

Logical Audit: Credit Agreement - NETFLIX, INC. (2009)

Source file: logics_NETFLIX.json

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1. VARIABLE INVENTORY

- 1. **consolidated_net_income**: Net Income of Netflix and subsidiaries. Page: 11
- 2. **interest_expense**: Total interest expense (add-back). Page: 11
- 3. **tax_expense**: Provision for taxes (add-back). Page: 11
- 4. **depreciation_amortization**: D&A expenses (add-back). Page: 11
- 5. **share_based_compensation**: Non-cash compensation (add-back per Section 1.01). Page: 12
- 6. **consolidated_ebitda**: Calculated EBITDA for the period. Page: 11
- 7. **consolidated_total_debt**: Total Indebtedness of Netflix. Page: 13
- 8. **unrestricted_cash**: Cash and Cash Equivalents. Page: 24
- 9. **consolidated_net_debt**: Total debt minus unrestricted cash. Page: 13
- 10. **consolidated_leverage_ratio**: Leverage Ratio (Section 7.12). Page: 10

2. LOGICAL RULES & EVIDENCE

Rule 1:

`consolidated_ebitda == consolidated_net_income + interest_expense + tax_expense + depreciation_amortization + share_based_compensation`

Source (Page 11): Definition of Consolidated EBITDA (Section 1.01)

Rule 2:

`consolidated_net_debt == consolidated_total_debt - unrestricted_cash`

Source (Page 13): Definition of Consolidated Total Indebtedness and Netting (Section 1.01)

Rule 3:

`consolidated_leverage_ratio == consolidated_net_debt / consolidated_ebitda`

Source (Page 10): Consolidated Leverage Ratio calculation (Section 1.01)

Rule 4:

`consolidated_leverage_ratio <= 2.5`

Source (Page 76): Financial Covenant: Maximum Leverage Ratio (Section 7.12)