

2023 was a strong year for Netflix. With the WWE, the future looks even brighter.

Article

The news: Netflix posted Q4 2023 results on Tuesday, closing the year with **13.12 million additional subscribers** to bring its total count to **260.28 million**. The company reported **23**

[million](#) ad-supported subscribers at the start of January.

- Revenues rose 12.5% YoY to \$8.83 billion, above expectations and marking Netflix's best quarter in 2023 for revenue growth.
- Netflix said it expects "healthy double-digit revenue growth" for 2024 thanks to continued subscriptions and "price adjustments," hinting at [yet another](#) possible price increase.

Additionally, Netflix and **World Wrestling Entertainment (WWE)** announced that the streamer has acquired the rights to the weekly show "Raw" for **\$5 billion beginning in 2025**.

- That rights deal is Netflix's first major entry into sports streaming and will mark the first time in its 31-year history that "Raw" will not air on network television.
- According to an [SEC filing](#), Netflix has **exclusive rights to "Raw" for 10 years**, with the option to opt out after five years or extend the deal for another decade.

Ad-supported growth:

- There are two main sources of growth for Netflix's ad-supported tier: the password-sharing crackdown the company initiated in spring of 2023 and bundle offerings. The company announced an [ad-supported bundle](#) with **Max** via **Verizon** in December and an additional offering with French grocer **Carrefour** [earlier this month](#).
- Netflix [estimated in 2023](#) that more than 100 million households worldwide were sharing passwords, giving the company a long runway to convert formerly piggybacking users into subscribers.

The WWE deal: Netflix's first-ever subscriber loss came in spring 2022, forcing the company to opt out of billion-dollar bidding wars for streaming rights. But now, with ad-supported streaming bolstering revenues and subscription growth on the rise, the company is tapping into [sports' significant potential](#).

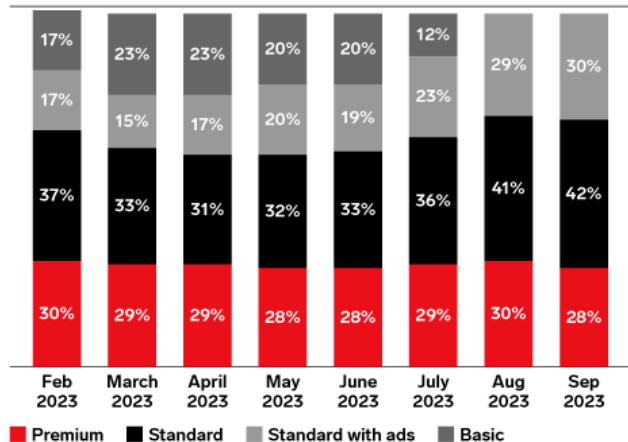
- Without a sports streaming rights deal of its own, Netflix turned to [self-branded events](#) to try and build a sports reputation of its own and build its livestreaming capabilities—efforts that now feel like a try-out to convince a major sports brand to jump on board.

Our take: Propelled by password sharing changes, streaming bundles, and now a major sports rights deal, Netflix memberships and advertising revenues are likely to rise throughout 2024.

- With a 2025 start date, it will be some time before Netflix sees the positive effect of the WWE deal. The company may pull back on spending to offset the cost, but revenue growth from other sectors will soften the blow.

Share of US Netflix Sign-Ups, by Plan Type, Feb 2023-Sep 2023

% of total



Note: excludes free tiers, MVPD + telco distribution, and select bundles; numbers may not add up to 100% due to rounding
 Source: Antenna as cited in company blog, Oct 16, 2023

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