

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Post-Split: Discovery Global and Versant See DTC Future Beyond Linear

We now get why **Paramount Skydance** [took shots](#) at **Warner Bros.** **Discovery's** bidding process earlier this week. **Netflix** announced Friday that it entered exclusive negotiations with WBD to acquire the media giant's streaming and studio assets in a cash and stock transaction valued at \$27.75 per WBD share, totalling \$82.7 billion. The deal, which is expected to close sometime after the cable net-heavy **Discovery Global** splits from Warner Bros. in 3Q26, will bring **Netflix** and **HBO Max** under the same roof, with WB's movie and television studios serving as content-making powerhouses for both services.

Netflix said it would also "maintain Warner Bros.' current operations," which includes continuing to release the studio's films in theaters. WBD President/CEO *David Zaslav* is also expected to remain head of Warner Bros. after the transaction closes, writing in a memo to staff following the announcement that "based on the direction set out today...this structure provides a clearer path forward for Warner Bros. within Netflix, and for Discovery Global as a standalone company."

That path for Discovery Global will still see current WBD CFO *Gunnar Wiedenfels* become CEO of the spinoff, which will operate linear nets **CNN**, **TNT**, **TBS**, **Food Network**, **Animal Planet**, **HGTV**, **Discovery Channel**, **ID**, **TLC** and more. Wiedenfels called the linear television business "resilient" in a 3Q25 WBD earnings call in November, but an evolution beyond traditional linear appears to be imminent for these cable brands, many

of which have launched or will soon launch their own DTC services. This is a common thread across Discovery Global and **Comcast's** own cable-heavy spinoff **Versant Media**, which held an [Investor Day presentation](#) Thursday where it talked up planned efforts to grow its digital presence and revenue, including by launching a DTC streamer for **MS Now**, overhauling **CNBC Pro** and acquiring FAST platform **Free TV Networks**.

"As our global network investment is extending their brand digitally, we see a long and profitable runway ahead," Wiedenfels said during the same earnings call, adding that sports would be "one key pillar" of the Discovery Global strategy. Zaslav has also said in the past that the split would allow Discovery Global to "create a future on streaming for sports that really takes advantage of all the global sports that we have." It's why **TNT Sports** will soon get its own DTC streamer, which will be bundled with the **discovery+** streaming service. (A TNT Sports-HBO Max bundle was previously floated by Wiedenfels, but it's unclear whether the Netflix deal changes those plans.)

Beyond a renewed focus on investing in TNT Sports, Zaslav also signaled in September that the future and global growth of CNN would be a priority under the new structure. CNN debuted its DTC streamer in October. For \$6.99/month, users get access to all of the news net's live US and international programming, as well as its VOD library and access to CNN.com articles.

Both companies are betting a DTC reinvention will boost the long-term health of cable brands that have shown diminish-



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ing returns in recent earnings calls, leading to their parent company's kicking them out of the house in the first place. Versant CEO **Mark Lazarus** talked on Thursday about how MS Now, CNBC, **USA** and other linear nets had been "historically managed with different priorities" under Comcast NBCUniversal, explaining that investing to evolve these brands wasn't a priority under the old structure. "They were under-resourced, but that won't be the case anymore. Now we will invest back into the business," Lazarus assured.

Echoing Discovery Global, a major part of Versant's strategy revolves around USA Sports and its portfolio, which includes **Premier League**, **WWE**, **WNBA** and **NASCAR**. Versant hasn't yet announced plans for a **USA Sports** DTC product but we wouldn't be surprised to hear that's coming soon, too.

## REGULATORS MAY WANT A LOOK AT NETFLIX-WBD DEAL

With **Netflix** now set to acquire **Warner Bros.**, the conversation moves to the regulatory hurdles the deal may or may not face. Rep. **Darrell Issa** (R-CA) raised antitrust concerns in November regarding a Netflix-**HBO Max** streaming combo, with officials inside the White House also [reportedly](#) discussing similar concerns. But **New Street Research's Blair Levin** wrote in a note that "while we think the **DOJ** is more likely than not to challenge a NFLX deal, there are elements of a *Trump* Transaction Tax that NFLX could pay that might result in the deal being approved." NSR expects that recent meetings held with Netflix execs at the White House could have been to discuss "what NFLX could agree to that would help Trump's political standing or other non-competition benefits." The firm speculated that could include a "price guarantee such that those currently subscribing to both NFLX and HBO would enjoy a price cut" and a pledge to produce movies and series in the U.S. **MoffettNathanson** also chimed in, opining that "the likelihood of approval comes down to how successful Netflix will be in defining the market beyond the traditional media landscape to include other companies like **YouTube**, **Amazon** and other digital players like **TikTok** and social media as they compete engagement across the total day." Notably, the Netflix-WBD deal includes a \$5.8 billion breakup fee that the streamer would pay if the combo doesn't happen.

## RANDOM WBD-NETFLIX THOUGHTS

As everyone digests the mega merger, there are plenty of ripple effects to consider. Broadcasters will argue that Big Tech getting bigger is all the more reason for ownership regulations to

be lifted so that station groups can consolidate. **Charter** has led the way in striking distribution deals combining linear and streaming. When those deals with **HBO** come up for renewal, what will **Netflix** do? Another thing we're watching: what sort of tax savings wizardry did **WBD** Chairman Emeritus **John Malone** help mastermind? And multiple associations, including **WGA**, **DGA** and **SAG-AFTRA**, are raising a red flag, saying WBD-Netflix could result in lower wages, job losses and increased prices for consumers.

## IS CABLE THE NEW COPPER?

The predictions for 2026 and beyond are rolling in, and there's a sentiment that cable might not be able to fend off growing competition. **New Street Research** took a look at the future of broadband after 3Q25 wrapped up. Overall net adds were up from 3Q24, but down when adjusted for Affordable Connectivity Program-related impacts. Total FWA net adds spiked by around 14%, led by **AT&T** and **T-Mobile**, while wired broadband operators saw subs decline in aggregate for a ninth consecutive quarter. NSR thinks consumer FWA subs total 32 million across residential and business, but when accounting for the upcoming C-Band auction in 2027, that could add 4 million more users. However, it does predict FWA's net adds to dip slightly in 2026. For fiber, NSR expects deployment to ramp up next year, which should drive a slight improvement in net adds. Cable, meanwhile, may continue to struggle. "With fiber net adds increasing in 2026 and DSL losses improving, cable net adds will remain challenged in 2026 as well," NSR wrote. "While we expect cable losses to improve over time, we never have cable adds in aggregate turning positive. We think most investors agree with us and are not modeling positive subscriber growth for any of the large cable operators over the next 5 years." Let's fast forward five years: the best-case scenario for cable is taking a 42% share of the market in 2030. That accounts for FWA holding 16% and fiber taking 42%. NSR's "plausible scenario" leaves cable at 32%, FWA at 20% and fiber at 48%.

## CHARTER TWEAKS WINFREY DEAL

**Chris Winfrey** is guiding **Charter** through a major chapter as it preps for a merger with **Cox Communications**. According to an **SEC** filing, the company is adjusting Winfrey's employment agreement ahead of time, with the President/CEO signed through Dec. 1, 2028, subject to a renewal or earlier termination of the contract. Winfrey will remain on Charter's Board throughout his term. Starting in 2027, he'll be given an annual

stock option award with a grant date fair value of at least \$23 million. Each of the grants will vest in full three years after the grant date, subject to continued employment or termination. In January, Winfrey will receive a top-up stock option award with a grant date fair value of \$6 million. If the company fires Winfrey without cause (or if Winfrey leaves “for good reason”), he’ll be eligible for a severance payment 2.5X the sum of his annual base salary and target bonuses for the year in which said termination occurs, as well as a prorated annual bonus for the year and outplacement services for up to 12 months.

Current customers will see the reduced prices starting with their January billing cycle. The Deluxe deal will remain \$103.99/month. The new Elite and Pro prices come with a first-month promotional deal. Those who sign up for the Pro and Elite will start at \$48.99/month and \$53.99/month, respectively, before upping to the normal price. Deluxe’s promo begins at \$73.99/month.

## FUBO ADJUSTS PRICING AS NBCU DISPUTE CONTINUES

Fubo is tweaking some of the prices for its plans as the vMVPD’s dispute with **NBCUniversal** [rages on](#). In addition to the \$15 credit subscribers are set to receive, Fubo’s Pro plan will drop to \$73.99/month while the Elite offering will shift to \$83.99/month.

## PROGRAMMING

The Dec. 22 Monday Night Football game between the 49ers and Colts is adding another method of distribution beyond **ABC** and **ESPN: Disney+**. It’ll be the first traditional **NFL** broadcast to stream on Disney+. – “Euphoria” fans likely felt euphoric to see **HBO** reveal Season 3 will premiere next year. The show will end a four-year hiatus come April, though HBO didn’t specify an exact date. – The 2026 **FIFA** World Cup will kick off on June 11 and we finally know which nations will open the tournament: Mexico will face South Africa in a Group A matchup.



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The average consumer finds today's TV viewing experience way too complicated with too many streaming services to navigate and sports media rights spread out across walled gardens.

In other words, users are drowning in an ocean of fragmentation.



TV Viewing is Too Complicated—Pay TV May Be the Answer | Distribution | Cablefax

### Quotable

*“We’re all aware of the structural challenges facing pay TV, and they are real... However, at the same time, pay TV is a massive audience platform that we believe will remain highly relevant for many years to come. Even with all the growth in streaming, pay TV still represents 2/3 of all professional video hours consumed and virtually all the hours of sports and news watched. So in other words, while it’s not a growth business, we believe pay TV’s demise has been significantly exaggerated, and we’re confident it will be an important part of the media ecosystem and highly profitable for many years to come.”*

**- Versant CFO/COO Anand Kini on the company's outlook for pay TV**



### Up Ahead

**DEC. 10-13: [TV & Video Insider Summit](#), Deer Valley, Utah**

**DEC. 17: [Senate Commerce FCC Oversight Hearing](#), D.C.**

**DEC. 18: [FCC Open Commission Meeting](#), D.C.**

**JAN. 6-9: [CES 2026](#), Las Vegas**

**JAN. 30: [NTCA AI Summit](#)**

**FEB. 1-3: [IAB Annual Leadership Meeting](#), Palm Springs, California**

**FEB. 3-4: [2026 INCOMPAS Policy Summit](#), D.C.**