

NETFLIX

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CODECADEMY PROJECT

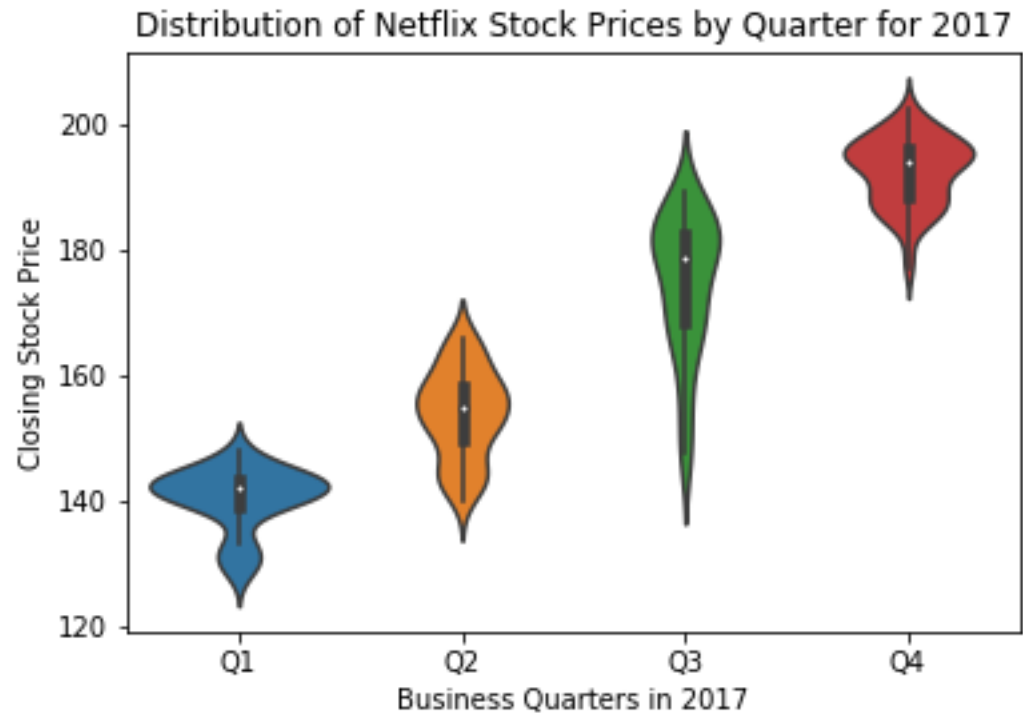
NETFLIX STOCK PRICE STUDY

Contents

- Netflix Quarterly Price Distributions for 2017
- Earning and Revenues – Previous 4 Quarters
- EPS – Actual Vs Estimates – Previous 4 Quarters
- Netflix Stock Price Vs Dow Jones Index 2017

Data analysed by Darren Malone

2017 Quarterly Price Distributions



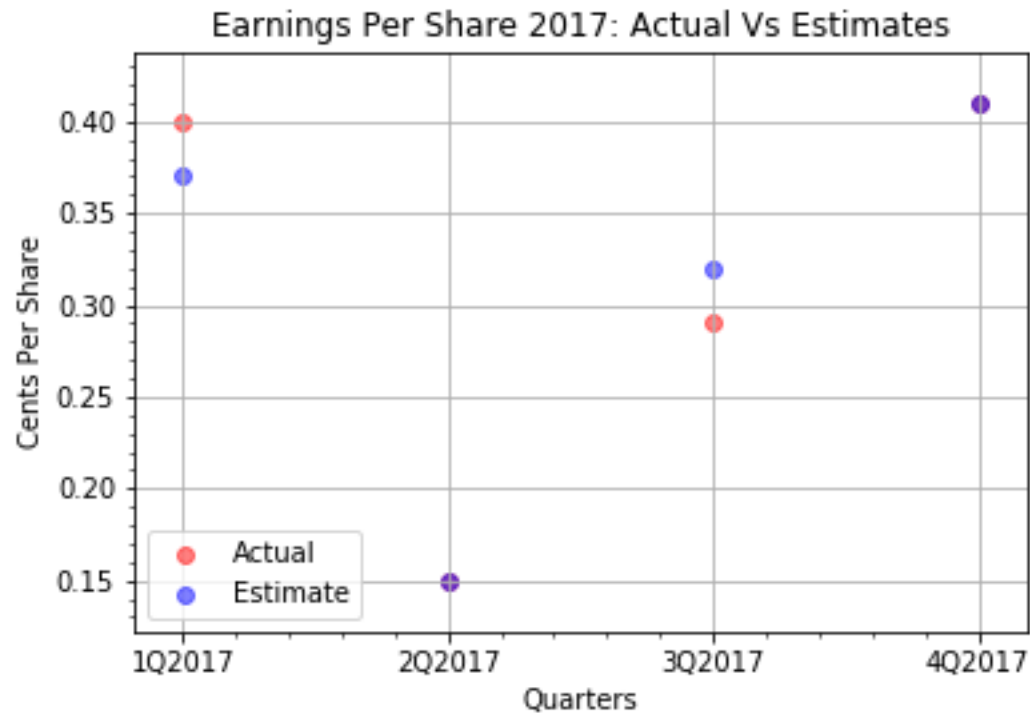
- Sluggish First Quarter of the year.
- Breakout in the second quarter.
- Price takes-off in Q3 with strong growth.
- Q4 consolidation towards end of year.

Revenue and Earnings- 4 Quarters



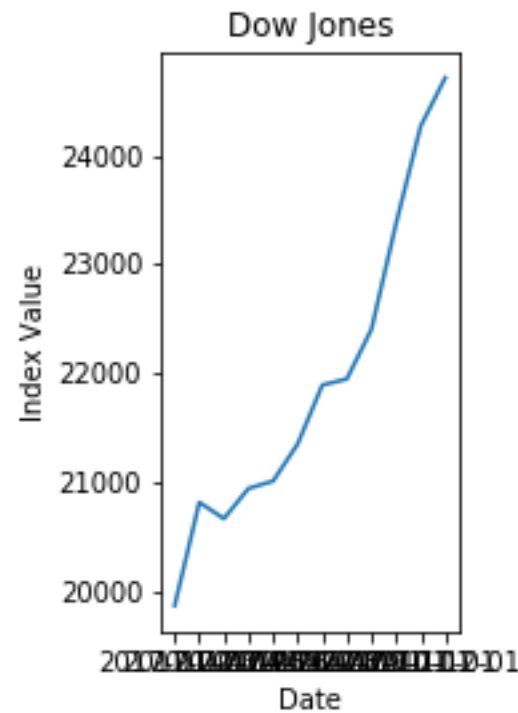
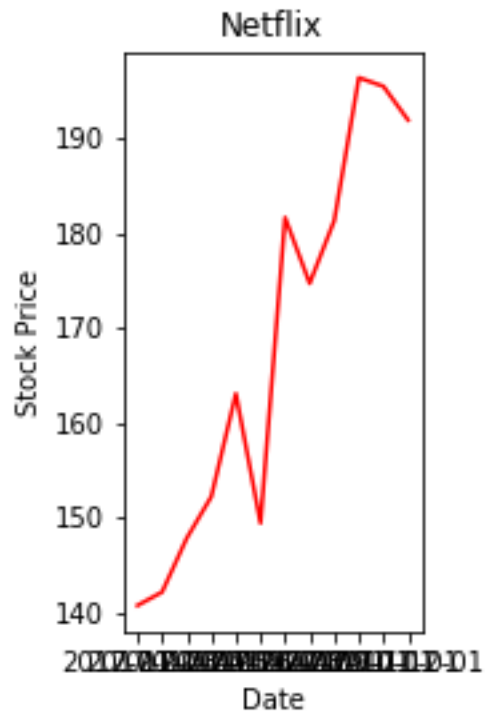
- Increasing revenue growth throughout year.
- Strong margin growth.
- Marginal costs per new user is minimal and increased revenue feeding straight to bottom line.
- Possible Margin Headwinds: Further infrastructure investments or new content investments.

Actual Vs Estimated EPS



- EPS recovery towards end of year.
- Company is good at issuing analyst guidance for quarterly results

Netflix Stock Vs Dow Jones Index: 2017



- Netflix Stock Price increased approx 35% over the year.
- Dow Jones increased by 25% in the same period.
- Netflix has shown itself to be of higher volatility and higher Beta than the Index.
- If revenues and earnings continue at their current growth rate expect Netflix to outpace the Dow further in 2018.
- Assuming earnings growth continuing then the only cloud on the horizon would be a generalised tech-sector sell-off.