

Jonathan Karp
President &
Chief Executive Officer

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Dear Colleagues,

I am delighted to announce that Paramount Global has agreed to a sale of Simon & Schuster to KKR, one of the world's largest and most respected investment firms.

Over the three years since the sale process initially began, we've had the privilege of meeting with numerous interested buyers. In the spring of 2023, we began a series of fascinating and stimulating conversations with members of KKR's Media and Entertainment industry team about every aspect of our business, reflective of their keen interest in acquiring our company. All of us from Simon & Schuster who participated came away from those conversations impressed by KKR's acumen, as well as their team's desire to help our business grow and thrive in the future.

That commitment to growth is one of the reasons I'm so glad KKR will be our next owner. Another reason is KKR's commitment to our employees. Of all the prospective buyers we spoke to – and there were a lot of them – KKR was the only one that discussed its plans to support Simon & Schuster in creating an equity ownership program to provide all of our employees with the opportunity to participate in the benefits of ownership after the transaction closes. I'm looking forward to sharing those plans after the transaction is complete. For now, this [article](#) from a Harvard Business School case study will give you an idea of what employee ownership could mean for you.

As the newest addition to the KKR family, we will be joining a global portfolio of highly regarded companies. Their investments in content-oriented media businesses include, among others, Epic Games, a leading video game and software developer and publisher; Axel Springer, a German digital media company that operates a range of publications, including Politico; ByteDance, the parent company of TikTok and other platforms for creativity and content; and Skydance Media, a leading film production company.

On a personal note, I have known and admired one member of the KKR team, Richard Sarnoff, for two decades. Before joining KKR, Richard was Executive Vice President and Chief Financial Officer at Random House, where we both worked. Richard understands the nuances of the book business as well as anyone I know. The Simon & Schuster team has enjoyed meeting Richard's colleagues Ted Oberwager, Anne Arlinghaus, Chresten Knaff, Glenda Chan, David Hua, and Kate San, all of whom devoted countless hours to analyzing the intricacies of our business.

The closing of the transaction is subject to customary closing conditions, including regulatory approvals. I understand that many of you will have questions about how this transition to new ownership will affect your work, and your benefits. I assure you that as this process unfolds we will share information with you. Meanwhile, it's business as usual for all of us. As you have done so well throughout this process, let's keep our noses in the books and our focus on delivering the best possible results for our authors and our distribution clients. That focus has been integral to our success and it's the reason we can celebrate this outcome.

I want to thank everyone at Paramount and LionTree for managing our sale with such thoughtfulness and care. I also want to thank those of you at Simon & Schuster who worked so diligently to provide a comprehensive view of our company to prospective buyers.

As I've noted before, in our 99-year history, Simon & Schuster has had seven owners. From these transformations we have always emerged stronger, with each new challenge incorporating the spirit of innovation and entrepreneurship that infused the vision of our founders, and our constant commitment to excellence in publishing. With KKR's support, we can look forward to benefiting from their experience in helping companies to grow, and to new strategies and opportunities that will enhance our ability to provide authors with the best possible publication they can receive.

You can read more about our news in the attached press release from Paramount Global and KKR. Once again, my thanks for all you have done to make Simon & Schuster such an outstanding and valuable company.

Sincerely,

Jonathan Karp