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**Peloton Interactive, Inc.**  
**PTON - \$51.25– NYSE**  
**Update FY 2022 First quarter Results**

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**Recommendation: Cover 15% of Short Position.**

**Reasons For Taking profit on Short Sale Recommendation**

**1<sup>st</sup> Sell Short recommendation: Sept 21, 2021 @ \$102.00, Profit +\$52.00 +50.98%**

**Take Profit on 25% of short: Sept 28, 2021 @ \$87.72, Profit +\$14.28, +14.00%**

**Take Profit on 15% of short: Nov 8, 2021 @ \$50.00, Profit +\$52.00, +50.98%**

**PTON has gone below our short term (\$90), Medium term (\$80), long term (\$75), and longer term (\$50) price target in six weeks.** Per our rule, we have to take some profit on our short. So we covered 15% of our original position. We would prefer not to cover any of our short position here because we feel that there is still substantial downside still left to go.

However, we have rules for a reason, so we are taking a huge profit on a small portion of the position. We still have 60% of our original short position. It is our intention that we will be shorting any rally in this stock on silly news, takeover rumor, new product, etc...

**We believe that PTON stock will decline 80% from the peak, that would be to \$34 now.** That means there is still 32% downside to go from here. But as we experienced with our CML and Nautilus shorts, they both went down 80%, but there were several rallies along the way down on silly stories/rumors. We sold all those rallies. We intend to do it again with PTON.

We believe that PTON is structurally unprofitable and over time this stock will decline 80% from the peak.

## 2022 First Quarter Results

- **Revenue growth slowed to +6.2%**, \$805.2 million vs \$757.9 million, above guidance of \$800 million, but below estimates of \$809 million.
- **Cut FY 2022 revenue guidance 15%** from \$5.4 billion to \$4.6 billion (mid-point).
- **Cut 2Q22 revenue guidance 23%** from \$1.5 billion to \$1.15 billion (MP).
- **Cut FY 2022 Connected Fitness Subscribers (CFS) by 6%**, from 3.63 million to 3.4 million (MP).
- **Cut 2Q22 gross margin 1,000 bps** from 34% to 24%!
- **Cut FY 2022 gross margin 200 bps**, from 34% to 32%.
- **Cut 2Q22 adjusted EBITDA to negative \$325 to -\$350 million.**
- **Cut FY 2022 adjusted EBITDA to negative \$425 million to -\$475 million.**
- 1Q22 adjusted EBITDA was negative \$233.7 million.
- Expenses growing far faster than +6% revenue, COGS +26.4%, Operating expenses +139.6%.
- **1Q22 gross profit declined 20%** from \$328.7 million to \$262.7 million.
- **2Q22 Income from operations declined from positive \$68.9 million to negative \$359.7 million.**
- 2Q22 Net Income declined from positive 69.3 million to negative \$376 million.
- 2Q22 EPS (GAAP) declined from \$0.20 to negative \$1.25, below estimate of a loss of \$1.10.
- Connected Fitness Subscribers increased 87% to 2.49 million.
- **Net subscriber additions were 161,000, 33.7% below the previous years net gain of 243,000, despite spending 148% more on sales and marketing expense!**
- **Sales & Marketing expense/net sub add exploded to \$1,766/net sub add from \$471.**
- **Now takes 54.9 months just to recoup Sales & Marketing expense @ \$32/mo\*.**
- **Average net monthly churn 0.82%, up 164% in last 6 months.**

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- **Churn rate up 164% in last 6 months, but annual retention rate unchanged at 92%?**
- **Greater than expected taper of website traffic levels over past 2 months, despite increasing sales and marketing expense by 148% from \$114.6 million to \$284.3 million.**
- **Slower than expected pick up in retail showroom traffic.** Slowing down showroom growth. The \$800 million in operating leases could turn into a problem if the fad ends, as it did for CML.
- **Burned \$561 million from operations in 2Q22.** \$924 million in cash and marketable securities is not much of a cushion anymore.
- Seeing some disruptive impact from Apple's privacy changes.
- **Inventories up 35.4% sequentially** to \$1.269 billion from \$937.1 million.
- **Inventories up 249% YR/YR** to \$1.269 billion from \$364.0 million.
- The \$400 cut in the price of the bike did not spur sales.
- Clueless Wall street analysts that have been completely wrong, have cut their still ridiculous price targets to \$70-\$112.
- This is what the beginning of the end of a fad looks like.

	Three Months Ended September 30,	
	2021	2020
Revenue:		
Connected Fitness Products	\$ 501.0	\$ 601.4
Subscription	304.1	156.5
Total revenue	805.2	757.9
Cost of revenue:		
Connected Fitness Products	441.0	364.2
Subscription	101.4	65.0
Total cost of revenue	542.5	429.2
Gross profit	262.7	328.7
Operating expenses:		
Sales and marketing	284.3	114.6
General and administrative	240.3	108.6
Research and development	97.7	36.6
Total operating expenses	622.4	259.8
(Loss) income from operations	(359.7)	68.9
Other (expense) income, net:		
Interest expense	(8.6)	(0.4)
Interest income	0.6	2.8
Foreign exchange losses	(5.2)	(0.9)
Other (expense) income, net	(0.7)	0.2
Total other (expense) income, net	(13.9)	1.7
(Loss) income before provision for income taxes	(373.6)	70.6
Income tax expense	2.4	1.3
Net (loss) income	\$ (376.0)	\$ 69.3
Net (loss) income attributable to Class A and Class B common stockholders	\$ (376.0)	\$ 69.3
Net (loss) income per share attributable to common stockholders, basic	\$ (1.25)	\$ 0.24
Net (loss) income per share attributable to common stockholders, diluted	\$ (1.25)	\$ 0.20
Weighted-average Class A and Class B common shares outstanding, basic	301,161,474	288,719,834
Weighted-average Class A and Class B common shares outstanding, diluted	301,161,474	342,101,984
Other comprehensive (loss) income:		
Net unrealized losses on marketable securities	\$ (0.2)	\$ (1.3)
Change in foreign currency translation adjustment	0.2	3.9
Net unrealized loss on hedging derivatives	(1.0)	-
Total other comprehensive (loss) income	(1.1)	2.6
Comprehensive (loss) income	\$ (377.1)	\$ 71.9

<b>ASSETS</b>	<b>09/30/2021</b>	<b>06/30/2021</b>
	<small>UNAUDITED</small>	
Current assets:		
Cash and cash equivalents	\$ 612.6	\$ 1,134.8
Marketable securities	311.6	472.0
Accounts receivable, net	81.1	71.4
Inventories, net	1,269.2	937.1
Prepaid expenses and other current assets	280.7	202.8
<b>Total current assets</b>	<b>2,555.1</b>	<b>2,818.1</b>
Property and equipment, net	682.2	591.9
Intangible assets, net	238.1	247.9
Goodwill	212.7	210.1
Restricted cash	0.9	0.9
Operating lease right-of-use assets, net	684.3	580.1
Other assets	41.3	36.7
<b>Total assets</b>	<b>\$ 4,414.5</b>	<b>\$ 4,485.6</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,012.8	\$ 989.1
Customer deposits and deferred revenue	205.2	164.8
Operating lease liabilities, current	70.5	61.9
Other current liabilities	15.2	27.2
<b>Total current liabilities</b>	<b>1,303.7</b>	<b>1,243.0</b>
Convertible senior notes, net	838.2	829.8
Operating lease liabilities, non-current	726.3	620.4
Other non-current liabilities	39.5	38.3
<b>Total liabilities</b>	<b>2,907.6</b>	<b>2,731.5</b>
Commitments and contingencies		
Stockholders' equity		
<small>Common stock, \$0.000025 par value: 2,500,000,000 and 2,500,000,000 Class A shares authorized, 273,978,403 and 270,855,356 shares issued and outstanding as of September 30, 2021 and June 30, 2021, respectively; 2,500,000,000 and 2,500,000,000 Class B shares authorized, 28,785,675 and 29,291,774 shares issued and outstanding as of September 30, 2021 and June 30, 2021, respectively.</small>	—	—
Additional paid-in capital	2,748.6	2,618.9
Accumulated other comprehensive income	17.1	18.2
Accumulated deficit	(1,258.8)	(883.0)
<b>Total stockholders' equity</b>	<b>1,506.9</b>	<b>1,754.1</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,414.5</b>	<b>\$ 4,485.6</b>



	Three Months Ended September 30,	
	2021	2020
<b>Cash Flows from Operating Activities:</b>		
Net (loss) income	\$ (376.0)	\$ 69.3
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	28.1	11.4
Stock-based compensation expense	52.9	29.6
Non-cash operating lease expense	19.2	13.3
Amortization of premium from marketable securities	2.5	1.7
Amortization of debt discount and issuance costs	8.5	0.1
Impairment of long-lived assets	0.6	1.3
Net foreign currency adjustments	5.2	-
Changes in operating assets and liabilities:		
Accounts receivable	(9.8)	(15.0)
Inventories	(332.4)	(118.0)
Prepaid expenses and other current assets	(40.4)	(18.2)
Other assets	(8.4)	5.9
Accounts payable and accrued expenses	56.0	156.4
Customer deposits and deferred revenue	40.6	157.4
Operating lease liabilities, net	(9.0)	11.3
Other liabilities	1.3	5.5
<b>Net cash (used in) provided by operating activities</b>	<b>(561.0)</b>	<b>312.1</b>
<b>Cash Flows from Investing Activities:</b>		
Maturities of marketable securities	120.3	124.5
Purchases of property and equipment	(87.2)	(49.2)
Internal-use software costs and other	(3.8)	(12.9)
<b>Net cash provided by investing activities</b>	<b>29.3</b>	<b>62.4</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from employee stock purchase plan withholdings	6.2	3.3
Proceeds from exercise of stock options	23.8	15.4
Principal repayments of finance leases	(0.5)	-
<b>Net cash provided by financing activities</b>	<b>29.6</b>	<b>18.8</b>
Effect of exchange rate changes	(20.1)	1.7
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>(522.2)</b>	<b>395.0</b>
Cash, cash equivalents and restricted cash – Beginning of period	1,135.7	1,037.0
<b>Cash, cash equivalents and restricted cash – End of period</b>	<b>\$ 613.5</b>	<b>\$ 1,432.0</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash paid for interest	\$ 0.3	\$ 0.3
Cash paid for income taxes	\$ 1.9	\$ 0.5
<b>Supplemental Disclosures of Non-Cash Investing and Financing Information:</b>		
Property and equipment accrued but unpaid	\$ 66.4	\$ 19.6
Stock-based compensation capitalized for software development costs	\$ 2.5	\$ 0.7

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## 2022 First Quarter Results

PTON reported a dismal quarter and the stock got crushed 30%. Revenue was below estimates of \$809 million at \$805.2 million vs \$757.9 million a year earlier, up only 6.2%. This was the lowest revenue growth in three years. Management cut revenue guidance for the second quarter and for the full year by 15%.

In our original sell short report on September 21, 2021 we wrote:

“On an annual basis and if looking at Wall street estimates for revenue for 2022, all is well. Revenue is estimated to be up 34% in 2022. But with sequential revenue negative for two quarters in a row, **we put a high probability that PTON will have a revenue miss in 2022.** We believe that PTON **management will continue to lower guidance going forward. The stock price should follow this lower guidance.**” This is exactly what just happened.

The company cut the price of their exercise bike by \$400 in August to \$1,495. The company and bullish analysts claimed that this would make the bike more affordable and able to reach more people. We said that this was nonsense, that they had a demand problem. Instead, Connected Fitness Product sales declined 16.7% from \$601.4 million to \$501 million. We wrote:

“Bulls and the company will argue that the reduced price of the bike will make the bike more affordable and able to reach more people. Technically, that is true, but **we say, nonsense.** The **increased inventories, tells us that you have a demand problem, not a supply problem.** **Cutting prices is a sure sign of weak demand.** No one cuts prices when they are selling everything that they produce. You cut prices to spur demand.”

Selling fewer units at lower prices and margins seems like a bad thing to us!

Worse, to get those lower sales, the company had to spend a fortune on sales and marketing expense. This reinforces our thesis that the first 2 million units are low hanging fruit. The next 2 million units will be far harder and more expensive to come by.

In the 2022 first quarter, PTON increased sales and marketing expense by 148% versus the previous year to generate a 6.2% increase in revenue. CFP sales actually declined 16.7% from \$601.4 million to \$501 million. This puts PTON in a tight spot. Do they continue to ramp up sales and marketing expense, killing margins, to generate small increase in revenue, or do they cut back some and watch sales evaporate even more? Over the past couple of weekends, we saw dozens and dozens of PTON commercials on TV.

In 1Q22 they added only 161,000 net subscribers, down 33.7% from the 243,000 net sub adds a year earlier. But, they spent 148% more on sales and marketing, \$169.7 million more than the year before. This tells us that our thesis about the TAM being far smaller than the bulls think is accurate.

On just the sales and marketing expense in the first quarter alone, \$284.3 million divided by 161,000 net adds equals \$1,766 per net sub add. \$1,766 divided by \$32.17/mo average revenue per subscriber\* **equals 54.9 months or 4.57 years to recoup just the sales and marketing expense alone!**

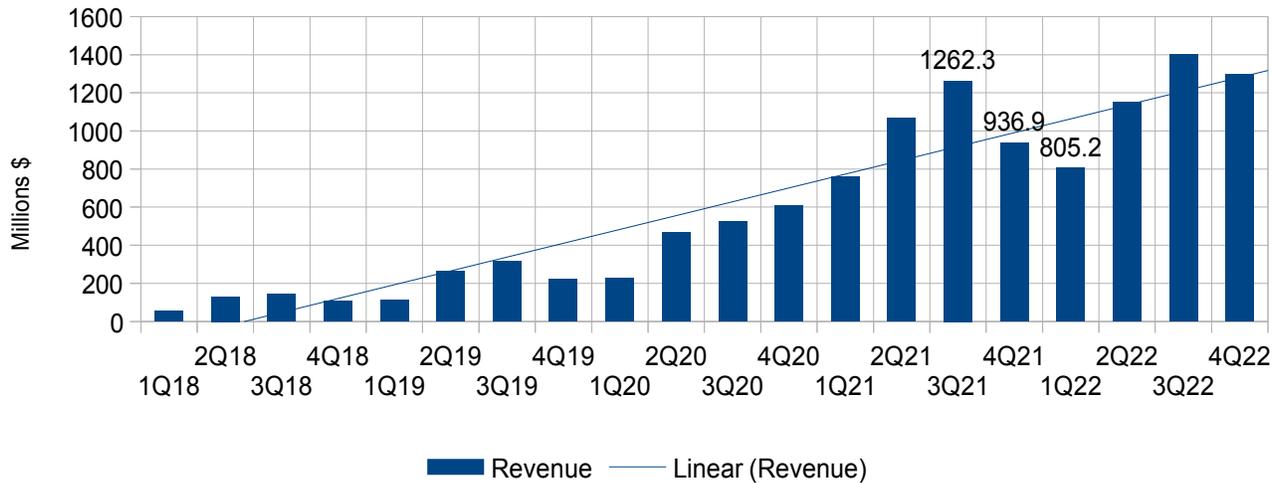
<u>*Subscriber</u>	<u>#</u>	<u>\$/mo</u>	=	<u>\$</u>
CFP	2,492,000	\$39		\$97,188,000
Digital	<u>887,000</u>	<u>\$13</u>		<u>\$11,531,000</u>
Total	3,379,000	\$32.17		\$108,719,000

**We believe that this is a structurally unprofitable business model!**

We demonstrated in our original report that this is on a gross basis and ignores churn of 8% per year. PTON will never recoup all of this expense in our opinion. And this is just S/M expense, add in COGS, D&A, R&D, taxes...

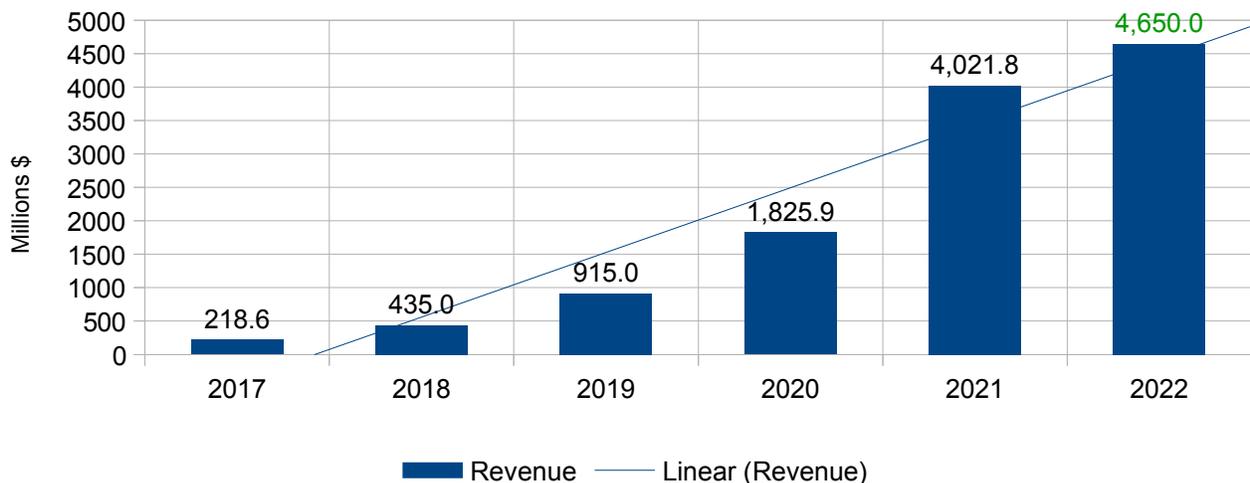
### PTON Revenue

2018 to 2022 Est.



### PTON Revenue

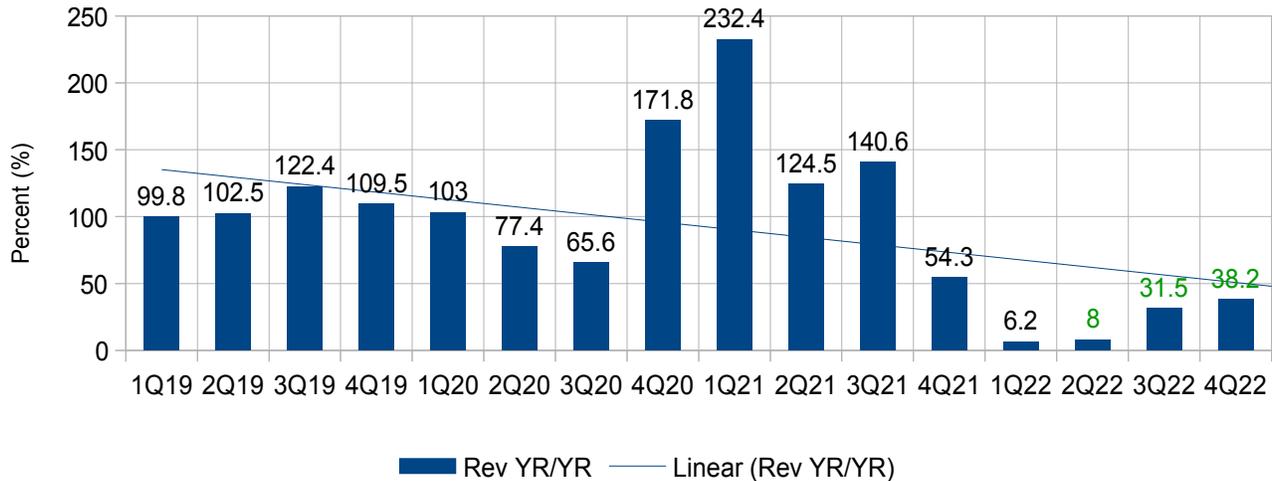
2017 To 2022 Est.



Management cut FY 22 revenue guidance from \$5.4B to \$4.6B! There will be more cuts down the road in our opinion.

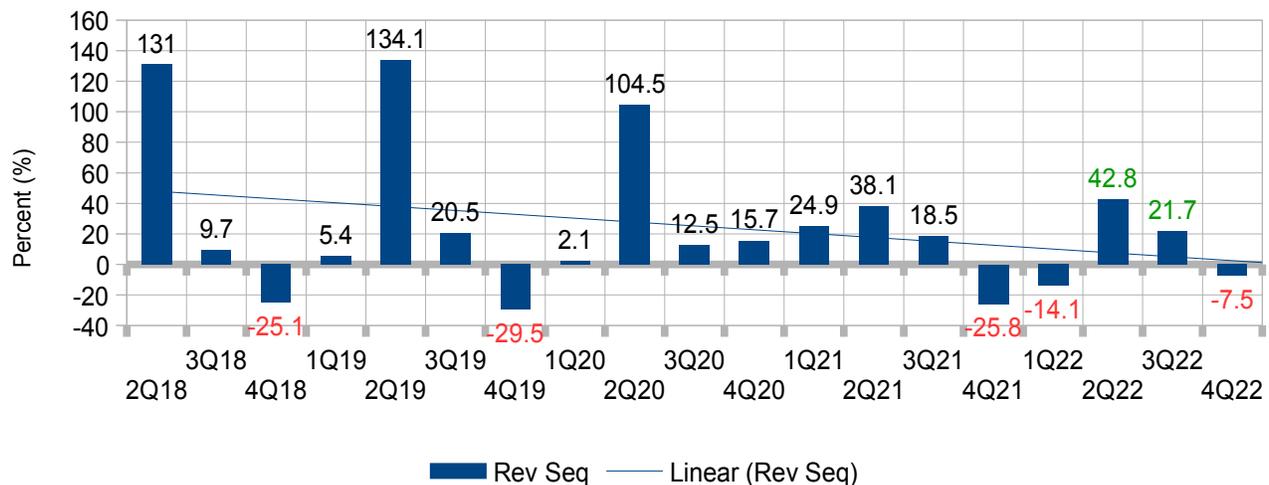
### PTON Revenue YR/YR

2019 To 2022 Est.



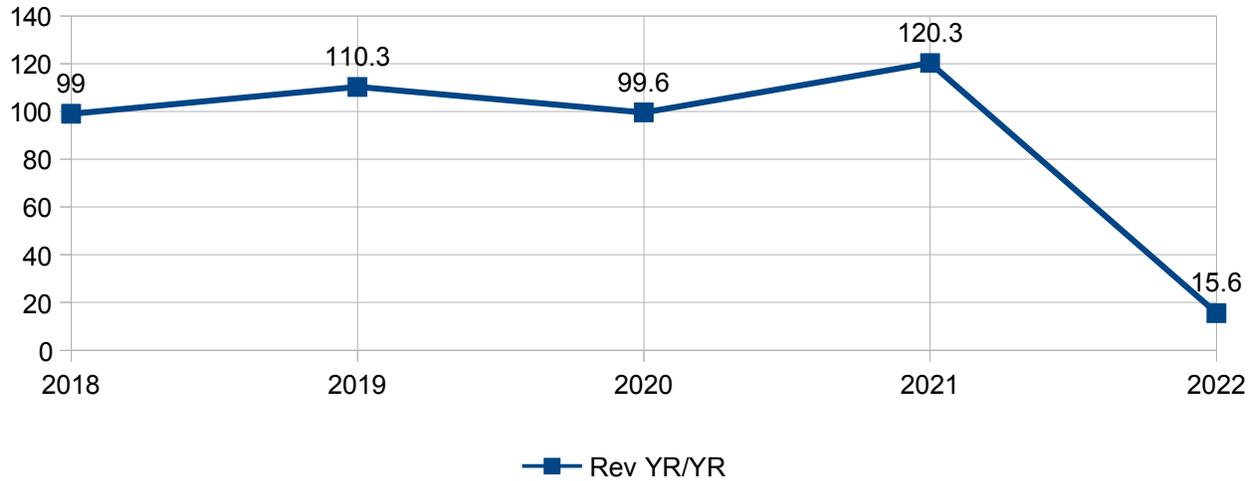
### PTON Sequential Revenue

2018 To 2022 Est.



We said that two negative sequential quarters in a row was a sign that PTON would miss revenue estimates. They did. The days of 100% revenue growth are long over. Revenue growth has declined by 2/3.

PTON YR/YR Revenue Growth %  
 2018 To 2028 Est.

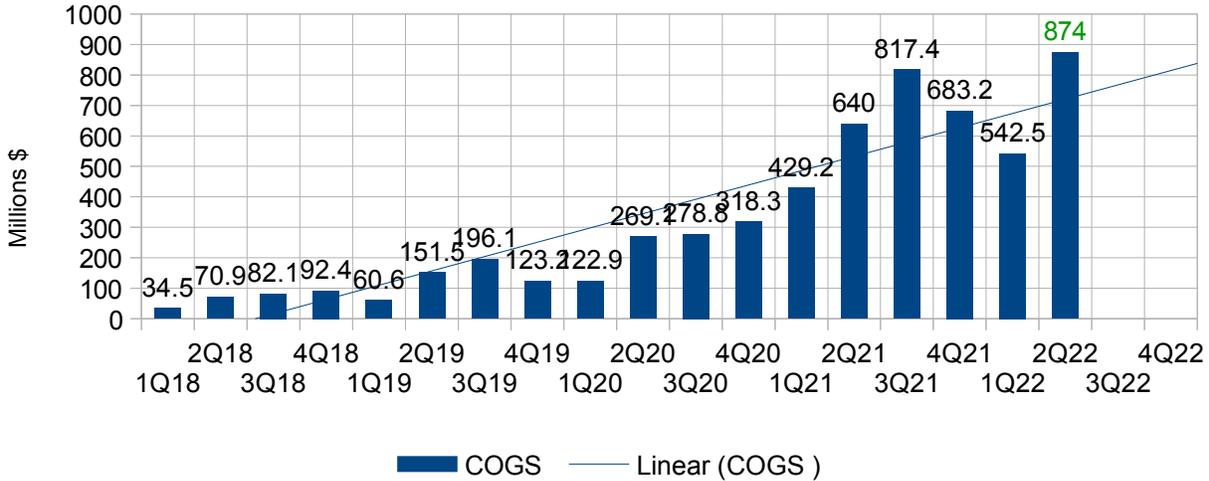


**Exercise equipment companies (CML, Nautilus) have historically run into trouble in year 5. Guess where PTON is? Yep, year 5. Coincidence? Nope!**

While management only cut FY 22 revenue estimate by 15%, from \$5.4 billion to \$4.6 billion, it takes the revenue growth rate for 2022 from 34% down to 16%, a 53% decline!

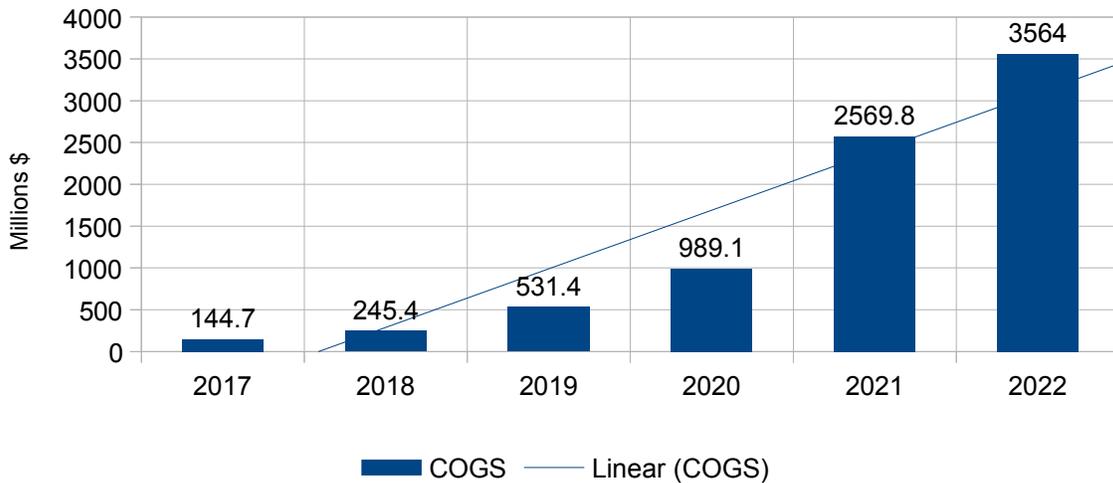
PTON Cost Of Goods Sold

2018 To 2022 Est.



PTON Cost Of Goods Sold

2017 To 2022 Est.



**COGS increased 26.4% in the 1Q22 far faster than the 6.2% increase in revenue.** We estimate COGS for the year 2022 up 39% versus the 16% revenue growth estimate. Not good for gross profit or gross margins!!

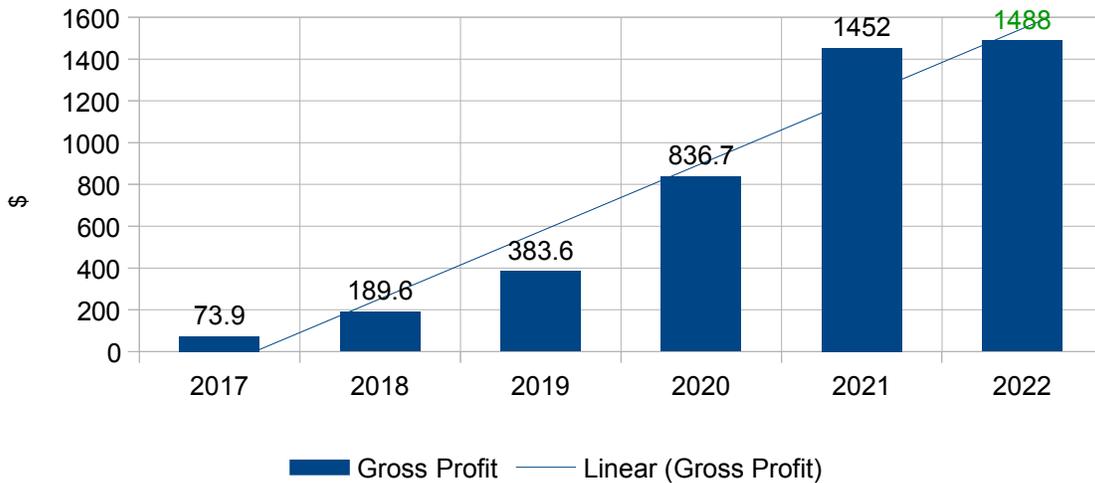
**PTON Gross Profit**

2018 To 2022 Est.



**PTON Gross Profit**

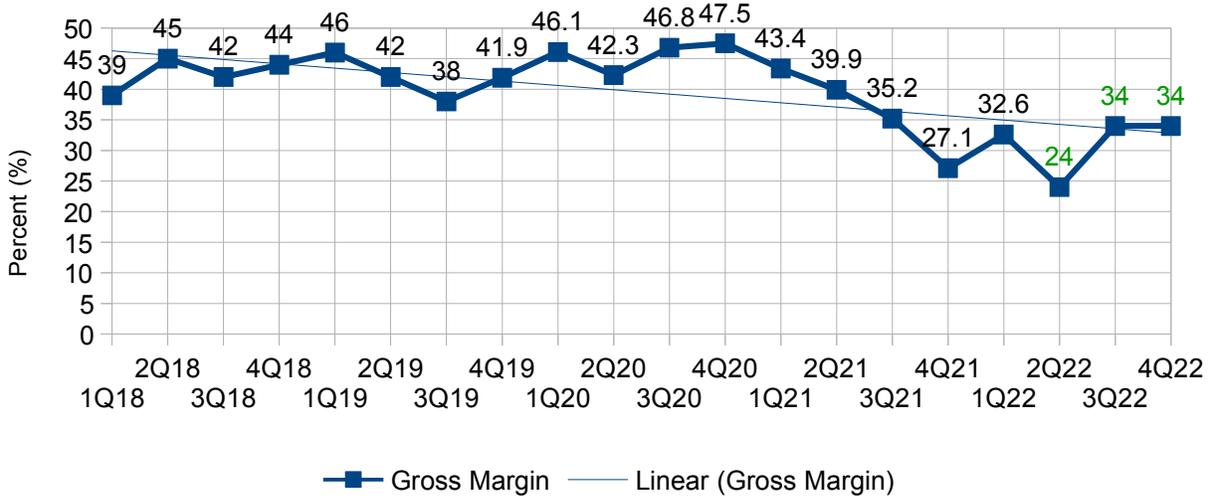
2017 To 2022 Est.



**We estimate gross profit to be up only 2.4% in FY 2022, at best.**

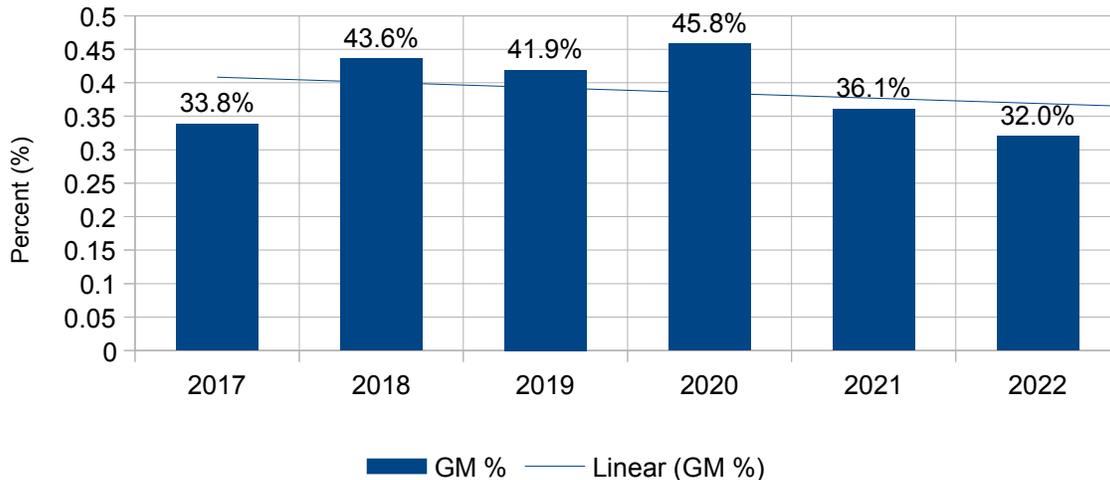
PTON Gross Margin %

2018 To 2022 Est.



PTON Gross Margin %

2017 To 2022 Est.



**Management guided 2Q22 gross margin down to 24%, an all-time low. They guided FY 2022 GM to 32%, we doubt that.**

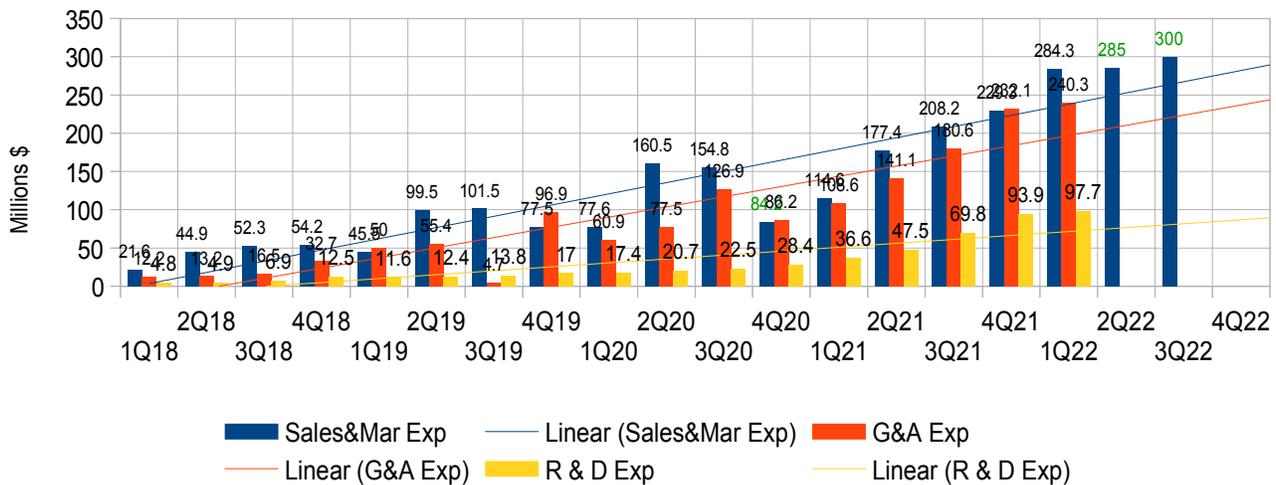
## PTON Total Operating Expenses

2018 To 2022 Est.



## PTON Operating Expenses

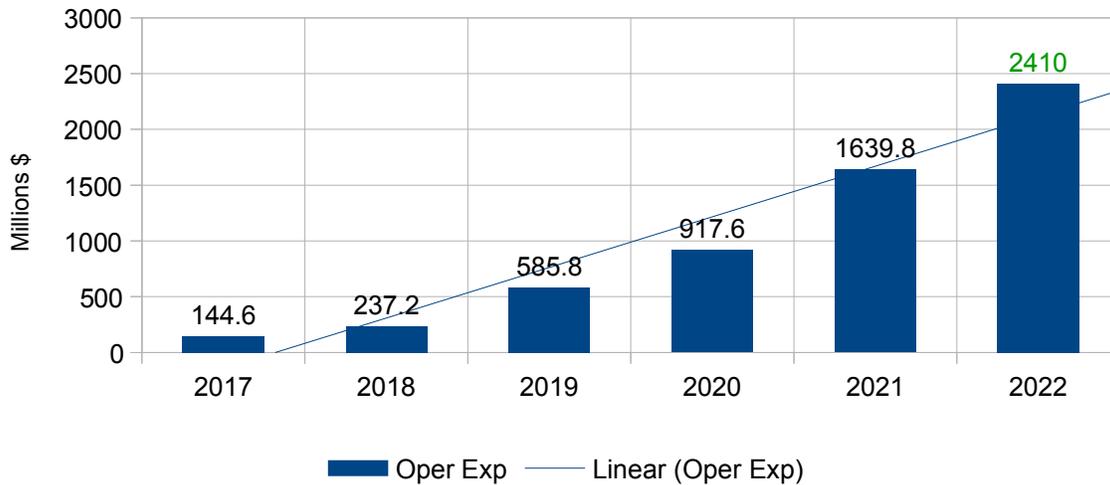
2018 To 2022 Est.



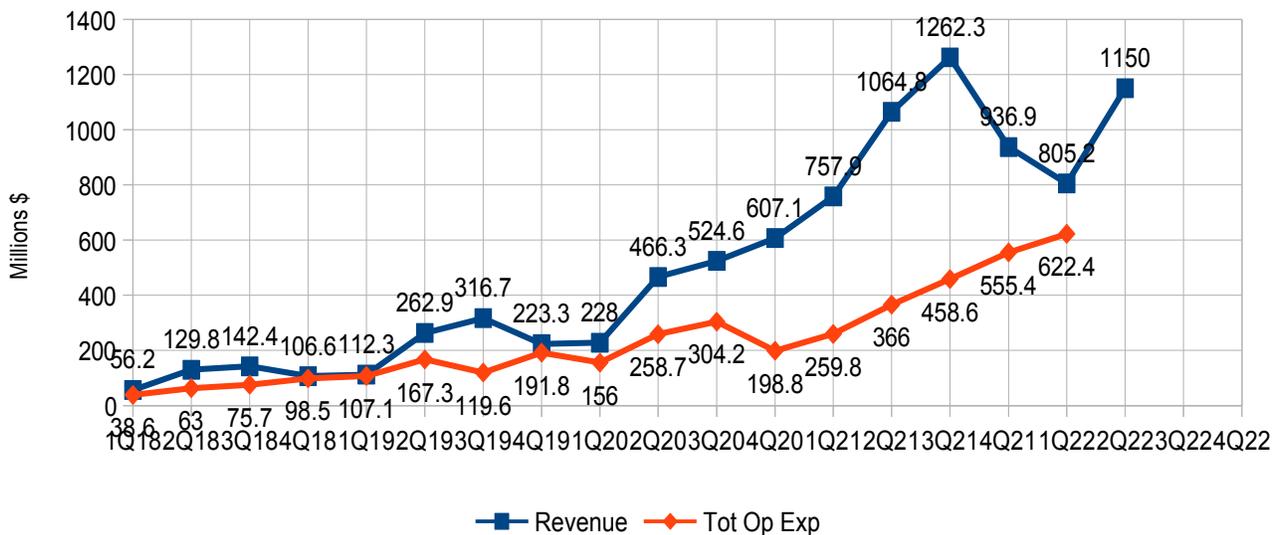
**1Q22 total operating expenses were up 139.6%, far above the 6.2% revenue growth.**

### PTON Total Operating Expenses

2017 To 2022 Est.

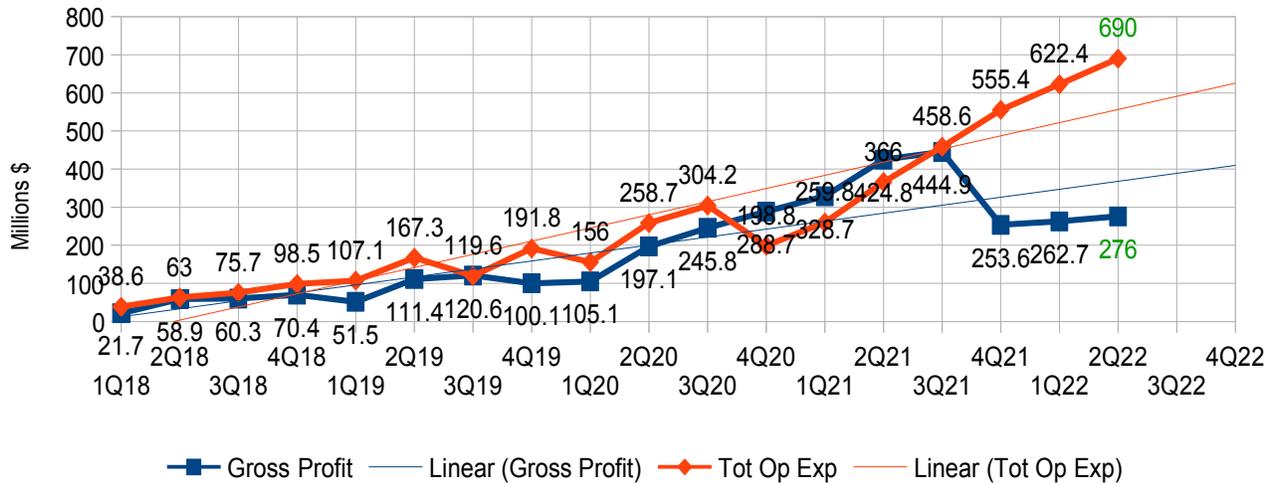


### PTON Revenue Vs Total Operating Expenses



**Total operating expenses are rising rapidly as revenue growth declines!**

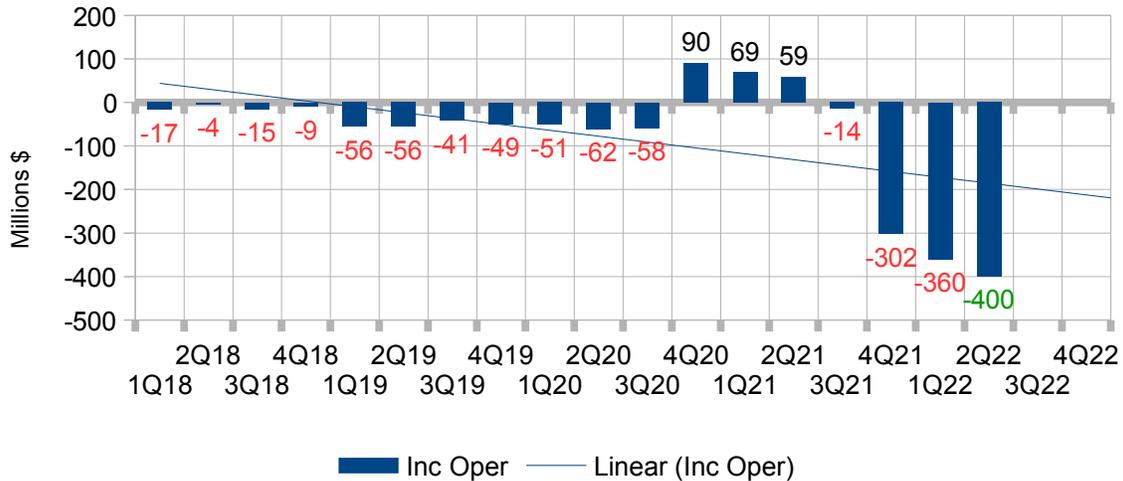
**PTON Gross Profit Vs Total Operating Expenses**  
 2018 To 202 Est.



**Total operating expenses are now higher than gross profit by hundreds of millions!** Keep this in mind when you look at their cash position of only \$924 million.

### PTON Income/Loss From Operations

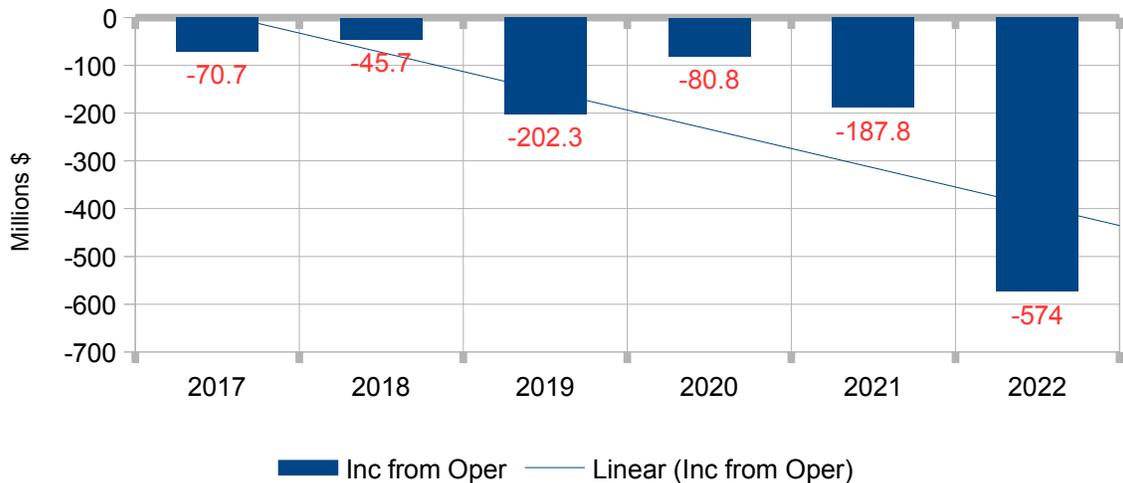
2018 To 2022 Est.



■ Inc Oper — Linear (Inc Oper)

### PTON Loss From Operations

2017 To 2022 Est.

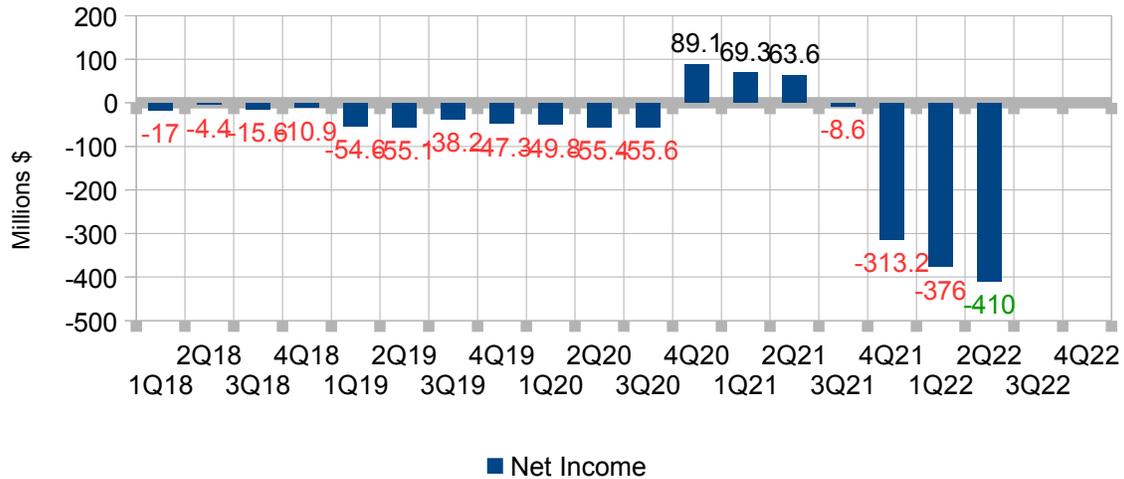


■ Inc from Oper — Linear (Inc from Oper)

**Income from operations is horrific. You have to question if this is a viable business? It's not! Wall street stock price targets of \$70-\$112???**

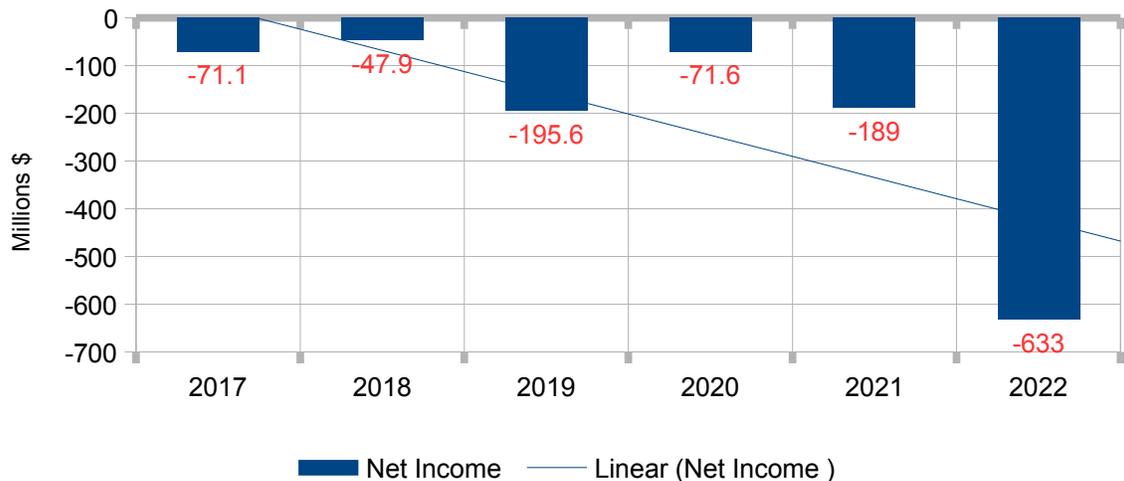
### PTON Net Income

2018 To 2022 Est.



### PTON Net Income

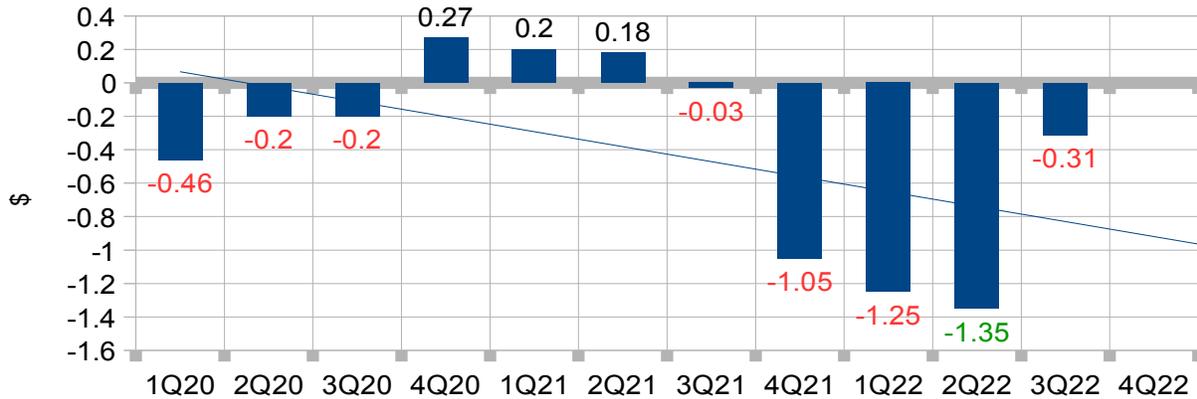
2017 To 2022 Est.



**Net income is equally horrific!**

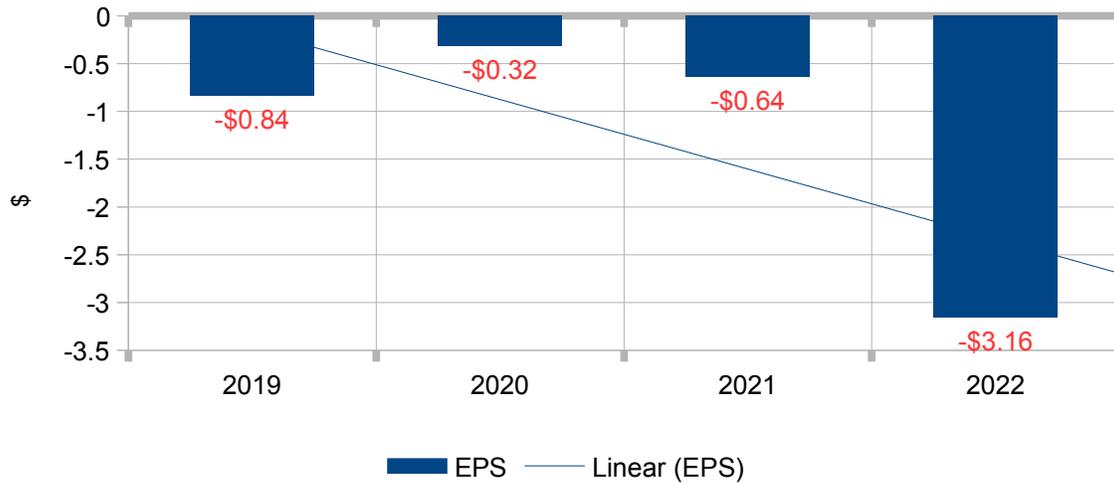
PTON Earnings Per Share (GAAP)

2020 To 2022 Est.



PTON Earnings Per Share (GAAP)

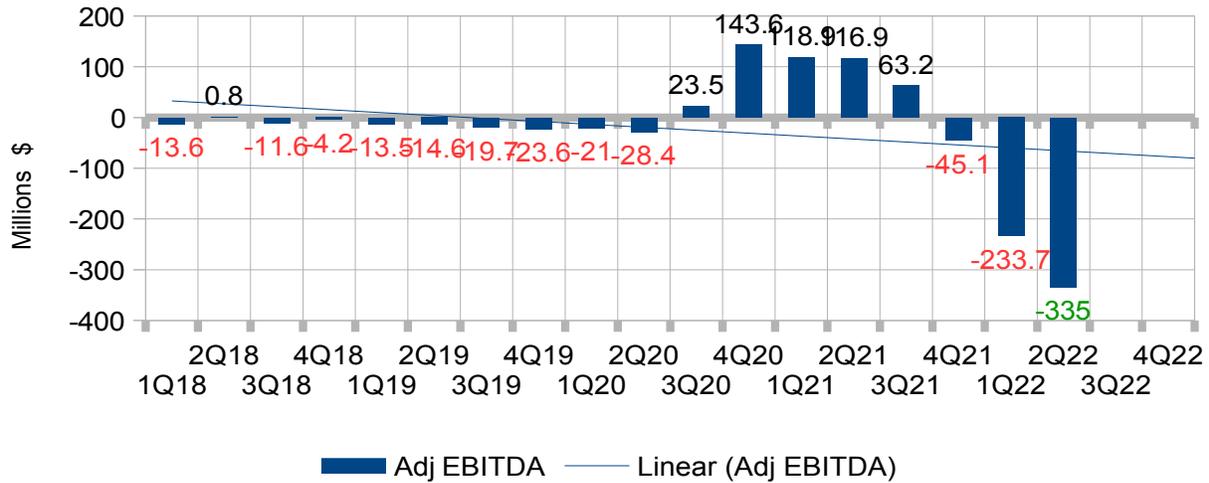
2019 To 2022 Est.



**In its entire history, PTON made 65 cents per share profit** over three quarters. The stock went to \$171 on that. How is this not a \$35 stock?

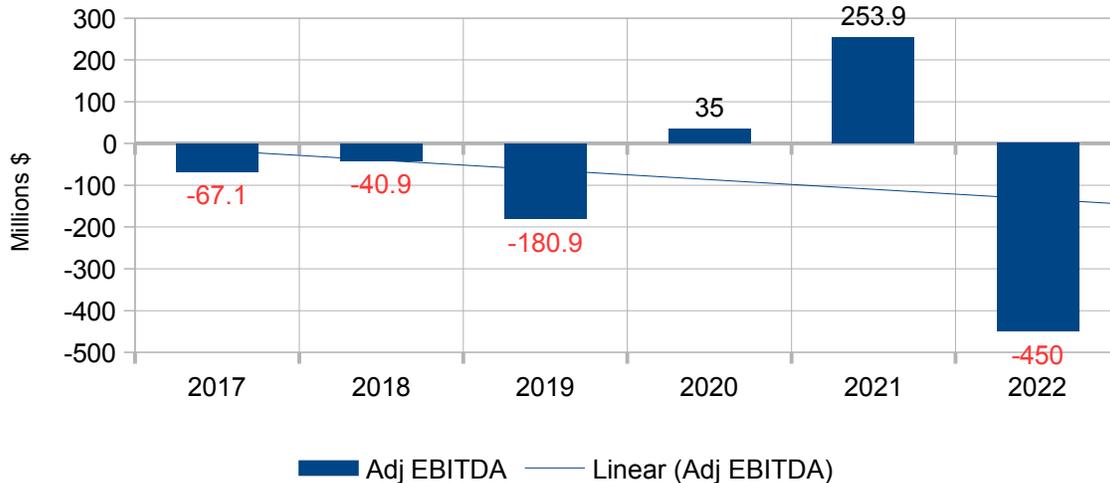
PTON Adjusted EBITDA

2018 To 2022 Est.



PTON Adjusted EBITDA

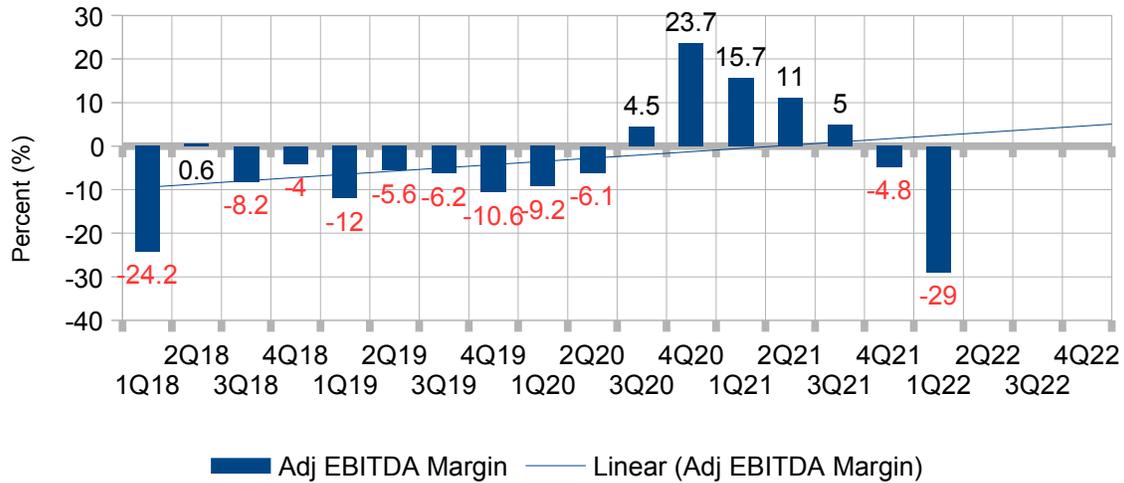
2017 To 2022 Est.



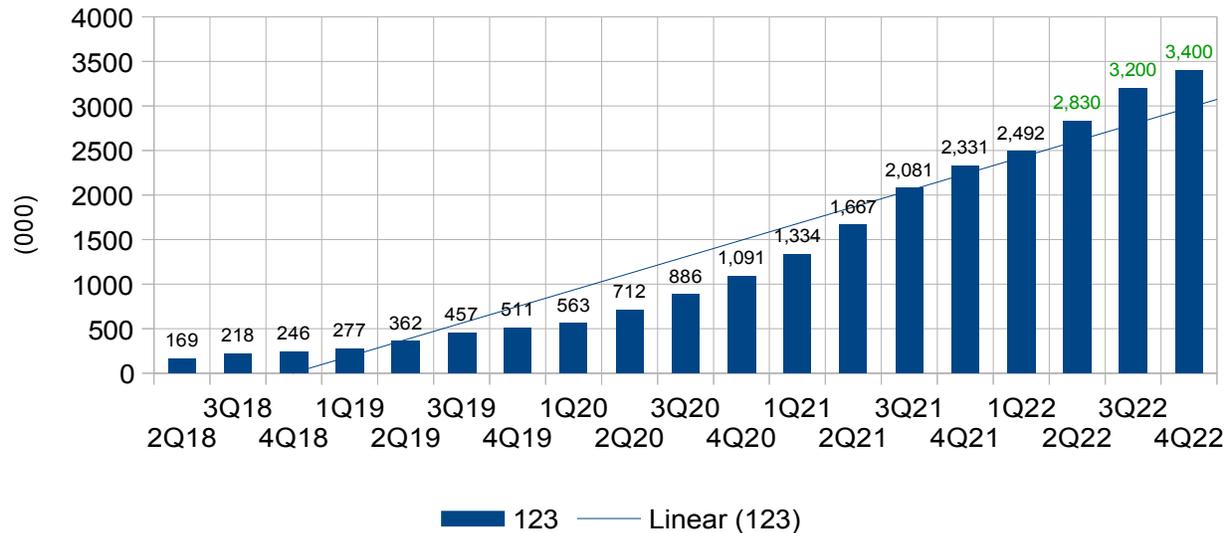
**When the “adjusted” numbers are terrible, you know it's bad.**

PTON Adjusted EBITDA Margin %

2018 To 2022 Est.

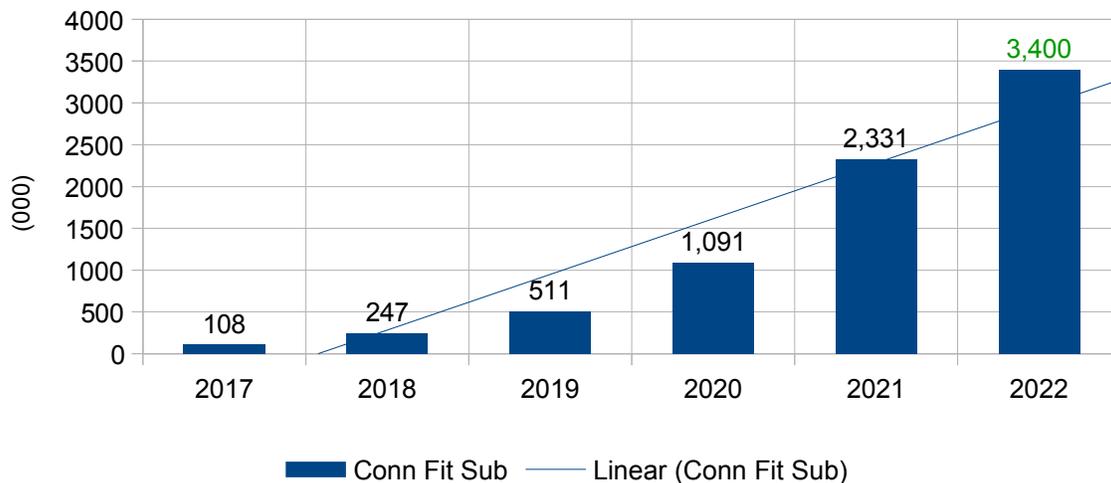


### PTON Connected Fitness Subs



### PTON Connected Fitness Subscribers

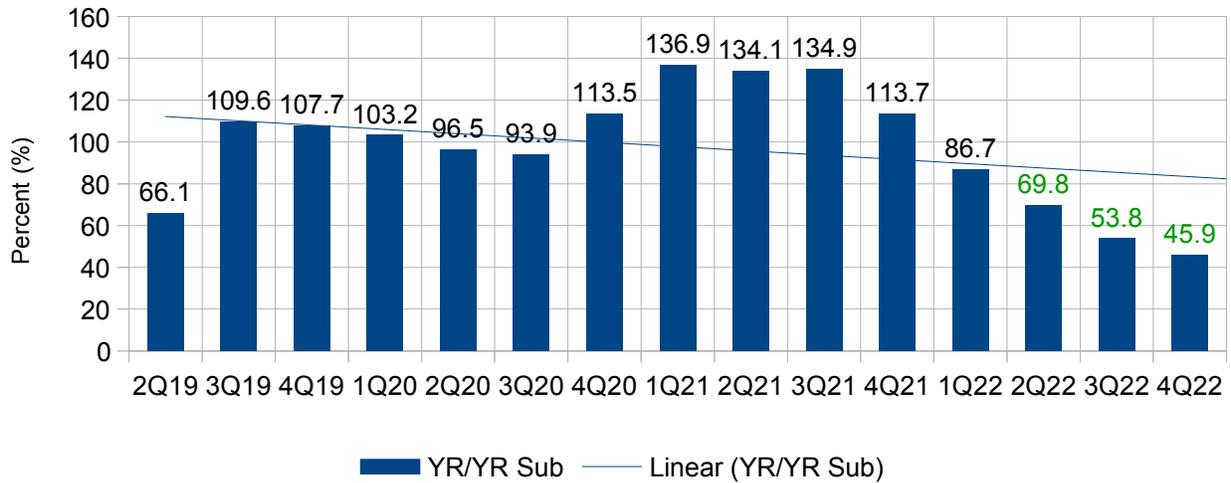
2017 To 2022 Est.



These charts still look ok, **but management cut ending CFS by 6.3%**. That doesn't sound too bad until you look at the growth rates on the next charts.

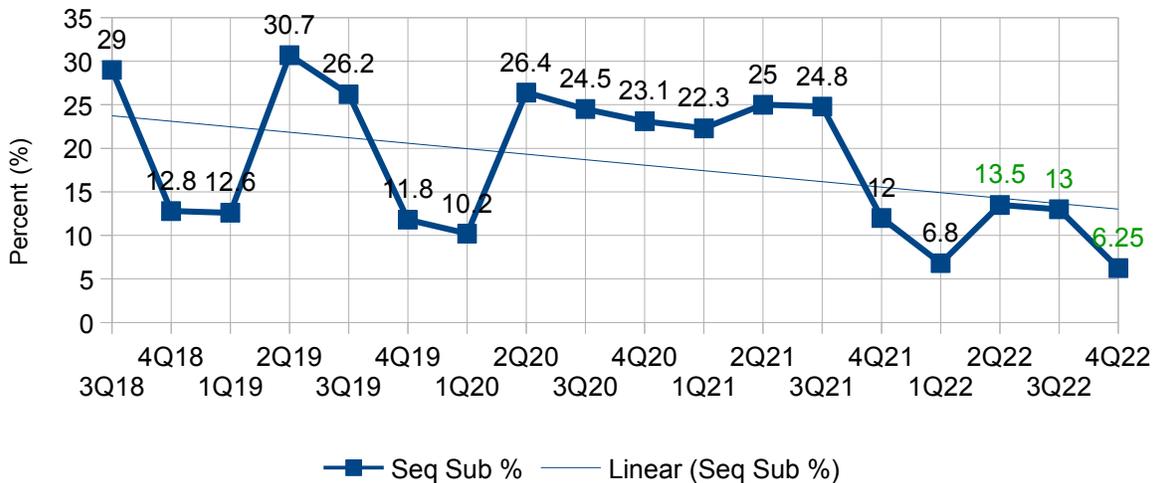
## PTON YR/YR Connected Fitness Subs Growth %

2019 To 2022 Est.



## PTON Sequential Connected Fitness Subs Growth

2018 To 2022 Est



**By the end of FY 2022, CFS growth will have declined 60% in one year.**

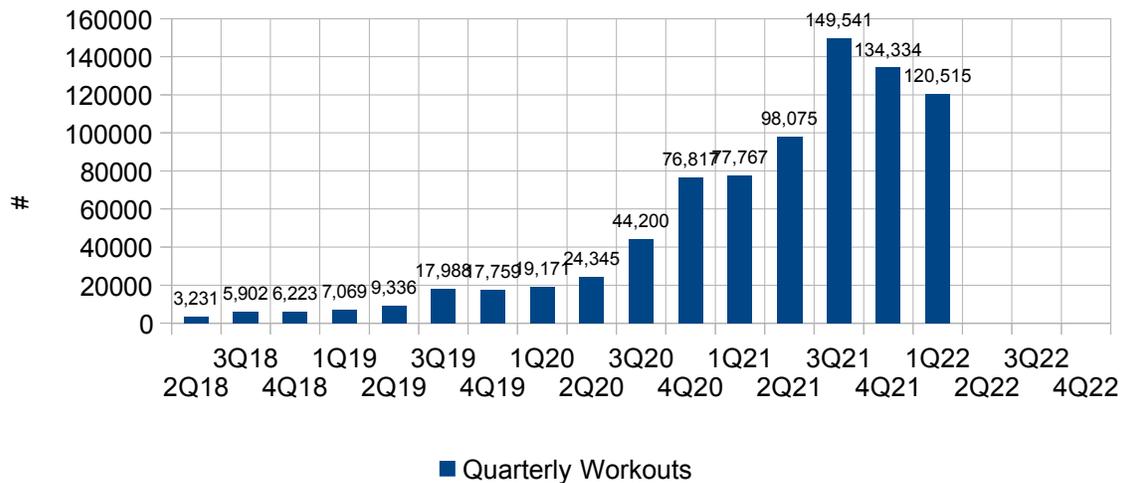
## PTON Average Monthly WorkOut Per Sub

2018 To 2022 Est.



## PTON Connected Fitness Quarterly workouts

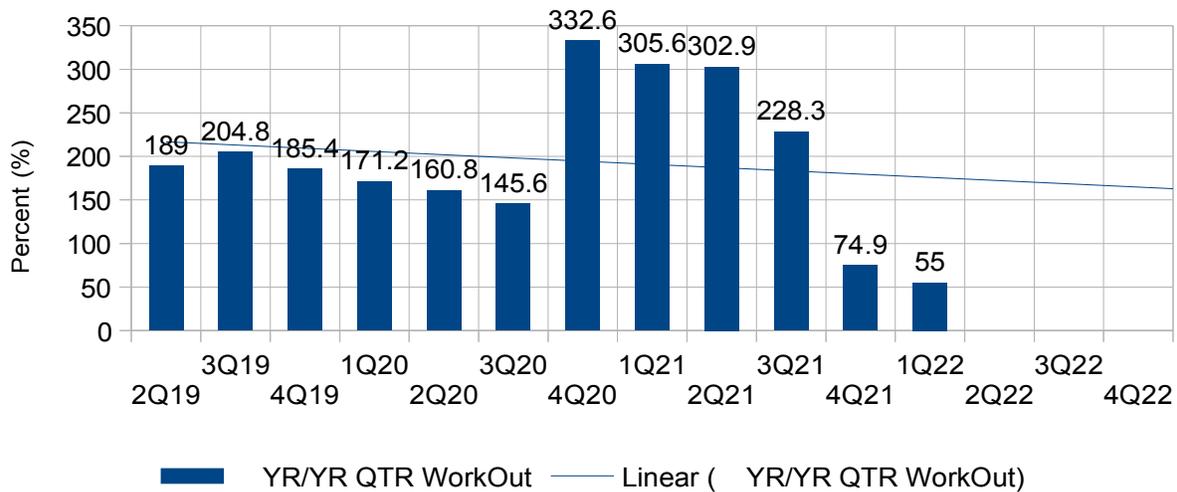
2018 To 2022



PTON is at an all time high in number of CF Subscribers at 2.492 million, but the number of workouts is declining. **This is a clear sign that the fad is starting to crack with EXISTING users.** The bullish story that subs love the business and will remain as paying customers for YEARS is doubtful at best.

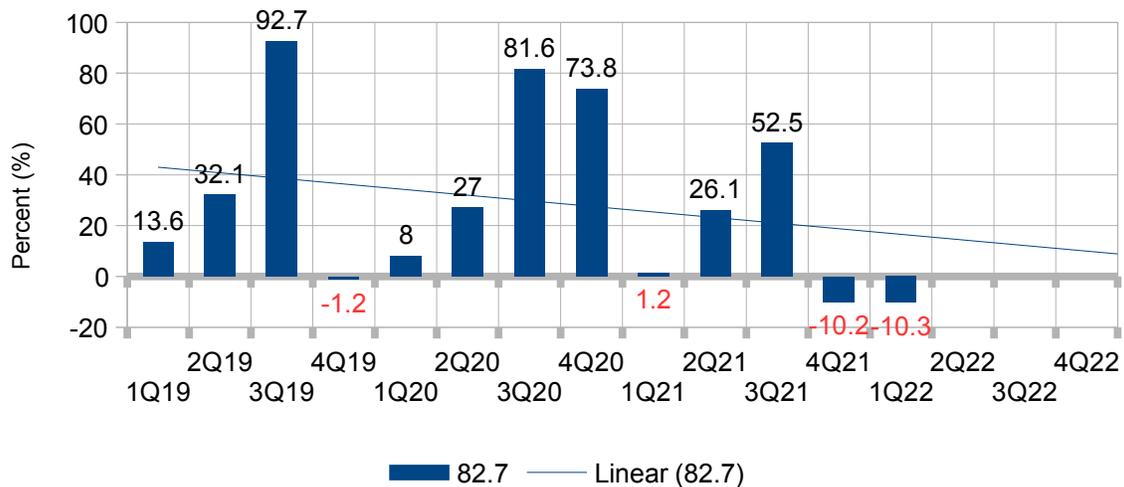
### PTON Avg Monthly Workout/Sub YR/YR Growth

2018 To 2022 Est.



### PTON Sequential Quarterly Workout Growth %

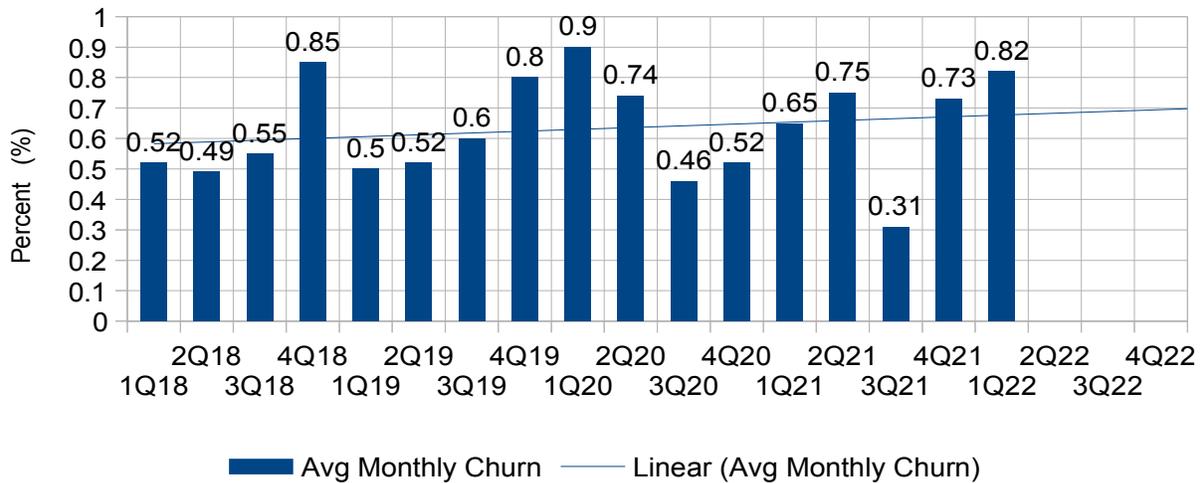
2019 To 2022 Est.



**These two charts tell us that the churn rate will continue to increase in the future. Existing users are working out less, which will lead eventually to cancellations and used bikes for sale.**

### PTON Average Monthly Churn

2018 To 2022 Est.



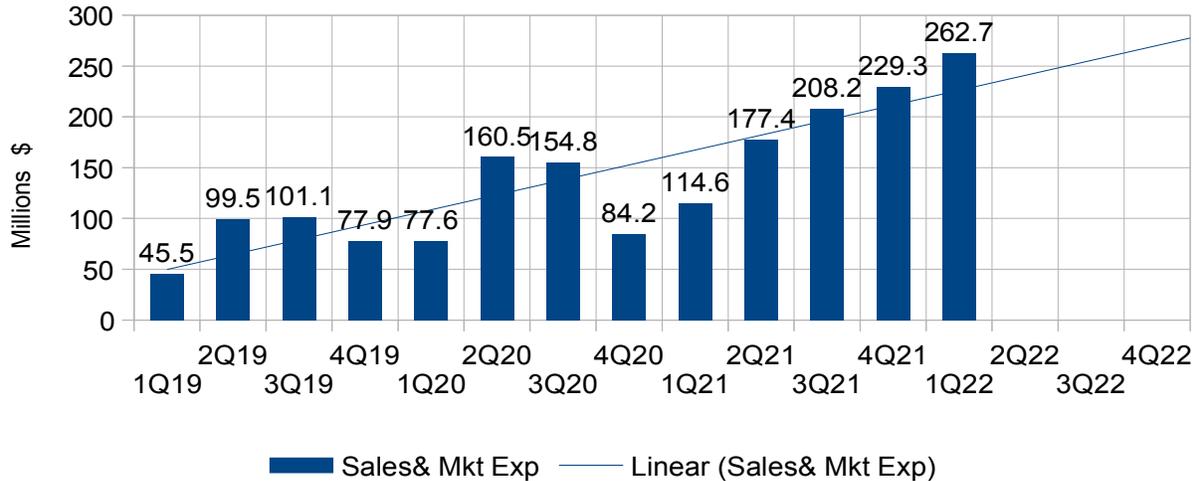
This chart does not look terrible on the surface but it is not good. We can see that several times in the past, the churn rate was over 0.8 and then went back down. **But that was when workout growth was INCREASING. Now the number of workouts is DECREASING.**

Also, Covid artificially kept the churn rate lower than it normally would be, because health clubs were closed in 2020, so people were forced to workout at home. Now that health clubs are opening back up, PTON's churn rate is going back up at an alarming rate. The churn rate has increased 164.5% in six months. Eventually the churn rate will go over 1% per month. The true churn rate of subscribers older than one year is over 2%/month.

A monthly churn rate of 0.82 is almost 10% per year. So, PTON needs to grow at 10% just to stay even. When the churn rate goes over 1% per month, it will get more and more difficult to show growth.

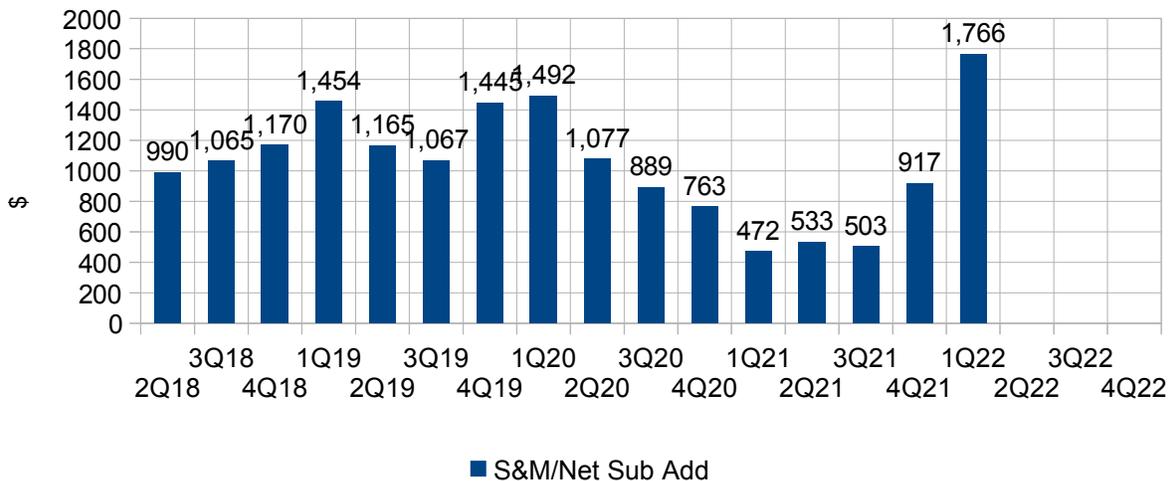
### PTON Sales & Marketing Expense

2018 To 2022 Est.



### PTON Sales & Marketing Expense/Net Sub Added

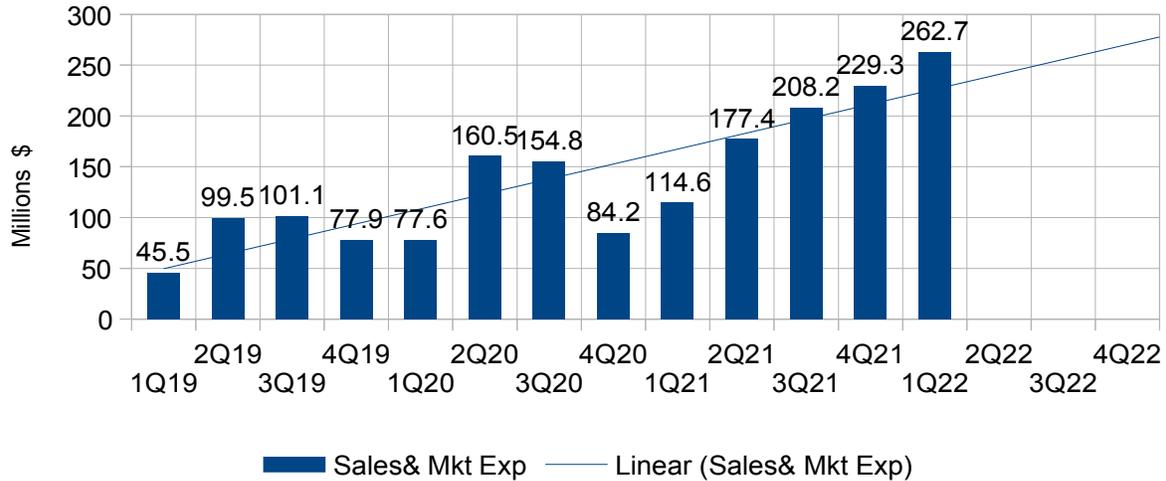
2018 To 2022 Est.



This is another clear sign that it is getting harder and harder to acquire new subscribers. It has been 5 years, you have seen hundreds of PTON commercials and still have not bought a bike and probably never will. **It will take 55 months just to recoup this expense.**

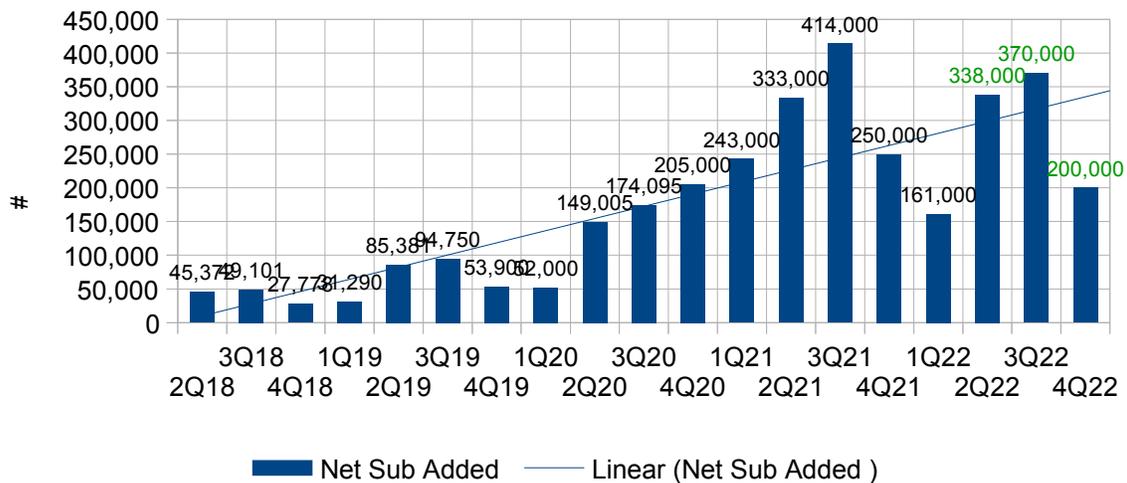
### PTON Sales & Marketing Expense

2018 To 2022 Est.



### PTON Net Subscribers Added

2018 To 2021



**PTON spent \$170 million more (+148%) on Sales & Marketing in 1Q22 than a year earlier and got 82,000 fewer subscribers or 33.7% less.** This is a huge problem. The easy sales have been made. **Spending a lot more to get a lot less is not a business to invest in.**

Since PTON collapsed past all of our price targets, it seems we will need to update them.

Price targets:

Short term: \$47

Medium term: \$45

Long term: \$40

Longer term: \$35



Peloton, Inc. (PTON)	1Q FY-2019	2Q FY-2019	3Q FY-2019	4Q FY-2019	FY-2019	1Q FY-2020	2Q FY-2020	3Q FY-2020	4Q FY-2020	FY-2020	1Q FY-2021	2Q FY-2021	3Q FY-2021	4Q FY-2021	FY-2021	1Q FY-2022	2Q FY-2022	3Q FY-2022	4Q FY-2022	FY-2022
As of 3Q ending 06/2020	09/31/2018	12/31/18	03/30/19	06/30/19	06/30/19	09/30/19	12/31/19	03/30/20	06/30/20	06/30/20	09/30/20	12/31/20	03/30/21	06/30/21	06/30/21	09/30/21	12/31/21	03/30/22	06/30/22	06/30/22
<b>Income Statement</b> (\$ millions, except per share data)																				
Revenue																				
Connected Fitness	77.9	221.3	261.6	162.3	723.1	160.8	389.1	420.2	485.9	1,456.0	601.4	870.1	1,023	655.3	3,150	501.0	600.0			1,101.0
Subscription	31.7	37.3	51.1	61	181.1	67.2	77.1	98.2	121.2	363.7	156.5	194.7	239.4	281.6	872.2	304.1	550.0			854.1
<b>Total Revenue \$</b>	<b>112.3</b>	<b>262.9</b>	<b>316.7</b>	<b>223.3</b>	<b>915.2</b>	<b>228</b>	<b>466.3</b>	<b>524.6</b>	<b>607.1</b>	<b>1,826.0</b>	<b>757.9</b>	<b>1,064.8</b>	<b>1,262.3</b>	<b>936.9</b>	<b>4,021.9</b>	<b>805.1</b>	<b>1,150.0</b>	<b>1,400.0</b>	<b>1,295.0</b>	<b>4,650.1</b>
Growth % (Yr/Yr)					110.0%	103.0%	77.4%	65.6%	130.6%	89.5%	232.40%	128.4%	140.6%	54.3%	120.3%	6.2%	8.1%	10.9%	38.2%	15.6%
Cost of Revenue	60.6	151.5	196.1	123.2	531.4	122.9	269.1	278.8	318.3	989.1	429.2	640	817.4	683.2	2,569.8	542.5	874			3,564
<b>Gross Profit</b>	<b>51.5</b>	<b>111.4</b>	<b>120.6</b>	<b>100.1</b>	<b>383.6</b>	<b>105.1</b>	<b>197.1</b>	<b>245.8</b>	<b>288.8</b>	<b>836.8</b>	<b>328.7</b>	<b>424.8</b>	<b>444.9</b>	<b>253.6</b>	<b>1,452.0</b>	<b>262.7</b>	<b>276</b>	<b>448</b>	<b>501</b>	<b>1,488</b>
Gross Margin %	45.9%	42.0%	38.0%		41.9%	46.1%	42.3%	46.9%	47.6%	45.8%	43.40%	39.9%	35.2%	27.1%	36.1%	32.6%	24.0%	32.0%	38.6%	34.0%
<b>Operating Expenses</b>																				
Research & Development	11.600	12.400	13.800	17.000	54.800	17.400	20.700	22.500	28.400	89.000	36.6	47.5	69.8	93.9	247.8	97.7	90	90	90	
Sales and Marketing expense	45.500	99.500	101.100	77.900	324.000	77.600	160.500	154.800	84.200	477.100	114.6	177.4	208.2	229.3	729.5	284.3	251	255	364	
General and Administrative expense	50.000	55.400	47.000	96.900	249.300	60.900	77.500	126.900	86.200	351.500	108.6	141.1	180.6	232.1	662.4	240.3	230	230	240	
Depreciation and Amortization																				
Restructuring																				
Gain on sale																				
<b>Total costs and expenses</b>	<b>107.100</b>	<b>167.300</b>	<b>162.000</b>	<b>191.800</b>	<b>628.200</b>	<b>156.000</b>	<b>258.700</b>	<b>304.200</b>	<b>198.800</b>	<b>917.700</b>	<b>259.8</b>	<b>366</b>	<b>458.6</b>	<b>555.4</b>	<b>1,639.8</b>	<b>622.3</b>	<b>571</b>	<b>575</b>	<b>694</b>	<b>2,410.0</b>
Opex % of sales	95.4%	63.5%	37.8%	85.9%	68.6%	68.4%	55.5%	58.0%	32.7%		34.2%	34.4%	36.3%	59.3%	63.6%	77.3%				
<b>Income (loss) from operations</b>	<b>(55.60)</b>	<b>(55.10)</b>	<b>(41.40)</b>	<b>(50.20)</b>	<b>(202.30)</b>	<b>(50.90)</b>	<b>(61.50)</b>	<b>(58.40)</b>	<b>90.000</b>	<b>(80.80)</b>	<b>68.90</b>	<b>58.8</b>	<b>(13.70)</b>	<b>(301.70)</b>	<b>(187.70)</b>	<b>(359.70)</b>	<b>(168.00)</b>			<b>(574.00)</b>
Operating Margin %	-49.50%	-21.00%	-13.10%	-22.50%	-22.10%	-22.30%	-13.20%	-11.13%	14.82%	4.90%	9.0%	5.5%	-1.1%	-32.2%	-7.3%	-44.7				
Interest income	1			6		1.3	5.9	5.6	3.9	16.7	2.4	1.9	1.6	1.1	7	0.6				
Interest expense								(0.40)	(0.40)	(0.40)	(0.70)		(4.90)	(9.10)	(14.70)	(8.60)	(9.00)	(9.00)	(9.00)	(35.60)
Other Income (expense), net			3.000	-3.200		-0.100	-0.100	-2.900	-0.700	-3.800		(0.10)	(0.70)	(1.80)	(2.60)	(5.90)	(2.00)	(2.00)	(2.00)	(11.90)
Income (Loss) before income taxes	(54.50)	(55.10)				(49.70)	(55.80)	(55.70)	92.80	(68.40)	70.6	60.6	(17.70)	(311.60)	(198.10)	(373.60)	(179.00)			(618.00)
Income tax benefit (expense)	0.00	(0.20)	(0.80)			(0.10)	(0.40)	(0.10)	3.80		1.3	(3.00)	(9.10)	1.6	(9.20)	2.40	(3.00)	(3.00)	(3.00)	(6.60)
Tax Rate %	0.0%	0.0%	0.5%			0.2%														
<b>Net income (Loss) \$</b>	<b>(54.500)</b>	<b>(55.100)</b>	<b>(38.600)</b>	<b>(47.400)</b>	<b>(195.600)</b>	<b>(49.800)</b>	<b>(55.400)</b>	<b>(55.600)</b>	<b>89.100</b>	<b>(71.700)</b>	<b>69.30</b>	<b>63.6</b>	<b>(8.60)</b>	<b>(313.20)</b>	<b>(188.90)</b>	<b>(376.00)</b>	<b>(182.00)</b>			<b>(630.00)</b>
<b>EPS (Basic) \$</b>	<b>(\$2.18)</b>	<b>(\$4.83)</b>		<b>(\$0.14)</b>		<b>(\$0.25)</b>	<b>(\$0.20)</b>	<b>(\$0.20)</b>	<b>\$0.31</b>	<b>(\$0.34)</b>	<b>\$0.24</b>	<b>\$0.22</b>	<b>-\$0.03</b>	<b>-\$1.05</b>	<b>-\$0.62</b>	<b>-\$1.25</b>				
<b>EPS (Diluted) \$</b>	<b>(\$2.18)</b>	<b>(\$4.83)</b>		<b>(\$0.14)</b>	<b>(\$0.84)</b>	<b>(\$0.25)</b>	<b>(\$0.20)</b>	<b>(\$0.20)</b>	<b>\$0.27</b>	<b>(\$0.38)</b>	<b>\$0.20</b>	<b>\$0.18</b>	<b>-\$0.03</b>	<b>-\$1.05</b>	<b>-\$0.70</b>	<b>-\$1.25</b>	<b>-\$0.61</b>			<b>-\$2.11</b>
YR/YR EPS Growth % (Diluted)																				
<b>EPS (Operating) \$</b>						<b>-\$0.17</b>	<b>-\$0.28</b>			<b>-\$0.45</b>										
<b>Weighted Shares Out Basic</b>	<b>24,999</b>	<b>21,781</b>	<b>21,960</b>			<b>38,454</b>	<b>279,974</b>	<b>280,879</b>	<b>281,784</b>		<b>288.7</b>	<b>292.5</b>	<b>295.6</b>	<b>298.8</b>						
<b>Weighted Shares Out Diluted</b>	<b>24,999</b>	<b>21,781</b>	<b>21,960</b>			<b>38,454</b>	<b>279,974</b>	<b>280,879</b>	<b>284,501</b>		<b>342.1</b>	<b>347.9</b>	<b>295.6</b>	<b>298.8</b>		<b>301.2</b>				
<b>Connected Fitness Subs</b>	<b>276,957</b>	<b>362,338</b>	<b>457,100</b>	<b>511,000</b>	<b>511,000</b>	<b>563,000</b>	<b>712,005</b>	<b>886,100</b>	<b>1,091,000</b>	<b>1,091,000</b>	<b>1,334,000</b>	<b>1,667,000</b>	<b>2,081,000</b>	<b>2,331,000</b>	<b>2,331,000</b>	<b>2,492,000</b>	<b>2,830,000</b>	<b>3,200,000</b>	<b>3,400,000</b>	<b>3,400,000</b>
YoY %						103.3%	96.5%	93.9%	113.5%		136.9%	134.1%	134.8%	113.6%		86.7%	69.8%	53.8%	45.9%	45.9%
Monthly Churn %	0.5	0.52	0.6			0.9	0.74	0.46	0.52		0.65	0.75	0.31	0.73						
<b>EBITDA</b>	<b>(55.60)</b>	<b>(56.00)</b>	<b>(41.40)</b>	<b>(49.30)</b>	<b>(202.30)</b>															
Adjustments to EBITDA																				
<b>Adjusted EBITDA</b>	<b>(13.50)</b>	<b>(14.60)</b>	<b>(19.70)</b>	<b>(23.60)</b>	<b>(71.40)</b>	<b>(21.00)</b>	<b>(28.40)</b>	<b>23.50</b>	<b>143.60</b>	<b>117.70</b>	<b>118.9</b>	<b>116.9</b>	<b>63.2</b>	<b>(45.10)</b>	<b>253.9</b>	<b>(233.70)</b>	<b>(337.00)</b>			<b>(450.00)</b>
Adjusted EBITDA Margin %	-12.0%					-9.2%														
Connected Fitness Subs	277	362	457	511	511	563	712	886	1,091	1,091	1,334	1,667	2,081	2,331	2,331	2,492	2,825			3,400
Digital Fitness Subs					46	49	109	176	497	497			891	874	874	887				
Net Subs Added		85	95	54		52	149	174	205	580	243	333	414	250	1,240	161				

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