Netflix, Inc. (NASDAQ: NFLX)

NETFLIX

Long Recommendation



Netflix headquarters, 101 Albright Way, Los Gatos. Photo via Wikimedia Commons, CC BY-SA

Entry Price: **$63.42**

Blended Target Price: **$76.96**

21.3% Upside · 2.1x upside to downside

Eagle Fund Fall 2026 Competition

Team: Lacie Nolin, August Wahl, Jaden Carlson

PM: Dario Benes

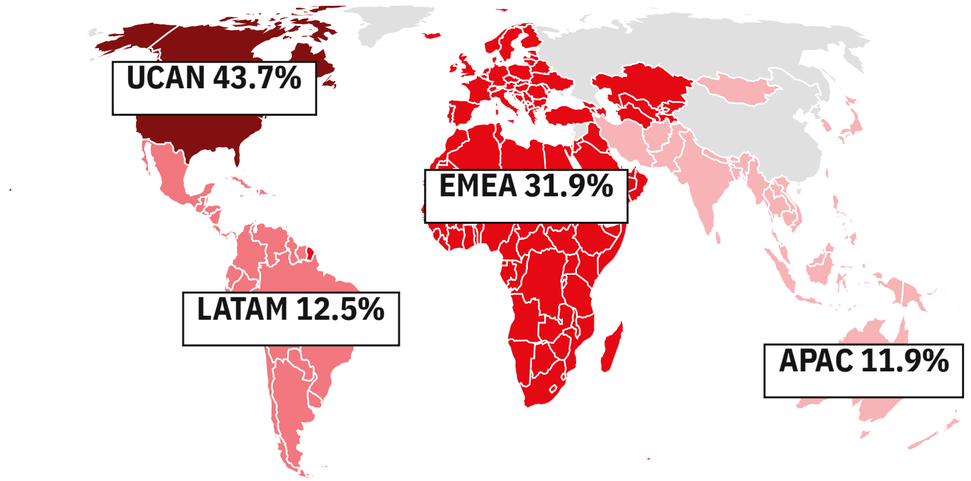
BUSINESS OVERVIEW

One Service, Four Regions, a Second Engine in Ads

NETFLIX

$51.1B of 2026 revenue (guide) at a 31.5% operating margin

UCAN is 44% of revenue, EMEA 32%, LATAM and APAC 12% each



UCAN
$5,628M · 43.7%
+11% FX neutral

EMEA
$4,107M · 31.9%
+9% FX neutral

LATAM
$1,603M · 12.5%
+12% FX neutral

APAC
$1,537M · 11.9%
+15% FX neutral

Q3 2026 revenue. Darker red = larger share. Grey: not available (China, Russia, N. Korea, Syria).

Ads about $2.7B in 2026, about 5% of revenue

$51.1B
2026 revenue, guide

31.5%
2026 operating margin, guide

2026 revenue mix (guide)

Membership fees

Standard and ad plans — **Ads ≈$2.7B, ≈5%**

2026 ad guide reset from about $3B in the Q3 letter, a lower bar to beat

How Netflix makes money

1. **Members pay** — Standard or ad tier
2. **Content engine** — About $20B budget
3. **Engagement** — View hours
4. **Pricing and ads** — Price rises, ad sales

Sources: Netflix Q3 2026 shareholder letter (SEC 8-K Ex. 99.1); map from Natural Earth

What Members Get, and How Netflix Pays for It

NETFLIX

325M+ paid memberships at end 2025, the last count disclosed

2025 content additions $17.1B, 1.04x amortization

325M+ paid memberships, end 2025



2025. Cash spent on content ran 1.04x what was expensed, so reported profit is close to cash profit.

Who signs up, what they watch, how long they stay

60%+

of Q1 2026 sign ups in ad markets chose the ad plan

4,000+

ad clients, up about 70%

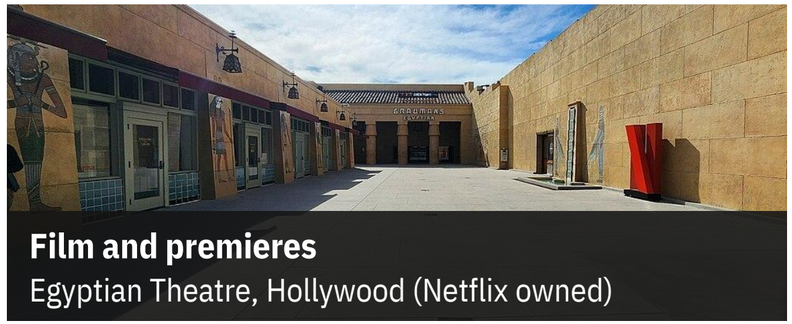
≈1/3

of viewing is non English

≈2%

US monthly churn, Sep 2026 (Antenna), lowest in streaming

What is on the service, on every screen







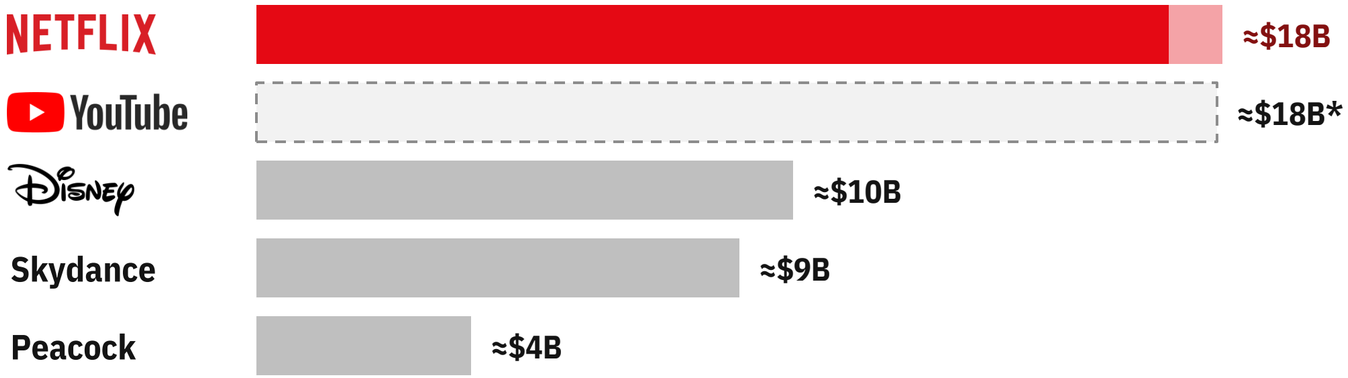
Sources: Netflix Q4 2025, Q1 2026 letters; Antenna via WSJ (Oct 19, 2026). Photos via Wikimedia Commons

INDUSTRY OVERVIEW

Netflix Leads Streaming; the Next Prize Is Attention

Netflix is the #1 subscription streamer; YouTube's ≈2x TV share is the room to grow

Streaming content spend: Netflix about $18B, Disney close to $10B



Netflix: ≈$17B shows + ≈$1B sports (light). *YouTube: revenue share, not upfront budgets.

US TV viewing share, ranked (Nielsen)



≈2x For every hour of Netflix on US TVs, YouTube gets about two. Netflix ranks #2 overall and #1 among subscription streamers.

Drawn to the sourced 2:1 ratio; exact shares not shown.

Streaming peers

	NETFLIX	Disney	Alphabet	Skydance
Market value	**$256B**	$195B	$3.4T	n/a
Forward multiple	**≈17x P/E**	<14x P/E	≈20x P/E	≈7x EBITDA
Debt / note	**Net debt $6.9B**	Parks, ESPN, Disney+	Owns YouTube	≈$80B debt

What the press says about margin

Barron's Streetwise · Oct 22, 2026 · Jack Hough

If Netflix Can't Shine in Show Business, Who Can?

31% margin is 10+ points above Disney; Street FCF $12B rising to $21B by decade end.

Sources: Barron's (Oct 22, 2026); Nielsen via WSJ (Oct 19, Nov 2, 2026); Barron's quote pages (Nov 3, 2026)

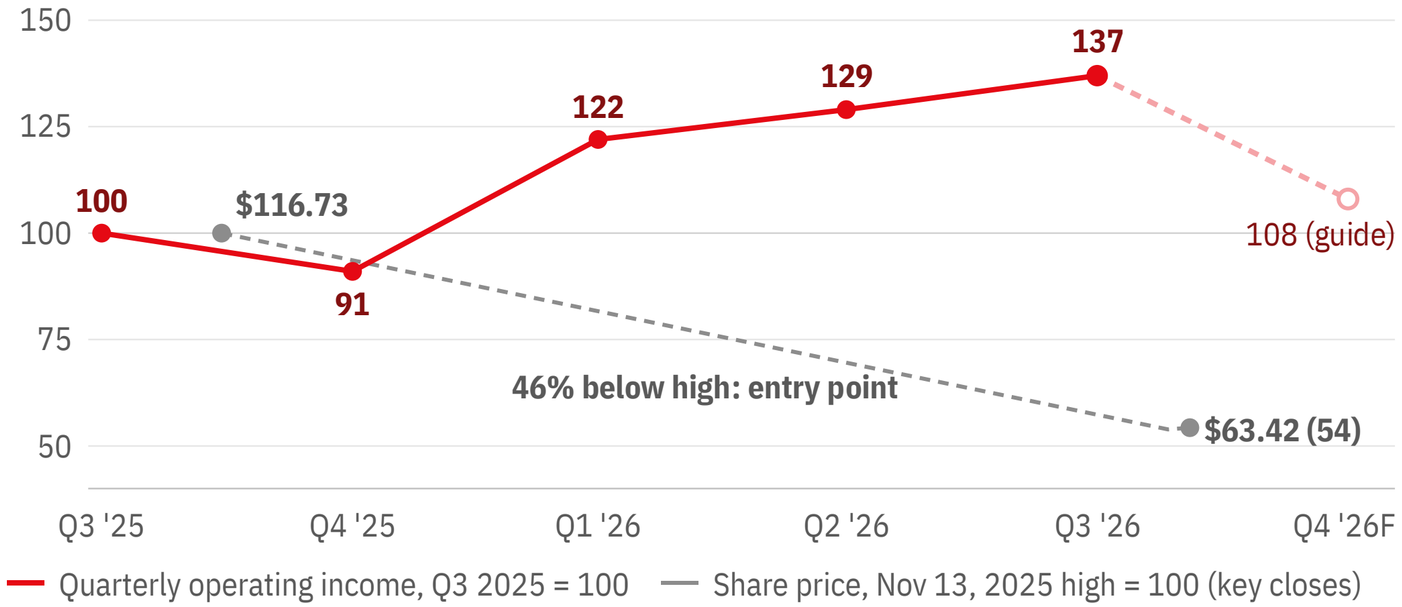
INVESTMENT SETUP

Priced for a Slowdown, Built for Profit

NETFLIX

The market is pricing engagement, not the business

Operating income up 22% this year while the stock trades 46% below its high



Forward P/E of about 17x, the 2022 entry point



What the Street is saying

1 Bear view: growth wall

Netflix, America's Dominant Streaming Service, Has Hit a Wall

THE WALL STREET JOURNAL. Oct 19, 2026 · Fritz, Toonkel, Flint

No US net subscriber adds in any month this year (Antenna); content and film chiefs replaced.

2 Bear view: less viewing

Netflix Stock Falls on Report That Viewers Watch Less. Why Wall Street Is Worried.

Barron's · Oct 26, 2026 · Evie Liu

More than 20 brokerages cut targets; members open the app on fewer days.

3 Bull view: the better stocks

Paramount-Warner Merger Closes: Why Disney and Netflix Are Better Stocks

Barron's · Oct 6, 2026 · Andrew Bary

Deutsche Bank upgrades to Buy; Pershing Square bought near these prices.

Sources: Bloomberg; Netflix shareholder letters; WSJ (Oct 19, Nov 2, 2026); Barron's (Oct 6, Oct 26, 2026)

INVESTMENT THESIS I

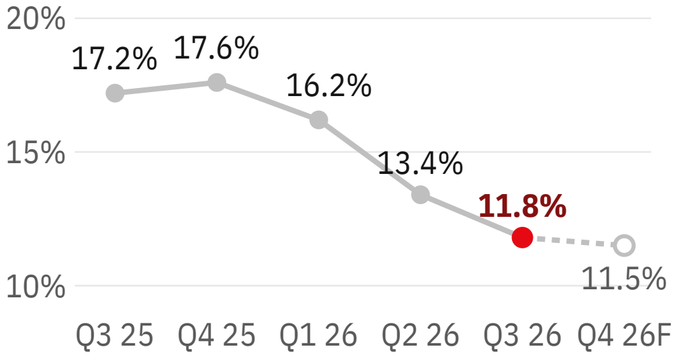
The Engine Still Prints Cash

NETFLIX

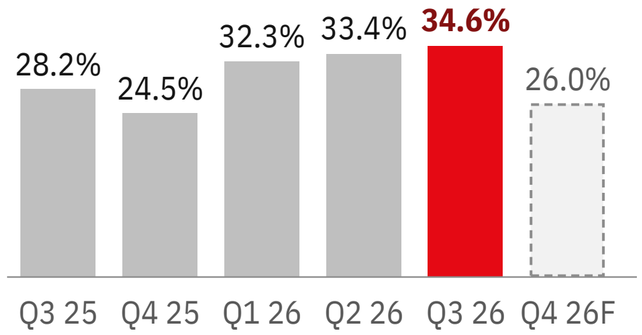
9M 2026 revenue +13.7%, operating income +21.6%

Margin rose to 34.6% while growth stayed double digit

Revenue growth, Y/Y



Operating margin



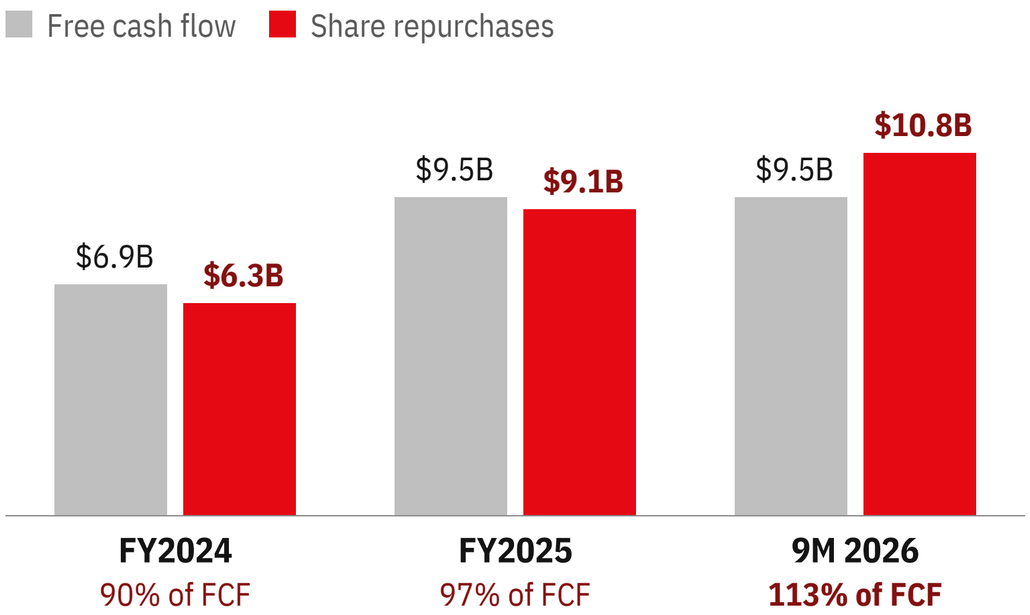
Q4 2026 is company guidance (dashed); Q4 is seasonally the lowest margin quarter.

Operating margin from 26.7% in 2024 to 31.5% guided for 2026

FY2024		FY2025		FY2026 guide
26.7%	**+2.8 pts →**	**29.5%**	**+2.0 pts →**	**31.5%**

Operating margin, full year. 2026 is company guidance.

Buybacks took 90% to 113% of free cash flow



9M 2026 FCF includes the $2.8B Warner Bros. termination fee.

−3.3% **diluted shares in a year**

4,340M in Q3 2025 to 4,195M in Q3 2026

Sources: Netflix shareholder letters, SEC 8-K Exhibit 99.1 (Q3 2025 to Q3 2026)

INVESTMENT THESIS II

New Leadership, the 2022 Playbook, Run Faster

NETFLIX

In one week of October 2026 it unified content under one leader, streamlined 6% of roles and refocused 95% of the budget on core shows

Netflix has reaccelerated before; this time it moved in one week

	Problem	Fixes	Result
2022	**Lost subscribers**	1 · Cheaper plan with ads 2 · Password sharing crackdown	**Stock came roaring back (WSJ)**
2026	**Engagement plateau; growth normalized to 11.5%**	1 · Exited the Warner Bros. deal with $2.8B in hand 2 · Project Meridian: about 1,000 roles (6%) streamlined 3 · Content and film unified under Peter Rice 4 · 95% of programming spend on core TV and film 5 · Theatrical windows of 45+ days	**To prove: 2027** First checkpoint: Jan 2027 guide

What changed in October

1 

Peter Rice

Disney and Fox veteran across film, TV and sports; runs the full ≈$20B budget, including live sports

2

Project Meridian

6% of roles streamlined (up to 10% was discussed) to fund "aggressive" investment in what works

3

Focus

Spend refocused on core shows; the algorithm now backs key titles

WARNER BROS. DISCOVERY

$2.8B

earned by stepping back from an $83B Warner Bros. deal

$6.9B

Netflix net debt, vs about $80B at Skydance, near 7x EBITDA

Sources: WSJ (Oct 19, Oct 20, Nov 2, 2026); Netflix Q1 and Q3 2026 letters

NETFLIX

Four Levers Pull in 2027, None Needs New Viewers

Each lever has a date and a number we can check

1 Ads

Evidence

Over $1.5B in 2025, ≈$2.7B guided for 2026; 4,000+ ad clients (+70%); ad plan 60%+ of sign ups in ad markets

Proof point and date

2027 ad guide, Jan 2027; 15 more ad countries from Mar 2027

2 Tentpoles and theatrical

Evidence

Narnia, Bridgerton, Wednesday in 2027; Narnia and Charlie vs. the Chocolate Factory get 45+ days in theaters; Narnia trailer near 80M YouTube views

Proof point and date

2027 box office and post window viewing

3 Live sports

Evidence

Q4 2026 is the biggest live quarter yet: NFL Thanksgiving Eve, Christmas doubleheader, Fury vs Joshua; new content chief brings sports experience

Proof point and date

Q4 2026 viewing and ad sell through, reported Jan 2027

4 Aggregation

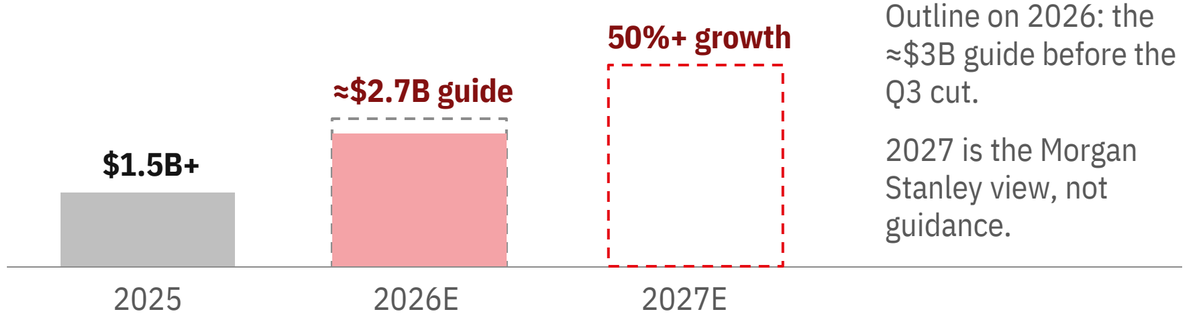
Evidence

TF1 channels inside Netflix in France; talks on Peacock style subscriptions in the app and live channels

Proof point and date

First US partner announced (no date)

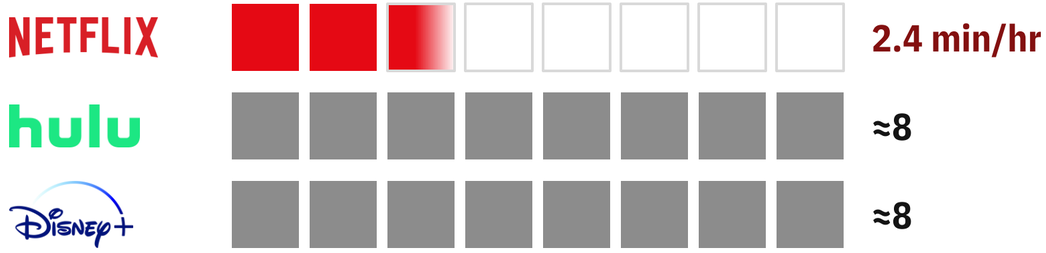
Ad revenue: over $1.5B in 2025, about $2.7B guided for 2026



Outline on 2026: the ≈$3B guide before the Q3 cut.

2027 is the Morgan Stanley view, not guidance.

2.4 ad minutes an hour vs about 8 at Hulu and Disney+



1 square = 1 ad minute per hour; open squares are headroom to peer load

Sources: Netflix Q4 2025 and Q3 2026 letters; Morgan Stanley via WSJ (Oct 19); BMO via WSJ (Nov 2, 2026)

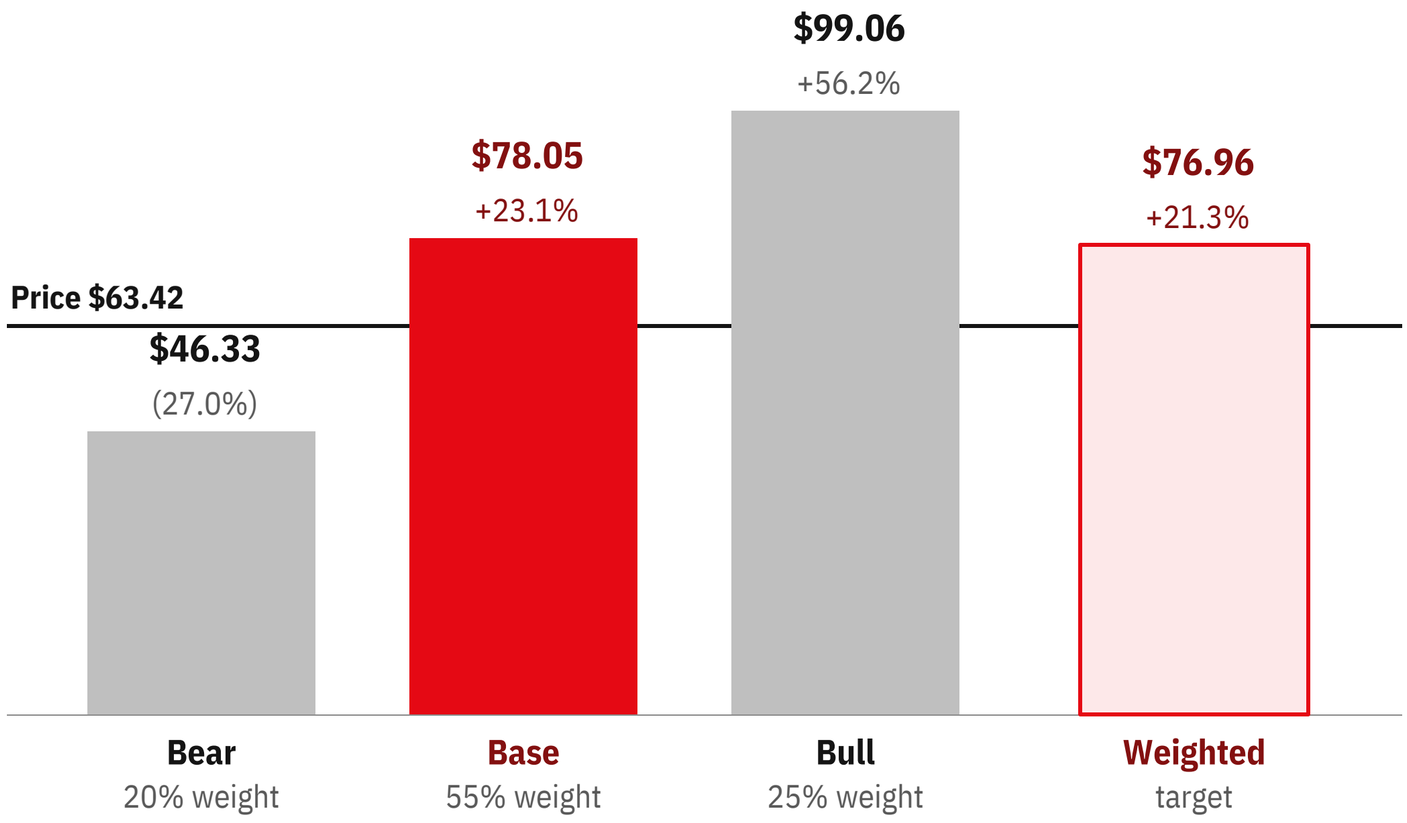
VALUATION

Scenario DCF Yields a $76.96 Target

NETFLIX

21.3% probability weighted return; about 2.1 to 1 upside to downside

DCF scenarios: $46 bear to $99 bull



Bear Case (20%) — $46.33 · (27.0%)

1. The reset fails: growth fades from 8% to 4%
2. Margin stalls near 32%, about the 2026 guide
3. 9.5% WACC: the market keeps a media multiple

Base Case (55%) — $78.05 · +23.1%

1. No reacceleration: 11% in 2027, fading to 7%
2. Margin +1 point a year to 35.5%, the 2025 to 2026 pace
3. 8.3% WACC: 2% churn and low debt

Bull Case (25%) — $99.06 · +56.2%

1. Ads and the 2027 slate lift growth to 13%, fading to 9%
2. 38% margin by 2031 as ads scale on the same content cost
3. 8.0% WACC

Returns from $63.42, no dividend. Probability weighted target $76.96, return 21.3%; bull return / bear loss 2.1x.

Sources: NFLX_DCF_and_Comps.xlsx (Nov 3, 2026 close); WSJ Heard on the Street (Nov 2, 2026)

Bear, Base and Bull Cash Flows Build the Target

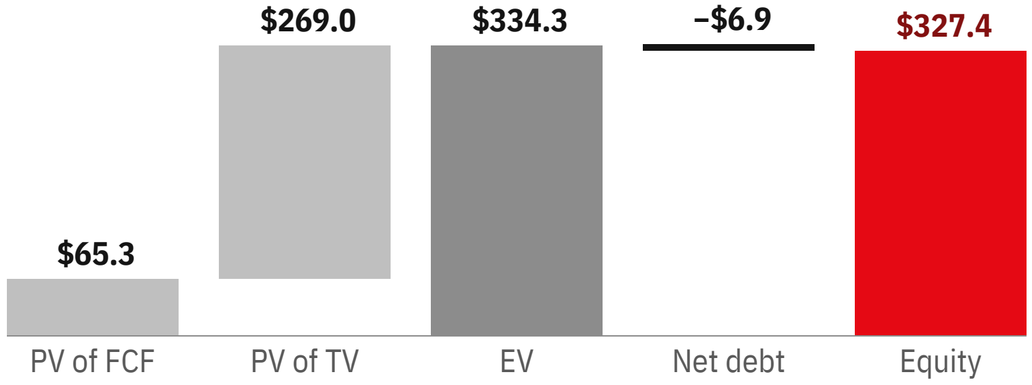
NETFLIX

Bear $46.33, base $78.05, bull $99.06; weighted target $76.96

Base case projection ($M), discounted at 8.3%

	2027E	2028E	2029E	2030E	2031E
Revenue	56,721	62,393	68,008	73,449	78,591
Growth	11.0%	10.0%	9.0%	8.0%	7.0%
Operating income	18,434	20,902	23,463	25,707	27,900
Operating margin	32.5%	33.5%	34.5%	35.0%	35.5%
Unlevered FCF	12,698	14,748	16,950	19,003	20,623
PV at 8.3%	**11,724**	**12,574**	**13,344**	**13,813**	**13,843**

Per share build to $78.05 ($B)



÷ 4,195M shares

$78.05

Terminal value is 80% of EV; 3% terminal growth

Bear, base and bull, weighted to $76.96

BEAR **$46.33** **−27.0%**

Reset fails: growth fades 8% to 4%, margin stays near 32%

20% weight, 9.5% WACC

BASE **$78.05** **+23.1%**

No reacceleration: 11% growth fading to 7%, margin to 35.5%

55% weight, 8.3% WACC

BULL **$99.06** **+56.2%**

Ads and the slate lift growth to 13%, margin to 38%

25% weight, 8.0% WACC

Probability weighted $76.96 +21.3% · 2.1x up/down

Sources: NFLX_DCF_and_Comps.xlsx (Nov 3, 2026 close)

Real Risks, Tracked and Priced

NETFLIX

Engagement is the key watch item; we track it between annual reports

	Key risk	Mitigant
1 **Engagement plateau**	View hours +2%; per subscriber viewing down about 9% in three years	Churn about 2%, lowest in streaming; bear case already fades growth to 4% ($46.33)
2 **Ad ramp pace**	2026 guide reset from about $3B to $2.7B, a lower bar to beat	Ad load 2.4 vs about 8 min/hr; 15 new ad countries from Mar 2027; base fades to 7% without an ad step up
3 **Discount rate and multiple**	Target needs 8.3% vs a 10.7% CAPM WACC	At 9.5% the base case is $62.89, about today's price; buybacks retire about 3% of shares a year

Barron's · Oct 26, 2026 · Evie Liu

Netflix Stock Falls on Report That Viewers Watch Less. Why Wall Street Is Worried.

More than 20 brokerages cut targets; members open the app on fewer days.

Viewing is still growing; this is what we track

View hours, H2 25 → H1 26

96B → 97B

+2% each half

WELLS FARGO

−9%

viewing per subscriber over three years (Wells Fargo estimate)

Between annual reports, we watch

Signal	When
View hours, annual engagement report	Early 2027
2027 ad guide vs 30% growth	Jan 2027
US churn, ≈2.1% in Sep (Antenna)	Monthly

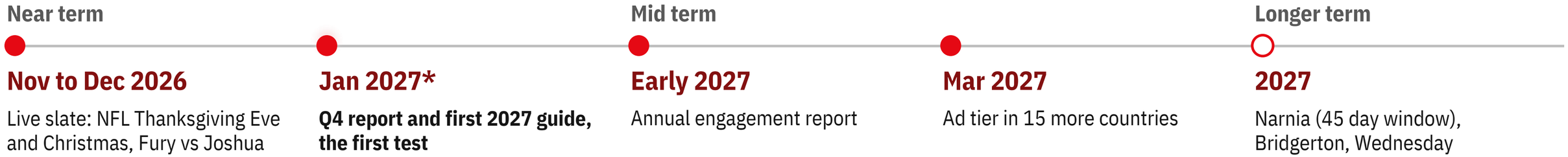
Sources: Netflix Q4 2025 and Q2 2026 letters; Wells Fargo via WSJ (Nov 2); Antenna via WSJ (Oct 19); Barron's (Oct 26, 2026)

What You Need To Believe

NETFLIX

Three beliefs, each already backed by evidence

Catalyst path: the first test comes in January, the first guide under the new content leadership



What you need to believe

1 Management fixes stalls fast

2022 ad tier and password crackdown; October 2026 reset done in one week

2 Ads can grow without new viewers

Ad load 2.4 vs about 8 min/hr; 15 new ad countries; ads only about 5% of revenue

3 The base case needs no heroics

2027 growth of 11% sits below the 11.5% Q4 guide and fades to 7%; margin adds about 1 point a year

Add plan: pre agreed triggers

Trigger	Condition	Nov 3	Action
Price	$56 to $58, about 15x forward EPS, thesis intact	$63.42, not met	Add second tranche
Data	Engagement report shows view hours up year on year	Pending	Add second tranche
Print	2027 ad guide 30%+ growth, margin guide above 31.5%	Pending, Jan 2027	Add on the print
Stop	View hours flat or down, or 2027 ad guide under 30%	Pending	No add; review the position
Trim	About 20x forward, about $75	Not met	Trim

Sources: Netflix Q3 2026 letter; NFLX_DCF_and_Comps.xlsx. *Jan 2027 date unconfirmed

Q&A

Thank you! Any questions?

The business didn't break. The price did.

Entry Price: **$63.42**

Blended Target Price: **$76.96**

21.3% Upside



Netflix Los Angeles office. Photo via Wikimedia Commons, CC BY-SA

Appendix

A1 DCF Build

A2 DCF Sensitivities

A3 Comps

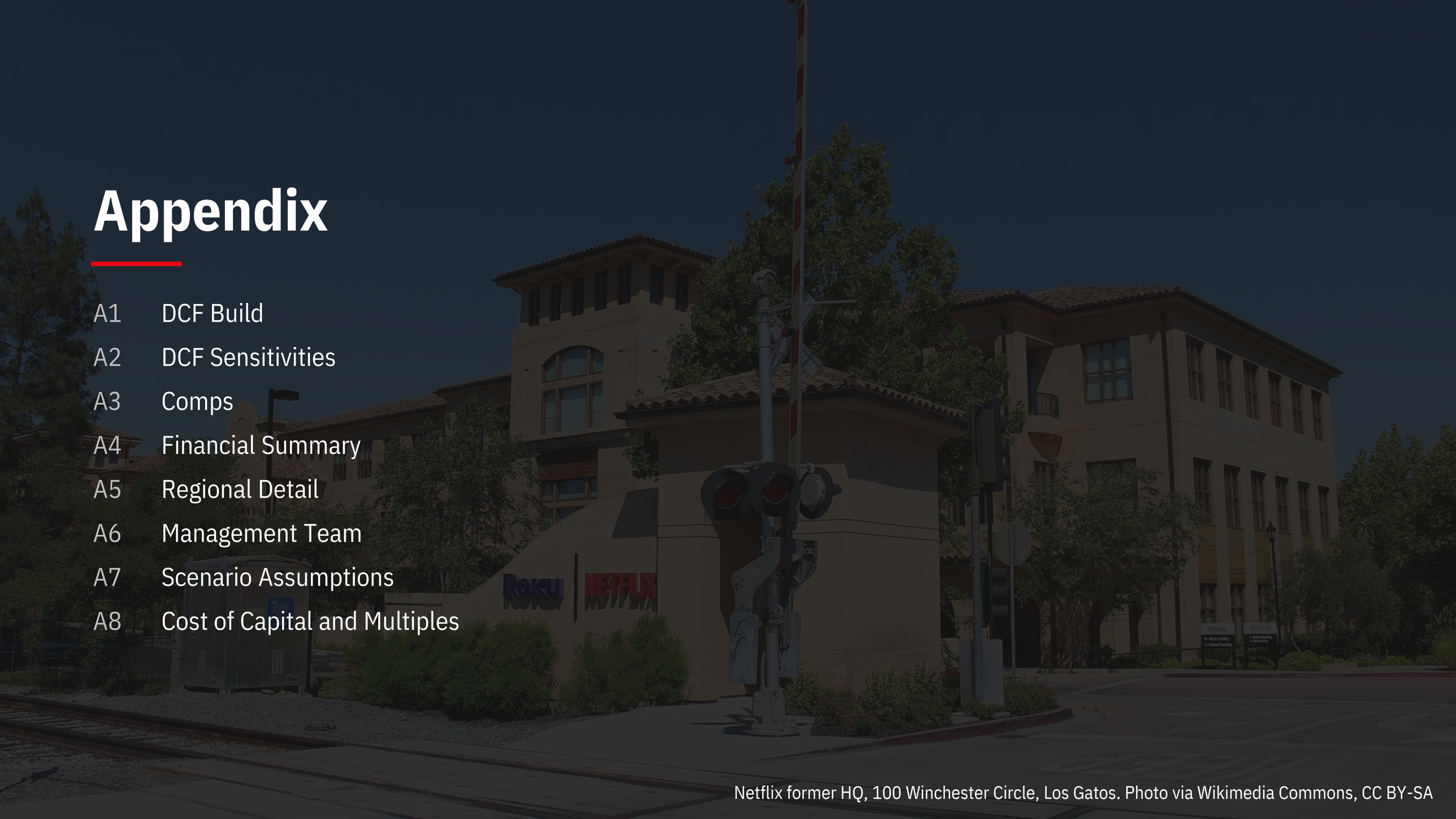
A4 Financial Summary

A5 Regional Detail

A6 Management Team

A7 Scenario Assumptions

A8 Cost of Capital and Multiples



Netflix former HQ, 100 Winchester Circle, Los Gatos. Photo via Wikimedia Commons, CC BY-SA

APPENDIX

A1 · DCF Build

NETFLIX

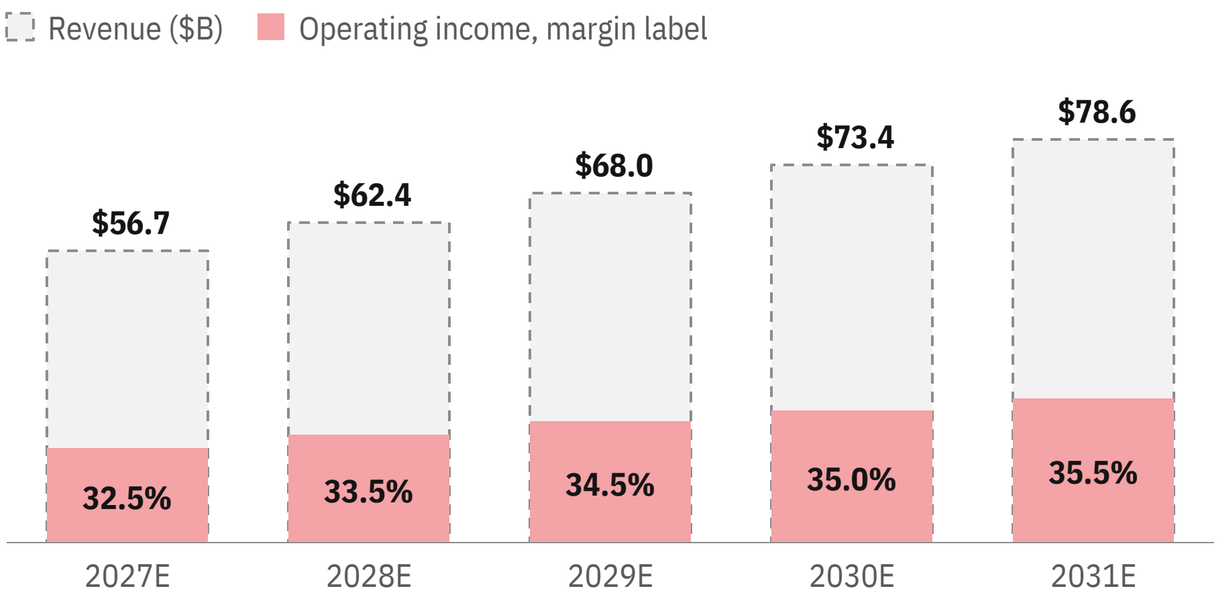
WACC set by scenario; CAPM build 10.7% for reference; terminal value is 80% of base EV

WACC and value by scenario

Scenario	WACC	Weight	Value	vs $63.42
Bear	9.5%	20%	$46.33	(27.0%)
Base	**8.3%**	**55%**	**$78.05**	**+23.1%**
Bull	8.0%	25%	$99.06	+56.2%
Weighted		100%	**$76.96**	**+21.3%**
CAPM reference	10.7%	n/a	$52.47	(17.3%)

3%	16%	$6.9B	4,195M
terminal growth	tax rate	net debt	diluted shares

Base projection: revenue $56.7B to $78.6B, margin 32.5% to 35.5%



Base EV of $334.3B: terminal value is 80%

PV of 2027 to 2031 FCF $65.3B	PV of terminal value $269.0B

EV $334.3B less net debt $6.9B = equity $327.4B; ÷ 4,195M shares = $78.05 per share.

Sources: NFLX_DCF_and_Comps.xlsx (Nov 3, 2026 close)

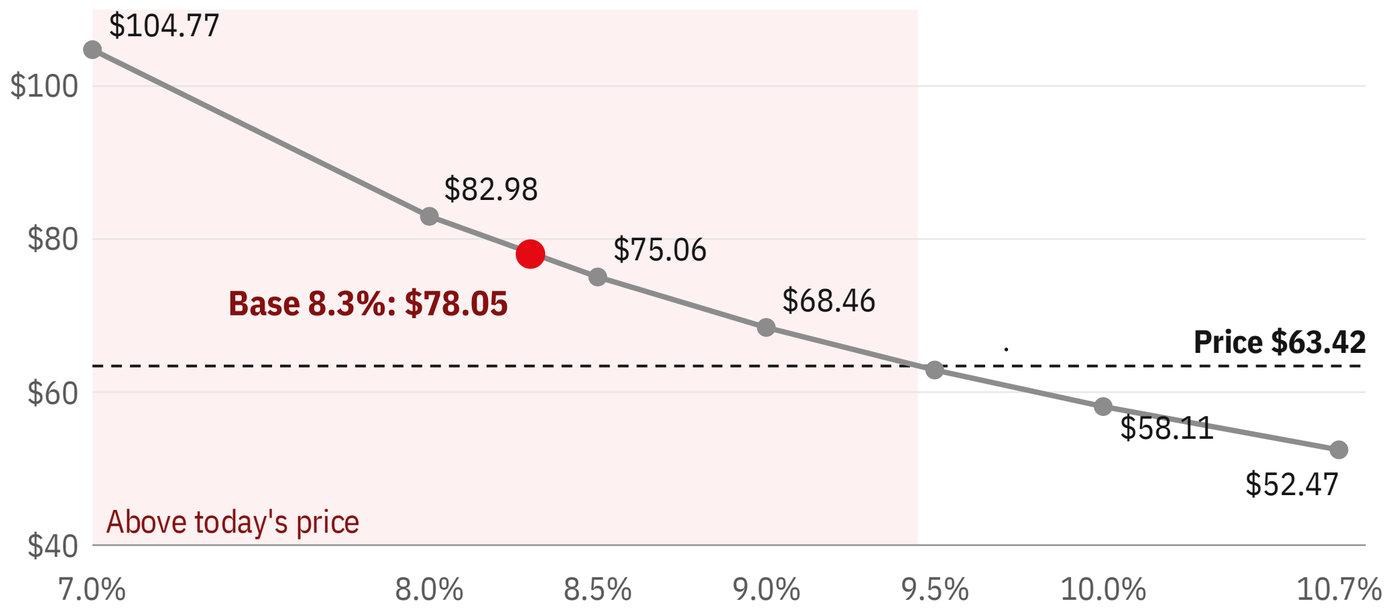
APPENDIX

A2 · DCF Sensitivities

NETFLIX

The target stays above $63.42 at any WACC up to about 9.5% with 3% terminal growth

Value per share by WACC, 3% terminal growth



WACC on the horizontal axis. 10.7% is the CAPM build.

8.3% base WACC
$78.05
+23.1% vs today

9.5% WACC
$62.89
about today's price

10.7% CAPM WACC
$52.47
–17.3% vs today

Full grid: WACC vs terminal growth ($/share)

WACC	2.0%	2.5%	3.0%	3.5%	4.0%
7.0%	$86.02	$94.35	$104.77	$118.17	$136.02
7.5%	$77.79	$84.48	$92.66	$102.89	$116.03
8.0%	$70.93	$76.41	$82.98	$91.01	$101.05
8.5%	$65.14	$69.68	$75.06	$81.51	$89.39
9.0%	$60.17	$64.00	$68.46	$73.74	$80.07
9.5%	$55.87	$59.13	$62.89	$67.27	$72.45
10.0%	$52.11	$54.91	$58.11	$61.80	$66.10
10.7%*	$47.58	$49.87	$52.47	$55.42	$58.81

Grey cells are below $63.42. Outlined: 9.5% and 3%, about today's price. Base WACC 8.3% sits between the 8.0% and 8.5% rows. *CAPM build.

Sources: NFLX_DCF_and_Comps.xlsx (Nov 3, 2026 close)

A3 · Comps

NETFLIX

Netflix about 17x forward vs Disney under 14x and Alphabet about 20x

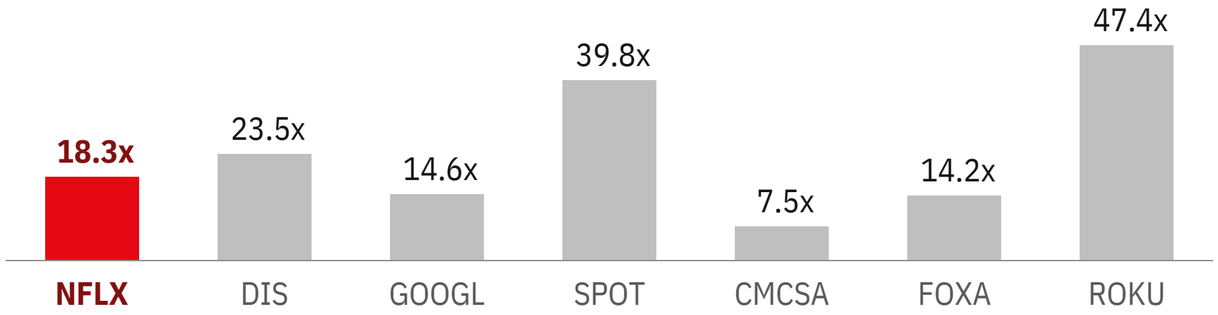
Streaming and media comps, Nov 3, 2026

Company	Market value	P/E TTM	Forward P/E	Note
Netflix	**$256B**	**18.3x (21.6x ex fee)**	**about 17x (WSJ)**	31.5% margin, net debt $6.9B
Disney	$195B	23.5x	under 14x (Barron's)	Parks, ESPN, Disney+
Alphabet	$3.4T	14.6x (inflated by gains)	about 20x (WSJ)	Owns YouTube
Spotify	$122B	39.8x	n/a	
Comcast	$85B	7.5x	n/a	Peacock
Fox	$25B	14.2x	n/a	Tubi
Roku	$23B	47.4x	n/a	
Skydance	n/a	n/a	≈7x EBITDA w/ synergies	About $80B debt, near 7x EBITDA

Forward P/E: Netflix sits between Disney and Alphabet



Trailing P/E: 18.3x reported, 21.6x ex fee



Sources: Barron's quote pages (Nov 3, 2026 close); WSJ (Nov 2, 2026); Barron's (Oct 6, 2026)

APPENDIX

A4 · Financial Summary

NETFLIX

2024 to 9M 2026, from the shareholder letters

Income and cash flow ($M)

	FY24	FY25	9M25	9M26
Revenue	39,000	45,180	33,132	**37,684**
Operating income	10,420	13,330	10,370	**12,608**
Operating margin	26.7%	29.5%	31.3%	**33.5%**
Free cash flow	6,920	9,460	7,589	**9,503**
Share repurchases	6,260	9,130	7,048	**10,782**

Balance sheet, Sep 30, 2026

$8.2B
cash

$15.1B
gross debt

$6.9B
net debt

FY2026 guide

$51.1B
revenue

31.5%
op margin

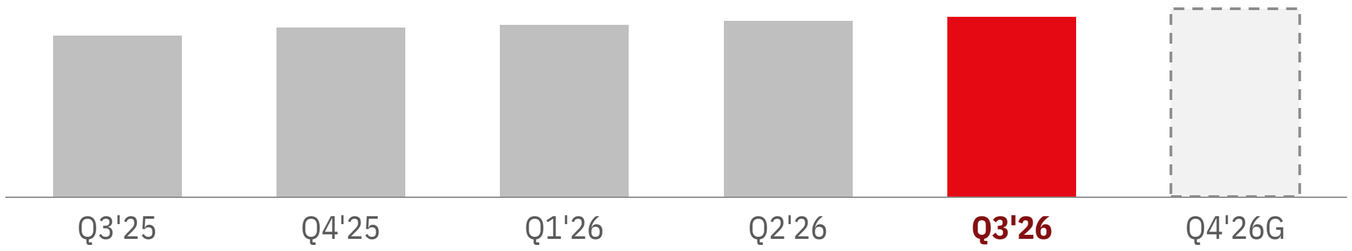
≈$12.0B
free cash flow

Quarterly summary ($M except per share)

	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26G
Revenue	11,510	12,051	12,250	12,560	**12,874**	13,442
Growth Y/Y	17.2%	17.6%	16.2%	13.4%	**11.8%**	11.5%
Operating income	3,248	2,957	3,957	4,193	**4,459**	3,500
Operating margin	28.2%	24.5%	32.3%	33.4%	**34.6%**	26.0%
Diluted EPS	$0.59	$0.56	$1.23*	$0.80	**$0.87**	$0.67
Free cash flow	2,660	1,872	5,094*	1,525	**2,884**	
Diluted shares (M)	4,340	4,317	4,298	4,261	**4,195**	

*Q1 2026 EPS and FCF include the $2.8B Warner Bros. termination fee. G = company guidance.

Quarterly revenue ($M)



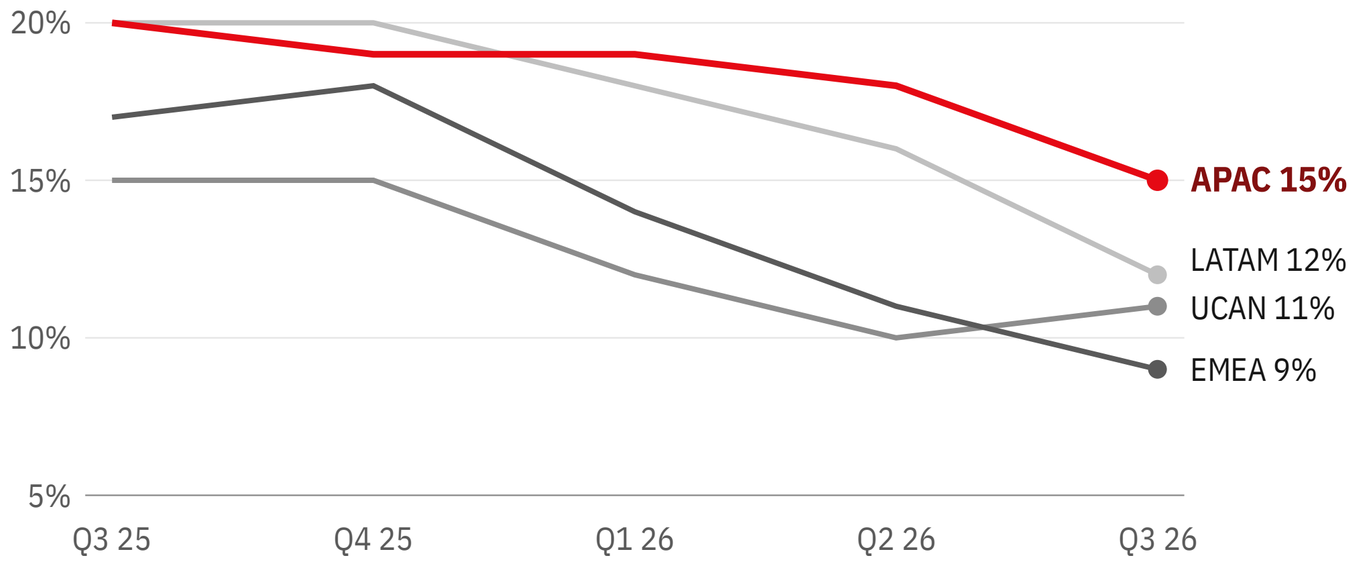
Sources: Netflix shareholder letters, SEC 8-K Exhibit 99.1

APPENDIX

A5 · Regional Detail

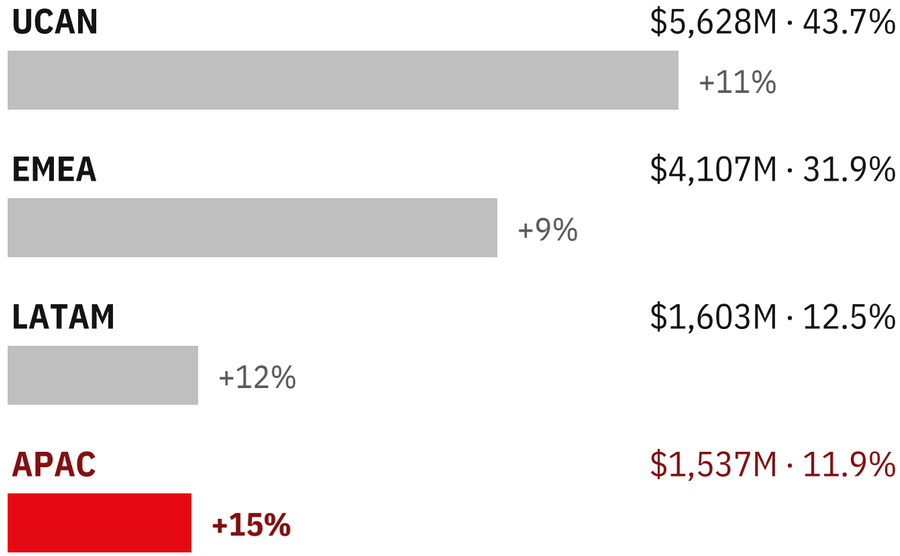
All four regions growing 9% to 15% FX neutral; APAC leads at 15%

FX neutral revenue growth by region, Q3 2025 to Q3 2026



APAC: 20%, 19%, 19%, 18%, 15%. LATAM and APAC started at 20%; UCAN fell from 15% to 11%.

Q3 2026 revenue by region



Bar length = revenue; label = FX neutral growth.



APAC: Netflix at Thong Lor, Bangkok



APAC: Netflix on the Yamanote line, Tokyo

Sources: Netflix shareholder letters (Q3 2025 to Q3 2026); NFLX Turnaround Research Report. Photos via Wikimedia Commons

APPENDIX

A6 · Management Team

NETFLIX

Co CEOs Ted Sarandos and Greg Peters; Peter Rice now runs content

Who runs Netflix, and what each did in the October refocus

Ted Sarandos



Co Chief Executive Officer

Long time content leader; based in Los Angeles

October reset

Put about 95% of programming spend on core TV and film

Greg Peters



Co Chief Executive Officer

Product, technology and ads side; based in Los Gatos

October reset

Project Meridian: about 1,000 roles (6%) streamlined to fund investment in what works

Peter Rice



Runs content, ≈$20B budget

Disney and Fox veteran across film, TV and sports

October reset

Hired to lead film and TV as one team; also oversees live sports

Content leadership, before and after Oct 14 to 19, 2026

Before
Content chief
Series and programming

Before
Film chief
Film slate

→

After
Peter Rice: one owner
Film, TV and live sports; the full ≈$20B budget

Other executives to be added from the proxy statement only.

Sources: WSJ (Oct 19, Oct 20, 2026); Netflix Q3 2026 letter. Photos: Wikimedia Commons (Sarandos, CC BY-SA 2.0; Rice); Netflix (Peters)

APPENDIX

A7 · Scenario Assumptions

NETFLIX

Base case sits below the Street: about $19B of 2030 FCF vs about $21B

Scenario inputs by year

Input	Case	2027E	2028E	2029E	2030E	2031E
Revenue growth	Bear	8.0%	7.0%	6.0%	5.0%	4.0%
	Base	**11.0%**	**10.0%**	**9.0%**	**8.0%**	**7.0%**
	Bull	13.0%	12.0%	11.0%	10.0%	9.0%
Operating margin	Bear	31.5%	32.0%	32.0%	32.5%	32.5%
	Base	**32.5%**	**33.5%**	**34.5%**	**35.0%**	**35.5%**
	Bull	33.5%	35.0%	36.5%	37.5%	38.0%
FCF / NOPAT	Bear	80%	80%	80%	80%	80%
	Base	**82%**	**84%**	**86%**	**88%**	**88%**
	Bull	85%	87%	89%	90%	90%

Scenario outputs

	Bear	Base	Bull
2031E revenue	$68.4B	**$78.6B**	$86.1B
2031E unlevered FCF	$14.9B	**$20.6B**	$24.7B
2026 to 31E revenue CAGR	6%	**9%**	11%
WACC	9.5%	**8.3%**	8.0%
Terminal growth	3.0%	**3.0%**	3.0%
Value per share	**$46.33**	**$78.05**	**$99.06**
vs $63.42	−27.0%	**+23.1%**	+56.2%
Weight	20%	**55%**	25%

Why the base case is reasonable

1 Growth starts at 11%, just under the 11.5% Q4 2026 guide and the 12% FX neutral run rate, then fades 1 point a year.

2 Margin starts above the 31.5% FY2026 guide and adds about 1 point a year, the 2025 to 2026 pace (29.5% to 31.5%).

3 FCF conversion: 2025 FCF was 86% of net income; 2026 ex fee is near 80% as content cash ran 1.17x amortization.

4 Base 2030 FCF of about $19B sits below the about $21B Street estimate (Barron's Streetwise, Oct 22, 2026).

Sources: NFLX_DCF_and_Comps.xlsx, Scenarios tab; Netflix Q3 2026 letter; Barron's (Oct 22, 2026)

APPENDIX

A8 · Cost of Capital and Multiples

NETFLIX

Our 8.3% base WACC vs 10.7% CAPM; at 9.5% the base case still equals today's price

CAPM build (reference)

Risk free rate (10 yr)	4.9%
Beta	1.22
Equity risk premium	5.0%
Cost of equity	**11.0%**
Pre tax cost of debt	5.6%
Tax rate	16.0%
After tax cost of debt	4.7%
Equity / debt weight	94.6% / 5.4%
CAPM WACC	**10.7%**

Why we use 8.0% to 9.5%

About 2% churn and $6.9B of net debt make cash flows steadier than a 1.22 beta suggests. At 9.5% the base case is $62.89, about today's price.

Equity bridge and DCF outputs (base)

Gross debt	$15,133M
Cash and ST investments	$8,223M
Net debt	**$6,910M**
Diluted shares	4,195M
Market value at $63.42	$266.0B
Terminal value (Gordon)	$400.8B
PV of terminal value	$269.0B
Enterprise value	**$334.3B**
TV share of EV	80.5%
Implied EV / 2027E EBIT	18.1x
Implied terminal FCF multiple	19.4x

End of year discounting is conservative; mid year would add about 5%.

Multiples cross-check

Forward P/E on $3.73 EPS	Price	vs now
15x Disney like	$55.96	−11.8%
17x today	$63.42	0.0%
20x WSJ bull case	$74.61	+17.6%
30x earlier in 2026	$111.92	+76.5%
TTM P/E reported / ex fee		18.3x / 21.6x
EV / FY2026E operating income		16.3x
FY2026 FCF yield (guide)		4.7%
Yield on 2030 Street FCF		8.2%
Analyst average target (52)		**$84.68**
Deutsche Bank (Buy)		$95.00

Sources: NFLX_DCF_and_Comps.xlsx (DCF, Multiples tabs); Barron's NFLX quote page (Nov 3, 2026); WSJ (Nov 2, 2026)