

JONATHAN VAAS

Good morning and thank you for joining us. With me on the call today are Shantanu Narayen, Adobe’s Chairman and CEO, David Wadhvani, President of Digital Media, Anil Chakravarthy, President of Digital Experience, and Dan Durn, Executive Vice President and CFO.

On this call, which is being recorded, we will discuss Adobe’s third quarter fiscal year 2022 financial results. You can find our Q3 press release, as well as PDFs of our prepared remarks and financial results, on Adobe’s Investor Relations website.

Financial Disclaimer

Some of the information discussed in this presentation, including our financial targets and product plans, is based on information as of today, September 15, 2022, and contains forward-looking statements that involve risk, uncertainty and assumptions. Actual results may differ materially from those set forth in such statements.

For a discussion of these risks and uncertainties, you should review Adobe's SEC filings .

Figma financial information has been provided by Figma management and is based on information available as of today, September 15, 2022. This financial information reflects Figma's accounting policies and key performance metric methodologies, which may differ materially from Adobe's accounting policies and key performance metric methodologies.

During this presentation, we will discuss non-GAAP financial measures. The GAAP financial measures that correspond to non-GAAP or adjusted financial measures, as well as the reconciliation between the two, are available on www.adobe.com/ADBE.



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The information discussed on this call, including our financial targets and product plans, is as of today, September 15, and contains forward-looking statements that involve risk, uncertainty and assumptions. Actual results may differ materially from those set forth in these statements. For a discussion of these risks, you should review the factors discussed in today's press release and in Adobe's SEC filings.

On this call we will discuss GAAP and non-GAAP financial measures. Our reported results include GAAP growth rates as well as adjusted growth rates in constant currency. During this presentation, Adobe's executives will refer to constant currency growth rates unless otherwise stated. Reconciliations between the two are available in our earnings release and on Adobe's Investor Relations website.

I will now turn the call over to Shantanu.



SHANTANU NARAYEN

Thanks, Jonathan, and thank you for joining us.

Changing the world through digital experiences

Unleashing Creativity Accelerating Document Productivity Powering Digital Businesses

Adobe Creative Cloud Adobe Document Cloud Adobe Experience Cloud

\$4.43 billion Q3 revenue
13% Y/Y growth
15% Y/Y growth in constant currency

GAAP EPS: \$2.42
Non-GAAP EPS: \$3.40

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Adobe had another record quarter, achieving \$4.43 billion in revenue, which represents 15 percent year-over-year growth. GAAP earnings per share for the quarter was \$2.42 and non-GAAP earnings per share was \$3.40.

In our Digital Media business, we achieved \$3.23 billion in revenue. Net new Digital Media Annualized

Recurring Revenue or “ARR” was \$449 million, and total Digital Media ARR exiting Q3 grew to \$13.40 billion.

In our Experience Cloud business, we achieved \$1.12 billion in revenue, and subscription revenue was \$981 million.

In this digital-first world, Adobe Creative Cloud, Document Cloud and Experience Cloud have become even more mission-critical to an increasingly wide range of customers—from students to creative professionals to small businesses to the world’s largest enterprises. Fueled by our groundbreaking technology, track record of creating and leading categories and consistently strong execution, our opportunity is larger than ever before.

Adobe’s greatness has been rooted in defining new categories and platforms and delivering cutting-edge solutions through both organic innovation and inorganic acquisitions. Throughout our history, Adobe’s innovations have touched billions of lives around the globe. From revolutionizing imaging and creative expression with Photoshop, to pioneering electronic documents through PDF, to creating the digital marketing category with Adobe Experience Cloud, Adobe continues to invent and transform categories. We are in the golden age of design and we believe we have a unique opportunity to usher in a new era of collaborative creative computing.



I am thrilled to share that today we announced our intention to acquire Figma, a leading web-first

design platform that will help us accelerate this vision. Figma enables designers, developers and all stakeholders to collaborate in the product design process from ideation to design to delivery. The combination of Adobe and Figma will significantly expand our reach and market opportunity while making the creative process more accessible and productive to more people.

I will now turn it over to David to share more about our vision for Adobe and Figma and momentum in the Digital Media business.

David.



DAVID WADHWANI

Digital Media: Creative Cloud

It’s an exciting day for Adobe and Figma.

Figma’s mission is to help teams collaborate visually and make design accessible to all. Dylan Field, Figma’s CEO, and his team launched Figma as the first design tool purpose-built for the web in 2012. Figma and FigJam make it possible for all stakeholders designing interactive mobile and web applications to collaborate through multi-player workflows, sophisticated design systems and a rich extensible developer ecosystem. Figma has built an incredible product and an outstanding business – delivering world-class ARR growth and net dollar retention with a disciplined and efficient operating model. Figma has attracted a new generation of millions of designers and developers and a loyal student following.



- Founded in 2012 by CEO Dylan Field and Evan Wallace, headquartered in San Francisco
- ~850 employees
- Total addressable market of ~\$16.5B by 2025 across design, whiteboarding and collaboration
- Pioneered first design tool built for the Web, combining powerful features with multiplayer functionality to make it faster, easier and more fun for teams to design products together
- Expected to add ~\$200 million of ARR in 2022, and to surpass \$400 million ARR exiting fiscal year 2022, with best-in-class net dollar retention of greater than 150 percent
- Efficient business model, with gross margins of ~90 percent
- Positive operating cash flows
- Thriving developer ecosystem, with dozens of widgets and over 2,000 publicly available plugins, which have been utilized by millions of users
- Adobe and Figma are used by a large and growing number of joint customers



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To give you a sense of their scale and financial success, Figma is expected to add approximately \$200 million in net new ARR this year, surpassing \$400 million in total ARR exiting 2022, with greater than 150 percent net dollar retention rate. With a total addressable market of ~\$16.5 billion by 2025, Figma is just getting started.

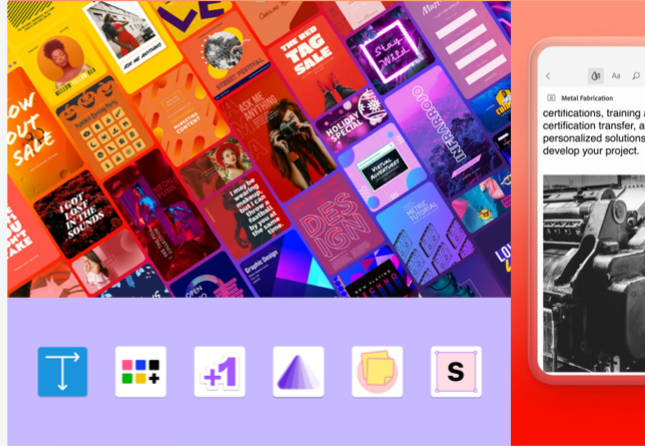
Adobe + Figma combination accelerates four strategic pillars

<p>Empower the world with content-first, task-based creativity</p>	<p>Advance every creative category across desktop, web & mobile</p>	<p>Democratize 3D & immersive content creation</p>	<p>Enable seamless collaboration across all stakeholders</p>	<p>Inspire and empower the community through sharing & monetization</p>
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Adobe has always been focused on empowering everyone to create digital experiences, and the combination of Adobe and Figma is the perfect “better together” opportunity. The combination of Adobe and Figma will create new opportunities and accelerate our strategy in a few ways:

Reimagining the future of creativity and productivity

- Adobe and Figma share a passion for helping individuals and teams be more creative and productive.
- Adobe and Figma now have a new opportunity to make content creation more efficient, collaborative and fun by bringing together Adobe Express, Acrobat and FigJam, an online whiteboarding solution for teams.
- With the combination of these products, the company can offer tremendous value to hundreds of millions of customers.

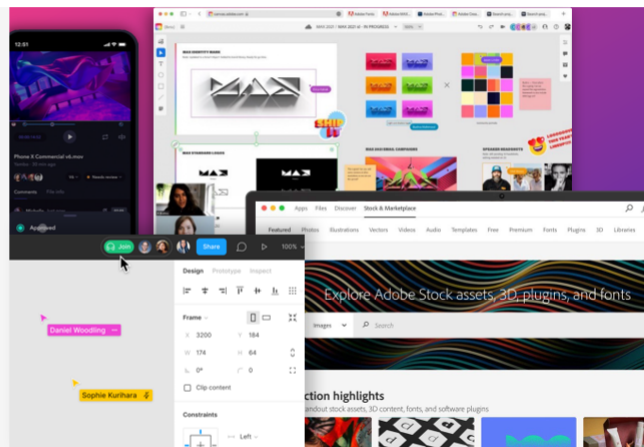


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- First, reimagining the future of creativity and productivity: Adobe and Figma share a passion for helping individuals and teams be more creative and productive. Adobe and Figma now have a new opportunity to make content creation more efficient, collaborative and fun by bringing together Adobe Express, Acrobat and FigJam, an online whiteboarding solution for teams. With the combination of these products, we can offer tremendous value to hundreds of millions of customers.

Accelerating creativity on the web

- As creativity becomes increasingly collaborative, the web makes it easier for teams to create together.
- Figma's web-based, multi-player platform can accelerate the delivery of Adobe's Creative Cloud technologies on the web, making the creative process accessible to more people.
- This will dramatically increase Adobe's reach and addressable market opportunity.

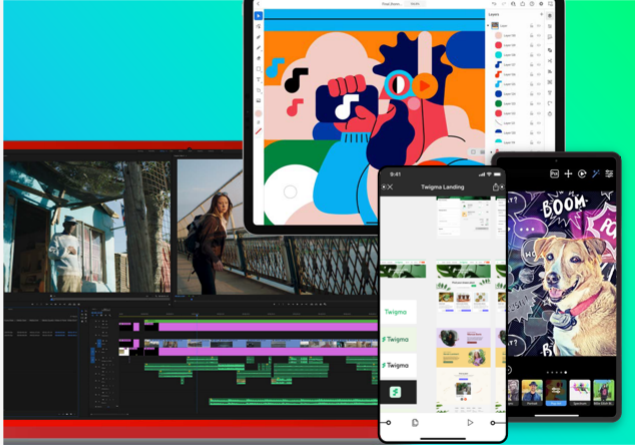


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- Second, accelerating creativity on the web: As creativity becomes increasingly collaborative, the web makes it easier for teams to create together. Figma’s web-based, multi-player platform can accelerate the delivery of Adobe’s Creative Cloud technologies on the web, making the creative process accessible to more people. This will dramatically increase Adobe’s reach and addressable market opportunity.

Advancing product design

- Web and mobile applications are increasingly underpinning how we live and work.
- This is driving explosive growth in the product design category.
- The combination of Adobe and Figma will benefit all stakeholders in the product design process, from designers to product managers to developers, by bringing powerful capabilities from Adobe’s imaging, photography, illustration, video, 3D and font technologies into the Figma platform over time.

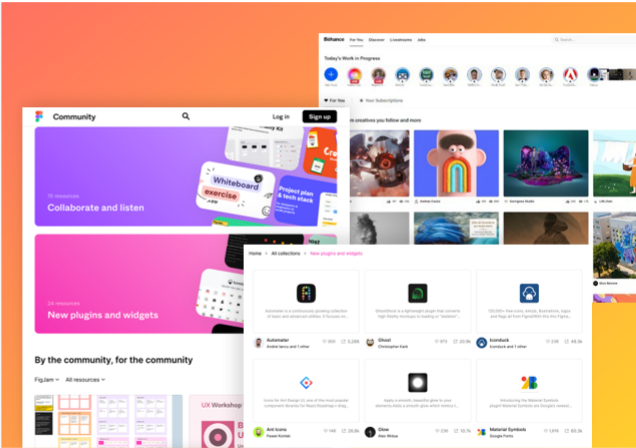


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- Third, advancing product design: Web and mobile applications are increasingly underpinning how we live and work. This is driving explosive growth in the product design category. The combination of Adobe and Figma will benefit all stakeholders in the product design process, from designers to product managers to developers, by bringing powerful capabilities from Adobe’s imaging, photography, illustration, video, 3D and font technologies into the Figma platform over time.

Inspiring and empowering the designer and developer community

- Throughout its history, Adobe’s community has been a constant source of inspiration and a catalyst for innovation.
- Figma has a thriving community who develop and share everything from tutorials, templates and plug-ins with their large and growing ecosystem.
- The combination of these communities will bring designers and developers closer together to unlock the future of collaborative design.



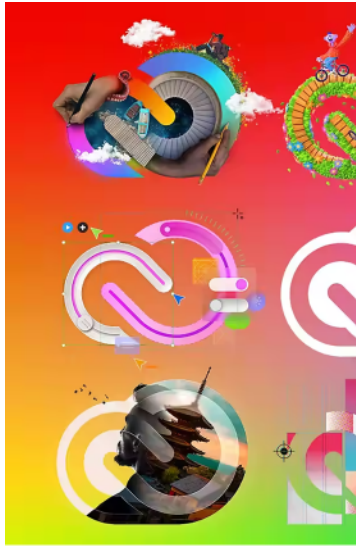
The image shows a collage of community-related interfaces. On the left, there's a grey box with text. To its right, there's a screenshot of the Adobe Creative Cloud Community homepage, featuring sections like 'Collaborate and listen', 'New plugins and widgets', and 'By the community, for the community'. Below that is a screenshot of the Figma Community interface, showing various design resources and user avatars. The Adobe logo is at the bottom left, and a copyright notice is at the bottom right.

- And fourth, empowering and expanding the community: Throughout our history, Adobe’s community has been a constant source of inspiration and a catalyst for innovation. Figma has a thriving community who develop and share everything from tutorials, templates and plug-ins with their large and growing ecosystem. The combination of our communities will bring designers and developers closer together to unlock the future of collaborative design.

Adobe and Figma could not be a better match – our people, innovative technology and joint mission to democratize creativity and collaboration will deliver increased value to a growing base of customers. I look forward to welcoming Dylan and the entire Figma team to Adobe once the transaction closes.

Q3 Digital Media Results

The acquisition of Figma could not come at a more exciting time for Adobe’s Digital Media business, which surpassed \$13 billion in ARR this quarter, growing 16 percent year over year exiting the quarter. Adobe Creative Cloud remains the world’s creative engine, empowering everyone to create whenever and wherever inspiration strikes.



Adobe



Adobe Creative Cloud

- Creative revenue of \$2.63 billion
- Strong momentum for Adobe Express, with significant growth in new users and ARR
- Adobe Express named one of the best new productivity apps of 2022 by Fast Company
- Strong tailwinds in our video segment for Premiere Pro and Frame.io, our integrated video editing and collaboration offering
- Demand for Substance products, as brands across every industry embrace 3D as a new medium
- Momentum in the Adobe Stock business, emphasizing the importance of content velocity for businesses of all sizes.

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In Q3, we achieved net new Creative Cloud ARR of \$330 million and revenue of \$2.63 billion, which grew 14 percent year-over-year.

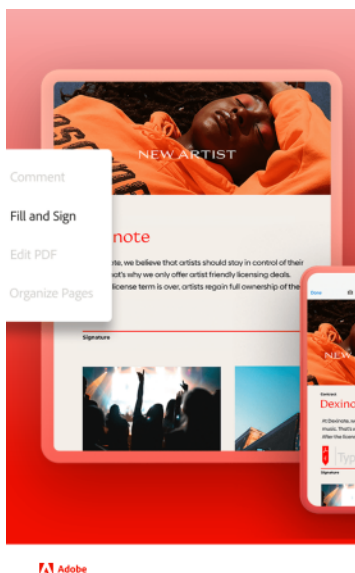
Q3 highlights include:

- Strong momentum for Adobe Express, with significant growth in new users. Adobe Express is serving an expansive universe of creative professionals, communicators and knowledge workers – from students to small business owners to social influencers. It’s exciting to see the rapid innovation we’re delivering to enable millions of customers to create standout multimedia content. Adobe Express has thousands of templates, millions of stock assets and quick action functionality that make it easy to do any creative task. Millions of new users are coming to Adobe Express, driven by viral adoption and our creative marketing campaigns. Fast Company recently named Adobe Express one of the best new productivity apps of 2022;
- Strength in our Photoshop and Lightroom offerings across desktop and mobile;
- Tailwinds in our video segment for Premiere Pro and Frame.io, our integrated video editing and collaboration offering;
- Demand for our Substance products, as brands across every industry embrace 3D and

immersive content as a new medium; and

- Momentum in the Adobe Stock business, emphasizing the importance of content velocity for businesses of all sizes.

And finally, we are really excited about Adobe MAX, the world's largest creativity conference. It will be held in Los Angeles and streamed live for our global community. In addition to unveiling amazing new Creative Cloud innovations, we will hear from luminaries including renowned film directors, artists and musicians.



Adobe Document Cloud

- Document Cloud revenue of \$607 million
- Momentum in Acrobat across surfaces, with 2.6 billion installs of Reader & Acrobat on mobile & desktop
- Significant enhancements to the Acrobat web experience, making popular verbs easier and adding accessibility capabilities such as “Read out Loud” and “High Contrast” support
- Acrobat Web MAU continues to see tremendous growth, driven by high volume of web searches for document actions
- Strong growth in Adobe Sign, driven by integrated e-signature functionality in Acrobat
- Integrated workflows between Acrobat Desktop, Acrobat Web and Adobe Express
- Key enterprise customer wins with Amazon, Boeing, Chubb, Lloyds Bank and ServiceNow

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Digital Media: Document Cloud

Now on to our Document Cloud business. Digital documents are enabling individuals and businesses to be productive in a digital-first world. With more than 300 billion PDFs opened and more than 8 billion digital signatures processed each year, Adobe Document Cloud is accelerating document productivity and workflows across web, desktop and mobile.

Document Cloud had its best Q3 ever, achieving net new Document Cloud ARR of \$119 million and record revenue of \$607 million, which grew 25 percent year over year.

Q3 highlights include:

- Continued adoption of PDF across every computing surface, with over 2.6 billion cumulative installs of Acrobat and Reader;
- Significant enhancements to the Acrobat web experience, making popular verbs like view, edit and collaborate easier than ever and adding accessibility capabilities such as “Read out Loud” and “High Contrast” support; Acrobat Web MAU continues to see tremendous growth, driven by the high volume of web searches for document actions;
- Strong growth in Adobe Sign, driven by integrated e-signature functionality in Acrobat;
- Integrated workflows between Acrobat Desktop, Acrobat Web and Adobe Express; and
- Key enterprise customer wins, including Amazon, Boeing, Chubb, Lloyds Bank and ServiceNow.

Demand for our industry-leading Digital Media products remains strong across a growing base of customers. We are accelerating momentum across the business with continued product innovation, strong go-to-market capabilities and a proven data-driven operating model.

I'll now pass it to Anil.

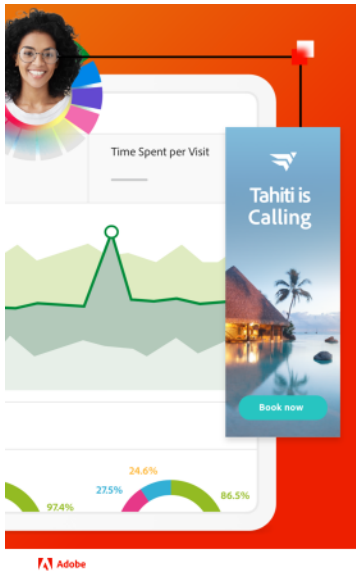


ANIL CHAKRAVARTHY

Thanks, David. Hello everyone.

One thing has become abundantly clear in this environment: digital has become the critical channel to engage customers and drive growth. Across the globe, companies in every industry are prioritizing investments in software solutions and services that enable them to anticipate and meet the expectations of their consumers. Customer Experience Management is an imperative and Adobe is the category leader. Adobe Experience Cloud delivers predictive, personalized, real-time digital experiences—from acquisition to monetization to retention—across content and commerce, customer journeys, data insights and audiences and marketing workflow. In particular, we are driving strong enterprise adoption of Adobe Experience Platform and Real-Time CDP which are foundational to this next-generation enterprise architecture.

FC Bayern, one of the world's most successful football clubs, is leveraging Adobe Experience Cloud and Real-Time CDP to transform their fan experience. This gives them a holistic view of every fan's engagement online and offline, enabling them to deliver personalized experiences such as discounts at the stadium or an immersive shopping experience for viewers at home.



Adobe Experience Cloud

- Digital Experience revenue of \$1.12 billion with subscription revenue of \$981 million
- Strong momentum for Adobe Experience Platform and AEP-native applications, with the book of business more than doubling year over year;
- Significant growth for Adobe Commerce, underscoring the demand for digital storefronts and marketplaces;
- Experience Cloud was named a leader for the sixth consecutive year in the Gartner Magic Quadrant for Digital Commerce and achieved the highest position in the Forrester Wave for Enterprise Marketing Suites
- Key customer wins, including Credit Agricole, Morgan Stanley, NASA, Qualcomm, T-Mobile and UnitedHealth Group.

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In Q3, we continued to drive strong Experience Cloud growth, achieving a record \$1.12 billion in revenue. Subscription revenue was \$981 million for the quarter, representing 15 percent year-over-year growth.

Q3 highlights include:

- Strong momentum for Adobe Experience Platform and AEP-native applications, with the book of business more than doubling year over year;
- Significant growth for Adobe Commerce, underscoring the demand for digital storefronts and marketplaces;
- Experience Cloud was named a leader for the sixth consecutive year in the Gartner Magic Quadrant for Digital Commerce and achieved the highest position in the Forrester Wave for Enterprise Marketing Suites; and
- Key customer wins, including Crédit Agricole, Morgan Stanley, NASA, Qualcomm, T-Mobile and UnitedHealth Group.

Looking forward, Adobe is leading an explosive growth category that is increasingly important to enterprises of all sizes. Adobe is well-positioned to help enterprises deliver exceptional customer experiences with industry-leading platforms and applications, a strong track record of deploying

solutions successfully for thousands of customers and a proven ability to deliver the next-generation architecture for Customer Experience Management.

Dan, over to you.



DAN DURN

Thanks, Anil.

Today I will start by summarizing Adobe’s performance in Q3 fiscal 2022, highlighting growth drivers across our businesses, then I’ll discuss the announced acquisition of Figma, and I’ll finish with financial targets.

Q3 FY2022 Results

Total Revenue	\$4.43 billion	13% Y/Y growth	15% Y/Y growth ¹
Digital Media segment revenue	\$3.23 billion	13% Y/Y growth	16% Y/Y growth ¹
Digital Media ARR	\$449 million of net new ARR		
Digital Experience segment revenue	\$1.12 billion	14% Y/Y growth	15% Y/Y growth ¹
Digital Experience subscription revenue	\$981 million	14% Y/Y growth	15% Y/Y growth ¹
Earnings per share	GAAP: \$2.42		Non-GAAP: \$3.40

- Generated \$1.70 billion of cash flows from operations
- Repurchased approximately 5.1 million shares
- Remaining Performance Obligations (RPO) exiting the quarter were \$14.11 billion

¹ Adjusted to show growth rates in constant currency.
 Adobe

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Q3 Performance

Adobe delivered a solid Q3, continuing to demonstrate that our products are mission critical to our customers' success in any macro environment—from the millions of individuals who use our offerings to create digital content, to the small businesses that run their document workflows on Adobe, to the large enterprises that have transformed how they interact with their end users by providing personalization at scale.

Q3 business and financial highlights included:

- Record revenue of \$4.43 billion;
- GAAP diluted earnings per share of \$2.42 and non-GAAP diluted earnings per share of \$3.40;
- Digital Media revenue of \$3.23 billion;
- Net new Digital Media ARR of \$449 million;
- Digital Experience revenue of \$1.12 billion;
- Cash flows from operations of \$1.70 billion;
- RPO of \$14.11 billion exiting the quarter; and
- Repurchasing approximately 5.1 million shares of our stock during the quarter.

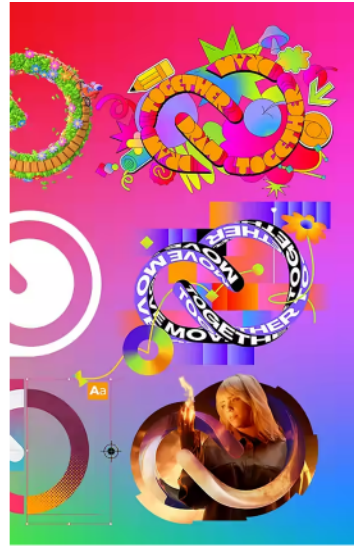
Digital Media

In our Digital Media segment, we achieved 13 percent year-over-year revenue growth in Q3, or 16 percent in constant currency. We exited the quarter with \$13.40 billion of Digital Media ARR.

We saw expected summer seasonality in the quarter, with the overall acquisition and engagement environment for our offerings remaining strong.

 Adobe Creative Cloud | Results

- Creative revenue of \$2.63 billion growing 11% Y/Y or 14% Y/Y in constant currency, with \$330 million of net new Creative ARR
- Momentum in small and medium businesses with Teams offering, where we continue to drive strong new customer acquisition and are seeing engagement and retention at all-time highs
- Strong growth in Illustrator and InDesign businesses
- Demand for flagship photography, imaging and video applications
- Adobe Stock, where we continue to drive strong book of business growth
- Momentum in new growth initiatives, such as Frame.io and Substance, each of which grew ending ARR greater than 50% Y/Y



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Digital Media: Creative Cloud

We achieved Creative revenue of \$2.63 billion, which represents 11 percent year-over-year growth, or 14 percent in constant currency. We added \$330 million of net new Creative ARR in the quarter.

Third quarter Creative growth drivers included:

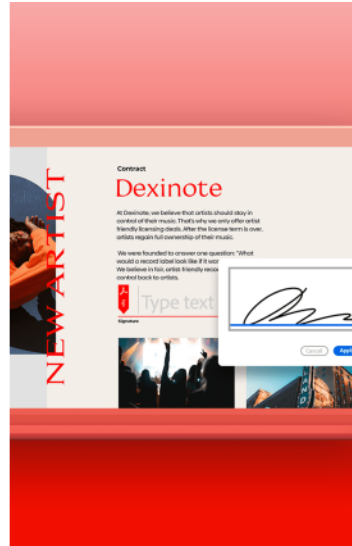
- Momentum in small and medium businesses with our Teams offering, where we continue to drive strong new customer acquisition and are seeing engagement and retention at all-time highs;
- Strong growth in our Illustrator and InDesign businesses;
- Demand for our flagship photography, imaging and video applications;
- Adobe Stock, where we continue to drive strong book of business growth; and
- Momentum in our new growth initiatives, such as Frame.io and Substance, each of which grew

ending ARR greater than 50 percent year over year exiting the quarter.



Adobe Document Cloud | Results

- Document Cloud revenue of \$607 million growing 23% Y/Y or 25% Y/Y in constant currency, with \$119 million of net new Document Cloud ARR
- Accelerated adoption of PDF and Adobe Reader across multiple surfaces
- Growth of Acrobat Web, fueled by online searches for PDF and document actions
- Strong performance of Acrobat and Adobe Sign
- Performance of our reseller channel continuing to drive new Document Cloud subscriptions, particularly with small and medium businesses
- Continued seat expansion in the enterprise



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Digital Media: Document Cloud

Adobe achieved Document Cloud revenue of \$607 million, which represents 23 percent year-over-year growth, or 25 percent in constant currency. We added \$119 million of net new Document Cloud ARR in the quarter, our strongest Q3 to date.

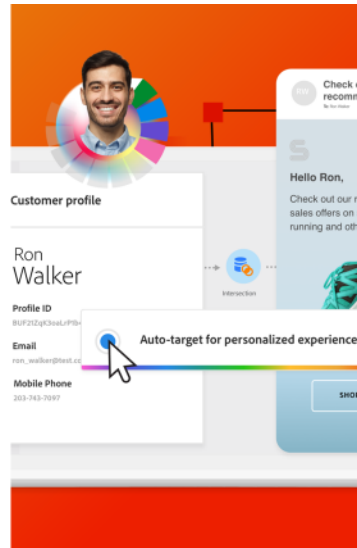
Third quarter Document Cloud growth drivers included:

- Accelerated adoption of PDF and Adobe Reader across multiple surfaces;
- Growth of Acrobat Web, fueled by online searches for PDF and document actions;
- Strong performance of Acrobat and Adobe Sign;
- Performance of our reseller channel continuing to drive new Document Cloud subscriptions, particularly with small and medium businesses; and
- Continued seat expansion in the enterprise.

In August we began to roll out the new Acrobat integrated with Sign offering, which included updated pricing.

Adobe Experience Cloud | Results

- Digital Experience revenue of \$1.12 billion growing 14% Y/Y or 15% Y/Y in constant currency, with subscription revenue of \$981 million growing 14% Y/Y or 15% Y/Y in constant currency
- Strong retention, upsell and enterprise bookings across solutions, particularly in the U.S.
- Success closing numerous million-dollar deals, as well as larger transformational deals that span our portfolio of solutions
- Continued momentum with our foundational Adobe Experience Platform (AEP) and Real-Time CDP business, with book of business for Platform and AEP-native applications more than doubling year over year
- Success integrating our solutions with workflow, including Workfront, growing revenue greater than 35% Y/Y
- Higher customer demand for professional services, as enterprises focus on implementations and value realization



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Digital Experience

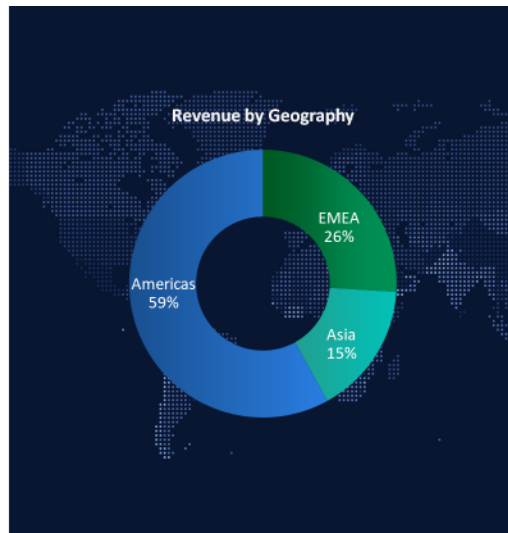
Turning to our Digital Experience segment, in Q3 we achieved revenue of \$1.12 billion, which represents 14 percent year-over-year growth, or 15 percent in constant currency. Digital Experience subscription revenue was \$981 million.

Third quarter Digital Experience growth drivers included:

- Strong retention, upsell and enterprise bookings in the quarter across our solutions, particularly in the U.S.;
- Success closing numerous million-dollar deals, as well as larger transformational deals that span our portfolio of solutions;
- Continued momentum with our foundational Adobe Experience Platform (AEP) and Real-Time CDP business, with our book of business for Platform and AEP-native applications more than doubling year over year exiting the quarter;
- Success integrating our solutions with workflow, including Workfront, which grew revenue greater than 35 percent year over year in the quarter; and
- Higher customer demand for professional services, as enterprises focus on implementations and value realization.

Q3 FY2022 Results

- RPO of \$14.11 billion
- Cash and short-term investments of \$5.76 billion
- Cash flows from operations of \$1.70 billion
- Repurchased approximately 5.1 million shares



Adobe

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Income Statement and Balance Sheet

In Q3, we focused on making disciplined investments to drive growth, including a strong class of university hires, and marketing campaigns to raise awareness of new and flagship offerings. We continue to have world-class operating margins and drove strong EPS performance in the quarter.

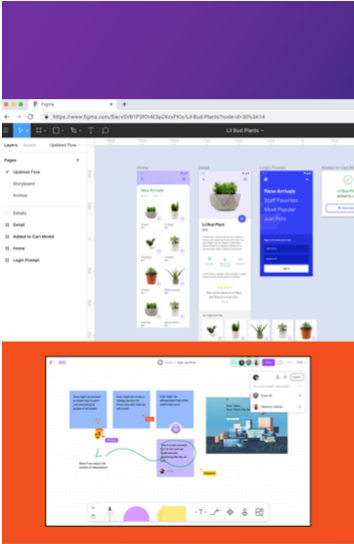
Adobe's effective tax rate in Q3 was 22 percent on a GAAP basis and 17.5 percent on a non-GAAP basis. The GAAP tax rate came in lower primarily due to benefits associated with share-based payments. The non-GAAP tax rate came in lower primarily due to additional U.S. income tax credits.

RPO exiting the quarter was \$14.11 billion, growing 12 percent year over year, or 15 percent when factoring in a 3 percent foreign exchange headwind.

Our ending cash and short-term investment position exiting Q3 was \$5.76 billion, and cash flows from operations in the quarter were \$1.70 billion, up 20 percent year over year.

In Q3 we repurchased approximately 5.1 million shares at a cost of \$1.80 billion, including shares received for the final settlement of our ASR entered into in December 2021. We currently have

\$8.3 billion remaining of our \$15 billion authorization granted in December 2020 which goes through 2024.



Figma transaction details

- ~\$20 billion, comprised of approximately half cash and half stock, subject to customary adjustments
 - Cash consideration expected to be financed through cash on hand and, if necessary, a term loan
- ~6 million additional restricted stock units to be granted to Figma’s CEO and employees that will vest over four years subsequent to closing
- Expected to close in 2023, subject to regulatory approvals
- Transaction expected to be accretive to Adobe Non-GAAP EPS at the end of year three
- Adobe to maintain share repurchases sufficient to offset dilution of equity issuances to Adobe employees while the transaction is pending

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Figma Acquisition

As Shantanu and David mentioned, we are thrilled about the opportunity to acquire Figma, which will accelerate Adobe’s strategy.

Under the definitive agreement, we’ve agreed to acquire Figma for approximately \$20 billion, comprised of approximately half cash and half stock, subject to customary adjustments. Approximately 6 million additional restricted stock units will be granted to Figma’s CEO and employees that will vest over four years subsequent to closing.

The transaction is expected to close in 2023, subject to regulatory approvals. We plan to finance the cash portion of the consideration with cash on hand, and if necessary, a term loan, to be paid down from our operating cash flows following the closing.

Figma’s products address a \$16.5 billion market opportunity, and the company has an impressive financial profile. This year they are expected to add \$200 million in net new ARR, surpassing \$400 million total ARR by the end of the year, with greater than 150 percent net dollar retention. They have a disciplined, efficient operating model, with gross margins of approximately 90 percent and positive

operating cash flows. They have strong business momentum, a large and expanding customer base, and we are incredibly excited about what we can bring to this combination from a financial perspective.

While this transaction is primarily about creating new markets, expanding adjacent opportunities and accelerating growth, we are committed to maintaining Adobe's strong profitability and maximizing EPS for our investors. In year one and two after closing, the transaction will be dilutive to Adobe's Non-GAAP EPS, and we expect it to be breakeven in year three and accretive at the end of year three.

While the transaction has not yet closed, I want to provide color on the path to Non-GAAP EPS accretion as a combined company exiting year three, assuming Adobe's operating margin for the second half of fiscal 2022 as the baseline:

- The combination will accelerate top-line growth for both Adobe and Figma based on three primary drivers: (1) we extend Figma's reach to our customers and through our global go-to-market footprint, (2) Figma accelerates the delivery of new Adobe offerings on the web to the next generation of users, and (3) we jointly introduce new offerings to market as we unlock the possibilities of collaborative creativity.
- Clearly the explosive revenue growth of Figma combined with their efficient operating model would result in an expanding standalone operating margin.
- Figma's innovative technology platform will accelerate our R&D roadmap including the delivery of our Creative Cloud technologies on the web, which will allow Adobe to focus and manage our future R&D investments.
- We will quickly pay down any term loan, if necessary, after close and then resume stock repurchases to reduce Adobe's share count.

While the transaction is pending, at a minimum we expect to maintain share repurchases sufficient to offset the dilution of equity issuances to Adobe employees.

Q4 FY2022 Financial Targets | September 15, 2022

Total Adobe revenue	~\$4.52 billion	
Digital Media ARR	~\$550 million of net new ARR	
Digital Media segment revenue (Y/Y growth)	~10%	~14% (Constant Currency)
Digital Experience segment revenue (Y/Y growth)	~13%	~15% (Constant Currency)
Digital Experience subscription revenue (Y/Y growth)	~13%	~15% (Constant Currency)
Tax rate	GAAP: ~23.0%	Non-GAAP: ~17.5%
Earnings per share ¹	GAAP: ~\$2.44	Non-GAAP: ~\$3.50

The information discussed on this slide contains forward-looking statements that involve risk and uncertainty. Actual results may differ materially. For a discussion of these risks and uncertainties, you should review Adobe's SEC filings. Please see our website for a discussion of these targets and a detailed reconciliation between GAAP and non-GAAP targets.

 1. Targets assume share count of ~467 million.

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Targets

We will now provide Q4 targets, which factor in:

- The overall macroeconomic environment;
- FX headwinds, as the U.S. Dollar has continued to strengthen against foreign currencies; and
- Typical year-end seasonal strength in demand for our offerings.

As a result, for Q4 we are targeting:

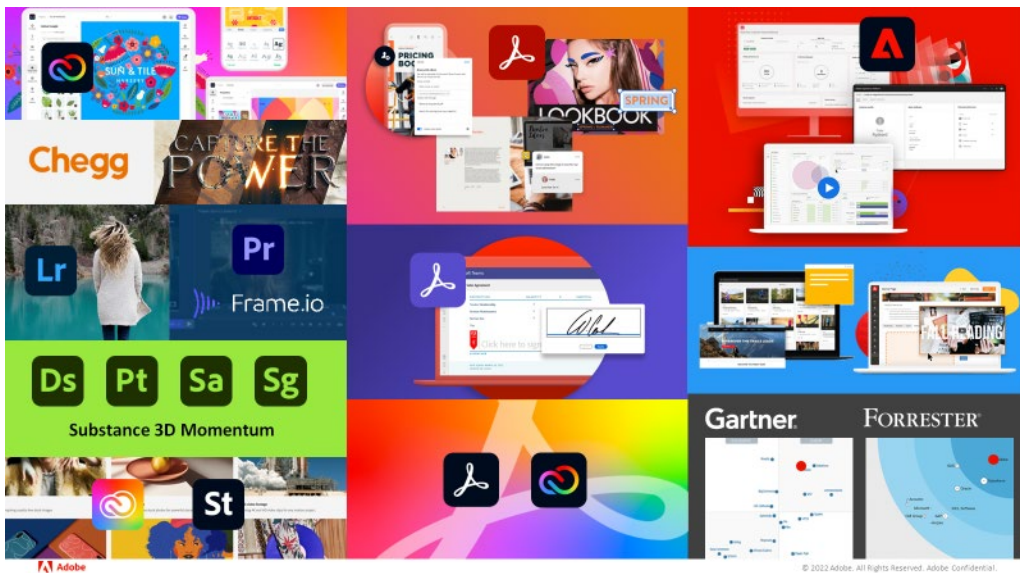
- Total Adobe revenue of approximately \$4.52 billion;
- Net new Digital Media ARR of approximately \$550 million;
- Digital Media segment revenue growth of approximately 10 percent year over year, or 14 percent in constant currency;
- Digital Experience segment revenue growth of approximately 13 percent year over year, or 15 percent in constant currency;
- Digital Experience subscription revenue growth of approximately 13 percent year over year, or 15 percent in constant currency;

- Tax rate of approximately 23 percent on a GAAP basis and 17.5 percent on a non-GAAP basis; and
- GAAP earnings per share of approximately \$2.44, and Non-GAAP earnings per share of approximately \$3.50.

Summary

In summary, Adobe continues to drive performance across Creative Cloud, Document Cloud and Experience Cloud, while making transformational investments in strategic growth initiatives. I look forward to sharing more about our growth opportunities next month in Los Angeles at Adobe’s Financial Analyst meeting.

Shantanu, back to you.



SHANTANU NARAYEN

Thanks, Dan.

It was great to be back on the road this quarter meeting customers and partners as businesses return to a new hybrid work model. I was inspired and energized welcoming our new hires and meeting Adobe employees across multiple sites who will together drive the next phase of innovation, growth and culture. Adobe’s strength has always come from our most important asset,

people. I am incredibly proud of the recognition we continue to receive as a great place to work. This quarter, Adobe was named to Fast Company's Best Workplace for Innovators and Fortune's Best Workplaces in Tech. Next week, we will hold our Adobe for All conference to bring employees together to celebrate our shared values of diversity, equity and inclusion.

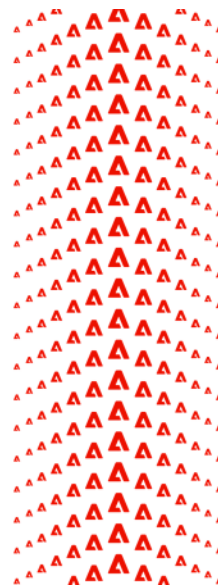
It is an exciting time at Adobe. Our strategy to unleash creativity for all, accelerate document productivity and power digital businesses is working. We are delivering on our innovative product roadmap, driving growth across new and established businesses and delighting a growing universe of customers.

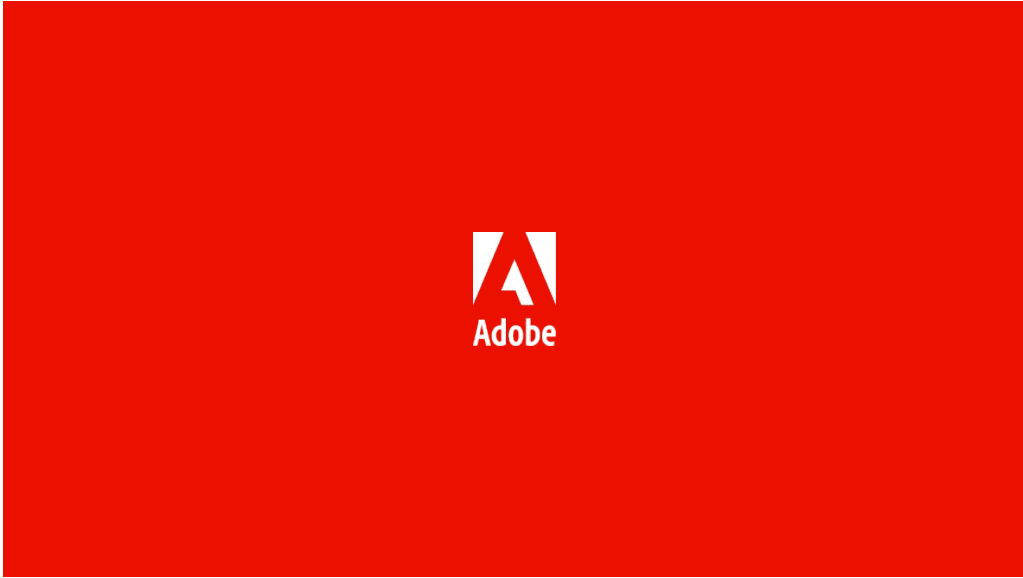
In addition to achieving all this success, we continue to look around the corner for new transformational opportunities that will drive decades of growth for Adobe. We believe that every individual, team and business will strive to be more creative and productive in this digital era. Adobe has a unique opportunity to usher in a world of collaborative creativity. In my conversations with Dylan at Figma, it became abundantly clear that together we could accelerate this new vision, delivering great value to our customers and shareholders. I look forward to welcoming Figma into the Adobe family upon close of the transaction.

We look forward to seeing you at MAX and closing the year strong.

Now, we'll take questions. Operator.

Q&A





Forward-Looking Statements Disclosure

In addition to historical information, this communication contains forward-looking statements within the meaning of applicable securities law, including statements regarding the expected timing, completion and effects of the proposed transaction, product plans, future growth, market opportunities, strategic initiatives, industry positioning, and customer acquisition and retention. In addition, when used in this communication, the words “will,” “expects,” “could,” “would,” “may,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “targets,” “estimates,” “looks for,” “looks to,” “continues” and similar expressions, as well as statements regarding our focus for the future, are generally intended to identify forward-looking statements. Each of the forward-looking statements we make in this communication involves risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to: expected revenues, cost savings, synergies and other benefits from the proposed transaction, such as Adobe’s ability to enhance Creative Cloud by adding Figma’s collaboration-first product design capabilities and the effectiveness of Figma’s technology, might not be realized within the expected time frames or at all and costs or difficulties relating to integration matters, including but not limited to customer and employee retention, might be greater than expected; the requisite regulatory approvals and clearances for the proposed transaction may be delayed or may not be obtained (or may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction); the requisite approval of Figma stockholders may be delayed or may not be obtained, the other closing conditions to the transaction may be delayed or may not be obtained, or the merger agreement may be terminated; business disruption may occur following or in connection with the proposed transaction; Adobe’s or Figma’s businesses may experience disruptions due to transaction-related uncertainty or other factors making it more difficult to maintain relationships with employees, customers, other business partners or governmental entities; the possibility that the proposed transaction is more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management’s attention from ongoing business operations and opportunities as a result of the proposed transaction or otherwise and those factors discussed in the section titled “Risk Factors” in Adobe’s Annual Report on Form 10-K and Adobe’s Quarterly Reports on Form 10-Q. The risks described in this communication and in Adobe’s filings with the U.S. Securities and Exchange Commission (the “SEC”) should be carefully reviewed. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date they are made. Adobe and Figma undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this communication, except as required by law.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information and Where to Find It

In connection with the proposed acquisition of Figma, Adobe will file a registration statement on Form S-4 with the SEC to register the shares of Adobe common stock to be issued in connection with the proposed transaction. The registration statement will include a consent solicitation statement/prospectus, which will be sent to the stockholders of Figma seeking their approval of the proposed transaction.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE CONSENT SOLICITATION STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION WHEN THEY BECOME AVAILABLE BECAUSE THESE DOCUMENTS DO AND WILL CONTAIN IMPORTANT INFORMATION ABOUT ADOBE, FIGMA AND THE PROPOSED TRANSACTION.

Investors and security holders may obtain copies of these documents, when available, as well as other documents filed by Adobe with the SEC, free of charge from the SEC's website at www.sec.gov or by accessing Adobe's website at <http://www.adobe.com/investor-relations> or by contacting Adobe's Investor Relations department by calling (408) 536-4700, by writing to Investor Relations, Adobe Inc., 345 Park Avenue, San Jose, California 95110-2704 or by sending an email to adobe@kpcorp.com.