Mergers & Acquisitions Course – Group Project Assignment

Case Study: Acquisition of Peloton Interactive, Inc.

Instructor: Prof. Chris Droussiotis

Course: Mergers & Acquisitions

# Objective

In this project, your team will represent an acquiring company (Apple, Amazon, Nike, Alphabet, Meta, Lifetime Fitness, Disney, or Samsung) preparing a strategic case to acquire 100% of Peloton Interactive, Inc. Your assignment is to prepare a comprehensive analysis that addresses strategic, financial, and operational considerations for this potential acquisition. The goal is to determine whether your assigned company should pursue this acquisition and justify your recommendation with rigorous analysis.

# Project Components

Your team’s work will be delivered in four in-class presentations (10–12 minutes each) and a final written report with spreadsheet models. Each presentation builds toward the final thesis.

## Presentation 1 – SWOT Analysis (Strategic Rationale)

* Overview of Peloton’s current market position
* SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis
* Strategic rationale for acquisition by your assigned company
* Identification of potential synergies

## Presentation 2 – Historical & Projections Analysis

* Historical performance review of Peloton (revenue, margins, market share, KPIs)
* Future projections (5-year outlook)
* Assumptions that tie back to SWOT (e.g., synergy realization, cost-cutting opportunities, revenue growth opportunities)
* Benchmarking against industry peers

## Presentation 3 – Financial & Valuation Analysis

* Stand-alone valuation of Peloton (DCF, trading comps, precedent transactions)
* Return analysis (IRR, ROI, NPV)
* Accretion/dilution analysis for acquirer’s shareholders
* Sensitivity/scenario analysis (growth rates, synergies, multiples)

## Presentation 4 – Final Thesis & Recommendation

* Cohesive summary of all analyses
* Recommendation: Should your company acquire Peloton?
* Integration plan & strategic implications
* Risks and mitigants

# Final Deliverables

* Written Report (10–15 pages): Executive Summary, SWOT & Market Research, Historical and Projected Financials, Valuation & Return Analysis, Strategic Fit & Recommendation, Risk Assessment, Appendices
* Excel Spreadsheet Model: Stand-alone Peloton valuation, pro forma acquisition model with synergies, accretion/dilution analysis, sensitivity/scenario testing
* Class Presentations: 4 presentations, 10–12 minutes each, on assigned dates

# Grading Rubric

## Group Evaluation (70%)

* SWOT & Market Research (20%) – Depth of analysis, linkage to strategy
* Financial Analysis (20%) – Quality of valuation, rigor of assumptions
* Strategic Fit & Synergies (15%) – Clear articulation of why acquisition creates value
* Presentation & Report Quality (15%) – Professionalism, clarity, data visualization

## Individual Evaluation (30%)

* Contribution (10%) – Evidence of individual input to analysis/model
* Teamwork (10%) – Collaboration, reliability, peer feedback
* Presentation Delivery (10%) – Speaking role, clarity, command of material

# Timeline

* Presentation 1: SWOT Analysis – Date - CHECK CANVAS FOR DATES
* Presentation 2: Historical & Projections Analysis – Date - CHECK CANVAS FOR DATES
* Presentation 3: Financial & Valuation Analysis – Date - CHECK CANVAS FOR DATES
* Presentation 4: Final Thesis & Recommendation – Date - CHECK CANVAS FOR DATES
* Final Written Report & Excel Model: Due one week after last presentation

# Expectations

* Treat this assignment like a professional M&A advisory pitch
* Use credible sources (company filings, analyst reports, industry databases)
* All numbers and assumptions must be clearly justified
* Visuals, tables, and models should be professional and concise
* Each team member must contribute both to the analysis and the presentation