Upwork Investor Presentation

NASDAQ:

UPWK

August 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 or cost-saving initiatives, 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 Quarterly Report on Form 10-Q for the three months ended March 31, 2026, filed with the SEC on May 7, 2026, and in our other SEC filings, which are available on our Investor Relations website at investors.upwork.com and on the SEC’s website at 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 June 30, 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.

The **new** Upwork

- 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 & AI agents

Category breadth:
High spend & retention

Talent supply:
Global & highly skilled talent pool & AI agents

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

Source: Upwork Market Study, a commissioned third-party study that estimates the flexible digital knowledge work market based on data from, among other sources, the Bureau of Labor Statistics, World Bank, and the International Labour Organization (October 2025).

Three growth pillars

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

Second Quarter Results

Q2'26

GSV	Revenue	GAAP Gross Margin
$966.4M	**$191.7M**	**76.4%**
-3.6% year-over-year	*-2% year-over-year*	*-135bps year-over-year*

Adjusted EBITDA	Free Cash Flow	Take Rate
$64.1M	**$35.9M**	**19.8%**
33.4% adj. EBITDA margin	*56.1% FCF/adj. EBITDA*	*+40 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 second quarter 2026 results, please refer to our press release dated August 10, 2026, and our Quarterly Report on Form 10-Q for the three months ended June 30, 2026, when filed.

Green shoots that **validate our strategy**

AI opportunities

Launched our Model Context Protocol (MCP), connecting AI tools to the Upwork marketplace. Customers can connect to it through Claude, ChatGPT, Cursor, and any MCP-compatible product.

Strong **SMB** traction with Business Plus

GSV per active client reached another record of $5,230—up 5% year-over-year—the 8th quarter of sequential growth.

Business Plus 2.5x year-over-year revenue growth in Q2 as larger SMBs utilize Upwork for complex, recurring needs.

Growing **Enterprise** interest

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

Lifted migrated its first wave of enterprise customers onto its new platform at the end of June, and expanded the go-to-market team, including hiring a new head of sales.

Transforming
human + AI work

GSV from AI-related work ~$330 million on an annualized basis in Q2 2026

22%+

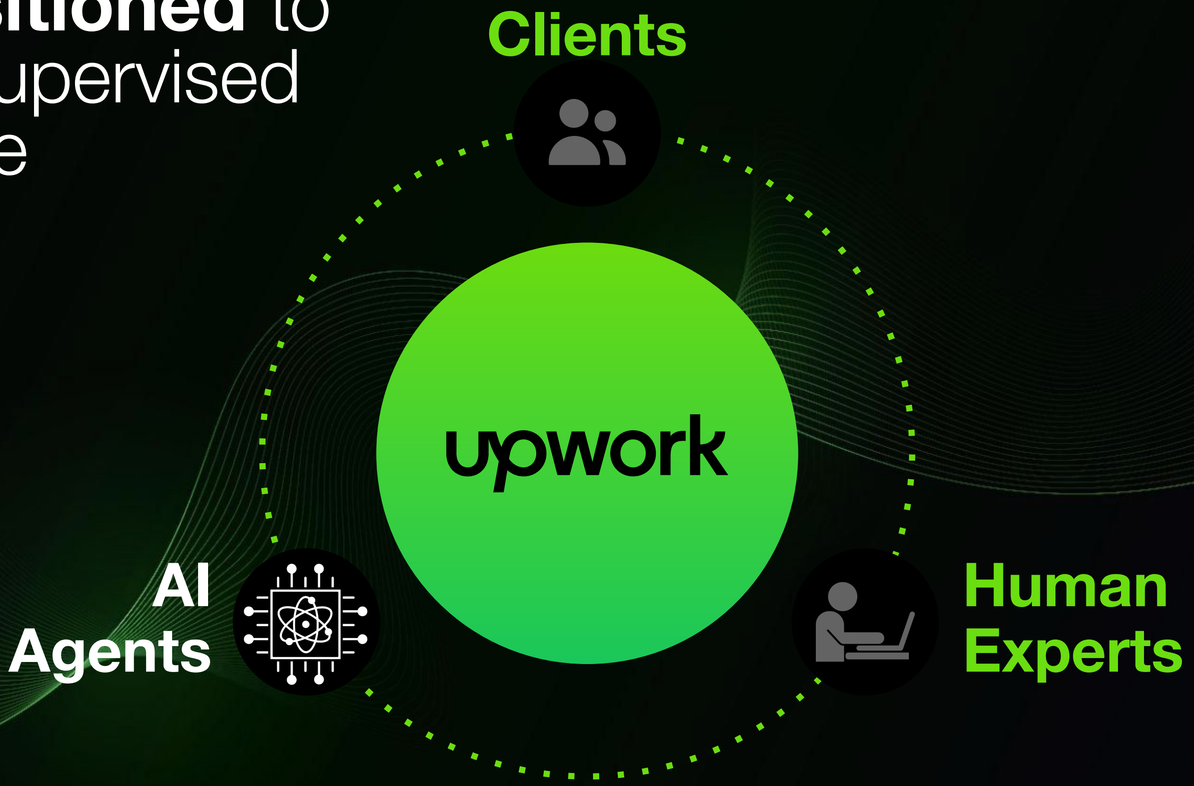
Year-over-year GSV growth in
Total AI Category Work

>50%

Year-over-year GSV growth in
AI Strategy & Consulting

Year-over-year growth rates compare the second quarter of 2026 to the second quarter of 2025. Annualized GSV is GSV in the quarter multiplied by four.

Uniquely positioned to offer human-supervised agents at scale

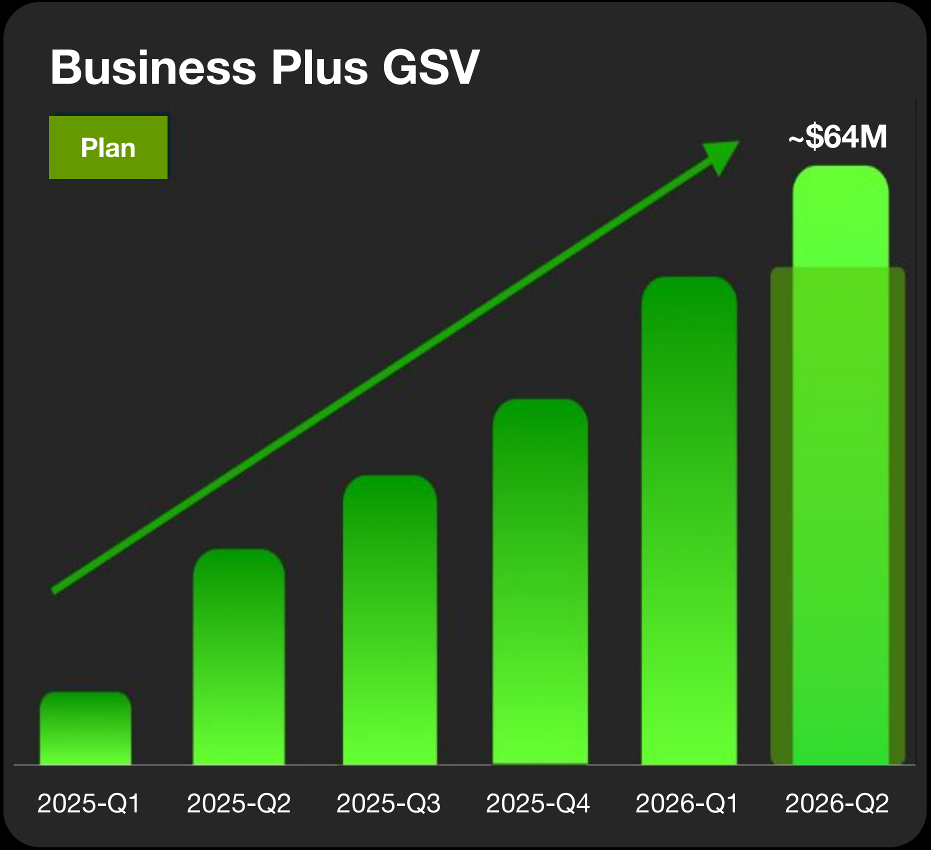


Accelerating SMB Growth

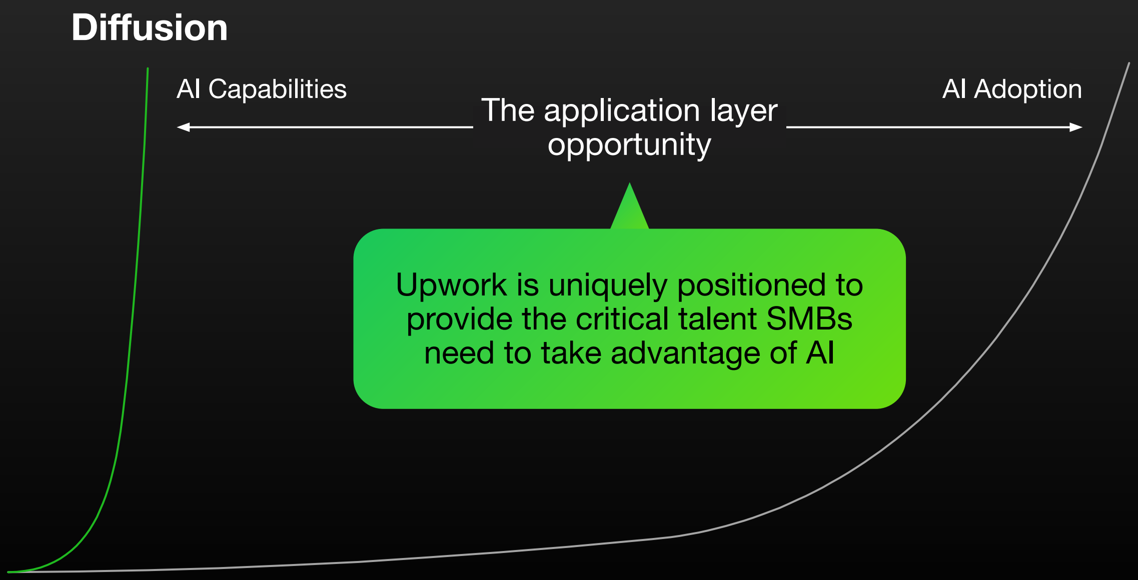
Attract and convert more new SMB customers with tailored solutions, such as Business Plus, and value added services to unlock the SMB market opportunity

Q2 2026 highlights:

- Business Plus GSV **increased 24%** quarter-over-quarter and 174% year-over-year
- Business Plus active clients **increased 16%** quarter-over-quarter and 219% year-over-year
- 38% of active clients on Business Plus in Q2 2026 had their first Upwork spend on Business Plus



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

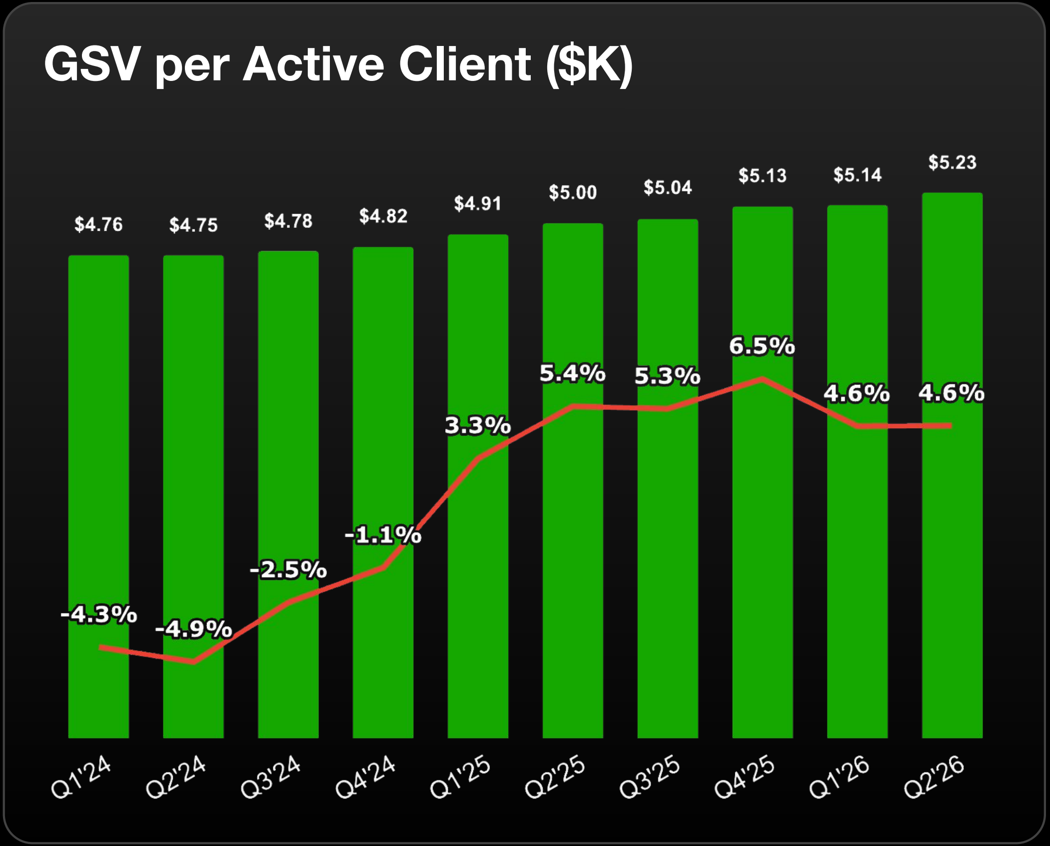


SMBs are helping drive ~$330M in annual GSV on Upwork for AI-related work and skills

Our human-supervised agent product, launched in August 2026, goes even further in directly helping SMBs close this AI adoption gap

Image from Sequoia AI Ascent keynote, 2026. Annual GSV represents annualized Q2 2026 GSV from AI-related work.

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



Y/Y GSV per Active Client.

Appendix
+ Definitions

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
GSV[1]	$ 966,439	$ 1,002,650	(3.6)%	$1,952,461	$1,990,363	(1.9)%
Marketplace revenue[1]	$ 166,858	$ 170,660	(2)%	$ 337,563	$ 336,953	— %
Enterprise revenue[1]	$ 24,802	$ 24,279	2 %	$ 49,580	$ 50,692	(2)%
Gross profit	$ 146,372	$ 151,507	(3)%	$ 297,214	$ 302,407	(2)%
Gross profit margin	76 %	78 %	-135 bps	77 %	78 %	-124 bps
Operating expenses	$ 118,235	$ 118,942	(1)%	$ 236,359	$ 231,152	2 %
Net income	$ 25,404	$ 32,726	(22)%	$ 56,865	$ 70,456	(19)%
Adjusted EBITDA[2]	$ 64,053	$ 57,061	12 %	$ 121,479	$ 113,072	7 %
Profit margin	13 %	17 %	-353 bps	15 %	18 %	-349 bps
Adjusted EBITDA margin[2]	33 %	29 %	415 bps	31 %	29 %	221 bps
Cash provided by operating activities	$ 46,874	$ 72,514	(35)%	$ 69,893	$ 109,479	(36)%
Free cash flow[2]	$ 35,938	$ 65,626	(45)%	$ 48,843	$ 96,416	(49)%

	As of June 30,		
(In thousands)	2026	2025	% Change
Active clients[1]	763	796	(4)%

[1] See Key Definitions section in this earnings presentation.

[2] 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)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 476,040	$ 294,356
Marketable securities	138,204	378,425
Funds held in escrow, including funds in transit	193,269	180,752
Trade and client receivables, net	76,459	76,236
Prepaid expenses and other current assets	25,018	21,064
Total current assets	908,990	950,833
Property and equipment, net	58,605	44,421
Goodwill	149,192	149,192
Intangible assets, net	31,318	37,161
Operating lease asset	12,217	5,011
Deferred tax asset	109,860	111,495
Other assets, noncurrent	4,222	1,467
Total assets	$ 1,274,404	$ 1,299,580
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 7,030	$ 7,858
Escrow funds payable	193,269	180,752
Debt, current	360,691	359,770
Accrued expenses and other current liabilities	68,683	94,023
Deferred revenue	8,576	7,765
Total current liabilities	638,249	650,168
Operating lease liability, noncurrent	14,367	9,707
Other liabilities, noncurrent	10,522	9,390
Total liabilities	663,138	669,265
Stockholders' equity		
Common stock	12	13
Additional paid-in capital	517,479	592,599
Accumulated and other comprehensive (loss) income	(39)	754
Retained earnings	93,814	36,949
Total stockholders' equity	611,266	630,315
Total liabilities and stockholders' equity	$ 1,274,404	$ 1,299,580

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue				
Marketplace	$ 166,858	$ 170,660	$ 337,563	$ 336,953
Enterprise	24,802	24,279	49,580	50,692
Total revenue	191,660	194,939	387,143	387,645
Cost of revenue	45,288	43,432	89,929	85,238
Gross profit	146,372	151,507	297,214	302,407
Operating expenses				
Research and development	43,894	44,843	87,201	90,995
Sales and marketing	34,914	36,671	72,351	72,422
General and administrative	36,878	35,659	72,036	63,707
Provision for transaction losses	2,549	1,769	4,771	4,028
Total operating expenses	118,235	118,942	236,359	231,152
Income from operations	28,137	32,565	60,855	71,255
Other income, net	3,966	5,878	8,958	12,195
Income before income taxes	32,103	38,443	69,813	83,450
Income tax provision	(6,699)	(5,717)	(12,948)	(12,994)
Net income	$ 25,404	$ 32,726	$ 56,865	$ 70,456
Net income per share:				
Basic	$ 0.21	$ 0.25	$ 0.45	$ 0.53
Diluted	$ 0.20	$ 0.24	$ 0.44	$ 0.50
Weighted-average shares used to compute net income per share:				
Basic	123,918	132,183	126,005	133,687
Diluted	129,958	140,198	132,784	141,866

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 25,404	$ 32,726	$ 56,865	$ 70,456
Adjustments to reconcile net income to net cash provided by operating activities:				
Provision for transaction losses	2,171	1,528	4,117	3,594
Depreciation and amortization	8,780	5,879	17,879	10,740
Amortization of debt issuance costs	461	461	921	921
Accretion of discount on purchases of marketable securities, net	(929)	(1,561)	(2,779)	(3,504)
Amortization of operating lease asset	439	183	836	385
Tides Foundation common stock warrant expense	187	187	375	375
Stock-based compensation expense	14,123	15,977	29,544	28,249
Deferred taxes	1,542	2,064	1,635	2,064
Loss on disposal of fixed assets	178	—	178	—
Changes in operating assets and liabilities:				
Trade and client receivables	(605)	3,895	(1,389)	360
Prepaid expenses and other assets	(2,155)	(40)	(5,635)	(3,338)
Operating lease liability	(531)	(22)	(556)	808
Accounts payable	(3,969)	(3,088)	(845)	(5,075)
Accrued expenses and other liabilities	1,402	14,019	(32,064)	2,911
Deferred revenue	376	306	811	533
Net cash provided by operating activities	46,874	72,514	69,893	109,479
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of marketable securities	—	(208,440)	—	(259,148)
Proceeds from maturities of marketable securities	111,895	181,031	240,221	232,411
Proceeds from sale of marketable securities	1,986	3,257	1,986	3,537
Acquisition of business, net of cash acquired	—	(20,410)	—	(20,410)
Purchases of property and equipment	(1,618)	(2,381)	(3,341)	(4,853)
Internal-use software and platform development costs	(9,318)	(4,507)	(17,709)	(8,210)
Net cash provided by (used in) investing activities	102,945	(51,450)	221,157	(56,673)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Change in escrow funds payable, net	(11,870)	(2,684)	11,684	16,574
Proceeds from exercises of stock options and common stock warrants	686	1	769	653
Proceeds from employee stock purchase plan	1,646	2,199	1,646	2,199
Repurchase of common stock	(1,834)	(37,868)	(109,725)	(70,922)
Payment of debt issuance costs	(1,223)	—	(1,223)	—
Net cash used in financing activities	(12,595)	(38,352)	(96,849)	(51,496)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	137,224	(17,288)	194,201	1,310
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—beginning of period	535,885	524,191	478,908	505,593
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—end of period	$ 673,109	$ 506,903	$ 673,109	$ 506,903

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):

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 476,040	$ 294,356
Restricted cash	3,800	3,800
Funds held in escrow, including funds in transit	193,269	180,752
Total cash, cash equivalents, and restricted cash as shown in the condensed consolidated statement of cash flows	$ 673,109	$ 478,908

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash provided by operating activities	$ 46,874	$ 72,514	$ 69,893	$ 109,479
Less: purchases of property, plant & equipment and cash outflows from internally developed software	(10,936)	(6,888)	(21,050)	(13,063)
Free cash flow	$ 35,938	$ 65,626	$ 48,843	$ 96,416

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 25,404	$ 32,726	$ 56,865	$ 70,456
Add back (deduct):				
Stock-based compensation expense [1]	14,123	15,977	29,544	28,249
Depreciation and amortization	8,780	5,879	17,879	10,740
Other income, net [1]	(3,966)	(5,878)	(8,958)	(12,195)
Income tax provision	6,699	5,717	12,948	12,994
Other [1][2][3]	13,013	2,640	13,201	2,828
Adjusted EBITDA	$ 64,053	$ 57,061	$ 121,479	$ 113,072
Profit margin	13 %	17 %	15 %	18 %
Adjusted EBITDA margin	33 %	29 %	31 %	29 %

[1] During the three and six months ended June 30, 2026, we incurred $13.8 million in costs related to the execution of the restructuring announced in May 2026. Of this amount, $12.8 million is included in Other, while the remaining amount is allocated between stock-based compensation and Other income, net.

[2] For each of the three months ended June 30, 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, and for each of the six months ended June 30, 2026 and 2025, we incurred $0.4 million of such expense.

[3] During the three and six months ended June 30, 2025, we incurred acquisition-related costs of $2.5 million in connection with our business combinations. These costs primarily consist of legal, accounting, and other professional fees, and are recorded in general and administrative expenses in the condensed consolidated statements of operations.

Non-GAAP Financial Measures

To supplement our condensed 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.

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.

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.

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.

Gross Services Volume (GSV)

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

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.

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.

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 contingent worker classification. 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 and follow on LinkedIn, Facebook, Instagram, TikTok, and X; and learn more about Lifted at go-lifted.com and follow on LinkedIn.

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Disclosure Information

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