

Netflix Inc. – Equity Valuation Summary

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Date: 12/2020

Methodology: Discounted Cash Flow (DCF)

Investment Thesis

Netflix continues to scale its subscriber base and improve unit economics through content leverage and pricing power. Despite rising streaming competition, its strong brand and global presence support sustained long-term growth. Our valuation indicates the stock is currently **overvalued** relative to intrinsic value.

Metrics

Metric	Value	Notes
Revenue	8	Driven by global subscriber growth & ARPU
Terminal growth	1.67	Long-term GDP-aligned
WACC	6.42	Based on CAPM & target capital structure

Valuation Results

Implied Equity Value per share	\$210
Current Market Price	\$540
Upside/Downside	-61%
Rating	Sell

Conclusion

Based on our DCF valuation, Netflix's intrinsic value is estimated at **\$210 per share**, which implies – **61% downside** from the market price as of December 2020. We therefore issue a **Sell** recommendation, driven by stretched valuations relative to long-term cash generation capacity.