

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): August 9, 2024

Getty Images Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-41453
(Commission
File Number)

87-3764229
(IRS Employer
Identification No.)

605 5th Ave S. Suite 400
Seattle, WA 98104

(Address of Principal Executive Offices, including Zip Code)

Registrant's telephone number, including area code: **(206) 925-5000**

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 (see General Instruction A.2 below):

- 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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	GETY	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On August 9, 2024, Getty Images Holdings, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated by reference in this Item 2.02.

The information contained in Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1) is being furnished and shall not be deemed “filed” for the 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. Such information shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated August 9, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

Date: August 9, 2024

Getty Images Holdings, Inc.

By: /s/ Kjelti Kellough

Name: Kjelti Kellough

Title: Senior Vice President, General Counsel, and Corporate Secretary

Getty Images Reports Second Quarter 2024 Results

- Revenue Growth of 1.5%, Currency Neutral Growth of 2.1%
- Editorial Business Back in Strong Growth of 4.1%, Currency Neutral Growth of 4.6%
- Annual Subscription Revenue Grew 5.2%, Represents 52.9% of Total Revenue

New York, NY, August 9, 2024 – Getty Images Holdings, Inc. (“Getty Images” or the “Company”) (NYSE: GETY), a preeminent global visual content creator and marketplace, today reported financial results for the second quarter ended June 30, 2024.

“We returned to growth in the second quarter, with gains across Getty Images, iStock and Unsplash, driven by increased annual subscribers and paid downloads,” said Craig Peters, Chief Executive Officer for Getty Images. “Our partnerships and unique access, expertise, exclusive content, comprehensive coverage and best-in-class search and customer service continue to set us apart. We are leading in responsible AI, both through our partnership with NVIDIA and our efforts to bring responsibly trained, commercially safe generative AI to our customers. I am excited to build on this momentum in the second half of 2024.”

“We executed and delivered a return to growth that together with healthy underlying key metrics provides a strong foundation for the second half of 2024,” said Jenn Leyden, Chief Financial Officer. “As we look ahead, we will remain fiscally conservative, continue to invest in the business, and are confident in our ability to return to full-year topline growth in 2024.”

Second Quarter 2024 Financial Summary:

- Revenue for the period was \$229.1 million, an increase of 1.5% year-over-year and 2.1% on a currency neutral basis.
 - Creative revenue was \$137.9 million, a decrease of 2.4% year-over-year and 1.8% on a currency-neutral basis.
 - Editorial revenue was \$83.6 million, an increase of 4.1% year-over-year and 4.6% on a currency-neutral basis.
 - Annual Subscription Revenue¹ as a percentage of total revenue grew to 52.9%, up from 51.1% in Q2'23.
- Net Income of \$3.7 million, compared to Net Loss of \$4.3 million in Q2'23. Included in Q2'24 results is a \$2.4 million unrealized gain primarily related to the change in fair value of the Company's Euro term loan, compared to an unrealized loss of \$3.2 million in Q2'23. Net Income Margin for Q2'24 was 1.6% compared to Net Loss Margin of 1.9% in Q2'23.
- Adjusted EBITDA* of \$68.8 million, down 5.4% year over year and down 4.7% on a currency neutral basis. Adjusted EBITDA Margin* remained healthy at 30.0% and 32.2% for Q2'24 and Q2'23, respectively.
- Adjusted EBITDA less capex* was \$53.4 million, down 9.1% year over year and down 8.5% on a currency neutral basis.

Liquidity and Balance Sheet:

- Net cash provided by operating activities of \$68.0 million in Q2'24, compared to \$73.8 million in the prior year period.
- Free cash flow* of \$31.1 million in Q2'24, compared to \$27.9 million in the prior year period.
- Ending cash balance on June 30, 2024 was \$121.7 million, down \$14.9 million from the ending balance on December 31, 2023 and up \$0.4 million from June 30, 2023. We have \$150.0 million available through our Revolver which remains undrawn, for total available liquidity of \$271.7 million.
- Total debt was \$1.350 billion, which included \$300.0 million in senior notes and a term loan balance of \$1.050 billion, consisting of \$601.8 million in USD and \$448.5 million in USD equivalent of Euros, converted using exchange rates as of June 30, 2024.

* Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA less capex, and Free Cash Flow are non-GAAP financial measures. Refer to the Reconciliation of GAAP and Non-GAAP Financial Measures section below.

Key Performance Indicators (KPIs)

Our KPIs outlined below are the metrics that provide management with the most immediate understanding of the drivers of business performance and our ability to deliver shareholder return, track to financial targets and prioritize customer satisfaction. KPI comparisons for the last twelve months ended June 30, 2024 reflect Hollywood strike impact.

	Last Twelve Months Ended June 30,		
	2024	2023	Increase / (Decrease)
LTM total purchasing customers (thousands) ¹	740	830	(10.8)%
LTM total active annual subscribers (thousands) ²	282	182	54.7%
LTM paid download volume (millions) ³	95	94	0.9%
LTM annual subscriber revenue retention rate ⁴	89.4%	98.5%	-910 bps
Image collection (millions) ⁵	553	513	7.7%
Video collection (millions) ⁵	30	26	17.5%
LTM video attachment rate ⁶	15.6%	13.5%	+210 bps

Annual subscription - includes all products with a duration of 12 months or longer

¹ The count of total customers who made a purchase within the reporting period based on billed revenue.

² The count of customers who were on an annual subscription product during the reporting period.

³ A count of the number of paid downloads by our customers in the reporting period. Excludes downloads from Editorial Subscriptions, Editorial feeds and certain API structured deals, including bulk unlimited deals. Excludes downloads starting in Q3 '22 tied to a two-year deal signed with Amazon in July 2022, as the magnitude of the potential download volume over the deal term could result in significant fluctuations in this metric without corresponding impact to revenue in the same period.

⁴ This calculates retention of total revenue for customers on an annual subscription product, comparing the customer's total billed revenue (inclusive of both annual subscription and non-annual subscription products) in the LTM period to the prior LTM period.

⁵ A count of the total images and videos in our content library as of the reporting date.

⁶ A measure of the percentage of total paid customer downloaders who are video downloaders.

Second Quarter 2024 and Other Recent Business Highlights:

- Best-in-class-coverage of the Paris 2024 Olympics, shooting and editing more than 5 million images from over 70 sports across men's and women's competitions, ready-to-license and available to Getty Images' global customer base in close to real-time. Once again the International Olympic Committee's ("IOC") designated Official Photographic Agency, providing an unrivaled service to the IOC and its family of sponsors including NBC Universal Comcast, Coca-Cola, Proctor & Gamble, Visa, Toyota, AB InBev and Samsung Electronics.
- In partnership with NVIDIA, launched an updated model for its commercially safe generative AI services and tools. New model provides lightning-fast generation speeds and higher-quality visuals to help brands easily bring commercially safe AI to production.
- Partnership with PicsArt to bring its customers responsible AI.
- Renewed and extended its long-term partnership with Canva to provide Canva's customers with access to millions of Getty Images' award-winning creative image and video assets, while collaborating to develop responsibly trained, commercially safe generative AI.

- Following the Motorsport Images acquisition in April, already over 300,000 assets up on gettyimages.com and servicing new commercial partners such as McLaren Racing and Aston Martin.

Financial Outlook for Full Year 2024

The following tables summarize Getty Images' updated fiscal year 2024 guidance:

	Updated 2024 Guidance	Prior 2024 Guidance
Revenue	\$924 million to \$943 million	\$928 million to \$947 million
Revenue YoY	0.9% to 2.9%	1.3% to 3.3%
Revenue YoY, Currency Neutral	1.0% to 3.0%	1.0% to 3.0%
Adjusted EBITDA	\$290 million to \$294 million	~\$298 million
Adjusted EBITDA YoY	(3.8)% to (2.5)%	~(1.2)%
Adjusted EBITDA YoY, Currency Neutral	(3.6)% to (2.3)%	~(1.5)%

Guidance has been updated to reflect the impact of foreign currency exchange rates on both Revenue and Adjusted EBITDA. The update also reflects incremental integration related expenses that are more one time in nature, and higher than estimated employee health insurance costs. Despite these unplanned impacts, the guidance reflects strong operating efficiency with Adjusted EBITDA margins expected to be above 31%.

Webcast & Conference Call Information

The Company will host a conference call and live webcast with the investment community at 8:30 a.m. EDT, Monday, August 12, 2024 to discuss its second quarter 2024 results. The live webcast will be accessible through the Investor Relations section of the Company's website at <https://investors.gettyimages.com/>. To access the call through a conference line, dial 1-800-245-3047 (in the U.S.) or 1-203-518-9765 (international callers). The conference ID for the call is GETTYQ2. A replay of the conference call will be posted shortly after the call and will be available for fourteen days following the call. To access the replay, dial 1-844-512-2921 (in the U.S.) or 1-412-317-6671 (international callers). The access code for the replay is 11156500.

About Getty Images

Getty Images (NYSE: GETY) is a preeminent global visual content creator and marketplace that offers a full range of content solutions to meet the needs of any customer around the globe, no matter their size. Through its [Getty Images](#), [iStock](#) and [Unsplash](#) brands, websites and APIs, Getty Images serves customers in almost every country in the world and is the first-place people turn to discover, purchase and share powerful visual content from the world's best photographers and videographers. Getty Images works with almost 570,000 content creators and more than 340 content partners to deliver this powerful and comprehensive content. Each year Getty Images covers more than 160,000 [news](#), [sport](#) and [entertainment](#) events providing depth and breadth of coverage that is unmatched. Getty Images maintains one of the largest and best privately-owned [photographic archives](#) in the world with millions of images dating back to the beginning of photography.

Through its [best-in-class creative library](#) and [Custom Content](#) solutions, Getty Images helps customers elevate their creativity and entire end-to-end creative process to find the right visual for any need. With the adoption and distribution of generative AI technologies and tools trained on permissioned content that include indemnification and perpetual, worldwide usage rights, [Getty Images](#) and [iStock](#) customers can use text to image generation to ideate and create commercially safe compelling visuals, further expanding Getty Images capabilities to deliver exactly what customers are looking for.

For company news and announcements, visit our [Newsroom](#).

Forward-Looking Statements

Certain statements included in this press release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of the words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “project,” “forecast,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” “target” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of other financial and performance metrics and projections of market opportunity. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of our management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company.

These forward-looking statements are subject to a number of risks and uncertainties, including: our inability to continue to license third-party content and offer relevant quality and diversity of content to satisfy customer needs; our ability to attract new customers and retain and motivate an increase in spending by our existing customers; our ability to grow our subscriptions business; the user experience of our customers on our websites; the extent to which we are able to maintain and expand the breadth and quality of our content library through content licensed from third-party suppliers, content acquisitions and imagery captured by our staff of in-house photographers; the mix of and basis upon which we license our content, including the price-points at, and the license models and purchase options through, which we license our content; the risk that we operate in a highly competitive market; the risk that we are unable to successfully execute our business strategy or effectively manage costs; our inability to effectively manage our growth; our inability to maintain an effective system of internal controls and financial reporting; the risk that we may lose the right to use “Getty Images” trademarks; our inability to evaluate our future prospects and challenges due to evolving markets and customers’ industries; the legal, social and ethical issues relating to the use of new and evolving technologies, such as Artificial Intelligence (“AI”), including statements regarding AI and innovation momentum; the increased use of AI applications such as generative AI technologies that may result in harm to our brand, reputation, business, or intellectual property; the risk that our operations in and continued expansion into international markets bring additional business, political, regulatory, operational, financial and economic risks; our inability to adequately adapt our technology systems to ingest and deliver sufficient new content; the risk of technological interruptions or cybersecurity breaches, incidents, and vulnerabilities; the risk that any prolonged strike by, or lockout of, one or more of the unions that provide personnel essential to the production of films or television programs, such as the 2023 strike by the writers’ union and the actors’ unions and including its lingering effects, could further impact our entertainment business; the inability to expand our operations into new products, services and technologies and to increase customer and supplier awareness of new and emerging products and services, including with respect to our AI initiatives; the loss of and inability to attract and retain key personnel that could negatively impact our business growth; the inability to protect the proprietary information of customers and networks against security breaches and protect and enforce intellectual property rights; our reliance on third parties; the risks related to our use of independent contractors; the risk that an increase in government regulation of the industries and markets in which we operate could negatively impact our business; the impact of worldwide and regional political, military or economic conditions, including declines in foreign currencies in relation to the value of the U.S. dollar, hyperinflation, higher interest rates, devaluation the impact of recent bank failures on the marketplace and the ability to access credit and significant political or civil disturbances in international markets where we conduct business; the risk that claims, judgements, lawsuits and other proceedings that have been, or may be, instituted against us or our predecessors could adversely affect our business; the inability to maintain the listing of our Class A common stock on the New York Stock Exchange; volatility in our stock price and in the liquidity of the trading market for our Class A common stock; the lingering effect of the COVID-19 pandemic; changes in applicable laws or regulations; the risks associated with evolving corporate governance and public disclosure requirements; the risk of greater than anticipated tax liabilities; the risks associated with the storage and use of personally identifiable information; earnings-related risks such as those associated with late payments, goodwill or other intangible assets; our ability to obtain additional capital on commercially reasonable terms; the risks associated with being an “emerging growth company” and “smaller reporting company” within the meaning of the U.S. securities laws; risks associated with our reliance on information technology in critical areas of our operations; our

inability to pay dividends for the foreseeable future; the risks associated with additional issuances of Class A common stock without stockholder approval; costs related to operating as a public company; and other risks and uncertainties identified in “Item 1A Risk Factors” of our most recently filed Annual Report on Form 10-K (the “2023 Form 10-K”). If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements.

These and other factors that could cause actual results to differ from those implied by the forward-looking statements in this press release are more fully described under the heading “Item 1A Risk Factors” in our 2023 Form 10-K and in our other filings with the SEC. The risks described under the heading “Item 1A Risk Factors” in our 2023 Form 10-K and other filings with the SEC are not exhaustive. New risk factors emerge from time to time and it is not possible to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, the statements of belief and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us, as applicable, as of the date of this press release, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

GETTY IMAGES HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 229,140	\$ 225,675	\$ 451,418	\$ 461,317
Operating expenses:				
Cost of revenue (exclusive of depreciation and amortization)	\$ 63,097	\$ 63,354	\$ 123,353	\$ 126,640
Selling, general and administrative expenses	101,232	101,454	202,176	203,677
Depreciation	14,689	13,540	29,049	26,563
Amortization	592	7,260	1,126	14,467
Loss on litigation	2,792	6,269	4,814	6,441
Other operating expenses – net	280	332	3,408	611
Total operating expenses	182,682	192,209	363,926	378,399
Income from operations	46,458	33,466	87,492	82,918
Other (expense) income, net:				
Interest expense	(33,890)	(31,683)	(66,614)	(62,180)
Loss on fair value adjustment for swaps – net	—	(640)	(1,459)	(2,725)
Unrealized foreign exchange gains (loss) – net	2,439	(3,165)	18,861	(14,087)
Other non-operating income – net	1,180	634	2,695	1,122
Total other expense – net	(30,271)	(34,854)	(46,517)	(77,870)
Income (loss) before income taxes	16,187	(1,388)	40,975	5,048
Income tax expense	(12,498)	(2,889)	(23,699)	(6,122)
Net income (loss)	3,689	(4,277)	17,276	(1,074)
Less:				
Net (loss) income attributable to non-controlling interest	(158)	(214)	(26)	293
Net income (loss) attributable to Getty Images Holdings, Inc.	\$ 3,847	\$ (4,063)	\$ 17,302	\$ (1,367)
Net income (loss) per share attributable to Class A Getty Images Holdings, Inc. common stockholders:				
Basic	\$ 0.01	\$ (0.01)	\$ 0.04	\$ —
Diluted	\$ 0.01	\$ (0.01)	\$ 0.04	\$ —
Weighted-average Class A common shares outstanding:				
Basic	408,989,273	397,417,290	407,312,262	396,368,132
Diluted	414,439,239	397,417,290	414,666,363	396,368,132

GETTY IMAGES HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)(In thousands, except share and par value data)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 121,702	\$ 136,623
Restricted cash	4,530	4,227
Accounts receivable – net of allowance of \$6,475 and \$6,526, respectively	121,293	138,730
Prepaid expenses	13,820	15,798
Insurance recovery receivable	46,491	48,615
Taxes receivable	9,951	9,758
Other current assets	12,615	11,253
Total current assets	330,402	365,004
Property and equipment, net	179,272	179,378
Operating lease right-of-use assets	36,498	41,098
Goodwill	1,514,752	1,501,814
Intangible assets, net of accumulated amortization	397,928	403,805
Deferred income taxes, net	69,120	69,400
Other assets	38,563	41,262
Total assets	\$ 2,566,535	\$ 2,601,761
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 96,823	\$ 102,525
Accrued expenses	48,332	43,653
Income taxes payable	10,420	11,325
Litigation reserves	100,847	98,149
Deferred revenue	169,396	176,349
Total current liabilities	425,818	432,001
Long-term debt, net	1,349,391	1,398,658
Lease liabilities	34,223	39,858
Deferred income taxes, net	30,024	21,580
Uncertain tax positions	22,919	24,772
Other long-term liabilities	1,951	3,462
Total liabilities	1,864,326	1,920,331
Stockholders' equity:		
Class A common stock, \$0.0001 par value: 2.0 billion shares authorized; 410.1 million shares issued and outstanding as of June 30, 2024 and 405.0 million shares issued and outstanding as of December 31, 2023	41	40
Additional paid-in capital	2,005,180	1,983,276
Accumulated deficit	(1,245,713)	(1,263,015)
Accumulated other comprehensive loss	(105,478)	(87,076)
Total Getty Images Holdings, Inc. stockholders' equity	654,030	633,225
Non-controlling interest	48,179	48,205
Total stockholders' equity	702,209	681,430
Total liabilities and stockholders' equity	\$ 2,566,535	\$ 2,601,761

GETTY IMAGES HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 17,276	\$ (1,074)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	29,049	26,563
Amortization	1,126	14,467
Unrealized exchange (losses) gains on foreign denominated debt	(15,128)	9,065
Equity-based compensation	13,148	18,009
Deferred income taxes – net	8,725	(5,796)
Uncertain tax positions	(1,854)	(3,010)
Non-cash fair value adjustment for swaps - net	1,459	2,725
Amortization of debt issuance costs	1,283	1,960
Non-cash operating lease costs	6,049	3,920
Other	1,494	1,524
Changes in assets and liabilities:		
Accounts receivable	14,391	6,706
Accounts payable	(5,440)	1,420
Accrued expenses	3,400	(5,243)
Insurance recovery receivable	2,124	—
Litigation reserves	2,699	—
Lease liabilities, non-current	(6,118)	(4,215)
Income taxes receivable/payable	(3,965)	(1,163)
Interest payable	(2)	(130)
Deferred revenue	(3,058)	5,616
Other	1,313	2,439
Net cash provided by operating activities	<u>67,971</u>	<u>73,783</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(29,833)	(29,452)
Acquisition of a business, net of cash acquired	(14,906)	—
Net cash used in investing activities	<u>(44,739)</u>	<u>(29,452)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt issuance costs	(2,205)	(1,137)
Prepayment of debt	(35,200)	(25,200)
Proceeds from common stock issuance	5,256	4,898
Cash paid for settlement of employee taxes related to equity-based awards	(2,625)	(2,993)
Cash paid for equity issuance costs	—	(150)
Net cash used in financing activities	<u>(34,774)</u>	<u>(24,582)</u>
Effects of exchange rates fluctuations	(3,076)	3,439
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	<u>(14,618)</u>	<u>23,188</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH – Beginning of period	140,850	102,394
CASH, CASH EQUIVALENTS AND RESTRICTED CASH – End of period	<u><u>126,232</u></u>	<u><u>125,582</u></u>

Non-GAAP Financial Measures

In order to assist investors in understanding the core operating results that our management uses to evaluate the business and for financial planning, we present the following non-GAAP measures: (1) Adjusted EBITDA, (2) Adjusted EBITDA Margin, (3) Adjusted EBITDA less capex and (4) Free Cash Flow. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

The Company believes that these measures are relevant and provide useful information widely used by analysts, investors and other interested parties in our industry to provide a baseline for evaluating and comparing our operating performance, and in the case of free cash flow, our liquidity results. We also evaluate our revenue on an as reported (U.S. GAAP) and currency neutral basis. We believe presenting currency neutral information provides valuable supplemental information regarding our comparable results, consistent with how we evaluate our performance internally.

Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided below.

The Company does not reconcile its forward-looking non-GAAP financial measures to the corresponding U.S. GAAP measures, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible; and because not all of the information, such as foreign currency impacts necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure, is available to the Company without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The Company provides non-GAAP financial measures that it believes will be achieved, however it cannot accurately predict all of the components of the adjusted calculations and the U.S. GAAP measures may be materially different than the non-GAAP measures.

Reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted EBITDA less capex

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 3,689	\$ (4,277)	\$ 17,276	\$ (1,074)
Add/(less) non-GAAP adjustments:				
Depreciation and amortization	15,281	20,800	30,175	41,030
Loss on litigation ¹	2,792	6,269	4,814	6,441
Other operating expense – net	280	332	3,408	611
Interest expense	33,890	31,683	66,614	62,180
Fair value adjustments, foreign exchange and other non-operating (income) expense ²	(3,619)	3,171	(20,097)	15,690
Income tax expense	12,498	2,889	23,699	6,122
Equity-based compensation expense, net of capitalization	4,013	11,876	13,148	18,009
Adjusted EBITDA	\$ 68,824	\$ 72,743	\$ 139,037	\$ 149,009
Capex	15,380	13,927	29,833	29,452
Adjusted EBITDA less capex	53,444	58,816	109,204	119,557
Net income margin	1.6 %	(1.9)%	3.8 %	(0.2)%
Adjusted EBITDA margin	30.0 %	32.2 %	30.8 %	32.3 %

¹ Beginning in the third quarter 2023 reporting period, the Company reclassified historical legal fees associated with our warrant litigation from “Selling, general and administrative expenses” to “Loss on litigation” within the Condensed Consolidated Statements of Operations, and revised its Adjusted EBITDA calculation.

² Fair value adjustments for our swaps, foreign exchange gains (losses) and other insignificant non-operating related expenses (income).

Reconciliation of Free Cash Flow

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$46,443	\$41,868	\$67,971	\$73,783
Acquisition of property and equipment	(15,381)	(13,927)	(29,833)	(29,452)
Free Cash Flow	\$31,062	\$27,941	\$38,138	\$44,331

OTHER FINANCIAL DATA

Revenue by Product

(In thousands)	Three Months Ended June 30,				increase / (decrease)		
	2024	% of revenue	2023	% of revenue	\$ change	% change	CN % change
Creative	\$ 137,897	60.2 %	\$ 141,256	62.6 %	\$ (3,359)	(2.4)%	(1.8)%
Editorial	83,619	36.5 %	80,306	35.6 %	3,313	4.1 %	4.6 %
Other	7,624	3.3 %	4,113	1.8 %	3,511	85.4 %	86.5 %
Total revenue	\$ 229,140	100.0 %	\$ 225,675	100.0 %	\$ 3,465	1.5 %	2.1 %

(In thousands)	Six Months Ended June 30,				increase / (decrease)		
	2024	% of revenue	2023	% of revenue	\$ change	% change	CN % change
Creative	\$ 276,736	61.3 %	\$ 287,716	62.4 %	\$ (10,980)	(3.8)%	(3.5)%
Editorial	163,048	36.1 %	164,968	35.8 %	(1,920)	(1.2)%	(1.1)%
Other	11,634	2.6 %	8,633	1.9 %	3,001	34.8 %	35.2 %
Total revenue	\$ 451,418	100.0 %	\$ 461,317	100.0 %	\$ (9,899)	(2.1)%	(1.9)%

Balance Sheet & Liquidity

(In millions)	June 30, 2024		December 31, 2023		June 30, 2023	
Cash & Cash Equivalents ¹	\$	121.7	\$	136.6	\$	121.3
Available under Revolving Credit Facility ²	\$	150.0	\$	150.0	\$	150.0
Liquidity	\$	271.7	\$	286.6	\$	271.3
Term Loans Outstanding - USD Tranche	\$	601.8	\$	637.0	\$	662.2
Term Loans Outstanding - EUR Tranche ³	\$	448.5	\$	463.6	\$	456.1
Total Balance - Term Loans Outstanding ⁴	\$	1,050.3	\$	1,100.6	\$	1,118.3
Senior Notes	\$	300.0	\$	300.0	\$	300.0

¹ Excludes restricted cash of \$4.5 million as of June 30, 2024, \$4.2 million as of December 31, 2023 and \$4.3 million as of June 30, 2023.

² Our Revolving Credit Facility was effective May, 2023 and matures May, 2028.

³ Face Value of Debt is 419M EUR. Converted using the FX spot rate as of June 30, 2024 of 1.07, December 31, 2023 of 1.11, and June 30, 2023 of 1.09.

⁴ Represents face value of debt, not GAAP carrying value.

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