

Selective U.S. Live Sports Rights Portfolio

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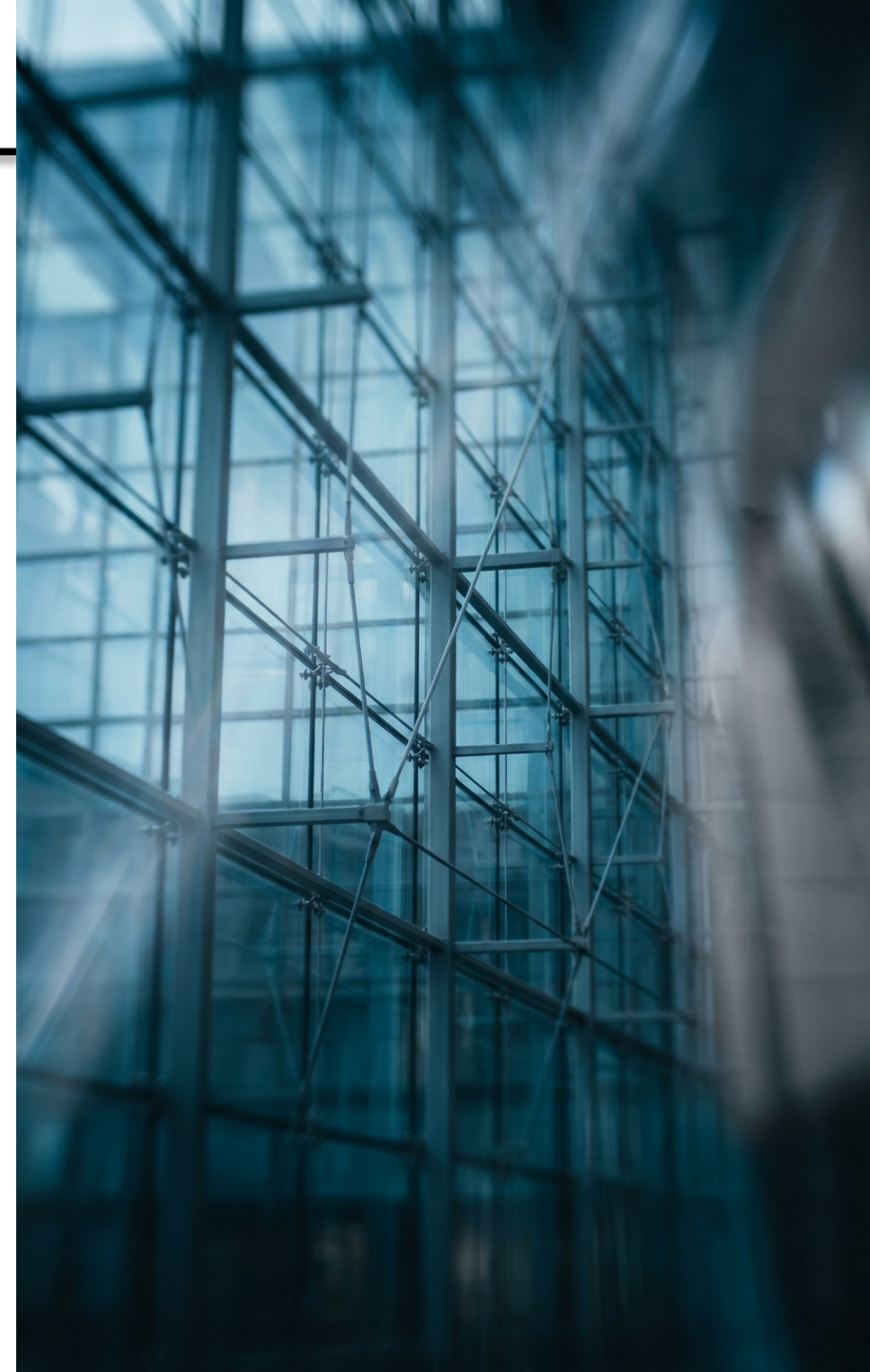
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Over the next 5 years, Netflix U.S. should make mid-sized recurring sports rights its primary growth lever, using a few sponsorship-rich tentpoles as tactical experiments while explicitly avoiding billion-dollar premium ecosystems until strict ROI gates are met.

Context: Netflix U.S. sports thesis and constraints (2024-2029)

- **Netflix** is testing live sports as a U.S. growth lever, with current rights spanning small tactical tentpoles (e.g., **NFL Christmas 2024-2026** at ~\$150M total) and a flagship mid-sized recurring package (**WWE Raw** at ~\$500M/year), under a five-year ROI and payback screen.
- Lumiu modeling segments rights into **small tactical**, **mid-sized recurring**, and **major premium** tiers, assessing five-year subscriber, churn, and ad economics against a conservative **milestone_payback_threshold** and **pilot_count** framework.
- Base-case financial guardrails derive from **Netflix 2024** results: **\$39.0B** revenue, **>\$10B** operating income, **27%** operating margin, and **\$6.92B** free cash flow, implying annual sports spend bands of **\$1.38B** (20%), **\$2.08B** (30%), and a stress ceiling of **\$3.46B** (50%).
- The U.S. competitive landscape prices full-season premium ecosystems (e.g., **NFL Sunday Ticket** at ~\$2.0B/year, **NBA** at ~\$2.62-2.7B/year, **CFP** at \$1.3B/year) for bundle incumbents, forcing **Netflix** to prioritize selective windows and adjacencies rather than broad rights land grabs.
- Management has framed live sports as a **12-24 month gated experiment**, with explicit KPI gates for acquisition, churn, ad ROI, and payback before elevating sports to a core U.S. growth pillar.

Key Evidence: Where value is proven and where it is not

- Mid-sized recurring rights are the only tier with positive base-case economics: a representative **WWE Raw-anchored** package shows **\$1.68B** five-year benefit vs. **\$1.50B** cost (**12.0% ROI**, **\$120.5M NPV**, year-2 payback), while small tactical rights deliver only **3.4% ROI** with year-4 payback and major premium rights are negative at **-12.6% ROI** with no payback.
- Modeled subscriber impact shows mid-sized recurring rights driving **130K-390K** incremental paid adds annually and reducing churn by **2.02-5.4 percentage points**, versus **5.2K-380K** adds and **0.2-0.8** point churn reduction for one-off events, confirming superior weekly engagement economics for **Netflix**.
- Real-world performance validates the recurring format: **WWE Raw** generated **340M** viewing hours out of **525M** total **WWE** hours on **Netflix** in year 1, appeared in the Global Top 10 for **47 of 52 weeks**, and its debut reached **4.9M** global views and **2.6M** U.S. households vs. a **1.2M** linear baseline (a **116%** uplift).
- Tentpoles prove reach and ad demand but not durable economics: **NFL Christmas 2024** reached nearly **65M** unduplicated U.S. viewers with ~**30M** global average minute audiences, **Jake Paul vs. Mike Tyson** drew **108M** live global viewers and **1.43-1.6M** sign-ups, and **Netflix** sold out in-game inventory with packages **>\$5M** and **\$800K** 30-second units, yet these events lack disclosed persistent net-add or churn impact.
- Ad and sponsorship modeling shows monetization potential of roughly **\$0.7-1.7M** for small tactical rights, **\$21-39M** for mid-sized recurring rights, and **\$149-216M** for major premium packages; even at the high end, this is far below ecosystems like **NFL Sunday Ticket** at ~\$2.0B/year, confirming that only selective windows-not full ecosystems-can be justified on ad economics alone for **Netflix** today.

Recommendation: Build a selective mid-tier portfolio with gated tentpole pilots

- Make **mid-sized recurring U.S. rights** (e.g., **WWE-style weekly packages**, sub-premium college, niche combat, multicultural soccer) the core sports lever, targeting packages with all-in annual costs of **\$187.5-820.0M**, five-year ROI **>=15%**, payback **<=3 years**, and modeled churn reduction of **>=0.20 percentage points** per year.
- Use **small tactical tentpoles** (e.g., boxing/combat events, selective NFL or women's-sports finals) as sponsorship-led pilots only, scaling them if they deliver **>=150K** incremental paid subs per event, **>=0.10** percentage-point annualized churn reduction, **>=\$5M** ad+sponsorship revenue or **>=25%** of rights cost per season, realized CPM **>=\$35**, and **>=70%** sponsorship sell-through.
- Explicitly avoid bidding for **major premium full-season ecosystems** (e.g., **NFL Sunday Ticket**, primary **NBA**, **CFP**, full **UFC** U.S. packages) unless they can be carved into lower-cost windows or shared deals that meet thresholds of **>=1.0M** incremental subs, **>=0.30** percentage-point churn reduction, **>=40%** rights-cost coverage from ads, **>=20%** five-year ROI, and **<=3-year** payback.
- Over the next **12-24 months**, run three mechanism-specific pilots in the U.S.: (1) an eventized **boxing/combat** package for acquisition, (2) a sub-premium weekly **college** package for retention, and (3) a **women's sports** shoulder/event package for ad yield, each governed by tier-specific KPI gates and spend caps materially below **\$150M** per year.
- Build a **hybrid operating model** rather than a full in-house sports stack: continue partner-led production (e.g., **CBS/NEP** for **NFL Christmas**, rights-holder production for **WWE Raw**) while **Netflix** controls stream reliability, ad operations, measurement (via **Nielsen**, **VideoAmp**, **EDO**, **Kantar**, **Snowflake**, **InfoSum**, **LiveRamp**), and sponsorship integration, with authority to scale sports only after two pilot cycles show repeatable ROI across more than one mechanism.

CORE CONCLUSION:

Within current financial and ad-tech constraints, Netflix U.S. should treat live sports as a tightly gated experiment and deliberately scale only mid-sized recurring rights plus a few high-CPM tentpoles, while defaulting to no-bid on billion-dollar premium ecosystems that cannot clear its five-year ROI and payback thresholds.

Mid-sized recurring live sports rights should be Netflix's primary U.S. growth lever over five years

Recurring mid-tier rights uniquely combine material acquisition, efficient spend, and proven weekly engagement:

- Lumiu analysis estimates conservative five-year incremental paid-add ranges of 130 thousand to 390 thousand for mid-sized recurring rights, versus 5.2 thousand to 380 thousand for small tactical rights and 980 thousand to 2.1 million for major premium rights, based on public analogs from Netflix, WWE, ESPN, Antenna, StreamTV Insider, and CNBC [5][6][7][8][9][11][12].
- Weekly appointment rights are estimated to reduce annual churn by 2.02 to 5.4 percentage points, compared with 0.72 to 2.1 points for seasonal packages and only 0.2 to 0.8 points for one-off events, reflecting the impact of 40 to 52 annual touchpoints on subscriber persistence [11][17][18][19].
- Mid-sized recurring rights sit near a reported \$500 million per year benchmark for WWE Raw, versus about \$2.0 billion annually for NFL Sunday Ticket, making them more efficient than major premium rights under the assumed budget_policy and milestone_payback_threshold [6][8][16].
- Antenna reports current churn of 5.1% for Sports SVOD versus 6.6% for Specialty SVOD, while vMVPD churn is 4.5%, supporting the view that dense recurring live programming, such as weekly rights, structurally improves retention relative to non-sports SVOD categories [17].

Netflix's current portfolio validates both tentpole reach and recurring format viability but not yet full-scale economics:

- NFL Christmas 2024 on Netflix reached nearly 65 million unduplicated U.S. viewers, with U.S. average minute audiences of 24.3 million for Ravens-Texans and 24.1 million for Chiefs-Steelers, while separate releases citing 31.3 million and 30.0 million reflect global averages, confirming tentpole reach but not disclosed Netflix-specific paid net adds [9][10][13].
- Jake Paul vs. Mike Tyson delivered over 108 million live global viewers, reinforcing that small tactical events can generate large one-off audiences but with limited public evidence of durable paid conversion or churn impact for Netflix [14].
- WWE Raw's Netflix debut reached 4.9 million global views and 2.6 million U.S. households, versus Raw's 2024 U.S. average of 1.2 million households, implying a 116% launch uplift and demonstrating that weekly recurring rights can outperform prior linear baselines [11][12][15].
- In its first year on Netflix, WWE Raw generated 340 million viewing hours out of 525 million total WWE hours on Netflix and appeared in the Global Top 10 for 47 of 52 weeks, evidencing sustained engagement and validating weekly appointment programming as a repeatable growth mechanism even though Netflix has not disclosed property-level net-add or churn deltas [20][21].

Segment evidence indicates where mid-sized recurring and selective tentpoles can most effectively move U.S. KPIs:

- 84% of sports viewers watch at least one live event per week and 70% already watch sports via streaming, making weekly mainstream fans a high-potential retention segment for recurring rights that can leverage existing streaming habits [24].
- Peacock's exclusive NFL Wild Card game drove 2.8 million sign-ups in the three days before the game, demonstrating that exclusive tentpoles can trigger sharp sign-up bursts and providing a conservative analog for Netflix's small tactical rights, even though Netflix has not disclosed equivalent NFL Christmas or WWE Raw net-add data [7][25].
- Netflix reports that its ad-supported audience exceeds 94 million monthly active users globally, U.S. ad-tier members spend 41 hours per month, and its 18-34 audience is larger than any other U.S. broadcast or cable network, positioning younger ad-tier users as a strategically attractive target for both recurring rights and eventized tentpoles [26].
- 27% of Americans identify as soccer fans, 40% of U.S. Hispanics identify as World Cup fans, and Hispanic consumers over-index on streaming consumption, making multicultural soccer households a differentiated segment where selective soccer event packages or recurring windows could complement WWE- and MLB-style rights [27][28][29].

Sources: [5] Netflix (2025). "WWE 'RAW' Wrestles Up 4.9M Global Views for Netflix Debut". About Netflix. <<https://about.netflix.com/news/wwe-raw-wrestles-up-4-9m-global-views-for-netflix-debut>> [6] ESPN (2024). "WWE's 'Raw' to stream on Netflix starting in January 2025". ESPN. <https://www.espn.com/wwe/story/_/id/39368907/wwe-raw-stream-netflix-starting-january-2025> [7] Antenna (2024). "Peacock's NFL Wild Card Game Experiment". Antenna. <<https://www.antenna.live/insights/peacocks-nfl-wild-card-game-experiment>> [8] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". CNBC. <<https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html>> [9] Netflix (2024). "Netflix NFL Christmas Gameday Reaches 65 Million US Viewers". About Netflix. <<https://about.netflix.com/news/netflix-nfl-christmas-gameday-reaches-65-million-us-viewers>> [10] Netflix (2024). "NFL Christmas Day Games on Netflix Average Over 30 Million Global Viewers". About Netflix. <<https://about.netflix.com/news/nfl-christmas-day-games-on-netflix-average-over-30-million-global-viewers>> [11] WWE (2025). "WWE 'RAW' Wrestles Up 4.9M

Netflix should pursue selective, eventized and sponsorship-rich U.S. sports rights, not broad ecosystems

Premium formats with proven advertiser demand can sustain high CPMs and sponsorship value:

- Agency benchmarking places Netflix's average platform CPM at about \$37.02 versus a 2024 streaming average of \$25.68, while premium Peacock live-sports inventory can exceed \$50 CPM, establishing a credible premium floor for Netflix live sports pricing.[1][2]
- For its NFL Christmas games, Netflix sold out all in-game inventory, marketed advertising packages at more than \$5 million, and sought north of \$800,000 for 30-second in-game units, evidencing strong demand for scarce tentpole inventory.[3][4][5]
- Streaming-exclusive NFL broadcasts were reported as 66% more effective for NFL advertisers than TV, and Netflix Christmas Day ads outperformed other competitive-game ads by 84% for entertainment brands and 70% for pharma brands, supporting premium event pricing.[6]
- The 2024 NCAA Women's Tournament final averaged nearly 19 million viewers and peaked at 24 million, while women's-sports fans are 44% more likely to buy than the general population, supporting women's-sports tentpoles as premium sponsorship assets.[17][18]

Modeled ad and sponsorship economics are material but only offset rights for selective packages:

- Lumiu analysis indicates monetization potential of roughly \$0.7-1.7 million for small tactical rights, \$21-39 million for mid-sized recurring rights, and \$149-216 million for major premium eventized packages, based on Netflix ad disclosures and public sports ad-load norms.[7][8][9][10][11][12]
- For a small tactical event, modeled inventory of 11.2 sold 30-second units and 16.8 million impressions yields about \$0.72-1.67 million of total ad plus sponsorship revenue, implying these rights are best used as sponsorship-led pilots rather than core profit engines.[7][8][9][10]
- For mid-sized recurring rights, 300 sold 30-second units and 600 million impressions translate to \$21-39 million of total ad plus sponsorship revenue, making this tier the most balanced ad-led option for weekly appointment formats like WWE-style programming.[7][8][9][10][11]
- For major premium packages, 119 sold 30-second units and 2.856 billion impressions generate \$148.52-215.64 million of total ad plus sponsorship revenue, which is material but still well below full premium ecosystems such as Sunday Ticket at roughly \$2.0 billion per year.[10][21]

Rights-cost benchmarks and capability maturity constrain a broad premium-rights land grab:

- Netflix's NFL Christmas package reportedly cost about \$150 million total across 2024-2026, while analyst reporting projected the 2024 two-game package could generate about \$185 million in ad revenue at roughly \$50 CPM, indicating eventized NFL-style windows can be directionally supportable on ad economics alone.[5][13]
- By contrast, WWE Raw reportedly costs Netflix \$500 million per year, while MediaPost cites 2024 ad revenue of \$74.93 million for USA Network's WWE Raw and analyst commentary projects roughly \$200-260 million of annual Netflix ad revenue potential, leaving a substantial gap vs. the rights fee on ads alone.[8][11][14][20]
- Full premium ecosystems are even further out of reach for ad-led economics: Sunday Ticket is benchmarked at roughly \$2.0 billion per year, nearly an order of magnitude above the modeled \$149-216 million premium-package monetization range.[10][21]
- Netflix has launched live dynamic ad insertion for U.S. NFL Christmas after WWE testing and built a broad measurement and ad-tech stack including Nielsen, iSpot, DoubleVerify, IAS, TVision, VideoAmp, Snowflake, InfoSum, LiveRamp, The Trade Desk, DV360, Magnite, Microsoft, Amazon DSP, and Yahoo DSP, but public evidence still shows limited repeated U.S. live-sports proof across delivery verification, reach/frequency, attribution, and advertiser renewal, capping bankable premium-rights scaling.[15][16][22][23][24][25]

Netflix should scale only mid-sized recurring U.S. sports rights and treat other tiers as constrained options

Mid-sized recurring rights are the only tier that clears the 5-year ROI and payback screen:

- Base-case modeling for mid-sized recurring rights shows \$1.68B of five-year benefit against a \$1.5B cost base, yielding 12.0% ROI, \$120.5M NPV, and payback in year 2 on a representative package anchored by WWE Raw at a reported \$500M per year [1][2][3][4][5][6][7][8][9][10][11].
- Upside and downside sensitivities range from 99.3% ROI with \$916.9M NPV and year-1 payback at \$1.25B cost, to -59.7% ROI and -\$1,026.9M NPV at \$2.25B cost, underscoring that only the base and upside cases meet the assumed milestone_payback_threshold [1][2][3][4][5][6][7][8].
- All-in annual mid-sized recurring costs span \$187.5M-\$820.0M (rights, production, streaming ops, marketing, talent, shoulder content), or \$937.5M-\$4.1B over five years, which fits within Netflix_x0019_s conservative \$1.38B-\$2.08B annual free-cash-flow guardrail for many but not all packages [1][3][9][10][11][17][18][19][30][31].
- Recurring formats such as weekly WWE Raw-style packages are the only archetype with conservative evidence of both acquisition (130K-390K incremental paid adds annually) and retention impact (2.02-5.4 percentage-point modeled annual churn reduction) over the five-year horizon [7][12][13][14][15][16].

Small tactical and major premium rights fail Netflix_x0019_s scale bar and should be used only tactically:

- Small tactical rights deliver just \$310.2M of five-year benefit against \$300.0M of cost in the base case (3.4% ROI, \$4.7M NPV, payback in year 4), versus an upside of 98.3% ROI with year-1 payback and a downside of -66.6% ROI and -\$228.6M NPV on a \$450.0M cost base, making them suitable only as pilots under the assumed milestone_payback_threshold and pilot_count [1][2][3][4][5][6][7][8].
- These small tactical packages carry all-in annual costs of \$33.2M-\$143.2M (five-year \$166.2M-\$716.2M) and are driven by tentpole spikes such as Netflix_x0019_s NFL Christmas games, which reached nearly 65M unduplicated U.S. viewers but lack the persistence of weekly appointment formats, increasing downside risk [1][9][10][11][12][17][18][19][20][21].
- Major premium rights sit at \$1.0B-\$2.0B in annual rights fees and \$1.17B-\$2.86B in all-in annual costs (\$5.85B-\$14.3B over five years), yet the base case still yields only \$6.56B of benefit versus \$7.50B of cost, for -12.6% ROI, -\$778.5M NPV, and no payback [1][2][3][4][5][6][7][8][9][10][11][17][18][19].
- Competitive benchmarks show YouTube paying about \$2.0B annually for NFL Sunday Ticket, Amazon roughly \$1.0B-\$1.2B for Thursday Night Football, Disney about \$2.7B for Monday Night Football and \$2.62B for NBA rights, Amazon about \$1.8B for NBA, and ESPN \$1.3B annually for the College Football Playoff extension, indicating that premium packages are already priced for ecosystem buyers and are structurally uneconomic for Netflix on a standalone rights P&L under the assumed budget_policy [3][4][22][23][24][25][26][27][28][29].

Affordability guardrails support selective mid-tier expansion but do not fix negative premium economics:

- Netflix reported 2024 revenue of \$39.0B, operating income above \$10B with a 27% operating margin, and non-GAAP free cash flow of \$6.92B, from which Lumiu derives conservative annual sports-spend guardrails of \$1.38B at 20% of free cash flow and \$2.08B at 30%, with \$3.46B at 50% treated only as a stress ceiling under the assumed budget_policy [30][31][32].
- Within these guardrails, low-to-mid mid-sized recurring packages (annual all-in \$187.5M-\$820.0M) and small tactical rights (annual all-in \$33.2M-\$143.2M) are readily financeable, whereas a single low-end major premium package at \$1.17B all-in can consume most of the 20% guardrail and a high-end premium package at \$2.86B would exceed the 30% guardrail on its own [1][3][9][10][11][17][18][19][30][31].
- Because major premium rights are already negative in the base case (ROI -12.6%, NPV -\$778.5M, no payback), the binding constraint is return on spend rather than balance-sheet capacity, reinforcing that full-season NFL, top-tier NBA, and CFP-style packages should be treated as structurally contested and generally uneconomic unless materially carved down, shared, or sublicensed under the assumed budget_policy [1][2][3][4][5][6][7][8][22][23][24][25][26][27][28][29].
- Downside modeling shows that under conservative assumptions no tier remains ROI-positive (small tactical -66.6% ROI, mid-sized recurring -59.7%, major premium -64.8%), so even mid-tier expansion should proceed as measured exploration with tight operating-model control (e.g., partner-produced or world-feed structures to keep costs near the low end of each tier_x0019_s range) rather than broad rollout [1][2][3][4][5][6][7][8][9][17][18][19].

Netflix should build a selective U.S. sports portfolio around tentpoles and mid-sized recurring rights, while avoiding premium full-season ecosystems.

Mid-sized recurring rights and eventized tentpoles are the only tiers with evidence of acceptable ROI and KPI fit:

- Mid-sized recurring rights are the only tier with positive five-year base-case economics at \$1.68 billion of benefit vs. \$1.50 billion of cost, delivering 12.0% ROI, \$120.5 million NPV, and year-2 payback under the current public-data model [3].
- Small tactical rights (eventized tentpoles proxy) are economically fragile at 3.4% five-year ROI with year-4 payback, while major premium rights are negative at -12.6% ROI with no payback, making them unsuitable as scaled portfolio cores under the assumed milestone_payback_threshold [3].
- Lumiu analysis indicates mid-sized recurring rights reduce annual churn by 2.02-5.4 percentage points vs. only 0.2-0.8 points for one-off events, confirming superior retention impact vs. tentpoles and aligning with Netflix's KPI mix [9].
- Netflix's NFL Christmas package is reported at about \$150 million across 2024-2026 (~\$50 million/year), far below WWE Raw at about \$500 million/year and dramatically below NFL Sunday Ticket at about \$2.0 billion/year, illustrating why tentpoles and mid-sized recurring rights fit Netflix's standalone economics while top-tier premium ecosystems do not [1][3][6][8][10].

Underpriced recurring adjacencies warrant pilot tests, while premium full-season national packages should be treated as default no-bid:

- Underpriced recurring fragmented packages (e.g., women's sports, niche conferences, secondary combat) often sit below flagship national packages, with the NWSL package cited at roughly \$60 million/year, making them suitable for pilots where learning value per dollar is high but five-year economics remain near-threshold and unproven [4][13].
- Women's sports show strong demand signals-2024 NCAA women's basketball championship drew 18.5 million viewers, the 2025 title game still exceeded 8 million, WNBA regular-season viewership rose 170% in 2024 to roughly 1 million viewers per game, and NWSL championship-run viewership reached 967,900-yet key rights are locked (WNBA 2026-2036; NWSL through 2027), reinforcing a pilot-first rather than scale-first approach [13][16][17][18][19].
- NFL Sunday Ticket (~\$2.0 billion/year), Big Ten primary rights (~\$7.0 billion over 7 years, i.e., ~\$1.0 billion/year, with an alternate \$8.05 billion figure) and UFC's forward full U.S. package (~\$7.7 billion over 7 years, i.e., ~\$1.1 billion/year from 2026) all clear into the billion-dollar annual tier, implying pricing calibrated to bundle incumbents and therefore structurally misaligned with Netflix's standalone rights P&L [5][6][7][8][22].
- Formula 1's U.S. rights illustrate inflation and access risk: fees rose from roughly \$90 million/year under ESPN to about \$140-\$150 million annually with Apple from 2026, and the window is now closed, underscoring why even smaller premium packages should be avoided until Netflix proves repeatable KPI lift at lower price points [14][15].

A tiered hybrid operating model can support this selective portfolio without pre-building a full in-house sports stack:

- Netflix's current live model already operates as hybrid orchestration: NFL Christmas was produced by CBS Sports with NEP as a primary technical partner and Netflix engineers embedded in streaming operations, while WWE Raw remains fundamentally rights-holder produced with Netflix as distributor, demonstrating that partner-led production plus Netflix control of stream and experience is executable today [23][24][25][26][27].
- Competitor benchmarks show similar hybrid reliance on specialist vendors: Amazon's Thursday Night Football uses partners such as NEP and Game Creek Video, and Apple's MLS Season Pass employs a centralized but vendor-heavy live-production stack, indicating that a modular control layer rather than a fully in-house build is the industry-proven model for live sports streaming [28][29][30].
- Eventized tentpoles should use light hybrid delivery (partner-led host production with Netflix controlling event command, stream readiness, ad operations, multilingual feeds, and sponsor integrations), while weekly appointment rights should use a heavier hybrid model to standardize shoulder programming, highlights, ad trafficking, and measurement across recurring live nights [23][24][25][26][28][30].
- Because premium full-season rights such as UFC full U.S. packages, Big Ten primary rights, and NFL Sunday Ticket are not recommended for Netflix's portfolio, there is no current rationale to pre-build a premium-scale internal sports operation; instead, Netflix should invest in a modular control layer that can scale if KPI proof from 2-3 pilots emerges under the assumed pilot_count [1][3][5][6][8].

Netflix should treat live sports as a gated 12-24 month experiment, scaling only if pilots clear strict subscriber, churn, and ad ROI thresholds

Three mechanism-specific pilots over the next 12 months should anchor the test-and-learn agenda:

- Run three distinct pilots to isolate value mechanisms: an eventized boxing/combat promoter package for tentpole acquisition, a sub-premium weekly college package for churn reduction, and a women's sports shoulder or event package for repeatable ad monetization [1][5][6][12][13][14].
- Boxing/combat is the most feasible acquisition pilot because ESPN's Top Rank agreement covered 54 exclusive live events per year through 2025, creating a visible near-term rights opening for an eventized package test [12].
- The weekly college pilot is the cleanest retention test because recurring cadence differentiates scalable sports value from one-off spikes, and smaller conference or sublicensed inventory is more feasible than premium Power 2 rights [13].
- A women's sports shoulder/event pilot best tests ad-yield because advertiser demand and audience momentum are strong while flagship WNBA national rights are locked from 2026-2036 across Disney, NBCUniversal, Amazon, and Versant, pushing Netflix toward adjacent inventory [14][15][16].

Explicit KPI gates by rights tier must determine scale, hold, renegotiate, or exit decisions:

- Small tactical or one-off eventized rights should scale only if they deliver $_x001E_x0000_x0000_x0000_150,000$ incremental paid subscribers, at least 0.10 percentage points annualized churn reduction, at least \$5 million ad and sponsorship revenue per event or at least 25% of rights cost per season, realized CPM of at least \$35, sponsorship sell-through of at least 70%, advertiser renewal of at least 60%, positive five-year ROI, and payback within three years [8][9][10][11].
- Mid-sized recurring weekly rights should scale only if they deliver $_x001E_x0000_x0000_x0000_400,000$ incremental paid subscribers, at least 0.20 percentage points annual churn reduction, ad and sponsorship revenue covering at least 35% of rights cost, realized CPM of at least \$35, sponsorship sell-through of at least 75%, advertiser renewal of at least 70%, five-year ROI above 15%, and payback within three years [8][9][10][11].
- Major premium full-season national rights should not be considered scalable unless they clear at least 1.0 million incremental paid subscribers, at least 0.30 percentage points annual churn reduction, ad and sponsorship revenue covering at least 40% of rights cost, realized CPM of at least \$40, sponsorship sell-through of at least 80%, advertiser renewal of at least 75%, five-year ROI above 20%, and payback within three years [8][9][10][11].
- Pilot and early rights packages should remain materially below premium benchmarks such as Netflix $_x0019_s$ NFL Christmas package at about \$150 million total across 2024 $_x0011_2026$, WWE Raw at about \$500 million per year, and NFL Sunday Ticket at about \$2.0 billion per year, with spend authority rising only one tier at a time rather than leaping directly to premium ecosystems [17][18][19].

A triangulated measurement scorecard and staged decision milestones should govern whether sports becomes a core U.S. pillar:

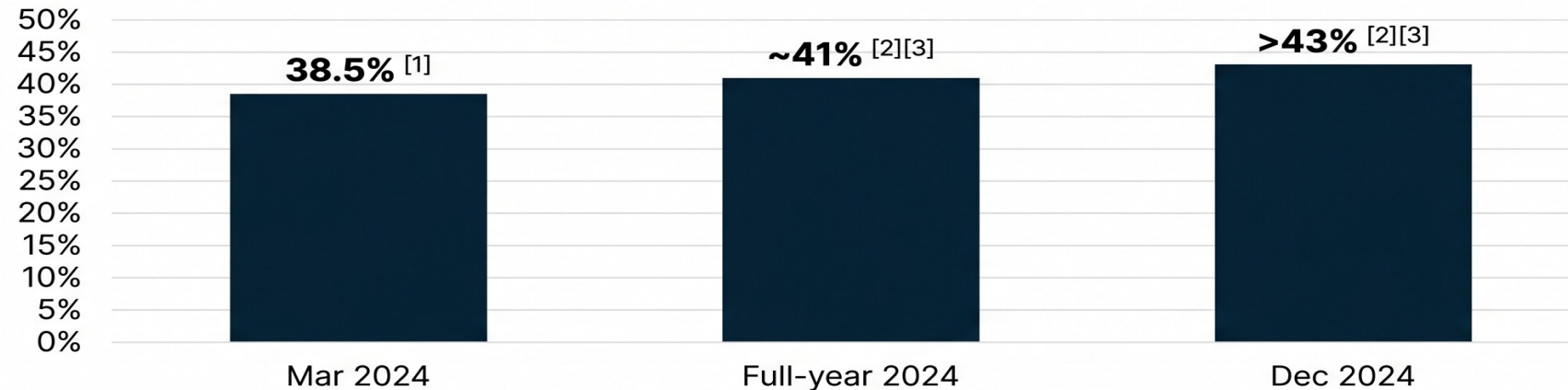
- Acquisition should be measured via a stacked event study using public subscription trackers, search intent, app-interest proxies, and audience scale, anchored on Antenna-reported sign-up spikes such as 1.43 million sign-ups over three days for Jake Paul vs. Mike Tyson and 656,000 sign-ups over December 24 $_x0011_26$ for NFL Christmas, with alternate Ampere-cited estimates of 1.6 million and 700,000 U.S. sign-ups used as non-contradictory cross-checks [2][3][17][24][25].
- Retention should be judged on persistence beyond the first billing cycle and repeated-event decay, using 30-day post-event persistence as the early operating gate and 90-day persistence as the renewal-read gate, because 30 days tests immediate decay while 90 days tests whether the event created durable habit [2][20].
- Ad monetization should be evaluated on verified delivery, cross-screen reach, at least one independent outcome metric such as search or site-visit lift, and advertiser repeat-buy or renewal, using Netflix $_x0019_s$ disclosed measurement stack including Nielsen, VideoAmp, EDO, Lucid, Kantar, Snowflake, InfoSum, and LiveRamp [4][20][21][22][23].
- Management should make three staged decisions $_x0014_post-pilot$, post-first renewal, and post-year-2 portfolio review $_x0014_classifying$ each pilot into scale, tactical hold, renegotiate, or exit based on whether KPI and ROI gates are met and at least two independent external signals agree, with sports treated as a selective growth pillar only if two cycles of evidence show repeatable ROI across more than one pilot mechanism [2][8][12][14][15][20].

1

U.S. Live Sports Rights Strategy

Mid-sized recurring U.S. sports rights are the only tier that credibly moves Netflix's acquisition and retention KPIs within five years under conservative economics.

U.S. TV Viewing Share: Streaming (2024)



38% of U.S. adults follow sports at least somewhat closely [4]

Key demand indicator

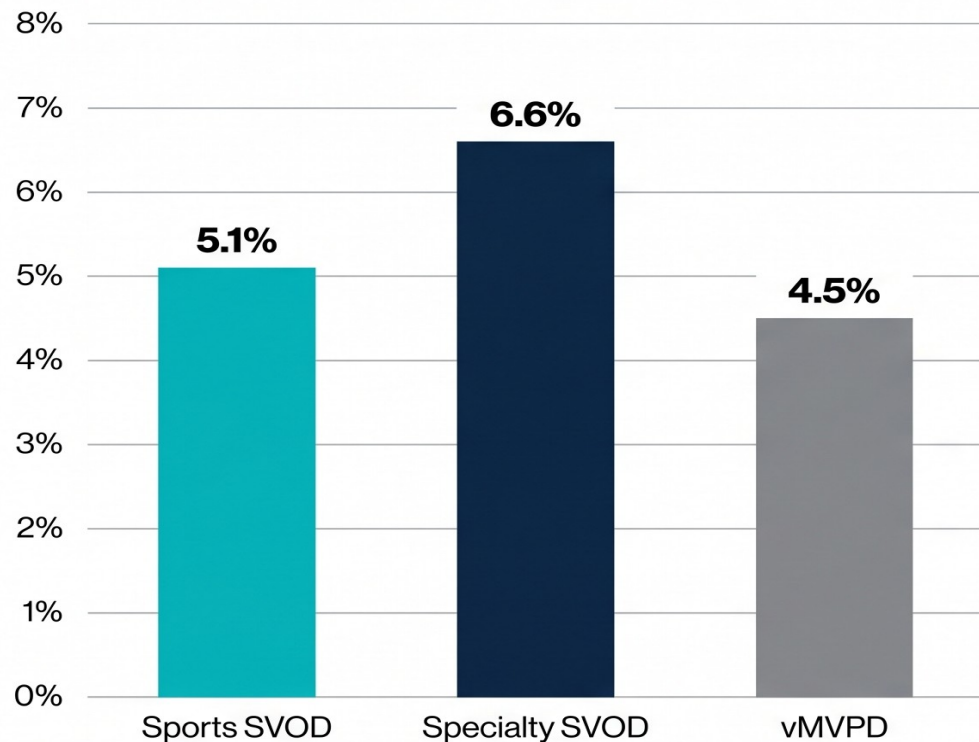
Rights-tier acquisition and cost benchmarks (5-year view)

Rights tier	Conservative 5-year incremental paid adds	Annual churn reduction (ppt)	Public cost benchmark
Small tactical rights	5.2K–380K [5][6][7][8][9][11][12]	0.2–0.8 ppt [17][18][19]	~\$50M (NFL Christmas) [6][8][16]
Mid-sized recurring rights	130K–390K [5][6][7][8][9][11][12]	2.02–5.4 ppt [17][18][19]	~\$500M/year (WWE Raw) [6][8][16]
Major premium rights	980K–2.1M [5][6][7][8][9][11][12]	~1.41 ppt (midpoint of 0.72–2.1 ppt) [17][18][19]	~\$2.0B/year (Sunday Ticket) [6][8][16]

Note: Mid-sized recurring rights sit near a reported \$500 million per year benchmark for WWE Raw, versus about \$2.0 billion annually for NFL Sunday Ticket, making recurring mid-tier rights the most credible acquisition-led category rather than the largest gross-add category [6][8][16].

Recurring weekly sports rights deliver superior churn reduction and lifetime value versus one-off tentpoles, making them the most strategically coherent category to scale first.

CATEGORY CHURN BENCHMARKS



ANNUAL CHURN REDUCTION BY RIGHTS FORMAT

Weekly appointment rights

Annual churn reduction: 2.02–5.4 ppt

Generates 40–52 annual touchpoints

Seasonal packages

Annual churn reduction: 0.72–2.1 ppt

Creates significantly fewer annual touchpoints than weekly rights

One-off events

Annual churn reduction: 0.2–0.8 ppt

Generates only 1–2 annual touchpoints

KEY TAKEAWAY

Weekly appointment rights are the most commercially coherent category to evaluate first based on the assumed budget policy, as they generate significantly more annual touchpoints and deliver superior churn reduction compared to one-off events or seasonal packages.

Netflix's current live sports portfolio validates tentpole and weekly formats, while segment evidence and a 2-3 pilot plan define the path to scaling U.S. rights selectively.

NETFLIX LIVE SPORTS PORTFOLIO PROOF POINTS

Tentpoles

65M Unduplicated U.S. viewers
(NFL Christmas)

U.S. average minute audiences: 24.3M (Ravens–Texans), 24.1M (Chiefs–Steelers)

108M Global live viewers
(Jake Paul vs. Mike Tyson)

~\$50M Annualized cost benchmark
(NFL Christmas)

*NFL audience figures: Lower 24.3M/24.1M are authoritative U.S. Nielsen averages (correct anchor for U.S. KPI); 31.3M/30.0M are global averages.

Weekly appointment

2.6M U.S. households
(WWE Raw debut)

Global debut: 4.9M global views

↑ +116% Launch uplift vs.
2024 U.S. avg (1.2M HH)

>3M Weekly viewers (average)

47 of 52 Weeks in Global Top 10

340M WWE Raw viewing hours (2025)
out of 525M total WWE hours

Upcoming marquee windows

 **MLB Opening Night** (begins 2026)

 **T-Mobile Home Run Derby** (begins 2026)

 **One additional annual special-event game** (begins 2026)

TARGET SEGMENTS & 12-MONTH PILOT PLAN

Weekly mainstream fans

84% watch at least one live event per week; 70% already watch sports via streaming

Casual event viewers

Exclusive tentpoles trigger sharp sign-up bursts (e.g., Peacock NFL Wild Card drove 2.8M sign-ups in 3 days)

Younger ad-tier users

94M global ad-supported MAUs; U.S. ad-tier members spend 41 hours/month; Leading 18–34 audience

Multicultural soccer households

27% U.S. soccer fans; 40% U.S. Hispanics identify as World Cup fans; Hispanic consumers over-index on streaming

Implementation levers

Prioritize weekly appointment or annually recurring exclusive/event rights before full-season premium ecosystems.

Measurement gate

Require property-level readout on incremental paid net adds, 90-day persistence, annual churn delta, and ad sell-through.

Pilot structure & timelines

Run 2–3 small/mid-sized U.S. rights pilots within 12 months.
30 days: Strategy evaluates 8–12 U.S. categories.
3 weeks: Subscriber Analytics builds U.S. cohort scorecard.
2 weeks: Finance translates ranges into 5-year ROI model.

1.1

U.S. Sports Rights Opportunity Assessment for Netflix

U.S. streaming adoption and TV usage are already at mass-market scale, creating a large distribution base for Netflix to test national sports rights.

U.S. HOUSEHOLD & POPULATION BASE

U.S. HOUSEHOLDS:
129,227,496
2020–2024 Census QuickFacts window

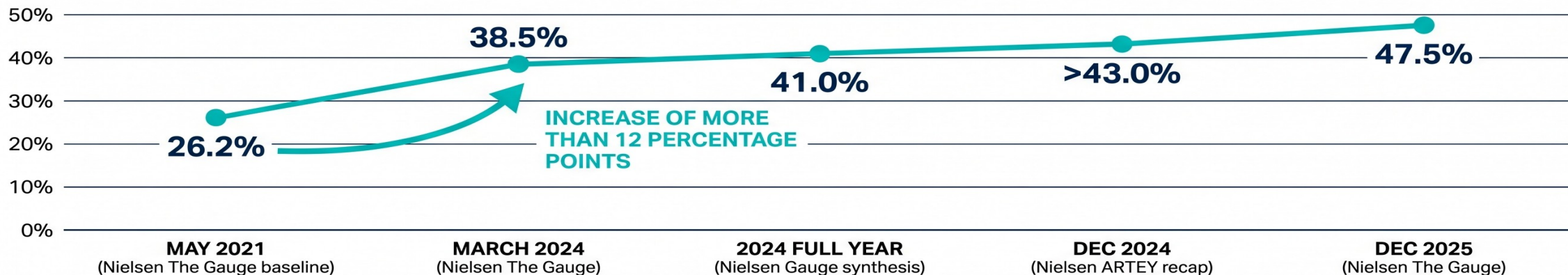
U.S. POPULATION

PEOPLE:
340.1 MILLION
2020–2024 Census QuickFacts window

ADULT POPULATION PROXY

ADULTS:
266,987,126
Used for sports-fandom conversion; Lumiu analysis uses U.S. population and adult-share proxy to convert Pew sports-following percentages into implied adult counts.

STREAMING SHARE OF U.S. TV VIEWING (2021–2025)



IMPLICATION FOR NETFLIX SPORTS DISTRIBUTION



- Streaming is already described as a mass-reach consumption mode rather than a niche channel.



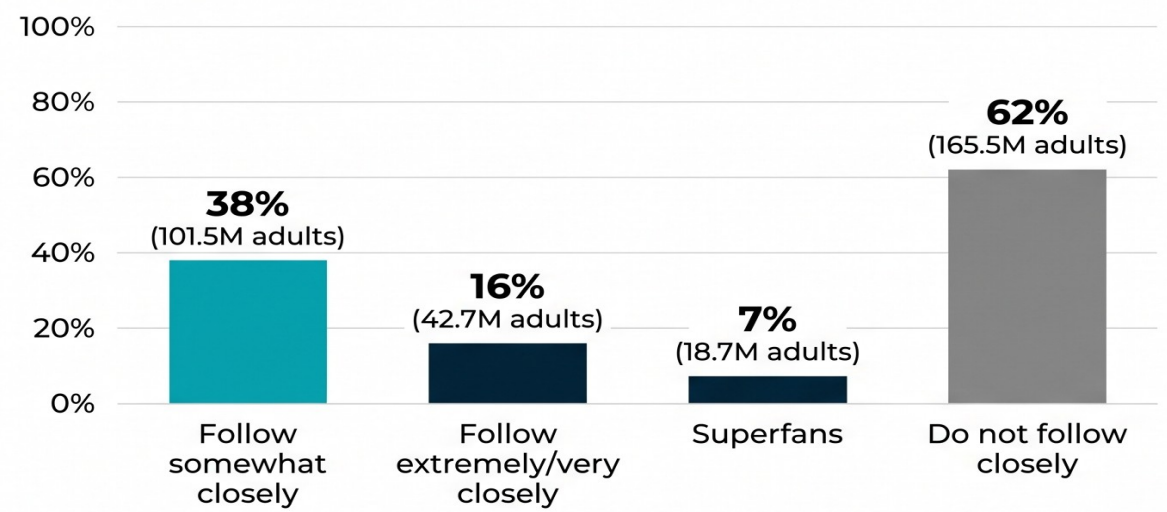
- Any national sports package Netflix acquires would enter a market where streaming is one of the dominant ways Americans consume television, not an emerging behavior requiring category creation.



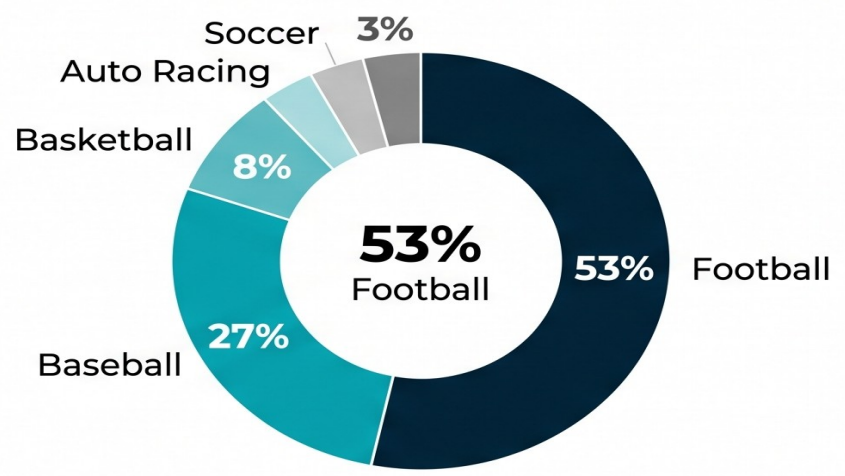
- The addressable base for Netflix sports starts with 129.2 million U.S. households in a streaming environment that now represents roughly 38.5% of TV viewing in March 2024, about 41% across 2024, and more than 43% by December 2024.

Sports fandom and streaming-capable households create a substantial but selective addressable pool for Netflix sports rights, anchored in mid- to high-intensity fans.

SPORTS FANDOM INTENSITY IN THE U.S. ADULT POPULATION



FOOTBALL'S DOMINANCE AS "AMERICA'S SPORT"



STREAMING-EQUIVALENT HOUSEHOLDS & ADDRESSABLE POOL

52,983,273
streaming-equivalent households
(Lumiu analysis proxy)

101.5M
adults following sports at
least somewhat closely

42.7M
high-intensity adults
(follow extremely/very closely)

The realistic capture pool for Netflix sports is the overlap of streaming-capable households and sports-engaged consumers, not the entire U.S. population. The core target includes the 101.5M adults who follow sports at least somewhat closely, with separate measurement and focus on the 42.7M high-intensity cohort.

Sources: [1] U.S. Census Bureau (n.d.). "U.S. Census Bureau QuickFacts: United States". U.S. Census Bureau. <https://www.census.gov/quickfacts/fact/table/US/HSD410224> [4] Pew Research Center (2024). "5 facts about Americans and sports, ahead of NCAA March Madness". Pew Research Center. <https://www.pewresearch.org/short-reads/2024/03/11/5-facts-about-americans-and-sports/> [9] Pew Research Center (2024). "By a wide margin, Americans say football - not baseball - is America's sport". Pew Research Center. <https://www.pewresearch.org/short-reads/2024/02/05/by-a-wide-margin-americans-say-football-not-baseball-is-americas-sport/>

Sports viewing is shifting into a hybrid streaming-linear market, creating a sizable but conversion-driven opportunity for selective Netflix sports rights under disciplined ROI thresholds.

HYBRID SPORTS VIEWING EVIDENCE

METRIC	VALUE	PERIOD	CHANNEL
Cable sports viewing change	+43%	March 2024	Cable TV
Prime Video TNF viewers	14.3M	2024	Streaming (Prime Video)
Peacock exclusive NFL playoff viewers	14.0M	2024	Streaming (Peacock)
Dolphins-Chiefs streaming minutes	3.9B	Jan 13 2024	Streaming (Peacock)
Streaming share of live sports viewing	22%	2024	All Streaming
U.S. digital live-sports viewers	57.5M	2024	All Streaming

PLATFORM & FAN BEHAVIOR INDICATORS



NETFLIX UCAN REVENUE:
 ~ \$20.0B (2025E)
 ~ 44% of company revenue

NETFLIX SPORTS RIGHTS: OPPORTUNITY, RISKS & EXECUTION PARAMETERS

- OPPORTUNITY FRAMING & RISK**

 - The U.S. demand pool is large enough to justify evaluating a sports-led growth strategy, but not large enough to support an undisciplined premium-rights land grab.
 - Sports-streaming demand is large enough to support acquisition and retention experiments, but the market has not yet shifted so fully to streaming that Netflix should assume premium full-season rights will automatically replicate linear-era reach economics.
 - The commercially relevant addressable pool is best framed as a conversion opportunity inside a hybrid market rather than a winner-take-all market share grab.

BUDGET & PAYBACK PARAMETERS

 - budget_policy:** No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow.
 - milestone_payback_threshold:** Positive ROI over 5 years and target payback within 3 years for scaled investments.

RIGHTS FOCUS, MEASUREMENT & NEXT STEPS

 - [Rights focus]:** Prioritize eventized NFL-style windows and recurring mid-tier appointment properties over full-season premium ecosystem bids.
 - [Measurement design]:** Use pilot scorecards that isolate subscriber conversion, 90-day retention/churn delta, live ad CPMs, and sponsorship sell-through by property.
 - [Immediate next steps]:** Strategy/Corp Dev to build a U.S. sports-rights long list and rank within 2 weeks; **Finance** to build rights-tier ROI model within 3 weeks; **Ads & Measurement** to define pilot KPIs and clean-room measurement within 30 days.

Sources: [2] Nielsen (2024). "Nielsen's March 2024 Report of The Gauge Reveals Seasonality in Monthly TV Usage and Greater Shifts in Viewing Behavior Over Time". PR Newswire. <https://www.prnewswire.com/news-releases/niensens-march-2024-report-of-the-gauge-reveals-seasonality-in-monthly-tv-usage-and-greater-shifts-in-viewing-behavior-over-time-302117761.html> [5] California Polytechnic State University (2024). "Sports Broadcasting in 2024: Analyzing The Transition". Digital Commons. <https://digitalcommons.calpoly.edu/cgi/viewcontent.cgi?article=1194&context=joursp> [6] Nielsen (2024). "Tops of 2024: Sports". Nielsen Insights. <https://www.nielsen.com/insights/2024/tops-2024-sports> [10] IDX (2024). "Americans' Streaming Habits According to Nielsen". IDX Newsroom. <https://www.idx.inc/newsroom/americans-streaming-habits-according-to-nielsen> [11] Pew Research Center (2025). "83% of US adults use streaming services, far fewer subscribe to cable or satellite TV". Pew Research Center. <https://www.pewresearch.org/short-reads/2025/07/01/83-of-us-adults-use-streaming-services-far-fewer-subscribe-to-cable-or-satellite-tv> [12] Comcast Advertising (2024). "Behind The Remote: A Deep Dive Into Sports

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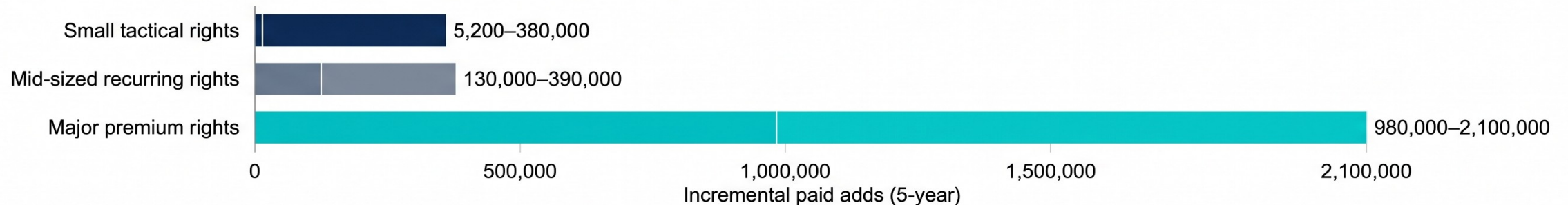
Sports Rights Tiered Acquisition Framework

Recurring exclusive rights offer the most efficient path to repeatable paid acquisition, while small tactical and major premium rights are best treated as tentpole or mixed plays under Netflix's budget and payback constraints.

RIGHTS TIERS: AUDIENCE, COST, AND ACQUISITION CLASSIFICATION

Rights tier / analog	Audience or sign-up signal	Rights cost benchmark	Acquisition classification
Small tactical: Netflix NFL Christmas	65.0M unduplicated U.S. viewers; 26.5M U.S. avg across two games	~\$150M total package 2024–2026	Tentpole-only
Small tactical: Paul vs Tyson	108.0M global AMA; 38.0M U.S. peak concurrent	Not established in factbase	Tentpole-only
Mid-sized recurring: WWE Raw debut	2.6M U.S. households; 4.9M global views	~\$500M per year	Acquisition-led / mixed
Major premium: Peacock exclusive NFL Wild Card	2.8M sign-ups in 3 days; 14.0M viewers	Single-game exclusive economics not directly disclosed here	Acquisition-led but spike-heavy
Major premium: YouTube Sunday Ticket	61% of Sunday Ticket subs from YouTube TV customers; YTTV sign-up share 44% Sep-23, 48% Sep-24	~\$2.0B per year benchmark	Mixed / ecosystem-led

INCREMENTAL PAID-ADD RANGES BY RIGHTS TIER (5-YEAR HORIZON)



ECONOMIC GUARDRAILS AND ANALYTIC ASSUMPTIONS



Analysis uses system-inferred **milestone_payback_threshold**: positive ROI over 5 years and target payback within 3 years for scaled investments; not client-confirmed.

budget_policy: no fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow — client requested no preset cap.



Conclusions about scaling economics depend on the assumed **budget_policy** and **milestone_payback_threshold**.

Major premium rights such as NFL Sunday Ticket carry a roughly **\$2.0B** annual benchmark, making them **tentpole-plus-ecosystem bets** rather than clean acquisition plays for Netflix.

Sources: [1] Antenna (2024). "Peacock's NFL Wild Card Game Experiment". Antenna. <https://www.antenna.live/insights/peacocks-nfl-wild-card-game-experiment> [2] CNN (2024). "Peacock's exclusive NFL playoff game drove 'biggest subscriber acquisition moment ever measured,' analytics firm says". CNN Business. <https://www.cnn.com/2024/01/24/media/peacock-nfl-biggest-subscriber-acquisition-moment-ever-measured> [3] Yahoo Finance (2026). "Peacock churn rate raises questions about sports-focused strategy". Yahoo Finance. <https://finance.yahoo.com/markets/stocks/articles/peacock-churn-rate-raises-questions-120057768.html> [4] WWE (2025). "WWE 'RAW' Wrestles Up 4.9M Global Views for Netflix Debut". WWE Corporate. <https://corporate.wwe.com/about/news/2025/01-09-2025-0> [5] ESPN (2024). "WWE's 'Raw' to stream on Netflix starting in January 2025". ESPN. https://www.espn.com/wwe/story/_/id/39368907/wwe-raw-stream-netflix-starting-january-2025 [6] Netflix (2025). "WWE Raw on Netflix: Everything to Know About The Action-Packed Weekly Live Show". Netflix Tudum. <https://www.netflix.com/tudum/articles/wwe-raw-netflix-release-date-news> [7] Antenna

Small tactical events deliver massive but transient audience spikes, supporting a tentpole-only classification with wide but uncertain acquisition ranges.

KPI SCORECARD

NETFLIX SMALL TACTICAL EVENTS: AUDIENCE SCALE AND SIGN-UP SIGNALS

Jake Paul–Mike Tyson fight:

108 million global live viewers on an average-minute basis
65 million peak concurrent streams globally
38 million peak concurrent streams in the U.S.

Netflix NFL Christmas games:

nearly **65 million** unduplicated U.S. viewers
26.5 million U.S. average across the two games
30.0–31.3 million global AMA per game

Best available proxy: **Netflix daily sign-ups** reached about **73,000** and were up **102%** versus the prior 60-day average around the Christmas NFL window



SPIKE VS. DURABILITY: SEARCH, BUZZ, AND SOCIAL SIGNALS



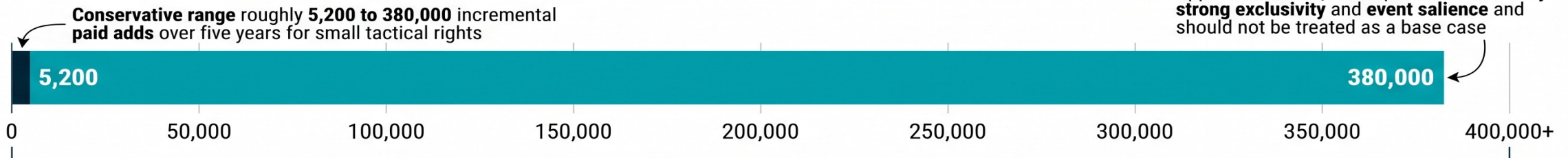
Google's **2024 Year in Search** ranked **Mike Tyson** as the top-trending U.S. athlete and listed **Mike Tyson vs. Jake Paul** as the top sports matchup trend



Netflix reported **more than 1 billion social impressions** for **NFL Christmas**
 Netflix reported **223 million social views** on **WWE Raw's** debut day

Search and buzz data reinforce **spike patterns** rather than **durable conversion** for small tactical events.

ACQUISITION RANGE AND CLASSIFICATION FOR SMALL TACTICAL RIGHTS



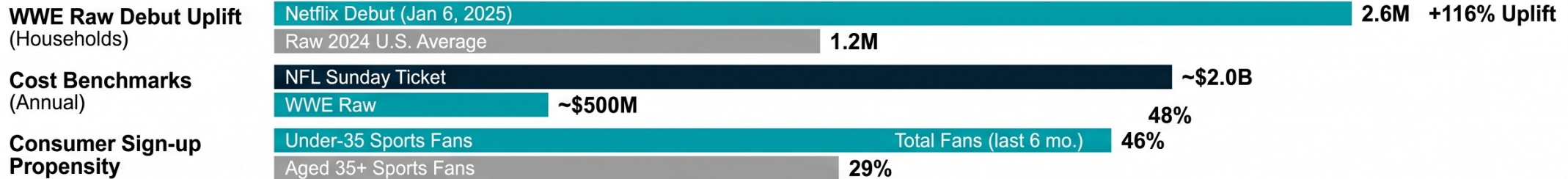
TENTPOLE-ONLY CLASSIFICATION: Useful for brand heat, product proof, and occasional acquisition bursts, but not a repeatable paid-acquisition machine.

Audience scale and subscriber conversion are not the same metric; strongest direct conversion evidence comes from competitors rather than Netflix.

Sources: [1] Antenna (2024). "Peacock's NFL Wild Card Game Experiment". Antenna. <https://www.antenna.live/insights/peacocks-nfl-wild-card-game-experiment> [2] CNN (2024). "Peacock's exclusive NFL playoff game drove 'biggest subscriber acquisition moment ever measured,' analytics firm says". CNN Business. <https://www.cnn.com/2024/01/24/media/peacock-nfl-biggest-subscriber-acquisition-moment-ever-measured> [4] WWE (2025). "WWE 'RAW' Wrestles Up 4.9M Global Views for Netflix Debut". WWE Corporate. <https://corporate.wwe.com/about/news/2025/01-09-2025-0> [9] Netflix (2024). "Netflix and Most Valuable Promotions' Jake Paul vs Mike Tyson Mega-Event Makes History With Over 108 Million Live Global Viewers". About Netflix. <https://about.netflix.com/news/jake-paul-vs-mike-tyson-over-108-million-live-global-viewers> [10] Variety (2024). "Jake Paul, Mike Tyson Fight Card Draws 108 Million Viewers Globally". Variety. <https://variety.com/2024/tv/news/jake-paul-mike-tyson-108-million-viewers-netflix-1236214497> [11] NFL (2024). "Netflix NFL Christmas Gameday reaches 65 million U.S. viewers". NFL.com. <https://www.nfl.com/news/netflix-nfl-christmas-gameday-reaches-65-million-u-s-viewers> [12]

Mid-sized recurring exclusive rights like WWE Raw are the strongest candidates for acquisition-led pilots, but scaling requires disciplined measurement, guardrails, and a focused execution plan.

WHY MID-SIZED RECURRING RIGHTS ARE MOST ATTRACTIVE



Raw is a weekly live property with **52 weeks** of appointment viewing. Netflix is the exclusive home of Raw in the U.S., Canada, U.K., Australia, and Latin America. Lumiu analysis supports a conservative five-year incremental paid-add range of roughly **130,000 to 390,000** for mid-sized recurring rights.

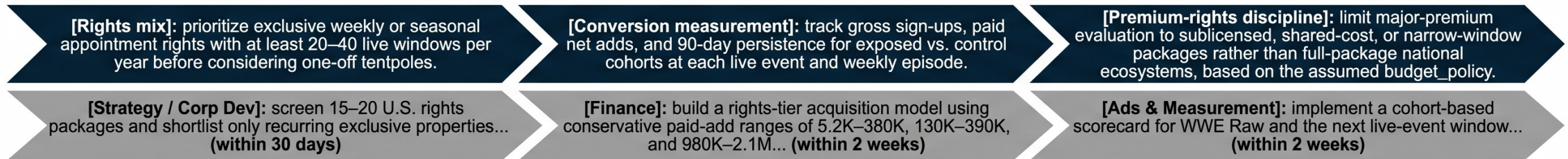
PRACTICAL RANKING



RECOMMENDED NEXT STEPS

- **Strategy and Finance teams** to evaluate 2–3 mid-sized recurring exclusive rights in the **next 30 days**, subject to confirming Netflix-specific conversion from live viewers to paid U.S. subscribers
- **Ads and Measurement teams** to build a 90-day cohort framework for WWE Raw and the next live-event window **within 2 weeks**, subject to confirming access to subscriber cohort and exposure data
- **Corp Dev** to screen premium-rights opportunities only where sublicensing, shared-cost structures, or narrow exclusive windows reduce annual exposure below full-package benchmarks **within 45 days**, subject to confirming package pricing and exclusivity terms

TACTICAL EXECUTION PLAN AND MODELING PARAMETERS



Key assumption: small tactical incremental paid adds **5,200–380,000** over five years.
Key assumption: mid-sized recurring incremental paid adds **130,000–390,000** over five years.
Key assumption: major premium incremental paid adds **980,000–2,100,000** over five years.

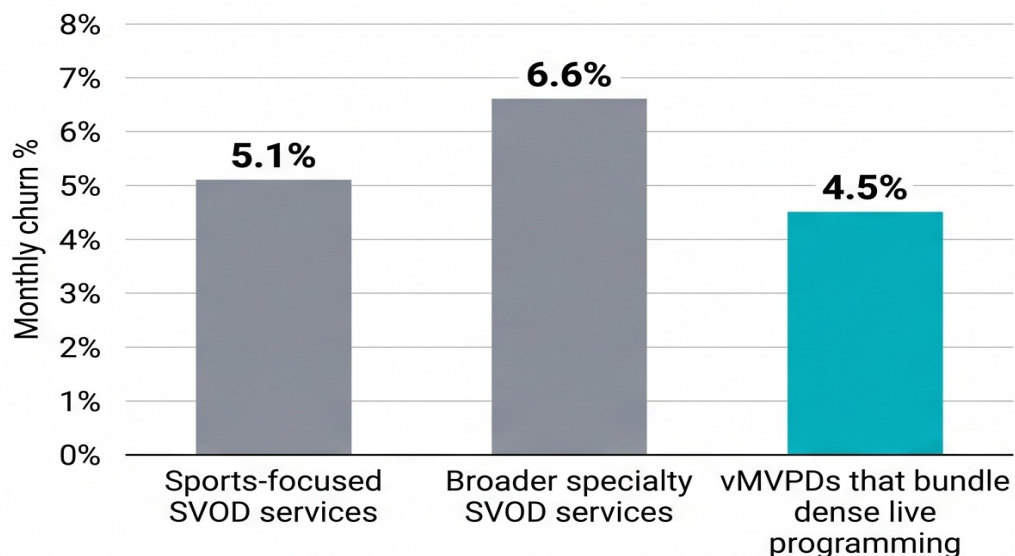
Sources: [1] Antenna (2024). "Peacock's NFL Wild Card Game Experiment". Antenna. <https://www.antenna.live/insights/peacocks-nfl-wild-card-game-experiment> [2] CNN (2024). "Peacock's exclusive NFL playoff game drove 'biggest subscriber acquisition moment ever measured,' analytics firm says". CNN Business. <https://www.cnn.com/2024/01/24/media/peacock-nfl-biggest-subscriber-acquisition-moment-ever-measured> [4] WWE (2025). "WWE 'RAW' Wrestles Up 4.9M Global Views for Netflix Debut". WWE Corporate. <https://corporate.wwe.com/about/news/2025/01-09-2025-0> [5] ESPN (2024). "WWE's 'Raw' to stream on Netflix starting in January 2025". ESPN. https://www.espn.com/wwe/story/_/id/39368907/wwe-raw-stream-netflix-starting-january-2025 [6] Netflix (2025). "WWE Raw on Netflix: Everything to Know About The Action-Packed Weekly Live Show". Netflix Tudum. <https://www.netflix.com/tudum/articles/wwe-raw-netflix-release-date-news> [7] Antenna (2024). "Antenna's 2024 Top Subscription Insights: The NFL and Streaming Video". Antenna. <https://www.antenna.live/insights/antennas-2024-top-subscription-insights-the-nfl-and-streaming-video> [8] CNBC (2022). "NFL

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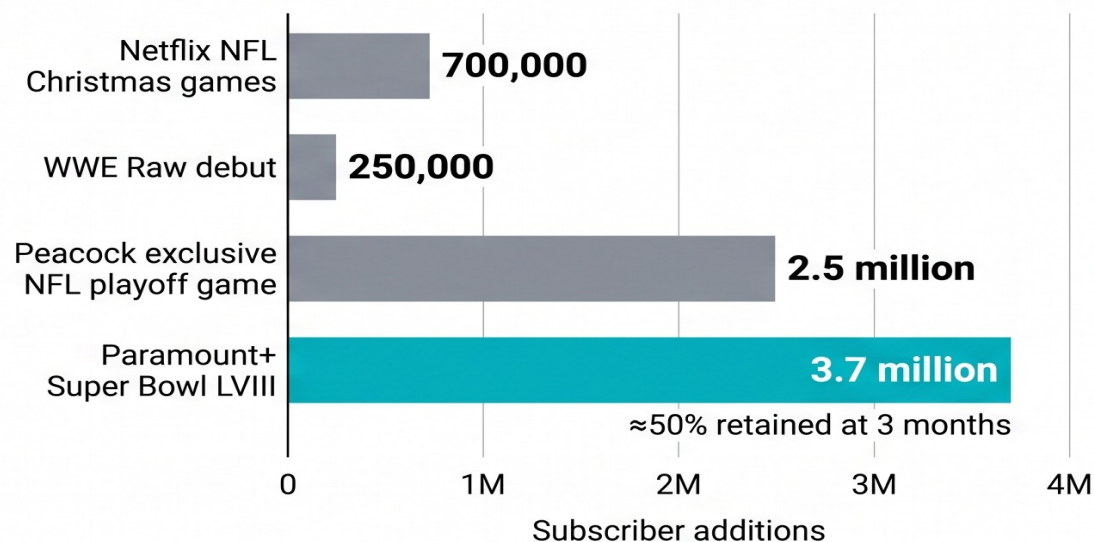
Rights Formats for Churn Reduction

Weekly appointment sports rights are the only format with evidence of materially improving Netflix's U.S. subscriber lifetime value on retention alone.

PUBLIC ANALOG CHURN BENCHMARKS BY SERVICE TYPE



EVENT-LED SIGN-UP SPIKES VS. RETENTION PERSISTENCE



ESTIMATED CONSERVATIVE ANNUAL CHURN REDUCTION BY RIGHTS FORMAT



Analysis uses system-inferred milestone_payback_threshold and assumed budget_policy; implications for scale decisions should be interpreted accordingly

Sources: [1] Antenna (2025). "Antenna Q3'25 State of Subscriptions Report: Specialty SVOD". Antenna Insights. <https://www.antenna.live/insights/antenna-q325-state-of-subscriptions-report-specialty-svod> [2] StreamTV Insider (2024). "Live sports drive subs, retention but there's bigger opportunity on the table". StreamTV Insider. <https://www.streamtvinsider.com/video/live-sports-drive-subs-retention-theres-bigger-opportunity-table> [3] WWE (2012). "Raw expands to three hours starting July 23". WWE. <https://www.wwe.com/shows/raw/raw-expands-to-three-hours> [4] NFL Football Operations (2025). "Creating the NFL Schedule". NFL Football Operations. <https://operations.nfl.com/gameday/nfl-schedule/creating-the-nfl-schedule> [5] CivicScience (2024). "Sports Streaming Subscriptions on the Rise - Will It Last?". CivicScience. <https://civicscience.com/sports-streaming-subscriptions> [budget_policy] budget_policy: No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow - Client asked not to assume a fixed budget and to benchmark against company financials using conservative thresholds. [milestone_payback_threshold] milestone_payback_threshold:

Weekly appointment programming like WWE Raw creates year-round cancellation friction and delivers the only clearly material churn reduction tier.

WWE RAW ON NETFLIX – WEEKLY APPOINTMENT PROOF POINT

47
of 52 weeks in Global Top 10

>3M
average weekly viewers

340M
viewing hours in first year

50+
annual retention touchpoints

CHURN ANALOGS AND WEEKLY RIGHTS IMPACT

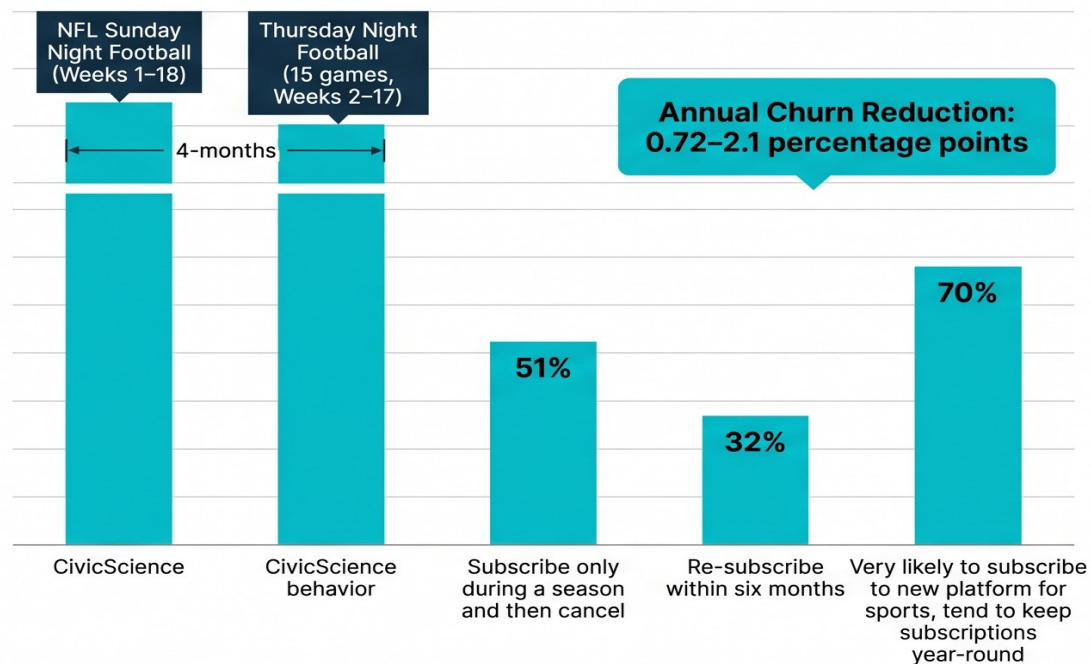
Rights Type	Current Churn % / Implication	Note
Sports SVOD vs Specialty SVOD	5.1% vs 6.6%	Sports SVOD lower churn
vMVPD	4.5%	Consistent with dense recurring live programming
Weekly appointment rights	2.02–5.4 ppt annual churn reduction	Only clearly material tier before ad/acquisition upside

RIGHTS FORMAT COMPARISON BY CADENCE AND SEASON LENGTH

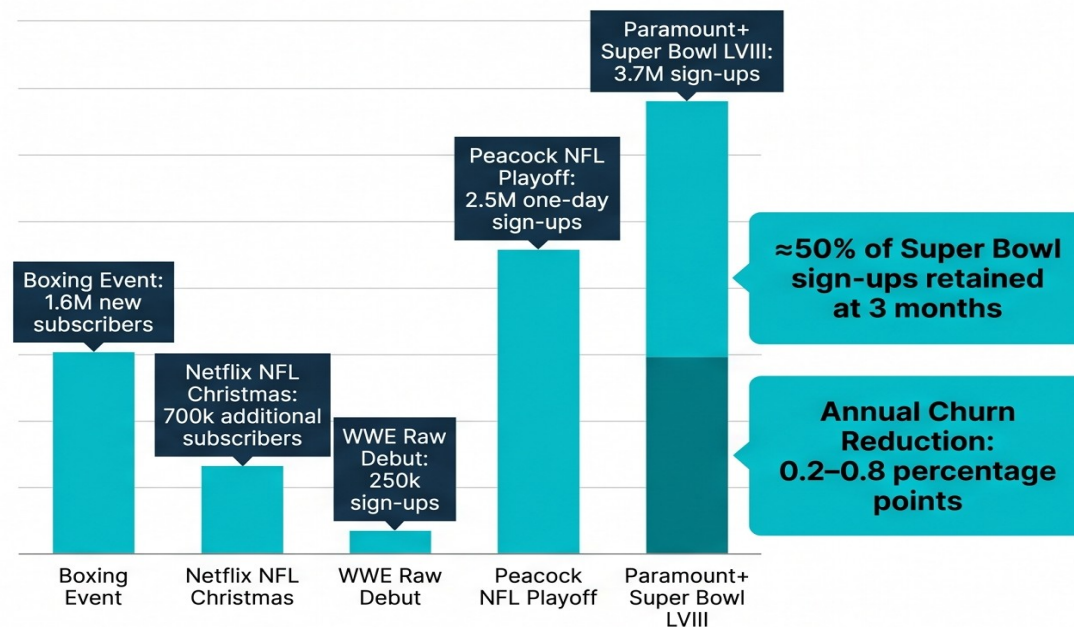
Rights format	Illustrative cadence & season length	Conservative annual churn reduction (ppt)
One-off event / tentpole	1–2 events; 1 day to 1 week	0.20–0.80 ppt
Seasonal package	Weekly during season; ~18 weeks for NFL-style package	0.72–2.10 ppt
Weekly appointment programming	Weekly recurring; ~52 weeks for WWE Raw-style cadence	2.02–5.40 ppt

Seasonal packages and one-off tentpoles provide moderate, time-bounded churn reduction and require portfolio support to mitigate post-season and post-event cancellation risk.

SEASONAL PACKAGE RETENTION DYNAMICS



ONE-OFF TENTPOLES: ACQUISITION SPIKES, WEAK PERSISTENCE



TACTICAL EXECUTION PARAMETERS FOR RIGHTS FORMATS



[Rights format priority]: Favor weekly appointment properties with 40+ annual touchpoints over one-off tentpoles when the objective is churn reduction rather than acquisition.



[Calendar design]: Pair any seasonal package with adjacent shoulder content or a second in-season/off-season property to reduce post-season cancellation risk.



[Measurement window]: Track retention at 30, 90, 180, and 365 days for sports-acquired and sports-engaged cohorts versus matched non-sports cohorts.

- CivicScience figures describe a bifurcated audience of seasonal samplers and more committed sports households rather than a single homogeneous cohort.
- Any recommendation about scaling rights as a core strategy should be framed based on the assumed milestone_payback_threshold and based on the assumed budget_policy.

1.4

Sports Rights Portfolio by Audience Segment









Four priority segments - weekly mainstream fans, casual event viewers, younger ad-tier users, and multicultural soccer households - offer distinct but complementary upside for a selective sports-rights portfolio, subject to pilot-based validation and budget constraints.

SEGMENT-SPECIFIC UPSIDE & SCALE SIGNALS

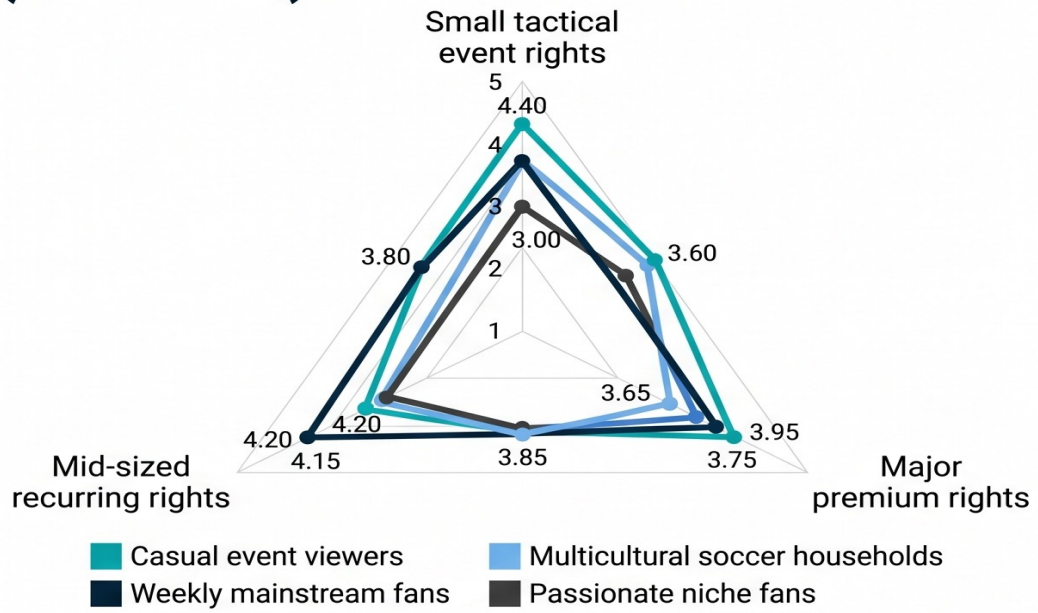
WEEKLY MAINSTREAM FANS	CASUAL EVENT VIEWERS	YOUNGER AD-TIER USERS	MULTICULTURAL SOCCER HOUSEHOLDS	COMCAST ACQUISITION SIGNAL
84% watch ≥1 live event per week	14.3M Prime Video TNF viewers	>94M Global MAUs ad-tier (globally)	27% Americans identifying as soccer fans	46% fans signing up for specific sport/event in last 6 months
70% streaming users	14.0M Peacock exclusive NFL playoff game viewers	41 Hours/month (US ad-tier)	40% US Hispanics World Cup fans	>101M US adults following sports somewhat/closely
40% exclusive streaming only	24.2M Netflix Christmas Day NFL game viewers	LARGER Netflix 18-34 audience than any US network	39% more likely Hispanics vs. general pop as avid MLS fans	~42.7M US adults following sports very/extremely closely

PORTFOLIO DESIGN & ASSUMPTIONS

-  Explore rights mix tilted toward eventized tentpoles and recurring mid-tier packages over major premium ecosystems.
-  **assumption – budget_policy:** No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow.
-  **assumption – milestone_payback_threshold:** Positive ROI over 5 years and target payback within 3 years for scaled investments.
-  **assumption – pilot_count:** 2-3 pilots within 12 months to frame immediate execution.
-  NFL/NBA data stronger on age, gender, income than race/ethnicity cross-tabs; soccer has stronger multicultural signals but less household-income detail.
-  Ad-tier penetration directionally consistent with rapid scaling, at **34%** of U.S. households in 2024 and **45%** in 2025.

Weekly mainstream fans and casual event viewers lead on retention and acquisition respectively, with quantified segment-fit scores guiding rights-type prioritization.

SEGMENT FIT SCORES BY RIGHTS TYPE (1-5 SCALE)



Segment	Small tactical event rights	Mid-sized recurring rights	Major premium rights
Casual event viewers	4.40	3.60	3.95
Weekly mainstream fans	3.80	4.20	4.15
Younger ad-tier users	4.20	3.80	3.85
Multicultural soccer households	3.80	3.85	3.75
Passionate niche fans	3.00	3.65	3.35

RETENTION & ACQUISITION EVIDENCE FOR TOP SEGMENTS

Weekly mainstream fans

- **84%** of sports viewers watch at least one live sport per week
- **70%** watch sports via streaming
- **40%** watch sports exclusively on streaming
- **30%** use both streaming and linear TV

Sports-following scale

- **38%** of U.S. adults follow sports at least somewhat closely (~**101.5 million** adults)
- **16%** follow very or extremely closely (~**42.7 million** adults)

Comcast Advertising

- **46%** of fans signed up for a service in the prior six months to watch a specific sport or event, supporting both acquisition and retention potential

Casual event viewers

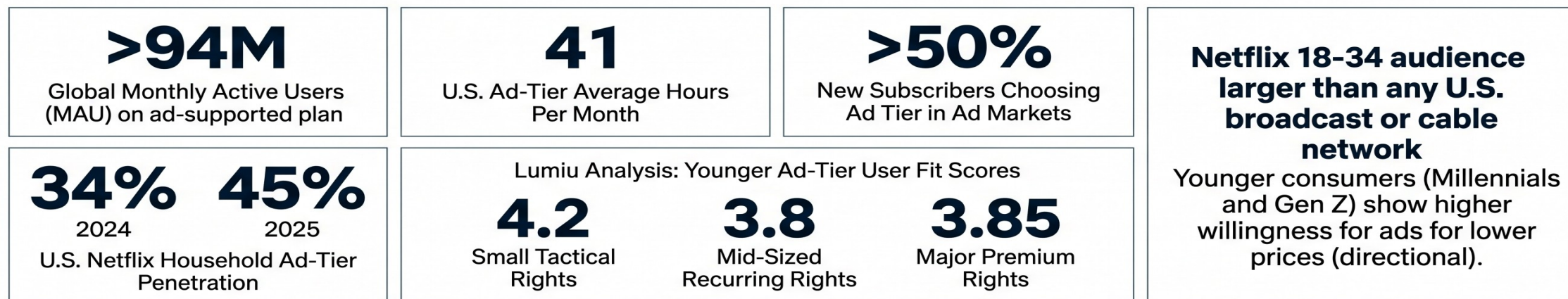
- **Jake Paul vs. Mike Tyson** drove about **800,000** Netflix sign-ups
- **Canelo vs. Crawford** drove about **238,000** sign-ups, illustrating sharp but episodic subscription bursts

Sources: [1] The Current (2025). "70% of U.S. sports viewers watch via streaming". The Current. <https://www.thecurrent.com/marketing/readout-70-us-viewers-sports-streaming> [3] Nielsen (2024). "Tops of 2024: Sports". Nielsen Insights. <https://www.nielsen.com/insights/2024/tops-2024-sports> [4] Marketing Brew (2025). "Sports helps boost streamer sign-ups, but subscribers don't always stick around: Report". Marketing Brew. <https://www.marketingbrew.com/stories/2025/12/15/sports-programming-streaming-retention-report> [5] Netflix (2025). "Netflix Upfront 2025: The Center of Attention". About Netflix. <https://about.netflix.com/news/netflix-upfront-2025-the-center-of-attention> [6] Nielsen (2025). "Nielsen reveals exclusive new data and insights in annual "Tops of Sports" report". Nielsen News Center. <https://www.nielsen.com/news-center/2025/nielsen-reveals-exclusive-new-data-and-insights-in-annual-tops-of-sports-report> [7] Nielsen (2025). "Engaging U.S. soccer fans ahead of FIFA World Cup 2026™". Nielsen Insights. <https://www.nielsen.com/insights/2025/world-cup-2026> [8] Nielsen (2025). "Hispanic Consumers Overindex on Streaming Consumption Versus Rest of U.S.". New Nielsen Report

Younger ad-tier users and multicultural soccer households are especially monetizable, but scaling rights beyond 2-3 pilots requires disciplined measurement and assumption-aware governance.







kpi_scorecard




AD-TIER & YOUNGER SEGMENT MONETIZATION SIGNALS






text_with_icons

MULTICULTURAL SOCCER & EXECUTIONAL GUARDRAILS

-  **27%** of Americans identify as soccer fans.
-  **40%** of U.S. Hispanics identify as World Cup fans.
-  Hispanic consumers are **39%** more likely than the general population to be avid **MLS** fans.
-  **70%** of Hispanic World Cup fans plan to engage on social media and **World Cup mobile apps**.
-  Hispanic World Cup fans are more than two times as likely as the total U.S. population to have purchased **MLS** or team gear in the past 12 months.
-  For Soccer's Q4 2023 bilingual survey of **2,040** U.S. soccer fans supports the existence of a bilingual, ethnically diverse soccer audience.

-  **Measurement design:** track each pilot by incremental net paid subscribers, 90-day retention/churn delta, ad-tier mix, live-view CPMs, and sponsorship sell-through by segment cohort.
-  **Immediate next steps:** build a U.S. segment-rights scorecard for the top 10 candidate properties and force-rank each against the five target segments, subject to confirming current audience-composition data.
-  **Immediate next steps:** instrument cohort measurement for sports viewers versus matched non-sports controls, including sign-up source, plan selection, 30/90-day retention, and downgrade behavior, subject to confirming data availability.

-  **Immediate next steps:** package two live-sports pilot sponsorship offers aimed at 18-34 ad-tier users and multicultural soccer households, including guaranteed impression ranges and brand-lift measurement, subject to confirming pilot inventory volumes.
-  **Risk nuance:** eventized sports clearly drive sign-ups, but trade reporting warns that sports-led subscribers do not always stick around, so casual-event cohorts should not be treated as durable retention cohorts without post-event measurement.
-  **Assumption dependency:** conclusions about prioritizing younger ad-tier users and multicultural soccer households for scaled rights investment depend on the assumed **budget_policy**, **milestone_payback_threshold**, and **pilot_count**, which are system-inferred and not client-confirmed.

1.5

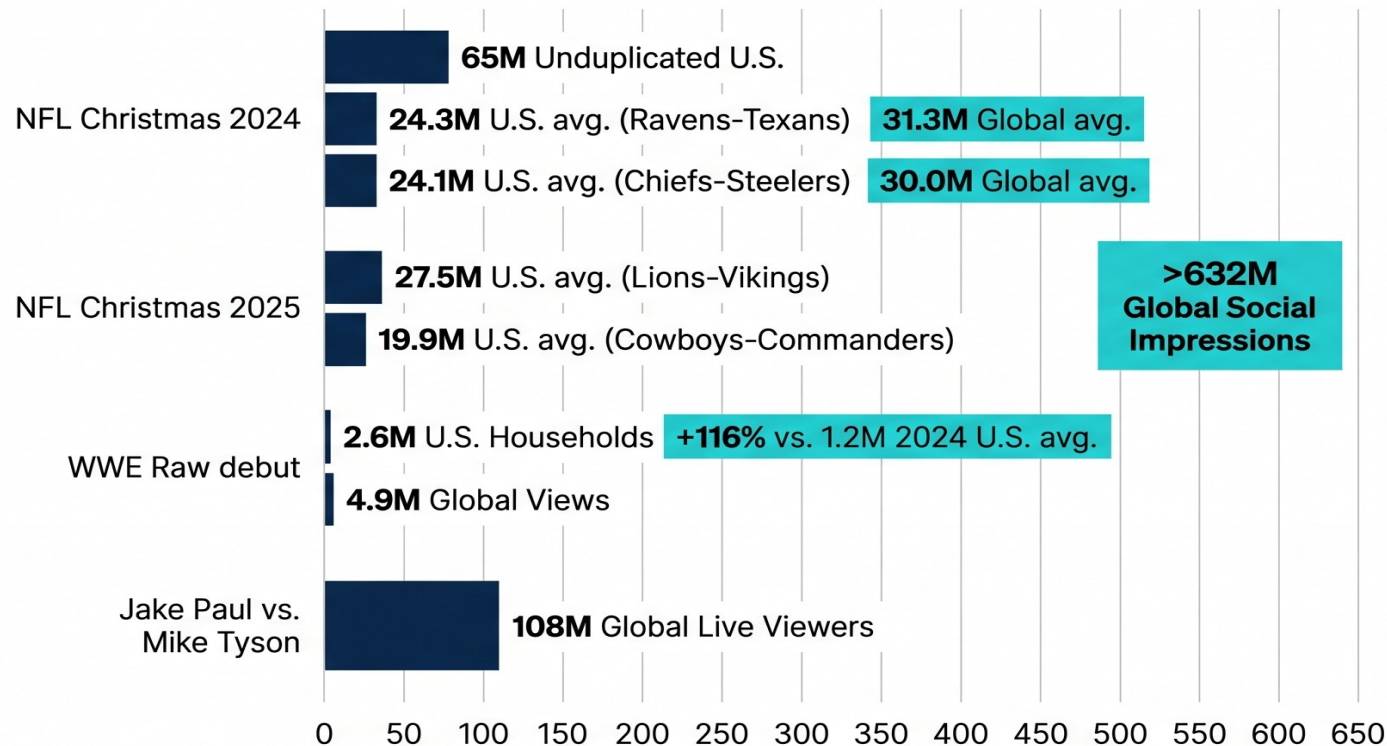
Netflix Sports Rights Scaling Assessment



Netflix's current sports portfolio proves repeatable tentpole reach and advertiser demand, but not yet a full-scale sports rights thesis tied to durable subscriber economics.

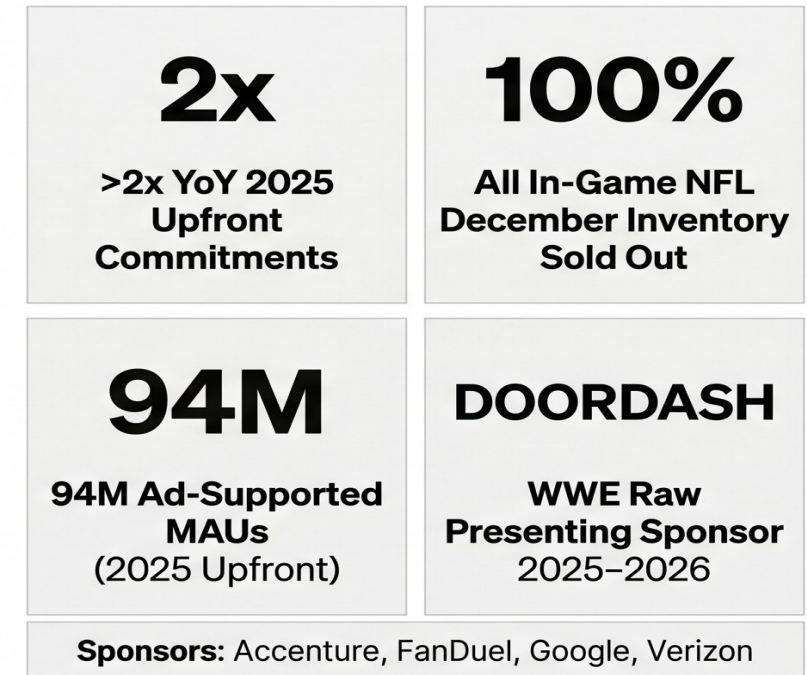
CURRENT U.S.-RELEVANT SPORTS PORTFOLIO PERFORMANCE

Event Reach (Viewers/Households)



ADVERTISER RESPONSE AND AD-TIER SCALE

KPI scorecard



Note: Secondary reporting cites 190M or 250M viewers for ad tier (2025-2026)




KEY TAKEAWAY: These metrics prove tentpole reach and ad demand but not yet durable subscriber conversion.

WWE Raw and the MLB package demonstrate Netflix's shift toward recurring appointment windows, supporting selective scaling while avoiding full-season premium ecosystems.

KEY SPORTS PROPERTIES AND CADENCE

PROPERTY	CADENCE/RECURRENCE	KEY AUDIENCE METRIC(S)	STRATEGIC IMPLICATION
NFL Christmas 2024	Annual holiday tentpole	65.0M unduplicated U.S. viewers; 24.3M/24.1M U.S. averages per game	Massive reach and ad demand but episodic
NFL Christmas 2025	Annual holiday tentpole	27.5M U.S. average for Lions-Vikings; 19.9M for Cowboys-Commanders	Repeatable holiday event strength
WWE Raw: Netflix debut	Weekly, 52-week live property	2.6M U.S. households; 4.9M global views; +116% vs 2024 U.S. average of 1.2M households	Best proof of recurring habit potential
MLB Opening Night / Derby / special game	Annual multi-event slate from 2026	3 marquee MLB events announced	Supports selective event portfolio logic
Jake Paul vs. Mike Tyson	One-off event	108.0M global live viewers	Spectacle reach, not recurring habit

MLB RIGHTS STRATEGY AND AVOIDANCE OF FULL-SEASON PREMIUM ECOSYSTEMS

-  **MLB on Netflix (Tudum):** from 2026 through 2028, one Opening Night game each season, the T-Mobile Home Run Derby, and one additional annual special-event game (Field of Dreams in 2026)
-  **Sports Video Group:** arrangement reported as a three-year term; Netflix to carry all 47 World Baseball Classic games in Japan starting in 2026, produced with MLB Network in partnership with Netflix
-  Strategy is a curated marquee-event approach with predictable annual cadence, not a full-season rights strategy

AVOIDING PREMIUM ECOSYSTEM COST

\$2.0B per year
NFL Sunday Ticket

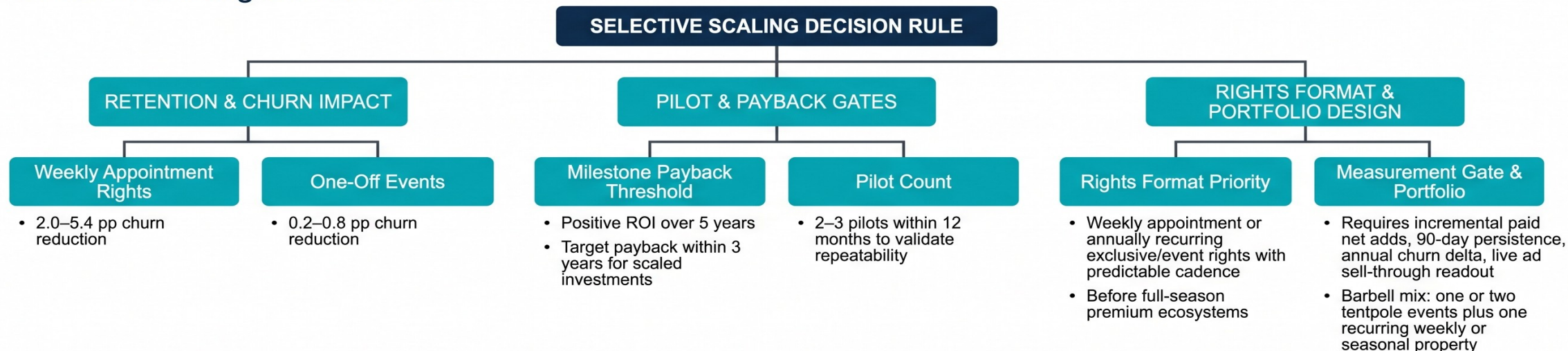
Netflix appears to be avoiding the cost structure of full national ecosystems, pursuing marquee windows instead of full-season rights.

Competitor benchmarks and internal assumptions indicate Netflix should scale sports selectively via weekly and marquee rights, gated by measured subscriber and ROI outcomes.

Competitor Acquisition and Spend Benchmarks



Selective Scaling Decision Rule



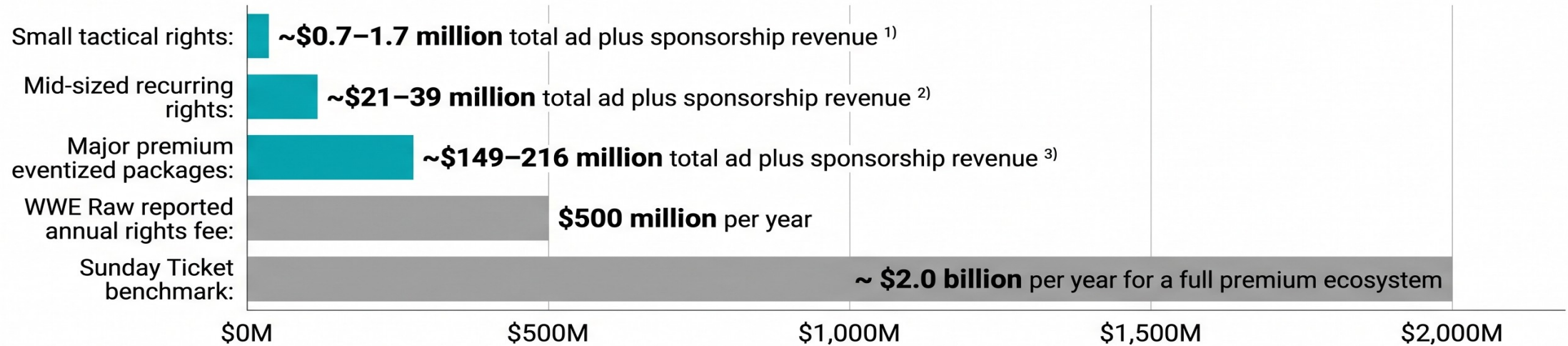
Sources: [16] Antenna (2025). "Antenna Q3'25 State of Subscriptions Report: Specialty SVOD". Antenna Insights. <https://www.antenna.live/insights/antenna-q325-state-of-subscriptions-report-specialty-svod> [17] Antenna (2024). "Antenna's 2024 Top Subscription Insights: The NFL and Streaming Video". Antenna. <https://www.antenna.live/insights/antennas-2024-top-subscription-insights-the-nfl-and-streaming-video> [19] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". CNBC. <https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html> [21] CNN (2024). "Peacock's exclusive NFL playoff game drove 'biggest subscriber acquisition moment ever measured,' analytics firm says". CNN Business. <https://www.cnn.com/2024/01/24/media/peacock-nfl-biggest-subscriber-acquisition-moment-ever-measured> [22] Front Office Sports (2024). "Peacock's Subscriber Surge Driven by Sports: NFL Plays Key Role". Front Office Sports. <https://frontofficesports.com/peacocks-subscriber-surge-driven-by-sports-nfl-streaming-plays-key-role> [23] Antenna (2024). "Antenna's 2024 Top Subscription Insights: The NFL and Streaming Video". Antenna. <https://www.antenna.live/insights/antennas-2024-top-subscription-insights-the-nfl-and-streaming-video>

2

Netflix Live Sports Monetization Framework

Selective U.S. live-sports rights can generate meaningful but bounded ad-and-sponsorship revenue, supporting eventized and mid-sized packages rather than broad premium ecosystems.

MODELED MONETIZATION BY RIGHTS TIER



DECISION RULE & ASSUMPTIONS

- **Netflix** lacks enough publicly evidenced operational measurement proof to assume repeatable premium live-sports pricing and renewal at scale, so expansion should remain focused on sponsorship-led and eventized rights until those gaps close.
- This analysis uses system-inferred **milestone_payback_threshold** which has not been confirmed by the client; any conclusion about scaling only after repeatable monetization proof is based on the assumed **milestone_payback_threshold**.
- This analysis uses client-assumed **budget_policy**; any conclusion favoring selective rights over broad accumulation is based on the assumed **budget_policy**.
- **budget_policy**: No fixed budget; use conservative spend thresholds benchmarked to **Netflix** revenue and free cash flow — Client-assumed capital framing used to interpret whether selective rights or broad premium accumulation is commercially prudent.
- **milestone_payback_threshold**: Positive ROI over 5 years and target payback within 3 years for scaled investments — System-inferred pilot-to-scale gate used to interpret whether repeatable ad monetization proof is sufficient for expansion.
- **pilot_count**: **2–3 pilots** within 12 months — System-inferred sequencing assumption used to translate conditional findings into an execution path.

Tentpole NFL-style events, women's-sports tentpoles, and weekly WWE-style programming offer the strongest U.S. live-sports monetization upside given Netflix's current CPMs and sponsorship demand.

NETFLIX LIVE-SPORTS PRICING & PERFORMANCE BENCHMARKS

CPM BENCHMARKS
(2024)

\$37.02

NETFLIX AVERAGE CPM

\$25.68

STREAMING AVERAGE CPM

▲ +44%

>\$50

PEACOCK PREMIUM LIVE SPORTS

▲ +95% vs AVG

NFL CHRISTMAS
MONETIZATION
INDICATORS

SOLD OUT

ALL IN-GAME INVENTORY ✓

>\$5M ↑

AD PACKAGES

>\$800k

30-SECOND IN-GAME
UNITS

+66%

MORE EFFECTIVE
THAN TV

- +84% vs. other games (Entertainment)
- +70% vs. other games (Pharma)

WOMEN'S SPORTS &
WWE INDICATORS

19M

AVG VIEWERS
(2024 NCAA WOMEN'S FINAL)

24M

PEAK VIEWERS

44%

MORE LIKELY TO BUY
(WOMEN'S FANS)

WWE RAW TITLE SPONSORSHIPS SOLD OUT

Snickers, Minute Maid, Cricket Wireless, Wingstop, and TurboTax

RELATIVE MONETIZATION ATTRACTIVENESS BY SPORTS FORMAT

Rank 1: Tentpole NFL / mega-events

Scarce national reach, strongest brand demand, premium sponsorship packaging.

Rank 2: Women's-sports tentpoles / premium windows

Fast audience growth, strong purchase propensity, underpriced sponsorship upside.

Rank 3: Weekly appointment WWE / wrestling

52-week cadence, integration-friendly inventory, strong sponsor assets.

Rank 4: Boxing / combat eventized

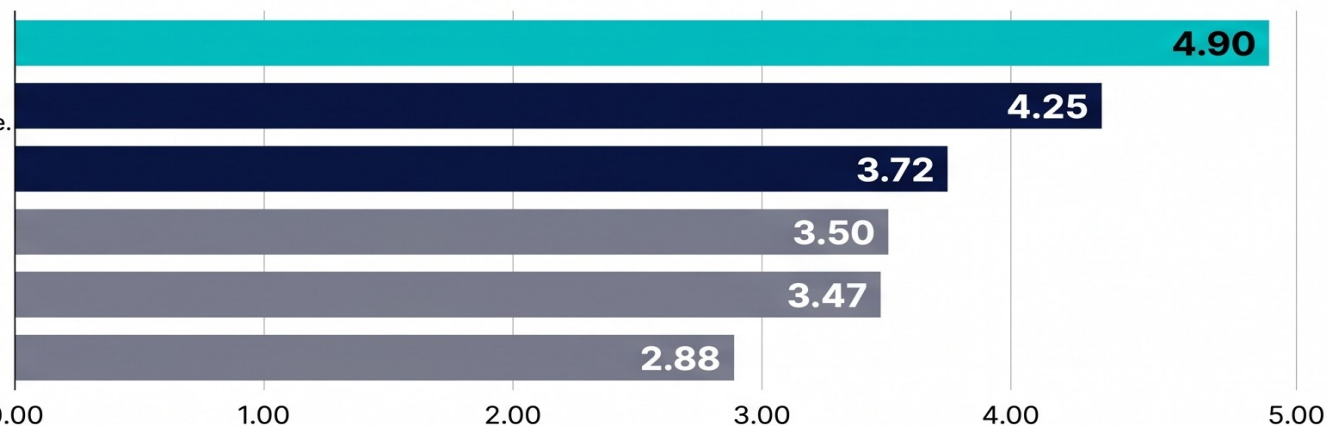
Big-event attention and sponsor visibility, but narrower brand pool.

Rank 5: Conference packages / college weekly

Loyal audiences, but fragmented national pricing.

Rank 6: Niche leagues / smaller recurring rights

Targetable sponsors, but limited scale and weaker CPM ceiling.



Source: Lumiu analysis based on Netflix, Nielsen, SportsPro, Adwave, Sportcal, and related public benchmarks.

Sources: [1] Adwave (2025). "What Is the Average TV Ad CPM by Platform? [Q3 2025]". Adwave. <https://adwave.com/resources/tv-advertising-cpm-by-platform> [2] Adwave (2026). "Peacock TV Advertising for SMBs (2026)". Adwave. <https://adwave.com/resources/peacock> [3] SportsPro (2024). "Netflix offers Christmas Day NFL advertising packages for US\$5m". SportsPro. <https://www.sportspro.com/news/netflix-christmas-day-advertising-packages> [4] Adweek (2024). "Inside Netflix's Pitch to Advertisers for NFL Christmas Games". Adweek. <https://www.adweek.com/convergent-tv/netflix-pitch-to-advertisers-nfl-christmas-games> [5] MediaPost (2024). "Netflix Xmas NFL Games Projected To Earn \$185M In Ad Revenue: Analyst". MediaPost. <https://www.mediapost.com/publications/article/396060/netflix-xmas-nfl-games-projected-to-earn-185m-in.html> [6] SportsPro (2025). "NFL's streaming-exclusive broadcasts 66% more effective for advertisers". SportsPro. <https://www.sportspro.com/news/nfl-streaming-ad-effectiveness-netflix-amazon-peacock-august-2025> [11] Netflix (2025). "Brands Step Into the Ring With Netflix for 'WWE Raw'". Netflix About. <https://about.netflix.com/news/brands-step-into-the-...>

Inventory control and ad-tech maturity determine Netflix's live-sports monetization ceiling, with mid-sized recurring rights offering the best scale-risk balance today.

INVENTORY ECONOMICS BY RIGHTS TIER

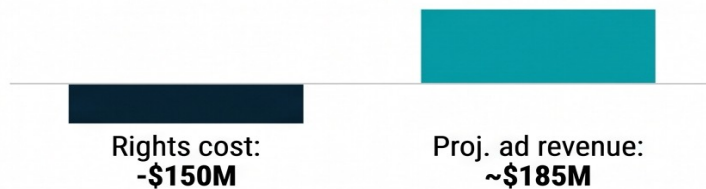
Rights tier	Sold 30s units	Sellable impressions (M)	Ad revenue (\$M)	Sponsorship revenue (\$M)	Total revenue (\$M)
Small tactical rights	11.2	16.8	\$0.42–0.67	\$0.30–1.00	\$0.72–1.67
Mid-sized recurring rights	300.0	600.0	\$18.00–27.00	\$3.00–12.00	\$21.00–39.00
Major premium rights	119.0	2,856.0	\$128.52–185.64	\$20.00–30.00	\$148.52–215.64

CPM BENCHMARKS

- **NFL+** imply roughly **\$16.50** CPM
- **Netflix** platform average is **\$37.02** CPM
- **Peacock** premium live sports can exceed **\$50** CPM

AD-LED ECONOMICS VS RIGHTS COSTS

NFL Christmas (2024–2026)



WWE Raw (Annual)



Sunday Ticket (Annual)



CAPABILITY MATURITY & EXECUTION PLAN

CAPABILITY STACK

- **Netflix** has live **dynamic ad insertion** in the U.S. for **NFL Christmas** after **WWE** testing.
- **Netflix** offers demographic, geographic, device, and contextual targeting, plus **DSP** access.
- Clean-room partnerships with **Snowflake**, **InfoSum**, and **LiveRamp**.
- Measurement roster includes **Nielsen**, **iSpot**, **EDO**, **Kantar**, **DoubleVerify**, **IAS**, **Lucid**, **NCSolutions**, **Affinity**, **TVision**, and **VideoAmp**.
- **Netflix** reported **150% growth** in upfront ad-sales commitments.
- **Netflix** launched its **Ads Suite** in the U.S. in **April 2025**.

RISK & REACH

- Public rights structures often split national commercial inventory, local avails, and sponsorship assets, so modeled revenue ranges are gross monetization potential before leakage.
- Sports documentaries can generate substantial reach—**The Last Dance** averaged **5.6M U.S. ESPN viewers** and reached **23.8M Netflix viewers** outside the U.S. in first four weeks.

EXECUTION PLAN

- Analysis uses system-inferred **pilot_count** which has not been confirmed by the client. Recommendation to sequence **2–3 pilots** before broader expansion is based on this.
- **Strategy Leadership:** Run **2–3** small and mid-sized pilots across one **women's-sports** tentpole and one recurring weekly property, with sponsorship-first packaging and renewal measurement built into insertion orders (within **12 months**, subject to confirming **pilot_count**).

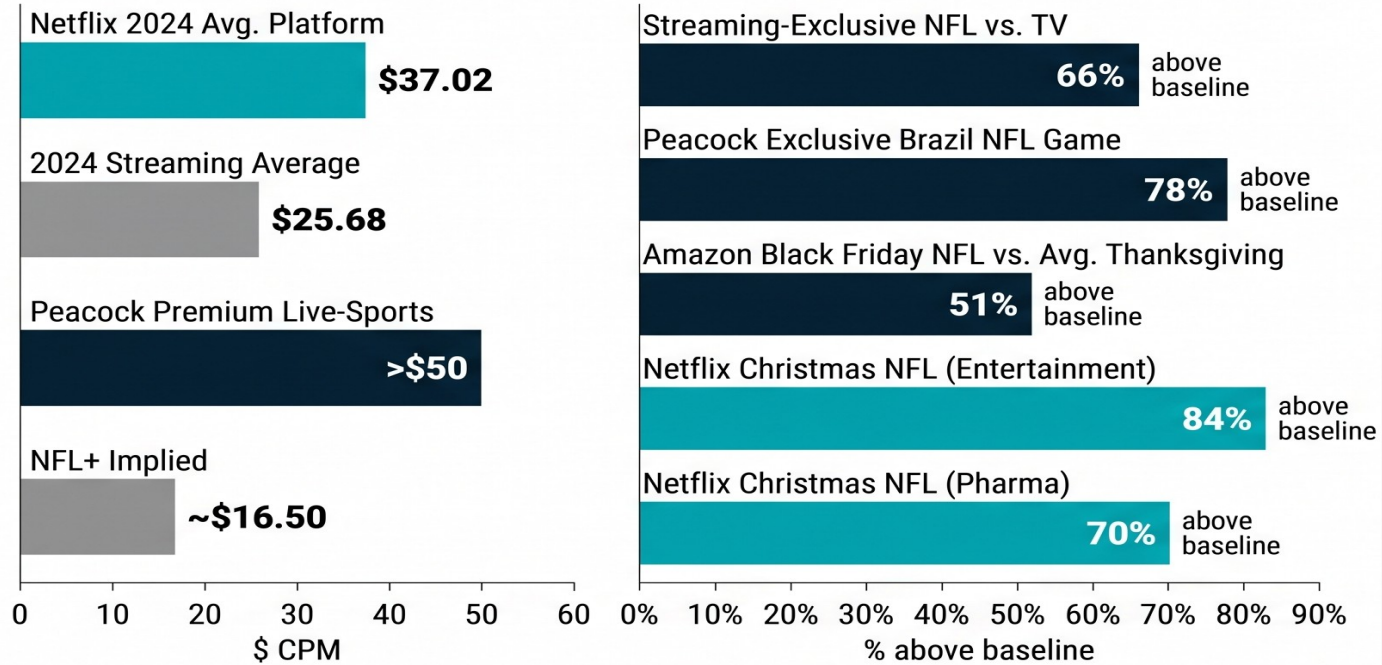
Sources: [1] Adwave (2025). "What Is the Average TV Ad CPM by Platform? [Q3 2025]". Adwave. <https://adwave.com/resources/tv-advertising-cpm-by-platform> [2] Adwave (2026). "Peacock TV Advertising for SMBs (2026)". Adwave. <https://adwave.com/resources/peacock> [5] MediaPost (2024). "Netflix Xmas NFL Games Projected To Earn \$185M In Ad Revenue: Analyst". MediaPost. <https://www.mediapost.com/publications/article/396060/netflix-xmas-nfl-games-projected-to-earn-185m-in.html> [7] Netflix (2025). "Netflix's Third Season of Ads and a Look Ahead at What's Next". Netflix About. <https://about.netflix.com/news/netflix-third-season-of-ads-and-a-look-ahead-at-whats-next> [8] MediaPost (2025). "Netflix Sells Out Sponsor 'Title' Deals In 'WWE Raw'". MediaPost. <https://www.mediapost.com/publications/article/404056/netflix-sells-out-sponsor-title-deals-in-wwe-ra.html> [9] Sports Business Journal (2024). "Netflix sells out ad space for NFL Christmas Day games". Sports Business Journal. <https://www.sportsbusinessjournal.com/Articles/2024/11/12/netflix-nfl> [10] The New York Times via Crisis Communications summary (2025). "During N.F.L. Games, Going to Commercial Requires Its

2.1

Ad-Led Sports Formats for Netflix

Scarce tentpole NFL-style events deliver Netflix's highest ad value, with live streaming CPMs and effectiveness well above broader streaming benchmarks.

LIVE-SPORTS CPM & EFFECTIVENESS BENCHMARKS



NFL RIGHTS ECONOMICS & FORMAT ATTRACTIVENESS

NFL CHRISTMAS PACKAGE
(2024-2026 TOTAL)

\$150M

NFL SUNDAY TICKET
(ANNUAL)

~\$2.0B

Tentpole NFL / Mega-Events	4.90
Women's Sports Tentpoles / Premium Windows	4.25
Weekly Appointment WWE / Wrestling	3.72
Boxing / Combat Eventized	3.50
Conference Packages / College Weekly	3.47
Niche Leagues / Smaller Recurring Rights	2.88

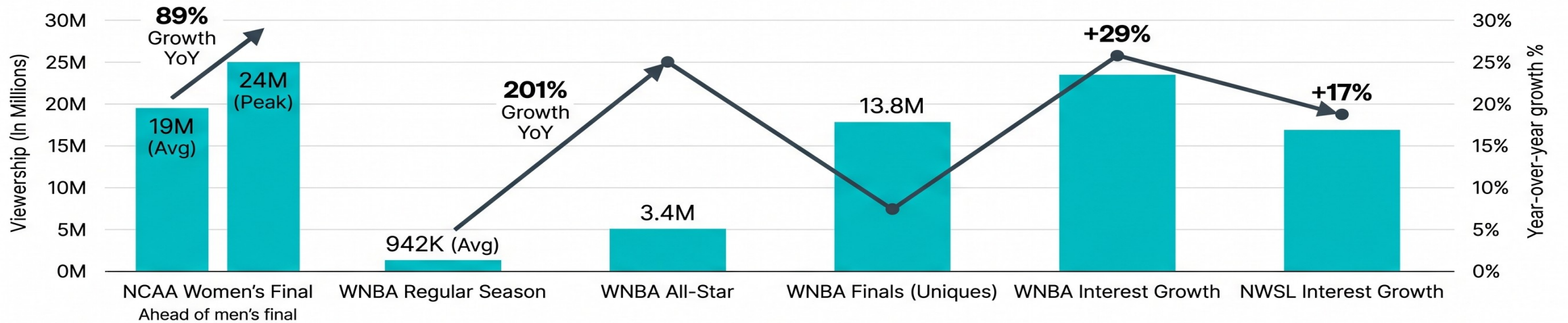
KEY TAKEAWAY

Scarce tentpole NFL-style events deliver **Netflix's highest ad value**, with live streaming CPMs and effectiveness **well above broader streaming benchmarks**.

(Note: NFL+ CPM is a lower-bound benchmark)

Women's-sports tentpoles have become premium ad-led inventory, combining rapid audience growth, superior purchase propensity, and underpriced sponsorship demand.

AUDIENCE SCALE & MOMENTUM IN WOMEN'S SPORTS



AUDIENCE QUALITY & SPONSORSHIP VALUE

DEMOGRAPHIC COMPOSITION

43%

Male Fans

74%

Chief Income Earners

57%

Have Children Under 18

SPONSORSHIP & EFFECTIVENESS

242M

U.S. Live-Sports TV Ad Spend (2024)
Only <3% of \$8.5B Total

+8%↑

Ad Effectiveness YoY

2.3x

Engagement for Caitlin Clark-related Ads vs. Avg WNBA Ad

+44%↑

More Likely to Buy than General Population

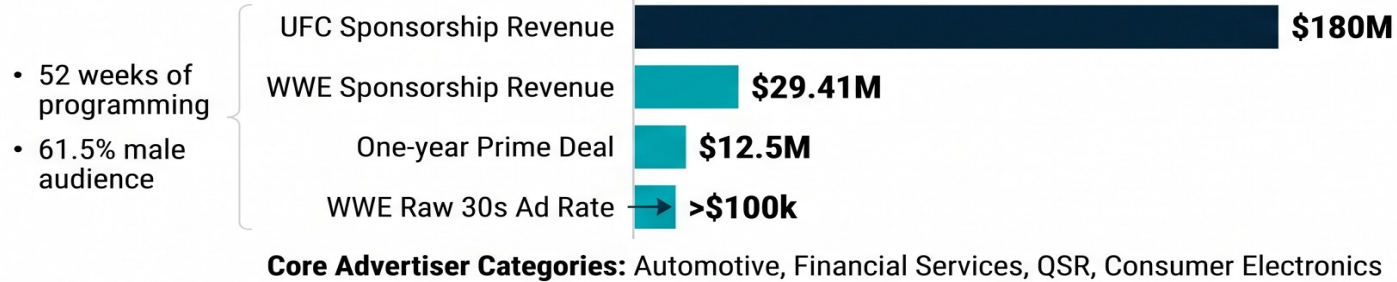
Women's-sports tentpoles rank second in format attractiveness (Score 4.25)

KEY TAKEAWAY

Women's-sports tentpoles have become premium ad-led inventory, combining rapid audience growth, superior purchase propensity, and underpriced sponsorship demand.

Weekly WWE-style wrestling and secondary formats provide high-value recurring and eventized inventory but should follow a disciplined, validation-led expansion plan.

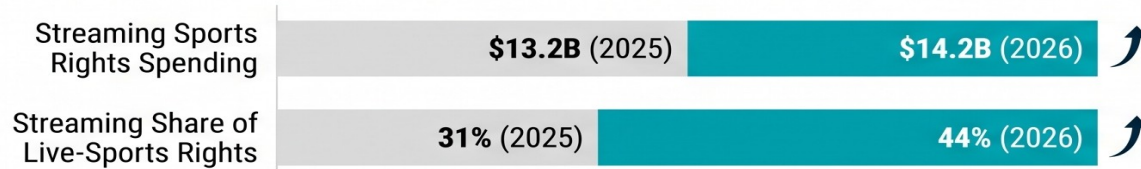
WWE WEEKLY & UFC SPONSORSHIP BENCHMARKS



SECONDARY FORMATS & MARKET CONTEXT

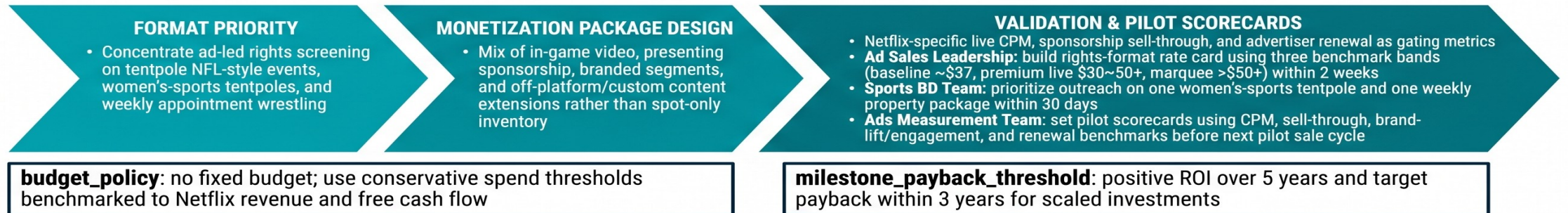
Format	Relative Score
Weekly appointment WWE / wrestling	3.72
Boxing / combat eventized	3.50
Conference packages / college weekly	3.47
Niche leagues / smaller recurring rights	2.88

BROADER MARKET CONTEXT & CPM BENCHMARKS



N Netflix Platform CPM Benchmark	\$37.02 (directional)
Premium Live-Sports CPM Benchmark	>\$50 CPM (Peacock)
NFL+ Implied CPM Benchmark	~\$16.50 (Lumiu analysis)

TACTICAL EXECUTION & VALIDATION PARAMETERS



Sources: [1] Adwave (2025). "What Is the Average TV Ad CPM by Platform? [Q3 2025]". Adwave. <https://adwave.com/resources/tv-advertising-cpm-by-platform> [2] Adwave (2026). "Peacock TV Advertising for SMBs (2026)". Adwave. <https://adwave.com/resources/peacock> [4] Netflix (2024). "Netflix Upfront 2024: The Year of Growth and Momentum". Netflix About. <https://about.netflix.com/news/netflix-upfront-2024-the-year-of-growth-and-momentum> [5] Netflix (2025). "Netflix Upfront 2025: The Center of Attention". Netflix About. <https://about.netflix.com/news/netflix-upfront-2025-the-center-of-attention> [6] Marketing Brew (2024). "Netflix counts 40 million on ad tier amid further push into live sports". Marketing Brew. <https://www.marketingbrew.com/stories/2024/05/16/netflix-counts-40-million-on-its-ad-tier-as-it-pushes-further-into-live-sports> [9] MNTN Research (2024). "All the NFL Streaming TV and CTV Advertising Numbers You Need To Know". MNTN Research. <https://research.mountain.com/trends/all-the-nfl-streaming-tv-and-ctv-advertising-numbers-you-need-to-know> [12] Sportcal (2024). "Why WWE's sponsorship and media landscape is set for significant change". Sportcal.

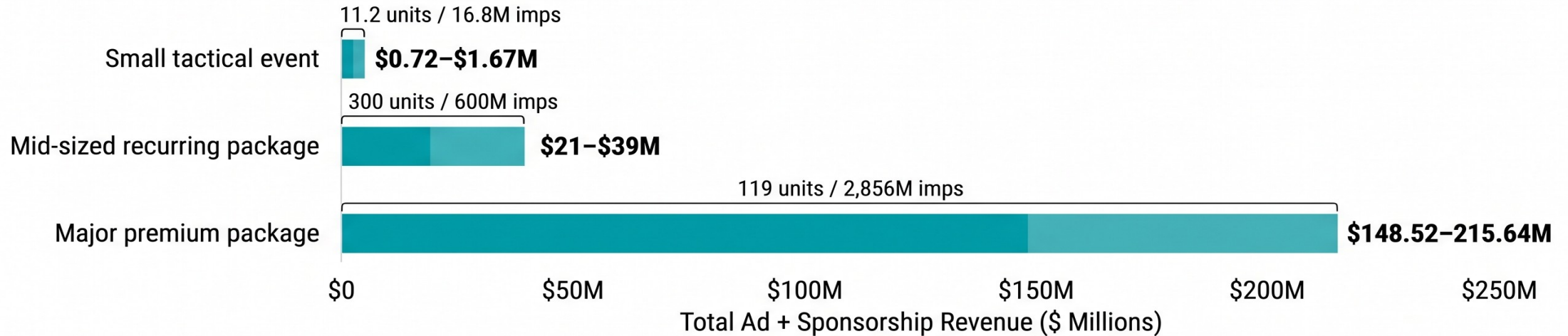
2.2

Live Sports Advertising Monetization by Rights Tier



Live-sports monetization is highly tiered, with ad and sponsorship revenue ranging from under \$2 million for small tactical events to over \$200 million for major premium packages, making inventory control the critical gating variable.

U.S. LIVE-SPORTS RIGHTS MONETIZATION BY TIER (LUMIU MODEL, AD + SPONSORSHIP)



Conservative U.S.-only model; Lumiu analysis based on public sports ad-load norms and observed packaging.

RIGHTS-TIER REVENUE BENCHMARKS VS. PREMIUM RIGHTS COSTS

Metric	Value
Modeled Major Premium Total Ad + Sponsorship Revenue	\$148.52–215.64M
Reported NFL Christmas Rights Benchmark (2024–2026)	~\$150M (Total across period)
Premium Ecosystem Benchmark (e.g., Sunday Ticket)	~\$2.0B (Per year)

Implication: Premium rights can offset a meaningful share of rights cost (e.g., compared to the ~\$150M NFL Christmas benchmark), but not enough to rescue an overpaid package; modeled revenue is directionally supportive for eventized premium windows but far too low to support a broad land-grab strategy compared to a full premium ecosystem benchmark (~\$2.0B per year).

Small tactical rights are best used as sponsorship-led pilots, as limited inventory caps ad revenue at under \$1 million while sponsorship can match or exceed spot revenue.

SMALL TACTICAL RIGHTS INVENTORY & REVENUE MODEL

Inventory

16 gross 30s units

11.2 sold units

16.8M impressions

Revenue mix

Ad revenue: **\$0.42–0.67 million**

Sponsorship: **\$0.30–1.00 million**

Total: **\$0.72–1.67 million**

Benchmark packaging

Observed NFL Christmas: **5 packages**, each **8 x 30s units** across two games at **\$5 million** per package

COMMERCIAL IMPLICATIONS FOR SMALL TACTICAL RIGHTS



- Small rights can work as **pilots** because sponsorship can equal or exceed spot revenue, but they are unlikely to justify meaningful rights fees on ad inventory alone.



- Based on the assumed milestone_payback_threshold, Netflix should explore small tactical rights primarily as **measurement pilots** and **sponsor-integration showcases**.

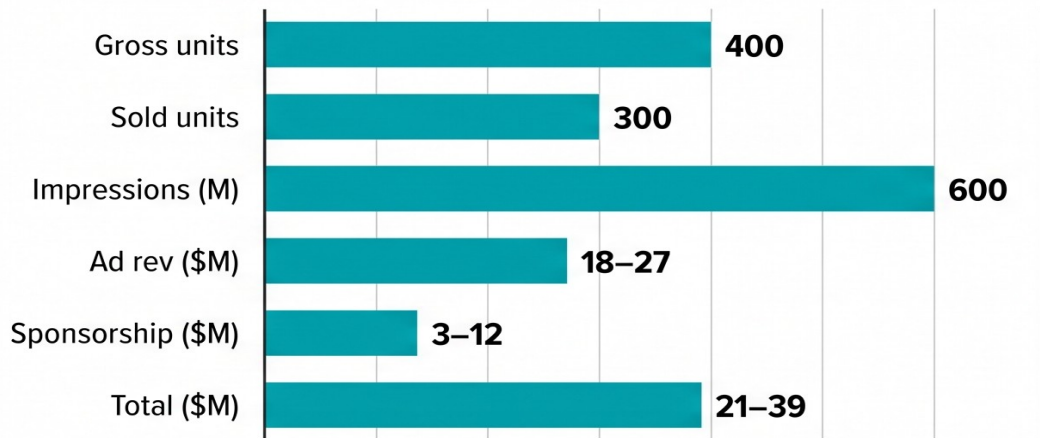


- Exploration should be subject to confirming actual **event audience**, **sponsor category demand**, and whether the rights holder grants Netflix control of all **national ad breaks**.

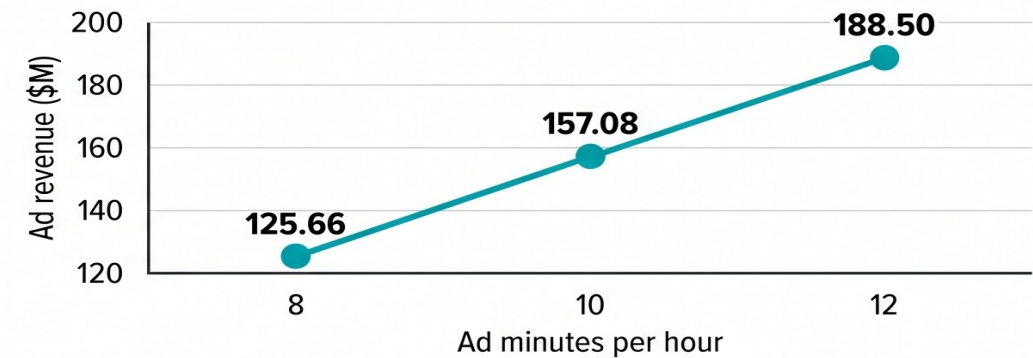
Mid-sized recurring and major premium rights offer the most scalable monetization, but realized revenue is highly sensitive to ad-load execution and contract-driven inventory leakage.

MID-SIZED RECURRING RIGHTS: WEEKLY INVENTORY & REVENUE MODEL

WWE Raw cadence summary: 15 breaks per 3-hour show; 5 breaks per hour.



MAJOR PREMIUM RIGHTS: AD-LOAD SENSITIVITY & INVENTORY LEAKAGE RISKS



- **Gross units: 140.0; Sold units: 119.0; Impressions: 2,856.0 million; Total Revenue: \$148.52–215.64 million.**
- **NFL norms: 18 breaks per game; ~63 ad minutes; ~126 30-second spots.**
- **Inventory leakage risks: Local avails, league-retained sponsorships, category restrictions can materially reduce monetizable inventory.**

KEY TAKEAWAY
Based on the assumed pilot count, Netflix should evaluate 2–3 small and mid-sized pilots first, subject to confirming contract language on national versus local inventory, league-retained sponsorship assets, and category exclusivity. Inventory ownership and ad-load execution are key swing factors.







Sources: [3] SportsPro (2024). "Netflix offers Christmas Day NFL advertising packages for US\$5m". SportsPro. [4] MediaPost (2025). "Netflix Sells Out Sponsor 'Title' Deals In 'WWE Raw'". MediaPost. [5] Netflix (2025). "Brands Step Into the Ring With Netflix for 'WWE Raw'". Netflix About. [6] Sports Business Journal (2024). "Netflix sells out ad space for NFL Christmas Day games". Sports Business Journal. [7] The New York Times via Crisis Communications summary (2025). "During N.F.L. Games, Going to Commercial Requires Its Own Playbook". Crisis Communications. [8] Cross Screen Media (2022). "The Average NFL Fan Will Watch 3,000 Commercials During Games This Season". Cross Screen Media. [10] Bleacher Report (2012). "Explaining WWE's New Format for RAW Commercials and Why It Was Great". Bleacher Report. [13] Tatari (n.d.). "What are National-local Spots and Why Should You Test Them?". Tatari. [14] Kroll (2024). "NFL - Its Unique Strategy and Dominating Valuation Proposition". Kroll. [15] Wikipedia (n.d.). "Sports broadcasting contracts in the United States". Wikipedia. [16] Wood LLP (2002). "Media Rights for Sports Franchises: Separate Assets?". Wood LLP.

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Premium Live-Sports Monetization Capabilities

Netflix's premium live-sports monetization stack is materially built out but only conditionally ready for broad U.S. rights expansion, warranting a sponsorship-led and eventized focus until live measurement proof matures.

CURRENT PREMIUM LIVE-SPORTS MONETIZATION STACK (ANNOUNCED)

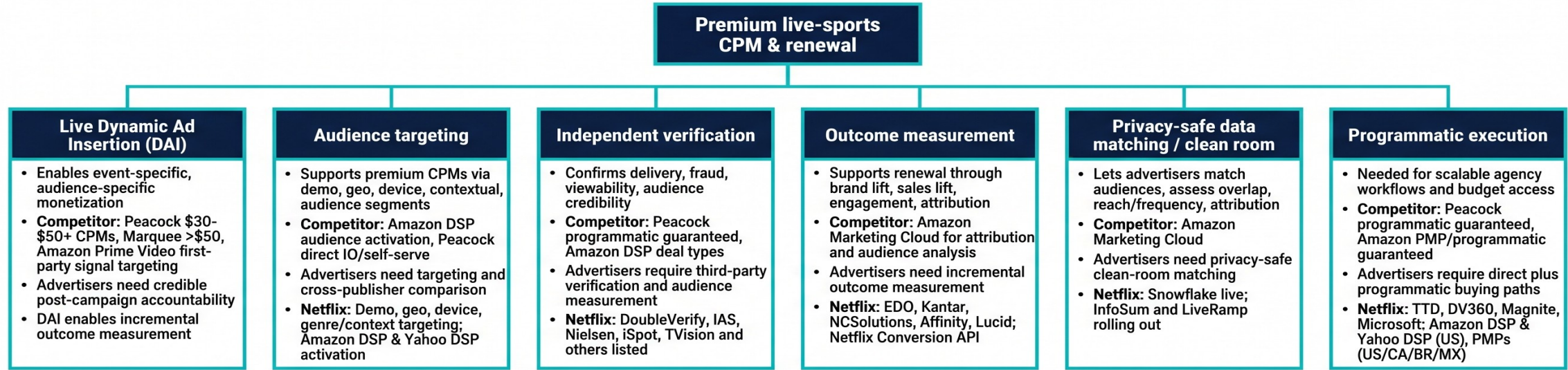
	Live Dynamic Ad Insertion (DAI)	Disclosed for U.S. NFL Christmas Gameday after WWE testing
	Programmatic Access	Expanded through major DSPs including The Trade Desk, DV360, Magnite, Microsoft, Amazon DSP, and Yahoo DSP in the U.S.
	Targeting Controls	Includes demographic, geographic, device-level, and contextual/genre controls
	Privacy-Safe Data Matching	Clean-room partnerships with Snowflake (live), InfoSum , and LiveRamp (rolling out)
	Measurement & Verification Roster	Roster spans Nielsen, iSpot, EDO, Kantar, DoubleVerify, IAS, Lucid, NCSolutions, Affinity, TVision, VideoAmp, Campaign Manager 360, and Innovid
	Upfront Ad-Sales & Sponsorship Growth	Netflix has already sold live-event sponsorships and reported 150% growth in upfront ad-sales commitments

READINESS VERDICT & DECISION RULE

-  Advertisers paying premium sports **CPMs** and renewing at scale require repeatable proof of live audience measurement, reach/frequency, attribution, verification, and operational programmatic execution across buy types; **Netflix's** public evidence is stronger on roadmap and partner ecosystem than on scaled U.S. live-sports case evidence.
-  Public record supports only a **conditional readiness verdict** for premium live-sports buying and renewal; expansion should remain focused on sponsorship-led tentpoles and lower-risk eventized rights until operational measurement maturity is evidenced.
-  Decision rule is based on system-inferred **milestone_payback_threshold** (positive **ROI** over **5 years**, payback within **3 years**) and client-assumed **budget_policy** favoring lower-risk eventized or sponsorship-led rights while measurement maturity is still being proven
-  There is **no >50%** same-period quantitative discrepancy requiring reconciliation in core readiness metrics; differences across **2024–2026** disclosures reflect product maturation rather than contradiction.

Premium live-sports buyers expect a six-capability monetization stack, where Netflix is largely present but still emerging on live DAI and outcome proof versus Peacock and Amazon benchmarks.

MINIMUM CAPABILITY SET FOR PREMIUM SPORTS MONETIZATION



CAPABILITY READINESS TABLE (REQUIRED VS NETFLIX EVIDENCE)

Capability required	Why advertisers need it	Netflix public evidence	Readiness assessment
Live dynamic ad insertion	Enables event-specific, audience-specific monetization in live streams	DAI available in U.S. for NFL Christmas Gameday after WWE testing	Partial / emerging
Audience targeting	Supports premium CPMs via demo, geo, device, contextual and audience segments	Demographic, geographic, device, genre/context targeting; Amazon DSP and Yahoo DSP audience activation	Present
Independent verification	Confirms delivery, fraud, viewability, and audience credibility	DoubleVerify, IAS, Nielsen, iSpot, TVision and others listed	Present
Outcome measurement	Supports renewal through brand lift, sales lift, engagement, attribution	EDO, Kantar, NCSolutions, Affinity, Lucid; Netflix Conversion API	Present but proof depth limited
Privacy-safe data matching / clean room	Lets advertisers match audiences and assess overlap, reach/frequency, attribution	Snowflake live; InfoSum and LiveRamp rolling out	Present / rolling out
Programmatic execution	Needed for scalable agency workflows and budget access	The Trade Desk, DV360, Magnite, Microsoft; Amazon DSP and Yahoo DSP in U.S.; PMPs in U.S./Canada/Brazil/Mexico	Present but still scaling

■ Present
 ■ Partial / emerging
 ■ Present but proof depth limited
 ■ Present but still scaling

Sources: [1] Netflix (2025). "Netflix's Third Season of Ads and a Look Ahead at What's Next". Netflix About. <<https://about.netflix.com/news/netflix-third-season-of-ads-and-a-look-ahead-at-whats-next>> [2] Marketing Dive (2025). "Netflix flexes new capabilities as ad biz doubles geographic reach". Marketing Dive. <<https://www.marketingdive.com/news/netflix-flexes-new-capabilities-as-ad-biz-doubles-geographic-reach/820098>> [3] Netflix (2025). "Netflix Ads Suite Expands Capabilities". Netflix About. <<https://about.netflix.com/news/netflix-ads-suite-expands-capabilities>> [4] Netflix (2024). "Netflix Description of Methodology". Netflix Advertising. <<https://advertising.netflix.com/en-us/article/netflix-description-of-methodology>> [5] Netflix (2024). "Netflix Upfront 2024: The Year of Growth and Momentum". Netflix About. <<https://about.netflix.com/news/netflix-upfront-2024-the-year-of-growth-and-momentum>> [6] Netflix (2024). "Netflix Celebrates Two Years of Advertising". Netflix About. <<https://about.netflix.com/news/netflix-celebrates-two-years-of-advertising>> [10] Basis (2024). "Live Sports Advertising Opportunities Explained". Basis. <<https://basis.com/blog/going-deep-on-live-sports-advertising-opportunities>> [11]

Execution should prioritize sponsorship-led tentpoles and standardized measurement pilots to close live-sports proof gaps before scaling broader rights.

CURRENT PROOF POINTS AND GAPS IN LIVE-SPORTS MONETIZATION EVIDENCE

- ✓ Netflix disclosed a U.S. auto advertiser whose Netflix campaign drove **3.2x higher engagement** than other CTV services and **4.5x** higher engagement than linear.
Mexico brand-lift results included **+30 points** in brand recognition and **+15 points** in message association.
Netflix reported **150% growth** in upfront ad-sales commitments and cited advertisers such as **Expedia, Ford, T-Mobile, Mercedes-Benz, and American Eagle** using its expanding capabilities.
Early testing with **Tinuiti** reportedly outperformed benchmarks by more than **75%** across financial services, ed tech, and retail clients.

- ✗ Agency and trade commentary describe live **DAI** as nascent, costly, and selectively applicable, with broader adoption slowed by operational friction and difficulty executing **DAI** at very large event scale.
Q2.1 showed highest-value formats for **Netflix** are tentpole **NFL**-style events, women's-sports tentpoles, and weekly appointment wrestling, all dependent on premium measurement support to defend CPMs and renewals.
Public disclosures do not yet show a mature, repeated U.S. live-sports scorecard combining live audience measurement, reach/frequency, attribution, verification, and renewal outcomes across several properties.
Several capabilities are still in rollout: **InfoSum** and **LiveRamp** clean rooms coming in subsequent months; in-house ad tech targeted for broader rollout through **2025**; some enhanced formats and data capabilities extend into **2026**.

TACTICAL EXECUTION PLAN AND KEY ASSUMPTIONS

Scope & Proof Design

- **[Live sports monetization scope]:** Prioritize sponsorship-led tentpoles and eventized rights where direct-sold integrations can monetize even if programmatic and attribution workflows are still maturing.
- **[Advertiser proof threshold]:** Require a standardized post-campaign scorecard for each live sports pilot covering delivery verification, live audience measurement, reach/frequency, brand or sales lift, and renewal intent.

Sales Packaging & Governance

- **[Buying-path readiness]:** Package inventory for both direct IO and PMP/programmatic guaranteed execution, but limit scaled commitments until DSP, clean-room, and measurement workflows are confirmed in live campaigns.
- **[Ad Sales Leadership]:** Restrict the next sports sales packages to sponsorship-led tentpoles, **WWE**-style recurring inventory, and eventized rights with guaranteed measurement appendices in insertion orders (before the next upfront or pilot sales cycle...).

Programmatic Pilot

- **[Programmatic Product Team]:** Run one U.S. live-event execution test through PMP or programmatic guaranteed pipes using **Amazon DSP** or **Yahoo DSP** plus clean-room matching and post-campaign attribution reporting (within 90 days...).

Key assumption budget_policy: No fixed budget; use conservative spend thresholds benchmarked to **Netflix** revenue and free cash flow.
Key assumption milestone_payback_threshold: **Positive ROI over 5 years** and **target payback within 3 years** for scaled investments.

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Netflix Sports Rights Economic Evaluation

Mid-sized recurring rights are the only tier that clears Netflix's five-year ROI and payback gates under the current base case, while downside risk argues for measured rather than broad expansion.

FIVE-YEAR ECONOMIC SCREEN BY RIGHTS TIER AND SCENARIO

Rights tier	Scenario	5Y benefit (\$M)	5Y cost (\$M)	ROI (%)	NPV (\$M)	Payback
Small tactical	Upside	\$495.9M	\$250.0M	98.3%	\$181.6M	Year 1
	Base	\$310.2M	\$300.0M	3.4%	\$4.7M	Year 4
	Downside	\$150.4M	\$450.0M	-66.6%	-\$228.6M	None
Mid-sized recurring	Upside	\$2,491.0M	\$1,250.0M	99.3%	\$916.9M	Year 1
	Base	\$1,680.2M	\$1,500.0M	12.0%	\$120.5M	Year 2
	Downside	\$907.1M	\$2,250.0M	-59.7%	-\$1,026.9M	None
Major premium	Upside	\$9,165.0M	\$6,500.0M	41.0%	\$1,932.2M	Year 1
	Base	\$6,556.5M	\$7,500.0M	-12.6%	-\$778.5M	None
	Downside	\$3,431.0M	\$9,750.0M	-64.8%	-\$4,823.9M	None

■ Advanced / Positive Payback ■ Good / Delayed Payback ■ Basic / Low Payback ■ Limited / No Payback

BASE-CASE DECISION RULE AND PAYBACK GATE

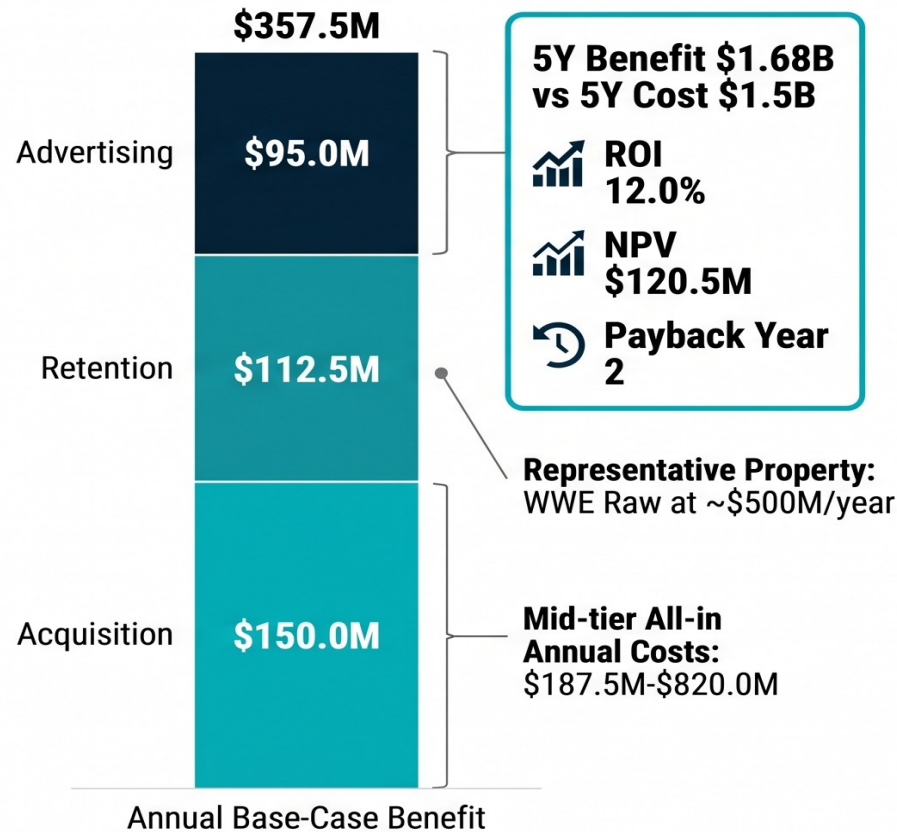
Mid-sized recurring rights	Small tactical rights	Major premium rights	Downside Risk & Decision Rules
<p>✓ 12.0% ROI</p> <p>✓ Year 2 Payback</p> <p>Only tier clearing both ROI and payback gates under base case.</p> <p>\$120.5M NPV</p> <p>\$1.5B Cost base (5Y)</p>	<p>✗ 3.4% ROI</p> <p>✗ Year 4 Payback</p> <p>Fails milestone payback threshold despite nominally positive ROI.</p> <p>\$4.7M NPV</p> <p>\$300.0M Cost base (5Y)</p>	<p>✗ -12.6% ROI</p> <p>✗ No Payback</p> <p>Fails ROI gate.</p> <p>-\$778.5M NPV</p> <p>\$7.5B Cost base (5Y)</p>	<p>Under conservative downside assumptions, no tier remains ROI-positive, implying expansion should remain measured rather than broad, based on the assumed budget policy and milestone payback threshold.</p>
<p>time_horizon: 5 years final_decision_metric: ROI on incremental rights spend milestone_payback_threshold: positive ROI over 5 years and target payback within 3 years for scaled investments</p>			

KEY TAKEAWAY: Mid-sized recurring rights are the only tier that clears Netflix's five-year ROI and payback gates under the current base case, while downside risk argues for measured rather than broad expansion.

Sources: [1] Variety (2024). "Netflix, WWE Strike Deal to Move 'Monday Night Raw' to Streamer Beginning in 2025 for \$500 Million per Year". Variety. <https://variety.com/2024/tv/news/netflix-wwe-monday-night-raw-deal-january-2025-1235882820> [2] The Wall Street Journal (2025). "Netflix, Eager for More NFL, Is Looking at a Four-Game Package". The Wall Street Journal. <https://www.wsj.com/business/media/netflix-eager-for-more-nfl-is-looking-at-a-four-game-package-2d955b1f> [3] Sports Media Watch (n.d.). "Sports media rights deals list". Sports Media Watch. <https://www.sportsmediawatch.com/sports-media-rights-deals-list> [4] Netflix (2025). "FINAL-Q4-25-Shareholder-Letter.pdf". Netflix Investor Relations. <https://s22.q4cdn.com/959853165/files/doc_financials/2025/q4/FINAL-Q4-25-Shareholder-Letter.pdf> [5] Campaign US (2025). "Netflix doubles ad revenue in 2024, targets another doubling in 2025". Campaign US. <https://www.campaignlive.com/article/netflix-doubles-ad-revenue-2024-targets-doubling-2025/1903513> [6] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". CNBC. <https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html> [7] Netflix (2025). "WWE

Mid-sized recurring rights deliver the strongest KPI logic and scalable economics, while small tactical rights should be used as fragile pilots and major premium rights remain structurally overpriced for Netflix's standalone ROI.

MID-SIZED RECURRING RIGHTS: KPI-DRIVEN ECONOMIC CASE



SMALL TACTICAL VS MAJOR PREMIUM: PILOT VALUE VS STRUCTURAL UNECONOMICS

Category	Annual Costs	5Y Cost Range	Base Case Benefit	ROI	NPV	Payback	Downside / Rights Fee Band
SMALL TACTICAL RIGHTS							
SMALL TACTICAL RIGHTS	\$33.2M-\$143.2M	\$166.2M-\$716.2M	\$310.2M (vs \$300M cost)	3.4%	\$4.7M	Year 4	-66.6% ROI / -\$228.6M NPV

Netflix NFL Christmas reached ~65M viewers

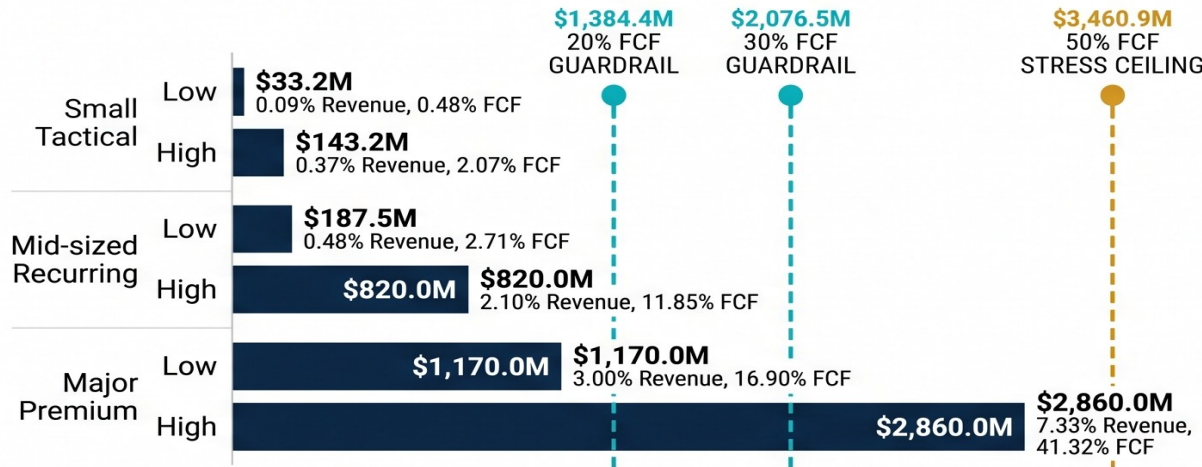
MAJOR PREMIUM RIGHTS							
MAJOR PREMIUM RIGHTS	\$1.17B-\$2.86B	\$5,850.0M-\$14,300.0M	\$6.56B (vs \$7.50B cost)	-12.6%	-\$778.5M	No Payback	\$1.0B-\$2.0B Annually

Competitor Benchmarks
YouTube NFL Sunday Ticket: ~\$2.0B/yr; **Amazon Thursday Night Football:** ~\$1.0B-\$1.2B/yr; **Disney Monday Night Football:** ~\$2.7B/yr; **Disney NBA:** ~\$2.62B/yr; **Amazon NBA:** ~\$1.8B/yr; **ESPN CFP Extension:** \$1.3B/yr

Sources: [1] Variety (2024). "Netflix, WWE Strike Deal to Move 'Monday Night Raw' to Streamer Beginning in 2025 for \$500 Million per Year". Variety. <https://variety.com/2024/tv/news/netflix-wwe-monday-night-raw-deal-january-2025-1235882820> [2] The Wall Street Journal (2025). "Netflix, Eager for More NFL, Is Looking at a Four-Game Package". The Wall Street Journal. <https://www.wsj.com/business/media/netflix-eager-for-more-nfl-is-looking-at-a-four-game-package-2d955b1f> [3] Sports Media Watch (n.d.). "Sports media rights deals list". Sports Media Watch. <https://www.sportsmediawatch.com/sports-media-rights-deals-list> [4] Netflix (2025). "FINAL-Q4-25-Shareholder-Letter.pdf". Netflix Investor Relations. <https://s22.q4cdn.com/959853165/files/doc_financials/2025/q4/FINAL-Q4-25-Shareholder-Letter.pdf> [5] Campaign US (2025). "Netflix doubles ad revenue in 2024, targets another doubling in 2025". Campaign US. <https://www.campaignlive.com/article/netflix-doubles-ad-revenue-2024-targets-doubling-2025/1903513> [6] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". CNBC. <https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html> [7] Netflix (2025). "WWE

Netflix can prudently finance a capped mid-tier sports strategy within a \$1.38B-\$2.08B annual guardrail, making affordability a secondary constraint to ROI and operating-model discipline.

ANNUAL ALL-IN SPEND VS. NETFLIX FCF GUARDRAILS



NETFLIX 2024 FINANCIAL & GUARDRAIL METRICS



OPERATING-MODEL & MONETIZATION RISKS AND EXECUTION PARAMETERS

<p>EXECUTION RISKS & PARAMETERS</p> <ul style="list-style-type: none"> Downside ROI Risks: Mid-sized recurring rights fall from 12.0% base-case ROI to -59.7%; small tactical to -66.6%; major premium to -64.8%. Operating-Model Cost Ranges: Netflix-produced models push mid-sized packages toward \$820.0M and premium toward \$2.86B, unlike low-end partner-produced structures. Ad/Sponsorship Caveats: Upside is meaningful but not thesis-changing for premium; WWE Raw (\$500M) likely does not clear fees on ads alone, Sunday Ticket far exceeds ranges. WWE Raw Scope Nuance: \$500M figure may include international, best used as a high-end mid-sized benchmark, not pure U.S.-only comparator. 	<p>MONETIZATION & BUDGET POLICY</p> <ul style="list-style-type: none"> Budget Policy: No fixed budget; benchmark conservatively to Netflix revenue and FCF to frame affordability, not property-level ROI. Pilot Count: 2-3 pilots within 12 months to translate conditional findings into an execution path. Rights-Fee Focus Band: Focus on weekly appointment or fragmented/eventized packages in the \$150M-\$500M annual band; avoid full-season premium unless carved down. 	<p>IMMEDIATE NEXT STEPS & GATES</p> <ul style="list-style-type: none"> Monetization Proof Gate: Require measured evidence on incremental paid net adds, 90-day persistence, churn reduction, live CPM realization, sponsorship sell-through, and advertiser renewal before scale. Immediate Next Steps: Build rights scorecard (1 week); Shortlist 2-3 mid-sized or tactical opportunities (2 weeks); Set pilot monetization gates (2 weeks).
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Sources: [1] Variety (2024). "Netflix, WWE Strike Deal to Move 'Monday Night Raw' to Streamer Beginning in 2025 for \$500 Million per Year". Variety. <https://variety.com/2024/tv/news/netflix-wwe-monday-night-raw-deal-january-2025-1235882820> [2] The Wall Street Journal (2025). "Netflix, Eager for More NFL, Is Looking at a Four-Game Package". The Wall Street Journal. <https://www.wsj.com/business/media/netflix-eager-for-more-nfl-is-looking-at-a-four-game-package-2d955b1f> [3] Sports Media Watch (n.d.). "Sports media rights deals list". Sports Media Watch. <https://www.sportsmediawatch.com/sports-media-rights-deals-list> [4] Netflix (2025). "FINAL-Q4-25-Shareholder-Letter.pdf". Netflix Investor Relations. <https://s22.q4cdn.com/959853165/files/doc_financials/2025/q4/FINAL-Q4-25-Shareholder-Letter.pdf> [5] Campaign US (2025). "Netflix doubles ad revenue in 2024, targets another doubling in 2025". Campaign US. <https://www.campaignlive.com/article/netflix-doubles-ad-revenue-2024-targets-doubling-2025/1903513> [6] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". CNBC. <https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html> [9] Sportico (2025). "How

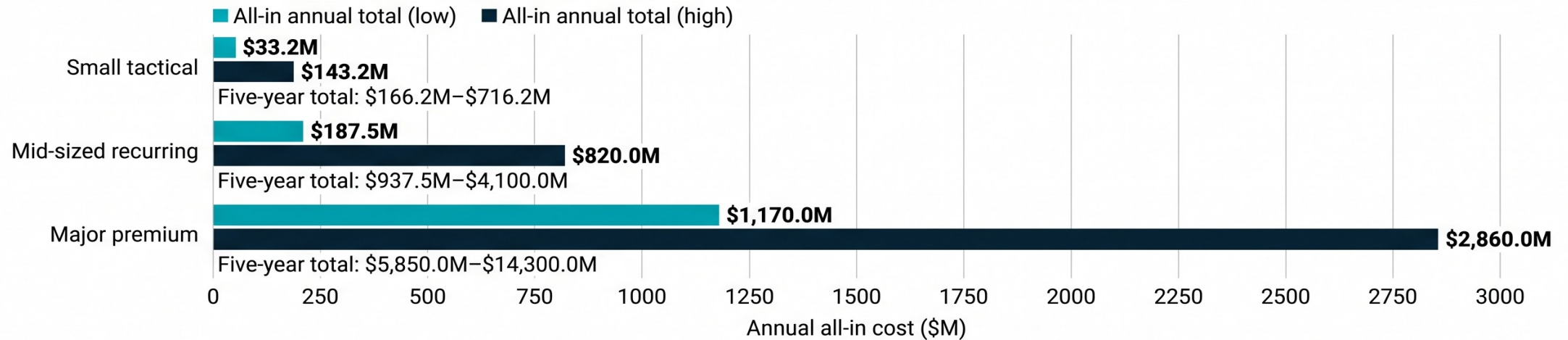
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All-In Cost Stack by Rights Tier

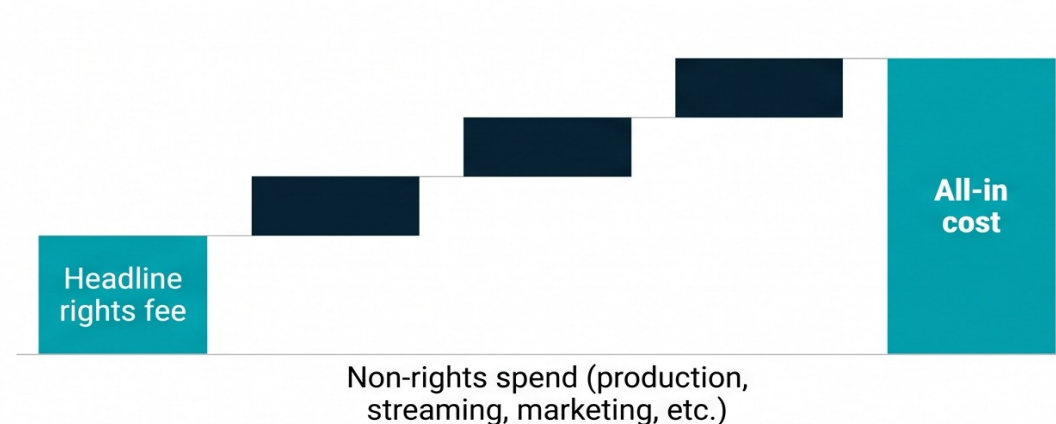


All-in annual cash exposure for U.S. live-sports rights expands well beyond headline fees across all tiers, reaching up to \$2.86B for major premium packages once production, streaming, marketing, talent, and shoulder content are included.

ALL-IN ANNUAL COST RANGES BY RIGHTS TIER (INCLUDING NON-RIGHTS SPEND)



HEADLINE RIGHTS FEES VS ALL-IN COST (ILLUSTRATIVE)



- Headline rights fees materially understate the real investment required to launch and sustain live sports.
- Non-rights costs add roughly **33%** on top of rights in the low case for small tactical packages.
- Non-rights costs add roughly **17%–43%** for larger tiers, depending on production responsibility and marketing intensity.
- A package that appears to cost \$500M per year at signing can require closer to **\$820M annually** in a Netflix-produced, heavily marketed operating model.

Note: This analysis uses system-inferred milestone_payback_threshold which has not been confirmed by the client; any scale conclusion tied to affordability versus platform capacity is based on the assumed budget_policy.

Sources: [Intro] Evaluate U.S. live-sports rights by full all-in cost stack rather than headline fees, because annual cash exposure expands to roughly \$33M–\$143M for small tactical rights, \$188M–\$820M for mid-sized recurring rights, and \$1.17B–\$2.86B for major premium rights once production, streaming, marketing, talent, and shoulder programming are included.

Headline rights fees materially understate the real investment required to launch and sustain live sports. Lumiu analysis based on public rights benchmarks for Netflix NFL Christmas, WWE Raw, YouTube NFL Sunday Ticket, Amazon TNF, Netflix technical disclosures, and public production and documentary

Each rights tier has a distinct all-in cost stack, with rights still dominant but production, streaming, marketing, talent, and shoulder content adding tens to hundreds of millions annually.

DETAILED ALL-IN COST STACK BY RIGHTS TIER (ANNUAL, \$M)



COST-BAND ASSUMPTIONS BY CATEGORY

Cost Category	Tier-Based Cost Bands
Production	Small: \$3.8M–\$30.0M; Mid: \$15.0M–\$125.0M; Major: \$80.0M–\$360.0M
Streaming ops	Small: \$0.8M–\$6.0M; Mid: \$3.0M–\$25.0M; Major: \$10.0M–\$60.0M
Marketing	Small: \$2.5M–\$18.8M; Mid: \$12.0M–\$100.0M; Major: \$50.0M–\$240.0M
Talent	Small: \$0.5M–\$6.0M; Mid: \$3.0M–\$30.0M; Major: \$10.0M–\$80.0M
Shoulder content	Small: \$0.8M–\$7.5M; Mid: \$4.5M–\$40.0M; Major: \$20.0M–\$120.0M

Lumiu analysis using public evidence and benchmarks, partner-produced versus Netflix-produced model differences, and Netflix live-stream architecture disclosures.

Sources: [Table] | Rights tier | Rights fee (\$M) | Production (\$M) | Streaming ops (\$M) | Marketing (\$M) | Talent (\$M) | Shoulder content (\$M) | All-in annual total (\$M) | Five-year total (\$M) |

---|---|---|---|---|---|---|---|---|

| Small tactical | 25-75 | 3.8-30.0 | 0.8-6.0 | 2.5-18.8 | 0.5-6.0 | 0.8-7.5 | 33.2-143.2 | 166.2-716.2 |

| Mid-sized recurring | 150-500 | 15.0-125.0 | 3.0-25.0 | 12.0-100.0 | 3.0-30.0 | 4.5-40.0 | 187.5-820.0 | 937.5-4,100.0 |

Small tactical, mid-sized recurring, and major premium rights each have distinct benchmarks and risk nuances that must inform all-in cost planning and execution levers.

TIER-SPECIFIC BENCHMARKS & RISK ANCHORS



Small tactical rights

- Best framed as **\$33M–\$143M** annual commitments; rights still dominant but operating costs large enough to change pilot economics
- In U.S., best anchored to eventized or limited-package properties rather than full-season ecosystems
- Netflix's NFL Christmas package reported at about **\$75M** per game for a three-year package
- Amazon reportedly paid about **\$100M** for Black Friday one-off NFL game and **\$120M** for exclusive Wild Card game
- Using conservative small-tier rights band of **\$25M–\$75M** annually, total annual cost rises to **\$33.2M–\$143.2M**



Mid-sized recurring rights

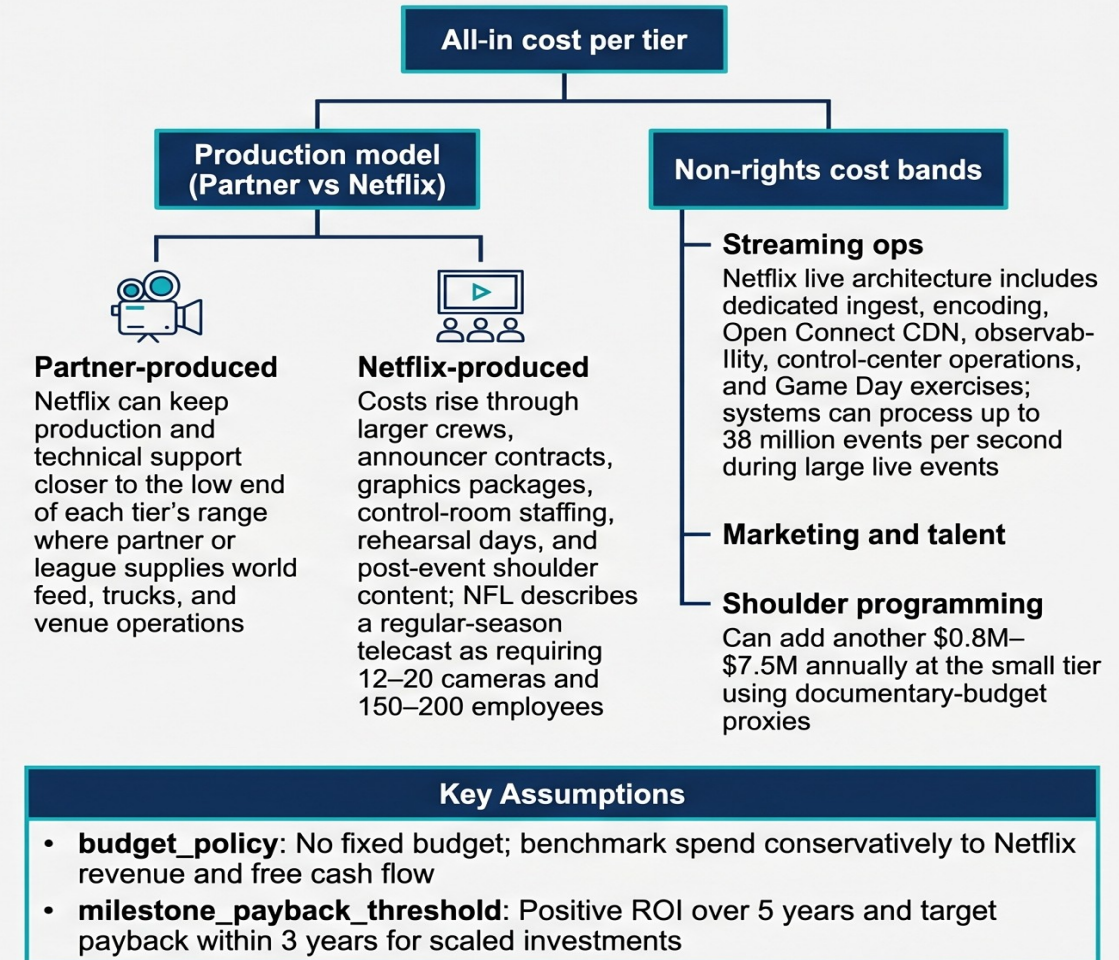
- Move quickly from a **\$150M–\$500M** rights decision to a **\$188M–\$820M** annual operating commitment
- WWE Raw widely reported at **\$500M per year** over 10 years beginning in 2025, materially above prior U.S. Raw rights of roughly **\$250M–\$260M** per year



Major premium rights

- Create billion-dollar annual exposure before any subscriber or advertising upside, with YouTube NFL Sunday Ticket at about **\$2.0B** per year and Amazon TNF at roughly **\$1.0B–\$1.2B** annually
- Once non-rights costs added, total annual exposure is **\$1.17B–\$2.86B** and five-year exposure **\$5.85B–\$14.3B**
- Notable scope issue is Amazon TNF, where sources cite roughly \$1.0B and \$1.2B annually; broader \$1.0B–\$1.2B range is more appropriate than a single point estimate

OPERATING MODEL LEVERS & ASSUMPTIONS



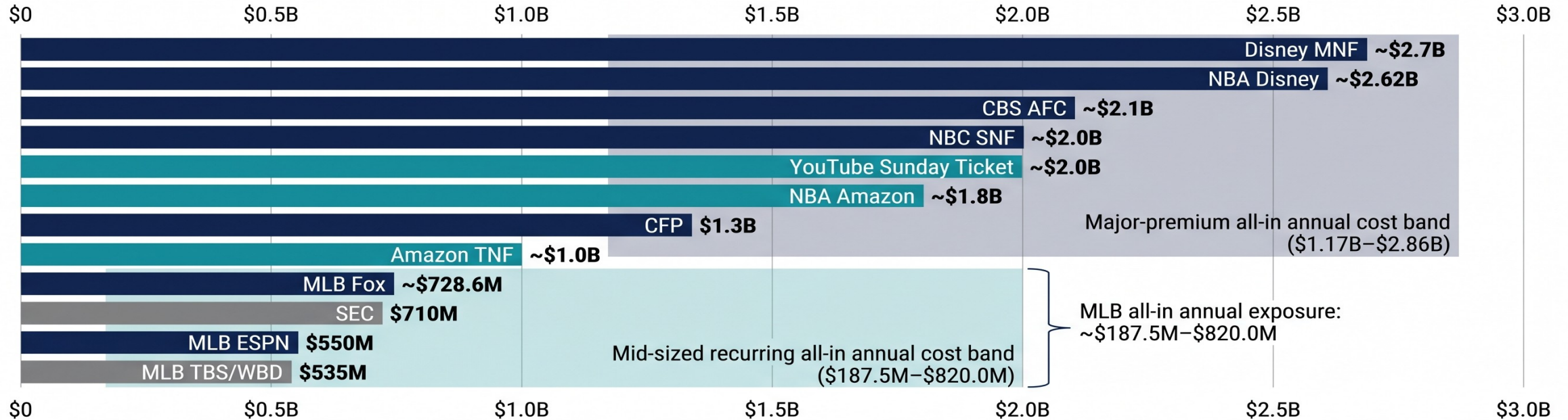
Sources: [Small Section] ## Small tactical rights are best framed as \$33M-\$143M annual commitments, with rights still dominant but operating costs large enough to change pilot economics. Small tactical rights in the U.S. are best anchored to eventized or limited-package properties rather than full-season ecosystems [2]. Netflix's NFL Christmas package has been reported at about \$75M per game for a three-year package, while Amazon has reportedly paid about \$100M for a Black Friday one-off NFL game and \$120M for an exclusive Wild Card game, establishing that even a narrow NFL window can command premium event pricing [2]. Using a conservative small-tier rights band of \$25M-\$75M annually from these eventized comparators, Lumiu analysis indicates total annual cost rises to \$33.2M-\$143.2M once production, streaming operations, marketing, talent, and shoulder content are included [2][5][6][7]. Production is the largest swing factor after rights: the NFL itself describes a regular-season telecast as requiring 12-20 cameras and 150-200 employees, which supports a meaningful cost delta

3.2

U.S. Sports Rights Structural Contention

Major U.S. sports rights are structurally contested for Netflix because ecosystem buyers can rationalize \$1.0B-\$2.86B+ annual commitments that exceed Netflix's standalone ROI thresholds.

MAJOR-PREMIUM VS MID-SIZED COST BANDS AND KEY RIGHTS BENCHMARKS



STRUCTURAL DISADVANTAGE DRIVERS AND ANALYTICAL ASSUMPTIONS



Competitors spread economics across pay-TV affiliate fees, commerce, device ecosystems, sports-specific upsells, venue/commercial distribution, and broader year-round sports bundles, which Netflix does not fully replicate.



Netflix is most structurally disadvantaged where rivals can leverage these broader ecosystems and bundles to justify bids above Netflix's standalone ROI.

ANALYTICAL ASSUMPTIONS



This analysis uses system-inferred **milestone_payback_threshold** which has not been confirmed by the client; any scalable vs interesting classification is based on assumed **budget_policy** and **milestone_payback_threshold**.



budget_policy: No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow – used only to frame where rights become structurally difficult relative to incumbent ecosystem buyers; not an established company budget.



milestone_payback_threshold: Positive ROI over 5 years and target payback within 3 years for scaled investments – system-inferred operagate used to interpret when structurally contested rights are unlikely to scale for Netflix.

Full-season NFL, top-tier NBA, CFP, and SEC rights are structurally contested because ecosystem buyers can outbid Netflix across \$1.0B-\$2.7B+ annual packages.

STRUCTURAL CONTESTABILITY BY RIGHTS CATEGORY

Rights category	Current/benchmark annual fee	Primary strategic-fit bidders	Contest level
NFL Sunday Ticket	\$2.0B-\$2.5B annual fee	YouTube/Google	Very high
NFL Sunday afternoon (CBS AFC benchmark)	\$2.1B annual fee	CBS/Paramount	Very high
NFL Sunday Night Football	\$2.0B annual fee	NBCUniversal	Very high
NFL Monday Night Football	\$2.7B annual fee	Disney/ESPN	Very high
NFL Thursday Night Football	\$1.0B annual fee	Amazon	Very high
NBA Disney package	\$2.62B annual fee	Disney/ESPN	Very high
NBA Amazon package	\$1.8B annual fee	Amazon	Very high
CFP	\$1.3B annual fee	Disney/ESPN	Very high
SEC	\$710M annual fee	Disney/ESPN	High
MLB national windows	\$535M-\$729M annual fees	Fox, ESPN, WBD, NBC/Peacock	High
NWSL	\$60M annual fee	ESPN, Prime, CBS, Scripps	Moderate
Combat/UFC benchmark	>\$1.0B sought next cycle	ESPN, Amazon, WBD/others	High

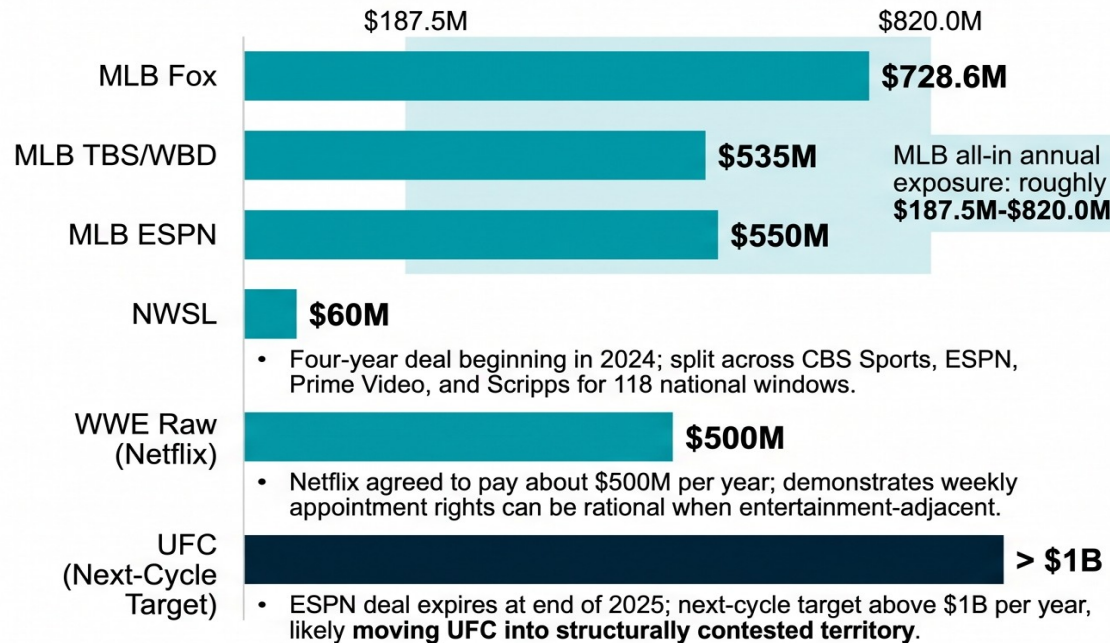
Very high High Moderate

WHY ECOSYSTEM BUYERS CAN OUTBID NETFLIX

- YouTube/Google (NFL Sunday Ticket) monetizes via subscription upsell, YouTube TV bundle, and commercial venue rights that Netflix lacks.
- CBS/Paramount (NFL Sunday afternoon) leverages broadcast scale, affiliate economics, and ad sales.
- NBCUniversal (Sunday Night Football) uses NFL as a broadcast tentpole, Peacock funnel, and ad-sales engine.
- Disney/ESPN (Monday Night Football, NBA, CFP, SEC) relies on ESPN ecosystem, bundle retention, ad sales, shoulder programming, and conference identity.
- Amazon (Thursday Night Football, NBA package) uses Prime retention, commerce halo, ad inventory, and year-round sports strategy.
- NBCUniversal's NBA package includes 100 regular-season games, Peacock exclusives, All-Star Weekend, and six conference finals, strengthening Peacock and reclaiming a marquee winter property.
- ESPN extended exclusive CFP rights through 2031-32 at \$1.3B per year, up from a prior baseline of about \$608M, and holds SEC at about \$710M annually through 2034.

MLB, women's sports, wrestling, and niche rights are more selectively open, with economics improving when packages are fragmented, shared, or eventized below \$1.0B.

RELATIVE OPENNESS OF MLB, WOMEN'S SPORTS, WRESTLING, AND COMBAT RIGHTS



PACKAGE DESIGN, EVENTIZATION, AND TACTICAL FILTERS

- Eventized NFL**
 Narrow eventized NFL packages can be benchmarked closer to Netflix's own Christmas games at about **\$75M per game** rather than \$1B-\$2.7B full-season national packages.
 - Legacy vs new MLB windows**
 Time-base reconciliation in MLB: some sources describe legacy 2022-2028 Fox/TBS windows, while newer reporting describes 2026-2028 ESPN/NBC/Netflix structure; different slices of evolving national package.
 - Combat/UFC structure**
 Combat-sports pricing is less settled than NFL/NBA/CFP: ESPN's UFC deal expires after 2025 and next-cycle target is above **\$1B** per year, with future structure (single-partner vs split-partner) materially affecting contestability.
- Package design**
 Target fragmented, shared, or shoulder-light windows over full-season ecosystems.
- [Auction participation filter]:** Exclude full-season rights where incumbent benchmark fees already exceed roughly **\$1.0B** annually unless package includes sublicensing, shared economics, or eventized carve-outs.
 - [Competitor-synergy screen]:** Prioritize rights where incumbents lack strong bundle, affiliate, commerce, or venue monetization advantages over Netflix.
 - [Package design]:** Target fragmented, shared, or shoulder-light windows rather than full-season ecosystems; favor weekly appointment or eventized rights over comprehensive league bundles.

IMMEDIATE NEXT STEPS FOR EXECUTION

[Strategy / Finance]

Build competitor-rights heat map & classify target rights
(within 1 week)

[Business Development]

Screen upcoming U.S. rights for carve-outs & sublicensing
(within 2 weeks)

[Ad Sales / Partnerships]

Quantify sponsorship & live-ad demand for candidate rights
(within 2 weeks)

3.3

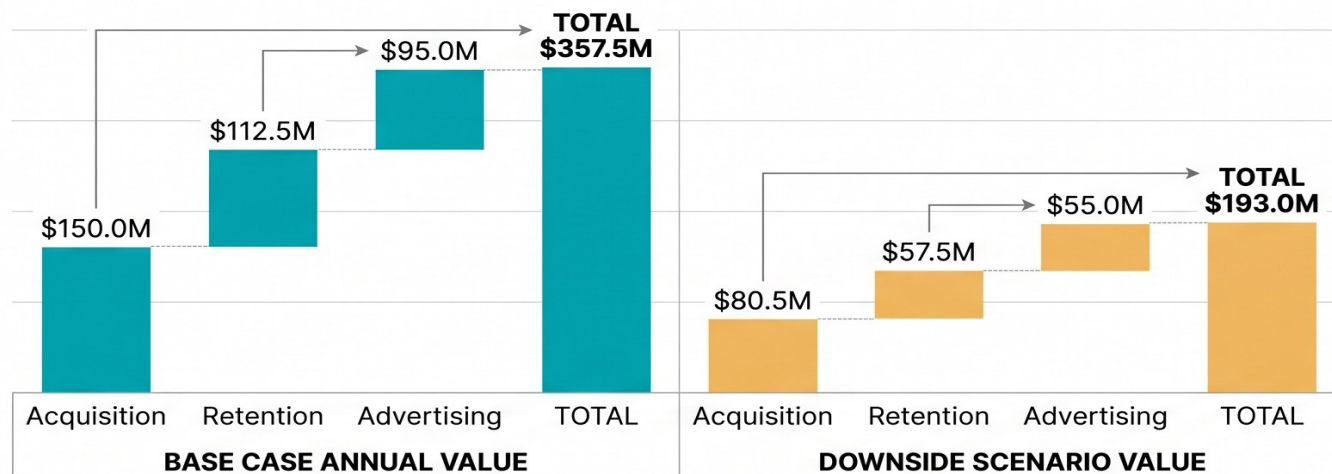
Rights-Tier ROI Scenarios and Pilot-Scale Considerations

Only mid-sized recurring rights clear the base-case ROI and payback gate, but no tier remains ROI-positive under conservative downside assumptions.

Sources: [1] Variety (2024). "Netflix, WWE Strike Deal to Move 'Monday Night Raw' to Streamer Beginning in 2025 for \$500 Million per Year". Variety. <<https://variety.com/2024/tv/news/netflix-wwe-monday-night-raw-deal-january-2025-1235882820>> [2] The Wall Street Journal (2025). "Netflix, Eager for More NFL, Is Looking at a Four-Game Package". The Wall Street Journal. <<https://www.wsj.com/business/media/netflix-eager-for-more-nfl-is-looking-at-a-four-game-package-2d955b1f>> [3] Sports Media Watch (n.d.). "Sports media rights deals list". Sports Media Watch. <<https://www.sportsmediawatch.com/sports-media-rights-deals-list>> [4] Netflix (2025). "FINAL-Q4-25-Shareholder-Letter.pdf". Netflix Investor Relations. <https://s22.q4cdn.com/959853165/files/doc_financials/2025/q4/FINAL-Q4-25-Shareholder-Letter.pdf> [5] Campaign US (2025). "Netflix doubles ad revenue in 2024, targets another doubling in 2025". Campaign US. <<https://www.campaignlive.com/article/netflix-doubles-ad-revenue-2024-targets-doubling-2025/1903513>> [6] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". CNBC. <<https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html>>

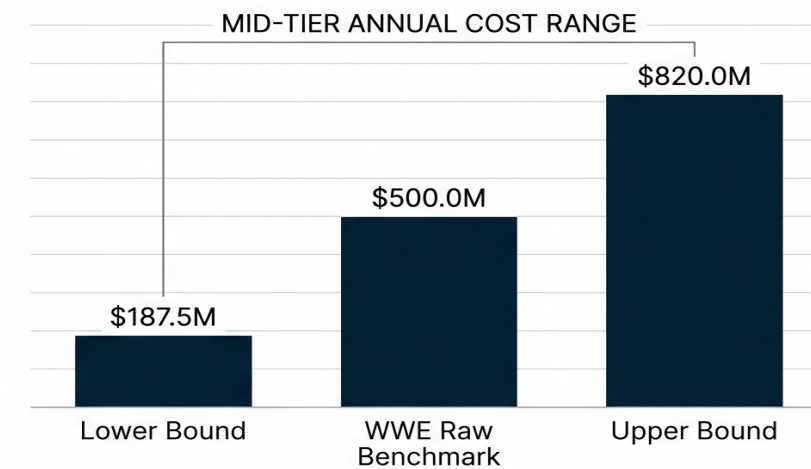
Mid-sized recurring rights deliver the strongest base-case economics, but monetization fragility in downside scenarios reinforces a pilot-to-scale strategy.

MID-SIZED RECURRING RIGHTS VALUE STACK (BASE VS DOWNSIDE)



Five-year cost base: Base **\$1.5B** -> Downside **\$2.25B**

REPRESENTATIVE MID-SIZED PACKAGE AND COST RANGE



5Y Cost Base (Base/Downside/Upside): **\$1.5B / \$2.25B / \$1.25B**

MONETIZATION FRAGILITY AND AD CONTEXT

- The model separates value into acquisition, retention, and advertising to **avoid double counting**, and the stress case shows all three levers weakening simultaneously.
 - Typical streaming/CTV CPMs around **\$20-\$40**; premium Netflix CPMs around **\$35-\$45** — used as directional support for downside and upside ad monetization ranges.
 - Netflix has said ad revenue was set to roughly **double** in 2025 after doubling in 2024, implying the ad business is **growing fast but still not mature enough to absorb major sports misses**.
 - Netflix's 2024 revenue of **\$39.0B** and 2024 non-GAAP free cash flow of about **\$6.9B** provide **corporate capacity** context, but they do not change the tier ranking because the decision metric is **ROI on incremental rights spend** rather than affordability.
- The result is that only rights with **repeatable weekly engagement** and **measurable ad demand** have a **credible path to remain near breakeven** when assumptions tighten.

Small tactical and major premium rights should be used only as pilots or avoided entirely, while execution focuses on 2-3 mid-sized pilots with strict payback and monetization gates.

KPI SCORECARD

SMALL TACTICAL RIGHTS: PILOT-ONLY PROFILE

Base case	Annual benefit			5Y cost	ROI
	\$66.0M			\$300.0M	3.4% ↑
Downside case	Acquisition	Retention	Advertising	NPV	Payback
	\$30.0M	\$18.0M	\$18.0M	\$4.7M	Year 4
Downside case	5Y benefit	5Y cost	ROI	NPV	Payback
	\$150.4M	\$450.0M ↓	-66.6%	-\$228.6M	None

Profile fits eventized or limited-package rights such as **Netflix's NFL Christmas benchmark**, reported at about **\$150M** total for 2024-2026, or roughly **\$75M per game** in separate reporting. Implication is to use small tactical rights as **measurement pilots** rather than scale bets.

COMPARISON TABLE

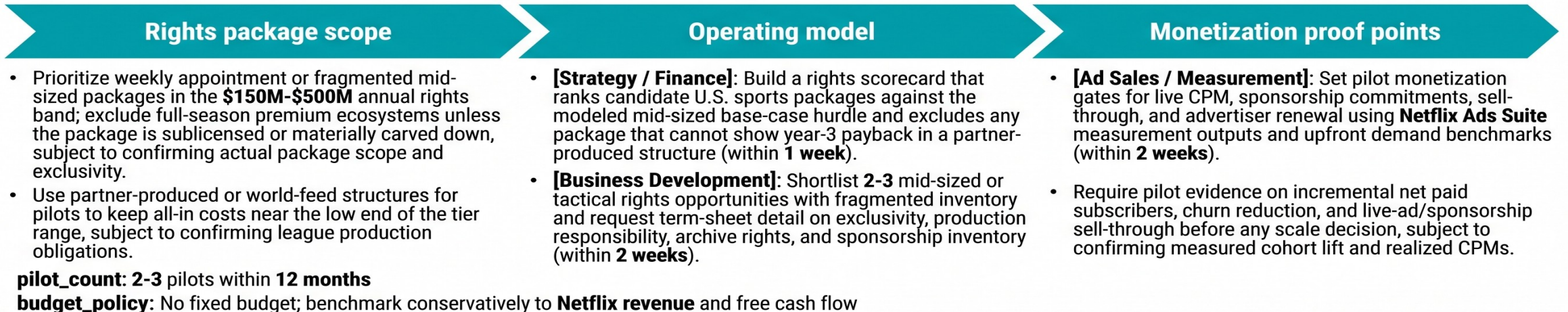
MAJOR PREMIUM RIGHTS: STRUCTURALLY UNATTRACTIVE

Scenario / Benchmark	Annual Benefit	5Y Cost	ROI	NPV	Payback
Base case	\$1.395B	\$7.5B	-12.6%	-\$778.5M	None
Downside case		\$9.75B	-64.8%	-\$4.824B	None
YouTube's NFL Sunday Ticket	Reported at about \$2.0B per year				
Amazon's Thursday Night Football	At roughly \$1.0B-\$1.2B per year				
Disney's Monday Night Football package	At about \$2.7B annually				

These rights should not be treated as core-scale candidates under standalone economics.

PROCESS CHEVRON

EXECUTION PLAN: MID-SIZED PILOTS AND PAYBACK GATES



Sources: [1] Variety (2024). "Netflix, WWE Strike Deal to Move 'Monday Night Raw' to Streamer Beginning in 2025 for \$500 Million per Year". Variety. <https://variety.com/2024/tv/news/netflix-wwe-monday-night-raw-deal-january-2025-1235882820> [2] The Wall Street Journal (2025). "Netflix, Eager for More NFL, Is Looking at a Four-Game Package". The Wall Street Journal. <https://www.wsj.com/business/media/netflix-eager-for-more-nfl-is-looking-at-a-four-game-package-2d955b1f> [3] Sports Media Watch (n.d.). "Sports media rights deals list". Sports Media Watch. <https://www.sportsmediawatch.com/sports-media-rights-deals-list> [4] Netflix (2025). "FINAL-Q4-25-Shareholder-Letter.pdf". Netflix Investor Relations. <https://s22.q4cdn.com/959853165/files/doc_financials/2025/q4/FINAL-Q4-25-Shareholder-Letter.pdf> [5] Campaign US (2025). "Netflix doubles ad revenue in 2024, targets another doubling in 2025". Campaign US. <https://www.campaignlive.com/article/netflix-doubles-ad-revenue-2024-targets-doubling-2025/1903513> [6] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". CNBC. <https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html>

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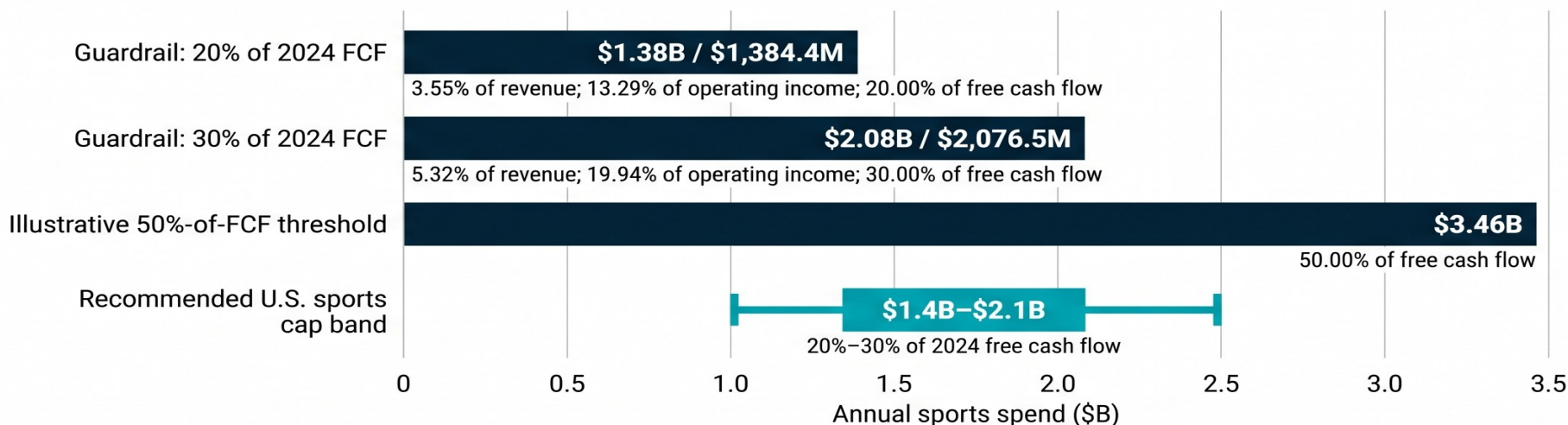
Netflix Sports Rights Spending Guardrails

Netflix should cap annual U.S. sports-rights spend at ~\$1.4B-\$2.1B, limiting sports to 20%-30% of free cash flow while preserving capital for core priorities.

NETFLIX 2024–2025 CASH CAPACITY CONTEXT

2024 Revenue \$39.0B	2024 Operating Income \$10.5B	2024 Operating Cash Flow \$7.36B	2024 Free Cash Flow \$6.9B / \$6.92B
2024 Year-End Debt \$15.7B	2024 Year-End Net Debt \$6.1B	2025 Free Cash Flow Guidance ~\$8.0B Management expanded buyback authorization	

AFFORDABILITY GUARDRAILS VS. NETFLIX FINANCIALS



CALLOUT

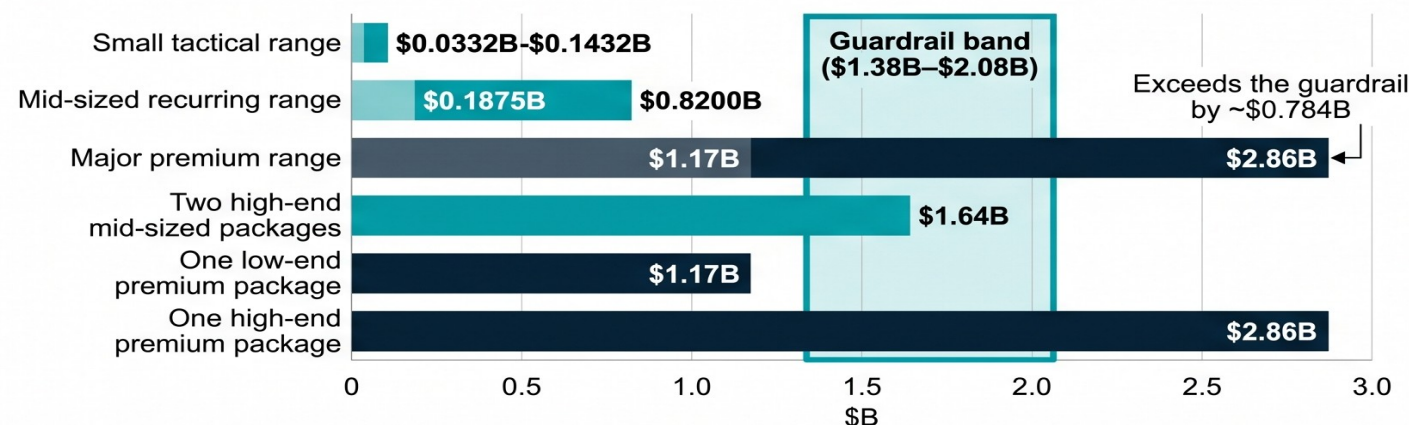
A 20%–30% of FCF guardrail preserves residual cash for content, ads, debt paydown, and buybacks. Above \$1.4B–\$2.1B, sports begins to compete directly with broader corporate flexibility.

Small tactical and mid-sized recurring rights fit within Netflix's conservative guardrail, while premium portfolios rapidly crowd out free cash flow.

ANNUAL ALL-IN SPORTS PORTFOLIOS VS. NETFLIX FINANCIALS

Portfolio / benchmark	Annual all-in spend (\$M)	% of Netflix 2024 revenue	% of Netflix 2024 operating income	% of Netflix 2024 free cash flow
Small tactical (low)	\$33.2M	0.09%	0.32%	0.48%
Small tactical (high)	\$143.2M	0.37%	1.38%	2.07%
Mid-sized recurring (low)	\$187.5M	0.48%	1.80%	2.71%
Mid-sized recurring (high)	\$820.0M	2.10%	7.87%	11.85%
Guardrail: 20% of 2024 FCF	\$1,384.4M	3.55%	13.29%	20.00%
Guardrail: 30% of 2024 FCF	\$2,076.5M	5.32%	19.94%	30.00%
Major premium (low)	\$1,170.0M	3.00%	11.24%	16.90%
Major premium (high)	\$2,860.0M	7.33%	27.46%	41.32%

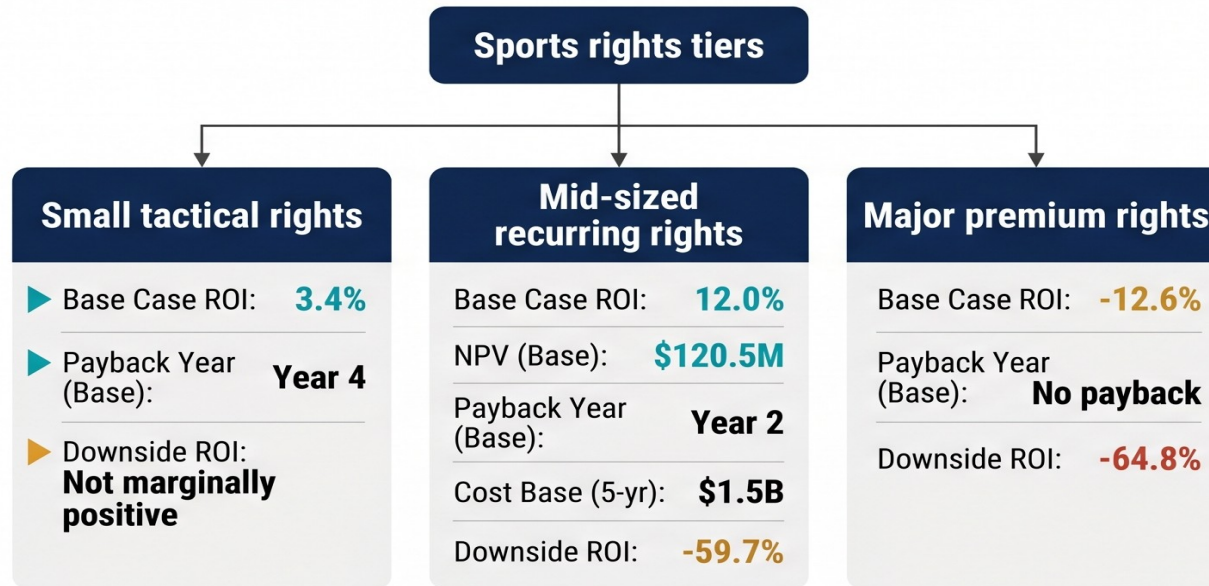
PORTFOLIO MATH VS. GUARDRAIL



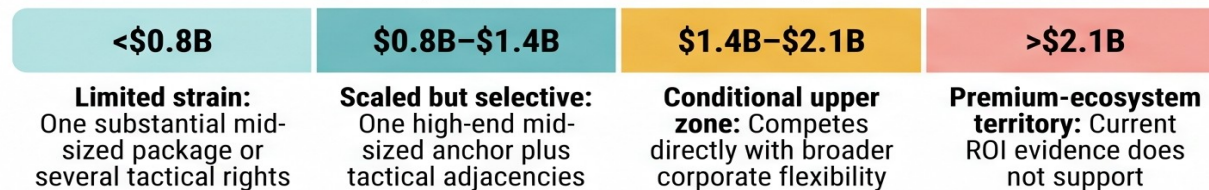
- Relative to the **\$1.38B-\$2.08B** conservative guardrail, even a high-end mid-sized package remains manageable.
- One low-end premium package at **\$1.17B** already consumes most of the **20%** free-cash-flow ceiling.
- A high-end premium package at **\$2.86B** exceeds the **30%** ceiling by about **\$784M**.
- Two high-end mid-sized packages together could reach **\$1.64B** annually, still near the upper prudent zone.
- One premium package plus one meaningful mid-sized package can quickly move above **\$2.0B** and into a strain scenario.

Mid-sized recurring rights are the only tier that clears Netflix's ROI and payback gates, while competitor spend intensity should be treated as an outer bound, not a target.

ROI & PAYBACK BY RIGHTS TIER (BASE AND DOWNSIDE)

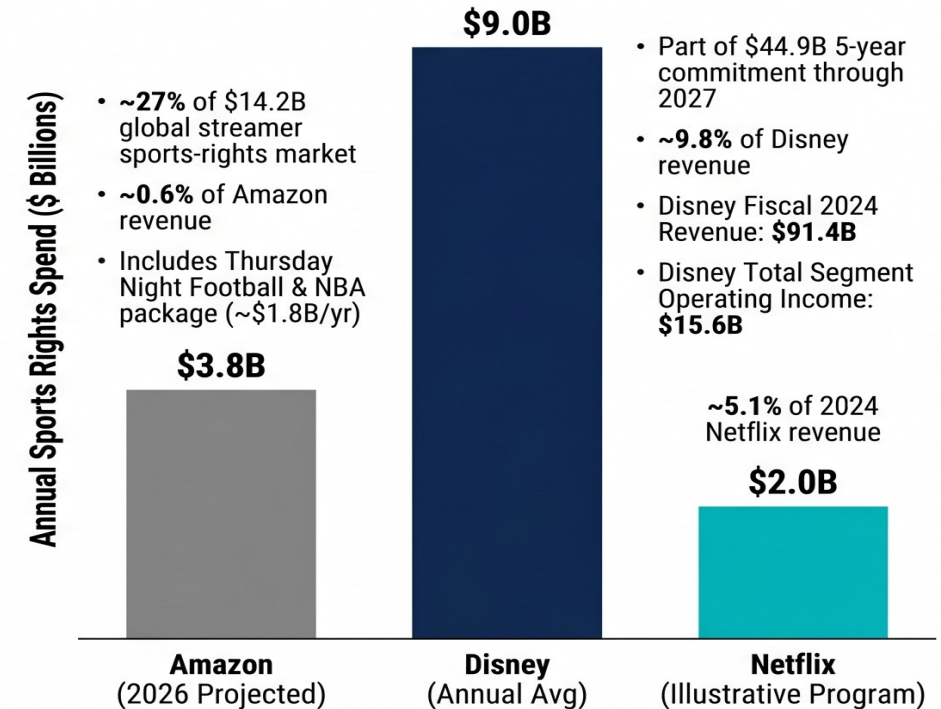


Annual Spend Bands & Portfolio Implications



COMPETITOR SPORTS-SPEND INTENSITY VS. NETFLIX

Competitor spend intensity should be treated as an **outer bound, not a target**, given Netflix's lack of equivalent cross-subsidy engines.



Key Assumptions: budget_policy: No fixed budget; use conservative spend thresholds benchmarked to revenue and free cash flow. milestone_payback_threshold: Positive ROI over 5 years and target payback within 3 years for scaled investments.
Risks & Critical Nuances: Corrected computation block (0.09% and 3.0% spend ratios for small-low and major-low cases respectively) is the appropriate anchor for decision-making, consistent with Netflix's financials.

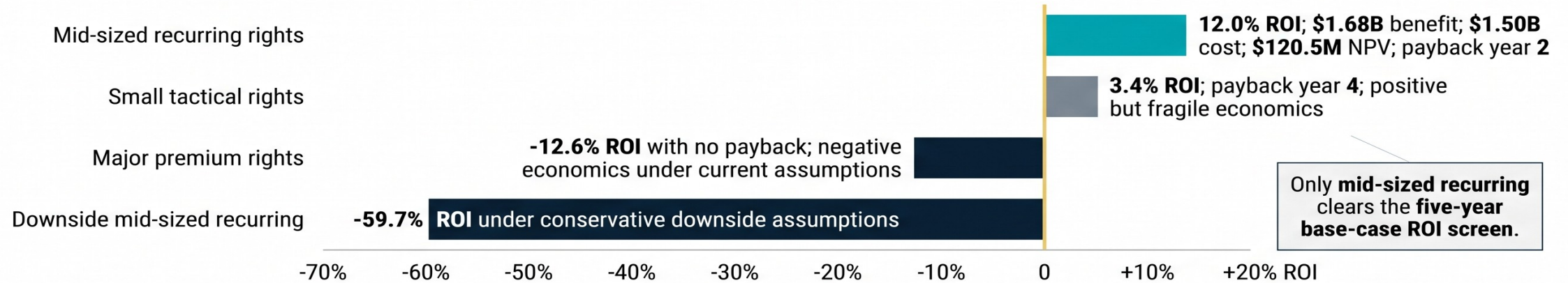
Sources: [1] Netflix (2025). "FINAL-Q4-24-Shareholder-Letter.pdf". Netflix Shareholder Letter. <https://cdn.arstechnica.net/wp-content/uploads/2025/01/FINAL-Q4-24-Shareholder-Letter.pdf> [9] Sports Media Watch (n.d.). "Sports media rights deals list". Sports Media Watch. <https://www.sportsmediawatch.com/sports-media-rights-deals-list> [10] Netflix (2026). "FINAL-Q4-25-Shareholder-Letter.pdf". Netflix Investor Relations. https://s22.q4cdn.com/959853165/files/doc_financials/2025/q4/FINAL-Q4-25-Shareholder-Letter.pdf [11] Campaign US (2025). "Netflix doubles ad revenue in 2024, targets another doubling in 2025". Campaign US. <https://www.campaignlive.com/article/netflix-doubles-ad-revenue-2024-targets-doubling-2025/1903513> [12] SportsPro (2026). "Streamers to spend 'US\$14.2bn' on sports rights in 2026". SportsPro. <https://www.sportspro.com/news/broadcast-ott/sports-rights-streaming-spend-2026-amazon-prime-video-dazn-peacock-february-2026> [13] MediaPost (2026). "Prime Video Takes Crown In Global Streaming 2026 Sports Rights". MediaPost. <https://www.mediapost.com/publications/article/412477/prime-video-takes-crown-in-global-streaming-2026-s.html> [14]

4





Selective U.S. Sports Rights Portfolio and Pilot Framework

Mid-sized recurring rights and eventized tentpoles are the only tiers that meet Netflix's five-year ROI and payback thresholds, making a selective portfolio the economically supported strategy.

ECONOMIC PERFORMANCE BY RIGHTS TIER (5-YEAR BASE-CASE MODEL)



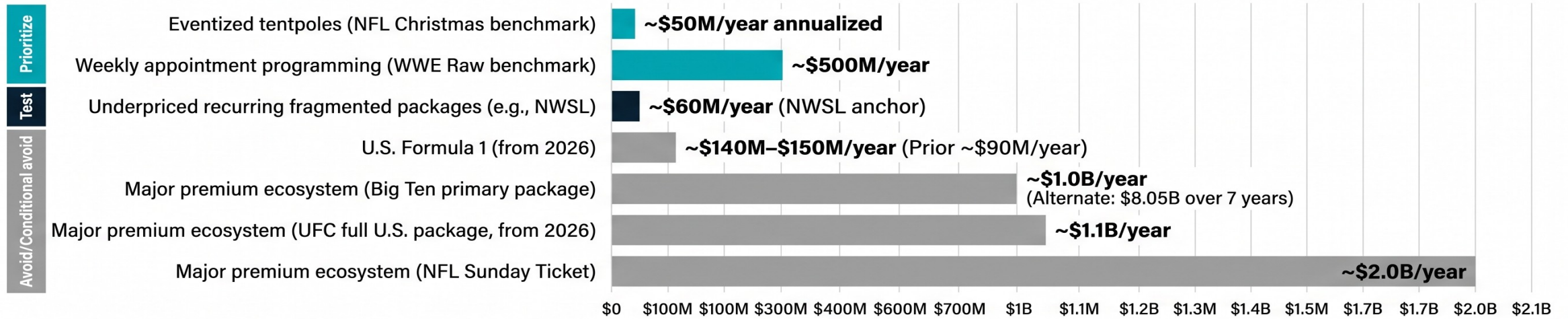
KPI FIT AND PORTFOLIO IMPLICATIONS

-  **Retention impact:** Mid-sized recurring rights deliver **2.02–5.4 percentage points** of annual churn reduction vs. **0.2–0.8 points** for one-off events, indicating superior retention logic.
-  **Eventized tentpoles:** create concentrated acquisition spikes and premium ad demand **at bounded cost**, complementing mid-sized recurring rights.
-  **Portfolio rule:** prioritize eventized tentpoles for acquisition bursts and ad scarcity; prioritize weekly appointment properties for retention and recurring monetization; test underpriced recurring adjacencies; avoid premium national full-season packages (e.g., **Sunday Ticket-**, **Big Ten-**, full **UFC-style** rights).
-  **Conditional scaling:** Scaled rights expansion should be conditional on proving property-level subscriber conversion, churn lift, and live-ad realization in pilots, based on the assumed **budget_policy** and **milestone_payback_threshold**.

Note: Analysis relies on assumed **budget_policy** and **milestone_payback_threshold**.

Eventized tentpoles and weekly appointment rights deliver superior KPI alignment and cost efficiency versus premium ecosystems, and should anchor Netflix's U.S. sports portfolio.

COST BENCHMARKS BY RIGHTS CATEGORY





KPI FIT, REACH, AND PORTFOLIO ACTIONS

Category/Proxy	KPI Fit Summary	5-year Economic Read	Portfolio Action	Illustrative Reach
Eventized tentpoles	Strong acquisition + strong ad scarcity; weaker retention	Small tactical tier base case only 3.4% ROI, so use selectively rather than broadly	Prioritize	NFL Christmas reached nearly 65M unduplicated U.S. viewers
Weekly appointment programming	Strong retention + meaningful acquisition + recurring ad inventory	Mid-sized recurring tier base case 12.0% ROI with payback year 2	Prioritize	WWE Raw's Netflix debut reached 4.9M global views; 2.6M U.S. households
Underpriced recurring fragmented packages	Moderate retention + moderate ad upside + high learning value; near-threshold / unproven	Best used for pilots	Test	NWSL package ~\$60M/year market anchor
Major premium ecosystems (UFC, Big Ten, NFL Sunday Ticket, F1)	Strong engagement/scale but premium pricing overwhelms ROI density or is incumbent-priced and locked up	Avoid at full-package level or treat as conditional avoid	Avoid or Conditional avoid	No specific reach metrics listed

Decision rule: eventized tentpoles and weekly appointment properties score strongly on at least two of three primary KPIs and are the only categories with a credible path to acceptable five-year economics under current benchmarks.

Sources: [10] Netflix (2024). "Netflix NFL Christmas Gameday Reaches 65 Million US Viewers". About Netflix. <https://about.netflix.com/news/netflix-nfl-christmas-gameday-reaches-65-million-us-viewers> [3] Variety (2024). "Netflix, WWE Strike Deal to Move 'Monday Night Raw' to Streamer Beginning in 2025 for \$500 Million per Year". Variety. <https://variety.com/2024/tv/news/netflix-wwe-monday-night-raw-deal-january-2025-1235882820> [27] Variety (2024). "Netflix, WWE Strike Deal to Move 'Monday Night Raw' to Streamer". Variety. <https://variety.com/2024/tv/news/netflix-wwe-monday-night-raw-deal-january-2025-1235882820> [4] MOGL (2025). "College Sports Media Rights Deep Dive". MOGL. <https://education.mogl.online/hubfs/Lead_Magnets/MOGL_College_Sports_Media_Rights_Deep_Dive-2025.pdf> [13] WNBA (2024). "WNBA Secures Landmark Media Rights Deals with the Walt Disney Company, Amazon Prime Video and NBCUniversal". WNBA.com. <https://www.wnba.com/news/media-rights-deal-disney-prime-nbc> [5] Sportcal (2025). "Paramount seizes UFC from ESPN in bumper \$7.7bn rights deal". Sportcal. <https://www.sportcal.com/media/paramount-seizes-ufc-from-espn-in-bumper-7-7bn->





Netflix should run 2-3 pilots in underpriced recurring adjacencies while explicitly avoiding billion-dollar premium ecosystems whose pricing assumes bundle economics.

KPI SCORECARD	WOMEN'S SPORTS	SECOND-TIER CONFERENCES	COMBAT
Key audience signals	2024 NCAA women's basketball championship drew 18.5M viewers; 2025 title game still exceeded >8M viewers. 	55 college games exceeded >4M viewers in 2024, but audience concentration remains skewed toward the biggest conferences.	ESPN's Top Rank relationship ends in August 2025, loosening rights supply, but Netflix lacks proof that non-blockbuster fight inventory can sustain premium CPMs and retention outside marquee bouts.
Recent viewership metrics	WNBA regular-season viewership rose 170% in 2024 to roughly ~1M viewers per game. NWSL championship-run viewership reached 967,900 . 		
Rights availability window	WNBA's new media-rights package runs from 2026 to 2036 . NWSL's current package runs through 2027 across multiple partners.		ESPN's Top Rank relationship ends in August 2025 .
Pilot learning focus	Validate conversion, 30/90-day retention, live CPMs, and sponsor renewal.	Validate conversion, 30/90-day retention, live CPMs, and sponsor renewal.	Validate conversion, 30/90-day retention, live CPMs, and sponsor renewal.
Based on the assumed pilot_count and milestone_payback_threshold, Netflix should use these categories as 2–3 pilots within 12 months to validate key performance indicators before any scaled commitment.			

RIGHTS AVAILABILITY CONSTRAINTS & RECOMMENDATION

- **WNBA** locked through **2036**.
- **NWSL** locked through **2027**.
- **Big Ten** locked through **2030**.
- **U.S. Formula 1** shifted to Apple from **2026**.
- Based on the assumed **budget_policy**, Netflix should **avoid any rights category** whose **economics require it to behave like a bundle incumbent** or absorb premium inflation before proving repeatable KPI lift.

PREMIUM ECOSYSTEMS TO AVOID

-  **NFL Sunday Ticket:** about **\$2.0B/year** on YouTube through 2031; structurally misaligned with Netflix's standalone rights P&L.
-  **Big Ten primary package:** publicly cited at about **\$7.0B** and **\$8.05B** over seven years through 2030; **\$7.0B** used as conservative anchor implying roughly **\$1.0B/year**; variance of **14%**.
-  **UFC:** historical ESPN package about **\$1.5B** over five years (**~\$300M/year**); new Paramount deal reported at **\$7.7B** over seven years (**~\$1.1B/year**) from 2026; forward figure more than **3x** historical annual value.
-  **Formula 1 U.S. rights:** moved from roughly **\$90M/year** under ESPN to about **\$140M–\$150M** annually with Apple from 2026; window now closed.

* This analysis uses system-inferred pilot_count and system-inferred milestone_payback_threshold, and client-assumed budget_policy; conclusions about scaling, pilot count, and payback gates are therefore conditional.

Sources: [13] WNBA (2024). "WNBA Secures Landmark Media Rights Deals with the Walt Disney Company, Amazon Prime Video and NBCUniversal". WNBA.com. <https://www.wnba.com/news/media-rights-deal-disney-prime-nbc> [16] eMarketer (2025). "Women's sports viewership maintains momentum, providing an engaged audience for advertisers". eMarketer. <https://www.emarketer.com/content/women-sports-viewership-maintains-momentum-providing-engaged-audience-advertisers> [17] The Story Exchange (2024). "Women's Sports Scored Record Numbers of Fans in 2024". The Story Exchange. <https://thestoryexchange.org/womens-sports-scored-record-numbers-of-fans-in-2024> [18] NWSL (2024). "NWSL announces landmark media partnerships with CBS Sports, ESPN, Prime Video and Scripps Sports". NWSLsoccer.com. <https://www.nwslsoccer.com/news/nwsl-announces-landmark-media-partnerships-with-cbs-sports-espn-prime-video-and-scripps-sports> [19] IMG (2025). "NWSL announces new media partnerships expanding agreements with CBS Sports and ESPN and a new partnership with Victory+". IMG. <https://www.img.com/our-news/nwsl-announces-new-media-partnerships->

4.1

U.S. Sports Rights Prioritization for Scalable Growth

Netflix should scale U.S. sports rights selectively around eventized tentpoles and weekly appointment properties that can meet a 3-year payback and 5-year ROI hurdle while avoiding premium full-season ecosystems.

STRATEGIC PRIORITIZATION LOGIC AND MARKET CONTEXT



TARGET CATEGORY CRITERIA

- Target categories must combine acquisition spikes, recurring engagement to reduce churn, and credible ad/sponsorship inventory without forcing Netflix into the cost structure of incumbent sports bundles.



TENTPOLES AND WEEKLY PROPERTIES ARE BEST

- Eventized tentpoles and weekly appointment properties clear this bar best because they can drive concentrated audience moments and repeat viewing while remaining far below the cost of top-tier premium ecosystems such as NFL Sunday Ticket at



GLOBAL RIGHTS INFLATION ACCELERATES

- Global live-sports rights spending is projected to rise from **\$13.2B** in 2025 to **\$14.2B** in 2026, with streaming's share rising from 31% to 44%, intensifying competition and rights inflation.



REQUIRE POSITIVE ROI HURDLE

- Based on the assumed `budget_policy` and `milestone_payback_threshold`, Netflix should prioritize categories that can **plausibly produce positive 5-year ROI with payback inside 3 years, while avoiding categories whose economics depend on matching Amazon-, Disney-, or YouTube-scale bidding behavior.**



PILOT-DRIVEN DE-RISKING PATH

- Based on the assumed `pilot_count`, the fastest de-risking path is to validate **2–3 pilots** small or mid-sized recurring/event categories **within 12 months** rather than commit immediately to a premium ecosystem.



AVOID PREMIUM FULL-SEASON ECOSYSTEMS

- Premium full-season ecosystems such as NFL Sunday Ticket at about **\$2.0B per year** and Big Ten at about **\$7B total** through 2030 should be treated as **opportunistic exceptions**, not the portfolio center of gravity, unless sublicensing or shared-cost structures materially change economics.



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ACQUISITION



ENGAGEMENT



ADS

<code>budget_policy</code>	<code>milestone_payback_threshold</code>	<code>pilot_count</code>
NO FIXED BUDGET Conservative spend thresholds benchmarked to revenue/free cash flow; not client-confirmed	POSITIVE 5-YEAR ROI <3 YEAR PAYBACK ROI over 5 years and target payback within 3 years for scaled investments; not client-confirmed	2-3 PILOTS WITHIN 12 MONTHS Validate repeatability across small/mid-sized rights before scale; not client-confirmed
NFL Christmas benchmark cost	WWE Raw benchmark cost	NFL Sunday Ticket benchmark cost
\$150M Total across 2024–2026 for eventized tentpole economics	\$500M PER YEAR Public benchmark for weekly appointment economics	~\$2.0B PER YEAR Premium ecosystem comparator and upper-bound competitive benchmark

Eventized tentpoles and weekly appointment programming offer the best ROI density for Netflix, while major premium ecosystems and top-end combat rights sit in a structurally unattractive cost tier.





RIGHTS CATEGORY BENCHMARKS AND STRATEGIC READ

Rights category proxy	Public cost anchor (with \$ values and terms)	Term / timing signal	Strategic read
Eventized tentpoles (NFL Christmas benchmark)	\$150M total 2024–2026	Netflix package runs through 2026	High-reach, bounded-risk tentpole model
Weekly appointment programming (WWE Raw benchmark)	\$500M per year	began 2025	Recurring engagement and ad inventory
Underpriced recurring women's/team-sport packages (NWSL multi-partner package)	27 Prime matches within package through 2027; fee not disclosed	rights through 2027	Growing but still fragmented market
Underpriced recurring women's/team-sport packages (WNBA national package)	11-year deal starting 2026, through 2036; prior deal about \$60M/year	prior deal about \$60M/year	Attractive genre, limited near-term availability
Eventized/weekly combat (UFC)	current deal \$1.5B total ; next cycle target >\$1B/year	renewal at end of 2025	Strong engagement, but pricing now premium
Major premium ecosystem (F1 U.S.)	current \$75–90M/year ; sought \$150–180M/year ; Apple won from 2026 at ~\$160M/year	Apple won from 2026 at ~\$160M/year	Rising price, closed window
Major premium ecosystem (NFL Sunday Ticket)	~\$2.0B per year	through 2031	Too expensive for ROI density
Major premium ecosystem (Big Ten)	~\$7B total, 2023–2030	through 2030	Locked up by incumbents





Sources: [1] SportsPro (2025). "UFC targets 'more than US\$1bn a year' in next US broadcast rights deal". SportsPro. [2] Sports Business Journal (2025). "ESPN not worried about UFC exclusive negotiating window expiring". Sports Business Journal. [3] Forbes (2025). "Formula 1 Racing Seeks A New Media Rights Deal For 2026". Forbes. [5] Sports Media Watch (n.d.). "List of sports media rights deals". Sports Media Watch. [7] Netflix (2025). "WWE Raw rights agreement benchmark as publicly reported". Public reporting [8] TheWrap (2024). "Sports Rights List: Who Owns What?". TheWrap. [10] AP News (2024). "WNBA announces landmark 11-year media rights deal with Disney, Amazon Prime and NBC". AP News. [11] ESPN (2025). "Formula 1 announces new Apple TV U.S. broadcast deal". ESPN. [12] CNBC (2022). "Big Ten lands \$7 billion, NFL-style TV contracts". CNBC. [13] ESPN (2018). "ESPN to broadcast 30 UFC events per year during 5-year deal". ESPN. [14] IMG (2025). "NWSL announces new media partnerships expanding agreements with CBS Sports and ESPN and a new partnership with Victory+". IMG.

Execution should focus on 2025-2027 windows for tentpoles, weekly properties, and underpriced recurring packages while managing availability, pricing resets, and deal-structure risk.

AVAILABILITY, PRICING, AND RISK NUANCES

-  • **Big Ten** runs through **2030**, **WNBA** through **2036**, **NWSL** through **2027**; U.S. F1 shifted to Apple from **2026**.
-  • **UFC** sourcing has reconciliation risk: current ESPN deal likely expires in **2025**, with next cycle targeted at **>\$1B per year**.
-  • U.S. F1 rights escalated from ~\$75–90M to **~\$150–160M per year** in new Apple deal (2026), showing rapid inflation.
-  • Global live-sports rights spending projected to rise from \$13.2B (2025) to **\$14.2B (2026)**; streaming share rising from 31% to **44%**.

KEY RISKS

-  **Availability:** Many attractive categories not open in near term.
-  **Pricing Resets:** Rapid rights inflation once properties become central.
-  **Deal Structure:** Need to favor non-exclusive or shared windows.
-  **ROI Gate:** Must verify positive 5-year ROI and downside protection.

TACTICAL EXECUTION PLAN AND TIMELINES

	Q4 2024	2025	2026	2027
Corporate Strategy		Scorecard Build (10 business days) → Focus: Eventized tentpoles, weekly appointment properties, underpriced recurring packages		
Business Development		Rights-Availability Tracking (within 2 weeks) → Concentrate outreach on categories with renewal windows in 2025–2027		
Finance		Walk-Away Economics Definition (within 2 weeks) → BENCHMARK WALK-AWAY LEVELS: ~\$50M/year for tentpoles; ~\$500M/year for weekly properties.		

Sources: [1] SportsPro (2025). "UFC targets 'more than US\$1bn a year' in next US broadcast rights deal". SportsPro. [2] Sports Business Journal (2025). "ESPN not worried about UFC exclusive negotiating window expiring". Sports Business Journal. [3] Forbes (2025). "Formula 1 Racing Seeks A New Media Rights Deal For 2026". Forbes. [4] Ampere Analysis (2025). "Global live-sports rights spending forecast". Ampere Analysis [10] AP News (2024). "WNBA announces landmark 11-year media rights deal with Disney, Amazon Prime and NBC". AP News. [11] ESPN (2025). "Formula 1 announces new Apple TV U.S. broadcast deal". ESPN. [12] CNBC (2022). "Big Ten lands \$7 billion, NFL-style TV contracts". CNBC. [13] ESPN (2018). "ESPN to broadcast 30 UFC events per year during 5-year deal". ESPN. [14] IMG (2025). "NWSL announces new media partnerships expanding agreements with CBS Sports and ESPN and a new partnership with Victory+", IMG.

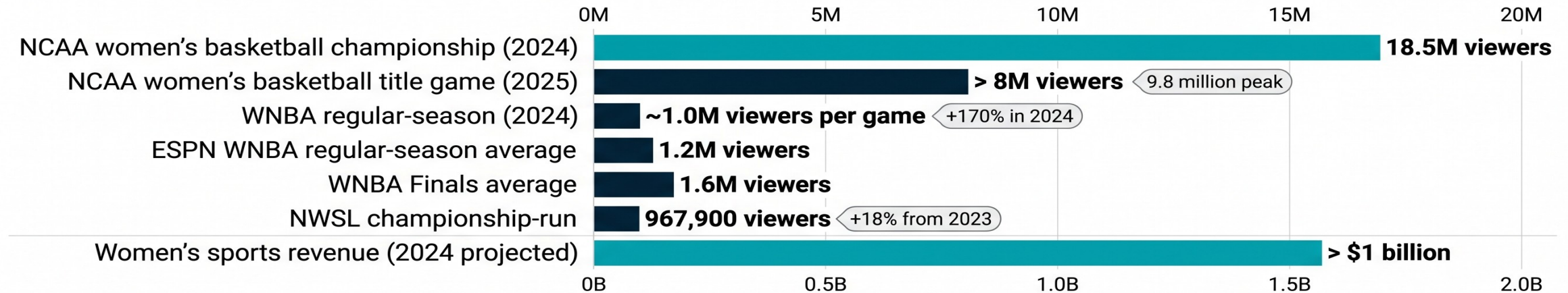
4.2

Pilot Sports Rights Categories for Testing

Women's sports offer the highest learning value per dollar for advertiser fit, but locked-in national rights constrain Netflix to adjacent shoulder and event packages in the near term.

WOMEN'S SPORTS DEMAND & ADVERTISER MOMENTUM

Women's sports audience & revenue momentum



60% of women's sports fans reportedly began following within the last five years

RIGHTS AVAILABILITY & PILOT POSITIONING

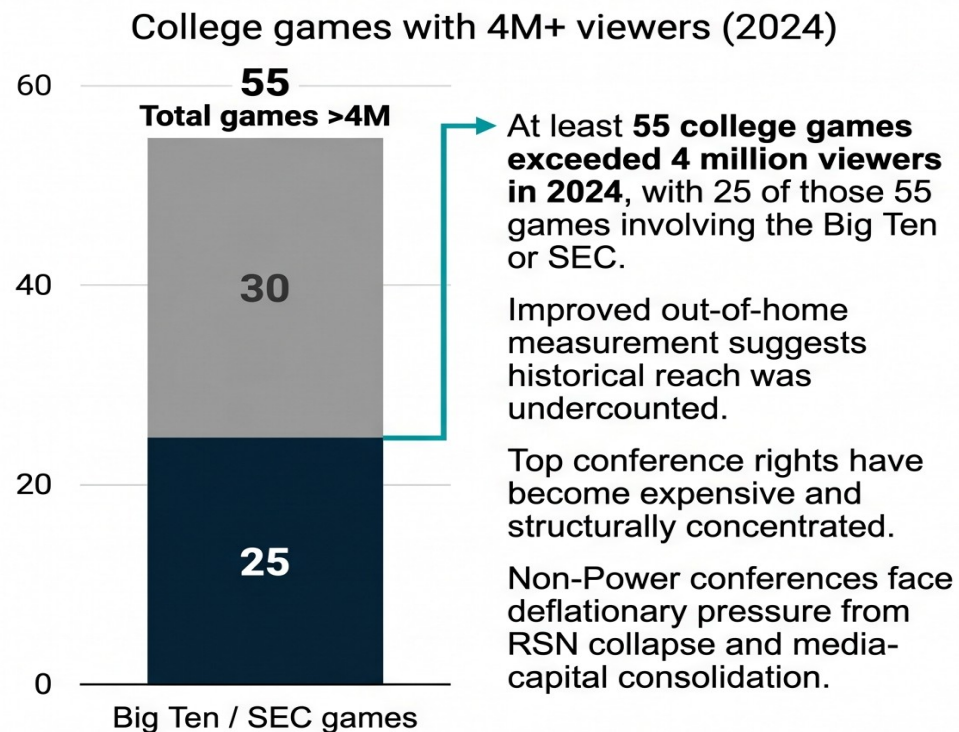
Attribute	Detail	Cost / Learning	Rights Status
WNBA national rights	Committed from 2026 to 2036 across Disney, Amazon, and NBCUniversal for >125 games annually	N/A	Locked-in long-term
NWSL U.S. package	Runs through 2027 across CBS, ESPN, Amazon, and Scripps, with combined fees of ~\$60M per partner package over four years	N/A	Locked through 2027
Women's sports shoulder/event packages	Public demand signal includes: NCAA women's title 18.5M (2024), >8M (2025); WNBA ~1.0M/game; NWSL 967.9K	Indicative cost range: Low-mid Learning value per dollar: High	Rights availability within 12 months: Core national rights mostly locked; adjacent events/shoulder inventory more feasible

Core uncertainty: Can Netflix monetize engaged but fragmented fandom via ads/sponsors without full-season rights?

Sources: [1] eMarketer (2025). "Women's sports viewership maintains momentum, providing an engaged audience for advertisers". eMarketer. <https://www.emarketer.com/content/women-sports-viewership-maintains-momentum-providing-engaged-audience-advertisers> [2] The Story Exchange (2024). "Women's Sports Scored Record Numbers of Fans in 2024". The Story Exchange. <https://thestoryexchange.org/womens-sports-scored-record-numbers-of-fans-in-2024> [3] new/day studio (2024). "Women's Sports Are Growing Faster Than Men's". new/day studio. <https://www.newdaystudio.co/blog/womens-sports-growing-faster-than-mens> [4] Tinuiti (2024). "How Women's Sports Are Reshaping Media". Tinuiti. <https://tinuiti.com/blog/tv-audio/8-email-campaigns-to-help-generate-more-revenue> [9] WNBA (2024). "WNBA Secures Landmark Media Rights Deals with the Walt Disney Company, Amazon Prime Video and NBCUniversal". WNBA.com. <https://www.wnba.com/news/media-rights-deal-disney-prime-nbc> [10] Sports Media Watch (2026). "List of sports media rights deals". Sports Media Watch. <https://www.sportsmediawatch.com/sports-media-rights-deals-list> [11] NWSL (2024). "NWSL announces landmark

Second-tier conference packages provide the best test of weekly cadence and churn reduction at sub-premium cost, but audience concentration in the Power 2 creates scale risk.

COLLEGE SPORTS SCALE & CONCENTRATION



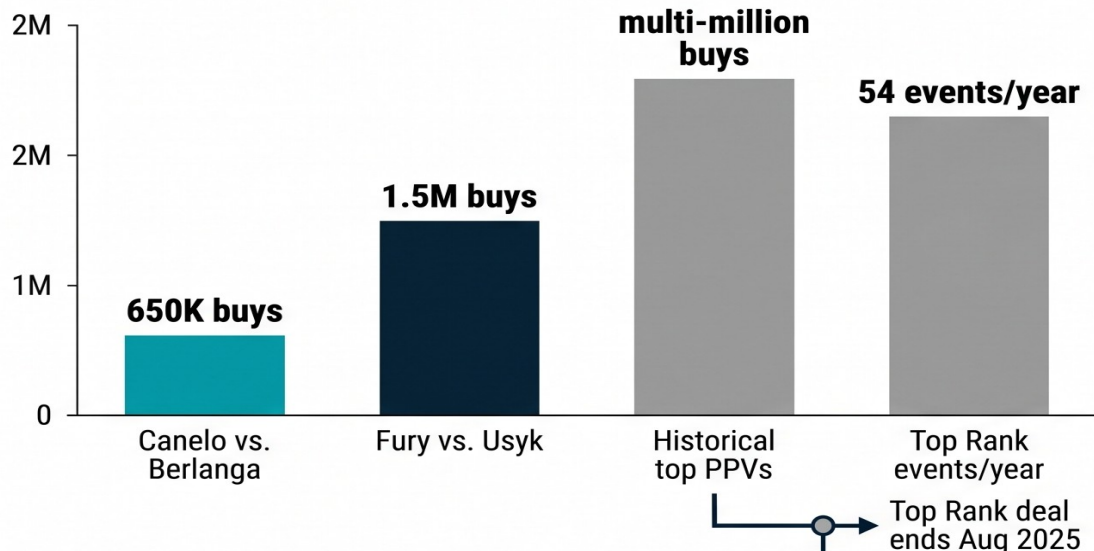
SUB-PREMIUM CONFERENCE INVENTORY SHAPE

Package	Volume & Scale	Cost / Availability	Learning Focus
American Athletic Conference ESPN extension	more than 135 conference-controlled games per year on ESPN networks beginning in 2022-23; at least 1,000 events annually on ESPN+ beginning in 2022-23	N/A	N/A
Non-Power conference football/basketball package	55 college games >4M in 2024 (25 from Big Ten/SEC, implying tail properties are cheaper but less proven)	Rights availability within 12 months – Feasible via sublicensing or smaller conference renewals; Indicative cost range – Mid	Core uncertainty – Can recurring weekly cadence reduce churn if audience scale is below Power 2? Learning value per dollar – Medium-high

KEY TAKEAWAY: Non-Power properties face deflationary pressure and uncertain advertiser intensity; top conference rights have become expensive and structurally concentrated.

Combat sports, spring football, and regional event specials form a flexible pilot portfolio that maximizes learning per dollar under conservative budget and payback thresholds.

COMBAT SPORTS PPV DEMAND & RIGHTS VOLUME



RESERVE PILOTS: SPRING FOOTBALL & EVENT SPECIALS

Category	Audience / Spend Metrics	Cost Range	Learning Value
Spring football / developmental football	XFL averaged 621K–622K viewers/game; ABC games averaged 1.1M; 28M season viewers; 577K attendance; \$20.6M vs \$41.3M ad spend	Low–mid	Medium
Regional/event specials (holiday, rivalry, one-off tournaments)	NFL Christmas benchmark shows eventized rights can matter; one-offs are measurable; NFL Christmas package cost about \$150 million across 2024–2026	Low	Medium-high

■ Advanced / High
 ■ Good / Medium-high
 ■ Basic / Low–mid
 ■ Limited / Low
 ■ Absent

PILOT PORTFOLIO CONSTRAINTS & EXECUTION PARAMETERS

PILOT DESIGN ASSUMPTIONS

- **pilot_count:** 2–3 pilots within 12 months — System-inferred to balance replication with diversity of rights mechanisms.
- The right objective is not immediate scale but a small portfolio of pilots designed to isolate three separate questions: can Netflix convert fandom into paid acquisition, can recurring sports reduce churn between tentpoles, and can advertisers pay premium CPMs for live but sub-premium inventory.

BUDGET & BENCHMARKS

- **budget_policy:** No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow.
- **rights_cost_wwe_raw:** \$500M per year — Used as a benchmark for weekly-appointment rights cost.
- **rights_cost_nfl_sunday_ticket_benchmark:** ~\$2.0B per year — Used as a benchmark for premium national rights cost.
- **rights_cost_nfl_christmas:** \$150M total across 2024–2026 — Used as a benchmark for eventized rights cost.
- **Spend discipline:** Cap pilots to low- or mid-tier rights materially below the \$500M/year WWE Raw benchmark.

SCALE GATES

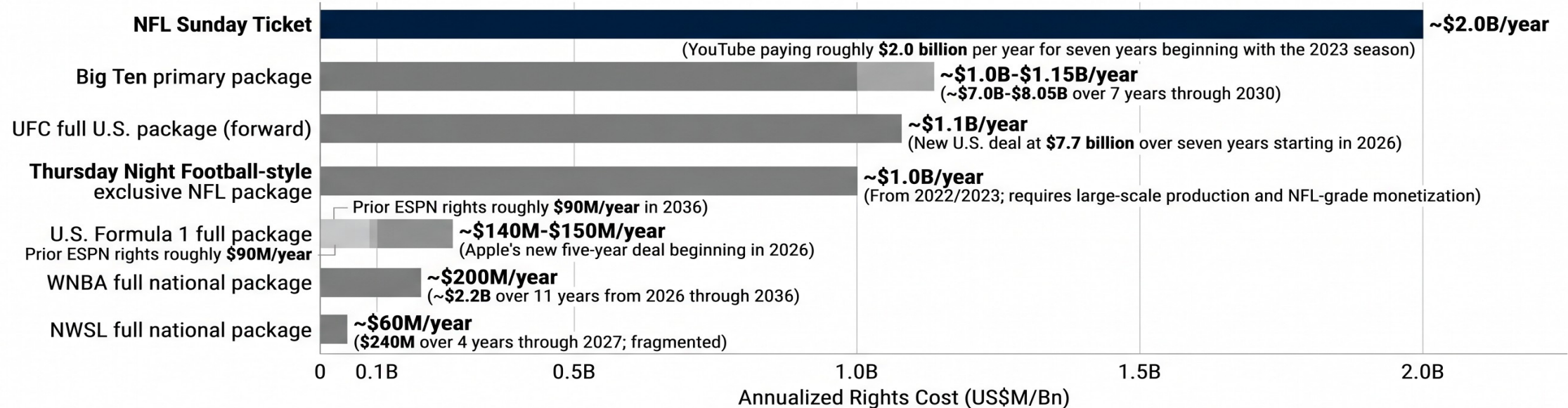
- **milestone_payback_threshold:** Positive ROI over 5 years and target payback within 3 years for scaled investments — System-inferred operating gate to translate pilot evidence into scale/no-scale decisions.
- Based on the assumed milestone_payback_threshold, none of these categories should be scaled until Netflix confirms repeatable subscriber conversion, measurable churn reduction, and advertiser renewal at pilot level.

4.3

Premium National Rights Avoidance Framework

Netflix should place major premium full-season national sports packages on a permanent avoid list because current market-clearing prices exceed any rational standalone streaming ROI case under the assumed budget policy and milestone payback threshold.

PREMIUM NATIONAL FULL-SEASON PACKAGES WITH STRUCTURALLY UNATTRACTIVE ECONOMICS FOR NETFLIX



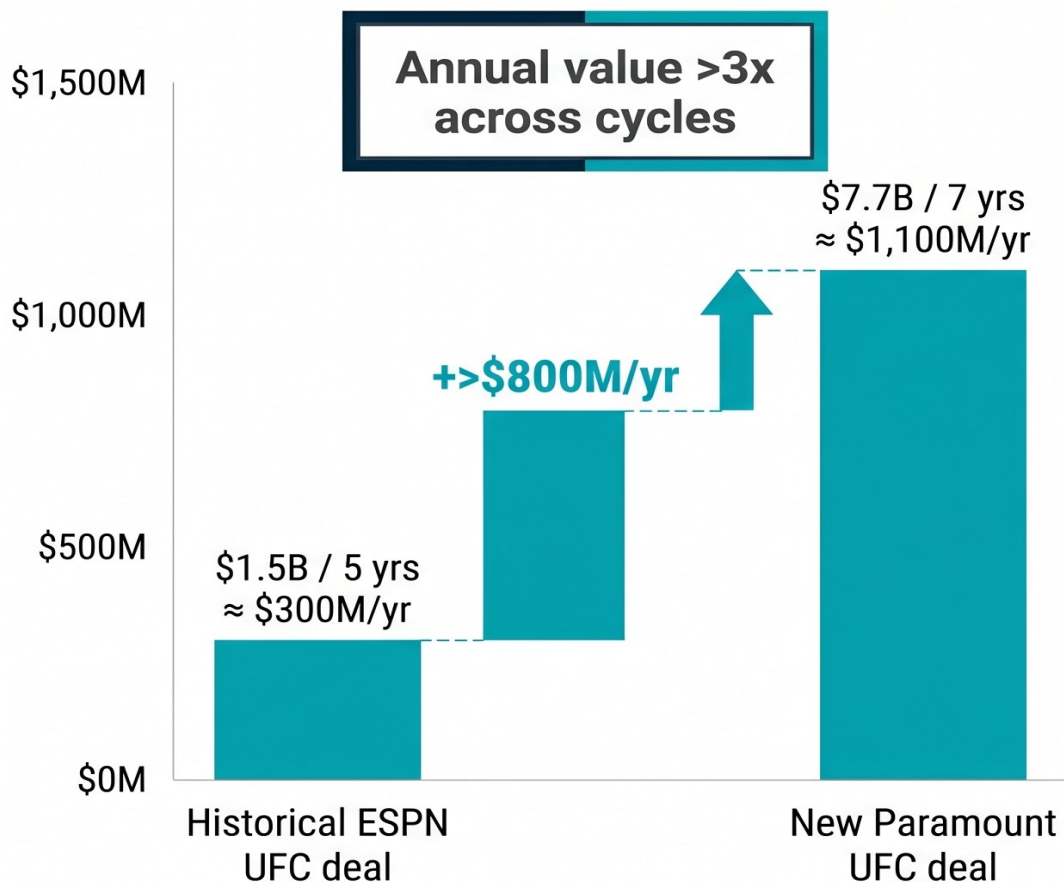
RIGHTS CATEGORIES DESIGNATED AS DEFAULT NO-BID UNDER ASSUMED POLICY

- Based on the assumed **budget_policy** and system-inferred **milestone_payback_threshold** (positive ROI over 5 years and target payback within 3 years), **Netflix** should treat these premium full-season national rights as default avoid categories unless a publicly plausible carve-out, sublicensing, or narrowly scoped event window reduces both rights cost and execution burden.
- Avoid-list boundary:** exclude exclusive bids for major premium full-season national packages priced at premium-ecosystem levels, including **NFL** out-of-market packages, top-tier college conference primary packages, and full **UFC**-style national portfolios.
- Finance** should set category-specific walk-away screens using current public premium benchmarks of about **\$2.0B/year** for **Sunday Ticket**, about **\$1.0B-\$1.15B/year** for **Big Ten**, about **\$1.1B/year** for **UFC**, and about **\$140M-\$150M/year** for **U.S. F1**.
- Subject to confirming package-specific production, marketing, and ad-sales burdens (within **2 weeks**).
- This analysis uses system-inferred **milestone_payback_threshold** which has not been confirmed by the client; practical rule is to avoid any rights category whose economics require **Netflix** to behave like a bundle incumbent or to absorb premium inflation before proving repeatable subscriber and ad monetization.

Sources: [1] CNBC (2022). "NFL Sunday Ticket goes to YouTube in \$2 billion annual deal". *CNBC*. <https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html> [2] ESPN (2022). "Big Ten completes 7-year, \$7 billion media rights agreement with Fox, CBS, NBC". *ESPN*. <https://www.espn.com/college-football/story/_/id/34417911/big-ten-completes-7-year-7-billion-media-rights-agreement-fox-cbs-nbc> [3] Sports Business Journal (2022). "Big Ten officially agrees to new media deals with CBS, Fox, NBC". *Sports Business Journal*. <https://www.sportsbusinessjournal.com/Daily/Issues/2022/08/18/Media/Big-Ten-Media-Deal> [4] Sports Media Watch (2018). "ESPN Acquires UFC TV Package". *Sports Media Watch*. <https://www.sportsmediawatch.com/2018/05/espn-ufc-deal-fox-wwe> [5] Sportcal (2025). "Paramount seizes UFC from ESPN in bumper \$7.7bn rights deal". *Sportcal*. <https://www.sportcal.com/media/paramount-seizes-ufc-from-espn-in-bumper-7-7bn-rights-deal> [6] BBC Sport (2025). "Formula 1: Apple wins US broadcast rights for next five years in \$750m deal". *BBC Sport*.

UFC and other combat rights have repriced into the same economic zone as top-tier league packages, shifting full-package combat portfolios from selective opportunities into clear avoid territory for Netflix under current assumptions.

UFC RIGHTS REPRICING FROM MID-SIZED TO PREMIUM ECOSYSTEM LEVELS



IMPLICATIONS FOR NETFLIX COMBAT COMBAT STRATEGY



Avoid Exclusive Full U.S. UFC Rights

Based on the assumed milestone_payback_threshold, avoid bidding for exclusive full U.S. UFC rights and similar top-tier combat portfolios at current forward pricing. At ~\$1.1B/year, UFC is a premium ecosystem requiring capabilities Netflix has not publicly demonstrated.



Focus on Narrower Opportunities

Reconsideration trigger would be a narrower promoter package, a non-exclusive subset, or event-window carve-outs that preserve combat upside without importing billion-dollar fixed commitments.



Monitor 2025-2027 Renewal Windows

Track 2025-2027 renewal and dislocation windows for combat carve-outs rather than flagship full-package auctions.



Consider Alternative Structures

This is an avoid list for standalone exclusive rights acquisition, not a blanket rejection; sublicensing, holiday-event carve-outs, shoulder-content bundles, or shared-cost structures could become viable if they materially reduce fixed commitments.

Inflating but smaller premium packages (F1, WNBA, NWSL) should be treated as conditional avoid today, with Netflix focusing on carve-outs, sublicensing, and renewal windows rather than flagship full-package bids.

Rights Category	Total Deal Value & Term	Annualized Cost	Availability / Structural Constraints
U.S. Formula 1	Prior ESPN ~\$90M/year; New 5-year Apple deal from 2026 reported at \$140M-\$150M/year	~\$140M-\$150M/year from 2026	Significant price inflation; Closed window from 2026
WNBA national package	New 11-year deal with Disney, Amazon, NBCUniversal worth about \$2.2B total (2026-2036)	~\$200M/year implied; >125 games annually	Long-term lock-up; Shared incumbent package; Rights unavailable until 2036
NWSL package	\$240M over 4 years (2024-2027)	~\$60M/year	Fragmented across multiple partners including CBS Sports, ESPN, Prime Video, Scripps; Largely unavailable near term through 2027

CONDITIONAL AVOID POSTURE AND EXECUTION PLAN



Avoid full national flagship bids today; rights are locked up, fragmented, or repricing faster than Netflix's proven sports monetization base.



[Reconsideration trigger]: Only reopen avoided categories if rights are available as sublicensed carve-outs, narrow event windows, or shared-cost structures with materially lower guaranteed fees.



[Business Development]: Create renewal watchlist for categories where public evidence suggests carve-outs or partner structures may emerge (combat subsets, holiday-event windows, women's-sports adjacent inventory); confirm structure and transferability (**within 2 weeks**).



[Corporate Strategy]: Publish formal red-list of default no-bid categories (NFL Sunday Ticket-type, Big Ten-style primary conference, exclusive full UFC, full-package F1 national) in U.S. rights screen, subject to confirming any active sublicensing or carve-out availability (**within 5 business days**).

Note: **time_horizon: 5 years** (Client-stated analysis horizon for evaluating rights ROI); Linkage to **budget_policy** (No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow).

4.4

Tiered Hybrid Operating Model for Live Rights Portfolio



Netflix's live-event track record and competitor benchmarks indicate a hybrid orchestration model is the optimal default across prioritized sports rights tiers.

EVIDENCE FROM NETFLIX LIVE EVENTS AND COMPETITOR MODELS

NETFLIX LIVE EVENTS



NFL Christmas: produced by **CBS Sports** with **NEP** as Netflix's primary technical partner, **EverWonder** shaping the global presentation, and **Netflix** in-house engineers embedded in the broadcast streaming operations center



WWE Raw: appears to remain fundamentally WWE-produced with Netflix as distributor rather than full producer



Tyson-Paul outage: Third-party reporting cited more than **14,500** outage reports during the event, which **NPR** later **used as a case study** on whether streaming infrastructure can handle very large live-event concurrency

COMPETITOR MODELS AND ECONOMIC INFERENCE



Amazon TNF: more internalized editorially but still depends on specialized vendors such as **NEP** and **Game Creek Video**



Apple MLS: uses a centralized but vendor-heavy stack led by **Apple/MLS** with **NEP, IMG, AT&T, Vizrt,** and others



Economic inference: This analysis uses system-inferred **milestone_payback_threshold** which has not been confirmed by the client; based on the assumed **budget_policy** and **milestone_payback_threshold**, Netflix should avoid a broad move to fully in-house sports production because public benchmarks do not show enough economic advantage for prioritized rights tiers

TIERED MODEL RECOMMENDATION BY RIGHTS TYPE

Rights tier	Partner-produced score	Hybrid score	More in-house score	Recommended model
Small tactical / eventized tentpoles	7	8	6	Hybrid ✓
Mid-sized recurring / weekly appointment	5	8	6	Hybrid ✓
Major premium full-season	4	8	7	Hybrid ✓

Small tactical and eventized tentpole rights should adopt a light hybrid model that wraps partner-led production with Netflix-owned event command and monetization at an annualized cost of roughly \$50M for the NFL Christmas benchmark.

ECONOMIC AND RIGHTS CONTEXT FOR EVENTIZED TENTPOLES

Q4.1 RANKING

1st

Q4.1 ranked eventized tentpoles first because they deliver acquisition bursts and advertiser scarcity at bounded rights cost.

RIGHTS COST NFL CHRISTMAS

\$150M TOTAL (~\$50M PER YEAR)

Netflix's NFL Christmas package was reported at about \$150 million across 2024–2026, or roughly \$50 million per year.

NFL OBLIGATIONS



League obligations such as the **NFL media-access policy** require structured team coordination, weekly media access processes, and on-field media coordinator for each game to assist televising networks and other on-field media.

OPERATING MODEL FOR SMALL TACTICAL / EVENTIZED TENTPOLES



STRATEGIC RATIONALE

- For this tier, a fully in-house model would add fixed operating complexity without enough repetition to amortize it, while a pure partner-produced model leaves too much risk around stream operations, multilingual distribution, sponsorship integration, and Netflix-specific product experience.



PRODUCTION OWNERSHIP

- The **NFL Christmas** benchmark shows the template: an incumbent sports producer such as **CBS Sports** owns the game telecast.



TECHNICAL VENDORS

- Specialist technical vendors such as **NEP** handle transmission and operations.



NETFLIX RESPONSIBILITIES & OBLIGATIONS


- **Netflix** is responsible for the master event command layer, ad decisioning, sponsor integrations, language versions, and premium entertainment packaging such as halftime or pregame extensions.
- **NFL media-access obligations** are manageable through experienced production partners and do not require Netflix to build a full field-production organization for occasional tentpoles.

KEY TAKEAWAY: Based on the assumed budget_policy, the preferred model for small tactical and eventized rights is partner-led production inside a Netflix-controlled operating wrapper rather than full internal production.

Mid-sized recurring and major premium full-season rights warrant progressively heavier hybrid models, but premium packages should remain non-core given \$500M-\$2.0B+ annual benchmarks and current portfolio economics.


MID-SIZE SIZED RECURRING / WEEKLY APPOINTMENT RIGHTS (E.G., WWE RAW)

 **Q4.1 ranked weekly appointment programming second** because it offers the strongest churn-reduction logic and repeat ad inventory

 **WWE Raw** is reported at about **\$500 million per year** beginning in 2025

 **rights_cost_wwe_raw: \$500M per year** — Benchmark for weekly appointment rights economics and the cadence at which a heavier hybrid model becomes justified

 Public disclosures indicate Netflix is primarily the distribution home for **Raw**, while production appears to remain **with WWE** rather than shifting fully to **Netflix**

 A **52-week property** needs consistent pre/post formats, highlights, recaps, recommendation-surface packaging, multilingual clipping, ad trafficking discipline, and measurement that agencies can trust



Netflix should keep the **live match/show feed partner-produced** where the rights holder already has production muscle, while building internal teams for event operations, technical standards, ad products, shoulder programming, and audience-development workflows





Amazon's TNF operation includes substantial editorial ownership and dedicated talent, but still relies on NEP facilities and Game Creek Video's purpose-built trucks




Apple's MLS package uses a **centralized New York production hub, three studios, 80-plus announcers, and more than 4,000 VOD assets**, and still depends on NEP, IMG, AT&T, Vizrt, Sportec Solutions, IMG Arena, deltatre, and TGI

MAJOR PREMIUM FULL-SEASON RIGHTS (E.G., NFL SUNDAY TICKET, BIG TEN, UFC)

 Major premium ecosystems were explicitly **deprioritized in Q4.1** because rights inflation is severe

 **NFL Sunday Ticket** is about **\$2.0 billion per year**

 **rights_cost_nfl_sunday_ticket_benchmark: ~\$2.0B per year** — Benchmark for premium full-season rights economics and the operating burden associated with top-tier packages

BIG Big Ten is about **\$7 billion over seven years**

UFC UFC's next cycle is targeted at **more than \$1 billion per year**

 These packages carry the **highest operating burden** because they require week-after-week reliability, broader shoulder programming, deeper talent benches, and more advertiser guarantees



Competitor benchmarks show that **even scaled platforms do not run these properties as purely in-house systems**: Amazon produces TNF with its own talent and editorial leadership but still uses NEP and Game Creek; Apple's MLS model is similarly centralized but vendor-heavy



The operating-model answer for premium rights is still **hybrid**, not because hybrid is cheap, but because **premium sports production is too specialized and too operationally brittle to internalize quickly**



Based on the assumed budget_policy, and because **Q4.1 found major premium rights fail the portfolio prioritization rule under current market pricing**, Netflix should not invest ahead of need in a premium-scale in-house sports operation

5

Live Sports Pilot Portfolio and KPI Gates

Live sports should remain a gated 12-month experiment, with scale decisions contingent on 2-3 mechanism-specific pilots proving ROI and payback within three years.

COMPETITIVE BENCHMARKING




PILOT PROGRAM DESIGN & ECONOMIC GUARDRAILS

DESIGN ELEMENT	GUARDRAIL / TARGET
Pilot status	Gated 12-month experiment
Pilot horizon	12 months
Number of pilots	2-3 pilots
Mechanisms isolated	Acquisition, weekly retention, ad monetization (separate pilots)
Scale economics gate	Positive five-year ROI path
Payback requirement	Within three years
Primary KPIs	Incremental net paid subscribers ; Reduction in annual churn (ppt); Incremental advertising + sponsorship revenue
Time horizon	5 years
Capital escalation rule	Tier-by-tier rise (no leap to premium ecosystem)

REITERATION: Recommendations on payback timing, pilot count, and tier-by-tier escalation are based on assumed milestone_payback_threshold, pilot_count, and budget_policy (not client-confirmed). These are the operational triggers for scale versus hold/exit.

Three mechanism-specific pilots should be run below premium cost benchmarks to maximize learning per dollar before any live-sports scale-up.

PILOT PORTFOLIO DESIGN & COST BENCHMARKS

 EVENTIZED BOXING/COMBAT	 SUB-PREMIUM WEEKLY COLLEGE	 WOMEN'S SPORTS SHOULDER/EVENT INVENTORY
<ul style="list-style-type: none"> • Test tentpole acquisition mechanism; highest-feasibility for near-term rights opening. • ESPN-Top Rank agreement covered 54 exclusive live events per year through 2025. • Cost to stay below premium benchmark: ~\$150M total across 2024–2026 (e.g., Netflix's NFL Christmas). 	<ul style="list-style-type: none"> • Test churn reduction via recurring cadence; smaller conference inventory is more feasible. • Recurring cadence distinguishes scalable sports value from one-off spikes. • Cost to stay below premium benchmark: ~\$500M per year (e.g., WWE Raw). 	<ul style="list-style-type: none"> • Test repeatable ad monetization; strong demand but flagship national rights are locked. • WNBA new national cycle begins 2026 through 2036. • Cost to stay below premium benchmark: ~\$2.0B per year (e.g., NFL Sunday Ticket).

PILOT CATEGORIES AND WHAT THEY MUST PROVE

Pilot Category	Mechanism Isolated	Public Feasibility Signal	Indicative Benchmark Context	What it Must Prove
Eventized boxing / combat promoter package	Tentpole acquisition	ESPN-Top Rank deal ran through 2025 with 54 events/year	Keep well below NFL Christmas benchmark of ~\$150M total across 2024–2026	Incremental paid subs around event window; 30-day post-event persistence; sponsor renewal.
Sub-premium weekly college package	Weekly retention	Smaller conference / sublicensed inventory more feasible than premium conference rights	Keep well below WWE Raw benchmark of ~\$500M/year	Weekly active viewing cadence; churn reduction vs matched controls; repeat CPMs.
Women's sports shoulder / event package	Ad monetization repeatability	Flagship WNBA rights locked from 2026–2036 , pushing Netflix toward adjacent inventory	Low-to-mid cost pilot versus premium national packages	Live CPM uplift; sponsorship sell-through; advertiser renewal; discovery-led subscriber adds.

Rights-tier-specific KPI gates and a triangulated scorecard should govern scale, renegotiation, or exit decisions across the live-sports portfolio.

RIGHTS-TIER KPI GATES AND DECISION THRESHOLDS

	Scale-up threshold	Renegotiate / hold threshold	Exit threshold
Small tactical / one-off eventized	<ul style="list-style-type: none"> • ≥150k incremental paid subs; • ≥0.10 ppt churn reduction; • ≥\$5M ad+sponsor revenue per event or ≥25% of rights cost per season; CPM ≥\$35; sell-through ≥70%; • advertiser renewal ≥60%; • 5-year ROI >0%; • payback ≤3 years 	<ul style="list-style-type: none"> • 100k–149k subs or CPM \$30–\$34 or sell-through 50%–69% 	<ul style="list-style-type: none"> • <100k subs and <0.10 ppt churn benefit and CPM <\$30 or sell-through <50% or no path to positive 5-year ROI
Mid-sized recurring / weekly appointment	<ul style="list-style-type: none"> • ≥400k incremental paid subs; • ≥0.20 ppt churn reduction; ad+sponsor revenue ≥35% of rights cost; CPM ≥\$35; sell-through ≥75%; • advertiser renewal ≥70%; • 5-year ROI >15%; • payback ≤3 years 	<ul style="list-style-type: none"> • 250k–399k subs or churn reduction 0.10–0.19 ppt or CPM \$30–\$34 or sell-through 60%–74% 	<ul style="list-style-type: none"> • <250k subs and churn reduction <0.10 ppt and CPM <\$30 or sell-through <60% or negative 5-year ROI
Major premium / full-season national	<ul style="list-style-type: none"> • ≥1.0M incremental paid subs; ≥0.30 ppt churn reduction; ad+sponsor revenue ≥40% of rights cost; CPM ≥\$40; • sell-through ≥80%; • advertiser renewal ≥75%; • 5-year ROI >20%; • payback ≤3 years 	<ul style="list-style-type: none"> • 700k–999k subs or churn reduction 0.20–0.29 ppt or CPM \$35–\$39 or sell-through 65%–79% 	<ul style="list-style-type: none"> • <700k subs and churn reduction <0.20 ppt and CPM <\$35 or sell-through <65% or no credible path to positive 5-year ROI

TRIANGULATED SCORECARD & KEY MEASUREMENT WINDOWS

Acquisition

Incrementality should be judged through a triangulated public-data scorecard, not any single metric. Acquisition should be measured with a stacked event study combining public subscription-tracker evidence, search intent, app-interest proxies where available, and audience scale.

Event	Public sign-up proxy	Window	Supporting audience context
Jake Paul vs. Mike Tyson	1.43M sign-ups (Antenna)	3 days	60M live households; 108M global viewers
Jake Paul vs. Mike Tyson	1.6M U.S. sign-ups (Ampere-cited)	Event period	Alternate Ampere-cited estimate
NFL Christmas Gameday	656k sign-ups (Antenna)	Dec. 24–26	Netflix/NFL eventized benchmark
NFL Christmas Gameday	700k sign-ups (Ampere-cited)	Event period	Alternate Ampere-cited estimate
WWE Raw debut	250k sign-ups (Ampere-cited)	Debut period	2.6M U.S. households; 4.9M global Live+1 views

These are not contradictory decision anchors; they reflect different methodologies and windows, and the lower Antenna figures are the better conservative anchor for management gates.

Retention

Retention should be measured through persistence beyond the first billing cycle and repeated-event decay, not launch-week spikes alone.

The correct decision design is to use **30-day persistence** as the early operating gate and **90-day persistence** as the renewal-read gate, because 30 days tests immediate decay while 90 days tests whether the event created durable habit.

Ad monetization

Ad monetization should be measured through **verified delivery**, **cross-screen reach**, one **independent outcome metric** such as search or site-visit lift, and at least one **advertiser repeat-buy** or **renewal signal** using Netflix's disclosed measurement stack including Nielsen, VideoAmp, EDO, Lucid, Kantar, Snowflake, InfoSum, and LiveRamp.

Based on the assumed milestone_payback_threshold, these gates are the operational trigger for scale versus hold or exit.
Based on the assumed milestone_payback_threshold, these gates are the operational trigger for scale versus hold or exit.

5.1

U.S. Sports Pilot Slate

A three-pilot U.S. sports slate within 12 months best balances learning and risk by isolating acquisition, retention, and ad-monetization mechanisms while keeping spend well below premium-rights benchmarks.

RECOMMENDED U.S. SPORTS PILOT SLATE AND VALUE MECHANISMS (WITHIN 12 MONTHS)

Pilot category	Value mechanism isolated	Public availability signal within 12 months	Indicative cost range / role in slate
Eventized boxing / combat promoter package	Tentpole acquisition	ESPN-Top Rank deal ending in 2025; 54 events/year inventory becoming contestable	Low-mid; materially below \$150M event benchmark and far below \$500M/year weekly benchmark
Sub-premium college conference package	Weekly retention	Smaller conference / sublicensed inventory more feasible than Power 2 rights	Mid; below premium weekly rights benchmarks
Women's sports shoulder / event package	Ad monetization repeatability	Flagship WNBA/NWSL rights largely locked; adjacent events and shoulder inventory more feasible	Low-mid

Three pilots (system-inferred 2–3 within 12 months) maximize learning per dollar and keep risk below premium-rights benchmarks by isolating tentpole acquisition, weekly retention, and repeatable ad monetization before any broader U.S. sports scale-up.

COST BENCHMARKS AND PILOT BUDGET DISCIPLINE

rights_cost_nfl_christmas

\$150M total across 2024–2026 — benchmark for eventized rights economics and upper bound for keeping pilots small relative to premium tentpoles

rights_cost_wwe_raw

\$500M per year — benchmark for weekly-appointment rights economics; used to keep retention pilots materially below premium weekly spend

rights_cost_nfl_sunday_ticket_benchmark

~\$2.0B per year — benchmark for premium national rights economics; used as a comparator to avoid premium-scale pilots

budget_policy

No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow — favors low- and mid-cost pilots over premium rights.

time_horizon

5 years — client-specified horizon for judging whether pilot learnings support later scale decisions.

milestone_payback_threshold

Positive ROI over 5 years and target payback within 3 years for scaled investments — system-inferred gate for scaling pilots.

primary_kpis

Incremental net paid subscribers; reduction in annual churn (ppt); incremental advertising + sponsorship revenue — client-specified KPIs each pilot must prove.

This analysis uses system-inferred **pilot_count** and **milestone_payback_threshold** which have not been confirmed by the client.

Eventized boxing/combat is the highest-feasibility acquisition pilot, with a clear 2025 rights opening, strong PPV demand signals, and bounded economics well below premium benchmarks.

BOXING/COMBAT RIGHTS AVAILABILITY AND PILOT DESIGN



Rights opening

- ESPN's Top Rank relationship is ending after an **eight-year run**, with reporting indicating the deal concludes in **2025** and covered **54 events annually** across ESPN and ESPN+.
- Boxing is one of the few categories in this slate with a **public availability signal** inside the next 12 months.



Demand signal

- Public PPV benchmarks show meaningful consumer willingness to pay for major fights: **Canelo vs. Berlanga** reported at about **650,000 buys** in one compiled dataset.
- Another source placed the same fight at roughly **325,000–350,000 buys**, a discrepancy likely driven by scope or reporting differences.
- For decision-making, 650,000 buys is the better directional anchor, but the gap reduces confidence in using any single PPV figure as a valuation basis.



Pilot construct

- Recommended pilot design: **limited promoter package** or tournament-style slate of 4–8 fight nights plus shoulder content.
- Primary KPIs to prove: **Incremental net paid subs; 30/90-day retention** after event; **sponsor renewal**.
- Pilot objective: Prove whether live combat can drive incremental net paid subscribers and retain a meaningful share, while testing sponsor renewal on non-blockbuster inventory.



Economics

- Indicative economics should remain in the **low-to-mid range** relative to Netflix's reported NFL Christmas package cost of about **\$150 million total** across 2024–2026 and **far below** WWE Raw's roughly \$500 million annual benchmark.
- Boxing/combat is the best first pilot because it combines **availability, urgency, and bounded downside**.

PILOT CATEGORY COMPARISON – ACQUISITION VS. OTHER MECHANISMS

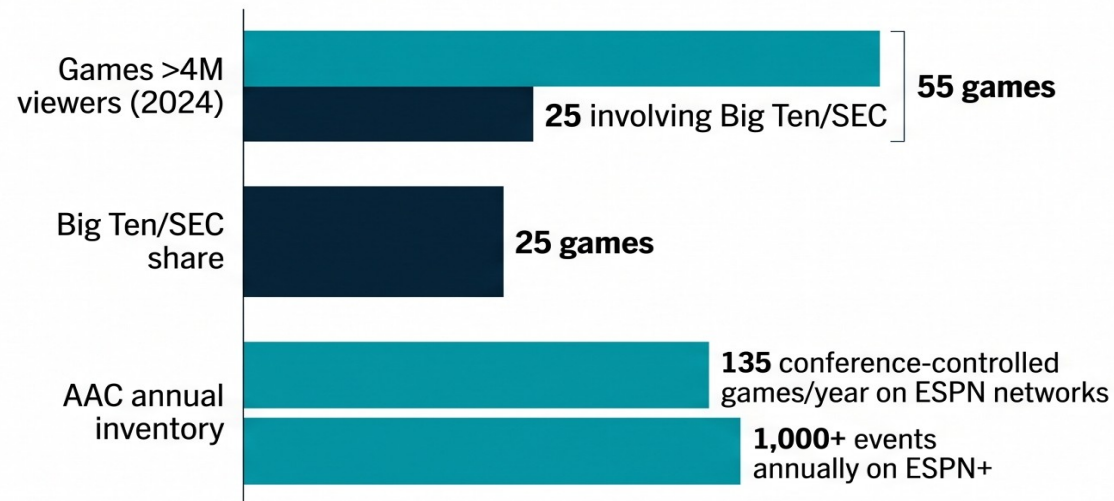
	Value mechanism	Availability signal	Indicative cost range	Primary KPIs
Boxing Pilot	Tentpole acquisition	ESPN-Top Rank deal ending in 2025; 54 events/year inventory becoming contestable	Low-mid; materially below \$150M event benchmark and far below \$500M/year weekly benchmark	Incremental net paid subs; 30/90-day retention after event; sponsor renewal
Execution Risk	Execution Risk	Rights availability is the main execution risk, but boxing has the clearest near-term opening versus college/women's sports which rely on sublicensing.		
Data Reconciliation	Data Reconciliation Issue	One material reconciliation issue in boxing demand data: Canelo vs. Berlanga cited at both ~650,000 and ~325,000–350,000 buys ; the >50% gap should not be presented as co-equal fact.		



KEY TAKEAWAY: Eventized boxing/combat is the best first pilot to launch because it combines clear near-term rights availability, demonstrated urgency, and bounded downside economics well below premium benchmarks.

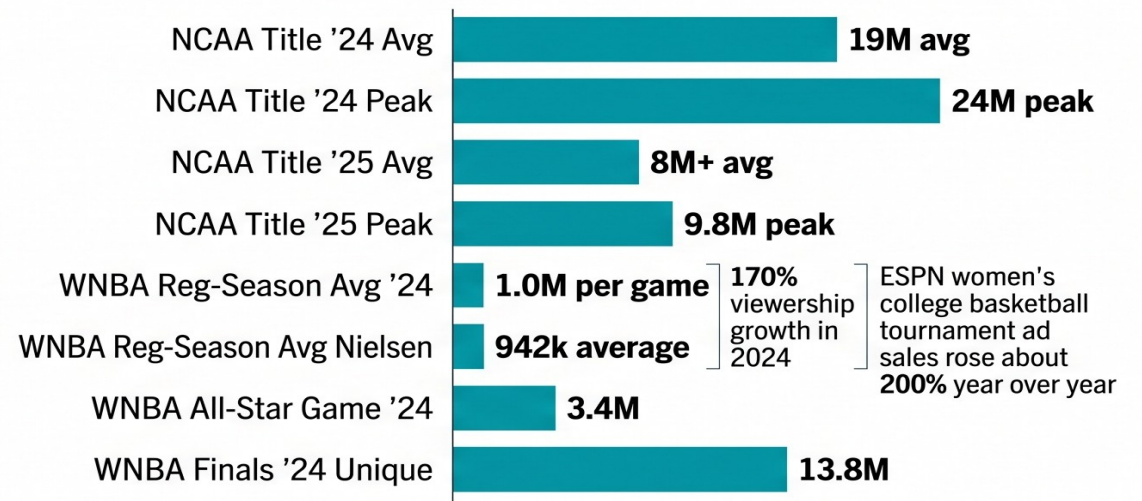
Sub-premium college and women's sports pilots together test weekly retention and ad-monetization repeatability using high-volume but lower-cost inventory with strong audience and advertiser signals.

SUB-PREMIUM COLLEGE CONFERENCE PACKAGE – WEEKLY RETENTION PILOT



- **Pilot focus:** narrowly scoped football-plus-basketball package, conference championship window, or sublicensed digital-exclusive game block rather than a full conference commitment.
- **Primary KPIs to prove:** Churn reduction; weekly active viewing cadence; repeat ad CPMs.
- **Indicative cost range:** Mid; below premium weekly rights benchmarks (e.g., WWE Raw at about \$500M/year; NFL Sunday Ticket at about \$2.0B/year).

WOMEN'S SPORTS SHOULDER/EVENT PACKAGE – AD-MONETIZATION PILOT



- **Rights constraint:** WNBA national rights committed 2026–2036 (more than 125 games annually) and NWSL domestic rights tied up through 2027 season (four-year deal reported at \$240 million).
- **Pilot focus:** adjacent inventory—preseason events, exhibitions, emerging leagues, documentary-linked shoulder programming, or narrowly scoped tournament windows.
- **Primary KPIs to prove:** Live CPM uplift; sponsorship sell-through; advertiser renewal; discovery-led subscriber adds.

KEY TAKEAWAY: TOGETHER THESE PILOTS TEST WEEKLY RETENTION AND AD-MONETIZATION REPEATABILITY AT LOWER COST THAN PREMIUM RIGHTS.

Sources: [3] MOGL (2025). "College Sports Media Rights Deep Dive". MOGL. https://education.mogl.online/hubfs/Lead_Magnets/MOGL_College_Sports_Media_Rights_Deep_Dive-2025.pdf [4] NFL (2024). "Netflix will be the home to live NFL games this Christmas Day". NFL.com. <https://www.nfl.com/news/netflix-will-be-the-home-to-live-nfl-games-this-christmas-day> [5] PBS NewsHour (2024). "WWE's 'Raw' announces move to Netflix next year in deal worth over \$5 billion". PBS NewsHour. <https://www.pbs.org/newshour/arts/wwes-raw-announces-move-to-netflix-next-year-in-deal-worth-over-5-billion> [6] eMarketer (2025). "Women's sports viewership maintains momentum, providing an engaged audience for advertisers". eMarketer. <https://www.emarketer.com/content/women-sports-viewership-maintains-momentum-providing-engaged-audience-advertisers> [7] Nielsen (2024). "What's next for women's sports: Fueling growth by proving value". Nielsen. <https://www.nielsen.com/insights/2024/whats-next-for-womens-sports-fueling-growth-proving-value> [8] WNBA (2024). "WNBA Secures Landmark Media Rights Deals with the Walt Disney Company, Amazon Prime Video and

5.2

Streaming Rights Scale-Up and Exit Thresholds



Scaling of sports rights should follow tiered gates on subscribers, churn, advertising, ROI and payback, with stricter thresholds for larger, recurring and premium packages.

TIERED RIGHTS-SCALING FRAMEWORK AND MACRO CONTEXT



Decision rule: scale only if a **pilot** or **early rights package** meets the relevant **KPI mix** for its rights type and shows a credible path to positive **five-year ROI** with target **payback within three years**, subject to confirming pilot-level **contribution economics** and **rights-cost durability**.



Three-way framework based on assumed **milestone_payback_threshold**: (1) **scale** when both **monetization** and **subscriber thresholds** are met; (2) **renegotiate or hold** when **audience** is present but **yield** is weak; (3) **exit** when neither **subscriber** nor **ad thresholds** support positive **five-year ROI** on incremental **rights spend**.



Thresholds should be stricter for **recurring** and **premium rights** because **rights inflation** is rising and **competitor spending** remains substantial, with **streaming live-sports rights spending** projected to increase from **\$13.2 billion in 2025** to **\$14.2 billion in 2026** and **streaming share** rising from **31% to 44%**.



Operational gate assumption: **positive ROI over 5 years** and **payback within 3 years** (**milestone_payback_threshold**), not yet confirmed by the client.



Annual cost anchors based on assumed **budget_policy**: **~\$50M** for **small tactical**, **~\$250M** for **mid-sized recurring**, and **~\$750M+** for **major premium rights**, set as conservative proxies rather than fixed caps.

Rights-tier scorecards define explicit scale, hold and exit thresholds across subscribers, churn, advertising, ROI and payback for small, mid-sized and premium sports packages.

RIGHTS TIER / PILOT TYPE	INDICATIVE ANNUAL RIGHTS-COST ANCHOR	SCALE-UP THRESHOLD	RENEGOTIATE / HOLD THRESHOLD	EXIT THRESHOLD
Small tactical / one-off eventized	~\$50M annualized proxy	<ul style="list-style-type: none"> • >=150k incremental paid subs • >=0.10 ppt annual churn reduction • >=\$5M ad+sponsor revenue per event or >=25% of rights cost per season • CPM >=\$35 • sponsorship sell-through >=70% • advertiser renewal >=60% • 5-year ROI >0% • payback <=3 years 	<ul style="list-style-type: none"> • 100k-149k subs or CPM \$30-\$34 or sell-through 50%-69% • credible path to ROI improvement via repricing/package changes 	<ul style="list-style-type: none"> • <100k subs and <0.10 ppt churn benefit and CPM <\$30 or sell-through <50% or no path to positive 5-year ROI
Mid-sized recurring / weekly appointment	~\$250M annual proxy	<ul style="list-style-type: none"> • >=400k incremental paid subs • >=0.20 ppt annual churn reduction • ad+sponsor revenue >=35% of rights cost per season • CPM >=\$35 • sponsorship sell-through >=75% • advertiser renewal >=70% • 5-year ROI >15% • payback <=3 years 	<ul style="list-style-type: none"> • 250k-399k subs or churn reduction 0.10-0.19 ppt or CPM \$30-\$34 or sell-through 60%-74% • renegotiate rights fee/scope 	<ul style="list-style-type: none"> • <250k subs and churn reduction <0.10 ppt and CPM <\$30 or sell-through <60% or negative 5-year ROI
Major premium / full-season national	~\$750M+ annual proxy	<ul style="list-style-type: none"> • >=1.0M incremental paid subs • >=0.30 ppt annual churn reduction • ad+sponsor revenue >=40% of rights cost per season • CPM >=\$40 • sponsorship sell-through >=80% • advertiser renewal >=75% • 5-year ROI >20% • payback <=3 years 	<ul style="list-style-type: none"> • 700k-999k subs or churn reduction 0.20-0.29 ppt or CPM \$35-\$39 or sell-through 65%-79% • only continue if fee can be reset materially lower 	<ul style="list-style-type: none"> • <700k subs and churn reduction <0.20 ppt and CPM <\$35 or sell-through <65% or no credible path to positive 5-year ROI

■ Scale-up (Advanced) ■ Renegotiate / Hold (Caution) ■ Exit (At-Risk)

Sources: [3] Adwave (2025). "What Is the Average TV Ad CPM by Platform? [Q3 2025]". Adwave. <<https://adwave.com/resources/tv-advertising-cpm-by-platform>> [4] Variety (2026). "Advertisers' Wish List for Upfront? Sports, Streaming, Spectacle". Variety. <<https://variety.com/2026/tv/news/advertisers-upfront-wish-list-sports-streaming-spectacle-1236743899>> [5] eMarketer (2025). "Women's sports viewership maintains momentum, providing an engaged audience for advertisers". eMarketer. <<https://www.emarketer.com/content/women-sports-viewership-maintains-momentum-providing-engaged-audience-advertisers>> [6] Nielsen (2024). "What's next for women's sports: Fueling growth by proving value". Nielsen. <<https://www.nielsen.com/insights/2024/whats-next-for-womens-sports-fueling-growth-by-proving-value>> [7] FreeWheel (2024). "FreeWheel Video Marketplace Report: 1H 2024". FreeWheel. <<https://www.freewheel.com/insights/reports/freewheel-video-marketplace-report-1h-2024>> [8] Ampere Analysis (2025). "Global live-sports rights spending forecast". Ampere Analysis. <<https://www.ampereanalysis.com>> [9] NFL (2024). "Netflix will be the home to live NFL games this Christmas Day".

Subscriber, churn and advertising economics show that mid-sized recurring rights are the primary scalable target, while small tactical and premium packages require disciplined gates and are financially meaningful relative to Netflix's P&L.

KPI SCORECARD

FINANCIAL SCALE OF RIGHTS TIERS VS NETFLIX ECONOMICS

\$39.0B Revenue (2024)		\$10.4B Operating Income (2024)		\$6.9B Free Cash Flow (2024)	
\$50M Commitment (Small)	0.13% of Revenue	0.48% of Operating Income	0.72% of Free Cash Flow	347K - 521K Required Subs (1-Year Recovery)	
\$250M Commitment (Mid-Sized)	0.64% of Revenue	2.4% of Operating Income	3.6% of Free Cash Flow	1.74M - 2.60M Required Subs (1-Year Recovery)	
\$750M Commitment (Premium)	1.92% of Revenue	7.2% of Operating Income	10.8% of Free Cash Flow	5.2M - 7.8M Required Subs (1-Year Recovery)	

ADVERTISING AND MARKET BENCHMARKS UNDERPIN CPM AND SELL-THROUGH GATES

-  **CPM Benchmarks:** Netflix CPM at ~\$37.02, Premium-platform ranges \$35-\$45, Broadcast Network ~\$45.34, Cable ~\$20.60. Supports minimum realized CPM gates of \$35 (small/mid) and \$40 (premium).
-  **Streaming Upfront Growth:** \$11.2 billion in 2024, projected to \$13.2 billion in 2025. Amazon added >80 new brands for TNF, NBA streams attracted >30 new advertisers.
-  **Women's Sports Surge:** ESPN women's college basketball tournament ad sales up ~200% YoY; WNBA regular-season viewership rising 170% to ~1.0M per game in 2024 (Nielsen reported 942K, a conservative anchor).
-  **Performance Gate:** Sponsorship sell-through <60% or advertiser renewal <60% triggers hold or exit even with acceptable audience delivery, indicating failure of repeatability test.

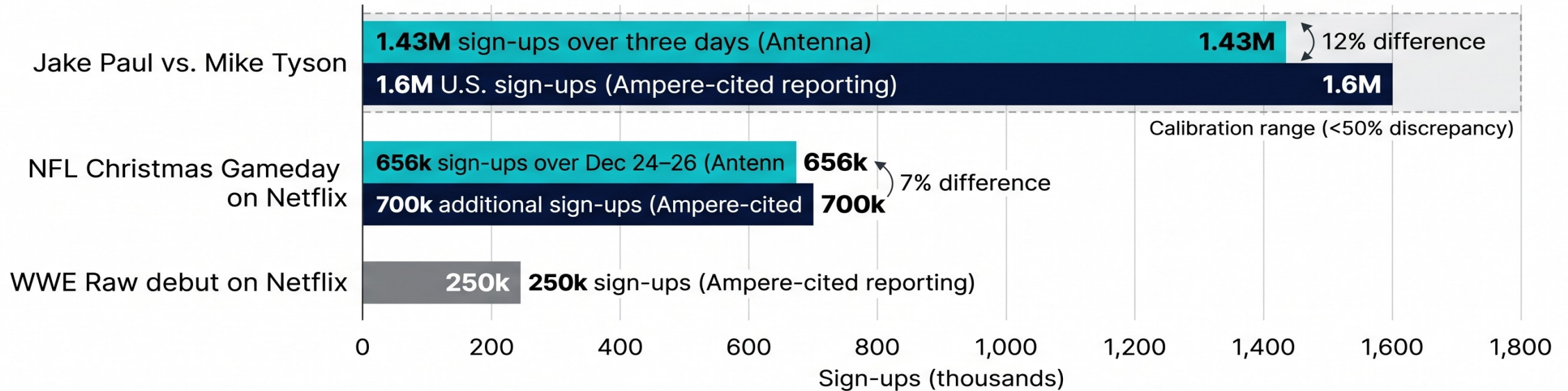
Sources: [1] Netflix, Inc. (2025). "FINAL-Q4-25 Shareholder Letter". Netflix Investor Relations. <https://s22.q4cdn.com/959853165/files/doc_financials/2025/q4/FINAL-Q4-25-Shareholder-Letter.pdf> [2] Netflix, Inc. (2025). "FINAL-Q4-24 Shareholder Letter". Netflix Investor Relations / Ars Technica mirror. <https://cdn.arstechnica.net/wp-content/uploads/2025/01/FINAL-Q4-24-Shareholder-Letter.pdf> [3] Adwave (2025). "What Is the Average TV Ad CPM by Platform? [Q3 2025]". Adwave. <https://adwave.com/resources/tv-advertising-cpm-by-platform> [4] Variety (2026). "Advertisers' Wish List for Upfront? Sports, Streaming, Spectacle". Variety. <https://variety.com/2026/tv/news/advertisers-upfront-wish-list-sports-streaming-spectacle-1236743899> [5] eMarketer (2025). "Women's sports viewership maintains momentum, providing an engaged audience for advertisers". eMarketer. <https://www.emarketer.com/content/women-sports-viewership-maintains-momentum-providing-engaged-audience-advertisers> [6] Nielsen (2024). "What's next for women's sports: Fueling growth by proving value". Nielsen. <https://www.nielsen.com/insights/2024/whats-next-for-womens-sports-fueling>

5.3

Triangulated Public-Data Incrementality Framework for U.S. Sports Pilots

Triangulated public benchmarks show Netflix sports events generate large, directionally consistent acquisition and audience signals suitable for calibrating U.S. sports pilots.

SPORTS EVENT SIGN-UP BENCHMARKS (ANTENNA VS. AMPERE-CITED REPORTING)



These gaps are below the 50% discrepancy threshold and can be used as a calibration range rather than conflicting facts

TYSON-PAUL AUDIENCE SCALE AS EXPOSURE DENOMINATOR

60M+
live households

65M
peak concurrent streams

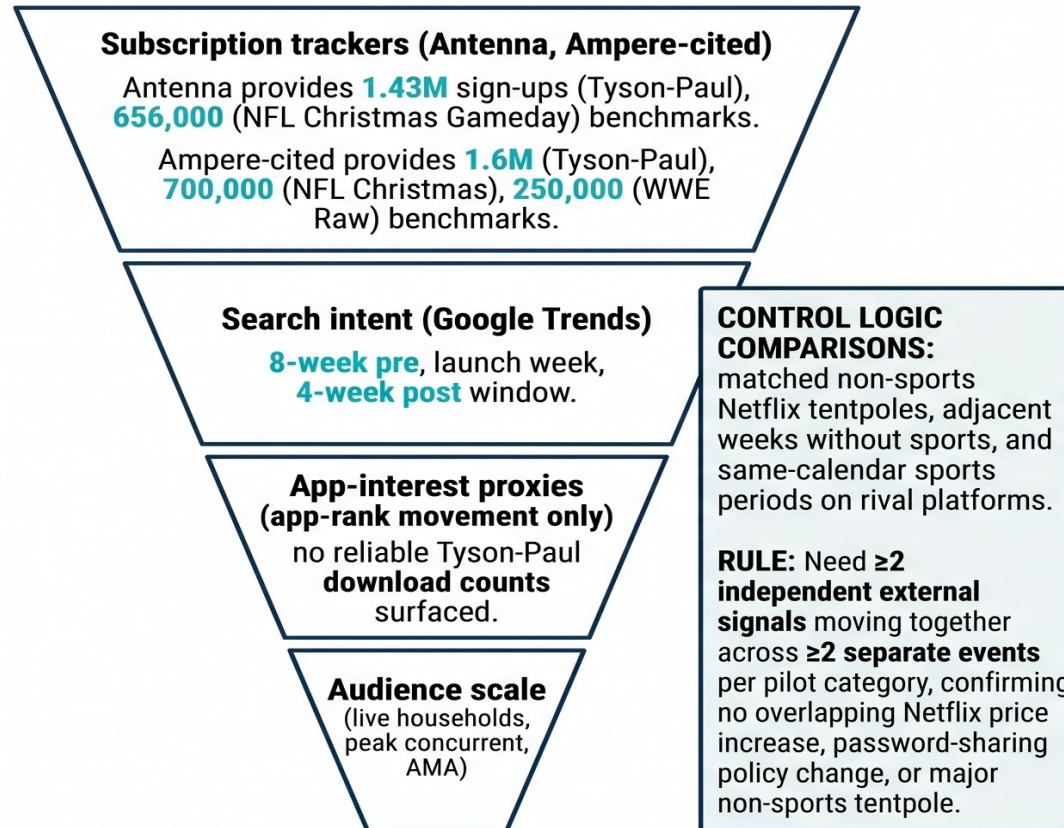
108M
global average-minute viewers

Audience metrics measure different constructs and geographies and are not interchangeable. Use audience as exposure denominator, not subscriber metric.

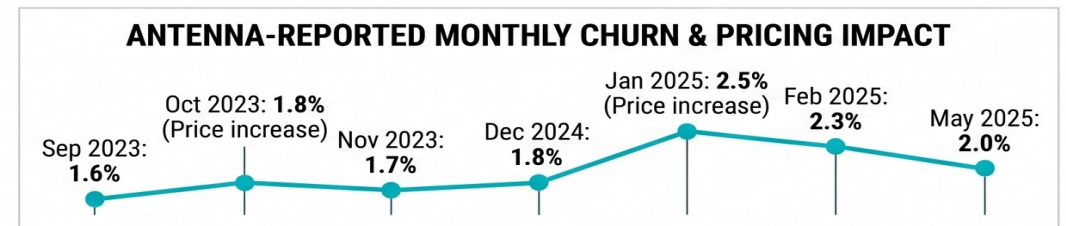
Sources: [1] Netflix (2024). "Netflix Celebrates Two Years of Advertising". About Netflix. <https://about.netflix.com/news/netflix-celebrates-two-years-of-advertising> [3] Antenna (2025). "A Whole New Netflix". Antenna. <https://www.antenna.live/insights/a-whole-new-netflix> [4] StreamTV Insider (2025). "Live sports drive subs, retention but there's bigger opportunity on the table". StreamTV Insider. <https://www.streamtvinsider.com/video/live-sports-drive-subs-retention-theres-bigger-opportunity-table> [5] Netflix (2024). "60 Million Households Tuned in Live for Jake Paul vs. Mike Tyson With Nearly 50 Million for Amanda Serrano vs. Katie Taylor During the Netflix and Most Valuable Promotions Mega-Event". About Netflix. <https://about.netflix.com/news/60-million-households-tuned-in-live-for-jake-paul-vs-mike-tyson> [6] CBS News (2024). "Netflix says 60 million households watched Tyson-Paul match". CBS News. <https://www.cbsnews.com/news/mike-tyson-jake-paul-netflix-boxing-nfl-beyonce> [7] Variety (2024). "Jake Paul, Mike Tyson Fight Card Draws 108 Million Viewers Globally". Variety. <https://variety.com/2024/tv/news/jake-paul-mike-tyson-108-million-viewers-netflix-1236214497> [8] IMDb (2024). "Jake Paul

A standardized public-data event-study and retention design can infer acquisition and churn effects for boxing, weekly college, and women's sports pilots despite noisy proxies.

FOUR-SIGNAL ACQUISITION EVENT STUDY DESIGN



RETENTION & CHURN INFERENCE USING REPEATED-EVENT PERSISTENCE



- For **weekly college pilot**, compare sign-up and cancellation proxy behavior across three groups: launch-period sports viewers, matched Netflix users exposed to a non-sports weekly release cadence, and a synthetic control.
- For **eventized boxing**, question is whether sign-ups decay immediately or remain elevated through **30 and 90 days**.
- For **women's sports**, question is whether repeated exposure creates enough habit to flatten post-event decay.
- Minimum **retention evidence**: persistence beyond the initial billing cycle and at least one **repeated-event read** showing lower decay than a matched one-off entertainment launch.

A public-data scorecard and disclosed ad-measurement stack can standardize acquisition, retention, and ad monetization evidence across 2-3 sports pilots before any scale decision.

DISCLOSED AD MEASUREMENT STACK FOR SPORTS PILOTS		
Measurement need	Publicly disclosed partners/tools	Sports-pilot use
Live audience/ratings	Nielsen; TVision; VideoAmp	Nielsen for NFL Christmas Day; VideoAmp for cross-screen and live viewership using Snowflake clean-room
Clean-room attribution	Snowflake; InfoSum; LiveRamp	Privacy-preserving data collaboration for audience and outcome measurement
Brand/engagement lift	EDO; Lucid; Kantar	U.S. auto advertiser with 3.2x engagement lift vs. CTV; Mexico beauty campaign with 30pt brand recognition lift
Sales/purchase proxies	NCSolutions; Affinity Solutions; Cuebiq	Measurement of outcomes and purchase behavior
Verification/quality	Google CM360; Innovid; DoubleVerify; IAS	Verification, fraud, and viewability controls
Ad methodology	Netflix post-render impression methodology	Standardized ad impression delivery measurement

PUBLIC-DATA SCORECARD & PILOT-TO-SCALE EVIDENCE STANDARD

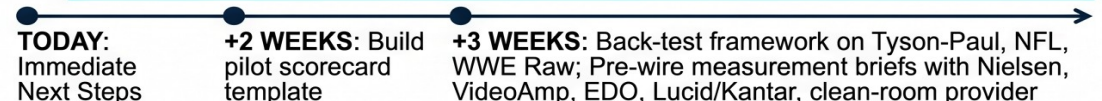
ACQUISITION	RETENTION	AD MONETIZATION
Abnormal sign-up proxy volume	30-day persistence	Verified delivery
Google Trends index change	90-day persistence	Cross-screen reach
App-rank delta (if available)	Repeated-event decay	Engagement lift
Audience reach	Contamination flags	Brand lift
		Sponsorship sell-through
		Renewal intent

■ ≥2 external indicators, no confounders (Green);
 ■ 1 indicator or confounders (Yellow);
 ■ Divergent signals or infrastructure issues (Red)

KEY ASSUMPTIONS & EVIDENCE STANDARD

- Budget Policy:** No fixed budget, conservative spend thresholds
- Pilot Count:** 2–3 pilots within 12 months
- Payback Threshold:** Positive ROI over 5 years, target payback within 3 years
- Time Horizon:** 5 years
- Primary KPIs:** Incremental net paid subscribers, reduction in annual churn, incremental advertising + sponsorship revenue

CONTAMINATION FLAG: Tyson-Paul generated >14,500 outage reports by 8:55 p.m. ET on Downdetector. Any acquisition or ad readout must be adjusted for service-quality distortion.



Sources: [1] Netflix (2024). "Netflix Celebrates Two Years of Advertising". About Netflix. <https://about.netflix.com/news/netflix-celebrates-two-years-of-advertising> [2] Ready To Fight (2024). "ESPN Exiting Big-Time Boxing - No Renewal for Top Rank Deal". Ready To Fight. <https://rtffight.com/news/espn-exits-boxing-no-new-top-rank-deal> [3] Antenna (2025). "A Whole New Netflix". Antenna. <https://www.antenna.live/insights/a-whole-new-netflix> [4] StreamTV Insider (2025). "Live sports drive subs, retention but there's bigger opportunity on the table". StreamTV Insider. <https://www.streamtvinsider.com/video/live-sports-drive-subs-retention-theres-bigger-opportunity-table> [5] Netflix (2024). "60 Million Households Tuned in Live for Jake Paul vs. Mike Tyson With Nearly 50 Million for Amanda Serrano vs. Katie Taylor During the Netflix and Most Valuable Promotions Mega-Event". About Netflix. <https://about.netflix.com/news/60-million-households-tuned-in-live-for-jake-paul-vs-mike-tyson> [7] Variety (2024). "Jake Paul, Mike Tyson Fight Card Draws 108 Million Viewers Globally". Variety. <https://variety.com/2024/tv/news/jake-paul-mike-tyson-108-million-viewers>

5.4

Staged Sports Rights Decision Framework

A staged sports-rights decision map allocates capital only when KPI and ROI gates are repeatedly cleared, avoiding an all-in U.S. sports strategy by default.

MILESTONE-BASED DECISION PATH AND CAPITAL POSTURE

Milestone	Observable outcome	Management decision	Capital posture
Post-pilot	KPI and ROI gates met for tested rights type; repeated external signals agree	Explore scale into adjacent rights of same mechanism category	Increase only to next tier, not premium leap
Post-pilot	Acquisition strong, retention weak	Hold as tactical tentpole only	Cap spend to eventized/short-cycle rights
Post-pilot	Ad monetization strong, subscriber impact weak	Explore selective sponsorship-led event rights	Keep rights narrow and advertiser-backed
Post-pilot	KPI and ROI gates missed	Exit tested category	Stop further category spend
Post-first renewal cycle	Renewal-period KPIs sustained and advertiser renewal clears gate	Explore multi-cycle renewal and adjacent recurring rights	Commit to 2nd-cycle scale with spend caps
Post-first renewal cycle	Audience holds but economics weaken due to fee inflation or weak renewal	Explore renegotiation or narrower package	Maintain exposure only at reset economics
Post-year-2 review	Two cycles show repeatable ROI across pilots	Explore sports as selective growth pillar centered on mid-sized recurring rights	Build portfolio, avoid premium land grab
Post-year-2 review	Results remain mixed or mechanism-specific	Hold only proven tentpoles / selective recurring rights	Portfolio remains tactical, not core
Post-year-2 review	Subscriber and ad proof remain insufficient	Exit broader expansion thesis	Do not make sports a core U.S. growth strategy

KEY ASSUMPTIONS AND GOVERNANCE PARAMETERS



milestone_payback_threshold: Positive ROI over 5 years and target payback within 3 years for scaled investments. Operational gate used to distinguish scale from hold/exit at each milestone; system-inferred and not client-confirmed



budget_policy: No fixed budget; use conservative spend thresholds benchmarked to Netflix revenue and free cash flow. Used to recommend option-preserving spend caps and phased commitments rather than a fixed sports budget



pilot_count: 2-3 pilots within 12 months. Used to define the year-2 portfolio review as the point when repeated evidence across mechanisms should exist; system-inferred and not client-confirmed



rights_tiers: Small tactical; Mid-sized recurring; Major premium. Client-defined segmentation used to map milestone actions by rights type



time_horizon: 5 years. Client-specified horizon for ROI-based scale decisions

- Each milestone decision should require a **credible path to positive five-year ROI** and **target payback within three years** rather than **audience scale** alone, based on the assumed **milestone_payback_threshold**
- Management should **preserve option value** by favoring **short-duration, mid-tier, or opt-out-capable structures** until **repeatability is proven**, based on the assumed **budget_policy**
- **Formal decisions** only at post-pilot, post-first renewal cycle, and post-year-2 review; **no rights escalation** between gates without documented KPI evidence
- **Contract structure** should favor **short-duration, narrow-scope, or opt-out-capable rights packages** until **second-cycle proof** is established
- **Portfolio focus** should prioritize **adjacent mid-sized recurring rights** only after **repeated proof** and keep **eventized rights tactical** unless **retention evidence improves**

Post-pilot and first-renewal decisions must separate one-off acquisition spikes from scalable economics, under tight rights-calendar and inflation pressures.

POST-PILOT OUTCOMES AND EVIDENCE REQUIREMENTS

TYSON-PAUL SIGN-UPS (3-DAY)

Antenna: **1.43M**

Ampere-cited: **1.6M**

▶ **~12%**
difference

One blockbuster event can overstate sustainable economics (contaminated Tyson-Paul quality, retention not inferable from launch spikes)

NFL CHRISTMAS SIGN-UPS

Antenna: **656k**

Ampere-cited: **700k**

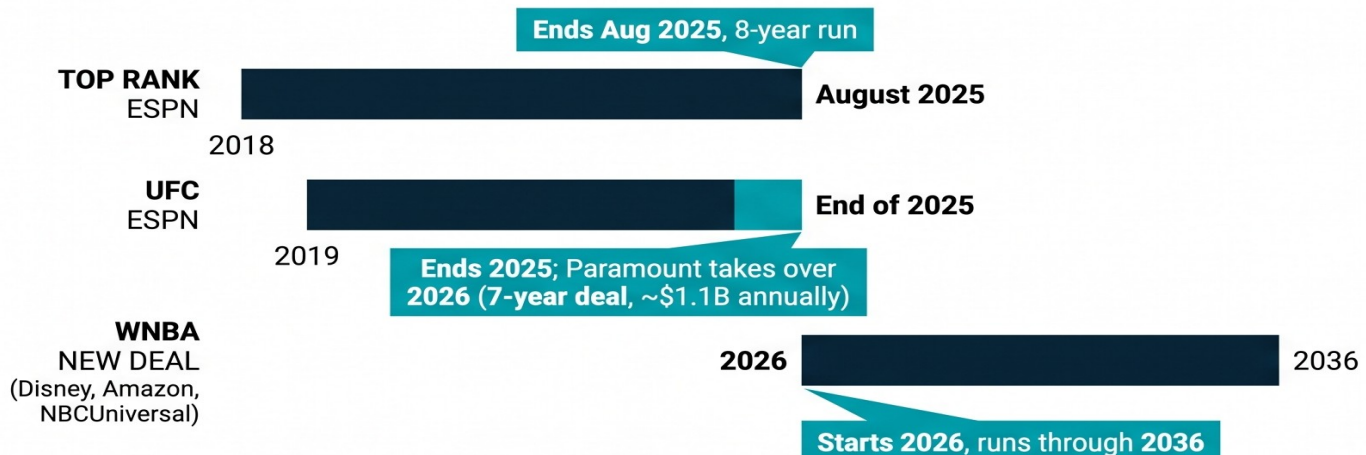
▶ **~7%**
difference

Lower Antenna figures are the better conservative anchor for milestone decisions

EVIDENCE-BASED ACTIONS & RULES

- **FOUR POST-PILOT ACTIONS:** **Scale**, **Hold** (for another read), **Renegotiate**, or **Exit**.
- **SCALE:** If pilot clears thresholds and public data shows at least two independent signals agreeing with no major confounder, explore scaling within same mechanism category first.
- **HOLD:** If **acquisition** is strong but **retention evidence** is weak, hold sports as tactical tentpoles only, avoid recurring-rights thesis.
- **RENEGOTIATE/EXPLORE:** If **ad delivery/CPM/sponsorship** are strong but **subscriber/churn** effects are weak, explore sponsorship-led event rights selectively.
- **EXIT:** If neither **subscriber** nor **ad thresholds** are met, exit the tested category and explicitly rule out sports as a core U.S. growth lever.

RIGHTS-CALENDAR PRESSURE AND MARKET INFLATION AT FIRST RENEWAL



Windows mean management may need to decide before a full multi-year evidence set exists

MARKET SPENDING AND INFLATION PRESSURE

PwC: U.S. live sports rights spending estimated at **~\$28 billion** in 2024

Ampere: Global live-sports rights spending projected to rise from \$13.2 billion in 2025 to \$14.2 billion in 2026

Ampere: Global live-sports rights **streaming share** projected to rise from 31% in 2025 to 44% in 2026

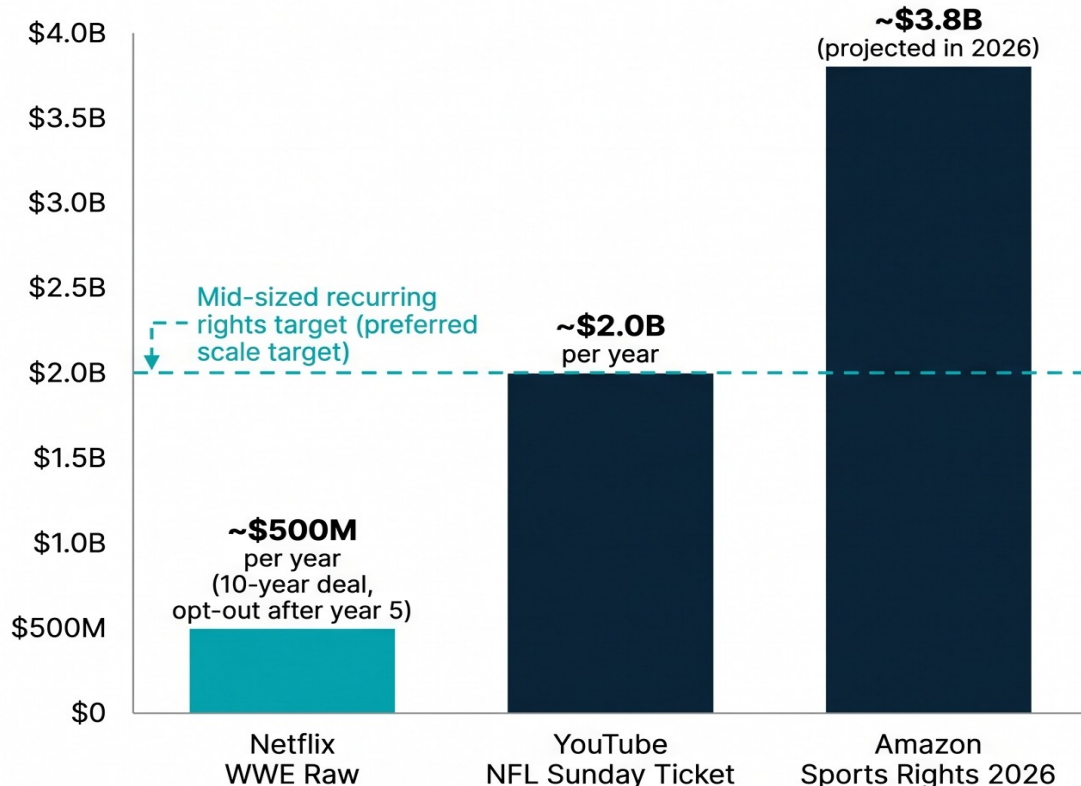
RENEWAL RULES

- At first renewal, explore renewal **only** when first-cycle KPI mix remains above threshold and advertiser renewal intent confirms repeatability
- If package delivered audience but not durable churn or advertiser renewal, explore **renegotiation** (narrow scope, shorten term, add opt-outs, reset fees).
- If rights-market conditions tighten materially, treat any renewal as **conditional on price discipline**. External inflation can erase pilot economics even when KPIs are acceptable.

By year 2, Netflix should only elevate sports to a selective growth pillar if mid-sized recurring rights repeatedly clear KPI and ROI gates amid premium-rights cost benchmarks and ad-market conditions.

YEAR-2 PORTFOLIO DECISION AND PREMIUM-RIGHTS BENCHMARKS

Year-2 Decision Rule: Two cycles clearing KPI gates, maintaining five-year ROI path, payback within three years. Mid-sized recurring rights are the primary scale target.



AD-MARKET CONDITIONS AND EXECUTION NEXT STEPS

CPM Benchmarks & Growth

METRIC	VALUE/BENCHMARK
Netflix 2024 CPM	\$37.02
Overall Streaming CPM	\$25.68
Broadcast CPM	\$45.34
CTV Growth (2024, IAB)	16% (Live sports and live streaming events as key drivers)
Strong CPMs/sponsorship can justify selective event rights, but do not support a subscriber-led core-growth thesis.	

Immediate Next Steps & Owners

- **[Strategy & Finance]:** Issue a milestone decision memo template for all sports-rights recommendations with explicit linkage to KPI attainment, ROI trajectory, and renewal timing (within 1 week, subject to confirming final KPI gate definitions and approval authority).
- **[Content Acquisitions]:** Map each target rights category against public renewal calendars for 2025-2026 (e.g., Top Rank boxing, UFC) and attach option-preserving structure for each window (within 2 weeks, subject to confirming actual package availability and negotiation windows).
- **[Finance]:** Set spend caps by milestone; post-pilot decisions can only authorize same-mechanism follow-ons, first-renewal decisions can only authorize fee-reset renewals or adjacent mid-tier rights (within 2 weeks, subject to confirming rights-cost ranges and based on assumed budget_policy).
- **[Ad Sales Measurement]:** Require first-renewal recommendations to include advertiser renewal, CPM realization, and sponsorship sell-through evidence in the same scorecard as subscriber and churn proxies (within 2 weeks, subject to confirming campaign-level measurement partner outputs).