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# AI IS REWRITING ENTERTAINMENT

## THE \$100B TRANSFORMATION

From AI-generated music to intelligent NPCs,  
Hollywood will never be the same

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**\$99B**  
**by 2030**

**AI in Media & Entertainment**  
**Growing at 24% CAGR**

From \$26B in 2024 → Nearly 4x in 6 years

## CATEGORY 1

# Streaming & Personalization



### 80% of Netflix Views from AI

Netflix's recommendation engine drives over 80% of content discovered — saving \$1B/year in reduced churn



### Personalized Thumbnails

AI selects different cover art for each user based on viewing history — millions of A/B tests per second



### Real-Time AI Dubbing

Netflix launched AI dubbing in 20+ languages simultaneously in 2025 — instant global releases

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## CATEGORY 2

# AI Music Revolution



### 7 Million Songs/Day

Suno generates an entire Spotify catalog worth of music every two weeks. Valued at \$2.45B.



### \$500M Copyright Lawsuits

Major labels sued Suno & Udio — but Udio settled with UMG/WMG, pivoting to licensed remixing



### Spotify's AI Partnership

Spotify teamed with Sony, Universal, Warner, Merlin & Believe on "artist-first" AI tools for fans

## CATEGORY 3

# Hollywood VFX & Production



### 80% VFX Job Reduction Predicted

Experts warn AI could slash VFX artist teams from 1,000+ to 200 per major film by 2026



### Oscar Winner Used Runway AI

"Everything Everywhere All at Once" used Runway for rotoscoping — just 7 VFX artists, \$25M budget



### Lionsgate's AI Partnership

Trained Runway model on Hunger Games, John Wick catalog. Goal: "Do it in anime" in 3 hours.



*Suno's goal is to become a 'verticalized' music creation, social media, and streaming service... This is before we consider monetizing consumption.*

— Suno Investor Pitch Deck, 2025

**Key Insight:** AI isn't just changing how content is made — it's creating entirely new categories of creator. 60 million people made AI music in 2024. The 600M Spotify listeners who never learned to create can now become artists.

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# Would you watch a movie made entirely by AI?

 Share your thoughts below!

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## KEY NUMBERS

**\$2.45B**

Suno's valuation after \$250M Series C

**\$147M**

Suno's annual recurring revenue (Sept 2025)

**\$3B+**

Runway's valuation after \$308M raise



# Suno

AI MUSIC GENERATION

**\$2.45B**

VALUATION

**2022**

FOUNDED

**\$147M**

ARR (SEPT 2025)

**10M+**

USERS

The undisputed leader in text-to-song AI. Type a prompt like "80s rap about grocery shopping" — get a complete song with lyrics, vocals, and production in seconds.

🔥 **Scale:** Generates 7M songs/day. Acquired WavTool DAW. Users keep full commercial rights. Facing \$500M lawsuit from major labels but continuing to grow.



**Runway**  
AI VIDEO & VFX

**\$3B+**  
VALUATION

**2018**  
FOUNDED

**\$500M+**  
TOTAL FUNDING

**Gen-4**  
LATEST MODEL

Hollywood's go-to AI video platform. Used on Oscar-winning "Everything Everywhere All at Once." Partners include Netflix, Lionsgate, and UCLA Film School.

🔥 **Game Changer:** Gen-4 produces multi-second video with motion capture. What took 3 months with a VFX team now takes hours. Targeting 2K resolution by end of 2025.



# ElevenLabs

AI VOICE & AUDIO

**\$6.6B**

VALUATION

**2022**

FOUNDED

**\$200M**

ARR (AUG 2025)

**260%**

YOY GROWTH

The voice synthesis powerhouse. Hyper-realistic voice cloning in 29 languages. Strategic investment from NVIDIA. Licensed deals with Merlin and Kobalt.

🔥 **Legal Edge:** Unlike Suno/Udio, ElevenLabs trains only on licensed content. Launched AI music in Aug 2025 — may become the first truly legal AI music platform.



# Synthesia

AI VIDEO AVATARS

**\$2.1B**

VALUATION

**2017**

FOUNDED

**160+**

LANGUAGES

**50K+**

ENTERPRISE CLIENTS

Enterprise leader in AI avatar videos. Type text → get lifelike spokesperson video in minutes. Used by Fortune 500 for training, marketing, and localization.

🔥 **Trust Signal:** Rejected \$3B Adobe acquisition offer. Focused on enterprise reliability over hype. Accenture, Amazon, BBC among clients.



# NVIDIA ACE

AI GAMING NPCS

**RTX**

ACCELERATED

**2023**

LAUNCHED

**PUBG**

FIRST MAJOR GAME

**UE5**

PLUGIN READY

NVIDIA's Avatar Cloud Engine brings truly intelligent NPCs to games. Real-time voice conversations, emotional reactions, persistent memory.

🔥 **2025 Launches:** PUBG Ally (AI teammates), inZOI Smart Zoi, Naraka: Bladepoint AI. Tencent, Ubisoft, miHoYo, NetEase all building with ACE.



# Inworld AI

AI CHARACTER ENGINE

**\$500M**

VALUATION

**2021**

FOUNDED

**\$125M**

TOTAL FUNDING

**Unity**

+ UNREAL PLUGIN

Platform for creating AI-powered characters with goals, memories, and emotions. Backed by Intel, Microsoft, Lightspeed. Powers next-gen game narratives.

🔥 **Demo Impact:** "Covert Protocol" tech demo with NVIDIA showed NPCs that lie, remember, and drive story. Source code released for developers.



# HeyGen

AI VIDEO TRANSLATION

**\$500M**  
VALUATION

**2020**  
FOUNDED

**40K+**  
CUSTOMERS

**40+**  
LANGUAGES

Viral AI video translation that matches lip movements. Your video, any language, your voice. Went viral with Messi, Elon clips speaking multiple languages.

🔥 **Use Cases:** Marketing localization, training videos, social content. Competitor to Synthesia with focus on translation and lip-sync AI.



# Udio

AI MUSIC (REMIXING)

**\$100M+**  
FUNDING

**2023**  
FOUNDED

**UMG**  
+ WMG LICENSED

**Pivot**  
TO FAN PLATFORM

Was Suno's main rival in AI music generation. After settling lawsuits with Universal & Warner, pivoted to licensed remixing platform launching 2026.

🔥 **Strategic Shift:** From "generate any song" to "play with licensed songs in a walled garden." Sessions visual editor launched. Users can't download remixes for streaming.



# Pika Labs

AI VIDEO GENERATION

**\$600M**  
VALUATION

**2023**  
FOUNDED

**\$135M**  
TOTAL FUNDING

**Pika 2.0**  
LATEST MODEL

Founded by Stanford PhD students, Pika makes AI video creation accessible. Text/image to video in seconds. Racing Runway for consumer-friendly AI filmmaking.

🔥 **Features:** Sound effects generation, lip-sync, modify regions of video. Backed by Lightspeed, Spark Capital. 1M+ users in first year.



# Descript

AI VIDEO/PODCAST EDITING

**\$600M**

VALUATION

**2017**

FOUNDED

**\$100M**

TOTAL FUNDING

**3M+**

USERS

Edit video like a doc — delete words from transcript, video edits itself. Voice cloning, filler word removal, screen recording. Podcasters and YouTubers love it.

🔥 **Overdub AI:** Clone your voice, type new words, it speaks in your voice. Used by NPR, BuzzFeed, Spotify. OpenAI's Sam Altman is an investor.

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## FINAL THOUGHTS

# The Entertainment AI Playbook



### Creation is Democratizing

60M people made AI music in 2024. The 600M Spotify listeners who couldn't create before — now they can.



### Licensing Will Define Winners

Udio settled, Suno fights on. Companies with clean data (ElevenLabs) may win the long game.



### NPCs Get Intelligent

NVIDIA ACE brings real AI to games. No more scripted responses — characters that think, remember, and lie.

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FOLLOW FOR MORE AI INSIGHTS

**JJ Shay**

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