



Shutterstock Reports Third Quarter 2025 Financial Results

November 5, 2025 12:30 PM EST

NEW YORK, Nov. 5, 2025 /PRNewswire/ -- Shutterstock, Inc. (NYSE: SSTK) (the "Company"), a family of brands delivering scalable creative and GenAI solutions to help customers fuel great work, today announced financial results for the third quarter ended September 30, 2025.

Commenting on the Company's performance, Paul Hennessy, the Company's Chief Executive Officer, said, "Shutterstock achieved another strong quarter of financial results. Revenue grew 4% on the back of the fast-growing Data, Distribution, and Services business, while Adjusted EBITDA margins remained over 30% for the second consecutive quarter, and Free Cash Flow significantly increased. Despite the evolving competitive landscape, we continue to improve the value proposition of our unlimited content products by including AI image, video, and audio generative models as part of our offering. Additionally, we are attracting new logos and expanding relationships with existing customers within our Data, Distribution, and Services business."

With regards to the pending merger with Getty Images, Mr. Hennessy said "we remain committed to the merger and will continue to engage with the UK's Competition and Markets Authority and will work with Getty Images to expeditiously secure the necessary clearances."

Third Quarter 2025 highlights as compared to Third Quarter 2024:

Financial Highlights

- Revenues were \$260.1 million compared to \$250.6 million.
- Net income was \$13.4 million compared to \$17.6 million.
- Net income per diluted common share was \$0.37 compared to \$0.50.
- Adjusted net income was \$36.4 million compared to \$46.4 million.
- Adjusted net income per diluted common share was \$0.99 compared to \$1.31.
- Adjusted EBITDA was \$79.4 million compared to \$70.0 million.

THIRD QUARTER RESULTS

Revenue

Third quarter revenue of \$260.1 million increased by \$9.5 million or 4% as compared to the third quarter of 2024.

Revenue from our Content product offering decreased by \$9.3 million, or 5%, as compared to the third quarter of 2024, to \$194.4 million. The reduction in our Content revenue was driven by weakness in new customer acquisition, partially offset by the contribution of Envato, which was acquired on July 22, 2024. Content revenue represented 75% of our total revenue in the third quarter of 2025.

Revenue generated from our Data, Distribution, and Services product offering increased by \$18.8 million, or 40%, as compared to the third quarter of 2024, to \$65.7 million, and represented 25% of third quarter revenue in 2025. Third quarter revenue benefited from the timing of data deal revenue recognition, which fluctuates quarter-to-quarter based on the delivery of metadata to our customers.

Net income and net income per diluted common share

Net income in the third quarter of 2025 of \$13.4 million decreased \$4.2 million as compared to net income of \$17.6 million for the third quarter in 2024. Net income per diluted common share was \$0.37, as compared to \$0.50 for the same period in 2024. These decreases were attributable to \$7.1 million of professional fee expenses in the quarter associated with the proposed merger with Getty Images Holdings, Inc. ("Getty Images") and an increase in the tax provision, partially offset by profitability associated with the increase in revenue and the Envato business acquired in July of 2024.

Adjusted net income and adjusted net income per diluted common share

Adjusted net income in the third quarter of 2025 of \$36.4 million decreased \$9.9 million as compared to adjusted net income of \$46.4 million for the third quarter in 2024. Third quarter 2025 adjusted net income was unfavorably impacted by increases in income taxes partially offset by profitability associated with the increase in revenues and having Envato's results for a full quarter in 2025.

Adjusted net income per diluted common share was \$0.99 as compared to \$1.31 for the third quarter of 2024, a decrease of \$0.32 per diluted share.

Adjusted EBITDA

Adjusted EBITDA of \$79.4 million for the third quarter of 2025 increased by \$9.4 million, or 13%, as compared to the third quarter of 2024, primarily due to the contribution from Envato and data deal revenue. Net income margin of 5.1% for the third quarter of 2025 decreased by 1.9%, as compared to 7.0% in the third quarter of 2024. The adjusted EBITDA margin of 30.5% for the third quarter of 2025 increased by 2.6%, as compared to 27.9% in the third quarter of 2024.

THIRD QUARTER LIQUIDITY

Our cash and cash equivalents increased by \$49.1 million to \$165.5 million at September 30, 2025, as compared with \$116.4 million as of June 30, 2025. This increase was driven by \$78.4 million of net cash provided by our operating activities, partially offset by \$16.6 million of net cash used in financing activities and \$11.2 million of net cash used in investing activities.

Net cash provided by our operating activities was driven by our operating income and changes in the timing of cash collections from our customers and payments pertaining to operating expenses. In addition, cash flows for the three months ended September 30, 2025 were unfavorably impacted by \$8.0 million of expenses related to the Getty Images proposed merger.

Cash used in investing activities for the three months ended September 30, 2025 consisted of \$11.6 million related to capital expenditures and content acquisition, partially offset by \$0.4 million related to the receipt of the Giphy Retention Compensation, as reimbursed by the Giphy seller.

Cash used in financing activities for the three months ended September 30, 2025 consisted of \$11.7 million related to the payment of the quarterly cash dividend, \$4.1 million paid in settlement of tax withholding obligations related to employee stock-based compensation awards, and \$0.8 million used for the repayment of our credit facility.

Adjusted free cash flow was \$75.2 million for the third quarter of 2025, an increase of \$29.6 million from the third quarter of 2024.

KEY OPERATING METRICS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024 ⁵	2025	2024 ⁵
Subscribers (end of period) ⁽¹⁾	1,060,000	1,105,000	1,060,000	1,105,000
Subscriber revenue (in millions) ⁽²⁾	\$ 107.2	\$ 113.1	\$ 325.0	\$ 344.9
Average revenue per customer (last twelve months) ⁽³⁾	\$ 279	\$ 254	\$ 279	\$ 254
Paid downloads (in millions) ⁽⁴⁾	111.7	112.3	345.2	330.9

Subscribers, Subscriber Revenue and Average Revenue Per Customer from acquisitions are included in these metrics beginning twelve months after the closing of the respective business combination. Accordingly, the metrics include Subscribers, Subscriber revenue, and Average revenue per customer from Backgrid beginning February 2025. 2025 metrics include the counts and revenues from Envato for the three and nine months ended September 30, 2025, which was acquired in July 22, 2024.

(1) Subscribers is defined as those customers who purchase one or more of our monthly recurring products for a continuous period of at least three months, measured as of the end of the reporting period.

(2) Subscriber revenue is defined as the revenue generated from subscribers during the period.

(3) Average revenue per customer is calculated by dividing total revenue for the last twelve-month period by customers. Customers is defined as total active, paying customers that contributed to total revenue over the last twelve-month period.

(4) Paid downloads is the number of downloads that our customers make in a given period of our content. Paid downloads exclude content related to our Studios business, downloads of content that are offered to customers for no charge, including our free trials and metadata delivered through our data deal offering

(5) Subscribers and Subscriber Revenue are presented as if Envato was acquired as of the beginning of the period presented. Average revenue per customer includes Envato historical results over the last twelve month period.

NON-GAAP FINANCIAL MEASURES

To supplement Shutterstock's consolidated financial statements presented in accordance with the accounting principles generally accepted in the United States, or GAAP, Shutterstock's management considers certain financial measures that are not prepared in accordance with GAAP, collectively referred to as non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income per diluted share, revenue growth (including by distribution channel) on a constant currency basis (expressed as a percentage), billings and adjusted free cash flow.

Shutterstock defines adjusted EBITDA as net income adjusted for depreciation and amortization, non-cash equity-based compensation, Giphy Retention Compensation Expense - non-recurring, foreign currency transaction gains and losses, severance costs associated with strategic workforce optimizations, impairment loss on long-term investment, unrealized losses / gains on investments, interest income and expense, income taxes and Merger related costs; adjusted EBITDA margin as the ratio of adjusted EBITDA to revenue; adjusted net income as net income adjusted for the impact of non-cash equity-based compensation, amortization of acquisition-related intangible assets, Giphy Retention Compensation Expense - non-recurring, severance costs associated with strategic workforce optimizations (reported in Other), unrealized losses / gains on investments (reported in Other), impairment loss on long-term investment, Merger related costs and the estimated tax impact of such adjustments; adjusted net income per diluted common share as adjusted net income divided by weighted average diluted shares; revenue growth (including by product offering) on a constant currency basis (expressed as a percentage) as the increase in current period revenues over prior period revenues, utilizing fixed exchange rates for translating foreign currency revenues for all periods in the comparison; billings as revenue adjusted for the change in deferred revenue, excluding deferred revenue acquired through business combinations; and adjusted free cash flow as net cash provided by operating activities, adjusted for capital expenditures, content acquisition, cash received related to Giphy Retention Compensation in connection with the acquisition of Giphy, and cash paid for costs related to the Getty Images merger.

The expense associated with the Giphy Retention Compensation related to (i) the one-time employment inducement bonuses and (ii) the vesting of the cash value of unvested Meta equity awards held by the employees prior to closing, which are reflected in operating expenses (together, the "Giphy Retention Compensation Expense - non-recurring"), are required payments in accordance with the terms of the acquisition. Meta's sale of Giphy was directed by the United Kingdom Competition and Markets Authority (the "CMA") and accordingly, the terms of the acquisition were subject to CMA

preapproval. Management considers the operating expense associated with these required payments to be unusual and non-recurring in nature. The Giphy Retention Compensation Expense - non-recurring is not considered an ongoing expense necessary to operate the Company's business. Therefore, such expenses have been included in the below adjustments for calculating adjusted EBITDA, adjusted EBITDA margin, adjusted net income and adjusted net income per diluted common share. For the three months ended September 30, 2025, the Company also incurred \$3.7 million of Giphy Retention Compensation expense related to recurring employee costs, which is included in operating expenses, and are not included in the below adjustments for calculating adjusted EBITDA, adjusted EBITDA margin, adjusted net income and adjusted net income per diluted common share.

These figures 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 results. Shutterstock cautions investors that non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly-titled measures presented by other companies.

Shutterstock's management believes that adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income per diluted common share, revenue growth (including by product offering) on a constant currency basis (expressed as a percentage), billings and adjusted free cash flow 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, adjusted EBITDA margin, adjusted net income and adjusted net income per diluted common share 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; and revenue growth (including by product offering) on a constant currency basis (expressed as a percentage) provides useful information to investors by eliminating the effect of foreign currency fluctuations that are not directly attributable to Shutterstock's operating performance. Management also believes that providing these non-GAAP financial measures enhances the comparability for investors in assessing Shutterstock's financial reporting. Shutterstock's management believes that adjusted free cash flow is useful for investors because it provides them with an important perspective on the cash available for strategic measures, after making necessary capital investments in internal-use software and website development costs to support the Company's ongoing business operations and provides them with the same measures that management uses as the basis for making resource allocation decisions.

Shutterstock's management also uses the non-GAAP financial measures adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income per diluted common share, revenue growth (including by product offering) on a constant currency basis (expressed as a percentage), billings and adjusted free cash flow, 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; (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.

Reconciliations of the differences between each of our non-GAAP financial measures (adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income per diluted common share, revenue growth (including by product offering) on a constant currency basis (expressed as a percentage), billings, adjusted free cash flow), and each measure's most directly comparable financial measure calculated and presented in accordance with GAAP, are presented under the headings "Reconciliation of Non-GAAP Financial Information to GAAP" and "Supplemental Financial Data" immediately following the Consolidated Balance Sheets.

Previously Announced Merger Agreement with Getty Images

On January 7, 2025, Shutterstock announced that it entered into a merger agreement with Getty Images to combine in a merger of equals transaction, creating a premier visual content company. The transaction is subject to the satisfaction of customary closing conditions, including receipt of required regulatory approvals and the extension or refinancing of Getty Images' existing debt obligations. As previously announced, a majority of Shutterstock stockholders approved the adoption of the merger agreement at a special meeting of stockholders held on June 10, 2025.

As previously communicated, in light of the pending transaction with Getty Images, Shutterstock will not be hosting a conference call or providing financial guidance in conjunction with its third quarter 2025 results.

For additional information associated with the transaction, please see the Company's filings from time to time with the Securities and Exchange Commission.



ABOUT SHUTTERSTOCK

Shutterstock is in the business of turning ideas into impact. Powered by a global network of millions of creators and our cutting-edge technology, we provide businesses, creatives and brand leaders with the essential, universal ingredients to make their work more effective. Shutterstock is home to the world's largest and most diverse collection of high-quality licensable assets, data and AI solutions, advertising and distribution solutions, exclusive editorial content, and full-service studio production—delivering unparalleled resources to fuel great work.

Discover our impact at www.shutterstock.com and connect with us on [LinkedIn](#), [Instagram](#), [X](#), [Facebook](#) and [YouTube](#).

FORWARD-LOOKING STATEMENTS

The statements in this press release, and any related oral statements, include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than historical facts, are forward-looking statements. Forward-looking statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, financings or otherwise, based on current beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially from expectations. Forward-looking statements speak only as of the date they are made or as of the dates indicated in the statements and should not be relied upon as predictions of future events, as there can be no assurance that the events or circumstances reflected in these statements will be achieved or will occur or the timing thereof. Forward-looking statements can often, but not always, be identified by the use of forward-looking terminology including "believes," "expects," "may," "will," "should," "could," "might," "seeks," "intends," "plans," "pro forma,"

"estimates," "anticipates," "designed," or the negative of these words and phrases, other variations of these words and phrases or comparable terminology, but not all forward-looking statements include such identifying words. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary. The forward-looking statements in this press release relate to, among other things, statements regarding guidance, industry prospects, future business, future results of operations or financial condition, future dividends, future stock performance, our ability to consummate acquisitions and integrate the businesses we have acquired or may acquire into our existing operations, new or planned features, products or services, management strategies, our competitive position and the expected timing and completion of the proposed transaction with Getty Images. Important factors that could cause actual results to differ materially from the forward-looking statements include, among other things: risks and uncertainties associated with our proposed transaction with Getty Images and those risks discussed under the section captioned "Risk Factors" in Shutterstock's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, subsequent Quarterly Reports on Form 10-Q and other filings with the SEC. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward looking statements. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Shutterstock does not assume, and hereby disclaims, any obligation to update forward-looking statements, except as may be required by law.

Shutterstock, Inc.
Consolidated Statements of Operations
(In thousands, except for per share data)
(unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue	\$ 260,094	\$ 250,588	\$ 769,704	\$ 684,956
Operating expenses:				
Cost of revenue	102,558	104,405	309,440	283,863
Sales and marketing	59,358	55,403	169,794	163,520
Product development	22,374	28,610	62,993	69,520
General and administrative	43,313	44,021	150,054	112,492
Total operating expenses	227,603	232,439	692,281	629,395
Income from operations	32,491	18,149	77,423	55,561
Interest expense	(4,226)	(4,451)	(12,748)	(5,574)
Other income, net	3,138	3,829	30,277	4,490
Income before income taxes	31,403	17,527	94,952	54,477
Provision / (benefit) for income taxes	18,016	(88)	33,437	17,116
Net income	<u>\$ 13,387</u>	<u>\$ 17,615</u>	<u>\$ 61,515</u>	<u>\$ 37,361</u>

Earnings per share:

Basic	<u>\$ 0.38</u>	<u>\$ 0.50</u>	<u>\$ 1.75</u>	<u>\$ 1.05</u>
Diluted	<u>\$ 0.37</u>	<u>\$ 0.50</u>	<u>\$ 1.71</u>	<u>\$ 1.04</u>

Weighted average common shares outstanding:

Basic	<u>35,484</u>	<u>35,174</u>	<u>35,213</u>	<u>35,486</u>
Diluted	<u>36,642</u>	<u>35,472</u>	<u>35,979</u>	<u>35,838</u>

Consolidated Balance Sheets
(In thousands, except par value amount)
(unaudited)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 165,536	\$ 111,251
Accounts receivable, net of allowance of \$3,726 and \$3,101	125,189	95,225
Prepaid expenses and other current assets	<u>46,040</u>	<u>49,482</u>
Total current assets	336,765	255,958
Property and equipment, net	62,723	66,400
Right-of-use assets	11,763	13,956
Intangible assets, net	227,107	248,477
Goodwill	574,594	569,668
Deferred tax assets, net	51,867	70,982
Other assets	<u>110,780</u>	<u>83,715</u>
Total assets	<u>\$ 1,375,599</u>	<u>\$ 1,309,156</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 13,944	\$ 9,221
Accrued expenses	122,738	126,643
Contributor royalties payable	105,038	81,076
Deferred revenue	211,565	225,489
Debt	158,109	158,106
Other current liabilities	<u>19,592</u>	<u>24,751</u>
Total current liabilities	630,986	625,286
Deferred tax liability, net	1,625	2,174
Long-term debt	117,379	119,598
Lease liabilities	19,125	23,365
Other non-current liabilities	<u>12,123</u>	<u>20,383</u>
Total liabilities	<u>781,238</u>	<u>790,806</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value; 200,000 shares authorized; 41,024 and 40,395 shares issued and 35,503 and 34,874 shares outstanding as of September 30, 2025 and December 31, 2024, respectively	410	403
Treasury stock, at cost; 5,521 shares as of September 30, 2025 and December 31, 2024	(269,804)	(269,804)
Additional paid-in capital	505,750	468,390

Accumulated other comprehensive loss	(4,889)	(16,841)
Retained earnings	362,894	336,202
Total stockholders' equity	594,361	518,350
Total liabilities and stockholders' equity	\$ 1,375,599	\$ 1,309,156

Shutterstock, Inc.
Consolidated Statements of Cash Flows
(In thousands, except par value amount)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 13,387	\$ 17,615	\$ 61,515	\$ 37,361
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	22,877	21,643	68,159	64,339
Deferred taxes	24,494	(9,269)	17,696	(8,766)
Non-cash equity-based compensation	12,962	15,094	46,471	41,220
Loss on impairment of long-term investment	—	—	5,000	—
Bad debt expense	60	(18)	1,020	(1,790)
Unrealized gain on investments, net	(2,840)	(1,557)	(34,128)	(1,688)
Changes in operating assets and liabilities:				
Accounts receivable	26,245	12,474	(29,429)	8,595
Prepaid expenses and other current and non-current assets	(12,643)	5,392	10,114	(19,907)
Accounts payable and other current and non-current liabilities	(3,810)	(30,534)	(18,397)	(47,433)
Envato Seller Obligations	—	(45,748)	—	(45,748)
Contributor royalties payable	12,329	11,938	22,109	22,626
Deferred revenue	(14,671)	(8,615)	(19,657)	(24,129)
Net cash provided by / (used in) operating activities	\$ 78,390	\$ (11,585)	\$ 130,473	\$ 24,680
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditures	(10,422)	(14,761)	(32,542)	(38,297)
Business combination, net of cash acquired	—	(159,597)	—	(179,071)
Cash received related to Giphy Retention Compensation	373	26,922	1,234	63,444
Acquisition of content	(1,149)	(652)	(6,127)	(2,473)
Security deposit payment	(41)	195	(3)	277
Net cash used in investing activities	\$ (11,239)	\$ (147,893)	\$ (37,438)	\$ (156,120)
CASH FLOWS FROM FINANCING ACTIVITIES				

Repurchase of treasury shares	—	(20,999)	—	(41,591)
Cash paid related to settlement of employee taxes related to RSU vesting	(4,092)	(2,856)	(9,104)	(11,715)
Payment of cash dividends	(11,699)	(10,611)	(34,823)	(31,938)
Proceeds from credit facility	—	280,000	—	280,000
Repayment of credit facility	(781)	(30,000)	(2,344)	(30,000)
Payment of debt issuance costs	—	(2,200)	—	(2,200)
Net cash (used in) / provided by financing activities	<u>\$ (16,572)</u>	<u>\$ 213,334</u>	<u>\$ (46,271)</u>	<u>\$ 162,556</u>
Effect of foreign exchange rate changes on cash	(1,453)	2,666	7,521	(213)
Net increase in cash and cash equivalents	49,126	56,522	54,285	30,903
Cash and cash equivalents, beginning of period	116,410	74,871	111,251	100,490
Cash and cash equivalents, end of period	<u>\$ 165,536</u>	<u>\$ 131,393</u>	<u>\$ 165,536</u>	<u>\$ 131,393</u>

Supplemental Disclosure of Cash Information:

Cash paid for income taxes	\$ 1,707	\$ 9,735	\$ 16,396	\$ 22,295
Cash paid for interest	4,005	1,950	12,470	2,955

Shutterstock, Inc.
Reconciliation of Non-GAAP Financial Information to GAAP
(In thousands, except per share information)
(unaudited)

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income per diluted share, revenue growth (including by distribution channel) on a constant currency basis (expressed as a percentage), billings and adjusted free cash flow are not financial measures prepared in accordance with United States generally accepted accounting principles (GAAP). Such non-GAAP financial measures should not be construed as alternatives to any other measures of performance determined in accordance with GAAP. Investors are cautioned that non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly-titled measures presented by other companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 13,387	\$ 17,615	\$ 61,515	\$ 37,361
Add / (less) Non-GAAP adjustments:				
Non-cash equity-based compensation	12,962	15,094	46,471	41,220
Tax effect of non-cash equity-based compensation ⁽¹⁾⁽²⁾	(3,046)	(3,547)	(10,921)	(3,332)
Acquisition-related amortization expense ⁽³⁾	9,630	9,332	28,908	27,658
Tax effect of acquisition-related amortization expense ⁽¹⁾	(2,263)	(2,193)	(6,794)	(6,499)
Impairment loss on long-term investment	—	—	5,000	—
Giphy Retention Compensation Expense - non-recurring	215	10,281	1,219	21,825
Tax effect of Giphy Retention Compensation Expense - non-recurring ⁽¹⁾	(51)	(2,416)	(287)	(5,129)
Merger related costs	7,083	—	27,654	—

Tax effect of Merger related costs ⁽¹⁾	(1,594)	—	(6,223)	—
Other ⁽⁴⁾	961	3,272	(30,027)	3,413
Tax effect of other ⁽¹⁾	(855)	(1,087)	(923)	(1,148)
Adjusted net income	<u>\$ 36,429</u>	<u>\$ 46,351</u>	<u>\$ 115,592</u>	<u>\$ 115,369</u>
Net income per diluted common share	\$ 0.37	\$ 0.50	\$ 1.71	\$ 1.04
Adjusted net income per diluted common share	\$ 0.99	\$ 1.31	\$ 3.21	\$ 3.22
Weighted average diluted shares	<u>36,642</u>	<u>35,472</u>	<u>35,979</u>	<u>35,838</u>

(1) Statutory tax rates are used to calculate the tax effect of the adjustments.

(2) The tax effect of non-cash equity-based compensation in 2024 includes a \$6.3 million add-back for the reduction of deferred tax assets associated with the expiration of performance-based stock options and restricted stock units granted the Company's Founder and Executive Chairman in 2014. The performance-based metrics were not met, the awards were not exercisable, and the Company recognized a non-cash tax expense for the change in deferred taxes.

(3) Of these amounts, \$8.9 million and \$7.8 million are included in cost of revenue for the three months ended September 30, 2025 and 2024, respectively. The remainder of acquisition-related amortization expense is included in general and administrative expense in the Statement of Operations.

(4) Other consists of unrealized gains and losses on investments and severance costs associated with strategic workforce optimizations.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 13,387	\$ 17,615	\$ 61,515	\$ 37,361
Add / (less) Non-GAAP adjustments:				
Interest expense	4,226	4,451	12,748	5,574
Interest income	(869)	(1,086)	(2,881)	(3,477)
Provision / (benefit) for income taxes	18,016	(88)	33,437	17,116
Depreciation and amortization	<u>22,877</u>	<u>21,643</u>	<u>68,159</u>	<u>64,339</u>
EBITDA	\$ 57,637	\$ 42,535	\$ 172,978	\$ 120,913
Non-cash equity-based compensation	12,962	15,094	46,471	41,220
Giphy Retention Compensation Expense - non-recurring	215	10,281	1,219	21,825
Merger related costs	7,083	—	27,654	—
Foreign currency loss / (gain)	571	(1,185)	1,733	675
Unrealized gain on investment	(2,840)	(1,558)	(34,129)	(1,688)
Workforce optimization - severance	3,801	4,830	4,102	5,101
Impairment loss on long-term investment	<u>—</u>	<u>—</u>	<u>5,000</u>	<u>—</u>
Adjusted EBITDA	<u>\$ 79,429</u>	<u>\$ 69,997</u>	<u>\$ 225,028</u>	<u>\$ 188,046</u>
Revenue	\$ 260,094	\$ 250,588	\$ 769,704	\$ 684,956
Net income margin	5.1 %	7.0 %	8.0 %	5.5 %

Adjusted EBITDA margin	30.5 %		27.9 %		29.2 %		27.5 %	
	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
Reported revenue (in thousands)	\$	260,094	\$	250,588	\$	769,704	\$	684,956
Revenue growth		4 %		7 %		12 %		4 %
Revenue growth on a constant currency basis		3 %		7 %		12 %		4 %
Content reported revenue (in thousands)	\$	194,426	\$	203,713	\$	597,110	\$	547,494
Content revenue growth		(5) %		14 %		9 %		(2) %
Content revenue growth on a constant currency basis		(5) %		13 %		9 %		(2) %
Data, Distribution, and Services reported revenue (in thousands)	\$	65,668	\$	46,875	\$	172,594	\$	137,462
Data, Distribution, and Services revenue growth		40 %		(14) %		26 %		41 %
Data, Distribution, and Services revenue growth on a constant currency basis		40 %		(14) %		26 %		41 %
	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
Cash flow information:								
Net cash provided by / (used in) operating activities	\$	78,390	\$	(11,585)	\$	130,473	\$	24,680
Net cash used in investing activities	\$	(11,239)	\$	(147,893)	\$	(37,438)	\$	(156,120)
Net cash (used in) / provided by financing activities	\$	(16,572)	\$	213,334	\$	(46,271)	\$	162,556
Adjusted free cash flow:								
Net cash provided by / (used in) operating activities	\$	78,390	\$	(11,585)	\$	130,473	\$	24,680
Capital expenditures		(10,422)		(14,761)		(32,542)		(38,297)
Content acquisitions		(1,149)		(652)		(6,127)		(2,473)
Cash received related to Giphy Retention Compensation		373		26,922		1,234		63,444
Cash paid for Envato Seller Obligations ⁽¹⁾		—		45,748		—		45,748
Merger related costs		8,032		—		23,068		—
Adjusted Free Cash Flow	\$	75,224	\$	45,672	\$	116,106	\$	93,102

(1) Envato Seller Obligations relate to payments made on behalf of the Envato sellers' after the closing of the acquisition. These liabilities were funded from the acquired cash on the Envato balance sheet and are not indicative of obligations and cash flows to be incurred prospectively.

	Three Months Ended September 30,		Nine Months Ended September 30,	
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	2025	2024	2025	2024
Content	\$ 194,426	\$ 203,713	\$ 597,110	\$ 547,494
Data, Distribution, and Services	\$ 65,668	\$ 46,875	\$ 172,594	\$ 137,462
Total revenue	\$ 260,094	\$ 250,588	\$ 769,704	\$ 684,956
Change in total deferred revenue ⁽¹⁾	\$ (15,154)	\$ (7,043)	\$ (13,924)	\$ (23,984)
Total billings	\$ 244,940	\$ 243,545	\$ 755,780	\$ 660,972

(1) Change in total deferred revenue excludes deferred revenue acquired through business combinations.

Shutterstock, Inc.
Supplemental Financial Data
(unaudited)

Historical Operating Metrics

	Three Months Ended							
	9/30/25	6/30/25	3/31/25	12/31/24 ⁵	9/30/24 ⁵	6/30/24	3/31/24	12/31/23
Subscribers (end of period, in thousands) ⁽¹⁾	1,060	1,073	1,079	1,088	1,105	490	499	523
Subscriber revenue (in millions) ⁽²⁾	\$ 107.2	\$ 108.0	\$ 109.9	\$ 107.7	\$ 113.1	\$ 80.3	\$ 83.9	\$ 85.2
Average revenue per customer (last twelve months) ⁽³⁾	\$ 279	\$ 266	\$ 244	\$ 255	\$ 254	\$ 434	\$ 418	\$ 412
Paid downloads (in millions) ⁽⁴⁾	111.7	112.6	120.9	125.8	112.3	33.4	35.0	35.4

Subscribers, Subscriber Revenue and Average Revenue Per Customer from acquisitions are included in these metrics beginning twelve months after the closing of the respective business combination. Accordingly, the metrics include Subscribers, Subscriber revenue, and Average revenue per customer from Backgrid beginning February 2025. 2025 metrics include the counts and revenues from Envato for the three and nine months ended September 30, 2025, which was acquired in July 22, 2024.

(1) Subscribers is defined as those customers who purchase one or more of our monthly recurring products for a continuous period of at least three months, measured as of the end of the reporting period.

(2) Subscriber revenue is defined as the revenue generated from subscribers during the period.

(3) Average revenue per customer is calculated by dividing total revenue for the last twelve-month period by customers. Customers is defined as total active, paying customers that contributed to total revenue over the last twelve-month period.

(4) Paid downloads is the number of downloads that our customers make in a given period of our content. Paid downloads exclude content related to our Studios business, downloads of content that are offered to customers for no charge, including our free trials and metadata delivered through our data deal offering

(5) Subscribers and Subscriber Revenue are presented as if Envato was acquired as of the beginning of the period presented. Average revenue per customer includes Envato historical results over the last twelve month period.

Equity-Based Compensation by expense category

(\$ in thousands)	Three Months Ended							
	9/30/25	6/30/25	3/31/25	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23
Cost of revenue	\$ 528	\$ 532	\$ 396	\$ 505	\$ 443	\$ 300	\$ 224	\$ 145
Sales and marketing	2,098	2,559	2,255	2,627	3,226	3,167	2,011	2,201
Product development	3,370	3,529	2,912	2,722	2,745	4,171	2,285	3,022
General and administrative	6,966	9,005	12,321	9,256	8,680	7,338	6,630	6,620
Total non-cash equity-based compensation	<u>\$ 12,962</u>	<u>\$ 15,625</u>	<u>\$ 17,884</u>	<u>\$ 15,110</u>	<u>\$ 15,094</u>	<u>\$ 14,976</u>	<u>\$ 11,150</u>	<u>\$ 11,988</u>

Depreciation and Amortization by expense category

(\$ in thousands)	Three Months Ended							
	9/30/25	6/30/25	3/31/25	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23
Cost of revenue	\$ 21,028	\$ 20,804	\$ 20,742	\$ 21,191	\$ 19,652	\$ 20,087	\$ 19,874	\$ 18,952
General and administrative	1,849	1,807	1,929	2,096	1,991	1,346	1,389	1,404
Total depreciation and amortization	<u>\$ 22,877</u>	<u>\$ 22,611</u>	<u>\$ 22,671</u>	<u>\$ 23,287</u>	<u>\$ 21,643</u>	<u>\$ 21,433</u>	<u>\$ 21,263</u>	<u>\$ 20,356</u>

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