shutterstock®
Investor Day
February 26, 2015

Safe Harbor Provision

This presentation contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our management's beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, potential market opportunities and the effects of competition.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management's beliefs and assumptions only as of the date of our most recent public filings. You should read our public filings, including the Risk Factors set forth therein and the documents that we have filed as exhibits to those filings, completely and with the understanding that our actual future results may be materially different from what we currently expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

In addition, as we refer to earnings, we will also refer to adjusted EBITDA, non-GAAP net income and free cash flow. We define adjusted EBITDA as net income adjusted for other income/(expense), income taxes, depreciation, amortization, disposals and non-cash equity-based compensation; non-GAAP net income as net income excluding the after tax impact of non-cash equity-based compensation expense; and free cash flow as cash provided by /(used in) operating activities adjusted for capital expenditures, content acquisition and other income/(expense). Adjusted EBITDA, non-GAAP net income and free cash flow are non-GAAP financial measures. You can find a reconciliation of adjusted EBITDA, non-GAAP net income and free cash flow to the most directly comparable GAAP financial measures in our most recent quarterly earnings release, which is posted on the Investor Relations section of our website. We believe that the use of adjusted EBITDA, non-GAAP net income and free cash flow provides additional insight for investors to use in evaluation of ongoing operating results and trends. However, non-GAAP financial measures such as adjusted EBITDA, non-GAAP net income and free cash flow should not be considered in isolation from or as a substitute for financial information prepared in accordance with GAAP.

Welcome
& Introduction
Tim Bixby, CFO

Today's Events

Welcome & Introduction	Jon Oringer, CEO; Tim Bixby, CFO
eCommerce Marketplace	Catherine Ulrich, Chief Product Officer
Enterprise Sales	Nick Flynn, SVP Sales & Service
Enterprise Customer Panel	Steve Diamond, Scholastic Tyler Morgan, Sony Music
BREAK	
Asset Management	Jody Vandergriff, CEO WebDAM
Emerging Asset Types	Ben Pfeifer, VP New Business
API Distribution	David Fraga, VP Corporate Development
Numbers & Metrics	Tim Bixby
Closing and Q&A	
INFORMAL LUNCH, 67th FLOOR	

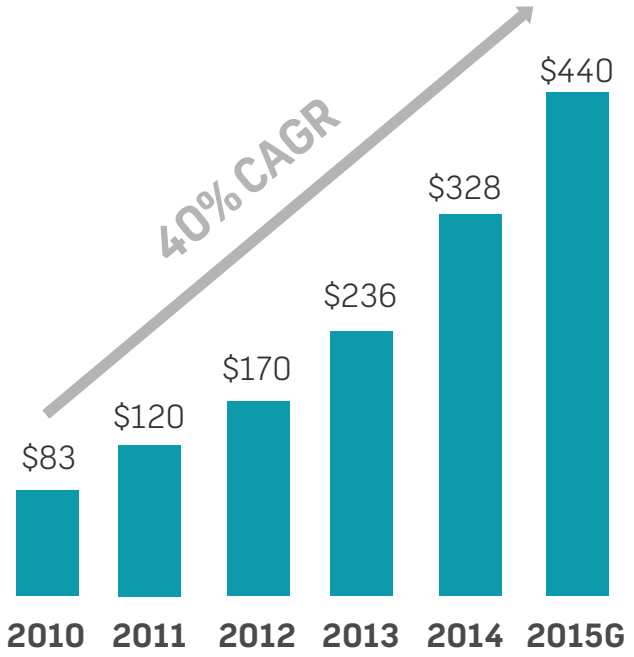
The Path to $1 Billion+

Jon Oringer, CEO

Empower the world’s
storytellers.

Snapshot

Revenue ($M)



Metrics

- 1.2M customers
- 500M+ paid downloads
- 70,000+ active contributors
- 50M images, 2M video clips
- 20 languages, 150 countries
- 70% of revenue outside of the US

The Age of Visual
Communication

Massive Transformation in Visual Communication

2005

2015

Modern communication platforms require visual content…

Websites

4x

growth since 2009

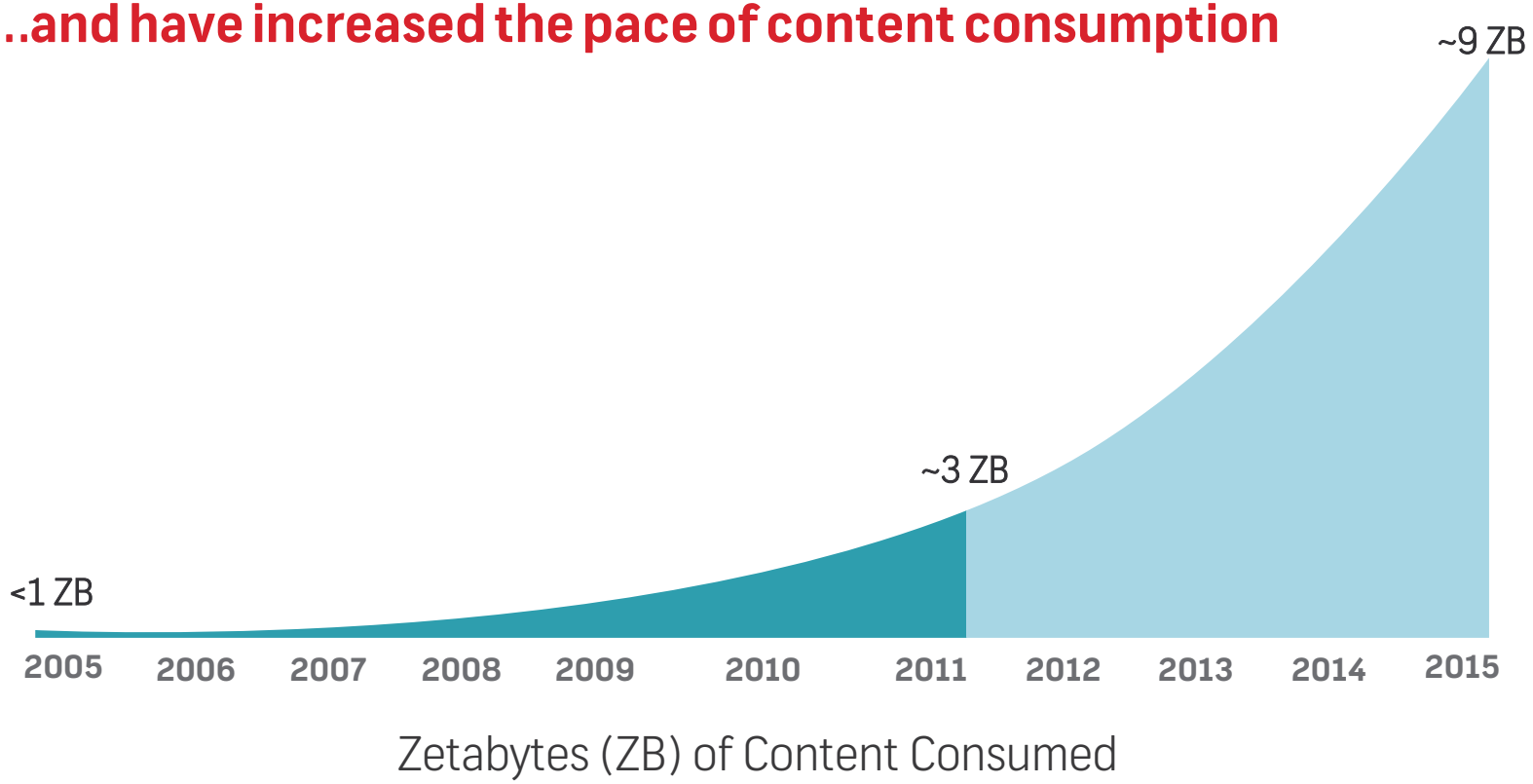
Smartphones

10x

growth since 2009

Sources:
Website growth: 2013 Netcraft survey
Smartphone shipment growth: Morgan Stanley research

...and have increased the pace of content consumption



Note: 1 petabyte = 1MM gigabytes, 1 zetabyte = 1MM petabytes.
Source: IDC Digital Universe, data as of 5/14

All Businesses Need Content

Advertising

Social

Email

Video

Web

Mobile

Offline

Ecommerce

Shutterstock is growing the market:

52%

of new Shutterstock customers
are licensing content for the first time

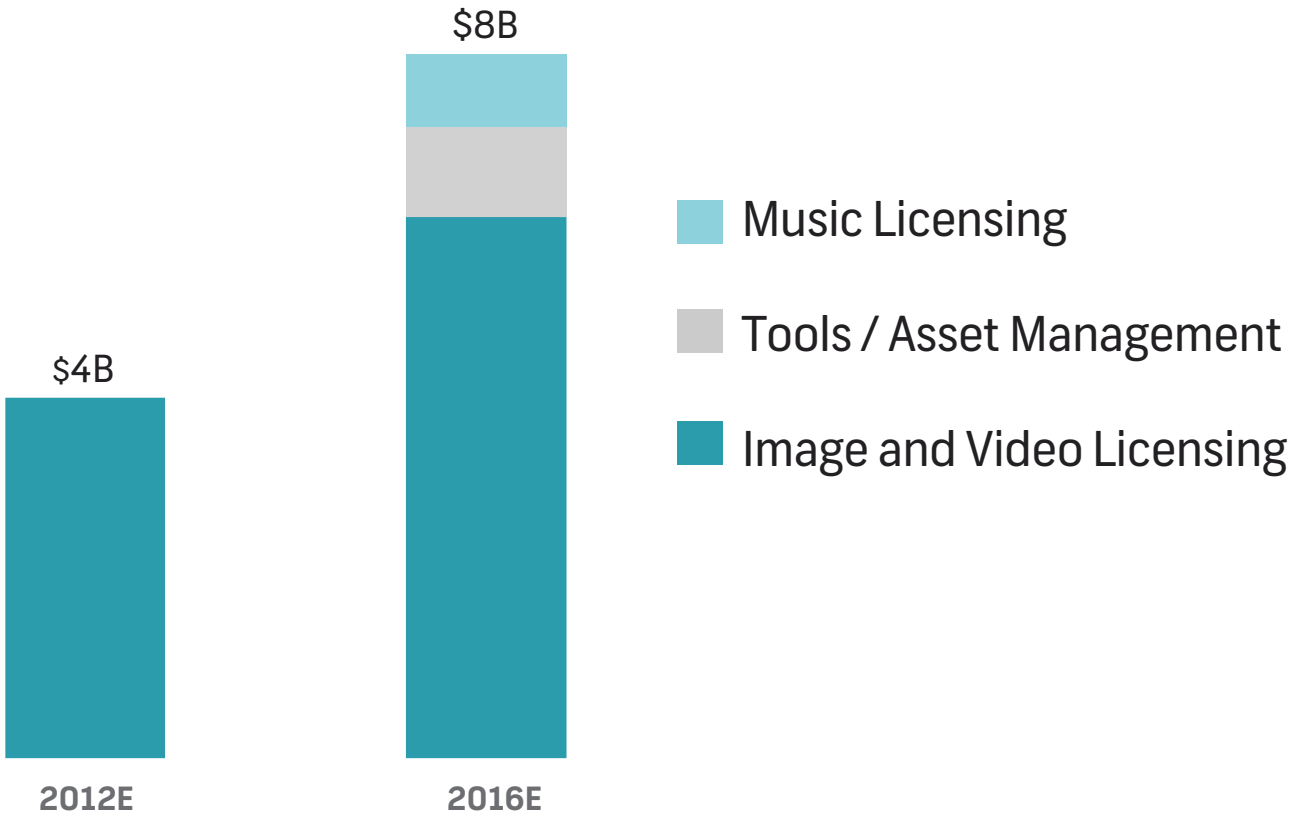
Source:
Shutterstock survey; n = 232.

Market Leadership with Multiple Growth Engines

2012	2015
Momentum in the market	Leading the market
Opportunity in Enterprise	Growth engine in Enterprise
Opportunity beyond commercial imagery	Growth engines in Video, Music & Editorial
Provided digital assets	Provide tools as well

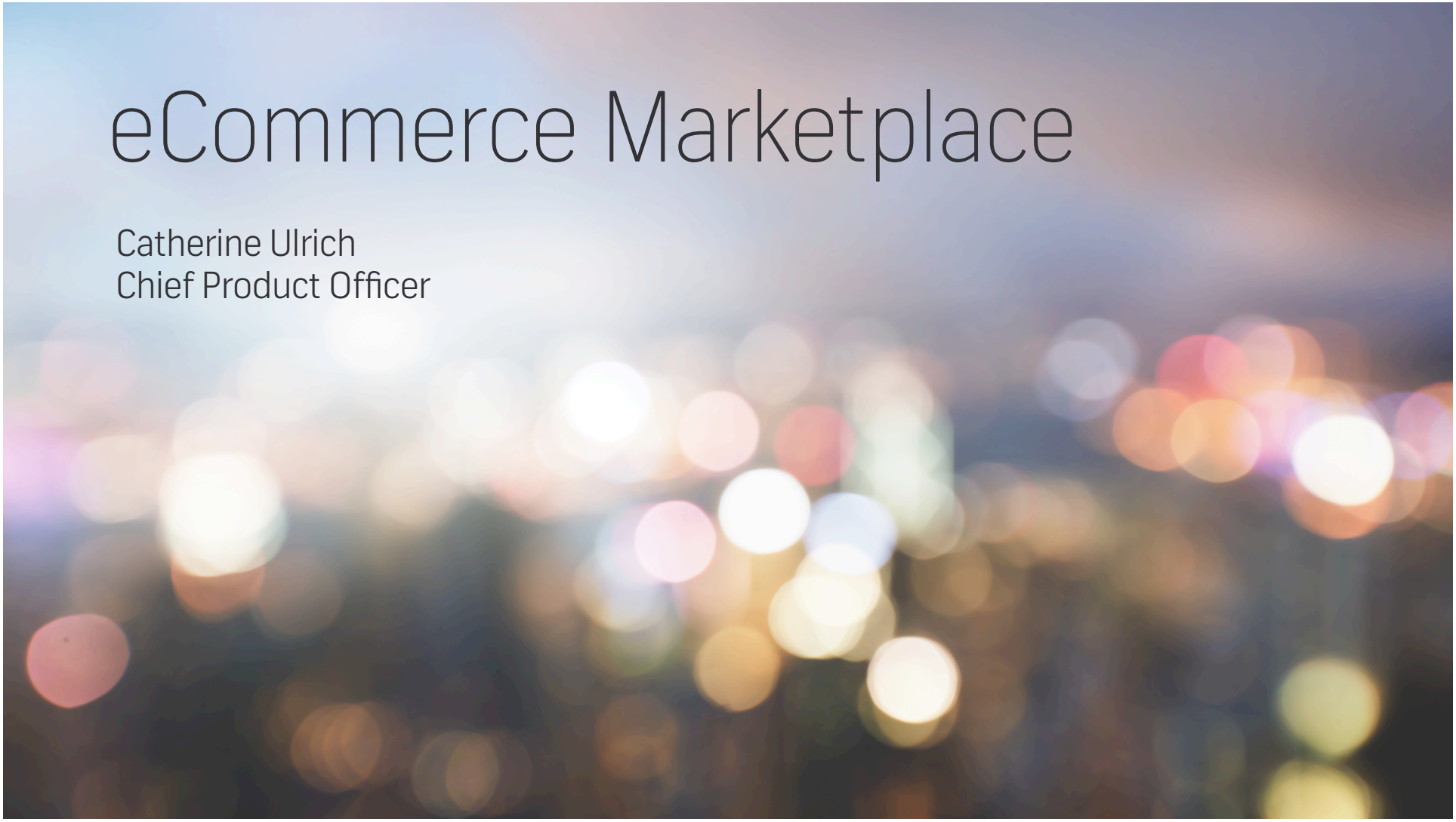
premier OFF SET WebDAM

Taking Share in an Expanding Addressable Market

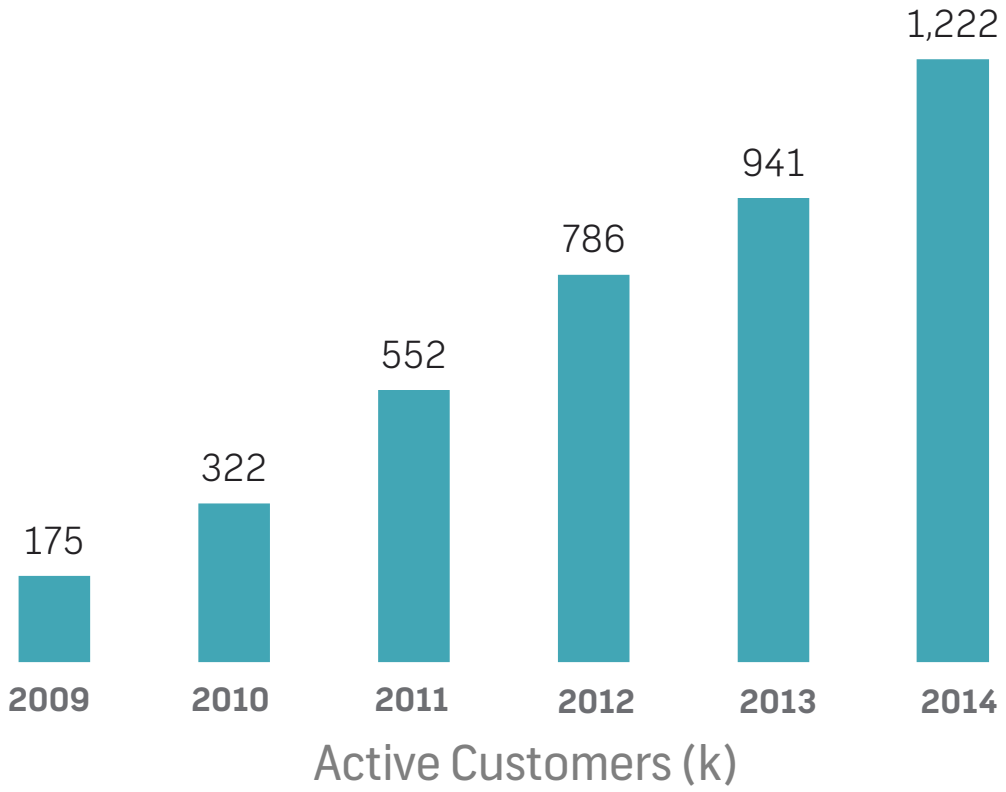


The Path to $1 Billion+

- Growing and innovating in our eCommerce marketplace
- Expanding Enterprise sales
- Providing tools in addition to content
- Offering video, music, and editorial


eCommerce Marketplace
Catherine Ulrich
Chief Product Officer

Customers are Increasingly Choosing Shutterstock



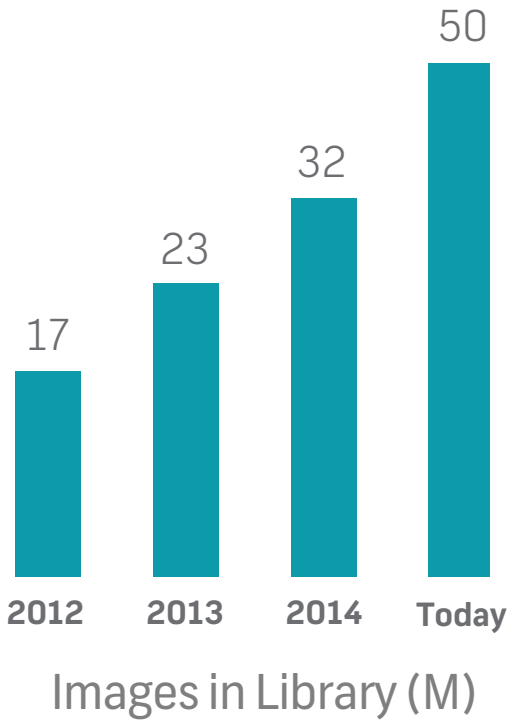
Why Do Customers Choose Shutterstock?

Content
Largest and freshest library

Search
Fast, relevant and unbiased

Value
Simple and frictionless

Largest and Freshest Collection of High Quality Images



Images added per day:

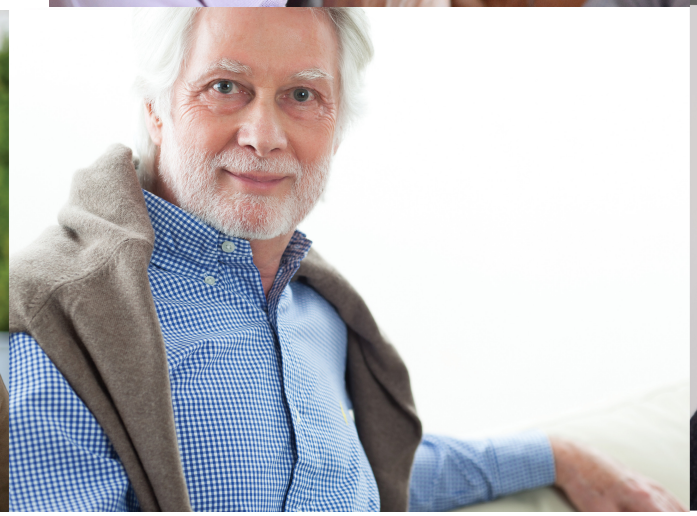
16k

in 2012

50k+

today

Note: Images in library reflected as of January 1 each year



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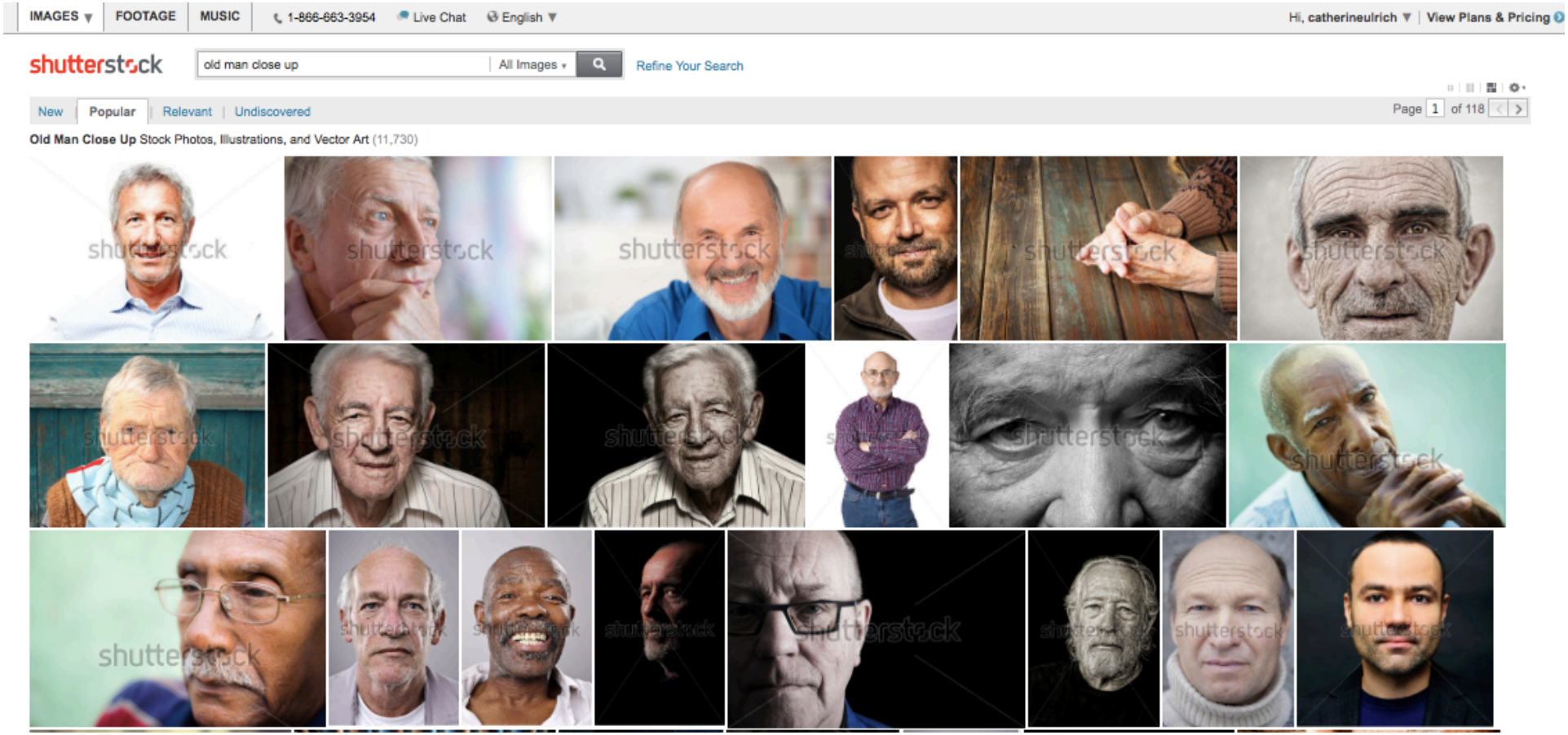
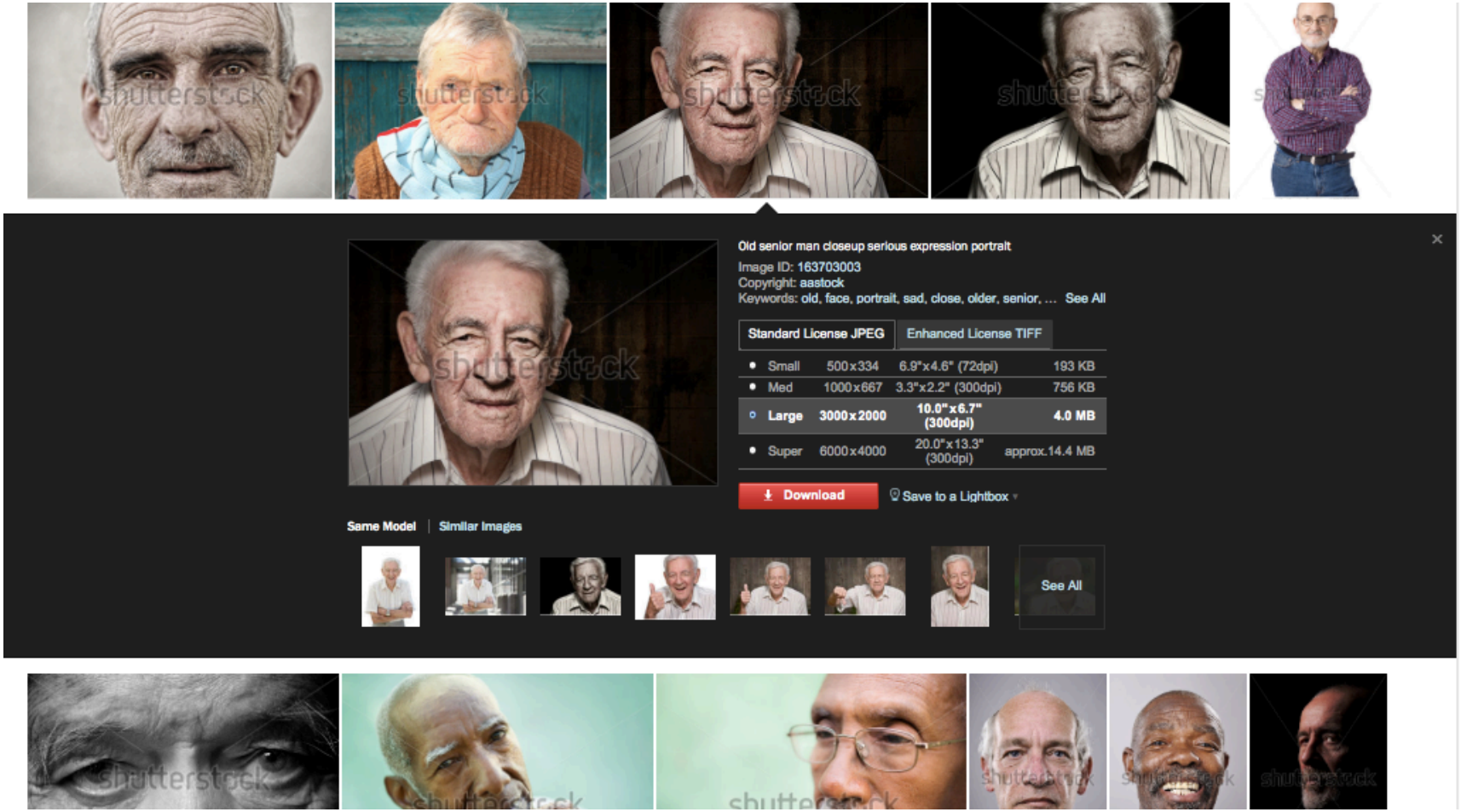
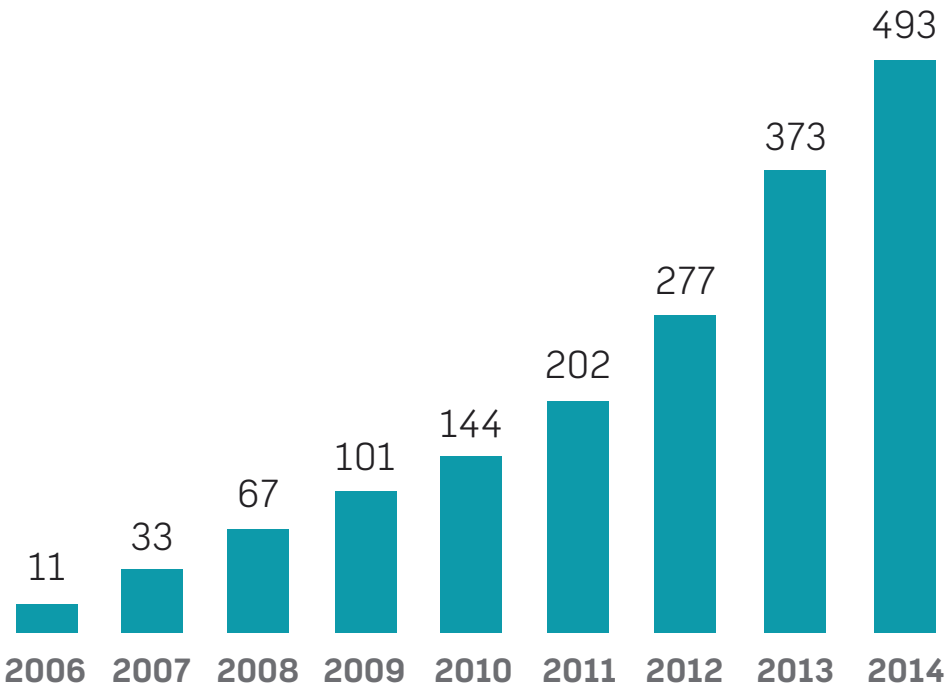
Best Search Experience



Best Search Experience



Over 500 Million Paid Downloads as of January 2015



Cumulative Paid Downloads (M)

Downloads per second:

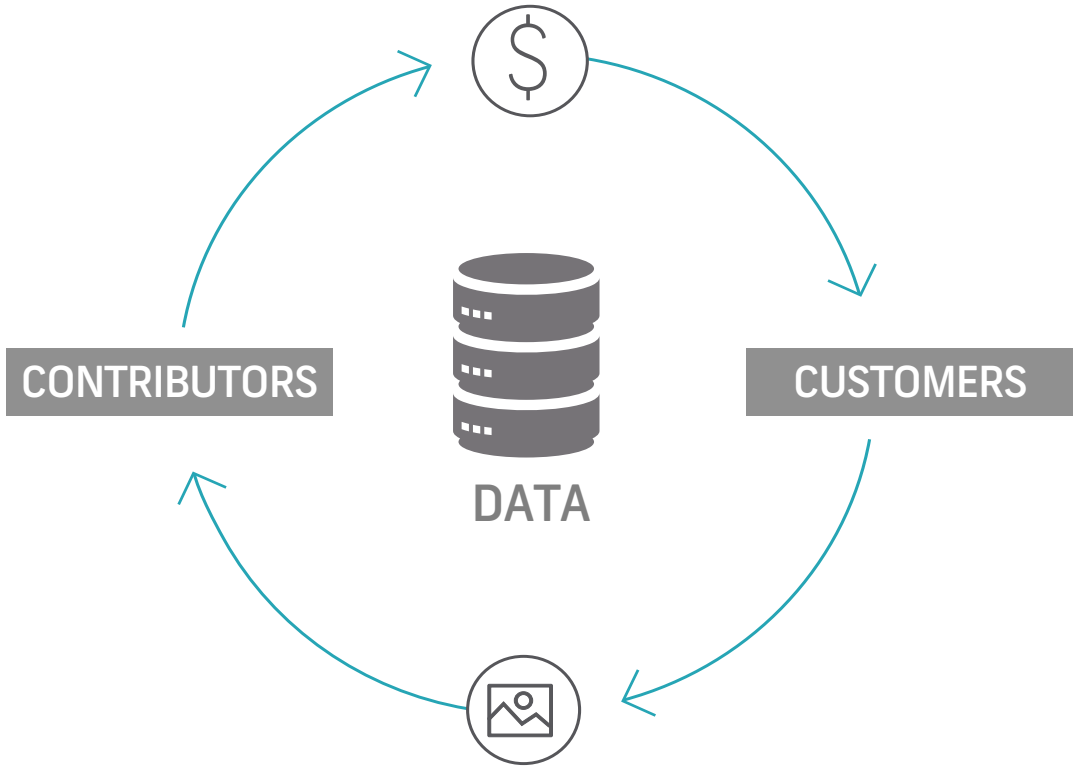
2

in 2012

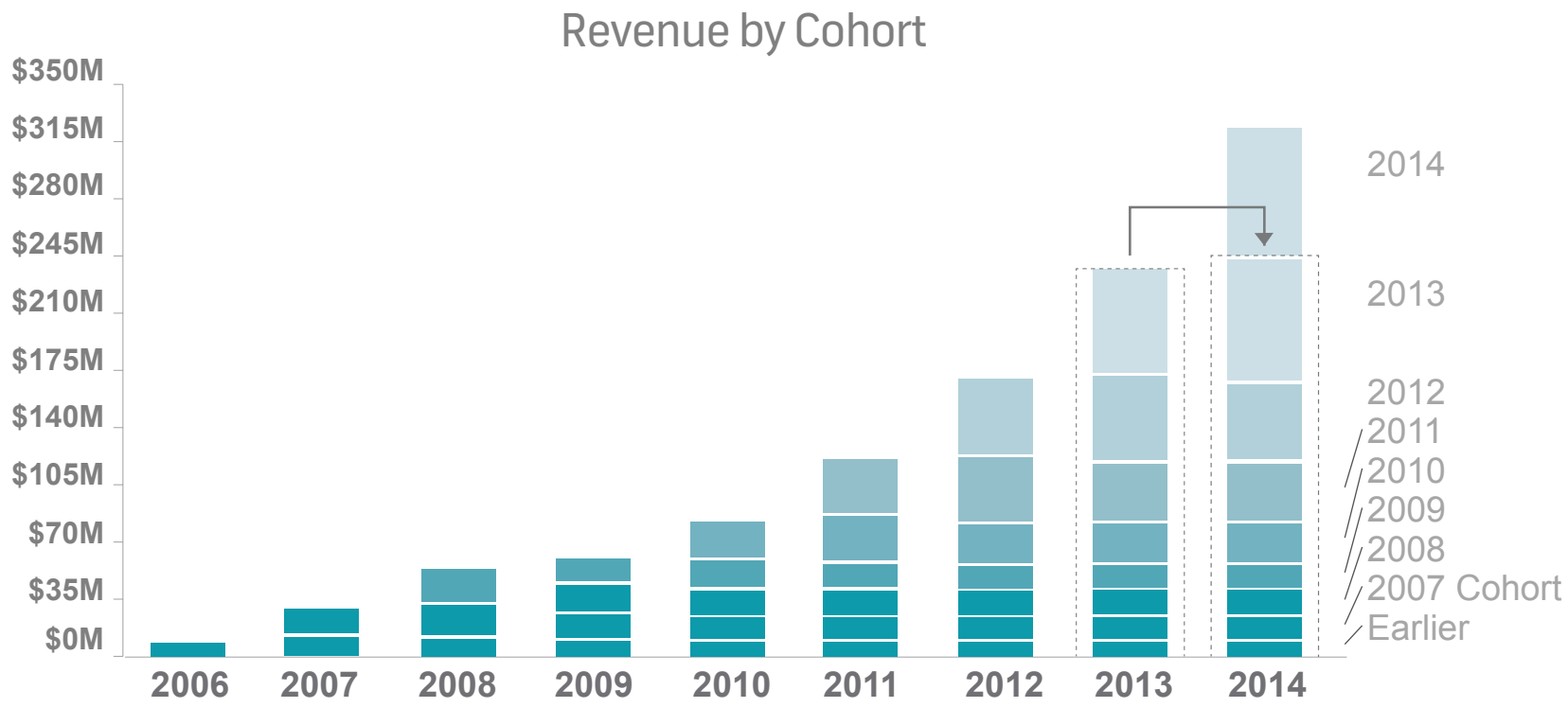
4

Today

Powerful Network Effects

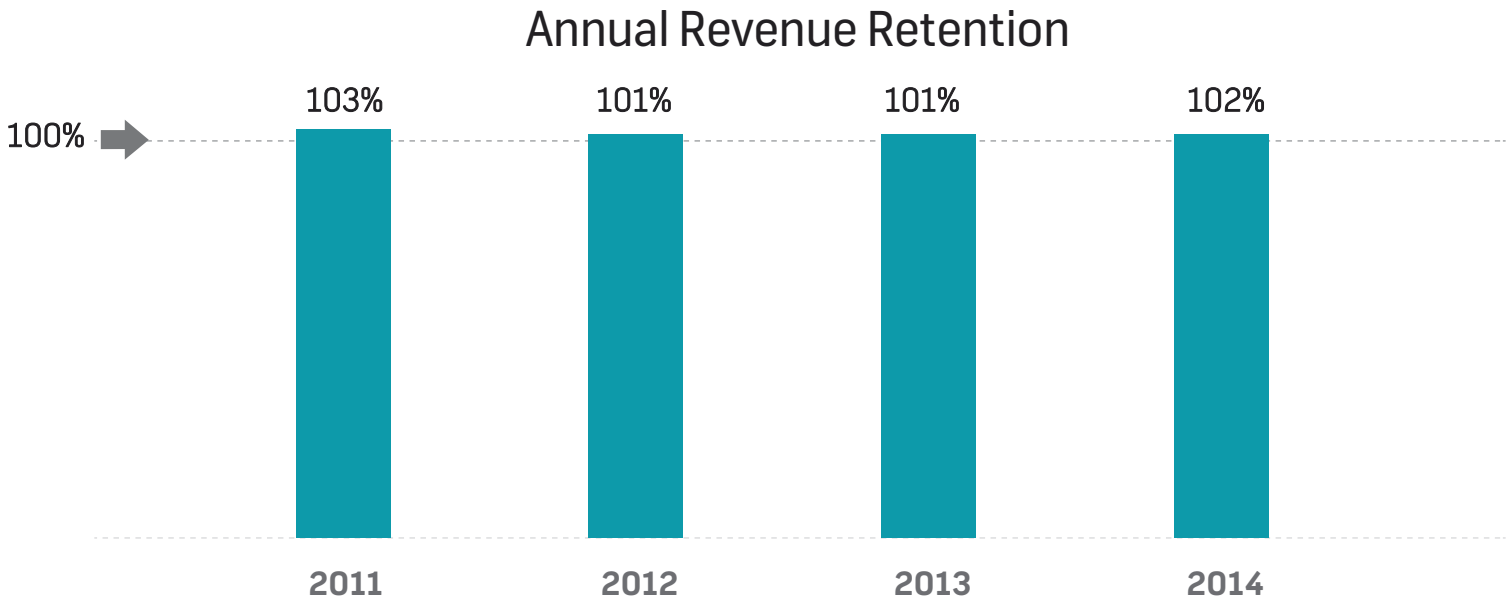


Building on a Strong Base of Highly Loyal Customers



Note: Excludes acquisitions.

We Retain 100%+ of Revenue Year to Year



Note: Represents the percentage of prior year's revenue that returned the next year from the same customers. Excludes acquisitions.

Why Customers Choose Shutterstock

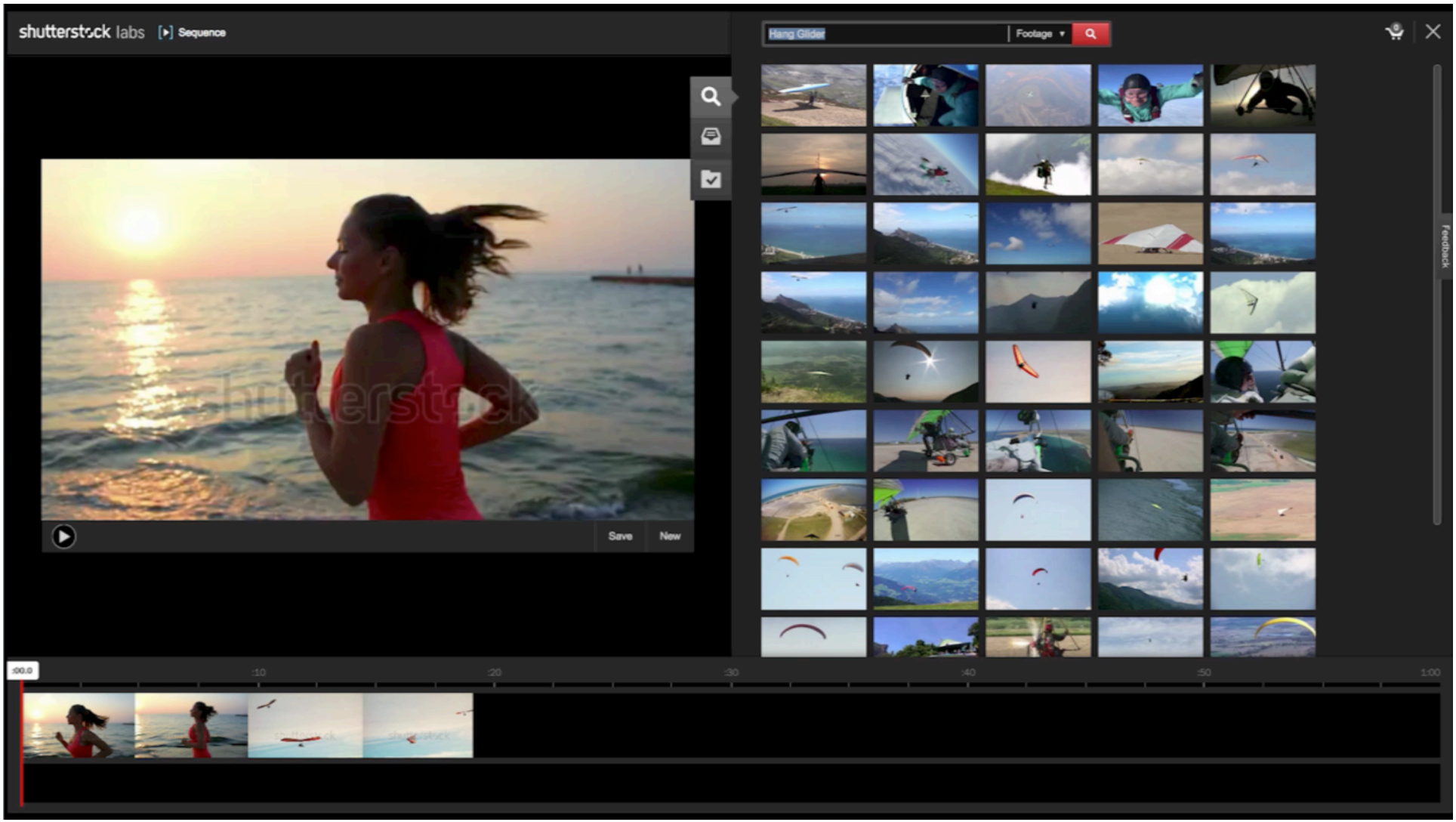
Content
Largest and freshest library

Search
Fast, relevant and unbiased

Value
Simple and frictionless

Innovation
Constantly improving and delighting

shutterstock labs
Spectrum
Forest
Shutterstock Home
Hi, jroland
Feedback


shutterstock labs
Sequence
Hang Glider
Footage
Save
New
Feedback
:00.0
:10
:20
:30
:40
:50
1:00

Shutterstock Leadership

- Largest, freshest **collection**
- Strongest **search**
- Powerful **network effects**
- A proprietary **data advantage**
- A culture of **innovation**

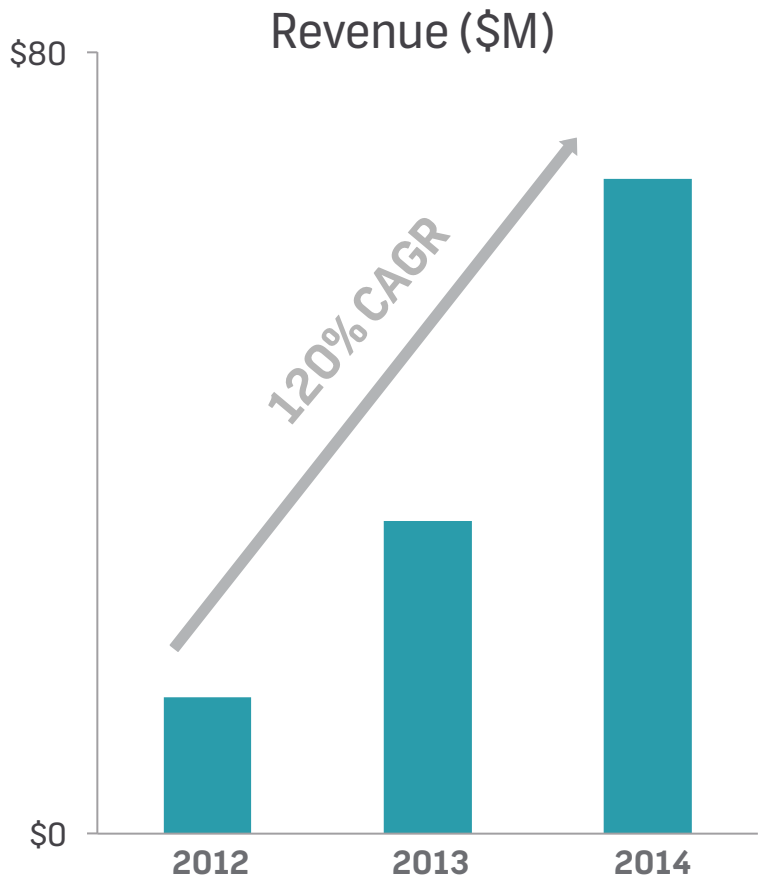
Q&A

Catherine Ulrich
Chief Product Officer

Enterprise Sales

Nick Flynn
SVP, Sales & Service

Enterprise Snapshot



Who are Enterprise Customers?

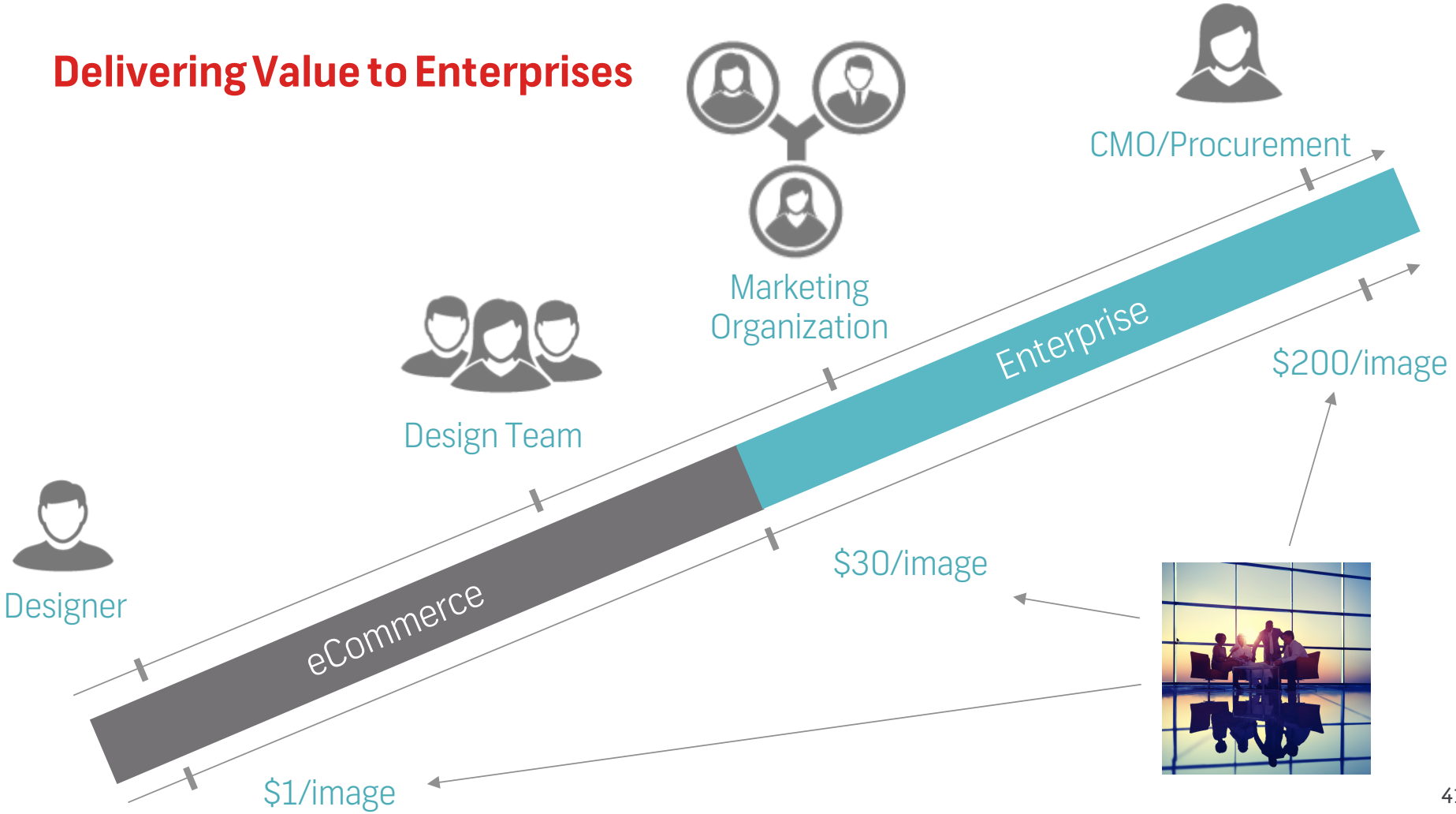
Diverse Use of Shutterstock Images

Billboard

Film

Magazine

Delivering Value to Enterprises



Conversion to Enterprise

We have upgraded

<3%

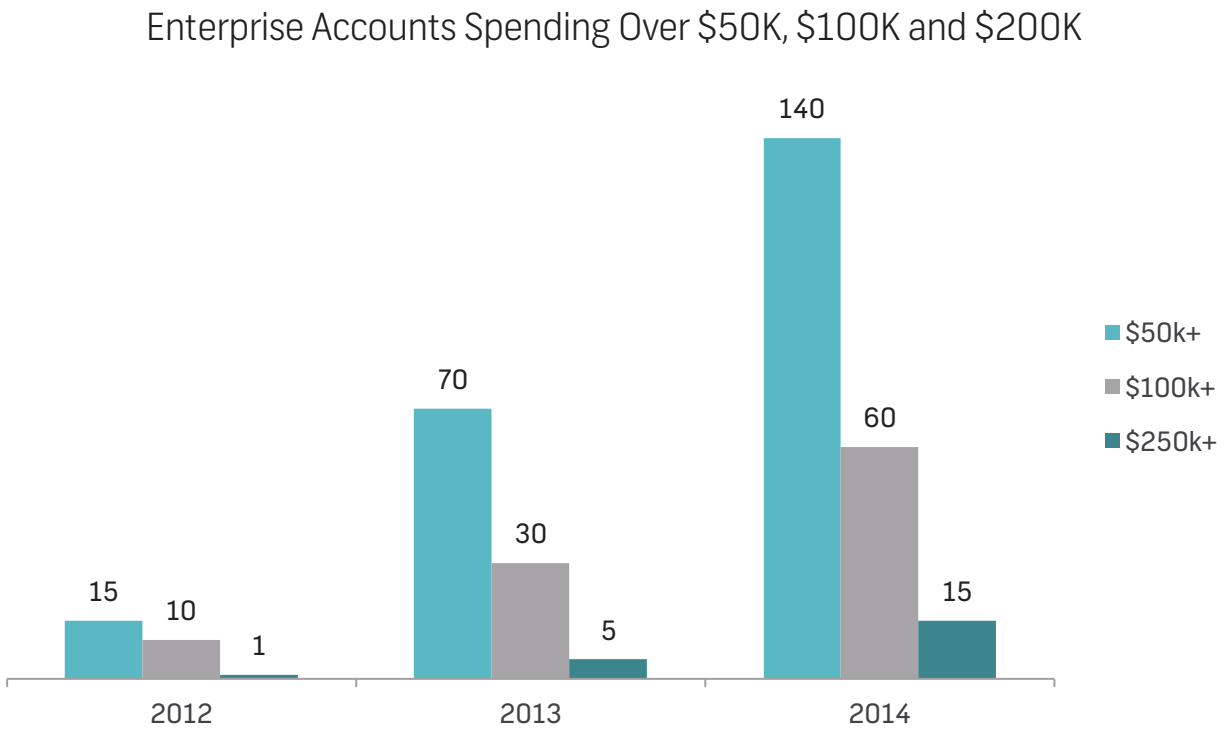
of customers to enterprise

Upgrading to Premier results in

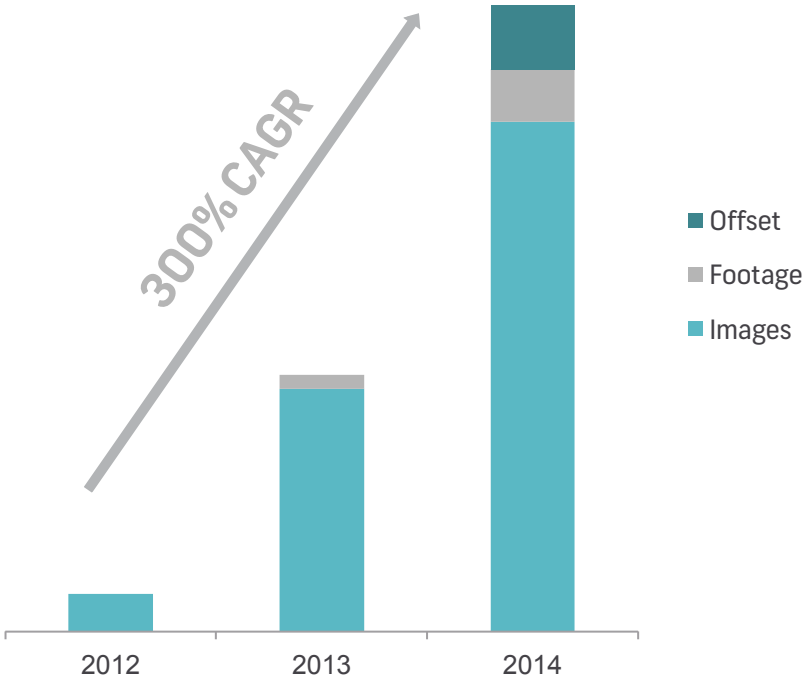
10x

increase in annual spend

Continued Focus on Growing Largest Accounts

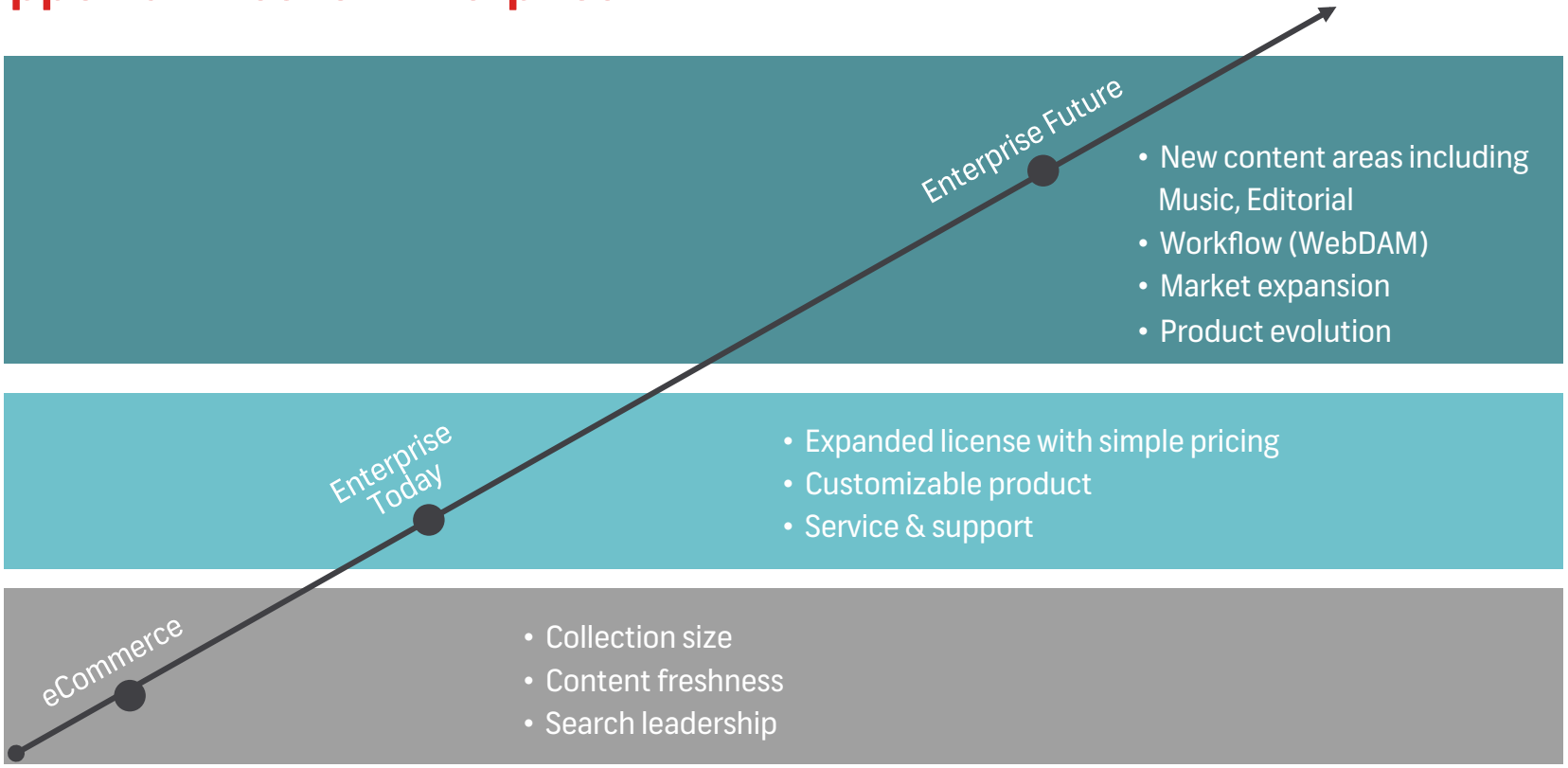


Agency Holding Company Case Study

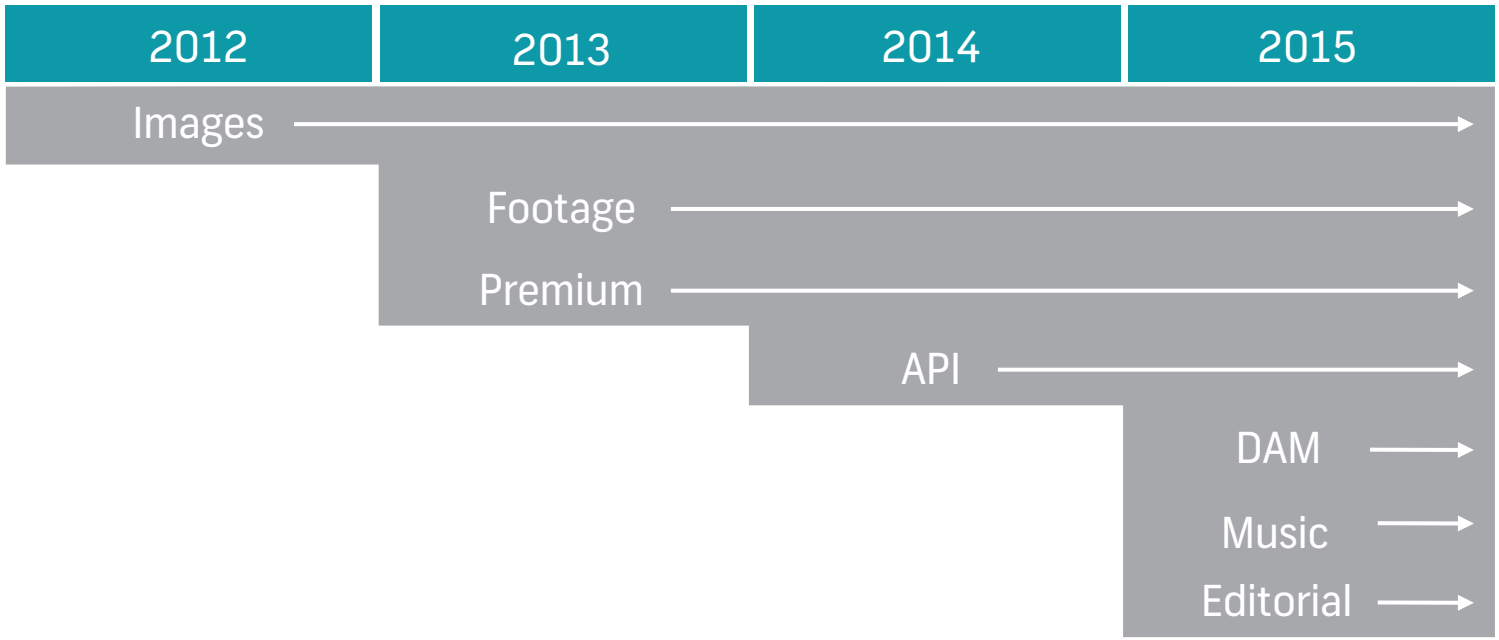


Revenue by Product

Opportunities for Enterprise

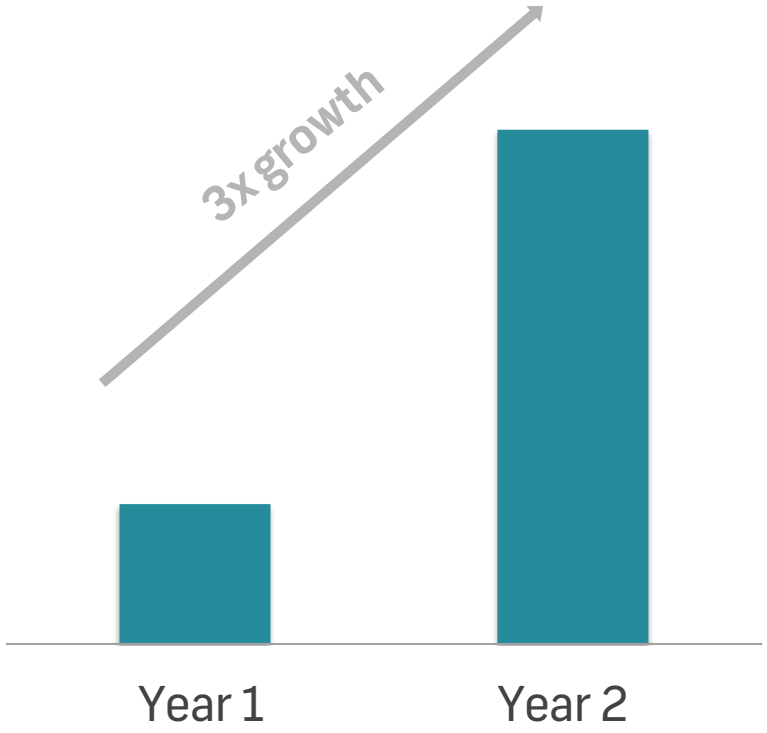


Evolution of Enterprise Product Portfolio



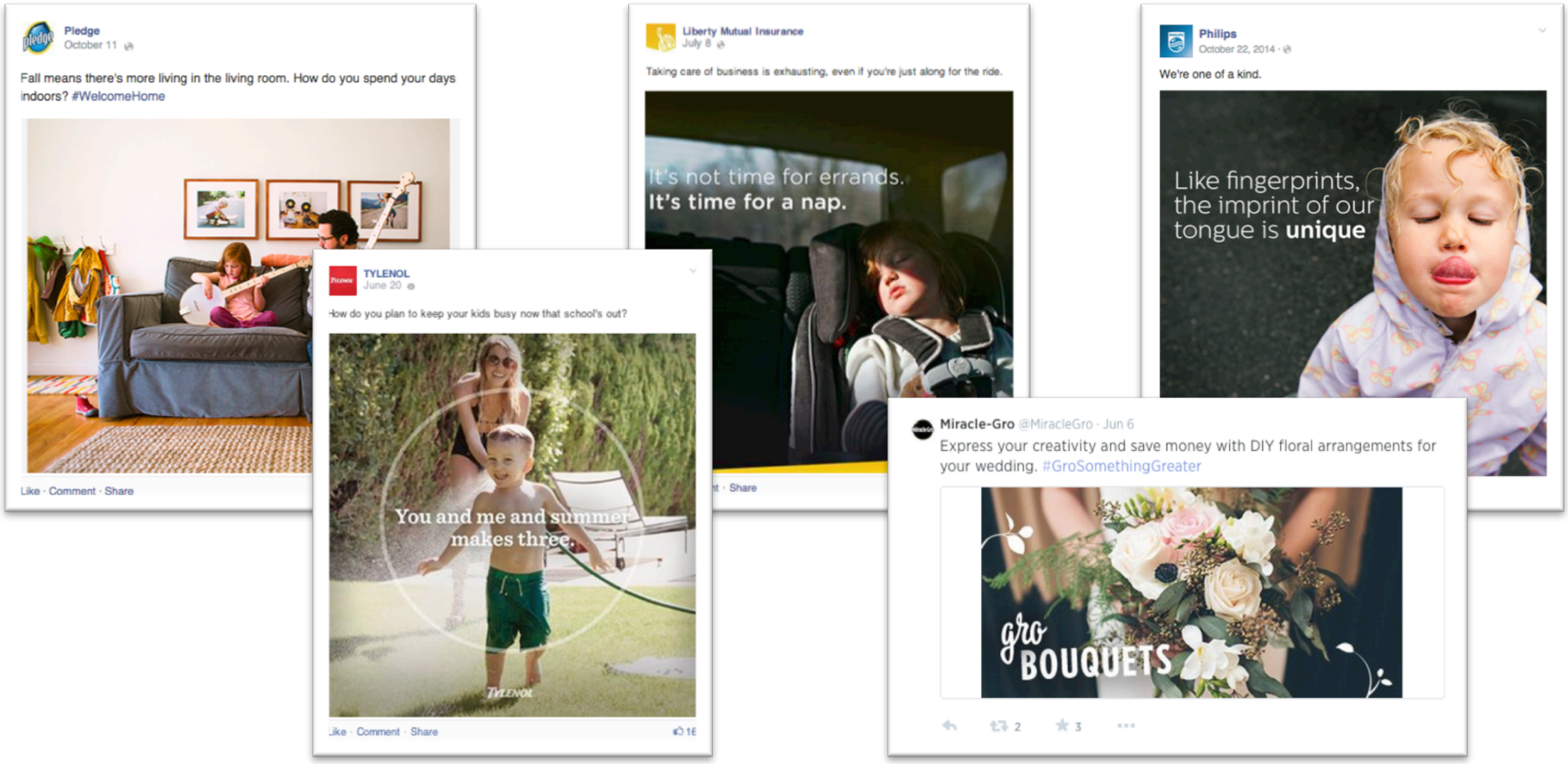
Note: Product portfolio defined by year available for enterprise sales

Productivity of Enterprise Sales Rep

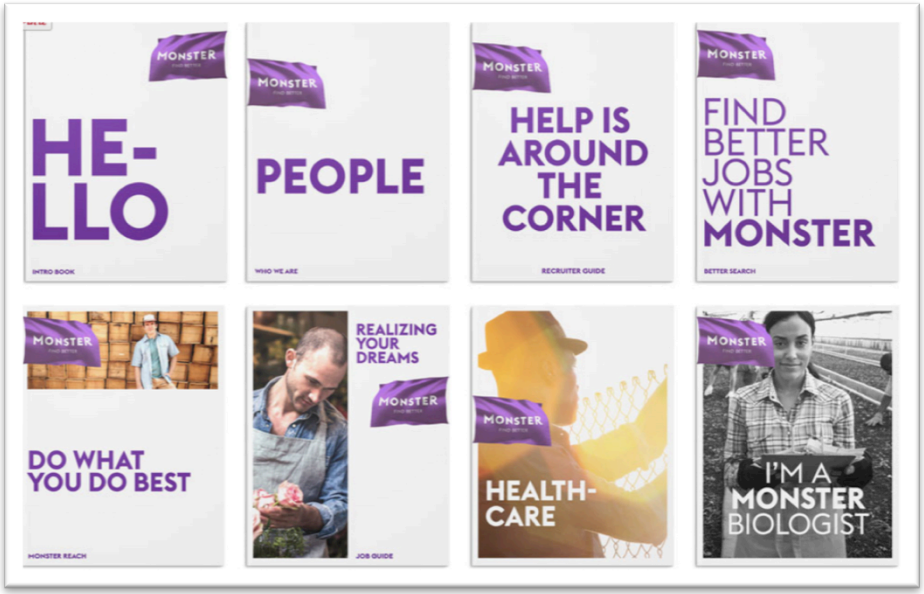


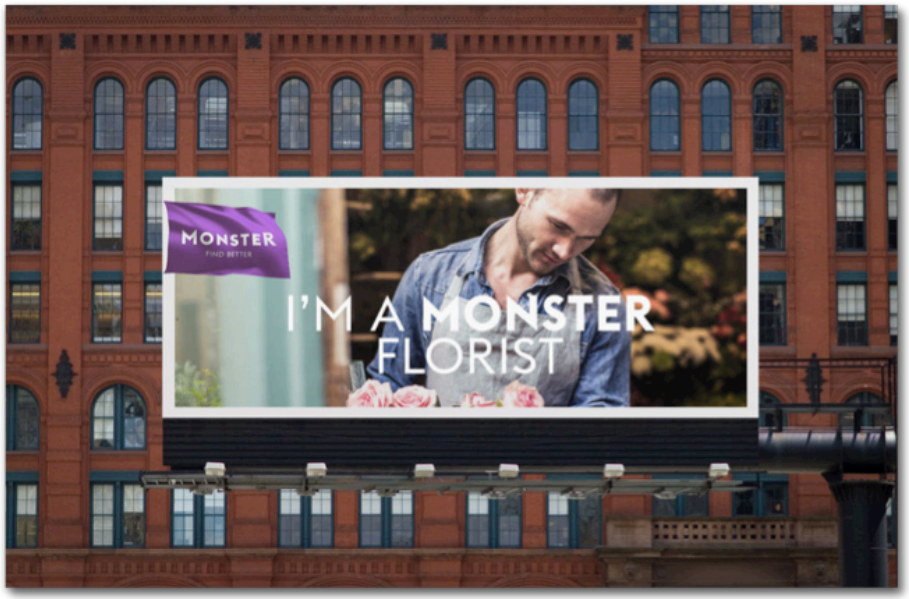
OFF
SET

Offset in Social Media



Offset in Large Branding Campaigns

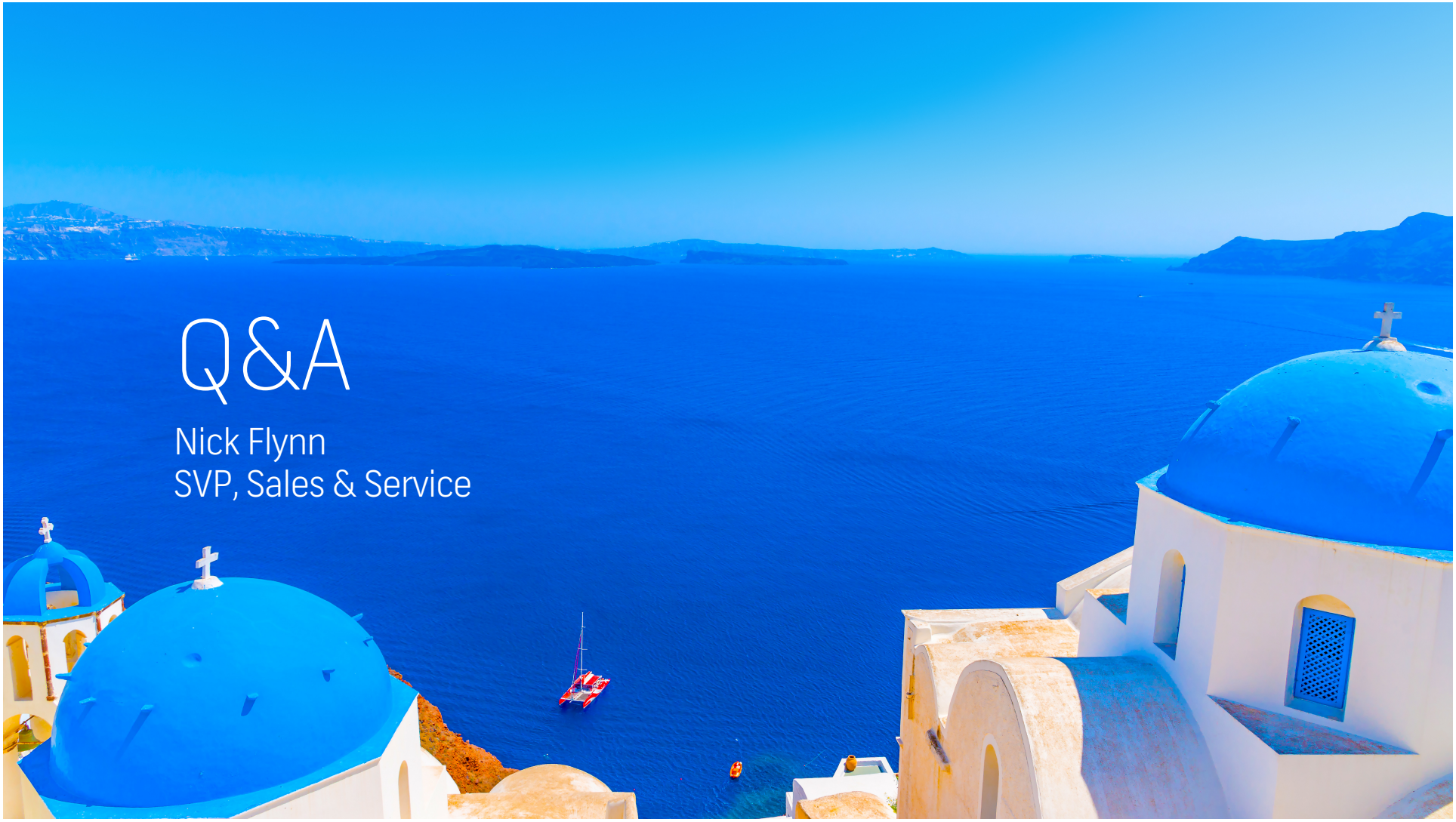




Offset in Travel, Finance

Shutterstock's Enterprise Growth Engine

- Significant momentum within a large opportunity
- Demonstrated upgrade path
- Expanding market position and portfolio


Q&A
Nick Flynn
SVP, Sales & Service

Enterprise Customer Panel

Steve Diamond
Executive Director of Photography
Scholastic

Tyler Morgan
Creative Producer & Resource Manager
Arcade Creative Group at Sony Music Entertainment

Break

Asset Management

Jody Vandergriff
CEO WebDAM

Digital Asset Management in the Cloud

The History of DAM

2005

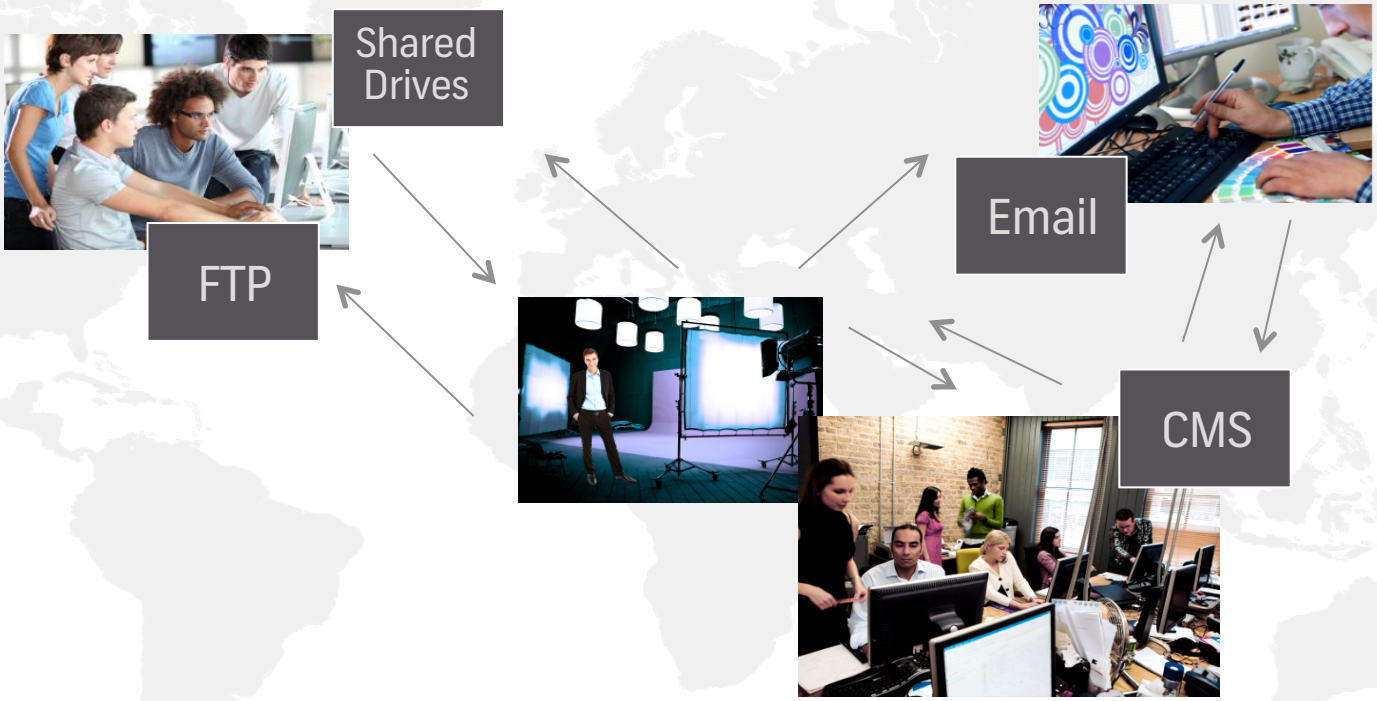
WHO: Publishing, Media, Entertainment

WHY: Production Workflows

2015

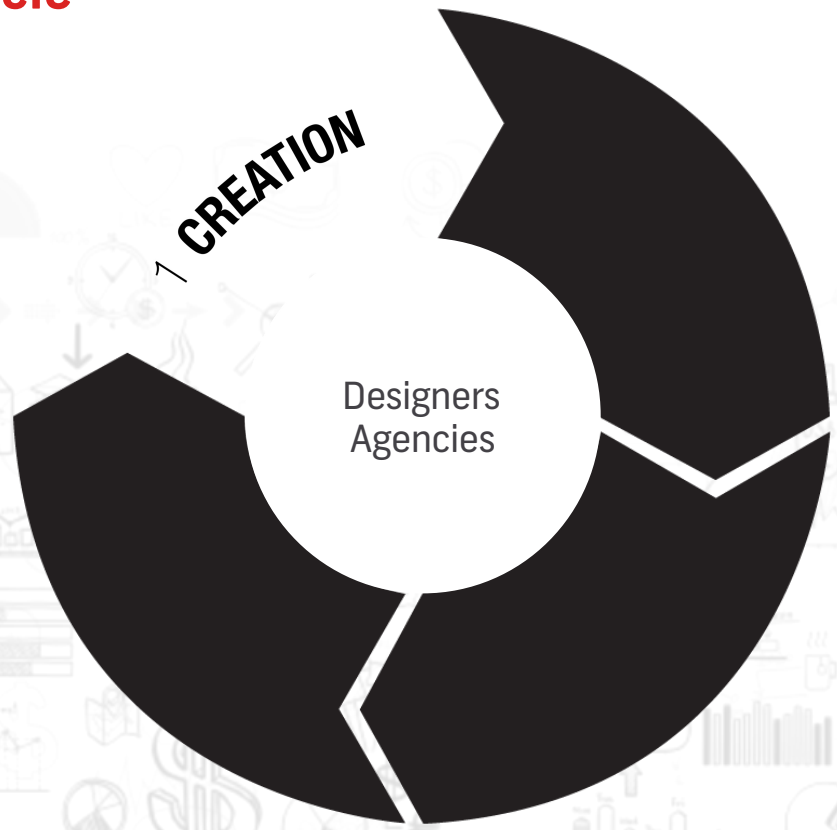
WHO: Marketing, Creative, Enterprises

WHY: Digital Marketing Workflows
Multi Channel Marketing
Global Distribution



Lacks: Search | Control | Distribution | Collaboration | Workflow | Publishing

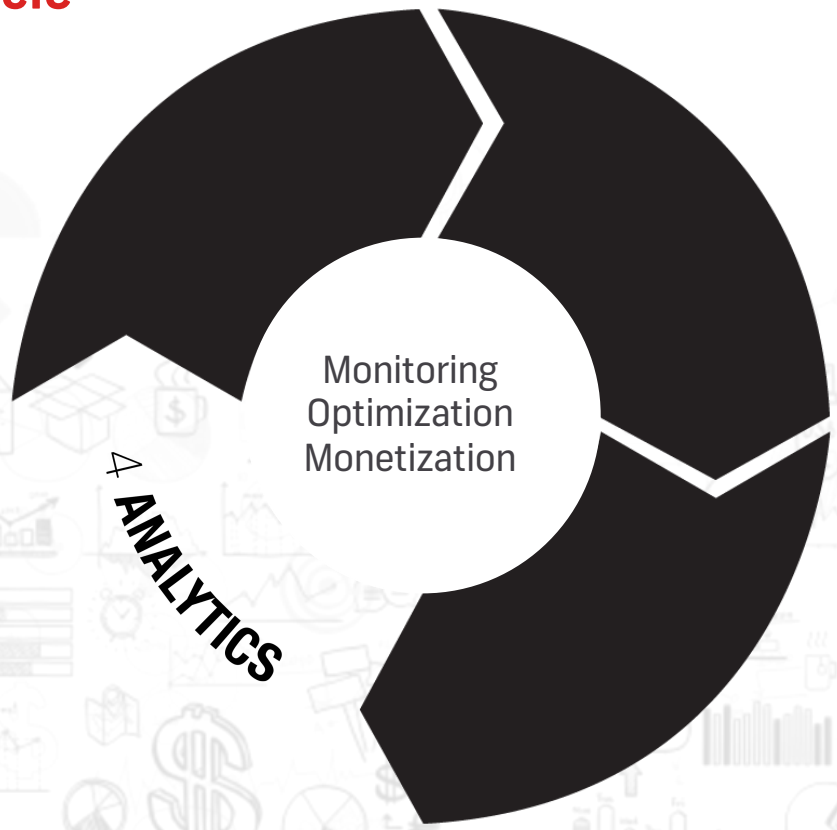
The Heart of the Digital Asset Lifecycle



The Heart of the Digital Asset Lifecycle

The Heart of the Digital Asset Lifecycle

The Heart of the Digital Asset Lifecycle



The Heart of the Digital Asset Lifecycle

Select WebDAM Customers

Competitive Positioning

Cloud

Turn key, Scalable, No IT

Platform

UX, Mobile, Extensibility

Company

Team, Shutterstock

WebDAM Business and Growth

Subscription business model: 12-36 month contracts, paid annually

Strong bookings and revenue growth: doubling YoY

Best in class customer retention: 100%+ revenue retention

Strong unit economics: LTV is 4-5x CAC

Customer Story: Vodafone

Vodafone’s Assets

Digital Ads

Print Ads

Websites

Billboards

Mobile Apps

Global Reach

6 Continents

21 Markets

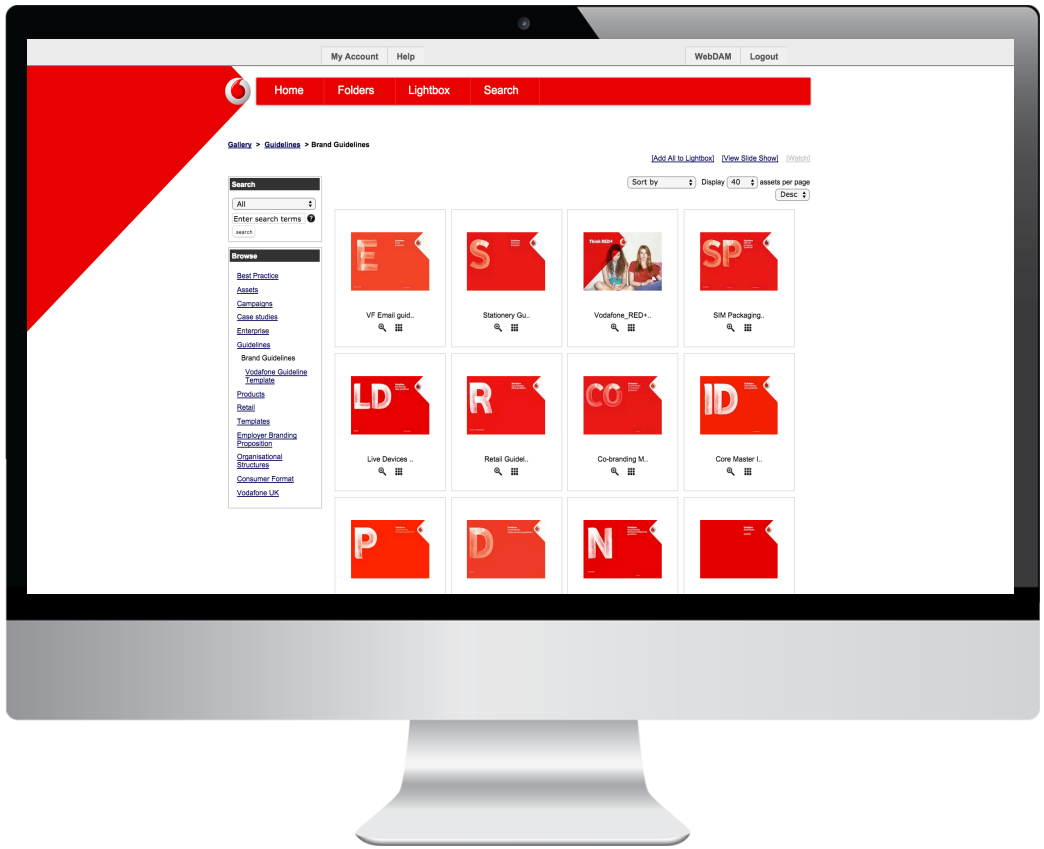
30 Partner Markets

Brand.vodafone.com

25,000 assets

7,000 users

Employees, agencies, partners and media



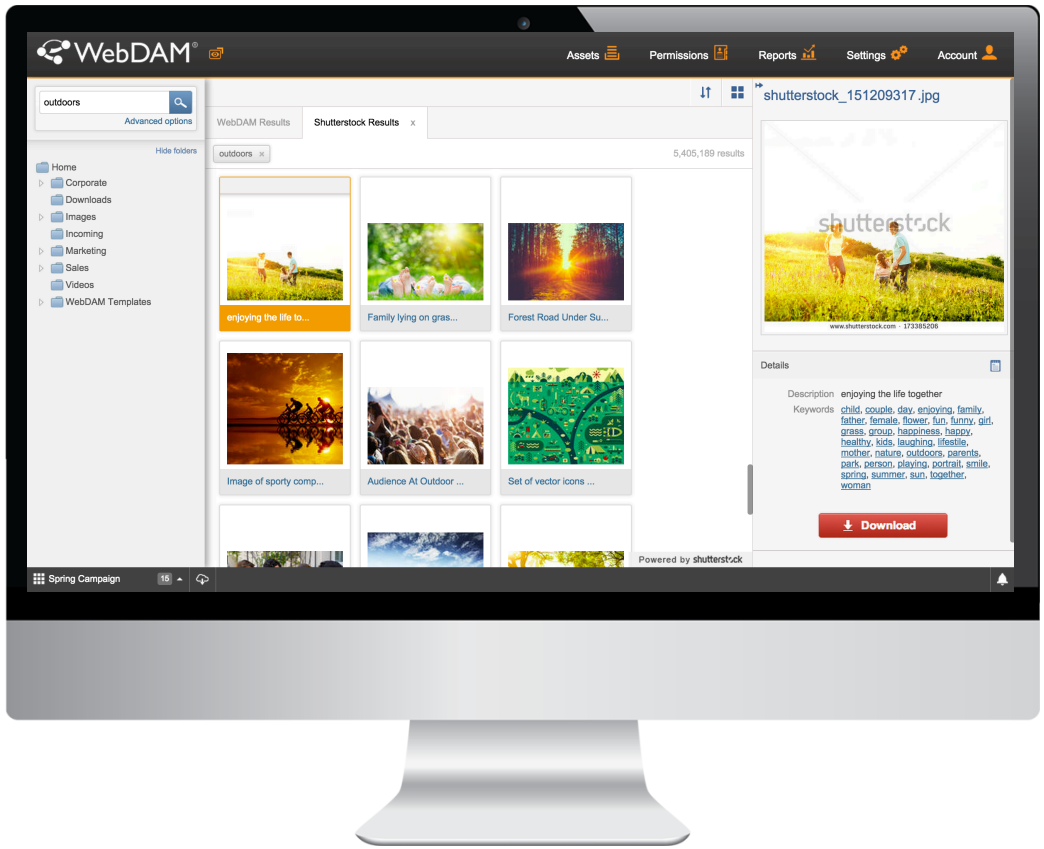
WebDAM + Shutterstock

Deepen relationships with enterprise customers

Leverage one another's existing relationships

Integrate into daily workflows of creatives

Global expansion



Looking Forward

Large Opportunity: $1B market, 30% CAGR, converting to SaaS

Existing Momentum: strong revenue growth and retention

Product Differentiation: leader in cloud DAM market

Q&A
Jody Vandergriff
CEO WebDAM

Emerging Asset Types

Ben Pfeifer
VP, New Business

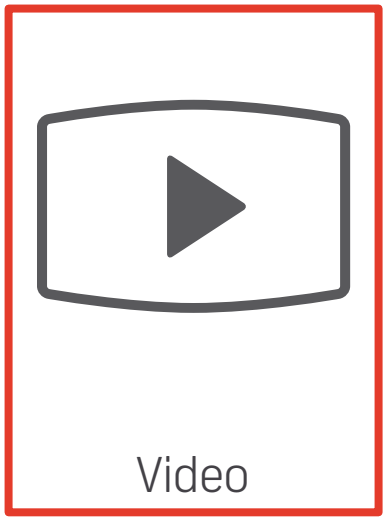
Emerging Asset Types: Expanding Our Addressable Market

Video

Music

Editorial

Emerging Asset Types: Expanding Our Addressable Market

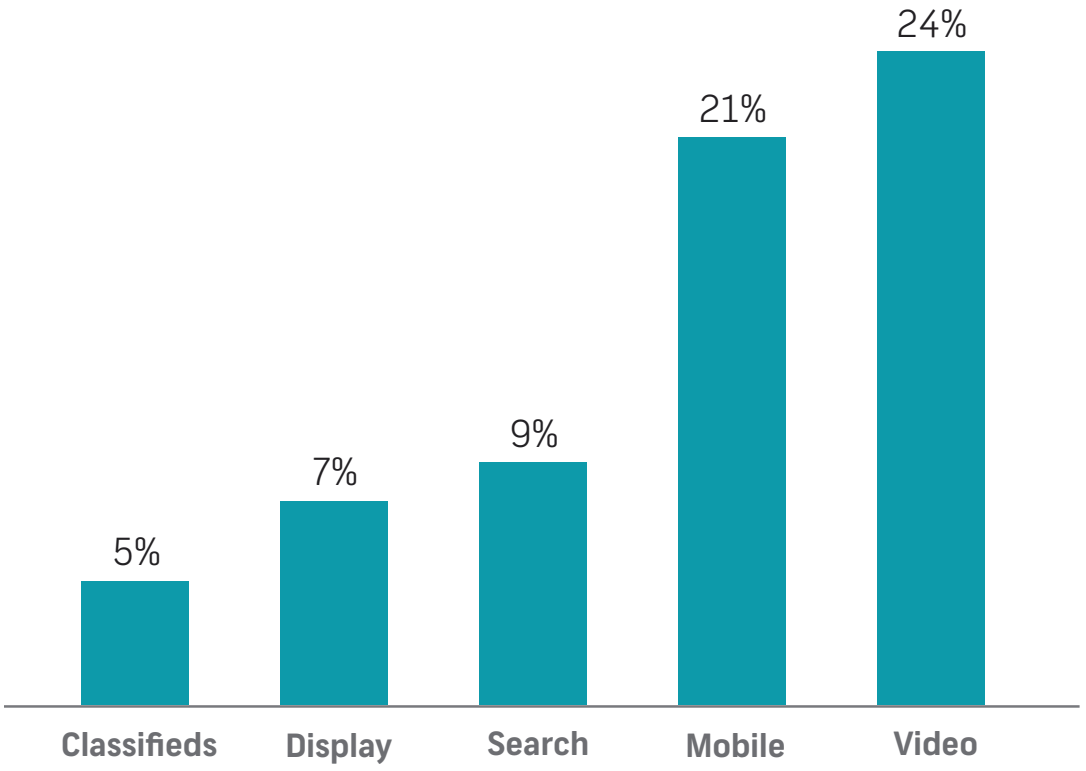


Video

Music

Editorial

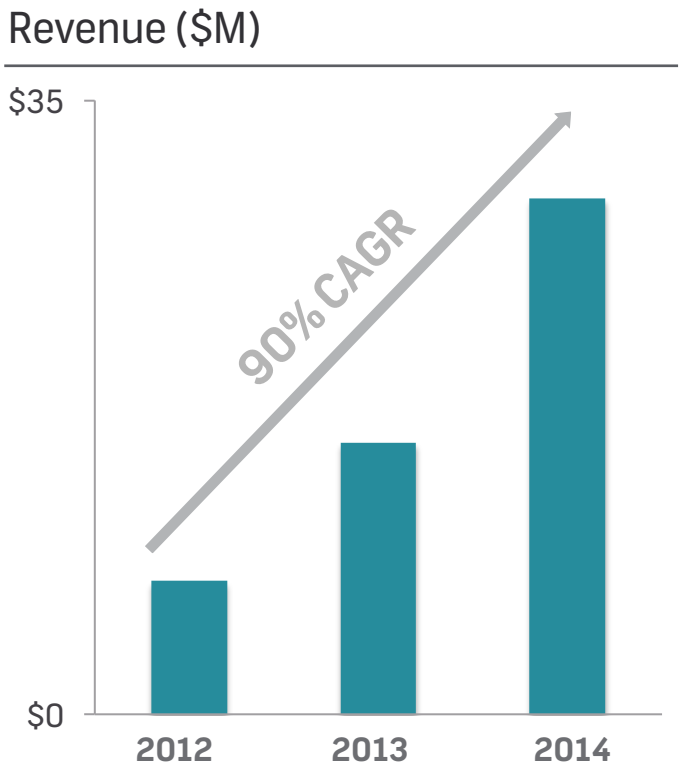
Video is the Fastest Growing Form of Digital Advertising

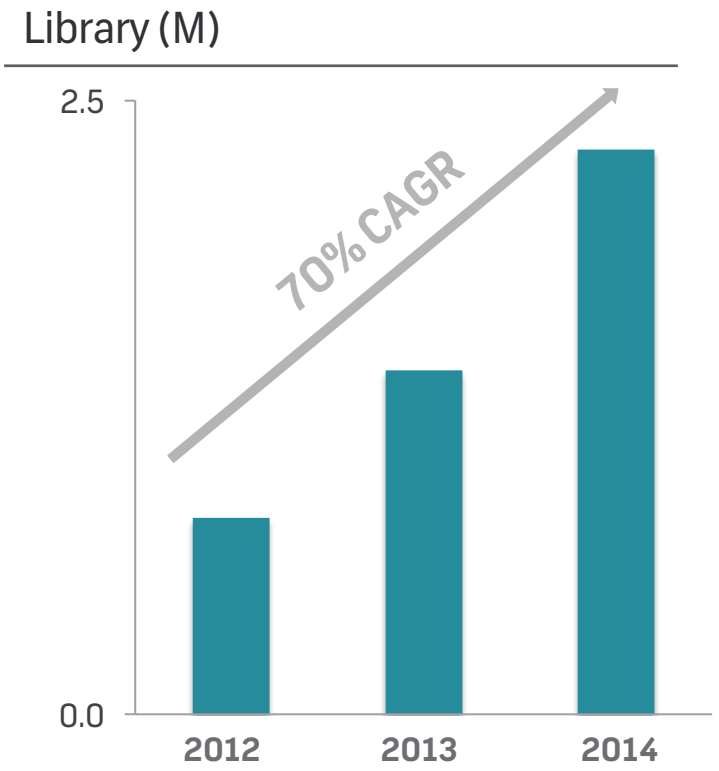


Global Internet advertising spend – CAGR (%) through 2018

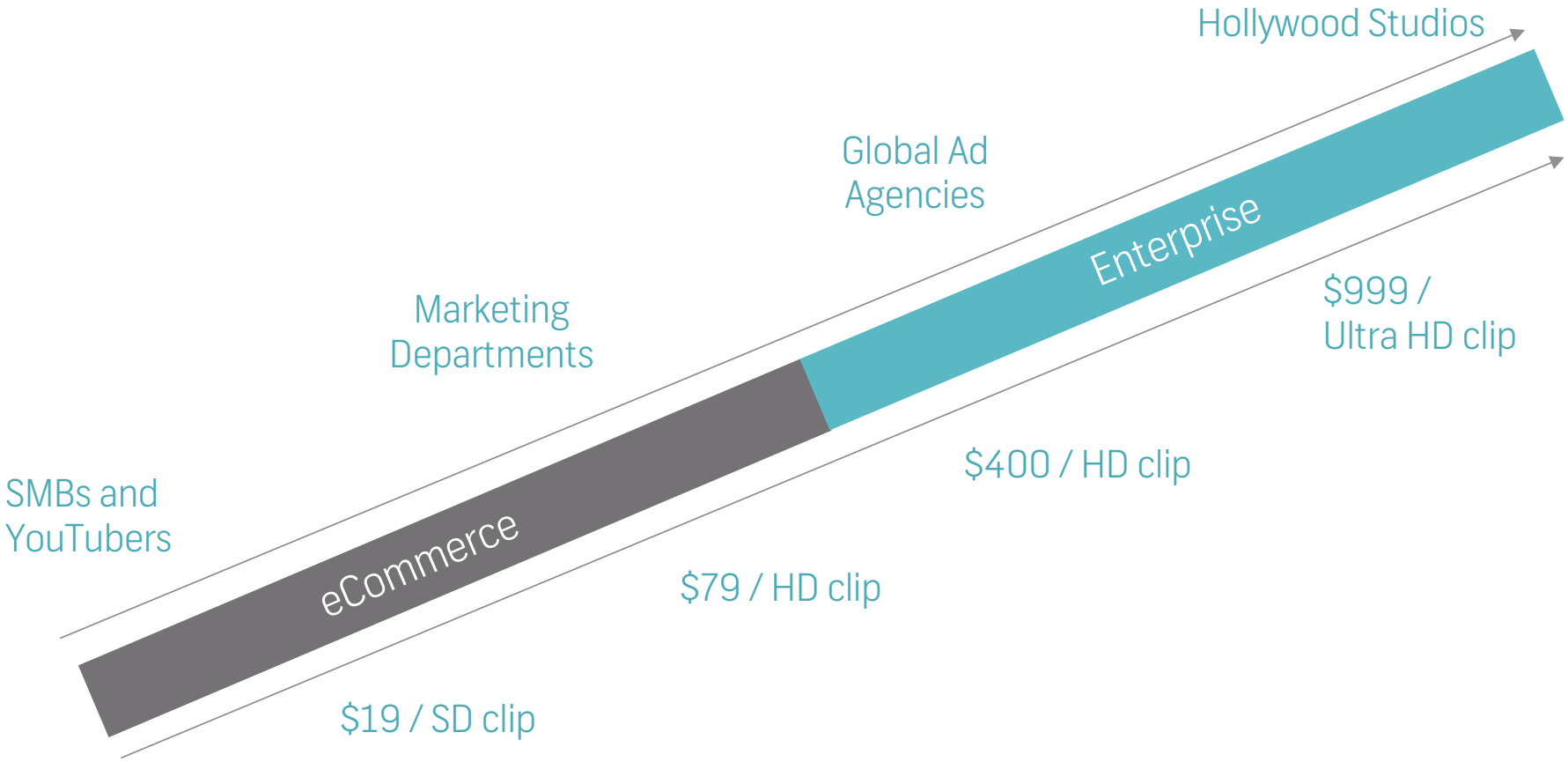
Source:
PwC Internet Advertising Trends

Shutterstock Video is Growing Rapidly





Shutterstock Video Serves Customers of All Sizes



MARVEL
GUARDIANS OF THE GALAXY

MARVEL
THOR
THE DARK WORLD

INHERENT VICE

THE WALKING DEAD

NIGHTCRAWLER

DALLAS BUYERS CLUB

MARVEL
CAPTAIN AMERICA
THE WINTER SOLDIER

WHIPLASH

HOUSE of CARDS

What's Next for Video?

1. Increased cross-promotion
2. Acceleration of Enterprise sales
3. International growth

Music: Doubling Down on Momentum in Video

- Video customers need high quality music
- Acquired best-in-class offering to accelerate growth
- Opportunity to build a $50-100M+ business

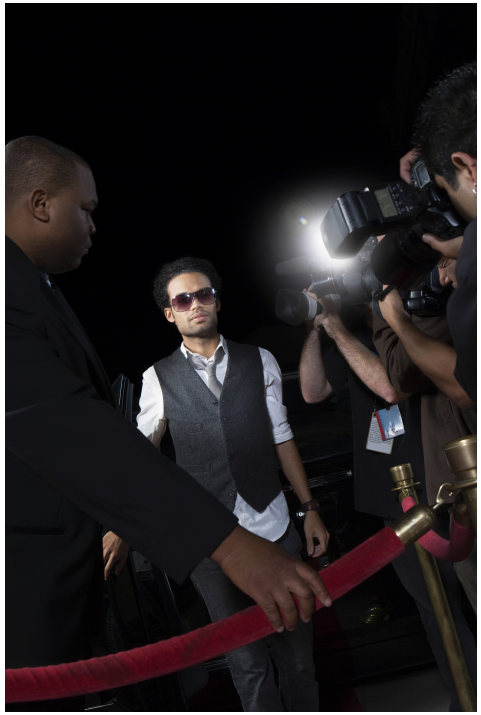
Emerging Asset Types

Video

Music

Editorial

Entertainment



Commercial

Editorial

Sports

Commercial

Editorial

News

Commercial

Editorial

Editorial Content Types

- Editorial is a $750M market covering a variety of subjects:

Entertainment

Sports

News

Archival

… Opportunity to build $50–100M business

Accelerating Entry into Editorial

Emerging Asset Types: Expanding Our Addressable Market

Video

Music

Editorial

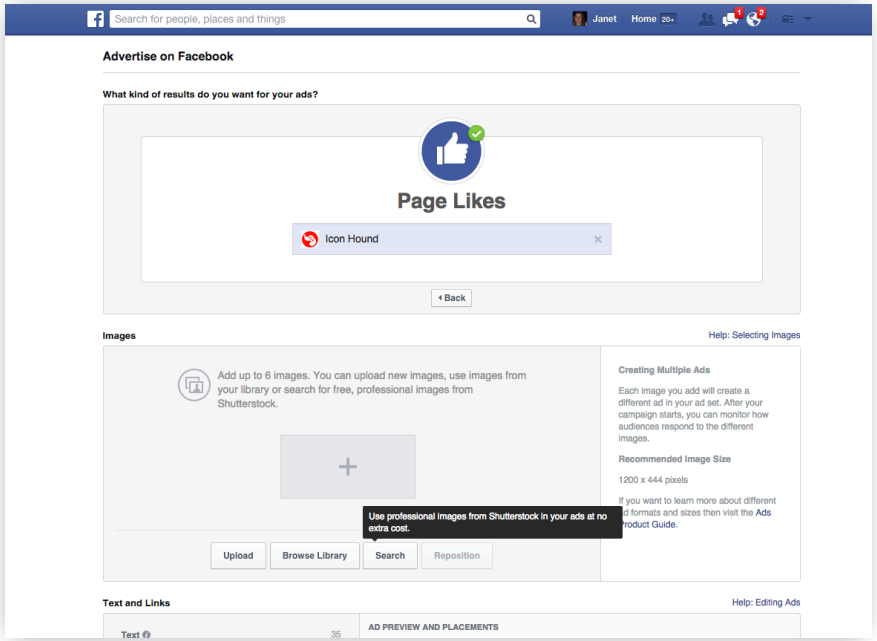
Q&A
Ben Pfeifer
VP, New Business

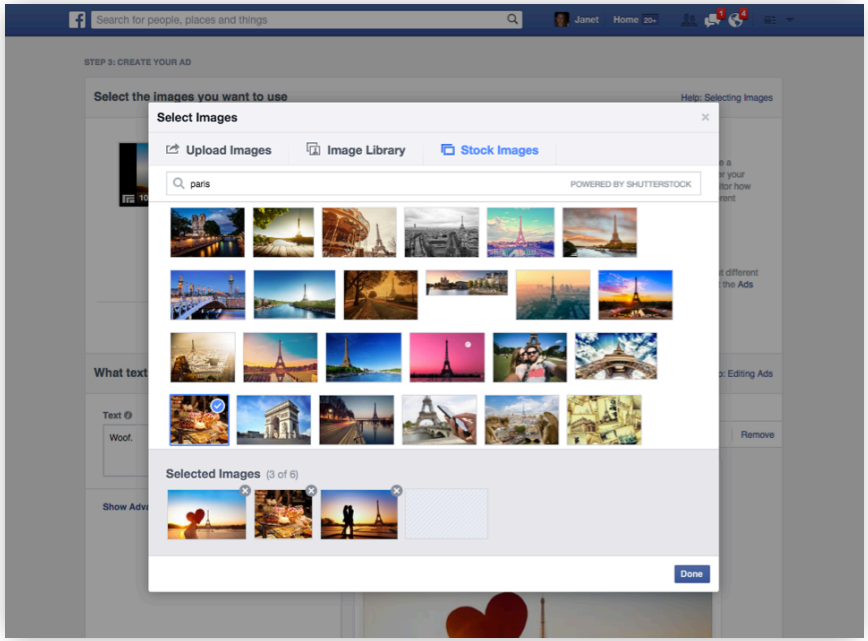
API
DISTRIBUTION
David Fraga
VP, Corporate Development

Expanding Customer Reach Through Partnership

Category Leaders Choose Shutterstock

Ad Creation	facebook Ads
Website Creation	WIX.com
E-mail Marketing	Constant Contact®
Social Media Publishing	salesforce
Merchandise	cafepress


Search for people, places and things
Janet
Home
Advertise on Facebook
What kind of results do you want for your ads?
Page Likes
Icon Hound
Back
Images
Help: Selecting Images
Add up to 6 images. You can upload new images, use images from your library or search for free, professional images from Shutterstock.
Creating Multiple Ads
Each image you add will create a different ad in your ad set. After your campaign starts, you can monitor how audiences respond to the different images.
Recommended Image Size
1200 x 444 pixels
Use professional images from Shutterstock in your ads at no extra cost.
Upload
Browse Library
Search
Reposition
Text and Links
Help: Editing Ads
AD PREVIEW AND PLACEMENTS


Search for people, places and things
Janet
Home
STEP 3: CREATE YOUR AD
Select the images you want to use
Help: Selecting Images
Select Images
Upload Images
Image Library
Stock Images
paris
POWERED BY SHUTTERSTOCK
Selected Images (3 of 6)
Done

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Q&A

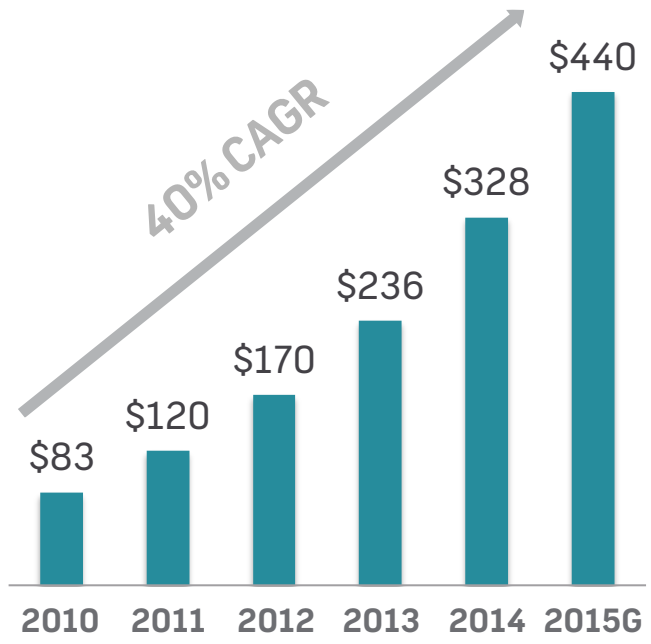
David Fraga
VP, Corporate Development

NUMBERS & METRICS

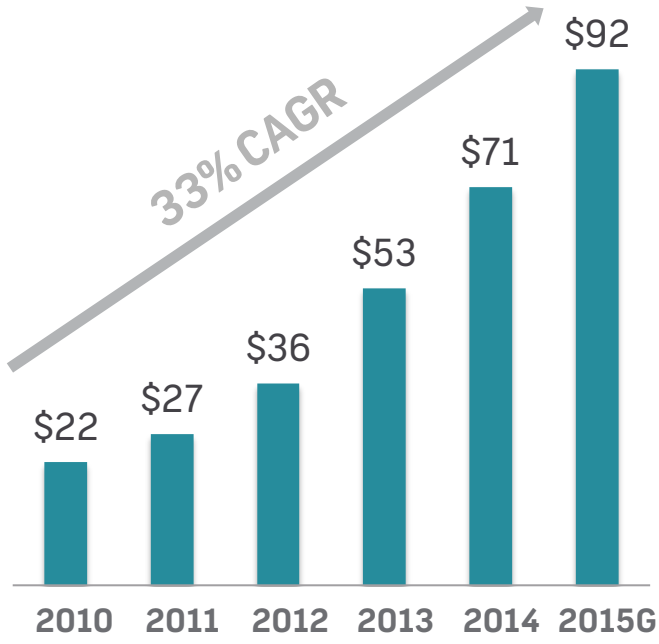
Tim Bixby
CFO

Revenue & EBITDA Trends

Revenue ($M)

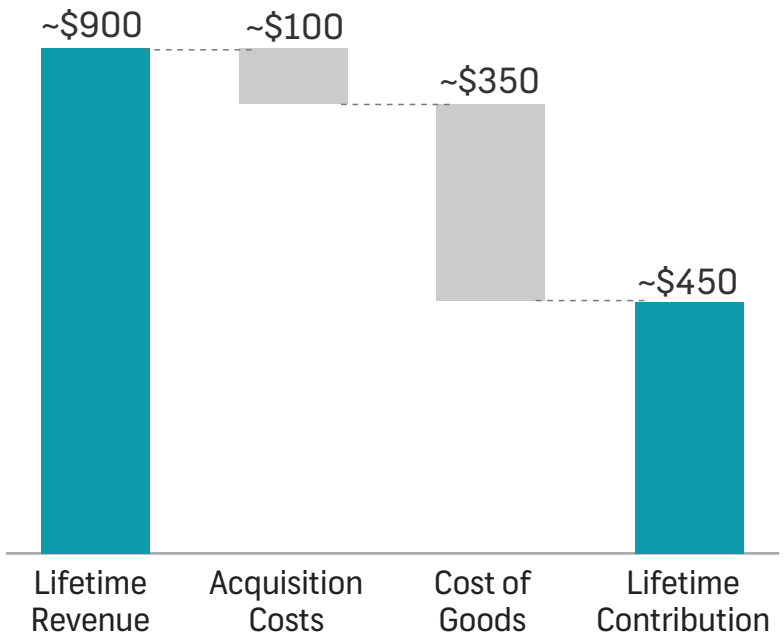


EBITDA ($M)

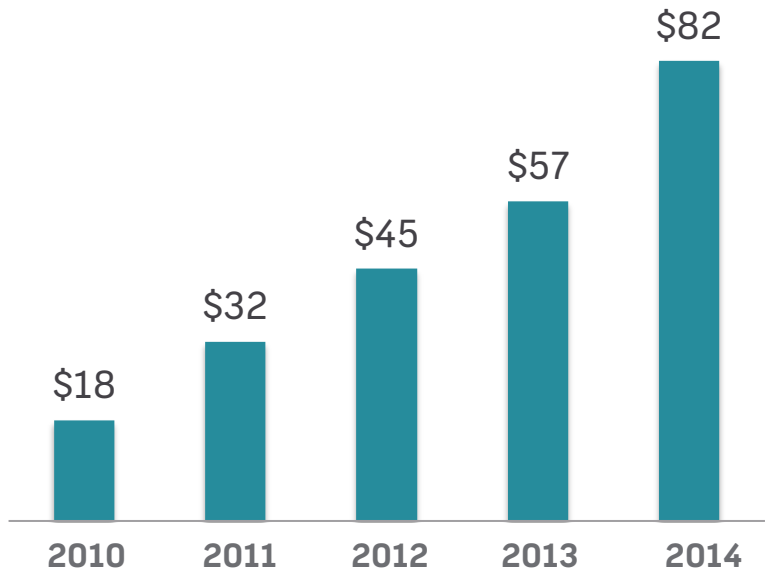


Profitable, Scalable Customer Acquisition Model

Unit Economics



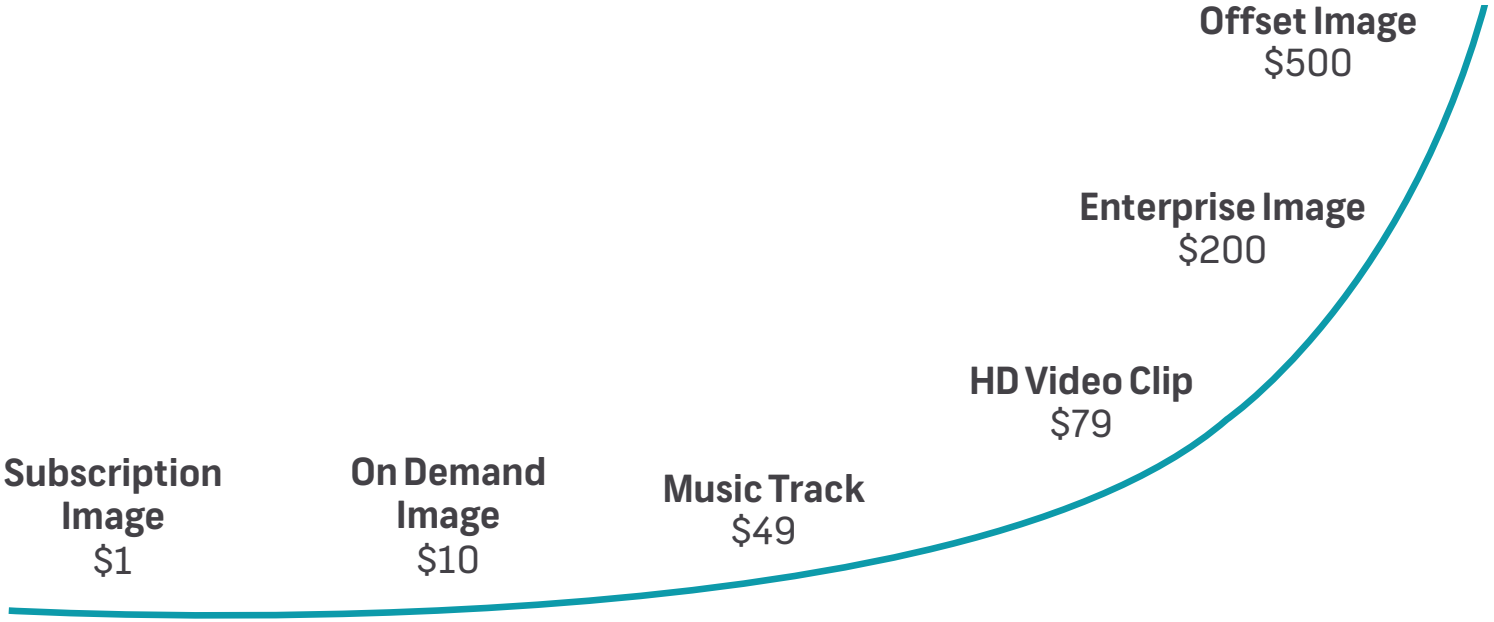
Sales & Marketing Spend ($M)



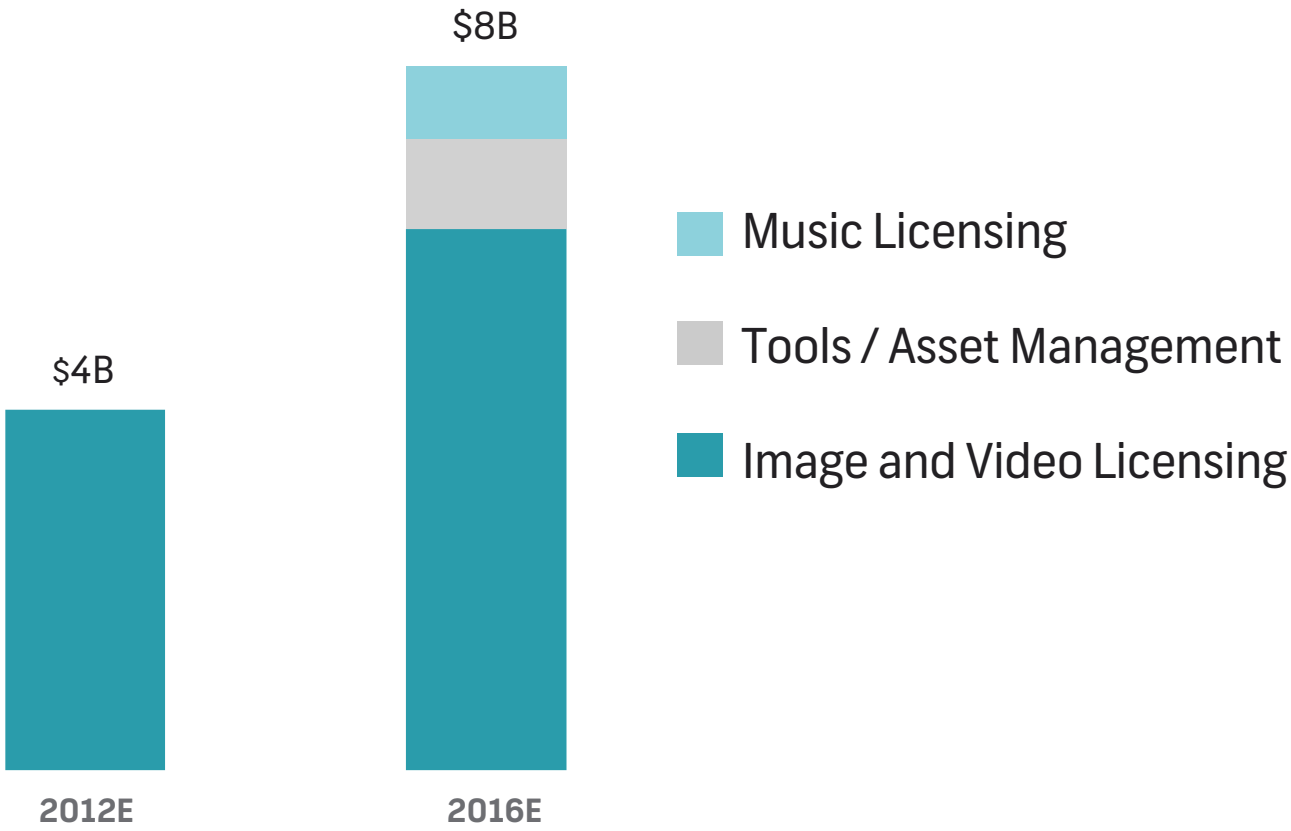
70% of Revenue in USD

% of revenue	USD	EUR	GBP
US	30%		
Europe (ex UK)		20%	
UK			10%
ROW	40%		
Total	**70%**	**20%**	**10%**

Broad Range of Price Points

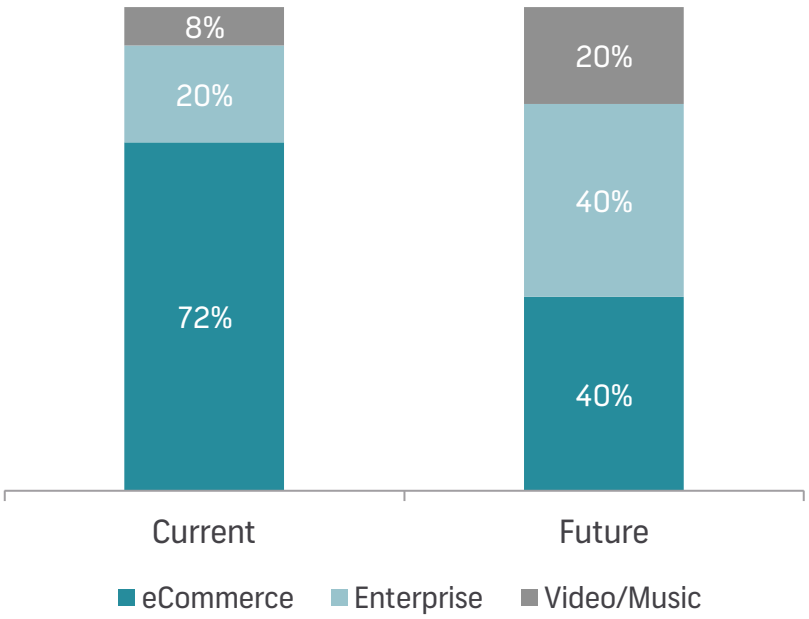


Taking Share in an Expanding Addressable Market

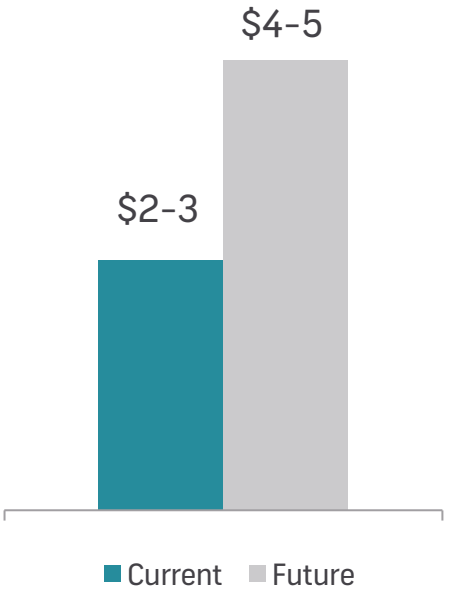


Shutterstock at $1B of Revenue

Revenue Composition



Revenue per Download



Adjusted EBITDA at Scale

% of revenue	Q4 '14	Future	B/(W)
COGs	37%	37%	-
S&M	22%	18-19%	+3-4%
R&D	9%	8-9%	+0-1%
G&A	7%	5-7%	+0-2%
Total Expenses*	**75%**	**68-72%**	**+3-7%**
Adj. EBITDA	**25%**	**28-32%**	**+3-7%**

*Excludes non-cash expenses

The Path to $1 Billion+

- Growing and innovating in our eCommerce marketplace
- Expanding Enterprise sales
- Providing tools in addition to content
- Offering video, music, and editorial

Closing Q&A