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Peloton Interactive, Inc.

Hardware + Connected Fitness subscription hybrid: Bike / Tread / Row sales seed an installed base → All-Access Membership (~\$49.99/mo US household on hardware) → digital-only App One (\$12.99) / App+ (\$28.99) → instructor live+OD content, community, and Peloton IQ → financing, refurbished, rental, and microstores → commercial / Precor and international — FY26 rev \$2.446B with Subscription \$1.68B; first full-year GAAP net income \$63M; 2.55M paid Connected Fitness subs (FACT IR).

BUSINESS MODEL CANVAS

Peloton Interactive, Inc.

Research date: Oct 4, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- Contract manufacturers, component suppliers, and logistics for Bike/Tread/Row (FACT risk factors).
- Music licensors powering live and on-demand class soundtracks (FACT risk factors).
- Affirm / consumer financing partners for 0% APR hardware offers (FACT shop financing copy).
- Delivery and expert-assembly providers for room-of-choice install (FACT shop).
- Spotify strategic partnership for global digital reach (FACT FY26 highlights).
- Precor commercial channel; Apple/Google for App IAP billing (FACT earnings + Support).

KEY ACTIVITIES

- Design, source, and sell Bike / Tread / Row Connected Fitness Products (FACT shop + IR).
- Produce live + on-demand instructor classes, programs, Scenic, Lanebreak (FACT IR definitions).
- Operate All-Access, App One, App+, Strength+, Breathwrk memberships (FACT IR Member definition).
- Ship Peloton IQ personalization and movement-tracking on flagship hardware (FACT shop).
- Run ecommerce, microstores, and Commercial / Precor sales (FACT FY26 highlights).
- Execute cost savings / restructuring to protect gross margin and ECF (FACT

KEY RESOURCES

- Peloton brand + star instructors / live class community (FACT product positioning).
- Installed base** — 2.553M paid Connected Fitness subs; 0.503M paid App; 5.5M Members (FACT Q4).
- Content library + Peloton IQ / movement-tracking software IP (FACT shop + IR).
- Hardware designs across Bike, Tread, Row (+ Sköp Pilates acquisition) (FACT).
- Precor commercial brand and gym channel (FACT FY26 highlights).
- Liquidity** — \$1.21B cash; Net Debt \$93M YE FY26 (FACT balance sheet / non-GAAP

VALUE PROPOSITIONS

- Premium home hardware** — Bike \$1,695 / Bike+ \$2,695 / Treads / Row+ (FACT shop lists).
- All-Access household library** — live + OD cycling, run, row, strength, yoga, more (FACT).
- App One / App+** — digital-only workouts without buying equipment (FACT Support).
- Peloton IQ** — personalized plans, metrics, movement tracking on flagship devices (FACT).
- Community** — leaderboards, challenges, instructor fandom (FACT product model).
- Commercial / Precor** — connected equipment for gyms and facilities (FACT earnings).

CUSTOMER RELATIONSHIPS

- Live instructor classes + leaderboards as community hooks (FACT product).
- Programs, challenges, Scenic, and Peloton IQ personalization (FACT shop/IR).
- Household profiles on one All-Access Membership (FACT Support).
- Self-serve App One / App+ subscribe and cancel (FACT Support).
- Member Support + delivery/assembly onboarding for hardware (FACT shop).
- Net monthly CF churn disclosed (Q4 FY26 2.2% avg)** — retention is managed (FACT).

CHANNELS

- Primary DTC** — onepeloton.com shop + membership checkout (FACT).
- First-party showrooms / microstores (double fleet planned FY27** — FACT).
- Authorized retailers and Amazon listings for select hardware (SECONDARY/observed).
- iOS / Android + web for App One / App+ (FACT Support).
- In-home delivery / assembly as the fulfillment Channel (FACT shop).
- Commercial / Precor B2B sales; Spotify awareness partnership (FACT earnings).

CUSTOMER SEGMENTS

- Home Connected Fitness households** — Bike/Tread/Row + All-Access (FACT).
- App-only members** — App One and App+ without hardware touchscreen (FACT).
- Value / refurb / rental buyers** — lower upfront hardware (FACT shop).
- Commercial gyms & facilities** — Precor / Peloton Commercial BU (FACT).
- North America primary; smaller international footprint (FACT geography tables).
- Engaged Members 5.5M (T12M workout definition) vs 2.55M paid CF subs (FACT).

COST STRUCTURE

- Connected Fitness product COGS** — Q4 CFP GM 13.4% (FACT).
- Subscription COGS** — content, delivery, music; Q4 sub GM 73.6% (FACT).
- Sales & marketing \$400.4M and G&A \$430.3M FY26 (FACT SoO).
- R&D \$242.8M FY26 for hardware + software/IQ (FACT).
- Interest on total debt ~\$1.3B; FY26 interest expense \$123.8M (FACT).
- Restructuring / impairment residual; >\$100M run-rate savings achieved (FACT).

REVENUE STREAMS

- Connected Fitness Products FY26 \$770.4M** — Bike/Tread/Row, accessories, Precor (FACT).
- Subscription FY26 \$1,675.6M** — All-Access + App One/App+/related (FACT).
- US list** — All-Access \$49.99/mo; App+ \$28.99; App One \$12.99 (FACT Support).
- Hardware list** — Bike \$1,695; Bike+ \$2,695; Tread Vision \$3,495; Tread+ \$6,695; Row+ \$3,495 (FACT).
- Refurb / rental / financing expand access without full MSRP cash (FACT shop).
- FY26 net income \$63M; FCF \$378M** — profitability with shrinking paid CF base (FACT).