

Netflix Stock Profile

2017 visualised. Fred Johnson.

Who am I, and what have I done?

Hi there – I'm Fred, a new member of the Yahoo Finance stock profiling team.

In this presentation I will show you four visualisations that I have made that will shed light on Netflix's performance in 2017.

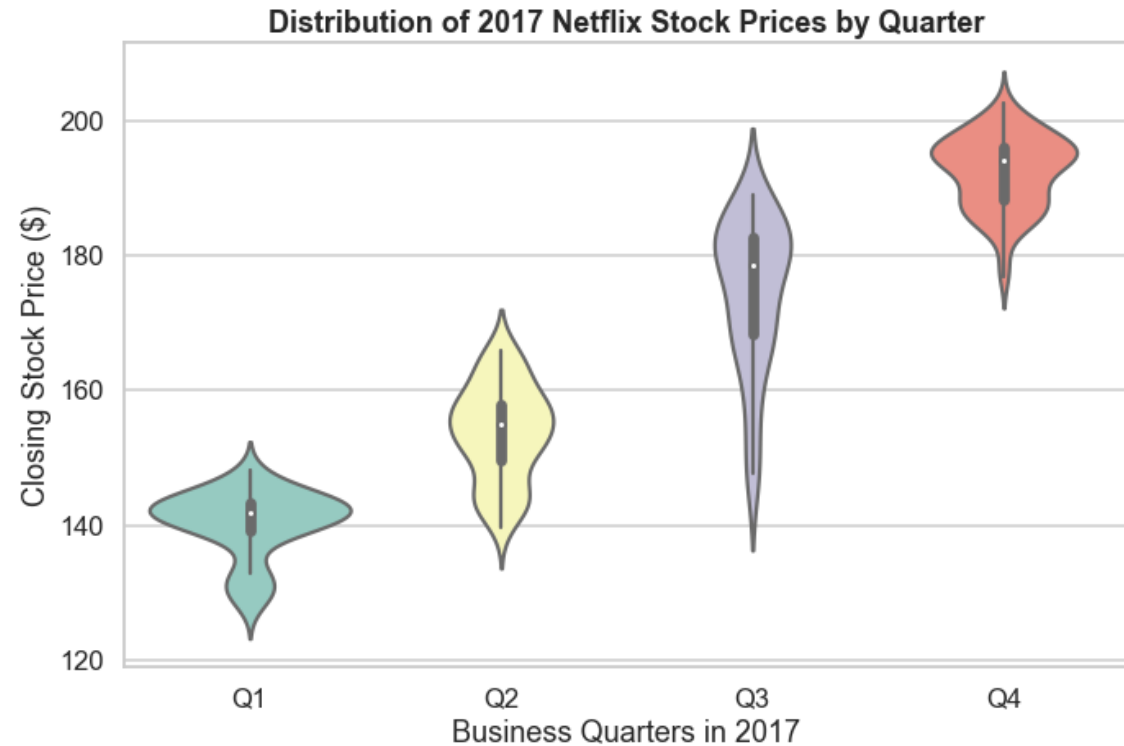
In order, these are:

- 2017 Stock Price Distribution
- Netflix's earnings and revenues
- Actual vs estimated EPS (Earnings per share)
- Netflix stock price vs the Market



Distribution of the Share Price

- The visualisation to the right is a violin plot, which is similar to a box plot, with a rotated kernel density plot on each side
- Two key things to take away from this visualisation:
 - The stock was relatively volatile (its price changed a lot), with its most volatile quarter being in Q3
 - The price has tended to increase with time (progression from Q1 to Q4)



Revenue and Earnings

To the right is a visualisation showing the trend of revenue and earnings from Q2 2017 to Q1 2018.

Three key points to take away:

- Both Revenue and Earnings are following an upward trend
- In percentage terms, Earnings is growing faster than Revenue
- By Q1 2018, Earnings made up around 8% of revenue

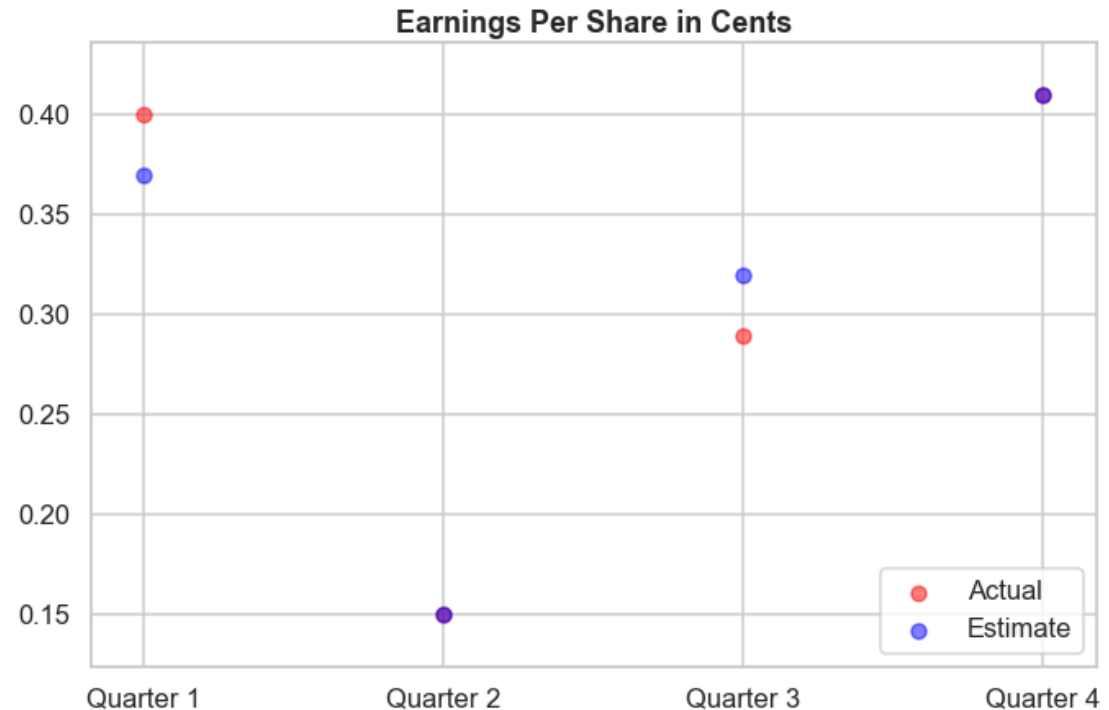


EPS – Predicted vs Actual

To the right is a scatter plot showing the estimate of earnings per share, and the actual earnings per share. Where there is only one dot, the values were the same.

Two key points to take away:

- In general, the estimates tend to be very accurate, and were completely accurate 50% of the time.
- Furthermore, there doesn't seem to be any problematic bias for either under or over predicting the EPS



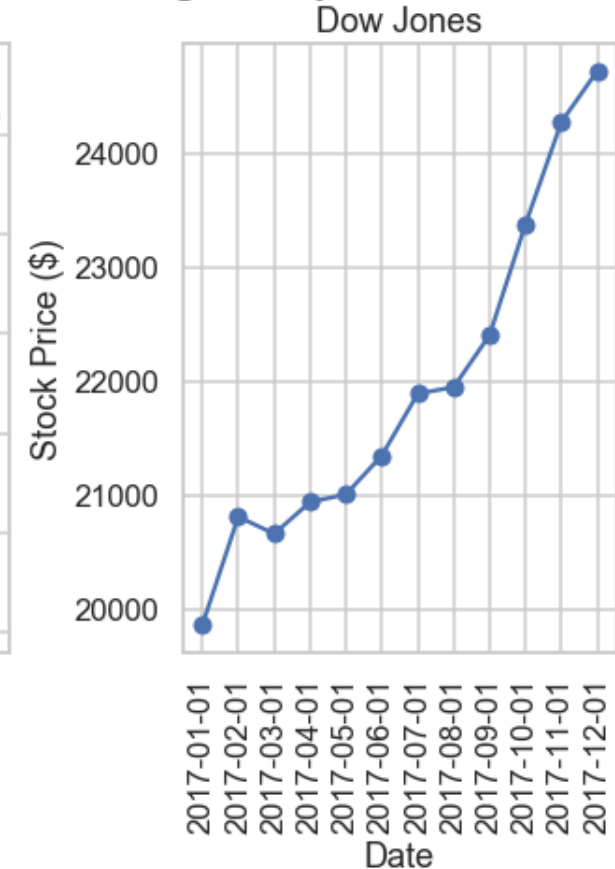
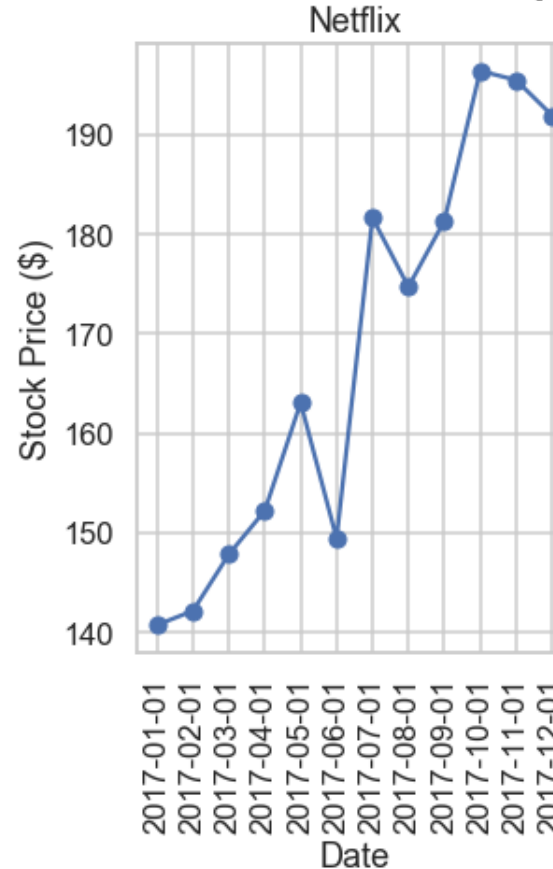
Performance against the market

Comparing the performance of a stock against the market is important in order to calculate your risk premia. To the right is a visualisation of Netflix's performance against the Dow Jones average, a market indicator

Two key things these plots show:

- Firstly, Netflix stock is much more volatile than the market average. This is shown through the much larger fluctuations in price
- Secondly, in percentage terms, Netflix massively outperformed the market

How does the Netflix share price change compared to the market?



Thank you!

If you have any questions, feel free to reach out to
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