



## Summary

I believe Netflix is a financially and sectorially strong stock that is poised for consistent upside revenue and profit growth, widening margins, and media creation that will drive the company and its share price to record highs consistently. This thesis outlines a multiyear upside opportunity on one of the most exciting stocks in the Nasdaq.

## Business Overview

Netflix is a media and streaming company that offers services worldwide. Netflix produces their own shows and movies that are proprietary to their own platform to further enhance user experience and deliver value to the consumer. On top of creating their own cinematics, Netflix also buys the rights to movies and shows and hosts them on their own platform for consumers to enjoy. Netflix offers paid plans to access their library of content where the consumer can decide which plan best fits their budget. Netflix is the world's largest streaming platform and still growing.

## Investment Rationale

Netflix is one of the largest companies in the world and hardly anyone ever cancels their Netflix subscription. Apart from that, Netflix has some of the strongest financial statements I have ever come across, including widening margins (from 11.05% in 2020 to 24.58% today), constant growth on the revenue and profit front, increased spending into the development of more content to enrich the consumer's experience, and a conscious effort to expand TAM. Netflix isn't just becoming more efficient; they are growing in all parts of the world. Paid member growth has been consistently growing in all regions by an average of ~10% y/y post 2020.

## Risks

While Netflix is a strong company, it's not bulletproof. Netflix, like all tech companies, is very exposed to general tech volatility because the market is so aggressively pricing in their future earnings, and while Netflix has been growing very consistently, one earnings mishap could leave me in some short-term drawdown. Though it carries some risks, the confidence level I have in this trade is at a 10/10. Netflix has proven it is an unstoppable company.

delivering more shareholder and consumer value year after year making it the perfect investment.

## **Conclusion & Target**

I do not have a specific price target for Netflix that will be a guaranteed spot to trim my position but rather will follow a trailing inspection of their subscription growth, as their P/E begins to become more accurate and their growth begins to slow it will be clear when to take this position off of the table. When it comes to a hard stop its very hard to say for such a strong company and again it will be very important to monitor the position and the company's financials and their standing in the economy's state and how consumers are viewing their Netflix subscription.