



# Netflix in 2017

Growing and Beating Expectations

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# Graphical Analysis

Prepared by Jean Lawlis

*Financial data source: Yahoo Finance*

- Scatter Plot of Actual and Estimated Revenue
  - Violin Plot showing price distribution for each Quarter
  - Comparison of Dow Jones Averages to Netflix stock prices over the year 2017
  - Bar Plots comparing Revenue and Earnings
  - Quarterly earnings as a percent of Revenue
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# 2017. Netflix is the Market Leader

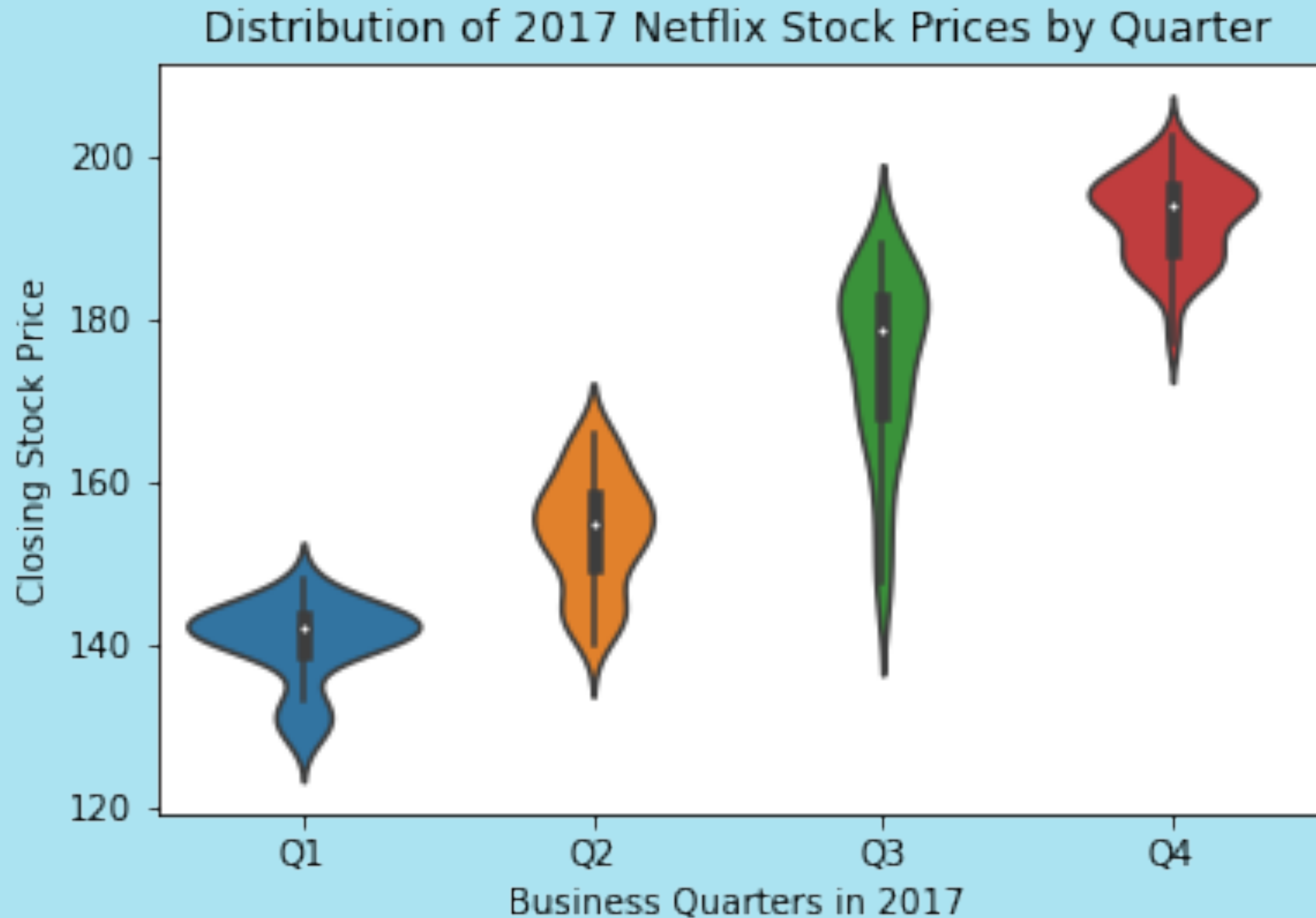
There are new entrants in the market, such as Amazon Prime, Hulu Plus and Facebook Watch, yet Netflix is by far the leader, serving 125 million customers and **generating 11.7 billion in revenues in 2017.**

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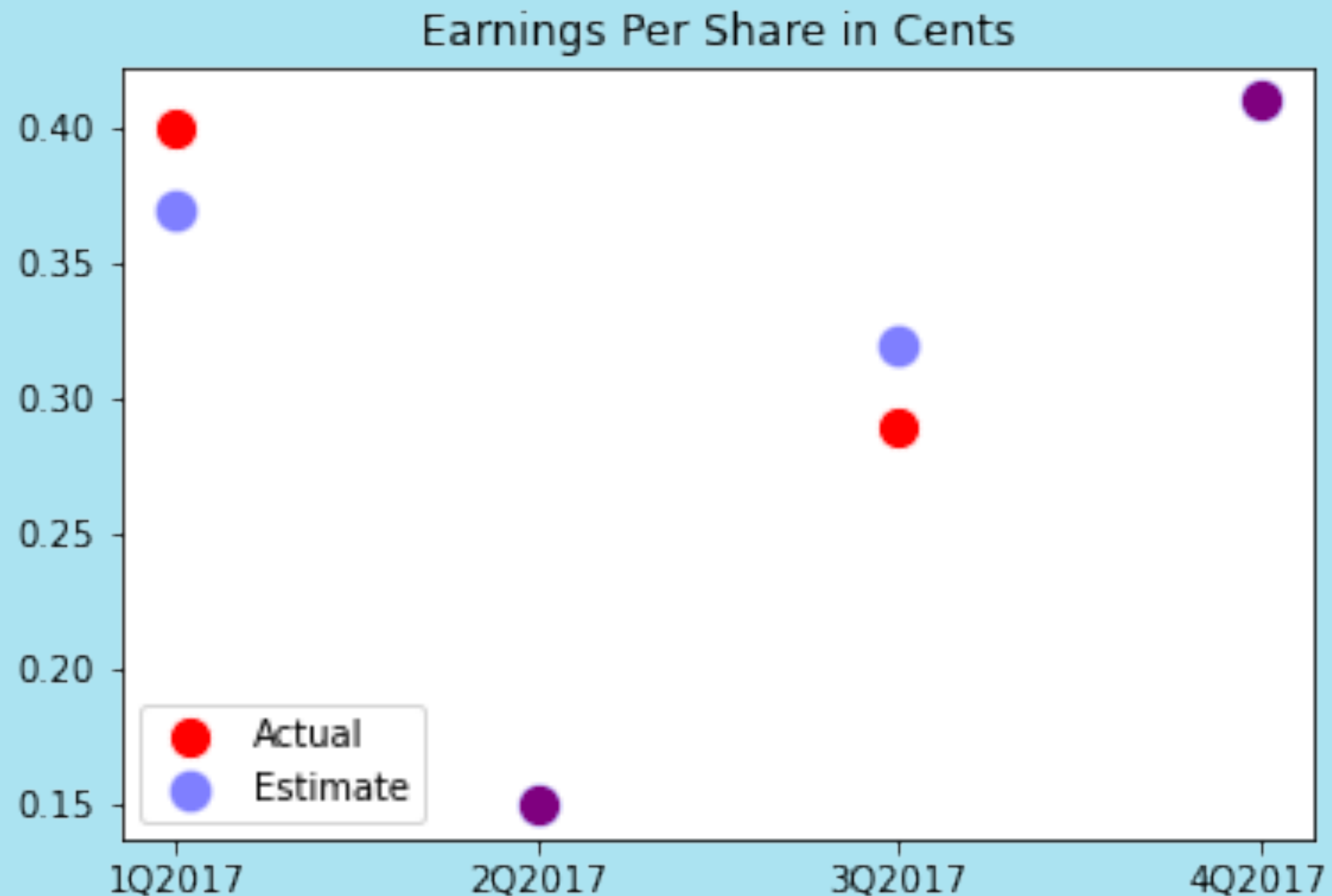
## LOOKING BACK

- **Revenue Growth from Quarter to Quarter**
- **Greatest volatility in Q3**



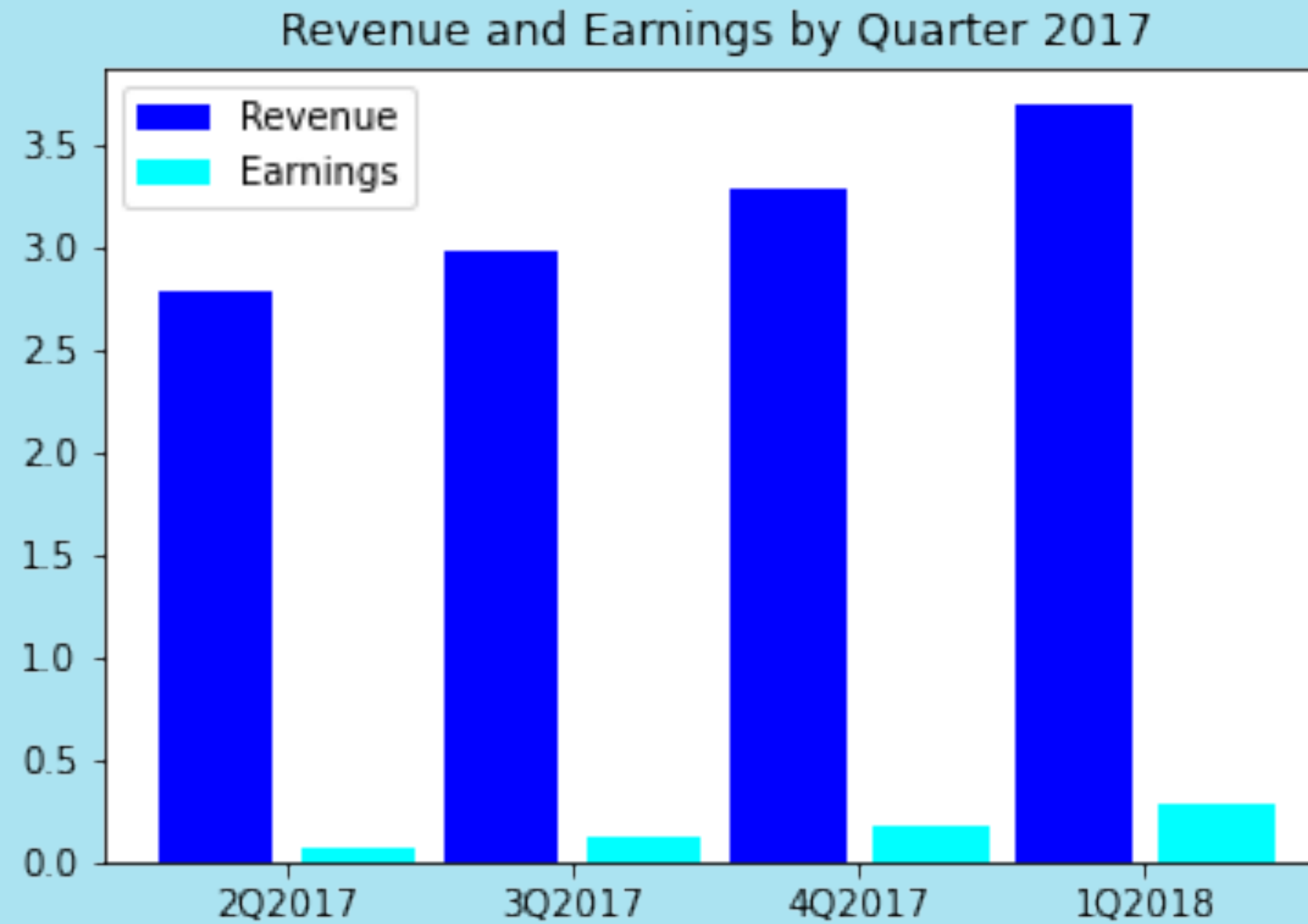
# Estimated vs. Actual Earnings Per Share

- Earnings exceeded estimates in Q1
- Earnings matched estimates in Q2 and Q4
- Earnings were lower than estimated in volatile Q3



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# Revenue and Earnings Grow

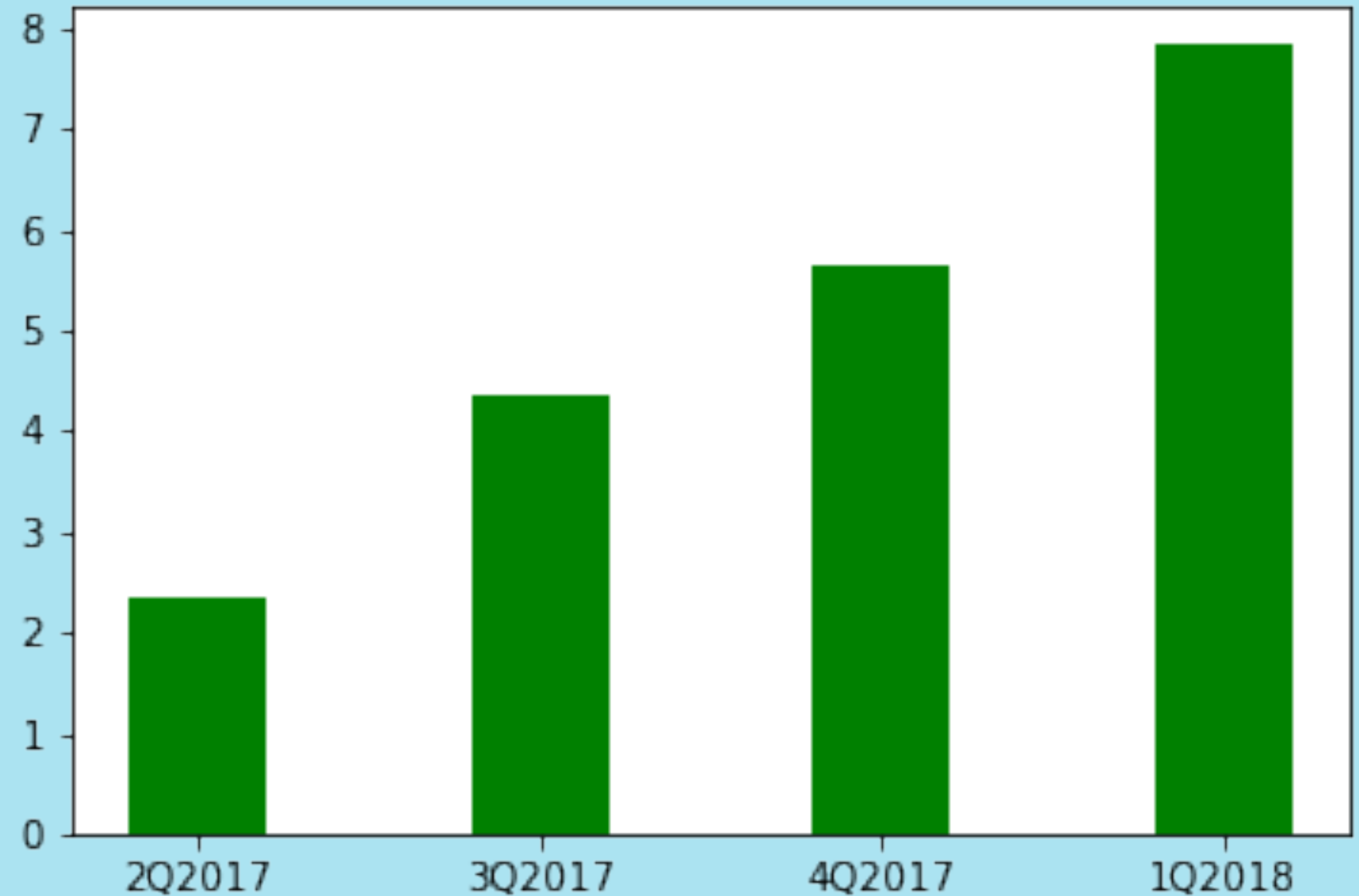




# Earnings Rise Faster than Revenue

- **Revenue Grew, but Earnings Grew More Rapidly**
- **Earnings as a Percent of Revenue Grew Steadily**
- **Ending the Year with an Impressive 8%**

Earnings as a Percent of Revenue



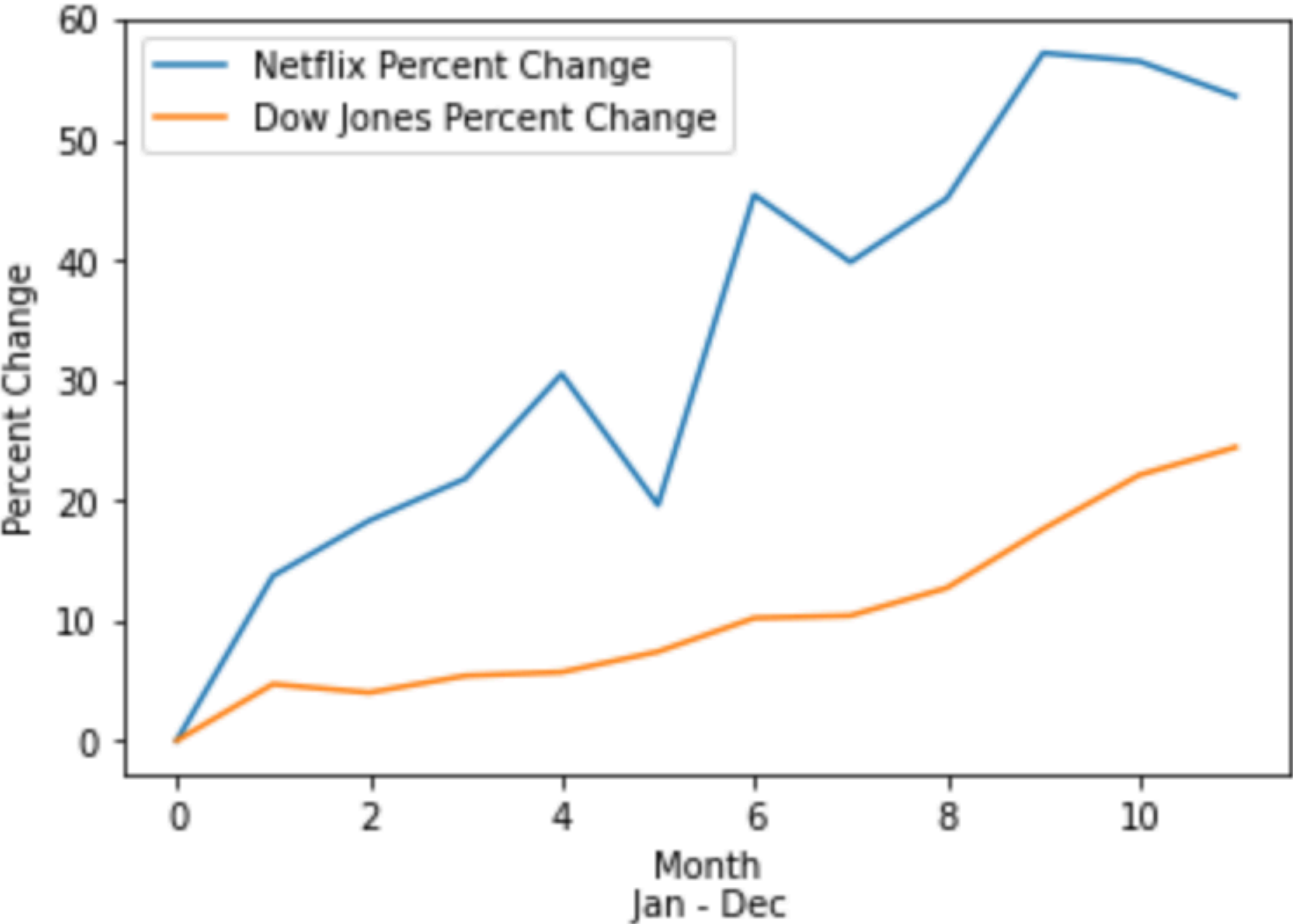




Outperformed  
Dow Jones

Dow: 24%  
NFLX: 54%

Netflix Performance Contrasted with Dow Jones Performance  
2017







- **Revenue and Earnings Growth**
- **Earnings as a Percent of Revenue Growth**
- **Outperforming the Dow Jones Average**
  - **Money invested in Netflix at the beginning of the year provided greater than a 50% return**
  - **Outperformed the Dow by 2 to 1**

**2017**



# 2017. A Very Good Year.

