

ûdemy

Investor Presentation

Q1 2024

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Unless otherwise noted, historical numerical figures and related graphics used in this presentation are accurate as of March 31, 2024. 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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Transforming lives
through learning



Udemy investment highlights

Scale and Growth

\$729M FY23 Revenue

~**27%** 5-year revenue CAGR

\$421M FY23 Enterprise Revenue

\$308M FY23 Consumer Revenue

Large and Growing TAM

Low penetration of **\$380B TAM**¹

Long growth runway with transformation to skills-based economy and technology advancements, e.g. gen AI

Predictability

UB **>60%** of revenue exiting 2023, expected to be **75%+** long-term

\$479M UB ARR (+21% YoY)

111% UB large customer NDRR²

Profitability and Stability

1st positive year AEBITDA FY23

Forecasting **AEBITDA positive FY24**

67% Enterprise segment FY23 GM

\$434M in cash³ / no debt

Vibrant Marketplace

75k instructors

220k+ courses

5k+ new courses / month

74 local languages

37M monthly visitors

Engaged Global Audience

71M learners

13B FY23 learning minutes

>60% of revenue ex-N. America

>80% of traffic ex-US

Note: Data as of March 31, 2024, unless otherwise noted

¹ Arizton E-Learnings Global Forecast & Outlook 2023 - 2028; includes corporate, government, vocational, and higher education

² Large Customer NDRR is calculated 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

³ Includes cash, cash equivalents, restricted cash and marketable securities

Massive global demand for professional skills development

A square graphic with a dark purple background and a diagonal split into two shades of purple. The text '85M' is centered in white.

85M

Person talent gap shortage expected by 2030

Source:
[World Economic Forum 2023](#)

A square graphic with a teal background and a diagonal split into two shades of teal. The text '97M' is centered in white.

97M

Roles to be created by advancements in technology, i.e. generative AI, by 2030

Source:
[World Economic Forum 2023](#)

A square graphic with a purple background and a diagonal split into two shades of purple. The text '\$4T' is centered in white.

\$4T

Estimated economic impact of AI technology on global labor force

Source:
[Morgan Stanley 2024](#)



The pace of change for skills continues to accelerate

5
years

Half-life of
business skills

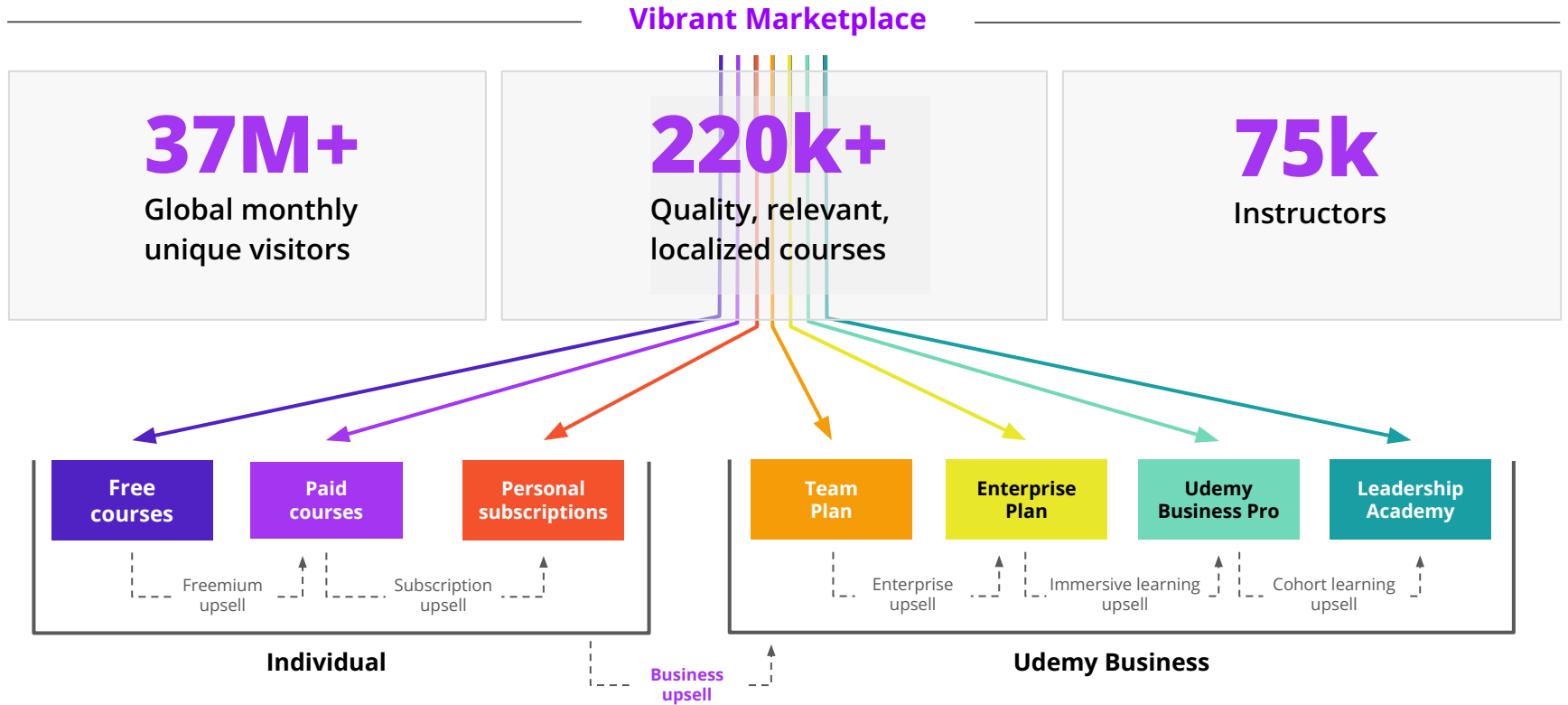
2.5
years

Half-life of
technology skills

The rise of generative AI is expected to increase the pace of change, with up to 300 million global jobs fundamentally changing and roughly 2/3 of U.S. occupations at least somewhat affected.

Deloitte, "The skills-based organization: A new operating model for work and the workforce," 2022.
Goldman Sachs, March 2023

Udemy's unique revenue-generating organic content creation engine



Vibrant marketplace fuels Udemy Business platform

Udemy Business leverages the highest-quality and most in-demand content from the marketplace

Udemy Marketplace

📖 120K+ courses in English

🌐 90K+ local language courses

👤 75K instructors

🎓 71M learners

🗣️ 74 languages

Rigorous selection criteria:

- ✓ Market demand
- ✓ Content relevancy
- ✓ Instructor reputation
- ✓ Content engagement
- ✓ Learner satisfaction
- ✓ Organizational feedback

Udemy business

📖 11.0K+ courses in Eng.

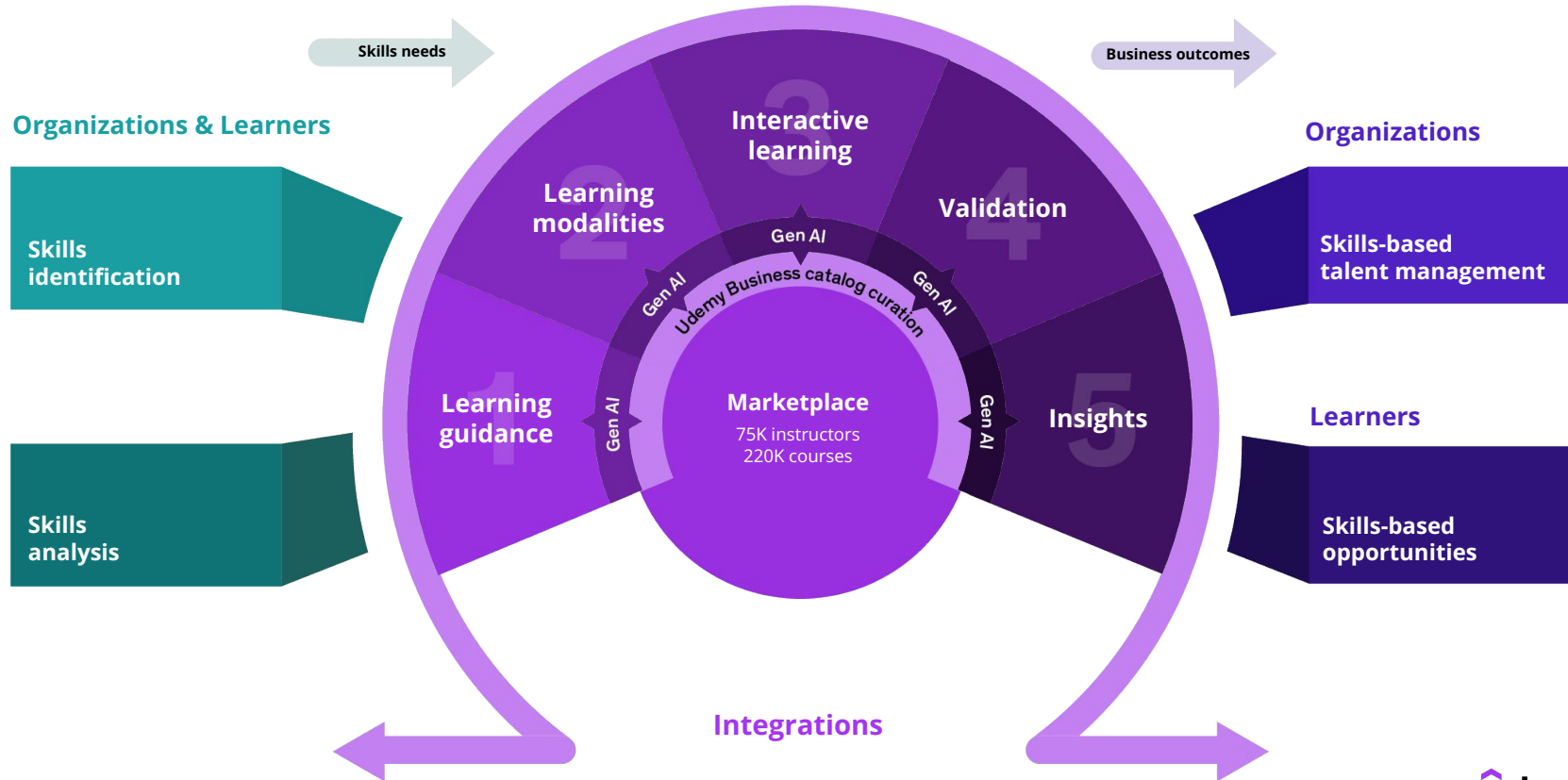
🌐 14.0K local language courses

👤 9K+ instructors

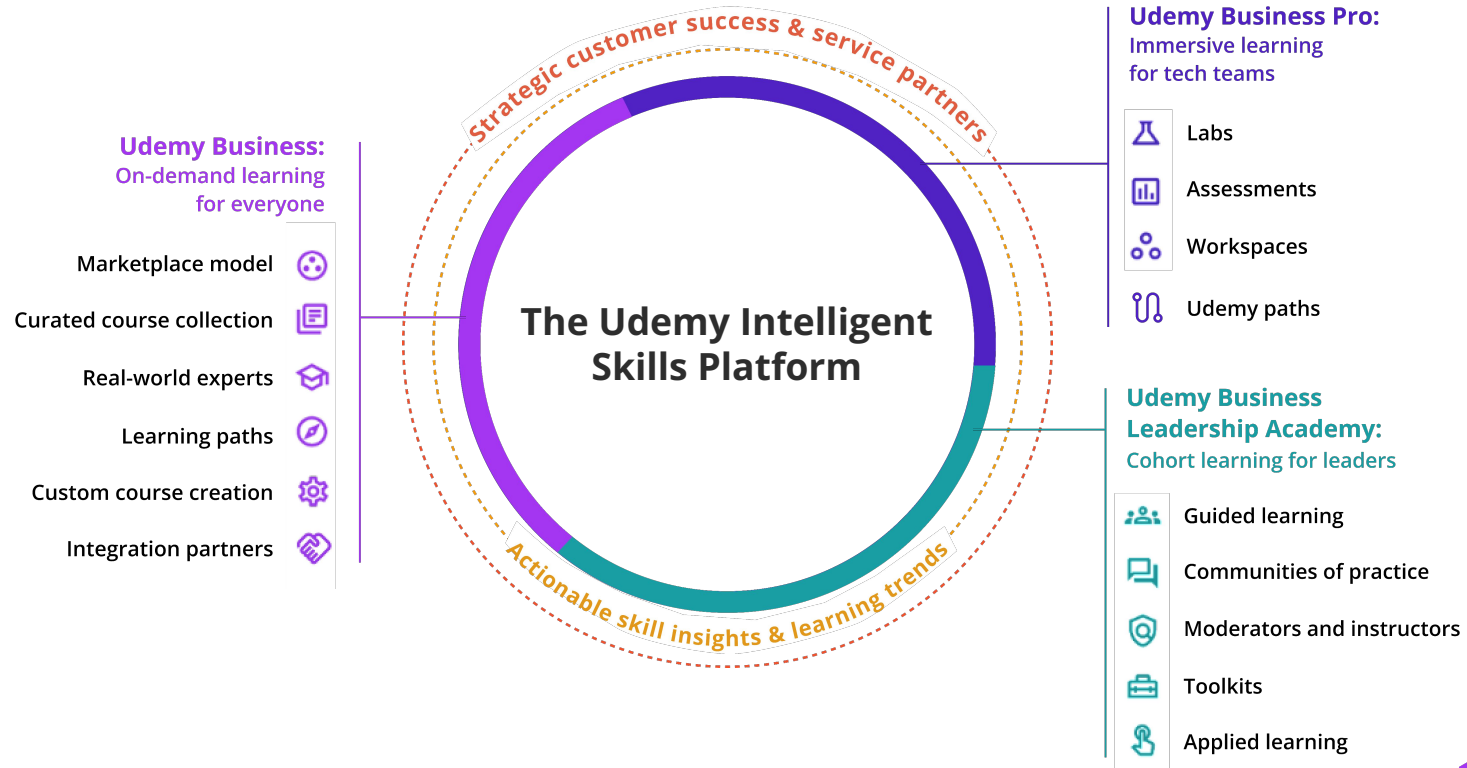
👤 16K+ enterprise customers

🗣️ 15 languages

Udemy's Intelligent Skills Platform



Learning experiences through multiple modalities



Suite of online skills development product offerings

	Content offered	Term	Pricing	On-demand learning	Guided learning	Immersive learning	Cohort learning
Udemy Individual Courses (à la carte/bundled)	<ul style="list-style-type: none"> 220k+ courses from 75k instructors Interactive learning tools (quizzes, exercises, and instructor Q&A) 	Lifetime access for each course purchased	Optimized for each individual course	✓			
Udemy Personal Plan (consumer subscription)	<ul style="list-style-type: none"> Thousands of Udemy's top-rated courses Practice tests and labs 	Monthly & Annual subscription	Monthly and Annual options adjusted for local currency & PPP	✓	✓	✓	
Udemy business™ Team Plan	<ul style="list-style-type: none"> 10k+ top-rated courses Customized learning paths 	Annual subscription	Annual subscription pricing adjusted for local currency	✓	✓		
Udemy business™ Enterprise Plan	<ul style="list-style-type: none"> 25k+ top-rated courses Administrative tools & reports, skill insights dashboard, learning trends, and language packages 	Annual or multi-year subscription	Depends on volume, contract length, and other factors	✓	✓		
Udemy business™ Pro Add-On	<ul style="list-style-type: none"> Workspaces, labs, and assessments Areas covered include cloud computing, software dev, data science, and dev ops 	Annual or multi-year subscription	Depends on volume, contract length, and other factors		✓	✓	
Udemy business™ Leadership Academy	<ul style="list-style-type: none"> Cohort-based leadership development authored by experts for all levels of leadership experience 	Annual or multi-year subscription	Depends on volume, contract length, and other factors				✓

Validating skills acquisition via badges and certifications



Learn with 25K+ on-demand courses, hands-on tech training, and leadership development programs



Practice with coding exercises, Udemy Business Pro labs and Udemy paths, and Udemy Business Leadership Academy group activities

udemy business

Signal proof of skills through validated third-party badges with industry recognition



Assess with quizzes, assignments, and practice exams

Comprehensive certification preparation for individuals

~200 certifications from industry-leading providers

Certification preparation

Preparing for a certification can be a challenging process. Learn at your own pace and increase your chances of success. Explore learning content to help you prepare for your certification, before taking the exam from a trusted third party provider.

[What is certification preparation?](#)

Sort by: A-Z

Search: Enter certificate or issuer name

Issuer

- (ISC)²
- Amazon Web Services Training and Certification
- Blue Prism

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Subject area

- Accounting
- Agile/Scrum
- Application Development
- Business Intelligence

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<p>Professional Cloud Developer</p> <p>Google Cloud</p> <p>Learn more</p>	<p>CompTIA Advanced Security Practitioner (CASP+) vs Certification</p> <p>CompTIA</p> <p>Learn more</p>	<p>AWS Certified Developer - Associate</p> <p>Amazon Web Services, Training and Certification</p> <p>Learn More</p>
<p>Databricks Certified Associate Developer for Apache Spark 3.0</p> <p>Databricks</p> <p>Learn more</p>	<p>SHRM Certified Professional (SHRM-CP)</p> <p>Society for Human Resource Management</p> <p>Learn more</p>	<p>Microsoft Certified: Azure AI Engineer Associate</p> <p>Microsoft</p> <p>Learn more</p>

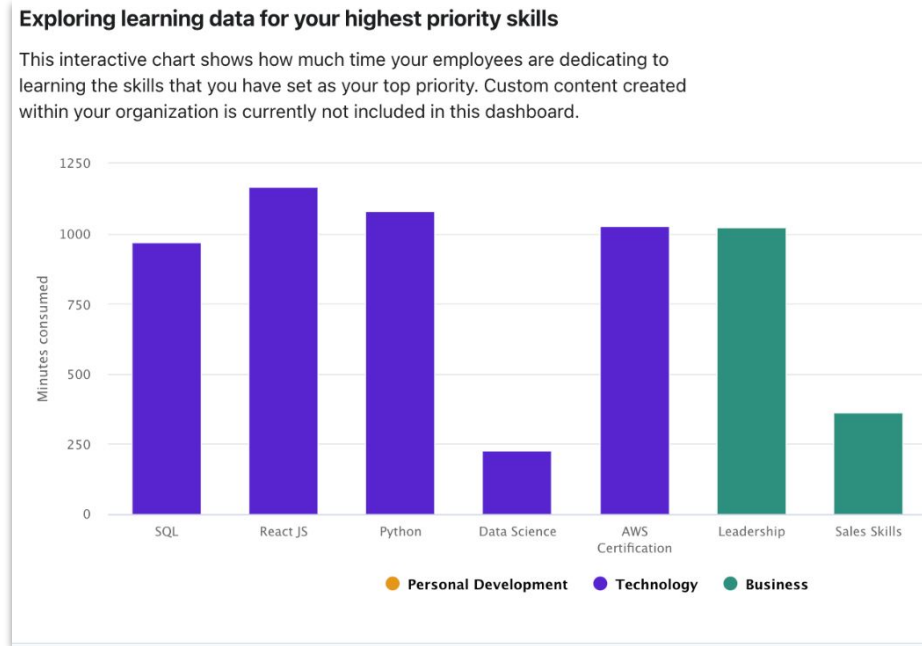
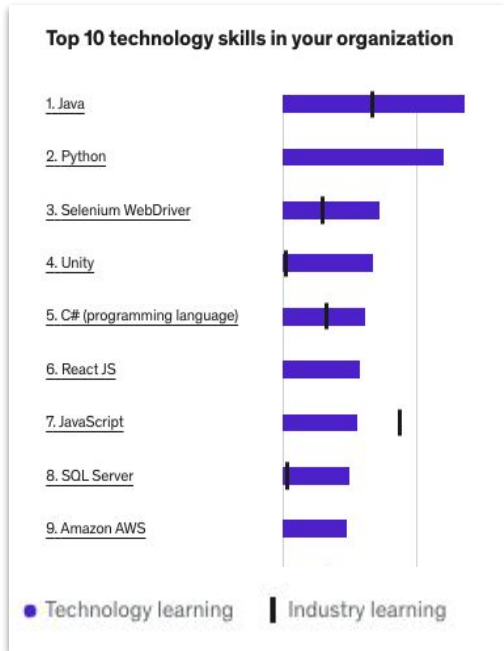
35+ trusted issuers

Amazon Web Services, Brightest, Checkpoint, Cisco, Cloud Security Alliance, CompTIA, Databricks, F5, Google, Hashicorp, Hewlett Packard Enterprise, ISACA, ISC2, Juniper Networks, Microsoft, Oracle, Palo Alto Networks, Project Management Institute (PMI), PTCB, Python Institute, Red Hat inc, SAP, SAS, Snowflake, Splunk, Tableau, The Linux Foundation, The Open Group (TOGAF), VMware

25+ subject areas

Accounting, Agile/Scrum, Application Development, Business Intelligence, Cloud, Computer Programming & Development, Customer Relationship Management, Data Analysis, Data Centers, Data Science, Databases, Enterprise Architecture, Enterprise Resource Planning, Finance, Healthcare, Human Resources, Information Privacy & Security, Information Technology, Networking, Office Productivity, Operating Systems, Platform Development, Project Management, Security, Servers, Software Testing, Supply Chain Management, System Administration, Technical Training

Insights to analyze and bridge skill gaps for corporations



Benchmarking: See what skills are popular in your industry and how you compare

Priority Skills: Set your top priority skills and measure how your employees are tracking in each area

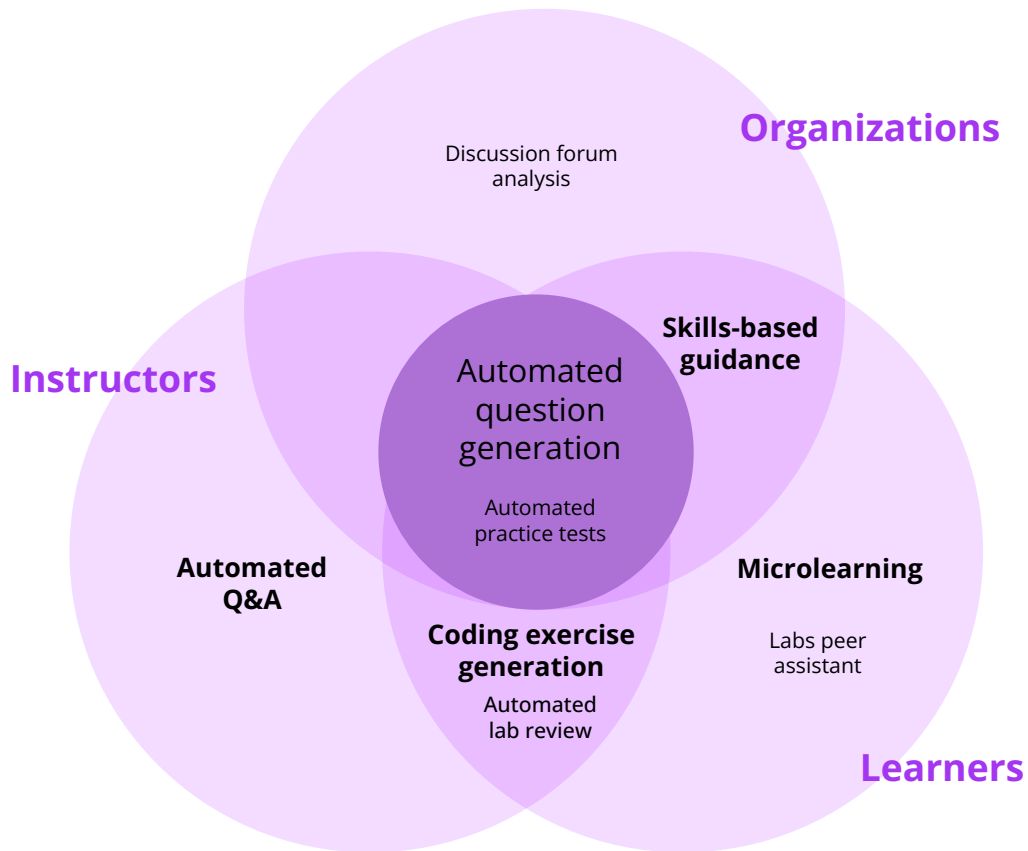
Robust GenAI roadmap servicing needs of 3 distinct personas



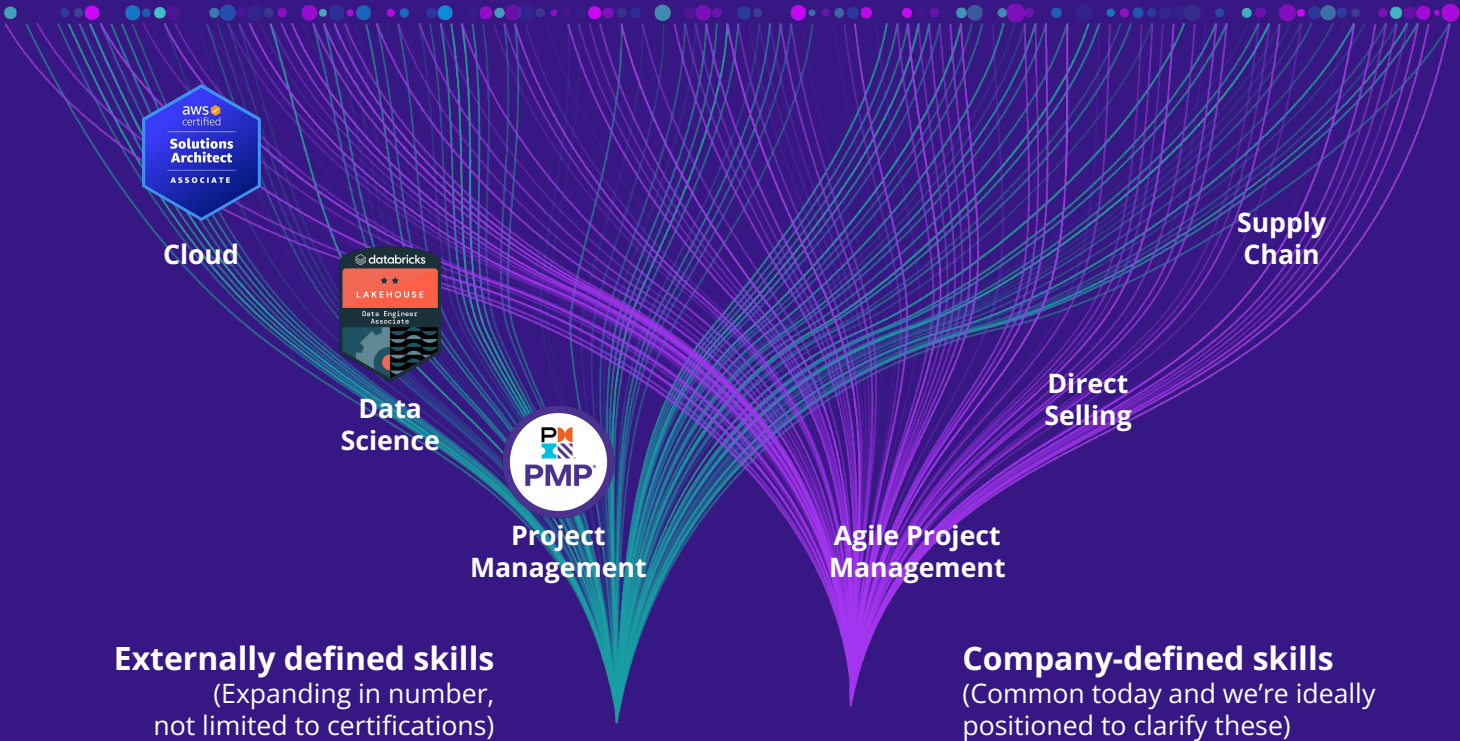
Organizations
Need to transition to a skills based org

Instructors
Need to deliver better quality instruction more efficiently

Learners
Need to upskill more effectively and efficiently



GenAI enables automated skills mapping to courses



Externally defined skills
(Expanding in number,
not limited to certifications)

Company-defined skills
(Common today and we're ideally
positioned to clarify these)

Global reach propels Udemy forward

Language collections support expansion into new markets

80%+

Udemy.com traffic from outside of U.S.

~74

different languages for marketplace courses

14

Udemy Business international language collections

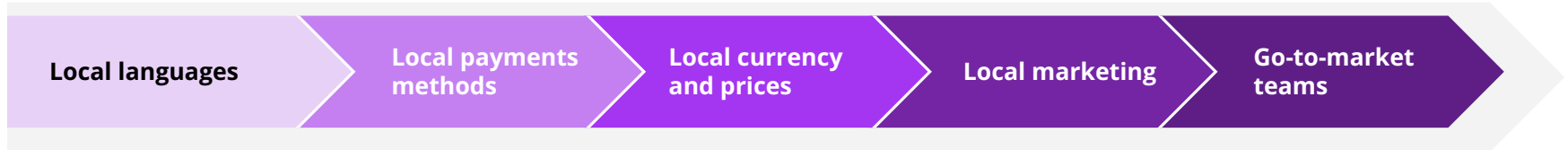
~60%

of revenue outside North America

28










currencies supported

International expansion playbook



Note: Data as of March 31 2024

Scaling global partnerships extends reach and awareness

	New Ventures	Regional resellers	Tech resellers	Brand	Super-scalers
Geography	Country specific / mutually exclusive	Regional	Regional/global	Regional/global	Global
Selected partners	 Benesse  3节课  woongin-thinkbig  FUNX Learn with Mentors	 hsm  ASK NET SOLUTIONS  gentres talent activation  eclass	 EY  sumtotal  VALMIS  Griky	 Unilever  FNB First National Bank  servicenow  docker  Santander	 aws  Azure  Google Cloud Platform

Providing access to the skills needed to transform organizations

16K+

customers worldwide
and across all industries

50%

Fortune 500

72%

Nikkei 225

Note: Data as of March 31 2024



SAMSUNG



CASE STUDY



Eventbrite navigates change through skill-building and leadership development

4.8K+

enrollments for upskilling

187%

revenue growth supported by business model

30-40%

growth in learning since pre-pandemic

“

People want to learn new skills now more than ever before.”

John Adcock
Chief People Officer
Eventbrite

CASE STUDY



Capital One accelerated transformational learning through Udemy Business

92.5%

of learners rate Udemy Business content as "very helpful to success in their roles"

12%

retention increase of in-demand tech roles

13 days

faster to passed exams, expediting team productivity

“

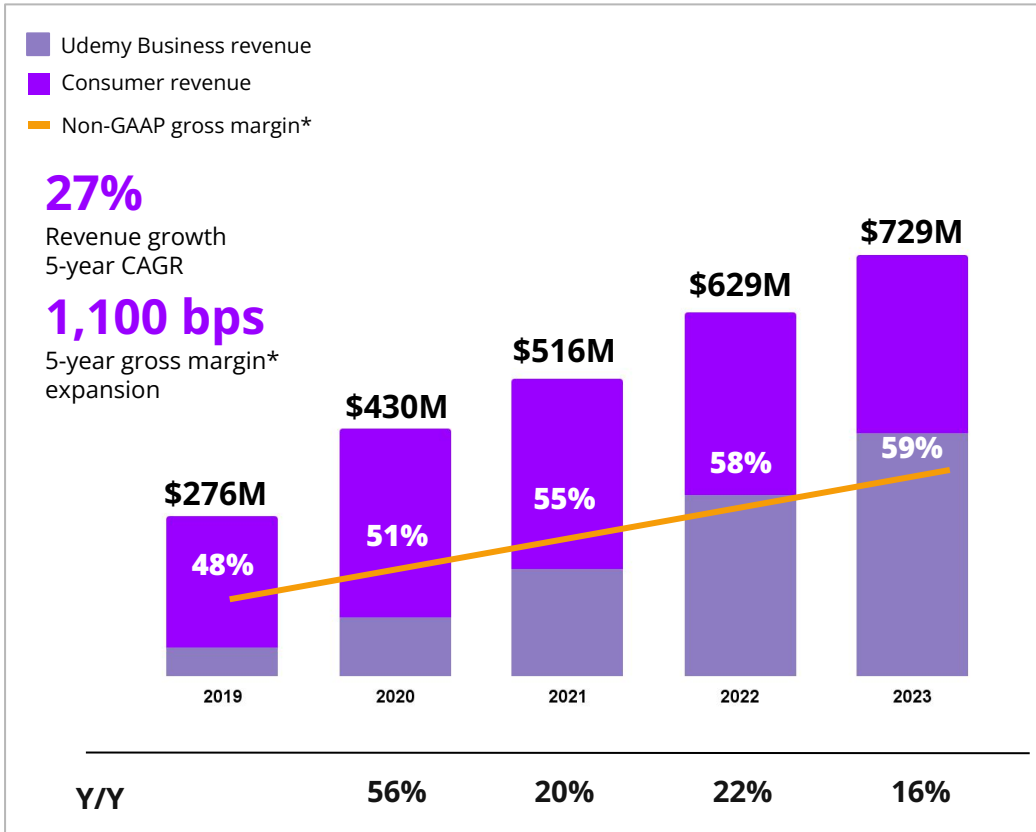
A tremendous resource for our associates targeting learning opportunities to assist in their career development.”

Eric Lawson
Senior Director of Technology Learning
Capital One

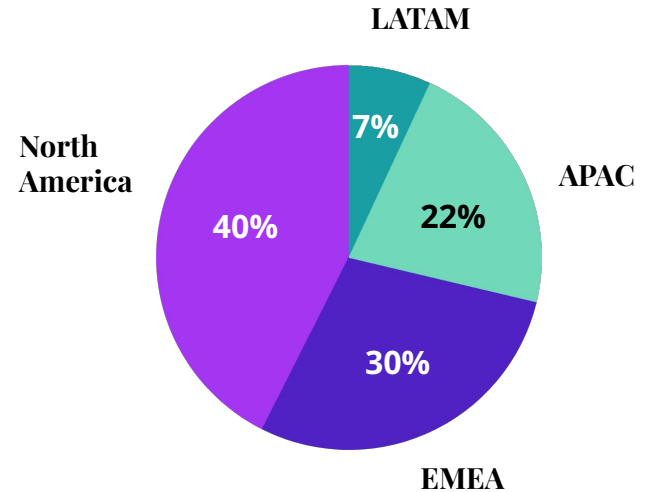


Financial Highlights

Diverse business model with track record of strong performance



Geographic diversification



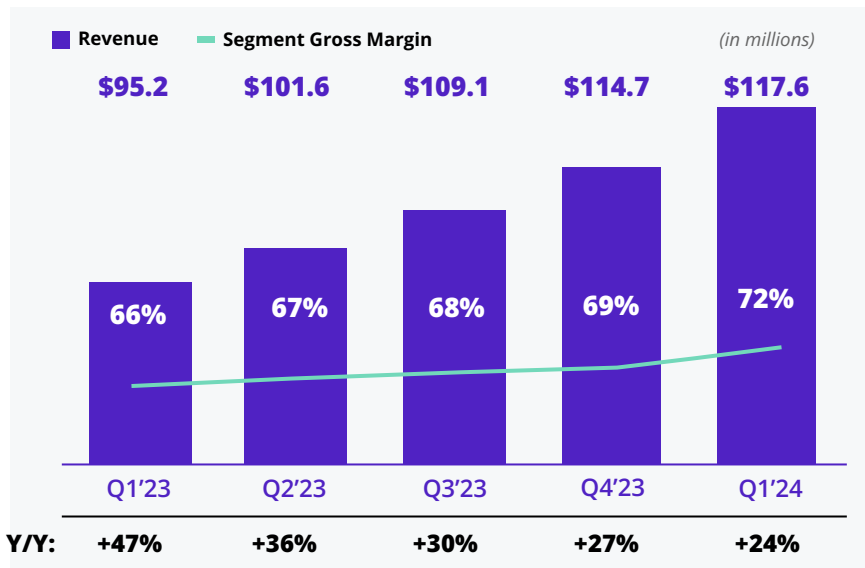
Data for year ended December 31, 2023

Best-in-class software company performance

Q1'24 Udemy Business revenue

\$118M

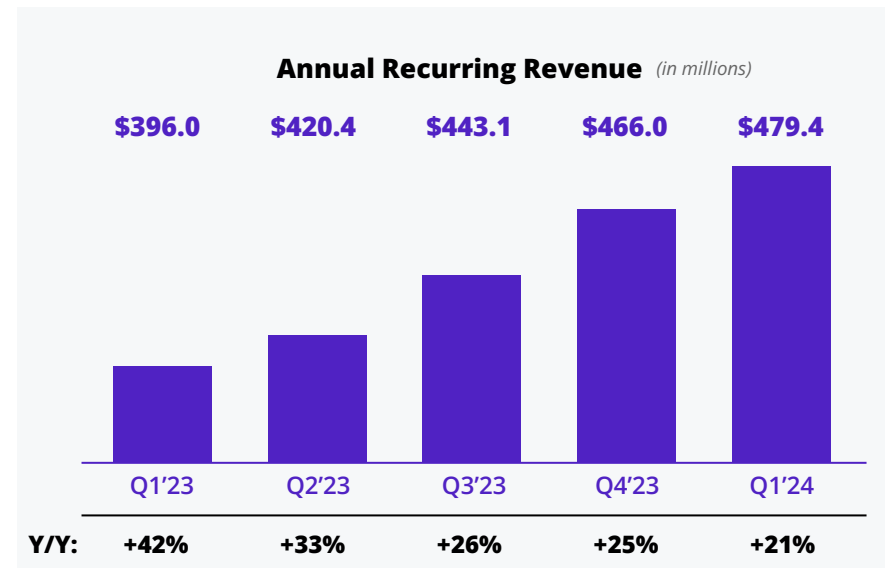
+24% Y/Y



Q1'24 Annual Recurring Revenue (ARR)

\$479M

+21% Y/Y



Strong customer and ACV growth

16K

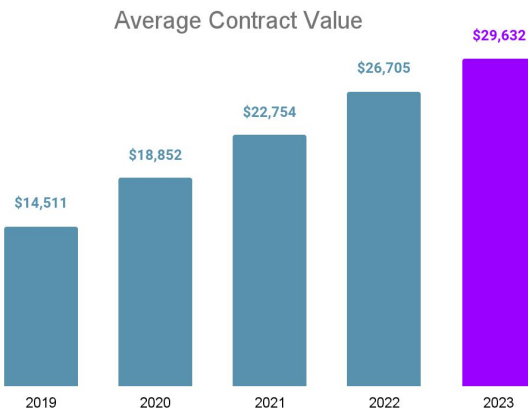
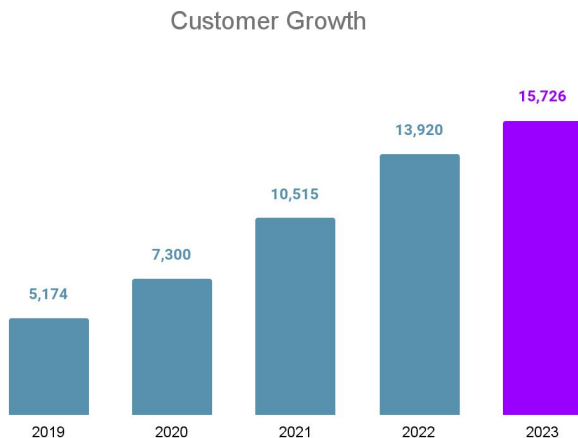
Udemy Business
Customers

>2x

Growth in average
contract value
since 2019

111%

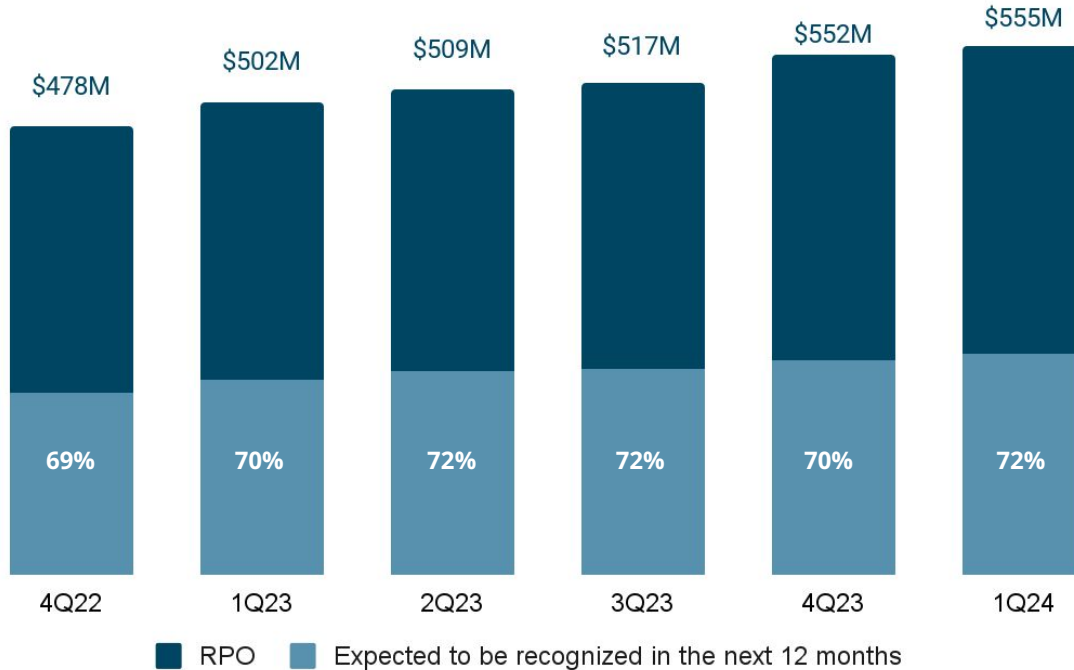
Large customer Net
Dollar Retention Rate
(NDRR)



Udemy Business Net Dollar Retention Rate (NDRR) represents ARR for Udemy Business customers at the end of the 12-month period divided by the total ARR for those Udemy Business customers at the beginning of that 12-month period. Large Customer NDRR is calculated 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. Data as of December 31, 2023

Significant customer commitments

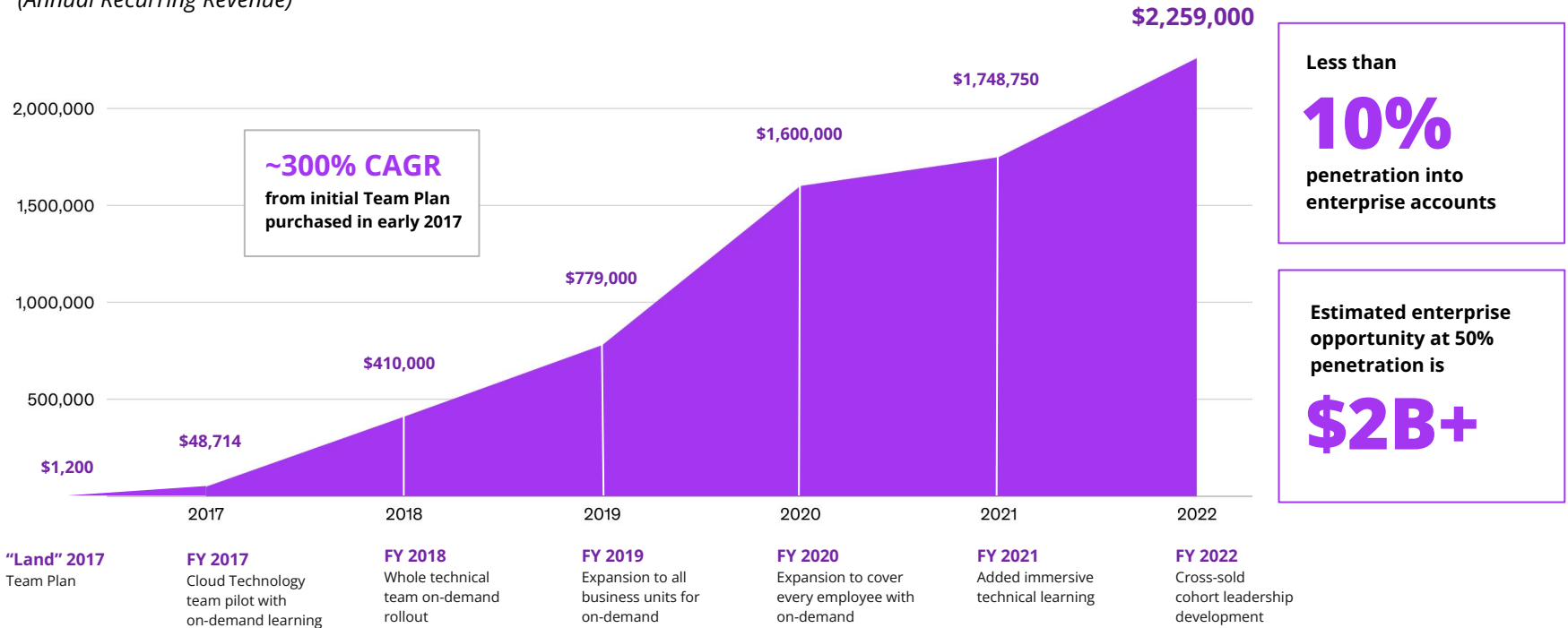
Remaining Performance Obligations (Millions)



50%
ARR represented
by multi-year
contracts

Proven land-and-expand strategy

Global professional services firm
(Annual Recurring Revenue)



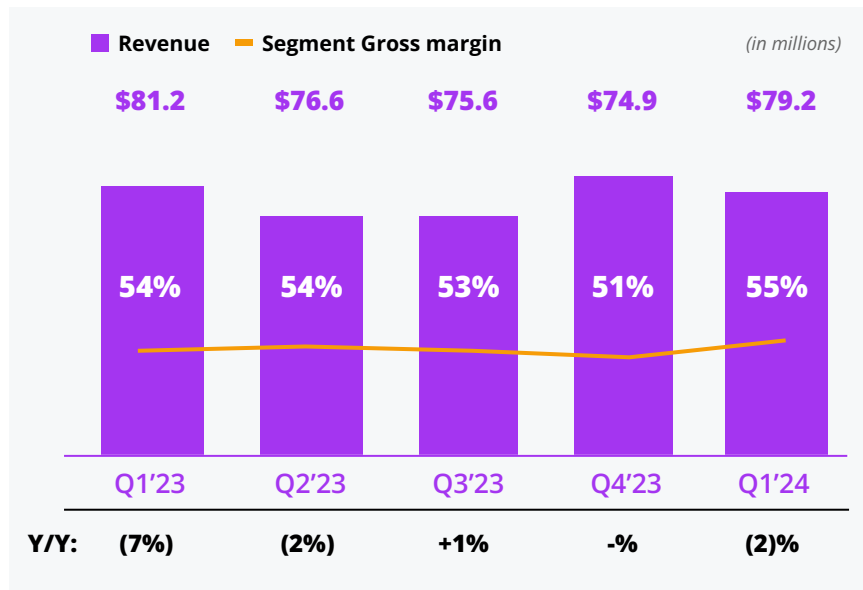
Note: Data as of March 31 2024

Vibrant consumer marketplace supports enterprise growth

Q1'24 revenue

\$79M

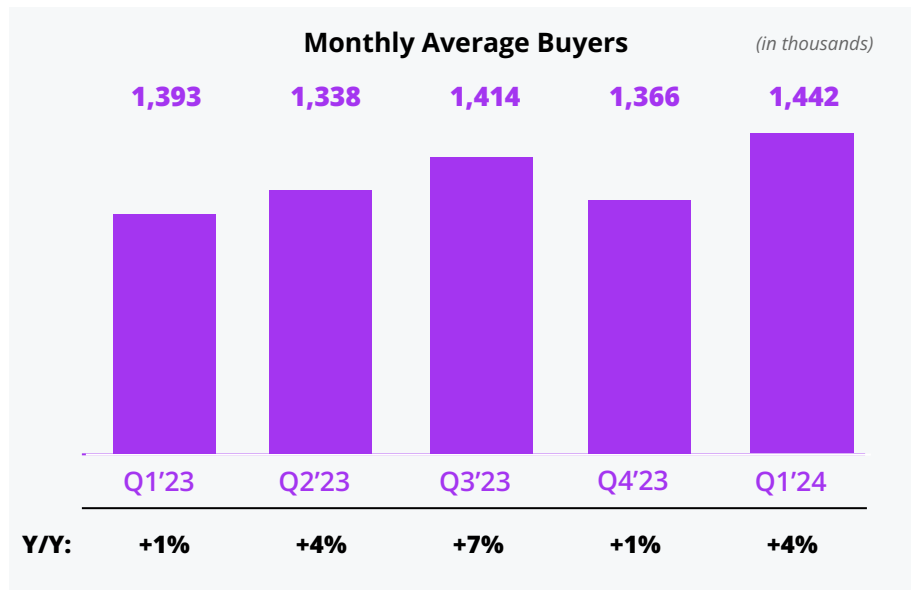
(2)% Y/Y



Monthly average buyers

1.44M

+4% Y/Y



Driving operating leverage while investing in growth and innovation

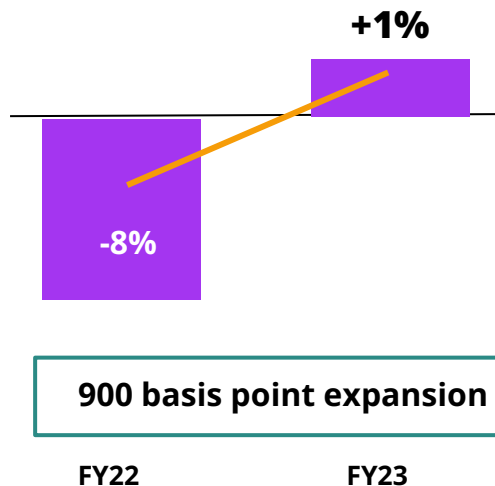
Delivered Udemy's first full year of positive AEBITDA in 2023

Non-GAAP Operating Expenses as % of Revenue

General and administrative Research and development Sales and marketing



Non-GAAP Adjusted EBITDA as % of Revenue



Leverage drivers

Revenue growth

Companywide operational efficiencies

Disciplined marketing spend

Mix shift to Udemy Business

Multiple drivers of long-term sustainable growth and profitability

- **Grow Udemy Business** through land-and-expand strategy in the existing base, as well as new customer acquisition
- **Continue international expansion**
- **Leverage strategic partnerships** for consumer and enterprise customer acquisition
- **Enhance learning experiences** to new modalities and more active learning that reaches a broader audience
- **Launch innovative products** with new technologies, including generative AI
- **Increase brand awareness** globally
- **Optimize** business model and pricing



Appendix

Committed to strong ESG practices

1st

ESG risk rating¹

percentile in
Internet Software
and Services
assessed by
Sustainalytics



In January, recognized by
Sustainalytics as an ESG
Industry Top Rated
Company²



Growing social impact
partner network

Certified by Fair Pay
Workplace, the
trusted symbol of
pay equity around
the world



1. ESG risk rating as of September 2023.

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Key Business Metrics Definitions

Monthly Average Buyers	A buyer is a consumer who purchases a course or subscription through our direct-to-consumer offering. Monthly average buyers is calculated as the average of monthly buyers during 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 existence of a domestic ultimate parent. This often occurs where the domestic ultimate parent is a financial owner, government entity, 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, or 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 gross profit	Segment revenue represents the revenue recognized from our two segments, Enterprise (or Udemy Business), and Consumer. Segment gross profit is defined as segment revenue less segment cost of revenue, which include content costs, hosting and platform costs, customer support services, and payment processing fees that are allocable to each segment. Segment gross profit excludes amortization of capitalized software, amortization of intangible assets, depreciation, and stock-based compensation allocated to 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 March 31,	
	2024	2023
Gross profit	\$ 120,564	99,729
Stock-based compensation expense	1,657	1,593
Intangible asset amortization	725	725
Non-GAAP gross profit	\$ 122,946	\$ 102,047
Gross margin ¹	61%	57%
Non-GAAP gross margin ²	62%	58%

GAAP to Non-GAAP Net Loss

(\$ in thousands)	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (18,339)	\$ (44,544)
Stock-based compensation expense	22,705	25,075
Intangible asset amortization	955	1,067
Restructuring charges	-	10,128
Non-GAAP net income (loss)	\$ 5,321	\$ (8,274)
Weighted-average shares used in computing net income (loss) per share, basic	156,570,426	145,737,709
Effect of dilutive securities ¹	5,510,208	-
Weighted-average shares used in computing non-GAAP net income (loss) per share, diluted	162,080,634	145,737,709
Net loss per share, basic and diluted	\$ (0.12)	\$ (0.31)
Non-GAAP net income (loss) per share, basic	\$ 0.03	\$ (0.06)
Non-GAAP net income (loss) per share, diluted	\$ 0.03	\$ (0.06)

Adjusted EBITDA Reconciliation

(\$ in thousands)	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (18,339)	\$ (44,544)
Adjusted to exclude the following:		
Interest income	(5,728)	(4,322)
Interest expense	3	390
Provision for income taxes	1,027	1,057
Depreciation and amortization	6,483	5,786
Stock-based compensation expense	22,705	25,075
Other expense, net	308	142
Restructuring charges	-	10,128
Adjusted EBITDA	\$ 6,459	\$ (6,288)
Net loss margin ¹	(9%)	(25%)
Adjusted EBITDA margin ²	3%	(4%)