

There are no good outcomes for the Warner Bros. sale

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Netflix is the frontrunner to [become Warner Bros.' new owner](#), but the war for control of the legacy studio isn't over just yet. Paramount Skydance has made its own [outsize offer for the company](#) that would give CEO David Ellison even more control over the news and entertainment landscape. And while Warner Bros. Discovery has repeatedly turned down Paramount Skydance's previous offers, Netflix's bid could also fall apart as it's subjected to regulatory scrutiny by the Federal Trade Commission and Department of Justice.

As much as WBD head David Zaslav and Netflix co-CEO Ted Sarandos and Greg Peters might want this whole process to be a done deal, it's not and there are a number of different ways it could all work out. Regardless of which — if any — of the interested parties acquires Warner Bros., a merger this large would send shockwaves through the entertainment world.

This kind of corporate consolidation might benefit the companies' shareholders. But it will almost certainly harm consumers by giving them even fewer options to choose between, and nonexecutive entertainment industry workers will be left struggling to stay afloat.

WBD has signaled that it's open to Netflix's \$82.7 billion acquisition proposal — a deal that would include a blend of straight cash and stock options and would close following [WBD's split into two companies](#). That sum is more than Comcast was willing to pony up for Warner Bros.' (but not Discovery Global's) assets, which is why the NBCUniversal owner has bowed out of this fight. But [earlier this week](#), Ellison called Netflix's deal "inferior" and insisted that Paramount Skydance could give WBD stakeholders "the opportunity to act in their own best interests and maximize the value of their shares."

Paramount Skydance is now hoping that \$108.4 billion in cash will be enough to convince WBD to sell itself off entirely. That deal would give Paramount Skydance control of Warner Bros.' movie and TV production studios, the HBO / HBO Max brands, and — unlike Netflix's proposal — all of WBD's cable networks like the Discovery Channel and TNT. It would also make Ellison, who became CEO [after Skydance bought Paramount earlier this year for \\$8 billion](#), one of the most singularly powerful media figures in the world.

If Paramount wins...

Though many were quick to cry foul when Netflix announced that it was buying Warner Bros., an Ellison victory would be just as concerning. We would still be looking at a situation where a legacy studio would essentially disappear in order for a streamer (albeit one owned by a traditional studio) to absorb all of its content. It would help Paramount Plus if it could brag about having HBO series [the way the platform has done](#) with the IP it [bought with Showtime](#). It would also probably please Ellison to own CNN — another of WBD's properties. But to understand how terribly that scenario might shake out, all you need to do is look at [what has happened with CBS News](#).

In the months building up Ellison's Paramount purchase, [CBS was rocked](#) by a number of high-profile resignations stemming from the company's decision to settle [a lawsuit with the Trump administration](#). And in the time since, CBS has been plagued by layoffs, more resignations from [some of its most well-respected reporters](#), and a general sense that the company is [eschewing its ethics](#) in order to appease the president.

According to the [Wall Street Journal](#), Ellison has promised the White House that he will do to CNN what he has done to CBS if he is able to get his hands on WBD. After news of Netflix's deal first broke, Ellison reportedly told members of Trump's team that he would "make sweeping changes to CNN." Neither Paramount nor the White House has publicly commented on what this new CNN might look like. But given the president's [long-established feud with the cable news network](#), it is easy to imagine Ellison forcing it to cover the Trump administration more favorably.

In all the chaos that came with Paramount Skydance's most recent hostile bid for WBD, the question of where Ellison suddenly came up with so much extra cash got somewhat lost. Of course, some of the money would come from the Ellison family directly by way of David's father Larry, cofounder of Oracle. But Paramount Skydance had not made it clear that a substantial portion of its WBD bid was being provided by [Jared Kushner's Affinity Partners private equity firm](#) and sovereign wealth funds from [Saudi Arabia, Abu Dhabi, and Qatar](#). (Affinity is also behind [the \\$55 billion buyout deal for gaming giant EA](#).)

Paramount Skydance might be offering the most money for WBD, but Kushner — the president's son-in-law — being involved represents a very clear conflict of interest given that the deal would need the Trump administration's approval. The whole thing looks even shadier on its face when you consider [Larry Ellison's history](#) of working with and giving money to Donald Trump.

If Netflix wins...

A Netflix / Warner Bros. merger would come with its own host of obvious problems. If Netflix were to win, there would immediately be less competition in the streaming space, meaning that the company would be in an even stronger position to hike its prices yet again. Netflix might not share Paramount Skydance's desire to upend the cable media landscape, but the streamer absolutely does see this deal as an opportunity to change the way the entertainment industry operates.

When Netflix first announced that it had won the bidding war last week, [Sarandos told investors](#) that while the company would still put Warner Bros. projects in theaters, it might shorten theatrical release windows in order to be more "consumer friendly." It makes sense that Netflix — which has only [dabbled in short theatrical releases](#) as plays for industry awards — would want to get stuff streaming as quickly as possible. But that situation would be a humongous blow to theater owners, whose profits largely hinge on whether they have films to screen.

Warner Bros. being subsumed into Netflix would also give the streamer an outsized amount of power over industry workers — actors, writers, directors, etc. — who would be left with a smaller selection of production studios to work with. Especially during the next big round of union labor contract negotiations, this would make it harder for workers to fight for better pay and stronger protections against things like the use of generative artificial intelligence. There's also the simple reality that a combined Netflix / WB would likely release fewer films than if the two companies were two separate entities.

In a statement of its own, SAG-AFTRA said that the only deal it is interested in supporting is one that leads to "more creation and more production, not less." A representative for the WGA, meanwhile, [told Vulture](#) that "The problem is the acquisition and pending consolidation of two media giants, not who the buyer is."

All of these issues are significant but they aren't unique to either Netflix or Paramount Skydance. Regardless of who wins, issues like layoffs and price hikes are an inevitable consequence of consolidation — no matter how this all works out, it feels like all the available options are going to be pretty terrible.

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