

Investor & Analyst Session

September 15, 2020



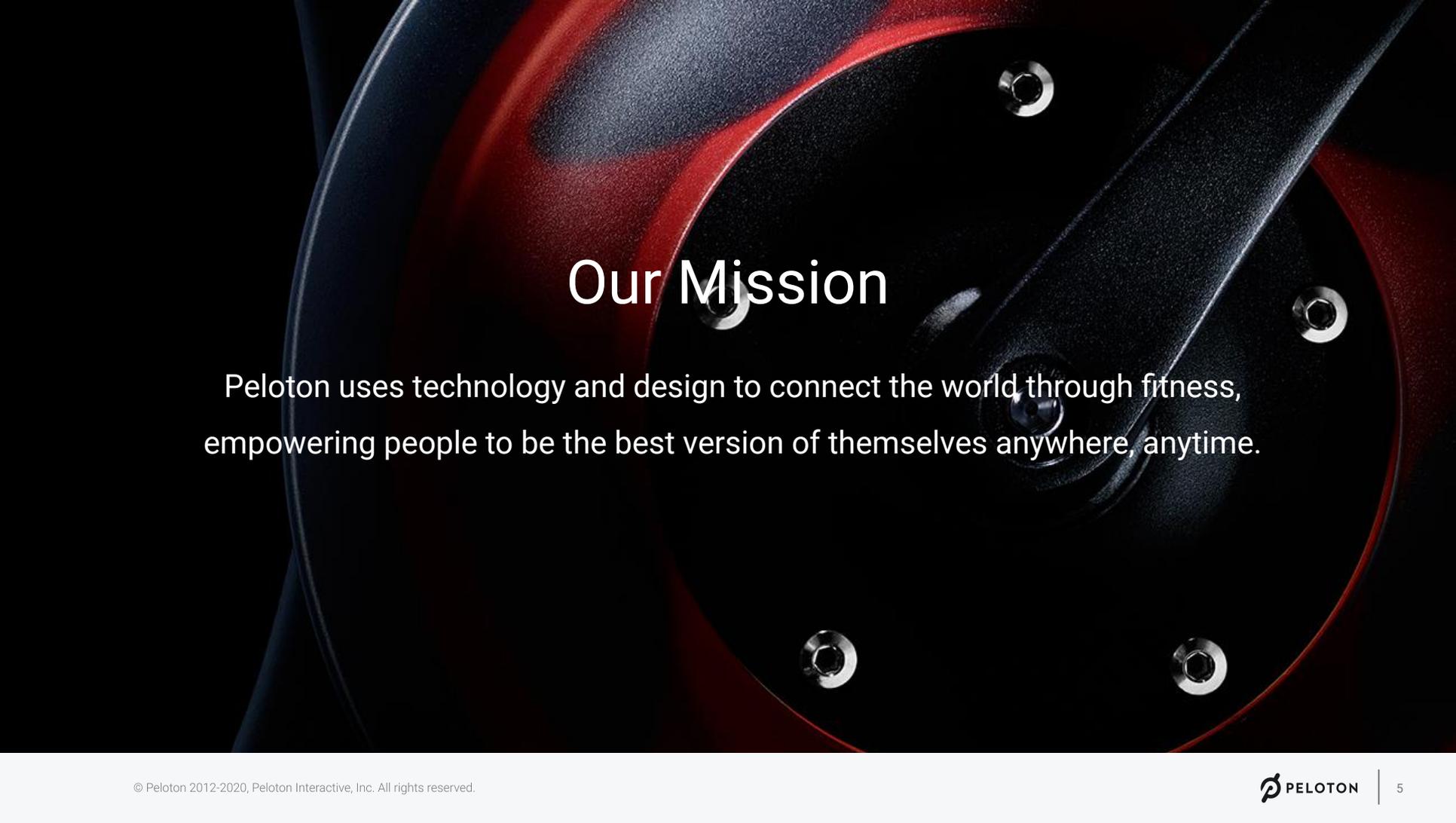
Safe Harbor Statement

This presentation includes forward-looking statements, which are statements other than statements of historical facts and statements in the future tense. These statements include, but are not limited to, statements regarding our future performance and our market opportunity, including expected financial results for the first quarter of fiscal year 2021 and full fiscal year 2021, the potential impact of COVID-19 on the fitness and wellness industry in general as well as our business, our business strategy and plans, and our objectives and future operations. Forward-looking statements are based upon various estimates and assumptions, as well as information known to us as of the date hereof, and are subject to risk and uncertainties. Accordingly, actual results could differ materially due to a variety of factors, including: our ability to attract and retain our Connected Fitness and Digital subscription base; our limited operating history; our ability to anticipate and satisfy consumer preferences; the effects of the highly competitive market in which we operate; market acceptance of our Connected Fitness Products, including our newly introduced products Bike+ and Peloton Tread; our ability to successfully develop and timely introduce new products and services; our ability to accurately forecast consumer demand and adequately manage our inventory; our ability to maintain the value and reputation of the Peloton brand; a decrease in sales of our Bike; the continued growth of the connected fitness market; the loss of any one of our third-party suppliers, manufacturers, or logistics partners; our ability to achieve the objectives of strategic and operational initiatives; litigation and related costs; the impact of privacy and data security laws; and other general market, political, economic, and business conditions. Additional risks and uncertainties that could affect our financial results are included under the caption “Risk Factors” in our Annual Report on Form 10-K form filed with the Securities and Exchange Commission (SEC) for the fiscal year ended June 30, 2020, which is available on our the Investor Relations page of our website at <https://investor.onepeloton.com/investor> relations and on the SEC website at www.sec.gov.

Agenda

- Welcome: John Foley (Co-Founder, CEO)
- New Products: Tom Cortese (COO)
- Engagement Levers: William Lynch (President)
- Supply Chain: William Lynch (President)
- Key Metrics Update: Jill Woodworth (CFO)
- Q/A Session

Welcome



Our Mission

Peloton uses technology and design to connect the world through fitness, empowering people to be the best version of themselves anywhere, anytime.

Unique Vertically Integrated Business

ENTIRE TECH STACK

Award-winning Bike portfolio
Award-winning Tread portfolio

Client-side software: Custom Android/
Gamified application software

30 hours of live television
quality video streamed daily

103 retail stores in
high-traffic locations*

Growing global operation of Peloton
Mercedes Sprinter delivery vans

Hardware

Software

Media

Retail

Logistics

Massive integrated touch-screens;
custom integrated speakers

Python Cloud Services handling
5K real-time requests per second

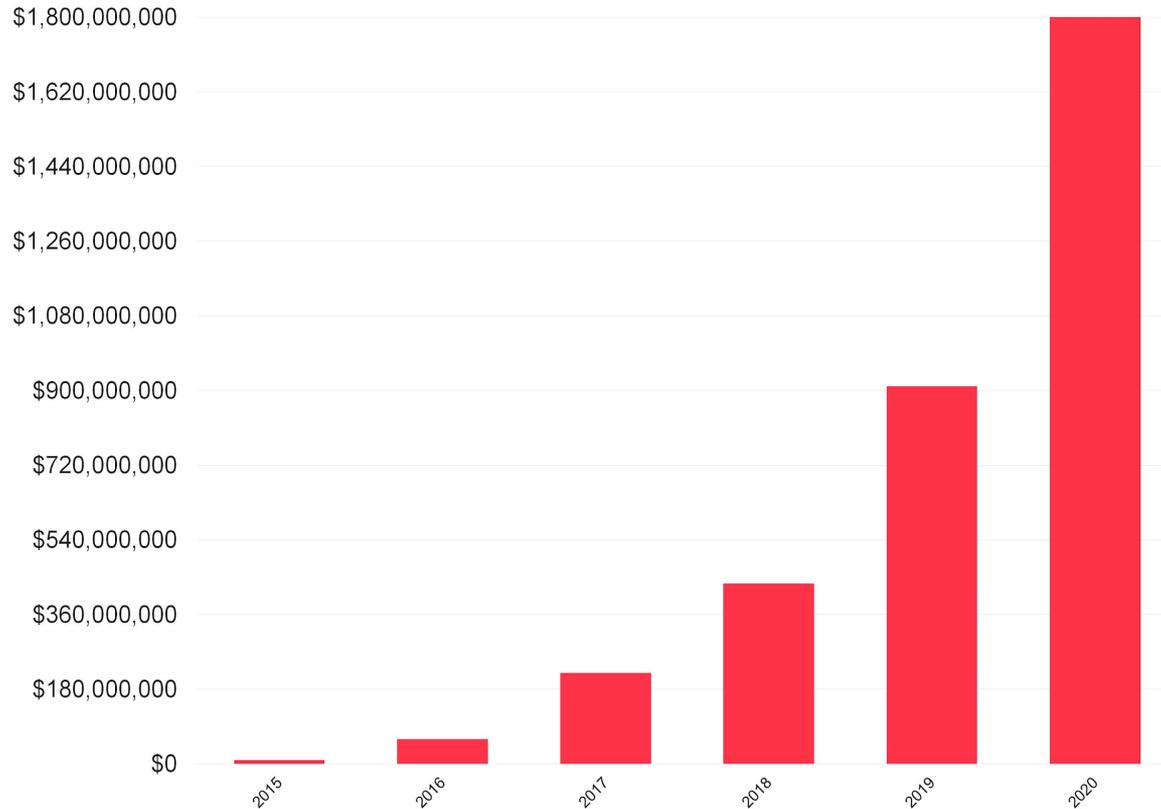
Thousands of on-demand classes
accessible from the cloud

Robust **inside sales** team/operation
complementing **ecommerce** website

Peloton employees extending brand
via **best-in-class** in-home deliveries

*As of 9-10-20

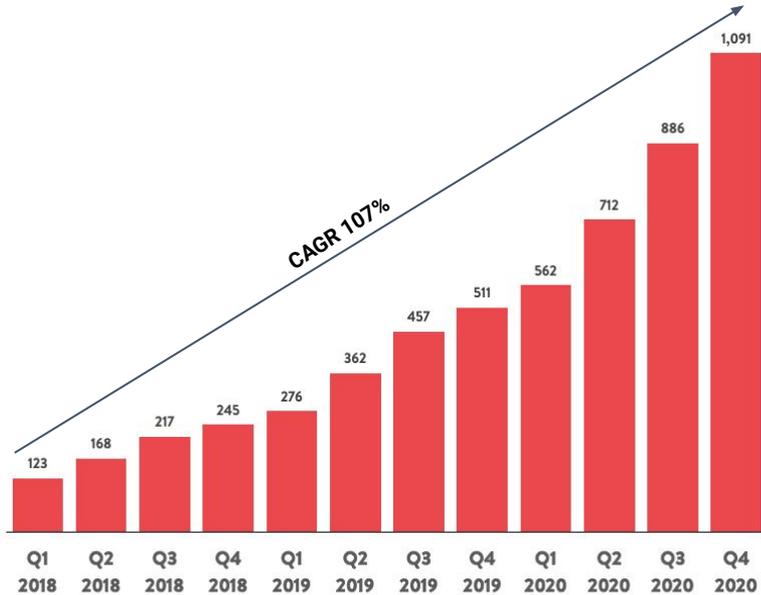
100% Annual Revenue Growth, 6 Years Running



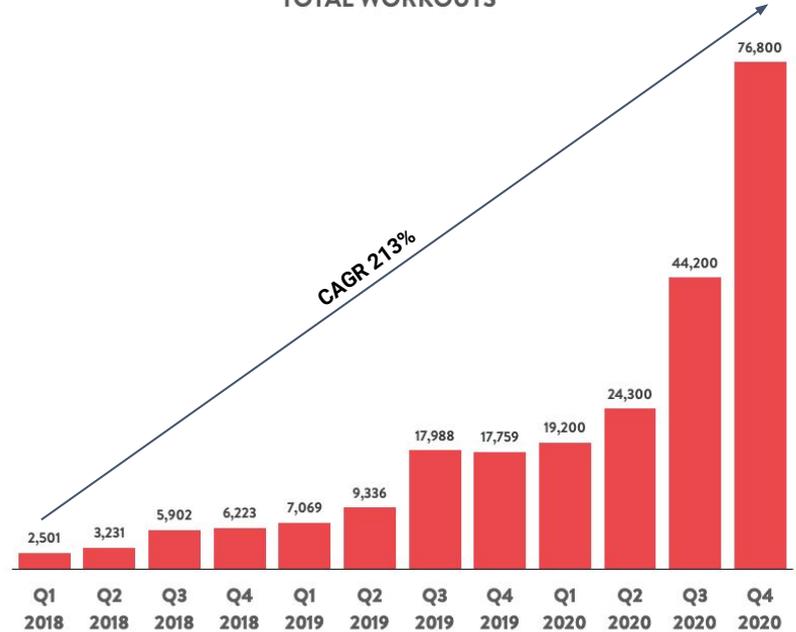
Note: Reflects Fiscal Year, July 1 - June 30

Workout Growth Continues to Outpace Subscription Growth

CONNECTED FITNESS SUBSCRIPTIONS



TOTAL WORKOUTS



While Building a Powerful Lifestyle Brand...

WEAR
YOUR
CROWN

SHOP
APPAREL >

PELTON X JEAN-MICHEL BASQUIAT™

© Estate of Jean-Michel Basquiat. Licensed by Artistic New York

And Keeping Our Members Happy...

94 NPS

North American Bike Owners, July 2020

...And Empowering A Highly Engaged Community



100k+ Tags Created by
795k+ Participating Members

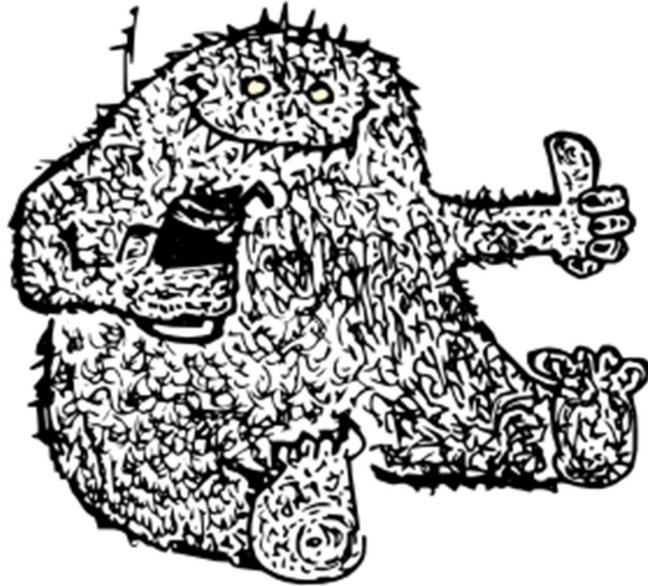
Data as of 8-31-20

Global Digital Disruption

		DISRUPTED	DISRUPTOR
	Movies	~40,000 local and regional theater operators	Disney, HBO, NETFLIX, amazon, SHOWTIME, Apple
	Video Games	~13,000 local and regional dedicated arcades	Microsoft, Nintendo, SONY, Mobile
	Music	~3,300 independent record and CD stores	amazon, Spotify, pandora, Apple
	Books	~38,500 local and national bookstores	amazon, nook, Apple
	Fitness	~36,500 health clubs and boutique fitness operators	PELOTON

Better experiences, more selection, and time-shifted consumption at a better location (home)...render brick and mortar locations inferior

Big Hairy Audacious Goal...



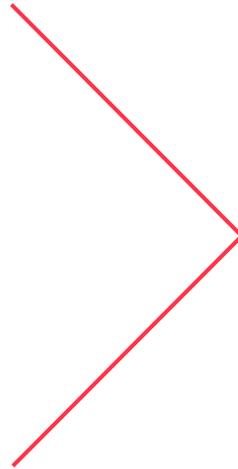
100 NPS
100MM Subscribers

Our Plan for 100 Million Subs

1. Core U.S. Growth
2. Product Innovation
3. Geographic Expansion
4. Greater Affordability
5. Digital Expansion
6. Create the Best Place to Work in the World

In Summary...

- Massive Global Opportunity
- Powerful Unit Economics
- Deep Moats
- World-class Team
- Super Engaged Community
- Strong Balance Sheet
- Tight, Focused Plan



...I like our chances!

New Products



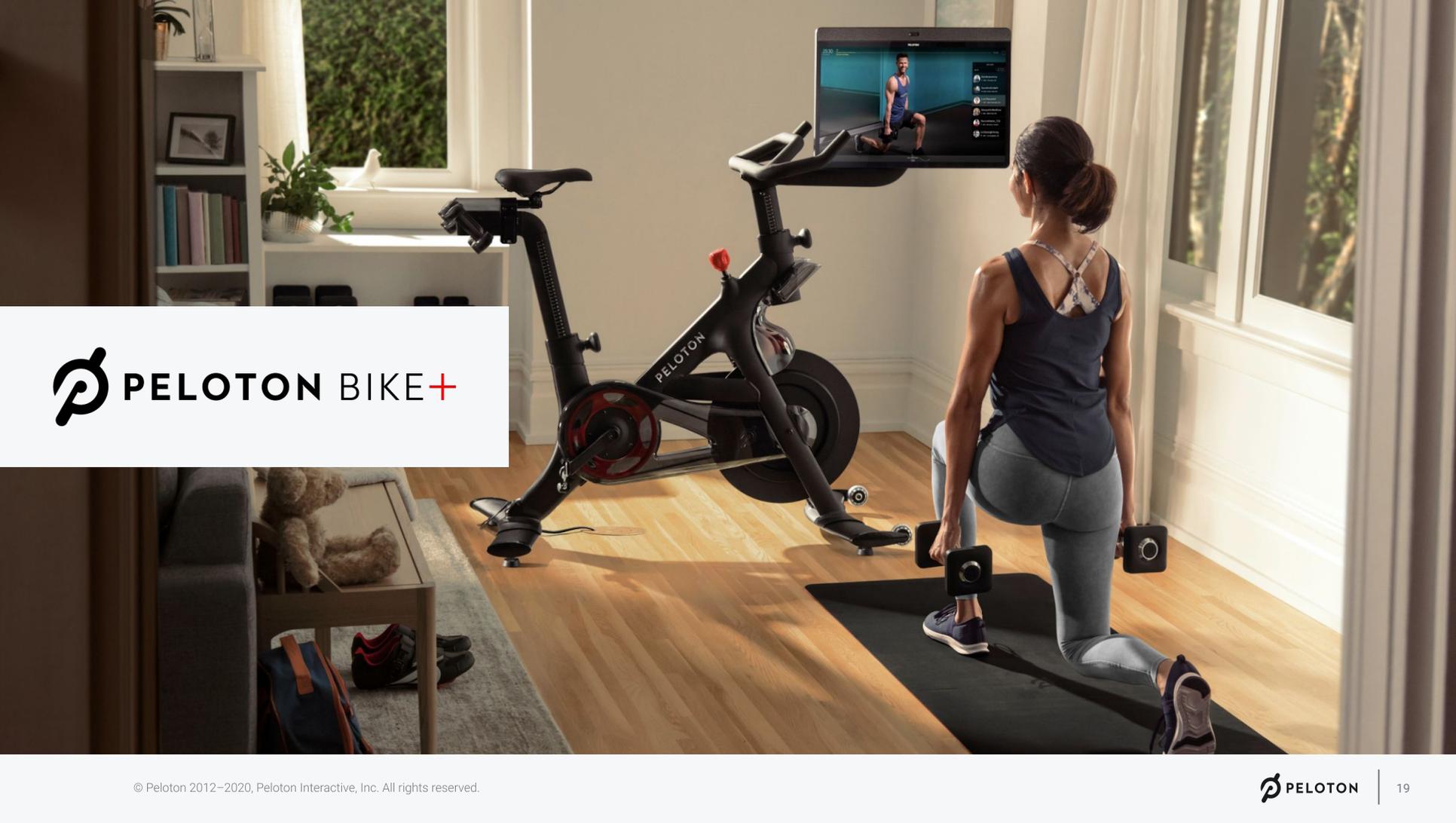
PELOTON BIKE+



PELOTON TREAD

This bike
changed an
industry.



A woman is shown from behind, kneeling on a black mat in a living room, holding two dumbbells. She is wearing a dark blue tank top and light blue leggings. To her left is a Peloton Bike+ stationary exercise bike. The bike's screen displays a male instructor in a blue tank top and black shorts, performing a kneeling exercise. The room has light wood flooring, a white bookshelf with books and a plant, and a window with white curtains. A teddy bear and shoes are visible on a coffee table in the foreground.

 **PELOTON BIKE+**

To Build BIKE+ We Had to First Ensure That We Preserved Everything That Made the First Bike So Special

Powerful Platform

Connected

The motivating power of a community of riders and integrated metrics that push riders to be their best.

Immersive

The ability to get lost in the class, lost in the music, lost in the sound of the instructor's every word.

Addictive

Integrated software, hardware, and content features that make working out fun and something riders want to return to everyday.

Practical

Convenient

Wake up, clip-in, tap your screen and go. Peloton Members show up and Peloton is always ready.

Compact & Quiet

Designed for any room in the home. Category defining design, compact footprint, and smooth, quiet operation.

Value

One Connected Fitness Subscription for the entire household, with unlimited use.

BIKE+ Was Built With Our Members Front and Center

Make the Best Even Better

The first-generation Peloton Bike redefined expectations on what the at-home fitness experience can be. Members pushed us to go even further.

Be the Centerpiece of the Home Gym

Our users' needs have evolved and so has our content. We're offering a wider variety of fitness classes to continue to excite and challenge members.

Our members asked for:

- More of their favorite instructors
- More of their favorite music
- More ways to get lost in the class

Our members asked for:

- Classes with variety
- Strength + Cardio
- Yoga, Meditation, and more...





A More Immersive Screen and a Get-lost-in-the-Class Sound System

- Bigger, 24" Crystal Clear HD Touchscreen
- Powerful Built-in Stereo Soundbar and Subwoofer
- 8MP Video Camera with Privacy Screen



Digital Resistance System

- Responsive, Computer Controlled Bike Resistance
- Auto Follow Target Metrics Capability
- Tap to Follow Metrics



More Integrations

- Standard Bluetooth and ANT+ Heart Rate Monitor Connections
- Tap-to-Pair Apple Watch Integration



The Perfect Workout

The Best Cardio Machine
Now With:

- Strength
 - Yoga
 - Floor Workouts
 - Stretching
- ...and More...

 PELOTON BIKE+



The Peloton Bike Portfolio



Experience **Tried & tested:** Effective, fun, motivating cardio experience

Cardio+: Complement your cardio with strength, yoga and beyond through a dynamic swivel screen that lets you access a whole world of off-the-bike content

Touchscreen Size 22" HD touchscreen

24" All glass, HD touchscreen

Audio System Rear facing speaker system

Built-in stereo soundbar and integrated subwoofer system

Resistance Control Manually controlled magnetic resistance

Digitally controlled magnetic resistance; Auto-Follow Target Metrics

Adjustments Customizable settings; first generation locking system

Customizable settings; Refined ergonomic adjustment system

Screen Adjustment 30° vertical tilt

50° vertical tilt; 360° rotation for quick transitions from on-bike workouts to floor-based strength, yoga, stretching and more

Integration BLE, ANT+

Apple Watch, BLE, ANT+

Price Now \$1,895

\$2,495

Introducing Peloton Tread



 PELOTON TREAD

Running Transformed: Members Love the Peloton Tread Experience

Peloton's slat Tread has been shipping to Members for 24 months, but has already transformed thinking on what a treadmill experience should be and proven — in **over 14 million miles of runs, bootcamps, and walks** — that the addictive, interactive, and motivating Peloton experience can extend far beyond the bike.

"I HATED running! But I absolutely LOVE my Tread and I can't wait to hop on and do a work out... Good bye boring running, hello exciting running!"

"The classes make having a treadmill so much better. I actually use it and feel I push myself harder without the same dread as when I do it alone. I don't get bored anymore!"

"Love everything about it! It's a better workout compared to the gym, it's essentially like a personal trainer at home. The slat belt makes the run so smooth, the wheels for changing speed and incline are so intuitive, it's a game changer. The tread was the best purchase ever!"

"Best workout machine I have ever owned. Great quality. Great user interface. Great instructors and content."

While Keeping What is Essential and Distinctly Peloton



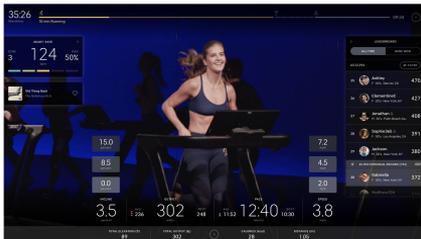
Immersive and Addictive Classes for your Household

- Running, walking, total body, and bootcamp classes
- On and off Tread workouts that are motivating and fun
- An immersive community and the world's best instructors



Beautiful, Comfortable, and Intuitive Design

- Workout with a tap of the integrated touchscreen
- Control via innovative speed and incline knobs, jump buttons, or on-screen shortcuts
- For a range of user heights, weights, and preferences



High Performance and Connected

- Workouts with Tread Members everywhere
- Performance tracking and comparison
- Competitive speed and incline ranges with interactive leaderboard

But, We Want to Make this Incredible Experience Even More Accessible



 **PELTON TREAD**



And All That Makes it Distinctively Peloton

24" 1080p Touchscreen

50 Degree Vertical Tilt for Tall Users, Lower Mounting For More Intimate Off-Tread Viewing

8MP Camera w/ Privacy Slider

Integrated Stereo Soundbar and Subwoofer

Distance Shown in Miles or Kilometers

Compact Water Tray With Rubber Insert

Screen Shortcuts For Speed and Incline

Speed Knob With Jump Button
0-12.5 mph (0-20 kph)

Easy-to-Use, Magnetic Safety Key

Incline Knob With Jump Button
0-12.5%

Contrast Color Red Marking for Visibility
Gripping Belt Pattern

Durable 20" Wide PVC Running Belt
Damper-Suspension Deck Structure

Impressive Compactness
With No Front Shroud

Low-Profile, 8" Step-Up Height



Giving More People Access to an Incredible Tread Experience

More Affordable

- Classic running belt
- 24" screen

For More Homes: **30% Smaller Than Tread+**

- Smaller overall footprint
- Shorter step-up height
- Quieter
- Lighter

In More Parts of the World: **3 New Markets**

- Bringing Tread to homes in Canada, UK and Germany for the first time
- Updated accessories and metrics
- German language classes and subtitles



Peloton Tread Line Compared

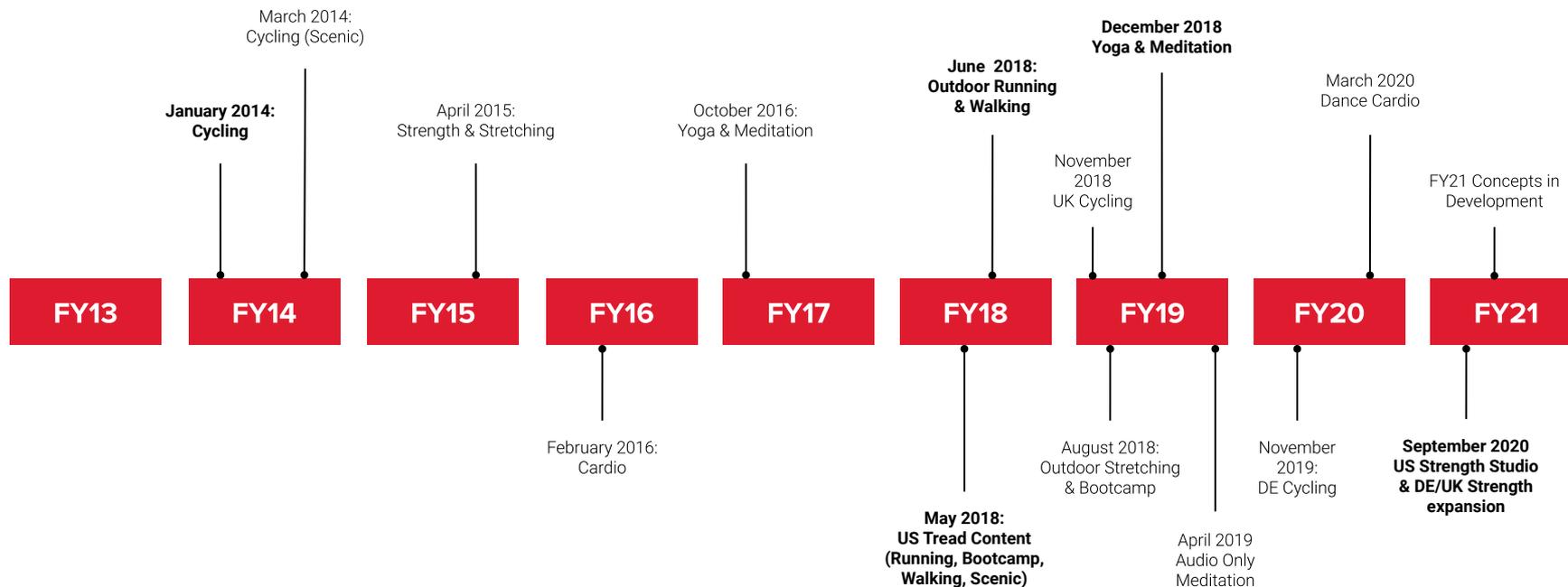


Running transformed - take running, bootcamp and more classes from the comfort of your home.

Experience	Running transformed - take running, bootcamp and more classes from the comfort of your home.	
Running feel	Standard belt Damper suspension	<i>Premium surface</i> Slat-belt 59 shock-absorbing rubber slats
Screen	24" 1080p 50 deg vertical tilt	<i>More immersive</i> 32" 1080p 30 deg vertical tilt
Audio	26 W, 600 cc stereo soundbar & integrated woofer	20 W, 1500 cc stereo soundbar
Dimensions	<i>30% smaller</i> 68" L x 33" W x 62" H 8" step-up height	72.5" L x 36.5" W x 72" H 11.5" step-up height
Speed + Incline	0 - 12.5 mph controlled via knobs or screen shortcuts 0 - 12.5% controlled via knobs or screen shortcuts	<i>More options</i> 0 - 12.5 mph controlled via knobs or screen shortcuts Allows Free Mode 0 - 15% controlled via knobs or screen shortcuts
Integration	BLE ANT+	
Safety	Removable key Running belt center line	
User requirements	105 - 300 lb 4'11" - 6'4"	
Unit weight	<i>30% lighter</i> 290 lb	450 lb
Availability	<i>More markets</i> US, Canada, UK, DE	US
Price	\$2,495	\$4,295

Engagement Levers

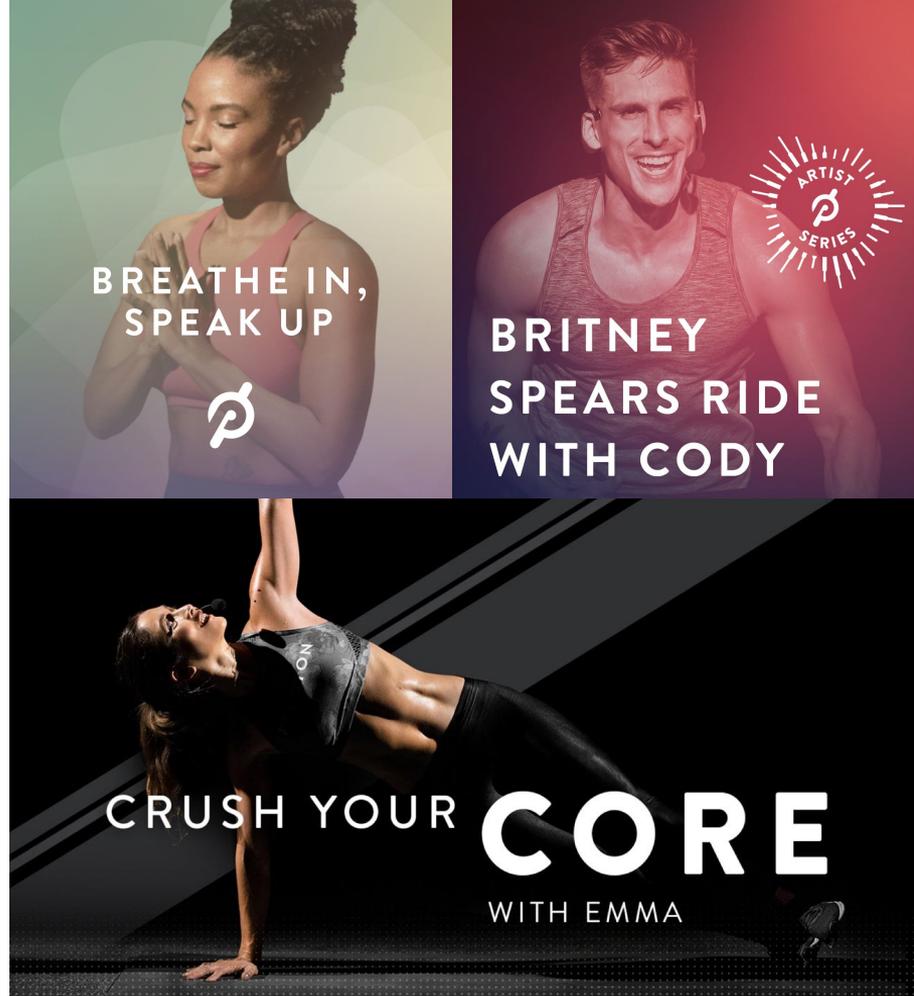
The Global Leader in Streaming Fitness – From Cycling to Over 10 Fitness Modalities in 4 Countries



The Power of Peloton Content

Our content is unmatched in variety and depth. With **thousands of classes** in our library, our members engage in new/live content and retake their favorites on-demand.

- Emma Lovewell's 10 min Core has accumulated over **1m workouts** since release
- Over **23k live workouts** and **312k total workouts** to date on Cody Rigsby's 30min Britney Spears Ride. Premiered: 7/15/20
- Over **10k live workouts** on Chelsea Roberts's 10 min Breathe In, Speak Up Meditation



Programming Content to Maximize Engagement

TOTAL STRENGTH

WITH ANDY



LIVE FROM HOME



10 Fitness Disciplines (And Growing)

- Cycling
- Strength
- Stretching
- Running
- Meditation
- Yoga
- Walking
- Outdoor
- Bootcamp
- Cardio

Innovative Programming

- Classes for every member
- Credible fitness programs
- Artist & music series

Content Community Moments

- All for One
- Live from Home
- Together We Go Far
- Gratitude Meditation + The Comeback

Partnerships & Brand Campaigns

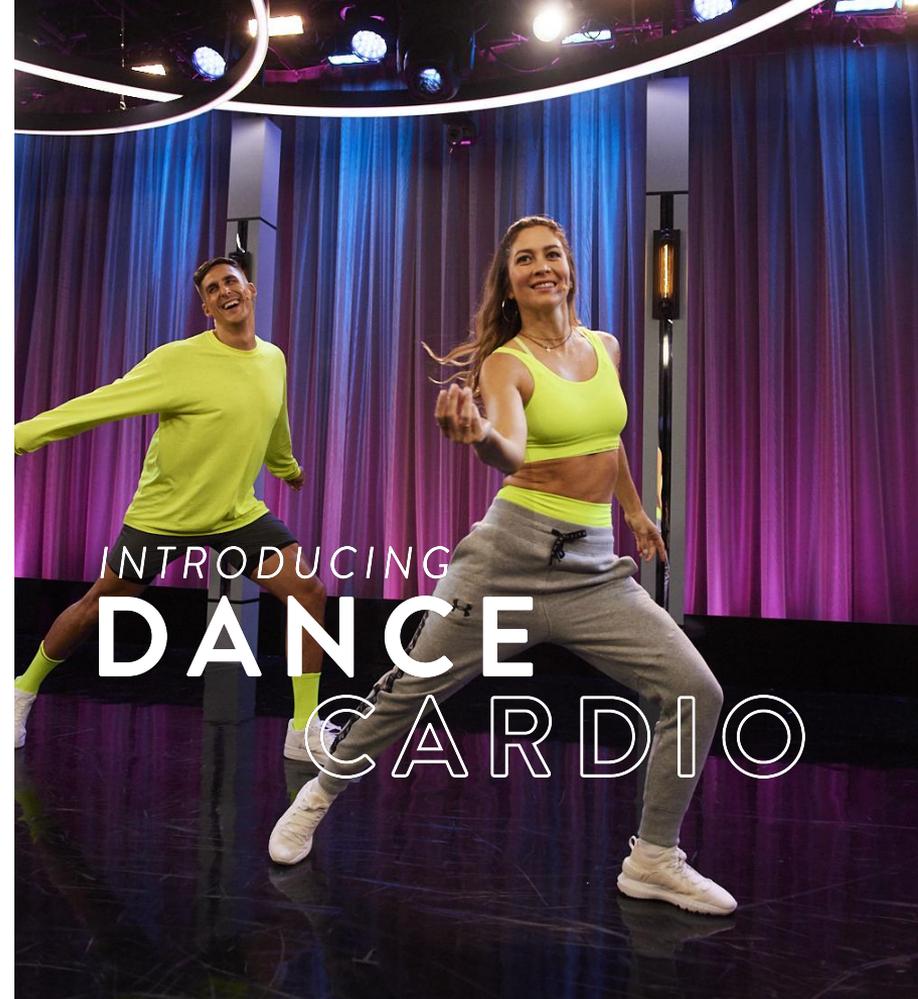
- ESPN All-Star Rides (May 2020)
- PyeongChang Olympics (February 2018)

And We Continue to Add More...

Our modality offerings continue to grow, variety is an attraction point for new and current members.

When our members told us they wanted to try something new, we surprised them with Dance Cardio – driving **18x growth** in our overall Cardio Discipline. Over **900k** Dance Cardio classes have been completed since the launch in March.

What will be next?



And We're Extending our Lead in Music

Over **5M classes** have been taken from our Artist Series.

Largest Connected Fitness Music Library – over **2M songs** to enhance variety in class.



WHITNEY HOUSTON

445K+

WORKOUTS TO DATE,
AND COUNTING



GRATEFUL DEAD

40K+

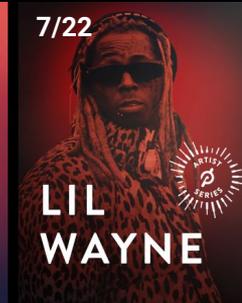
WORKOUTS TO DATE,
AND COUNTING



BRITNEY SPEARS

770K+

WORKOUTS TO DATE,
AND COUNTING



LIL WAYNE

265K+

WORKOUTS TO DATE,
AND COUNTING



COMMON

60K+

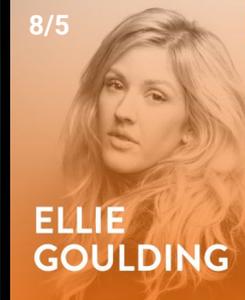
WORKOUTS TO DATE,
AND COUNTING



MAX RICHTER

17K+

WORKOUTS TO DATE,
AND COUNTING



ELLIE GOULDING

140K+

WORKOUTS TO DATE,
AND COUNTING



PRINCE

715K+

WORKOUTS TO DATE,
AND COUNTING



THE WEEKND

50K+

WORKOUTS TO DATE,
AND COUNTING



DEADMAU5

30K+

WORKOUTS TO DATE,
AND COUNTING

We're Adding More Content Production Capacity

Peloton Studios New York

36,000 square feet, including four studios capable of 4K resolution streaming, food and beverage, retail space, Member lounges

Peloton Studios London-Floral Street (Spring '21)

31,000 square feet, three floors including three studios, food and beverage, retail space, and Member lounges



Content Powered by our World-Class Instructors

Our instructors are more than just world-class fitness guides.

Our team of 33 international experts are influencers, experts, brand ambassadors and member advocates, creating a connection to our members; a primary driver to our success.



Cycling

20 Instructors



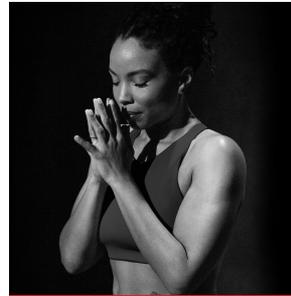
Tread & Outdoor

**Running, Bootcamp,
Walking**
11 Instructors



Cardio

11 Instructors
6 *Dance Cardio
Instructors*



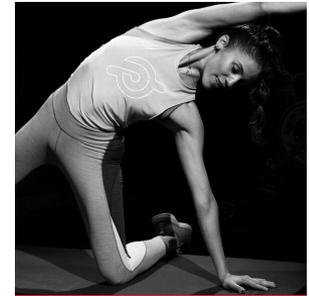
Yoga & Meditation

6 Instructors



Strength

27 Instructors
9 *lead Strength instructors*

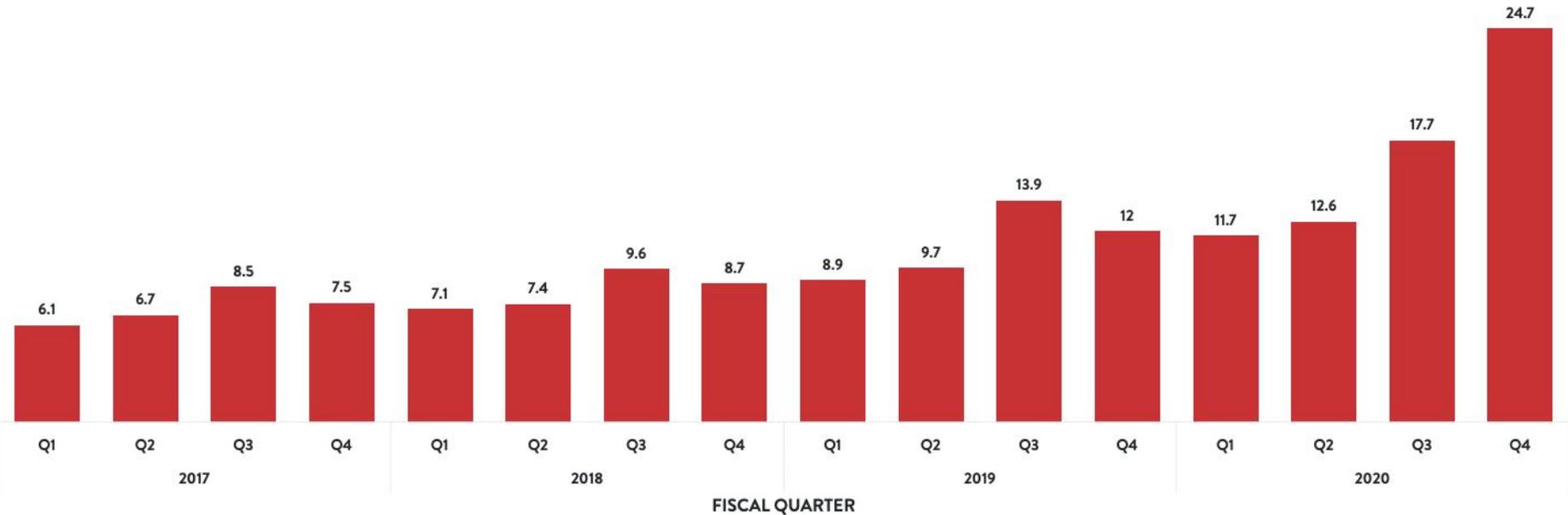


Stretching

All Instructors

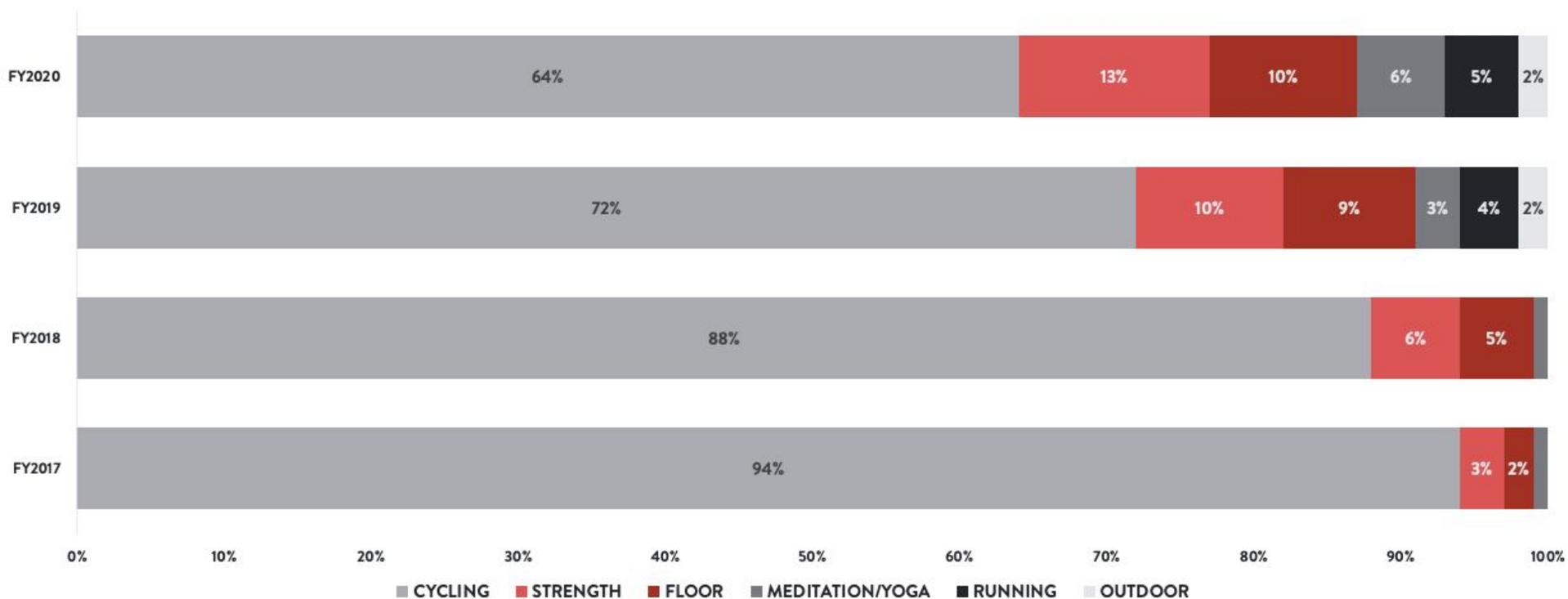
What Are We Getting for All This Content Investment? **High Return**

AVERAGE MONTHLY WORKOUTS PER CF SUBSCRIPTION

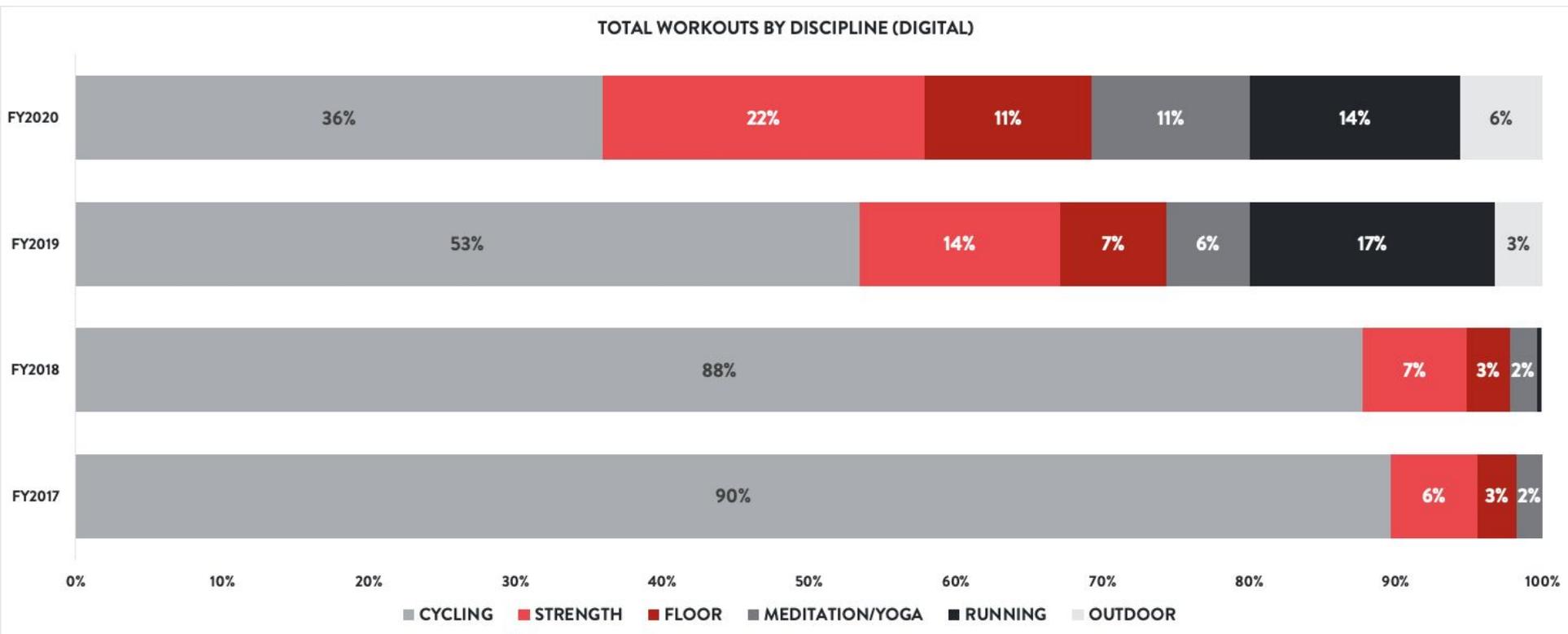


Our Members are Increasingly Going Beyond Cycling for Workouts

TOTAL WORKOUTS BY DISCIPLINE (CONSUMER CONNECTED FITNESS PRODUCTS)

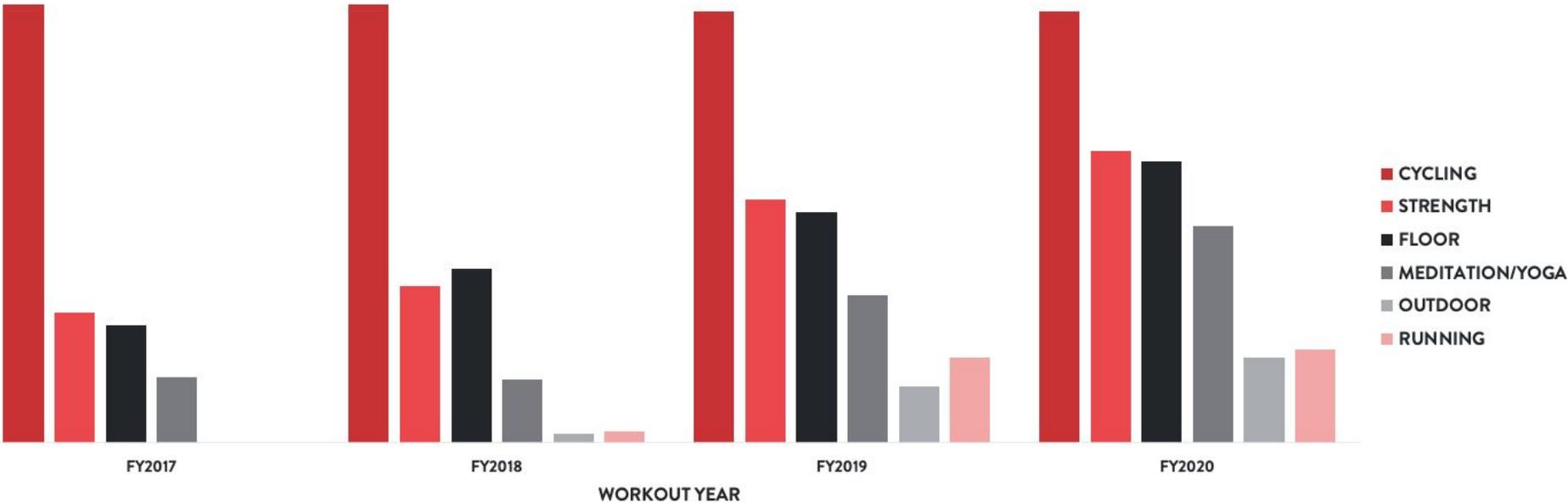


Digital Members Embracing Strength, Meditation and Yoga



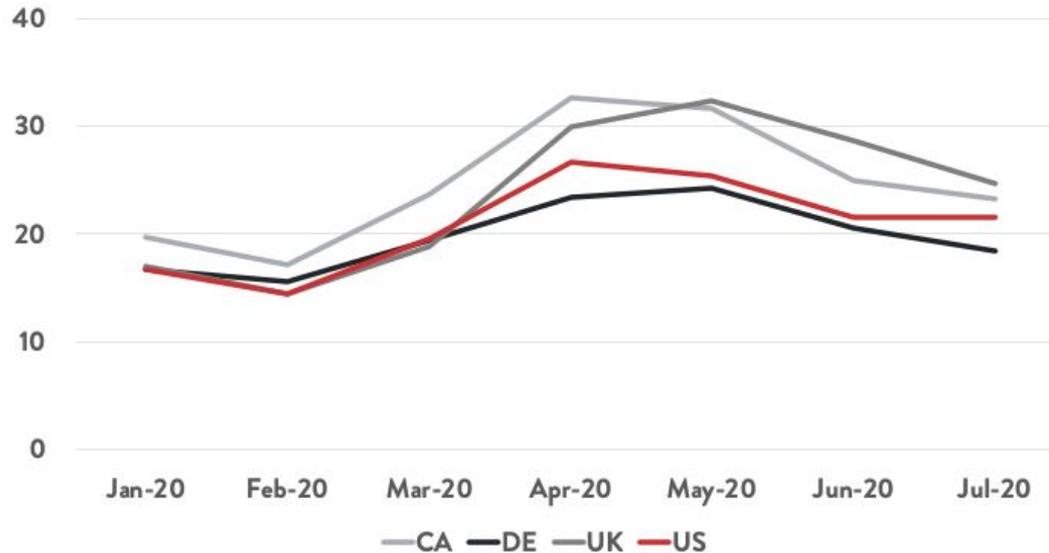
Growing Adoption of Cross-Vertical Training

PERCENTAGE OF CONSUMER CF SUBSCRIPTIONS UTILIZING WORKOUT TYPE IN YEAR

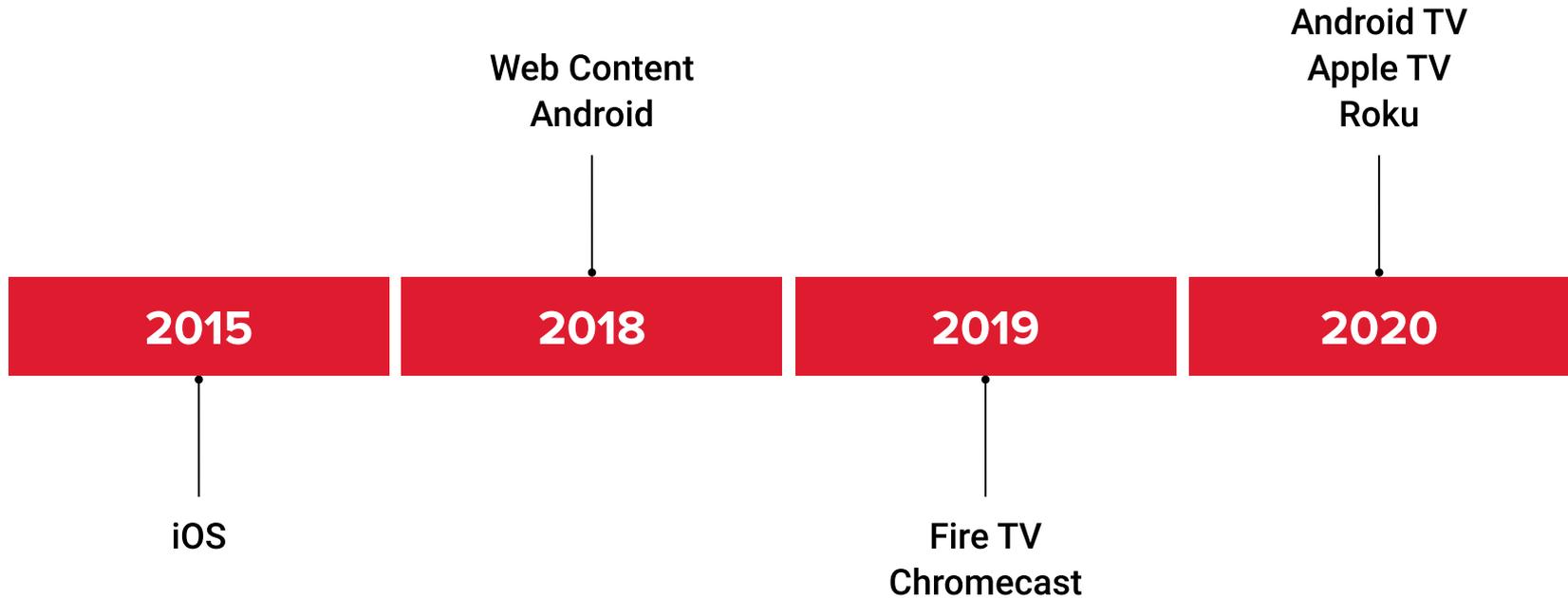


International Engagement Comparable to U.S.

AVERAGE WORKOUTS PER CONNECTED FITNESS SUBSCRIPTION



And We Continue to Expand Access Points



As Community Grows & Social Deepens, So Does Our Strategic Moat

- **High Fives**

- 248M high fives sent in FY20

- **Tags**

- Over 100K tags created by Members
- 795K Members have at least one tag on their profile

- **FB group members**

- Official Peloton Member Page: 333K
- Official Moms Group: 56K

- **Instructor IG followers**

- 4.3M followers across 34 accounts

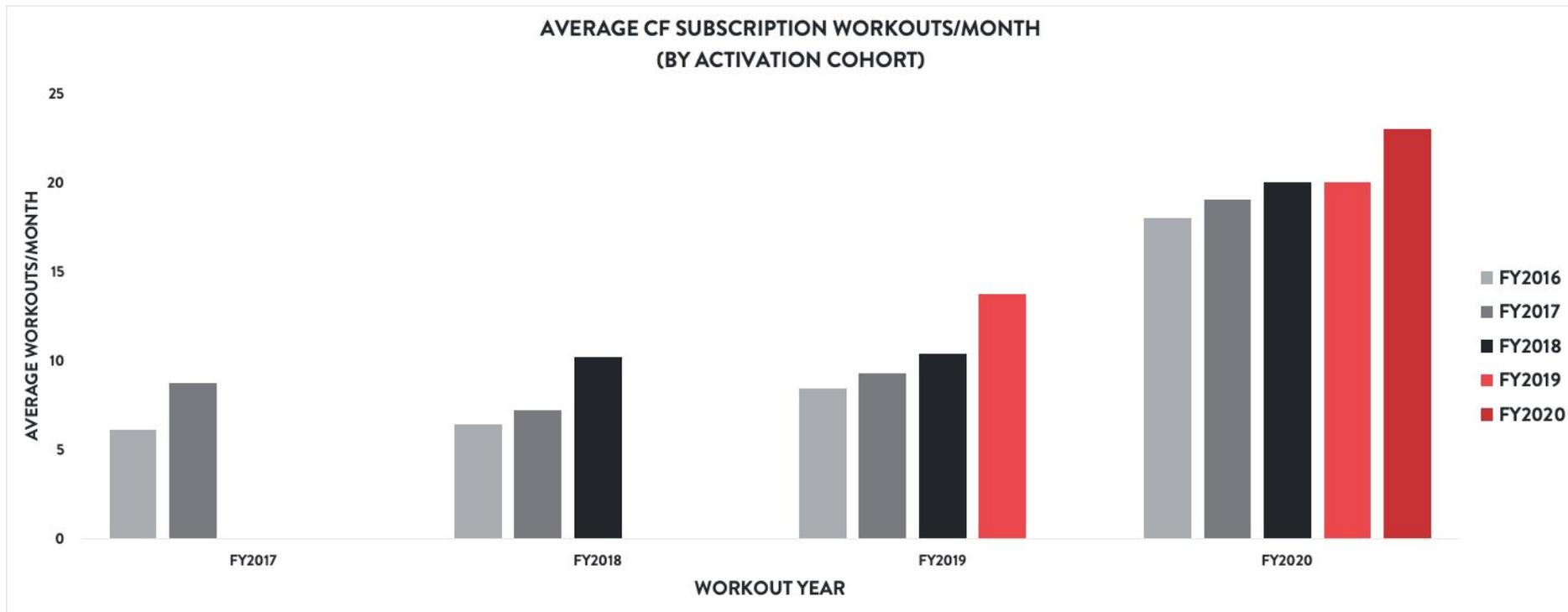
- **Others**

- Peloton brand Instagram on track to hit 1M followers in September
- Peloton gifs in Instagram Stories have been viewed 26.1 million times; averaging ~50k views a day in August



All data as of 8-31-20

All Boats Rising – Newer Cohorts Have the Highest Engagement; Older Cohorts Continue to Grow



Supply Chain

Our Goal: Be the **Scale, Cost, Quality & Speed-to-Market**
Leader in the Connected Fitness Market



Our Vertical Integration & DTC Capabilities are a **Competitive Advantage**



BECAUSE: It is Not Simply a Transaction, it's a Service & Relationship.

Significantly Ramping Investments to Increase Scale, Automation/Efficiency & Advantage

Areas of Focus

- Automating existing factories
- Shin Ji build out
- Belt tread scale
- Asia middle mile
- Quality labs



Capacity Expansion - New Shin Ji Factory (opening December '20) with 1.5M/yr Unit Production Capacity

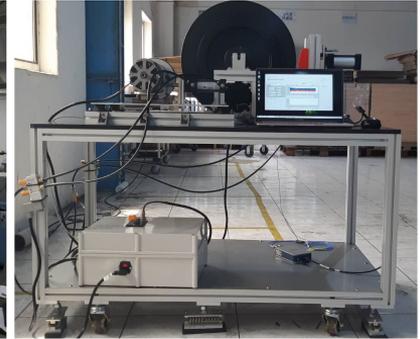


Across Tonic/Shin Ji & Partners, We're Planning 2-3 years Out to Support our Growth

Quality & Innovation – 3 New Peloton Owned Quality Labs Built FY'19-'21

a3 New Quality Labs

- FY 19 Taichung
- FY 20 Secaucus
- FY 21 Shin Ji



Quality and Innovation – R&D lab (Taichung Facility)

3 Floors –

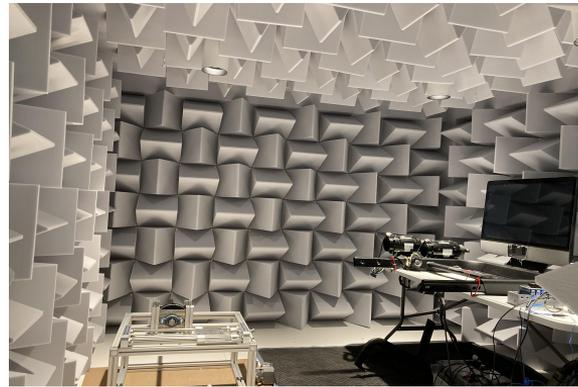
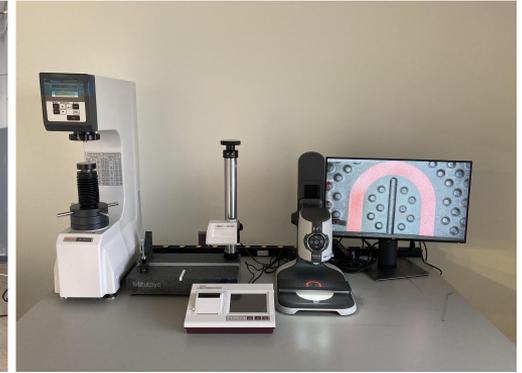
Approximately 5,500
sq ft of Quality,
Development, and
Office Space



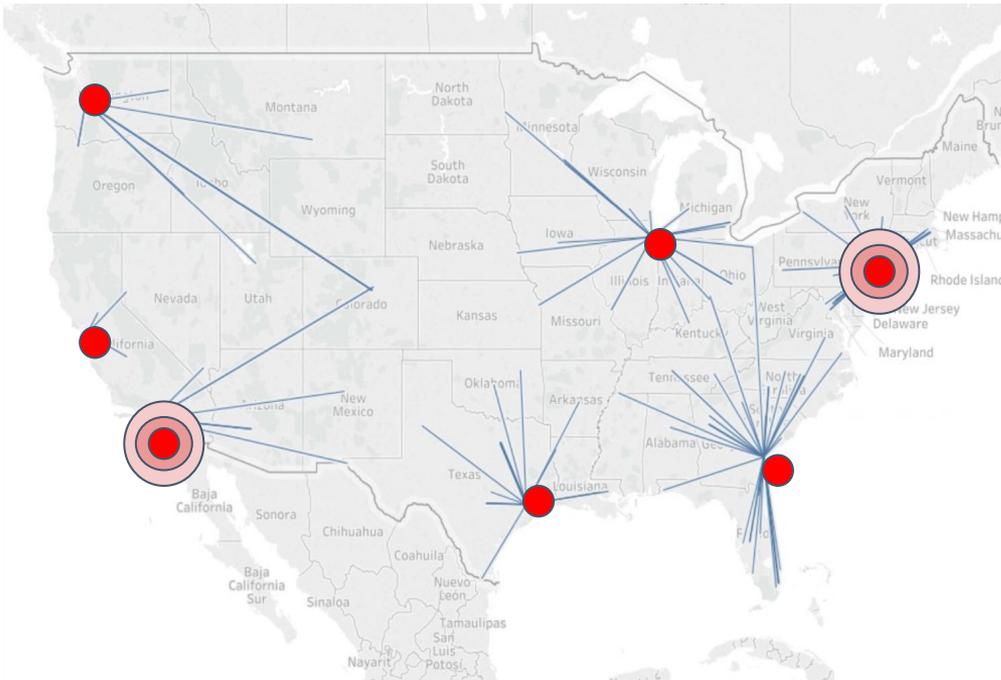
Quality and Innovation - R&D Lab (Secaucus NJ)

Assets and Capabilities:

- Tread and Bike Lifecycle tester
- Bike Dyno
- Instron E10000 Linear-Torsion Tester
- Hardness inspection
- Surface roughness
- Walk-in Anechoic Chamber
- Vibration table
- Walk-In Environmental Test Chamber
- Pre-Compliance Lab
- Zeiss Contura CMM
- Faro Arm and OMM



Expanding Last Mile: Unprecedented Capability to Deliver & Service Tech-Enabled Fitness Equipment



Investing in Infrastructure - we expect to:

- Grow to 7 major DC's in FY21 (>1.2M sq ft)
- Expand to over 105 Last Mile Hubs covering 95% of US population
- Double our vans/fleet through FY21, triple by FY23

Differentiators - we expect to:

- 95% of last mile hubs within next day to DC
- 95% of US population within 75 miles of a hub
- Capability to service large majority of population within 24-48 hours
- Assembly operations in 2 largest markets

Key Metrics Update

Total Addressable Market Continues to Expand

Peloton Demographic: Households aged 18-70 with \$50k or more in household income (or equivalent)

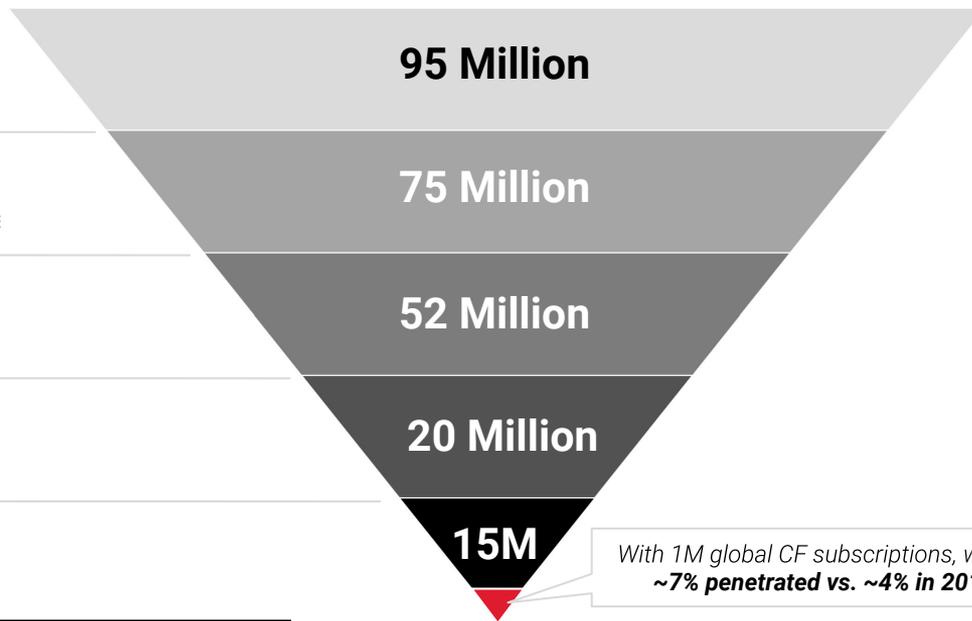
Peloton TAM: Households that may or may not be interested in purchasing a Peloton product today, but could be interested in the future. Defined as households with broadband internet and that own or are open to purchasing subscription fitness

Peloton interest: Households that express interest in learning more about at least one Peloton product **without seeing price**

Peloton Connected Fitness + Digital household SAM: Estimated households that are interested in purchasing one or more current Peloton products at current price

Peloton Connected Fitness household SAM: Estimated households that are interested in purchasing one or more current Peloton products at current pricing

Brand and product awareness drives purchase intent (SAM). To date, the vast majority of our advertising spend has been allocated to Bike. Bike aided awareness is more than double Tread aided awareness. We expect Tread SAM to grow significantly as we market new Tread in FY 2021.



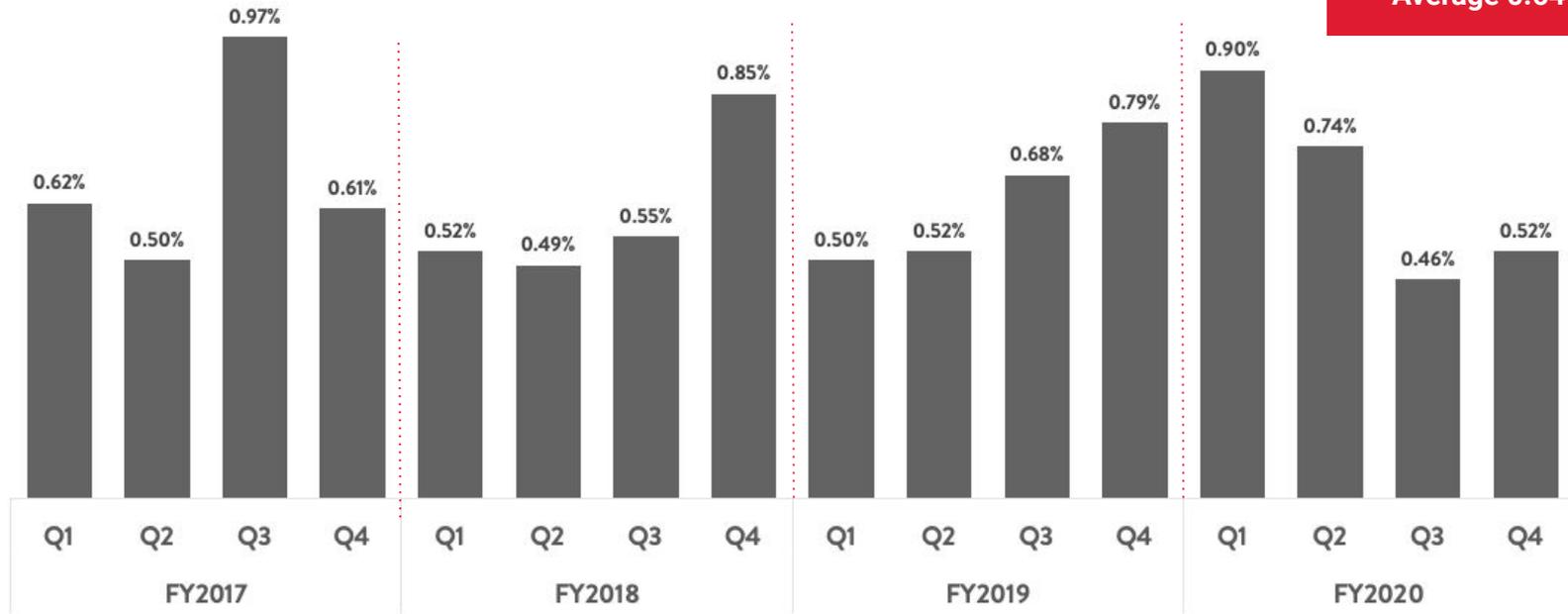
With 1M global CF subscriptions, we are **~7% penetrated vs. ~4% in 2019**

Accounting for households that purchase 2+ units, 2020 Connected Fitness unit SAM is **20 Million** representing +43% growth over 14M in 2019

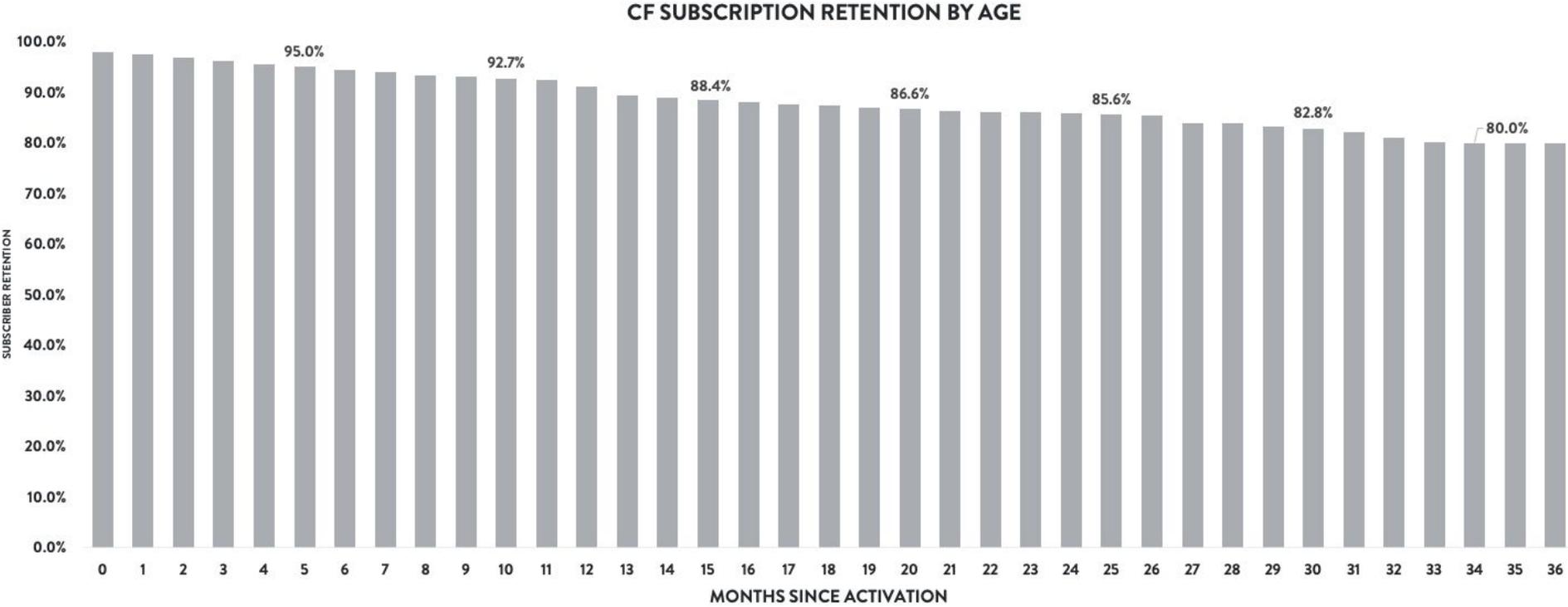
High Engagement Driving Low Churn

AVERAGE NET MONTHLY CONNECTED FITNESS CHURN

FY 2017 - FY 2020
Average 0.64%

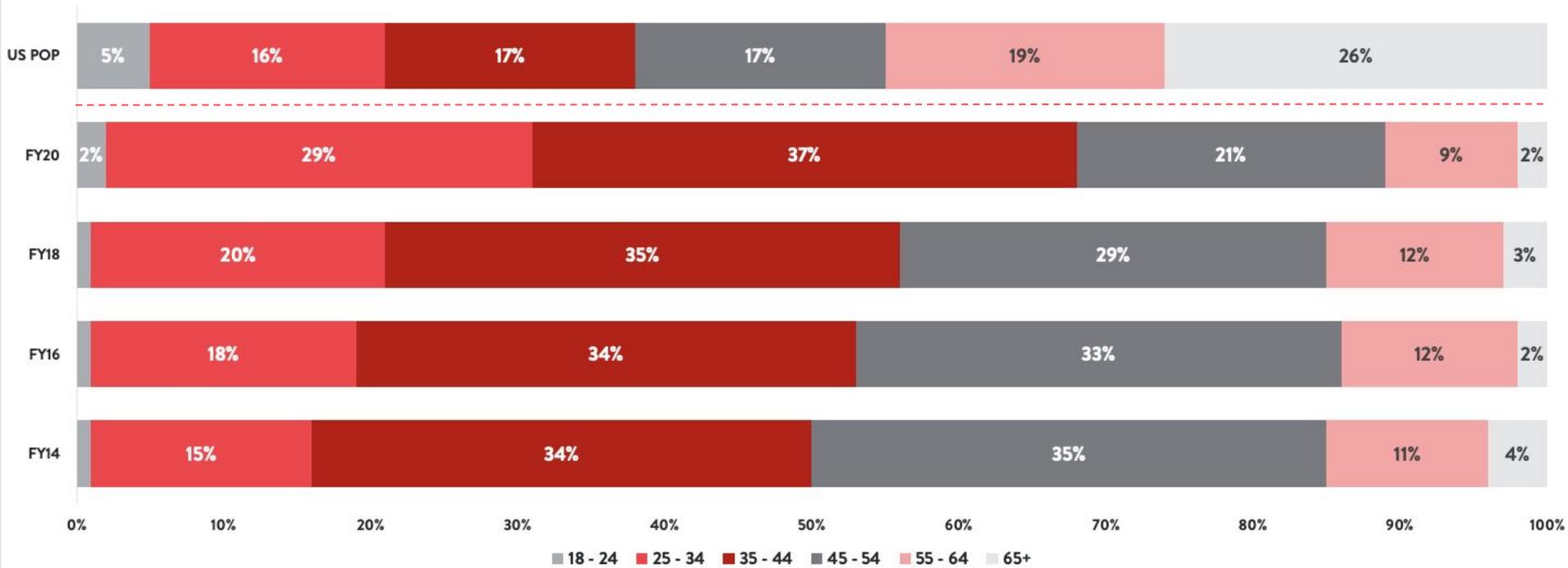


Retention Shows Stickiness of our Platform



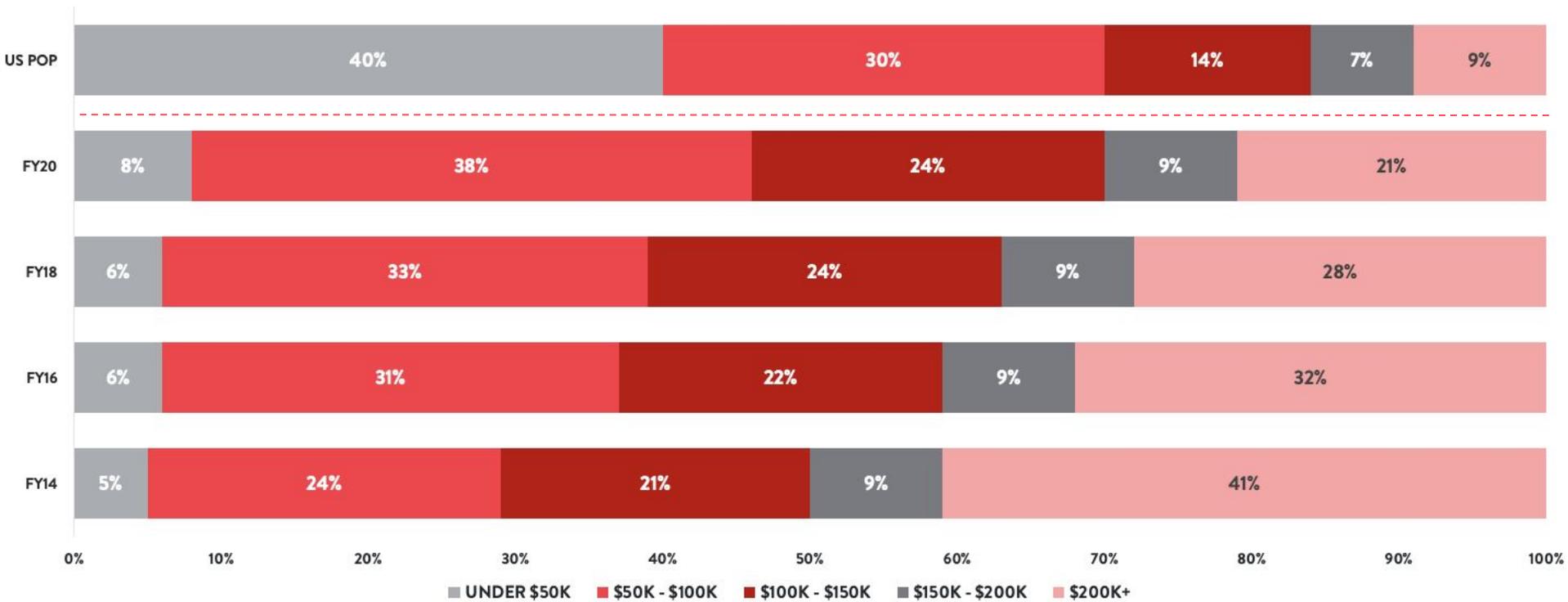
Demographics: 25-34s Fastest Growing

US BIKE CONSUMER BASE BY AGE FY14 - FY20

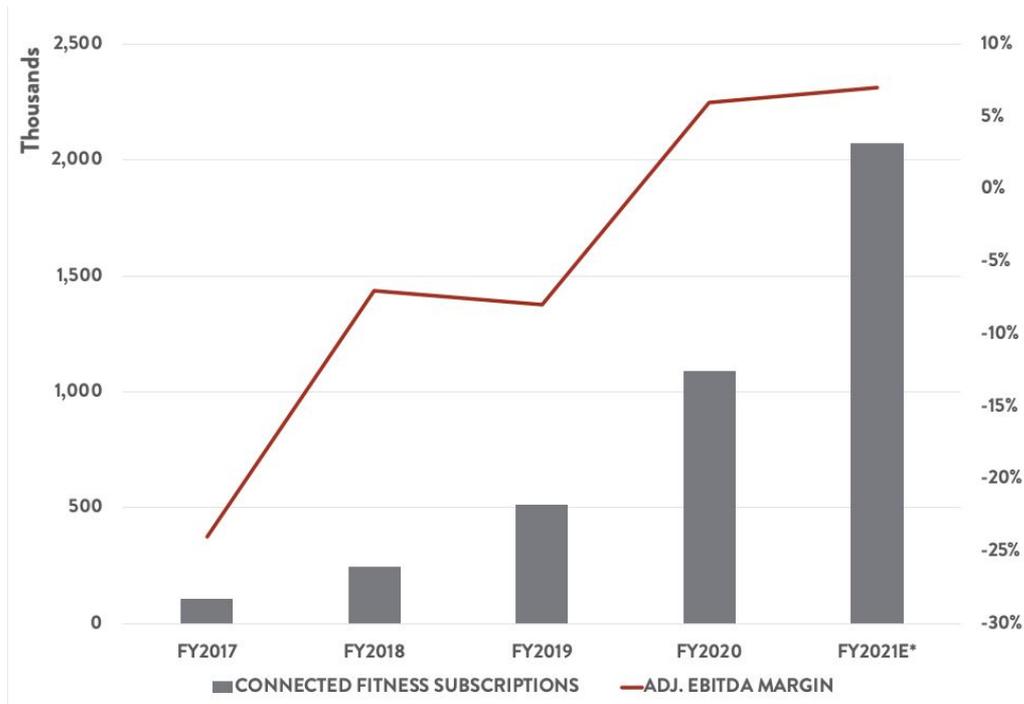


Less Affluent Households Building Share

US BIKE CONSUMER BASE BY HOUSEHOLD INCOME FY14 - FY20



Connected Fitness Subscription Growth Remains Priority



- **We will prioritize:**
 - Connected Fitness Subscription growth over profitability
 - Margin dollars over margin percent
- **Continued investments:**
 - New products & content modalities
 - Software & Member experience
 - Manufacturing & operations
 - International expansion

* Represents mid-point of FY21 guidance ranges

Q/A

Thank You
