



SUMMER INTERNSHIP

Phase - II

“NETFLIX - Equity Analysis”



Submitted by:

Name : Nupur

Roll No : 191339

Section : (C)

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Institute of Management, Nirma University

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Declaration

I, **Nupur**, submit this project work, **Netflix – Equity Analysis**, to the Institute of Management, Nirma University, with regard to my *summer Internship* for *MBA (FT) 2019-21*.

I solemnly declare that this project work is based on my own original work, carried out under the guidance of Mr. Raj Kantawala. I also confirm that this report is prepared only for academic requirement and not for any other purpose.

Nupur

191339

MBA (FT) 2019-21

Acknowledgement

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A. Netflix performing well at Financial Markets

Market Data		Shareholding Pattern	Jun-19	Mar-20	Jun-20
CMP (\$)	503	Promoter(s)	0.2%	0.2%	0.2%
Current Market Cap (\$bn)	228	Mutual Funds	34.0%	36.6%	36.4%
No. of Shares OS (mn)	454	Public/Others	65.8%	63.2%	63.3%
NTM Diluted EPS	8	Total	100.0%	100.0%	100.0%
Target PE (x)	60	Top 5 Institutional Holders (Jun-2020)		% Holding	Shares (in mn)
Target Price (PE)	471	Vanguard Group Inc	7.64%		336.7
Target Date	30-Jun-21	BlackRock Inc.	6.24%		274.7
DCF Based TP	485	Berkshire Hathaway Inc	5.57%		245.2
52 WK H/L	0	State Street Corp	4.10%		180.6
Average Daily Volume (mn)	11.5	Advisor Group Holdings, Inc.	2.65%		116.8
Equity Capital (\$bn)	3				

B. Revenue expected to grow at 11.4% CAGR to 38.5 bn by 2022

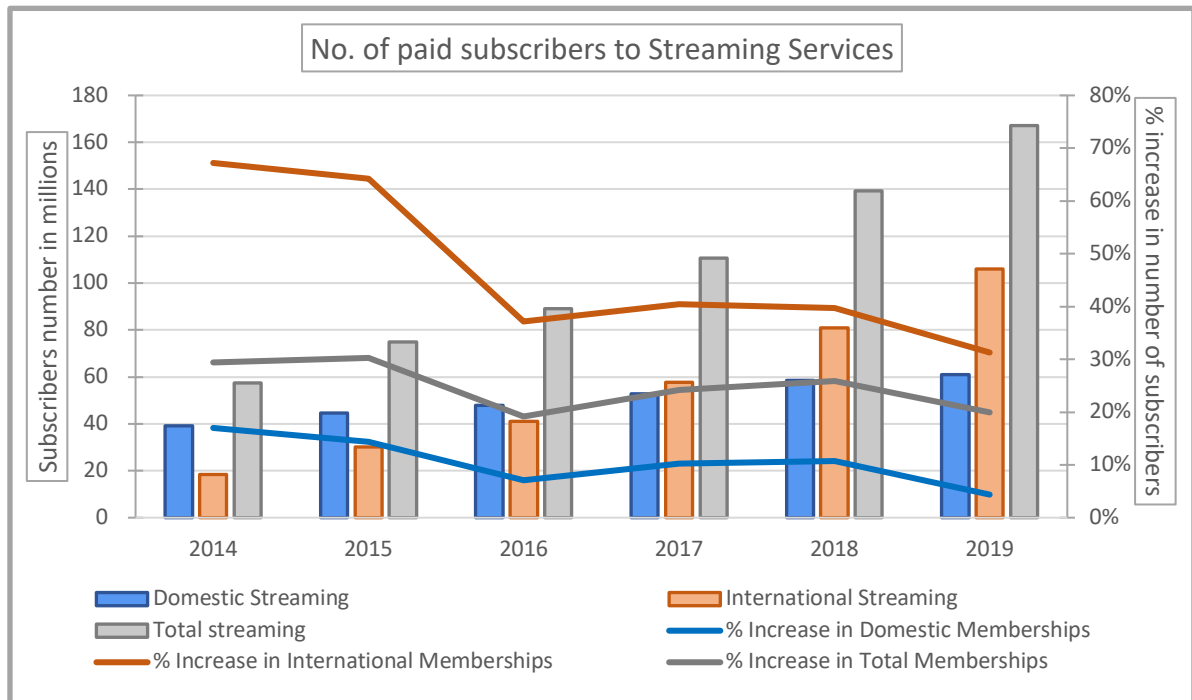
Particulars (\$ mn)	2016	2017	2018	2019	2020	2021	2022
Sales	8,831	11,693	15,794	20,156	25,304	31,293	38,508
Gross Profit	2,801	3,660	5,827	7,716	9,809	12,270	15,159
EBITDA	380	839	1,605	2,604	4,861	5,927	7,356
Other Income (Net)	(119)	(353)	(379)	(542)	(834)	(674)	(507)
Net Profit	261	485	1,226	2,062	4,027	5,253	6,850
Total Equity	2,680	3,582	5,239	7,582	11,036	14,975	20,112
Gross Debt	3,364	6,499	10,360	14,759	15,794	11,794	7,794
Cash	1,734	2,823	3,794	5,018	7,794	5,794	2,802

Per Share Metrics	2016	2017	2018	2019	2020	2021	2022
Earnings	0.4	1.2	2.7	4.1	6.9	8.7	11.3
Book Value	6.1	7.9	11.5	16.7	24.3	33.0	44.3
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/E (x)	1,181.9	403.3	187.3	121.6	72.9	58.0	44.4
P/B (x)	82.3	63.7	43.6	30.1	20.7	15.2	11.4
EV/EBITDA (x)	625.4	287.3	152.8	95.9	51.4	42.4	34.6
ROE (%)	0%	0%	27%	29%	34%	30%	29%
Core ROIC (%)	0%	0%	7%	10%	17%	21%	34%
Gross Margin %	31.7%	31.3%	36.9%	38.3%	38.8%	39.2%	39.4%
EBITDA Margin (%)	4.3%	7.2%	10.2%	12.9%	19.2%	18.9%	19.1%
Net Margin (%)	3.0%	4.2%	7.8%	10.2%	15.9%	16.8%	17.8%

EPS	1Q	2Q	3Q	4Q
Year End Dec-2020	1.59	1.90	1.85	1.81
Year End Dec-2021	2.29	2.27	2.31	2.43

C. Netflix ready for the ‘next phase of growth’

- i) **Number of subscribers** (apart from Netflix’s DVD business) reached 167 million in December, 2019. It has reached 193 million as of June, 2020



The above graph shows that the growth in international streaming has continuously been greater throughout.

ii) Continuous Expansion to newer markets

Netflix has continuously been a success story of penetrating new markets. Starting its streaming services in 2009, its services expanded to 130 countries by 2016, in 7 years. With the aspiration to penetrate newer markets, Netflix is working on technical infrastructure to distribute content to wider audiences.

iii) Netflix moving towards originals

With the growing competition for On-demand Streaming Services, to retain its market share, Netflix tends to differentiate itself releasing more of its original content.

In addition, in the wake of COVID-19 pandemic, moving to the production side provide enormous growth opportunities. With the limited mobility and restricted travels, working with own flexible teams is convenient. The biggest example being that of the *virtual junkets*. With the decreased spend on marketing and promotional activities, the streaming platform moved forward with 3 virtual junkets. There is a good number of Netflix Originals contents in pipeline to be released in 3rd and 4th Quarter of 2020.

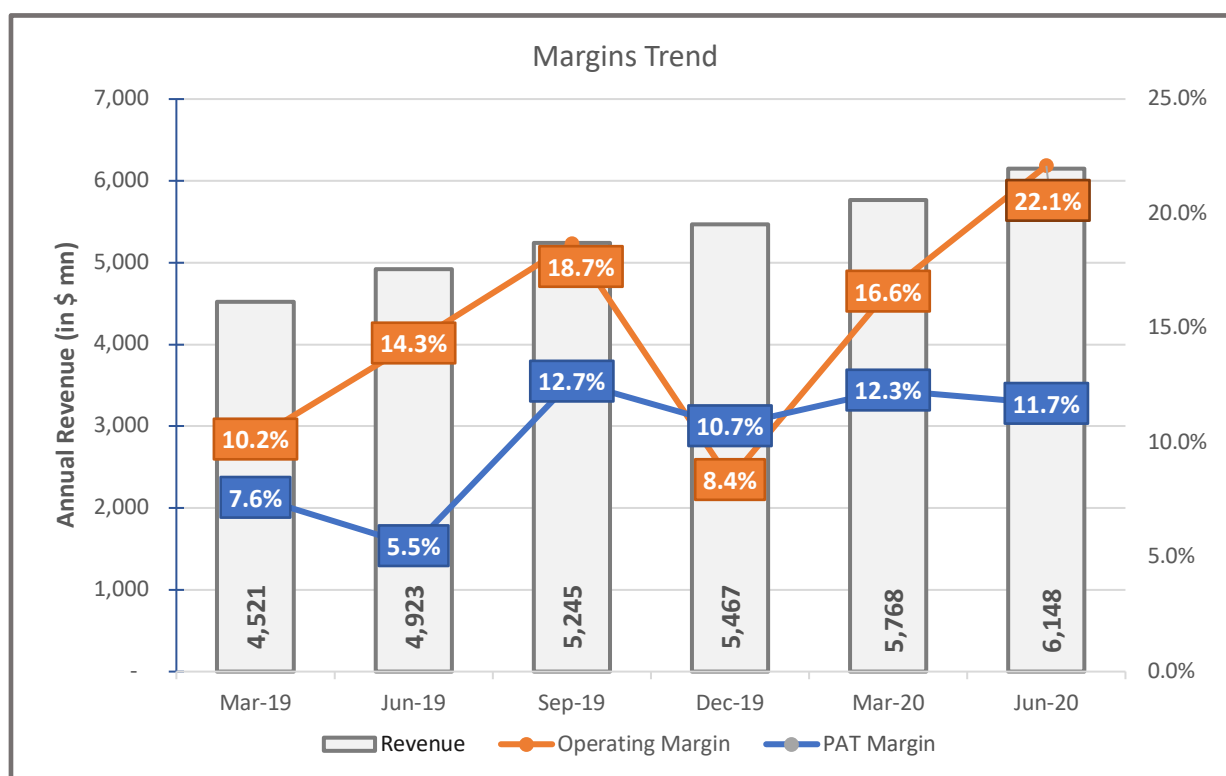
Content Category	Jul-20	Aug-20	Q4'20	Later	Total
Documentaries	5			2	7
Movies	7	1	4	12	24
Series	5	1	1	16	23
Stand up Comedy	2			1	3
Others	10		1	9	20
Total	29	2	6	40	77

The followed decrease in content releases after July 2020, that is followed by production shutdown due to COVID pandemic.

D. Netflix is able to retain its customers

- The Company has a good experience exploring the new geographies in the past. That now helps them to improve processes for their customers. This is driven by
 - Analysing the reason for the success of top viewed shows
 - Enhancing the breadth and variety of shows
 - Bringing out their own flavour to the content. There is a shift from Premium TV to unscripted content/animation/local shows and a few movies
- Previously Netflix Content mix had a major share from movies, but now it is diversified into other content types also like documentary, unscripted shows, reality shows, stand up comedy, etc.
- In addition to streaming services, Netflix provides a decent platform to make conversations on social media, sharing experiences/stories related to the shows.
- Earlier, the company used to announce its releases periodically, making the change, they have now started to announce all releases at once. This helps creating curiosity among subscribers, working in their favour.

- Pandemic has helped in improving margins, though temporarily. This is due to lower licensed content expenses and favourable geographical mix along with changing content mix



E. Changing content mix favors Netflix

- Instead of focusing majorly on the movies content as before, Netflix has now expanded much across different genres, languages as per the geographical mix and new content categories like reality shows, animation, stand up comedy, etc.
- The latter introduced content types have been able to gain considerable viewership. Reality shows (like Too Hot to handle) have better Return on Investment and time to market.
- Netflix approach for content selection is based on audience choice and origin.
- Netflix focus on improving the content through more and more strategic partnerships with production houses that help to create attractive content in native languages

F. Netflix to penetrate geographies with varied pricing strategies

Product Plan	US	Canada	UK	France	Mexico	Brazil	Japan	India
Basic Plan	USD 8.99	CAD 9.99	GBP 5.99	EUR 7.99	USD 6.72	USD 5.74	JPY 880	INR 499
Standard Plan	USD 12.99	CAD 13.99	GBP 8.99	EUR 11.99	USD 8.80	USD 8.63	JPY 1320	INR 649
Premium Plan	USD 15.99	CAD 16.99	GBP 11.99	EUR 15.99	USD 11.92	USD 12.04	JPY 1960	INR 799

- i) Price hike impact : In recent years, Netflix 2 times changed its pricing strategy. One in Dec, 2017 and the other in March, 2019. Its major Impact was visible on paid new member additions.

Paid New Member Additions	Sep-17	Dec-17	Mar-18	Dec-18	Mar-19	Jun-19
Yearly Increase	47.46%	13.92%	56.61%	33.47%	16.30%	-50.50%
Quarterly Increase	6.7%	32.8%	24.7%	45.6%	8.7%	-71.9%

- ii) Netflix focus on engaging the customers, reducing their churn and at the same time revenue maximization. Churn is tracked on the basis of engagement levels, new vs old consumer segments, region wise. 2nd quarter had 1mn membership additions each in APAC & UK and 2mn in LATAM.

- iii) The above mentioned impact on the paid new member additions also shows its relations with the seasonality. Revenue and memberships trend shows that Netflix business accelerates on a faster pace in 1st and 4th quarter. And it is on a lower side in 2nd quarter.

On the same lines, the price hike in December 2017 decelerates the yearly new member additions and covered it up in March 2018. There is even no impact on quarterly additions. But the price in March 2019 had significant impact on new member additions which even results in degrowth in the next quarter.

- iv) In some geographic regions, Netflix provide one month free trial membership. This unpaid memberships rise December & March quarter following the holiday season.

Average Free Members	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
No. (in million)	581	821	1243	480	570	873	938

However, the situation is quite different for Mar-20 & June-20 in line with the pandemic lockdown.





G. Netflix's Promotional and Distribution Strategy in Different Geographies

Netflix has successfully penetrated into different geographies. Being available in 130 countries in 2016, Netflix expanded to over 190 countries in 2019. This success is derived from its promotion and distribution strategies.

- **Free Trials** : Netflix offers free trials in markets initially which is later removed. Netflix is reducing the availability of free trials in many countries. It is replaced with Rs. 5 subscription plan in India.
- **Different genres and languages** : Offers content in 21 languages, with subtitles in 5-7 languages
- **Binging Bonaza** : Netflix creates content tailored to keep audience hungry for the next move, especially in series where viewers get remain curious for new episodes and seasons
- **Netflix Original Content** : 60% of the Netflix's top shows are Netflix Originals
- **Timed Content** : Netflix release content with respect to the trending situation. For example, Stranger Things 2 (horror crime thriller) was released a few days before Halloween.
- **Mobile Plans** : Netflix has recently launched the fourth membership plan - Mobile Plan. This plan is under testing phase in 4 countries including India. The mobile plan provides the services at a much lower price.

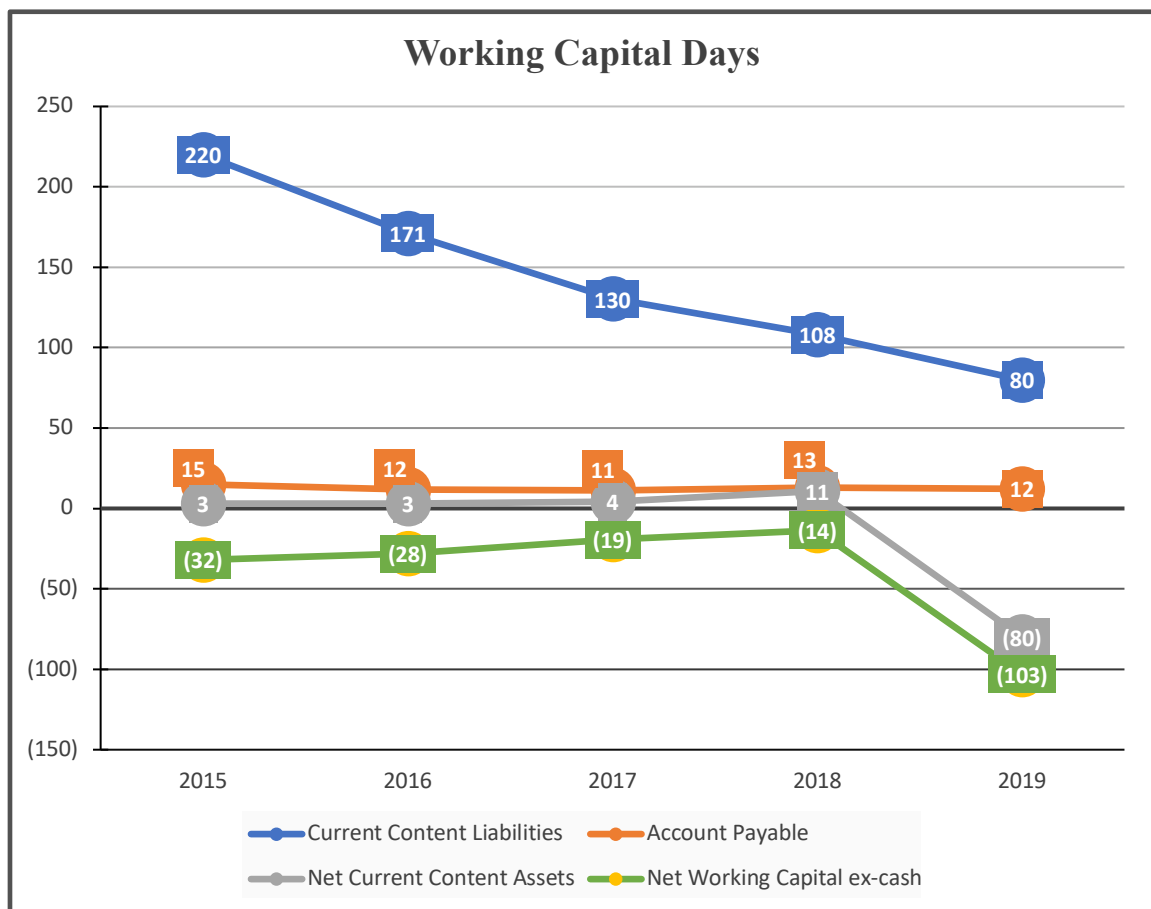
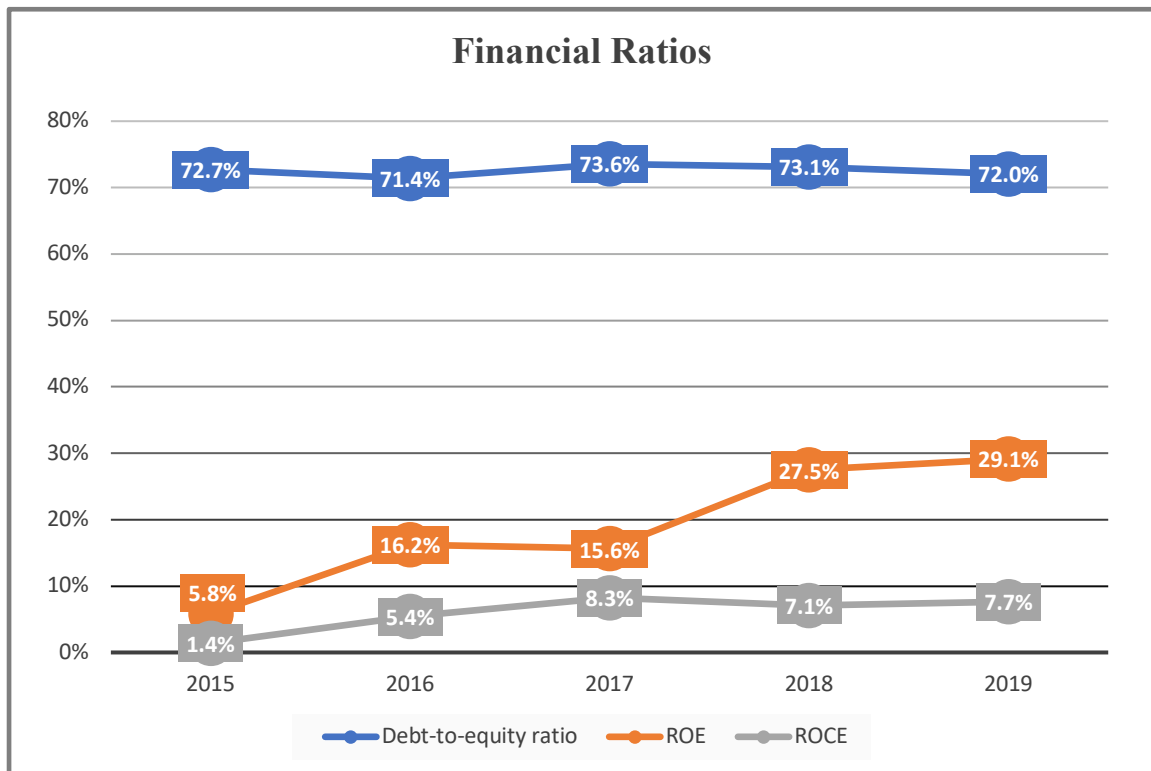
Mobile Plan Testing	Malaysia	India	Philippines	Thailand
Monthly Price : USD 3	RM 17	INR 199	P 149	THB 99

H. Competition Analysis

Company Name	Company Logo	FY'19 Revenue (\$ bn)	Subscribers (in mn)	Trial period (Days)	Pricing (\$)
Netflix		20	183	30	Basic - 8.99 Standard - 12.99 Premium - 15.99
Amazon Prime		19	150	30	Complete Amazon Prime Membership Monthly - 12.99 Annually - 119 Student Plan - 6.49 Prime Video Membership Monthly - 8.99
Disney +		9.3	50	7	Monthly - 6.99 Annually - 69.99
Youtube		3	20	14	Monthly - 11.99

Netflix is into streaming business since 2009. The company has reached 183 million subscribers in June 2020, through approximately 11 years. But Disney Plus began its operations in 2019, has already reached 50 million subscribers. Keeping the current pace and the increasing demand for on-demand streaming services, Disney Plus can beat Netflix in the coming 4 years.

I. Return Ratios likely to improve in near future due to production delays



J. Guidance from Netflix's Executives seems to be acceptable

Particulars	Sep-20
Annual Revenue (\$ mn)	6,327
Annual Revenue Growth (% yoy)	20.6%
Operating Income (\$ mn)	1,245
Operating Margin (%)	19.7%
Net Income (\$ mn)	954
Diluted EPS	2.09
Paid Subscribers Addition (In mn)	2.50
Paid Net Subscribers (in mn)	195.45
Annual Membership Growth (%)	23.4%

Guidance Accuracy	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Total Beats
Revenue (\$ mn)	Beat	Miss	Beat	Miss	Beat	Miss	Miss	Beat	Beat	Beat	6/10
Revenue Growth (% yoy)	Beat	Miss	Beat	Miss	Beat	Miss	Miss	Beat	Beat	Beat	6/10
Operating Income (\$ mn)	Beat	Miss	Beat	Beat	Beat	Beat	Beat	Miss	Miss	Beat	7/10
Operating Margin (%)	Beat	Miss	Beat	Beat	Beat	Beat	Beat	Miss	Miss	Beat	7/10
Net Income (\$ mn)	Beat	Beat	Beat	Beat	Beat	Beat	Beat	Beat	Miss	Miss	8/10
Diluted EPS	Beat	Beat	Beat	Beat	Beat	Beat	Beat	Beat	Miss	Miss	8/10
Paid Subscribers Addition (mn)	Beat	Miss	Beat	Beat	Beat	Miss	Miss	Beat	Beat	Beat	7/10
Paid Net Subscribers (mn)	Beat	Miss	Beat	Beat	Beat	Miss	Miss	Beat	Beat	Beat	7/10
Membership Growth (% yoy)	Beat	Miss	Beat	Beat	Beat	Miss	Miss	Beat	Beat	Beat	7/10

K. Netflix's target for the positive cash flow in the future

FCFF/share Calculation	2017	2018	2019	2020	2021	2022
PBT +Depreciation +Others +Changes in WC -Tax Paid	485	13,807	17,210	17,334	23,635	31,090
Capex +Change in Inv. + Others	-	(12,044)	(14,611)	(12,351)	(16,960)	(23,069)
Int Expense (1-T)	274	415	567	607	613	466
FCFF	760	2,178	3,166	5,590	7,287	8,487
FCFF per share	1.67	4.80	6.97	12.31	16.05	18.70

FCFE/share Calculation						
Net Change in Cash and Cash Eqvts		989	1,232	2,349	(7,992)	(12,432)
Change in Equity		125	(52)	60	(133)	-
Retained Income		1,211	1,867	3,130	3,940	5,137
Dividend		-	-	-	-	-
Buyback		-	-	-	-	-
FCFE		2,325	3,047	5,539	(4,185)	(7,295)
FCFE/Share	-	5.12	6.71	12.20	(9.22)	(16.07)

L. Netflix Financial Statements speak for its coming growth

Balance Sheet	2017	2018	2019	2020	2021	2022
Assets						
Non-Current Content Assets	10,371	14,951	24,505	25,799	28,599	32,349
Property Plant and Others	319	418	565	1,003	1,774	3,122
Other Long term Assets	652	911	2,727	3,955	5,734	8,315
Total Long Term Assets	11,343	16,280	27,797	30,756	36,107	43,785
Current Content Assets	4,311	5,151	-	-	-	-
Other Current Assets	536	748	1,160	1,664	2,002	2,527
Current Content Liabilities	4,173	4,682	4,414	4,728	6,284	7,862
Account Payable	360	563	674	605	1,048	1,264
Other Current Liabilities	934	1,243	1,768	2,345	2,886	3,482
Net Current Content Assets	138	470	(4,414)	(5,238)	(6,445)	(7,776)
Net Working capital ex-Cash	(619)	(588)	(5,696)	(6,015)	(8,216)	(10,081)
Cash and Cash Equivalents	2,823	3,794	5,018	7,794	5,794	2,802
Total Assets	13,546	19,487	27,120	32,535	33,685	36,506
Liabilities						
Borrowings	6,499	10,360	14,759	15,794	11,794	7,794
Short Term	-	-	-	499	499	499
Long Term	6,499	10,360	14,759	15,295	11,295	7,295
Other NC Content Liabilities	3,330	3,759	3,334	3,785	4,552	5,747
Other Long Term Liabilities	135	129	1,444	1,921	2,364	2,852
Total Liabilities	9,964	14,248	19,538	21,500	18,710	16,393
Equity						
Share Capital	1,871	2,316	2,794	3,128	3,128	3,128
Reserves and Surplus	1,711	2,923	4,788	7,908	11,847	16,985
Others	-	-	-	-	-	-
Total Equity	3,582	5,239	7,582	11,036	14,975	20,112
Total Liabilities+ Equity	13,546	19,487	27,120	32,535	33,685	36,506

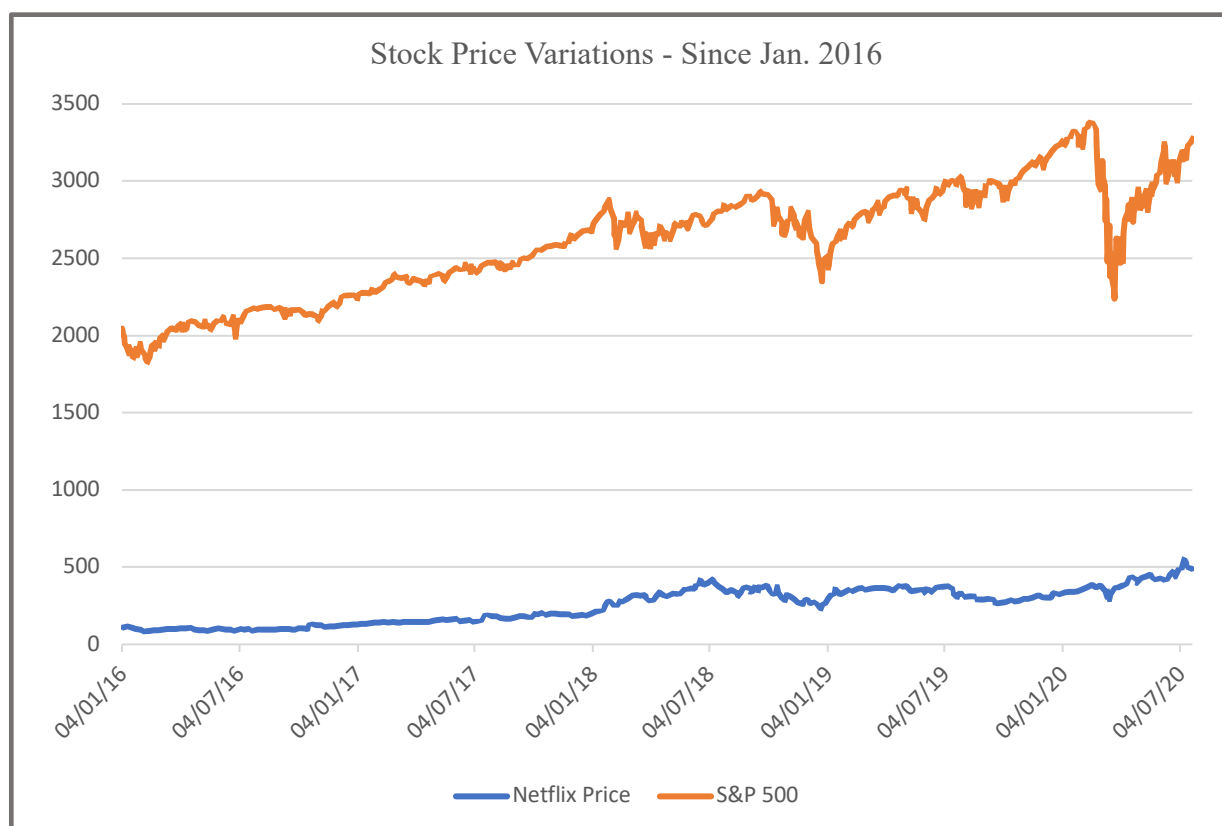
Income Statement	2017	2018	2019	2020	2021	2022
Total Revenues	11,693	15,794	20,156	25,304	31,293	38,508
Cost of Revenues	8,033	9,968	12,440	15,495	19,023	23,349
Technology & Development	1,436	2,369	2,652	1,942	2,574	3,164
S&M	954	1,222	1,545	1,872	2,358	2,902
G&A	431	630	914	1,133	1,411	1,736
Total Expenditure	10,854	14,189	17,552	20,443	25,366	31,152
Operating Income	839	1,605	2,604	4,861	5,927	7,356
<i>Operating Margin</i>	7.2%	10.2%	12.9%	19.2%	18.9%	19.1%
Depreciation	322	405	416	458	503	554
Interest Expenses	238	420	626	781	817	621
Implied Interest Rate %	4.9%	5.0%	5.0%	5.0%	6.4%	7.1%
EBIT	600	1,185	1,978	4,080	5,110	6,735
Add: Other Income	(115)	42	84	(52)	142	115
% of Cash Outstanding	-5.7%	1.2%	1.9%	-0.7%	2.2%	2.6%
PBT	485	1,226	2,062	4,027	5,253	6,850
Taxes	(74)	15	195	897	1,313	1,712
ETR %	-15.2%	1.2%	9.5%	22.3%	25.0%	25.0%
PAT	559	1,211	1,867	3,130	3,940	5,137
PATM %	4.8%	7.7%	9.3%	12.4%	12.6%	13.3%
Diluted Shares	448	451	451	454	454	454
DEPS	1.25	2.68	4.14	6.90	8.68	11.32
Cash Returned (Div. / Repurchase)	-	-	-	-	-	-

Cash Flow Statement	2017	2018	2019	2020	2021	2022
Cash flows from operating activities:						
Net income		1,211	1,867	3,130	3,940	5,137
Adjustments made						
Additions to content assets		(13,043)	(13,917)	(12,268)	(16,419)	(22,411)
Change in content liabilities		1,000	(694)	(83)	(541)	(658)
Amortization of content assets		7,532	9,216	10,646	12,354	15,140
Depreciation and amortization of property, equipment and intangibles		83	104	114	126	138
Stock-based compensation expense		321	405	413	436	454
Other non-cash items		82	228	266	266	265
Foreign currency remeasurement loss (gain) on debt		(74)	(46)	2	(21)	9
Deferred taxes		(86)	(94)	291	82	127
Changes in operating assets and liabilities:		-	-	-	-	-
Other current assets		(200)	(252)	(378)	(337)	(526)
Accounts payable		199	96	(103)	443	216
Accrued expenses and other liabilities		150	158	438	541	596
Deferred revenue		142	164	106	14	30
Other non-current assets and liabilities		2	(123)	(80)	-	-
Total CFO		(2,680)	(2,887)	2,495	882	(1,482)
Cash flows from investing activities:						
Purchases of property and equipment		(174)	(253)	(1,134)	(3,571)	(5,098)
Change in other assets		(165)	(134)	(67)	(1,242)	(1,802)
		(339)	(387)	(1,201)	(4,813)	(6,900)
Cash flows from financing activities:						
Proceeds from issuance of debt		3,962	4,469	1,009	(4,000)	(4,000)
Debt issuance costs		(36)	(36)	(8)	(36)	(36)
Proceeds from issuance of common stock		125	72	133	-	-
Other financing activities		(2)	-	1	14	30
Net cash from Financing activities		4,049	4,506	1,136	(4,022)	(4,006)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash		(40)	0	(80)	(39)	(44)
Net increase (decrease) in cash, cash equivalents, and restricted cash		989	1,232	2,349	(7,992)	(12,432)
Cash, cash equivalents, and restricted cash beginning of period		2,823	3,812	5,044	7,393	(599)
Cash, cash equivalents, and restricted cash end of period		3812	5044	7393	(599)	(13,031)
Non-GAAP free cash flow reconciliation:						
Net cash provided by (used in) operating activities		(2,680)	(2,887)	2,495	882	(1,482)
Net cash used in investing activities		(339)	(387)	(1,201)	(4,813)	(6,900)
Non-GAAP free cash flow		(3,020)	(3,274)	1,294	(3,931)	(8,381)

M. Key Assumptions Made

Particulars	2020	2021	2022
Paid NM Additions	33,834	37,490	41,800
UCAN	5,242	4,317	4,450
EMEA	11,405	18,300	20,450
LATAM	6,928	7,344	8,500
APAC	10,259	7,529	8,400
% Change as per prior Period	3.4%	6.1%	4.9%
UCAN	8.1%	9.5%	10.9%
EMEA	4.8%	6.6%	4.1%
LATAM	-1.5%	3.3%	2.1%
APAC	1.0%	5.7%	1.1%
Free Membership %	3.2%	2.9%	3.1%
UCAN	1.4%	0.6%	0.5%
EMEA	4.1%	4.1%	4.1%
LATAM	3.3%	2.4%	2.8%
APAC	6.5%	6.3%	6.3%

N. Netflix Stock Prices Project upwards



O. DCF Valuation and Price target

Valuation Date	22/07/20
Interest Rates %	
Rate Sensitivity	1.0%
Tax Rate	21.0%
ST Sales Growth %	15.0%
LT Sales Growth % (TG)	5.0%
WACC	7.6%
Equity %	47.2%
Debt %	66.1%
Risk Free Rate	0.6%
Beta	1.4
Risk Premium	9.0%
Cost of Equity	12.8%
Cost of Debt	3.0%
Tax Rate	21.0%
Tax Adj Cost of Debt	2.4%

Years of Growth	20
EBITDA (Terminal Year)	1,64,990
FCF (Terminal Year)	13,326
Discount Rate	7.6%
Terminal Growth %	5.0%
Terminal Value	5,37,527
PV of FCF	95,812
PV of TV	1,24,140
Total PV	2,19,952
Fair Value per Share	485
Upside/Downside	-3.6%
CMP	486
Mkt Cap	2,28,234
Implied Shares	454

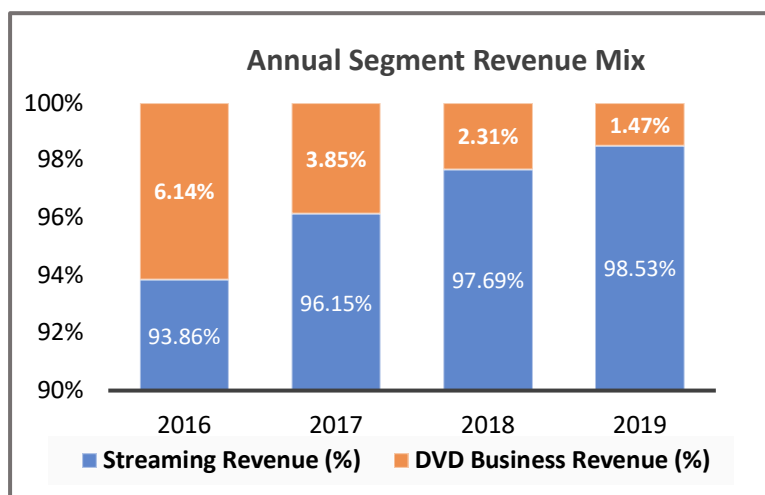
P. Conclusion

The above forecast and financial analysis is carried out with the revenue growth of 26% initially followed by latter revenue growth of 24%. The Fair Value Per Share of Netflix is derived as \$485. And the Current Market Price is \$487. As the CMP is approximately similar to the derived fair value, it can be inferred that Netflix stock is fairly valued at this point of time.

Theoretically, when the stock is fairly priced, buy and hold strategy is good. In the present case, as all the future growth factors seem to be factored in the present valuation and we do not see any near term triggers. And also, as the stock trend is directed upwards, we should wait for the stock to reach its support price.

Q. About Netflix

Netflix Inc., pioneer in the delivery of streaming entertainment, operates in two business segments, DVD business and the streaming services. Netflix earns through the subscription-based business model. Netflix Started with DVD business initially and later acquired on-demand Streaming Services. But as of Dec. 2019, Netflix major revenues are generated mainly from streaming services and DVD business revenue forms a mere 1.5% of total revenue.



R. Some prominent Risks associated with the business

- **Region / country specific Laws and Regulations**

This includes the rules pertaining to censorship, internet availability, operational and financial obligations etc. There has already been a total of 10 cases, where Netflix content was banned for one or the other censorship issues. However, the ban on 2 contents was overturned later.

- **Relations / Deals with the production houses**

Our ability to provide our members with content they can watch depends on studios, content providers and other rights holders licensing rights. The license periods and the terms and conditions of such licenses vary. As content providers develop their own streaming services, they may be unwilling to provide us with access to certain content, including popular series or movies.

- **Programming costs limit operating flexibility**

In connection with produced as well as licensing streaming content, we typically enter into multi-year commitments with studios and other content providers. Given the multiple-year duration and largely fixed cost nature of content commitments, if membership acquisition and retention do not meet our expectations, our margins may be adversely impacted. In addition, the long-term and fixed cost nature of our content commitments may limit our flexibility in planning for, or reacting to changes in our business and the market segments in which we operate.

- **Network facility in potential markets**

We rely upon the ability of consumers to access our service through the internet. If network operators block, restrict or otherwise impair access to our service over their networks, our service and business could be negatively affected.

- **Protection of Intellectual Property**

The company uses intellectual property rights, trademark, copyright, patent and others. IPRs extend to our technology, business processes and the content we produce and distribute through our service. We use the intellectual property of third parties in creating some of our content, merchandising our products and marketing our service; which makes the protection of IP even more important. Also, there can be claims, and defending ourselves against these claims results in costly litigation and diversion of technical and management personnel.

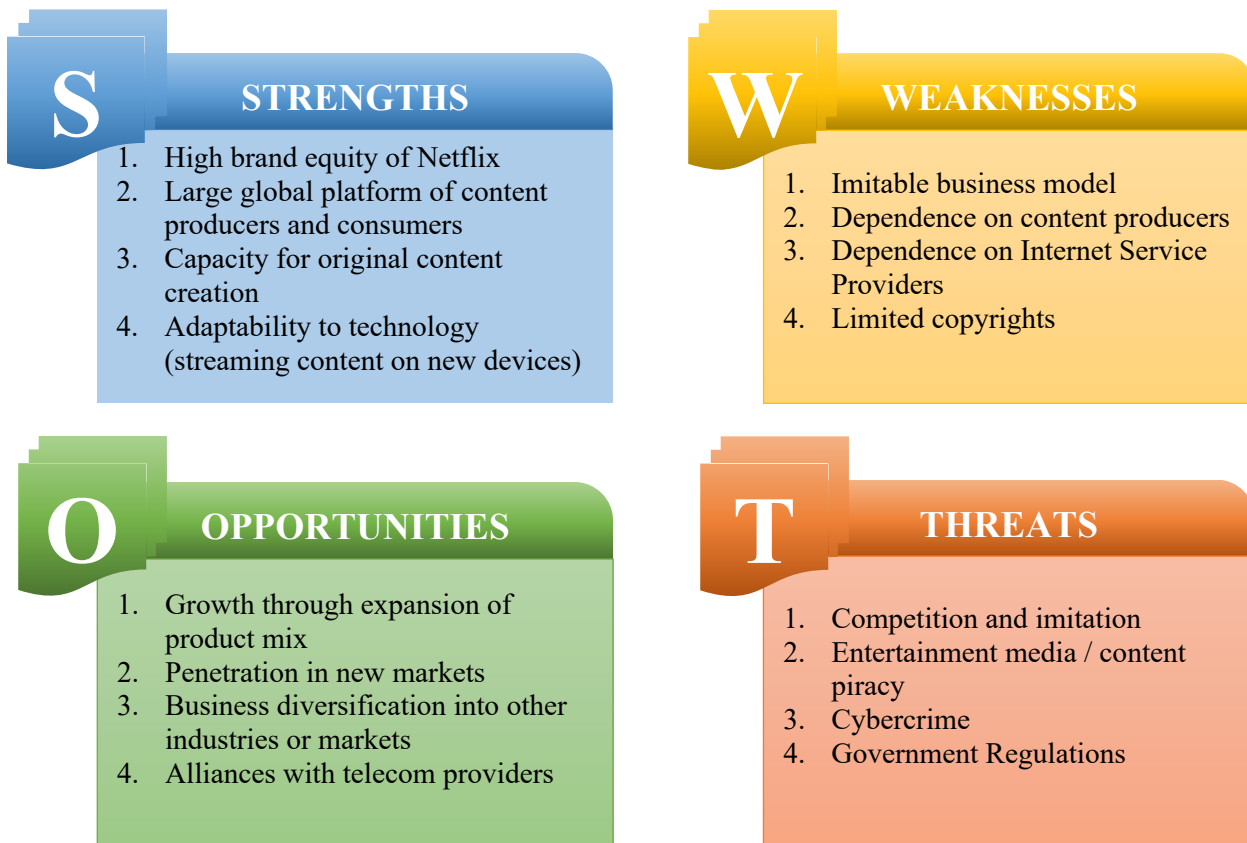
- **Stock Valuation**

Netflix's stock price is likely to be volatile, especially in the current pandemic. There can be pleasurable surge as well as painful drops. This is derived from variations in operating results, memberships additions trend, variations in expected and actual results, competitors, etc.

S. Netflix as a Company

Let's analyse the key characteristics of Netflix using well established frameworks

1. SWOT Analysis



2. PESTEL



P

Political Factors

- International Relations
- Content Restrictions
- Censorships and Permissions
- Regional laws and regulations
- Political check on Data Collection Practices

E

Economic Factors

- Economic growth
- Fluctuating exchange rates
- Employment Level
- If unemployment exists, its period

S

Social/Sociocultural Factors

- Customer's genre and language preference
- Availability of age-group specific Content
- Other demographic factors
- Student scholarships and charities

T

Technological Factors

- Customer Experience : User interface
- Video Recommendations : Algorithms and Machine Learning
- Adaptability to changing streaming platforms
- Compression Techniques
- Payment and delivery interface

E

Environmental Factors

- Reduce Carbon footprints : Wind energy for cloud storage
- Environmental Concerns resolved or resolving through satellite function
- Policies and services favourable to MSMEs in COVID situation
- Corporate Social Responsibility

L

Legal Factors

- Geo-blocking and copyright infringement
- Video Piracy
- Streaming on multiple devices check
- Tax laws and policies

T. Netflix's Corporate Governance

Board Details	2014	2015	2016	2017	2018	2019
Size of the Board	7	9	9	10	11	11
Number of independent members	8	8	8	9	10	10
Frequency of meetings (per year)	5	5	5	8	4	4
Common Stock Ownership (%)	6.2%	4.9%	4.9%	4.3%	3.7%	3.4%

Auditor	Ernst & Young LLP
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Board of Directors	Compensation Committee	Audit Committee	Nominating and Governance Committee
Reed Hastings			
Richard Barton		#	
Rodolphe Belmer	#		
Mathias Dopfner			
Timothy Haley	Chair		
Jay Hoag	#		Chair
Leslie Kilgore		#	
Ann Mather		Chair	
Brad Smith			#
Anne Sweeney	#		
Susan Rice			#

Company's Executives	Designation
Reed Hastings	Chief Executive Officer & Board Chairman
Kelly Bennett	Chief Marketing Officer
Spencer Neumann	Chief Financial Officer
Greg Peters	Chief Product Officer
Ted Sarandos	Chief Content Officer

U. Netflix's Shareholding pattern

