

2Q 2025 Earnings Presentation

July 30, 2025



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This presentation contains "non-GAAP measures" that are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with U.S. generally accepted accounting principles ("GAAP"). Among other non-GAAP measures, this presentation uses (1) non-GAAP gross profit, which we define as gross profit adjusted to exclude stock-based compensation expense and the amortization and acquired intangible assets; (2) non-GAAP gross margin, which we calculate as non-GAAP gross profit divided by revenue for the same period; (3) non-GAAP net income (loss), which we define as net income (loss) adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets, and restructuring charges; (4) adjusted EBITDA (or AEBITDA), which we calculate as net income (loss) adjusted to exclude interest income, interest expense, provision for income taxes, depreciation and amortization, other income (expense), net (including gains and losses from the remeasurement of foreign currency assets and liabilities into their functional currency), stock-based compensation expense, and restructuring charges; and (5) free cash flow, which we calculate as net cash provided by operating activities, less purchases of property and equipment and capitalized software costs, as we consider these capital expenditures necessary to support our ongoing operations. These measures have limitations as an analytical tool and should not be considered in isolation, or as a substitute for our results as reported under GAAP. These non-GAAP measures may also differ from non-GAAP measures used by other companies. See the appendix for a reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP financial measure.

Unless otherwise noted, historical numerical figures and related graphics used in this presentation are accurate as of June 30, 2025. Numerical figures in this presentation have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

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Udemy is
**THE AI-POWERED SKILLS
ACCELERATION PLATFORM**
for the future workplace

Udemy investment highlights

Scale and Growth

\$787M FY24 Revenue

23% 5-year revenue CAGR

\$494M FY24 Enterprise Revenue

\$292M FY24 Consumer Revenue

Leader in AI upskilling

4.5k AI focused courses

11M+ AI course enrollments

350M+ minutes of AI training

consumed LTM

7,000+ Role Play simulations

Predictability

~70% of revenue is recurring

\$520M UB ARR (+6% YoY)

200k+ paid consumer subscribers

Profitability and Stability

Positive GAAP net income in 2Q25

400 bps FY24 AEBITDA

margin expansion

73% Enterprise segment FY24 GM

\$393M in cash / no outstanding debt

Vibrant Marketplace

85k+ instructors

250k+ courses

1.1B enrollments

39M monthly visitors

Large Global Audience

81M learners

75 local languages

>60% of revenue ex-N. America

>80% of traffic ex-US

Q2 2025 key takeaways



Revenue of \$199.9M exceeded expectations, driven by growth from the enterprise segment



Delivered \$6.3M of GAAP net income - first positive quarter since IPO - and adjusted EBITDA came in above the high end of the guidance range at \$28.4M, or 14% margin



Surpassed 200K paid subscribers as subscription revenue increased to 15% of the segment's total mix, up 2 points in one quarter since increasing emphasis on recurring revenue products.



Introduced a suite of new AI Packages to help organizations and professionals develop AI fluency, The AI Growth Collection and The AI Readiness Collection.



Launched Role Play, a new AI-powered offering that helps learners build and refine real-world soft skills through immersive, instructor-designed conversation simulations.



Free cash flow for Q2 was positive \$39.0 million. Year-to-date free cash flow was positive \$46.1 million.

Q2 2025 financial results and highlights

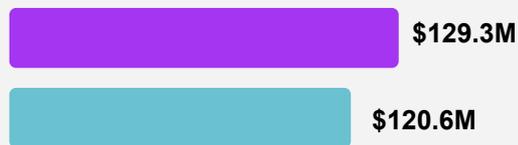
Disciplined execution and financial performance enables strategic pivot to focus on growth opportunities

	Q2 2025	Change YoY	Q2 2025 Guidance
Revenue	\$199.9M	+3%	\$195M to \$199M
Gross Margin	66%	+400 bps	
Non-GAAP Gross Margin ¹	67%	+300 bps	
Net Income	\$6.3M	+120%	
Adjusted EBITDA ¹	\$28.4M	+420%	\$22M to \$24M
Adjusted EBITDA Margin ¹	14%	+1,100 bps	10%

UB ARR: +6% YoY



UB Segment Revenue: +7% YoY



Consumer Segment Revenue: -4% YoY



2Q25

2Q24

Progress on Strategic Priorities

Leading AI Skilling Platform

- ✓ Launched 2 new SKUs, AI Readiness and AI Growth packages for enterprise customers
- ✓ Launched groundbreaking AI-powered Role Play simulations
- ✓ AI Learning Assistant engagement increased to > 4 million unique inquiries

Emphasizing Subscriptions

- ✓ 70% of total revenue from subscription products
- ✓ 15% of Consumer segment revenue from subscriptions
- ✓ 200k+ paid consumer subscribers

Expanding Partner Ecosystem

- ✓ Indeed - Empowering job seekers with in-demand skills
- ✓ UKG - enabling streamlined enterprise learning management
- ✓ BCN Global - Expanding footprint in key LATAM market
- ✓ Certification voucher program creates a powerful sell-through channel

Executing global market activations

- ✓ Launched targeted campaigns and localized content strategies in high-opportunity markets, such as Brazil, India, and Japan
- ✓ Delivered double-digit Q2 revenue growth and highest gross retention in more than 3 years in Japan

Majority of revenue is subscription-based

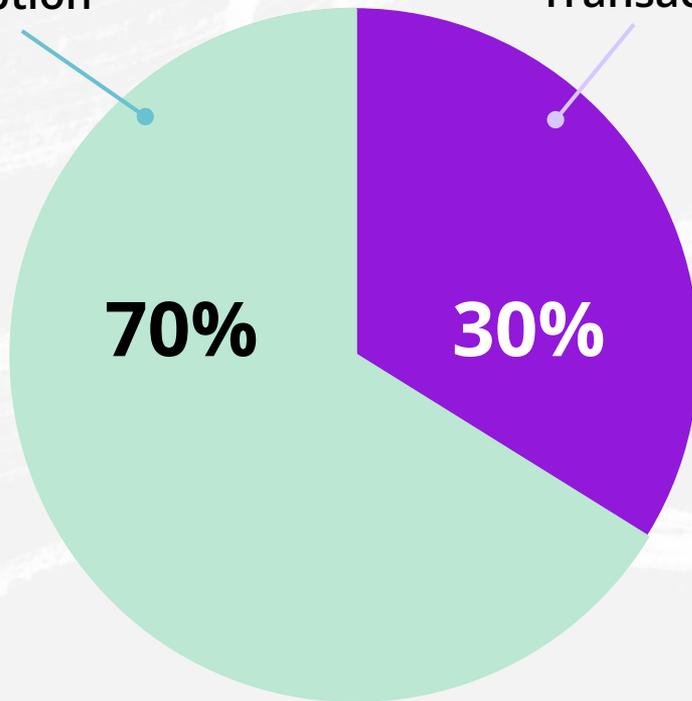
**Q2 2025
Revenue
\$199.9M**

Subscription

Transactional

70%

30%



- Subscription revenue mix expanded to 70% of total (+200bps QoQ)
- Creates enhanced earnings visibility, reduced quarterly volatility, and stronger unit economics and a more resilient business model

Large global and diversified Udemy Business customer base

17,107 Total
customers

5,799 Large
enterprise
customers¹

95%
Total Net Dollar
Retention

99%
Large Enterprise
Customer Net Dollar
Retention

Key Q2 2025 Wins and Expansions

AON  Mass General Brigham

ciena 

rackspace
technology


bazaarvoice



Commvault

SAMSUNG

SAXO
BE INVESTED

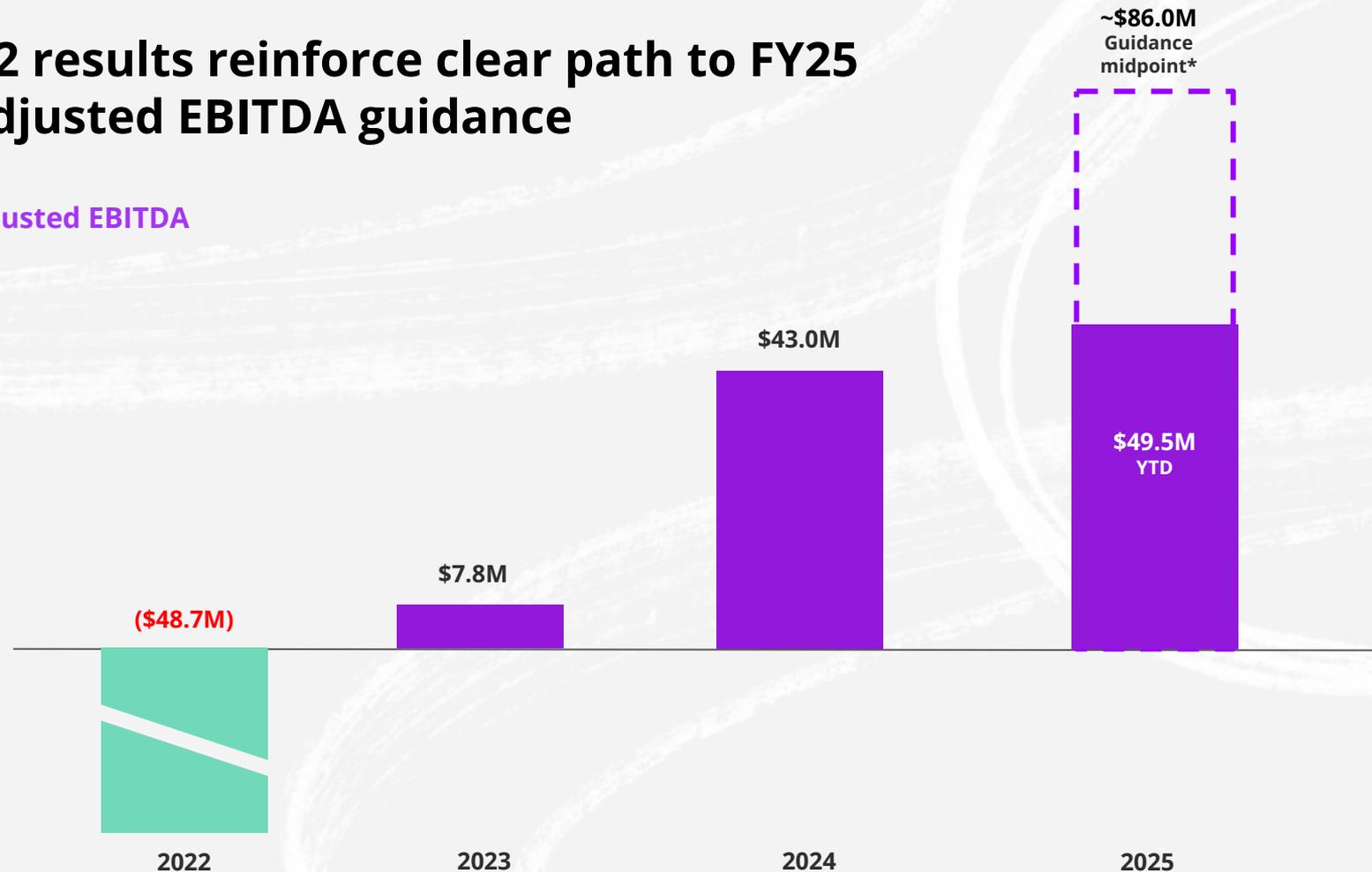
The **BRICK**

Note: Data as of June 30, 2025, unless otherwise noted

1. Represents enterprise customers with 1,000 employees or more included in the total customer count

Q2 results reinforce clear path to FY25 Adjusted EBITDA guidance

Adjusted EBITDA

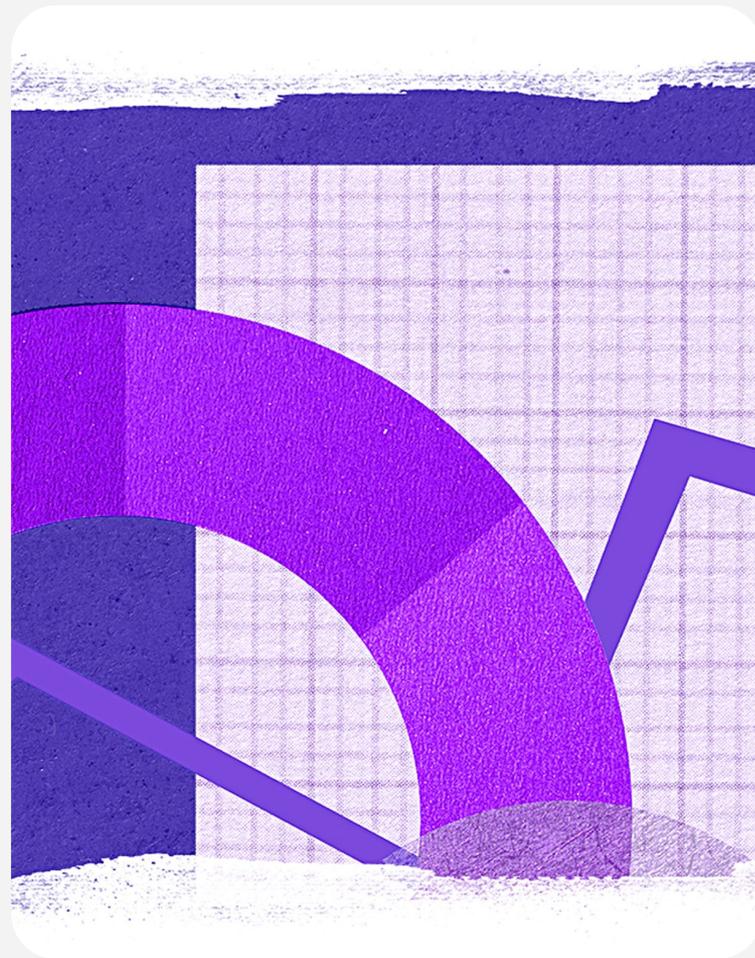


Q3 and full year 2025 outlook

	Q3 2025	Full Year 2025
Revenue¹	\$190 to \$195 million	\$784 to \$794 million
Adjusted EBITDA²	\$18 to \$20 million	\$84 to \$89 million
Margin at midpoint	10%	11%

1. Udemy's revenue guidance assumes FX rates will remain unchanged from the end of the second quarter of 2025. As a result, the revenue guidance ranges above assume historical changes in FX rates will have a positive 30 basis point impact on third quarter year-over-year revenue growth and a negative 60 basis point impact on full year 2025 revenue growth.

2. Udemy has not provided a quantitative reconciliation of forecasted Adjusted EBITDA to forecasted GAAP net income (loss) within this presentation because the company is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence.



Q2 2025 key takeaways



Revenue of \$199.9M exceeded expectations, driven by growth from the enterprise segment



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Products

Strong market fit with **AI Upskilling Packages**

AI Readiness

Establish a structured, org-wide AI literacy foundation

with 50 curated AI fundamentals and business skills courses.

AI Growth

Enable advanced, role-specific AI capabilities to lead global transformation

with 30+ curated learning paths across 800+ specialized AI courses and 14 languages

Enterprise Plan

Transform your organization with personalized skills development beyond AI, across all employees & functions

with 30K premium courses, 200+ certification paths, advanced analytics, and dedicated support to maximize ROI—all powered by innovative AI features

Role-play scenarios expand the soft skills learning experience

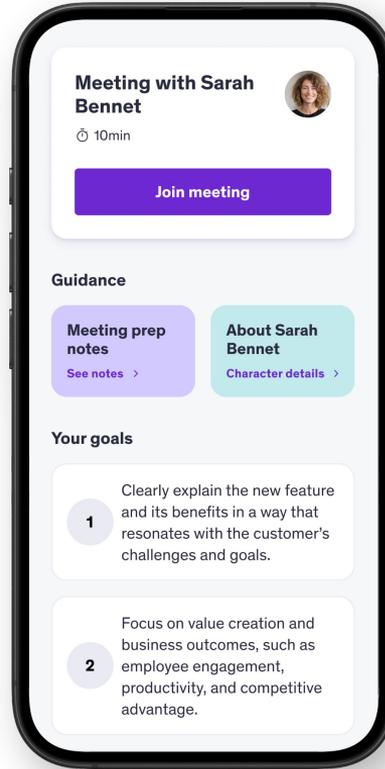
7,000+ Udemey marketplace

2,500+ Udemey Business

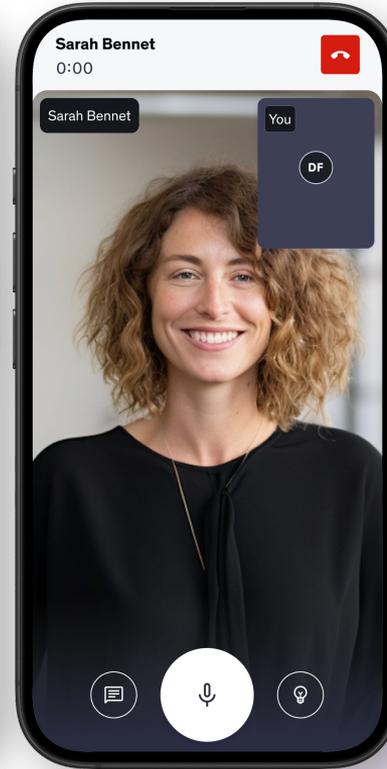
Empower learners with **tailored, immersive role play scenarios** designed by instructors, for real-world impact.

Soft skills require a different kind of practice. Unlike technical skills, they thrive through **dynamic, hands-on interaction**.

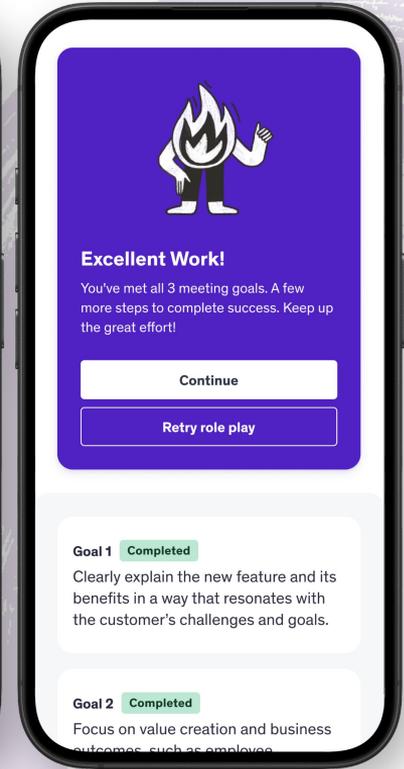
Udemey's platform lets learners develop **confidence through realistic role play**, not just passive content.



Role Play Prep



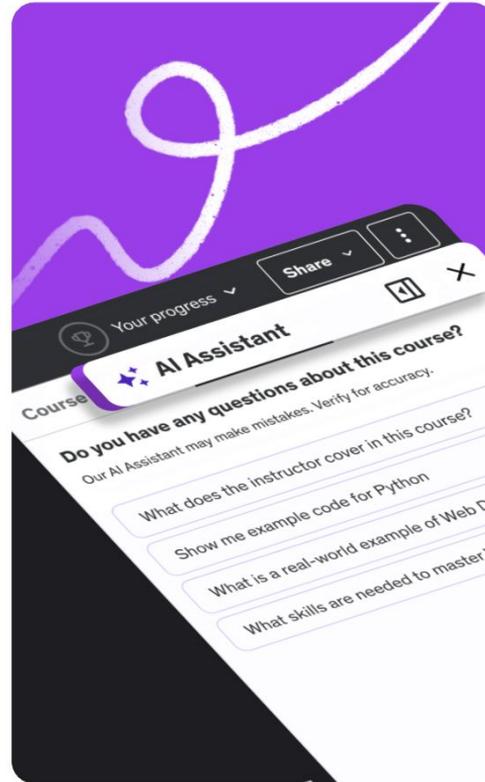
Simulated Call



Role Play Summary

AI Learning Assistant supports faster skills acquisition

Learners using Udeemy's AI Learning Assistant are **more engaged**, have **stronger retention** and **higher completion rates**



Now available:

Portuguese

Spanish

Japanese

French

German

Mandarin

Turkish

T
S
P
R
E
N
R

Skills Mapping and AI-Powered Learning Paths

Define skills: Identify key skills to ensure teams focus on the competencies that drive success.

Skills tree framework: A “skills tree” provides a clear structure for skill development.

Match relevant content: Receive relevant content recommendations mapped to your skill requirements.

Scale learning path: Assign the resulting learning path across your organization and teams.

Customize: Edit and modify the resulting skills tree and learning path to ensure they meet your organization’s unique needs.

Learning paths

Share your knowledge by creating a path with a clear goal. Enroll yourself in a path that will help you reach your objectives and close knowledge gaps.



All paths

My edited paths

GenAI starter paths New feature

Udemy paths Pro

Organized paths

All Udemy L&D Paths

All Values+Behaviors Paths

EMO ERG: Mental Health Resources

Onboarding

UB, Customer Success "DevelopMe"
Day Paths

UB, Customer Success (All)

UB, Customer Success (Commercial
NA)

UB, Customer Success (EMEA)

✦ Create learning path using AI Alpha

Creating learning paths just got much easier! Answer a few questions about your team, and we will build a learning path that suits their needs.

Create learning path

All paths

Create path

Browse and find all public Udemy paths here.

Search learning paths



Newest

Show only AI generated paths

Learning path • 3hr 13min • 3 enrollments

Foundational Knowledge of Excel and Google Sheets

Tim Chin +1 more editor ✦ Powered by AI

Learning path • 14hr 35min • 1 enrollment

Core Java

Ravinshu Saneja ✦ Powered by AI



Appendix

Key Business Metrics Definitions

Monthly Average Buyers

A buyer is a consumer who purchases a course or subscription through our direct-to-consumer offering. We first determine the number of monthly buyers by taking the total buyers of single courses during a given month plus the total active, paid consumer subscribers at any point in that month, adjusting for duplicate buyers that may be present in both totals. We then calculate monthly average buyers by taking an average of the monthly buyer totals over a particular period, such as a fiscal year.

Udemy Business Customers

We count the total number of UB customers at the end of each period. To do so, we generally count unique customers using the concept of a domestic ultimate parent, defined as the highest business in the family tree that is in the same country as the contracted entity. In some cases, we deviate from this methodology, defining the contracted entity as a unique customer despite the existence of a domestic ultimate parent. This often occurs where the domestic ultimate parent is a financial owner, government entity, conglomerate, or acquisition target where we have contracted directly with the subsidiary. We define a UB customer as a customer who purchases Udemy via our direct sales force, reseller partnerships or through our self-service platform.

Udemy Business Annual Recurring Revenue

We disclose our UB Annual Recurring Revenue ("ARR") as a measure of our Enterprise revenue growth. ARR represents the annualized value of our UB customer contracts on the last day of a given period. Only revenue from closed UB contracts with active seats as of the last day of the period are included.

Udemy Business Net Dollar Retention Rate

We disclose our UB Net Dollar Retention Rate, or NDRR, as a measure of our enterprise revenue growth. We believe NDRR is an important metric that provides insight into the long-term value of our subscription agreements and our ability to retain, and grow revenue from, our UB customers. To calculate NDRR, we begin with UB customers who are active at the beginning of a twelve-month period. Then, we divide the ending annualized recurring revenue, or ARR, for those same UB customers at the end of the twelve-month period by the total ARR for those UB customers at the beginning of that twelve-month period. We calculate ARR as the total annualized run-rate revenue of all UB customers with active licenses on the last day of a given period.

Udemy Business Large Customer Net Dollar Retention Rate

We calculate UB Large Customer NDRR as the total UB Large Customer ARR at the end of a trailing twelve-month period divided by the total Large Customer ARR at the beginning of a trailing twelve-month period for the cohort of UB customers with at least 1,000 employees active at the beginning of the trailing twelve-month period. We believe UB Large Customer NDRR reflects our ability to retain and expand our footprint with larger organizations, who present greater opportunities for us to retain and grow revenue given the wider range of potential use cases and land-and-expand opportunities.

Segment Revenue and segment adjusted gross profit

Segment revenue represents the revenue recognized from our two segments, Enterprise (or Udemy Business), and Consumer. Segment adjusted gross profit is defined as segment revenue less segment adjusted cost of revenue. Segment adjusted cost of revenue includes content costs, customer support services, hosting and platform costs, and payment processing fees that are allocable to each segment. Segment adjusted gross profit excludes amortization of capitalized software, depreciation, stock-based compensation, and amortization of intangible assets included in cost of revenue as our chief operating decision maker does not include the information in his measurement of the performance of the operating segments.

GAAP to Non-GAAP Gross Margin

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gross profit	\$ 132,049	121,116	\$ 261,492	241,680
Stock-based compensation expense	1,782	1,813	3,354	3,470
Intangible asset amortization	-	725	-	1,450
Non-GAAP gross profit	\$ 133,831	\$ 123,654	\$ 264,846	\$ 246,600
Gross margin ¹	66%	62%	65%	62%
Non-GAAP gross margin ²	67%	64%	66%	63%

¹ We calculate gross margin as gross profit divided by revenue for the same period

² We calculate non-GAAP gross margin as non-GAAP gross profit divided by revenue for the same period

GAAP to Non-GAAP Net Income (Loss)

(\$ in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 6,265	\$ (31,814)	\$ 4,494	\$ (50,153)
Stock-based compensation expense	17,420	24,317	35,387	47,022
Intangible asset amortization	417	954	647	1,908
Restructuring charges	109	-	1,578	-
Non-GAAP net income (loss)	\$ 24,211	\$ (6,543)	\$ 42,106	\$ (1,223)
Net income (loss) per share, basic	\$ 0.04	\$ (0.21)	\$ 0.03	\$ (0.32)
Net income (loss) per share, diluted	\$ 0.04	\$ (0.21)	\$ 0.03	\$ (0.32)
Weighted-average shares used in computing net income (loss) per share, basic	149,246,828	152,987,927	148,649,838	154,779,176
Weighted-average shares used in computing net income (loss) per share, diluted ¹	150,492,003	152,987,927	150,716,185	154,779,176
Non-GAAP net income (loss) per share, basic	\$ 0.16	\$ (0.04)	\$ 0.28	\$ (0.01)
Non-GAAP net income (loss) per share, diluted	\$ 0.16	\$ (0.04)	\$ 0.28	\$ (0.01)
Weighted-average shares used in computing non-GAAP net income (loss) per share, basic	149,246,828	152,987,927	148,649,838	154,779,176
Weighted-average shares used in computing non-GAAP net income (loss) per share, diluted ¹	150,492,003	152,987,927	150,716,185	154,779,176

¹ For periods presented with a net loss or non-GAAP net loss, potentially dilutive securities were excluded from the computation of net loss per share, diluted, and non-GAAP net loss per share, diluted, because the impact of including them would have been anti-dilutive.

Adjusted EBITDA Reconciliation

(\$ in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 6,265	\$ (31,814)	\$ 4,494	\$ (50,153)
Adjusted to exclude the following:				
Interest income	(3,663)	(5,195)	(7,238)	(10,923)
Interest expense	120	77	135	80
Income tax provision	1,133	802	2,070	1,829
Depreciation and amortization	6,941	6,692	13,146	13,175
Stock-based compensation expense	17,420	24,317	35,387	47,022
Other income (expense), net	73	10,584	(25)	10,892
Restructuring charges	109	-	1,578	-
Adjusted EBITDA	\$ 28,398	\$ 5,463	\$ 49,547	\$ 11,922
Net income (loss) margin ¹	3%	(16%)	1%	(13%)
Adjusted EBITDA margin ²	14%	3%	12%	3%

¹ We calculate net income (loss) margin as net income (loss) divided by revenue for the same period

² We calculate adjusted EBITDA margin as adjusted EBITDA divided by revenue for the same period

Free Cash Flow Reconciliation

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 44,203	28,592	\$ 56,413	49,561
Less: purchases of property and equipment	(2,280)	(357)	(4,661)	(554)
Less: capitalized software costs	(2,912)	(3,450)	(5,651)	(6,711)
Free cash flow	\$ 39,011	\$ 24,785	\$ 46,101	\$ 42,296

udemy