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CONTENT

Oberon's Latest Media Whitepaper

"Show Me the Money!" — 10 Trends Reshaping the MediaSphere in 2026

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The media & entertainment industry showed sustained momentum in 2025, with over 700 deals in the space, and this activity is continuing into 2026.[1] With industry changes and the introduction of new technologies, understanding the forces driving change in the MediaSphere is essential to identifying where value is being created — and where value is being destroyed.

Artificial Intelligence

The dominant theme of this era, likely to exceed in impact all previous media innovations: streaming, internet, CDs, videogames, videotape… rivaling the impact of telephony. More on this below.

IP Protection

AI accelerates content creation, reuse and misuse. Actively protecting intellectual property is more important and harder to do. While no one company dominates yet, digital watermarking and other tools are emerging for rights enforcement and creator compensation. Disney took this AI IP issue into their own hands in December 2025, when they provided OpenAI with $1 billion in funding. OpenAI's generative video model, Sora, had been ripping off Disney IP. However, Disney decided partner with OpenAI and allow the use of certain IP in its content generation, while not allowing OpenAI to train their models on Disney IP. This deal sets an interesting precedent, paving the way for more possible content licensing deals between media and AI companies. *Monitor early-stage IP rights technology companies; for holdings in major content libraries, assess exposure to AI-driven infringement risk and the adequacy of current licensing frameworks.*

Short-Form and Mobile-First Content

Younger audiences consume content on mobile, in short bursts, and on their own terms. According to Deloitte's 2025 Digital Media Trends study of US consumers, 56% of Gen Zs and 43% of millennials surveyed reported that social media content is more relevant to them than traditional content such as TV shows and movies; evidence of social media's ever-increasing domination over the media landscape. Also mentioned in Deloitte's 2025 media and entertainment outlook, "leading social video platforms have scale advantages in reach, audience size, technology, and capitalization."[2] Due to their position, social platforms can take risks that other services, platforms, and studios cannot take. Studios and platforms that fail to optimize for mobile-first, snackable formats risk losing an entire generation of viewers to social platforms. This is a format and distribution challenge as much as it is a creative one. *Evaluate platforms and tools enabling mobile-native content creation and distribution; companies slow to adapt face audience erosion that compounds over time.*

The Creator Economy and Social Discovery

TikTok and its peers are now primary engines of entertainment discovery. Social virality shapes music charts, drives film awareness, and builds artist fanbases at a fraction of traditional marketing costs. Platforms and labels that integrate creator ecosystems into their distribution strategies are gaining a structural advantage. This shift towards creator-led marketing is leading to increased M&A activity, particularly with agencies with strong creator networks. *Focus on businesses monetizing creator infrastructure — licensing, analytics, and distribution tools — rather than the social platforms themselves, where regulatory and geopolitical risks are increasing in severity, frequency and location.*

Live Entertainment's Enduring Value

Post-pandemic, live music and experiential events have recovered and grown. The global live events market is projected to reach $3.1 trillion by 2027, growing at a CAGR of 14.6% from 2024 to 2032.[3] Hybrid formats blending physical attendance with digital streaming have expanded both audiences and sponsorship revenue; digital consumption has not displaced live events. Translating IP into immersive events and environments proves to be important. The fact that the preeminent content company (Disney) chose as its new CEO the head of the parks division says a lot.

Live sports events remain a large part of the experience economy, as PE firms continue to invest in sports teams and leagues.

Live Sports as a Retention Anchor

In that same vein, live sports are the most reliable driver of subscriber acquisition and retention in streaming. Paramount's $7.7 billion UFC rights deal is one signal of where the industry is placing its bets. Rights packages are expensive, but the engagement and loyalty they generate justify the premium — particularly as ad-supported live sports inventory commands strong CPMs. Age old question: has the sector peaked? *Track sports rights holders and leagues as appreciating assets; streaming platforms with live sports anchors in their portfolio carry stronger retention metrics and ad revenue potential.*

Streaming

Paramount Skydance's proposed $110 billion acquisition of Warner Bros. Discovery's studio and streaming assets is both new and old news. Expect this deal to accelerate further consolidation as mid-tier players struggle to compete on content spend and subscriber economics. These companies aim to achieve scale advantages that they could not achieve on their own. *Monitor mid-tier streaming valuations for distressed acquisition targets and watch regulatory outcomes as a leading indicator of deal flow.*

One of the recent offers for Warner Bros. Discovery placed a zero valuation on billions of dollars of revenue derived from cable channel advertising. This is an indicator of the potential scope of value destruction now coursing through the MediaSphere.

Advertising as the Primary Growth Engine

Digital ad formats are projected to account for 80% of total ad spend by 2029, up from 72% in 2024, led by connected TV and hyper-personalized targeting.[4] Advertising on social video platforms is currently the largest category of digital advertising. PwC forecasts global entertainment and media revenues will reach $3.5 trillion by 2029, with advertising growth outpacing consumer spending across nearly every segment.[5] According to S&P Global Market Intelligence, total US video ad revenues are expected to grow over 10% in 2026, from $75 billion to $83 billion, reaching $107 billion by 2029.[6] Ad-supported tiers on streaming video services are no longer a fallback. *Favor platforms with scaled ad-supported tiers and connected TV inventory; evaluate ad-tech enablers positioned to capture the CTV targeting opportunity.*

Gaming: A Ginormous Sector

The global gaming market is on track to approach $300 billion by 2029, rivaling or exceeding combined film and music revenues in many markets.[7] Mobile, cloud gaming, and user-generated content platforms are driving this growth. Gaming companies look to capitalize on their existing IP, and develop more, also taking advantage of developing AI technologies. For media companies, participating in the gaming sector is a core monetization imperative. *Prioritize gaming platforms with strong IP libraries and cross-media integration potential; cloud gaming infrastructure and UGC monetization layers are high-conviction growth areas.*

AI (Again): From Experiment to Operating Infrastructure

AI is being embedded across writing, content creation, editing, localization, personalization, and ad delivery. The cost and workflow efficiencies are real, threatening employees while possibly accretive to investors. The Animation Guild study estimated 118,500 jobs (21.4%) in film, television, and animation are projected to be disrupted by the end of 2026.[8] There are strategic questions around labor, creative, facial and voice rights. How companies navigate this trade-off will be a key differentiator. *Favor media companies with clear, disclosed AI strategies and measurable efficiency gains; avoid those with high labor cost exposure and no credible plan to manage the transition.*

Above notes to the MediaSphere will guide readers as they assess opportunities and threats.

Valuation and Funding Trends

The media and entertainment industry showed sustained momentum in 2025. While the total amount of deals in the space fell slightly from 900+ in 2024 to 700+ in 2025, the industry has remained active with investments into 2026. Beast Industries, owned by internet content creator Mr. Beast, received $200M in funding from Bitmine Immersion Technologies and investor Tom Lee, emphasizing the continued focus on the creator economy and social media content. The gaming market is showing immense growth as well, with one example being the $1.4B investment in Vantage Studios by Tencent Holdings.

Select Recent Significant Capital Raises in the Media and Entertainment Sector

Date	Company	Sector	Investment Type	Investment Amount	Investors
Jan-26	Beast Industries	Interactive media and services	Venture	$200M	Bitmine Immersion Technologies, Inc and individual investor, Tom Lee
Dec-25	Official Feature Entertainment	Entertainment, digital media	Venture	$1.2B	Dr. Franco Mario Giuseppe Derin
Mar-25	Vantage Studios	Gaming	Venture	$1.4B	Tencent Holdings Limited

Source: S&P Capital IQ, 2026

M&A Outlook

M&A activity in the media and entertainment industry has been marked by several recent high-profile deals, both completed and announced. Media companies are looking to create powerhouses, seen in Netflix's ($82.7B) and Paramount Skydance's ($110.9B) bids for Warner Bros. Discovery. On the gaming side, Electronic Arts is going private through PIF, Silver Lake, and Affinity Partners with a landmark $55B deal value. The media and entertainment sector is generally seeing a growing amount of significant consolidation efforts.

Select Recent Acquisitions in the Media and Entertainment Sector

Date	Target	Buyer	Deal Value	Transaction Rationale
Feb-26	Warner Bros. Discovery	Paramount Skydance	$110.9B	Paramount Skydance aims to create a global media powerhouse, expanding their IP library and streaming position
Sept-25	Electronic Arts	PIF, Silver Lake, and Affinity Partners	$55B	PIF, Silver Lake, and Affinity Partners take EA private, in an effort to support long-term growth without public market pressures
Oct-25	Paramount Global	Skydance Media	$3.7B	Combines Skydance's production capabilities with Paramount's legacy brands, content library, and distribution network
Aug-25	TEGNA	Nexstar Media Group	$3.7B	Expands Nexstar's national broadcast footprint with significant cost synergies

Sources: S&P Capital IQ, 2026 and PitchBook, 2026

Footnotes:

1. PitchBook, 2026
2. Media and entertainment outlook | Deloitte Insights, 2025
3. Live Events Industry: ZipDo Education Reports 2026, 2026
4. Global entertainment and media industry revenues to hit US$3.5 trillion by 2029, driven by advertising, live events, and video games: PwC Global Entertainment & Media Outlook | PwC, 2025
5. Ibid.
6. S&P Global Market Intelligence Kagan, 2026
7. Global entertainment and media industry revenues to hit US$3.5 trillion by 2029, driven by advertising, live events, and video games: PwC Global Entertainment & Media Outlook | PwC, 2025
8. The Animation Guild Shares 'Generative AI' Economic Impact Study Results | Animation World Network, 2024