

Netflix Inc. (NFLX)

\$106.14 (Stock Price as of 11/26/2025)

Price Target (6-12 Months): **\$111.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 09/01/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: D

Growth: B

Momentum: C

Summary

Netflix is benefiting from its growing subscriber base, thanks to a robust localized and foreign-language content portfolio and healthy engagement levels with about two hours of viewing per member per day, indicating strong member retention. NFLX's advertising tier now accounts for more than 55% of new sign-ups in available markets. NFLX has set an ambitious target to double its revenues by 2030 and reach a \$1 trillion market capitalization, supported by a diversified content strategy, including international programming, live events, and gaming initiatives. NFLX raised its full-year free cash flow forecast to \$9 billion from \$8-8.5 billion. For the fourth-quarter, Netflix projects \$11.96 billion in revenue with 16.7% growth and a 23.9% operating margin, featuring major releases including Stranger Things' final season and NFL Christmas games.

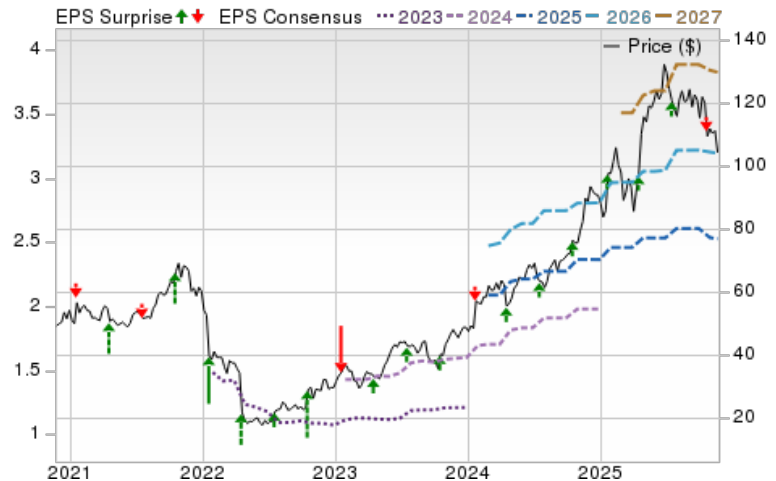
Data Overview

52 Week High-Low	\$134.12 - \$82.11
20 Day Average Volume (sh)	41,059,760
Market Cap	\$449.7 B
YTD Price Change	19.1%
Beta	1.58
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Broadcast Radio and Television
Zacks Industry Rank	Top 39% (95 out of 243)

Last EPS Surprise	-14.8%
Last Sales Surprise	-0.1%
EPS F1 Est- 4 week change	-0.3%
Expected Report Date	01/20/2026
Earnings ESP	0.1%

P/E TTM	44.3
P/E F1	42.0
PEG F1	0.2
P/S TTM	10.4

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	12,153 E	12,510 E	12,847 E	13,302 E	50,897 E
2025	10,543 A	11,079 A	11,510 A	11,966 E	45,091 E
2024	9,370 A	9,559 A	9,825 A	10,247 A	39,001 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.80 E	0.85 E	0.82 E	0.69 E	3.19 E
2025	0.66 A	0.72 A	0.59 A	0.54 E	2.53 E
2024	0.53 A	0.49 A	0.54 A	0.43 A	1.98 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 11/26/2025.

(2) The report's text and the price target are as of 11/21/2025.

Overview

Netflix is considered a pioneer in the streaming space. The company evolved from a small DVD-rental provider to a dominant streaming service provider, courtesy of its wide-ranging content portfolio and a fortified international footprint. At the end of the second quarter of 2024, the company had 277.65 million paid subscribers globally.

Netflix has been spending aggressively on building its portfolio of original shows. This is helping the company sustain its leading position despite the launch of new services like Disney+ and Apple TV+, as well as existing services like Amazon Prime Video.

Netflix streams movies, television shows and documentaries across a wide variety of genres and languages. Domestic and international subscribers can watch them on a host of internet-connected devices, including television sets, computers, and mobile devices.

The Los Gatos, CA-based company reported revenues of \$39 billion in 2024.

Beginning fourth-quarter 2019, Netflix started declaring revenues and membership data by regions — the Asia Pacific (APAC); Europe, Middle East & Africa (EMEA); Latin America (LATAM); and the United States and Canada (UCAN).

UCAN accounted for 44.1% of fourth-quarter 2024 revenues. At the end of the quarter, the company had 89.6 million paid subscribers in the region.

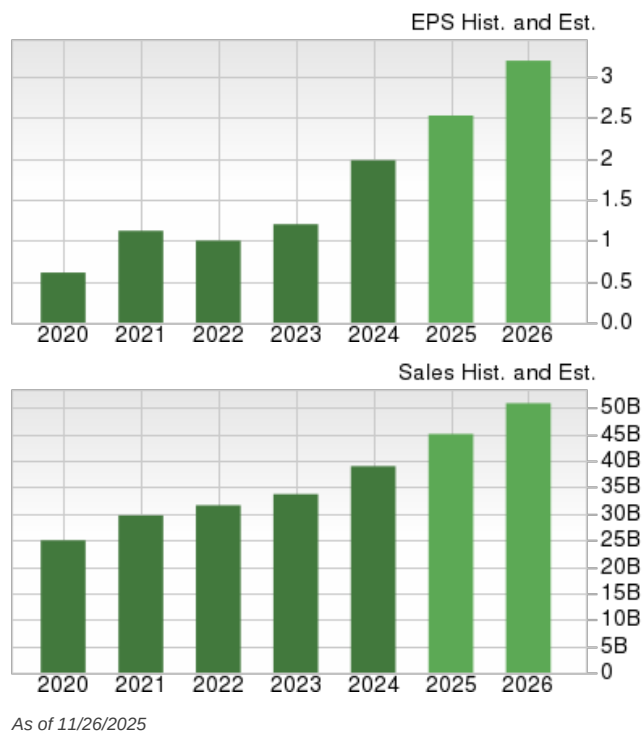
EMEA accounted for 32.1% of fourth-quarter 2024 revenues. Netflix had 101.1 million paid subscribers in the region at the end of the quarter.

LATAM contributed 12% of fourth-quarter 2024 revenues and had 53.3 million paid subscribers in the region at the end of the quarter.

APAC accounted for 11.8% of fourth-quarter 2024 revenues. The company had 57.54 million paid subscribers in the region at the end of the quarter.

NFLX will stop reporting paid quarterly membership and revenue per subscriber, starting with the first quarter of 2025.

Netflix has moved away from reporting specific subscriber counts starting with the first quarter of 2025, preferring instead to focus on financial metrics and user engagement. Starting with the second quarter of 2025 results, Netflix will publish its bi-annual engagement report, which accounts for 99% of all viewing on Netflix, in tandem with second and fourth-quarter earnings results.



Reasons To Buy:

- ▲ Netflix recorded its best advertising sales quarter ever in the third-quarter 2025 and successfully doubled commitments in the U.S. upfront. The company remains on track to more than double its ads revenue in 2025, albeit from a relatively small base. With the Netflix Ads Suite now fully deployed across all twelve ads markets for a complete quarter, the platform has greater opportunities for innovation including enhanced targeting capabilities. Netflix recently announced integrations with Amazon's DSP globally and AJA's DSP in Japan into their programmatic offering, with availability beginning in the fourth-quarter 2025. This expanding advertising infrastructure positions Netflix to capture significantly higher revenue per member while creating better experiences for both advertisers and subscribers moving forward.
- ▲ Netflix is leveraging generative AI to improve member experience by enhancing the quality of recommendations and content discovery features, including beta testing a conversational search experience allowing members to use natural language to explore the catalog. In the fourth-quarter 2025, the company is using AI to test new ad formats, generate the most relevant ad creative and placement for members, and enable faster development of media plans. With these AI advancements, Netflix will be able to test, iterate, and innovate on dozens of ad formats by 2026. The company is also empowering creators with broad GenAI tools to help them achieve their visions and deliver more impactful titles, as demonstrated in productions like *Happy Gilmore 2*. This technological edge strengthens Netflix's ability to personalize experiences and optimize monetization.
- ▲ Netflix achieved its highest quarterly TV view share ever in the third-quarter 2025, capturing 8.6% in the U.S. and 9.4% in the UK, representing growth of 15% and 22% respectively since fourth-quarter 2022. The quarter delivered major hits including *Wednesday* Season 2 with 114 million views, *Happy Gilmore 2* with 126 million views setting a new Nielsen streaming record, and international successes like *Your Majesty* from South Korea and *Bon Appétit. KPop Demon Hunters* became Netflix's most popular film ever with 325 million views, spawning unprecedented licensing partnerships with both Mattel and Hasbro as global co-master toy licensees. The Canelo versus Crawford boxing match attracted over 41 million viewers, becoming the most-viewed men's championship boxing match this century. This exceptional content performance drives member retention and acquisition.
- ▲ Netflix generated total revenue of \$11.51 billion in the third-quarter 2025, representing 17% year-over-year growth on both a reported and foreign exchange neutral basis, driven primarily by membership growth, pricing adjustments, and increased ad revenue. Free cash flow in the third-quarter 2025 totaled \$2.7 billion versus \$2.2 billion in Q3 2024. Netflix now expects 2025 free cash flow of approximately \$9 billion, up from the prior forecast of \$8 billion to \$8.5 billion, reflecting the timing of cash payments and lower content spend. For full-year 2025, the company expects \$45.1 billion in revenue representing 16% growth, or 17% on a foreign exchange neutral basis. This robust financial trajectory provides resources for content investment, shareholder returns, and strategic initiatives while maintaining operational leverage.
- ▲ Netflix's fourth-quarter 2025 slate includes highly anticipated titles such as the epic final season of *Stranger Things*, *The Diplomat* Season 3, *Nobody Wants This* Season 2, Guillermo del Toro's *Frankenstein*, Kathryn Bigelow's *A House of Dynamite* and Rian Johnson's *Wake Up Dead Man: A Knives Out Mystery*. The quarter also features exciting live events including the NFL Christmas Day doubleheader with Dallas Cowboys versus Washington Commanders and Detroit Lions versus Minnesota Vikings, plus the Jake Paul versus Gervonta Tank Davis boxing match on Nov. 14 2025. For fourth-quarter 2025, Netflix projects revenue of \$11.96 billion, up 17% year-over-year, with an operating margin of 23.9% representing a two percentage point year-over-year improvement. This exceptional programming lineup, combining franchise finales with live sports events and diverse international content, positions Netflix to maintain momentum heading into 2026 with strong member engagement and acquisition.

Netflix's accelerating ad business, AI-driven innovation, record engagement on content strength, focus on originals across various genres and languages are key positives.

Reasons To Sell:

- ▼ Netflix faces relentless assault from formidable rivals across the streaming battlefield. Amazon Prime Video commands 22% market share in the United States while Netflix holds just 21%, marking a disturbing reversal from its former dominance. The competitive landscape grows increasingly hostile with Disney Plus, HBO Max, Peacock, and Paramount Plus aggressively fighting for subscriber attention and spending. Management acknowledges competing against not merely other streaming services but linear television, social media, video gaming, theatrical movies, concert attendance, book reading, music listening, and all leisure time options. This brutal competition fragments audience attention and intensifies pricing pressure, threatening Netflix's ability to maintain premium pricing power. The streaming wars show no signs of abating, creating permanent margin compression risks as rivals continue pouring billions into content production to steal market share.
- ▼ Netflix's revenue growth trajectory reveals troubling deceleration that investors should fear. Third-quarter revenue grew 17% year-over-year, matching the prior quarter but representing concerning stagnation compared to historical double-digit acceleration periods. The company stopped reporting subscriber numbers in early 2025, eliminating transparency precisely when growth appears to be plateauing. Fourth-quarter guidance projects 16.7% revenue growth, indicating further slowdown momentum. Mature markets like North America show signs of dangerous saturation, forcing Netflix to rely increasingly on lower-revenue international territories where monetization remains challenging. The advertising business, while doubling revenue, remains off a relatively small base, offering insufficient scale to offset core subscription weakness. This growth deceleration undermines valuation multiples that price in perpetual expansion.
- ▼ Currency headwinds present enormous uncontrollable risks to Netflix's internationally-dependent business model. The Brazilian tax dispute resulted in a \$619 million unexpected expense, reducing third-quarter operating margin by more than 5 percentage points, demonstrating how foreign operations create earnings volatility disasters. With operations spanning over 190 countries, Netflix faces constant exposure to unpredictable exchange rate fluctuations that distort reported results and complicate forecasting. The company's hedging strategies provide inadequate protection against major currency swings. Foreign exchange neutral revenue growth consistently diverges from reported figures, revealing how currency movements mask underlying business deterioration. Management revised full-year operating margin guidance downward to 29% from 30% specifically due to international tax complications. These uncontrollable external shocks will continue plaguing results, creating persistent uncertainty for shareholders.
- ▼ Netflix's content spending obligations represent a financial black hole consuming cash flow at alarming rates. Total streaming content obligations reached \$20.9 billion, creating massive future cash outflow commitments that constrain financial flexibility. The company acknowledged that operating margin in the second half of 2025 will be lower than the first half due to higher content amortization and sales and marketing costs associated with the larger second half slate. Production costs continue escalating as talent demands premium compensation and competition intensifies for marquee content. Despite Netflix's scale, achieving operating leverage remains elusive as each revenue dollar requires proportionate content investment to maintain subscriber engagement. The advertising business demands additional marketing spend before generating meaningful returns. These relentless cost pressures limit profit expansion potential and force management into a perpetual spending treadmill.
- ▼ Netflix carries an oppressive debt load that constrains strategic flexibility and amplifies downside risk. Long-term debt totaled \$14.5 billion at quarter-end with net debt of \$5.2 billion, creating substantial interest obligations that drain profitability. The leveraged balance sheet leaves Netflix vulnerable during economic downturns or if subscriber trends deteriorate unexpectedly. Interest expense consumed \$175 million during the third quarter, representing dead weight that benefits bondholders rather than shareholders. While management touts free cash flow generation, massive content obligations totaling \$20.9 billion remain largely off-balance-sheet, understating true financial leverage. This debt burden limits Netflix's ability to aggressively invest in growth opportunities or weather competitive pressures without diluting shareholders through additional capital raises.

Stiff competition, slowing growth and market saturation risks, foreign exchange volatility along with higher expenses and leveraged balance sheet, are major concerns.

Last Earnings Report

NFLX Q3 Earnings Miss on Brazilian Tax Dispute, Posts Record Ad Sales

Netflix reported third-quarter 2025 earnings of \$5.87 per share, which missed the Zacks Consensus Estimate by 14.8%. The shortfall was primarily attributed to a one-time \$619 million expense related to an ongoing dispute with Brazilian tax authorities. The figure increased 8.7% from the year-ago quarter's \$5.40 per share.

Revenues increased 17.2% year over year (17% on a foreign exchange neutral basis), driven primarily by membership growth, higher subscription pricing, and increased advertising revenues. The figure missed the consensus mark by 0.12%.

The company emphasized that, absent the Brazilian tax expense, it would have exceeded its third-quarter operating margin forecast. Netflix stated that it does not expect this matter to have a material impact on future results. The Brazilian tax involves a 10% levy on certain payments made by Brazilian entities to operations outside the country.

Record Engagement Fuels Growth Despite Operating Margin Miss

Despite the earnings miss, Netflix delivered a strong operational performance in the third quarter. The company achieved its highest quarterly viewing share ever in both the United States and the United Kingdom, with total viewing hours growing faster in the third quarter than in the first half of 2025.

All regions experienced healthy year-over-year revenue growth. UCAN (United States and Canada) revenue increased 17% year over year to approximately \$5.07 billion, EMEA (Europe, Middle East and Africa) grew 18% to \$3.7 billion, Latin America rose 10% to \$1.37 billion, and Asia-Pacific surged 21% to \$1.37 billion.

Operating income totaled \$3.25 billion, up 12% year over year, but operating margin came in at 28%, significantly below the company's guidance of 31.5% due to the Brazilian tax dispute. Without this one-time expense, Netflix indicated that it would have exceeded its operating margin forecast.

Marketing expenses increased 22.3% year over year to \$786.3 million. As a percentage of revenues, marketing expenses expanded 30 basis points (bps) on a year-over-year basis to 6.8%. Technology and development expenses increased 16.1% year over year to \$853.6 million. As a percentage of revenues, technology and development expenses contracted 10 basis points (bps) on a year-over-year basis to 7.4%. General and administration expenses increased 9.7% year over year to \$457.9 million. As a percentage of revenues, general and administration expenses contracted 30 bps on a year-over-year basis to 4%.

Strong Second-Half Content Slate Drives Viewership

The third quarter was dominated by the unprecedented success of the animated musical film *KPop Demon Hunters*, which has become Netflix's most-watched film of all time with more than 325 million views. The film, which premiered on June 20, 2025, has remained on Netflix's Global Top 10 list for 15 consecutive weeks through the third quarter, an unprecedented run for any title on the platform.

Netflix delivered a robust content slate in the third quarter, led by the highly anticipated return of *Wednesday* Season 2, which premiered on Aug. 6 with 13.4 million views in its first week. Part 2 of the season was released on Sept. 3. The series has accumulated 107 million views to date, placing it at No. 7 on Netflix's all-time list for English-language TV shows, though it still trails the first season's record-breaking 252.1 million views.

Other successful third-quarter releases included the cooking competition series *Bon Appétit*, the South Korean drama *Your Majesty*, and *Happy Gilmore 2* starring Adam Sandler, which generated 14.7 million views and delighted audiences with the return of the beloved comedy character.

International content continued to perform strongly, with the British political thriller *Hostage* starring Julie Delpy and Corey Mylchreest generating 10.8 million views. The romantic drama *My Oxford Year*, also starring Mylchreest alongside Sofia Carson, attracted 5.9 million views.

The company also scored a significant success in live programming with the broadcast of the Canelo vs. Crawford boxing match on Sept. 13, which topped the weekly TV list with 17.7 million views. The fight scored an estimated average minute audience of 36.6 million global viewers, making it the most-viewed men's championship boxing match of the 21st century. The event marked another win for Netflix's expansion into live sports programming.

Advertising Business Surges to Record Heights

Netflix recorded its best advertising sales quarter ever in the third quarter, with the company on track to more than double ad revenues in 2025, albeit from a relatively small base. The company doubled its upfront commitments in the United States during the quarter.

Co-CEO Greg Peters highlighted the company's progress in advertising technology, noting that in the fourth quarter, Netflix is using AI to test new ad formats "to generate the most relevant ad creative and placement for members, and for faster development of media plans." The company stated that these advancements will enable it to test, iterate, and innovate on dozens of ad formats by 2026.

Netflix also announced a partnership with Spotify to bring a select number of podcasts from Spotify Studios and The Ringer to Netflix's platform, further expanding its content offerings.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 21, 2025
Sales Surprise	-0.12%
EPS Surprise	-14.80%
Quarterly EPS	0.59
Annual EPS (TTM)	2.39

Balance Sheet & Cash Flow

Netflix had cash and cash equivalents as of Sept. 30, 2025, compared with \$8.17 billion as of June 30, 2025.

Total debt was \$14.46 billion as of Sept. 30, 2025, slightly below \$14.5 billion as of the end of the previous quarter.

Streaming content obligations were \$20.94 billion as of Sept. 30, 2025, compared with \$20.96 billion as of June 30, 2025.

Netflix reported non-GAAP free cash flow of \$2.66 billion compared with \$2.26 billion in the previous quarter. This reflects improved operational efficiency and strong cash generation capabilities.

Net cash generated from operating activities in the third quarter was \$2.82 billion compared with \$2.32 billion in the prior-year period.

During the quarter, Netflix continued its capital allocation strategy, repurchasing shares under its existing \$12 billion share repurchase authorization. The company established a commercial paper program in May 2025, providing enhanced flexibility with the ability to issue short-term, unsecured notes up to \$3 billion.

Strong Q4 and Full-Year 2025 Outlook

For the fourth quarter of 2025, Netflix expects revenues of \$11.96 billion, indicating growth of 16.7% year over year (16% on a foreign exchange neutral basis). Revenues are expected to be driven by continued growth in members, pricing adjustments, and advertising revenues.

The company projects fourth-quarter earnings per share of \$5.45. Operating margin guidance for the fourth quarter is 23.9%, representing a two percentage point year-over-year improvement.

For full-year 2025, Netflix now expects revenues of \$45.1 billion, representing 16% growth year over year (17% on a foreign exchange neutral basis). This is in line with the company's previous guidance range of \$44.8-\$45.2 billion. The company has adjusted its full-year operating margin forecast to 29% from the prior 30% projection, reflecting the impact of the Brazilian tax matter.

Netflix has increased its full-year 2025 free cash flow forecast to approximately \$9 billion (plus or minus a few hundred million dollars), up from the prior forecast of \$8.0-\$8.5 billion. The improved forecast reflects the timing of cash payments and lower content spend.

Recent News

On Nov. 12, 2025, Netflix announced the opening of Netflix House Philadelphia, 100,000 square feet of immersive experiences inspired by some of the company's most popular shows and movies, including *Wednesday*, *ONE PIECE*, *Stranger Things*, *Squid Game*, *Love Is Blind*, *KPop Demon Hunters*, *Bridgerton* and many more.

On Oct. 31, 2025, Netflix announced that its Board of Directors has approved a ten-for-one forward stock split of the Company's common stock. Each shareholder of record as of the close of trading on Nov. 10, 2025 (the "record date") will receive, after the close of trading on Nov. 14, 2025, nine additional shares for every share held on the record date. Trading is expected to begin on a split-adjusted basis at market open on Nov. 17, 2025.

On Oct. 21, 2025, Netflix announced that it has named Mattel and Hasbro as global co-master toy licensees for its hit animated film *KPop Demon Hunters*, locking in a major merchandise rollout of dolls, action figures, plush, games and role-play items beginning in Spring 2026.

Netflix released the first trailer for *Troll 2*, featuring an epic "Monster Mash" showdown with two towering trolls, and announced the sequel will stream Dec. 1. Netflix announced the Turkish film *Lefter: The Story of the Ordinarius* will debut worldwide on November 14 2025.

On Oct. 20, 2025, Netflix announced the teaser trailer for the Spanish thriller series *The Crystal Cuckoo*, about a young doctor whose heart-donor link leads her into a town full of secrets.

On Oct. 15, 2025, Netflix announced the Spanish political thriller *She Walks in Darkness*, by Agustín Díaz Yanes, will arrive on the platform on October 17.

On Oct. 14, 2025, Netflix announced a new Brazilian series titled *Rauls*, produced in partnership with KondZilla and LB Entertainment.

On Oct. 13, 2025, Netflix announced a partnership with GOBELINS Paris and acclaimed filmmaker Guillermo del Toro to launch a stop-motion animation studio-lab aimed at cultivating next-gen talent.

On Oct. 12, 2025, Netflix announced the production of its new mystery-romantic fantasy series *Grand Galaxy Hotel*, revealing a star-studded cast including Lee Do hyun, Shin Si a, Lee Soo hyuk and Lee Su hyun.

On Oct. 9, 2025, Netflix unveiled the official trailer for season 2 of its Spanish medical-drama *Breathless (Respira)*, ahead of its global premiere on Oct. 31. Netflix announced the release of the trailer for its upcoming Indonesian zombie thriller *The Elixir*, where a deadly youth-elixir triggers a zombie outbreak.

On Oct. 8, Netflix announced the premiere of *Groom and Two Brides*, a romantic comedy about love, lies and the impossible task of juggling double commitments, debuting Nov. 7.

On Oct. 2, Netflix announced the reintroduction of *Queue*, the magazine that takes audiences behind the scenes of favourite films and series, now as Tudum Magazine.

On Oct. 1, Netflix announced the premiere of *Kurukshetra*, a groundbreaking animated series bringing the timeless Mahabharata saga to life, debuting Oct. 10.

On Sept. 30, Netflix announced that *Had I Not Seen The Sun* is set to debut in two parts, with the first premiering Nov. 13 and the second on Dec. 11.

On Sept. 29, Netflix announced *The Case*, a new Swedish crime series created and written by George Kay, with all eight episodes directed by Kristoffer Nyholm.

On Sept. 22, Netflix and AB InBev announced collaboration on co-marketing campaigns that will come to life across a variety of Netflix's most popular global and regional titles like *The Gentlemen* from the UK, *Brasil 70 - A Saga do Tri* from Brazil, *Culinary Class Wars* from South Korea among others.

On Sept. 2, Netflix unveiled the main trailer and key art for the Chinese-language revenge thriller series *The Resurrected*.

On Aug. 27, Netflix announced it will introduce a diverse slate of 9 titles at the 30th Busan International Film Festival, celebrating its 30th anniversary.

On Aug. 26, Netflix announced it will become the new home of the 2026 World Baseball Classic in Japan as part of an exclusive media rights partnership with World Baseball Classic, Inc.

On Aug. 21, Netflix released the official trailer and new photos of *The Monster of Florence*. The 4-episode TV series will be available only on Netflix on Oct. 22, 2025.

On July 30, Netflix shared details about the production of *Happy Gilmore 2*, revealing the film was shot in 45 locations across New Jersey over three months.

On July 29, Netflix announced the premiere date for the second season of *Breathless*, Spain's first hospital drama on the service which will feature 8 episodes and land on Netflix on Oct. 31.

On July 28, Netflix revealed the official trailer and poster for its upcoming limited series *Two Graves*, set to premiere on Aug. 29.

On July 24, Netflix announced *Bon Appétit, Your Majesty*, a new K-romcom launching on Aug. 23. Netflix announced the launch of the *ScreenCraft Pathway* programme, an on-the-job training initiative in partnership with the Gauteng Film Commission and the KwaZulu-Natal Tourism and Film Authority.

On July 22, Netflix announced that *Pokémon Concierge* is returning with brand-new episodes premiering worldwide on Sep. 4.

On Jul 20, Netflix has announced the production of its latest Korean series, *Variety*, featuring an exciting cast led by Son Ye-jin and Jo Yu-ri.

On Jul 11, Netflix announced the global premiere of the first two seasons of *Death Inc.*, the funeral comedy created by Alberto and Laura Caballero.

On Jul 9, Netflix announced that it Netflix has started filming *Aquel*, a biographical series based on the life of renowned Spanish singer Raphael.

Valuation

Netflix shares are up 18.6% in the year-to-date period while up 17.7% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 59.7% and the same in the Zacks Consumer Discretionary sector are down 15.2% in the year-to-date period. Over the past year, stocks in the Zacks sub-industry and the sector are down 59.8% and 17.4%, respectively.

The S&P 500 index is up 14.2% in the year-to-date period and up 13.1% in the past year.

The stock is currently trading at 0.89X forward 12-month sales, which compares with 1.84X for the Zacks sub-industry, 2.03X for the Zacks sector and 5.19X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 1.21X and as low as 0.22X, with a five-year median of 0.69X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$111 price target reflects 0.93X forward 12-month sales.

The table below shows summary valuation data for NFLX

Valuation Multiples - NFLX					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.89	1.84	2.03	5.19
	5-Year High	1.21	5.21	3.3	5.52
	5-Year Low	0.22	1.37	1.64	3.84
	5-Year Median	0.69	2.85	2.25	5.06
EV/Sales TTM	Current	1.15	2.28	2.46	5.53
	5-Year High	1.54	6.69	4.13	5.82
	5-Year Low	0.52	2.28	2.22	3.78
	5-Year Median	0.97	4.18	2.81	5.13
EV/EBITDA TTM	Current	1.73	4.9	10.26	18.01
	5-Year High	2.3	21.53	18.49	22.58
	5-Year Low	0.83	4.72	8.81	13.97
	5-Year Median	1.49	10.89	11.53	18.07

As of 11/20/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 39% (95 out of 243)

Top Peers⁽¹⁾



Company (Ticker)	Rec	Rank
Amazon.com, Inc. (AMZN)	Outperform	2
Apple Inc. (AAPL)	Neutral	3
The Walt Disney Comp...(DIS)	Neutral	3
Alphabet Inc. (GOOGL)	Neutral	3
Sirius XM Holdings I...(SIRI)	Neutral	3
AT&T Inc. (T)	Neutral	3
Warner Bros. Discove...(WBD)	Neutral	3
Comcast Corporation (CMCSA)	Underperform	4

Industry Comparison⁽¹⁾ Industry: Broadcast Radio And Television

Industry Peers

	NFLX	X Industry	S&P 500	AAPL	AMZN	DIS
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	C	-	-	C	B	A
Market Cap	449.75 B	233.48 M	37.79 B	4,101.18 B	2,449.77 B	184.65 B
# of Analysts	11	2	22	10	14	9
Dividend Yield	0.00%	0.00%	1.47%	0.37%	0.00%	0.97%
Value Score	D	-	-	D	C	A
Cash/Price	0.02	0.30	0.04	0.01	0.04	0.03
EV/EBITDA	17.29	5.27	14.43	28.56	19.43	10.99
PEG Ratio	0.23	1.23	2.21	2.58	1.58	1.43
Price/Book (P/B)	17.33	0.92	3.33	55.62	6.63	1.62
Price/Cash Flow (P/CF)	18.65	4.91	14.90	33.15	21.67	11.26
P/E (F1)	41.95	14.74	20.17	34.02	31.97	15.69
Price/Sales (P/S)	10.37	0.42	3.03	9.85	3.54	1.96
Earnings Yield	2.38%	0.35%	4.94%	2.94%	3.13%	6.37%
Debt/Equity	0.56	0.54	0.57	1.06	0.14	0.31
Cash Flow (\$/share)	5.69	1.44	8.99	8.37	10.57	9.18
Growth Score	B	-	-	C	B	B
Hist. EPS Growth (3-5 yrs)	24.75%	-11.35%	8.17%	10.10%	26.63%	38.69%
Proj. EPS Growth (F1/F0)	27.78%	-24.95%	8.30%	9.38%	29.66%	11.13%
Curr. Cash Flow Growth	21.94%	-29.31%	7.09%	7.17%	42.81%	-6.71%
Hist. Cash Flow Growth (3-5 yrs)	16.82%	7.11%	7.32%	12.56%	27.41%	3.33%
Current Ratio	1.33	1.59	1.18	0.89	1.01	0.71
Debt/Capital	35.78%	36.70%	38.16%	51.51%	12.07%	23.56%
Net Margin	24.05%	-3.84%	12.77%	26.92%	11.06%	13.14%
Return on Equity	41.86%	0.18%	17.03%	164.05%	23.62%	9.37%
Sales/Assets	0.81	0.60	0.53	1.22	1.03	0.48
Proj. Sales Growth (F1/F0)	15.60%	0.00%	5.59%	8.00%	11.90%	7.40%
Momentum Score	C	-	-	A	A	B
Daily Price Chg	1.67%	0.00%	0.69%	0.21%	-0.22%	0.12%
1 Week Price Chg	-6.21%	0.00%	2.57%	-0.34%	-5.97%	-1.44%
4 Week Price Chg	-3.55%	-3.28%	-1.13%	2.91%	-0.50%	-6.18%
12 Week Price Chg	-13.44%	-11.19%	5.65%	16.39%	1.40%	-11.88%
52 Week Price Chg	20.98%	12.71%	13.57%	18.14%	11.38%	-12.05%
20 Day Average Volume	41,059,760	393,747	3,023,376	50,674,812	57,528,716	12,459,456
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.49%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.33%	2.44%	0.23%	3.78%	4.82%	1.74%
(F1) EPS Est 12 week change	-3.09%	3.71%	0.60%	4.42%	6.48%	1.57%
(Q1) EPS Est Mthly Chg	0.02%	-2.78%	-0.09%	8.35%	3.39%	-10.84%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	B
Momentum Score	C
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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