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**FOR IMMEDIATE RELEASE**

# Adobe Achieves Record Revenue

Adobe Creative Revenue Exceeds \$1 Billion in Q2

**New Delhi, June 21, 2017** — Adobe (Nasdaq:ADBE) today reported financial results for its second quarter fiscal year 2017 ended

June 2, 2017.

## Financial Highlights

- Adobe achieved record quarterly revenue of \$1.77 billion in its second quarter of fiscal year 2017.
- Diluted earnings per share was \$0.75 on a GAAP-basis, and \$1.02 on a non-GAAP basis.
- Digital Media segment revenue was \$1.21 billion, with Creative revenue growing to a record \$1.01 billion.
- Strong Creative Cloud and Document Cloud adoption and retention drove Digital Media Annualized Recurring Revenue ("ARR") to \$4.56 billion exiting the quarter, a quarter-over-quarter increase of \$312 million.
- Adobe Experience Cloud achieved record revenue of \$495 million, which represents 29 percent year-over-year growth.
- Operating income grew 46 percent and net income grew 53 percent year-over-year on a GAAP-basis; operating income grew 42 percent and net income grew 43 percent year-over-year on a non-GAAP basis.
- Cash flow from operations was \$645 million, and deferred revenue grew to approximately \$2.07 billion.
- The company repurchased approximately 2 million shares during the quarter, returning \$266 million of cash to stockholders. A reconciliation between GAAP and non-GAAP results is provided at the end of this press release and on Adobe's website.

## Executive Quotes

“Digital transformation continues to be the burning agenda for creative professionals, enterprises, governments and educational institutions,” said Shantanu Narayen, president and CEO, Adobe. “Adobe is the go-to company for creating world-class digital customer journeys from design to delivery to measurement and monetization.”

“Adobe continues to execute well, with another quarter of record revenue and operating profit in Q2,” said Mark Garrett, executive vice president and CFO, Adobe. “We’re excited about the strong business momentum we have as we enter the second half of fiscal 2017 and remain confident in our ability to drive strong revenue and earnings growth in the future.”

## Adobe to Webcast Earnings Conference Call

Adobe will webcast its second quarter fiscal year 2017 earnings conference call today at 2:00 p.m. Pacific Time from its investor relations website: [www.adobe.com/ADBE](http://www.adobe.com/ADBE). Earnings documents, including Adobe management's prepared conference call remarks with slides, financial targets and an investor data sheet are posted to Adobe's investor relations website in advance of the conference call for reference. A reconciliation between GAAP and non-GAAP earnings results and financial targets is also provided on the website.

## Forward-Looking Statements Disclosure

This press release contains forward-looking statements, including those related to the relevance of our products to our customers, business momentum, revenue, annualized recurring revenue, non-operating other expense, tax rate on a GAAP and non-GAAP basis, earnings per share on a GAAP and non-GAAP basis, 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, market and offer products and services that meet customer requirements, introduction of new products, services and business models by competitors, fluctuations in subscription renewal rates, failure to successfully manage transitions to new business models and markets, uncertainty in economic conditions and the financial markets, complex and unpredictable sales cycles for some enterprise offerings, risks associated with cyber-attacks and information security, potential interruptions or delays in hosted services provided by us or third parties, changes in accounting principles, and failure to realize the anticipated benefits of past or future acquisitions. 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 2016 ended Dec. 2, 2016, and Adobe's Quarterly Reports on Form 10-Q issued in fiscal year 2017.

The financial information set forth in this press release reflects estimates based on information available at this time. These

amounts could differ from actual reported amounts stated in Adobe's Quarterly Report on Form 10-Q for our quarter ended June 2, 2017, which Adobe expects to file in June 2017.

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

### **About Adobe Systems Incorporated**

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

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