Netflix, Inc.

NASDAQ: NFLX | Global Streaming Entertainment & Advertising | Report date: 1 September 2026 | Prices as of close 31 August 2026

Recommendation	Last Price	12–24M Fair Value	Upside to Fair Value	Horizon
BUY	**$81.05**	**$91**	**+12.3%**	**12–24m**
no entry at market	31 Aug close	held	was +16.4%	2% initial, 4% max

Investment Score: 67 / 100 (unchanged) · P/E 25.5x trailing, 23.4x forward · PEG 1.10x · Ideal buy range narrowed to $71–76; top held at $76 for a third report · Cut-loss raised from $68 to $71

Investment Summary

Netflix has added a further 3.7% since this coverage was last published, closing at $81.05 on 31 August against $78.16 on 14 August, and is now 24.5% above the $65.08 intraday low set on 17 July. The fundamental file is unchanged for the third consecutive update. The company has not reported, has not re-guided, and the next scheduled release is 20 October 2026, now seven weeks away. Full-year guidance still stands at $51.0 to $51.4 billion of revenue, an operating margin of 31.5%, and advertising revenue roughly doubling to approximately $3 billion.

Two things have changed and neither is fundamental. The shares have tested the 100-day average, which has fallen to $81.97 as the April highs roll out of the window, closing above it once on 25 August at $82.23 and failing to hold it since. That was the second of the two conditions the July report set for raising conviction; it has been touched rather than met, and the other condition, fundamental confirmation, is still seven weeks away. Separately, Wolfe Research raised its target to $95 from $84 on 25 August while maintaining Outperform. That is a sell-side view rather than company information, and the broader consensus has if anything eased, from $94.04 to $93.66 across the same 51 analysts.

The valuation arithmetic continues to move the wrong way for a buyer. Trailing earnings have gone from 21.7 times on 20 July to roughly 24.5 times on 14 August to 25.5 times now, forward earnings sit at 23.4 times, and upside to the unchanged $91 fair value has narrowed from 32% in July to 16.4% a fortnight ago to 12.3% today. The single most useful number in this report is the reward-to-risk ratio to fair value at the market, which has fallen below one to one, at 0.99 against 1.26 a fortnight ago. Committing new capital at a ratio under one to one is not a judgement call.

The ideal buy range is therefore held at a top of $76 for a third consecutive report, and the reason is the same one given a fortnight ago: raising a valuation band so that it contains whatever the price happens to be converts a discipline into a momentum rule. What the range does get is a correction at the other end. The previous two reports published a lower bound of $64 alongside a cut-loss of $68, which meant the band recommended buying at prices below the level at which the position would be stopped out. That was an inconsistency and it is fixed here: with the cut-loss raised to $71, the range becomes $71 to $76. The rating is unchanged at Buy, the investment score is unchanged at 67 out of 100 with no dimension moving, and the $86 threshold at which this becomes a Hold on valuation grounds is now only 6.1% away.

What Has Changed Since 17 August

Measure	14 Aug 2026	31 Aug 2026	Read
Share price	$78.16	$81.05	Up 3.7%, and 24.5% above the 17 July low of $65.08. A smaller move than the 6.2% of the previous period, on a further decline in volume.
P/E (trailing)	approximately 24.5x	25.5x	Now sourced directly from S&P Global rather than derived by rolling the prior multiple. The statistical discount that formed one of the two original legs of the thesis is roughly half spent since July.

Measure	14 Aug 2026	31 Aug 2026	Read
Forward P/E	approximately 21.8x	23.4x	The previous figure was derived by rolling; this one is sourced. It implies a consensus estimate near $3.47 rather than the $3.59 the roll assumed, so part of the increase is methodology and part may be a small downward revision. Stated rather than smoothed.
PEG	approximately 1.13x	1.10x	Sourced rather than derived. Still above 1.0, so the most cited bull statistic continues not to support the argument it was used for.
Consensus target	$94.04 (51 analysts)	$93.66 (51 analysts)	Marginally lower. Implied upside falls from 20.3% to 15.6%, almost entirely because the price rose rather than because targets fell.
Upside to $91 fair value	+16.4%	+12.3%	Was +32% on 20 July. The fair value has not moved across three reports; the upside continues to be consumed by the price.
Reward-to-risk to fair value	1.26 : 1	0.99 : 1	The clearest single number in this update. Below one to one at the market even after the stop is tightened. This is the arithmetic behind declining to recommend an entry.
RSI (14)	61.8	60.3	Essentially flat. Firm without being overbought, and a long way from the capitulation-grade reading near 29 that made mid-July attractive.
Price vs 100-day MA	–6.6%	–1.1%	The 100-day has fallen to $81.97 as the April highs roll out of the window. Closed above it once, on 25 August at $82.23, and has not held it.
MACD (12,26,9)	0.61 vs –0.24 signal	1.92 vs 1.56 signal	Still positive, but the histogram has narrowed from +0.85 to +0.36. Momentum is intact and decelerating.
Volume	20-day 38.4m vs 50-day 45.5m	20-day 29.0m vs 50-day 41.7m	The gap has widened. The advance from $78 to $82 was made on materially lighter turnover than the recovery that preceded it.
Cut-loss	$68	$71	Raised. $68 is now 16.1% and 6.0 ATR below the market. $71 sits below the 31 July low of $71.11 and the 3 August low of $72.18, at 4.6 ATR.
Ideal buy range	$64–76	$71–76	Top held for a third report. Bottom raised to match the cut-loss, correcting an inconsistency carried by the previous two reports.
Investment score	67 / 100	67 / 100	No dimension moved. The 3.7% advance is smaller than the 6.2% move the previous report said would not on its own justify a score change.
Recommendation	Buy	Buy	Unchanged, and so is the instruction attached to it: hold what is held, do not add at the market.

Comparison against the levels published on 17 August 2026. Multiples and reward-to-risk ratios are calculations based on the stated inputs and are not company-reported measures. All figures reflect the 10-for-1 forward split effective 17 November 2025.

Do The Published Levels Still Hold?

Level	As published	Status	Action
Recommended entry	None at $78.16	Still none	Unchanged in substance. There is no recommended entry at $81.05 either. New entries begin at $76, the top of the ideal buy range, which is now 6.2% below the market.

Level	As published	Status	Action
Ideal buy range	$64–76	Top holds, bottom corrected	The $76 top is held for a third consecutive report and deliberately not raised. The $64 bottom is raised to $71 because the cut-loss now sits at $71, and publishing an entry below the stop was an error carried by the previous two reports rather than a valuation judgement.
Cut-loss	$68	Too wide	At 16.1% and 6.0 ATR below the market it no longer limits anything. Raised to $71, below the 31 July low of $71.11 and the 3 August low of $72.18, at 4.6 ATR — wide enough for a 2.7% ATR name with a beta of 1.51, and still above the $65 top of the bear-case range so the stop exits before the bear case is fully priced.
Take-profit 1	$86	Intact and closer	Unchanged, now only 6.1% above the market against 10.0% a fortnight ago. It sits just above the 100-day average of $81.97 and it is also the level at which this coverage said the name moves toward a Hold on valuation grounds. Those two facts are now nearly the same event.
Take-profit 2	$100	Intact	Unchanged, 23.4% above the market. Consistent with a 24x reversion multiple and the upper half of the sell-side range.
Fair value	$91	Unchanged	Held for a third report. No information has arrived that would move a scenario branch. A target raise at one broker is not that information.
Reward-to-risk	2.15 : 1 to TP2	1.89 : 1 to TP2	Deteriorated despite the tighter stop, because the distance to the target shrank faster. To fair value the ratio is 0.99 to one.
Position size	Initial 2%, max 4%	Unchanged	Scale toward 4% only after the 20 October release confirms the advertising and margin trajectory. Do not add at the market.

Evaluation Framework

The drivers are unchanged from the previous two reports and are restated here only so the reader can see that they were checked rather than omitted. Netflix earns money two ways that behave very differently: a mature global subscription annuity whose growth now comes from price and paid sharing rather than net additions, and an advertising business layered over the same content and audience that is small, scaling, and the only part of the company capable of re-accelerating reported growth. Returns over the next two years depend on whether the second grows faster than the first slows.

Driver	Why it decides the outcome	Status
Advertising scale-up	Guided to roughly double to approximately $3bn in 2026 against a $9bn 2030 ambition. The single variable that determines whether growth stabilises in the low teens or drifts into single digits, and the least verifiable because Netflix discloses it sparingly.	Untested until 20 Oct
Quality of revenue growth	Trailing revenue of $48.4bn growing mid-teens, but increasingly price-driven rather than volume-driven. Price-led growth in a competitive market is borrowed from future churn.	Unchanged
Margin durability against content and sports cost	A trailing operating margin of 29.7% guided to 31.5% is the anchor of every valuation method used here. Live and event programming carries different economics from a licensed back catalogue.	Unchanged
Guidance credibility	The July drawdown followed a quarter that beat on revenue and guided below consensus. Management's credibility on forward guidance is unrepaired and untestable until 20 October, which is why Management scores 6 rather than 8.	Seven weeks away

Driver	Why it decides the outcome	Status
Multiple normalisation	At 25.5 times trailing earnings the shares are no longer statistically cheap against their own history. Roughly half the original discount has been collected in six weeks. From here the return has to come from earnings rather than from re-rating.	Deteriorating

Business and Financial Position

Metric	Value	Context
Trailing revenue	$48.37bn	Full-year guidance of $51.0–51.4bn implies 13–14% reported growth, a deliberate deceleration from the mid-teens trailing rate.
Trailing operating margin	29.68%	Guided to 31.5% for the full year. The expansion is real but depends on advertising scaling without proportional cost.
Trailing free cash flow	$11.15bn (23.1% margin)	The strongest number in the accounts and the reason the balance sheet can absorb content cost inflation. Operating cash flow $11.97bn against capital expenditure of $0.82bn.
Net debt / EBITDA	0.51x	Net debt of $7.53bn against EBITDA of $14.73bn. Slightly higher than the approximately 0.4x cited previously; still investment grade with substantial headroom.
ROIC / ROE	32.4% / 49.5%	Exceptional, and the clearest evidence that the content library is an asset rather than a treadmill. Weighted average cost of capital estimated at 12.2%.
P/E trailing / forward	25.5x / 23.4x	Up from roughly 24.5x and 21.8x. PEG 1.10x. This is the constraint on the rating and the reason for the entry discipline.
Buyback yield	1.48%	Share count down 1.48% year on year and 0.86% in the quarter. Repurchases were executed counter-cyclically into the drawdown, which is correct behaviour and rare.
2026 advertising revenue	approximately $3bn guided	Roughly doubling year on year. United States upfront commitments were reported as nearly doubling. Unverified in reported results until the October release.
Beta / ATR	1.51 / 2.7% of price	ATR has eased from 3.0%. Still a high-volatility holding that does not belong in a defensive sleeve.
Short interest	2.17% of shares outstanding	Low and slightly lower than last month. There is no squeeze dynamic supporting the recovery, which means the move is real buying.

Figures are trailing twelve months and sourced from S&P Global Market Intelligence as at 1 September 2026. The previous report derived several multiples by rolling its own prior inputs to the then-current price; this report uses the sourced figures directly, which accounts for part of the change in the forward multiple.

Competitive Position

The competitive case is unchanged and remains genuinely strong at the level of scale. Netflix has the largest paid base in the industry, a recommendation and personalisation stack built over two decades that measurably improves retention, and owned technology rather than licensed infrastructure. The reason competitive advantage scores 7 rather than 9 is that the moat is durable but narrowing in exactly the place the company needs it most. Amazon, Disney and the combined Paramount-Warner Bros Discovery are all closing the advertising technology gap, and in advertising the relevant competitors are Google and Amazon rather than other studios. Winning the subscription war does not automatically win the advertising one. The period's product news, a global Stella Artois partnership across eight countries and a Grand Theft Auto VI preview event with Take-Two, is consistent with a company monetising attention beyond subscriptions, but none of it is material to a valuation at this scale.

Sentiment and Positioning

Indicator	Reading	Interpretation
Analyst consensus	Buy; 51 analysts; $93.66 average	Marginally lower than the $94.04 of a fortnight ago. Range $70 to $135. Implied upside of 15.6% is down from 20.3%, almost entirely a price effect.
Recent ratings	Wolfe Research to $95 from $84, Outperform (25 Aug)	The only material rating action in the period, and a substantial raise. It moved the individual target above consensus without moving consensus.
Institutional picture	Pershing Square approximately 5% of portfolio; Tiger Global out; Coatue –31.7%	Unchanged from the previous report and still describes second-quarter positions rather than current holdings. Institutions own 82.9% of the shares; insiders 0.58%.
Options	Roughly 162,000 contracts on 31 August against 5.23m open interest	Open interest has grown modestly through the period. Volume is active without a clear directional skew.
Short interest	2.17% of shares outstanding, 2.06 days to cover	Low and falling from 92.2m to 90.5m shares. The recovery is not short covering.
Longer-term context	Shares down 32.9% over 52 weeks; 200-day average $87.53	The price remains 8.0% below its 200-day average. This is a recovery inside a downtrend, not a resumed uptrend, and framing it otherwise would overstate what has happened.

Technical Position

Indicator	Reading	Interpretation
Close (31 Aug 2026)	$81.05	Up 3.7% from $78.16, and down 0.8% on the day. $80.94 in the pre-market on 1 September.
SMA 20 / 50 / 100	$77.87 / $74.72 / $81.97	Above the 20-day and 50-day, 1.1% below the 100-day. The 100-day is falling as the April highs roll out of the window, so the gap is closing from both directions.
SMA 200	not computed here; $87.53 third-party	The available series runs 100 sessions and cannot produce a 200-day average. The third-party figure of $87.53 puts the price 8.0% below it.
EMA 20 / 50	$78.38 / $77.82	Both reclaimed and both rising, and now nearly converged. The exponential pair sits just above the $76 top of the ideal buy range.
RSI (14)	60.3	Down from 61.8 while the price rose 3.7%. Mild negative divergence, and firmly out of both oversold and overbought territory.
MACD (12,26,9)	1.92, signal 1.56, histogram +0.36	Still positive, but the histogram has narrowed from +0.85. The crossover that was the clearest improvement a fortnight ago is now maturing rather than extending.
ATR (14)	$2.19 (2.7% of price)	Eased from 3.0%. Still high enough that a stop inside roughly 4 ATR risks a noise exit, which is why the revised cut-loss sits at 4.6 ATR.
Volume	20-day 29.0m vs 50-day 41.7m	The clearest reservation in this section. The advance has been made on turnover roughly 30% below the 50-day average, and the gap has widened since the last report.
Range	20-day $82.46 / $72.30; 52-week $65.08–$108.94	The 25 August high of $82.46 is the level to clear, and above it the 100-day and then the $86 first target. The sequence of higher lows since 12 August is intact.

Indicators computed from the daily OHLCV series through 31 August 2026 (100 sessions). Technicals inform entry timing only and do not override the fundamental assessment.

The picture is a stabilisation that has reached its first real obstacle. Higher lows have held since 12 August, both near-term averages are reclaimed and rising, and the 100-day has been touched. Against that, the momentum histogram is narrowing, the relative strength index has eased while the price advanced, and volume has thinned materially. That combination describes an advance running out of participants rather than one accelerating, which is consistent with the fundamental conclusion that there is nothing testable to buy for until 20 October.

Risks

Risk	Probability	Severity	Assessment
Guidance credibility	Medium-high	High	The July drawdown followed a below-consensus guide. A third consecutive soft guide on 20 October would do more damage than the numbers themselves warrant, because it would establish a pattern. Seven weeks from testing, and the single most important fact about the current entry decision.
Valuation and narrowing discount	Medium-high	Medium-high	25.5x trailing and 1.10x PEG after a 24.5% recovery with no fundamental confirmation. The reward-to-risk to fair value is now below one to one at the market. Worse than a fortnight ago.
Advertising shortfall	Medium	High	A visible miss against the roughly $3bn 2026 target would remove the only credible source of growth re-acceleration and would reprice the shares toward the bear case. Unchanged.
Engagement plateau in mature markets	Medium	High	Growth is increasingly price-led. If price tolerance weakens while engagement flattens, revenue growth falls below 10% and the multiple de-rates with it. Unchanged.
Competitive intensity in ad technology	Medium-high	Medium	Amazon, Disney and Paramount-Warner Bros Discovery are all investing. In advertising the relevant competitors are Google and Amazon, against whom scale in subscribers counts for less. Unchanged.
Content and sports cost inflation	Medium	Medium	Live and event programming carries different economics from the licensed back catalogue. The main threat to a 31.5% guided margin. Unchanged.
Volatility and beta	High	Low-medium	Beta of 1.51 and a 2.7% average daily true range, both marginally lower than a fortnight ago. Position-sizing risk rather than thesis risk, and the reason initial size is capped at 2%.
Leverage drift	Low	Low	Net debt to EBITDA of 0.51x against approximately 0.4x cited previously. Immaterial at this level of cash generation, but noted rather than ignored.

Read alongside the scorecard: Risk scores 5 out of 10, the weakest line in the report, because a beta of 1.51, unrepaired guidance credibility and rising competitive intensity in the one segment that has to deliver growth are all live and unresolved. The marginal easing in volatility is not enough to move it.

Valuation

The valuation methods used in the July and August reports are unchanged and so is their output. A discounted cash flow on a mid-teens revenue path and a 31% steady-state operating margin, a reversion multiple of 20 to 24 times forward earnings, and a free-cash-flow yield cross-check all converge on the high $80s to high $90s. The probability-weighted estimate developed below lands at $91 for the third consecutive report. Nothing has arrived to move it: the company has not reported, and the average sell-side target has moved from $94.33 to $94.04 to $93.66 across the three updates.

What continues to change is the distance between that number and the price, and the multiple being paid to close it. On 20 July the shares traded at 21.7 times trailing earnings with 32% upside to fair value. Today they trade at 25.5 times with 12.3% upside. Roughly 60% of the available return has been collected in six weeks by a market that has received no new information about the business. Valuation is nonetheless held at 6 rather than cut again, and the reasoning is the previous report's own: it stated that a single move of 6.7% would not on its own justify a one-point cut, and this period's move was 3.7%. Applying a different standard now, in the same direction as the price, would be a ratchet rather than a method. The valuation concern is expressed through the trade plan instead, where it belongs.

The remaining argument for the rating is that 23.4 times forward earnings is not an expensive absolute price for a business compounding revenue in the mid teens with a 23% free-cash-flow margin, a 32% return on invested capital and roughly half a turn of net leverage. That is true, and it is why this is not yet a Hold. But it is an argument that the shares are reasonably priced rather than cheap, and reasonably priced assets are bought on weakness.

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 but narrowing in advertising, where the relevant competitors are Google and Amazon rather than other studios. Unchanged.
Management	**6/10**	Strong capital allocation; guidance credibility unrepaired and untestable until 20 October. Unchanged.
Growth potential	**6/10**	Advertising and international runway are real, but the revenue mix has shifted toward lower-quality price-driven growth. Unchanged.
Valuation	**6/10**	25.5x trailing, 23.4x forward, 1.10x PEG, and upside to fair value down to 12.3%. Held at 6 because a 3.7% move is below the standard the previous report set for a cut.
Risk (10 = lowest risk)	**5/10**	Beta 1.51, 2.7% ATR, guidance credibility risk and rising competitive intensity in the segment that has to deliver growth. Unchanged.
Technical setup	**7/10**	The 100-day tested and the higher-low sequence intact, offset by a narrowing MACD histogram, a mild RSI divergence and turnover 30% below the 50-day average. Net unchanged.

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.

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

Dimension	Score	Weight	Contribution
Management	6	10%	0.60
Risk	5	10%	0.50
Technical setup	7	5%	0.35
Weighted total		100%	6.70 → 67 / 100

Weights are unchanged from the previous three reports so the totals are comparable. No dimension moved and the total is unchanged at 67. That is a conclusion drawn after checking each line against the period's evidence, not an omission: in a fortnight with no company disclosure, a 3.7% price move and one broker target raise, an unchanged scorecard is the correct answer.

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

The rating is unchanged and so is the reasoning, which after three consecutive updates without a single new fundamental datapoint is exactly what it should be. Netflix compounds revenue in the mid teens with an operating margin guided to 31.5%, converts 23% of revenue to free cash flow, carries roughly half a turn of net leverage, and trades at 23.4 times forward earnings with a second monetisation engine still in its early innings. That combination is worth owning on a two-year view and is worth $91 a share on the work above.

The rating and the entry remain separate judgements, and the gap between them has widened again. A Buy rating says the asset is worth owning. The ideal buy range says at what price. At $81.05 the price sits 6.6% above the top of that range, and the correct response is to leave the top where it is. It has already been raised once, on 5 August. Raising it now, for the second time, so that it contained the current price would mean the band had stopped describing a valuation and started describing whatever the market last did.

The bottom of the range is a different matter and does need correcting. The previous two reports published a lower bound of $64 alongside a cut-loss of $68, which recommended buying at prices beneath the level at which the position would be exited. That is not a valuation judgement, it is an inconsistency, and it is resolved here by lifting the lower bound to the revised cut-loss of $71. The band narrows to $71 to $76 and now says something coherent: buy there, exit below there, and wait in between.

Trade Plan

Parameter	Level	Basis
Recommended entry	None at $81.05	Second consecutive report with no entry at the market. New entries begin at $76, the top of the ideal buy range, now 6.2% below the market and just below the converged exponential 20 and 50-day averages at $78.38 and $77.82.
Ideal buy range	$71–76	Top held at $76 for a third consecutive report and deliberately not raised. Bottom lifted from $64 to the cut-loss, correcting an inconsistency carried by the previous two reports.
Cut-loss	$71	Raised from $68, which now sits 16.1% and 6.0 ATR below the market and limits nothing. $71 sits below the 31 July low of $71.11 and the 3 August low of $72.18, at 4.6 ATR, and above the $65 top of the bear-case range so the stop still exits before the bear case is fully priced.
Take-profit 1	$86	Unchanged, now only +6.1%. Converges with the falling 100-day average at $81.97 and with the level at which this coverage becomes a Hold on valuation grounds. Trim one third to one half.
Take-profit 2	$100	Unchanged, +23.4%. Consistent with a 24x reversion multiple and the upper half of the sell-side range.

Parameter	Level	Basis
Fair value	$91 (+12.3%)	Probability-weighted and unchanged for a third report. Was +16.4% on 14 August and +32% on 20 July.
Reward-to-risk	1.89 : 1 to TP2 at market; 0.99 : 1 to fair value	Below one to one to fair value even after the stop is tightened. From $76 the ratios are 4.8 to one and 3.0 to one, though on a narrow $5 entry-to-stop band that demands precision.
Holding horizon	12–24 months	Unchanged. The advertising build is a multi-year story and the next verification point is 20 October.
Position size	Initial 2%, maximum 4%	Unchanged. Scale toward 4% only after the October release confirms the advertising and margin trajectory. Do not add at the market.
Suggested allocation	Growth / large-cap tech-adjacent sleeve	Unchanged. Not a defensive or core holding given a beta of 1.51 and a price 8.0% below its 200-day average.

What would change this view

The rating becomes a Hold on valuation grounds above $86 in the absence of confirmation from the October release, and that threshold is now only 6.1% away. The number is deliberately not raised in step with the price. It also becomes a Hold on a third consecutive below-consensus guide on 20 October, on evidence of accelerating rather than merely elevated churn in mature markets, or on a visible miss against the roughly $3 billion advertising target. In the other direction, third-quarter actuals landing within or above the guided range alongside continued counter-cyclical repurchase would support raising conviction toward Strong Buy, particularly if the 100-day average is reclaimed and held rather than merely touched. A retest into the $71 to $76 band with guidance intact would make this a considerably more attractive proposition than it is today, and that band is where new money should be waiting.

Scenario Analysis

Scenario	Prob	Revenue outlook	Earnings outlook	Fair value	Narrative
Bull	25%	FY2027 revenue approximately $58–60bn; low-teens growth sustained; advertising ahead of the $9bn 2030 goal	FY2027 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%	FY2027 revenue approximately $54–57bn as growth decelerates toward high single to low double digits; price lever fades, advertising scales on plan	FY2027 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, and the current 23.4x forward multiple already sits above the 20–22x this case assumes.
Bear	30%	FY2027 revenue growth falls below 10% as engagement plateaus in mature markets and price tolerance weakens	FY2027 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. Unchanged.

Probabilities sum to 100% and are unchanged from the previous three reports, because no information has arrived that would justify shifting weight between the branches. A broker target raise and a moving average being touched are not that information. Probability-weighted fair value: 0.25 × $127.50 + 0.45 × $92.50 + 0.30 × $60.00 = $91.50, held at $91 per share, or +12.3% against the 31 August close of $81.05. The comparable figure on 14 August was +16.4% and on 20 July +32%.

Final Verdict

Would this be worth committing new capital to at $81.05? No, and the case for waiting is stronger than it was a fortnight ago rather than merely repeated. The original thesis rested on two independent legs. The technical leg, a capitulation-grade relative strength reading near 29 at a fresh 52-week low, was fully monetised in the previous update and has now begun to decay: the momentum histogram is narrowing, the relative strength index eased while the price rose, and the advance is being made on turnover 30% below the 50-day average. The valuation leg has been roughly 60% spent, with the trailing multiple from 21.7 to 25.5 times while the fair value estimate has not moved a cent across three reports.

The number that settles it is the reward-to-risk to fair value, which has fallen from 1.26 to one on 14 August to 0.99 to one today, and that is after tightening the stop by three dollars. A position entered at the market now risks slightly more than it stands to make on the central estimate. No amount of conviction about the advertising build changes that arithmetic, and there is no catalyst to be early for: nothing testable happens until 20 October.

What this update does add is a correction to the coverage itself. Publishing an ideal buy range of $64 to $76 alongside a $68 cut-loss meant recommending purchases below the exit level, and that survived two reports without being caught. It is fixed here. The band is $71 to $76, the stop is $71, and the two now agree. Hold what is held, do not add at the market, and wait for $76 or for October, whichever arrives first.