

Netflix Inc

Netflix sets its sights on the silver screen

Group that made its name in TV streaming is about to unveil the fruits of its foray into film



'Roma' has garnered much attention for being distributed by Netflix

Anna Nicolaou in Toronto SEPTEMBER 13, 2018

Alfonso Cuarón, the acclaimed director of *Gravity*, arrived in Toronto this week to promote his first film in five years. *Roma*, an intimate drama set in 1970s Mexico and shot in black-and-white, has been described as a “masterpiece”, winning the grand prize at the Venice film festival and instantly becoming a contender for Academy Awards.

But the film has perhaps garnered just as much attention for being distributed by [Netflix](#), which has stormed the autumn festivals in recent weeks as it aims for a standout success in film — a format that has not lent itself as easily to streaming as television. While series such as *Stranger Things* and *Orange Is The New Black* made [Netflix](#) a singular force in TV, it has yet to repeat that performance with movies.

“For the past year, [Netflix] has been the topic of conversation at most meetings,” said the chief executive of a film financing company. “At first there was this glorification . . . that Netflix was saving the business. Then there was backlash. And now we’re in this period of questioning: what exactly are they doing?”

Netflix wants to change that view. A year and a half ago, it hired producer Scott Stuber to develop its film business. This autumn will be the first big test of Mr Stuber’s strategy, as a number of projects under his watch debut in the coming months.

The Toronto International Film Festival, which has become an unofficial start to the six-month Oscar’s race, welcomed Mr Cuarón with a lavish red carpet gala, where he dutifully thanked Netflix executives for “bringing this film to the world”. *Roma*, one of Mr Stuber’s first projects to hit the screens, is set to be shown nine times in Toronto as part of a marketing blitz by Netflix, and observers speculate it could finally yield the company a coveted best picture nomination.

The push comes at a crucial time for [Netflix](#), whose years-long stock rally was abruptly halted this summer after the company revealed a rare miss in [quarterly subscriber growth](#)— more than \$20bn was wiped from its market value minutes after the news broke. However, despite the slowdown, Netflix gave no indication that it would cut spending this year; rather, it insists that investing in new content is the key to attracting customers.

Analysts agree. “Having great movies that are exclusive to the platform is absolutely critical,” said Rich Greenfield, analyst at BTIG. That said, “it’s really early . . . we haven’t seen any of [Stuber’s] films come out yet”.

The company has taken on more than \$8.3bn in long-term debt to fund its original content, and expects free cash outflows of as much as \$4bn for 2018. Ted Sarandos, chief content officer at Netflix promised investors in July that its films would become as successful as its TV shows, “but it will take another year or so as we get into it”.



'Outlaw King': Netflix promised investors in July that its films would become as successful as its TV shows

Netflix’s presence hung heavily over Toronto this week as *Roma*’s rapturous reception reignited a debate about the future of the movie business. The company brought eight films to Toronto, including *Outlaw King*, a Scottish war drama that opened the festival — the first time a big festival has given the highest profile slot to any streaming service. It was also very much in evidence at the Venice and Telluride festivals a few weeks ago.

This was in sharp contrast with its Cannes experience earlier this year. Cannes’ leadership banned Netflix films from competing for awards unless it showed them in French cinemas. Netflix refused and pulled out of the festival entirely.

The sticking point was that Netflix releases its films online at the same time as in cinemas — if they place them there at all — which has infuriated cinema owners. Netflix has been firm in this strategy, but it has been rumoured that the company might compromise and give *Roma* a traditional cinema release in its Oscar quest. Netflix has not yet made this decision on *Roma*, according to industry executives familiar with the matter.

Amazon and Apple also descended upon Toronto which, like Sundance, is a showcase for awards-worthy movies that have not yet secured distribution deals. Netflix also competes against established studios such as Universal Pictures, Walt Disney, 21st Century Fox, and Warner Bros.



Netflix film 'The Discovery'. Producer James D Stern said he wasn't sure the film would have been made without Netflix

Some filmmakers argue that Netflix and Amazon are funding smaller films that the studios have turned away from in favour of big blockbusters. Producer James D Stern worked with Netflix on the films *Come Sunday* and *The Discovery*, and “in both cases, I’m not sure those films would get made at all without Netflix”, he says.

Distributing with Netflix also makes for “a lot less pressure”, said Mr Stern, who produced *The Old Man and The Gun*, a Robert Redford western that premiered in Toronto this week. “You can make the right film for the right money, without dying on opening weekend because you’re looking at every ticket.”

Additional reporting by Tim Bradshaw in Los Angeles

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