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**FOR IMMEDIATE RELEASE**

## Adobe Outlines Growth Strategy at Adobe MAX

**LOS ANGELES — Oct. 15, 2018** — Adobe (Nasdaq:ADBE) today will host a financial analyst meeting with investors and financial analysts at its Adobe MAX Creativity Conference.

At today’s meeting in Los Angeles, Adobe’s executive team will discuss the company’s expanded growth opportunities and strategies across each of its major businesses. As part of its presentation, Adobe will outline numerous growth drivers and show research data that the company’s total addressable market has expanded from approximately \$83 billion in 2020 to approximately \$108 billion by 2021.

Adobe is reaffirming its current Q4 fiscal year 2018 revenue and earnings per share targets. The company is also providing preliminary growth targets for fiscal year 2019. These targets do not reflect Adobe’s planned acquisition of Marketo, which the company expects to close during Q4 fiscal year 2018.

“Our strategy of empowering people to create and transforming how businesses compete is leading to larger addressable market opportunities and the potential for accelerated revenue and earnings growth,” said Shantanu Narayen, president and CEO, Adobe. “Our 2019 growth targets reflect our continued momentum and market leadership.”

**Adobe Provides Preliminary FY2019 Growth Targets**

At today’s financial analyst meeting, Adobe is providing preliminary growth targets for its fiscal year 2019, which are summarized in the table below.

Total Adobe revenue <sup>1</sup>	Approximately 20 percent year-over-year growth
Digital Media segment revenue	Approximately 20 percent year-over-year growth
Digital Experience segment revenue	Approximately 20 percent year-over-year growth
Digital Media annualized recurring revenue (“ARR”)	Approximately \$1.4 billion of net new ARR
Digital Experience subscription bookings <sup>2</sup>	Approximately 25 percent year-over-year growth

<sup>1</sup> Revenue targets were set based on Sept. 2018 foreign exchange (“FX”) rates, which for current planning purposes are assumed to be constant during fiscal year 2019

<sup>2</sup> Includes annualized subscription value of SaaS, managed service and term offerings under contract for Adobe Analytics Cloud, Adobe Marketing Cloud and Magento Commerce Cloud

Adobe expects to report Q4 fiscal year 2018 financial results and provide fiscal year 2019 revenue and earnings per share targets on Dec. 13, 2018. These results and targets are expected to include the impact of the acquisition of Marketo.

**ADOBE OUTLINES GROWTH STRATEGY AT ADOBE MAX****Adobe Reaffirms Q4 Revenue and Earnings Targets**

As part of its meeting today, Adobe is affirming it is on track to achieve Q4 fiscal year 2018 revenue of \$2.42 billion. The Company also stated it is on track to achieve its Q4 earnings per share targets of \$1.42 on a GAAP-basis, and \$1.87 on a non-GAAP basis, as well as meet other financial metrics it targeted for the quarter. These targets do not reflect the impact of Adobe's pending acquisition of Marketo.

A reconciliation between GAAP and non-GAAP earnings per share targets is provided later in this press release.

**Adobe to Webcast Financial Analyst Meeting**

Adobe will webcast its meeting with financial analysts and investors in attendance at Adobe MAX beginning at 5 p.m. Eastern Time today. People can access the webcast and slides from this event from the Adobe Investor Relations webpage at <http://www.adobe.com/ADBE>. The live video webcast will last approximately three hours and will be archived on Adobe's website for approximately 45 days. There will be no phone dial-in capability.

**Forward-Looking Statements Disclosure**

This press release contains forward-looking statements, including those related to business momentum and strategy, market expansion, the closing of the Marketo acquisition, revenue, earnings, annualized recurring revenue, bookings, operating cash flow, non-operating other expense, GAAP and non-GAAP tax rate, GAAP and non-GAAP earnings per share and share count, all of which involve risks and uncertainties that could cause actual results to differ materially. Factors that might cause or contribute to such differences include, but are not limited to: failure to develop, acquire, market and offer products and services that meet customer requirements, failure to compete effectively, introduction of new technology, complex sales cycles, risks related to the timing of revenue recognition from our subscription offerings, fluctuations in subscription renewal rates, risks associated with cyber-attacks, potential interruptions or delays in hosted services provided by us or third parties, information security and privacy, failure to realize the anticipated benefits of past or future acquisitions, changes in accounting principles and tax regulations, uncertainty in the financial markets and economic conditions in the countries where we operate, and other various risks associated with being a multinational corporation.

For a discussion of these and other risks and uncertainties, please refer to Adobe's Annual Report on Form 10-K for our fiscal year 2017 ended Dec. 1, 2017, and Adobe's Quarterly Reports on Form 10-Q issued in fiscal year 2018.

Adobe assumes no obligation to, and does not currently intend to, update these forward-looking statements.

**About Adobe**

Adobe is changing the world through digital experiences. For more information, visit [www.adobe.com](http://www.adobe.com).

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## ADOBE OUTLINES GROWTH STRATEGY AT ADOBE MAX

**Reconciliation of GAAP to Non-GAAP Financial Targets**

The following table shows Adobe's fourth quarter fiscal year 2018 GAAP earnings per share target reconciled to the non-GAAP financial target included in this document.

	<b>Fourth Quarter Fiscal 2018</b>
Diluted net income per share:	
GAAP diluted net income per share.....	\$ 1.42
Stock-based and deferred compensation expense.....	0.36
Amortization of purchased intangibles.....	0.10
Income tax adjustments.....	(0.01)
Non-GAAP diluted net income per share.....	<u>\$ 1.87</u>
Shares used to compute diluted net income per share .....	<u>495.0</u>

**Use of Non-GAAP Financial Information**

Adobe continues to provide all information required in accordance with GAAP, but believes evaluating its ongoing operating results may not be as useful if an investor is limited to reviewing only GAAP financial measures. Adobe uses non-GAAP financial information to evaluate its ongoing operations and for internal planning and forecasting purposes. Adobe's management does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Adobe presents such non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate Adobe's operating results. Adobe believes these non-GAAP financial measures are useful because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. This allows institutional investors, the analyst community and others to better understand and evaluate our operating results and future prospects in the same manner as management.

Adobe's management believes it is useful for itself and investors to review, as applicable, both GAAP information that may include items such as stock-based and deferred compensation expenses, restructuring and other charges, amortization of purchased intangibles and certain activity in connection with technology license arrangements, investment gains and losses and the related tax impact of all of these items, income tax adjustments, the income tax effect of the non-GAAP pre-tax adjustments from the provision for income taxes, and the non-GAAP measures that exclude such information in order to assess the performance of Adobe's business and for planning and forecasting in subsequent periods. Whenever Adobe uses such a non-GAAP financial measure, it provides a reconciliation of the non-GAAP financial measure to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure as detailed above.