FILED BY NETFLIX, INC.
PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933
AND DEEMED FILED PURSUANT TO RULE 14a-12 AND RULE 14d-2(b)
UNDER THE SECURITIES EXCHANGE ACT OF 1934
SUBJECT COMPANY: WARNER BROS. DISCOVERY, INC.
COMMISSION FILE NO. 001-34177

Ted Sarandos Says Critics Just Misunderstand Netflix

The company's co-chief executive sat down for an extensive interview for the first time since announcing plans to buy Warner Bros. Discovery's film and TV business.

New York Times; Corner Office
By Nicole Sperling
16 January 2026

Ted Sarandos, the co-chief executive of Netflix, sent shock waves through the entertainment world last month when his company announced a $83 billion deal to buy Warner Bros. Discovery's movie and TV business.

The deal elicited a strong — and largely negative — reaction within Hollywood. It also upset the plans of Paramount, which had been aggressively pursuing a deal for all of Warner Bros. Paramount is still aiming to buy the company, launching a hostile bid and threatening a board fight.

Earlier this week Mr. Sarandos, 61, talked extensively about the deal. He discussed the harsh reaction in Hollywood, why his company decided to pursue Warner Bros. and his relationship with President Trump, whose administration needs to approve the purchase. The interview was conducted in New Jersey, where he was visiting to celebrate an expansive new production facility on a former Army base.

The interview was edited for length and clarity.

So it's been around six weeks since the Warner Bros. deal was announced. Were you surprised by the anger people had, including the uproar over the company's long reluctance to have theatrical releases?

I think it was a lot of loud voices, but not necessarily a lot of them. I think a lot of it was folks who questioned, rightfully so, our intent with theatrical because we hadn't said anything about it. A lot of it was the emotions around that more than anything else.

It seemed to me that the response was from the rank and file in Hollywood.

If you take a beat and think about who's been building and who's been collapsing, it's the best news possible. When we buy the studio, we'll be releasing more movies together than we were separately. Our forecast is to grow the content spend of the combined companies several years out. So it's really good news for the town that we're going to continue to grow the business.

On the Paramount side, between the $3 billion that they've already cut and the $6 billion they're proposing, those are real jobs. That's cutting back on production. That endless search for profit by cutting people, jobs and making fewer movies — that's not our intention at all. We need all those movies. We need all those TV shows.

So you were not surprised by the reaction?

No. I honestly think there would have been reactions like that from anyone who was going to do the deal. What people would like to see is no deal. But that's not possible. There are two outcomes of this deal, and we have a signed deal done.

What did Reed Hastings, the chairman and co-founder of Netflix, think of the deal?

Reed's more in the build vs. buy mode. In total Reed is not an enthusiast about these kinds of deals, but he was very supportive of it.

Can you take us through how this all began?

We've never been buyers — we've always been builders. I've said that pretty proudly. And it's true. Once the company was in play, it would have been reckless for us not to look at it. The opportunity to get into the books and understand the business model better, and what we saw there was that there's a real there there for us. Their products would work better in our business model, and our business model would work better with their products in it. And that was very telling for us. We had a lot of assumptions that weren't necessarily true.

Give me one that was proved false?

The general economics of the theatrical business were more positive than we had seen and we had modeled for ourselves.

It's a healthy, profitable business for them. We weren't in that business not because we hated it. We weren't in that business because our business was doing so well.

I think people are still skeptical about this new commitment to the theatrical business.

I understand that folks are emotional about it because they love it and they don't want it to go away. And they think that we've been doing things to make it go away. We haven't.

When this deal closes, we will own a theatrical distribution engine that is phenomenal and produces billions of dollars of theatrical revenue that we don't want to put at risk. We will run that business largely like it is today, with 45-day windows. I'm giving you a hard number. If we're going to be in the theatrical business, and we are, we're competitive people — we want to win. I want to win opening weekend. I want to win box office.

Do you regret saying that the theatrical business was an "outmoded idea"?

You have to listen to that quote again. I said "outmoded for some." I mean, like the town that "Sinners" is supposed to be set in does not have a movie theater there. For those folks, it's certainly outmoded. You're not going to get in the car and go to the next town to go see a movie. But my daughter lives in Manhattan. She could walk to six multiplexes, and she's in the theaters twice a week. Not outmoded for her at all.

But Netflix as a business proposition has changed the way people watch movies. Fewer people leave their house to see movies the way they used to because of Netflix.

You have to give them something to watch. And I think we've got to take ownership of the idea that when people are excited to go out and see something, they go. You've seen it in some really nice upside at the box office this year. You've seen it in our "Stranger Things" finale experience. You saw it in our "KPop Demon Hunters" experience with people. You give people a reason to leave the house, they will gladly leave the house.

I would say one of the other myths about all this is that we thought of going to the theaters as competition for Netflix. It absolutely is not. When you go out to see a movie in the theater, if it was a good movie, when you come home, the first thing you want to do is watch another movie. If anything, I think it helps, you know, encourage the love of films.

I did not get in this business to hurt the theatrical business. I got into this business to help consumers, to help movie fans.

Do you think theater owners believe that?

I've got a great relationship with theater owners.

They just went to Congress to tell them how bad this deal would be for them.

Like I said, there's only two outcomes of this deal. We're going to be the buyer who keeps Warner Bros. running, releasing movies in theaters the way they always have. That keeps HBO completely intact. It keeps Warner Bros. television, producing television, and it creates jobs.

How much involvement do you expect from President Trump, and how do you intend to navigate that?

Every conversation I've had with him has been about the movie business and protecting American jobs and American production. What I've come to understand is he sees this as an important industry. It's an industry he likes a lot, so he'll take a keen interest in it. He also made it clear that what he understands is there's a group who will approve the deal, and he's taking a keen interest in it but in the context of protecting jobs and protecting the industry.

How often are you speaking with him?

I've talked to him a couple times since the election.

Did you see the Truth Social post he posted on Sunday sharing an editorial arguing that the Netflix deal is terrible and the Paramount offer is better?

I don't know why he would have done that. No conversation we ever had was about any of the things that were in that article that he posted. I don't want to overread it, either.

So let's imagine the deal closes. What does Hollywood look like five years from now?

There will be very healthy businesses, because they're good businesses today. They just lack resources. And we can bring them the resources. We bring them the distribution footprint to make these shows even bigger and better.

Will you relocate Netflix from its base in Hollywood to the Warner Bros. lot in Burbank? Will you be sitting at the famous desk used by Jack Warner, a founder of Warner Bros.?

I'll probably have a space in both. Probably neither of them will be Jack Warner's desk. But it is a beautiful desk.

Tell the truth, you're doing all this for the desk?

It's mostly for the desk.

Important Information and Where to Find It

In connection with the proposed transaction between WBD and Netflix, Netflix intends to file with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 (the "Registration Statement"), which will include a prospectus with respect to the shares of Netflix's common stock to be issued in the proposed transaction and a proxy statement for WBD's stockholders (the "Proxy Statement/Prospectus"), and WBD intends to file with the SEC the proxy statement. WBD also intends to file a registration statement for the newly formed subsidiary of WBD that will be spun off from WBD prior to the closing of the proposed transaction. The definitive proxy statement (if and when available) will be mailed to stockholders of WBD. Each of Netflix and WBD may also file with or furnish to the SEC other relevant documents regarding the proposed transaction. This communication is not a substitute for the Registration Statement, the Proxy Statement/Prospectus or any other document that Netflix or WBD may file with the SEC or mail to WBD's stockholders in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS OF NETFLIX AND WBD ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT WHEN THEY BECOME AVAILABLE, AS WELL AS ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE INTO THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO), BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION REGARDING NETFLIX, WBD, THE PROPOSED TRANSACTION AND RELATED MATTERS. The documents filed by Netflix with the SEC also may be obtained free of charge at Netflix's website at https://ir.netflix.net/home/default.aspx. The documents filed by WBD with the SEC also may be obtained free of charge at WBD's website at https://ir.wbd.com.

Participants in the Solicitation

Netflix, WBD and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of WBD in connection with the proposed transaction under the rules of the SEC. Information about the interests of the directors and executive officers of Netflix and WBD and other persons who may be deemed to be participants in the solicitation of stockholders of WBD in connection with the proposed transaction and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the Proxy Statement/Prospectus, which will be filed with the SEC. Information about WBD's directors and executive officers is set forth in WBD's proxy statement for its 2025 Annual Meeting of Stockholders on Schedule 14A filed with the SEC on April 23, 2025, WBD's Annual Report on Form 10-K for the year ended December 31, 2024, and any subsequent filings with the SEC. Information about Netflix's directors and executive officers is set forth in Netflix's proxy statement for its 2025 Annual Meeting of Stockholders on Schedule 14A filed with the SEC on April 17, 2025, and any subsequent filings with the SEC. Additional information regarding the direct and indirect interests of those persons and other persons who may be deemed participants in the proposed transaction may be obtained by reading the Proxy Statement/Prospectus regarding the proposed transaction when it becomes available. Free copies of these documents may be obtained as described above.

No Offer or Solicitation

This communication is for informational purposes only and does not constitute, or form a part of, an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Cautionary Statement Regarding Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Netflix's and WBD's current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, their respective businesses and industries, management's beliefs and certain assumptions made by Netflix and WBD, all of which are subject to change. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "could," "seek," "see," "will," "may," "would," "might," "potentially," "estimate," "continue," "expect," "target," similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make or take any filing or other action required to consummate the transaction on a timely matter or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining stockholder and regulatory approvals, completing the separation of WBD's Discovery Global business and Warner Bros. business, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies, expansion and growth of WBD's and Netflix's businesses and other conditions to the completion of the proposed transaction; (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Netflix and WBD; (iii) Netflix's and WBD's ability to implement their business strategies; (iv) consumer viewing trends; (v) potential litigation relating to the proposed transaction that could be instituted against Netflix, WBD or their respective directors; (vi) the risk that disruptions from the proposed transaction will harm Netflix's or WBD's business, including current plans and operations; (vii) the ability of Netflix or WBD to retain and hire key personnel; (viii) potential adverse reactions or changes to business relationships resulting from the announcement, pendency or completion of the proposed transaction; (ix) uncertainty as to the long-term value of Netflix's common stock; (x) legislative, regulatory and economic developments affecting Netflix's and WBD's businesses; (xi) general economic and market developments and conditions; (xii) the evolving legal, regulatory and tax regimes under which Netflix and WBD operate; (xiii) potential business uncertainty, including changes to existing business relationships, during the pendency of the proposed transaction that could affect Netflix's or WBD's financial performance; (xiv) restrictions during the pendency of the proposed transaction that may impact Netflix's or WBD's ability to pursue certain business opportunities or strategic transactions; and (xv) failure to receive the approval of the stockholders of WBD. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in the proxy statement/prospectus to be filed with the SEC in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Netflix's or WBD's consolidated financial condition, results of operations or liquidity. Neither Netflix nor WBD assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

Contacts

Lowell Singer
VP, Investor Relations
ir@netflix.com

Emily Feingold
VP, Communications
efeingold@netflix.com