



Rating
Hold

North America
United States

TMT
Entertainment

Company
Netflix

Reuters
NFLX.OO

Bloomberg
NFLX US

Exchange
NMS

Ticker
NFLX

Date
17 October 2024

Forecast Change

Price at 17 Oct 2024 (USD)	687.65
Price target	650.00
52-week range	730.29 - 346.19

Post 3Q Thoughts & Model Update

Key Takeaways

- Netflix turned in a solid quarter, reporting revenue \$75M above our estimate and operating income \$161M above our estimate, with the OI beat driven ~50/50 by revenue and expenses. The company confirmed the high end of its 2024 revenue growth guidance range (14-15%) and raised its 2024 OI guide to 27%, from 25-26%, yielding a positive revision to our estimates. Netflix also raised its 2024 FCF guidance from \$6B to \$6-6.5B, which we expected given this year's OI strength.
- Management also provided initial guidance for 2025, with revenue in the \$43-44B range, above our estimate, and operating margin at 28%, implying OI below our estimate (~\$12.2B vs \$12.4B). However, the guidance implies revenue and OI that was roughly in line with consensus estimates heading into the quarter.
- The company's performance and guidance is consistent with our view that the earnings multiple is full at 32x 2025E. **We reiterate our Hold rating and \$650 price target, valuing Netflix at 29x 2025E EPS and 25x 2026E EPS.**
- 3Q global net adds of 5.07M were roughly in line with our 5.25M estimate. Management guided to 4Q net adds improving sequentially, consistent with our estimate, due to a combination of seasonality and content slate strength. **Both 3Q results and 4Q's guide reflect a continued decline in the contribution from paid sharing.**
- **Revenue growth in 2025 and beyond should continue to be a function of slower subscriber growth and a return to a more normal pricing cadence as the company has largely made its way through the paid sharing initiative.** Management noted price increases that occurred earlier in the month in Scandinavian countries and Japan, as well as announced price increases in Spain and Italy. Notably, the **international price increases impact both ad-supported and ad-free tiers**, whereas the ads tier in the US remains at \$6.99. Netflix also continues to evolve its pricing structure, with plans to phase out the Basic plan in Brazil and other markets over time, as it already has in UCAN, the UK, and France. The ads tier remains dilutive to ARM, as the company adds subscribers and inventory at a faster pace than it is able to monetize.
- **Netflix's ads tier continues to make progress, but will not be a primary revenue driver until 2026**, as reiterated by management. Ads membership grew 35% q/q and management expects advertising revenue will double in 2025. The company is on track to launch its own ad tech platform in Canada

Valuation & Risks

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Key changes

EPS (USD)	19.09 to 19.80	↑	3.8%
Revenue (USDm)	38,796.7 to 38,885.2	↑	0.2%

Source: Deutsche Bank

Deutsche Bank Securities Inc.

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in 4Q, then expand from there in 2025. Additionally, Netflix "turned on" its DSP capabilities via its partnerships with The Trade Desk and Google DV 360, but it is still early on in those endeavors. **We believe Netflix will likely use the programmatic platforms to sell longer tail, more commoditized inventory, while the company will sell its more premium content directly at premium CPMs.**

- **Management continues to expect up to \$17B in cash content spend this year, and we estimate ~7% growth in 2025.** This M-HSD content spend growth is a function of continued growth in core TV and film, live content, and normalized spending as the company should be fully recovered from the WGA and SAG-AFTRA strikes. Outside of content, Netflix continues to invest in Games, its in-house ad tech platform, and a new home screen user interface/user experience.

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Figure 1: Actual vs Estimate

Netflix, Inc.

Actual vs. Estimate

	Actual 3Q24	DB Est. 3Q24	Var	% Var
Consolidated Revenue	9,825	9,750	74.7	0.8%
Adj. OI	2,909	2,749	160.5	5.8%
Adj. Dil. EPS	\$5.40	\$5.14	0.3	5.0%
FCF	2,194	1,881	313.2	16.6%
Total Streaming				
Revenue	9,825	9,750	74.7	0.8%
Contribution Profit	4,062	3,919	142.9	3.6%
CP Margin %	41.3%	40.2%	0.0	0.0
Paid Members	283	283	(0.2)	(0.1%)
Net Adds (Paid Members)	5.07	5.25	(0.2)	(3.4%)
ARPU	\$11.69	\$11.60	0.1	0.8%
UCAN Streaming				
Revenue	4,322	4,322	0.1	0.0%
Paid Members	84.8	84.4	0.4	0.5%
Net Adds (Paid Members)	0.69	0.25	0.44	177.6%
ARPU	\$17.06	\$17.10	(0.0)	(0.3%)
EMEA Streaming				
Revenue	3,133	3,081	52.3	1.7%
Paid Members	96.1	96.0	0.2	0.2%
Net Adds (Paid Members)	2.17	2.00	0.17	8.3%
ARPU	\$10.99	\$10.82	0.2	1.6%
LATAM Streaming				
Revenue	1,241	1,248	(7.0)	(0.6%)
Paid Members	49.2	50.8	(1.6)	(3.1%)
Net Adds (Paid Members)	-0.07	1.50	(1.6)	(104.5%)
ARPU	\$8.40	\$8.32	0.1	1.0%
APAC Streaming				
Revenue	1,128	1,099	29.2	2.7%
Paid Members	52.6	51.8	0.8	1.5%
Net Adds (Paid Members)	2.28	1.50	0.8	52.0%
ARPU	\$7.31	\$7.17	0.1	1.9%

Source : DB Estimates; Company Information

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Figure 2: Estimate Revisions

Netflix, Inc.

Variance Table

	Current Estimates				Variance To Prior Estimates			
	4Q24	2024	2025	2026	4Q24E	2024E	2025E	2026E
United States and Canada (UCAN) Streaming								
Paid Members (EOP)	85.80	85.80	87.80	89.30	0.44	0.44	0.44	0.44
Paid Net Adds	1.00	5.68	2.00	1.50	0.00	0.44	0.00	0.00
ARPU	\$17.20	\$17.18	\$17.87	\$18.85	(\$0.27)	(\$0.08)	(\$0.13)	(\$0.13)
UCAN Streaming Revenue	4,401	17,243	18,612	20,032	(47)	(47)	(37)	(42)
Europe, Middle East and Africa (EMEA) Streaming								
Paid Members (EOP)	99.13	99.13	103.63	106.63	0.17	0.17	0.17	0.17
Paid Net Adds	3.00	10.32	4.50	3.00	0.00	0.17	0.00	0.00
ARPU	\$11.22	\$10.99	\$11.65	\$12.40	\$0.26	\$0.11	\$0.23	\$0.24
EMEA Streaming Revenue	3,287	12,387	14,168	15,647	81	133	299	329
Latin America (LATAM) Streaming								
Paid Members (EOP)	50.43	50.43	52.93	54.93	(1.57)	(1.57)	(1.57)	(1.57)
Paid Net Adds	1.25	4.44	2.50	2.00	0.00	(1.57)	0.00	0.00
ARPU	\$8.41	\$8.35	\$8.51	\$8.60	(\$0.02)	\$0.01	\$0.10	\$0.10
LATAM Streaming Revenue	1,256	4,866	5,279	5,564	(43)	(50)	(98)	(96)
Asia-Pacific (APAC) Streaming								
Paid Members (EOP)	55.60	55.60	62.85	69.85	1.28	1.28	1.28	1.28
Paid Net Adds	3.00	10.27	7.25	7.00	0.50	1.28	0.00	0.00
ARPU	\$7.31	\$7.29	\$7.29	\$7.29	\$0.00	\$0.04	\$0.04	\$0.04
APAC Streaming Revenue	1,187	4,389	5,178	5,801	23	52	137	140
Total Streaming								
Paid Members (EOP)	290.97	290.97	307.22	320.72	0.32	0.32	0.32	0.32
Paid Net Adds	8.25	30.69	16.25	13.50	0.50	0.32	0.00	0.00
ARPU	\$11.77	\$11.72	\$12.05	\$12.49	\$0.01	\$0.03	\$0.07	\$0.08
Total Streaming Revenue	10,131	38,885	43,237	47,044	14	88	301	331

Source : DB Estimates; Company Information

Figure 3: Estimate Revisions (cont.)

Netflix, Inc.

Variance Table

	Current Estimates				Variance To Prior Estimates			
	4Q24	2024	2025	2026	4Q24E	2024E	2025E	2026E
Consolidated								
Revenues	10,131	38,885	43,237	47,044	14	88	301	331
Growth % YoY	14.7%	15.3%	11.2%	8.8%	0.2%	0.3%	0.5%	0.0%
Cost of Revenues	5,785	21,056	22,530	24,220	0	(141)	(151)	(162)
Total Content Amortization Expense	4,092	15,232	16,451	17,684	0	(124)	20	21
Marketing	969	2,911	3,056	3,148	53	126	216	250
Contribution profit	3,376	14,918	17,651	19,676	(39)	104	237	243
Other operating expenses	1,185	4,582	5,534	5,775	(29)	(46)	491	393
Technology and development	760	2,909	3,373	3,481	1	5	152	25
General and administrative	425	1,674	2,162	2,293	(30)	(51)	339	368
Operating income (loss)	2,191	10,336	12,116	13,901	(10)	150	(254)	(149)
Growth % YoY	46.4%	48.6%	17.2%	14.7%	-0.7%	2.2%	-4.2%	1.2%
% Margin	21.6%	26.6%	28.0%	29.5%	-0.1%	0.3%	-0.8%	-0.5%
EBITDA	2,284	10,678	12,469	14,264	(10)	138	(267)	(162)
EBIT	2,191	10,336	12,116	13,901	(10)	150	(254)	(149)
Unlevered FCF	1,140	7,121	8,817	10,135	(433)	(105)	(147)	(38)
Cash Content Investment	(4,419)	(16,853)	(18,037)	(19,213)	0	106	(55)	(59)
Levered FCF	982	6,525	8,179	9,519	(452)	(139)	(236)	(127)
Net Income (loss)	1,845	8,688	9,637	10,914	198	307	(192)	(80)
EPS	\$4.24	\$19.80	\$22.42	\$26.00	\$0.46	\$0.72	(\$0.42)	(\$0.22)

Source : DB Estimates; Company Information

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Figure 4: Valuation Multiples

	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Stock Price	\$ 291	\$ 487	\$ 722	\$ 650	\$ 715	\$ 787	\$ 865	\$ 952	\$ 1,047
% ROR			48%	-10%	10%	10%	10%	10%	10%
Share Count	445	433	425	416	406	396	386	375	365
Market Cap	129,649	210,702	307,067	270,148	290,133	311,153	333,809	356,763	381,643
Net Debt	9,206	7,027	8,043	7,364	5,345	3,224	603	(1,151)	(3,511)
EV	138,855	217,728	315,110	277,512	295,478	314,376	334,412	355,612	378,132
Unlevered Free Cash Flow	1,731	7,061	6,639	8,477	10,004	11,339	12,630	13,937	15,136
UFCF Yield	1.2%	3.2%	2.1%	3.1%	3.4%	3.6%	3.8%	3.9%	4.0%
EBITDA	6,545	7,650	11,010	12,944	14,735	16,253	17,685	19,100	20,355
% Growth		17%	44%	18%	14%	10%	9%	8%	7%
EV/EBITDA	21.2x	28.5x	28.6x	21.4x	20.1x	19.3x	18.9x	18.6x	18.6x
Levered FCF	1,152	6,480	6,043	7,838	9,388	10,768	12,104	13,456	14,701
LFCE Yield	0.9%	3.1%	2.0%	2.9%	3.2%	3.5%	3.6%	3.8%	3.9%
Levered FCF/Share	\$ 2.55	\$ 14.41	\$ 13.78	\$ 18.24	\$ 22.37	\$ 26.30	\$ 30.31	\$ 34.62	\$ 38.91
Adj. EPS	\$ 9.95	\$ 12.03	\$ 19.80	\$ 22.42	\$ 26.00	\$ 29.03	\$ 31.89	\$ 35.20	\$ 38.33
% Growth		21%	65%	13%	16%	12%	10%	10%	9%
P/E	29.3x	40.5x	36.4x	29.0x	27.5x	27.1x	27.1x	27.0x	27.3x
P/E (y+1)	24.2x	24.6x	32.2x	25.0x	24.6x	24.7x	24.6x	24.8x	
EV/Sales	4.4x	6.5x	8.1x	6.4x	6.3x	6.2x	6.2x	6.2x	6.3x

Source : DB Estimates; Company Information

Figure 5: Model Summary

Netflix, Inc.
Model Summary

	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24E	2024E	2025E	2026E	2027E
UCAN Streaming														
Paid Members EOP	74.30	74.40	75.57	77.32	80.13	80.13	82.66	84.11	84.80	85.80	85.80	87.80	89.30	90.80
Net Adds	(0.92)	0.10	1.17	1.75	2.81	5.83	2.53	1.45	0.69	1.00	5.68	2.00	1.50	1.50
ARPU	\$15.86	\$16.18	\$16.00	\$16.29	\$16.64	\$16.28	\$17.30	\$17.17	\$17.06	\$17.20	\$17.18	\$17.87	\$18.85	\$19.79
Growth %	8.9%	8.5%	0.3%	(0.5%)	2.5%	2.7%	6.9%	7.3%	4.7%	3.4%	5.5%	4.0%	5.5%	5.0%
UCAN Streaming Revenues	14,084	3,609	3,599	3,735	3,931	14,874	4,224	4,296	4,322	4,401	17,243	18,612	20,032	21,389
Growth %	8.6%	7.7%	1.7%	3.7%	9.3%	5.6%	17.1%	19.3%	15.7%	12.0%	15.9%	7.9%	7.6%	6.8%
EMEA Streaming														
Paid Members EOP	76.73	77.37	79.81	83.76	88.81	88.81	91.73	93.96	96.13	99.13	99.13	103.63	106.63	109.63
Net Adds	2.70	0.64	2.43	3.95	5.05	12.08	2.92	2.24	2.17	3.00	10.32	4.50	3.00	3.00
ARPU	\$10.99	\$10.89	\$10.87	\$10.98	\$10.75	\$10.87	\$10.92	\$10.80	\$10.99	\$11.22	\$10.99	\$11.65	\$12.40	\$13.15
Growth %	(5.5%)	(5.8%)	(2.7%)	1.6%	3.1%	(1.1%)	0.3%	(0.6%)	0.1%	4.4%	1.1%	6.0%	6.5%	6.0%
EMEA Streaming Revenues	9,745	2,518	2,562	2,693	2,784	10,556	2,958	3,008	3,133	3,287	12,387	14,168	15,647	17,059
Growth %	0.5%	(1.7%)	4.3%	13.4%	18.4%	8.3%	17.5%	17.4%	16.3%	18.1%	17.3%	14.4%	10.4%	9.0%
LATAM Streaming														
Paid Members EOP	41.70	41.25	42.47	43.65	46.00	46.00	47.72	49.25	49.18	50.43	50.43	52.93	54.93	56.93
Net Adds	1.74	(0.45)	1.22	1.18	2.35	4.30	1.72	1.53	(0.07)	1.25	4.44	2.50	2.00	2.00
ARPU	\$8.48	\$8.60	\$8.58	\$8.85	\$8.60	\$8.66	\$8.29	\$8.28	\$8.40	\$8.41	\$8.35	\$8.51	\$8.60	\$8.60
Growth %	9.7%	2.7%	(1.0%)	3.1%	3.6%	2.1%	(3.6%)	(3.5%)	(5.1%)	(2.3%)	(3.6%)	2.0%	1.0%	—
LATAM Streaming Revenues	4,070	1,070	1,077	1,143	1,156	4,446	1,165	1,204	1,241	1,256	4,866	5,279	5,564	5,770
Growth %	13.8%	7.1%	4.6%	11.6%	13.7%	9.2%	8.9%	11.8%	8.6%	8.7%	9.4%	8.5%	5.4%	3.7%
APAC Streaming														
Paid Members EOP	38.02	39.48	40.55	42.43	45.34	45.34	47.50	50.32	52.60	55.60	55.60	62.85	69.85	76.35
Net Adds	5.40	1.46	1.07	1.88	2.91	7.32	2.16	2.83	2.28	3.00	10.27	7.25	7.00	6.50
ARPU	\$8.49	\$8.03	\$7.66	\$7.62	\$7.31	\$7.64	\$7.35	\$7.17	\$7.31	\$7.31	\$7.29	\$7.29	\$7.29	\$7.29
Growth %	(11.2%)	(12.8%)	(13.3%)	(8.6%)	(4.9%)	(10.0%)	(8.5%)	(6.4%)	(4.1%)	—	(4.7%)	—	—	—
APAC Streaming Revenues	3,571	934	919	948	963	3,764	1,023	1,052	1,128	1,187	4,389	5,178	5,801	6,391
Growth %	9.3%	1.8%	1.3%	6.7%	12.3%	5.4%	9.6%	14.4%	18.9%	23.2%	16.6%	18.0%	12.0%	10.2%

Source : DB Estimates; Company Information



Figure 6: Model Summary (cont.)

Netflix, Inc. Model Summary		2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24E	2024E	2025E	2026E	2027E
Global Total Streaming															
Paid Members EOP		230.74	232.50	238.39	247.15	260.28	260.28	269.60	277.65	282.72	290.97	290.97	307.22	320.72	333.72
Net Adds		8.90	1.75	5.89	8.76	13.12	29.53	9.33	8.04	5.07	8.25	30.69	16.25	13.50	13.00
ARPU		\$11.76	\$11.70	\$11.55	\$11.70	\$11.60	\$11.64	\$11.79	\$11.65	\$11.69	\$11.77	\$11.72	\$12.05	\$12.49	\$12.89
Growth %		0.8%	(0.6%)	(3.4%)	(1.3%)	1.0%	(1.1%)	0.8%	0.8%	(0.1%)	1.4%	0.7%	2.8%	3.6%	3.2%
Total Streaming Revenues		31,470	8,130	8,158	8,519	8,833	33,640	9,370	9,559	9,825	10,131	38,885	43,237	47,044	50,610
Growth %		6.6%	3.9%	2.8%	8.0%	13.0%	6.9%	15.3%	17.2%	15.3%	14.7%	15.6%	11.2%	8.8%	7.6%
Programming Cost Amortization		14,026.1	3,460.0	3,410.0	3,573.4	3,754.1	14,197.4	3,670.8	3,769.7	3,699.5	4,091.9	15,232.0	16,450.5	17,684.3	18,922.2
Growth%		14.7%	9.3%	4.6%	(2.2%)	(4.8%)	1.2%	6.1%	10.5%	3.5%	9.0%	7.3%	8.0%	7.5%	7.0%
Cost per Avg. Sub		\$5.24	\$4.98	\$4.83	\$4.91	\$4.93	\$4.91	\$4.62	\$4.59	\$4.40	\$4.76	\$4.59	\$4.58	\$4.69	\$4.82
Growth%		8.4%	4.6%	(1.8%)	(10.6%)	(14.9%)	(6.3%)	(7.2%)	(4.9%)	(10.3%)	(3.6%)	(6.5%)	(0.2%)	2.4%	2.7%
Other Cost of Revenues		5,142.2	1,343.6	1,263.4	1,357.4	1,553.4	5,517.9	1,306.3	1,404.5	1,420.4	1,693.2	5,824.3	6,079.7	6,535.7	6,993.1
Growth%		0.8%	20.1%	(11.6%)	19.6%	6.4%	7.3%	(2.8%)	11.2%	4.6%	9.0%	5.6%	4.4%	7.5%	7.0%
Marketing Costs		2,530.5	555.4	627.2	558.7	916.6	2,657.9	654.3	644.1	642.9	969.3	2,910.7	3,056.2	3,147.9	3,210.9
Growth%		(0.6%)	(0.1%)	9.1%	(1.6%)	10.2%	5.0%	17.8%	2.7%	15.1%	5.8%	9.5%	5.0%	3.0%	2.0%
Total Contribution Profit		9,771.4	2,771.0	2,857.7	3,029.8	2,608.7	11,267.2	3,739.0	3,741.1	4,061.9	3,376.2	14,918.2	17,650.8	19,675.8	21,483.8
Margin %		31.0%	34.1%	35.0%	35.6%	29.5%	33.5%	39.9%	39.1%	41.3%	33.3%	38.4%	40.8%	41.8%	42.4%
Growth %		(4.9%)	(10.7%)	4.2%	10.7%	45.9%	7.9%	17.1%	11.7%	16.3%	12.8%	14.5%	6.4%	2.5%	1.5%
Per Avg. Sub		\$3.65	\$3.99	\$4.05	\$4.16	\$3.43	\$3.90	\$4.70	\$4.56	\$4.83	\$3.92	\$4.50	\$4.92	\$5.22	\$5.47

Source : DB Estimates; Company Information



Figure 7: Model Summary (cont.)

Netflix, Inc. Model Summary														
	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24E	2024E	2025E	2026E	2027E
Total NFLX Revenues	31,615.2	8,162.0	8,187.3	8,541.3	8,832.8	33,723.5	9,370.4	9,559.3	9,824.7	10,130.7	38,885.2	43,237.2	47,043.6	50,610.0
Growth %	6.5%	3.7%	2.7%	7.8%	12.5%	6.7%	14.8%	16.8%	15.0%	14.7%	15.3%	11.2%	8.8%	7.6%
Total Contribution Profit	9,916.4	2,803.0	2,886.7	3,051.8	2,608.7	11,350.2	3,739.0	3,741.1	4,061.9	3,376.2	14,918.2	17,650.8	19,675.8	21,483.8
Margin %	31.4%	34.3%	35.3%	35.7%	29.5%	33.7%	39.9%	39.1%	41.3%	33.3%	38.4%	40.8%	41.8%	42.4%
Growth %	1.0%	(7.4%)	6.7%	18.8%	61.4%	14.5%	33.4%	29.6%	33.1%	29.4%	31.4%	18.3%	11.5%	9.2%
Technology and Development Costs	2,711	687	658	657	673	2,676	702	711	735	760	2,909	3,373	3,481	3,695
Growth %	19.2%	4.5%	(8.2%)	(0.8%)	(0.1%)	(1.3%)	2.2%	8.1%	11.9%	12.8%	8.7%	15.9%	3.2%	6.1%
G&A	1,573	401	401	479	439	1,720	404	427	417	425	1,674	2,162	2,293	2,417
Growth %	16.4%	0.8%	(1.9%)	28.2%	11.9%	9.4%	0.8%	6.3%	(12.8%)	(3.1%)	(2.7%)	29.2%	6.1%	5.4%
Interest Expense	(706)	(174)	(175)	(176)	(175)	(700)	(173)	(168)	(185)	(191)	(717)	(779)	(751)	(696)
Adj. EBITDA	5,969.1	1,805.2	1,916.6	2,006.7	1,582.7	7,311.1	2,719.8	2,684.1	2,990.4	2,283.7	10,677.9	12,468.8	14,264.1	15,746.5
Growth %	(6.8%)	(11.8%)	15.3%	24.0%	146.1%	22.5%	50.7%	40.0%	49.0%	44.3%	46.1%	16.8%	14.4%	10.4%
Margin %	18.9%	22.1%	23.4%	23.5%	17.9%	21.7%	29.0%	28.1%	30.4%	22.5%	27.5%	28.8%	30.3%	31.1%
Adj. Operating Income	5,632.5	1,714.8	1,827.2	1,916.0	1,496.1	6,954.2	2,632.5	2,602.8	2,909.5	2,191.0	10,335.8	12,116.5	13,901.2	15,372.7
Growth %	(9.1%)	(13.0%)	15.8%	25.0%	172.2%	23.5%	53.5%	42.4%	51.8%	46.4%	48.6%	17.2%	14.7%	10.6%
Margin %	17.8%	21.0%	22.3%	22.4%	16.9%	20.6%	28.1%	27.2%	29.6%	21.6%	26.6%	28.0%	29.5%	30.4%
Interest Expense	(706.2)	(174.2)	(174.8)	(175.6)	(175.2)	(699.8)	(173.3)	(168.0)	(184.8)	(191.2)	(717.3)	(778.9)	(751.4)	(696.4)
Income Tax Expense (Benefit)	772.0	163.8	191.7	231.6	210.3	797.4	282.4	366.6	339.4	155.0	1,143.3	1,700.6	2,235.5	2,788.5
Effective Rate	14.7%	11.1%	11.4%	12.1%	18.3%	12.8%	10.8%	14.6%	12.6%	7.8%	11.6%	15.0%	17.0%	19.0%
Net Income	4,491.6	1,305.6	1,487.6	1,677.1	937.8	5,408.2	2,332.2	2,147.3	2,363.5	1,844.8	8,687.8	9,637.0	10,914.3	11,887.8
Growth %	(12.2%)	(18.3%)	3.2%	20.0%	1605.1%	20.4%	78.6%	44.3%	40.9%	96.7%	60.6%	10.9%	13.3%	8.9%
Margin %	14.2%	16.0%	18.2%	19.6%	10.6%	16.0%	24.9%	22.5%	24.1%	18.2%	22.3%	22.3%	23.2%	23.5%
Adj. Dil. EPS	\$9.95	\$2.89	\$3.29	\$3.73	\$2.11	\$12.03	\$5.28	\$4.88	\$5.40	\$4.24	\$19.80	\$22.42	\$26.00	\$29.03
Growth %	(11.4%)	(18.2%)	2.9%	20.0%	1633.3%	20.9%	83.0%	48.2%	44.8%	100.7%	64.6%	13.2%	16.0%	11.6%
Net Change in Working Capital	(758.1)	(64.2)	(35.2)	(75.7)	59.0	(116.1)	105.0	(247.2)	179.6	(650.0)	(612.6)	(300.0)	(300.0)	(300.0)
Cash Content Investment	(16,659.7)	(2,813.5)	(3,636.9)	(3,209.8)	(3,480.1)	(13,140.3)	(3,918.4)	(4,415.4)	(4,100.0)	(4,419.3)	(16,853.1)	(18,036.9)	(19,212.8)	(20,368.5)
Unlevered Free Cash Flow	2,197	2,262	1,484	2,034	1,727	7,507	2,281	1,352	2,348	1,140	7,121	8,817	10,135	11,193
Growth %						241.6%					(5.1%)	23.8%	14.9%	10.4%
Levered Free Cash Flow	1,618	2,117	1,339	1,888	1,581	6,926	2,137	1,213	2,194	982	6,525	8,179	9,519	10,622
Growth %														
Per WAVG. Dil Share	\$3.59	\$4.68	\$2.97	\$4.20	\$3.56	\$15.41	\$4.84	\$2.76	\$5.01	\$2.25	\$14.88	\$19.03	\$22.68	\$25.94

Source : DB Estimates; Company Information





Appendix 1

Important Disclosures

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Disclosure checklist			
Company	Ticker	Recent price*	Disclosure
Netflix	NFLX.OQ	687.65 (USD) 17 Oct 2024	2, 14, 24

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17 October 2024

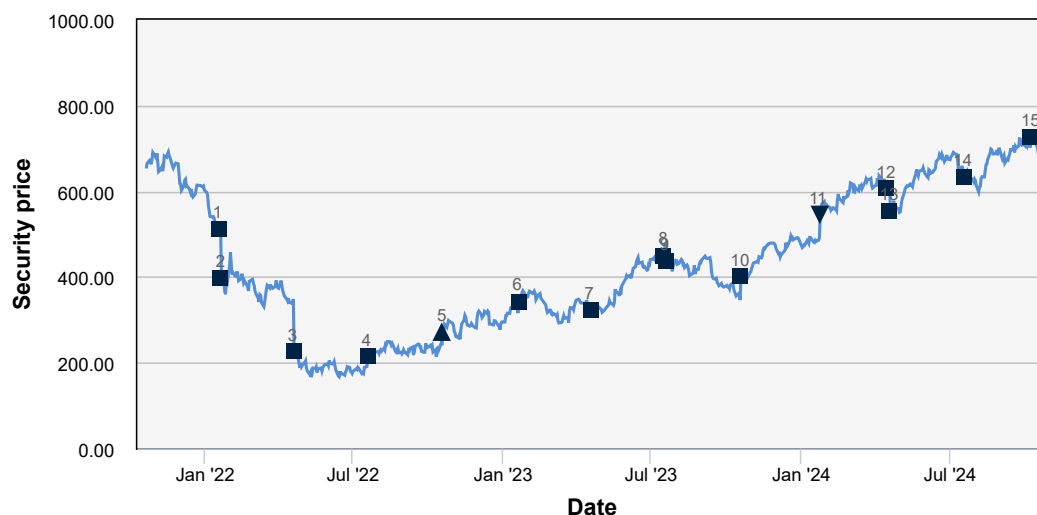
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Netflix



Historical recommendations and target price: Netflix (NFLX.OQ)

(as of 10/17/2024)



Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

** Analyst is no longer at Deutsche Bank

1.	01/18/2022	Hold, Target Price Change USD 580.00, Current Price USD 510.80 Bryan Kraft	9.	07/20/2023	Buy, Target Price Change USD 485.00, Current Price USD 437.42 Bryan Kraft
2.	01/21/2022	Hold, Target Price Change USD 465.00, Current Price USD 397.50 Bryan Kraft	10.	10/19/2023	Buy, Target Price Change USD 460.00, Current Price USD 401.77 Bryan Kraft
3.	04/20/2022	Hold, Target Price Change USD 300.00, Current Price USD 226.19 Bryan Kraft	11.	01/24/2024	Downgraded to Hold, Target Price Change USD 525.00, Current Price USD 544.87 Bryan Kraft
4.	07/20/2022	Hold, Target Price Change USD 270.00, Current Price USD 216.44 Bryan Kraft	12.	04/15/2024	Hold, Target Price Change USD 550.00, Current Price USD 607.15 Bryan Kraft
5.	10/19/2022	Upgraded to Buy, Target Price Change USD 350.00, Current Price USD 272.38 Bryan Kraft	13.	04/19/2024	Hold, Target Price Change USD 575.00, Current Price USD 555.04 Bryan Kraft
6.	01/20/2023	Buy, Target Price Change USD 400.00, Current Price USD 342.50 Bryan Kraft	14.	07/19/2024	Hold, Target Price Change USD 590.00, Current Price USD 633.34 Bryan Kraft
7.	04/19/2023	Buy, Target Price Change USD 410.00, Current Price USD 323.12 Bryan Kraft	15.	10/09/2024	Hold, Target Price Change USD 650.00, Current Price USD 727.43 Bryan Kraft
8.	07/17/2023	Buy, Target Price Change USD 475.00, Current Price USD 450.05 Bryan Kraft			

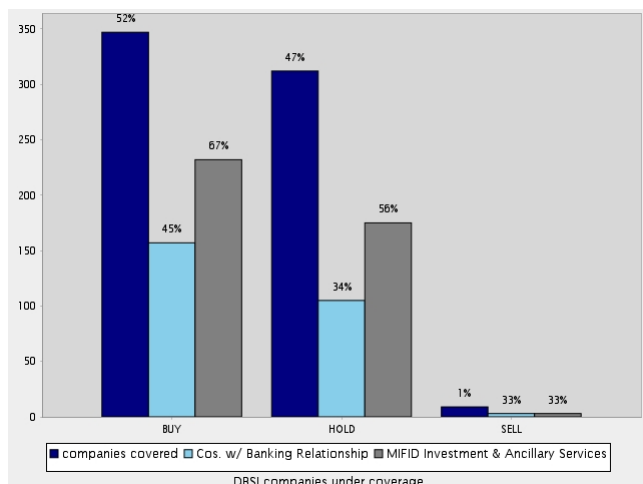
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Equity rating dispersion and banking relationships



Equity Rating and Dispersion Key

The Equity Rating Dispersion Chart depicts the following:

The proportion of recommendations that are rated "buy", "sell" and "hold" over the previous 12 months. This is shown for securities issued in the stated region e.g. "Europe Universe". See rating definitions below. This is represented by the "Companies Covered" bars in the chart. The percentage value displayed above the bar is the proportion as a percentage. E.g. 50% above the "buy" / "Companies Covered" bar means that 50% of DB's equity research covered companies over the past 12 months have a "buy" rating.

Next to each of the three respective bars showing the proportion of "buy", "sell" and "hold" recommendations we provide two additional bars to show:

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TSR = Total Shareholder Return. Percentage change in share price from current price to projected target price plus projected dividend yield

Newly issued research recommendations and target prices supersede previously published research.

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