



Netflix Shares Plunge as Co-Founder Reed Hastings Retires

Description

Netflix shares fell by more than nine percent on Thursday. This happened because the company's earnings report did not satisfy investors, and co-founder Reed Hastings announced he would leave the company.

Hastings helped turn Netflix from a DVD rental service into a major entertainment company. He will leave to focus on philanthropy and other interests when his term ends in June. He gave daily control of Netflix to co-CEOs Greg Peters and Ted Sarandos earlier this year.

Netflix faces strong competition from other streaming services and short videos on platforms like TikTok. The company, based in Los Gatos, California, reported a quarterly revenue of \$12.25 billion, which was slightly more than expected. However, its profit of \$5.28 billion surprised investors due to a large payment received when a deal to buy Warner Bros. Discovery was cancelled.

Netflix will not pursue the Warner Bros. deal further. This decision could allow Paramount to take control of Warner Bros., which includes CNN. Analysts believe Netflix might use the money saved from this decision to invest in new shows and advertising, which are becoming increasingly important. The company also had success with the recent World Baseball Classic, which was very popular in Japan.

Vocabulary List:

1. **shares** //ʃɛrɪz// (noun): parts of a company owned by investors
2. **earnings** //ˈɜrnɪŋz// (noun): money a company or person receives from work
3. **philanthropy** //fɪˈlænθrəpi// (noun): giving money or help to good causes
4. **competition** //,kæmpəˈtɪʃən// (noun): other companies or people trying to win customers
5. **analysts** //ˈænalɪsts// (noun): people who study business and give advice
6. **cancelled** //kænˈsæld// (verb): stopped and not allowed to continue

Comprehension Questions

Multiple Choice

1. What percentage did Netflix shares fall on Thursday?

Option: 5%



- Option: 7%
- Option: 9%
- Option: 11%

2. Who is the co-founder of Netflix that announced he would leave the company?

- Option: Ted Sarandos
- Option: Greg Peters
- Option: Reed Hastings
- Option: Bob Iger

3. What was Netflix's quarterly revenue reported?

- Option: \$10 billion
- Option: \$11.5 billion
- Option: \$12.25 billion
- Option: \$15 billion

4. When will Reed Hastings leave Netflix to focus on philanthropy?

- Option: May
- Option: June
- Option: July
- Option: August

5. Which streaming service is mentioned as a competitor to Netflix?

- Option: Hulu
- Option: Amazon Prime
- Option: Disney+
- Option: TikTok

6. What is the name of the company Netflix will not pursue a deal with?

- Option: Warner Bros.
- Option: Paramount
- Option: Sony
- Option: NBCUniversal

True-False

7. Netflix shares fell by less than nine percent on Thursday.



8. Reed Hastings plans to leave Netflix to pursue philanthropy.
9. Netflix reported higher profit due to a large payment from a canceled deal.
10. Greg Peters and Ted Sarandos took full control of Netflix only last month.
11. Netflix had success with the recent World Baseball Classic.
12. Analysts believe Netflix will invest saved money into new shows.

Gap-Fill

13. Reed Hastings will leave Netflix to focus on philanthropy in _____.
14. Netflix's reported profit of \$5.28 billion surprised investors due to a large payment received when a deal to buy _____ was cancelled.
15. Netflix is based in _____, California.
16. Netflix shares fell by more than nine percent on Thursday due to an unsatisfactory _____ report.
17. The World Baseball Classic was very popular in _____.
18. Netflix's quarterly revenue was reported at \$12.25 billion, which was slightly more than _____.

Answer

Multiple Choice: 1. 9% 2. Reed Hastings 3. \$12.25 billion 4. June 5. TikTok 6. Warner Bros.

True-False: 7. False 8. True 9. True 10. False 11. True 12. True

Gap-Fill: 13. June 14. Warner Bros. Discovery 15. Los Gatos 16. earnings 17. Japan 18. expected

Vocabulary quizzes



Multiple Choice (Select the Correct answer for each question.)

1. What is a legal status for a person or entity that cannot repay the debts it owes?
Option: Foreclosure
Option: Liquidation
Option: Bankruptcy
Option: Repossession
2. What term is used to describe the current state or condition of something?
Option: Profile
Option: Status
Option: Rank
Option: File
3. Which of the following refers to a desirable feature or facility of a building or place?
Option: Facility
Option: Amenity
Option: Service
Option: Provision
4. What occurs when a planned event does not take place?
Option: Postponements
Option: Cancellations
Option: Delays
Option: Reschedules
5. What is the term for the rivalry among sellers to attract customers?
Option: Cooperation
Option: Competition
Option: Partnership
Option: Collaboration
6. What term describes the process of improving a broken, damaged, or outdated structure?
Option: Restoration
Option: Renovation
Option: Construction
Option: Demolition
7. Which adjective describes something that is the only one of its kind?
Option: Common
Option: Unique
Option: Regular



Option: Standard

8. Who are the professionals that examine financial data and market trends?

Option: Investors

Option: Consultants

Option: Analysts

Option: Managers

9. What is divided ownership of a company represented by documents called?

Option: Stocks

Option: Dividends

Option: Shares

Option: Assets

10. What term refers to improving the quality, value, or performance of something?

Option: Downgrade

Option: Upgrade

Option: Recycle

Option: Reduce

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. The holiday season is often regarded as the _____ time of year for retailers.

12. Traffic _____ is a common issue in large cities during rush hours.

13. It's _____ to provide excellent customer service in any business.

14. Many small businesses are _____ to survive in today's competitive market.

15. Corporate _____ can play a significant role in community development.

16. Businesses must manage their _____ carefully to maintain profitability.

17. Providing _____ amenities can enhance the customer experience.

18. The company's profits are expected to _____ last year's figures.

19. The number of flight _____ has increased significantly over the summer.

20. Investors are keenly awaiting the quarterly _____ report from the company.



Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. The status of the project was unclear after the delay in funding.
22. There were numerous cancellations due to the unexpected storm.
23. Effective communication is crucial for team success in any organization.
24. The company filed for bankruptcy after failing to meet its financial obligations.
25. Each piece of art at the gallery is unique and offers a different perspective.
26. There is fierce competition among tech companies to innovate and lead the market.
27. The renovation of the historic building brought new life to the downtown area.
28. The hotel offers a range of amenities, including a spa and fitness center.
29. The company's shares have risen sharply in value over the past year.
30. Many artists are struggling to gain recognition in the competitive music industry.

Answer

Multiple Choice: 1. Bankruptcy 2. Status 3. Amenity 4. Cancellations 5. Competition 6. Renovation 7. Unique 8. Analysts 9. Shares 10. Upgrade

Gap-Fill: 11. busiest 12. congestion 13. crucial 14. struggling 15. philanthropy 16. expenses 17. superior 18. surpass 19. takeoffs 20. earnings

Matching sentence: 1. status 2. cancellations 3. crucial 4. bankruptcy 5. unique 6. competition 7. renovation 8. amenity 9. shares 10. struggling

CATEGORY

1. Business - LEVEL2

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Date Created

2026/04/17

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