
PELOTON
Earnings Update Q1 FY2027

Disclaimer

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this presentation, other than statements of historical fact, including, without limitation, statements regarding our expected financial results for the second quarter of and the full fiscal year 2027, the scope, impact and anticipated costs associated with the Original Series Bike+ recall, our execution and timing of, and the expected benefits from our restructuring initiatives and cost-saving measures, the cost savings and other efficiencies of expanding relationships with our third-party partners, details regarding and the timing of the launch of new products and services, our initiatives with retailer partners and our efforts to optimize our retail showroom footprint, the prices of our products and services, our future operating results and financial position, our business strategy and plans, market growth, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "target," and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. Capitalized terms used in this presentation but not defined herein shall have the meanings ascribed to them in our Annual Report on Form 10-K for the year ended June 30, 2026.

We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, assumptions, and other important factors that could cause actual results to differ materially from those stated, including, without limitation: our ability to successfully execute our business strategy, including our commercial strategy; our ability to achieve and maintain future profitability and positive free cash flow; our ability to attract and maintain subscribers and subscriptions ("Subscriptions"), including from channels such as secondary marketplaces over which we have limited control; our ability to accurately forecast consumer demand for our products and services and adequately manage our inventory; our ability to achieve the expected benefits of our restructuring initiatives and other cost-saving measures; our ability to effectively manage our growth and costs; our ability to anticipate consumer preferences and successfully develop and offer new products and services in a timely manner, and effectively manage the introduction of new or enhanced products and services; demand for our products and services, including any declines in sales of our Connected Fitness Products, and growth of the connected fitness and wellness markets; our ability to maintain the value and reputation of the Peloton and Precor brands; disruptions or failures of our information technology systems or websites, or those of third parties on whom we rely; our reliance on, and lack of control over, a limited number of suppliers, contract manufacturers, and logistics partners for our Connected Fitness Products; our ability to predict our long-term performance and changes to our revenue as our business matures; the effects of increased competition in our markets and our ability to compete effectively; our dependence on third-party licenses for use of music in our content; actual or perceived defects in, or safety of, our products, including any impact of product recalls, including our Original Series Bike and Bike+ seat post recalls, quality improvement or similar programs, or legal or regulatory claims, proceedings, or investigations involving our products; increases in component costs, long lead times, supply shortages, or other supply chain disruptions; accidents, safety incidents, or workforce disruptions; seasonality or other fluctuations in our quarterly results; our ability to generate class content; risks related to acquisitions or dispositions and our ability to successfully operate and further integrate any such acquired companies into our operations and control environment, including our Commercial Business Unit; risks related to expansion into international markets, including political and economic instability of foreign markets; risks related to payment processing, cybersecurity, or data privacy; risks related to artificial intelligence ("AI") and our integration of AI into our products, services, and business operations, including risks related to flawed algorithms, intellectual property infringement, cybersecurity vulnerabilities, data privacy, and evolving regulatory requirements; risks related to our Peloton Apps and their ability to work with a range of mobile and streaming technologies, systems, networks, and standards; our ability to effectively price and market our Connected Fitness Products and Subscriptions; any inaccuracies in, or failure to achieve, operational and business metrics, or forecasts; our ability to maintain effective internal control over financial reporting and our financial management systems; impacts from warranty claims or product returns; our ability to maintain, protect, and enhance our intellectual property; our ability to comply with laws and regulations that currently apply or become applicable to our business, both in the United States and internationally; risks related to changes in global trade policies, including our ability to mitigate the effects of tariffs and other non-tariff restrictions, such as taxes, quotas, local content rules, customs detentions and other protectionist measures, and our ability to obtain any tariff refunds or rebates; our reliance on third parties for computing, storage, processing, and similar services, as well as delivery and installation of our products; our ability to attract and retain highly skilled personnel, including key members of senior management, and maintain our culture; the impact of macroeconomic conditions, including inflation, changes in consumer spending, recession, and rising interest rates, on demand for our products and services; risks related to pending or future litigation, government investigations, and regulatory proceedings, including securities litigation, patent litigation, and product liability matters; risks related to our common stock and indebtedness; and those risks and uncertainties described in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission, as such risks and uncertainties may be updated in our filings with the Securities and Exchange Commission, which are available on the Investor Relations page of our website at https://investor.onepeloton.com/investor-relations and on the SEC website at www.sec.gov. You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Our forward-looking statements speak only as of the date of this presentation, and we undertake no obligation to update any of these forward-looking statements for any reason after the date of this presentation or to conform these statements to actual results or revised expectations, except as required by law.

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Disclaimer (cont'd)

NON-GAAP FINANCIAL MEASURES

This presentation includes references to non-GAAP financial measures, including Adjusted EBITDA, Trailing Twelve Months Adjusted EBITDA, Free Cash Flow, Trailing Twelve Months Free Cash Flow, Adjusted Operating Expenses, Adjusted Operating Expenses % of Total Revenue, Net Debt, Gross Principal Debt Outstanding, Net of Cash and cash equivalents, Gross Leverage Ratio, and Net Leverage Ratio. We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our recurring core business operating results. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures should be read in conjunction with the Company's financial statements prepared in accordance with GAAP. The reconciliations of each non-GAAP financial measure to the corresponding GAAP measure should be carefully evaluated. See the Financial Appendix for reconciliations of historical non-GAAP financial measures included in this presentation to the nearest GAAP financial measure. We are not able to provide a reconciliation of these non-GAAP financial measures to their comparable GAAP financial measures on a forward-looking basis without unreasonable efforts including, because of the inherent difficulties in forecasting certain amounts that affect Net income (loss) and Adjusted EBITDA, and Net cash provided by (used in) operating activities and Free Cash Flow. As a result, we do not believe that a GAAP reconciliation would provide meaningful supplemental information about our outlook.

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Key Results
Q1 FY2027

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Revenue	Gross Margin	Adjusted EBITDA[1]	Free Cash Flow[1]	Connected Fitness Subscriptions[2]
$559m	**61.3%**	**$168m**	**$143m**	**2.475m**
▲ 2% YoY	▲ 975 bps YoY	▲ 42% YoY	▲ 113% YoY	▼ 9% YoY
In-line *($545m-$565m guidance)*	Above *(~57% guidance)*	Above *($135m-$145m guidance)*		Above *(2.455m-2.475m guidance)*

1. Non-GAAP measure. See Financial Appendix for reconciliation of GAAP to non-GAAP measures.
2. Ending Paid Connected Fitness Subscriptions.

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Refreshed Tread Lineup

Announced three new consumer tread models, including our first-ever folding treadmill



Peloton Tread Vision **Peloton Tread Flex** **Peloton Tread+ Vision**

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New Peloton IQ Features

Enhancing the tread experience for runners, walkers, and hikers

All new Tread models

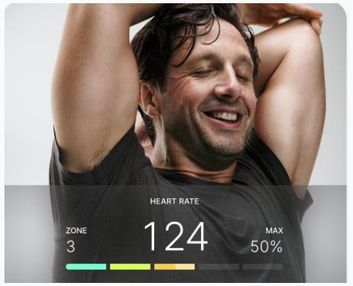
IQ Pace Targets

Hyper-personalized pace ranges



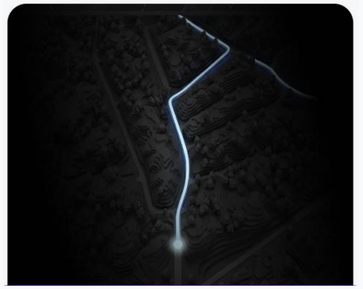
HR Zone Workouts

Real-time target guidance



ReRuns

Outdoor routes replayed on the tread



All new Tread Vision and Tread+ Vision models

Run Analysis

Camera-driven Running Efficiency Score from 1 to 100

Measures cadence, bounce, and stride, with personalized tips to improve your form



All Tread+ generations

Sled Mode

Allows you to push up to 300 lbs resistance



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Commercial Business Unit

Achieved double digit revenue growth in Q1 FY27



PRECOR | PELOTON

Launched Fall 2026: The Commercial Series

Peloton’s first-ever Bike and Tread designed for high-traffic gym environments now available





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01 First Quarter Fiscal 2027 Results

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Revenue

Delivered positive revenue growth YoY

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Q1 Total Revenue

$559m

▲ **$8m / 2% YoY**

Q1 Subscription Revenue

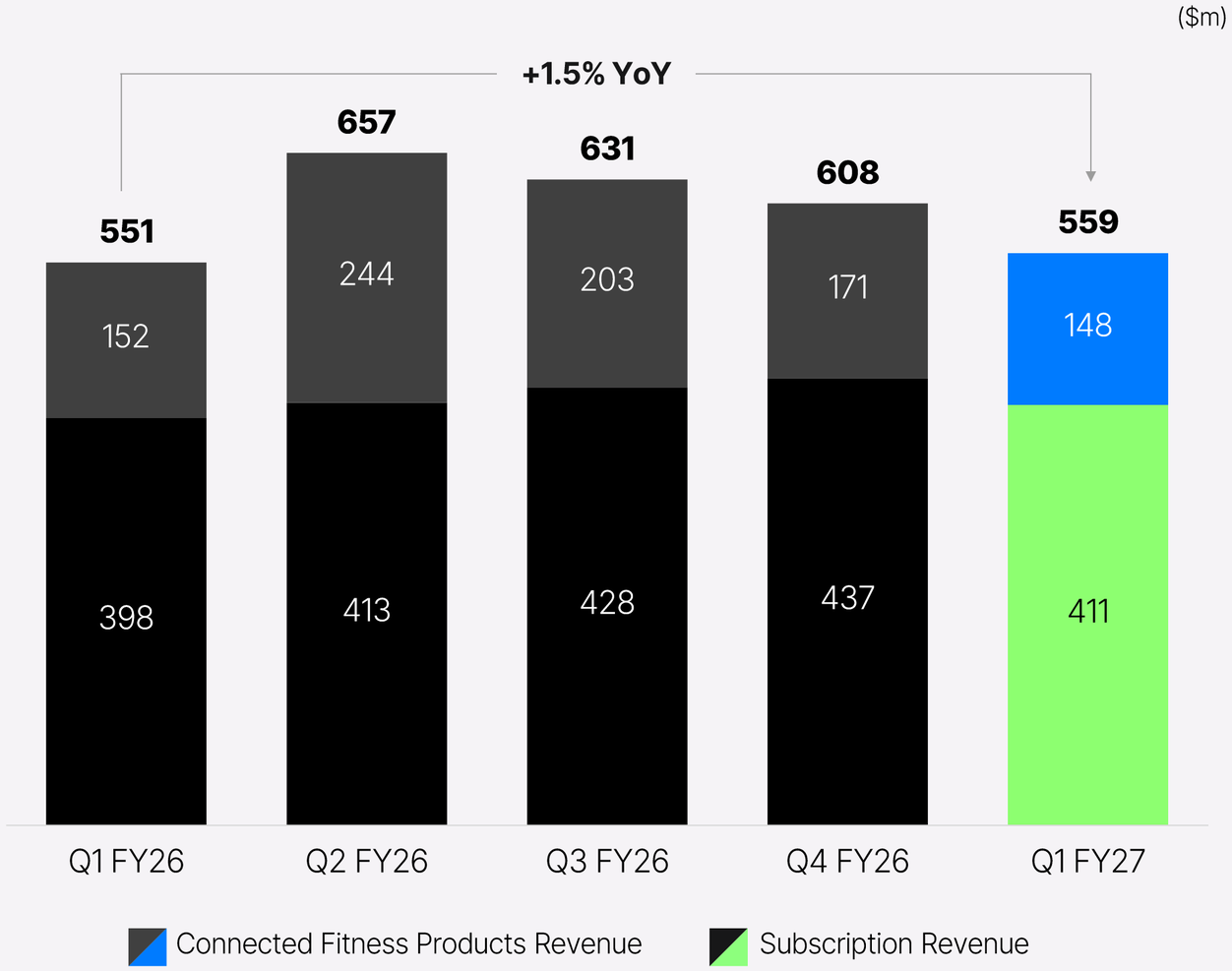
$411m

▲ **$12m / 3% YoY**

Q1 Connected Fitness Products Revenue

$148m

▼ **-$4m / -3% YoY**

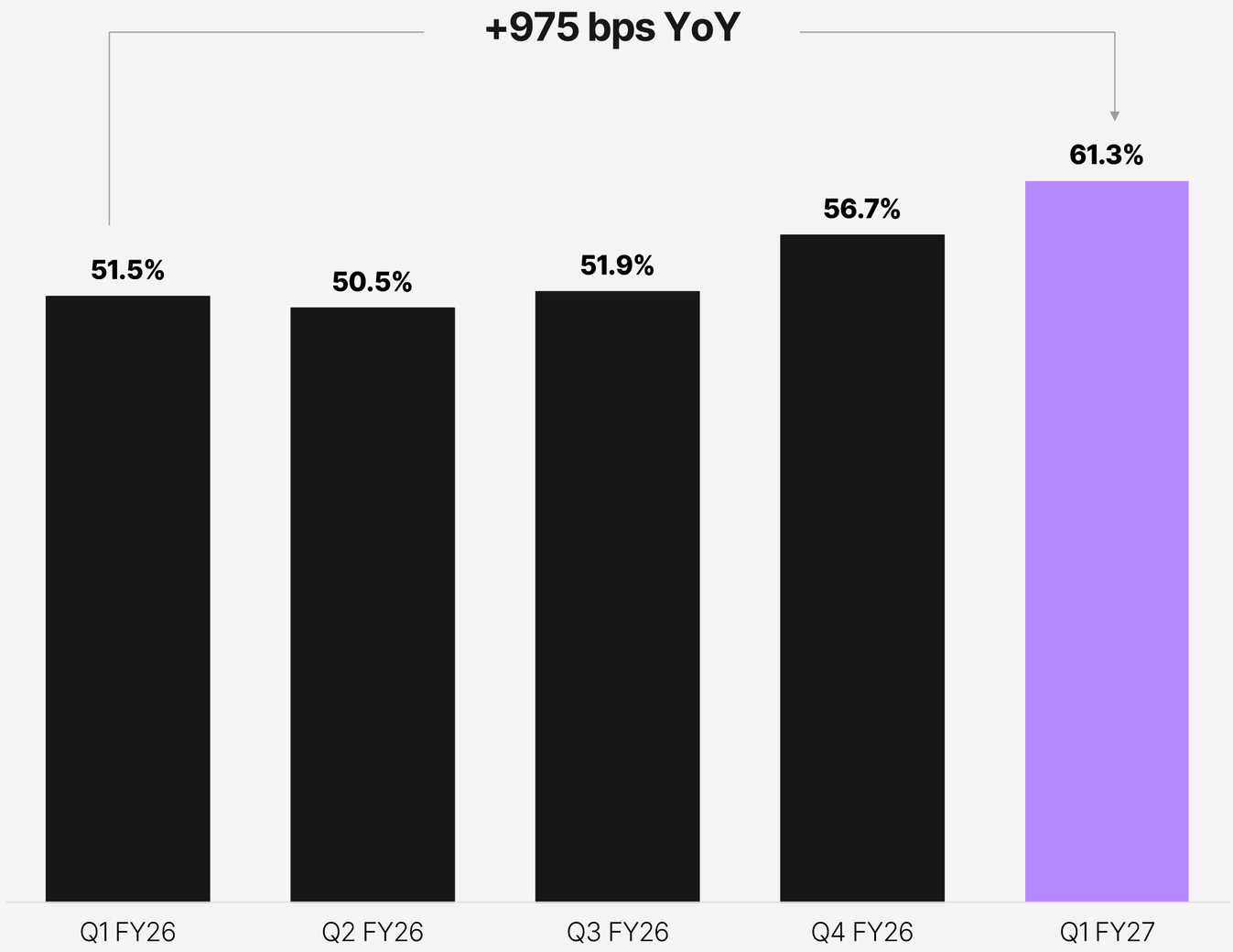


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Total Gross Margin

Increased 975 bps YoY



Q1 Total Gross Profit

$343m

▲ **$59m / 21% YoY**

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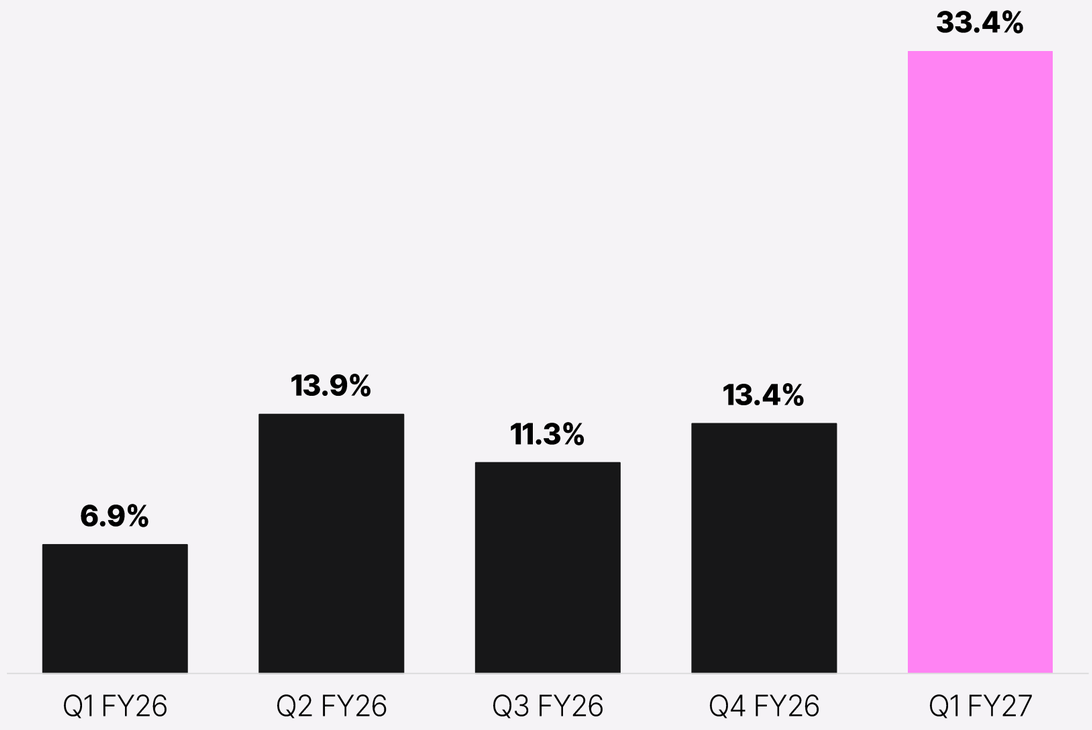
Segment Gross Margins

Connected Fitness Products Gross Margin Increased 2,650 bps YoY

Q1 Connected Fitness Products Gross Margin

33.4%

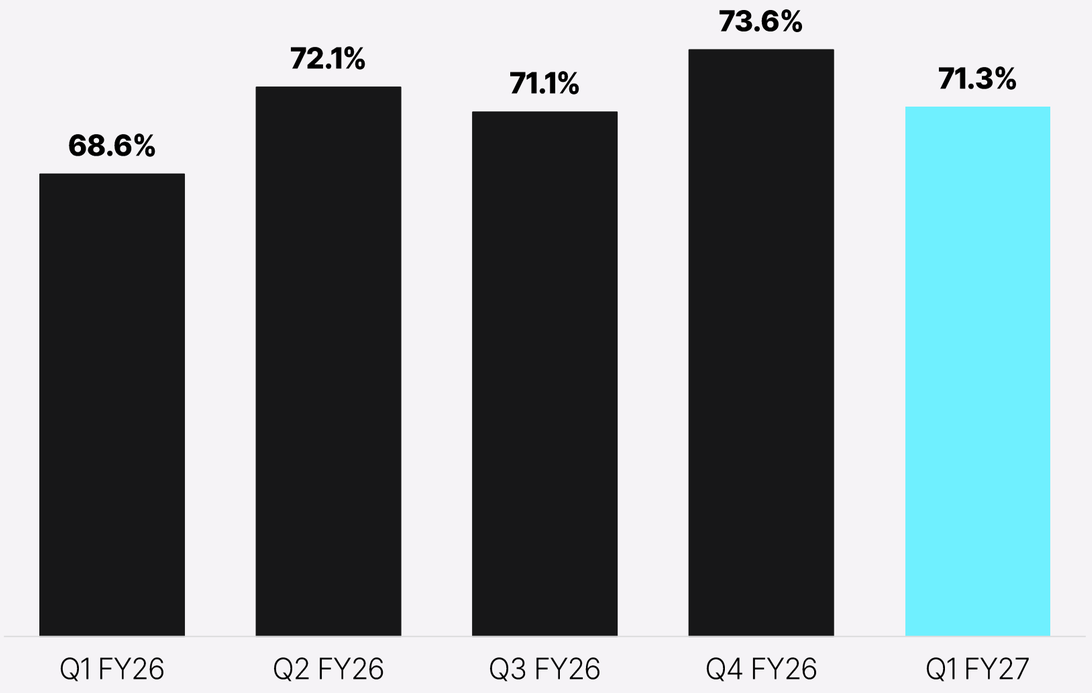
▲ **+2,650 bps YoY**



Q1 Subscription Gross Margin

71.3%

▲ **+280 bps YoY**



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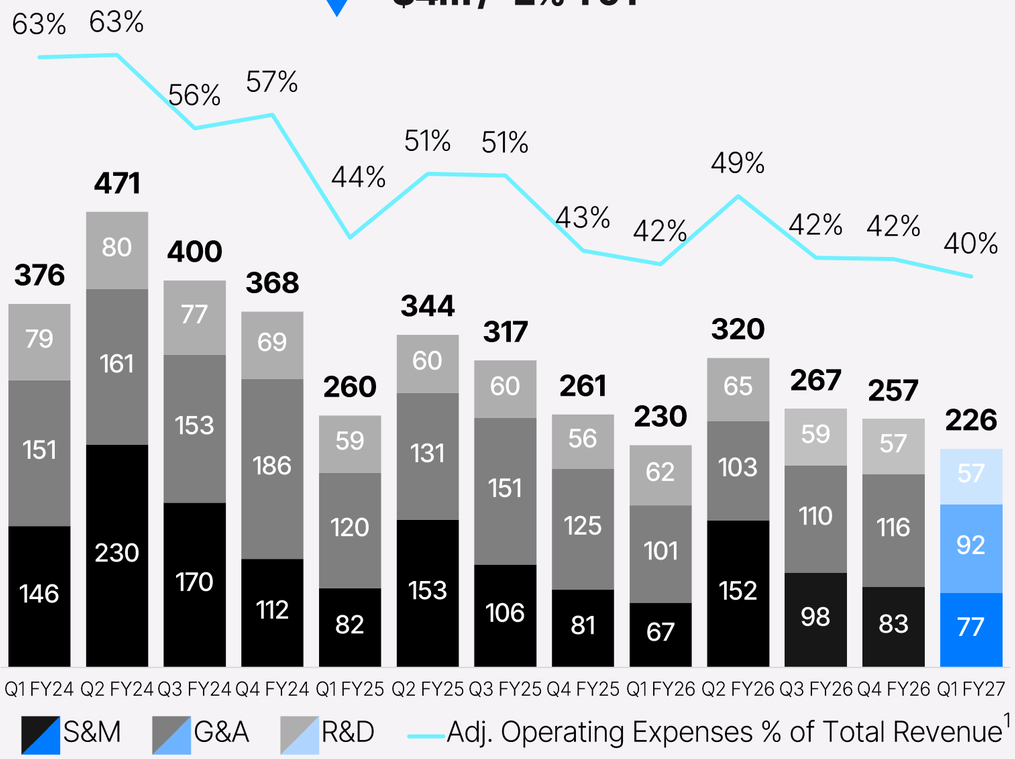
Operating Expenses and SBC

Increased S&M YoY in Q1 to support Tread launch on October 1st

Q1 Adj. Operating Expenses[1] ($m)

$226m

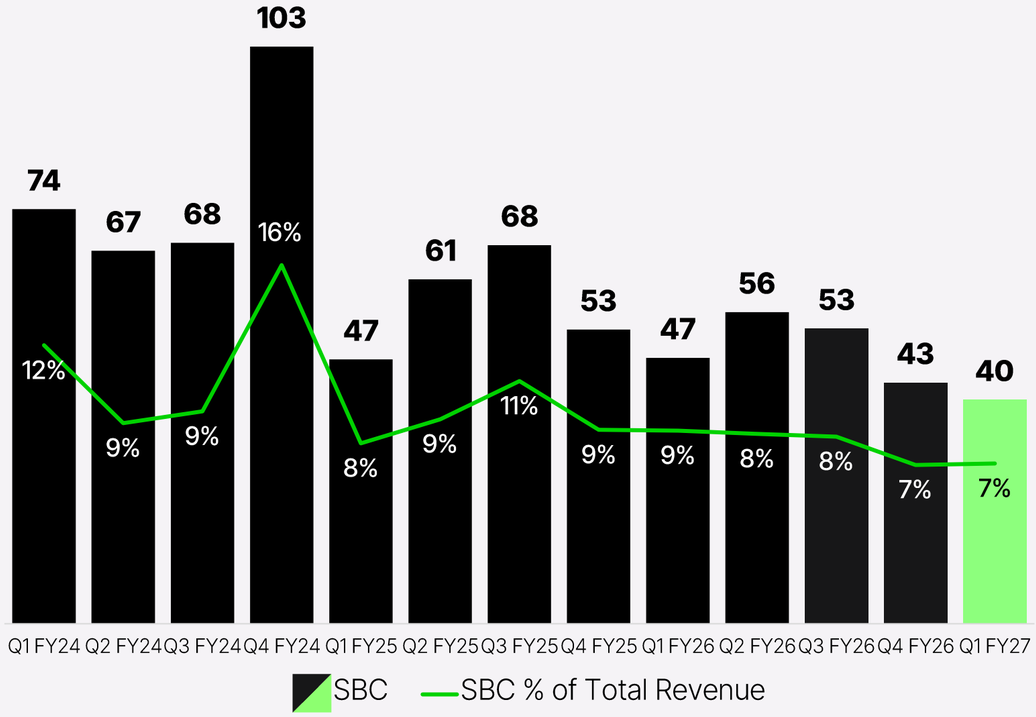
-$4m / -2% YoY



Q1 Stock-Based Compensation Expense ($m)

$40m

-$7m / -16% YoY



1. Non-GAAP measure. See Financial Appendix for reconciliation of GAAP to non-GAAP measures. Excludes restructuring, impairment, and supplier settlements.

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Profitability

Adj. EBITDA gains driven by nonrecurring items and disciplined margin expansion

Q1 Adjusted EBITDA[1]

$168m

▲ **+$50m / 42% YoY**

Q1 Free Cash Flow[1]

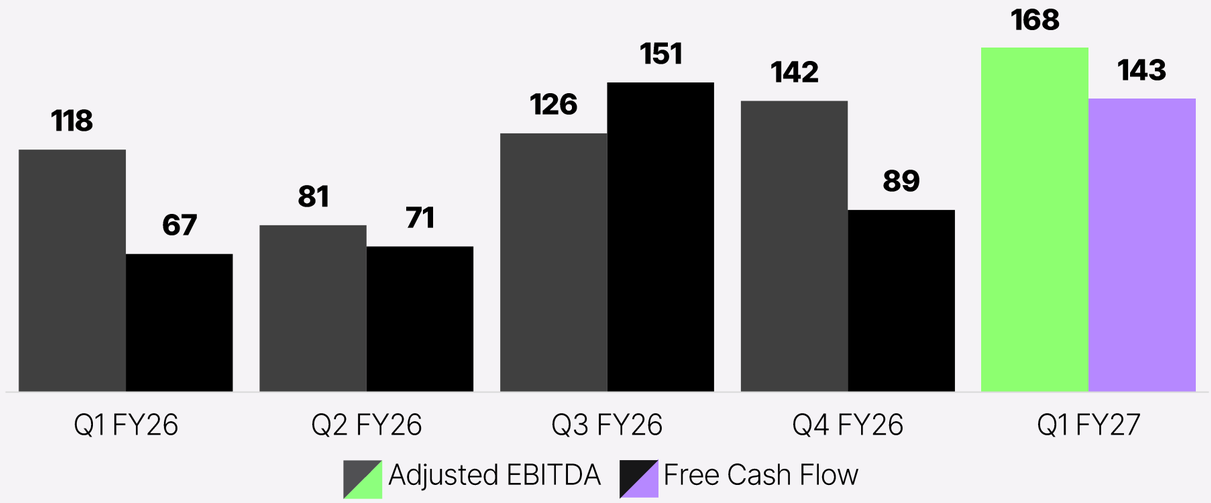
$143m

▲ **+$76m / +113% YoY**

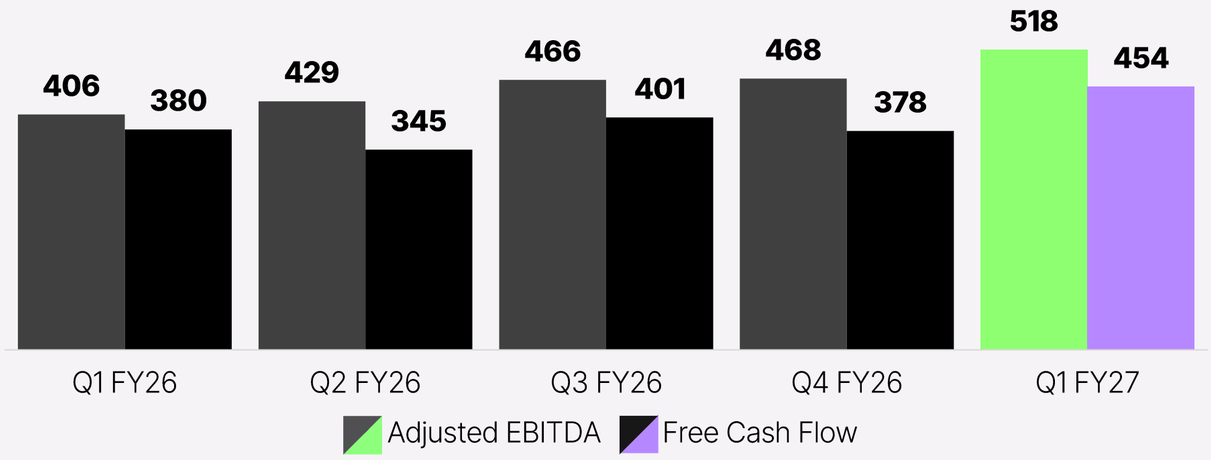
1. Non-GAAP measure. See Financial Appendix for reconciliation of GAAP to non-GAAP measures.
2. Trailing twelve months ('TTM').

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Quarterly Adj. EBITDA / Free Cash Flow[1] ($m)



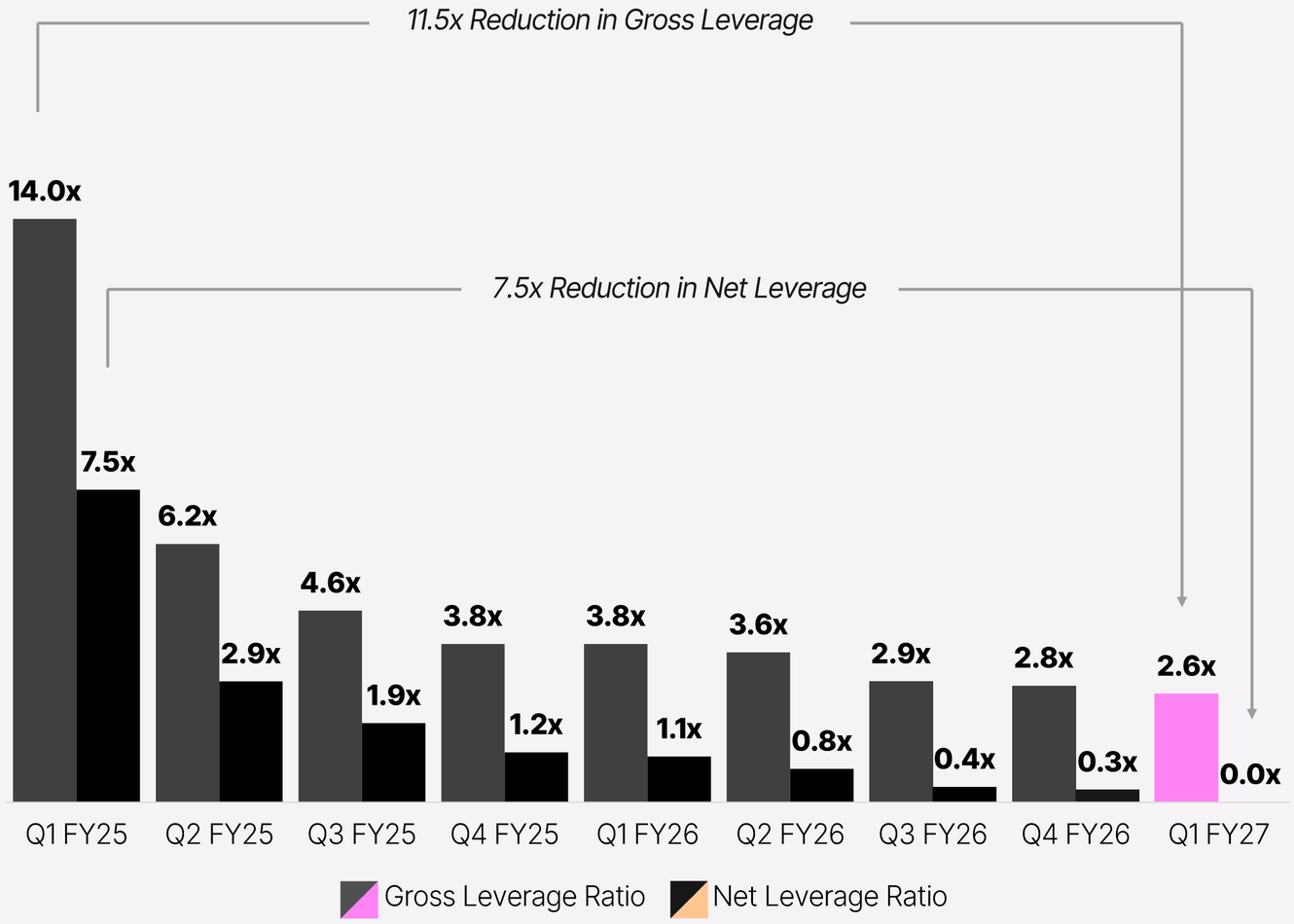
Quarterly TTM[2] Adj. EBITDA / TTM Free Cash Flow[1] ($m)



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Balance Sheet

Achieved net-debt neutral capital structure, focused on strategic capital allocation



Q1 Net Debt[1]

-$43m

▼ **-$438m / -111% YoY**

Q1 Gross Leverage Ratio[1]

2.6x

▼ **-1.2x YoY**

Q1 Net Leverage Ratio[1]

0.0x

▼ **-1.1x YoY**

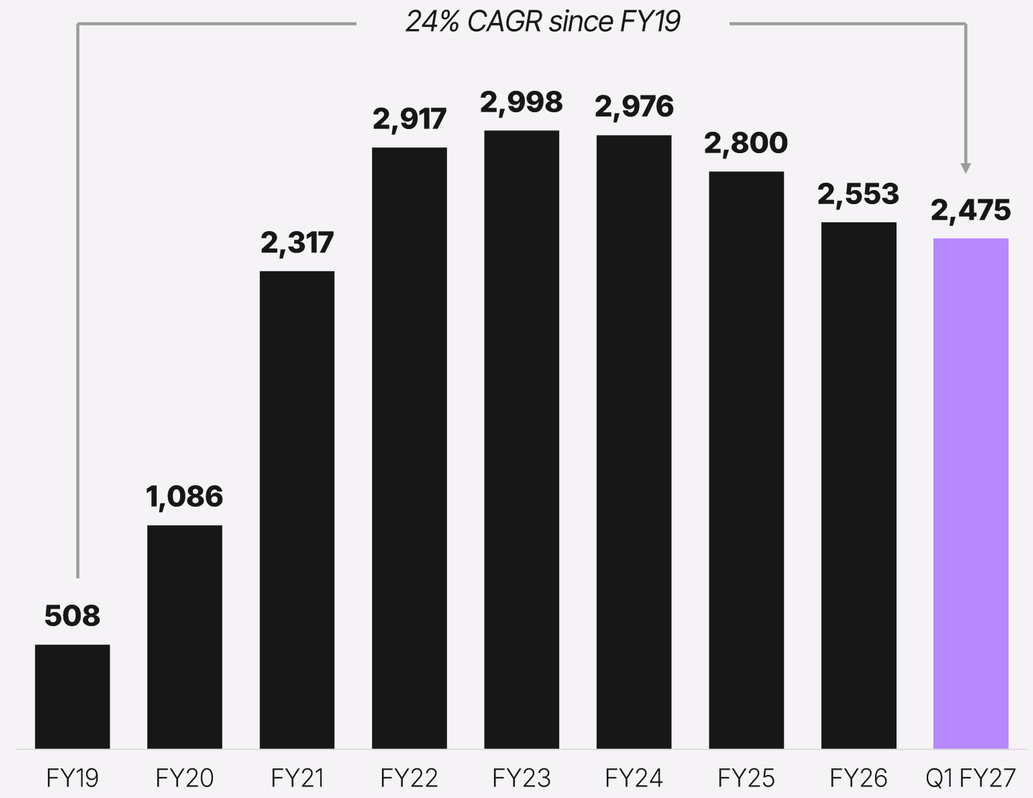
1. Non-GAAP measure. See Financial Appendix for reconciliation of GAAP to non-GAAP measures.

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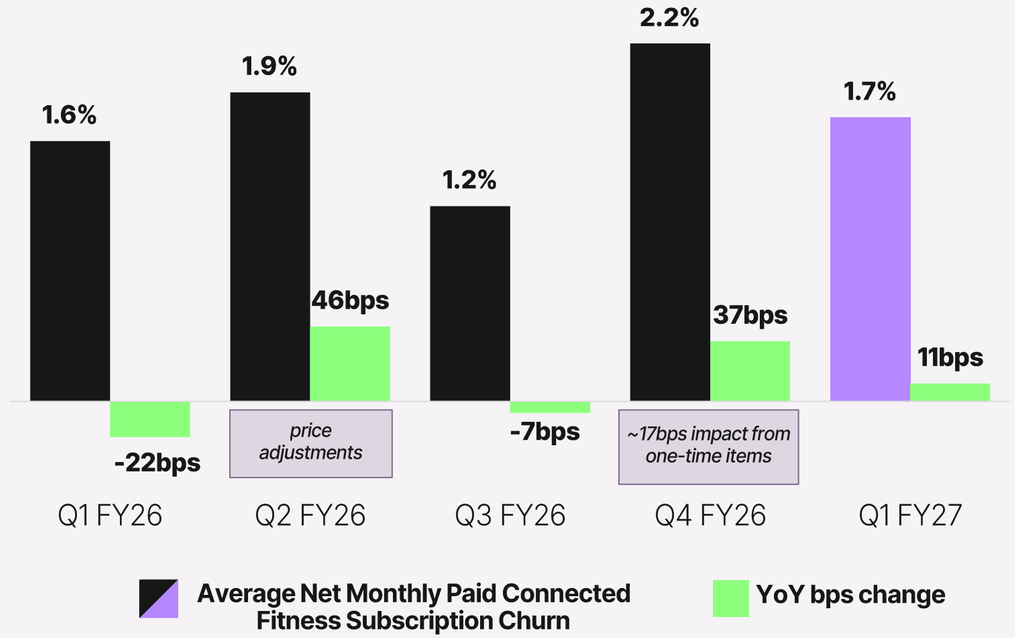
Ending Paid Connected Fitness Subscriptions

Highly retentive subscription business

Ending Paid Connected Fitness Subscriptions (000s)[1,2]



Avg. Net Monthly Paid Connected Fitness Subscription Churn[1]



1. Beginning January 1, 2025, the Company migrated its subscription data model for reporting Ending Paid Connected Fitness Subscriptions and Average Net Monthly Paid Connected Fitness Subscription Churn to a new data model that provides greater visibility to any change to a subscription's payment status when it occurs. The new model gives the Company more precise and timely data on subscription pause and churn behavior. Information prior to Q3 FY25 has been revised to conform with the current period presentation. The impact of this change in the model on Ending Paid Connected Fitness Subscriptions and Average Net Monthly Paid Connected Fitness Subscription Churn for the periods in FY25 and prior is immaterial.
2. Beginning July 1, 2023, the Company no longer included paused Connected Fitness subscriptions in Ending Paid Connected Fitness Subscriptions and began treating a pause as a churn event in Average Net Monthly Paid Connected Fitness Subscription Churn. All figures above exclude paused Connected Fitness Subscriptions. Please refer to the FY2023 10-K for more information about this metric change.

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02 Outlook

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Outlook for Q2 FY27

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	As Reported	Q2 FY27 Range		% Change (Midpoint)
	Q2 FY26	Low	High	YoY
Financial Results ($m)				
Total Revenue	$657	$625	$650	-3%
Total Gross Margin	50.5%	~50.0%		-50 bps
Adjusted EBITDA[1]	$81	$85	$100	14%
User Metrics (m)				
Ending Paid Connected Fitness Subscriptions	2.661	2.425	2.445	-9%

1. Non-GAAP measure. See Financial Appendix for reconciliation of GAAP to non-GAAP measures for Q2 FY26.

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Outlook for Full Year FY27

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	As Reported	Full Year FY27 Range		% Change (Midpoint)
	FY26	Low	High	YoY
Financial Results ($m)				
Total Revenue	$2,446	$2,300	$2,400	-4%
Total Gross Margin	52.6%	~54.0%		140 bps
Adjusted EBITDA[1]	$468	$475	$525	7%
Free Cash Flow[1]	$378	at least $350		

1. Non-GAAP measure. See Financial Appendix for reconciliation of GAAP to non-GAAP measures for FY26.

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Webcast Information

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We will host a live call at 8:30 a.m. ET on Thursday, November 5, 2026 to discuss our financial results. To avoid delays, we encourage participants to register at least 15 minutes before the start of the call.

A live webcast of the call and our earnings presentation will be available at https://investor.onepeloton.com/news-and-events/events, and a replay will be available on the investor relations page of the Company's website for 30 days.

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03 Our Business

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PELOTON

Our purpose

Empower people to live fit, strong, long, and happy

Our mission

Bring integrated fitness and wellness experiences to Members anytime, anywhere

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PELOTON

Four strategic pillars

Improve Member outcomes

Meet Members everywhere

Members for life

Business excellence

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World Class Equipment

Refreshed tread lineup engineered for every walker, runner and hiker



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PELOTON

World Class Equipment

Commercial Business Unit







60+
Countries/Markets

80,000+
Facilities Served

Double-Digit
YoY Revenue Growth (Q1 FY27)

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Engaging Content

Expert Instructors teach live and on-demand

Expansive Content Library: Currently over 65,000 live and on-demand classes across more than 15 disciplines, ensuring fresh, daily engagement for every fitness level

World-Class Talent: Over 50 premier Instructors leading 100+ structured programs designed to drive habit formation and long-term retention

Entertainment and Scenic: Stream movies and TV or virtually visit iconic locations around the world, with real-time metrics and guided workouts in the background

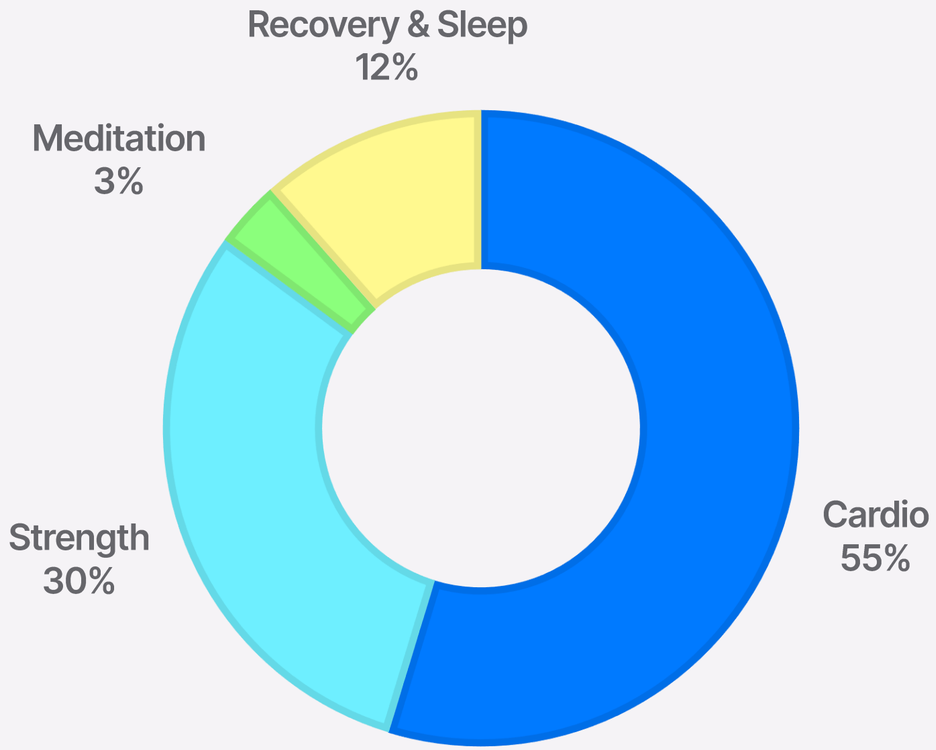
Scalable Global Reach: Content localized into 3 languages; piloting AI dubbing for more efficient translation



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Diversified Member Engagement

Q1 FY27 Workouts by Discipline



Cardio: Boxing, Cardio, Cycling, Outdoor, Row, Running, and Walking
Meditation: Meditation (excluding Sleep Meditation)
Recovery & Sleep: Stretching and Sleep Meditation
Strength: Barre, Bike Bootcamp, Pilates, Row Bootcamp, Strength, Tread Bootcamp, Yoga, and Strength+ content

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Pilates workouts increased

+53%

YoY in Q1

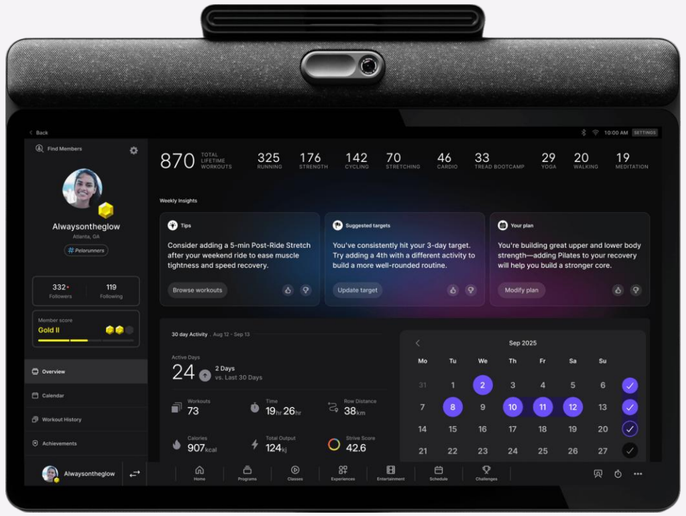
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Intuitive Software

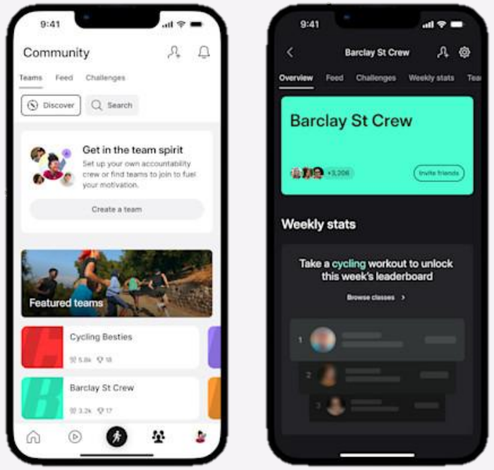
Peloton IQ, Teams, and Club Peloton designed to keep Members engaged

Peloton IQ



Data-driven coaching and personalized insights to optimize Member training, performance, and recovery

Teams



Social engagement engine driving accountability and lower churn through user-created micro-communities

Club Peloton



Gamified reward system designed to incentivize daily active usage, consistency, and milestone achievements

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04 Financial Appendix

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Reconciliation of Net Income (Loss) to Adjusted EBITDA

Non-GAAP Financial Measures

	Quarter Ended					Trailing Twelve Months ("TTM") Ended [1]				
	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
	(in millions)									
Net income (loss)	$ 13.9	$ (38.8)	$ 26.4	$ 61.6	$ 96.2	$ (104.1)	$ (50.9)	$ 23.2	$ 63.2	$ 145.5
Adjusted to exclude the following:										
Total other expense, net	26.7	24.7	25.6	20.6	18.6	93.4	72.9	84.0	97.6	89.5
Income tax expense (benefit)	0.7	(0.2)	0.4	(1.0)	1.5	3.2	2.3	1.9	(0.1)	0.7
Depreciation and amortization expense	16.8	15.4	13.6	11.5	11.3	81.6	74.2	66.5	57.2	51.8
Stock-based compensation expense	47.5	54.6	52.7	43.1	39.9	229.1	222.2	207.3	197.8	190.2
Impairment expense	8.3	23.0	3.4	(0.1)	0.8	67.5	73.7	46.5	34.6	27.2
Restructuring expense	4.4	2.7	4.1	6.7	(0.6)	35.3	34.7	36.4	17.9	12.9
Adjusted EBITDA [2]	$ 118.3	$ 81.4	$ 126.2	$ 142.3	$ 167.8	$ 406.0	$ 429.0	$ 465.8	$ 468.2	$ 517.7

(1) Trailing Twelve Month ("TTM") Adjusted EBITDA is computed by summing our reported Adjusted EBITDA for the trailing four fiscal quarters.

(2) We define Adjusted EBITDA as net income (loss) adjusted to exclude: other expense (income), net; net (gains) losses on debt refinancing; income tax expense (benefit); depreciation and amortization expense; stock-based compensation expense; impairment expense; restructuring expense; certain product recall related matters; certain litigation and settlement expenses; supplier settlements; and other adjustment items that arise outside the ordinary course of our business.

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Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

Non-GAAP Financial Measures

	Quarter Ended					Trailing Twelve Months ("TTM") Ended [1]				
	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
	(in millions)									
Net cash provided by operating activities	$ 71.9	$ 71.9	$ 152.7	$ 91.0	$ 145.7	$ 392.4	$ 357.6	$ 413.6	$ 387.6	$ 461.3
Capital expenditures	(4.5)	(0.9)	(2.2)	(2.3)	(2.3)	(12.0)	(12.2)	(12.3)	(9.9)	(7.7)
Free Cash Flow [2]	$ 67.4	$ 71.0	$ 150.5	$ 88.7	$ 143.4	$ 380.4	$ 345.5	$ 401.3	$ 377.6	$ 453.6

(1) Trailing Twelve Month ("TTM") Free Cash Flow is computed by summing our reported Free Cash Flow for the trailing four fiscal quarters.

(2) We define Free Cash Flow as Net cash provided by (used in) operating activities less Capital expenditures.

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Reconciliation of Total Operating Expenses to Adjusted Operating Expenses

Non-GAAP Financial Measures

	Quarter Ended												
	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
	(in millions)												
Total operating expenses	$ 417.6	$ 486.5	$ 455.9	$ 375.3	$ 291.2	$ 364.3	$ 350.5	$ 298.5	$ 242.4	$ 345.6	$ 274.8	$ 263.2	$ 226.2
Less: Impairment expense	24.0	3.6	19.0	10.6	4.9	16.7	30.7	11.8	8.3	23.0	3.4	(0.1)	0.8
Less: Restructuring expense	17.8	13.4	37.6	(2.8)	2.9	3.3	2.4	25.2	4.4	2.7	4.1	6.7	(0.6)
Less: Supplier settlements	—	(1.5)	(0.9)	(0.3)	23.5	—	—	—	—	—	—	—	—
Adjusted operating expenses [1]	$ 375.8	$ 471.0	$ 400.2	$ 367.8	$ 259.9	$ 344.3	$ 317.5	$ 261.5	$ 229.7	$ 319.9	$ 267.3	$ 256.6	$ 225.9
Total Revenue	$ 595.5	$ 743.6	$ 717.7	$ 643.6	$ 586.0	$ 673.9	$ 624.0	$ 606.9	$ 550.8	$ 656.5	$ 630.9	$ 607.7	$ 559.2
Total operating expenses % of Total Revenue	70 %	65 %	64 %	58 %	50 %	54 %	56 %	49 %	44 %	53 %	44 %	43 %	40 %
Adjusted operating expenses % of Total Revenue [2]	63 %	63 %	56 %	57 %	44 %	51 %	51 %	43 %	42 %	49 %	42 %	42 %	40 %

(1) We define Adjusted operating expenses as Total operating expenses adjusted to exclude: Impairment expense, Restructuring expense, and Supplier settlements.

(2) We define Adjusted operating expenses % of Total Revenue as Adjusted operating expenses divided by Total Revenue.

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Reconciliation of Total Debt to Net Debt

Non-GAAP Financial Measures

	As Of Quarter End	
	Q1 FY27	Q1 FY26
	(in millions)	
Current portion of debt	$ 10.0	$ 208.7
Convertible senior notes, net of current portion	345.3	343.9
Term loan, net of current portion	943.7	946.1
Total debt [1]	1,298.9	1,498.7
Less: Cash and cash equivalents	1,342.2	1,103.6
Net Debt [2]	$ (43.2)	$ 395.1

(1) Total debt consists of the carrying amount of Current portion of debt, Convertible senior notes, net of current portion, and Term loan, net of current portion, on our Consolidated Balance Sheets, which includes unamortized debt discount and issuance costs.

(2) We define Net Debt as Total debt less Cash and cash equivalents.

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Gross Principal Debt Outstanding, Net of Cash and cash equivalents, Gross Leverage Ratio, and Net Leverage Ratio

Non-GAAP Financial Measures

	Trailing Twelve Months ("TTM") Ended								
	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
	(dollars in millions)								
Net (loss) income	$ (393.5)	$ (290.6)	$ (171.0)	$ (118.9)	$ (104.1)	$ (50.9)	$ 23.2	$ 63.2	$ 145.5
Adjusted to exclude the following:									
Total other expense, net	63.2	98.9	93.0	79.3	93.4	72.9	84.0	97.6	89.5
Net gain on debt refinancing	(53.6)	(53.6)	(53.6)	—	—	—	—	—	—
Income tax (benefit) expense	(0.1)	2.3	2.5	3.4	3.2	2.3	1.9	(0.1)	0.7
Depreciation and amortization expense	102.9	100.5	94.6	89.7	81.6	74.2	66.5	57.2	51.8
Stock-based compensation expense	285.3	280.2	281.7	228.8	229.1	222.2	207.3	197.8	190.2
Impairment expense	38.1	51.2	62.9	64.1	67.5	73.7	46.5	34.6	27.2
Restructuring expense	51.7	41.1	5.8	33.8	35.3	34.7	36.4	17.9	12.9
Supplier settlements	20.9	22.4	23.2	23.5	—	—	—	—	—
Product recalls	(12.3)	(5.8)	(5.8)	—	—	—	—	—	—
Litigation and settlement expenses	7.8	3.7	0.6	—	—	—	—	—	—
Adjusted EBITDA [1]	$ 110.2	$ 250.3	$ 333.9	$ 403.6	$ 406.0	$ 429.0	$ 465.8	$ 468.2	$ 517.7
Gross principal debt outstanding [2]	$ 1,546.5	$ 1,544.0	$ 1,541.5	$ 1,539.0	$ 1,536.5	$ 1,534.0	$ 1,332.5	$ 1,330.0	$ 1,327.5
Less: Cash and cash equivalents	722.3	829.0	914.3	1,039.5	1,103.6	1,179.6	1,126.3	1,206.6	1,342.2
Gross principal debt outstanding, net of cash and cash equivalents [3]	$ 824.2	$ 715.0	$ 627.2	$ 499.5	$ 432.9	$ 354.4	$ 206.2	$ 123.4	$ (14.7)
Gross Leverage Ratio [4]	14.0 x	6.2 x	4.6 x	3.8 x	3.8 x	3.6 x	2.9 x	2.8 x	2.6 x
Net Leverage Ratio [5]	7.5 x	2.9 x	1.9 x	1.2 x	1.1 x	0.8 x	0.4 x	0.3 x	0.0 x

(1) Trailing Twelve Month ("TTM") Adjusted EBITDA is computed by summing our reported Adjusted EBITDA for the trailing four fiscal quarters.
(2) Gross principal debt outstanding consists of the gross principal amount outstanding on Total debt, which excludes unamortized debt discount and issuance costs.
(3) We define Gross principal debt outstanding, net of cash and cash equivalents as Gross principal debt outstanding less Cash and cash equivalents.
(4) Our Gross Leverage Ratio is defined as Gross principal debt outstanding divided by our Trailing Twelve Month Adjusted EBITDA.
(5) Our Net Leverage Ratio is defined as Gross principal debt outstanding, net of cash and cash equivalents divided by our Trailing Twelve Month Adjusted EBITDA.

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