UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-35669

SHUTTERSTOCK, INC.
(Exact name of registrant as specified in its charter)

Delaware	**80-0812659**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

350 Fifth Avenue, 20th Floor
New York, NY 10118
(Address of principal executive offices, including zip code)

(646) 710-3417
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.01 par value per share	**SSTK**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 31, 2026, 36,947,684 shares of the registrant's common stock, $0.01 par value per share, were outstanding.

Shutterstock, Inc.
FORM 10-Q
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For the Quarterly Period Ended June 30, 2026

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, particularly in the discussion under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." All statements other than statements of historical fact are forward-looking. Examples of forward-looking statements include, but are not limited to, statements regarding our guidance, industry prospects, future business, future results of operations or financial condition, 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 and our competitive position. You can identify many forward-looking statements by words such as "may," "will," "would," "should," "could," "expects," "aims," "anticipates," "believes," "estimates," "intends," "plans," "predicts," "projects," "seeks," "potential," "opportunities" and other similar expressions and the negatives of such expressions. However, not all forward-looking statements contain these words. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, risks related to our ability to continue to attract and retain customers of, and contributors to, our creative platform; competition in our industry; the effectiveness and efficiency of our marketing efforts; our ability to innovate technologically or develop, market and offer new products and services, or enhance existing technology and products and services; costs related to litigation or infringement claims, indemnification claims and the inability to prevent misuse of our content; our ability to increase market awareness of our brand and our existing and new products and services; pricing pressure, and increased service, indemnification and working capital requirements; expansion of our operations into new products, services and technologies; the impact of worldwide economic, political and social conditions; issues relating to the use of new and evolving technologies, such as AI; our ability to grow our revenues at historical rates; our ability to effectively expand, train, manage changes to and retain our sales force; our ability to effectively manage our growth; our ability to successfully make, integrate and maintain acquisitions and investments, risks related to our personnel; risks related to our use of independent contractors; the non-payment or late payment of amounts due to us and other payment-related risks; the potential impairment of our goodwill or intangible assets; the need to raise additional capital; risks related to our debt; our reliance on information technologies and systems and other risks related to our intellectual property and security vulnerabilities; our international operations and our continued expansion internationally; foreign exchange risk; risks related to regulatory and tax challenges; as well as those risks discussed under the caption "Risk Factors" in our most recently filed Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission (the "SEC") on February 17, 2026 (our "2025 Form 10-K") and in our consolidated financial statements, related notes, and the other information appearing elsewhere in the 2025 Form 10-K, this Quarterly Report on Form 10-Q and our other filings with the SEC. Given these risks and uncertainties, you should not place undue reliance on any forward-looking statements. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made only as of the date hereof, and we do not intend, and, except as required by law, we undertake no obligation to update any forward-looking statements contained herein after the date of this report to reflect actual results or future events or circumstances.

Unless the context otherwise indicates, references in this Quarterly Report on Form 10-Q to the terms "Shutterstock," "the Company," "we," "our" and "us" refer to Shutterstock, Inc. and its subsidiaries. "Shutterstock," "Shutterstock Editorial," "Asset Assurance," "Offset," "Bigstock," "Rex Features," "PremiumBeat," "TurboSquid," "PicMonkey," "Pattern89," "Shotzr," "Pond5," "Splash News," "Giphy," "Shutterstock Studios," "Shutterstock Editor," "Shutterstock.AI," "Creative Flow," "Backgrid," "Envato," "Envato Elements," "Photodune," "Tuts+," "Themeforest," "Codecanyon," "Audiojungle," "Graphicriver," "Videohive," "3DOcean," "Mixkit," and "Placeit" and their logos are registered trademarks and are the property of Shutterstock, Inc. or one of our subsidiaries. All other trademarks, service marks and trade names appearing in this Quarterly Report on Form 10-Q are the property of their respective owners.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 133,208	$ 178,244
Accounts receivable, net of allowance of $3,750 and $3,431	102,264	112,626
Prepaid expenses and other current assets	44,025	47,769
Total current assets	279,497	338,639
Property and equipment, net	61,237	62,553
Right-of-use assets	8,238	9,770
Intangible assets, net	192,073	215,673
Goodwill	400,025	574,614
Deferred tax assets, net	77,221	61,289
Other assets	73,986	93,398
Total assets	$ 1,092,277	$ 1,355,936
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 12,982	$ 13,898
Accrued expenses	104,227	129,952
Contributor royalties payable	98,292	94,163
Deferred revenue	198,444	212,984
Debt	158,112	158,110
Other current liabilities	14,719	19,295
Total current liabilities	586,776	628,402
Deferred tax liability, net	1,323	1,134
Long-term debt	115,157	116,639
Lease liabilities	13,518	17,247
Other non-current liabilities	11,843	11,476
Total liabilities	728,617	774,898
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock, $0.01 par value; 200,000 shares authorized; 42,328 and 41,049 shares issued and 36,807 and 35,528 shares outstanding as of June 30, 2026 and December 31, 2025, respectively	422	410
Treasury stock, at cost; 5,521 shares as of June 30, 2026 and December 31, 2025	(269,804)	(269,804)
Additional paid-in capital	536,627	520,018
Accumulated other comprehensive loss	(9,249)	(4,754)
Retained earnings	105,664	335,168
Total stockholders' equity	363,660	581,038
Total liabilities and stockholders' equity	$ 1,092,277	$ 1,355,936

See Notes to Unaudited Consolidated Financial Statements.

Shutterstock, Inc.
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	$ 221,801	$ 266,990	$ 420,971	$ 509,610
Operating expenses:				
Cost of revenue	93,787	105,994	188,575	206,882
Sales and marketing	48,008	57,077	96,354	110,436
Product development	17,574	20,754	36,979	40,619
General and administrative	43,930	48,434	111,515	106,741
Goodwill impairment	173,738	—	173,738	—
Total operating expenses	377,037	232,259	607,161	464,678
(Loss) / income from operations	(155,236)	34,731	(186,190)	44,932
Interest expense	(3,833)	(4,224)	(7,593)	(8,522)
Other (expense) / income, net	(1,862)	12,624	(16,523)	27,139
(Loss) / income before income taxes	(160,931)	43,131	(210,306)	63,549
(Benefit) / provision for income taxes	(4,992)	13,691	(6,798)	15,421
Net (loss) / income	$ (155,939)	$ 29,440	$ (203,508)	$ 48,128
(Losses) / Earnings per share:				
Basic	$ (4.25)	$ 0.84	$ (5.63)	$ 1.37
Diluted	$ (4.25)	$ 0.82	$ (5.63)	$ 1.35
Weighted average common shares outstanding:				
Basic	36,703	35,257	36,126	35,075
Diluted	36,703	35,958	36,126	35,642

See Notes to Unaudited Consolidated Financial Statements.

Shutterstock, Inc.
Consolidated Statements of Comprehensive Income
(In thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net (loss) / income	$ (155,939)	$ 29,440	$ (203,508)	$ 48,128
Foreign currency translation (loss) / gain	(2,900)	10,015	(4,495)	14,312
Other comprehensive (loss) / income	(2,900)	10,015	(4,495)	14,312
Comprehensive (loss) / income	$ (158,839)	$ 39,455	$ (208,003)	$ 62,440

See Notes to Unaudited Consolidated Financial Statements.

Shutterstock, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands)
(unaudited)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) / Income	Retained Earnings	Total
Three Months Ended June 30, 2026	Shares	Amount	Shares	Amount				
Balance at March 31, 2026	41,076	$ 410	5,521	$ (269,804)	$ 533,004	$ (6,349)	$ 274,817	$ 532,078
Equity-based compensation	—	—	—	—	12,536	—	—	12,536
Issuance of common stock in connection with employee stock option exercises and RSU vesting	1,796	17	—	—	(17)	—	—	—
Common shares withheld for settlement of taxes in connection with equity-based compensation	(544)	(5)	—	—	(8,896)	—	—	(8,901)
Cash dividends paid	—	—	—	—	—	—	(13,214)	(13,214)
Other comprehensive loss	—	—	—	—	—	(2,900)	—	(2,900)
Net loss	—	—	—	—	—	—	(155,939)	(155,939)
Balance at June 30, 2026	42,328	$ 422	5,521	$ (269,804)	$ 536,627	$ (9,249)	$ 105,664	$ 363,660
Three Months Ended June 30, 2025								
Balance at March 31, 2025	40,422	$ 403	5,521	$ (269,804)	$ 485,736	$ (12,544)	$ 343,389	$ 547,180
Equity-based compensation	—	—	—	—	15,625	—	—	15,625
Issuance of common stock in connection with employee stock option exercises and RSU vesting	627	6	—	—	(6)	—	—	—
Common shares withheld for settlement of taxes in connection with equity-based compensation	(241)	(2)	—	—	(4,472)	—	—	(4,474)
Cash dividends paid	—	—	—	—	—	—	(11,623)	(11,623)
Other comprehensive income	—	—	—	—	—	10,015	—	10,015
Net income	—	—	—	—	—	—	29,440	29,440
Balance at June 30, 2025	40,808	$ 407	5,521	$ (269,804)	$ 496,883	$ (2,529)	$ 361,206	$ 586,163
Six Months Ended June 30, 2026								
Balance at December 31, 2025	41,049	$ 410	5,521	$ (269,804)	$ 520,018	$ (4,754)	$ 335,168	$ 581,038
Equity-based compensation	—	—	—	—	25,908	—	—	25,908
Issuance of common stock in connection with employee stock option exercises and RSU vesting	1,844	17	—	—	(17)	—	—	—
Common shares withheld for settlement of taxes in connection with equity-based compensation	(565)	(5)	—	—	(9,282)	—	—	(9,287)
Cash dividends paid	—	—	—	—	—	—	(25,996)	(25,996)
Other comprehensive income	—	—	—	—	—	(4,495)	—	(4,495)
Net income	—	—	—	—	—	—	(203,508)	(203,508)
Balance at June 30, 2026	42,328	$ 422	5,521	$ (269,804)	$ 536,627	$ (9,249)	$ 105,664	$ 363,660
Six Months Ended June 30, 2025								
Balance at December 31, 2024	40,395	$ 403	5,521	$ (269,804)	$ 468,390	$ (16,841)	$ 336,202	$ 518,350
Equity-based compensation	—	—	—	—	33,509	—	—	33,509
Issuance of common stock in connection with employee stock option exercises and RSU vesting	673	6	—	—	(6)	—	—	—
Common shares withheld for settlement of taxes in connection with equity-based compensation	(260)	(2)	—	—	(5,010)	—	—	(5,012)
Cash dividends paid	—	—	—	—	—	—	(23,124)	(23,124)
Other comprehensive income	—	—	—	—	—	14,312	—	14,312
Net income	—	—	—	—	—	—	48,128	48,128
Balance at June 30, 2025	40,808	$ 407	5,521	$ (269,804)	$ 496,883	$ (2,529)	$ 361,206	$ 586,163

See Notes to Unaudited Consolidated Financial Statements.

Shutterstock, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Six Months Ended June 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income	$ (203,508)	$ 48,128
Adjustments to reconcile net (loss) / income to net cash provided by operating activities:		
Depreciation and amortization	45,120	45,282
Deferred taxes	(15,741)	(6,798)
Non-cash equity-based compensation	25,908	33,509
Goodwill impairment	173,738	—
Loss on impairment of long-term investment	—	5,000
Bad debt expense	319	960
Unrealized loss / (gain) on investments, net	18,268	(31,288)
Changes in operating assets and liabilities:		
Accounts receivable	9,701	(55,674)
Prepaid expenses and other current and non-current assets	1,592	22,757
Accounts payable and other current and non-current liabilities	(29,386)	(14,587)
Contributor royalties payable	5,084	9,780
Deferred revenue	(13,104)	(4,986)
Net cash provided by operating activities	$ 17,991	$ 52,083
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(21,710)	(22,120)
Cash received related to Giphy Retention Compensation	477	861
Acquisition of content	(301)	(4,978)
Security deposit receipt	249	38
Net cash used in investing activities	$ (21,285)	$ (26,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for settlement of employee taxes related to RSU vesting	(10,848)	(5,012)
Payment of cash dividends	(25,996)	(23,124)
Repayment of credit facility	(1,563)	(1,563)
Net cash used in financing activities	$ (38,407)	$ (29,699)
Effect of foreign exchange rate changes on cash	(3,335)	8,974
Net (decrease) / increase in cash and cash equivalents	(45,036)	5,159
Cash and cash equivalents, beginning of period	178,244	111,251
Cash and cash equivalents, end of period	$ 133,208	$ 116,410
Supplemental Disclosure of Cash Information:		
Cash paid for income taxes	$ 7,678	$ 14,689
Cash paid for interest	7,288	8,465

See Notes to Unaudited Consolidated Financial Statements.

Shutterstock, Inc.
Notes to Consolidated Financial Statements
(unaudited)

(1) Summary of Operations

Summary of Operations

Shutterstock, Inc. (the “Company” or “Shutterstock”) is a leading global creative platform connecting brands and businesses to high quality content.

The Company’s platform brings together users and contributors of content by providing readily-searchable content that customers pay to license and by compensating contributors as their content is licensed. Contributors upload their content to the Company’s web properties in exchange for royalty payments based on customer download activity. Beyond content, customers also leverage the Company’s platform to assist with the entire creative process from ideation through creative execution.

Digital content licensed to customers for their creative needs includes images, footage, music, and 3D models (the Company’s “Content” offering). Content revenues represent the majority of the Company’s business and are supported by the Company’s searchable creative platform and driven by the Company’s large contributor network.

In addition, customers have needs that are beyond traditional content license products and services. These include (i) licenses to metadata associated with the Company’s images, footage, music tracks and 3D models through the Company’s data offering, (ii) distribution and advertising services from the Company’s Giphy business, which consists of GIFs (graphics interchange format visuals) that serve as a critical ingredient in text- and message- based conversations and in contextual advertising settings, (iii) specialized solutions for high-quality content matched with production tools and services through Shutterstock Studios and (iv) other tailored white-glove services (collectively, the Company’s “Data, Distribution, and Services” offerings).

The Company’s Content offering includes:

- Images - consisting of photographs, vectors and illustrations. Images are typically used in visual communications, such as websites, digital and print marketing materials, corporate communications, books, publications and other similar uses.
- Footage - consisting of video clips, premium footage filmed by industry experts and cinema grade video effects, available in HD and 4K formats. Footage is often integrated into websites, social media, marketing campaigns and cinematic productions.
- Music - consisting of high-quality music tracks and sound effects, which are often used to complement images and footage.
- 3 Dimensional (“3D”) Models - consisting of 3D models, used in a variety of industries such as advertising, media and video production, gaming, retail, education, design and architecture.
- Generative AI Content - consisting of images generated from algorithms trained with high-quality, ethically sourced content. Customers can generate images by entering a description of their desired content into model prompts.

(2) Terminated Merger Agreement with Getty Images

On January 6, 2025, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) to combine in a merger-of-equals transaction with Getty Images Holdings, Inc. (NYSE:GETY) (“Getty Images”) (such transaction referred to herein as the “Merger”).

On June 30, 2026, Getty Images filed a Current Report on Form 8-K announcing that its Board of Directors unanimously resolved to terminate the Merger Agreement. The Merger Agreement was terminated on July 7, 2026.

(3) Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not include all information and footnotes required by GAAP for complete financial statements.

The interim Consolidated Balance Sheet as of June 30, 2026, and the Consolidated Statements of Operations, Comprehensive Income and Stockholders’ Equity for the three and six months ended June 30, 2026 and 2025, and the Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and 2025 are unaudited. The Consolidated Balance Sheet as of December 31, 2025, included herein, was derived from the audited financial statements as of that date, but does not include all disclosures required by GAAP. These unaudited interim financial statements have been prepared on a basis consistent with the Company’s annual financial statements and, in the opinion of management, reflect all adjustments, which include all normal recurring adjustments necessary to fairly state the Company’s financial position as of June 30, 2026, and its consolidated results of operations, comprehensive income, stockholders’ equity and cash flows for the three and six months ended June 30, 2026 and 2025. The financial data and the other financial information disclosed in the notes to the financial statements related to these periods are also unaudited. The results of operations for the six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2026 or for any other future annual or interim period.

These financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2025 included in the Company’s Annual Report on Form 10-K, which was filed with the SEC on February 17, 2026. The unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain immaterial changes in presentation have been made to conform the prior period presentation to current period reporting.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements. Actual results could differ from those estimates. Such estimates include, but are not limited to, the determination of the allowance for doubtful accounts, the volume of expected unused licenses for our subscription-based products, the assessment of recoverability of property and equipment, the fair value of acquired goodwill and intangible assets, the amount of non-cash equity-based compensation, the assessment of recoverability of deferred tax assets, the measurement of income tax and contingent non-income tax liabilities and the determination of the incremental borrowing rate used to calculate the lease liability.

Cash and Cash Equivalents

The Company's cash and cash equivalents consist primarily of bank deposits.

Accounts Receivable and Allowance for Doubtful Accounts

The Company's accounts receivable consists of customer obligations due under normal trade terms, carried at their face value less an allowance for doubtful accounts, if required. The Company determines its allowance for doubtful accounts and credit losses based on an evaluation of (i) the aging of its accounts receivable considering historical receivables loss rates, (ii) on a customer-by-customer basis, where appropriate, and (iii) the economic environments in which the Company operates.

For certain Data, Distribution, and Services transactions, the Company has $56.1 million of unbilled receivables of which $36.8 million are recorded in Accounts Receivable and $19.3 million are recorded in Other Assets, as of June 30, 2026.

During the six months ended June 30, 2026, the Company recorded bad debt expense of $0.3 million. As of June 30, 2026 and December 31, 2025, the Company's allowance for doubtful accounts was approximately $3.8 million and $3.4 million, respectively. The allowance for doubtful accounts is included as a reduction of accounts receivable on the Consolidated Balance Sheets.

The Company has certain customer arrangements that contain financing elements. Interest income earned from these financing receivables is recorded on the effective interest method and is included within interest income on the Consolidated Statements of Operations. As of June 30, 2026 and December 31, 2025, approximately $5.6 million and $9.8 million of financing receivables, respectively, were included in accounts receivable and other assets on the Consolidated Balance Sheets.

In addition, as of June 30, 2026 two customers accounted for approximately 16% and 12%, respectively, of the accounts receivable balance. As of December 31, 2025, one customer accounted for approximately 15% of the accounts receivable balance.

Chargeback and Sales Refund Allowance

The Company establishes a chargeback allowance and sales refund reserve allowance based on factors surrounding historical credit card chargeback trends, historical sales refund trends and other information. As of June 30, 2026 and December 31, 2025, the Company's combined allowance for chargebacks and sales refunds was $0.2 million and $0.2 million, respectively, which was included as a component of other current liabilities on the Consolidated Balance Sheets.

Revenue Recognition

A significant portion of the Company's revenue is earned from the license of content. Content licenses are generally purchased on a monthly or annual basis, whereby a customer pays for a predetermined quantity of content that may be downloaded over a specific period of time, or, on a transactional basis, whereby a customer pays for individual content licenses at the time of download. The Company also generates revenue from tools available through the Company's platform.

For contracts that contain multiple performance obligations, the Company allocates the transaction price to each performance obligation based on a relative standalone selling price. The standalone selling price is determined based on the price at which the performance obligation is sold separately, or if not observable through past transactions, is estimated taking into account available information including internally approved pricing guidelines and pricing information of comparable products.

The Company recognizes revenue upon the satisfaction of performance obligations. The Company recognizes revenue on both its subscription-based and transaction-based products when content is downloaded by a customer, at which time the license is provided. In addition, for subscription-based products in which the Customer obtains an allotted number of digital assets to download, the Company estimates expected unused licenses and recognizes the revenue associated with the unused licenses as digital assets are downloaded and licenses are obtained for such content by the customer during the subscription period. The estimate of unused licenses is based on historical download activity and future changes in the estimate could impact the timing of revenue recognition of the Company's subscription products. For unlimited download subscription-based products, the Company recognizes revenue in a manner that reflects estimated content download patterns during the subscription period. The estimate of content download patterns is based on historical download activities from the unlimited download products. Revenue associated with tools available through the Company's platform is recognized on a straight-line basis over the subscription period. The Company expenses contract acquisition costs as incurred, to the extent that the amortization period would otherwise be one year or less.

For customers making electronic payments, collectability is probable at the time the order or contract is entered. A significant portion of the Company's customers purchase products by making electronic payments with a credit card at the time of the transaction. Customer payments received in advance of revenue recognition are contract liabilities and are recorded as deferred revenue. Customers that do not pay in advance are invoiced and are required to make payments under standard credit terms. Collectability for customers who pay on credit terms allowing for payment beyond the date at which service commences, is based on a credit evaluation for certain new customers and transaction history with existing customers.

The Company recognizes revenue gross of contributor royalties because the Company is the principal in the transaction as it is the party responsible for the performance obligation and it controls the product or service before transferring it to the customer. The Company also licenses content to customers through third-party resellers. Third-party resellers sell the Company's products directly to customers as the principal in those transactions. Accordingly, the Company recognizes revenue net of costs paid to resellers.

The Company also reports revenue net of return and chargeback allowances. These allowances are based off historical trends when available.

(4) Fair Value Measurements and Long-term Investments

Fair Value Measurements

The Company had no assets or liabilities requiring fair value hierarchy disclosures as of June 30, 2026 or December 31, 2025, except as noted below.

Other Fair Value Measurements

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. Debt consists of principal amounts outstanding under our credit facility, which approximates fair value as underlying interest rates are reset regularly based on current market rates and is classified as Level 2. The Company's non-financial assets, which include long-lived assets, intangible assets and goodwill, are not required to be measured at fair value on a recurring basis. However, if the Company is required to evaluate a non-financial asset for impairment, whether due to certain triggering events or because annual impairment testing is required, a resulting asset impairment would require that the non-financial asset be recorded at fair value.

Long-term Investments

Investment in Meitu, Inc. ("Meitu")

In 2018, the Company invested $15.0 million in convertible preferred shares issued by ZCool Technologies Limited ("ZCool") (the "Preferred Shares"). ZCool's primary business is the operation of an e-commerce platform in the People's Republic of China (the "PRC") whereby customers can pay to license content contributed by creative professionals. ZCool and its affiliates have been the exclusive distributor of Shutterstock content in China since 2014.

On March 27, 2024, ZCool was acquired by Meitu, and the Company's Preferred Shares in ZCool were exchanged for $18.4 million of Meitu common shares, resulting in an investment carrying value increase of $3.4 million, which was recorded in Other income, net in the Consolidated Statement of Operations. Meitu's primary business is the provision of online advertising and other internet value added services in the PRC, and its common shares are publicly traded on the Main Board of The Stock Exchange of Hong Kong Limited. This investment is recorded at fair value on a recurring basis, with changes in fair value being recorded in Other income, net in the Consolidated Statement of Operations. The investment is subject to a contractual sale restriction that limits the sale or transfer of the investment for a period of 3 years, ending March 2027. Its fair value level hierarchy and amount at June 30, 2026 are as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
Level 1	$ 21,368	$ 40,021

Other Long-Term Investments

In connection with its Data, Distribution, and Services business, the Company may receive equity instruments in addition to cash for revenue contract consideration. As of June 30, 2026 and December 31, 2025, the Company had $30.5 million and $30.5 million, respectively, recorded in Other Assets in the Consolidated Balance Sheets from equity instruments received. The Company estimated the value of these equity instruments based on issuers' recent market transactions at the time the instruments were received from the customers. The Company uses the measurement alternative for fair value since the equity instruments do not have readily determinable fair values and report the instruments at cost, adjusted for impairments or any observable price changes in ordinary transactions with identical or similar investments.

(5) Property and Equipment

Property and equipment is summarized as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
Computer equipment and software	$ 382,472	$ 394,200
Furniture and fixtures	10,539	11,046
Leasehold improvements	18,691	20,524
Property and equipment	411,702	425,770
Less accumulated depreciation	(350,465)	(363,217)
Property and equipment, net	$ 61,237	$ 62,553

Depreciation and amortization expense related to property and equipment was $10.9 million and $10.9 million for the three months ended June 30, 2026 and 2025, respectively, and $21.8 million and $21.5 million for the six months ended June 30, 2026 and 2025, respectively. Cost of revenues included depreciation and amortization expense of $10.6 million and $10.6 million for the three months ended June 30, 2026 and 2025, respectively, and $21.2 million and $20.9 million for the six months ended June 30, 2026 and 2025, respectively. General and administrative expense included depreciation and amortization expense of $0.3 million and $0.3 million for the three months ended June 30, 2026 and 2025, respectively, and $0.5 million and $0.6 million for the six months ended June 30, 2026 and 2025,

Depreciation and amortization expense is included in cost of revenue and general and administrative expense in the Consolidated Statements of Operations based on the nature of the asset being depreciated.

Capitalized Internal-Use Software

The Company capitalized costs related to the development of internal-use software of $10.1 million and $11.3 million for the three months ended June 30, 2026 and 2025, respectively, and $20.6 million and $20.3 million for the six months ended June 30, 2026 and 2025, respectively. Capitalized amounts are included as a component of property and equipment under computer equipment and software on the Consolidated Balance Sheets.

The portion of total depreciation expense related to capitalized internal-use software was $10.4 million and $10.3 million for the three months ended June 30, 2026 and 2025, respectively, and $20.8 million and $20.4 million for the six months ended June 30, 2026 and 2025, respectively. Depreciation expense related to capitalized internal-use software is included in cost of revenue in the Consolidated Statements of Operations.

As of June 30, 2026 and December 31, 2025, the Company had capitalized internal-use software of $57.6 million and $57.7 million, respectively, net of accumulated depreciation, which was included in property and equipment, net.

(6) Goodwill and Intangible Assets

Goodwill

The Company’s goodwill balance is tested for impairment annually on October 1 or upon a triggering event.

As of June 30, 2026, management determined that Getty Image's termination of the Merger Agreement which was announced after the market close on June 30, 2026 resulted in a triggering event and required the performance of a quantitative goodwill impairment test for its single reporting unit. The Company estimated the fair value of its single reporting unit using a market approach to be $363.7 million based on the Company’s market capitalization and a 10% control premium. Due to the post-market close announcement of the merger termination, the Company utilized an average of the Company’s market capitalization from July 1, 2026 to July 13, 2026, as that was determined to most appropriately reflect the impact of the termination of the Merger Agreement that was known as of the balance sheet date. The control premium reflected management’s estimate of market-participant benefits associated with control and represented a significant unobservable input. Management has determined the use of the control premium results in the non-recurring fair value to be based on Level 3 fair value inputs.

Since the reporting unit's carrying amount exceeded its estimated fair value as of June 30, 2026, the Company recorded a goodwill impairment charge of $173.7 million within total operating expenses on the statement of operations. This charge includes an impact to deferred taxes associated with the goodwill of $10.4 million.

If the Company’s stock price and market capitalization and the financial performance of the reporting unit declines, then it is possible these financial and economic conditions could

result in another triggering event for the reporting unit in the future and could lead to a potential impairment.

The following table summarizes the changes in the carrying value of the Company’s goodwill balance during the six months ended June 30, 2026 (in thousands):

	Goodwill
Balance as of December 31, 2025	$ 574,614
Foreign currency translation adjustment	(851)
Goodwill impairment	(173,738)
Balance as of June 30, 2026	$ 400,025

Intangible Assets

Intangible assets, all of which are subject to amortization, consisted of the following as of June 30, 2026 and December 31, 2025 (in thousands):

	As of June 30, 2026				As of December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets:							
Customer relationships	$ 105,658	$ (48,956)	$ 56,702	11	$ 106,557	$ (45,066)	$ 61,491
Trade name	69,516	(21,758)	47,758	11	69,702	(19,072)	50,630
Developed technology	179,050	(124,490)	54,560	5	179,917	(113,223)	66,694
Contributor content	81,766	(48,767)	32,999	8	81,478	(44,682)	36,796
Patents	259	(205)	54	18	259	(197)	62
Total	$ 436,249	$ (244,176)	$ 192,073		$ 437,913	$ (222,240)	$ 215,673

Amortization expense was $11.6 million and $11.7 million for the three months ended June 30, 2026 and 2025, respectively, and $23.3 million and $23.8 million for the six months ended June 30, 2026 and 2025, respectively. Cost of revenue included amortization expense of $10.2 million and $10.2 million for the three months ended June 30, 2026 and 2025, respectively, and $20.4 million and $20.7 million for the six months ended June 30, 2026 and 2025, respectively. General and administrative expense included amortization expense of $1.5 million for the three months ended June 30, 2026 and 2025, respectively, and $2.9 million and $3.1 million for the six months ended June 30, 2026 and 2025, respectively.

The Company determined that there was no indication of impairment of the intangible assets for any period presented. Estimated amortization expense is: $22.0 million for the remaining six months of 2026, $38.9 million in 2027, $36.1 million in 2028, $29.3 million in 2029, $17.9 million in 2030, $12.8 million in 2031 and $35.1 million thereafter.

(7) Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	As of June 30, 2026	As of December 31, 2025
Compensation	$ 35,091	$ 49,705
Non-income taxes	38,351	41,584
Website hosting and marketing fees	5,144	6,307
Other expenses	25,641	32,356
Total accrued expenses	$ 104,227	$ 129,952

As of June 30, 2026 and December 31, 2025, compensation-related accrued expenses included amounts due to Giphy employees for compensation earned pre-acquisition and severance costs associated with workforce optimizations. Approximately $1.7 million and $1.5 million of severance costs associated with workforce optimization is included within accrued expenses as of June 30, 2026 and December 31, 2025, respectively.

(8) Debt

On May 6, 2022, the Company entered into a five-year $100 million unsecured revolving loan facility (the “Credit Facility”) with Bank of America, N.A., as Administrative Agent, and other lenders. The Credit Facility includes a letter of credit sub-facility and a swingline facility and also permits, subject to the satisfaction of certain conditions, up to $100 million of additional revolving loan commitments with the consent of the Administrative Agent.

On July 22, 2024, the Company entered into an amended and restated credit agreement (the “A&R Credit Agreement”), which was entered into among the Company, as borrower, certain direct and indirect subsidiaries of the Company as guarantors, the lenders party thereto, and Bank of America, N.A., as Administrative Agent for the lenders. The A&R Credit Agreement provides for a five-year (i) senior unsecured term loan facility (the “Term Loan”) in an aggregate principal amount of $125,000,000 and (ii) senior unsecured revolving credit facility (the “Revolver”) in an aggregate principal amount of $250 million. The A&R Credit Agreement also provides for a letter of credit subfacility and a swingline facility.

At the Company’s option, loans under the A&R Credit Agreement accrue interest at a per annum rate based on either (i) the base rate plus a margin ranging from 0.375% to 0.750%, determined based on the Company’s consolidated net leverage ratio, or (ii) the Term Secured Overnight Financing Rate (“SOFR”) (for interest periods of 1, 3 or 6 months) plus a margin ranging from 1.375% to 1.750%, determined based on the Company’s consolidated net leverage ratio, plus a credit spread of 0.100%. The Company is also required to pay an unused commitment fee ranging from 0.175% to 0.250%, determined based on the Company’s consolidated leverage ratio. In connection with the execution of this agreement, the Company paid debt issuance costs of approximately $2.2 million.

As of June 30, 2026, the Company had a remaining borrowing capacity of $94 million, net of standby letters of credit.

The A&R Credit Agreement contains financial covenants and requirements restricting certain of the Company’s activities, which are customary for this type of credit facility. The Company is also required to maintain compliance with a consolidated leverage ratio and a consolidated interest coverage ratio, in each case, determined in accordance with the terms of the A&R Credit Agreement. As of June 30, 2026, the Company was in compliance with these covenants.

The Company's outstanding debt (in thousands) is reflected in the table below. The Company classifies the Revolver as a current liability since the Company could draw upon and repay the outstanding amount as needed. The maturity of the Revolver is in 2029.

	As of June 30, 2026	As of December 31, 2025
Current Debt:		
Revolver - A&R Credit Agreement	155,000	155,000
Term Loan - A&R Credit Agreement	3,112	3,110
Non-Current Debt:		
Term Loan - A&R Credit Agreement	115,157	116,639

Based on Level 2 inputs, the carrying value of the Company's debt approximates its fair value, as borrowings are subject to variable interest rates that adjust with changes in market rates and market conditions, and the current interest rate approximates that which would be available under similar financial arrangements.

For the three and six months ended June 30, 2026, the Company recognized interest expense of $3.8 million and $7.6 million, respectively. As of June 30, 2026, unamortized debt issuance cost related to the Term Loan - A&R Credit Agreement is $0.5 million.

(9) Stockholders' Equity and Equity-Based Compensation

Stockholders' Equity

Common Stock

The Company issued approximately 1,252,000 and 386,000 shares of common stock during the three months ended June 30, 2026 and 2025, respectively, related to the exercise of stock options and the vesting of restricted stock units.

Treasury Stock

In June 2023, the Company's Board of Directors approved a share repurchase program (the "2023 Share Repurchase Program"), providing authorization to repurchase up to $100 million of its common stock.

The Company expects to fund future repurchases, if any, through a combination of cash on hand, cash generated by operations and future financing transactions, if appropriate. Accordingly, the 2023 Share Repurchase Program is subject to the Company having available cash to fund repurchases. Under the 2023 Share Repurchase Program, management is authorized to purchase shares of the Company's common stock from time to time through open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors.

As of June 30, 2026, the Company has repurchased approximately 5.5 million shares of common stock in total since 2015 under the repurchase programs (including the 2015 and 2017 Share Repurchase Programs and the 2023 Share Repurchase Program) at an average per-share cost of $48.86. During the three and six months ended June 30, 2026 and 2025, the Company did not repurchase any shares of common stock. As of June 30, 2026, the Company had $30.2 million of remaining authorization for purchases under the 2023 Share Repurchase Program.

Dividends

The Company declared and paid cash dividends of $0.36 and $0.72 per share of common stock, or $13.2 million and $26.0 million during the three and six months ended June 30, 2026, respectively, and $0.33 and $0.66 per share of common stock, or $11.6 million and $23.1 million during the three and six months ended June 30, 2025, respectively.

Future declarations of dividends are subject to the final determination of the Board of Directors, and will depend on, among other things, the Company's future financial condition, results of operations, capital requirements, capital expenditure requirements, contractual restrictions, anticipated cash needs, business prospects, provisions of applicable law and other factors the Board of Directors may deem relevant.

Equity-Based Compensation

The Company recognizes stock-based compensation expense for all equity-based compensation awards, including employee restricted stock units and performance-based restricted stock units ("PRSUs" and, collectively with Restricted Stock Units, "RSUs") and stock options, based on the fair value of each award on the grant date. Awards granted prior to June 1, 2022 were granted under the Company's Amended and Restated 2012 Omnibus Equity Incentive Plan (the "2012 Plan"). At the Annual Meeting held on June 2, 2022, the Company's stockholders approved the 2022 Omnibus Equity Incentive Plan (the "2022 Plan"). Awards granted subsequent to June 2, 2022 were granted under the 2022 Plan. At the Annual Meeting held on June 6, 2024, the Company's stockholders approved the Amended and Restated 2022 Omnibus Equity Incentive Plan (the "2022 Amended and Restated Plan"). Awards granted subsequent to June 6, 2024 were granted under the 2022 Amended and Restated Plan.

The following table summarizes non-cash equity-based compensation expense, net of forfeitures, by financial statement line item included in the accompanying Consolidated Statements of Operations for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenue	$ 270	$ 532	$ 453	$ 928
Sales and marketing	2,652	2,559	4,764	4,814
Product development	3,242	3,529	6,320	6,441
General and administrative	6,372	9,005	14,371	21,326
Total	$ 12,536	$ 15,625	$ 25,908	$ 33,509

For the three and six months ended June 30, 2026 and 2025, substantially all of the Company's non-cash equity-based compensation expense related to RSUs.

Restricted Stock Unit Awards

During the six months ended June 30, 2026, the Company had RSU grants, net of forfeitures, of approximately 1,108,000. As of June 30, 2026, there are approximately 4,016,000 non-vested RSUs outstanding with a weighted average grant-date fair value of $18.63. As of June 30, 2026, the total unrecognized non-cash equity-based compensation expense related to the non-vested RSUs was approximately $52.9 million, which is expected to be recognized through 2030.

During the six months ended June 30, 2026 and 2025, shares of common stock with an aggregate value of $9.3 million and $5.0 million were withheld upon vesting of RSUs and paid in connection with related remittance of employee withholding taxes to taxing authorities.

(10) Revenue

The Company distributes its products through two primary offerings:

Content: The majority of the Company's customers license image, video, music and 3D content for commercial purposes either directly through the Company's self-service web properties or through the Company's dedicated sales teams. Content customers have the flexibility to purchase subscription-based plans that are paid on a monthly or annual basis. Customers are also able to license content on a transactional basis. These customers generally license content under the Company's standard or enhanced licenses, with additional licensing options available to meet customers' individual needs. Certain content customers also have unique content, licensing and workflow needs. These customers communicate with dedicated sales professionals, service and research teams which provide a number of tailored enhancements to their creative workflows including non-standard licensing rights, multi-seat access, ability to pay on credit terms, multi-brand licensing packages, increased indemnification protection and content licensed for use-cases outside of those available on the e-commerce platform.

Data, Distribution, and Services: The Company's Data, Distribution, and Services offerings address customer demand for products and services that are beyond the stock image, footage music and 3D model licenses. These offerings include access to the Company's metadata for machine learning and generative artificial intelligence model training and high-quality production and custom content at scale provided by Shutterstock Studios.

The Company's revenues by product offering for the three and six months ended June 30, 2026 and 2025 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Content	$ 165,664	$ 199,796	$ 343,790	$ 402,684
Data, Distribution, and Services	56,137	67,194	77,181	106,926
Total Revenue	$ 221,801	$ 266,990	$ 420,971	$ 509,610

Deferred revenue reported on the balance sheet represents unfulfilled performance obligations for which the Company has either received payment or has outstanding receivables. The June 30, 2026 deferred revenue balance will be earned as content is downloaded or upon the expiration of subscription-based products, and nearly all is expected to be earned within the next twelve months. $175.1 million of total revenue recognized for the six months ended June 30, 2026 was reflected in deferred revenue as of December 31, 2025. In addition, as of June 30, 2026, the Company has approximately $35.3 million of contracted but unsatisfied performance obligations relating primarily to our data deal offerings, which are not included as a component of deferred revenue and that the Company expects to recognize over a five year period.

(11) Other (expense) / income, net

The following table presents a summary of the Company's other income and expense activity included in the accompanying Consolidated Statements of Operations for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Foreign currency (loss) / gain	$ 622	$ (1,482)	$ 465	$ (1,162)
Impairment of long-term investment	—	(5,000)	—	(5,000)
Interest income, unrealized (loss) / gain on investments, and other	(2,484)	19,106	(16,988)	33,301
Total other (expense) / income, net	$ (1,862)	$ 12,624	$ (16,523)	$ 27,139

(12) Income Taxes

The Company's effective tax rates were a benefit of 3.1% and an expense of 31.7% for the three months ended June 30, 2026 and 2025, respectively, and a benefit of 3.2% and an expense of 24.3% for the six months ended June 30, 2026 and 2025, respectively.

During the three and six months ended June 30, 2026, the net effect of discrete items decreased the effective tax rate by 45.3% and 42.5%, respectively. The discrete items for the three and six months ended June 30, 2026, primarily relate to the book goodwill impairment which is non-deductible for tax purposes, partially offset by shortfalls on equity award vestings. Excluding discrete items, the Company's effective tax rate would have been 48.4% and 45.7% for the three and six months ended June 30, 2026.

During the three and six months ended June 30, 2025, the net effect of discrete items increased the effective tax rate by 2.3% and decreased the effective tax rate by 4.7%, respectively. The discrete items for the three months ended June 30, 2025, primarily relate to shortfalls on equity award vestings, partially offset by a decrease in the valuation allowance. The discrete items for the six months ended June 30, 2025 primarily relate to a decrease in the valuation allowance, partially offset by shortfalls on equity award vestings. Excluding discrete items, the Company's effective tax rate would have been 29.4% and 29.0% for the three and six months ended June 30, 2025, respectively.

The Company has computed the provision for income taxes based on the estimated annual effective tax rate excluding loss jurisdictions with no tax benefit and the application of discrete items, if any, in the applicable period.

During the three and six months ended June 30, 2026 and 2025, uncertain tax positions recorded by the Company were not material. To the extent the remaining uncertain tax positions are ultimately recognized, the Company's effective tax rate may be impacted in future periods.

Shutterstock, Inc.
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The Company recognizes interest expense and tax penalties related to unrecognized tax benefits in income tax expense in the Consolidated Statements of Operations. The Company’s accrual for interest and penalties related to unrecognized tax benefits was not material for the three and six months ended June 30, 2026 and 2025.

During the six months ended June 30, 2026, the Company had net cash taxes paid of $7.7 million and during the six months ended June 30, 2025, the Company had net cash taxes paid of $14.7 million.

(13) Net (Loss) / Income Per Share

Basic net income per share is computed using the weighted average number of shares of common stock outstanding for the period, excluding unvested RSUs and stock options. Diluted net income per share is based upon the weighted average shares of common stock outstanding for the period plus dilutive potential shares of common stock, including unvested RSUs and stock options using the treasury stock method.

The following table sets forth the computation of basic and diluted net income per share for the three and six months ended June 30, 2026 and 2025 (in thousands, except for per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net (loss) / income	$ (155,939)	$ 29,440	$ (203,508)	$ 48,128
Shares used to compute basic net (loss) / income per share	36,703	35,257	36,126	35,075
Dilutive potential common shares				
Unvested restricted stock awards	—	701	—	567
Shares used to compute diluted net (loss) / income per share	36,703	35,958	36,126	35,642
Basic net (loss) / income per share	$ (4.25)	$ 0.84	$ (5.63)	$ 1.37
Diluted net (loss) / income per share	$ (4.25)	$ 0.82	$ (5.63)	$ 1.35
Dilutive shares included in the calculation	—	3,528	—	2,185
Anti-dilutive shares excluded from the calculation	4,082	1,788	4,490	1,955

Shutterstock, Inc.
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(14) Segment and Geographic Information

The Company is currently organized and operates as one operating and reportable segment on a consolidated basis. The Company's revenues are supported by its searchable creative platform and driven by its large contributor network. The Company's chief executive officer, who is its chief operating decision maker ("CODM"), evaluates the performance of the Company's operating segment based on net income. The CODM considers budget-to-actual variances when making decisions about capital allocation to the segment. Asset information is not provided to the Company's CODM as that information is not used in the determination of resource allocation or in assessing the performance of the Company's segment.

The following table reconciles the company's revenues and significant operating expense categories used to evaluate the business and allocate resources to Net income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Revenue	$ 221,801	$ 266,990	$ 420,971	$ 509,610
Less:				
Technology costs	19,752	20,623	39,904	40,692
Advertising costs	17,002	21,765	34,650	43,428
Adjusted cost of revenue[1]	82,295	94,861	165,155	184,293
Adjusted sales and marketing[1]	29,705	34,019	59,048	64,541
Adjusted product and development[1]	14,542	16,310	30,573	33,031
Adjusted general and administrative[1]	40,003	44,681	104,093	98,693
Goodwill impairment	173,738	—	173,738	—
Total operating expenses	377,037	232,259	607,161	464,678
(Loss) / Income from operations	(155,236)	34,731	(186,190)	44,932
Interest expense	(3,833)	(4,224)	(7,593)	(8,522)
Other (expense) / income, net	(1,862)	12,624	(16,523)	27,139
(Loss) / income before income taxes	(160,931)	43,131	(210,306)	63,549
(Benefit) / provision for income taxes	(4,992)	13,691	(6,798)	15,421
Net (loss) / income	$ (155,939)	$ 29,440	$ (203,508)	$ 48,128

[1]Excludes technology and advertising costs

The following represents the Company's depreciation and amortization by expense category:

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in thousands)	**2026**	**2025**	**2026**	**2025**
Cost of revenue	$ 20,732	$ 20,804	$ 41,630	$ 41,546
General and administrative	1,684	1,807	3,490	3,736
Total depreciation and amortization	$ 22,416	$ 22,611	$ 45,120	$ 45,282

The following table presents the Company's revenue based on customer location (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
North America	$ 118,133	$ 147,884	$ 207,154	$ 268,092
Europe	59,181	64,389	121,902	130,568
Rest of the world	44,487	54,717	91,915	110,950
Total revenue	$ 221,801	$ 266,990	$ 420,971	$ 509,610

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The United States, included in North America in the above table, accounted for 38% and 42% of consolidated revenue for the six months ended June 30, 2026 and 2025, respectively. No other country accounts for more than 10% of the Company's revenue in any period presented.

The Company's long-lived tangible assets were located as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
North America	$ 28,795	$ 32,553
Europe	16,104	17,382
Rest of the world	16,338	12,618
Total long-lived tangible assets	$ 61,237	$ 62,553

The United States, included in North America in the above table, accounted for 44% and 48% of total long-lived tangible assets as of June 30, 2026 and December 31, 2025, respectively. Ireland, included in Europe in the above table, accounted for 22% and 23% of total long-lived tangible assets as of June 30, 2026 and December 31, 2025, respectively. Australia, included in Rest of the world in the above table, accounted for 27% and 20% of the total long-lived tangible assets as of June 30, 2026 and December 31, 2025, respectively. No other country accounts for more than 10% of the Company's long-lived tangible assets in any period presented.

(15) Commitments and Contingencies

Unconditional purchase obligations and other obligations

As of June 30, 2026, the Company had total other non-lease obligations in the amount of approximately $99.4 million, which consisted primarily of minimum royalty guarantees and unconditional purchase obligations related to contracts for infrastructure and other business services. As of June 30, 2026, the Company's other obligations for the remainder of 2026 and for the years ending December 31, 2027, and 2028 were approximately $9.4 million, $51.8 million, and $38.2 million, respectively.

Legal Matters

Although we are not currently a party to any material pending litigation (except as described below), from time to time, third parties assert claims against us regarding intellectual property rights, employment matters, privacy issues and other matters arising during the ordinary course of business. Although we cannot be certain of the outcome of any litigation or the disposition of any claims, nor the amount of damages and exposure, if any, that we could incur, we currently believe that the final disposition of all existing matters will not have a material adverse effect on our business, results of operations, financial condition or cash flows. In addition, in the ordinary course of our business, we are also subject to periodic threats of lawsuits, investigations and claims. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. Except as described below, the Company currently has no material active litigation matters and, accordingly, no material reserves related to litigation.

After the definitive proxy statement for the Merger was filed with the SEC on April 30, 2025 (the "Proxy Statement"), two complaints were filed against Shutterstock and each member of Shutterstock's board of directors (the "Individual Defendants"). The two complaints were captioned as follows: Johnson v. Shutterstock, Inc., et al., 682860/2025 (filed in the Supreme Court of the State of New York, County of New York, Commercial Division (the "Johnson Action") and Weiss v. Shutterstock, Inc., et al., 652853/2025 at ECF No. 1, filed in the Supreme Court of the State of New York, County of New York, Commercial Division (the "Weiss Action", and together with the Johnson Action, the "Stockholder Actions"). The Stockholder Actions allege that, among other things, the Proxy Statement contains false and misleading and/or incomplete information regarding the Merger. The Stockholder Actions asserted claims for (i) negligent misrepresentation and concealment, and (ii) negligence in connection with the filing of the allegedly false and misleading Proxy Statement. The Stockholder Actions sought an injunction enjoining the consummation of the Merger unless and until the Individual Defendants disclose the allegedly omitted material information, in the event that the Merger are consummated, rescission of the Merger and awarding actual and punitive damages to plaintiff, and an award of attorneys' and experts' fees. The Stockholders Actions were voluntarily discontinued on July 6, 2026.

In addition to the Stockholder Actions, beginning on April 25, 2025, certain purported stockholders of Shutterstock and Getty Images sent demand letters (the “Demand Letters”, and together with the Stockholder Actions, the “Matters”) alleging similar deficiencies regarding the disclosures made in the Proxy Statement and seeking additional disclosures to address those alleged deficiencies.

Shutterstock believes it has substantial defenses in connection with the Matters and no supplemental disclosure was required under applicable law. However, in order to avoid the risk that the Matters may delay or otherwise adversely affect the implementation of the Merger, to minimize the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Shutterstock determined to voluntarily supplement the Proxy Statement as described in the Current Report on Form 8-K filed with the SEC on May 30, 2025, to provide additional information to Shutterstock stockholders. Nothing in said Current Report on Form 8-K shall be deemed an admission of the legal necessity or materiality under applicable law of any of the disclosures set forth therein or in the Proxy Statement. To the contrary, Shutterstock denies all allegations in the Matters that any additional disclosure was or is required.

In August 2024, the Company received a Civil Investigative Demand (a “CID”) from the Federal Trade Commission (the “FTC”) regarding its investigation into the Company’s disclosure and subscription enrollment and cancellation practices under Section 5 of the Federal Trade Commission Act (“FTC Act”) and the Restore Online Shoppers’ Confidence Act (“ROSCA”). The Company has cooperated throughout the investigation, and in January 2026 the FTC entered into discussions with management to resolve this matter. On May 13, 2026, the FTC filed a civil complaint in the United States District Court for the Southern District of New York (the “Court”) against the Company alleging violations of Section 5 of the FTC Act and the ROSCA. Also on May 13, 2026, the parties reached an agreement in principle to settle the matter and the parties filed a stipulated order for permanent injunction, monetary judgment and other relief with the Court (the “Settlement Agreement”). Pursuant to the Settlement Agreement, the Company paid $35 million to the FTC from cash on hand in June 2026 and the Company also agreed to provide additional disclosure regarding, and implement certain changes to, its subscription enrollment and cancellation practices. Accordingly, the Company recorded legal settlement expenses of $33 million in the first half of 2026. The Company had accrued a $2 million legal contingency as of December 31, 2025.

Customer Indemnifications

In the ordinary course of business, the Company enters into contractual arrangements under which it agrees to provide indemnification of varying scope and terms to customers with respect to certain matters, including, but not limited to, losses arising out of the breach of the Company’s intellectual property warranties for damages to the customer directly attributable to the Company’s breach. The Company is not responsible for any damages, costs, or losses to the extent such damages, costs or losses arise as a result of the modifications made by the customer, or the context in which an image is used. The standard maximum aggregate obligation and liability to any one customer for all claims is generally limited to ten thousand dollars. The Company offers certain of its customers greater levels of indemnification, including unlimited indemnification, and believes that it has appropriate insurance coverage in place to adequately cover indemnification claims, if necessary. As of and for the three months ended June 30, 2026, the Company made no material payments for losses on customer indemnification claims and recorded no liabilities related to indemnification for loss contingencies, before considering any insurance recoveries.

Employment Agreements and Indemnification Agreements

The Company has entered into employment arrangements and indemnification agreements with certain executive officers and with certain employees. The agreements specify various employment-related matters, including annual compensation, performance incentive bonuses, and severance benefits in the event of termination with or without cause.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our interim unaudited consolidated financial statements and related notes contained elsewhere in this Quarterly Report on Form 10-Q and with information contained in our other filings, including the audited consolidated financial statements included in our 2025 Form 10-K.

In addition to historical consolidated financial information, this discussion contains forward-looking statements including statements about our plans, estimates and beliefs. These statements involve risks and uncertainties and our actual results could differ materially from those expressed or implied in forward-looking statements. See "Forward Looking Statements" above and the "Risk Factors" disclosures contained in our 2025 Form 10-K for additional discussion of the risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements.

Merger Agreement with Getty Images

On January 6, 2025, we entered into an Agreement and Plan of Merger (the "Merger Agreement") to combine in a merger-of-equals transaction with Getty Images Holdings, Inc. (NYSE:GETY) ("Getty Images") (such transaction referred to herein as the "Merger").

On June 30, 2026, Getty Images filed an 8-K announcing that its Board of Directors unanimously resolved to terminate the Merger Agreement.

Overview and Recent Developments

Shutterstock, Inc. (referred to herein as the "Company", "we," "our," and "us") is a leading global creative platform connecting brands and businesses to high quality content.

Our platform brings together users and contributors of content by providing readily-searchable content that our customers pay to license and by compensating contributors as their content is licensed. Contributors upload their content to our web properties in exchange for royalty payments based on customer download activity. Beyond content, customers also leverage our platform to assist with the entire creative process from ideation through creative execution.

Digital content licensed to our customers for their creative needs includes images, footage, music, and 3D models (our "Content" offering). Our Content revenues represent the majority of our business and are supported by our searchable creative platform and driven by our large contributor network.

In addition, our customers have needs that are beyond traditional content license products and services. These include (i) licenses to metadata associated with our images, footage, music tracks and 3D models through our data offering, (ii) distribution and advertising services from our Giphy business, which consists of GIFs (graphics interchange format visuals) that serve as a critical ingredient in text- and message- based conversations and in contextual advertising settings, (iii) specialized solutions for high-quality content matched with production tools and services through Shutterstock Studios and (iv) other tailored white-glove services (collectively, our "Data, Distribution, and Services" offerings).

Our Content Offering

Our Content offering includes licenses for:

- Images - consisting of photographs, vectors and illustrations. Images are typically used in visual communications, such as websites, digital and print marketing materials, corporate communications, books, publications and other similar uses.
- Footage - consisting of video clips, premium footage filmed by industry experts and cinema grade video effects, available in HD and 4K formats. Footage is often integrated into websites, social media, marketing campaigns and cinematic productions.
- Music - consisting of high-quality music tracks and sound effects, which are often used to complement images and footage.
- 3 Dimensional ("3D") Models - consisting of 3D models available in a variety of formats, used in a variety of industries such as advertising, media and video production, gaming, retail, education, design and architecture.
- Generative AI Content - consisting of images generated from algorithms trained with high-quality, ethically sourced content. Customers can generate images by entering a description of their desired content into model prompts.

Our Content is distributed to customers under the following brands: Shutterstock; Pond5; TurboSquid; PicMonkey; PremiumBeat; Splash News; Bigstock; and Envato. Shutterstock, our flagship brand, includes various content types such as image, footage, music and editorial.

Pond5 is a video-first content marketplace which expands the Company's content offerings across footage, image and music. TurboSquid operates a marketplace that offers more than one million 3D models and a 2 dimensional ("2D") marketplace derived from 3D objects. PicMonkey is a leading online graphic design and image editing platform. PremiumBeat offers exclusive high-quality music tracks and provides producers, filmmakers and marketers the ability to search handpicked production music from the world's leading composers. Splash News provides editorial image and video content across celebrity and red carpet events. Bigstock maintains a separate content library tailored for creators seeking to incorporate cost-effective imagery into their projects. Envato enhances digital creative assets and templates.

Our Data, Distribution, and Services Offering:

Our Data, Distribution, and Services offering addresses customer demand for products and services that are beyond our Content licenses. These products and services include, among other things, the use of our metadata, leveraging our Giphy, Inc. platform, and customized Shutterstock Studios offerings.

We have seen increased demand for access to our metadata for machine learning and generative artificial intelligence model training. We offer ethically sourced and licenseable metadata at industry leading scales and quality. Our metadata customer base ranges from large technology and media companies to smaller start-up organizations.

Our Data, Distribution, and Services offering also includes high-quality production and custom content at scale provided by Shutterstock Studios ("Studios"). Studios is a cost-effective solution for brands and agencies looking to meet their content needs and create fresh dynamic digital assets. Customers can bring an idea, and our Studios team will provide a 360-degree content creation solution. We offer a whole spectrum of services at pre-production, production, live production and post-production stages.

Key Operating Metrics

In addition to key financial metrics, we regularly review a number of key operating metrics to evaluate our business, determine the allocation of resources and make decisions regarding business strategies. We believe that these metrics can be useful for understanding the underlying trends in our business.

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 six months ended June 30, 2025, which was acquired in July 22, 2024.

Subscribers

We define subscribers 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. We believe the number of subscribers is an important metric that provides insight into our monthly recurring business. We believe that an increase in our number of subscribers is an indicator of engagement in our platform and potential for future growth.

Subscriber Revenue

We define subscriber revenue as the revenue generated from subscribers during the period. We believe subscriber revenue, together with our number of subscribers, provide insight into the portion of our business driven by our monthly recurring products.

Average Revenue Per Customer

Average revenue per customer is calculated by dividing total revenue for the last twelve-month period by customers. We define customers as total active, paying customers that contributed to total revenue over the last twelve-month period. Changes in our average revenue per customer will be driven by changes in the mix of our subscription-based and transactional products as well as pricing in our transactional business.

Paid Downloads

We define paid downloads as 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. Measuring the number of paid downloads that our customers make in a given period is important because it is a measure of customer engagement on our platform and triggers the recognition of revenue and contributor royalties.

The following tables summarize our key operating metrics, which are unaudited, for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Subscribers (end of period)[1]	951,000	1,073,000	951,000	1,073,000
Subscriber revenue (in millions)[1]	$ 99.8	$ 108.0	$ 203.6	$ 217.9
Average revenue per customer (last twelve months)[1]	$ 292	$ 266	$ 292	$ 266
Paid downloads (in millions)	98.7	112.6	202.8	233.5

[1] 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, which was acquired in July 2024.

Critical Accounting Estimates

Our financial statements are prepared in accordance with GAAP. The preparation of the consolidated financial statements in conformity with GAAP requires our management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure or inclusion of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. We evaluate our significant estimates on an ongoing basis, including, but not limited to, estimates related to allowance for doubtful accounts, the volume of expected unused licenses used in revenue recognition for our subscription-based products, the fair value of acquired goodwill and intangible assets and income tax provisions. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Therefore, we consider these to be our critical accounting estimates. Actual results could differ from those estimates.

A description of our critical accounting policies that involve significant management judgments appears in our 2025 Form 10-K, under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates."

See Note 3 to our Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a full description of the impact of the adoption of any new accounting standards on our financial statements. There have been no material changes to our critical accounting estimates as compared to our critical accounting policies and estimates included in our 2025 Form 10-K.

Key Components of Our Results of Operations

Revenue

We distribute our product offerings through two primary channels:

Content: The majority of our customers license image, video, music and 3D content for commercial purposes either directly through our self-service web properties or through our dedicated sales teams. Content customers have the flexibility to purchase subscription-based plans that are paid on a monthly or annual basis. Customers are also able to license content on a transactional basis. These customers generally license content under our standard or enhanced licenses, with additional licensing options available to meet customers' individual needs. Certain content customers also have unique content, licensing and workflow needs. These customers communicate with dedicated sales professionals, service and research teams which provide a number of tailored enhancements to their creative workflows including non-standard licensing rights, multi-seat access, ability to pay on credit terms, multi-brand licensing packages, increased indemnification protection and content licensed for use-cases outside of those available on the e-commerce platform.

Data, Distribution, and Services: Our Data, Distribution, and Services offering addresses customer demand for products and services that are beyond our stock image, footage music and 3D model licenses. We have seen increased demand for access to our metadata for machine learning and generative artificial intelligence model training. We offer ethically sourced and licenseable metadata at unique scales and quality. Our metadata customer base ranges from large technology and media companies to smaller start-up organizations.

Our Data, Distribution, and Services offering also includes high-quality production and custom content at scale provided by Shutterstock Studios ("Studios"). Studios is a cost-effective solution for brands and agencies looking to meet their content needs and create fresh dynamic digital assets. Customers can bring an idea, and our Studios team will provide a 360-degree content creation solution. We offer a whole spectrum of services at pre-production, production and post-production stages.

The Company's revenues by distribution channel for the three and six months ended June 30, 2026 and 2025 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Content	$ 165,664	$ 199,796	$ 343,790	$ 402,684
Data, Distribution, and Services	56,137	67,194	77,181	106,926
Total Revenues	$ 221,801	$ 266,990	$ 420,971	$ 509,610

Costs and Expenses

Cost of Revenue. Cost of revenue consists of royalties paid to contributors, credit card processing fees, content review costs, customer service expenses, infrastructure and hosting costs related to maintaining our creative platform and cloud-based software platform, depreciation and amortization of capitalized internal-use software, purchased content and acquisition-related intangible assets, allocated facility costs and other supporting overhead costs. Cost of revenue also includes employee compensation, including non-cash equity-based compensation, bonuses and benefits associated with the maintenance of our creative platform and cloud-based software platform.

Sales and Marketing. Sales and marketing expenses include third-party marketing, advertising, branding, public relations and sales expenses. Sales and marketing expenses also include associated employee compensation, including non-cash equity-based compensation, bonuses and benefits, and commissions as well as allocated facility and other supporting overhead costs.

Product Development. Product development expenses consist of employee compensation, including non-cash equity-based compensation, bonuses and benefits, and expenses related to vendors engaged in product management, design, development and testing of our websites and products. Product development costs also include software and other IT equipment costs, allocated facility expenses and other supporting overhead costs.

General and Administrative. General and administrative expenses include employee compensation, including non-cash equity-based compensation, bonuses and benefits for executive, finance, accounting, legal, human resources, internal information technology, internet security, business intelligence and other administrative personnel. In addition, general and administrative expenses include outside legal, tax and accounting services, bad debt expense, insurance, facilities costs, other supporting overhead costs and depreciation and amortization expense.

Interest Expense. Interest expense consists of interest on our debt and amortization of deferred financing fees.

Other (Expense) / Income, Net. Other (expense) / income, net consists of non-operating costs such as foreign currency transaction gains and losses, in addition to unrealized gains and losses on investments and interest income and expense.

Income Taxes. We compute income taxes using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted statutory income tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce net deferred tax assets to the amount expected to be realized.

Results of Operations

The following table presents our results of operations for the periods indicated. The period-to-period comparisons of results are not necessarily indicative of results for future periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Consolidated Statements of Operations:				
Revenue	$ 221,801	$ 266,990	$ 420,971	$ 509,610
Operating expenses:				
Cost of revenue	93,787	105,994	188,575	206,882
Sales and marketing	48,008	57,077	96,354	110,436
Product development	17,574	20,754	36,979	40,619
General and administrative	43,930	48,434	111,515	106,741
Goodwill impairment	173,738	—	173,738	—
Total operating expenses	377,037	232,259	607,161	464,678
(Loss) / income from operations	(155,236)	34,731	(186,190)	44,932
Interest expense	(3,833)	(4,224)	(7,593)	(8,522)
Other (expense) / income, net	(1,862)	12,624	(16,523)	27,139
(Loss) / income before income taxes	(160,931)	43,131	(210,306)	63,549
(Benefit) / provision for income taxes	(4,992)	13,691	(6,798)	15,421
Net (loss) / income	$ (155,939)	$ 29,440	$ (203,508)	$ 48,128

The following table presents the components of our results of operations for the periods indicated as a percentage of revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Consolidated Statements of Operations:				
Revenue	100 %	100 %	100 %	100 %
Operating expenses:				
Cost of revenue	42 %	40 %	45 %	41 %
Sales and marketing	22 %	21 %	23 %	22 %
Product development	8 %	8 %	9 %	8 %
General and administrative	21 %	18 %	26 %	21 %
Goodwill impairment	78 %	— %	41 %	— %
Total operating expenses	170 %	87 %	144 %	91 %
(Loss) / income from operations	(70)%	13 %	(44)%	9 %
Interest expense	(2)%	(2)%	(2)%	(2)%
Other (expense) / income, net	(1)%	5 %	(4)%	5 %
(Loss) / Income before income taxes	(73)%	16 %	(50)%	12 %
(Benefit) / (provision) for income taxes	(2)%	5 %	(2)%	3 %
Net (loss) / income	(70)%	11 %	(48)%	9 %

Note: Due to rounding, percentages may not sum to totals.

Comparison of the Three Months Ended June 30, 2026 and 2025

The following table presents our results of operations for the periods indicated (in thousands):

	Three Months Ended June 30,			
	2026	2025	$ Change	% Change
Consolidated Statements of Operations:				
Revenue	$ 221,801	$ 266,990	$ (45,189)	(17)%
Operating expenses:				
Cost of revenue	93,787	105,994	(12,207)	(12)
Sales and marketing	48,008	57,077	(9,069)	(16)
Product development	17,574	20,754	(3,180)	(15)
General and administrative	43,930	48,434	(4,504)	(9)
Goodwill impairment	173,738	—	173,738	—
Total operating expenses	377,037	232,259	144,778	62
(Loss) / income from operations	(155,236)	34,731	(189,967)	(547)
Interest expense	(3,833)	(4,224)	391	(9)
Other (expense) / income, net	(1,862)	12,624	(14,486)	(115)
(Loss) / Income before income taxes	(160,931)	43,131	(204,062)	(473)
(Benefit) / provision for income taxes	(4,992)	13,691	(18,683)	(136)
Net (loss) / income	$ (155,939)	$ 29,440	$ (185,379)	(630)%

Note: Due to rounding, percentages may not sum to totals.

Revenue

Revenue decreased by $45.2 million, or 17%, to $221.8 million for the three months ended June 30, 2026, compared to the same period in 2025. On a constant currency basis, revenue decreased by 17% in the three months ended June 30, 2026, compared to the same period in 2025.

Our Content revenues decreased by 17%, to $165.7 million in the three months ended June 30, 2026, compared to the same period in 2025. On a constant currency basis, content revenue decreased by 16% in the three months ended June 30, 2026, compared to the same period in 2025. During the three months ended June 30, 2026, the reduction in our Content revenue was driven primarily by weakness in new customer acquisition.

Our Data, Distribution, and Services revenues decreased by 16%, to $56.1 million in the three months ended June 30, 2026, compared to the same period in 2025. On a constant currency basis, Data, Distribution, and Services revenues decreased by 19% in the three months ended June 30, 2026, compared to the same period in 2025. The decrease in Data, Distribution, and Services revenues was primarily driven by a decline in our data offering, which decreased by 11% in the three months ended June 30, 2026 compared to the same period in 2025. Revenue recognition in our data offering may vary from quarter-to-quarter based on the delivery timing of metadata licenses.

Changes in our revenue by region were as follows: revenue from North America decreased by $29.8 million, or 20%, to $118.1 million, revenue from Europe decreased by $5.2 million, or 8%, to $59.2 million and revenue from outside Europe and North America decreased by $10.2 million, or 19%, to $44.5 million, in the three months ended June 30, 2026 compared to the same period in 2025.

Costs and Expenses

Cost of Revenue. Cost of revenue decreased by $12.2 million to $93.8 million in the three months ended June 30, 2026 compared to the same period in 2025. This decrease is primarily due to lower royalty expenses as a result of the decline in revenue for the quarter. As a percentage of revenue, cost of revenue increased to 42% for the three months ended June 30, 2026, from 40% for the same period in 2025, and this increase related to AI token usage fees and website hosting costs which do not fluctuate with revenue. We expect that our cost of revenue will continue to fluctuate in-line with changes in revenue.

Sales and Marketing. Sales and marketing expenses decreased by $9.1 million, or 16%, to $48.0 million in the three months ended June 30, 2026 compared to the same period in 2025. This was driven by a decrease in brand and performance-based marketing expenses. As a percentage of revenue, sales and marketing expenses increased to 22% for the three months ended

June 30, 2026, from 21% for the same period in 2025. We expect sales and marketing expenses to continue to fluctuate as we optimize our sales channels and invest in new customer acquisition, products and geographies.

Product Development. Product development expenses decreased by $3.2 million to $17.6 million in the three months ended June 30, 2026 compared to the same period in 2025. The decrease in product development was driven by a decrease in employee-related costs and decreases in software licenses and third-party contractor related costs, net of capitalized labor. We expect product development expenses, of which a portion will be capitalized, to continue in the foreseeable future, as we pursue opportunities to invest in developing new products and internal tools and enhance the functionality of our existing products and technologies.

General and Administrative. General and administrative expenses decreased by $4.5 million, to $43.9 million, in the three months ended June 30, 2026 compared to the same period in 2025. The decrease was driven by decreases in employee-related costs, offset by $3.7 million of expenses associated with the Merger.

Goodwill Impairment. As of June 30, 2026, management determined that Getty Image's June 30, 2026 announcement to terminate the Merger Agreement resulted in a triggering event and required the performance of a quantitative goodwill impairment test. The analysis resulted in a goodwill impairment charge of $173.7 million.

Interest Expense. In the three months ended June 30, 2026 and June 30, 2025, we recognized interest expense of $3.8 million and $4.2 million, respectively, related to our credit facility and the amortization of deferred financing fees. Interest expense for the three months ended June 30, 2026 decreased due to lower interest rates in the three months ended June 30, 2026 as compared to the same period in 2025.

Other (Expense) / Income, Net. In the three months ended June 30, 2026, other (expense) / income, net was driven by $3.0 million of unrealized losses related to our investment in Meitu, Inc. In addition, other income, net had $0.5 million of interest income and $0.6 million of unrealized foreign currency losses. In the three months ended June 30, 2025, other income, net was primarily driven by $18.0 million of unrealized gains related to our investment in Meitu, Inc. In addition, other income, net had $1.1 million of interest income and $1.5 million of unrealized foreign currency gains. As we increase the volume of business transacted in foreign currencies resulting from international expansion and as currency rates fluctuate, we expect foreign currency gains and losses to continue to fluctuate.

Income Taxes. The income tax expense decreased by $18.7 million for the three months ended June 30, 2026, compared to the same period in 2025. Our effective tax rates were a net benefit of 3.1% and an expense of 31.7% for the three months ended June 30, 2026 and 2025, respectively.

For the three months ended June 30, 2026, the net effect of discrete items decreased the effective tax rate by 45.3%. The discrete items for the three months ended June 30, 2026 primarily relate to the book goodwill impairment which is non-deductible for tax purposes, partially offset by shortfalls on equity award vestings. Excluding discrete items, our effective tax rate would have been 48.4% for the three months ended June 30, 2026.

For the three months ended June 30, 2025, the net effect of discrete items increased the effective tax rate by 2.3%. The discrete items for the three months ended June 30, 2025 primarily relate to shortfalls on equity award vestings, partially offset by a decrease in valuation allowance. Excluding discrete items, our effective tax rate would have been 29.4% for the three months ended June 30, 2025.

As we continue to expand our operations outside of the United States, we have been and may continue to become subject to taxation in additional non-U.S. jurisdictions and our effective tax rate could fluctuate accordingly.

Comparison of the Six Months Ended June 30, 2026 and 2025

The following table presents our results of operations for the periods indicated:

	Six Months Ended June 30,			
	2026	2025	$ Change	% Change
	(in thousands)			
Consolidated Statements of Operations Data:				
Revenue	$ 420,971	$ 509,610	$ (88,639)	(17)%
Operating expenses:				
Cost of revenue	188,575	206,882	(18,307)	(9)
Sales and marketing	96,354	110,436	(14,082)	(13)
Product development	36,979	40,619	(3,640)	(9)
General and administrative	111,515	106,741	4,774	4
Goodwill impairment	173,738	—	173,738	—
Total operating expenses	607,161	464,678	142,483	31
Income from operations	(186,190)	44,932	(231,122)	(514)
Interest expense	(7,593)	(8,522)	929	(11)
Other income, net	(16,523)	27,139	(43,662)	(161)
Income before income taxes	(210,306)	63,549	(273,855)	(431)
(Benefit) / provision for income taxes	(6,798)	15,421	(22,219)	(144)
Net income	$ (203,508)	$ 48,128	$ (251,636)	(523)%

Revenue

Revenue decreased by $88.6 million, or 17%, to $421.0 million in the six months ended June 30, 2026, compared to the same period in 2025. On a constant currency basis, revenue decreased by 18% in the six months ended June 30, 2026, compared to the same period in 2025.

Our Content revenues decreased by 15%, to $343.8 million in the six months ended June 30, 2026, compared to the same period in 2025. On a constant currency basis, content revenue decreased by 15% in the six months ended June 30, 2026, compared to the same period in 2025. During the six months ended June 30, 2026, the reduction in our Content revenue was driven primarily by weakness in new customer acquisition.

Our Data, Distribution, and Services revenues decreased by 28%, to $77.2 million in the six months ended June 30, 2026, compared to the same period in 2025. Foreign currency fluctuations did not have a significant impact on our Data, Distribution, and Services revenues in the six months ended June 30, 2026. The decrease in Data, Distribution, and Services revenues was primarily driven by a decline in our data offering, which decreased by 26% in the six months ended June 30, 2026 compared to the same period in 2025. Revenue recognition in our data offering may vary from quarter-to-quarter based on the delivery timing of metadata licenses.

Changes in our revenue by region were as follows: revenue from North America decreased by $60.9 million, or 23%, to $207.2 million, revenue from Europe decreased by $8.7 million, or 7%, to $121.9 million and revenue from outside Europe and North America decreased by $19.0 million, or 17%, to $91.9 million, in the six months ended June 30, 2026, compared to the same period in 2025.

Costs and Expenses

Cost of Revenue. Cost of revenue decreased by $18.3 million, or 9%, to $188.6 million in the six months ended June 30, 2026 compared to the same period in 2025. This decrease was driven by decreased royalty and content costs, costs associated with website hosting, hardware and software licenses, and employee related costs, Giphy Retention Compensation expenses, and depreciation and amortization driven by the acquisition of Envato. As a percent of revenue, cost of revenue increased to 45% for the six months ended June 30, 2026, from 41% for the same period in 2025. We expect that our cost of revenue will continue to fluctuate in line with changes in revenue.

Sales and Marketing. Sales and marketing expenses decreased by $14.1 million, or 13%, to $96.4 million in the six months ended June 30, 2026 compared to the same period in 2025. This decrease was driven by a decrease in brand and performance-based marketing expenses. As a percentage of revenue, sales and marketing expenses increased to 23% for the six months ended June 30, 2026, from 22% for the same period in 2025. We expect sales and marketing expenses to continue to fluctuate as we optimize our sales channels and invest in new customer acquisition, products and geographies.

Product Development. Product development expenses decreased by $3.6 million, or 9%, to $37.0 million in the six months ended June 30, 2026 as compared to the same period in 2025. The decrease in product development was driven by a decrease in employee-related costs and decreases in software licenses and third-party contractor related costs, net of capitalized labor. We expect product development expenses, of which a portion will be capitalized, to continue in the foreseeable future, as we pursue opportunities to invest in developing new products and internal tools and enhance the functionality of our existing products and technologies.

General and Administrative. General and administrative expenses increased by $4.8 million, or 4%, to $111.5 million in the six months ended June 30, 2026 compared to the same period in 2025. The increase was driven by $6.5 million of expenses associated with the Merger, increases in legal contingencies of $33.0 million (see “Note 15 — Commitments and Contingencies — Legal Matters” for more information), offset by decreases in employee-related costs.

Goodwill Impairment. As of June 30, 2026, management determined that Getty Image's June 30, 2026 announcement to terminate the Merger Agreement resulted in a triggering event and required the performance of a quantitative goodwill impairment test. The analysis resulting in a goodwill impairment charge of $173.7 million.

Interest Expense. In the six months ended June 30, 2026 and June 30, 2025, we recognized interest expense of $7.6 million and $8.5 million, respectively related to our credit facility and the amortization of deferred financing fees. Interest expense for the six months ended June 30, 2026 decreased due to lower interest rates in the six months ended June 30, 2026 as compared to the same period in 2025.

Other (Expense) / Income, Net. In the six months ended June 30, 2026, other (expense) / income decreased by $43.7 million, or 161%, to ($16.5 million). In the six months ended June 30, 2026, other (expense) / income, net was driven by $18.3 million of unrealized losses related to our investment in Meitu, Inc. In addition, other income, net had $1.3 million of interest income and $0.5 million of unrealized foreign currency losses. In the six months ended June 30, 2025, other income, net was primarily driven by $31.3 million of unrealized gains related to our investment in Meitu, Inc. In addition, other income, net had $2.0 million of interest income and $1.2 million of unrealized foreign currency gains. As we increase the volume of business transacted in foreign currencies resulting from international expansion and as currency rates fluctuate, we expect foreign currency gains and losses to continue to fluctuate.

Income Taxes. Income tax expense decreased by $22.2 million for the six months ended June 30, 2026, compared to the same period in 2025. Our effective tax rates were a benefit of 3.2% and an expense of 24.3% for the six months ended June 30, 2026 and 2025, respectively.

For the six months ended June 30, 2026, the net effect of discrete items decreased the effective tax rate by 42.5%. The discrete items for the six months ended June 30, 2026, primarily relate to the book goodwill impairment, which is non-deductible for tax purposes, partially offset by shortfalls on equity award vestings. Excluding discrete items, our effective tax rate would have been 45.7% for the six months ended June 30, 2026.

For the six months ended June 30, 2025, the net effect of discrete items decreased the effective tax rate by 4.7%. The discrete items for the six months ended June 30, 2025 relate to shortfalls on equity award vestings. Excluding discrete items, our effective tax rate would have been 29.0% for the six months ended June 30, 2025.

As we continue to expand our operations outside of the United States, we have been and may continue to become subject to taxation in additional non-U.S. jurisdictions, and our effective tax rate could fluctuate accordingly.

Quarterly Trends

Our operating results have in the past fluctuated from quarter to quarter as a result of a variety of factors, including the effects of some seasonal trends in customer behavior, timing of acquisitions and the timing of revenue recognition associated with data deal partnerships.

In addition, expenditures on content by customers tend to be discretionary in nature, reflecting overall economic conditions, the economic prospects of specific industries, budgeting constraints, buying patterns and a variety of other factors, many of which are outside our control. As a result of these and other factors, the results of any prior quarterly or annual periods should not be relied upon as indicators of our future operating performance.

Liquidity and Capital Resources

As of June 30, 2026, we had cash and cash equivalents totaling $133.2 million which consisted primarily of bank deposits. Since inception, we have financed our operations primarily through cash flows generated from operations. In addition, if necessary, we have the ability to draw on our A&R Credit Agreement.

Historically, our principal uses of cash have included funding our operations, capital expenditures, and content acquisitions. In addition, our capital allocation strategies also include funding business combinations and asset acquisitions that enhance our strategic position, cash dividend payments, principle and interest payments under our credit facilities and share purchases under our share repurchase programs. We plan to finance our operations, capital expenditures and corporate actions largely through cash generated by our operations and our credit facility. Since our results of operations are sensitive to the level of competition we face, increased competition could adversely affect our liquidity and capital resources.

Dividends

We declared and paid cash dividends of $0.72 per share of common stock, or $26.0 million during the six months ended June 30, 2026.

Future declarations of dividends are subject to the final determination of our Board of Directors, and will depend on, among other things, our future financial condition, results of operations, capital requirements, capital expenditure requirements, contractual restrictions, anticipated cash needs, business prospects, provisions of applicable law and other factors our Board of Directors may deem relevant.

Share Repurchase Program

In June 2023, our Board of Directors approved a share repurchase program (the “Share Repurchase Program”), providing authorization to repurchase up to $100 million of our common stock.

We expect to fund future repurchases, if any, through a combination of cash on hand, cash generated by operations and future financing transactions, if appropriate. Accordingly, our Share Repurchase Program is subject to us having available cash to fund repurchases. Under the share repurchase program, management is authorized to purchase shares of our common stock from time to time through open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors.

As of June 30, 2026, we have repurchased approximately 5.5 million shares of our common stock in total since 2015 under the Share repurchase programs (including the 2015 and 2017 Share Repurchase Programs and the 2023 Share Repurchase Program) at an average per-share cost of $48.86. During the three and six months ended June 30, 2026 and 2025, we did not repurchase shares of our common stock. As of June 30, 2026, we had $30.2 million of remaining authorization for repurchases under the Share Repurchase Program.

Credit Facility and A&R Credit Agreement

On May 6, 2022, we entered into a five-year $100 million unsecured revolving loan facility (the “Credit Facility”) with Bank of America, N.A., as Administrative Agent, and other lenders. The Credit Facility includes a letter of credit sub-facility and a swingline facility and also permits, subject to the satisfaction of certain conditions, up to $100 million of additional revolving loan commitments with the consent of the Administrative Agent.

On July 22, 2024, we entered into an amended and restated credit agreement (the “A&R Credit Agreement”), which was entered into among us, as borrower, certain of our direct and indirect subsidiaries as guarantors, the lenders party thereto, and Bank of America, N.A., as Administrative Agent for the lenders. The A&R Credit Agreement provides for a five-year (i) senior unsecured term loan facility (the “Term Loan”) in an aggregate principal amount of $125 million and (ii) senior unsecured revolving credit facility (the “Revolver”) in an aggregate principal amount of $250 million. The A&R Credit Agreement provides for a letter of credit subfacility and a swingline facility.

At our option, loans under the A&R Credit Agreement accrue interest at a per annum rate based on either (i) the base rate plus a margin ranging from 0.375% to 0.750%, determined based on our consolidated leverage ratio or (ii) the Term Secured Overnight Financing Rate (“SOFR”) (for interest periods of 1, 3 or 6 months) plus a margin ranging from 1.375% to 1.750%, determined based on our consolidated leverage ratio, plus a credit spread of 0.100%. We are also required to pay an unused commitment fee ranging from 0.175% to 0.250%, determined based on our consolidated leverage ratio. In connection with the execution of this agreement, we paid debt issuance costs of approximately $2.2 million.

As of June 30, 2026, we had a remaining borrowing capacity of $94 million, net of standby letters of credit.

The A&R Credit Agreement contains financial covenants and requirements restricting certain of our activities, which are customary for this type of credit facility. We are also required to maintain compliance with a consolidated leverage ratio and a consolidated interest coverage ratio, in each case, determined in accordance with the terms of the A&R Credit Agreement. As of June 30, 2026, we were in compliance with these covenants.

Our outstanding debt (in thousands) is reflected in the table below. We classify the Revolver as a current liability since we could draw upon and repay the outstanding amount as needed. The maturity of the Revolver is in 2029.

Our debt consists of the following (in thousands):

	As of June 30, 2026	As of December 31, 2025
Current Debt:		
Revolver - A&R Credit Agreement	155,000	155,000
Term Loan - A&R Credit Agreement	3,112	3,110
Non-Current Debt:		
Term Loan - A&R Credit Agreement	115,157	116,639

Based on Level 2 inputs, the carrying value of our debt approximates its fair value, as borrowings are subject to variable interest rates that adjust with changes in market rates and market conditions and the current interest rate approximates that which would be available under similar financial arrangements.

For the three and six months ended June 30, 2026, we recognized interest expense of $3.8 million and $7.6 million, respectively. As of June 30, 2026, unamortized debt issuance cost related to the Term Loan - A&R Credit Agreement is $0.5 million.

Sources and Uses of Funds

We believe, based on our current operating plan, that our cash and cash equivalents, and cash from operations, will be sufficient to meet our anticipated cash needs for at least the next 12 months. Our longer-term liquidity is contingent upon future operating performance. Future capital expenditures will generally relate to building enhancements to the functionality of our current platform, the acquisition of additional storage, servers, network connectivity hardware, security apparatus and software, leasehold improvements and furniture and fixtures related to office expansion and relocation, content and general corporate infrastructure.

As of June 30, 2026, we had approximately $99 million in unconditional cash obligations, consisting primarily of purchase obligations related to contracts for cloud-based services, infrastructure and other business services as well as minimum royalty guarantees in connection with certain content licenses, of which the majority is due to be paid within the next two years. In addition, as of June 30, 2026, we had approximately $24 million in operating lease obligations with lease payments extending through 2029.

See Note 15 to our Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for information regarding our existing capital commitments as of June 30, 2026.

Cash Flows

The following table summarizes our cash flow data for the six months ended June 30, 2026 and 2025 (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash provided by operating activities	$ 17,991	$ 52,083
Net cash used in investing activities	$ (21,285)	$ (26,199)
Net cash used in financing activities	$ (38,407)	$ (29,699)

Operating Activities

Our primary source of cash from operating activities is cash collections from our customers. The majority of our revenue is generated from credit card transactions and is typically settled within one to five business days. Our primary uses of cash for operating activities are for the payment of royalties to content contributors, employee-related expenditures and the payment of other operating expenses incurred in the ordinary course of business.

Net cash provided by operating activities was $18.0 million for the six months ended June 30, 2026, compared to $52.1 million for the six months ended June 30, 2025. The decline in cash flows for the six months ended June 30, 2026, compared to the prior year, is primarily attributed to the year-over-year decline in revenue.

Investing Activities

Cash used in investing activities for the six months ended June 30, 2026 was $21.3 million, consisting primarily of (i) capital expenditures of $21.7 million for internal-use software and website development costs and purchases of software and equipment; and (ii) $0.3 million paid to acquire the rights to distribute certain digital content into perpetuity. These cash outflows were partially offset by $0.5 million of Giphy Retention Compensation, as reimbursed by the Giphy seller.

Cash used in investing activities in the six months ended June 30, 2025 was $26.2 million, consisting primarily of (i) capital expenditures of $22.1 million for internal-use software and website development costs and purchases of software and equipment; and (ii) $5.0 million paid to acquire the rights to distribute certain digital content in perpetuity. These cash outflows were partially offset by $0.9 million of Giphy Retention Compensation, as reimbursed by the Giphy seller.

Financing Activities

Cash used in financing activities for the six months ended June 30, 2026 was $38.4 million, consisting of (i) $26.0 million related to the payment of quarterly cash dividends; (ii) $10.8 million paid in the settlement of tax withholding obligations related to employee stock-based compensation awards; and (ii) $1.6 million used for the repayment of our A&R Credit Agreement.

Cash used in financing activities in the six months ended June 30, 2025 was $29.7 million, consisting of (i) $23.1 million related to the payment of quarterly cash dividends; (ii) $5.0 million paid in the settlement of tax withholding obligations related to employee stock-based compensation awards; and (iii) $1.6 million used for the repayment of our A&R Credit Agreement.

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 net income, adjusted net income per diluted common share, adjusted EBITDA, adjusted EBITDA margin, revenue growth / (decline) (including by product offering) on a constant currency basis (expressed as a percentage), and adjusted free cash flow. 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Non-GAAP Financial Measures (in thousands):				
Adjusted net income	$ 30,020	$ 42,872	$ 50,750	$ 79,164
Adjusted EBITDA	$ 65,097	$ 82,236	$ 107,803	$ 145,600
Adjusted free cash flow	$ 28,475	$ 17,498	$ 41,607	$ 40,882
Revenue (decline) / growth on a constant currency basis	(17)%	20 %	(18)%	17 %

These non-GAAP financial measures have not been calculated in accordance with GAAP, 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 net income, adjusted net income per diluted common share, adjusted EBITDA, adjusted EBITDA margin, revenue growth (including by product offering) on a constant currency basis (expressed as a percentage) and adjusted free cash flow 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.

Our 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 our 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 our 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.

Management believes that adjusted net income, adjusted net income per diluted common share, adjusted EBITDA, adjusted EBITDA margin, revenue growth / (decline) (including by product offering) on a constant currency basis (expressed as a percentage) 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 net income, adjusted net income per diluted common share, 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 and revenue growth / (decline) (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. 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.

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 net income, adjusted net income per diluted common share, adjusted EBITDA, adjusted EBITDA margin, revenue growth / (decline) (including by product offering) on a constant currency basis (expressed as a percentage) and adjusted free cash flow, as well as a reconciliation of the differences between each of our non-GAAP financial measures (adjusted EBITDA, adjusted net income, revenue growth / (decline) (including by product offering) on a constant currency basis (expressed as a percentage) and adjusted free cash flow), and each measure's most directly comparable financial measure calculated and presented in accordance with GAAP, is presented below.

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 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 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.

Adjusted Net Income and Adjusted Net Income Per Diluted Common Share

We define adjusted net income as net income adjusted for the impact of non-cash equity-based compensation, the amortization of acquisition-related intangible assets, legal contingencies, goodwill impairment and related tax effects, workforce optimization, Giphy Retention Compensation Expense - non-recurring, unrealized gains and losses on investments, severance costs associated with strategic workforce optimizations, costs incurred associated with the Merger, and the estimated tax impact of such adjustments. We define adjusted net income per diluted common share as adjusted net income divided by weighted average diluted shares.

The following is a reconciliation of net income to adjusted net income for each of the periods indicated (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net (loss) / income	$ (155,939)	$ 29,440	$ (203,508)	$ 48,128
Add / (less) Non-GAAP adjustments:				
Non-cash equity-based compensation	12,536	15,625	25,908	33,509
Tax effect of non-cash equity-based compensation[1]	(2,946)	(3,672)	(6,088)	(7,875)
Acquisition-related amortization expense[2]	9,564	9,581	19,163	19,278
Tax effect of acquisition-related amortization expense[1]	(2,248)	(2,252)	(4,504)	(4,531)
Unrealized loss / (gain) on investment	2,963	(13,029)	18,268	(26,289)
Goodwill impairment	173,738	—	173,738	—
Tax effect of goodwill impairment[1]	(10,371)	—	(10,371)	—
Workforce optimization - severance	2,963	121	9,043	301
Tax effect of workforce optimization - severance[1]	(667)	(27)	(2,035)	(68)
Giphy retention compensation expense - non-recurring	—	438	649	1,005
Tax effect of Giphy retention compensation expense - non-recurring[1]	—	(103)	(153)	(236)
Merger related costs	3,680	8,710	6,535	20,571
Tax effect of Merger related costs[1]	(828)	(1,960)	(1,470)	(4,629)
Legal contingency	5,000	—	33,000	—
Tax effect of legal contingency [1]	(7,425)	—	(7,425)	—
Adjusted net income	$ 30,020	$ 42,872	$ 50,750	$ 79,164
Net (loss) / income per diluted common share	$ (4.25)	$ 0.82	$ (5.63)	$ 1.35
Adjusted net income per diluted common share	$ 0.82	$ 1.19	$ 1.40	$ 2.22
Weighted average diluted shares	$ 36,703	$ 35,958	$ 36,126	35,642

(1) Statutory tax rates are used to calculate the tax effect of the adjustments.
(2) Of these amounts, $8.9 million and $8.9 million are included in cost of revenue for the three months ended June 30, 2026 and 2025, respectively. The remainder of acquisition-related amortization expense is included in general and administrative expense in the Statement of Operations.

Adjusted EBITDA and Adjusted EBITDA Margin

We define adjusted EBITDA as net income adjusted for depreciation and amortization, non-cash equity-based compensation, Giphy Retention Compensation Expense - non-recurring, costs incurred associated with the Merger, foreign currency transaction gains and losses, severance costs associated with strategic workforce optimizations, legal contingencies, goodwill impairment, unrealized gains and losses on investments, interest income and expense and income taxes. We define adjusted EBITDA margin as the ratio of adjusted EBITDA to revenue.

The following is a reconciliation of net income to adjusted EBITDA for each of the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net (loss) / income	$ (155,939)	$ 29,440	$ (203,508)	$ 48,128
Add / (less) Non-GAAP adjustments:				
Interest expense	3,833	4,224	7,593	8,522
Interest income	(479)	(1,077)	(1,280)	(2,012)
(Benefit) / provision for income taxes	(4,992)	13,691	(6,798)	15,421
Depreciation and amortization	22,416	22,611	45,120	45,282
EBITDA	$ (135,161)	$ 68,889	$ (158,873)	$ 115,341
Non-cash equity-based compensation	12,536	15,625	25,908	33,509
Giphy retention compensation expense - non-recurring	—	438	649	1,005
Merger related costs	3,680	8,710	6,535	20,571
Foreign currency loss / (gain)	(622)	1,482	(465)	1,162
Unrealized loss / (gain) on investment	2,963	(13,029)	18,268	(26,289)
Legal contingency	5,000	—	33,000	—
Workforce optimization - severance	2,963	121	9,043	301
Goodwill impairment	173,738	—	173,738	—
Adjusted EBITDA	$ 65,097	$ 82,236	$ 107,803	$ 145,600
Revenue	$ 221,801	$ 266,990	$ 420,971	$ 509,610
Net (loss) / income margin	(70.3)%	11.0 %	(48.3)%	9.4 %
Adjusted EBITDA margin	29.3 %	30.8 %	25.6 %	28.6 %

Revenue Growth / (Decline) (including by product offering) on a Constant Currency Basis

We define 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reported revenue (in thousands)	$ 221,801	$ 266,990	$ 420,971	$ 509,610
Revenue (decline) / growth	*(17)%*	*21 %*	*(17)%*	*17 %*
Revenue (decline) / growth on a constant currency basis	*(17)%*	*20 %*	*(18)%*	*17 %*
Content reported revenue (in thousands)	$ 165,664	$ 199,796	$ 343,790	$ 402,684
Content revenue (decline) / growth	*(17)%*	*18 %*	*(15)%*	*17 %*
Content revenue (decline) / growth on a constant currency basis	*(16)%*	*16 %*	*(15)%*	*17 %*
Data, Distribution, and Services reported revenue (in thousands)	$ 56,137	$ 67,194	$ 77,181	$ 106,926
Data, Distribution, and Services revenue (decline) / growth	*(16)%*	*34 %*	*(28)%*	*18 %*
Data, Distribution, and Services revenue (decline) / growth on a constant currency basis	*(19)%*	*35 %*	*(30)%*	*18 %*

Adjusted Free Cash Flow

We define adjusted free cash flow as our 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 Merger related costs.

The following is a reconciliation of net cash provided by operating activities to adjusted free cash flow for each of the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash flow information:	(in thousands)			
Net cash provided by operating activities	$ 621	$ 26,836	$ 17,991	$ 52,083
Net cash used in investing activities	$ (10,139)	$ (14,965)	$ (21,285)	$ (26,199)
Net cash used in financing activities	$ (18,457)	$ (13,878)	$ (38,407)	$ (29,699)
Adjusted free cash flow:				
Net cash provided by operating activities	$ 621	$ 26,836	$ 17,991	$ 52,083
Capital expenditures	(10,115)	(11,312)	(21,710)	(22,120)
Content acquisitions	(110)	(4,081)	(301)	(4,978)
Cash received related to Giphy Retention Compensation	109	369	477	861
Legal contingency settlement	35,000	—	35,000	—
Merger related costs	2,970	5,686	10,150	15,036
Adjusted Free Cash Flow	$ 28,475	$ 17,498	$ 41,607	$ 40,882

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business, including risks related to foreign currency exchange rate fluctuation, interest rate fluctuation and inflation.

Foreign Currency Exchange Risk

Our sales to international customers are denominated in multiple currencies, including but not limited to the U.S. dollar, the euro, the British pound, the Australian dollar and the Japanese yen. Revenue denominated in foreign currencies as a percentage of total revenue was approximately 29% and 26% for the six months ended June 30, 2026 and 2025, respectively. Changes in exchange rates will affect our revenue and certain operating expenses to the extent that our revenue is generated and expenses are incurred in currencies other than the U.S. dollar. Royalties earned by and paid to contributors are denominated in the U.S. dollar and will not be affected by changes in exchange rates. Based on our foreign currency denominated revenue for the six months ended June 30, 2026, we estimate that a 10% change in the exchange rate of the U.S. dollar against all foreign currency denominated revenues would result in an approximately 3% impact on our revenue.

We have established foreign subsidiaries in various countries and have concluded that the functional currency of these entities is generally the local currency. Business transacted in currencies other than each entity's functional currency results in transactional gains and losses. Translation adjustments resulting from converting the foreign subsidiaries' financial statements into U.S. dollars are recorded as a component of accumulated other comprehensive loss in stockholders' equity. We do not currently enter into derivatives or other financial instruments in order to hedge our foreign currency exchange risk, but we may do so in the future.

Our historical revenue by currency is as follows (in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
	U.S. Dollars	Originating Currency	U.S. Dollars	Originating Currency	U.S. Dollars	Originating Currency	U.S. Dollars	Originating Currency
Euro	$ 37,234	€ 32,096	$ 38,381	€ 34,717	$ 72,064	€ 62,360	$ 76,497	€ 70,569
British pounds	11,890	£ 8,857	13,762	£ 10,346	27,206	£ 20,252	28,465	£ 22,025
All other non-U.S. currencies(1)	10,777		12,725		22,040		25,414	
Total foreign currency	59,901		64,868		121,310		130,376	
U.S. dollar	161,900		202,122		299,661		379,234	
Total revenue	$ 221,801		$ 266,990		$ 420,971		$ 509,610	

(1) Includes no single currency which exceeded 5% of total revenue for any of the periods presented.

Interest Rate Fluctuation Risk

Our cash and cash equivalents consist of cash and money market accounts. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. The fair value of our cash and cash equivalents is not particularly sensitive to interest rate changes.

Amounts borrowed under the A&R Credit Agreement accrue interest at a per annum rate based on either (i) the base rate plus a margin ranging from 0.375% to 0.750%, determined based on the Company’s consolidated net leverage ratio or (ii) the Term SOFR rate (for interest periods of 1, 3 or 6 months) plus a margin ranging from 1.375% to 1.750%, determined based on the Company’s consolidated net leverage ratio, plus a credit spread adjustment of 0.100%. A hypothetical 10% change in interest rates would not have a material impact on our interest expense as of June 30, 2026.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Interim Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. However, any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objective.

Based on the evaluation of our disclosure controls and procedures as of June 30, 2026, our Interim Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Item 1 of Part I, “Financial Statements — Note 15 — Commitments and Contingencies — Legal Matters.”

Item 1A. Risk Factors.

We operate in a rapidly changing environment that involves a number of risks that could materially affect our business, financial condition or future results, some of which are beyond our control. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our 2025 Form 10-K, which could materially affect our business, financial condition or future results. During the three months ended June 30, 2026, there were no material changes to these risk factors as described in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

(c) Insider Trading Arrangements

During the quarter ended June 30, 2026, none of our directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (each as defined in Item 408(a) and (c), respectively, of Regulation S-K).

Item 6. Exhibits.

See the Exhibit Index, which immediately precedes the signature page of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
31.1#	Certification of the Interim Chief Executive Officer and Chief Financial Officer of Shutterstock Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	Certification of the Interim Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		SHUTTERSTOCK, INC.
Dated: August 7, 2026	By:	/s/ Rik Powell
		Rik Powell *Interim Chief Executive Officer and Chief Financial Officer* *(Principal Financial Officer)*
Dated: August 7, 2026	By:	/s/ Steven Ciardiello
		Steven Ciardiello *Chief Accounting Officer* *(Principal Accounting Officer)*

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rik Powell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shutterstock, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2026

By: /s/ Rik Powell
Rik Powell
Interim Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

EXHIBIT 32

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Shutterstock, Inc., for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Rik Powell, as Interim Chief Executive Officer and Chief Financial Officer of Shutterstock, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Shutterstock, Inc.

Date: August 7, 2026	By:	/s/ Rik Powell
		Rik Powell
		Interim Chief Executive Officer and Chief Financial Officer
		(Principal Executive Officer and Principal Financial Officer)