



2Q'18 Earnings Results

August 2, 2018

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 ("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 solutions; 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 expectations regarding the scalability of its cloud-based SaaS technology; 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 partners.

(as of August 2, 2018)

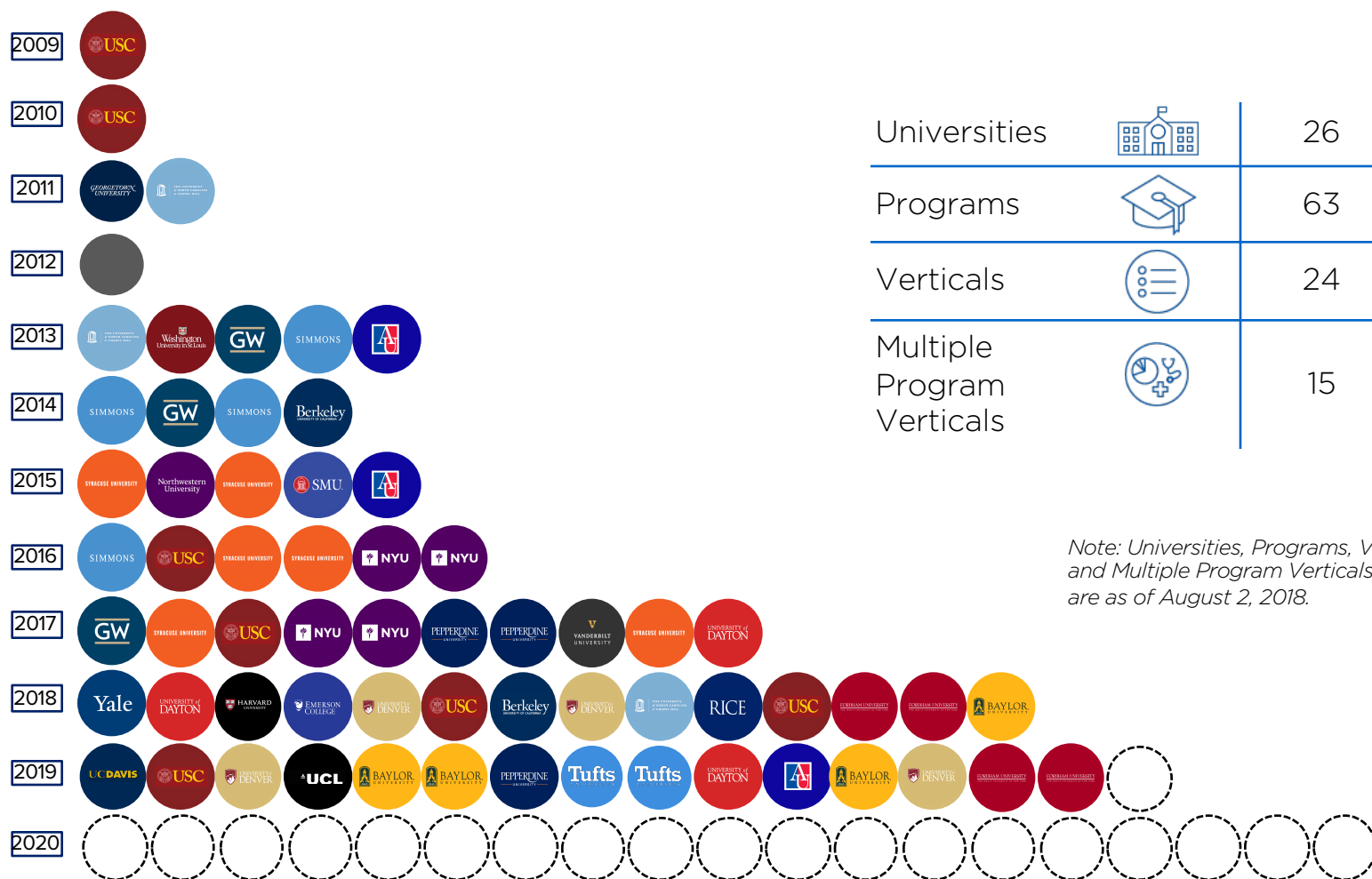






**2U is the trusted
brand steward and
the partner of choice
to the world's top
universities.**



2U

Graduate Program Segment portfolio.



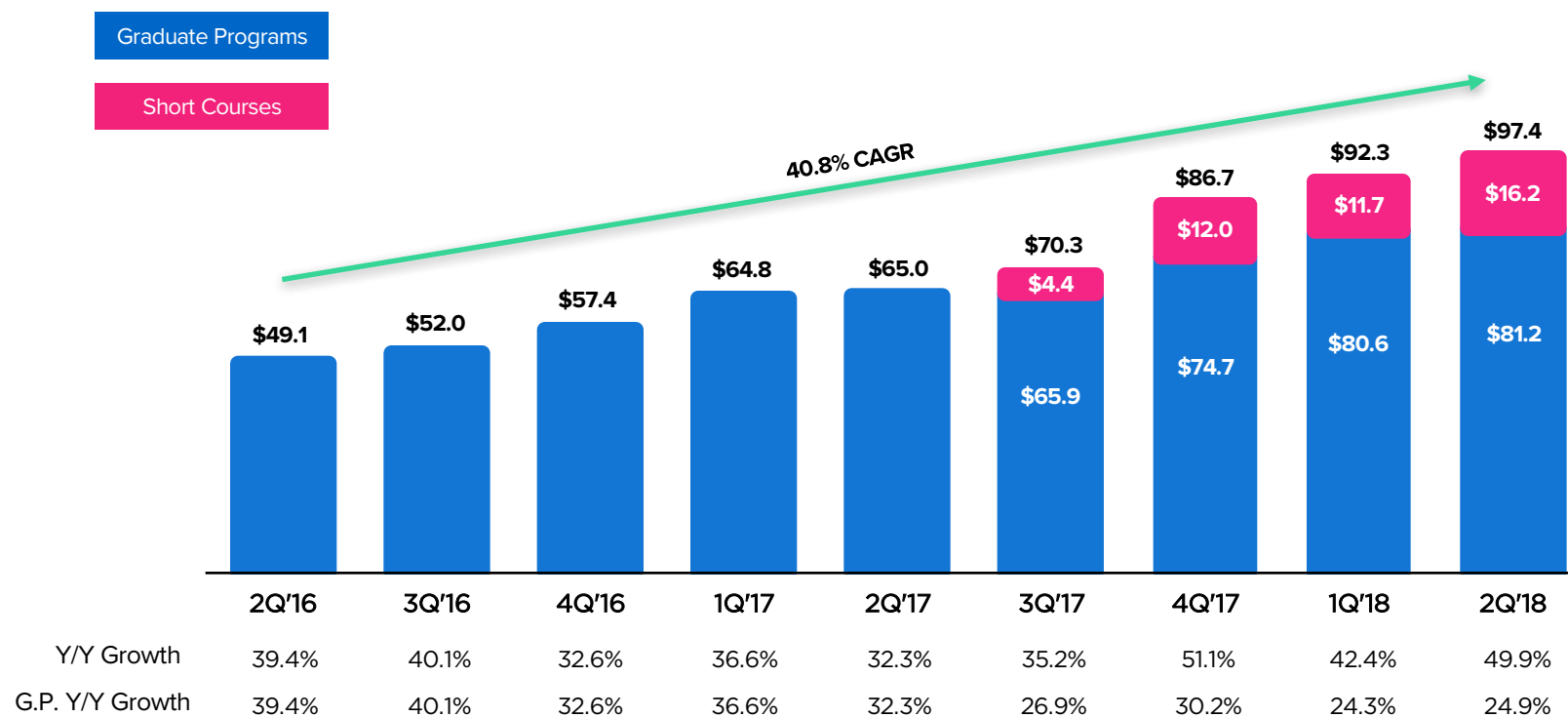
Universities		26
Programs		63
Verticals		24
Multiple Program Verticals		15

Note: Universities, Programs, Verticals, and Multiple Program Verticals counts are as of August 2, 2018.

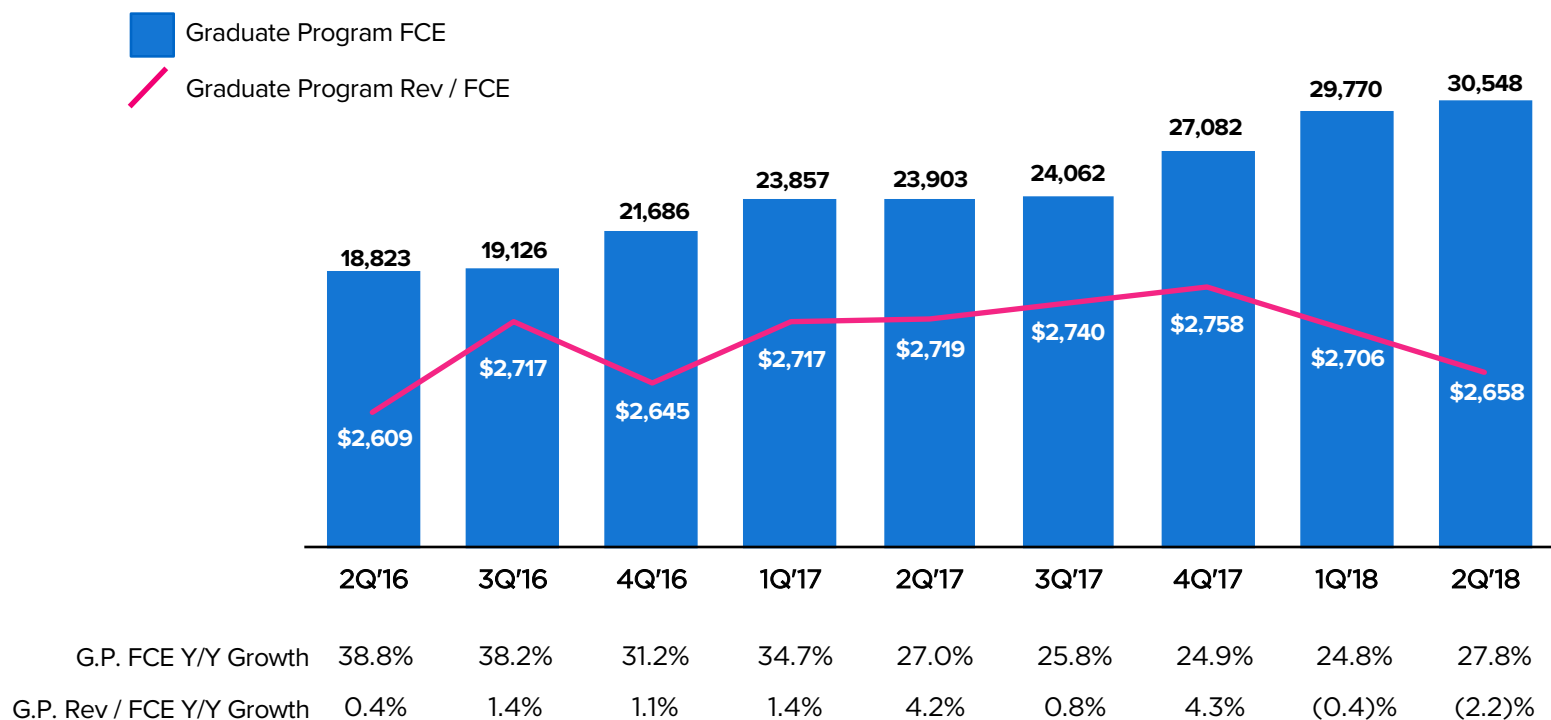
Contract extensions.

	University	2U-Enabled Graduate Program	Initial Launch Year	Date Extension Announced	New End of Contract Year	Total Length of Contract
1	University of North Carolina at Chapel Hill	MBA@UNC	2011	Feb 2015	2030	19 years
2	University of North Carolina at Chapel Hill	MPA@UNC	2013	Aug 2015	2032	19 years
3	Georgetown University	Nursing@Georgetown	2011	Nov 2015	2027	16 years
4	University of Southern California	MSW@USC	2010	Nov 2015	2030	20 years
5	University of Southern California	USC Rossier Online	2009	April 2016	2030	21 years
6	The George Washington University	MPH@GW	2013	June 2017	2034	21 years
7	The George Washington University	MHA@GW	2014	June 2017	2034	20 years
8	Washington University in St. Louis	@WashULaw	2013	July 2018	2033	20 years

Consolidated revenue growth. (in millions)



Full course equivalent* enrollments.



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

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.

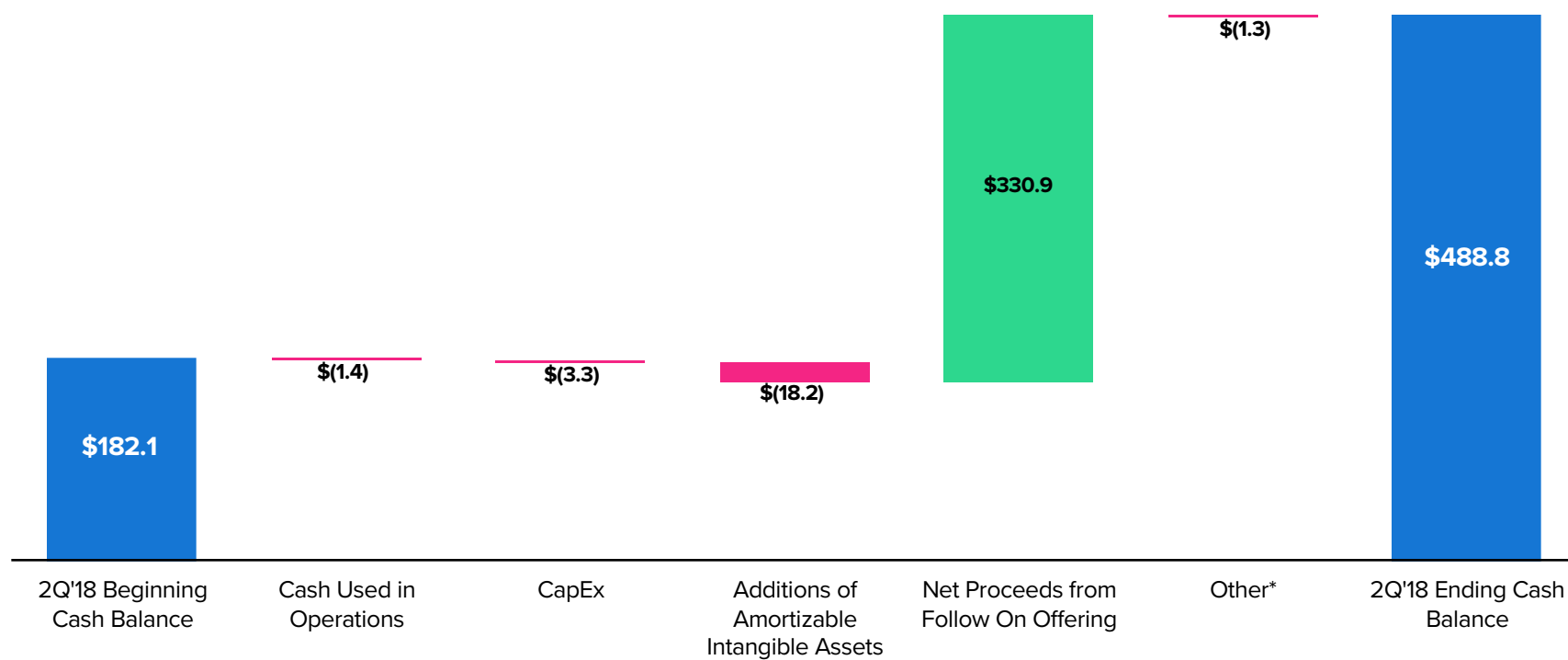
In 4Q'17, Short Course FCE was 6,751 at an average Rev/FCE of \$1,777.

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.

2Q'18 cash walk.

(in millions)



*Other includes proceeds from stock option exercise, net of tax, net proceeds from debt, tax withholding payments associated with settlement of restricted stock units, advances to university clients, and the effect of FX on cash.

3Q and FY'18 guidance.

<i>(in millions, except per share amounts)</i>	3Q'18	FY'18
Revenue	\$106.0 - \$107.0	\$409.7 - \$412.2
Net Loss	\$(11.6) - \$(11.0)	\$(42.7) - \$(41.5)
Net Loss Per Share	\$(0.20) - \$(0.19)	\$(0.77) - \$(0.75)
Adjusted Net Loss	\$(1.7) - \$(1.1)	\$(5.8) - \$(4.6)
Adjusted Net Loss Per Share	\$(0.03) - \$(0.02)	\$(0.10) - \$(0.08)
Weighted-Average Shares of Common Stock Outstanding, Basic	57.5	55.7
Adjusted EBITDA	\$4.2 - \$4.8	\$16.9 - \$18.1
Stock-Based Compensation Expense	\$8.7 - \$8.8	\$33.9 - \$34.2

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

GAAP to non-GAAP reconciliation – 3Q and FY'18 guidance.

Reconciliation of GAAP Net Loss Guidance to Non-GAAP Adjusted Net Loss and Adjusted EBITDA Guidance	Three Months Ending September 30, 2018		Year Ending December 31, 2018	
	\$	\$/Share	\$	\$/Share
	(in thousands, except per share amounts)			
Net Loss	(11,275)	(0.20)	(42,150)	(0.76)
Foreign Currency Loss	-	-	1,200	0.02
Amortization of Acquired Intangible Assets	1,675	0.03	6,650	0.12
Income Tax Benefit on Amortization of Acquired Intangible Assets	(550)	(0.01)	(1,800)	(0.03)
Acquisition-related tax benefit	-	-	(2,975)	(0.05)
Stock-Based Compensation Expense	8,775	0.16	33,850	0.61
Adjusted Net Loss	(1,375)	(0.02)	(5,225)	(0.09)
Net Interest Income	(1,450)	*	(4,100)	*
Depreciation and Amortization Expense	7,525	*	26,700	*
Income Tax (Benefit) Expense	(175)	*	150	*
Adjusted EBITDA	4,525	*	17,525	*
Projected Weighted-Average Shares of Common Stock Outstanding, Basic		57,475		55,750

* 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.

