



# 2017 Netflix Stock Profile

How Netflix stock performed in year 2017 compared to Dow Jones?

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# Agenda

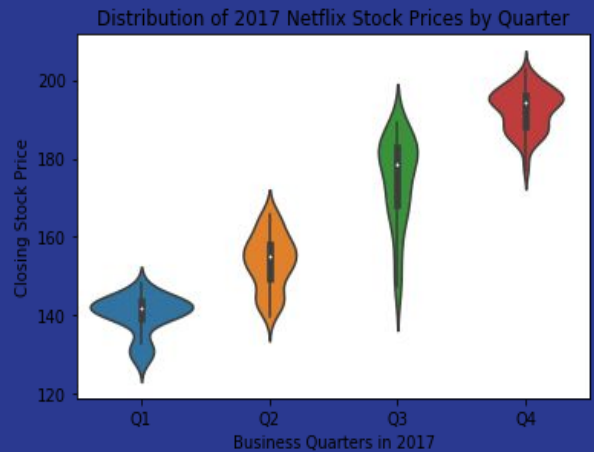
- Introduction
- Distribution of 2017 Netflix stock prices by quarter using violin plot
- Comparison of Netflix's actual and estimate earnings per share
- Comparison of Netflix revenue vs earnings per quarters using side-by-side bar charts
- Comparison between Netflix and Dow Jones 2017 closing prices using subplots.
- Conclusion

# Introduction

As a data visualization developer at Yahoo Finance Team, I will present a deeper insight into the performance of Netflix stock in the year 2017 to help financial analysts assess risks of Netflix stock using Netflix stock's performance compared to Dow Jones' using different plots such as violin, side-by-side, and subplots.

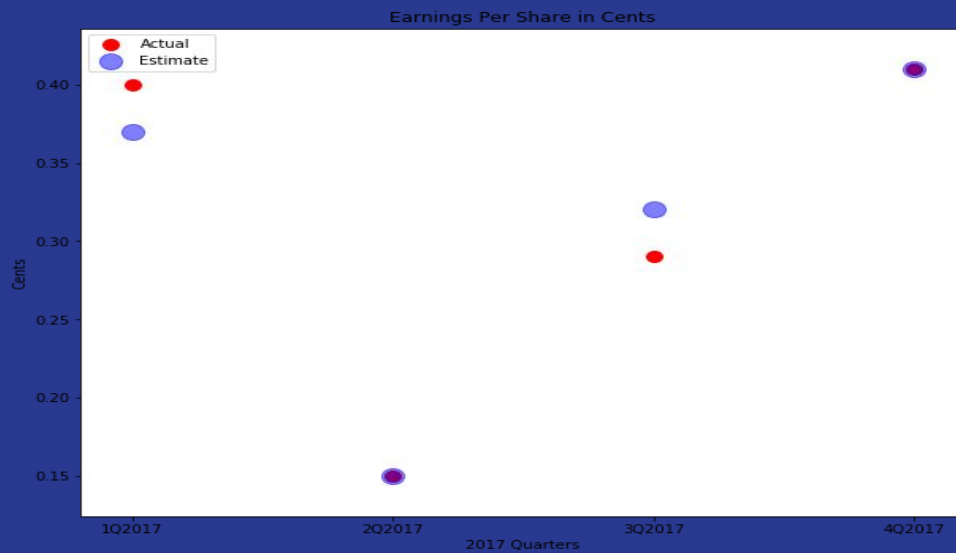
# Distribution of Netflix Stock Price 2017

In Q3, the distribution of Netflix stock prices is greatest in Q3 (green) and least in Q1 (blue) and Q4 (red) as shown in the left. In Q3, prices fluctuates between 140's to 200's, and its prices fall mostly in 180's.

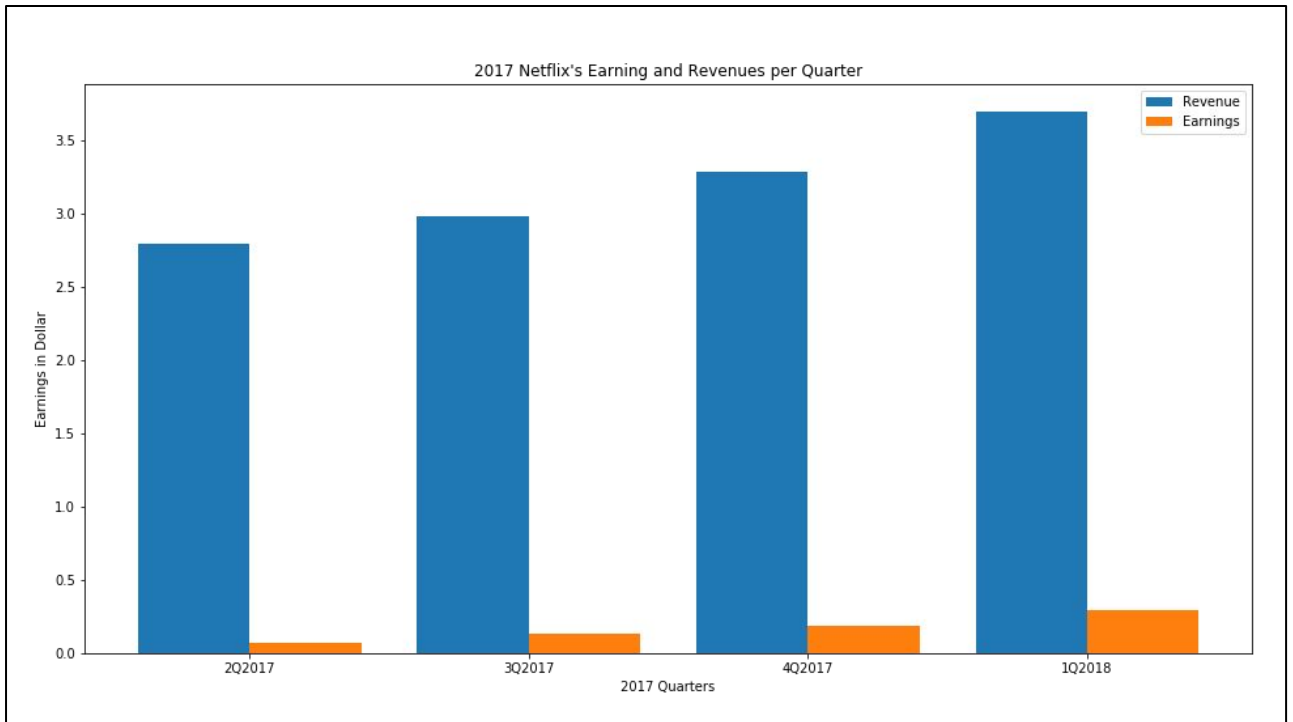


Prices fluctuate most during the third quarter, between ~\$140 to ~\$200. The average closing prices for Netflix was steadily going up in the year 2017 starting from ~\$120 to ~\$210. The average prices fluctuate approximately \$40 within any given quarters. The highest stock price was above \$200, and the lowest stock price was close to \$120.

## Actual vs Estimated Earnings per Share in Cents

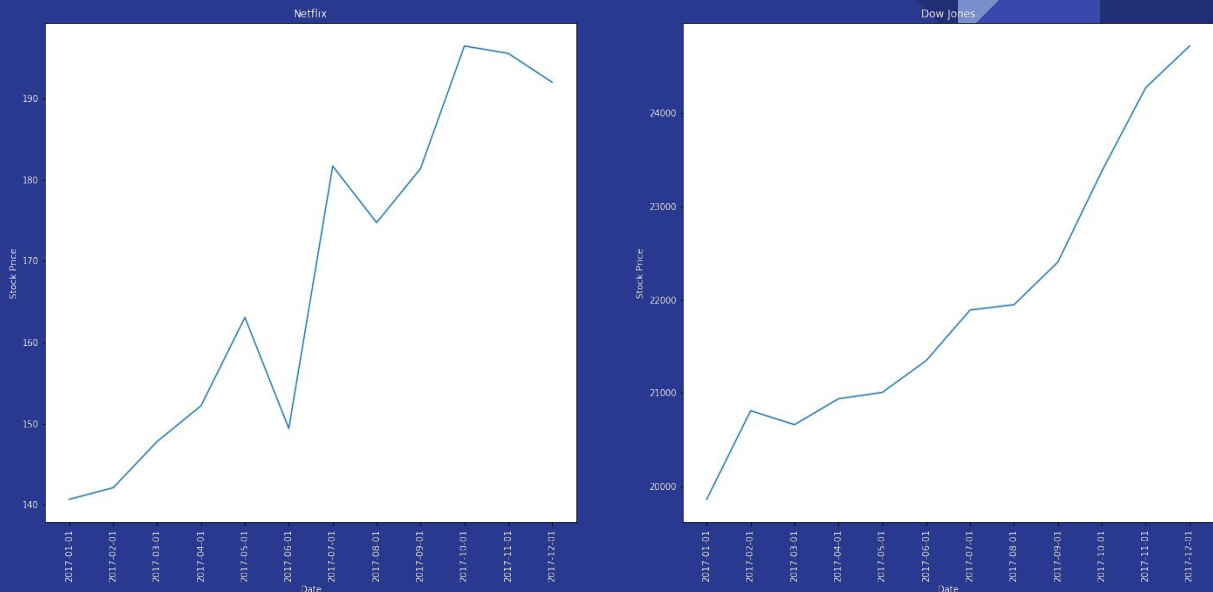


We see that estimated (blue) and actual (red) earnings per share for Netflix stock prices are the same in 2Q and 4Q in the scatter plot above by examining purple color, ie. mix of red and blue.



The revenues and earnings follows upward trend. Approximately 5% of revenues constitute earnings. eg (  $[(.0656 + .12959 + .18552 + .29012)/4] / [(2.79 + 2.98 + 3.29 + 3.7)/4] =$  )  
 $.17/3.19 = .053 = \sim 5\%$  using average calculation on actual data sheets. As the quarter close to the end of 2017, the earnings (orange) increase more rapidly than the revenues (blue) by looking at the side-by-side chart above.

Comparison between Netflix and Dow Jones 2017 closing price using subplots.



Netflix stock performed much better than the Dow Jones, the graph shows that Netflix Y-range, (\$140-\$200) is much steeper than Dow Jones Y-range (20000-25000) Netflix is also more volatile stock, it fluctuated most during May and June and July and August while Dow Jones increased steadily throughout the year 2017. The percentage of prices for Netflix goes up is much steeper than Dow Jones prices in 2017, but overall prices (value) for Dow Jones is much higher causing higher price increase in terms of absolute value, eg,  $200-140=60$  vs  $25000-20000=5000$ .

# Conclusion

Using graphs, we have concluded following results:

- We have noticed that Netflix is volatile stocks based on observation of the stock prices in 2017 especially in 2017 Q3.
- The estimate and actual earnings per share are the same for Q2 and Q4.
- The difference between Netflix's earnings per share and revenues are large overall, and the gap of percentage difference between eps and revenues becomes smaller as quarters near the end. (2% at Q1 to 7% at Q4)

Further research can be done to predict why the Q3 price fluctuates more than the other quarters can give us better predictions on future stock prices of Netflix.