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

Date: 2026-01-18

1. VARIABLE INVENTORY

consolidated_net_income: Net Income of Netflix and subsidiaries
interest_expense: Total interest expense (add-back)
tax_expense: Provision for taxes (add-back)
depreciation_amortization: D&A expenses (add-back)
share_based_compensation: Non-cash compensation (add-back per Section 1.01)
consolidated_ebitda: Calculated EBITDA for the period
consolidated_total_debt: Total Indebtedness of Netflix
unrestricted_cash: Cash and Cash Equivalents
consolidated_net_debt: Total debt minus unrestricted cash
consolidated_leverage_ratio: Leverage Ratio (Section 7.12)

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)