



Investor Relations Data Sheet

Unaudited

Last updated: 04/29/24

In Thousands, Except Percentages, Subscription Services and Chegg Services Subscribers

	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24
REVENUES												
Total Net Revenues	\$ 776,265	\$ 202,244	\$ 194,721	\$ 164,739	\$ 205,193	\$ 766,897	\$ 187,601	\$ 182,853	\$ 157,854	\$ 187,987	\$ 716,295	\$ 174,350
Y/Y change	20 %	2 %	(2)%	(4)%	(1)%	(1)%	(7)%	(6)%	(4)%	(8)%	(7)%	(7)%
Subscription Services	\$ 616,817	\$ 173,037	\$ 175,424	\$ 146,001	\$ 177,506	\$ 671,968	\$ 168,440	\$ 165,855	\$ 139,912	\$ 166,313	\$ 640,520	\$ 154,051
Y/Y change	34 %	18 %	7 %	7 %	4 %	9 %	(3)%	(5)%	(4)%	(6)%	(5)%	(9)%
Skills and Other	\$ 159,448	\$ 29,207	\$ 19,297	\$ 18,738	\$ 27,687	\$ 94,929	\$ 19,161	\$ 16,998	\$ 17,942	\$ 21,674	\$ 75,775	\$ 20,299
Y/Y change	(13)%	(43)%	(45)%	(48)%	(25)%	(40)%	(34)%	(12)%	(4)%	(22)%	(20)%	6 %
Total Net Revenues	\$ 776,265	\$ 202,244	\$ 194,721	\$ 164,739	\$ 205,193	\$ 766,897	\$ 187,601	\$ 182,853	\$ 157,854	\$ 187,987	\$ 716,295	\$ 174,350
Y/Y change	20 %	2 %	(2)%	(4)%	(1)%	(1)%	(7)%	(6)%	(4)%	(8)%	(7)%	(7)%
Required Materials	\$ 106,371	\$ 17,432	\$ 5,645	\$ 5,475	\$ 4,456	\$ 33,008						
Y/Y change	(14)%	(52)%	(77)%	(78)%	(78)%	(69)%						
Chegg Services	\$ 669,894	\$ 184,812	\$ 189,076	\$ 159,264	\$ 200,737	\$ 733,889						
Y/Y change	29%	14%	9%	8%	7%	10%						
Total Net Revenues	\$ 776,265	\$ 202,244	\$ 194,721	\$ 164,739	\$ 205,193	\$ 766,897						
Y/Y change	20 %	2 %	(2)%	(4)%	(1)%	(1)%						
SUBSCRIBERS												
Subscription Services Subscribers	7,776,000	5,347,000	5,270,000	4,783,000	5,008,000	8,146,000	5,065,000	4,805,000	4,398,000	4,576,000	7,658,000	4,657,000
Y/Y change	19%	12%	9%	9%	8%	5%	(5)%	(9)%	(8)%	(9)%	(6)%	(8)%
Chegg Services Subscribers	7,779,000	5,349,000	5,273,000	4,786,000	5,011,000	8,152,000						
Y/Y change	18%	12%	9%	9%	8%	5%						
EBITDA AND ADJUSTED EBITDA												
EBITDA	\$ 86,768	\$ 33,362	\$ 30,877	\$ 108,197	\$ 29,157	\$ 201,593	\$ 33,173	\$ 71,891	\$ 39,540	\$ 39,199	\$ 183,803	\$ 27,976
% of revenue	11%	16%	16%	66%	25%	26%	18%	39%	25%	21%	26%	16%
Y/Y change	(32)%	n/m	(44)%	n/m	(37)%	n/m	(1)%	133 %	(63)%	34 %	n/m	(16)%
Adjusted EBITDA	\$ 265,859	\$ 62,172	\$ 68,326	\$ 50,019	\$ 74,008	\$ 254,525	\$ 57,556	\$ 59,829	\$ 38,834	\$ 66,170	\$ 222,389	\$ 46,740
% of revenue	34 %	31 %	35 %	30 %	36 %	33 %	31 %	33 %	25 %	35 %	31 %	27 %
Y/Y change	28 %	9 %	(19)%	8 %	(5)%	(4)%	(7)%	(12)%	(22)%	(11)%	(13)%	(19)%
RECONCILIATION OF NET (LOSS) INCOME TO EBITDA AND ADJUSTED EBITDA												
Net (loss) income	\$ (1,458)	\$ 5,742	\$ 7,476	\$ 251,562	\$ 1,858	\$ 266,638	\$ 2,186	\$ 24,612	\$ (18,283)	\$ 9,665	\$ 18,180	\$ (1,420)
Interest expense, net	6,896	1,597	1,616	1,525	1,302	6,040	1,268	1,114	733	658	3,773	650
Provision for (benefit from) income taxes	7,197	4,217	60	(167,264)	295	(162,692)	4,176	19,681	172	8,103	32,132	9,059
Print textbook depreciation expense	10,859	1,521	89	—	—	1,610	—	—	—	—	—	—
Other depreciation and amortization expense	63,274	20,285	21,636	22,374	25,702	89,997	25,543	26,484	56,918	20,773	129,716	19,687
EBITDA	86,768	33,362	30,877	108,197	29,157	201,593	33,173	71,891	39,540	39,199	183,803	27,976
Print textbook depreciation expense	(10,859)	(1,521)	(89)	—	—	(1,610)	—	—	—	—	—	—
Share-based compensation expense	108,846	33,084	31,087	34,170	35,115	133,456	33,746	35,920	31,930	31,906	133,502	29,289
Other income (expense), net	65,472	(6,180)	(1,809)	(97,258)	4,218	(101,029)	(12,076)	(64,103)	(40,492)	(5,139)	(121,810)	(10,780)
Content and related assets charge	—	—	—	—	—	—	—	—	7,647	—	7,647	—
Restructuring charges	1,922	—	—	—	—	—	—	5,704	—	—	5,704	—
Acquisition-related compensation costs	6,378	3,079	3,628	4,282	3,438	14,427	2,460	3,417	209	204	6,290	255
Transitional logistics charges	7,332	348	1,221	628	266	2,463	253	—	—	—	253	—
Impairment of lease related assets	—	—	3,411	—	1,814	5,225	—	—	—	—	—	—
Loss contingency	—	—	—	—	—	—	—	7,000	—	—	7,000	—
Adjusted EBITDA	\$ 265,859	\$ 62,172	\$ 68,326	\$ 50,019	\$ 74,008	\$ 254,525	\$ 57,556	\$ 59,829	\$ 38,834	\$ 66,170	\$ 222,389	\$ 46,740

Notes:

*Subscription Services revenue primarily includes Chegg Study Pack, Chegg Study, Chegg Writing, Chegg Math, and Busuu.

*Chegg Services revenue primarily includes Chegg Study Pack, Chegg Study, Chegg Writing, Chegg Math, Busuu, and Chegg Skills. Beginning in Q1'23, we changed our revenue disaggregation to Subscription Services and Skills and Other to better reflect the nature and timing of revenue and cash flows. As a result, we no longer present Chegg Services and Required Materials revenue separately.

*Subscription Services subscribers include Chegg Study Pack, Chegg Study, Chegg Writing, Chegg Math and Busuu customers who have paid to access the service during the time period.

*Chegg Services subscribers include Chegg Study Pack, Chegg Study, Chegg Writing, Chegg Math, Busuu and Chegg Skills customers who have paid to access the service during the time period. Beginning in Q1'23, consistent with our revenue disaggregation change, we no longer present Chegg Services subscribers separately.

*Q1'22 Chegg Services subscribers were adjusted on May 1, 2023.

*Adjusted EBITDA is net (loss) income before interest expense, net, provision for (benefit from) income taxes, print textbook depreciation expense and other depreciation and amortization expense, or EBITDA, adjusted for print textbook depreciation expense and to exclude share-based compensation expense, other income (expense), net, content and related assets charge, restructuring charges, acquisition-related compensation costs, transitional logistics charges, impairment of lease related assets, and loss contingency.

*The total content and related assets charge in Q3'23 is \$41.8 million consisting of \$34.2 million of accelerated depreciation included within other depreciation and amortization expense and \$7.6 million of the remaining associated charges included within content and related assets charge.

*Other income (expense), net during Q3'22, Q2'23 and Q3'23 was largely driven by the gain on early extinguishment of debt.

*The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies.

*Please refer to the second page of this Investor Relations Data Sheet and our press release issued on April 29, 2024 under the header "Use of Non-GAAP Measures" for a more detailed description of our use of Non-GAAP measures and our reconciliation to GAAP.

*All information provided in this data sheet is as of the date hereof and Chegg undertakes no duty to update this information except as required by law.

*n/m - not meaningful.

CHEGG, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(in thousands, except percentages and per share amounts)
(unaudited)

	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24
Cost of revenues	\$ 254,904	\$ 55,085	\$ 45,684	\$ 45,203	\$ 51,424	\$ 197,396	\$ 49,150	\$ 47,412	\$ 83,575	\$ 45,804	\$ 225,941	\$ 46,497
Content and related assets charge	—	—	—	—	—	—	—	—	(38,242)	—	(38,242)	—
Amortization of intangible assets	(8,632)	(3,641)	(3,785)	(3,686)	(3,290)	(14,402)	(3,339)	(3,382)	(3,138)	(3,111)	(12,970)	(3,142)
Share-based compensation expense	(1,621)	(623)	(669)	(653)	(539)	(2,484)	(527)	(560)	(598)	(571)	(2,256)	(513)
Acquisition-related compensation costs	—	(10)	(12)	(7)	(6)	(35)	(5)	(7)	(5)	(4)	(21)	(6)
Restructuring charges	(987)	—	—	—	—	—	—	(12)	—	—	(12)	—
Transitional logistics charges	(7,332)	(348)	(1,221)	(628)	(266)	(2,463)	(253)	—	—	—	(253)	—
Non-GAAP cost of revenues	\$ 236,332	\$ 50,463	\$ 39,997	\$ 40,229	\$ 47,323	\$ 178,012	\$ 45,026	\$ 43,451	\$ 41,592	\$ 42,118	\$ 172,187	\$ 42,836
Gross profit	\$ 521,361	\$ 147,159	\$ 149,037	\$ 119,536	\$ 153,769	\$ 569,501	\$ 138,451	\$ 135,441	\$ 74,279	\$ 142,183	\$ 490,354	\$ 127,853
Content and related assets charge	—	—	—	—	—	—	—	—	38,242	—	38,242	—
Amortization of intangible assets	8,632	3,641	3,785	3,686	3,290	14,402	3,339	3,382	3,138	3,111	12,970	3,142
Share-based compensation expense	1,621	623	669	653	539	2,484	527	560	598	571	2,256	513
Acquisition-related compensation costs	—	10	12	7	6	35	5	7	5	4	21	6
Restructuring charges	987	—	—	—	—	—	—	12	—	—	12	—
Transitional logistics charges	7,332	348	1,221	628	266	2,463	253	—	—	—	253	—
Non-GAAP gross profit	\$ 539,933	\$ 151,781	\$ 154,724	\$ 124,510	\$ 157,870	\$ 588,885	\$ 142,575	\$ 139,402	\$ 116,262	\$ 145,869	\$ 544,108	\$ 131,514
Gross margin %	67 %	73 %	77 %	73 %	75 %	74 %	74 %	74 %	47 %	76 %	68 %	73 %
Non-GAAP gross margin %	70 %	75 %	79 %	76 %	77 %	77 %	76 %	76 %	74 %	78 %	76 %	75 %
Operating expenses	\$ 443,254	\$ 141,783	\$ 141,694	\$ 130,971	\$ 146,096	\$ 560,544	\$ 142,897	\$ 154,137	\$ 132,149	\$ 128,896	\$ 558,079	\$ 130,344
Share-based compensation expense	(107,225)	(32,461)	(30,418)	(33,517)	(34,576)	(130,972)	(33,219)	(35,360)	(31,332)	(31,335)	(131,246)	(28,776)
Amortization of intangible assets	(5,053)	(2,801)	(2,987)	(2,843)	(2,839)	(11,470)	(2,911)	(2,977)	(2,935)	(2,594)	(11,417)	(856)
Acquisition-related compensation costs	(6,378)	(3,069)	(3,616)	(4,275)	(3,432)	(14,392)	(2,455)	(3,410)	(204)	(200)	(6,269)	(249)
Content and related assets charge	—	—	—	—	—	—	—	—	(3,600)	—	(3,600)	—
Restructuring charges	(935)	—	—	—	—	—	—	(5,692)	—	—	(5,692)	—
Loss contingency	—	—	—	—	—	—	—	(7,000)	—	—	(7,000)	—
Impairment of lease related assets	—	—	(3,411)	—	(1,814)	(5,225)	—	—	—	—	—	—
Non-GAAP operating expenses	\$ 323,663	\$ 103,452	\$ 101,262	\$ 90,336	\$ 103,435	\$ 398,485	\$ 104,312	\$ 99,698	\$ 94,078	\$ 94,767	\$ 392,855	\$ 100,463
Income (loss) from operations	\$ 78,107	\$ 5,376	\$ 7,343	\$ (11,435)	\$ 7,673	\$ 8,957	\$ (4,446)	\$ (18,696)	\$ (57,870)	\$ 13,287	\$ (67,725)	\$ (2,491)
Share-based compensation expense	108,846	33,084	31,087	34,170	35,115	133,456	33,746	35,920	31,930	31,906	133,502	29,289
Amortization of intangible assets	13,685	6,442	6,772	6,529	6,129	25,872	6,250	6,359	6,073	5,705	24,387	3,998
Acquisition-related compensation costs	6,378	3,079	3,628	4,282	3,438	14,427	2,460	3,417	209	204	6,290	255
Content and related assets charge	—	—	—	—	—	—	—	—	41,842	—	41,842	—
Transitional logistics charges	7,332	348	1,221	628	266	2,463	253	—	—	—	253	—
Restructuring charges	1,922	—	—	—	—	—	—	5,704	—	—	5,704	—
Loss contingency	—	—	—	—	—	—	—	7,000	—	—	7,000	—
Impairment of lease related assets	—	—	3,411	—	1,814	5,225	—	—	—	—	—	—
Non-GAAP income from operations	\$ 216,270	\$ 48,329	\$ 53,462	\$ 34,174	\$ 54,435	\$ 190,400	\$ 38,263	\$ 39,704	\$ 22,184	\$ 51,102	\$ 151,253	\$ 31,051

Notes:

*Non-GAAP cost of revenues as cost of revenues excluding content and related assets charge, amortization of intangible assets, share-based compensation expense, acquisition-related compensation costs, restructuring charges, and transitional logistic charges.

*Non-GAAP gross profit as gross profit excluding content and related assets charge, amortization of intangible assets, share-based compensation expense, acquisition-related compensation costs, restructuring charges, and transitional logistic charges.

*Non-GAAP gross margin is defined as non-GAAP gross profit divided by net revenues.

*Non-GAAP operating expenses as operating expenses excluding share-based compensation expense, amortization of intangible assets, acquisition-related compensation costs, content and related assets charge, restructuring charges, loss contingency, and impairment of lease related assets.

*Non-GAAP income from operations as income (loss) from operations excluding share-based compensation expense, amortization of intangible assets, acquisition-related compensation costs, content and related assets charge, transitional logistics charges, restructuring charges, loss contingency, and impairment of lease related assets.

*The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies.

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CHEGG, INC.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(in thousands, except percentages and per share amounts)

(unaudited)

	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24
Net (loss) income	\$ (1,458)	\$ 5,742	\$ 7,476	\$ 251,562	\$ 1,858	\$ 266,638	\$ 2,186	\$ 24,612	\$ (18,283)	\$ 9,665	\$ 18,180	\$ (1,420)
Share-based compensation expense	108,846	33,084	31,087	34,170	35,115	133,456	33,746	35,920	31,930	31,906	133,502	29,289
Amortization of intangible assets	13,685	6,442	6,772	6,529	6,129	25,872	6,250	6,359	6,073	5,705	24,387	3,998
Acquisition-related compensation costs	6,378	3,079	3,628	4,282	3,438	14,427	2,460	3,417	209	204	6,290	255
Amortization of debt discount and issuance costs	5,922	1,382	1,397	1,305	1,082	5,166	1,057	931	622	546	3,156	541
Income tax effect of non-GAAP adjustments	—	—	—	—	—	—	(7,855)	7,671	(7,081)	(5,368)	(12,633)	713
Content and related assets charge	—	—	—	—	—	—	—	—	41,842	—	41,842	—
Loss (gain) on early extinguishment of debt	78,152	—	—	(93,519)	—	(93,519)	—	(53,777)	(32,149)	—	(85,926)	—
Realized loss on sale of investments	—	—	—	—	9,057	9,057	—	—	—	—	—	—
Tax benefit related to release of valuation allowance	—	—	—	(174,601)	—	(174,601)	—	—	—	—	—	—
Loss on change in fair value of derivative instruments, net	7,148	—	—	—	—	—	—	—	—	—	—	—
Gain on sale of strategic equity investments	(12,496)	—	—	—	—	—	—	—	—	—	—	(3,783)
Transitional logistics charges	7,332	348	1,221	628	266	2,463	253	—	—	—	253	—
Restructuring charges	1,922	—	—	—	—	—	—	5,704	—	—	5,704	—
Loss contingency	—	—	—	—	—	—	—	7,000	—	—	7,000	—
Impairment of lease related assets	—	—	3,411	—	1,814	5,225	—	—	—	—	—	—
Non-GAAP net income	\$ 215,431	\$ 50,077	\$ 54,992	\$ 30,356	\$ 58,759	\$ 194,184	\$ 38,097	\$ 37,837	\$ 23,163	\$ 42,658	\$ 141,755	\$ 29,593
Weighted average shares used to compute net income (loss) per share, diluted	141,262	133,270	149,574	148,045	127,518	149,859	124,304	132,944	115,407	118,902	128,569	102,343
Effect of shares for stock plan activity	2,545	—	—	—	—	—	—	273	198	—	514	792
Effect of shares related to convertible senior notes	23,300	22,875	—	—	18,226	—	18,226	—	10,280	—	—	9,234
Non-GAAP weighted average shares used to compute non-GAAP net income per share, diluted	167,107	156,145	149,574	148,045	145,744	149,859	142,530	133,217	125,885	118,902	129,083	112,369
Net (loss) income per share, diluted	\$ (0.01)	\$ 0.04	\$ 0.06	\$ 1.23	\$ 0.01	\$ 1.34	\$ 0.02	\$ (0.11)	\$ (0.16)	\$ 0.09	\$ (0.34)	\$ (0.01)
Adjustments	1.30	0.28	0.31	(1.02)	0.39	(0.04)	0.25	0.39	0.34	0.27	1.44	0.27
Non-GAAP net income per share, diluted	\$ 1.29	\$ 0.32	\$ 0.37	\$ 0.21	\$ 0.40	\$ 1.30	\$ 0.27	\$ 0.28	\$ 0.18	\$ 0.36	\$ 1.10	\$ 0.26

Notes:

*Non-GAAP net income as net (loss) income excluding share-based compensation expense, amortization of intangible assets, acquisition-related compensation costs, amortization of debt discount and issuance costs, income tax effect of non-GAAP adjustments, content and related assets charge, the loss (gain) on early extinguishment of debt, the tax benefit related to release of valuation allowance, the loss on change in fair value of derivative instruments, net, the gain on sale of strategic equity investment, transitional logistics charges, restructuring charges, loss contingency, and impairment of lease related assets.

*Non-GAAP weighted average shares outstanding as weighted average shares outstanding adjusted for the effect of share for stock plan activity and shares related to our convertible senior notes.

*The effect of shares for stock plan activity represents the dilutive impact of outstanding stock options, RSUs, and PSUs calculated under the treasury stock method.

*Non-GAAP EPS as non-GAAP net income divided by the non-GAAP weighted average number of shares of common stock outstanding.

*The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies.

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