

# PELOTON

Dear Shareholders,

There is arguably no time of year more relevant to Peloton than the first week of January. This is when many people choose to join our community for the first time and many of our Members - past and present - renew their commitment as they resolve to make and sustain better daily choices throughout the year.

I congratulate those who can keep their promises to themselves day after day, month after month – many of whom are among Peloton’s most active Members. For the rest of us, Peloton is an indispensable partner in establishing and sustaining healthy habits. Peloton’s refined equipment is our resolutions made manifest; its intuitive software a powerful engine in support of positive choices; its instructors a daily source of inspiration, encouragement, and joy; and its community an endlessly renewable source of support and accountability. This magic formula uniquely positions Peloton to help millions of people realize their ambitions.

This first week of January also marks the end of my first year as CEO of Peloton. As I reflect on year one, I want to establish a new tradition: an annual New Year’s message to you, our shareholders. My goal is to move beyond the constraints of quarterly reporting to share a more candid perspective on the shifting wellness landscape, the evolution of our business, and my personal convictions about the year ahead.

In our [Q4 2025 shareholder letter](#), I mentioned the profound shift underway from a focus on lifespan to healthspan. This is, in fact, the defining opportunity of Peloton’s next era. Here are three of the reasons, and what we’re doing about them:

## **From cardio fitness alone to cardio *plus* strength**

It’s been 25 years since the American Heart Association first issued a Science Advisory on the benefits of adding resistance exercise to a cardio regimen. 2025 was the year when strength training really took off, undoubtedly accelerated by the rapidly expanding adoption of GLP-1 drugs. These medications must be coupled with sufficient cardio plus strength workouts to maintain heart health and muscle mass, which presents a new and growing Member acquisition opportunity that Peloton is uniquely poised to capture now and going forward. This emphasis on strength plus cardio is why we replaced our entire equipment lineup in October with the Cross Training Series and why we hired three new instructors to focus on making strength training even more accessible through modalities like yoga sculpt and pilates.

In 2026 and beyond, our embrace of cardio *plus* strength means prioritizing new residential fitness hardware and intuitive software that will increase our addressable market. It also means expanding our distribution footprint so more people can learn firsthand about what Peloton can do for them. But it also means recommitting to fitness experiences outside the home like commercial gyms. Commercial fitness equipment alone is now a multi-billion dollar market, providing plenty of runway for us to grow. Our new Commercial Business Unit, comprising both Precor and Peloton for Business, will offer a broader ecosystem of commercial-grade fitness offerings, including new connected fitness equipment from Peloton, starting with the Peloton Pro line we just launched. And Precor's presence in 60 countries provides a cost-effective way to bring Peloton to new countries.

### **The Wellness Boom**

People are taking control of their health and wellness like never before. At an estimated global market size of over \$7 trillion, the wellness market now far exceeds the pharmaceutical industry,<sup>1</sup> as it should, because many chronic diseases are preventable through adequate movement, proper nutrition, and care for one's mental well-being. 70% of global consumers are actively managing their health, 57% prioritize healthy aging more than they did five years ago, and more than half are willing to invest \$100 or more a month on nutrition, mental well-being, and self-care.<sup>2</sup> This is why we refounded Peloton in 2025 with the purpose of empowering millions of people to live fit, strong, long, and happy, and also why we launched key partnerships including those with the [Hospital for Special Surgery \(HSS\)](#) for injury prevention and recovery, [RESPIN](#) for women's health, and [Twin Health](#) for pioneering work in metabolic health. We are already seeing remarkable levels of engagement and results from these partnerships.

In 2026 and beyond, we will support our Members in their pursuit of wellness by investing in new domains across the wellness spectrum. We will build on our acquisition of [Breathwrk](#) to deliver a more robust platform, supporting guided breathing exercise to address Members' sleep, focus, blood pressure, heart rate variability, stress and anxiety with the same emphasis we have placed on cardio. We will explore how we can uniquely bridge the gap between exertion and nourishment. And we will embrace new partnerships that can greatly expand the number of people we touch around the world, beyond those with access to our equipment. Each of these represents a new vector for growth.

### **Data-driven personalization powered by AI**

We all recognize that AI is now the fastest-growing technology in history. But AI is only as good as the data that powers it, and we're observing fatigue in the way we track performance, from step counting, to sleep tracking, food logging, HR, HRV, HRR, RHR, and so on. For Peloton, AI is a powerful enabler in migrating us from counting and tracking what you did to personalizing and coaching you on what to do. This is the promise of Peloton IQ, which we made available to every one of our Members in Q2. With the wealth of data from our platform and the trust our Members place in Peloton to share their off-platform activities through third-party integrations, Peloton is uniquely capable of embracing AI to deliver superior outcomes.

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<sup>1</sup> *Global Wellness Institute's Global Wellness Economy Monitor 2025*

<sup>2</sup> *NielsenIQ 2025 Global State of Health & Wellness Report*

In 2026, we'll continue to evolve and improve Peloton IQ to encompass a more complete array of fitness and wellness domains. We will incorporate even more third-party data sources. And as we get to know our Members better, we will provide ever more personalized and complete fitness and wellness guidance, augmenting the impact of our unmatched human instructors and further improving our already enviable churn rates.

### **Meeting the Moment: Our Path to Growth**

As you can see, Peloton is at the epicenter of a defining shift in health and wellness. And herein lies the answer to the question that I am asked by investors more than any other: Can Peloton return to growth? In a word, yes. But it's important to understand that the growth will be different from what the world saw during the pandemic, when we were the beneficiaries of growth in the single modality of at-home cycling.

Peloton's future growth will come from embracing the new emphasis on healthspan, which both improves Member experiences and outcomes, and also results in a more sustainable and diversified business over time. This transition will be fueled by our strong brand loyalty rooted in the deep, personal connections between Members and their favorite instructors, one of our biggest competitive advantages.

One year ago, I joined Peloton for the same reason as so many of my talented colleagues: because I believed in its ability to positively and uniquely impact millions of people's lives. That belief has evolved into a roadmap. We are doing the hard work of clearing the path, and soon we will be ready to run.

I look forward to sharing more milestones with you as we achieve them and wish you a happy and healthy 2026.

Peter Stern  
Chief Executive Officer & President, Peloton Interactive, Inc.