



Investor Relations Data Sheet

Unaudited

Last updated: 2/6/2023

In Thousands, Except Percentages and Chegg Services Subscribers

	FY 2019	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022
REVENUES WITH TWO SEPARATE DISAGGREGATIONS																
Subscription Services	\$ 286,737	\$ 88,412	\$ 113,396	\$ 105,826	\$ 152,978	\$ 460,612	\$ 147,186	\$ 163,405	\$ 135,883	\$ 170,343	\$ 616,817	\$ 173,037	\$ 175,424	\$ 146,001	\$ 177,506	\$ 671,968
Y/Y change	32.7%	33.3%	59.8%	72.7%	73.5%	60.6%	66.5%	44.1%	28.4%	11.4%	33.9%	17.6%	7.4%	7.4%	4.2%	8.9%
Skills and Other	\$ 124,189	\$ 43,178	\$ 39,613	\$ 48,192	\$ 52,743	\$ 183,726	\$ 51,192	\$ 35,073	\$ 36,059	\$ 37,124	\$ 159,448	\$ 29,207	\$ 19,297	\$ 18,738	\$ 27,687	\$ 94,929
Y/Y change	18.3%	38.8%	73.1%	46.6%	41.2%	47.9%	18.6%	-11.5%	-25.2%	-29.6%	-13.2%	-42.9%	-45.0%	-48.0%	-25.4%	-40.5%
Total Net Revenues	\$ 410,926	\$ 131,590	\$ 153,009	\$ 154,018	\$ 205,721	\$ 644,338	\$ 198,378	\$ 198,478	\$ 171,942	\$ 207,467	\$ 776,265	\$ 202,244	\$ 194,721	\$ 164,739	\$ 205,193	\$ 766,897
Y/Y change	28.0%	35.1%	63.0%	63.6%	63.9%	56.8%	50.8%	29.7%	11.6%	0.8%	20.5%	1.9%	(1.9)%	(4.2)%	(1.1)%	-1.2%
Required Materials	\$ 78,705	\$ 31,231	\$ 27,005	\$ 35,123	\$ 29,751	\$ 123,110	\$ 36,027	\$ 24,965	\$ 25,152	\$ 20,227	\$ 106,371	\$ 17,432	\$ 5,645	\$ 5,475	\$ 4,456	\$ 33,008
Y/Y change	17.3%	41.2%	99.2%	41.4%	63.6%	56.4%	15.4%	-7.6%	-28.4%	-32.0%	-13.6%	-51.6%	-77.4%	-78.2%	-78.0%	-69.0%
Chegg Services	\$ 332,221	\$ 100,359	\$ 126,004	\$ 118,895	\$ 175,970	\$ 521,228	\$ 162,351	\$ 173,513	\$ 146,790	\$ 187,240	\$ 669,894	\$ 184,812	\$ 189,076	\$ 159,264	\$ 200,737	\$ 733,889
Y/Y change	30.8%	33.3%	56.9%	71.6%	64.0%	56.9%	61.8%	37.7%	23.5%	6.4%	28.5%	13.8%	9.0%	8.5%	7.2%	9.6%
Total Net Revenues	\$ 410,926	\$ 131,590	\$ 153,009	\$ 154,018	\$ 205,721	\$ 644,338	\$ 198,378	\$ 198,478	\$ 171,942	\$ 207,467	\$ 776,265	\$ 202,244	\$ 194,721	\$ 164,739	\$ 205,193	\$ 766,897
Y/Y change	28.0%	35.1%	63.0%	63.6%	63.9%	56.8%	50.8%	29.7%	11.6%	0.8%	20.5%	1.9%	(1.9)%	(4.2)%	(1.1)%	-1.2%
SUBSCRIBERS																
Chegg Services Subscribers	3,942,000	2,908,000	3,716,000	3,747,000	4,430,000	6,565,000	4,770,000	4,858,000	4,394,000	4,632,000	7,779,000	5,364,000	5,273,000	4,786,000	5,011,000	8,152,000
Y/Y change	29%	35%	67%	69%	74%	67%	64%	31%	17%	5%	18%	12%	9%	9%	8%	5%
EBITDA AND ADJUSTED EBITDA																
EBITDA	\$ 68,127	\$ 21,006	\$ 39,427	\$ (1,715)	\$ 69,133	\$ 127,851	\$ (41,823)	\$ 54,852	\$ 27,560	\$ 46,179	\$ 86,768	\$ 33,362	\$ 30,877	\$ 108,197	\$ 29,157	\$ 201,593
% of revenue	16.6%	16.0%	25.8%	-1.1%	33.6%	19.8%	-21.1%	27.6%	16.0%	22.3%	11.2%	16.5%	15.9%	65.7%	14.2%	26.3%
Y/Y change	231.2%	186.8%	105.2%	n/m	119.8%	87.7%	n/m	39.1%	n/m	-33.2%	-32.1%	n/m	-43.7%	n/m	-36.9%	n/m
Adjusted EBITDA	\$ 125,014	\$ 31,793	\$ 55,474	\$ 31,926	\$ 87,865	\$ 207,058	\$ 57,146	\$ 84,359	\$ 46,360	\$ 77,994	\$ 265,859	\$ 62,172	\$ 68,326	\$ 50,019	\$ 74,008	\$ 254,525
% of revenue	30.4%	24.2%	36.3%	20.7%	42.7%	32.1%	28.8%	42.5%	27.0%	37.6%	34.2%	30.7%	35.1%	30.4%	36.1%	33.2%
Y/Y change	50.1%	33.0%	78.6%	38.5%	87.0%	65.6%	79.7%	52.1%	45.2%	-11.2%	28.4%	8.8%	-19.0%	7.9%	-5.1%	-4.3%
RECONCILIATION OF NET (LOSS) INCOME TO EBITDA AND ADJUSTED EBITDA																
Net (loss) income	\$ (9,605)	\$ (5,713)	\$ 10,589	\$ (37,140)	\$ 26,043	\$ (6,221)	\$ (65,179)	\$ 32,764	\$ 6,651	\$ 24,306	\$ (1,458)	\$ 5,742	\$ 7,476	\$ 251,562	\$ 1,858	\$ 266,638
Interest expense, net	44,851	13,427	13,425	17,468	21,977	66,297	1,929	1,701	1,633	1,633	6,896	1,597	1,616	1,525	1,302	6,040
Provision for (benefit from) income taxes	2,634	522	1,287	1,066	2,485	5,360	2,821	2,225	747	1,404	7,197	4,217	60	(167,264)	295	(162,692)
Print textbook depreciation expense	—	3,527	3,535	3,637	4,698	15,397	3,760	2,821	2,443	1,835	10,859	1,521	89	—	—	1,610
Other depreciation and amortization expense	30,247	9,243	10,591	13,254	13,930	47,018	14,846	15,341	16,086	17,001	63,274	20,285	21,636	22,374	25,702	89,997
EBITDA	68,127	21,006	39,427	(1,715)	69,133	127,851	(41,823)	54,852	27,560	46,179	86,768	33,362	30,877	108,197	29,157	201,593
Print textbook depreciation expense	—	(3,527)	(3,535)	(3,637)	(4,698)	(15,397)	(3,760)	(2,821)	(2,443)	(1,835)	(10,859)	(1,521)	(89)	—	—	(1,610)
Share-based compensation expense	64,909	18,334	19,546	21,529	24,646	84,055	23,100	28,545	24,512	32,689	108,846	33,084	31,087	34,170	35,115	133,456
Other income (expense), net	(20,063)	(4,960)	(3,240)	804	(1,287)	(8,683)	77,208	(1,920)	(8,670)	(1,146)	65,472	(6,180)	(1,809)	(97,258)	4,218	(101,029)
Restructuring charges	97	—	—	—	—	—	—	—	1,851	71	1,922	—	—	—	—	—
Acquisition-related compensation costs	10,466	940	3,276	4,945	71	9,232	2,421	1,457	1,249	1,251	6,378	3,079	3,628	4,282	3,438	14,427
Transitional logistics charges	—	—	—	—	—	—	—	4,246	2,301	785	7,332	348	1,221	628	266	2,463
Impairment of lease related assets	—	—	—	—	—	—	—	—	—	—	—	—	3,411	—	1,814	5,225
Loss from impairment of strategic equity investment	—	—	—	10,000	—	10,000	—	—	—	—	—	—	—	—	—	—
Donation from Chegg Foundation	1,478	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 125,014	\$ 31,793	\$ 55,474	\$ 31,926	\$ 87,865	\$ 207,058	\$ 57,146	\$ 84,359	\$ 46,360	\$ 77,994	\$ 265,859	\$ 62,172	\$ 68,326	\$ 50,019	\$ 74,008	\$ 254,525

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 Thinkful.

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

*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, acquisition-related compensation costs, transitional logistics charges, impairment of lease related assets, restructuring charges, donation from Chegg Foundation and loss from impairment of strategic equity investment.

*Other income (expense), net during Q3'22 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 February 6, 2023 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 2019	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022
Operating expenses	\$ 300,927	\$ 85,924	\$ 87,424	\$ 109,450	\$ 99,370	\$ 382,168	\$ 110,215	\$ 103,000	\$ 104,479	\$ 125,560	\$ 443,254	\$ 141,783	\$ 141,694	\$ 130,971	\$ 146,096	\$ 560,544
Share-based compensation expense	(64,483)	(18,165)	(19,333)	(21,267)	(24,340)	(83,105)	(22,738)	(28,126)	(24,119)	(32,242)	(107,225)	(32,461)	(30,418)	(33,517)	(34,576)	(130,972)
Amortization of intangible assets	(7,482)	(2,467)	(3,000)	(4,408)	(4,403)	(14,278)	(2,335)	(1,005)	(877)	(836)	(5,053)	(2,801)	(2,987)	(2,843)	(2,839)	(11,470)
Acquisition-related compensation costs	(10,466)	(940)	(3,276)	(4,945)	(71)	(9,232)	(2,421)	(1,457)	(1,249)	(1,251)	(6,378)	(3,069)	(3,616)	(4,275)	(3,432)	(14,392)
Restructuring charges	(97)	—	—	—	—	—	—	—	(818)	(117)	(935)	—	—	—	—	—
Loss from impairment of strategic equity investment	—	—	—	(10,000)	—	(10,000)	—	—	—	—	—	—	—	—	—	—
Donation from Chegg Foundation	(1,478)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Impairment of lease related assets	—	—	—	—	—	—	—	—	—	—	—	—	(3,411)	—	(1,814)	(5,225)
Non-GAAP operating expenses	\$ 216,922	\$ 64,352	\$ 61,815	\$ 68,830	\$ 70,556	\$ 265,553	\$ 82,721	\$ 72,412	\$ 77,416	\$ 91,114	\$ 323,663	\$ 103,452	\$ 101,262	\$ 90,336	\$ 103,435	\$ 398,485
Income (loss) from operations	\$ 17,817	\$ 3,276	\$ 22,061	\$ (17,802)	\$ 49,218	\$ 56,753	\$ 16,779	\$ 34,770	\$ 361	\$ 26,197	\$ 78,107	\$ 5,376	\$ 7,343	\$ (11,435)	\$ 7,673	\$ 8,957
Share-based compensation expense	64,909	18,334	19,546	21,529	24,646	84,055	23,100	28,545	24,512	32,689	108,846	33,084	31,087	34,170	35,115	133,456
Amortization of intangible assets	7,482	2,467	3,000	4,408	4,403	14,278	4,449	3,178	3,047	3,011	13,685	6,442	6,772	6,529	6,129	25,872
Acquisition-related compensation costs	10,466	940	3,276	4,945	71	9,232	2,421	1,457	1,249	1,251	6,378	3,079	3,628	4,282	3,438	14,427
Transitional logistics charges	—	—	—	—	—	—	—	4,246	2,301	785	7,332	348	1,221	628	266	2,463
Restructuring charges	97	—	—	—	—	—	—	—	1,851	71	1,922	—	—	—	—	—
Loss from impairment of strategic equity investment	—	—	—	10,000	—	10,000	—	—	—	—	—	—	—	—	—	—
Donation from Chegg Foundation	1,478	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Impairment of lease related assets	—	—	—	—	—	—	—	—	—	—	—	—	3,411	—	1,814	5,225
Non-GAAP income from operations	\$ 102,249	\$ 25,017	\$ 47,883	\$ 23,080	\$ 78,338	\$ 174,318	\$ 46,749	\$ 72,196	\$ 33,321	\$ 64,004	\$ 216,270	\$ 48,329	\$ 53,462	\$ 34,174	\$ 54,435	\$ 190,400
Net (loss) income	\$ (9,605)	\$ (5,713)	\$ 10,589	\$ (37,140)	\$ 26,043	\$ (6,221)	\$ (65,179)	\$ 32,764	\$ 6,651	\$ 24,306	\$ (1,458)	\$ 5,742	\$ 7,476	\$ 251,562	\$ 1,858	\$ 266,638
Share-based compensation expense	64,909	18,334	19,546	21,529	24,646	84,055	23,100	28,545	24,512	32,689	108,846	33,084	31,087	34,170	35,115	133,456
Amortization of intangible assets	7,482	2,467	3,000	4,408	4,403	14,278	4,449	3,178	3,047	3,011	13,685	6,442	6,772	6,529	6,129	25,872
Acquisition-related compensation costs	10,466	940	3,276	4,945	71	9,232	2,421	1,457	1,249	1,251	6,378	3,079	3,628	4,282	3,438	14,427
Amortization of debt discount and issuance costs	43,202	12,946	12,946	17,018	21,663	64,573	1,626	1,471	1,412	1,413	5,922	1,382	1,397	1,305	1,082	5,166
Loss (gain) on early extinguishment of debt	—	—	—	3,315	971	4,286	78,152	—	—	—	78,152	—	—	(93,519)	—	(93,519)
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	—	—	—	7,148	—	—	—	—	—
Gain on sale of strategic equity investments	—	—	—	—	—	—	(5,338)	—	(7,158)	—	(12,496)	—	—	—	—	—
Transitional logistics charges	—	—	—	—	—	—	—	4,246	2,301	785	7,332	348	1,221	628	266	2,463
Restructuring charges	97	—	—	—	—	—	—	—	1,851	71	1,922	—	—	—	—	—
Loss from impairment of strategic equity investment	—	—	—	10,000	—	10,000	—	—	—	—	—	—	—	—	—	—
Donation from Chegg Foundation	1,478	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Impairment of lease related assets	—	—	—	—	—	—	—	—	—	—	—	—	3,411	—	1,814	5,225
Non-GAAP net income	\$ 118,029	\$ 28,974	\$ 49,357	\$ 24,075	\$ 77,797	\$ 180,203	\$ 46,379	\$ 71,661	\$ 33,865	\$ 63,526	\$ 215,431	\$ 50,077	\$ 54,992	\$ 30,356	\$ 58,759	\$ 194,184
Weighted average shares used to compute net income (loss) per share, diluted	119,204	122,428	123,842	126,194	141,297	125,367	134,352	168,282	146,699	166,836	141,262	133,270	149,574	148,045	127,518	149,859
Effect of shares for stock plan activity	7,094	4,376	3,665	4,268	—	4,470	3,563	—	—	—	2,545	—	—	—	—	—
Effect of shares related to convertible senior notes	3,526	3,968	6,344	8,721	—	4,942	28,818	—	22,875	—	23,300	22,875	—	—	18,226	—
Non-GAAP weighted average shares used to compute non-GAAP net income per share, diluted	129,824	130,772	133,851	139,183	141,297	134,779	166,733	168,282	169,574	166,836	167,107	156,145	149,574	148,045	145,744	149,859
Net (loss) income per share, diluted	\$ (0.08)	\$ (0.05)	\$ 0.08	\$ (0.29)	\$ 0.18	\$ (0.05)	\$ (0.49)	\$ 0.20	\$ 0.05	\$ 0.15	\$ (0.01)	\$ 0.04	\$ 0.06	\$ 1.23	\$ 0.01	\$ 1.34
Adjustments	0.99	0.27	0.29	0.46	0.37	1.39	0.77	0.23	0.15	0.23	1.30	0.28	0.31	(1.02)	0.39	(0.04)
Non-GAAP net income per share, diluted	\$ 0.91	\$ 0.22	\$ 0.37	\$ 0.17	\$ 0.55	\$ 1.34	\$ 0.28	\$ 0.43	\$ 0.20	\$ 0.38	\$ 1.29	\$ 0.32	\$ 0.37	\$ 0.21	\$ 0.40	\$ 1.30

Notes:

*Non-GAAP operating expenses as operating expenses excluding share-based compensation expense, amortization of intangible assets, acquisition-related compensation costs, restructuring charges, the loss from impairment of strategic equity investment, the donation from Chegg Foundation, and impairment of lease related assets.

*Non-GAAP income from operations as (loss) income from operations excluding share-based compensation expense, amortization of intangible assets, acquisition-related compensation costs, transitional logistics charges, restructuring charges, the loss from impairment of strategic equity investment, the donation from Chegg Foundation, and impairment of lease related assets.

*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, 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, the loss from impairment of strategic equity investment, the donation from Chegg Foundation, 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.

*Beginning January 1, 2021, as a result of our adoption of ASU 2020-06, the effect of shares related to convertible senior notes represents the dilutive impact of outstanding convertible senior notes calculated under the if-converted method which assumes all outstanding convertible senior notes are converted at the beginning of the period resulting in a higher share count when calculating the dilutive impact. Prior to our adoption of ASU 2020-06, the effect of shares related to convertible senior notes represents the dilutive impact of outstanding convertible senior notes 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.

*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.