

Netflix Inc

NFLX Trending, 11/10/23: Paid Sharing Working & Focus Shifts to Ad Tier Scale, Price Increases, & Strong 4Q Content; Reiterate Overweight & Raising PT to \$510

Since 3Q [earnings](#), NFLX shares have recovered to September investor conference levels (closed at ~\$435 on Sept 12), and we remain bullish on the company's ability to accelerate revenue growth in 2024, expand margins, & drive multi-year FCF growth. Paid Sharing has helped drive 2 straight quarters of strong subscriber growth, and we expect those benefits to continue for several quarters, but we believe the focus shifts to building Ad tier scale through a combination of adjustments to plans & pricing, bundles w/ISPs & devices, & strategic marketing. After NFLX begins targeted price increases in the US, UK, & FR in 4Q, we look for the company to expand those efforts to other markets in '24, ultimately returning to a more regular pricing cadence. We're also encouraged by the 4Q content slate which includes the final season of *The Crown*, *Money Heist* prequel *Berlin*, *Squid Game: The Challenge* (reality show), a number of star-studded movies, & *The Super Mario Bros. Movie* (licensed from Universal-Illumination).

Overall, we are positive on NFLX's growth initiatives & positioning, & our bull thesis remains: 1) accelerating revenue growth into 2024 led by Paid Sharing, pricing, & Advertising; 2) steady operating margin expansion balanced w/growth investments; 3) multi-year FCF ramp on improving profit & cash content discipline; 4) NFLX's strong streaming leadership position; & 5) potential to grow NFLX's ~250M member base across the 500M+ global CTV HHs ex-Russia & China. We model average 2024 & 2025 growth of almost 15% for FXN revenue, 27% for operating income, & 30% for GAAP EPS. **We reiterate our Overweight rating & raise our December 2024 PT to \$510 based on 25x 2025E GAAP EPS of \$20.52, which equates to ~26.5x 2025E FCF of \$8.2B.**

Paid Sharing: Paid Sharing is working better than expected, as evidenced by two consecutive quarters of strong Net Adds following the initial rollout in May. Cancel reaction remains low & borrowers who become new subs are showing healthy retention, leading NFLX to be revenue positive in all regions. While NFLX has seen positive early bump, Paid Sharing is not yet fully enforced, & we look for the company to tighten filters around different borrower cohorts/devices going forward. Paid Sharing also creates a pool of users who may not convert immediately, but who are very familiar w/the service & may come back over time around more favorable seasonality, strong content, or other factors. **We estimate NFLX will have cumulative borrower monetization (either new accounts or Extra Members) of 21M by the end of 2023, 32M by the end of '24, & 39M by the end of '25.** These estimates could prove conservative based on our recent [survey work](#) that suggests ~50% of borrowers could become an Extra Member or a new subscriber.

Sources for: Style Exposure – J.P. Morgan Quantitative and Derivatives Strategy; all other tables are company data and J.P. Morgan estimates.

See page 39 for analyst certification and important disclosures.

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Overweight

NFLX, NFLX US

Price (09 Nov 23):\$435.15

▲ **Price Target (Dec-24):\$510.00**

Prior (Dec-24):\$480.00



Internet - Large Cap / Mid & Small Cap

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Quarterly Forecasts (FYE Dec)

Adj. EPS (\$)

	2022A	2023E	2024E
Q1	3.53	2.88A	4.23
Q2	3.20	3.29A	4.41
Q3	3.10	3.73A	4.49
Q4	0.12	2.15	2.89
FY	9.95	12.06	16.04

Style Exposure

Quant Factors	Current	Hist %Rank (1=Top)			
	%Rank	6M	1Y	3Y	5Y
Value	81	74	72	81	86
Growth	10	7	15	17	97
Momentum	8	21	16	16	22
Quality	17	38	48	19	22
Low Vol	48	73	80	37	74
ESGQ	97	86	75	97	82

Price Performance



	YTD	1m	3m	12m
Abs	47.6%	12.8%	1.5%	70.9%
Rel	51.8%	16.7%	14.1%	75.0%

Company Data

Shares O/S (mn)	450
52-week range (\$)	485.00-254.22
Market cap (\$ mn)	195,822.30
Exchange rate	1.00
Free float(%)	98.6%
3M - Avg daily vol (mn)	5.55
3M - Avg daily val (\$ mn)	2,234.3
Volatility (90 Day)	42
Index	RUSSELL 2000
BBG BUY HOLD SELL	37 17 3

Key Metrics (FYE Dec)

\$ in millions	FY22A	FY23E	FY24E	FY25E
Financial Estimates				
Revenue	31,616	33,588	38,836	43,655
Adj. EBIT	5,633	6,622	8,793	10,602
Adj. EBITDA	6,545	7,330	9,575	11,487
Adj. net income	4,492	5,430	7,015	8,622
Adj. EPS	9.95	12.06	16.04	20.52
BBG EPS	10.58	12.20	15.92	19.62
Cashflow from operations	2,026	6,910	7,039	8,670
FCFF	1,619	6,530	6,616	8,211
Margins and Growth				
Revenue growth	6.5%	6.2%	15.6%	12.4%
EBIT margin	17.8%	19.7%	22.6%	24.3%
EBIT growth	(9.1%)	17.6%	32.8%	20.6%
EBITDA margin	20.7%	21.8%	24.7%	26.3%
EBITDA growth	(3.8%)	12.0%	30.6%	20.0%
Net margin	14.2%	16.2%	18.1%	19.7%
Adj. EPS growth	(11.4%)	21.2%	33.0%	27.9%
Ratios				
Adj. tax rate	14.7%	11.5%	14.5%	14.5%
Interest cover	17.7	15.1	16.3	22.2
Net debt/Equity	0.4	0.3	0.2	0.1
Net debt/EBITDA	1.4	0.9	0.5	0.3
ROE	24.5%	25.6%	31.4%	35.4%
Valuation				
FCFF yield	0.8%	3.3%	3.5%	4.5%
Dividend yield	-	-	-	-
EV/Revenue	6.5	6.0	5.2	4.6
EV/EBITDA	31.3	27.7	21.0	17.3
Adj. P/E	43.7	36.1	27.1	21.2

Summary Investment Thesis and Valuation

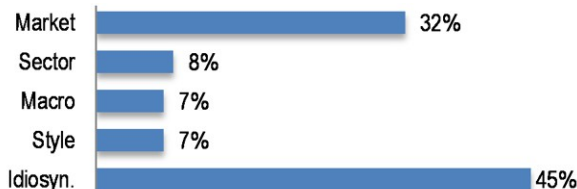
Investment Thesis

We believe NFLX is a key beneficiary and driver of the ongoing disruption of linear TV, with the company's content performing well globally and driving a virtuous circle of strong subscriber growth, more revenue, and growing profit. We expect NFLX to continue benefiting from the global proliferation of Internet-connected devices and increasing consumer preference for on-demand video consumption over the Internet, with NFLX approaching 344M global paid subs by 2028. Additionally, the launch of NFLX's ad-supported tier and broader Paid Sharing initiatives should further help re-accelerate subscriber and revenue growth while driving high-margin incremental revenue.

Valuation

We increase our December 2024 PT from \$480 to \$510 based on 25x our 2025E GAAP EPS of \$20.52, which equates to ~26.5x 2025E FCF of \$8.2B. This is a slight premium to mega-cap tech peers trading at 23x 2025E GAAP EPS on average, which we think is justified by NFLX's similar top-line growth & faster bottom-line growth.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI US	0.26	0.59
Sect: Telecom Services	0.25	0.34
Ind: Media	0.25	0.33
Macro:		
Crude Oil	-0.17	-0.16
US 10yr Breakeven	0.21	0.11
Credit Spread	0.27	0.07
Quant Styles:		
Quality	-0.30	-0.19
Size	-0.22	-0.19
Growth	0.06	0.11

Ads: One year into Advertising, Netflix's ad tier has 15M global MAUs & accounts for ~30% of all new sign-ups across ad markets. However, advertising is trending slower than expected & increasing scale remains a top priority. We look for Netflix to grow the Ad tier by adjusting plan pricing (i.e. raising prices for existing Basic subs), phasing out Basic for new subs in many major markets, bundling Ads into ISP & device plans, & increasing marketing. Importantly, given what we believe are healthy NFLX wholesale prices, the lower priced Ad-tier (\$6.99/mo) should drive incremental partner demand. We note that The WSJ reported yesterday that NFLX and Max ad plans could be combined in a bundle through Verizon. Enhancing the ad product also remains a priority, & NFLX is rolling out various new ad formats & verification/measurement capabilities in 2024, including binge ads (1Q24), sponsorships (currently available in US, rolling out globally in '24), QR codes within ads (early '24), & int'l 3P verification/measurement partnerships. We believe total Ad tier ARM remains comparable to Standard tier pricing in the US (\$15.49/mo), but is below Standard in int'l ad markets. **We currently project Ad tier subscribers of 7.5M at the end of 2023 & 18.7M at the end of 2024. We have reduced our Ad tier sub estimates multiple times in recent months, but given the Nov 1 disclosure of 15M MAUs--which might translate to 6.0M-7.5M subscribers--and bundles ahead, our estimates may now be conservative.**

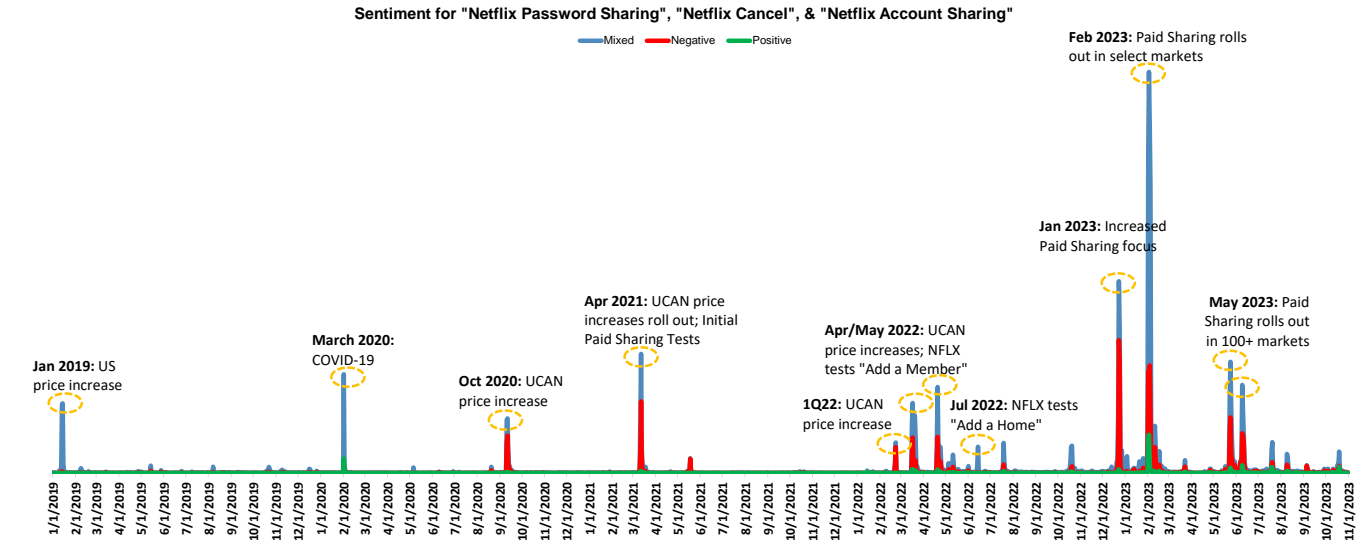
ARM: NFLX guided 4Q ARM roughly flat Y/Y on a reported basis, & 4Q revenue will continue to be driven primarily by subscriber growth. The ARM uplift from price increases is limited in 4Q given the rollout for existing subs begins mid-quarter & likely extends into 1Q24. Additionally, 4Q is typically a very back-end weighted quarter for Net Adds given holiday seasonality & timing of content releases, which drags on 4Q ARM. Looking into 2024, Paid Sharing, pricing, & Advertising should support ARM growth. **We estimate FXN ARM +0.4% Y/Y in 4Q, with +16.5% FXN revenue growth in 2024 more balanced across FXN ARM +5.8% & subscribers +7.8%.** Longer-term, we believe Netflix maintains pricing power and the \$6.99/month ad tier (in the US) will give NFLX greater flexibility to raise prices on ad-free Basic (now \$11.99/mo), Standard (\$15.49/mo), & Premium (now \$22.99/mo).

Net Adds: Netflix expects 4Q Net Adds similar to the 8.8M of 3Q +/- a few million, which we believe should skew to the upside given continued Paid Sharing monetization, more favorable seasonality, Ad tier efforts, & a strong content slate. We're encouraged that Netflix emphasized core sub growth was strong in 3Q, & EMEA & APAC remain key underpenetrated geos as Netflix seeks to gain greater share of the 500M+ global CTV HHs ex-Russia & China. Importantly, we do not expect 4Q/early '24 price increases to meaningfully weigh on Gross Adds/churn as the increase in Basic should push more existing subs into the Ad tier, as will the spread between Ads and Standard for new joiners. Apptopia data suggests 4QTD global DL growth has meaningfully improved to +10% Y/Y (from +3% Y/Y growth in 3Q). We also note that 4Q is typically back-end weighted & we believe the content slate strengthens into year-end. **We project Net Adds of 10M in 4Q & 20M in 2024.**

Operating Margins & FCF. Netflix expects 2023 operating margins of 20% (based on 1/1/23 FX rates) w/cash content spending of ~\$13B, roughly \$1B light due to strikes, thereby driving FCF of \$6.5B. Into 2024, NFLX expects up to \$17B in cash content spending & operating margin expansion to 22-23% as it continues to invest in content, advertising, & games. Importantly, Netflix believes it isn't anywhere near peak margin levels, & we think it is appropriate for NFLX to lean in more given its strong competitive positioning & healthy margin profile. **We model 2024 cash content spend of \$16.6B, while GAAP OI margin expands +290bps Y/Y to 22.6%, followed by +165bps of expansion in 2025 & +110bps in 2026.** FCF is trickier in 2024 because of the pull-forward in '23 (\$1.6B in '22 to \$6.5B in '23) & it's possible FCF does not grow next year. However, that is due more to strike impact and lumpiness of content spend, & we continue to believe Netflix is on track for a multi-year FCF ramp supported by operating margin expansion & cash content discipline. We project FCF of \$6.6B in 2024 (+1% Y/Y) & \$8.2B in 2025 (+24% Y/Y), with a greater share going

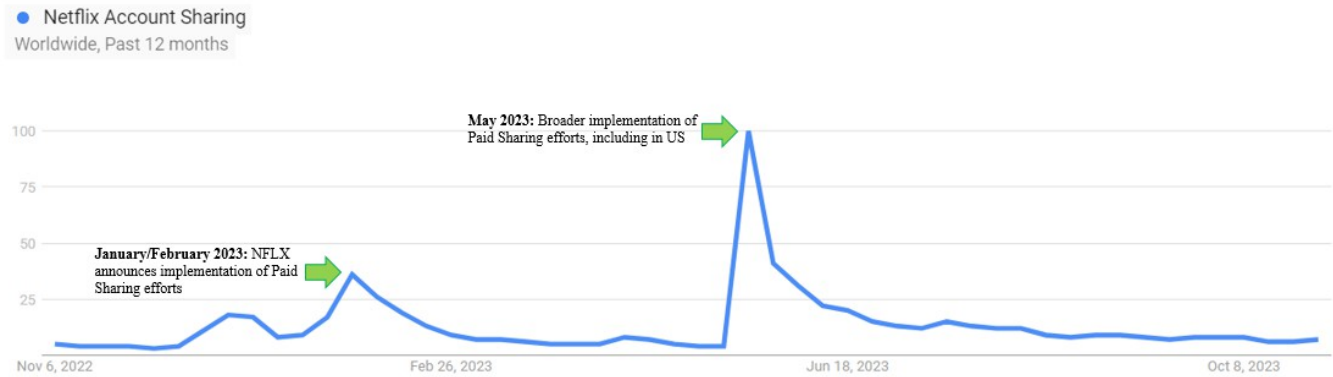
toward stock buybacks over the next few years.

Figure 1: Sprinklr Global Mentions for “Netflix Password Sharing”, “Netflix Cancel”, & “Netflix Account Sharing” — Quieter Since 1H23 Paid Sharing Rollout



Source: Sprinklr and J.P. Morgan.

Figure 2: Search Interest for “Netflix Account Sharing” Over the Past 12 Months — Quieter Since 1H23 Paid Sharing Rollout



Source: Google Trends.

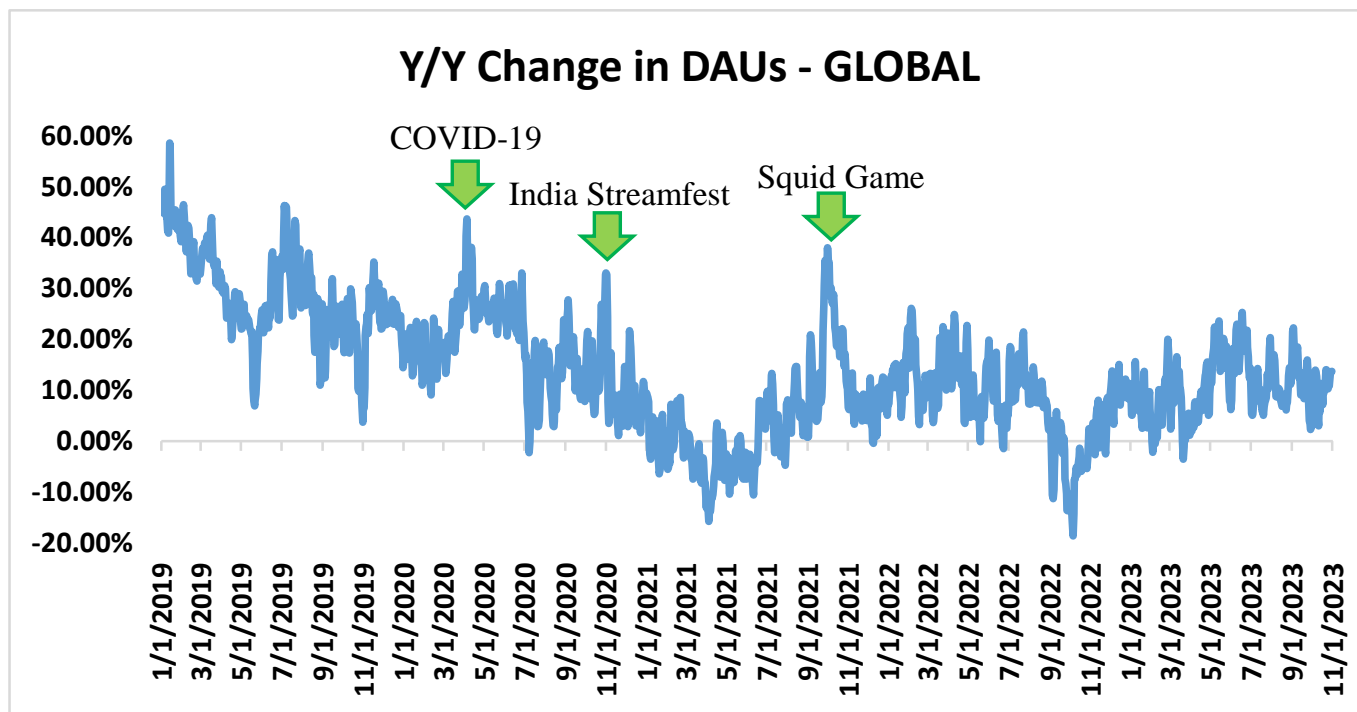
Figure 3: Search Interest for “Cancel Netflix” Over the Past 12 Months — Quieter Since 1H23 Paid Sharing Rollout



Source: Google Trends.

See Figure 4 below for Netflix's Global DAU growth since the beginning of 2019 according to Apptopia.

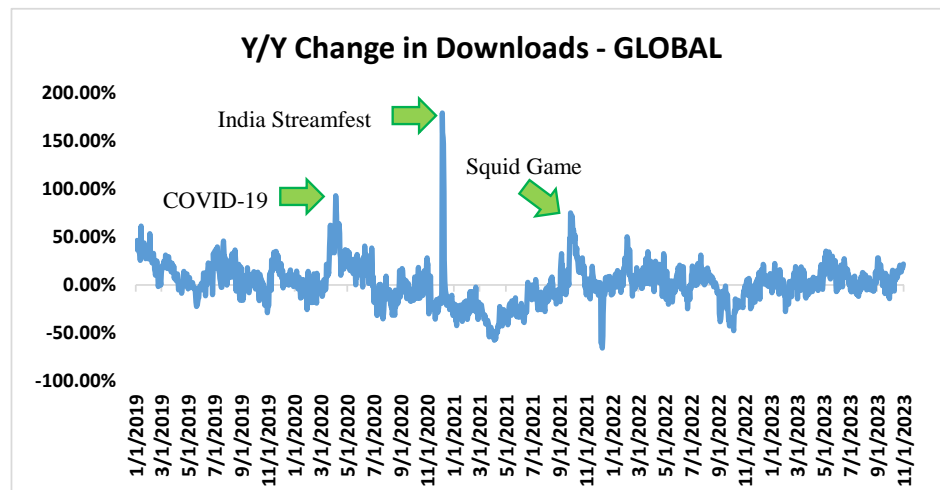
Figure 4: NFLX DAU Growth – GLOBAL – 1/1/19 to 10/31/23



Source: Apptopia

Figure 5 below shows Netflix's Global Downloads growth since the beginning of 2019 according to Apptopia.

Figure 5: NFLX Downloads Growth – GLOBAL – 1/1/19 to 10/31/23

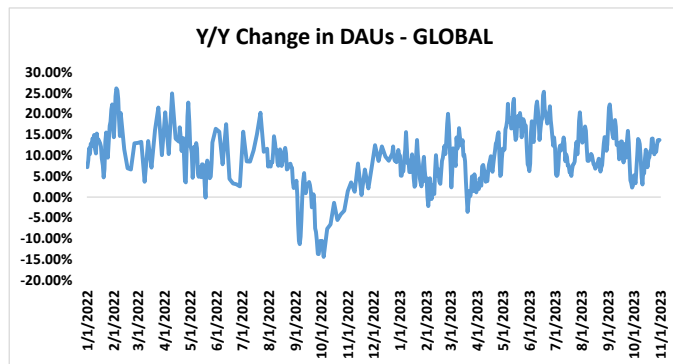


Source: Apptopia

DAU & Download Data Globally & By Region

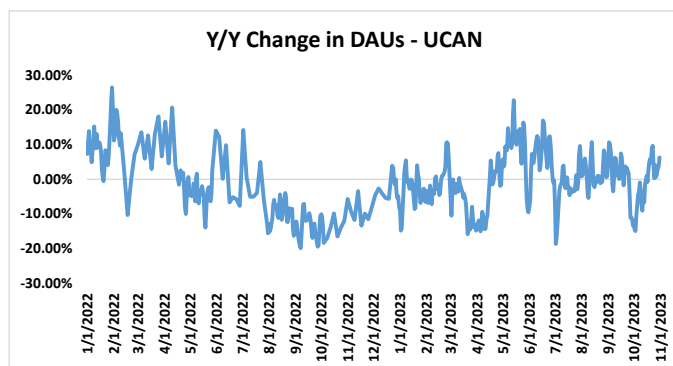
In Figures 6 through 15 below, we show the Y/Y growth in Netflix's DAUs and Downloads globally and by region.

Figure 6: NFLX DAU Growth - GLOBAL - 1/1/22 to 10/31/23



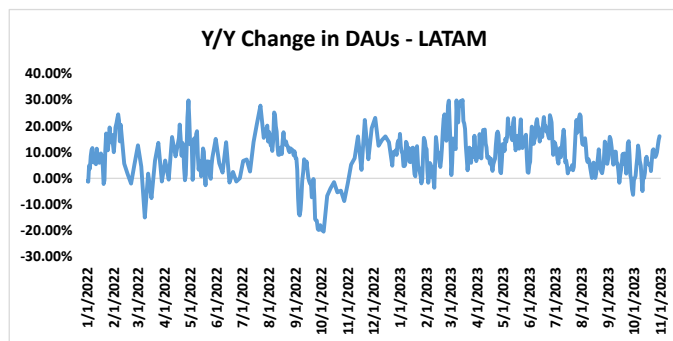
Source: Apptopia

Figure 7: NFLX DAU Growth - UCAN - 1/1/22 to 10/31/23



Source: Apptopia

Figure 9: NFLX DAU Growth - LATAM - 1/1/22 to 10/31/23

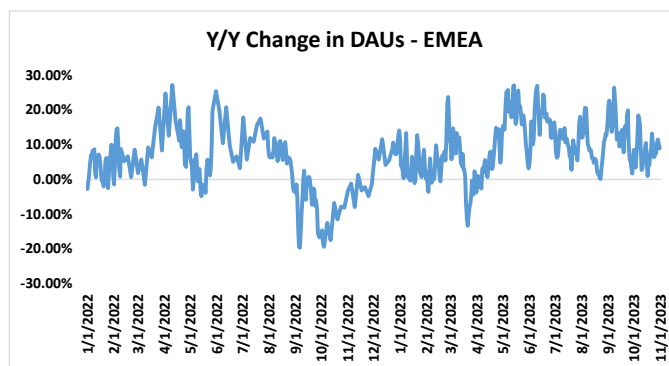


Source: Apptopia

Key DAU Takeaways:

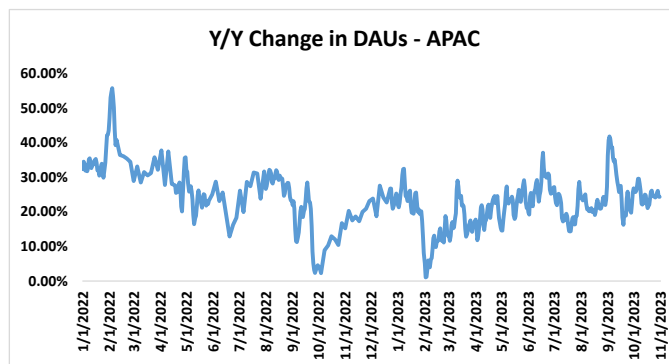
- **4QTD Global DAU** growth has decelerated to +10% Y/Y (vs +11% Y/Y in 3Q).
- **In the N-T, Paid Sharing implementation should continue to drive user growth, aided by stronger 4Q content & favorable seasonality.** The ad tier (\$6.99/month) could also support user growth as NFLX adjusts pricing (raising prices for existing Basic subs), phases out Basic for new subs in many major markets, includes Ads in device & ISP partner bundles, & increases marketing.
- By geo 4QTD DAU trends: -1% Y/Y for UCAN (flat in 3Q), +8% Y/Y for EMEA (+11% in 3Q), +6% Y/Y for LATAM (+8% in 3Q); +25% for APAC (+24% in 3Q).
- **Global 4QTD DAU Y/Y growth of +10% compares to our projected 4Q total sub growth of +11%.**

Figure 8: NFLX DAU Growth - EMEA - 1/1/22 to 10/31/23



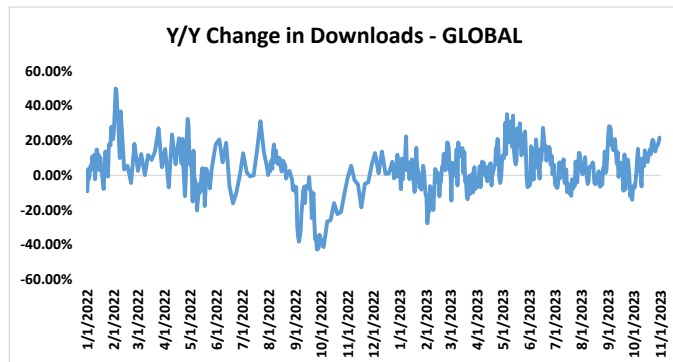
Source: Apptopia

Figure 10: NFLX DAU Growth - APAC - 1/1/22 to 10/31/23



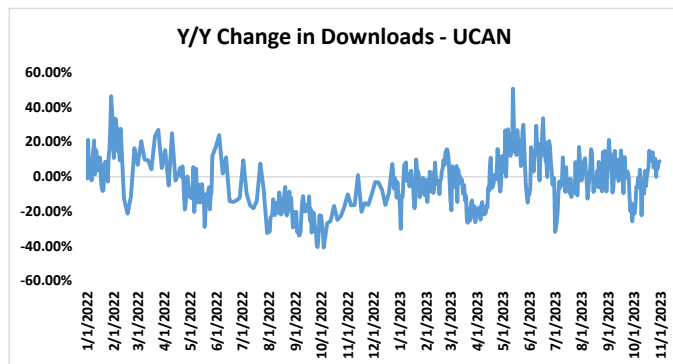
Source: Apptopia

Figure 11: NFLX Downloads Growth - GLOBAL - 1/1/22 to 10/31/23



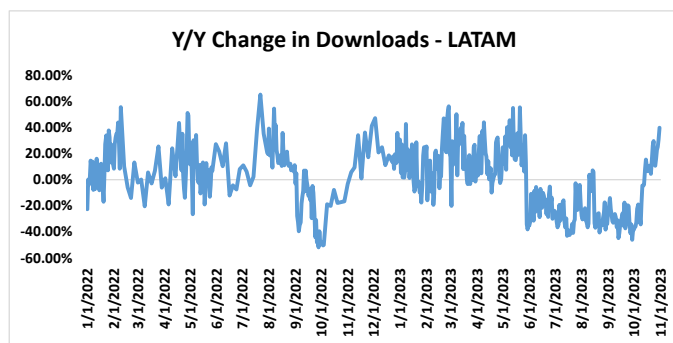
Source: Apptopia

Figure 12: NFLX Downloads Growth - UCAN - 1/1/22 to 10/31/23



Source: Apptopia

Figure 14: NFLX Downloads Growth - LATAM - 1/1/22 to 10/31/23

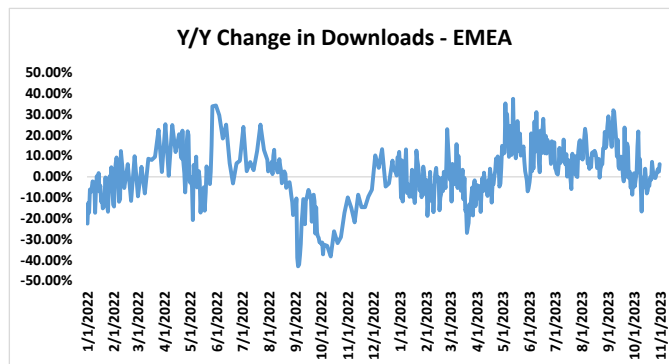


Source: Apptopia

Key Download Takeaways:

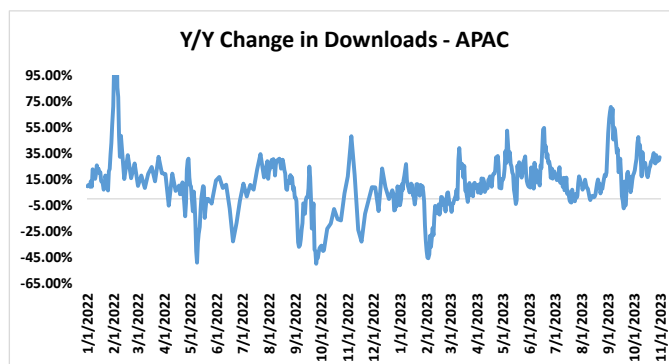
- **4QTD Global Downloads (DLs)** growth has improved meaningfully to +10% Y/Y (+3% Y/Y in 3Q) driven by LATAM & APAC. 4QTD absolute DL numbers have also improved Y/Y.
- **4QTD UCAN DLs** are flat Y/Y (-1% Y/Y in 3Q) but absolute DL data has improved relative to September.
- Other regions' 4QTD DL trends: flat Y/Y for **LATAM** (-28% in 3Q), +1% Y/Y for **EMEA** (+10% in 3Q), and +29% Y/Y for **APAC** (+16% in 3Q).

Figure 13: NFLX Downloads Growth - EMEA - 1/1/22 to 10/31/23



Source: Apptopia

Figure 15: NFLX Downloads Growth - APAC - 1/1/22 to 10/31/23

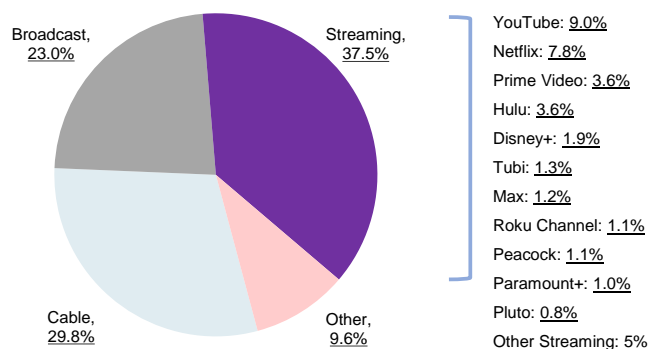


Source: Apptopia

Netflix & Industry News

- Nielsen's "The Gauge" estimates streaming's share of overall US Total Usage of Television (TUT) increased +590bps Y/Y in September to 37.5%, well above Cable (29.8%) and Broadcast (23%). NFLX's share increased +50bps Y/Y in September to 7.8% of TUT, 120bps below YouTube (9%) but well above Hulu (3.6%), Prime Video (3.6%), and Disney+ (1.9%).
- **Our Take:** Streaming has gained ~470bps share of US TV time YTD & is approaching 40% of US TV time, capturing share from both Cable & Broadcast. We remain bullish on the secular shift toward OTT video streaming, & we believe NFLX maintains a strong leadership position in an increasingly rational streaming industry given Netflix's scale, industry-leading position, and 20%+ operating margins. Solid content, Paid Sharing, & advertising should support NFLX's future growth.

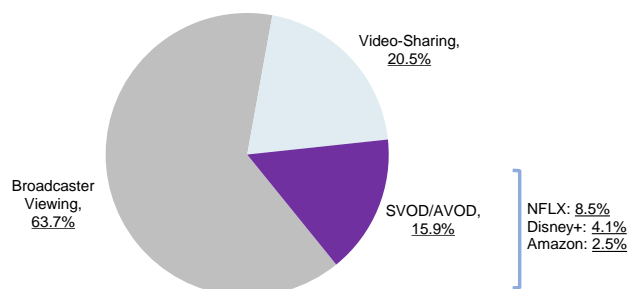
Figure 16: Streaming 37.5% of US TUT per Nielsen's "The Gauge" – September 2023



Source: Nielsen.

- The UK's Broadcasters' Audience Research Board (BARB) estimates SVOD/AVOD share of overall UK viewing reached 15.9% (-70bps M/M) in October with average viewing ~39 minutes/day, trailing broadcaster viewing (63.7% share, ~157 minutes/day) and video sharing (20.5% share, ~50 minutes/day). BARB estimates NFLX has 8.5% share of UK TV Time (-30bps M/M, ~21 minutes/day), above Disney+ (4.1% share, ~10 minutes/day) and Amazon (2.5% share, ~6 minutes/day).
- **Our Take:** SVOD/AVOD is approaching 20% of UK viewing time & we believe the secular shift OTT video streaming has strong growth ahead. NFLX has leading share of UK TV Time & the highest averaging viewing minutes/day across all SVOD/AVOD platforms, and we believe Netflix is well positioned to capture incremental share of UK viewing time amid the ongoing shift toward streaming.

Figure 17: BARB UK Viewing Market Share Analysis: October 2023



Source: Broadcasters' Audience Research Board (BARB).

Figure 18: BARB UK Viewing Time (Minutes : Seconds) – October 2023

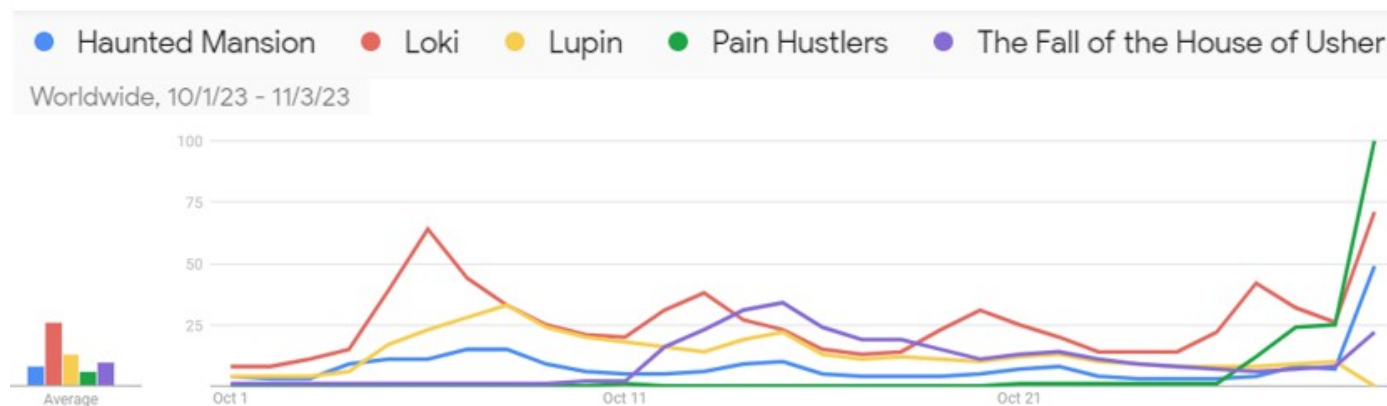
Platform	Minutes: Seconds
Broadcaster Viewing	157:04
Video-Sharing	50:29
SVOD/AVOD	39:08
NFLX	20:56
Disney+	10:04
Amazon	6:16

Source: Broadcasters' Audience Research Board (BARB).

- Nielsen recently updated “The Gauge” across [Mexico](#) & [Poland](#) for September 2023. Nielsen estimates Streaming comprises 21.6% share of Mexico TUT (+30bps M/M), trailing Broadcast (35.9%, -50bps M/M), and Pay TV (16%, +10bps M/M). NFLX has 4.8% share of Mexico TUT (+60bps M/M), below YouTube (11.6%, +70bps M/M). In Poland, Nielsen estimates Streaming comprises 6.6% share of TUT (-50bps M/M), below Satellite (33.8%, -20bps M/M), Cable (31.1%, +170bps M/M), & Terrestrial (23%, -20bps M/M). Netflix has 1.5% share of Poland TUT (-20bps M/M), below YouTube (1.7%, -30bps M/M).
- **Our Take:** Streaming's share of TV time remains underpenetrated across Mexico & Poland, & we believe the secular shift toward OTT streaming has significant growth ahead. NFLX itself has <5% share of TV time across Mexico & Poland, with room to grow through the proliferation of localized content & the ongoing secular shift.

Figure 19 below shows worldwide Google search interest since the start of 4Q for popular content releases on Netflix and other streaming platforms.

Figure 19: Search Interest for Select Netflix & Other Content Since 10/1



Source: Google Trends.

Global NFLX Viewership Data

Netflix [publishes](#) “Top 10 on Netflix,” a dedicated website tracking weekly global & country-specific lists of the platform’s most popular content, which the company updates weekly. The Top 10 lists are [based](#) on [total views](#) from Monday to Sunday the previous week, including both original & licensed content. See Figures 20-23 below for Netflix’s global Top Ten lists for the period 10/30-11/5.

Figure 20: Global Top 10 English Series - 10/30/23 to 11/5/23

10/30/23 - 11/5/23			
OVERALL	English Series	Hours Viewed (M)	Views (M)
1	All the Light We Cannot See	37.60	9.80
2	Till Murder Do Us Part	15.20	4.70
3	Bodies	33.20	4.30
4	Life on Our Planet S1	29.50	4.30
5	Unicorn Academy Chapter 1	15.10	3.30
6	Get Gotti S1	8.00	3.20
7	Fall of the House of Usher S1	23.40	2.80
8	Selling Sunset S7	18.10	2.80
9	Beckham	12.60	2.70
10	Mysteries of the Faith S1	6.60	2.30
Total		199.30	40.20

Source: Company website

Figure 21: Global Top 10 Non-English Series - 10/30/23 to 11/5/23

10/30/23 - 11/5/23			
OVERALL	Non-English Series	Hours Viewed (M)	Views (M)
1	Lupin P3	18.10	3.30
2	Pact of Silence S1	33.20	2.80
3	Elite S7	18.00	2.60
4	Strong Girl Nam-soon S1	23.10	2.30
5	Doona! S1	14.40	2.10
6	The Tailor S3	10.30	2.00
7	Onimusha S1	6.80	1.80
8	Ferry	10.10	1.70
9	Castaway Diva S1	7.70	1.60
10	Lupin P1	5.90	1.50
Total		147.60	21.70

Source: Company website

Figure 22: Global Top 10 English Films - 10/30/23 to 11/5/23

10/30/23 - 11/5/23			
OVERALL	English Films	Hours Viewed (M)	Views (M)
1	Locked In	28.80	17.80
2	Pain Hustlers	31.70	15.20
3	Cold Pursuit	17.30	8.80
4	Spider-Man: Across Spider-Verse	20.10	8.60
5	Old Dads	8.70	5.00
6	NYAD	9.50	4.70
7	Sly	7.50	4.70
8	Monster High: The Movie	6.90	4.70
9	Minions	6.60	4.40
10	Herself	6.70	4.10
Total		143.80	78.00

Source: Company website

Figure 23: Global Top 10 Non-English Films - 10/30/23 to 11/5/23

10/30/23 - 11/5/23			
OVERALL	Non-English Films	Hours Viewed (M)	Views (M)
1	Wingwomen	35.70	18.50
2	Burning Betrayal	10.70	6.50
3	Sister Death	9.30	6.10
4	Jawan: Extended Cut	14.90	5.20
5	Nowhere	3.60	2.00
6	Forgotten Love	3.90	1.70
7	A Deadly Invitation	2.20	1.40
8	Hatching	2.00	1.30
9	The Takedown	2.60	1.30
10	Ballerina	2.00	1.30
Total		86.90	45.30

Source: Company website

Key Content Takeaways:

- **Notable Content Releases:** We believe content builds into year-end, and key upcoming November series include *The Crown S6 P1* (11/16 debut), *CoComelon Lane* (11/17 debut), *Scott Pilgrim Takes Off* (based on graphic novels, 11/17 debut), *Squid Game: The Challenge* (11/22 debut), *Obliterated* (action-comedy, 11/30 debut), & *Virgin River S5 P2* (11/30 debut). Key upcoming November films include *The Killer* (David Fincher, 10/27 theatrical debut & 11/10 streaming debut), *Rustin* (Chris Rock, 11/3 theatrical debut & 11/17 streaming debut), *Leo* (Adam Sandler, 11/21 debut), *American Symphony* (Jon Batiste, 11/24 theatrical debut & 11/29 streaming debut), & *Family Switch* (Jennifer Garner, 11/30 debut). Finally, *The Netflix Cup* (live sports event, 11/14 at 6PM ET) & *The Super Mario Bros. Movie* (licensed from Universal-Illumination, 12/3 debut) should also generate strong viewership.

Global NFLX Viewership Data: All-Time

Figure 24: Global Top 10 English Series: All Time

OVERALL	English Series	Hours Viewed (M)	Views (M)
1	Wednesday S1	1,718.80	252.10
2	Stranger Things 4	1,838.00	140.70
3	DAHMER Monster	1,031.10	115.60
4	Bridgerton S1	929.30	113.30
5	The Queen's Gambit	746.40	112.80
6	The Night Agent S1	803.20	98.20
7	Stranger Things 3	716.10	94.80
8	Bridgerton S2	797.20	93.80
9	The Witcher S1	663.60	83.00
10	Queen Charlotte	526.80	81.30

Source: Company website

Figure 25: Global Top 10 Non-English Series: All Time

OVERALL	Non-English Series	Hours Viewed (M)	Views (M)
1	Squid Game S1	2,205.20	265.20
2	Money Heist P4	710.20	106.00
3	Lupin P1	396.30	99.50
4	Money Heist P5	900.70	99.20
5	Money Heist P3	519.80	80.00
6	Lupin P2	258.90	68.40
7	Who Killed Sara? P1	392.40	58.40
8	All of Us Are Dead S1	679.30	55.50
9	Elite S3	334.80	50.00
10	Dear Child	233.50	48.50

Source: Company website

Figure 26: Global Top 10 English Films: All Time

OVERALL	English Film	Hours Viewed (M)	Views (M)
1	Red Notice	454.20	230.90
2	Don't Look Up	408.60	171.40
3	The Adam Project	281.00	157.60
4	Bird Box	325.30	157.40
5	The Gray Man	299.50	139.30
6	We Can Be Heroes	231.20	137.30
7	The Mother	265.90	136.40
8	Glass Onion	320.30	136.30
9	Extraction	266.90	135.70
10	Extraction 2	278.70	134.90

Source: Company website

Note: All-Time leaders are based on total views in first 91 days post release (from each episode premiere date).

Figure 27: Global Top 10 Non-English Films: All Time

OVERALL	Non-English Film	Hours Viewed (M)	Views (M)
1	Troll	178.60	103.00
2	The Platform	129.70	82.80
3	Nowhere	138.70	76.30
4	Through My Window	116.00	61.10
5	AKA	125.90	60.90
6	Blood Red Sky	124.80	60.90
7	My Name is Vendetta	86.50	56.40
8	Black Crab	103.30	53.90
9	All Quiet on the Western Front	129.40	52.10
10	Below Zero	86.70	48.60

Source: Company website

Nielsen Data

Nielsen publishes data capturing the Top 10 content streamed within the US across overall, original, acquired, & film content. The Top 10 lists are based on minutes viewed in a specific timeframe & Nielsen data is delayed by ~1 month. See Figures 28-31 below for Nielsen's US Top Ten lists for the period 10/9-10/15. **As indicated below, NFLX captured 28 of these top 40 spots, including 7 of the top 10 overall.**

Figure 28: US Top 10 Overall Content - 10/9/23 to 10/15/23 (NFLX 7 of 10)

10/9/23 - 10/15/23			
OVERALL	Overall	Streamer	Minutes Viewed (M)
1	The Fall of the House of Usher	NFLX	1,232
2	Suits	NFLX/Peacock	1,126
3	Grey's Anatomy	NFLX	872
4	Bluey	Disney+	781
5	Love is Blind	NFLX	726
6	NCIS	NFLX/Paramount+	688
7	Haunted Mansion	Disney+	656
8	The Burial	Prime Video	637
9	Lupin	NFLX	635
10	CoComelon	NFLX	604
Total			7,957
W/W			-2%

Source: Nielsen

Figure 29: US Top 10 Original Content - 10/9/23 to 10/15/23 (NFLX 8 of 10)

10/9/23 - 10/15/23			
OVERALL	Original	Streamer	Minutes Viewed (M)
1	The Fall of the House of Usher	NFLX	1,232
2	Love is Blind	NFLX	726
3	Lupin	NFLX	635
4	Loki	Disney+	588
5	Beckham	NFLX	490
6	Great British Baking Show	NFLX	452
7	Virgin River	NFLX	418
8	Pact of Silence	NFLX	297
9	Gen V	Prime Video	290
10	Sex Education	NFLX	289
Total			5,417
W/W			6%

Source: Nielsen

Figure 30: US Top 10 Acquired Content - 10/9/23 to 10/15/23 (NFLX 7 of 10)

10/9/23 - 10/15/23			
OVERALL	Acquired	Streamer	Minutes Viewed (M)
1	Suits	NFLX/Peacock	1,126
2	Grey's Anatomy	NFLX	872
3	Bluey	Disney+	781
4	NCIS	NFLX/Paramount+	688
5	CoComelon	NFLX	604
6	Gilmore Girls	NFLX	595
7	Goosebumps	Disney+/Hulu	553
8	Shameless	NFLX	496
9	Heartland	NFLX/Hulu/Peacock	495
10	The Simpsons	Disney+	447
Total			6,657
W/W			-1%

Source: Nielsen

Note: Highlighted titles represent Netflix-exclusive content. Disney+ (DIS), Hulu (DIS), Max (WBD), Paramount+ (PARA), & Peacock (CMCSA) covered by JPM Telecom Services, Cable, & Satellite/Media/Communications Infrastructure Analyst Phil Cusick. Apple TV+ (AAPL) covered by JPM Telecom & Networking Equipment/IT Hardware Samik Chatterjee.

Figure 31: US Top 10 Films - 10/9/23 to 10/15/23 (NFLX 6 of 10)

10/9/23 - 10/15/23			
OVERALL	Films	Streamer	Minutes Viewed (M)
1	Haunted Mansion	Disney+	656
2	The Burial	Prime Video	637
3	Elemental	Disney+	540
4	Reptile	NFLX	519
5	American Made	NFLX	442
6	Casper	NFLX	328
7	Ma	NFLX	297
8	The Nightmare Before Christmas	Disney+	280
9	Nowhere	NFLX	226
10	Fair Play	NFLX	216
Total			4,141
W/W			-9%

Source: Nielsen

NFLX Original Content Slate

Figure 32: Select NFLX 4Q Original Releases - 10/3/23 to 10/24/23

4Q23			4Q23 (Cont'd)		
Oct 03	<i>Beth Stelling: If You Didn't Want Me Then</i>	Comedy	Oct 15	<i>Love is Blind S5 Reunion</i>	Special
Oct 04	Beckham	Docuseries	Oct 17	<i>Heather McMahan: Son I Never Had</i>	Comedy
Oct 04	<i>ONEFOUR: Against All Odds</i>	Documentary	Oct 17	<i>I Woke Up a Vampire</i>	Series
Oct 04	<i>Race to the Summit</i>	Documentary	Oct 17	<i>The Devil on Trial</i>	Documentary
Oct 05	<i>Everything Now</i>	Series	Oct 18	<i>Kaala Paani</i>	Series
Oct 05	<i>Khufiya</i>	Film	Oct 19	Bodies	Series
Oct 05	Lupin P3	Series	Oct 19	<i>Captain Laserhawk: A Blood Dragon Remix</i>	Anime
Oct 06	<i>A Deadly Invitation</i>	Film	Oct 19	<i>Crypto Boy</i>	Film
Oct 06	Ballerina	Film	Oct 19	<i>Neon</i>	Series
Oct 06	Fair Play (9/29 theatrical debut)	Film	Oct 20	<i>Big Mouth S7</i>	Series
Oct 07	<i>Strong Girl Nam-soon</i>	Series	Oct 20	<i>Creature</i>	Series
Oct 10	<i>Last One Standing S2</i>	Series	Oct 20	<i>Disco Inferno</i>	Film
Oct 11	<i>Big Vape: The Rise and Fall of Juul</i>	Docuseries	Oct 20	<i>Doona!</i>	Series
Oct 11	<i>Once Upon a Star</i>	Film	Oct 20	Elite S7	Series
Oct 11	Pact of Silence	Series	Oct 20	<i>Flashback</i>	Film
Oct 12	<i>Baby Animal Cam</i>	Live	Oct 20	Old Dads	Film
Oct 12	<i>Good Night World</i>	Anime	Oct 20	<i>Surviving Paradise</i>	Series
Oct 12	The Fall of the House of Usher	Series	Oct 20	<i>Vjeran Tomic: The Spider-Man of Paris</i>	Documentary
Oct 13	<i>The Conference</i>	Film	Oct 24	<i>Get Gotti</i>	Docuseries
Oct 15	<i>Camp Courage</i>	Documentary	Oct 24	<i>Pete Holmes: I Am Not for Everyone</i>	Comedy

Source: Company website. Note: Bold highlight denotes JPM Internet view as key release

Figure 33: Select NFLX 4Q Original Releases - 10/25/23 to 11/16/23

4Q23 (Cont'd)			4Q23 (Cont'd)		
Oct 25	Burning Betrayal	Film	Nov 03	<i>NYAD (10/20 theatrical debut)</i>	Film
Oct 25	Life on Our Planet	Docuseries	Nov 03	<i>Selling Sunset S7</i>	Series
Oct 25	<i>The After</i>	Film	Nov 03	<i>Sly</i>	Documentary
Oct 26	<i>PLUTO</i>	Anime	Nov 03	<i>The Tailor S3</i>	Series
Oct 27	Pain Hustlers (10/20 theatrical debut)	Film	Nov 07	<i>The Improv: 60 and Still Standing</i>	Comedy
Oct 27	<i>Sister Death</i>	Film	Nov 08	<i>Cyberbunker: The Criminal</i>	Documentary
Oct 27	<i>Tore</i>	Series	Nov 08	<i>Escaping Twin Flames</i>	Docuseries
Oct 27	<i>Yellow Door: '90s Lo-Fi Film Club</i>	Documentary	Nov 08	<i>Robbie Williams</i>	Docuseries
Oct 31	<i>Ralph Barbosa: Cowabunga</i>	Comedy	Nov 08	<i>The Billionaire, The Butler, and the Boyfriend</i>	Docuseries
Nov 01	Locked In	Film	Nov 09	<i>Akuma Kun</i>	Anime
Nov 01	Wingwomen	Film	Nov 10	<i>At the Moment</i>	Series
Nov 01	<i>Nuovo Olimpo</i>	Film	Nov 10	<i>Fame After Fame</i>	Series
Nov 01	<i>Mysteries of the Faith</i>	Docuseries	Nov 10	The Killer (10/27 theatrical debut)	Film
Nov 02	Till Murder Do Us Part: Soering vs. Haysom	Series	Nov 14	<i>Suburraeterna</i>	Series
Nov 02	All the Light We Cannot See	Series	Nov 14	<i>Dubai Bling S2</i>	Series
Nov 02	<i>Cigarette Girl</i>	Series	Nov 14	<i>How to Become a Mob Boss</i>	Docuseries
Nov 02	<i>Onimusha</i>	Anime	Nov 14	The Netflix Cup: Swing to Survive	Live
Nov 02	<i>Unicorn Academy</i>	Series	Nov 15	<i>Matt Rife: Natural Selection</i>	Comedy
Nov 03	<i>Blue Eye Samurai</i>	Series	Nov 15	<i>Stamped from the Beginning</i>	Documentary
Nov 03	<i>Daily Dose of Sunshine</i>	Series	Nov 16	<i>Best. Christmas. Ever!</i>	Film
Nov 03	<i>Ferry: The Series</i>	Series	Nov 16	<i>In Love and Deep Water</i>	Film

Source: Company website. Note: Bold highlight denotes JPM Internet view as key release

Figure 34: Select NFLX 4Q & 2024 Original Releases - 11/16/23 to 4/19/24

4Q23 (Cont'd)			4Q23 (Cont'd) & 2024		
Nov 16	<i>The Crown S6 P1</i>	Series	Nov 30	<i>The Bad Guys: A Very Bad Holiday</i>	Special
Nov 17	<i>All-Time High/Cryptoshlag</i>	Film	Nov 30	<i>Virgin River S5 P2</i>	Series
Nov 17	<i>Believer 2</i>	Film	Dec 01	<i>May December (11/17 theatrical debut)</i>	Film
Nov 17	<i>CoComelon Lane</i>	Series	Dec 01	<i>Sweet Home S2</i>	Series
Nov 17	<i>Holy Family S2</i>	Series	Dec 06	<i>Blood Coast</i>	Series
Nov 17	<i>Nothing to See Here</i>	Series	Dec 07	<i>High Tides</i>	Series
Nov 17	<i>Rustin (11/3 theatrical debut)</i>	Film	Dec 07	<i>My Life With the Walter Boys</i>	Series
Nov 17	<i>Scott Pilgrim Takes Off</i>	Anime	Dec 07	<i>The Archies</i>	Film
Nov 17	<i>The Dads</i>	Documentary	Dec 07	<i>World War II: From the Frontlines</i>	Series
Nov 20	<i>Stamped from the Beginning</i>	Documentary	Dec 08	<i>Leave The World Behind (11/22 theatrical debut)</i>	Film
Nov 21	<i>Leo</i>	Film	Dec 12	<i>Kevin Hart & Chris Rock: Headliners Only</i>	Comedy
Nov 22	<i>High on the Hog: How African American Cuisine Transformed America S2</i>	Docuseries	Dec 12	<i>Under Pressure: The U.S. Women's World Cup Team</i>	Docuseries
Nov 22	<i>Squid Game: The Challenge</i>	Series	Dec 14	<i>The Crown S6 P2</i>	Documentary
Nov 23	<i>My Daemon</i>	Anime	Dec 15	<i>Carol & The End of the World</i>	Comedy
Nov 23	<i>My Little Pony: Make Your Mark Chapter 6</i>	Series	Dec 15	<i>Chicken Run: Dawn of the Nugget</i>	Film
Nov 24	<i>A Nearly Normal Family</i>	Series	Dec 15	<i>Face to Face with ETA: Conversations with a Terrorist</i>	Documentary
Nov 24	<i>Elena Knows</i>	Film	Dec 20	<i>Maestro (11/22 theatrical debut)</i>	Film
Nov 24	<i>Last Call for Istanbul</i>	Film	Dec 22	<i>Rebel Moon P1</i>	Film
Nov 27	<i>Go, Dog, Go! S4</i>	Series	Dec 29	<i>Money Heist Berlin</i>	Series
Nov 28	<i>Love Like a K-Drama</i>	Series	Jan 01	<i>Fool Me Once</i>	Series
Nov 28	<i>Onmyoji</i>	Anime	Jan 04	<i>Society of the Snow</i>	Film
Nov 28	<i>Verified Stand-Up</i>	Comedy	Jan 12	<i>Lift</i>	Film
Nov 29	<i>American Symphony (11/24 theatrical debut)</i>	Documentary	Jan 25	<i>Griselda</i>	Series
Nov 29	<i>Bad Surgeon: Love Under the Knife</i>	Docuseries	Feb 22	<i>Avatar: The Last Airbender</i>	Series
Nov 30	<i>Family Switch</i>	Film	Apr 19	<i>Rebel Moon P2</i>	Film
Nov 30	<i>Obliterated</i>	Series			

Source: Company website. Note: Bold highlight denotes JPM Internet view as key release

Figure 35: Select NFLX TBA Original Releases

Upcoming Releases		Upcoming Releases (Cont'd)	
A Family Affair	Film	<i>Exploding Kittens</i>	Series
<i>A Man in Full</i>	Series	Extraction 3	Film
Alice in Borderland S3	Series	FUBAR S2	Series
Arcane S2	Series	<i>Full Swing S2</i>	Series
<i>DNA Do Crime</i>	Series	Formula 1: Drive to Survive S6	Series
<i>Blood of Zeus S2</i>	Series	Spaceman	Film
<i>Bodkin</i>	Series	Squid Game S2	Series
Bridgerton S3	Series	Stranger Things S5	Series
<i>Carry-On</i>	Film	<i>That 90's Show S2</i>	Series
<i>Chada 'Xpress</i>	Film	<i>Girls5Eva S3</i>	Series
Cobra Kai S6	Series	<i>Gyeongseong Creature</i>	Series
<i>Code 8 Part II</i>	Film	<i>In Your Dreams</i>	Film
Damsel	Film	Jurassic World: Chaos Theory	Film
<i>Devil May Cry</i>	Series	Mea Culpa	Film
Emily in Paris S4	Series	<i>Meet Me Next Christmas</i>	Film
<i>Elite S8</i>	Series	<i>Mo S2</i>	Series

Source: Company website. Note: Bold highlight denotes JPM Internet view as key release

Figure 36: Select NFLX TBA Original Releases

Upcoming Releases (Cont'd)		Upcoming Releases (Cont'd)	
<i>Monkey Man</i>	Film	<i>The Lincoln Lawyer S3</i>	Series
<i>Monsters: The Lyle and Erik Menendez Story</i>	Docuseries	<i>The Madness</i>	Series
<i>Mother of the Bride</i>	Film	<i>The Mothership</i>	Film
<i>Orion and the Dark</i>	Film	<i>The Night Agent S2</i>	Series
<i>Outer Banks S4</i>	Series	<i>The Old Guard 2</i>	Film
<i>Players</i>	Film	<i>The Recruit S2</i>	Series
<i>Pokemon Concierge</i>	Series	<i>The Umbrella Academy S4</i>	Series
<i>Ripley</i>	Series	<i>The Vince Staples Show</i>	Series
<i>SAVING BIKINI BOTTOM: THE SANDY CHEEKS MOVIE</i>	Film	<i>The Union</i>	Film
<i>Shirley</i>	Film	<i>Thelma The Unicorn</i>	Film
<i>Six Triple Eight</i>	Film	<i>Through My Window: Looking at You</i>	Film
<i>That Christmas</i>	Film	<i>Ultraman: Rising</i>	Film
<i>The Brothers Sun</i>	Series	<i>Wednesday S2</i>	Series
<i>The Decameron</i>	Series	<i>XO, Kitty S2</i>	Series
<i>The Diplomat S2</i>	Series	<i>You S5</i>	Series
<i>The Dragon Prince S6</i>	Series	<i>3 Body Problem</i>	Series
<i>The Electric State</i>	Film		

Source: Company website. Note: Bold highlight denotes JPM Internet view as key release

Disney+ Original Content Slate

Figure 37: Select Disney+ 4Q & 2024 Original Release Dates

4Q23			4Q23 (Cont'd) & 2024		
Oct 01	<i>Toy Story Funday Football</i>	Special	Nov 03	<i>Marvel Studios Legends: Monica Rambeau</i>	Docuseries
Oct 02	<i>Mickey & Friends Tick or Treats</i>	Special	Nov 03	<i>Now and Then - The Last Beatles Song</i>	Documentary
Oct 04	<i>Haunted Mansion (7/23 theatrical debut)</i>	Film	Nov 03	<i>2023 Rock & Roll Hall of Fame Induction Ceremony</i>	Special
Oct 05	<i>Loki S2 (Marvel)</i>	Series	Nov 06	<i>JFK: One Day in America</i>	Docuseries
Oct 11	<i>4EVER</i>	Series	Nov 08	<i>Daddies on Request</i>	Series
Oct 11	<i>The Simpsons S34</i>	Series	Nov 08	<i>The Santa Clauses S2</i>	Series
Oct 13	<i>Goosebumps</i>	Series	Nov 17	<i>Dashing Through The Snow</i>	Film
Oct 20	<i>Marvel Studios' Werewolf by Night in Color</i>	Film	Nov 23	<i>The Naughty Nine</i>	Film
Oct 25	<i>Big City Greens S4</i>	Series	Nov 23	<i>Assembled: The Making of Loki S2</i>	Documentary
Oct 27	<i>Explorer: Lake of Fire</i>	Special	Nov 25	<i>Doctor Who: The Star Beast</i>	Special
Oct 27	<i>LEGO Marvel Avengers: Code Red</i>	Film	Nov 29	<i>Mickey's Christmas Tales</i>	Shorts
Oct 31	<i>Dancing with the Stars: Halloween Special</i>	Special	Dec 01	<i>Indiana Jones and the Dial of Destiny (6/30 theatrical debut)</i>	Film
Nov 01	<i>Behind the Attraction S2</i>	Series	Dec 02	<i>Doctor Who: Wild Blue Wonder</i>	Special
Nov 01	<i>Frebuds S2</i>	Series	Dec 08	<i>Diary of a Wimpy Kid Christmas: Cabin Fever</i>	Special
Nov 01	<i>The Three Detectives</i>	Series	Dec 09	<i>Doctor Who: The Gigggle</i>	Special
Nov 03	<i>Marvel Studios Legends: Carol Danvers</i>	Docuseries	Dec 20	<i>Percy Jackson and The Olympians</i>	Series
Nov 03	<i>Marvel Studios Legends: Kamala Khan</i>	Docuseries	Jan 10	<i>Echo (Marvel)</i>	Series

Source: Company website. Note: Bold denotes JPM Internet view of key releases. Disney+ (DIS) covered by JPM Telecom Services, Cable, & Satellite/Media/Communications Infrastructure Analyst Phil Cusick.

Figure 38: Select Disney+ TBA Original Releases

Upcoming Releases		Upcoming Releases	
<i>Agatha: Coven of Chaos (Marvel)</i>	Series	<i>Star Wars: The Acolyte</i>	Series
<i>Armor Wars (Marvel)</i>	Series	<i>The Marvels (11/10/23 theatrical debut)</i>	Film
<i>Daredevil: Born Again (Marvel)</i>	Series	<i>The Spiderwick Chronicles</i>	Series
<i>Echo (Marvel)</i>	Series	<i>What If...? S2 (Marvel)</i>	Series
<i>Ironheart (Marvel)</i>	Series	<i>Win or Lose</i>	Series
<i>Iwaju</i>	Series	<i>Wish (11/22/23 theatrical debut)</i>	Film
<i>Spider-Man: Freshman Year (Marvel)</i>	Series	<i>X-Men '97 (Marvel)</i>	Series
<i>Star Wars: Rangers of the New Republic</i>	Series		

Source: Company website. Note: Bold denotes JPM Internet view of key releases. Disney+ (DIS) covered by JPM Telecom Services, Cable, & Satellite/Media/Communications Infrastructure Analyst Phil Cusick.

AMZN Prime Video Original Content Slate

Figure 39: Select Prime Video 4Q & 2024 Original Release Dates

4Q23			4Q23 (Cont'd) & 2024		
Oct 03	<i>Make Me Scream</i>	Special	Nov 12	<i>Jinny's Kitchen: Team Building</i>	Series
Oct 06	<i>Desperately Seeking Soulmate: Escaping Twin Flames Universe</i>	Docuseries	Nov 14	<i>Trevor Wallace: Pterodactyl</i>	Series
Oct 06	<i>Totally Killer</i>	Film	Nov 17	<i>Exmas</i>	Film
Oct 10	<i>Mr. Dressup: The Magic of Make-Believe</i>	Documentary	Nov 17	<i>Twin Love</i>	Documentary
Oct 11	<i>Awareness</i>	Film	Nov 17	<i>Maxine's Baby: The Tyler Perry Story</i>	Documentary
Oct 12	<i>In My Mother's Skin</i>	Film	Nov 21	<i>Bye Bye Barry</i>	Documentary
Oct 13	<i>Everyone Loves Diamonds S1</i>	Series	Nov 22	<i>Comedy Island Japan</i>	Series
Oct 13	<i>Jigen Daisuke</i>	Film	Nov 22	<i>Saltburn (11/17 theatrical debut)</i>	Film
Oct 13	<i>The Burial (10/6 theatrical debut)</i>	Film	Nov 24	<i>Elf Me</i>	Film
Oct 20	<i>Bosch: Legacy S2</i>	Series	Nov 29	<i>Pretty Hard Cases S3</i>	Series
Oct 20	<i>Sayen: Desert Road</i>	Film	Dec 01	<i>Candy Cane Lane</i>	Film
Oct 20	<i>Silver Dollar Road</i>	Film	Dec 06	<i>Hollywood Houselift with Jeff Lewis S2</i>	Series
Oct 20	<i>Upload S3</i>	Series	Dec 07	<i>Coach Prime S2</i>	Docuseries
Oct 24	<i>Hot Potato: The Story of the Wiggles</i>	Documentary	Dec 08	<i>Dating Santa</i>	Film
Oct 24	<i>Zainab Johnson: Hijabs Off</i>	Comedy	Dec 08	<i>Merry Little Batman</i>	Film
Oct 27	<i>Iosi, El Espia Arrepentido S2</i>	Series	Dec 08	<i>Your Christmas Or Mine 2</i>	Film
Nov 03	<i>Invincible S2</i>	Series	Dec 15	<i>Reacher S2</i>	Series
Nov 09	<i>BTS: Yet to Come</i>	Film	Jan 26	<i>Expats S1</i>	Series
Nov 10	<i>Dina Hashem: Dark Little Whispers</i>	Series	Apr 12	<i>Fallout</i>	Series
Nov 10	<i>007: Road to a Million</i>	Series			

Source: Company website. Note: Bold denotes JPM Internet view of key releases. Thursday Night Football (TNF) returned on 9/14/23.

Figure 40: Select Prime Video TBA Original Release Dates

Upcoming Releases		Upcoming Releases (Cont'd)	
Amar é para os Fortes	Series	Red One	Film
Citadel S2	Series	Roadhouse	Film
Citadel: Diana S1	Series	Takeshi's Castle S1	Series
Cross	Film	The Boys S4	Series
Foe (10/6 theatrical debut)	Film	The Girl Who Killer Her Parents - The Confession	Film
Hazbin Hotel	Series	The Idea of You	Film
How to Date Billy Walsh	Film	The Lord of the Rings: The Rings of Power S2	Series
LOL: Last One Laughing Ireland S1	Series	The Park Maniac	Film
Maniaco do Parque: A Historia Nao Contada	Series	The Ride	Docuseries
Missao Porto Seguro	Film	Wilderness S1	Series
Mr. & Mrs. Smith S1	Series		

Source: Company website.

Max Original Content Slate

Figure 41: Select Max 4Q Original Release Dates

4Q23			4Q23 (Cont'd)		
Oct 01	<i>The Ringleader: The Case of the Bling Ring</i>	Docuseries	Nov 07	<i>Beat Bobby Flay: Holiday Throwdown S2</i>	Series
Oct 05	<i>Oscar's Handmade Halloween</i>	Special	Nov 07	<i>Building Roots S1B</i>	Series
Oct 05	<i>Our Flag Means Death S2</i>	Series	Nov 07	<i>Fixer to Fabulous S5</i>	Series
Oct 06	<i>Deane's Dynasty</i>	Series	Nov 07	<i>Operation Undercover</i>	Series
Oct 09	<i>The Matthew Shepard Story: An American Hate Crime</i>	Documentary	Nov 07	<i>Stand Up & Shout: Songs from a Philly High School</i>	Documentary
Oct 10	<i>No Accident</i>	Documentary	Nov 08	<i>Help! I Wrecked My House S4</i>	Series
Oct 12	<i>Doom Patrol S4</i>	Series	Nov 08	<i>You Were My First Boyfriend</i>	Documentary
Oct 12	<i>Frankelda's Book of Spooks</i>	Series	Nov 08	<i>Fixer Upper: The Hotel</i>	Series
Oct 19	<i>Candy Cruz</i>	Series	Nov 09	<i>RAP SHIT S2</i>	Series
Oct 19	<i>Peter & the Wolf</i>	Short	Nov 09	<i>Sesame Street S54</i>	Series
Oct 19	<i>Scavengers Reign</i>	Series	Nov 09	<i>Sesame Street Friends S4</i>	Series
Oct 19	<i>Teenage Kiss: The Future Is Dead</i>	Series	Nov 11	<i>Albert Brooks: Defending My Life</i>	Documentary
Oct 22	<i>AKA Mr. Chow</i>	Documentary	Nov 12	<i>Julia S2</i>	Series
Oct 23	<i>30 Coins S2</i>	Series	Nov 12	<i>American Monster S9A</i>	Series
Oct 29	<i>The Gilded Age S2</i>	Series	Nov 13	<i>Love Has Won</i>	Docuseries
Nov 02	<i>Christmas Cookie Challenge S7</i>	Series	Nov 16	<i>Julia S2</i>	Series
Nov 03	<i>Scent of Time</i>	Series	Nov 16	<i>The Dog House: UK, Christmas Special</i>	Special
Nov 05	<i>Holiday Wars S5</i>	Series	Nov 19	<i>Teen Titans Go! Wishbone</i>	Special
Nov 05	<i>OWN Spotlight: Oprah & Nicole Avant S1</i>	Series	Nov 23	<i>Little Richard: I Am Everything</i>	Documentary
Nov 05	<i>The Lost Women of Highway 20 S1</i>	Series	Nov 28	<i>South To Black Power</i>	Documentary
Nov 05	<i>The Mountain Kitchen S1</i>	Series	Nov 30	<i>Bookie S1</i>	Series
Nov 06	<i>Holiday Baking Championship S10</i>	Series	Nov 30	<i>Selena+ Chef: Home for the Holidays</i>	Special
Nov 06	<i>The Family Chantel S5</i>	Series			

Source: Company website. Note: Bold denotes JPM Internet view of key releases. Max (WBD) covered by JPM Telecom Services, Cable, & Satellite/Media/Communications Infrastructure Analyst Phil Cusick.

Hulu Original Content Slate

Figure 42: Select Hulu 4Q Original Release Dates

4Q23			4Q23 (Cont'd)		
Oct 01	<i>Crazy Fun Park</i>	Series	Nov 08	<i>Ultimas Ferias S1</i>	Series
Oct 01	<i>FLCL: Shoegaze S5</i>	Series	Nov 08	<i>Vigilante S1</i>	Series
Oct 02	Appendage	Film	Nov 09	<i>The 57th Annual GMA Awards</i>	Special
Oct 02	Fright Krewe S1	Series	Nov 13	<i>Brawn: The Impossible Formula 1 Story</i>	Docuseries
Oct 02	<i>Bob's Burgers S14</i>	Series	Nov 13	<i>FX's A Murder at the End of the World</i>	Series
Oct 02	<i>Family Guy S22</i>	Series	Nov 13	<i>Soy Ty Fan: La Fiesta Continua S1</i>	Series
Oct 02	<i>The Simpsons S35</i>	Series	Nov 13	<i>The Lady Bird Diaries</i>	Documentary
Oct 06	<i>Undead Unlock</i>	Series	Nov 16	Drive with Swizz Beats	Docuseries
Oct 09	The Mill	Film	Nov 17	<i>The Secret Life of Dancing Dogs</i>	Docuseries
Oct 12	<i>Monster Inside: America's Most Extreme Haunted House</i>	Documentary	Nov 20	<i>Spellbound S1B</i>	Docuseries
Oct 13	<i>Goosebumps</i>	Series	Nov 22	<i>FX's Fargo Year 5</i>	Series
Oct 18	<i>Living for the Dead S1</i>	Series	Nov 26	Faraway Downs	Series
Oct 26	<i>FX's American Horror Stories Halloween Event</i>	Series	Nov 29	<i>El Encargado S2</i>	Series
Nov 01	<i>Arthdal Chronicles S2</i>	Series	Nov 29	<i>The Artful Dodger S1</i>	Series
Nov 01	Black Cake	Series	Nov 30	<i>Grand Parade Dia de los Muertos</i>	Special
Nov 03	Quiz Lady	Film	Nov 30	<i>Wild Crimes S3</i>	Series
Nov 08	<i>The Croods: Family Tree S8</i>	Series			

Source: Company website. Note: Bold denotes JPM Internet view of key releases. Hulu (DIS) covered by JPM Telecom Services, Cable, & Satellite/Media/Communications Infrastructure Analyst Phil Cusick.

Key Theatrical Releases

Figure 43: Select Theatrical 4Q23 & 2024 Release Dates

4Q23 & 2024			2024 (Cont'd)		
Oct 2023	<i>The Exorcist</i>	Film	Feb 2024	<i>Argylle</i>	Film
Oct 2023	<i>Taylor Swift Eras Tour</i>	Film	Feb 2024	<i>It Ends With Us</i>	Film
Oct 2023	<i>Killers of the Flower Moon</i>	Film	Feb 2024	<i>Bob Marley One Love</i>	Film
Oct 2023	<i>Five Nights at Freddy's</i>	Film	Feb 2024	<i>Madame Web</i>	Film
Nov 2023	<i>The Marvels</i>	Film	Feb 2024	<i>Drive-Away Dolls</i>	Film
Nov 2023	<i>The Hunger Games: The Ballad of Songbirds and Snakes</i>	Film	Feb 2024	<i>Ordinary Angels</i>	Film
Nov 2023	<i>Trolls 3</i>	Film	Mar 2024	<i>The Fall Guy</i>	Film
Nov 2023	<i>Napoleon</i>	Film	Mar 2024	<i>Imaginary</i>	Film
Nov 2023	<i>Wish</i>	Film	Mar 2024	<i>Cabrini</i>	Film
Dec 2023	<i>RENAISSANCE: A Film by Beyonce</i>	Film	Mar 2024	<i>Kung Fu Panda 4</i>	Film
Dec 2023	<i>Poor Things</i>	Film	Mar 2024	<i>Dune: Part Two</i>	Film
Dec 2023	<i>Wonka</i>	Film	Mar 2024	<i>Ghostbusters 5</i>	Film
Dec 2023	<i>Aquaman and the Lost Kingdom</i>	Film	Mar 2024	<i>Mickey 17</i>	Film
Dec 2023	<i>Migration</i>	Film	Apr 2024	<i>Godzilla vs. Kong 2</i>	Film
Dec 2023	<i>Ferrari</i>	Film	Apr 2024	<i>Abducting Abigail</i>	Film
Dec 2023	<i>The Color Purple</i>	Film	Apr 2024	<i>Challengers</i>	Film
Jan 2024	<i>The Book of Clarence</i>	Film	Apr 2024	<i>Unsung Hero</i>	Film
Jan 2024	<i>The Beekeeper</i>	Film	May 2024	<i>Deadpool 3</i>	Film
Jan 2024	<i>Mean Girls Musical</i>	Film	May 2024	<i>My Ex-Friends Wedding</i>	Film

Source: Box Office Mojo & HSX.com.

Figure 44: Select Theatrical 2024 (Cont'd), 2025, 2026, & 2027 Release Dates

2024 (Cont'd)			2024 (Cont'd), 2025, 2026, & 2027		
May 2024	<i>Imaginary Friends</i>	Film	Nov 2024	<i>Amateur</i>	Film
May 2024	<i>Furiosa</i>	Film	Nov 2024	<i>Alto Knights</i>	Film
May 2024	<i>Garfield</i>	Film	Nov 2024	<i>Gladiator 2</i>	Film
May 2024	<i>The Kingdom of the Planet of the Apes</i>	Film	Nov 2024	<i>Wicked Part 1</i>	Film
Jun 2024	<i>Ballerina</i>	Film	Dec 2024	<i>The Lord of the Rings: The War of the Rohirrim</i>	Film
Jun 2024	<i>Inside Out 2</i>	Film	Dec 2024	<i>Karate Kid</i>	Film
Jun 2024	<i>Bad Boys 4</i>	Film	Dec 2024	<i>Sonic the Hedgehog 3</i>	Film
Jun 2024	<i>A Quiet Place: Day One</i>	Film	Dec 2024	<i>Thunderbolts</i>	Film
Jun 2024	<i>Horrorscope</i>	Film	Jan 2025	<i>M3GAN 2.0</i>	Film
Jul 2024	<i>Despicable Me 4</i>	Film	Feb 2025	<i>Blade</i>	Film
Jul 2024	<i>Mufasa: The Lion King</i>	Film	Feb 2025	<i>The Smurfs Movie</i>	Film
Jul 2024	<i>Venom 3</i>	Film	Mar 2025	<i>How to Train Your Dragon</i>	Film
Jul 2024	<i>Twisters</i>	Film	Mar 2025	<i>Snow White</i>	Film
Jul 2024	<i>Captain America: Brave New World</i>	Film	May 2025	<i>Fantastic Four</i>	Film
Aug 2024	<i>Trap</i>	Film	May 2025	<i>Mission Impossible - Dead Reckoning P2</i>	Film
Aug 2024	<i>Harold and the Purple Crayon</i>	Film	May 2025	<i>The Spongebob Movie 4</i>	Film
Aug 2024	<i>Borderlands</i>	Film	Jun 2025	<i>Elio</i>	Film
Aug 2024	<i>Speak No Evil</i>	Film	Jun 2025	<i>Moana (Live Action)</i>	Film
Aug 2024	<i>Kraven the Hunter</i>	Film	Jul 2025	<i>Superman: Legacy</i>	Film
Sep 2024	<i>Beetlejuice 2</i>	Film	Oct 2025	<i>The Batman Part II</i>	Film
Sep 2024	<i>Transformers One</i>	Film	Oct 2025	<i>Animated Aang Avatar</i>	Film
Oct 2024	<i>Joker 2</i>	Film	Nov 2025	<i>Wicked Part 2</i>	Film
Oct 2024	<i>Smile 2</i>	Film	Dec 2025	<i>Avatar 3: The Seed Bearer</i>	Film
Oct 2024	<i>Terrifier 3</i>	Film	May 2026	<i>Avengers: The Kang Dynasty</i>	Film
Oct 2024	<i>Halloween: Season of the Boogeyman</i>	Film	May 2027	<i>Avengers: Secret Wars</i>	Film

Source: Box Office Mojo & HSX.com.

JPM NFLX & Related Research

- 10/24/23: [JPM Media Survey Takeaways](#)
- 10/19/23: [NFLX: 3Q23 Earnings Review](#)
- 10/12/23: [NFLX: Trending & 3Q23 Preview](#)
- 10/11/23: [US Internet Global Monthly User Metrics, September & 3Q23](#)
- 10/11/23: [JPM September Apptopia Update](#)
- 9/28/23: [NFLX: Reducing Estimates Ahead of 3Q Earnings](#)
- 9/7/23: [NFLX Trending, September 2023](#)
- 9/7/23: [JPM August Apptopia Update](#)
- 9/5/23: [US Internet Global Monthly User Metrics, August 2023](#)
- 8/17/23: [US Internet Guidebook, August 2023](#)
- 8/11/23: [NFLX Trending, August 2023](#)
- 8/8/23: [US Internet Global Monthly User Metrics, July 2023](#)
- 8/7/23: [JPM July Apptopia Update](#)
- 7/20/23: [NFLX: 2Q23 Earnings Review](#)
- 7/14/23: [US Internet Global Monthly User Metrics, June & 2Q23](#)
- 7/13/23: [NFLX: Trending & 2Q23 Preview](#)
- 7/7/23: [JPM June Apptopia Update](#)
- 6/15/23: 2Q23 Streaming Video Survey Takeaways ([Slides](#), [Report](#))
- 6/9/23: [US Internet Guidebook, June 2023](#)
- 6/7/23: [NFLX: Trending & Paid Sharing Deep Dive](#)
- 6/6/23: [JPM May Apptopia Update](#)
- 5/18/23: [NFLX: Takeaways from Upfront](#)
- 5/16/23: [NFLX Trending, May](#)
- 5/8/23: [JPM April Apptopia Update](#)
- 4/19/23: [NFLX: 1Q23 Earnings Review](#)
- 4/11/23: [NFLX: Trending & 1Q Preview](#)
- 4/6/23: [JPM March Apptopia Update](#)
- 3/20/23: [NFLX: Trending, March](#)
- 3/8/23: [US Internet Guidebook, March 2023](#)
- 3/6/23: [JPM February Apptopia Update](#)
- 3/6/23: [JPM Media Survey Takeaways](#)
- 2/23/23: [NFLX: Thoughts on Recent Price Cuts](#)
- 2/20/23: [NFLX Trending, February](#)
- 2/6/23: [JPM January Apptopia Update](#)

Model Pages

Figure 45: Netflix Income Statement

In millions, except per share data

	2019A	2020A	2021A	2022A	3/23A	6/23A	9/23A	12/23E	2023E	3/24E	6/24E	9/24E	12/24E	2024E	2025E
Revenues	\$20,156.4	\$24,996.1	\$29,697.8	\$31,615.6	\$8,161.5	\$8,187.3	\$8,541.7	\$8,697.9	\$33,588.4	\$9,410.4	\$9,517.3	\$9,896.5	\$10,011.9	\$38,836.1	\$43,654.6
Streaming revenues	\$19,859.2	\$24,756.7	\$29,515.5	\$31,469.9	\$8,130.0	\$8,158.3	\$8,519.3	\$8,697.9	\$33,505.6	\$9,410.4	\$9,517.3	\$9,896.5	\$10,011.9	\$38,836.1	\$43,654.6
DVD revenues	\$297.2	\$239.4	\$182.3	\$145.7	\$31.5	\$29.0	\$22.4	\$0.0	\$82.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cost of revenues:															
Amortization of streaming content assets	9,216.2	10,806.9	12,230.4	14,026.1	3,460.0	3,410.0	3,573.4	3,576.3	14,019.7	3,650.8	3,677.3	3,827.7	4,358.5	15,514.2	17,031.1
Amortization of streaming content assets - Domestic															
Amortization of streaming content assets - International															
Amortization of DVD content assets	29.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other cost of revenues - Streaming	3,100.8	4,369.0	5,026.4	5,082.1	1,330.7	1,251.4	1,348.8	1,739.6	5,670.5	1,505.7	1,427.6	1,583.4	1,702.0	6,218.7	6,766.5
Other cost of revenues - DVD	94.1	100.4	75.9	60.1	12.9	12.0	8.7	0.0	33.6	0.0	0.0	0.0	0.0	0.0	0.0
Cost of revenues	12,440.2	15,276.3	17,332.7	19,168.3	4,803.6	4,673.5	4,930.8	5,315.9	19,723.8	5,156.4	5,104.9	5,411.2	6,060.5	21,732.9	23,797.6
Gross profit	7,716.2	9,719.7	12,365.2	12,447.3	3,357.9	3,513.8	3,610.9	3,382.0	13,864.6	4,254.0	4,412.4	4,485.4	3,951.4	17,103.2	19,857.1
Operating expenses:															
Marketing	2,652.5	2,228.4	2,545.1	2,530.5	555.4	627.2	558.7	948.1	2,689.3	639.9	694.8	712.5	981.2	3,028.4	3,492.4
Technology and development	1,545.1	1,829.6	2,273.9	2,711.0	687.3	658.0	657.2	730.6	2,733.0	734.0	751.9	762.0	780.9	3,028.8	3,361.4
General and administrative	914.4	1,076.5	1,351.6	1,572.9	400.9	401.5	478.6	539.3	1,820.3	545.8	552.0	574.0	580.7	2,252.5	2,401.0
Stock-based compensation	405.4	415.2	403.2	575.5	99.1	78.0	79.7	87.0	343.8	94.1	95.2	99.0	100.1	388.4	436.5
Total operating expenses	5,112.0	5,134.4	6,170.7	6,814.4	1,643.6	1,686.6	1,694.5	2,218.0	7,242.7	1,919.7	1,998.6	2,048.6	2,342.8	8,309.7	9,254.8
Operating income	2,604.3	4,585.3	6,194.5	5,632.8	1,714.3	1,827.2	1,916.4	1,164.1	6,622.0	2,334.2	2,413.8	2,436.8	1,608.6	8,793.5	10,602.3
Contribution profit	5,063.8	7,491.4	9,820.0	9,916.8	2,802.5	2,886.7	3,052.1	2,434.0	11,175.3	3,614.1	3,717.7	3,772.8	2,970.3	14,074.8	16,364.7
Interest expense	84.0	(618.4)	(765.6)	(706.2)	(174.2)	(174.8)	(175.6)	(171.7)	(696.4)	(166.0)	(166.0)	(166.0)	(166.0)	(664.0)	(583.5)
Interest and other income (expense)	(626.0)	(767.5)	411.2	337.3	(71.2)	27.0	168.2	86.5	210.5	21.2	18.9	18.0	17.3	75.3	64.9
Total non-operating income (expense)	(542.0)	(1,385.9)	(354.4)	(368.9)	(245.4)	(147.9)	(7.3)	(85.2)	(485.8)	(144.8)	(147.1)	(148.0)	(148.7)	(588.6)	(518.6)
Pre-tax income	2,062.2	3,199.3	5,840.1	5,263.9	1,468.9	1,679.3	1,909.0	1,078.9	6,136.1	2,189.4	2,266.7	2,288.8	1,460.0	8,204.8	10,083.7
Income tax provision	195.3	438.0	723.9	772.0	163.8	191.7	231.6	118.7	705.8	317.5	328.7	331.9	211.7	1,189.7	1,462.1
Income tax rate	9.5%	13.7%	12.4%	14.7%	11.1%	11.4%	12.1%	11.0%	11.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
GAAP Net income (loss)	1,866.9	2,761.4	5,116.2	4,491.9	1,305.1	1,487.6	1,677.4	960.2	5,430.3	1,872.0	1,938.0	1,956.9	1,248.3	7,015.1	8,621.6
GAAP EPS (Basic)	\$4.26	\$6.26	\$11.55	\$10.10	\$2.93	\$3.35	\$3.80	\$2.19	\$12.28	\$4.31	\$4.50	\$4.58	\$2.95	\$16.36	\$20.95
GAAP EPS (Diluted)	\$4.13	\$6.08	\$11.24	\$9.95	\$2.88	\$3.29	\$3.73	\$2.15	\$12.06	\$4.23	\$4.41	\$4.49	\$2.89	\$16.04	\$20.52
Basic shares outstanding	437.8	440.9	443.2	444.7	445.2	443.9	441.5	437.9	442.1	434.3	430.6	427.0	423.4	428.8	411.6
Diluted shares outstanding	451.8	454.2	455.4	451.3	452.4	451.6	450.0	446.4	450.1	442.8	439.1	435.5	431.9	437.3	420.1
Adj. EBITDA Reconciliation:															
Operating income	2,604.3	4,585.3	6,194.5	5,632.8	1,714.3	1,827.2	1,916.4	1,164.1	6,622.0	2,334.2	2,413.8	2,436.8	1,608.6	8,793.5	10,602.3
D&A of PP&E & Other intangibles	103.6	115.7	208.4	336.7	90.3	89.4	90.7	93.6	364.0	94.9	95.1	99.5	104.0	393.5	448.6
Amortization of streaming content assets	9,216.2	10,806.9	12,230.4	14,026.1	3,460.0	3,410.0	3,573.4	3,576.3	14,019.7	3,650.8	3,677.3	3,827.7	4,358.5	15,514.2	17,031.1
Stock-based compensation	405.4	415.2	403.2	575.5	99.1	78.0	79.7	87.0	343.8	94.1	95.2	99.0	100.1	388.4	436.5
Adj. EBITDA	12,329.5	15,923.1	19,036.5	20,571.1	5,363.7	5,404.6	5,660.1	4,921.0	21,349.5	6,174.0	6,281.3	6,463.0	6,171.2	25,089.5	28,518.5
Adj. EBITDA (ex add-back of streaming content amort)	3,113.2	5,116.2	6,806.1	6,545.0	1,903.8	1,994.6	2,086.8	1,344.7	7,329.8	2,523.2	2,604.1	2,635.3	1,812.8	9,575.3	11,487.4

Source: Company reports and J.P. Morgan estimates.

Figure 46: Netflix Income Statement (Cont'd)

In millions, except per share data

Y/Y Growth	2019A	2020A	2021A	2022A	3/23A	6/23A	9/23A	12/23E	2023E	3/24E	6/24E	9/24E	12/24E	2024E	2025E
Revenues	27.6%	24.0%	18.8%	6.5%	3.7%	2.7%	7.8%	10.8%	6.2%	15.3%	16.2%	15.9%	15.1%	15.6%	12.4%
FXN Revenues	32.4%	26.8%	17.0%	12.4%	8.1%	5.6%	7.7%	11.1%	8.1%	17.3%	17.8%	15.9%	15.0%	16.5%	12.4%
Streaming revenues	28.7%	24.7%	19.2%	6.6%	3.9%	2.8%	8.0%	11.2%	6.5%	15.7%	16.7%	16.2%	15.1%	15.9%	12.4%
DVD revenues	(18.7%)	(19.5%)	(23.8%)	(20.1%)	(20.9%)	(21.9%)	(36.5%)	NM	(43.1%)	NM	NM	NM	NM	NM	NM
Cost of revenues	24.8%	22.8%	13.5%	10.6%	12.1%	(0.4%)	3.0%	(1.6%)	2.9%	7.3%	9.2%	9.7%	14.0%	10.2%	9.5%
Amortization of streaming content assets	22.4%	17.3%	13.2%	14.7%	9.3%	4.6%	(2.2%)	(9.3%)	(0.0%)	5.5%	7.8%	7.1%	21.9%	10.7%	9.8%
Amortization of DVD content assets	(29.5%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Other cost of revenues - Streaming	35.9%	40.9%	15.0%	1.1%	20.8%	(11.5%)	20.3%	20.4%	11.6%	13.1%	14.1%	17.4%	(2.2%)	9.7%	8.8%
Other cost of revenues - DVD	(15.9%)	6.7%	(24.4%)	(20.8%)	(20.9%)	(22.8%)	(37.0%)	NM	(44.1%)	NM	NM	NM	NM	NM	NM
Gross profit	32.4%	26.0%	27.2%	0.7%	(6.3%)	7.1%	15.1%	38.2%	11.4%	26.7%	25.6%	24.2%	16.8%	23.4%	16.1%
Marketing	11.9%	(16.0%)	14.2%	(0.6%)	(0.1%)	9.1%	(1.6%)	14.0%	6.3%	15.2%	10.8%	27.5%	3.5%	12.6%	15.3%
Technology and development	26.5%	18.4%	24.3%	19.2%	4.5%	(8.2%)	(0.8%)	8.4%	0.8%	6.8%	14.3%	16.0%	6.9%	10.8%	11.0%
General and administrative	45.1%	17.7%	25.6%	16.4%	0.8%	(1.9%)	28.2%	37.4%	15.7%	36.1%	37.5%	19.9%	7.7%	23.7%	6.6%
Stock-based compensation	26.4%	2.4%	(2.9%)	42.7%	(16.9%)	(48.1%)	(47.6%)	(43.4%)	(40.3%)	(5.0%)	22.0%	24.1%	15.1%	13.0%	12.4%
Total operating expenses	21.1%	0.4%	20.2%	10.4%	2.0%	(0.8%)	5.6%	16.9%	6.3%	16.8%	18.5%	20.9%	5.6%	14.7%	11.4%
Operating income	62.2%	76.1%	35.1%	(9.1%)	(13.1%)	15.8%	25.0%	111.7%	17.6%	36.2%	32.1%	27.2%	38.2%	32.8%	20.6%
Contribution profit	46.5%	47.9%	31.1%	1.0%	(7.4%)	6.7%	18.8%	50.6%	12.7%	29.0%	28.8%	23.6%	22.0%	25.9%	16.3%
GAAP Net income (loss)	54.1%	47.9%	85.3%	(12.2%)	(18.3%)	3.2%	20.0%	1636.8%	20.9%	43.4%	30.3%	16.7%	30.0%	29.2%	22.9%
GAAP EPS (Diluted)	54.0%	47.1%	84.8%	(11.4%)	(18.2%)	2.9%	20.1%	1657.3%	21.2%	46.6%	34.0%	20.5%	34.4%	33.0%	27.9%
Adj. EBITDA (ex add-back of streaming content amort)	55.0%	64.3%	33.0%	(3.8%)	(12.1%)	10.1%	17.9%	68.7%	12.0%	32.5%	30.6%	26.3%	34.8%	30.6%	20.0%
% of Revenues															
Amortization of streaming content assets	45.7%	43.2%	41.2%	44.4%	42.4%	41.7%	41.8%	41.1%	41.7%	38.8%	38.6%	38.7%	43.5%	39.9%	39.0%
Other cost of revenues - Streaming	15.4%	17.5%	16.9%	16.1%	16.3%	15.3%	15.8%	20.0%	16.9%	16.0%	15.0%	16.0%	17.0%	16.0%	15.5%
Other cost of revenues - DVD	0.5%	0.4%	0.3%	0.2%	0.2%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of revenues	61.7%	61.1%	58.4%	60.6%	58.9%	57.1%	57.7%	61.1%	58.7%	54.8%	53.6%	54.7%	60.5%	56.0%	54.5%
Marketing	13.2%	8.9%	8.6%	8.0%	6.8%	7.7%	6.5%	10.9%	8.0%	6.8%	7.3%	7.2%	9.8%	7.8%	8.0%
Technology and development	7.7%	7.3%	7.7%	8.6%	8.4%	8.0%	7.7%	8.4%	8.1%	7.8%	7.9%	7.7%	7.8%	7.8%	7.7%
General and administrative	4.5%	4.3%	4.6%	5.0%	4.9%	4.9%	5.6%	6.2%	5.4%	5.8%	5.8%	5.8%	5.8%	5.8%	5.5%
Stock-based compensation	2.0%	1.7%	1.4%	1.8%	1.2%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Total operating expenses	25.4%	20.5%	20.8%	21.6%	20.1%	20.6%	19.8%	25.5%	21.6%	20.4%	21.0%	20.7%	23.4%	21.4%	21.2%
Margins															
Gross margin	38.3%	38.9%	41.6%	39.4%	41.1%	42.9%	42.3%	38.9%	41.3%	45.2%	46.4%	45.3%	39.5%	44.0%	45.5%
Operating margin	12.9%	18.3%	20.9%	17.8%	21.0%	22.3%	22.4%	13.4%	19.7%	24.8%	25.4%	24.6%	16.1%	22.6%	24.3%
Contribution profit margin	25.1%	30.0%	33.1%	31.4%	34.3%	35.3%	35.7%	28.0%	33.3%	38.4%	39.1%	38.1%	29.7%	36.2%	37.5%
Adj. EBITDA margin (ex add-back of streaming content amort)	15.4%	20.5%	22.9%	20.7%	23.3%	24.4%	24.4%	15.5%	21.8%	26.8%	27.4%	26.6%	18.1%	24.7%	26.3%

Source: Company reports and J.P. Morgan estimates.

Figure 47: Netflix Revenue & Subscriber Build by Region

In millions, except per share data

	2019A	2020A	2021A	2022A	3/23A	6/23A	9/23A	12/23E	2023E	3/24E	6/24E	9/24E	12/24E	2024E	2025E
United States and Canada (UCAN)															
Paid streaming members - BOP	64.76	67.66	73.94	75.22	74.30	74.40	75.57	77.32	74.30	80.32	81.57	82.32	83.62	80.32	85.62
Y/Y Growth	10.8%	4.5%	9.3%	1.7%	(1.2%)	(0.2%)	3.1%	5.4%	(1.2%)	8.1%	9.6%	8.9%	8.2%	8.1%	6.6%
Paid streaming net adds	2.91	6.27	1.28	(0.92)	0.10	1.17	1.75	3.00	6.03	1.25	0.75	1.30	2.00	5.30	3.50
Y/Y Growth	(54.1%)	116.0%	(79.6%)	NM	NM	NM	1582.7%	230.3%	NM	1125.5%	(36.1%)	(25.7%)	(33.4%)	(12.1%)	(33.9%)
% of global paid streaming net adds	10.4%	17.2%	7.0%	(10.3%)	5.8%	19.9%	20.0%	30.0%	22.8%	27.8%	30.0%	26.0%	25.0%	26.5%	20.3%
Paid streaming members - EOP	67.66	73.94	75.22	74.30	74.40	75.57	77.32	80.32	80.32	81.57	82.32	83.62	85.62	85.62	89.12
Y/Y Growth	4.5%	9.3%	1.7%	(1.2%)	(0.2%)	3.1%	5.4%	8.1%	8.1%	9.6%	8.9%	8.2%	6.6%	6.6%	4.1%
% of global paid streaming members	40.5%	36.3%	33.9%	32.2%	32.0%	31.7%	31.3%	31.2%	31.2%	31.2%	31.2%	31.1%	30.9%	30.9%	30.3%
Average paid members	66.61	71.69	74.23	74.00	74.35	74.98	76.45	78.82	76.15	80.95	81.95	82.97	84.62	82.62	87.37
Y/Y Growth	7.7%	7.6%	3.6%	(0.3%)	(0.7%)	1.4%	4.2%	6.7%	2.9%	8.9%	9.3%	8.5%	7.4%	8.5%	5.7%
Monthly ARM	\$12.57	\$13.32	\$14.56	\$15.86	\$16.18	\$16.00	\$16.29	\$16.39	\$16.22	\$17.13	\$17.14	\$17.26	\$17.41	\$17.24	\$18.01
Y/Y Growth	12.7%	5.9%	9.4%	8.9%	8.5%	0.3%	(0.5%)	1.0%	2.2%	5.9%	7.1%	6.0%	6.2%	6.3%	4.5%
FXN Y/Y Growth	13.0%	6.0%	8.7%	9.2%	9.1%	1.0%	0.0%	1.0%	2.6%	6.0%	7.3%	6.3%	6.3%	6.4%	4.5%
Revenues	\$10,051.2	\$11,455.4	\$12,972.1	\$14,084.6	\$3,608.6	\$3,599.4	\$3,735.1	\$3,874.6	\$14,817.8	\$4,159.7	\$4,214.9	\$4,297.4	\$4,418.6	\$17,090.7	\$18,886.1
Y/Y Growth	21.4%	14.0%	13.2%	8.6%	7.7%	1.7%	3.7%	7.8%	5.2%	15.3%	17.1%	15.1%	14.0%	15.3%	10.5%
CAGR (vs. 2019)			13.6%	11.9%	12.5%	9.5%	9.3%	9.7%	10.2%	13.0%	11.0%	10.4%	10.6%	11.2%	11.1%
FXN Y/Y Growth	21.5%	14.0%	12.8%	8.9%	8.3%	2.4%	4.2%	7.8%	5.7%	15.4%	17.2%	15.3%	14.1%	15.5%	
Europe, Middle East and Africa (EMEA)															
Paid streaming members - BOP	37.82	51.78	66.70	74.04	76.73	77.37	79.81	83.76	76.73	87.01	88.61	89.61	91.46	87.01	94.32
Y/Y Growth	45.4%	36.9%	28.8%	11.0%	3.6%	4.9%	9.4%	13.9%	3.6%	13.4%	14.5%	12.3%	9.2%	13.4%	8.4%
Paid streaming net adds	13.96	14.92	7.34	2.69	0.64	2.43	3.95	3.25	10.29	1.60	1.00	1.85	2.85	7.30	6.50
Y/Y Growth	18.2%	6.9%	(50.8%)	(63.3%)	NM	NM	596.0%	1.9%	281.9%	148.4%	(58.9%)	(53.2%)	(12.3%)	(29.0%)	(11.0%)
% of global paid streaming net adds	50.2%	40.8%	40.4%	30.2%	36.8%	41.3%	45.1%	32.6%	39.0%	35.6%	40.0%	37.0%	35.7%	36.5%	37.7%
Paid streaming members - EOP	51.78	66.70	74.04	76.73	77.37	79.81	83.76	87.01	87.01	88.61	89.61	91.46	94.32	94.32	100.82
Y/Y Growth	36.9%	28.8%	11.0%	3.6%	4.9%	9.4%	13.9%	13.4%	13.4%	14.5%	12.3%	9.2%	8.4%	8.4%	6.9%
% of global paid streaming members	31.0%	32.7%	33.4%	33.3%	33.3%	33.5%	33.9%	33.8%	33.8%	33.9%	33.9%	34.0%	34.0%	34.0%	34.2%
Average paid members	44.73	60.42	69.52	73.90	77.05	78.59	81.78	85.39	80.70	87.81	89.11	90.54	92.89	90.09	97.57
Y/Y Growth	41.6%	35.1%	15.0%	6.3%	4.3%	7.1%	11.6%	13.7%	9.2%	14.0%	13.4%	10.7%	8.8%	11.6%	8.3%
Monthly ARM	\$10.33	\$10.72	\$11.63	\$10.99	\$10.89	\$10.87	\$10.98	\$10.83	\$10.89	\$11.28	\$11.14	\$11.45	\$11.53	\$11.35	\$11.92
Y/Y Growth	(1.2%)	3.8%	8.5%	(5.5%)	(5.8%)	(2.7%)	1.5%	3.9%	(0.9%)	3.6%	2.6%	4.3%	6.4%	4.3%	5.0%
FXN Y/Y Growth	4.0%	2.4%	5.7%	7.8%	1.4%	(1.0%)	(2.0%)	1.0%	(1.5%)	5.0%	5.5%	6.5%	6.5%	5.4%	5.0%
Revenues	\$5,543.1	\$7,772.3	\$9,699.8	\$9,745.0	\$2,517.6	\$2,562.2	\$2,693.1	\$2,774.2	\$10,547.2	\$2,972.4	\$2,979.4	\$3,110.8	\$3,212.1	\$12,274.7	\$13,958.1
Y/Y Growth	39.8%	40.2%	24.8%	0.5%	(1.7%)	4.3%	13.4%	18.0%	8.2%	18.1%	16.3%	15.5%	15.8%	16.4%	13.7%
CAGR (vs. 2019)			32.3%	20.7%	19.5%	18.1%	17.2%	15.4%	17.4%	19.2%	17.7%	16.8%	15.5%	17.2%	16.6%
FXN Y/Y Growth	48.1%	39.9%	19.3%	12.8%	5.7%	6.1%	9.4%	14.8%	8.9%	19.7%	19.6%	17.9%	15.9%	18.2%	

Source: Company reports and J.P. Morgan estimates.

Figure 48: Netflix Revenue & Subscriber Build by Region (Contd)

In millions, except per share data

	2019A	2020A	2021A	2022A	3/23A	6/23A	9/23A	12/23E	2023E	3/24E	6/24E	9/24E	12/24E	2024E	2025E
Latin America (LATAM)															
Paid streaming members - BOP	26.08	31.42	37.54	39.96	41.70	41.25	42.47	43.65	41.70	45.39	45.79	46.04	46.54	45.39	47.64
Y/Y Growth	32.3%	20.5%	19.5%	6.5%	4.3%	4.1%	7.2%	9.3%	4.3%	8.9%	11.0%	8.4%	6.6%	8.9%	5.0%
Paid streaming net adds	5.34	6.12	2.42	1.74	(0.45)	1.22	1.18	1.75	3.69	0.40	0.25	0.50	1.10	2.25	2.25
Y/Y Growth	(16.0%)	14.6%	(60.4%)	(28.3%)	NM	8592.9%	277.9%	(1.0%)	112.4%	NM	(79.5%)	(57.6%)	(37.0%)	(39.1%)	(0.0%)
% of global paid streaming net adds	19.2%	16.7%	13.3%	19.5%	(25.7%)	20.7%	13.5%	17.5%	14.0%	8.9%	10.0%	10.0%	13.8%	11.3%	13.0%
Paid streaming members - EOP	31.42	37.54	39.96	41.70	41.25	42.47	43.65	45.39	45.39	45.79	46.04	46.54	47.64	47.64	49.89
Y/Y Growth	20.5%	19.5%	6.5%	4.3%	4.1%	7.2%	9.3%	8.9%	8.9%	11.0%	8.4%	6.6%	5.0%	5.0%	4.7%
% of global paid streaming members	18.8%	18.4%	18.0%	18.1%	17.7%	17.8%	17.7%	17.7%	17.7%	17.5%	17.4%	17.3%	17.2%	17.2%	16.9%
Average paid members	28.39	35.30	38.57	40.00	41.47	41.86	43.06	44.52	42.73	45.59	45.92	46.29	47.09	46.22	48.77
Y/Y Growth	24.7%	24.3%	9.3%	3.7%	4.2%	5.7%	8.2%	9.1%	6.8%	9.9%	9.7%	7.5%	5.8%	8.2%	5.5%
Monthly ARM	\$8.21	\$7.45	\$7.73	\$8.48	\$8.60	\$8.58	\$8.85	\$8.39	\$8.60	\$9.00	\$9.29	\$9.99	\$9.15	\$9.36	\$10.01
Y/Y Growth	0.2%	(9.2%)	3.7%	9.7%	2.8%	(1.0%)	3.1%	1.0%	1.5%	4.7%	8.2%	12.9%	9.1%	8.8%	7.0%
FXN Y/Y Growth	13.0%	12.1%	572.2%	8.2%	8.4%	8.0%	8.0%	9.0%	10.3%	7.0%	6.0%	5.0%	8.0%	6.6%	7.0%
Revenues	\$2,795.4	\$3,156.7	\$3,577.0	\$4,070.0	\$1,070.2	\$1,077.4	\$1,142.8	\$1,120.6	\$4,411.0	\$1,231.3	\$1,279.0	\$1,387.2	\$1,292.9	\$5,190.4	\$5,859.4
Y/Y Growth	24.9%	12.9%	13.3%	13.8%	7.1%	4.6%	11.6%	10.2%	8.4%	15.1%	18.7%	21.4%	15.4%	17.7%	12.9%
CAGR (vs. 2019)			13.1%	13.3%	14.1%	12.3%	11.4%	10.7%	12.1%	14.3%	13.6%	13.3%	11.6%	13.2%	13.1%
FXN Y/Y Growth	41.7%	34.7%	18.1%	18.2%	13.0%	14.1%	16.9%	18.9%	15.7%	17.6%	16.3%	12.9%	14.2%	15.2%	
Asia-Pacific (APAC)															
Paid streaming members - BOP	10.61	16.23	25.49	32.63	38.02	39.48	40.55	42.43	38.02	44.42	45.67	46.17	47.52	44.42	49.57
Y/Y Growth	63.2%	53.0%	57.0%	28.0%	16.5%	17.1%	16.5%	17.1%	16.5%	16.8%	15.7%	13.9%	12.0%	16.8%	11.6%
Paid streaming net adds	5.63	9.26	7.14	5.39	1.46	1.07	1.88	2.00	6.40	1.25	0.50	1.35	2.05	5.15	5.00
Y/Y Growth	37.0%	64.6%	(22.9%)	(24.5%)	33.9%	65.0%	31.6%	11.2%	18.7%	(14.1%)	65.0%	(28.2%)	2.5%	(19.6%)	(2.8%)
% of global paid streaming net adds	20.2%	25.3%	39.3%	60.6%	83.1%	18.1%	21.5%	20.0%	24.2%	27.8%	20.0%	27.0%	25.6%	25.7%	29.0%
Paid streaming members - EOP	16.23	25.49	32.63	38.02	39.48	40.55	42.43	44.42	44.42	45.67	46.17	47.52	49.57	49.57	54.57
Y/Y Growth	53.0%	57.0%	28.0%	16.5%	17.1%	16.5%	17.1%	16.8%	16.8%	15.7%	13.9%	12.0%	11.6%	11.6%	10.1%
% of global paid streaming members	9.7%	12.5%	14.7%	16.5%	17.0%	17.0%	17.2%	17.3%	17.3%	17.5%	17.5%	17.7%	17.9%	17.9%	18.5%
Average paid members	13.25	21.67	28.46	35.02	38.75	40.01	41.49	43.42	40.92	45.05	45.92	46.85	48.55	46.59	52.07
Y/Y Growth	56.9%	63.6%	31.3%	23.0%	16.8%	16.8%	16.8%	17.0%	16.8%	16.3%	14.8%	12.9%	11.8%	13.9%	11.8%
Monthly ARM	\$9.24	\$9.12	\$9.56	\$8.50	\$8.03	\$7.66	\$7.62	\$7.13	\$7.60	\$7.75	\$7.58	\$7.83	\$7.47	\$7.66	\$7.92
Y/Y Growth	(0.9%)	(1.3%)	4.9%	(11.2%)	(12.8%)	(13.3%)	(8.7%)	(7.3%)	(10.6%)	(3.5%)	(1.1%)	2.8%	4.9%	0.8%	3.5%
FXN Y/Y Growth	3.0%	(1.4%)	1.3%	(1.9%)	(6.0%)	(7.0%)	(6.0%)	(6.0%)	(7.4%)	5.0%	5.0%	5.0%	5.0%	3.7%	3.5%
Revenues	\$1,469.5	\$2,372.3	\$3,266.6	\$3,570.2	\$933.5	\$919.3	\$948.2	\$928.5	\$3,729.5	\$1,047.0	\$1,043.9	\$1,101.1	\$1,088.4	\$4,280.4	\$4,951.0
Y/Y Growth	55.4%	61.4%	37.7%	9.3%	1.8%	1.3%	6.7%	8.4%	4.5%	12.2%	13.6%	16.1%	17.2%	14.8%	15.7%
CAGR (vs. 2019)			49.1%	34.4%	30.7%	27.4%	25.5%	22.1%	26.2%	26.8%	24.5%	23.6%	21.1%	23.8%	22.4%
FXN Y/Y Growth	61.0%	62.6%	33.8%	20.8%	9.8%	8.6%	9.8%	9.9%	9.5%	22.1%	20.5%	18.6%	17.4%	19.6%	

Source: Company reports and J.P. Morgan estimates.

Figure 49: Netflix Global Streaming Build

In millions, except per share data

	2019A	2020A	2021A	2022A	3/23A	6/23A	9/23A	12/23E	2023E	3/24E	6/24E	9/24E	12/24E	2024E	2025E
Global Streaming															
Paid streaming members - BOP	139.26	167.09	203.66	221.84	230.75	232.50	238.39	247.15	230.75	257.15	261.65	264.15	269.15	257.15	277.15
Y/Y Growth	25.9%	20.0%	21.9%	8.9%	4.0%	4.9%	8.0%	10.8%	4.0%	11.4%	12.5%	10.8%	8.9%	11.4%	7.8%
Paid streaming net adds	27.83	36.57	18.18	8.90	1.75	5.89	8.76	10.00	26.40	4.50	2.50	5.00	8.00	20.00	17.25
Y/Y Growth	(2.7%)	31.4%	(50.3%)	(51.0%)	NM	NM	263.2%	30.5%	196.6%	157.0%	(57.6%)	(42.9%)	(20.0%)	(24.3%)	(13.7%)
Paid streaming members - EOP	167.09	203.66	221.84	230.75	232.50	238.39	247.15	257.15	257.15	261.65	264.15	269.15	277.15	277.15	294.40
Y/Y Growth	20.0%	21.9%	8.9%	4.0%	4.9%	8.0%	10.8%	11.4%	11.4%	12.5%	10.8%	8.9%	7.8%	7.8%	6.2%
Average paid members	152.98	189.08	210.78	222.92	231.62	235.44	242.77	252.15	240.50	259.40	262.90	266.65	273.15	265.53	285.77
Y/Y Growth	22.7%	23.6%	11.5%	5.8%	4.5%	6.5%	9.4%	11.1%	7.9%	12.0%	11.7%	9.8%	8.3%	10.4%	7.6%
Monthly ARM	\$10.82	\$10.91	\$11.67	\$11.76	\$11.70	\$11.55	\$11.70	\$11.50	\$11.61	\$12.09	\$12.07	\$12.37	\$12.22	\$12.19	\$12.73
Y/Y Growth	4.9%	0.9%	6.9%	0.8%	(0.6%)	(3.4%)	(1.3%)	0.1%	(1.3%)	3.4%	4.5%	5.8%	6.3%	5.0%	4.4%
FXN Y/Y Growth	8.9%	3.4%	5.5%	6.5%	3.6%	(0.6%)	(1.2%)	0.4%	0.5%	5.2%	5.9%	5.8%	6.2%	5.8%	
Streaming Revenues	\$19,859.2	\$24,756.7	\$29,515.5	\$31,469.9	\$8,130.0	\$8,158.3	\$8,519.3	\$8,697.9	\$33,505.6	\$9,410.4	\$9,517.3	\$9,896.5	\$10,011.9	\$38,836.1	\$43,654.6
Y/Y Growth	28.7%	24.7%	19.2%	6.6%	3.9%	2.8%	8.0%	11.2%	6.5%	15.7%	16.7%	16.2%	15.1%	15.9%	12.4%
CAGR (vs. 2019)			21.9%	16.6%	16.3%	13.9%	13.3%	12.7%	14.0%	16.2%	14.4%	13.9%	13.1%	14.4%	14.0%
FXN Y/Y Growth	33.7%	27.8%	17.6%	12.6%	8.2%	5.8%	8.1%	11.6%	8.4%	17.8%	18.2%	16.2%	15.0%	16.8%	12.4%
COGS	\$12,317.0	\$15,175.9	\$17,256.8	\$19,108.2	\$4,790.7	\$4,661.4	\$4,922.1	\$5,315.90	\$19,690.2	\$5,156.4	\$5,104.9	\$5,411.2	\$6,060.5	\$21,732.9	\$23,797.6
Y/Y Growth	25.5%	23.2%	13.7%	10.7%	12.2%	(0.3%)	3.1%	(1.4%)	3.0%	7.6%	9.5%	9.9%	14.0%	10.4%	9.5%
Q/Q Growth					(11.1%)	(2.7%)	5.6%	8.0%		(3.0%)	(1.0%)	6.0%	12.0%		
% of Streaming revenues	62.0%	61.3%	58.5%	60.7%	58.9%	57.1%	57.8%	61.1%	58.8%	54.8%	53.6%	54.7%	60.5%	56.0%	54.5%
Marketing Expenses	\$2,652.5	\$2,228.4	\$2,545.1	\$2,530.5	\$555.4	\$627.2	\$558.7	\$948.1	\$2,689.3	\$639.9	\$694.8	\$712.5	\$981.2	\$3,028.4	\$3,492.4
Y/Y Growth	11.9%	(16.0%)	14.2%	(0.6%)	(0.1%)	9.1%	(1.6%)	14.0%	6.3%	15.2%	10.8%	27.5%	3.5%	12.6%	15.3%
Q/Q Growth					(33.2%)	12.9%	(10.9%)	69.7%		(32.5%)	8.6%	2.6%	37.7%		
% of Streaming revenues	13.4%	9.0%	8.6%	8.0%	6.8%	7.7%	6.6%	10.9%	8.0%	6.8%	7.3%	7.2%	9.8%	7.8%	8.0%
Net member acquisition cost	\$95.31	\$60.93	\$139.99	\$284.23	\$317.17	\$106.44	\$63.76	\$94.82	\$101.85	\$142.20	\$277.90	\$142.51	\$122.70	\$151.45	\$202.46
COGS and Mktg Expenses	\$14,969.5	\$17,404.3	\$19,801.9	\$21,638.7	\$5,346.1	\$5,288.6	\$5,480.9	\$6,264.0	\$22,379.5	\$5,796.3	\$5,799.6	\$6,123.7	\$7,041.7	\$24,761.3	\$27,289.9
Y/Y Growth	22.9%	16.3%	13.8%	9.3%	10.8%	0.7%	2.6%	0.7%	3.4%	8.4%	9.7%	11.7%	12.4%	10.6%	10.2%
Contribution Profit	\$4,889.8	\$7,352.4	\$9,713.6	\$9,831.1	\$2,783.9	\$2,869.7	\$3,038.4	\$2,434.0	\$11,126.0	\$3,614.1	\$3,717.7	\$3,772.8	\$2,970.3	\$14,074.8	\$16,364.7
% Margin	24.6%	29.7%	32.9%	31.2%	34.2%	35.2%	35.7%	28.0%	33.2%	38.4%	39.1%	38.1%	29.7%	36.2%	37.5%

Source: Company reports and J.P. Morgan estimates.

Figure 50: Netflix Global Ad-Supported Tier Build

In Millions, except per share data

	2019A	2020A	2021A	2022A	3/23A	6/23A	9/23A	12/23E	2023E	3/24E	6/24E	9/24E	12/24E	2024E	2025E
Global Ad-Supported Streaming															
Paid ad-supported members - BOP				-	0.66	1.37	2.73	4.59	0.66	7.47	9.95	11.94	14.63	7.47	18.74
Y/Y Growth										1039.3%	624.0%	337.9%	218.9%	1039.3%	151.0%
Paid subscribers trading down				0.12	0.34	0.35	0.36	0.38	1.44	0.38	0.39	0.39	0.41	1.57	1.47
Paid ad-supported net adds				0.54	0.38	1.00	1.50	2.50	5.38	2.10	1.60	2.30	3.70	9.70	9.22
Y/Y Growth									895.4%	460.0%	60.0%	53.3%	48.0%	80.5%	(4.9%)
% of Total Net Adds				6.1%	21.4%	17.0%	17.1%	25.0%	20.4%	46.7%	64.0%	46.0%	46.3%	48.5%	53.5%
Paid ad-supported members - EOP															
Y/Y Growth										624.0%	337.9%	218.9%	151.0%	151.0%	57.1%
Q/Q Growth					110%	98%	68%	63%		33%	20%	23%	28%		
% of Total Subscribers				0.3%	0.6%	1.1%	1.9%	2.9%	2.9%	3.8%	4.5%	5.4%	6.8%	6.8%	10.0%
Average paid members				0.33	1.01	2.05	3.66	6.03	4.06	8.71	10.94	13.29	16.69	13.10	24.09
Y/Y Growth									1139.3%	758.1%	433.8%	263.2%	176.8%	222.6%	83.8%
% of Total Average Paid Members				0.1%	0.4%	0.9%	1.5%	2.4%	1.7%	3.4%	4.2%	5.0%	6.1%	4.9%	8.4%
Monthly ARM															
Y/Y Growth				\$3.44	\$14.70	\$14.82	\$14.73	\$14.54	\$11.50	\$14.63	\$14.75	\$14.84	\$15.00	\$14.05	\$16.12
FXN Y/Y Growth								5.6%	234.0%	(0.5%)	(0.5%)	0.8%	3.2%	22.2%	14.7%
								5.8%	240.1%	(2.3%)	(1.6%)	0.7%	2.9%	20.7%	
Ad-Supported Tier Revenues															
Y/Y Growth				\$13.5	\$44.8	\$91.2	\$161.6	\$262.9	\$560.5	\$382.3	\$484.3	\$591.5	\$751.0	\$2,209.1	\$4,659.0
% of Total Revenue				NM	NM	NM	NM	1841.7%	4039.4%	754.0%	431.1%	266.0%	185.6%	294.1%	110.9%
FXN Y/Y Growth				0.0%	0.6%	1.1%	1.9%	3.0%	1.7%	4.1%	5.1%	6.0%	7.5%	5.7%	10.7%
								1846.4%	4071.0%	766.4%	436.9%	266.0%	185.4%	296.0%	

Source: Company reports and J.P. Morgan estimates.

Investment Thesis, Valuation and Risks

Netflix Inc (Overweight; Price Target: \$510.00)

Investment Thesis

We believe NFLX is a key beneficiary and driver of the ongoing disruption of linear TV, with the company's content performing well globally and driving a virtuous circle of strong subscriber growth, more revenue, and growing profit. We expect NFLX to continue benefiting from the global proliferation of Internet-connected devices and increasing consumer preference for on-demand video consumption over the Internet, with NFLX approaching 344M global paid subs by 2028. Additionally, the launch of NFLX's ad-supported tier and broader Paid Sharing initiatives should further help re-accelerate subscriber and revenue growth while driving high-margin incremental revenue.

Valuation

We increase our December 2024 PT from \$480 to \$510 based on 25x our 2025E GAAP EPS of \$20.52, which equates to ~26.5x 2025E FCF of \$8.2B. This is a slight premium to mega-cap tech peers trading at 23x 2025E GAAP EPS on average, which we think is justified by NFLX's similar top-line growth & faster bottom-line growth.

Risks to Rating and Price Target

Netflix shares could perform below expectations if: **1)** Customer acquisition growth does not re-accelerate, limiting NFLX's ability to further unlock the TAM; **2)** paid sharing and advertising efforts do not generate strong results, limiting subscriber growth and revenue upside; **3)** NFLX does not efficiently drive operating margin expansion; **4)** competitive offerings from Disney+ (incl. Hulu/ESPN+ bundle), Apple TV+, Max, Peacock, Discovery +, and Paramount+ gain notable traction and materially impact NFLX subs – Hulu and AMZN are also more competitive; and **5)** less valuation support and lack of visibility into short-term subscriber trends.

Netflix Inc: Summary of Financials

Income Statement - Annual						Income Statement - Quarterly					
	FY21A	FY22A	FY23E	FY24E	FY25E		1Q23A	2Q23A	3Q23A	4Q23E	
Revenue	29,698	31,616	33,588	38,836	43,655	Revenue	8,162A	8,187A	8,542A	8,698	
COGS	(17,333)	(19,168)	(19,724)	(21,733)	(23,798)	COGS	(4,804)A	(4,673)A	(4,931)A	(5,316)	
Gross profit						Gross profit					
SG&A	(3,897)	(4,103)	(4,510)	(5,281)	(5,893)	SG&A	(956)A	(1,029)A	(1,037)A	(1,487)	
Adj. EBITDA	6,806	6,545	7,330	9,575	11,487	Adj. EBITDA	1,904A	1,995A	2,087A	1,345	
D&A	(612)	(912)	(708)	(782)	(885)	D&A	(189)A	(167)A	(170)A	(181)	
Adj. EBIT	6,195	5,633	6,622	8,793	10,602	Adj. EBIT	1,714A	1,827A	1,916A	1,164	
Net Interest	(354)	(369)	(486)	(589)	(519)	Net Interest	(245)A	(148)A	(7)A	(85)	
Adj. PBT	5,840	5,264	6,136	8,205	10,084	Adj. PBT	1,469A	1,679A	1,909A	1,079	
Tax	(724)	(772)	(706)	(1,190)	(1,462)	Tax	(164)A	(192)A	(232)A	(119)	
Minority Interest	-	-	-	-	-	Minority Interest	-	-	-	-	
Adj. Net Income	5,116	4,492	5,430	7,015	8,622	Adj. Net Income	1,305A	1,488A	1,677A	960	
Reported EPS	11.24	9.95	12.06	16.04	20.52	Reported EPS	2.88A	3.29A	3.73A	2.15	
Adj. EPS	11.24	9.95	12.06	16.04	20.52	Adj. EPS	2.88A	3.29A	3.73A	2.15	
DPS	-	-	-	-	-	DPS	-	-	-	-	
Payout ratio	-	-	-	-	-	Payout ratio	-	-	-	-	
Shares outstanding	455	451	450	437	420	Shares outstanding	452A	452A	450A	446	
Balance Sheet & Cash Flow Statement						Ratio Analysis					
	FY21A	FY22A	FY23E	FY24E	FY25E		FY21A	FY22A	FY23E	FY24E	FY25E
Cash and cash equivalents	6,028	5,147	7,042	7,259	7,157	Gross margin	-	-	-	-	-
Accounts receivable	-	-	-	-	-	EBITDA margin	22.9%	20.7%	21.8%	24.7%	26.3%
Inventories	-	-	-	-	-	EBIT margin	20.9%	17.8%	19.7%	22.6%	24.3%
Other current assets	2,042	4,119	3,426	3,426	3,426	Net profit margin	17.2%	14.2%	16.2%	18.1%	19.7%
Current assets	8,070	9,266	10,469	10,685	10,583	ROE	38.0%	24.5%	25.6%	31.4%	35.4%
PP&E	1,323	1,398	1,518	1,547	1,557	ROA	12.2%	9.6%	11.1%	14.0%	16.8%
LT investments	-	-	-	-	-	ROCE	18.9%	14.6%	16.6%	21.3%	25.2%
Other non current assets	35,191	37,930	37,388	38,480	39,784	SG&A/Sales	13.1%	13.0%	13.4%	13.6%	13.5%
Total assets	44,585	48,595	49,374	50,712	51,924	Net debt/equity	0.5	0.4	0.3	0.2	0.1
Short term borrowings	-	-	-	-	-	P/E (x)	38.7	43.7	36.1	27.1	21.2
Payables	837	672	957	851	873	P/BV (x)	12.5	9.5	9.0	8.3	7.1
Other short term liabilities	7,651	7,259	7,704	9,557	9,189	EV/EBITDA (x)	30.0	31.3	27.7	21.0	17.3
Current liabilities	8,489	7,931	8,661	10,408	10,062	Dividend Yield	-	-	-	-	-
Long-term debt	14,693	14,353	13,900	12,087	11,087	Sales/Assets (x)	0.7	0.7	0.7	0.8	0.9
Other long term liabilities	5,553	5,533	5,155	5,155	5,155	Interest cover (x)	19.2	17.7	15.1	16.3	22.2
Total liabilities	28,735	27,817	27,716	27,650	26,304	Operating leverage	186.6%	(140.4%)	281.4%	209.9%	165.8%
Shareholders' equity	15,849	20,777	21,658	23,062	25,620	Revenue y/y Growth	18.8%	6.5%	6.2%	15.6%	12.4%
Minority interests	-	-	-	-	-	EBITDA y/y Growth	33.0%	(3.8%)	12.0%	30.6%	20.0%
Total liabilities & equity	44,585	48,595	49,374	50,712	51,924	Tax rate	12.4%	14.7%	11.5%	14.5%	14.5%
BVPS	34.81	46.04	48.12	52.73	60.98	Adj. Net Income y/y Growth	85.3%	(12.2%)	20.9%	29.2%	22.9%
y/y Growth	42.9%	32.3%	4.5%	9.6%	15.6%	EPS y/y Growth	84.8%	(11.4%)	21.2%	33.0%	27.9%
Net debt/(cash)	8,665	9,206	6,858	4,829	3,416	DPS y/y Growth	-	-	-	-	-
Cash flow from operating activities	393	2,026	6,910	7,039	8,670						
o/w Depreciation & amortization	208	337	364	394	449						
o/w Changes in working capital	(242)	(758)	146	334	467						
Cash flow from investing activities	(1,340)	(2,076)	17	(422)	(458)						
o/w Capital expenditure	(525)	(408)	(380)	(422)	(458)						
as % of sales	1.8%	1.3%	1.1%	1.1%	1.1%						
Cash flow from financing activities	(1,150)	(664)	(4,999)	(6,400)	(8,313)						
o/w Dividends paid	-	-	-	-	-						
o/w Net debt issued/(repaid)	0	0	0	0	0						
Net change in cash	(2,184)	(885)	1,872	216	(102)						
Adj. Free cash flow to firm	(159)	1,619	6,530	6,616	8,211						
y/y Growth	(108.3%)	(1118.6%)	303.4%	1.3%	24.1%						

Source: Company reports and J.P. Morgan estimates.

Note: \$ in millions (except per-share data). Fiscal year ends Dec. o/w - out of which

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Netflix Inc (NFLX, NFLX US) Price Chart



Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Aug 13, 2004. All share prices are as of market close on the previous business day.

Date	Rating	Price (\$)	Price Target (\$)
23-Nov-20	OW	488.24	628
20-Jan-21	OW	501.77	685
21-Apr-21	OW	549.57	600
21-Jul-21	OW	531.05	625
08-Sep-21	OW	606.71	705
20-Oct-21	OW	639.00	750
06-Jan-22	OW	567.52	725
21-Jan-22	OW	508.25	605
20-Apr-22	N	348.61	300
29-Jun-22	N	179.60	230
20-Jul-22	N	201.63	240
19-Oct-22	OW	240.86	330
20-Jan-23	OW	315.78	390
19-Apr-23	OW	333.70	380
07-Jun-23	OW	399.29	470
13-Jul-23	OW	444.05	495
20-Jul-23	OW	477.59	505
28-Sep-23	OW	377.59	455
19-Oct-23	OW	346.19	480

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period. J.P. Morgan ratings or designations: OW = Overweight, N= Neutral, UW = Underweight, NR = Not Rated

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J.P. Morgan Equity Research Ratings Distribution, as of October 07, 2023

	Overweight (buy)	Neutral (hold)	Underweight (sell)
J.P. Morgan Global Equity Research Coverage*	47%	39%	14%
IB clients**	47%	45%	33%
JPMS Equity Research Coverage*	46%	41%	13%
IB clients**	65%	64%	51%

*Please note that the percentages may not add to 100% because of rounding.

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