

# Upwork Investor Presentation

NASDAQ:

UPWK

May 2026

**upwork**

# Safe Harbor Statement

This presentation of Upwork Inc. (together with its wholly owned subsidiaries, the “Company,” “we,” “us,” or “our”) contains “forward-looking” statements within the meaning of the federal securities laws. Forward-looking statements include all statements other than statements of historical fact, including any statements regarding our future operating results and financial position, information or predictions concerning the future of our business or strategy, future market opportunity and market size, future products, features, or functionality, anticipated events and trends, potential growth or growth prospects, competitive position, technological and market trends, industry environment, the economy, our plans with respect to share repurchases, the expected impact and timing of strategic initiatives, including the migration of customers to Lifted, our enterprise-focused subsidiary, and other future conditions.

We have based these forward-looking statements largely on our current expectations and projections as of the date hereof about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short- and long-term business operations and objectives, and financial needs. As such, they are subject to inherent uncertainties, known and unknown risks, and changes in circumstances that are difficult to predict and in many cases outside our control, and you should not place undue reliance on such forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. We make no representation that the plans, intentions, expectations, or results disclosed in these forward-looking statements will be achieved or that future events and circumstances will occur, and actual results or events may differ materially and adversely from our expectations. The forward-looking statements are made as of the date hereof, and we do not undertake, and expressly disclaim, any obligation to update or revise any forward-looking statements, conform these statements to actual results, or make changes in our expectations, except as required by law. Additional information regarding the risks and uncertainties that could cause actual results to differ materially from our expectations is included under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 13, 2026, and in our other SEC filings, which are available on our Investor Relations website at [investors.upwork.com](https://investors.upwork.com) and on the SEC’s website at [www.sec.gov](http://www.sec.gov). Additional information will also be set forth under the caption “Risk Factors” in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, when filed.

Undue reliance should not be placed on the forward-looking statements in this presentation. Neither we nor any other person makes any representation or warranty as to the accuracy or completeness of the information herein. This presentation is made solely for informational purposes.

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# The new Upwork

A photograph of two women in a sewing studio. The woman in the foreground is a young woman with long brown hair, wearing a blue and white striped shirt and a grey patterned vest, looking at a laptop. The woman in the background is an older woman with white hair and glasses, wearing a purple top, also looking at a laptop. Shelves with spools of thread and a sewing machine are visible in the background.

✓ Fundamentally **reinvented business for the next chapter**

✓ Clear traction with **three massive growth opportunities**

✓ **Strong profitability and free cash flow generation**

# The human and AI-powered work marketplace

**Work delivery platform:**  
AI-powered & end-to-end

**Business demand:**  
SMB through  
enterprise clients



**Category breadth:**  
High spend & retention

**Talent supply:**  
Global & highly  
skilled talent pool

# A \$1.3T market opportunity in 2028



**SMBs**

**\$530B**

2028 global spend on contingent digital knowledge work in companies with <500 employees



**Enterprise**

**\$650B**

2028 global spend on contingent digital knowledge work in companies with >500 employees



**Agentic AI**

**\$120B**

Agentic AI work aligned with or enhancing digital knowledge work by 2028

# Three growth pillars

- ① **Transforming human + AI work**
- ② **Accelerating SMB growth**
- ③ **Unlocking Enterprise expansion**

# First Quarter Results

## Q1'26

GSV

**\$987.1M**

*Approximately flat year-over-year*

Revenue

**\$195.5M**

*+1% year-over-year*

GAAP Gross Margin

**77.2%**

*-114 bps year-over-year*

Adjusted EBITDA

**\$57.4M**

*29.4% adj. EBITDA margin*

Free Cash Flow

**\$12.9M**

*22.5% FCF/adj. EBITDA*

Take Rate

**19.8%**

*+29 bps year-over-year*

“GSV,” “Adjusted EBITDA,” “Free Cash Flow,” and “Take Rate” are defined in the definitions section of this presentation. Adjusted EBITDA, adjusted EBITDA margin, free cash flow, and free cash flow conversion rate are non-GAAP financial measures and are presented for supplemental purposes only and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the appendix of this presentation. For more information regarding our first quarter 2026 results, please refer to our press release dated May 7, 2026, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, when filed.

# Green shoots that validate our strategy



## AI opportunities

Strong growth in AI work category within the Marketplace, up 40%+ year-over-year

Beta version of human-supervised agent solution launched in Q2

ChatGPT Upwork app driving new activity, signaling a new AI demand channel



## Strong **SMB** traction with Business Plus

Business Plus outpaced targets, growing GSV 34% quarter-over-quarter

Market signals affirm that significant SMB headroom exists



## Growing **Enterprise** interest

Lifted's country and contract-agnostic value prop steadily gaining interest and exposure

9x increase in existing client opportunities, and a 3x increase in new client opportunities in Q1

# Transforming human + AI work

GSV from AI-related work exceeded **\$300 million** on an annualized basis in Q1 2026



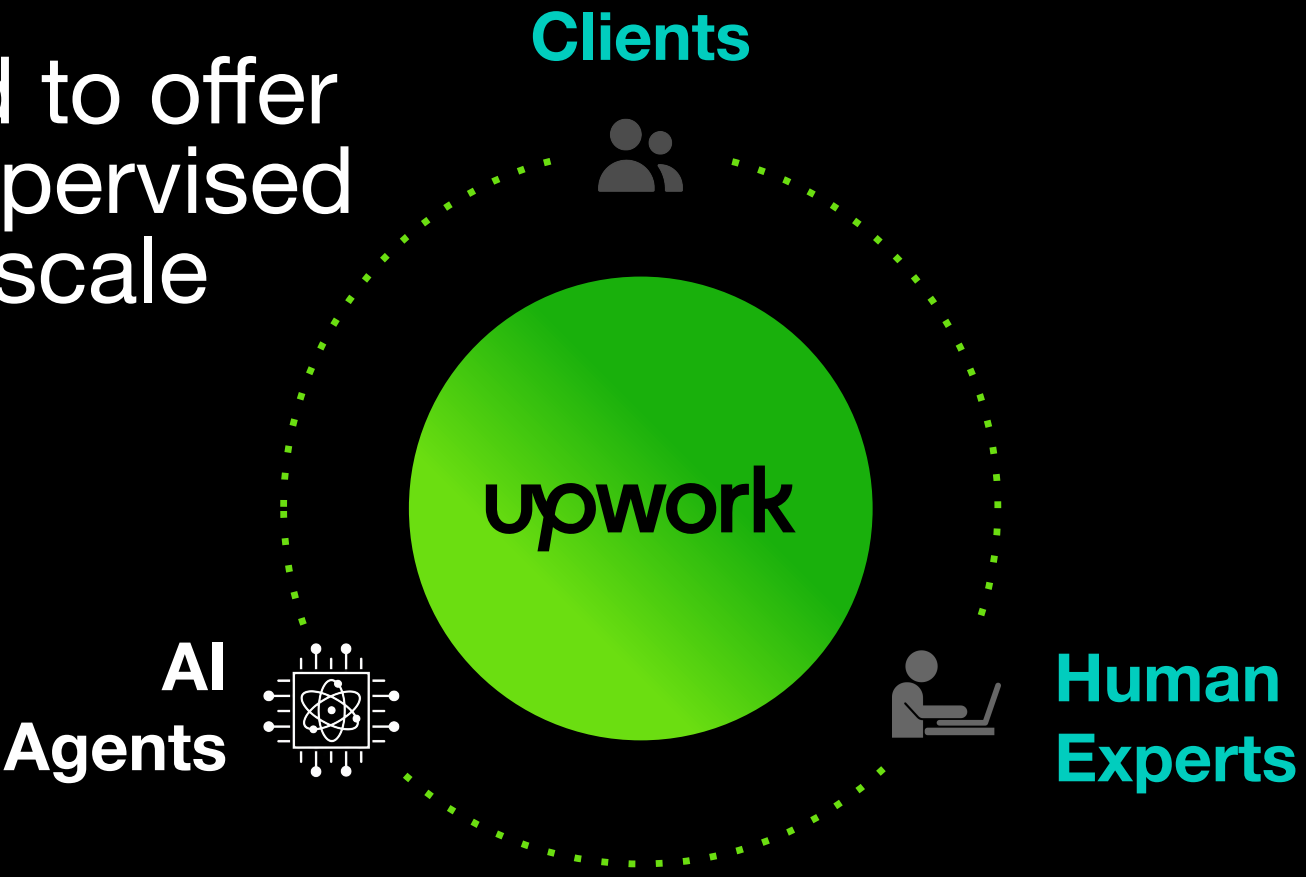
40%+

Year-over-year GSV growth in  
**Total AI Category Work**

~50%

Year-over-year GSV growth in  
**AI Integration & Automation**

Uniquely positioned to offer human-supervised agents at scale



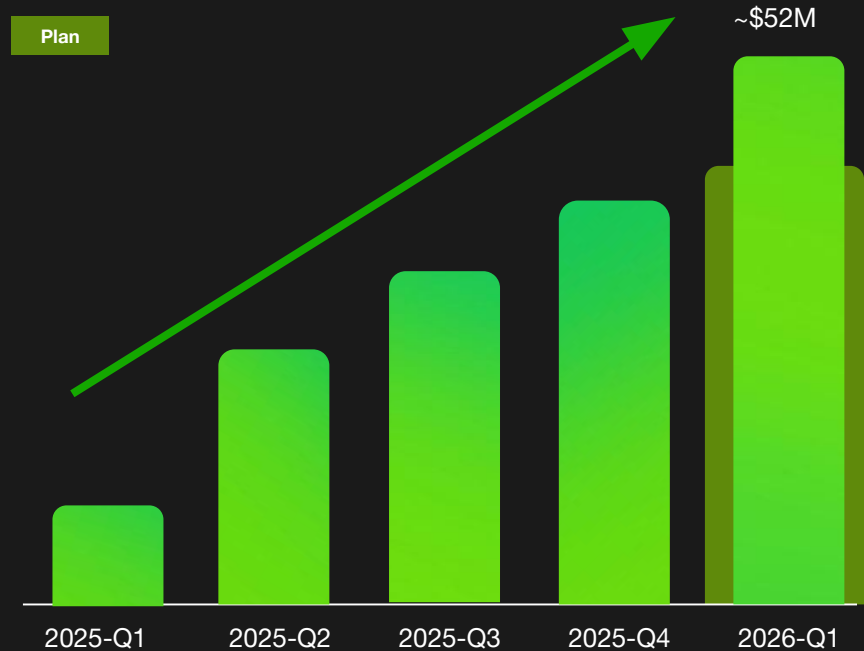
# Accelerating SMB Growth

Attract and convert more new SMB customers with tailored solutions, such as Business Plus, and value added services to unlock the SMB market opportunity

## Q1 2026 highlights:

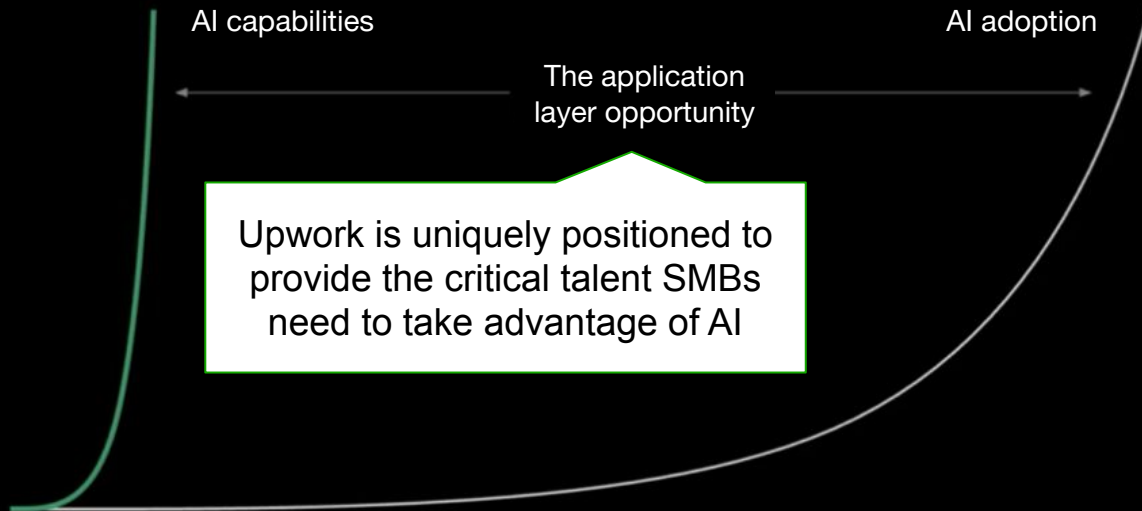
- Business Plus GSV **increased 34%** quarter over quarter in Q1 2026
- Business Plus active clients **increased 35%** quarter over quarter in Q1 2026
- **39% of Business Plus active clients** were net new customers in Q1 2026

## Business Plus GSV



# Upwork has a key role to play as the AI diffusion layer for SMBs

## Diffusion



**SMBs are helping drive >\$300M in annual GSV on Upwork for AI-related work and skills**

**Our human-supervised agent product, launching in 2H'26, goes even further in directly helping SMBs close this AI adoption gap**

# Enterprise interest in Lifted is growing

9x increase in opportunities with existing clients

3x increase in opportunities with new clients

 Microsoft  airbnb  Bissell  scale  Lime  jumio  Monotype.  PGA.  HITACHI  shutterstock

 Leica  Digicel  AUTOMATTIC  SANDOZ  HEARST  ivanti  FABLETICS  CentricSoftware

 ENBRIDGE  VELAN  BECKMAN COULTER  Colibri  mobileum

Strategic focus on high-value client acquisition driving GSV per Active Client and new expansion amid acquisition environment pressures

GSV per Active Client (\$K)



# Appendix + Definitions

**UPWORK INC.**  
**Key Financial and Operational Metrics**  
(In thousands, except percentages and basis points)  
(Unaudited)

	Three Months Ended March 31,		
	2026	2025	Change
GSV <sup>(1)</sup>	\$ 987,110	\$ 987,712	(0.1)%
Marketplace revenue <sup>(1)</sup>	\$ 170,705	\$ 166,293	3 %
Enterprise revenue <sup>(1)</sup>	\$ 24,778	\$ 26,413	(6)%
Gross profit	\$ 150,842	\$ 150,900	— %
Gross profit margin	77 %	78 %	-114 bps
Operating expenses	\$ 118,124	\$ 112,210	5 %
Net income	\$ 31,461	\$ 37,730	(17)%
Adjusted EBITDA <sup>(2)</sup>	\$ 57,426	\$ 56,011	3 %
Profit margin	16 %	20 %	-349 bps
Adjusted EBITDA margin <sup>(2)</sup>	29 %	29 %	31 bps
Cash provided by operating activities	\$ 23,019	\$ 36,965	(38)%
Free cash flow <sup>(2)</sup>	\$ 12,905	\$ 30,790	(58)%

**As of March 31,**

<i>(In thousands)</i>	2026	2025	% Change
Active clients <sup>(1)</sup>	784	812	(3)%

<sup>(1)</sup> See Key Definitions section in this earnings presentation.

<sup>(2)</sup> An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the "Non-GAAP Financial Measures" section of this presentation.

**UPWORK INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)  
(Unaudited)

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 328,400	\$ 294,356
Marketable securities	251,334	378,425
Funds held in escrow, including funds in transit	203,685	180,752
Trade and client receivables, net	75,911	76,236
Prepaid expenses and other current assets	23,971	21,064
Total current assets	883,301	950,833
Property and equipment, net	49,278	44,421
Goodwill	149,192	149,192
Intangible assets, net	34,231	37,161
Operating lease asset	12,656	5,011
Deferred tax asset	111,402	111,495
Other assets, noncurrent	1,892	1,467
<b>Total assets</b>	<b>\$ 1,241,952</b>	<b>\$ 1,299,580</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 11,092	\$ 7,858
Escrow funds payable	203,685	180,752
Debt, current	360,231	359,770
Accrued expenses and other current liabilities	63,994	94,023
Deferred revenue	8,199	7,765
Total current liabilities	647,201	650,168
Operating lease liability, noncurrent	15,197	9,707
Other liabilities, noncurrent	9,927	9,390
<b>Total liabilities</b>	<b>672,325</b>	<b>669,265</b>
Stockholders' equity		
Common stock	12	13
Additional paid-in capital	501,066	592,599
Accumulated and other comprehensive income	139	754
Accumulated deficit	68,410	36,949
Total stockholders' equity	569,627	630,315
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,241,952</b>	<b>\$ 1,299,580</b>

**UPWORK INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except for per share data)  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Revenue</b>		
Marketplace	\$ 170,705	\$ 166,293
Enterprise	24,778	26,413
Total revenue	195,483	192,706
<b>Cost of revenue</b>	44,641	41,806
Gross profit	150,842	150,900
<b>Operating expenses</b>		
Research and development	43,307	46,152
Sales and marketing	37,437	35,751
General and administrative	35,158	28,048
Provision for transaction losses	2,222	2,259
Total operating expenses	118,124	112,210
<b>Income from operations</b>	32,718	38,690
Other income, net	4,992	6,317
<b>Income before income taxes</b>	37,710	45,007
Income tax provision	(6,249)	(7,277)
<b>Net income</b>	<b>\$ 31,461</b>	<b>\$ 37,730</b>
<b>Net income per share:</b>		
Basic	\$ 0.25	\$ 0.28
Diluted	\$ 0.24	\$ 0.27
<b>Weighted-average shares used to compute net income per share:</b>		
Basic	128,116	135,208
Diluted	135,656	142,777

**UPWORK INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 31,461	\$ 37,730
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for transaction losses	1,946	2,066
Depreciation and amortization	9,099	4,861
Amortization of debt issuance costs	460	460
Accretion of discount on purchases of marketable securities, net	(1,850)	(1,943)
Amortization of operating lease asset	397	202
Tides Foundation common stock warrant expense	188	188
Stock-based compensation expense	15,421	12,272
Deferred taxes	93	—
Changes in operating assets and liabilities:		
Trade and client receivables	(784)	(3,535)
Prepaid expenses and other assets	(3,480)	(3,298)
Operating lease liability	(25)	830
Accounts payable	3,124	(1,987)
Accrued expenses and other liabilities	(33,466)	(11,108)
Deferred revenue	435	227
Net cash provided by operating activities	23,019	36,965
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of marketable securities	—	(50,708)
Proceeds from maturities of marketable securities	128,326	51,380
Proceeds from sale of marketable securities	—	280
Purchases of property and equipment	(1,723)	(2,472)
Internal-use software and platform development costs	(8,391)	(3,703)
Net cash (used in) provided by investing activities	118,212	(5,223)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Change in escrow funds payable, net	23,554	19,258
Proceeds from exercises of stock options and common stock warrants	83	652
Repurchase of common stock	(107,891)	(33,054)
Net cash (used in) provided by financing activities	(84,254)	(13,144)
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>56,977</b>	<b>18,598</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—beginning of period</b>	<b>478,908</b>	<b>505,593</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—end of period</b>	<b>\$ 535,885</b>	<b>\$ 524,191</b>

UPWORK INC.  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

The following table reconciles cash, cash equivalents, and restricted cash as reported in the condensed consolidated balance sheets to the total of the same amounts shown in the condensed consolidated statements of cash flows as of the following (in thousands):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Cash and cash equivalents	\$ 328,400	\$ 294,356
Restricted cash	3,800	3,800
Funds held in escrow, including funds in transit	203,685	180,752
Total cash, cash equivalents, and restricted cash as shown in the condensed consolidated statement of cash flows	<u>\$ 535,885</u>	<u>\$ 478,908</u>

**UPWORK INC.**  
**RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES**  
**TO FREE CASH FLOW**  
(In thousands)  
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
Cash provided by operating activities	\$ 23,019	\$ 36,965
Less: purchases of property, plant & equipment and cash outflows from internally developed software	(10,114)	(6,175)
Free cash flow	<u>\$ 12,905</u>	<u>\$ 30,790</u>

**UPWORK INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP RESULTS**  
(In thousands, except for percentages and share data)  
(Unaudited)

	<b>Three Months Ended March</b>	
	<b>31,</b>	
	<b>2026</b>	<b>2025</b>
Net income	\$ 31,461	\$ 37,730
Add back (deduct):		
Stock-based compensation expense	15,421	12,272
Depreciation and amortization	9,099	4,861
Other income, net	(4,992)	(6,317)
Income tax provision	6,249	7,277
Other <sup>(1)</sup>	188	188
Adjusted EBITDA	\$ 57,426	\$ 56,011
Profit margin	16 %	20 %
Adjusted EBITDA margin	29 %	29 %

<sup>(1)</sup> During the three months ended March 31, 2026 and 2025, we incurred \$0.2 million of expense related to the warrant to purchase 500,000 shares of our common stock at an exercise price of \$0.01 per share issued to the Tides Foundation in 2018.

# Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”), we present certain non-GAAP financial measures in this presentation, including adjusted EBITDA, adjusted EBITDA margin, free cash flow, and free cash flow conversion rate.

We use non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance. These non-GAAP financial measures provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of our core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. In addition, adjusted EBITDA is widely used by investors and securities analysts to measure a company’s operating performance without regard to certain items that can vary substantially from company to company, and free cash flow allows investors to evaluate the cash generated from our underlying operations across periods.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as analytical tools, and investors should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. In particular, (1) adjusted EBITDA and certain of our other non-GAAP financial measures exclude stock-based compensation expense, which has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy, (2) although depreciation and amortization expense are non-cash charges, the assets subject to depreciation and amortization may have to be replaced in the future, and adjusted EBITDA and certain of our other non-GAAP financial measures do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements, and (3) adjusted EBITDA does not reflect: (a) changes in, or cash requirements for, our working capital needs; (b) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; (c) tax payments that may represent a reduction in cash available to us; or (d) material acquisition-related deal costs. In addition, the utility of free cash flow as a measure of our liquidity is limited as it does not represent the total increase or decrease in our cash balance for a given period. Moreover, the non-GAAP financial measures we use may be different from non-GAAP financial measures used by other companies, including companies in our industry, limiting their usefulness for comparison purposes. We compensate for these limitations by providing specific information regarding the GAAP items excluded from the non-GAAP financial measures that we present. Reconciliations of the non-GAAP financial measures presented in this presentation to their most directly comparable GAAP financial measures have been provided in the financial statement tables included in this presentation, and investors are encouraged to review the reconciliations and not rely on any single financial measure to evaluate our business.

# Key Definitions

## Active Clients

We define an active client as a client that has had spend activity on any Upwork platform or other workforce solution during the 12 months preceding the date of measurement.

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## Adjusted EBITDA

We define adjusted EBITDA as net income adjusted for stock-based compensation expense; depreciation and amortization; other income (expense), net, which includes interest expense; income tax benefit (provision); and, if applicable, certain other gains, losses, benefits, or charges that are non-cash or are significant and the result of isolated events or transactions that have not occurred frequently in the past and are not expected to occur regularly in the future.

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## Connects

Virtual tokens that are required for talent to bid on projects and purchase ads products on the Upwork Marketplace.

## Enterprise Revenue

We define Enterprise revenue as revenue from our Enterprise offerings, which primarily consist of Enterprise Solutions and Managed Services.

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## Free Cash Flow

We define free cash flow as cash provided by operations less purchases of property, plant and equipment and cash outflows from internally developed software.

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## Gross Services Volume (GSV)

Gross services volume, or GSV, represents the total dollar value transacted through all Upwork platforms and other workforce solutions.

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## GSV per Active Client

GSV per active client is calculated by dividing total GSV during the four quarters ended on the date of measurement by the number of active clients on the date of measurement.

# Key Definitions

## Marketplace Revenue

Marketplace revenue represents the revenue derived from the Upwork Marketplace, including all offerings other than our Enterprise offerings.

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## Marketplace Take Rate

Marketplace take rate measures the correlation between Marketplace revenue and Marketplace GSV and is calculated by dividing Marketplace revenue by Marketplace GSV.

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## Take Rate

We define take rate as total revenue divided by total GSV.

# About Upwork

## **About Upwork**

Upwork Inc.'s (Nasdaq: UPWK) family of companies connects businesses with global, AI-enabled talent across every on-demand work type including freelance, agency, fractional, and payrolled. This portfolio includes the Upwork Marketplace, which connects businesses with on-demand access to highly skilled talent across the globe, and Lifted, which provides a purpose-built solution for enterprise organizations to source, contract, manage, and pay talent across the full spectrum of contingent work. From Fortune 100 enterprises to entrepreneurs, businesses rely on Upwork Inc. to find and hire expert talent, leverage AI-powered work solutions, and drive business transformation. With access to professionals spanning more than 10,000 skills across AI & machine learning, software development, sales & marketing, customer support, finance & accounting, and more, the Upwork family of companies enables businesses of all sizes to scale, innovate, and transform their workforces for the age of AI and beyond.

Since its founding, Upwork Inc. has facilitated more than \$30 billion in total transactions and services as it fulfills its purpose to create opportunity in every era of work. Learn more about the Upwork Marketplace at [upwork.com](https://www.upwork.com) and follow on [LinkedIn](#), [Facebook](#), [Instagram](#), [TikTok](#), and [X](#); and learn more about Lifted at [go-lifted.com](https://go-lifted.com) and follow on [LinkedIn](#).

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## **Disclosure Information**

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