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| --- | --- | --- |
| **Company Name: Netflix (NFLX)** | | |
| **Source** | **Sales Estimate** | **Earnings Estimate** |
| Value Line | $31540(CY) & $36350(NY)  $47000(4 yrs), 10.49% CAGR  VL 11% | $10.30(CY) & $12.50(NY)  $16.25(4 yrs.), 12.07% CAGR  VL 14.5% |
| Morningstar | 9%, (5 yrs) |  |
| Manifest Investing | 9.8% | $17.39 |
| Yahoo Finance | $31.6B (CY)  $33.9B (NY) | $10.37 (CY)  $10.47 (NY), 5.5% (5 yrs.)  57.20% Past 5 years |
| Seeking Alpha | $31.59B (CY), 6.37%  NY 6.96% | $10.37 (CY) -7.7%  NY 1.88% |
| Zacks | 31.6B (CY), 33.94B (NY)  7.41% (YoY), 8.5% (5 yrs) | $10.31(CY), $10.60 (NY) |
| Company Website |  |  |
| BI Member Sentiment | 13.1% (5 yrs.) | 12% (5 yrs.) |
| First Cut (\_\_/\_\_\_\_) | N/A | N/A |
| Current Year Range  Next Year Range | $31.59B to $31.6B  $33.9B to $33.94B | $10.30 to $10.37  $10.47 to $12.50 |
| 4 to 5 year range | 9.8% to %13.1 (avg 11.45%) | 5.5% to 12.07% (avg 8.79%)  $15.10 to $16.25 |

**Debt Analysis For (Netflix)**

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| **Debt Analysis** | **BI Guidance** | **\_\_\_\_\_\_ (Trend)** | **Industry** | **Comments** |
| **Debt to Capital (D/C)** | **<= 50%** | **DOWN**  **(61.2%)** |  | **In the right direction** |
| **ROE** | **>=15%** | **UP (24.9%)** |  | **In the right direction** |

**Additional data points:**

**Risks:**

**1.Increased costs on original content**

**2.one of the most expensive offerings in the US market**

**3.crackdown on password-sharing (H1, 2023) and ad-tier price (Q4, 2022) can backfire**

**4.Subscriptions rebounded in Q3, 2022 to 2.4M after losing 1.2M the Q before, projected 4.5M by Q4, 2022**

**5.Expected to expand to 297M by 2026**

**Latest Earnings highlights:**

* **Beats revenue at 7.85B vs. $7.84B estimate**
* **Added 7.7M subscribers, beating 4.4M forecasted**
* **Free Cash Flow at least $3B, est. $2.41B**
* **Plans to resume share buyback in 2023**
* **Updated FY23 Guidance to 4%**
* **Full Year Revenue $31.6B**

**Lowlights**

* **Revenue “only” 2% YoY**
* **Missed earnings, reports $0.12 vs $0.48 estimate**
* **Red Hasting steps down as CEO (Exec Chairman), replaced by Greg Peters (Co-CEO)**

**Interesting facts:**

* **Invested 2.5B in Mkt**

**Summary:**

**I am being conservative on the stock since the EPS miss was huge but the market reactived positively to the massive growth on Q4, 2022 user subscriptions; also, do not want to give up on the stock as password-cracking, ad-tier program and CEO change is expected to benefit stock performance on top of a planned stock buyback later this year. Ultimately Netflix has proven to be the most complete VOD platform vs others. Based on that, I am using avg EPS% (8.8%) and Sales estimates (11.4%) for my SSG**