

Q4 2021

Investor Presentation

February 10, 2022

Disclaimer

Information contained in this presentation is current as of the Q4 2021 earnings date

Non-GAAP Financial Measures

In addition to financial information presented in accordance with GAAP, this press release includes non-GAAP gross profit, non-GAAP net loss, adjusted EBITDA, adjusted EBITDA margin and Free Cash Flow, each of which is a non-GAAP financial measure. These are key measures used by our management to help us analyze our financial results, establish budgets and operational goals for managing our business, evaluate our performance, and make strategic decisions. Accordingly, we believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. In addition, we believe these measures are useful for period-to-period comparisons of our business. We also believe that the presentation of these non-GAAP financial measures provides an additional tool for investors to use in comparing our core business and results of operations over multiple periods with other companies in our industry, many of which present similar non-GAAP financial measures to investors, and to analyze our cash performance. However, the non-GAAP financial measures presented may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. These non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered as a substitute for or in isolation from financial information presented in accordance with GAAP. These non-GAAP metrics have limitations as analytical tools.

Forward Looking Statements

This presentation contains forward-looking statements that involve substantial risks and uncertainties. Any statements contained in this press release that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as: “accelerate,” “anticipate,” “believe,” “can,” “continue,” “could,” “demand,” “estimate,” “expand,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “outlook,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. These forward-looking statements include, but are not limited to, statements regarding: Coursera's growing prominence as a global destination for learners seeking job-relevant skills and the platform through which institutions are driving collaboration; broadening access to higher education and creating a new and inclusive learning model; the demand for online learning; anticipated features and benefits of our customer and partner relationships and our content and platform offerings; the anticipated utility of non-GAAP measures; anticipated growth rates; and our financial outlook, future financial performance, and expectations, among others. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from the information expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following: our ability to manage our growth; our limited operating history; the nascency of online learning solutions and risks related to market adoption of online learning; our ability to maintain and expand our partnerships with our university and industry partners and to create opportunities with new partners; our dependence on our partners for content available on our platform; our ability to attract and retain learners; our ability to increase sales of our Enterprise offering; our ability to compete effectively; the COVID-19 pandemic's impact on our business and our industry; regulatory matters impacting us or our partners; risks related to intellectual property; cyber security and privacy risks and regulations; potential disruptions to our platform; risks related to international operations, including regulatory, economic, and geopolitical conditions, and our status as a B Corp, as well as the risks and uncertainties discussed in our Annual Report on Form 10-K for the year ended December 31, 2021 and as detailed from time to time in our SEC filings. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Such forward-looking statements relate only to events as of the date of this press release. We undertake no obligation to update any forward-looking statements except to the extent required by law.



Investment Highlights



41% revenue growth in 2021, with 30% growth outlook in 2022



Structurally expanding gross margins driven by revenue mix shift based on segment growth trajectory



Global learning platform serving **97 million registered learners**



Efficient **low-cost acquisition** driven by branded content, freemium model, & learner base



Reinventing the **\$2+ trillion higher education market** amidst increasing demand for online learning



Predictability increasing with growth in annual recurring revenues from Enterprise & Degrees






Unified platform delivers courses, certificates, & degrees from **250+ universities & industry leaders**



Public Benefit Corporation founded on the belief that learning has the power to change the world

Strong growth across our 3 business segments

Segment	How we generate revenue	Q4 2021		Full Year 2021	
		Revenue	Segment Margin ¹	Revenue	Segment Margin ¹
 CONSUMER	Learners can watch video lectures for free and can pay to earn course certificates upon completion. Individuals pay for single courses or subscriptions for multi-course offerings.	\$65.8M +24% y/y	69% 31% content cost	\$246.2M +28% y/y	66% 34% content cost
 ENTERPRISE	Institutions can access our catalog of learning products (excluding Degrees) and pay for annual seat license subscriptions .	\$35.9M +72% y/y	68% 32% content cost	\$120.4M +70% y/y	67% 33% content cost
 DEGREES	Universities partner with us to develop & deliver online degrees and pay Coursera a percentage fee based on student tuition.	\$13.3M +43% y/y	100% no content cost	\$48.7M +63% y/y	100% no content cost
TOTAL		\$115.0M +38% y/y		\$415.3M +41% y/y	

¹ Defined as segment revenue less content costs in our audited financial statements. There is no content cost attributable to the Degrees segment. Numbers are rounded for presentation purposes.

Contents

01 The future of learning

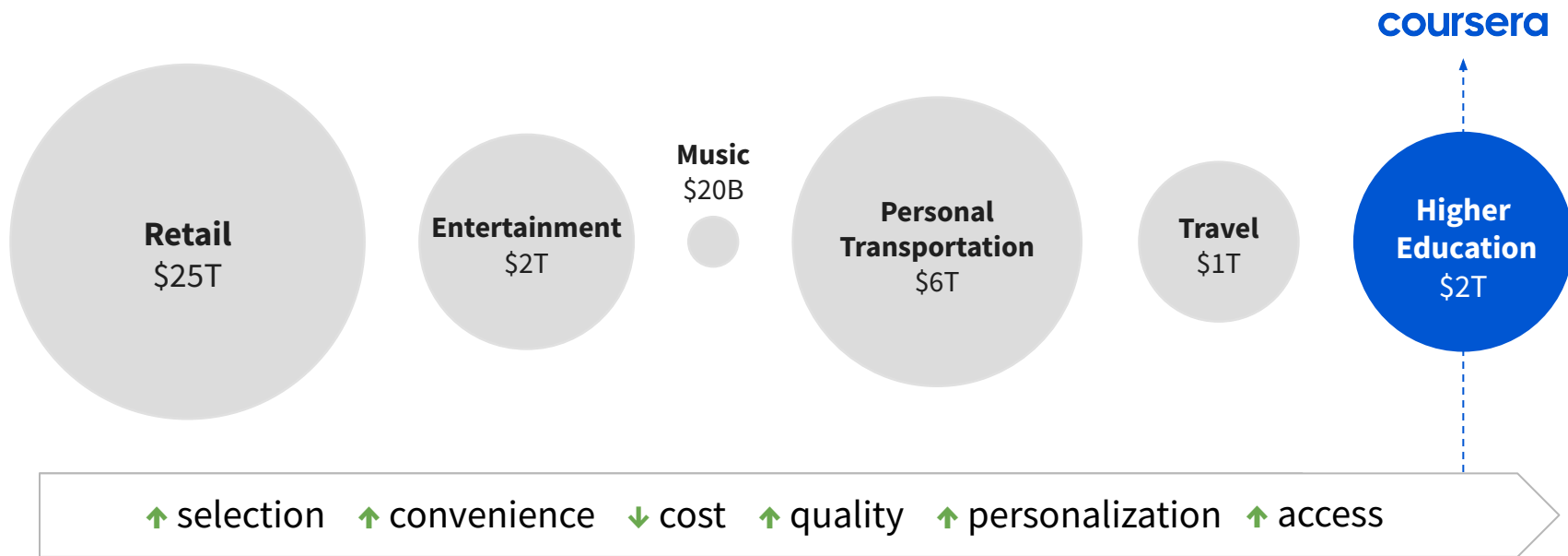
02 Our global learning ecosystem

03 Financial results & outlook



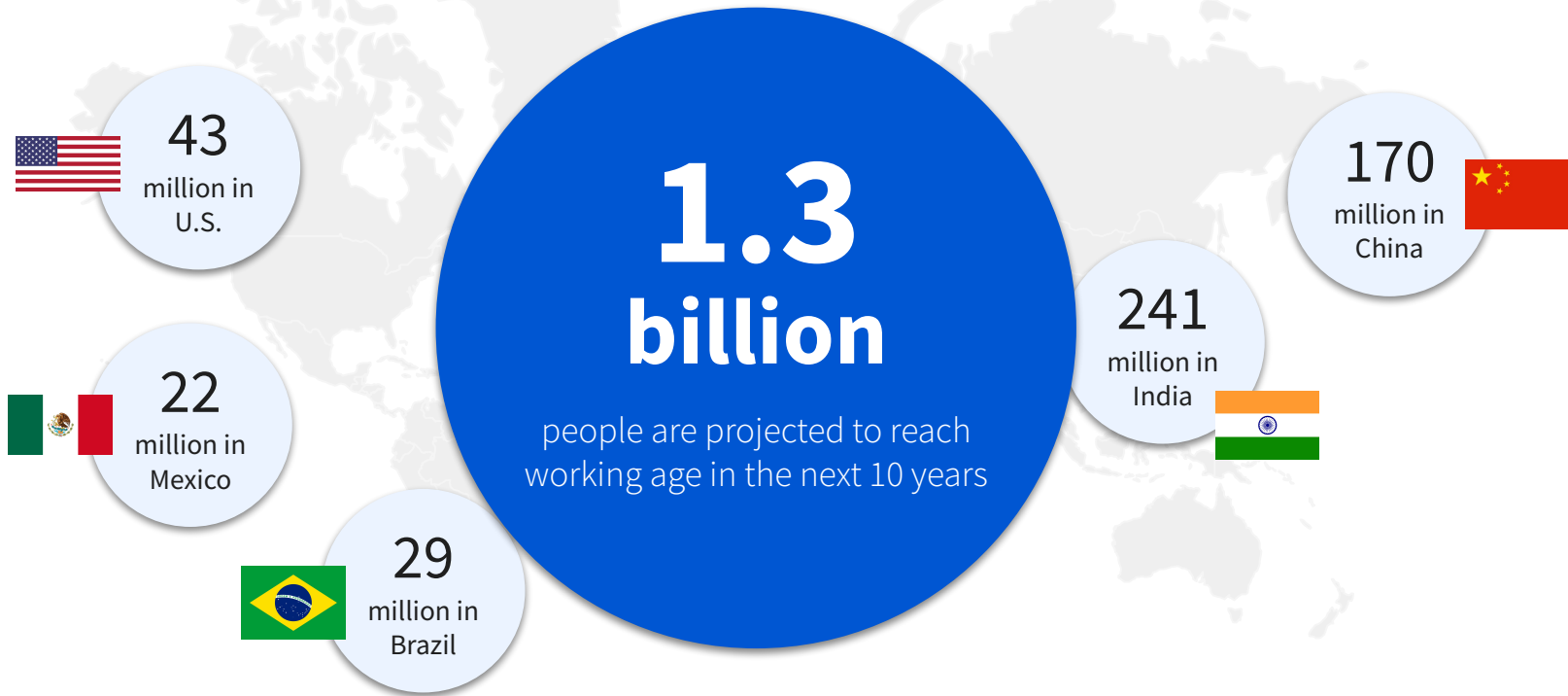
Higher education is being replatformed

The force of technology is transforming industry after industry, but higher education has seen relatively little innovation over the past 3 centuries



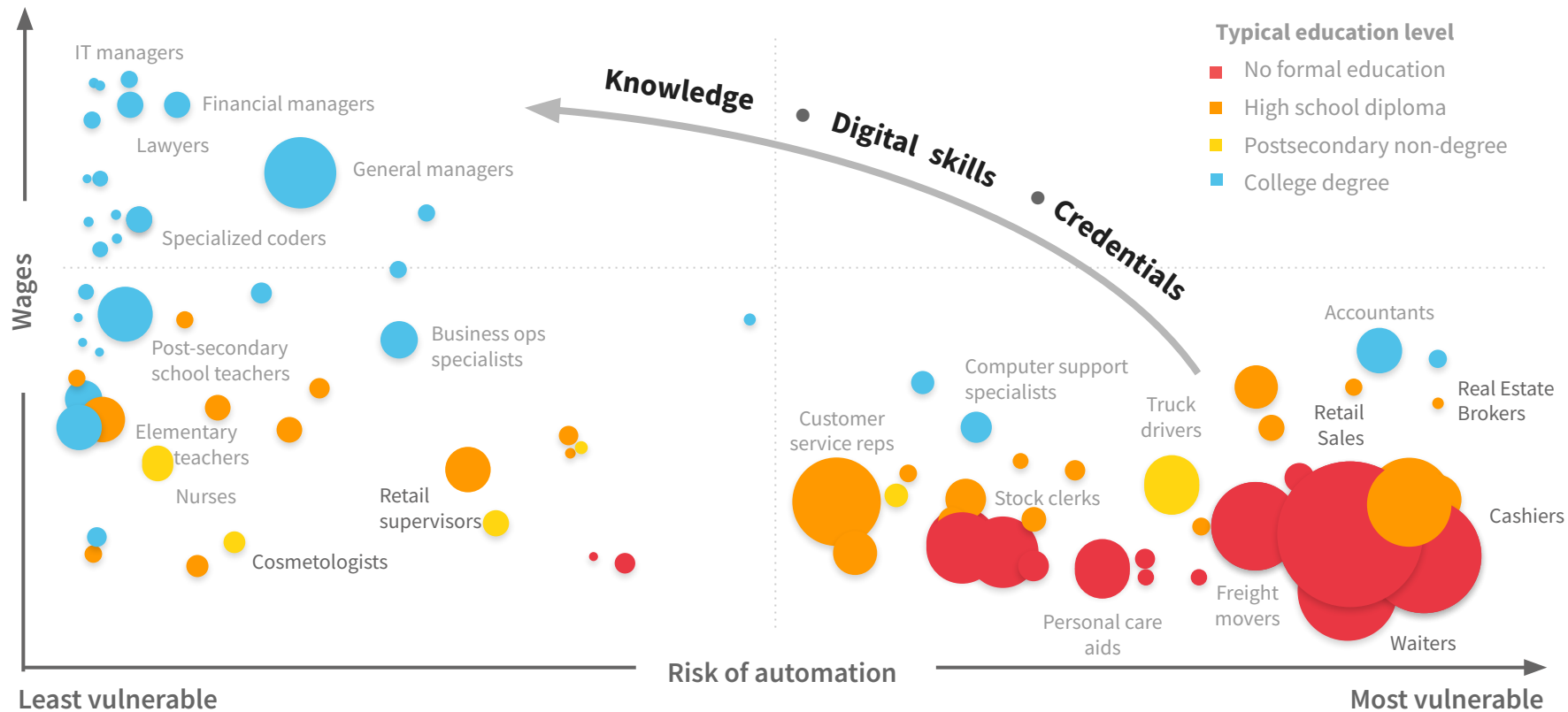
Note: Area of circles are illustrative and do not directly reflect relative proportional market size. Market sizes are based on company prospectuses and third-party reports, as of various dates.

The need for global education is growing



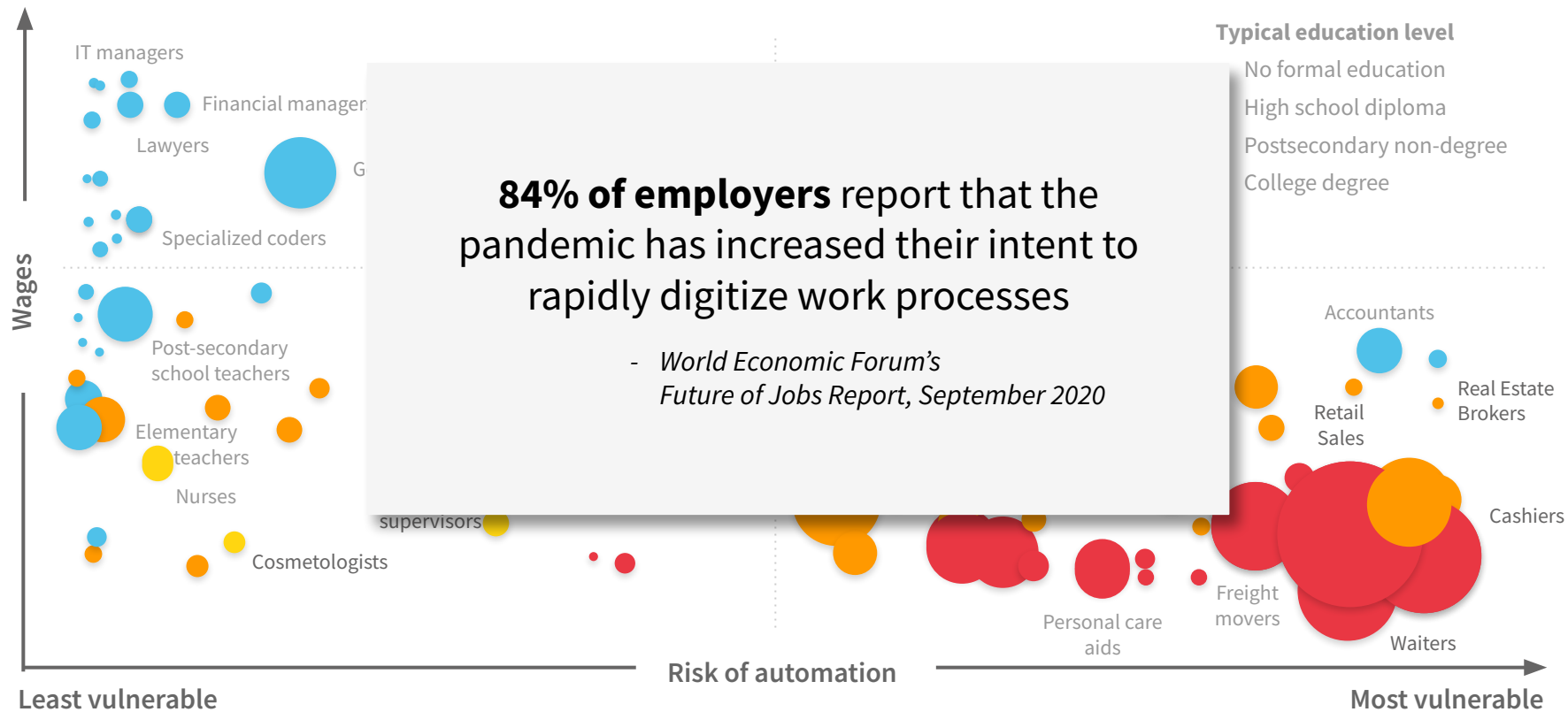
Note: Source: UN, World Population Prospects, 2019. Working age defined as 15-64. Note: Figures are approximate.

Low-skilled jobs are at risk of automation



Source: Bloomberg, 2017 based on Oxford University & the Bureau of Labor Statistics.

Low-skilled jobs are at risk of automation

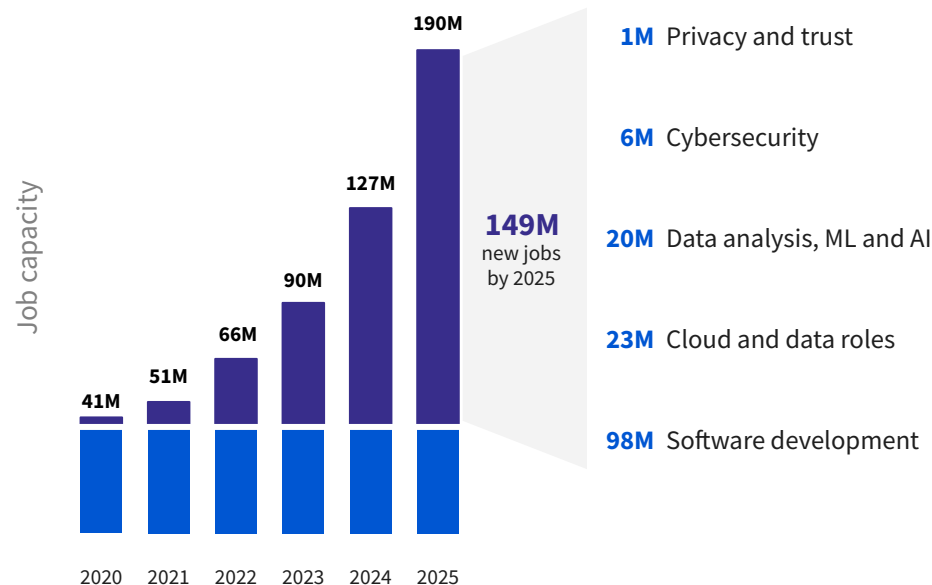


Emerging job opportunities require digital skills

Top 10 jobs with increasing demand ¹

- 1 Data Analyst and Scientists
- 2 AI / ML Learning Specialists
- 3 Big Data Specialists
- 4 Digital Marketing and Strategy Specialists
- 5 Process Automation Specialists
- 6 Business Development Professionals
- 7 Digital Transformation Specialists
- 8 Information Security Analysts
- 9 Software / Application Developers
- 10 Internet of Things Specialists

Digital job capacity from 2020-2025 ²



Access to higher education is limited



Contents

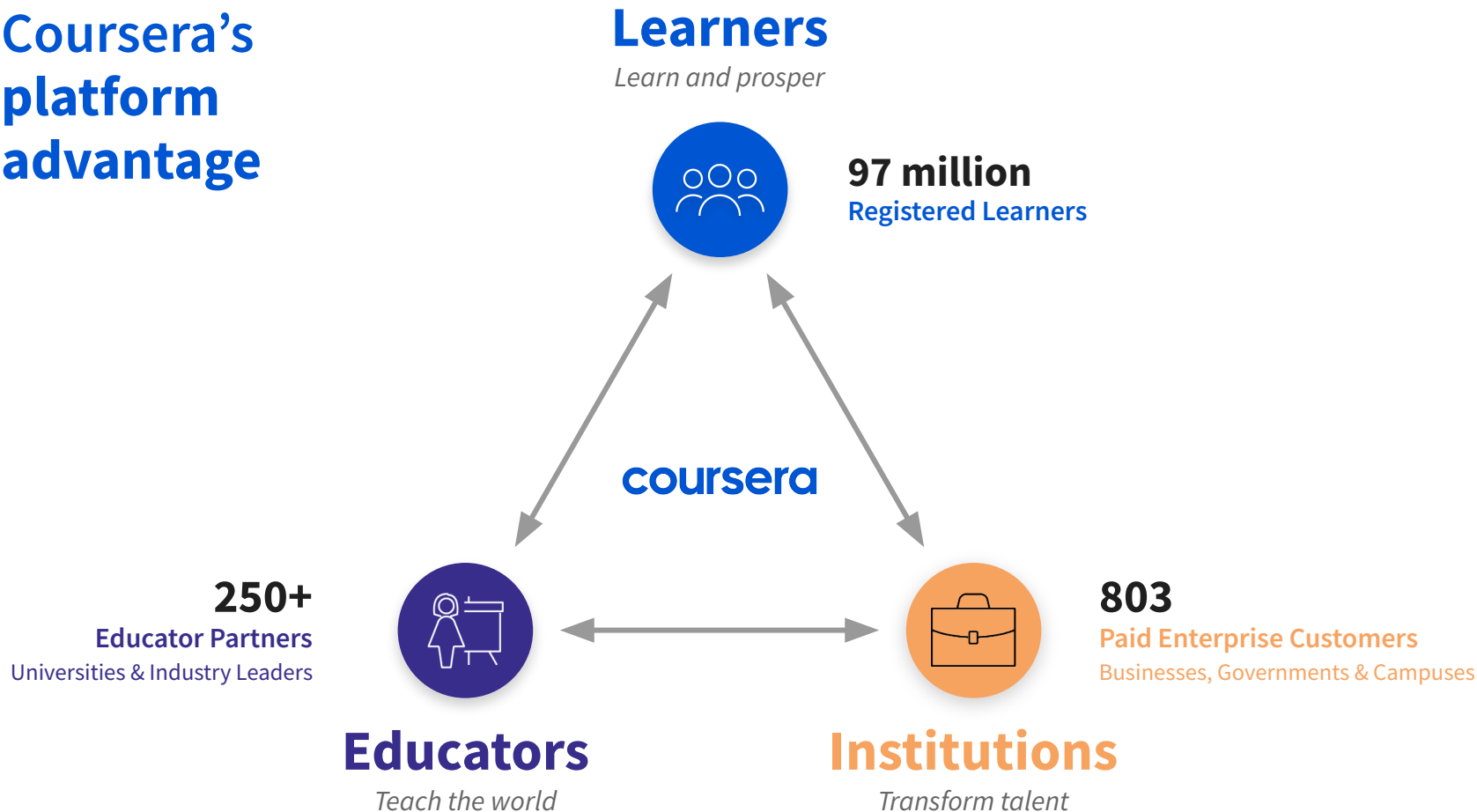
01 The future of learning

02 Our global learning ecosystem

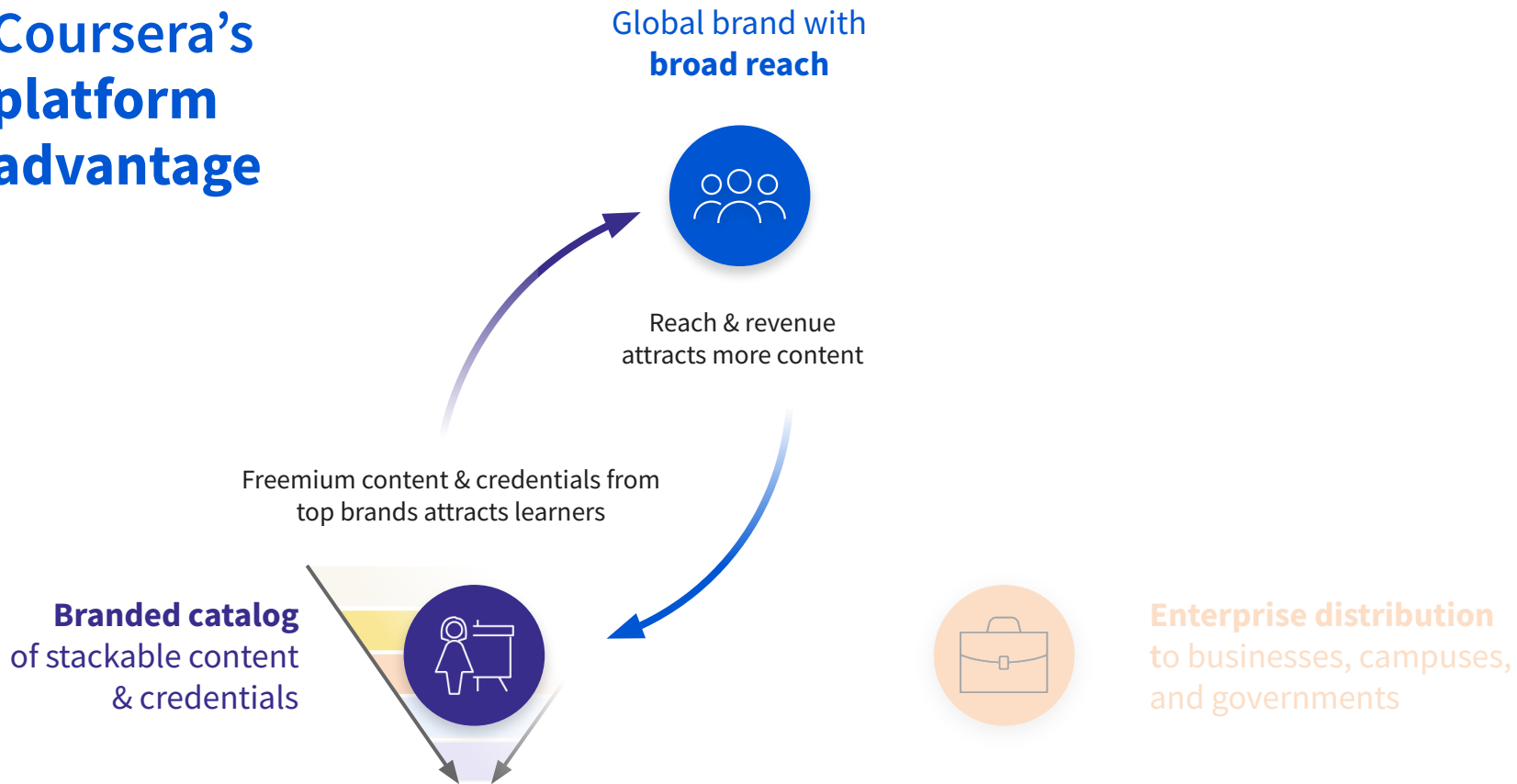
03 Financial results & outlook



Coursera's platform advantage



Coursera's platform advantage



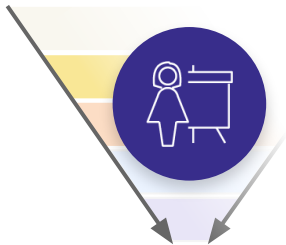
Coursera's platform advantage

Global brand with
broad reach



Branded, quality content
attracts institutions

Branded catalog
of stackable content
& credentials



Enterprise distribution
to businesses, campuses,
and governments



Employers provide
revenue, skill signals

Coursera's platform advantage

Global brand with **broad reach**



More learners drives brand, sales leads, & skills benchmarking

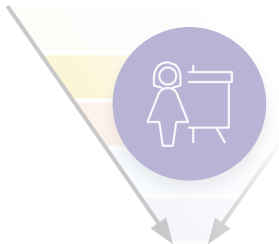


Employers provide skill signals & job opportunities

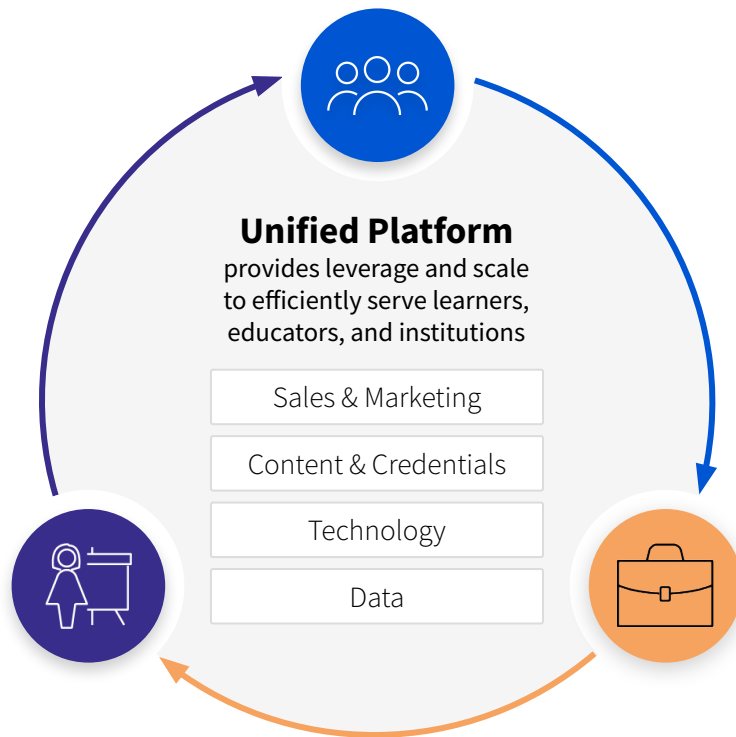


Enterprise distribution to businesses, campuses, and governments

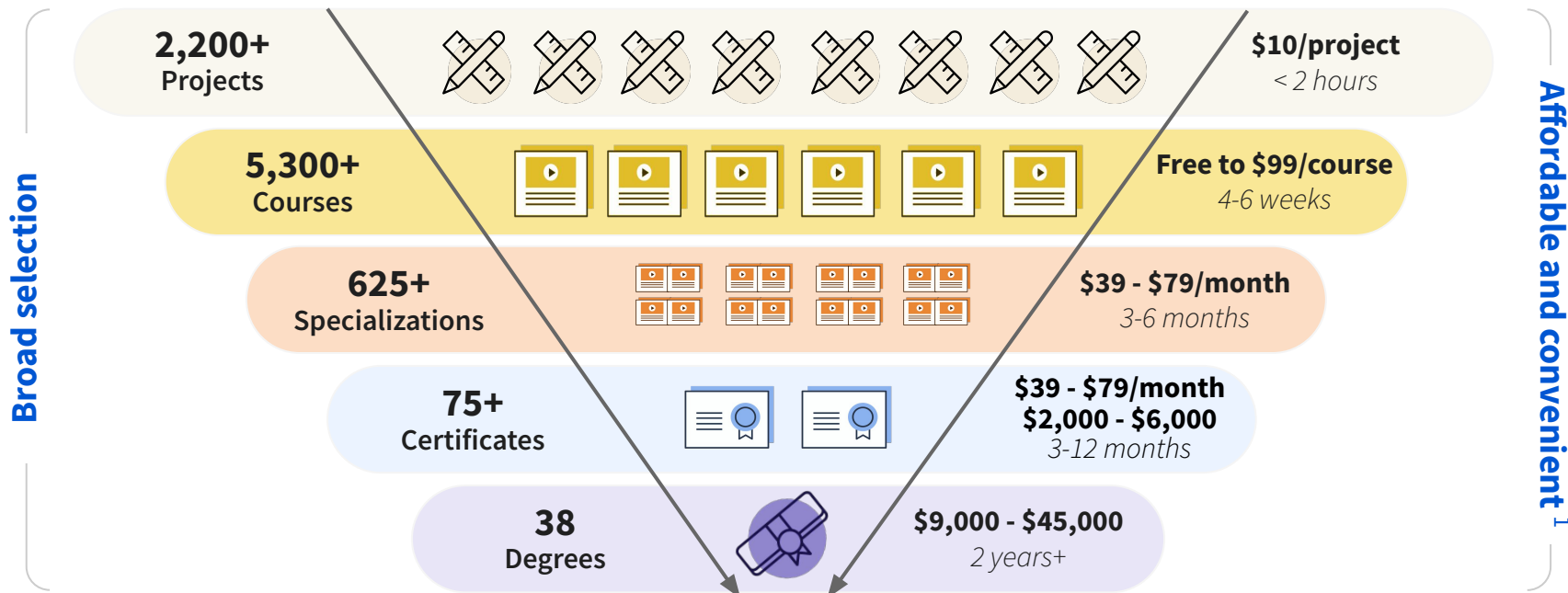
Branded catalog of stackable content & credentials



Coursera's platform advantage



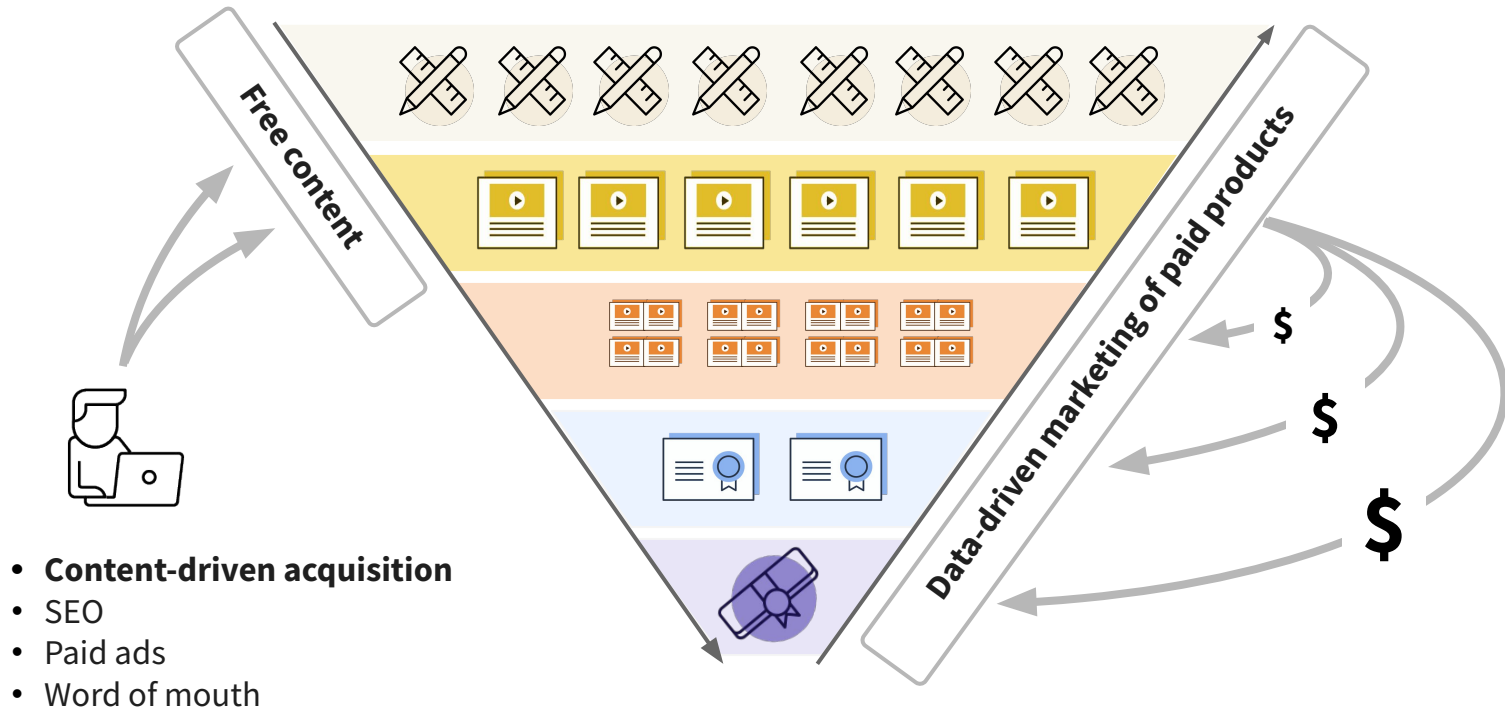
Stackable content & credentials from leading brands



¹ Prices reflect rounded ranges applicable to nearly all content and credentials; a small percentage may exceed the top and bottom ends of the range.

Source: Coursera data, as of the Q4 2021 earnings date. Note: The number of Degrees reflects master's, bachelor's, and postgraduate diploma programs with multiple tracks as a single count.

Stackable content & credentials from leading brands



Growing catalog of entry-level certificates

Business



Facebook Social Media Marketing
Professional Certificate (2020), ACE®



Sales Development Representative
Professional Certificate (2020)



Project Management
Professional Certificate (2021), ACE®



Sales Operations
Professional Certificate (2021)



Bookkeeping
Professional Certificate (2021)



Facebook Marketing Analyst
Professional Certificate (2021)

Computer Science & IT



IT Support
Professional Certificate (2018), ACE®



Cybersecurity Analyst
Professional Certificate (2020), ACE®



Full Stack Cloud Developer
Professional Certificate (2021)



UX Design
Professional Certificate (2021), ACE®



DevOps & Software Engineering
Professional Certificate (2022)



Mainframe Practitioner
Professional Certificate (2022)

Data Science



Data Science
Professional Certificate (2018), ACE®



Data Analyst
Professional Certificate (2020), ACE®



Data Analytics
Professional Certificate (2021), ACE®



Data Analytics with Excel & R
Professional Certificate (2021)

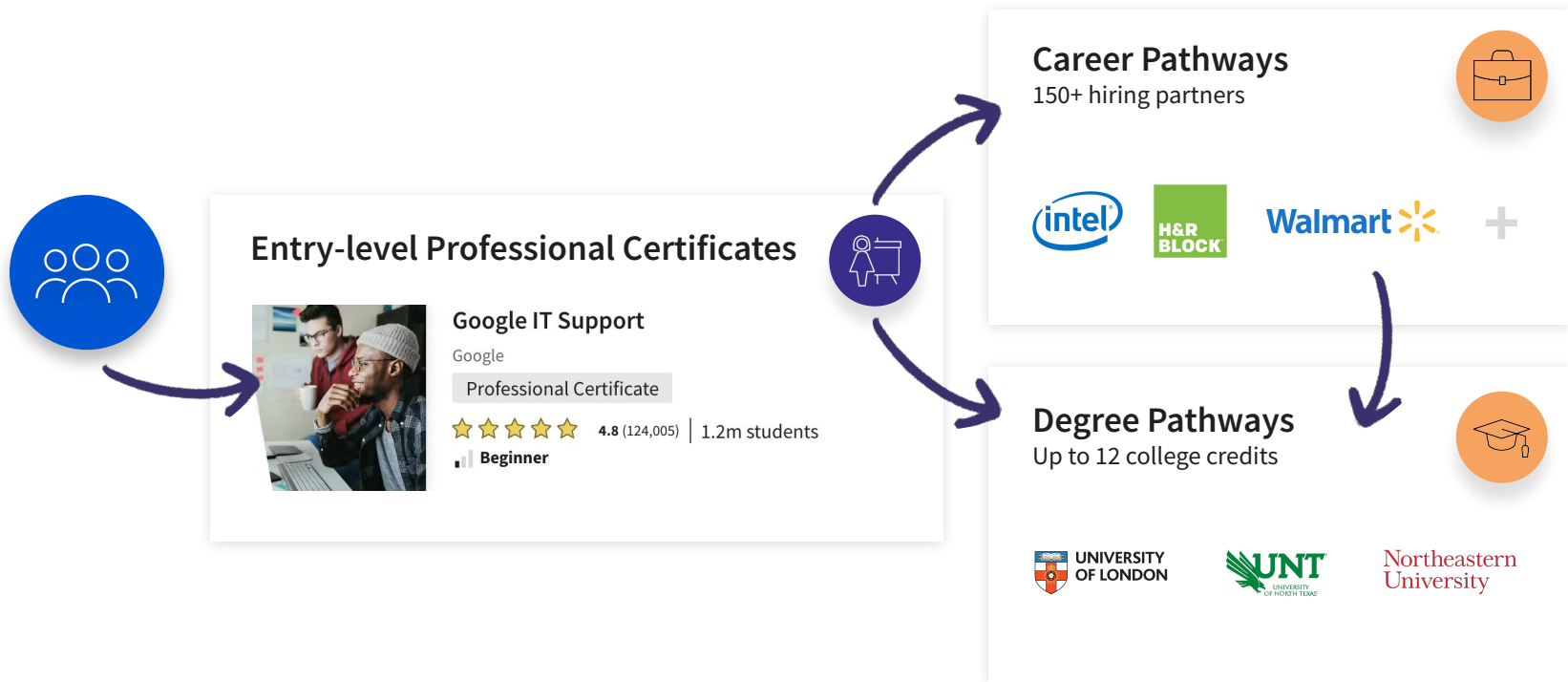


Data Engineering
Professional Certificate (2021)

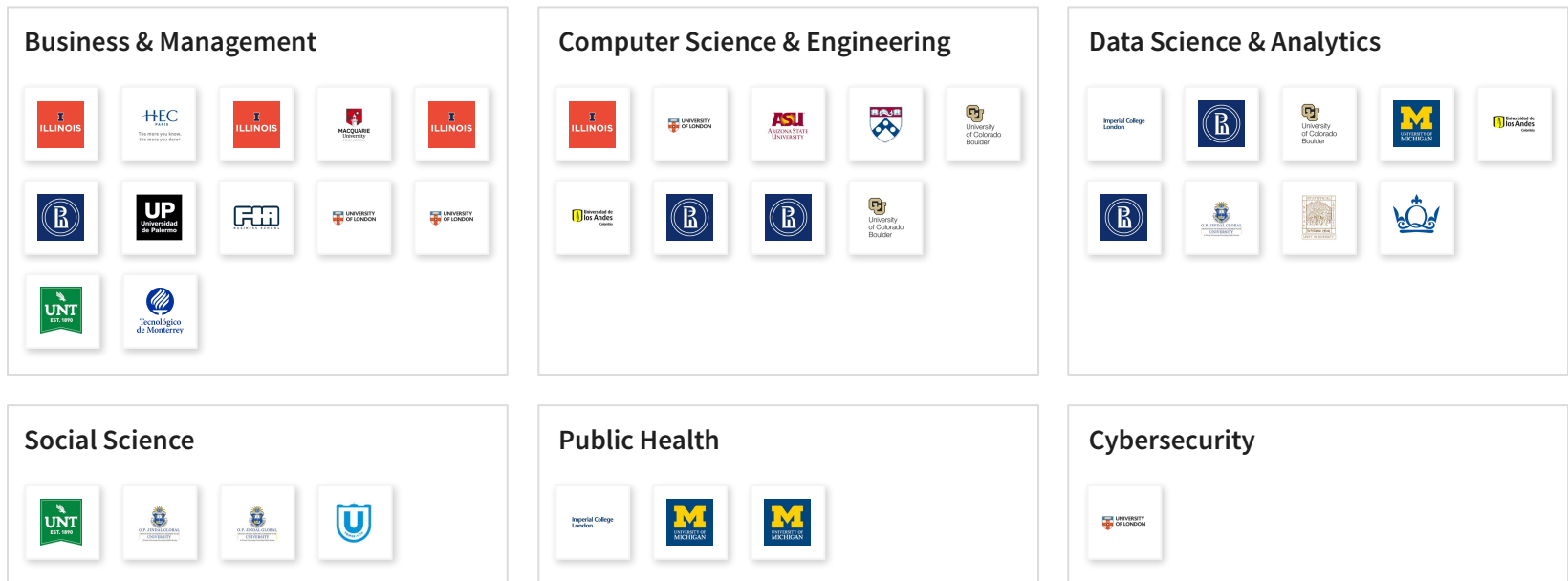


Data Warehouse Engineer
Professional Certificate (2021)

Career certificates are a path to digital jobs



Expanding portfolio of degree programs

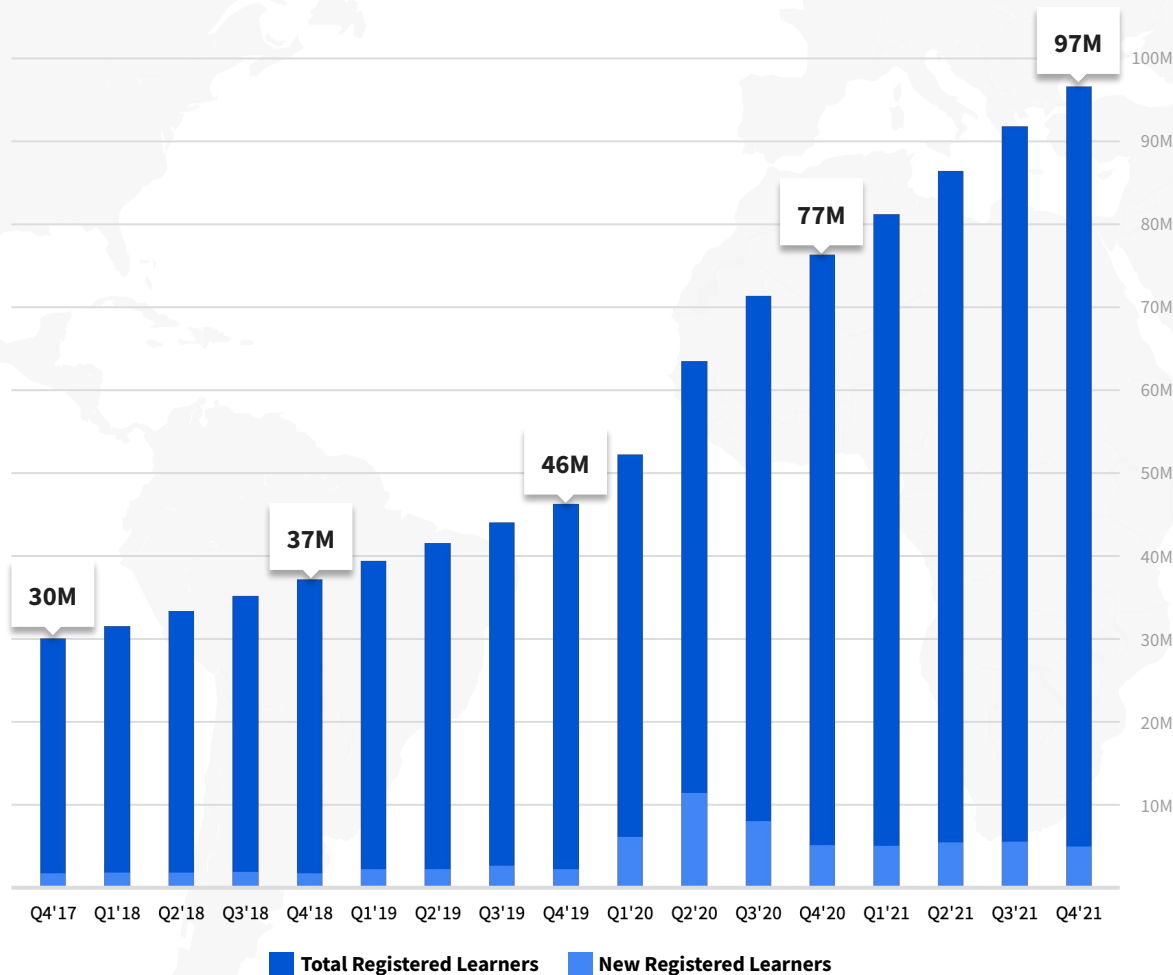


38 announced degree programs spanning 10 countries

32 master's degrees, 5 bachelor's degrees, 1 postgraduate diploma | 24 international, 14 U.S.

Expanding global reach with scale advantages

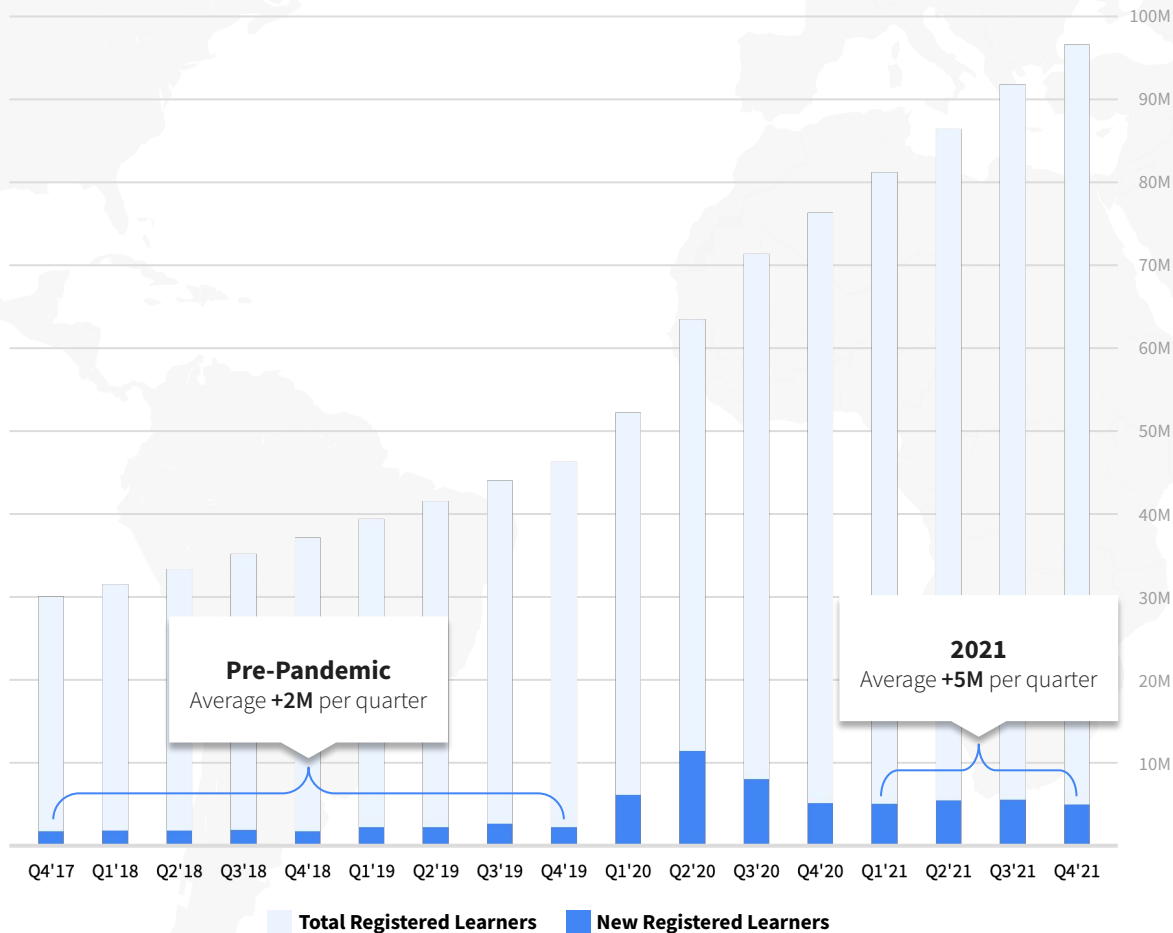
Coursera is increasingly becoming a **global destination for learners** seeking job-relevant skills to advance their careers



Coursera data, as of December 31, 2021.

Expanding global reach with scale advantages

Coursera is increasingly becoming a **global destination for learners** seeking job-relevant skills to advance their careers



Coursera data, as of December 31, 2021.

Contents

01 The future of learning

02 Our global learning ecosystem

03 Financial results & outlook



Consumer

\$65.8M

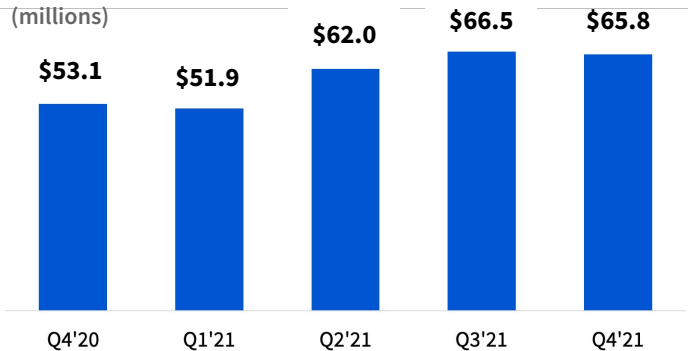
+24% y/y

Strong demand for our portfolio of entry-level Professional Certificates and continued adoption of Coursera Plus

5 million new Registered Learners added during the quarter for a total base of **97 million**¹

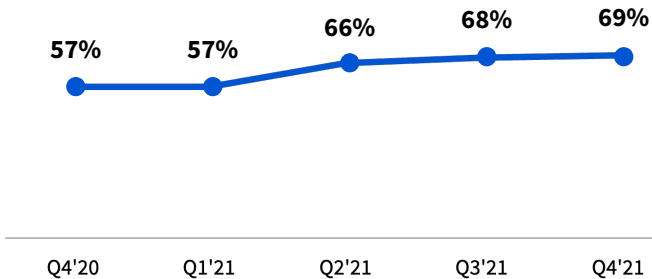
Revenue

(millions)



Segment Margin²

(percentage of Consumer revenue)



¹ See Appendix slide "Key Business Metrics Definitions" for more information.

² Defined as segment revenue less content costs in our audited financial statements.

Enterprise

\$35.9M

+72% y/y

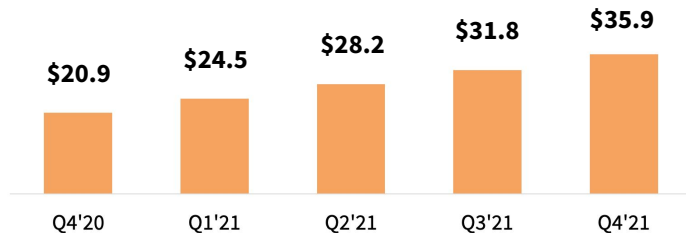
Robust growth across business, campus, and government customers as institutions continue to invest in digital skills

Total number of Paid Enterprise Customers increased **+107% y/y to 803¹**

Net Retention Rate (NRR) for Paid Enterprise Customers was **110%¹**

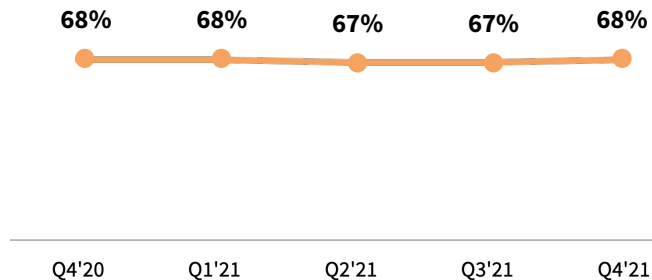
Revenue

(millions)



Segment Margin ²

(percentage of Enterprise revenue)



¹ See Appendix slide "Key Business Metrics Definitions" for more information.

² Defined as segment revenue less content costs in our audited financial statements.

Degrees

\$13.3M

+43% y/y

Prior cohorts continued to scale, including existing and newly launched programs

Degrees Students reached **16,204**, up **+36% y/y**¹

Revenue

(millions)



Segment Margin²

(percentage of Degrees revenue)



Q4'20

Q1'21

Q2'21

Q3'21

Q4'21

¹ See Appendix slide "Key Business Metrics Definitions" for more information.

² There is no content cost attributable to the Degrees segment as students pay tuition directly to the university, and the university pays us a fee based on the amount of tuition.

Guidance

	Q1 2022	Full Year 2022
Revenue	\$114 - 118 million	\$536 - 544 million
Adjusted EBITDA¹	\$(15.5) - (18.5) million	\$(45.5) - (51.5) million
Weighted Average Share Count - Basic	142 million	144 million
Weighted Average Share Count - Diluted	159 million	162 million

¹ We defined adjusted EBITDA as our net loss excluding: (1) depreciation and amortization; (2) interest income, net; (3) stock-based compensation; (4) income tax expense; and (5) payroll tax expense related to stock-based activities. Please see the Appendix for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures historical periods. Reconciliations are not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

Multiple growth levers

The transformation of higher education is just getting started, with many opportunities to drive growth for Coursera in the coming years



Expanding Enterprise

Expand Enterprise sales organization to win new logos and grow existing customer relationships



Launching Degrees

Expand the number of online degrees and the number of students in Degree programs



Growing Consumer

Continue to grow our learner base with freemium flywheel and improve data-driven targeting of paid content



Localizing for Learners

Improve go-to-market effectiveness with configurable localization, especially in emerging markets

Appendix

Operating Segments

	Q4 2020		Q4 2021		Change	Full Year 2020		Full Year 2021		Change
Consumer:										
Revenue	\$	53,064	\$	65,755	24%	\$	192,909	\$	246,187	28%
Percentage of total revenue		64%		57%			66%		59%	
Cost of revenue ⁽¹⁾		22,595		20,136			86,400		84,677	
Segment gross profit		30,469		45,619	50%		106,509		161,510	52%
Segment gross margin		57.4%		69.4%			55.2%		65.6%	
Enterprise:										
Revenue	\$	20,903	\$	35,911	72%	\$	70,784	\$	120,429	70%
Percentage of total revenue		25%		31%			24%		29%	
Cost of revenue ⁽¹⁾		6,753		11,669			21,812		39,176	
Segment gross profit		14,150		24,242	71%		48,972		81,253	66%
Segment gross margin		67.7%		67.5%			69.2%		67.5%	
Degrees:										
Revenue	\$	9,295	\$	13,290	43%	\$	29,818	\$	48,671	63%
Percentage of total revenue		11%		12%			10%		12%	
Cost of revenue ⁽²⁾		-		-			-		-	
Segment gross profit		9,295		13,290	43%		29,818		48,671	63%
Segment gross margin		100.0%		100.0%			100.0%		100.0%	

1 Defined as segment revenue less content costs in our audited financial statements.

2 There is no content cost attributable to the Degrees segment as students pay tuition directly to the university, and the university pays us a fee based on the amount of tuition.

Note: \$ in thousands, except all percentages. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Quarter Ended December 31, 2021

	GAAP	Stock-based Compensation	Payroll tax expense related to stock-based activities	Non-GAAP
Revenue	\$ 114,956	—	\$ —	\$ 114,956
Cost of revenue	43,669	(555)	(11)	43,103
Gross profit	71,287	555	11	71,853
Operating expenses:				
Research and development	38,331	(11,133)	(151)	27,047
Sales and marketing	57,594	(6,488)	(86)	51,020
General and administrative	22,852	(5,140)	(82)	17,630
Total operating expenses	118,777	(22,761)	(319)	95,697
Loss from operations	(47,490)	23,316	330	(23,844)
Interest income	93	—	—	93
Other income, net	(95)	—	—	(95)
Loss before income taxes	(47,492)	23,316	330	(23,846)
Income tax expense	246	—	—	246
Net loss	\$ (47,738)	23,316	330	\$ (24,092)
Net loss per share attributable to common stockholders—basic and diluted	\$ (0.34)			\$ (0.17)
Weighted-average shares used in computing net loss per share attributable to common stockholders—basic and diluted	141,117,797			141,117,797

Note: \$ in thousands, except percentages and per share figures. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Quarter Ended December 31, 2020

	GAAP	Stock-based Compensation	Payroll tax expense related to stock-based activities	Non-GAAP
Revenue	\$ 83,262	—	—	\$ 83,262
Cost of revenue	39,764	(156)	—	39,608
Gross profit	43,498	156	—	43,654
Operating expenses:				
Research and development	23,335	(2,274)	(11)	21,050
Sales and marketing	34,977	(1,380)	(12)	33,585
General and administrative	11,376	(1,720)	(48)	9,608
Total operating expenses	69,688	(5,374)	(71)	64,243
Loss from operations	(26,190)	5,530	71	(20,589)
Interest income	95	—	—	95
Other income, net	111	—	—	111
Loss before income taxes	(25,984)	5,530	71	(20,383)
Income tax expense	734	—	—	734
Net loss	\$ (26,718)	5,530	71	\$ (21,117)
Net loss per share attributable to common stockholders—basic and diluted	\$ (0.68)			\$ (0.54)
Weighted-average shares used in computing net loss per share attributable to common stockholders—basic and diluted	39,122,597			39,122,597

Note: \$ in thousands, except percentages and per share figures. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2021

	GAAP	Stock-based Compensation	Payroll tax expense related to stock-based activities	Non-GAAP
Revenue	\$ 415,287	—	\$ —	\$ 415,287
Cost of revenue	165,818	(2,092)	(64)	163,662
Gross profit	249,469	2,092	64	251,625
Operating expenses:				
Research and development	135,410	(42,783)	(755)	91,872
Sales and marketing	179,337	(25,992)	(248)	153,097
General and administrative	77,785	(20,316)	(576)	56,893
Total operating expenses	392,532	(89,091)	(1,579)	301,862
Loss from operations	(143,063)	91,183	1,643	(50,237)
Interest income	320	—	—	320
Other income, net	(346)	—	—	(346)
Loss before income taxes	(143,089)	91,183	1,643	(50,263)
Income tax expense	2,126	—	—	2,126
Net loss	\$ (145,215)	91,183	1,643	\$ (52,389)
Net loss per share attributable to common stockholders—basic and diluted	\$ (1.28)			\$ (0.46)
Weighted-average shares used in computing net loss per share attributable to common stockholders—basic and diluted	113,587,523			113,587,523

Note: \$ in thousands, except percentages and per share figures. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2020

	GAAP	Stock-based Compensation	Payroll tax expense related to stock-based activities	Non-GAAP
Revenue	\$ 293,511	—	—	\$ 293,511
Cost of revenue	138,846	(516)	—	138,330
Gross profit	154,665	516	—	155,181
Operating expenses:				
Research and development	76,784	(6,960)	(31)	69,793
Sales and marketing	107,249	(4,097)	(22)	103,130
General and administrative	37,215	(5,234)	(205)	31,776
Total operating expenses	221,248	(16,291)	(258)	204,699
Loss from operations	(66,583)	16,807	258	(49,518)
Interest income	1,175	—	—	1,175
Interest expense	(12)	—	—	(12)
Other income, net	120	—	—	120
Loss before income taxes	(65,300)	16,807	258	(48,235)
Income tax expense	1,515	—	—	1,515
Net loss	\$ (66,815)	16,807	258	\$ (49,750)
Net loss per share attributable to common stockholders—basic and diluted	\$ (1.80)			\$ (1.34)
Weighted-average shares used in computing net loss per share attributable to common stockholders—basic and diluted	37,207,492			37,207,492

Note: \$ in thousands, except percentages and per share figures. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Adjusted EBITDA

	Q4 2020	Q4 2021	Full Year 2020	Full Year 2021
Net loss	(26,718)	(47,738)	(66,815)	(145,215)
Depreciation and amortization	2,712	4,249	9,585	14,757
Interest income, net	(95)	(93)	(1,163)	(320)
Stock-based compensation	5,530	23,316	16,807	91,183
Income tax expense	734	246	1,515	2,126
Payroll tax expense related to stock-based activities	71	330	258	1,643
Adjusted EBITDA	(17,765)	(19,690)	(39,813)	(35,826)
Adjusted EBITDA margin	(21)%	(17)%	(14)%	(9)%

Note: \$ in thousands. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Free Cash Flow

	Q4 2020	Q4 2021	Full Year 2020	Full Year 2021
Net cash (used in) provided by operating activities	(17,533)	805	(14,991)	1,746
Less: Purchases of property, equipment, and software	(865)	(326)	(3,099)	(1,554)
Less: Capitalized internal-use software costs	(2,784)	(2,378)	(8,819)	(12,090)
Free Cash Flow	(21,182)	(1,899)	(26,909)	(11,898)

Note: \$ in thousands. Numbers are rounded for presentation purposes.

Key Business Metrics Definitions

Registered Learners

We count the total number of registered learners at the end of each period. For purposes of determining our registered learner count, we treat each customer account that registers with a unique email as a registered learner and adjust for any spam, test accounts, and cancellations. Our registered learner count is not intended as a measure of active engagement. New registered learners are individuals that register in a particular period.

Paid Enterprise Customers

We count the total number of Paid Enterprise Customers at the end of each period. For purposes of determining our customer count, we treat each customer account that has a corresponding contract as a unique customer, and a single organization with multiple divisions, segments, or subsidiaries may be counted as multiple customers. We define a “Paid Enterprise Customer” as a customer who purchases Coursera via our direct sales force. For purposes of determining our Paid Enterprise Customer count, we exclude our Enterprise customers who do not purchase Coursera via our direct sales force, which include organizations engaging on our platform through our Coursera for Teams offering or through our channel partners.

Net Retention Rate (NRR) for Paid Enterprise Customers

We calculate annual recurring revenue (“ARR”) by annualizing each customer’s monthly recurring revenue (“MRR”) for the most recent month at period end. We calculate “Net Retention Rate” as of a period end by starting with the ARR from all Paid Enterprise Customers as of the twelve months prior to such period end, or Prior Period ARR. We then calculate the ARR from these same Paid Enterprise Customers as of the current period end, or Current Period ARR. Current Period ARR includes expansion within Paid Enterprise Customers and is net of contraction or attrition over the trailing twelve months, but excludes revenue from new Paid Customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at our Net Retention Rate.

Number of Degrees Students

We count the total number of Degrees students for each period. For purposes of determining our Degrees student count, we include all the students that are matriculated in a degree program and who are enrolled in one or more courses in such degree program during the period. If a degree term spans across multiple quarters, said student is counted as active in all quarters of the degree term. For purposes of determining our Degrees student count, we do not include students who are matriculated in the degree but are not enrolled in a course in that period.

2021 Impact Report

Serving the world through learning

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