



TAMID Equity Research Report 2023-02-01: NFLX

Introduction:

This report aims to extract the key financial, economic, and business factors impacting the future stock price of Netflix (NFLX) based on the given information. The report will examine various topics such as the impact of consolidation, the competition in the streaming industry, the expenses associated with content creation, and the role of AI in the market.

The impact of consolidation in the communication services sector: The speaker mentions that the communication services sector is characterized by cash, content, and consolidation. This could imply that consolidation in this sector could have an impact on NFLX's stock price.

The Three C's of Communication Services: The text mentions that "cash, content, and consolidation" are the three C's of communication services. This suggests that the communication services sector is being closely monitored by the market and that these three factors will play a role in determining the stock prices of companies in this sector, including Netflix.

Competition in the streaming industry: The speaker mentions that the market is trying to determine the winner in the streaming industry. This competition could impact NFLX's stock price as the company competes against other players in the market.

Expenses associated with content creation: The speaker mentions that the expenses associated with content creation could have an impact on NFLX's stock price.

The role of AI in the market: The speaker mentions that the downturn has kickstarted a conversation about the role of AI in the world. This could indicate that AI could have an impact on the market, including NFLX's stock price.

Ad supported revenue: According to a report from The Information, signups for NFLX's ad tier doubled in January from December. This could be a positive sign for the company's revenue and profitability, and thus have a positive impact on its stock price.

Crackdown on password sharing: The speaker mentions that a crackdown on password sharing has been seen as a lifeline for NFLX to increase its revenue and profitability. This could also have a positive impact on the stock price.

Potential increase in subscription prices: The speaker mentions that in the coming months, NFLX fans might have to pay more for their service, either to add additional users to their accounts or to get their own accounts. This could have a negative impact on the stock price, but if NFLX adopts a similar model, it could allow many users to continue sharing passwords with minimal financial pain.

Conclusion:

The factors discussed in this report could impact NFLX's stock price in the future. The impact of consolidation in the communication services sector, competition in the streaming industry, expenses associated with content creation, and the role of AI in the

market are some of the key factors that could impact the stock price. Additionally, the growth in ad supported revenue, the crackdown on password sharing, and the potential increase in subscription prices are also factors that could impact the stock price.