

An abstract, high-contrast image featuring a dense, swirling pattern of blue, feather-like or scale-like structures against a solid black background. The pattern is most prominent on the right side and bottom, creating a sense of depth and texture.

# Monotype

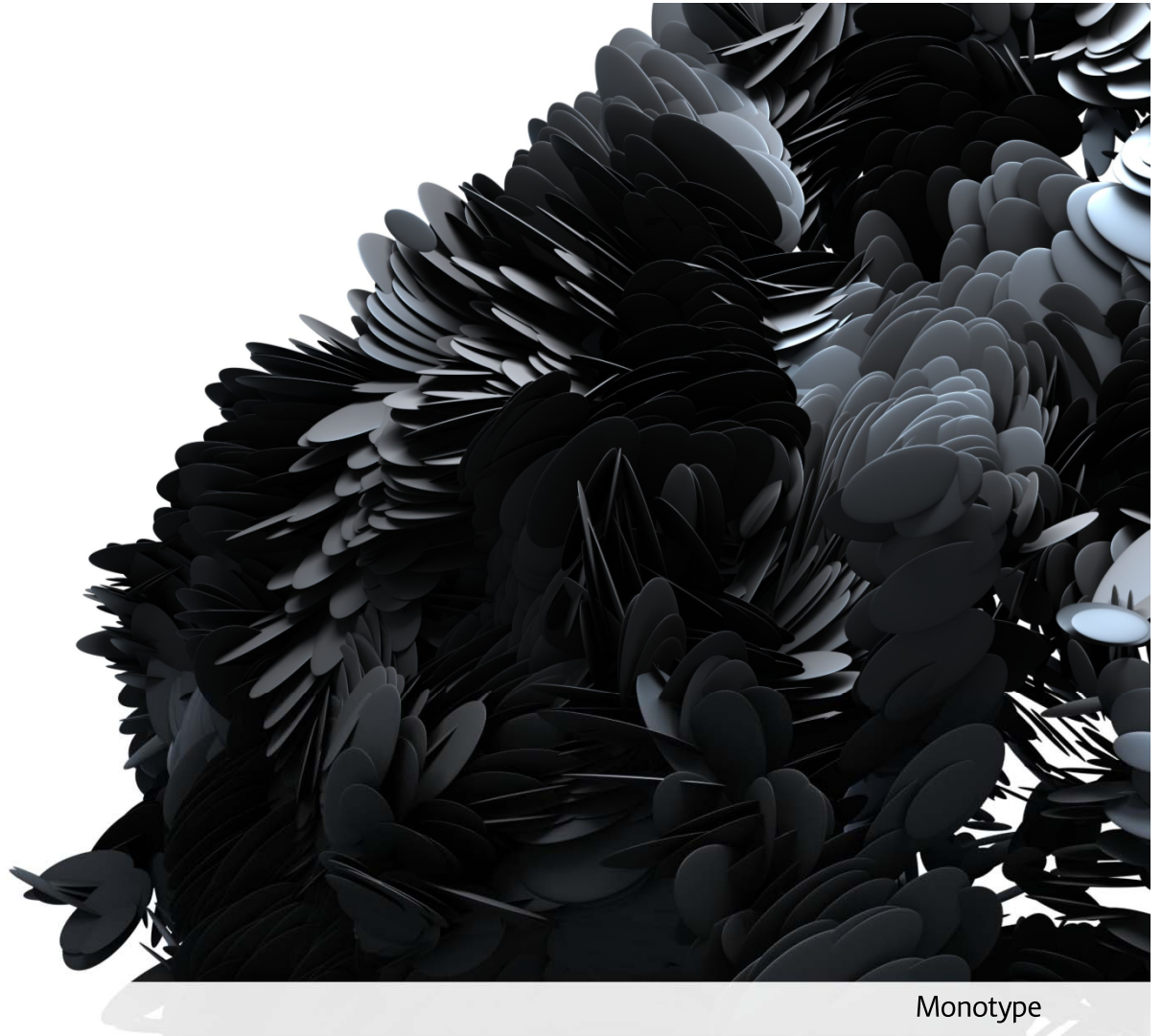
Investor Update  
November 2017

# Safe Harbor

This presentation contains forward-looking statements, including those related to our investment thesis, including scale and expansion, the growth of our brand engagement platforms, our total addressable market and target revenue growth rates, our ability to bridge our customers' design and marketing needs, our annual customer opportunity revenue amounts, our ability to sustain long-term success based on our unique assets, our ability to generate shareholder returns and our future growth opportunities in our products and services and long term models that involve significant risks and uncertainties, including those discussed in the "Risk Factors" section of Monotype Imaging Holdings Inc.'s Form 10-K and subsequent filings with the SEC. We are providing this information as of today's date and do not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise. No forward-looking statement can be guaranteed and actual results may differ materially from those that are projected.

Unless otherwise noted herein, all numeric references made in this presentation, including but not limited to Total Addressable Market (TAM), Compounded Annual Growth Rates (CAGR); addressed or addressable markets, market segments, brands, corporations, firms, users or professionals; transaction sizes; the Global 2000; are Monotype Imaging Holdings Inc. internal estimates or market descriptions, as applicable.

Who We Are



Monotype

Our Vision

Empower  
expression &  
engagement

# Monotype at a Glance

*Our mission is to be the first place to turn for the design assets, technology and expertise that empower brand engagement, self expression and the best user experiences.*

- Revenues of over \$200 million in 2016
- Generated approximately \$60 million of EBITDA in 2016
- History of strong shareholder returns
- More than 900 employees globally
- Trades on NASDAQ under Ticker TYPE
- Headquartered in Woburn, MA

# Compelling Investment Thesis

**Strategy** – Extending value proposition to Brands and Creatives by adding creative assets and technology to well-positioned font foundation

**Scale & Expansion** – Targeting large and growing markets

**Products** – Designing solutions to solve critical customer pain points

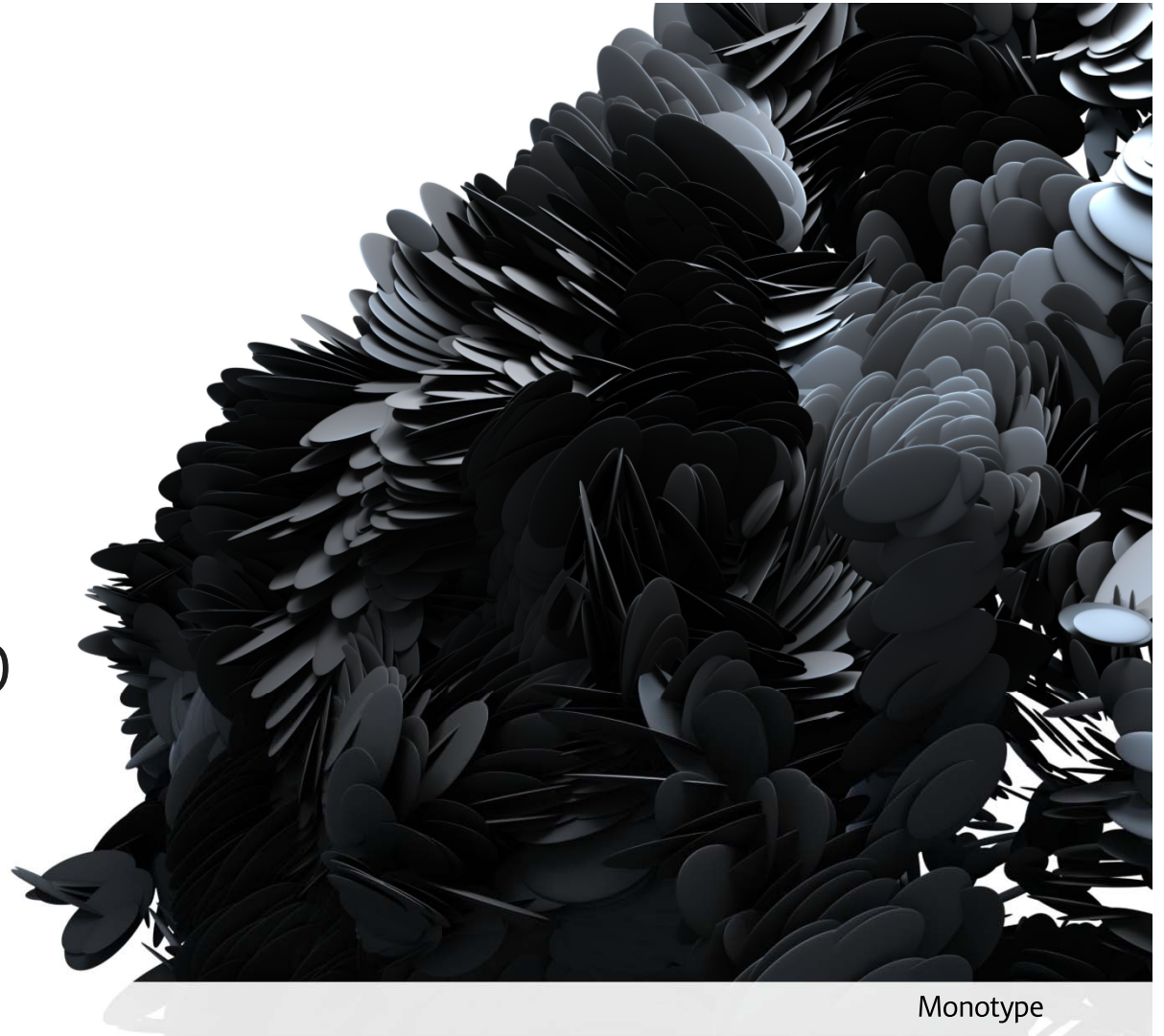
**Customers & Partners** – Expanding leadership position with Global 2000 Brands

**Position** – Highly differentiated assets create large competitive moat

**Financials** – Prioritizing strong balance sheet and shareholder returns

**Leadership** – Experienced and proven team

What We Do



Monotype

## Our Value



# AA



## Design

Define an impactful visual expression of your brand.

Differentiate through authentic, on-brand content.

Express your brand consistently across all channels and media.



## Marketing

Engage with your best customers with meaningful content.

Analyze and draw insight from interactions with your customers.

Calibrate your content and communications using this insight.



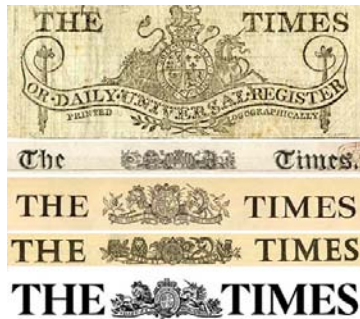
# Brand



# Our Value in Action



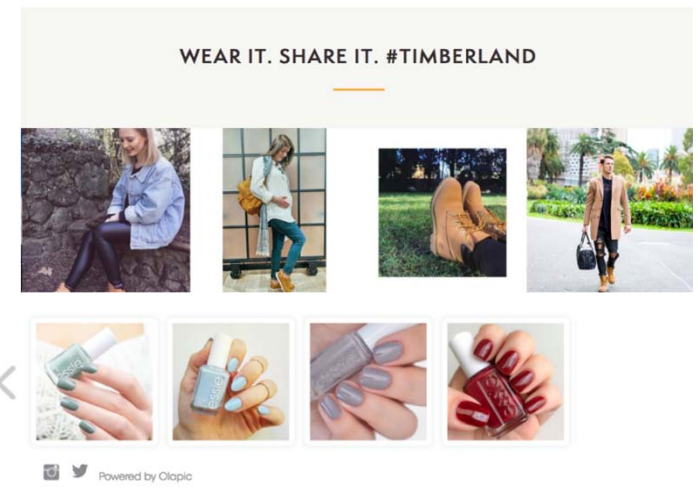
**Lufthansa**



**Southwest**

Consistently expressing the brand across all communications channels with beautiful, relevant and impactful content

We Empower Brands with Differentiated Design and Marketing Assets



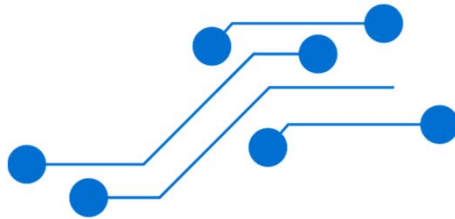
Finding authentic content from best customers and most passionate advocates, and using insights to improve all expressions of the brand

# Our Foundational Font Value

Aa

## Type

- ~20K of some of the world's most popular typefaces
- Distribution of ~100K typefaces
- More than 250 languages supported



## Technology

- Creative tools
- Screen imaging tech
- Printer imaging tech
- 22 patents issued, 24 patents pending



## Expertise

- Custom Design (Monotype Studio)
- Development of tech standards
- Research (MIT Partnership)
- Engineering

# Extending Our Value

Aa

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## Assets

- Branded fonts, UGC photo and video, emoji, themes, frames, filters

## Technology

- Brand engagement platform
- Mobile engagement platform
- Analytics
- SaaS model

## Expertise

- Custom Design
- Development of tech standards
- Research
- Engineering

2.5

Billion

# of Consumer  
Devices Running  
Monotype Software

3.5

Million

Relationships  
with Creative  
Professionals

45

Percent

Of Global 2000  
Brands Using  
Monotype IP

100

Year design legacy

20,000

World-class typefaces

300+

Experts in Type, Design & Technology

**Brand**

1.5

Billion active message users

60+

Million daily UGC interactions

One

Platform for engagement

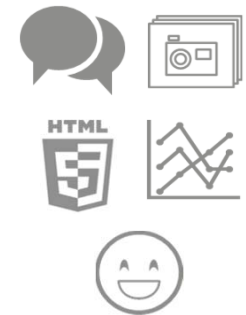
# Targeting Large & Growing Markets

*The use cases for fonts have grown significantly, and we have strengthened our leadership position by developing innovative solutions along the way.*

## 2015-Future

*New categories of branded content  
(User Generated Content, branded Emoji)*

*HTML5 advertising, mobile messaging,  
e-commerce & social media*



## 2010-2015

*Content creation standards emerged  
Began serving broader brand needs*



## 2007-2010

*Brought font rendering to screens  
Addressed complex environments  
(e-ink devices, Asian languages)*



## 1986-2007

*Invented font scaling technology  
Built printer business*



Print Consumption

Device Consumption

Digital Content

Brand Engagement

Monotype

## ...to Enhance Value Proposition

*And that leadership position serves as the foundation to provide more assets to help our customers succeed in the digital world.*

### 2015-Future

Targeting 10-20%  
TYPE Revenue CAGR

### 2010-2015

2015 TYPE Revenue  
= \$192.4M

TAM  
\$700M

### 2007-2010

2009 TYPE Revenue  
= \$94M

TAM  
\$400M

### 1986-2007

2005 TYPE Revenue  
= \$73.8M

TAM  
\$200M

TAM  
\$3-\$4B

Print Consumption

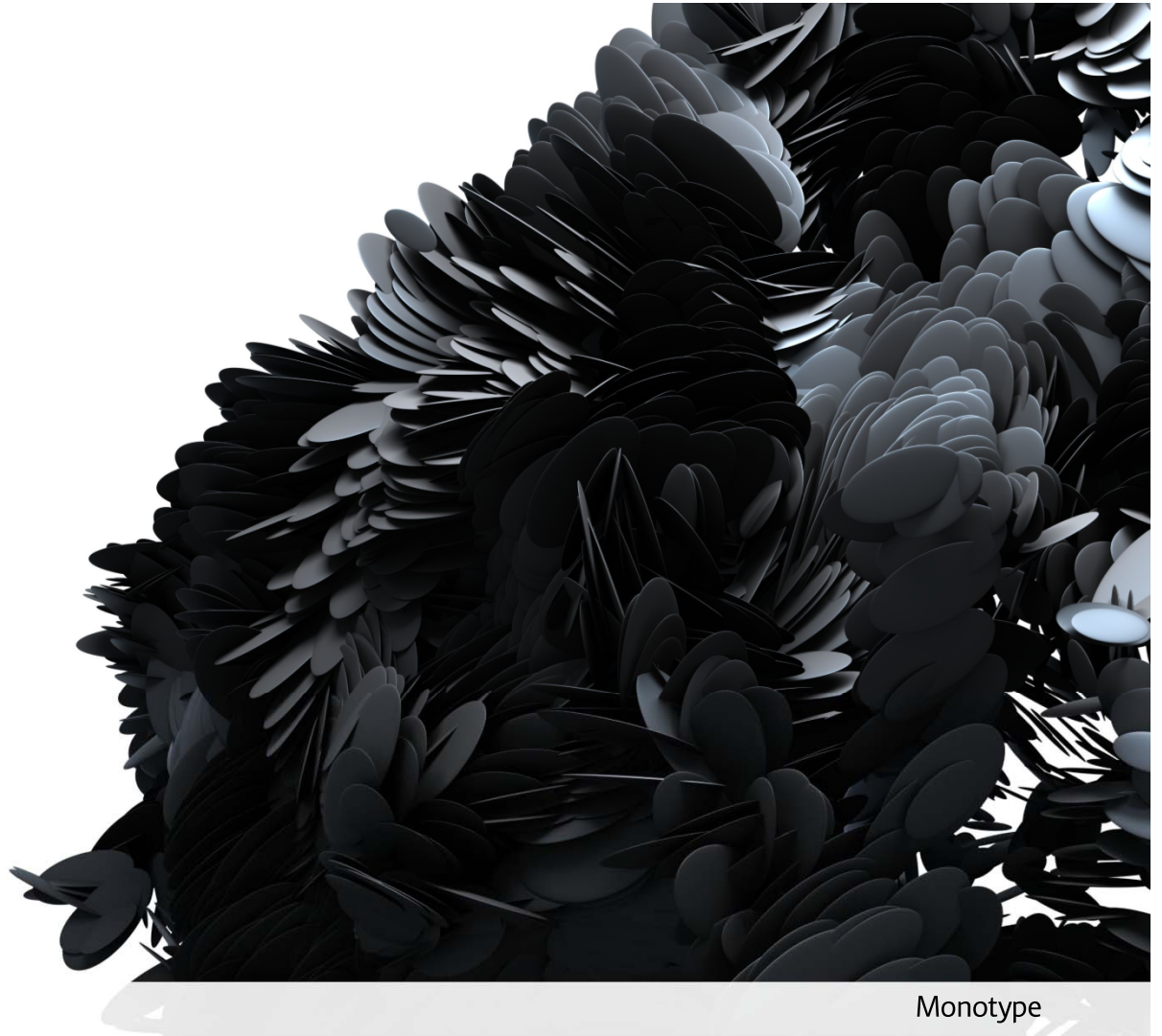
Device Consumption

Digital Content

Brand Engagement

Monotype

# The Brand Opportunity



Monotype



45

Percent

Of Global 2000  
Brands Using  
Monotype IP



As we bridge our customers' design & marketing needs, we believe we can unlock holistic annual revenue opportunities of \$200K – \$500K

# Differentiated Assets Create Competitive Moat

## Type

- Type + Technology + Expertise
- Own or ownership-like rights to ~20K of world's most popular typefaces
- Trademarks are perpetual
- Core to printer standards
- Proprietary technology
- Brand choice is long lasting
- Diversified across industries, geographies and channels

## Olapic

- First mover in new and expanding market
- Omni-channel capability
- Analytics platform
- Machine learning strengthens technology on behalf of customer over time

## Combined

- Trusted advisor badge earned over decades of relationship building with G2K brands
- Deepened relationship with addition of other assets
- Vision to combine discovery, curation and distribution of assets and engagement analytics into single platform for brands

*Unique assets advantageously position Monotype for long-term success within the industry.*

# Financial Update



Monotype

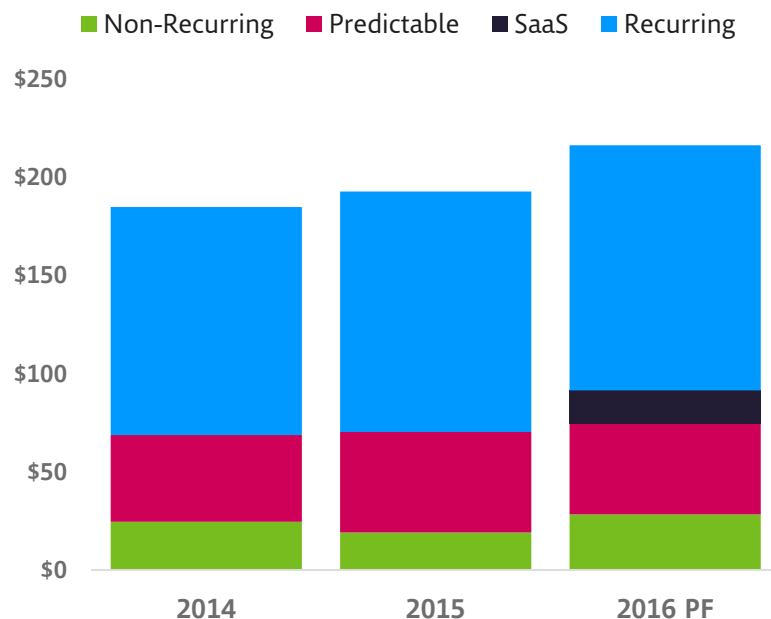
## Growth and Profitability

\$mm	FY17G	FY16	FY15
Revenue	\$231.0-\$235.0	\$203.4	\$192.4
Gross Margin	80-82%	81.5%	82.0%
naEBITDA	\$49.5-\$52.5	\$59.8	\$71.0

*Continuing to grow top line, generate healthy margins and add shareholder returns through dividend/buybacks while managing through transformation.*

# Highly Recurring & Predictable Revenue Streams Supporting Leverageable Business Model

Revenue by Type (\$mm)



Key Highlights

1. Highly recurring, predictable and diversified revenue streams
2. New initiatives are expanding the recurring base
3. Current investment supports expansion of long term recurring base
4. Operational leverage expected as new initiatives mature

# Strong Cash Flow Profile Supports Ongoing Program of Shareholder Returns

Investing in the business  
Inorganic growth  
Returns to shareholders

*Committed to achieving the right balance between investing in our business, growing our market share and returning capital to shareholders.*

\$mm	FY16	FY15
Cash	\$91.4	\$87.5
Debt	\$105.0	\$0
Operating Cash Flow	\$40.7	\$53.4
% of naEBITDA	68%	75%
Returned to Shareholders <sup>1</sup>	\$23.1	\$33.7
% of naEBITDA	39%	48%

# Ongoing Investments Against Significant Growth Opportunity

## Today

### CP Core

Desktop, web fonts, early days of HTML5

### CP (Olapic / Swyft)

5% of 11,000 global brands

### OEM

Significant penetration across many device categories

## Future

Acceleration of HTML5 Adoption, expanded usage and recurring revenue with simplified licensing models

20-25% of 11,000 global brands

Stabilization of printers, maturation of auto, and evolving use cases

15-20%+  
growth

0-3%+  
growth

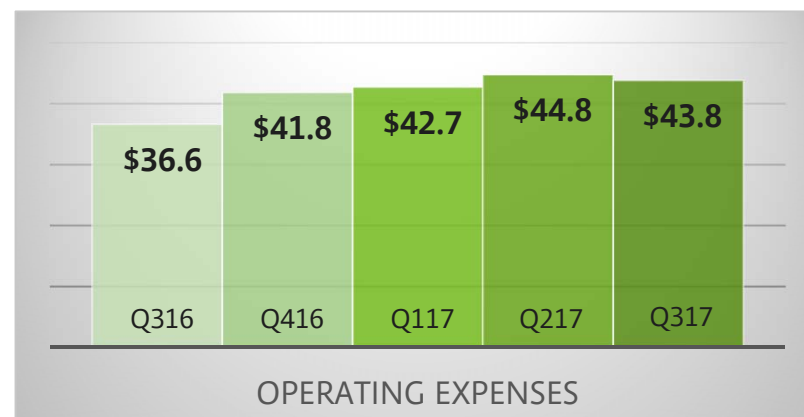
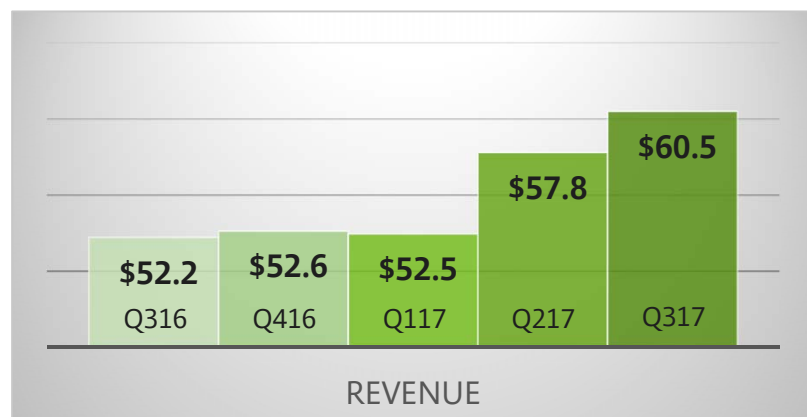
## Long Term Model

	Consolidated	Traditional TYPE	Expanded TAM
Revenue growth	10-20%	75-90% of revenue	10-25% of revenue
Gross margins	78-82%	81%	75%
naEBITDA	28-32%	34-40%	10-30%

Reconciliations of all non-GAAP measures are available at [www.monotype.com](http://www.monotype.com)

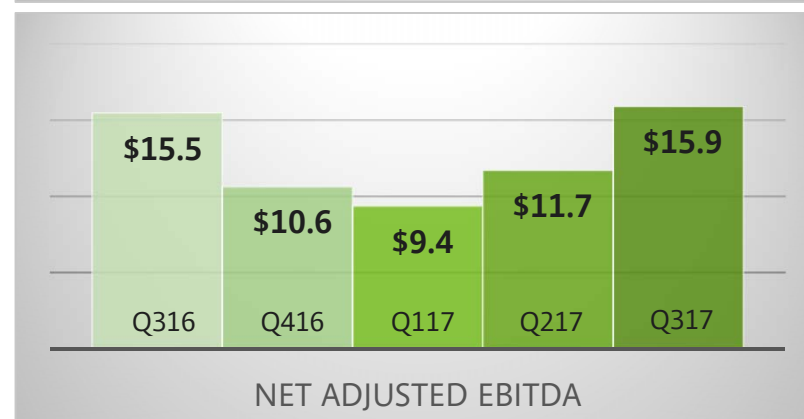


# Quarterly Financial Results

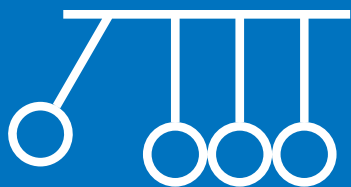


## Q317 Financial Highlights

- 16% Year over Year growth
  - Creative Professional grew 24%, 13% organically
  - OEM grew 6%, ~80% of printer revenue now fixed
- 26% net adjusted EBITDA, above guidance range



# Measuring Success with a Recurring and Leverageable Business Model



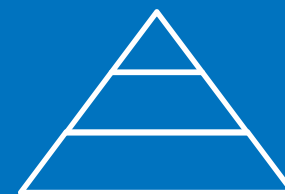
Continued  
Creative Professional  
Momentum



OEM  
Stabilization



Olapic ARR



Global 2000  
Penetration

*Building upon Monotype's strong core with a transformation plan to fuel growth and value for shareholders.*

# Experienced and Proven Leadership Team



Scott Landers  
President & CEO



Tony Callini  
EVP & CFO



Ben Semmes  
EVP, Market Strategy  
& Sales



Steve Martin  
EVP & Chief Innovation  
Officer



Janet Dunlap  
EVP & General Counsel

Deep bench of talent with decades of experience and expertise in:

- Marketing & Branding
- Font Design
- Innovation & Technology
- Customer Intimacy
- Omni-channel Distribution: Digital commerce, Enterprise Sales & Partnerships
- Public Company & Global Management

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