

# NETFLIX

## EQUITY RESEARCH REPORT



Stock as on 2nd jan 2025


RECOMMENDATION      SELL

CMP                      867

TARGET PRICE        650

# ABOUT THE COMPANY

## History of Netflix: Revolutionizing Entertainment



Netflix, Inc. was founded in 1997 by Reed Hastings and Marc Randolph in Scotts Valley, California. Initially conceived as a DVD rental-by-mail service, Netflix disrupted traditional video rental models by offering a more convenient, subscription-based approach. Customers could rent DVDs online and receive them through the mail, eliminating late fees and the need for physical store visits.

Netflix launched its website in 1998, offering around 925 titles. By 1999, the company introduced its subscription service, which allowed customers unlimited DVD rentals for a flat monthly fee. This innovative model gained traction, and by 2003, Netflix shipped its billionth DVD. Despite fierce competition from brick-and-mortar video rental giants like Blockbuster, Netflix's focus on convenience and customer satisfaction set it apart. With over 230 million subscribers worldwide as of 2023, Netflix continues to innovate. The company has ventured into gaming, live events and ad-supported subscription tiers to attract new audiences.





# BUSINESS

## Core Business Segments :

Subscription-Based Streaming Services: Netflix operates primarily as a subscription video-on-demand (SVOD) platform. Subscribers pay monthly fees to access Netflix's content, which includes:

- Original Programming: Blockbuster series (Stranger Things, The Crown) and hit films (The Irishman, Extraction).
- Licensed Content: Popular titles from third-party studios that enhance its library.
- Localized Content: Regional productions catering to diverse audiences worldwide, such as Squid Game (South Korea) and Money Heist (Spain).

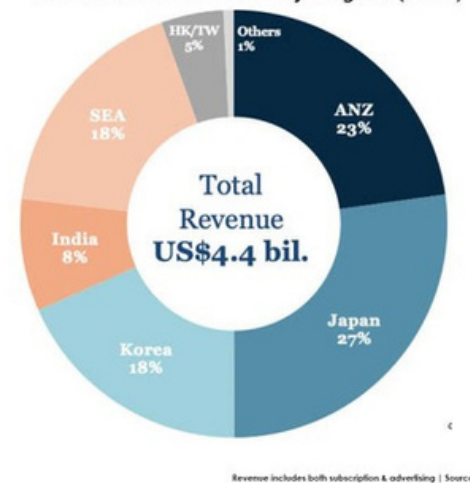


Netflix offers multiple subscription tiers:

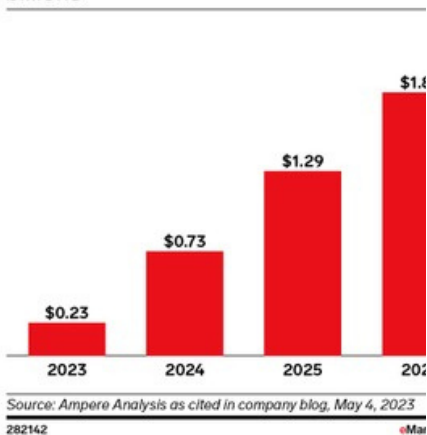
- Ad-Free Plans: Basic, Standard, and Premium tiers vary by video quality and simultaneous streaming options.
- Ad-Supported Plan: Introduced in late 2022, this lower-cost tier broadens accessibility and creates a new revenue stream from advertising partnerships.



Netflix APAC Revenue by Region (2024)



US Netflix Ad Revenues, 2023-2027  
billions



# Market Segmentation And Growth Opportunities:

- **Regional Growth:** While North America remains a mature market, regions like Asia-Pacific, Latin America, and EMEA represent significant growth opportunities due to rising internet penetration and demand for localized content.
- **AdSupported Model:** This initiative has successfully attracted cost-conscious users while establishing Netflix as a player in the \$200 billion global digital advertising market.
- **Diversification:** Ventures into gaming and live sports broaden its appeal, reducing dependency on SVOD revenues.



Netflix forward looking strategies include:

- **Content Investments:** Continued focus on high-quality original programming, both globally and regionally.

### Where Netflix Still Has Customers to Win

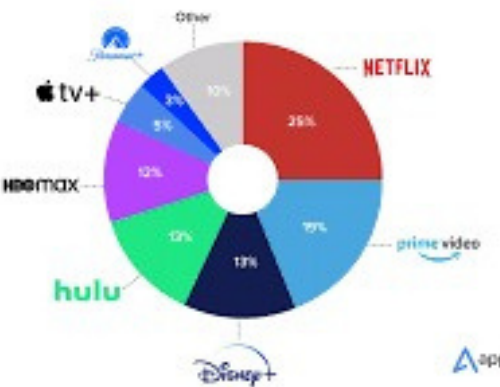
Share of Netflix accounts in all video streaming accounts in selected countries (in percent)\*



- **Technology Innovation:** Enhancing user experiences with personalized recommendations, mobile downloads, and interactive formats.

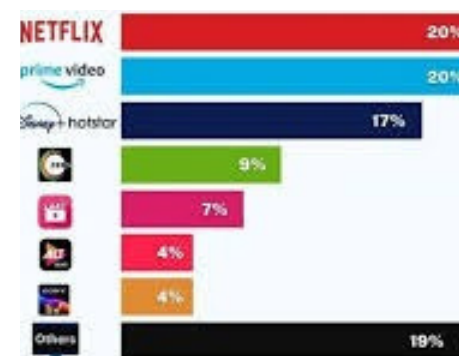
- **Partnerships:** Collaborations with telecommunications companies and smart TV manufacturers to expand its reach.

Top Charts Of VoD Apps In United States (Q4)



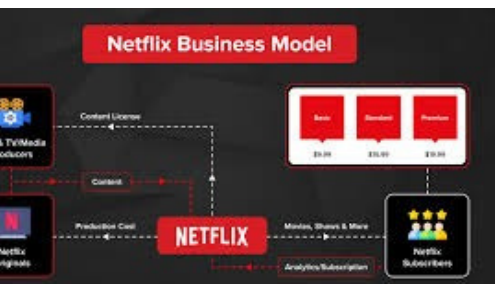
- **Sustainability and Cost Efficiency:** Managing content costs while improving operational margins to deliver shareholder value.

## Market Positions:



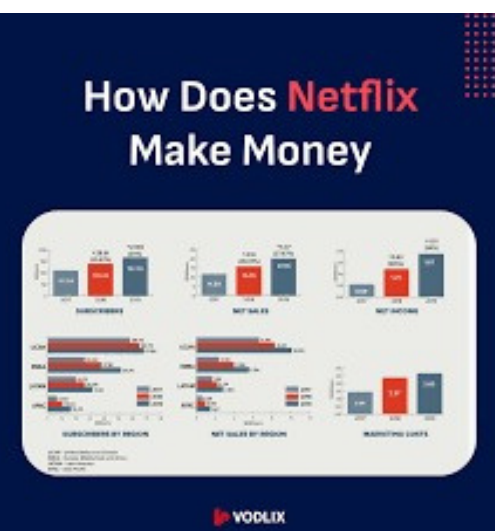
Netflix dominates the streaming market with a significant share, particularly in regions like North America and Europe, where it has set the benchmark for digital content delivery.

Globally, Netflix holds approximately 21% of the SVOD market, competing with major players such as Amazon Prime Video, Disney+, and Hulu. Its early-mover advantage, robust content library, and superior user experience have solidified its position as a market leader.



## REVENUE MODEL

Netflix generates revenue primarily through its subscription services, which are offered in multiple tiers based on video quality, the number of screens, and regional pricing strategies. The company has recently diversified its revenue streams by introducing an ad-supported subscription plan, targeting price-sensitive consumers while creating a new avenue for advertising income.



**Subscription Plans:** Subscribers pay monthly fees for access to Netflix's library. Pricing varies by region and tier, with options for basic, standard, and premium plans.

**Ad-Supported Tier:** Introduced in late 2022, this lower-cost plan generates revenue through targeted advertisements, creating a dual-income stream model.

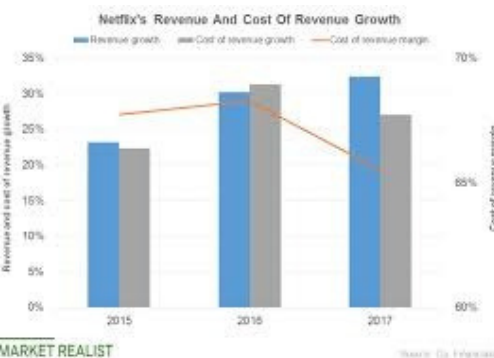


Licensing and Merchandising: Netflix licenses its original content to third parties in select cases and generates additional income through merchandise sales and gaming initiatives linked to its popular franchises.



## Growth Drivers :

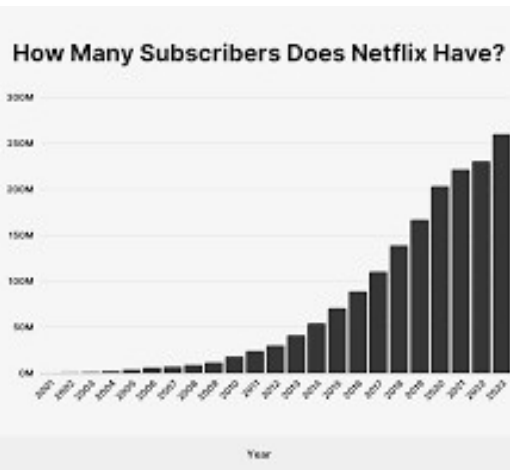
Netflix's growth is fueled by its original content strategy, which includes critically acclaimed series such as Stranger Things and The Witcher, alongside blockbuster films and documentaries. Its global expansion, bolstered by local language content and regional pricing strategies, has opened new markets and diversified its subscriber base.



As Netflix continues to innovate and adapt to the evolving media landscape, its dominant market position, coupled with diversified revenue streams, positions it as a resilient and forward-thinking leader in the streaming entertainment industry.

## Industry Leadership:

Netflix is the world's largest subscription video-on-demand (SVOD) platform, with over 230 million paid subscribers in more than 190 countries



## Global Reach:

Operates in a diverse array of markets, offering content in multiple languages and tailored regional catalogs to appeal to global audiences.



## Original Content Powerhouse

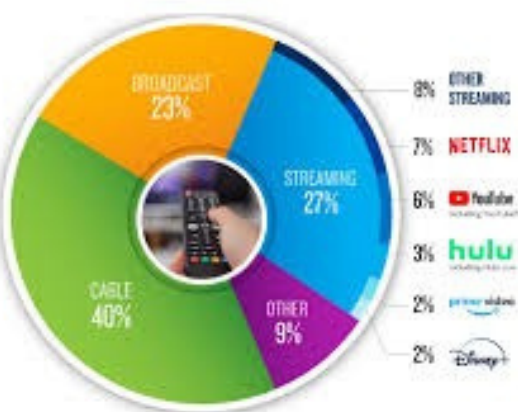
Known for high-quality, award-winning originals, including Stranger Things, The Crown, Wednesday, and The Witcher. Netflix Originals account for a significant share



## HIGHLIGHTS



Share of Total US TV Time, June 2021 (Total Day, 1

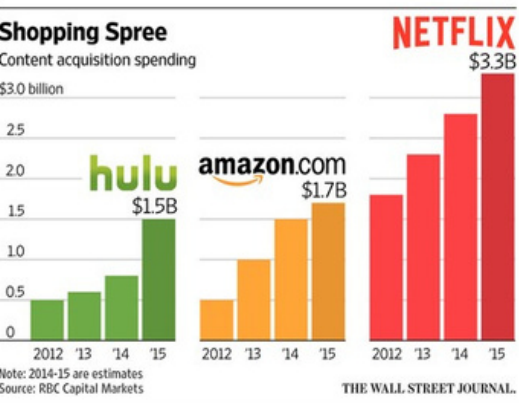


## Strong Market Presence:

Holds approximately 21% of the global SVOD market share, competing with Amazon Prime Video, Disney+, and Hulu, among others.

## Technology-Driven Personalization:

Leverages advanced algorithms and AI to deliver a highly personalized user experience, enhancing engagement and retention.



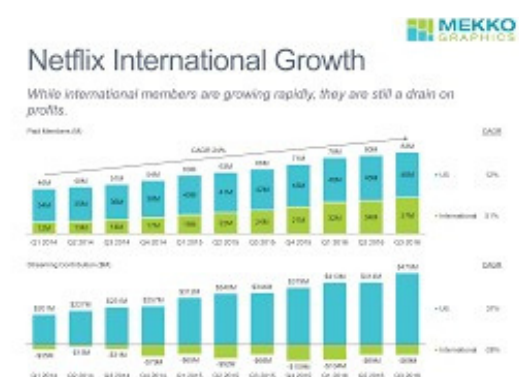
## Commitment to Sustainability:

Focused on reducing its carbon footprint, with initiatives aimed at achieving net-zero greenhouse gas emissions by 2022 across its global operations.

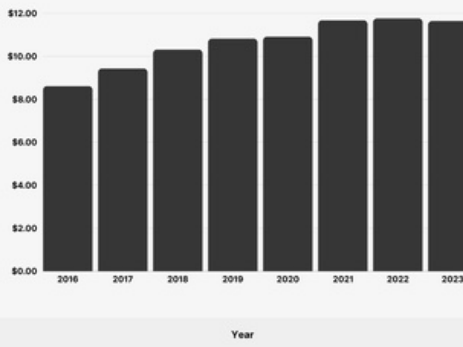


## Financial Strength:

Consistent revenue growth, driven by its global scale, innovative pricing strategies, and unparalleled content offerings, makes Netflix a resilient and adaptable market leader.



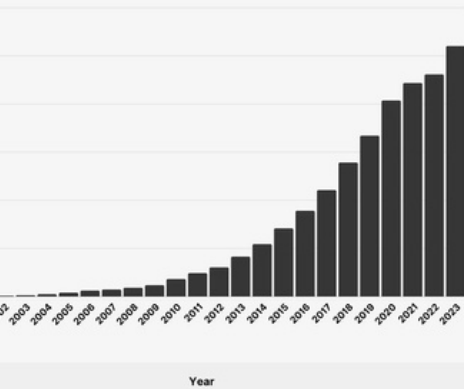
What's the Average Netflix Monthly Revenue per Membership?



## Emerging Growth Areas:

Expanding into gaming, interactive storytelling, and merchandise, creating additional revenue streams and engagement opportunities.

Many Subscribers Does Netflix Have?



# 2024 ACHIEVEMENTS

## Subscriber Growth:

By 2024, Netflix's subscriber base expanded to approximately 280 million globally, reflecting its effective content strategy and international market penetration.



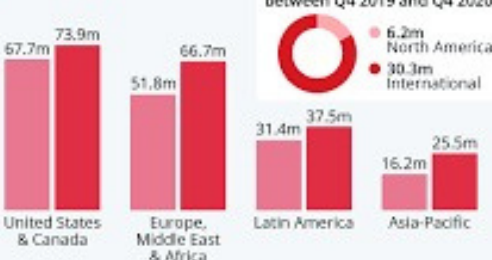
## Live Sports Integration:

In May 2024, Netflix announced plans to stream National Football League (NFL) Christmas Day games, marking its entry into live sports broadcasting.

## Global Expansion Fuels Netflix's Growth

Paid streaming subscribers of Netflix at the end of the respective period

■ Q4 2019 ■ Q4 2020



Source: Netflix



statista

This strategic move aims to enhance subscriber engagement and attract new audiences. In January 2024, Netflix secured a significant agreement with World Wrestling Entertainment (WWE) to stream "Monday Night Raw" starting in 2025. Valued at over \$500 million per year, this 10-year deal signifies Netflix's deeper foray into live entertainment.

## Broadway Production:

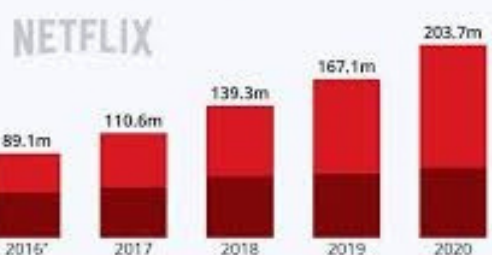
Expanding its entertainment footprint, Netflix co-produced the Broadway play "Patriots" in February 2024, marking its first venture into Broadway production and highlighting its commitment to diverse content offerings.



## Netflix Passes 200 Million Milestone

Number of paid Netflix subscribers worldwide at the end of the respective year

■ U.S. & Canada ■ International



Until 2016, Canadian subscribers were included in the International segment.  
Source: Netflix

## Financial Performance:

Netflix's stock experienced a significant surge, with a market capitalization approaching \$400 billion by the end of 2024. This growth reflects investor confidence in the company's strategic direction and market position.



# SWOT ANALYSIS

## Strengths

- Strong Brand Equity
- Original Content
- Large customer base
- Ad free streaming

## Weaknesses

- Content Copyrights
- Replicable business model
- Requirement of internet

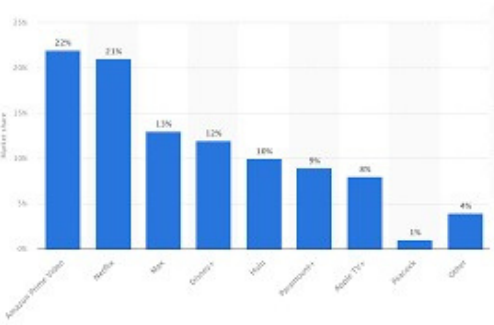
## Opportunities

- Expansion in newer markets
- Evolution of product mix
- Different language content

## Threats

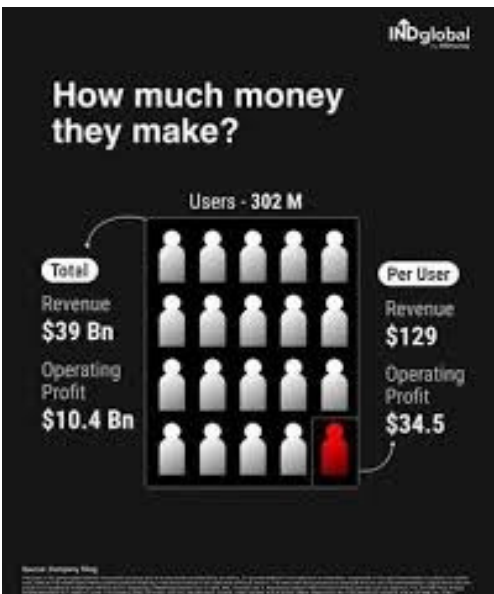
- Increased competition
- Content piracy
- Censorship of content

# REVENUE PERFORMANCES



## Revenue Highlights 2023:

Company reported a net profit of \$5.4 billion in 2023, reflecting an increase of approximately \$1 billion from the previous year. This growth was driven by the company's successful implementation of strategic initiatives, including the introduction of an ad-supported tier and a focus on international market penetration. Revenue for the full year rose by 7%, reaching \$35 billion, supported by consistent subscriber additions and a diversified pricing strategy across regions.

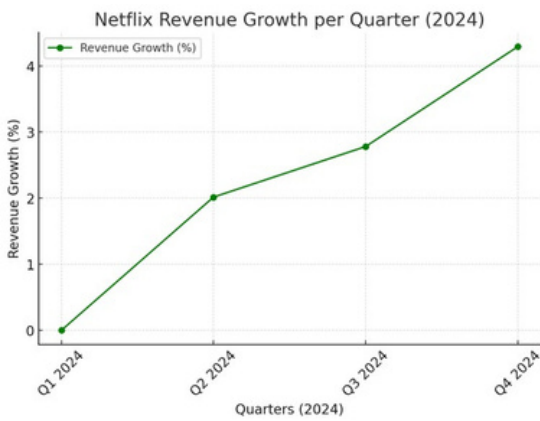


## Quarterly Breakdown:

- Q1 2023: Approximately \$8.16 billion, a 3.7% increase from Q1 2022.
- Q2 2023: Approximately \$8.19 billion, a 2.7% increase from Q2 2022.
- Q3 2023: Approximately \$8.54 billion, a 7.8% increase from Q3 2022.



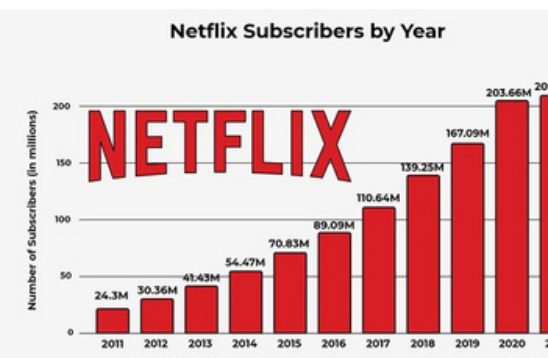
- Q4 2023: Approximately \$8.83 billion, a 7.7% increase from Q4 2022.



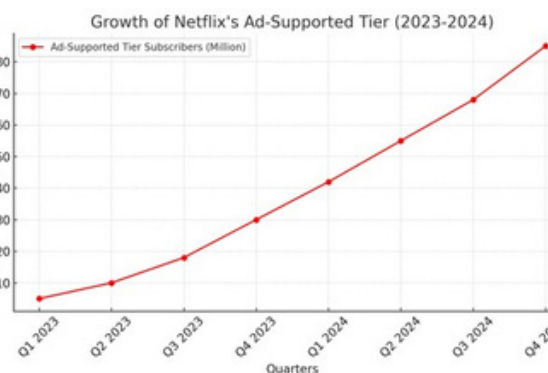
## Revenue Growth 2024:

Analysts project company's total revenue to approach \$39 billion, reflecting a year-over-year growth rate of 10-12% compared to 2023's \$35 billion.

Driver of Revenue Growth:

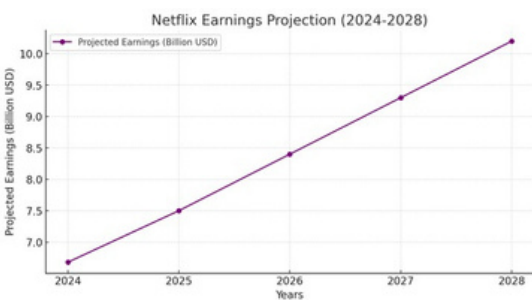


**Subscriber-Based Expansion:** With over 238 million global subscribers at the end of 2023, Netflix aims to grow its subscriber base by 5-7% in 2024. Tailored pricing models, including the ad-supported tier, are expected to attract more budget-conscious users.



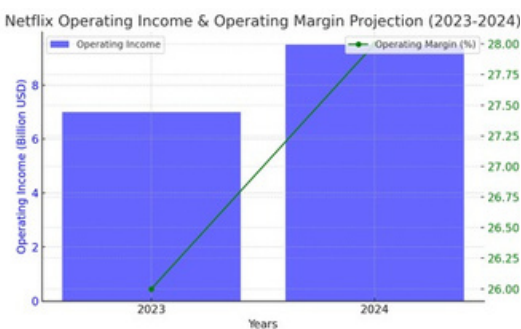
**Ad-supported Tier:** This segment is expected to contribute \$4-5 billion in incremental revenue as advertisers increasingly target Netflix's vast and engaged user base.





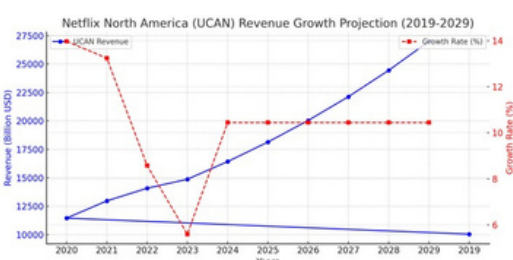
**Content Monetization:** New releases, including sequels to popular series and global blockbusters, are anticipated to boost engagement and drive higher average revenue per user (ARPU).

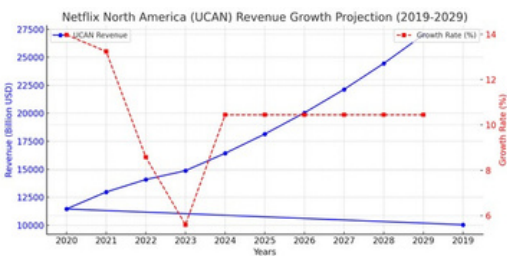
## EARNING GROWTH 2023



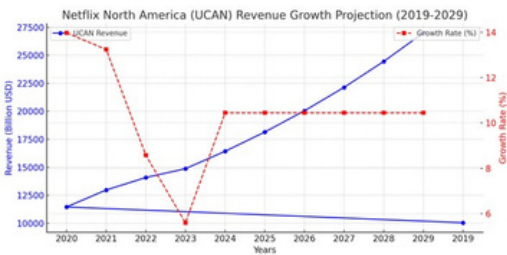
**Earnings Projections:** Netflix is forecast to achieve an earnings per share (EPS) of \$20-22 for the full year, reflecting a growth rate of approximately 25% year-over-year. The company's improved operating margins and diversified revenue streams are key contributors to this growth.

**Operating Income:** Projected to increase to \$9.5 billion, up from \$7 billion in 2023, with an expected operating margin of 26-28%.

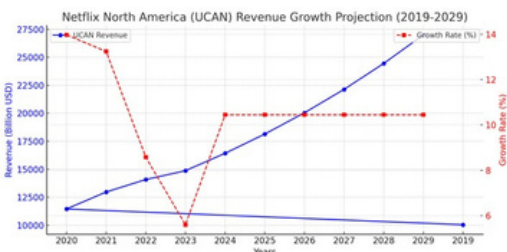




**North America:** While the market is mature, Netflix aims to increase ARPU through price optimization and ad-supported tiers.



**Asia Pacific (APAC):** The fastest-growing region, fueled by investments in localized content and partnerships with regional telecom providers, is expected to contribute significantly to subscriber additions.



**Latin America:** Strategic pricing and Spanish-language content are projected to enhance growth in this region.

**Europe, Middle East and Africa (EMEA):** Investments in regional content like German and French originals will drive both subscriber and revenue growth.

## FINANCIAL ANALYSIS



Netflix has demonstrated robust financial performance in 2023 and 2024, marked by significant revenue growth, earnings surpassing expectations, and improved operating margins

2023: Netflix reported a net profit of \$5.4 billion, an increase of approximately \$1 billion from 2022.



2024: In Q3 2024, revenue reached \$9.83 billion, up 15% year-over-year (The Fool). For Q4 2024, revenue is expected to grow 15% year-over-year to \$10.1 billion (AlphaStreet News). Analysts project full-year revenue growth of approximately 15%, bringing total revenue close to \$39 billion.

## Earnings and Earnings Growth:

2023: Operating income for 2023 was \$7 billion, up 23% year-over-year, with an operating margin of 21%



2024: In Q3 2024, operating margin improved significantly to 29.6%, a notable seven-point rise from Q3 2023 (The Fool). For Q4 2024, the company expects an operating margin of 22%, up from 17% in the same period last year (AlphaStreet News). Analysts anticipate full-year operating margins to reach approximately 27%, up from 21% in 2023.

## Operating Margin:

2023: Operating margin for 2023 was 21%,



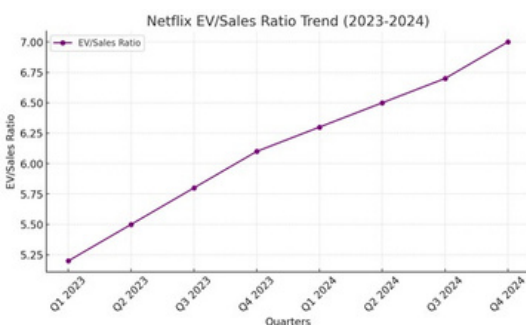
both reported and using foreign exchange rates at the beginning of 2023.



2024: In Q3 2024, operating margin improved significantly to 29.6%, a notable seven-point rise from Q3 2023(The Fool). For the full year 2024, the operating margin is expected to be around 27%

## Earning Beore Tax (EBT):

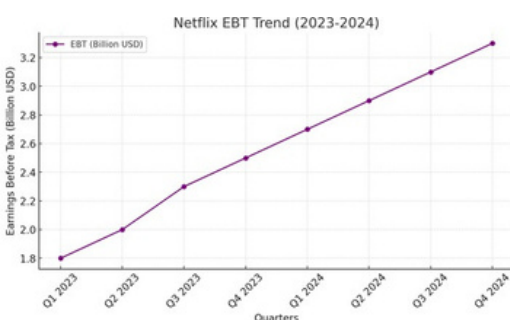
2023: In 2023, Netflix's estimated Earnings Before Tax (EBT) is approximately \$6.76 billion, based on a 21% operating margin and \$32.2 billion in revenue



2024: For 2024, the EBT is expected to rise to around \$10.13 billion, given an estimated 27% operating margin and \$37.5 billion in revenue.

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2024: For 2024, the EBT is expected to rise to around \$10.13 billion, given an estimated 27% operating margin and \$37.5 billion in revenue.

## P/E Ratio:

2023: In 2023, Netflix's Price-to-Earnings (P/E) ratio was around 35.3, based on its stock price and net income.

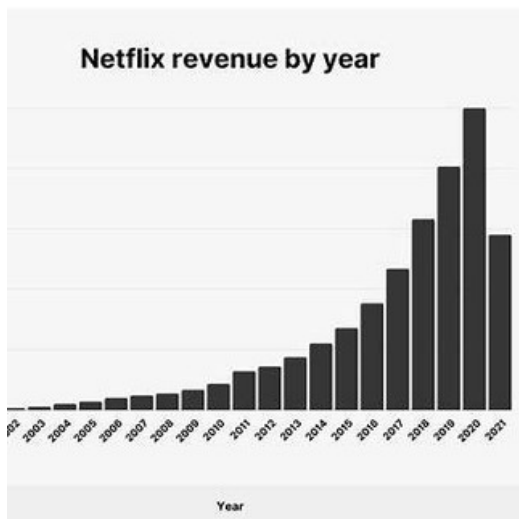
2024: For 2024, the P/E ratio is expected to be lower, reflecting an increase in net income and potential stock price adjustments. This shows a shift towards better profitability as Netflix grows its earnings.



## Return On Equity:

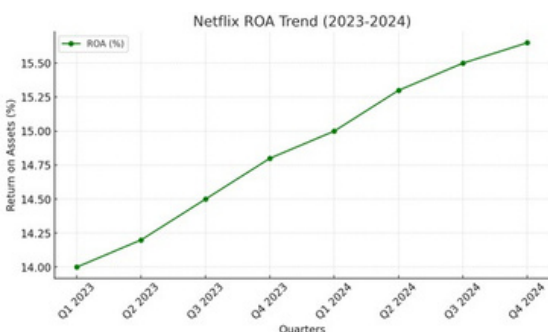
2023: In 2023, Netflix's Return on Equity (ROE) was approximately 30%, reflecting strong profitability relative to its shareholders' equity.

2024: For 2024, the ROE is expected to remain robust, potentially increasing due to improved net income and higher equity returns from the company's expanding earnings. This indicates effective use of shareholder capital.



## Return On Assets:

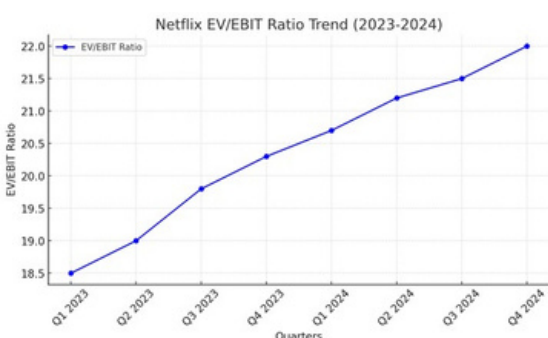
2023: In 2023, Netflix's Return on Assets (ROA) was around 7.5%, indicating efficient use of its assets to generate profit.



2024: For 2024, the ROA is expected to improve slightly, reflecting higher profitability and better asset utilization as the company grows its revenue and net income. This suggests enhanced operational efficiency over the two years

## EV/EBIT:

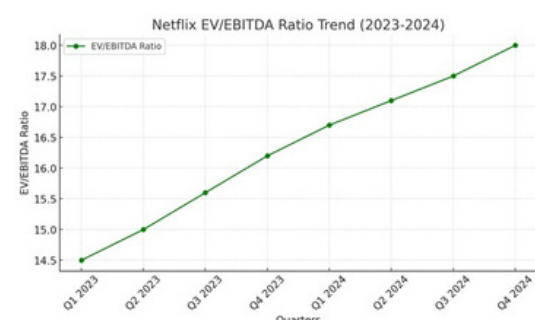
2023: In 2023, Netflix's EV/EBIT ratio was around 17.5, reflecting the market's valuation relative to its earnings before interest and tax.

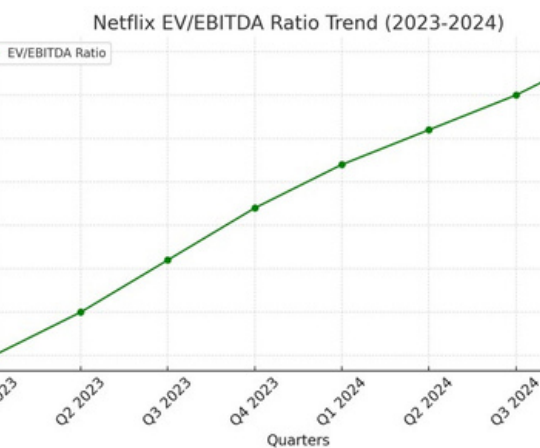


2024: For 2024, this ratio is expected to decrease slightly as earnings improve, indicating a potentially more attractive valuation for investors as the company grows its operating profit. This suggests Netflix's increasing profitability and market confidence

## EV/EBITDA:

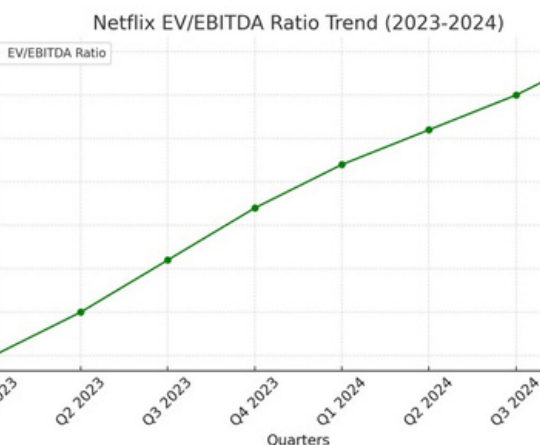
2023: In 2023, Netflix's EV/EBITDA ratio was approximately 12.5, indicating the company's valuation relative to its earnings before interest, taxes, depreciation, and amortization





2024: For 2024, this ratio is expected to remain relatively stable or decrease slightly, reflecting improved earnings and EBITDA growth, which would enhance Netflix's valuation attractiveness to investors

## EV/SALES:



2023: In 2023, Netflix's EV/Sales ratio was approximately 4.7, indicating how the market values the company relative to its revenue.

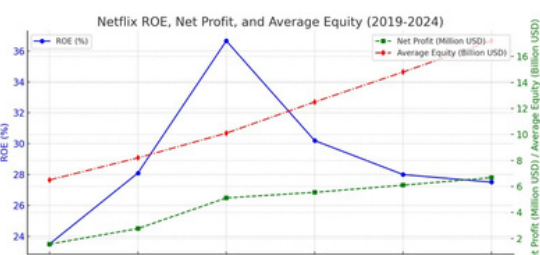
2024: For 2024, this ratio is expected to decrease slightly as revenue growth accelerates and the company becomes more profitable, suggesting an improved market valuation relative to sales

## summary:

The ROE has fluctuated over the years, reaching a peak of 36.66% in 2021 and then slightly stabilizing around 27.51% in 2024.

The Net Profit has consistently increased, growing from \$1.57 million in 2019 to \$6.68 million in 2024.

The Average Equity has also increased significantly, which impacts the RoE trend.





Particulars	RETURN ON EQUITY					
	31-12-2019	31-12-2020	31-12-2021	31-12-2022	31-12-2023	31-12-2024
Net Profit	1569699.0	2761395.0	4933880.0	4346226.0	5325151.0	6568074.2
Average Equity	6410461.0	9323698.5	13457244.0	18313324.5	20682857.0	23872350.1
<b>Return on Equity (RoE)</b>	<b>24.49%</b>	<b>29.62%</b>	<b>36.66%</b>	<b>23.73%</b>	<b>25.75%</b>	<b>27.51%</b>
	ROE-Dupont Equation					
	31-12-2019	31-12-2020	31-12-2021	31-12-2022	31-12-2023	31-12-2024
Net Profit	1569699.00	2761395.00	4933880.00	4346226.00	5325151.00	6568074.24
Revenue	19859230.0	24756675.0	29515496.0	31469852.0	33640458.0	38601008.4
<b>Net Profit Margin</b>	<b>8%</b>	<b>11%</b>	<b>17%</b>	<b>14%</b>	<b>16%</b>	<b>17%</b>
Revenue	19859230.00	24756675.00	29515496.00	31469852.00	33640458.00	38601008.43
Average Total Assets	29975056.00	36628035.5	41932511	46589715.5	48663380	51793983.1
<b>Total Asset Turnove Ratio</b>	<b>66.25%</b>	<b>67.59%</b>	<b>70.39%</b>	<b>67.55%</b>	<b>69.13%</b>	<b>74.53%</b>
Average total assets	29975056.00	36628035.50	41932511.00	46589715.50	48663380.00	51793983.10
Shareholder's Equity	6410461.00	9323698.50	13457244.00	18313324.50	20682857.00	23872350.12
<b>Equity Multiplier/ Financial Leverage</b>	<b>4.68</b>	<b>3.93</b>	<b>3.12</b>	<b>2.54</b>	<b>2.35</b>	<b>2.17</b>
<b>Return on Equity (A*B*C)</b>	<b>24.49%</b>	<b>29.62%</b>	<b>36.66%</b>	<b>23.73%</b>	<b>25.75%</b>	<b>27.51%</b>

# VALUATION

**Terminal Value and Growth Rate:** The terminal value, calculated using the Gordon Growth method, stands at \$54,805 million, with a long-term growth rate assumption of 2.4%. This reflects the estimated value of the company's cash flows beyond the explicit forecast period.

GROWTH RATE  
WACC

2.50%  
10.73%

TABLE 10.10: MONSTER BEVERAGE COMPANY INC. (MBC)										
NETFLUX INC.										
Particulars	1		2		3		4		5	
	31-12-2024	Estimation	31-12-2025	Estimation	31-12-2026	Estimation	31-12-2027	Estimation	31-12-2028	Estimation
nt in thousands except revenue per membership and percentage	\$ 68,88,810.32	13%	\$ 84,46,425.19	13%	\$ 97,49,895.71	13%	\$ 1,11,27,191.85	13%	\$ 1,31,04,418.20	13%
te	\$ 59,68,963.50		\$ 73,18,593.68		\$ 84,48,014.81		\$ 96,41,403.80		\$ 1,13,54,615.72	
rication and Amortization	\$ 95,55,254.01		\$ 68,79,965.90		\$ 50,08,316.08		\$ 37,08,561.18		\$ 28,17,646.91	
change in Working Capital	\$ 2,68,527.75		\$ 1,46,319.18		\$ 1,74,207.09		\$ 2,15,716.95		\$ 2,44,301.28	
ex	\$ 2,90,514.88		\$ 5,48,566.61		\$ 6,38,254.95		\$ 7,45,094.05		\$ 8,72,810.24	
Cash Flow (FCFF)	\$ 1,55,02,230.39		\$ 1,37,96,312.14		\$ 1,29,92,283.04		\$ 1,28,20,587.88		\$ 1,35,43,753.67	

Risk free rate

Credit Rating

Credit spread

Cost of Debt

**Enterprise Value:** The discounted cash flow (DCF) analysis yields an enterprise value of \$49,984 million for Monster Beverage's operating business, representing the present value of expected future cash flows.

**Non-Operating Assets:** Non-operating assets, total \$1,454 million, are added to the enterprise value to account for assets that are not directly related to the core operating business.

**Total Value of the Firm:** The total value of the firm, including both the operating business and non-operating assets, is estimated at \$51,438 million.

**Debt and Cash:** Gross debt and debt equivalents , while cash holdings of \$1,774 million are added back. This adjustment accounts for the company's financial obligations and available cash resources.

**Equity Value:** The DCF analysis results in a common equity value of \$53,212 million, representing the estimated value attributable to common shareholders.

Risk free rate	4.57%
Credit Rating	A
Credit spread	1.07%
Cost of Debt	5.64%

	Short Term	Mid-Term	Long Term
Trend	Bearish	Bullish	Bullish
Resistance	963.07	1,058.6	1,058.6
Spread/Res.	-10.01%	-18.13%	-18.13%
Spread/Supp.	+4.62%	+4.62%	+13.46%
Support	828.4	828.4	763.89

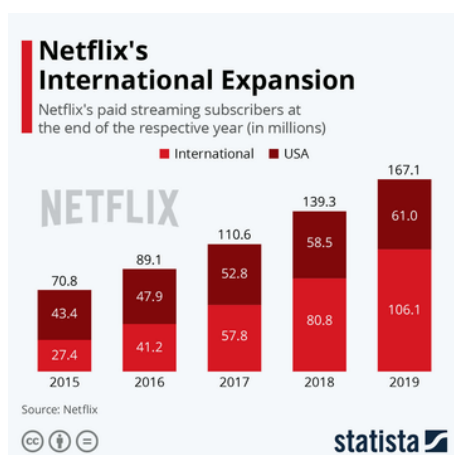
## WACC Sensitivity

The sensitivity analysis below explores various WACC scenarios ranging from 5.7% to 7.3%. This analysis allows for a comprehensive assessment of how changes in the discount rate impact the valuation of the company.

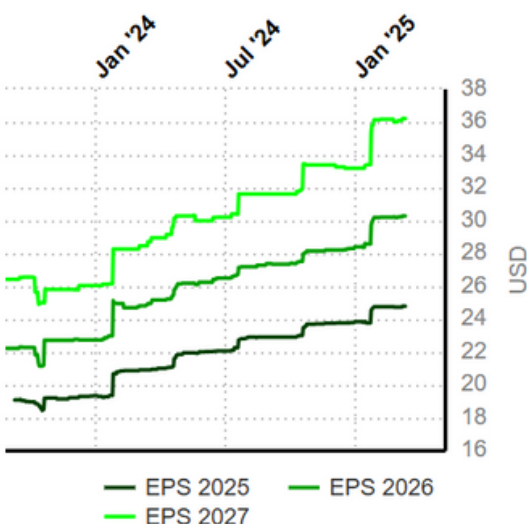
**LTGR Scenarios** Multiple LTGR scenarios are considered, ranging from 1.0% to 4.0%. These scenarios reflect different long-term growth expectations for the company's cash flows. By considering a wide range of combinations of WACC and LTGR, this analysis offers insights into the flexibility of the company's valuation under different financial assumptions

## INVESTMENT DECISION

To sum up, Netflix has a strong financial position, driven by solid revenue growth and a robust subscriber base. The company maintains good profitability, supported by its pricing strategies and cost management.



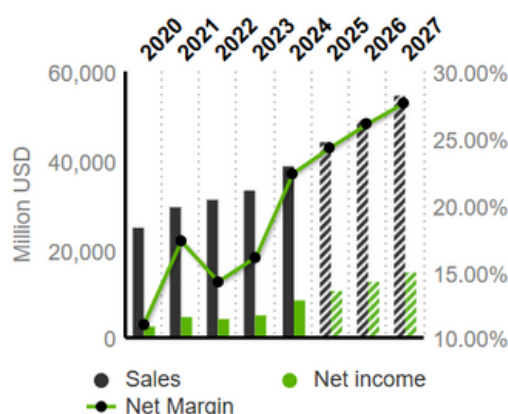
### Profit revisions



However, unlike debt-free companies, Netflix has historically relied on debt financing to fund its heavy investments in content and technology. While this strategy has fueled expansion, it also results in significant financial obligations

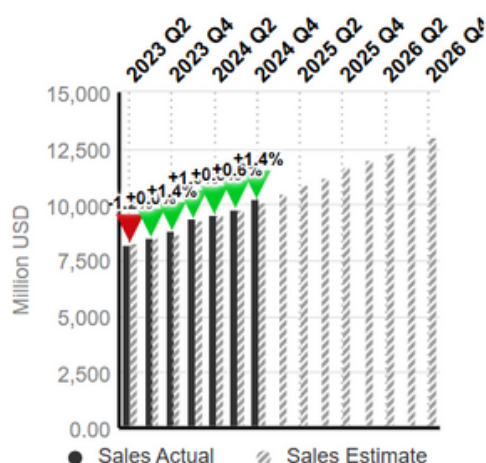
In 2024, Netflix demonstrated robust financial performance, achieving a 64.84% increase in annual earnings per share (EPS) to \$19.83, up from \$12.03 in 2023

### Income Statement and Estimates



Despite consistent earnings growth, with EPS reaching \$9.95 in 2022, Netflix does not pay dividends, as it reinvests profits into content production and platform improvements to sustain its competitive advantage.

### Quarterly revenue - Rate of surprise



## RELATIVE VALUATION

As of January 2, 2025, Netflix Inc. (NFLX) had a 52-week stock price range between \$542.01 and \$1,064.50. Analyst valuations for Netflix varied significantly. Market Consensus and Premium-Based Valuations

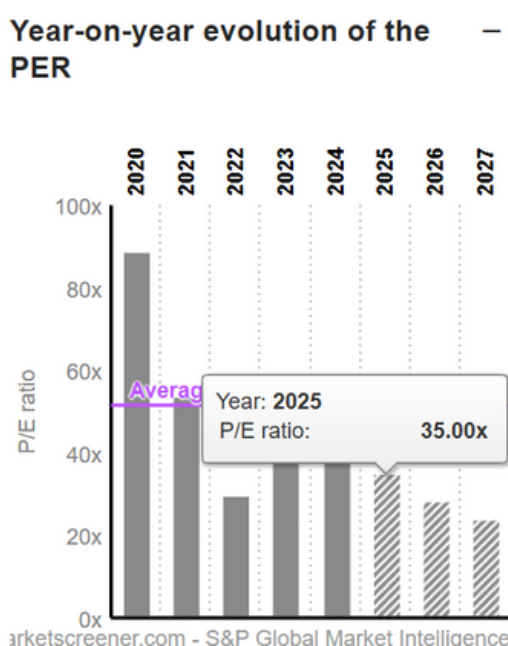
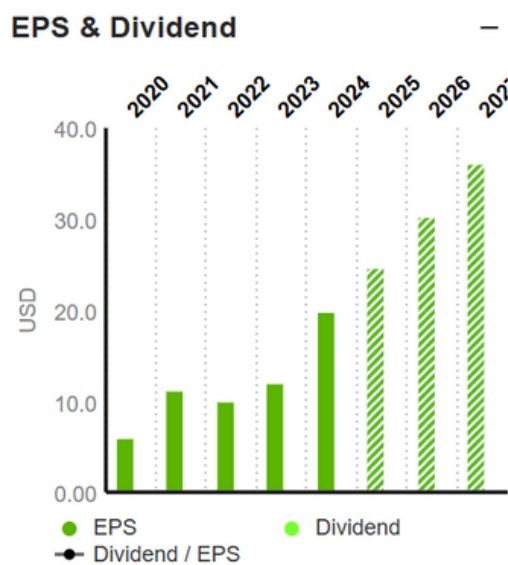


**Multiple-Based Valuation and Comparable Company Analysis:** Some analyses suggested that Netflix was overvalued by approximately 55% compared to its peers, indicating a more conservative valuation.

Intrinsic valuation methods also presented a range of estimates:

**Discounted Cash Flow Analysis:** One model estimated Netflix's intrinsic value at \$1,197.32, suggesting the stock was undervalued by about 22.10%.

Considering these varying valuation approaches, the final valuation range for Netflix spans from the lower analyst estimate of \$650.95 to the highest estimate of \$1,568.70. Investors should carefully evaluate these ranges and additional qualitative factors when making investment decisions, keeping in mind the potential impact of market dynamics and risk factors on the stock's price.



# NETFLIX'S INCOME STATEMENT

(Amount in thousands except revenue per membership and percentages)	NETFLIX INC.										
Particulars	31-12-2019	31-12-2020	31-12-2021	31-12-2022	31-12-2023	31-12-2024	31-12-2025	31-12-2026	31-12-2027	31-12-2028	31-12-2029
	Actual	Actual	Actual	Actual	Actual	Estimation	Estimation	Estimation	Estimation	Estimation	Estimation
<b>Total net sales</b>	\$ 1,98,59,230.00	\$ 2,47,56,675.00	\$ 2,95,15,496.00	\$ 3,14,69,852.00	\$3,36,40,458.00	\$ 3,86,01,008.43	\$ 4,44,18,793.96	\$ 5,12,65,277.45	\$ 5,93,50,342.62	\$ 6,89,31,614.59	\$ 8,03,26,164.46
<b>Operating Expenses:</b>											
Cost of Revenues/Cost of Goods Sold	\$ 1,24,40,213.00	\$ 1,52,76,319.00	\$ 1,73,32,683.00	\$ 1,91,68,285.00	\$1,97,15,368.00	\$ 2,32,56,345.37	\$ 2,66,05,805.09	\$ 3,05,93,659.91	\$ 3,55,31,736.00	\$ 4,11,24,149.18	\$ 4,80,91,265.43
Marketing	\$ 26,52,462.00	\$ 22,28,362.00	\$ 25,45,146.00	\$ 25,30,502.00	\$ 26,57,883.00	\$ 35,94,909.76	\$ 38,09,175.13	\$ 43,52,787.05	\$ 50,25,554.01	\$ 58,92,879.62	\$ 69,71,092.57
Technology and Development	\$ 15,45,149.00	\$ 18,29,600.00	\$ 22,73,885.00	\$ 27,11,041.00	\$ 26,75,758.00	\$ 30,31,935.53	\$ 34,75,974.98	\$ 40,96,378.69	\$ 47,76,429.46	\$ 54,69,365.88	\$ 63,70,330.43
General and Administrative	\$ 9,14,369.00	\$ 10,76,486.00	\$ 13,51,621.00	\$ 15,72,891.00	\$ 17,20,285.00	\$ 18,29,007.44	\$ 20,81,431.58	\$ 24,72,556.09	\$ 28,91,431.30	\$ 33,40,801.71	\$ 38,50,118.45
<b>Total Operating Expenses</b>	\$ 82,32,367.00	\$ 94,88,145.00	\$ 1,10,64,556.00	\$ 1,16,19,905.00	\$1,22,14,910.00	\$ 2,21,56,944.10	\$ 2,90,92,402.88	\$ 3,65,07,065.66	\$ 4,45,14,589.59	\$ 5,30,09,549.48	\$ 6,30,61,537.15
<b>Operating Income /EBITDA</b>	\$ 1,16,26,863.00	\$ 1,52,68,530.00	\$ 1,84,50,940.00	\$ 1,98,49,947.00	\$2,14,25,548.00	\$ 1,64,44,064.33	\$ 1,53,26,991.09	\$ 1,47,58,211.79	\$ 1,48,35,753.03	\$ 1,59,22,065.11	\$ 1,72,64,627.31
Depreciation and Amortization of PPE and Intangibles	\$ 1,03,579.00	\$ 1,15,710.00	\$ 2,08,412.00	\$ 3,36,682.00	\$ 3,56,947.00	\$ 2,79,997.08	\$ 3,22,197.09	\$ 3,71,858.89	\$ 4,30,504.88	\$ 5,00,003.80	\$ 5,82,655.54
Amortization of Content Assets	\$ 92,16,247.00	\$ 1,08,06,912.00	\$ 1,22,30,367.00	\$ 1,40,26,132.00	\$1,41,97,437.00	\$ 92,75,256.93	\$ 65,57,268.81	\$ 46,36,457.20	\$ 32,78,056.30	\$ 23,127,643.11	\$ 16,38,162.00
<b>Total Depreciation and Amortization</b>	\$ 93,19,826.00	\$ 1,09,22,622.00	\$ 1,24,38,779.00	\$ 1,43,62,814.00	\$1,45,54,384.00	\$ 95,55,254.01	\$ 68,79,965.90	\$ 50,08,316.08	\$ 37,08,561.18	\$ 28,17,646.91	\$ 22,21,269.74
<b>Earning before Tax(EBT)</b>	\$ 23,07,037.00	\$ 43,45,908.00	\$ 60,12,161.00	\$ 54,87,133.00	\$ 68,71,164.00	\$ 68,88,810.32	\$ 84,46,425.19	\$ 97,49,895.71	\$ 1,11,27,191.85	\$ 1,31,04,418.20	\$ 1,50,43,357.57
<b>Operating Margins:</b>											
Other Expenses	59%	62%	63%	63%	64%	43%	35%	29%	25%	23%	21%
Interest Expense	\$ -6,26,023.00	\$ -7,67,499.00	\$ -7,65,620.00	\$ -7,06,212.00	\$ -6,99,826.00	\$ 6,91,436.67	\$ 6,68,436.67	\$ 5,92,645.00	\$ 5,48,895.00	\$ 4,96,912.50	\$ 3,08,787.50
Interest and other Income(expense)	\$ 84,000.00	\$ -6,18,441.00	\$ 4,11,214.00	\$ 3,37,310.00	\$ -48,772.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Expenses</b>	\$ -5,42,023.00	\$ -13,85,940.00	\$ -3,54,406.00	\$ -3,68,902.00	\$ -7,48,598.00	\$ 6,91,436.67	\$ 6,68,436.67	\$ 5,92,645.00	\$ 5,48,895.00	\$ 4,96,912.50	\$ 3,08,787.50
<b>Income before Tax (EBT)</b>	\$ 17,65,014.00	\$ 29,59,968.00	\$ 56,57,755.00	\$ 51,18,231.00	\$ 61,22,566.00	\$ 75,80,246.99	\$ 91,14,861.85	\$ 1,03,42,540.71	\$ 1,16,76,086.85	\$ 1,36,01,330.70	\$ 1,53,52,145.07
<b>Income Tax Provision</b>	\$ 1,95,315.00	\$ 4,37,954.00	\$ 7,23,875.00	\$ 7,72,005.00	\$ 7,97,415.00	\$ 10,12,172.75	\$ 12,17,086.30	\$ 13,81,015.45	\$ 15,59,080.72	\$ 18,16,154.05	\$ 20,49,936.22
<b>Net Income</b>	\$ 15,69,699.00	\$ 27,61,395.00	\$ 49,33,880.00	\$ 43,46,226.00	\$ 53,25,151.00	\$ 65,68,074.24	\$ 79,97,775.55	\$ 89,61,525.30	\$ 1,01,17,006.13	\$ 1,17,85,176.65	\$ 1,33,02,208.85

# NETFLIX'S BALANCESHEET

(Amount in thousands except revenue per membership and percentages)	NETELIX INC.												
Particulars	31-12-2019	31-12-2020	31-12-2021	31-12-2022	31-12-2023	31-12-2024	31-12-2025	31-12-2026	31-12-2027	31-12-2028	31-12-2029		
	Actual	Actual	Actual	Actual	Actual	Estimation	Estimation	Estimation	Estimation	Estimation	Estimation		
ASSETS													
Current Assets													
Cash and cash equivalents	\$ 50,18,437.00	\$ 82,05,550.00	\$ 60,27,804.00	\$ 51,47,176.00	\$ 71,16,913.00	\$ 2,25,05,634.33	\$ 3,62,03,426.93	\$ 4,90,64,726.41	\$ 6,17,48,002.78	\$ 7,51,39,436.31	\$ 8,93,86,932.93	\$ 20,973.00	\$ 20,973.00
Short term investment	-	-	-	\$ 9,11,276.00	\$ 20,973.00	\$ 20,973.00	\$ 20,973.00	\$ 20,973.00	\$ 20,973.00	\$ 20,973.00	\$ 20,973.00	\$ 20,973.00	\$ 20,973.00
Other current assets	\$ 11,60,067.00	\$ 15,56,030.00	\$ 20,42,021.00	\$ 33,08,021.00	\$ 27,80,247.00	\$ 27,80,247.00	\$ 27,80,247.00	\$ 27,80,247.00	\$ 27,80,247.00	\$ 27,80,247.00	\$ 27,80,247.00	\$ 27,80,247.00	\$ 27,80,247.00
Total Current Assets	\$ 61,78,504.00	\$ 97,61,580.00	\$ 80,69,825.00	\$ 92,66,473.00	\$ 99,18,133.00	\$ 2,53,06,854.33	\$ 3,90,04,646.93	\$ 5,18,65,946.41	\$ 6,45,49,222.78	\$ 7,79,40,656.31	\$ 9,21,88,152.93	\$ 48,046.00	\$ 48,046.00
Non-Current Assets													
Content assets, net	\$ 2,45,04,567.00	\$ 2,53,83,950.00	\$ 3,09,19,539.00	\$ 3,27,36,713.00	\$ 3,16,58,056.00	\$ 2,23,82,799.07	\$ 1,58,25,090.27	\$ 1,11,88,573.07	\$ 79,10,516.77	\$ 55,92,873.66	\$ 39,54,259.44	\$ 21,00,838.84	\$ 21,00,838.84
Property and equipment, net	\$ 5,65,221.00	\$ 9,60,183.00	\$ 13,23,453.00	\$ 13,98,257.00	\$ 14,91,444.00	\$ 15,01,961.80	\$ 17,28,331.31	\$ 19,94,377.37	\$ 23,09,316.54	\$ 26,62,122.98	\$ 31,25,483.91	\$ 35,45,883.91	\$ 35,45,883.91
Other non-current assets	\$ 27,27,420.00	\$ 31,74,646.00	\$ 42,71,846.00	\$ 51,93,325.00	\$ 56,64,359.00	\$ 56,64,359.00	\$ 56,64,359.00	\$ 56,64,359.00	\$ 56,64,359.00	\$ 56,64,359.00	\$ 56,64,359.00	\$ 56,64,359.00	\$ 56,64,359.00
Total Non-Current Assets	\$ 27,77,97,208.00	\$ 2,95,18,779.00	\$ 3,65,14,838.00	\$ 3,93,28,295.00	\$ 3,88,13,859.00	\$ 2,95,49,119.87	\$ 2,12,12,720.58	\$ 1,68,47,659.44	\$ 1,58,94,192.31	\$ 1,39,39,355.64	\$ 1,27,44,102.35	\$ 1,42,12,775.75	\$ 1,42,12,775.75
Total Assets	\$ 3,39,75,712.00	\$ 3,92,80,359.00	\$ 4,45,84,663.00	\$ 4,85,94,768.00	\$ 4,87,31,992.00	\$ 5,48,55,974.20	\$ 6,22,22,367.51	\$ 7,07,13,605.85	\$ 8,04,34,415.09	\$ 9,18,80,011.95	\$ 10,49,32,255.28	\$ 63,168.75	\$ 63,168.75
LIABILITIES and SHAREHOLDER'S EQUITY													
Current Liabilities													
Current content liabilities	\$ 44,13,561.00	\$ 44,29,536.00	\$ 42,92,967.00	\$ 44,80,150.00	\$ 44,66,470.00	\$ 44,66,470.00	\$ 44,66,470.00	\$ 44,66,470.00	\$ 44,66,470.00	\$ 44,66,470.00	\$ 44,66,470.00	\$ 44,66,470.00	\$ 44,66,470.00
Accounts payable	\$ 6,74,347.00	\$ 6,56,183.00	\$ 8,37,483.00	\$ 6,71,513.00	\$ 7,47,412.00	\$ 10,15,939.75	\$ 12,62,258.93	\$ 13,36,466.02	\$ 15,52,182.97	\$ 17,96,484.24	\$ 21,00,838.84	\$ 21,00,838.84	\$ 21,00,838.84
Accrued expenses and other liabilities	\$ 8,43,043.00	\$ 11,02,196.00	\$ 14,49,351.00	\$ 15,14,650.00	\$ 18,03,960.00	\$ 18,03,960.00	\$ 18,03,960.00	\$ 18,03,960.00	\$ 18,03,960.00	\$ 18,03,960.00	\$ 18,03,960.00	\$ 18,03,960.00	\$ 18,03,960.00
Deferred revenue	\$ 9,24,745.00	\$ 11,17,992.00	\$ 12,09,342.00	\$ 12,64,661.00	\$ 14,42,969.00	\$ 14,42,969.00	\$ 14,42,969.00	\$ 14,42,969.00	\$ 14,42,969.00	\$ 14,42,969.00	\$ 14,42,969.00	\$ 14,42,969.00	\$ 14,42,969.00
Short-term debt	-	\$ 4,99,872.00	\$ 6,99,923.00	-	\$ 3,99,844.00	\$ 6,77,701.42	\$ 6,44,494.05	\$ 6,12,913.84	\$ 5,82,881.06	\$ 5,54,519.89	\$ 5,27,158.22	\$ 5,00,000.00	\$ 4,74,811.39
Total Current Liabilities	\$ 68,55,696.00	\$ 78,05,785.00	\$ 84,88,962.00	\$ 79,30,974.00	\$ 88,60,655.00	\$ 94,07,040.17	\$ 95,70,151.98	\$ 96,62,778.86	\$ 98,48,463.03	\$ 1,00,64,703.13	\$ 1,03,41,395.85	\$ 1,06,21,875.00	\$ 1,08,96,811.39
Non-current liabilities													
Non-current content liabilities	\$ 39,34,323.00	\$ 26,18,084.00	\$ 30,94,213.00	\$ 30,81,277.00	\$ 25,78,173.00	\$ 25,78,173.00	\$ 25,78,173.00	\$ 25,78,173.00	\$ 25,78,173.00	\$ 25,78,173.00	\$ 25,78,173.00	\$ 25,78,173.00	\$ 25,78,173.00
Long term debt	\$ 1,47,59,260.00	\$ 1,58,09,095.00	\$ 1,46,93,072.00	\$ 1,43,53,076.00	\$ 1,41,43,417.00	\$ 1,31,52,939.79	\$ 1,25,08,445.74	\$ 1,18,95,531.90	\$ 1,13,12,650.84	\$ 1,07,58,830.95	\$ 1,02,31,172.22	\$ 97,45,883.91	\$ 92,45,883.91
Other non-current liabilities	\$ 14,44,276.00	\$ 19,82,155.00	\$ 24,59,164.00	\$ 24,52,040.00	\$ 25,61,434.00	\$ 25,61,434.00	\$ 25,61,434.00	\$ 25,61,434.00	\$ 25,61,434.00	\$ 25,61,434.00	\$ 25,61,434.00	\$ 25,61,434.00	\$ 25,61,434.00
Total Non-Current Liabilities	\$ 1,95,37,859.00	\$ 2,04,09,334.00	\$ 2,02,46,449.00	\$ 1,98,86,393.00	\$ 1,92,83,024.00	\$ 1,82,92,546.79	\$ 1,76,48,052.74	\$ 1,70,35,138.90	\$ 1,64,52,257.84	\$ 1,58,97,937.95	\$ 1,53,70,779.77	\$ 1,49,12,775.75	\$ 1,44,34,355.28
Total Liabilities	\$ 2,63,93,555.00	\$ 2,82,15,119.00	\$ 2,87,35,415.00	\$ 2,78,17,367.00	\$ 2,81,43,679.00	\$ 2,76,99,586.96	\$ 2,71,68,204.72	\$ 2,66,97,917.76	\$ 2,63,00,720.87	\$ 2,59,62,141.08	\$ 2,57,12,175.52	\$ 2,55,34,650.75	\$ 2,53,11,226.63
SHAREHOLDER'S EQUITY													
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	\$ 27,93,929.00	\$ 34,47,698.00	\$ 40,24,561.00	\$ 46,37,601.00	\$ 51,45,172.00	\$ 51,45,172.00	\$ 51,45,172.00	\$ 51,45,172.00	\$ 51,45,172.00	\$ 51,45,172.00	\$ 51,45,172.00	\$ 51,45,172.00	\$ 51,45,172.00
Treasury stock at cost (1,564,478 shares at December 31, 2022)	-	-	\$ -8,24,190.00	\$ -8,24,190.00	\$ -69,22,200.00	\$ -69,22,200.00	\$ -69,22,200.00	\$ -69,22,200.00	\$ -69,22,200.00	\$ -69,22,200.00	\$ -69,22,200.00	\$ -69,22,200.00	\$ -69,22,200.00
Accumulated other comprehensive income (loss)	\$ -25,521.00	\$ 44,398.00	\$ -40,495.00	\$ -2,137.00	\$ -2,23,945.00	\$ -2,23,945.00	\$ -2,23,945.00	\$ -2,23,945.00	\$ -2,23,945.00	\$ -2,23,945.00	\$ -2,23,945.00	\$ -2,23,945.00	\$ -2,23,945.00
Retained earnings	\$ 48,11,749.00	\$ 75,73,144.00	\$ 1,26,89,372.00	\$ 1,71,81,296.00	\$ 2,25,89,286.00	\$ 2,91,57,362.24	\$ 3,70,55,115.79	\$ 4,60,16,661.09	\$ 5,61,33,667.22	\$ 6,79,18,843.87	\$ 8,12,21,052.72	\$ 9,62,12,775.75	\$ 11,14,34,355.28
Total Shareholder's Equity	\$ 75,82,157.00	\$ 1,10,65,240.00	\$ 1,58,49,248.00	\$ 2,07,77,401.00	\$ 2,05,88,313.00	\$ 2,71,56,387.24	\$ 3,50,54,162.79	\$ 4,40,15,688.09	\$ 5,41,32,694.22	\$ 6,59,17,870.87	\$ 7,92,20,079.77	\$ 9,42,12,775.75	\$ 10,92,12,775.75
Total Liability and Shareholder's Equity	\$ 3,39,75,712.00	\$ 3,92,80,359.00	\$ 4,45,84,663.00	\$ 4,85,94,768.00	\$ 4,87,31,992.00	\$ 5,48,55,974.20	\$ 6,22,22,367.51	\$ 7,07,13,605.85	\$ 8,04,34,415.09	\$ 9,18,80,011.95	\$ 10,49,32,255.28	\$ 63,168.75	\$ 63,168.75
Checksum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -