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Under Trump 2.0, Hollywood Sees a Wave of Consolidation and Looming Censorship

His reelection comes at a precarious moment for Hollywood, when legacy studios are severely tightening their belts

By [Alexei Barrionuevo](#), [Lucas Manfredi](#) and [Jose Alejandro Bastidas](#) | November 7, 2024

As the dust cleared on this week's stunning presidential election, Hollywood began to sift through the implications of a second Donald Trump administration and its impact on the entertainment business and its creative process.

Many in Hollywood — which includes some of Kamala Harris' staunchest financial supporters — were still processing their feelings on the election, in which Trump swept both the Electoral College and the popular vote.

His reelection comes at a precarious moment for Hollywood, when legacy studios are severely tightening their belts on newer



President-elect Donald Trump (Credit: Chris Smith/TheWrap)

productions, shipping shoots overseas in search of better financial incentives and starting to experiment with the use of AI, analysts and industry executives told TheWrap.

Those who agreed to speak to TheWrap said that Trump's return to the White House would mean easing restrictions on mergers, which could usher in a wave of

consolidation. That in turn would help major entertainment companies cope with flagging stock prices, deepening debt and still-unprofitable streaming platforms.

“We have an upcoming new administration, and it’s too early to tell, but it may offer a pace of change and an opportunity for consolidation that may be quite different, that would provide a real positive and accelerated impact on this industry that’s needed,” Warner Bros Discovery CEO David Zaslav said early Thursday, after reiterating his belief that further consolidation in the industry would positively impact WBD.

On a darker level, producers and creatives said they were worried about the potential for censorship, retribution and even self-censorship that could stifle free expression at a time when they are already struggling to get substantive stories made.

Hollywood Seethes and Mourns Donald Trump's Reelection: 'America Is Done'

“How nervous will top executives be to take creative swings that he or his political allies may not like?” one manager told The Wrap.

“It will have a chilling effect on the companies, foundations and organizations that green light and fund projects,” an Emmy-winning documentarian said.

Meanwhile, billionaires like Amazon founder Jeff Bezos and

Mark Cuban were quick to congratulate Trump on his victory after the former-and-future-president spent the night watching election results with Elon Musk, owner of X and the richest man in the world.

A potential wave of consolidation

A second Trump presidency could speed up a wave of consolidation among entertainment companies — in particular for declining cable TV networks. Already the studios have been writing down the value of those assets and earlier this week Comcast was the first company to suggest it wanted to explore spinning off its cable assets into a separate entity.

Analysts also see the potential for consolidation among the streamers not named Netflix, which have all struggled with profitability.

“We’re very excited about the upcoming regulatory environment,” Chris Ripley, the CEO of the conservative-leaning Sinclair Broadcasting Co., said on a Q3 earnings call Wednesday. “It does feel like a cloud over the industry is lifting here, and we do think some much needed modernization of the regulations will be forthcoming.”

Under the Biden administration, the FTC and Justice Department tightened regulation, fostering a climate where entertainment and tech companies put potential M&A deals on hold. That could all

change under Trump, says Lloyd Greif, president and CEO of the Los Angeles-based investment bank Greif & Co. He predicted that Trump will replace FTC chair Lina Khan and Jonathan Kanter, the assistant U.S. attorney over the Antitrust Division of the Justice Department.

“The outlook is going to be much more open to considering transactions that are mergers of equals, or additional acquisitions by some of the big boys,” Greif said. “If I’m in the entertainment industry, running a conglomerate, running a major player like Comcast or Warner Bros. Discovery, I’m moving the corporate development group to the front of the strategy line. This is going to open the floodgates on M&A activity.”

According to a recent KPMG survey, nearly half of U.S. CEOs said they were holding off on making significant investment decisions, such as major capital expenditure and M&A activity, until after the 2024 elections. “And with those now behind us, this will provide a great deal more certainty to dealmakers,” said Scott Purdy, media industry leader for KPMG U.S. “Expect consolidation of streaming services and traditional television providers to continue to account for this evolution.”

Trump could be a release valve on pent-up demand for dealmaking that has built up over the last two years, not only in Hollywood but in other industries.



Warner Bros. Discovery CEO David Zaslav (Kristy Sparow/Getty Images)

And “mismatched valuation expectations” and high interest rates have held back certain deals from being pursued, Purdy said. Now KPMG economists are predicting two quarter-point rate cuts before the end of the year, which would give more fuel to a strong pickup in media sector dealmaking, he said.

Greif sees a new regulatory regime under Trump accelerating the timeline for Skydance’s acquisition of Paramount Global to be reviewed and approved. And he predicted that Zaslav — whose company has struggled more than other majors, with a flagging share price and heavy debt — could be a potential acquirer.

Zaslav previously kicked the tires on Paramount before backing away.

But Greif said that he might go after AMC Networks, Lionsgate or Starz.

Industry leader Netflix could also leverage its “powerful posi-

tion” and fund an acquisition to bolster its library and further boost growth, Greif added.

“It seems like this administration would definitely be more friendly [to M&A] based on the history of where Republicans stand on that,” a SAG-AFTRA insider said. “But in a world where the dominant players are tech companies that are encroaching on the entertainment space, those are the ones that the entertainment companies are fighting for attention.”

Potential censorship and self-censorship

Trump’s hostile rhetoric towards social issues could also impact production choices, especially a documentary sector already struggling to get substantive subjects off the ground.

“You already see fear of getting behind anything related to race or immigration or reproductive rights, basically any social issue he has attacked,” the Emmy-winning doc-

umentarian said. “You are going to be seeing a lot of docs twisting social issues into true crime or action flick or celeb biopics. Our conversations over things that affect people’s lives may become less serious, more toxic and divisive. Stories that need to get told may just not get told.”

Lia Holland, the Campaigns and Communications director for Fight for the Future, which advocates for online speech, expressed concern that creators could self-censor their projects for fear of offending the government.

“Our biggest concerns are intimidation for creators and journalists and really anybody who’s engaged in creating media or storytelling that might run counter to the preferences of the incoming administration,” Holland said, “because [the Trump campaign has] obviously expressed interest in taking revenge on enemies or otherwise threatening or creating material consequences for people who resist their narrative.”

Reality TV’s Illusion: Why Hollywood Stopped Bankrolling Unscripted

Holland said her organization is worried that, recalling what happened after the 2016 election, the vetting of federal agencies could result in an “even more firm hand” and “poorly enforced regulation in terms of what sort of speech is or isn’t allowed on the internet anymore.”

She added that “we’re also pretty concerned that the only common ground that’s going to exist between Republicans and Democrats now, in terms of establishing rights on social media, might be things that toy with Section 230, which is the first amendment of the internet ... It requires a lot of nuance and care to make sure that the way that laws are intended to function actually plays out online.”

Another documentarian expressed concern that the Trump election could reawaken the kind of woke identity politics that “has been so pervasive in the storytelling business.”

“This is going to open up the floodgates on M&A activity.” **- Investment banker Lloyd Greif**

This person added: “I’m not saying Trump will not go after certain kinds of speech, because that is a possibility. But what the last couple years have proven is America can be undone from the bottom.

When it comes from the mob, it’s a lot harder to fight. And from institutions.”

Still, amid all the fear and loathing, some creators said they refused to be thrown off by Trump’s return. “I plan to turn this pit in my stomach into fuel for creating meaningful stories that represent my beliefs and amplify the voices of those who may be in

danger of being muted,” a filmmaker behind one of the year’s biggest animated features said.

Another animation filmmaker was more sanguine. “I have no idea what to think,” the individual said. “Fear and conflict wins out over hope? I guess that’s why horror films are doing better than Hallmark pictures.”

Bending the knee

Companies like Amazon, NBCUniversal and Fox — who’ve already bent the knee to Trump — have less to worry about under the new administration, film and television producer Evan Shapiro told TheWrap.

“I would be very afraid if I had studio space in a state that was controlled by the party that clearly declared its loyalty to him,” he said of Disney and other big donors to the Harris campaign.

“He doesn’t run the states obviously, but one could imagine he’s going to have a conversation with the head of Georgia about the tax credit for Hollywood,” Shapiro added, also noting that CBS should be “worried about their FCC license” given Trump’s promise to go after it following the “60 minutes” interview debacle late in the race.

Shapiro also signaled that a Trump administration will likely lead to an acceleration of

“runaway productions” overseas, as tax incentives in Europe become more lucrative.

Beyond Hollywood, Shapiro said that media companies across the board need to take accountability for their part in the “enabling of the game show host who is on the precipice of becoming America’s first dictator.”

He also encouraged state governments in California and New York to look into putting more money into publicly funded television, which he described as essential in keeping similar conservative movements from taking hold in the U.K., France and other countries.

“If we don’t accept responsibility, then not only is it going to change all of our livelihoods, everything we’ve believed could never be destroyed, our supremacy that we thought was infallible, is all going to go,” he said.