

+++

WPP Media

▼ THIS YEAR
NEXT YEAR ►

2026
GLOBAL
MIDYEAR
FORECAST

+++



The Gold Rush and the AI race share a psychology of the frontier mindset, the fear that someone else will reach it first.

THE LOGIC OF THE RUSH
OVERRIDES THE LOGIC OF
THE BALANCE SHEET

+++



“

CAPITAL
FLOWED WEST.

PEOPLE FOLLOWED.

AND THE INDUSTRIES BUILT TO SERVE
THE RUSH OUTLASTED THE RUSH ITSELF.”

+++



- 
- + During the Gold Rush years, revolution and conflict were convulsing Europe AND the Taiping Rebellion was devastating China.
-

CALIFORNIA WAS
IN SOME RESPECTS
IMPERVIOUS TO
ALL OF IT.

THE ADVERTISING
INDUSTRY IS NOT OBSERVING
THE AI TRANSITION.

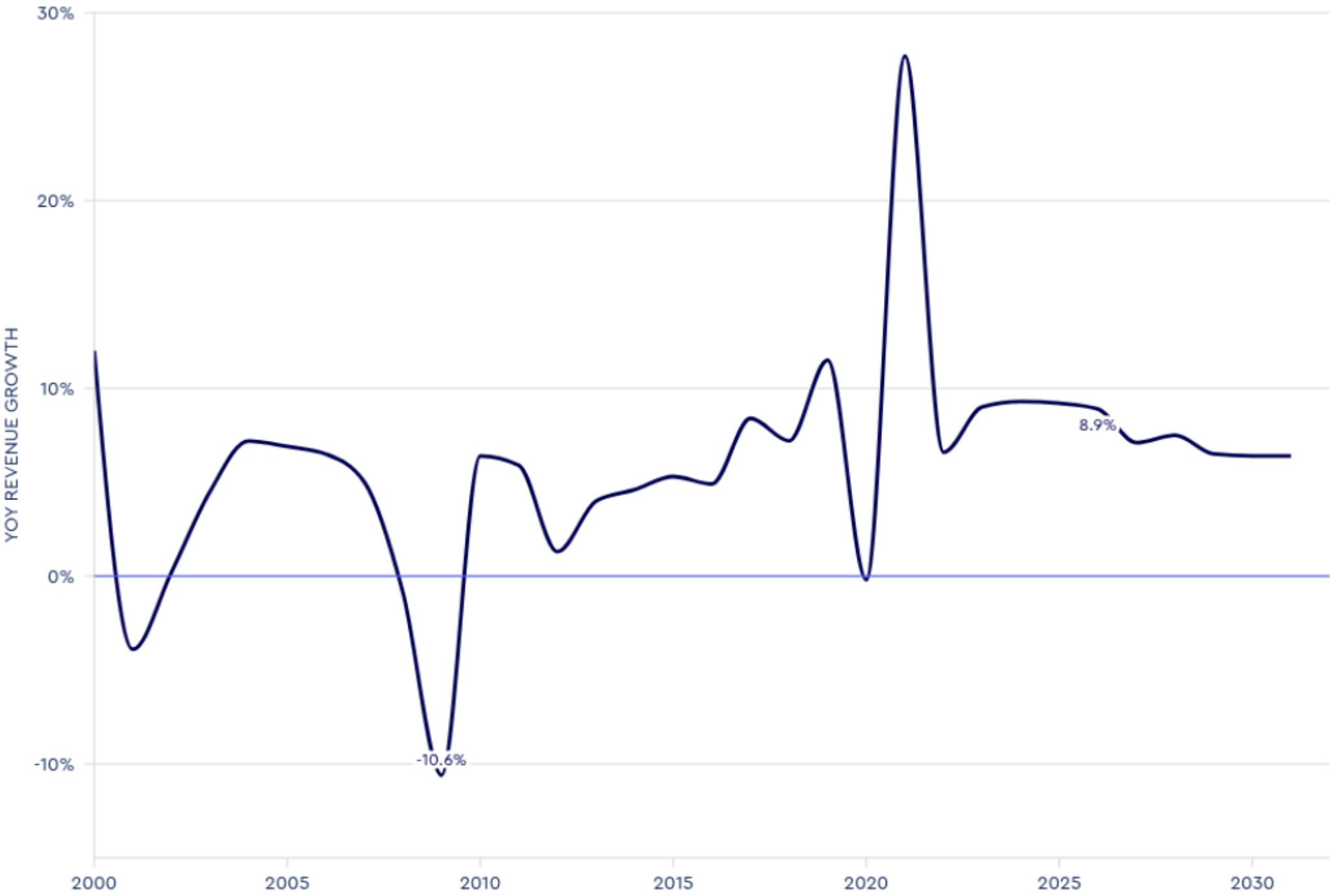
IT IS FINANCING IT.





THE DASHBOARD ECONOMY

GROWTH UPGRADED DESPITE MACRO PRESSURES



SOURCE: WPP MEDIA

+++

8.9%

UPGRADED FORECAST FOR 2026,
UP FROM 7.1% IN DECEMBER



+++

11.9%

GROWTH IN THE U.S. (UP FROM
7.4% IN DECEMBER), IS DRIVING
THE OPTIMISM GLOBALLY

INCLUDING POLITICAL, U.S.
GROWTH JUMPS TO 13.9% IN
2026

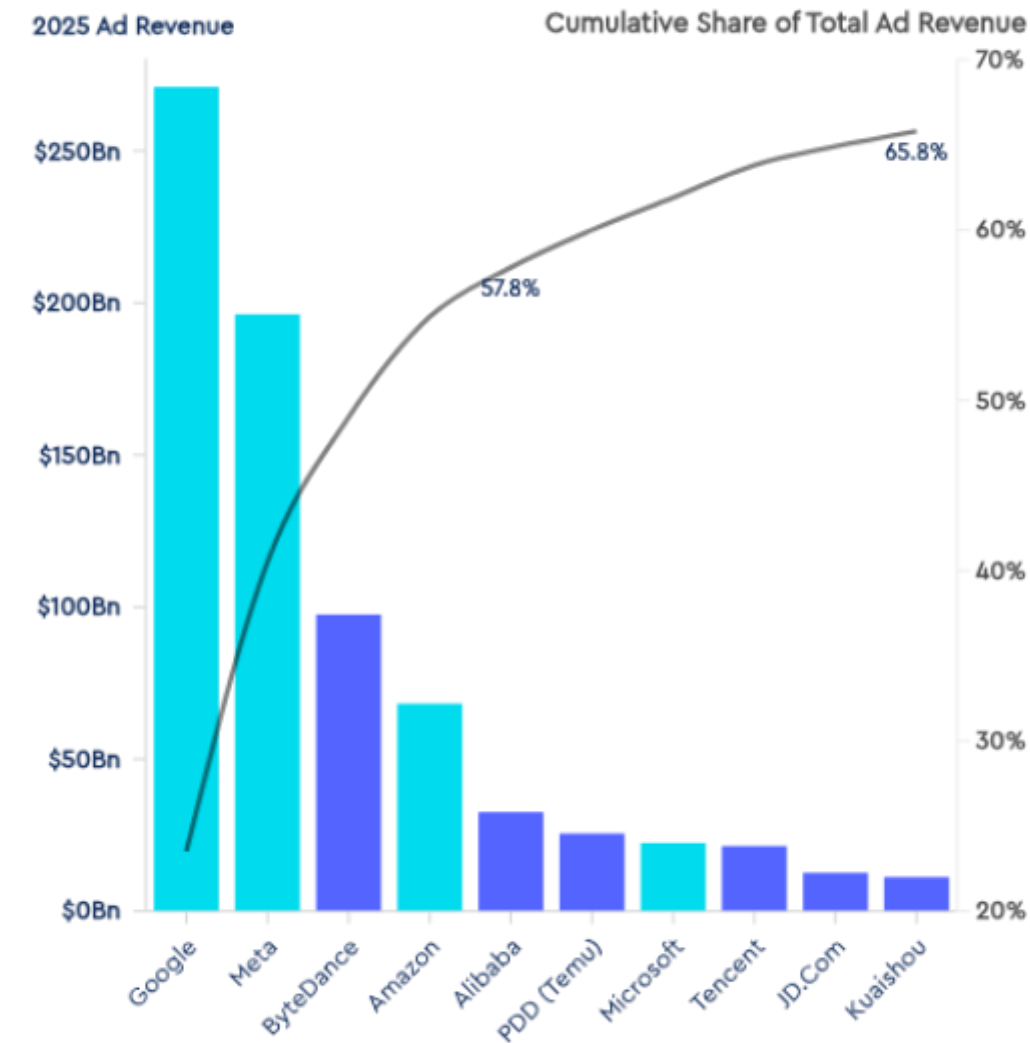
THREE ENGINES OF AGGREGATE GROWTH

CHINA TRADE SURPLUS

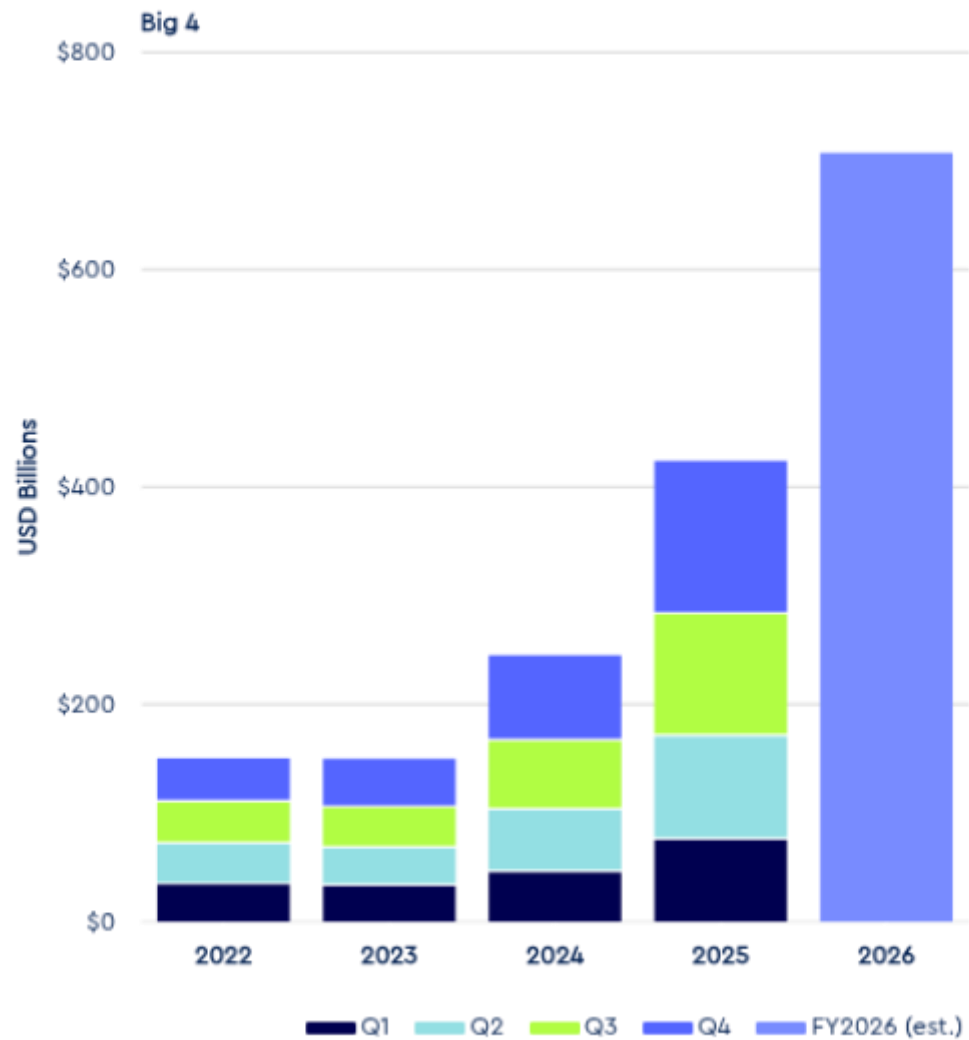
MEDIA CONCENTRATION

AI INVESTMENT

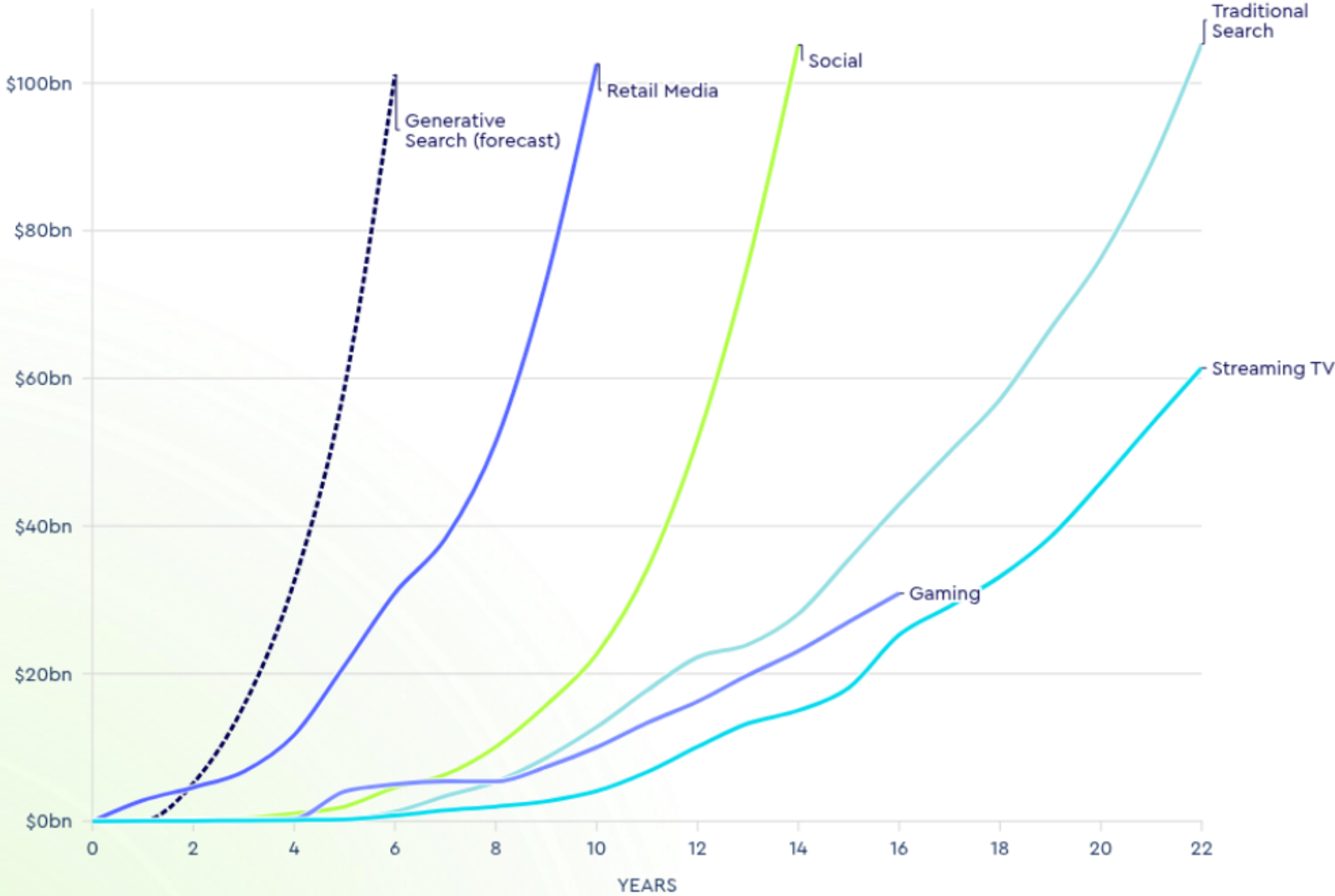
Ranking and Share of Top Ad Sellers



Big Four guide to > \$700 billion CAPEX in 2026



GENERATIVE AI AS THE FASTEST TO \$100 BILLION?

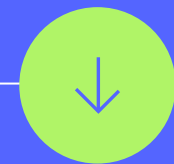


SOURCE: WPP MEDIA

+++

\$5.1 bn

FORECAST GENERATIVE SEARCH REVENUE IN 2026, U.S. CONTRIBUTING THE MAJORITY



+++

\$100 bn

BY 2030, WHEN IT WILL REPRESENT MORE THAN 9% OF TOTAL ADVERTISING REVENUE

THE LIVED ECONOMY

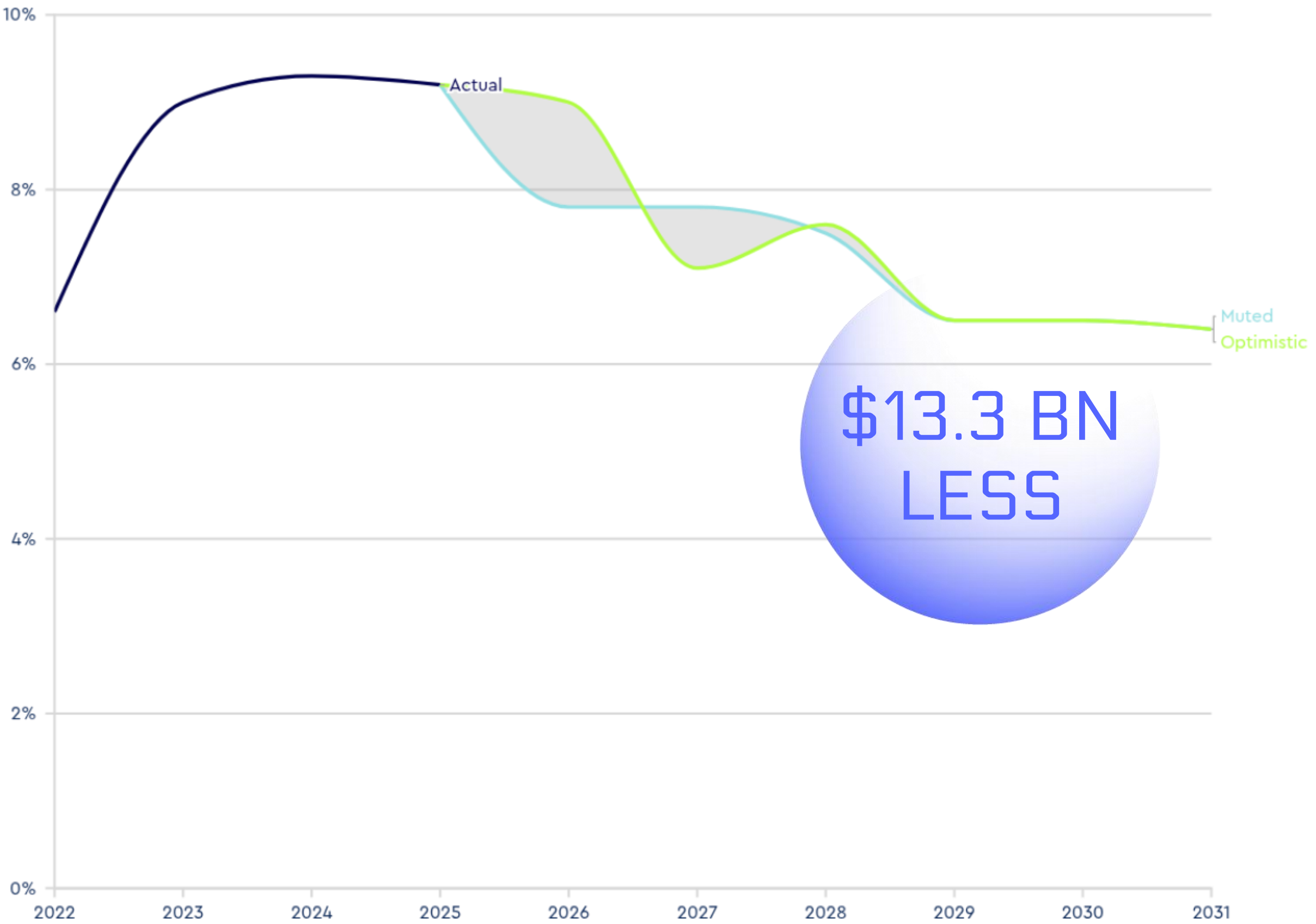
+++

DOWNSIDE RISKS REMAIN

OUR OPTIMISTIC BASE CASE ASSUMES NO GLOBAL RECESSION AND A RESOLUTION TO THE IRAN CONFLICT

7.8%

IS THE MORE MUTED PREDICTION FOR 2026 IF THINGS GO DOWNHILL



STRONG REGIONAL GROWTH MASKS AN UNDERCURRENT OF RISKS

WPP Media

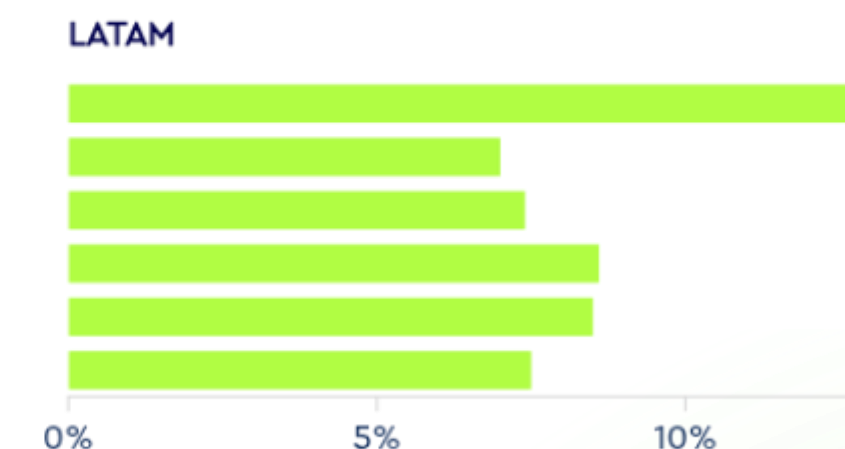
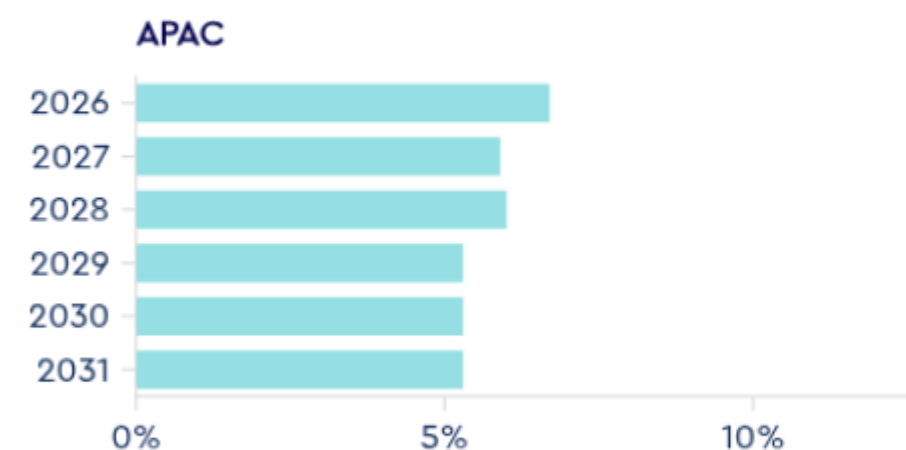
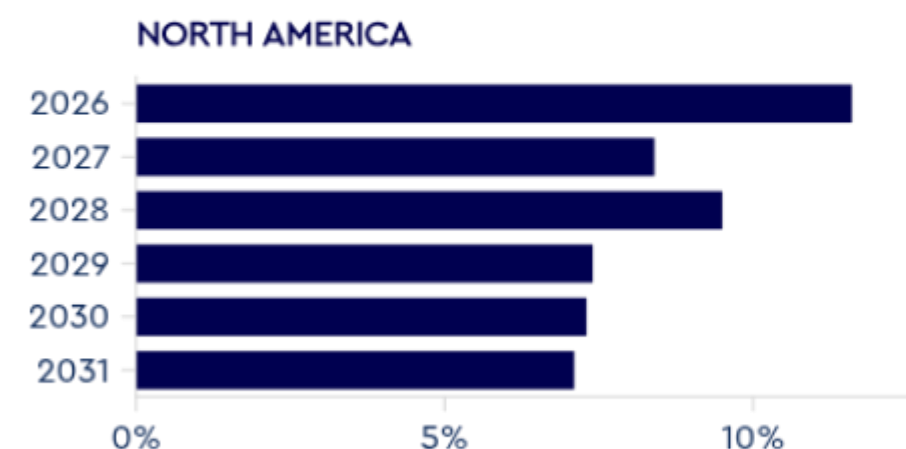
The U.S. personal savings rate fell to 2.6% in April and May inflation rose to 4.2%

LATAM faces risks from political instability and a Super El Niño.

MEA growth drops to 5.6%, with political growth in Nigeria helping to offset impacts from the Iran conflict.

Europe faces ongoing pressure from armed conflict and rising energy prices.

APAC growth is dependent on China, and domestic demand is still sluggish; energy pressures are a factor in other markets.



THE BIG PICTURE:
TRENDS, TENSIONS, AND OPEN QUESTIONS
THAT WILL DETERMINE THE FUTURE

+++

PEST ANALYSIS >

2026

POLITICAL, REGULATORY & LEGAL DRIVERS

+++ POLITICAL DRIVERS INCLUDE GOVERNMENT POLICIES, FOREIGN TRADE POLICIES, REGULATION, AND DE-REGULATION. LEGAL DRIVERS INCLUDE LEGISLATION AND LAWS THAT REQUIRE COMPLIANCE FROM ADVERTISERS AND/OR AD SELLERS.

WPP Media

+++ ECONOMIC DRIVERS INCLUDE EMPLOYMENT, ECONOMIC GROWTH, MONETARY POLICY, INFLATION, AND CONSUMER SPENDING.

ECONOMIC DRIVERS

PEST ANALYSIS >

2026

WPP Media

SOCIAL/CULTURAL DRIVERS

PEST ANALYSIS >

2026

+++ SOCIAL DRIVERS INCLUDE POPULATION GROWTH, CULTURAL AND RELIGIOUS TRENDS, AND CONSUMER BEHAVIOR.

WPP Media

TECHNOLOGICAL DRIVERS

PEST ANALYSIS >

2026

+++ TECHNOLOGICAL DRIVERS INCLUDE INNOVATION AND ADVANCEMENTS IN HARDWARE AND AI, AS WELL AS NEW MODES OF DISTRIBUTION, MANUFACTURING AND LOGISTICS.

WPP Media

POLITICAL DRIVERS

+++

+++

GLOBAL SCALE CAN CREATE CHAMPIONS, AND MAKE THEM TARGETS FOR SCRUTINY AND CONTROL

01

Social media liability & cost structure

Legislatures and courts are chipping away at the broad immunity Section 230 provided

02

Regional champions vs global giants

As global entertainment and commerce platforms expand their reach, European authorities are rethinking 'competition'

03

The bifurcation of U.S. and China tech

Fears about security and supremacy play into national controls on chips and AI models

04

Consumer services, including AI, subsidized by advertising

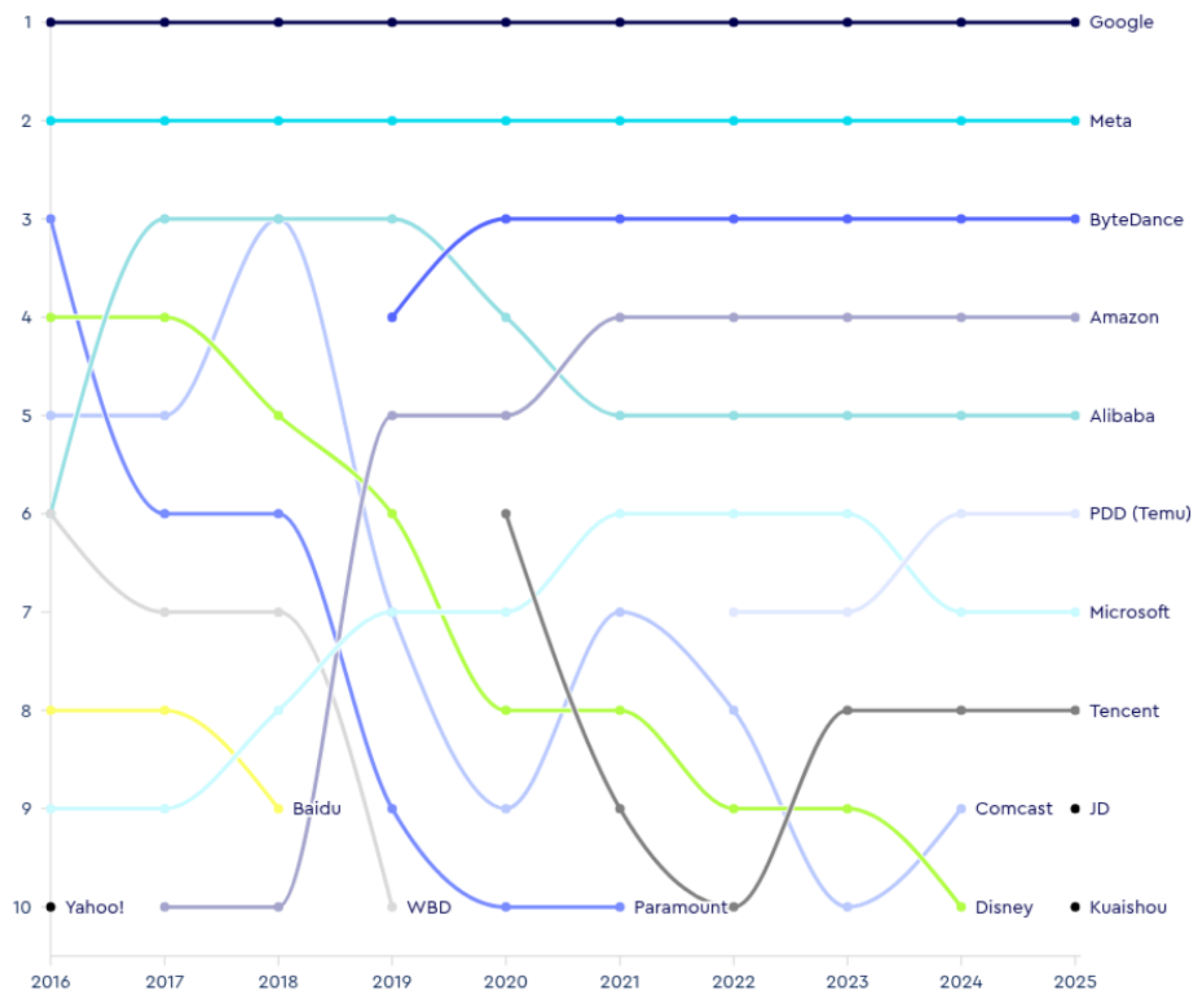
Platforms are increasingly the providers of digital infrastructure - from communications and identification, to security and payments

THE OWNERS OF ADVERTISING HAVE CHANGED

“NOT ONE OF THE TOP 10 SELLERS OF ADVERTISING IS A ‘TRADITIONAL’ MEDIA COMPANY.”

“COMMERCE, AND THE INTELLIGENCE IT POWERS, IS INCREASINGLY THE FOUNDATION UPON WHICH THE INDUSTRY IS BEING BUILT”

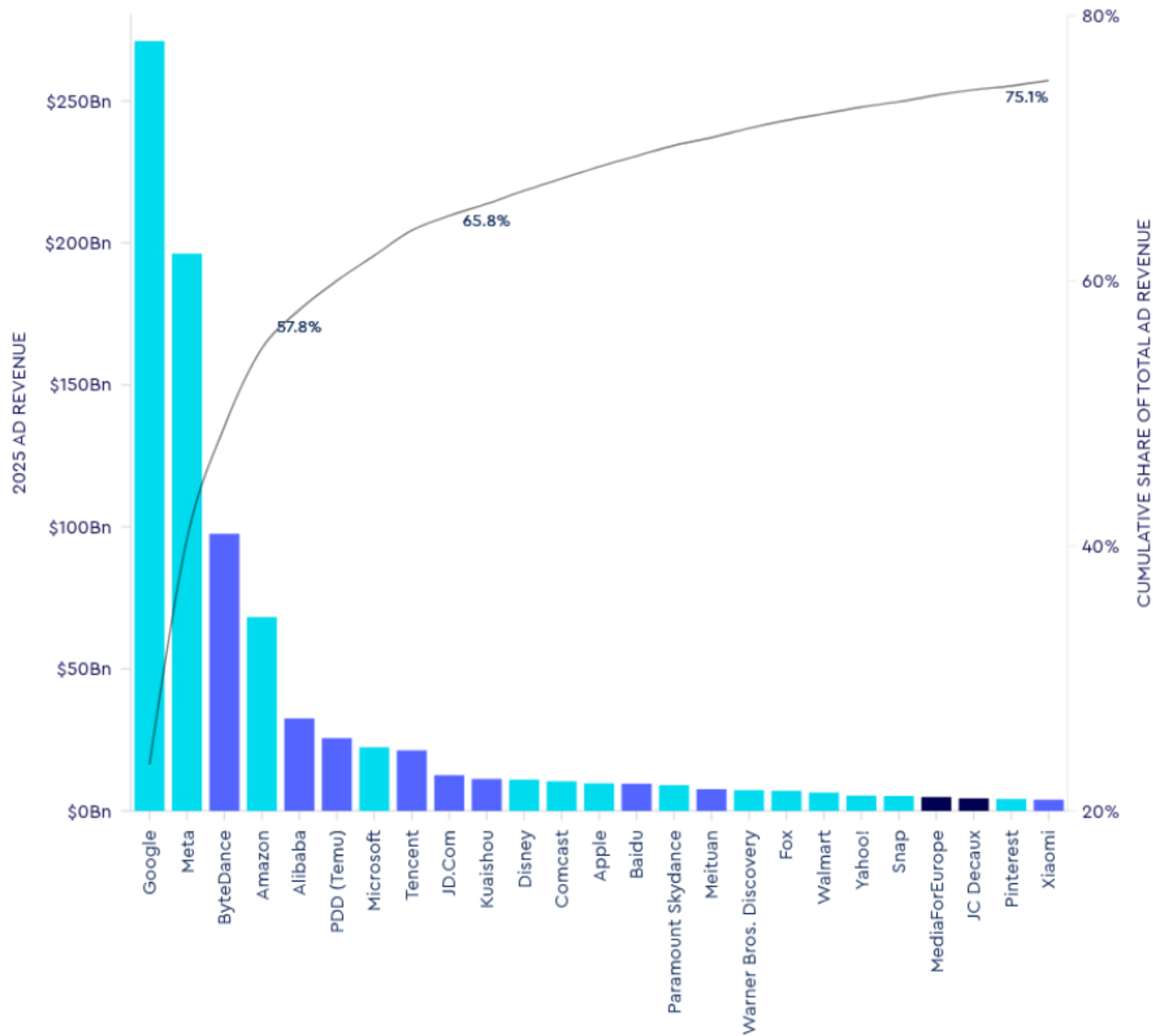
SOURCE: WPP MEDIA, COMPANY FILINGS



CHINA BASED AD SELLERS CROWD THE TOP 10

“CHINA-BASED AD SELLERS NOW OUTNUMBER U.S. COMPANIES BY 6 TO 4.”

“BIFURCATING TECH STACKS AND PLATFORMS WILL REQUIRE ORCHESTRATION AND AGILITY.”



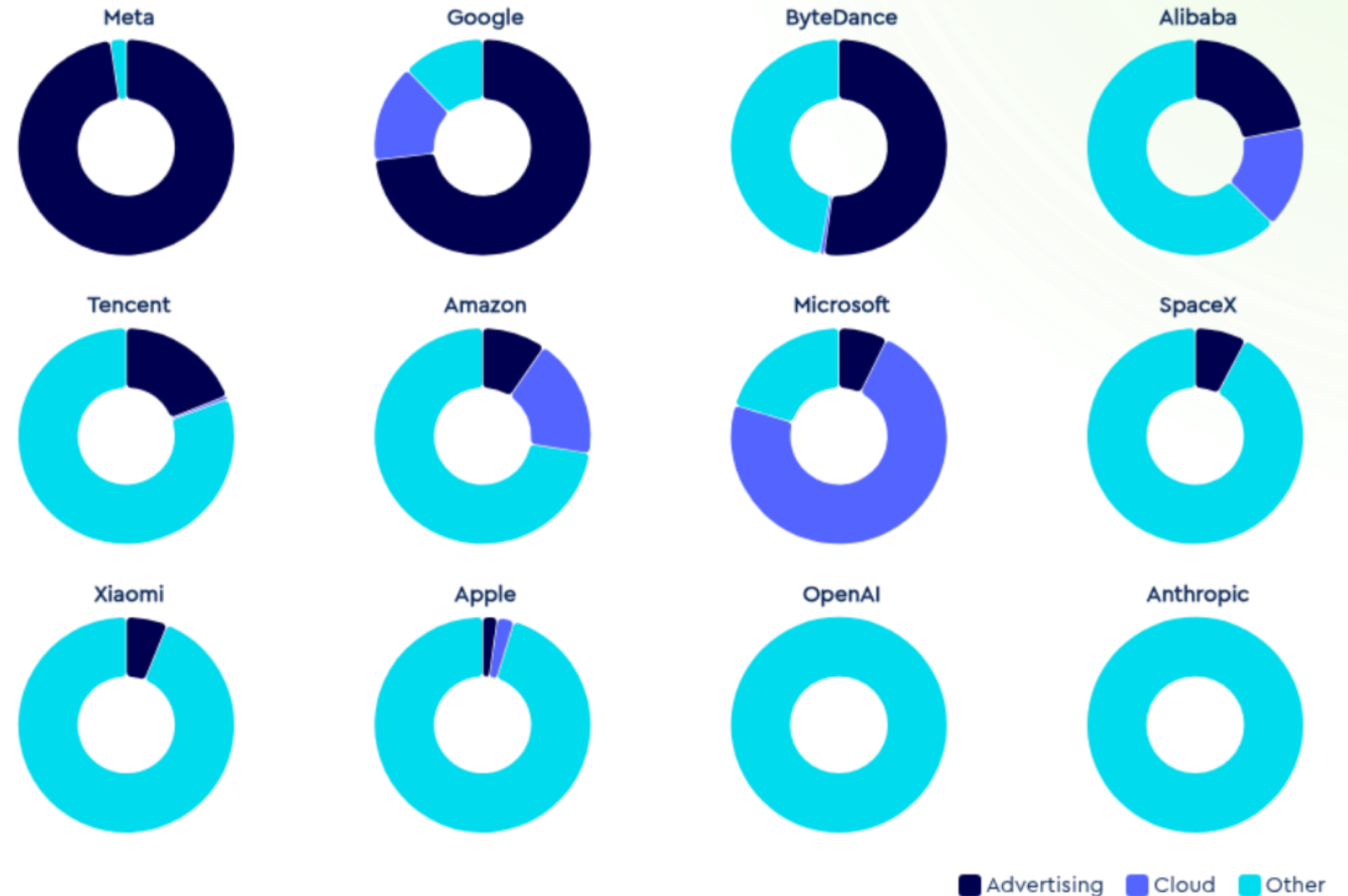
Source: WPP Media, Company Filings • ByteDance includes U.S. TikTok. Comcast excludes Versant.

ADVERTISING FUNDS THE FRONTIER

THE COMPANIES BUILDING AI ARE NOT TRADITIONAL MEDIA OWNERS, BUT MOST ARE ADVERTISING FUNDED

2025

REVENUE INCLUDED ADVERTISING FOR ALL BUT OPENAI & ANTHROPIC



Source: WPP Media, Company Filings, The Information, S&P Global, Omdia • Alibaba data is fiscal year

PLATFORM PROVIDED DIGITAL SERVICES AS INFRASTRUCTURE

WPP Media

Communications infrastructure

Starlink
WhatsApp

• Digital Identity

Android & iPhone
SSO
Wallet IDs

• Cybersecurity

Cloud infra.
Mythos

• Financial Infrastructure

Google Pay
WeChat Pay
Stablecoins

• Basic Economic Support

UBI →
Universal Basic
Services...

1992

NEAL STEPHENSON WROTE
SNOW CRASH

ECONOMIC DRIVERS

+++

THE EFFECTS OF OUTSOURCING AND GLOBAL COMMERCE MAY OR MAY NOT MIRROR THE IMPACT OF AI ON LABOR

01

Energy and food cost pressures

The closure of the Strait of Hormuz has highlighted global trade dependencies and bottlenecks

02

The China export engine

Facing sluggish demand at home, global trade is the engine of China's GDP growth, and worldwide ad growth

03

Scarcity of compute, energy, metals and high quality data

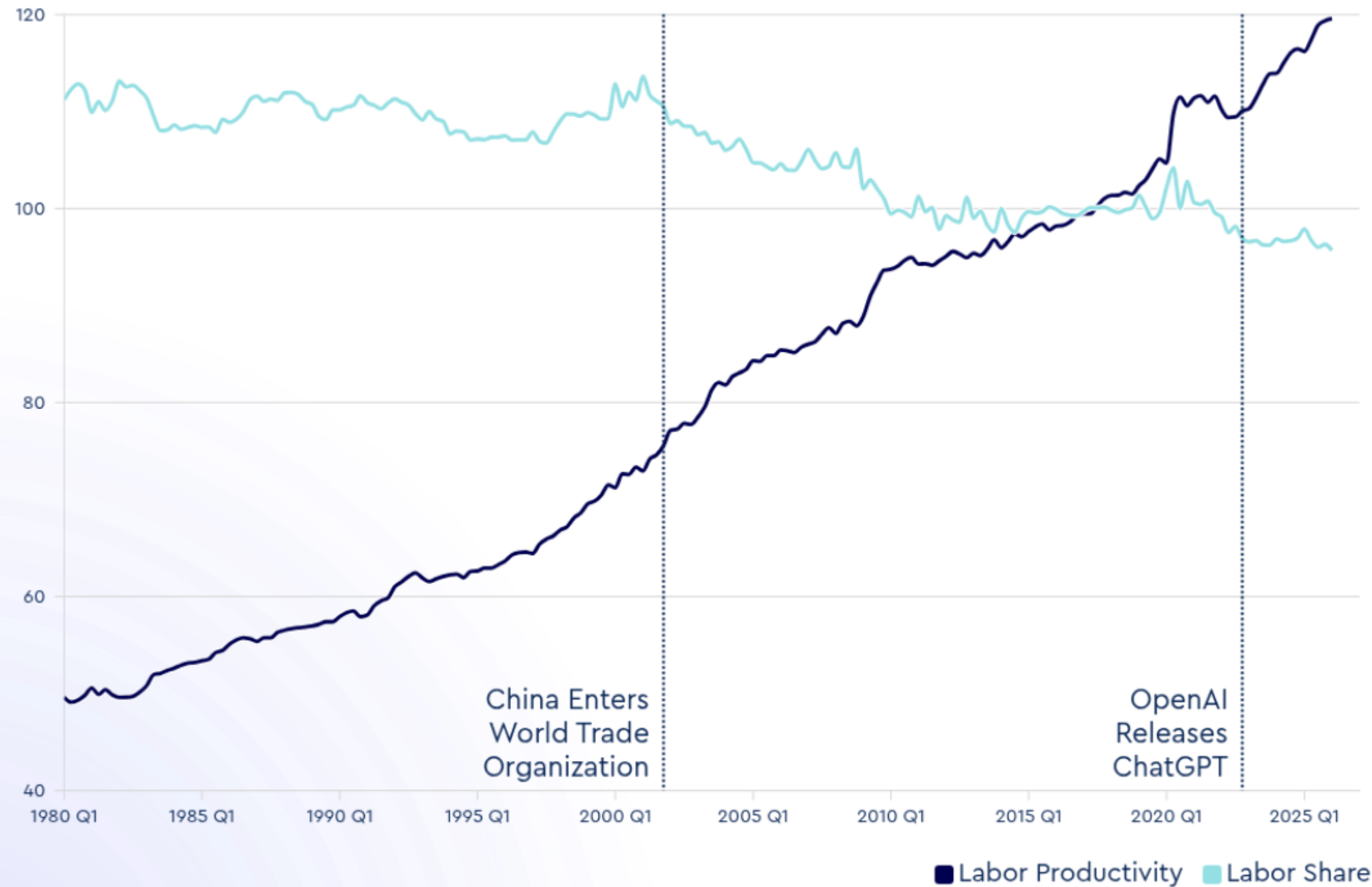
With limited availability of key tech components, economic growth hinges on domestic and international policies

04

AI's impact on labor and the government tax base

We could see AI expand labor demand, or displace it. Either way, the role of advertising shifts, but remains fundamental

LABOR 'SHARE' OF PRODUCTIVITY DROPS



Source: U.S. Bureau of Labor Services • Index (2017=100)

+++

54.1

THE U.S. LABOR SHARE, OR % OF OUTPUT THAT ACCRUES TO WORKERS AS COMPENSATION. THIS WAS THE LOWEST LEVEL SINCE 1947



+++

49.2%

OF AVERAGE OECD MARKET TAX REVENUE COMES FROM INCOME AND SOCIAL SECURITY TAXES.

ANOTHER 31.3% COMES FROM VAT AND OTHER CONSUMPTION TAXES



SOCIAL DRIVERS

AI NATIVE GENERATIONS WILL VIEW INFORMATION, ENTERTAINMENT AND TRUST THROUGH AN AGENT LENS

01

Audience trust in news and institutions

Consumers may expect things to be instant, personalized and free, but the generative AI boom will come at a cost, to trust

02

Fandom, live experiences & the IRL countercurrent

Algorithms still can't replicate the collective effervescence of communal experience, especially in analog environments

03

Agent mediated commerce moves beyond 'attention'

Grabbing attention in an agent-mediated environment risks being blocked; the goal is not to demand attention but to earn trust

04

Population growth in emerging economies

Consumer demographics are shifting due to the AI-driven labor transformation and the China-plus-one manufacturing transition

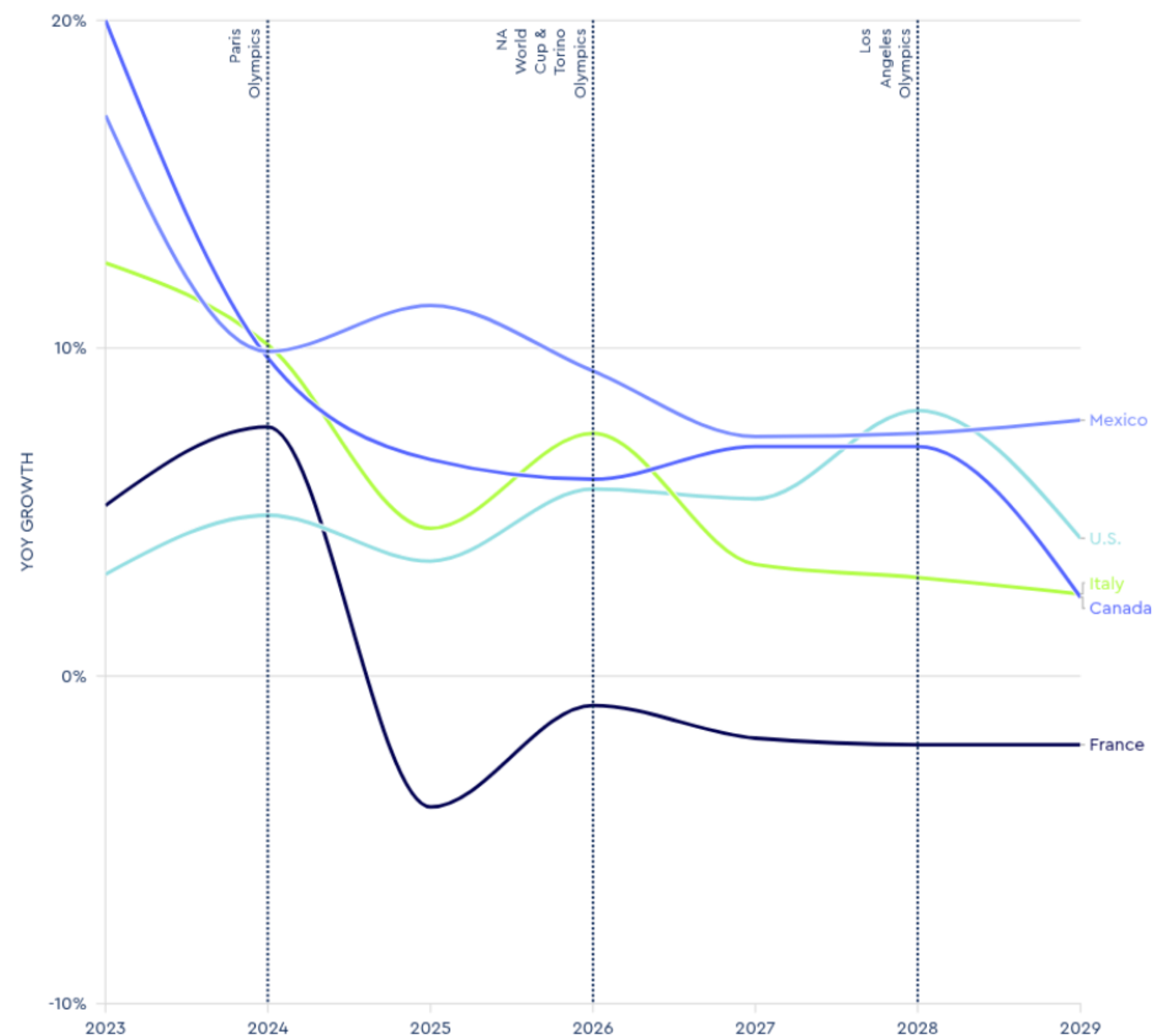
OOH MAINTAINS ITS SHARE OF GLOBAL AD REVENUE



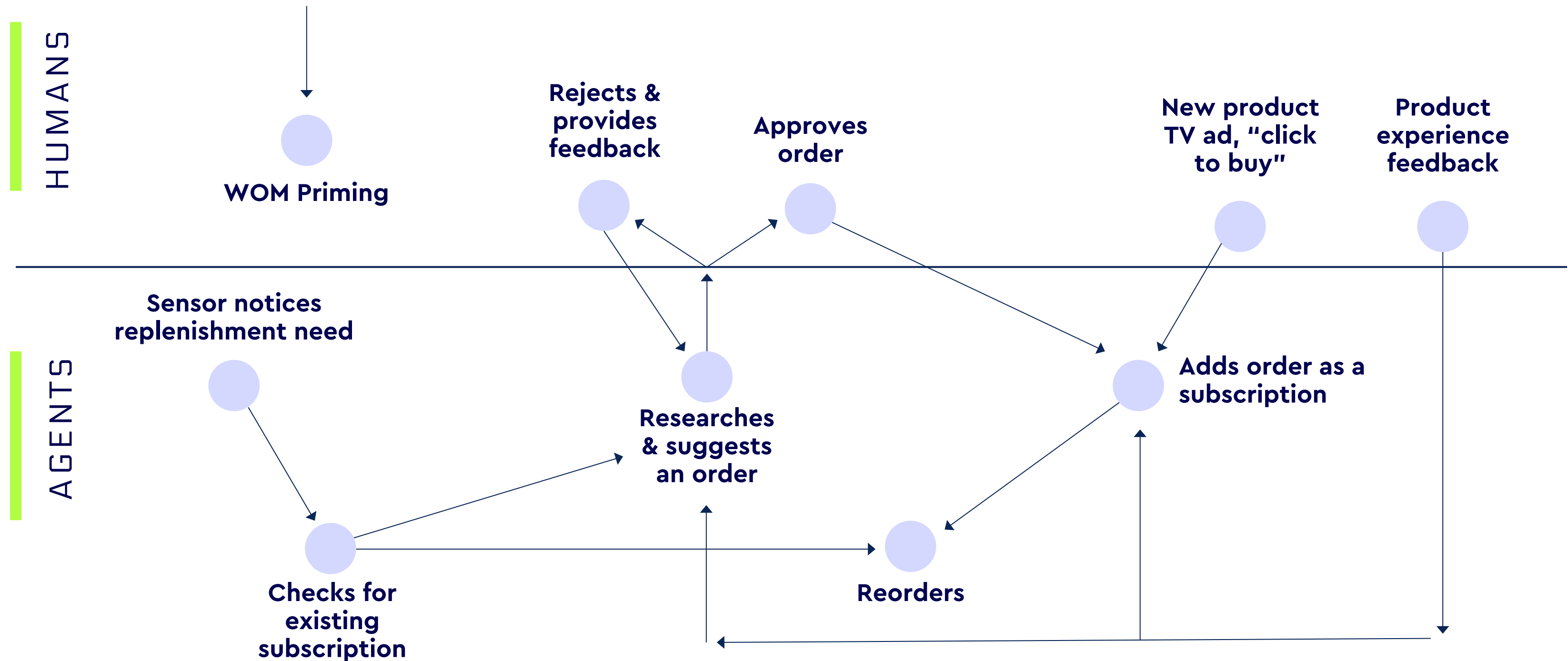
OOH DELIVERS MASS, SIMULTANEOUS AUDIENCES IN PHYSICAL ENVIRONMENTS, WITH CREATIVE IMPACT AT SCALE"



TECHNOLOGY AND SPORTS ARE THE STANDOUT CATEGORIES IN 2026."



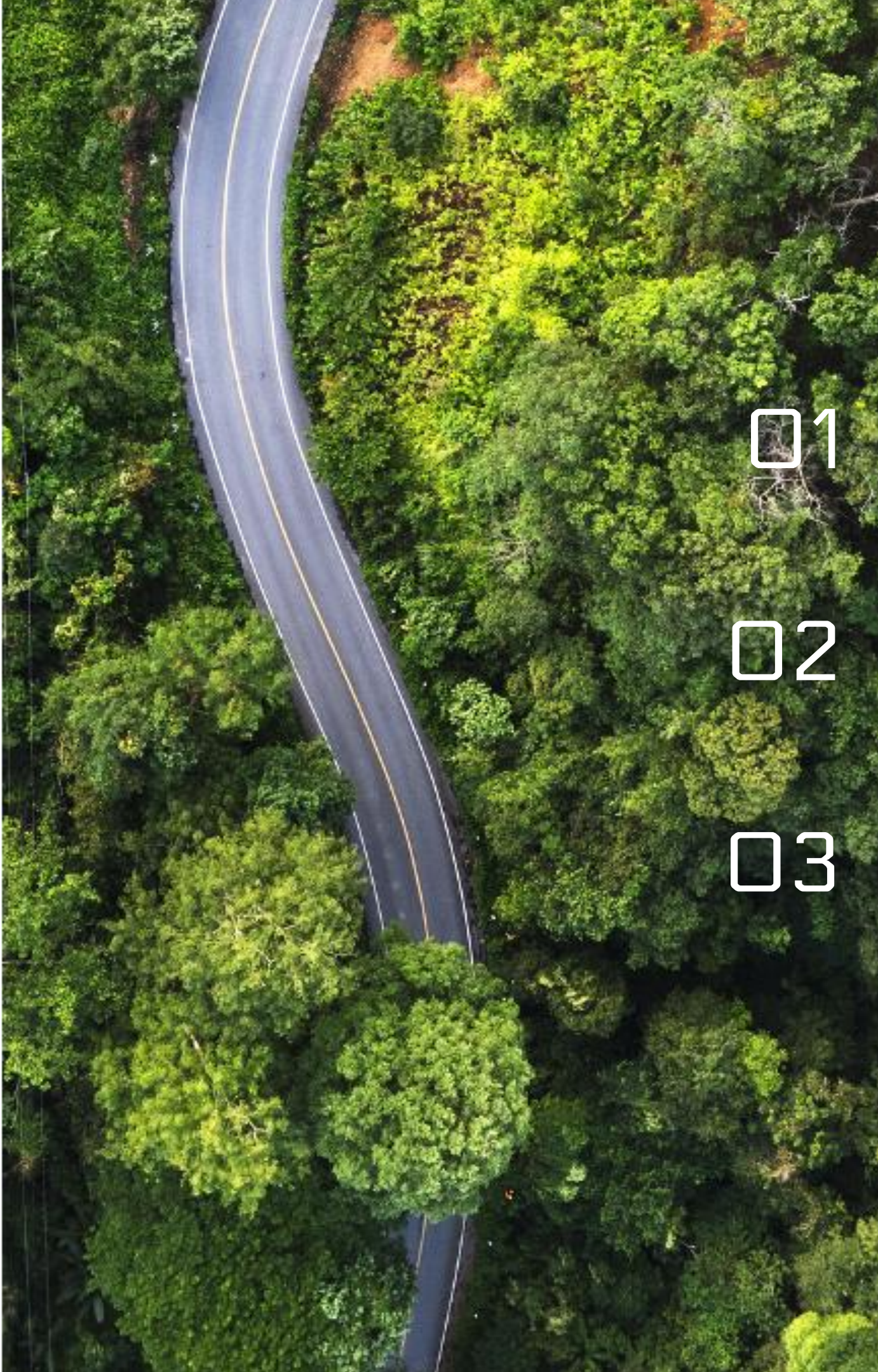
THE BEST AD MAY BE THE ONE YOU NEVER SEE



TECHNOLOGICAL DRIVERS

+++

WE MUST BUILD BETTER, SAFER, AND MORE HELPFUL SYSTEMS FOR HUMANS AND AGENTS ALIKE

An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road has a yellow center line and white edge lines. The trees are thick and vibrant green, filling the entire left side of the frame.

01

Intelligence on the edge

The competitive positioning of ad sellers may rely on where intelligence lives, not just where audiences spend time

02

New advertising surfaces

The human creative will be essential as an inventor of form for brand experiences in glasses, cars, and wearables

03

Advertising to agents

Agents may be silent facilitators, active participants, or something else entirely, but they will almost certainly be involved in a meaningful share of commercially relevant decisions

“

THE FORTY-NINERS
KNEW WHAT IT FELT
LIKE TO LIVE INSIDE A
MOMENT THAT
EVERYONE AGREED
WAS GOING TO
CHANGE EVERYTHING.”





WPP Media

• THANK YOU

