

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
Total Revenue	\$10.36 billion
Revenue Growth (YoY)	+9.7%
EBITDA	\$2.81 billion
EBITDA Margin	27.1%
Net Income	\$1.78 billion
Profit Margin	17.2%
Operating Margin	22.9%
Basic EPS	\$4.18
Basic Avg Shares Outstanding	425 million
Dividend Rate	\$3.00 annualized
Dividend Yield	0.5%

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.

#### ASSESSMENT:

Netflix's Q2 performance confirms its transformation from a pure-play streaming service into a broader digital entertainment platform. Revenue growth is now more diversified, with contributions from ads, licensing, and global expansion, cushioning the platform from domestic saturation risk.

Margins are trending consistently higher. With a profit margin of 17.2% and EBITDA topping \$2.8 billion, Netflix now rivals traditional media giants on profitability while maintaining tech-like scalability.

Management reaffirmed full-year guidance and provided visibility into continued margin expansion into FY2026, helped by scale in originals and ongoing ad monetization. The company also announced a \$1.5 billion share buyback program, adding to shareholder return potential alongside its modest but symbolic \$3.00/share dividend.