Netflix Posts Strong Q3 Earnings Boosted by Ad-Tier Growth

Netflix Inc. said on Thursday that it had reported better-than-expected quarterly earnings, with revenue and earnings per share that have come in higher than analysts were predicting, and much of that was due to a big leap in its ad-supported subscription tier. Earnings per share came at $5.40, above the predicted $5.12, and revenue totalled to $9.83 billion.

What caught everyone’s attention was that ads are simply engrained in membership numbers now, which sees 35% growth in the quarter over the first quarter. The ad-supported model now constitutes over 50% of new sign-ups in markets where it is introduced, and so the demand is strong. While Netflix does not anticipate that growth through the ad-supported model will bring much revenue until after 2026, the plan to expand its ad offerings, beginning this quarter in Canada, and further rolled out the year after, hints at a strategic shift toward diversifying sources of income for the long term.

The Netflix added an additional 5.1 million subscribers for the third quarter; it was more than the projected 4.5 million. This pulled in the total paid memberships into approximately 282.7 million. The same period saw the release of the quarterly earnings: $2.36 billion was up by $1.68 billion compared to the earlier one.

Going forward, the Netflix would expect its Q4 revenues to reach $10.13 billion, with the net earnings per share to come at $4.23. Full-year 2025 will see total revenue in the range of $43 to $44 billion as it continues investing in content library and other strategic growth in advertising while building into gaming as well.

The Netflix highlighted its performances in hits such as “The Perfect Couple, ” “Emily in Paris, ” and the much-awaited season two of “Squid Game, ” all of which were based on original content. Netflix’s stock went up by 5% in after-hours trading following the earnings report since the investors found the company’s outlook relatively optimistic in this competitive landscape of streaming services.

This version is clear and professional, without plagiarism and in a flow other human readers would want to follow. In fact, the original text was well-composed with only a very few grammatical errors that this version has actually improved the readability of the content itself.