Udemy

Investor Day 2022

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Udemy's 2022 Investor Day Agenda

9:00 am - 9:05 am PT	**Welcome,** **Opening Remarks**		**Dennis Walsh**, VP, Investor Relations **Gregg Coccari**, Chairman & CEO
9:05 am - 9:30 am PT	**Content,** **Product & Engineering**		**Scott Rogers**, SVP, Supply Strategy **Prasad Gune**, SVP, Product **Seth Hodgson**, VP, Engineering
9:30 am - 9:55 am PT	**Brand & Engagement,** **Marketing**		**Stacey Zolt Hara**, SVP, Corporate Communications **Llibert Argerich**, SVP, Marketing
9:55 am - 10:05 am PT	**Break**		
10:05 am - 10:35 am PT	**Sales,** **Customer Success,** **Partnerships**		**Greg Brown**, President, Udemy Business **Stephanie Stapleton Sudbury**, SVP, Customer Success **Cody Crnkovich**, VP, Partners & Business Development
10:35 am - 10:55 am PT	**Finance,** **Concluding Remarks**		**Sarah Blanchard**, CFO **Gregg Coccari**, Chairman & CEO
10:55 am - 11:00 am PT	**Break**		
11:00 am - 12:00 pm PT	**Q&A Session**		

3

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Udemy's mission

To improve lives through learning

ûdemy

Evolving needs of learners and workplaces have created a massive opportunity

40%

Core skills that will change in the next five years[1]

50%

Employees will need reskilling[1]

$476B

Market opportunity by 2027[2]

1. World Economic Forum, 2020
2. Arizton E-Learning Market - Global Outlook & Forecast 2022-2027

ûdemy

Udemy is well positioned to meet those needs with our symbiotic platform

Udemy empowers instructors, learners, and organizations

Instructors

Real-world experts looking to share and monetize their knowledge

Learners

Individuals looking to advance their careers and pursue personal passions

Organizations

Companies looking to upskill and reskill their teams, keep up with new technologies, and develop and retain talent

ůdemy

Udemy is consistently delivering sustainable growth at scale

Strong, consistent revenue growth	Compelling marketplace	Large and engaged audience	Proven land-and-expand strategy	Global reach, local content
$629M 2022E Revenue	**74k** Instructors	**57M** Learners	**$350M** ARR[1]	**~60%** Revenue from outside U.S.
22% YoY Growth	**213k** Courses	**52M** Hours of learning in Q3	**117%** NDRR[2]	**75+** Languages

Note: Data as of September 30, 2022, unless otherwise noted
[1] Annual Recurring Revenue represents the annualized value of our UB customer contracts on the last day of a given period.
[2] Net Dollar Retention Rate represents ARR for UB customers at the end of the twelve-month period divided by the total ARR for those UB customers at the beginning of that twelve-month period.

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Udemy is in the early stages of executing on its long-term growth strategy

- Drive accelerated Udemy Business growth

  - Successfully executing on our land-and-expand strategy

  - Improving quality and relevance of our courses

  - Integrating Udemy Business into corporations' workflow

  - Delivering immersive learning experiences

- Increase learner retention through innovative product offerings and personalization

- Further expand Udemy's geographic footprint and localization initiatives

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When Udemy succeeds, our partners succeed

Learner success

Transformative choice for guided learning and skills development enabling career outcomes

Instructor success

Superior platform that enables effective teaching and monetization of a global audience

Organization success

Leading learning solution provider in tech skills and leadership development to achieve business outcomes

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Meet the team bringing Udemy's vision to life

Gregg Coccari
Chairman & CEO

Sarah Blanchard
CFO

Greg Brown
President,
Udemy Business

Stacey Zolt Hara
SVP, Corporate
Communications

Llibert Argerich
SVP, Marketing

**Stephanie
Stapleton Sudbury**
SVP, Customer Success

Scott Rogers
SVP, Supply
Strategy

Prasad Gune
SVP, Product

Seth Hodgson
VP, Engineering

Cody Crnkovich
VP, Partners &
Business Development

Dennis Walsh
VP, Investor Relations

ūdemy

Supply & Instructor Strategy

Scott Rogers
SVP, Supply Strategy

Udemy's best-in-class content is grounded in 3 fundamentals

Expert creators → **Audience engagement** → **Content optimization**

Learner impact depends on the **scale** and **speed** of this **powerful feedback loop**
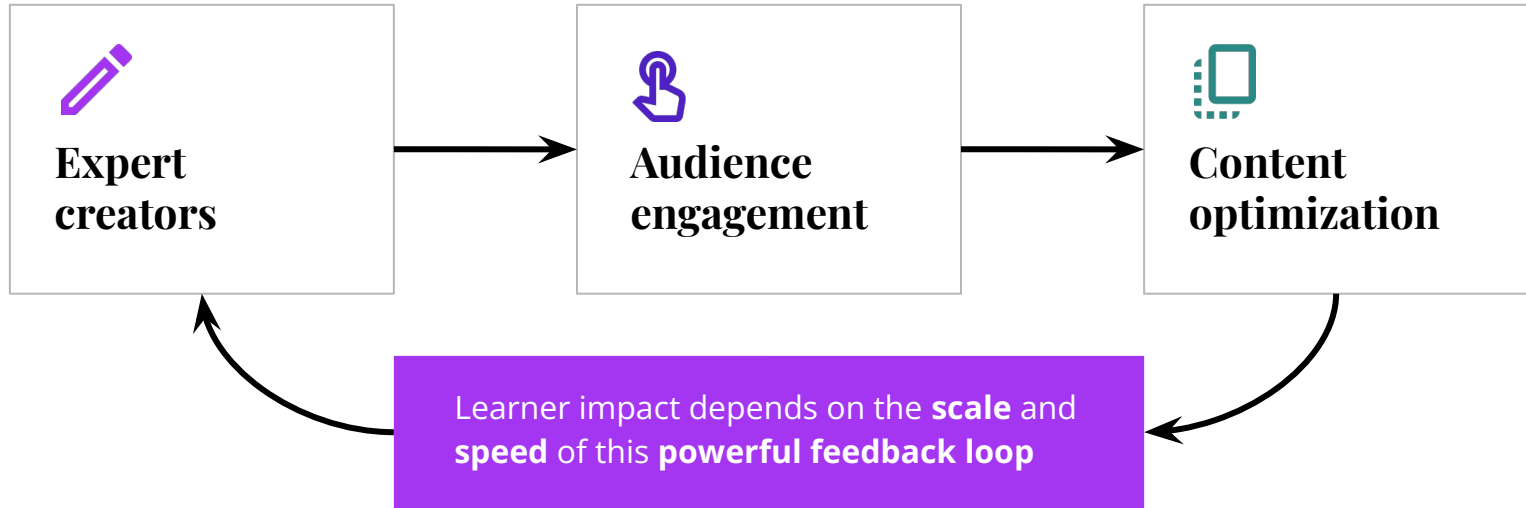
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Global experts flock to Udemy because of our scale

74k
Instructors

213k
Marketplace courses

57M
Global learners

180+
Countries

75+
Languages
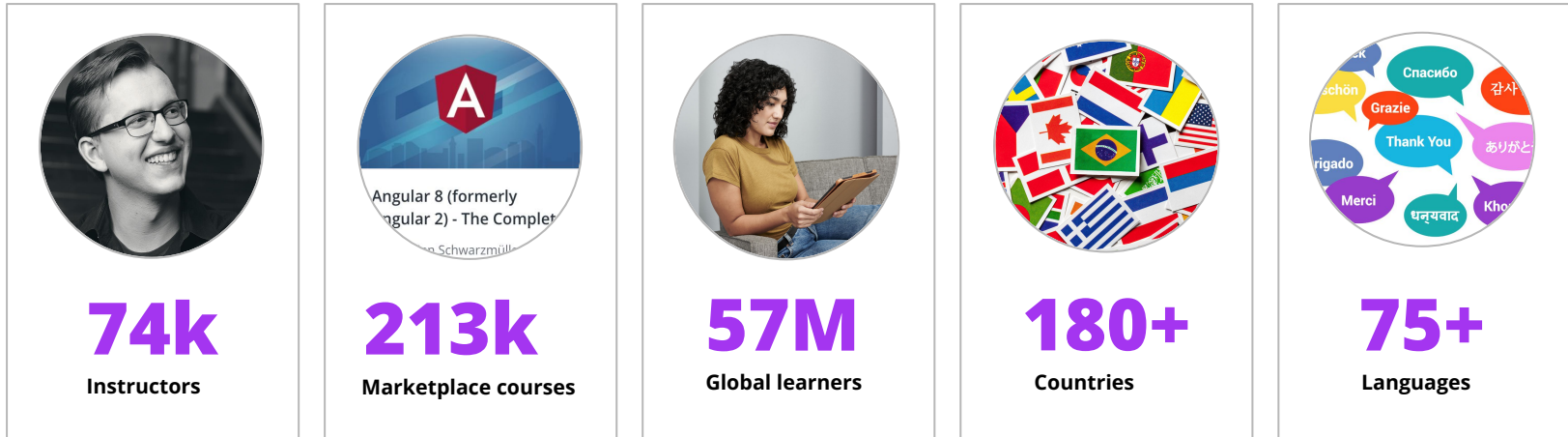
Data as of September 30, 2022

Our platform provides experts massive incentive to innovate

$189M

in instructor payments LTM

4.8k

courses added per month

ESG

Corporate ESG and Sustainability - Doing Well and Doing Good

Building a Best-in-Class **ESG** (Environmental, Social and Governance) Program (cf. **Corporate** Social…

Layli Miller-Muro

4.5 ★★★★⯪ (130)

4.5 total hours · All Levels · 5 hands-on exercises

Bestseller

iOS 12

iOS & Swift - The Complete iOS App Development Bootcamp

From Beginner to **iOS** App Developer with Just One Course! Fully Updated with a Comprehensive Module Dedicated to…

Dr. Angela Yu

4.8 ★★★★★ (79,492)

60.5 total hours · All Levels · 13 hands-on exercises

Bestseller

AWS

Ultimate AWS Certified Solutions Architect Associate SAA-C03

Full Practice Exam | Learn Cloud Computing | Pass the **AWS** Certified Solutions Architect Associate…

Stephane Maarek | **AWS** Certified Cloud…

4.7 ★★★★⯪ (148,905)

27 total hours · All Levels · 29 hands-on exercises

Bestseller

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Courses come to the platform at the speed of change — unconstrained by the publishing model

Emergency
COVID-19
Preparedness

Before shelter-in-place rollout

The Virtual Manager:
Lead Productive
Teams From Home*

During COVID-19 pandemic

Microsoft AZ-303

2 weeks before exam release

iOS 14 with
Swift UI 2

1 month before release

Vue.js 3

Within 3 days of release

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Our scaled feedback loops drive ongoing improvement

Open, transparent social validation through ratings, reviews, and Q&A

Flutter & Dart - The Complete Flutter App Development Course

4.5
★★★★☆
Paulo Dichone
4,264 Reviews

"I like the way he tries to explain the course in detail for all level i.e for Beginners, Intermediate, & Advanced. Because of Paulo, I am a developer now & I have 4 apps on Play Store."

Unlock Excel VBA and Excel Macros

4.6
★★★★☆
Leila Gharani
27,553 Reviews

"Theory and practice is in good balance, creating a strong base for the student go alone to most diverse challenges."

Tools to engage real time with students

SH **Format Painter Tip**
Steve · Lecture 145 · 2 years ago

Format Painter has ALWAYS annoyed me in that once you 'use' it the format disappears and you have to keep repeating the process. So your double click to retain the format tip had me won over straight away!

Wish I'd known that little gem earlier!

Bryon — Teaching Assistant
2 years ago

Yeah, that's a GREAT feature. Once you learn it, you never know how you lived without it.

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Data-driven insights help instructors continuously improve courses to meet learner needs

4.5 **updates per course per year by top instructors**

Section 2, Lecture 5
16 bookmarks!

Section1, Lecture 1
11% dropped!

🔖 Most bookmarked lectures ⓘ

1. Delegation Best Practices: Progressing Though the 4 Phases ...   16 bookmarks
   Section 2, Lecture 5

2. Goal Setting Best Practices: Identifying Your Goal Needs   14 bookmarks
   Section 4, Lecture 14

3. Goal Setting Best Practices: Assessing Your Team's Essential ...   11 bookmarks
   Section 4, Lecture 15

4. An Introduction to the Course   9 bookmarks
   Section 1, Lecture 1

< **1** 2 3 ... 7 >

↓ Most dropped lectures ⓘ

1. An Introduction to the Course   11% dropped
   Section 1, Lecture 1

2. Tactical Tips for Hiring   10% dropped
   Section 3, Lecture 11

3. Where's Your Head At?   9% dropped
   Section 5, Lecture 18

4. Cross-functional Best Practices: The 6 Different Foundations fo...   9% dropped
   Section 7, Lecture 31

< **1** 2 3 ... 10 >

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Enabling world-class experts and global scale

Angela Yu

Founder of the London App Brewery, a top-rated programming bootcamp. Provides in-person mobile development training to Oracle, Salesforce, and Ford.

Average rating:

4.7

Total enrollments:

1.6M

Top course(s):

- 100 Days of Code: The Complete Python Pro Bootcamp for 2022
- The Complete 2022 Web Development Bootcamp

Jose Portilla

Head of Data Science of Pierian Data Inc. Provides in-person data science and programming to General Electric, Cigna, The New York Times, and Credit Suisse.

Average rating:

4.6

Total enrollments:

3M

Top course(s):

- 2022 Complete Python Bootcamp From Zero to Hero in Python
- The Complete SQL Bootcamp 2022: Go from Zero to Hero

Udemy Data, September 2022

18

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Our scaled marketplace feeds Udemy Business subscription

We select the best of the best for Udemy Business

We continuously monitor the collection for **course quality and relevance** based on:

- Scaled learner behavior data (MX, UB)
- Average rating
- Instructor responsiveness
- Input from our corporate customers
  - **1000+ courses** requested by customers added in 2021 with **4-hour average response time**

People are Viewing
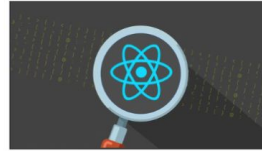
React - The Complete Guide (incl Hooks, React Router, Redux)
Academind by Maximilian Schwarzmüller,...
4.6 ★★★★½ (163,465)

The Complete JavaScript Course 2022: From Zero to Expert!
Jonas Schmedtmann
4.7 ★★★★½ (153,394)

The Web Developer Bootcamp 2022
Colt Steele
4.7 ★★★★½ (246,724)

Newest to Udemy Business

Complete Web Design: from Figma to Webflow to Freelancing
Vako Shvili
4.7 ★★★★½ (10,298)

Ultimate PRTG Network Monitoring with Full Lab GNS3
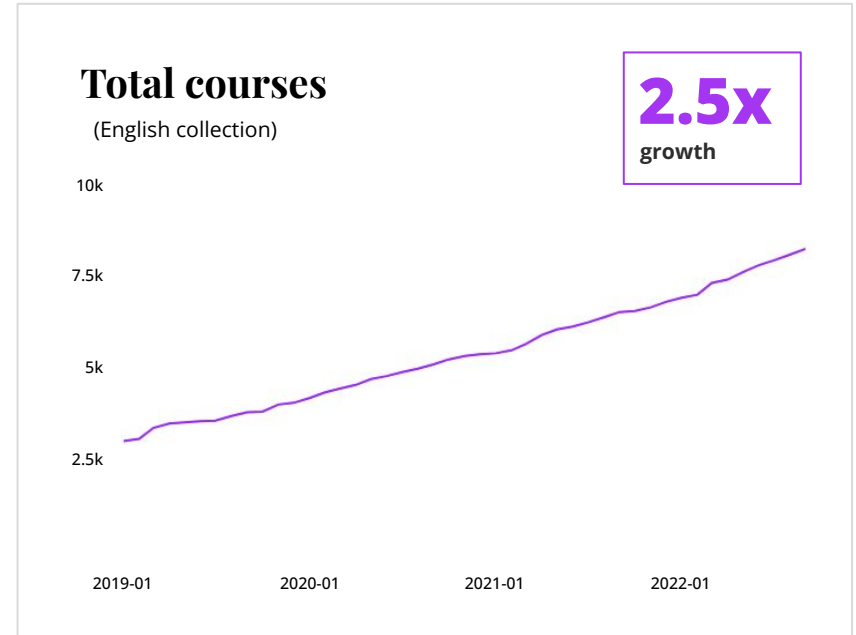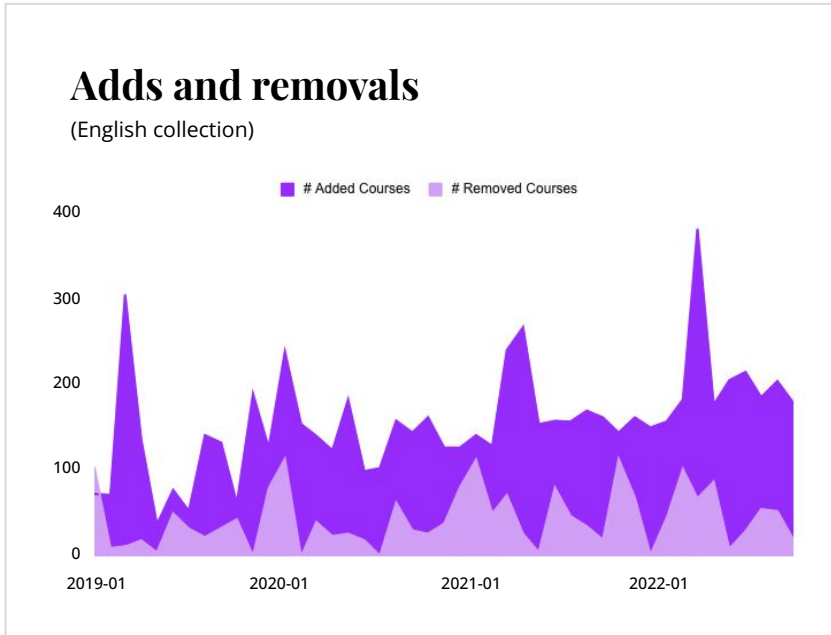Yaz Becker
4.7 ★★★★½ (92)

Hands On Presto Mastery - Learn by doing!
CurvedArrow LLC
4.4 ★★★★½ (37)

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Udemy Business content curation continuously improves our collection

Adds and removals
(English collection)

■ # Added Courses   ■ # Removed Courses

Total courses
(English collection)

2.5x growth

Note: Data as of June 30, 2021 for the periods defined

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Freshness and selection drive positive Udemy Business learner sentiment

Average Udemy Business learner ratings

(English collection)
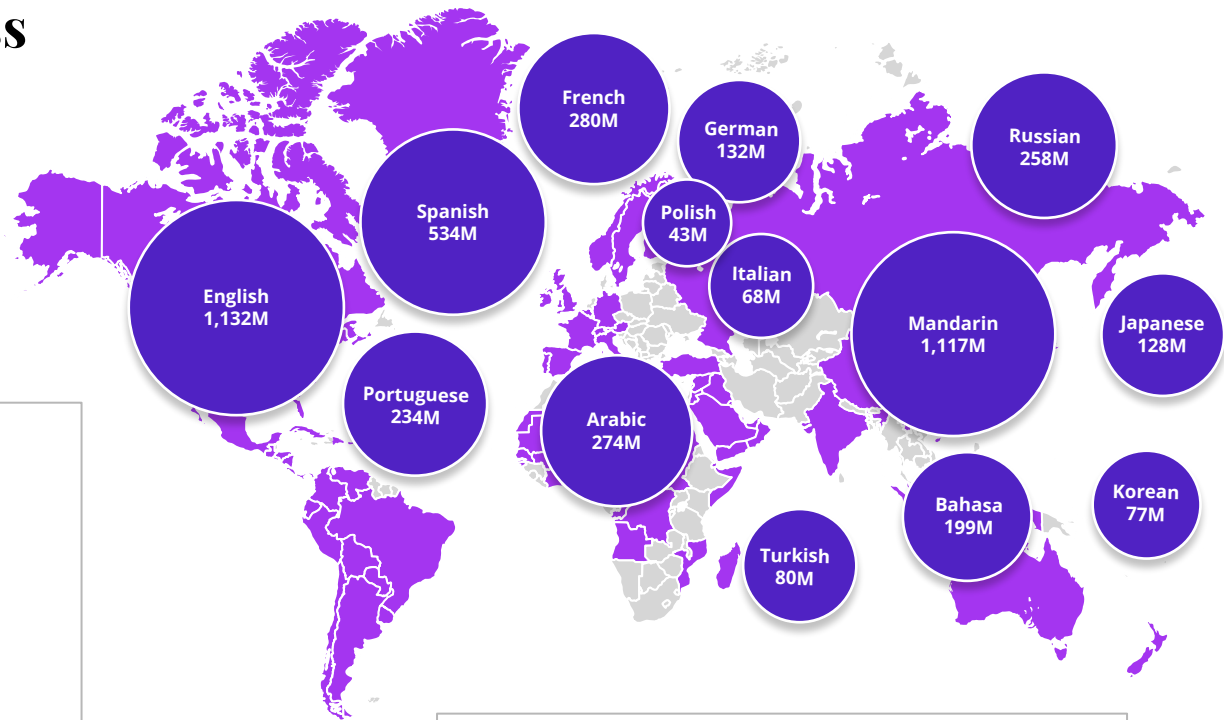
4.5 ⭐

90-day average

(September 2022)

Udemy Business Net Promoter Score

58

Learner NPS

(Q1 2022)

ûdemy

Udemy's local marketplaces fuel Udemy Business — and competitive advantage

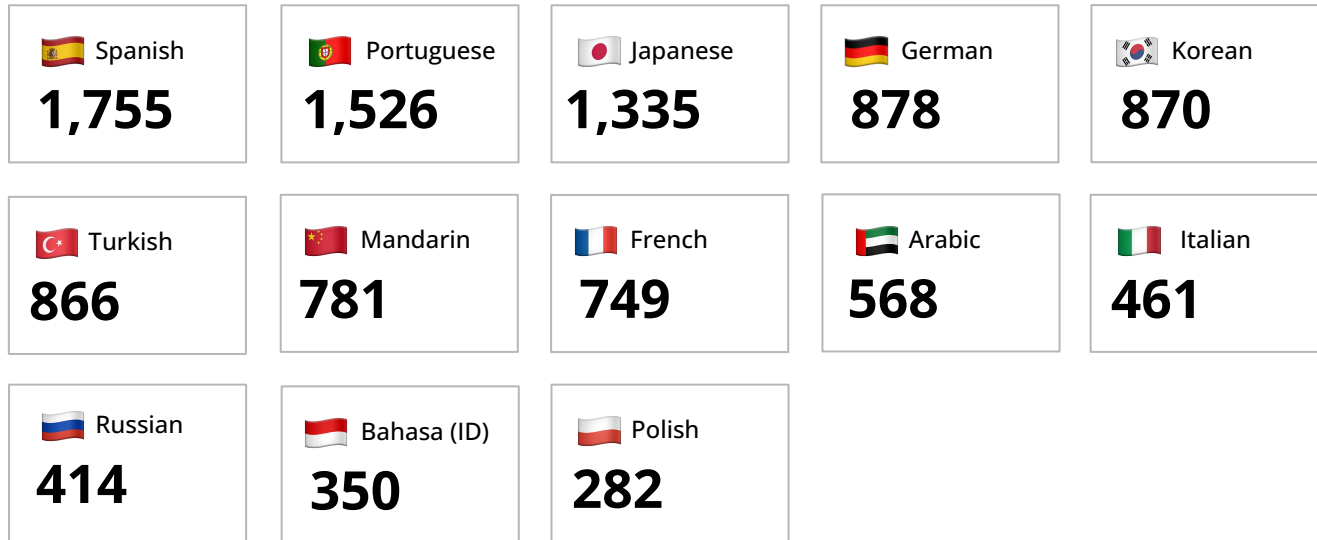**Large and broad collection of local language courses:**

14 languages

Local experts

Locally relevant content

English 1,132M

Spanish 534M

French 280M

German 132M

Russian 258M

Polish 43M

Italian 68M

Mandarin 1,117M

Japanese 128M

Portuguese 234M

Arabic 274M

Bahasa 199M

Korean 77M

Turkish 80M

Numbers represent language speakers for each of Udemy Business supported local languages

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We have 10,835 international courses across 13 languages

🇪🇸 Spanish	🇵🇹 Portuguese	🇯🇵 Japanese	🇩🇪 German	🇰🇷 Korean
1,755	**1,526**	**1,335**	**878**	**870**

🇹🇷 Turkish	🇨🇳 Mandarin	🇫🇷 French	🇦🇪 Arabic	🇮🇹 Italian
866	**781**	**749**	**568**	**461**

🇷🇺 Russian	🇮🇩 Bahasa (ID)	🇵🇱 Polish
414	**350**	**282**

With over 1,700 new courses in H1 2022 (14k hours)

Data as of September 2022

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Key takeaways

1) **Scaled feedback loops** incentivize and enable instructors to create high-quality, relevant learner experience

2) **Marketplace supply engine** powers Udemy Business with broad coverage and freshness

3) **Global language coverage** by local experts provides competitive differentiation and learner value

Ûdemy

Product & Engineering

Prasad Gune, SVP, Product

Seth Hodgson, VP, Engineering

Delivering on Udemy's mission

Scaled, integrated platform

Enabling instructors, learners, and organizations with a dynamic flywheel of content, feedback, and incentives

Comprehensive learning

Building for on-demand, guided, immersive, and cohort learning

Extensive integrations
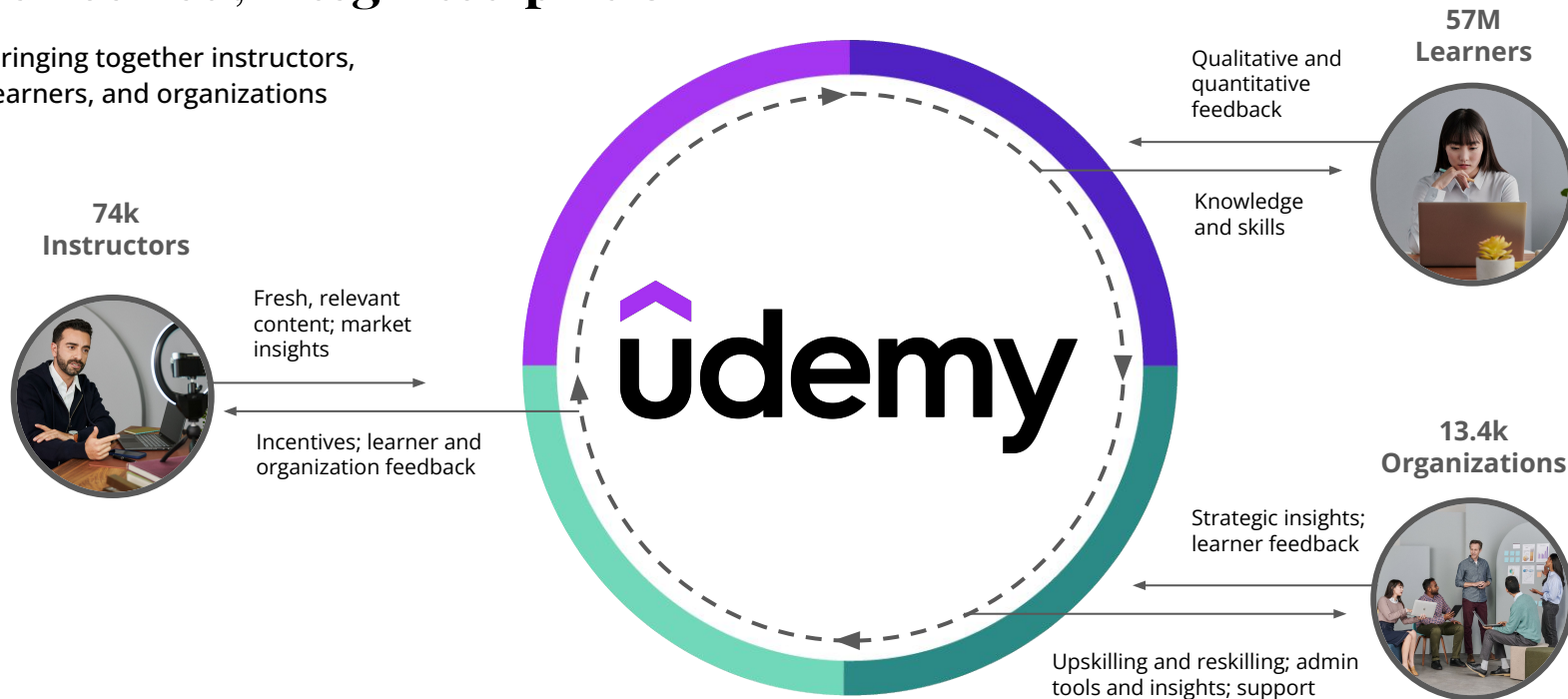
Expanding our offerings on our own and third-party platforms

Powerful data

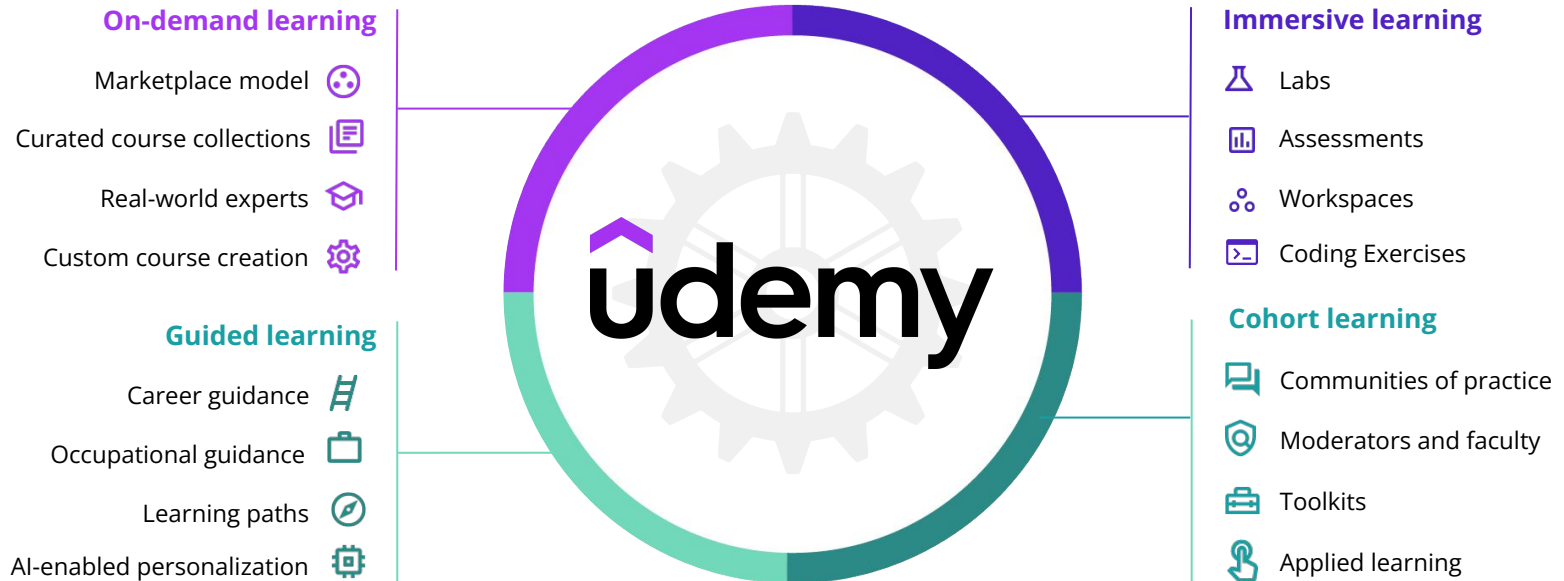Leveraging a wealth of data to drive customer outcomes

ûdemy

The Udemy difference: our scaled, integrated platform

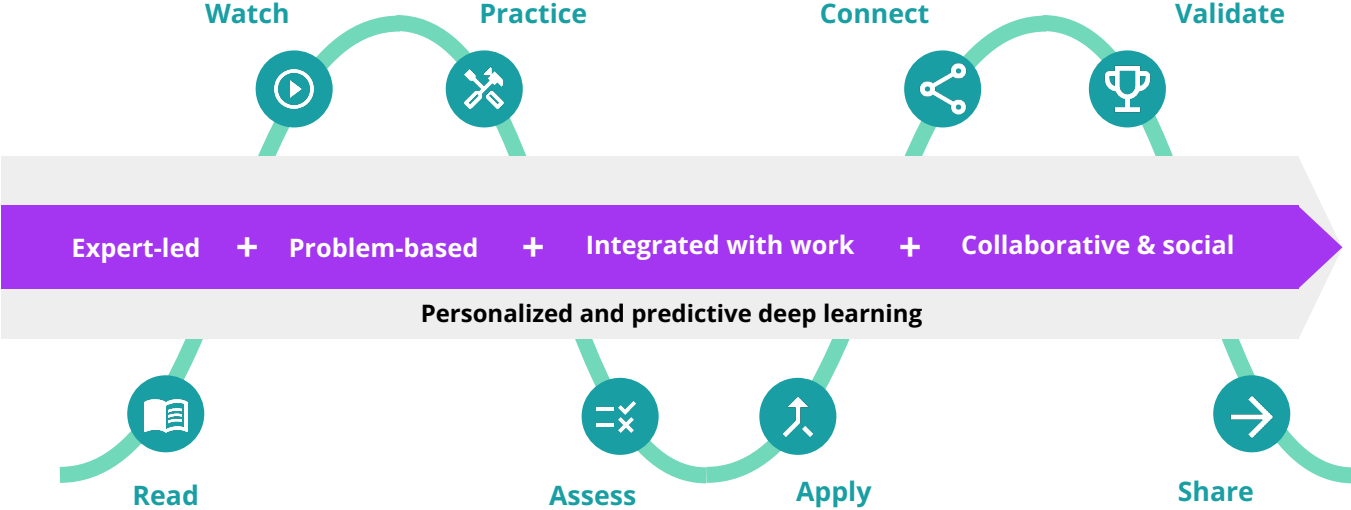Bringing together instructors, learners, and organizations

57M Learners

Qualitative and quantitative feedback

Knowledge and skills

74k Instructors

Fresh, relevant content; market insights

Incentives; learner and organization feedback

13.4k Organizations

Strategic insights; learner feedback

Upskilling and reskilling; admin tools and insights; support

Learn to lead

Build leadership skills through practice and reflection with peers and mentors

On-demand learning

Marketplace model

Curated course collections

Real-world experts

Custom course creation

Guided learning

Career guidance

Occupational guidance

Learning paths

AI-enabled personalization

Immersive learning

Labs

Assessments

Workspaces

Coding Exercises

Cohort learning

Communities of practice

Moderators and faculty

Toolkits

Applied learning

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Our end-to-end platform lets users learn, practice, and apply their skills — at scale
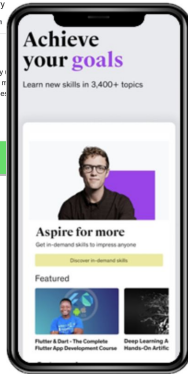
Watch   Practice

Connect   Validate

Expert-led **+** Problem-based **+** Integrated with work **+** Collaborative & social

Personalized and predictive deep learning
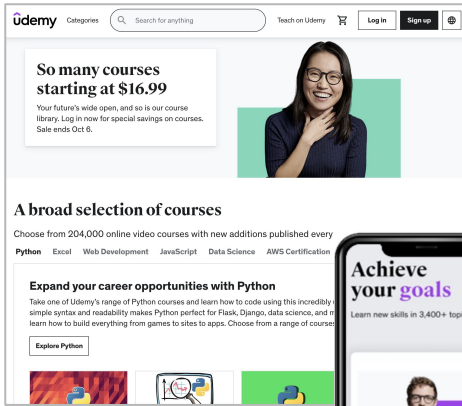
Read   Assess   Apply   Share

30

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Our product offerings

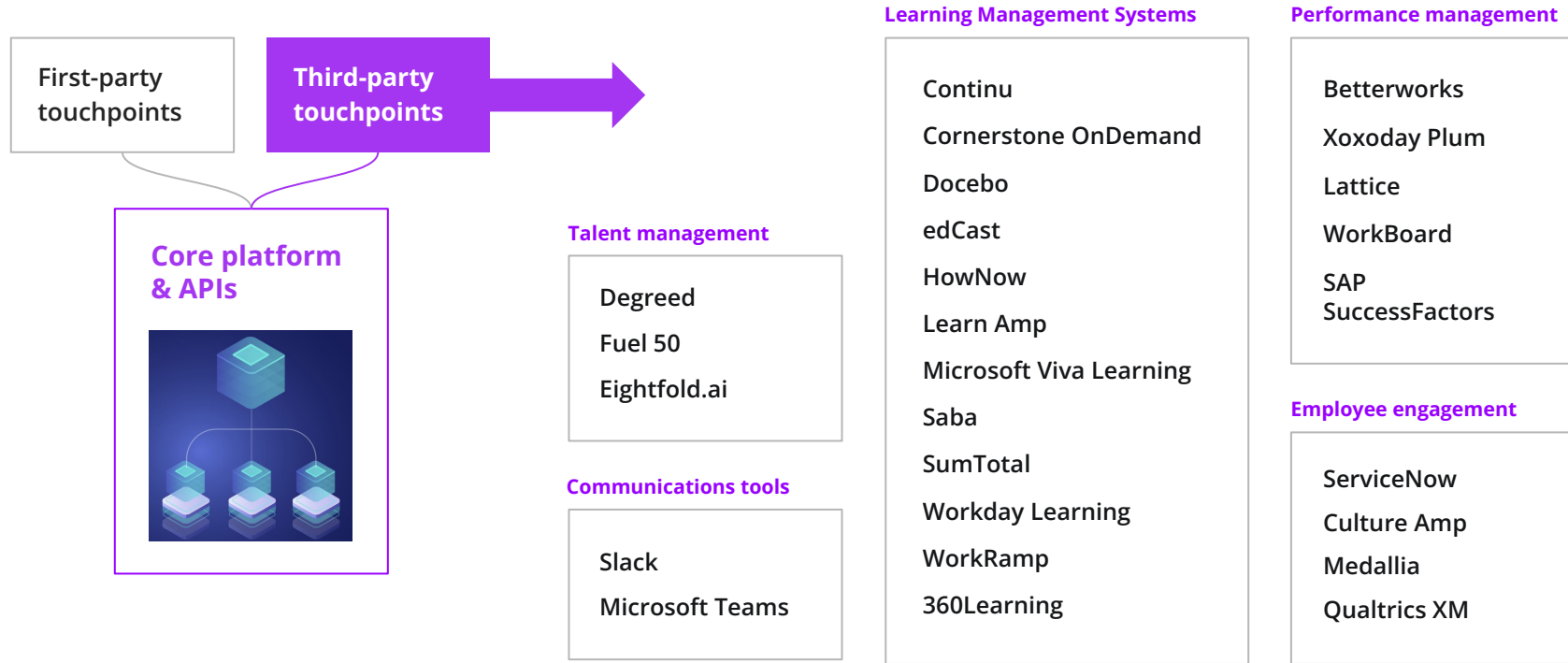|	Customer type	Content offered	Term	Pricing	On-demand learning	Guided learning	Immersive learning	Cohort learning
ùdemy **Individual Courses** (à la carte/bundled)	Individual learners	• 213k courses from 74k+ instructors • Interactive learning tools (quizzes, exercises, and instructor Q&A)	Lifetime access for each course purchased	Optimized for each individual course	✓			
ùdemy **Personal Plan** (consumer subscription)	Individual learners	• 6k+ of Udemy's top-rated courses • Practice tests and labs	Monthly & Annual subscription	Monthly and Annual options adjusted for local currency & PPP	✓	✓	✓	
ùdemy business™ **Team Plan**	Teams of 5-20 employees	• ~8k of Udemy's top-rated courses • Customized learning paths	Annual subscription	Annual subscription pricing adjusted for local currency, 5 seat min.	✓	✓		
ùdemy business™ **Enterprise Plan**	21+ employees	• 19k 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	✓	✓		
ùdemy business™ **Pro Add-On**	21+ employees	• 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		✓	✓	
ùdemy business™ **CorpU**	21+ employees	• 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				✓

Data as of September 30, 2022.

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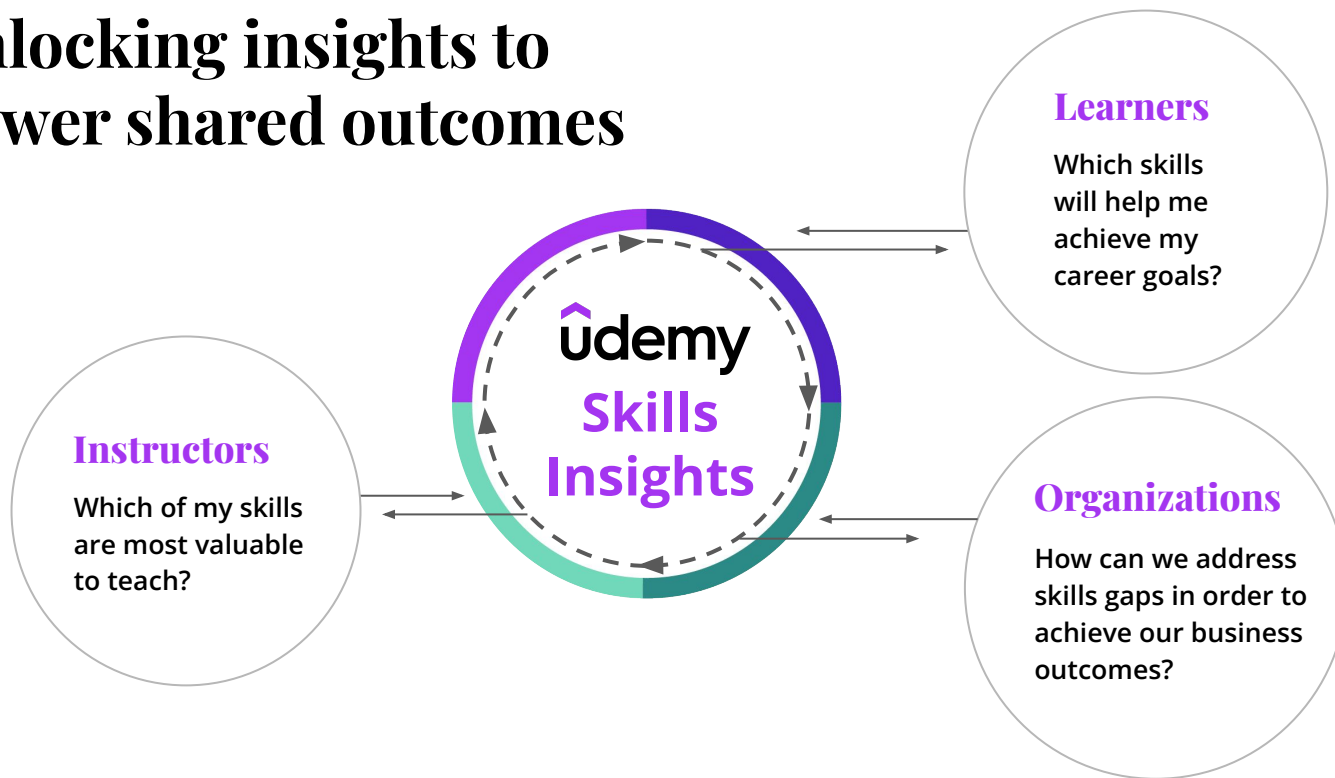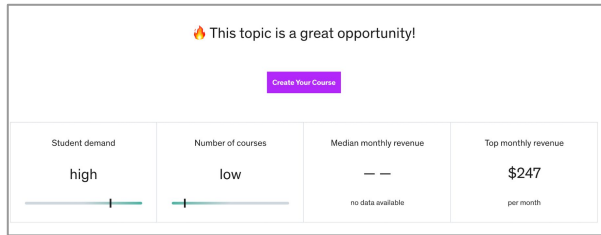# Built API-first: faster, efficient timeline to achieve scale

Udemy.com

First-party touchpoints

Third-party touchpoints

Core platform & APIs
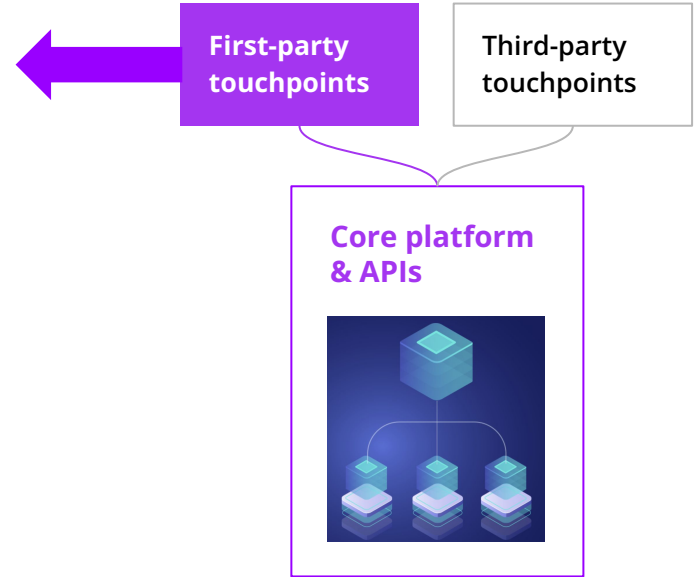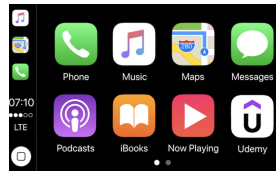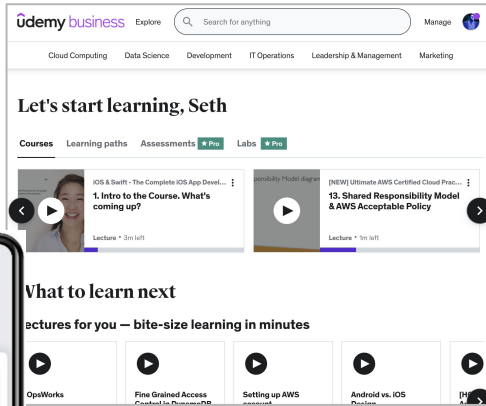
Powering third-party ecosystem integrations and accelerating partnerships

First-party touchpoints	**Third-party touchpoints** →

Core platform & APIs

Talent management

- Degreed
- Fuel 50
- Eightfold.ai

Communications tools

- Slack
- Microsoft Teams

Learning Management Systems

- Continu
- Cornerstone OnDemand
- Docebo
- edCast
- HowNow
- Learn Amp
- Microsoft Viva Learning
- Saba
- SumTotal
- Workday Learning
- WorkRamp
- 360Learning

Performance management

- Betterworks
- Xoxoday Plum
- Lattice
- WorkBoard
- SAP SuccessFactors

Employee engagement

- ServiceNow
- Culture Amp
- Medallia
- Qualtrics XM

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Unlocking insights to power shared outcomes

Learners

Which skills will help me achieve my career goals?

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Skills Insights

Instructors

Which of my skills are most valuable to teach?

Organizations

How can we address skills gaps in order to achieve our business outcomes?

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Proprietary learner insights and engagement data enhance instructor success

Topic opportunity assessment

🔥 This topic is a great opportunity!

Create Your Course

Student demand	Number of courses	Median monthly revenue	Top monthly revenue
high	low	— —	$247
		no data available	per month

Course engagement stats

Course engagement World's Best Quiz Test Course Ever ⌄

All   Udemy Business Beta

Minutes consumed by active students

Minutes Taught

30175 minutes in Udemy Business
of lectures students have collectively viewed
over the specified time period.

16 active students in Udemy Business
who've started a lecture over the selected
time period.

Last 12 Months ⌄

Actionable insights

- Which of the skills I teach are most in demand, and in which regions?

- Which learning format (on-demand courses, labs, coding exercises …) will be most effective for the skills I teach?

- How can I make my courses more appealing and effective for learners?

35

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Our marketplace unlocks personalized recommendations for learners

Data Scientist [R]

Becoming a Data Scientist using R is a great opportunity for individuals seeking to learn in-demand skills fast. This path is exclusive to Udemy Business Pro and provides instruction in the essential knowledge needed to become a Data Scientist using R.

Curated by	Overview			
🅤 Udemy Business Pro	🕐 35hr 3min • 3 items	Public	Enroll	⋮

① Learn with 365 Careers, Kirill Eremenko, & Jose Portilla

⌄ 3 items | 35hr 3min

R Programming for Statistics and Data Science 2022
R Programming for Data Science & Data Analysis. Applying R for Statistics and Data Visualization with GGplot2 in R
🅤 141 of 141 items • 6hr 41min

R Programming A-Z™: R For Data Science With Real Exercises!
Learn Programming In R And R Studio. Data Analytics, Data Science, Statistical

Actionable insights

- Which skills should I develop to achieve my career goals?

- Which learning experiences will help me develop those skills, and in which order should I take them?

- Which learning formats (on-demand courses, labs, coding exercises …) will be most effective for me to learn those skills?

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We also power insights for organizations
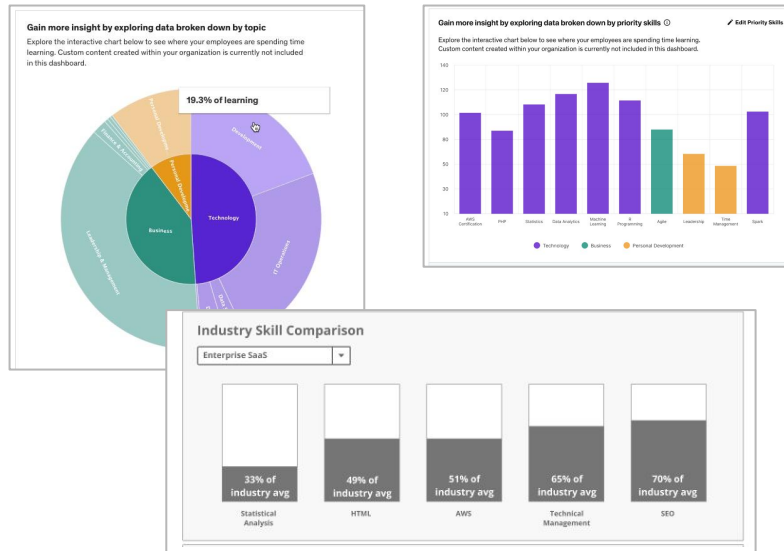
Actionable insights

- Which skills are in demand at companies in our space?

- Which skills will we need to deliver on our business objectives?

- Which learning experiences will help our teams develop those skills?

- What is the level of skills development across our teams in the last quarter?

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Key takeaways

1) Udemy's scaled, integrated platform drives powerful flywheel effects

2) API integrations lead to faster, more efficient scaling of learning experiences

3) Powerful data and insights from our unified platform empower instructors, learners, and organizations and improve outcomes

Udemy

Udemy's Mission–Driven Brand

Stacey Zolt Hara
SVP, Corporate Communications

Three audiences, one core mission: improving lives through learning

Instructors

Real-world experts looking to share and monetize their knowledge

Learners

Individuals looking to advance their careers and pursue personal passions

Organizations

Companies looking to upskill and reskill their teams, keep up with new technologies, and develop and retain talent

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Udemy's low brand awareness signals opportunity

Parallels the low awareness of the entire EdTech category
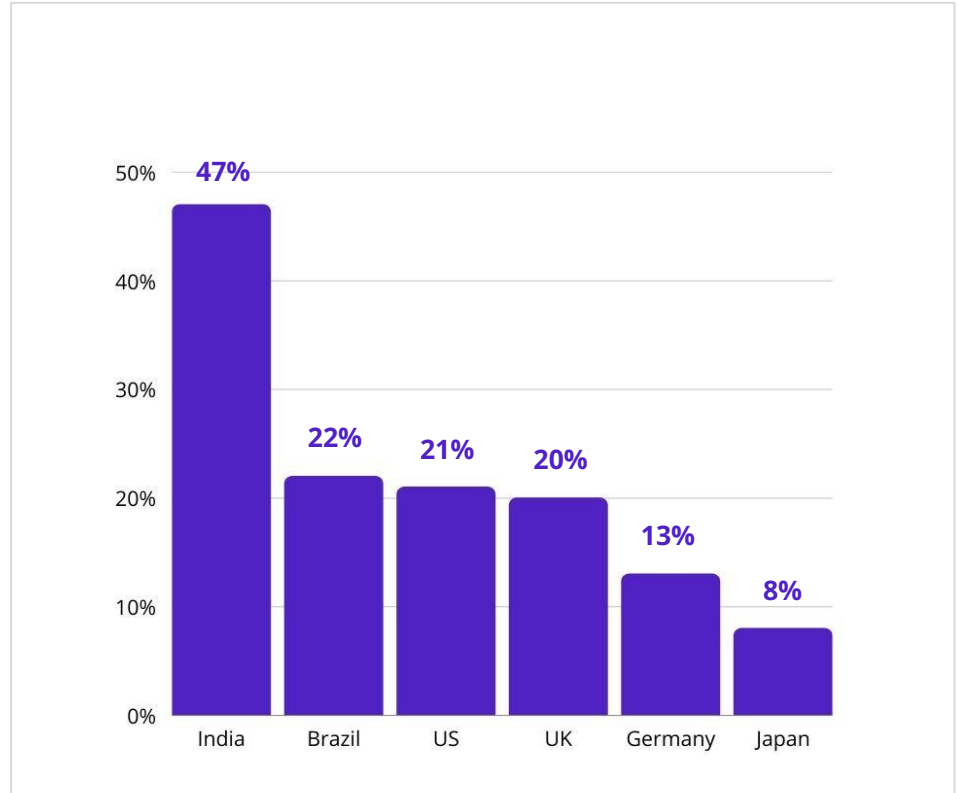
Udemy leading competition with 53 percent share of voice

Where conversation on digital learning is happening, Udemy is front and center

[1] Source: Udemy Q2 earned media tracking

Global share of voice[1]

Coursera
9k

33%

53%

Udemy
global
14k

14%

LinkedIn
Learning
3.7k
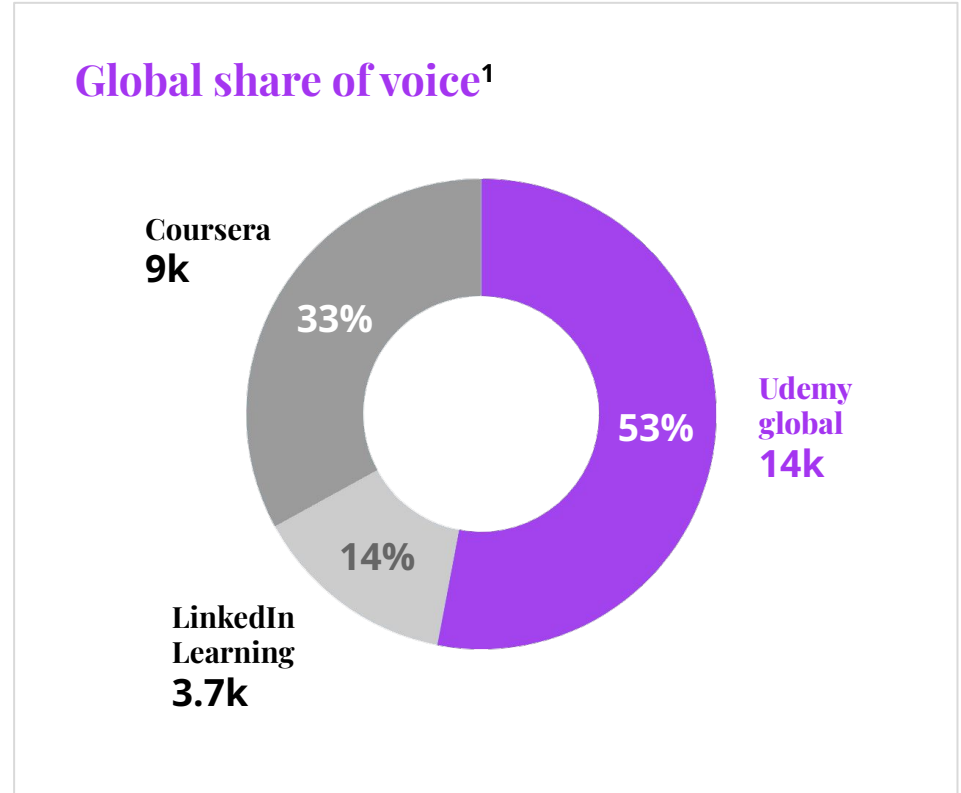
ûdemy

And when people know about Udemy, they quickly fall in love with the product and brand

51
Net Promoter Score

30-50%
prefer Udemy

50%
aware of Udemy Business

udemy

Social media, search, and word of mouth drive reach, awareness, and engagement

To elevate the brand, we must:

1

Elevate the problem we seek to solve

2

Elevate brand awareness for top-of-funnel activation

3

Elevate engagement and conversation

ûdemy

We're activating top of funnel through globally consistent, locally relevant brand awareness

United States

Japan

South Korea

India

ûdemy

We build trusted third-party validation through global earned media programs with local execution ...

Sources; Inc. April 28, 2022; ICT-enews.net May 26, 2022; Entrepreneur India, July 15, 2022; HR Dive May 10, 2022

... grounded in top themes for consistency

COMPUTERWORLD

NEWS

OzTech: Cybersecurity training for women in Victoria; Top 5 skills Aussie techies are after

OzTech Roundup is Computerworld Australia's weekly look at the world of IT.

EL ECONOMISTA

EMPRESAS — Lectura 2:00 min

La fuerza laboral requiere experiencia de aprendizaje funcional: Udemy

ChosunBiz

웅진씽크빅, 아이티앤베이직과 업무협약… '유데미'에 HR 콘텐츠 제공

장우정 기자

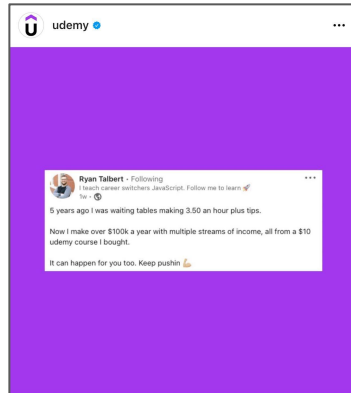입력 : 2022. 06. 24 18:13

elEconomista.es

Ecoaula

Raphael Spinelli: "La formación online se ha convertido en el presente y futuro de cada vez más empresas"
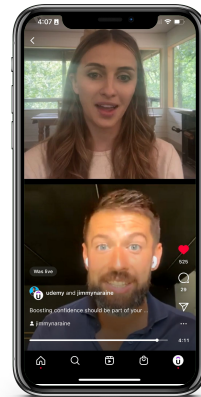
ûdemy

Udemy's personality and mission come to life on social media

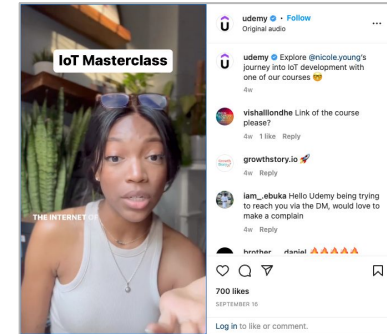A critical engagement engine for reinforcing our shared purpose and our brand
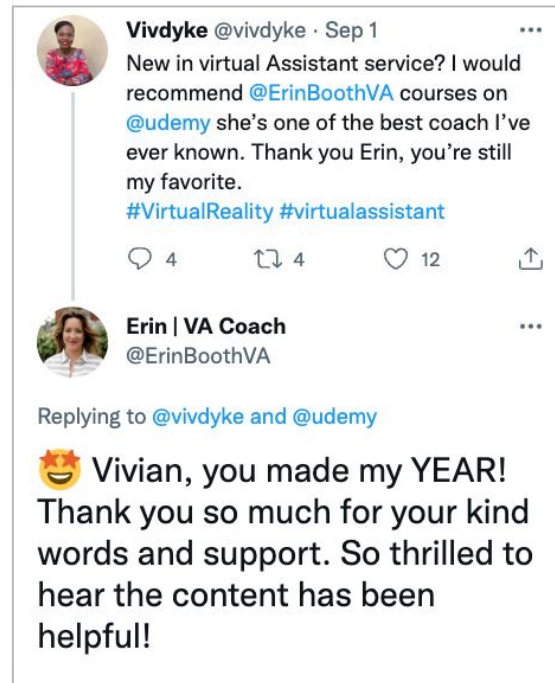
Amplify success

Connect and engage

Influence and inspire

Building and growing a global conversation with 12 million followers

18 Udemy social media channels worldwide

Industry-leading engagement

ûdemy

Revolutionizing learning, growing possibilities, reducing inequality – together

Engaging our key audiences in our United Nations Sustainable Development Goal Impact pillars

UN SDG Pillar 4

Quality education

UN SDG Pillar 8

Decent work and economic growth

UN SDG Pillar 10

Reduced inequalities

Learners   Instructors   Organizations   Employees   Partners   Investors

Our shared mission: **to improve lives through learning**

udemy

Japan's 1T JPY reskilling and digital transformation initiative

Prime Minister Fumio Kishida committed 1T JPY ($7B) to reskilling over the next five years

Source; Nippon, October 12, 2022 and Office of the Prime Minister of Japan

udemy

Committed to responsible corporate citizenship

#1 ESG-rated company in the Internet Software and Services sub-industry in 2022

Fair Pay Workplace Certification in 2022 for dedication to true and ongoing pay equity

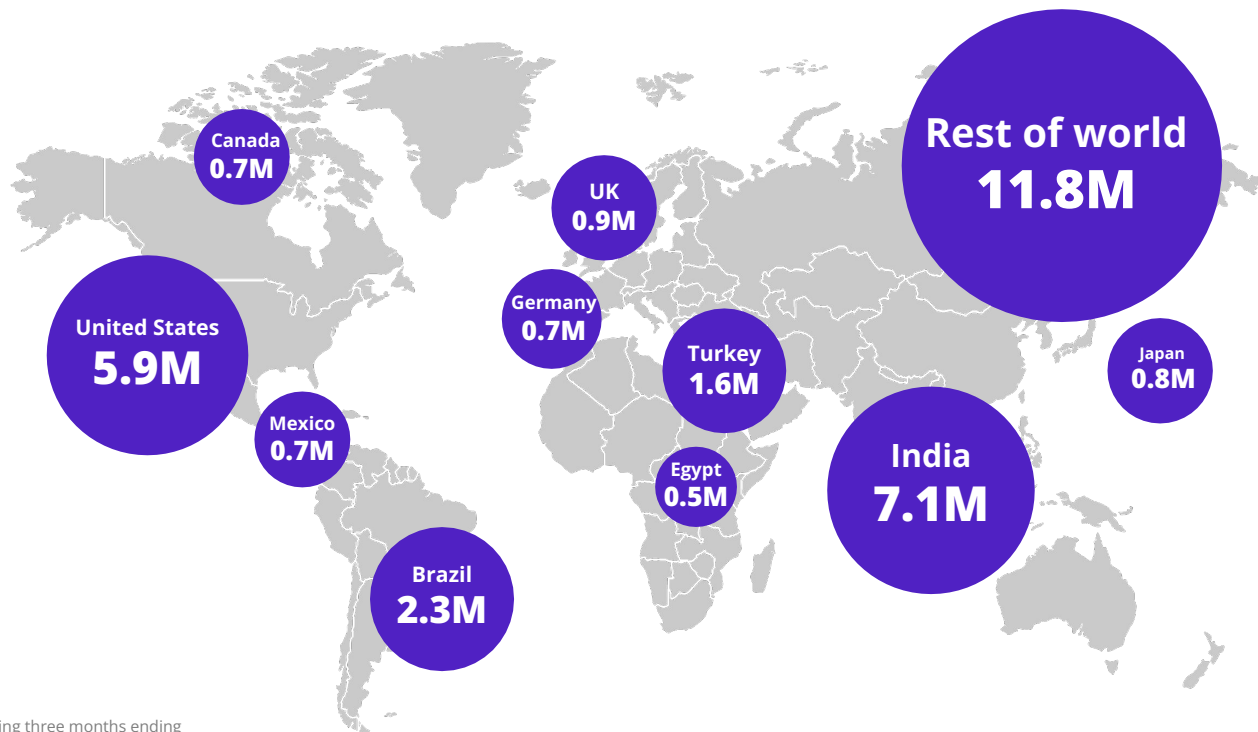Recognized as a **top workplace for women** by Fortune and Great Place to Work® in 2022

ûdemy

Key takeaways

1) Udemy is building a purpose-driven brand, elevating the shared mission to **improve lives through learning**

2) **Lots of room to grow top-of-funnel awareness** with globally consistent, locally resonant campaigns

3) **Most learners and organizations learn of Udemy through trusted referrals** — social media, news, and word of mouth

4) **Building conversation and amplification around learning** builds brand awareness, trust, consideration, and preference
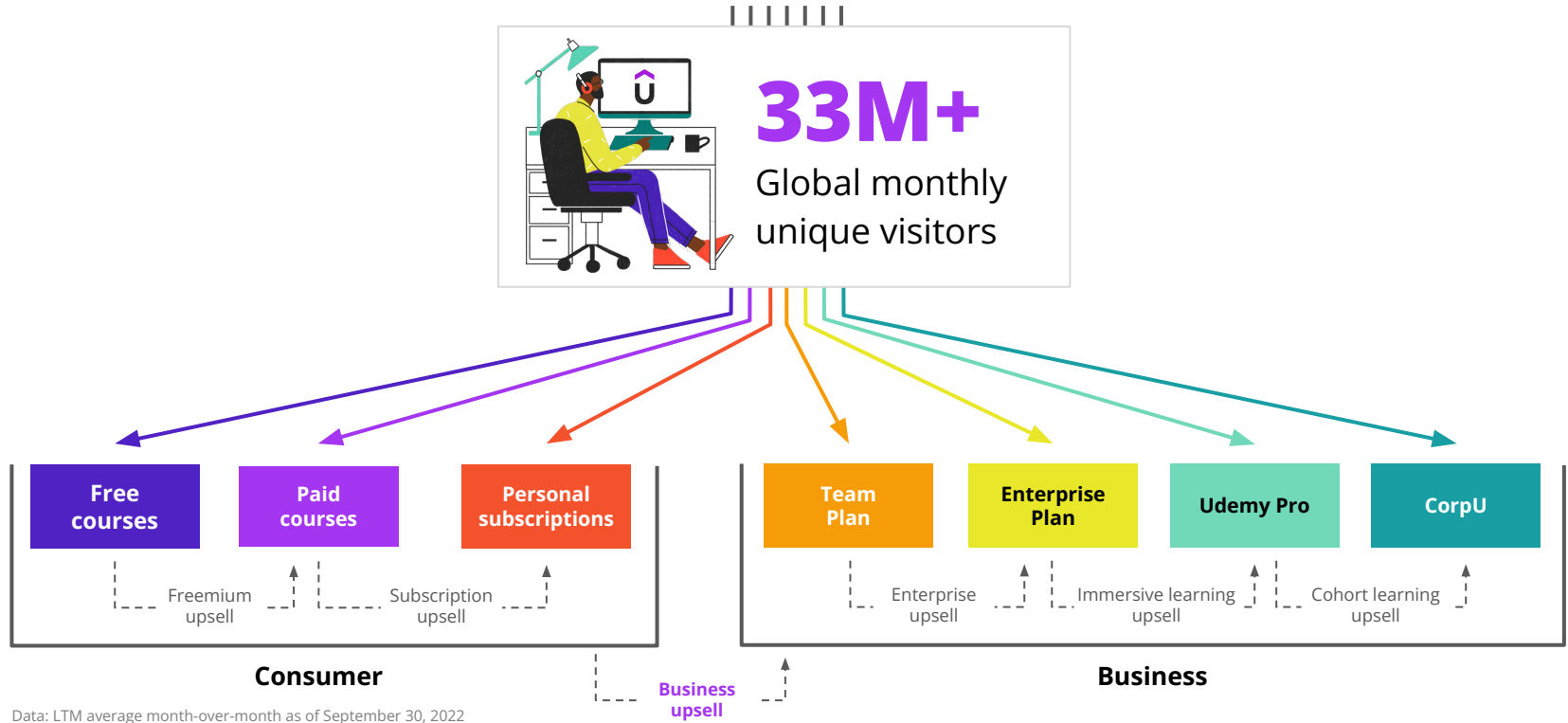
Udemy

Powering Acquisition, Engagement, & Retention

Llibert Argerich
SVP, Marketing

Udemy is a scaled global learning platform

33M+
Monthly unique visitors

Traffic in more than
230
countries

57M
Lifetime learners

Canada
0.7M

United States
5.9M

Mexico
0.7M

Brazil
2.3M

UK
0.9M

Germany
0.7M

Rest of world
11.8M

Turkey
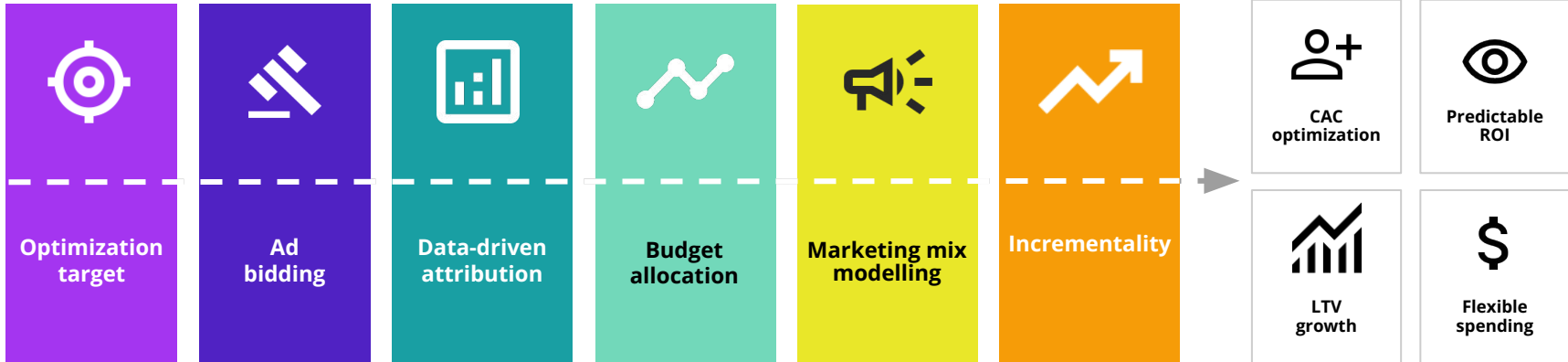1.6M

Egypt
0.5M

India
7.1M

Japan
0.8M

Map: Average number of unique visitors per month over trailing three months ending
September 30, 2022

udemy

Visitor funnel fuels wide offerings and strong value chain

33M+
Global monthly
unique visitors

Free courses	Paid courses	Personal subscriptions

Freemium upsell   Subscription upsell

Consumer

Team Plan	Enterprise Plan	Udemy Pro	CorpU

Enterprise upsell   Immersive learning upsell   Cohort learning upsell

Business

Business upsell

Data: LTM average month-over-month as of September 30, 2022

udemy

Scalable and efficient global customer acquisition

Customer acquisition optimization flow

Optimization target	Ad bidding	Data-driven attribution	Budget allocation	Marketing mix modelling	Incrementality

Key objectives

- CAC optimization
- Predictable ROI
- LTV growth
- Flexible spending

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Localized creative to engage customers globally

YouTube

LinkedIn
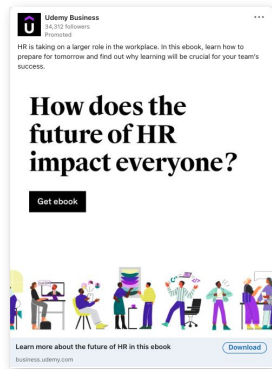
Instagram

Facebook

Events

Content syndication

Google Search

Pricing optimization strategy drives marketplace health

Local currency

Market-adjusted prices

Dynamic discounts and promotions

Local payment methods

udemy

Easy, personalized, and engaging content discovery

Discovery experience powered by **machine learning algorithms** to provide the most relevant content to each learner

Udemy Business

Personal Plan

Easy, personalized, and engaging content discovery

Discovery experience powered by **machine learning algorithms** to provide the most relevant content to each learner

Udemy Business

Personal Plan

We have a very engaged base of global active learners

20M

Active learners in the last 12 months

11.6B

Minutes learned in the last 12 months

578

Minutes of learning per active learner in the last 12 months

Date: As of September 30, 2022

ūdemy

Marketing personalization focused on learning engagement

Learning personalization

- **Course recommendations**
- **Career learning paths**
- **Active learning recommendations**

×

Marketing channels

| Email |
| Push notifications |
| Web/app |

Platforms

- Campaign management platform
- Communication platform
- Customer data platform
- Machine learning platform
- Experimentation platform
- Skills graph
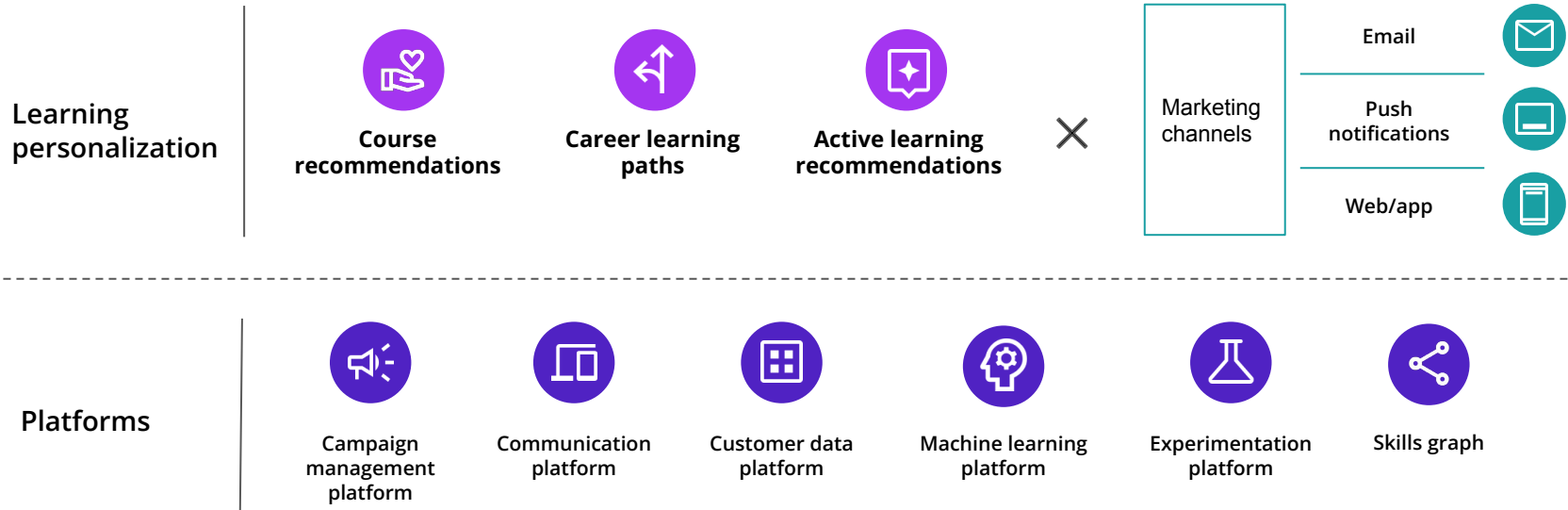
ûdemy

Personalization leads to higher customer lifetime value

Current capabilities

Foster adoption

Drive awareness of products and features, personalize course discovery

Empower learning

Learning journey guidance, hands-on practice and assessments

Support success

Data-driven insights to share usage trends and tips that help admins drive adoption

Objectives

Engagement	Retention	Expansion

Future capabilities

| Career- and job-based discovery, snackable content, learning format variety | Learner motivation, incentives, learning tools, gamification | Expanded localization, skills insights data, enhanced CXO series |

üdemy

Key takeaways

1) 33M monthly unique visitors globally thanks to our sophisticated marketing, creative production, and pricing engines

2) Udemy's product lineup enables strong upselling motions both within and between the Consumer and Udemy Business offerings

3) AI and machine learning models enable personalized discovery and learning experiences that help millions of active learners gain new skills

4) Focused on fostering adoption to drive engagement, empowering learners to increase retention, and supporting customer success to fuel account expansion

Ûdemy

Udemy Business Sales & Go-to-Market

Greg Brown
President, Udemy Business

Enterprise learning trends accelerating Udemy Business growth

Key business objectives to **close mission-critical skill gaps company wide** requires more than one-off trainings to support corporate strategy

Diverse, hybrid workforces require a variety of **integrated learning modalities** that are accessible to all

Global **talent retention, internal mobility, career and succession planning** are imperative strategic L&D initiatives

To meet real-time business needs that are continuously evolving, **just-in-time skill development at scale** is required on demand in the flow of work

ũdemy

Why we win

Marketplace effect

- Superior content quality, breadth, and coverage
- Sustainable competitive advantage

Sophisticated GTM approach

- Scalable, high-performance engine
- Team selling with CXO orientation
- Focus on customer success and outcomes

Differentiated product portfolio

- On-demand learning
- Immersive, hands-on learning
- Cohort-based leadership development

Partner ecosystem

- Open and agile integrations
- Diversity of routes to market

Note: CXO refers to all cross-functional executives in the organization's C-suite

ûdemy

Scaling Udemy Business Annual Recurring Revenue growth[1]

83%

Three-year Compound Annual Growth Rate (CAGR)

Quarter	ARR
Q119	$42M
Q219	$49M
Q319	$59M
Q419	$75M
Q120	$85M
Q220	$101M
Q320	$115M
Q420	$138M
Q121	$155M
Q221	$182M
Q321	$207M
Q421	$239M
Q122	$280M
Q222	$316M
Q322	$350M
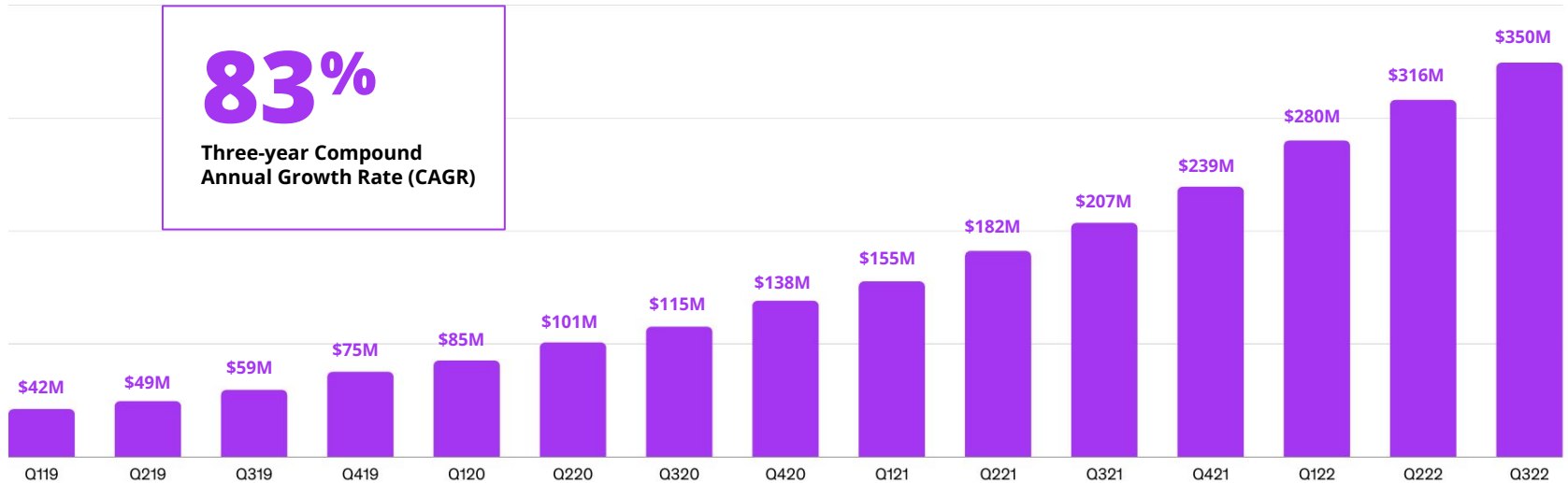
1. Annual Recurring Revenue represents the annualized value of our Udemy Business customer contracts on the last day of a given period.

ûdemy

Globally diversified revenue growth

AMER Q3

Rev ($M)	**$41.7M**
YoY growth	**62%**
Global mix	**50%**

EMEA Q3

Rev ($M)	**$22.9M**
YoY growth	**64%**
Global mix	**27%**

APAC Q3

Rev ($M)	**$19.3M**
YoY growth	**80%**
Global mix	**23%**

- **50%** of all UB revenue comes from outside of AMER and
- Udemy Business revenue footprint extends across **~70%** of worldwide countries

Note: Data as of Q3 2022

ûdemy

Best-in-class customer Net Dollar Retention Rate (NDRR)

117%
Udemy Business NDRR[1]

123%
Enterprise[2] NDRR

Enterprise NDRR consistently over

120%
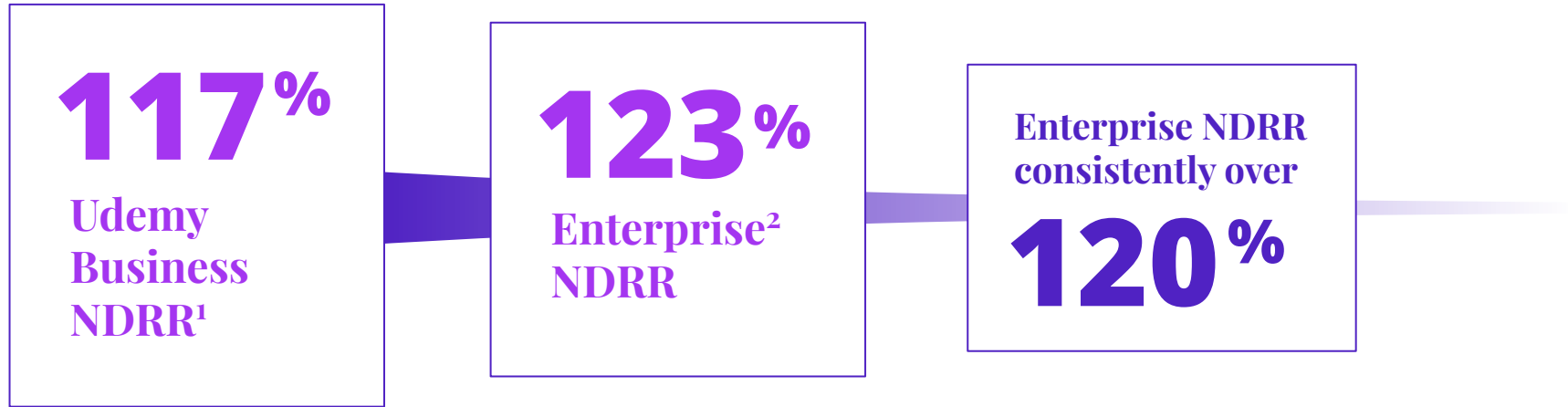
Net Dollar Retention Rate (NDRR) represents ARR for Udemy Business customers at the end of the 12-month period divided by the total ARR for those Udemy Business customers at the beginning of that 12-month period. SaaS Industry NDRR benchmark is 100%.

Notes:
1. Data as of Q3 2022
2. Data as of Q3 2022; Udemy Business defines "enterprise" as companies with 1,000+ employees

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Customers continue to realize and invest in the value Udemy Business delivers

Customer logos $100k+

$1M+ ARR : **138% YoY growth**
$250K - $1M ARR: **80% YoY growth**
$100K - $250 ARR: **69% YoY growth**

Legend:
- $100k - $250k ARR
- $250k - $1M ARR
- $1M+ ARR

Q119, Q219, Q319, Q419, Q120, Q220, Q320, Q420, Q121, Q221, Q321, Q421, Q122, Q222, Q322

664

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Udemy Business valued as long-term partner, driving multi-year deal growth and expansion

↑**135**%YoY

Revenue from multi-year contracts

↑**104**%YoY

Three-year contract revenue

57%

Q3 2022 bookings resulting from customer expansions*

*Includes Udemy Business core Enterprise and Team Plans only, excludes New Ventures

ûdemy

Strategic partner to the CXO

Serve as a trusted advisor in upskilling and reskilling in hybrid workplaces

Provide executive leadership support and engagements

Optimize L&D strategies to help strengthen business impact and revenue growth

Deliver actionable skill and industry insights to help improve business outcomes

Leverage global partner ecosystem to optimize existing tech investments

udemy

Expansive and growing customer verticals

Software/ technology	Professional services	Banking/ financial services	Manufacturing	Healthcare/ pharma	Insurance	Consumer packaged goods/retail	Public sector
SAMSUNG	BOSCH Invented for life	KeyBank	MITSUBISHI CHEMICAL GROUP	KAISER PERMANENTE	Aflac	PEPSICO	NYC
softserve	publicis sapient	Citi	THALES	Baptist Health	Cigna	NESPRESSO	UNITED STATES MARINE CORPS
Panasonic	tcs	Nasdaq	HONDA		Minnesota	mercado libre	Texas Tech
NetApp	NTT DATA	Mechanics Bank	Ford TrustFord	Carbon Health	AON	MATTEL	Australia Post
eventbrite	VECTOR	Commonwealth Bank	Fender	RITE AID	OR	Coca-Cola CONSOLIDATED	U.S. AIR FORCE
Firefox	AKKA	BankUnited	VW	NOVANT HEALTH	FARM CREDIT	falabella	CITY OF PHILADELPHIA
SiriusXM		Klarna.	TKE		Better Life		

udemy

Accelerating digital transformation at leading F100 IT services company

Industry:

Technology & Services

Number of employees:

350,000+

Customer since:

2017

Seat base:

64%

> 66 **Thanks to Udemy Business, we are better equipped to both grow and sustain the valuable business partnerships that are central to our corporate growth strategies.** 99

— **Chief Learning Officer**

87 NPS

Udemy Business content highest learning partner NPS score in 2021

37%

Global Business Services revenue growth supported by Udemy Business in 2021

44%

Udemy Business seat license growth in 2021

Source: Customer internal data and Udemy customer case study, 2022
NPS: Net Promoter Score

ûdemy

Fueling growth for a Big Four consulting firm

Industry:

Professional Services

Number of employees:

400,000

Customer since:

2017

Seat base:

37.5%

" With technology changing so rapidly, the knowledge our workforce gains today is obsolete in 18 months. Udemy delivers continuous learning — our teams are excited for the opportunity to grow. "

— Chief Learning Officer

Source: Customer internal data and Udemy customer case study, 2022

$1.04B

Revenue growth supported by Udemy Business in 2021

84%

First-time certification pass attributed to high-quality content within Udemy Business

4.5k

New AWS certifications achieved in 2021 alone helping to empower sales revenue growth

ûdemy

Proven land-and-expand strategy

Global professional services firm
(Annual Recurring Revenue)

$2,259,000

$1,748,750

$1,600,000

$779,000

$410,000

$48,714

$1,200

~300% CAGR

from initial Team Plan purchased in early 2017

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |

"Land" 2017
Team Plan

FY 2017
Cloud Technology team pilot with on-demand learning

FY 2018
Whole technical team on-demand rollout

FY 2019
Expansion to all business units for on-demand

FY 2020
Expansion to cover every employee with on-demand

FY 2021
Added immersive technical learning

FY 2022
Cross-sold cohort leadership development

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Udemy Business enterprise customer growth opportunity

ARR mix: enterprise vs. commercial total ARR

Commercial 23%
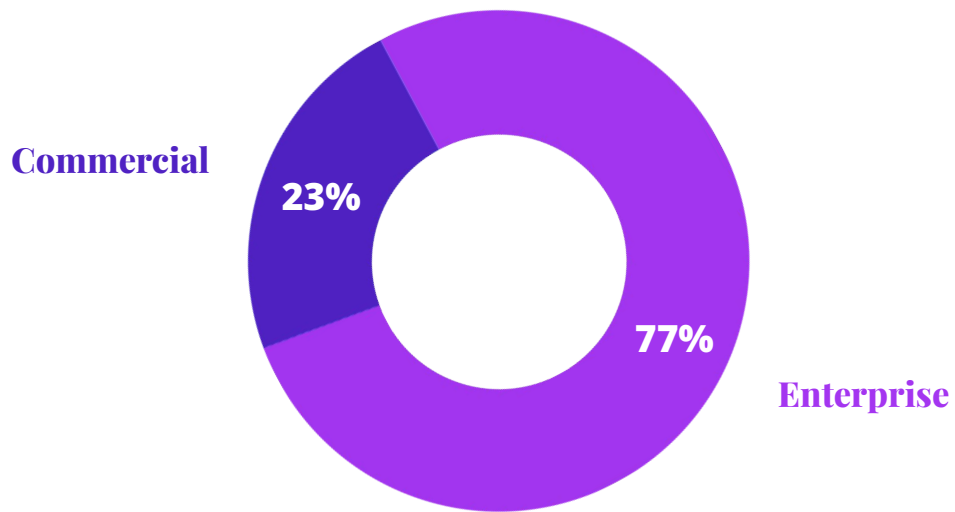
77% Enterprise

Graph Key:
- Enterprise: organizations with >1,000 employees
- Commercial: organizations with < 1,000 employees

Note: Data as of Q3 2022

Less than

10%

penetration into enterprise accounts

Our estimated enterprise opportunity at 50% penetration is

$2B+

ůdemy

Udemy Business continues to drive and scale skills growth across global enterprises

51
Fortune 100 enterprises

223
Fortune 500 enterprises

509
Forbes Global 2000 enterprises

Note: Data as of Q3 2022

udemy

Key takeaways

1) Udemy Business has delivered strong growth with an **83% three-year CAGR**

2) Best-in-class SaaS retention with **117% Net Dollar Retention Rate (NDRR)** and **123% Enterprise NDRR**

3) Our consultative approach to help deliver strategic business outcomes is driving **multi-year customer bookings upwards of 135%**

4) With an estimated **$2B+** in enterprise expansion growth, our opportunity within existing customer base is significant, complemented by net new direct and indirect channel revenue growth

Udemy

Customer Success at Udemy

Stephanie Stapleton Sudbury
SVP, Customer Success

Leaders are transforming their organizations through learning

71%
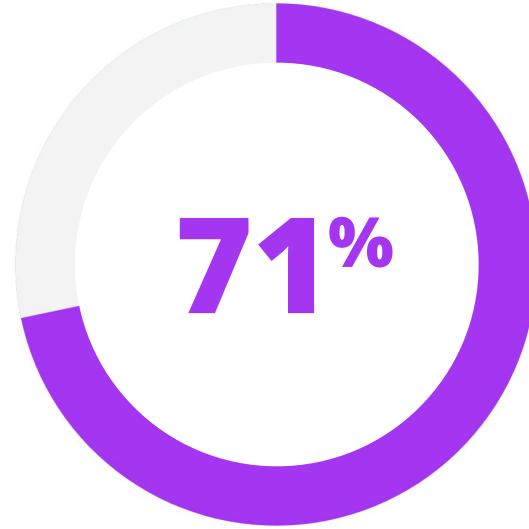
CEOs say their organizations are preparing for workforce and talent transformation.[1]

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Organizations need a partner to engage, support, and upskill their workforces

6%
Always learning
Employees learning constantly

94%
Need to be activated
Employees learning for specific reasons

Learning to grow
Employees who desire an exciting challenge or project and want to learn a new skill

Learning to catch up
Employees learning to fill a skill gap

Learning for external reasons
Employees learning in response to an external change like the introduction of new software

Source: Udemy Jobs To Be Done Research, 2016

Udemy

Traditional online learning focused on adoption as the primary goal

Adoption ● - - - - - - - - - - - - ● **Impact**
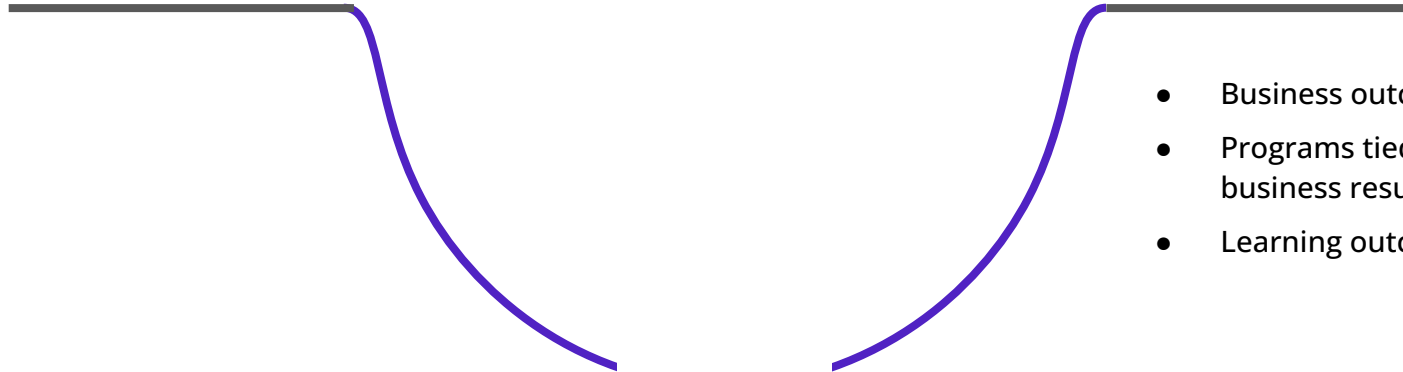
- Business outcomes
- Programs tied to business results
- Learning outcomes

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We start by understanding customer's business goals

1 ──── **2** ──────── **3** ──────── **4**

Business outcomes

Drive revenue

Decrease costs

Improve productivity

Programs tied to business results

Higher employee engagement

Faster time to deliver products

Improved customer satisfaction

Learning outcomes

Skill acquisition

Behavior change

Competency development

Adoption

Course consumption

Minutes learned

Frequency of learning

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Udemy Business provides a full suite of tools and tactics to drive success

Onboarding and launch planning

Integrations

Project management

Stakeholder alignment

Learning program design and optimization

Program strategy

Content mapping

Learning Paths

Program toolkits

Adoption resources

Communication templates

Rewards and recognition

Making time to learn

Data that provides actionable insights

Benchmarking

Trending skills

Insightful reports

ûdemy

Supported by a Customer Success team built for scale

Self–serve

5-20 seats

Fully digital experience
through product functionality and
customer marketing

Scaled

21-100 seats

180-450 accounts
per Customer Success Associate

Blended customer experience
Digital + Customer Success touches

High touch

100+ seats

10-75 accounts
per Customer Success Manager

**Organized by geo
and business segment**

Renewals

Professional Services

Customer Support

Customer Success Operations

ûdemy

Udemy is committed to customer success

**Team
selling**

Customer Success
in pre-sales

**Shared
goals**

All functions driving
customer impact

**Customer-centric
product strategy**

Advisory councils and
feedback loops

ûdemy

Driving revenue growth for Publicis Sapient

publicis sapient

Industry:

Professional Services

Number of employees:

20,000

> ❝ **Our engagement with Udemy has helped unlock multiple business opportunities resulting in tangible revenue growth for our firm.** ❞

Ian Stevens
Head of Capability Development, Publicis Sapient

Source: Publicis Sapient, Udemy customer study, 2022

335K+
hours of learning in Udemy cloud training programs

$280M
2021 revenue growth supported by Udemy Business

66%
faster onboarding of new talent, from three weeks to one

ûdemy

All of this investment drives not just customer success, but Udemy's too

Account Adoption

69% average adoption rate per Udemy Business account

Consumption

4.9 hours of video per month on average for active learners

Multi-year renewals

43% of our closed/won renewal ARR on multi-year contracts in 2022

Expansion

46% of all Enterprise Plan customers at the start of year have upsold in 2022

Source: Udemy internal data as of Q3 2022
Account adoption rate defined as number of seats where learner has completed first lecture/seats sold.

ůdemy

Key takeaways

1) Udemy employs an **outcomes-driven approach** that enables customers to drive meaningful business results through Udemy

2) Udemy has built the team and structure to support **customer success at scale**

3) Customer success is driving **strong adoption, engagement, retention, and expansion**

Udemy

Udemy Partnerships

Cody Crnkovich
VP, Partners & Business Development

Udemy's partnership strategy

Partnerships are key to unlocking growth

Global expansion

Partnerships form an integral part of Udemy's international strategy

Extend reach

Partnerships increase Udemy's marketing and sales reach

Flow of work

Partnerships help put Udemy content in the L&D systems of record

ûdemy

Udemy's partnership strategy
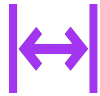
Partnerships are key to unlocking growth

Global expansion

- Partnerships form an integral part of Udemy's international strategy

- Partnerships accelerate our market penetration

udemy

Udemy's partnership strategy
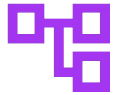
Partnerships are key to unlocking growth

Extend reach

- Partnerships increase Udemy's marketing and sales reach

- Leverage key brands and regional leaders

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Udemy's partnership strategy

Partnerships are key to unlocking growth

Flow of work

- Partnerships help put Udemy content in the L&D systems of record

- Robust and extensive integration ecosystem covers top vendors

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Our Benesse Japan partnership exemplifies the playbook for complex market entry

54%
of Nikkei 225 coverage

1M
learners
in Japan

**Udemy Business
Japan's revenue
grew over**
100%
YoY

**Course catalog
consists of over**
7k+
Japanese courses

Benesse

Data: As of September 30, 2022

udemy

Exclusive partnerships to unlock market potential

	Benesse	3节课	woongjin · think big	FUNiX Learn with Mentors
Country	🇯🇵	🇨🇳	🇰🇷	🇻🇳
Partnership established	2017	2022	2022	2022
Udemy Business customers	>1,000	<50	<50	<50
Registered companies	3.3M (2016)	48.4M (2021)	6.8M (2020)	683K (2020)
Population	128M	1.4B	51M	94M
GDP	$4.8T	$12.2T	$1.5T	$224B

⬚ Denotes mature partnership

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Scaling impactful partnership motions globally

	New Ventures	Regional resellers	Tech resellers	Brand	Super-scalers
Geo	Country specific / mutually exclusive	Regional	Regional/global	Regional/global	Global
Selected partners					

ûdemy

Amazon Web Services — a mutually beneficial relationship

75%
of deals submitted by Udemy for support accepted by AWS sellers

130k
enrollments in the AWS Certified Cloud Practitioner course in the past year

3
of top 10 Udemy Business course enrollment categories are AWS

1.2M
enrollments in the top 3 AWS enrollment categories

aws

ǔdemy

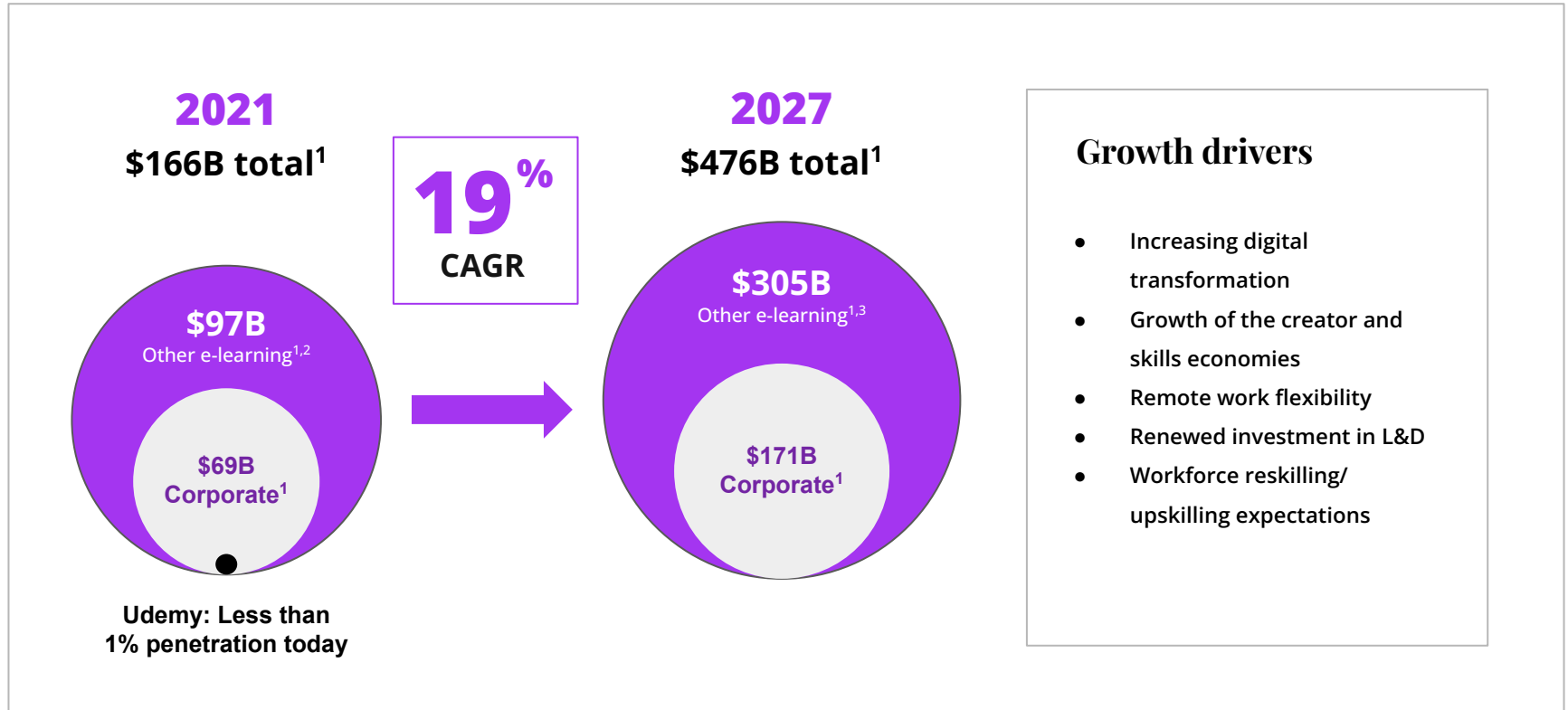# Key takeaways

1) Partnerships are key to accelerating growth across the globe

2) Successful relationships with regional and global brands have extended the reach of our marketing and sales capabilities

3) Udemy's open platform enables our users to learn in the flow of work

Udemy

Differentiated Business Model Targeting Profitability by 2024

Sarah Blanchard
CFO

Low penetration of a massive and growing market opportunity

2021

$166B total[1]

19%

CAGR

$97B
Other e-learning[1,2]

**$69B
Corporate[1]**

**Udemy: Less than
1% penetration today**

2027

$476B total[1]

$305B
Other e-learning[1,3]

**$171B
Corporate[1]**

Growth drivers

- Increasing digital transformation
- Growth of the creator and skills economies
- Remote work flexibility
- Renewed investment in L&D
- Workforce reskilling/ upskilling expectations

1. Arizton E-Learnings Global Forecast & Outlook 2022 - 2027
2. Includes government, vocational, and higher education
3. Includes government, vocational, higher education and K-12

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Differentiated business model supports global scale

✓ Unique marketplace positions Udemy as a leader in a massive and growing opportunity

✓ Consistent execution driving sustainable and diversified revenue growth

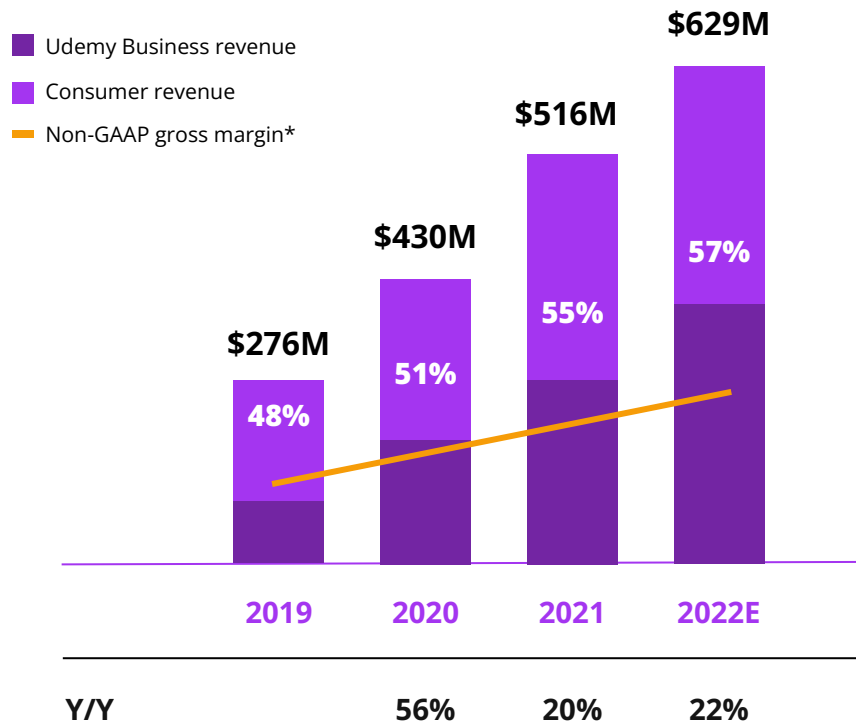✓ Clear path to profitability while efficiently investing in high-growth opportunities

Udemy

Track record of strong revenue growth and consistent gross margin expansion

32%
Revenue growth CAGR

900 bps
Gross margin* expansion

Legend:
- Udemy Business revenue
- Consumer revenue
- Non-GAAP gross margin*

	2019	2020	2021	2022E
Total	$276M	$430M	$516M	$629M
Margin	48%	51%	55%	57%
Y/Y		56%	20%	22%

*Non-GAAP metric. Please see Appendix for reconciliation.

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Diversified revenue model is a competitive advantage

Complementary segments

Udemy Business **53%** **47%** Consumer
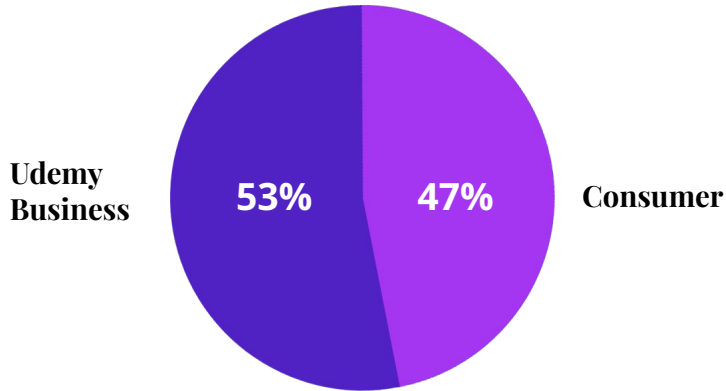
Geographic diversification

LATAM

North America **42%** **7%** APAC **22%**

29%

EMEA
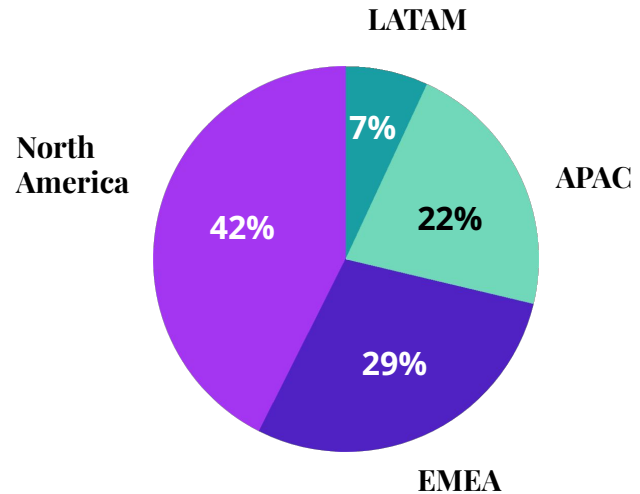
Based on Q3 2022 results

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Udemy Business driving durable and efficient growth

~$350M
**Annual
Recurring Revenue**

~70%
**Annual Recurring Revenue
YoY growth**

41%
**YoY Udemy Business
customer growth**

117%
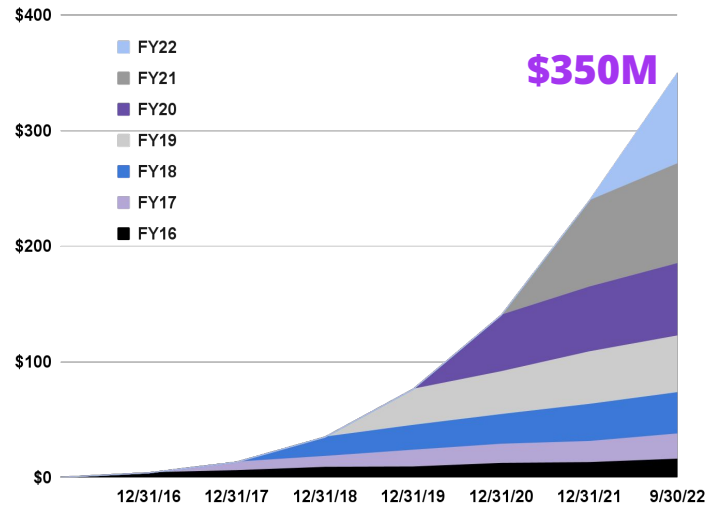**Net Dollar
Retention Rate**

Competitive advantages

- High-quality, fresh content

- Powerful data insights and analytics

- Innovative, flexible tech platform

- Global footprint, localized content

- Immersive learning experiences

All metrics as of Q3 2022

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Existing Udemy Business customers continue to drive growth

Customer cohort analysis
(ARR $MM)

$350M

Legend: FY22, FY21, FY20, FY19, FY18, FY17, FY16

X-axis: 12/31/16, 12/31/17, 12/31/18, 12/31/19, 12/31/20, 12/31/21, 9/30/22

Y-axis: $0, $100, $200, $300, $400

Customer cohort analysis
(ARR Growth %)

Legend: FY16, FY17, FY18, FY19, FY20

+227%
+147%
+93%
+45%
+15%

16%
FY21 cohort
YTD growth

X-axis: Year 1, Year 2, Year 3, Year 4, Year 5

Y-axis: 0%, 50%, 100%, 150%, 200%, 250%
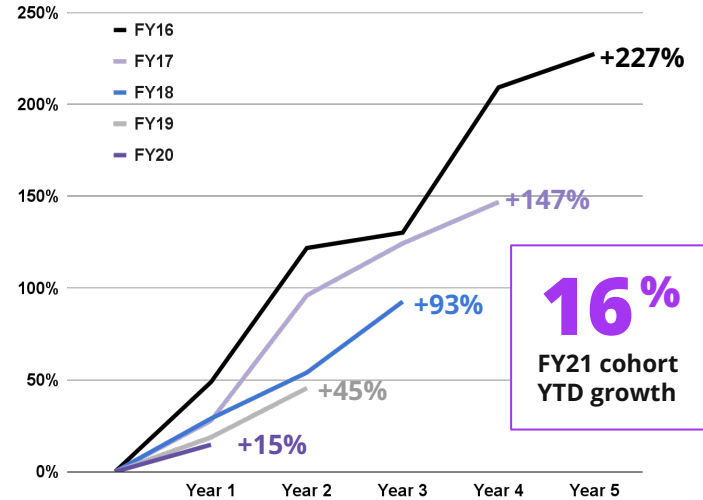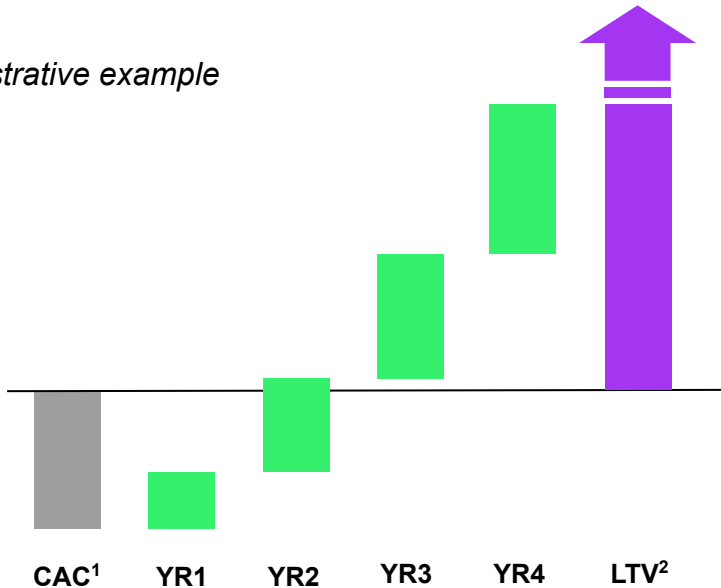
Note: Cohort analysis based on Annual Recurring Revenue for all Udemy Business customers who were acquired in each period from FY 2016 through FY 2022.

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Land-and-expand strategy is an investment with longer payback but high ROI over time

Illustrative example

CAC[1]   YR1   YR2   YR3   YR4   LTV[2]

Large and growing customer base with track record of enterprise customer expansion rate over 120% NDRR[3]:

- Seat expansion

- Future product upsell

- Pricing optimization

- Scale efficiencies

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Consumer marketplace provides solid foundation for growth

33M

Average unique monthly visitors[1]

1.3M

Monthly average buyers[2]

$74.6M

Q3 2022 revenue

Marketplace revenue stabilized at

~1.5x

above pre-pandemic level[3]

Competitive advantages

- Scaled global marketplace

- High-quality, fresh content

- Engaged expert instructors

- Affordable localized learning

- Dynamic pricing
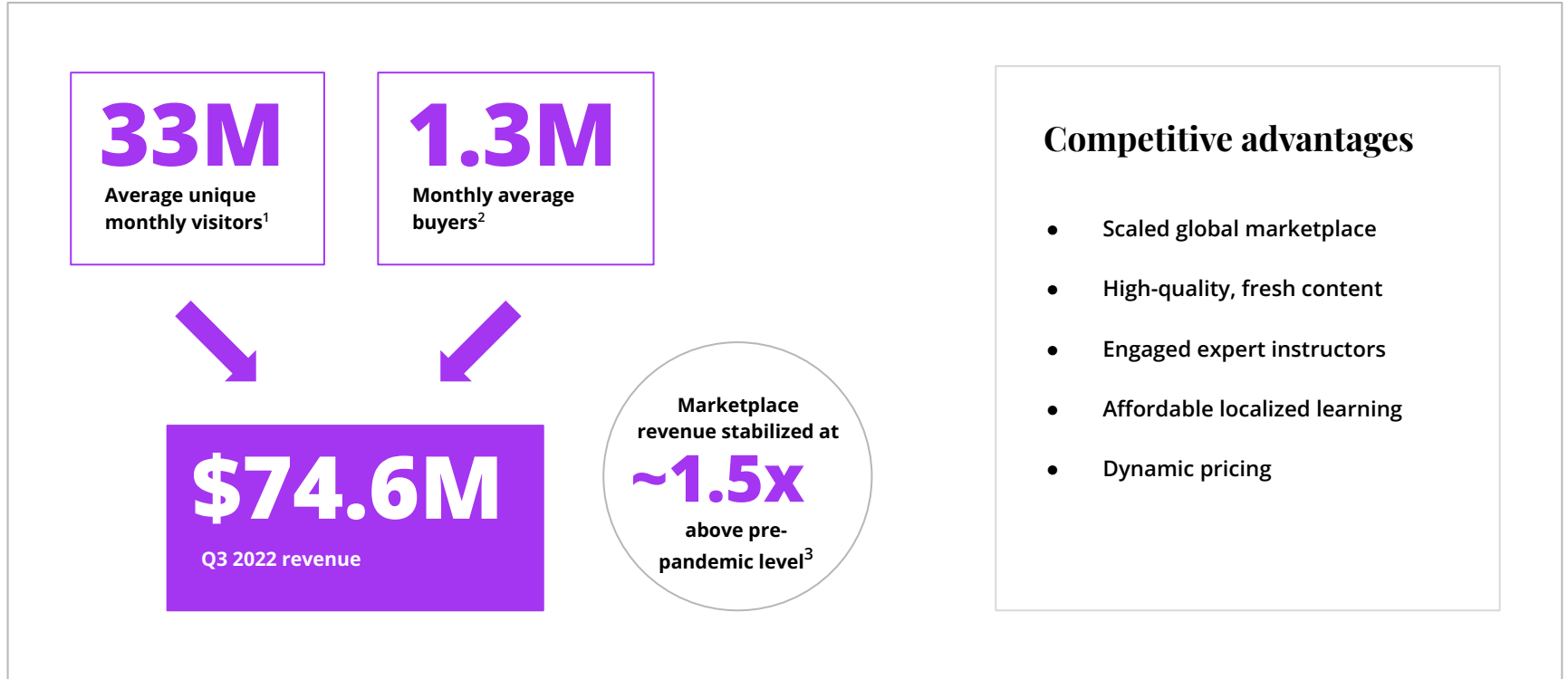
1. LTM average month-over-month as of Q3 2022
2. Q3 2022
3. Compared with Q2 2020 Consumer segment revenue

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Strategic investments in platform

- Delivering more hands-on, immersive experiences to drive more measurable learner outcomes

- Improving our instructors' ability to create relevant and engaging learning experiences at scale

- Enhancing support for organizations and their need to upskill and reskill their workforces

- Laying the foundation to build higher-margin products that further support our customers' needs
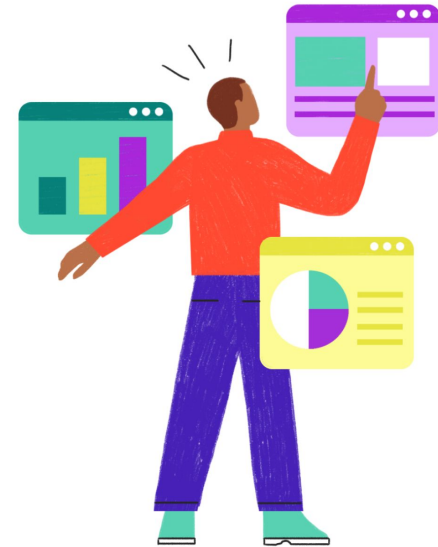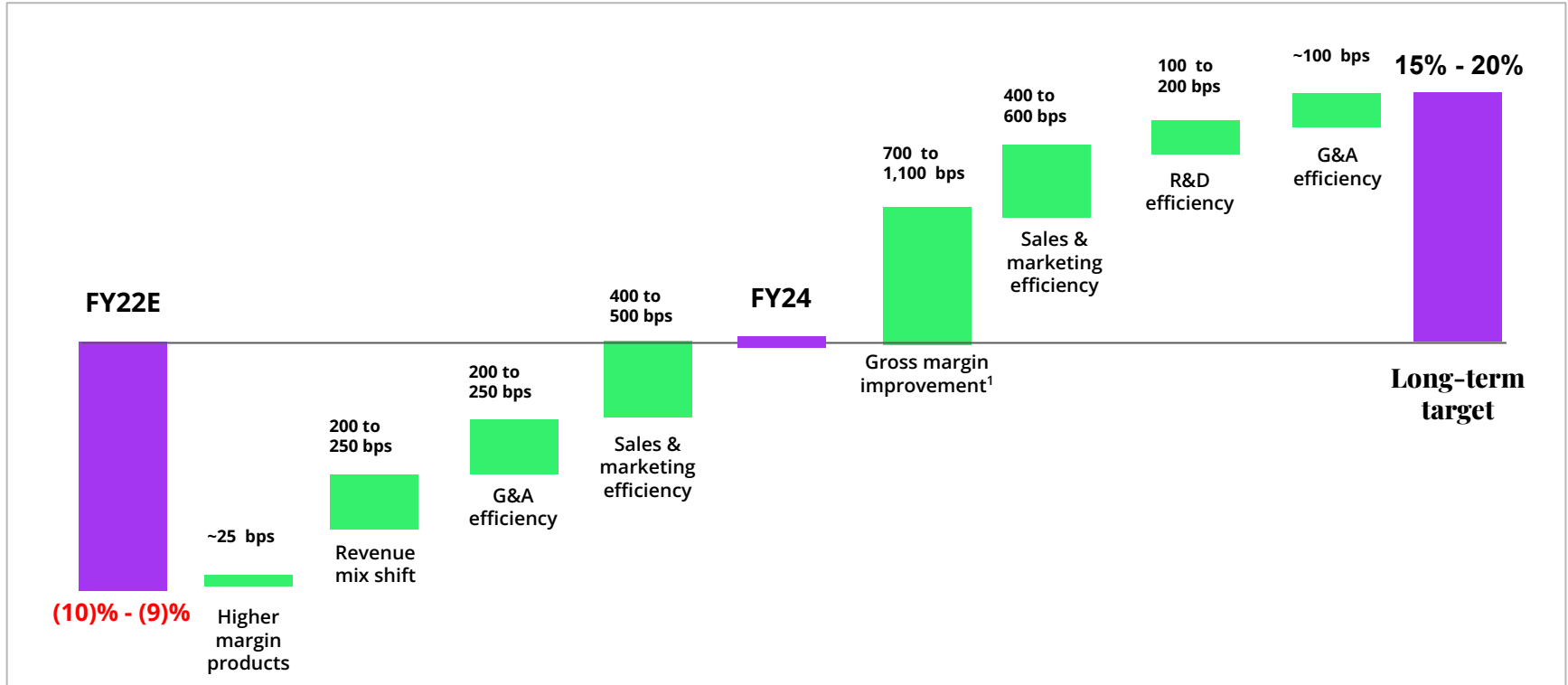
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Path to profitability and long-term targets

Non-GAAP Metric	FY21 Actual	FY24	Long-term target
Revenue growth	20%	23% - 25%	25% - 30%
Udemy Business % of total revenue	36%	60%+	75%+
Gross margin	55%	58% - 59%	65% - 70%
Sales and marketing % of total revenue	42%	38% - 40%	33% - 35%
Research and development % of total revenue	11%	12% - 13%	11% - 12%
General and administrative % of total revenue	9%	9% -10%	8% - 9%
Adj. EBITDA Margin*	**(5)%**	**Breakeven**	**15% - 20%**

*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.

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Targeting adjusted EBITDA breakeven by 2024

FY22E

(10)% - (9)%

~25 bps — Higher margin products

200 to 250 bps — Revenue mix shift

200 to 250 bps — G&A efficiency

400 to 500 bps — Sales & marketing efficiency

FY24

700 to 1,100 bps — Gross margin improvement[1]

400 to 600 bps — Sales & marketing efficiency

100 to 200 bps — R&D efficiency

~100 bps — G&A efficiency

15% - 20%

Long-term target

Note: Estimates as of November 17, 2022
1. Gross margin improvement driven by revenue mix shift and higher margin products

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Multiple drivers of long–term sustainable growth

- Increase Udemy Business penetration through land-and-expand strategy

- Continue international expansion and localization

- Expand learning experiences to new modalities and more active learning that reaches a broader audience

- Launch innovative products that drive measurable learning outcomes and increased retention

- Increase overall Udemy brand awareness

- Optimize business model and pricing

- Pursue strategic acquisitions
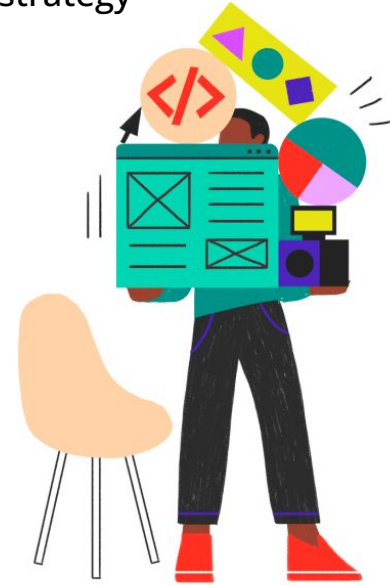
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Key takeaways

1) Addressing a massive and growing TAM with a unique business model—
   $166B today, increasing to $476B by 2027[1]

2) Since 2019, Udemy delivered a 32% revenue CAGR, and expanded
   non-GAAP gross margin[2] by 900 basis points

3) Long runway for growth, driven by proven land-and-expand model for
   Udemy Business and macro tailwinds

4) Clear path to profitability by 2024 and compelling long-term targets

1. Arizton E-Learnings Global Forecast & Outlook 2022 - 2027
2. Non-GAAP metric. Please see Appendix for reconciliation.

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Concluding Remarks

Gregg Coccari
Chairman & CEO

Key takeaways

1) Differentiated and efficient go-to-market strategy and global customer acquisition engine.

2) Data-driven global marketplace supports with most complete collection of high-quality and relevant content.

3) Strong ~70% YoY ARR growth and long runway for expansion as we reskill and upskill workforces across the globe.

4) Udemy is a leader in a massive and growing market opportunity with a clear path to adjusted EBITDA profitability by 2024.

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Thank you

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Investor Day 2022