



Analyses and Visualizations of Netflix Stock Profile for the Year 2017

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Provided Data

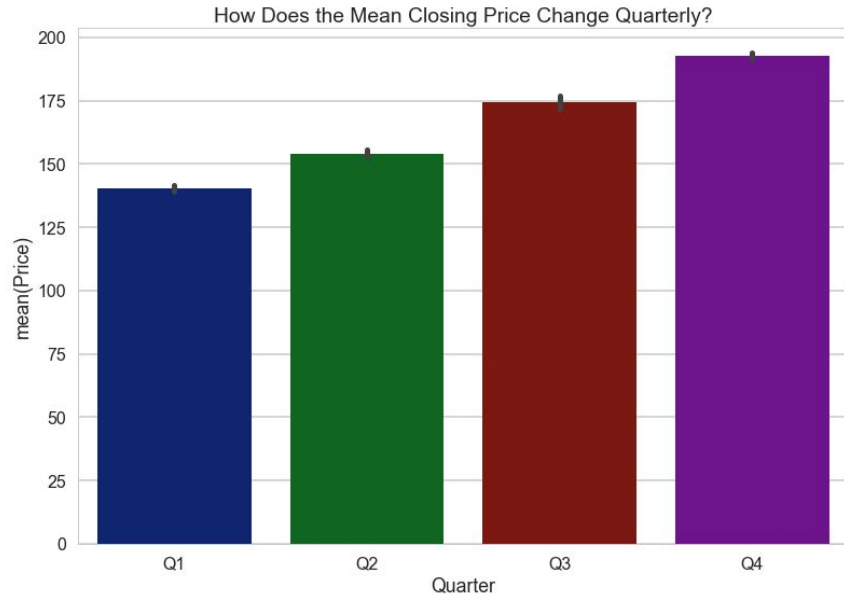
- ❖ Netflix provided monthly stock data
- ❖ Dow Jones' monthly stock data
- ❖ Netflix daily stock data, secondarily grouped by quarter

List of Visualizations*

1. Mean stock price reported by Netflix
2. Distribution of quarterly stock prices reported by Netflix
3. Performance of Earnings per share; Estimated vs Actual
4. Comparison between Earnings and Revenue
5. How does Netflix stock profile compare to overall Dow Jones?

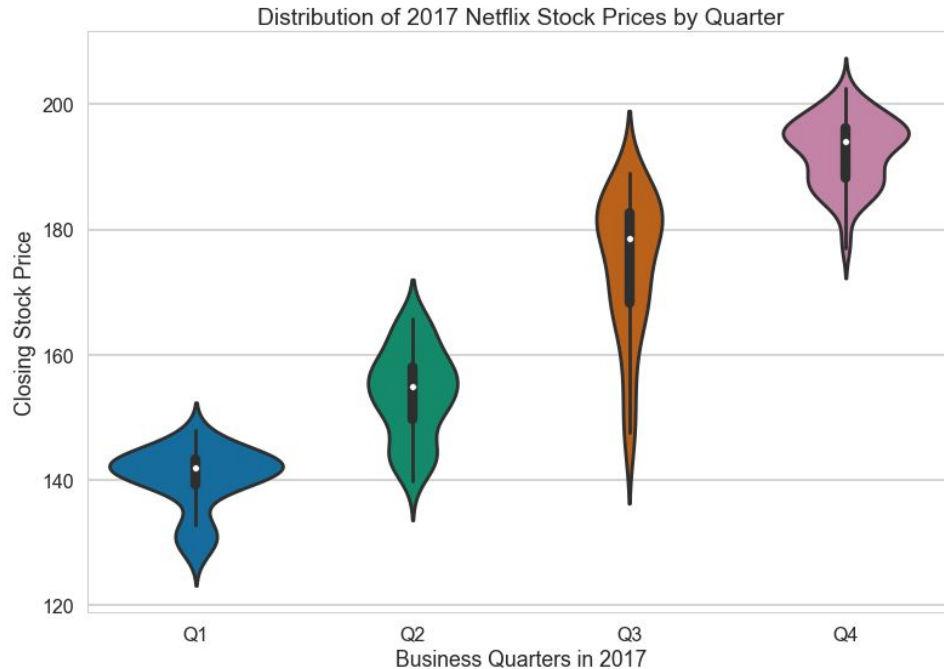
* All visualizations and analyses performed by Olayinka Olatunji-Ojo

First Impressions



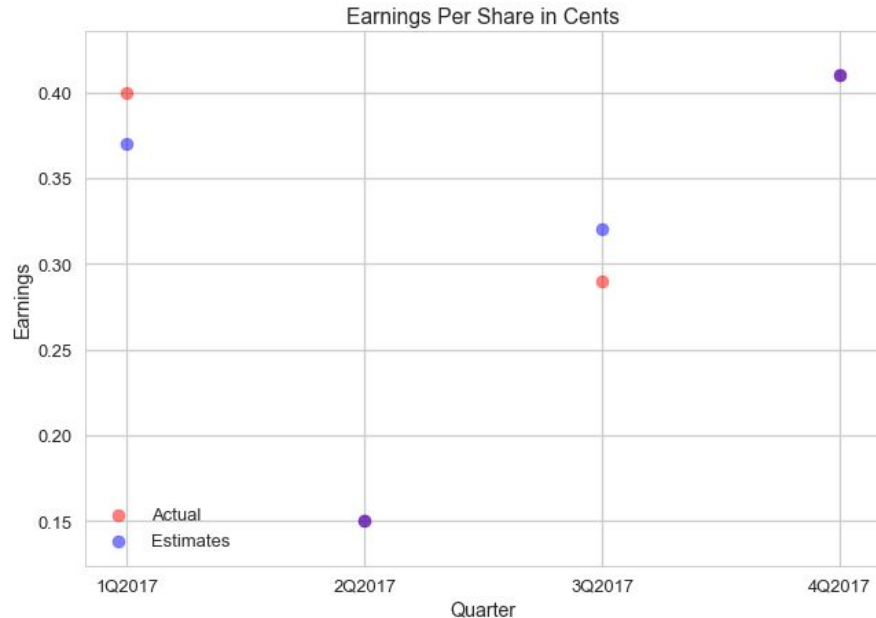
- ❖ Mean increases each quarter!
- ❖ Mean range is between ~140 and ~190
- ❖ Actual range is between 127 and 200
- ❖ **Stock prices fluctuate daily, is there a way to graphically observe that?**

Quarterly Stock Price Distribution



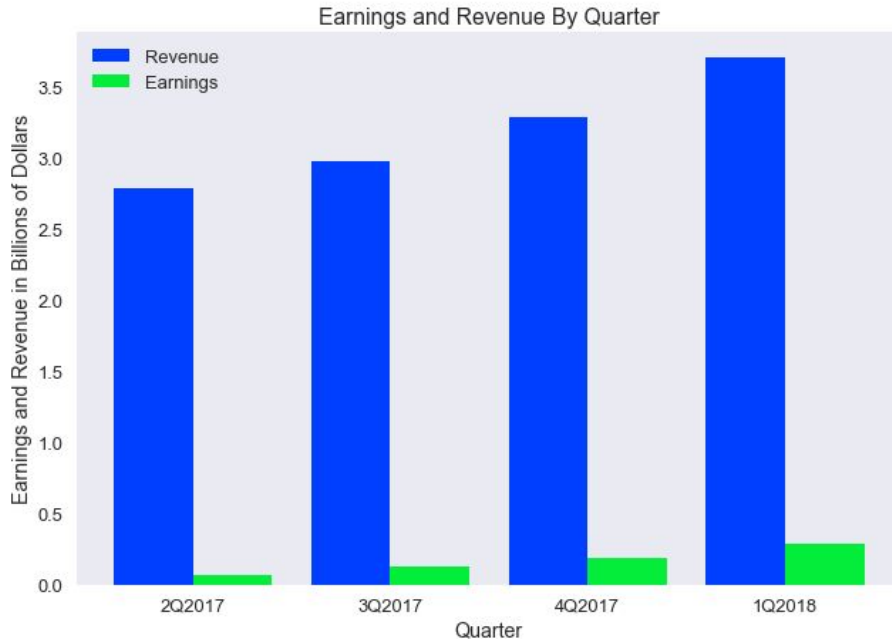
- ❖ Q1 and Q3 stock prices skew left
 - Highest quarterly closing price in month 3 of Q1
- ❖ Q2 and Q4 stock prices have a bimodal distribution
 - Significant fluctuations in Q2 and Q4
- ❖ Q3 has the widest range
 - Mostly stable
- ❖ Can the distributions tell us anything about earnings?

Actual vs. Estimated Earnings



- ❖ Q2 and Q4 had the same estimated and actual earnings
 - Q2 and Q4 had similar distributions
 - Impact of fluctuations is a flat average
- ❖ Q1 actual earnings were higher than predicted
 - Q1 has a left skewed distribution that could have impacted the accuracy of estimation
- ❖ Q3 actual earnings were lower than predicted
 - Although Q3 was slightly left skewed, the overall profile is even
- ❖ What can we learn about revenue from earnings?

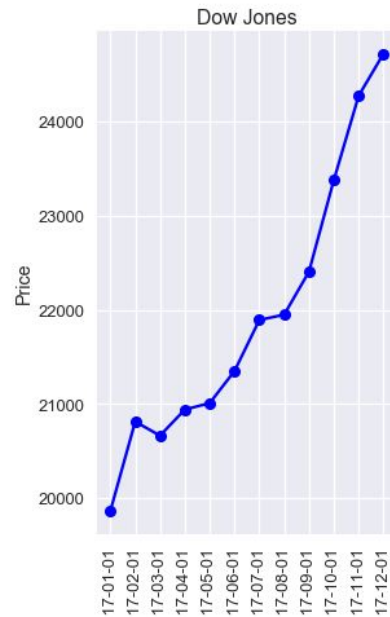
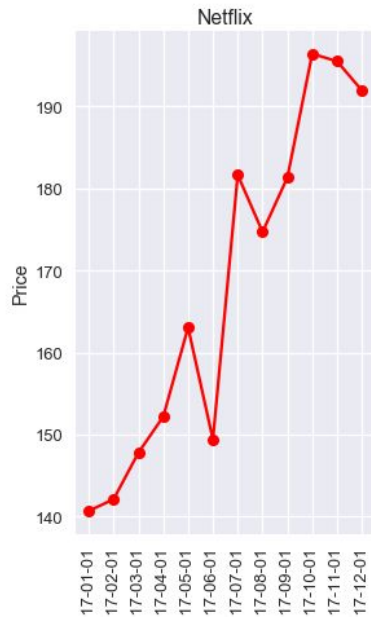
How Does Earning Impact Revenue?



- ❖ Q1 had the highest revenue and earnings
- ❖ Earnings and revenue trend up from 2Q2017 to Q1 of 2018
- ❖ Ratio of earnings to revenue is high, what percentage of revenue is from earnings?
- ❖ On average, about 5.3% of revenue is from earnings
- ❖ Highest percentage is from Q4 at 7.8%
- ❖ Lowest percentage is from Q1 at 2.4%

Netflix vs. Dow Jones

- ❖ So far, we've looked at Netflix stock profile by itself, but how does the 2017 Netflix stock profile compare to the overall Dow Jones Industrial for the same year?



- ❖ Dow Jones' profile is smoother compared to Netflix
- ❖ Significant dips in June, August and December for Netflix
 - Not present in the Dow Jones' profile
- ❖ What initiatives did the company embark upon that could explain the dips?
- ❖ If not company caused, are there ways to prevent such falls in the future?

Summary

- ❖ Netflix stock profile for 2017 was analyzed and compared to overall Dow Jones' profile
- ❖ Q1 stock prices distribution skewed left, signifying higher stock prices in later months of the quarter
- ❖ Q2 and Q4 distribution is bimodal, suggesting that there were significant fluctuations during those quarters
 - Factors that led to those fluctuations should be investigated to negate future occurrences
- ❖ Although Q3 closing price distribution skews slightly left, the overall effects on stock prices are minimal
 - The increase of closing price from ~150 in June to ~180 in July contributes to the mostly flat distribution
- ❖ The significant drops in June, August and December are missing in the Dow Jones Industrial Average data
 - Reasons for these drops should be investigated so as to prevent future falls