4Q'18 Earnings Results

February 25, 2019

Safe harbor.

This presentation contains forward-looking statements regarding the future business expectations of 2U, Inc. (“2U”), which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation, including statements regarding future results of the operations and financial position of 2U, including financial targets, business strategy, and plans and objectives for future operations, are forward-looking statements. 2U has based these forward-looking statements largely on its estimates of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short term and long-term business operations and objectives, and financial needs as of the date of this presentation. 2U undertakes no obligation to update these statements as a result of new information or future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from the results predicted, including, trends in the higher education market and the market for online education, and expectations for growth in those markets; the acceptance, adoption and growth of online learning by colleges and universities, faculty, students, employers, accreditors and state and federal licensing bodies; 2U’s ability to comply with evolving regulations and legal obligations related to data privacy, data protection and information security; 2U’s expectations about the potential benefits of our cloud-based software-as-a-service, or SaaS, technology and technology-enabled services to university clients and students; 2U’s dependence on third parties to provide certain technological services or components used in its platform; 2U’s ability to meet the anticipated launch dates of its graduate programs and short courses; 2U’s expectations about the predictability, visibility and recurring nature of its business model; 2U’s ability to acquire new university clients and expand its graduate programs and short courses with existing university clients; 2U’s ability to successfully integrate the operations of GetSmarter, achieve the expected benefits of the acquisition and manage, expand and grow the combined company; 2U’s ability to execute its growth strategy in the international, undergraduate and non-degree alternative markets; 2U’s ability to continue to acquire prospective students for its graduate programs and short courses; 2U’s ability to affect or increase student retention in its graduate programs; 2U’s ability to attract, hire, and retain qualified employees; 2U’s expectations about the scalability of its cloud-based platform; 2U’s expectations regarding future expenses in relation to future revenue; potential changes in regulations applicable to 2U or its university clients; and 2U’s expectations regarding the amount of time its cash balances and other available financial resources will be sufficient to fund its operations.

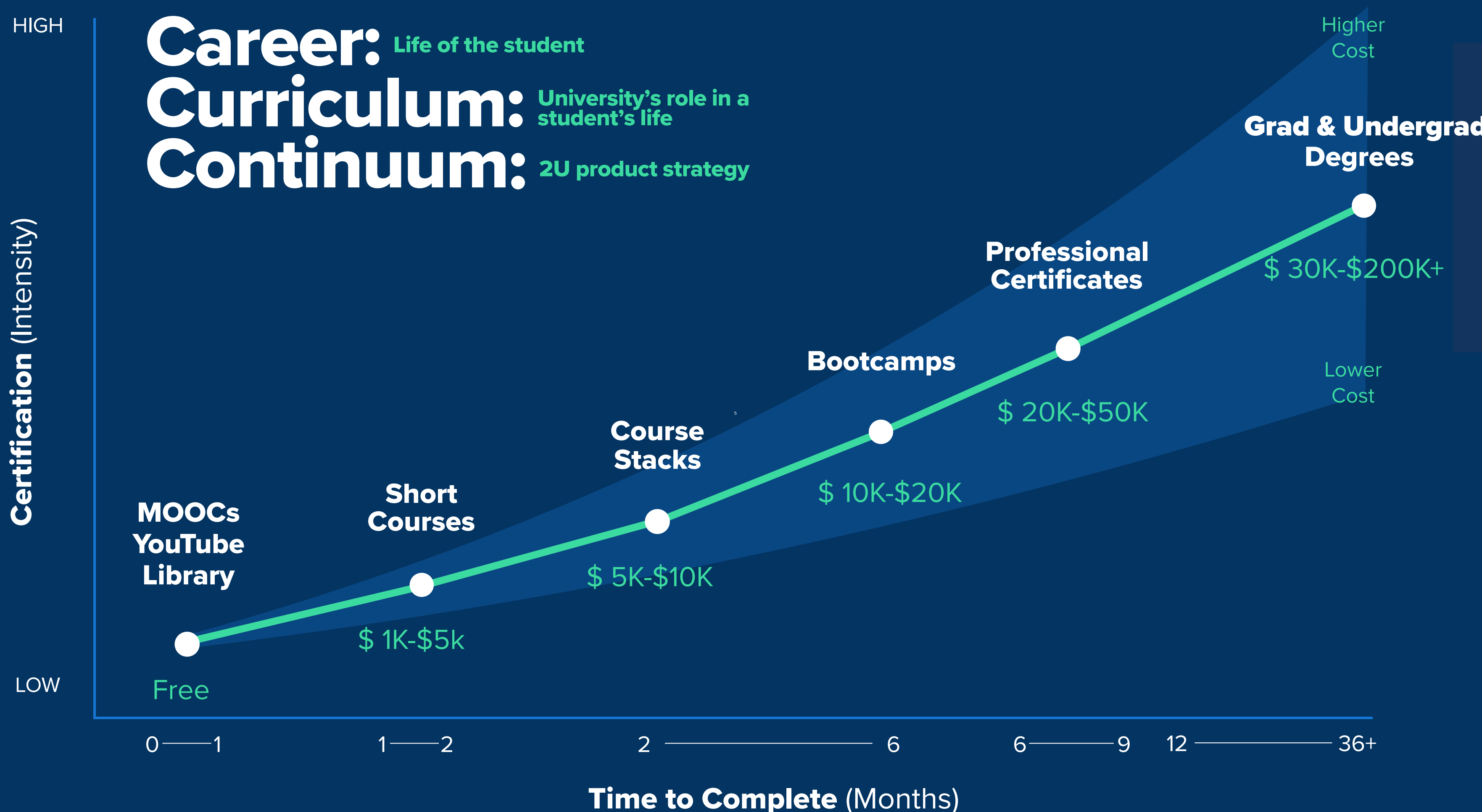
These and other potential risks and uncertainties that could cause actual results to differ from the results predicted are more fully detailed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 and other reports filed with the Securities and Exchange Commission. Moreover, 2U operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for 2U management to predict all risks, nor can 2U assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements 2U may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated.

You should not rely upon forward-looking statements as predictions of future events. Although 2U believes that the expectations reflected in the forward-looking statements are reasonable, 2U 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 2U nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, 2U undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this presentation, to conform these statements to actual results or to changes in 2U’s expectations.

2U is the trusted brand steward and the partner of choice to the world's top universities.

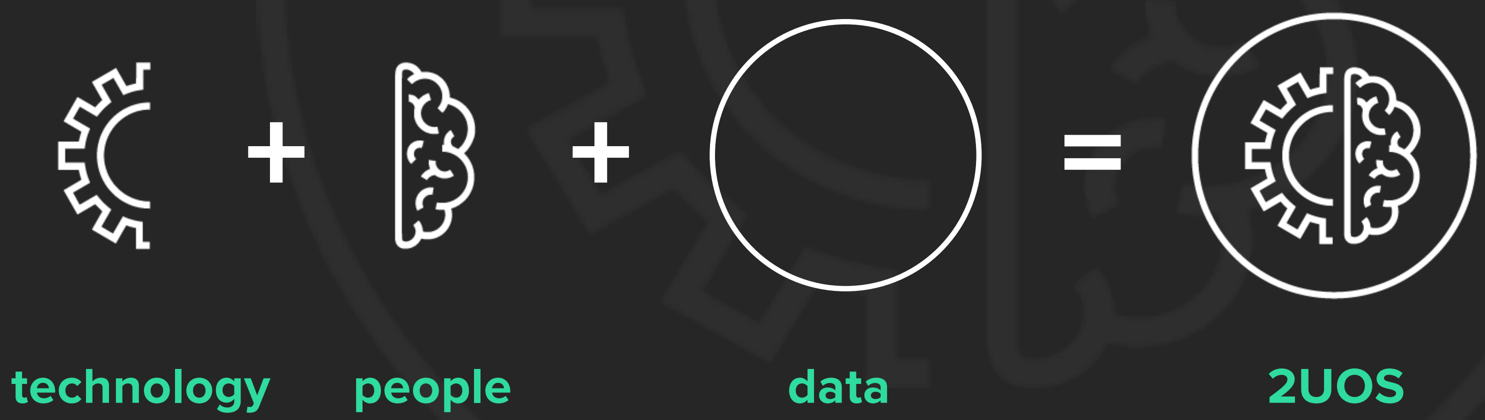
As of February 25, 2019.

Career: Life of the student
Curriculum: University's role in a student's life
Continuum: 2U product strategy



2UOS is our dynamic, proprietary platform — a seamlessly integrated ecosystem of technology, data, and people — that enables 2U to build, deliver and support world-class digital education at scale.

Launching world-class digital graduate programs is hard. Sustaining and scaling them is even harder. 2UOS makes the difficult possible by providing universities with the confidence of an experienced, trusted, mission-driven global team and the reliability of a comprehensive, secure, and proven platform.



.data architecture

.learning tech

.tech tools

.marketing

.admissions

.curriculum

.live classes

.placement

.hybrid experiences

.success advisors

.compliance

.accessibility

.privacy

We help universities reach more students.

For more than a decade, we've been helping universities extend their reach.

>44,500
Enrolled **Grad** Students

35
UNI. PARTNERS

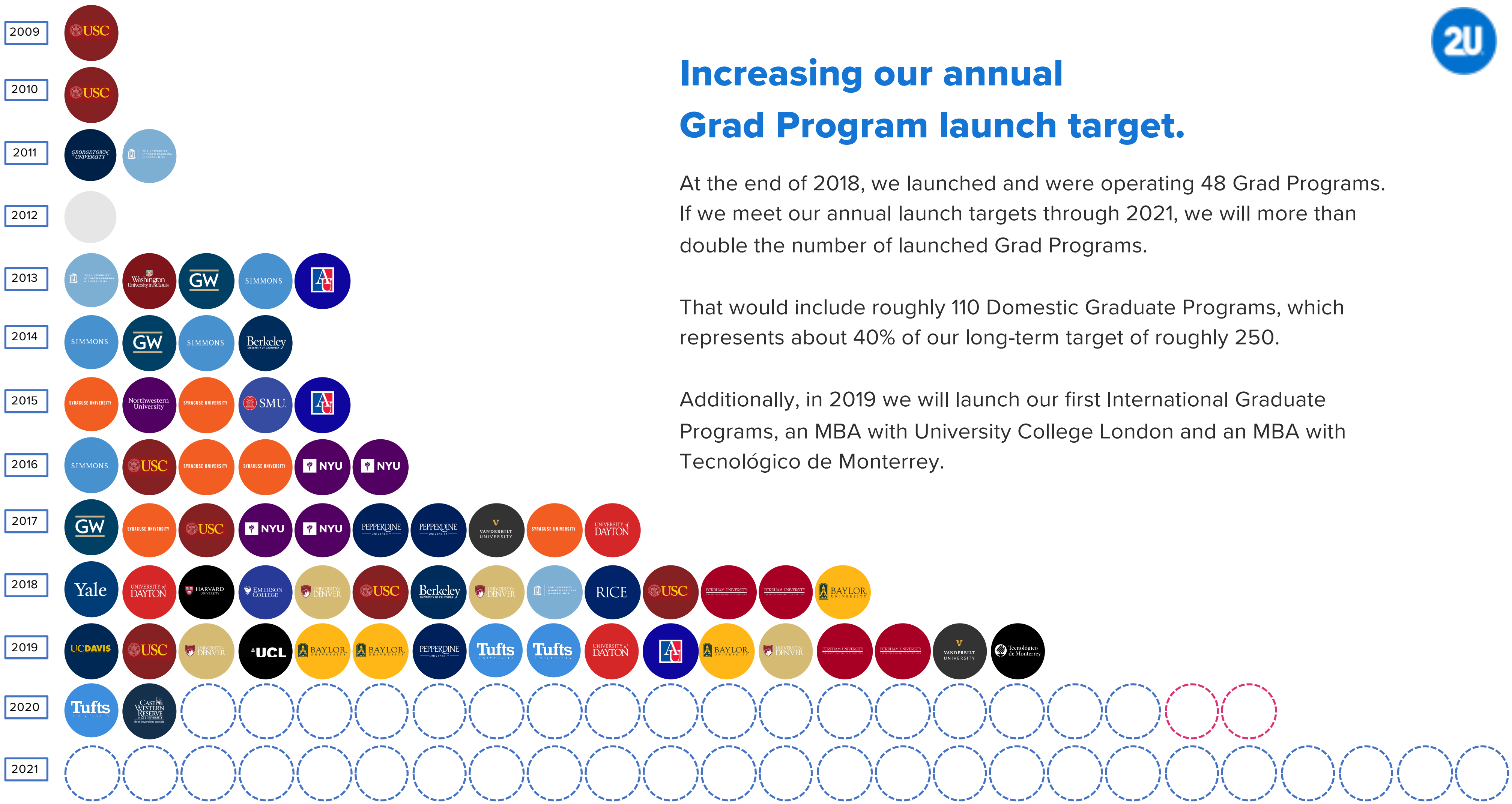
530,500+
LIVE CLASSES

90+
SHORT COURSES

>16,500
Grad Program Graduates

67
GRADUATE PROGRAMS

Inception-to-date through February 25, 2019. Live class data reflects degree programs only.



Increasing our annual Grad Program launch target.

At the end of 2018, we launched and were operating 48 Grad Programs. If we meet our annual launch targets through 2021, we will more than double the number of launched Grad Programs.

That would include roughly 110 Domestic Graduate Programs, which represents about 40% of our long-term target of roughly 250.

Additionally, in 2019 we will launch our first International Graduate Programs, an MBA with University College London and an MBA with Tecnológico de Monterrey.

Note: Pink dotted line circles indicate additional expected program launches beyond previously announced launch targets.

Top 20 Grad Programs by New Student Enrollments for 2018.

	University	2U-Enabled Program	Launch
1	The University of Southern California	MSW@USC	October 2010
2	Simmons College*	Nursing@Simmons	October 2013
3	The University of Southern California	USC Rossier Online	April 2009
4	Syracuse University	MBA@Syracuse	January 2015
5	The University of North Carolina at Chapel Hill	MBA@UNC	July 2011
6	Simmons College	MSW@Simmons	July 2014
7	The George Washington University	MPH@GW	June 2013
8	Fordham University	OnlineMSW@Fordham	September 2018
9	Georgetown University	Nursing@Georgetown	March 2011
10	University of California, Berkeley	datascience@Berkeley	January 2014
11	Pepperdine University	Psychology@Pepperdine	October 2017
12	University of Dayton	MBA@Dayton	October 2017
13	University of Denver	MSW@Denver	January 2018
14	American University	Business@American	October 2015
15	Syracuse University	iSchool@Syracuse	October 2016
16	Vanderbilt University	Peabody Online	September 2017
17	Harvard University	Harvard Business Analytics Program	March 2018
18	Northwestern University	Counseling@Northwestern	March 2015
19	Washington University in St. Louis	@WashULaw	January 2013
20	Syracuse University	Information Science	October 2016

**Includes both Nursing@Simmons DGPs.*

Profitability margin by launch cohort.

(Graduate Program Segment)

	Less than 2 Years	2 – 3 Years	3 – 4 Years	Greater than 4 Years	Total
Calendar Year 2015	(158)%	4%	-	27%	(4)%
Calendar Year 2016	(130)%	(6)%	18%	36%	2%
Calendar Year 2017	(400)%	14%	25%	39%	5%
Calendar Year 2018	**(199)%**	**(8)%**	**25%**	**42%**	**5%**

For calendar year 2018, "greater than 4 years" includes programs launched prior to 2015, "3 to 4 years" includes programs launched in 2015, "2 to 3 years" includes programs launched in 2016, and "less than 2 years" includes programs launched in 2017 or later.

** This table presents Graduate Program Segment profitability by launch cohort as a percentage of the applicable launch cohort revenue, or Graduate Program Segment profitability margin, for the years ended December 31, 2018, December 31, 2017, December 31, 2016, and December 31, 2015. We provide segment profitability information in connection with our segment financial reporting. Graduate program launch cohorts are grouped by the length of time since program launch, as of December 31, 2018. Because we incur graduate program marketing and sales expenses prior to generating the revenue related to those expenses, graduate programs typically show losses for several years prior to reaching profitability. Our measure of Graduate Program Segment profitability margin by launch cohort applies our measure of Graduate Program Segment profitability margin on a launch cohort basis. Our measure of Graduate Program Segment profitability is net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, foreign currency gains or losses, acquisition-related gains or losses and stock-based compensation expense. We define segment profitability margin as segment profitability as a percentage of the respective segment's revenue. Some or all of these items may not be applicable in any given reporting period.*

Strategic partnership with Keypath.

Program investment profiles.

2U	Keypath
Substantial investment to launch and scale targeted programs.	Lower investment to launch and scale broader spectrum of programs.
Longer cycle from investment to profitability.	Shorter cycle from investment to profitability.
Smaller number of total programs; steady state revenue commensurate with level of investment	Larger number of total programs; steady state revenue commensurate with level of investment.

"Powered by Keypath" model.

2U + Keypath

The "Powered by Keypath" model can be deployed for programs outside of 2U's target program profile.

2U will manage the university relationship and all contracting with our partners.

Keypath will provide the primary investment and most services to power each program.

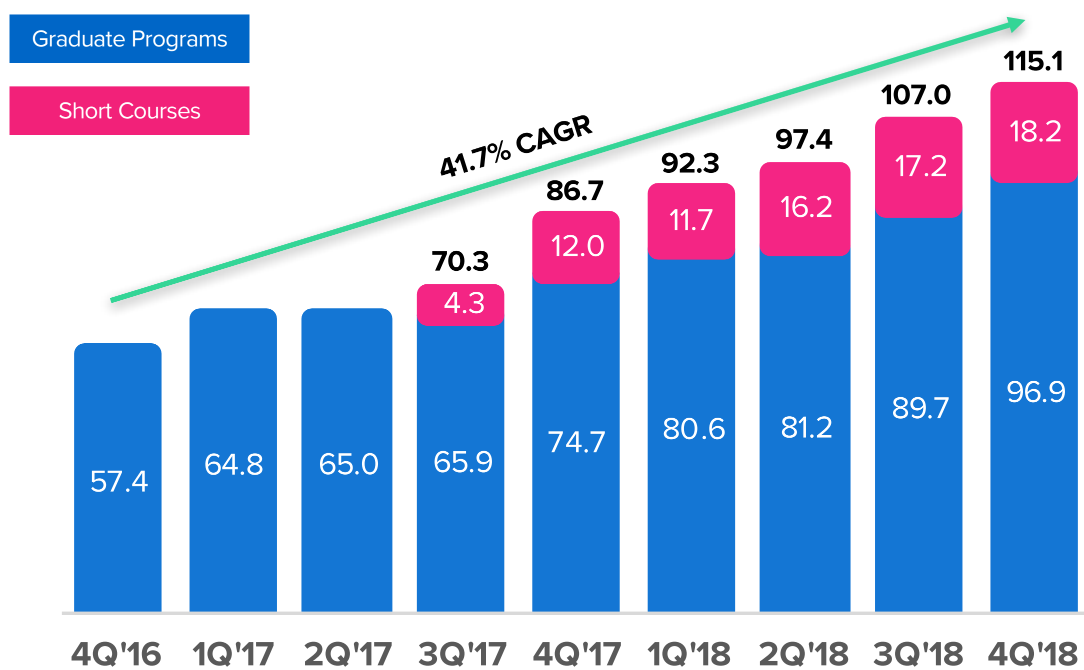
2U will provide some layer of additional services, which will vary by contract.

2U will receive the full revenue share from the university.

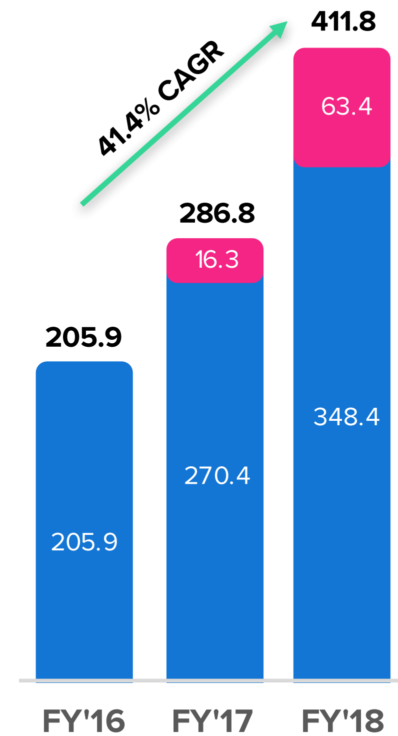
2U will pay Keypath, commensurate with the services they provide.

Consolidated revenue growth.

(in $ millions)



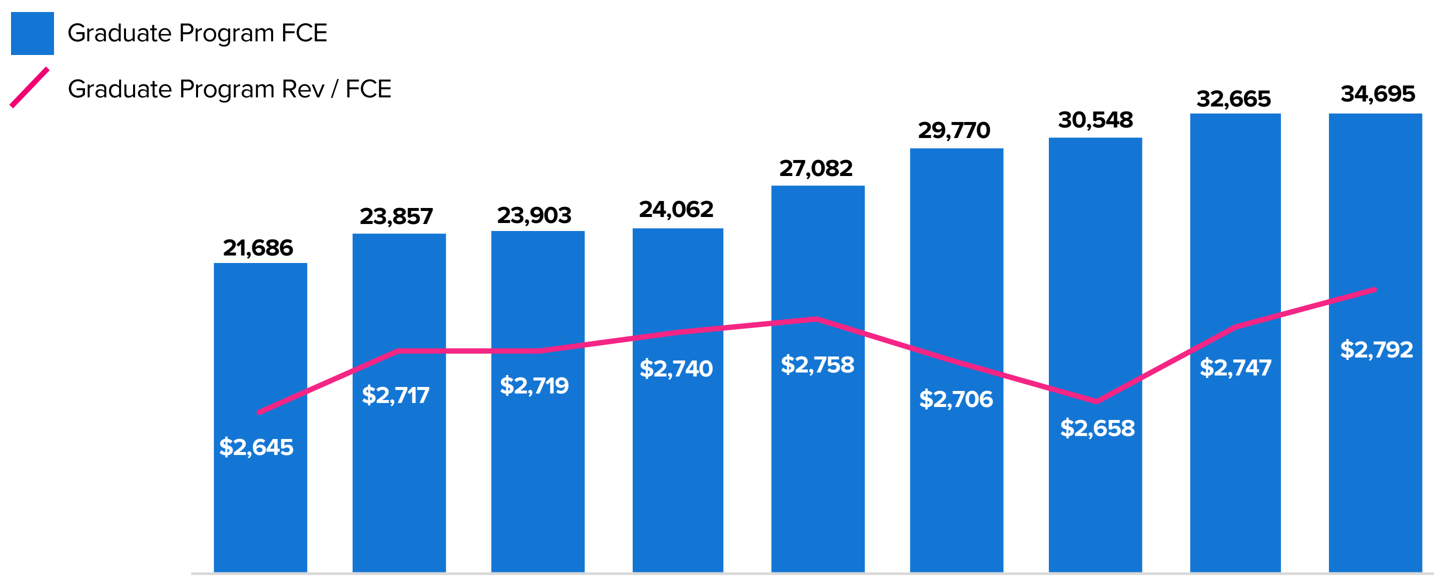
	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
Y/Y Growth	32.6%	36.6%	32.3%	35.2%	51.1%	42.4%	49.9%	52.3%	32.8%
G.P. Growth	32.6%	36.6%	32.3%	26.9%	30.2%	24.3%	24.9%	36.1%	29.7%
S.C. Growth	-	-	-	-	-	-	-	298.6%	51.9%



	FY'16	FY'17	FY'18
Y/Y Growth	37.1%	39.3%	43.6%
G.P. Growth	37.1%	31.4%	28.8%
S.C. Growth	-	-	288.5%

Note: Segment revenue may not add to consolidated revenue due to rounding.

Full course equivalent* enrollments.



	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
G.P. FCE Y/Y Growth	31.2%	34.7%	27.0%	25.8%	24.9%	24.8%	27.8%	35.8%	28.1%
G.P. Rev / FCE Y/Y Growth	1.1%	1.4%	4.2%	0.8%	4.3%	(0.4)%	(2.2)%	0.3%	1.2%

Note: We acquired GetSmarter, now our Short Course Segment, on July 1, 2017.

In 4Q'18, Short Course FCE was 9,041 at an average Rev/FCE of $2,015.

In 3Q'18, Short Course FCE was 8,937 at an average Rev/FCE of $1,930.

In 2Q'18, Short Course FCE was 8,222 at an average Rev/FCE of $1,972.

In 1Q'18, Short Course FCE was 6,002 at an average Rev/FCE of $1,954.

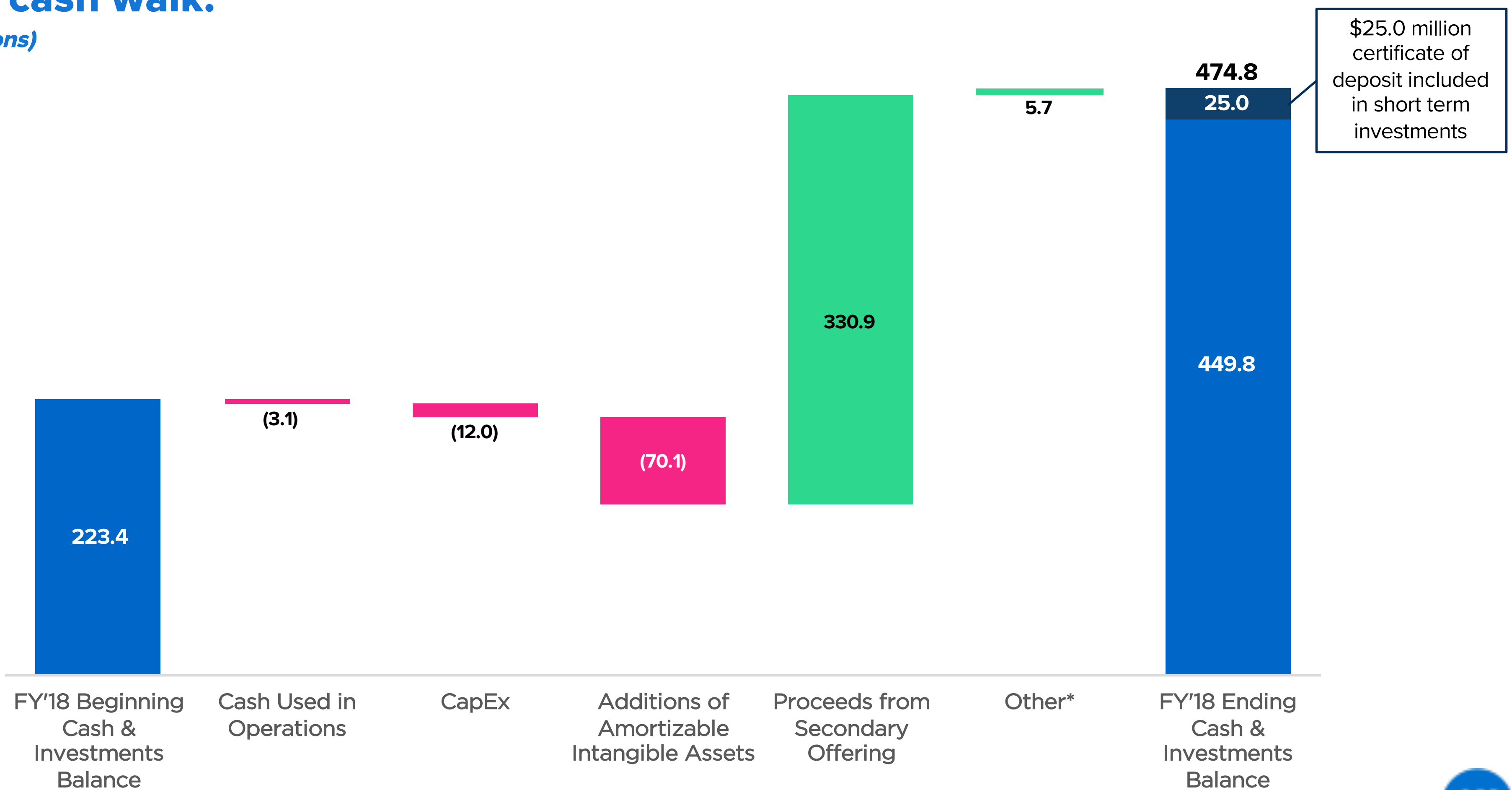
In 4Q'17, Short Course FCE was 6,751 at an average Rev/FCE of $1,777.

In 3Q'17, Short Course FCE was 4,079 at an average Rev/FCE of $1,232.

We measure full course equivalent enrollments for each of the courses offered during a particular period by taking the number of students enrolled in that course and multiplying it by the percentage of the course completed during that period.

FY’18 cash walk.

(in $ millions)



**Other includes proceeds from stock option exercises net of tax, proceeds from Employee Stock Purchase Plan share repurchases, tax withholding payments associated with settlement of restricted stock units, advances to university clients net of repayments, and the effect of FX on cash.*

1Q and FY’19 guidance.

(in millions, except per share amounts)	1Q'19	FY’19
Revenue	$121.5 - $122.1	$546.6 - $550.8
Net Loss	$(22.0) - $(21.6)	$(80.2) - $(77.8)
Net Loss Per Share, Basic	$(0.38) - $(0.37)	$(1.37) - $(1.33)
Adjusted Net Loss	$(10.8) - $(10.4)	$(21.8) - $(19.4)
Adjusted Net Loss Per Share	$(0.19) - $(0.18)	$(0.37) - $(0.33)
Weighted-Average Shares of Common Stock Outstanding, Basic	58.2	58.7
Adjusted EBITDA (Loss)	$(4.6) - $(4.2)	$11.8 - $14.2
Stock-Based Compensation Expense	$10.0 - $10.2	$53.7 - $54.1

This guidance assumes foreign exchange rates as of December 31, 2018 for the U.S. dollar/South African rand and the U.S. dollar/British pound.

2U expects that of 2019 revenue, 45% to 46% should be recognized in the first half of the year. Of second half 2019 revenue, 2U now expects to see a similar distribution of revenue between quarters as it saw in 2018. Further, it expects to experience meaningful margin variability between periods driven by revenue growth combined with cost seasonality. For full-year 2019, 2U expects its earnings and loss measures to be distributed according to the following parameters:

- net loss margin of between (23.4)% and (22.9)% for the first half of the year,
- adjusted net loss margin of between (12.6)% and (12.1)% for the first half of the year; third quarter adjusted net loss and fourth quarter adjusted net income somewhat more skewed than in the comparable 2018 periods, and
- adjusted EBITDA (loss) margin of between (6.9)% and (6.5)% for the first half of the year; similar distribution of adjusted EBITDA in the third and fourth quarter as in the comparable 2018 periods.

Note that 2U’s previously announced intention to increase marketing spend in the first half of 2019 is reflected in this guidance and has the effect of driving larger expected loss measures in the first and second quarters than would be expected based on typical performance patterns. Further note that cost seasonality in the second and fourth quarters typically reduces margins in the first half of each year and improves margins in the second half of each year, so second-half margins should not be viewed as being a run rate for the first half of the following year.

Note: Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.

Appendix.

Non-GAAP financial measures and GAAP to non-GAAP reconciliation

Non-GAAP financial measures.

To supplement the Company's consolidated financial statements, which are prepared and presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss) and adjusted net income (loss) per share, which are non-GAAP financial measures.

We define adjusted EBITDA as net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, foreign currency gains or losses, acquisition-related gains or losses and stock-based compensation expense. Some or all of these items may not be applicable in any given reporting period. Adjusted EBITDA margin represents adjusted EBITDA as a percentage of revenue.

We define adjusted net income (loss) as net income or net loss, as applicable, before foreign currency gains or losses, acquisition-related gains or losses and stock-based compensation expense. Adjusted net income (loss) per share is calculated as adjusted net income (loss) divided by diluted weighted-average shares of common stock outstanding for periods which result in adjusted net income, and basic weighted-average shares outstanding for periods which result in an adjusted net loss.

The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required by GAAP to be recorded in the Company's financial statements. These non-GAAP measures are key metrics Company management uses to compare the Company's performance to that of prior periods for trend analyses and for budgeting and planning purposes. These measures also provide useful information to investors and analysts relating to 2U's financial condition and results of operations. These financial measures are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. In addition, these financial measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

GAAP to non-GAAP reconciliation – 1Q and FY'19 guidance.

Reconciliation of GAAP Net Loss Guidance to Non-GAAP Adjusted Net Loss and Adjusted EBITDA Guidance	Three Months Ending March 31, 2019		Year Ending December 31, 2019	
	$	$/Share	$	$/Share
	(in thousands, except per share amounts)			
Net Loss	**(21,850)**	**(0.38)**	**(79,050)**	**(1.35)**
Foreign Currency Loss	-	-	-	-
Amortization of Acquired Intangible Assets	1,600	0.03	6,400	0.11
Income Tax Benefit on Amortization of Acquired Intangible Assets	(425)	(0.01)	(1,750)	(0.03)
Stock-Based Compensation Expense	10,100	0.18	53,825	0.92
Adjusted Net Loss	**(10,575)**	**(0.18)**	**(20,575)**	**(0.35)**
Net Interest Income	(1,575)	*	(3,900)	*
Depreciation and Amortization Expense	8,275	*	36,675	*
Income Tax (Benefit) Expense	(500)	*	800	*
Adjusted EBITDA	**(4,375)**	*	**13,000**	*
Projected Weighted-Average Shares of Common Stock Outstanding, Basic		58,160		58,685

* *Not Provided.*

Note: This table presents (i) a reconciliation of net loss guidance to adjusted net loss guidance and adjusted EBITDA guidance and (ii) a reconciliation of net loss per share guidance to adjusted net income (loss) per share guidance, each at the midpoint of the ranges provided by the Company, for each of the periods indicated.