Adobe Q3 FY2026 Earnings Call

September 10, 2026

Adobe

Introduction

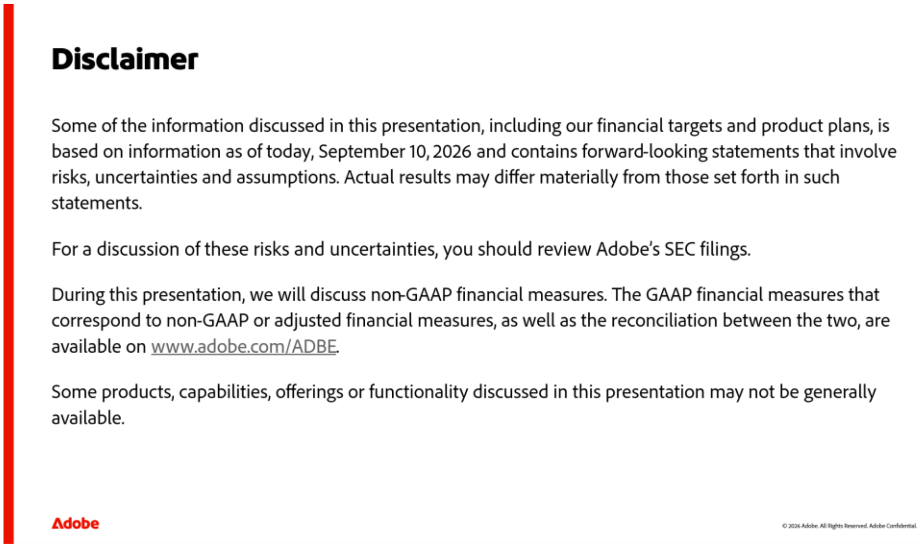
Doug Clark | VP, Investor Relations

Adobe

DOUG CLARK

Good afternoon and thank you for joining us. With me on the call today are Shantanu Narayen, Adobe's Chair and CEO, Anil Chakravarthy, President of Customer Experience Orchestration, and Steve Day, Senior Vice President and Interim CFO.

On this call, which is being recorded, we will discuss Adobe's third quarter fiscal year 2026 financial results. You can find our press release, as well as PDFs of our prepared remarks and financial results, on Adobe's Investor Relations website.



The information discussed on this call, including our financial targets and product plans, is as of today, September 10, and contains forward-looking statements that involve risk, uncertainty and assumptions. Actual results may differ materially from those set forth in these statements. For more information on those risks, please review today's earnings release and Adobe's SEC filings.

On this call we will discuss GAAP and non-GAAP financial measures. Our reported results include GAAP growth rates and non-GAAP growth rates, including constant currency rates. During this presentation, Adobe’s executives will refer to revenue growth in constant currency rates unless otherwise stated. Non-GAAP reconciliations are available in our earnings release and on Adobe’s Investor Relations website.

I will now turn the call over to Shantanu.

Q3 FY2026 Results

Shantanu Narayen | Chair & CEO

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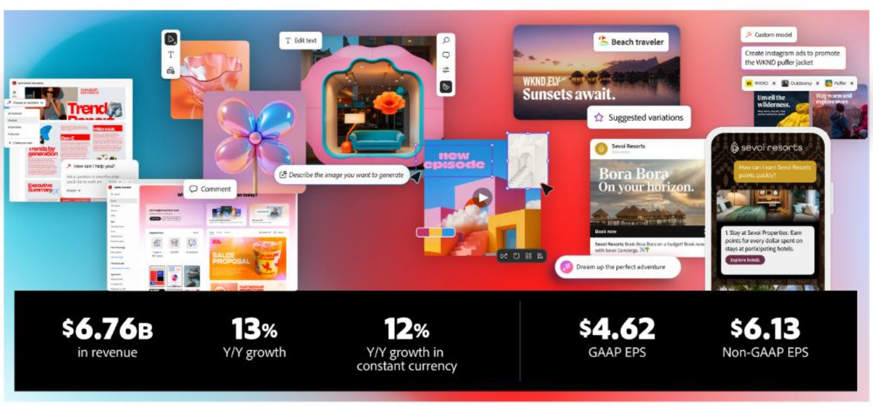
Shantanu Narayen

Thanks, Doug. Good afternoon, everyone, and thank you for joining us.

Q3 FY2026 Performance



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Adobe reported a strong third quarter, achieving $6.76 billion in revenue, representing 12% year-over-year growth. GAAP earnings per share for the quarter was $4.62, representing 11% year-over-year growth, and non-GAAP earnings per share was $6.13, representing 15% year-over-year growth.

Over the decades, Adobe's evolving mission from "changing the world through digital experiences" to now "empowering everyone to create" has always focused on creating new market categories to serve an expanding set of customers. It has enabled us to build industry-leading platforms and products in the areas of creativity, productivity and customer experience, setting a high bar for innovation and category transformation.

Adobe will leverage AI to increase the reach, value and impact we will deliver to customers to drive our next decade of growth. AI enables us to democratize access to every creative discipline for everyone from the casual creator to the most seasoned creative professional; it enables us to meet the growing creativity and productivity needs of consumers and business professionals who are looking to stand out and communicate more effectively. With AI, Adobe uniquely empowers enterprises to deliver and orchestrate personalized customer experiences.

As I reflect on 29 years at Adobe, I'm most proud of the innovative products and platforms we've delivered to customers including Acrobat and PDF, Adobe Experience Manager, Adobe Experience Platform, InDesign, Photoshop, and Premiere, and, more recently, Express and Firefly. It's incredible that these innovations are now used by over a billion monthly active users (MAU) across all businesses, a number that grew greater than 20% year over year in Q3 with the creative freemium MAU crossing 100M and growing greater than 70% year over year. We created the Digital Marketing category and are the leading provider of Customer Experience Orchestration solutions, delivering over a trillion experiences per year for enterprise customers. We are just beginning to capitalize on the massive AI opportunity across creativity, productivity and customer experiences with AI-first ending ARR now exceeding $650 million and growing more than 150% year over year. During this time, Adobe's annual revenue has grown from less than $1 billion to over $26 billion.

I'm delighted that Anil Chakravarthy will become Adobe's next president and chief executive officer and join the Board of Directors effective December 1. I would also like to thank David Wadhwani for over a decade of partnership, leadership and passion for our creative community.

I'm committed to working closely with Anil to ensure a smooth transition and support Adobe's ongoing growth and transformation as executive chair. As an experienced transformation leader with strong values, integrity, deep knowledge of our business and passion for products to solve customer needs, Anil is the right person to chart Adobe's growth in this agentic era. He has a proven record of building and delivering category-defining products that serve our broad range of customers, and I have every confidence that Adobe's best days are ahead of us.

I'll now turn it over to Anil.

Q3 FY2026 Highlights

Anil Chakravarthy | President, Customer Experience Orchestration Business

Adobe

Anil Chakravarthy

Thank you, Shantanu. Hello, everyone.

I am deeply honored to lead Adobe at this pivotal moment. I'm excited by the opportunity to drive Adobe's growth and leadership across creativity, productivity and customer experiences in the era of agentic software. Adobe's proven track record of empowering individuals and organizations to express their ideas, tell their stories and make an impact continues to inspire us and fuel our commitment to customers. Thanks to Shantanu's exceptional leadership in transforming Adobe's product portfolio and business model over the decades, we are well positioned to capitalize on the massive opportunities ahead. I look forward to working closely with our employees and Shantanu to continue serving our customers and transforming Adobe in the era of agentic AI.

Business Professionals & Consumers

Turning to Q3 results: subscription revenue for Business Professionals and Consumers was $1.91 billion, growing 15% year over year.

Our strategy for Business Professionals & Consumers is to deliver AI-powered applications that transform how users comprehend, create and share content. We are delivering new conversational and agentic interfaces in Adobe Reader, Acrobat and Express through an integrated freemium experience.

Our differentiation is grounded in a deep understanding of the PDF format and three decades of document expertise to transform Acrobat from the world's leading PDF tool into a comprehensive document productivity platform powered by AI. Today, people open more than 400 billion PDFs with Acrobat every year to read, edit and create content. By integrating AI deeply into our products, we are helping customers realize the value of AI faster, more accurately, securely and cost efficiently. We're meeting users wherever they work and expanding our reach across the digital ecosystem by extending Acrobat's capabilities to major platforms including ChatGPT, Chrome, Claude, Microsoft Edge and WhatsApp. This approach to innovation positions Adobe to drive deeper user engagement, unlock new enterprise opportunities, and sustain our leadership as the trusted platform for digital documents in the age of AI.

Yesterday, we announced significant advances in Acrobat, powered by the Adobe Productivity Agent, that help people and teams understand the information in their documents faster, create polished work more easily and access trusted knowledge at scale. Acrobat now turns complex documents into visually rich interactive reports and summary slides, as well as audio formats like personal podcasts, enabling users to quickly absorb key insights. New features like Knowledge Base and Analyzer empower teams to ask questions across massive document collections and surface structured insights from thousands of files. This unlocks the value of existing organizational knowledge, driving smarter, faster decision-making at scale, all with enterprise-grade governance, security, trust and compliance. With a focus on winning the next generation of business professionals, Student Spaces in Acrobat is now available globally, targeting the higher education market and empowering students to generate flashcards, quizzes and study guides to help them better understand and master their curriculum.

Additional Business Professional & Consumer highlights include:

- BP&C MAU grew over 25% year over year to over 900 million;
- Acrobat AI Assistant MAU doubled quarter over quarter;
- Strong enterprise adoption of Acrobat AI capabilities among ETLA customers;
- Notable customer wins this quarter include Amazon, Deutsche Post DHL, Honeywell, JISC, Renault and The U.S. Department of Energy Los Alamos National Laboratory.

Creative and Marketing Professionals

In Q3, subscription revenue for Creative and Marketing Professionals was $4.65 billion, growing 12% year over year.

Creators & Creative Professionals

Our strategy for Creators & Creative Professionals is to empower everyone to bring their creative visions to life across any media type and surface. With Firefly, we're making creativity more accessible, intuitive and efficient for Creators of every experience level. For Creative Professionals, we are delivering the most comprehensive AI-driven power and precision applications through Creative Cloud across every stage of the creative process.

Our differentiation is rooted in our deep domain expertise across media types, including imaging, design, video, photography, illustration, animation and 3D and complemented by our depth of intelligence across creative workflows. With Firefly and Creative Cloud, Adobe is reinventing creative software with agentic AI to deliver immediate, personalized value—meeting users where they are, with tools and agents that adapt to their needs. Adobe remains committed to delivering intuitive, context-aware experiences that honor creative craft, accelerate creative velocity and ensure that the next generation of Creators can thrive in an ever-changing world. Adobe's strategy is to offer customers choice as well as intelligent routing to use the best models for their needs, fully integrated in Adobe applications, eliminating the friction of switching between workflows and platforms.

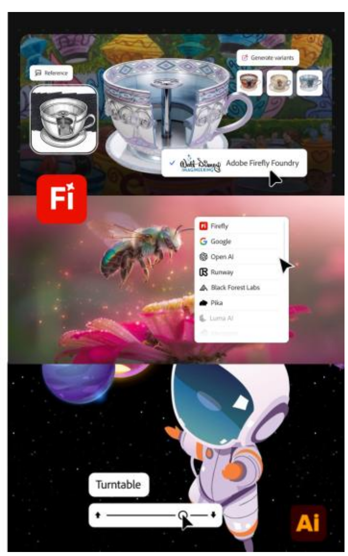
The Adobe Creative Agent empowers customers by handling the orchestration and execution of complex, repetitive creative workflows. We expanded the Adobe Creative Agent to additional Creative Cloud flagship apps, including Photoshop and Premiere, extending conversational, agentic workflows deeper into our professional applications.
We also introduced several innovations in Photoshop, giving professionals more choice and control at every stage of the creative process. This includes a new AI Assisted Editor, now in beta, offering customers the option of using a dedicated interface and natural-language prompt bar alongside our generative tools powered by leading AI models.

Adobe Firefly is the all-in-one creative AI studio for the next generation of Creators. In Q3, we added native generation of music, speech and sound effects, bringing commercially safe AI audio to creative workflows. We released new creative skills and tools like Create Storyboard and Create Brand Kit, purpose built for social creators and solopreneurs, along with additional enhancements that help make Firefly AI Assistant more personalized and context-aware over time.

We announced our agreement to acquire Topaz Labs, which would add state-of-the-art AI enhancement models in Adobe Firefly, Firefly Services and Creative Cloud apps, providing Creators, designers, video professionals, photographers and enterprises the tools to achieve exceptional quality across every format and workflow. With over a million users, Topaz Labs and its Emmy Award-winning AI technology will be integrated across Adobe's creative AI portfolio, enabling customers to enhance footage, restore and remaster archival content, and blend AI-generated and traditionally captured content into seamless final productions. We expect the transaction to close in Q4, subject to regulatory approvals and other customary closing conditions.

Firefly Enterprise, spanning Firefly Services, Adobe Firefly Foundry and Adobe Brand Intelligence, helps the world's largest brands industrialize content production with brand safe custom models. In July, we expanded Firefly Enterprise with Adobe Firefly Graph Enterprise Edition and Firefly Creative Production Enterprise Edition, giving businesses reusable, node-based creative workflows and mass-scale production capabilities, alongside a new Simulate feature in Adobe Brand Intelligence that predicts campaign performance before content goes live. We announced that Disney Imagineering is integrating Firefly Foundry into its theme park design toolkit, bringing Disney stories, characters and experiences to life in Parks faster than ever.

We are aggressively executing our global strategy to attract millions of next-generation Creators to Adobe. In conjunction with Saudi Arabia's emphasis on digital literacy and AI, we expanded our partnership with the Ministry of Communications and Information Technology (MCIT) and HUMAIN to enable the nation's 27 million citizens and residents with Adobe Firefly and Express, while supporting the development of a new image generation model tuned to Saudi culture.



Additional Creators and Creative Professionals highlights include:

- Creative freemium MAU now surpassing 100 million and growing over 70% year over year;
- Intensity of AI usage continues with credit consumption accelerating quarter on quarter, across Creative Cloud and the Firefly App;
- Firefly ending ARR across Firefly App and Firefly credit packs grew 40% quarter over quarter;
- Enterprise wins this quarter include Academy Sports, Disney, Jet2, Perficient, Premier League, Publicis, Tennis Australia and T-Mobile.

I’m excited to host Adobe MAX, the world's largest creativity conference, in November in Miami Beach, where we will welcome more than 10,000 members of our global community and engage with hundreds of thousands more online. This year, we'll showcase breakthrough innovations across Creative Cloud, new capabilities in Firefly, and connected workflows for Firefly Enterprise — all powered by agentic AI. MAX is always a celebration of the community's creativity, and we look forward to sharing how Adobe magic is transforming creative workflows and unlocking new possibilities.

Marketing Professionals

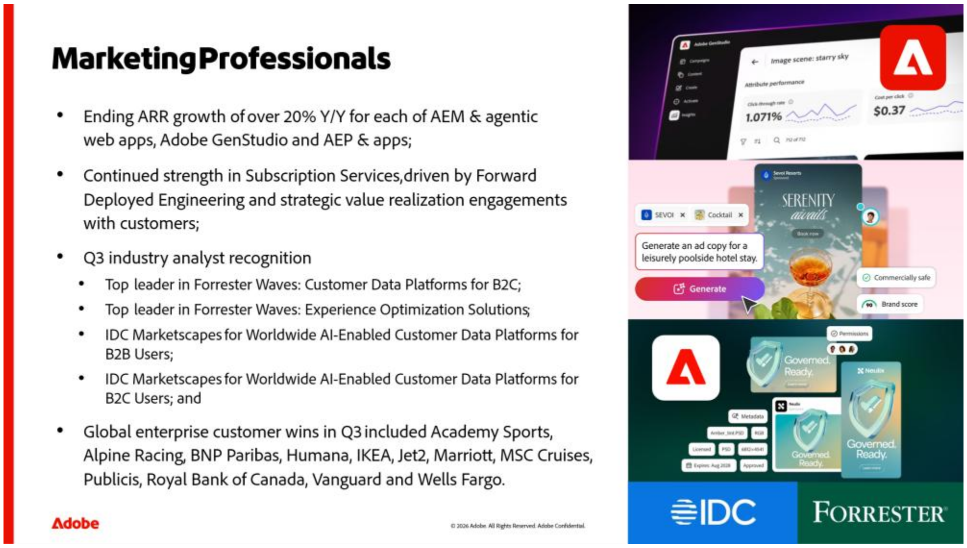
Turning to Marketing Professionals, our strategy is to deliver Adobe CX Enterprise, the agentic system of record for Customer Experience Orchestration (CXO), serving the entire customer lifecycle from identifying and engaging prospects to driving conversion and developing lasting loyalty. Adobe CX Enterprise is focused on three critical solutions — Adobe Experience Platform (AEP) and native apps for customer engagement; Adobe GenStudio for content supply chain; and Adobe Experience Manager (AEM) and agentic web apps for brand visibility. Over 20,000 global enterprises rely on Adobe, and we are helping them transform their customer experience for the era of agentic AI.

Through Adobe CX Enterprise, we uniquely bring together creativity, marketing and agentic AI, simplifying and transforming how enterprises manage the customer lifecycle. We deliver this value through proprietary CX intelligence, agentic orchestration, governed workflow execution, open ecosystem connectivity and enterprise-grade trust, all of which we've built over several years, providing our customers a practical path from the apps they use today to an end-to-end agentic AI system.

In Q3, we delivered the first unified brand visibility solution bringing together Semrush's AI visibility intelligence with Adobe's agentic content optimization capabilities, grounded in a deep understanding of business and brand context. Adobe Brand Visibility is a comprehensive solution for Generative Engine Optimization that combines the industry-leading capabilities of Adobe LLM Optimizer with Semrush's AI Optimization. We're seeing tremendous customer interest in tapping our database of nearly 300 million real-world AI search prompts to understand how their brands are showing up across leading platforms such as ChatGPT, Google AI Mode, Microsoft Copilot and Perplexity AI.

At the Cannes Lions International Festival of Creativity in June, we introduced a major expansion of Adobe GenStudio to help brands meet customers wherever they are in the moment of purchase, in a stream or in a scroll. GenStudio for Commerce Media Networks gives retailers a way to attract advertising partners with self-serve, on-brand creative built directly from product listings and category context. We also expanded Adobe Brand Intelligence capabilities so marketing teams can preview how content will resonate with audiences before it ever goes live. This is what an agentic content supply chain demands, at the speed our customers need.

We are seeing tremendous customer interest in CX Enterprise Coworker, the specialized AI agent in CX Enterprise that autonomously executes complex marketing and customer engagement workflows. CX Enterprise Coworker, which became generally available in June, meets marketers where they are, embedding agentic intelligence directly into the engagement lifecycle, offering choice and control while enabling teams to act faster, scale personalization, and continuously optimize outcomes. CX Enterprise Coworker synthesizes insights from Adobe and third-party applications, while coordinating AI agents and workflows across analytics, content creation and journey orchestration. Early customer interest is strong with over 1,700 customers and early adopters of CX Enterprise Coworker.



Additional Marketing Professionals highlights included:

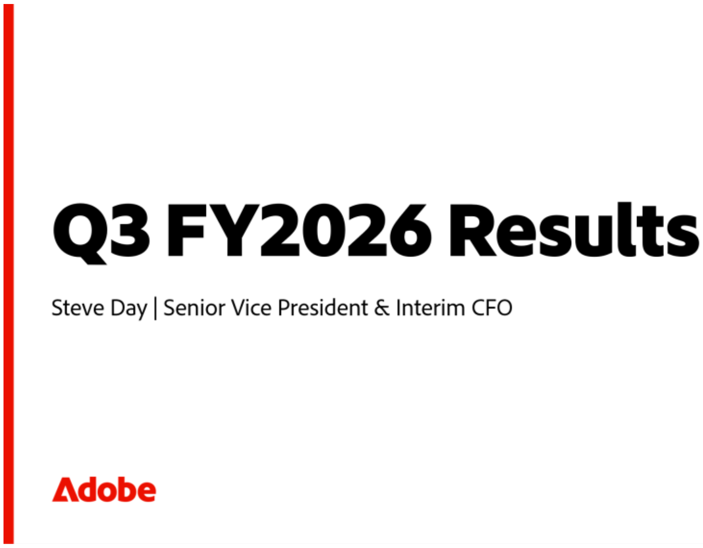
- Ending ARR growth of over 20% year over year for each of AEM & agentic web apps, Adobe GenStudio and AEP & apps;
- Continued strength in Subscription Services, driven by Forward Deployed Engineering and strategic value realization engagements with customers;
- Q3 industry analyst recognition, being named the top leader in two Forrester Waves: including Customer Data Platforms for B2C and Experience Optimization Solutions, as well as two IDC Marketscapes for Worldwide AI-Enabled Customer Data Platforms for B2B Users and B2C Users;
- Global enterprise customer wins in Q3 included Academy Sports, Alpine Racing, BNP Paribas, Humana, IKEA, Jet2, Marriott, MSC Cruises, Publicis, Royal Bank of Canada, Vanguard and Wells Fargo.

Looking ahead, Adobe is well positioned to be the global leader in agentic software for creativity, productivity and customer experience. We are building on tremendous assets: deep domain expertise; a proven track record of product innovation; a broad community of customers spanning individuals to small businesses to the largest enterprises in the world;

diversified global routes to market; a values-driven culture; highly motivated employees; a trusted and well-recognized brand; and the financial strength to invest for the future.

I am incredibly excited by the opportunity in front of us and I look forward to sharing more updates.

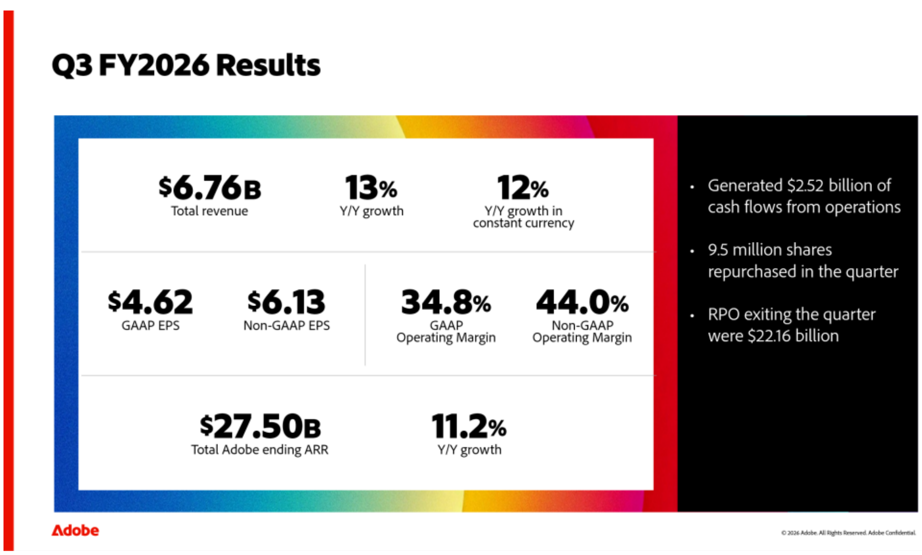
I'll now pass it to Steve.



Steve Day

Thanks, Anil.

Today, I will start by summarizing Adobe's performance in Q3 FY26, highlighting growth drivers across our customer groups, and I'll finish with our financial targets.

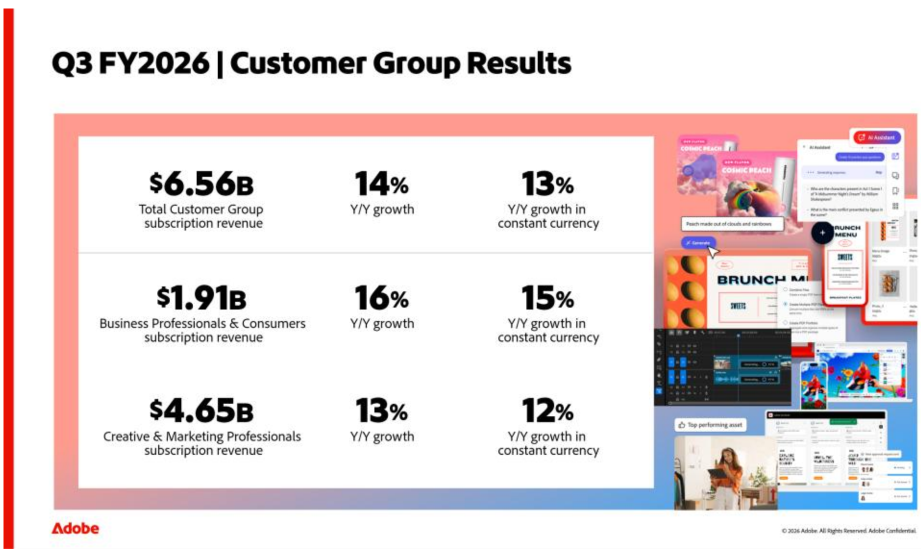


Q3 FY26 Performance

In Q3, Adobe achieved record revenue of $6.76 billion, growing 13% year over year as reported and 12% in constant currency. Diluted earnings per share was $4.62 on a GAAP basis and $6.13 on a non-GAAP basis.

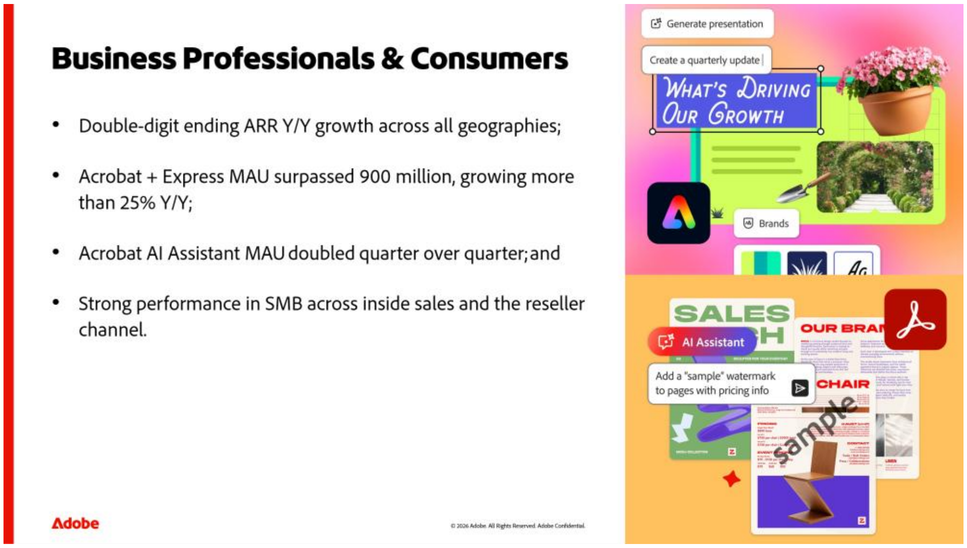
Q3 financial highlights included:

- Total Adobe ending ARR of $27.50 billion, growing 11.2% year over year;
- Total Customer Group subscription revenue of $6.56 billion, growing 14% year over year, or 13% in constant currency;
- RPO of $22.16 billion exiting the quarter growing 8% year over year and cRPO growing 9% year over year, both as reported and in constant currency;
- Cash flows from operations were a Q3 record at $2.52 billion, and ending cash and short-term investments exiting Q3 were $5.64 billion; and
- Repurchasing approximately 9.5 million shares of our stock during the quarter. Exiting Q3, we have fully utilized our March 2024 authorization and have approximately $24.55 billion remaining under our April 2026 authorization.



Customer Group Results and Insights

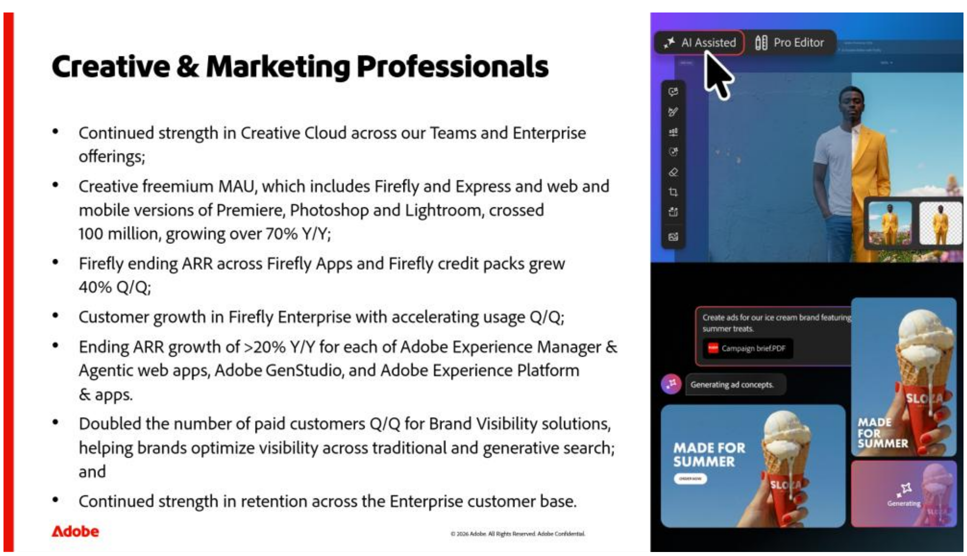
Business Professionals & Consumers subscription revenue was $1.91 billion, increasing 16% year over year as reported, or 15% in constant currency.



Q3 growth drivers for Business Professionals & Consumers included:

- Double-digit ending ARR year-over-year growth across all geographies;
- Acrobat + Express MAU surpassed 900 million, growing more than 25% year over year;
- Acrobat AI Assistant MAU doubled quarter over quarter; and
- Strong performance in SMB across inside sales and the reseller channel.

Creative & Marketing Professionals subscription revenue was $4.65 billion, increasing 13% year over year, or 12% in constant currency.



Q3 growth drivers for Creative & Marketing Professionals included:

- Continued strength in Creative Cloud across our Teams and Enterprise offerings;
- Creative freemium MAU, which includes Firefly and Express and web and mobile versions of Premiere, Photoshop and Lightroom, crossed 100 million, growing over 70% year over year;
- Firefly ending ARR across Firefly Apps and Firefly credit packs grew 40% quarter over quarter;
- Customer growth in Firefly Enterprise with accelerating usage quarter over quarter;
- Ending ARR growth of >20% year over year for each of Adobe Experience Manager & Agentic web apps, Adobe GenStudio, and Adobe Experience Platform & apps.
- Doubled the number of paid customers quarter on quarter for Brand Visibility solutions, helping brands optimize visibility across traditional and generative search; and
- Continued strength in retention across the Enterprise customer base.

Targets

Let me now turn to our financial targets, which assume current macroeconomic conditions.

Q4 FY2026 FinancialTargets | September 10, 2026

Total Revenue	$6.80 billion to $6.85 billion	
Business Professionals & Consumers subscription revenue	$1.93 billion to $1.95 billion	
Creative & Marketing Professionals subscription revenue	$4.665 billion to $4.695 billion	
Earnings per share[1]	GAAP: $4.65 to $4.70	Non-GAAP: $6.30 to $6.35

The information on this slide contains forward looking statements that involve risk and uncertainty. Actual results may diffe materially. Please review Adobe's SEC filings and/or visit the Adobe Investor Relations website for additional information.

1.Targets assume non-GAAP operating margin of ~44.0%, GAAP tax rate of ~22.0%, non-GAAP tax rate of ~18.0% and diluted share count of ~389 million for fourth quarter FY2026.

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For Q4 FY26, we are targeting:

- Total Adobe revenue of $6.80 to $6.85 billion;
- Business Professionals & Consumers subscription revenue of $1.93 to $1.95 billion;
- Creative & Marketing Professionals subscription revenue of $4.665 to $4.695 billion;
- GAAP EPS of $4.65 to $4.70; and
- Non-GAAP EPS of $6.30 to $6.35.

For Q4, we assume non-GAAP operating margin of approximately 44.0%, and GAAP tax rate of approximately 22.0% and a non-GAAP tax rate of approximately 18.0%.

Given strong year-to-date performance, we are raising full-year revenue and EPS targets.

FY2026 FinancialTargets | September 10, 2026

Total Revenue	$26.576 billion to $26.626 billion	
Business Professionals & Consumers subscription revenue	$7.470 billion to $7.490 billion	
Creative & Marketing Professionals subscription revenue	$18.242 billion to $18.272 billion	
Total Adobe ending ARR growth	10.2% year over year	
Earnings per share[1]	GAAP: $18.12 to $18.17	Non-GAAP: $24.45 to $24.50

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1. Targets assume non-GAAP operating margin of ~45.0%, GAAP tax rate of ~22.5%, non-GAAP tax rate of ~18.0% and diluted share count of ~400 million for FY2026.

Adobe

For FY26, we are targeting:

- Total Adobe revenue of $26.576 to $26.626 billion;
- Business Professionals & Consumers subscription revenue of $7.470 to $7.490 billion;
- Creative & Marketing Professionals subscription revenue of $18.242 to $18.272 billion;
- Total Adobe ending ARR book of business growth of 10.2% year over year compared to our FY26 beginning book of business of $25.66 billion;

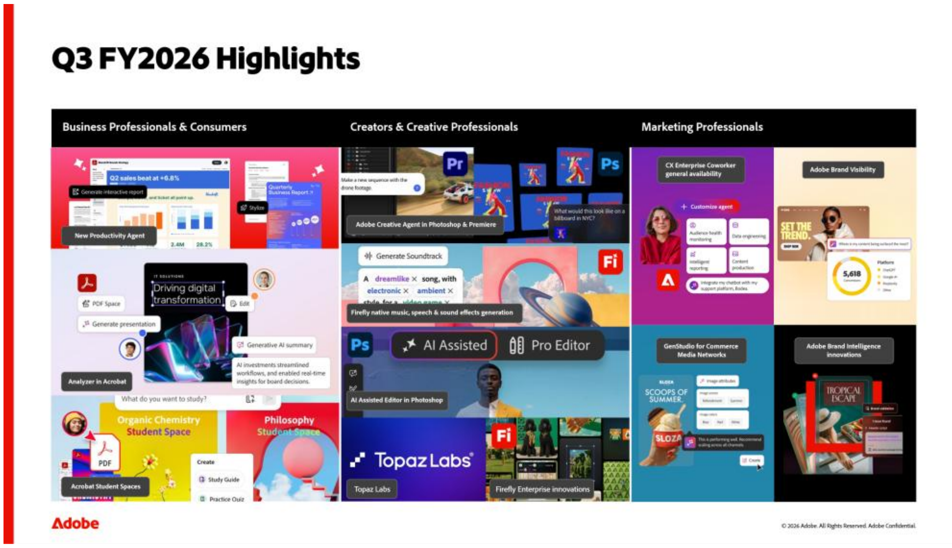
- GAAP EPS of $18.12 to $18.17; and
- Non-GAAP EPS of $24.45 to $24.50.

Our FY26 targets assume non-GAAP operating margin of approximately 45.0%, a GAAP tax rate of approximately 22.5% and a non-GAAP tax rate of approximately 18.0%.

Summary

We are encouraged by the progress we are making against our strategy. We are expanding our user base and deepening engagement with existing customers through agentic experiences. With focused execution and disciplined investments, we are driving long-term durable growth.

Now, I'll turn it back to Shantanu.



SHANTANU NARAYEN

Thanks, Steve.

I want to express my deep appreciation to all our employees, customers, partners and investors for the support that they've provided to Adobe during my tenure.

Thank you. We will now take your questions.

Q&A

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