Netflix Stock Visualisations

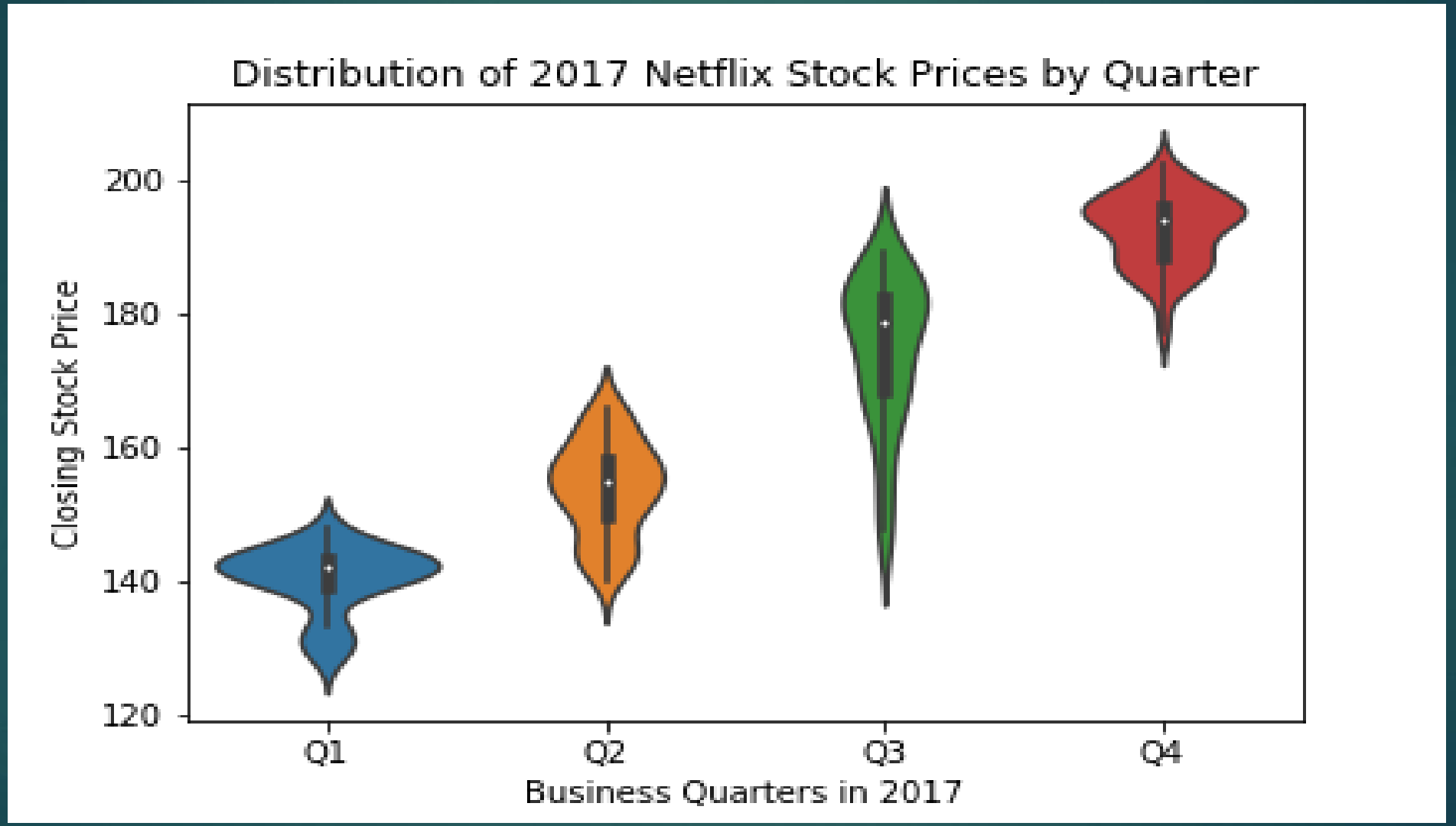
PERIOD UNDER ANALYSIS: 2017 FULL YEAR

Analyst:

- Luisenoz, from Melbourne, Australia
- Data visualization developer at Yahoo Finance
- Stock profiler able to manipulate, analyse, and visualize datasets using Python, MatPlotLib, Pandas and Seaborn

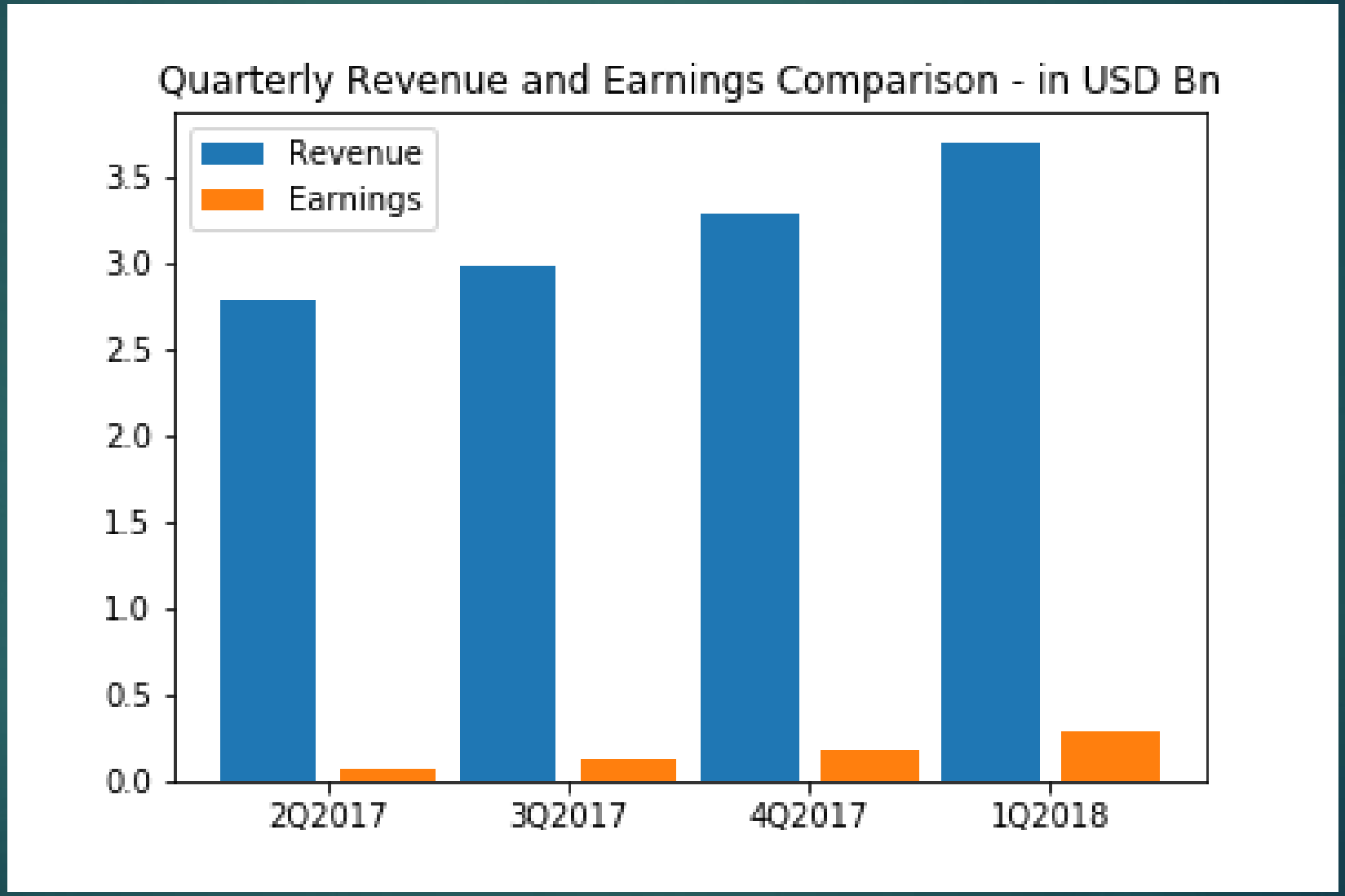
Index of Visualisations:

- Study of the distribution of the stock prices by quarters in 2017
- Comparative summary of the stock price and revenue by quarters
- Comparative of estimated versus actual earnings per share
- Comparison of Netflix stock price performance against the market; (using the Dow Jones Index as a proxy).


Distribution of 2017 Netflix Stock Prices by Quarter
Closing Stock Price
200
180
160
140
120
Q1
Q2
Q3
Q4
Business Quarters in 2017

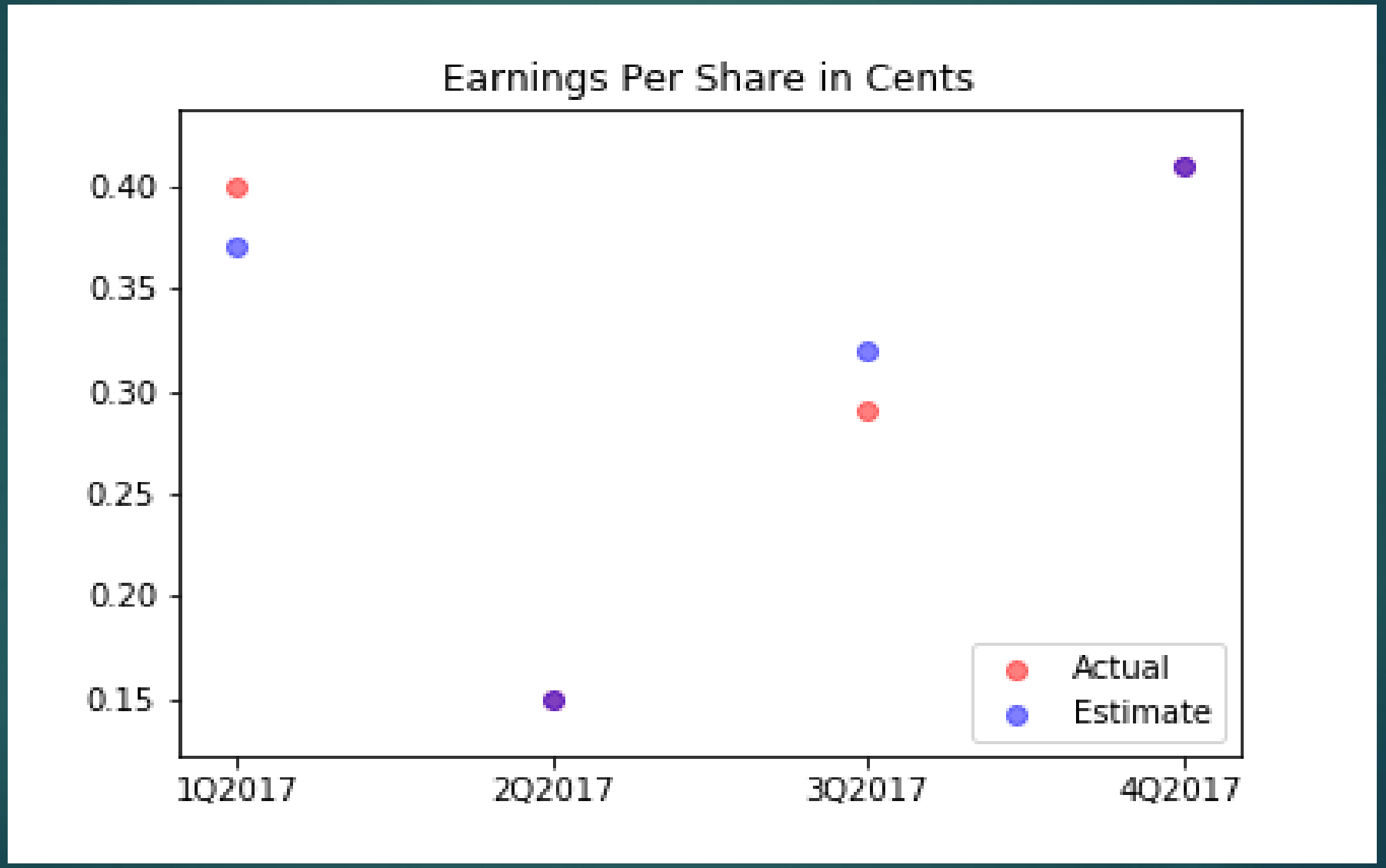
Comments:

- This violin plot shows the distribution of the Netflix stock price during each quarter of the year.
- The box plot elements show the median price strongly increased with each new quarter.
- The shape of the distributions in Q1 and Q4 (extremely skinny on each end and very wide in the middle) indicates the price was highly concentrated around the median during those periods.
- The shape in Q2 (skinny on each end and wide in the middle) also indicates the price was concentrated around the median during that period, but not so strongly as in Q1 and Q4.
- Q3 was the exception, where the prices were heavily spread, with a significant portion of values above and below the media.
- The closing price was mostly within the $144 - $186 range in the year, with an average of $165
- The maximum price in the year was $204; while $124 was the minimum.


Quarterly Revenue and Earnings Comparison - in USD Bn
Revenue
Earnings
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2Q2017
3Q2017
4Q2017
1Q2018

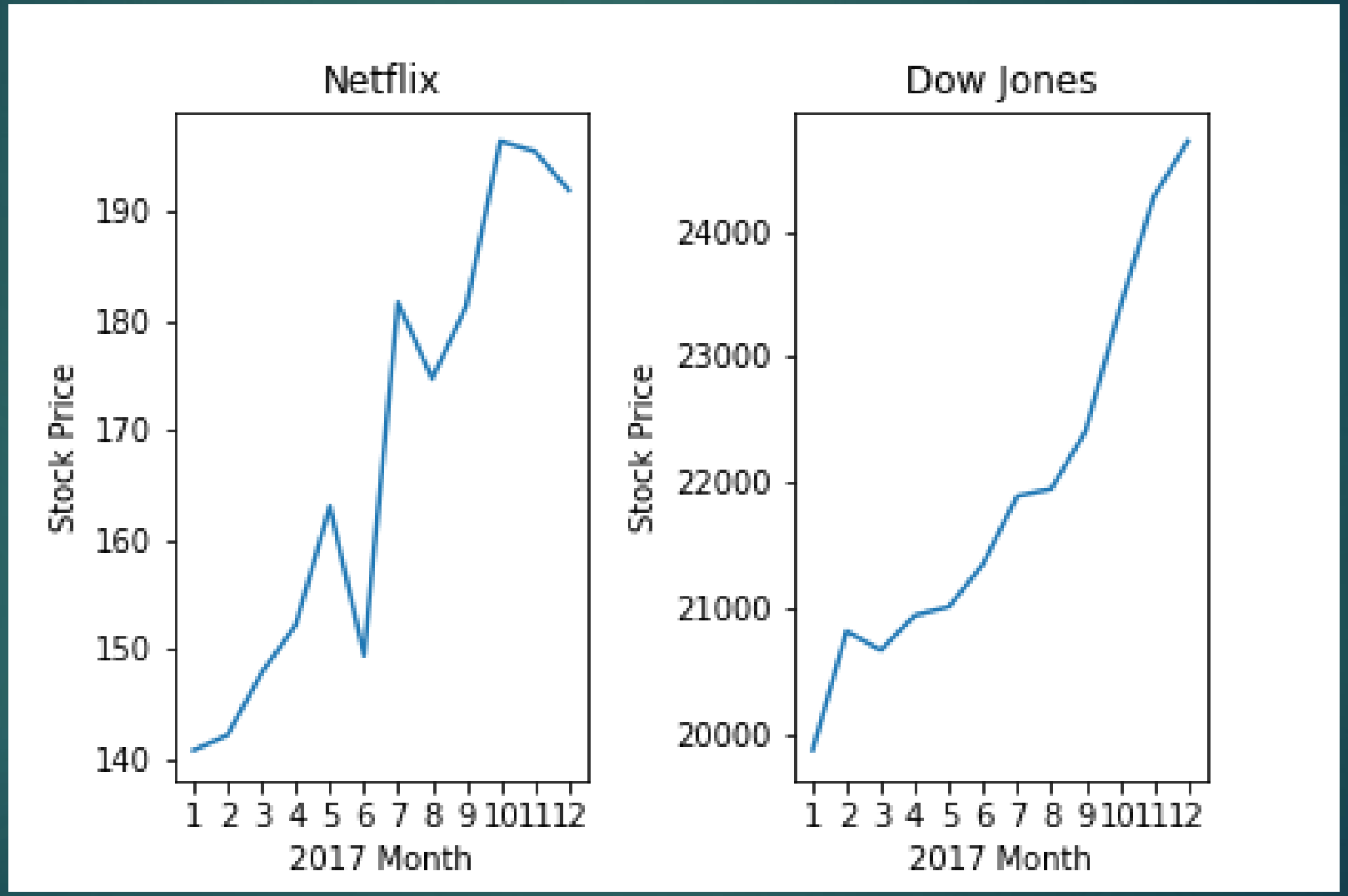
Comments:

- Revenue was in an uptrend of roughly 7% increase per quarter
- Earnings were in an even steeper growing trend of more than 40% in average per quarter.
- The Earnings per Revenue ratio significantly varied every quarter, because earnings were growing much faster than revenue.
- The average earning by revenue ratio was 5%; from reaching only 2% in Q1 to 8% in Q4.


Earnings Per Share in Cents
0.40
0.35
0.30
0.25
0.20
0.15
1Q2017
2Q2017
3Q2017
4Q2017
Actual
Estimate

Comments:

- Actual EPS finished equal to the estimated earnings in 2 quarters; and above or below by roughly the same proportion in the other 2 quarters.
- Actual EPS were above estimated EPS by $.03 or +8% in Q1.
- Actual EPS were below estimated EPS by $0.03 or -9% in Q2.
- Actual and estimated EPS were at the same level in Q2 and Q4.


Netflix
Stock Price
190
180
170
160
150
140
1 2 3 4 5 6 7 8 9 10 11 12
2017 Month
Dow Jones
Stock Price
24000
23000
22000
21000
20000
1 2 3 4 5 6 7 8 9 10 11 12
2017 Month

Comments:

- Netflix stock average price compares to only 7% of the DJI average value in the year.
- Both, Netflix and the market had a positive year.
- However, Netflix stock price had a much stronger performance than the average market.
- While the market in average progressed about 24% in the year, NFLX increased its price by approximately 54%.
- On the other side, NFLX was much more volatile than the market index; more significantly in Q2 and Q3.
- While the market showed an annualised volatility of just 0.06, the NFLX volatility was 0.27, (3.5 times more volatile).