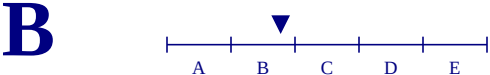


# Netflix Inc. (NFLX)

Nasdaq; other; SIC 7841, Services-Video Tape Rental; CIK 0001065280

|                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Netflix Inc.</b><br>NFLX; other                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                               |
| <b>Grade</b><br><div>  </div> <div> <b>B</b><br/> second fifth of 336 graded peers<br/> percentile 35.5; sampling error 2.6 points; lower is stronger </div>                                                                               |  <div> <b>B, the elk</b><br/> second fifth of its sector; letters are fifths of the 336 graded peers </div> |
| <b>Rank</b><br>120 of 336                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                               |
| <b>Profitability</b><br>C/D                                                                                                                                                                                                                                                                                                 |  percentile 59.4                                                                                             |
| <b>Solvency</b><br>B                                                                                                                                                                                                                                                                                                        |  percentile 37.3                                                                                             |
| <b>Growth and financing</b><br>B                                                                                                                                                                                                                                                                                            |  percentile 34.6                                                                                             |
| <b>Reliability</b><br>0.94 AUC<br>filers with over \$2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025                                                                                                                                                                                                       |                                                                                                                                                                                               |
| <b>Peer failure rate</b><br>0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025                                                                                                                                                                                                                           |                                                                                                                                                                                               |
| <b>Size band</b><br>over \$2.67B assets<br>total assets \$55.6B                                                                                                                                                                                                                                                             |                                                                                                                                                                                               |
| <b>Standard universe</b><br>inside<br>revenue above \$1M and assets above \$10M                                                                                                                                                                                                                                             |                                                                                                                                                                                               |
| <b>Warnings</b><br>none active                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                               |
| <b>Inputs computable</b><br>11 of 14                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                               |
| <b>Graded from</b><br>filings received through Jan 23, 2026<br>259 days before the rescans; latest periodic filing 10-Q received Jul 17, 2026                                                                                                                                                                               |                                                                                                                                                                                               |
| <b>Last close</b><br>\$71.59<br>2026-10-08; market equity \$298.1B                                                                                                                                                                                                                                                          |                                                                                                                                                                                               |
| <b>Price used in grade</b><br>None                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                               |
| <div> <b>Share price, twelve months to the rescans</b><br/> split-adjusted close; the letter is fixed at the rescans that set it </div>  <div> Rescans on file: B/C from Feb 21, 2025, B from Feb 21, 2026, B/C from Aug 21, 2026 </div> |                                                                                                                                                                                               |

**Letter at every rescan**

*Jan 21, 2012 to Oct 9, 2026; sector percentile, stronger toward the top; facts filed by each date only*



## Business, in the company's words

opening of Item 1 of the 10-K received Jan 23, 2026

Netflix, Inc. ("Netflix", the "Company", "registrant", "we", or "us") is one of the world's leading entertainment services offering TV series, films, games and live programming across a wide variety of genres and languages. Members can play, pause and resume watching as much as they want, anytime, anywhere, and can change their plans at any time. Our core strategy is to grow our business globally within the parameters of our operating margin target. We strive to continuously improve our members' experience by offering compelling content that delights them and attracts new members.

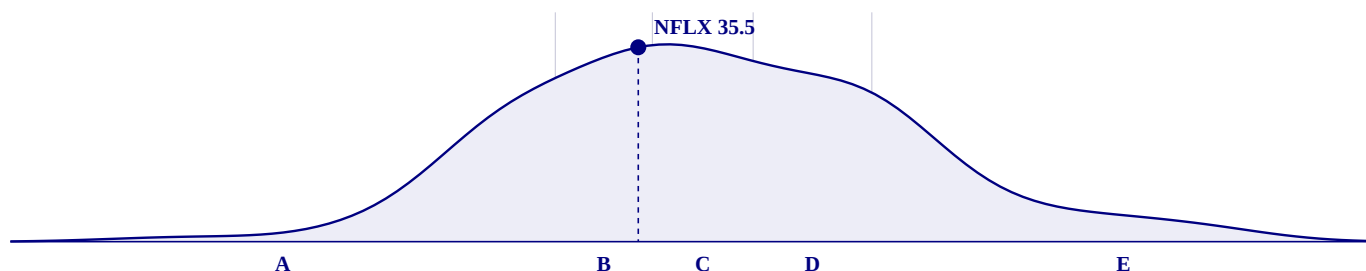
## The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

| Input                                               | Percentile, 0 to 100 | Value          | Peer median | Percentile | Peers | Period end                                                                |
|-----------------------------------------------------|----------------------|----------------|-------------|------------|-------|---------------------------------------------------------------------------|
| <b>Profitability, sleeve percentile 59.4</b>        |                      |                |             |            |       |                                                                           |
| Gross profitability                                 |                      | 39.4%          | 27.1%       | 27.4       | 289   | 2025-12-31                                                                |
| Return on invested capital                          |                      | not computable | 10.0%       |            |       | latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31 |
| Accruals ratio                                      |                      | 1.5%           | (5.9%)      | 86.3       | 506   | 2025-12-31                                                                |
| Gross margin stability, five years                  |                      | 3.3 pts        | 2.2 pts     | 64.5       | 204   | 2025-12-31                                                                |
| <b>Solvency, sleeve percentile 37.3</b>             |                      |                |             |            |       |                                                                           |
| Twelve-month failure probability                    |                      | 0.04%          | 0.04%       | 43.2       | 45    | 2026-06-30                                                                |
| Altman Z double-prime                               |                      | 5.29           | 2.05        | 13.8       | 386   | 2025-12-31                                                                |
| Net debt to EBITDA                                  |                      | not computable | 2.52x       |            |       | latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31 |
| Interest coverage                                   |                      | not computable | 2.18x       |            |       | latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31 |
| Current ratio                                       |                      | 1.19x          | 1.32x       | 55.0       | 506   | 2025-12-31                                                                |
| <b>Growth and financing, sleeve percentile 34.6</b> |                      |                |             |            |       |                                                                           |
| Revenue growth, three-year compound                 |                      | 12.6%          | 5.1%        | 25.9       | 403   | 2025-12-31                                                                |
| Free cash flow growth, three-year compound          |                      | 80.1%          | 8.7%        | 5.9        | 220   | 2025-12-31                                                                |
| Reinvestment rate                                   |                      | 0.4%           | 11.9%       | 58.7       | 190   | 2025-12-31                                                                |
| Asset growth, three years                           |                      | 4.6%           | 4.1%        | 46.0       | 438   | 2025-12-31                                                                |
| Net share issuance, one year                        |                      | (1.3%)         | (0.4%)      | 36.6       | 356   | 2025-12-31                                                                |

## Among 336 peers

other; letters are fifths of this list



Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.

| Rank | Company                     | Percentile | Letter | Warnings   |
|------|-----------------------------|------------|--------|------------|
| 115  | Paysign, Inc. (PAYS)        | 34.0       | B      |            |
| 116  | Fedex Corp. (FDX)           | 34.3       | B      |            |
| 117  | Xometry, Inc. (XMTR)        | 34.6       | B      |            |
| 118  | Astrana Health, Inc. (ASTH) | 34.9       | B      | late filer |
| 119  | Evolent Health, Inc. (EVH)  | 35.2       | B      |            |
| 120  | Netflix Inc. (NFLX) <       | 35.5       | B      |            |

|     |                                      |      |              |
|-----|--------------------------------------|------|--------------|
| 121 | United Rentals, Inc. (URI)           | 35.8 | B            |
| 122 | Bgsf, Inc. (BGSF)                    | 36.1 | B late filer |
| 123 | Sterling Infrastructure, Inc. (STRL) | 36.4 | B            |
| 124 | Energy Fuels Inc. (UUUU)             | 36.7 | B            |
| 125 | Red Rock Resorts, Inc. (RRR)         | 37.0 | B            |

## What the price implies

at the 2026-10-08 close; none enters the grade

| Measure                                                 | Value   | Peer median | Percentile |
|---------------------------------------------------------|---------|-------------|------------|
| Twelve-month price change, skipping the latest month    | (32.4%) | 2.0%        | 20         |
| Distance from 52-week high                              | (42.3%) | (26.8%)     | 28         |
| EBIT to enterprise value                                | 4.3%    | 4.4%        | 48         |
| Free cash flow yield                                    | 3.2%    | 4.1%        | 41         |
| Book value to price                                     | 0.10    | 0.34        | 19         |
| Sales to price                                          | 0.15    | 0.70        | 10         |
| Composite equity issuance, five years                   | (6.2%)  | (8.8%)      | 57         |
| Relative strength against the sector, log excess return | (0.54)  | (0.13)      | 20         |

## Diagnostics

not in the grade

| Measure                                                | Value                           |
|--------------------------------------------------------|---------------------------------|
| <b>Piotroski F-score 7 of 9, period end 2025-12-31</b> |                                 |
| Return on assets above zero                            | pass                            |
| Operating cash flow above zero                         | pass                            |
| Return on assets improved                              | pass                            |
| Operating cash flow exceeds net income                 | fail                            |
| Long-term leverage fell                                | pass                            |
| Current ratio improved                                 | fail                            |
| No new shares issued                                   | pass                            |
| Gross margin improved                                  | pass                            |
| Asset turnover improved                                | pass                            |
| <b>Cash, filings, liquidity</b>                        |                                 |
| Cash and equivalents                                   | \$9.1B                          |
| Operating cash flow, four quarters                     | \$12.0B                         |
| Months of runway                                       | not finite                      |
| Days since last periodic filing                        | 84 (10-Q received Jul 17, 2026) |
| Median daily dollar volume, 63 sessions                | \$2.5B                          |

## Sources

each row links to the filing index on sec.gov

| #  | Concept             | XBRL tag                                                            | Value    | Period end | Received   | Form | Accession            |
|----|---------------------|---------------------------------------------------------------------|----------|------------|------------|------|----------------------|
| 1  | revenue             | us-gaap:Revenues                                                    | \$45.2B  | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 2  | cost of revenue     | us-gaap:CostOfRevenue                                               | \$23.3B  | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 3  | assets              | us-gaap:Assets                                                      | \$55.6B  | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 4  | operating income    | us-gaap:OperatingIncomeLoss                                         | \$4.6B   | 2020-12-31 | 2023-01-26 | 10-K | 0001065280-23-000035 |
| 5  | pretax income       | us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord | \$5.2B   | 2025-12-31 | 2026-01-26 | 10-K | 0001065280-26-000035 |
| 6  | income tax          | us-gaap:IncomeTaxExpenseBenefit                                     | \$438.0M | 2020-12-31 | 2023-01-26 | 10-K | 0001065280-23-000035 |
| 7  | total debt          | us-gaap:LongTermDebt                                                | \$21.9B  | 2020-12-31 | 2021-01-28 | 10-K | 0001065280-21-000040 |
| 8  | book equity         | us-gaap:StockholdersEquity                                          | \$11.1B  | 2020-12-31 | 2024-01-26 | 10-K | 0001065280-24-000030 |
| 9  | cash                | us-gaap:CashAndCashEquivalentsAtCarryingValue                       | \$8.2B   | 2020-12-31 | 2022-01-27 | 10-K | 0001065280-22-000036 |
| 10 | total debt          | us-gaap:LongTermDebt                                                | \$20.7B  | 2019-12-31 | 2021-01-28 | 10-K | 0001065280-21-000040 |
| 11 | book equity         | us-gaap:StockholdersEquity                                          | \$7.6B   | 2019-12-31 | 2023-01-26 | 10-K | 0001065280-23-000035 |
| 12 | cash                | us-gaap:CashAndCashEquivalentsAtCarryingValue                       | \$5.0B   | 2019-12-31 | 2021-01-28 | 10-K | 0001065280-21-000040 |
| 13 | net income          | us-gaap:NetIncomeLoss                                               | \$11.0B  | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 14 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities                  | \$10.1B  | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 15 | assets              | us-gaap:Assets                                                      | \$53.6B  | 2024-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 16 | revenue             | us-gaap:Revenues                                                    | \$39.0B  | 2024-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 17 | cost of revenue     | us-gaap:CostOfRevenue                                               | \$21.0B  | 2024-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |

|    |                           |                                                                                              |               |            |            |      |                      |
|----|---------------------------|----------------------------------------------------------------------------------------------|---------------|------------|------------|------|----------------------|
| 18 | revenue                   | us-gaap:Revenues                                                                             | \$33.7B       | 2023-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 19 | cost of revenue           | us-gaap:CostOfRevenue                                                                        | \$19.7B       | 2023-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 20 | revenue                   | us-gaap:Revenues                                                                             | \$31.6B       | 2022-12-31 | 2025-01-27 | 10-K | 0001065280-25-000044 |
| 21 | cost of revenue           | us-gaap:CostOfRevenue                                                                        | \$19.2B       | 2022-12-31 | 2025-01-27 | 10-K | 0001065280-25-000044 |
| 22 | revenue                   | us-gaap:Revenues                                                                             | \$29.7B       | 2021-12-31 | 2024-01-26 | 10-K | 0001065280-24-000030 |
| 23 | cost of revenue           | us-gaap:CostOfRevenue                                                                        | \$17.3B       | 2021-12-31 | 2024-01-26 | 10-K | 0001065280-24-000030 |
| 24 | current assets            | us-gaap:AssetsCurrent                                                                        | \$13.0B       | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 25 | current liabilities       | us-gaap:LiabilitiesCurrent                                                                   | \$11.0B       | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 26 | retained earnings         | us-gaap:RetainedEarningsAccumulatedDeficit                                                   | \$42.3B       | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 27 | operating income          | us-gaap:OperatingIncomeLoss                                                                  | \$13.3B       | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 28 | book equity               | us-gaap:StockholdersEquity                                                                   | \$26.6B       | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 29 | liabilities               | us-gaap:Liabilities                                                                          | \$29.0B       | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 30 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization                                                 | \$115.7M      | 2020-12-31 | 2023-01-26 | 10-K | 0001065280-23-000035 |
| 31 | operating income          | us-gaap:OperatingIncomeLoss                                                                  | \$7.0B        | 2023-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 32 | interest expense          | us-gaap:InterestExpense                                                                      | \$699.8M      | 2023-12-31 | 2024-01-26 | 10-K | 0001065280-24-000030 |
| 33 | capital expenditure       | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment                                           | \$688.2M      | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 34 | operating cash flow       | us-gaap:NetCashProvidedByUsedInOperatingActivities                                           | \$7.4B        | 2024-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 35 | capital expenditure       | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment                                           | \$439.5M      | 2024-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 36 | operating cash flow       | us-gaap:NetCashProvidedByUsedInOperatingActivities                                           | \$7.3B        | 2023-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 37 | capital expenditure       | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment                                           | \$348.6M      | 2023-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 38 | operating cash flow       | us-gaap:NetCashProvidedByUsedInOperatingActivities                                           | \$2.0B        | 2022-12-31 | 2025-01-27 | 10-K | 0001065280-25-000044 |
| 39 | capital expenditure       | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment                                           | \$407.7M      | 2022-12-31 | 2025-01-27 | 10-K | 0001065280-25-000044 |
| 40 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization                                                 | \$333.4M      | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 41 | pretax income             | us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems | \$112.7B      | 2023-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 42 | income tax                | us-gaap:IncomeTaxExpenseBenefit                                                              | \$1.7B        | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 43 | current assets            | us-gaap:AssetsCurrent                                                                        | \$13.1B       | 2024-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 44 | current liabilities       | us-gaap:LiabilitiesCurrent                                                                   | \$10.8B       | 2024-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 45 | assets                    | us-gaap:Assets                                                                               | \$48.7B       | 2023-12-31 | 2025-01-27 | 10-K | 0001065280-25-000044 |
| 46 | assets                    | us-gaap:Assets                                                                               | \$48.6B       | 2022-12-31 | 2024-01-26 | 10-K | 0001065280-24-000030 |
| 47 | shares outstanding        | dei:EntityCommonStockSharesOutstanding                                                       | 4,222,162,150 | 2025-12-31 | 2026-01-23 | 10-K | 0001065280-26-000034 |
| 48 | shares outstanding        | dei:EntityCommonStockSharesOutstanding                                                       | 427,757,100   | 2024-12-31 | 2025-01-27 | 10-K | 0001065280-25-000044 |