaming and cable assets.

Oct 21-Nov 21: Board rejects Paramount Skydance at ~\$60B / \$24 per share; reports suggest WBD wants \$30 per share; preliminary bids arrive from Paramount Skydance, Comcast, and Netflix.

Dec 1-5: Second-round bids received; Paramount alleges unfair process; Netflix enters exclusive talks and agrees to buy studios + streaming for \$72B / \$27.75 per share.

Dec 9-23: Paramount launches hostile \$108.4B / \$30 per share bid; WBD rejects; Paramount adds Larry Ellison personal guarantee.

Jan 7-12: WBD rejects Paramount's amended hostile bid; Paramount sues to force disclosure and plans director nominations.

Jan 20-22: Netflix converts to all-cash \$82.7B purchase price; WBD board approves unanimously; Paramount extends tender offer to Feb. 20.

Feb 3-17: Senate hearing examines Netflix-WBD competition effects; Trump says he will stay out; Paramount adds \$0.25/share quarterly ticking fee and offers to fund \$2.8B Netflix termination fee; WBD asks for a better deal.

Feb 24-27: Paramount raises to \$31/share; Netflix refuses to raise; Paramount pays termination fee.

Feb 27: WBD enters agreement to be acquired by Paramount Skydance.

**\$81B**

equity value

Expected close: Q3 2026

Apr 23: WBD shareholders approve merger; advisory vote opposes deal-tied executive compensation.

# Warner Bros. Discovery reporting segments

Warner Bros. Discovery's operating structure overlaps with Paramount across studios, streaming, and linear networks.

## 01 Streaming

### Premium pay-TV & streaming

Ad-lite and ad-free tiers offered

#### STREAMING SERVICES



HBO Max



discovery+

#### PREMIUM PAY-TV & SPORTS



HBO



PREMIUM SPORTS

## 02 Studios

### Film & television production, games, and licensing

Warner Bros. and DC content engine

#### FILM & DC (WBMPG)



Warner Bros. Pictures



New Line Cinema



DC Studios

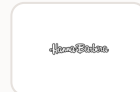


WB PICTURES ANIMATION

#### TELEVISION (WBTVG)



Cartoon Network Studios



Hanna-Barbera



WB TELEVISION



WB UNSCRIPTED

#### GAMES, HOME & EXPERIENCES



WB Games



Home Entertainment



GLOBAL EXPERIENCES



CONTENT SALES

## 03 Global Linear Networks

### Domestic & international TV, news, and sports networks

Entertainment, news, and global sports portfolios

#### U.S. ENTERTAINMENT & LIFESTYLE



TNT



TBS



Turner Classic



OWN



HGTV



Food Network



TLC



Discovery



Adult Swim

#### NEWS



CNN

#### GLOBAL SPORTS



TNT Sports



Eurosport



Bleacher Report

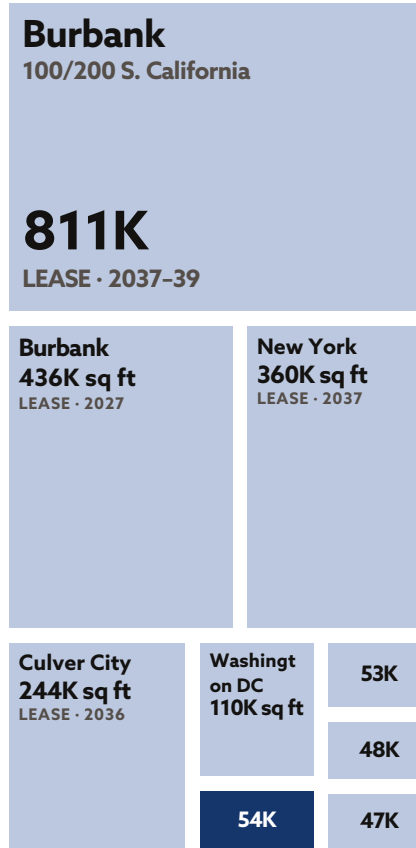
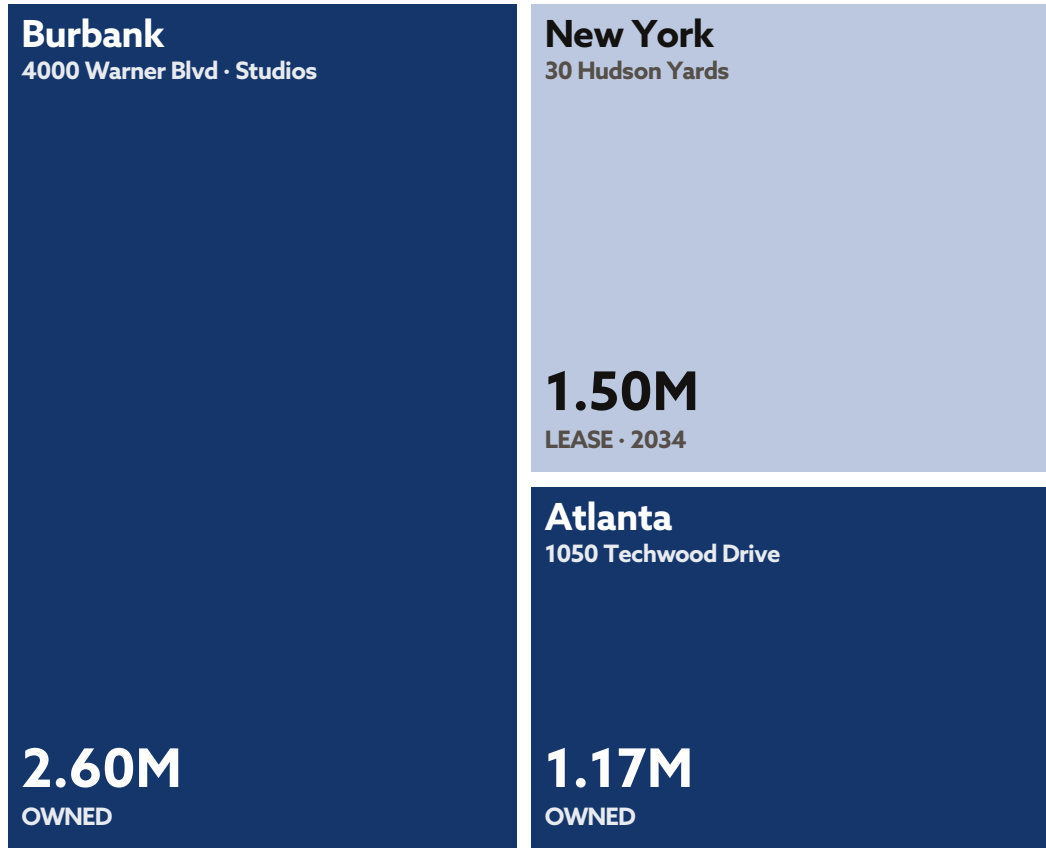
# Warner Bros. Discovery physical properties

Warner Bros. Discovery's disclosed property footprint is global, but Burbank is a major anchor.

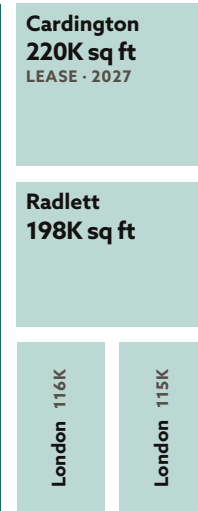
Owned  
Leased

□ area = square footage

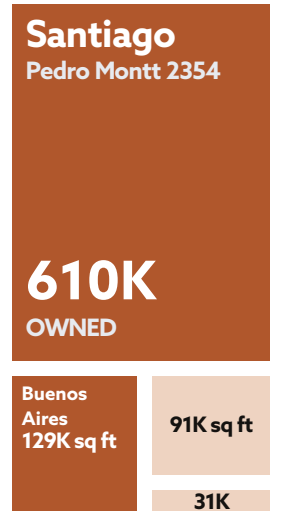
UNITED STATES 7.43M · 63%



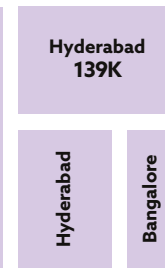
UNITED KINGDOM 1.95M · 16%



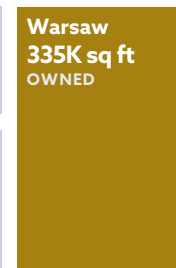
LATIN AMERICA 861K · 7%



ASIA-PACIFIC 844K · 7%



EUROPE 656K · 6%



**11.9M**  
sq ft across 31 principal sites

**52 / 48**  
owned vs leased, by area

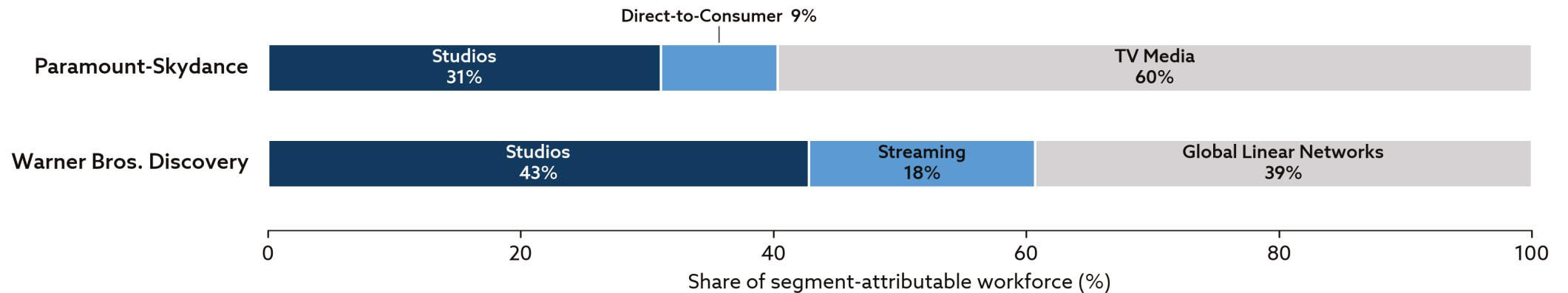
**63%**  
of the space is in the United States

**10 countries**  
on 4 continents · Burbank = 32%

# The combined enterprise is not one workforce, but several overlapping business systems

Large diversified media companies are not organized around a single workforce. Rather, they comprise a collection of interconnected business segments and occupational ecosystems spanning legacy television, studio production, and direct-to-consumer platforms. Paramount Skydance's workforce composition reflects its mix of broadcast television, cable networks, streaming platforms, and studio operations. Warner Bros. Discovery exhibits a more studio- and linear network-intensive profile, consistent with its extensive portfolio of film, television, gaming, premium entertainment, news, and cable network assets.

## Divisional composition of each workforce



Source: CVL Economics workforce benchmarking analysis; data reflect anonymized, aggregated professional profiles across select geographies.

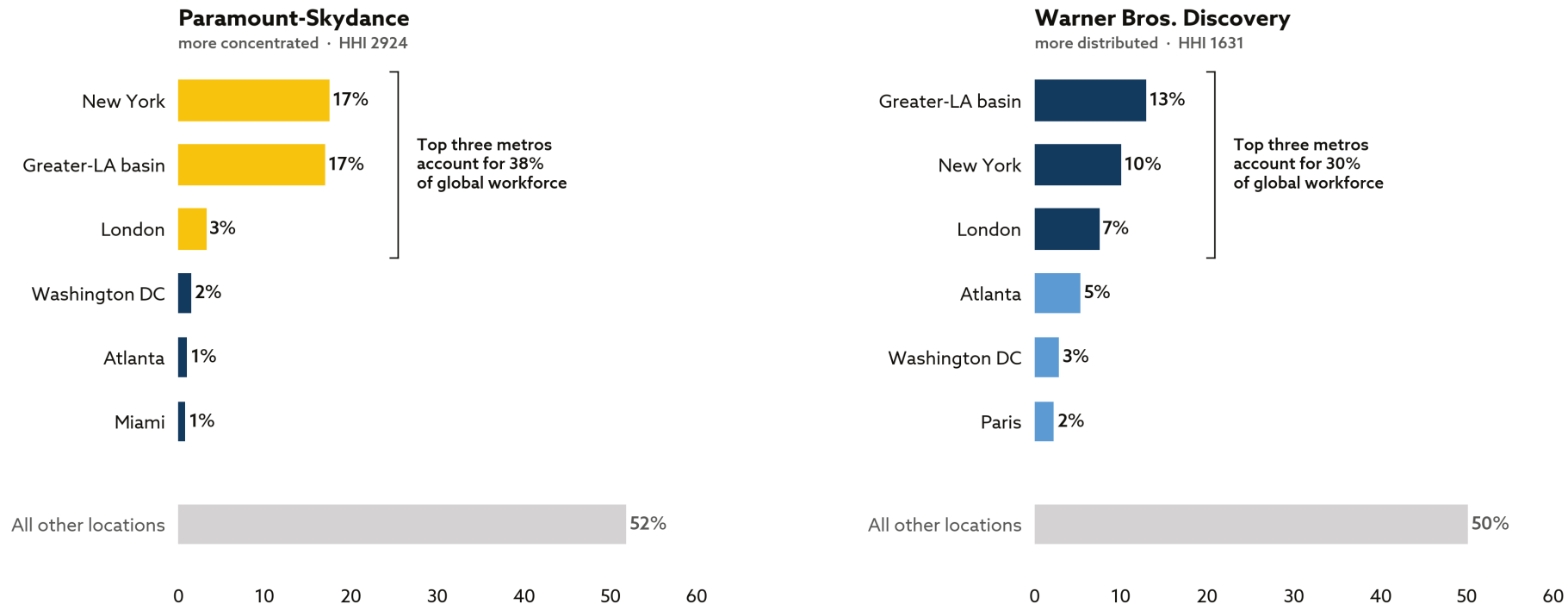
# Los Angeles is central to studio work, but not to every enterprise function

The companies' enterprise and commercial workforce is geographically distributed. Los Angeles is a primary hub for studio and production-related activity. Other functions, including news, sports, streaming technology, linear-network operations, distribution, and international activity, are spread across New York, Atlanta, Washington, London, Paris, and other locations.

Los Angeles County exposure is concentrated in studio and production-adjacent functions, not in every part of the combined enterprise.

## Where each global workforce sits: a few metros, then a long tail

Leading metro areas and all remaining locations, as a share of the total global workforce.



Source: CVL Economics workforce benchmarking analysis; data reflect anonymized, aggregated professional profiles across select geographies.

# Studio-related employment concentration

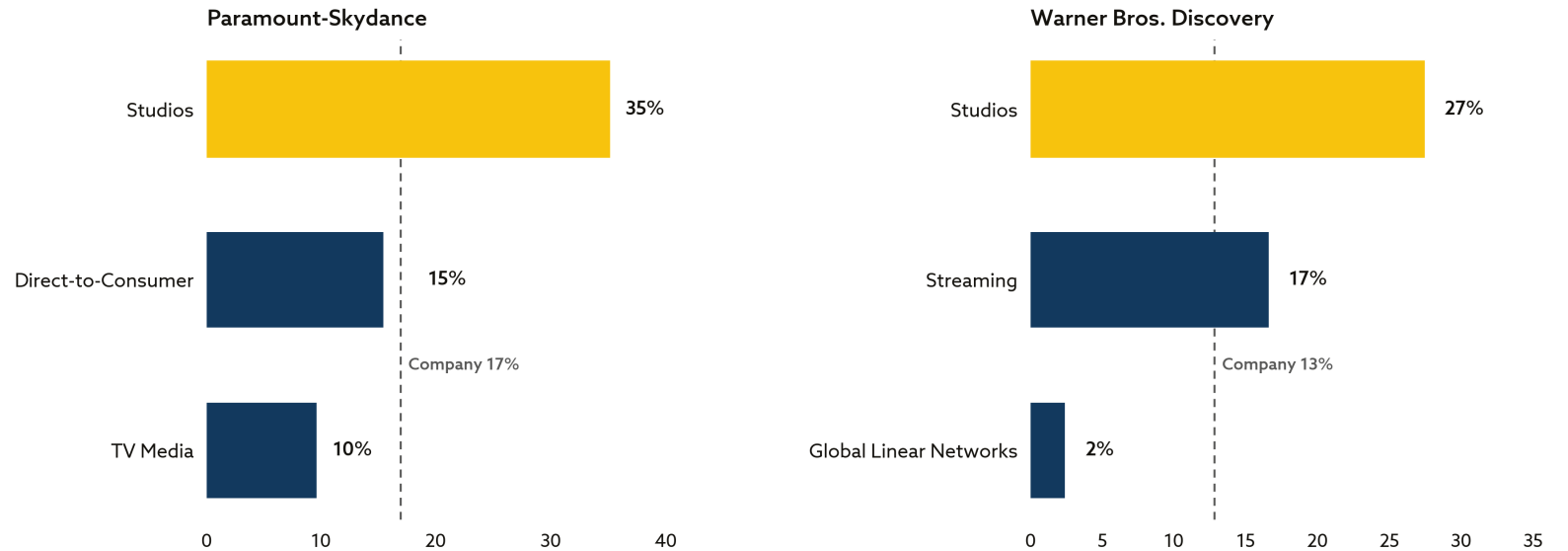
Studio-related work is the clearest Los Angeles concentration in the proposed transaction.

For Paramount Skydance, the relevant studio universe includes Paramount Pictures, CBS Studios, Paramount Television Studios, Nickelodeon Animation, Miramax, Skydance film, animation, television, games, and related studio operations.

For Warner Bros. Discovery, the relevant studio universe includes Warner Bros. Pictures, New Line, DC Studios, Warner Bros. Television, unscripted television, animation, games, consumer products, licensing, home entertainment, and studio operations. This concentration makes Los Angeles County the key local geography for studio-overhead and production-adjacent exposure.

## Los Angeles concentration is a Studios story, not a company story

Greater-LA basin share of workforce, by reportable segment.



Source: CVL Economics workforce benchmarking analysis; data reflect anonymized, aggregated professional profiles across select geographies.

# Management has identified corporate overhead, technology, real estate, and procurement as savings categories

Management has publicly acknowledged that the combined company will rationalize corporate overhead.

It has also identified several non-labor or mixed labor-and-non-labor savings categories, including streaming technology stacks, cloud infrastructure, real estate footprint, procurement, and broader operating efficiencies.

For Los Angeles County, the relevant point is that several stated synergy categories map directly onto local enterprise functions and facilities.

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**Julia Boorstin:**

And in terms of that \$6 billion in synergies, there's a lot of concern here in Hollywood, and there's been a lot of talk about how many layoffs might be part of that. Can you give us a sense of how much you're planning to eliminate jobs at a time when you can rely on technology to replace a lot of functions?

**David Ellison:**

So, look, we will absolutely have to rationalize the overall **corporate overhead** of the company. But that's not the primary driver of the synergies in the deal.

Just when you look at it, we're going to bring HBO Max and Paramount Plus together. That will **rationalize the tech stacks**. There's incredible savings there as well as in our cloud rationalization.

**We're going to rationalize the real estate footprint of both of these companies. We're not going to sell either lot.** Those are iconic, and we are going to absolutely hold on to those.

And look, another example that was not talked about is really **procurement**. When we originally signed the deal basically to acquire Paramount, it was estimated at 50 to 100 million in procurement savings. The reality is it's well in excess of five times that.

Paramount Skydance Corporation. (2026, March 5). CNBC: David Ellison interview transcript [Schedule 14A, Soliciting Material under Rule 14a-12, Subject Company: Warner Bros. Discovery, Inc., File No. 001-34177]. U.S. Securities and Exchange Commission EDGAR.

# Film studios

Paramount Pictures and Warner Bros. Pictures are both major theatrical studios with domestic and international distribution infrastructure. A combined entity would likely preserve major film brands and IP assets, but duplicated distribution, marketing, label management, animation infrastructure, and studio support functions are more exposed to consolidation. The workforce risk is therefore less about eliminating film output and more about reducing duplicated studio infrastructure.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<b>■ DIRECT OVERLAP</b> <b>Major Film Studio</b>	Paramount Pictures	Warner Bros. Pictures	Two of six remaining major studios; combined would release ~25-30 wide films/yr. Historically WB released 17-19/yr, Paramount 8-13/yr.
<b>■ PARTIAL OVERLAP</b> <b>Specialty / Indie Film Labels</b>	Paramount Vantage (dormant); Miramax library rights	New Line Cinema; Warner Bros. Pictures (genre); Castle Rock Entertainment	New Line is active; Paramount specialty labels largely dormant. Combined entity may consolidate under fewer labels.
<b>■ DIRECT OVERLAP</b> <b>Animation Studio (Film)</b>	Paramount Animation	Warner Bros. Animation (features)	Both produce animated theatrical features. WB has stronger recent track record.
<b>■ DIRECT OVERLAP</b> <b>Film Distribution (Domestic)</b>	Paramount domestic theatrical distribution	Warner Bros. domestic theatrical distribution	Clear redundancy; one distribution arm likely eliminated. Major cost synergy target.
<b>■ DIRECT OVERLAP</b> <b>Film Distribution (International)</b>	Paramount international distribution	Warner Bros. international distribution	Parallel global distribution offices in most major territories.

## Scripted TV studios

Both companies operate major scripted, unscripted, animation, and television-production businesses. The overlap is material across CBS Studios, Paramount Television Studios, Warner Bros. Television, HBO originals, Warner Bros. Unscripted, Discovery programming, Nickelodeon, Cartoon Network, and related production labels. Enterprise functions tied to development, business affairs, distribution, marketing, and studio management are more directly exposed to merger synergies. Production crews are exposed only if commissioning, renewals, season length, or local production capture decline.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<p>■ <b>DIRECT OVERLAP</b>  <b>Scripted TV Production Studio</b></p>	CBS Studios; Paramount Television Studios	Warner Bros. Television (WBTV); HBO original production	Both are major suppliers of scripted content to broadcast, cable, and streaming. Combined would be largest TV supplier.
<p>■ <b>DIRECT OVERLAP</b>  <b>Unscripted / Reality TV</b></p>	CBS Media Ventures (game shows, syndication); MTV Entertainment Studios	Warner Bros. Unscripted TV; Discovery content production; Warner Horizon	Discovery brings massive unscripted library (HGTV, Food Network, TLC originals). Paramount has MTV/VH1 unscripted.
<p>■ <b>DIRECT OVERLAP</b>  <b>Kids / Youth Animation Studio</b></p>	Nickelodeon Animation Studio; Nickelodeon Studios	Cartoon Network Studios; Warner Bros. Animation (series)	Direct overlap in children's animated series production. Both own iconic kids IP (SpongeBob vs. Looney Tunes, Scooby-Doo).
<p>■ <b>PARTIAL OVERLAP</b>  <b>Late Night / Talk / News Programming</b></p>	CBS News (60 Minutes, CBS Evening News, CBS Mornings); Entertainment Tonight	CNN; HLN (legacy); CNN Digital	CBS News and CNN are both major TV news operations. Different positioning (broadcast vs. cable) but overlapping functions.

# Streaming and direct-to-consumer

Paramount+ and HBO Max create direct overlap in streaming infrastructure, product management, technology, content operations, subscriber acquisition, analytics, ad-supported tiers, and customer operations. A combined platform could improve scale and reduce duplicated technology costs. It could also place technology, product, marketing, and operations roles under consolidation pressure. The local impact depends on where these teams are located and which functions are retained, integrated, outsourced, or automated.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<ul style="list-style-type: none"> <li>■ <b>DIRECT OVERLAP</b></li> </ul> <b>Premium Subscription Streaming (SVOD)</b>	Paramount+ (~79M global subscribers as of deal announcement)	Max / HBO Max (~128M global subscribers)	Core horizontal overlap. Combined ~200M+ global subs. US market shares: Paramount+ ~13%, HBO Max ~13%. Antitrust focus area.
<ul style="list-style-type: none"> <li>■ <b>UNIQUE</b></li> </ul> <b>Free Ad-Supported Streaming (FAST)</b>	Pluto TV (global FAST leader)	No direct equivalent at scale	Pluto TV is a differentiated asset; WBD lacks a comparable FAST platform. Complementary rather than duplicative.
<ul style="list-style-type: none"> <li>■ <b>DIRECT OVERLAP</b></li> </ul> <b>Streaming Technology / Platform</b>	Paramount Streaming tech stack	Max tech stack (built on HBO Max infrastructure)	Parallel engineering, product, UX, data/analytics, and ad-tech teams. Major cost synergy opportunity.

# Linear TV networks

Some assets are unique, including CBS broadcast and CNN. Others overlap more directly, including general entertainment cable, kids networks, ad sales, scheduling, programming operations, and network support functions. Because linear networks remain economically important while audience levels decline, management has an incentive to preserve cash generation while reducing duplicated infrastructure.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<ul style="list-style-type: none"> <li>■ <b>UNIQUE</b></li> </ul> <b>Broadcast Network</b>	CBS (owned-and-operated stations + affiliates)	None (CW was sold in 2022)	CBS is the #1 rated broadcast network. WBD exited broadcast. Unique Paramount asset with ~\$2B ad revenue.
<ul style="list-style-type: none"> <li>■ <b>DIRECT OVERLAP</b></li> </ul> <b>Cable Entertainment Networks</b>	MTV; Comedy Central; Paramount Network; TV Land; CMT; VH1; Logo	TNT; TBS; truTV; TLC; OWN (partial)	Significant overlap in general entertainment cable channels. Both portfolios face secular cord-cutting decline.
<ul style="list-style-type: none"> <li>■ <b>UNIQUE</b></li> </ul> <b>Cable News Networks</b>	None at scale	CNN; HLN	CNN is unique to WBD. No Paramount equivalent (CBS News is broadcast, not cable).
<ul style="list-style-type: none"> <li>■ <b>DIRECT OVERLAP</b></li> </ul> <b>Cable Kids Networks</b>	Nickelodeon; Nick Jr.; NickToons; TeenNick	Cartoon Network; Boomerang; Discovery Kids (intl)	Two of the three major kids cable brands (with Disney). Direct audience overlap.
<ul style="list-style-type: none"> <li>■ <b>COMPLEMENTARY</b></li> </ul> <b>Cable Factual / Lifestyle Networks</b>	Smithsonian Channel (JV)	Discovery Channel; Animal Planet; Science Channel; HGTV; Food Network; TLC; Investigation...	WBD's factual/lifestyle portfolio is vastly larger. Paramount has minimal presence here. Complementary.
<ul style="list-style-type: none"> <li>■ <b>PARTIAL OVERLAP</b></li> </ul> <b>Sports Networks / Rights</b>	CBS Sports (NFL, NCAA, golf, soccer); Paramount+ sports	TNT Sports (NBA through 2024-25; NHL; NCAA; AEW wrestling); Bleacher Report	Both hold major sports rights. NBA rights shifting. Combined entity gains negotiating leverage but also cost exposure.
<ul style="list-style-type: none"> <li>■ <b>PARTIAL OVERLAP</b></li> </ul> <b>International Free-to-Air / Pay-TV</b>	Channel 5 (UK); Network 10 (Australia); Telefe (Argentina); Chilevisión; international...	Eurosport; Discovery international channels; HBO international; TNT Sports (intl)...	Both have international linear TV footprints. Some territory overlap, but portfolios are largely complementary by genre.

# Content libraries and IP

Paramount and Warner Bros. Discovery both hold large film, television, and franchise libraries. A combined library could improve streaming retention, licensing revenue, franchise development, and bargaining power with distributors and advertisers.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<ul style="list-style-type: none"> <li>■ BOTH HOLD SCALE</li> </ul> <b>Film Library</b>	Paramount Pictures library (Godfather, Top Gun, Indiana Jones, Transformers, Mission:...	Warner Bros. library (Harry Potter, DC, Lord of the Rings, Batman, Matrix, etc.); HBO Films...	Combined library would be among the largest in the industry. Major value for streaming content supply and licensing revenue.
<ul style="list-style-type: none"> <li>■ BOTH HOLD SCALE</li> </ul> <b>TV Library</b>	CBS library (NCIS, CSI, Star Trek, etc.); MTV/VH1/BET libraries; Nickelodeon library	HBO library (Sopranos, Game of Thrones, etc.); WBTV library (Friends, Big Bang Theory...	Enormous combined TV library across prestige (HBO), procedural (CBS), kids (Nick), and unscripted (Discovery).
<ul style="list-style-type: none"> <li>■ BOTH HOLD SCALE</li> </ul> <b>Franchise / Character IP</b>	SpongeBob; Dora; PAW Patrol; Teenage Mutant Ninja Turtles; Star Trek; Mission: Impossible...	DC Comics (Batman, Superman, Wonder Woman); Harry Potter/Wizarding World; Looney Tunes...	Combined franchise portfolio spans kids, action, sci-fi, fantasy, and prestige. DC alone is a differentiated asset.

# Real estate and production facilities

The combined company would control major studio and office assets in Los Angeles County, including the Paramount lot and Warner Bros. Burbank facilities. Management has said it does not intend to sell either lot, which suggests these assets remain strategic. The more likely local risk is not immediate studio-lot disposition. It is rationalization of leased office space, facilities support, production services, real estate management, and duplicated overhead.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<ul style="list-style-type: none"> <li>■ <b>DIRECT OVERLAP</b></li> </ul> <b>Primary Studio Lot (LA)</b>	Paramount Studios lot, 65 acres, Melrose Ave, Hollywood	Warner Bros. Studios, Burbank main lot (~140 acres incl. Ranch)	Two of the last major studio lots in LA. Combined ~12M sq ft of real estate. Both have soundstages, backlots, post-production.
<ul style="list-style-type: none"> <li>■ <b>DIRECT OVERLAP</b></li> </ul> <b>Additional Soundstages / Facilities</b>	Paramount owns 14 properties totaling ~2.1M sq ft (per CoStar)	Warner Bros. owns 14 properties totaling ~9.5M sq ft globally; Leavesden Studios (UK)...	Major real estate duplication. Both have ~30+ soundstages. Consolidation could reduce costs but affect local employment.
<ul style="list-style-type: none"> <li>■ <b>UNIQUE</b></li> </ul> <b>Prominent NYC Properties</b>	Ed Sullivan Theater (Broadway); CBS Broadcast Center (524 W 57th St); 1515 Broadway offices	None of comparable scale in NYC	Paramount holds iconic NYC broadcast/office real estate. CBS Broadcast Center and Ed Sullivan Theater are distinctive assets.
<ul style="list-style-type: none"> <li>■ <b>COMPLEMENTARY</b></li> </ul> <b>International Production Facilities</b>	Limited owned international facilities	Leavesden Studios (UK, ~1.5M sq ft, Harry Potter home); international offices	WBD's Leavesden is a world-class facility. Paramount relies more on third-party international stages.

# Advertising sales, distribution, and licensing

The companies operate overlapping national ad sales, streaming ad sales, home entertainment, domestic licensing, international licensing, and theatrical distribution functions. These are enterprise and commercial operations, not project-based production roles. Because they are duplicated across the two companies, they are likely to be scrutinized early in integration planning.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
■ <b>DIRECT OVERLAP</b> <b>Linear TV Ad Sales</b>	Paramount Advertising (CBS, MTV, Nickelodeon, Comedy Central, etc.)	Warner Bros. Discovery Ad Sales (CNN, TNT, TBS, Discovery networks, etc.)	Both operate full-scale national ad sales organizations selling linear inventory. Clear consolidation target.
■ <b>DIRECT OVERLAP</b> <b>Digital / Streaming Ad Sales</b>	Paramount+ ad tier; Pluto TV ad sales; EyeQ (Paramount digital ad platform)	Max ad tier; Discovery digital	Parallel digital/CTV ad sales teams and tech platforms. Combined would create larger ad inventory pool.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
■ <b>DIRECT OVERLAP</b> <b>Home Entertainment (Physical/Digital)</b>	Paramount Home Entertainment	Warner Bros. Home Entertainment	Both distribute physical media (Blu-ray/DVD) and digital sell-through. Declining business but still generates revenue.
■ <b>DIRECT OVERLAP</b> <b>TV Content Licensing (Domestic)</b>	CBS Media Ventures; Paramount domestic TV distribution	Warner Bros. Domestic Television Distribution	Both license TV content to third parties. Combined entity gains pricing leverage but may face antitrust scrutiny.
■ <b>DIRECT OVERLAP</b> <b>TV Content Licensing (International)</b>	Paramount international TV distribution	Warner Bros. International Television Distribution	Parallel international content sales offices in major markets.
■ <b>DIRECT OVERLAP</b> <b>Theatrical Distribution</b>	Paramount theatrical distribution	Warner Bros. theatrical distribution	Redundant global theatrical distribution infrastructure.

# Consumer products and experiences

Consumer-products overlap is real, but it is less central to Los Angeles County workforce exposure. Both companies operate global consumer-products and licensing businesses tied to major character and franchise IP. The combined portfolio could create growth opportunities in licensing, merchandise, games, and location-based entertainment.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<b>■ DIRECT OVERLAP</b> <b>Consumer Products / Licensing</b>	Paramount Consumer Products (SpongeBob, PAW Patrol, TMNT, Star Trek merch)	Warner Bros. Consumer Products (DC, Harry Potter, Looney Tunes merch)	Both run global licensing operations for character merchandise, apparel, toys, publishing.
<b>■ PARTIAL OVERLAP</b> <b>Theme Parks / Location-Based</b>	Paramount licensing deals for international parks (limited)	Warner Bros. World Abu Dhabi; WB Studio Tours (London, Hollywood); DC Universe experiences	WBD has more developed location-based entertainment. Combined IP portfolio could expand theme park opportunities.
<b>■ COMPLEMENTARY</b> <b>Gaming / Interactive</b>	Limited gaming presence	WB Games (Hogwarts Legacy, Mortal Kombat, Gotham Knights, MultiVersus)	WB Games is a significant interactive entertainment division. Paramount has minimal comparable gaming operations.

# Support functions

Both companies maintain full corporate and business-unit support functions, including leadership, finance, accounting, legal, business affairs, technology, HR, communications, marketing, planning, and strategy. These functions are standard targets for merger integration because a combined entity does not require every role in duplicate.

BUSINESS LINE	PARAMOUNT SKYDANCE	WARNER BROS. DISCOVERY	MERGER IMPLICATION
<b>■ DIRECT OVERLAP</b> <b>C-Suite / Executive Leadership</b>	CEO, CFO, CLO, CTO, CHRO, etc.	CEO, CFO, CLO, CTO, CHRO, etc.	Full duplication of senior executive roles. Major leadership consolidation required.
<b>■ DIRECT OVERLAP</b> <b>Finance / Accounting</b>	Paramount finance, FP&A, accounting, tax, treasury	WBD finance, FP&A, accounting, tax, treasury	Complete functional overlap. Standard merger synergy target.
<b>■ DIRECT OVERLAP</b> <b>Legal / Business Affairs</b>	Paramount legal, business affairs, rights management	WBD legal, business affairs, rights management	Duplicated legal departments, business affairs teams, contract management.
<b>■ DIRECT OVERLAP</b> <b>Technology / IT</b>	Paramount Technology (enterprise IT, content tech, streaming tech)	WBD Technology (enterprise IT, content tech, Max tech stack)	Parallel IT infrastructure, cybersecurity, enterprise systems, content management platforms.
<b>■ DIRECT OVERLAP</b> <b>Human Resources</b>	Paramount HR, talent acquisition, L&D	WBD HR, talent acquisition, L&D	Standard corporate function duplication.
<b>■ DIRECT OVERLAP</b> <b>Communications / PR</b>	Paramount corporate communications, publicity	WBD corporate communications, publicity	Duplicated corporate PR, film/TV publicity, crisis communications teams.
<b>■ DIRECT OVERLAP</b> <b>Marketing (Corporate &amp; Brand)</b>	Paramount marketing, media planning, creative services	WBD marketing, media planning, creative services	Parallel marketing organizations at both corporate and business-unit levels.

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# 03 Market performance and revenue pressure



## Consumer demand remains significant, but the business model has shifted

The proposed transaction is occurring during a structural transition in filmed entertainment.

Streaming has changed how audiences consume content. Linear television audiences continue to decline. Theatrical releases remain important but operate in a more constrained post-pandemic market.

These conditions help explain why scale and operational efficiency have become central to media-company strategy.

## A combined streaming platform would gain scale, but scale alone does not resolve profitability pressure

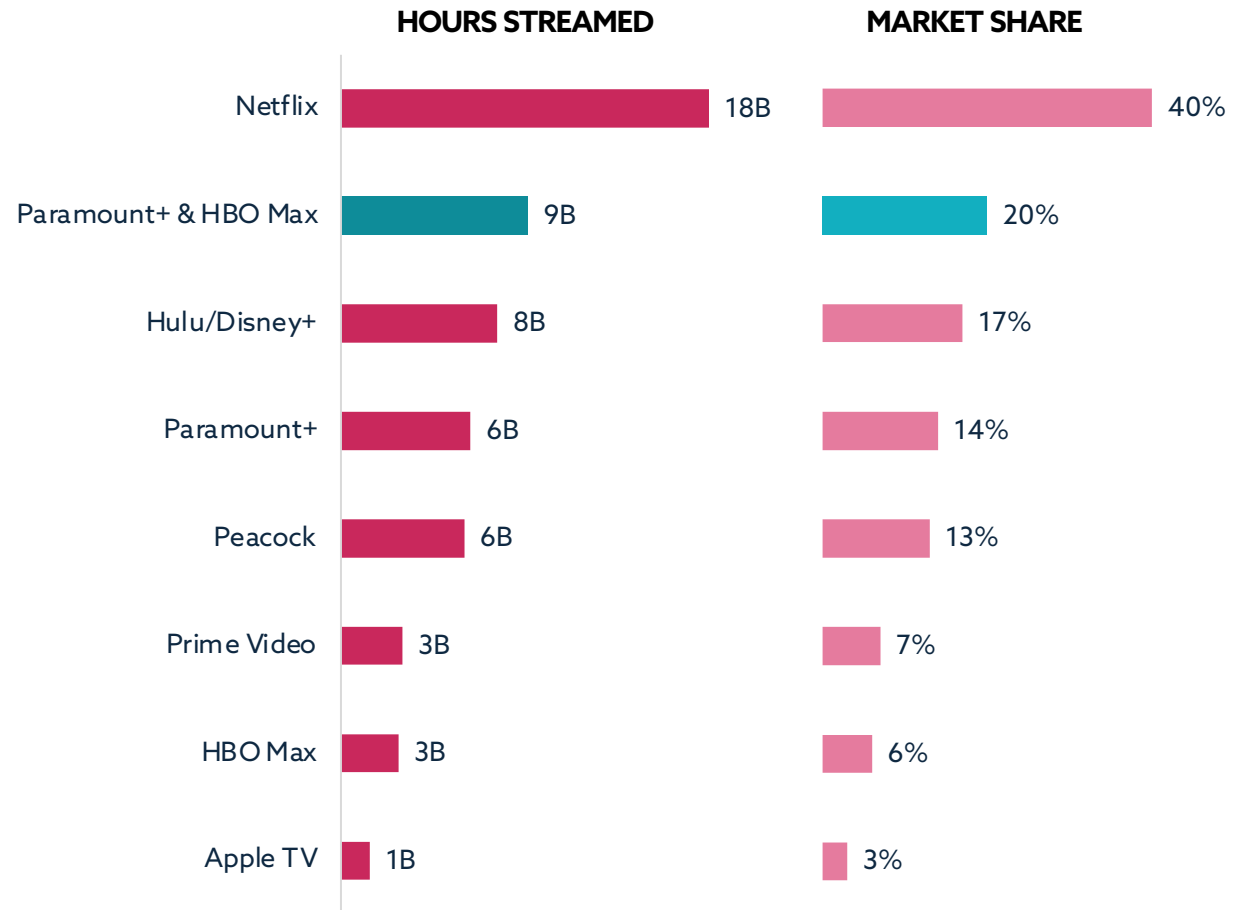
The rapid growth of subscription streaming services has fundamentally reshaped the media landscape over the past decade. As consumers continue to shift viewing away from traditional cable television and toward direct-to-consumer platforms, streaming providers have increasingly sought scale to support content investment, attract audiences, and compete in an increasingly crowded marketplace.

For both Paramount Global and Warner Bros. Discovery, streaming has become a central strategic priority. Paramount+ and HBO Max have each established sizeable subscriber bases and extensive content libraries, but neither platform individually approaches the scale of Netflix, which remains the industry's dominant streaming service. Together, however, the combined companies would control one of the largest streaming ecosystems in the market.

Recent viewing data indicate that a combined Paramount-Warner Bros. Discovery platform would command a substantial share of streaming engagement when accounting for both original streaming content and legacy television programming available through each company's direct-to-consumer services. Combined viewing data suggest that a Paramount-WBD streaming platform would represent roughly one-fifth of measured U.S. streaming engagement among the platforms shown.

This scale argument has been a central theme advanced by merger proponents. Rather than operating two separate streaming businesses with overlapping infrastructure and content investments, a combined company could leverage a larger content library, broader audience reach, and greater operating efficiencies. In theory, this may strengthen the company's ability to compete for viewers, advertisers, and future content investments.

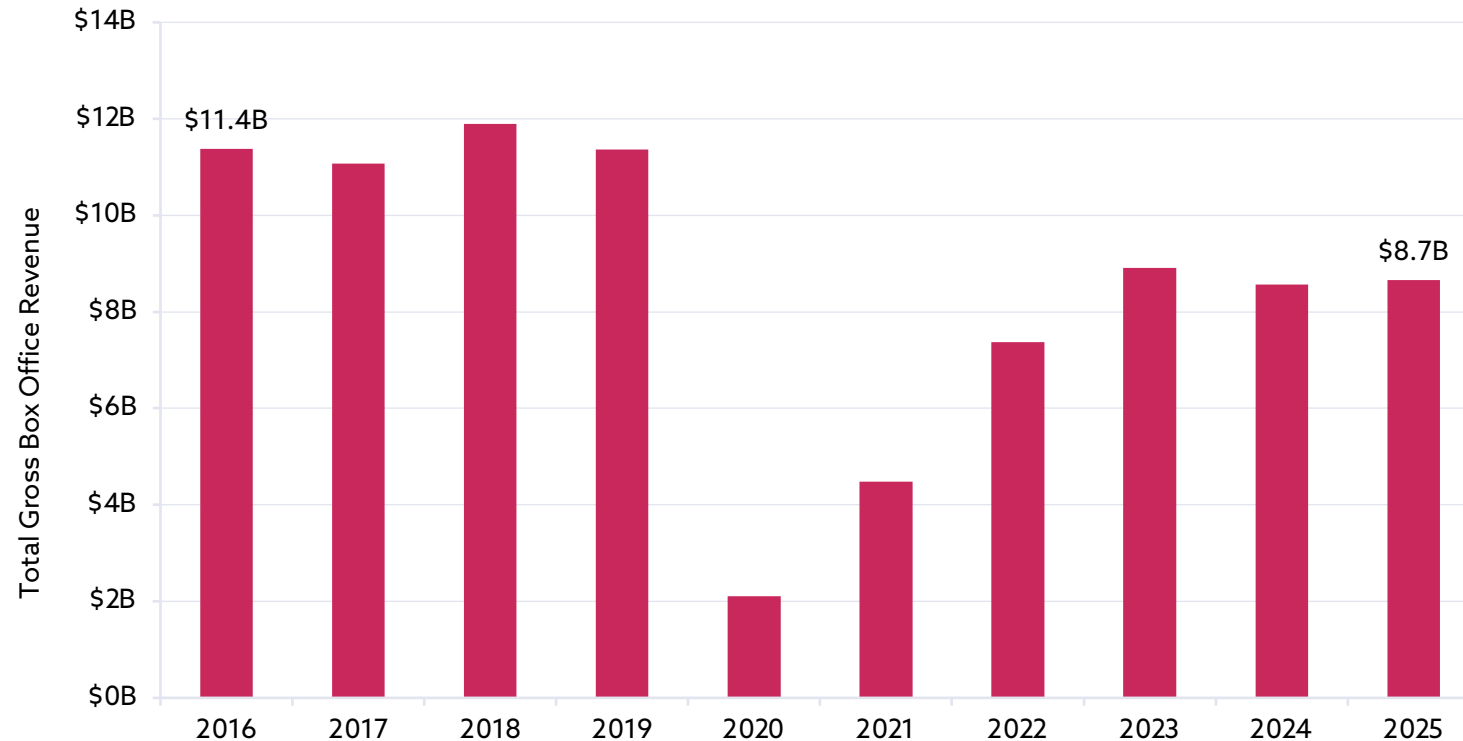
PLATFORM SHARE OF U.S. STREAMING FOR SVOD AND LINEAR NETWORK ORIGINALS 2025



Source: Luminate, CVL Economics.

# The box office has recovered from pandemic lows, but remains below the pre-2020 baseline

TOTAL GROSS DOMESTIC BOX OFFICE REVENUE  
2016 - 2025



Source: Box Office Mojo, CVL Economics.

The theatrical film market remains an important component of the entertainment industry despite significant changes in consumer viewing behavior over the past decade. While streaming platforms have become increasingly central to content distribution strategies, theatrical releases continue to serve as major revenue-generating events and play a critical role in franchise development, audience engagement, and broader content ecosystems.

Domestic box office revenues have stabilized at levels below pre-pandemic highs, reflecting a theatrical market that remains economically significant but operates within a more constrained environment than existed prior to 2020. Although theatrical exhibition has faced substantial disruption from shifting consumer preferences and the growth of direct-to-consumer streaming platforms, the market has demonstrated continued demand for major studio releases, particularly franchise and event-driven films.

This creates a narrower theatrical market: still valuable, but less forgiving of underperforming slates.

## Management has committed publicly to substantial theatrical output

Paramount Skydance leadership has stated that, after the merger, the company would produce at least 30 films annually across the two studios.

That commitment matters for Los Angeles County because theatrical output can support high-value production, post-production, vendor, and union labor demand.

The commitment is not the same as a local production guarantee.

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**David Ellison:**

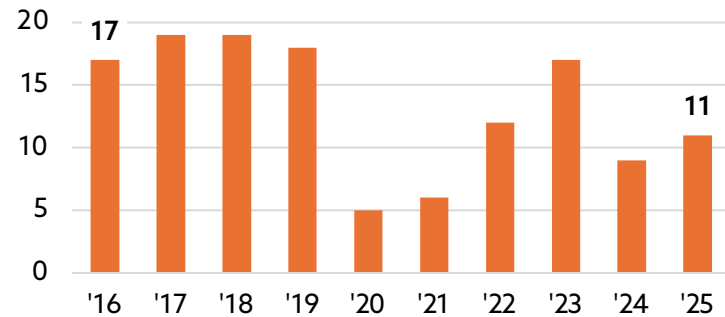
I want to look each and every one of you in the eye and assure you that once we merge with Warner Bros., we will produce at least 30 films across both studios each year.

David Ellison, remarks at CinemaCon, Las Vegas, quoted in "Ellison Pledges at Least 30 Paramount-Warner Movies a Year," New York Times, April 16, 2026.

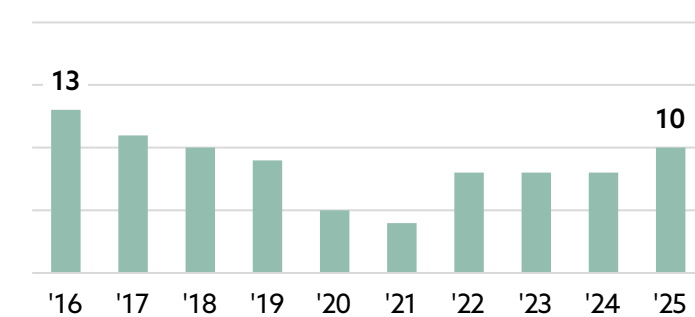
# Recent release patterns support continued theatrical activity, but not necessarily local production

NUMBER OF WIDE THEATRICAL RELEASES  
2016 - 2025

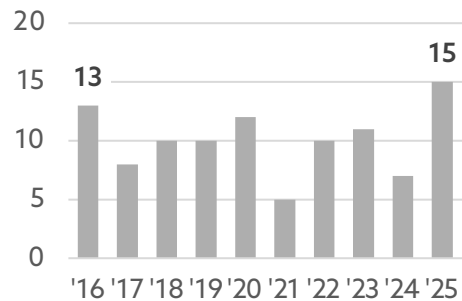
## WARNER BROS.



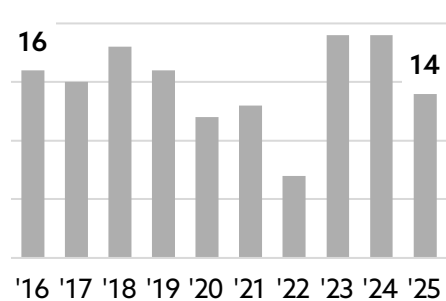
## PARAMOUNT



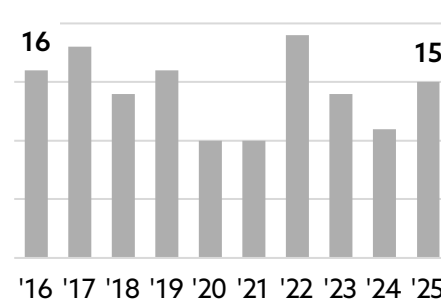
## DISNEY



## SONY



## UNIVERSAL



Consistent with these broader trends, major studios have maintained active theatrical release schedules in recent years.

Warner Bros. Discovery and Paramount continue to release approximately 10 to 11 wide theatrical films annually, while Disney, Universal, and Sony have similarly sustained relatively consistent release volumes.








This supports the view that theatrical distribution remains strategically important. It does not, by itself, indicate how much work will be produced in Los Angeles County.

Source: Luminate, CVL Economics.

# Future release calendars indicate intent, not certainty

Current release calendars show substantial studio commitments through 2028. Warner Bros. has the largest number of dated future releases in the table, while Paramount shows a meaningful near-term slate that thins after 2028. Release calendars are useful directional evidence, but they change frequently as studios adjust strategy, production timelines, and market conditions.

## Count of dated films per major studio, by release year

STUDIO	2026	2027	2028	2029	TOTAL	
Warner Bros.	10	21	9	1	41	
Universal	16	12	7	2	37	
Disney	10	10	7	6	33	
Sony	16	8	5	0	29	
Paramount	12	9	4	0	25	
Amazon MGM	7	4	0	0	11	
Lionsgate	6	4	1	0	11	

Majors only, films dated 2026-2029. Many slots are still untitled placeholders (e.g. "Untitled Marvel").

## WHAT THE CALENDAR TELLS US

- Warner Bros.** Stakes the most future dates of any studio — 41 titles — front-loaded into 2027 (21) as it rebuilds its DC and event slate, with dated slots stretching to *Dune: Part Three* and beyond.
- Paramount.** Commits heavily near-term, with 25 titles led by 12 in 2026, but its dated slate thins each year and goes dark after 2028.

## Major releases do not necessarily translate into California production spending

While theatrical releases represent a relatively small share of total content output, they account for a disproportionate share of production spending and workforce activity. Major studio films typically involve large crews, extensive vendor networks, significant post-production requirements, and substantial participation from unionized workers across multiple occupations.

From a workforce perspective, the location and scale of production activity may be more consequential than the number of titles released. This distinction is particularly relevant for Los Angeles County, where many of the occupations most directly tied to film production—including production crews, crafts, post-production specialists, and support services—have historically depended on large-scale studio projects.

Of the nineteen Paramount and Warner Bros. theatrical releases in 2025 reviewed, only one film (*One Battle After Another*) was principally filmed in California (in Eureka), while the remainder were produced across a range of domestic and international locations including Georgia, Louisiana, Ohio, New York, Canada, the United Kingdom, Norway, Bulgaria, New Zealand, France, and South Africa. While *The SpongeBob Movie: Search for SquarePants* included voice recording work in Burbank, animation took place in the Montreal studio. Even projects associated with California-based studios frequently utilized production incentives and lower-cost production environments outside the state.

This distinction is important when evaluating the potential workforce implications of industry consolidation. While theatrical films continue to represent significant production investments, the economic benefits associated with those projects do not necessarily accrue to Los Angeles County. The production patterns observed in the 2025 release slate suggest that much of the direct production spending associated with major theatrical releases is already occurring outside the region, reflecting broader industry trends toward geographically dispersed production.

### PRINCIPAL PRODUCTION LOCATIONS OF THEATRICAL RELEASES 2025

	TITLE	PRINCIPAL PRODUCTION LOCATION(S)
PARAMOUNT	Regretting You	Georgia (USA)
	Alma and the Wolf	Oregon (USA)
	Vicious	Canada
	Novocaine	South Africa
	The Naked Gun	Georgia (USA)
	Smurfs	France, UK, Louisiana (USA)
	The SpongeBob Movie: Search for SquarePants	Canada, Los Angeles, California (USA)
	The Running Man	Bulgaria
	Mission: Impossible – The Final Reckoning	Norway
	Sinners	Louisiana (USA)
WARNER BROS.	One Battle After Another	Eureka, California (USA)
	Companion	New York (USA)
	Weapons	Georgia (USA)
	Superman	Ohio (USA)
	The Conjuring: Last Rites	UK
	The Alto Knights	Ohio (USA)
	Mickey 17	UK
	Final Destination: Bloodlines	Canada
	A Minecraft Movie	New Zealand

Source: Luminate, CVL Economics.

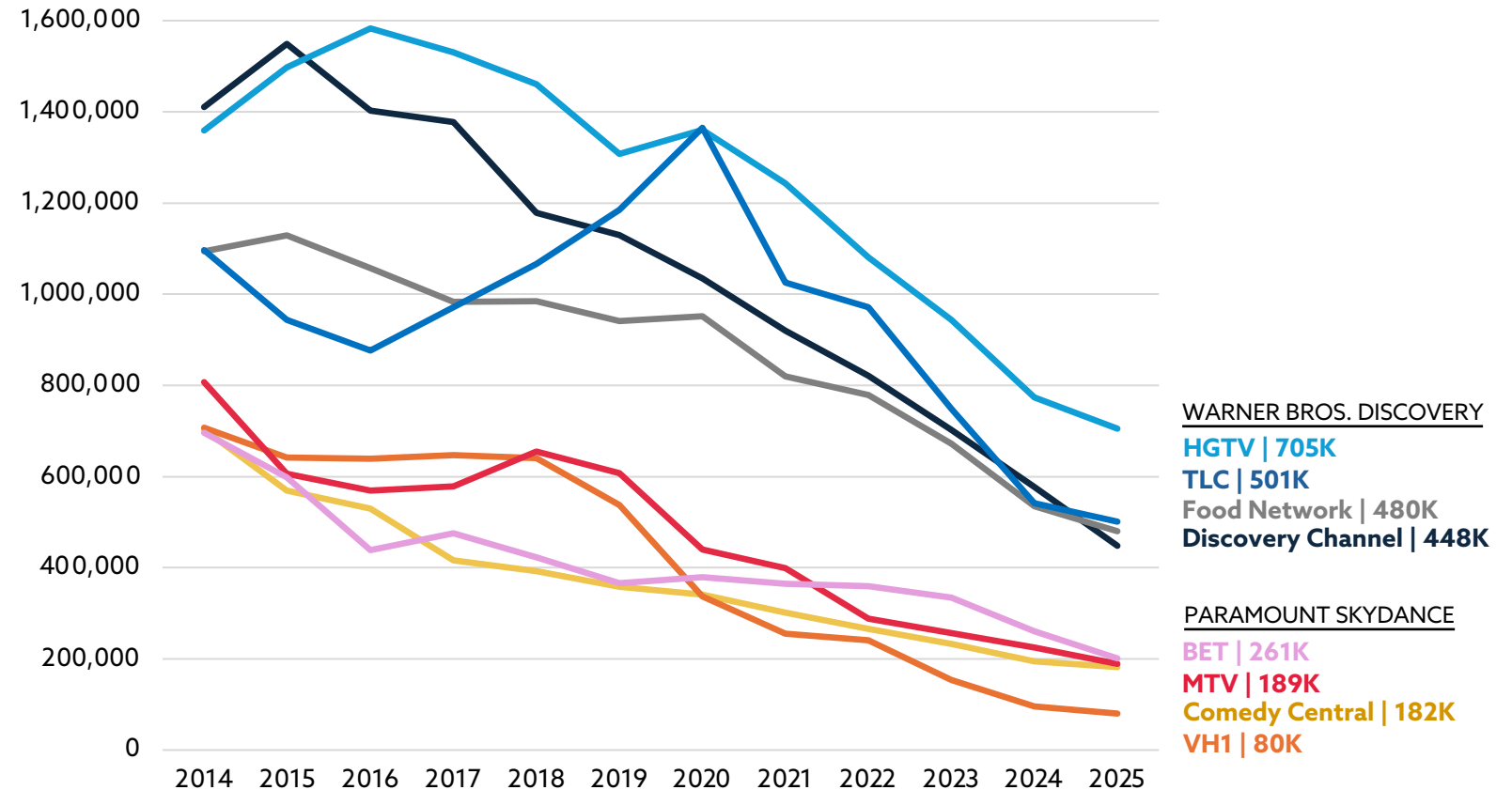
## Cable audiences have declined sharply across both companies' legacy networks

While streaming services and theatrical releases often receive the greatest public attention, they represent only part of the entertainment ecosystem. Much of the industry's historical economic foundation has been built on television networks, which for decades served as major sources of audience reach, advertising revenue, and content commissioning. As consumer viewing habits have shifted toward streaming platforms, however, traditional television networks have experienced sustained audience declines, creating new challenges for media companies navigating the transition between legacy and emerging business models.

Several major cable networks owned by Paramount and Warner Bros. Discovery have lost substantial average viewership since 2014. Warner Bros. Discovery's HGTV, TLC, Food Network, and Discovery Channel all experienced meaningful declines over the period, while Paramount-owned networks including BET, MTV, Comedy Central, and VH1 saw even steeper viewership declines. By 2025, average viewership for several formerly prominent cable brands had fallen to a fraction of their historical levels.

This matters because linear television remains a major revenue source even as audiences migrate toward streaming and on-demand platforms.

TOTAL VIEWERS BY NETWORK



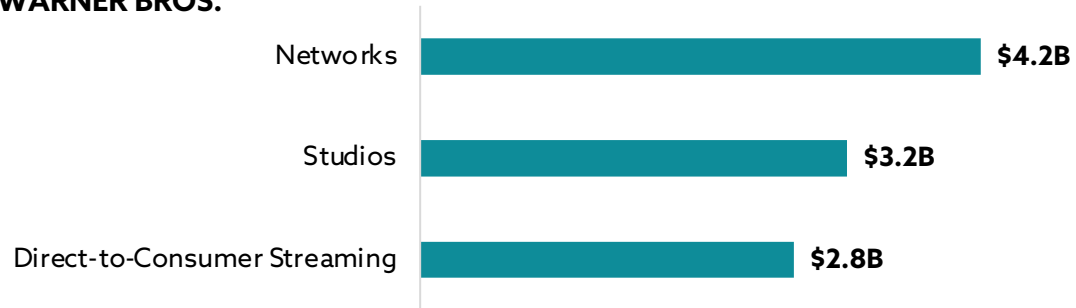
Source: Nielsen, Variety, CVL Economics.

# Linear television still funds the business even as its audience base declines

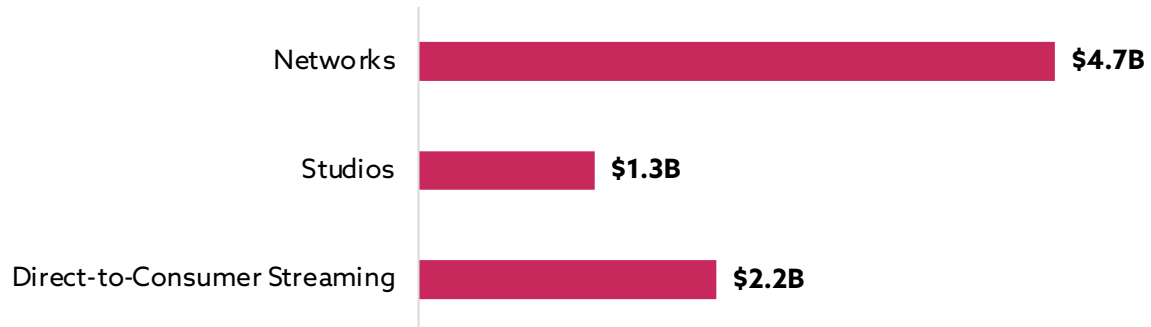
## INCOME STATEMENTS

Q4 2025

### WARNER BROS.



### PARAMOUNT



Despite declining viewership, linear television remains a major revenue source for both companies. The revenue composition of both companies illustrates the transitional state of the media industry. At Warner Bros. Discovery, Networks remains the company's largest business segment, generating approximately \$4.2 billion in quarterly revenue, compared to \$3.2 billion from Studios and \$2.8 billion from Streaming. Similarly, Paramount's TV Media segment generated approximately \$4.7 billion in quarterly revenue, exceeding both its Direct-to-Consumer (\$2.2 billion) and Filmed Entertainment (\$1.3 billion) segments.

These revenue distributions highlight an important industry dynamic: despite years of investment in streaming services, traditional television businesses continue to represent a significant share of revenue.

At the same time, the audience trends presented in the previous section demonstrate that these businesses are facing structural headwinds. Across both companies, many flagship cable networks have experienced sustained declines in viewership as consumers increasingly migrate toward on-demand and streaming alternatives. This creates a difficult balancing act for media companies. While streaming businesses continue to grow, they have not yet fully replaced the revenue historically generated by cable and broadcast television.

Both companies are navigating a period in which growth opportunities in streaming and direct-to-consumer distribution must be pursued alongside the management of declining legacy television assets. The combination of slowing linear audiences, evolving advertising markets, and the ongoing need to fund premium content production has contributed to increased pressure on media companies to improve operational efficiency, consolidate business units, and seek greater scale across their content portfolios.

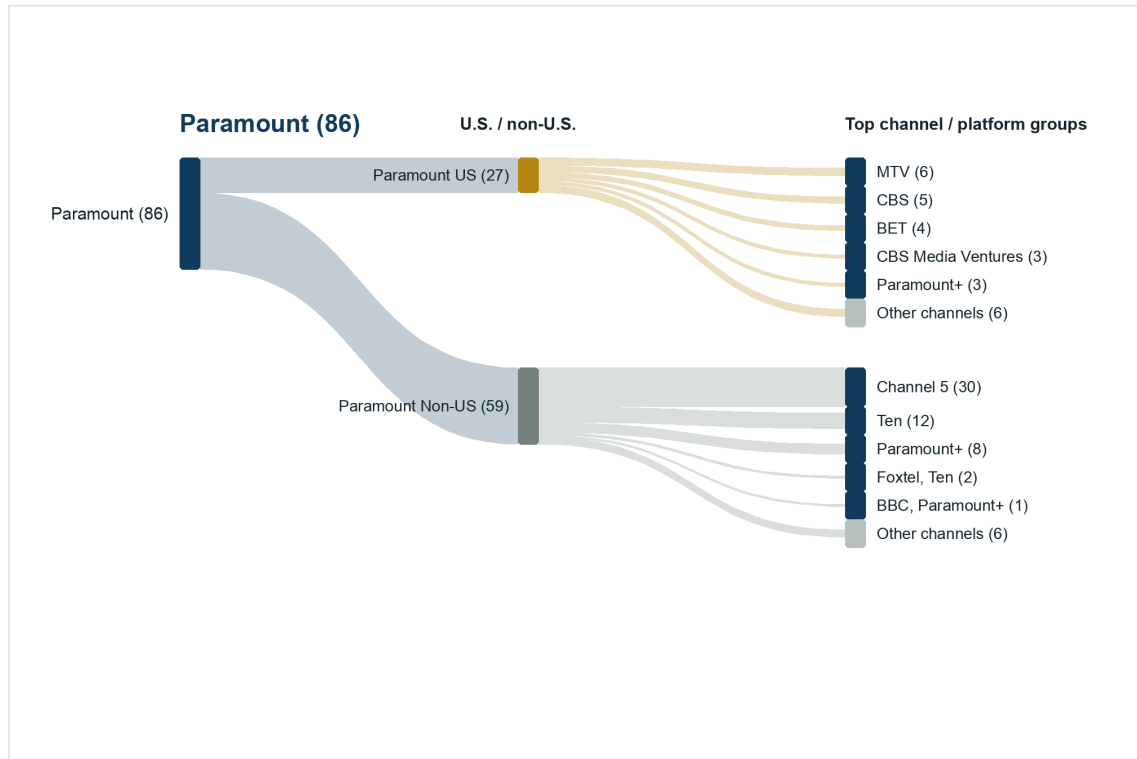
Source: Q4 2025 Income Statements, CVL Economics.

# Reality commissioning is much larger at WBD and geographically distributed

Reality commissioning differs materially across the two companies. The analysis identifies 86 Paramount reality commissions, including 27 U.S. and 59 non-U.S. commissions, and 429 WBD reality commissions, including 182 U.S. and 247 non-U.S. commissions and establishes the universe for the production-geography analysis that follows.

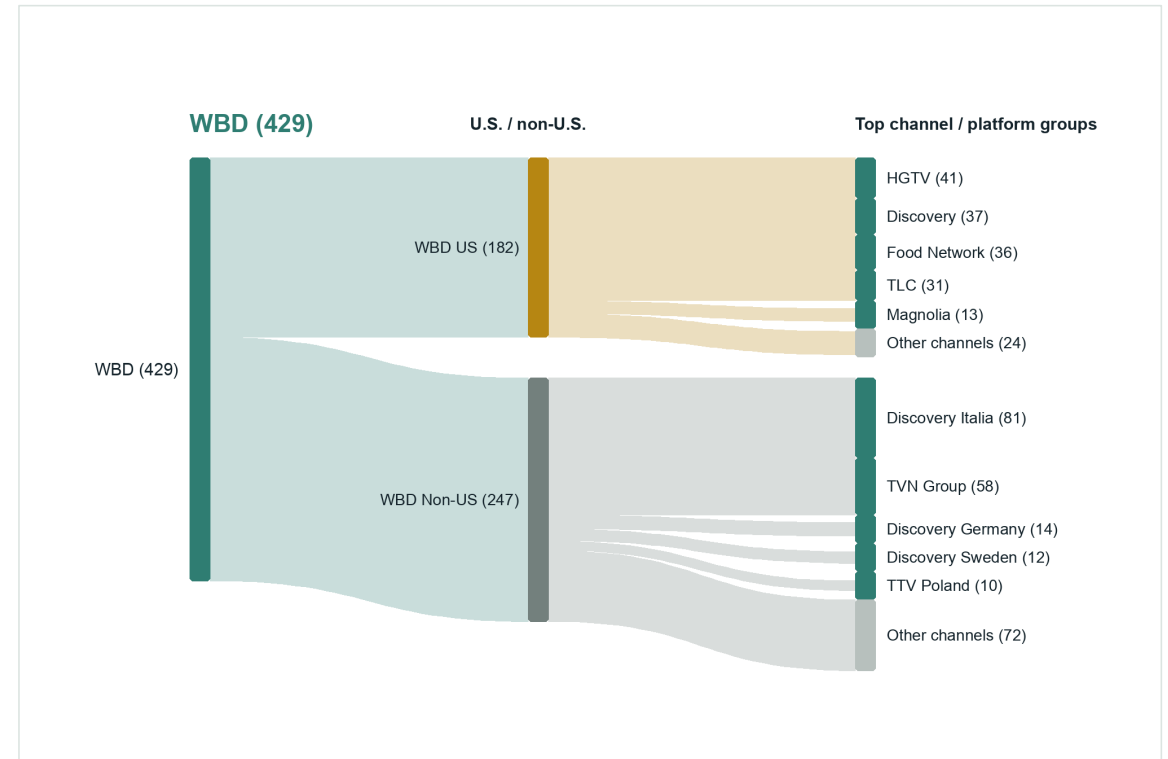
## Paramount reality universe

86 commissions | 27 U.S. / 59 non-U.S.



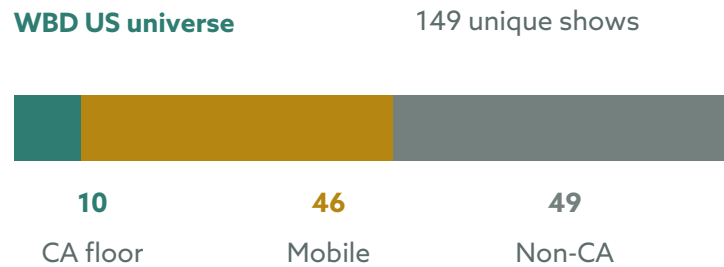
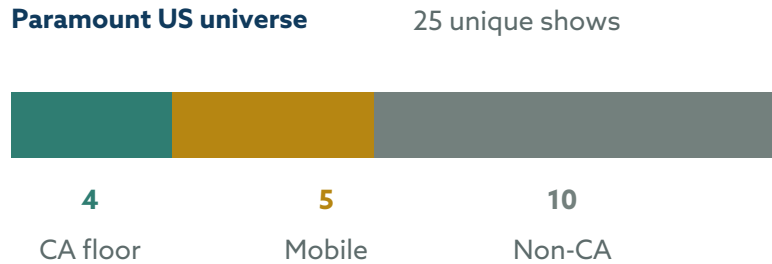
## WBD reality universe

429 commissions | 182 U.S. / 247 non-U.S.



# California captures some reality activity, but much is mobile or outside California

For Paramount, 4 of 25 unique U.S. shows are confirmed California. For WBD, 10 of 149 unique U.S. rows are confirmed California, with a large number mobile.



## Paramount: Outside California

SHOW	NET	ANCHOR
Survivor	CBS	Fiji
The Challenge	MTV	Santiago, Chile
Love & Hip Hop: Atlanta	MTV	Atlanta, Georgia, USA
Love & Hip Hop: Miami	BET	Miami / South Florida
Chopper Cops	Paramount+	Marion County, FL

## WBD: Outside California

SHOW	NET	ANCHOR
Chef Swap at the Beach	Cooking Channel	Myrtle Beach, SC
Wardens of the North	Animal Planet	Michigan, USA
Gold Rush	Discovery	Yukon / Alaska
Moonshiners	Discovery	Appalachia
Home Town	HGTV	Laurel, MS
Fixer to Fabulous	HGTV	Bentonville, AR
Renovation Aloha	HGTV	Oahu, HI

# Audience growth does not automatically translate into Los Angeles County production growth

## Evolving Consumer Viewing Preferences

Consumer viewing habits have changed significantly over the past decade as audiences increasingly favor on-demand streaming services over traditional linear television. While theatrical releases remain an important part of the entertainment ecosystem, streaming platforms have become the primary means through which many consumers discover and consume content. As a result, media companies are increasingly adapting their business models to align with changing consumer preferences and viewing behaviors.

## Competition Beyond Traditional Media

The competitive landscape for entertainment companies has expanded beyond traditional film studios and television networks. Consumers increasingly divide their time among streaming services, social media platforms, gaming, user-generated content, and other digital entertainment options. This broader competition for audience attention has intensified pressure on media companies to maximize the value of existing content libraries, invest selectively in new programming, and identify more efficient operating models.

## Scale as a Competitive Necessity

As audiences become fragmented across a growing number of streaming services, scale has emerged as a critical competitive advantage. Large subscriber bases, expansive content libraries, and globally recognized intellectual property help companies attract and retain audiences in an increasingly crowded marketplace. Within this context, the proposed combination of Paramount and Warner Bros. Discovery can be viewed as part of a broader industry effort to build the scale necessary to compete with larger streaming platforms and meet evolving consumer expectations.

## Implications for Los Angeles County

While consumer demand for content remains strong, growth in audience engagement does not necessarily translate into increased production activity within Los Angeles County. As discussed throughout this report, production location decisions are increasingly influenced by factors such as labor costs, tax incentives, production infrastructure, and international competitiveness. Consequently, even as streaming platforms expand and consumer demand evolves, the economic benefits associated with content production may continue to accrue outside the region unless underlying cost and competitiveness challenges are addressed.

The local implication is clear: Los Angeles County must compete for production capture, not just rely on studio headquarters and historic industry concentration.

## Future investment depends on both output volume and local capture

The combined company may maintain substantial content investment if streaming growth, theatrical performance, and synergy capture meet management expectations.

Local impact will depend on a second condition: whether that investment is converted into Los Angeles County production, post-production, vendor spending, and enterprise employment.

For policy purposes, the relevant indicators are greenlights, renewals, season length, production location, tax-credit use, local vendor spending, and facility utilization.

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# 04 Commissioning and production geography



# Commissioning trends are the leading indicator of project-based workforce demand

Consumer and revenue trends have translated into meaningful changes in how media companies commission, produce, and distribute content. As the industry has shifted from a period of rapid streaming expansion toward greater emphasis on profitability and operational efficiency, content investment strategies have evolved across both Paramount and Warner Bros. Discovery.

This section examines how those broader market dynamics are reflected in commissioning activity, production portfolios, and production location decisions. Particular attention is given to trends in scripted television, unscripted programming, feature films, and platform-specific commissioning activity, as well as the geographic distribution of production and the competitive factors influencing location decisions.

If the Paramount-WBD deal closes, the industry will have four major studios (Disney, Universal, Paramount-WBD, Sony) plus three tech-backed streamers (Netflix, Amazon, Apple) and a handful of smaller entities (Lionsgate, A24). The net number of truly independent commissioning entities is arguably lower than in 2005, despite the streaming revolution.

Understanding these trends is important because commissioning activity serves as a leading indicator of future production volume and workforce demand. While the proposed acquisition has generated significant attention, many of the changes affecting production activity were already underway. Consequently, assessing potential impacts requires distinguishing between acquisition-related effects and broader structural shifts occurring across the entertainment industry.

The central distinction is important: some production changes are merger-related, while others reflect broader structural shifts already underway.

## Commissioning has fallen from streaming-boom peaks at both companies

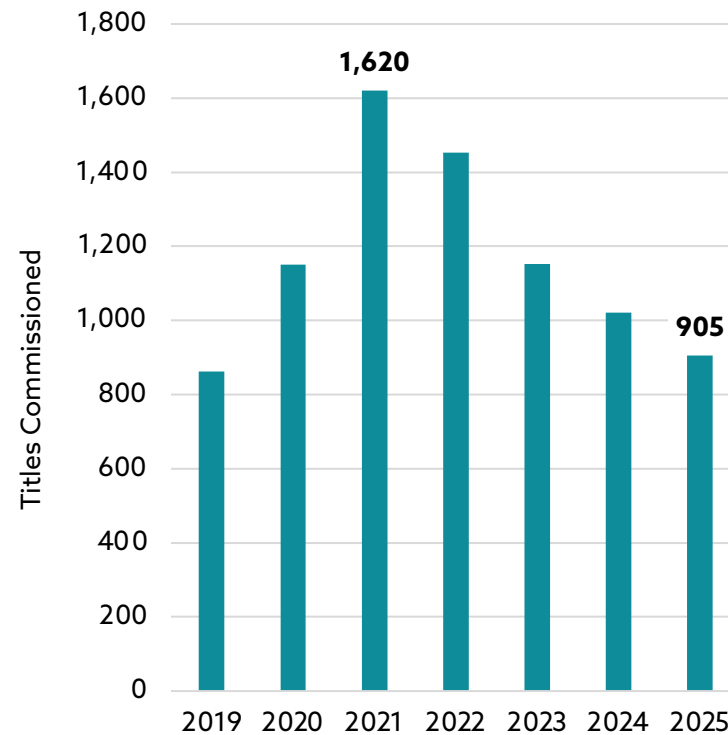
The years leading up to the proposed Paramount-Skydance and Warner Bros. Discovery transaction were marked by significant shifts in content commissioning activity across the media industry. Following a period of rapid expansion driven by the streaming boom, both companies have experienced a notable pullback in the number of projects entering the production pipeline.

Warner Bros. Discovery increased annual commissioning volume from approximately 850 titles in 2019 to a peak of 1,620 titles in 2021. Since then, commissioning activity has steadily declined, reaching 905 titles in 2025. Paramount experienced a similar pattern, growing from approximately 540 titles in 2019 to a peak of more than 850 titles in 2022 before declining to 508 titles in 2025.

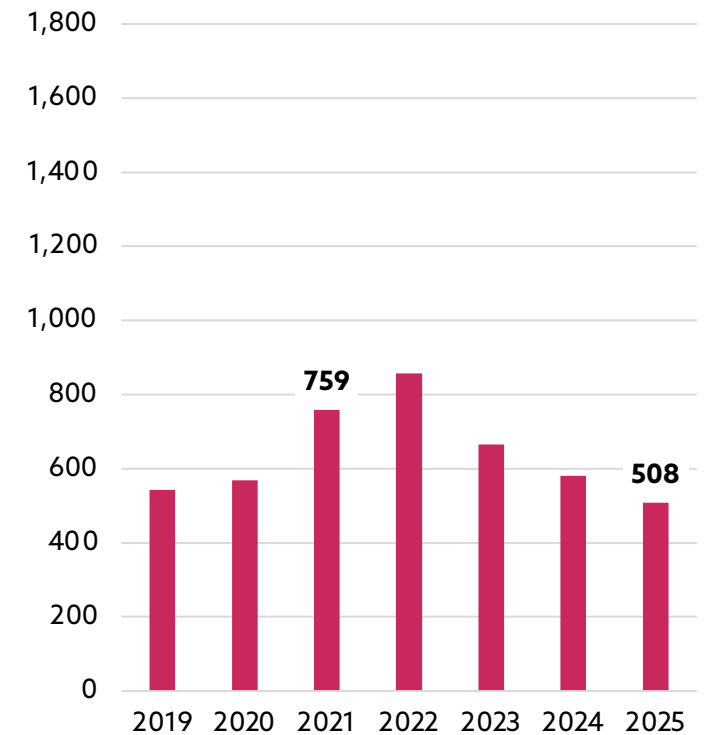
These trends suggest that the contraction in commissioning activity reflects broader changes occurring throughout the entertainment industry.

GLOBAL TITLES COMMISSIONED  
2019 - 2025

### WARNER BROS.



### PARAMOUNT



Source: Ampere Analysis, CVL Economics.

# Scripted television has absorbed the steepest commissioning pullback

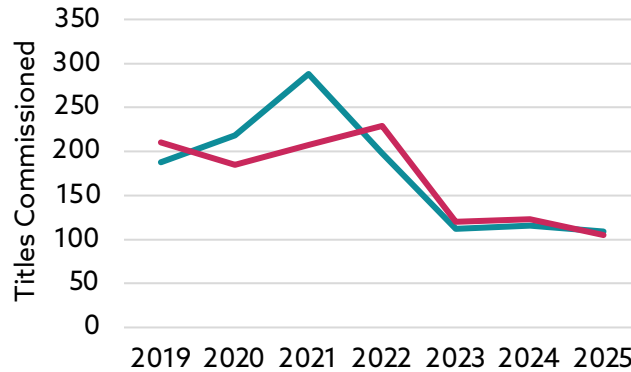
While overall commissioning activity has declined across both companies since peak levels, the contraction has not been evenly distributed across content categories. The most significant reductions have occurred in scripted television, where commissioning volumes have fallen by more than 50 percent at both companies.

Unscripted television has also experienced a decline from peak commissioning levels, though the contraction has been less severe than in scripted programming. Warner Bros. Discovery continues to maintain a substantially larger unscripted portfolio than Paramount, reflecting its extensive collection of lifestyle, reality, and factual programming brands. However, broader industry trends suggest that unscripted production has not been immune to recent market pressures. U.S.-produced unscripted television premieres have declined in recent years, while international unscripted programming has expanded across major streaming platforms. Feature film commissioning has remained comparatively stable over the period analyzed, with annual film commissioning volumes in 2025 remaining well above pre-streaming-era levels.

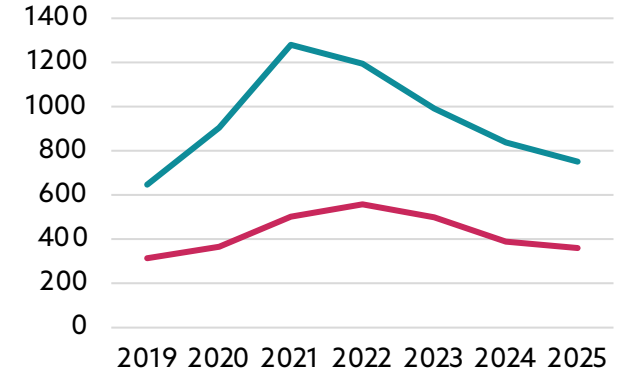
This trend is particularly significant from a workforce perspective. Scripted television has historically served as one of the industry's most reliable sources of production employment, supporting writers, actors, directors, production crews, post-production workers, and a broad network of supporting vendors over multiple seasons. Long-running series such as *NCIS*, *Matlock*, and other procedural and franchise-based productions can generate recurring employment opportunities that extend well beyond a single production cycle. As a result, declines in scripted commissioning may have implications that extend beyond the number of titles ordered, affecting the stability and continuity of production employment throughout the entertainment ecosystem.

MOVIE AND TV TITLES COMMISSIONED  
2019 - 2025

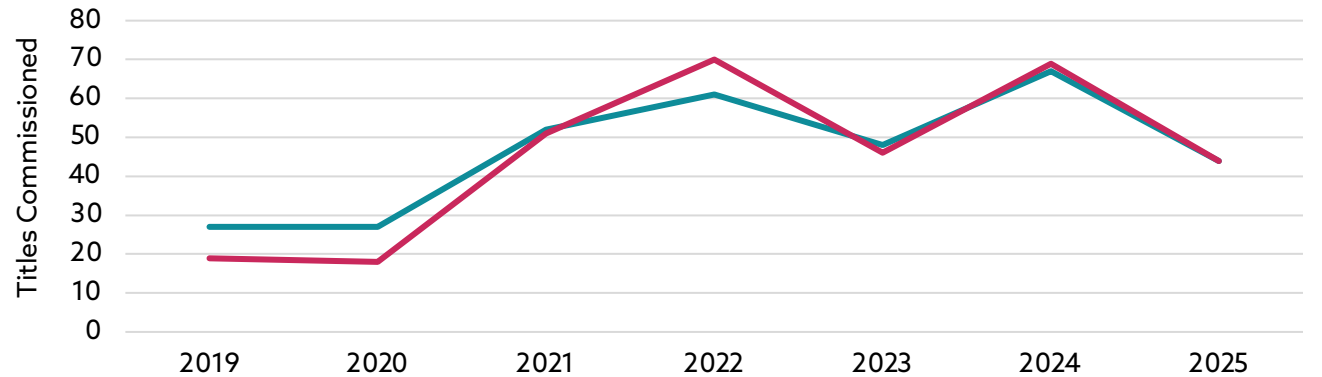
### SCRIPTED TV



### UNSCRIPTED TV



### MOVIES



WARNER BROS.    PARAMOUNT

Source: Ampere Analysis, CVL Economics.

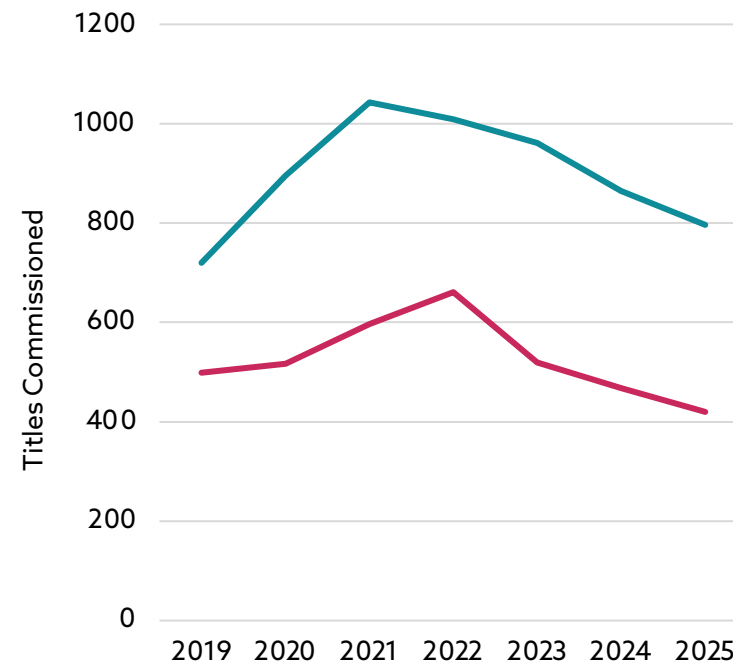
# Streaming commissioning has shifted from subscriber growth to profitability discipline

Commissioning activity for video-on-demand (VoD) platforms expanded rapidly during the height of the streaming boom before contracting sharply in recent years. VoD commissions increased substantially between 2019 and 2021–2022 at both Warner Bros. Discovery and Paramount as companies invested aggressively in streaming content and subscriber growth. Since then, streaming-originated commissioning has declined significantly, while linear television commissioning has remained comparatively more stable.

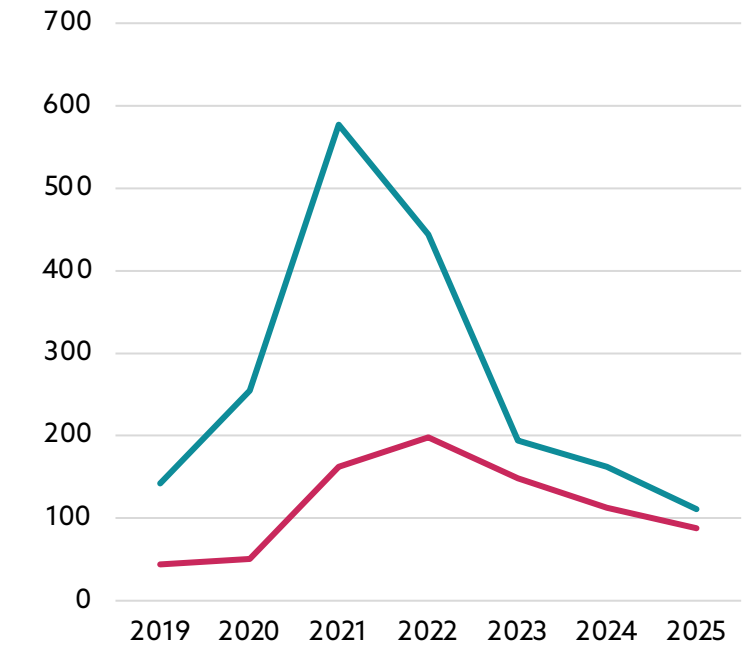
This trend is notable because it occurred during a period in which consumer viewing continued to shift toward streaming platforms. Rather than reflecting weakening demand for streaming content, the decline appears to reflect a broader industry transition from subscriber acquisition toward profitability. During the height of the streaming expansion period, media companies prioritized rapid subscriber growth and invested aggressively in original content. As subscriber growth slowed and investors increasingly focused on financial performance, companies adopted more selective commissioning strategies and placed greater emphasis on operating efficiency.

TITLES COMMISSIONED BY PLATFORM  
2019 - 2025

## LINEAR



## VIDEO ON DEMAND (VoD)



WARNER BROS.    PARAMOUNT

Source: Ampere Analysis, CVL Economics.

# Shorter seasons weaken the employment value of each title

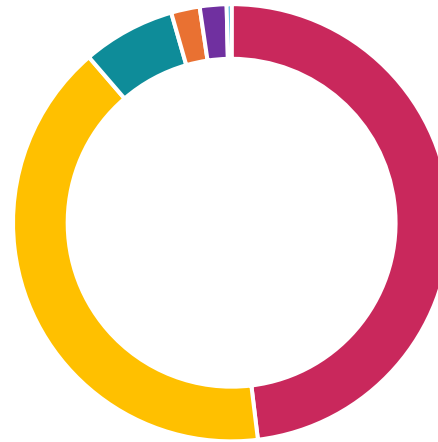
Across both companies, television commissioning is heavily concentrated in limited and short-season formats, with relatively few long-running series orders. This reflects a broader industry shift away from traditional network-era production models and toward shorter seasonal orders associated with streaming and contemporary television distribution.

From a workforce perspective, shorter season lengths may translate into fewer production days and less sustained employment per commissioned title than historically associated with longer-running television series.

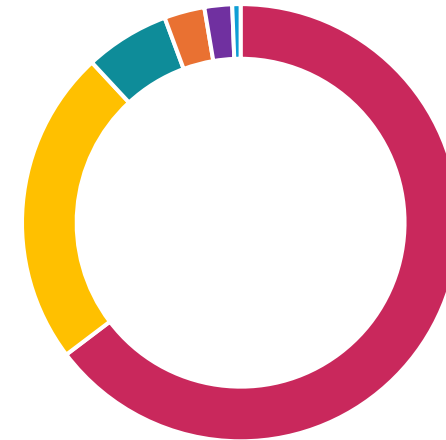
The title count alone therefore understates the change in production-worker exposure.

TV TITLES BY SEASON LENGTH  
2019 - 2025

**WARNER BROS.**



**PARAMOUNT**



LIMITED SERIES (1-6 EPS)   
 SHORT SEASON (7-13 EPS)   
 STANDARD SEASON (14-22 EPS)  
EXTENDED SEASON (22-39 EPS)   
 HIGH-VOLUME SEASON (40-64 EPS)   
 LIBRARY SCALE (65+ EPS)

Source: Ampere Analysis, CVL Economics.

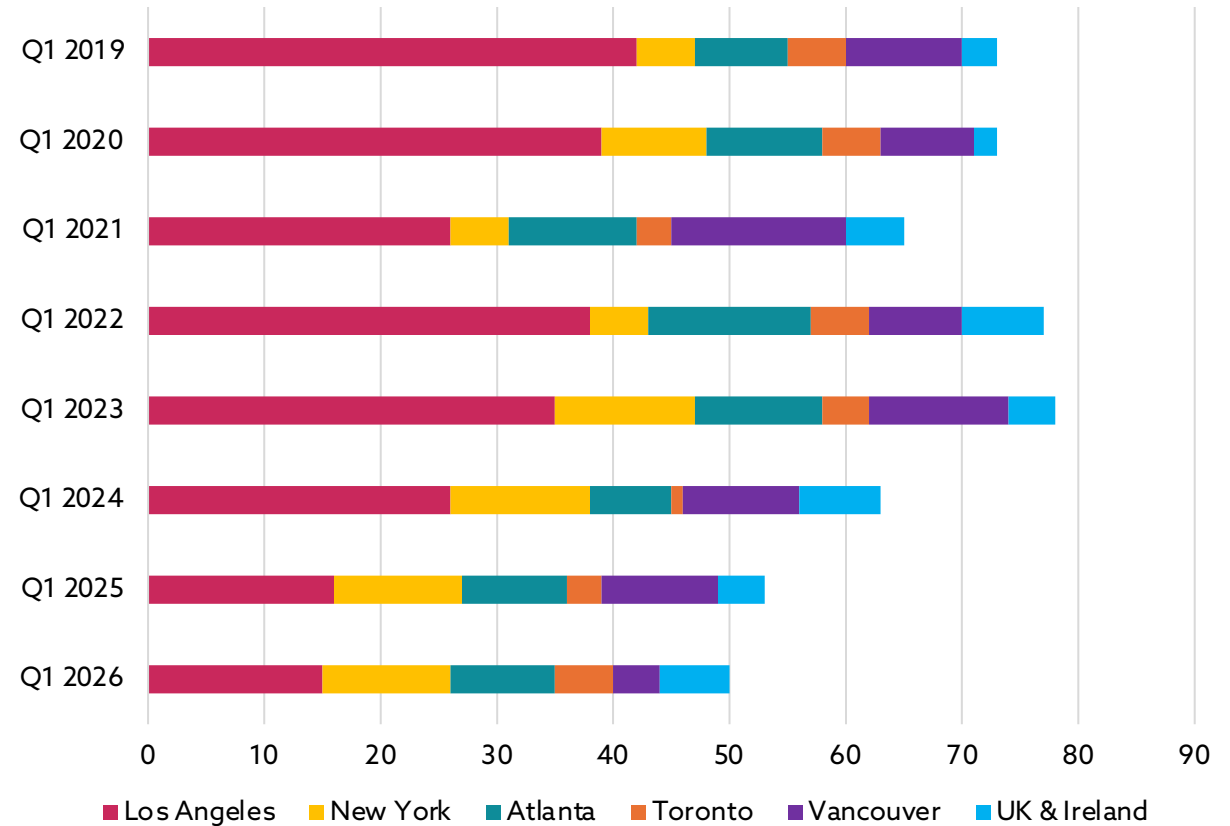
## Los Angeles has lost scripted TV production share among leading production centers

Over the past decade, film and television production has become increasingly geographically dispersed. While Los Angeles remains the historic center of the U.S. entertainment industry, studios and streaming platforms now routinely evaluate a growing number of domestic and international production locations based on factors such as production incentives, labor costs, infrastructure availability, workforce capacity, and operational flexibility. In particular, the expansion of aggressive film and television tax incentive programs across numerous states and countries has intensified competition for production activity. As a result, production that was once heavily concentrated in Southern California has become distributed across a broader network of competing jurisdictions, including New York, Georgia, Canada, the United Kingdom, and other emerging production hubs.

The number of scripted live-action television series filmed in Los Angeles during the first quarter of the release year declined from 42 productions in 2019 to 15 productions in 2026, a decrease of approximately 64%. While production activity has fluctuated across all major filming locations during this period, Los Angeles has experienced one of the most significant declines among leading production centers.

This geographic redistribution has important economic consequences, as production spending supports not only writers, actors, and directors, but also production crews, post-production workers, equipment vendors, transportation providers, lodging establishments, and numerous other businesses throughout the production supply chain. As filming activity becomes more geographically distributed, an increasing share of these economic benefits accrues outside Los Angeles and California.

SCRIPTED TV SHOOT LOCATIONS  
Q1 2019 – Q1 2026



Source: Luminate, CVL Economics.

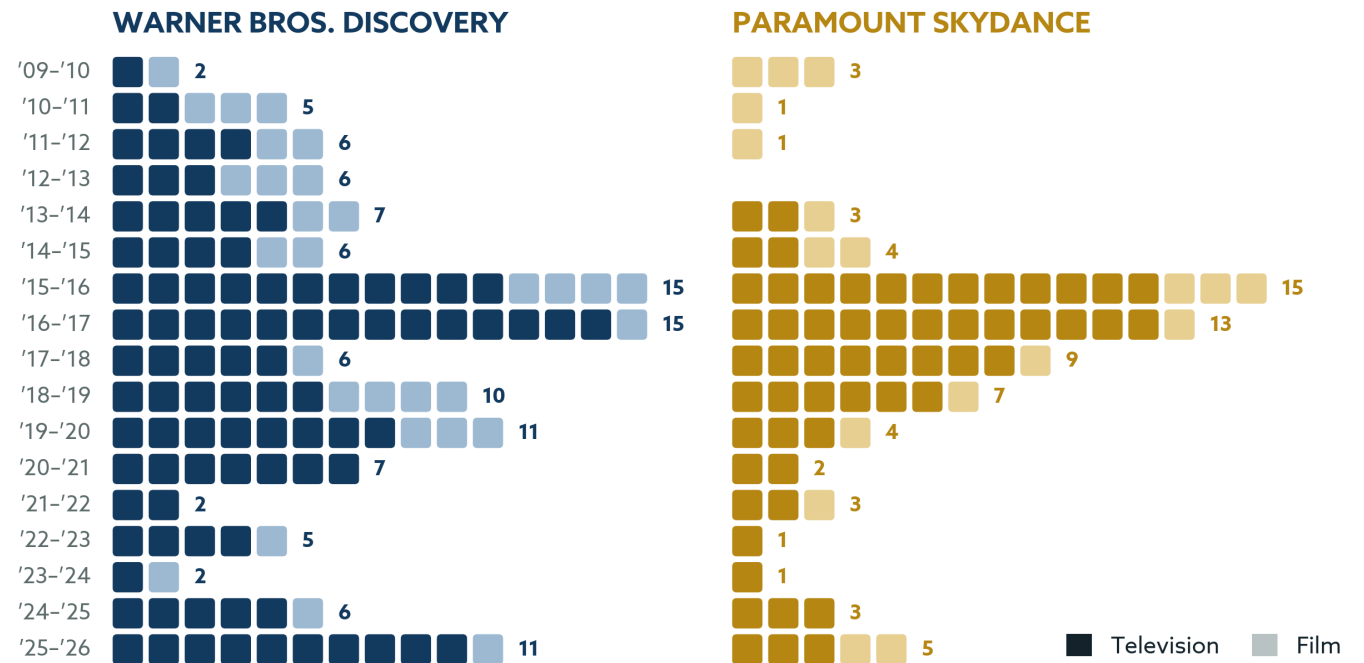
# California tax-credit use by both companies is concentrated in recurring television

Approved project counts show that California's program has been especially important for recurring television.

The count pattern reflects repeat seasons of existing titles, not only new intellectual property.

Film projects appear less frequently in the observed allocation history.

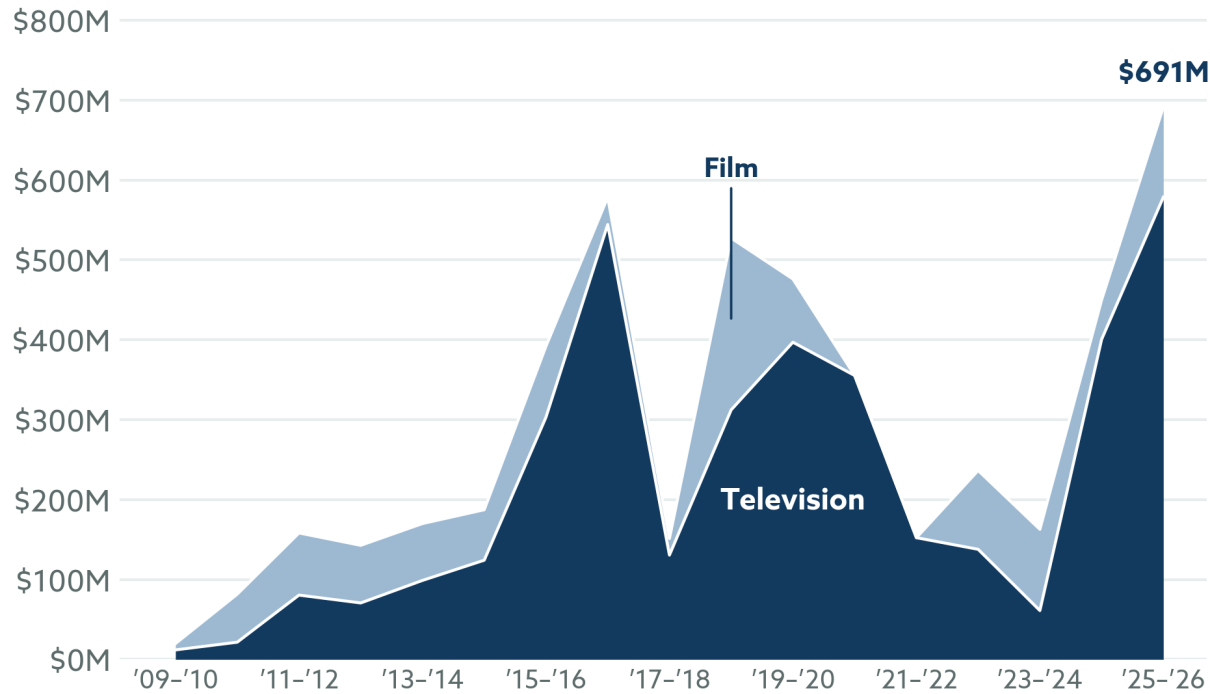
This matters for Los Angeles County because recurring television can support more stable employment and vendor relationships than one-off projects.



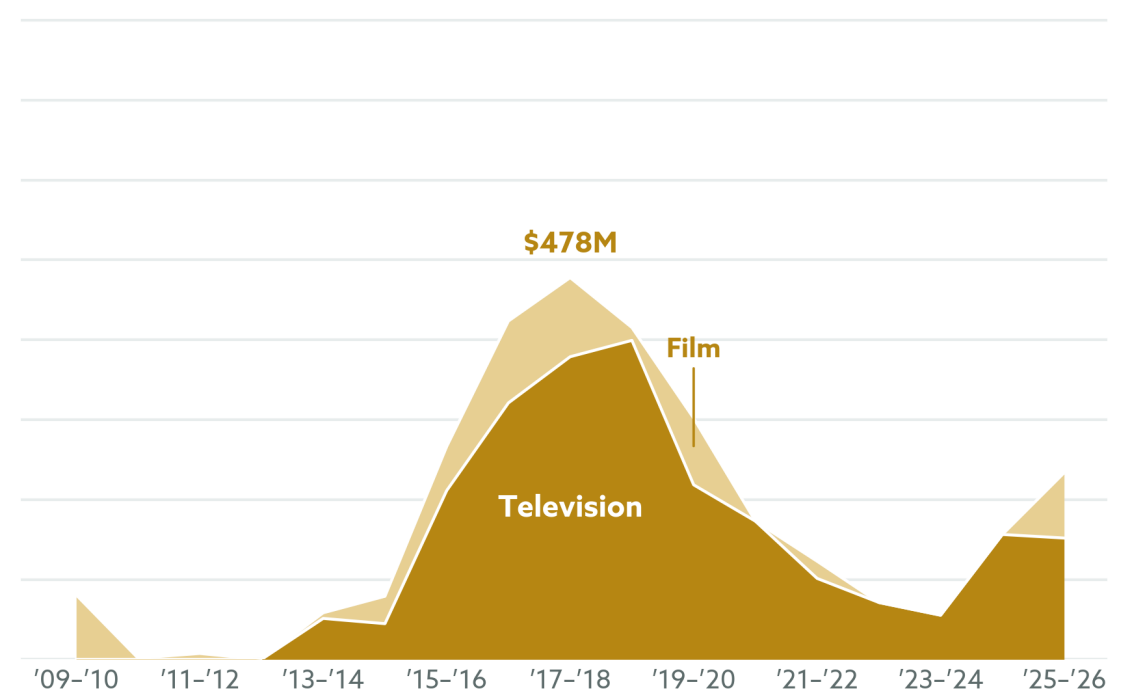
# WBD has the larger and more volatile California tax-credit footprint

The two panels tell a story of a rising tide that lifts both companies after California's 2015 program expansion, but on very different rhythms. Warner Bros. Discovery is the larger and more volatile footprint: it climbs through the mid-2010s, collapses in FY2017-18, and then builds to a program-record \$691M in FY2025-26 — a peak powered almost entirely by returning HBO- and Warner-scale series. Paramount Skydance, by contrast, peaks earlier and lower, cresting at \$478M in FY2017-18 when *Top Gun: Maverick* (\$99.0M) sat atop a thick base of CBS television (*S.W.A.T.*, *13 Reasons Why*), before drifting down for most of the next decade.

**WARNER BROS. DISCOVERY**

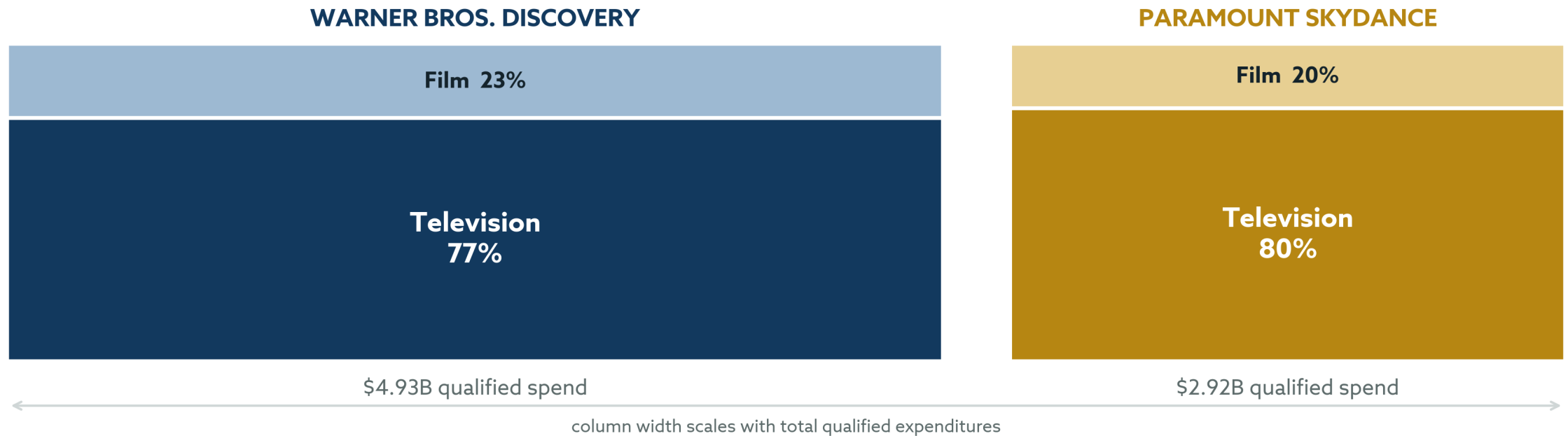


**PARAMOUNT SKYDANCE**



## Both companies' California tax-credit footprints are overwhelmingly television

The column widths show that WBD's lifetime footprint (\$4.93B) is roughly 1.7× Paramount's (\$2.92B), and the heights show that both families are overwhelmingly television by spend — 77% TV for WBD, 80% for Paramount. WBD's top line items are Winning Time and the Westworld run, while Paramount's are Star Trek: Picard 2 and 3. Film activity exists, but it is episodic and title-specific. The stronger policy signal is the importance of television production to California's retention strategy.



# Los Angeles competes on ecosystem depth, but loses projects on cost and incentives

Los Angeles County remains the deepest production ecosystem in the United States, with specialized labor, vendors, stages, post-production capacity, creative talent, and studio infrastructure.

That ecosystem advantage is no longer sufficient on its own. Competing jurisdictions use tax credits, lower costs, purpose-built infrastructure, and streamlined approvals to attract production.

For County policy, the issue is not whether Los Angeles remains important. It is how much incremental production spending the region can retain or win when studios compare locations.

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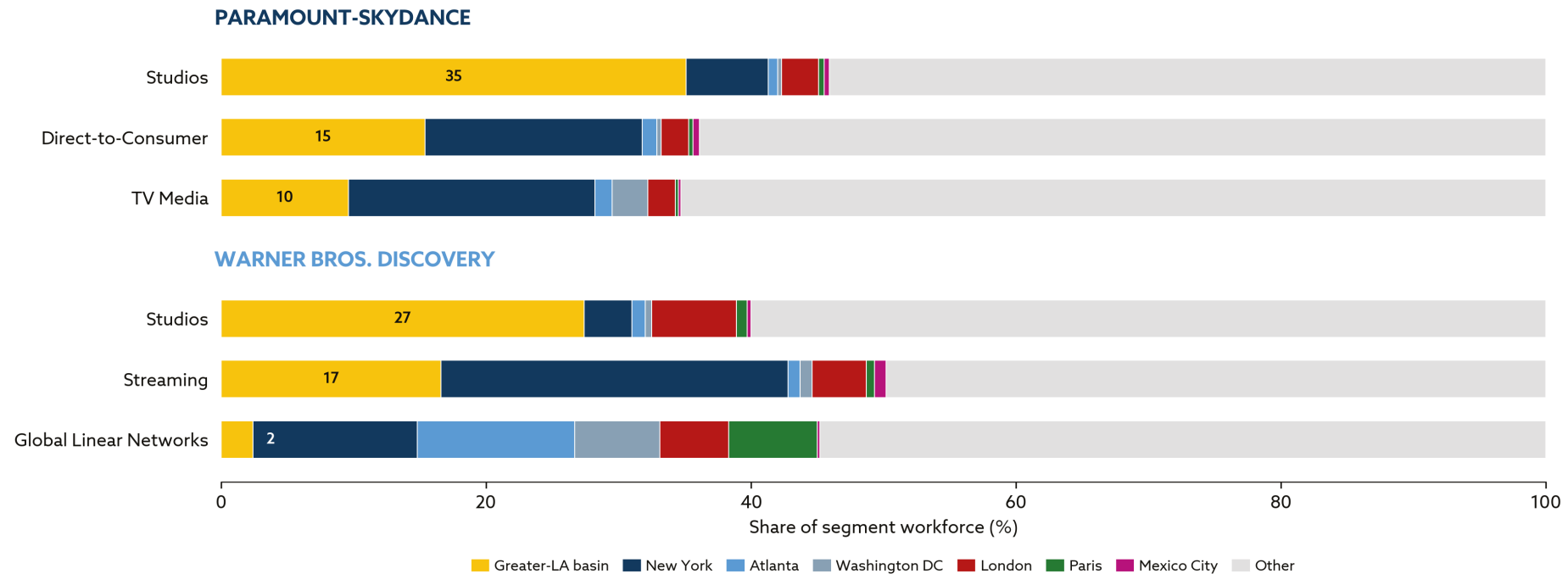
# 05 Los Angeles County workforce and economic impact

# Studio employment is the local concentration point, while other segments are more geographically distributed

The Greater Los Angeles basin accounts for a much larger share of studio workforce than of linear, streaming, or broader enterprise functions. This means local risk is concentrated in studio and production-adjacent operations, not evenly across the entire enterprise.

## Where each division sits: geography by segment

Studios concentrates in the LA basin; news, sports and linear networks distribute across NY, Atlanta, DC, London and Paris.



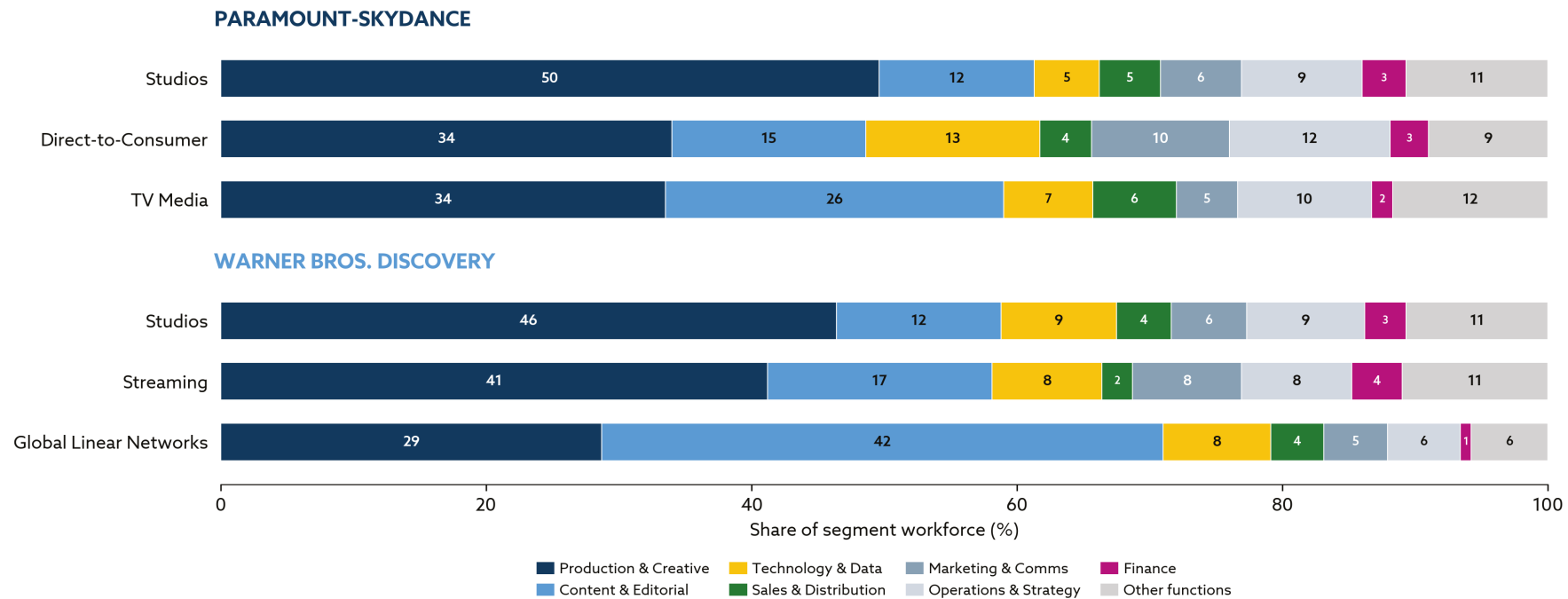
Source: CVL Economics workforce benchmarking analysis; data reflect anonymized, aggregated professional profiles across select geographies.

# Functional mix explains why some segments are more exposed to merger synergies than others

Corporate, technology, marketing, communications, finance, HR, distribution, and operations roles are more directly exposed to integration. Streaming and Direct-to-Consumer carry more technology and data functions.

## What each division does: functional composition by segment

Studios is production-led; linear networks are content-and-editorial; streaming and direct-to-consumer carry more technology.

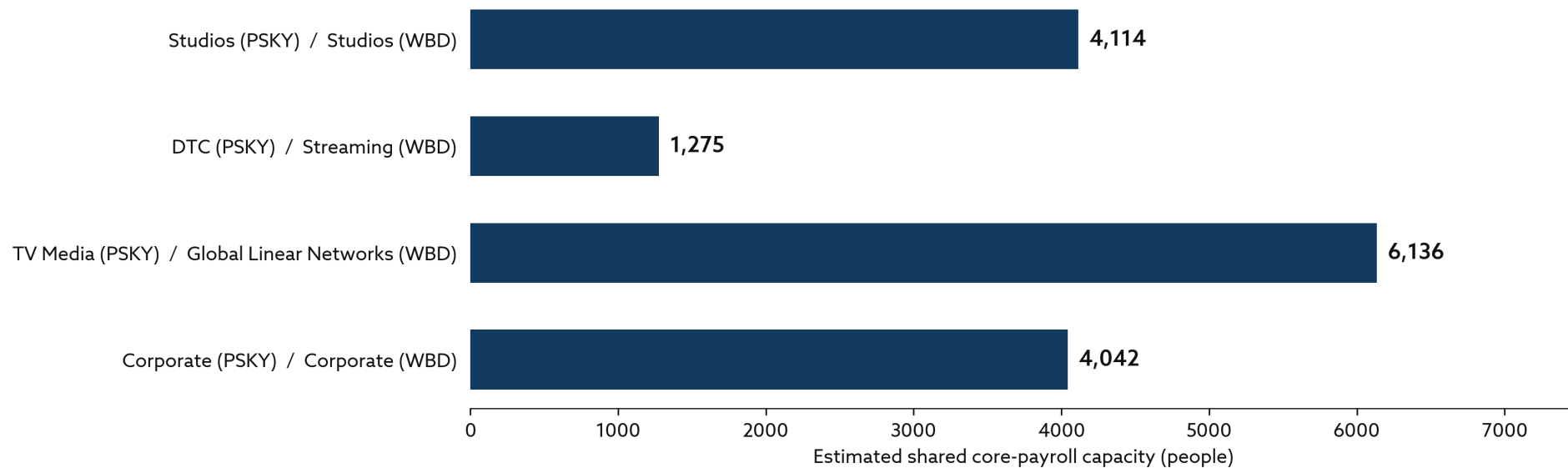


Source: CVL Economics workforce benchmarking analysis; data reflect anonymized, aggregated professional profiles across select geographies.

# Shared capacity is largest in linear networks, studios, and corporate functions

The analysis identifies substantial shared core-payroll capacity across comparable business areas. The largest shared-capacity estimate is TV Media and Global Linear Networks at 6,136 people, followed by Studios at 4,114 and Corporate at 4,042. Direct-to-Consumer and Streaming account for 1,275. These estimates indicate where duplicated capability exists. They should not be read as a forecast of job losses.

## Shared functional capacity, by capability

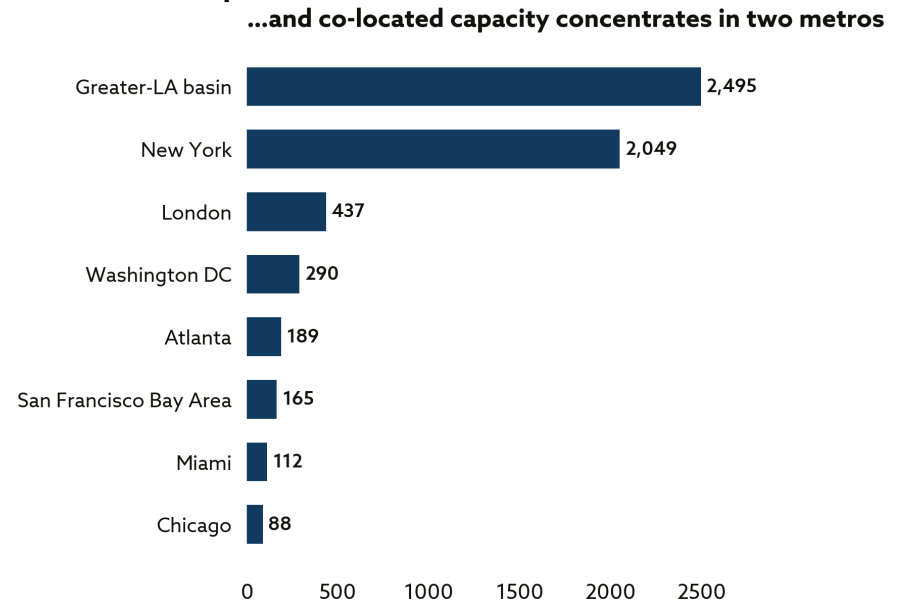
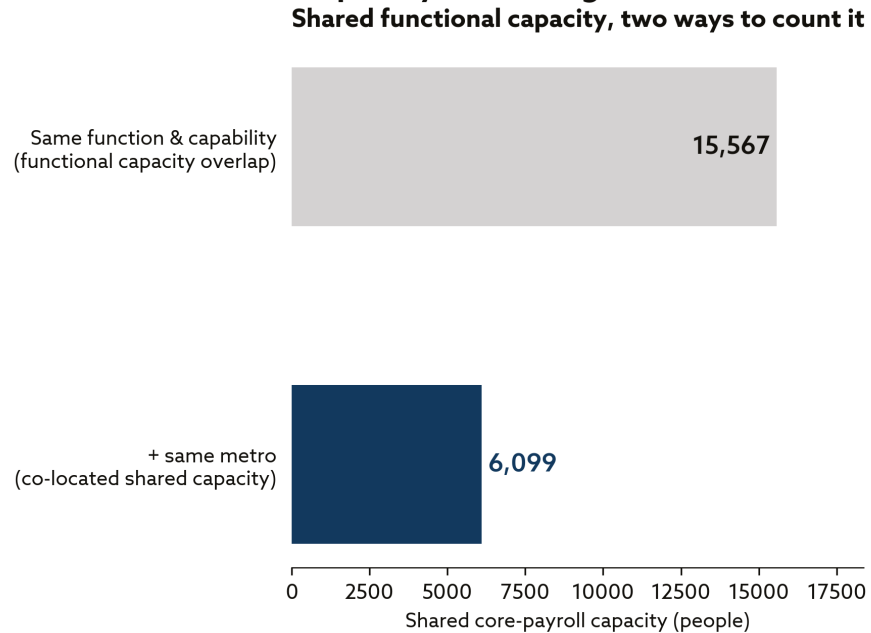


Source: CVL Economics workforce benchmarking analysis; data reflect anonymized, aggregated professional profiles across select geographies.

# Los Angeles is the largest co-located overlap market in the transaction

Shared functional capacity is much larger when measured across the enterprise than when limited to the same function in the same metro. The analysis estimates 15,567 people in same-function and capability overlap, and 6,099 in co-located shared capacity. Greater Los Angeles is the largest co-located overlap market, with 2,495 roles, followed by New York with 2,049. This is the clearest measure of local enterprise exposure.

## Shared functional capacity is far larger than shared capacity in the same place



Source: CVL Economics workforce benchmarking analysis; data reflect anonymized, aggregated professional profiles across select geographies.

## Merger-driven risk and production-capture risk require different responses

If completed, their merger would represent the third merger for former WarnerMedia employees in eight years — AT&T (2018), Discovery (2022), and Paramount Skydance (2026). The proposed merger structure loads the new company with debt. The combined company opens with approximately \$82 billion in pro-forma gross debt, roughly 7x EBITDA before synergies, against a junk BB+ credit rating.

**Enterprise consolidation risk is direct: duplicated functions can be consolidated as part of integration.**

The second is the slate-dependent creative and production workforce: the trades, crafts, below-the-line workers, post-production specialists, vendors, and support services that assemble project by project to produce content. This workforce is exposed to a different set of risks than enterprise staff. Its outlook depends not only on whether the combined company commissions films and television series, but also on whether that work goes into production in Los Angeles County.

**Production-capture risk is contingent: workers are affected by greenlights, renewals, budgets, season length, production location, tax-credit use, and vendor spending.**

The evidence points to a deeper structural challenge. Production work has been migrating away from Los Angeles for years, driven by tax incentives, lower-cost production environments, infrastructure investments in competing jurisdictions, and the increasing mobility of both scripted and unscripted production. The draft report's review of 2025 Paramount and Warner Bros. theatrical releases found that only one of nineteen reviewed titles was principally filmed in California, underscoring that release volume alone does not guarantee local production spending.

Because that production-workforce exposure is broader than the merger itself, this 60-Day Report treats it as a critical risk channel rather than a fully quantified impact. The follow-up 120-Day Report will provide the fuller analysis of production-worker implications, including the longer-term erosion of local production capture, the role of competing incentive regimes, and the potential effects on crews, crafts, post-production workers, vendors, and production-serving small businesses.

## Note on terminology

**Enterprise & Commercial Operations Workforce.** The salaried, W-2 workforce employed by the corporate entity to run the company as a continuing business, independent of any individual title or production. It comprises the corporate and general-and-administrative functions (executive leadership, finance and accounting, legal, human resources, corporate communications, strategy, and investor relations); the commercial functions that monetize content (advertising sales, affiliate and distribution sales, subscriber and consumer operations, pricing, and brand and corporate marketing); the technology and platform functions (enterprise IT, data, cybersecurity, and the engineering and operations that run the streaming and linear delivery stacks); network and distribution operations (playout, scheduling, traffic, and broadcast operations); and the creative-executive and studio-administration layer that commissions and oversees content (development and programming executives, business and legal affairs, physical-production management, and studio finance, marketing, and distribution).

**Slate-Dependent Creative & Production Workforce.** The creative talent and the broader vendor and supplier ecosystem that mobilize to bring an individual title or project to life and demobilize when it wraps. It comprises the above-the-line creative principals (writers, directors, producers, showrunners, and on-screen talent); the below-the-line crafts and trades that physically make the content (camera, lighting, grip, sound, art department, set construction, wardrobe, hair and makeup, and production support); the post-production and specialized creative vendors (editorial, visual effects, animation, sound mixing, scoring, and localization and dubbing); and the production-services supply chain that surrounds them (soundstage and facility rental, equipment and camera rental, catering, transportation, location services, and production-payroll providers). Most of this workforce is engaged project by project on a freelance, contingent, union-covered, or third-party-vendor basis rather than on permanent corporate payroll, and a substantial part of it sits outside the company entirely, in the supplier base it commissions. Its size scales directly with the content slate, the number of projects greenlit and the production spend behind them, not with the corporate structure.

It is the population the California film and television tax credit is designed to retain, and the transaction reaches it not principally through corporate layoffs but indirectly, through decisions about commissioning volume, facility demand, and supplier multipliers.