



Duolingo, Inc.

Gamified freemium language learning at 133M Q4’25 MAUs / 52.7M DAUs: free lessons + ads + streaks fund Super/Max subscriptions (12.2M paid; ~9% of MAUs) — FY’25 revenue \$1.04B (+39%), mostly \$873M subscriptions, plus ads (\$80M), Duolingo English Test (\$42M), and IAPs; Adj. EBITDA \$306M / FCF \$360M — with Max AI (Roleplay + Video Call with Lily) as the tutoring upsell and Video Call expanding into Super to teach more learners.

BUSINESS MODEL CANVAS

Duolingo, Inc.

Research date: Oct 3, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Apple App Store & Google Play** — distribution + billing (61.6% / 23.4% of FY’25 revenue processed — FACT 10-K).
- **Stripe** — web subscription processing (10.3% of FY’25 revenue — FACT 10-K).
- Cloud / infrastructure providers hosting the learning platform at DAU scale.
- **AI / LLM partners for Max features (OpenAI collaboration at Max launch — FACT blog).**
- Advertising networks monetizing free-lesson inventory.
- Universities / institutions accepting the Duolingo English Test.

KEY ACTIVITIES

- Ship bite-sized lessons, paths, leagues, streaks, and Energy/hearts mechanics.
- **Build Super / Max features** — Practice Hub, Roleplay, Video Call with Lily.
- **Expand subjects** — languages (250+ courses), Chess (>7M DAUs), Math, Music (FACT).
- Run freemium conversion, ad load, and (in 2026) growth-first experiments.
- Brand / social content + selective paid acquisition (FACT 10-K).
- Operate Duolingo English Test and Duolingo for Schools tooling.

KEY RESOURCES

- Duolingo brand + Q4’25 133.1M MAUs / 52.7M DAUs (FACT).
- 12.2M paid subscribers; ~9% of MAUs paid at YE’25 (FACT).
- **Course catalog** — >250 language courses; Math, Music, Chess (FACT 10-K).
- Learning data + AI tutoring features (Roleplay, Video Call).
- DET high-stakes assessment brand accepted by institutions.
- \$1.04B cash; >900 employees incl. >430 engineers (FACT).

VALUE PROPOSITIONS

- **Free gamified language learning** — bite-sized lessons, streaks, leagues (FACT).
- **Super** — ad-free + unlimited energy/hearts + Practice Hub (FACT).
- **Max** — AI Roleplay + Video Call with Lily for conversation practice (FACT blog).
- **Subjects beyond languages** — Chess (>7M DAUs), Math, Music (FACT letter).
- **Duolingo English Test** — affordable, on-demand proficiency credential (FACT).
- Duolingo for Schools + ABC for classrooms and early literacy (FACT 10-K).

CUSTOMER RELATIONSHIPS

- Streaks, XP, leagues, and Duo push notifications (habit loop).
- Self-serve Super / Max subscribe and cancel in-app or on web.
- **Family plan** — one manager, up to six members (FACT 10-K).
- Practice Hub personalized review for Super/Max learners.
- Duolingo for Schools teacher tools for classroom cohorts.
- DET candidate + institution score-reporting relationships.

CHANNELS

- **Primary** — Duolingo iOS / Android apps + duolingo.com web.
- Organic word-of-mouth and viral brand / social content (FACT 10-K).
- Selective paid user acquisition targeting high-quality segments.
- App Store / Play discovery; top-grossing Education category (FACT).
- Localized marketing & influencers for geographic expansion.
- Schools web tool + DET website / institutional channels.

CUSTOMER SEGMENTS

- **Free learners worldwide** — 133.1M Q4’25 MAUs (FACT).
- **Paid Super / Max subscribers** — 12.2M period-end; ~9% of MAUs (FACT).
- **Family plan households (up to six seats — FACT).**
- DET candidates seeking university / institutional English scores.
- Teachers / classrooms via Duolingo for Schools (FACT).
- Advertisers on the free tier; US 38% / RoW 62% of revenue (FACT).

COST STRUCTURE

- **Cost of revenues \$288.1M FY’25** — hosting, payment fees, AI serving (FACT).
- **Research & development \$306.3M** — content, product, AI (FACT).
- Sales & marketing \$125.7M; G&A \$181.9M (FACT).
- Gross margin 72.2% FY’25; guided lower as AI expands (FACT letter).
- Stock-based compensation ~\$149M in Adj. EBITDA recon (FACT).
- Apple/Google/Stripe concentration in payment processing (FACT 10-K).

REVENUE STREAMS

- **Subscriptions \$873.4M FY’25** — Super + Max (+ Family) (FACT 10-K).
- Advertising \$79.7M on free lessons (FACT).
- Duolingo English Test \$42.0M; IAPs \$40.5M (FACT).
- Total revenue \$1,037.6M (+39%); bookings \$1,158.4M (FACT letter).
- Adj. EBITDA \$305.9M (29.5%); FCF \$360.4M (FACT).
- No invented Super/Max split % or global sticker ARPU.

Sources: sec.gov/Archives/edgar · blog.duolingo.com/duolingo-max · sec.gov/Archives/edgar · blog.duolingo.com/video-call · duolingo.com/help/what-is-duolingo-max · duolingo.com
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