# NFLX May 25

Valuation report

Main statements

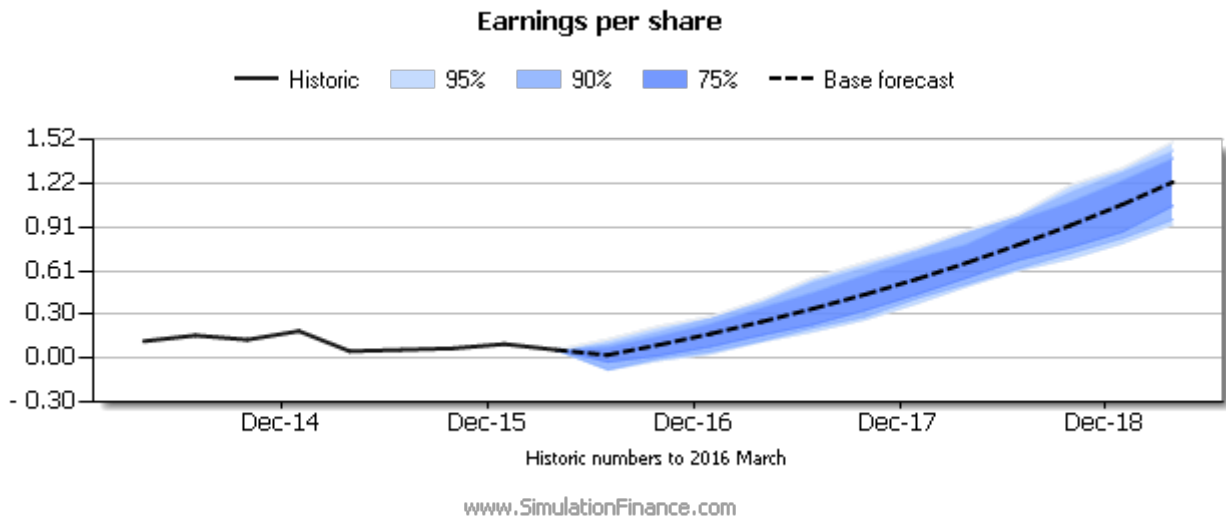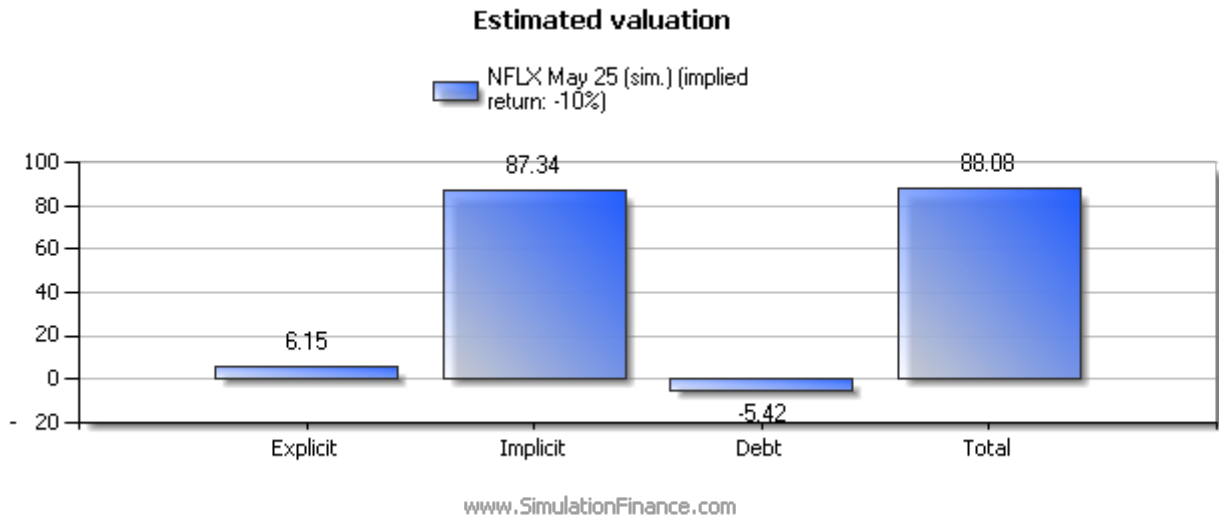| * Historic	Dec-15*	Mar-16*	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Revenues	1 823	1 958	2 067	2 183	2 306	2 435	2 571	2 715	2 867	3 028	3 197	3 377
EBITDA	111	107	73	118	166	219	276	337	404	477	555	639
EBIT	60	49	15	59	108	161	218	280	347	420	498	583
Net interests	- 35	- 36	0	0	0	0	0	0	0	0	0	0
Other financials	- 4	26	0	0	0	0	0	0	0	0	0	0
Profit before tax	21	40	15	59	108	161	218	280	347	420	498	583
Net profit	**43**	**28**	**10**	**41**	**75**	**112**	**152**	**195**	**241**	**292**	**346**	**405**
Operating cash flow	- 245	- 229	69	100	133	170	209	252	298	349	403	461
Investing cash flow	- 41	4	- 32	- 32	- 32	- 32	- 32	- 32	- 32	- 32	- 32	- 32
Financing cash flow	- 17	15	0	0	0	0	0	0	0	0	0	0
Net cash flow	**- 306**	**- 204**	**37**	**68**	**101**	**138**	**177**	**220**	**266**	**317**	**371**	**429**
Long term asset	4 771	5 718	5 691	5 665	5 639	5 613	5 588	5 562	5 537	5 513	5 488	5 464
Short term asset	3 623	3 939	3 939	3 939	3 939	3 939	3 939	3 939	3 939	3 939	3 939	3 939
Cash	1 809	1 605	1 642	1 710	1 811	1 948	2 125	2 345	2 611	2 928	3 299	3 728
Total assets	**10 203**	**11 262**	**11 272**	**11 314**	**11 389**	**11 500**	**11 652**	**11 846**	**12 088**	**12 380**	**12 726**	**13 131**
Other liabilities	5 608	6 573	6 573	6 573	6 573	6 573	6 573	6 573	6 573	6 573	6 573	6 573
Debt	2 371	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372
Equity	**2 223**	**2 317**	**2 327**	**2 369**	**2 444**	**2 555**	**2 707**	**2 901**	**3 143**	**3 435**	**3 781**	**4 186**
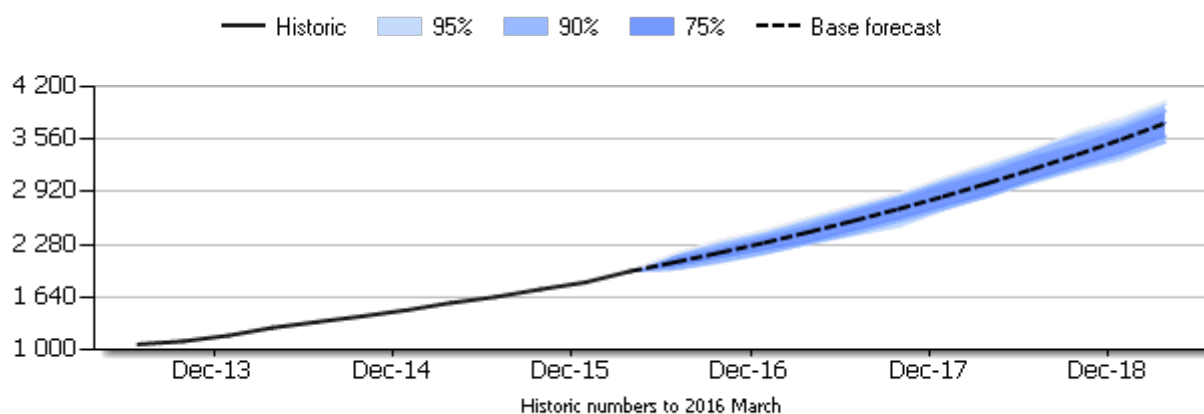
Fan chart analysis shows the assumed possible development with included risk assumptions. The black line shows the historic development and the black dotted line shows the base case expected development. The darkerst blue area shows the range containing 75% of the calculated outcomes. The 2'nd darkest area, together with the darkest area, contains 90% of the calculated outcomes. The total blue/shaded area contains 95% of the calculated outcomes. 2.5% of the calculated outcomes are above the shaded area, and 2.5% of the calculated outcomes are below the shaded area.

EBITDA margin

Historic — 95% ▢ 90% ▢ 75% ▢ Base forecast - - -

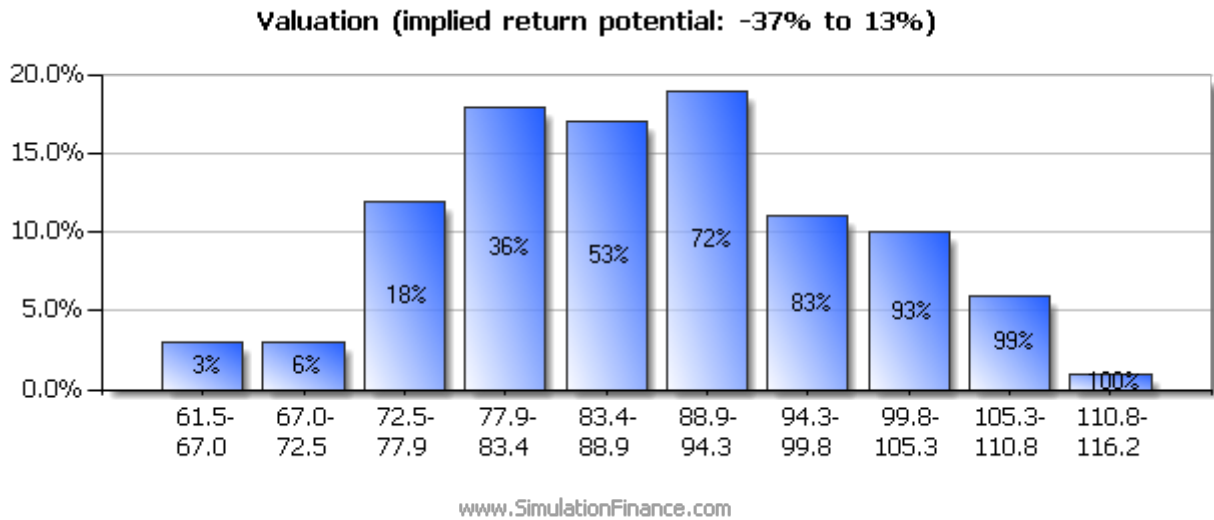Historic numbers to 2016 March

www.SimulationFinance.com
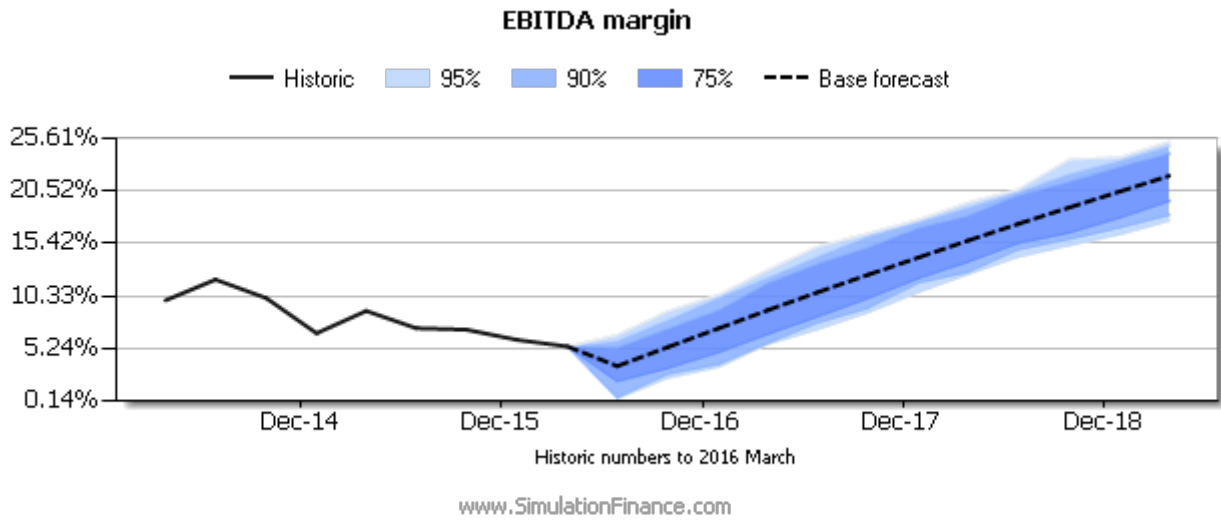
EBITDA is defined as earnings before interest, tax, depreciation and amortization. The EBITDA margin is calculated as EBITDA divided by revenues. The EBITDA margin can help the investor to get a cleaner view of a company's core profitability.

Earnings per share

Historic — 95% ▢ 90% ▢ 75% ▢ Base forecast - - -

Historic numbers to 2016 March

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Estimated valuation

NFLX May 25 (sim.) (implied return: -10%)

Main case valuation per share. Not included risk assumptions.

Valuation (implied return potential: -37% to 13%)

Valuation per share with included risk assumptions. The horisontal axis shows the valuation per share distribution based on the assumptions made in this analysis. The vertical axis shows the assumed probability for each outome. The percentage shown on each bar is the accumulated probability starting from the left. Valuation method discounted cash flow (DCF) with growth of 4% and weighted average cost of capital (WACC) of 8%.