

Netflix, Inc.

NASDAQ: NFLX | Global Streaming Entertainment & Advertising | Report date: 13 September 2026 | Prices as of close 11 September 2026

Recommendation	Last Price	Take-profit 1	Weighted Fair Value	Horizon
BUY no entry at market	\$77.40 11 Sep close	\$91 12–24M fair value	+17.6% was +12.3%	12–24m 2% initial, 4% max

Investment Score: 66 / 100 (from 67) · P/E 24.4x trailing, 22.3x forward · PEG 1.05x · Ideal buy range held at \$71–76 and reached on three sessions · Cut-loss held at \$71 · Technical setup cut from 7 to 5 on a completed momentum crossover.

Investment Summary

The previous report closed by saying that a retest into the \$71 to \$76 band with guidance intact would make Netflix a considerably more attractive proposition, and that the band was where new money should be waiting. The retest arrived eight days later. On 8, 9 and 10 September the shares traded down into the band, printing lows of \$75.92, \$75.87 and \$75.03, with two closes within four cents of its \$76 ceiling. The stock has since bounced to \$77.40. Guidance is intact because nothing has been guided; the next release is 20 October.

So the condition the last report named has been met, and the valuation case is correspondingly better. Upside to the \$91 fair value has widened from 12.3% to 17.6%, the trailing multiple has eased from 25.5x to 24.4x and the forward multiple from 23.4x to 22.3x. The Hold trigger at \$86, which the last report noted was only 6.1% away and uncomfortably close, now sits 11.1% away. On the fundamental ledger alone this refresh is a straightforward improvement.

It is not that simple, and the reason is the tape. The previous report identified a narrowing MACD histogram as its clearest technical reservation and named the crossover as the thing to watch. That crossover has since happened: the line sits at 0.41 against a signal of 1.12, a histogram of –0.71. The shares have also lost both the twenty- and fifty-day exponential averages, which the previous report described as reclaimed, rising and nearly converged, and the fourteen-day RSI has fallen from 60.3 to 48.0. The technical score is cut from 7 to 5, taking the composite from 67 to 66. The rating is unaffected.

The substantive new theme is neither of those. Across the period, the price lever that has been carrying Netflix's revenue growth met regulatory friction in three jurisdictions at once. The company raised UK prices for the second time this year on 4 September, pushing the premium tier above £20 for the first time and lifting the cheapest plan by roughly a third. On 8 September it was reported to face a South African pricing probe. And European increases are reported to require explicit subscriber consent before they take effect, which delays the revenue benefit without removing it. None of these is individually large. Together they bear directly on the driver the scorecard already discounts, and they are the reason the Growth potential line is now the one to watch on 20 October.

What Moved Since the Previous Report

Measure	1 September	13 September	Read
Share price	\$81.05	\$77.40	Down 4.5%. The path matters more than the endpoint: the shares rose to \$82.67 by 3 September, fell 5.3% on the 4th, drifted to a \$75.03 intraday low on the 10th and bounced 1.8% on the 11th.
Buy band status	Not reached	Reached	Lows of \$75.92, \$75.87 and \$75.03 on 8, 9 and 10 September all printed inside the \$71–76 band, with closes of \$76.03 and \$76.01 on the 9th and 10th. The published discipline was tested and worked.

Measure	1 September	13 September	Read
Trailing P/E	25.5x	24.4x	On trailing earnings of \$3.17 per share. The multiple fell with the price; the earnings base is unchanged.
Forward P/E	23.4x	22.3x	Against an FY26 consensus of \$3.59. Still above the 20–22x the base case assumes, which remains the central valuation tension.
Upside to fair value	+12.3%	+17.6%	Fair value held at \$91. The improvement is entirely the lower price.
Consensus target	—	\$93.66	Across 51 analysts: 28 Strong Buy, 7 Buy, 16 Hold, no sell ratings. The range runs from \$70 to \$135, which is an unusually wide dispersion and a fair summary of how contested this name is.
Broker revisions	—	One	Citi reiterated Buy at \$100 on 4 September, the day the shares fell 5.3%. No target changes from the other houses during the period.
EMA 20 / 50	\$78.38 / \$77.82	\$78.37 / \$77.92	Recomputed. The averages barely moved; the price moved through them. Both were above the market on 11 September, having been below it a fortnight ago.
SMA 100	\$81.97	\$80.06	Recomputed, and still falling. This matters for the first target: \$86 was described as converging with the hundred-day, and the hundred-day has since fallen a further \$1.91 away from it.
SMA 200	\$87.53 (sourced)	\$86.24 (computed)	The previous report could not compute a two-hundred-day average from a 100-session series and quoted a third-party figure. This report computes it from 300 sessions. The price sits 10.3% below it.

Every moving average is recomputed from the current series on each refresh rather than carried forward. Two of the levels published in the previous report rested on averages that have since moved, and the reasoning below is restated accordingly.

Do the Published Levels Still Hold?

All four are retained, but two of them are retained for different reasons than the ones originally given, and one carries a caveat that should be stated plainly rather than buried.

Level	Published	Now	Assessment
Ideal buy range	\$71–76	Held	Reached on three consecutive sessions and not breached below. The band is retained unchanged. The shares sit \$1.40, or 1.8%, above its ceiling, so there is still no entry at the market — but this is the closest the recommendation has come to being actionable in four reports.
Cut-loss	\$71	Held, with a caveat	Now 8.3% and 2.95 ATR below the market, against 16.1% and 4.6 ATR when it was set. The previous report argued that a stop inside roughly four ATR risks a noise exit on a name with this volatility, and by that standard the stop is now tight. It is deliberately not widened to restore the standoff: \$71 is anchored to support beneath the September low of \$75.03 and above the \$65 top of the bear-case range, and moving a stop away from a level because the price approached it is how a stop stops working. The correct adjustment is a smaller position or a lower entry, not a looser exit.
Take-profit 1	\$86	Held, basis restated	Now 11.1% above the market against 6.1% a fortnight ago. Its original justification was convergence with the falling hundred-day average; that average has fallen to \$80.06 and no longer converges with it. The level is retained on the separate grounds that it sits inside the \$85–100 base-case fair value band and is the point at which the rating goes to Hold absent confirmation in October.
Take-profit 2	\$100	Held	29.2% above the market. Consistent with a 24x reversion multiple and the top of the base-case band. Also Citi's published target.
Fair value	\$91	Held	$0.25 \times \$127.50 + 0.45 \times \$92.50 + 0.30 \times \$60.00 = \$91.50$, held at \$91. Probabilities unchanged for a fourth consecutive report because nothing arrived that would justify shifting weight between the branches.
Risk / reward	—	1.34 : 1 at market	To the first target against the cut-loss. At the \$76 top of the buy band the ratio is 2.0 to one, which is the arithmetic reason the band exists and the reason new money still waits for it.

Evaluation Framework

Netflix's return over the next two years turns on four variables. They are unchanged from the previous report; what has changed is that one of them acquired its first genuinely new evidence in three reports.

Driver	Status after the period	Direction
Price-led revenue growth	The lever was pulled again — a second UK increase in 2026, the premium tier above £20 for the first time and the entry plan up by roughly a third — and simultaneously met friction. A South African pricing probe was reported on 8 September, and European increases are reported to require explicit subscriber consent, which delays realisation. The lever still works. It is becoming slower and more contested to pull.	Worse evidenced
Advertising scale-up	No disclosure during the period. The roughly \$3bn near-term target and the \$9bn 2030 goal remain the tests, and neither is verifiable until 20 October.	Unchanged
Guidance credibility	Untestable until 20 October and unrepaired since the July release, where third-quarter revenue guidance of \$12.86bn came in below a roughly \$13.01bn consensus. A third consecutive below-consensus guide would be the single most damaging outcome available in October.	Unchanged

Driver	Status after the period	Direction
Margin and cash conversion	No new data. Operating margin guided to 31.5% against 29.7% delivered, and free cash flow conversion near 23% of revenue. Content and sports cost inflation remains the bear case's mechanism.	Unchanged

Business and Industry

Netflix runs the largest paid streaming base in the world and is layering an advertising business over the same content and audience. Trailing revenue is \$48.37bn, up 16.0%, with net income of \$13.65bn and earnings of \$3.17 per share, up 35.5%. The consensus expects \$51.22bn and \$3.59 for the current fiscal year. The subscription business is mature and pricing-driven; the advertising business is small, scaling, and the only part of the company capable of re-rating the multiple. That division of labour is the entire investment case and it has not changed.

What the period supplied is a better view of how the mature half behaves under pressure. Raising UK prices twice in a year, taking the entry tier up by a third, is not the behaviour of a company with abundant subscriber growth to fall back on; it is the behaviour of one monetising a base it expects to hold. That can work for years and has. The risk it creates is regulatory rather than commercial, and two of the three jurisdictions in the news this fortnight illustrate it. A pricing probe does not usually end in a price rollback, but a consent requirement of the kind reported in Europe pushes revenue recognition to the right and converts a straightforward increase into a churn event with an opt-in step attached.

Financials

Measure	Latest	Interpretation
Revenue (ttm)	\$48.37bn	Up 16.0%. FY25 revenue was \$45.18bn, up 15.85%, so the growth rate is broadly holding at the headline level even as its composition shifts toward price.
EPS (ttm)	\$3.17	Up 35.5%. Earnings are growing at more than twice revenue, which is operating leverage and buyback combined rather than either alone.
Net income	\$13.65bn	Up 33.2%. A 28.2% net margin, derived here from reported net income over trailing revenue rather than taken from a company measure.
FY26 consensus	\$51.22bn / \$3.59	13.4% revenue growth and 41.9% earnings growth. The gap between those two rates is the margin expansion the base case depends on.
Operating margin	29.7%, guided 31.5%	Unchanged from the previous report. The guided figure is the number that has to appear on 20 October for the base case to stay intact.
Free cash flow	\$11.15bn trailing	Roughly 23% of revenue, with net leverage near 0.51x. Buybacks have been executed counter-cyclically into the drawdown, which is the strongest single item in the management case.
Market capitalisation	\$322.3bn	On 4.16bn shares. Down 39.2% over the year, which is the context the whole report sits inside.

Competitive Position

The competitive assessment is unchanged and remains genuinely strong at the level of scale. No rival subscription service has Netflix's base, its owned recommendation technology, or its ability to amortise content across it. The narrowing is in advertising, where the relevant competitors are Google and Amazon rather than other studios, and where Netflix is a subscale entrant selling a premium inventory against two firms with vastly better targeting data. That is why Competitive advantage scores 7 rather than 8.

One item during the period cuts the other way and is worth recording. A late-August report suggested Netflix may begin selling subscriptions to rival streaming services, which would convert it from a competitor into a distribution layer for part of the industry. If it happens it is a meaningful widening of the moat, because aggregation economics accrue to whoever owns the customer relationship. It is at report stage and carries no weight in the scoring.

Management and Capital Allocation

Capital allocation remains the strongest part of the case: counter-cyclical repurchase into a 39% drawdown, half a turn of net leverage and 23% free cash flow conversion. Guidance credibility remains the weakest, and remains untestable until 20 October. It is worth restating why the market is unforgiving here. Third-quarter revenue was guided in July to \$12.86bn against a consensus near \$13.01bn; a third consecutive below-consensus guide would establish a pattern rather than a run of conservatism, and the scorecard holds Management at 6 for that reason alone.

Two governance items arose during the period. Insider activity was unusually heavy: Rule 144 notices of proposed sale were filed on 8, 9 and 10 September, with Form 4 filings from director Richard Barton on the 9th and 11th, and reporting during the period pointed to multi-million-dollar sales by the co-chief executives. Rule 144 notices are of intent rather than execution and scheduled plans explain much insider selling at any large company, so this is recorded rather than scored. Separately, management is reported to have reduced the frequency with which it discloses user engagement data. That is a small step in the wrong direction at a company whose central investor question is whether engagement in mature markets is plateauing, and it is the sort of change that is cheap to make and expensive to reverse.

Growth Drivers

Driver	Likelihood	Impact	Assessment
Advertising monetisation	Medium	High	The only driver capable of re-rating the multiple. Roughly \$3bn near-term against a \$9bn 2030 goal. No disclosure this period; 20 October is the test.
Continued price increases	High	Medium	Demonstrated again in the UK. Downgraded in quality rather than likelihood: the increases are landing, but European consent requirements delay realisation and a South African probe shows the ceiling is becoming regulatory rather than commercial.
Third-party distribution	Low	High	Reported consideration of selling rival services' subscriptions. Would convert Netflix into an aggregator and widen the moat materially. At report stage only, and carries no weight in the scoring.
Margin expansion to 31.5%	Medium	Medium	Guided, not delivered. The FY26 consensus of 41.9% earnings growth against 13.4% revenue growth assumes it arrives.

Risks

Risk	Probability	Severity	Assessment
Structural deceleration	Medium	High	The bear case, carrying 30% weight. If FY27 revenue growth falls below 10% as engagement plateaus in mature markets and price tolerance weakens, a de-rating to 15–17x takes the shares to \$55–65. The period's regulatory friction is the first tangible evidence bearing on the price-tolerance half of that sentence.
Guidance credibility	Medium	High	Unrepaired since July and untestable until 20 October. A third consecutive below-consensus guide would cost more than the revenue involved.
Volatility and beta	High	Medium	Beta 1.53 and average true range at 2.80% of price, both marginally worse than a fortnight ago because the price fell while the range held. The 5.3% single-session fall on 4 September is the practical illustration.
Regulatory pricing constraint	Medium	Medium	New this period. A South African probe, and European increases reported to require explicit subscriber consent. Neither blocks the lever; both slow it and raise the cost of using it.
Advertising competitive intensity	Medium	Medium	Google and Amazon hold better targeting data in the segment that has to deliver the growth. Unchanged.
Content and sports cost inflation	Medium	Medium	The mechanism by which the bear case reaches its margin outcome. Unchanged.
Disclosure frequency	Low	Medium	Reduced frequency of engagement reporting. Small in itself, poorly timed given what investors are trying to verify, and noted rather than scored.

Read alongside the scorecard: Risk holds at 5 out of 10 on this scale, where 10 is the lowest risk. It is the weakest line in the report and correctly so — a beta above 1.5, unrepaired guidance credibility and rising competitive intensity in the segment that has to carry growth.

Valuation

Method	Reading	Comment
Trailing P/E	24.4x	On \$3.17 of trailing earnings, down from 25.5x a fortnight ago purely on the price move.
Forward P/E	22.3x	On the FY26 consensus of \$3.59. Still above the 20–22x band the base case assumes, which is the central tension: the most likely scenario does not support today's multiple without the advertising engine delivering.
PEG	1.05x	Derived: the 22.3x forward multiple over the same 21.3% medium-term growth assumption the previous report used to produce 1.10x at 23.4x. Shown as a calculation rather than a company or third-party measure.
Consensus target	\$93.66	51 analysts, 21.0% above the market, median \$93, range \$70 to \$135. The dispersion is the point: 16 of 51 sit at Hold, which is a far less unanimous book than the rating label suggests.
Scenario-weighted	\$91.50	$0.25 \times \$127.50 + 0.45 \times \$92.50 + 0.30 \times \$60.00$, computed rather than asserted, and held at \$91 per share. 17.6% above the market, against 12.3% a fortnight ago.

Macro drivers. Two variables matter here and interest rates are only the lesser of them. The first and larger is household discretionary spending and price tolerance, because Netflix's growth is now carried by subscription price increases rather than subscriber additions, and that is a direct claim on consumer wallets. The current reading is poor: the University of Michigan sentiment index fell to 47.8 against a 51.0 forecast in the reading published 11 September, with one-year inflation expectations climbing to 4.6%, while average hourly earnings growth of 3.1% sits below the 3.4% annual headline CPI rate, so real pay is still falling. A company raising its cheapest UK plan by a third is doing so into households whose real income is contracting and whose confidence is at a level normally associated with recession. That is the tension the Growth potential score of 6 is meant to capture. The second variable is the long-end discount rate, which acts on a 22x forward multiple with the ten-year Treasury at a 52-week high of 4.96% and the Federal Reserve meeting on 15 and 16 September with hike odds near 90%. It matters, but for a business at this multiple it is second-order next to whether subscribers absorb the next increase.

Sentiment

Measure	Reading	Comment
Analyst consensus	Buy	28 Strong Buy, 7 Buy, 16 Hold, 0 Sell across 51 analysts. Average target \$93.66, median \$93, range \$70–135.
Recent revisions	One, unchanged	Citi reiterated Buy at \$100 on 4 September. The wider set of standing targets spans Wolfe at \$95, J.P. Morgan at \$85, BMO at \$135, Itau at \$96, DBS at \$94 and Loop at \$95, several of which were cuts earlier in the summer.
Insider activity	Heavy, selling	Rule 144 notices of proposed sale on 8, 9 and 10 September; Form 4 filings from director Richard Barton on the 9th and 11th; reported multi-million-dollar sales by the co-chief executives during the period. Notices are of intent rather than execution and scheduled plans explain much of this at any large issuer, but the concentration is worth recording.
Options	Elevated	505,070 contracts on 4 September, the heaviest session in the period and the day of the 5.3% fall, against roughly 5.3 million open interest. Activity normalised to 282,060 contracts by the 11th.
News flow	Pricing-dominated	UK price increases, the South African probe and the European consent requirement accounted for most stock-specific coverage. The one clearly positive item was the report that Netflix may distribute rival services.

Measure	Reading	Comment
Disclosure	Reduced	Management reported to be disclosing engagement data less frequently. Netflix separately said it will disclose box office numbers for six upcoming films, which is more transparency in a less important place.

Technicals

This is where the period did its damage, and the previous report named the risk in advance. Its clearest reservation was a MACD histogram narrowing from +0.85 to +0.36 with the crossover identified as the thing to watch. The crossover has happened.

Indicator	Value	Read
Price	\$77.40	The 11 September close, up 1.8% on the session but 6.4% below the 3 September close of \$82.67.
SMA / EMA 20	\$79.44 / \$78.37	The price sits 2.57% below the simple and 1.23% below the exponential. Both were reclaimed and rising a fortnight ago; both have now been lost. This is the single clearest deterioration in the section.
SMA / EMA 50	\$75.70 / \$77.92	Above the simple fifty-day by 2.24%, below the exponential by 0.67%. The two straddle the price, which is what a stalled advance looks like.
SMA / EMA 100	\$80.06 / \$80.63	The price is 3.3% below the simple hundred-day, which continues to fall. The August advance touched this average and failed at it.
SMA / EMA 200	\$86.24 / \$88.75	Computed here from 300 sessions; the previous report quoted a third-party figure of \$87.53 because its 100-session series could not produce one. The price is 10.3% below the simple two-hundred-day. This remains a recovery inside a downtrend rather than a resumed uptrend.
RSI (14)	48.0	Down from 60.3. Neutral, and no longer supportive. The mild negative divergence the previous report flagged resolved downward rather than upward.
MACD (12,26,9)	0.41 / 1.12 / -0.71	The crossover occurred. Line below signal with a negative and widening histogram, reversing the +0.36 reading of a fortnight ago.
ATR (14)	\$2.17 (2.80% of price)	Absolutely unchanged at \$2.19 a fortnight ago, but higher as a percentage because the price fell. The cut-loss now sits 2.95 ATR below the market against 4.6 ATR when set.
Volume	22.2m; 20-day 27.1m vs 50-day 37.1m	Turnover remains roughly 27% below the fifty-day average. The decline came on lighter volume than the advance that preceded it, which is the one mitigating detail here.
Range	52-week \$65.08 – \$125.35	The September low of \$75.03 is well above the July low of \$65.08, so the higher-low sequence survives. That, and the buy band being reached, are the two constructive facts in this section.

Indicators computed in code from 300 completed daily sessions through 11 September 2026, all from a single price series. Distances are measured against the \$77.40 quoted price. Technicals inform entry timing only and do not override the fundamental case — which is precisely why a two-point cut to the technical score does not move the rating.

Scorecard

Dimension		Score	Assessment
Business quality		8/10	Global scale leader, owned technology and personalisation stack, operating margin of 29.7% guided to 31.5%. Unchanged.
Financial strength		8/10	\$11.15bn trailing free cash flow, 0.51x net leverage, buybacks executed counter-cyclically into the drawdown. Unchanged.
Competitive advantage		7/10	Durable in subscription, narrowing in advertising where the competitors are Google and Amazon. Unchanged.
Management		6/10	Strong capital allocation; guidance credibility unrepaired and untestable until 20 October, with heavy insider filings and reduced engagement disclosure noted. Unchanged.
Growth potential		6/10	Price-led growth demonstrated again in the UK but now meeting regulatory friction in three jurisdictions. Worse evidenced, and held at 6 rather than cut on a fortnight of headlines.
Valuation		6/10	24.4x trailing, 22.3x forward, 1.05x PEG, upside to fair value restored to 17.6%. Held at 6: the same upside scored 6 at \$78.16 two reports ago.
Risk (10 = lowest risk)		5/10	Beta 1.53, 2.80% ATR, guidance credibility risk, and a new regulatory constraint on the pricing lever. Unchanged.
Technical setup		5/10	Cut from 7. The MACD crossover the previous report named has occurred, both near-term exponential averages have been lost, and RSI fell from 60.3 to 48.0.

Scored 1–10, where 10 is always best, including Risk. The previous report used the same direction and labelled it identically, so its scores are directly comparable and no restatement was required. Bar length follows the score, so a long bar on the Risk row means a safer company.

Dimension	Score	Weight	Contribution
Business quality	8	15%	1.20
Financial strength	8	15%	1.20
Competitive advantage	7	15%	1.05
Growth potential	6	15%	0.90
Valuation	6	15%	0.90
Management	6	10%	0.60
Risk	5	10%	0.50
Technical setup	5	5%	0.25
Weighted total		100%	6.60 → 66 / 100

Weights are unchanged from the previous four reports so the totals are comparable. One dimension moved: technical setup from 7 to 5, taking the weighted total from 6.70 to 6.60 and the composite from 67 to 66. The composite was computed in code and checked against the figure printed here.

Recommendation: Buy (unchanged), with no entry at the market

The rating and the entry remain separate judgements. The rating is unchanged because nothing in a fortnight without company disclosure altered what this business is worth over two years. The entry is unchanged because the shares, having visited the band, have bounced 1.8% back above it. The reasoning behind the rating has shifted slightly, though, and that is worth stating explicitly: the valuation case is stronger than it was and the technical and regulatory cases are weaker, which is why the composite falls a point while the verdict does not.

Parameter	Level	Basis
Recommended entry	None at \$77.40	Fourth consecutive report with no entry at the market, but by the narrowest margin yet — 1.8% above the band ceiling rather than 6.6%.
Ideal buy range	\$71–76	Held unchanged. Reached on 8, 9 and 10 September and not breached below. At the \$76 ceiling the reward-to-risk is 2.0 to one against 1.34 to one at the market, which is the whole argument for waiting.
Cut-loss	\$71	Held. Now 8.3% and 2.95 ATR below the market. Deliberately not widened to restore the earlier four-ATR standoff: the level is anchored to support below the \$75.03 September low and above the \$65 bear-case top.
Take-profit 1	\$86	Held, on restated grounds. The hundred-day convergence argument has lapsed as that average fell to \$80.06. Retained as the bottom of the base-case fair value band and the Hold trigger absent October confirmation.
Take-profit 2	\$100	Held, 29.2% above the market. Consistent with a 24x reversion multiple.
Fair value	\$91	Held. Scenario-weighted at \$91.50, computed in code. 17.6% above the market against 12.3% a fortnight ago.
Expected upside	+11.1% at market	To the first target. +13.2% from the \$76 band ceiling.
Expected downside	–8.3% at market	To the cut-loss. The bear-case range of \$55–65 implies roughly –22% to –29% if deceleration proves structural.
Risk / reward	1.34 : 1 at market; 2.0 : 1 at \$76	The gap between those two numbers is the recommendation.
Holding horizon	12–24 months	Unchanged. The advertising thesis needs at least that long to be proved or disproved.
Position size	2% initial, 4% maximum	Unchanged. A beta of 1.53 and a 2.80% daily range do not belong in a larger position, and the stop is now tighter in volatility terms than the previous report preferred.
Suggested allocation	Within a tech-adjacent sleeve	Unchanged. The shares remain 10.3% below the two-hundred-day average, so this is accumulation inside a downtrend and should be sized as such.

What Would Change the View

Condition	Moves rating to	Reasoning
A close above \$86 without October confirmation	Hold	Valuation grounds. The threshold is deliberately not raised in step with the price, and it has receded from 6.1% to 11.1% away as the shares fell.
A third consecutive below-consensus guide on 20 October	Hold	Two is conservatism. Three is a pattern, and it would cost more than the revenue involved.
A visible miss against the roughly \$3bn advertising target	Hold	Advertising is the only driver capable of re-rating the multiple. A miss removes the argument for paying above the 20–22x the base case assumes.
Accelerating rather than merely elevated churn in mature markets	Hold	This is the specific thing the reduced frequency of engagement disclosure makes harder to verify, which is why the disclosure change is noted at all.
A regulatory outcome that blocks rather than delays a price increase in a major market	Hold	New this report. The South African probe and the European consent requirement currently slow the lever. One that stops it in a top-five market would remove the driver carrying revenue growth.
Household real income contracting further alongside evidence that subscribers are declining a price increase rather than absorbing it	Hold	Phrased directionally because no numeric threshold here would be derived from anything real. Real pay is already falling, with earnings growth of 3.1% against headline inflation of 3.4%; the second half of the condition is the part that is not yet visible.
A retest into \$71–76 with guidance intact	Entry, rating held	Occurred on 8–10 September and remains the standing instruction for new money.
Q3 actuals within or above the guided range plus continued counter-cyclical repurchase	Strong Buy	Particularly if the hundred-day average at \$80.06 is reclaimed and held rather than merely touched, which it was not in August.

Scenario Analysis

Scenario	Prob.	Revenue outlook	Earnings outlook	Fair value	Narrative
Bull	25%	FY27 revenue approximately \$58–60bn; low-teens growth sustained; advertising ahead of the \$9bn 2030 goal	FY27 EPS approximately \$4.50–5.00; operating margin past 32%; multiple re-rates to 24–28x	\$120–135	The advertising engine delivers and the market pays a growth multiple again. Unchanged.
Base	45%	FY27 revenue approximately \$54–57bn as growth decelerates toward high single to low double digits; price lever fades, advertising scales on plan	FY27 EPS approximately \$4.00–4.30; margin holds near 31%; multiple stabilises at 20–22x	\$85–100	A maturing compounder priced as one. Still the most likely outcome. The 22.3x forward multiple sits above the 20–22x this case assumes, though by less than a fortnight ago. Unchanged.
Bear	30%	FY27 revenue growth falls below 10% as engagement plateaus in mature markets and price tolerance weakens	FY27 EPS approximately \$3.50–3.70 as content and sports cost inflation pressures margin; multiple de-rates to 15–17x	\$55–65	Deceleration proves structural rather than cyclical. The period's regulatory friction is the first tangible evidence bearing on the price-tolerance clause. Weight unchanged, because friction is not yet failure.

Probabilities sum to 100% and are unchanged for a fourth consecutive report, because nothing arrived that would justify shifting weight between the branches. Regulatory friction on the pricing lever is the closest thing to such information in months, and it is recorded in the bear narrative without moving its weight, because a probe and a consent requirement are not yet an outcome. Probability-weighted fair value: 0.25 ×

$\$127.50 + 0.45 \times \$92.50 + 0.30 \times \$60.00 = \$91.50$, held at \$91 per share, or +17.6% against the 11 September close of \$77.40. The comparable figure on 31 August was +12.3% and on 14 August +16.4%. The computation was performed in code and checked against this figure.

Final Verdict

Would this warrant fresh money at \$77.40? Not quite, and the gap is now small enough to be worth stating precisely. At the market the first target offers 11.1% against an 8.3% stop, a ratio of 1.34 to one that does not pay for a beta of 1.53. Four dollars lower, at the top of the published band, the same plan offers 13.2% against 6.6%, or two to one. That is the difference between a position worth taking and one worth waiting for, and the shares were inside the band three sessions ago. Patience has been rewarded once already this fortnight and there is no reason to abandon it now.

The fundamental case is genuinely better than it was. Netflix compounds revenue in the mid teens with an operating margin guided to 31.5%, converts roughly 23% of revenue to free cash flow, carries half a turn of net leverage, buys back stock counter-cyclically into a 39% drawdown, and now trades at 22.3 times forward earnings with a second monetisation engine still early. Upside to fair value has widened to 17.6% and the Hold trigger has receded to 11.1% away. None of that changed for a bad reason; it changed because the price fell.

The reservation is sharper than it was. Netflix's revenue growth is now carried by price rather than subscribers, and in a single fortnight that lever met a regulatory probe in one market, a consent requirement in another, and a second increase in a third that took the entry tier up by a third — into households whose real pay is falling and whose measured confidence sits at 47.8. Set alongside heavy insider selling notices and a decision to disclose engagement data less often, the picture is of a company monetising a mature base harder while making it slightly more difficult to check how that base is holding up. None of this is disqualifying, and none of it is visible in the numbers until 20 October. It is the reason the position stays capped at 4%, the reason the technical score was cut rather than held, and the reason the correct action today is to leave the order resting at \$76 rather than to chase \$77.40.

Sources

Alpha Vantage GLOBAL_QUOTE (price of record, close 11 September 2026); Twelve Data daily time series, 300 completed sessions (indicators computed in code); stockanalysis.com/stocks/nflx and /forecast (consensus, estimates, key statistics); moomoo news search across news, notices and research feeds and moomoo stock digest, both run 13 September 2026, which supplied the UK pricing, South Africa probe, Rule 144 and Form 4 items; tradingkey.com market-mover coverage of the 4 September decline; Beating The Bull economic coverage of 1–11 September 2026 for macro conditions. The previous report of 1 September 2026 was read in full before this one was written. Earnings call transcript: not applicable, as no results were released during the period covered; the next release is 20 October 2026.

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