

Disney and Fubo's merger is a green light for Venu Sports

Article

The news: Disney is acquiring a 70% stake in Fubo, which will be merged with Hulu + Live TV, creating one of the country's largest pay TV providers and ending a feud over the planned launch of the streaming service **Venu Sports**, the companies announced Monday.

- The newly combined streaming entity will be operated by Fubo co-founder and CEO **David Gandler**. As part of the agreement, Fubo has agreed to drop [its lawsuit against Disney, Fox, and Warner Bros. Discovery](#), which prevented Venu Sports from launching before the 2024-25 NFL season last fall.
- The deal is specific to Hulu + Live TV and will not include Hulu's standalone streaming service.

If you can't beat 'em, buy 'em: Disney and Fubo's agreement clears the way for Venu Sports, giving the joint sports streaming service the green light to launch and significantly shake up the streaming subscription market.

- The merger is another sign that industry leaders see the incoming Trump administration as favorable for M&A activity. Media and advertising mergers have [ticked up in recent months across sectors](#); after Trump's victory, WBD CEO **David Zaslav** said he viewed the administration as an "opportunity for consolidation."

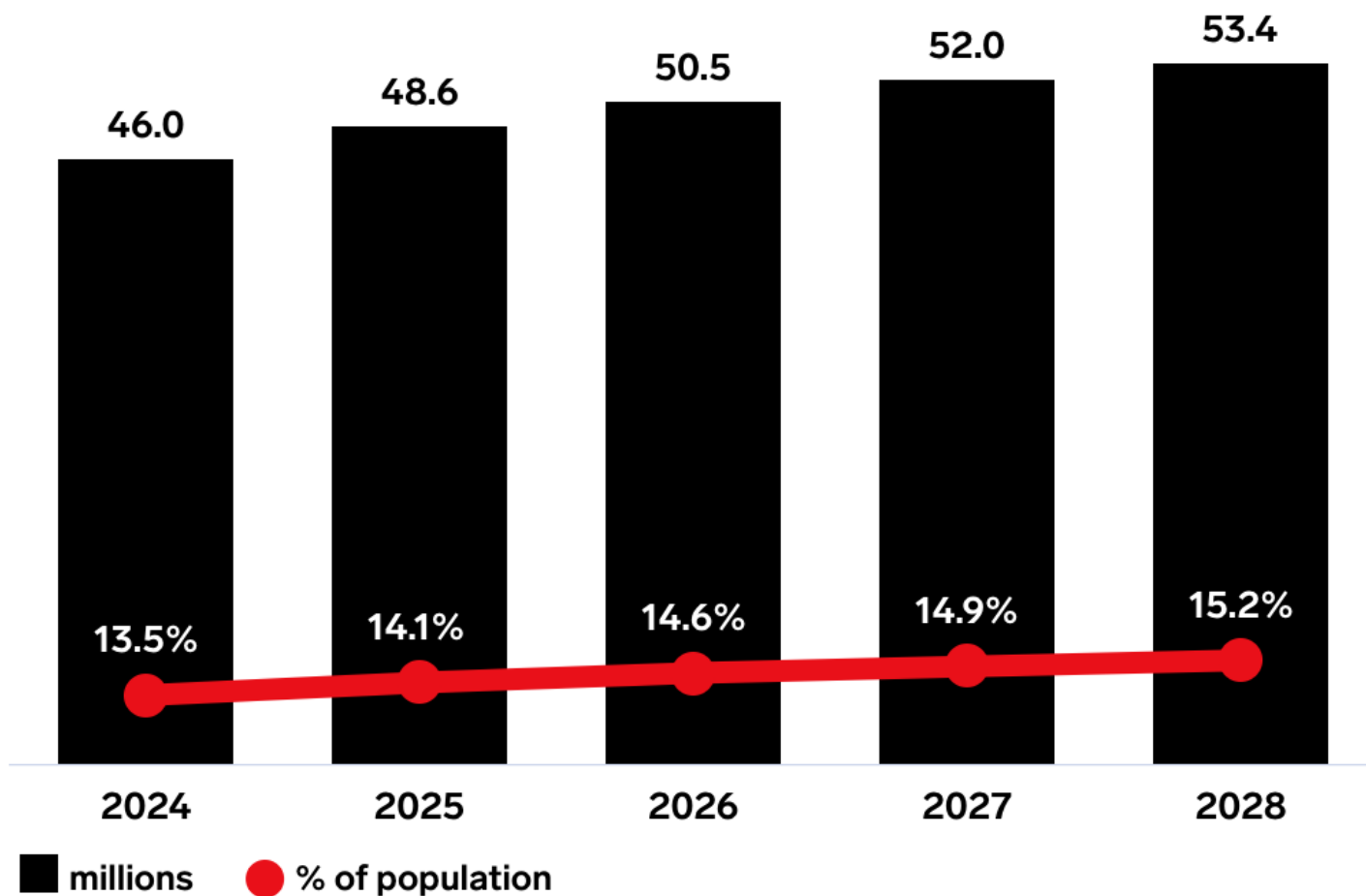
The impact: Venu will combine the linear sports assets of Disney, Fox, and WBD, creating a titan of sports streaming that will put significant pressure on **YouTube TV** (the current home to **NFL Sunday Ticket** and the largest digital pay TV provider in the US).

- Venu's \$42.99 monthly launch price will put significant pressure on YouTube's Sunday Ticket offering. YouTube TV [increased prices in December](#) at a time when consumers are becoming increasingly concerned about streaming costs.
- Consolidation will also allow Disney to capture a larger share of the digital pay TV market. The deal will allow Fubo to package all of Disney's broadcast and sports networks into its service, giving it access to popular content from **ABC, ESPN**, and more.
- We expect [US digital pay TV households](#) to steadily increase over the next few years, from 20.3 million in 2025 to 22.2 million in 2028. YouTube TV has the largest share of viewers at 23.3 million, with Hulu + Live TV in second at 11.6 million.

Our take: This deal clears the way for Venu Sports to launch in 2025, potentially setting the stage for a presence at this year's Upfronts. It's also an indication of continued media consolidation under the incoming administration. Disney, WBD, and others are likely to pursue additional mergers, leaving a troubled path for smaller networks and streaming services.

Digital Pay TV Video Service Viewers

US, 2024-2028



Note: individuals of any age who watch an internet-delivered live TV service via app or website at least once per month (e.g., Hulu + Live TV, Sling TV, YouTube TV)

Source: EMARKETER Forecast, October 2024

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