

Skydance - Paramount Merger Overview

Vitrina Insights & Trends

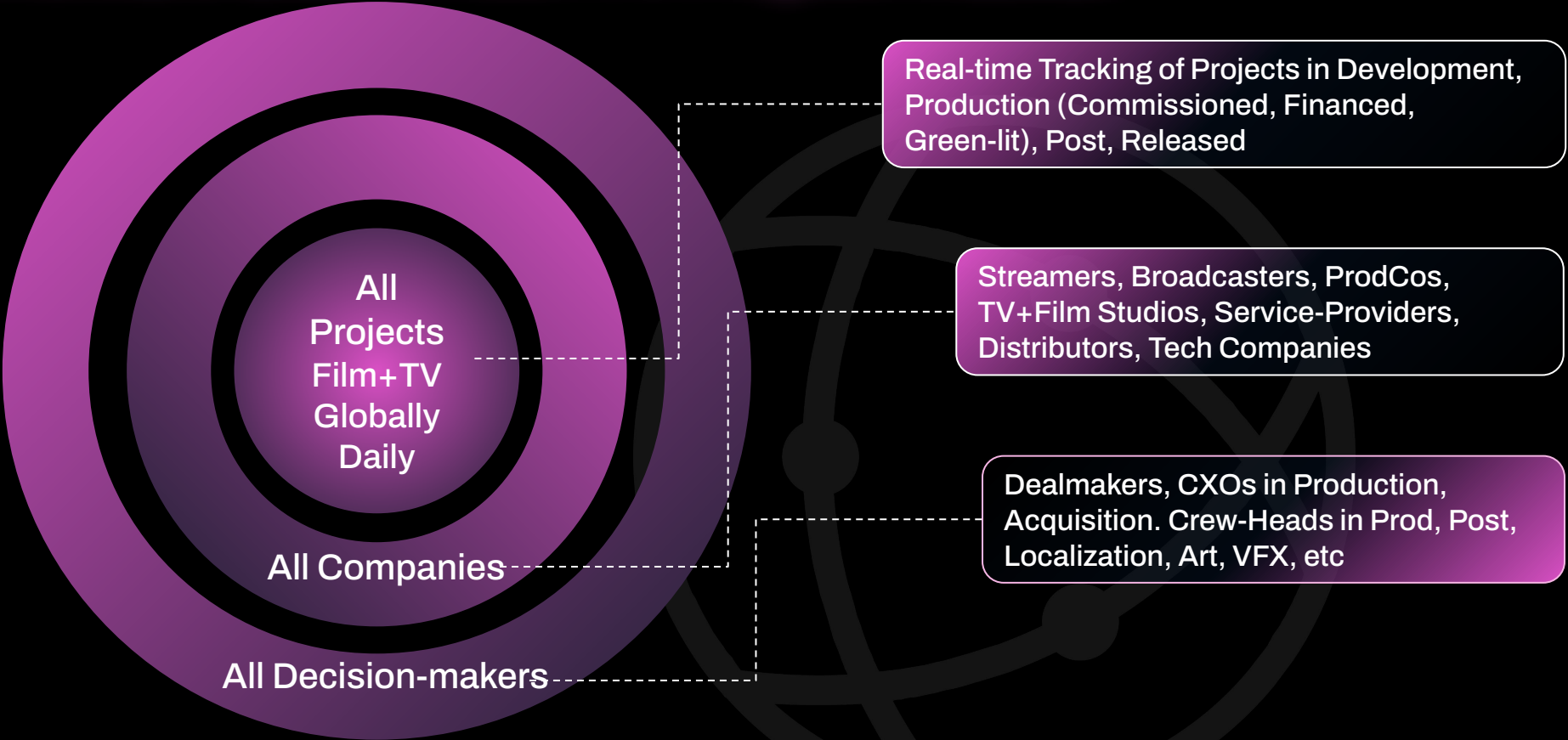




Vitrina Business Network

Connecting the Global Video
Entertainment Supply-Chain

Vitrina's Global Film+TV Project Tracker



Real-time Tracking of Projects in Development, Production (Commissioned, Financed, Green-lit), Post, Released

Streamers, Broadcasters, ProdCos, TV+Film Studios, Service-Providers, Distributors, Tech Companies

Dealmakers, CXOs in Production, Acquisition. Crew-Heads in Prod, Post, Localization, Art, VFX, etc



The Vitrina Methodology: Tracking Projects and Associated Companies

Global
Projects
Tracker

IP Development

Productions

Releases

Content
Supply-
Chain

2K+

80K+

16K

1K

10K

1K+

8K

Pre-Production,
Financing

Production
Houses

Production Services
& Post Services

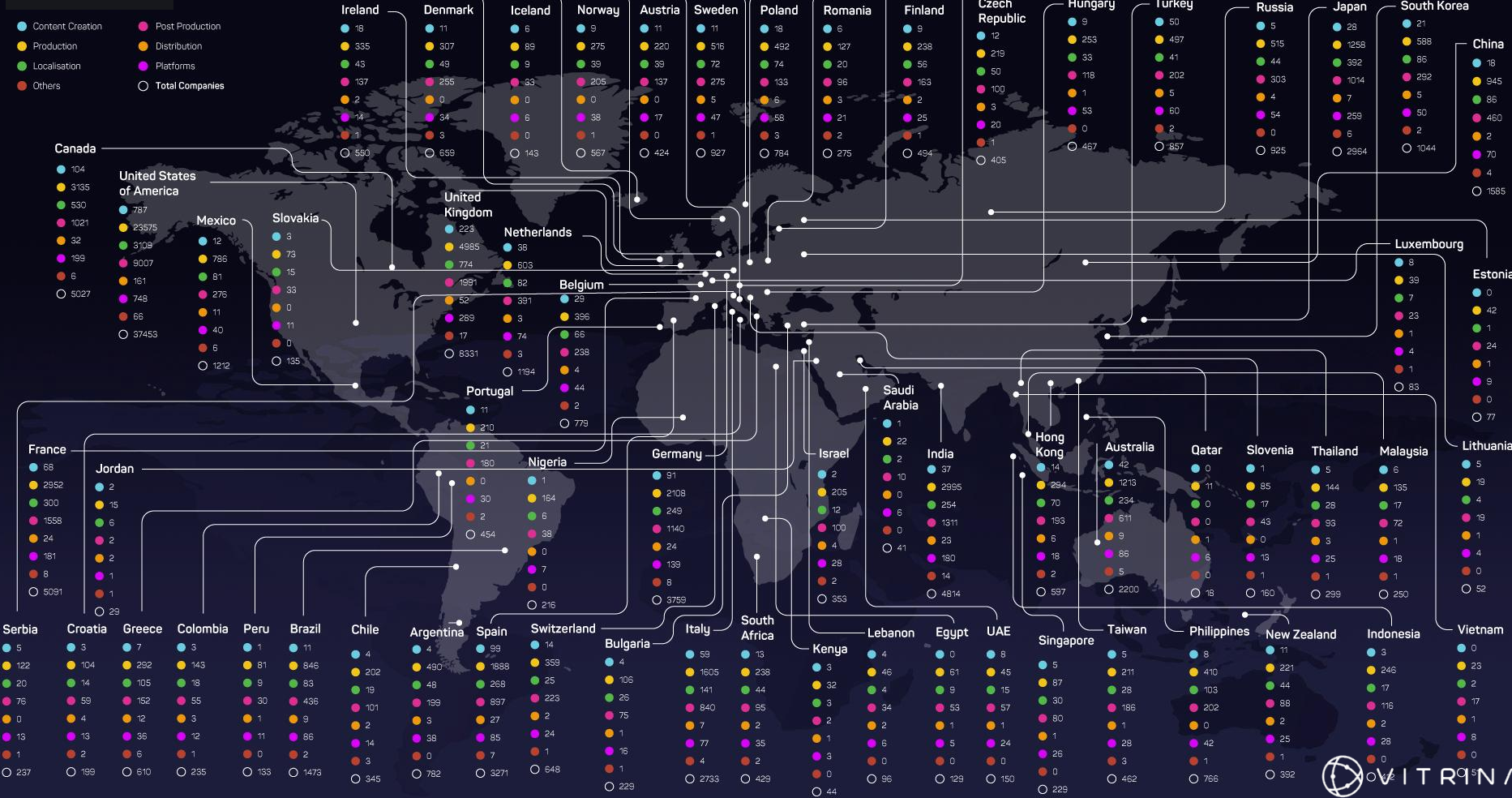
Localisation

Distribution

Monetisation
& Marketing

Broadcasters &
OTT

Vitrina Coverage: 100 Markets, 130,000 Companies





NETFLIX



gettyimages



WAVE



Strategy

Market Intel

CXO Briefing; Industry Outlook
(For Investors, Board Members
& Stakeholders)

Premium Lists

Partner Finding

Premium Lists of Companies,
Experts - Partner Finding,
Profiling, Qualification

Data Feeds

APIs & Downloads

CRM (HubSpot,
Salesforce); Analytics on
Film+TV Project Tracker



GLOBAL FILM+TV PROJECTS TRACKER

Track Every Project. Development to Release.
Know Every Stakeholder. Globally.



SEE IT IN ACTION

Drop a line to jacqueline.hart@vitrina.ai

- **Group Overview:** Top Labels in Paramount Group, Coverage of their Video Supply Chain, Most Active Subsidiaries, Headwinds, Tailwinds
- **Financial Metrics Review:** Paramount (DTC and TV Media) and Skydance Metrics review and callouts based on the same
- **Paramount - Skydance Production Overview:** QoQ Trends, Top Partners
- **What to expect from the merger**

Paramount: Group Companies

Production Houses



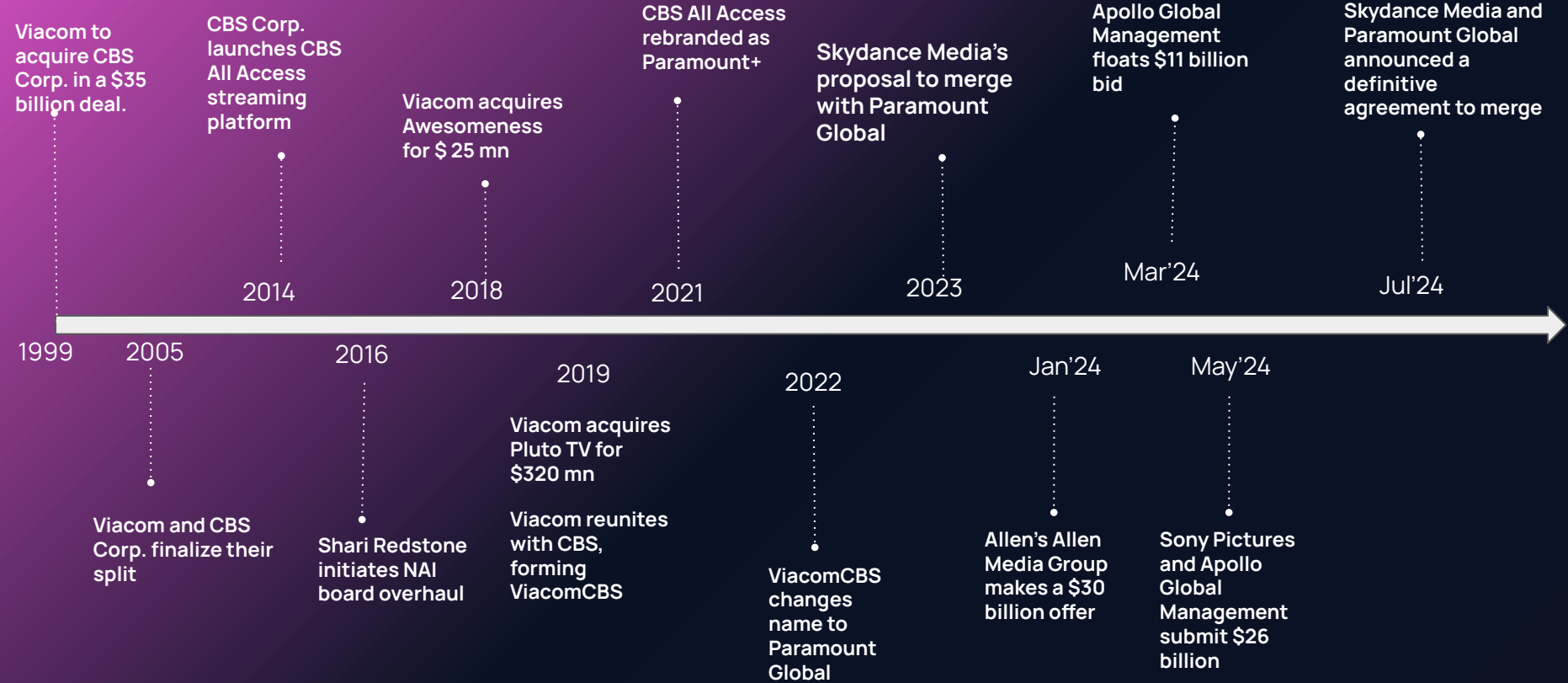
Distributors



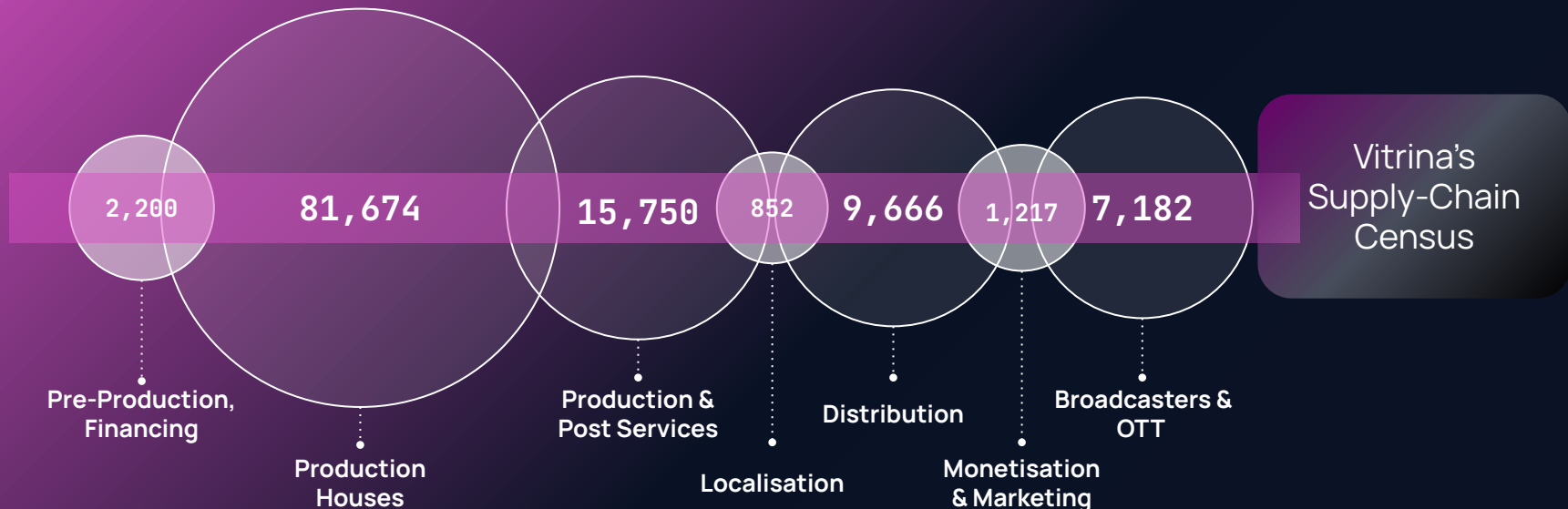
Broadcaster / OTT



Paramount: Key Milestones



Paramount & Skydance Group: Coverage of the Video Supply Chain



Latest Financial Results
 Nos are figures for entire year at the end of latest quarter. Nos in bracket are comparison with last year

| | ↑ | ↑ | ↑ | ↑ | Revenue | EBITDA |
|------------------|----|----|----|-----|---------------------|---------------------|
| Paramount | 43 | 4 | 19 | 349 | \$28.86B (-4%) | \$10.12B (-40%) |
| SKYDANCE | 4 | 0 | 0 | 0 | \$1B per Year (est) | \$78M (est) |
| Disney | 80 | 12 | 31 | 393 | \$91.4B (+3%) | \$17.308B (+17%) |

Notable Subsidiaries of Paramount Global



Top Partners: Paramount+(USA), Paramount Global Content Distribution (USA), Secret Hideout(USA), Kapital Entertainment(USA), The CW (USA)

TV Series: 92%
Top Genres: Drama: 35%, Comedy: 20%



Top Partners: Temple Hill Entertainment(USA), Eagle Pictures (Italy), Original Film (USA), Maximum Effort(USA), Jerry Bruckheimer Films(USA), Bad Robot(USA)

Movies: 86%
Top Genres: Drama: 14%, Comedy: 14%, Action: 12%



Top Partners: Paramount+(USA), Prime Video(USA), Channel 5(UK), Morena Films(Spain), 11:11 Films(Colombia)

TV Series: 77%
Top Genres: Drama: 28%, Comedy: 15%



Top Partners: Paramount+(USA), 101 Studios(USA), Comedy Central(USA), Bosque Ranch Productions(USA), MTV(USA), Jax Media(USA)

TV Series: 78%
Top Genres: Reality: 19%, Drama: 19%, Comedy: 15%



Top Partners: CAA Media Finance(USA), Netflix (USA), Cedar Park Entertainment (USA), Metro Goldwyn Mayer(USA), ImageMovers (USA), FáMoonage Pictures (UK)

Movies: 76%
Top Genres: Drama: 33%, Thriller: 14%, Crime: 11%



Top Partners: Paramount+(USA), Nickelodeon (USA), Awesomeness (USA), Paramount Animation(USA), Secret Hideout (USA), CBS Eye Productions (USA), Roddenberry Entertainment(USA)

TV Series: 65%
Top Genres: Animation: 25%, Comedy: 20%

Notable Subsidiaries of Paramount Global: OTT/Broadcaster



Top Partners: MTV Entertainment Studios (USA), ViacomCBS International Studios (UK), CBS Studios (USA), Nickelodeon Animation Studios(USA), 101 Studios(USA)

TV Series: 72%
Top Genres: Drama: 22%, Comedy: 13%, Documentary: 9%



Top Partners: ITN Productions(UK), Clapperboard (UK), GroupM Motion Entertainment(UK), All3Media International(UK), Mentorn(UK)

TV Series: 83%
Top Genres: Documentary: 44%; Drama:14%;



Top Partners: CBS Studios(USA), Kapital Entertainment (USA), Universal Television (USA), Jerry Bruckheimer Films(USA), Trill TV(USA), Warner Bros. Television(USA), Chuck Lorre Productions(USA)

TV Series: 87%
Top Genres: Drama :26%;
Comedy:23%;Crime: 15%



Top Partners: Warner Bros. Television(USA), CBS Studios(USA), Berlanti Productions (USA), September Films (UK), 1/17 Productions(USA), Lionsgate Canada(Canada), Fremantle(UK)

TV Series: 92%
Top Genres: Drama :31%; Comedy:12%;
Sci-Fi: 11%



Top Partners: Paramount+(USA), Sony Pictures Television (USA), Jax Media(USA), A24 (USA), CBS Studios (USA), Showtime Documentary Films(USA), MTV Entertainment Studios(USA)

TV Series: 72%
Top Genres: Drama: 30%, Documentary: 17%,
Comedy: 12%,



Top Partners: Paramount+(USA), Nickelodeon Animation Studios (USA), Awesomeness (USA), Tyler Perry Studios (USA), Spin Master (Canada), Imagine Entertainment (USA), Point Grey Pictures(USA)

TV Series: 77%
Top Genres: Animation:17%,Comedy: 21%

Notable Subsidiaries of Skydance



SKYDANCE
TELEVISION

Top Partners: Amazon MGM Studios (USA), Prime Video (USA), James Patterson Entertainment (USA), Apple TV+ (USA), Netflix(USA), Anonymous Content (USA)

TV Series: 76%

Top Genres: Drama:29%, Action & Adventure:11%;



SKYDANCE
SPORTS

Top Partners: NFL Films(USA), Picturestart (USA), GQ Studios (USA), Boardwalk Pictures(USA), Meadowlark Media(USA), Netflix (USA)

Movies: 70%

Top Genres: Documentary: 60%, Drama:25%



SKYDANCE

Top Partners: Apple Original Films (USA), Paramount Pictures(USA), Netflix (USA), TC Productions(USA), Prime Video (USA), Bad Robot(USA)

Movies: 88%

Top Genres: Action: 24%, Adventure :14%, Drama:12%



SKYDANCE
ANIMATION

Top Partners: Apple TV+ (USA), Netflix(USA), Spin Master(Canada), Indivisible Productions (USA), FilmNation Entertainment(USA), Wonderland Sound and Vision(USA)

Movies: 70%

Top Genres: Animation: 28%, Family:14%, Science Fiction:11%

Executive Summary:

Tailwinds for Paramount



Strong Performance of Paramount+

- Paramount+ added 3.5 million subscribers, achieving the position of fourth largest global streaming service.
- Revenue growth up 25% year-over-year, with profitability in sight by 2025.

Profitability in Direct-to-Consumer (DTC) Segment

- DTC achieved profitability for the second consecutive quarter, with adjusted operating income improving significantly year-over-year.

Pluto TV's Increased Consumption

- Record 5.6 billion viewing hours year-to-date, driven by enhanced discoverability and user experience.

Hit Content Driving Engagement

- Paramount Pictures and TV shows like "A Quiet Place: Day One," "Tulsa King," and "Mayor of Kingstown" are gaining traction globally, driving engagement and box office success.

NFL and UEFA Sports Programming

- Sports content contributed significantly to subscriber acquisition and engagement.

Global Streaming Market Expansion

- Increased international subscriber numbers through partnerships and exclusive content like "South Park."



Decline in Revenues:

- Total company revenue **fell 6%** YoY in Q3, with TV Media and Filmed Entertainment segments hit hardest.

Impairment and Restructuring Costs

- **\$6.1B goodwill impairment** in Cable Networks highlights valuation concerns.

Operating Losses

- **\$5.4B operating loss** in the first nine months of 2024 due to impairments and declining profitability.

Decline in Linear TV Viewership and Subscribers

- Rapid declines in linear TV viewership and cord-cutting have resulted in a 7% drop in affiliate revenue, threatening core revenue streams.

Decline in Filmed Entertainment Revenues

- **34% drop** in Filmed Entertainment revenue, including a **71% decline** in theatrical revenue.



Linear Advertising Market Decline:

- Despite political ad spend, linear ad revenue **dropped 2%** due to market contraction.

High Debt Levels

- **\$14.6B** in long-term debt limits flexibility amid rising interest rates.

Challenges in International Markets

- Unprofitable **DTC international** segment complicates global expansion.

Weakness in Content Licensing Revenue

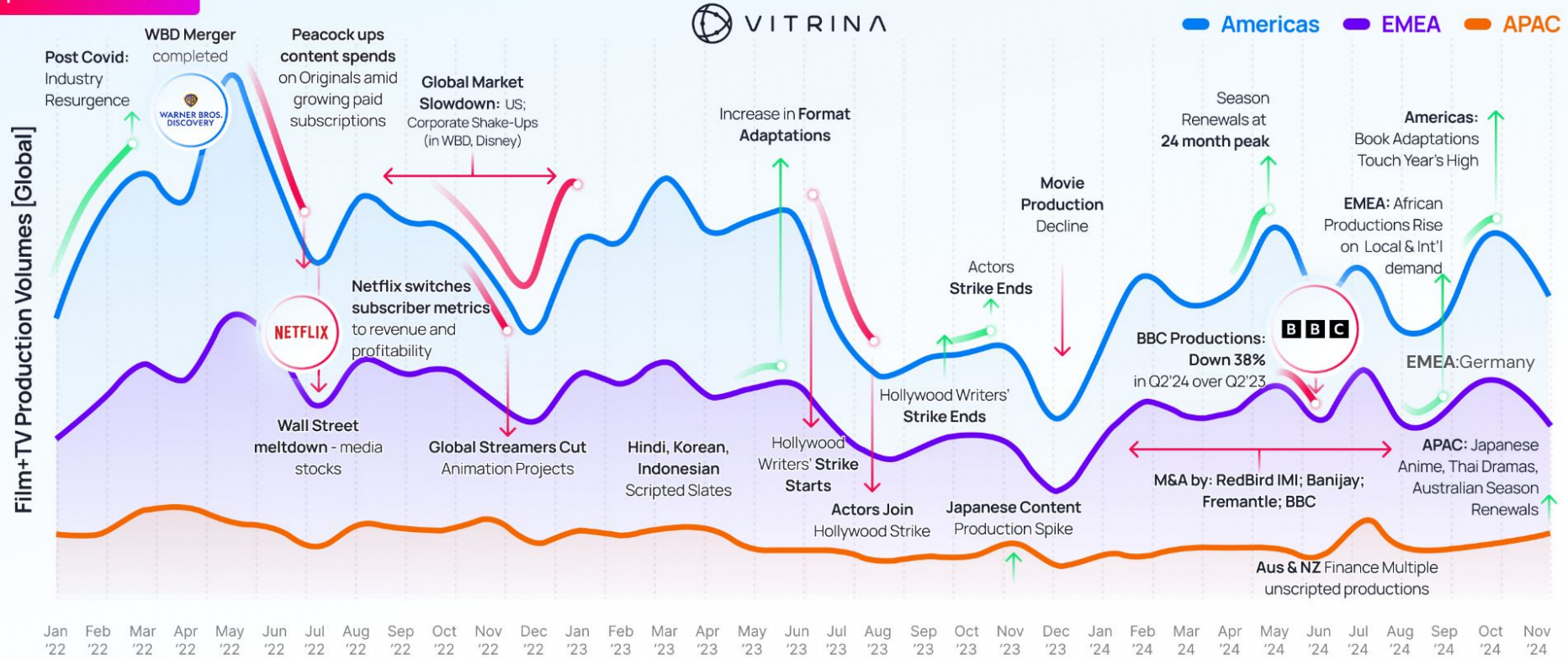
- Lower licensing revenue poses risks as the company pivots to retain more content for its streaming platforms.

Dependence on Cost Reductions

- Heavy reliance on cost-saving measures may strain operations and creativity.

Global Film & TV Production Snapshot: Last 35 Months

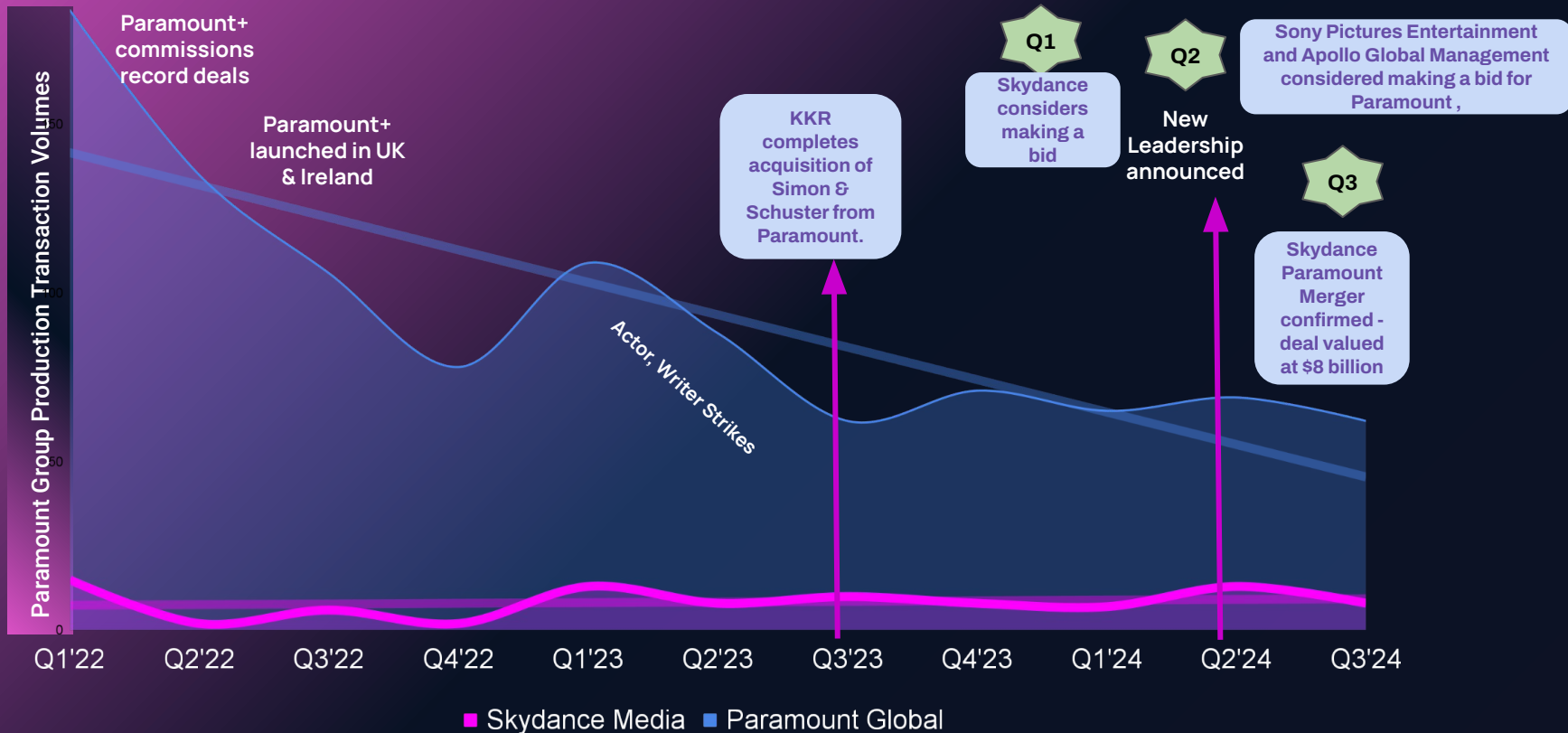
Updated for Nov 2024



Paramount Skydance Productions Overview

Paramount Group & Skydance Productions Volume Trend

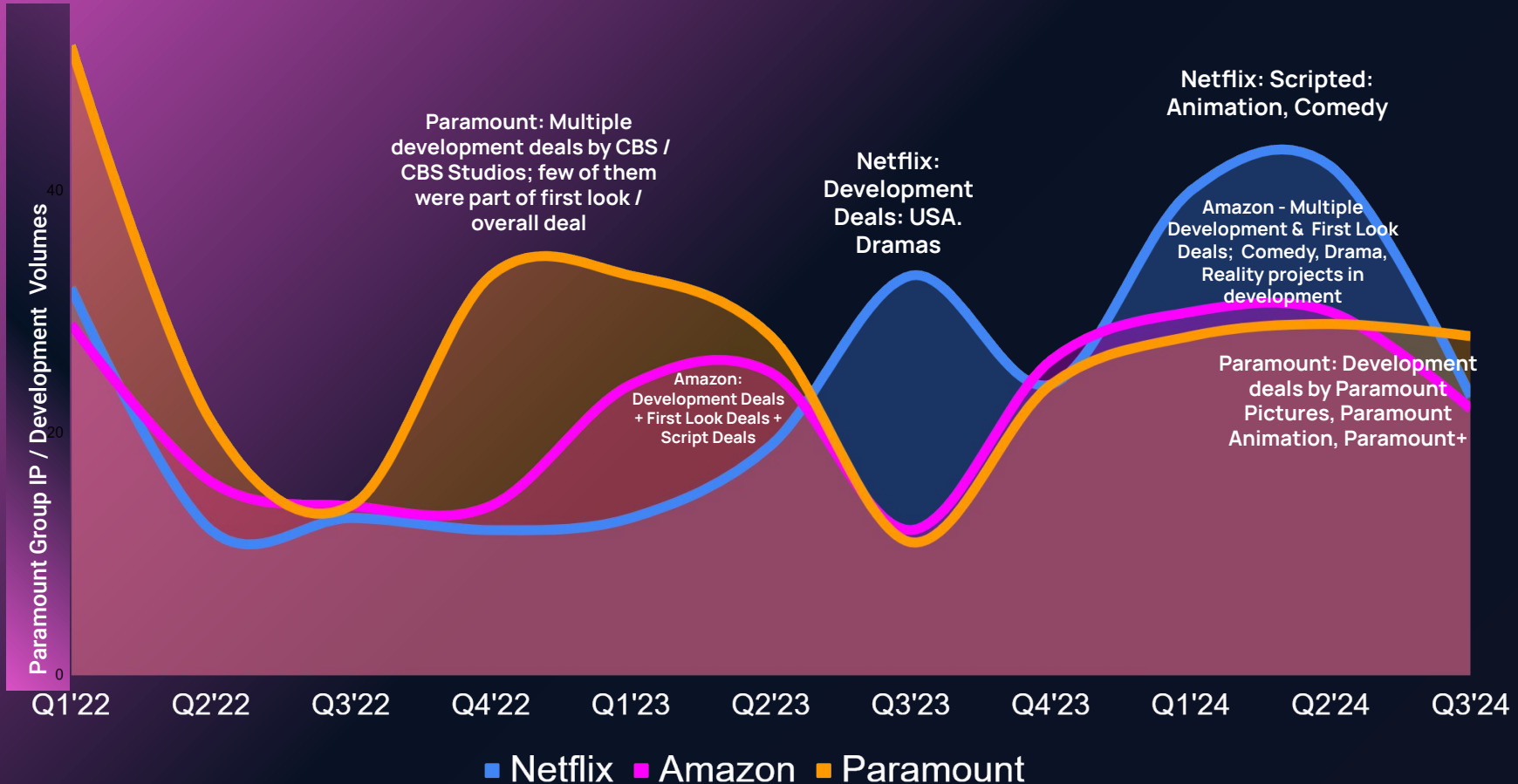
High Debt, Cost Pressures along with discussions to merge have led to productions being flat; While Skydance Shows Upward Momentum Despite Lower Volumes



| Paramount Share Price | 1-Jan-22 | 1-Apr-22 | 1-Jul-22 | 1-Oct-22 | 1-Jan-23 | 1-Oct-23 | 10-Dec-24 |
|-----------------------|----------|----------|----------|----------|----------|----------|-----------|
| | \$30.62 | \$37.92 | \$24.78 | \$19.37 | \$17.39 | \$17.39 | \$11.09 |

Paramount Group vs Top Streamers: IP / Development Volume Trend

Paramount has invested in Strategic Partnerships with multiple First-Look and Overall Deals



Paramount's Top Production Partners: InHouse

In-House Studios contribute to over 40% of Original Productions



Top In House Studios

- CBS Studios
- MTV Entertainment Studios
- Nickelodeon Animation Studios
- Paramount Television Studios
- Paramount Pictures
- Awesomeness

- CBS Studios
- MTV Entertainment Studios
- Nickelodeon Animation Studios
- Paramount Television Studios
- Paramount Pictures
- Awesomeness
- Paramount Global Content Distribution
- Paramount ANZ

- CBS Studios
- MTV Entertainment Studios
- Nickelodeon Animation Studios
- Paramount Pictures
- Paramount Global Content Distribution

Paramount's Top Production Partners: External

External Studios contribute to nearly 60% of Original Productions

2022

2023

2024

External Studios

55%

65%

57%

Top Production Partners

Production Partners: Studios commissioned by Paramount Group in respective years

- Endemol Shine Australia
- Warner Bros. Television
- World of Wonder
- Kapital Entertainment
- Jerry Bruckheimer Films
- Clapperboard
- 101 Studios
- Universal Television
- Lionsgate
- Sony Pictures Television

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- Warner Bros. Television Int Production
- World of Wonder
- Kapital Entertainment
- Jerry Bruckheimer Films
- Clapperboard
- 101 Studios
- Tyler Perry Studios
- Lionsgate
- Sony Pictures Television

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- Clapperboard
- 101 Studios
- Universal Television
- Tyler Perry Studios

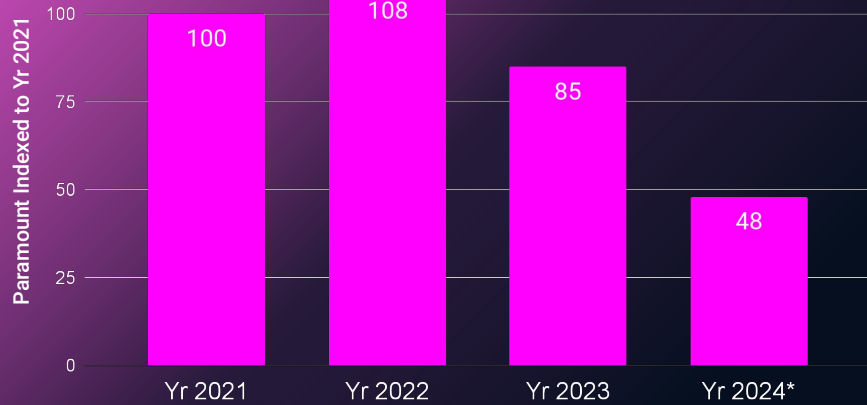
Paramount Group Productions Trends by Genres

Drama, Comedy consistently remain top genres; Drop in Documentary

| | 2021 | 2022 | 2023 | 2024* |
|--------------------------|------|------|------|-------|
| Drama | 14% | 19% | 20% | 20% |
| Comedy | 18% | 19% | 15% | 16% |
| Documentary | 19% | 18% | 21% | 14% |
| Action, Adventure | 6% | 7% | 6% | 12% |
| Crime, Thriller, Mystery | 13% | 12% | 13% | 14% |
| Animation, Kids, Family | 8% | 9% | 8% | 11% |
| Sci-Fi & Fantasy | 12% | 4% | 2% | 4% |
| Reality | 5% | 7% | 10% | 4% |
| Romance | 3% | 2% | 2% | 2% |

Paramount Global Releases vs. Overall Industry Releases

Paramount Global Releases

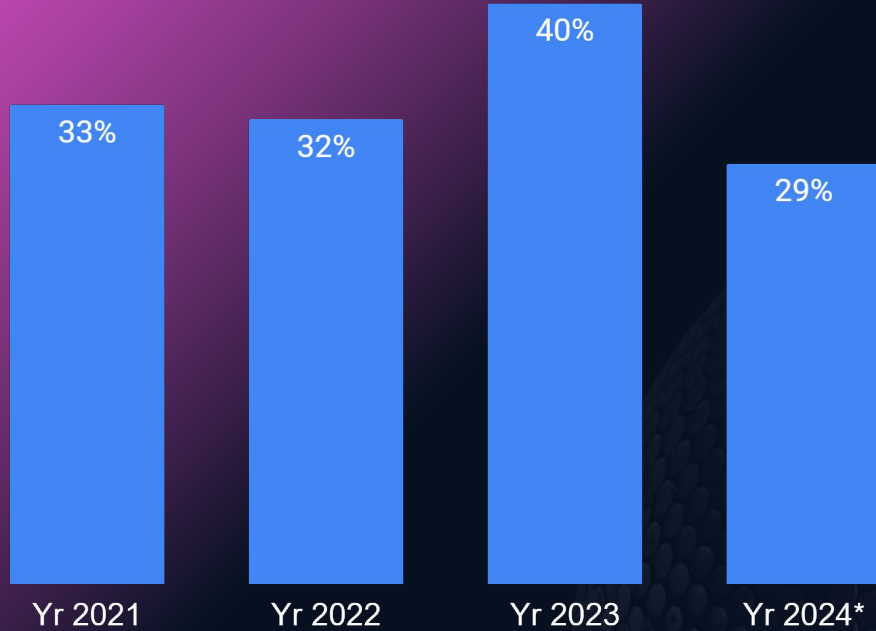


Overall Releases



Returning Series & Formats as Percentage of Productions

Season Renewals as % of Paramount Productions



Paramount Global
Productions

275+

300+

225+

125+

Paramount+ vs Top Streamers

Originals Released in Respective Year

| | 2021 | 2022 | 2023 | 2024* |
|------------|------|------|------|-------|
| Paramount+ | 25+ | 50+ | 50+ | 25+ |
| Netflix | 350+ | 575+ | 525+ | 450+ |
| Amazon | 150+ | 250+ | 300+ | 200+ |

What to expect from the Merger?

SWOT Analysis: Skydance and Paramount

Strengths:

Iconic Brands: CBS, Nickelodeon, MTV, and Paramount.
Vast Library: Extensive content and franchises.
Global Presence: Significant reach across international.
Top Studio: Paramount Pictures delivers blockbusters.
Successful Franchises: Known for producing high-quality content, like blockbuster franchises like "Mission: Impossible" and "Terminator"

Weakness:

High Debt: Significant debt limits financial flexibility.
Operational Losses: Significant losses in linear networks.
Traditional Media Decline: Shrinking TV and cable subscriptions

Opportunities:

Streaming Growth: Expansion of Paramount+ boosts revenue.
Global Expansion: International markets drives subscribers.
Expanding Sports and Event Content: Leveraging NFL, UEFA, and other live events.
Ad-Supported Streaming Growth: Digital advertising supports monetization of Pluto TV and Paramount+.

Weakness

Box Office Uncertainty: Film success hinges on unpredictable performance.

Opportunities:

Global Growth: Rising demand for premium content in international markets.
Franchise Expansion: Spin-offs and sequels drive long-term value.
Tech Innovation: New technology enable advanced content delivery and production efficiency.

Threats:

Intense Competition: Competing with established players like Disney, Warner Bros., and Netflix
Economic Downturns: Economic challenges impact on consumer spending
Cost Pressures: High expenses for premium content production.
Declining Licensing Revenues: Retaining content for own platforms reduces revenue from third-party licensing.

Post-Merger Outlook :

Forecasted Growth in Revenue, EBITDA, and Free Cash Flow

Committee Adjusted Skydance Forecasts

| (\$ in millions) | 2024E | 2025E | 2026E | 2027E | 2028E |
|---|---------|---------|---------|---------|---------|
| Revenue | \$974 | \$2,267 | \$2,344 | \$2,448 | \$2,598 |
| Adjusted EBITDA ⁽¹⁾ | \$ 78 | \$ 275 | \$ 339 | \$ 388 | \$ 460 |
| Adjusted EBITDA Attributable to Skydance ⁽²⁾ | \$ 72 | \$ 258 | \$ 307 | \$ 349 | \$ 413 |
| Free Cash Flow ⁽³⁾⁽⁴⁾ | (\$210) | \$ 37 | \$ 253 | \$ 431 | \$ 488 |

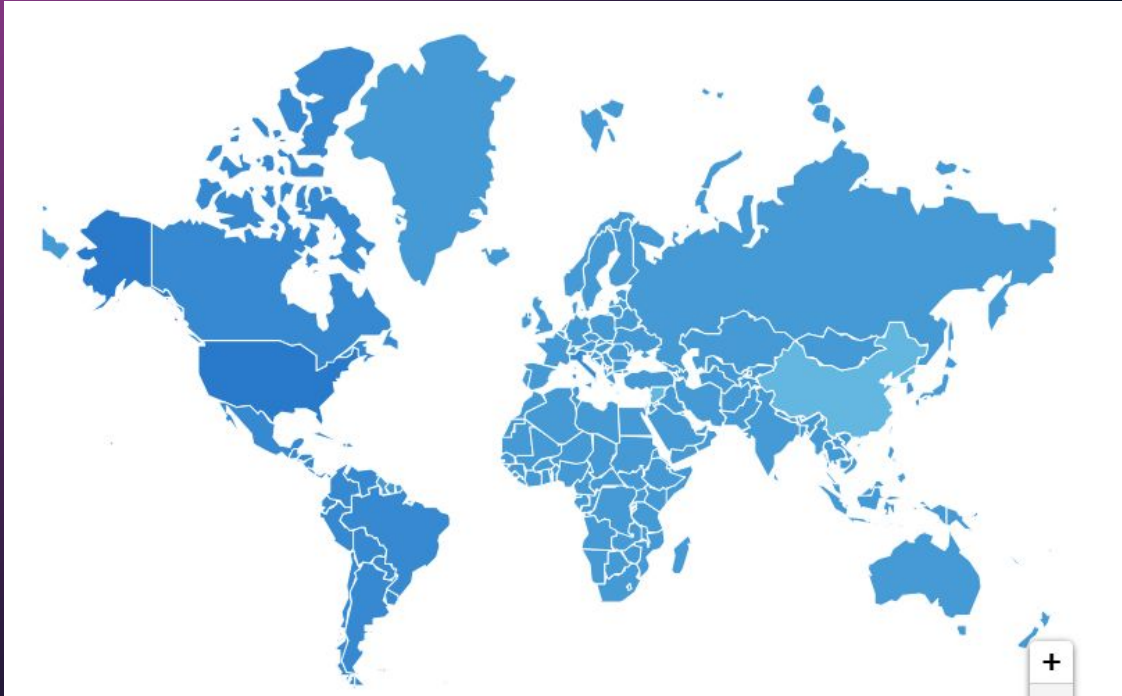
Source: <https://ir.paramount.com/static-files/9ce79e94-0335-40dc-844d-db1239a08a62> (Page 160)

Expected Outcomes

- **Financial Strengthening:**
 - Significant capital injection addresses Paramount's debt and funds new content creation and technological upgrades.
- **Consolidation of Resources:**
 - Shared resources and cost-effective contracts improve production efficiency and enable large-scale projects.
 - Cost Synergies: Estimated \$2 billion in operational savings.

Strengthened Distribution Networks - Paramount's global reach and Skydance's streaming partnerships (Netflix, Apple TV+, mazon Prime) enhance multi-platform content delivery.

Streaming Integration - Paramount+ will leverage Skydance's ATV content to drive subscriber growth and retention



Animation Growth

Skydance's animation studio, led by Pixar co-founder John Lasseter, positions the new entity to excel in animated storytelling.

Animation generated 83% of Skydance's revenues in H1 2024.



WondLa
SEASON 1

TV Series | 2024

Received positive reviews and critical acclaim for its stunning visuals, engaging storytelling, and strong performances



Terminator Zero
SEASON 1

TV Series | 2024

Generated significant buzz among anime fans and sci-fi enthusiasts, particularly due to its unique take on the Terminator franchise



Luck

Movie | 2022

Received positive reviews for its vibrant animation, catchy songs, and heartwarming story



Spellbound

Movie | 2024

Generated significant buzz and anticipation among animation fans, particularly due to its star-studded voice cast and its unique blend of fantasy and musical elements

- **Technological Advancements:**
 - Skydance plans to evolve Paramount into a media-tech hybrid, using AI for improved content recommendations and advertising efficiency
- **Expanding into New Markets:**
 - The merged entity will explore revenue streams in gaming, merchandise, and theme parks.

Enhanced Content Pipeline

Uniting Iconic Franchises: Skydance's Blockbuster Success Meets Paramount's Legacy IP Portfolio

Adaptation of Classic IP

Modernizing Classics: Reboots and Sequels to Bring Timeless Stories to New Audiences

Top Content IPs of Paramount Global

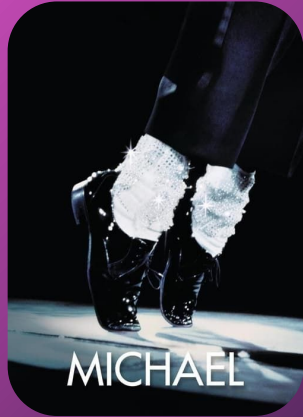


Top Content IPs of Paramount Global & Skydance



Focus on Premium Productions:

Emphasis on high-budget, globally appealing content will drive blockbuster films and series.



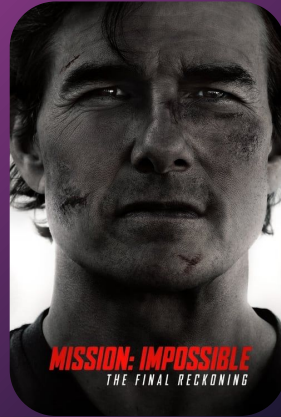
Michael

Movie | 2025

Genre: **Music, Drama, History**

Country of origin: **U.K, USA**

An in-depth portrayal of Michael Jackson, a complicated man, who became the King of Pop. The biopic will bring to life Jackson's most iconic performances as it gives an informed insight into the entertainer's artistic process and personal life.



Mission: Impossible - The Final Reckoning

Movie | 2025

Genre: **Action, Adventure, Thriller**

Country of origin: **USA**

After escaping a calamitous train crash, Ethan realizes The Entity is stashed aboard an old Russian submarine, but a foe from his past named Gabriel is also on the trail.



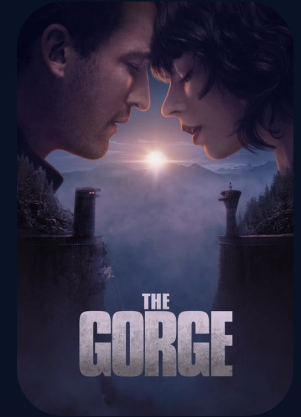
Wicked Game

Movie | 2025

Genre: **Action, Thriller, Romance**

Country of origin: **USA, Aus**

An electrifying thrill-ride is unfolding with propulsive energy, unexpected twists and breathtaking action



The Gorge

Movie | 2025

Two highly trained operatives are appointed to posts across a vast and very secret gorge.

Thank You