

**Paramount Skydance Corporation**

**NasdaqGS: PSKY**

**FQ1 2026 Earnings Call**

**Monday, May 4, 2026 8:45 PM GMT**

S&P Global Market Intelligence Estimates

# Call Participants

## EXECUTIVES

**Andrew M. Brandon-Gordon**  
*Chief Strategy Officer, COO & Director*

**David Ellison**  
*Chairman & CEO*

**Dennis K. Cinelli**  
*Chief Financial Officer*

**Kevin Creighton**  
*EVP of Corporate Finance & Investor Relations*

## ANALYSTS

**Jessica Jean Reif Ehrlich Cohen**  
*BofA Securities, Research Division*

**Michael C. Morris**  
*Guggenheim Securities, LLC, Research Division*

**Peter Lawler Supino**  
*Wolfe Research, LLC*

**Richard Scott Greenfield**  
*LightShed Partners, LLC*

**Robert S. Fishman**  
*MoffettNathanson LLC*

**Sean Patrick Diffley**  
*Morgan Stanley, Research Division*

**Steven Lee Cahall**  
*Wells Fargo Securities, LLC, Research Division*

# Presentation

## Operator

Good afternoon. My name is Krista, and I'll be your conference operator today. I would like to welcome everyone to Paramount's First Quarter 2026 Earnings Conference Call. [Operator Instructions] I would now like to turn the call over to Kevin Creighton, Paramount's EVP of Corporate Finance and Investor Relations. You may now begin your conference call.

## **Kevin Creighton**

*EVP of Corporate Finance & Investor Relations*

Good afternoon, and thank you for taking the time to join us for the Paramount Q1 2026 Earnings Call. I'm Kevin Creighton, EVP of Corporate Finance and Investor Relations. Joining me today is our Chairman and Chief Executive Officer, David Ellison; our Chief Financial Officer, Dennis Cinelli; and our Chief Strategy and Operating Officer, Andy Gordon.

As a reminder, we will be making forward-looking statements today that involve risks and uncertainties. Our remarks will also include non-GAAP financial measures. Reconciliations of these measures can be found in our earnings letter or in our trending schedules, which contain supplemental information. These can be found on our Investor Relations website.

I'll now turn it over to David for a few brief remarks before we take analyst questions.

## **David Ellison**

*Chairman & CEO*

Thanks, Kevin, and good afternoon, everyone. As you've seen in our first quarter results and most recent shareholder letter, we're off to a strong start in our first full year at PSKY. The progress we've made in just 9 months is a testament to the amazing team we've assembled that has worked tirelessly and with great conviction to deliver on all areas of our business. We are executing deliberately against our priorities and seeing tangible results, attracting top creative talent, nearly doubling our film slate, delivering shows audiences love and greenlighting dozens of new and returning series while achieving our financial goals. At the same time, we are transforming how we operate, unifying platforms, data and workflows and embedding advanced technology to drive efficiency, better serve our partners and elevate the overall consumer experience.

Across the business, we are getting things done, and it's translating into real momentum. As a storytelling company, our top priority is and always will be delivering great films and television series from the world's leading creators that resonate with broad global audiences. Recent highlights include *Scream 7*, which became the highest grossing installment in the franchise's 30-year history, *Landman*, now the most watched series in Paramount+ history and the continued strength of CBS, which has 13 of the top 20 primetime series, including all 4 of the top new series, an achievement no broadcast network has matched since the early 1990s.

On streaming and sports, engagement remains strong with more than 10 million households watching over 100 million hours of UFC programming on Paramount+ and CBS Sports delivering the most watched final round of the masters in over a decade. These are just a few examples of the progress and growth taking place company-wide. As I mentioned, we are also making meaningful strides improving our products to deliver more dynamic, personalized experiences and superior monetization. New features such as enhanced mobile experiences, short-form video and more advanced recommendations are helping us to better serve consumers. We're also leveraging AI-powered capabilities across the businesses, including our agentic data warehouse and Precision+, our targeted and optimization platform to move faster and operate with greater effectiveness in support of our advertising partners. While there is still significant work ahead, we remain confident in our strategy and the trajectory we are on.

Finally, we continue to make steady progress towards completing the Warner Bros. Discovery transaction, which we believe will accelerate our transformation, strengthen our competitive position and enhance our ability to help shape the next era of entertainment. To date, we have satisfied our U.S. HSR obligations, and there are no statutory impediments remaining. And we continue to advance through European and other international regulatory approvals, several of which have already been secured. Earlier in April, we announced a broad syndication of the

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PIPE equity commitments to strategic investors, underscoring continued investor confidence, secured \$10 billion in permanent financing and syndicated the remaining \$49 billion of our bridge to a group of leading banks and institutional lenders.

Additionally, on April 23, WBD shareholders voted to approve the transaction. We're pleased with the momentum and we'll continue to take the necessary steps to bring this deal to completion. At every stage, we remain guided by our strong conviction that the combination of these 2 iconic companies and their extraordinary teams will create a leading global media and entertainment company, powered by storytelling and accelerated by technology that strengthens competition, better serves the creative community and delivers even more compelling stories to audiences worldwide. We're excited for all that's ahead and look forward to the opportunities it will create.

And with that, I'll turn it back over to Kevin for your questions.

### **Kevin Creighton**

*EVP of Corporate Finance & Investor Relations*

Thanks, David. Just a quick note before we open the line. Given the pending transaction for WBD, we won't be taking questions on the deal today beyond what we wrote in the shareholder letter. With that, Krista, we'll go ahead and open up the line, please.

# Question and Answer

## Operator

And your first question comes from Sean Diffley with Morgan Stanley.

### **Sean Patrick Diffley**

*Morgan Stanley, Research Division*

I was hoping you could comment on business transformation early learnings as you converge your tech stacks between Paramount+ and Pluto and any things that you could apply to a larger asset base? And then broadly, how you see AI transforming the business? You mentioned on the ad tech front, but anything else that you think is notable to call out?

### **David Ellison**

*Chairman & CEO*

Yes, sure. No, absolutely. So what I would say in terms of early learnings is really our ability to execute and move quickly in regards to the transformation. We're on track, as we discussed previously, to really consolidate our 3 streaming services into one unified platform by really the middle of this year. Those learnings are going to be crucial as we get into basically the transaction with WBD. I think if you look at our ability to execute on our cost saves and efficiencies, we've had great learnings there. And I think we've been delivering on what we said we were going to do regarding plan. So I do believe that what we've been executing at Paramount will be a good kind of accelerated learning for everything we're doing at WBD. Getting more specific into that, as Kevin said, we're not -- we're going to kind of stay a little bit away from the transaction today given we're obviously still in the middle of the process. I'll turn it over to Andy, if there's anything you want to add to that.

### **Andrew M. Brandon-Gordon**

*Chief Strategy Officer, COO & Director*

Yes. I would just say what we're learning also is as we integrate BET+, Pluto and Paramount into one tech stack, it's going to accelerate our ability to do the same when we close WBD. And in particular, when you see the consumer product that comes out this summer, I think we'll be pretty pleased about how they all will function together and create a better experience both for the free consumers on the FAST channel business of Pluto, but also on the paid subscription businesses of Paramount+, both ad and ad free. So we're pretty excited about what we're doing.

### **David Ellison**

*Chairman & CEO*

And look, to dive into some more specifics on in terms of what we're seeing on the platforms we're operating. As we said, we remain on track for convergence. That obviously has significant benefits across personalization and recommendations. On the front end, we're modernizing the consumer-facing technology to create more dynamic personalized experiences. As of April, you're able to see, obviously, short-form video clips, servicing trailers, sports pilots and library content and curated more personalized feed. We're working on enhanced personalization across discovery, including AI-driven artwork. We're also focusing on building other mobile optimized experience like live stats for live sports. All of these are really designed to deepen engagement across the platform.

For Pluto, basically this summer, Pluto is going to get the most significant update really since the inception of the platform. Other areas you're really seeing us really utilize technology is across our tech and product org. Approximately 80% of our engineering organization is using code-assisted technology, which is driving meaningful production gains and really cutting approval times by more than in half. So again, it's really accelerating how we work across the business. And these investments all support our long-term DTC growth and are foundational to where we're taking the business. And again, these are all great learnings that will prepare us for the transaction at the end of the third quarter.

### **Dennis K. Cinelli**

*Chief Financial Officer*

And the only thing I'd add around AI transformation is we're spinning up pods to go after work or AI-based workflows in the back office, so think finance, HR, operational functions. And we're really enabling both on the Paramount side, and we think this sets us up for the combination to go after AI-based workflows and efficiency in the back office. And we think that's going to be a real benefit. And so we're doing that today with the teams that David talked about and that will set up well in the future as well.

**Andrew M. Brandon-Gordon**

*Chief Strategy Officer, COO & Director*

Yes. Just one more thing to add is on Oracle and Fusion, our ERP system. We made a major milestone in the first quarter with the remainder of that transformation to the Oracle Fusion system for Paramount stand-alone by early '27. So again, that puts us in a much better spot as part of the closing Warner Bros. Discovery as well.

**Operator**

Your next question comes from the line of Jessica Reif Ehrlich with Bank of America Securities.

**Jessica Jean Reif Ehrlich Cohen**

*BofA Securities, Research Division*

With WBD, you will undoubtedly have some of the best industry assets and of course, library or library is plural. But you really do need to integrate and execute. So I guess, any changes in how you're thinking about allocating capital or management attention as you integrate for the second time or about to integrate for the second time in 2 years? And then one specific question, you really do seem committed to having 30 films from once you combine. And just maybe you could talk about -- it just seems like such a daunting task given the marketing and distribution needs. And maybe I'm the only person on this call that might remember this, but in the early Disney days with Michael Eisner or Jeffrey Katzenberg, they tried this, and it was just too much. So I'm just wondering how you're thinking about 30 movies and why that many? Like what will it do to elevate Paramount Skydance and whatever the new company will be called?

**Kevin Creighton**

*EVP of Corporate Finance & Investor Relations*

Yes, sure. Thanks, Jessica. And before we jump in, I just want to be clear, we've had a couple of questions on WBD now. We want to focus most of the call on our results for the quarter and the outlook for the business. But with that, I'll go ahead and kick it over to David.

**David Ellison**

*Chairman & CEO*

Yes. No, Jessica, I really appreciate the question. So look, zooming out to 30,000 feet, we really view our pending acquisition of Warner Bros. Discovery as a powerful accelerant to our strategy, right? It expands reach and enhances our ability to create the world's most compelling stories and experiences. And it positions us really well to build a next-generation media and technology company. And if you look at that across basically kind of 3 core pillars, on the production side, we'll become the premier destination for the industry's leading creative voices. We are firmly committed to 30 theatrical films per year. If you look at the schedule, we have 15 films on the calendar to release this year, up from 8 last year.

So we've come close to basically doubling the output of our film studio, Paramount. If you look at the great job that the team at WBD has done, they have 15 films on the release calendar for this year. So the 2 companies are actually making 30 films to date, which I think is important to note and accelerating. And under those studios will be some of the most beloved franchises of all times, including Harry Potter, Top Gun, Star Trek, Looney Tunes, Game of Thrones, Yellowstone. We really do think it's an incredibly exciting and powerful creative content engine. By bringing these 2 businesses together, we really do build a scaled DTC competitor, and it accelerates our goals there. It gives you over 200 million DTC subscribers across more than 100 companies -- or sorry, 100 countries, which really does basically position us well to compete with the leading streaming services in the space.

And across our linear businesses, it's a presence in over 200 countries, a portfolio of cable and free-to-air networks such as CBS, CNN, TBS, TNT, Food Network, all of which we think positions us really well across every single

vertical in the business. And as we've talked about in regards to operational efficiencies, we're pleased with the way we've been executing at Paramount and believe we'll be able to deliver on exactly what we said we're going to do at Warner Bros. Discovery. So from a strategic standpoint, we could not be more excited about the transaction. We are also on track to get this done by September of this year. So those are all the reasons that we're excited and have a high degree of confidence around our ability to execute. And with that, in the most respectful way, we really have to kind of stay away at this point in time from stuff on WBD and really focus on the company that we're operating today.

**Operator**

Your next question comes from the line of Robert Fishman with MoffettNathanson.

**Robert S. Fishman**

*MoffettNathanson LLC*

Is the current plan to allocate more of your overall company programming budget towards the higher-quality content like NFL, UFC, obviously, and the blockbuster Paramount movies? Or do you prefer to spread your budget out to more of a volume-based approach going forward?

And then on a related note, just following up on the first question. After launching those short videos and clips on Paramount+, is the ultimate goal to better compete with YouTube and TikTok for those short-form ad dollars? Or is it just to drive more engagement and extend the premium ad dollars that you're already getting from your networks?

**David Ellison**

*Chairman & CEO*

Yes. So look, I'll take the first half and then Andy and Dennis, if you guys want to obviously jump in on the back end around monetization. So look, I'll say kind of a core thematic for us has always been quality as the best business plan, really making sure you aim high and you don't stop working until you get there. And in the competitive landscape that we find ourselves in today, we think that's essential from a creative standpoint. And that's the philosophy that we're going to continue to deploy across our film and television studios as well as our streaming services. CBS across the sports side has really focused, we think, quite well on big events that matter, delivering a record-setting NFL season.

We just delivered one of the most successful, obviously, Masters finals. So we do think that emphasis on quality and aiming high in terms of a storytelling standpoint is really critical. But at the same point in time, we've also increased our investment in content this year. As we said, we've doubled the output roughly of the film studio. And in the DTC space, we've effectively come close to doubling the output in terms of our original series that we've obviously bringing since we've been at the company. And so we do believe that we can maintain that quality bar while scaling, and we think that's essential towards accomplishing our growth goals. And Dennis, anything you want to dive – I'll turn it over to you around monetization.

**Dennis K. Cinelli**

*Chief Financial Officer*

Yes. I mean I think you should think about the content portfolio across our segments, right? And so in TV Media, the CBS team has been executing -- to execute with a balanced portfolio of both the NFL and other sports as well as a really solid prime time lineup. And you've seen them there with 13 of the top 20 shows in prime time. Overall, on DTC, we very much are building. We talked about this. This is a multiyear journey to build a portfolio that drives growth and engagement. And you're seeing that start to come through. In Q1, our Paramount+ revenue was up 17% through a combination of both delivery on price increase as well as our healthy underlying growth in the business from subscribers. We added nearly 2 million subscribers in the quarter on an underlying basis.

And then David talked about in the studio, right, we will continue to see the studio rebuild in Q1. Our overall studio revenue was up 11%, a combination of both the delivery on films like *Scream* as well as continuing to build our third-party TV studio. And we'll continue to monitor the content performance. We're spending a lot of time internally around building out appropriate content ROI analysis, making sure that every investment is underwritten with the appropriate level of rigor, and you're going to continue to see us do that as we build the portfolio.

**Andrew M. Brandon-Gordon**

*Chief Strategy Officer, COO & Director*

And then, Robert, look, on clips, we obviously know where people want to watch our content. Typically, it's on more than one screen. If it's not 2, it's kind of 3. And so the ability to have a vertical short-form product that we can then deepen engagement across our user base, keep people more involved and want to spend more time with our content is critical to our future. So this is just the beginning. I would view it as a beta test. But I would say right now, we're seeing high engagement of people looking at clips and then coming into our various forms of content, whether it be news, sports or entertainment. And so we're pretty excited about sort of what that means for the future.

**David Ellison**  
*Chairman & CEO*

And the last thing I would say, as you look at how fast the team has been able to roll out these level of innovations, there is incredible momentum building across the company as we basically take a test and learn fast iteration approach. And we're really pleased with the early metrics. But again, it's early innings right now.

**Operator**

Your next question comes from the line of Rich Greenfield with LightShed Partners.

**Richard Scott Greenfield**  
*LightShed Partners, LLC*

David, you've got very large DTC ambitions, if I go back to your original manifesto letter that you wrote when the transaction closed. I'm curious, as you think about your engagement goals for Paramount+ in 2026 and 2027, given sort of the size of the investments you've made since taking control, I guess, how should we think about how fast you think you can move the goalpost on engagement? And how does the tech or UI tech stack rebuild this summer play into that engagement change or the step function you're hoping in engagement? And then just quickly on the same -- sort of the same topic, but you -- Paramount+ has used channel stores pretty aggressively since its launch, even going back to the CBS All Access days. What is your view on channel stores? And should you be using them or should you not long term?

**David Ellison**  
*Chairman & CEO*

Rich, great question to kind of -- look, to summarize basically the first part, it's a combination of increased content investments and increased tech investments when you look at it, right? Like it really is to achieve our goals that we're working towards in streaming, we need to invest in obviously more content on platform. I think if you take a look at what's obviously coming in 2026. We have new seasons of The Agency, Star Trek, Lioness, MobLand and Tulsa King. We have Dutton Ranch obviously coming this -- obviously, this summer, Frisco's King from Taylor Sheridan. On sports, you're seeing us obviously continue to invest. UFC is obviously year-round. We have the NFL, March Madness, UEFA Champions League, a new partnership with the WNBA.

And we've also greenlit a significant amount of new series from third-party studios such as Discretion with Nicole Kidman and Elle Fanning, 9/12 with Jeremy Strong and Fear Not with Anne Hathaway. So we do need to invest, obviously, more in content, which you're seeing us doing across the platform. We also have to invest significantly in terms of the tech piece of our product. And what I would say is we are on track to basically accomplish convergence by the middle of this year. You will see significant improvements on the platform once we roll that out. But that really is, in our view, getting to the starting line of all the work that we need to get done to really reach to be what we would define as best-in-class. And we are hiring against that goal.

When you look at the resources that we're putting into engineering talent and AI talent to really put us in a position to compete with the leaders in the industry. And it's that combination of art and technology working hand-to-hand together that drive growth, that drive engagement and all of the key metrics that are required to building a truly scaled business. The pending transaction serves as an accelerant towards that goal. So I think if you then go to the channels question, that really is on a case-by-case basis. We evaluate all partnerships, really looking for win-wins across the board. And that's really going to be the philosophy that we continue going forward. And so there's nothing further we can comment on that at this time other than we will continue to look for what we think positions us and our partners to be able to win side-by-side along one another.

**Dennis K. Cinelli**  
*Chief Financial Officer*

The only thing I'd say, Rich, it's a good question on engagement, but you're going to see us just focus on making sure it's like high-quality, high-caliber engagement. If you look at the UFC viewers, they're averaging 15 years younger, right? They're staying on the platform longer. What we're doing on Pluto, we are switching to VODs. So these are VODs up 60% per user. So these are higher quality engagement metrics. This helps us as we think about monetization, right, as we think through the year as we continue to invest in our ads monetization, fill rates were up in Paramount+ and Pluto. And so your point is valid on engagement, but we're also sort of taking a step further, making sure it's high-quality, high-caliber engagement.

**Operator**

Your next question comes from the line of Steven Cahall with Wells Fargo.

**Steven Lee Cahall**  
*Wells Fargo Securities, LLC, Research Division*

A couple of questions on DTC. So Paramount+, I think, grew around 17% in the quarter, strong for sure. I know it slowed just a little bit the last couple of quarters even with the addition of UFC. I don't think the hard bundles had a big impact on that, but maybe it did. And I think your guidance has revenue growth kind of second half weighted. So just wondering if there's a good way for us to think about the underlying drivers of growth at Paramount+ and how we think about it maybe accelerating towards the back half of the year? And then just a follow-up on DTC EBITDA. I think there was a content expense benefit in the quarter on programming amortization, maybe a change in accounting from Skydance. Can you just help us understand how that impacts the business going forward in terms of adjusted EBITDA? And if there's any comparability we need to be aware of for the segment?

**Dennis K. Cinelli**  
*Chief Financial Officer*

Yes, Steve, let me -- this is Dennis. Let me sort of work through that. So maybe it's helpful overall context for the quarter on EBITDA. For the quarter on EBITDA, we came in at the high end of revenue, beat on adjusted EBITDA. In general, expenses were a bit lighter than we had planned for. This is primarily around slower pacing of hiring. And to your point, some of the shift in timing of content. We generally view overall expenses for the year will be on track with our expectations is including DTC. So we're trying to balance some of the content timing. What you'll see on DTC in terms of EBITDA, we will see some margin hit in DTC just based on when the slate launches in Q3 and Q4, we should plan for that.

As we think about overall Paramount+, we feel really good about the trajectory. As we talked about, Paramount+ was up 17% year-on-year, driven by a 14% increase in ARPU. That was a mix of both the price increase in January as well as our continued improvement in the underlying subscriber base and the mix there. So on the quarter, we were up 700,000 subscribers. Underneath that, we added 2 million underlying subscribers, and we exited a little over 1 million of international hard bundles. I think for context for everybody, those hard bundles, the average ARPU is less than \$1. So these are really uneconomic subscribers. And so what will continue to drive the business through the rest of the year is we'll continue to see healthy growth on underlying subscribers, especially as our content slate fills in and throughout the year. And we will continue to see our improvement in ad monetization.

**Kevin Creighton**  
*EVP of Corporate Finance & Investor Relations*

Great. And then content benefit, do you want to just quickly...

**Dennis K. Cinelli**  
*Chief Financial Officer*

Yes, we had -- just on the content expense benefit, I mean, I think we talked through the timing for some of the phasing for the quarter. We do have some benefit from the Skydance transaction that flows through this year. It steps down next year. So we won't get into any specifics, but there is some benefit and we recast the financials. You kind of see that -- you'll see that in the recast, and we'll call out if there's any material -- anything material each quarter.

**Operator**

Your next question comes from the line of Michael Ng with Goldman Sachs. Michael, your line is open.

Your next question comes from the line of Peter Supino with Wolfe Research.

**Peter Lawler Supino**  
*Wolfe Research, LLC*

I wondered if you could talk about the programming cost environment generally. You and others in the industry seem very focused on investing targeted but increasingly aggressive ways. And I'm wondering if you're seeing that in the unit cost of programming and then a question on ad sales. You all have rethought so many aspects of the business. And I wonder now having owned the assets for almost a year, if you have any fresh ideas about the way in which Paramount selling advertising, especially in the DTC space.

**Dennis K. Cinelli**  
*Chief Financial Officer*

I'll jump in real quick, Peter, on programming costs and then David, why don't you take how we're thinking about transforming ad sales?

**David Ellison**  
*Chairman & CEO*

Yes.

**Dennis K. Cinelli**  
*Chief Financial Officer*

Peter, on programming, generally, we find we're able to work through the greenlight process and be competitive. I think what you're-- I would say you can see it flow through. Number one, what the team is doing in TV media, especially in CBS. They're managing the linear declines and doing that through rightsizing our programming at the same time, hitting creatively with the performance of the slate. And so we feel -- we see that team executing really well. And then across the studio, we're not seeing any impact on budgets or overall creative costs. So nothing generally we're seeing in terms of trends that we would call out.

**David Ellison**  
*Chairman & CEO*

Yes. And then -- and look, when you're talking about advertising and particularly ad tech, I mean, we talked about this on our previous earnings call where the advertising business is a big focus for us and a big area of opportunity that we identified early on. And we're actively working to obviously improve our ads business. We're retooling our go-to-market. We're consolidating our national sales organizations into a single client-centric structure under unified leadership. We brought in new talent from, I would say, digital leading platforms like Amazon, Google, Hulu, Roku, et cetera. We're making platform investments and working through carriers investment on the ad tech side. We have Precision+ which is our AI-powered ad product that combines first-party and third-party data. That's generating positive early market feedback and driving performance efficiency above benchmarks.

You're also seeing us basically on the -- we have a format innovation pod that's driving new ad experiences, including streaming fixed units, sports DAI and scaling for UFC. And we're also using AI-driven QA, which has also been really impactful. So what I would say is that is overall an area that we identified as a real opportunity for us. We are making all of the adjustments, and we're really pleased with the, I'd say, early results that we're seeing. We also just completed our first upfront. Feedback has been incredibly positive. So I'd say underlying momentum is really good. There's work to do, but we're excited about how fast the teams are accelerating.

**Dennis K. Cinelli**  
*Chief Financial Officer*

I could just add in terms of the results. So as David said, we feel pretty good about the building momentum in terms of ad performance. Q1 overall ads declined 3%, but it improved versus Q4. And we saw the D2C business, the ads business part of D2C return to growth. So as we think about the rest of the year, our expectation is the overall ad

business in total for the company will return to growth in the back half of this year. This will be driven by DTC accelerating and more than offsetting the declines in TV Media.

**Operator**

And we have time for 1 more question, and that question comes from Michael Morris with Guggenheim Securities.

**Michael C. Morris**

*Guggenheim Securities, LLC, Research Division*

Two things. One, I'm hoping you can share a little bit more detail on UFC and how that's been performing in the first several months now that I think you've had about 10 events there. Curious how it's performing and also how it benefits the business more broadly, whether there are more sort of things to come over the course of the year as you use that property? And then second, in the letter, you note at the studio several titles that you have in production that will be released on Netflix and on Prime Video. So I'd love to hear again, maybe why it's important for the studio to be selling content to services that are also competitors for both engagement and subscriptions.

**David Ellison**

*Chairman & CEO*

Yes, of course. So look, I'll start with the UFC piece. And so look, we could not be more pleased with our 7-year UFC partnership. It really has exceeded our early expectations across the board. A couple of key performance metrics. More than 10 million households have watched UFC programming on Paramount+ with over 100 million hours of UFC content viewed. To contextualize, average UFC viewership across our platform is more than 15x the average pay-per-view event over the past 2 years. In addition to that, new UFC subscribers are on average 15-year younger than the average P+ viewer. And these subscribers are coming in for UFC and then engaging with our broader offering around with series like South Park. So we're really seeing that subscriber engage with other content on the platform. They're spending more time.

I think it's also important to kind of note the highlight of the -- some of the events that we obviously housed on CBS. When you look at the main fight cards across UFC 326, 327, those averaged 2.8 million viewers. For context, that viewership is nearly 50% higher than ABC's NBA primetime game on the same night. So the UFC content really is performing for us. We've also seen advertising demand exceed expectations, and that was a meaningful contributor to us in terms of our Q1 advertising. And so we're really excited about the way the UFC partnership is performing. And again, we're just -- we're under a year into the 7-year journey, but we are very excited about how it is driving the business.

And then I believe -- just I want to make sure I fully clarify, the second part of the question is you're asking around why we're obviously continuing to sell to third parties. And look, I'll break that up into a couple of places is one, when it comes to content licensing, we do not believe in a one-size-fits-all approach to that. We actually think that's an incredibly meaningful part of our business and intend for that to continue. There are certain series and shows that you'll want to keep exclusively on your owned and operated platform, but there are other series that absolutely make sense to sell to third parties. And I think one of the things that is surprising is some of those series when they actually come back to your owned and operated platforms will actually increase in viewership.

So you really can't take a one-size-fits-all approach to this problem, really has to be evaluated on a case-by-case basis. I think also when you look into original series on the studio side, we are in the business of being the #1 home for the most talented artists in the world. And when it comes to take a show runner, for example, it's really critical to be in a position to where you are offering that particular piece of talent that you're working with the most opportunities to get their show made. And we think it is powerful from a platform perspective to say we can sell into our owned and operated. But if for any reason, it doesn't make sense for our owned and operated, we can also sell into third parties. We own those shows. They generate revenue for us. And it also makes you a much more desirable place from a talent perspective. So again, we really do evaluate all of these things on a case-by-case basis and do not take a one-size-fits-all approach. That served us really well, and we plan on that to continue for the foreseeable future.

**Operator**

Thank you. I will now turn the call back over to Kevin for closing comments.

**Kevin Creighton**

*EVP of Corporate Finance & Investor Relations*

All right. Thanks, Krista, and thank you to everyone for taking the time to join today. We appreciate the questions, and please reach out if you have any follow-ups. Thanks all.

**Operator**

This concludes today's conference call. Thank you all for joining, and you may now disconnect.

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