Hannah Clark (left), Andrew Nussbaum (center), Karessa Cain (right)

Dealmakers of the Year

ANDREW NUSSBAUM, KARESSA CAIN, AND HANNAH CLARK

At the beginning of 2025, Warner Bros. Discovery retained two of its regular M&A counsel, Wachtell, Lipton, Rosen & Katz and Debevoise & Plimpton, to help the company unlock shareholder value by separating its linear networks from its streaming and studio businesses in a tax-free transaction.

Warner Bros. Discovery (WBD) also asked the firms to work together, a request the duo had fulfilled in Discovery's 2022 acquisition of Warner Media and its 2017 purchase of Scripps Network Interactive.

Teams led by partners Jonathan Levitsky of Debevoise and Andrew Nussbaum of Wachtell Lipton were working on the tax-free split when Paramount Skydance unexpectedly swooped in with a bid to buy the whole company in September.

The bid set off bidding by other potential suitors until WBD's M&A advisers were sitting on 13 separate bids to consider by fall 2025.

"At a certain point, it became clear that this wasn't going to be a moment where we could simply negotiate with a single party and achieve the best value for shareholders," Levitsky said.

By early October, the dealmakers "picked the lock," Levitsky said, by devising a way for interested parties to pursue an acquisition that was tax-efficient and aligned with WBD's debt allocation goals. "We were able to create a competitive dynamic, which allowed us to achieve the best shareholder value."

WBD put the team on an early December timeline to close a deal. On Dec. 5, Netflix announced its plan to acquire WBD's studio and streaming business at $27.75 per share.

However, the announcement did little to discourage Paramount Skydance, which launched a hostile tender offer three days after Netflix issued its press release.

Paramount Skydance also signaled its intention to launch a hostile proxy solicitation against the Netflix merger at an upcoming shareholder meeting, as well as plans to remove WBD directors, Nussbaum added.

But as Paramount Skydance waged a proxy battle, the company also progressively sweetened its offer to assuage WBD's primary concerns.

> "the whole team's commitment to getting the best answer made a huge difference"

Chiefly, it came up on price to $31 per share, it offered the largest cash regulatory break fee ever (per Levitsky) at $7 billion to offset the deal's regulatory risk, and it provided closing certainty once Paramount Skydance CEO David Ellison's father, billionaire Larry Ellison, personally agreed to contribute his own money to help Paramount Skydance access debt financing if the company was unable to obtain a solvency certificate on its own.

In late February, WBD informed Netflix that Paramount Skydance's proposal was superior, paid Netflix's $2.8 million break fee to unwind that deal and agreed to be acquired by Paramount Skydance.

Nussbaum said the parties are hoping to close the deal by this fall, although he added that a number of variables could influence the timing of closing.

By spring 2026, the dealmakers had been working on a compressed timeline for nearly six months, initially to choose the ideal suitor in Netflix and then handle the Paramount Skydance proxy challenge.

But gaming out every contingency rather than taking the first decent deal in hand ultimately maximized value for shareholders, Nussbaum said.

"This board and this management team were incredibly broad-minded, both in being open to advice and willing to think of the art of the possible as opposed to, 'Why do I want to do that. Let's just take $25.50 per share from Paramount Skydance and call it a day,'" Nussbaum said.

"Day in, day out, Thanksgiving, Christmas, New Year's, Presidents' Day weekend — we met with the board dozens of times over the course of a few months, and the whole team's commitment to getting the best answer made a huge difference."

By Dan Roe

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