

W U T I S

**coursera**

## **Coursera, Inc.**

### **Equity Research**

**Target Price:** \$ 50.43

**Current Price:** \$ 43.41

*Upside Potential:* + 16.71%

**Recommendation: BUY**

Vienna, June 10, 2021

# Team Overview

## Equity Research



**Matthias  
Hofmanninger**

**Head of Equity Research**

- Equity story
- Organization & lead

**MUTARES**



BSc. (WU) – 6<sup>th</sup> Sem.



**Dariya  
Malakhova**

**Associate**

- Company analysis
- Valuation



MSc. (WU) – 2<sup>nd</sup> Sem.



**Elias  
Aruna**

**Associate**

- Valuation
- Market analysis



BSc. (WU) – 4<sup>th</sup> Sem.



**Dmytro  
Symonenko**

**Analyst**

- Competition analysis
- Company analysis



**Capital Times**  
Investment Advisory



MSc. (Uni Vienna) – 2<sup>nd</sup> Sem.



**Christian  
Hanley**

**Analyst**

- Market analysis
- Competition analysis



BSc. (WU) – 4<sup>th</sup> Sem.

# Agenda

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# Stock Price Performance

After a strong IPO, the market showed weakening interest in Coursera



## Share Price – Major Events

- [1] 19 April 2021 (+13.7%) – Coursera announces **5 new degree courses with 3 leading universities** (including 1 Brazilian and 1 Indian)
- [2] 4 May 2021 (-20.8%) – **Unaudited consolidated earning results** for Q1 2021 announced
- [3] 13 May 2021 (+12.1%) – **Free online courses for India announced** to help upskill the workforce amid second wave

## IPO Details

- Date: **March 31, 2021**
- \$1.69 bn** raised
- Stock exchange: **NYSE**
- Ticker: **COUR**
- Initial Price: **\$33.00**
- Offering led by Morgan Stanley & Goldman Sachs



# Executive Summary

Coursera is the most attractive way to play the growing EdTech market





## Business Overview

# Company Overview

W U T I S

A household name in the EdTech space with qualified management and strong history

## Company Description

- Coursera is a leading globally operating online education platform offering professional and university-accredited certification
- **Established:** 2012
- **Headquarters:** Mountain View, California
- **Employees:** 779
- **Market Capitalization:** \$5,767.9
- **IPO:** March 31st, 2021
- **Ticker:** COUR (NYSE)

## Financials

In \$ mn	2017	2018	2019	2020
<b>Revenue</b>	<b>95.6</b>	<b>140.9</b>	<b>184.4</b>	<b>293.5</b>
% YoY growth		47%	31%	59%
<b>Gross Profit</b>	<b>50.3</b>	<b>84.0</b>	<b>94.8</b>	<b>154.7</b>
% Margin	53%	60%	51%	53%
<b>EBIT</b>	n/a	n/a	<b>(21.6)</b>	<b>(67.1)</b>
% Margin	n/a	n/a	-12%	-23%
<b>Net Profit</b>	n/a	n/a	<b>(21.6)</b>	<b>(64.3)</b>
% Margin	n/a	n/a	-12%	-22%
Net debt (BV)	n/a	n/a	(172.8)	(259)
Financial Leverage	n/a	n/a	10.9%	10.4%

## Management Team



### Jeff Maggioncalda

- CEO since 2017
- Ex Director of Silicon Valley Bank & CEO of Financial Engines



### Ken Hahn

- CFO, Treasurer since 2020
- Led 3 successful IPOs as CFO



### Anne Cappel

- General Counsel since 2017
- Ex Executive VP of Financial Engines



### Leah Belsky

- Chief Enterprise Officer since 2019
- At Coursera since 2015



### Kimberly Caldbeck

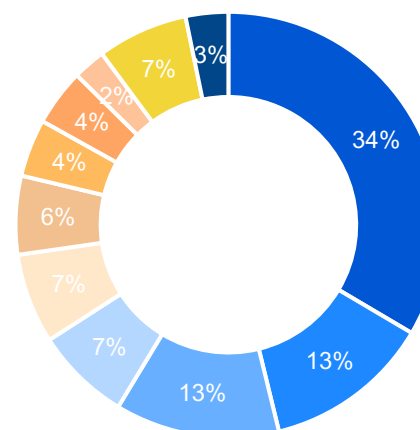
- Chief Marketing Officer since 2018
- Ex Marketing at Facebook



### Dr. Andrew Ng

- Co-Founder
- Chairman since 2014
- CEO 2012 - 2014

## Shareholder Structure

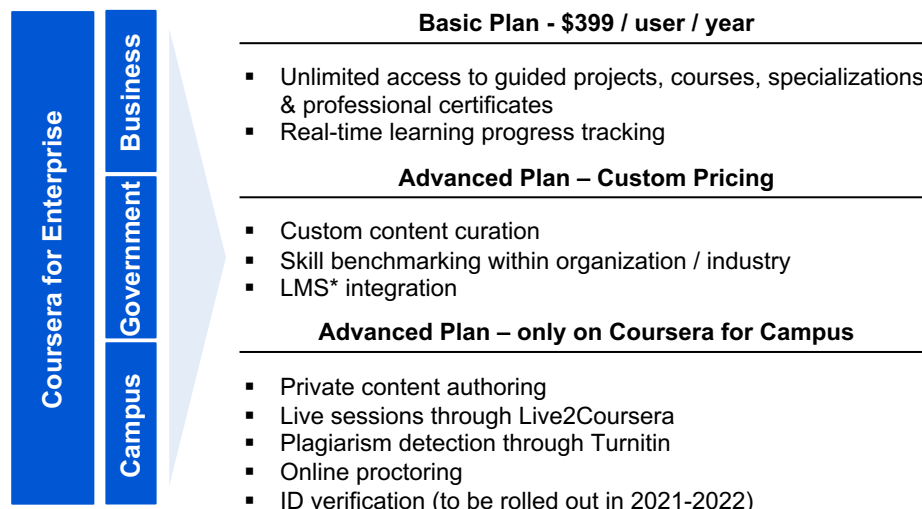
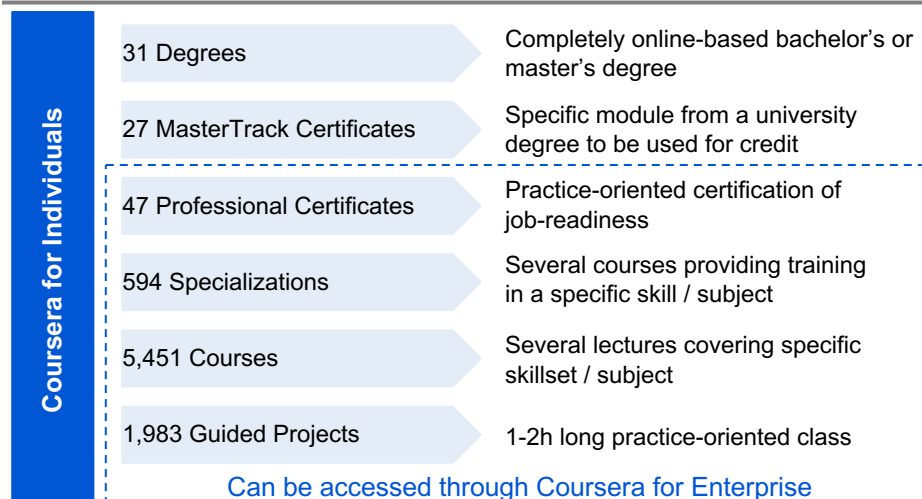


- Free Float
- G Squared Equity Management
- New Enterprise Associates
- Kleiner Perkins Caufield & Byers
- Australian Government Future Fund
- Andrew Ng
- Morgan Stanley
- Capital Research
- Baillie Gifford & Co.
- Other Institutions
- Other Insiders

# Company Overview

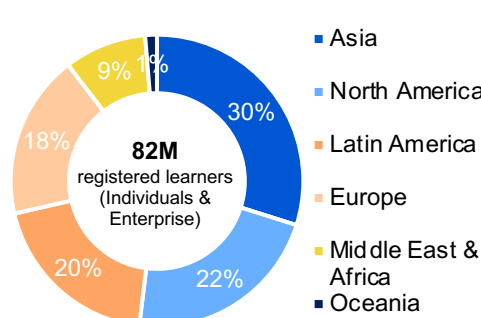
Coursera is a one-stop education shop serving a diverse range of learners

## Business Model: Two Main Segments

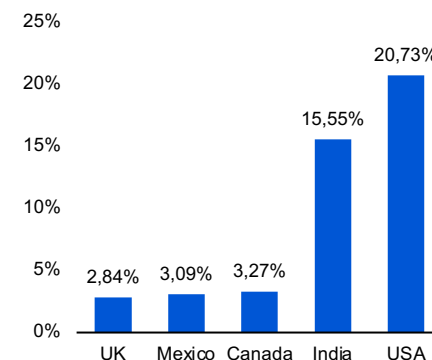


## Geography

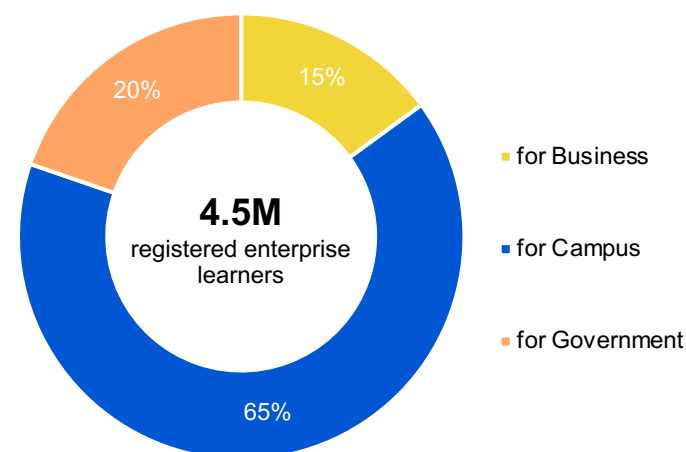
### Region split by registered learners



### Top 5 countries by traffic



### Coursera for Enterprise: Segment Split by Registered Learners



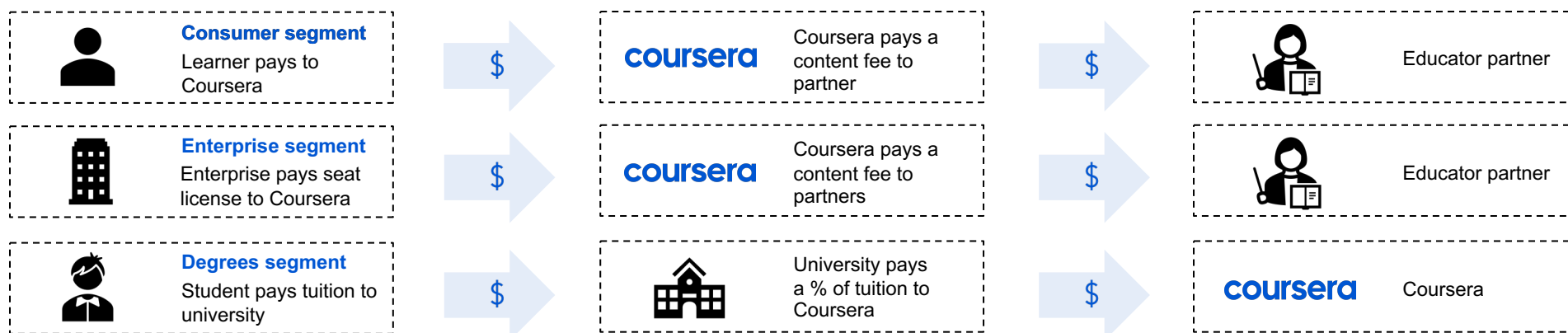
# Product Portfolio & Business Model

Full coverage of the online education market thanks to Coursera's broad network

## Product Portfolio

Type	Guided Project	Course	Specialization	Professional Certificate	MasterTrack	Degree
Duration	1 - 2h	1 week - 3 months	2 - 6 months	3 - 9 months	3 - 12 months	2+ years
Type of educator	<ul style="list-style-type: none"> <li>University Partners</li> <li>Industry Partners</li> <li>Subject Matter Experts</li> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>University Partners</li> <li>Industry Partners</li> </ul>	<ul style="list-style-type: none"> <li>University Partners</li> <li>Industry Partners</li> </ul>	<ul style="list-style-type: none"> <li>Industry Partners</li> </ul>	<ul style="list-style-type: none"> <li>University Partners</li> </ul>	<ul style="list-style-type: none"> <li>University Partners</li> </ul>
Admission type	Anytime	Anytime	Anytime	Anytime	Deadline & enrolment qualification	Deadline & enrolment qualification
Cost	<ul style="list-style-type: none"> <li>10\$ per project</li> <li>Free</li> <li>Coursera Plus</li> </ul>	<ul style="list-style-type: none"> <li>up to 90\$ per course</li> <li>\$39 - 99 per month</li> <li>Coursera Plus</li> </ul>	<ul style="list-style-type: none"> <li>\$39 - 99 per month</li> <li>Coursera Plus</li> </ul>	<ul style="list-style-type: none"> <li>\$39 - 99 per month</li> <li>Coursera Plus</li> </ul>	<ul style="list-style-type: none"> <li>\$2,000 - \$6,000 (can be partial payments)</li> </ul>	<ul style="list-style-type: none"> <li>\$9,000 - \$45,000 (can be partial payments)</li> </ul>
Available financing options	<ul style="list-style-type: none"> <li>full paid (no free trial)</li> <li>full free, no certificate</li> </ul>	<ul style="list-style-type: none"> <li>full paid (with free trial)</li> <li>financial aid</li> <li>audit only, no certificate</li> <li>full free, no certificate</li> </ul>	<ul style="list-style-type: none"> <li>full paid (with free trial)</li> <li>financial aid</li> <li>audit only, no certificate</li> <li>full free, no certificate</li> </ul>	<ul style="list-style-type: none"> <li>full paid (with free trial)</li> <li>financial aid</li> <li>audit only, no certificate</li> <li>full free, no certificate</li> </ul>	<ul style="list-style-type: none"> <li>full paid (reimbursement through external scholarship / employer)</li> </ul>	<ul style="list-style-type: none"> <li>full paid (reimbursement through external scholarship / employer)</li> </ul>

## Business Model: Revenue Generation

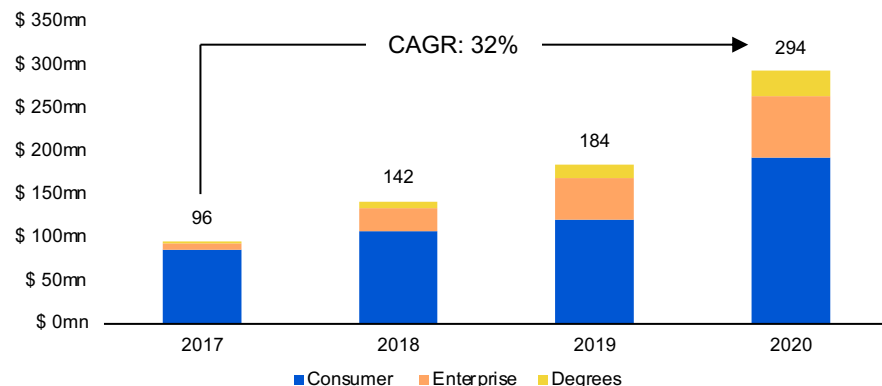




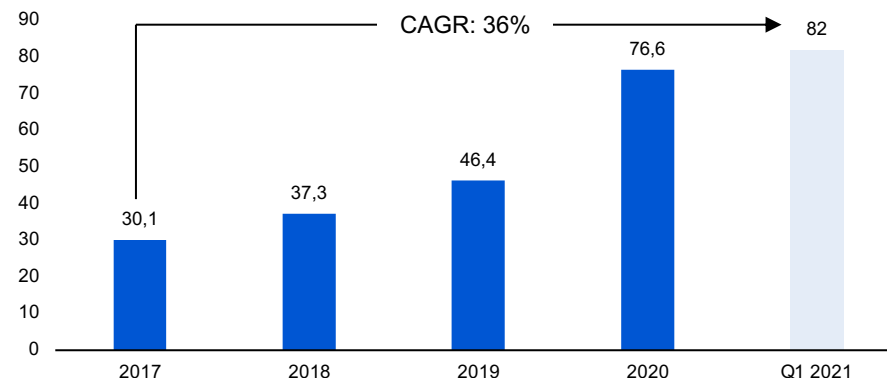
# Financials / KPI's

Growth in key segments is supported by a strong balance sheet

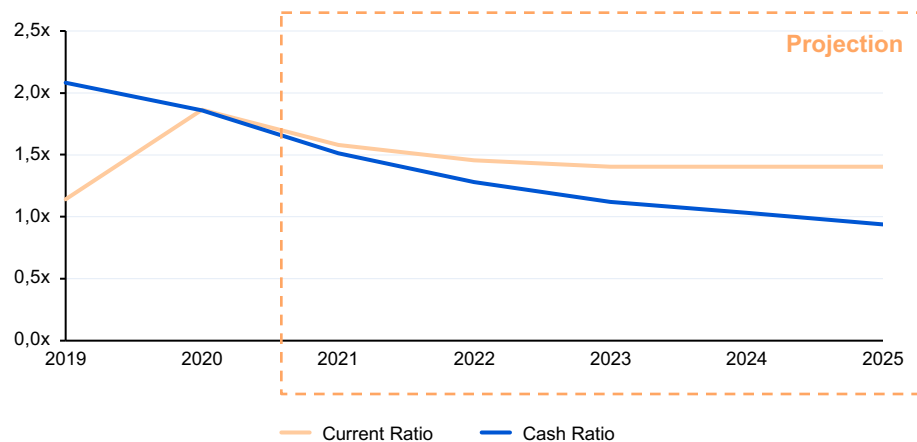
## Revenue Segment Split



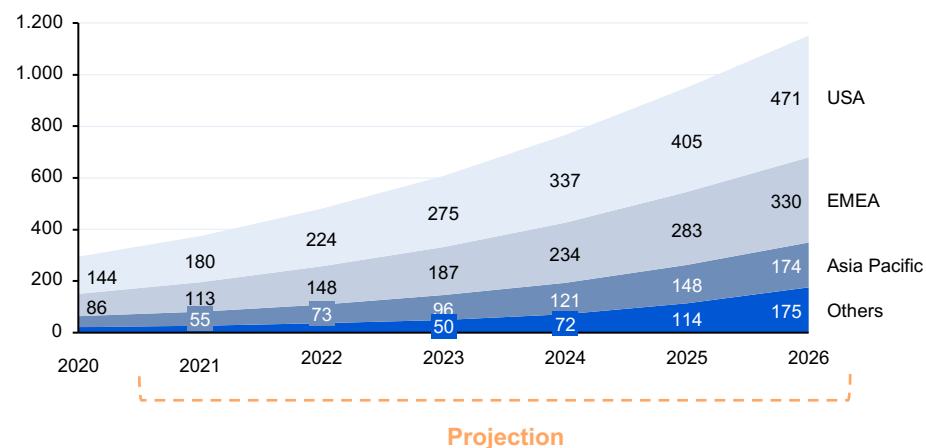
## Number of Total Registered Learners (mn)



## Liquidity Ratios



## Geographic Split of Revenues



# Competitive Advantage & Strategy

Coursera's clear and well-executed strategy paves the way to capture the market

## Competitive Advantages

### Highly efficient learner acquisition model

Free, high-quality content + Deep SEO expertise + Strong WOM marketing

**Comparatively cheap attraction of learners at a large scale**  
(favourable unit economics and path to profitability)

### Full range of stackable course and degree offering

Low entry-bar courses and projects + Professional certification + University partnerships

**Very strong cross- / upselling**  
(50% of degree students prior Coursera users)



Heavy reliance on marketing and online presence



Offers a similar model to Coursera, but is strictly not-for-profit

Coursera's university partners

Caltech



Yale University



Università  
Bocconi  
MILANO



Stanford  
University



PRINCETON  
UNIVERSITY



THE UNIVERSITY OF  
MELBOURNE

## Growth Strategy



### Margin and user base expansion

- **Expand highly profitable segments** enterprise and degree
- **Capture more emerging regions** and build globally known brand
- **Drive conversion** in Asia-Pacific and other emerging regions



### Optimize cross- and upselling

- **Convert free students** to paying learners
- **Leverage gathered data** to tailor internal advertising



### Differentiate through partnerships

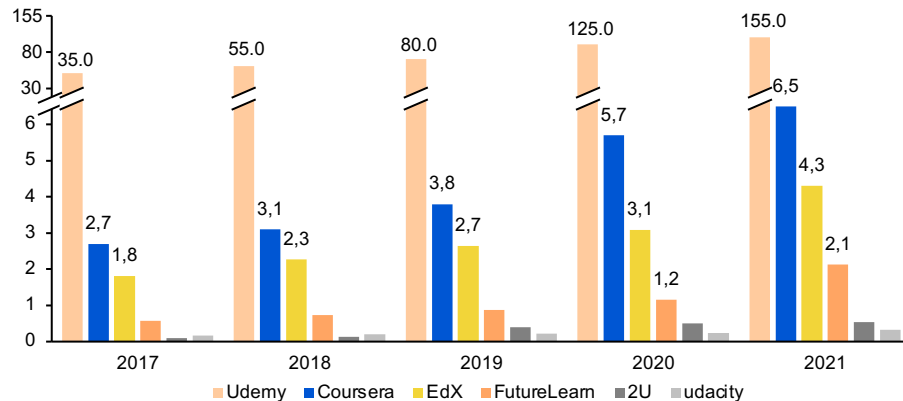
- **Secure long-term positioning** through partnerships with the world's most renowned institutions
- **Become the global go-to platform for educators** to publish their content on



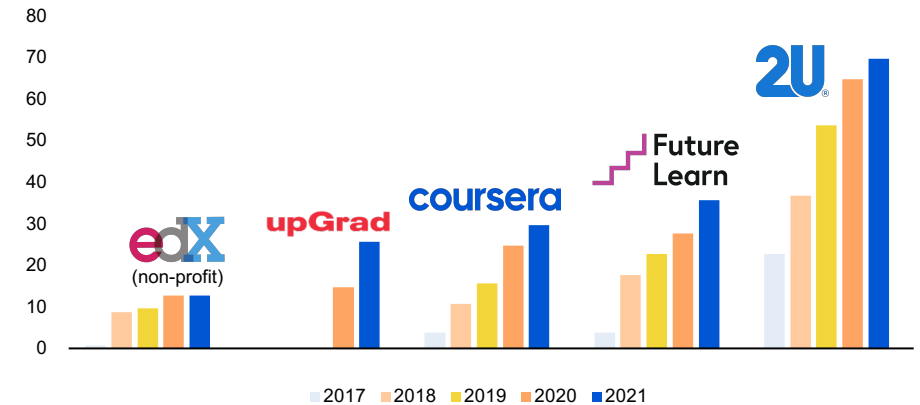
# Competitive Benchmarking

High quality, organic customer growth is a hallmark of Coursera's business

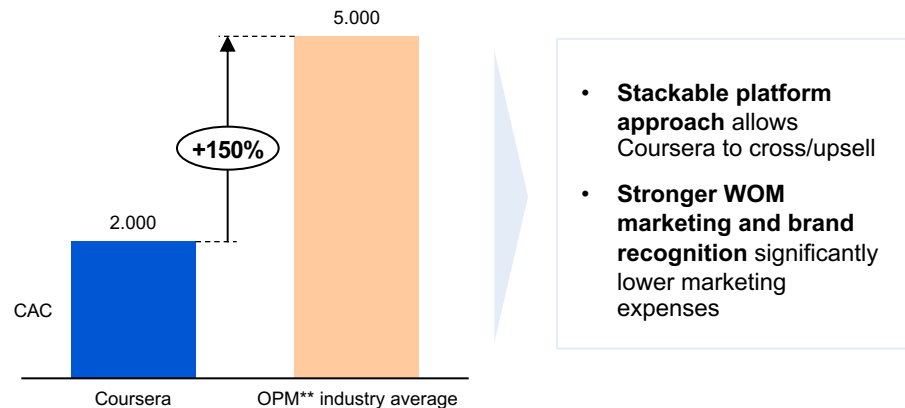
MOOC\* Platforms by Courses Offered (000s)



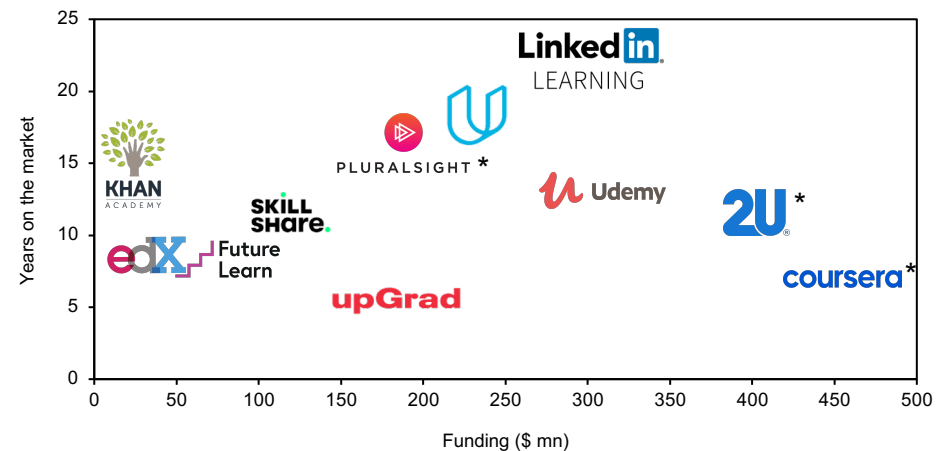
Number of Online University Degrees Available by Platform



Customer Acquisition Cost (Degree Students)



Funding (Pre-IPO)





## Market Overview

# Industry Overview I

The global EdTech sector is poised to grow rapidly thanks to numerous catalysts

## Key Forces Driving Online Education



Higher education institutions are expanding their online learning programs. **63% of US students** choose online education due to its **convenience and flexibility**.



MOOCs partner with educational institutions to focus on micro-credentials. During the first month of the pandemic Coursera reported **over 10 million enrollments (644% rise in comparison with 2019 figures)**.



Students choose online education as it is more affordable and accessible. College students spent about **\$1,290 on books and supplies** during the academic year of **2018-2019**.



Budgets for advanced technologies for **higher education and K-12\*\*** are **expected to grow at a CAGR of 190% and 168%** respectively over the next three years.



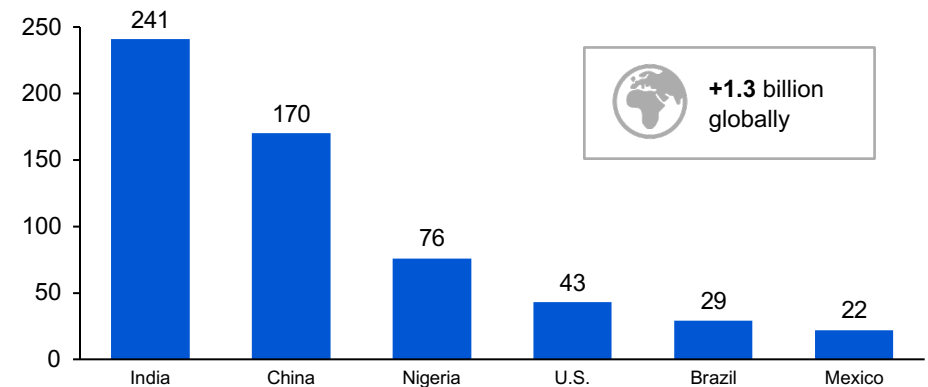
The education industry is still one of the **least digitized markets**. The mindset shift of the working world prompted by COVID-19 could mean major **tailwinds** for MOOC providers and OPMs.



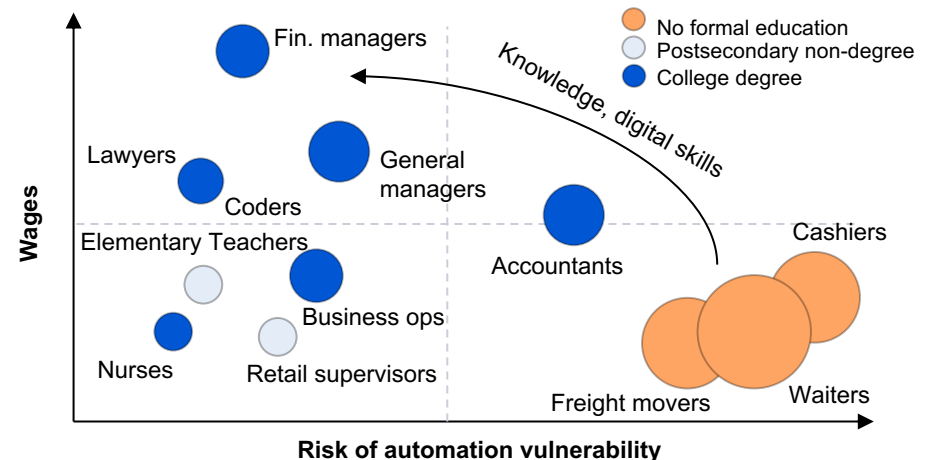
Large majority of students use **video-based** educational tools as well as technology-powered tools, which lead to **massive improvements** when it comes to **test scores**.

## Population Reaching Working Age in the Next 10 Years by Geography

People (mn)



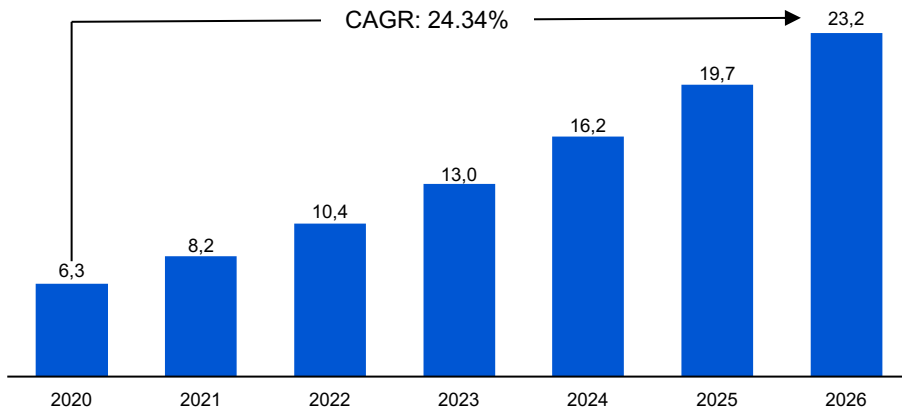
## Changing Job Requirements and Reskilling of Low-Skill Jobs



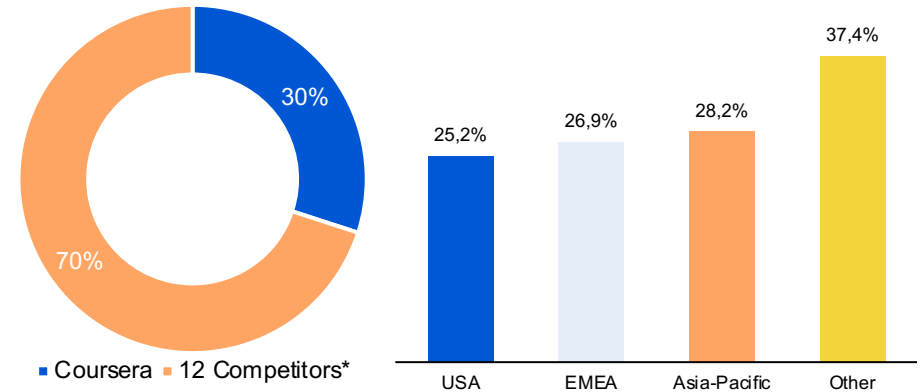
# Industry Overview II

However, even with strong demand for technology and business education...

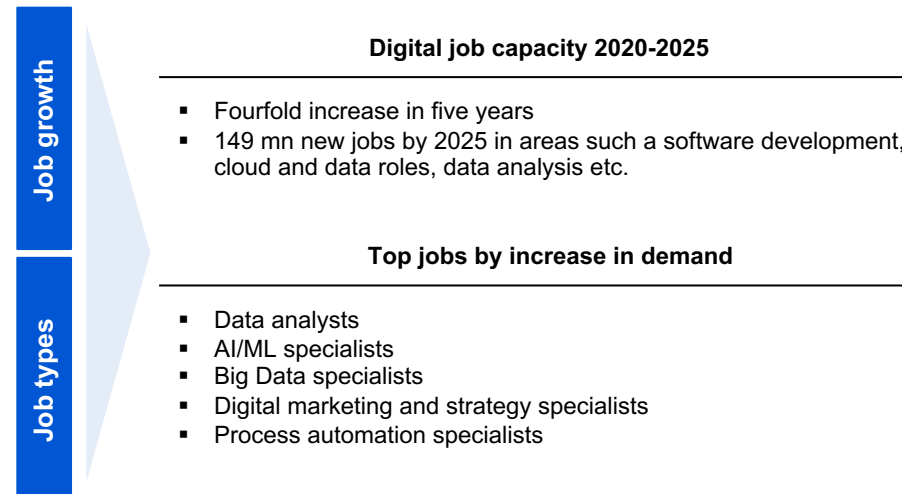
Global Online Education Market Size, \$ bn



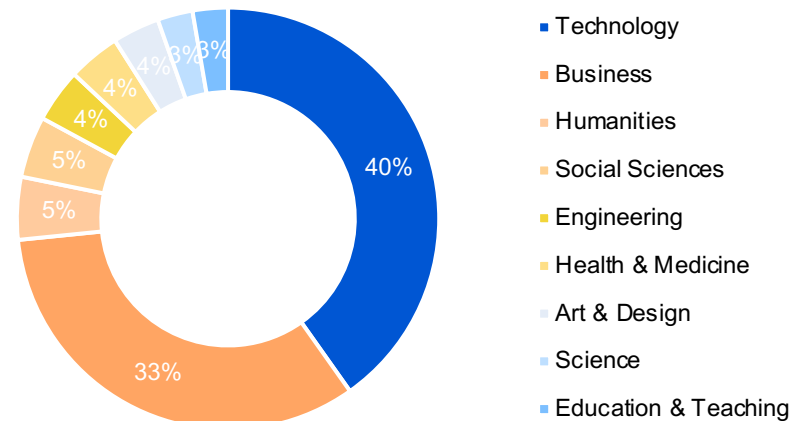
Coursera Market Share & Average Market Growth Rates by Region



Future Workforce Trends until 2025



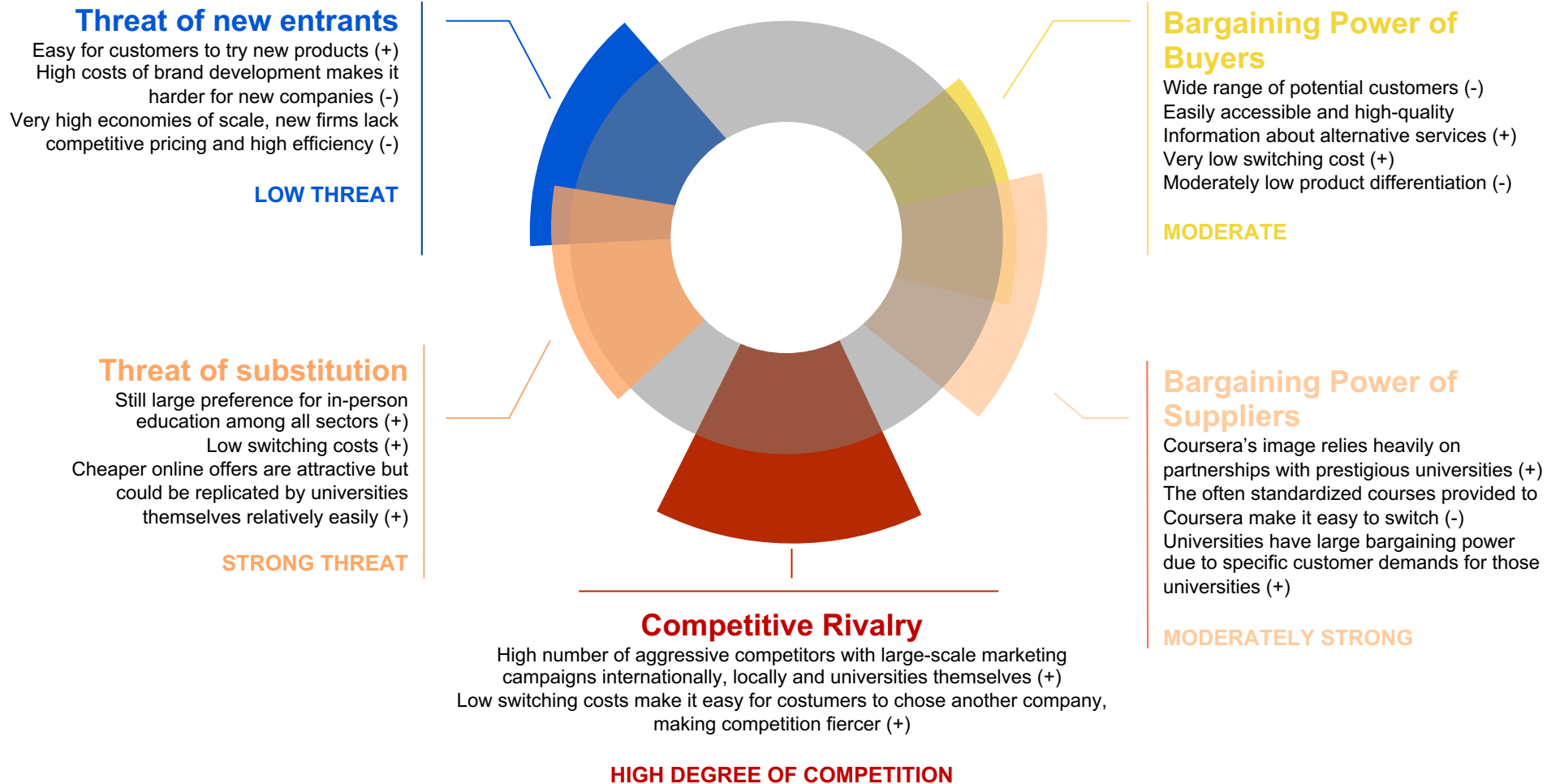
Global Online Education Market Split by Subject





# Industry Analysis

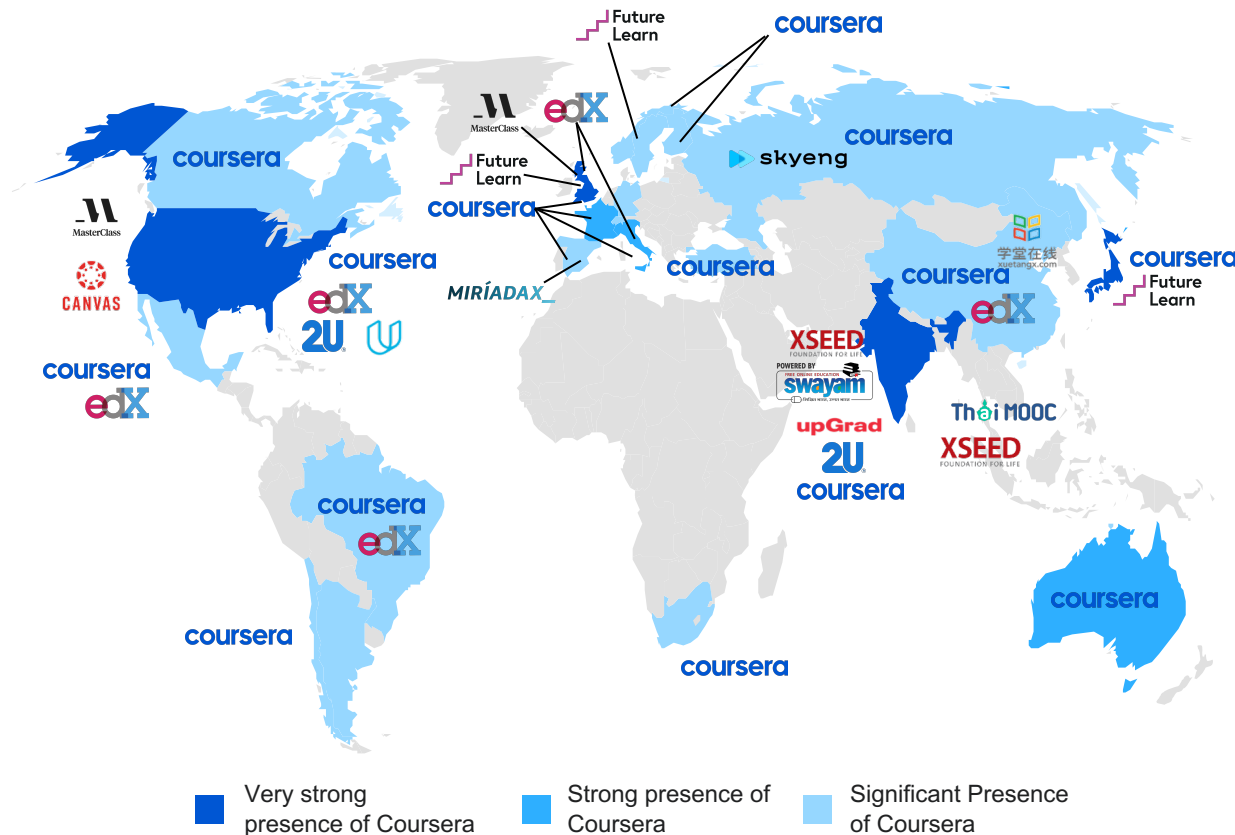
... EdTech continues to be a tough space to compete in



# Global Overview

Industry players vary greatly in their ambitions and regional foci

## Online Education, a Worldwide Industry



Most modern MOOCs are **generally available anywhere** in the world where there is an internet connection



## Industry Categories

### Global Players

Companies that **expanded well beyond their home market** and explore some emerging markets



### Regional Experts

Companies that **strategically explore new regions** and markets



### Local Heroes

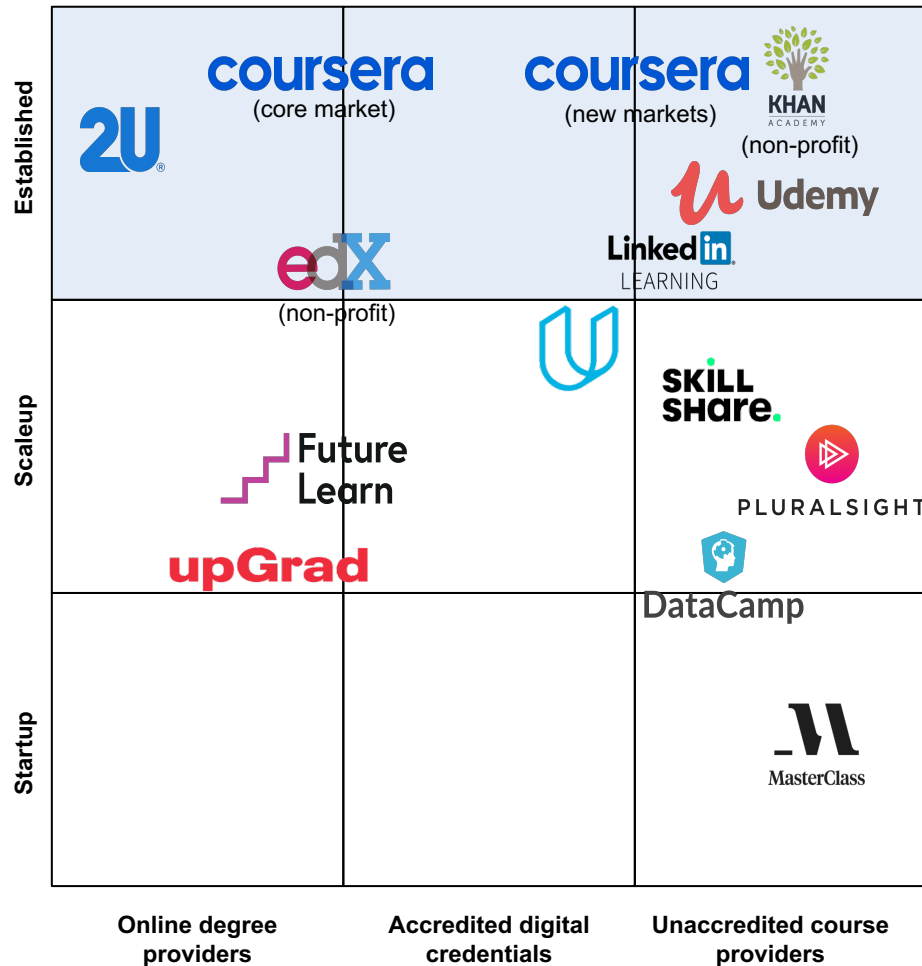
Companies that focus on their **home market** and show **little ambition** for wider expansion



# Competitive Landscape

Untangling the seemingly crowded ed-tech space reveals Coursera's strong position

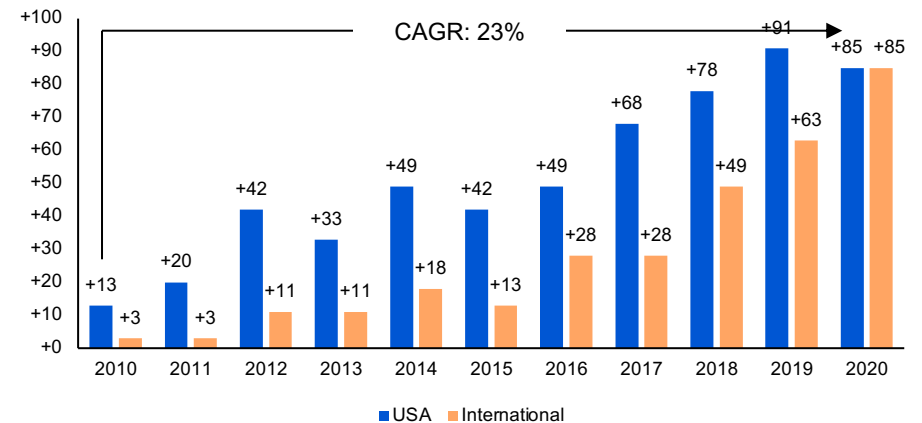
## Competitive Landscape



## Traffic Analysis

Company	Monthly visits	Monthly unique visitors	Bounce rate
<b>Coursera</b>	47.7	14.7	34.42%
<b>Udemy</b>	99.25	22.72	34.61%
<b>EdX</b>	17.57	5.91	37.48%
<b>Udacity</b>	4.81	1.43	32.2%
<b>Future Learn</b>	6.59	2.93	52.1%

## Additional Universities Offering Online Education Yearly

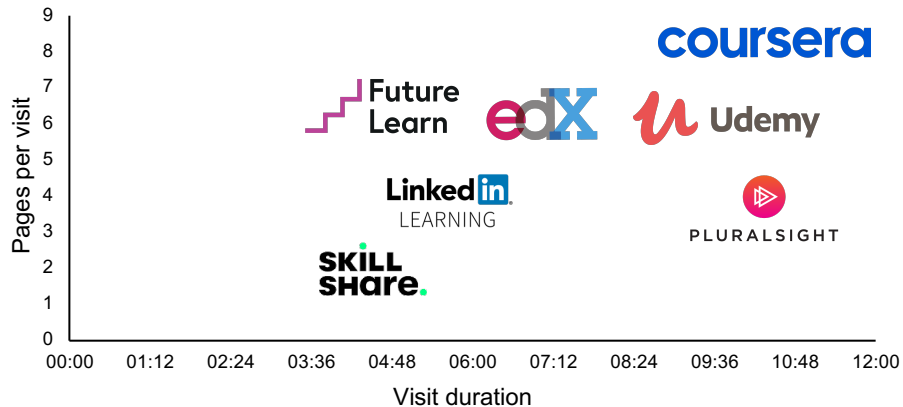




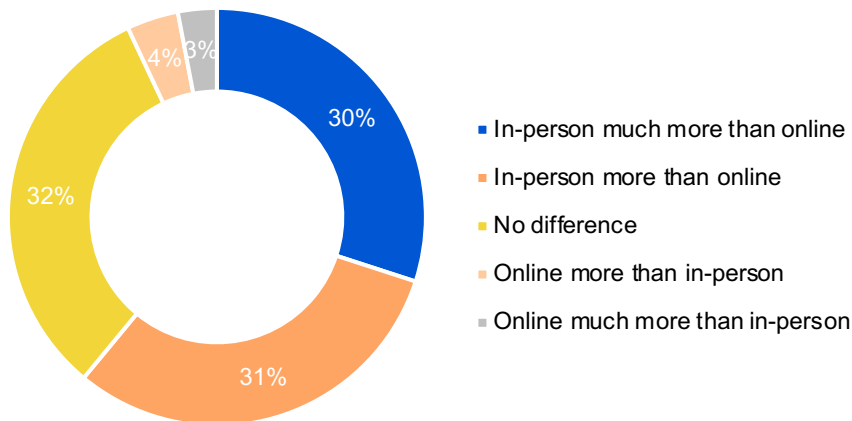
# Online Education Behavior

Strong interaction with users and wide institutional network

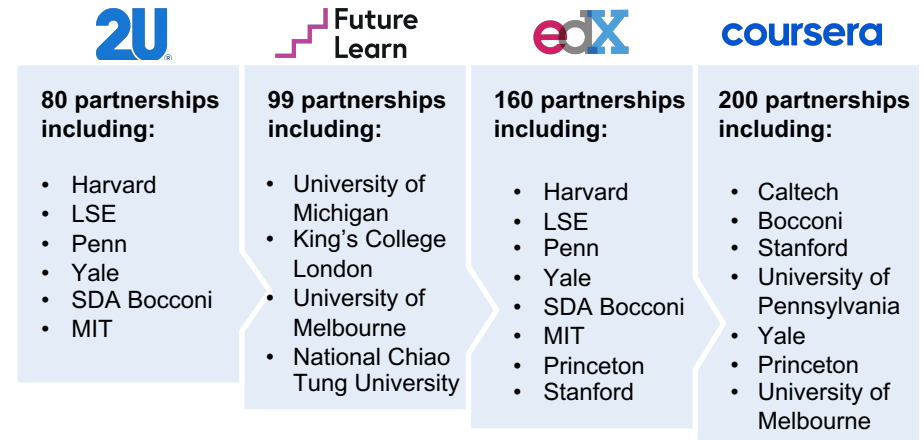
## Client Engagement Statistics



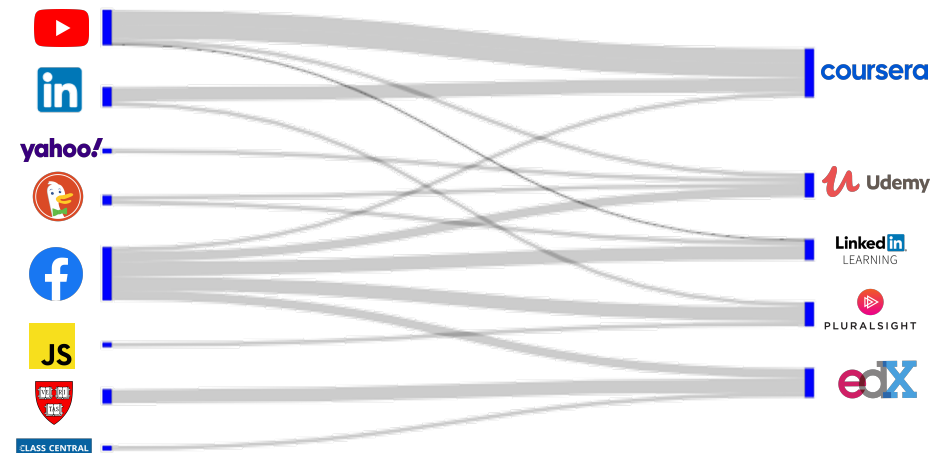
## Value of Online Education vs In-Person Education for Employers



## Education Institutions Partnerships



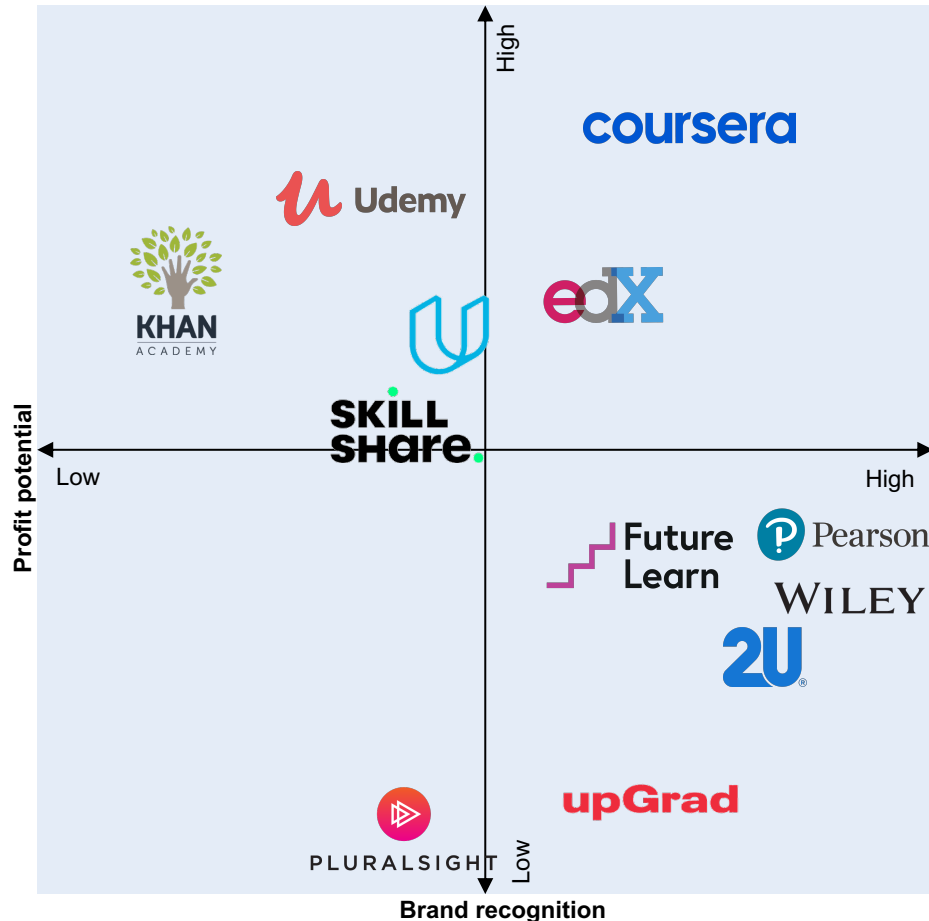
## Traffic Channels in % (excl. Direct Search, Google, Emails)









# University Perspective

Universities are a key determinant of who has the competitive edge

## University Partnership Benefits Matrix



## Big Players Universities Can Consider

  <p><b>Pure-play MOOC platforms</b> with high strong brand recognition, however, revenue prospects are <b>limited by business models</b> and lack of university partnerships.</p>	  <p><b>Mix of OPM and MOOC platforms</b> with strong brand recognition and <b>solid experience in university partnerships</b>.</p>	  <p><b>Pure-play OPM platforms</b> which provide digitization of university degrees. Brand recognition <b>remains low</b>; however, <b>revenue potential is solid</b>.</p>
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## Cost Comparison: Coursera vs. In-Person

Master's Degree	University of Michigan Public Health	Imperial College London Machine Learning and Data Science
Coursera degree	~ 45,000 USD	29,000 GBP
In-person degree	> 100,000 USD	29,000 GBP



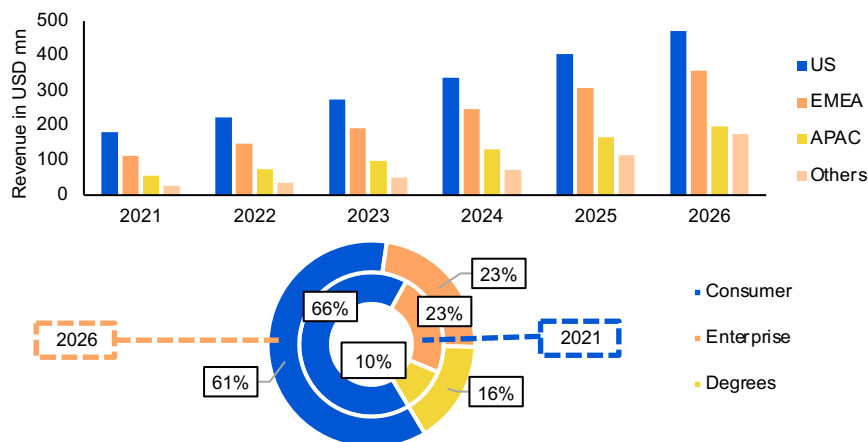
Valuation

# Valuation Summary

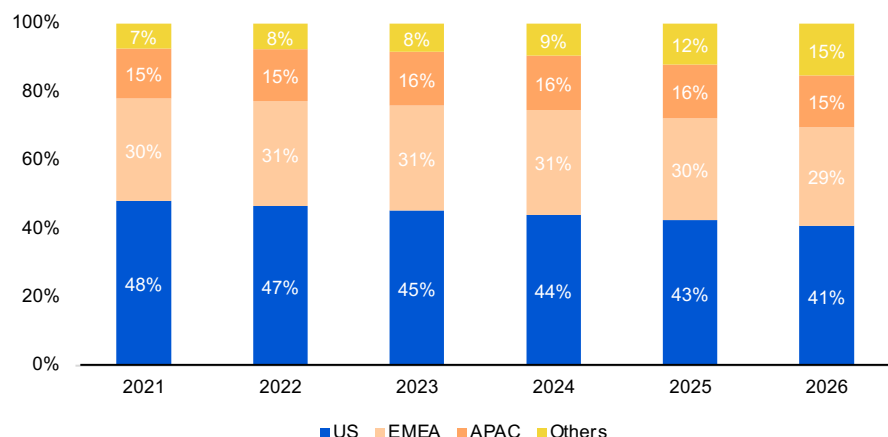
W U T I S

Strong fundamentals make Coursera attractive even with conservative assumptions

## Degree Segment and Developing Countries Gain Importance



## Global Brand Enables Diversification of Revenue Split



## Strong Upside Potential as the Fair Value Lies at \$50.43 (Base Case)



+ 38.04%

The bullish case scenario is primarily based on the standpoint of Coursera as the **industry best practice**, the **low gross margin** in comparison to the market in the base case and the **global demand drivers**.



+ 16.17%

Coursera's base case scenario is based on current **societal trends regarding online education** and accounting for a slowing of the exponential growth rate during the Covid-pandemic due to the **return to in-person education** and the **emergence of other competitors with deep tech know-how** (Google, Amazon).



- 4.89 %

The bearish case scenario assumes an almost **complete return to the pre-Covid situation** and a **rejection of increased online education** in the future. Also, the revenue split (geographical) stays as it is and **international markets do not develop towards US-level**.

## Valuation Approach

CONSUMER	ENTERPRISE	DEGREES
<ul style="list-style-type: none"> <li>Established markets</li> <li>Low CAC costs</li> <li>Potential Upsells</li> </ul>	<ul style="list-style-type: none"> <li>Econ. Development</li> <li>Multiplicators</li> <li>High Awareness (CoV)</li> </ul>	<ul style="list-style-type: none"> <li>100% profit contribut.</li> <li>Emerging markets</li> <li>Strong brand name</li> </ul>

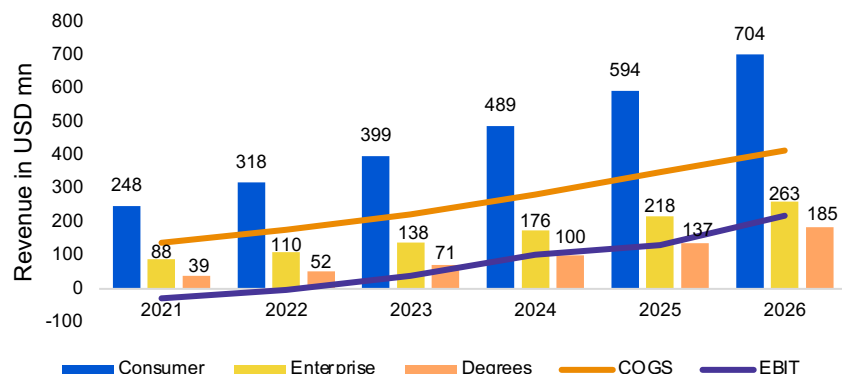
Revenue segmentation, geographical split and macro catalysts make Coursera the optimal play in the EdTech sector



# DCF Analysis

Strong company-specific quantitative and qualitative drivers put Coursera ahead

## Revenue & EBIT Forecast, USD mn



## Sensitivity Analysis

		Terminal Revenue Multiple				
		5.14x	6.14x	7.14x	8.14x	9.14x
WACC	7.15%	39.8	46.5	53.2	59.9	66.6
	7.65%	38.7	45.3	51.8	58.3	64.8
	8.15%	37.8	44.1	50.4	56.8	63.1
	8.65%	36.8	43.0	49.1	55.3	61.5
	9.15%	35.9	41.9	47.9	53.9	59.9

## Operating Assumptions



### Market position & USP:

Low competition in combination with know-how enables the pole position for the coming golden years of MOOC



### Attractive unit economics:

The most profitable revenue segments will experience higher demand as non-US markets develop



### Stable & scalable cost structure:

With only approx. 40% of the CAC that the closet competitor has there's still customers left on the table

## Key Inputs



### Equity Risk Premium:

Equity Risk Premium determined by weighting geographical ERPs according to revenue distribution: 6.43%



### WACC (8.15%):

Cost of Equity: 7.86%, Cost of Debt 2.70%  
Marginal tax rate: 22.8%



### Terminal Revenue Multiple:

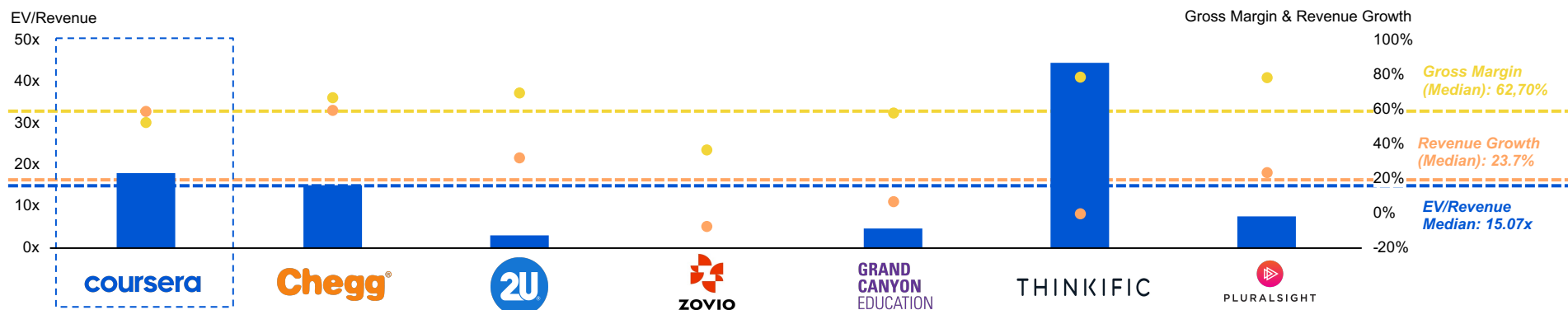
EV/Revenue multiple: 7.14x (weighted historical & forward)  
(due to unprofitable peers EV/EBIT not appropriate)

# CCA Analysis

W U T I S

Coursera's strong EV/learner ratio and flexibility set it apart from its peers

## Peer group analysis



## Multiples/Operating Statistics

Companies	Ticker	EV (\$ Mln)	Gross Margin	EBIT (\$ Mln)	Revenue Growth	EV/Learner (USD)	EV/Revenue FC21	EV/Revenue
Coursera Inc.	NYSE: COUR	5.331,5	52%	-67,1	59,2%	69,2	14,21x	18,16x
Chegg, Inc.	NYSE: CHGG	10.761,40	67%	73,40	59,7%	2.445,8	12,99x	15,13x
2U, Inc.	NasdaqGS: TWOU	2.606,90	70%	(153,10)	32,4%	592,4	2,66x	3,14x
Zovio Inc	NasdaqGS: ZVO	72,60	37%	(3,90)	-7,3%	264,0	n/a	n/a
Grand Canyon Education, Inc.	NasdaqGS: LOPE	4.095,20	58%	280,90	7,0%	118.701,5	4,38x	4,77x
Thinkific Labs Inc.	TSX: THNC	1.166,70	79%	(2,20)	n/a	11.316,2	27,01x	44,70x
Pluralsight, Inc.	PRIVATE	2.987,20	79%	(134,70)	23,6%	108.625,5	6,67x	7,62x
<b>Average</b>			<b>56%</b>	<b>18,9</b>	<b>23,1%</b>	<b>30.275,6</b>	<b>10,74x</b>	<b>15,07x</b>
<b>Median</b>			<b>63%</b>	<b>(3,1)</b>	<b>23,7%</b>	<b>1.519,1</b>	<b>6,67x</b>	<b>7,62x</b>

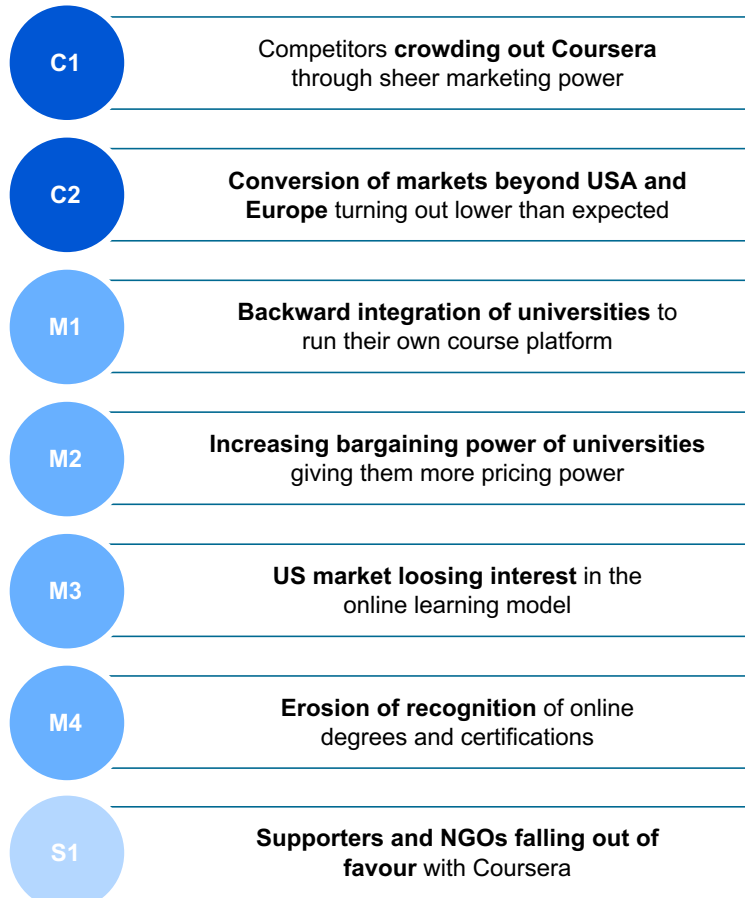


## Risks and Catalysts

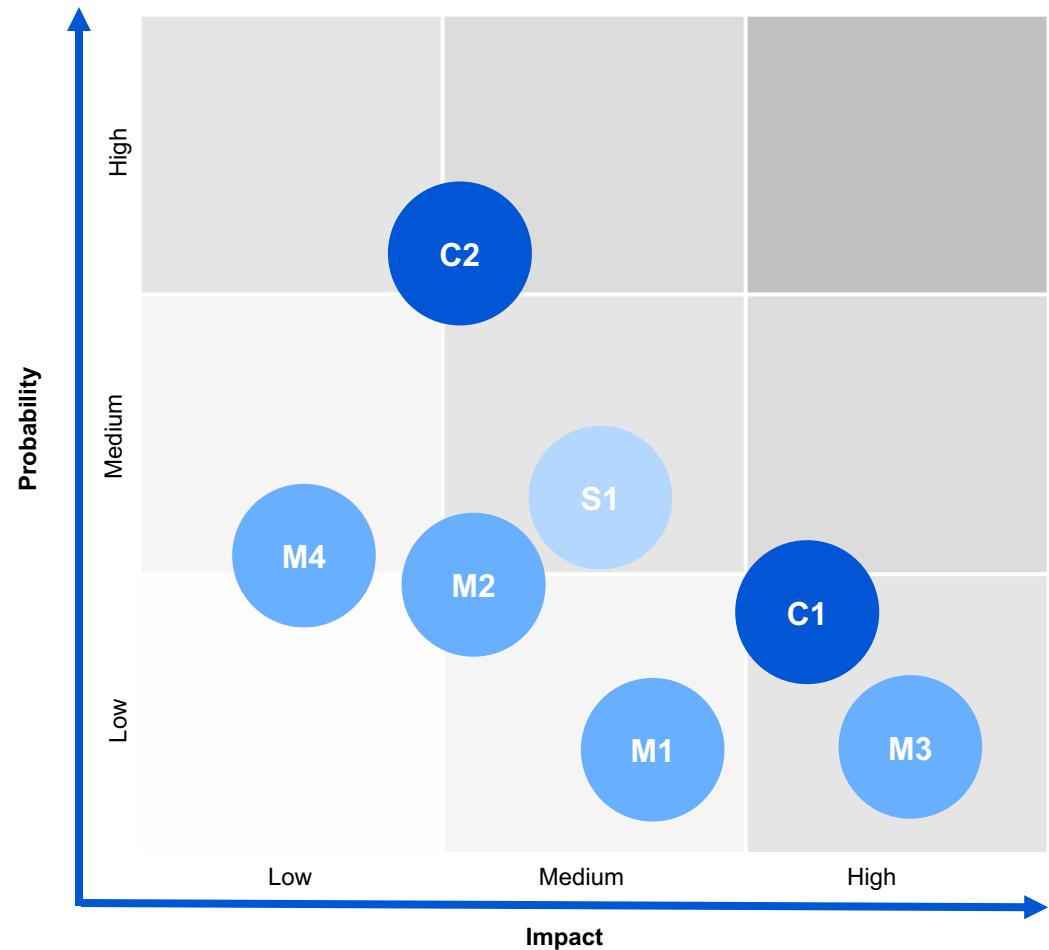


# Company Specific Risks

Coursera rides the EdTech wave but is still exposed to competitive and market pressure



Competition (C) – Market (M) – Stakeholder (S)



# Catalysts

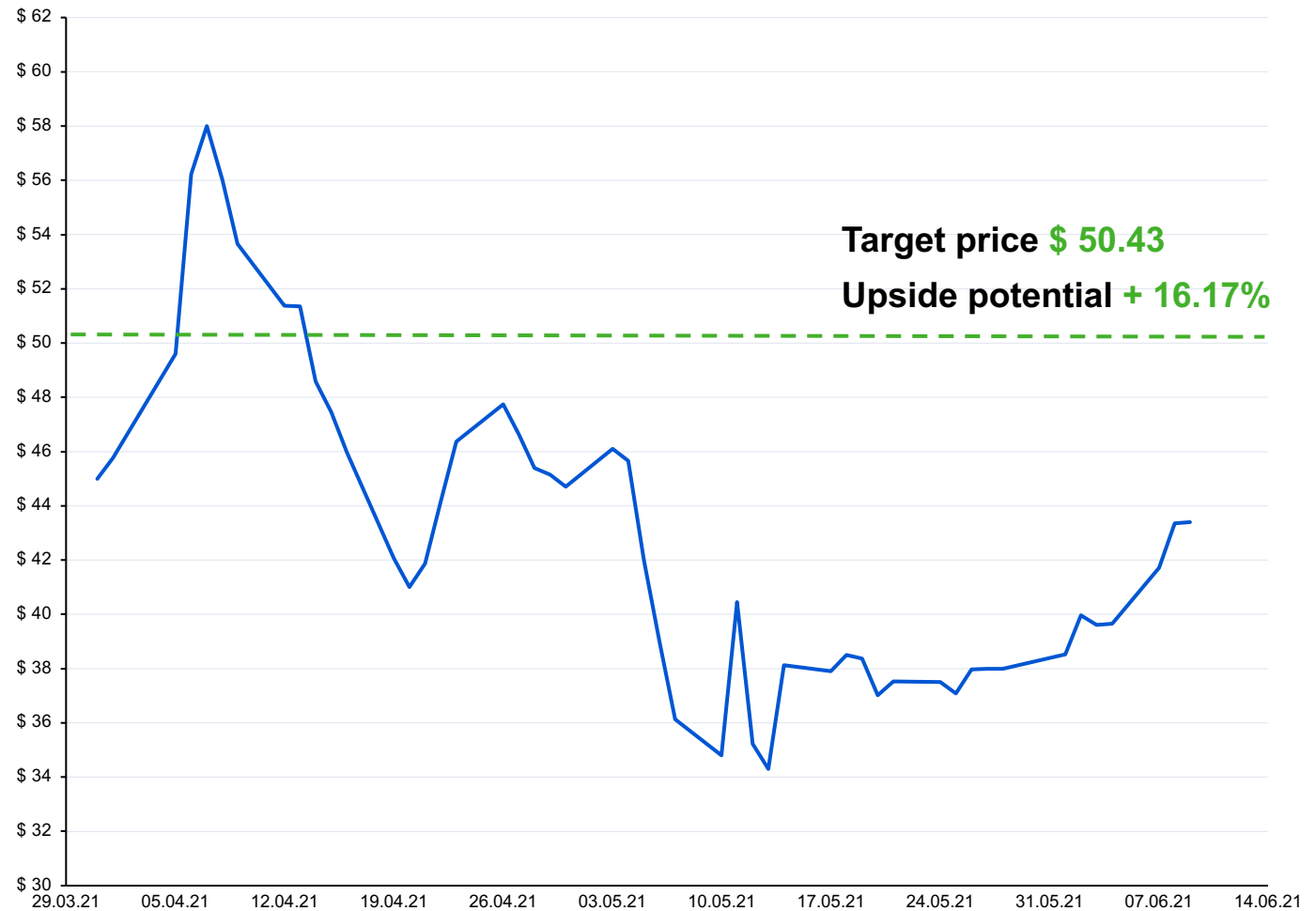
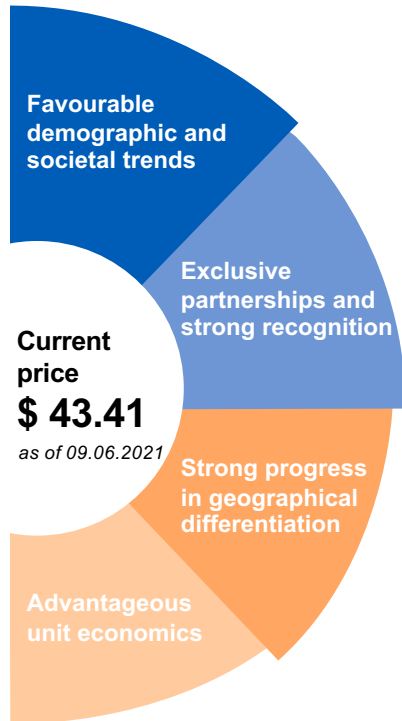
Coursera's share price sees itself confronted by various potential catalysts

Catalyst	Type	Influenced factor	Estimated impact on share price
Fake degree proliferation	Hard	Existing learner base, demand, partnerships	<b>Strong</b> – If fake degrees and certifications continue to flood emerging markets, Coursera will find it hard to enter these markets with its value proposition.
Mindset shift of “working anywhere” carrying over to education	Hard	Demand, partnerships	<b>Strong</b> – Education is still one of the least digitized markets. The mindset shift of the working world prompted by COVID-19 could mean major tailwinds for MOOC providers and OPMs.
Public/NGO support	Soft	Expansion, financials	<b>Strong</b> – Coursera's business model and positioning lends itself ideally to philanthropic and regional development investments into third world regions, given internet access is available.
Erosion of public sector education in the USA	Soft	Demand	<b>Medium</b> – If the quality gap between public and private education does not shrink in the US, Coursera's key market, online education offerings will see even more demand inflow.
Pricing issues in emerging regions	Soft	Expansion, demand	<b>Medium</b> – Coursera still struggles with pricing mechanisms for emerging markets making its offering far less affordable in such regions
Continued investment into the EdTech market	Soft	Share price, funding	<b>Medium</b> – Strong continued investment into the EdTech sector in general would have a signal function and drive additional capital to Coursera.

# Conclusion

W U T I S

Coursera promises to cash in on its upside potential of 16.17% in the next years



A woman wearing a purple hijab and a yellow long-sleeved shirt is smiling and holding a white folder. The folder has the text 'Competitive Analysis' printed on it. A dark blue horizontal bar is overlaid on the bottom right of the image, containing the word 'Appendix' in white text.

## Appendix

# Valuation

## Operating model I

W U T I S

Income Statement											
Revenues											
Consumer	2020 split	85,7	107,5	121,0	192,9	248,5	319,4	406,4	508,8	630,5	743,8
US	45%				86,8	107,6	131,3	157,6	186,0	213,8	235,2
EMEA	32%				61,7	81,8	108,4	140,9	176,1	211,3	232,5
Asia-Pacific	14%				26,8	36,2	48,9	64,8	84,2	105,2	121,0
Others	9%				17,6	22,8	30,8	43,1	62,5	100,1	155,1
Enterprise		7,4	26,0	48,3	70,8	88,1	110,0	138,1	177,6	222,4	267,5
US	55%				38,9	48,7	59,4	71,2	84,1	96,7	106,3
EMEA	28%				20,1	25,1	32,0	41,7	58,3	78,7	102,3
Asia-Pacific	14%				9,8	11,8	15,3	20,7	29,0	37,7	45,3
Others	3%				1,9	2,5	3,3	4,4	6,2	9,3	13,5
Degrees		2,5	7,4	15,1	29,8	38,6	51,8	71,3	101,3	140,0	189,8
<b>Total Revenues</b>		<b>95,6</b>	<b>140,9</b>	<b>184,4</b>	<b>293,5</b>	<b>375,2</b>	<b>481,3</b>	<b>615,7</b>	<b>787,7</b>	<b>992,9</b>	<b>1.201,1</b>
% total revenue growth			47%	31%	59%	28%	28%	28%	28%	26%	21%
COGS											
Consumer		42,6	49,9	56,4	86,4	111,8	143,7	182,9	229,0	283,7	334,7
% of segment revenue		50%	46%	47%	45%	45%	45%	45%	45%	45%	45%
Enterprise		2,7	7,8	14,1	21,8	26,4	33,0	41,4	53,3	66,7	80,2
% of segment revenue		36,5%	30,0%	29,2%	30,8%	30%	30%	30%	30%	30%	30%
Degrees		-	-	-	-	-	-	-	-	-	-
% of segment revenue		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total COGS</b>		<b>45,3</b>	<b>57,7</b>	<b>70,5</b>	<b>108,2</b>	<b>138,2</b>	<b>176,7</b>	<b>224,3</b>	<b>282,2</b>	<b>350,4</b>	<b>415,0</b>
% of revenue		47%	41%	38%	37%	37%	37%	36%	36%	35%	35%
Gross Profit											
<b>Total Segment Gross Profit</b>		<b>50,3</b>	<b>84,0</b>	<b>113,9</b>	<b>185,3</b>	<b>236,9</b>	<b>304,5</b>	<b>391,4</b>	<b>505,5</b>	<b>642,5</b>	<b>786,1</b>
Platform and support costs				14,8	22,8	29,2	37,4	47,9	61,3	77,2	93,4
Stock-based compensation				0,5	0,5	0,7	0,8	1,1	1,4	1,7	2,1
Amortization of internal use software				3,3	5,9	7,5	9,6	12,3	15,8	19,9	24,0
Amortization of acquired intangibles				0,5	1,4	1,8	2,3	3,0	3,8	4,8	5,8
Total reconciling items				19,1	30,6	39,2	50,2	64,3	82,2	103,6	125,4
<b>Gross profit</b>		<b>50,3</b>	<b>84,0</b>	<b>94,8</b>	<b>154,7</b>	<b>197,8</b>	<b>254,3</b>	<b>327,1</b>	<b>423,3</b>	<b>538,9</b>	<b>660,8</b>
% of revenue				51,4%	52,7%	53%	53%	53%	54%	54%	55%

# Valuation

## Operating model II

USD (m)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Gross profit</b>	<b>50,3</b>	<b>84,0</b>	<b>94,8</b>	<b>154,7</b>	<b>197,8</b>	<b>254,3</b>	<b>327,1</b>	<b>423,3</b>	<b>538,9</b>	<b>660,8</b>
% of revenue			51,4%	52,7%	53%	53%	53%	54%	54%	55%
Research & Development			49,3	69,8	78,8	86,6	92,4	94,5	148,9	144,1
% of revenue			26,7%	23,8%	21%	18%		12%	15%	12%
Sales & Marketing			53,9	103,2	84,3	93,6	103,0	112,2	121,2	130,9
thereof advertising expenses				21,0	17,2	19,1	21,0	22,9	24,7	26,7
% of revenue			29,2%	35,1%	22%	19%	17%	14%	12%	11%
General and administrative			18,9	22,4	28,1	31,2	34,3	37,4	40,4	43,6
% of revenue			10,3%	7,6%	7%	6%	6%	5%	4%	4%
<b>Operating Expenses w/o D&amp;A</b>	-	-	<b>122,1</b>	<b>195,4</b>	<b>191,2</b>	<b>211,4</b>	<b>229,6</b>	<b>244,2</b>	<b>310,6</b>	<b>318,7</b>
<b>EBITDA</b>				<b>(40,7)</b>	<b>6,6</b>	<b>42,9</b>	<b>97,5</b>	<b>179,1</b>	<b>228,3</b>	<b>342,1</b>
Depreciation			4,7	8,1	11,3	15,4	20,9	28,4	37,7	48,0
% of revenue			2,6%	2,8%	3%	3%	3%	4%	4%	4%
Amortization			0,5	1,5	2,3	2,2	2,2	2,2	1,7	-
% of revenue			0,3%	0,5%	1%	0%	0%	0%	0%	0%
<b>Total Depreciation and Amortization</b>			<b>5,3</b>	<b>9,6</b>	<b>13,5</b>	<b>17,6</b>	<b>23,1</b>	<b>30,6</b>	<b>39,4</b>	<b>48,0</b>
% of revenue			2,9%	3,3%	4%	4%	4%	4%	4%	4%
Stock-based Compensation										
Cost of revenue			0,5	0,5	0,7	0,8	1,1	1,4	1,8	2,3
Research & Development			7,0	7,0	8,9	11,4	14,6	18,8	24,1	30,9
Sales & Marketing			3,2	4,1	5,2	6,7	8,6	11,1	14,2	18,2
General and administrative			5,6	5,2	6,7	8,6	11,0	14,1	18,1	23,2
<b>Total Stock-based Compensation</b>			<b>16,3</b>	<b>16,8</b>	<b>21,5</b>	<b>27,6</b>	<b>35,4</b>	<b>45,4</b>	<b>58,2</b>	<b>74,6</b>
% of revenue			8,8%	5,7%	6%	6%	6%	6%	6%	6%
<b>EBIT</b>			<b>(21,6)</b>	<b>(67,1)</b>	<b>(28,4)</b>	<b>(2,3)</b>	<b>39,0</b>	<b>103,2</b>	<b>130,7</b>	<b>219,4</b>
<b>EBITA</b>			<b>(21)</b>	<b>(66)</b>	<b>(26)</b>	<b>(0)</b>	<b>41</b>	<b>105</b>	<b>132</b>	<b>219</b>
Interest income / (expense)										
Cash				1,2	1,2	1,2	1,2	1,2	1,2	1,2
Senior credit facilities				8,9	7,1	7,4	7,7	7,2	-	-
<b>Total interest income / (expense)</b>			-	<b>10,1</b>	<b>8,3</b>	<b>8,6</b>	<b>8,8</b>	<b>8,4</b>	<b>1,2</b>	<b>1,2</b>
<b>Income before taxes</b>			<b>(21,6)</b>	<b>(57,0)</b>	<b>(20,2)</b>	<b>6,3</b>	<b>47,9</b>	<b>111,6</b>	<b>131,9</b>	<b>220,6</b>
Provision for tax				-	-	1,4	10,9	25,4	30,1	50,3
<b>GAAP net income/loss</b>			<b>(21,6)</b>	<b>(57,0)</b>	<b>(20,2)</b>	<b>4,9</b>	<b>37,0</b>	<b>86,2</b>	<b>101,8</b>	<b>170,3</b>

# Valuation

## Exit multiple valuation

### Unlevered Free Cash Flow

Revenue	293,5	375,2	481,3	615,7	787,7	992,9	1.201,1
EBITDA	(40,7)	6,6	42,9	97,5	179,1	228,3	342,1
EBITA	(65,6)	(26,2)	(0,1)	41,2	105,4	132,4	219,4
- Taxes	-	-	-	(9,4)	(24,0)	(30,2)	(50,0)
Unlevered net income	(65,6)	(26,2)	(0,1)	31,8	81,4	102,2	169,4
+ Depreciation	9,6	13,5	17,6	23,1	30,6	39,4	48,0
- Capital expenditures	(11,7)	(15,0)	(20,2)	(27,1)	(36,2)	(47,7)	(60,1)
- Change in working capital	26,6	16,8	23,6	29,8	37,6	40,5	44,6
<b>Unlevered free cash flow</b>	<b>(41,2)</b>	<b>(10,9)</b>	<b>21,0</b>	<b>57,6</b>	<b>113,3</b>	<b>134,4</b>	<b>202,0</b>

### DCF Valuation - NXPV

+ Terminal cash flow							8.580,8
Total cash flow - exit multiple method (EV/revenue)	(41,2)	(10,9)	21,0	57,6	113,3	134,4	8.782,8
Discount Factor		0,9	0,9	0,8	0,7	0,7	0,6
PV		(10,1)	17,9	45,6	82,8	90,9	5.489,5
<b>DCF valuation (XNPV) - exit multiple method</b>	<b>5.716,6</b>						
<b>Implied Share Price</b>	<b>50,43</b>						



# Valuation

## Comparable company analysis I

Operating Statistics:		Capitalization		Revenue			EBIT		
Company Name	Share Price	Equity Value	Enterprise Value	Historical Year	Forward Year 1	Forward Year 2	Historical Year	Forward Year 1	Forward Year 2
Chegg, Inc. (NYSE:CHGG)	76,32	10.832,50	10.761,40	711,10	828,30	N/A	73,40	N/A	N/A
2U, Inc. (NasdaqGS:TWOU)	36,59	2.722,50	2.606,90	831,50	978,63	N/A	(153,10)	N/A	N/A
Zovio Inc (NasdaqGS:ZVO)	2,31	77,00	72,60	376,10	N/A	N/A	(3,90)	N/A	N/A
Grand Canyon Education, Inc. (NasdaqGS:GCTF)	91,43	4.195,40	4.095,20	859,40	935,51	N/A	280,90	N/A	N/A
Thinkific Labs Inc. (TSX:THNC)	15,30	1.173,20	1.166,70	26,10	43,19	N/A	(2,20)	N/A	N/A
Pluralsight, Inc.	-	2.770,30	2.987,20	391,90	448,13	N/A	(134,70)	N/A	N/A
Min				26,1	43,2		(153,1)		
25% Percentile				380,1	448,1		(102,0)		
Average				532,7	646,8		10,1		
Median				551,5	828,3		(3,1)		
75% Percentile				801,4	935,5		54,5		
Max				859,4	978,6		280,9		
Coursera			5.331,5	293,5	375,2	481,3	-67,1	-28,4	-2,3

# Valuation





















## Comparable company analysis II

Valuation Statistics:	Share Price	EV/Revenue		
		Historical Year	Forward Year 1	Forward Year 2
Chegg, Inc. (NYSE:CHGG)	76,32	15,13x	12,99x	
2U, Inc. (NasdaqGS:TWOU)	36,59	3,14x	2,66x	
Zovio Inc (NasdaqGS:ZVO)	2,31			
Grand Canyon Education, Inc. (Nasdi	91,43	4,77x	4,38x	
Thinkific Labs Inc. (TSX:THNC)	15,30	44,70x	27,01x	
Pluralsight, Inc. -		7,62x	6,67x	
Min		3,14x	2,66x	
25% Percentile		4,77x	4,38x	
Average		15,07x	10,74x	
Median		7,62x	6,67x	
75% Percentile		15,13x	12,99x	
Max		44,70x	27,01x	
<b>Coursera</b>		<b>18,16x</b>	<b>14,21x</b>	<b>11,08x</b>

# Competing Segments

W U T I S

Coursera operates as an MOOC-OPM platform competing with players from different segments

						
Platform type:	MOOC-OPM	OPM	MOOC/OPM	MOOC-OPM	MOOC/OPM	MOOC/OPM
 <b>Price range</b>	\$9,000 - \$45,000	\$20,000 - \$97,500	\$3,700 - \$25,000	\$9,900 - \$27,000	\$1,400 - \$37,000	\$800 - \$2,200
 <b>Partner Universities</b>	200	80	99	160	50	2
 <b>Degrees offered</b>	30	70	36	13	26	60
 <b>Specializations available</b>	11	28	12	8	6	8
					 PLURALSIGHT	
Pricing strategy	Subscription & single purchase	Single purchase	Subscription	Subscription & single purchase	Subscription	Subscription
 <b>Subscription fee</b>	\$399	Not available	\$239.88	\$299	\$299	\$99
 <b>Courses available</b>	6,500	155,000	16,000	3,000	7,500	29,000
 <b>Number of users</b>	82 million	40 million	27 million	35 million	1 million	12 million
 <b>Corporate clients</b>	2,300	7,000	14,000	1,000	17,000	1,000

# Coursera Partnerships

W U T I S

Coursera is supported by leading universities, corporations and multinational NGOs



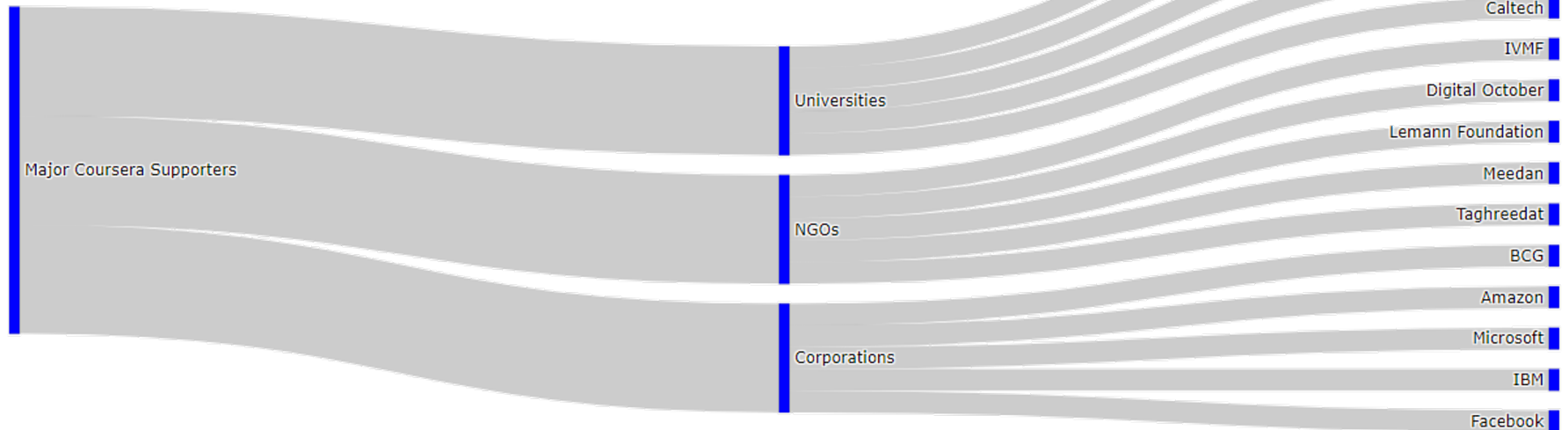
**NGO projects** in US, Malaysia, Kazakhstan, Egypt, Pakistan, Singapore and Pakistan.



**200 University partnerships**

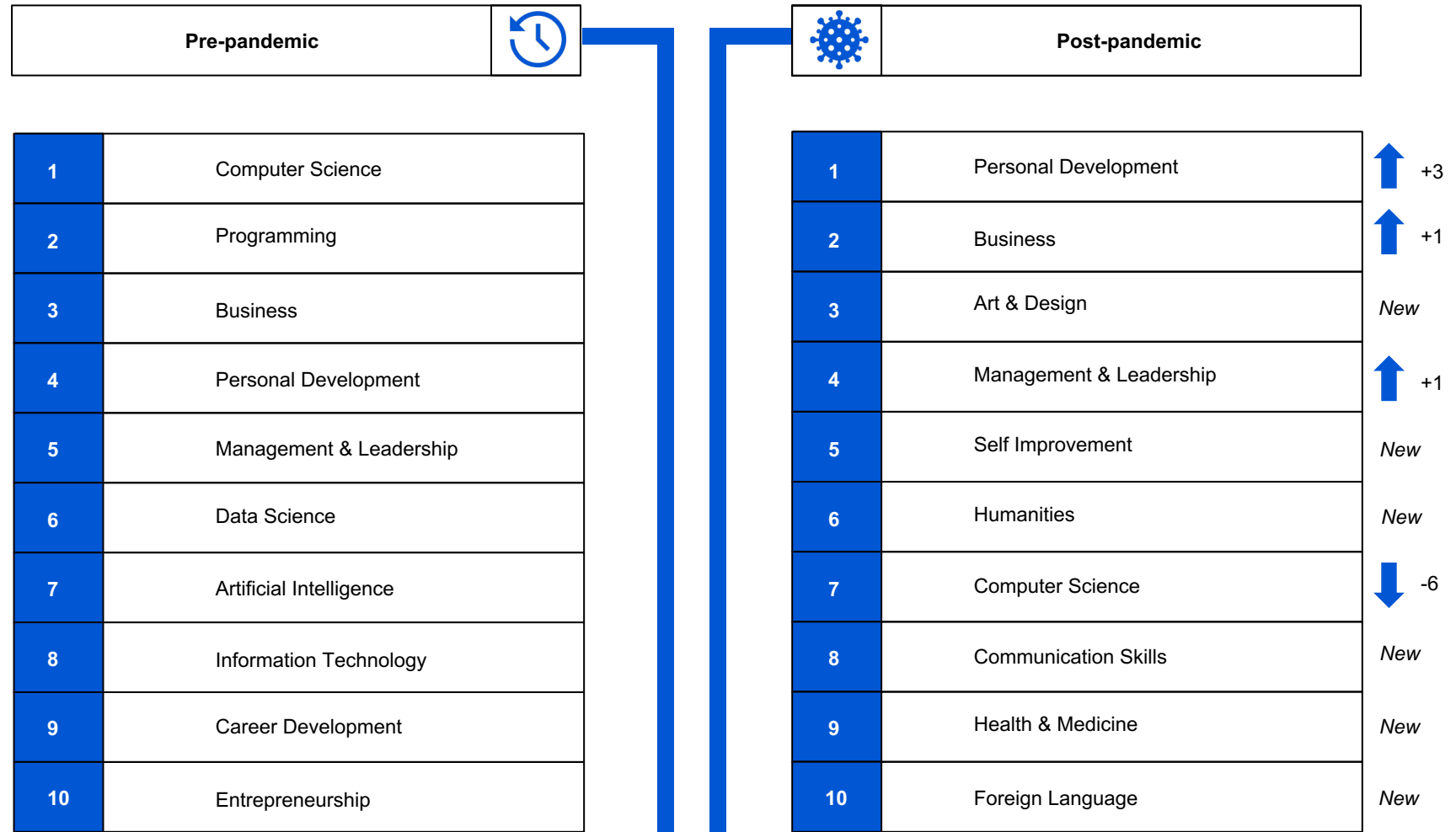


**65 corporate partners**



# Most Popular Subjects

Learning habits have changed due to the pandemic.





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