



Investor Relations Data Sheet

Unaudited

Last updated: 08/1/16

All dollar amounts in thousands

	Q1'13	Q2'13	Q3'13	Q4'13	FY 2013	Q1'14	Q2'14	Q3'14	Q4'14	FY 2014	Q1'15	Q2'15	Q3'15	Q4'15	FY 2015	Q1'16	Q2'16
REVENUE																	
Total net revenue	\$ 61,015	\$ 55,857	\$ 61,587	\$ 77,116	\$ 255,575	\$ 74,393	\$ 64,492	\$ 81,532	\$ 84,417	\$ 304,834	\$ 84,872	\$ 67,061	\$ 81,286	\$ 68,154	\$ 301,373	\$ 66,654	\$ 53,036
Y/Y change	25.7%	27.2%	17.1%	12.9%	19.8%	21.9%	15.5%	32.4%	9.5%	19.3%	14.1%	4.0%	-0.3%	-19.3%	-1.1%	-21.5%	-20.9%
Required Materials	\$ 52,646	\$ 45,783	\$ 50,969	\$ 64,347	\$ 213,746	\$ 60,902	\$ 49,579	\$ 63,515	\$ 62,721	\$ 236,717	\$ 62,396	\$ 44,531	\$ 60,664	\$ 39,497	\$ 207,088	\$ 41,098	\$ 23,159
Y/Y change	19.4%	20.1%	10.3%	6.8%	13.3%	15.7%	8.3%	24.6%	-2.5%	10.7%	2.5%	-10.2%	-4.5%	-37.0%	-12.5%	-34.1%	-48.0%
Chegg Services	\$ 8,369	\$ 10,074	\$ 10,618	\$ 12,769	\$ 41,829	\$ 13,491	\$ 14,913	\$ 18,017	\$ 21,696	\$ 68,117	\$ 22,476	\$ 22,531	\$ 20,622	\$ 28,657	\$ 94,285	\$ 25,556	\$ 29,877
Y/Y change	87.8%	74.2%	65.6%	59.6%	69.7%	61.2%	48.0%	69.7%	69.9%	62.8%	66.6%	51.1%	14.5%	32.1%	38.4%	13.7%	32.6%
Non-GAAP total net revenue	\$ 28,491	\$ 16,724	\$ 32,552	\$ 21,254	\$ 99,021	\$ 34,252	\$ 21,966	\$ 45,135	\$ 32,874	\$ 134,228	\$ 45,792	\$ 33,804	\$ 45,495	\$ 41,011	\$ 166,103	\$ 46,799	\$ 40,703
Y/Y change	43.7%	59.5%	21.6%	57.5%	40.3%	20.2%	31.3%	38.7%	54.7%	35.6%	33.7%	53.9%	0.8%	24.8%	23.7%	2.2%	20.4%
Required Materials	\$ 20,122	\$ 6,650	\$ 21,935	\$ 8,485	\$ 57,192	\$ 20,762	\$ 7,053	\$ 27,118	\$ 11,178	\$ 66,111	\$ 23,316	\$ 11,274	\$ 24,874	\$ 12,354	\$ 71,818	\$ 21,243	\$ 10,826
Y/Y change	31.0%	41.5%	7.8%	54.4%	24.6%	3.2%	6.1%	23.6%	31.7%	15.6%	12.3%	59.8%	-8.3%	10.5%	8.6%	-8.9%	-4.0%
Chegg Services	\$ 8,369	\$ 10,074	\$ 10,618	\$ 12,769	\$ 41,829	\$ 13,491	\$ 14,913	\$ 18,017	\$ 21,696	\$ 68,117	\$ 22,476	\$ 22,531	\$ 20,622	\$ 28,657	\$ 94,285	\$ 25,556	\$ 29,877
Y/Y change	87.8%	74.2%	65.6%	59.6%	69.7%	61.2%	48.0%	69.7%	69.9%	62.8%	66.6%	51.1%	14.5%	32.1%	38.4%	13.7%	32.6%
EBITDA																	
EBITDA	\$ 2,924	\$ 15,036	\$ (10,822)	\$ 16,309	\$ 23,447	\$ (3,351)	\$ 11,058	\$ (12,722)	\$ 22,068	\$ 17,051	\$ (10,341)	\$ 6,402	\$ (11,588)	\$ 13,106	\$ (2,420)	\$ (8,152)	\$ (2,223)
% of revenue	4.8%	26.9%	-17.6%	21.1%	9.2%	-4.5%	17.1%	-15.6%	26.1%	5.6%	-12.2%	9.5%	-14.3%	19.2%	-0.8%	-12.2%	-4.2%
Y/Y change	-150%	89%	35%	-44%	0%	-214.6%	-26.5%	17.6%	35.3%	-27.3%	208.6%	-42.1%	-8.9%	-40.6%	-114.2%	-21.2%	-134.7%
Adjusted EBITDA	\$ (9,096)	\$ 5,118	\$ (18,595)	\$ 18,578	\$ (3,995)	\$ (16,582)	\$ 1,556	\$ (16,751)	\$ 18,826	\$ (12,952)	\$ (4,279)	\$ 3,206	\$ (8,883)	\$ 15,314	\$ 5,358	\$ (499)	\$ 7,183
% of revenue	-14.9%	9.2%	-30.2%	24.1%	-1.6%	-22.3%	2.4%	-20.5%	22.3%	-4.2%	-5.0%	4.8%	-10.9%	22.5%	1.8%	-0.7%	13.5%
Y/Y change	-43%	5187%	2%	1%	-75%	82.3%	-69.6%	-9.9%	1.3%	224.2%	-74.2%	106.0%	-47.0%	-18.7%	-141.4%	-88.3%	124.0%
RECONCILIATION OF NET LOSS TO EBITDA AND ADJUSTED EBITDA																	
Net loss:	\$ (17,825)	\$ (3,353)	\$ (29,255)	\$ (5,417)	\$ (55,850)	\$ (25,759)	\$ (8,246)	\$ (32,441)	\$ 1,688	\$ (64,758)	\$ (28,542)	\$ (10,131)	\$ (24,167)	\$ 3,630	\$ (59,210)	\$ (15,685)	\$ (9,008)
Interest expense, net	1,173	1,183	1,306	156	3,818	61	127	67	62	317	61	60	61	65	247	60	61
Provision for (benefit from) income taxes	185	152	205	100	642	217	(1,367)	281	1,055	186	294	430	389	366	1,479	400	509
Textbook library depreciation expense	16,467	14,350	14,470	19,472	64,759	20,095	18,035	16,091	15,927	70,147	14,674	12,802	9,362	6,714	43,553	4,496	2,724
Other depreciation and amortization	2,924	2,704	2,452	1,998	10,078	2,035	2,509	3,280	3,336	11,159	3,172	3,241	2,767	2,331	11,511	2,577	3,491
EBITDA	2,924	15,036	(10,822)	16,309	23,447	(3,351)	11,058	(12,722)	22,068	17,051	(10,341)	6,402	(11,588)	13,106	(2,420)	(8,152)	(2,223)
Textbook library depreciation expense	(16,467)	(14,350)	(14,470)	(19,472)	(64,759)	(20,095)	(18,035)	(16,091)	(15,927)	(70,147)	(14,674)	(12,802)	(9,362)	(6,714)	(43,553)	(4,496)	(2,724)
Share-based compensation expense	4,150	3,881	3,857	25,070	36,958	6,930	8,481	11,794	9,683	36,888	15,020	7,831	8,933	6,991	38,775	11,270	11,221
Other income, net	297	551	2,840	(3,329)	359	(120)	(156)	(541)	(62)	(879)	(76)	(56)	(85)	1	(216)	(65)	63
Restructuring (credits) charges	-	-	-	-	-	-	-	-	-	-	2,514	464	342	1,548	4,868	(44)	(154)
Transitional logistic charges	-	-	-	-	-	-	-	-	-	-	2,483	707	2,669	174	6,033	-	-
Acquisition related compensation costs	-	-	-	-	-	54	208	809	1,512	2,583	795	660	208	208	1,871	988	1,000
Impairment of intangible assets	-	-	-	-	-	-	-	-	1,552	1,552	-	-	-	-	-	-	-
Adjusted EBITDA	\$ (9,096)	\$ 5,118	\$ (18,595)	\$ 18,578	\$ (3,995)	\$ (16,582)	\$ 1,556	\$ (16,751)	\$ 18,826	\$ (12,952)	\$ (4,279)	\$ 3,206	\$ (8,883)	\$ 15,314	\$ 5,358	\$ (499)	\$ 7,183

Notes:

Non-GAAP Required Materials Revenue includes Chegg Print Textbooks, Ingram Commission, eTextbooks

Chegg Services Revenue includes Chegg Study, Chegg Tutors, Test Prep, Enrollment Services, Brand Partnership, Careers

Non-GAAP gross profit as gross profit excluding share-based compensation and transitional logistic charges

Non-GAAP gross margin as non-GAAP gross profit divided by revenue

EBITDA as earnings before interest, taxes, depreciation and amortization

Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, or EBITDA, adjusted for textbook depreciation and to exclude stock-based compensation expense, acquisition-related compensation costs, restructuring charges (credits), transitional logistic charges, impairment of intangible assets and other (expense) income, net

Non-GAAP net loss as net loss excluding share-based compensation expense, amortization of intangible assets, acquisition related compensation costs, restructuring charges (credits), transitional logistic charges and acquisition-related income tax benefit

Non-GAAP EPS as non-GAAP net loss divided by the weighted average number of shares of common stock outstanding during the period, less weighted-average unvested common stock subject to repurchase or forfeiture

Please refer to our press release issued on August 1, 2016 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.

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

	Q1'13	Q2'13	Q3'13	Q4'13	FY 2013	Q1'14	Q2'14	Q3'14	Q4'14	FY 2014	Q1'15	Q2'15	Q3'15	Q4'15	FY 2015	Q1'16	Q2'16
Total net revenues	\$ 61,015	\$ 55,857	\$ 61,587	\$ 77,116	\$ 255,575	\$ 74,393	\$ 64,492	\$ 81,532	\$ 84,417	\$ 304,834	\$ 84,872	\$ 67,061	\$ 81,286	\$ 68,154	\$ 301,373	\$ 66,654	\$ 53,036
Adjustment as if transition to Ingram is complete	(32,524)	(39,133)	(29,035)	(55,862)	(156,554)	(40,141)	(42,526)	(36,387)	(51,543)	(170,606)	(39,080)	(33,257)	(35,791)	(27,143)	(135,270)	(19,855)	(12,333)
Non-GAAP total net revenues	\$ 28,491	\$ 16,724	\$ 32,552	\$ 21,254	\$ 99,021	\$ 34,252	\$ 21,966	\$ 45,135	\$ 32,874	\$ 134,228	\$ 45,792	\$ 33,804	\$ 45,495	\$ 41,011	\$ 166,103	\$ 46,799	\$ 40,703
Gross profit	\$ 11,561	\$ 26,250	\$ 3,162	\$ 39,542	\$ 80,515	\$ 8,908	\$ 25,896	\$ 13,251	\$ 45,794	\$ 93,849	\$ 19,379	\$ 30,805	\$ 19,566	\$ 41,774	\$ 111,524	\$ 27,731	\$ 31,629
Share-based compensation expense	154	142	126	763	1,185	178	134	160	145	617	134	81	103	(56)	262	28	41
Transitional logistic charges	-	-	-	-	-	-	-	-	-	-	2,483	707	2,669	174	6,033	-	-
Non-GAAP gross profit	\$ 11,715	\$ 26,392	\$ 3,288	\$ 40,305	\$ 81,700	\$ 9,086	\$ 26,030	\$ 13,411	\$ 45,939	\$ 94,466	\$ 21,996	\$ 31,593	\$ 22,338	\$ 41,892	\$ 117,819	\$ 27,759	\$ 31,670
Gross margin %	18.9%	47.0%	5.1%	51.3%	31.5%	12.0%	40.2%	16.3%	54.2%	30.8%	22.8%	45.9%	24.1%	61.3%	37.0%	41.6%	59.6%
Non-GAAP gross margin %	19.2%	47.2%	5.3%	52.3%	32.0%	12.2%	40.4%	16.4%	54.4%	31.0%	25.9%	47.1%	27.5%	61.5%	39.1%	41.6%	59.7%
Operating expenses	\$ 27,731	\$ 27,717	\$ 28,066	\$ 48,032	\$ 131,546	\$ 34,509	\$ 35,538	\$ 45,885	\$ 43,051	\$ 158,983	\$ 47,642	\$ 40,502	\$ 43,368	\$ 37,712	\$ 169,224	\$ 43,021	\$ 40,004
Share-based compensation expense	(3,996)	(3,739)	(3,731)	(24,307)	(35,773)	(6,752)	(8,347)	(11,634)	(9,538)	(36,271)	(14,886)	(7,750)	(8,830)	(7,047)	(38,513)	(11,242)	(11,180)
Amortization of intangible assets	(1,490)	(1,236)	(992)	(635)	(4,353)	(601)	(1,003)	(1,692)	(1,674)	(4,970)	(1,560)	(1,437)	(1,118)	(646)	(4,761)	(628)	(1,186)
Restructuring credits (charges)	-	-	-	-	-	-	-	-	-	-	(2,514)	(464)	(342)	(1,548)	(4,868)	44	154
Acquisition related compensation costs	-	-	-	-	-	(54)	(208)	(809)	(1,512)	(2,583)	(795)	(660)	(208)	(208)	(1,871)	(988)	(1,000)
Impairment of intangible assets	-	-	-	-	-	-	-	-	(1,552)	(1,552)	-	-	-	-	-	-	-
Non-GAAP operating expenses	\$ 22,245	\$ 22,742	\$ 23,343	\$ 23,090	\$ 91,420	\$ 27,102	\$ 25,980	\$ 31,750	\$ 28,775	\$ 113,607	\$ 27,887	\$ 30,191	\$ 32,870	\$ 28,263	\$ 119,211	\$ 30,207	\$ 26,792
Operating expenses as a percent of net revenues	45.4%	49.6%	45.6%	62.3%	51.5%	46.4%	55.1%	56.3%	51.0%	52.2%	56.1%	60.4%	53.4%	55.3%	56.2%	64.5%	75.4%
Non-GAAP operating expenses as a percent of net revenues	36.5%	40.7%	37.9%	29.9%	35.8%	36.4%	40.3%	38.9%	34.1%	37.3%	32.9%	45.0%	40.4%	41.5%	39.6%	45.3%	50.5%
Operating income (loss)	\$ (16,170)	\$ (1,467)	\$ (24,904)	\$ (8,490)	\$ (51,031)	\$ (25,601)	\$ (9,642)	\$ (32,634)	\$ 2,743	\$ (65,134)	\$ (28,263)	\$ (9,697)	\$ (23,802)	\$ 4,062	\$ (57,700)	\$ (15,290)	\$ (8,375)
Share-based compensation expense	4,150	3,881	3,857	25,070	36,958	6,930	8,481	11,794	9,683	36,888	15,020	7,831	8,933	6,991	38,775	11,270	11,221
Amortization of intangible assets	1,490	1,236	992	635	4,353	601	1,003	1,692	1,674	4,970	1,560	1,437	1,118	646	4,761	628	1,186
Restructuring (credits) charges	-	-	-	-	-	-	-	-	-	-	2,514	464	342	1,548	4,868	(44)	(154)
Transitional logistic charges	-	-	-	-	-	-	-	-	-	-	2,483	707	2,669	174	6,033	-	-
Acquisition related compensation costs	-	-	-	-	-	54	208	809	1,512	2,583	795	660	208	208	1,871	988	1,000
Impairment of intangible assets	-	-	-	-	-	-	-	-	1,552	1,552	-	-	-	-	-	-	-
Non-GAAP operating income (loss)	\$ (10,530)	\$ 3,650	\$ (20,055)	\$ 17,215	\$ (9,720)	\$ (18,016)	\$ 50	\$ (18,339)	\$ 17,164	\$ (19,141)	\$ (5,891)	\$ 1,402	\$ (10,532)	\$ 13,629	\$ (1,392)	\$ (2,448)	\$ 4,878
Net income (loss)	\$ (17,825)	\$ (3,353)	\$ (29,255)	\$ (107,974)	\$ (158,407)	\$ (25,759)	\$ (8,246)	\$ (32,441)	\$ 1,688	\$ (64,758)	\$ (28,542)	\$ (10,131)	\$ (24,167)	\$ 3,630	\$ (59,210)	\$ (15,685)	\$ (9,008)
Deemed dividend to preferred stockholders	-	-	-	102,557	102,557	-	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	4,150	3,881	3,857	25,070	36,958	6,930	8,481	11,794	9,683	36,888	15,020	7,831	8,933	6,991	38,775	11,270	11,221
Amortization of intangible assets	1,490	1,236	992	635	4,353	601	1,003	1,692	1,674	4,970	1,560	1,437	1,118	646	4,761	628	1,186
Restructuring (credits) charges	-	-	-	-	-	-	-	-	-	-	2,514	464	342	1,548	4,868	(44)	(154)
Transitional logistic charges	-	-	-	-	-	-	-	-	-	-	2,483	707	2,669	174	6,033	-	-
Acquisition related compensation costs	-	-	-	-	-	54	208	809	1,512	2,583	795	660	208	208	1,871	988	1,000
Impairment of intangible assets	-	-	-	-	-	-	-	-	1,552	1,552	-	-	-	-	-	-	-
Acquisition related income tax benefit	-	-	-	-	-	-	(1,626)	-	335	(1,291)	-	-	-	-	-	-	-
Non-GAAP net income (loss)	\$ (12,185)	\$ 1,764	\$ (24,406)	\$ 20,288	\$ (14,539)	\$ (18,174)	\$ (180)	\$ (18,146)	\$ 16,444	\$ (20,056)	\$ (6,170)	\$ 968	\$ (10,897)	\$ 13,197	\$ (2,902)	\$ (2,843)	\$ 4,245
Weighted average shares used to compute net income (loss) per share	12,031	12,558	12,873	45,825	20,902	82,181	83,209	83,688	83,925	83,205	84,794	86,741	87,706	87,993	86,818	89,118	90,416
Effect of dilutive options, restricted stock units and warrants	-	45,357	-	4,386	-	-	-	-	2,618	-	-	5,863	-	5,232	-	-	2,468
Non-GAAP weighted average shares used to compute net income (loss) per share	12,031	57,915	12,873	50,211	20,902	82,181	83,209	83,688	86,543	83,205	84,794	92,604	87,706	93,225	86,818	89,118	92,884
Net income (loss) per share	\$ (1.48)	\$ (0.27)	\$ (2.27)	\$ (2.36)	\$ (7.58)	\$ (0.31)	\$ (0.10)	\$ (0.39)	\$ 0.02	\$ (0.78)	\$ (0.34)	\$ (0.12)	\$ (0.28)	\$ 0.04	\$ (0.68)	\$ (0.18)	\$ (0.10)
Adjustments	\$ 0.47	\$ 0.30	\$ 0.37	\$ 2.76	\$ 6.88	\$ 0.09	\$ 0.10	\$ 0.17	\$ 0.17	\$ 0.54	\$ 0.27	\$ 0.13	\$ 0.16	\$ 0.10	\$ 0.65	\$ 0.15	\$ 0.15
Non-GAAP net income (loss) per share	\$ (1.01)	\$ 0.03	\$ (1.90)	\$ 0.40	\$ (0.70)	\$ (0.22)	\$ -	\$ (0.22)	\$ 0.19	\$ (0.24)	\$ (0.07)	\$ 0.01	\$ (0.12)	\$ 0.14	\$ (0.03)	\$ (0.03)	\$ 0.05