

shutterstock®

Investor Day 2023

February 28, 2023



Forward Looking Statement

Information set forth in this communication contains forward-looking statements, including without limitation, the long-term effects of investments in our business, the future success and financial impact of new and existing product offerings; our ability to consummate acquisitions and integrate the businesses we have acquired or may acquire into our existing operations; our future growth, margins and profitability; our long-term strategy and our performance targets including 2023 guidance. Actual results or trends could differ materially from our forecast.

For more information, please refer to the reports we file with the SEC from time to time, including the risk factors discussed in our most recently filed Form 10-K, for discussions of important risk factors that could cause actual results to differ materially from any forward-looking statements we may make in this communication.

We will be discussing certain non-GAAP financial measures today, including adjusted EBITDA and adjusted EBITDA margin. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures can be found in the appendix to this presentation. We have no obligation to, and do not intend to, update any forward-looking statements.

Today's Presenters



Paul Hennessy

Chief Executive Officer



Jarrod Yahes

Chief Financial Officer



Meghan Schoen

Chief Product Officer



Sejal Amin

Chief Technology Officer



Dade Orgeron

Vice President, 3D Innovation



Candice Murray

Vice President, Editorial



Aiden Darné

Vice President, Studios

Today's...avatars



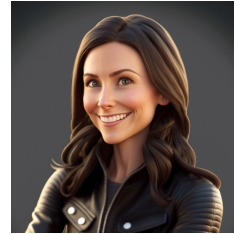
Paul Hennessy

Chief Executive Officer



Jarrod Yahes

Chief Financial Officer



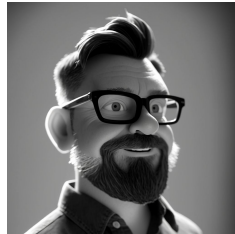
Meghan Schoen

Chief Product Officer



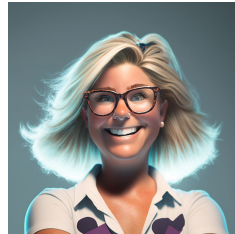
Sejal Amin

Chief Technology Officer



Dade Orgeron

Vice President, 3D Innovation



Candice Murray

Vice President, Editorial



Aiden Darné

Vice President, Studios

Agenda

1. **A Powerful Business Model**
2. **Content Engine – Differentiated Creative Ingredients**
 - a. **3D**
 - b. **Editorial**
3. **Creative Engine – Extending Our Customer Relationships**
 - a. **Creative Flow**
 - b. **Studios**
4. **Data Engine – Unlocking Our Content’s Power**
 - a. **Data Training Sets**
 - b. **Generative AI**
5. **Financial Discussion**
6. **Closing Thoughts**
7. **Q&A**

Over the Last 20 Years, Shutterstock Has Built a Durable Content Engine

“As a serial entrepreneur and small business owner, finding quality content for my marketing needs was a limiting factor. There was no place to buy images in an easy and cost-effective way. There were a couple of stock agencies at the time, but they weren’t designed for the Internet. They were still quoted in print runs and it was just really old school stuff. I realized that legally cleared global royalty-free photos were really hard to find. By starting Shutterstock in 2003, I was solving my own problem as a business owner.”

- Founder & Executive Chairman Jon Oringer

At the Time of Shutterstock’s 2012 IPO



Stock image-centric



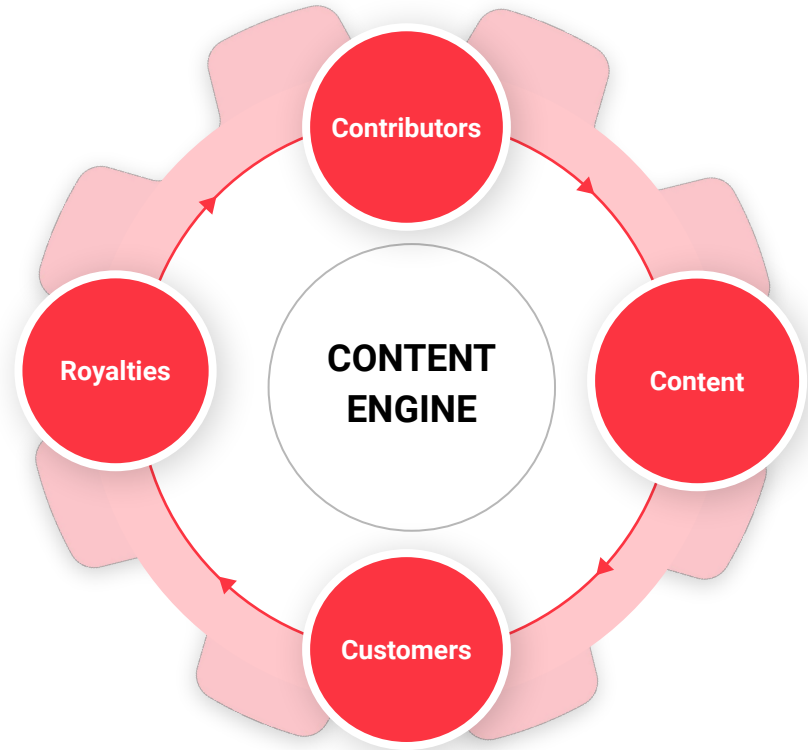
>19 million images



Ecommerce channel-driven



>500,000 videos



Our Content Engine Drives Global Scale Resulting in a Powerful Business Model

Comprehensive Content Library



600 million
Images



45 million
Videos



2 million
Music Tracks



2 million
Sound Effects



1.2 million
3D Models

The Industry's Largest Content Library
Video Library 2x Larger Than Nearest Competitor

Global Scale and Operating Leverage



\$828 million
2022
Revenue



26.3%
2022 EBITDA
Margin



57%
Revenue ex-
North America



1,328
Full Time
Employees

20% Annualized EBITDA Growth (2018-2022)
Opportunity to Achieve 30%+ EBITDA Margins

Thriving Marketplace



2.3 million
Contributors



2.3 million
Customers



6 Downloads
Per Second

Contributor Base Doubled in 3 Years

Large Subscription Revenue Stream



586k
Subscribers



42%
Subscription Revenue
as % Total Revenue

Subscriber Base Tripled in 3 Years

Strong Reach into Enterprises



45k
Enterprise
Customers



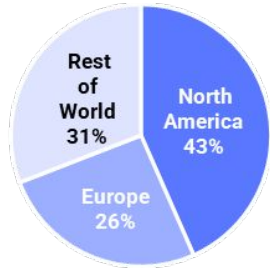
Mid-90s
Revenue Retention



24%
Increase in Deals
>\$100k in 2022

Subscription Bookings Up 27% in 2022

We Serve Our Customers Through Multiple Channels



ECOMMERCE REVENUE BY GEOGRAPHY

All-In-One Self-Serve Offering for Individual Creatives & Freelancers, Marketing Professionals, Small Business Owners and Casual Creatives

\$501mm

2022 Revenue

52%

Subscription Revenue

566k

Subscribers

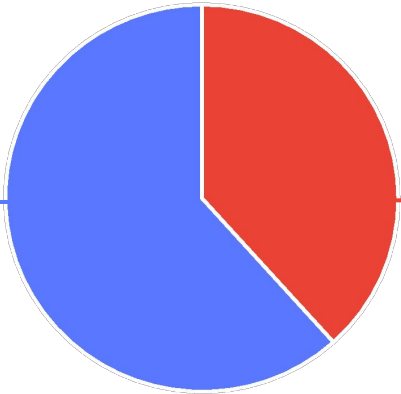
2.3mm

Customers

\$211

Average Revenue / Customer

61%



ENTERPRISE REVENUE BY GEOGRAPHY

Tailored Content, Creative Services and Data Offering for Small Businesses, Ad Agencies, Global Brands and Tech Companies

\$327mm

2022 Revenue

27%

Subscription Revenue

20k

Subscribers

45k










Customers

\$7k

Average Revenue / Customer

39%

Our Content Engine has Consistently Expanded into Faster Growing TAM's

		<u>Size</u>	<u>Growth</u>
Digital Advertising, Social Media, Websites	  Images	\$4.3B	6% CAGR
Music Streaming, Audio for the Metaverse, Digital Video Advertising, Podcasting	  Music	\$1.3B	7% CAGR
Digital Video Advertising, Streaming Video on Demand, Film & TV	  Videos	\$0.7B	7%+ CAGR
Metaverse, Augmented Reality & Virtual Reality, Gaming	  3D Models	\$1.3B	10%+ CAGR
Creator Economy, Democratization of Creative Design Software	  Creative Software Tools	\$8.2B+	10%+ CAGR

Source: Industry research and management estimates. Stock Images, Music and Video 2022 Market Size and Market Growth Estimates based on 2022 Technavio reports. 3D 2022 Market Size Estimates based on Proficient Market Insights "Global 3D Models Industry Research Report 2023." Creative Software Tools 2022 Market Size Estimates based on "Statista Creative Software - Worldwide Market Forecast" report.

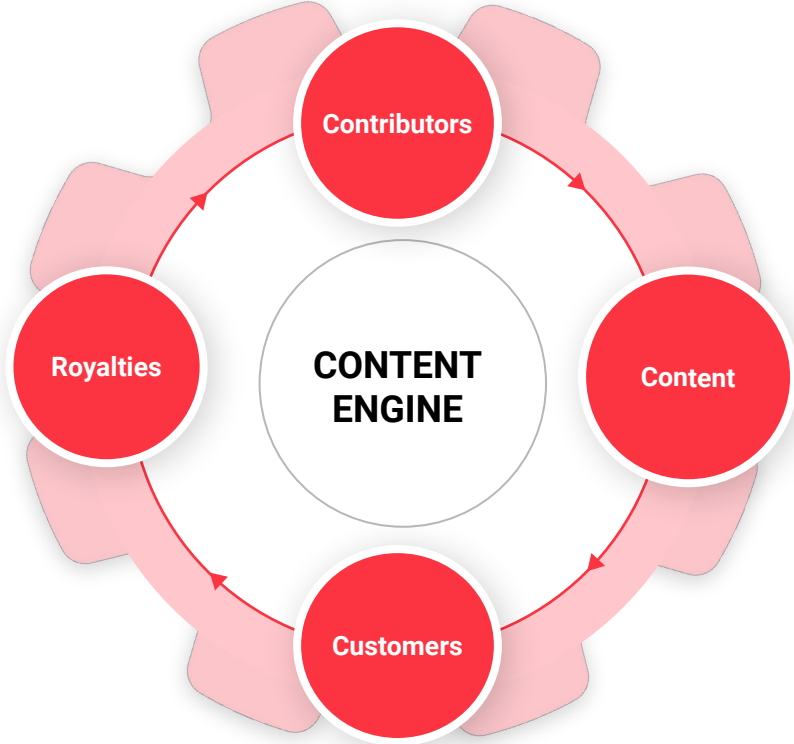
shutterstock® mission

Shutterstock is **the end-to-end creative partner that empowers customers to tell the best versions of their stories**. Our teams capture the moments, develop the tools, deliver the services, and provide the ingredients needed to simplify and supercharge creative storytelling.

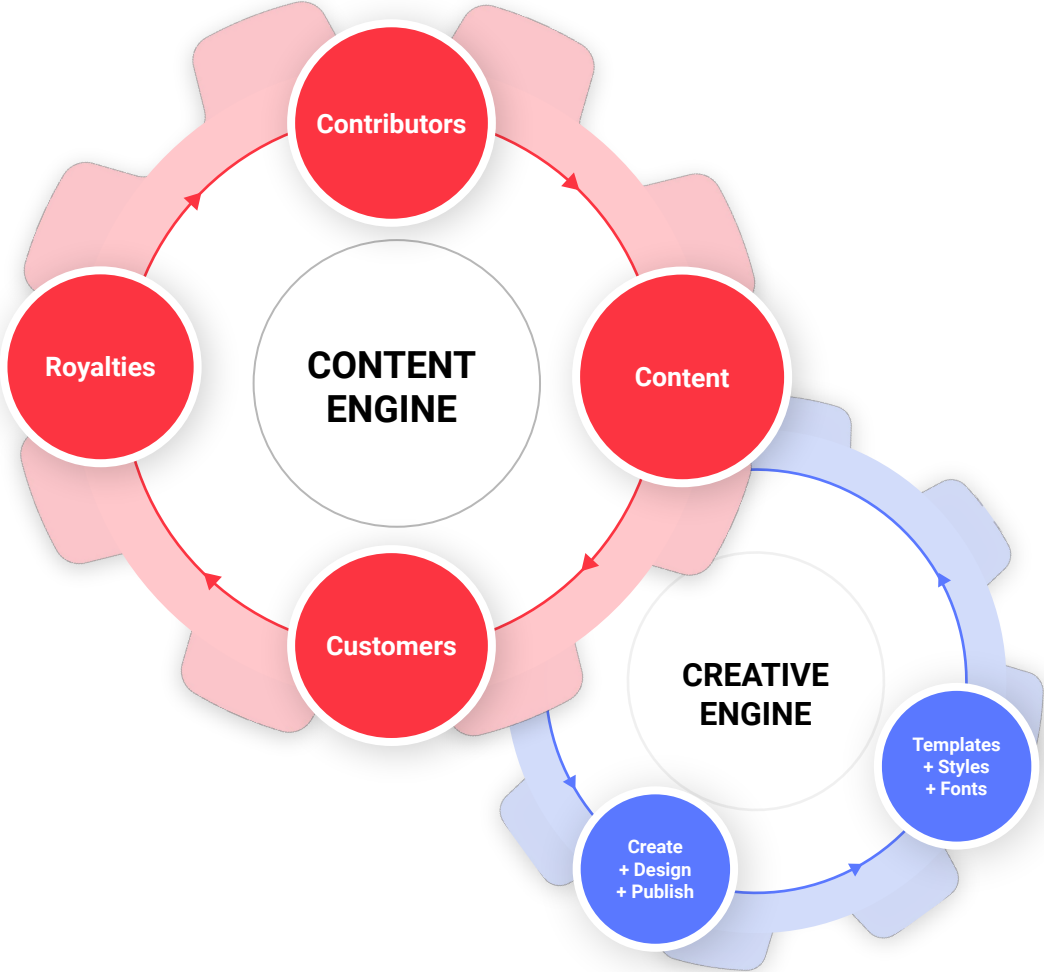
shutterstock® purpose

We bridge the gap between idea, design and execution, inspiring the world to **create with confidence**.

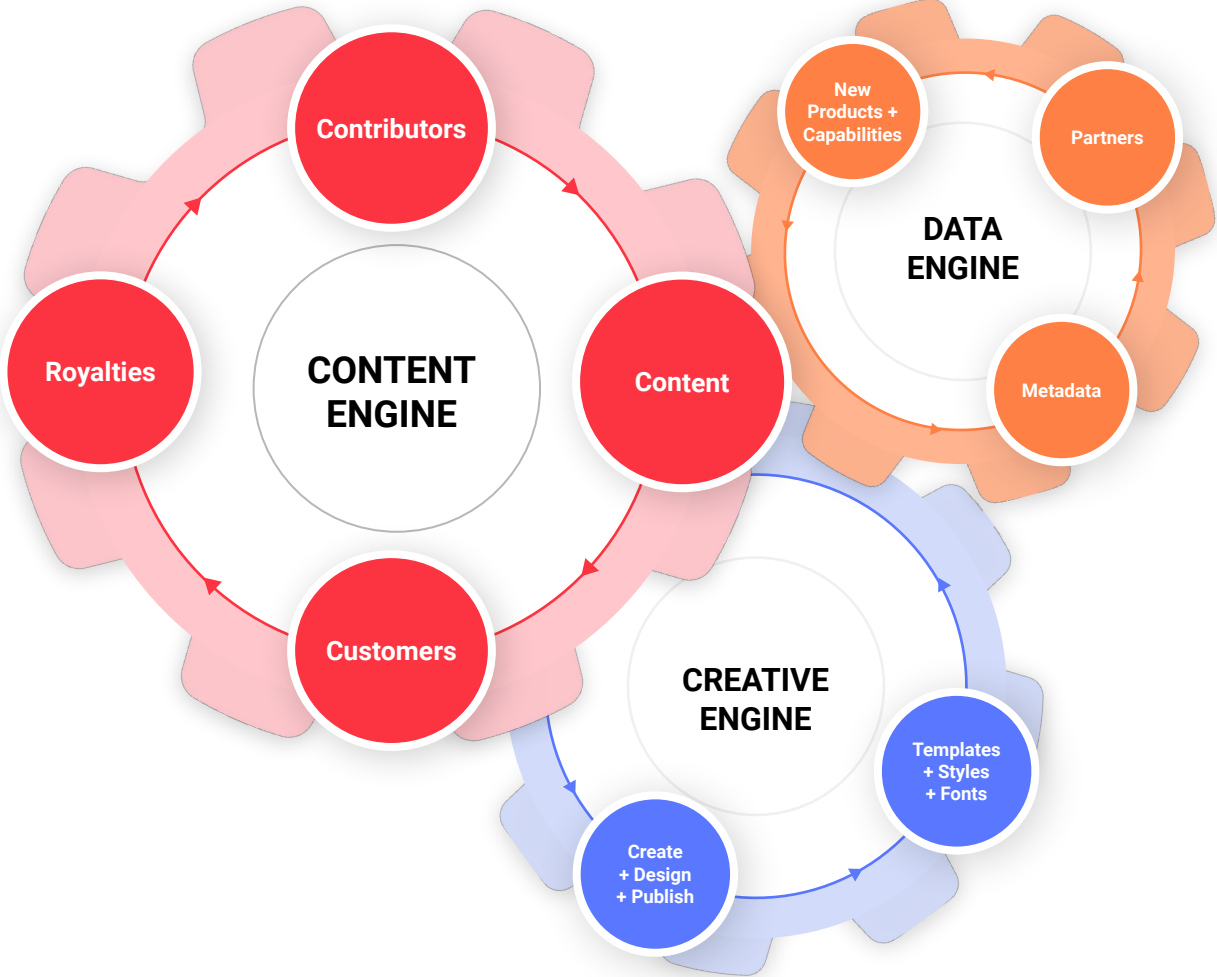
Our Content Engine Will Continue to Power the Core



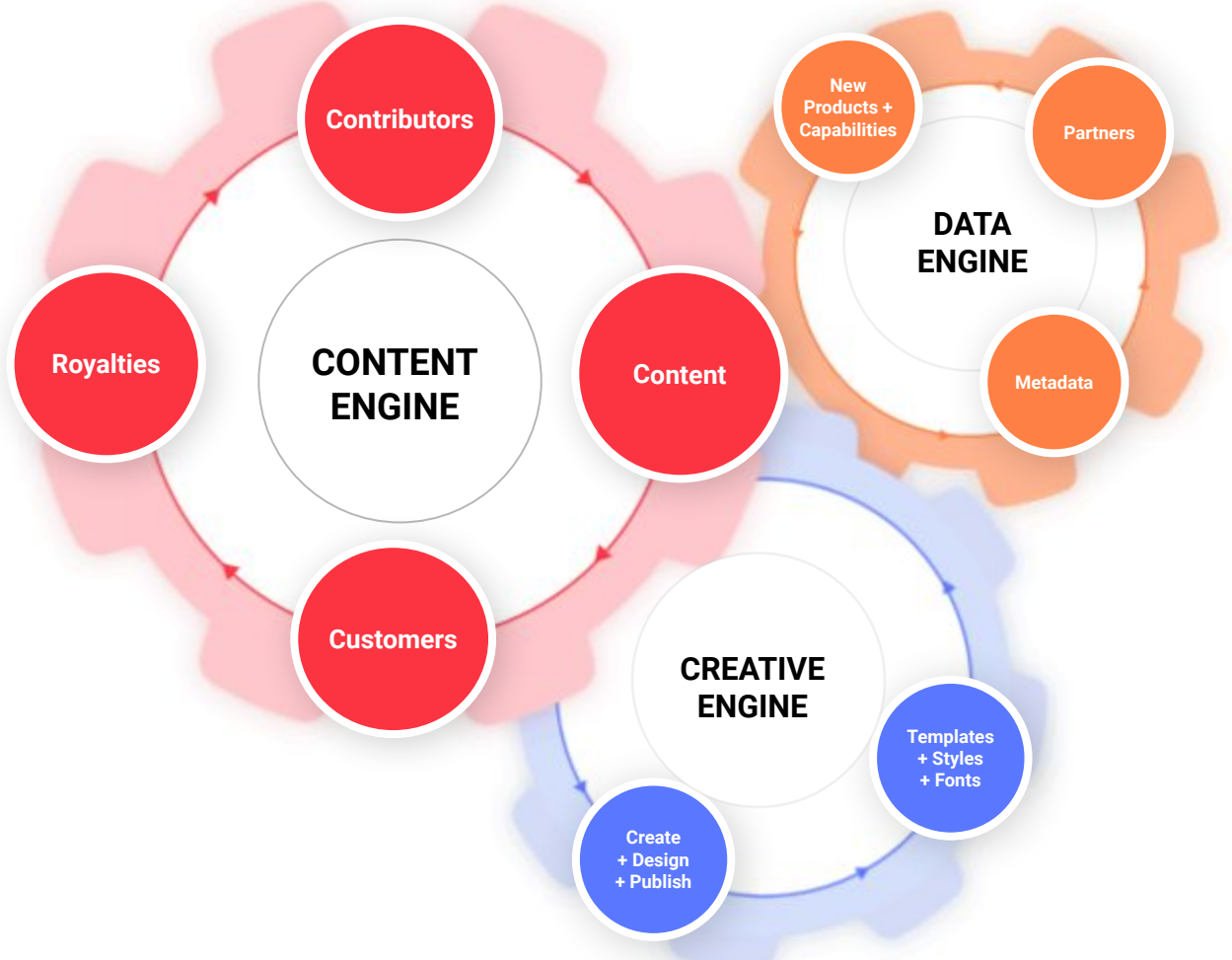
Extend Our Customer Relationships and Create New Content Opportunities



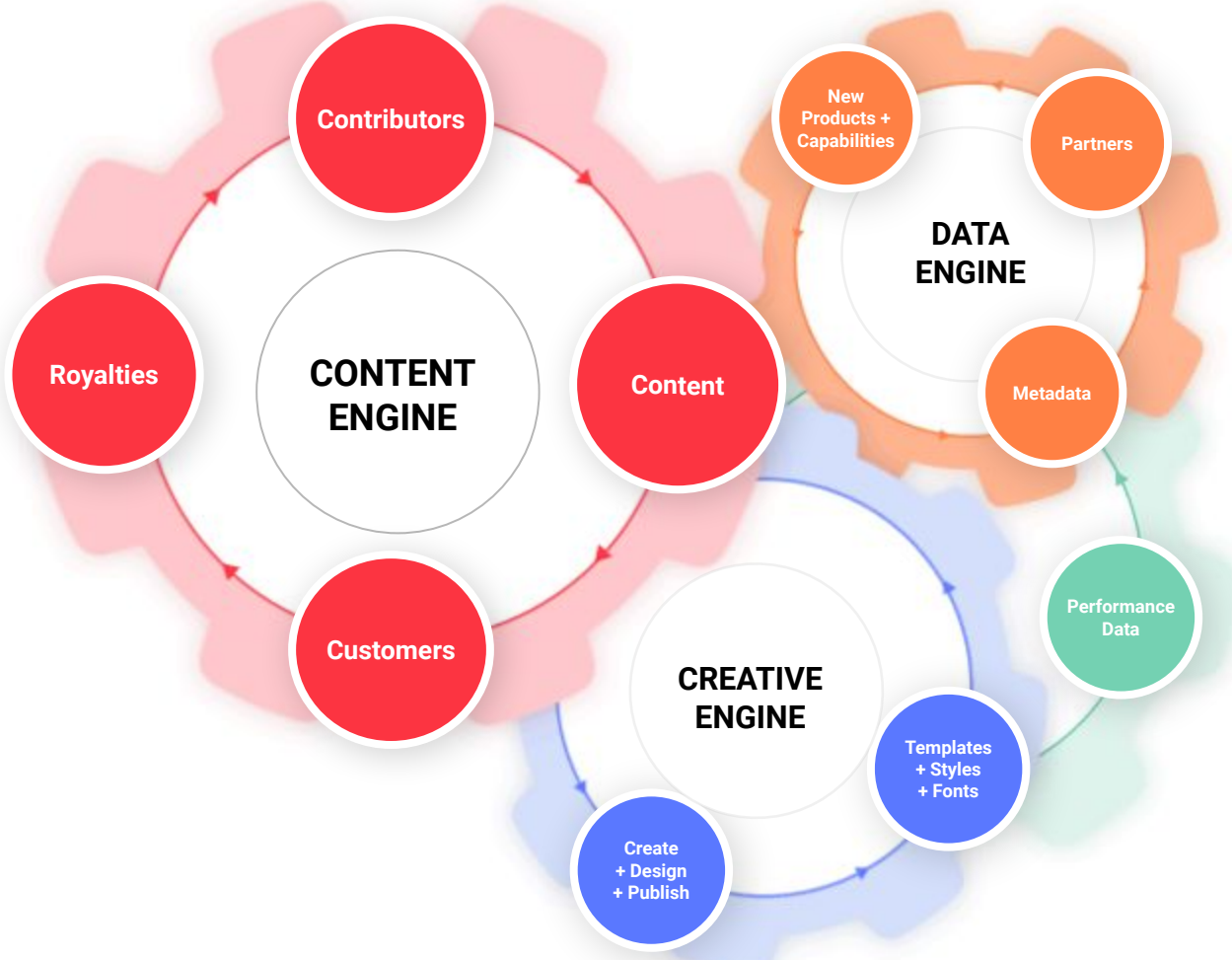
Unlock New Verticals, Products and Capabilities



While in Different Stages of Maturity, Each Element of Our Platform Accelerates The Other



Unlocking Additional Gears + Growing a Powerful & Differentiated Machine



Our Creative and Data Engines Extend Us Into New Growth Areas and Further Entrench Us With Existing Customers

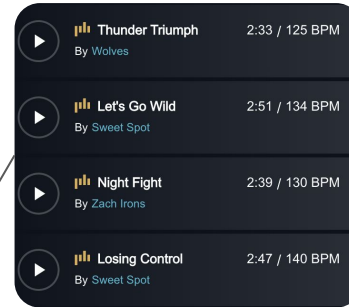
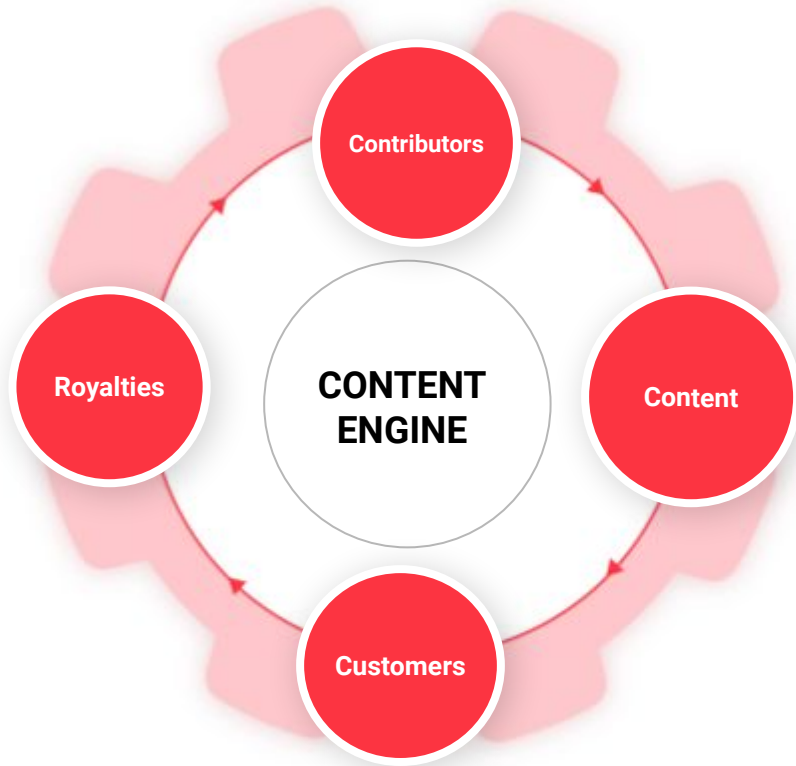


Content Engine - Differentiated Creative Ingredients

Dade Orgeron, VP 3D Innovation | Candice Murray, VP Editorial



Differentiated Content Ingredients Purpose-Built for Better Storytelling



3D Enables Creators To Tell Seemingly Impossible Stories



Movies & Film



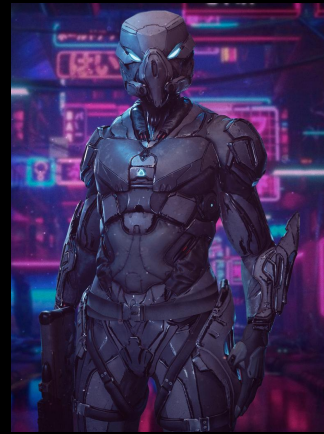
3D Enables Creators To Visualize Possibilities



Visualization



3D Enables Creators To Immerse The Viewer



Gaming & Immersive



Extending 3D Content To New Horizons

New technologies are opening the door for more industries to enter the 3D space

Machine Learning

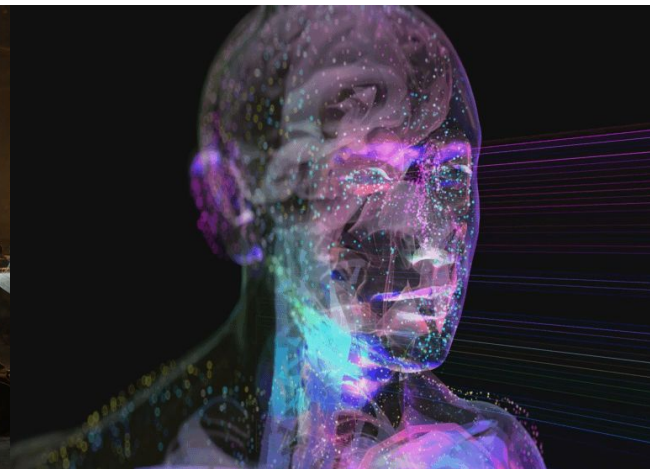
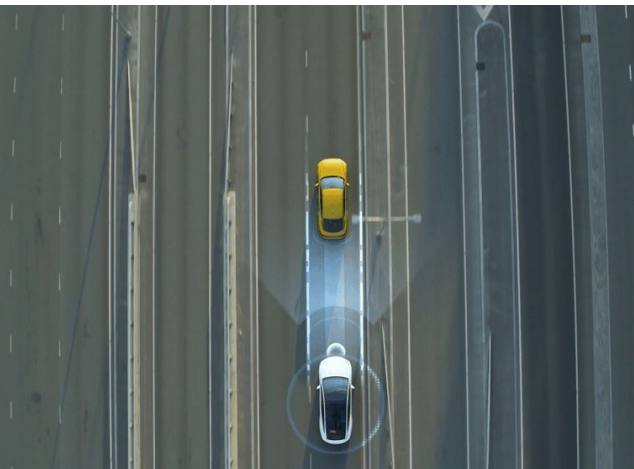
Drive Simulation
Manufacturing
Shipping Logistics

Metaverse & Web3

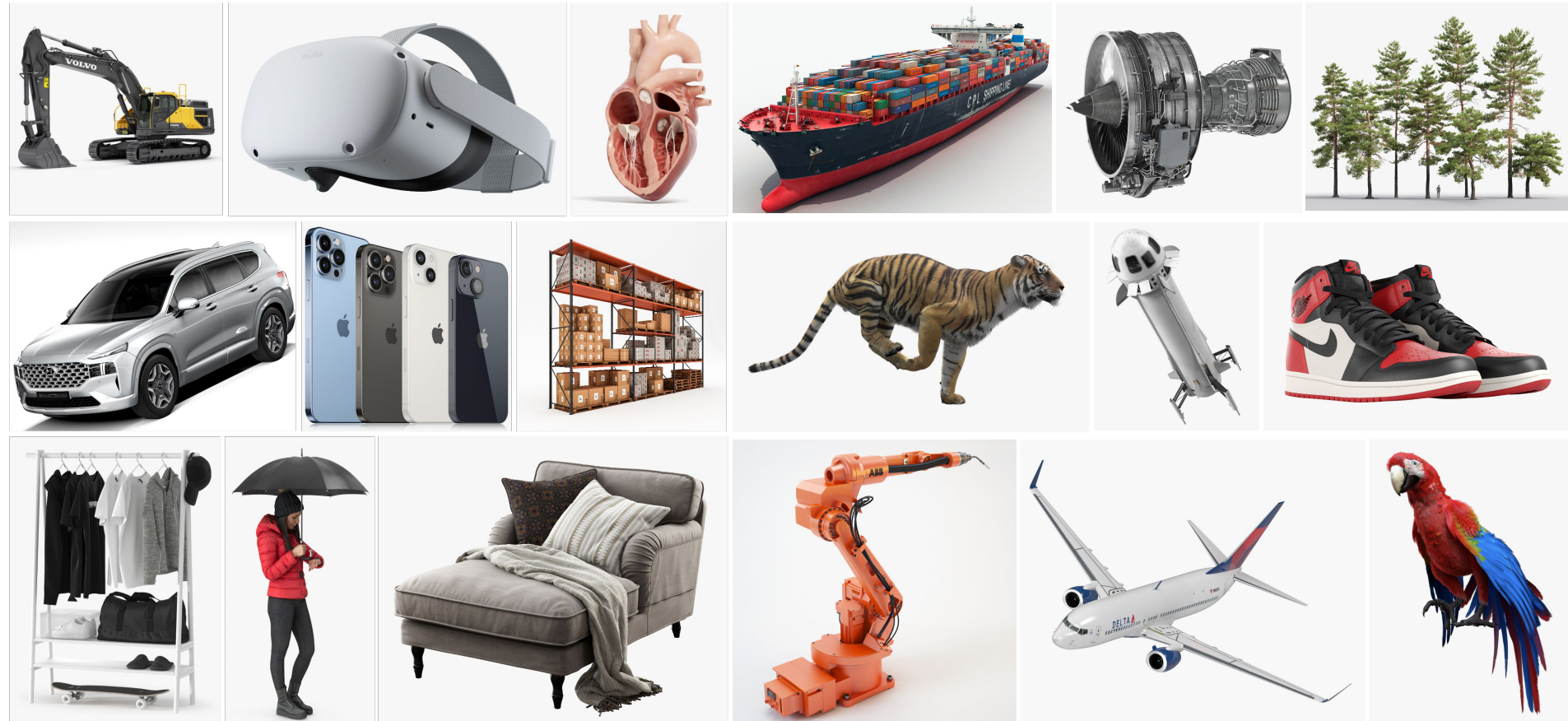
Gamevertising
Immersive Advertising
Brand Loyalty

AR/VR/MR

Surgical Visualization
Healthcare Education & Training
Patient Education

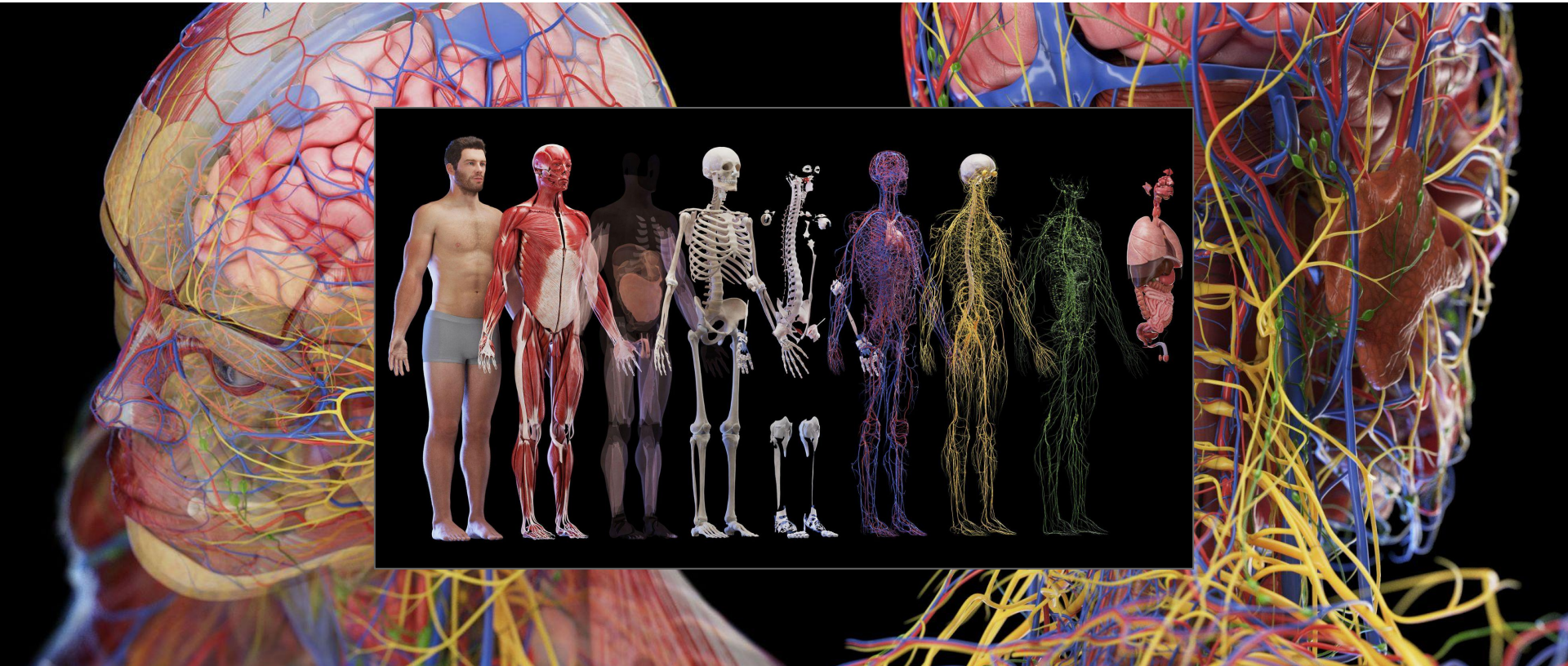


Meeting The Growing Demand For 3D Content



Case Study: SciePro Human Anatomy

TurboSquid contributor SciePro has created a detailed, anatomically correct and comprehensive model of the male anatomy in 3D



Releasing 3D From The Walled Garden Through Standardization



Contributors

3D content can be generated from a variety of industry standard techniques

A Complete 3D Platform

TurboSquid has created a complete 3D content management platform for publishing, managing, converting, conforming and distributing 3D content

Customers

Standardized models can be used in nearly any application or platform

Generative AI Will Unleash 3D To The Masses



Image to 3D

Generate custom 3D objects from photos, illustrations or existing 3D models

Text to 3D

Generate 3D objects and scenes from descriptive prompts

Generative Creator Tools

AI driven tools that enable creators to modify and customize existing 3D models

Procedural Scenes

Generate complete scenes from existing 3D collections using descriptive prompts



Editorial Candice Murray, VP Editorial



Why Our Editorial Business Matters

Shutterstock Editorial

Covers Top Stories across Entertainment, News, Sports, Royals, Fashion & More

10k+ events each year

Awards season, premieres, playoffs and championships, after-parties, VIP events, music festivals, fashion shows, branded events, sponsorships, product launches and so much more

Splash News

Covers Breaking News and Developing Stories across Entertainment & Celebrity Worldwide

24 / 7 / 365

Breaking News Team, feeding stories in real-time, straight to news desks at global media and publishing brands worldwide

Shutterstock Editorial is a Full-Service Global Operation



Content

Premium Content & Celebrity Partnerships

Simplified Licensing

Services

shutterstock editorial **SPLASH** NEWS PICTURES VIDEOS

Entertainment, Sports,
Fashion, News, Archival and
UGC for Storytelling:
Media
Theatrical Productions
Multi-Marketing for Brands



Granting the rights to use for
Editorial and Commercial Use
Cross-platform publishing &
broadcast such as digital /
social / print / TV / films /
marketing

Live Event Coverage
Global Contributors for:
Live Assignments
Portrait Studio Activations
Rights & Clearance
Asset Assurance

24/7/365	73mm+	20k+	10k+
Access to Breaking and Trending Content	Images & Videos	Assets Added Daily	Live Events Annually

Billions of Connections Everyday through Mass Global Use

The force behind the content that reaches audiences and global communities daily through print, digital, social, film, streaming, television, branding and more!



Editorial Content & Services is Highly Impactful for Shutterstock

Our Strategic Rationale

- Complementary extension of our marketplace
- Expansion of relationships with news & media
- Resilient through challenging economic cycles
- Massive branding opportunity



How We Win

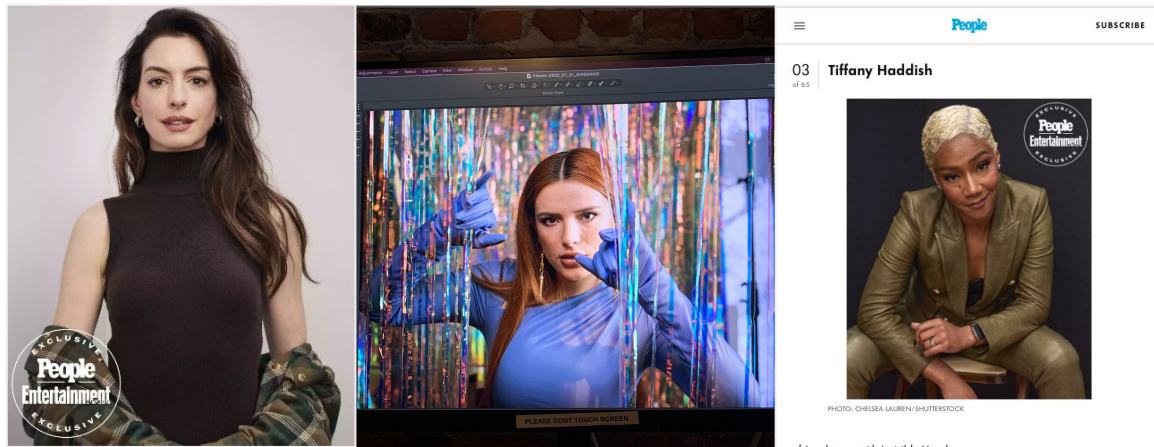
- Continue growing network of photographers & videographers
- Innovate pricing & packaging, including subscription products
- Partner with Studios to deliver full suite of live event coverage
- Partnerships with brands & talent
- Scale our Live Assignment business for immediate impact



Our Brand Name Powers Global Headlines: Live Assignments & Brand Partnerships



Audible Listening Lodge, Sundance Film Festival, Park City, Utah, USA - 19 Jan 2023

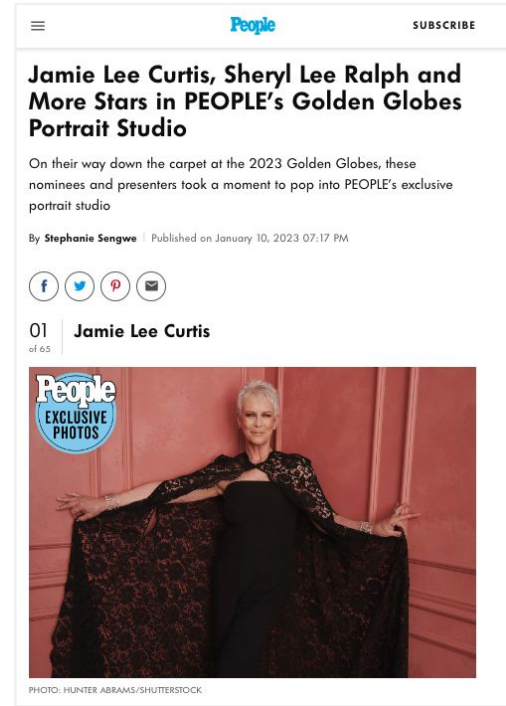


Celebs @ The Sundance SSTK Portrait Studio: Anne Hathaway, Bella Thorne, Tiffany Haddish

Our Brand Name Powers Global Headlines: Golden Globes 2023



*“Spent the last day of being 30 shooting my absolute dream of an assignment. Thank you @goldenglobes @shutterstocknow @shutterstock @people for this golden night!!”
—Hunter Abrams Insta*




Our Brand Name Powers Global Headlines: Super Bowl LVII

Performances

People SUBSCRIBE

"Run This Town" and "Umbrella," before ending with a crowd-rising rendition of her hit song, "Diamond."




Rihanna. PHOTO: MAT SLOCUM/AP/SHUTTERSTOCK


The set started with Rihanna balancing on a platform hanging high above the field and ended with her walking up and down a stage that almost ran the length of the field. Throughout the show, she was surrounded by dancers wearing white puffy spacesuits.

Celebs & VIPS


Page Six




Great seats: Paul McCartney, 80, joined wife Nancy, 63, as the star-studded Super Bowl LVII in Arizona on Sunday



Actor Tracy Morgan poses with his family as they attend Super Bowl LVII at State Farm Stadium in Glendale, Arizona on Sunday, February 12, 2023.



Twitter founder Jack Dorsey watches Super Bowl LVII from a suite at State Farm Stadium in Glendale, Arizona on Sunday, February 12, 2023.



Comedian Kevin Hart sports a Philadelphia Eagles jersey to Super Bowl LVII at State Farm Stadium in Glendale, Arizona on Sunday, February 12, 2023.

Our Brand Name Powers Global Headlines: Breaking News

Breaking News

Daily Mail .com

TV & Showbiz

EXCLUSIVE: Megan Fox and fiancé Machine Gun Kelly look visibly upset as they leave marriage counseling office - amid cheating rumors and speculation of split

EXCLUSIVE Megan Fox and fiancé Machine Gun Kelly look visibly upset as they leave marriage counselling office - amid cheating rumors

Megan Fox and Machine Gun Kelly looked tense as they left a marriage counseling office in California on Monday - amid split speculation.



[Share](#) 72 [41 comments](#)

[2 videos](#)



Working on it: The actress, 36, who first sparked the breakup speculation on Saturday when she deleted all her social media photos with the rapper, 32, looked tense as she stepped out of the building with her on-off fiancé


Our Brand Name Powers Global Headlines: Breaking News

First Sightings

THE U.S. Sun

ENTERTAINMENT | LIFESTYLE | MONEY | HEALTH | SPORTS

TV



EXCLUSIVE

Entertainment > TV

READY TO MINGLE? GMA's TJ Holmes' ex Marilee Fiebig ditches wedding ring as she's seen clutching roses in 1st pic since Amy Robach affair

Trending

Daily Mail News

Home | U.K. News | Sports | U.S. Showbiz | Australia | Femal | Health | Science | Money | Video | Travel | Shop

Breaking News | Russia-Ukraine | US Economy | Joe Biden | Donald Trump | Ryan Reynolds | Prince Harry | World News | More

Gisele Bundchen is a doting mother as she takes daughter Vivian, 10, and son Benjamin, 13, shopping in Miami



Outing: Gisele Bundchen stepped out with her children Vivian and Benjamin on Saturday as they went shopping in Miami's Bal Harbour

Our Brand Name Powers Global Storytelling: Theatrical Productions

NETFLIX

One of the largest
Royal archives
globally

Dedicated Royal
photographer



Our Brand Name Powers Global Marketing: Advertising Campaigns

DIOR



LIFE

Christian Dior,
30 Avenue Montaigne in Paris 1957



Christian Dior,
30 Avenue Montaigne in Paris 2022

Shutterstock Editorial: End-to-End Solutions that Power Global Storytelling

[Right Click Here to Open
Video in New Window](#)

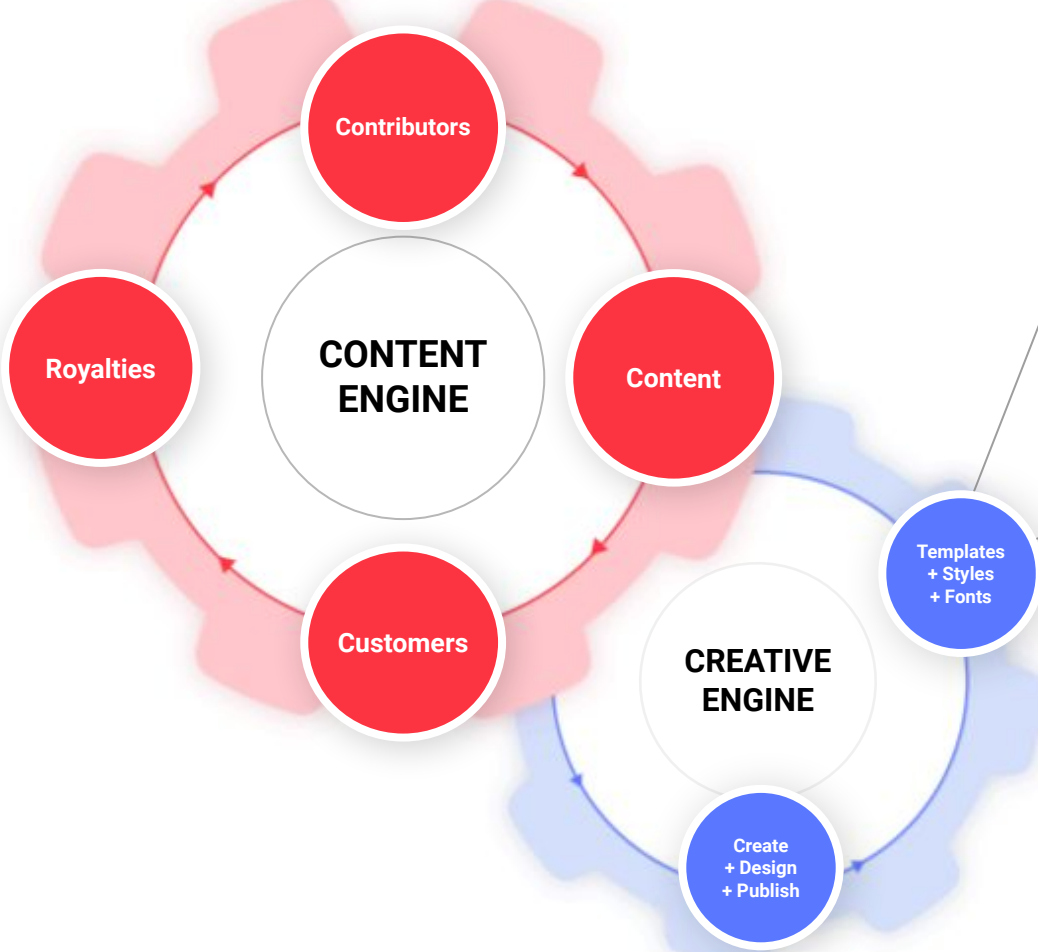


Creative Engine - Extending Our Customer Relationships

Meghan Schoen, Chief Product Officer | Aiden Darne, VP Studios



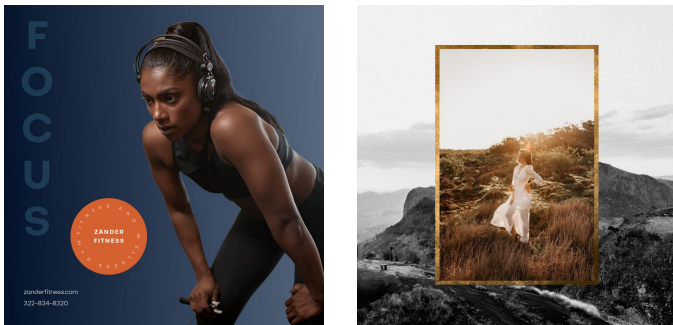
Extending Customer Relationships



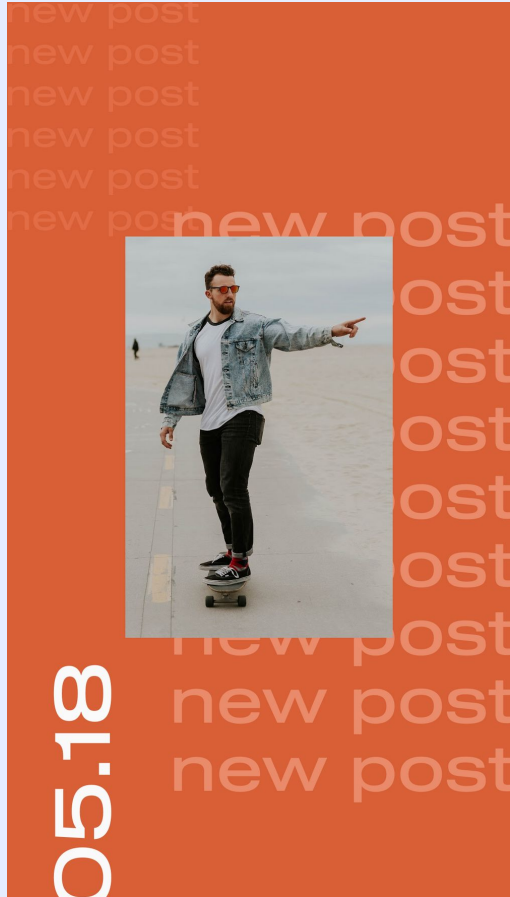
Custom Creative Services for Enterprise Customers



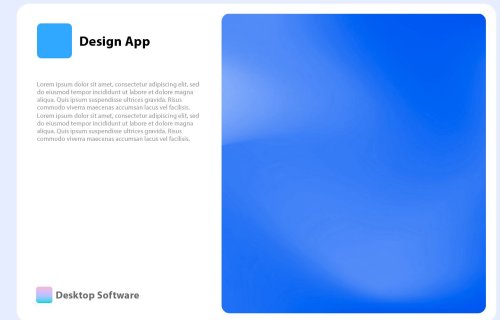
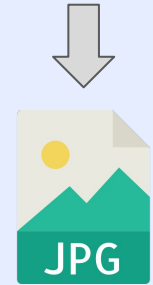
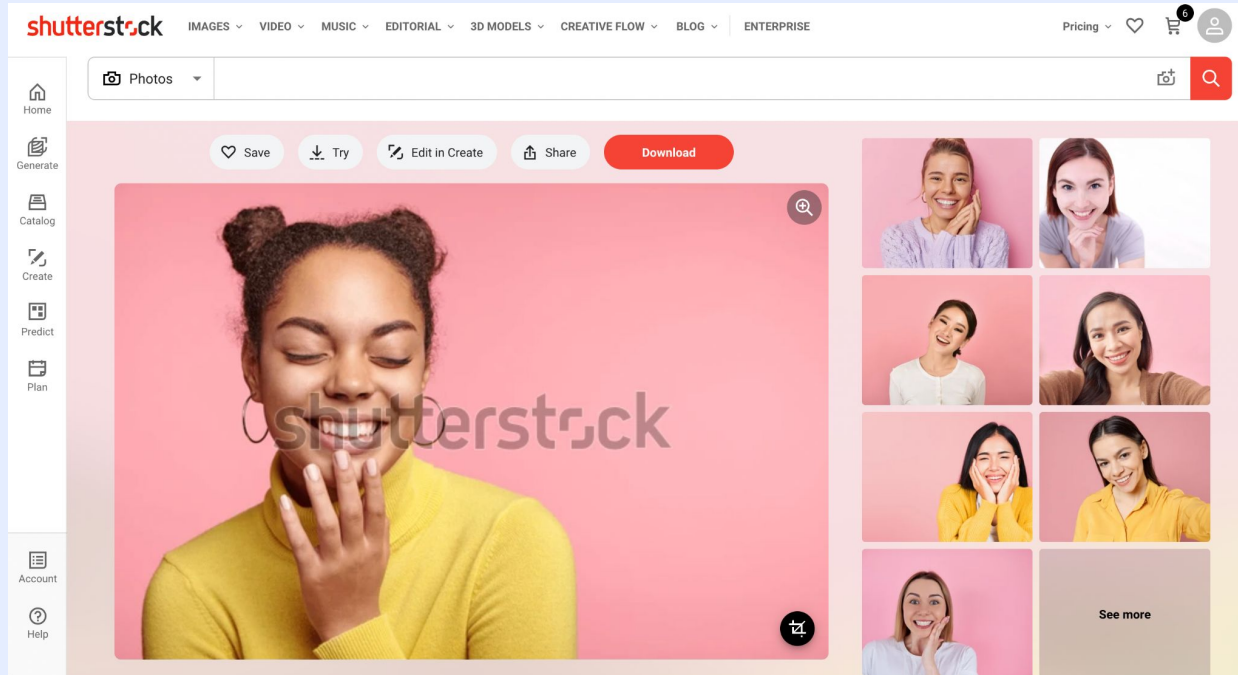
Intuitive Self-Serve Design for Everyone



30 Million People Visit Shutterstock Every Month With Creative Intent



In The Past, They Would Discover With Us & Do Work Elsewhere

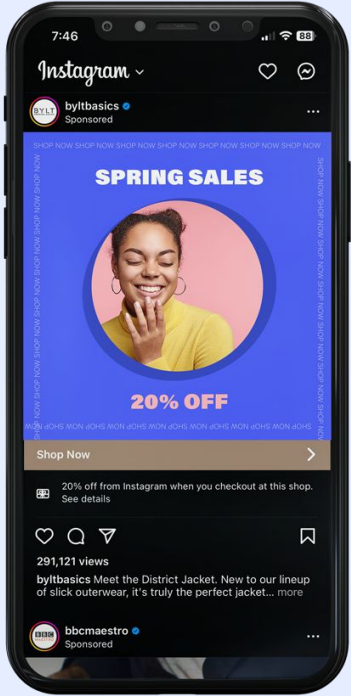
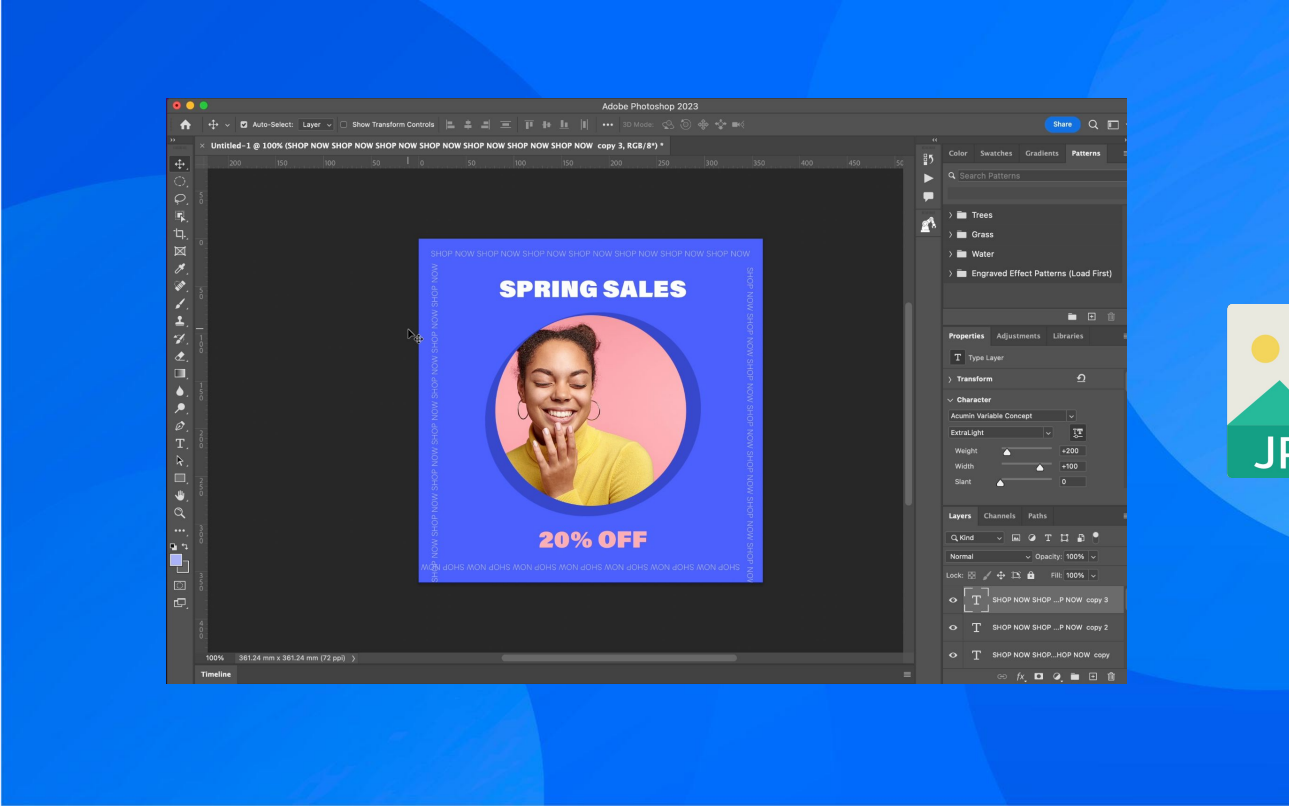


...and Doing Their Work Isn't Easy

[Right Click Here to Open
Video in New Window](#)



Download & Upload Fatigue Across Multiple Platforms



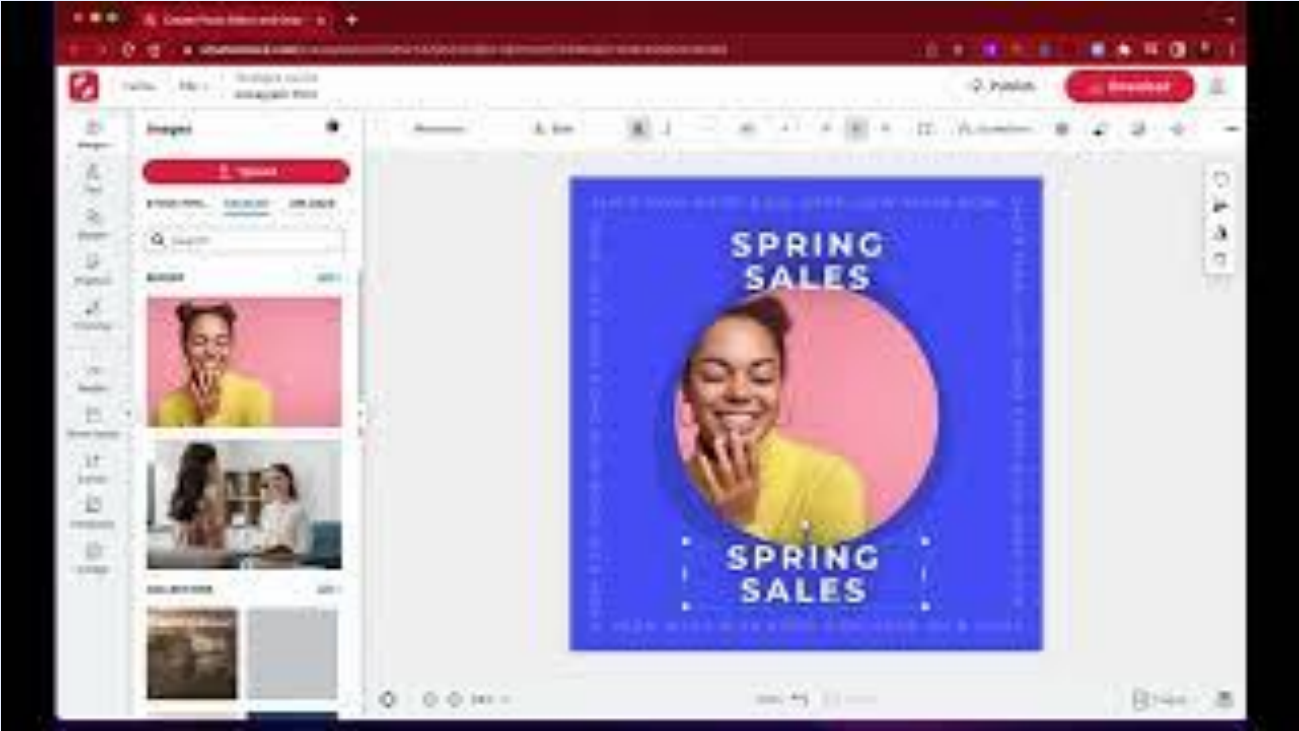
A New Way To Work: Creative Flow

[Right Click Here to Open Video in New Window](#)



Fewer Clicks + Zero Learning Curve + Same Output

[Right Click Here to Open Video in New Window](#)



Making It Easier To Try Before You Buy

[Right Click Here to Open Video in New Window](#)



Data → Insights → Better Outcomes

Typeface: Montserrat

Photo: Cheerful portrait, closes eyes, smile, pink wall...

Template: circle centered, square post

Color palette: Blue, Pink, Blue, Light Blue

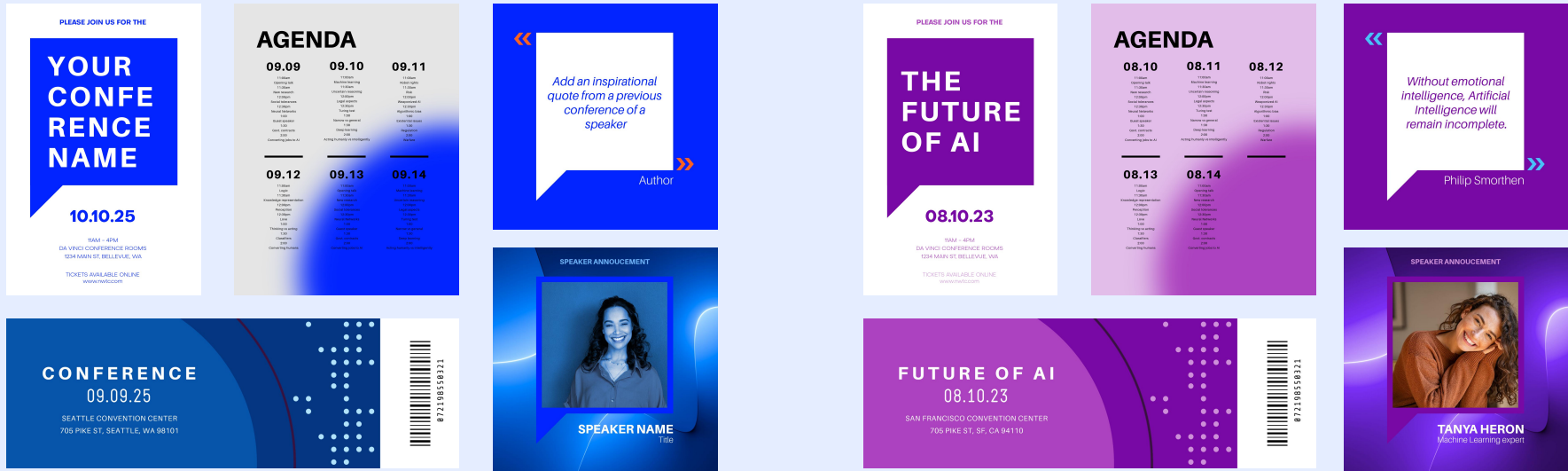
Performance: 91%

Color palette: Purple, Pink, Purple, Yellow

Performance: 93%

Performance: 86%

Accelerating The Content Engine



Conference campaign kit

Campaign automated with Creative Flow

Aiden Darné, VP Studios



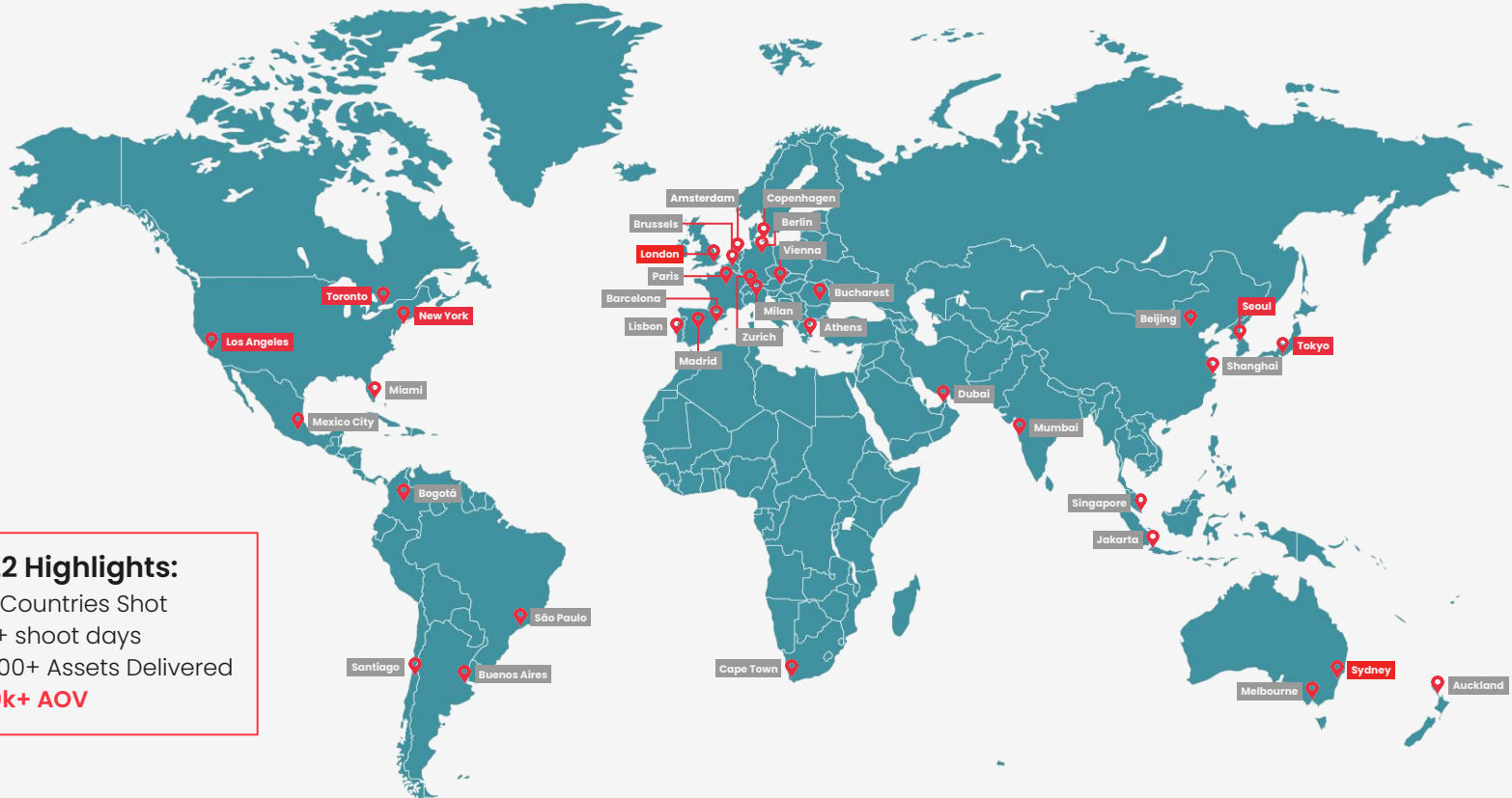
shutterstock
STUDIOS

Shutterstock Studios Provides End-to-End Production Services for Any Need

[Right Click Here to Open
Video in New Window](#)



Your Global Production Studio



2022 Highlights:
 35+ Countries Shot
 500+ shoot days
 30,000+ Assets Delivered
\$120k+ AOV

Production capabilities



Photography



Video



Illustration



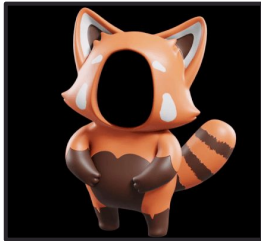
Experiential
Marketing



Event Production



3D Content



3D Animation



AR

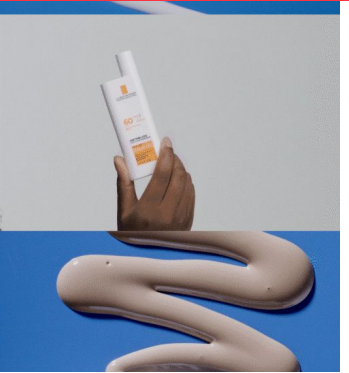


VR

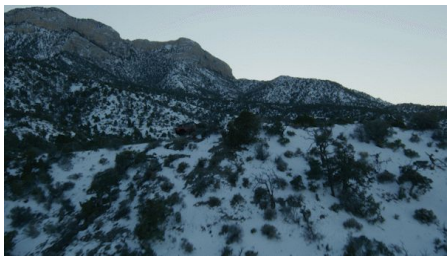
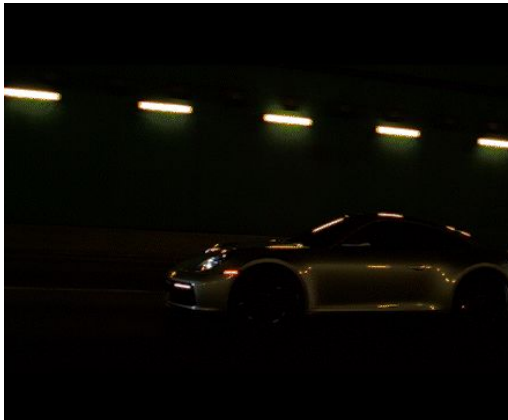
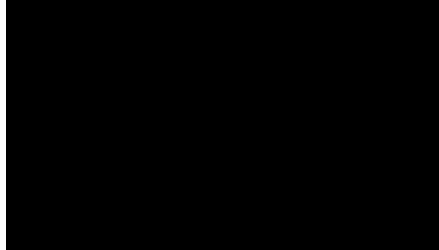


Games

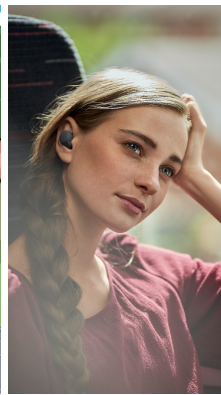
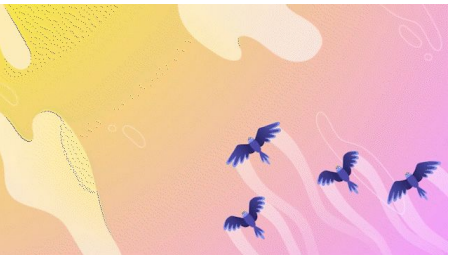
CPG + Beauty



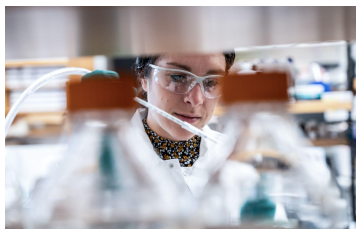
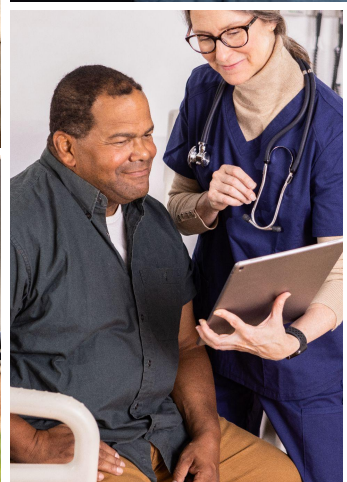
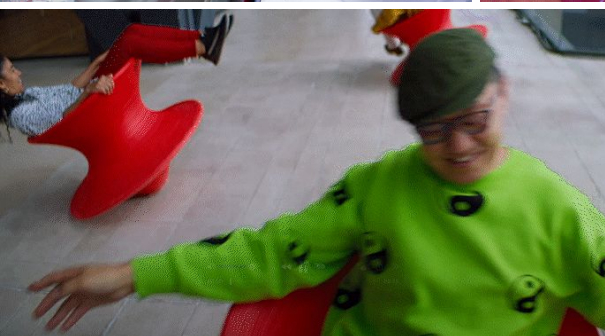
Auto



Social Media + Tech



Health & Pharma

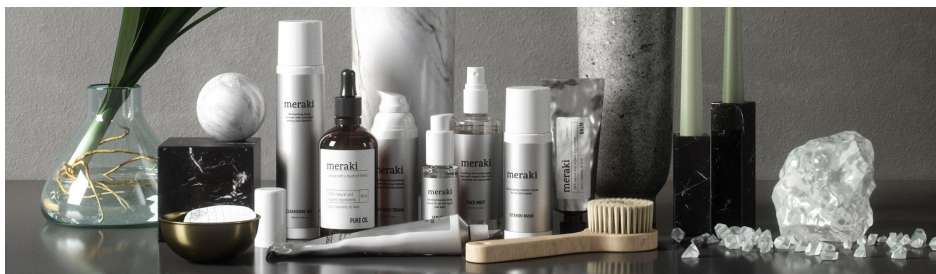
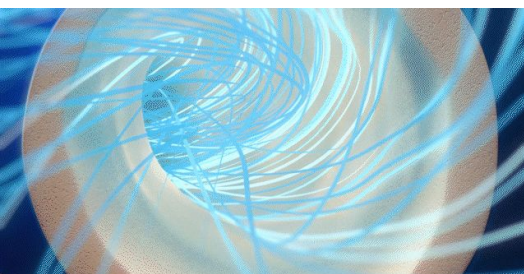
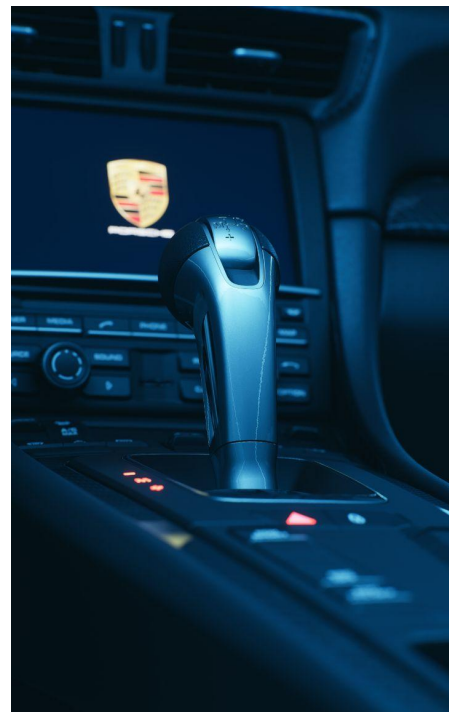
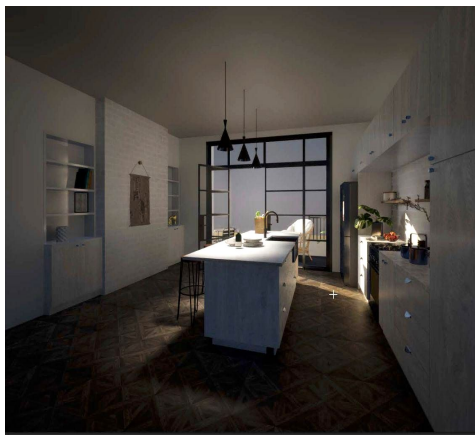
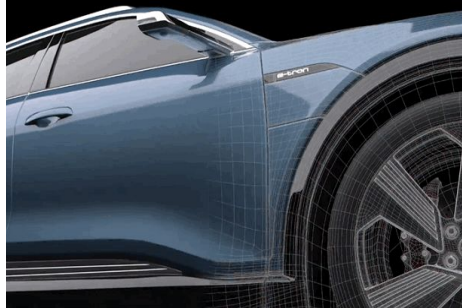
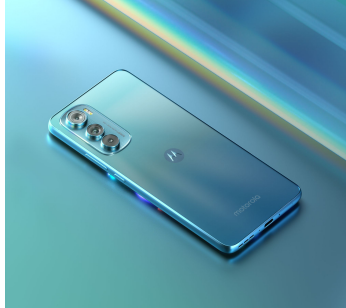


Allergan
Aesthetics





3D



How We're Winning:

- 1 Global Production Expertise – Unrivaled Global Creative Network
- 2 Unmatched 3D Strategy – With Deep Multi-Platform Expertise
- 3 Highly Versatile World Class Production Capabilities
- 4 In-House-Everything Maximizes Budget and ROI
- 5 We Have Shutterstock's Broader Offerings to Leverage

Extended Reality Demo

Aiden Darne, VP Studios



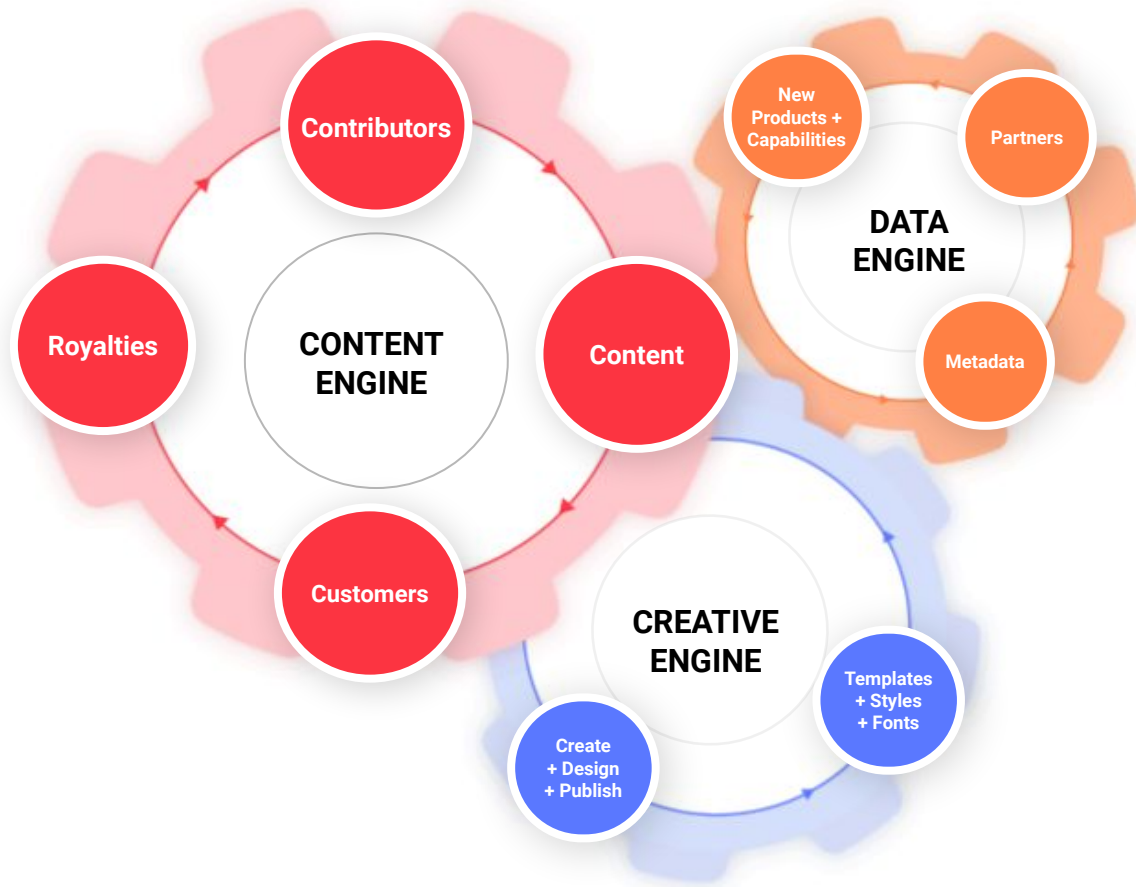
Data Engine - Unlocking Our Content's Power

Sejal Amin, Chief Technology Officer

| Meghan Schoen, Chief Product Officer



Using the Content Engine to Unlock Data Monetization Opportunity



IT ALL BEGINS WITH

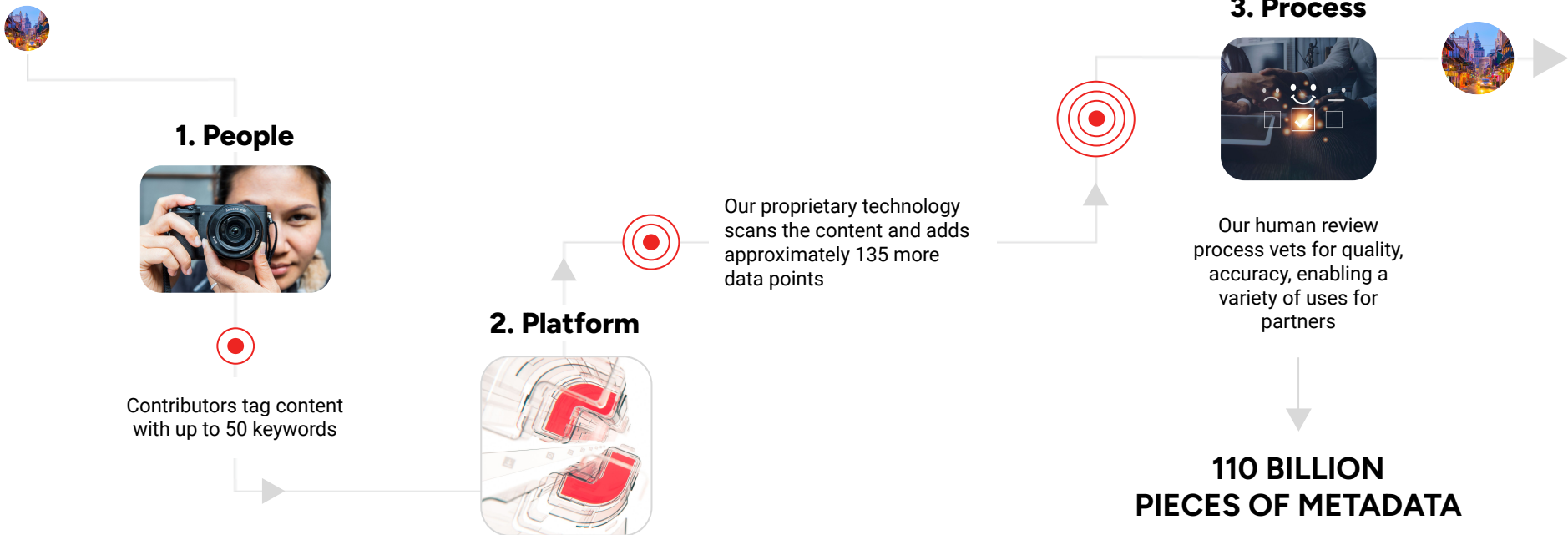
A SINGLE PIECE OF CONTENT

For each piece of content, Shutterstock collects over 185 pieces of metadata across a variety of themes & categories



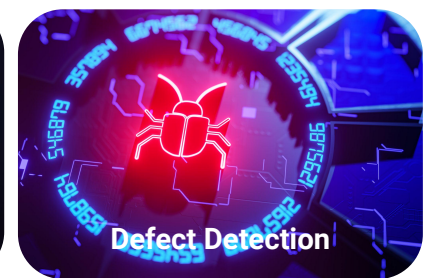
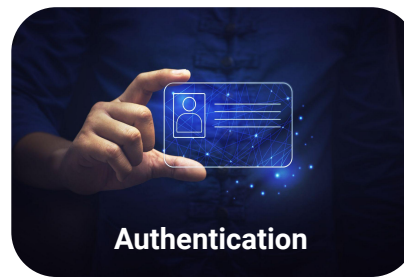
DIFFERENTIATED VALUE TO EVERY PIECE OF CONTENT

Understanding the "4 P's" of collecting first party, proprietary data at Shutterstock



PEOPLE. PLATFORM. PROCESS. ► NEW OPPORTUNITIES

Our rigorous metadata collection process results in actionable, near term use cases for partners



...what about the 4th "P"?

4. Performance Data

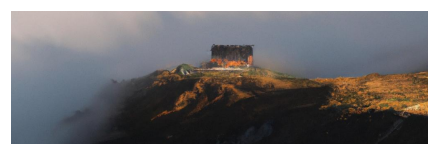
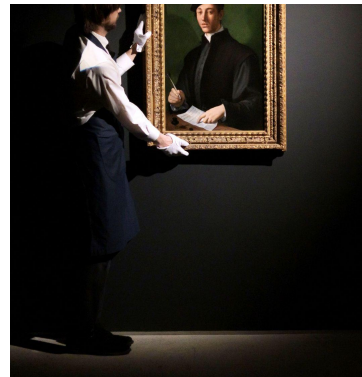
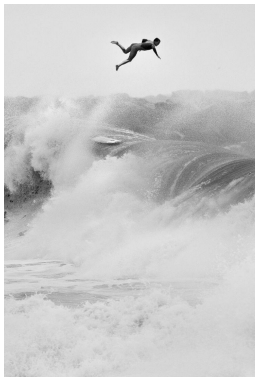
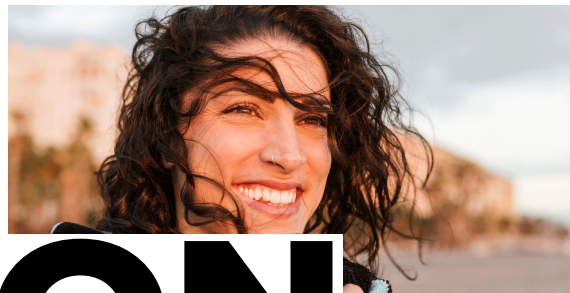
800

BILLION

PIECES OF METADATA

Connecting metadata with performance will automate marketing and advertising

- more engaging, higher-performing content
- more intelligent targeting
- creative storytelling
- **greatest impact**



Generative AI

Meghan Schoen, Chief Product Officer



Astronauts eating breakfast on Mars

Generate

Creativity At The Speed Of Your Imagination

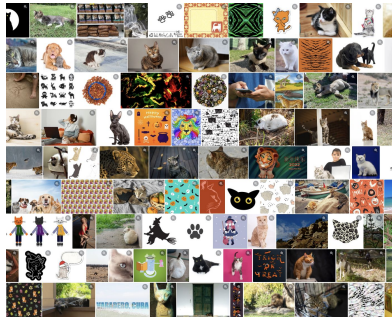
[Right Click Here to Open Video in New Window](#)



The Core Of Shutterstock's Machine

CONTENT + METADATA

are licensed to strategic partners
to train generative models.



Related keywords

Related keywords

Related keywords

Related keywords

Frightened kitten lying in front. Isolated on white

b Portrait of a little ginger kitten sitting on the Ranunculus

f A lilac British cat looking up. The cat opened his mouth with a mad look. The concept of an animal that is surprised or amazed. The figure of a cat on an isolated background of coral color.

shutterstock contributors

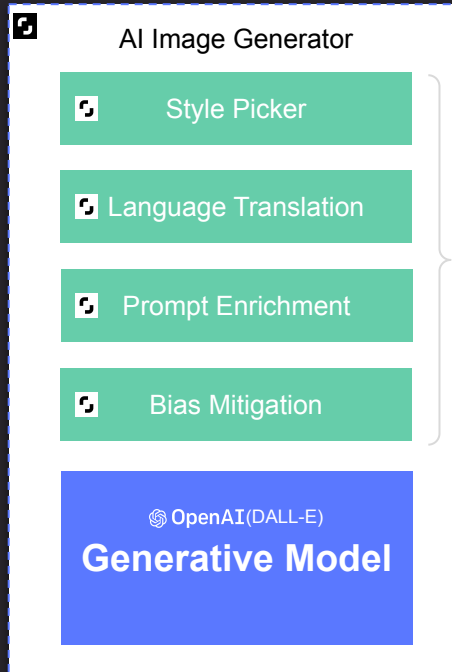
Training Set

Images & Text

Note: the model we use was trained on hundreds of millions of properly licensed Shutterstock images. OpenAI has not released further details about their training set. It may include non-Shutterstock images.

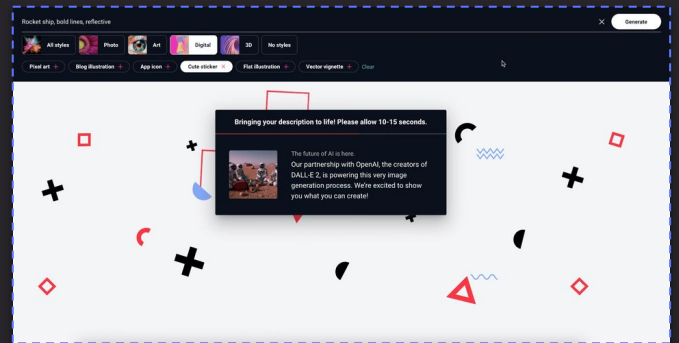
Differentiated & Customized

User "Prompt"



Shutterstock layers on unique, differentiated value to models.

Generative models trained on Shutterstock content are not available to competitors.

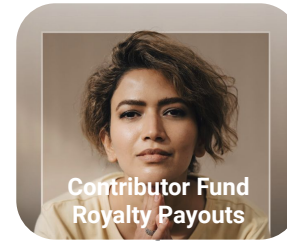


Following Our Proven Playbook

New AI-generated content is **rapidly growing** the already expansive Shutterstock library



shutterstock contributors



Licensed
Usage

Every AI-generated asset that is licensed **compensates** Shutterstock contributors

Generative Is

BUILDING MOMENTUM

engagement and activity
(4 weeks out from launch)

NEW
ACCOUNT
SIGN-UPS

250k

ACTIVE
GENERATIVE
USERS

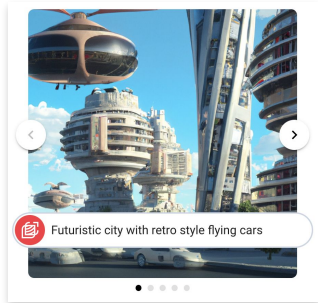
370k

NEW
IMAGES
GENERATED

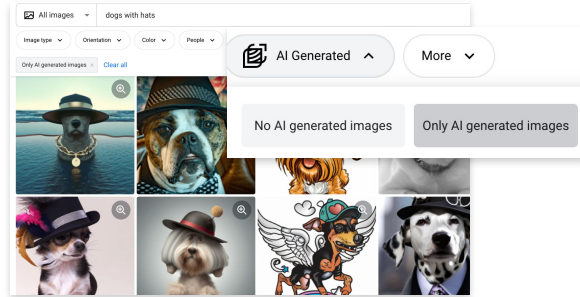
8MILLION

**Since market launch - January 25, 2023*

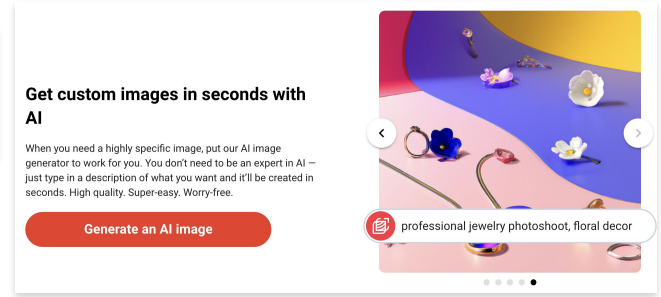
...and we are moving quickly



Jan 25: Ecommerce Market Launch



Feb 9: Generative Integrated in Search

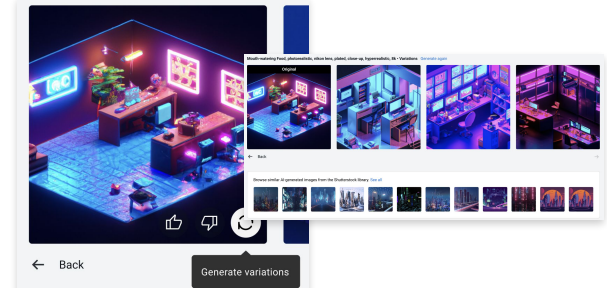
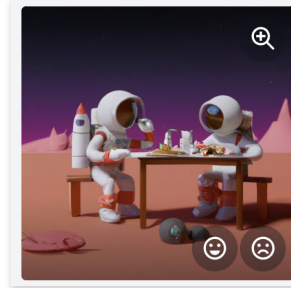


Feb 17: Generative on Shutterstock Homepage

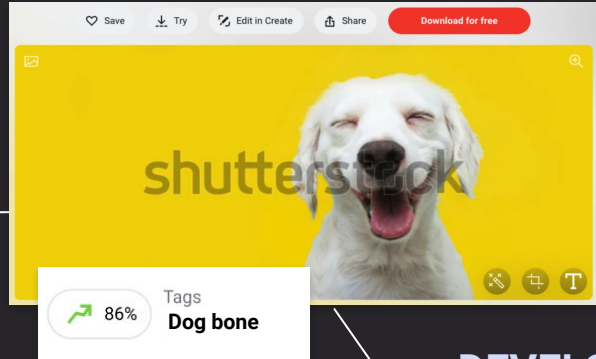
Feb 8: Enterprise Market Launch

Feb 10: Faster Generations & Like/Dislike

Coming March: Zoom Out, Variations, Expanded Styles



POWERING...



COMMERCIALIZING...



DEVELOPING...

'Add a dogbone'



...the Future of AI with Generative AI

AI Image Editing – Coming Soon

Financial Discussion

Jarrood Yahes, CFO



Powerful Financial Model

1

Strong financial foundation

Growing base of subscription revenue

Enterprise channel firing on all cylinders

Actionable path to restoring growth in Ecommerce channel

2

Multiple levers to drive margin expansion

Operating leverage in G&A

Stable unit economics in Content and Creative Engines

Higher EBITDA margins in Data Engine

3

Balanced framework for capital allocation

Deployment of cash flow for dividends and buybacks

Consistent reinvestment into business through R&D and capex

Disciplined approach to programmatic M&A

4

Creative and Data Engines gaining scale

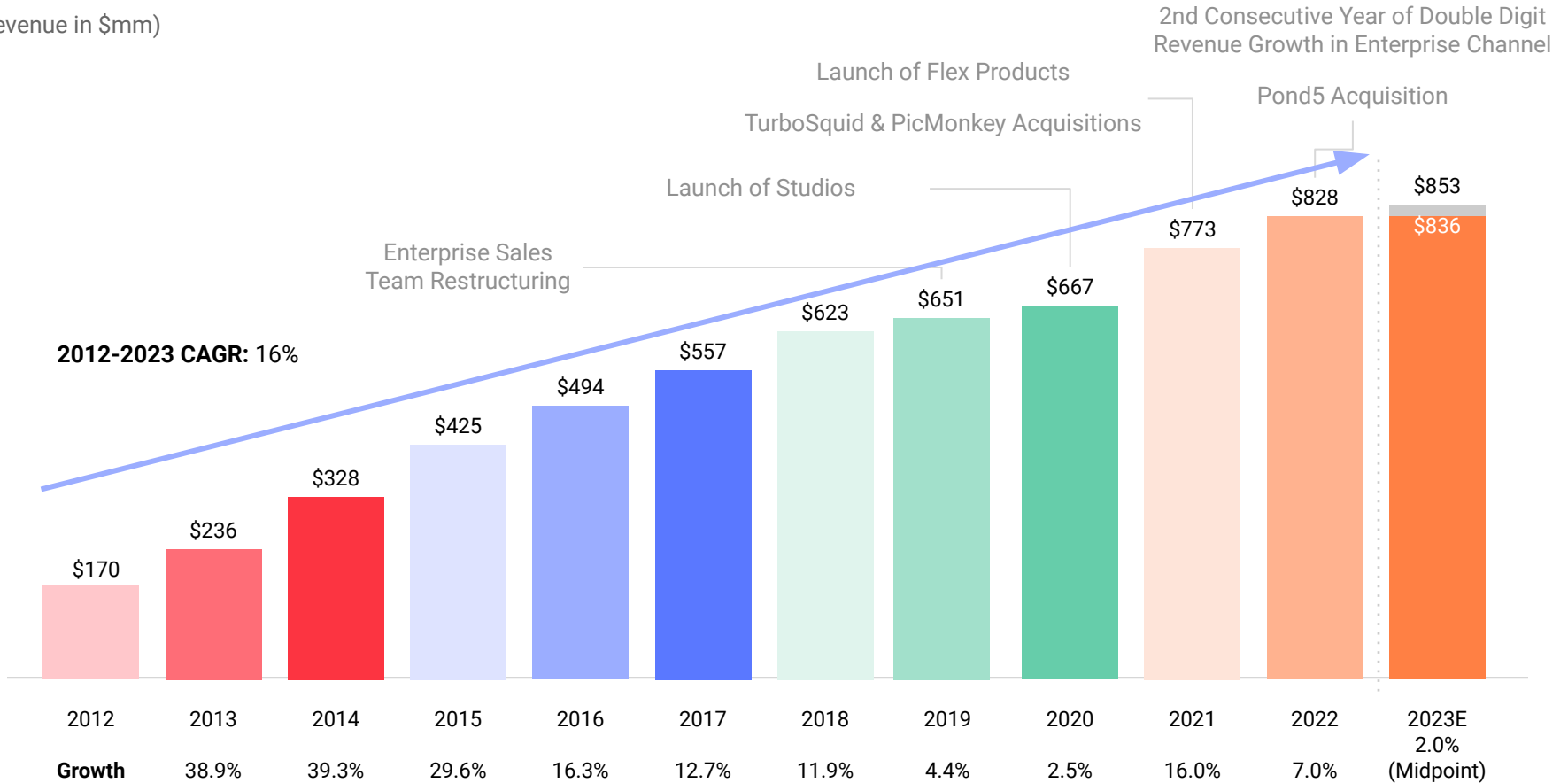
Content Engine fed with new content types

Creative Engine innovating with generative AI

Data Engine gaining momentum

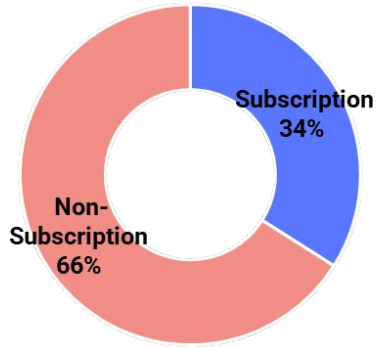
Strong Financial Foundation

(Revenue in \$mm)



Subscription Revenue Becoming a Larger Part of the Revenue Mix...

2018 Revenue Mix



\$623mm

Total Revenue

\$214mm

Subscription Revenue

149k

Subscribers

\$828mm

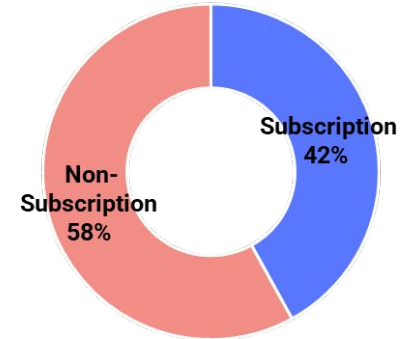
Total Revenue

\$347mm

Subscription Revenue

586k

Subscribers



7%
Total Revenue CAGR
(2018-2022)

13%
Subscription Revenue CAGR
(2018-2022)

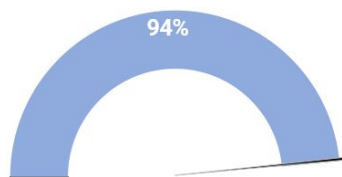
4%
Non-Subscription Revenue CAGR
(2018-2022)

3x
Growth Differential

... Enhancing Revenue Retention Across Both Sales Channels

Enterprise

Total Revenue Retention



Subscription Revenue Retention



+7%

Subscription Over-index

7%

2022 Total Enterprise Revenue Growth (ex-Studios, Data Training Sets and Editorial)

11%

2022 Subscription Revenue Growth

20k

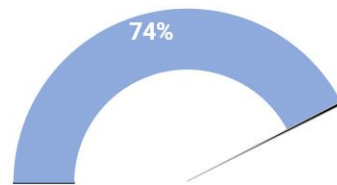
Subscribers

5x

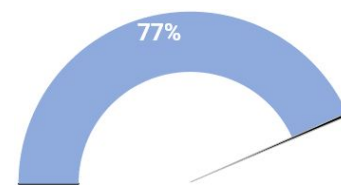
Increase in Flex Sub Revenues in 2022

Ecommerce

Total Revenue Retention



Subscription Revenue Retention



+3%

Subscription Over-index

2%

2022 Total Ecommerce Revenue Growth

8%

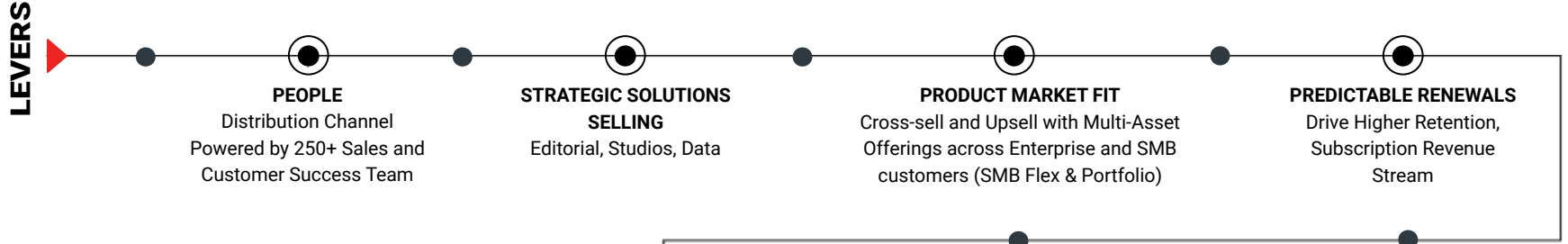
2022 Subscription Revenue Growth

566k

Subscribers

Fueling Our Enterprise Channel Growth

Firing on All Cylinders with Two Consecutive Years of Double-Digit Growth



PROOF POINTS

(2020-2022)

SMB FLEX & PORTFOLIO
Bookings +88% CAGR

SUBSCRIPTIONS
Bookings +22% CAGR

STRATEGIC SOLUTIONS
Bookings +43% CAGR

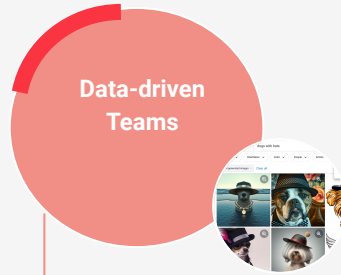
Committed to Growth in Our Ecommerce Channel

Opportunity to Quickly Move Past Macro Headwinds

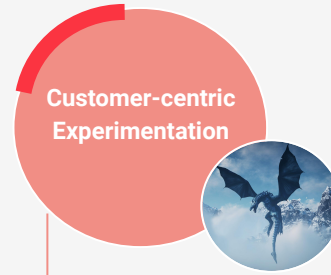
LEVERS



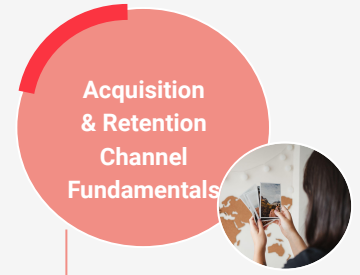
Generative AI, Creative Flow, PixelSquid



Product, Marketing and Engineering teams work directly linked to customer value driver



Relentless focus on improving customer experience and conversion efficiency through rapid experimentation



Expanding capabilities to build world-class acquisition & retention by harnessing power of our end-to-end platform

INDICATORS

External KPIs

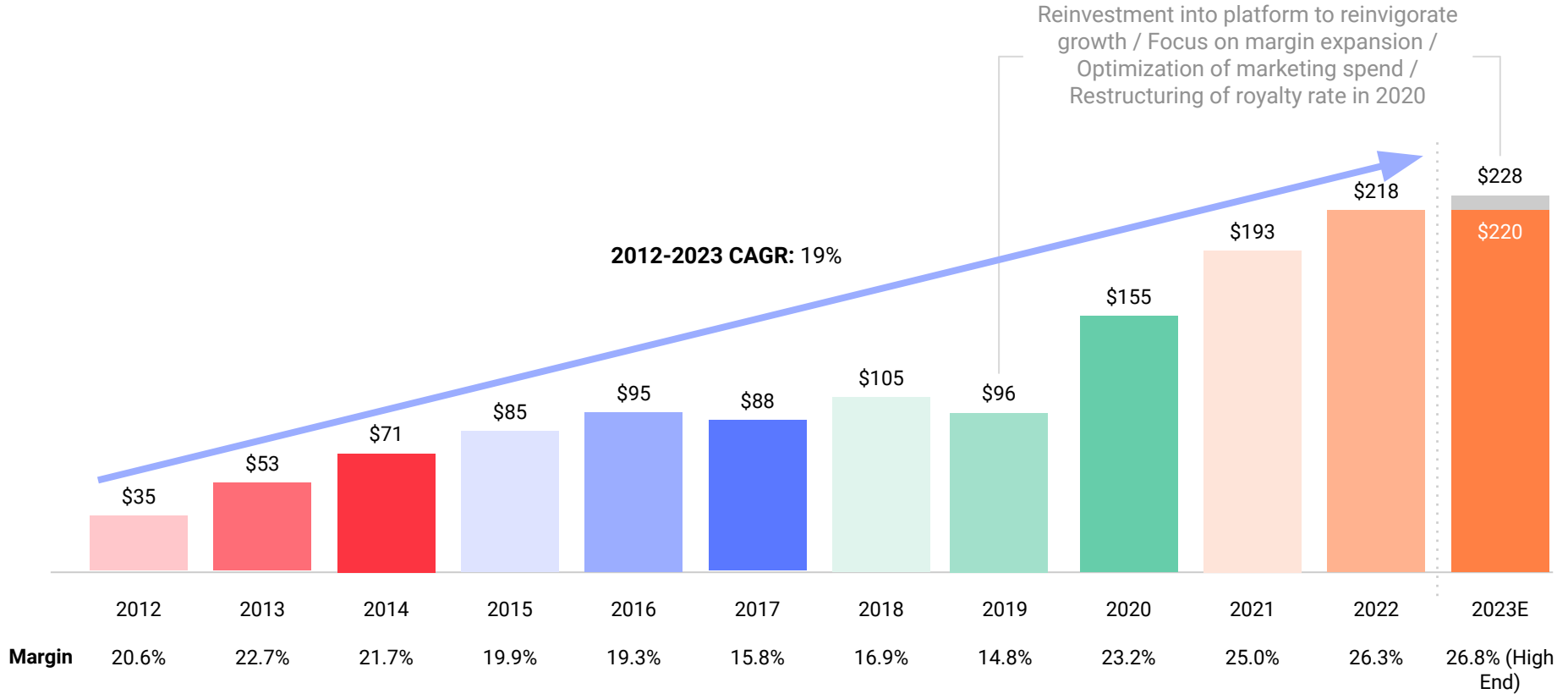
- 1 Subscriber Count
- 2 Subscriber Revenue
- 3 Generative AI Content

Internal KPIs

- 1 Customer Conversion Rates
- 2 Revenue Retention Rates
- 3 Creative Flow Engagement

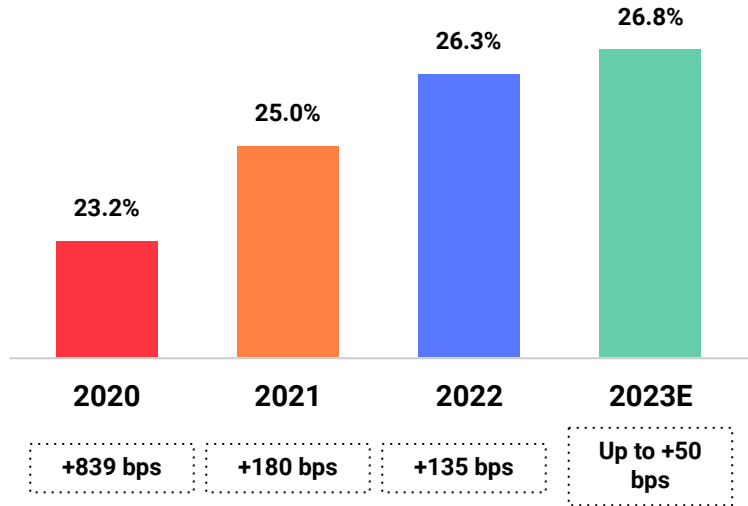
Multiple Levers to Drive Margin Expansion

(EBITDA in \$mm)



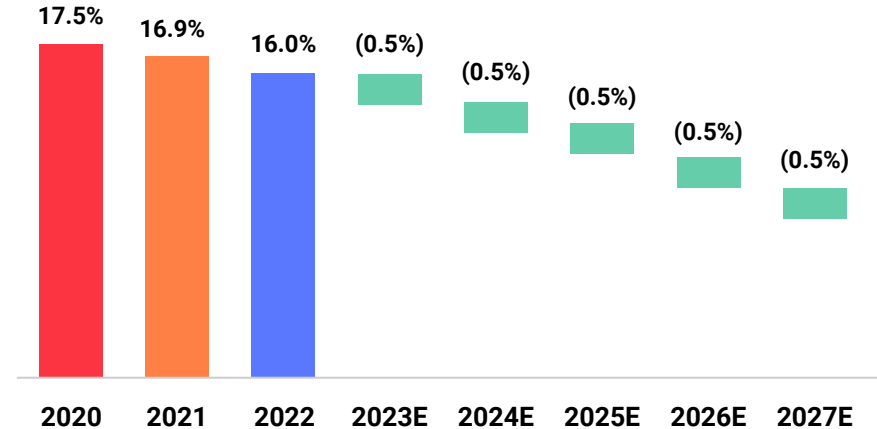
Cost Optimization Combined with Operating Leverage Will Enhance EBITDA Margins

EBITDA Margin Expansion



Demonstrated track record of EBITDA margin expansion

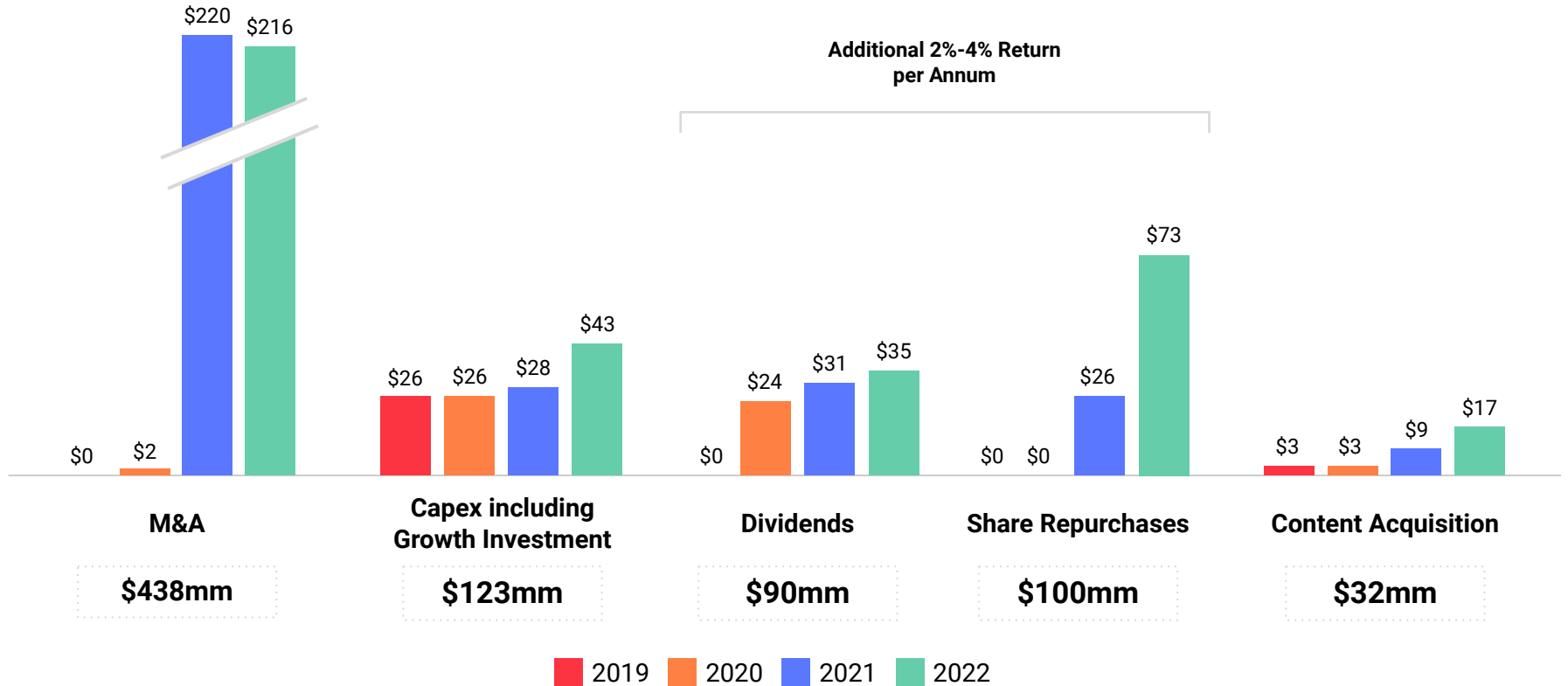
G&A as % of Revenue



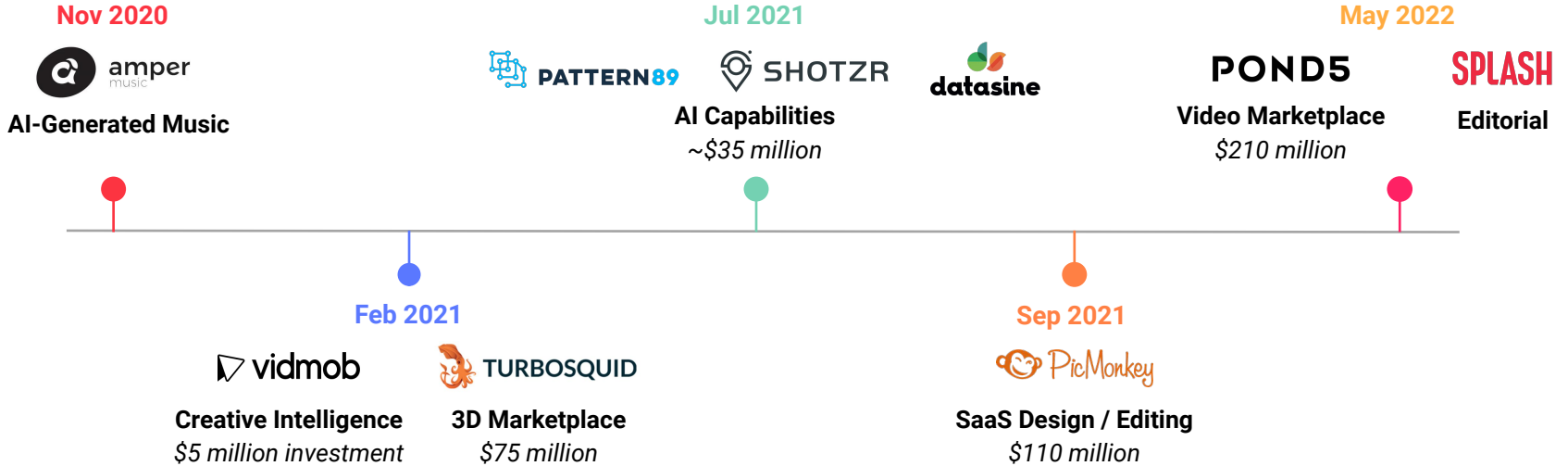
Operating leverage in the business is a clear opportunity

Proven Capital Allocator with Opportunity for Upside Through M&A

Capital Allocation (2019-2022)



We Have a Track Record of Disciplined & Programmatic M&A



Additional Opportunities

- 1** Growing current catalog with high quality content
- 2** Enhancing metadata that supports content discovery and predictive performance algorithm within our marketplace
- 3** Utilizing Shutterstock Studios to create bespoke content for enterprise customers
- 4** Adding capabilities in new or emerging content types such as metaverse-ready assets and mobile-first formats

Data Engine Commercial Strategy Focused on Near Term Revenue Opportunity Plus Technology Access



Data Training Sets

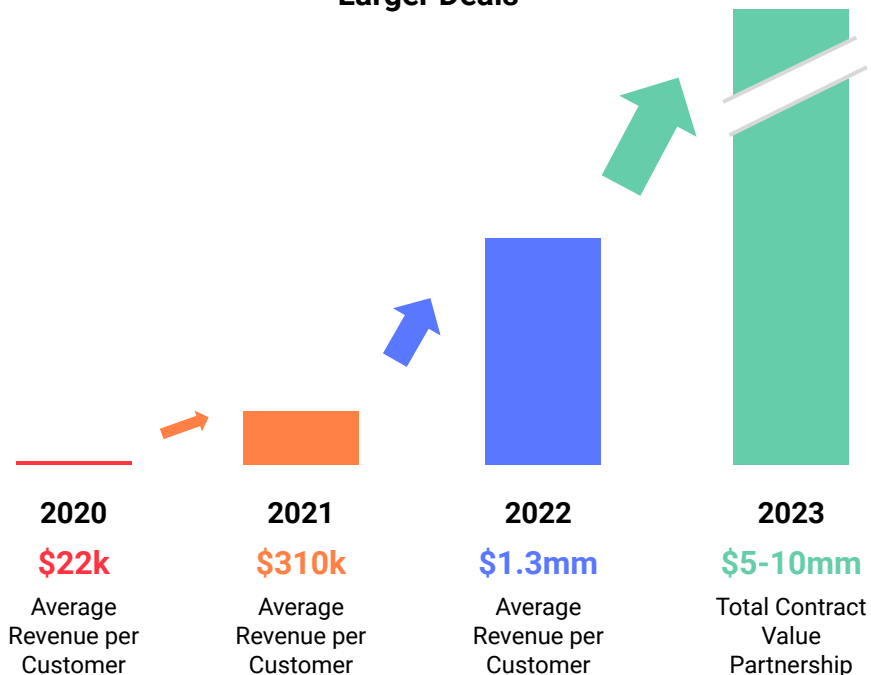


- Data flywheel spinning
- Recurring offering
- General to bespoke datasets
- Consistent unit economics
- 15% lower SG&A costs
- Enhance recurring nature of offering with data services and wrappers
- Access to proprietary technology and new product opportunities otherwise inaccessible through organic R&D

Data Partnerships are Getting Larger and the Pipeline is Broadening

What We've Seen So Far...

Larger Deals



Looking Ahead...

Broadening of the Pipeline

2020

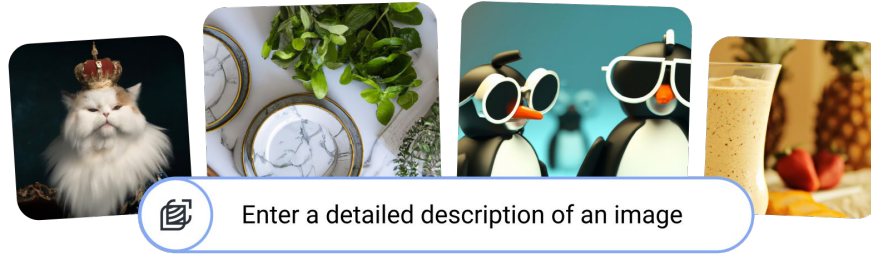
2023

- Large cap tech companies
 - Experimenting
 - Limited budgets
-
- Large cap tech demand with fully funded dedicated budgets
 - POCs quickly moving into Image, then Video, then Music then 3D
 - Next layer beginning to invest

Why is Shutterstock Winning These Deals?

- Massive scale & high quality metadata
- Image, Video, Music & 3D
- Cleanly licensable / passes the legal DD test
- Partnership & commercialization
- Contributor pool and opt out

Generative AI Commercial Strategy Focused on Simplicity and Pervasiveness with Consistent Unit Economics



Generative AI

Commercial Strategy

- Simple unit pricing
- Make it pervasive
- Allow broad experimentation

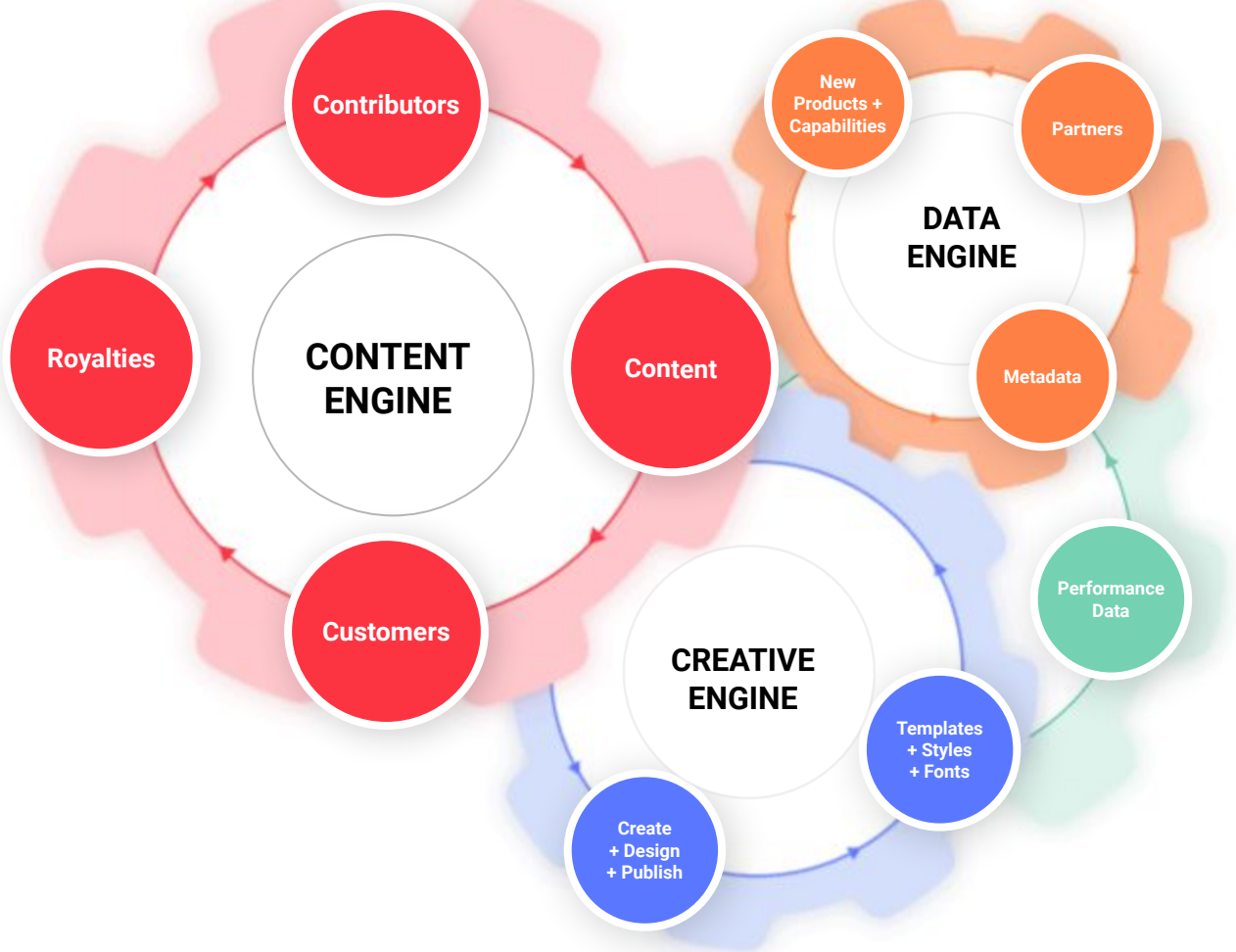
Margin Profile

- Royalties comprised of AI partner & contributor pool
- Consistent unit economics

Opportunity

- Handhold Enterprise client relationships through Generative AI
- Reduce content supply and ingestion costs over time

By 2027, Creative and Data Engines Will Power Shutterstock in the Way Content Does Today



Closing Thoughts

Paul Hennessy, Chief Executive Officer





Appendix

The background is a solid light blue color. It features several overlapping circles in various shades of blue and teal. A thin white arc is visible in the lower-left quadrant, partially overlapping a larger teal circle.

Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with the accounting principles generally accepted in the United States, or GAAP, our management considers certain financial measures that are not prepared in accordance with GAAP, collectively referred to as non-GAAP financial measures, including adjusted EBITDA and adjusted EBITDA margin. These non-GAAP financial measures are included solely to provide investors with additional information regarding our financial results and are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly-titled measures presented by other companies.

These non-GAAP financial measures have not been calculated in accordance with GAAP and should be considered only in addition to results prepared in accordance with GAAP and should not be considered as a substitute for, or superior to, GAAP measures. In addition, adjusted EBITDA and adjusted EBITDA margin should not be construed as indicators of our operating performance, liquidity or cash flows generated by operating, investing and financing activities, as there may be significant factors or trends that they fail to address. We caution investors that non-GAAP financial information, by its nature, departs from traditional accounting conventions; accordingly, its use can make it difficult to compare our current results with our results from other reporting periods and with the results of other companies.

Shutterstock's management uses these non-GAAP financial measures, in conjunction with GAAP financial measures, as an integral part of managing the business and to, among other things: (i) monitor and evaluate the performance of Shutterstock's business operations, financial performance and overall liquidity; (ii) facilitate management's internal comparisons of the historical operating performance of its business operations; (iii) facilitate management's external comparisons of the results of its overall business to the historical operating performance of other companies that may have different capital structures and debt levels; (iv) review and assess the operating performance of Shutterstock's management team and, together with other operational objectives, as a measure in evaluating employee compensation and bonuses; (v) analyze and evaluate financial and strategic planning decisions regarding future operating investments; and (vi) plan for and prepare future annual operating budgets and determine appropriate levels of operating investments.

Management believes that adjusted EBITDA and adjusted EBITDA margin are useful to investors because these measures enable investors to analyze Shutterstock's operating results on the same basis as that used by management. Additionally, management believes that adjusted EBITDA and adjusted EBITDA margin provide useful information to investors about the performance of the Company's overall business because such measures eliminate the effects of unusual or other infrequent charges that are not directly attributable to Shutterstock's underlying operating performance. Management also believes that providing these non-GAAP financial measures enhances the comparability for investors in assessing Shutterstock's financial reporting.

Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP, as the excluded items may have significant effects on our operating results and financial condition. Additionally, our methods for measuring non-GAAP financial measures may differ from other companies' similarly titled measures. When evaluating our performance, these non-GAAP financial measures should be considered alongside other financial performance measures, including various cash flow metrics, net income and our other GAAP results.

Our method for calculating adjusted EBITDA and adjusted EBITDA margin as well as a reconciliation of the differences between adjusted EBITDA and adjusted net income and the most comparable financial measures calculated and presented in accordance with GAAP, is presented herein.

We do not provide a reconciliation of adjusted EBITDA guidance to net income guidance because we are unable to calculate with reasonable certainty the impact of potential future transactions, including, but not limited to, capital structure transactions, restructuring, acquisitions, divestitures or other events and asset impairments, without unreasonable effort. These amounts depend on various factors and could have a material impact on net income but may be excluded from adjusted EBITDA. In addition, we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. For the same reasons, the Company is unable to address the probable significance of the unavailable information.

Reconciliation of Non-GAAP Financial Information to GAAP

(in thousands)

We define adjusted EBITDA as net income adjusted for depreciation and amortization, write-off of property and equipment, gain on sale of webdam, non-cash equity-based compensation, impairment of lease and related assets, foreign currency transaction gains and losses, severance costs associated with strategic workforce optimizations, interest income and expense and income taxes. We define adjusted EBITDA margin as the ratio of adjusted EBITDA to revenue.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net income	\$ 47,543	\$ 26,479	\$ 22,089	\$ 19,552	\$ 32,628	\$ 16,727	\$ 54,687	\$ 20,108	\$ 71,766	\$ 91,883	\$ 76,103
Add/(less):											
Depreciation and amortization	2,640	3,870	7,917	14,841	19,946	35,490	45,652	49,915	41,359	48,771	68,470
Write-off of property and equipment	—	—	367	—	—	—	—	—	—	—	—
Gain on sale of webdam	—	—	—	—	—	—	(38,613)	—	—	—	—
Non-cash equity-based compensation	10,385	6,208	23,768	28,860	28,080	24,958	23,869	22,815	28,309	36,179	35,740
Impairment of lease and related assets	—	—	—	—	—	—	—	—	—	—	18,664
Other adjustments, net	47	(57)	859	6,746	2,940	(2,480)	8,093	(1,332)	(4,257)	3,370	4,163
Provision for income taxes	(25,738)	16,896	16,088	14,720	11,869	13,354	11,426	4,808	17,757	12,853	14,934
Adjusted EBITDA	\$ 34,877	\$ 53,396	\$ 71,088	\$ 84,719	\$ 95,463	\$ 88,049	\$ 105,114	\$ 96,314	\$ 154,934	\$ 193,056	\$ 218,074
EBITDA Margin	20.6%	22.7%	21.7%	19.9%	19.3%	15.8%	16.9%	14.8%	23.2%	25.0%	26.3%