

Paramount Skydance Corporation

NasdaqGS:PSKY

FQ4 2025 Earnings Call Transcripts

Wednesday, February 25, 2026 9:45 PM GMT

Presentation

Operator

Good afternoon. My name is Nadia, and I'll be the conference operator today. I would like to welcome everyone to Paramount's Q4 2025 Earnings Conference Call. [Operator Instructions] I would now like to turn the call over to Kevin Creighton, Paramount's EVP of 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 Fourth Quarter 2025 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 President, Jeff Shell; 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, and 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 saw in our Q4 results and in the most recent shareholder letter, we ended the fiscal year with a strong first full quarter under our leadership team and positive momentum heading into 2026, meeting or exceeding guidance for the quarter that we laid out in our Q3 letter. It's been a productive 6-plus months since the launch of the new Paramount, and we are pleased with the progress made in a relatively short time. Our North Star priorities continue to guide everything we do, and we're confident we are on the right trajectory and are excited about the opportunities ahead. Before we get to your questions, I did want to take a moment to acknowledge Andy Warren's tenure as our Interim CFO. Andy is widely respected across our organization and the industry, and we are truly fortunate to have had his leadership during this important period.

We're incredibly grateful for everything he's done to help position the company for success and appreciate his continued partnership as a strategic adviser. I also want to officially welcome Dennis Cinelli. He brings significant financial and operational experience, having held senior roles at GE, Uber and Scale AI, where he served most recently as CFO. He was also briefly a member of our Board of Directors before assuming his current role. We're thrilled that he's joined our leadership team and look forward to you getting to know him better going forward. Finally, I'll briefly address our proposal to acquire Warner Bros. Discovery. On Monday, we submitted a revised bid of \$31 per share, all cash, and we look forward to continuing to engage with their leadership team and Board. While we appreciate that this is obviously something you all have questions about, we won't be commenting further during today's call. With that, I'll turn it back over to Kevin for your questions.

Kevin Creighton

EVP of Corporate Finance & Investor Relations

All right. Thank you, David. And Nadia, we'll go ahead and open it up for questions. Thank you.

Question and Answer

Operator

[Operator Instructions] The first question goes to Peter Supino of Wolfe Research.

Peter Lawler Supino
Wolfe Research, LLC

I wondered if you could comment on your initial experience as the home of UFC on your streaming service. And maybe tie those comments more broadly to your latest thinking on the viability of being something for everyone every day. I think that's your stated strategy in streaming. And obviously, it's an extremely tall competitive order. And I just wondered kind of what you've learned in the last 6 months of owning the asset that makes you more or less confident in that objective.

David Ellison
Chairman & CEO

No, absolutely. And really appreciate the question. First, we couldn't be more thrilled about the way the UFC partnership has started. UFC 324 was really a phenomenal start for us. We reached approximately 7 million households across the U.S. and Latin America and was also the platform's largest exclusive live event to date. We've also seen the advertising demand for UFC be strong. And overall, the partnership has really started ahead of expectations. In addition to that, we've really seen UFC fans engage with the vast others of our content offering. They're watching Landman. They're watching other series.

So we're really seeing that flywheel work for us. And we also are really seeing it work well with Zuffa Boxing. And we really believe in the theory of actually owning combat sports, having that entire category as a home on Paramount+ is something that's been working really well for us to date. More broadly, we greenlit our 11 original series since we took over 6 months ago and are really seeing strong basically growth in our streaming service, up over 17% year-to-date on Paramount+. So from that standpoint, we're really seeing that momentum to continue and feel really good about the start of the partnership with UFC and Dana White.

Peter Lawler Supino
Wolfe Research, LLC

Is there anything we want to add on sort of the last 6 months in streaming?

Jeffrey S. Shell
President & Director

Yes. So first of all, I would just add to the UFC comments that David just made that we're really at the very beginning of this partnership, and we're going to experiment a lot. The beauty of having this sport exclusively and being the exclusive partners of the UFC is we can try lots of stuff. Our upcoming fight in March 7 is going to be partially on CBS, and we look forward to lots of experimentation as we grow the brand. I think the first 6 months on streaming have gone really well. We've seen accelerating growth in Paramount+, doing better and better every quarter. The key now is to get ongoing engagement and the content that I'm sure we're going to talk about later that we have coming is pretty exciting for doing that. From a kind of financial perspective, the ad revenue has been much more promising than we expected. And it's really -- the key now is driving that engagement and that usage because we can monetize it at Paramount+. And so we're feeling pretty good about the momentum we have at streaming so far.

Operator

The next question goes to John Hodulik of UBS.

John Christopher Hodulik
UBS Investment Bank, Research Division

Jeff, maybe for you, a follow-up on the comments on D2C. You guys guided to better profitability next year against some slightly higher subs. What are you seeing in terms of ARPU? There seem to be some moving parts with exiting the hard bundles, but some price increases that translates to better revenue growth. And then on the cost side, just aggregate sort of that commentary on leading to better D2C results.

Jeffrey S. Shell
President & Director

Yes. Thanks, John. I'm going to actually pass it over to Dennis for this one.

Dennis K. Cinelli
Chief Financial Officer

Yes. John, good to meet you, and I'm excited to be here. So thanks, everybody. I think it's -- John, is it helpful probably for us to just frame our guidance overall. which a big part of that is DTC. As we've put out, overall, we expect revenue this year of \$30 billion, up 4% year-on-year. DTC is going to be the driver of that. We expect DTC to continue to accelerate growth year-on-year. So growth will accelerate in '26 versus '25. The driver of that is a couple of things. We continue to see subscriber growth, what we're calling underlying healthy subscriber growth accelerate in '26. This will result in better ARPU from a mix shift as well as we realize the price increases in Q1.

As we previously mentioned -- as we sort of mentioned, and I want to call this out is we're making this deliberate decision to exit from uneconomic hard bundles. So you'll see that in our subscriber growth this year. But if you take those underlying exits out, we will continue to see net adds grow year-on-year. And just to give you a call out, those uneconomic hard bundles represented less than 2% of Paramount+ revenue in 2025. So coupled with the subscriber growth, we also expect DTC ad revenue to grow this year. We've been talking a lot about how we're investing in programming to drive better engagement, better ad tech as well as the team there that Jeff alluded to. And so we expect to meaningfully recover DTC ad growth in the year.

At the same time, back to your question, how that comes together, we are investing in the business, but we expect DTC profitability to improve year-on-year as we both grow revenue and manage our investments. It's worth just taking a step back maybe and talking about the rest of the business. So DTC will be the growth driver. But as we think about the rest of the portfolio we have, right, so TV Media, we expect to see some declines in revenue, mostly in line with the industry headwinds around pay TV, though we expect our advertising revenue decline to be more moderate as we execute overall and better ad sales, we feel really good about the upfronts coming up this year. We also have tailwinds from political spending in 2026. One thing to call out, we do offset some of the -- you do have some impact from our sale of Telefe in Chilevisión.

In TV Media overall, I just want to call out, we've been really impressed with the team managing that business in -- while revenues will decline, we expect overall profitability in that business to be stable on both a profit dollars and a margin basis. And then the other thing is the studios, right? So studios, we do expect theatrical revenue to decline. I think we've been very clear overall that we're in a rebuild phase of that business. As we execute that rebuild, we'll see some of that come through in the '26 slate, but most of that will come through in future years. And so even with theatrical revenue dropping down, we do expect better cost management as well as benefits from our licensing deals to drive studio profitability up.

So if you put this together, overall, we're reaffirming guidance for the year on both on revenue as well as profit, adjusted EBIT outlook of \$3.8 billion. That excludes our \$300 million of stock-based compensation but is improving year-on-year driven by both the top line and as we realize our synergies. So we put out there, we will expect to realize \$3 billion plus of our synergies. This includes both across our entire business. And so we expect to sort of profitability to improve in DTC and our new studio segment, still margins in TV Media. And I think the last question probably is just like what does that look like beyond '26. And I think without giving specific guidance, we just want to make sure we're here talking about how the team around the table, David on down, we're owner operators. We're investing for long-term value creation, and we expect that to show through over the next many years.

Operator

The next question goes to Steven Cahall of Wells Fargo.

Steven Lee Cahall
Wells Fargo Securities, LLC, Research Division

First, just wanted to ask if you've had any conversations yet with the NFL. It's a big topic for investors, especially with you and Fox having so many games on Sunday. And as you're thinking about where that could go in the future, I was wondering if there's any potential for the games on Paramount+, which I think are currently geo-fenced to be available sort of nationwide within that rather than only being on Sunday ticket. So it seems like you've got some opportunities maybe as well as some risks with the NFL renewal. So I would love to know how you're thinking about that. And then just on the outlook for '26 and maybe '27, if we think about free cash flow, I think you've said before that you're committed to investment grade with all 3 rating agencies. I think that implies that on a total basis, including restructuring, you'd be free cash flow positive by next year. So just wondering if I'm thinking about that one correctly.

Jeffrey S. Shell

President & Director

Thanks, Steve. This is Jeff. I'll take the first and then pass it over to Andy for the second. So we have a great -- you asked have we talked to the NFL. We talk to the NFL almost daily. We have a great relationship with the NFL. We were the very first NFL broadcaster back when it started, and it's been nearly a century of relationship. And during that century, this past year was our most watched year ever, everything clicked this last year for us with the most viewership, the biggest watched game, the biggest watch window, that 425 window nationally for CBS. So everything is really going well with the partnership, and we feel very good about them, and I think they feel very good about us. So we're not particularly concerned.

Obviously, there -- it's been widely publicized that there is a renewal discussion coming up. And we don't talk about individual negotiations. But suffice it to say, we feel pretty confident we're going to be in business with the NFL for a long time, and we have properly accounted for what we expect to be whatever impact of that negotiation in our kind of internal forecast going forward. Let me just -- one thing about the geofencing, let's talk about that for a second. One of the unique things about our relationship with the NFL, and I would actually say it's probably similar to Fox's relationship with the NFL is the anchor of their flywheel is really their reach and the anchor of their reach is really the reach of both CBS and Fox on Sunday afternoons.

So the way we get the NFL that reach, which has really helped contribute for both of our benefit to the success of the NFL is by our vast array of both owned and operated stations, of which we have 28 and affiliates. And so it's important that those games get regionalized and that we aggregate that viewership and maximize the viewership in each market for the best game, both for us and Fox. And that accrues to the benefit of the NFL and to us and really maximizes the reach on any given Sunday. So I don't think we're going to be doing anything with Peacock -- Paramount+ that's any different. And I don't think that Fox is going to be doing anything different than we are doing on linear, which is to maximize that reach and that regionalization of that window, which I think works for all of us. Maybe pass it over to Andy for the...

Andrew M. Gordon

Chief Strategy Officer, COO & Director

Yes, sure. Steve, thanks for the second question. Let me take the investment-grade part first, and obviously, it's interrelated with free cash flow conversion. But we -- as we told you in the last quarter, we are absolutely committed to getting to investment-grade credit metrics. This is, of course, relative to our stand-alone position, and we expect to hit those in '27. With regard to free cash flow, I'd just point out that notwithstanding the fact we paid down over \$300 million of debt in the first quarter and in addition, have \$800 million of restructuring charges, you take the restructuring charges out, we actually are hitting 5% free cash flow conversion this year, which, of course, is not where we want to be. And as we sort of accelerate that into '27 and the out years, we expect to get back to industry norms and hopefully exceed that. That's certainly part of our strategic plan. So I would say there's no real change from that and what we talked about in November.

Operator

The next question goes to Robert Fishman of MoffettNathanson.

Robert S. Fishman

MoffettNathanson LLC

When you think about your growth ahead, can you talk about how critical to creating long-term shareholder value to reinvigorate and build upon your core franchises and IP? And if you can comment how Warner Bros. and HBO IP would help accelerate that growth over the next 3 to 5 years, either for a stand-alone Paramount+ or a combined platform with HBO Max? And then on a related note, just how do we think about overall content spending, again, either stand-alone or with Warner Bros., especially factoring in the sports and the long-term strategy to grow that profit and cash flow?

Kevin Creighton

EVP of Corporate Finance & Investor Relations

Yes. Thanks, Robert, for the question. We won't be answering anything related to Warner, as David mentioned in his opening remarks. So just a reminder for everyone else on the line, but we'll go ahead and how do we think about sort of franchise and long-term value, as we mentioned in the letter.

David Ellison

Chairman & CEO

Yes. No, absolutely, so I'll speak to that. And look, as we're the largest shareholder of the Class Bs, we really approach everything through the lens of how do we create long-term basically shareholder value, which really means we're long-term investors, we're long-term owner operators, and we really have a long-term horizon in terms of how we're approaching this. If you step back across all of our businesses, we're actually really pleased about the investments that we're making really going back to our North Star priorities. We talked about streaming. I'll start in the Studio segment. As Dennis said, we inherited a slate that has underperformed. We're going to see significant improvement in the profitability of the film slate this year.

But I think if you really look at how we are doubling down on our franchises and really reinvigorating them and reinvesting in them, which is something that we did in partnership when we were -- obviously, when I ran Skydance, and to date, in the little over 6 months that we've been here, we've actually -- we're going to release 16 movies this year versus the 8 films that we inherited. And we're really going to be at a steady state of over 15 movies per year. We've greenlit 11 movies basically since we've been here in the first 6 months, including films like A Quiet Place and Sonic, which is really us doubling down on our franchises. Taylor Sheridan, Pete Berg are hard at work at Call of Duty, which we're really excited about. And we have Scream opening this weekend. Again, going to Paramount+ in addition to the investments that we've obviously made in the UFC and sports, we've actually greenlit 11 original series on top of the incredible slate that we're fortunate enough to step into.

And we're also investing significantly in the improved product experience on both P+ and Pluto. So consumers are going to continue to get more incredible content they love and an overall better user experience, which we think will really position ourselves well for growth into the future. And then when you step back and look at our linear really anchored by CBS, we had 8 of the top 10 shows on broadcast, the #1 show in Tracker, the #1 new show in Sheriff County, the #1 news program in 60 minutes. And so we really are seeing strong demand for our content across our portfolios, and we're only seeing that accelerate going forward. So it's been 6 months, but we really do feel good about the work the team has really done to date. And you can expect that to accelerate into the future quickly.

Kevin Creighton

EVP of Corporate Finance & Investor Relations

How do we think about the content spend for Paramount overall?

David Ellison

Chairman & CEO

Yes. So overall content spend -- sorry, I want to make sure that. So we talked about -- we've obviously increased our content spend as we announced last quarter by \$1.5 billion, which is really going towards all the things that I talked about, which is really scaling our film slate, scaling our original series, investing more into sports. And we do believe that, that will create long-term shareholder value because, again, like it is a priority for us to make sure that we can win in the content space, make sure that we are the most technologically capable media company and really have the appropriate operational efficiencies across the company. that's what really drives all the decisions here. And I think we're off to a really strong start in the first 6 months.

Operator

The next question goes to Rick Prentiss of Raymond James.

Richard Hamilton Prentiss

Raymond James & Associates, Inc., Research Division

A question in the letter, you talked about leveraging your IP across the ecosystem. Give us some concrete examples of what you hope to achieve going across film, television, streaming, live experiences, publishing, consumer products and how we might see that? And if you were to benchmark yourself against the peer group, how do you think you are doing as far as monetizing that IP?

David Ellison

Chairman & CEO

So it's a great question. And I'll point to a couple of things. Like one, I'll use Teenage Mutant Ninja Turtles as obviously the most recent example of really we're obviously -- we have 2 films that we're obviously making, obviously, in the Turtles landscape, we have series, and we also have consumer products. Huge compliment to obviously, Josh, who came to us from Mattel, who in the first month of basically being at Paramount, created the most significant consumer products partnership in the history of the company, over 5x what have been done to date, which I think is kind of a great example in this quarter of really how we're maximizing our IP across the flywheel that we've created. And one of the other things if you take a step back, I think that we're really proud of is really the Paramount One initiative that we've launched really as a marketing platform.

The UFC is one of the first things that we obviously ran through that, where we really activated all of our linear channels, our direct-to-consumer platforms and really the entire ecosystem. to deliver billions of impressions, which really helped drive that launch of UFC 324, which again came in ahead of our expectations and really helped us create the largest live event in the history of Paramount+. And you're going to see us activating that Paramount One ecosystem across a lot of our tent-pole franchises going forward, across our series launches as we really integrate this business to operate as one company. And we're seeing that work incredibly well in the first couple of months. And I just have to really give a tremendous amount of credit to the team that have really been breaking down silos and operating as one business, and the results are incredibly promising. We're still in the beginning, 6 months in, but we're really excited about the trajectory.

Operator

The next question goes to Kutgun Maral of Evercore ISI.

Kutgun Maral

Evercore ISI Institutional Equities, Research Division

A few on AI, if I could. First, GenAI is clearly progressing quickly and dramatically. Short-form clips don't threaten the core of your studios today, but future length personalized stories could become feasible. So how are you positioning the company for that evolution? Do you expect content creation to become commoditized? Or do brands and IP become more valuable in this world? And at a high level with AI, maybe you could talk about your guiding principles on licensing and any guardrails? And finally, one of your peers recently outlined a path to bring curated AI-generated short clips into its streaming service. Do you see a future where AI-enabled short-form user-generated or prompted content lives inside Paramount+?

David Ellison

Chairman & CEO

So it's a great question. And first, look, I'll kind of step back to where really say like it is -- one of our core goals is to become the most technologically capable media company. And there's no question that AI is going to be a significant transformation across our industry and others. But I want to say that, first and foremost, we are really a home for storytellers, and we are a content company first. And so we really view artificial intelligence as an unbelievable tool for artists that will be a significant unlock on creativity. With that said, we are also big believers that when you really go back to 1992 when -- I believe it was James Cameron and Digital Domain when they basically did away with opticals and actually started getting into digital composites was really the beginning of the kind of software-based CPU pipelines that we've all been iterating off of for the last several decades.

And I think there's no question that we're at one of those inflection points where model-driven GPU pipelines are going to get deployed across the business. But again, we really view that as a tool for artists to be able to unlock creativity. When you look at some of the things we're doing internally in terms of how we're investing, when you look at the engineers that we obviously have at the company currently, you can expect us to kind of 10x the size of the headcount that we are basically investing towards this and really want to be in a position where we can be a leader in the industry in terms of how this transformation is shaped. To your question about do I think it will be commoditized, the answer is no. I don't think there's anything that's going to replace artists. I don't think there's anything that's going to replace the creativity of original storytelling.

I would actually point towards -- when you look at the value of intellectual property, whether it was Sora on their launch or whether it was Seedance, and I think you saw us obviously defend against both of -- defend our IP against both of those things. But the fact that there was so much engagement around the characters and intellectual property that audiences love, I think, speaks to the value of that intellectual property. And we are in a unique position to be able to take advantage of that. There's nothing I'm really in a position that I can fully elaborate on further. But again, I think when you look at the power of IP enabled by AI is going to be something that is, I think, a tailwind for us as a company, and we're excited to help kind of be key drivers of that innovation.

Operator

The next question goes to Michael Morris of Guggenheim.

Michael C. Morris

Guggenheim Securities, LLC, Research Division

I wanted to ask about the studio first. Dennis, I think you mentioned an expected decline in theatrical revenue in '26. I'm hoping you can reconcile that with the significant increase that you're expecting in the number of titles being released. And as you think about that decline, does that pertain to the Studio business overall? Or is it only the theatrical component and you expect growth in licensing?

And then if I could, just on the Pluto headwinds that you cited, the trend there seems to be well below the CTV industry overall. Is this a business that you expect to turn around as a growth driver? Or is this maybe not core to the future as you see it?

Dennis K. Cinelli
Chief Financial Officer

Thanks, Michael. Yes, let me take the first part and then hand over to David. So on the Studio business overall, we will see growth overall on the Studio business on a revenue basis. And that will be driven primarily by the licensing and also combining Skydance into that segment. What I was talking about is theatrical, right? So in theatrical, we are increasing the number of films, but we are comping last year, which was a big output in Mission Impossible. So that's what will drive the theatrical decline year-on-year for 2026. And then the second part of your question, as we think about Pluto, I mean, I think what you'll see is in the DTC segment, right, in Q4, we grew 10% year-on-year.

Paramount+ was up 17%, non-Paramount+ was down 16%. And as we call out, that's primarily driven by Pluto, and it's primarily driven by the monetization of Pluto. I think what we should call out is actually Pluto engagement is up. So monthly active users, the engagement of those users is actually up. And so what we're facing is a monetization headwind, which we are addressing, and we addressed that in our guidance. And I think it's worth passing over to David to talk overall about how we think about Pluto and the and our FAST strategy.

David Ellison
Chairman & CEO

Yes. And I want to expand on what Dennis said on the studio side. So again, we stepped into last year a film slate that underperformed. We have scaled from 8 movies to 16 releases this year, and it's going to be significantly more profitable. But when you really think about getting our core franchises back online, you don't really see that start to occur until '27 just because of what the life cycle is of obviously making a tent pole. It's 2 years to basically from beginning to release at the earliest. So I would look at -- we're making significant improvements in profitability across our film slate this year. And then in '27, when you start seeing films like A Quiet Place and Sonic, Call of Duty, several of our other franchises that basically we'll be releasing in '27, '28 and beyond, you will see our box office numbers increase.

You will see profitability increase. But there is a 2-year life cycle kind of minimum to those big event films. And I actually think the team has done an exceptional job putting us in a good position for this year for the level of growth that we're going to have across our theatrical slate. And then you will see that accelerate significantly into '27. As Dennis said, really looking at Pluto, stepping back, I am a big believer in the FAST space. And I think when you really look at globally, FAST is something that is only going to grow in importance. And when you look at the signs that are also really encouraging on Pluto is we are seeing engagement grow. The headwind we're facing is really monetization, and we're doing several things to correct that. And while Pluto has always been a leader in the FAST space, it's a profitable platform.

It was, from our perspective, underinvested in by the previous owners and managers, both in a content standpoint as well as from a product standpoint. And we've also brought in, obviously, new leadership to help us on the advertising side. We have new leadership on the D2C side that are really working really well hand-in-hand to make sure that we improve the product and improve the monetization. Really, our overall streaming convergence that we talked about on our last earnings call, where we had really 3 separate stacks that were running on multiple clouds, all independent of one another, that convergence obviously will be done in the coming quarters. And you will see continued product improvement to both Pluto and P+. And with that, we'll see the monetization curve correct, and we'll really start seeing better monetization, better growth and more in line with peers with expectations to be above.

Operator

The final question goes to Bryan Kraft of Deutsche Bank.

Bryan D. Kraft
Deutsche Bank AG, Research Division

First on UFC, I know you had cited 7 million MAUs. I was curious as to whether you can give us some color on the number of unique viewers that you had, just given that you have 79 million subs, trying to understand what the percentage of those subscribers overall is that are engaging with UFC at some level. And then secondly, I was wondering if you could talk about what you've been seeing since you completed the acquisition, both in churn and CAC. How are those trending? How much opportunity do you see for improvement in both of those key metrics over the next 1 or 2 years? And how critical is it to improve either or both of those to the long-term economic success of the streaming business?

David Ellison
Chairman & CEO

Yes. No, absolutely. So look, I want to reiterate, we're incredibly happy with the way our partnership with the UFC has started. When it goes to the 7 million households across U.S. and Latin America, that was above our expectation. And again, it is the largest exclusive sporting event that we've had, obviously, in Paramount+ history. So -- and we are seeing that momentum continue. In terms of basically churn, we are seeing that trend in the right direction. But I still think there's areas for us to be able to continue to improve, which is why you're seeing us invest the way that we are both in content as well as in the product.

We know at 79 million global subscribers, there's a lot of opportunity for growth ahead of us. And when you look at the investments that we're making, again, in the first 6 months, greenlighting 11 original series as well as the work that Dane Glasgow and his team are really doing to significantly improve the product, I think you'll see us improve in all of those metrics going forward. And obviously, we believe those investments will significantly yield long-term shareholder value. So we're pleased about the work to date, but you're only going to see that improve going forward in the future. I mean, Jeff, anything you want to add to that?

Jeffrey S. Shell
President & Director

No, I just think -- what I would say is there's a seasonality aspect to the business, too. So churn is something that we traditionally saw at Paramount+ really spike up in the summer after the Masters and kind of come back down with the NFL. So 2 of the things we've talked about today that David's talked about, both the UFC and its year-round programming, combined with the increased movie slate, which then pays dividends as it goes to Paramount+ year-round, I think that's going to have a significant impact on churn in addition to the other factors that David just talked about.

Dennis K. Cinelli
Chief Financial Officer

And Bryan, just jumping in, this is Dennis. One thing to correct. The stat is 7 million households that engage in UFC 324.

Kevin Creighton
EVP of Corporate Finance & Investor Relations

Great. Thank you, team, and thank you all for joining the call today. We appreciate it. Feel free to reach out if you have any questions.

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

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