PRE-EARNINGS RESEARCH NOTE · NFLX · JULY 14, 2026

PeerLogix Research

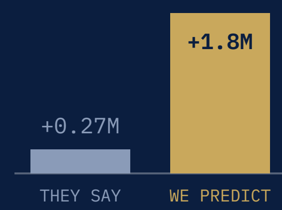
Streaming intelligence.
peerlogix.com

Netflix Q2 2026: a read from nine years of viewing data.

THE 10-SECOND VERSION

EVERY CLAIM GRADED IN PUBLIC WITHIN DAYS

The street estimates Netflix added +270K subscribers this quarter. We predict +1.8 million, six times their number.



SIX QUARTERS OF ACCELERATION · TESTED AGAINST 8 YEARS OF NETFLIX'S REPORTED NUMBERS

ENGAGEMENT — **People are not watching Netflix less.** Compared April to April, the analysts' own measure went up. Against paid competitors, Netflix is up 23%, a nine-year high.

WORLD CUP — **It is not taking viewers from Netflix.** We measured it directly during the tournament; Netflix's audience looks like an ordinary summer. Bernstein cut 3M subscribers for an effect we cannot find.

DECEMBER — **The real risk, and it is being overlooked.** Netflix's two biggest shows just ended. Everything announced to replace them wins back only two-thirds of that audience.

The bears are early, and focused on the wrong quarter. Every claim here was locked in before Thursday's results, and will be graded publicly after.

INSIDE THIS NOTE

THE EVENT	THE PROMISE	THE MARKS	THE MARKET
Netflix reports Q2 results **Thursday, July 16**, after the close.	Predictions locked in **before** the results; graded publicly after. Nothing quietly deleted.	**Measured** · only our panel shows it **Public** · source cited **Mixed** · both	NFLX **−21% YTD** · targets cut to $92–100 · options braced for ±8%.

RESEARCH, NOT INVESTMENT ADVICE

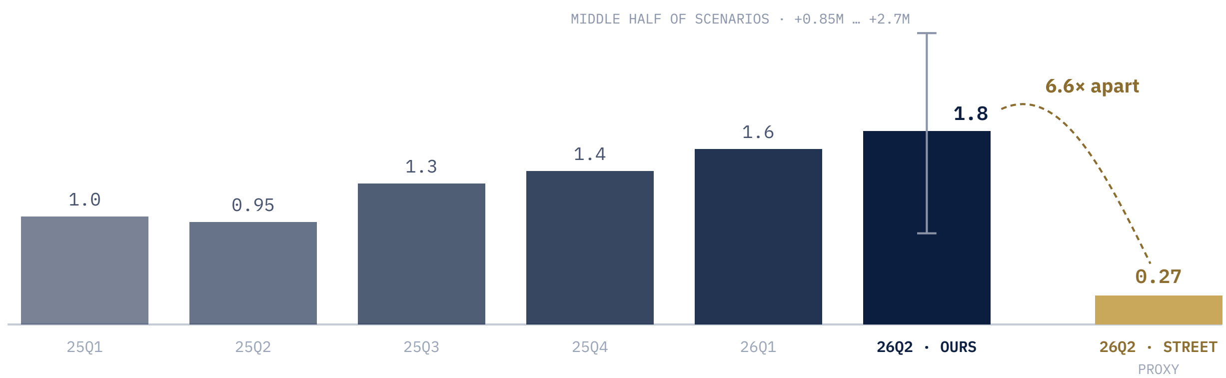
01 MEASURED · ONLY OUR PANEL CAN SHOW THIS

The subscriber number Netflix no longer reports: our data says ~1.8 million this quarter.

Netflix stopped reporting subscriber counts at the end of 2024. The street fills the gap with proxies built from signals like app downloads; the current estimate for this quarter is about **+270,000** US/Canada. Our viewing data says **about +1.8 million**: the middle half of our scenarios lands between +850K and +2.7M, and the full plausible range runs from about zero to +3.6M. The estimate has climbed six straight quarters.

Six quarters of acceleration the street isn't seeing.

FIG. 01 · US/CANADA NET ADDS, MILLIONS



Why this estimate is credible: subscriptions follow viewing. For the eight years Netflix published the number, we predicted each quarter in advance, then checked the answer: better than simple baselines for 15 straight quarters, surviving three rounds of attack by our own skeptics (page 7). When the answer key existed, we scored well. The answer key is gone. We're still holding a pencil.

What to watch Thursday: Netflix won't print the number, but its letter will describe momentum. A +270K quarter reads very differently from a +1.8M quarter. We've told you in advance which to expect.

FINE PRINT, BECAUSE HONESTY IS THE PRODUCT

An estimate of a number nobody can verify anymore, with one known blind spot: pricing-and-policy moves. The late-2024 password crackdown turned viewers into payers faster than viewing implied, and we badly undershot that quarter (gold, page 7). Viewing shows the audience; it can't see Netflix changing the rules of who pays.

02 MEASURED · ONLY OUR PANEL CAN SHOW THIS

"People are watching Netflix less" relies on the wrong measurement. Measured correctly, engagement is at a nine-year high.

The most-cited bearish fact, appearing in the price-target reductions from **KeyBanc, Oppenheimer, and Citi** [8] and in most earnings previews [7], is a Nielsen statistic: Netflix's share of **all US television time** slipped from 8.8% in January to 7.8% in April [6]. True, and a trap, twice over.

The first trap is the calendar. That 8.8% was no ordinary month: January came right off the Stranger Things finale, with Netflix's share just under the all-time record set in December [6]. A comparison that starts at a peak can only fall. Compare April to *April* instead: 7.5% a year ago, 7.8% now [6]. Read fairly, the street's own yardstick went **up**. (The same trick reappears in the World Cup finding, where Netflix is again measured against its own biggest hit.)

The second trap is the yardstick itself. The denominator's fastest-growing piece is **free** YouTube: the ad-supported app of creators and home videos. Nielsen counts the paid YouTube TV bundle separately [6], so watching free YouTube costs nothing per month and cancels nothing. Cancellation hinges on *the other paid services* out-programming it.

So the question that matters: how is Netflix doing **against the paid streamers**? Netflix originals hold **3.32% of all household viewing we measure**, within 1% of the all-time high, set in the holiday quarter at the end of last year, and Netflix's share against the majors' originals is **up 23% on the year**. Not a vanity stat: in eight years of backtesting, this competition measure, not total-TV share, is what tracked subscribers.

Two yardsticks. Only one of them ever predicted subscribers.

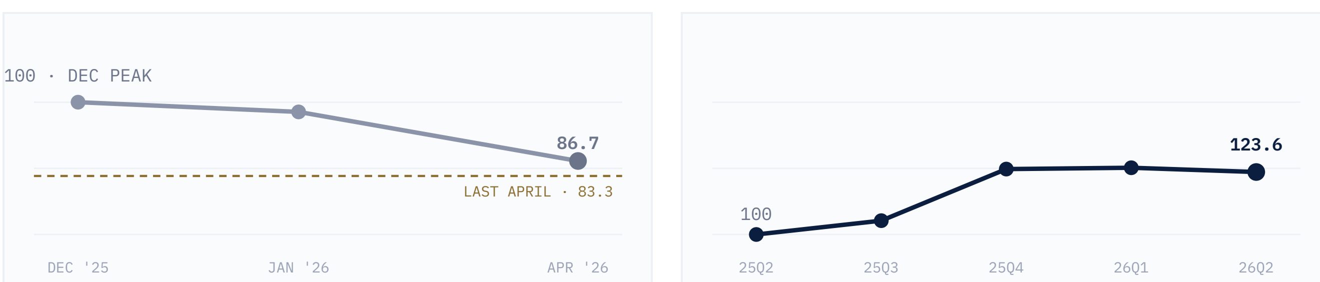
FIG. 02 · EACH INDEXED TO 100 AT SERIES START

THE YARDSTICK THE CUTS CITE

Share of ALL TV time (Nielsen, incl. free YouTube)

THE YARDSTICK THAT PREDICTED SUBSCRIBERS

Share vs the other streamers' originals (PeerLogix)



−13% vs a December peak. April over April: **+4%**

+24% **Within 1% of the nine-year high**

Why it matters: the $92–100 targets rest, in the analysts' own words, on "engagement softness." The yardstick behind that phrase never predicted subscribers; the one that did sits at nine-year highs. And you don't need our data for the first half of the argument: April against April, the street's own yardstick rose.

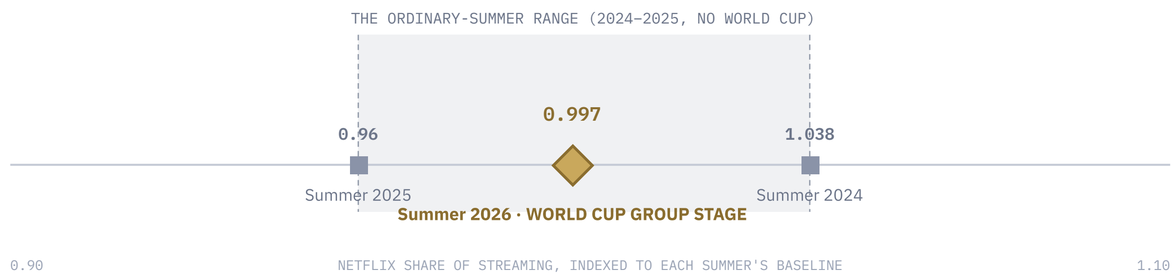
03 MEASURED · THE TOURNAMENT IS INSIDE OUR DAILY DATA RIGHT NOW

"The World Cup is stealing Netflix's audience." We measured it. We can't find it.

Bernstein cut about 3 million subscribers from its 2026 estimates partly on World Cup drain [8]; the theme runs through this week's coverage [7]. The tournament is happening inside our daily data right now, so this isn't a debate, it's a lookup: group-stage weeks against the same weeks of 2024 and 2025, two summers without a World Cup, day-of-week adjusted. The result: **completely normal.**

The World Cup summer sits squarely inside the ordinary-summer range.

FIG. 03 · GROUP-STAGE WEEKS, SHARE INDEX



ONE WRINKLE, EXPLAINED

Netflix does look weaker than *last* summer in late June, and that's where careless analysis goes wrong: **Squid Game 3 launched June 27, 2025** and made those weeks Netflix's biggest of the year. Netflix isn't losing to soccer; it's being compared to its own record hit.

Why it matters: millions of subscribers of pessimism rest on a claim with no support in the group-stage record. Our result is specific: no abnormal break in relative share (it doesn't rule out every effect on hours or churn). And practical: if Netflix blames the World Cup on Thursday, treat it as cover, not cause.

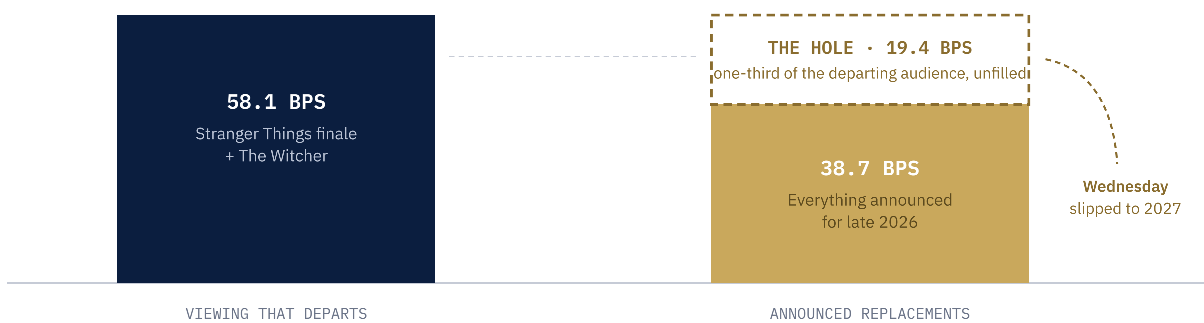
04 MIXED · OUR MEASUREMENT PLUS THE PUBLIC ANNOUNCEMENT RECORD

Netflix's real problem isn't this quarter. It's December.

Netflix runs on big shows, and two of its biggest ever, **the Stranger Things finale and The Witcher**, have aired and are fading. The question isn't "how was last quarter?" but "**what fills that hole?**" We've measured **164 hit shows return with new seasons**; a returning season typically draws about 87% of the prior one. Apply that math to everything **announced** for late 2026: it fills about **two-thirds** of the departing viewing. Wednesday, the obvious hole-filler, slipped to 2027 [10].

The December question, in basis points of panel viewing.

FIG. 04 · SLATE MATH, LATE 2026



Netflix's own full-year forecast points the same way (a related check, not fully independent): the year only adds up if the holiday quarter is soft. Bottom-up show math and top-down arithmetic agree: **the pressure point is Q4.** Near-term, the same math is comforting: summer and fall look solid.

Why it matters: the bears selling today are early, and aimed at the wrong quarter. The warning sign is simple: **watch whether Netflix announces major December titles in the next two months.** If the holiday slate stays thin, our concern hardens. If they load it up, it eases.

A RELATED EDGE Across 92 Netflix shows, renewals tracked **whether audiences stuck with a show** far better than premiere size. Netflix keeps what people stay with. We measure staying power directly, so this still-being-validated signal may call renewals before they're announced.

05 MEASURED · GRADED AGAINST NETFLIX'S OWN PUBLICATION WITHIN DAYS

Our predictions for Netflix's own viewing report, filed in advance.

Netflix publishes its own viewing report twice a year; the last two arrived on earnings day. Our calls, filed before publication:

PREDICTION SLIP · FILED JULY 14, 2026 · BEFORE PUBLICATION	NFLX "WHAT WE WATCHED" H1-2026
CALL Nº 1	**Overall viewing up modestly, about +2%,** built from Netflix's own disclosure history. Our panel's independent read runs hotter; if there's a surprise, we expect upside.
CALL Nº 2	**The top of the list: Bridgerton and the Stranger Things finale era**, with Wednesday, One Piece, Peaky Blinders, Black Mirror, The Witcher, Better Call Saul, and the licensed evergreen Breaking Bad in the leading cluster, plus a strong showing from Indian cinema on the film side.

THE ORDINARY NUMBERS ☐ WHERE WE MOSTLY AGREE WITH EVERYONE ELSE, AND SAY SO

Netflix forecasts its own revenue within about 1% (never more than ~2% off in 36 straight quarters; beat itself in 8 of the last 9). Our estimates build on *that* record, **not** viewing data, which adds nothing here (page 7).

Q2 2026	OUR ESTIMATE	NETFLIX'S OWN FORECAST
Revenue	**$12.64B** (12.52–12.76)	$12.57B [1]
Operating margin	**33.5%**	32.6% [1]
Earnings per share	**about $0.83**	$0.78 [1] · street ~$0.79 [7]
Q3 guidance (Thursday)	**~$13.0B** (12.7–13.3)	Q3 actual, our est.: **~$13.4B** (settled in October)

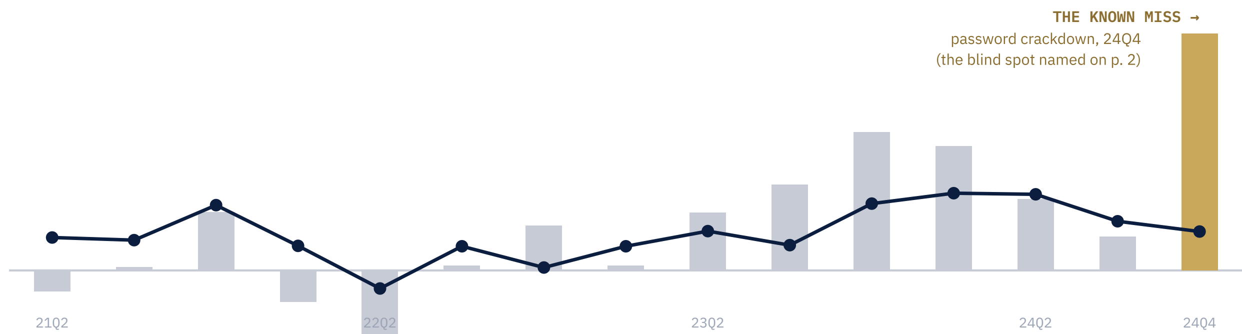
The last cell reinforces the December story: if Q3 delivers ~$13.4B against ~$13.0B guidance, the full-year arithmetic depends even more on a soft fourth quarter. Context for the week ☐: consensus sits on Netflix's forecast; options are braced for ±8%; the stock fell the day after each of the last four reports; targets $92–100 (as of July 13–14) [7][8][12].

ON THE STOCK ITSELF	**No prediction.** We tested, rigorously, whether our viewing data can time the post-earnings move. It can't. So we don't pretend. This report is about the business, not a trading tip, and it is not investment advice.

How we check ourselves.

Fifteen advance predictions, graded against the answers that still existed.

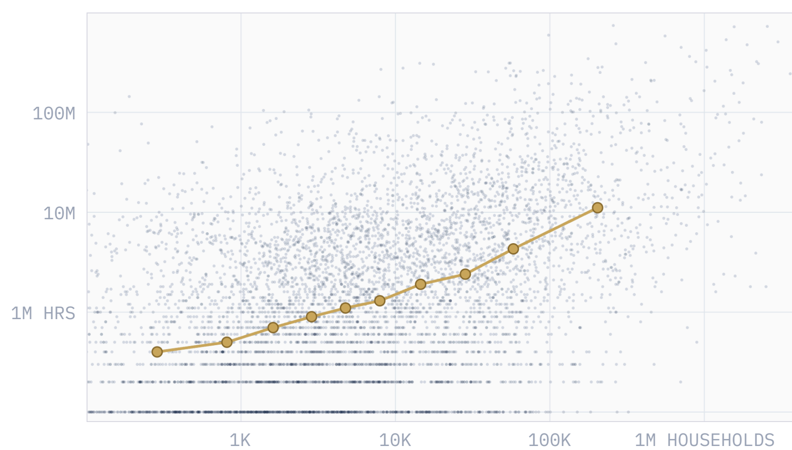
FIG. 05 · BACKTEST · NET ADDS, M



Bars: what Netflix actually reported. Line: what we predicted in advance. Out-of-sample r = 0.485 (p ≈ .03), ~19% more accurate than seasonal baselines.

Our panel vs Netflix's own published figures: 8,500+ shows, 31,000+ comparisons.

FIG. 06 · CALIBRATION



Each dot: one title, one half-year; panel reach (across) vs hours Netflix published (up). A 6,000-comparison sample of 31,000+, covering ~55–60% of all hours Netflix ever disclosed.

The gold line: median published hours at each step up in panel reach. It rises at every step, across four orders of magnitude: the panel ranks titles the way Netflix does.

Single titles are noisy (rank ≈ 0.4); findings rest on whole-panel shares, where noise averages out. Nine years, ~3,390 consecutive days, one missing.

THE HONESTY LEDGER · WHAT OUR DATA CAN'T DO

TESTED · NO EDGE	Beating Netflix's own revenue forecast. Our financial numbers are built on filing history instead, and labeled so.
INVISIBLE	EPS surprises. They come from currency swings and one-time items no viewing panel can see.
TESTED · NO EDGE	Timing the stock after earnings. No edge found, so no call made. Ever.
SHOWN · NOT HIDDEN	Our one big backtest miss, the 24Q4 password-crackdown quarter, is flagged in gold above and named as a blind spot on page 2.

A research shop that never shows you a dead call is showing you marketing. This is the other thing.

The scorecard we've signed up for.

Every line below gets graded in public, win or lose. The grade boxes are empty because the answers don't exist yet. That's the whole model: **measure what others guess, predict before the answer, publish the grade.**

WHEN	WHAT GETS REVEALED	WHAT WE SAID IN ADVANCE	GRADE
THU JUL 16	Revenue / margin / EPS	**$12.64B / 33.5% / ~$0.83**	☐
THU JUL 16	Netflix's forecast for next quarter	**~$13.0B**	☐
THU JUL 16	The letter's tone on subscriber momentum	Reads like **+1.8M**, not +270K (finding 01)	☐
THU JUL 16	Any World Cup excuses	The data says there's **nothing to excuse** (finding 03)	☐
THU (LIKELY)	Netflix's own viewing report	**~+2% viewing; Bridgerton-led top list** (finding 05)	☐
OCTOBER	Next quarter's actual revenue	**~$13.4B**, and the December question goes live (finding 04)	☐
EARLY AUG	Disney's earnings: a pre-registered bonus test	Same method, first live test on another company: Disney+ **about +4M**, wide range	☐

APPENDIX · FOR THE TECHNICALLY INCLINED

THE PANEL

Title-level, day-level streaming observation across US and international households, April 2017 to present. Cross-era comparisons use shares of panel viewing (removes panel-size changes; composition shifts tested separately). 2,296 classified Netflix originals + 4,093 exclusives; household-level extracts for retention work.

THE SUBSCRIBER MODEL

Two share-based inputs (Netflix-originals share; Netflix's share of big-streamer original viewing), evaluated strictly walk-forward against printed 2017–2024 UCAN additions. Out-of-sample r = 0.485 (permutation p ≈ .03; ≈ .05 under the stricter autocorrelation-robust block test); ~19% error reduction vs seasonal baselines, ~11% vs quarter-over-quarter persistence; confirmed on de-seasonalized targets. Quoted ranges are the central 50% of the scenario distribution; treat all bands as scenario ranges, not guarantees.

THE SLATE MODEL

Measured franchise-return ratios (median 0.87, n = 164), premiere and decay curves (n = 442), catalog-age decay; calibrated to reconstruct 10 trailing quarters within ~6%.

VERIFICATION

Three adversarial audit rounds plus an inter-system challenge: 63+ findings resolved by recomputation; early retractions documented. Frozen pre-print archives with SHA-256 manifests; full technical companion and chart pack on request.

SOURCES

[1] Netflix Q1'26 Shareholder Letter, SEC 8-K, Apr 16 2026 · [2] Netflix 8-K Regional Restatement, Dec 16 2019 · [3] Netflix Shareholder Letters 2017–2026, SEC EDGAR CIK 1065280 · [4] Netflix "What We Watched" reports ×6 + official data files · [5] Netflix Q4'25 Letter, Jan 20 2026 · [6] Nielsen Media Distributor Gauge (Jan 2026; Apr 2026 via TheWrap / Advanced Television / MediaPost; Apr 2025 via TheWrap; Dec 2025 record per Netflix Q4'25 letter; YouTube-TV exclusion per Nielsen Gauge methodology FAQ) · [7] Yahoo Finance; Hudson Labs; The Hollywood Reporter; stockanalysis.com; Kiplinger / MarketBeat · [8] TipRanks (KeyBanc / Citi / Benchmark / Bernstein); Cboe options data Jul 14 · [9] Bloomberg / Variety Apr 23 2026 · [10] What's on Netflix; Deadline; Variety; The Direct; JustWatch; ScreenRant · [11] Disney / Comcast / Paramount / WBD investor releases · [12] Market data through Jul 13 2026 · Proprietary: PeerLogix panel & metrics infrastructure; NFLX earnings framework and frozen backtests; internal research log.

Panel figures describe viewing by households in the PeerLogix US streaming panel, not projections onto the whole population. Financial estimates derive from public filing history, not panel data. Samples are finite and stated; ranges are realistic scenarios, not guarantees. **Not investment advice; no recommendation on NFLX securities.**