

Churn Rate

$$\text{Churn Rate} = \frac{\text{Subscribers Lost During Period}}{\text{Subscribers During end of Period}} \times 100$$

$$\text{Churn Rate}_{Q4} = \frac{6 \text{ million lost}}{300 \text{ million total}} \times 100 = 2\%$$

Revenue at Risk (avg subscription price 15\$)

$$6,000,000 \times (15 \times 12) = \$1.8 \text{ billion}$$

*If Netflix can reduce churn down to even **1%**, losing less subscribers, that can help generate revenue to up to \$540 million.*

These numbers are according to Netflix's 2024 Q4 reports. Subscribers lost is a rough estimate number, since average churn rate for the quarter is 2%, we can assume number of subscribers lost.