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VALUING PELTON

INTRODUCTION

STARTING WITH ITS BACKGROUND, PELOTON INTERACTIVE INC. IS ONE OF THE LEADERS OF AT-HOME FITNESS INDUSTRY AND RECENTLY EXPERIENCED TREMENDOUS GROWTH WHILE HAVING A RATHER DRAMATIC FLUCTUATION IN ITS VALUATION. THE CASE SOLUTION ON THE "VALUING PELOTON" CAN BE FOUND AT THECASESOLUTIONS. IN THIS CASE, COM FOCUSES ON THE ASSESSMENT OF THE MENTIONED ASPECTS OF PELOTON TO ESTABLISH ITS INTRINSIC VALUE. THIS PRESENTATION WILL INCLUDE THE EXPLANATION OF THE MAJOR STEPS OF THE VALUATION PROCESS AND GUIDANCE CONCERNING THE UTILIZED METHODS.



VALUING PELOTON

IN OTHER WORDS, THE COMPANY SPECIALIZES IN THE DELIVERY OF PREMIUM FITNESS EQUIPMENT AND MEMBERSHIP IN A CONNECTED DIGITAL PLATFORM. SOURCES OF INCOME ARE CAPTURED UNDER THREE MAIN CATEGORIES, NAMELY; PRODUCT SALES, SUBSCRIPTION/BUYER SERVICES REVENUE, AND OTHER INCOME WHICH CONSISTS OF PRODUCT ADD-ONS LIKE T-SHIRTS AND CAPS. THE ANALYSIS FROM THECASESOLUTIONS. IN TERMS OF REVENUE MODEL, COM STRESSES THAT IT INCREASES THE LOYALTY OF THE USERS TO PELOTON DUE TO INTERESTING CONTENT AND THE ASPECT OF COMMUNITY, ENCOURAGING REGULAR PURCHASES, WHICH CONTRIBUTES TO CONSTANT GROWTH.

VALUATION METHODOLOGIES

IN ORDER TO ARRIVE AT A VALUE FOR PELOTON, THE CASE SOLUTION USES SEVERAL METHODOLOGIES, THEY INCLUDE; DCF ANALYSIS, COMPARABLE COMPANY ANALYSIS, PRECEDENT TRANSACTIONS. IN THE DCF TECHNIQUE, EMPHASIS IS MADE ON ESTIMATING CASH FLOWS IN THE FUTURE AND THEN DISCOUNTING THE SAID CASH FLOWS TO THE PRESENT VALUE BY APPLYING THE RIGHT RATE OF DISCOUNT. THE COMPARABLE COMPANY ANALYSIS CONSISTS OF COMPARING THE CHARACTERISTICS OF PELOTON TO THOSE OF OTHER SIMILAR COMPANIES IN ORDER TO ESTIMATE VALUATION MULTIPLES. THE MAIN METHOD USED HERE IS THE PRECEDENT TRANSACTIONS ANALYSIS, WHICH ANALYZES THE RECENT DEALS IN THE SECTOR TO ESTABLISH THE VALUATION OF PELOTON.

CONCLUSION



SOLUTION FOR THE "VALUING PELOTON" CASE FROM THE CASESOLUTIONS.COM PROVIDES STEP-BY-STEP GUIDELINES AIDING IN THE EVALUATION OF THE COMPANY'S WORTH OR INTRINSIC VALUE. THROUGH A DETAILED DISCUSSION ON THE STRUCTURE OF PELOTON BUSINESS MODEL, THIS CASE ALLOWS THE DETERMINATION OF THE COMPANY'S WORTH THROUGH THE COMMON VALUATION TECHNIQUES AND FINANCIAL ANALYSIS OF ITS BUSINESS MODEL. THIS ANALYSIS WILL BE USEFUL FOR INVESTORS, ANALYSTS, AND STAKEHOLDERS WHO PREVIOUSLY OR ARE CURRENTLY INVESTED IN PELOTON AND FOR ANY OTHER PERSON INTERESTED IN THE FIRM'S FUTURE.

RESOURCE



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