PELOTON

Earnings Update
Q4 FY2026

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 first 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; 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, including our 2025 Restructuring Plan, which has been substantially implemented; 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, 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 Original Series 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 annual or 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, 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 and 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.

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
FY2026

Revenue	Gross Margin	Adjusted EBITDA[1]	Free Cash Flow[1]	Connected Fitness Subscriptions[2]
$2,446m	**52.6%**	**$468m**	**$378m**	**2.553m**
▼ 1.8% YoY	▲ 170 bps YoY	▲ 16.0% YoY	▲ 16.7% YoY	▼ 8.8% YoY
Above	Above	Below	Above	In-line
($2,420m-$2,440m guidance)	*(~52.5% guidance)*	*($470m-$480m guidance)*	*(~$350m guidance)*	*(2.550m-2.570m guidance)*
		Includes $23.8m nonrecurring accrued legal contingency		

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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Peloton invests in the future of Pilates with targeted acquisition of Skōp

As an early innovator in Connected Pilates, Skōp brings foundational technologies and deep expertise that will build on Peloton's leadership in at-home Pilates, helping us push further into strength and scale our comprehensive wellness ecosystem.

"Pilates is a category ripe for the same kind of experiential reinvention we brought to cardio."

- Peter Stern, CEO

Commercial Business Unit

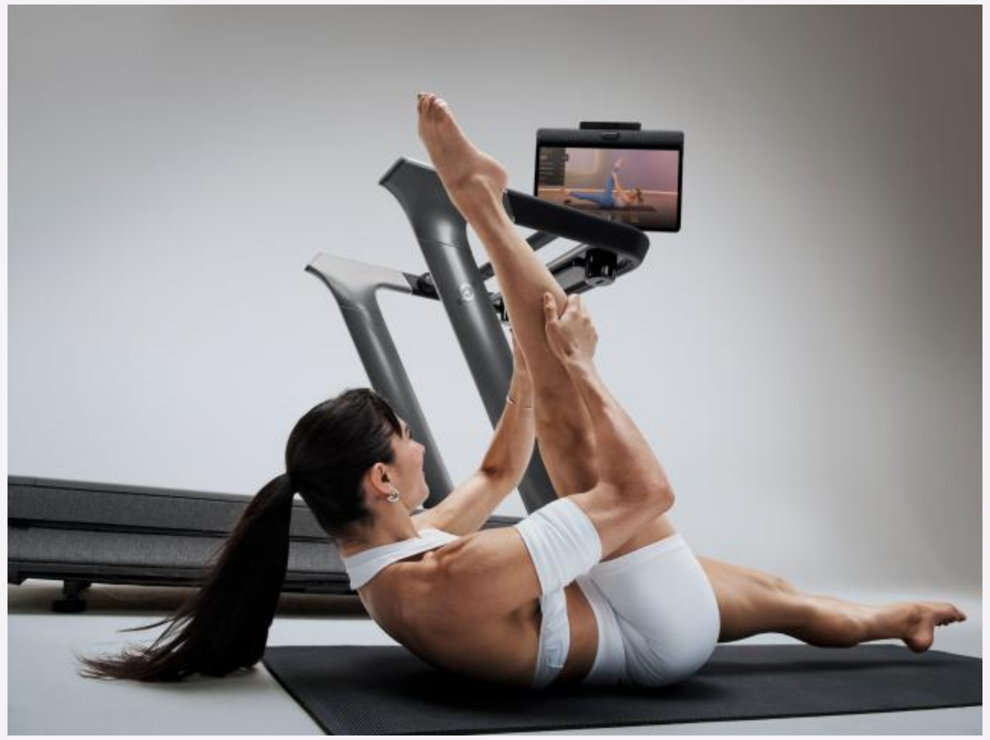
Achieved double digit revenue growth in FY2026

Renderings of Peloton Commercial Series

Launching Fall 2026:
The Commercial Series

Peloton's first-ever Bike and Tread designed for high-traffic gym environments expected to be available in Q2 FY2027

FY26 Product & Content Updates



Cross Training Series: Peloton's first portfolio-wide refresh, standardizing swivel screen to optimize cross training.

Peloton IQ: AI-powered personalized software providing workout recommendations, performance insights, form feedback & rep counting.

Content Library Expansion: Released 11,500 new classes in FY26, expanding our current library to more than 65,000 classes. 69% of completed workouts in FY26 were from classes released in the same fiscal year.

Breathwrk: Acquired award-winning app specializing in breathing exercises, expanded to include meditation content.

New Instructors: Welcomed three new Strength instructors.

01 Fourth Quarter Fiscal 2026 Results

Revenue

Delivered positive revenue growth YoY

Q4 Total Revenue

$608m

$1m / 0.1% YoY

Q4 Subscription Revenue

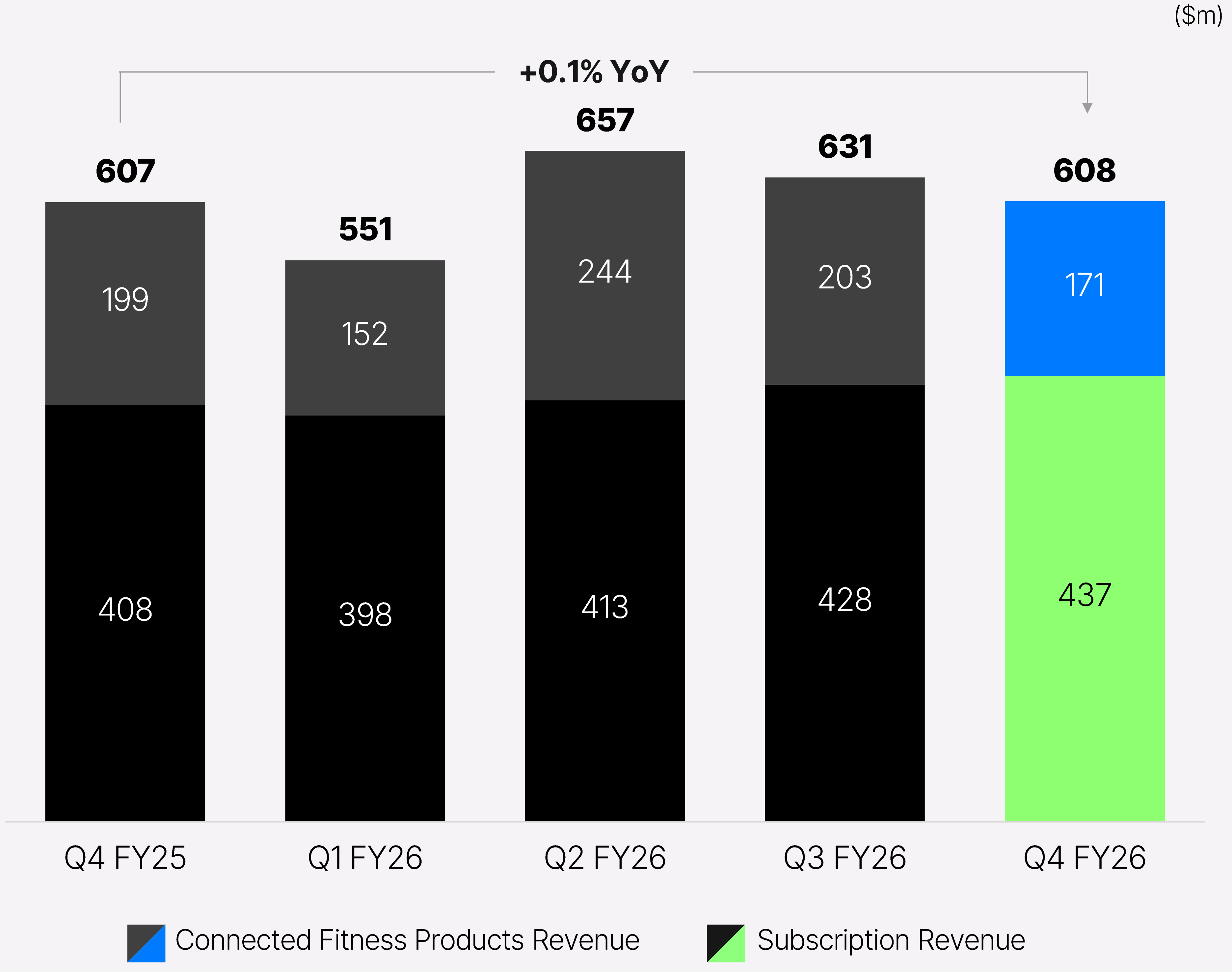
$437m

$28m / 7% YoY

Q4 Connected Fitness Products Revenue

$171m

-$28m / -14% YoY



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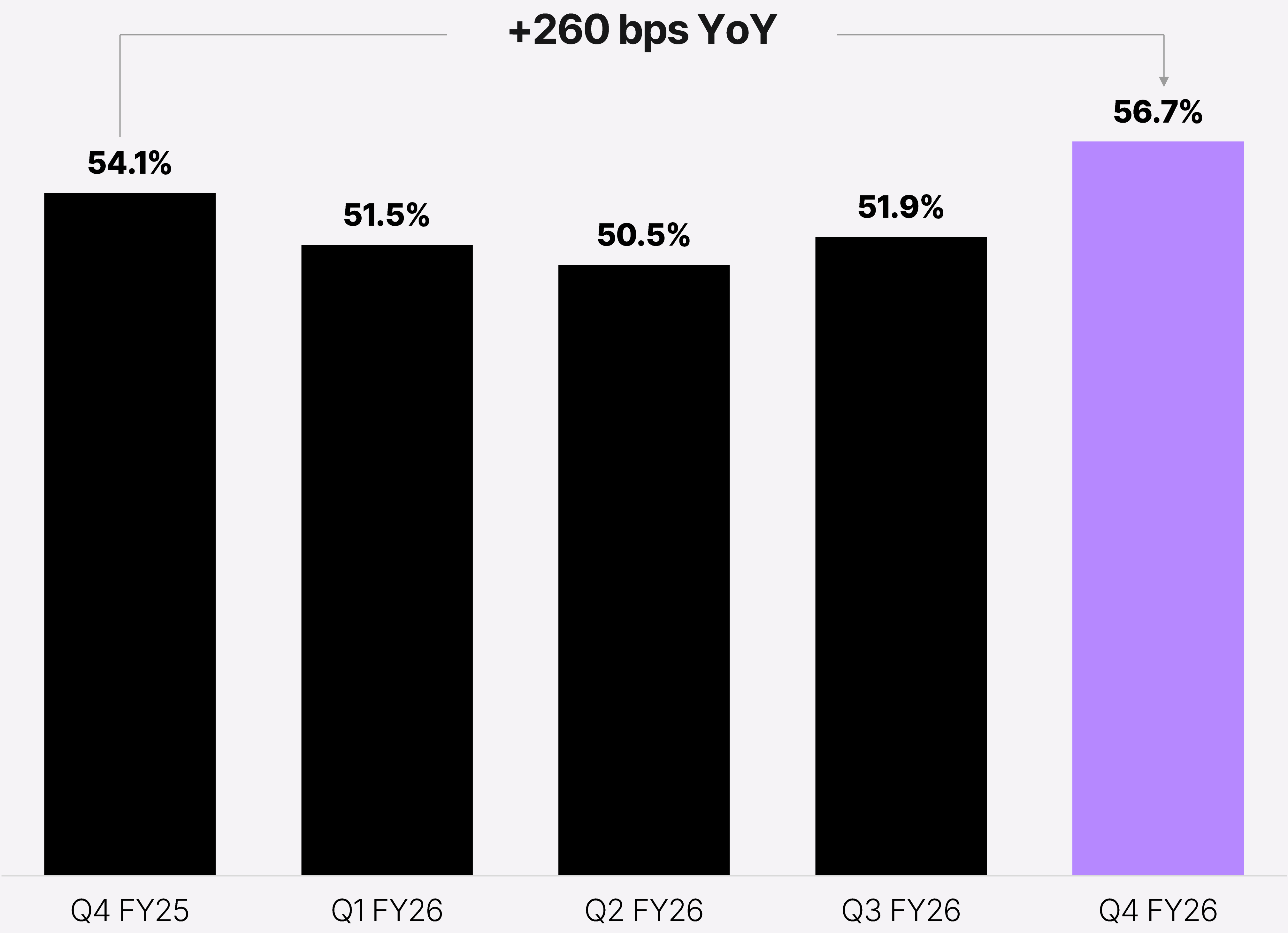
Total Gross Margin

Increased 260 bps YoY[1]



Q4 Total Gross Profit

$344m

$16m / 5% YoY

1. Beginning in Q1 FY26, the Company now assigns executive compensation and other corporate overhead costs associated with our corporate facilities to the various expense captions that these costs relate to. For a reconciliation of Total Gross Margin for Q4 FY25 to the revised amount inclusive of allocated overhead costs, refer to the reconciliation tables in the Financial Appendix.

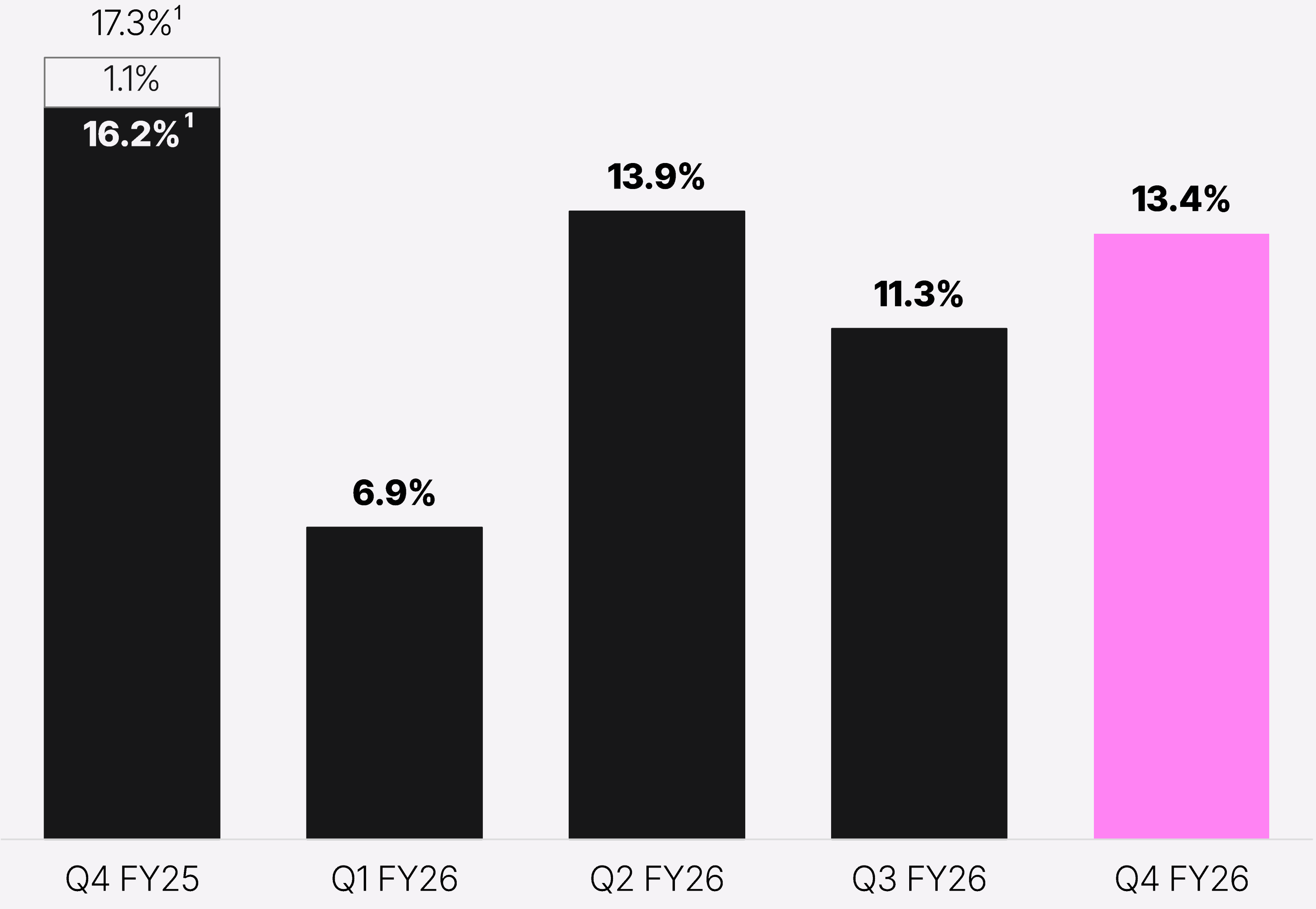
Segment Adjusted Gross Margins[1]

Subscription Adjusted Gross Margin Increased 277 bps YoY

Q4 Connected Fitness Products Adj. Gross Margin[1]

13.4%

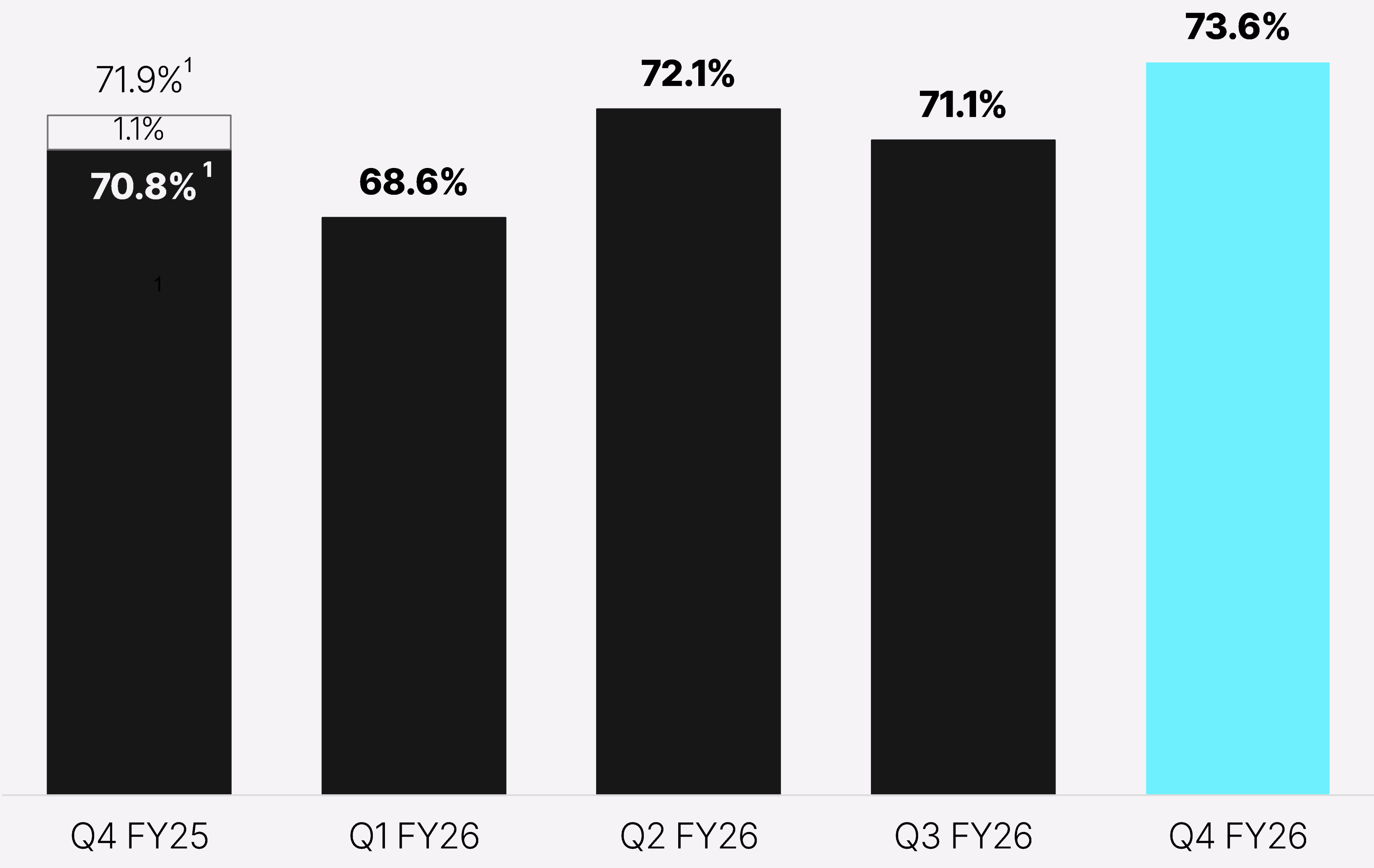
-283 bps YoY[1]



Q4 Subscription Adj. Gross Margin[1]

73.6%

+277 bps YoY[1]



1. Beginning in Q1 FY26, the Company now assigns executive compensation and other corporate overhead costs associated with our corporate facilities to the various expense captions that these costs relate to. For a reconciliation of our reported segment gross margins to the Segment Adjusted Gross Margins for Q4 FY25, refer to the reconciliation tables in the Financial Appendix.

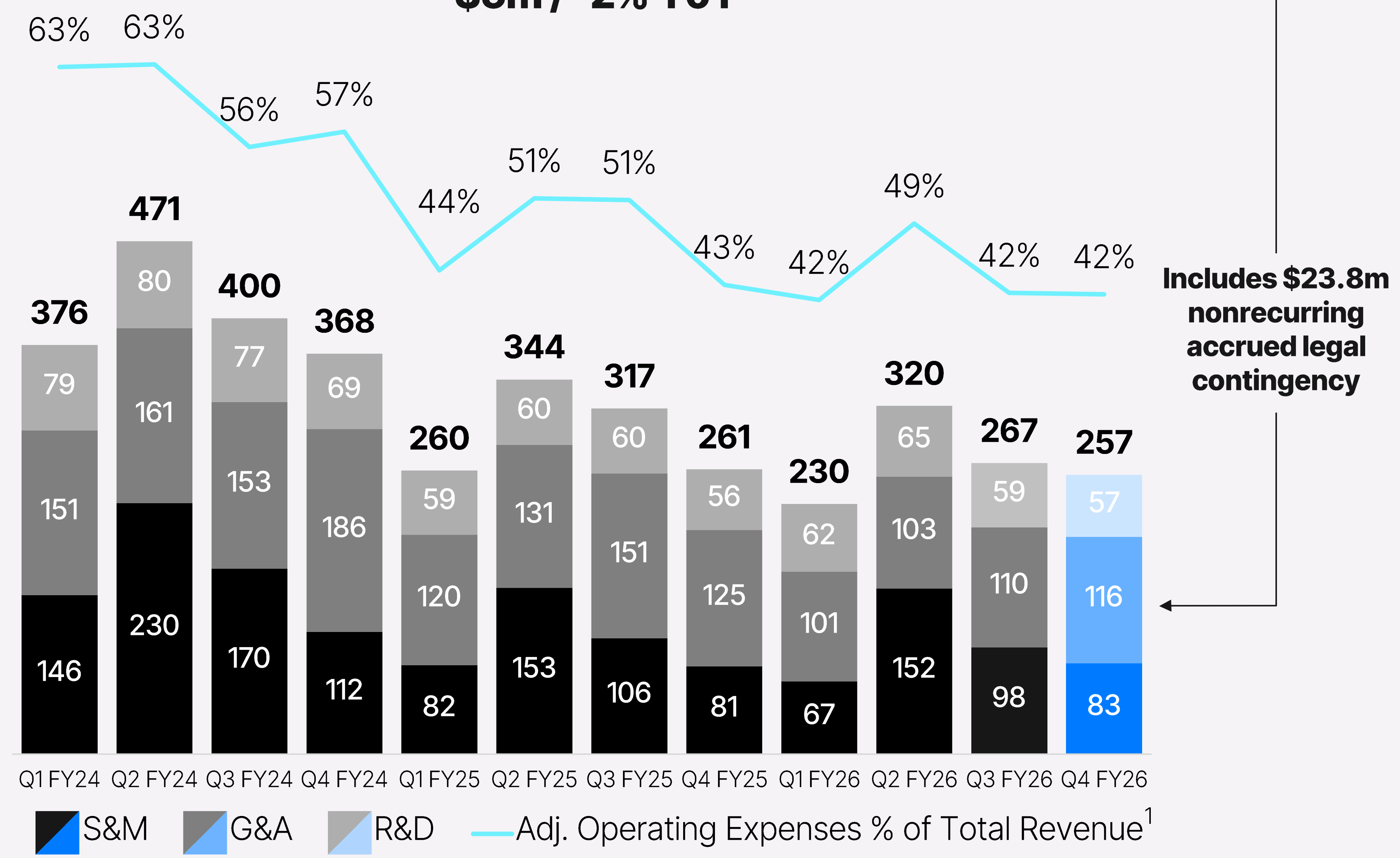
Operating Expenses and SBC

Exceeded $100m of run-rate cost savings in FY26

Q4 Adj. Operating Expenses[1] ($m)

$257m

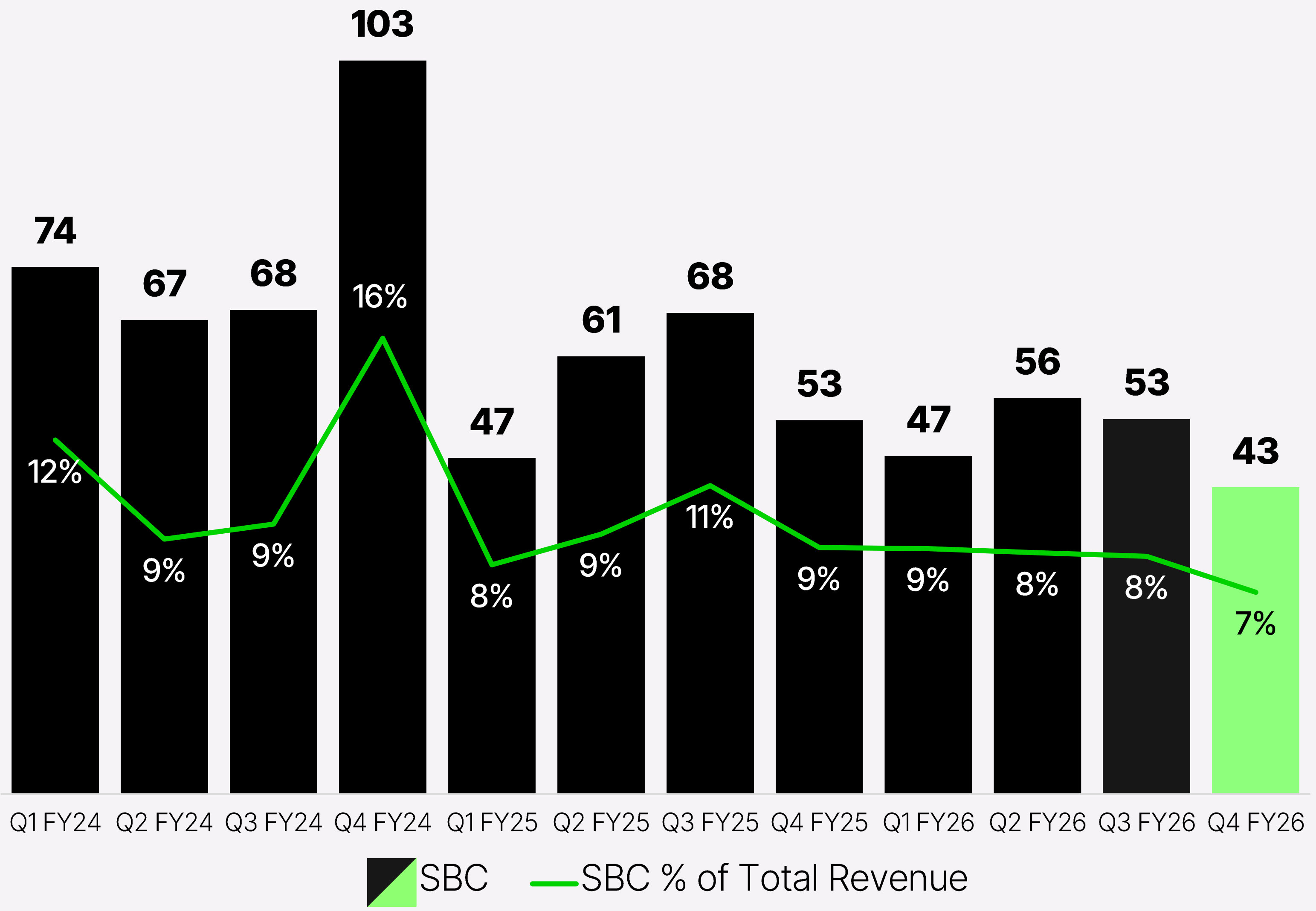
-$5m / -2% YoY



Q4 Stock-Based Compensation Expense ($m)

$43m

-$10m / -19% YoY



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

Profitability

Adj. EBITDA gains driven by disciplined cost management

Q4 Adjusted EBITDA[1]

$142m

+$2m / 2% YoY

Includes $23.8m nonrecurring accrued legal contingency

Q4 Free Cash Flow[1]

$89m

-$24m / -21% 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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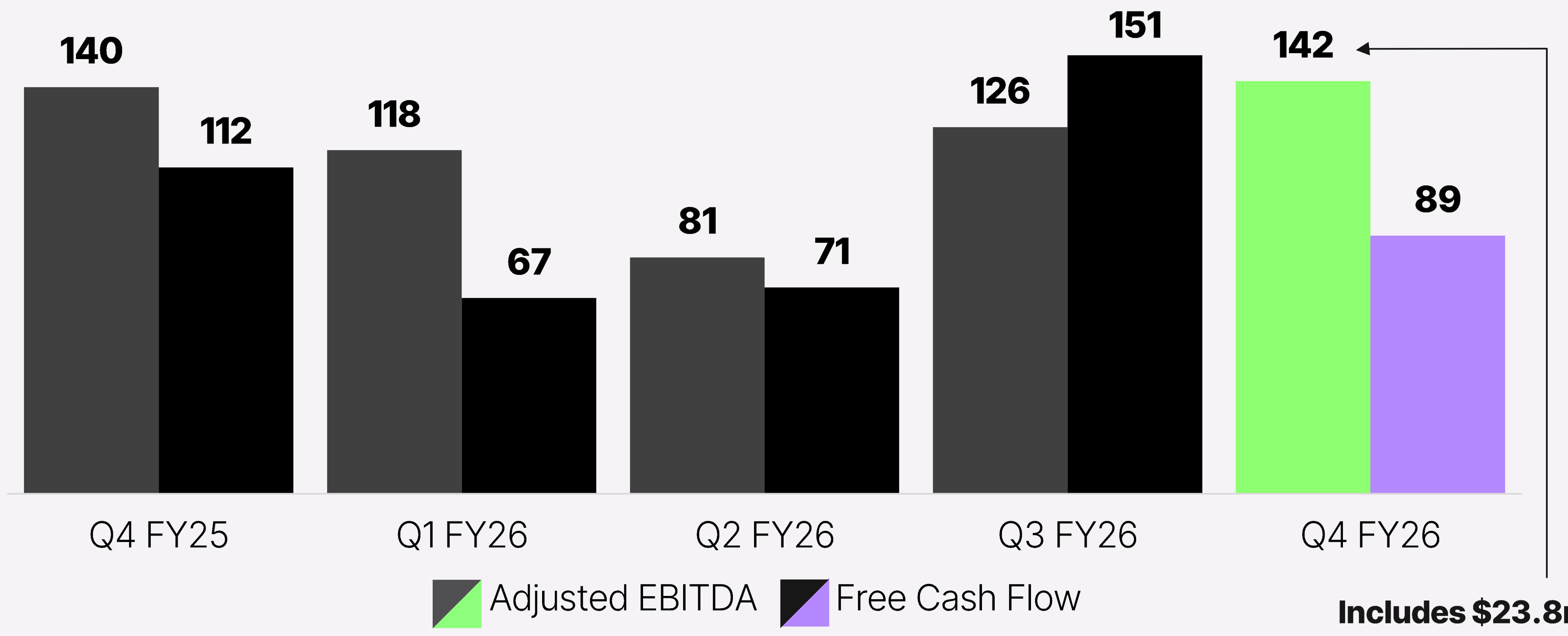
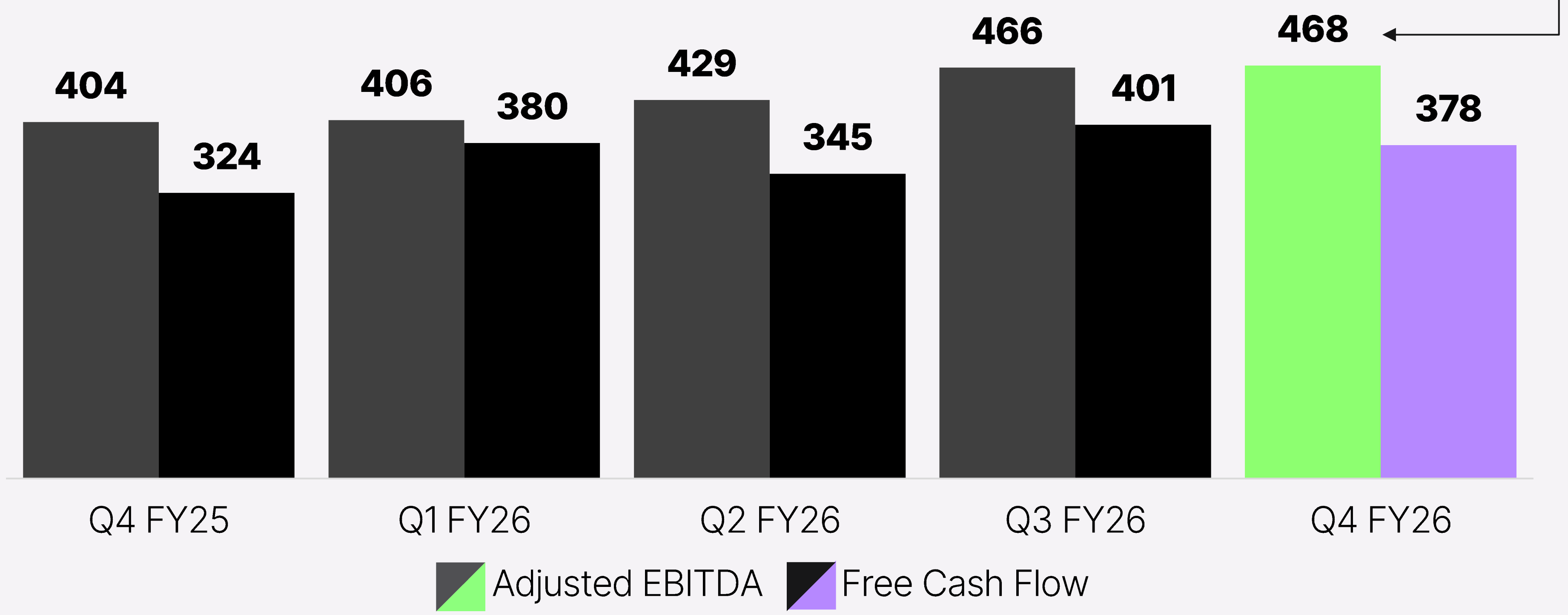
Quarterly Adj. EBITDA / Free Cash Flow[1] ($m)



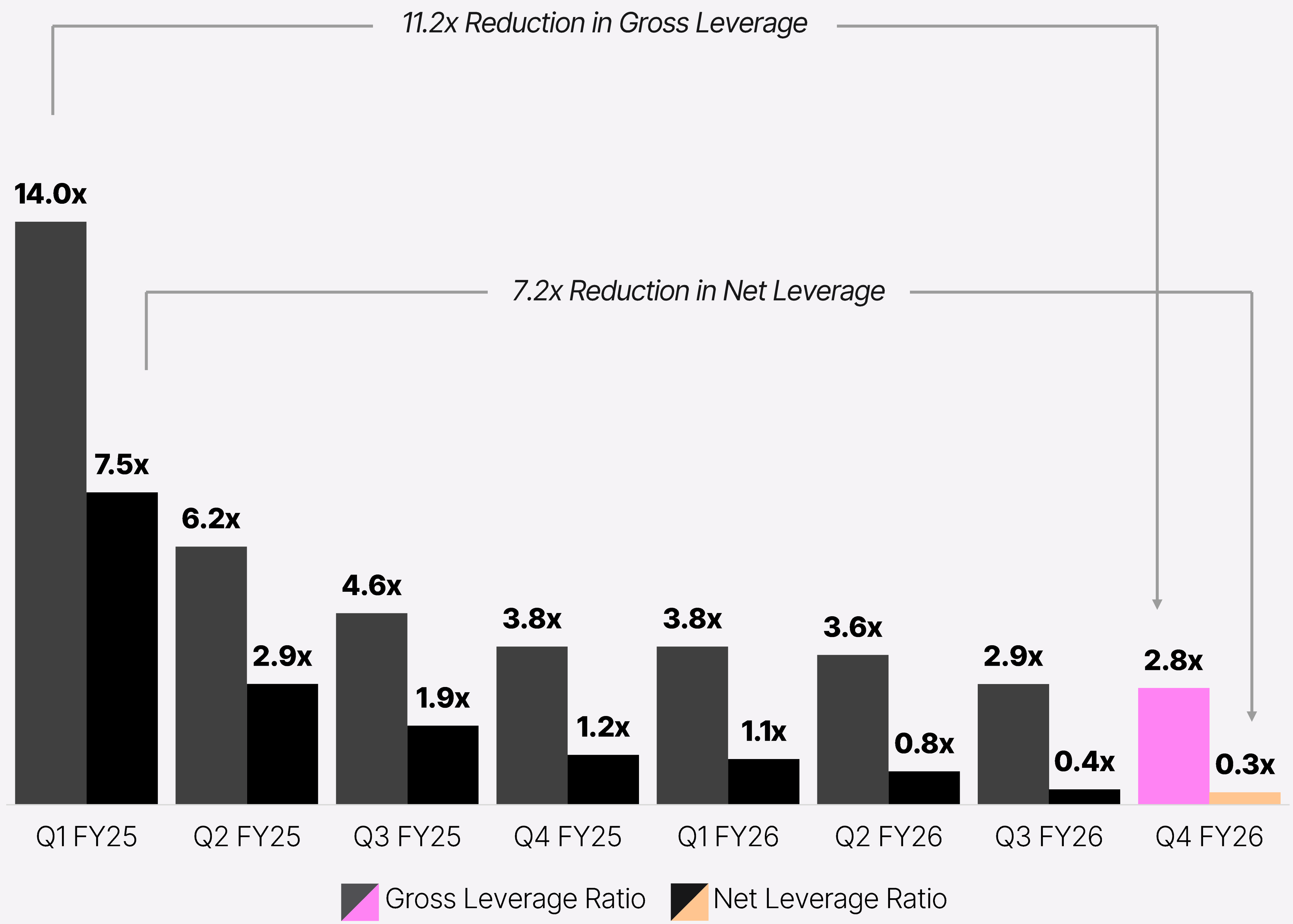
Includes $23.8m nonrecurring accrued legal contingency

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



Balance Sheet

Meaningful deleveraging enabling next phase of strategic capital allocation



Q4 Net Debt[1]

$93m

-$367m / -80% YoY

Q4 Gross Leverage Ratio[1]

2.8x

-1.0x YoY

Q4 Net Leverage Ratio[1]

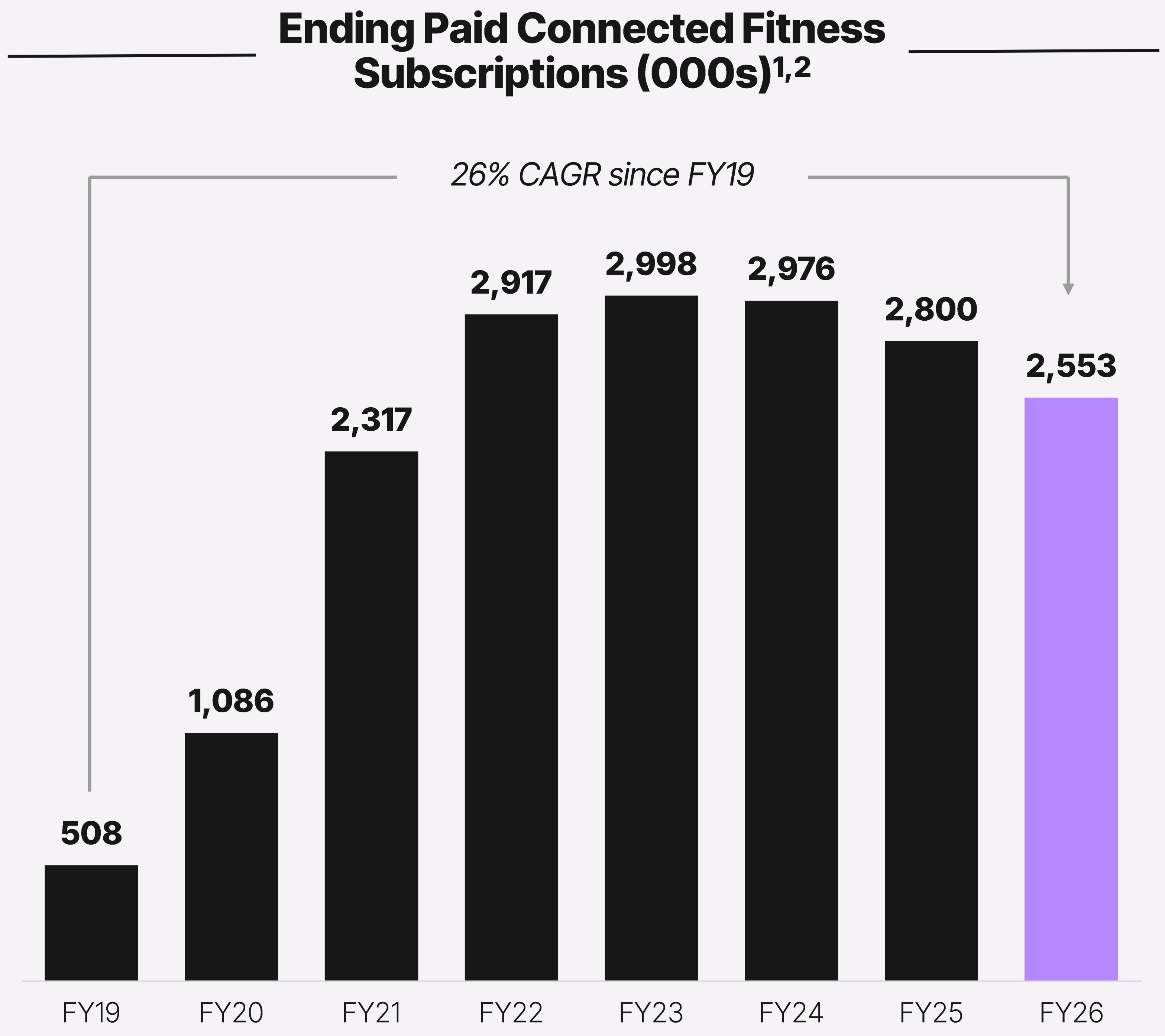
0.3x

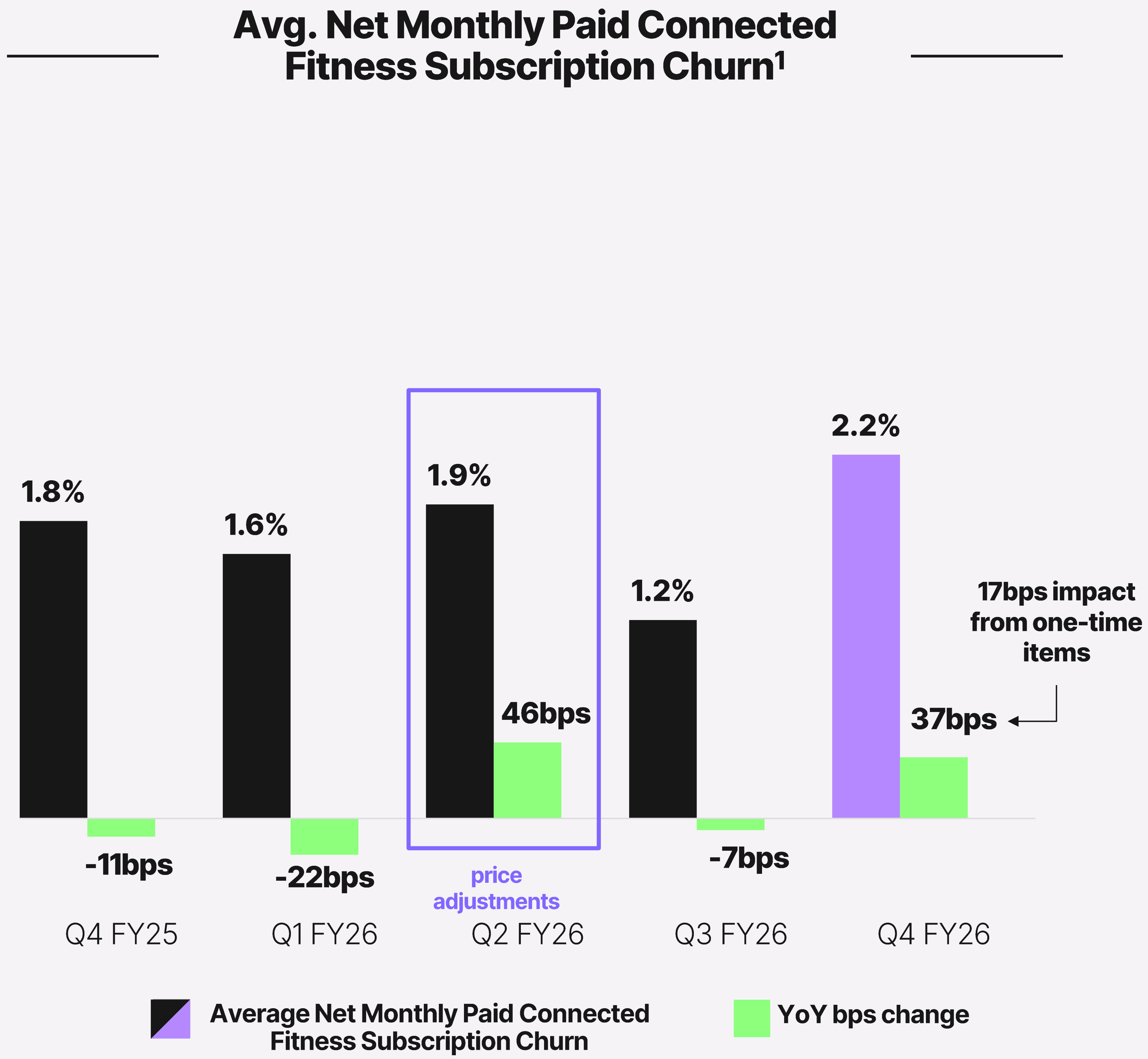
-1.0x YoY

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

Ending Paid Connected Fitness Subscriptions

Highly retentive, high margin subscription business





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.

02 Outlook

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	-3.9%
Total Gross Margin	52.6%	~54.0%		140 bps
Adjusted EBITDA[1]	$468	$475	$525	6.8%
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.

Outlook for Q1 FY27

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	As Reported	Q1 FY27 Range		% Change (Midpoint)
	Q1 FY26	Low	High	YoY
Financial Results ($m)				
Total Revenue	$551	$545	$565	0.8%
Total Gross Margin	51.5%	~57.0%		550 bps
Adjusted EBITDA[1]	$118	$135	$145	18.4%
User Metrics (m)				
Ending Paid Connected Fitness Subscriptions	2.732	2.455	2.475	-9.8%

1. Non-GAAP measure. See Financial Appendix for reconciliation of GAAP to non-GAAP measures for Q1 FY26.

Webcast Information

We will host a live call at 8:30 a.m. ET on Thursday, August 6, 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.

03 Our Business

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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Four strategic pillars

Improve Member outcomes

Meet Members everywhere

Members for life

Business excellence

World Class Equipment

All Cross Training Series equipment measured has an NPS above 70[1]

1. NPS measured using Q4 FY26 NPS for Cross Training Series equipment.

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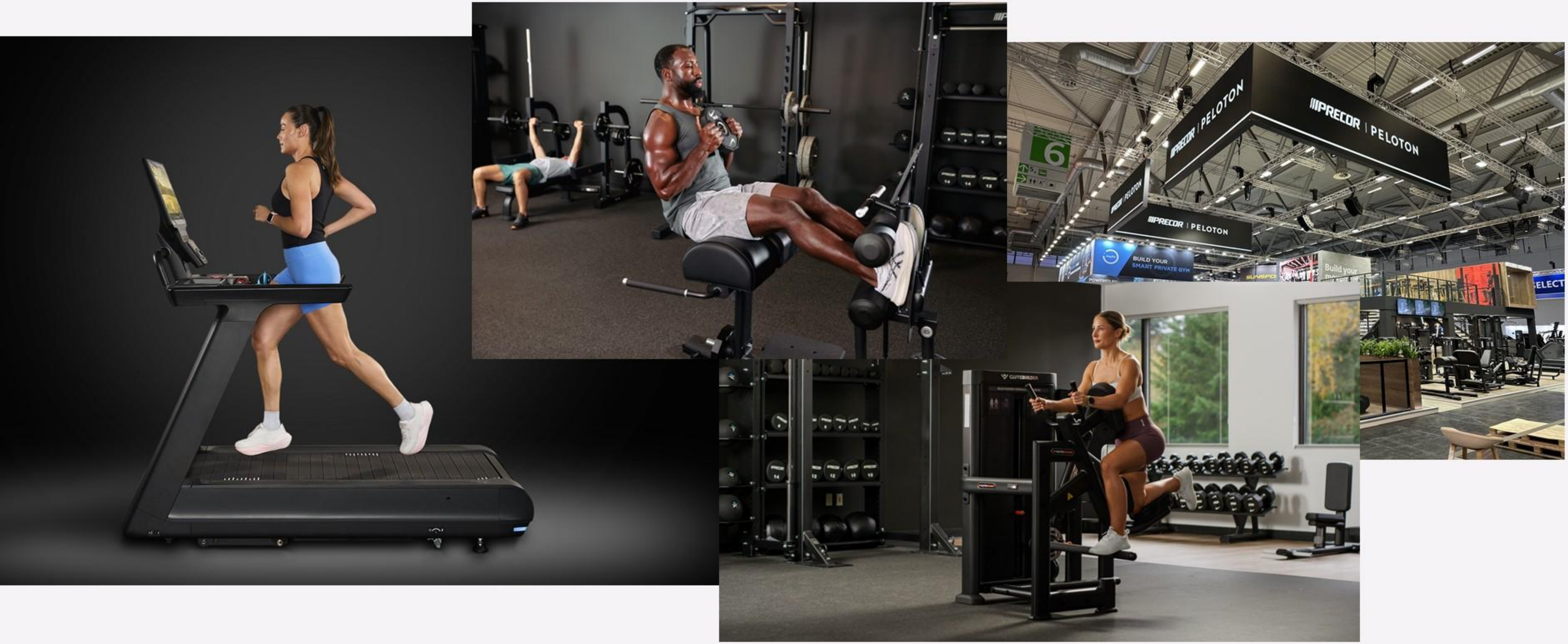
World Class Equipment

Commercial Business Unit serves 80,000+ facilities across 60+ countries



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

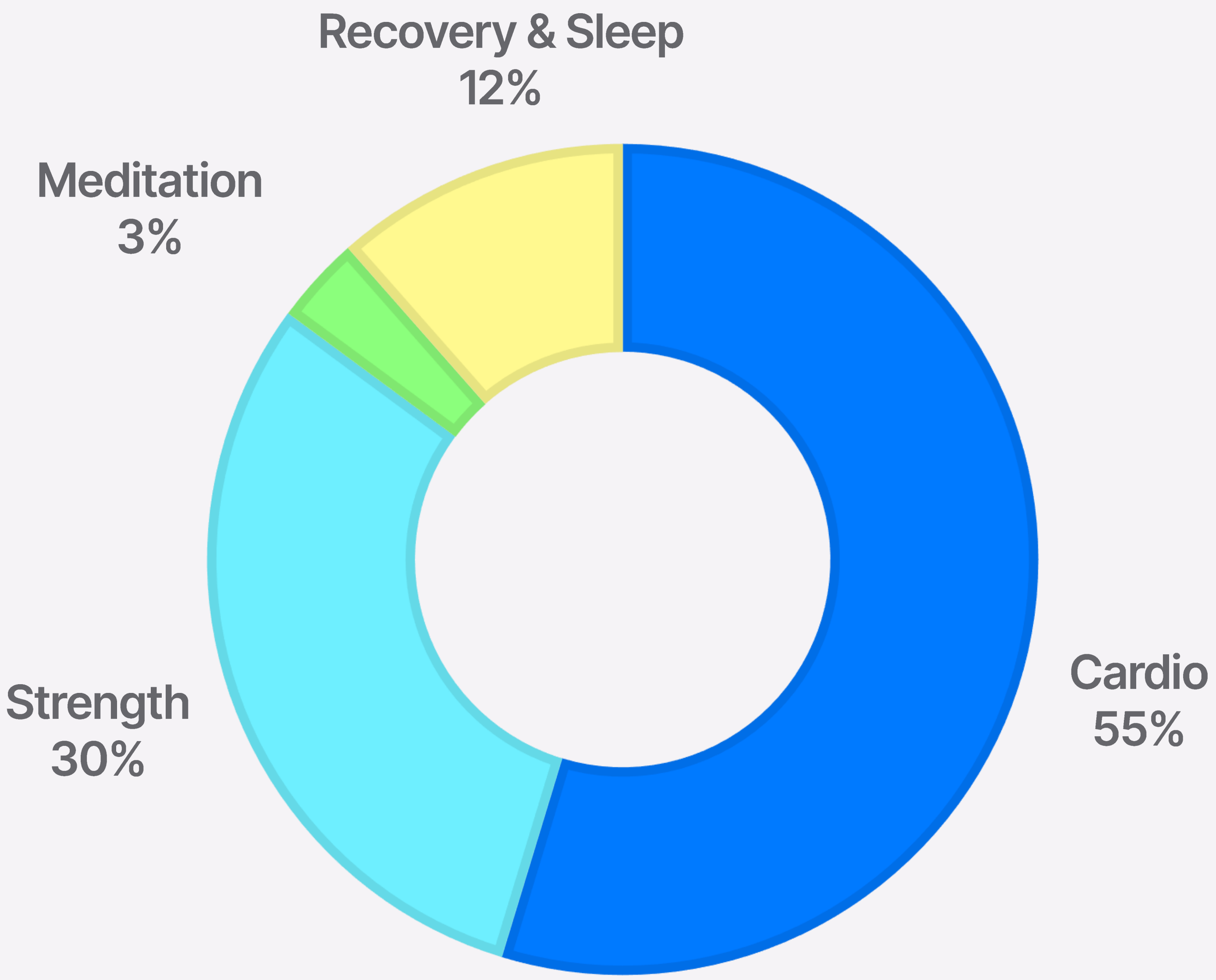
World-Class Talent: Over 50 premier Instructors leading 100+ structured programs designed to drive habit formation and long-term retention

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

Diversified Member Engagement

Q4 FY26 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

+44%

year-over-year in Q4

Intuitive Software

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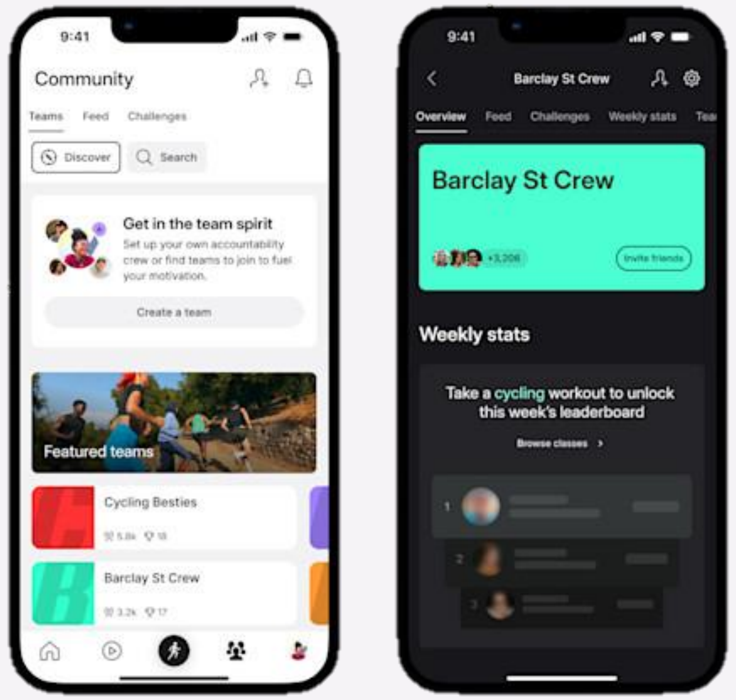
Peloton IQ, Teams, and Club Peloton designed to keep Members engaged

Peloton IQ

Teams



Club Peloton

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

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

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

04 Financial Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Non-GAAP Financial Measures

	Quarter Ended					Trailing Twelve Months ("TTM") Ended [1]				
	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
	(in millions)									
Net income (loss)	$ 21.6	$ 13.9	$ (38.8)	$ 26.4	$ 61.6	$ (118.9)	$ (104.1)	$ (50.9)	$ 23.2	$ 63.2
Adjusted to exclude the following:										
Total other expense, net	7.0	26.7	24.7	25.6	20.6	79.3	93.4	72.9	84.0	97.6
Income tax expense (benefit)	1.0	0.7	(0.2)	0.4	(1.0)	3.4	3.2	2.3	1.9	(0.1)
Depreciation and amortization expense	20.8	16.8	15.4	13.6	11.5	89.7	81.6	74.2	66.5	57.2
Stock-based compensation expense	52.5	47.5	54.6	52.7	43.1	228.8	229.1	222.2	207.3	197.8
Impairment expense	11.8	8.3	23.0	3.4	(0.1)	64.1	67.5	73.7	46.5	34.6
Restructuring expense	25.2	4.4	2.7	4.1	6.7	33.8	35.3	34.7	36.4	17.9
Supplier settlements	—	—	—	—	—	23.5	—	—	—	—
Adjusted EBITDA [2]	$ 140.0	$ 118.3	$ 81.4	$ 126.2	$ 142.3	$ 403.6	$ 406.0	$ 429.0	$ 465.8	$ 468.2

(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; product recall related matters; certain litigation and settlement expenses; supplier settlements; and other adjustment items that arise outside the ordinary course of our business.

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

Non-GAAP Financial Measures

	Quarter Ended					Trailing Twelve Months ("TTM") Ended [1]				
	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
	(in millions)									
Net cash provided by operating activities	117.1	71.9	71.9	152.7	91.0	333.0	392.4	357.6	413.6	387.6
Capital expenditures	(4.7)	(4.5)	(0.9)	(2.2)	(2.3)	(9.3)	(12.0)	(12.2)	(12.3)	(9.9)
Free Cash Flow [2]	$ 112.4	$ 67.4	$ 71.0	$ 150.5	$ 88.7	$ 323.7	$ 380.4	$ 345.5	$ 401.3	$ 377.6

(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.

Change in Segment Measure of Profitability

Beginning in Q1 FY26, the Company changed its measure of segment profitability to Segment Adjusted Gross profit to better align with the manner in which our chief operating decision maker evaluates segment performance and makes resource allocation decisions. Segment Adjusted Gross profit is defined as Revenue less Adjusted Cost of revenue incurred by the segment. Adjusted Cost of revenue includes costs directly related to the function of each segment, including certain corporate overhead costs, such as a portion of depreciation, rent and occupancy charges related to the Company's corporate facilities, and personnel-related expenses for certain executives and departments ("Allocated overhead costs"). For comparability purposes, the Company is providing supplemental historical segment financial information to reflect the new segment measure of profitability:

	Quarter Ended Q4 FY25			Fiscal Year Ended FY25		
	As Reported	Allocated Overhead Costs	Segment Adjusted Gross profit	As Reported	Allocated Overhead Costs	Segment Adjusted Gross profit
	(dollars in millions)					
Gross Profit:						
Connected Fitness Products	$ 34.4	$ (2.2)	$ 32.3	$ 111.2	$ (14.8)	$ 96.4
Subscription	293.7	(4.5)	289.2	1,157.1	(17.4)	1,139.7
Total Gross profit	$ 328.1	$ (6.6)	$ 321.5	$ 1,268.3	$ (32.2)	$ 1,236.1
Total Gross Margin	54.1 %		53.0 %	50.9 %		49.6 %
Connected Fitness Products Gross Margin	17.3 %		16.2 %	13.6 %		11.8 %
Subscription Gross Margin	71.9 %		70.8 %	69.1 %		68.1 %

A reconciliation between reportable Total Gross Profit to consolidated Income (loss) before income taxes is as follows:

	Quarter Ended Q4 FY25	Fiscal Year Ended FY25
	(in millions)	
Total Segment Adjusted Gross profit	$ 321.5	$ 1,236.1
Allocated overhead costs	(6.6)	(32.2)
Total Gross Profit (As Reported)	$ 328.1	$ 1,268.3
Sales and marketing	(80.6)	(421.6)
General and administrative	(125.1)	(527.3)
Research and development	(55.8)	(234.2)
Impairment expense	(11.8)	(64.1)
Restructuring expense	(25.2)	(33.8)
Supplier settlements	—	(23.5)
Total other expense, net	(7.0)	(79.3)
Income (loss) before income taxes	$ 22.6	$ (115.6)

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
	(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
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)
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
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
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
Total operating expenses % of Total Revenue	70 %	65 %	64 %	58 %	50 %	54 %	56 %	49 %	44 %	53 %	44 %	43 %
Adjusted operating expenses % of Total Revenue (2)	63 %	63 %	56 %	57 %	44 %	51 %	51 %	43 %	42 %	49 %	42 %	42 %

(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.

Reconciliation of Total Debt to Net Debt

Non-GAAP Financial Measures

	As Of Quarter End	
	Q4 FY26	Q4 FY25
	(in millions)	
Current portion of debt	$ 10.0	$ 208.5
Convertible senior notes, net of current portion	344.9	343.6
Term loan, net of current portion	944.2	946.9
Total debt [1]	1,299.1	1,498.9
Less: Cash and cash equivalents	1,206.6	1,039.5
Net Debt [2]	$ 92.6	$ 459.4

(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.

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
	(dollars in millions)							
Net (loss) income	$ (393.5)	$ (290.6)	$ (171.0)	$ (118.9)	$ (104.1)	$ (50.9)	$ 23.2	$ 63.2
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
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)
Depreciation and amortization expense	102.9	100.5	94.6	89.7	81.6	74.2	66.5	57.2
Stock-based compensation expense	285.3	280.2	281.7	228.8	229.1	222.2	207.3	197.8
Impairment expense	38.1	51.2	62.9	64.1	67.5	73.7	46.5	34.6
Restructuring expense	51.7	41.1	5.8	33.8	35.3	34.7	36.4	17.9
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
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
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
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
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
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

(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.

