

Paramount's WBD takeover explained: How the US\$111bn deal could reshape sports media

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Steve McCaskill

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The union of two of the biggest names in Hollywood, entertainment and sports broadcasting will transform the media landscape in the US and beyond. In the week that HBO Max launches in the UK, SportsPro explains what the deal means for sports media, rights holders, and viewers.



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Paramount's US\$111 billion acquisition of [Warner Bros Discovery \(WBD\)](#) is the most significant media transaction for a generation.

[It brings together two](#) of the most storied studios in Hollywood, two sprawling broadcast networks, and two ambitious streaming services seeking domestic and international relevance. It also unites two of the biggest sports divisions in the US alongside a wide portfolio of rights across Europe and South America.

The merger of Paramount and WBD has far-reaching implications that stretch beyond the media industry. It will also have a significant impact on the sporting world, which relies

heavily on broadcast revenue and plays an increasingly influential role in shaping the streaming landscape – one of the key factors behind the deal.



The deal brings together [CBS Sports](#) and [TNT Sports](#) (Image credit: Getty Images)

What has happened?

WBD is no stranger to mega mergers having undergone multiple transformations over the course of the 21st century, beginning with the ill-fated union between AOL and TimeWarner. That was followed by AT&T's acquisition in 2018 and, most recently, the merger with Discovery in 2022.

WBD put itself up for sale in October last year after receiving 'unsolicited interest' from multiple parties and in December accepted a US\$83bn offer from [Netflix](#) for its studios and streaming divisions.

However, Paramount, which itself had been acquired by David Ellison-led Skydance Media the previous year, refused to give up. After a series of hostile approaches, WBD agreed to reopen negotiations.

Eventually, Paramount's increased offer – which also includes WBD's linear networks business – was accepted after Netflix withdrew from the process, unwilling to get involved in a bidding war that would leave it overpaying for the asset.

Why is this merger happening?

The advent of streaming has upended the market for both television and cinema. It has transformed consumer expectations, undermining the economics of advertising, the cable bundle and theatrical releases that have historically fuelled the traditional media conglomerates.

Netflix, the tech giants and others have challenged the status quo by offering more affordable, flexible subscriptions to content, making it available whenever customers want on their device of choice. On top of this, consumers have access to a wider library of entertainment than ever before, but only a limited amount of attention and disposable income.

Accordingly, media giants like Paramount and WBD have had to spend billions on content and technology to compete with the streamers, whilst simultaneously catalysing the shift from linear television to streaming services. Others have also started streaming films at the same time or soon after they have arrived in cinemas.

Two key ingredients are needed for this battle. The first is money. One of the reasons that the Redstone family sold Paramount to Ellison in 2024 was because they lacked the desire to invest the necessary time and money to compete.

The second is scale. Larger media groups are more equipped to make major investments, enjoy economies of scale, and can combine content portfolios to build multi-genre streaming services that are indispensable to households – both in the US and abroad.

In this context, Paramount viewed the acquisition of WBD as almost existential, whereas Netflix saw the company as a ‘nice to have’ that would give it access to significant content creation capabilities and iconic IP that would cement its position at the top of the streaming hierarchy.

Ellison will believe a combined Paramount and WBD has the IP, scale and resources to take the fight to Netflix and others, whilst also taking advantage of the cost-cutting and removal of duplication that inevitably accompanies such mergers.

What will this mean for US sports broadcasting?

The combination of CBS Sports and TNT Sports would create arguably the second-biggest sports broadcaster in the US, after Disney's [ESPN](#).

Paramount has the rights to the National Football League ([NFL](#)), the [Uefa](#) Champions League, the Women's National Basketball Association (WNBA), Serie A and golf's [PGA Tour](#), and has just agreed a US\$7.7 billion deal with the Ultimate Fighting Championship ([UFC](#)).

Meanwhile, TNT has Major League Baseball ([MLB](#)), the National Hockey League ([NHL](#)), the French Open tennis Grand Slam, [Nascar](#) and international soccer. It also broadcasts games from the Big Ten and College Football Playoff (CFP).

Both broadcasters share the National Collegiate Athletic Association's ([NCAA](#)) men's March Madness basketball tournament and have other regular season college sports coverage.

That represents a significant portfolio for the combined Paramount-WBD streaming service to take to market and use to populate its cable channels. The merger also opens up the possibility of TNT's partner properties getting free-to-air (FTA) exposure on CBS – provided their contract allows it.

In theory, the combined unit will have more resources with which [to acquire and monetise premium sports rights](#). However, it does mean that major properties will have one fewer broadcaster to sell to, which could impact competition and the value of rights fees. It's also unlikely that the new division will keep all its contracts, especially if it spends big to retain the NFL.

For the NFL, Ellison's takeover of Paramount and the subsequent acquisition of WBD is great news as it seeks to renegotiate its US\$110 billion domestic broadcast deals six years early. The league is set to use a 'change of control' clause in its contract with Paramount to "reset" the value of its contracts, demanding as much as an additional US\$1 billion a year from CBS – [a 50 per cent increase on its current deal](#).

However, Paramount will be desperate to retain the relationship, with the advertising and subscription revenue it generates indispensable to its future plans – especially after accruing so much debt by taking over WBD.

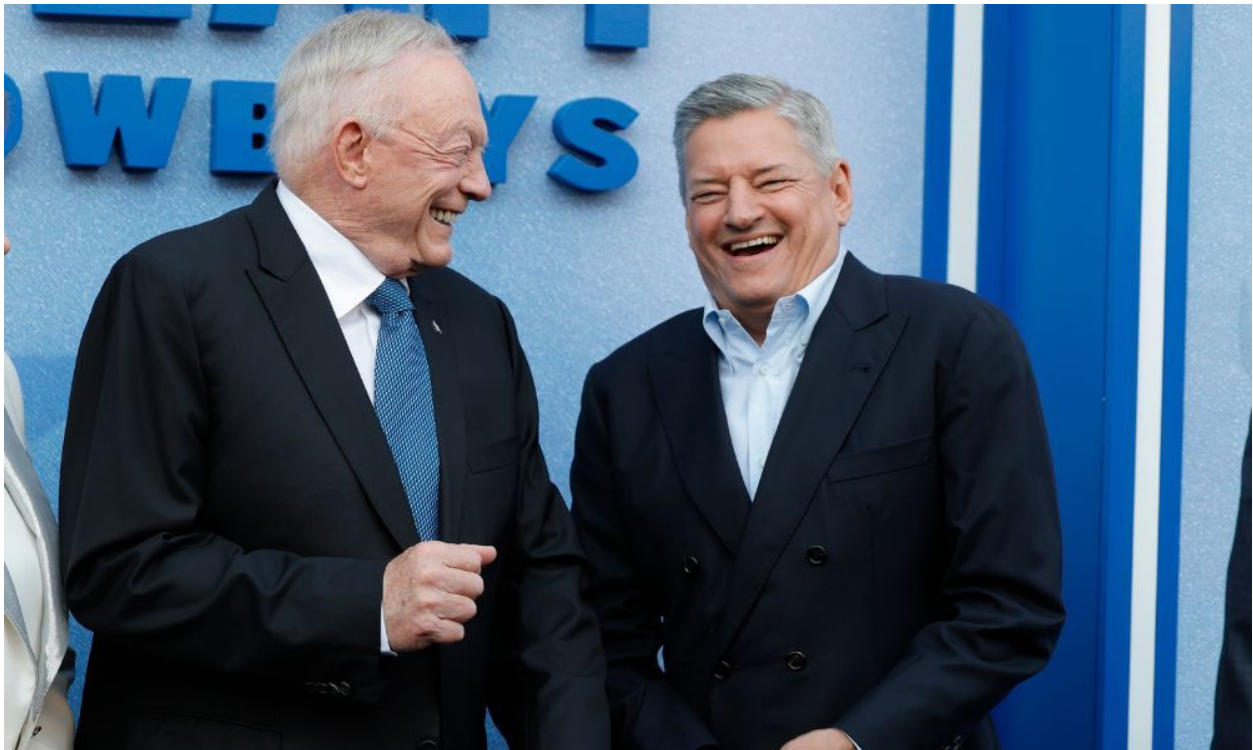
How will it impact TNT Sports elsewhere?

The decision to accept Paramount's offer rather than Netflix certainly simplifies matters outside the US. If the deal is concluded, Paramount will acquire pan-European broadcaster [Eurosport](#) as well as TNT Sports in the UK and South America.

The combination of these international assets, and the unification of Discovery+ and HBO Max into a single streaming service, could elevate the enlarged company into one of the most influential sports broadcasters on the planet. It will own the rights to the Olympic Games in Europe, the Uefa Champions League in the UK and Germany, and UFC in several markets, including Australia.

This global footprint could appeal to rights holders, with Comcast (Sky) and Disney (ESPN, Disney+) also able to offer international exposure to partners. However, it's equally possible that Paramount-WBD might seek to scale back its expenditure outside the US as well.

One notable quirk is that TNT Sports, which late last year lost the UK rights to the Uefa Champions League from 2027 to Paramount+, could remain the senior broadcaster of the competition – ending speculation about its future.



Ted Sarandos (right) could use the cash saved and the breakup fee earned to invest in other sports rights (Image credit: Gerry Images)

How is Netflix coping?

Just fine. While it would have undoubtedly benefited from the deal, many investors had reservations about the cost and how it would reconcile WBD's sprawling empire into an offering that already holds significant appeal.

It has been able to acquire valuable information on a significant competitor by being able to look over WBD's books and has received a US\$2.8 billion breakup fee that can be reinvested into other content – [perhaps even sport](#).