

Netflix Stock Price Performance for 2017

Outline of Presentation

Visualizations Included

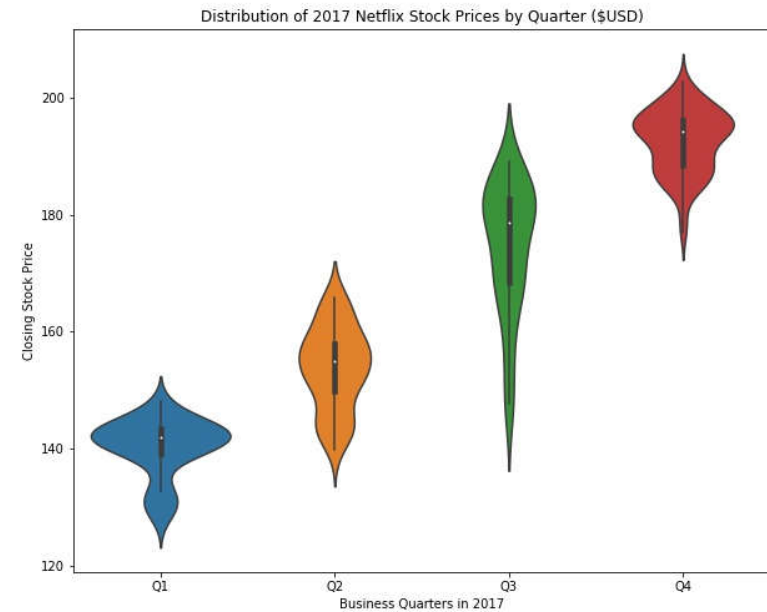
- 2017 distribution of closing stock prices by quarter
- Earnings per share, Actual and Estimated
- Comparison of Quarterly Earnings and Revenues
- Comparison of Netflix and Dow Jones Stock Prices

My role on the Stock Profile team

- Visualizations created using Python
 - Compile data and analyze to produce the noted graphics
 - Interpret visualizations interpreted and present findings

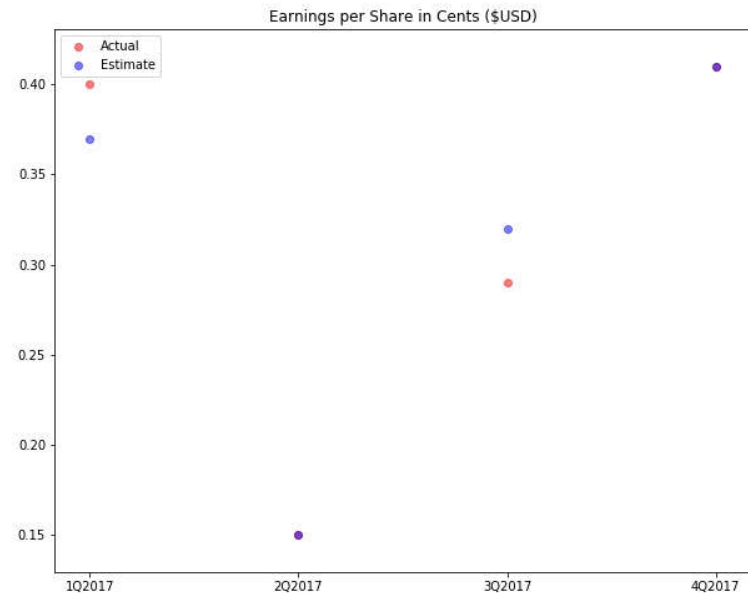
Distribution of Netflix Stock Prices by Quarter

- Closing stock prices have risen over the year each quarter.
 - In general, median prices rose from about \$150 in Q1 to \$190 by Q4.
 - Most closing prices ranged from:
 - \$130-\$150 (Q1), \$140-\$170 (Q2), \$150-\$190 (Q3), and \$170-\$210 (Q4)
- Third quarter prices display the greatest variation, with the largest spread



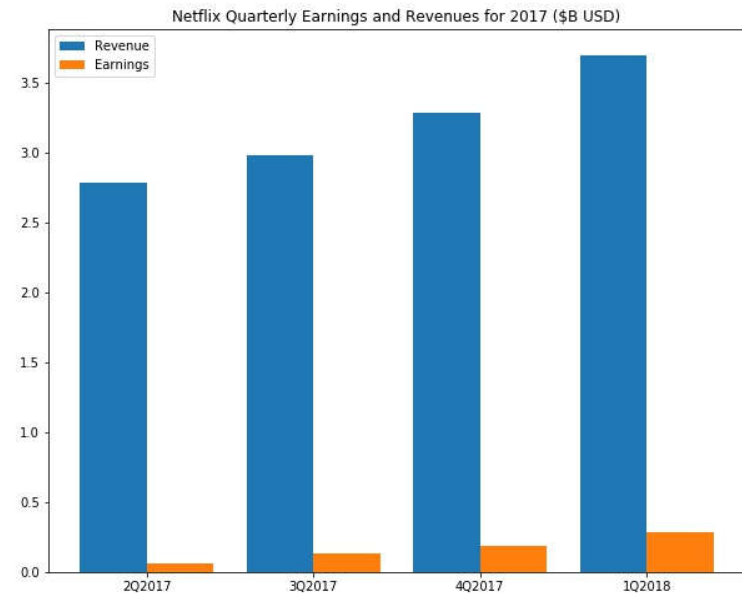
Earnings per Share, Actual and Estimated

- Earnings per share estimates and actuals were lowest in Q2 and highest in Q4.
- Earnings estimates overall appear reliable.
 - Estimates for Q2 and Q4 had the smallest errors with actuals hitting estimates.
 - Earnings per share outperformed the Q1 estimate and underperformed the Q3 estimate, producing offsetting errors.

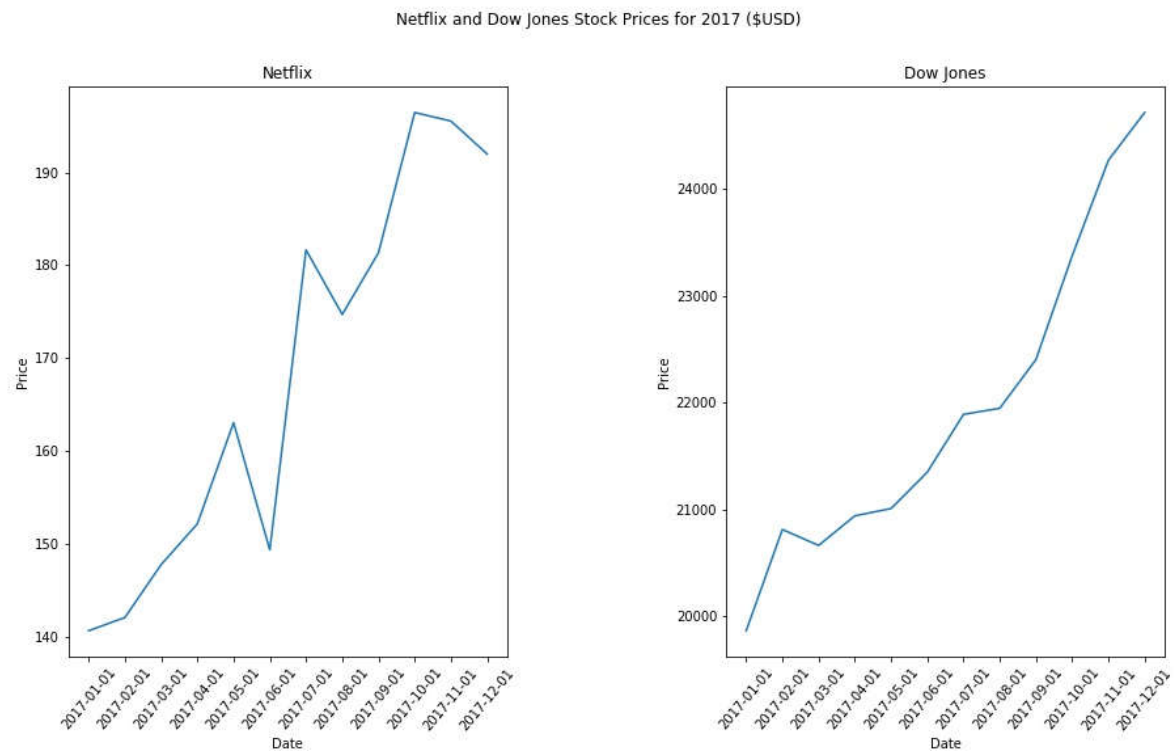


Netflix Quarterly Earnings and Revenues

- Rising stock prices over the year correspond with increases in revenues and earnings each quarter.
- In general, earnings account for less than 10 percent of revenues.
- Earnings have increased as a share of revenues over the year.



Netflix and Dow Jones Stock Prices



Netflix and Dow Jones Stock Prices, continued

- Netflix stock prices generally increased along with the Dow Jones (DJIA)
 - End of year Netflix prices declined while the DJIA increased
 - Slightly faster growth in prices for both series in the second half of the year.
- Netflix stock prices are more volatile than the DJIA overall
 - Netflix prices exhibited larger proportional changes than DJIA
 - Netflix increased from about \$140 to \$190 over the year, a 35 percent increase
 - DJIA increased from about \$20,000 to \$25,000, a 25 percent increase

Summary and Conclusion

- Netflix represents a solid investment opportunity
 - Stock prices rose consistently over 2017
 - Earnings estimates were fairly reliable
 - Small errors compared to actuals in two quarters of the year and offsetting errors across in remaining quarters
 - Earnings per share has increased, as revenues have increased
 - Performance has been strong, consistent with the DJIA