



AN INDUSTRY BRIEFING FROM GRAIL

What's Changing in Your Capital Story

Your next €10M of capital. The forecast you sign across advertising, subscription, and streaming. The thesis your foundation board can recite back. A briefing for CFOs at European mid-to-large media groups.

PREPARED BY

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FOR

European mid-to-large
media group CFOs

DATE

April 2026

Thursday morning, foundation board pack due next Thursday

Every CFO at a mid-to-large European media group has had the same Thursday morning. Four things on the screen at 8:30. Q3 advertising printed minus eighteen percent year-on-year, the fourth consecutive quarter below plan. The subscription cohort from the Q1 campaign has flattened at month six. Your Chief Product Officer wants three million next quarter to rebuild the production stack on an AI-native foundation, and his one-page says "production infrastructure investment." Your foundation partner forwarded the FT story on AI-media headcount cuts yesterday with a single line: "curious to hear your thinking before Monday."

You have signed fifteen advertising forecasts for this foundation board. The pattern used to be simple. Hold the rate card, hold the forecast, let subscriptions compound, close the quarter clean. Keep the auditor happy on rights amortisation. The business was understandable.

Something changed. Your advertising print is not reverting. Your subscription ARPU is flat on the cohorts that should be expanding. Your AI-native creator-studio competitors are producing comparable content at a fraction of your production cost, and the rights-catalogue book you amortise over ten years was priced when production cost was something else. Your Controllers are closing faster than they ever have, and the audit committee is asking about rights-impairment policy on the agentic production work. The close is clean. The story underneath it is not.

The job has not changed in a century. Allocate scarce capital to what compounds fastest. Sign the forecast the foundation and the capital markets trust. Author the thesis. The bar has risen on every measure simultaneously, and the contradictions you have been navigating since you took the seat are suddenly re-openable. The CFOs who treat them as engineering problems run the offensive play. The ones who treat them as permanent trade-offs lose capital-allocation authority to the CPO within eighteen months.

This briefing covers what is happening in your sector, what it means for the finance function you run, and the three questions your team should answer before the next foundation board pack.

European media just lost the equation that balanced the revenue mix for two decades

Advertising revenue is not reverting. The structural decline in display and print advertising that began a decade ago has accelerated in the last two years, and the share flowing to non-European platforms is still rising. Subscription growth is real but slower than the advertising line is falling. Streaming contribution margin is still negative at most mid-to-large European media groups. The rights catalogue on your balance sheet was priced when the cost of producing comparable content was an order of magnitude higher than it is now. AI-native creator studios are reaching professional parity with teams of five rather than teams of fifty, and the first of them are being quoted alongside your own production slate in the same brief.

Your competitors are not waiting. Schibsted consolidated Nordic broadcasting and publishing under one foundation owner. Bonnier is redrawing its property portfolio. The firms moving first are buying AI-native creator studios as tuck-ins rather than trying to rebuild themselves. Some are licensing content to foundation-model companies on terms that reprice the value of editorial work. A small set of the more patient foundation owners are building the subscriber-intelligence moat that platform entrants cannot replicate in eighteen months. They are the quiet compounders. The rest of the sector is rolling AI into the production workflow at no incremental value capture and wondering why contribution margin is compressing.

Your production cost is falling. Your rights-catalogue book is priced as if it has not. The gap is a capital-allocation decision the finance seat has not yet claimed.

The sector is repricing underneath everyone at the same time. Foreign platforms take a larger share of digital advertising every quarter. Audience attention fragments further with each new format. Foundation owners with patient capital have a window the listed groups do not, and the firms that treat this as a cyclical advertising problem rather than a capital-mix problem are walking into a foundation board conversation they will not win.

Your capital, your forecast, and your narrative are feeling it every day

Your capital allocation. Your CPO's three-million request for an AI-native production stack is sitting in the product or IT budget, routed through the same mechanism you use for platform licences. It is not a tooling request. It is the largest single capital-allocation decision you will make this decade. The finance seats that ship this as a capital line to the foundation board, with alternatives analysis against subscriber intelligence, rights-catalogue investment, and tuck-ins, keep the authorship for the next ten years. The ones that sign the requisition hand the authorship to the CPO by default.

Your forecast. Your team built the annual plan on an advertising trajectory that assumed a softer decline. The prints are harder. Your Head of FP&A cannot reconstruct the revenue-mix story because the ad-print signal lives in the yield team's notes, the subscription-churn signal lives in CS and product usage, the streaming-engagement signal lives in platform analytics, and the rights-cost signal lives in a controller's schedule her team has never reconciled to the ad-cycle view. The plan was not wrong because the forecast was aggressive. The plan is exposed because the data architecture underneath it was built for monthly reconciliation, not for continuous reconstruction of the revenue mix.

Your rights-amortisation book. The board voted on a policy that assumed production cost was stable. It is not. Your AI-native competitors are producing comparable content at a fraction of your historical cost, and the catalogue you capitalised over ten years was priced against a different baseline. Rights amortisation has stopped being a controlling question. The live question is capital allocation: what the book is actually worth and what capital gets freed when the policy is restated.

Your controller and FP&A bench. The journal entries, intercompany eliminations across your sibling properties, rights schedules, variance decomposition, and first-draft board-pack generation that used to train a junior controller into a Senior Controller into a VP Finance are now running on agents. The Q1 headcount win is real. The 2031 succession bench is empty.

Your economic thesis. Your foundation partner has asked for the annual-letter preview. Your chair has asked for the AI-and-newsroom note. Your CEO has asked how the group stays ahead when production cost approaches zero. Three audiences, three different documents, each drafted by a different team. None of them are anchored in the same data. The CFOs pulling ahead write the thesis once and let three audiences draw from the same architecture.

You do not have three scorecard problems. You have one.

Your sector is repricing from below because AI-native creator studios produce comparable content at a fraction of your cost, and the rest of the market is still pricing as if that is not true. Your finance function is stretched because the forecast credibility, the capital-allocation authority, and the economic thesis are each being managed as a separate programme, each drawing on a different data layer, each drafted by a different team. Same force, two altitudes. But there is a third thing happening that most mid-to-large media CFOs have not named yet, and it is the one that matters most.

Capital allocation without forecast credibility is guessing. Forecast credibility without a narrative is scorekeeping. A narrative without a data architecture underneath it is marketing. The finance seat that holds all three holds one integrated asset, not three separate programmes. Every capital-allocation question, every forecast-credibility gap, every narrative weakness is a symptom of the same missing layer: the capital-intelligence infrastructure that feeds all three from the same data, the same governance, the same discipline.

This is the digital-cliff decision of this decade. The media groups that personally owned the 1998-2008 digital-cliff decision kept their audience and authored the next two decades of European media economics. The ones that treated the web as a distribution channel lost half their P&L and most of their younger audience. The shape is the same. The asset under decision is different. The cost of getting it wrong in 2026 is compressed into eighteen months instead of ten years.

You can tell which camp a group is in from a single question. Can your team answer any material foundation-board question by walking the same revenue-mix graph, in the same meeting, with the same data? Most mid-to-large media cannot. The ones that can have already made the shift, and they are the ones the foundation is already promoting.

You have twelve to eighteen months. Foundation capital is patient but not limitless. The CFOs who own this decision personally run the offensive play. The ones who do not become the CFO the foundation board replaces when the successor walks in with a thesis.

What most groups are doing. What the winners are doing instead.

Every media CFO has had the AI conversation. Most are making the same four decisions. A smaller group is making different ones.

THE DEFAULT PATH

Route AI capital through the product budget

Sign the CPO's requisition. Production line in the plan. CPO owns the roadmap within eighteen months.

Hold rights-amortisation policy unchanged

Book amortised on pre-AI production cost. Impairment risk rises each quarter. Auditor raises it first.

Run the forecast on five reconciled schedules

Monthly cadence. Three scenarios take a week. Below-plan quarters produce no mix story until post-mortem.

Cut the controller layer for the Q1 win

Headcount down fifteen to twenty-five percent. Empty succession bench 2031. External CFO hire the year after.

THE WINNERS' PATH

Route AI capital through the M&A hurdle

Alternatives against subscriber intelligence, rights catalogue, tuck-ins, capital return. One capital line, five options.

Restate policy on AI-compressed production cost

Book aligned to economic reality. Early impairment. Capital freed for compounding lines.

Rebuild the forecast as a live revenue-mix graph

Ten scenarios in an afternoon. Below-plan quarters produce the mix story in the same board meeting.

Redesign the junior pathway around judgment

New hires pair with agents on scenarios, capital exposure, rights judgment. Bench rebuilds faster.

The default path shows a cleaner Q1. The winners' path has visible friction for three quarters and compounds from month fifteen. The difference is whether the CFO is authoring the capital or administering it.

Capital Allocation. Forecast Credibility. Value-Creation Narrative.

Three questions every media CFO is tracking. The first is the crux. The other two are how you earn the right to answer it.

01 · CAPITAL ALLOCATION

Where does the next €10M actually compound?

AI-native production stack? Subscriber-intelligence moat? Rights-catalogue investment? Tuck-in acquisition of an AI-native creator studio? Working-capital extension? Today's default: the CPO asks, the product budget funds, the requisition gets signed, and the capital-allocation authority slides away from the seat. The question is not which tool. The question is whose decision this is.

02 · FORECAST CREDIBILITY

Why is the revenue mix printing below plan, and what is the account-level story?

Your foundation board voted on an advertising trajectory and a subscription cohort plan. Both are harder. Your Head of FP&A cannot walk the audit committee through the revenue-mix story because the ad-print signal sits in yield notes, the subscription signal sits in product usage, and the rights-cost signal sits in a schedule your team has never reconciled to either. Three scenarios used to take a week. They now run in an afternoon.

03 · VALUE-CREATION NARRATIVE

What does this group do that compounds faster than peers?

Your foundation wants the annual-letter preview. Your chair wants the AI-and-newsroom note. Your CEO wants the how-we-stay-ahead answer. Three audiences, three documents, three teams, and the numbers underneath them do not match. The CFOs pulling ahead write the thesis once and refresh it continuously from the same data architecture that runs the forecast. The three audiences read excerpts of the same document.

What the groups winning this play are actually doing

Four concrete moves any media CFO can start this quarter. Each addresses one lever. Pulled together, they become one capital-intelligence asset the group runs on.

1 **Capital: route the AI-production-stack decision through the M&A hurdle, not the product requisition**

Your CPO's three-million request is a capital-allocation decision. Treat it like one. Present the alternatives on one page: AI-native production rebuild, subscriber-intelligence moat, rights-catalogue acquisition, tuck-in of an AI-native creator studio, capital return. ROIC-scored against the same horizon you use for a property acquisition. Name what you are choosing not to fund to protect the thing you are funding. That is the sentence that keeps authorship at the seat.

2 **Forecast: rebuild the forecast as a live revenue-mix graph, not five reconciled schedules**

Your revenue model should draw from live advertising, live subscription cohorts, live streaming engagement, live rights-amortisation schedules, and live production-cost data as one graph rather than five spreadsheets stitched together. Three scenarios compress from a week to an afternoon. Below-plan quarters produce the revenue-mix story in the same foundation-board meeting, not in the post-mortem. The forecast stops being a deliverable on a cadence and becomes a live artefact the CFO invests in continuously.

3 **Controlling: restate rights-amortisation policy on the economic reality of AI-compressed production cost**

The catalogue on your balance sheet was priced when the cost of producing comparable content was an order of magnitude higher. Policy needs to catch up with reality. Early impairment recognised on lines where production cost has collapsed. Capital freed for redeployment into subscriber intelligence, rights lines that still compound, or return. Your auditor will raise it if you do not. The CFOs who raise it first control the framing with the foundation board.

4 **Narrative: write the economic thesis once, refresh continuously**

Three sentences on one page. What does this group do that compounds faster than peers? What capital gets starved to protect it? What gets fed? Refresh the thesis continuously off the same revenue-mix graph that runs the forecast. Annual letter excerpts the thesis. Audit-committee prep excerpts the thesis. Strategy-day deck excerpts the thesis. Three audiences, one artefact, three registers. The CFO authors the narrative. The board recites it back.

The only firm that joins capital authorship to working infrastructure

The media CFO has four places to go. None can do what we do.

The big media & entertainment advisory practices sell twelve-to-twenty-four-month transformation programmes staffed by partners and analysts billing hours. Their audit arm constrains their rights-amortisation advice. Their billable-day model requires selling substrate that agents commoditise. They ship a tighter close, not authorship of the moat.

The media-tech vendors sell platform licences and a long implementation. Your subscriber-intelligence moat has to sit on group-owned infrastructure or it becomes a vendor asset at renegotiation. The CFO who builds audience intelligence on a vendor stack builds it for the vendor.

The FP&A and planning specialists sell a point solution for one layer: scenario planning, rights schedules, reporting. None can run the capital-allocation-plus-narrative conversation the seat requires.

The media strategy consultancies send partners and analysts who will write the thesis but cannot put a working revenue-mix graph in the CFO's hands in three weeks. They are not operators.

The market offers four things you have already said no to. GRAIL is the fifth option.

WHAT YOU GET

Senior advisory that speaks board-room, not deck-room

Working infrastructure your team uses the same week

Custom agents built on your book, your data, your mix

The start of a capital-intelligence layer your FP&A owns

No vendor lock-in at any phase of the engagement

WHY IT MATTERS

Founded by operators who have carried CFO-adjacent seats

Business first, technology second

Three weeks from first meeting to working infrastructure

Your team keeps the infrastructure, you own the IP

Every next step earned by what just shipped, never assumed

Three sessions with your finance leadership. Working infrastructure from week one.

We start with your finance leadership team because the change cannot outrun the team's personal understanding of what is possible. Three workshops. Each delivers standalone value. Each earns the right to the next.

WORKSHOP 01

How to think

Walk through what is happening in your sector and inside your finance function. Build the first piece of infrastructure in the room: a live revenue-mix agent running against your real advertising, subscription, and streaming data. Your leadership team leaves with a shared view of what to do next and the first piece of working infrastructure already in their hands.

WORKSHOP 02

Your finance infrastructure

A half-day build. Your Controller, Head of FP&A, Treasurer, and Head of IR each leave with five to ten pieces of working infrastructure tuned to their function. Close-cycle agents. Continuous revenue-mix scenarios. Rights-amortisation review. Foundation-board-pack narrative drafting. Infrastructure your team is using the same week, not decks about infrastructure.

WORKSHOP 03

Ready to run

Refined infrastructure based on real use. The rollout plan to the wider finance organisation. The capital-allocation thesis for the next foundation-board meeting. The rights-amortisation policy review for the auditor. The CEO and chair conversation with numbers they can check: ROIC alternatives, scenario ranges, moat measurement.

Three weeks. No IT project. No foundation-board approval needed to start. The infrastructure your finance function is already running on when we finish.

For your next forecast review

The questions where your finance leadership cannot agree on an answer are the ones worth an hour on the agenda.

Your CPO wants three million for an AI-native production stack. Is it in the product budget, or on the capital page as one option among five?

Your foundation board voted on an advertising trajectory and a subscription cohort plan. Both are printing below. Can your team walk the audit committee through the revenue-mix story in the same meeting, or does it take a post-mortem?

Your rights-catalogue book was amortised on pre-AI production cost. What is the impairment picture when policy is restated on economic reality, and who on your team owns the framing before the auditor does?

Your foundation partner, your chair, and your CEO have each asked for a different AI-and-editorial document in ninety days. Are they excerpting the same thesis, or drafting three that do not reconcile?

Of the junior controllers and FP&A analysts you are cutting to agents this year, how many would have made your 2031 succession bench?

If any of these produces a disagreement in your finance leadership, that is the conversation worth having before the foundation board asks.

IN THIS SERIES

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GRAIL has produced industry briefings calibrated to the specific reality of each C-suite role.

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Revenue. Margin. Valuation.

Three numbers your board reads. AI is rewriting all three in your industry.

CFO

▶ YOU ARE READING

Capital. Forecast. Story.

What you allocate this year is the story your board reads next year.

COO

Cheaper. Better. Faster.

The triple threat that used to be a tradeoff is now table stakes.

CHRO

Capacity. Capability. Promise.

The biggest talent transition of a career. Compete on capacity, not headcount.

CPTO

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The platform moat that survives 2028 is being chosen this year.

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