

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 9, 2024



**WARNER BROS.
DISCOVERY**

Warner Bros. Discovery, Inc.
(Exact name of registrant as specified in its charter)

Commission File Number: 001-34177

Delaware
(State or other jurisdiction of incorporation)

35-2333914
(IRS Employer Identification No.)

230 Park Avenue South
New York, New York 10003
(Address of principal executive offices, including zip code)

212-548-5555
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A Common Stock	WBD	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On May 9, 2024, Warner Bros. Discovery, Inc. (“Warner Bros. Discovery” or the “Company”) released its earnings for the quarter ended March 31, 2024. A copy of Warner Bros. Discovery’s press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished pursuant to Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events

On May 9, 2024, the Company issued a press release announcing that its wholly-owned subsidiaries, Warner Media, LLC (“WML”), Discovery Communications, LLC (“DCL”) and WarnerMedia Holdings, Inc. (“WMH” and, together with WML and DCL, the “Issuers”), had commenced a cash tender offer (the “Tender Offer”) to purchase for cash up to \$1,750,000,000 aggregate purchase price (excluding accrued and unpaid interest) of the outstanding 3.900% Senior Notes due 2024 issued by DCL, 3.900% Senior Notes due 2024 issued by Scripps Networks Interactive, Inc., 4.000% Senior Notes due 2055 issued by DCL, 4.650% Senior Notes due 2050 issued by DCL, 4.950% Senior Notes due 2042 issued by DCL, 4.875% Senior Notes due 2043 issued by DCL, 5.200% Senior Notes due 2047 issued by DCL, 5.300% Senior Notes due 2049 issued by DCL, 4.650% Global Notes due 2044 issued by WML, 4.850% Global Notes due 2045 issued by WML, 4.900% Global Notes due 2042 issued by WML, 5.350% Global Notes due 2043 issued by WML and 5.050% Senior Notes due 2042 issued by WMH (collectively, the “Notes”). The complete terms and conditions of the Tender Offer are set forth in an offer to purchase that will be sent to registered holders of the Notes and be posted online at www.dfking.com/WBD.

A copy of the Company’s press release announcing the Tender Offer is attached to this Current Report on Form 8-K as Exhibit 99.2 and is incorporated herein by reference. The information contained in Item 8.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.2 are for information purposes only and do not constitute an offer to purchase any of the Notes.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 [Press Release of Warner Bros. Discovery, Inc., dated May 9, 2024 \(Earnings\)](#)

99.2 [Press Release of Warner Bros. Discovery, Inc., dated May 9, 2024 \(Tender Offer\)](#)

101 Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Warner Bros. Discovery, Inc.

Date: May 9, 2024

By: /s/ Gunnar Wiedenfels
Gunnar Wiedenfels
Chief Financial Officer

Warner Bros. Discovery, Inc. Reports First Quarter 2024 Earnings Results

We are pleased with our progress in the first quarter as evidenced by strong results in important KPIs. We delivered meaningful growth in our streaming business with a nice acceleration in ad sales, generating nearly \$90 million in positive EBITDA for the quarter. We will soon be rolling out Max to 29 countries across Europe, and the content lineup for Max over the coming year is one of our strongest ever. Warner Bros. Pictures also had a strong start to the year as the first studio to reach \$1 billion in both overseas and global box office, and they have a great slate in the works. Importantly, we once again delivered strong free cash flow, even in our seasonally weakest FCF quarter. We continue to make bold moves to transform our company for the future as we position ourselves to take full advantage of the opportunities ahead.

– David Zaslav, President & CEO

Q1 Financial Summary & Operational Highlights

- Q1 total revenues were \$9,958 million. Revenues decreased 7% ex-FX^{(1)(*)} compared to the prior year quarter.
- Net loss available to Warner Bros. Discovery, Inc. was \$(966) million, and includes \$1,879 million of pre-tax acquisition-related amortization of intangibles, content fair value step-up, and restructuring expenses.
- Q1 total Adjusted EBITDA^{(2)(*)} was \$2,102 million, a 20% ex-FX decrease compared to the prior year quarter, primarily driven by the success of *Hogwarts Legacy* in the prior year quarter while *Suicide Squad: Kill the Justice League* generated significantly lower revenues in the current year quarter.
- Cash provided by operating activities increased to \$585 million. Free cash flow^{(3)(*)} increased to \$390 million, a \$1.3 billion improvement versus the prior year quarter.
- Repaid \$1.1 billion of debt during Q1. Ended the quarter with \$3.4 billion of cash on hand, \$43.2 billion of gross debt^{(4)(*)}, and 4.1x net leverage^{(5)(*)}.
 - Launched a tender offer today to repurchase outstanding debt⁽⁶⁾.
- Global DTC subscribers⁽⁷⁾ were 99.6 million at the end of Q1, an increase of 2.0 million subscribers vs. Q4. Global DTC ARPU⁽⁸⁾ was \$7.83, a 4% ex-FX increase vs. the prior year quarter.
- Successfully launched Max and migrated subscribers to the new platform across Latin America.
- ID's breakout series, *Quiet on Set: The Dark Side of Kids TV* is the 3rd best series launch-to-date across both Max and HBO Max, behind only *The Last of Us* and *House of the Dragon*.
- *Dune: Part Two* and *Godzilla x Kong: The New Empire* have grossed over \$1.2 billion in global box office. *Dune: Part Two* is the highest grossing movie of 2024 to date with over \$700 million in global box office⁽⁹⁾.

Three Months Ended March 31, \$ in millions	2024	2023	% Change	
			Reported	Ex-FX ⁽¹⁾
Total revenues	\$ 9,958	\$ 10,700	(7)%	(7)%
Net loss available to Warner Bros. Discovery, Inc.	(966)	(1,069)	10 %	NM
Adjusted EBITDA ⁽²⁾	2,102	2,611	(19)%	(20)%
Cash provided by operating activities	585	(631)	NM	
Free cash flow ⁽³⁾	390	(930)	NM	

NM - Not meaningful

Numbers presented in the following materials are on a rounded basis using actual amounts. Minor differences in totals and percentages may exist due to rounding

(*) A non-GAAP financial measure; see the section starting on page 13 titled Definitions & Sources for additional details.

Studios Segment



Three Months Ended March 31,	2024	2023	% Change	
			Reported	Ex-FX ^(*)
<i>\$ in millions</i>				
Distribution	\$ 5	\$ 3	67 %	67 %
Advertising	4	3	33 %	33 %
Content	2,623	3,027	(13)%	(14)%
Other	189	179	6 %	4 %
Total revenues	2,821	3,212	(12)%	(13)%
Costs of revenues (excluding depreciation & amortization)	2,019	1,959	3 %	3 %
Selling, general and administrative	618	646	(4)%	(5)%
Adjusted EBITDA	\$ 184	\$ 607	(70)%	(70)%

(*) A non-GAAP financial measure; see the section starting on page 13 titled Definitions & Sources for additional details.

Q1 2024 Highlights

- Studios revenues decreased 13% ex-FX to \$2,821 million compared to the prior year quarter.
 - Content revenue decreased 14% ex-FX.
 - Games revenue declined significantly due to the success of *Hogwarts Legacy* in the prior year quarter, while this year's Q1 release of *Suicide Squad: Kill the Justice League* generated significantly lower revenues.
 - TV revenue declined meaningfully as production delays resulting from the WGA and SAG-AFTRA strikes led to fewer episodes delivered during Q1 of this year, as well as the timing of content availabilities and licensing deals.
 - Theatrical revenue increased significantly due to *Dune: Part Two*, and higher carryover from 4Q23 titles vs. 4Q22 titles.
 - Home Entertainment revenue grew materially due to *Wonka* and *Aquaman and the Lost Kingdom*.
- Studios operating expenses increased 1% ex-FX to \$2,637 million compared to the prior year quarter.
 - Costs of revenues increased 3% ex-FX, primarily driven by higher theatrical content expense and an impairment of *Suicide Squad: Kill the Justice League*, partially offset by lower TV content expense due to fewer episodes delivered.
 - SG&A decreased 5% ex-FX due to lower games marketing expense and lower bad debt expense, partially offset by higher theatrical marketing expense.
- Studios Adjusted EBITDA decreased 70% ex-FX to \$184 million compared to the prior year quarter.



Dune: Part Two
Legendary & Warner Bros.



Godzilla x Kong: The New Empire
Legendary & Warner Bros.

Dune: Part Two: © 2024 Legendary and WBEI
Godzilla x Kong: The New Empire: © 2024 WBEI and Legendary GODZILLA TM & © Toho Co., Ltd.

Networks Segment



Three Months Ended March 31,	2024	2023	% Change	
			Reported	Ex-FX ^(*)
<i>\$ in millions</i>				
Distribution	\$ 2,797	\$ 2,995	(7)%	(6)%
Advertising	1,987	2,237	(11)%	(11)%
Content	264	245	8 %	8 %
Other	77	104	(26)%	(29)%
Total revenues	5,125	5,581	(8)%	(8)%
Costs of revenues (excluding depreciation & amortization)	2,372	2,594	(9)%	(8)%
Selling, general and administrative	634	694	(9)%	(8)%
Adjusted EBITDA	\$ 2,119	\$ 2,293	(8)%	(8)%

(*) A non-GAAP financial measure; see the section starting on page 13 titled Definitions & Sources for additional details.

Q1 2024 Highlights

- Networks revenues decreased 8% ex-FX to \$5,125 million compared to the prior year quarter. The AT&T SportsNet exit negatively impacted the growth rate by approximately 200 bps^{(10)(*)}.
 - Distribution revenue decreased 6% ex-FX, or 3% ex-FX excluding the impact from the AT&T SportsNet exit. The decline in distribution revenue, excluding the AT&T SportsNet exit, was primarily driven by declines in U.S. pay-TV subscribers, partially offset by increases in U.S. contractual affiliate rates and inflationary impacts in Argentina.
 - Advertising revenue decreased 11% ex-FX, primarily driven by audience declines in domestic general entertainment and news networks, as well as the soft linear advertising market in the U.S. and Latin America. The decline was, in part, offset by growth in EMEA. The AT&T SportsNet exit was a modest headwind to advertising revenue.
 - Content revenue increased 8% ex-FX, primarily driven by higher inter-segment content licensing to DTC.
- Networks operating expenses decreased 8% ex-FX to \$3,006 million compared to the prior year quarter. The AT&T SportsNet exit favorably impacted the growth rate by approximately 300 bps^{(11)(*)}.
 - Costs of revenues decreased 8% ex-FX, primarily driven by the AT&T SportsNet exit, the allocation of U.S. sports costs to DTC, as well as lower general entertainment content expense. These benefits were partially offset by the timing of domestic sports rights expense, unfavorable inflationary impacts in Argentina, and higher election expenses. The AT&T SportsNet exit favorably impacted the growth rate by approximately 300 bps.
 - SG&A decreased 8% ex-FX, primarily driven by lower overhead expenses.
- Networks Adjusted EBITDA decreased 8% ex-FX to \$2,119 million compared to the prior year quarter.



Tournament of Champions
Food Network



The Tempo Che Fa
Nove



Quiet on Set: The Dark Side of Kids TV
ID

Direct-to-Consumer Segment



Three Months Ended March 31,

\$ in millions	2024	2023	% Change	
			Reported	Ex-FX ^(*)
Distribution	\$ 2,185	\$ 2,165	1 %	1 %
Advertising	175	103	70 %	70 %
Content	99	185	(46)%	(46)%
Other	1	2	(50)%	(50)%
Total revenues	2,460	2,455	— %	— %
Costs of revenues (excluding depreciation & amortization)	1,895	1,815	4 %	5 %
Selling, general and administrative	479	590	(19)%	(19)%
Adjusted EBITDA	\$ 86	\$ 50	72 %	59 %

(*) A non-GAAP financial measure; see the section starting on page 13 titled Definitions & Sources for additional details.

Q1 2024 Highlights

- Total DTC subscribers⁽⁷⁾ were 99.6 million, an increase of 2.0 million global subscribers vs. Q4. Global DTC ARPU⁽⁸⁾ was \$7.83, a 4% ex-FX increase from the prior year quarter.
- DTC revenues increased modestly to \$2,460 million compared to the prior year quarter.
 - Distribution revenue increased 1% ex-FX, primarily driven by the prior year price increases in the U.S. and Latin America, and International subscriber growth, partially offset by lower subscribers in the U.S. largely resulting from continued linear wholesale subscriber declines.
 - Advertising revenue increased 70% ex-FX, primarily driven by higher engagement on Max in the U.S., which in part was due to the launch of B/R Sports on Max in October 2023, and ad-lite subscriber growth.
 - Content revenue decreased 46%, primarily driven by lower volume of third-party international licensing deals.
- DTC operating expenses decreased 1% ex-FX to \$2,374 million compared to the prior year quarter.
 - Costs of revenues increased 5% ex-FX, primarily driven by the allocation of U.S. sports costs, partially offset by lower non-sports content expense and lower content licensing costs.
 - SG&A decreased 19% ex-FX, primarily driven by lower personnel and overhead expenses.
- DTC Adjusted EBITDA was \$86 million, a \$36 million year-over-year improvement.

DTC Subscribers

In millions, except ARPU		Q1 2024	Q4 2023	Q1 2023
Domestic	Total subscribers ⁽⁷⁾	52.7	52.0	55.3
	ARPU ⁽⁸⁾	\$ 11.72	\$ 11.65	\$ 10.82
International	Total subscribers ⁽⁷⁾	46.9	45.6	43.2
	ARPU ⁽⁸⁾	\$ 3.75	\$ 3.88	\$ 3.68
Total DTC subscribers⁽⁷⁾		99.6	97.7	98.5
Global ARPU⁽⁸⁾		\$ 7.83	\$ 7.94	\$ 7.54

Note: Domestic includes the U.S. and Canada. Subscriber counts in the above table are rounded and minor differences in totals may exist. Refer to page 14 for more information.



True Detective: Night Country
HBO



Curb Your Enthusiasm
HBO

Corporate

Three Months Ended March 31, <i>\$ in millions</i>	2024	2023	% Change	
			Reported	Ex-FX ^(*)
Adjusted EBITDA	\$ (346)	\$ (355)	3 %	2 %

(*) A non-GAAP financial measure; see the section starting on page 13 titled *Definitions & Sources* for additional details.

- Corporate Adjusted EBITDA loss improved \$9 million, primarily driven by lower personnel and technology-related expenses, partially offset by higher securitization expense.

Inter-segment Eliminations

Three Months Ended March 31, <i>\$ in millions</i>	2024	2023
Inter-segment revenue eliminations	\$ (449)	\$ (548)
Inter-segment expense eliminations	(508)	(564)
Adjusted EBITDA	\$ 59	\$ 16

Leverage & Liquidity

Q1 2024 Leverage Highlights

- Ended Q1 with \$3.4 billion of cash on hand, \$43.2 billion of gross debt⁽¹⁾, and 4.1x net leverage⁽²⁾.
- In Q1 2024, the Company repaid \$1.1 billion of debt.
 - Launched a tender offer today to repurchase outstanding debt⁽⁶⁾.
- As of March 31, 2024, the average duration of the Company's outstanding debt was 15.0 years with an average cost of 4.6%.
- The Company maintains an undrawn \$6.0 billion revolving credit facility.

Free Cash Flow

Three Months Ended March 31,

<i>\$ in millions</i>	2024	2023	% Change
Cash provided by (used in) operating activities	\$ 585	\$ (631)	NM
Purchases of property and equipment	(195)	(299)	35 %
Free cash flow ^(*)	\$ 390	\$ (930)	NM

(*) A non-GAAP financial measure; see the section starting on page 13 titled Definitions & Sources for additional details.

Q1 2024 Free Cash Flow Highlights

- Q1 2024 cash provided by operating activities increased to \$585 million from \$(631) million in the prior year quarter. Free cash flow increased to \$390 million from \$(930) million primarily driven by a more disciplined approach to content investment and the timing of production, on-going working capital improvement initiatives, and lower cash restructuring costs, partially offset by lower operating profits.
- As of March 31, 2024, the Company had \$5,170 million drawn on its revolving receivables program, a \$30 million decrease vs. Q4.

2024 Outlook

Warner Bros. Discovery, Inc. ("Warner Bros. Discovery", the "Company", "we", "us", or "our") may provide forward-looking commentary in connection with this earnings announcement on its quarterly earnings conference call. Details on how to access the audio webcast are included below.

Q1 2024 Earnings Conference Call Information

Warner Bros. Discovery will host a conference call today, May 9, 2024 at 8:00 a.m. ET, to discuss its first quarter 2024 financial results. To access the webcast of the earnings call, please visit the Investor Relations section of the Company's website at www.wbd.com.

Cautionary Statement Concerning Forward-Looking Statements

Information set forth in this communication contains certain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, forecasts, and assumptions that involve risks and uncertainties and on information available to Warner Bros. Discovery as of the date hereof. The Company's actual results could differ materially from those stated or implied due to risks and uncertainties associated with its business, which include the risk factors disclosed in the Company's filings with the U.S. Securities and Exchange Commission, including but not limited to the Company's most recent Annual Report on Form 10-K and reports on Form 10-Q and Form 8-K.

Forward-looking statements include statements regarding the Company's expectations, beliefs, intentions or strategies regarding the future, and can be identified by forward-looking words such as "anticipate," "believe," "could," "continue," "estimate," "expect," "intend," "may," "should," "will" and "would" or similar words. Forward-looking statements include, without limitation, statements regarding future financial and operating results, the Company's plans, objectives, expectations and intentions, and other statements that are not historical facts. Warner Bros. Discovery expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), this communication may also contain certain non-GAAP financial measures, identified with an "*". Reconciliations between the non-GAAP financial measures and the closest GAAP financial measures are available in the financial schedules in this release and in the "Quarterly Results" section of the Warner Bros. Discovery, Inc. investor relations website at: <https://ir.wbd.com>.

About Warner Bros. Discovery

Warner Bros. Discovery is a leading global media and entertainment company that creates and distributes the world's most differentiated and complete portfolio of branded content across television, film, streaming and gaming. Available in more than 220 countries and territories and 50 languages, Warner Bros. Discovery inspires, informs and entertains audiences worldwide through its iconic brands and products including: Discovery Channel, Max, discovery+, CNN, DC, TNT Sports, Eurosport, HBO, HGTV, Food Network, OWN, Investigation Discovery, TLC, Magnolia Network, TNT, TBS, truTV, Travel Channel, MotorTrend, Animal Planet, Science Channel, Warner Bros. Motion Picture Group, Warner Bros. Television Group, Warner Bros. Pictures Animation, Warner Bros. Games, New Line Cinema, Cartoon Network, Adult Swim, Turner Classic Movies, Discovery en Español, Hogar de HGTV and others. For more information, please visit www.wbd.com.

Contacts

Media

Laura Watson
(747) 288-5397
laura.watson@wbd.com

Investor Relations

Andrew Slabin
(212) 548-5544
andrew.slabin@wbd.com

Peter Lee
(212) 548-5907
peter.lee@wbd.com

Gabriele Cattoni
(212) 752-8744
gabriele.cattoni@wbd.com

Warner Bros. Discovery, Inc.

Consolidated Statements of Operations

Unaudited; in millions, except per share amounts	Three Months Ended March 31,	
	2024	2023
Distribution	\$ 4,985	\$ 5,163
Advertising	2,148	2,298
Content	2,558	2,954
Other	267	285
Total revenues	9,958	10,700
Costs of revenues, excluding depreciation and amortization	6,058	6,685
Selling, general and administrative	2,232	2,388
Depreciation and amortization	1,888	2,058
Restructuring and other charges	35	95
Impairment and loss on dispositions	12	31
Total costs and expenses	10,225	11,257
Operating loss	(267)	(557)
Interest expense, net	(515)	(571)
Loss from equity investees, net	(48)	(37)
Other income (expense), net	11	(73)
Loss before income taxes	(819)	(1,238)
Income tax (expense) benefit	(136)	178
Net loss	(955)	(1,060)
Net income attributable to noncontrolling interests	(7)	(8)
Net income attributable to redeemable noncontrolling interests	(4)	(1)
Net loss available to Warner Bros. Discovery, Inc.	\$ (966)	\$ (1,069)
Net loss per share available to Warner Bros. Discovery, Inc. Series A common stockholders:		
Basic	\$ (0.40)	\$ (0.44)
Diluted	\$ (0.40)	\$ (0.44)
Weighted average shares outstanding:		
Basic	2,443	2,432
Diluted	2,443	2,432

Warner Bros. Discovery, Inc.

Consolidated Balance Sheets

Unaudited; in millions, except par value	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,976	\$ 3,780
Receivables, net	6,303	6,047
Prepaid expenses and other current assets	4,623	4,391
Total current assets	13,902	14,218
Film and television content rights and games	20,439	21,229
Property and equipment, net	5,937	5,957
Goodwill	34,891	34,969
Intangible assets, net	36,648	38,285
Other noncurrent assets	8,002	8,099
Total assets	\$ 119,819	\$ 122,757
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,245	\$ 1,260
Accrued liabilities	10,288	10,368
Deferred revenues	1,993	1,924
Current portion of debt	3,430	1,780
Total current liabilities	16,956	15,332
Noncurrent portion of debt	39,148	41,889
Deferred income taxes	8,303	8,736
Other noncurrent liabilities	10,118	10,328
Total liabilities	74,525	76,285
Commitments and contingencies		
Redeemable noncontrolling interests		
	179	165
Warner Bros. Discovery, Inc. stockholders' equity:		
Series A common stock: \$0.01 par value; 10,800 and 10,800 shares authorized; 2,679 and 2,669 shares issued; and 2,449 and 2,439 shares outstanding	27	27
Preferred stock: \$0.01 par value; 1,200 and 1,200 shares authorized, 0 shares issued and outstanding	—	—
Additional paid-in capital	55,175	55,112
Treasury stock, at cost: 230 and 230 shares	(8,244)	(8,244)
Accumulated deficit	(1,894)	(928)
Accumulated other comprehensive loss	(913)	(741)
Total Warner Bros. Discovery, Inc. stockholders' equity	44,151	45,226
Noncontrolling interests	964	1,081
Total equity	45,115	46,307
Total liabilities and equity	\$ 119,819	\$ 122,757

Warner Bros. Discovery, Inc.

Consolidated Statements of Cash Flows

Unaudited; in millions	Three Months Ended March 31,	
	2024	2023
Operating Activities		
Net loss	\$ (955)	\$ (1,060)
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Content rights amortization and impairment	3,827	4,723
Depreciation and amortization	1,888	2,058
Deferred income taxes	(399)	(669)
Share-based compensation expense	101	111
Equity in losses of equity method investee companies and cash distributions	58	62
Gain from derivative instruments, net	(43)	(23)
Other, net	7	97
Changes in operating assets and liabilities, net of acquisitions and dispositions:		
Receivables, net	(304)	(486)
Film and television content rights, games, and production payables, net	(2,778)	(4,051)
Accounts payable, accrued liabilities, deferred revenues and other noncurrent liabilities	(753)	(1,652)
Foreign currency, prepaid expenses and other assets, net	(64)	259
Cash provided by (used in) operating activities	585	(631)
Investing Activities		
Purchases of property and equipment	(195)	(299)
Investments in and advances to equity investments	(53)	(13)
Other investing activities, net	41	55
Cash used in investing activities	(207)	(257)
Financing Activities		
Principal repayments of term loans	—	(1,500)
Principal repayments of debt, including premiums and discounts to par value	(1,047)	(106)
Borrowings from debt, net of discount and issuance costs	—	1,500
Distributions to noncontrolling interests and redeemable noncontrolling interests	(130)	(237)
Borrowings under commercial paper program and revolving credit facility	2,200	932
Repayments under commercial paper program and revolving credit facility	(2,200)	(933)
Other financing activities, net	(60)	(88)
Cash used in financing activities	(1,237)	(432)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(74)	29
Net change in cash, cash equivalents, and restricted cash	(933)	(1,291)
Cash, cash equivalents, and restricted cash, beginning of period	4,319	3,930
Cash, cash equivalents, and restricted cash, end of period	\$ 3,386	\$ 2,639

Networks Segment: Reconciliation of AT&T SportsNet Business Exit

Networks Segment Revenues

Three Months Ended March 31,	2024	2023	% Change	
	Actual	Actual	Actual	Ex-FX ^(*)
<i>\$ in millions</i>				
Total revenues	\$ 5,125	\$ 5,581	(8)%	(8)%
AT&T SportsNet revenues	—	93	NM	NM
Total revenues excluding AT&T SportsNet^(*)	\$ 5,125	\$ 5,488	(7)%	(6)%

Three Months Ended March 31,	2024	2023	% Change	
	Actual	Actual	Actual	Ex-FX ^(*)
<i>\$ in millions</i>				
Distribution revenues	\$ 2,797	\$ 2,995	(7)%	(6)%
AT&T SportsNet distribution revenues	—	77	NM	NM
Distribution revenues excluding AT&T SportsNet^(*)	\$ 2,797	\$ 2,918	(4)%	(3)%

Networks Segment Operating Expenses

Three Months Ended March 31,	2024	2023	% Change	
	Actual	Actual	Actual	Ex-FX ^(*)
<i>\$ in millions</i>				
Total operating expenses	\$ 3,006	\$ 3,288	(9)%	(8)%
AT&T SportsNet operating expenses	1	86	NM	NM
Total operating expenses excluding AT&T SportsNet^(*)	\$ 3,005	\$ 3,202	(6)%	(5)%

Three Months Ended March 31,	2024	2023	% Change	
	Actual	Actual	Actual	Ex-FX ^(*)
<i>\$ in millions</i>				
Cost of revenues	\$ 2,372	\$ 2,594	(9)%	(8)%
AT&T SportsNet cost of revenues	—	82	NM	NM
Cost of revenues excluding AT&T SportsNet^(*)	\$ 2,372	\$ 2,512	(6)%	(5)%

NM - Not meaningful

(*) A non-GAAP financial measure; see the section starting on page 13 titled Definitions & Sources for additional details

Reconciliation of Net (Loss) Income to Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization

Unaudited; in millions	Three Months Ended March 31,	
	2024	2023
Net loss available to Warner Bros. Discovery, Inc.	\$ (966)	\$ (1,069)
Net income attributable to redeemable noncontrolling interests	4	1
Net income attributable to noncontrolling interests	7	8
Income tax expense (benefit)	136	(178)
Loss before income taxes	(819)	(1,238)
Other (income) expense, net	(11)	73
Loss from equity investees, net	48	37
Interest expense, net	515	571
Operating loss	(267)	(557)
Depreciation and amortization	1,888	2,058
Impairment and amortization of fair value step-up for content	235	831
Restructuring and other charges	35	95
Employee share-based compensation	99	106
Transaction and integration costs	81	47
Impairments and loss on dispositions	12	31
Amortization of capitalized interest for content	17	—
Facility consolidation costs	2	—
Adjusted EBITDA^(*)	\$ 2,102	\$ 2,611

(*) A non-GAAP financial measure; see the section starting on page 13 titled Definitions & Sources for additional details

Definitions and Sources for Warner Bros. Discovery, Inc.

(1) Foreign Exchange Impacting Comparability: The impact of exchange rates on our business is an important factor in understanding period-to-period comparisons of our results. For example, our international revenues are favorably impacted as the U.S. dollar weakens relative to other foreign currencies, and unfavorably impacted as the U.S. dollar strengthens relative to other foreign currencies. We believe the presentation of results on a constant currency basis ("ex-FX"), in addition to results reported in accordance with U.S. GAAP provides useful information about our operating performance because the presentation ex-FX excludes the effects of foreign currency volatility and highlights our core operating results. The presentation of results on a constant currency basis should be considered in addition to, but not a substitute for, measures of financial performance reported in accordance with U.S. GAAP.

The ex-FX change represents the percentage change on a period-over-period basis adjusted for foreign currency impacts. The ex-FX change is calculated as the difference between the current year amounts translated at a baseline rate, which is a spot rate for each of our currencies determined early in the fiscal year as part of our forecasting process (the "2024 Baseline Rate"), and the prior year amounts translated at the same 2024 Baseline Rate. In addition, consistent with the assumption of a constant currency environment, our ex-FX results exclude the impact of our foreign currency hedging activities, as well as realized and unrealized foreign currency transaction gains and losses. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies.

(2) Adjusted EBITDA: The Company evaluates the operating performance of its operating segments based on financial measures such as revenues and Adjusted EBITDA. Adjusted EBITDA is defined as operating income excluding: (i) employee share-based compensation, (ii) depreciation and amortization, (iii) restructuring and facility consolidation, (iv) certain impairment charges, (v) gains and losses on business and asset dispositions, (vi) third-party transaction and integration costs, (vii) amortization of purchase accounting fair value step-up for content, (viii) amortization of capitalized interest for content, and (ix) other items impacting comparability.

The Company uses this measure to assess the operating results and performance of its segments, perform analytical comparisons, identify strategies to improve performance, and allocate resources to each segment. The Company believes Adjusted EBITDA is relevant to investors because it allows them to analyze the operating performance of each segment using the same metric management uses. The Company excludes employee share-based compensation, restructuring, certain impairment charges, gains and losses on business and asset dispositions, and transaction and integration costs from the calculation of Adjusted EBITDA due to their impact on comparability between periods. Integration costs include transformative system implementations and integrations, such as Enterprise Resource Planning systems, and may take several years to complete.

The Company also excludes the depreciation of fixed assets and amortization of intangible assets, amortization of purchase accounting fair value step-up for content, and amortization of capitalized interest for content, as these amounts do not represent cash payments in the current reporting period. Certain corporate expenses and inter-segment eliminations related to production studios are excluded from segment results to enable executive management to evaluate segment performance based upon the decisions of segment executives. Adjusted EBITDA should be considered in addition to, but not a substitute for, operating income, net income, and other measures of financial performance reported in accordance with U.S. GAAP. We prospectively updated certain corporate allocations at the beginning of 2024. The impact to prior periods was immaterial.

(3) Free cash flow: The Company defines free cash flow as cash flow from operations less acquisitions of property and equipment. The Company believes free cash flow is an important indicator for management and investors of the Company's liquidity, including its ability to reduce debt, make strategic investments, and return capital to stockholders.

(4) Gross debt: The Company defines gross debt of \$43.2 billion as total debt of \$42.8 billion, plus finance leases of \$325 million. The Company believes this measure is relevant to investors as it is a financial measure frequently used in evaluating a company's financial condition.

(5) Net leverage: The Company defines net leverage as the calculation where net debt (gross debt of \$43.2 billion, less cash, cash equivalents, and restricted cash of \$3.4 billion) is divided by the sum of the most recent four quarters Adjusted EBITDA of \$9,691 million. The Company believes this measure is relevant to investors as it is a financial measure frequently used in evaluating a company's financial condition.

Please refer to the Trending Schedules and Non-GAAP Reconciliations posted in the "Quarterly Results" section of the Company's investor relations website (<https://ir.wbd.com>) for the full reconciliation of net leverage.

(6) Debt tender: This communication is neither an offer to purchase nor a solicitation of an offer to sell any securities. The tender offer is being made only by, and pursuant to the terms of, the Offer to Purchase, dated May 9, 2024.

Definitions and Sources for Warner Bros. Discovery, Inc. Continued

(7) Direct-to-Consumer ("DTC") Subscriber: The Company defines a "Core DTC Subscription" as: (i) a retail subscription to discovery+, HBO, HBO Max, Max, or a Premium Sports Product (defined below) for which we have recognized subscription revenue, whether directly or through a third party, from a direct-to-consumer platform; (ii) a wholesale subscription to discovery+, HBO, HBO Max, Max, or a Premium Sports Product for which we have recognized subscription revenue from a fixed-fee arrangement with a third party and where the individual user has activated their subscription; (iii) a wholesale subscription to discovery+, HBO, HBO Max, Max, or a Premium Sports Product for which we have recognized subscription revenue on a per subscriber basis; (iv) a retail or wholesale subscription to an independently-branded, regional product sold on a stand-alone basis that includes discovery+, HBO, HBO Max, Max, and/or a Premium Sports Product, for which we have recognized subscription revenue (as per (i)–(iii) above); and (v) users on free trials who convert to a subscription for which we have recognized subscription revenue within the first seven days of the calendar month immediately following the month in which their free trial expires.

The Company defines a "Premium Sports Product" as a strategically prioritized, sports-focused product sold on a stand-alone basis and made available directly to consumers.

The current "independently-branded, regional products" referred to in (iv) above consist of TVN/Player and BluTV.

We may refer to the aggregate number of Core DTC Subscriptions as "subscribers".

The reported number of "subscribers" included herein and the definition of "DTC Subscription" as used herein excludes: (i) individuals who subscribe to DTC products, other than discovery+, HBO, HBO Max, Max, a Premium Sports Product, and independently-branded, regional products (currently consisting of TVN/Player and BluTV), that may be offered by us or by certain joint venture partners or affiliated parties from time to time; (ii) a limited number of international discovery+ subscribers that are part of non-strategic partnerships or short-term arrangements as may be identified by the Company from time to time; (iii) domestic and international Cinemax subscribers, and international basic HBO subscribers; and (iv) users on free trials except for those users on free trial that convert to a DTC Subscription within the first seven days of the next month as noted above.

Domestic subscriber - We define a Domestic subscriber as a subscription based either in the United States of America or Canada.

International subscriber - We define an International subscriber as a subscription based outside of the United States of America or Canada.

(8) ARPU: The Company defines DTC Average Revenue Per User ("ARPU") as total subscription revenue plus net advertising revenue for the period divided by the daily average number of paying subscribers for the period. Where daily values are not available, the sum of beginning of period and end of period divided by two is used.

Excluded from the ARPU calculation are: (i) Revenue and subscribers for DTC products, other than discovery+, HBO, HBO Max, Max, a Premium Sports Product, and independently-branded, regional products (currently consisting of TVN/Player and BluTV), that may be offered by us or by certain joint venture partners or affiliated parties from time to time; (ii) A limited amount of international discovery+ revenue and subscribers that are part of non-strategic partnerships or short-term arrangements as may be identified by the Company from time to time; (iii) Cinemax, Max/HBO hotel and bulk institution (i.e., subscribers billed on a bulk basis), and international basic HBO revenue and subscribers; and (iv) Users on free trials who convert to a subscription for which we have recognized subscription revenue within the first seven days of the calendar month immediately following the month in which their free trial expires.

(9) Source: ComScore, Box Office Mojo. Data as of April 29, 2024.

(10) Revenue Excluding Exit From AT&T SportsNet Business: The Company defines revenues excluding the exit from the AT&T SportsNet business as total revenues less revenues from the AT&T SportsNet business. The Company may exclude revenues from the AT&T SportsNet business at the consolidated level, segment level, or both. The Company believes this measure is relevant to investors because it allows them to analyze our operating performance on businesses that the Company continues to operate on an ongoing basis.

(11) Operating Expenses Excluding Exit From AT&T SportsNet Business: The Company defines operating expenses excluding the exit from the AT&T SportsNet business as total operating expenses less operating expenses from the AT&T SportsNet business. The Company may exclude revenues from the AT&T SportsNet business at the consolidated level, segment level, or both. The Company believes this measure is relevant to investors because it allows them to analyze our operating performance on businesses that the Company continues to operate on an ongoing basis.

Source: Warner Bros. Discovery, Inc.



WARNER BROS. DISCOVERY

FOR IMMEDIATE RELEASE

May 9, 2024

Investor Contacts:

Andrew Slabin
Andrew.Slabin@wbd.com
212-548-5544

Peter Lee
Peter.Lee@wbd.com
212-548-5907

Media Contact:

Laura Watson
Laura.Watson@wbd.com
747-288-5397

Warner Bros. Discovery Announces Commencement of Cash Tender Offer for an Aggregate Tender Cap of up to \$1,750,000,000 for

3.900% Senior Notes due 2024 issued by Discovery Communications, LLC
3.900% Senior Notes due 2024 issued by Scripps Networks Interactive, Inc.
4.000% Senior Notes due 2055 issued by Discovery Communications, LLC
4.650% Senior Notes due 2050 issued by Discovery Communications, LLC
4.950% Senior Notes due 2042 issued by Discovery Communications, LLC
4.875% Senior Notes due 2043 issued by Discovery Communications, LLC
5.200% Senior Notes due 2047 issued by Discovery Communications, LLC
5.300% Senior Notes due 2049 issued by Discovery Communications, LLC
4.650% Global Notes due 2044 issued by Warner Media, LLC
4.850% Global Notes due 2045 issued by Warner Media, LLC
4.900% Global Notes due 2042 issued by Warner Media, LLC
5.350% Global Notes due 2043 issued by Warner Media, LLC
5.050% Senior Notes due 2042 issued by WarnerMedia Holdings, Inc.

New York, New York -- Warner Bros. Discovery, Inc. (“**Warner Bros. Discovery**” or the “**Company**”) today announced that, in connection with the Company’s previously announced plan to reduce debt, its wholly-owned subsidiaries, Warner Media, LLC, Discovery Communications, LLC and WarnerMedia Holdings, Inc. (each, an “**Issuer**” and together, the “**Issuers**”), have commenced a cash tender offer (the “**Tender Offer**”) to purchase up to \$1,750,000,000 aggregate purchase price (excluding accrued and unpaid interest, the “**Aggregate Tender Cap**”) of the outstanding notes described in the table below (together, the “**Notes**”), for the consideration and in the order of priority

listed in the table below. Capitalized terms used but not defined in this press release have the meanings given to them in the Offer to Purchase, dated May 9, 2024 (the “**Offer to Purchase**”).

Issuer	Title of Security	Aggregate Principal Amount Outstanding	CUSIP	Acceptance Priority Level (1)	Reference U.S. Treasury Security	Bloomberg Reference Page/Screen(2)	Fixed Spread (basis points) (3)
Discovery Communications, LLC	3.900% Senior Notes due 2024	\$483,810,000	25470DBC2	1	2.25% due November 15, 2024	FIT3	+25
Scripps Networks Interactive, Inc.	3.900% Senior Notes due 2024	\$11,920,000	811065AC5	1	2.25% due November 15, 2024	FIT3	+25
Discovery Communications, LLC	4.000% Senior Notes due 2055	\$1,643,454,000	25470DBL2 25470DBK4 U25478AH8	2	4.25% due February 15, 2054	FIT1	+195
Discovery Communications, LLC	4.650% Senior Notes due 2050	\$959,344,000	25470DBH1	3	4.25% due February 15, 2054	FIT1	+198
Discovery Communications, LLC	4.950% Senior Notes due 2042	\$284,940,000	25470DAG4	4	4.50% due February 15, 2044	FIT1	+237
Discovery Communications, LLC	4.875% Senior Notes due 2043	\$514,735,000	25470DAJ8	5	4.50% due February 15, 2044	FIT1	+199
Discovery Communications, LLC	5.200% Senior Notes due 2047	\$1,250,000,000	25470DAT6	6	4.50% due February 15, 2044	FIT1	+203
Discovery Communications, LLC	5.300% Senior Notes due 2049	\$750,000,000	25470DBG3	7	4.25% due February 15, 2054	FIT1	+220
Warner Media, LLC	4.650% Global Notes due 2044	\$12,817,000	887317AU9	8	4.50% due February 15, 2044	FIT1	+245
Warner Media, LLC	4.850% Global Notes due 2045	\$17,017,000	887317AX3	9	4.50% due February 15, 2044	FIT1	+245
Warner Media, LLC	4.900% Global Notes due 2042	\$21,215,000	887317AP0	10	4.50% due February 15, 2044	FIT1	+245
Warner Media, LLC	5.350% Global Notes due 2043	\$31,893,000	887317AS4	11	4.50% due February 15, 2044	FIT1	+245
WarnerMedia Holdings, Inc.	5.050% Senior Notes due 2042	\$4,500,000,000	55903VBD4 55903VAN3 U55632AG5	12	4.50% due February 15, 2044	FIT1	+195

- (1) Subject to the Aggregate Tender Cap and proration, the principal amount of each series of Notes that is purchased in the Tender Offer will be determined in accordance with the applicable Acceptance Priority Level (in numerical priority order with 1 being the highest Acceptance Priority Level and 12 being the lowest) specified in this column.
- (2) The Bloomberg Reference Page/Screen is provided for convenience only. To the extent any Bloomberg Reference Page/Screen changes prior to the Price Determination Time (as defined herein), the Lead Dealer Managers referred to below will quote the applicable Reference U.S. Treasury Security from the updated Bloomberg Reference Page/Screen.
- (3) The Total Consideration (as defined below) for Notes of each series validly tendered at or prior to the Early Tender Deadline (as defined below) and accepted for purchase will be calculated using the applicable Fixed Spread (as set forth in the table above) and is inclusive of the Early Tender Premium of \$30.00 per \$1,000 principal amount of Notes for each series.

The Tender Offer is being made upon and is subject to the terms and conditions set forth in the Offer to Purchase. The Tender Offer will expire at 5:00 p.m., New York City time, on June 7, 2024, unless extended or earlier terminated (the “**Expiration Time**”). Any Notes tendered may be withdrawn at any time at or prior to 5:00 p.m., New York City time, on May 22, 2024 (the “**Withdrawal Deadline**”), but may not be withdrawn thereafter except in certain limited circumstances where additional withdrawal rights are required by law.

The consideration paid in the Tender Offer for each series of Notes that are validly tendered and not validly withdrawn and accepted for purchase will be determined in the manner described in the Offer to Purchase by reference to a fixed spread over the yield to maturity of the applicable Reference U.S. Treasury Security specified in the table above and in the Offer to Purchase (the “**Total Consideration**”). Holders of Notes that are validly tendered and not validly withdrawn at or prior to 5:00 p.m., New York City time, on May 22, 2024 (such date and time, as the same may be extended, the “**Early Tender Deadline**”) and accepted for purchase will receive the applicable Total Consideration, which includes an early tender premium of \$30.00 per \$1,000 principal amount of the Notes accepted for purchase (the “**Early Tender Premium**”). Holders who validly tender their Notes following the Early Tender Deadline and at or prior to the Expiration Time will only receive the applicable “**Tender Offer Consideration**” per \$1,000 principal amount of any such Notes tendered by such

holders that are accepted for purchase, which is equal to the applicable Total Consideration minus the Early Tender Premium. The Total Consideration will be determined at 9:00 a.m., New York City Time, on May 23, 2024 (the “**Price Determination Time**”), unless extended.

Payments for Notes purchased will include accrued and unpaid interest, if any, from and including the last interest payment date applicable to the relevant series of Notes up to, but not including, the settlement date for such Notes accepted for purchase.

The settlement date for Notes that are validly tendered and accepted for purchase is expected to be June 12, 2024, three business days following the Expiration Time (the “**Settlement Date**”).

Subject to the Aggregate Tender Cap and proration, all Notes validly tendered and not validly withdrawn at or prior to the Early Tender Deadline having a higher Acceptance Priority Level (as shown in the table above, with 1 being the highest) will be accepted before any validly tendered and not validly withdrawn Notes having a lower Acceptance Priority Level (with 12 being the lowest), and all Notes validly tendered after the Early Tender Deadline having a higher Acceptance Priority Level will be accepted before any Notes validly tendered after the Early Tender Deadline having a lower Acceptance Priority Level. However, Notes validly tendered and not validly withdrawn at or prior to the Early Tender Deadline will be accepted for purchase before any Notes validly tendered after the Early Tender Deadline, even if such Notes tendered after the Early Tender Deadline have a higher Acceptance Priority Level than Notes validly tendered and not validly withdrawn at or prior to the Early Tender Deadline.

Notes of the series in the last Acceptance Priority Level accepted for purchase in accordance with the terms and conditions of the Tender Offer may be subject to proration (rounded to avoid the purchase of Notes in a principal amount other than in an integral multiple of \$1,000) if the aggregate purchase price (excluding accrued and unpaid interest) of the Notes of such series validly tendered and not validly withdrawn would cause the Aggregate Tender Cap to be exceeded. Furthermore, if Notes are validly tendered and not validly withdrawn having an aggregate purchase price equal to or greater than the Aggregate Tender Cap as of the Early Tender Deadline, subject to proration, holders who validly tender Notes after the Early Tender Deadline but at or prior to the Expiration Time will not have any of their Notes accepted for purchase.

The Issuers’ obligation to accept for purchase up to the Aggregate Tender Cap of the Notes validly tendered pursuant to the Offer to Purchase is subject to, and conditioned upon, the satisfaction of or, where applicable, their waiver of the conditions described in the Offer to Purchase, including a financing condition that on or prior to the Settlement Date the Issuers receive the net proceeds from one or more debt financing transactions, on terms acceptable to the Issuers and providing net proceeds in an amount that, together with cash on hand and other available sources of liquidity is sufficient in the Issuers’ discretion to fund the purchase of validly tendered Notes accepted for purchase in the Tender Offer and pay all fees and expenses associated with the foregoing. The Issuers reserve the right, in their discretion and subject to applicable law, to extend or terminate the Tender Offer at any time and not accept for payment any Notes not theretofore accepted for payment pursuant to the Tender Offer for any reason, waive any or all of the conditions of the Tender Offer, change the Acceptance Priority Level with respect to the Notes, increase, decrease or eliminate the Aggregate Tender Cap without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights and otherwise amend the terms of the Tender Offer in any respect. The Tender Offer is not conditioned upon any minimum amount of Notes being tendered.

The complete terms and conditions of the Tender Offer are set forth in the Offer to Purchase, along with any amendments and supplements thereto, which holders are urged to read carefully before making any decision with respect to the Tender Offer. The Issuers have retained Deutsche Bank Securities Inc., J.P. Morgan Securities LLC and MUFG Securities Americas Inc. to act as the Lead Dealer Managers, and Scotia Capital (USA) Inc. and Truist Securities, Inc. to act as the other Dealer Managers in connection with the Tender Offer. Copies of the Offer to Purchase may be obtained from D.F. King & Co., Inc., the Tender and

Information Agent for the Tender Offer, by phone at +1 (212) 269-5550 (banks and brokers) or +1 (800) 791-3319 (all others), by email at WBD@dfking.com or online at www.dfking.com/WBD. Questions regarding the Tender Offer may also be directed to the Lead Dealer Managers as set forth below:

<i>Lead Dealer Managers:</i>		
<p>Deutsche Bank Securities Inc. 1 Columbus Circle New York, NY 10019 Attn: Liability Management Group Toll-Free: (866) 627-0391 Collect: (212) 250-2955</p>	<p>J.P. Morgan Securities LLC 383 Madison Avenue New York, NY 10179 Collect: (212) 834-4045 Toll-Free: (866) 834-4666</p>	<p>MUFG Securities Americas Inc. 1221 Avenue of the Americas, 6th Floor New York, NY 10020 U.S.: +1 (212) 405-7481 U.S. Toll-Free: +1 (877) 744-4532</p>

This press release must be read in conjunction with the Offer to Purchase. This press release and the Offer to Purchase contain important information which should be read carefully before any decision is made with respect to the Tender Offer. If you are in any doubt as to the contents of this press release or the Offer to Purchase or the action you should take, you are recommended to seek your own legal, business, tax or other advice, including as to any tax consequences, immediately from your broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, commercial bank, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Tender Offer. None of the Issuers, the Tender and Information Agent or any of the Dealer Managers, nor any director, officer, employee, agent or affiliate of any such person, is acting for any holder of Notes, or will be responsible to any holder of Notes for providing any protections which would be afforded to its clients or for providing advice in relation to the Tender Offer, and accordingly none of the Tender and Information Agent or any of the Dealer Managers, nor any director, officer, employee, agent or affiliate of any such person, assumes any responsibility for the accuracy of any information concerning any of the Issuers, the Company or the Notes or any failure by any of the Issuers to disclose information with regard to the Issuers, the Company or the Notes which is material in the context of the Tender Offer and which is not otherwise publicly available.

To the extent permitted by applicable law and whether or not the Tender Offer is consummated, the Company or any of its subsidiaries or affiliates, including the Issuers, may from time to time following the Expiration Time acquire any Notes that remain outstanding in the open market, in privately negotiated transactions, through one or more additional tender offers, one or more exchange offers or otherwise, or may redeem Notes pursuant to the terms of the indentures governing them. Any future purchases or redemptions may be on the same terms or on terms that are more or less favorable to holders of Notes than the terms of the Tender Offer. Any future purchases or redemptions by the Company or any of its subsidiaries or affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) the Company or any of its affiliates will choose to pursue in the future. The effect of any of these actions may directly or indirectly affect the price of any Notes that remain outstanding after the consummation or termination of the Tender Offer.

This press release is neither an offer to purchase nor a solicitation of an offer to sell any securities. The Tender Offer is being made only by, and pursuant to the terms of, the Offer to Purchase. The Tender Offer does not constitute an offer to buy or the solicitation of an offer to sell Notes in any jurisdiction in which such offer or solicitation is unlawful. The Tender Offer is void in all jurisdictions where it is prohibited. In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer shall be deemed to be made on behalf of the Issuers by the Dealer Managers or one or more registered brokers or dealers licensed under the laws of such jurisdiction. None of the Issuers, the Tender and Information Agent, the Dealer Managers or any trustee for the Notes is making any recommendation as to whether holders should tender Notes in response to the Tender Offer. Holders must make their own decision as to whether to tender any of their Notes, and, if so, the principal amount of Notes to tender.

About Warner Bros. Discovery:

Warner Bros. Discovery (NASDAQ: WBD) is a leading global media and entertainment company that creates and distributes the world's most differentiated and complete portfolio of branded content across television, film, streaming and gaming. Available in more than 220 countries and territories and 50 languages, Warner Bros. Discovery inspires, informs and entertains audiences worldwide through its iconic brands and products including: Discovery Channel, Max, discovery+, CNN, DC, TNT Sports, Eurosport, HBO, HGTV, Food Network, OWN, Investigation Discovery, TLC, Magnolia Network, TNT, TBS, truTV, Travel Channel, MotorTrend, Animal Planet, Science Channel, Warner Bros. Motion Picture Group, Warner Bros. Television Group, Warner Bros. Pictures Animation, Warner Bros. Games, New Line Cinema, Cartoon Network, Adult Swim, Turner Classic Movies, Discovery en Español, Hogar de HGTV and others. For more information, please visit www.wbd.com.

This press release contains certain “forward-looking statements.” These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties and on information available to the Company as of the date hereof. The Company’s actual results could differ materially from those stated or implied, due to risks and uncertainties associated with its business, which include the risks related to the acceptance of any tendered Notes, the expiration and settlement of the Tender Offer, the satisfaction of conditions to the Tender Offer, whether the Tender Offer will be consummated in accordance with the terms set forth in the Offer to Purchase or at all and the timing of any of the foregoing, as well as the risk factors disclosed in the Company's Annual Report on Form 10-K, filed with the SEC on February 23, 2024, and the Company's other filings with the SEC, including but not limited to the Company's most recent reports on Form 10-Q and Form 8-K. Forward-looking statements in this release include, without limitation, statements regarding the Company’s expectations, beliefs, intentions or strategies regarding the future, and can be identified by forward-looking words such as “anticipate,” “believe,” “could,” “continue,” “estimate,” “expect,” “intend,” “may,” “should,” “will” and “would” or similar words. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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Source: Warner Bros. Discovery, Inc.
