

# Analyst A

Netflix Inc.

Q2 2025 Earnings Update (FY-end 31 December 2025)

**Announcement date: 18/07/2025**

Holdings Information	
Original Book Cost (USD)	1,950,000
MTM vs Ori (% / USD)	+25.6% / +499,200
MTM vs Imp	+14.3%
YTD Price Performance	+18.4%
Dividend Yield (Cost)	0.5%

Current Price (22 July 2025)	\$588.00
Internal Analyst PT (Price Target)	\$630.00
<i>Upside</i>	+7.1%
External PT (Bloomberg)	\$615.00
<i>Upside</i>	+4.6%

## RESULTS REVIEW:

Netflix delivered a solid Q2 FY2025, reporting total revenue of \$10.36 billion, representing +9.7% YoY growth—ahead of consensus expectations. This marks the platform’s fourth consecutive quarter of accelerating revenue growth, driven by the scaling of its ad-supported tier and continued international subscriber expansion.

### Key Financial Metrics:

Metric	Q2 FY2025	Q3 FY2025 (E)	Q4 FY2025 (E)
Total Revenue	\$10.36 billion	\$11.53 billion	\$11.85 billion
Revenue Growth (YoY)	+9.7%	+14%	+13%
EBITDA	\$2.81 billion	\$3.35 billion	\$3.45 billion
EBITDA Margin	27.1%	29%	29%
Net Income	\$1.78 billion	\$2.20 billion	\$2.25 billion
Profit Margin	17.2%	19%	19.5%
Operating Margin	22.9%	26%	26%
Basic EPS	\$4.18	\$4.95	\$5.05
Basic Avg Shares Outstanding	425 million	445 million	445 million
Dividend Rate	N/A	N/A	N/A
Dividend Yield	N/A	N/A	N/A

EBITDA margin expanded to 27.1%, as Netflix continued reaping benefits from lower content amortization growth and improved cost controls. Operating margin of 22.9% reflects improved efficiency in both content production and platform operations.

Ad-tier contribution has grown faster than expected, with ad-supported MAUs up 42% YoY, now accounting for an estimated 25% of new gross adds. Meanwhile, churn has remained below 3%, even with steady price adjustments in mature markets.