



CAPSTONE 3: NETFLIX STOCK 2017 ANALYSIS

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Python, Pandas, Matplotlib, Seaborn

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EXECUTIVE SUMMARY – NETFLIX

A. FINDINGS

- Netflix stock price was going up throughout the year 2017, ranging between \$130 at the start of the year, to over \$200 towards the end of 2017
- The actual and estimated earnings per share for Netflix stock were the same for the 2nd and 4th quarter of 2017
- Both Revenue & Earnings followed an upward trend throughout 2017 right into the 1st quarter of 2018, about 10% of revenue constitutes earnings
- Netflix performed relative in line with the Dow Jones Industrial Average in 2017, both trended upwards throughout the year, however Netflix was more volatile, especially in the middle of the year
- Netflix prices had risen higher than those in the Dow Jones Industrial Average (visually higher gradient).



EXECUTIVE SUMMARY – NETFLIX

B. RECOMMENDATION

- Netflix out-performed the Dow Jones Industrial Average, mainly due to good management strategies
- The booming movie streaming industry has provided Netflix with unique opportunities, we need to ride the wave and capitalise it, maybe starting our own movie productions, signing up big league sports , eg, FIA Soccer, Grand Slam Tennis Tournaments to capture more viewers.
- For latest release movie, maybe offering pay per view option , on top of the existing monthly fees, to generate extra revenue.

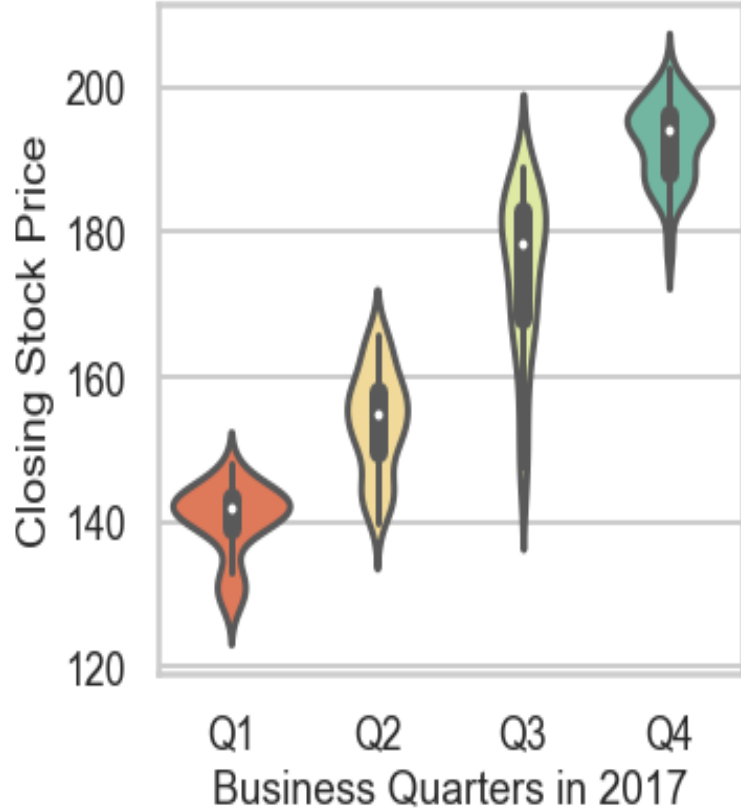


INTRODUCTION

My Role in the Creation for the "Stock Profile" Team

1. Daily Analyse the Distribution of the Stock Prices for Netflix
2. Quarterly Summarise of Netflix Stock and Revenue
3. Analyse Earned Versus Actual Earnings Per Share
4. Analyse Netflix Stock Against the Dow Jones Industrial Average
5. Make Recommendations to Senior Management & Board of Directors for Strategic Planning

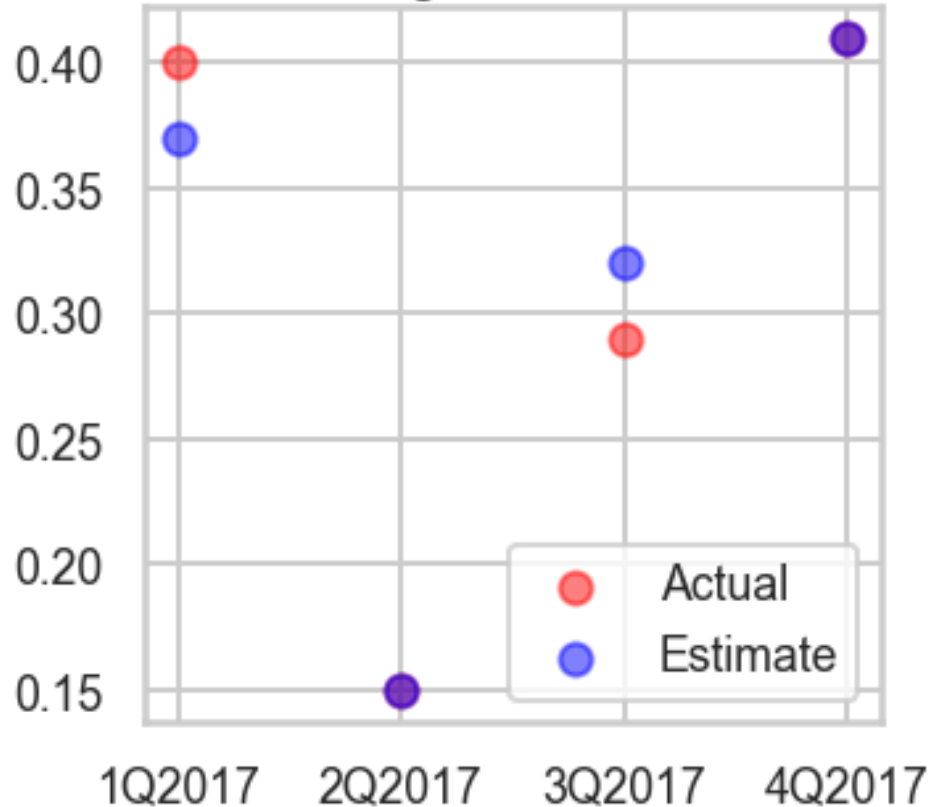
Distribution of 2017 Netflix Stock Prices by Quarter



1. NETFLIX STOCK PRICE - 2017

- Netflix stock price was going up throughout the year 2017
- From median price just over \$140 at the start of the year to over \$190 at 4th quarter of 2017
- Stock prices range between \$130 at the start of the year, to over \$200 towards the end of 2017

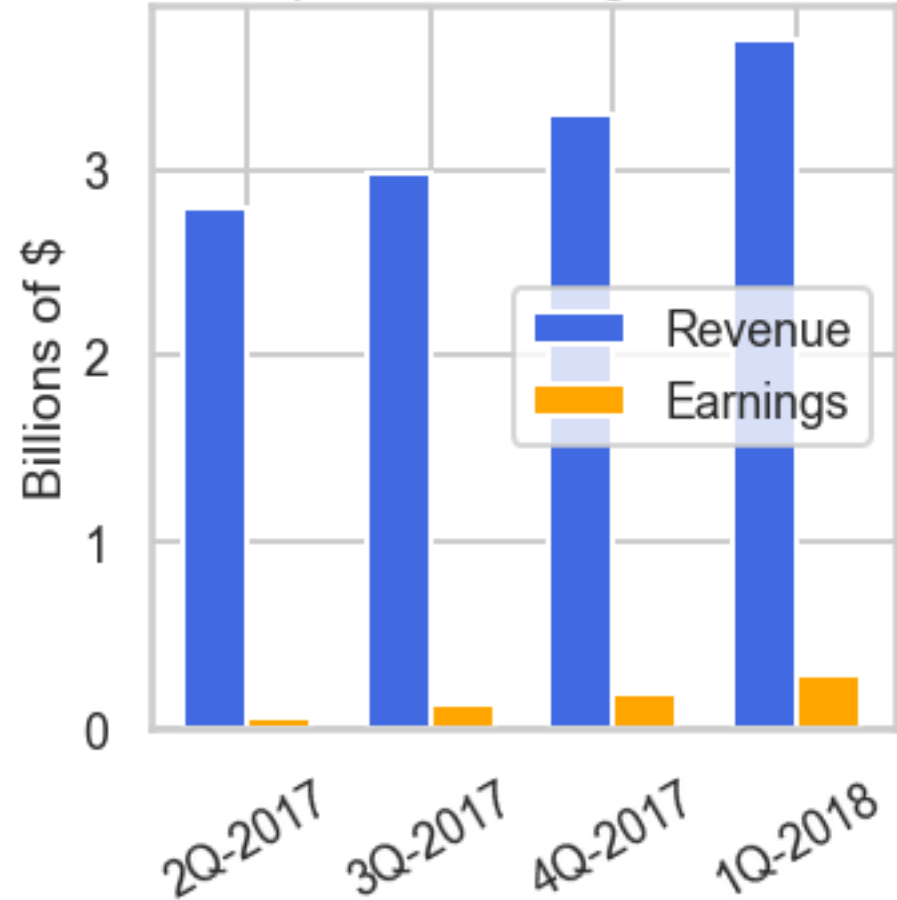
NFLX Earnings Per Share in Cents



2. NETFLIX ESTIMATED VS ACTUAL EARNINGS PER SHARE

- The purple dots indicate that actual and estimated earnings per share for Netflix stock is the same for the 2nd and 4th quarter of 2017.

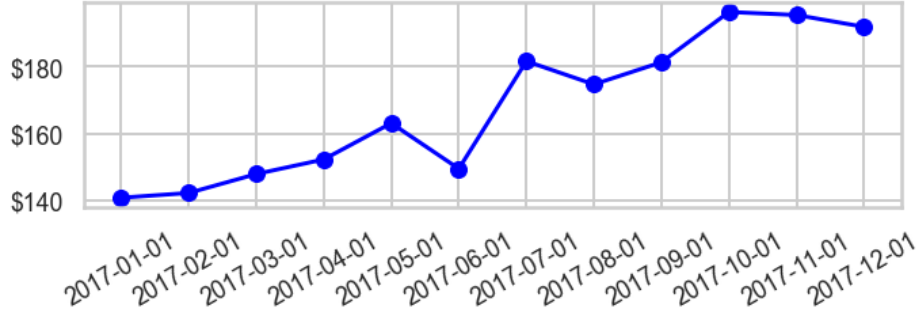
Netflix Reported Earnings and Revenue



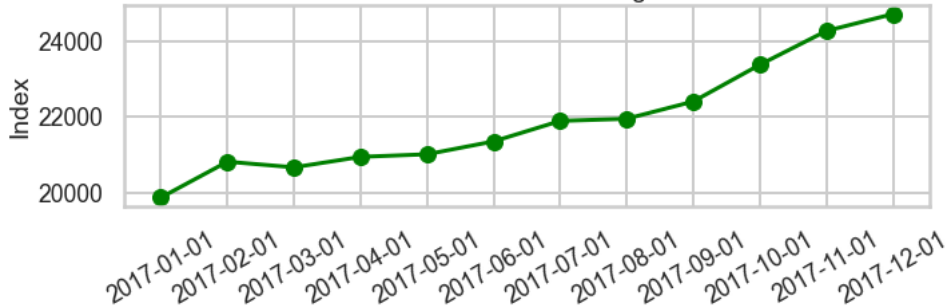
3. NETFLIX EARNINGS & REVENUE FOR THE PAST 4 QUARTERS

- Revenue follows an upward trend throughout 2017 right into the 1st quarter of 2018
- Earnings also follows an upward trend throughout 2017 right into the 1st quarter of 2018
- Roughly, 10% of revenue constitutes earnings

Netflix Stock Price 2017



Dow Jones Industrial Average 2017



4. NETFLIX STOCK AGAINST THE DOW JONES INDEX IN 2017

- Netflix performed relative in line with the Dow Jones Industrial Average in 2017, both trended upwards throughout the year
- Netflix was more volatile, especially in the middle of the year
- Netflix prices had risen higher than those in the Dow Jones Industrial Average, (visually higher gradient) maybe due to good management strategies, or riding the wave of a booming movie streaming industry.