Welcome
Mike Saviage | VP Investor Relations
## Agenda

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision &amp; Strategy</td>
<td>Shantanu Narayen</td>
</tr>
<tr>
<td>Platform for Growth</td>
<td>Gloria Chen</td>
</tr>
<tr>
<td>Digital Media</td>
<td>Bryan Lamkin and Scott Belsky</td>
</tr>
<tr>
<td>BREAK</td>
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</tr>
<tr>
<td>Digital Experience</td>
<td>Brad Rencher</td>
</tr>
<tr>
<td>Technology Vision</td>
<td>Abhay Parasnis</td>
</tr>
<tr>
<td>Finance</td>
<td>John Murphy</td>
</tr>
<tr>
<td>Q&amp;A</td>
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</tr>
</tbody>
</table>
Financial Disclaimer

Some of the information discussed in this presentation contains forward-looking statements that involve risk and uncertainty. Actual results may differ materially from those set forth in such statements. For a discussion of the risks and uncertainties, you should review Adobe's SEC filings, including the annual report on Form 10-K for fiscal year 2017 and the quarterly reports on Form 10-Q filed by the company in 2018. In our presentation, we may discuss non-GAAP financial measures. The GAAP financial measures that correspond to such non-GAAP measures, as well as the reconciliation between the two, are available on our website at http://www.adobe.com/ADBE.

Adobe does not undertake an obligation to update forward-looking statements.
Changing the World
Through Digital Experiences
Trends Driving Our Business

Everyone has a Story to Tell

Experience is the Currency of Customer Satisfaction

Digital Transformation Leads the C-Suite Agenda

It's the Golden Age of Design & Creativity

Customers Buy Experiences, Not Products

Intelligence is Everywhere

Paper & Processes are Going Digital

Content & Screens are Multiplying

Experience is the Currency of Customer Satisfaction

Intelligence is Everywhere

Everyone has a Story to Tell

Customers Buy Experiences, Not Products

Digital Transformation Leads the C-Suite Agenda

It's the Golden Age of Design & Creativity

Paper & Processes are Going Digital

Content & Screens are Multiplying
Empowering People To Create

Transforming How Businesses Compete
Creative Cloud: From Inspiration to Monetization

Creating new design categories
Expanding to non-professionals
Data-driven customer engagement
Growth in new services
Sensei and Adobe magic
Adobe Document Cloud: Next-generation Digital Documents

Lingua franca for electronic documents
Scanning, Editing, Collaborating, Sharing
Modernizing mobile PDF
Driving the business to subscriptions
Scaling adoption through partners
Enabling Paper to Digital transformation
Adobe Experience Cloud: Enabling Digital Transformation

Reimagining enterprise software categories

Extending to the C-Suite

Expanding value proposition with Magento & Marketo

Unlocking data assets in the enterprise

Investing in deep technology moats
Adobe's Impact
Adobe's Growth Strategy

~$108B
Total Addressable Market

Brand Permission
Customer Centricity
Technology Moats
Market Growth & Category Expansion

Transforming
How Businesses Compete

Empowering People To Create

Source: Adobe, October 2018

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Proven Track Record of Transformation

Move to the Cloud
- Subscriptions & recurring revenue
- New users & new services
- Digital Marketing leadership

Platforms & Intelligence
- Creativity for All
- Platform for Digital Documents
- Reimagining Customer Experience Management (CXM)

From Applications to Suites
- Graphics & publishing
- Acrobat & PDF franchise
- Creative pro desktop

Empowering People To Create

Transforming How Businesses Compete
Expanding Total Addressable Market

Technology Drivers
- New media, devices & modalities
- Intelligence everywhere
- Investments in platforms

Customer Expansion
- Creative pros, office workers, consumers, students
- Marketers, data scientists, developers
- CMO, CDO, CRO, CIO
- Vertical & global markets
2021 Digital Experience Total Addressable Market

Experience Cloud 2020 TAM
$53.2B
Total Addressable Market

Experience Cloud 2021 TAM
$71.2B
Total Addressable Market

$37.6B* Marketing Cloud
$18.5B** Analytics Cloud
$9.2B Advertising Cloud
$5.9B Commerce Cloud

* Includes incremental Marketo TAM
** Includes Incremental Adobe Experience Platform TAM

Source: Adobe, October 2018
Leveraging Our Core Capabilities

Innovation Engine

Broad Range of Customers

Thriving Ecosystem

Exceptional Brand & Team
Broad Range of Customers

Empowering People To Create

Transforming How Businesses Compete

ADOBE.COM
Data-driven consumer engagement & "Customer Zero"

MID-MARKET
Resellers, inside sales & volume demand-gen to SMB & enterprises

ENTERPRISE
High touch, consultative selling to Fortune 5000 & public sector
Thriving Ecosystem

Community

>300,000
Magento Developers

~14M
Behance Members

>150,000
Experience League Members

>550,000
Education Exchange Members

Technology

Microsoft
Apple
SAP

Go-to-Market

accenture
WPP

Deloitte
Cognizant

Samsung
Google
Facebook

Hootsuite
NVIDIA
Workday

PayPal
ServiceNow

slack
Atlassian

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Exceptional Brand & Exceptional Team
Adobe’s Growth Story

Empowering People To Create

How Businesses Compete

~$108B
Total Addressable Market

Innovation Engine
Broad Customer Reach
Thriving Ecosystem
Exceptional Brand & Team

Source: Adobe, October 2018
Digital Media
Bryan Lamkin  |  EVP & GM, Digital Media
Empowering People To Create
Trends Driving Our Business

- Democratization of Creativity
- Experience Business
- Paper-to-Digital
- Emerging Social Platforms
- Everyone is a Storyteller
- Experience Businesses
- Mobile & Cloud Productivity
Our Customers

Creative Professionals
Social Content Creators
Enthusiasts
Students
Knowledge Workers

Freelancers  Small Businesses  Agencies  Schools  Enterprises  Governments
Digital Media Business Momentum

Digital Media Annualized Recurring Revenue (ARR)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Q1FY15</th>
<th>Q2FY15</th>
<th>Q3FY15</th>
<th>Q4FY15</th>
<th>Q1FY16</th>
<th>Q2FY16</th>
<th>Q3FY16</th>
<th>Q4FY16</th>
<th>Q1FY17</th>
<th>Q2FY17</th>
<th>Q3FY17</th>
<th>Q4FY17</th>
<th>Q1FY18</th>
<th>Q2FY18</th>
<th>Q3FY18</th>
<th>Q4FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARR</td>
<td>$8.0B</td>
<td>$7.0B</td>
<td>$6.0B</td>
<td>$5.0B</td>
<td>$4.0B</td>
<td>$3.0B</td>
<td>$2.0B</td>
<td>$1.0B</td>
<td>$0B</td>
<td>$0B</td>
<td>$0B</td>
<td>$0B</td>
<td>$0B</td>
<td>$0B</td>
<td>$0B</td>
<td>$0B</td>
</tr>
</tbody>
</table>

* Reflects FY2018 YTD results and Q4FY18 target

Source: Adobe, October 2018

* Reflects FY2018 YTD results and Q4FY18 target
Data-Driven Operating Model (DDOM)
World Class Customer Experience Management

- Expanded touchpoints
- Customer segmentation
- Marketing attribution
- Geographic differences
- Cross-device experience
- Tailored paywalls
- Mobile offerings
- Multi-year offerings
- Targeted promotions
- Conversion optimization
- Value discovery
- Triggered actions
- Community
- Training
- Upsell/cross-sell
- Stock attach
- Sign attach
- Seat expansion

- Desktop
- Mobile
- Web
- Ecosystem

CREATE
SCAN
EDIT
SIGN
COLLABORATE

SENSEI
Adobe Document Cloud Business Momentum

>250B
PDFs opened in Adobe apps in last 4 quarters

>630M
Document Cloud mobile app installs

>20%
Acrobat YoY unit growth for 5 consecutive quarters

>40%
Of subscribers new to Acrobat franchise

>45%
Channel units are subscription

~50%
Acrobat Enterprise seats licensed with services

>50%
Fortune 100 use Adobe Sign

Source: Adobe, as of Q3FY18

1 Across Creative Cloud and Adobe Document Cloud, Q2FY17 through Q3FY18
2 Subscription units as a percentage of total units sold through reseller channel including perpetual units
Adobe Document Cloud Powers Digital Transformation

Digital Enrollment
Modern processes for customer onboarding

HSBC Retail Banking

Forms and eSignatures transformed customer experience, reducing enrollment time from weeks to minutes

Paper to Digital
Reduce paper and accelerate efficiency

State of Hawaii

Moved ~400k documents online, improving citizen access and saving ~$5M over 2.5 years

Sales Acceleration
Contracts reviewed, approved, and signed faster

Merck

eSignatures accelerated business with ~14x faster time to close, from >7 days to hours
New Acrobat DC: Reimagining How Work Gets Done with PDF

Scan
Multi-Surface
Collaborate
Edit
Sign
PDF Accelerates Modern Work
Adobe Document Cloud Growth Drivers

**CORE**
- PDF category growth and reinvention
- Acrobat migration to subscription
- Free to paid conversion
- SMB & enterprise seat expansion
- International growth
- Product line optimization
- Anti-piracy

**MARKET EXPANSION**
- New mobile users
- Cloud services: Scan, Edit, Collaborate, Sign
- Partnerships

**VALUE EXPANSION**
- Paper to Digital transformation, including eSignatures
- Collaboration
- Document intelligence

Source: Adobe, October 2018
2021 Adobe Document Cloud Total Addressable Market

Document Cloud 2020 TAM

$5.3B
Total Addressable Market

Document Cloud 2021 TAM

$7.5B
Total Addressable Market

$2.5B
Core

$0.5B
Market Expansion

$4.5B
Value Expansion

Source: Adobe, October 2018
Creative Cloud: The Platform for Creativity

Desktop

Mobile

Web

Community

Marketplace

CLOUD SERVICES

SENSEI
Creative Cloud Business Momentum

- >110M Mobile IDs
- >45% New to Creative Cloud franchise
- >3M XD downloads
- >80% Enterprise seats licensed with services
- ~14M Behance members
- >30% YoY revenue growth for Adobe Stock
- ~40% Y/Y growth for Photography offerings

Source: Adobe, as of Q3 FY2018
Creative Cloud Product Strategy
Scott Belsky | EVP & CPO, Creative Cloud
MAX Announcements

- Premiere Rush
- Photoshop on iPad
- Project Gemini
- Adobe XD
Creative Cloud Product Strategies

- First Mile
- Experience Design
- Expand to Non-Pros
- Multi-Surface Systems
- Services
- New Mediums
- New Stakeholders
First Mile: From Zero to Hero
Experience Design: Transform the World of Interactive Design
Expand to Non-Pros: Extend the Power of Creative Cloud to All
Multi-Surface Systems: Extend Creativity Beyond the Desktop
Services: Adobe Stock, Fonts & Behance
New Mediums: Designing for AR, Voice, 3D & Beyond
New Stakeholders: Extend Creative Cloud to the Broader Organization
Creative Cloud Growth Drivers

**CORE**
- CS migration to subscription
- New creative jobs
- Growth in students
- New media types
- SMB & enterprise seat expansion
- International growth
- Anti-piracy
- Product line optimization
- Free-to-paid conversion

**MARKET EXPANSION**
- Photo & video enthusiasts
- Social media marketers
- Mobile users for creative imaging
- Lightroom perpetual and Elements migration to subscription
- Partnerships

**VALUE EXPANSION**
- Stock
- Collaboration
- Marketplace for learn and creative services
2021 Creative Cloud Total Addressable Market

Creative Cloud 2020 TAM

$24.2B
Total Addressable Market

Creative Cloud 2021 TAM

$29.2B
Total Addressable Market

$14.5B  $7.2B  $7.5B
Core  Market Expansion  Value Expansion

Source: Adobe, October 2018
2021 Total Addressable Market

TOTAL DIGITAL MEDIA

$36.7B

$17.0B + $7.7B + $12.0B

Source: Adobe, October 2018
Digital Media Opportunity

- Explosion of new content & document experiences
- Expanding customer opportunities
- Unprecedented rate of product & platform innovation
- Mobile drives innovation agenda & new user acquisition
- Reimagined PDF & modern document experiences drive digital transformation
- World-class Data Driven Operating Model
- Multiple drivers for ARR growth
Digital Experience Business Momentum

Annual Revenue

* Reflects FY2018 YTD results and Q4FY18 target

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Land & Expand with Customers

### Large Multi-Channel Retailer
- **Use Cases**: 
  - Increase e-commerce revenue
  - More efficient audience reach in advertising
  - Decrease time to update/change website
- **ARR Growth**
  - Year 1: $3.6M
  - Year 4: $8.6M
- **Business Impact**: ~$250M in incremental revenue

### Large Telecommunications Provider
- **Use Cases**: 
  - Reduce churn to competitive carrier
  - Increase ARPU via cross selling new plans
  - Increase sales within shopping cart
- **ARR Growth**
  - Year 1: $1.6M
  - Year 4: $4.4M
- **Business Impact**: ~$50M in profits

### Large Automotive Manufacturer
- **Use Cases**: 
  - Increase online appointments for dealerships
  - Match financing offers to website visitors
  - Increase email campaign click through to offer rate
- **ARR Growth**
  - Year 1: $3.4M
  - Year 4: $9.6M
- **Business Impact**: ~2x email open rate
  - Increased engagement
## Land & Expand with Customers

<table>
<thead>
<tr>
<th>Industry</th>
<th>Use Cases</th>
<th>ARR Growth</th>
<th>Business Impact</th>
</tr>
</thead>
</table>
| Large Financial Services Company | • Increase credit card application conversions  
• Ensure regulatory data compliance  
• Lower acquisition costs in commercial banking | Year 1: $2.8M  
Year 4: $8.0M | ~70% increase in customer engagement tied to high value actions |
| Large International Airline    | • Improve continuity across channels  
• Automate media campaigns  
• Increased loyalty program membership | Year 1: $0.2M  
Year 4: $2.4M | Personalization: Created more contextual emails that saw the revenue generated from the emails increase by 66 percent. |
| Large Media Company            | • Asset centralization  
• Lower operating cost  
• More profitable audience segmentation | Year 1: $2.6M  
Year 4: $5.7M | ~$14 million in annual incremental revenue |
## Land & Expand with Customers

<table>
<thead>
<tr>
<th>Industry</th>
<th>Use Cases</th>
<th>ARR Growth</th>
<th>Business Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2B Power Management Company</td>
<td>• Asset centralization</td>
<td>$51K to $340K</td>
<td>~4X efficiency gains</td>
</tr>
<tr>
<td></td>
<td>• Lower operating cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Create relevant experiences across channels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Financial Services Company</td>
<td>• Decrease cost-per-conversion</td>
<td>$51K to $800K</td>
<td>~300% increase in conversions across channels</td>
</tr>
<tr>
<td></td>
<td>• Increase application completion rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Integrate online and offline data for one customer view across brands and channels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-Sized International Airline</td>
<td>• Improve continuity across channels</td>
<td>$165K to &gt;$1M</td>
<td>Reduced campaign launch time by ~90%, increased website update capacity by ~10X</td>
</tr>
<tr>
<td></td>
<td>• Automate media campaigns</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Increased loyalty program membership</td>
<td></td>
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</tbody>
</table>
### Adobe Experience Cloud Momentum

**Land & Expand**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>~33%</td>
<td>Of new bookings from new customers&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>~39%</td>
<td>Of all customers have 2+ solutions&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>~77%</td>
<td>Of top 500 customers have 3+ solutions&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>~92%</td>
<td>Of top 100 customers have 3+ solutions&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**Ecosystem**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>&gt;200%</td>
<td>Y/Y growth in Microsoft partnership related bookings&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>~92%</td>
<td>Uplift in new ASV on deals sold with a partner&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>~139%</td>
<td>Y/Y growth in Adobe Exchange tech partners</td>
</tr>
<tr>
<td>&gt;300k</td>
<td>Developers in Magento Community</td>
</tr>
</tbody>
</table>

Source: Adobe

<sup>1</sup> Based on FY2018 YTD new Annual Subscription Value (ASV) bookings, as of Q3FY2018

<sup>2</sup> As of Q3FY18
## Adobe Experience Cloud Momentum

<table>
<thead>
<tr>
<th>Product</th>
<th>Per Second</th>
<th>Per Hour</th>
<th>Per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad opportunities evaluated</td>
<td>&gt;3.5B</td>
<td>~4M</td>
<td>~15B</td>
</tr>
<tr>
<td>Profile activations distributed(^1)</td>
<td>&gt;2B</td>
<td>~2.5B</td>
<td>~100B</td>
</tr>
<tr>
<td>Web pages served</td>
<td></td>
<td></td>
<td>~3.3B</td>
</tr>
<tr>
<td>Ad hoc queries generated by Experience Cloud users against trillions of rows of data</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events fed into profile and analytics systems</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Adobe

\(^1\) Profile activations distributed into downstream and third-party systems
DIGITAL TRANSFORMATION
What the C-Suite is Asking Today

- How do I get a handle on content production costs?
- How do I acquire more customers?
- How do I bring my customer data together?
- How do I create a direct ongoing relationship with my customers in the digital age?
- How can I do personalization at scale?
- What is the impact of my marketing spend?
- How do I ensure compliance with GDPR?

Who is my customer?
Enterprises are Challenged to Deliver on the Customer Experience Agenda

Escalating Customer Expectations

New Engagement & Business Models

Existing Systems Struggling to Interoperate and Scale
Reimagining Customer Experience Management (CXM)
Pillars of Customer Experience Management

- Open, Real-time Unified Profile
- Content Velocity
- Cross-Channel Orchestration
- Intelligence
- Ecosystem
Adobe is the Leader in CXM Category

Open, Real-time Unified Profile

Content Velocity

Cross-Channel Orchestration

Real-time, Cross-Channel, Experience Delivery Management Leadership

Intelligence

Adobe Sensei AI Leadership

Ecosystem

Partner & Developer Leadership

Customer Analytics/Data Management & Platform Leadership

Content Creation & Management Leadership
Open Data Initiative
Reimagining the Customer Experience Management (CXM) category with a common data initiative that will enable seamless flow of connected customer data

Reimagine Customer Experience
Open Data Initiative

Organizations own their data
Individuals dictate data preferences

One data model

Microsoft
Dynamics 365

Adobe
Experience Platform

SAP
S/4HANA and C/4HANA

Data & AI
Adobe Experience Platform: Architected for CXM

Real-time Unified Profile

Unified Experiences
Adobe Experience Platform
Front Office
Back Office

Mobile | Web | Display Ads | Social | Email | Mailer / Print | Call Center | Video / TV | In Store / Venue | IoT

Digital Behavior
Transactions
Location
Service Tickets
Last Purchase

Orchestration
Product Use
Subscriptions
Content Preferences
Preferred Device
Demographics

POS | Merchandising | Commerce | CRM

Inventory Mgmt. | Store Operations | ERP | Business Intelligence
Adobe Experience Cloud

Analytics Cloud
Meaningful measurement
Precise audience creation
Instant insights in action

Advertising Cloud
Cross-channel Performance without compromise
Independent

Marketing Cloud
Manage experiences at scale
Personalize each experience
Orchestrate the journey

DSP
Search
Creative

Experience Manager
Campaign
Target
Primetime
Experience-Driven Commerce

Adobe
Making every experience personal

Magento
An Adobe Company
Making every moment shoppable
Adobe Experience Cloud: Extending into Commerce

**Analytics Cloud**
Meaningful measurement
Precise audience creation
Instant insights in action

**Advertising Cloud**
Cross-channel performance without compromise
Independent

**Marketing Cloud**
Manage experiences at scale
Personalize each experience
Orchestrates the journey

**Magento Commerce Cloud**
Create highly engaging shopping experiences
Personalize every experience
Anticipate customer needs

- Analytics
- Audience Manager
- DSP
- Search
- Creative
- Experience Manager
- Campaign
- Target
- Primetime
- Magento
Strengthening Experience Cloud Leadership in B2B

Making every experience personal

Making every business an experience business
Adobe Experience Cloud Growth Drivers

**Go-to-Market Expansion**
New logos, cross-sell and upsell

- Customer segmentation drives account penetration
- Industry approach creates new opportunities
- International markets offer significant expansion opportunity

**Product Expansion & Category Expansion**
New logos, cross-sell and upsell

- Customer Experience Management
- B2B opportunity
- Commerce opportunity
- Adobe Experience Platform

**Ecosystem Leverage**
Grow ARR and win rate %

- Go-to-market partners
- Innovation partners
- New monetization (marketplaces and platforms)
2021 Digital Experience Total Addressable Market

Experience Cloud 2020 TAM

$53.2B
Total Addressable Market

Experience Cloud 2021 TAM

$71.2B
Total Addressable Market

$37.6B*
Marketing Cloud

$18.5B**
Analytics Cloud

$9.2B
Advertising Cloud

$5.9B
Commerce Cloud

* Includes incremental Marketo TAM
** Includes Incremental Adobe Experience Platform TAM

Source: Adobe, October 2018
Adobe Experience Cloud

Significant Momentum

Most Comprehensive Vision & Offering for the Enterprise

Explosive Market Opportunity
Empowering People To Create

Transforming How Businesses Compete
Breakthrough Experiences

Foundational Platforms

Intelligence At the Core
• World beyond screens
• Multi-surface & cloud-first workflows
• Democratizing creativity with AI
• Understanding documents
• Reimagined enterprise experience
**Breakthrough Experiences: Documents**

- **Scan is the New Print**
- **PDF Reinvention**
- **Document Intelligence**
- **Extending the Ecosystem**

---

**Table: Key Features**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Adobe Acrobat Pro DC</th>
<th>Adobe Acrobat Standard DC</th>
<th>Adobe Acrobat Reader DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to create digital documents</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Ability to sign documents</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Ability to fill forms</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Ability to scan documents</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

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**Image:**
A digital document is displayed on a screen, with a scan feature being used to capture a physical document. The interface shows various tools and functionalities, emphasizing the integration of digital and physical document management. The visual elements highlight the seamless transition and enhancement of document experiences through technology.
Breakthrough Experiences: Enterprise
• Connecting SaaS silos
• Hyper-scale & multi-cloud
• True cross-cloud unlock
• Enabling new enterprise ecosystem
Adobe Sensei

Creative intelligence

Content intelligence

Experience intelligence
Breakthrough Experiences

Foundational Platforms

Intelligence At the Core
Executing On Our Growth Strategy
John Murphy | EVP & CFO
Disciplined Execution  Operating at Scale
Reaffirming Q4 FY2018 P&L Targets*
October 15, 2018

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>~$2.420 billion</td>
</tr>
<tr>
<td>Digital Media segment revenue</td>
<td>~22% year-over-year growth</td>
</tr>
<tr>
<td>Digital Experience segment revenue</td>
<td>~20% year-over-year growth</td>
</tr>
<tr>
<td>Non-operating expense</td>
<td>~$7 million</td>
</tr>
<tr>
<td>Tax rate</td>
<td></td>
</tr>
<tr>
<td>GAAP: ~6%</td>
<td>Non-GAAP: ~5%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td></td>
</tr>
<tr>
<td>GAAP: ~$1.42</td>
<td>Non-GAAP: ~$1.87</td>
</tr>
<tr>
<td>Share count</td>
<td>~495 million shares</td>
</tr>
<tr>
<td>Net new Digital Media ARR</td>
<td>~$385 million</td>
</tr>
</tbody>
</table>

*Does not include financial impact of Marketo acquisition, which we anticipate will close during Q4FY18

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 investor relations website for a discussion of these targets and a detailed reconciliation between GAAP and non-GAAP targets.
New Accounting Standards Update

October 15, 2018

ASC 606 andASC 340-40
- Adobe cloud offerings recognized ratably
- On premise license revenue recognized upfront
- New disclosure of remaining performance obligations (RPO) and unbilled receivables
- Certain costs expensed today will be capitalized, e.g. sales commissions

Impact
- Annual consolidated revenue and expense largely unchanged
- One-time impact to retained earnings from deferred and unbilled revenue will be immaterial
- Capitalized asset to be amortized based on several factors, e.g. customer life
Key New Terminology – Disclosures and Earnings

- **Unbilled Backlog**
- **Deferred Revenue**

**ASC 605**
- Unbilled
- Unbilled
- Billed

**ASC 606**
- Unbilled
- Unbilled
- Billed

- **Remaining performance obligation (RPO)**
  Remaining committed and allocated revenue that is billed or unbilled

- **Unbilled receivable**
  Receivable recognized when revenue exceeds billings on a contractual basis
Tax Reform and Trading Structure Planning

October 15, 2018

<table>
<thead>
<tr>
<th>Q4FY17</th>
<th>Q1FY18</th>
<th>Q2FY18</th>
<th>Q3FY18</th>
<th>Q4FY18E</th>
<th>FY2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>22%</td>
<td>17%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Non-GAAP</td>
<td>21%</td>
<td>11%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Notes:
1. Actual tax rates may vary from targets because some tax rate benefits come from stock-based compensation, we expect more technical guidance on the Tax Act during FY2019, and we expect uncertainty related to enforcement and regulations in the U.S. and around the globe.
2. A detailed reconciliation between GAAP and non-GAAP rates can be found on Adobe’s Investor Relations website.
Business Momentum

Total Revenue and Margin

Adobe Revenue & GAAP Operating Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($Millions)</th>
<th>GAAP Operating Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>$4,796</td>
<td>18.8%</td>
</tr>
<tr>
<td>FY2016</td>
<td>$5,854</td>
<td>25.5%</td>
</tr>
<tr>
<td>FY2017</td>
<td>$7,302</td>
<td>29.7%</td>
</tr>
<tr>
<td>FY2018E*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adobe, October 2018

* Based on FY2018 YTD results and Q4FY18 financial targets

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Business Momentum
Total Revenue and Margin

Adobe Revenue & Non-GAAP Operating Margin

Source: Adobe, October 2018

* Based on FY2018 YTD results and Q4FY18 financial targets; reconciliations between GAAP and non-GAAP operating margins can be found on Adobe's Investor Relations website
Business Momentum
Creative Cloud Revenue Mix

FY2017 Revenue Mix

- Subscription: $4.0B
- Perpetual and OEM: $0.2B
- Total: $4.2B

FY2018E* Revenue Mix

- Subscription: ~$5.2B
- Perpetual and OEM: ~$0.1B
- Total: ~$5.3B

Source: Adobe, October 2018
* Based on FY2018 YTD results and Q4FY18 financial targets
Business Momentum
Adobe Document Cloud Revenue Mix

FY2017 Revenue Mix
- Subscription: $0.5B
- Service & Support: $0.3B
- Perpetual and OEM: $0.8B

FY2018E* Revenue Mix
- Subscription: ~$0.7B
- Service & Support: ~$0.3B
- Perpetual and OEM: ~$1.0B

Source: Adobe, October 2018
* Based on FY2018 YTD results and Q4FY18 financial targets
Business Momentum
Adobe Experience Cloud Revenue Mix

FY2017 Revenue Mix

- Perpetual and OEM: $2.0B
- Service & Support: $0.4B
- Subscription: $1.5B

FY2018E* Revenue Mix

- Perpetual and OEM: ~$2.4B
- Service & Support: ~$0.4B
- Subscription**: ~$1.9B

Source: Adobe, October 2018
*Based on FY2018 YTD results and Q4FY18 financial targets
**Includes revenue from SaaS, managed service and term offerings for Adobe Analytics Cloud and Adobe Marketing Cloud, all revenue for Adobe Advertising Cloud, and all technology revenue for Magento Commerce Cloud.
Business Momentum
Deferred Revenue and Unbilled Backlog

Source: Adobe, October 2018
* Based on FY2018 YTD results and Q4FY18 financial targets
Business Momentum

Operating Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>$1,287</td>
</tr>
<tr>
<td>FY2015</td>
<td>$1,470</td>
</tr>
<tr>
<td>FY2016</td>
<td>$2,200</td>
</tr>
<tr>
<td>FY2017</td>
<td>$2,913</td>
</tr>
</tbody>
</table>

Source: Adobe, October 2018

* Based on FY2018 YTD results and Q4FY18 financial targets
Business Momentum
Capital Structure

Strong liquidity position
- $4.9B of cash and short-term investments
- $1.0B unutilized credit facility, remains available until 2020

Conservative leverage approach
- $1.9B of public debt outstanding
- Rated A by S&P
- Rated A3 by Moody's

Excess cash returned to stockholders through stock repurchase

Source: Adobe, exiting Q3FY18
M&A Investments

- Adds market-leading commerce platform to Adobe Experience Cloud
- Makes Adobe more mission-critical to customers
- Increases Digital Experience revenue growth and expands market opportunity

$1.68B funded via existing cash position
Closed June 18, 2018
As of October 15, 2018
M&A Investments

$4.75B

to be funded by existing cash, new borrowing

Announced Sept. 20, 2018
Expected Q4FY18 close

As of October 15, 2018

• Acquisition will add market-leading B2B marketing engagement platform to Adobe Experience Cloud
• Widens Adobe's lead in customer experience across B2B and B2C
• Expected to accelerate Digital Experience revenue growth and expand market opportunity
Opportunity Ahead
Digital Experience Summary

- Large tailwinds continue to be fueled by digital transformation and customer experience waves
- First mover and market leader with most complete customer experience offering
- Land and expand strategy with existing customers and success acquiring new logos driving growth
- Strong partnerships increasing opportunities and building competitive advantage
- Expansion into commerce and strong B2B offering increase an already large TAM, and will accelerate growth rates

Source: Adobe, October 2018
Opportunity Ahead

Digital Media Summary

- Continued innovation in Creative Cloud features, products, apps and services and support driving subscriber value
- Expanding customer opportunities resulting in larger TAM
- Strong Document Cloud growth driven by product innovation and move to subscriptions, apps and cloud services
- Mobile is powerful new frontier for demand and innovation
- Long list of growth drivers can fuel continued Digital Media ARR growth

2021 MARKET OPPORTUNITY

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Cloud</td>
<td>$29.2B</td>
</tr>
<tr>
<td>Document Cloud</td>
<td>$7.5B</td>
</tr>
</tbody>
</table>

$36.7B
Addressable Market

Source: Adobe, October 2018
## FY2019 Preliminary Targets*

**October 15, 2018**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Adobe revenue¹</td>
<td>~20% Y/Y</td>
</tr>
<tr>
<td>Digital Media segment revenue</td>
<td>~20% Y/Y</td>
</tr>
<tr>
<td>Digital Experience segment revenue</td>
<td>~20% Y/Y</td>
</tr>
<tr>
<td>Digital Media ARR</td>
<td>~$1.4B of net new ARR</td>
</tr>
<tr>
<td>Experience Cloud subscription bookings²</td>
<td>~25% Y/Y</td>
</tr>
</tbody>
</table>

* Does not include financial impact of Marketo acquisition, which is anticipated will close during Q4FY18

¹ All revenue were set based on September 2018 foreign exchange ("FX") rates, which for current planning purposes are assumed to be constant during fiscal year 2019
² Includes annualized subscription value of SaaS, managed service and term offerings under contract for Adobe Analytics Cloud, Adobe Marketing Cloud and Magento Commerce Cloud

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.
Growth and Margin at Scale

- Large, expanding opportunity
  ~$108B TAM in 2021
- Strong business momentum and market leadership
- Strong ecosystem and partnerships
- Investing for top-line and bottom-line growth
## GAAP to Non-GAAP Reconciliations

The following tables show Adobe's GAAP tax rates and operating margins reconciled to the non-GAAP tax rates and operating margins included in this presentation:

<table>
<thead>
<tr>
<th>Operating Margins</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating margin</td>
<td>18.8%</td>
<td>25.5%</td>
<td>29.7%</td>
</tr>
<tr>
<td>Stock-based and deferred compensation</td>
<td>7.0</td>
<td>6.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Amortization of purchased intangibles and technology license arrangements</td>
<td>3.3</td>
<td>2.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Loss contingency (reversal)</td>
<td>(0.2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>28.9%</td>
<td>33.8%</td>
<td>38.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Tax Rates</th>
<th>Q4FY17</th>
<th>Q1FY18</th>
<th>Q2FY18</th>
<th>Q4FY18E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP effective income tax rate</td>
<td>22.0%</td>
<td>17.0%</td>
<td>4.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Impacts of the Tax Act</td>
<td>-</td>
<td>(170)</td>
<td>(30)</td>
<td>1.0</td>
</tr>
<tr>
<td>Trading structure change</td>
<td>-</td>
<td>-</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>Income tax adjustments</td>
<td>(1.2)</td>
<td>9.0</td>
<td>(2.0)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Stock-based and deferred compensation expense</td>
<td>0.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resolution of income tax examinations</td>
<td>-</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP effective income tax rate</td>
<td>21.0%</td>
<td>11.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Source: Adobe, October 2018