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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **November 5, 2015**

Shutterstock, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35669
(Commission
File Number)

80-0812659
(IRS Employer
Identification No.)

350 Fifth Avenue, 21st Floor
New York, New York 10118
(Address of principal executive offices, including zip code)

(646) 419-4452
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On November 5, 2015, Shutterstock, Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended September 30, 2015. A copy of the press release is furnished as Exhibit 99.1 to this current report and is incorporated herein by reference. In addition, a copy of the presentation slides which will be referenced on the Company’s earnings call at 8:30 a.m. Eastern Time on Thursday, November 5, 2015 is furnished as Exhibit 99.2 to this current report and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure.

The information provided above in “Item 2.02 Results of Operations and Financial Condition” is incorporated by reference in this Item 7.01.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press release dated November 5, 2015

99.2 Presentation slides referenced on the earnings call held by Shutterstock, Inc. on November 5, 2015

EXHIBIT INDEX

Exhibit No.	Exhibit Description
99.1	Press release dated November 5, 2015
99.2	Presentation slides referenced on the earnings call held by Shutterstock, Inc. on November 5, 2015



**Shutterstock Reports Third Quarter 2015 Financial Results
Board Authorizes \$100 Million Share Repurchase Program**

Third Quarter 2015 Highlights:

- Revenue increased 28% to \$107.3 million
- Adjusted EBITDA increased 11% to \$19.6 million
- Non-GAAP Net Income per Diluted Share increased 4% to \$0.28
- Paid downloads increased 22% and revenue per download increased 4%
- Image collection expanded 49% to 63.7 million images and video collection expanded 60% to 3.3 million video clips

New York - November 5, 2015 - Shutterstock, Inc. (NYSE: SSTK), a leading global provider of commercial imagery and music, today announced financial results for the third quarter ended September 30, 2015.

Founder and CEO Jon Oringer said "Shutterstock's strong third quarter results reflect the sustained operating performance we are delivering across our diverse platforms as both new and existing customers further recognize the value of our high quality content. Each side of our marketplace continues to grow consistently as we remain focused on delivering the best user experience to our customers and contributors. Expanding our product offerings and developing innovative technology solutions remains a priority to ensure that we can continually evolve to meet the needs of the creative community, while delivering significant financial growth."

THIRD QUARTER RESULTS

Revenue

Third quarter revenue of \$107.3 million increased \$23.5 million or 28% as compared to the third quarter of 2014, primarily due to a 22% increase in the number of paid downloads, mainly due to new customers, as well as from a 4% increase in revenue per download from growth in both on-demand offerings and enterprise sales. Third quarter results also included contributions from PremiumBeat and Rex Features, which were acquired during the first quarter of 2015. Excluding contributions from these acquired businesses and the impact of foreign currency, total Company revenue growth was approximately 25% in the third quarter.

Adjusted EBITDA

Adjusted EBITDA of \$19.6 million increased \$2.0 million or 11% as compared to the third quarter of 2014 as the 28% revenue growth was partially offset by an increase in operating expenses primarily from higher royalty costs associated with the increase in paid downloads. Additionally, the third quarter of 2015 included higher personnel and marketing expenses to support growth, severance costs associated with executive management and operating costs from businesses acquired during the first quarter of 2015. Excluding the contributions from these businesses, as well as severance costs associated with executive management and the impact of foreign currency, Adjusted EBITDA growth was approximately 27% in the third quarter as compared to the third quarter of 2014. Adjusted EBITDA is defined as net income adjusted for other (expense)/income, income taxes, depreciation, amortization, disposals and non-cash equity-based compensation.

Net Income

Net income available to common stockholders of \$4.1 million (\$0.11 per diluted share) for the third quarter decreased as compared with \$5.3 million (\$0.15 per diluted share) in the third quarter a year ago as the improved operating performance was more than offset by an increase in non-cash equity-based compensation expense, changes to the fair value of contingent consideration, and amortization of acquisition related intangible assets.

Non-GAAP net income, which excludes the after tax impact of non-cash equity-based compensation, changes in fair value of contingent consideration related to acquisitions, and amortization of acquisition related intangible assets, was \$10.1 million (\$0.28 per diluted share) for the third quarter, an increase of 5% as compared to \$9.6 million (\$0.27 per diluted share) in the third quarter of 2014.

Cash

Free cash flow was \$14.8 million for the third quarter, a decrease of \$6.0 million from the third quarter of 2014, as the improved operating performance was more than offset by increased capital expenditures and content acquisitions as well as working capital fluctuations. Free cash flow is defined as cash provided by operating activities adjusted for capital expenditures and content acquisition.

The Company's cash, cash equivalents and short term investments totaled \$282.1 million at September 30, 2015 as compared to \$288.3 million as of December 31, 2014, primarily reflecting the \$59.4 million of cash generated from operations, which was more than offset by cash paid for acquisitions of approximately \$65 million. The Company generated \$19.4 million of cash from operations in the third quarter of 2015, as compared to \$22.7 million generated in the third quarter of 2014.

OPERATING METRICS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	(in millions, except revenue per download)		(in millions, except revenue per download)	
Number of paid downloads	38.1	31.2	107.4	92.4
Revenue per download ⁽¹⁾	\$ 2.76	\$ 2.65	\$ 2.83	\$ 2.54
Images in our collection (end of period)	63.7	42.7	63.7	42.7

(1) Revenue per download metric excludes the impact of revenue not associated with content downloads.

FINANCIAL OUTLOOK

The Company's current expectations for the full year 2015 remain as follows:

Full Year 2015

- Revenue of \$425 - \$430 million (29% - 31% growth)
- Adjusted EBITDA of \$82 - \$85 million (16% - 20% growth)
- Non-cash equity-based compensation expense of approximately \$31 million
- Effective tax rate of approximately 44%
- Capital expenditures of approximately \$17 million

STOCK REPURCHASE PROGRAM

The Company's Board of Directors approved a stock repurchase program, pursuant to which the Company is authorized to purchase up to \$100 million of its common stock. The Company expects to fund repurchases through a combination of cash on hand, cash generated by operations and future financing transactions. Accordingly, the Company's stock repurchase program is subject to the Company having available cash to fund repurchases. Under the program, management is authorized to purchase shares from time to time through open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements. The timing and amount of any shares repurchased will be determined by the Company's management based on its evaluation of market conditions and other factors. The repurchase program may be suspended or discontinued at any time.

NON-GAAP FINANCIAL MEASURES

Shutterstock considers Adjusted EBITDA, non-GAAP net income, and free cash flow to be important financial indicators of the Company's operational strength and the performance of its business. Shutterstock defines adjusted EBITDA as net income adjusted for other (expense)/income, 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, the amortization of acquisition related intangible assets and changes in fair value of contingent consideration related to acquisitions; and free cash flow as cash provided by/(used in) operating activities adjusted for capital expenditures and content acquisition. These figures have not been calculated in accordance with United States generally accepted accounting principles (GAAP) and should be considered in addition to results prepared in accordance with GAAP and should not be considered as a substitute for, or superior to, GAAP results. In addition, Adjusted EBITDA, non-GAAP net income, and 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.

A reconciliation of the differences between Adjusted EBITDA, non-GAAP net income, and free cash flow, and the most comparable financial measure calculated and presented in accordance with GAAP, is presented under the heading "Reconciliation of Non-GAAP Financial Information to GAAP" immediately following the Consolidated Balance Sheets.

EARNINGS TELECONFERENCE INFORMATION

The Company will discuss its third quarter financial results during a teleconference today, November 5, 2015, at 8:30 AM ET. The conference call can be accessed in the U.S. at (877) 306-0077 or outside the U.S. at (678) 562-4243 with the conference ID# 50972839. A live audio webcast of the call will also be available simultaneously at <http://investor.shutterstock.com>.

Following completion of the call, a recorded replay of the webcast will be available in the investor relations section of Shutterstock's website. A telephone replay of the call will also be available until November 12, 2015 in the U.S. at (855) 859-2056 or outside the U.S. at (404) 537-3406 with the conference ID# 50972839.

Additional investor information can be accessed at <http://investor.shutterstock.com>.

ABOUT SHUTTERSTOCK

Shutterstock, Inc. (NYSE: SSTK) is a leading global provider of high-quality licensed photographs, vectors, illustrations, videos and music to businesses, marketing agencies and media organizations around the world. Working with its growing community of over 80,000 contributors, Shutterstock adds hundreds of thousands of images each week, and currently has more than 65 million images and 3 million video clips available.

Headquartered in New York City, with offices in Amsterdam, Berlin, Chicago, Dallas, Denver, London, Los Angeles, Montreal, Paris, San Francisco and Silicon Valley, Shutterstock has customers in more than 150 countries. The Company also owns Bigstock, a value-oriented stock media agency; Offset, a high-end image collection; PremiumBeat a curated royalty-free music library; Rex Features, a premier source of editorial images for the world's media; and WebDAM, a cloud-based digital asset management service for businesses.

For more information, please visit www.shutterstock.com, and follow Shutterstock on Twitter or Facebook.

SAFE HARBOR PROVISION

Statements in this press release regarding management's future expectations, predictions, beliefs, goals, intentions, plans, prospects or strategies, including statements regarding Shutterstock's future financial and operating performance on both a GAAP and non-GAAP basis and statements regarding Shutterstock's ability to grow its two-sided marketplace, may constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including risks related to any unforeseen changes to or the effects on liabilities, financial condition, future capital expenditures, revenue, expenses, net income or loss, synergies and future prospects; our inability to continue to attract and retain customers and contributors to our online marketplace for commercial digital imagery and music; a decrease in repeat customer purchases or in content contributed to our online marketplace; our inability to successfully operate in a new and rapidly changing market and to evaluate our future prospects; competitive factors; assertions by third parties of infringement or other violations of intellectual property rights by Shutterstock; our inability to increase market awareness of Shutterstock and our services; Shutterstock's inability to increase the percentage of its revenues that come from larger companies; our inability to continue expansion into international markets and the additional risks associated with operating internationally; failure to respond to technological changes or upgrade Shutterstock's website and technology systems; general economic conditions worldwide; our ability to successfully integrate acquisitions and the associated technology and achieve operational efficiencies; and other factors and risks discussed under the heading "Risk Factors" in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, as well as in other documents that may be filed by Shutterstock from time to time with the Securities and Exchange Commission. As a result of such risks, uncertainties and factors, Shutterstock's actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. Shutterstock is providing the information in this press release as of this date and assumes no obligation to update the information included in this press release or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue	\$ 107,260	\$ 83,730	\$ 309,147	\$ 236,745
Operating expenses:				
Cost of revenue	44,512	33,260	126,582	94,419
Sales and marketing	27,393	21,122	79,927	60,890
Product development	10,827	9,870	31,700	26,922
General and administrative	16,441	10,265	44,949	27,816
Total operating expenses	99,173	74,517	283,158	210,047
Income from operations	8,087	9,213	25,989	26,698
Other expense, net	(767)	(373)	(3,386)	(327)
Income before income taxes	7,320	8,840	22,603	26,371
Provision for income taxes	3,217	3,562	9,920	11,315
Net income	\$ 4,103	\$ 5,278	\$ 12,683	\$ 15,056
Less:				
Undistributed earnings to participating stockholder	—	9	2	30
Net income available to common stockholders	\$ 4,103	\$ 5,269	\$ 12,681	\$ 15,026
Net income per share available to common stockholders:				
Basic	\$ 0.11	\$ 0.15	\$ 0.35	\$ 0.43
Diluted	\$ 0.11	\$ 0.15	\$ 0.35	\$ 0.42
Weighted average shares outstanding:				
Basic	36,039,907	35,304,066	35,847,748	35,161,644
Diluted	36,270,044	35,931,454	36,269,067	35,883,202

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

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 229,607	\$ 233,453
Short-term investments	52,491	54,844
Credit card receivables	3,941	2,451
Accounts receivable, net	25,631	15,251
Prepaid expenses and other current assets	12,355	12,141
Deferred tax assets, net	6,213	5,390
Total current assets	330,238	323,530
Property and equipment, net	29,877	26,744
Intangibles assets, net	30,818	4,934
Goodwill	52,170	10,186
Deferred tax assets, net	19,991	16,484
Other assets	1,913	1,899
Total assets	\$ 465,007	\$ 383,777
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,045	\$ 5,334
Accrued expenses	27,962	24,982
Contributor royalties payable	17,614	11,933
Income taxes payable	993	91
Deferred revenue	94,314	75,789
Other liabilities	4,920	2,198
Total current liabilities	154,848	120,327
Deferred tax liability, net	4,025	—
Other non-current liabilities	13,234	12,017
Total liabilities	172,107	132,344
Commitment and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value; 200,000 shares authorized; 36,076 and 35,603 shares outstanding as of September 30, 2015 and December 31, 2014, respectively	360	356
Additional paid-in capital	206,811	174,821
Accumulated comprehensive loss	(3,839)	(629)
Retained earnings	89,568	76,885
Total stockholders' equity	292,900	251,433
Total liabilities and stockholders' equity	\$ 465,007	\$ 383,777

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

The following information is not a financial measure under generally accepted accounting principles (GAAP). In addition, it should not be construed as an alternative to any other measures of performance determined in accordance with GAAP, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing and financing activities as there may be significant factors or trends that it fails to address. We present this financial information because we believe that it is helpful to some investors as one measure of our operations. 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 results with our results from other reporting periods and with the results of other companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income	\$ 4,103	\$ 5,278	\$ 12,683	\$ 15,056
Add:				
(a) Depreciation and amortization	3,869	2,125	10,363	5,757
(b) Write-off of property and equipment	—	—	—	367
(c) Non-cash equity-based compensation	7,683	6,335	22,771	15,728
(d) Other expense, net	767	373	3,386	327
(e) Provision for income taxes	3,217	3,562	9,920	11,315
Adjusted EBITDA ⁽¹⁾	\$ 19,639	\$ 17,673	\$ 59,123	\$ 48,550
Adjusted EBITDA per diluted common share	\$ 0.54	\$ 0.49	\$ 1.63	\$ 1.35
Weighted average diluted shares	36,270,044	35,931,454	36,269,067	35,883,202

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income	\$ 4,103	\$ 5,278	\$ 12,683	\$ 15,056
Add (net of tax effect):				
(a) Non-cash equity-based compensation	4,933	4,192	14,652	10,473
(b) Acquisition related amortization expense	758	105	2,097	242
(c) Change in fair value of contingent consideration	342	44	913	69
Non-GAAP net income	\$ 10,136	\$ 9,619	\$ 30,345	\$ 25,840
Non-GAAP net income per diluted common share	\$ 0.28	\$ 0.27	\$ 0.84	\$ 0.72
Weighted average diluted shares	36,270,044	35,931,454	36,269,067	35,883,202

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net cash provided by operating activities	\$ 19,350	\$ 22,712	\$ 59,449	\$ 59,499
Capital expenditures and content acquisition	(4,508)	(1,885)	(12,065)	(16,665)
Free cash flow	\$ 14,842	\$ 20,827	\$ 47,384	\$ 42,834
Adjusted EBITDA	\$ 19,639	\$ 17,673	\$ 59,123	\$ 48,550
Add/(less):				
(a) Changes in operating assets and liabilities	5,842	11,722	17,570	36,200
(b) Provision for income taxes	(3,217)	(3,562)	(9,920)	(11,315)
(c) Deferred income taxes	(2,762)	(1,707)	(4,587)	(4,181)
(d) Tax benefit from exercise/vesting of equity awards	(41)	(1,503)	(1,741)	(10,224)
(e) Provision for doubtful accounts/chargeback/sales refund reserves	116	392	950	686
(f) Other expense, net	(767)	(373)	(3,386)	(327)
(g) Change in fair value of contingent consideration	540	70	1,440	110
Net cash provided by operating activities	\$ 19,350	\$ 22,712	\$ 59,449	\$ 59,499

(1) Earnings/(loss) before other income/(expense), income taxes, depreciation, amortization, disposals and non-cash equity-based compensation.

SHUTTERSTOCK, INC.
SUPPLEMENTAL FINANCIAL DATA
(unaudited; in thousands)

Non-Cash Equity-Based Compensation

Included in the accompanying financial results are expenses related to non-cash equity-based compensation, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cost of revenue	\$ 496	\$ 336	\$ 1,444	\$ 953
Sales and marketing	1,364	819	4,110	2,689
Product development	1,743	1,805	5,863	4,529
General and administrative	4,080	3,375	11,354	7,557
Total	\$ 7,683	\$ 6,335	\$ 22,771	\$ 15,728

Amortization of Intangible Assets and Depreciation of Property and Equipment

Included in the accompanying financial results are expenses related to the amortization of intangible assets, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cost of revenue	\$ 402	\$ 29	\$ 1,070	\$ 70
General and administrative	867	138	2,405	314
Total	\$ 1,269	\$ 167	\$ 3,475	\$ 384

Included in the accompanying financial results are expenses related to the depreciation of property and equipment, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cost of revenue	\$ 1,412	\$ 1,135	\$ 3,758	\$ 3,138
General and administrative	1,188	823	3,130	2,235
Total	\$ 2,600	\$ 1,958	\$ 6,888	\$ 5,373

Historical Operating Metrics

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15
	(in millions, except revenue per download)								
Number of paid downloads	25.4	28.0	29.7	31.5	31.2	33.5	33.4	35.9	38.1
Revenue per download ⁽¹⁾	\$ 2.35	\$ 2.43	\$ 2.45	\$ 2.52	\$ 2.65	\$ 2.69	\$ 2.87	\$ 2.85	\$ 2.76
Images in collection (end of period)	29.7	32.2	35.4	38.8	42.7	46.8	51.6	57.2	63.7

(1) Revenue per download metric excludes the impact of revenue not associated with content downloads.



Q3 2015 Summary

November 5, 2015

shutterstock

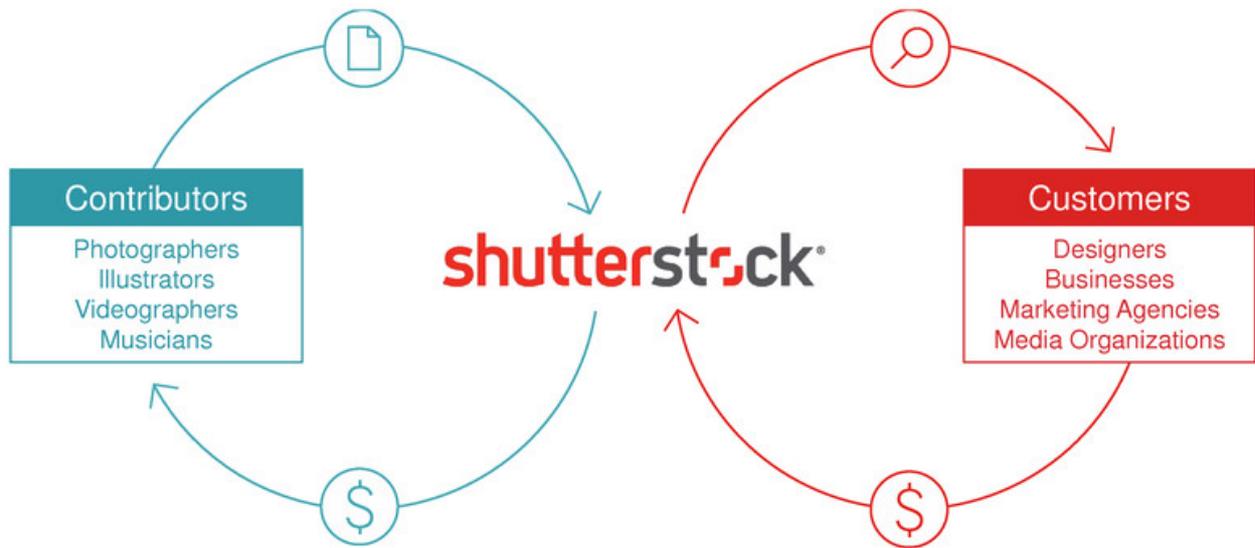
This presentation contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our management's beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning 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, adjusted EBITDA margin, non-GAAP net income and free cash flow, which we consider to be important financial indicators of the Company's operational strength and the performance of its business. Shutterstock defines adjusted EBITDA as net income adjusted for other (expense)/income, income taxes, depreciation, amortization, disposals and non-cash equity-based compensation; adjusted EBITDA margin as adjusted EBITDA divided by revenue; non-GAAP net income as net income excluding the after tax impact of non-cash equity-based compensation, the amortization of acquisition-related intangible assets and changes in fair value of contingent consideration related to acquisitions; and free cash flow as cash provided by/(used in) operating activities adjusted for capital expenditures and content acquisition. These figures are non-GAAP financial measures and should be considered in addition to results prepared in accordance with generally accepted accounting principles (GAAP), and should not be considered as a substitute for, or superior to, GAAP results.

The Leading Global Marketplace for Stock Content

shutterstock



Q3 2015 Financial Highlights



- Reported revenue increased 28% to \$107.3 million
- Revenues increased approximately 25% excluding the impact of currency and contributions from acquired businesses primarily driven by new customers, increased paid downloads and higher revenue per download
- Reported Adjusted EBITDA increased 11% to \$19.6 million
- Adjusted EBITDA increased approximately 27% excluding the impact of currency and contributions from acquired businesses; revenue growth was partially offset by higher operating expenses due primarily to royalty costs associated with the increase in paid downloads as well as higher personnel and marketing costs
- Net Income available to common stockholders decreased to \$4.1 million
- Non-GAAP net income per diluted share increased 4% to \$0.28; excludes non-cash equity-based compensation, amortization of acquisition related intangible assets and changes in the fair value of contingent consideration
- Announced \$100 million share repurchase program

Q3 2015 Operating Highlights



- Image library expanded 49% to 63.7 million images
- Video library expanded 60% to 3.3 million video clips
- Paid downloads grew 22% to 38.1 million
- Revenue per download increased 4% to \$2.76
- 1.4 million customers contributed to revenue in the prior 12 months

Consolidated Financial Results



(\$ in millions)

	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	%	2015	2014	%
Operating Revenues	\$107.3	\$83.7	28%	\$309.1	\$236.7	31%
Operating Expenses	99.2	74.5	33%	283.2	210.0	35%
Operating Profit	8.1	9.2	(12%)	26.0	26.7	(3%)
Add: Dep. & Amort.	3.9	2.1	86%	10.4	5.8	79%
Add: Stock Based Comp.	7.7	6.3	22%	22.8	15.7	45%
Add: Other Adjustments	--	--	--	--	0.4	--
Adjusted EBITDA	\$19.6	\$17.7	11%	\$59.1	\$48.6	22%
<i>Adjusted EBITDA Margin</i>	<i>18.3%</i>	<i>21.1%</i>		<i>19.1%</i>	<i>20.5%</i>	
Add: Executive Severance	0.7	--	--	0.8	--	--
	\$20.3	\$17.7	15%	\$59.9	\$48.6	23%

Note: "Other Adjustments" includes write-off of property & equipment in Q1'14. Totals may not sum due to rounding.

Key Financial Results



	Q3 Y/Y Change	
	Reported	Pro-Forma
Revenue Growth	28%	25%
Adjusted EBITDA Growth	11%	27%
Revenue per Download Growth	4%	9%
Adjusted EBITDA Margin	18.3%	22.3%

Note: Pro-Forma growth excludes the impact of foreign currency, contributions from PremiumBeat & Rex which were acquired in January 2015 and severance for executive management.

Free Cash Flow



(\$ in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Net Cash From Operations	\$19.4	\$22.7	\$59.4	\$59.5
CapEx and Content Acquisitions	(4.5)	(1.9)	(12.1)	(16.7)
Free Cash Flow	\$14.8	\$20.8	\$47.4	\$42.8

Note: Totals may not sum exactly due to rounding.

Non-GAAP Net Income



(\$ in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
GAAP Net Income	\$4.1	\$5.3	\$12.7	\$15.1
Add: Non-Cash Equity-Based Comp	4.9	4.2	14.7	10.5
Add: Acquisition-Related Amortization	0.8	0.1	2.1	0.2
Add: Change in Fair Value of Contingent Consideration	0.3	0.0	0.9	0.1
Non-GAAP Net Income	10.1	9.6	30.3	25.8
Non-GAAP Net Income / Diluted Share	\$0.28	\$0.27	\$0.84	\$0.72

Note: Adjustments net of tax effect. Totals may not sum exactly due to rounding.

2015 Guidance



	2015 Guidance	Implied Y/Y Growth
Revenue	\$425 - \$430 million	29% - 31%
Adjusted EBITDA	\$82 - \$85 million	16% - 20%
Non-Cash Equity Based Comp.	\$31 million	
Effective Tax Rate	44%	
Capital Expenditures	\$17 million	

2015 Guidance Unchanged from Prior Quarter

