



Standard with ads (\$8.99 US) lands price-sensitive households; Standard (\$19.99) and Premium (\$26.99) sell ad-free HD/4K and more screens; Extra members (\$7.99/\$9.99) monetize sharing outside the household; Ads (~\$3B 2026 guidance) and a global slate (series, film, live, games, podcasts) deepen engagement while content amortization and tech spend fund the flywheel.

BUSINESS MODEL CANVAS

Netflix

Research date: Sep 21, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Talent / studios / creators** — originals and licensed titles (FACT letter slate narrative).
- **Sports & live** — expanded NFL slate; MLB events; boxing; WWE interest (FACT letter).
- **Local broadcast** — TF1 linear + TF1+ for France members (FACT letter).
- **Publishers** (Condé Nast, Hearst, People) and iHeartMedia podcasts (FACT letter).
- **Open-platform creators** (e.g. Danny Go!, Ms. Rachel) (FACT letter).
- **Advertisers** via Netflix Ads Suite / programmatic (FACT letter).

KEY ACTIVITIES

- Commission, produce, and license series/films globally (FACT letter).
- Personalize discovery; AI search / LLM preference tools (FACT letter).
- Operate Standard with ads / Standard / Premium + extra members (FACT help).
- Sell & serve ads; expand programmatic and live inventory (FACT letter).
- Stage live sports/events; grow cloud games & video podcasts (FACT letter).
- **Manage content spend vs amortization (~10% amort. growth outlook 2026 — FACT).**

KEY RESOURCES

- **Content assets, net \$33.838B (Jun 30, 2026 — FACT balance sheet).**
- Streaming content obligations ~\$25.1B total (FACT supplemental).
- Audience approaching 1B people; H1’26 >97B view hours (FACT letter).
- Personalization / LLM search stack (FACT letter product narrative).
- Ads inventory + Netflix Ads Suite / programmatic (FACT letter).
- Cash & equivalents ~\$9.1B; Q2 FCF \$1.5B (FACT).

VALUE PROPOSITIONS

- **Standard with ads: \$8.99 US** — 1080p, 2 devices, short ads (FACT help/ads-plan).
- **Standard: \$19.99** — ad-free 1080p + 1 extra-member option (FACT).
- **Premium: \$26.99** — 4K+HDR, 4 streams, spatial audio, up to 2 extras (FACT).
- Global originals + licensed slate; non-English >1/3 of H1 viewing (FACT letter).
- Live sports/events, cloud games, video podcasts expand variety (FACT letter).
- Personalized discovery / AI search (FACT letter).

CUSTOMER RELATIONSHIPS

- Self-serve accounts, profiles, and plan changes anytime (FACT help).
- Personalization loops + AI search (FACT letter).
- Household streaming; paid Extra members outside home (FACT help).
- Pricing/trial tests by market (FACT letter monetization section).
- Ads Suite relationships for brands / agencies (FACT letter).
- **Help Center support** — no invented CSM headcount.

CHANNELS

- **Primary** — TV / mobile / console / web Netflix apps.
- App stores and device OEM integrations (product FACT).
- netflix.com plans + ads-plan marketing pages (FACT).
- Weekly Top 10 and title marketing moments (FACT letter).
- Ads Suite / programmatic for brand buyers (FACT letter).
- Live events as acquisition spikes (FACT letter sign-up narrative).

CUSTOMER SEGMENTS

- **Standard with ads households (\$8.99 US — FACT).**
- **Standard ad-free households (\$19.99 — FACT).**
- **Premium 4K / multi-screen households (\$26.99 — FACT).**
- **Extra members outside household (\$7.99/\$9.99 — FACT).**
- Kids / games / podcast daypart viewers (FACT letter).
- **Brand advertisers (Ads ~\$3B 2026 guidance — FACT).**

COST STRUCTURE

- Cost of revenues \$6.037B in Q2’26 (FACT statements).
- T&D \$1.008B; S&M \$824M; G&A \$499M (Q2’26 FACT).
- Operating income \$4.193B; margin 33.4% (FACT).
- Content assets net \$33.8B; streaming obligations ~\$25.1B (FACT).
- 2026 content amort. growth ~10% outlook (FACT letter).
- No invented per-title budgets or private royalty tables.

REVENUE STREAMS

- **Membership revenue** — core of \$12.560B Q2’26 (+13.4% Y/Y) (FACT).
- **US list** — Ads \$8.99 · Standard \$19.99 · Premium \$26.99 (FACT help).
- Extra members \$7.99 (ads) / \$9.99 (ad-free) (FACT help).
- Ads ~\$3B 2026 company guidance (FACT letter).
- FY’26 revenue outlook \$51.0–\$51.4B (FACT guidance).
- Q2 FCF \$1.5B; FY FCF outlook ~\$12.5B (FACT / guidance).