

# Ring Fit Adventure vs Peloton

More Fit, More Fun Anytime, Anywhere

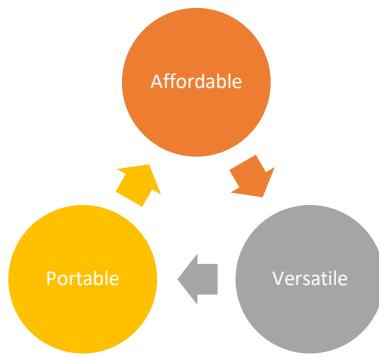
Ring Fit Adventure (RFA)



X



Nintendo Switch (NS) Has Games

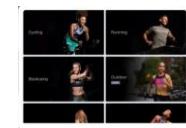


Live & On-Demand Fitness Comes Home

Bike



App (Content)



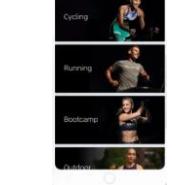
Tread



Accessories



App (Content)



Accessories



## Market Sizing

Wii  
Wii Fit      Nintendo Switch  
Ring Fit Adventure

Installed Base (IB) <sup>1</sup>	~100M	~37M <sup>2</sup>
x Game Attach Rate (AR) <sup>3</sup>	~22.5%	?
= Gamers in Fitness Segment	~22.5M	
x Subscription Conversion <sup>4</sup>	-	
=	-	?
Stabilized Churn <sup>5</sup>	-	

Notes: 1) Estimated as LTD cumulative platform shipment; 2) As of 2Q2019; 3) LTD cumulative game sales / installed base; 4) The subscription can add substantial value to the platform if executed and executed well; 5) Can be measured in average monthly subscriber or revenue contribution from average monthly subscriber if the platform holder up-sells or cross-sells

### Peloton's Current Markets (millions)\*

92

67

52

14

Peloton Demographic: Households aged 18-70 and \$50k+ total income

Peloton TAM: Households open to subscription fitness that could be interested in purchasing a product from Peloton either today or in the future

Peloton Interest: Households that express interest in learning more about at least one Peloton product without seeing price

Peloton Connected Fitness Products SAM: Interest in Peloton Connected Fitness Products in current fitness verticals and price points

### U.S. Only (millions)

65

45

36

12

Peloton Demographic: Households aged 18-70 and \$50k+ total income

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Peloton FY 2019

## Subscription Financial Projection

### Key Metrics

Attach Rate: 10%  
Conversion: 25%  
Subs Fee: \$5/mo

### Subscription

Subscribers: 925K  
ARR: \$55.5M  
Based on 37M IB

### Growth Drivers

- Expanding IB  
- Growing Ecosystem  
- Monetization

### Subscription

Rev: \$181.1M  
GM: 42.7%  
CM: 50.8%

### Subscribers

Connected Fitness: 511K  
+ Digital: 102K  
= Global Subscribers: 613K

95% 12-mo Retention Rate

## Ring Fit Adventure

## Pricing / Monetization

## Peloton

	Gamer Item	Existing	New
Upfront / Required (One-time)	NS	-	\$299
+ RFA	\$80	\$80	
= Total	\$80	\$379	

### Potential Monetization

DLC	\$
Subscription <sup>6</sup>	\$5-\$39/mo
In-Game Purchase	\$ per ?

Note: 6) Depends on service offering and pricing strategy

Product	Bike	Tread	App
Upfront / (One-time) <sup>7</sup>	\$2,245	\$4,295	-

### On-going Membership Subscription

Digital	\$19.5/mo
Peloton	\$39/mo

Note: 7) Peloton provides financing options at 0% APR; delivery is included

# Ring Fit Adventure...

## Go-to-Market

Best Sellers

Our most popular products based on sales. Updated hourly

Best Sellers in Video Games

1. バイオハント フラッシュカード - Switch  
Nintendo Switch  
4.9/5.0 (1,000+ reviews)  
Release Date: October 18, 2019

2. ポケモン ブラック・ホワイト - PS4  
PlayStation 4  
4.9/5.0 (1,000+ reviews)  
Release Date: October 11, 2019

3. PS4版 CALL OF DUTY: MODERN WARFARE  
PlayStation 4  
4.9/5.0 (21 reviews)  
Release Date: October 25, 2019

4. ポケモン ブラック・ホワイト - 3DS  
Nintendo 3DS  
4.9/5.0 (1,000+ reviews)  
Release Date: October 17, 2019

5. バイオハント フラッシュカード - Switch (1-7日で発送)  
Nintendo Switch  
4.9/5.0 (1,000+ reviews)  
Release Date: November 15, 2019

6. バイオハント フラッシュカード - PS4 (1-7日で発送)  
PlayStation 4  
4.9/5.0 (1,000+ reviews)  
Release Date: November 15, 2019

7. ポケモン ブラック・ホワイト - 3DS (1-7日で発送)  
Nintendo 3DS  
4.9/5.0 (1,000+ reviews)  
Release Date: November 15, 2019

8. バイオハント フラッシュカード - Switch (1-7日で発送)  
Nintendo Switch  
4.9/5.0 (1,000+ reviews)  
Release Date: November 15, 2019

9. ポケモン ブラック・ホワイト - PS4 (1-7日で発送)  
PlayStation 4  
4.9/5.0 (1,000+ reviews)  
Release Date: November 15, 2019

10. ポケモン ブラック・ホワイト - 3DS (1-7日で発送)  
Nintendo 3DS  
4.9/5.0 (1,000+ reviews)  
Release Date: November 15, 2019

Amazon Best Sellers

Our most popular products for sale on Amazon. Updated hourly

Best Sellers in Video Games

1. PlayStation Store  
PlayStation Store  
5.0/5.0 (1,000+ reviews)

2. Xbox Gift Card (Digital Code)  
Microsoft  
4.9/5.0 (1,000+ reviews)

3. Luigi's Mansion 3 - Nintendo Switch  
Nintendo Switch  
4.9/5.0 (1,000+ reviews)

4. Call of Duty: Modern Warfare - PlayStation 4  
PlayStation 4  
4.9/5.0 (1,000+ reviews)  
Release Date: October 25, 2019

5. Luigi's Mansion 3 - Nintendo Switch  
Nintendo Switch  
4.9/5.0 (1,000+ reviews)  
Release Date: October 11, 2019

6. Final Fantasy VII Remake - Nintendo Switch  
Nintendo Switch  
4.9/5.0 (1,000+ reviews)  
Release Date: October 09, 2019

7. Ring Fit Adventure - Nintendo Switch  
Nintendo Switch  
4.9/5.0 (1,000+ reviews)  
Release Date: October 11, 2019

8. PlayStation Plus: 12 Month Membership - Digital  
PlayStation  
4.9/5.0 (2,000+ reviews)  
Subscription: PlayStation 4, PlayStation Vita

9. antarctic Tempered Glass Screen Protector for...  
antarctic  
4.9/5.0 (1,000+ reviews)  
Price: \$19.99

10. Dualshock 4 Wireless Controller for PlayStation...  
Sony  
4.9/5.0 (1,000+ reviews)  
Price: \$49.99

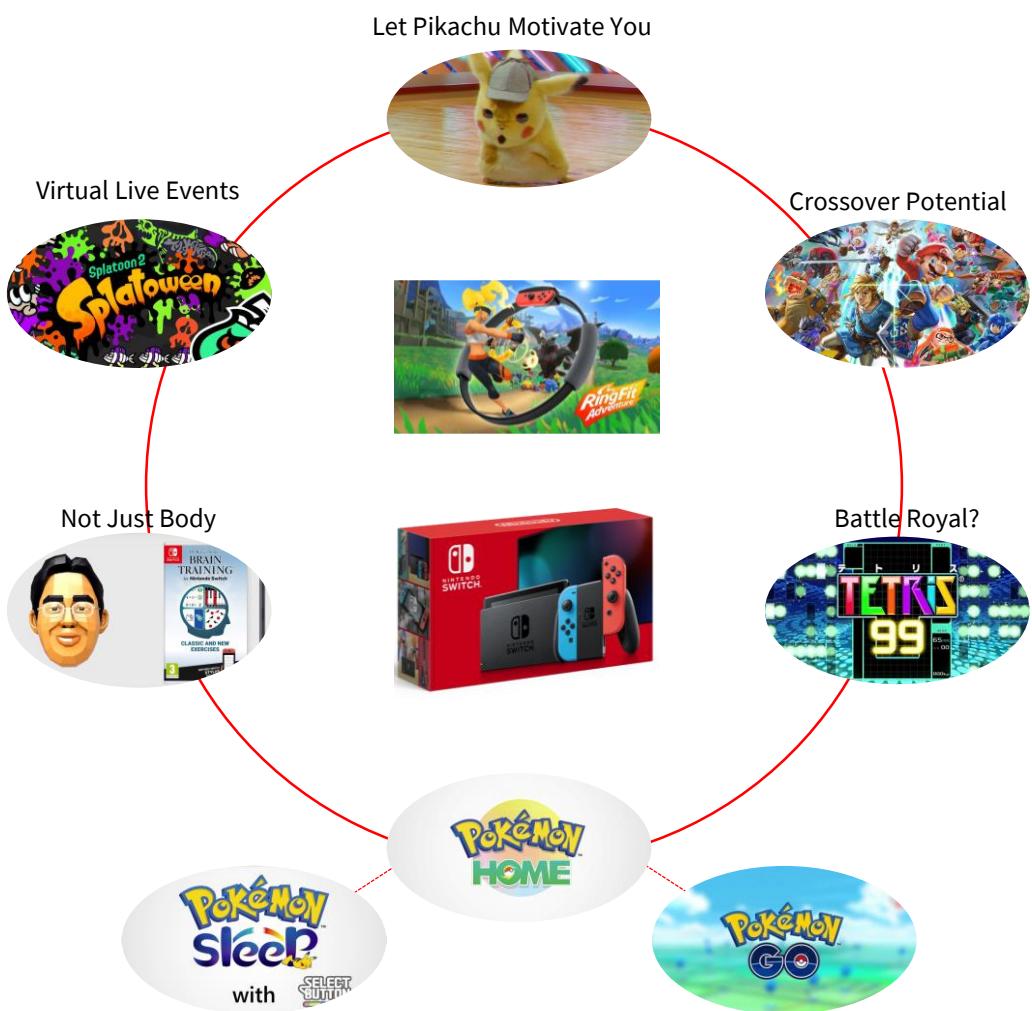
Been a while in JP Amazon\*

f t y i m

(Seems to be a successful TVCM in Asia)

\* As of 2019/10/15

## Engagement & Quality of Life Ring



Q: 1) What's the difference between "the business" of Ring Fit Adventure and Peloton in terms of, unit economics, customer lifetime value, and customer acquisition cost (incl. sales & marketing expense and content creation cost?) 2) Who has stronger bargaining power, Pikachu or human coach?