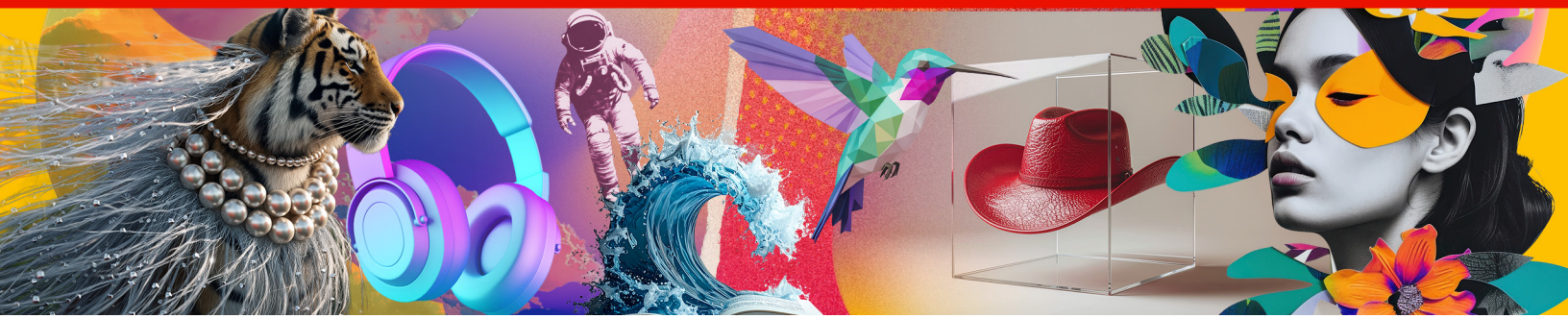
Adobe

A Letter From Our Chair & CEO



To our stockholders, customers, employees, and partners,

As a global technology leader, Adobe's mission is to empower everyone to create. We build innovative platforms and tools that unleash creativity, productivity and personalized customer experiences. For over four decades, our innovations have transformed how billions of people around the world engage across all types of media, starting with the first creative spark, to the creation and development of all content and media to the personalized delivery across every channel.

Artificial Intelligence ("AI") is driving a massive transformation across every facet of digital experience, reshaping how people create, connect, work and are entertained. Adobe is a leader in this transformation. We are executing on our customer-focused strategy to anticipate and serve the needs of large and expanding audiences: Business Professionals & Consumers, Creators & Creative Professionals, and Marketing Professionals as they navigate this exciting new era.

A TRANSFORMATIVE 2025

While technology transformations can be disruptive, Adobe has a proven track record of reinventing ourselves, consistently demonstrating our ability to emerge stronger. AI represents a profound platform shift for the technology industry and a redefinition of how software creates value. At Adobe, we see this moment as an extension of our long-standing strategy to innovate at the intersection of creativity and technology. Our differentiated foundation—decades of proprietary data, world-class applications, purpose-built models, trusted partnerships, and deep enterprise relationships—positions us to lead. By combining intelligence at the application layer with orchestration, governance, and decisioning across workflows, we are embedding AI into the systems our customers depend on to create, communicate, and drive growth.

While generative AI has accelerated content creation, the next wave—agentic AI—will enable outcome-driven workflows across the enterprise. Customers require more than speed; they require precision, brand governance, and seamless integration. Adobe's end-to-end platforms are uniquely designed to meet these needs at scale. We have infused AI across our portfolio to deliver incredible innovation with deep customer understanding. As a result, we are expanding access to creativity, increasing customer productivity, strengthening engagement, and reinforcing our long-term growth strategy. We believe AI will serve as a catalyst for sustained innovation and value creation for our customers, partners, and stockholders.

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During fiscal 2025, we focused on delivering innovative, AI-driven platforms and tools to our three key customer audiences. We achieved record revenue of $23.77 billion, representing 11% year-over-year growth. GAAP diluted earnings per share for the year was $16.70, growing 35% year over year. Our Digital Media business achieved revenue of $17.65 billion, growing 11% year over year. Our Digital Experience business achieved revenue of $5.86 billion, growing 9% year over year. Digital Experience subscription revenue was $5.41 billion, growing 11% year over year. We executed record share repurchases totaling nearly $12 billion, reducing our shares outstanding by over 6% during the year, underscoring our confidence in the company's long-term opportunity and continued commitment to delivering stockholder value.

The key performance metric we use to evaluate the health of our total book of business and progress against our customer-focused strategy is Total Adobe Annualized Recurring Revenue ("ARR"), which grew to $25.20 billion exiting fiscal 2025. As we execute our long-term growth initiatives and customer-focused strategy, we aim to drive the entire book of business with AI-influenced solutions. Exiting fiscal 2025, total AI-influenced ARR exceeded one-third of our overall book of business, demonstrating our success in integrating AI deeply into our solutions and continuing to launch new AI-first offerings.

AI Leadership

Adobe has always led through times of change to better serve our customers, expand into new markets and deliver the best of Adobe to our stakeholders. Adobe's AI leadership builds on our expertise across core creative categories like imaging, design, illustration and video as well as digital documents and digital experiences. We're innovating and building partnerships across all four layers of the AI technology stack spanning data, models, agents and interfaces. We're establishing ourselves within leading AI ecosystems through partnerships and integrations across AWS, Google Gemini, HUMAIN, Microsoft Azure, NVIDIA, OpenAI and others, offering unprecedented access, choice and flexibility to customers. We're addressing customers' needs for a holistic approach to productivity, creativity and marketing by integrating AI natively across our leading applications, embedding purpose-built agents across our portfolio, providing an unprecedented choice of models and harnessing our highly differentiated data assets, to deliver comprehensive and easy-to-use solutions.

Adobe is advancing the responsible use of technology to build trust with our customers and communities. Our AI ethics principles are designed to ensure that our innovations are developed and deployed responsibly. We are combating misinformation and promoting transparency in digital content through the Content Authenticity Initiative which has grown to over 5,500 members, including major players in software, hardware, media, NGOs, and education sectors.

STRATEGIC PRIORITIES

The creative opportunity is expanding across audiences with AI as an accelerant. It is opening the content floodgates, tapping into everyone's imagination and significantly expanding the number of creative assets being created, edited, integrated and delivered. As creativity and digital experiences become more integral to how people communicate, work, and engage, we recognize the importance of tailoring our solutions to address the unique needs of three customer audiences. Embracing this customer-centric strategy, we are driving innovation to deliver more personalized, impactful solutions that align with our customers' specific goals, and simplifying our offerings to ensure that every customer can unlock their full creative potential in the era of AI-powered digital transformation.

Business Professionals & Consumers

Business professionals and consumers are navigating a world inundated with data and information, seeking tools to uncover insights, streamline workflows and collaborate and communicate more effectively.

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Adobe is empowering them to stand out through creativity and productivity with AI-driven quick and easy applications. We're enabling them to comprehend, collaborate and create seamlessly through the power of conversational experiences and generative designs.

Adobe Acrobat Studio and Adobe Express provide billions of users with the ability to be more productive and create standout content that helps promote their ideas, passions and business objectives. Acrobat Studio is revolutionizing document productivity by bringing together AI, collaboration and creation in a unified offering. With the conversational capabilities of Acrobat AI Assistant, users can summarize, extract insights, and create compelling documents with ease. Adobe Express, our quick and easy all-in-one creativity app, has become a cornerstone for business professionals, consumers, and small businesses. With features like Firefly-powered generative AI, brand controls, and seamless integration with Acrobat, Express enables users to create standout content across formats and platforms. New AI Assistant (beta) in Adobe Express unlocks creativity for all by combining conversational creation and editing, contextual understanding of design elements and easy-to-use tools so everyone can move from concept to content in minutes. The integration of Express features into Acrobat allows users to enhance PDFs with AI-generated visuals, infographics, and animations, transforming documents into dynamic storytelling tools.

Creators & Creative Professionals

Creators and creative professionals are at the heart of Adobe's mission. As demand for content accelerates, we are focused on making creativity more accessible, intelligent, and impactful. We're delivering AI-driven power and precision so creators of all skill levels can easily bring their creative visions to life across any media type and surface.

Adobe Creative Cloud continues to empower creators as they aspire to tell richer stories more efficiently with higher quality and more engaging content. Adobe Firefly is the go-to destination for creators' workflows, supporting their end-to-end, ideation-to-creation process. We expanded Firefly to become the only app with our own commercially safe models and over 25 leading partner models, including Google, OpenAI, Black Forest Labs, Luma, Runway, Topaz Labs and ElevenLabs, offering customers unparalleled choice and flexibility to use the best model for their needs. Firefly's integration across Creative Cloud applications like Photoshop, Illustrator, Premiere, and After Effects has transformed workflows, enabling creators to ideate, produce, and monetize content faster than ever before.

We continue to advance automated content production with Firefly Services that include video resizing, video reframing, image composition, image harmonization, digital-twin generation and more. We also launched Adobe Firefly Foundry, which provides businesses with private, deeply-tuned AI models across image, video, audio, vector and 3D—securely trained on their proprietary, branded content. Interest in Firefly Foundry has been strong from enterprise marketing teams and media and entertainment companies, where there is increasing desire to produce content faster and more cost-effectively.

Marketing Professionals

Marketing professionals face unprecedented pressure to create compelling content across channels, optimize campaigns, and deliver personalized experiences at scale. Adobe is empowering Marketing Professionals with AI-driven Customer Experience Orchestration to create, deliver and optimize personalized digital experiences. Now marketers can deliver on their customers' expectations for conversational experiences and optimize engagement around generative search to grow lifetime value and sustain business growth.

Adobe is a leader in the agentic AI era with comprehensive solutions spanning brand visibility, content supply chain, and customer engagement.

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Our solutions are powered by the Adobe AI platform, purpose built for brand, content, and customer intelligence workflows. Adobe Experience Platform continues to be the foundation for digital customer engagement, bringing together data, content, and journeys through new AI-powered apps and agents to deliver exceptional experiences.

Brand visibility is critical to success in the new agentic web, and Adobe solves customer needs through solutions like Adobe Experience Manager, Adobe Analytics and the newly available Adobe LLM Optimizer. Adobe Brand Concierge is an AI-first application enabling businesses to configure and manage AI agents that guide consumers from exploration to purchase decisions, using immersive and conversational experiences. By uniting data, content and agentic AI in a single experience, Brand Concierge gives businesses ownership of the critical discovery and consideration phase.

Adobe GenStudio integrates creativity, marketing, and AI to tackle inefficiencies in the content supply chain. GenStudio empowers enterprises to plan, create, manage, activate, and measure content in one intelligent workspace, enabling personalization to the individual at global scale. It gives enterprises the ability to connect, activate, and measure all of their content in one intelligent workspace.

VALUES-DRIVEN PURPOSE

Adobe's commitment to people, purpose, and community have been at the heart of our approach to every technology shift and guides how we lead the next chapter. Our values—**Create the Future, Own the Outcome, Raise the Bar, and Be Genuine**—steer our innovation, customer and partner engagement, and community impact. We remain deeply committed to fostering an environment where great talent is inspired to do their best work—an inclusive, values-driven culture supported by meaningful investment in learning, growth, and AI readiness.

Adobe for All continues to be a powerful expression of who we are, reinforcing a workplace where every employee feels included, supported, and empowered to make a difference.

Adobe is well positioned to unlock opportunities for people of all ages, backgrounds and skill levels to share their stories, build great careers and make an impact. We believe that when people have the tools, training, and platform to express themselves creatively, communities flourish, careers transform and innovation accelerates. This focus on Creativity for All begins with our people. Around the globe, our teams bring Creativity for All to life through our purpose programs, including the Adobe Digital Academy, Adobe for Nonprofits, and the Adobe Film & TV Fund, which use Adobe tools, employees and resources to create opportunity. Our commitment to digital literacy and creativity in education is reaching over 40 million K-12 students globally, preparing the next generation to succeed in the digital age. Together, these efforts reflect our belief that creativity thrives when people do, and they strengthen the foundation that drives innovation and long-term success for our employees, customers, and stockholders.

Through community programs such as the Adobe Community Fund, our annual employee-driven grantmaking initiative, we invest millions in nonprofits addressing critical local needs in the cities where we live and work. We are advancing environmental sustainability and remain committed to 100% renewable electricity for our sites and net zero by 2050.

We're proud to continue to be recognized for our exceptional culture and industry leadership including being named to *Fortune's World's Best Workplaces, Forbes' World's Best Employers*, Interbrand's Best Global Brands, and *The Wall Street Journal's Best-Managed Companies.*

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LOOKING AHEAD

As we look to 2026 and beyond, I'm confident that our customer-focused growth strategy, strategic priorities, talented employee base and global brand will deliver both continued growth and impact.

Thank you for your continued partnership and support.

Sincerely,

Shantanu Narayen
Chair & CEO
Adobe Inc.

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