



# Netflix Stock Rise



A comparative analysis of the value of  
Netflix Stock against the  
Dow Jones Industrial Average



# Netflix Stock Analysis

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- This presentation showcases an analysis of the performance of Netflix stock in 2017
- Overall, Netflix stock steadily increased throughout the year, with performance generally meeting or exceeded analyst expectations
- To best showcase this upward trend, we've included the following graphs:
  - A violin plot of quarterly stock price, which showcases the mean, median, and deviation of the price within a specific quarter
  - A scatterplot that shows actual earnings per share compared to analyst's estimates
  - A bar chart illustrating the trend of Netflix's earnings against its revenue for each quarter
  - A side-by-side comparison of Netflix's stock performance against the Dow Jones Industrial Average, a good representation of market performance overall

# Distribution of 2017 Netflix Stock Prices

- 2017 saw a steady increase for Netflix stock price
- Q1 and Q4 saw the largest fluctuations in stock price, while Q2 and Q3 saw much less
- Overall, Netflix's stock price surged by almost 66% in 2017



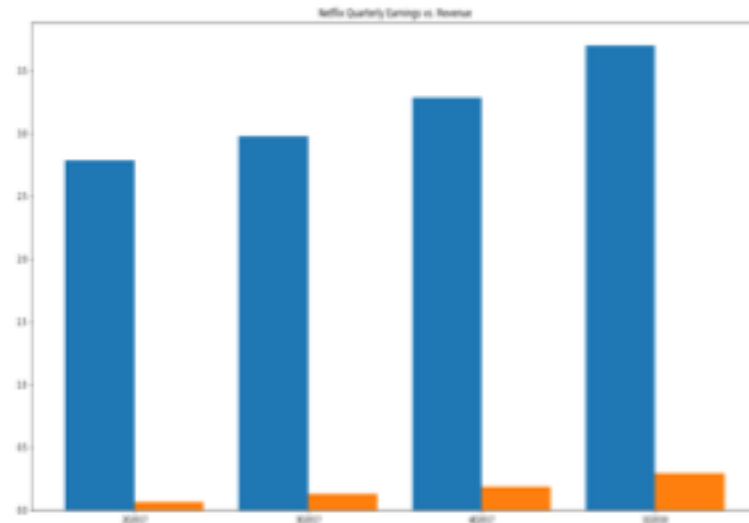
# Comparison of Earnings Per Share

- Each quarter, industry analysts predicted Netflix's expected earnings per share; each quarter, these estimates were no more than 2 cents away from actuals
- While stock price had a steady increase in 2017, earnings per share varied greatly between quarters
- Q1 and Q4 were high performers at nearly 40 cents per share, while Q2 had a significant drop to 15 cents per share.



# Netflix Revenue vs. Earnings (in \$billions)

- Each quarter, Netflix generates revenue from its business; earnings are the actual monies taken in after costs and taxes
- 2017 saw a steadily increasing trend for both revenue and earnings for Netflix
- On average, earnings culminated at about 10% of revenue at the end of 2017



# Netflix Stock Increase vs. DJIA

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- 2017 was a strong year for most stocks, as indicated by the graph on the right that shows the performance of the Dow Jones Industrial Average
- While the DJIA had a much smoother distribution, Netflix's price fluctuated much more
- Overall, Netflix was in line with the market's average performance

