

INTEL. ANALYSIS. ACCESS. COMMUNITY.

WRAP ▶ PRO

The Essential Source for Entertainment Insiders

What's the Magic Number Paramount Needs to Snag Warner Bros. From Netflix?

Experts told TheWrap that David Ellison needs a “decisive premium” that could range from \$32 to north of \$35 per share to defeat Netflix

By [Lucas Manfredi](#) | February 18, 2026

Paramount CEO David Ellison has finally signaled that he's willing to budge on his \$30-per-share offer, but will he make a big enough splash to get a deal done with Warner Bros. Discovery?

As a new but shrinking window of opportunity opens for Ellison, the key question is how high he's truly willing to go in order to impress the Warner board and convince Netflix that the legendary studio isn't worth the pushback from lawmakers and Hollywood creatives, regulatory scrutiny and a declining stock price.

On Tuesday, Paramount said it's “prepared to engage in good faith and constructive discussions” after weeks of hostility between the two companies. The Ellison-owned media company needs to move fast, with the WBD board giving it seven days to put up the



“best and final offer” it's been teasing for months.

If Ellison truly wants to thwart Netflix, Paramount needs to offer a “decisive premium” to win, according to experts who spoke to TheWrap. At minimum, the final offer would need to be priced at \$32 per share, but it may need to go north of \$35 per share, they said.

“[Warner Bros.] already had indications that Paramount was willing to go up to \$31 and that even \$31 wasn't the best and final either. So it's likely they'll push for \$32 or beyond,” Paul Nary, an M&A and strategy professor at the Wharton School of the University of Pennsylvania, told TheWrap. “\$32 to \$35 per share were always



Sarandos faced a rough series of questions from the Senate Judiciary Subcommittee on Antitrust about his proposed acquisition of Warner Bros. (Credit: C-Span)

the numbers that were thrown around for what it would take for Paramount to get WBD to play along.”

Those figures represent a staggering premium over Warner’s stock price before all of this M&A drama, when its share price hovered around \$12, and a major rebound from its 52-week low of \$7.52 hit in November. While Warner Bros. CEO David Zaslav has had a dubious track record running the media company, he’s proven to be a wizard in orchestrating this bidding war and taking advantage of both Paramount and Netflix’s hunger for growth.

That need is exactly why Paramount is in a tricky position as it games out just how much to raise its bid. Lloyd Greif, the president and CEO of investment bank Greif & Co., said that Paramount is in a “make or break position” that could see its entire strategy thrown into disarray if it’s unable to ac-

quire WBD. He sees a 5% increase to \$31.50 per share as doable before the “wheels start to come off,” warning that the financial burden that comes with competing with Netflix for the prize is a “losing proposition” and that the streamer won’t walk away so easily.

“There’s only so far you can go on leveraging this deal,” Greif told TheWrap. “Netflix could easily toss another 10% into the fray, in my view, and I don’t think they blink an eye. This is strategically too important for them. This is not a deal that they’re not willing to sweeten their bid to lock up.”

Netflix’s fight or flight

Netflix, which agreed to grant the waiver to Warner Bros. to engage with Paramount, knocked Ellison’s antics as an “ongoing distraction” and said its \$83-billion deal is “the only certain path to delivering value to WBD’s stockholders.”

While it retains the right to match any offer and has a stronger financial position, some experts warned that the streaming king faces its own pressures in getting a deal done, including an 11% decline in its stock price in the past month. Co-CEO Ted Sarandos earlier this month went through a bruising Senate hearing, with lawmakers questioning the deal, and regulators in the U.S. and Europe will likely give it a hard time.

“Management has held steadfast in the face of major pressure on the stock in the past,” Third Bridge senior analyst John Conca told TheWrap. “But they are in a tough spot. Regulatory pressure is mounting and raising its bid will inevitably put further pressure on its stock.”

Though experts said Netflix could easily match a \$31-per-share offer from Paramount, Bloomberg Intelligence analyst Geetha Ranganathan told TheWrap it’s “very unlikely” that the streamer would be willing to go beyond \$32 per share, noting that would imply nearly four times leverage.

Lightshed Partners analyst Rich Greenfield, however, argued that Paramount would have to pay “meaningfully more” in order to get Netflix to walk away and the board to accept its offer, pegging it closer to \$36 or \$37 per share. But he acknowledged that \$35 to \$40 per share is an “insane price to pay” and that Ellison should simply allow Netflix to be the winning bidder and wait six months for

Discovery Global to spin out from WBD or wait to see if regulators block the Netflix deal.

“We simply cannot understand why Paramount would overpay now for all of WBD’s assets, if it can acquire the exact same assets for a far lower amount of money over the coming year,” Greenfield wrote in a blog post. “While we suspect it will increase its current bid above \$30 (probably to the \$31-\$33 range), we doubt it goes substantially further, because it believes it can buy these assets for far less than \$30 in a year or less.”

Reopening talks may be an opportunity for Netflix to cap the ultimate purchase price rather than drive it higher, Qualia Legacy Advisors managing director Aaron Meyerson told TheWrap, adding it could also present an off-ramp for Netflix to avoid further declines in its stock.

“I don’t see Netflix getting pulled into an emotional bidding war,” Meyerson said. “They’re strategic buyers, but they’re also disciplined — if the price starts to meaningfully erode margins or shifts too much risk onto their balance sheet, they’ll walk.”

Nary acknowledged that given all of the recent regulatory and financial issues, Netflix may be happy to “bow out gracefully and take the breakup fee and focus on fixing their core business.” But he argued that the company’s recent rhetoric suggests otherwise.

“They are pretty angry with how Paramount represented the

Netflix deal and position, and seem pretty willing to fight on,” he said.

Representatives for Netflix and Paramount declined to comment, while WBD did not immediately return TheWrap’s request for comment. When asked by CNBC about an increased offer, Netflix co-CEO Ted Sarandos said he wouldn’t get into hypotheticals, adding: “Let them make a move and then we will see where the next step takes us.”

More than money

Despite reopening talks, WBD’s board has made it clear that it still prefers the Netflix deal and indicated that it will take more than just an improvement in price to change its mind.

In addition to setting a shareholder vote on the Netflix deal for March 20 at 8 a.m. ET, the board sent Paramount a letter outlining several other concerns they’d like to see addressed in the final offer, including covering \$1.5 billion in financing costs, proof of equity financing certainty and scrapping the consent requirements on WBD’s bridge loan financing, among others. scrapping the consent the consent requirement on WBD’s bridge loan financing, among others.

“Reopening talks feels more like governance than an advantage for Paramount. Boards have to demonstrate they tested other buyers — especially with activists circling,” Meyerson said. “It doesn’t

necessarily mean Skydance has the upper hand. It may just be WBD protecting the process and nudging Netflix for incremental concessions.”

Even with the deep pockets of Larry Ellison behind Paramount, Netflix claimed that the competing studio could be dealing with \$84 billion in combined debt to pay down and that it would need to extract roughly \$16 billion of cost savings to meet the midpoint of its deleveraging targets — far in excess of its previously disclosed \$6 billion synergy forecast — through “greater, even deeper job cuts that would irreparably harm the entertainment industry.”

It added that Paramount is undershooting its guidance for 2026 adjusted operating income by 15%, which could mean even more cost cuts.

“That deal is so leveraged that there’s no way they can make good on their promises. If you thought there was bloodletting when they bought Paramount, that’s nothing compared to what you’re going to see. It’s going to be a bloodbath and that’s the only way they can make it work,” Greif said. “Netflix doesn’t have that baggage, it’s the white knight here.”

“The Ellisons should quit while they’re ahead and call it a day, but their ego won’t let them,” he added. “Netflix has got the pole position on this deal and that hasn’t changed. David Ellison can huff and puff, but he’s not going to blow this house down.”