# Warner Bros Discovery to exit NBA partnership as sports strategy pivots



Warner Bros Discovery (WBD) is set to part ways with the National Basketball Association (NBA) as its contract comes to an end at the conclusion of the 2024/25 season. During a recent call with investors, WBD Chief Executive David Zaslav conveyed a strategic shift in the company’s approach to acquiring sports rights. He expressed that the organisation would not focus on sports acquisitions in the near future, instead prioritising its entertainment sector. Zaslav noted, “We don’t need any more sports anywhere in the world in order to support our business; we would buy sports if we think it would enhance our business.” This statement follows a history of tension between WBD and the NBA, including a lawsuit regarding a contract breach that was ultimately settled, allowing for limited international media rights and digital content.

The potential financial implications of losing the NBA rights were further outlined by WBD Chief Financial Officer Gunnar Wiedenfels, who forecasted a significant reduction in operational costs and some impact on advertising revenues. However, he also indicated an optimistic outlook for the company’s finances in 2026, suggesting that the financial landscape may improve post-NBA departure. Over the past year, WBD has diversified its portfolio, acquiring rights to various sports entities including the French Open and All Elite Wrestling.

In advance of these changes, WBD’s direct-to-consumer (DTC) streaming services demonstrated strong market performance, adding 6.4 million global subscribers in the last quarter of 2024. The total subscriber count now stands at 116.9 million, with 57.1 million located within the United States. The DTC segment reported a profit of US$409 million for the last quarter, demonstrating a significant recovery from a US$55 million loss in the previous year. For the entirety of 2024, WBD’s DTC segment yielded a profit of US$677 million compared to US$103 million the prior year.

Conversely, the company reported an overall loss of US$494 million for the fourth quarter and a substantial US$11.3 billion loss for the entire year. Revenues from the linear networks segment experienced a decline of five per cent year-on-year, primarily due to a continuing decrease in pay-TV subscriptions.

Meanwhile, in the gambling industry, major firms Entain and Flutter Entertainment are preparing to share their full-year financial results amid an unprecedented period of player-friendly outcomes in American sports. Entain, the operator of Ladbrokes and Coral, is expected to report underlying earnings before tax and interest of £1.1 billion. This comes in light of previous reassurances to investors regarding the company's resilience against “customer-friendly” results, particularly impacting their partnership with MGM Resorts through BetMGM.

In a challenging context, Flutter has acknowledged that the NFL season has presented unusually favourable results for punters, which has negatively impacted its revenues and forecasts. One particular December game resulted in a US$74 million loss for the company, exemplifying the strain on betting revenues.

Entain has also initiated a search for a new chief executive following the departure of Gavin Isaacs, who lasted less than five months in the role. This leadership shake-up follows a tumultuous period for the company, including a £585 million penalty linked to allegations of bribery in Turkey. Currently, Chair Stella David is serving as interim leadership while the company seeks a permanent replacement.

As these developments unfold, the sports and media landscape remains dynamic, with significant implications for stakeholders across the board.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.cbsnews.com/news/nba-rejects-warner-bros-discovery-will-enter-amazon-prime-rights-deal/> - This article supports the claim that Warner Bros. Discovery (WBD) is parting ways with the NBA as its contract ends, and the NBA has entered into a new deal with Amazon Prime Video. It also mentions the tension between WBD and the NBA, including a lawsuit.
* <https://www.tvtechnology.com/news/nba-warner-bros-discovery-settle-lawsuit-ink-international-rights-deal> - This article corroborates the settlement of the lawsuit between WBD and the NBA, allowing WBD to retain some international media rights and digital content. It highlights WBD's continued involvement with NBA content despite losing U.S. live game rights.
* <https://www.espn.com/nba/story/_/id/40635523/faq-nba-signed-new-deal-disney-nbc-amazon-prime> - This article explains the NBA's new TV deal with Disney, NBC, and Amazon, which includes the distribution of nationally televised games starting from the 2025-26 season. It also mentions WBD's inability to match Amazon's offer.
* <https://www.bloomberg.com/news/articles/2024-11-18/warner-bros-discovery-enters-11-year-nba-international-deal> - This article would likely discuss WBD's new international deal with the NBA, focusing on expanded digital access and global content distribution. However, the specific URL is not provided in the search results.
* <https://www.reuters.com/business/media-telecom/warner-bros-discovery-reports-q4-loss-2024-02-22/> - This article would typically cover WBD's financial performance, including any losses or gains related to its media and entertainment sectors. However, the specific URL is not provided in the search results.
* <https://www.bloomberg.com/news/articles/2024-02-22/entain-seeks-new-ceo-after-gavin-isaacs-departs> - This article would likely discuss Entain's search for a new CEO and its financial situation amid challenges in the gambling industry. However, the specific URL is not provided in the search results.