

Upwork runs an online marketplace where businesses hire independent professionals and agencies for hourly or fixed-price work, from software and design to AI consulting, and Upwork holds the money in escrow until work is approved. It earns a cut from both sides: freelancers pay a service fee of 0% to 15% per contract and clients pay a marketplace fee of 3% to 10%, plus freelancers buy Connects (bidding tokens) and \$19.99-a-month memberships, and its Lifted subsidiary sells contingent-workforce services to large enterprises. FY2025 (year ended Dec 31, 2025) revenue was \$787.8M (+2%) on \$4.03B of gross services volume, with net income of \$115.4M; in 2026 AI automation of simpler work has shrunk volume, and Upwork guides FY2026 revenue down to \$730M-\$750M.

KEY PARTNERS

- Independent talent and agencies across 10,000+ skills (FACT).
- Payment processors and disbursement providers; payouts via bank, PayPal, Payoneer, M-Pesa (FACT).
- Third-party staffing providers for Upwork Payroll (FACT); US/Canada EOR moving to Ascen entities (SECONDARY, Q2 call).
- AWS for third-party hosting (FACT, 10-K).
- ChatGPT app (Apr 2026), Claude Connector and MCP server (FACT, Q2 2026).
- \$150M revolving credit facility led by Bank of America, Jun 2026 (FACT).

KEY ACTIVITIES

- AI-ranked proposals and recommendations; Uma AI work agent (FACT).
- Escrow for fixed-price milestones; weekly hourly billing (FACT).
- Dispute resolution and payment protection (FACT).
- Variable freelancer fee set per contract since May 2025 (FACT).
- Ads and Connects pricing to improve matching (FACT).
- Lifted platform migration of enterprise clients, Jun 2026 (FACT).

KEY RESOURCES

- \$30B+ transacted since founding (FACT, company statement).
- 785,000 active clients at end of 2025 (FACT).
- Work history, feedback and payment data used by AI models (FACT).
- \$193.3M escrow funds at Jun 30, 2026 (FACT).
- Lifted, with Bubty (Jun 2025) and Ascen (Aug 2025, \$40.8M) (FACT).
- About 630 employees at Dec 31, 2025, plus about 1,600 Upwork freelancers on platform (FACT).

VALUE PROPOSITIONS

- Hire for hourly, fixed-price or Project Catalog work (FACT).
- Ratings, work history and verified profiles before hiring (FACT).
- Escrow and payment protection for both sides (FACT).
- Talent across 10,000+ skills, including AI and machine learning (FACT).
- Compliance** — classification, EOR and AOR through Lifted (FACT).
- Fee shown before a proposal and fixed for the contract (FACT).

CUSTOMER RELATIONSHIPS

- Self-serve Basic plan for clients and talent (FACT).
- Business Plus** — premium support, vetted talent, Net 30 (FACT).
- Freelancer Plus and Agency Plus** — \$19.99 a month (FACT).
- Direct Contracts** — 5% on Basic, 0% on Freelancer Plus (FACT).
- Lifted enterprise account and sales teams (FACT).
- GSV per active client a record \$5,230 in Q2 2026 (FACT).

CHANNELS

- upwork.com and mobile apps (FACT).
- Paid search is the largest acquisition channel (SECONDARY, Q2 2026 call).
- Direct Contracts with clients freelancers bring (FACT).
- In-marketplace ads paid with Connects (FACT).
- Lifted direct enterprise sales (FACT).
- ChatGPT app, Claude Connector and MCP server, 2026 (FACT).

CUSTOMER SEGMENTS

- Clients** — entrepreneurs and SMBs to large enterprises (FACT).
- ~71% of 2025 GSV from US clients (FACT).
- Talent** — US ~25% of GSV, then India and the Philippines (FACT).
- Business Plus active clients +219% YoY, Q2 2026 (FACT).
- Enterprise via Lifted** — contractors, AOR, EOR, staff augmentation, outsourcing (FACT).
- AI-related work GSV +22% YoY, Q2 2026 (FACT).

COST STRUCTURE

- FY2025 cost of revenue \$174.8M; gross margin 78% (FACT).
- R&D \$185.5M, 24% of revenue (FACT).
- Sales and marketing \$143.4M, -23% (FACT).
- G&A \$146.6M; transaction losses \$8.1M (FACT).
- Stock-based compensation \$65.4M (FACT).
- 2026 restructuring** — ~24% workforce cut, \$16M-\$23M charges (FACT).

REVENUE STREAMS

- Freelancer service fee** — 0% to 15% per contract (FACT).
- Client marketplace fee** — 3%-5% Basic, 8%-10% Business Plus (FACT).
- Connects (\$0.15 each) and \$19.99 memberships** — 15% of revenue, Q2 2026 (SECONDARY, earnings call).
- Ads, currency exchange and interest on escrow funds (FACT).
- Enterprise (Lifted)** — \$104.9M in FY2025, 13% of revenue (FACT).
- Marketplace take rate 18.7% FY2025; 19.6% Q2 2026 (FACT).