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Peloton Interactive

WUTIS - Equity Research

Target Price: 22,12\$

Current Price: 32,26\$

Downside Potential: -31,44%

Recommendation: STRONG SELL

Investment Horizon: 1 Year

Vienna, 31.01.2020

Team – Overview

Equity Research



**Jan
Tanson**

Director

- Story guideline
- Task distribution
- Valuation



**Christopher
Franzmayr**

Associate

- Valuation
- Market & Industry
- Financial Analysis



**Robert
Triulzi**

Analyst

- Market & Industry
- Valuation
- Risks & Catalysts



**Eva
Opara**

Analyst

- Business Description
- Market & Industry
- Industry Analysis



**Florian
Harasleben**

Analyst

- Market & Industry
- Valuation
- Peer Benchmarking



- BSc. (WU) – 5th Sem.
- BSc. Pharma – 6th Sem.



- MSc. (WU) – 3rd Sem.



- BSc. (WU). – 3rd Sem.



- BSc. (WU) – 9th Sem.



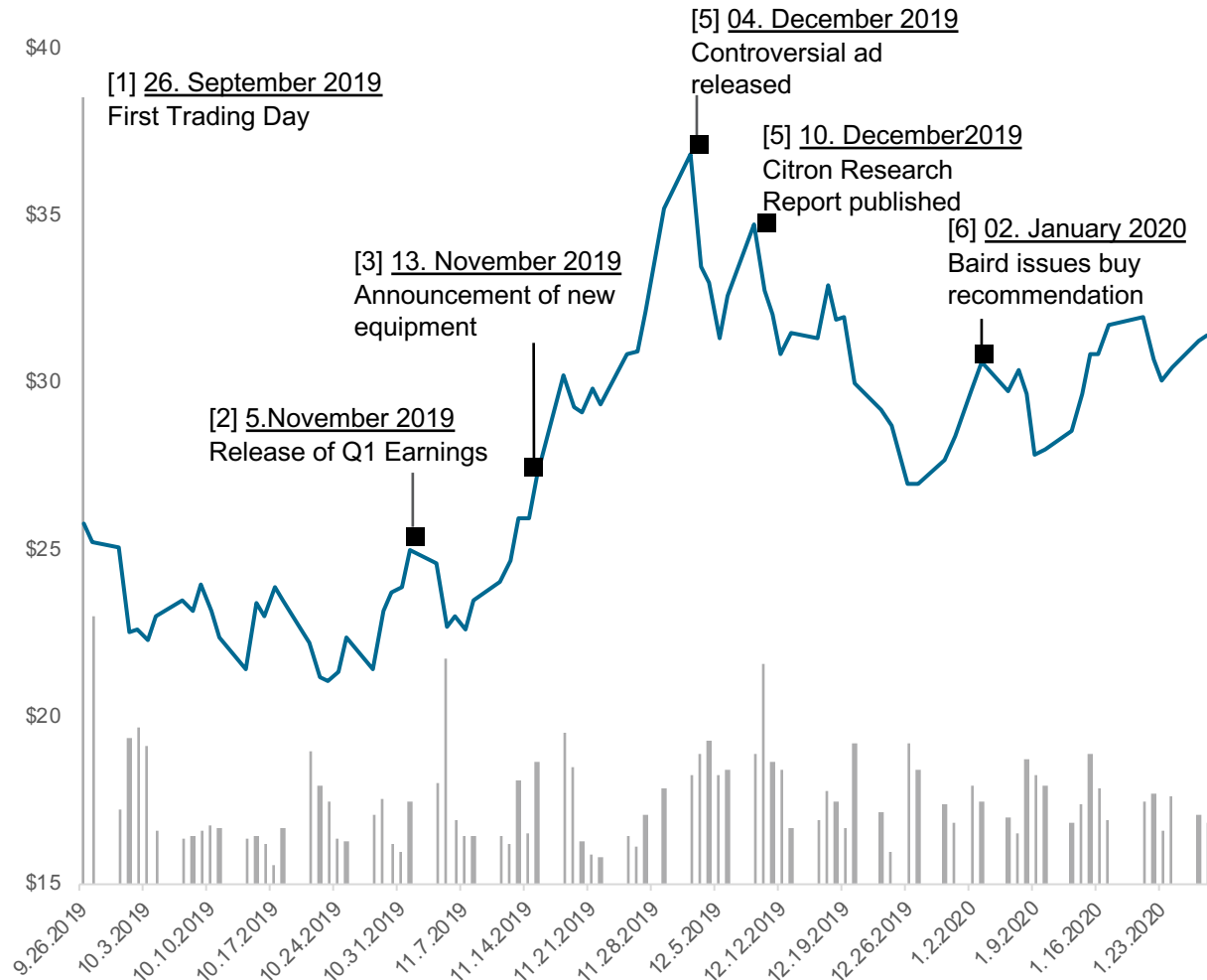
- MSc. (Uni Wien) – 1st Sem.

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Share price Performance

Rough market entry followed by volatile speculative swings

1 2 3 4 5 6 7



Shareprice – Major Events

- [1] 26. September 2019 (-11.7%) – Initial Public Offering and First Trading Day of Peloton starting at 29\$ per share
- [2] 5. November 2019 (-7.62%) – Peloton releases first quarter earnings
- [3] 13. November 2019 (+5.22%) – Peloton announces two new pieces of equipment
- [4] 04. November 2019 (-5.01%) – The controversial ad “The gift that keeps on giving” is released
- [5] 10. December 2019 (-5.72%) – Citron Research publishes price target of 5\$
- [6] 02. January 2020 (+4.70%) – Baird Equity Research issues buy with 35\$ target price

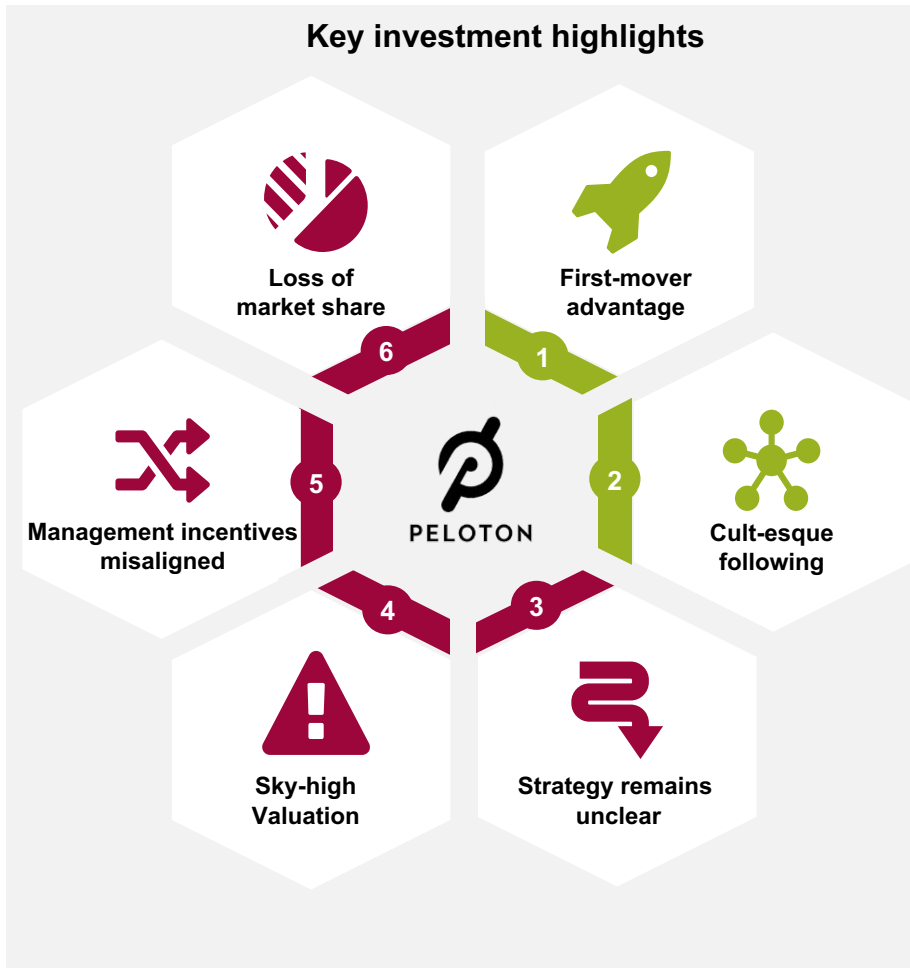
Key Stats

- IPO at 29.00\$ per share
- Close (29.01) at 31.50\$
- Price Range since IPO: 20.50\$ - 37.00\$
- Volatility: 14.66
- Average Volume: 5591566.28

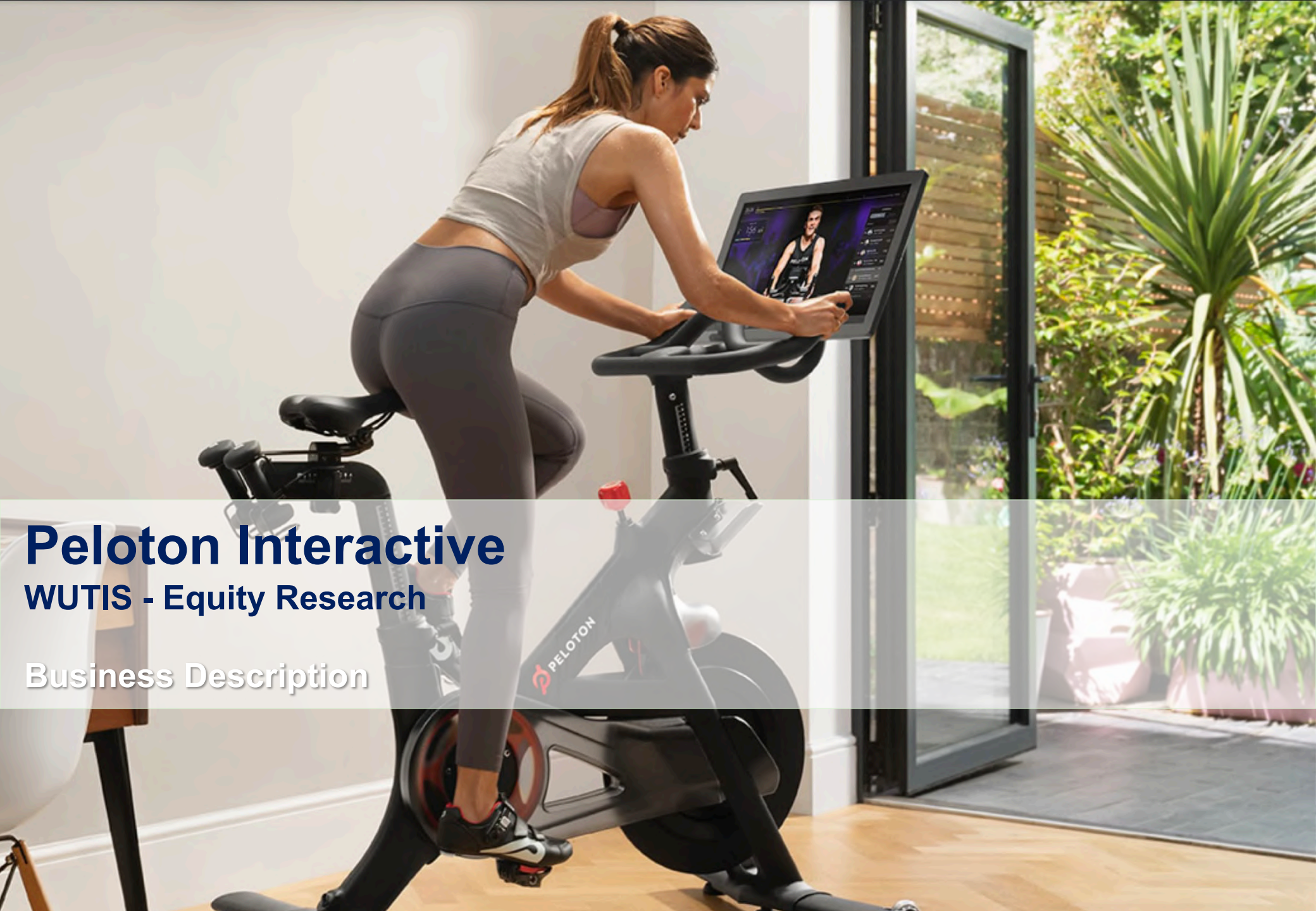
Peloton – Spinning faster, going nowhere...

W U T I S

1 2 3 4 5 6 7



- 1 First-mover advantage in newly established connected fitness market
- 2 Cult-like following of existing members effectively creating a strong community
- 3 Unclear long-term strategy coupled with ineffective marketing efforts
- 4 Current market valuation cannot be justified by ANY means of valuation; implied future household capture delusional
- 5 Managements incentives strongly misaligned with investor interests underlined by false claims by the CEO and excessive executive pay
- 6 No discernible moat with numerous experienced competitors entering the market



Peloton Interactive

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Business Description

Company Overview

Peloton Interactive combines a boutique fitness platform with own stationary bikes

Business Description

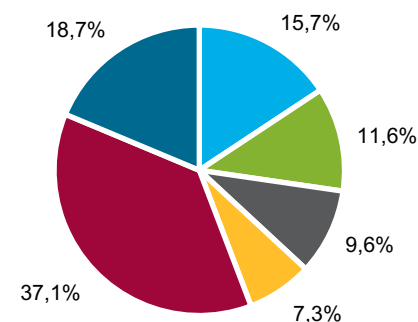
- Peloton Interactive is a provider of instructor-led boutique fitness classes in combination with self-manufactured stationary bikes
- Founded in 2012, first product launch in 2014
- Headquarters: New York City, New York, United States
- Business segments – Connected Fitness, Subscription Services, and Other
- Number of employees: 1,800 (as of 2020)

Initial Public Offering

- Date: 26th September 2019
- Guide price: 29\$ per share
- Opening trade: 27\$ per share
- Closing price (EoW): 25.2\$ per share
- Offering led by Goldman Sachs Group Inc. and JPMorgan Chase & Co.



Free Float (43.6m from 280.5m SO)



- Baillie Gifford & Co.
- Wellington Management Company, LLP
- Eminence Capital, LP
- BlackRock Financial Management, Inc.
- Other Institutional Investors
- Employees and Investors

Management Team



John Foley
Co-founder & CEO (2012)
Director of e-commerce Barnes & Noble Inc.



William Lynch
President (Feb 2017)
Former CEO Barnes & Noble Inc.



Jill Woodworth
CFO (Aug 2018)
Former Managing Director J.P. Morgan



Tom Cortese
Co-founder & COO (2012)



Hisao Kushi
Co-founder & CLO (2012)
Former Liberty Media

In \$ million	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Revenue	262.8	316.7	223.4	228.0
% QoQ growth	134.4%	20.5%	-29.5%	2.1%
COGS	151.4	196.1	123.2	122.9
Gross Profit	111.4	120.6	100.2	105.1
% Gross margin	42.4%	38.1%	44.9%	46.1%
EBIT	-55.1	-38.4	-47.5	-49.7
% EBIT margin	-21.3%	-13.1%	-22.1%	-22.3%
Net Loss	-55.1	-38.6	-47.4	-49.8
% margin	-21.0%	-12.2%	-21.2%	-21.8%
Net Debt (BV)	-	-	-378.1	-1,476.3
Equity (BV)	-	-	402.5	1,576.0
Market Capitalization (25.01.)				8,432.6
Enterprise Value (25.01.)				6,956.4

Product Portfolio

W U T I S

Targeting new fitness groups by expanding the portfolio

1 2 3 4 5 6 7

Connected Fitness

STATIONARY BIKE

- First released in 2014



ONLY 3% OF CUSTOMERS
BUY BOTH PRODUCTS

TREADMILL



- Released in 2018
- "Low-budget" version planned in 2020

ROWING MACHINE

Expected to be available in
2020



Financing options

BASICS PACKAGE



- \$2,245
- \$58/month for 39 months
- 0% APR
- 1 Yr. limited warranty

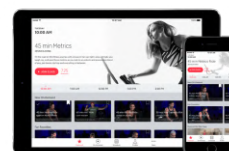
WORKS PACKAGE



- \$2,494
- \$64/month for 39 months
- 0% APR
- 1 Yr. limited warranty
- Accessories included

Digital

APP SUBSCRIPTION



- Digital membership
- Streaming of Peloton's classes
- iOS devices
- App-only access
- Basic leaderboard
- \$12.99/month

PELOTON MEMBERSHIP



- Requires Peloton Bike or Tread
- Full access to the Peloton experience
- Integrated workout metrics
- Interactive Leaderboard
- \$39.00/month

30 Day Trial

- Pay the full price and membership
- Shipping fee also fully refunded
- Pick up by Peloton

Other

APPAREL

Fitness apparel, athletic wear



ACCESSORIES

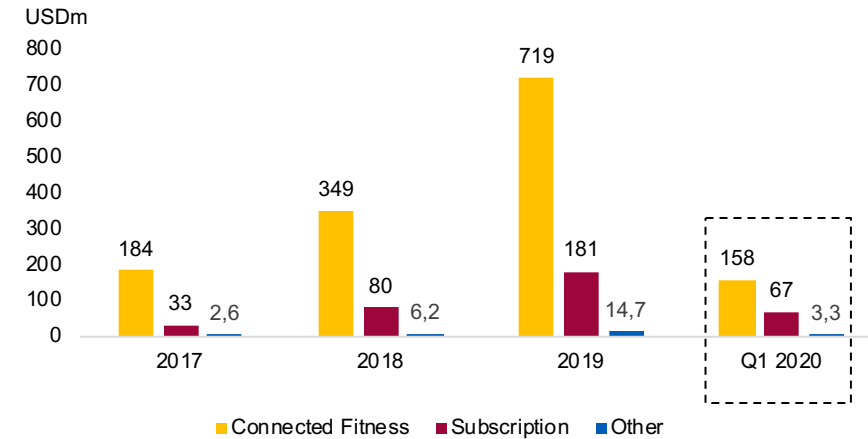


Revenue Breakdown

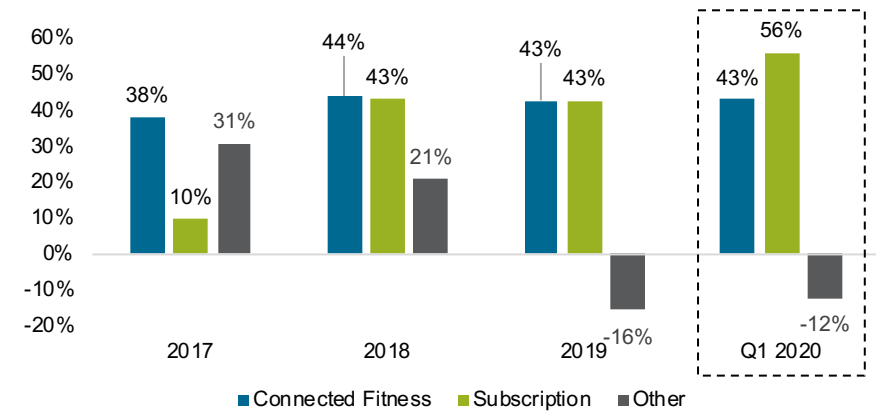
Low diversification and economies of scale

1 2 3 4 5 6 7

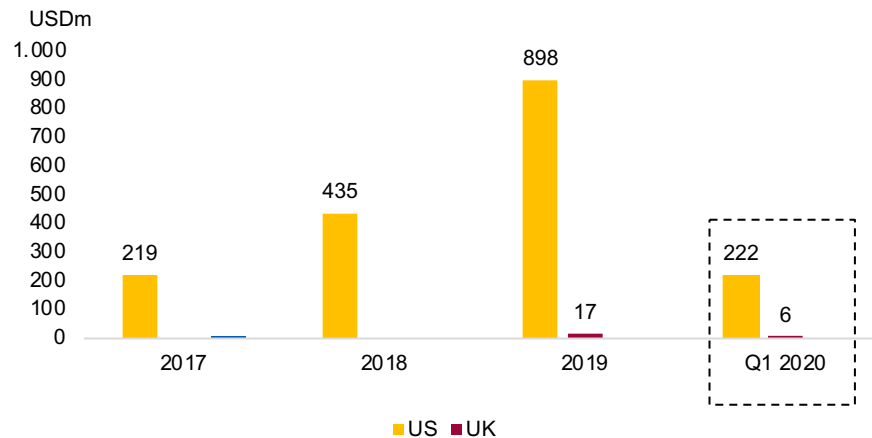
Connected Fitness dominating revenues



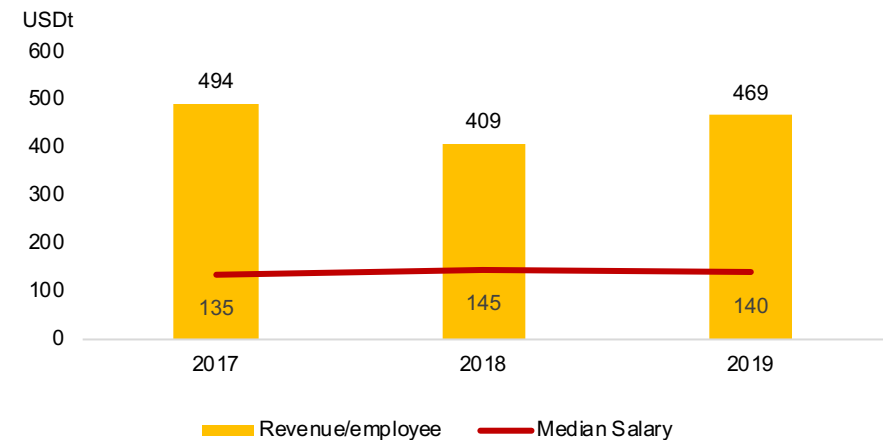
Subscription services showing overdue margin improvement



Virtually no geographic diversification as of today



Hiring spree not showing desired efficiency increases



Distribution and Strategy

W U T I S

High-risk expansion strategy

1 2 3 4 5 6 7

Headquarter, facilities and distribution markets

- Headquarter
- Content production studios
- Workout studios
- Hotel coverage
- New market entries
- Current markets



80

showrooms where Peloton bikes and treadmills are displayed in the US, Canada, UK and Germany



700

hotels and resorts with Peloton bikes across the US and a few in the UK

Business strategy

Current situation

- German market entry in process
- Exorbitantly high marketing spending
- Bike & Tread sales representing primary household entry
- Hotels & showrooms as offline exposés
- “Gillette+” subscription model

Mid-term strategy

- Expansion into apparel
- Expansion of product portfolio
- European market entry ongoing and planned
- Backward integration & Control of value chain via acquisition of suppliers
- Cost of enabling multi-bike app usage: Cannibalization of own hardware sales

Long-term strategy

- Strong focus on growth of digital subscriber base

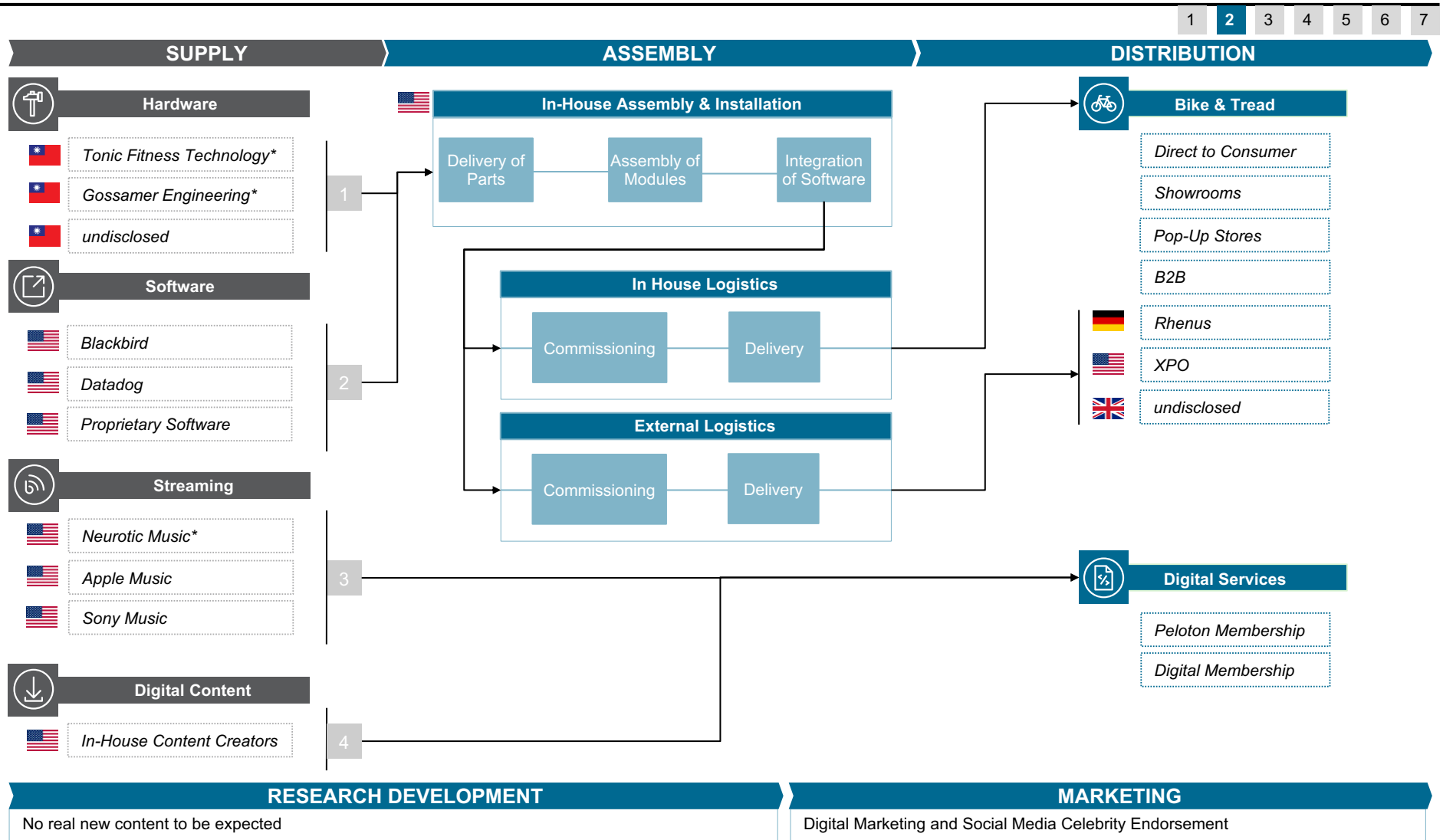
Conclusion

- Reliant on the achievement of growth targets in markets that are substantially different to the US
- Home market becoming increasingly saturated

Value Chain

W U T I S

Highly reliant on external partners despite claims of being fully-integrated



Ill-advised marketing efforts causing a decline in brand popularity

1 2 3 4 5 6 7

	Word of Mouth	Showroom & Retail Outposts	TV	Social Media	Alternative Marketing Channels
Reach	Low	Low	Medium	High	Low
Precision Targeting	Medium	Medium	Low	High	High
ACOS	High	Low	Low	Low	High
Reachability	Medium	Medium	Low	Medium	Medium

■ High
 ■ Medium
 ■ Low

Word of Mouth

Attracting Ride-or-Die Customers to achieve active connected fitness subscribers that should result in a cult following advertising network effects

Alternative Marketing Channels

Podcasts and other forms of audio advertising, as well as direct mailing and paid testimonials

TV Advertisement

Peloton's newest holiday ad was facing massive backlash

Social Media

Peloton's in-house marketers work with its internal creative, photography, and videography teams to develop content for all major social networks

Showroom & Retail Outposts

The showroom acts as the point of entry for the brand experience



Alternative marketing channels have a high target specification and low ACOS but have low reach. The most cost-effective marketing channel, which is in this case word of mouth, is not directly influenceable.



Currently large spending on TV advertisements, hoping to extend its reach. These high prices tickets are neither specific enough to target potential customers nor address the specific target group needed to deliver marketing success. Additionally there has been large controversies over their ad choice.

Target Group

W U T I S

Highly limited target group in connected fitness forcing a shift to digital sphere

1 2 3 4 5 6 7

Target audience of boutique connected fitness



Connected Fitness target group

	No-Sports	Beginners	Amateur Athletes	Semi-Pro Athletes	Professional Athletes
Low-Income	Mismatch	Mismatch	Mismatch	Mismatch	Mismatch
Middle Class	Potential match	Potential match	Potential match	Potential match	Mismatch
Upper Middleclass	Potential match	Match	Match	Potential match	Mismatch
High-Income	Potential match	Match	Match	Potential match	Mismatch

Match Potential match Mismatch

Digital target group

	No-Sports	Beginners	Amateur Athletes	Semi-Pro Athletes	Professional Athletes
Low-Income	Potential match	Potential match	Potential match	Potential match	Mismatch
Middle Class	Potential match	Match	Match	Potential match	Mismatch
Upper Middleclass	Potential match	Match	Match	Potential match	Mismatch
High-Income	Potential match	Match	Match	Potential match	Mismatch

Match Potential match Mismatch

Pelotons customer group likely to overlap with boutique fitness gym customers, leaving the company exposed to snatch-ups



Peloton Interactive

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Market and Industry Overview

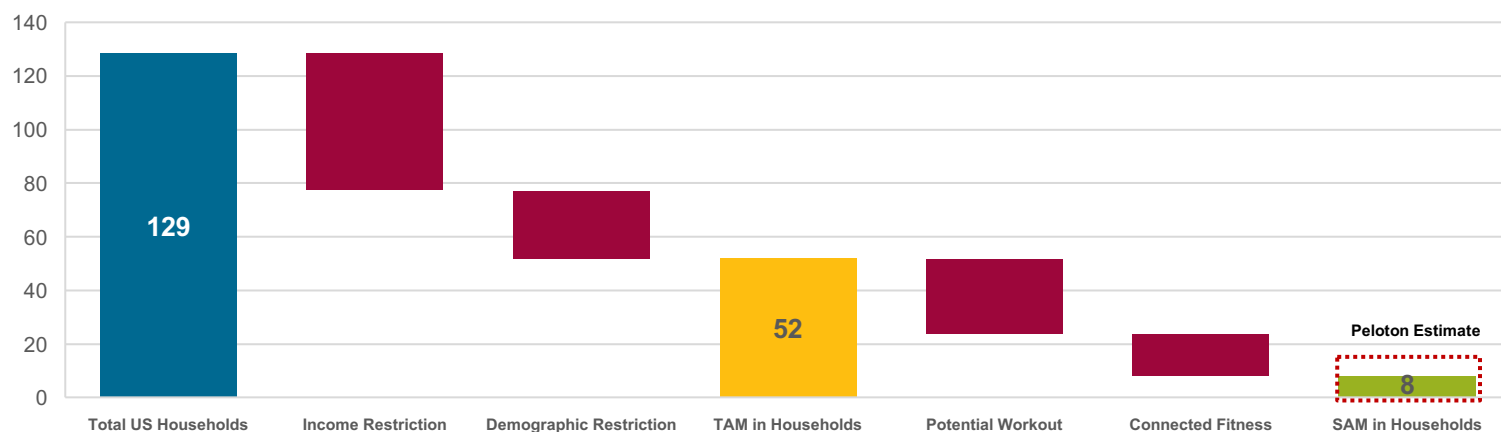
Market Size US

W U T I S

Peloton grossly overstates serviceable available market (SAM)

1 2 3 4 5 6 7

US Market Connected Fitness (in m)



Income Restriction:

Total household/personal income above \$50,000/\$15,000

Age Restriction:

Age 20 to 70 (on a household basis: at least one person in said age group)

Potential Workout:

73% of people would like to integrate fitness in their life
46% actually work out
37% only work out outside

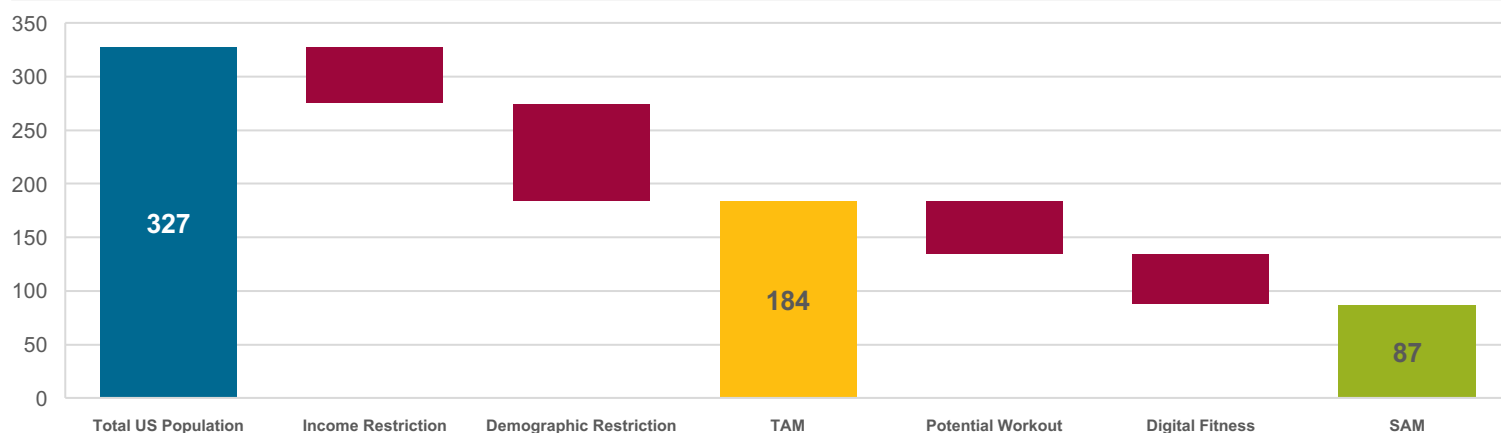
Connected Fitness:

33% of people who work out are interested in buying connected fitness equipment

Digital Fitness:

65% of people who work out are interested in buying digital fitness products.

US Market Digital (in m)



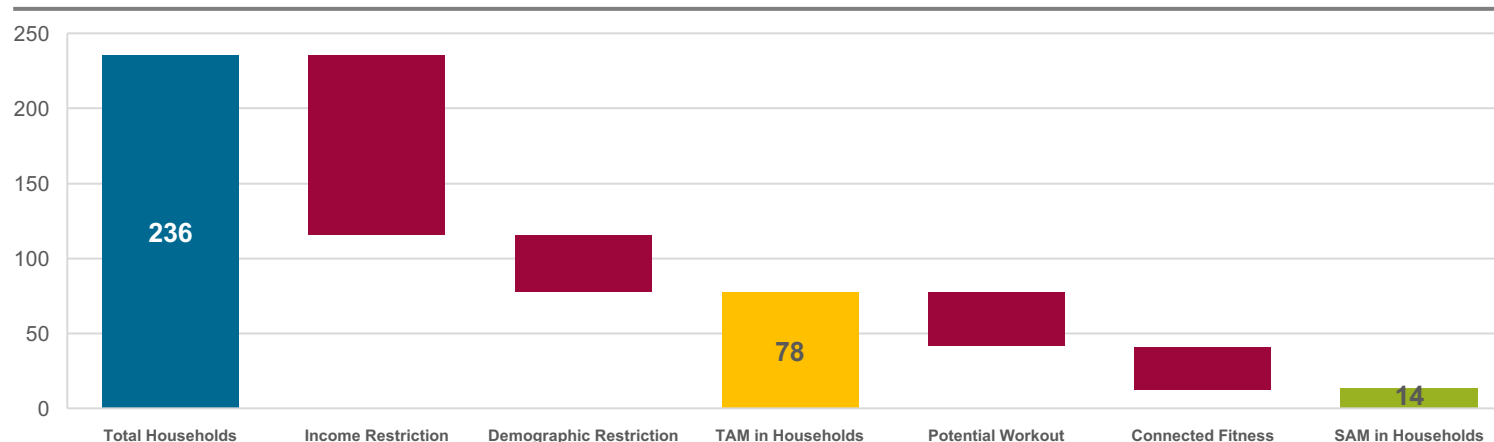
Market Size (Selected countries)

W U T I S

Aggregation of several developed economies barely yields Pelotons US forecast

1 2 3 4 5 6 7

Total Market* Connected Fitness (in m)



Income Restriction:

Total household/personal income above \$50,000/\$15,000

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Age 20 to 70 (on a household basis: at least one person in said age group)

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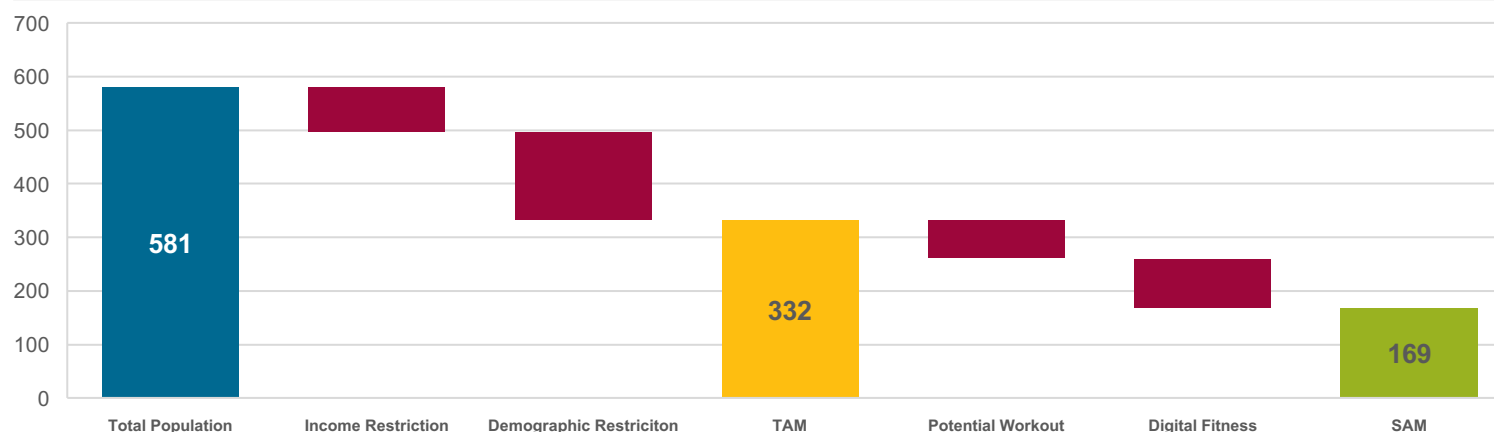
Connected Fitness:

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Digital Fitness:

65% of people who work out are interested in buying digital fitness products.

Total Market* Digital (in m)

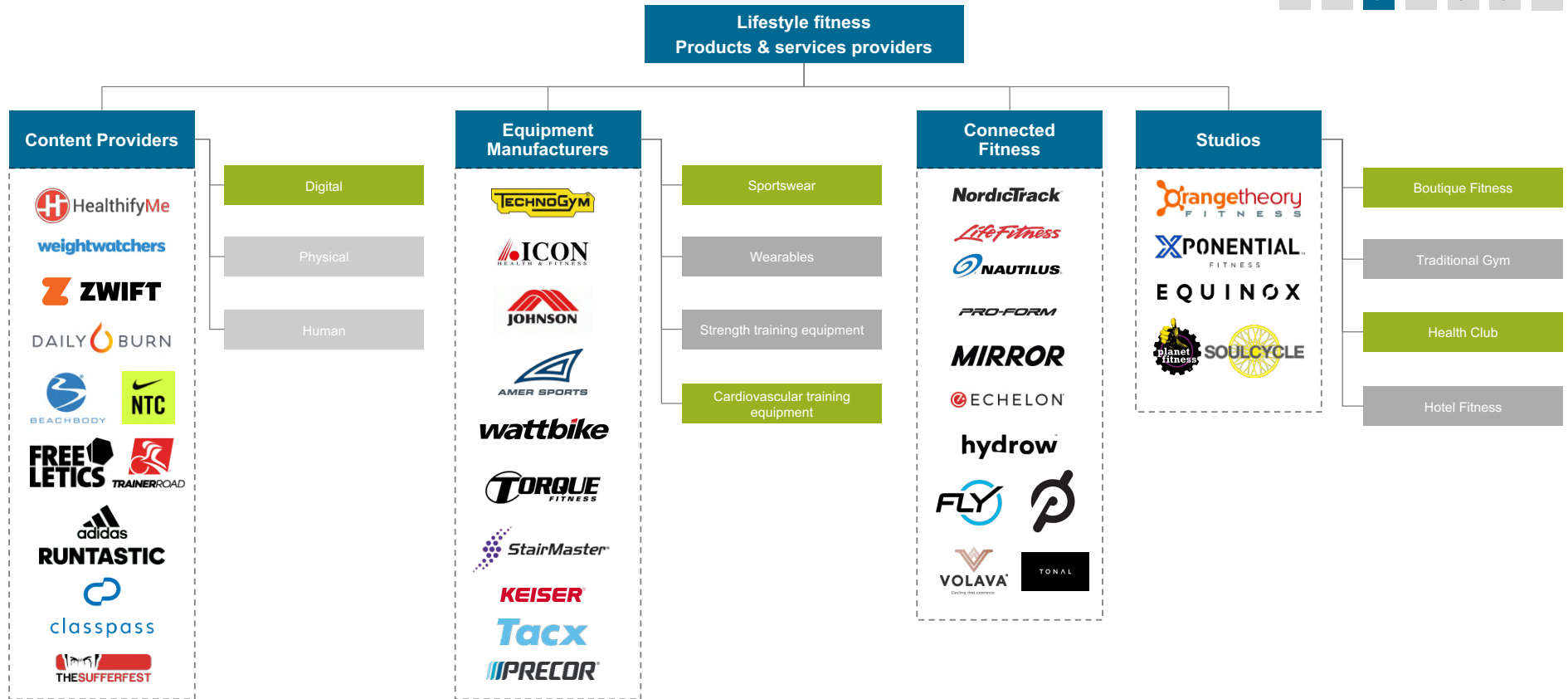


Market Segmentation

W U T I S

Emergence of connected fitness as a segment by bundling of existing offerings

1 2 3 4 5 6 7



Peloton Fitness is operating in a **trend-market with moderate to strong expected growth**.
 The company places itself in the **premium segment** and targets high income households.
 However, this is a rather specific segment, **limiting business growth opportunities**.

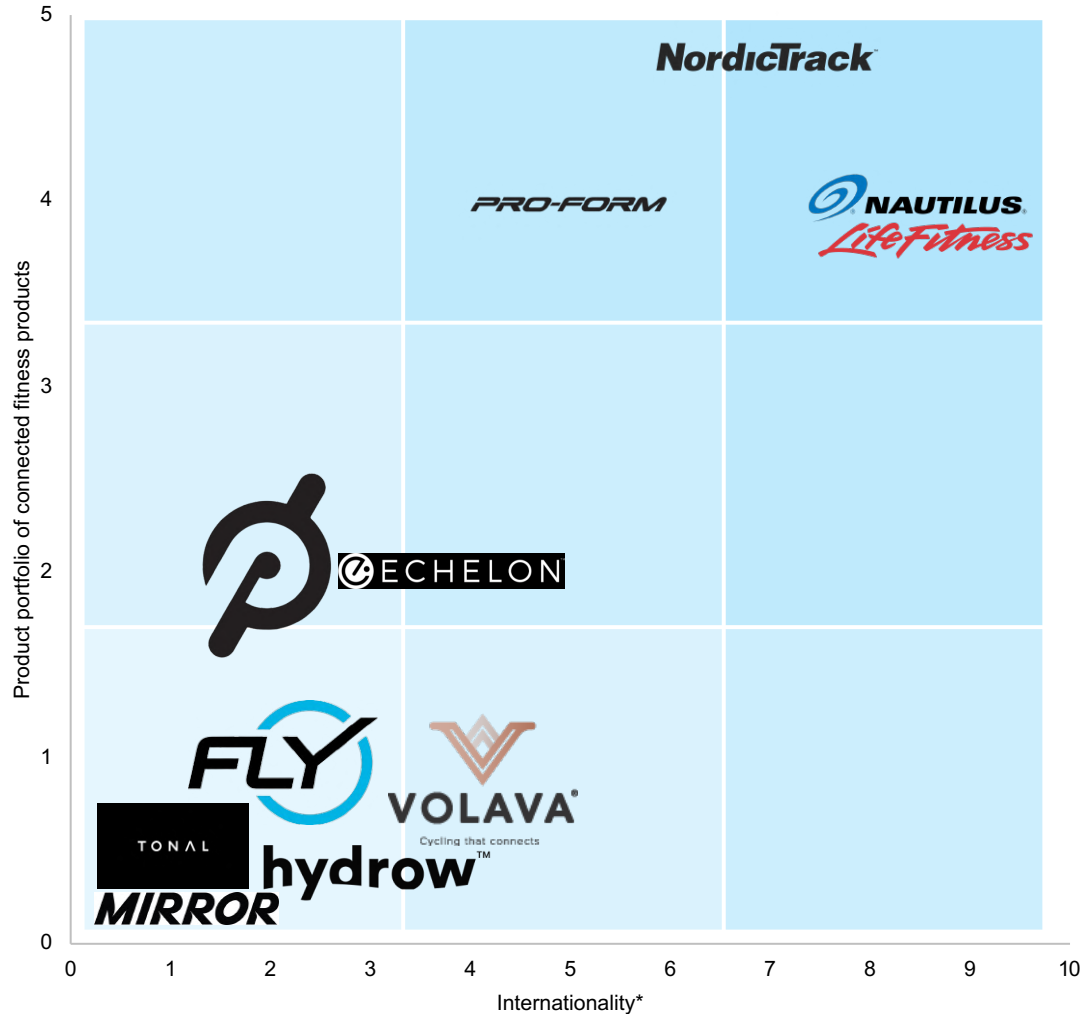
Competing segment Non-Competing segment

Market Overview and Competitive Landscape*

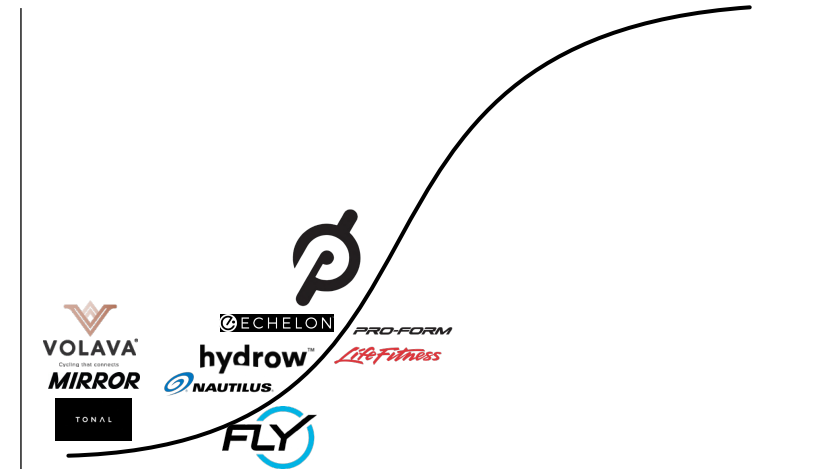
W U T I S

Limited product portfolio and low level of internationalization

1 2 3 4 5 6 7



The connected fitness market is getting crowded...



- Peloton started as first mover but is quickly getting competition
- Current market in early growth stage

... with further competitors still entering:











- Volava: "The European Peloton" producing rowing machines
- Tonal: AI-based workout system
- Freshly entered competitors underbidding Peloton with very similar products

Competing products

W U T I S

The connected fitness space is getting crowded – while Peloton still lacks moat...

	1	2	3	4	5	6	7						
													
Name:	Peloton Bike/Treadmill	Proform Bike	Flywheel Bike	Schwinn Bike + Ride Social	Echelon Bike	Bowflex Bike	NordicTrack Treadmill	Life Fitness Treadmill	Hydrow Rower	NordicTrack Rower	Zwift + Trainer	Tonal Fitness	Mirror Fitness
Price:	\$2,245/\$4,295	€1,599	\$1,699 + \$300 (screen)	\$499 up to \$899	\$799 to \$1,599	\$899	\$2,999	\$2,000 to \$5,000	\$2,199	\$1,599	Whatever trainer, screen and bike cost	\$2,995 to \$3,490	\$1,495
Subscription:	\$39 monthly	\$0 to \$39 monthly	\$39 monthly	Free	\$19.99 to \$79.99 monthly	\$19.99 (JRNY)	\$39 (iFit)	Free	\$38 monthly	\$39 (iFit)	\$14.99	\$49 monthly	\$39 monthly
App:	Guided workouts and fitness classes	very similar to Peloton	very similar to Peloton	Ride Social (partnership with Schwinn)	very similar to Peloton	very similar to Peloton	very similar to Peloton	Entertainment	very similar to Peloton	very similar to Peloton	Virtual cycling	„mirror system“	„mirror system“
Competitive Edge:	First-mover	simulates Tour de France stages	Peloton copy	VR	affordable hardware	competitive pricing, syncs with Peloton app	1 year membership included	Entertainment system, B2C focus	6 year warranty	1 year membership included	Huge community among pro riders	AI analyzes body movements, real-time guidance	„low-budget“ mirror system, no AI

											
Name:	TrainerRoad	Sufferfest	ClassPass	Runtastic	Strava	Freeletics	FitBit	Nike Training Club	Helthify Me	Weightwatchers	Beachbody
Costs:	\$19.95 monthly	\$14.99 monthly	\$45 to \$135 monthly	Free to \$5.99 monthly	Free to \$4.99 monthly	Free to \$11.99 monthly	Free to \$9.99 monthly	Free to \$14.99 monthly	\$14 to \$24 monthly	\$19.95 monthly	\$39.99 quarterly
App:	Guided workouts, coaching, analysis	Pro-cycling videos (first-person)	Access to real fitness classes in region (credits)	Tracking	Coaching, tracking, „summit challenge“	Coaching, workout guidance	Workout guidance, streaming	Workout guidance, streaming	Weight loss, fitness, streaming	Weight loss, Fitness	Weight loss, fitness, streaming
Downloads & Rating:	100,000+ (4.5)	n.a.	500,000+ (4.3)	50,000,000+ (4.6)	10,000,000 (4.5)	10,000,000 (4.1)	10,000,000 (3.8)	10,000,000 (4.2)	10,000,000 (4.5)	10,000,000 (4.5)	500,000 (4.8)

SWOT

W U T I S

Weaknesses and threats downplayed by mgmt and underestimated by investors

1 2 3 4 5 6 7

STRENGTHS

- Strong brand name/cult-like following & word of mouth advertising
- Broadness of digital content offering
- Market leadership position
- Pro-innovative history

OPPORTUNITIES

- At-home exercise equipment rapidly growing market
- Growing health consciousness of customers
- Growing customer base in the high-decile market
- Increasing consumer demand for premium fitness products



PELOTON

- High revenue dependency on hardware sales to finite customer group
- High acquisition cost per user, Cost of 30-day trial offers
- Management team without market expertise
- Scalability related issues
- High dependency on a limited number of suppliers, manufacturers, and logistics partner

WEAKNESSES

- Megatech companies like Apple entering the market
- Data privacy and compliance regulations
- Secondary market cannibalizing hardware sales
- Increasing competition likely due to no real entry barriers
- Fitness market is becoming increasingly saturated, limitless offers

THREATS



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Financial Analysis

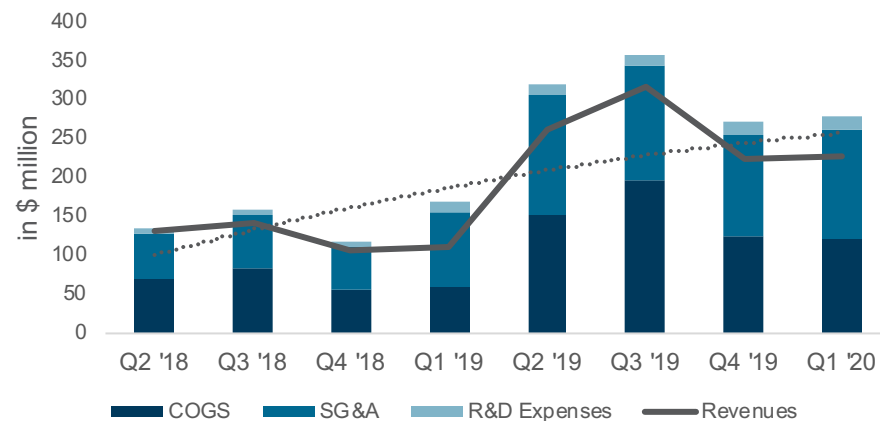
Financial Analysis

W U T I S

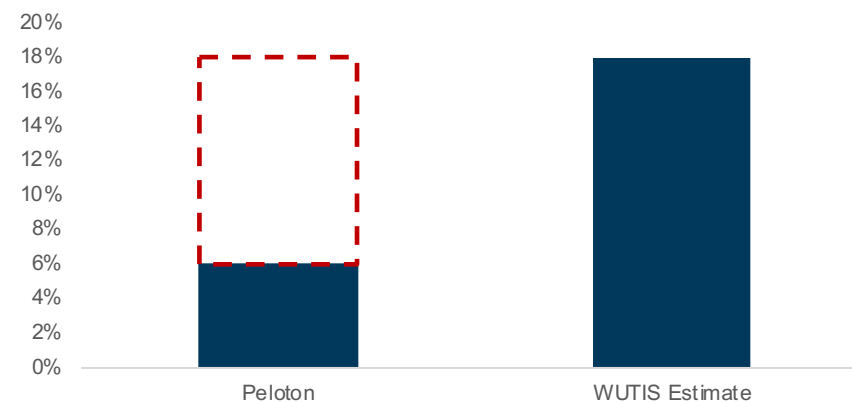
No profitability in sight due to terrible economics of scale

1 2 3 4 5 6 7

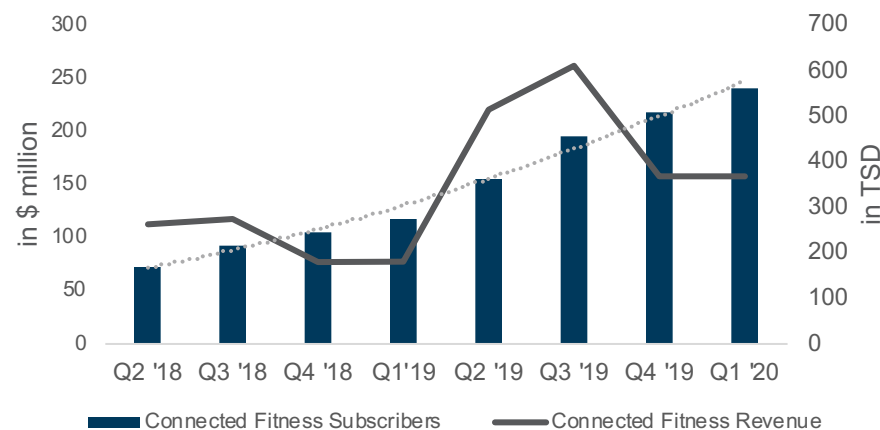
Strong seasonality, with little margin improvements despite growth



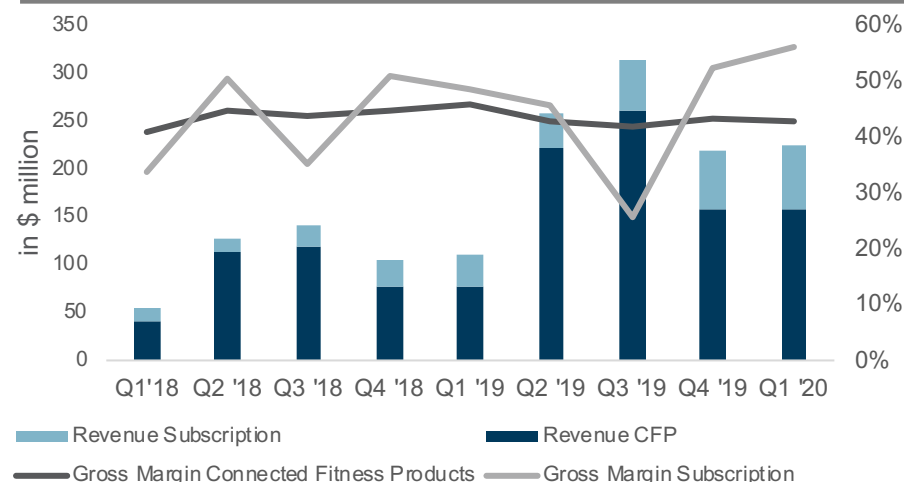
Real attrition rate* nearly 2x higher than stated by Peloton



Subscriber base grew consistently, while revenues lacked behind



Gross Margin development per segment

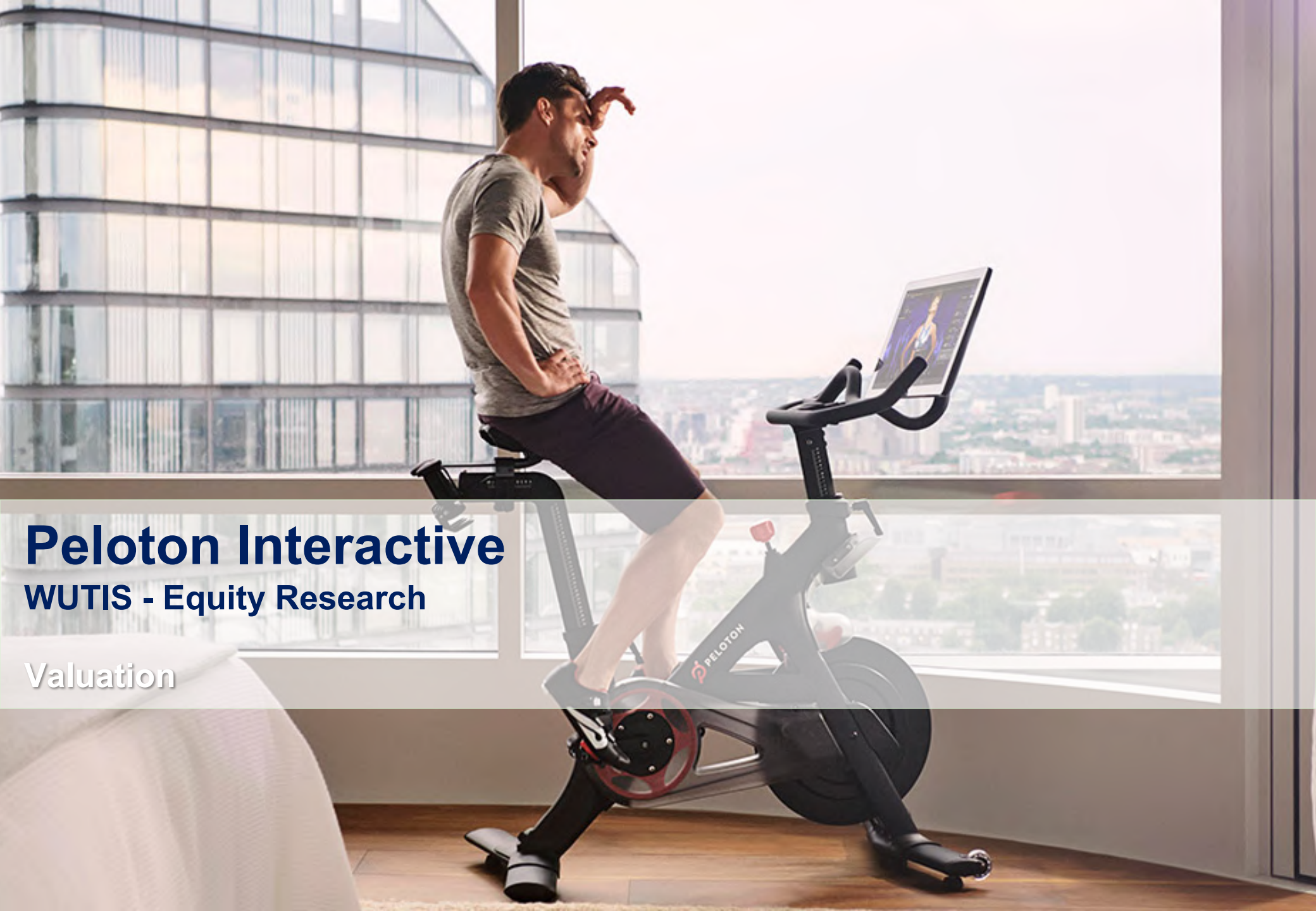


Source: Company data, team analysis

*approximated using 1-Year Lag on attrition data points and backwards calculation

- 21 - | Valid until 14/06/2019

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Peloton Interactive

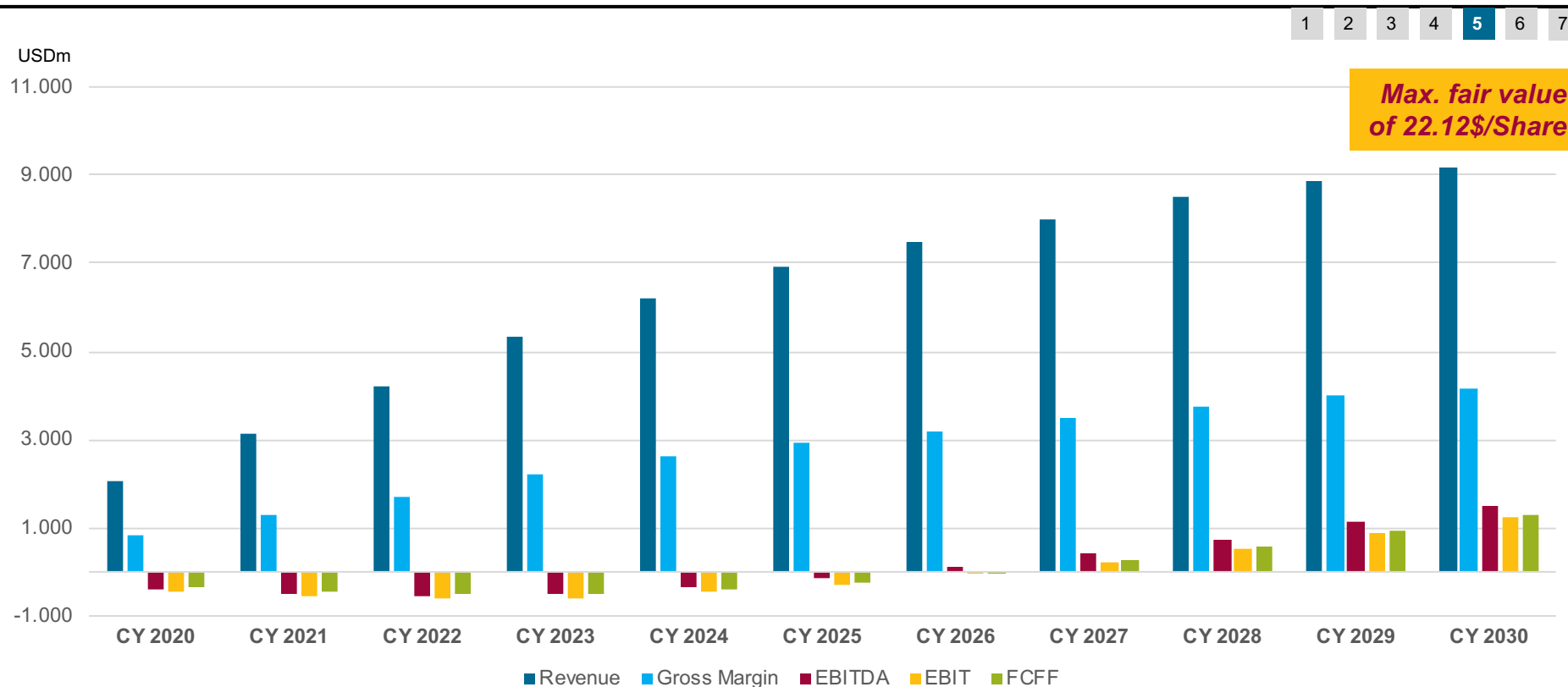
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Valuation

DCF Analysis

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Despite extremely optimistic assumptions, PTON is trading 50% above FV



Operating assumptions

- Revenue CAGR '20 – '30 : 16.2%
- LT Gross Margins of 45.5% (see appendix for more info)
- LT EBITDA Margins of 16.5% (see appendix for more info)
- LT CapEx/Revenue of 3.0%

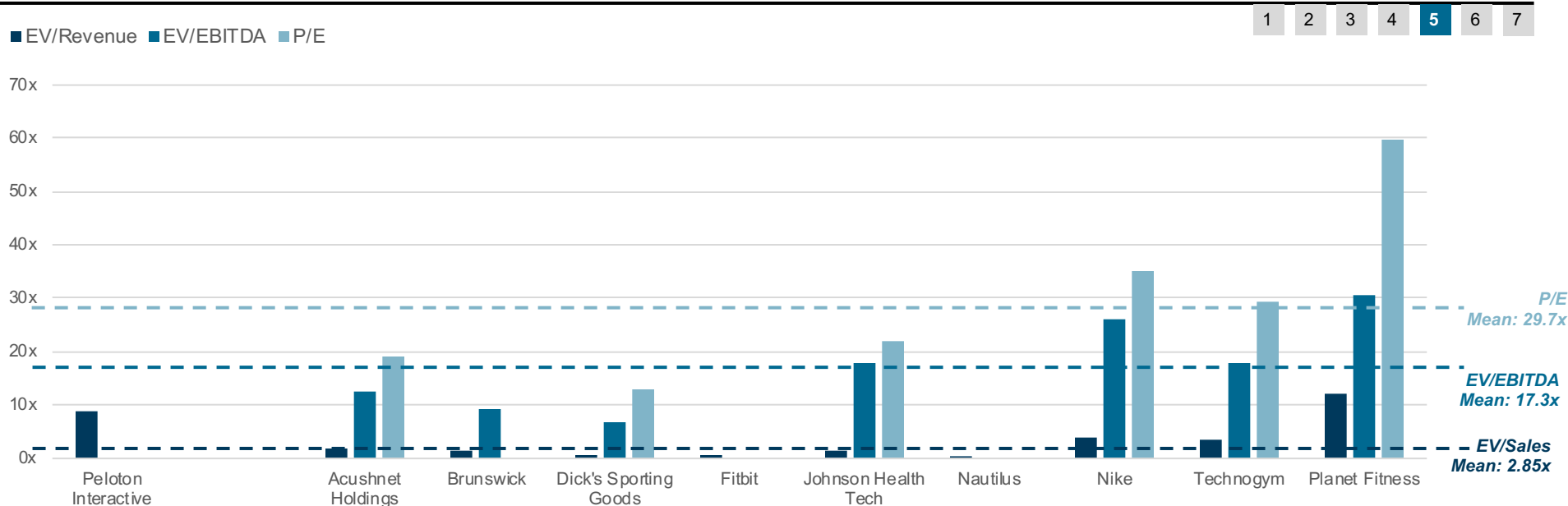
Key inputs

- Peloton will capture 40% of the market in the US, 20% each in Germany, UK, France in the connected fitness and digital fitness market by 2020
- 2030 revenues: 9.2 \$bn
- WACC: 7.5%
- Terminal Growth Rate: 1.50%

Comparable Company Analysis

W U T I S

Quoted company valuation multiples reveal an extraordinarily high valuation



Company Name	Identifier	Country	Business Description	Comparability	EV	Net Debt	Market Cap	EV/Revenue			EV/EBITDA			P/E		
								LTM	FY1	FY2	LTM	FY1	FY2	LTM	FY1	FY2
Peloton Interactive Inc	PTON.O	US	Connected Fitness		8 301	563	7 988,12	9x	5,5x	3,8x	N/A	-49,6x	-56,8x	N/A	N/A	N/A
Acushnet	GOLF.K	US	Gym Equipment	**	2 377	335	2 158	1,6x	1,6x	1,6x	12,6x	11,7x	11,2x	19,1x	19,6x	18,6x
Brunswick	BC	US	Gym Equipment	**	5 898	925	5 134	1,3x	1,4x	1,3x	9,1x	8,9x	8x	N/A	14,7x	12,0x
Dick's Sporting Goods	DKS	US	Gym Equipment	*	4 703	-53	4 071	0,5x	0,5x	0,5x	6,8x	6,7x	6,6x	12,8x	12,9x	12,1x
Fitbit	FIT	US	Connected Fitness	***	1 120	-630	1 575	0,8x	0,8x	0,8x	N/A	-17,6x	-27,2x	N/A	N/A	N/A
Johnson Health Tech	1736.TW	TWN	Gym Equipment	**	964	122	744	1,3x	1,2x	1,1x	18,2x	15,5x	10,9x	21,9x	18,9x	13,5x
Nautilus	NLS	US	Gym Equipment	**	108	-27	95	0,3x	0,3x	0,4x	N/A	-5,1x	-200,3x	N/A	N/A	N/A
Nike	NKE	US	Connected Fitness	****	142 143	-1 060	141 901	3,8x	3,7x	3,4x	26,2x	25,3x	21,9x	35,1x	33,5x	2x
Technogym	TGYM.MI	IT	Gym Equipment	**	2 411	36	2 358	3,6x	3,5x	3,3x	17,7x	16,4x	14,9x	29,2x	27,3x	25,4x
Planet Fitness	PLNT.K	US	Gym	*	7 391	762	6 534	12,1x	12x	10,5x	30,6x	29,6x	25,1x	59,9x	51,1x	42,1x
Peer Mean					18 471	33	18 188	2,85x	2,8x	2,5x	17,3x	10,6x	-14,3x	29,7x	25,5x	21,8x
Peer Median					2 514	36	2 358	1,32x	1,4x	1,3x	17,7x	11,7x	10,9x	25,5x	19,8x	18,6x

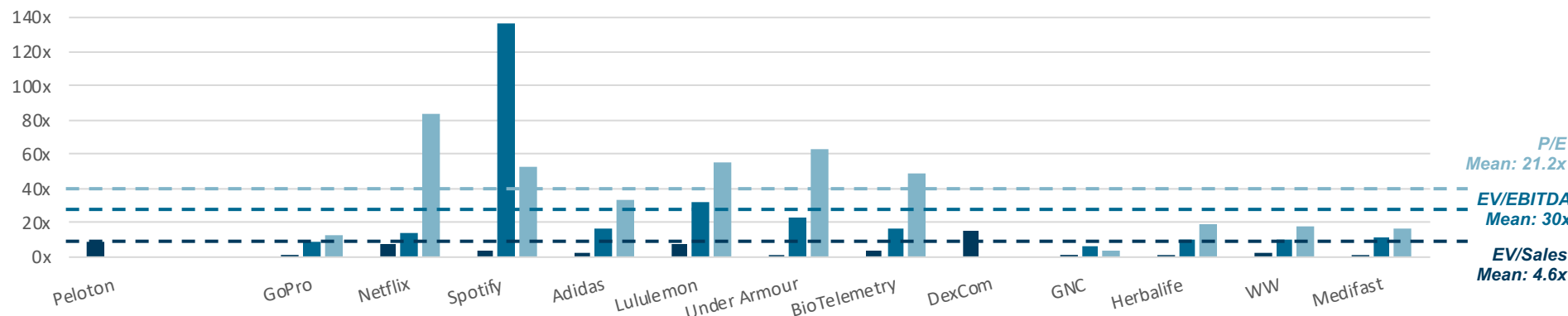
Comparable Company Analysis

W U T I S

Peloton beating tech companies in the “absurd valuation” discipline

■ EV/Revenue ■ EV/EBITDA ■ P/E

1 2 3 4 5 6 7

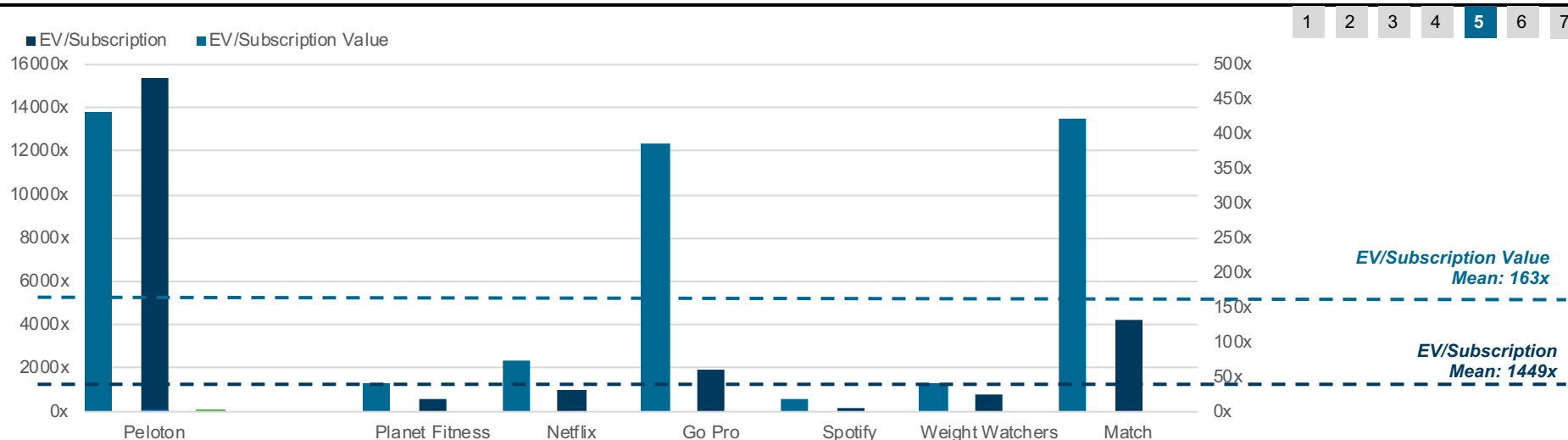


Company Name	Identifier	Country	Business Description	Comparability	EV	Net Debt	Market Cap	EV/Revenue			EV/EBITDA			P/E		
								LTM	FY1	FY2	LTM	FY1	FY2	LTM	FY1	FY2
Peloton Interactive	PTON.O	US	Connected Fitness		8 301	563	7 988,1	9,0x	5,5x	3,8x	N/A	-49,6x	-56,8x	N/A	N/A	N/A
GoPro	GPRO.O	US	App/Streaming	**	691,4	-51,0	630,4	0,7x	0,6x	0,6x	8,5x	8,5x	7,2x	12,8x	12,8x	10,0x
Netflix	NFLX.OQ	US	App/Streaming	*	147 441,0	8 689,4	138 601,8	8,1x	6,7x	5,6x	13,6x	36,1x	26,9x	84,3x	58,2x	41,6x
Spotify Technology	SPOT.K	LUX	App/Streaming	*	23 158,1	-1 806,0	24 057,1	3,6x	3,4x	2,7x	137,0x	540,6x	311,7x	52,1x	N/A	N/A
Peer Mean					57 096,8	1 024,5	25 089,7	5,2x	4,5x	3,8x	39,0x	75,4x	40,7x	46,8x	32,5x	26,6x
Peer Median					23 158,1	36,4	7 261,4	3,6x	3,5x	3,0x	17,7x	14,1x	12,9x	40,9x	26,4x	23,6x
Adidas	ADSGn.DE	DEU	Apparel	**	59 462,7	-1 205,0	59 357,4	2,6x	2,5x	2,3x	16,7x	16,5x	15,2x	33,8x	30,8x	27,4x
Lululemon Athletica	LULU.O	CA	Apparel	*	27 767,6	-769,4	28 299,5	8,2x	7,8x	6,8x	32,1x	29,9x	25,7x	55,4x	49,3x	41,8x
Under Armour	UAA	US	Apparel	*	8 260,1	149,5	8 101,0	1,7x	1,6x	1,6x	23,5x	21,6x	18,3x	63,2x	61,9x	44,2x
Peer Mean					31 830,1	758,5	36 424,8	4,2x	3,8x	3,3x	39,9x	92,8x	57,3x	53,8x	38,8x	30,7x
Peer Median					27 767,6	-7,3	24 573,4	3,6x	3,4x	2,9x	23,5x	25,8x	22,0x	52,1x	32,5x	27,4x
BioTelemetry	BEAT.O	US	Nutrition/Health & Wellness	**	1 715,2	104,1	1 592,8	4,4x	4,4x	3,9x	17,2x	15,9x	13,8x	48,6x	26,9x	24,6x
DexCom	DXCM.O	US	Nutrition/Health & Wellness	*	19 179,7	-320,9	19 513,3	15,6x	14,6x	12,0x	N/A	98,6x	69,8x	N/A	165,2x	125,3x
GNC Holdings	GNC	US	Nutrition/Health & Wellness	*	1 115,0	1 032,3	165,0	0,6x	0,6x	0,6x	6,4x	6,2x	6,5x	3,9x	7,2x	3,5x
Herbalife Nutrition	HLF	CYM	Nutrition/Health & Wellness	*	6 310,1	1 094,2	5 322,3	1,4x	1,4x	1,4x	9,9x	9,5x	8,6x	18,8x	14,7x	13,0x
VW International	VWV.O	US	Nutrition/Health & Wellness	*	3 311,2	1 323,6	2 033,1	2,6x	2,6x	2,5x	10,3x	10,7x	9,6x	17,7x	19,1x	16,4x
Medifast	MED	US	Nutrition/Health & Wellness	*	988,0	-88,1	1 075,9	1,6x	1,5x	1,4x	11,3x	11,3x	9,9x	16,8x	17,4x	15,2x
Peer Mean					5 436,6	524,2	4 950,4	4,4x	4,2x	3,6x	11,0x	25,4x	19,7x	21,2x	41,8x	33,0x
Peer Median					2 513,2	568,2	1 813,0	2,1x	2,1x	1,9x	10,3x	11,0x	9,8x	17,7x	18,3x	15,8x

Subscriber Value Analysis

W U T I S

Pelotons subscribers 3x more “valuable” compared to peer average



Company Name	Market Cap \$	EV \$	Revenue \$	Subscriptions	Subscription Value	Subscription Cost	EV/Subscription	EV/Subscription Value
Peloton	8 840 000 000	9 400 000 000	915 000 000	613 000	21 761 500	36	15334x	432x
Planet Fitness	7 250 000 000	8 130 000 000	572 900 000	14 100 000	219 960 000	16	576x	37x
Netflix	150 390 000 000	160 130 000 000	20 160 000 000	167 100 000	2 172 300 000	13	958x	74x
Go Pro	647 940 000	589 420 000	1 150 000 000	305 000	1 525 000	5	1932x	387x
Spotify	26 010 000 000	21 820 000 000	5 260 000 000	113 000 000	1 130 000 000	10	193x	19x
Weight Watchers	2 190 000 000	3 700 000 000	1 510 000 000	4 500 000	89 775 000	20	822x	41x
Match	22 690 000 000	24 010 000 000	1 730 000 000	5 700 000	56 943 000	10	4212x	422x
Median							890x	57x
Mean							1449x	163x

Implied Valuations

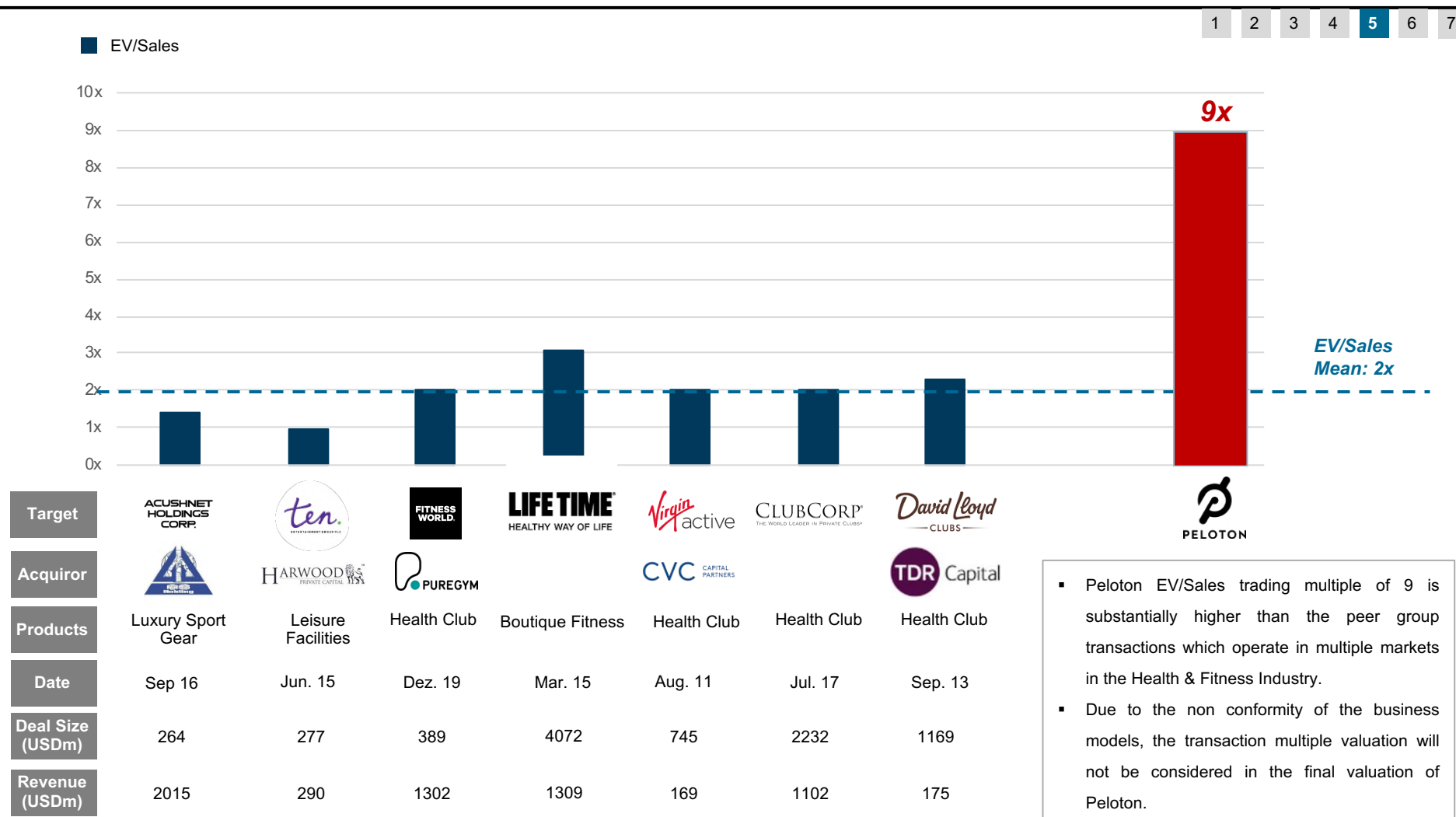
	Value	Weight
EV/Subscription	3,9	50%
EV/Subscription Value	6,5	50%
Shares Outstanding	280 526 500	

Share Price 5.2

Comparable Transactions

W U T I S

Currently valued at 4,5x times the historic transaction pricing mean





Peloton Interactive

WUTIS - Equity Research

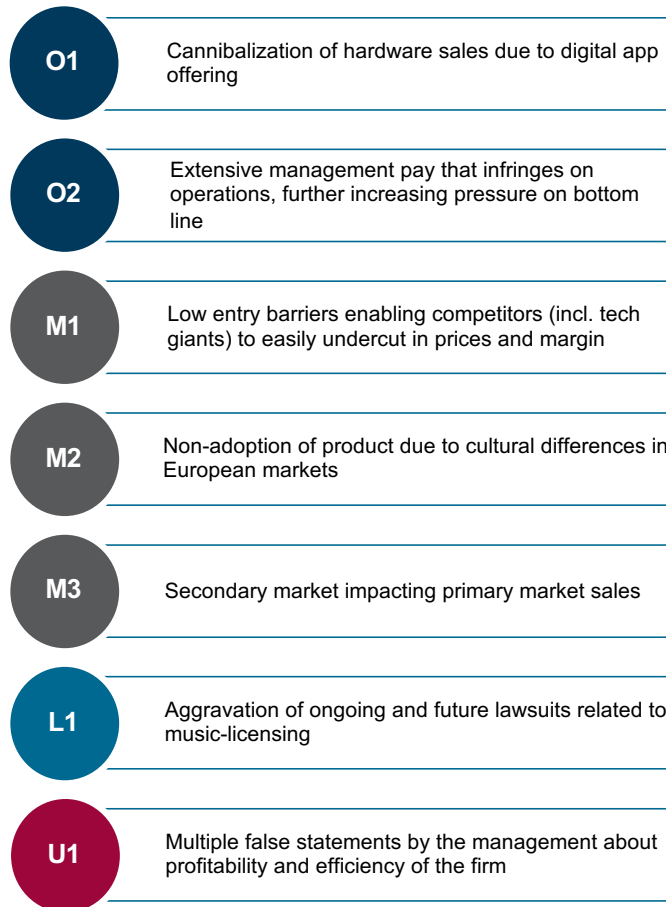
Risk Analysis

Company Specific Risks

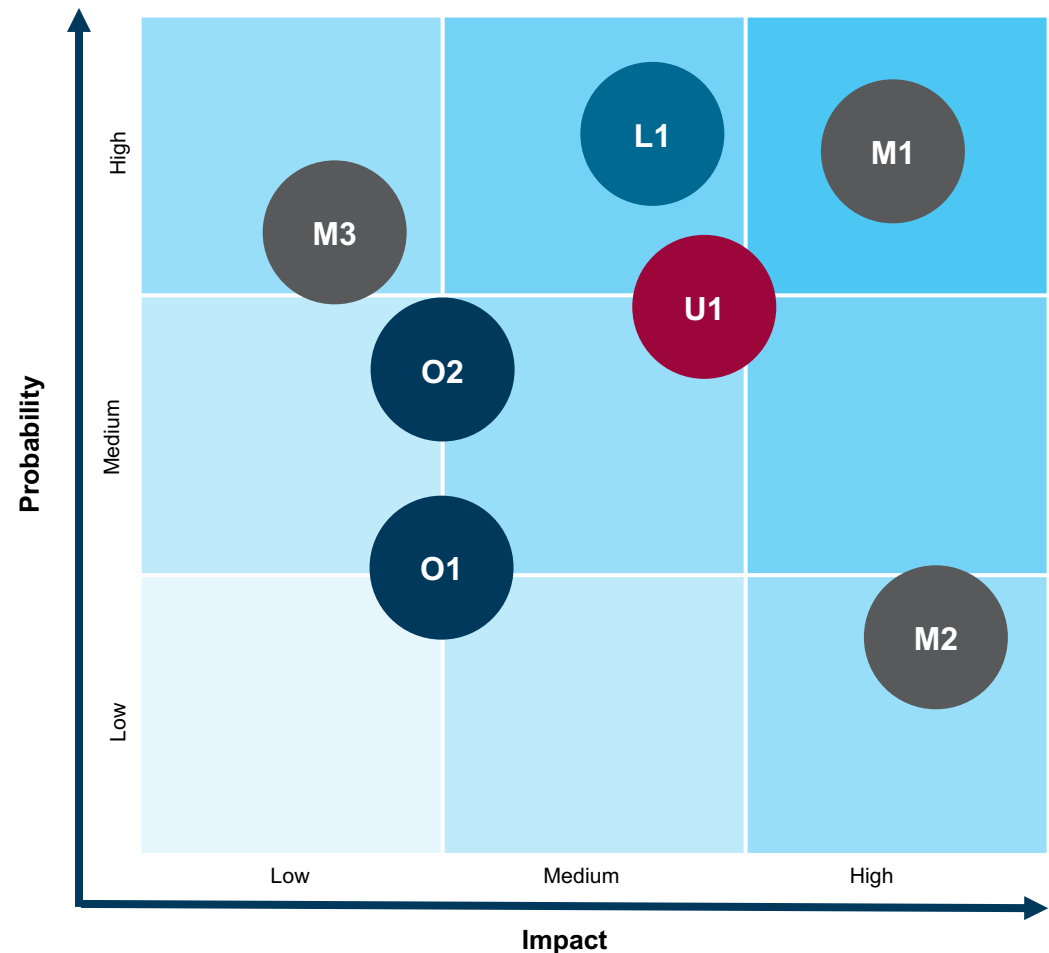
W U T I S

Risks are plentifully supplied by both market and management

1 2 3 4 5 6 7



Operations (O) – Market (M) – Legislation (L) – Uncategorized (U)



Management – A key risk

High compensation, false claims & “pub talks”

W U T I S

1 2 3 4 5 6 7

Peloton is dominating... executive comp among self proclaimed startups



- CEO John Foley was paid a compensation of 21.4\$m.
- Foley's wife is also VP and earns 200k base and class B stock options



- William Lynch was paid a hefty \$20.1 million, 3x his 2018 pay
- Peloton pays \$50k in travel expenses because Lynch refuses to relocate to NY
- Peloton also temporarily covered his \$4.4 million tax bill, by loaning him the money



- CFO Jill Woodworth gets paid a total of \$10 million
- Has 24 years experience in IB and was – notably - involved in 26 IPOs

Peloton executive compensation among highest in the US

Ticker	Company	CEO	CEO Pay
CVS	CVS Health Corporation	Larry Merlo	\$21,939,098
IP	International Paper Company	Mark Sutton	\$21,911,137
GM	General Motors Company	Mary Barra	\$21,870,450
LMT	Lockhead Martin Corporation	Marillyn Hewson	\$21,516,613
EL	The Estee Lauder Companies, Inc.	Fabrizio Freda	\$21,435,428
HCA	HCA HealthCare, Inc.	R. Johnson	\$21,419,906
PTON	Peloton Interactive	John Foley	\$21,400,000
NEE	NextEra Energy, Inc.	James Robo	\$21,358,742
CSCO	Cisco Systems, Inc.	Charles Robbins	\$21,284,339
ABBV	AbbVie Inc.	Richard Gonzales	\$21,271,869

John Foleys history of exuberating claims

Statements

“Fitness sector is not impacted by recession”

“We left something on the table”

Foolish pub talk

“No real competition”

Facts

In a CNBC interview Foley claims that the market for his product will not be impacted by a recession. Market data suggests – very much - otherwise.

Foley mentions their “fair IPO price” and how they could have easily aimed for more. Shares drop 14% on first day of trading.

Foley tells collaborator on a night out that the company might infringe on a patent. The collaborator later buys the patent and sues Peloton

Foley claims that there is no competition in their market.

„Weirdly profitable“ – The new community adjusted-EBITDA

- In 2015, Foley tells Bloomberg that Peloton is **profitable**
- In 2016, Foley tells Inc. that Peloton is **profitable**
- In 2018, Foley tells CNBC that Peloton is **weirdly profitable**
- In 2019, Foley tells CNBC that they **will be profitable** in 2023

Dishonesty or mere foolishness; Pelotons management might just be the single largest risk for the company going forward

Catalysts

Variety of non-mitigatable adverse events could cause share price to tumble

1 2 3 4 5 6 7

Catalyst	Type	Influenced factor	Estimated impact on share price
24 th of March 2020 – Insider shares become “effective”	Hard	Selloff	Strong – Institutional investors and management taking profit on their investments
5 th of February – Forecasts / Guidance miss	Hard	Loss of investors’ trust	Medium – If growth targets aren’t met and or losses are even higher then expected. A loss in investors interest is to be expected
Big player backing competition	Soft	Loss of market share / investors divesting	Strong – Big Tech backing competitor could completely offset Pelotons growth target and cause shift of equity investments / diversification
Increasing short interest	Soft	Share Price	Unclear – While little shares are up for borrowing at this point, future increases in short interest remain likely. Short squeeze likely.
Judicial decision on ongoing lawsuits	Soft	Quality of content	Strong – A loss of appropriate music in their workouts makes a large amount of content unusable. Peloton has only made technical provisions of 10\$m for a lawsuit of 300\$m, potentially affecting liquidity.
Future ads scandal	Soft	Sales volume, Loss of investors’ trust	Strong – once they loose the trust of customers, they will also loose their network effects. Acquisition of new customers becomes increasingly difficult.

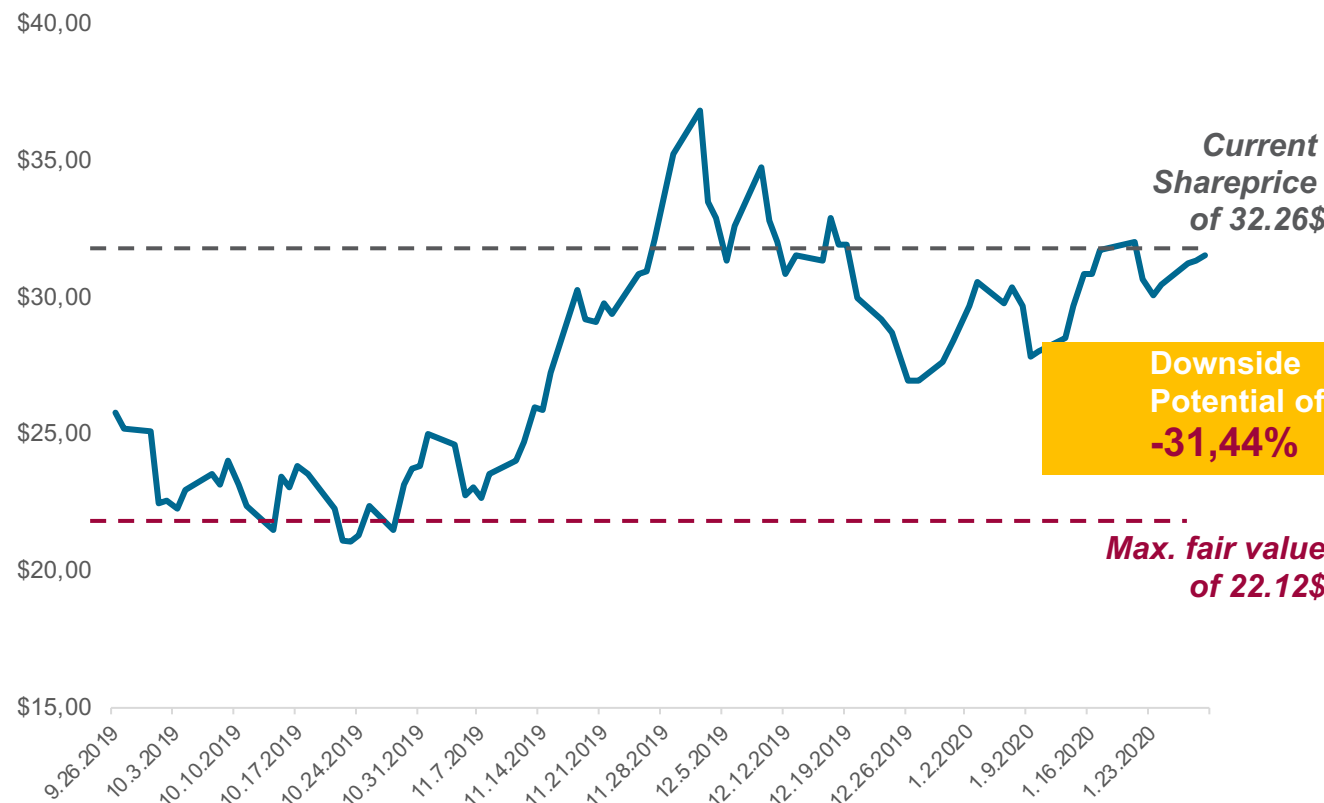
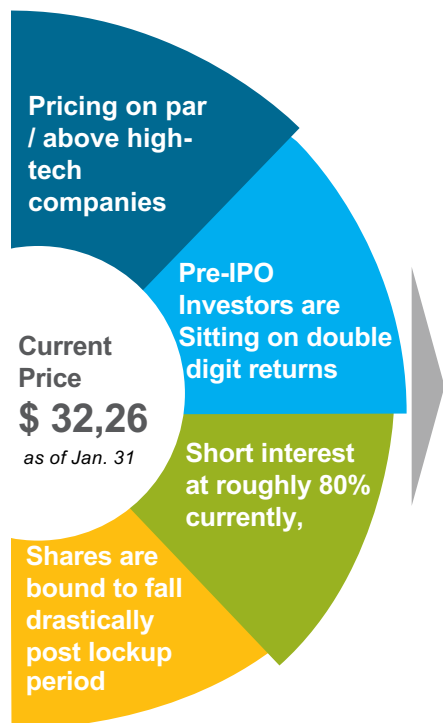
Conclusion – Strong Sell

W U T I S

Peloton is bound to go full GoPro

1 2 3 4 5 6 7

Pelotons share price performance





PELOTON

Peloton Interactive

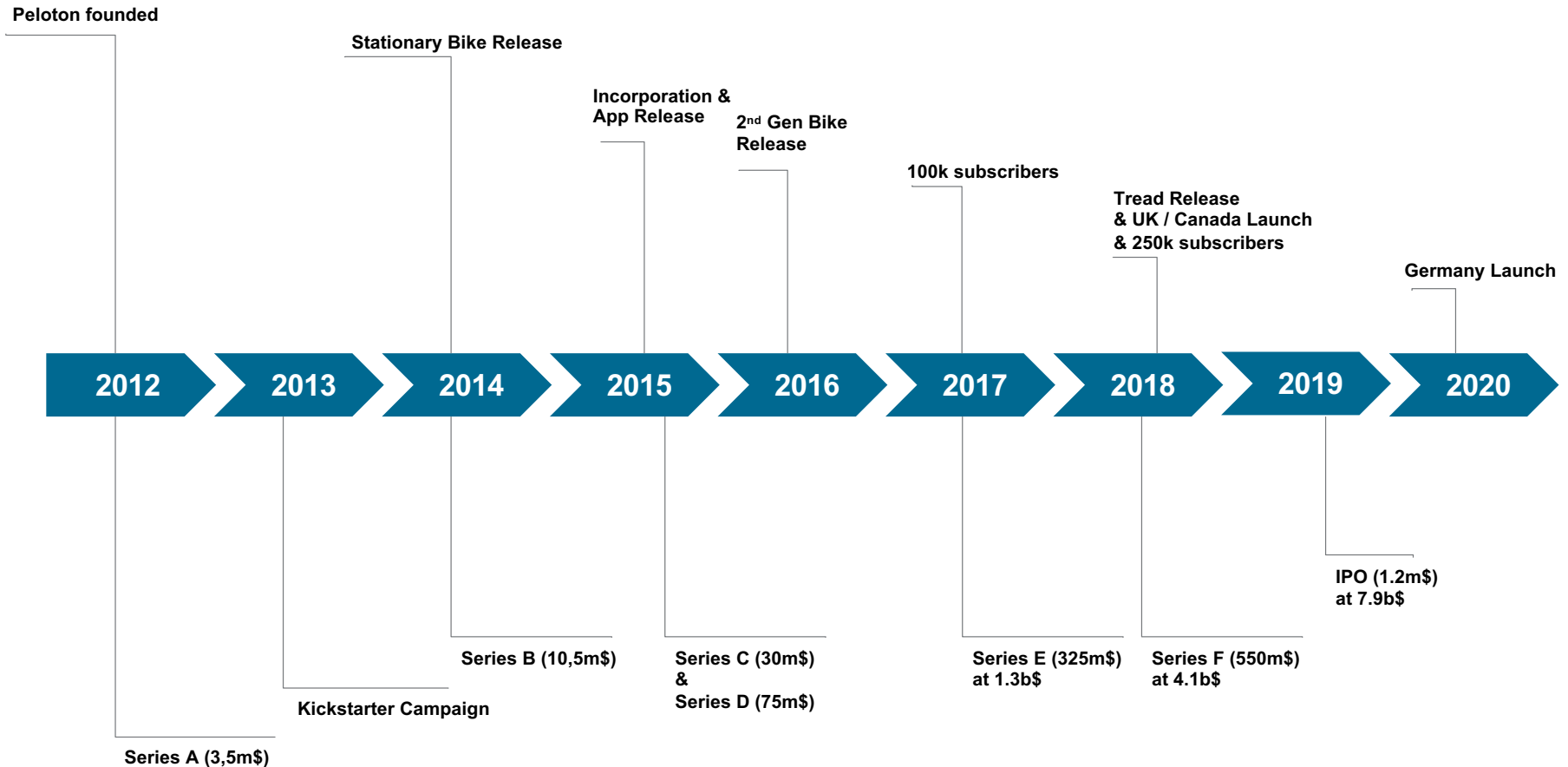
WUTIS - Equity Research

Appendix

Appendix A: Historical development

The ride to IPO

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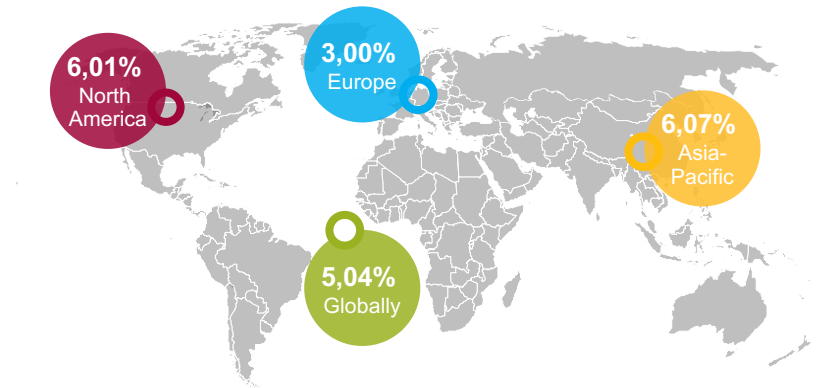
Appendix B: Market

W U T I S

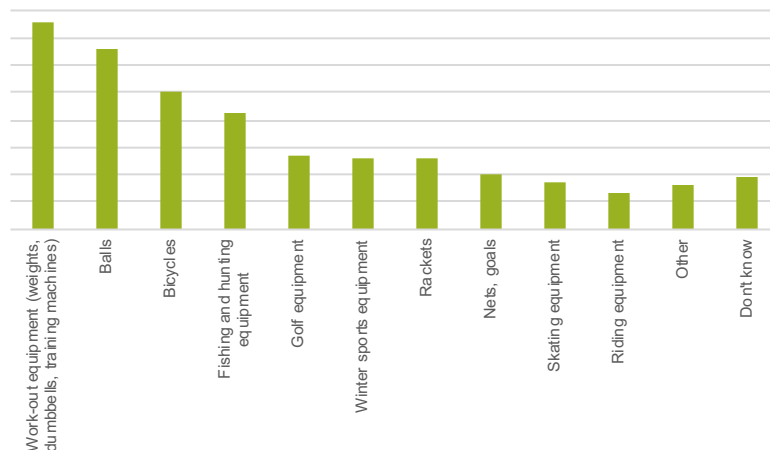
Segmentation, Substitutes share & Growth Drivers / Trends

1 2 3 4 5 6 7

Fitness equipment market global forecast by 2022



Fitness equipment market segments by type

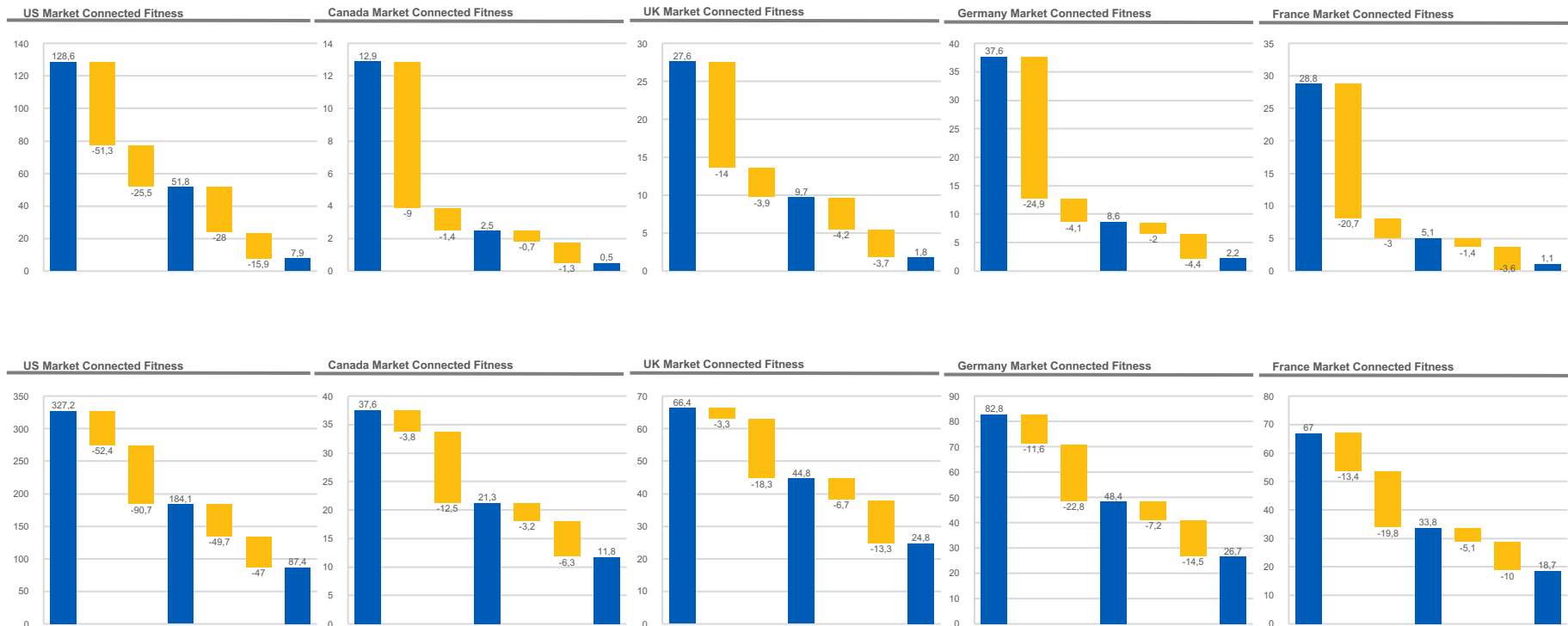


Market growth drivers & trend brakes

- Increase in health-consciousness**
 Between 2008 and 2018, membership has grown by 37.1%, while the total number of club-goers has increased by 34%.
- Growing popularity of boutique studios**
 Visits to boutique studios have grown by 121% over the past five years in the US alone.
- Workplace wellness on the rise**
 78% of employers are looking to invest in physical activity programs in the next three years.
- Rise in disposable income**
 The disposable income in the US is expected to grow 10% until 2023. High-priced boutique fitness stands to profit.
- Shrinking apartment size**
 The average American apartment is 5% smaller than it was 10 years ago.
- Increase in obese population across the world**
 By 2030, nearly half of American adults, 49.2%, will be obese.

Appendix C: Market

Market Overview – Selected Countries (SAM)



Appendix D: Valuation

DCF - Valuation Drivers – IS Forecast & Selected BS Ratios

1 2 3 4 5 6 7

Geographies	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
North America (US+Canada)	1.200	1900	2800	3500	4200	4700	5200	5600	6000	6400	6700	6950
YoY Growth		58,3%	47,4%	25,0%	20,0%	11,9%	10,6%	7,7%	7,1%	6,7%	4,7%	3,7%
UK	44	100	190	320	480	600	680	720	750	770	780	792
YoY Growth		127,3%	90,0%	68,4%	50,0%	25,0%	13,3%	5,9%	4,2%	2,7%	1,3%	1,5%
Germany		50	140	300	480	630	700	770	840	910	950	972
YoY Growth			180,0%	114,3%	60,0%	31,3%	11,1%	10,0%	9,1%	8,3%	4,4%	2,4%
France			20	80	180	280	340	380	410	440	460	472
YoY Growth				300,0%	125,0%	55,6%	21,4%	11,8%	7,9%	7,3%	4,5%	2,6%
Other												
Total Revenues	1244	2050	3150	4200	5340	6210	6920	7470	8000	8520	8890	9186
Segment	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Connected Fitness	957	1.472	2.098	2.580	3.004	3.172	3.176	3.041	2.843	2.586	2.238	1.837
as % of Total Revenue	77,0%	71,8%	66,6%	61,4%	56,3%	51,1%	45,9%	40,7%	35,5%	30,4%	25,2%	20,0%
Subscription	269	543	987	1.520	2.192	2.850	3.512	4.153	4.836	5.563	6.236	6889
as % of Total Revenue	21,6%	26,5%	31,3%	36,2%	41,0%	45,9%	50,7%	55,6%	60,4%	65,3%	70,1%	75,0%
Other	17	35	64	100	144	188	232	275	321	370	415	459
as % of Total Revenue	1,4%	1,7%	2,0%	2,4%	2,7%	3,0%	3,4%	3,7%	4,0%	4,3%	4,7%	5,0%
Segment COGS	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Connected_Fitness	-562	-858	-1.217	-1.488	-1.722	-1.808	-1.800	-1.713	-1.592	-1.440	-1.239	-1.010
as % of respective Revenue	-58,7%	-58,3%	-57,7%	-57,7%	-57,3%	-57,0%	-56,7%	-56,3%	-56,0%	-55,7%	-55,3%	-55,0%
Subscription	-162	-323	-584	-891	-1.275	-1.645	-2.011	-2.360	-2.726	-3.111	-3.458	-3.789
as % of respective Revenue	-60,0%	-59,6%	-59,1%	-58,6%	-57,7%	-57,3%	-56,8%	-56,4%	-55,9%	-55,5%	-55,0%	-55,0%
Other	-20	-38	-66	-95	-129	-156	-178	-194	-205	-213	-213	-207
as % of respective Revenue	-114,5%	-108,1%	-101,8%	-95,5%	-89,2%	-82,9%	-76,6%	-70,3%	-63,9%	-57,6%	-51,3%	-45,0%
Opex	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
R&D	-83	-134	-201	-262	-324	-368	-399	-419	-437	-452	-458	-459
as % of Revenue	-6,7%	-6,5%	-6,4%	-6,2%	-6,1%	-5,9%	-5,8%	-5,6%	-5,5%	-5,3%	-5,2%	-5,0%
Selling & Marketing	-432	-687	-1.020	-1.312	-1.606	-1.796	-1.922	-1.988	-2.037	-2.071	-2.058	-2.021
as % of Revenue	-34,7%	-33,5%	-32,4%	-31,2%	-30,1%	-28,9%	-27,8%	-26,6%	-25,5%	-24,3%	-23,2%	-22,0%
G&A	-282	-432	-614	-751	-869	-910	-903	-854	-786	-700	-588	-459
as % of Revenue	-22,7%	-21,1%	-19,5%	-17,9%	-16,3%	-14,7%	-13,0%	-11,4%	-9,8%	-8,2%	-6,6%	-5,0%
Other	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
D&A	-8	-17	-33	-54	-80	-106	-133	-160	-188	-219	-248	-276
as % of Revenue	-0,6%	-0,8%	-1,1%	-1,3%	-1,5%	-1,7%	-1,9%	-2,1%	-2,4%	-2,6%	-2,8%	-3,0%
Capex	-31	-52	-82	-111	-143	-169	-192	-211	-229	-248	-263	-276
as % of Revenue	-3%	-2,5%	-2,6%	-2,6%	-2,7%	-2,7%	-2,8%	-2,8%	-2,9%	-2,9%	-3,0%	-3,0%
Selected WC Ratios	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
DSO	8	9	10	11	12	12	13	14	15	16	17	18
DIH	94	89	83	78	73	67	62	56	51	46	40	35
Prepaid Expenses and Other Current Assets % Sales	4,9%	4,6%	4,4%	4,1%	3,8%	3,6%	3,3%	3,0%	2,8%	2,5%	2,3%	2,0%
DPO	57	57	58	58	58	58	59	59	59	59	60	60
Accrued Expenses % Sales	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%
Customer deposits and deferred revenue % Sales	13,7%	12,9%	12,1%	11,3%	10,5%	9,8%	9,0%	8,2%	7,4%	6,6%	5,8%	5,0%
Other current liabilities % Sales	1,1%	1,1%	1,1%	1,1%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%

Implies capture of 40% of connected fitness market US by 2030

Implies capture of 20% of connected fitness market US by 2030

Implies capture of 20% of connected fitness market US by 2030

Implies capture of 20% of connected fitness market US by 2030

Peleton moves towards Digital & adds Apparel/Other into the Mix

Gopro 78,9%; Technogym: 59,3%; Fitbit 69%; Nautilus 69%; Acushnet 48,4%

Spotify 74,7%, Netflix 61,7; ROKU 55,3%

Adidas 48,1%; Nike 57,3%; Lululemon 45%. Under Armour 54,9%

Netflix SG&A 25%

Netflix 17.7; Match 20.9; Spotify 27.9

Netflix 92.1; Spotify 27.6

Appendix E: Valuation

DCF - Income Statement

1 2 3 4 5 6 7

Revenue Segment Split													
Connected_Fitness	495	958	1.472	2.098	2.580	3.004	3.172	3.176	3.041	2.843	2.586	2.238	1.837
as % of Revenue	79,3%	77,0%	71,8%	66,6%	61,4%	56,3%	51,1%	45,9%	40,7%	35,5%	30,4%	25,2%	20,0%
Subscription	119	269	543	987	1.520	2.192	2.850	3.512	4.153	4.836	5.563	6.236	6.889
as % of Revenue	19,0%	21,6%	26,5%	31,3%	36,2%	41,0%	45,9%	50,7%	55,6%	60,4%	65,3%	70,1%	75,0%
Other	11	17	35	64	100	144	188	232	275	321	370	415	459
as % of Revenue	1,7%	1,4%	1,7%	2,0%	2,4%	2,7%	3,0%	3,4%	3,7%	4,0%	4,3%	4,7%	5,0%
Total Revenue	624	1.244	2.050	3.150	4.200	5.340	6.210	6.920	7.470	8.000	8.520	8.890	9.186
YoY Quarterly Growth rate / YoY FY Growth Rate		99,4%	64,8%	53,7%	33,3%	27,1%	16,3%	11,4%	7,9%	7,1%	6,5%	4,3%	3,3%
COGS Segment Split													
Connected_Fitness	-278	-562	-858	-1.217	-1.488	-1.722	-1.808	-1.800	-1.713	-1.592	-1.440	-1.239	-1.010
as % of respective Revenue	-56,1%	-58,7%	-58,3%	-58,0%	-57,7%	-57,3%	-57,0%	-56,7%	-56,3%	-56,0%	-55,7%	-55,3%	-55,0%
Subscription	-64	-162	-323	-584	-891	-1.275	-1.645	-2.011	-2.360	-2.726	-3.111	-3.458	-3.789
as % of respective Revenue	-54,3%	-60,0%	-59,6%	-59,1%	-58,6%	-58,2%	-57,7%	-57,3%	-56,8%	-56,4%	-55,9%	-55,5%	-55,0%
Other	-10	-20	-38	-66	-95	-129	-156	-178	-194	-205	-213	-213	-207
as % of respective Revenue	-92,4%	-114,5%	-108,1%	-101,8%	-95,5%	-89,2%	-82,9%	-76,6%	-70,3%	-63,9%	-57,6%	-51,3%	-45,0%
Total COGS	-352	-743	-1.220	-1.866	-2.475	-3.126	-3.609	-3.989	-4.267	-4.523	-4.764	-4.910	-5.006
as % of Revenue	-56,4%	-59,7%	-59,5%	-59,2%	-58,9%	-58,5%	-58,1%	-57,6%	-57,1%	-56,5%	-55,9%	-55,2%	-54,5%
Gross Margin	272	501	830	1.284	1.725	2.214	2.601	2.931	3.203	3.477	3.756	3.980	4.180
as % of Revenue	43,6%	40,3%	40,5%	40,8%	41,1%	41,5%	41,9%	42,4%	42,9%	43,5%	44,1%	44,8%	45,5%
OPEX													
R&D	-38	-83	-134	-201	-262	-324	-368	-399	-419	-437	-452	-458	-459
as % of Revenue	-6,0%	-6,7%	-6,5%	-6,4%	-6,2%	-6,1%	-5,9%	-5,8%	-5,6%	-5,5%	-5,3%	-5,2%	-5,0%
Selling & Marketing	-230	-432	-687	-1.020	-1.312	-1.606	-1.796	-1.922	-1.988	-2.037	-2.071	-2.058	-2.021
as % of Revenue	-36,8%	-34,7%	-33,5%	-32,4%	-31,2%	-30,1%	-28,9%	-27,8%	-26,6%	-25,5%	-24,3%	-23,2%	-22,0%
G&A	-143	-283	-432	-614	-751	-869	-910	-903	-854	-786	-700	-588	-459
as % of Revenue	-22,8%	-22,7%	-21,1%	-19,5%	-17,9%	-16,3%	-14,7%	-13,0%	-11,4%	-9,8%	-8,2%	-6,6%	-5,0%
OPEX Total	-410	-697	-1.254	-1.835	-2.324	-2.799	-3.074	-3.224	-3.262	-3.260	-3.223	-3.104	-2.939
as % of Revenue	-65,7%	-56,0%	-61,2%	-58,2%	-55,3%	-52,4%	-49,5%	-46,6%	-43,7%	-40,7%	-37,8%	-34,9%	-32,0%
EBITDA	-188	-407	-517	-545	-506	-367	-159	101	405	752	1.123	1.516	1.516
as % of Revenue	0,0%	-15,1%	-19,8%	-16,4%	-13,0%	-9,5%	-5,9%	-2,3%	1,4%	5,1%	8,8%	12,6%	16,5%
D&A	-8	-17	-33	-54	-80	-106	-133	-160	-188	-219	-248	-276	-276
as % of Revenue	0,0%	-0,6%	-0,8%	-1,1%	-1,3%	-1,5%	-1,7%	-1,9%	-2,1%	-2,4%	-2,6%	-2,8%	-3,0%
EBIT	-138	-196	-424	-551	-599	-585	-473	-293	-59	217	533	876	1.240
as % of Revenue	-22,1%	-15,8%	-20,7%	-17,5%	-14,3%	-11,0%	-7,6%	-4,2%	-0,8%	2,7%	6,3%	9,9%	13,5%
Non-Op.Inc/Exp. Total	2	16	41	63	84	107	124	138	149	160	170	178	184
as % of Revenue	0,3%	1,3%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%
EBT	-136	-180	-383	-488	-515	-478	-349	-154	91	377	703	1.054	1.424
as % of Revenue	-21,8%	-14,5%	-18,7%	-15,5%	-12,3%	-9,0%	-5,6%	-2,2%	1,2%	4,7%	8,3%	11,9%	15,5%

Appendix F: Valuation

W U T I S

DCF - Selected WC Items Forecast & NWC

1 2 3 4 5 6 7

Selected WC Items Forecast & NWC	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
Accounts receivable, net of allowances	27	49	84	122	169	212	254	293	334	377	416	453
Inventories	191	296	426	528	622	664	676	660	633	597	543	480
Prepaid expenses and other current assets	61	95	137	172	204	222	229	227	223	215	201	184
Current Assets	279	440	647	822	995	1.098	1.158	1.180	1.190	1.189	1.160	1.117
Accounts Payable	116	192	295	393	499	578	642	689	734	776	804	823
Accrued Expenses	149	246	378	504	641	745	830	896	960	1.022	1.067	1.102
Customer deposits and deferred revenue	171	265	382	476	563	606	620	610	590	561	515	459
Other current liabilities	13	22	33	44	56	65	71	77	82	86	89	92
Current Liabilities	450	725	1.088	1.417	1.758	1.993	2.163	2.272	2.366	2.446	2.475	2.476
Net Working Capital	-171	-284	-442	-595	-763	-895	-1.005	-1.092	-1.176	-1.257	-1.315	-1.360
Change in Net Working Capital	-116	-114	-157	-153	-169	-132	-110	-87	-84	-81	-58	-45
DSO	8	9	10	11	12	12	13	14	15	16	17	18
DIH	94	89	83	78	73	67	62	56	51	46	40	35
Prepaid Expenses and Other Current Assets % Sales	4,87%	4,61%	4,35%	4,09%	3,83%	3,57%	3,31%	3,04%	2,78%	2,52%	2,26%	2,00%
DPO	57	57	58	58	58	58	59	59	59	59	60	60
Accrued Expenses % Sales	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%
Customer deposits and deferred revenue % Sales	13,7%	12,9%	12,1%	11,3%	10,5%	9,8%	9,0%	8,2%	7,4%	6,6%	5,8%	5,0%
Other current liabilities % Sales	1,1%	1,1%	1,1%	1,1%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%

Appendix G: Valuation

W U T I S

DCF – FCFF Derivation & Bridge

1 2 3 4 5 6 7

EBIT	-138	-196	-424	-551	-599	-585	-473	-293	-59	217	533	876	1.240	
as % of Revenue	-22,1%	-15,8%	-20,7%	-17,5%	-14,3%	-11,0%	-7,6%	-4,2%	-0,8%	2,7%	6,3%	9,9%	13,5%	
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax Rate as % of EBIT	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
EBIAT	-138	-196	-424	-551	-599	-585	-473	-293	-59	217	533	876	1.240	
as % of Revenue	-15,8%	-20,7%	-17,5%	-14,3%	-11,0%	-7,6%	-4,2%	-0,8%	2,7%	6,3%	9,9%	13,5%		
(+) Depreciation & Amortization	8	17	33	54	80	106	133	160	188	219	248	276		
as % of Revenue	0,6%	0,8%	1,1%	1,3%	1,5%	1,7%	1,9%	2,1%	2,4%	2,6%	2,8%	3,0%		
DELTA NWC	116	114	157	153	169	132	110	87	84	81	58	45		
as % of Revenue	9,4%	5,5%	5,0%	3,6%	3,2%	2,1%	1,6%	1,2%	1,0%	1,0%	0,6%	0,5%		
(-) Capital Expenditures	-31	-52	-82	-111	-143	-169	-192	-211	-229	-248	-263	-276		
as % of Revenue	-2,5%	-2,5%	-2,6%	-2,6%	-2,7%	-2,7%	-2,8%	-2,8%	-2,9%	-2,9%	-3,0%	-3,0%		
FCFF (incl. CY 2019 Q4 Stub Period)	-29	-345	-442	-503	-480	-405	-241	-22	260	585	918	1.285		
as % of Revenue	-6,1%	-16,8%	-14,0%	-12,0%	-9,0%	-6,5%	-3,5%	-0,3%	3,2%	6,9%	10,3%	14,0%		
PV Of FCFF (incl. CY 2019 Q4 Stub Period)	-28	-315	-376	-397	-353	-277	-154	-13	143	300	438	570		
														Terminal Period: 16.490
Terminal growth rate	1,50%													
Weighted Average Cost of Capital	7,50%													
														Calculated using Damodaran's Cost of Capital Calculator; 6,03 ERP / BB / 1,1 Beta
(+) Sum of PV of FCF of 10Y FC	-463													
PV of TV	7.309													
Enterprise Value	6.846													
(+) Cash & Cash Equivalents	1.476													
(-) Relevant LT Debt incl. Lease obligations	-484													
(=) Implied Equity Value	7.838													
Value of Options outstanding	1.640													
														Calculated using 32,26\$ Shareprice / 40% Vol. / 280mill. Shares Outstanding / 8,4 avg. Maturity / 7,02 wav strike / 1,9% T-Bond / 64,275,962 Outstanding
Value of Common Stock Equity	6.199													
Shares outstanding (mil)	280													
Implied Share Price	\$22,12													
Current Share Price	\$32,26													
Downside Potential	-31,44%													

Appendix H: Valuation

W U T I S

DCF - Sensitivity Table

1 2 3 4 5 6 7

		Terminal Growth rate						
		1,2%	1,3%	1,4%	1,5%	1,6%	1,7%	1,8%
WACC	6,00%	\$ 34,57	\$ 35,42	\$ 36,30	\$ 37,23	\$ 38,20	\$ 39,21	\$ 40,27
	6,50%	\$ 29,04	\$ 29,70	\$ 30,38	\$ 31,10	\$ 31,84	\$ 32,62	\$ 33,43
	7,00%	\$ 24,53	\$ 25,05	\$ 25,60	\$ 26,16	\$ 26,75	\$ 27,36	\$ 27,99
	7,50%	\$ 20,80	\$ 21,23	\$ 21,66	\$ 22,12	\$ 22,59	\$ 23,07	\$ 23,57
	8,00%	\$ 17,68	\$ 18,03	\$ 18,39	\$ 18,75	\$ 19,13	\$ 19,53	\$ 19,93
	8,50%	\$ 15,04	\$ 15,33	\$ 15,62	\$ 15,92	\$ 16,24	\$ 16,56	\$ 16,89
	9,00%	\$ 12,78	\$ 13,02	\$ 13,27	\$ 13,52	\$ 13,78	\$ 14,05	\$ 14,32

Appendix I: News

List of news of Peloton Interactive

1 2 3 4 5 6 7

January 29th 2020: Peloton's Antitrust Countersuit dismissed

Peloton claimed that more than a dozen music publishers and their trade organization violated federal antitrust laws by shutting down licensing negotiations, however Peloton's antitrust claims failed because they didn't identify a relevant market.

January 28th 2020: Peloton partnering with Basquiat for Black History Month

The 13-piece Basquiat x Peloton capsule was created in collaboration with Artestar, a global licensing agency and creative consultancy that represents high-profile artists, photographers, designers and creatives. The prices range from \$48 for a T-Shirt to \$82 for leggings. The featured artwork includes Cassius Clay and The Crown and was selected to represent music, athleticism and excellence, Peloton said. Once the artwork was selected, Peloton's in-house apparel team designed the garments by creating mini capsules.

January 6th 2020: New FCC filing suggests Peloton is working on a new monitor

The listing classifies the product as a "console" and has a brand new model number "TTR01", which hasn't been seen before. This has sparked speculations about a new rowing machine or cheaper bikes and treadmills.

November 5th 2019: Peloton acquired Tonic Fitness Technology, Inc.

Peloton released its first set of public quarterly results after the company's IPO, in which it announced it had acquired one of its Taiwanese bike manufacturing partners for \$47.4 million. This will insure Peloton has greater control over its supply chain, which will reduce some of the risks associated with being at the mercy of its third-party manufacturing companies.

July 29th 2019: No more software updates for bikes using the first generation of its tablet screens

Peloton announced that it would no longer support software upgrades to First Generation Peloton tablets. According to an email sent out to members, Gen 1 devices will still get bug fixes and security patches. Peloton stated that the tablets can no longer support updates or new features without impacting performance. Instead, they are offering a discount to anyone with an active Peloton account who owns a Gen 1 bike.

19th March 2019: 15 music publishers sued Peloton for copyright infringement

The lawsuit, which seeks more than \$150 million in damages, was filed in the U.S. District Court in New York. Peloton allegedly used thousands of musical works in its videos without permission.

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