

PRESS RELEASE

Media & Entertainment M&A to Top \$80 Billion as AI Race Fuels Higher Volume of Technology-Centric Deals—AlixPartners 2026 Predictions Report

NEW YORK, November 12, 2025 – The media and entertainment industry will emerge as a dealmaker’s dream next year as a heated AI race, favorable lending conditions, reduced regulatory scrutiny, and increased interest from private equity drive more than \$80 billion in new M&A activity, according to AlixPartners’ 2026 Media & Entertainment Predictions Report.

The [Predictions Report](#), now in its third consecutive year, relies on deep and seasoned analysis of an industry increasingly shaped by disruptive forces. Among the findings: television’s search for a long-term successor to the cable model will intensify; platforms with disparate strategies will converge; and AI’s unprecedented rise will accelerate and reshape the landscape.

“The media and entertainment business remains a poster child of creative destruction,” said [Jeff Goldstein](#), a partner and managing director at AlixPartners, and U.S. Media co-lead. “Whether predicting the upending of search, charting the convergence of streaming business models, or the battle royale brewing in gaming, this much is clear: 2026 is shaping up to be a transformative period for those competing or investing in this industry.”

AlixPartners’ 2026 Media & Entertainment Predictions Report highlights 6 trends to watch as industry confronts structural change, widespread AI adoption, and creative destruction:

- 1. Streamers and broadcasters will cross “frenemy” lines, increasingly consolidating and cooperating amid intensifying race for audience, attention, and engagement***
- 2. Opposites will attract as YouTube and Netflix borrow pages from each other’s well-established playbooks***
- 3. Search’s reliance on blue links will fade as AI answers and personalized agents take center stage***
- 4. Gaming companies that successfully integrate AI will command valuation multiples 2-3x higher vs. laggard peers; leaders will see higher engagement, revenue per user***
- 5. M&A resurgence will reshape the media industry, with higher number of smaller deals being spurred by lower capital costs, reduced regulatory scrutiny, and massive AI investment demands***
- 6. Private equity will further accelerate M&A as dealmakers eye an industry where interactive media and consolidation of IP/distribution define where capital will flow***

2026 PREDICTIONS

1. Streaming: Crossing Frenemy Lines

The global streaming market has matured from what was once a single-minded race for subscribers into a multifaceted battle for attention and engagement, according to AlixPartners. The sector is occupied by roughly 130 streaming companies chasing the same foundational value levers, each maneuvering for their piece of a global subscription over-the-top market set to surpass \$165 billion in 2026, according to Ampere Analysis.

As subscriber growth cools to an estimated 5% next year, AlixPartners expects dozens of partnership agreements to be struck, increasing the sharing of content, tech, and distribution.

The “3 C’s” will guide strategies in 2026, according to the report:

- **Competition:** The fight for engagement across several formats
- **Consolidation:** There is opportunity to eliminate duplicative technologies and cut costs
- **Cooperation:** Partnerships are critical to unlocking new growth opportunities

2. Opposites Attract: YouTube and Netflix Look More Alike

AlixPartners predicts over the next year, the ad-revenue giant YouTube will offer more Netflix-style content experiences to boost subscribers. Netflix, meanwhile, will increase its share of the short-form, mobile-based content in a push for more advertising.

“The YouTube vs. Netflix convergence is far from trivial,” said [Mark Endemaño](#), Partner & Managing Director and EMEA Media lead. “As these giants battle it out for No.1 the strategies they turn to will provide a blueprint for competitors to follow as they try to catch up in the streaming wars.”

3. Search Reset: From Blue Links to AI Answers

The Predictions Report expects user reliance on blue-link search results or chat-bot guided queries to gradually disappear, replaced by a shorter and less click-dependent user journey. In this new world, according to AlixPartners, search is far more generative and reliant on interaction with personalized AI agents, moving from passive query responses to proactive orchestration across the full journey, from discovery to decision to transaction.

Generative AI is expanding search’s total addressable market (TAM) by an estimated \$26 billion in the U.S. alone by 2029, the firm said. Expansion brings fragmentation. In the future, “search” will evolve to include a wider range of platforms and modalities.

“Marketers need to prepare for a compressed path from consideration to conversion as consumers increasingly trust AI to guide their discovery journey,” said [Grace Lee](#), partner and managing director at AlixPartners and U.S. Media co-lead. “This transition has major

ramifications, opening the door to entirely new ad formats, new measurement models, and new monetization layers.”

4. AI+IP = The Catalyst for Gaming Company Valuations

The \$273 billion global video gaming industry is poised for significant growth, yet valuing individual studios remains difficult given the boom-or-bust nature of each new title. Companies that understand the full power of AI to not only address costs but also as a revenue engine will emerge as clear winners, the study finds.

AlixPartners predicts by the end of 2026, gaming companies that successfully integrate AI into strong IP will command valuation multiples 2-3x higher than AI-laggard peers—a bifurcation driven by deeper engagement and higher average revenue per user.

5. Media M&A in 2026: Dealmaking in the age of disruption

After accurately forecasting an M&A rebound for the industry in 2025, AlixPartners now expects even more active dealmaking in 2026 fueled by lower interest rates, a continued relaxation of regulation, and the intense pressure to invest in transformative technology. The firm predicts more than \$80 billion in new M&A activity next year.

AlixPartners expects a larger volume of deals that are smaller in size, as media and entertainment companies look to acquire assets that boost their technology and advertising capabilities to compete in a new information age.

“We expect acquirers to prioritize transactions that offer AI capabilities around ad targeting, content automation, and workflow efficiency to stay ahead of competitors aiming to do the same,” Goldstein said.

6. Private Capital: From Content Ownership to Content Interaction

Private equity investors are returning to growth after a period of caution, but with more precision, according to the study. These investors are concentrating on sector-specific theses that combine recurring revenue, operational value creation, and defensible market structures.

Specifically, AlixPartners expects private equity and growth investors to focus on three areas of opportunity:

- Enabling infrastructure that powers interaction-led growth
- Buy-and-build in creative tooling, monetization, and ad-tech infrastructure
- Co-financing and/or partnerships in IP/distribution platforms

GOING BEYOND THE CRYSTAL BALL

“To understand where media and entertainment businesses will head in the year to come requires a deep understanding of the strength and velocity of the myriad challenges this industry faces,” Lee said. “Thriving in an environment marked by uncertainty requires more than

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a crystal ball—the winners will be those with a strategy that quickly adapts to change, willingness to seize opportunity, and appetite to invest in the future.”

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About AlixPartners

AlixPartners is a results-driven global consulting firm that specializes in helping businesses successfully capitalize on opportunity and address critical challenges. Our clients include companies, corporate boards, law firms, investment banks, private equity firms, and others. Founded in 1981, AlixPartners is headquartered in New York and has offices in more than 20 cities around the world. For more information, visit <https://www.alixpartners.com>.

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