

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 2, 2023

Udemy, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-40956  
(Commission File Number)

27-1779864  
(IRS Employer  
Identification No.)

600 Harrison Street, 3rd Floor  
San Francisco, California  
(Address of Principal Executive Offices)

94107  
(Zip Code)

(415) 813-1710  
(Registrant's Telephone Number, Including Area Code)

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value per share	UDMY	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 8.01. Other Events.**

On November 2, 2023, Udemy, Inc. sent an email announcement to instructors announcing a planned reduction in instructor revenue share for its subscription offerings, which are derived as a percentage of total Udemy Business and consumer subscription revenues, from 25% today to 15% by 2026, with the first adjustment to 20% effective as of January 1, 2024. The email announcement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This filing and the exhibits incorporated by reference herein include forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are subject to known and unknown risks and uncertainties. All information provided herein is as of the date hereof, and the Company undertakes no duty to update this information unless required by law.

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Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99	<u>Letter to instructors, dated November 2, 2023</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**UDEMY, INC.**

Date: November 2, 2023

By: /s/ Ken Hirschman  
Ken Hirschman  
General Counsel

**Subject:** Updating subscription terms to enable key investments and business growth

Dear Instructor Community,

Since Udemys founding in 2010, we have become the largest professional skills marketplace in the world – helping connect expert instructors with learners and organizations at incredible scale. Many of you have been with Udemys over the course of our growth journey and have experienced firsthand how far we have come. We now serve more than 67 million learners and 15,000 enterprise customers who learn from 70,000 instructors around the world.

That world is evolving rapidly. Disruptive technologies like generative AI are changing the ways people work, and companies are prioritizing training solutions that deliver measurable skills to their employees. Udemys is uniquely positioned to lead this transformation. However, to capture this opportunity, we must continue to invest in our platform and our business, including enhancing our badging and certification capabilities, expanding AI-driven functionality, driving awareness of the Udemys brand, and delivering improved instructor capabilities. We're confident that these initiatives will enable Udemys to remain the platform of choice for instructors, learners and organizations.

As a responsible business, we must also continue to operate efficiently and sustainably. We have already taken many measures to improve efficiency this year, including streamlining our staffing and operations and optimizing internal processes.

**To further enable critical platform, marketing, and sales investments while operating sustainably, we will be making adjustments to the instructor revenue share for our subscription model.** The updated share for subscriptions will be changed to 20% in January 2024, 17.5% in January 2025, and 15% in January 2026. **The marketplace revenue share of 37% is not changing.**

*Instructor revenue share for Udemys subscriptions*

Current	2024	2025	2026
25%	20%	17.5%	15%

We know you count on Udemys to reward exceptional content. **This change is calibrated against our expected growth rate, with the goal that total instructor payouts will equal or exceed their current levels each year.** We're pleased to have paid out over \$200 million USD to instructors over the last 12 months, and we plan to preserve and grow this massive opportunity.

As many of you know, Udemys Business demonstrated a track record of growth after a prior revenue share change. In 2019, we changed the Udemys Business instructor revenue share to enable us to invest in new platform and go-to-market capabilities, with the expectation that instructor revenue would grow in the long term. Since then, total instructor payouts for Udemys Business have risen consistently and significantly. The success of our instructors is central to our success, and we want to continue to create and sustain a strong partnership.

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We delivered for instructors, and we intend to do so again. We expect our investments to increase our deal win rate, open up new markets, drive learner engagement and retention, and equip instructors with more effective, efficient tools. We know you're counting on us – and we're confident that this change increases our ability to deliver more revenue growth and opportunity for instructors in the future.

Together, we will partner on our continued journey to become the global leader in the transition to a skills-based economy – and transform more lives through learning than ever before.

Sincerely,

Greg Brown  
President and Chief Executive Officer

*Safe Harbor Notice*

*This letter includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements other than those of historical fact, including information concerning our future operating results and financial position, anticipated future expenses and investments, business strategies and plans, market growth, market position and potential market opportunities, and the impact of acquisitions and business alliances. These forward-looking statements are based on our current expectations, plans, and assumptions, which we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. Various factors, including those identified in the "Risk Factors" section of our filings with the Securities and Exchange Commission ("SEC"), could cause our actual results, level of activity, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements. Additional factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in our other filings with the SEC which are available, free of charge, on the SEC's website at [www.sec.gov](http://www.sec.gov). Any forward-looking statement made by us in this presentation speaks only as of the date of this letter and is expressly qualified in its entirety by the cautionary statements included in this letter. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by any applicable laws. You should not place undue reliance on our forward-looking statements*

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