



40 Years of Changing the World Through Digital Experiences



To our stockholders, customers, employees and partners,

Forty years ago, Adobe was founded on simple yet enduring principles that remain with us to this day: innovation is at our core, employees are our greatest asset, and our customers, communities and shareholders are central to our success. As digital continues to rapidly reshape how we connect and engage with the world around us, we are guided by our mission to change the world through digital experiences, empowering everyone, everywhere to imagine, create and deliver any digital experience. It's humbling and exciting to think that over a billion people around the world have used our software, and the potential to reach billions more is bigger than ever. We continue to drive massive opportunities across creativity, digital documents and customer experience management.

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Strategy & Execution

We had an outstanding fiscal 2022 despite an uncertain macroeconomic environment, achieving record revenue of \$17.61 billion, which represents 12% year-over-year growth. GAAP earnings per share was \$10.10 and non-GAAP earnings per share was \$13.71. We delivered record operating cash flows with a focus on profitability. Our strategy to unleash creativity for all, accelerate document productivity and power digital businesses is driving momentum across every geography and customer segment, making us one of the most innovative, diversified and profitable software companies in the world. Adobe Creative Cloud, Document

Cloud and Experience Cloud have become the foundation of digital experiences, starting with the first creative spark, to the creation and development of all content and media, to the personalized delivery across every channel.

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Digital Media

Digital Media is the combination of our Creative Cloud and Document Cloud business. In fiscal year 2022, we achieved Digital Media revenue of \$12.84 billion, which represents 11% year-over-year growth.

With Creative Cloud, we are **Unleashing Creativity** for creators of every skill level, giving them the tools to create, communicate, distribute and monetize their content. Content creation and consumption is exploding across every category, customer segment, surface, channel and media type. Our industry-leading applications, such as Photoshop, Lightroom, Illustrator, InDesign, Premiere Pro, After Effects and Substance 3D, continue to put us at the forefront of every creative category across imaging, photography, design, video, web and animation and 3D and immersive experiences. With newer offerings like Adobe Express, we are bringing the power and precision of our core products to deliver speed and ease to an even wider universe of customers. We are integrating collaboration workflows across our applications to enable customers to seamlessly co-create and manage reviews with a growing number of stakeholders. We are applying the power of our Adobe Sensei artificial intelligence (AI) and machine learning framework to help creators of all skill levels

free themselves from mundane tasks and discover new superpowers. The total addressable market for Creative Cloud is projected to be approximately \$63 billion in 2024.

With Document Cloud, we are **Accelerating Document Productivity** across every device and platform as digital document workflows automate manual paper processes across our personal and professional lives. With trillions of PDFs in the world today, PDF has become the most ubiquitous file format. Our strategy to enable all common document actions, including editing, sharing, reviewing, scanning and signing across desktop, mobile and web is paying strong dividends. Our success converting the high volume of traffic and searches for PDF into Acrobat Web adoption continues to accelerate. We're integrating value-added services like Adobe Sign and Share for Review across Acrobat surfaces and transforming Document Cloud into a multi-surface document ecosystem with deeper integrations across Creative Cloud and Experience Cloud. We are making PDF more intelligent with Adobe Sensei, automating workflows and enabling new levels of productivity for individuals, small businesses, nonprofits and enterprises. We are empowering developers to embed Adobe PDF and Sign capabilities into their existing products to unlock workflows through our APIs. The total addressable market for Document Cloud is projected to grow to approximately \$32 billion by 2024.

Digital Experience

In fiscal year 2022, our Digital Experience revenue grew to a record \$4.42 billion, representing 14% year-over-year growth. With Experience Cloud, we are **Powering Digital Businesses** to deliver personalized experiences across their customers' entire journeys at unprecedented scale. Businesses in every industry now depend on digital to engage and transact with their customers. Adobe offers the most comprehensive set of solutions for building personalized experiences across data insights and audiences, content and commerce, customer journeys and marketing workflows. The combination of Adobe Experience Platform and native applications such as Real-Time Customer Data Platform, Adobe Journey Optimizer and Customer Journey Analytics is accelerating our differentiated value proposition. We are driving a mix of diversified revenue streams through subscription and consulting services across new and existing customers, demonstrating strong demand and a focus on value realization. Our total addressable market for Experience Cloud is estimated to be \$110 billion in 2024.

In addition to the strong growth drivers across our three

clouds, our pending acquisition of Figma, a leading web-first collaborative design platform, represents a tremendous opportunity to further accelerate our growth strategy by advancing product design, transforming collaborative creativity and reimagining the future of creativity and productivity for millions of people.

Innovation at Our Core

Adobe has always distinguished itself by looking around the corner and focusing on groundbreaking innovation to make our products more powerful, accessible and fun. The capabilities and platforms that underpin our cloud offerings further accelerate our competitive advantage. **Adobe Sensei** is built on decades of data and expertise at the intersection of art and science. Sensei infuses intelligence into all of our products to anticipate and solve customer problems, empowering people at all skill levels to complete tasks more easily and efficiently. We are delivering hundreds of intelligent capabilities across our three clouds, including Content Aware Fill to instantly remove and replace unwanted objects, Neural Filters to simplify creative tasks to just a few clicks, Liquid Mode to seamlessly reformat text and tables in Acrobat Reader and Lookalike Modeling to automatically identify high-value customers in Adobe Audience Manager. We are committed to harnessing the best of AI to amplify human creativity, intelligence and ingenuity in service of cutting-edge digital experiences. We see tremendous opportunities with generative AI to make creativity more accessible and our customers more productive.

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Adobe is enabling seamless collaboration across the myriad workflows and growing universe of stakeholders needed to deliver exceptional digital experiences. We have enabled asynchronous collaboration in digital documents with Adobe Acrobat and capabilities like **Share for Review** in Photoshop and Illustrator. The acquisitions of **Frame.io** and **Workfront** were key strategies in advancing our collaboration efforts across video and marketing campaign workflows. We debuted the industry's first post-production review and approval workflow with Frame.io, Premiere Pro and After Effects. Adobe Workfront is empowering teams to manage complex workflows and realize productivity gains. Upon closing, we look forward to the combination of Adobe and Figma offering new opportunities to accelerate synchronous

collaboration with Figma's collaborative product design platform and FigJam, an online whiteboarding solution.

Driven by Purpose

Adobe's commitment to doing the right thing by focusing on people, purpose and community dates back to our founding. This sense of purpose has guided our evolution and growth and inspires our employees to change the world. There are three key areas in which we are uniquely positioned and motivated to make a difference: Adobe for All, Creativity for All and Technology to Transform.

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Adobe for All: We've always believed that people are our greatest asset. Adobe for All is our commitment to create a workplace that reflects the diversity of the world around us—where everyone feels included, respected and has the opportunity to make an impact. Greater representation leads to a virtuous cycle of more role models, advancement, growth and meaningful innovations for our customers and communities. We are proud of our progress in increasing women in Director+ roles globally by 50% and our Black community in the U.S. by 63% over the past two years. We have maintained global gender pay parity for the fifth year in a row and achieved pay parity for under-represented minorities (URMs) in the U.S. for the third consecutive year. We are sponsoring the success of URMs in technology careers through initiatives such as the McKinsey Leadership Academy and strategic partnerships with historically Black colleges and universities (HBCUs) and Hispanic-serving institutions (HSIs), such as Bowie State University, San José State University and Winston-Salem State University.

Creativity for All: Creativity has the power to unite us and inspire us to create change in the world. Through Creativity for All, we are empowering millions of creators of all ages and backgrounds to access the tools, skills and platforms they need to express themselves, reach their full potential and share their diverse perspectives with the world. From supporting emerging filmmakers through the Sundance Adobe Fellowship, to the hundreds of creators we've aided financially through our Creative Residency, to our Diverse Voices platform that elevates creators from a spectrum of disciplines, we are helping people around the world tell their stories on a larger scale. We're supporting digital literacy

and creativity in the classroom by putting Adobe Express in the hands of over 40 million K-12 students globally, and we are engaging with college students across more than 50 designated Adobe Creative Campuses to help the next generation build the skills they need to compete in the digital age. We launched Adobe Express for Nonprofits to over 10 million nonprofits around the world to help them engage donors and drive greater impact.

Technology to Transform: As one of the world's most innovative software companies, we are committed to advancing the responsible use of technology to build trust with our customers and communities. Our innovations are making a significant impact across AI Ethics, Security, Privacy, Trust and Safety, Accessibility and Sustainability. Our people-centered approach to AI seeks to enhance—rather than replace—human endeavor. All new AI features and innovations released in 2022 were developed in accordance with Adobe's AI ethics principles of accountability, responsibility and transparency. The Content Authenticity Initiative, which we lead, now counts over 900 partners across software, hardware, media, NGOs and education, all committed to combatting misinformation and providing attribution for creators. As part of our security compliance strategy, Adobe pioneered a Common Controls Framework enabling our cloud products, services, platforms and operations to achieve and track compliance with various security certifications, standards and regulations such as ISO, HIPAA, FedRAMP and others.

Adobe is committed to **sustainability and climate action** through our products and operations. Our cloud-based products are significantly reducing paper-based waste by accelerating the paper-to-digital transformation and enabling digital collaboration that reduces physical waste and emissions. Estimates show that paper-to-digital workflows powered by **Document Cloud** eliminate over 2.5 billion pounds of greenhouse gas per year in the U.S. alone. Our **Substance 3D tools** allow campaigns to be designed and shot virtually, eliminating the environmental cost of materials, manufacturing and travel. We continue our focus on renewable energy across our sites, including opening our Founders Tower in San Jose in 2023—which is the first all-electric building of its scale powered by 100% renewable energy in Silicon Valley. We are on track to meet our original 2035 renewable electricity goal by 2025.

Our 28,000+ employees across 28 countries bring our mission to life, working together to create change in the communities where we live and work. We are building our culture for our

next decades of growth and empowering our employees to *Create the Future, Own the Outcome, Raise the Bar* and *Be Genuine*. These values come to life through the amazing talent we're able to attract and retain and extend to how we support our customers, partners and communities. We continue to offer progressive workplace policies, such as expanded family leave, cancer support, adoption assistance and robust healthcare benefits. We are building our future workforce through our burgeoning internship program and collaborative projects with top universities around the world. Our employees are at the center of our philanthropic approach, offering their time, donations and talents to make the largest collective impact. In calendar year 2022, our employee donations and matching program reached \$28 million and employees completed over 144,000 hours of volunteer time, supporting over 79,000 organizations worldwide.

Our brand and culture remain among the most respected in the industry. Adobe was once again named to **Interbrand's Best Global Brands** list as a top riser for the seventh year in a row and to **The Wall Street Journal's Best Managed Companies**, ranking #1 for employee engagement and development.

Looking Ahead

Over the past four decades, Adobe's continuous innovation and leadership have empowered billions of people around the globe to imagine, create and deliver the best digital experiences. We have always distinguished ourselves by looking around the corner to make transformational moves that propel the company and the industry forward. We've embraced invention and reinvention to better serve our customers, expand into new markets and deliver the best of Adobe to our stakeholders.

We have everything it takes to continue our success in the future: massive market opportunities; a proven ability to create and expand categories that transform markets; an expansive product portfolio that serves a growing universe of customers; revolutionary technology platforms that advance our industry leadership and competitive advantage; an expanding ecosystem that delivers even greater value to customers; strong business fundamentals; and the most dedicated and talented employees. I have never been more certain that Adobe's best days are ahead.

Thank you for your continued partnership and support.

Shantanu Narayen

Shantanu Narayen
Chairman & CEO
Adobe Inc.

