ICR Xchange Conference

Orlando, Florida

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Safe Harbor Statement

This presentation includes forward-looking statements (statements which are not historical facts) within the meaning of the Private Securities Litigation Reform Act of 1995, including statements concerning the Company’s prospects, resources, capabilities, current or future financial trends or operating results, demand for the Company’s products, future plans for introduction of new products and the anticipated outcome of new business initiatives, estimates of market size and growth, planned capital expenditures and statements concerning our ability to finance growth plans with cash generated from our operations. Factors that could cause Nautilus, Inc.’s actual results to differ materially from these forward-looking statements include our ability to acquire inventory from sole source foreign manufacturers at acceptable costs, within timely delivery schedules and that meet our quality control standards, availability and price of media time consistent with our cost and audience profile parameters, a decline in consumer spending due to unfavorable economic conditions in one or more of our current or target markets, an adverse change in the availability of credit for our customers who finance their purchases, our ability to pass along vendor raw material price increases and increased shipping costs, our ability to effectively develop, market and sell future products, our ability to protect our intellectual property, and the introduction of competing products. Additional assumptions, risks and uncertainties are described in detail in our registration statements, reports and other filings with the Securities and Exchange Commission, including the "Risk Factors" set forth in our Annual Report on Form 10-K, as supplemented by our quarterly reports on Form 10-Q. Such filings are available on our website or at www.sec.gov. You are cautioned that such statements are not guarantees of future performance and that actual results or developments may differ materially from those set forth in the forward-looking statements. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances.

Unless otherwise indicated, all information regarding our operating results pertain to continuing operations.
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Presentation Overview

- **Who We Are:** A team focused on providing innovative fitness solutions and superior results

- **Business Strategies:** Strategic Innovation, Operational Excellence, Footprint Expansion

- **Financial Overview:** Robust top and bottom line growth; Strong Balance Sheet
Who We Are
PRELIMINARY* UNAUDITED Q4 AND FULL YEAR 2013 RESULTS (CONTINUING OPERATIONS)

- **Q4 Revenues grew 18.5% over Q4 last year**
  - Direct business - 3.7% growth
  - Retail business - 47.0% growth

- **Full Year 2013 Revenues grew 12.8% over 2012**
  - Direct business - 9.3% growth
  - Retail business - 20.2% growth

- **Non-GAAP Q4 EPS is expected to be between $0.29 and $0.31 per share**
  - Versus $0.23 last year

- **Non-GAAP full year EPS is expected to be between $0.46 and $0.48 per share†**
  - Versus $0.34 last year

* All Q4 2013 and full year 2013 financial information is preliminary and unaudited; see preliminary earnings release dated January 13, 2014.
** Excludes income tax expense resulting from partial reestablishment of a valuation allowance against the Company’s deferred tax assets.
† Excludes partial reversal of a valuation allowance recorded against the Company’s deferred tax assets. Non-GAAP Information, see Nautilus’ website under “Investor Relations” for a reconciliation to GAAP.
Who We Are Today

- A leading provider of fitness equipment and related products for *use in, and around, the home*
- Industry leading capabilities in *product innovation and quality*
- Growing company which has *dramatically improved profitability*
- Strong portfolio of *brands*, including #1 in the fitness industry (Bowflex)*
- Unique *three-pronged business model*
- An organization focused on *increasing shareholder value*

*Our goal is to provide products which allow consumers to achieve their health and fitness goals*

*Based on 2012 National Consumer Research Study*
Strongest Brands in Fitness Equipment

Bowflex
- #1 Fitness Brand*
- Innovation – Quick and proven results

Nautilus
- Authenticity
- Professional grade – Serious fitness
- Corporate umbrella brand

Schwinn
- Quality/Value cardio brand
- High awareness across all consumer groups

Universal
- American heritage
- Strength brand used for differentiation

* Based on 2012 National Consumer Research Study
Winning Product Portfolio of Existing Heritage Products

Cardio
- TreadClimber®
- AD6

Strength
- SelectTech®
- Home Gym

Unique technologies and modalities have driven growth
Recent Innovations

Schwinn® Elliptical MY13

Bowflex MAX Trainer™

UpperCut®

Schwinn® Cardio MY13

Bowflex Boost™
## Growing in all Our Channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>% of 2013 Revenue*</th>
<th>2013 Full Year Gross Margin*</th>
<th>Op-ex Profile*</th>
<th>2013 Full Year Cont. Margin**</th>
<th>Revenue Growth in 2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct to Consumer</td>
<td>63%</td>
<td>59-61%</td>
<td>Higher (due to advertising)</td>
<td>10-11%</td>
<td>9%</td>
</tr>
<tr>
<td>Retail</td>
<td>35%</td>
<td>24-26%</td>
<td>Very Low</td>
<td>14-16%</td>
<td>20%</td>
</tr>
<tr>
<td>Licensing Royalties</td>
<td>2%</td>
<td>~100%</td>
<td>Minimal</td>
<td>100%</td>
<td>6%</td>
</tr>
</tbody>
</table>

* Plus... Complementary business drivers across channels

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** Excluding unallocated corporate expense.
Our Six Philosophies

1. Focus on profitable growth while leveraging and tightly controlling expenses
2. Deliver a steady flow of consumer driven innovations
3. Continue investing in our brands and new product launches
   • Longer term view
4. Emphasis on high opportunity initiatives for maximum success
   • Carefully scrutinize deployment of resources
5. Apply sense of urgency and intense focus on strategy and execution
   • Achieve what we say we’re going to do
6. Support and nurture our vibrant culture of organizational excellence

Continue to drive positive shareholder return!
Business Strategies
Key Drivers

• Emphasis on new product development for both the Direct and Retail channels; guided by a focus on consumer needs/wants

• Utilize our unique multi-channel business model to gain share and secure traction on new products

• Diversify our product offering and geographic footprint

• Utilize new marketing approaches to energize our brands and build deeper customer relationships

Utilize combination of “core growth” and “plus growth” initiatives to strengthen core and extend our reach
Growth Opportunities

- **Launch New Direct to Consumer Products**: Lead with new MAX Trainer, leverage our unique market’s capabilities

- **Large Domestic Retail Market**: We are under-represented but well poised to take share

- **International Market Opportunity**: Where we are almost non-existent today, but our brands are already well-known

- **Expand Licensing Royalty Base**: Utilize both IP and Brands

- **Tap Into Adjacent Product Categories**: That are growing and compliment our core competencies
Global Market Opportunity

Estimated Wholesale Retail Market Size by Region*

- **NORTH AMERICA**: Mature market; 3.5%/yr growth projected as recovery from recession continues. NLS brands have top brand recognition.
- **EMEA**: Mature and crowded market; 3%/yr growth projected, stronger in some countries. Nautilus and Bowflex have high awareness.
- **ASIA / PACIFIC**: Emerging market; strong growth (>15%/yr) projected, especially in China. Nautilus brand recognized overall. Bowflex strong in Australia / NZ.
- **LATIN AMERICA**: Emerging market with barriers to entry in key areas such as Brazil; growth of 10%/yr projected. Nautilus brand is known.

*Compilation of Industry and Internal Data*
“The Road Map”

Our approach to profitable growth focuses on three major areas:

- **New Product Innovation**
  - Process Rigor
  - IP Portfolio
  - Brand Engagement
  - Margin Discipline

- **Footprint Expansion**
  - New Price Points
  - New Core Categories
  - Plus Growth Opportunities
  - Access to Broader Audience
  - Licensing

- **Operational Excellence**
  - Leverage Infrastructure
  - Continuous Cost Improvements
  - Supply Chain Efficiency
  - Media Planning
Financial Overview
Consistent Revenue and Profitability Growth

Revenue growing at 9.1% CAGR*

*All Q4 2013 and full year 2013 financial information is preliminary and unaudited; see preliminary earnings release dated January 13, 2014.

Note: Net Revenue and Operating Income are for Continuing Operations.
EBITDA Outpacing Revenue Growth

Rolling Four Quarter Revenue and EBITDA Growth

Note: All Q4 and full year financial information is preliminary and unaudited; see preliminary earnings release January 13, 2014.

* Non-GAAP Information, see Nautilus’ website under “Investor Relations” for a reconciliation to GAAP
* Net Revenue and EBITDA are rolling four quarter totals, Continuing Operations
Strong Balance Sheet

- Approximately $41M* of cash and no debt as of December 31, 2013
- $31.6M of deferred net tax assets as of September 30, 2013
- Working capital utilization metrics are best in the industry
- Internal cash generation expected to finance growth plans
- Modest capital expenditures of approximately $2 - $3M per year range expected

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## Longer Term Expectations

<table>
<thead>
<tr>
<th>Stated Strategic Goal</th>
<th>Run Rate</th>
<th>2013 Preliminary Results vs. 2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth</td>
<td>9-10% year</td>
<td>12.8% vs. 7.5% (L.Y.)</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>Sustain gains in each channel</td>
<td>2-4 point improvement in both channels</td>
</tr>
<tr>
<td>Operating Expense Leverage</td>
<td>1-3 points better</td>
<td>Expenses flat to up slightly</td>
</tr>
<tr>
<td>Operating Income</td>
<td>7-10% of revenue</td>
<td>7.0-7.2% vs. 5.5% (L.Y.)</td>
</tr>
<tr>
<td></td>
<td>Absolute dollars increasing at double digit pace</td>
<td>45-49% growth</td>
</tr>
<tr>
<td>EBITDA Growth</td>
<td>Strong (outpacing revenue)</td>
<td>39-42% growth vs. 84% (L.Y.)</td>
</tr>
</tbody>
</table>

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Key Take Aways

✓ Our company is achieving growth and significantly improved profitability

✓ Capabilities have been built to deliver long-term profitability

✓ Strategic growth drivers and opportunities have been identified and are being pursued

✓ Strong asset position is unique and leverage-able
  • Brands, IP, balance sheet, business model, human capital

✓ Our plan is solid and it is working