Comparison GOOG vs. NFLX

Communication Services

FY2024: both companies' latest fiscal years cover the calendar year ended December 31, 2024, making the periods directly calendar-comparable.

STRONGEST	WEAKEST
GOOG (76)	NFLX (58)

Alphabet leads on scale-driven metrics including EBITDA margin, absolute free cash flow, and balance sheet strength, while facing markedly higher capex intensity and antitrust regulatory risk. Netflix shows a faster percentage revenue growth rate and is the only company disclosing a usable ARPU metric, while operating with a far more capital-light model. Neither company discloses churn rate or holds meaningful spectrum assets, limiting comparability on those two criteria. Overall, Alphabet's financial scale, margin profile, and balance sheet strength outweigh Netflix's higher growth rate and capital efficiency, making Alphabet the stronger performer across this framework despite its rising capex burden and elevated regulatory scrutiny.

1. Revenue Growth & Mix

Winner: NFLX

GOOG

$350.0B, +13.9%

FY2024 total revenue of $350.0B grew from $307.4B in FY2023, driven by Search (+12.5%), YouTube ads, and Google Cloud (+30.0% to $43.2B).

Google Cloud growth	+30.0%
Google Services share	~87.7% of revenue

Diversified mix

NFLX

$39.0B, +15.7%

FY2024 revenue of $39.0B rose from $33.7B in FY2023, aided by paid membership growth of 15.9% to 301.6M and expansion of the ad-supported tier.

Paid memberships	301.6M (+15.9%)
Ad-tier growth	Fastest-growing plan (qualitative)

Higher growth rate

Netflix posted a higher percentage revenue growth rate, but Alphabet's growth comes off a far larger base with more diversified revenue streams.

2. Average Revenue Per User (ARPU)

Winner: NFLX

GOOG

Not disclosed

Alphabet's advertising-driven model does not report a per-user revenue metric in its 10-K.

NFLX

~$11.5/month (derived)

Derived from FY2024 revenue of $39.0B divided by average paid memberships of ~281M over 12 months; Netflix discloses regional ARM figures (e.g., UCAN ~$17.79, EMEA ~$11.84, LATAM ~$8.66, APAC ~$7.51).

UCAN ARM	~$17.79
APAC ARM	~$7.51

Only disclosed ARPU metric

Netflix is the only company that provides a usable per-subscriber revenue metric; Alphabet's ad-based model has no comparable disclosure.

Note: GOOG's business model (advertising) does not naturally generate a per-user revenue disclosure comparable to NFLX's subscription ARM.

3. Churn Rate (Customer Retention)

GOOG

Not disclosed

Alphabet does not report a subscriber churn metric; its core business is not subscription-based.

NFLX

Not disclosed

Netflix's FY2024 10-K does not disclose a specific churn or retention rate figure.

Neither company discloses a churn or retention metric in its annual filing.

4. EBITDA Margins & Operating Leverage

Winner: GOOG

GOOG

~36.7% (derived)

FY2024 operating margin of 32.1% (up from 27.4% in FY2023) plus estimated D&A of ~$15.9B implies EBITDA margin of roughly 36.7%, reflecting strong operating leverage.

Operating margin	32.1%
Prior-year operating margin	27.4%

Higher margin

NFLX

~29.2% (derived)

FY2024 operating margin of 26.7% (up from 20.6% in FY2023) plus estimated D&A of ~$0.95B implies EBITDA margin of roughly 29.2%.

Operating margin	26.7%
Prior-year operating margin	20.6%

Strong margin expansion

Both companies expanded margins significantly year over year, but Alphabet's scale gives it a higher absolute EBITDA margin.

Note: EBITDA figures are derived (operating income plus estimated D&A) since neither company reports EBITDA directly.

5. Capital Expenditures (Capex Intensity)

Winner: NFLX

GOOG

$52.5B, 15.0% of revenue

FY2024 capex rose to $52.5B (15.0% of revenue) from $32.3B (10.5% of revenue) in FY2023, driven by AI infrastructure and data center investment.

YoY capex growth	+62.9%

Rapidly rising capex

NFLX

~$0.3B, 0.9% of revenue

FY2024 purchases of property and equipment were approximately $314M, roughly 0.9% of revenue, reflecting Netflix's asset-light, cloud-reliant infrastructure model.

Capex % of revenue	~0.9%

Capital-light model

Netflix operates with far lower capital intensity, while Alphabet's capex has surged sharply to fund AI and data center buildout.

6. Free Cash Flow (FCF) Generation

Winner: GOOG

GOOG

$72.8B, +4.7%

FY2024 free cash flow (as reported) was $72.8B, up from $69.5B in FY2023, despite substantially higher capex.

Operating cash flow	$125.3B

Far larger absolute FCF

NFLX

$7.4B, +6.3%

FY2024 free cash flow was approximately $7.4B, up from $6.9B in FY2023, supported by low capex and subscription revenue growth.

Operating cash flow	~$7.7B

Alphabet generates roughly ten times the absolute free cash flow of Netflix, though both grew FCF year over year.

7. Leverage & Debt Structure

Winner: GOOG

GOOG

~0.1x Debt/EBITDA

FY2024 long-term debt of $10.4B against cash and marketable securities of $95.7B represents a substantial net cash position and minimal leverage.

Long-term debt	$10.4B
Cash & marketable securities	$95.7B

Net cash position

NFLX

~1.2x Debt/EBITDA

FY2024 long-term debt of $14.1B against cash of $7.5B implies moderate leverage of roughly 1.2x estimated EBITDA.

Long-term debt	$14.1B
Cash & equivalents	$7.5B

Alphabet's balance sheet carries negligible leverage and a large net cash cushion, while Netflix maintains moderate debt levels.

8. Spectrum Assets & Network Quality

GOOG

Not applicable / Not disclosed

Alphabet does not hold material wireless spectrum licenses; Google Fiber assets are immaterial to consolidated results and not detailed as spectrum holdings.

Not a spectrum holder

NFLX

Not applicable

Netflix does not own network spectrum or last-mile infrastructure; it relies on third-party ISPs and its own Open Connect CDN for content delivery.

Delivery infrastructure	Open Connect CDN (proprietary)

Not a spectrum holder

Neither company is a spectrum-holding network operator, making this criterion largely inapplicable to both.

Note: This criterion is designed for telecom-oriented Communication Services companies; neither GOOG nor NFLX is a wireless network operator, limiting direct comparability.

9. Regulatory & Competitive Environment

GOOG

High antitrust exposure

Alphabet's FY2024 10-K discloses ongoing U.S. DOJ antitrust litigation regarding Search and adtech, EU Digital Markets Act compliance obligations, and multiple global regulatory investigations that could result in structural remedies or fines.

Active antitrust litigation

NFLX

Moderate competitive/content regulatory exposure

Netflix's FY2024 10-K cites intense competition from Disney+, Amazon Prime Video, and other streaming and entertainment providers, plus varying international content and data regulations, but discloses no major antitrust litigation comparable to Alphabet's.

Intense streaming competition

Alphabet faces materially greater regulatory and antitrust risk globally, while Netflix's primary challenge is intense competitive pressure in streaming rather than antitrust exposure.