

HBO's two flagships gained ground. The rest of the slate did not.

Content **Constructive on flagships**

Streaming profit **Conditional**

Next test **Nov 30 checkpoint**

THREE THINGS TO KNOW

1 HBO's original series gained 13.3% against rival series, the most of eight groups. Two shows did it.

House of the Dragon and Lanterns added more share than the whole portfolio gained. Take out each year's two leaders and the rest is down 3.6%. Only 26 of 65 material titles grew. **The growth is real, and it is concentrated in two shows.**

2 The merger will cut costs. Very little of that becomes streaming profit.

In our middle case, \$1 billion of annual cost savings becomes \$15 million of extra streaming profit. Homes that paid for both services pay once, so revenue falls. Tax, one-time merger costs and new investment take most of the rest. **Judge the merger on cash, not on the \$6 billion savings headline.**

3 The merger pays only if HBO viewers keep paying between seasons. Two Paramount+ shows already hold that audience.

HBO's growth sits on two shows, so subscribers have little reason to stay once a season ends. Lanterns homes were 2.5 times as likely as comparable homes to watch Paramount+'s Lioness and 2.2 times for Strange New Worlds, and the combined service now owns all three. **Recommending them to Lanterns viewers is the cheapest way to fill the gap between seasons. Prove it holds paying homes before merging the bills.**

We rate HBO’s programming positively. We do not yet rate the merged company’s streaming results.

Our panel measures which shows gain audience, which supports the programming view. Whether the merger improves streaming profit is not yet measurable; that view waits for the first comparable disclosure. Three commitments, each with a test.

CONTENT PORTFOLIO

Constructive

Original series gained 13.3% on rival series, the most of eight groups. House of the Dragon and Lanterns carry it: without each year’s two leaders the rest is down 3.6%.

AFTER DEC 31 Same tests on Q4. Growth beneath the two leaders broadens this view.

LEGACY STREAMING SEGMENT (WBD)

Conditional

Q3 Streaming revenue \$2.922 billion; adjusted EBITDA \$409 million. The merger closed after the quarter, so Q3 shows no integration effect.

NOV 30 Score the first comparable release on dollar error and scenario inclusion. If segment boundaries change, report not comparable.

HYBRID

OUR THREE COMMITMENTS • FIG. E

COMMITMENT	OUR CURRENT VIEW	NEXT TEST
Content portfolio	Constructive on the flagships, not on breadth	Next quarter: same roster and leader-removal rules
Legacy Streaming results	\$2.922B revenue (legacy WBD Streaming segment); \$409M adjusted EBITDA	First comparable release, by Nov 30: inside \$2.783–3.061B and \$278–551M, or not
Keeping subscribers between seasons	Recommend Paramount+’s Lioness and Strange New Worlds to Lanterns viewers. The homes already overlap, so this is the cheapest way to hold them when no flagship is airing.	Oct 12–Nov 8: overlap still above benchmark confirms the priority; fading overlap drops it

PANEL

Our proprietary title-demand measurement

PUBLIC

Company filings or public records

HYBRID

Panel evidence plus public inputs

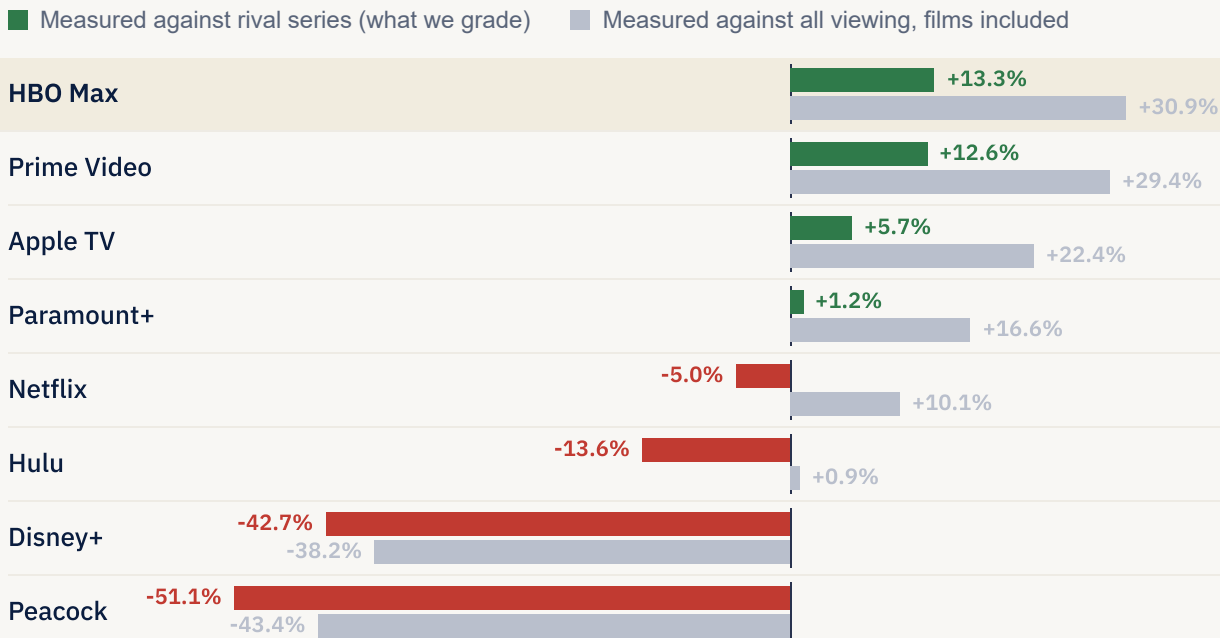
VIEW

Our interpretation, not a measurement

HBO's original series gained 13.3% against rival series, the most of any group.

There are two ways to measure HBO's growth. Against other streamers' original series, HBO grew 13.3%, first of eight. Against all viewing including films, it grew 30.9%, but about half of that comes from viewers moving from films to series in general, which lifted every service. We grade the 13.3%.

PANEL FIG. A • HOW EACH SERVICE'S ORIGINAL SERIES GREW, Q3 2026 VS Q3 2025, TWO MEASURES



Mean daily US title-demand share, percentage growth (not points). Both bars measure the same HBO shows; only the comparison pool changes. Disney+ and Peacock are lapping unusually large prior-year hits.

PANEL WHERE HBO'S 30.9% ALL-VIEWING GAIN (+0.63 SHARE POINTS) CAME FROM

+0.292

points from HBO series beating rival series. **The part HBO earned.**

+0.331

points from viewers watching more series and fewer films. Every service got this.

+0.006

points from day-to-day timing. Noise.

OUR CALL

Flagship-led growth, not a broad rebound. Constructive on House of the Dragon and Lanterns, not on breadth.

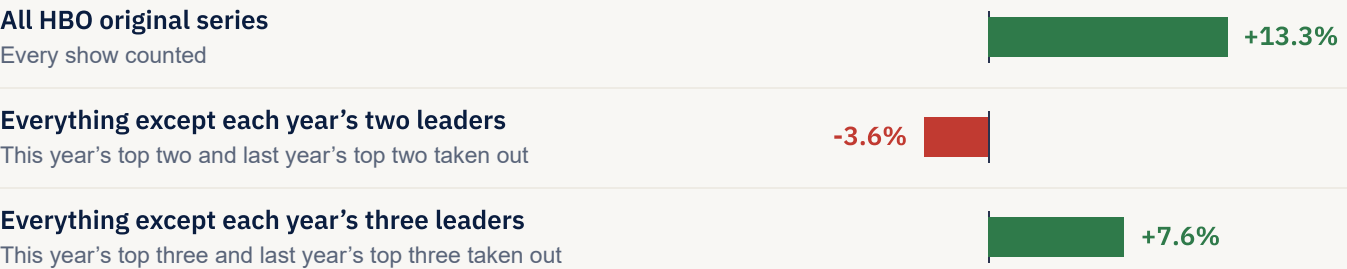
WHAT WOULD CHANGE IT

At the next data review, a reversal on the same basis or continued weakness beneath the flagships weakens the broader read.

Two shows account for all of HBO’s growth. The other 63 series, taken together, lost share.

House of the Dragon and Lanterns added more share than the whole portfolio gained. With each year’s two biggest shows removed, the remaining series are down 3.6%. With three removed they are up 7.6%, so the third-ranked show also improved. Beneath the top three, the slate did not grow.

PANEL FIG. B • SERIES SHARE GROWTH WITH LEADERS REMOVED, Q3 2026 VS Q3 2025



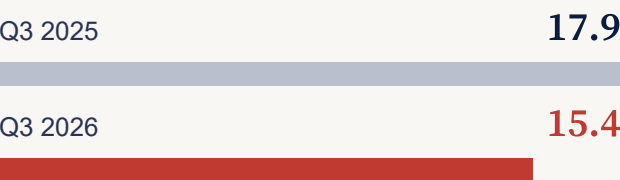
Each row removes the same shows from both years and compares what is left against rival series. Row 2 asks: did the bench beneath the two leaders grow? No. Row 3 asks: did it grow once the third show is also set aside? Yes, modestly. The gain sits in the top three.

PANEL WHO MOVED

LARGEST GAINS	LARGEST DECLINES
House of the Dragon	Peacemaker
Lanterns	The Last of Us
	The Gilded Age

Only 26 of 65 material titles gained share. The broader catalog, films and licensed programs included, fell 10.7% in all-title share.

PANEL HOW SPREAD OUT THE AUDIENCE IS



Effective number of titles sharing the audience. Lower means more dependence on a few shows. The audience narrowed. Bad for breadth.

OUR CALL

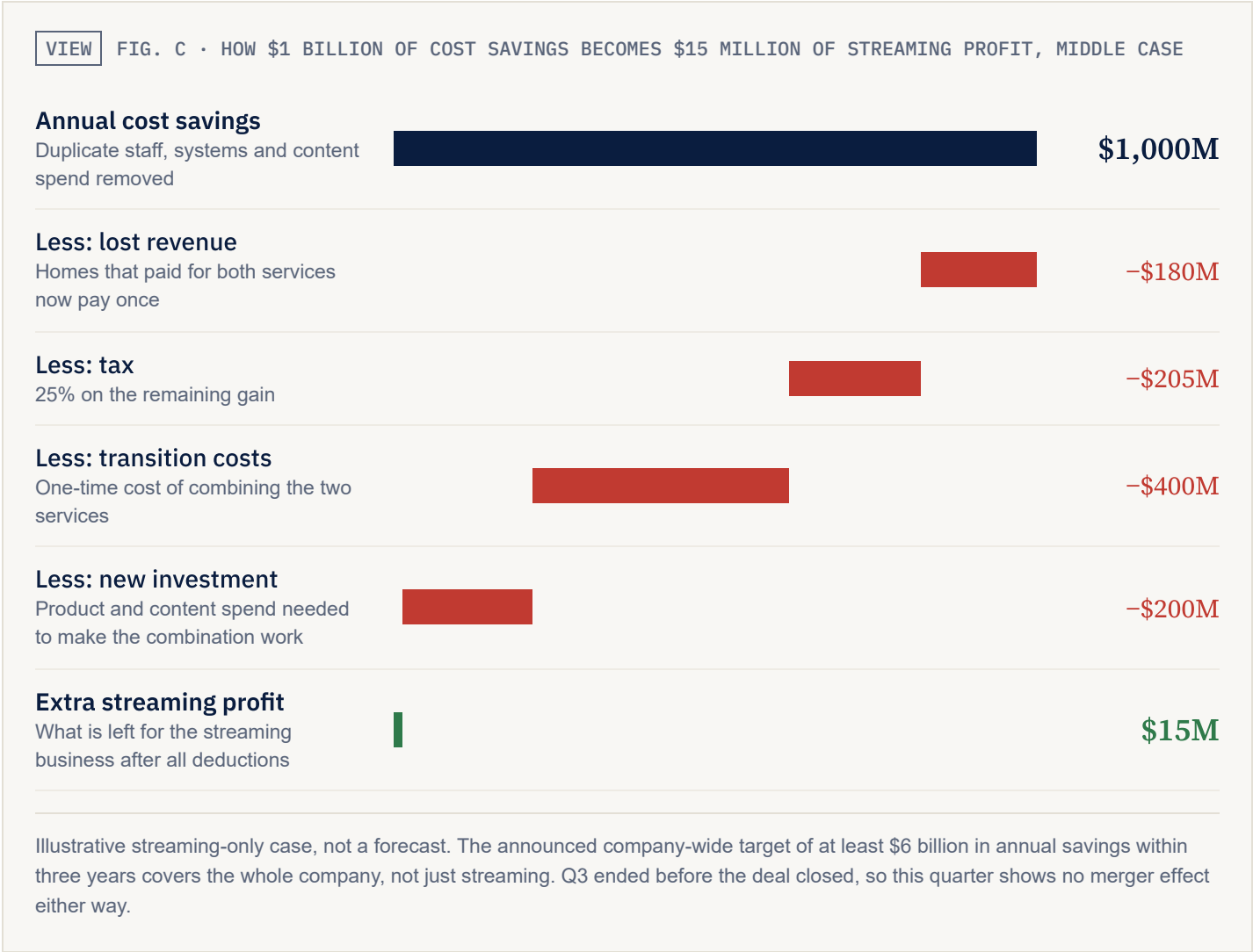
Constructive on the flagships, selective on the rest. Discovery between flagship releases is the strategic opportunity.

WHAT WOULD CHANGE IT

After December 31, apply the same removal rules. Growth beneath the top-two union and a wider audience spread would support a broader call; continued weakness keeps it flagship-led.

The merger’s cost savings will not translate into streaming profit for some time.

Merging Paramount+ and HBO Max cuts duplicate costs, but it also loses revenue from homes that paid for both, and the merger itself costs money. In our middle case, \$1 billion of annual cost savings becomes \$15 million of extra streaming profit after those deductions.



OUR CALL

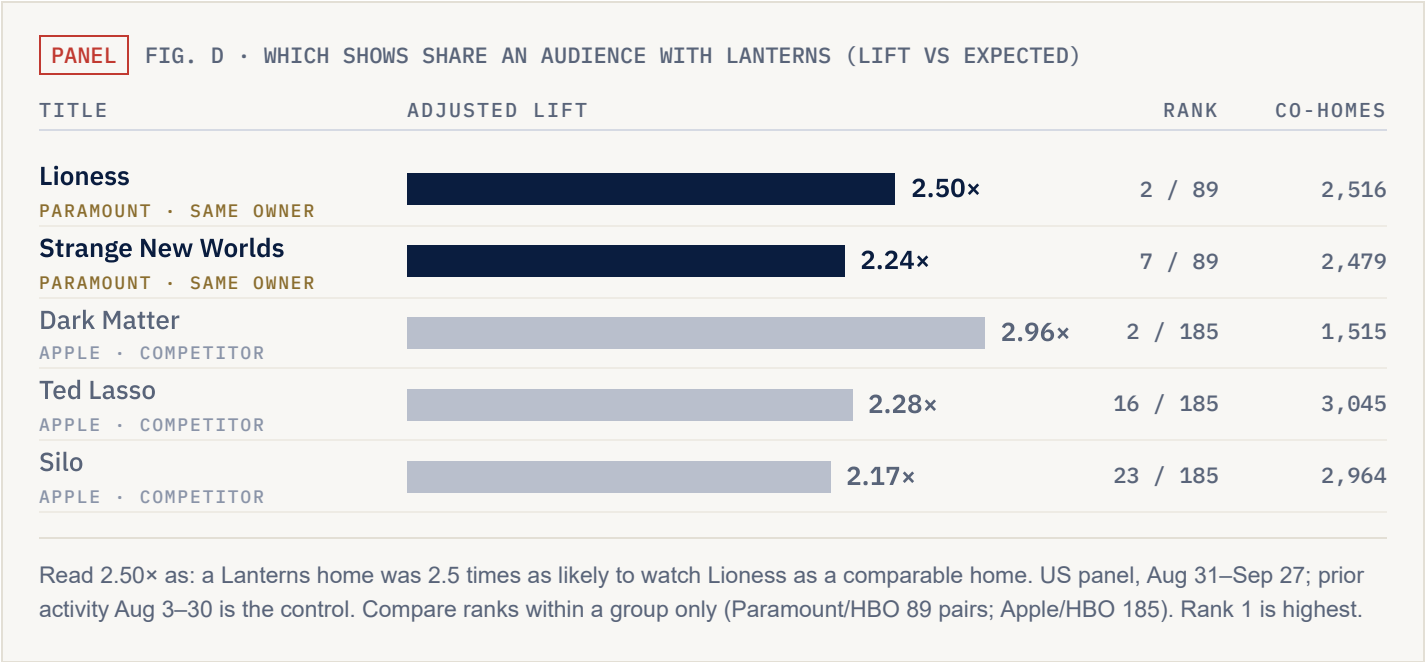
Test cross-service recommendations before merging the two subscriptions. Do not credit the parent with a streaming gain until it shows more paying months, held pricing and real profit.

WHAT WOULD CHANGE IT

The first comparable parent disclosure shows actual savings, lost revenue and transition costs. Review by November 30. If the company changes how it reports segments, we report not comparable rather than manufacture a result.

Discovery is how the combination pays. Two Paramount shows are the starting point.

Lanterns homes were 2.5 times as likely as comparable homes to watch Lioness and 2.2 times for Strange New Worlds. Both now share an owner with HBO. Dark Matter overlaps more, but it is Apple’s: it shows who competes for these viewers, not what the combined service can offer.



VIEW	WHAT THIS MEANS FOR THE COMBINED SERVICE		
ROUTE	TEST	DO NOT	
Lioness and Strange New Worlds viewers to Lanterns, and back. The audience already overlaps.	Paid conversion and retention of homes that cross catalogs, before and after the recommendations.	Force billing consolidation first. It removes revenue before the benefit is proven.	

OUR CALL

Prioritize Lioness and Strange New Worlds discovery paths into Lanterns, then use operator experiments to measure paid conversion and retention.

WHAT WOULD CHANGE IT

A below-benchmark repeat of the named connections in the October 12–November 8 window lowers their priority. The pair universe stays fixed.

Research, not personalized investment advice. Scenario ranges are not guarantees. Position/conflicts disclosure and founder approval required before external release. Sources: PeerLogix US match panel; WBD historical segment filing (10-Q, Sep 30, 2025); SEC closing announcement (Skydance, Oct 6, 2026). Exact data in the Methods & Evidence appendix.