



Starz Entertainment Corp. Reports Results for the Third Quarter Ended September 30, 2026

STARZ Delivers Sequential and Year-over-Year OTT and Total Revenue Growth Company Reaffirms All 2026 and 2027 Targets

- OTT Revenue and Total Revenue Grew Sequentially and Year-over-Year
- Adjusted OIBDA More Than Doubled Year-over-Year¹
- Reiterating All 2026 Targets for Key Financial Priorities: Adjusted OIBDA Growth, Leverage, OTT Revenue Growth, and Unlevered Free Cash Flow¹
- Reiterating 20% Adjusted OIBDA Margin Outlook for the Second Half of 2027²

SANTA MONICA, CA, and VANCOUVER, B.C., October 29, 2026 – STARZ (NASDAQ: STRZ) today reported results for the quarter ended September 30, 2026. This press release includes consolidated financial results for STARZ Entertainment Corp.

"Our third-quarter results reflect the continued strength of the business and our focused execution against our four key financial priorities," said STARZ President and CEO Jeffrey Hirsch. "Our portfolio approach to programming is driving a more durable revenue base, and we are just beginning to unlock the financial upside of increased ownership. We remain confident in our outlook and in our ability to continue delivering against our plan and create long-term value for our shareholders."

Summary of Third Quarter 2026 Financial Results

For the quarter ended September 30, 2026, STARZ reported:

- Revenue: \$322.4 million
- Operating loss: \$(21.2) million
- Adjusted OIBDA¹: \$44.2 million
- Net cash flows provided by operating activities: \$18.9 million
- Unlevered Free Cash Flow¹: \$18.8 million
- Equity Free Cash Flow¹: \$13.1 million

As of September 30, 2026, key balance sheet metrics included:

- Cash and cash equivalents: \$86.8 million
- Total debt: \$687.5 million, including a \$362.4 million Term Loan A credit facility and \$325.1 million in senior unsecured notes
- Net corporate debt¹: \$600.7 million
- Adjusted OIBDA Leverage Ratio³: 2.8x (trailing twelve months)
- The Company's \$183.0 million revolving credit facility remained fully undrawn

2026 outlook:

- Reiterating outlook for positive year-over-year OTT revenue growth
- Reiterating Adjusted OIBDA outlook of mid-single-digit percentage growth²
- Reiterating Unlevered Free Cash Flow outlook of \$100 million to \$120 million²
- Reiterating Adjusted OIBDA Leverage Ratio outlook exiting 2026 to be approximately 2.7x²

¹ See "Use of Non-GAAP Financial Measures" for a definition of Adjusted OIBDA, Unlevered Free Cash Flow, Equity Free Cash Flow, and Net Corporate Debt. See "Reconciliation of Operating Loss to Adjusted OIBDA" and "Key Performance Indicators" for the related reconciliations to the most directly comparable GAAP measures.

² The forecasted Operating Income (Loss) and net cash flows provided by operating activities are not reasonably estimable due to the nature of certain individual items: restructuring and other, and adjusted share-based compensation expense. The variability of these items could have a significant impact on our future GAAP financial results. The Company is not providing any 2026 outlook for GAAP financial measures other than OTT revenue growth, nor can the Company provide quantitative reconciliation to the most directly comparable GAAP measures for its forward-looking non-GAAP financial measures in its 2026 outlook because the GAAP measures cannot be reliably estimated and the reconciliations cannot be performed without unreasonable effort due to their dependence on future uncertainties and adjusting items that the Company cannot control or reasonably predict at this time but which may be material. Please see "Use of Non-GAAP Financial Measures" for additional information.

³ Total Adjusted OIBDA Leverage Ratio of 2.8x is calculated based on total Adjusted OIBDA of \$217.6 million for the trailing twelve-month period ended September 30, 2026. Refer to "Reconciliation of Operating Loss to Adjusted OIBDA" section for further detail.

Conference Call

- As previously announced, STARZ senior management will hold its analyst and investor conference call to discuss results for the quarter ended September 30, 2026, today, Thursday, October 29, 2026, at 5:00 p.m. ET / 2:00 p.m. PT. Interested parties may listen to the live webcast by visiting the events page on the STARZ Investor Relations website. A full replay will become available this evening at the same link.

About STARZ

STARZ is the leading premium entertainment destination for women and underrepresented audiences, and home to some of the most popular franchises and series on television. STARZ offers a robust programming mix for discerning adult audiences, including boundary-breaking originals and an expansive lineup of blockbuster movies, and is embodied by its brand positioning "We're All Adults Here." Complementary to any platform or service, STARZ is available across a wide range of digital OTT platforms and multichannel video distributors and is a bundling partner of choice. STARZ is powered by an industry-leading advanced technology, data analytics and digital infrastructure and the highly rated and first-of-its-kind STARZ app.

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The matters discussed in this press release include forward-looking statements, including those regarding expected future performance. Such statements are subject to a number of risks and uncertainties. Actual results in the future could differ materially and adversely from those described in the forward-looking statements as a result of various important factors, including, but not limited to: the benefits of the separation of Lionsgate's Studios Business and Lionsgate's STARZ Business (the "Separation"); unexpected costs related to the Separation; the substantial investment of capital required to produce and market films and television series; budget overruns; limitations imposed by our credit facilities and notes; unpredictability of the commercial success of our programming; risks related to acquisition and integration of acquired businesses; the effects of dispositions of businesses or assets, including individual films or libraries; the cost of defending our intellectual property; technological changes and other trends affecting the entertainment industry; potential adverse reactions or changes to business or employee relationships; the impact of global pandemics on our business; weakness in the global economy and financial markets, including a recession and past and future bank failures; wars, terrorism and multiple international conflicts that could cause significant economic disruption and political and social instability; labor disruptions and strikes; and the other risk factors set forth in STARZ's Annual Report on Form 10-KT filed with the Securities and Exchange Commission. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

STARZ ENTERTAINMENT CORP.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2026	December 31, 2025
	(Amounts in millions)	
ASSETS		
Cash and cash equivalents	\$ 86.8	\$ 35.7
Accounts receivable, net, including other receivables of \$8.3 million and \$9.9 million as of September 30, 2026 and December 31, 2025, respectively.	65.9	84.4
Prepaid expenses and other	11.4	12.1
Total current assets	164.1	132.2
Programming content, net	836.5	993.8
Property and equipment, net	47.8	49.1
Intangible assets, net	504.4	690.9
Other assets	41.6	47.2
Total assets	\$ 1,594.4	\$ 1,913.2
LIABILITIES		
Current portion of debt	\$ 20.2	\$ 7.5
Accounts payable	68.0	60.0
Programming related payables	149.3	255.2
Other accrued liabilities	133.0	49.1
Residuals	22.7	27.1
Programming related obligations	40.6	87.7
Deferred revenue	59.1	52.8
Total current liabilities	492.9	539.4
Debt	657.5	605.8
Programming related obligations	38.0	41.4
Other liabilities	134.9	72.7
Deferred tax liabilities	2.2	7.9
Total liabilities	1,325.5	1,267.2
Contingencies		
EQUITY		
Common shares, no par value, unlimited authorized, 17.2 million and 16.7 million shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively.	743.6	735.1
Accumulated other comprehensive income	22.9	19.4
Parent net investment	—	—
Accumulated deficit	(497.6)	(108.5)
Total equity	268.9	646.0
Total liabilities and equity	\$ 1,594.4	\$ 1,913.2

STARZ ENTERTAINMENT CORP.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
(Amounts in millions, except per share amounts)				
Revenue				
OTT revenue	\$ 226.6	\$ 222.8	\$ 659.0	\$ 669.4
Linear and other revenue	95.8	98.1	278.2	301.8
Total revenue	322.4	320.9	937.2	971.2
Operating expenses:				
Programming amortization	141.5	156.8	393.9	437.7
Other operating	37.5	38.8	112.3	114.0
Advertising and marketing	74.2	78.4	194.9	200.7
General and administrative	31.3	28.8	100.4	83.3
Depreciation and amortization	67.4	47.9	203.2	144.7
Restructuring and other	(8.3)	5.0	282.0	194.8
Total expenses	343.6	355.7	1,286.7	1,175.2
Operating loss	(21.2)	(34.8)	(349.5)	(204.0)
Interest expense	(14.0)	(15.8)	(41.5)	(39.9)
Interest and other income	0.1	0.2	1.0	1.9
Other expense	(1.4)	(1.8)	(5.2)	(6.1)
Loss on extinguishment of debt	—	—	—	(0.7)
Loss from continuing operations	(36.5)	(52.2)	(395.2)	(248.8)
Income tax benefit (expense)	1.7	(0.4)	6.1	(0.3)
Net loss from continuing operations	(34.8)	(52.6)	(389.1)	(249.1)
Net income from discontinued operations, net of income taxes	—	—	—	1.0
Net loss	<u>\$ (34.8)</u>	<u>\$ (52.6)</u>	<u>\$ (389.1)</u>	<u>\$ (248.1)</u>
Per share information attributable to Starz Entertainment Corp. shareholders:				
Basic and diluted net loss per common share – continuing operations	\$ (2.02)	\$ (3.15)	\$ (22.98)	\$ (14.90)
Basic and diluted net income per common share – discontinued operations	—	—	—	0.06
Basic and diluted net loss per common share	<u>\$ (2.02)</u>	<u>\$ (3.15)</u>	<u>\$ (22.98)</u>	<u>\$ (14.84)</u>
Weighted average number of common shares outstanding:				
Basic	17.2	16.7	16.9	16.7
Diluted	17.2	16.7	16.9	16.7

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30,	
	2026	2025
	(Amounts in millions)	
Operating activities:		
Net loss	\$ (389.1)	\$ (248.1)
Less: net income from discontinued operations, net of tax	—	1.0
Net loss from continuing operations, net of tax	(389.1)	(249.1)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	203.2	144.7
Programming amortization	393.9	437.7
Amortization of debt financing costs and other non-cash interest	3.6	3.1
Share-based compensation	27.3	15.6
Other amortization	6.4	5.8
Net content impairment	126.2	167.3
Loss on extinguishment of debt	—	0.7
Deferred income taxes	—	0.2
Changes in operating assets and liabilities:		
Accounts receivable, net	17.1	49.6
Cash paid for programming content ⁽¹⁾	(469.4)	(553.9)
Other assets	(0.4)	(0.2)
Accounts payable and accrued liabilities	139.6	(18.2)
Residuals	(0.8)	(0.1)
Deferred revenue	6.3	8.1
Due to LG Studios Business	—	(35.5)
Net cash flows provided by (used in) operating activities	63.9	(24.2)
Investing activities:		
Capital expenditures	(15.5)	(16.0)
Deferred purchase price of receivables sold	1.2	1.2
New Lionsgate revolving credit facility – increases	—	455.5
New Lionsgate revolving credit facility – decreases	—	(321.5)
Net cash flows (used in) provided by investing activities	(14.3)	119.2
Financing activities:		
Debt – borrowings, net of debt issuance and redemption costs	232.3	491.3
Debt – repayments	(173.4)	(199.5)
Programming related obligations – borrowings	269.4	412.9
Programming related obligations – repayments	(321.5)	(385.0)
Exercise of stock options	0.8	—
Tax withholding on equity awards	(6.1)	—
Distribution of Exchange Notes to New Lionsgate upon Separation	—	(389.9)
Parent net investment	—	(2.0)
Net cash flows provided by (used in) financing activities	1.5	(72.2)
Net change in cash and cash equivalents	51.1	22.8
Cash and cash equivalents – beginning of period	35.7	14.2
Cash and cash equivalents – end of period	\$ 86.8	\$ 37.0

⁽¹⁾ Cash paid for programming content for the nine months ended September 30, 2025 includes \$157.1 million from the licensing of program rights from the LG Studios Business.

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RECONCILIATION OF OPERATING LOSS TO ADJUSTED OIBDA

	Three Months Ended					Trailing Twelve Months
	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	September 30, 2026	September 30, 2026
	(Amounts in millions)					
Operating loss	\$ (34.8)	\$ (4.7)	\$ (152.8)	\$ (175.5)	\$ (21.2)	\$ (354.2)
Depreciation and amortization	47.9	47.3	68.5	67.3	67.4	250.5
Restructuring and other ⁽¹⁾	5.0	9.4	139.1	151.2	(8.3)	291.4
Adjusted share-based compensation expense ⁽²⁾	3.7	3.5	3.2	16.9	6.3	29.9
Adjusted OIBDA⁽³⁾	\$ 21.8	\$ 55.5	\$ 58.0	\$ 59.9	\$ 44.2	\$ 217.6

- ⁽¹⁾ Restructuring and other includes restructuring costs, certain transaction-related and other expenses, and unusual items, when applicable, as shown in the table below:

	Three Months Ended					Trailing Twelve Months
	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	September 30, 2026	September 30, 2026
	(Amounts in millions)					
Contract termination fees ^(a)	\$ —	\$ —	\$ —	\$ 147.2	\$ (11.1)	\$ 136.1
Content impairments ^(b)	—	7.1	128.1	1.7	(3.6)	133.3
Transaction and other costs ^(c)	4.8	2.1	5.1	1.7	1.2	10.1
Severance ^(d)	—	0.2	5.9	0.5	4.4	11.0
Share-based compensation ^(e)	0.2	—	—	0.1	0.8	0.9
Total restructuring and other	\$ 5.0	\$ 9.4	\$ 139.1	\$ 151.2	\$ (8.3)	\$ 291.4

- ^(a) In April 2026, Starz entered into an agreement to terminate certain live-action films under a post-pay-one output licensing agreement. As a result, Starz recognized programming contract termination fees, which were recorded within *Restructuring and other* costs during the three and nine months ended September 30, 2026.

The termination cost is based on an agreed fee schedule that includes a measure of theatrical box office performance. During the three months ended September 30, 2026, the Company updated its estimate of the termination liability based on revised assumptions, including expected theatrical performance for certain underlying films, resulting in a reduction of previously accrued termination fees and a corresponding credit recognized during the quarter.

- ^(b) During 2025 and 2026, Starz undertook actions to rationalize its content portfolio as part of its ongoing efforts to right-size its content cost structure in response to the evolving macroeconomic and industry environment, including continued declines in traditional linear services, impairments associated with changes in the Canadian operating model and in connection with becoming and operating as a standalone company following the Separation. These actions included evaluating programming on the Starz Platform, cancelling certain previously ordered programming, and removing and abandoning content determined to have limited strategic value.

Content recoveries during the three months ended September 30, 2026 primarily relate to revisions of estimated license fees for certain programming agreements. As a result of updated assumptions and estimated contractual costs, the Company reduced previously recorded programming liabilities and recognized a recovery during the period.

- ^(c) Transaction and other costs reflect costs associated with certain potential strategic transactions, costs associated with certain legal matters, and transaction, integration and legal costs associated with the Separation.
- ^(d) Severance costs represent a reduction in our workforce due to cost-saving initiatives and the continued decline in traditional linear services.

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- (e) Share-based compensation represents equity award modifications in July and August 2025 in connection with the Separation from Lionsgate and share-based compensation expense resulting from the acceleration of vesting of certain equity awards in July and August 2026.
- (2) The following table reconciles total share-based compensation expense to adjusted share-based compensation expense:

	Three Months Ended					Trailing Twelve Months
	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	September 30, 2026	September 30, 2026
	(Amounts in millions)					
Total share-based compensation expense	\$ 3.9	\$ 3.5	\$ 3.2	\$ 17.0	\$ 7.1	\$ 30.8
Less: Amount included in restructuring and other ^(a)	(0.2)	—	—	(0.1)	(0.8)	(0.9)
Adjusted share-based compensation expense	\$ 3.7	\$ 3.5	\$ 3.2	\$ 16.9	\$ 6.3	\$ 29.9

- (a) Includes the impact of equity award modifications in connection with the Separation and share-based compensation expense resulting from the acceleration of vesting for certain equity awards included in restructuring and other expenses. Refer to note (1)(e).
- (3) See "Use of Non-GAAP Financial Measures" for the definition of Adjusted OIBDA which is reconciled to operating loss in the table above, the most directly comparable GAAP financial measure.

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KEY PERFORMANCE INDICATORS (KPIs)

	Three Months Ended				
	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	September 30, 2026
(Amounts in millions)					
Equity and Unlevered Free Cash Flow					
Net cash (used in) provided by operating activities	\$ (26.0)	\$ (21.4)	\$ 73.2	\$ (28.2)	\$ 18.9
Less: capital expenditures	(5.2)	(4.5)	(4.5)	(5.2)	(5.8)
Total Equity Free Cash Flow	(31.2)	(25.9)	68.7	(33.4)	13.1
Plus: cash paid for interest	9.2	19.1	11.6	18.4	5.6
Plus: cash paid for income taxes	0.4	0.2	0.4	0.3	0.1
Total Unlevered Free Cash Flow	<u>\$ (21.6)</u>	<u>\$ (6.6)</u>	<u>\$ 80.7</u>	<u>\$ (14.7)</u>	<u>\$ 18.8</u>
Cash paid for programming content					
Starz Networks	\$ (157.0)	\$ (158.6)	\$ (85.5)	\$ (147.6)	\$ (170.2)
Programming content restructuring ⁽¹⁾	(2.7)	(4.0)	(27.9)	(34.0)	(4.2)
Total cash paid for programming content	<u>\$ (159.7)</u>	<u>\$ (162.6)</u>	<u>\$ (113.4)</u>	<u>\$ (181.6)</u>	<u>\$ (174.4)</u>
Net corporate debt					
Debt ⁽²⁾	\$ 625.1	\$ 625.1	\$ 625.1	\$ 625.1	\$ 687.5
Less: cash and cash equivalents	37.0	35.7	102.1	59.6	86.8
Net corporate debt	<u>\$ 588.1</u>	<u>\$ 589.4</u>	<u>\$ 523.0</u>	<u>\$ 565.5</u>	<u>\$ 600.7</u>
Adjusted OIBDA - trailing twelve months	\$ 173.2	\$ 204.0	\$ 168.7	\$ 195.2	\$ 217.6
Adjusted OIBDA leverage ratio⁽³⁾	3.4x	2.9x	3.1x	2.9x	2.8x

(1) Represents cash used in operating activities for programming content paid subsequent to the final shutdown of the LIONSGATE+ business in May 2024 and the Starz Networks Strategic Content Review and International Restructuring. Such cash flows are included in continuing operations in the consolidated statements of cash flow.

(2) Debt represents total debt, excluding unamortized debt issuance costs.

(3) Adjusted OIBDA leverage ratio is defined as Net Corporate Debt (represents total debt, excluding Unamortized Debt Issuance Costs, minus Cash and Cash Equivalents), divided by Adjusted OIBDA for the trailing twelve-months.

USE OF NON-GAAP FINANCIAL MEASURES

This earnings release presents the following important financial measures utilized by Starz Entertainment Corp. (the "Company," "Starz," "we," "us" or "our") that are not financial measures defined by U.S. generally accepted accounting principles ("GAAP"). These non-GAAP financial measures are in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

Adjusted OIBDA: Adjusted OIBDA is defined as operating income (loss) before depreciation and amortization ("OIBDA"), adjusted for share-based compensation, restructuring and other costs, and unusual gains or losses, (such as goodwill and intangible asset impairment), when applicable.

- Depreciation and amortization as presented on our consolidated statement of operations.
- Adjusted share-based compensation expense represents share-based compensation excluding the impact of the acceleration of certain vesting schedules for equity awards pursuant to certain severance arrangements, which are included in restructuring and other expenses, when applicable.
- Restructuring and other includes restructuring costs, certain transaction-related and other expenses, and unusual items, when applicable.
- Goodwill impairment and intangible asset impairment, when applicable.

Adjusted OIBDA Leverage Ratio: Adjusted OIBDA Leverage Ratio is defined as Net Corporate Debt (represents total debt, excluding Unamortized Debt Issuance Costs, minus Cash and Cash Equivalents), divided by Adjusted OIBDA for the trailing twelve-months.

Unlevered Free Cash Flow: Unlevered Free Cash Flow is defined as net cash provided by (used in) operating activities, less capital expenditures, plus cash paid for interest and taxes.

Equity Free Cash Flow: Equity Free Cash Flow is defined as net cash provided by (used in) operating activities, less capital expenditures.

Net Corporate Debt: Net Corporate Debt is defined as total debt, excluding Unamortized Debt Issuance Costs, minus Cash and Cash Equivalents.

Overall: These measures are non-GAAP financial measures as defined in Regulation G promulgated by the SEC and are in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

We use these non-GAAP financial measures, among other measures, to evaluate the operating performance of our business. We believe these measures provide useful information to investors regarding our results of operations before non-operating items and cash flows. Adjusted OIBDA is considered an important measure of the Company's performance because this measure eliminates amounts that, in management's opinion, do not necessarily reflect the fundamental performance of the Company's businesses, are infrequent in occurrence, and in some cases are non-cash expenses. In addition, the Adjusted OIBDA Leverage Ratio is an important metric as it provides insight into the Company's capital structure and financial risk, helping assess the Company's ability to meet its debt obligations and maintain financial flexibility. Unlevered Free Cash Flow and Equity Free Cash Flow are considered important measures of the Company's liquidity because they provide information about the ability of the Company to reduce Net Corporate Debt and make strategic investments. Net Corporate Debt is used by management to evaluate the Company's overall indebtedness and capital structure by reflecting debt levels net of available liquidity, and is an important measure in assessing leverage, financial risk, and the Company's capacity to service and reduce debt over time. The Company utilizes these measures, among others, to evaluate the performance of its business relative to its peers and the broader market.

These non-GAAP financial measures are commonly used in the entertainment industry and by financial analysts and others who follow the industry to measure operating performance. However, not all companies calculate these measures in the same manner and the measures as presented may not be comparable to similarly titled measures presented by other companies due to differences in the methods of calculation and excluded items.

A general limitation of these non-GAAP financial measures is that they are not prepared in accordance with GAAP. These measures should be reviewed in conjunction with the relevant GAAP financial measures and are not presented as an alternative measure of operating income, cash flow, net income (loss), or earnings (loss) per share as determined in accordance with GAAP.