



# Adobe Financial Analyst Meeting

December 16, 2021



# Welcome

**Jonathan Vaas | VP, Investor Relations**

**December 16, 2021**

## Speaker Name

## Section

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Shantanu Narayen

Welcome

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Ann Lewnes

Vision & Strategy

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Anil Chakravarthy

Digital Experience Opportunity

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David Wadhvani

Digital Media Opportunity

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Dan Durn

Financial Results and Growth Strategy

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Shantanu Narayen

Adobe Opportunity

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Live Q&A

# Financial Disclaimer

This presentation contains forward-looking statements that are based on our management's current beliefs and assumptions, which involve certain factors, risks and uncertainties. Forward-looking statements in this presentation include those related to business momentum, market trends and growth, current macroeconomic conditions, our market opportunity, customer success, revenue, operating margin, seasonality, annualized recurring revenue, tax rate on a GAAP and non-GAAP basis, and earnings per share on a GAAP and non-GAAP basis, 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 compete effectively, failure to develop, acquire, market and offer products and services that meet customer requirements, introduction of new technology, information security and privacy, potential interruptions or delays in hosted services provided by us or third parties, macroeconomic conditions and economic impact of the COVID-19 pandemic, risks associated with cyber-attacks, complex sales cycles, risks related to the timing of revenue recognition from our subscription offerings, fluctuations in subscription renewal rates, failure to realize the anticipated benefits of past or future acquisitions, failure to effectively manage critical strategic third-party business relationships, 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 the risks and uncertainties, you should review Adobe's SEC filings, including the Annual Report on Form 10-K for fiscal year 2020 and the Quarterly Reports on Form 10-Q filed by the company in 2021. Adobe does not undertake an obligation to update forward-looking statements.

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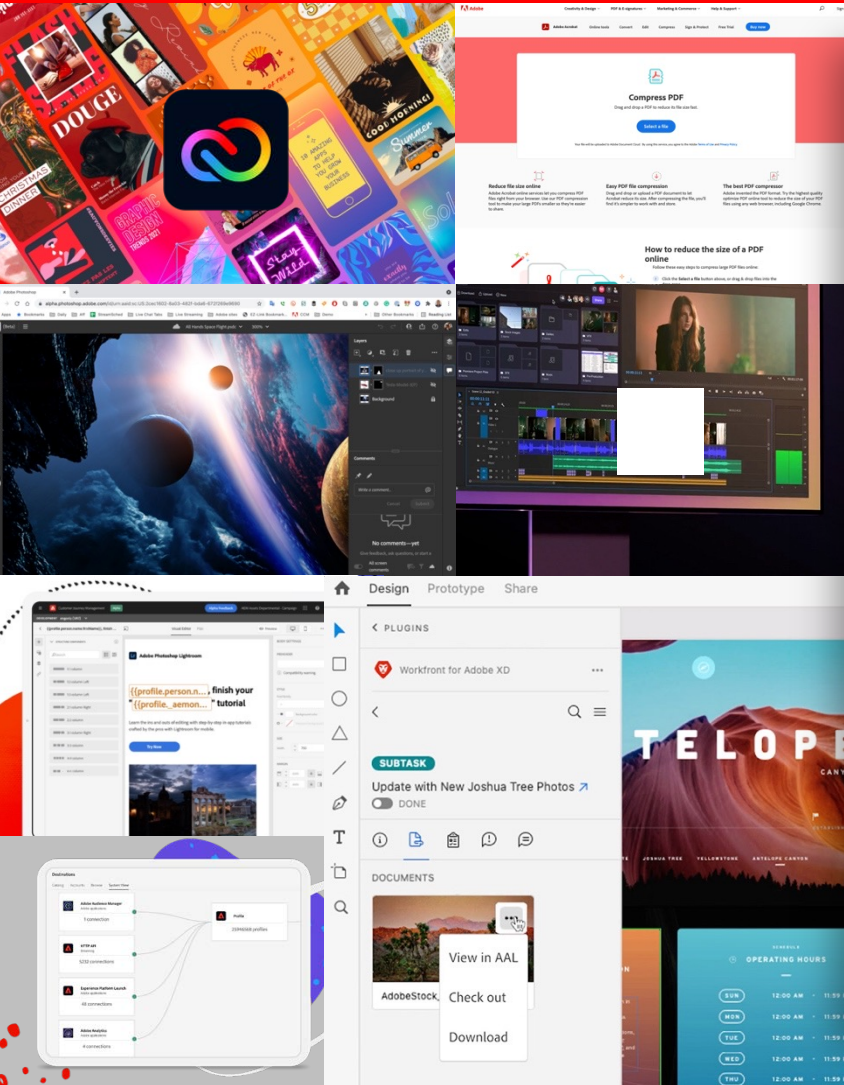
# Welcome

**Shantanu Narayen | Chairman & CEO**

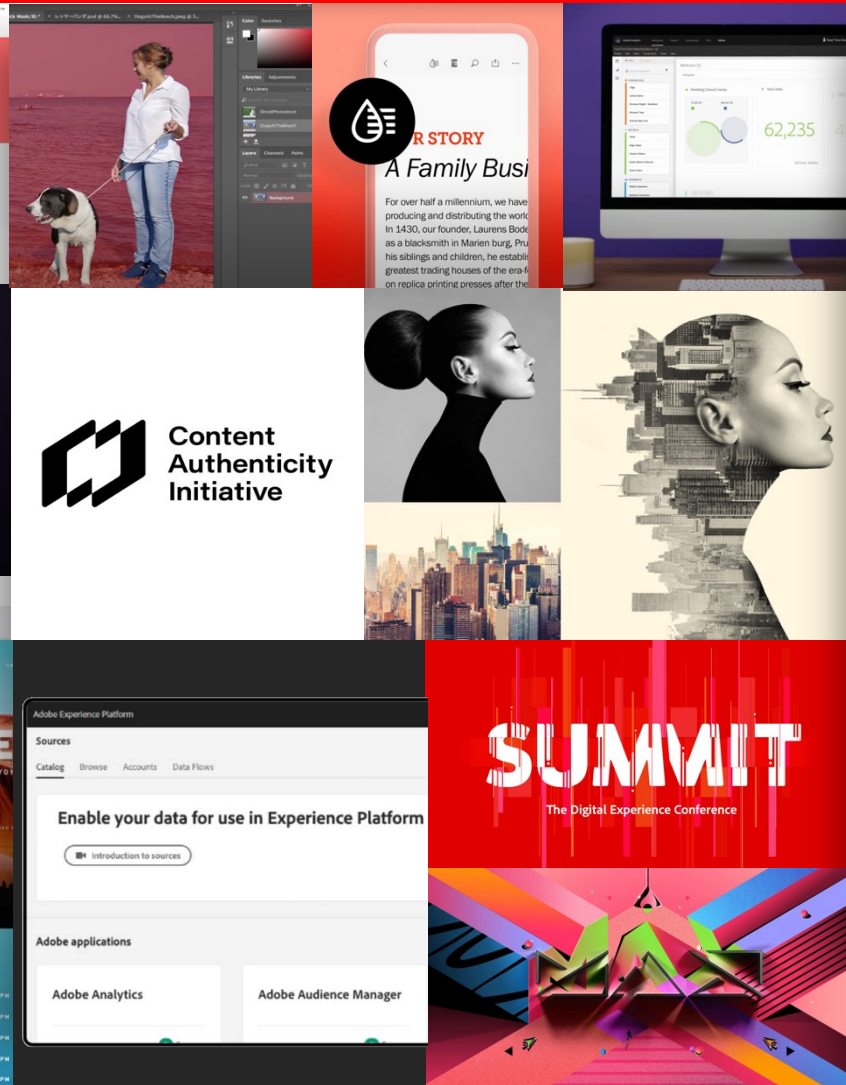
**December 16, 2021**

# 2021 Accomplishments

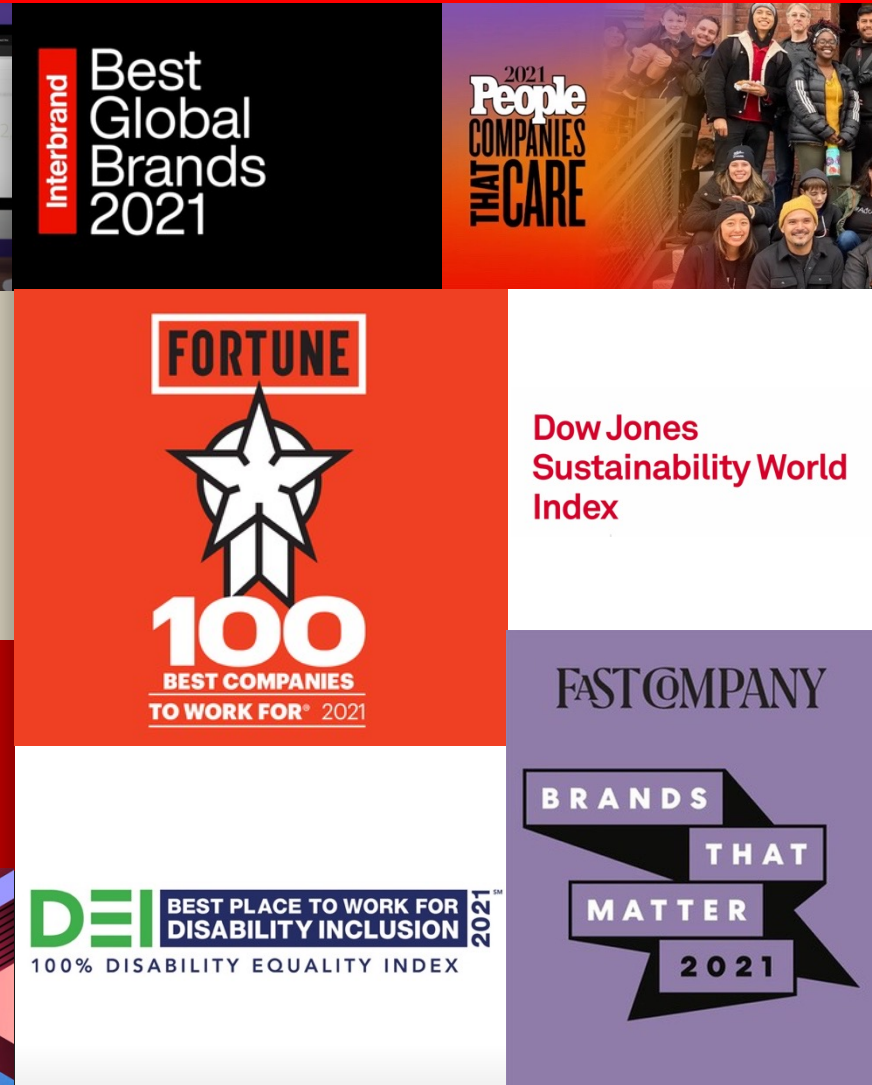
## Innovation



## Leadership



## Purpose



# Outstanding FY 2021 financial results

	FY21 Original Targets <sup>1</sup>	FY21 Actual Results	
Total Adobe revenue	~\$15.15 billion <sup>2</sup>	\$15.79 billion	↑ +\$635 million
Digital Media annualized recurring revenue ARR (net new)	~\$1.75 billion	\$1.98 billion	↑ +\$230 million
Digital Media segment revenue	~19% Y/Y growth	25% Y/Y growth	↑ +600 bps
Digital Experience segment revenue	~19% Y/Y growth	24% Y/Y growth	↑ +500 bps
Digital Experience subscription revenue	~22% Y/Y growth	27% Y/Y growth	↑ +500 bps
Earnings per share (GAAP)	~\$8.57	\$10.02	↑ +\$1.45
Earnings per share (Non-GAAP)	~\$11.20	\$12.48	↑ +\$1.28

- Generated record \$7.23 billion of cash flows from operations
- Repurchased ~7.2 million shares at a cost of \$3.87 billion
- Grew Remaining Performance Obligations (RPO) by 23% Y/Y to \$13.99 billion

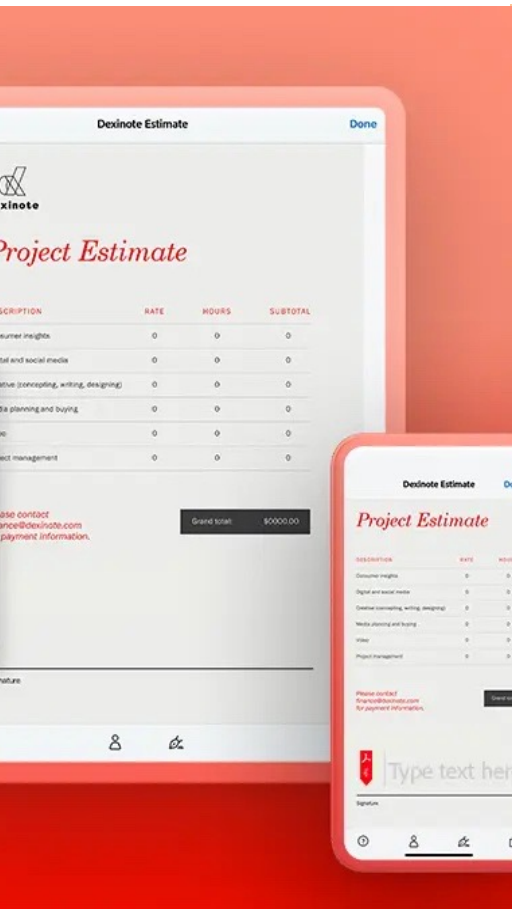
<sup>1</sup> FY 2021 original targets provided on Dec 10, 2020.

<sup>2</sup> Revenue targets were set based on October 2020 foreign exchange ("FX") rates, which for planning purposes assumed to be constant during FY 2021.

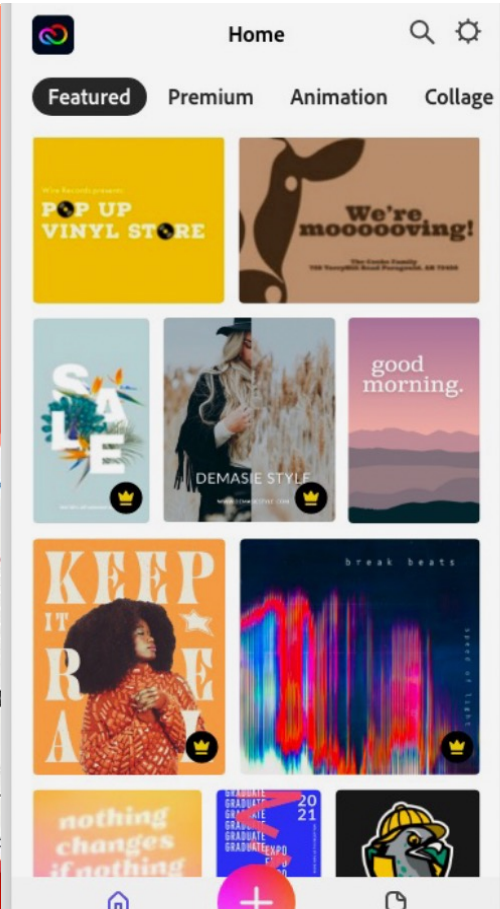
Source: Adobe, December 2021

# Driving the next decade of growth

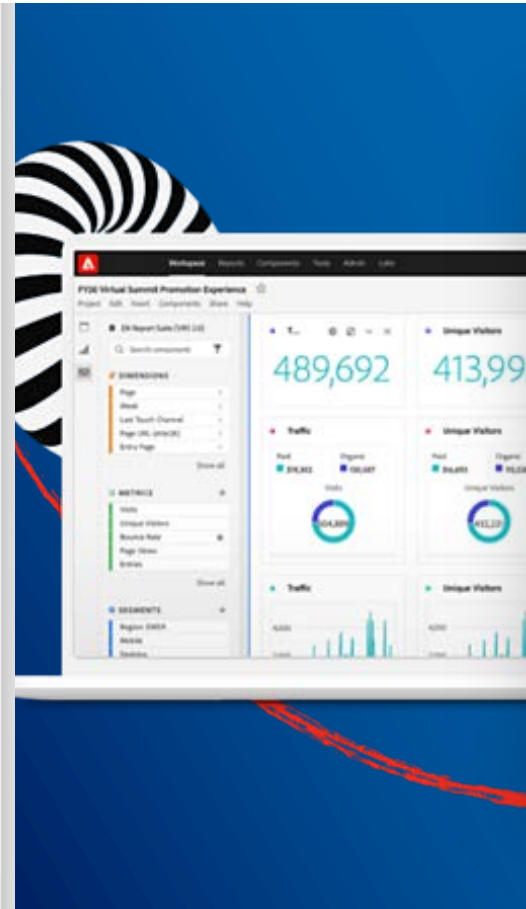
## Creating & leading categories



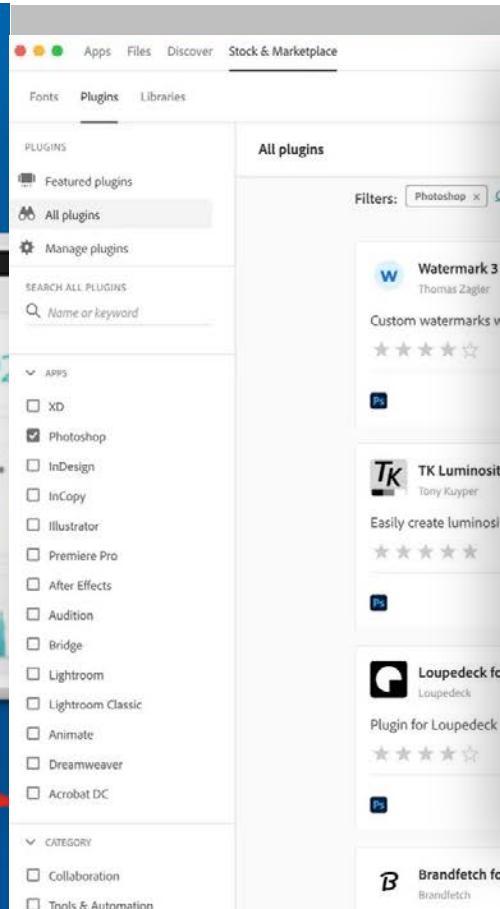
## Expanding customer base



## Delivering technology platforms



## Innovating business models



## Scaling partner ecosystem







# Vision & Strategy

**Ann Lewnes | CMO & EVP, Corporate  
Strategy & Development**

**December 16, 2021**

# We live in a digital world



## Empowering individuals

- A digital world at your fingertips
- Seamless access across all surfaces
- Democratization of creativity
- Flexibility to work from anywhere

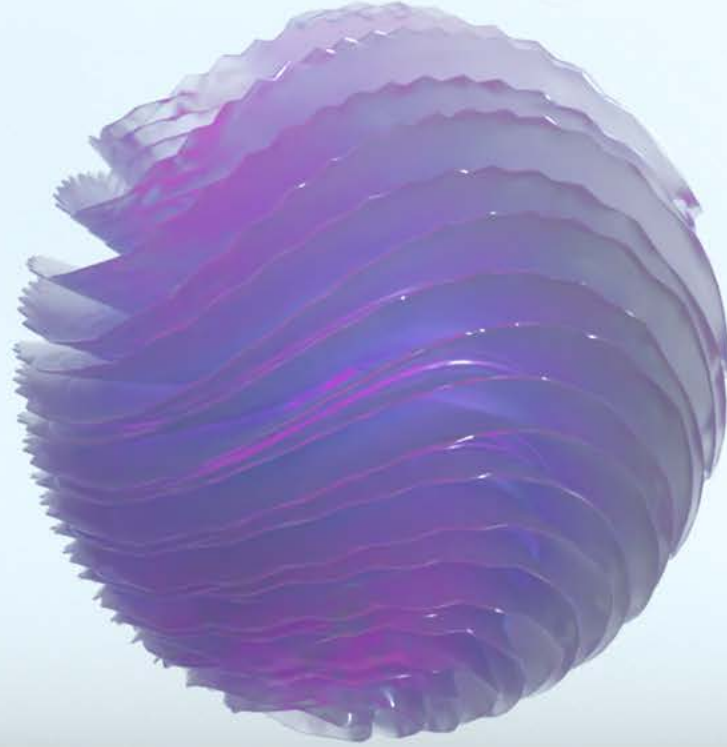
## Transforming business

- E-Commerce explosion
- Personalized experiences expected
- Document workflow automation
- AI & ML redefining software

## Connecting communities

- Emergence of creator economy
- New level of collaboration
- Ease of connecting across social platforms
- Instant reach across the globe

# Changing the world through digital experiences



# Adobe's strategy

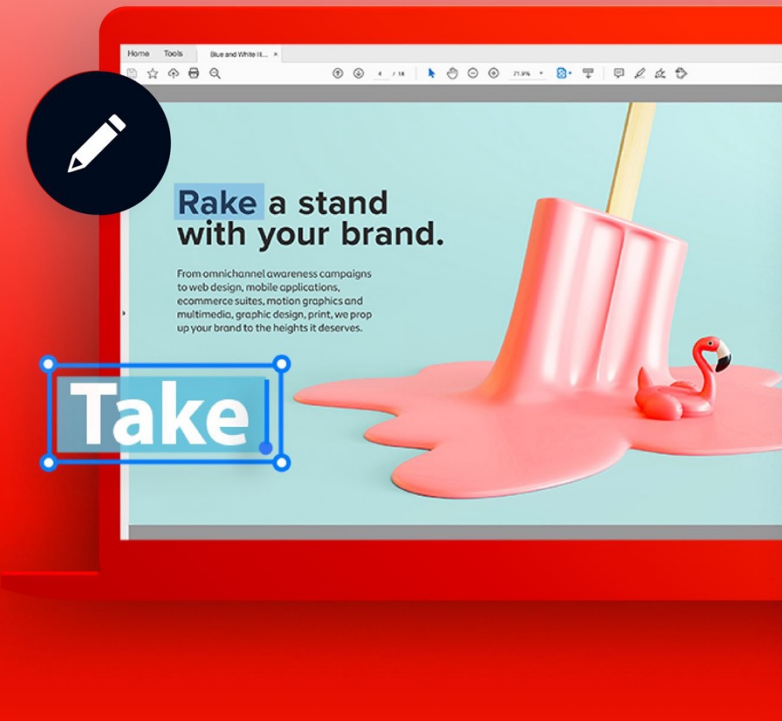
Unleashing  
creativity

 Adobe Creative Cloud



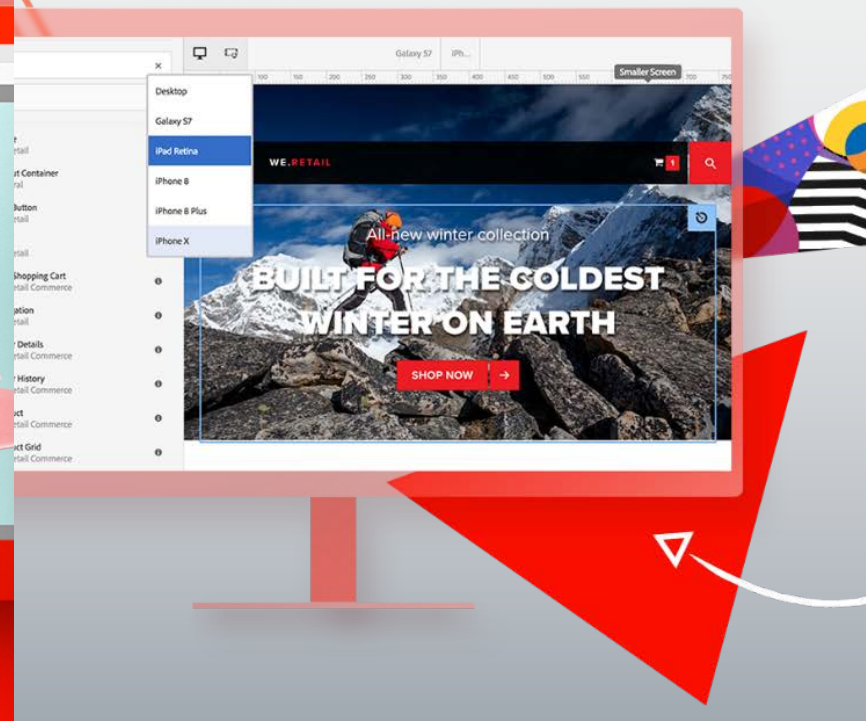
Accelerating  
document productivity

 Adobe Document Cloud

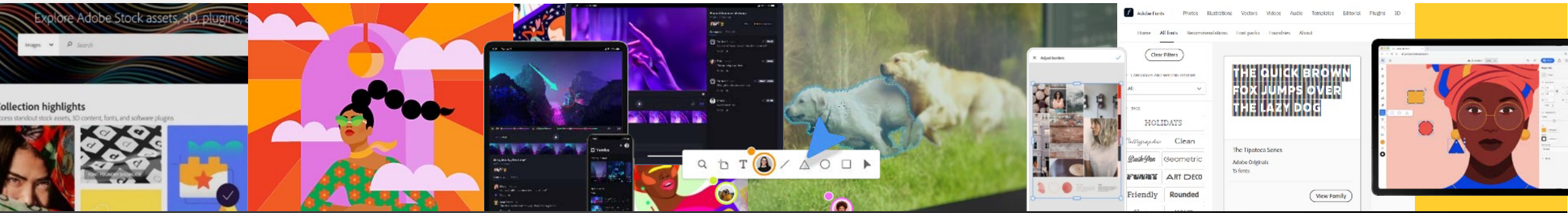


Powering  
digital businesses

 Adobe Experience Cloud



# Market landscape: content fuels the global economy



Digital content consumption exploding

Every business is a digital business

Content velocity drives digital engagement

Social content & monetization underpins the creator economy

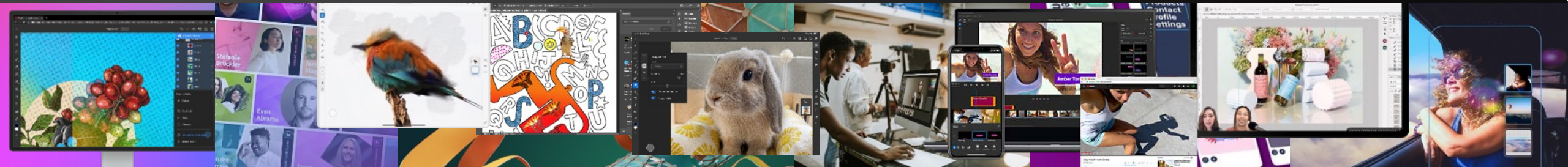
Creativity is a 21st century educational imperative

3D, immersive & metaverse are emerging

Video creation is exploding

Collaboration drives creative productivity and stakeholder growth

Web & mobile are rapidly maturing creation surfaces



# Creative Cloud strategy: unleashing creativity for all

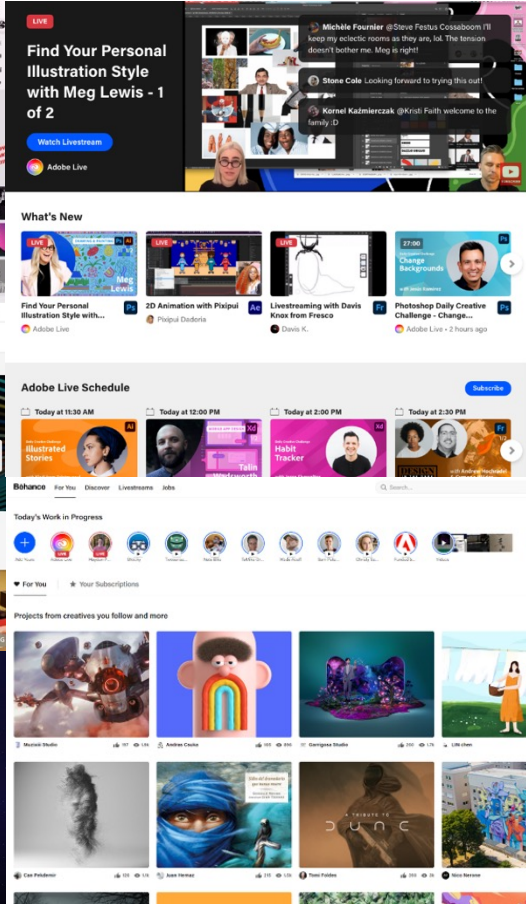
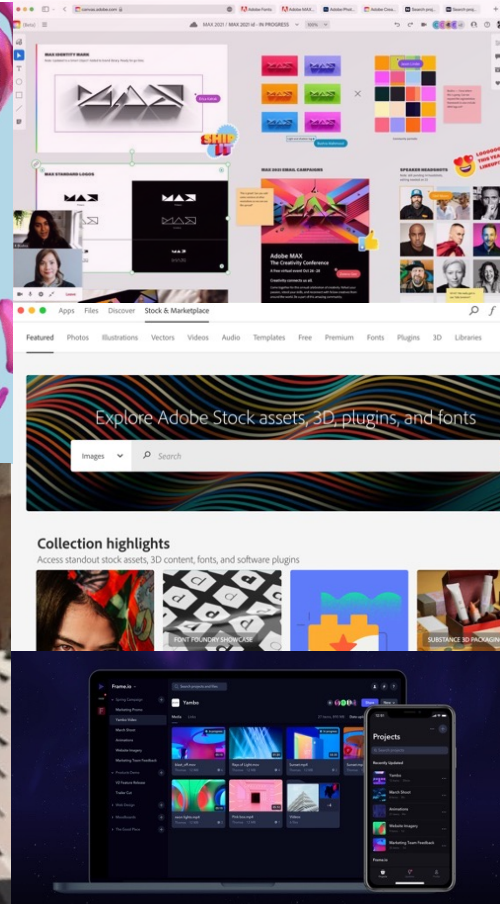
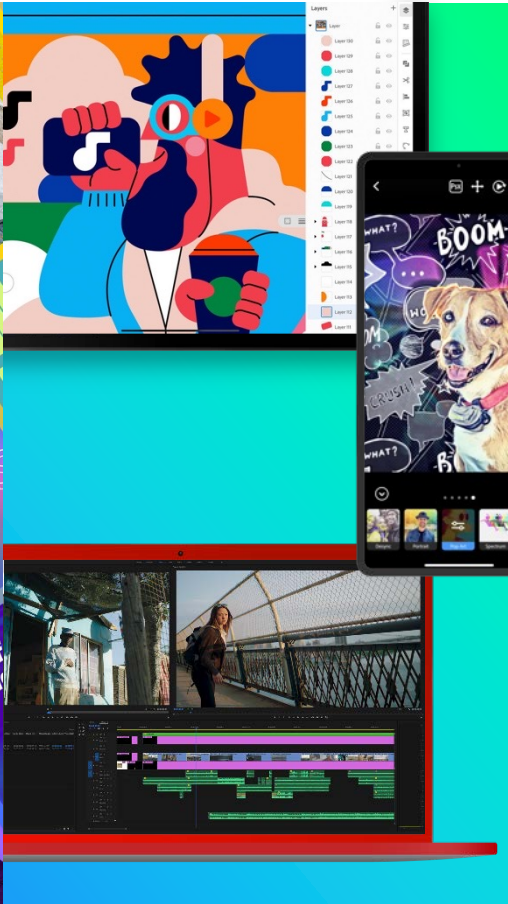
Empower the world with content-first, task-based creativity

Advance every creative category across desktop, web & mobile

Democratize 3D & immersive content creation

Enable seamless collaboration across all stakeholders

Inspire and empower the community through sharing & monetization



# 2024 Creative Cloud Total Addressable Market



2023 Creative Cloud TAM

~\$41B



2024 Creative Cloud TAM

~\$63B

~\$25B

## Creative Professionals

- Continued momentum in creative job growth
- Increasing value through collaboration
- Expanding reach with web-first creative solutions
- Growing adoption of 3D&I
- Growth in Adobe Stock adoption
- Monetization of video collaboration with Frame.io

~\$31B

## Communicators

- Explosive growth in creator economy
- Content-first creation for range of use cases
- Easy-to-use tools for non-pro creators
- Expanding reach with web & mobile creative tools
- Growth in content creation among students, marketers and small businesses

~\$7B

## Consumers

- Addressing needs of photo and video enthusiasts
- Web-based creative tools for range of use cases
- Monetization of mobile offerings
- Creativity as a 21<sup>st</sup> century skill

# Market landscape: digital documents core to future of work



PDF is the format for unstructured data

AI & ML enabling document intelligence

PDF related search terms exploding

Productivity enabled through mobile & web

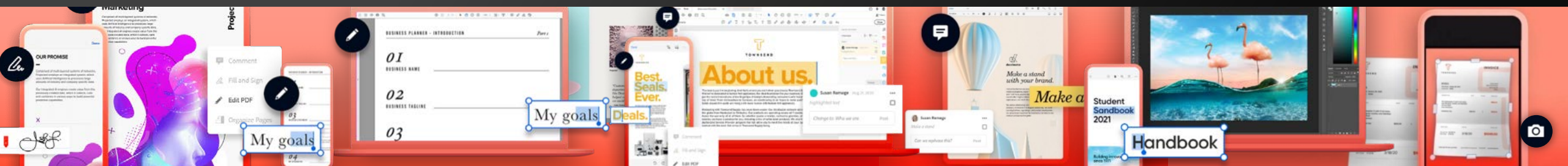
Businesses are modernizing document workflows

APIs enable custom workflow development

E-signature increasingly integrated into document creation

Companies are investing in sustainability

Organizations increasing content accessibility





# Document Cloud strategy

Deliver task-based document verbs to satisfy explosive organic demand

Adobe Acrobat DC PDF software | Adobe Acrobat

More than five million organizations around the world rely on Acrobat DC to create and edit PDFs, convert them to Microsoft Office formats, and so much more. When you're working remotely and need tools that empower collaboration and help you keep business moving, use Acrobat DC — and go make it happen.

- Convert
- Edit
- Share
- Sign

Proliferate e-signatures by integrating into Acrobat across all surfaces

Contract

From: Erik

Contractor will NOT have access and contrib...

42. Other, \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have execut...

Owner Signature

Owner Representative Signature

Contractor Signature

Contractor Representative Signature

Click here to sign

Drive Acrobat innovation with Liquid Mode & Sensei-powered intelligence

Metal Fabrication

only be built by another Bodea production line system, the Bodea Automater GS2000. As an internationally recognized manufacturer of equipment, there is no better turnkey production and machinery for manufacturing systems. This innovative manufacturing technology has been unsurpassed for centuries

Bodea provides its partners and authorized facilities with solutions, products, and services throughout the entire lifecycle chain, including and/or semiautomatic machinery, testing modules, design specifications, certifications, training and certification transfer, and personalized solutions.

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JSON

Unlock business workflows through PDF & Adobe Sign APIs

```
// Create an ExecutionContext using credentials
const executionContext = PDFToolsSdk.Execution.
createPdfOperation = PDFToolsSdk.CreatePDF.Oper

// Set operation input from a source file
const input = PDFToolsSdk.FileRef.createFrom.ex
createPdfOperation.setInput(input);
```

- Process automation
- Systems of record
- Natural language processing
- Content republishing

Leverage diversified Adobe and partner GTM motions to reach all segments

Adobe Sign

Fill & Sign

You have signed the document.

To download the signed document, please click on 'Save a Copy'.

# 2024 Document Cloud Total Addressable Market



2023 Document Cloud TAM

~\$21B



2024 Document Cloud TAM

~\$32B

~\$10B

### Knowledge Workers

- High frequency & industry-specific use cases
- Expanded reach with Acrobat verbs
- E-signature for business users integrated in Acrobat
- Sharing for commenting and review
- Business & enterprise adoption and growth

~\$8B

### Communicators

- Expanding use of PDF for business, personal and education tasks
- Web & mobile use cases
- Frictionless free-to-paid conversion
- E-signature for individuals integrated in Acrobat

~\$14B

### Document Services & APIs

- Document workflows and process automation
- Acrobat and e-signature solutions & APIs
- Seamless integration with line of business apps
- Market expansion driven by remote/hybrid work and emerging market growth

Source: Adobe, IDC, December 2021

# Customer Experience Management trends



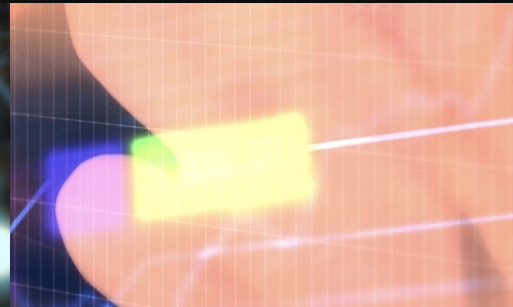
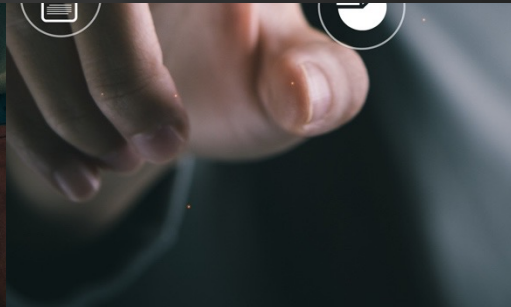
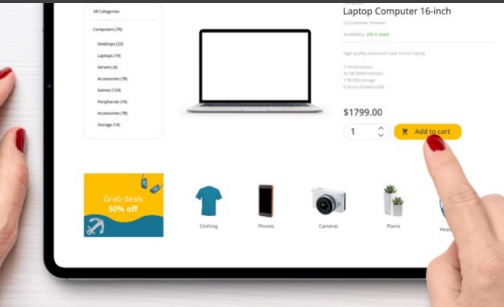
Every business is a digital business

Direct customer relationships

Data as a core asset

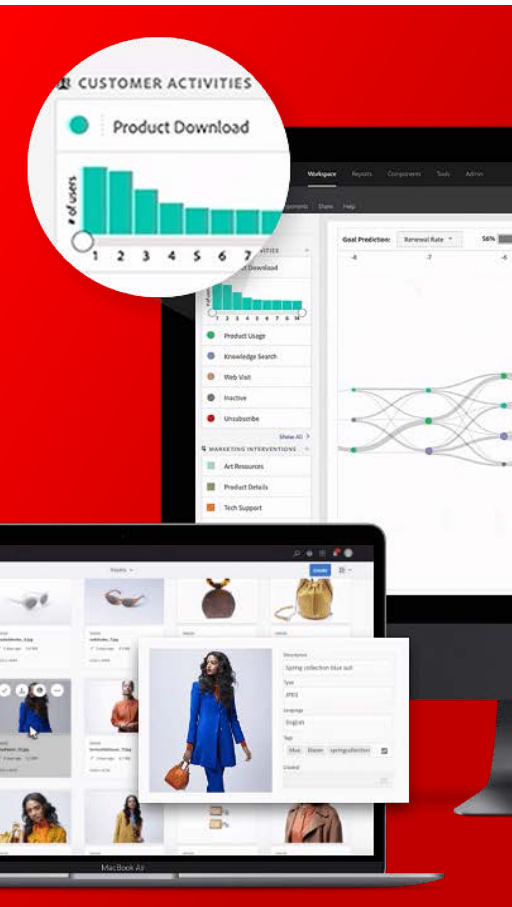
Power of cloud scale and AI/ML

Customer-centric convergence

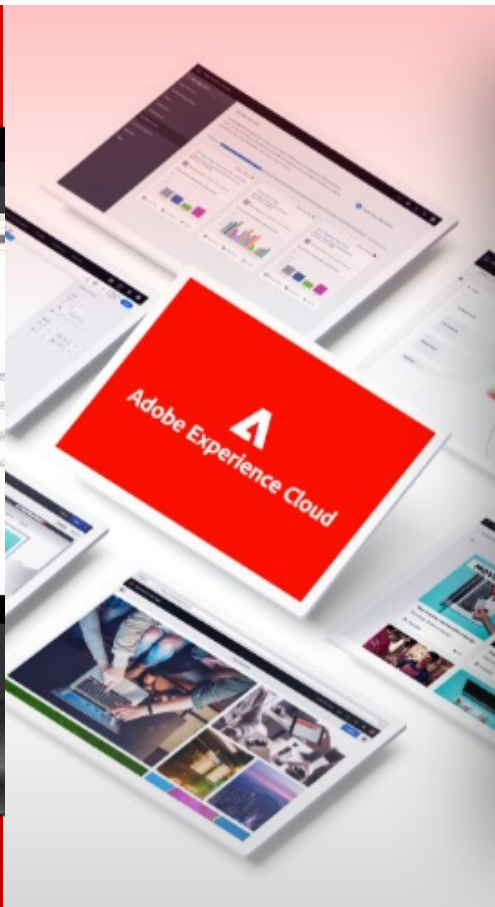


# Adobe Experience Cloud strategy

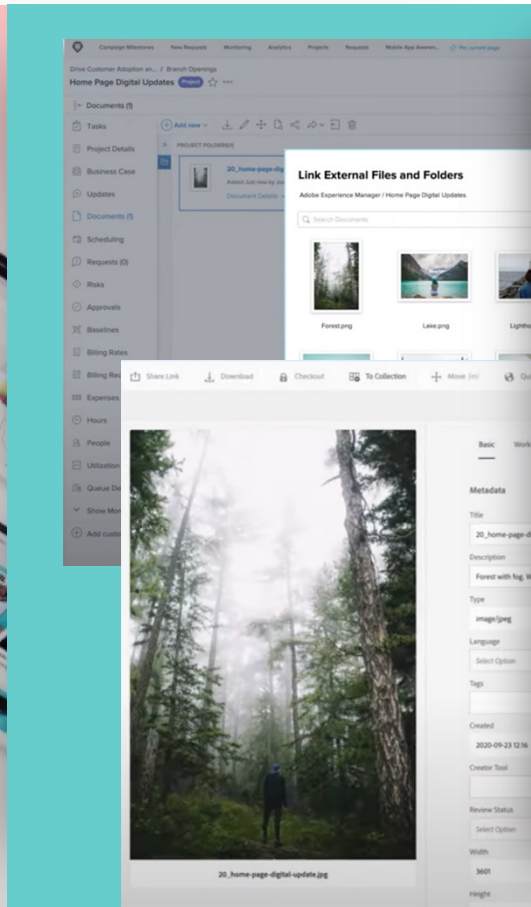
Real-time customer experience platform



Integrated, AI-enabled applications & services



Unified marketing workflow



Strategic partner for B2B & B2C transformation



Expansive ecosystem



# 2024 Experience Cloud total addressable market



2023 Experience Cloud TAM

~\$85B



2024 Experience Cloud TAM

~\$110B

~\$33B

### Data Insights & Audiences

- Single view of customer
- First party data personalization
- Omni-channel customer analytics

~\$49B

### Content & Commerce

- Omni-channel content velocity
- Integrated commerce services
- Developer services

~\$18B

### Customer Journeys

- Real-time customer journey orchestration
- B2B, B2C, B2B2C
- Web + mobile

~\$10B

### Marketing Workflow

- Marketing System of Record
- Integrated marketing workflows
- Agile marketing and creative collaboration

Source: IDC and Adobe, December 2021

# Adobe's total addressable market

~\$205B

2024 total addressable market

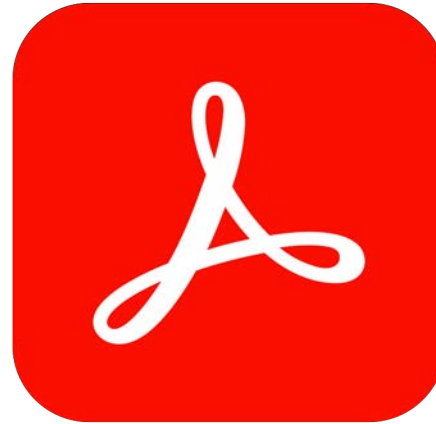
Creating &  
leading categories

Expanding  
customer base

Delivering  
technology platforms

Innovating  
business models

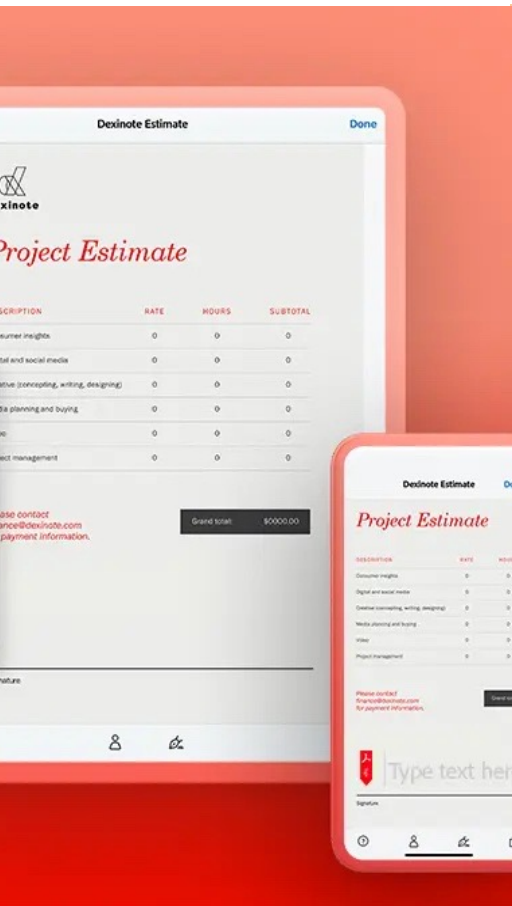
Scaling  
partner ecosystem



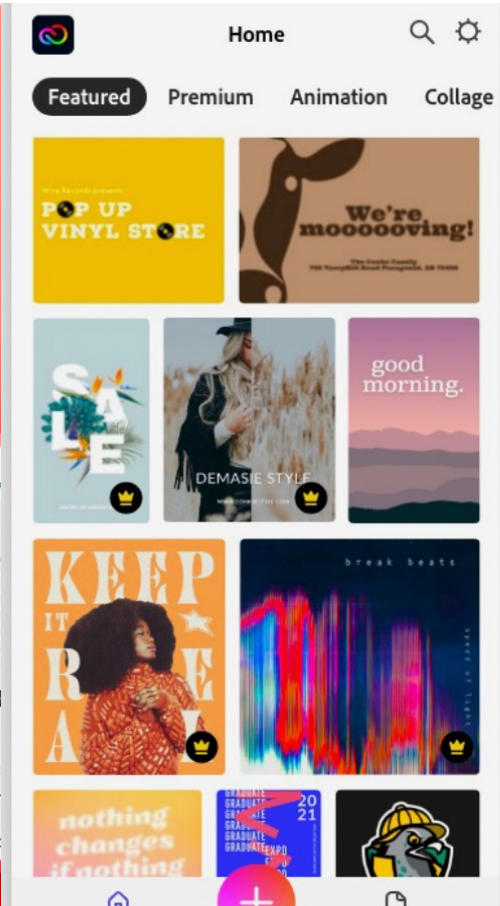
Source: Adobe, December 2021

# Driving the next decade of growth

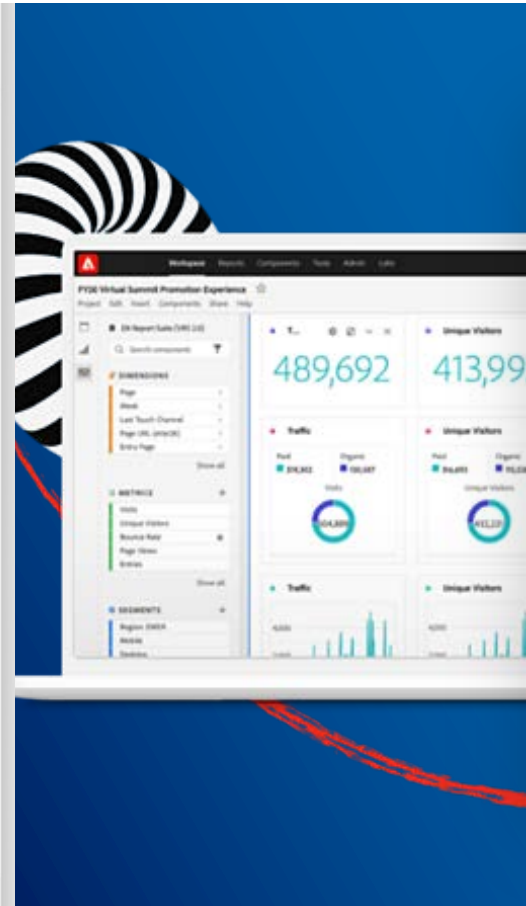
## Creating & leading categories



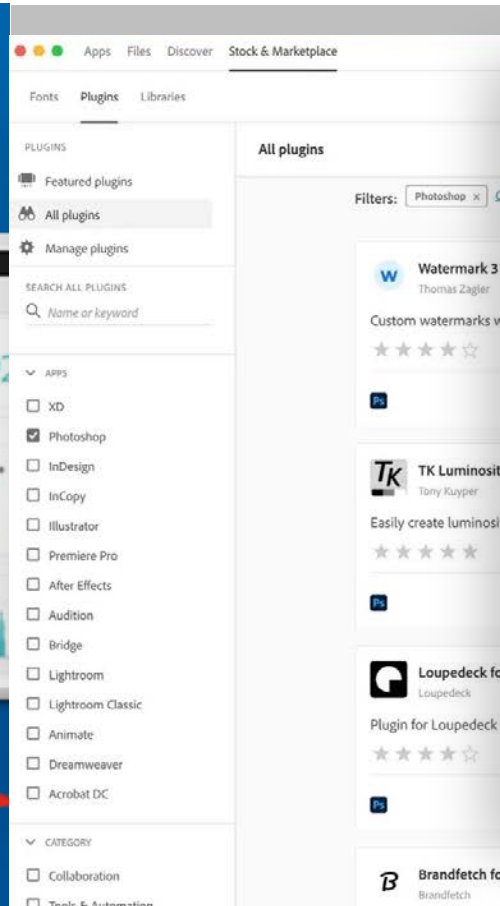
## Expanding customer base



## Delivering technology platforms



## Innovating business models



## Scaling partner ecosystem





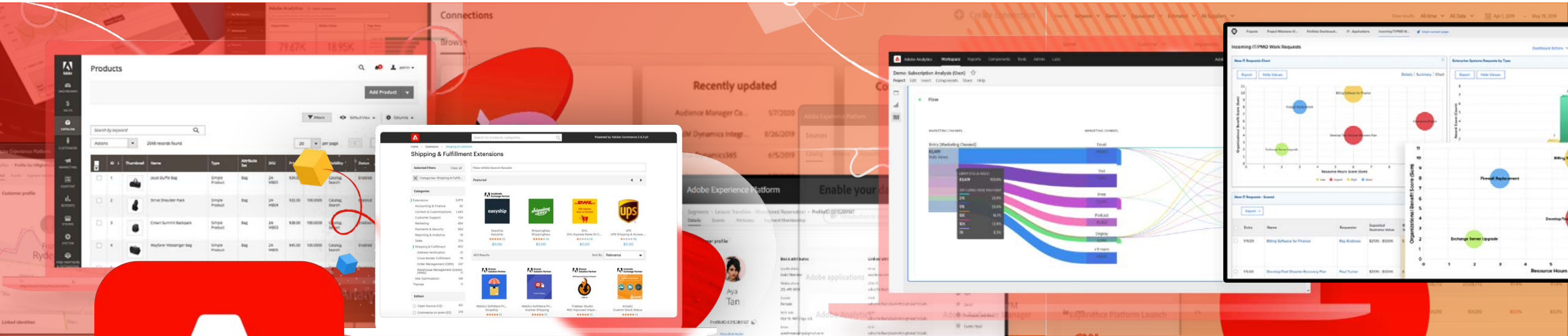
# Experience Cloud Strategy

Anil Chakravarthy | President, Digital Experience

December 16, 2021



# Q4 FY 2021 Highlights



Segment revenue

**\$1.01B**

23% Y/Y growth

Subscription revenue

**\$886M**

27% Y/Y growth

Q4 Subscription bookings\*

**>50%**

Y/Y growth

\*Q4 subscription bookings represent net annual subscription value

# Customer Experience Management trends



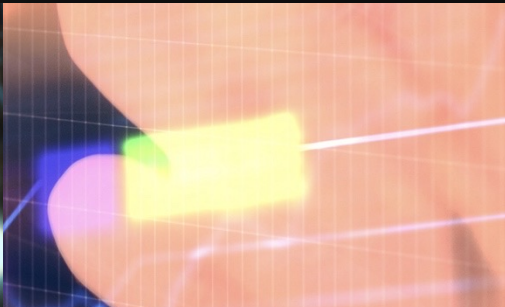
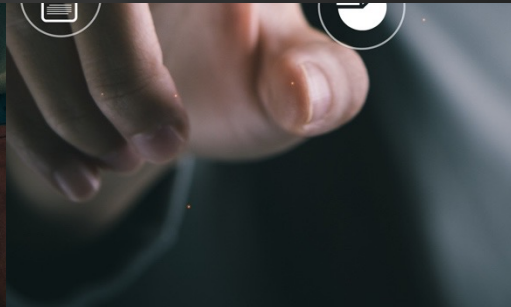
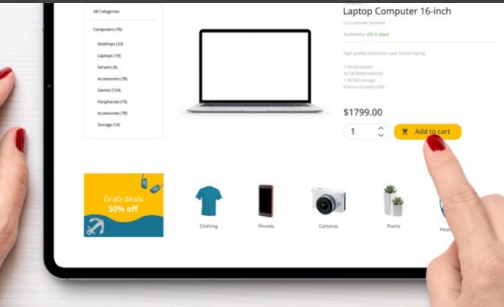
Every business is a digital business

Direct customer relationships

Data as a core asset

Power of cloud scale and AI/ML

Customer-centric convergence



# Adobe Experience Platform: unlocking growth & innovation



**300%**

FY21 Adobe Experience Platform number of customers Y/Y growth

**>\$100M**

Revenue from Adobe Experience Platform and related apps

**>100B**

Adobe Experience Platform managed profiles

Adobe Experience Platform launch

2019

2020

2021

2022

## Scale

**>21.5T**

Segment evaluations (per day)

**<250ms**

Response time at 99.5%

**~165B**

Edge Network calls (per day)

## Ecosystem

**~34B**

API calls year-to-date

**~80**

Adobe Experience Platform SI partners

**300+**

Adobe Experience Platform partner integrations

## Innovation

### Adobe Experience Platform applications

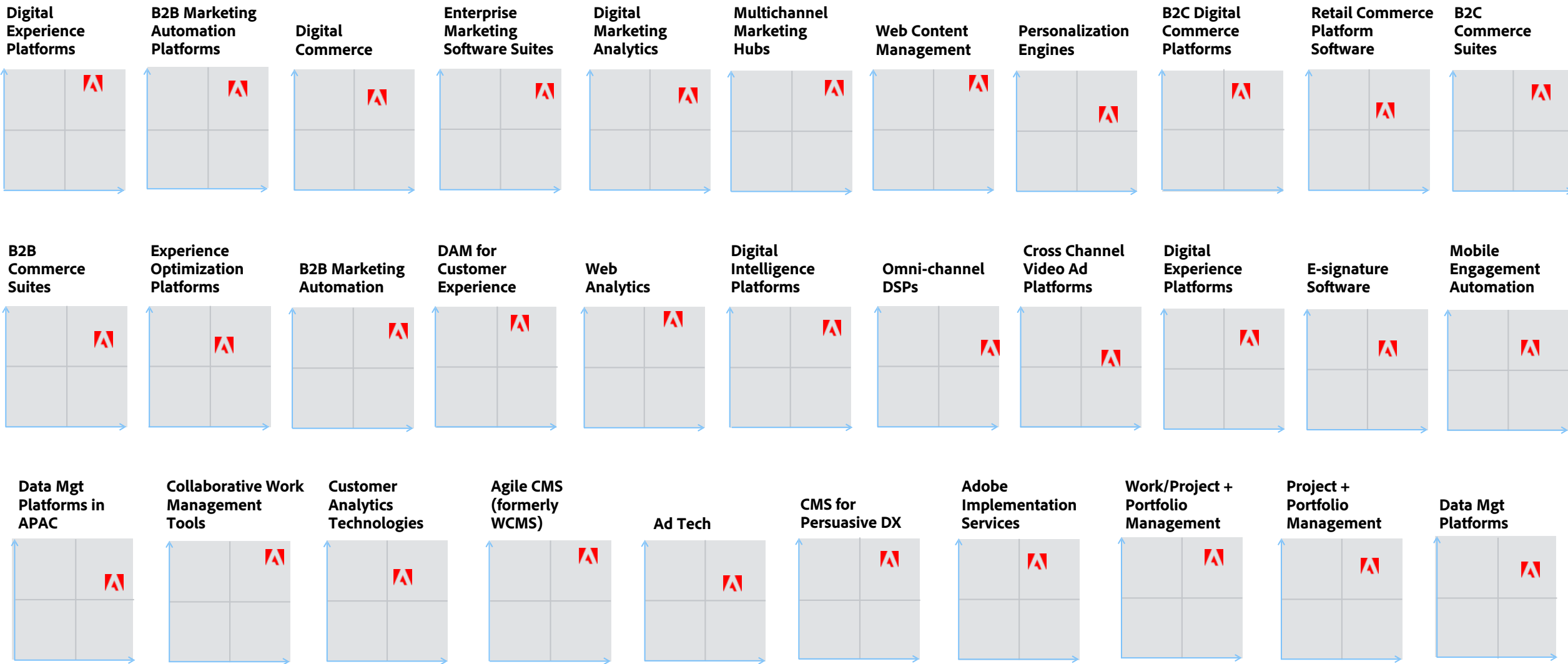
- Adobe Real-Time Customer Data Platform (B2C, B2B, B2P)
- Adobe Customer Journey Analytics
- Adobe Journey Optimizer

### Adobe Sensei powered services

- Customer.ai
- Attribution.ai
- Media Mix Modeling

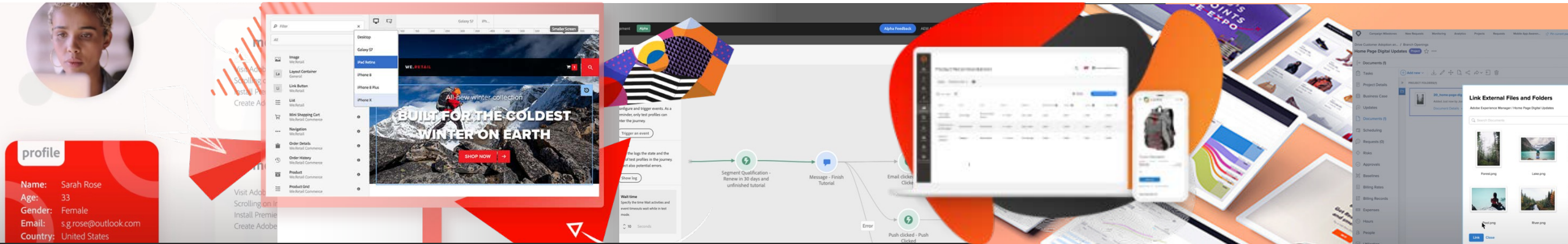
Source: Adobe, December 2021

# Adobe leadership recognition



Source: Industry analyst reports as of December 2021

# Adobe as Customer Zero: driving business transformation



Define customer segments

Create single view of the customer

Drive acquisition through digital channels

Deliver engaging, personalized campaigns

Derive insights to drive customer satisfaction and lifetime value



Adobe Analytics



Adobe Real-Time CDP



Adobe Customer Journey Analytics



Adobe Experience Manager



Adobe Journey Optimizer



Adobe Marketo Engage



Adobe Campaign



Adobe Target



Adobe Workfront

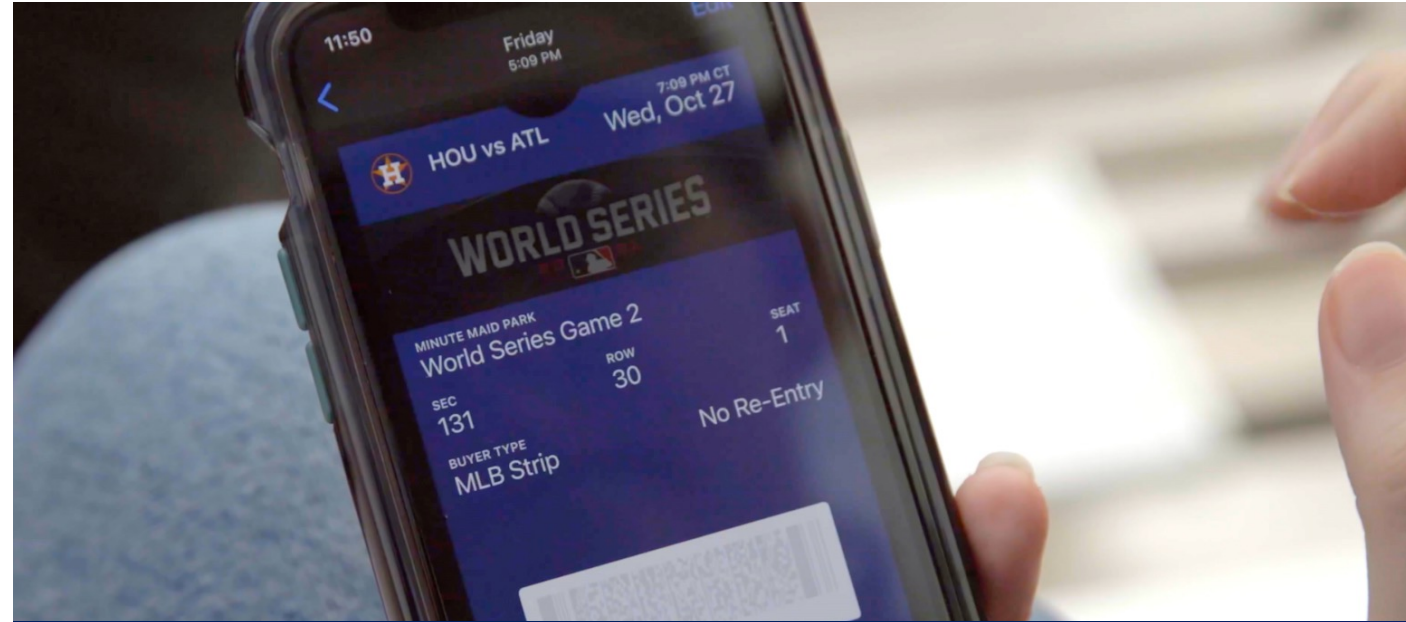


Adobe Experience Platform

Data-Driven Operating Model

# Customer case study: Major League Baseball

- Reimagining fan engagement experiences at home, on-the-go and in the ballpark
- Delivering personalization in real-time to reach the next generation of fans
- Unifying first-party data to power seamless customer journeys, fuel acquisition and improve retention
- Streamlining content and marketing workflows to accelerate time-to-market
- Driving greater efficiency with electronic signatures and supporting rich creative on television and online



“We’ve gone out of our way to create digital tools to improve the fan experience. We’re bringing personalized experiences and information to fans so that they feel like we know who they are, who their favorite team is and who their favorite players are. Adobe’s breadth of enterprise applications allows us to deliver what fans want, where they want it – across dozens of channels.”

Chris Marinak, Chief Operations and Strategy Officer,  
Major League Baseball

# Customer case study: Henkel

- Transforming customer and consumer engagement through real-time, omni-channel experiences, powered by Adobe Experience Cloud
- Unifying customer and consumer profiles across D2C, B2C and B2B to deliver personalized interactions at scale
- Expanding e-commerce offering, while meeting individual customer and consumer preferences
- Accelerating time-to-market and improving performance marketing via data analytics and insights



“Through the partnership with Adobe, we gain leading-edge digital experience capabilities, access to Adobe’s innovation power and ecosystem to boost our digital business. Henkel will leverage Adobe’s Experience Platform for a wide range of D2C, B2C and B2B business models to provide a superior and personalized experience across all online and offline channels for our customers and consumers.”

Michael Nilles, Chief Digital and Information Officer, Henkel

# Adobe Experience Cloud: mission critical across industries

Financial services

Healthcare & life sciences

Manufacturing/CPG & energy

Media & entertainment

Retail

Travel & hospitality

Digital- and mobile-first business models

End-to-end digital patient experiences

Direct-to-consumer business models

Digital streaming and fan engagement

Personalized commerce at scale

Customer loyalty





# Experience Cloud business momentum

## Growing customer engagement

FY 2018

**~\$1.3M**

Average ARR of top 1000 customers

**~\$5M**

Average ARR of top 100 customers

**~\$8.5M**

Average ARR of top 25 customers

FY 2021

**~\$2.3M**

Average ARR of top 1000 customers

**~\$10M**

Average ARR of top 100 customers

**~\$20M**

Average ARR of top 25 customers

**66%**

growth in accounts with >\$1M in ARR (FY 2018-FY 2021)

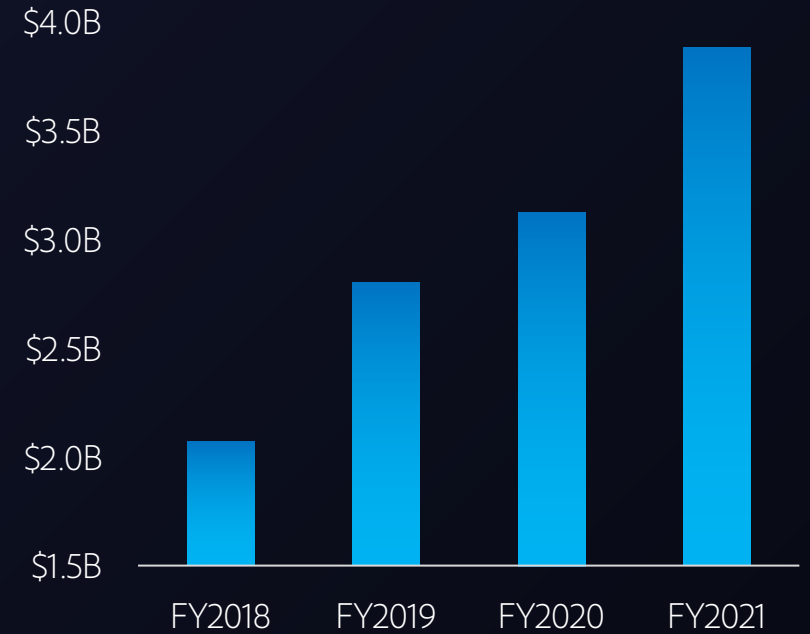
**>90%**

of top 100 customers have 3+ products\*

**~\$760M**

Combined TCV of top 10 customers\*\*

## Annual revenue



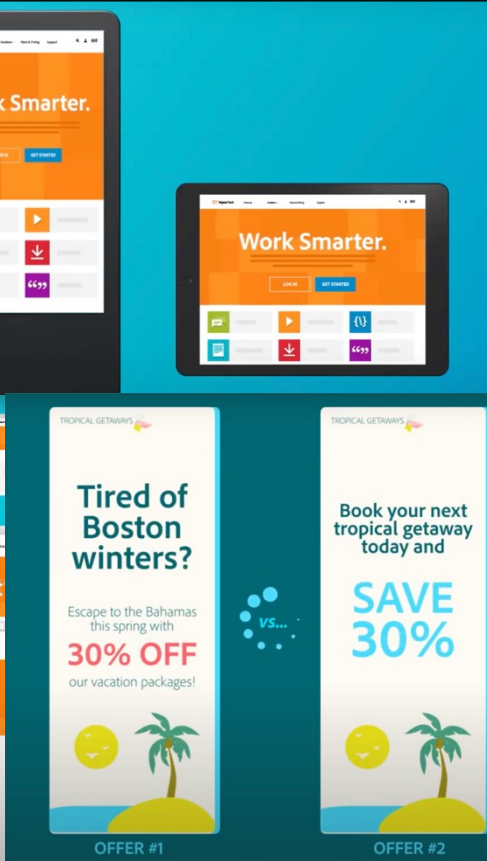
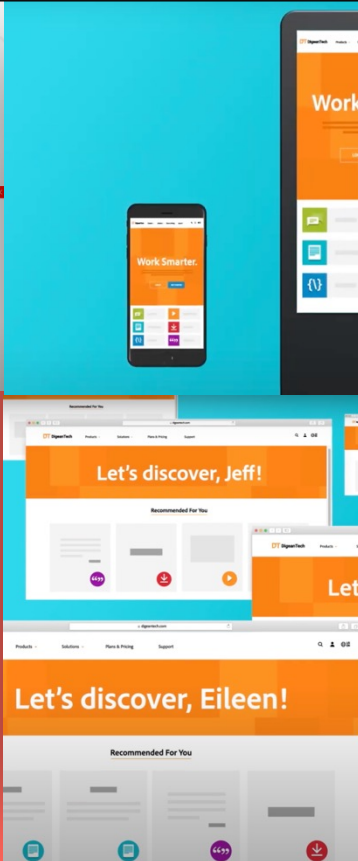
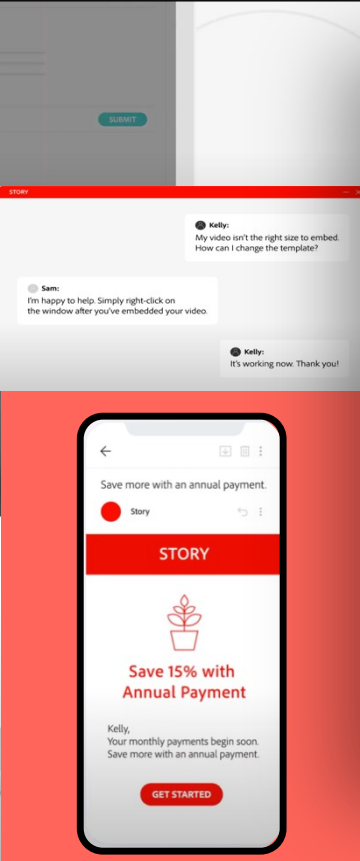
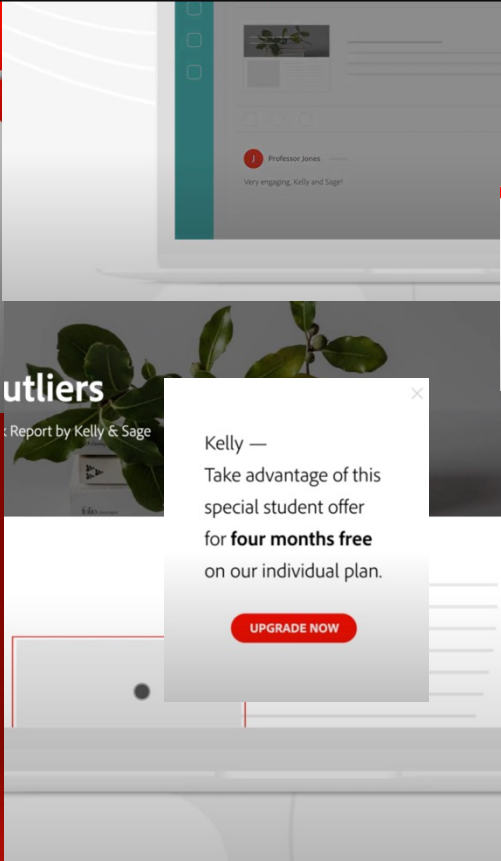
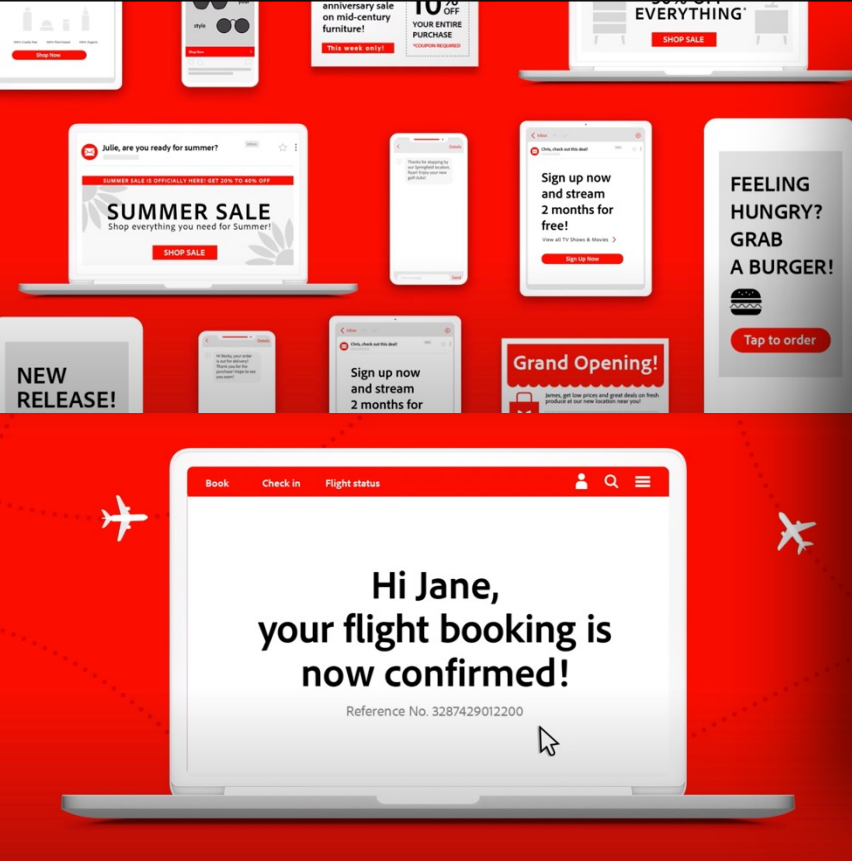
\*Products include Application Services (CJA, AJO, RTCDP)

\*\*Reflects Total Contract Value for top 10 customers at end of Q4 FY 2021

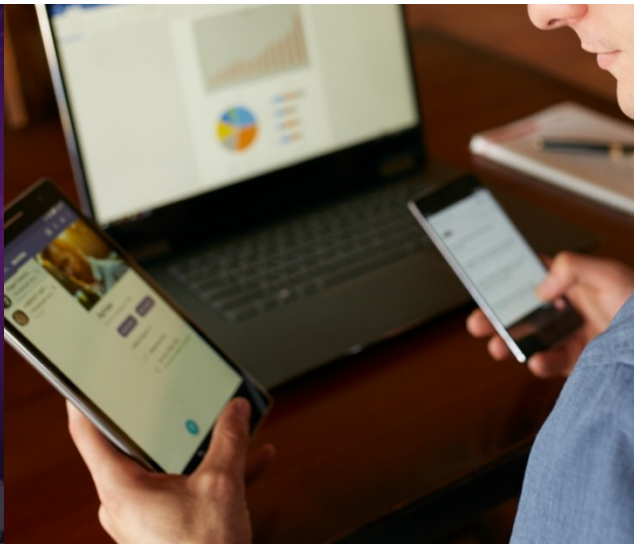
Source: Adobe, December 2021

# Customer Experience Management imperative

# Personalization at Scale



# Key challenges to achieving *personalization at scale*



## Siloed customer data

Behavioral, transactional and commercial data is not integrated nor available in real-time

## Content volume and velocity

Campaigns to serve diverse, multi-channel customer base create exponential increase in content requirements

## Disjointed customer experiences

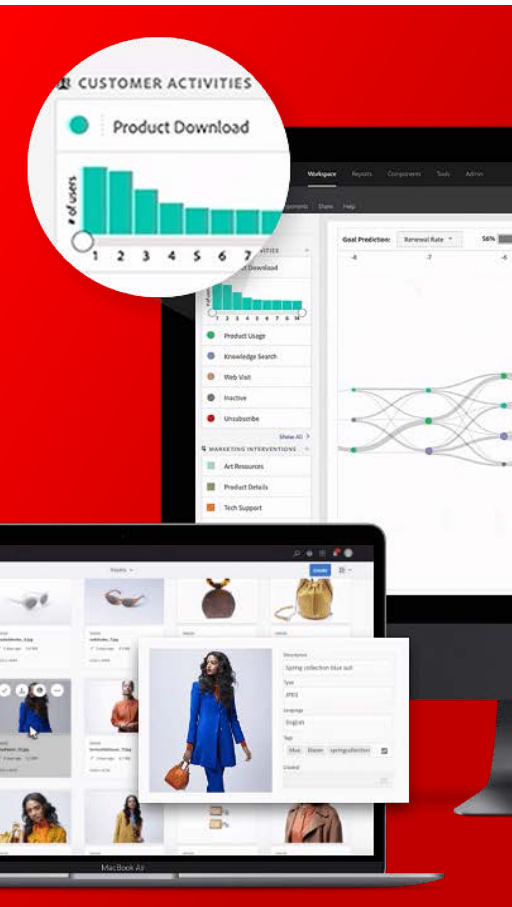
Customer journeys remain disconnected across online and offline channels

## Legacy planning and execution processes

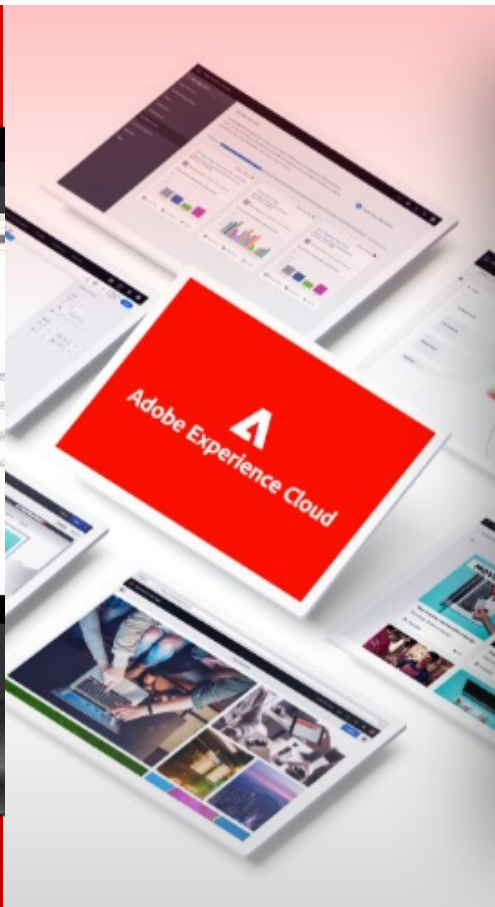
Traditional creative and campaign processes lack agility required in new paradigm of work

# Adobe Experience Cloud strategy

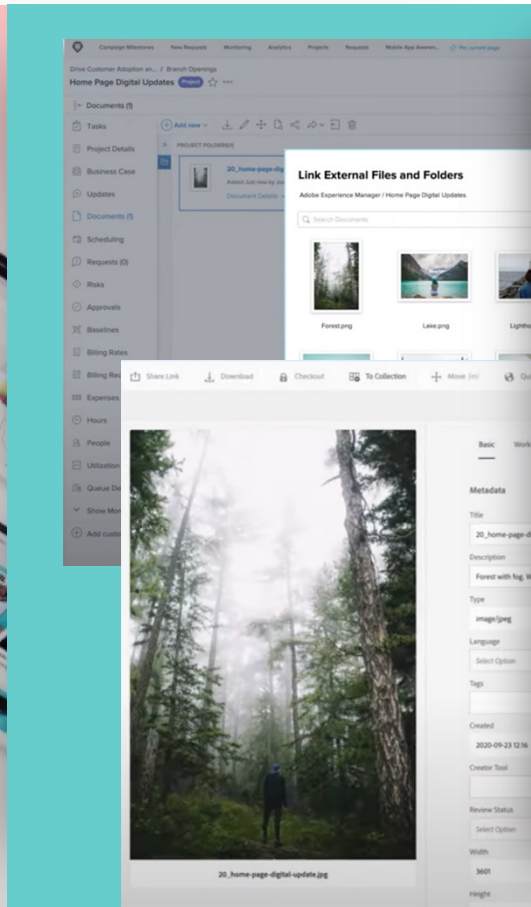
Real-time customer experience platform



Integrated, AI-enabled applications & services



Unified marketing workflow



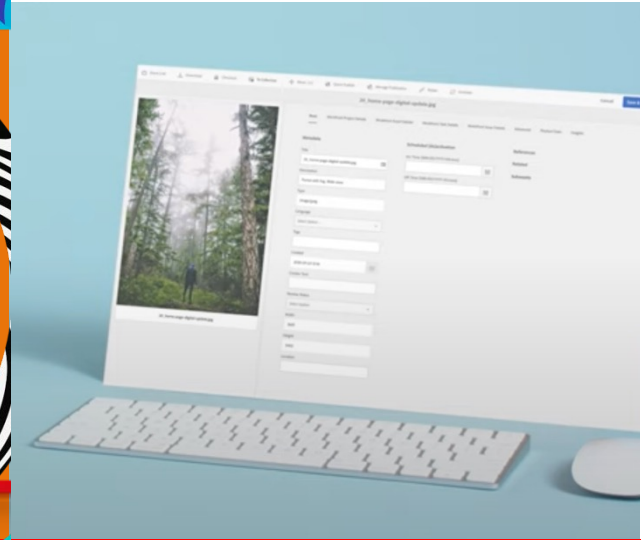
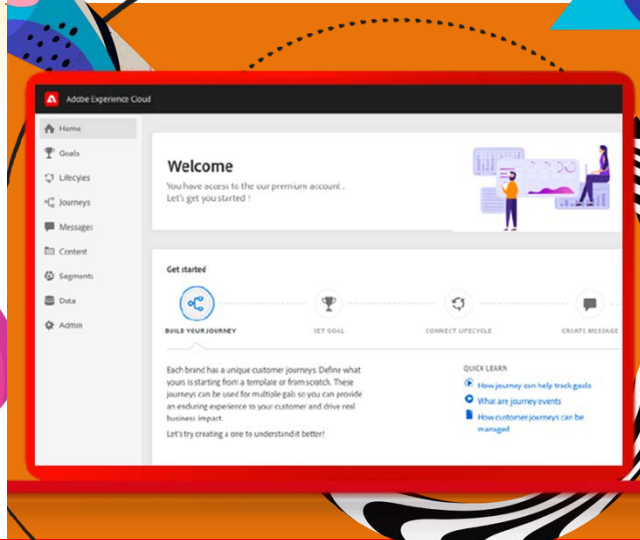
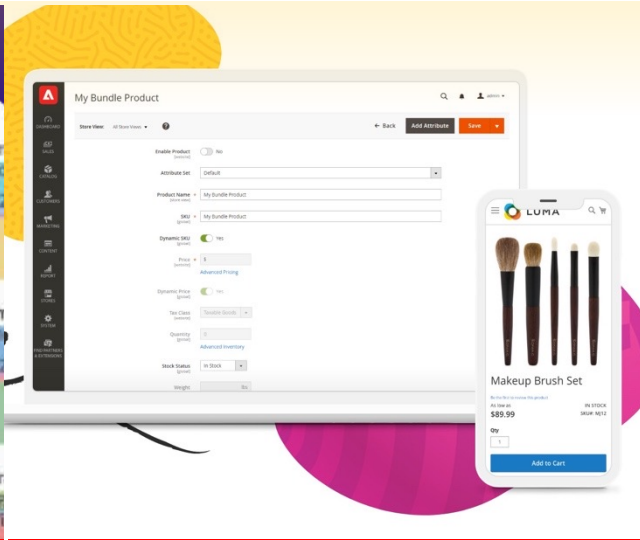
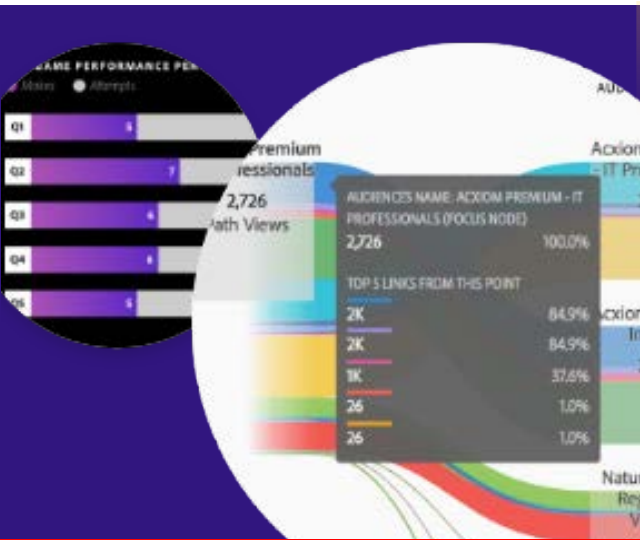
Strategic partner for B2B & B2C transformation



Expansive ecosystem



# Adobe Experience Cloud solution categories



## Data Insights & Audiences

## Content & Commerce

## Customer Journeys

## Marketing Workflow

System of intelligence providing insight and dashboards across omni-channel customer journeys & audience activation

Content management and commerce solutions for multi-channel, shoppable experiences across B2B & B2C

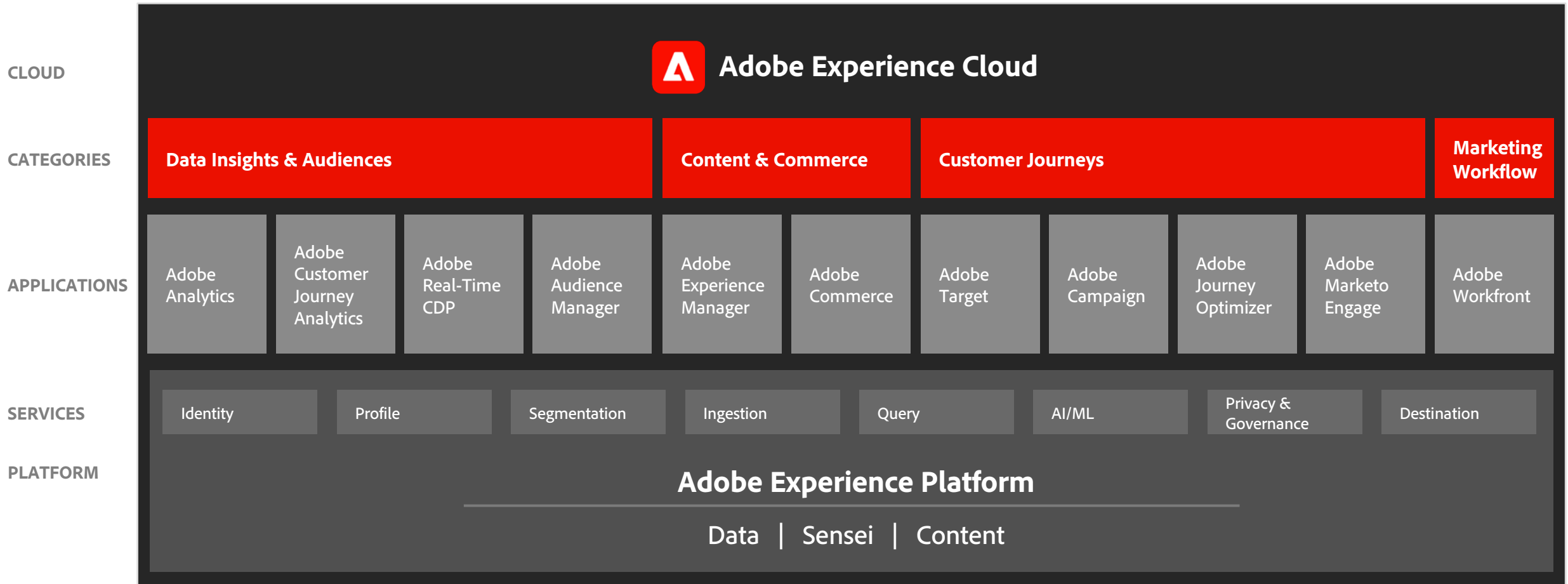
Real-time, omni-channel customer and account-based journey orchestration & campaign execution for B2B & B2C

Marketing system of record for executives and teams to connect, collaborate and execute on complex workflows from anywhere

# Adobe Experience Platform

Open, cloud-native platform transforming behavioral and transactional data into unified customer profiles that update in real time and use AI-driven insights to help deliver the right experiences across every channel

# Adobe Experience Cloud



# Next generation Adobe Experience Platform

- Enables delivery of personalized, real-time, omni-channel customer experiences at cloud scale
- Architected to accelerate innovation of new Adobe Sensei powered services and to standardize capabilities across Adobe Experience Cloud
- Integrated with hundreds of data sources and destinations to enable comprehensive, 360-degree view of a customer via unified profile

~165B

Edge Network calls  
(per day)

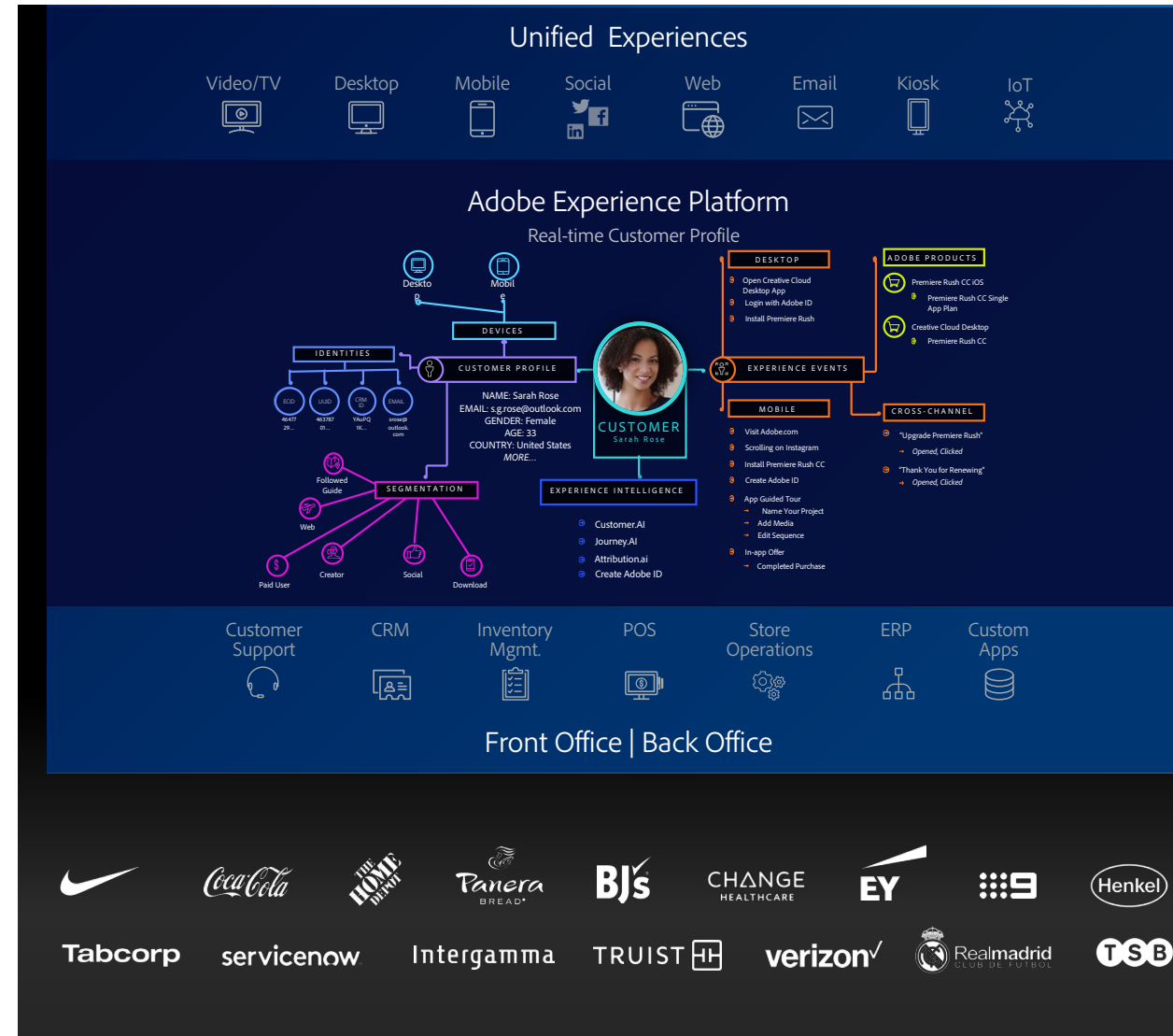
>21.5T

Segment evaluations  
(per day)

<250ms

Response time  
at 99.5%

Source: Adobe, December 2021



# Adobe Experience Cloud: Data Insights & Audiences



## Adobe Analytics + Adobe Customer Journey Analytics

Experience insights & intelligence across omni-channel customer journeys

### Highlights

- Internet scale behavioral dataset: ~23T data transactions per year
- Rapid adoption of next-generation omni-channel analytics stack
- New multi-touch and AI-led attribution models

### Innovation roadmap

- Real-time executive level run-and-operate dashboards and insights
- Intra-cloud integration to ensure consistent reporting and measurement
- Cross-cloud segment publishing to power faster activation of insights



## Adobe Real-Time Customer Data Platform & Adobe Audience Manager

Customer data management & activation for known & unknown audiences

### Highlights

- >21.5T segment evaluations per day
- Adobe Real-Time Customer Data Platform is now offered for B2B, B2C, B2B2C
- Adobe Experience Platform Segment Match unleashes the power of data collaboration for brands and publishers

### Innovation roadmap

- Innovation for highly regulated industries including HIPAA readiness and advanced trust capabilities
- Continued expansion and customization of sources, destinations and identity partners
- Advanced, real-time integrations for same- and next-page personalization



# Adobe Experience Cloud: Content & Commerce



## Adobe Experience Manager

Content management for multi-channel, personalized experiences

### Highlights

- Strong adoption of UI-based and headless capabilities
- >150% Y/Y growth of Adobe Experience Manager Cloud Service customers
- Adobe Experience Manager Assets Essentials launch with Adobe Journey Optimizer and Workfront

### Innovation roadmap

- Content personalization and performance
- Composable experience management
- Enterprise creativity, work and asset management (Adobe Creative Cloud with Adobe Experience Manager, Workfront)
- API-first content management and experience delivery



## Adobe Commerce

Making every experience shoppable for B2B & B2C across all business models

### Highlights

- Support B2B, B2C & hybrid on single platform
- Scalable from mid-market to enterprises—record number of merchants; >1B effective SKUs
- Partnerships with PayPal, FedEx, Walmart, Wayflyer, Bolt for commerce services offerings to 100K+ merchants

### Innovation roadmap

- Modern, composable commerce platform
- Enhanced PWA support for B2B storefront
- Commerce intelligence connected with marketing insights
- Richer API, core service and UI extensibility with support of Adobe App Builder

# Adobe Experience Cloud: Customer Journeys



## Adobe Campaign & Adobe Journey Optimizer

Personalized, omni-channel customer journey orchestration & campaign execution for B2C marketers

### Highlights

- Deep integrations with analytics, content & customer data management
- Scalable to over 1B customer profiles
- Combines batch oriented and 1:1 personalized omni-channel engagement at scale (90M/hour)
- Over 1B messages sent on Black Friday and over 270B messages in a year
- Momentum with Adobe Journey Optimizer adoption & Adobe Campaign on Snowflake

### Innovation roadmap

- Converging outbound (email, mobile push) together with inbound (web, mobile app) engagement into a unified experience
- 1:1 personalization & experimentation across the entire customer journey
- Bringing database marketing and real-time engagement together via Adobe Campaign integration with Adobe Experience Platform and Adobe Journey Optimizer



## Marketo Engage

Marketing automation & account-based marketing for B2B journeys

### Highlights

- Mission critical tool for B2B marketers
- >1T marketing activities/year tracked across thousands of Enterprise and Mid-market customers
- >550 partner developed integrations providing customers a highly flexible tech ecosystem
- Adobe Experience Platform integration with B2B Customer Data Platform

### Innovation roadmap

- Account-based experiences
- Adobe Sensei based attribution & intelligence
- B2B conversational engagement

# Adobe Experience Cloud: Marketing Workflow



## Adobe Workfront

Marketing system of record allowing teams to connect, collaborate and execute on complex workflows from anywhere

### Highlights

- Deep integrations with Adobe Experience Manager and Adobe Marketo Engage
- ~2.5M projects managed by Adobe Workfront
- Native integration with Adobe Creative Cloud for accelerated content velocity

### Innovation roadmap

- Embedded workflows across Adobe Clouds with native integrations
- Agile marketing planning
- Unified global marketing calendar

# Adobe Experience Cloud GTM strategy



**Trusted partner  
to C-Suite**



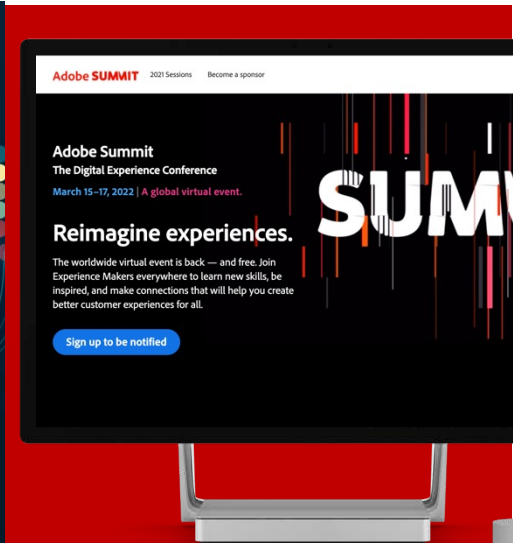
**Transformational  
accounts**



**New logo growth**



**Customer value  
realization and  
solution expansion**



**High-impact digital  
engagement**

**Verticals | Geographies | Partners**

# Expansive ecosystem of >4,000 partners



## ISVs / tech partners



## System integrators / agencies



Source: Adobe, December 2021

# 2024 Experience Cloud total addressable market



2023 Experience Cloud TAM  
~\$85B



2024 Experience Cloud TAM  
~\$110B

~\$33B

### Data Insights & Audiences

- Single view of customer
- First party data personalization
- Omni-channel customer analytics

~\$49B

### Content & Commerce

- Omni-channel content velocity
- Integrated commerce services
- Developer services

~\$18B

### Customer Journeys

- Real-time customer journey orchestration
- B2B, B2C, B2B2C
- Web + mobile

~\$10B

### Marketing Workflow

- Marketing System of Record
- Integrated marketing workflows
- Agile marketing and creative collaboration

Source: IDC and Adobe, December 2021

# Experience Cloud growth drivers



Data Insights & Audiences

Content & Commerce

Customer Journeys

Marketing Workflow

## Adobe Experience Platform

- Digital acceleration · Personalization at scale · B2B · B2C · B2B2C · Direct-to-consumer
- Content velocity · Commerce and merchant services · Real-time customer data platform · Integrated marketing workflows
- Intelligent services · Agile marketing and creative collaboration · Customer journey orchestration
- Strategic partnerships · Global expansion · Transformational accounts · Enterprise · Mid-market
- Customer Journey Analytics · Customer value delivery · Customer success & retention · Cross-sell & up-sell
- First-party data personalization · Adobe Digital Economy Index · Developer services · Predictive and prescriptive insights



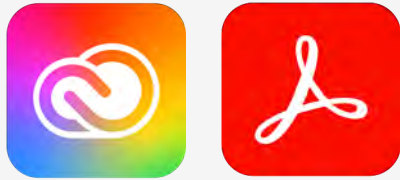
# Digital Media Opportunity

David Wadhvani | President, Digital Media

December 16, 2021



# Q4 FY 2021 Digital Media highlights



**Segment Revenue**

**\$3.01B**

21% Y/Y growth

**\$571M**

Net new Digital Media ARR



**Creative Cloud  
Revenue**

**\$2.48B**

19% Y/Y growth

**\$430M**

Net new Creative ARR



**Document Cloud  
Revenue**

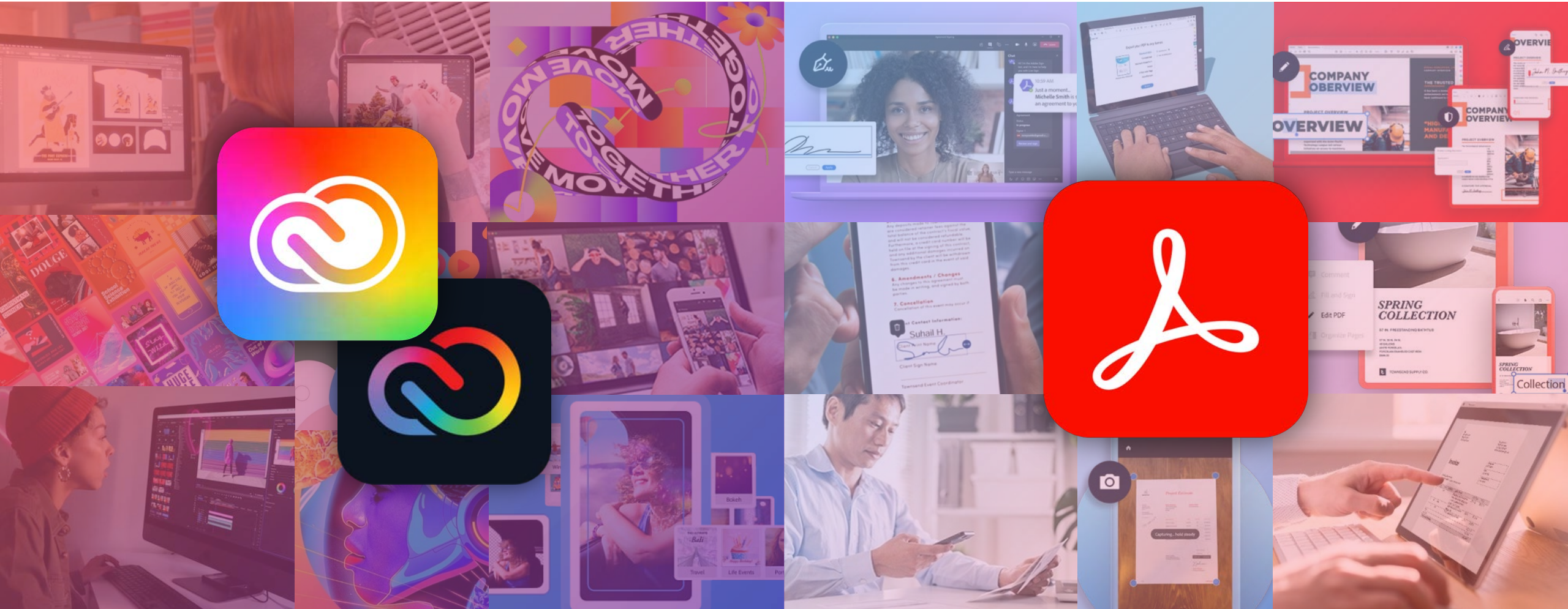
**\$532M**

29% Y/Y growth

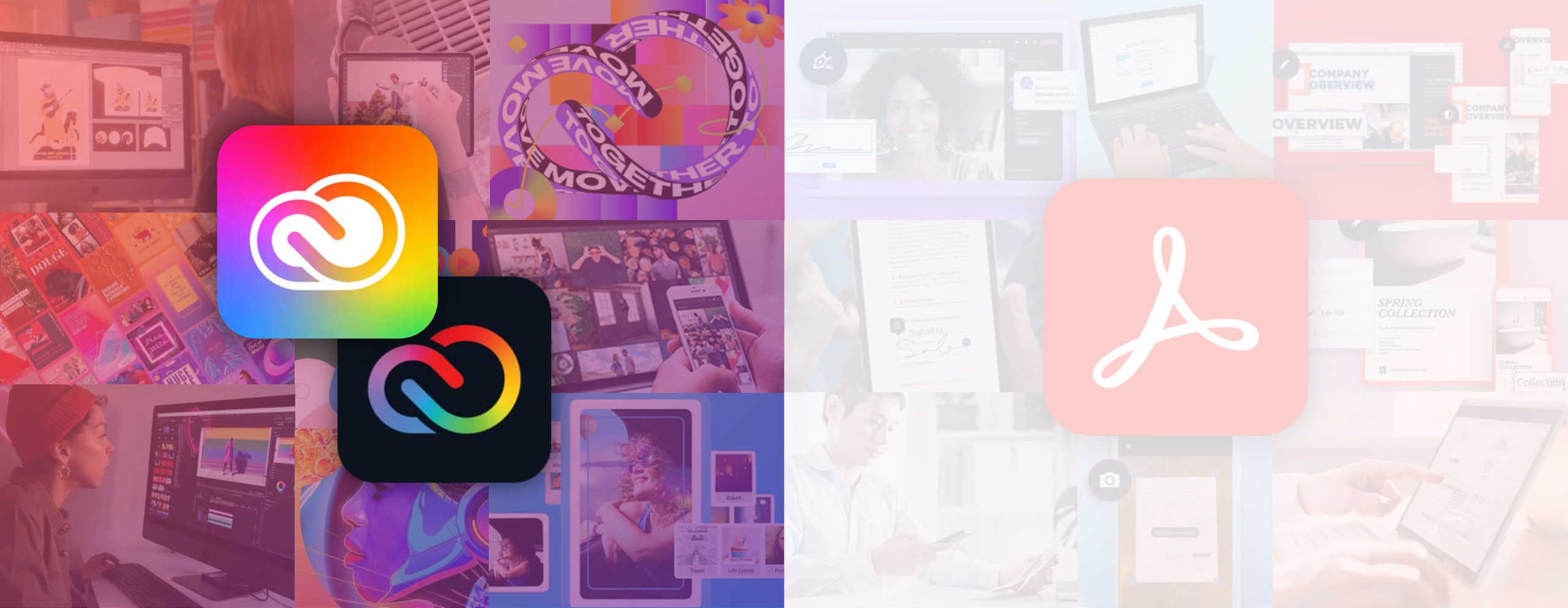
**\$141M**

Net new Document Cloud ARR

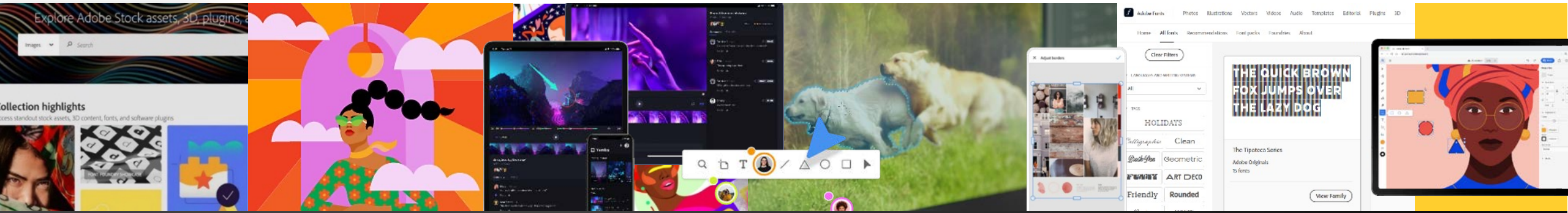
# Digital Media strategy



# Creative Cloud



# Market landscape: content fuels the global economy



Digital content consumption exploding

Every business is a digital business

Content velocity drives digital engagement

Social content & monetization underpins the creator economy

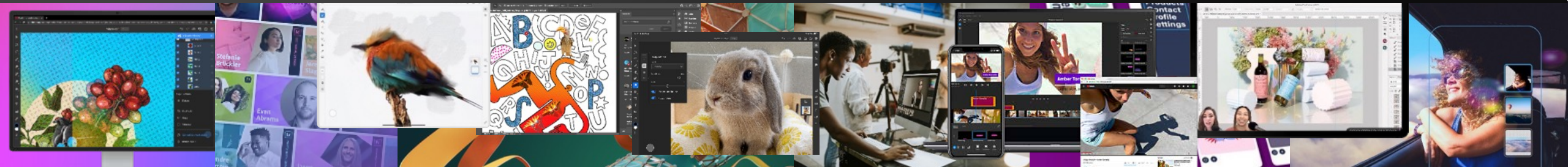
Creativity is a 21st century educational imperative

3D, immersive & metaverse are emerging

Video creation is exploding

Collaboration drives creative productivity and stakeholder growth

Web & mobile are rapidly maturing creation surfaces



# Content is powering the creator economy

## Big today



**>1B**

Social media accounts actively posting content and building audience<sup>1</sup>

**>90M**

Small businesses on social media platforms<sup>2</sup>

**50M**

Creators monetizing content online<sup>3</sup>

## Growing fast



**>4.4M**

New US businesses created in 2020, highest on record<sup>4</sup>

**50%**

Of US millennials have a side-hustle<sup>5</sup>

## Adobe leadership



**>600M**

Non-CPro Free and paid MAU across mobile, web or desktop apps for CC and DC

- Broad portfolio of category-defining apps: Photoshop, Illustrator, Premiere, InDesign, XD, Acrobat, Adobe Stock, Lightroom, Photoshop Express & Premiere Rush
- Sensei-powered innovation
- Mobile & web surfaces for creation
- New Creative Cloud Express offering

Source: 1. Adobe Analysis, as of Dec 2021; 2. Facebook blog post, 2019; 3. SignalFire, 2020; 4. US Census; 5. LendingTree survey of adults, Oct. 2020

# Everyone's a content creator



Students



Creative professionals



Marketers



Small businesses



Communicators



Social content creators

# Creative Cloud business momentum



**>100%**

Y/Y growth of Substance ARR  
(3D & Immersive)

**>100%**

Y/Y Growth of Stock  
downloads in enterprise

**>50%**

Y/Y MAU growth for  
Frame.io

**>70%**

Individual subscribers new  
to CC franchise <sup>1</sup>

**>55%**

CC mobile ARR growth in last 12  
months: Lightroom, Photoshop  
Express, Photoshop & Illustrator  
on iPad

**>300M**

Total CC app downloads  
across desktop, mobile in  
last 12 months

**>28M**

Behance members

**>400M**

Mobile IDs created cumulatively

**>600M**

Non-CPro free and paid  
MAU across mobile, web or  
desktop apps for CC and DC

<sup>1</sup> Percentage of new individual subscribers during FY 2021  
Source: Adobe, as of Q4 FY 2021



# Adobe Creative Cloud

Comprehensive offering across desktop, mobile & web

## Apps

### Multi-Surface Apps



Creative Cloud Express



Photoshop



Photoshop Lightroom



Illustrator



Premiere Rush



Aero



Acrobat



Photoshop (web)



Illustrator (web)

### Desktop Apps



Premiere Pro



After Effects



Photoshop Lightroom Classic



Animate



Audition



Character Animator



Prelude



Media Encoder



XD



Dreamweaver



InDesign



InCopy



Substance 3D Painter



Substance 3D Designer



Substance 3D Sampler



Substance 3D Stager

### Mobile Apps



Photoshop Camera



Photoshop Express



Fresco

## Cloud services

### Content

Adobe Fonts

Adobe Stock

Adobe Portfolio

### Community

Behance

Adobe Live

Training

### Teams

Creative Cloud Libraries

Creative Cloud Spaces (Beta)

Creative Cloud Canvas (Beta)

Co-Edit Collaboration

Design Systems

Frame.io



# Creative Cloud: audiences & products

Creative professionals

Communicators

Consumers

Students

- Compositing in Photoshop
- Masking in video
- Stakeholder review
- 3D graphics in Illustrator
- Design a flyer
- Remove background
- Instagram Story
- Textures in Substance 3D
- Make a birthday post

**Desktop Apps**

- Ps Lr LrC An Au
- Ch Ae Me Pr Ru
- Id Ic Dw Xd Ai
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- Adobe PDF icon

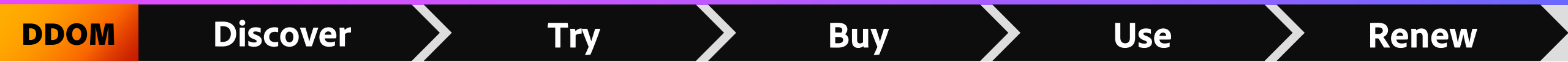
**Mobile Apps**

- Ps Ps Ps Lr Fr
- Ru Xd Ar Ca Adobe PDF icon

**Web Quick Actions**

**All quick actions**

Edit your photo	Edit your video	Modify your file
Resize image	Trim video	Convert to PDF
Remove background	Resize video	Convert from PDF
Convert to JPG	Merge videos	
Convert to PNG	Convert to GIF	
	Crop video	
	Change speed	



# Creative Cloud strategy: unleashing creativity for all

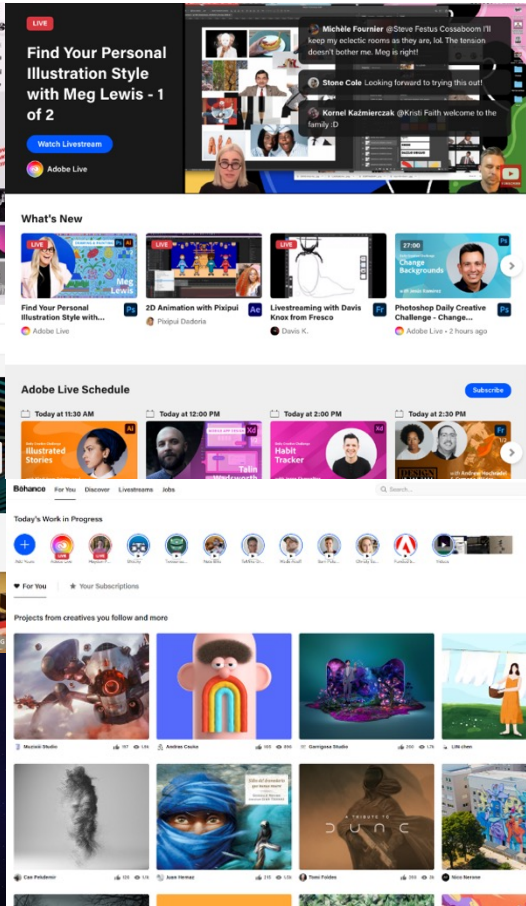
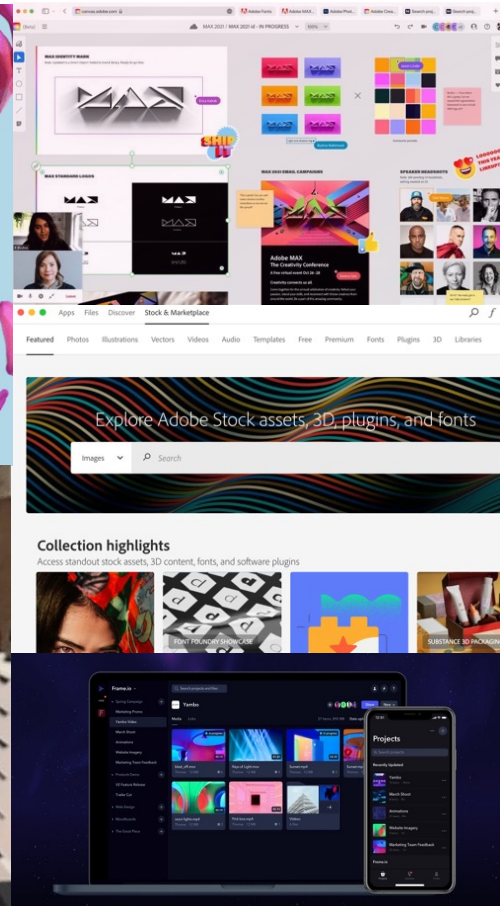
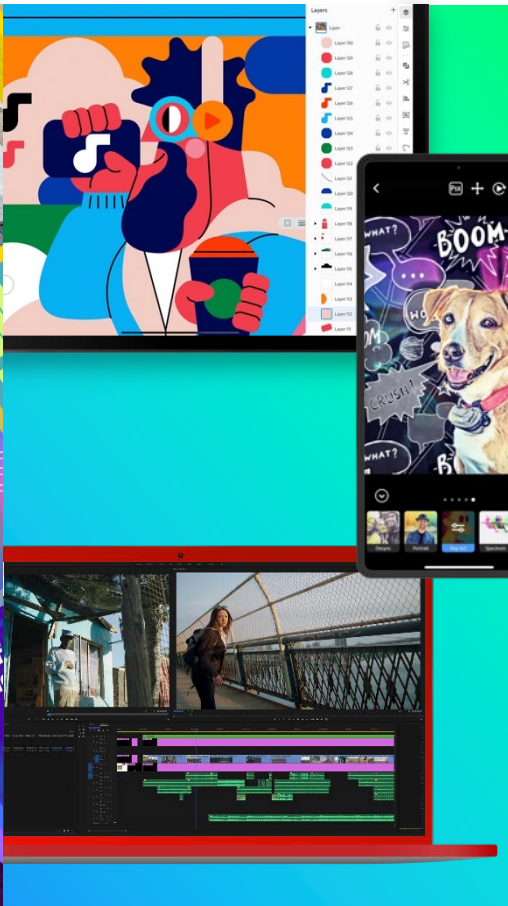
Empower the world with content-first, task-based creativity

Advance every creative category across desktop, web & mobile

Democratize 3D & immersive content creation

Enable seamless collaboration across all stakeholders

Inspire and empower the community through sharing & monetization

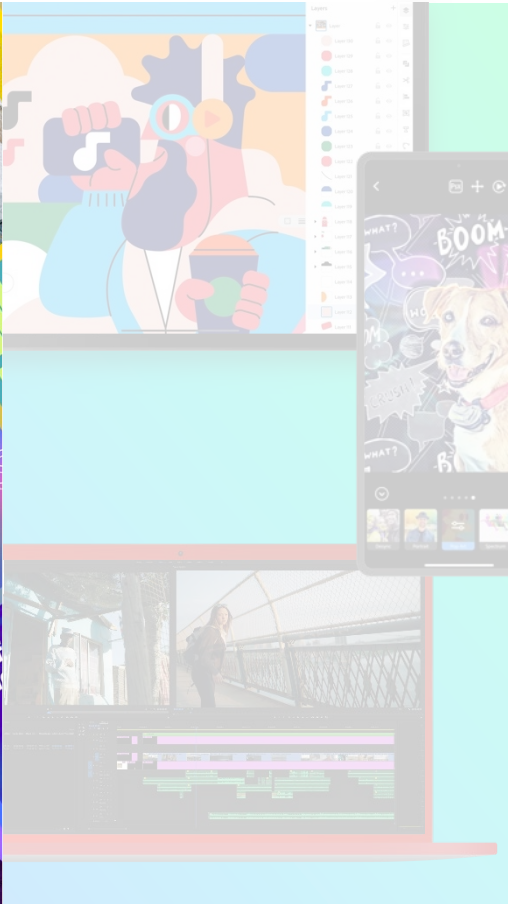


# Creative Cloud strategy: unleashing creativity for all

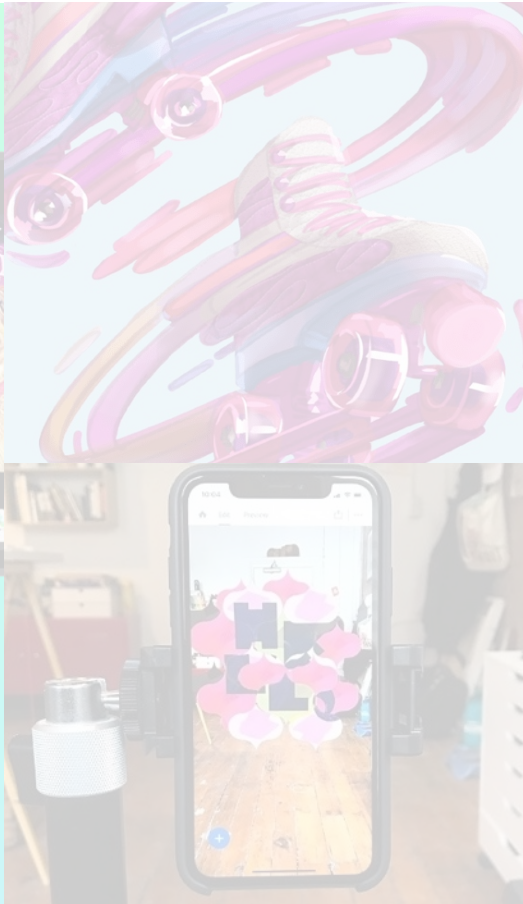
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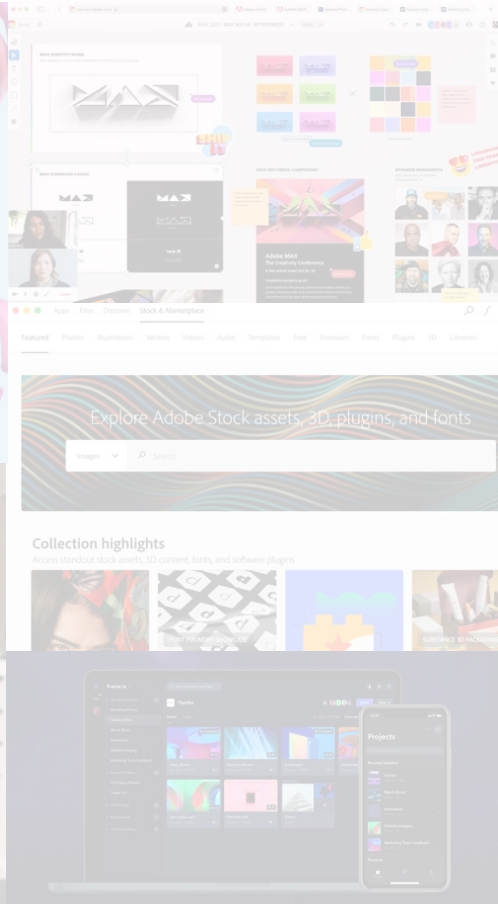
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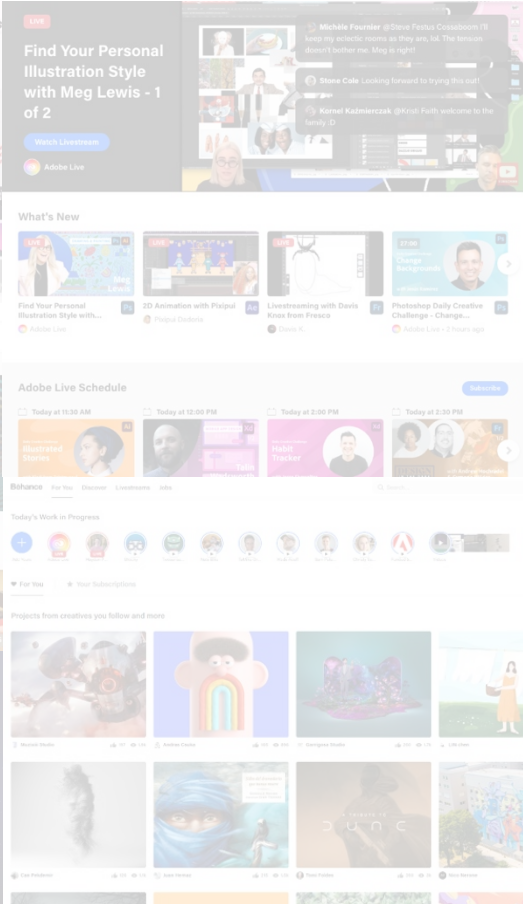
Democratize 3D & immersive content creation



Enable seamless collaboration across all stakeholders

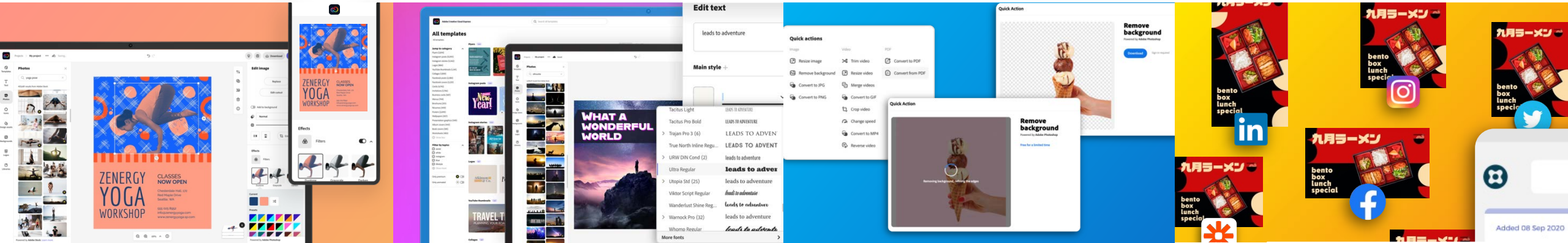


Inspire and empower the community through sharing & monetization



# Empower the world with content-first, task-based creativity

## Introducing Creative Cloud Express



### Fulfill creative need with easy task-based mobile & web solution

- Capture creative intent-based search through SEO
- Quick actions deliver magic without learning curve (remove background, trim a video)
- On-boarding guides users to successful content creation
- Free to get started

### Accelerate success with Adobe's unparalleled content collection

- World's most beautiful ingredients designed by our professional community and curated by Adobe
- Largest content collection of templates, stock images, fonts and design assets
- Sensei-powered search helps find the perfect content for any project

### Leverage Adobe Sensei and the world's best creative apps

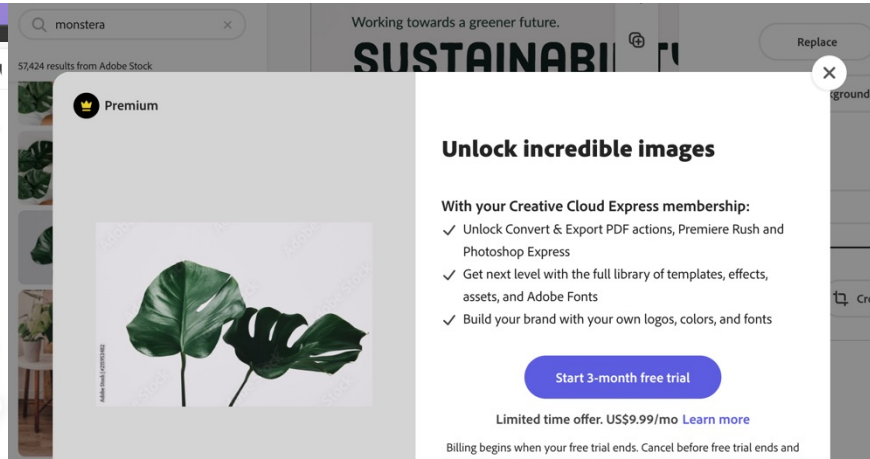
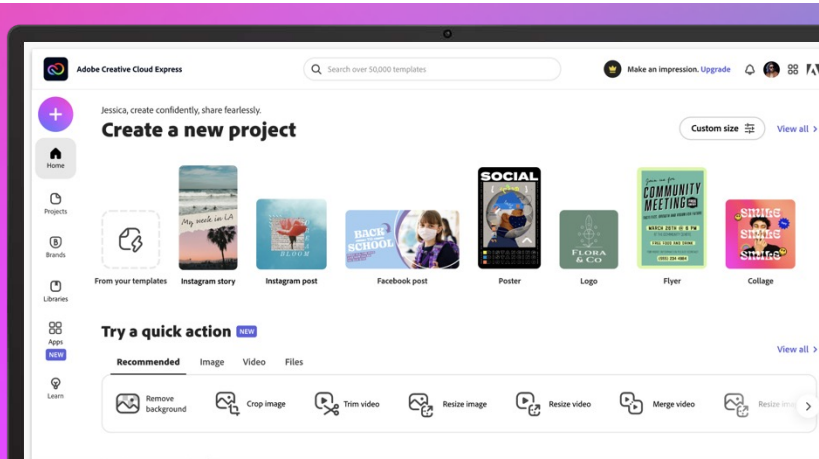
- Photoshop, Premiere and Acrobat power Quick actions (Remove Background, Resize, Reverse video, Convert to PDF)
- Offering includes Photoshop Express, Premiere Rush mobile, Adobe Stock and Adobe Fonts
- Integrated Creative Cloud Libraries and shared templates connects Creative Cloud Express and Creative Cloud workflows

### Enable content creators to engage their audience

- Drag and drop social content publishing and analytics to build brand, engage audiences
- Community ambassadors for learning & inspiration
- Content marketing with tips & tricks to build business & audience
- Social planning & publishing with acquisition of ContentCal

# Empower the world with content-first, task-based creativity

## Scaling Creative Cloud Express



### Pricing

- Freemium model
- Monthly subscription access to premium features and content
- Premium content and features included with most paid CC plans

### Product-led growth

- DDOM based acquisition
- Web & mobile user onboarding and engagement
- Rapid user journey optimization
- Experiment further in emerging markets

### Broad adoption

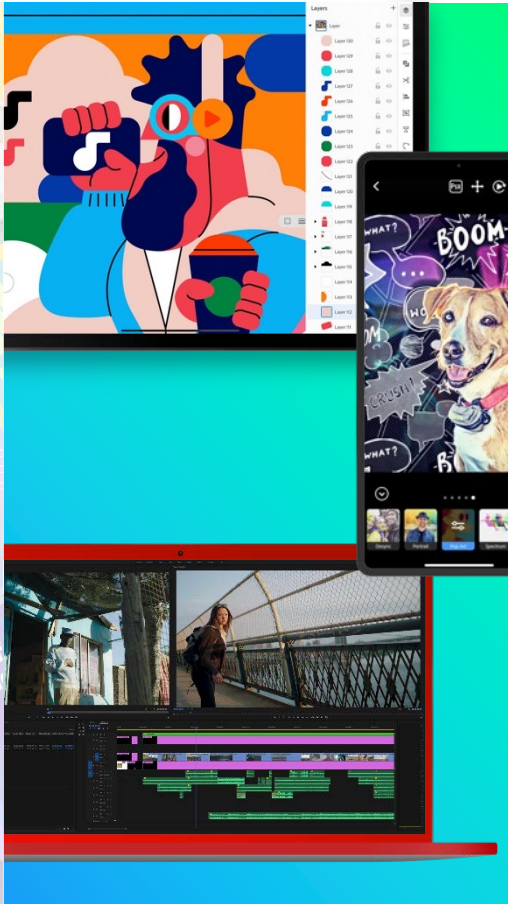
- Leverage existing footprint across education, reseller and enterprise
- Drive usage in K12
- Proliferate web-based quick actions throughout Adobe and 3rd-party apps

# Creative Cloud strategy: unleashing creativity for all

Empower the world with content-first, task-based creativity



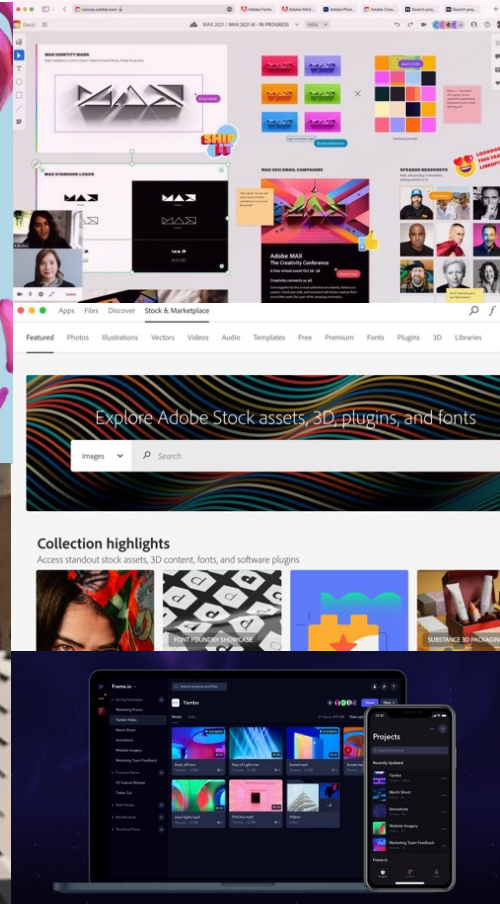
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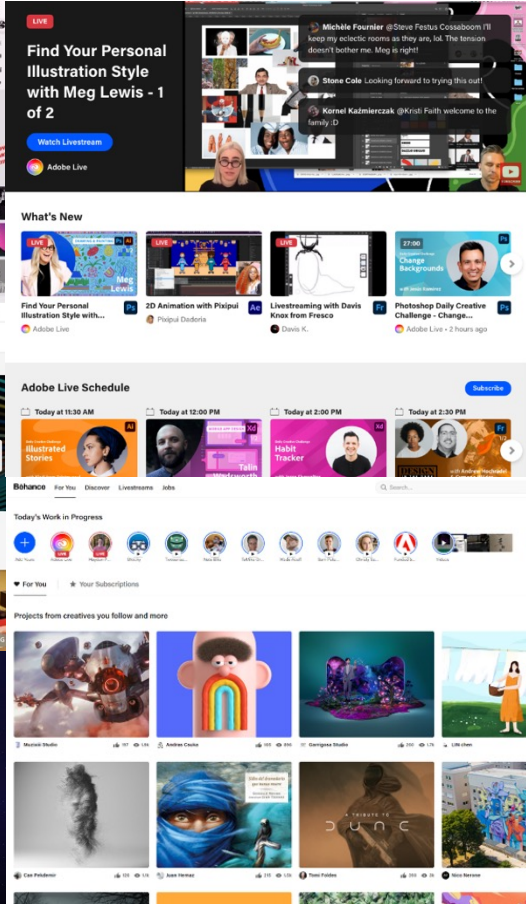
Democratize 3D & immersive content creation



Enable seamless collaboration across all stakeholders



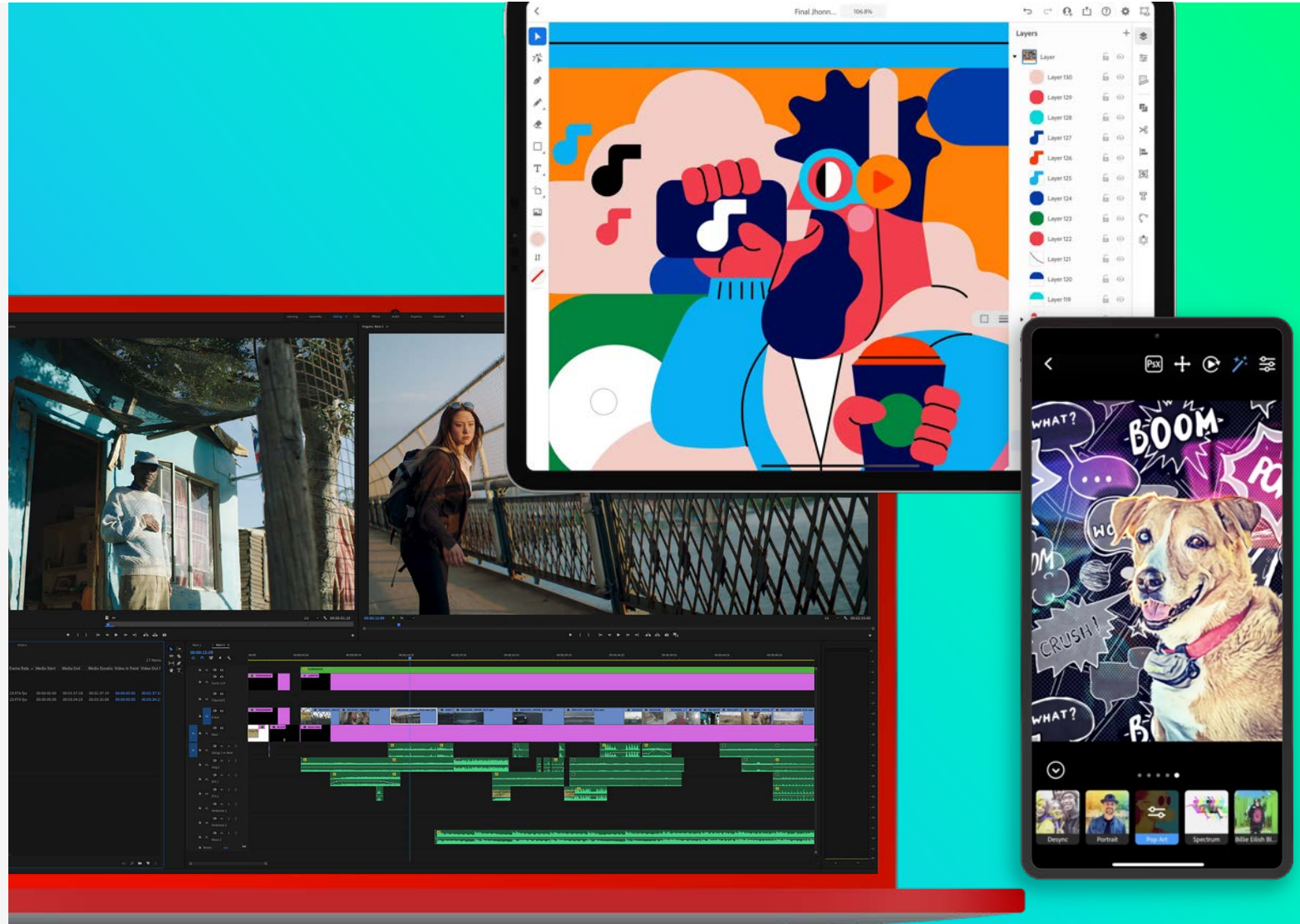
Inspire and empower the community through sharing & monetization



# Advance every creative category across desktop, web & mobile

## Continue to invest in Adobe magic across flagship applications

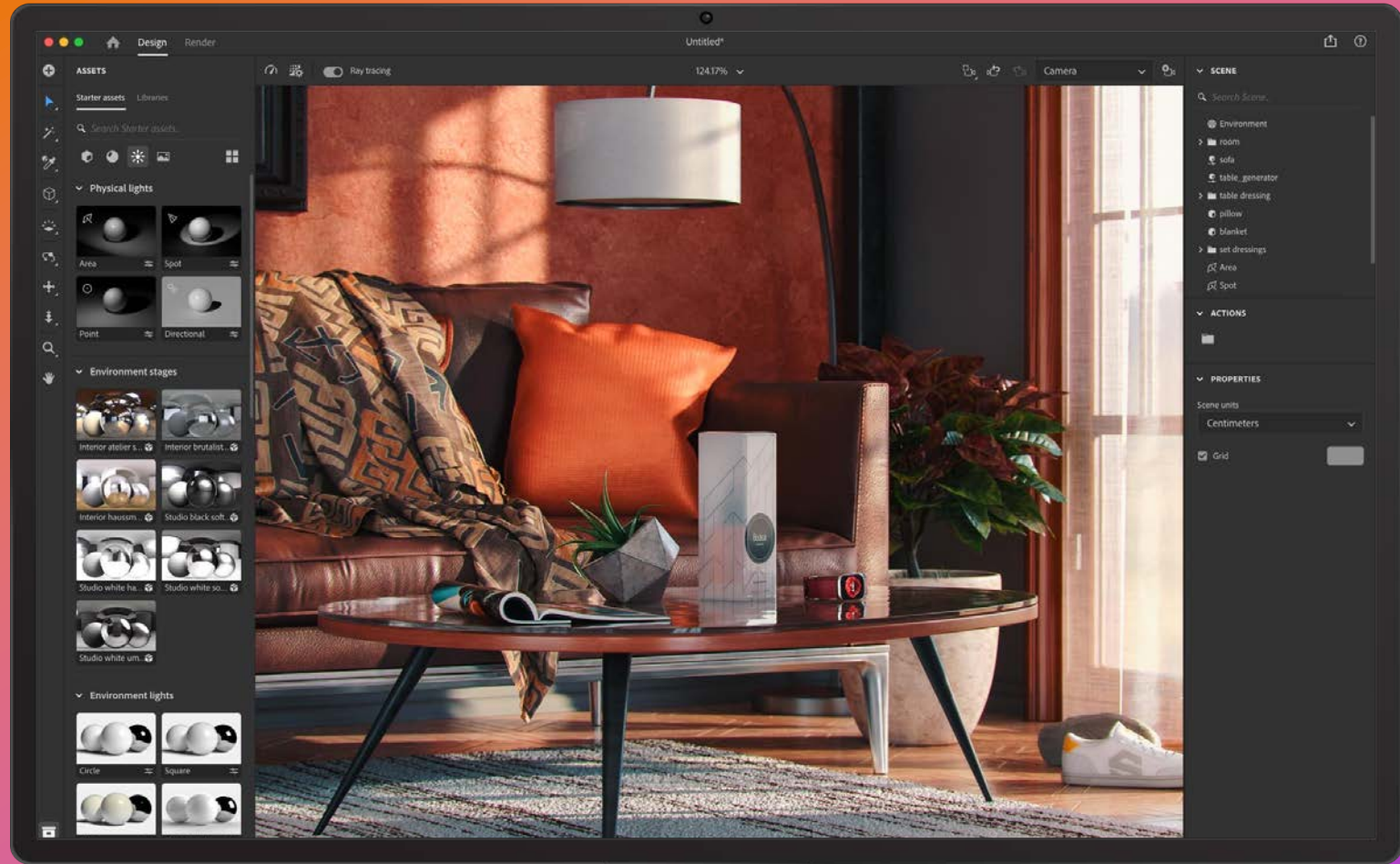
- Accelerate imaging, video & design workflows through Adobe Sensei
- Drive immersive experiences with Premiere, Substance 3D & Aero
- Connect designers and stakeholders with XD, Photoshop web and Illustrator web
- Deliver creative system across desktop, web and mobile apps



# Democratize 3D & immersive content creation

## Build approachable 3D tools that can reshape markets

- Introduce designers to new mediums like 3D, video
- Create, capture & paint in 3D with industry's most comprehensive solution: Substance 3D Stager, Painter, Sampler & Designer
- Increase business agility & reduce costs by enabling virtual photo-shoots, product design & web catalogs
- Accelerate development of games and the metaverse through rapid asset and scene design

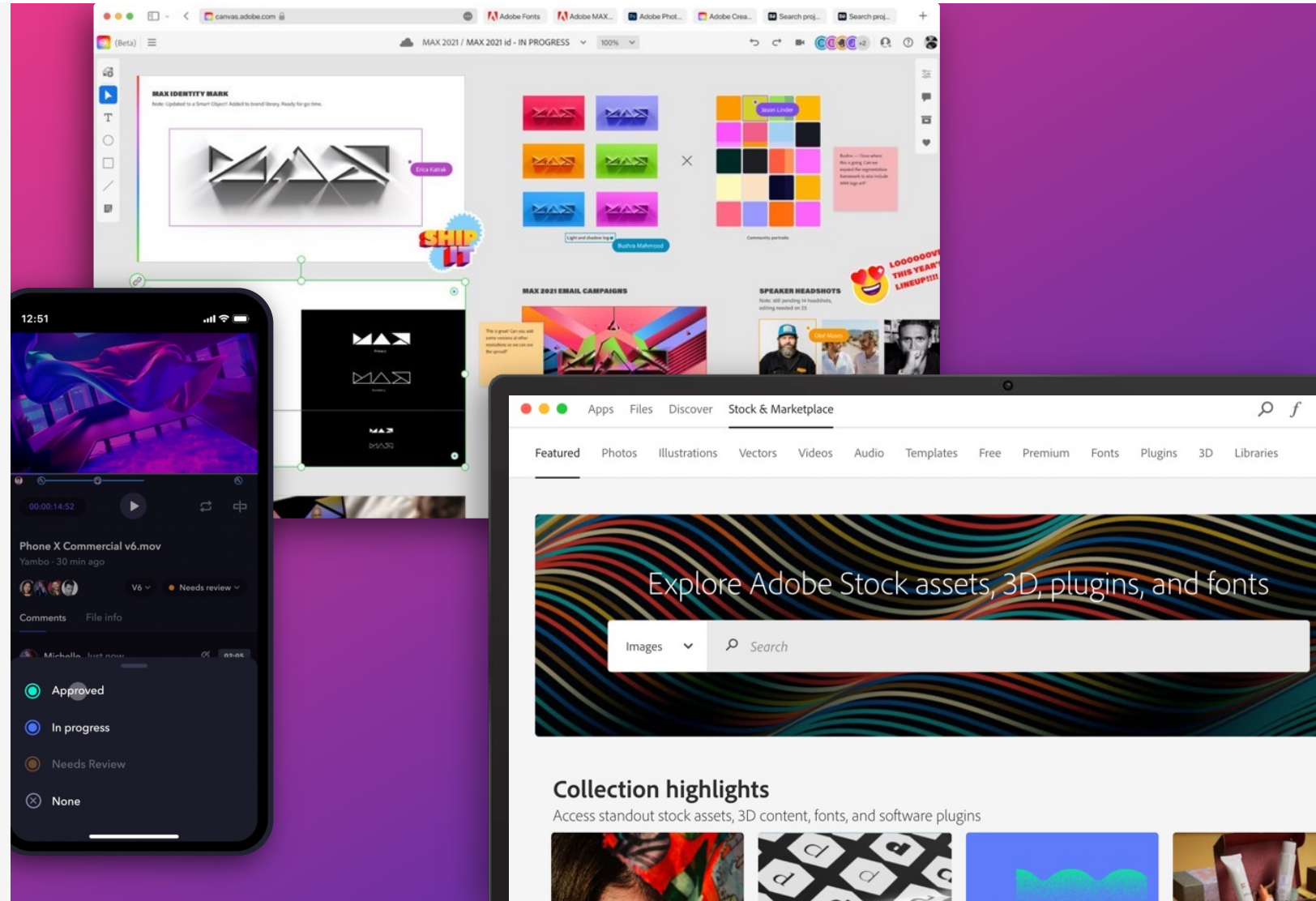




# Enable seamless collaboration across all stakeholders

## Expand access to stakeholders and make creative professionals more productive

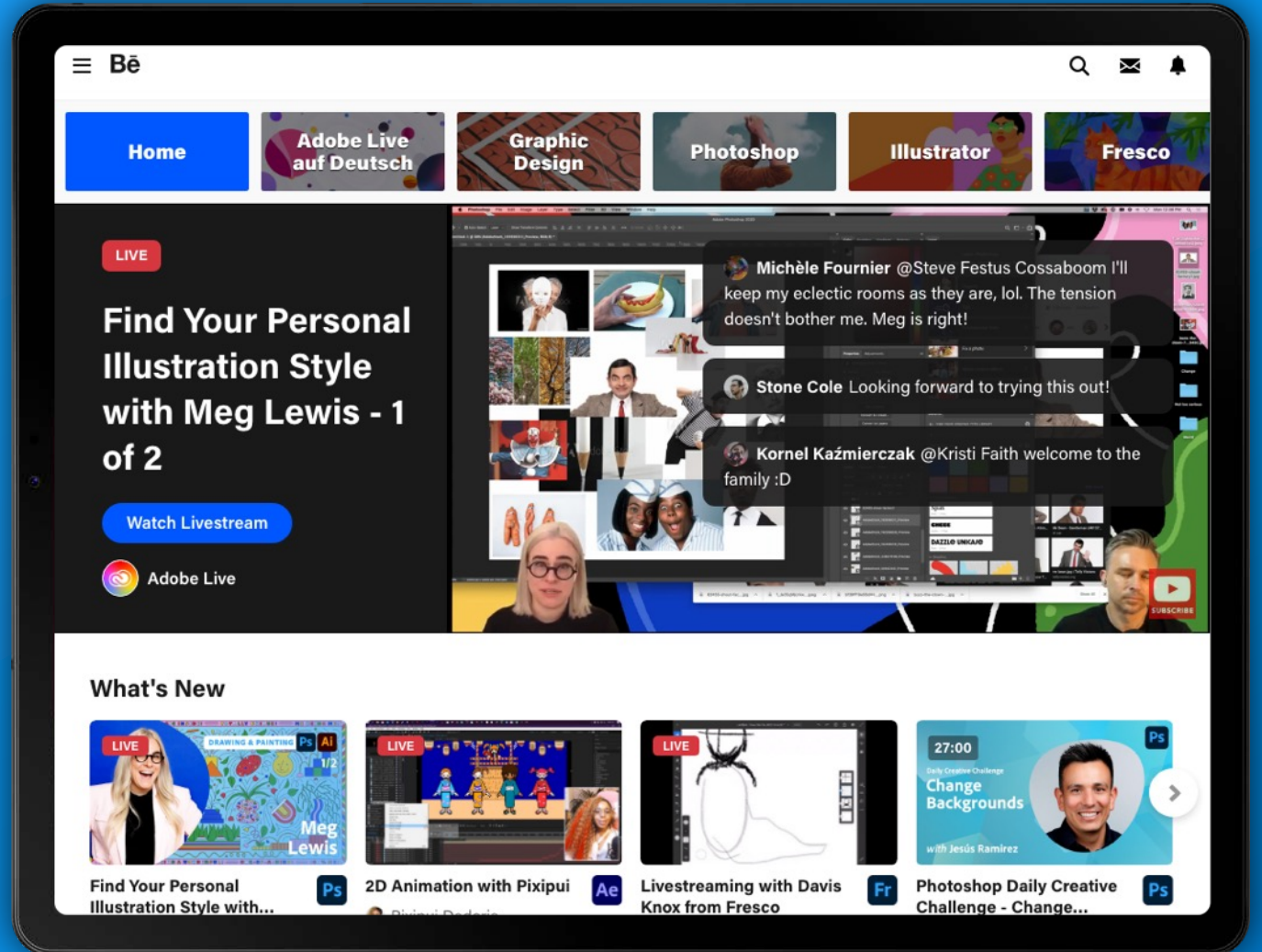
- Adoption of Creative Cloud shared libraries for brand consistency
- Role-based stakeholder “share for review” with Frame.io, Photoshop web and Illustrator web
- Stock and Fonts are core to content creation workflows
- Cloud documents foundational to collaboration across surfaces
- Streamlining creative teamwork with Creative Cloud Canvas and Spaces beta



# Inspire & empower the community through sharing & monetization

## Drive acquisition, engagement and retention through a vibrant creative community

- Growth of livestreaming with Adobe Live boosts viral app discovery and inspiration
- Upskilling through in-app learning and community
- Behance is the professional hub for creatives worldwide
- Adobe Stock helps creative professionals monetize their work



# Creative Cloud: audiences & products

Creative professionals

Communicators

Consumers

Students

- Compositing in Photoshop
- Masking in video
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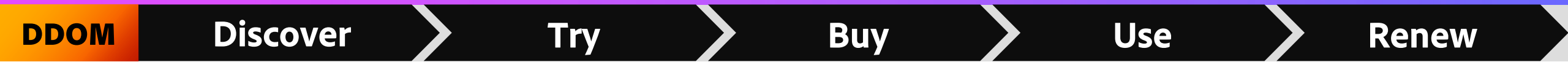
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Convert to PNG	Convert to GIF	
	Crop video	
	Change speed	



# Creative Cloud: activating an expanding customer universe

## Total Potential Users in 2024

**~4B**  
**Consumers**

Hobbyists, Enthusiasts, K-12,  
Social Media Users

**~900M**  
**Communicators**

Students, Marketers,  
Knowledge Workers, Businesses

**~68M**  
**Creative Pros**

### Creative Pros

- Seeking power and precision in creative tooling
- Increasingly engaging across multiple media types and surfaces
- Highly collaborative, especially in new work environment

### Communicators

- Focus on tasks and need to stand out with content-rich communication
- Desire content-first authoring paradigm for ease of use
- Many aspire for more power and precision through CC

### Consumers

- Engage on social media through creative expression
- Interested in fun web and mobile products

Source: Adobe, International Labor Organization; US Bureau of Labor Statistics; Business Software Alliance

# 2024 Creative Cloud Total Addressable Market



2023 Creative Cloud TAM

~\$41B



2024 Creative Cloud TAM

~\$63B

~\$25B

## Creative Professionals

- Continued momentum in creative job growth
- Increasing value through collaboration
- Expanding reach with web-first creative solutions
- Growing adoption of 3D&I
- Growth in Adobe Stock adoption
- Monetization of video collaboration with Frame.io

~\$31B

## Communicators

- Explosive growth in creator economy
- Content-first creation for range of use cases
- Easy-to-use tools for non-pro creators
- Expanding reach with web & mobile creative tools
- Growth in content creation among students, marketers and small businesses

~\$7B

## Consumers

- Addressing needs of photo and video enthusiasts
- Web-based creative tools for range of use cases
- Monetization of mobile offerings
- Creativity as a 21<sup>st</sup> century skill

# Creative Cloud growth drivers



Growth in creative jobs · Rise of the Creator Economy · Increase in consumer photo & video

Focus on 21st century skills in education · Increasing demand for 3D & immersive · Consistently high new user demand

Data-driven operating model · Digital journey optimization · Product led growth

Frictionless onboarding through Quick Actions · Strategic partnerships · Upsell opportunities

Global Expansion · Engagement & retention activities · Large and growing community · Genuine software programs

# Document Cloud



# Market landscape: digital documents core to future of work



PDF is the format for unstructured data

AI & ML enabling document intelligence

PDF related search terms exploding

Productivity enabled through mobile & web

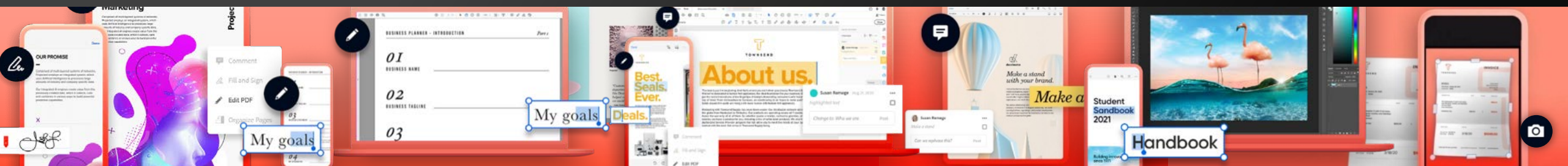
Businesses are modernizing document workflows

APIs enable custom workflow development

E-signature increasingly integrated into document creation

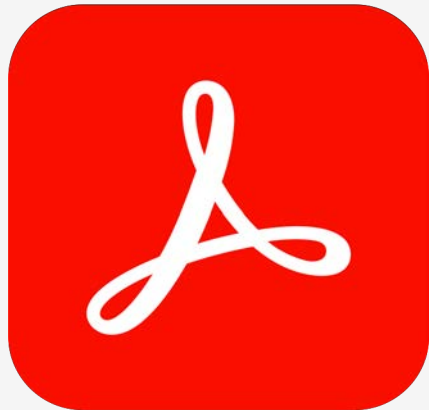
Companies are investing in sustainability

Organizations increasing content accessibility





# Document Cloud business momentum



**>100%**

Y/Y growth of Web  
Monthly Active Users

**>85%**

Y/Y growth of Adobe Sign  
transactions in Acrobat

**>100M**

New free & paid sign  
ups in last 12 months

**>150M**

Installs of Acrobat extension  
for Google Chrome

**>400M**

Liquid Mode files processed  
in last 12 months

**>2.5B**

Mobile + Desktop devices with  
Reader or Acrobat installed

**>320B**

PDFs opened or created in  
DC apps in last 12 months

**Trillions**

PDFs in email, cloud & web

Source: Adobe, as of Q4 FY 2021

# Document Cloud strategy

Deliver task-based document verbs to satisfy explosive organic demand

Adobe Acrobat DC PDF software | Adobe Acrobat

More than five million organizations around the world rely on Acrobat DC to create and edit PDFs, convert them to Microsoft Office formats, and so much more. When you're working remotely and need tools that empower collaboration and help you keep business moving, use Acrobat DC — and go make it happen.

- Convert
- Edit
- Share
- Sign

Proliferate e-signatures by integrating into Acrobat across all surfaces

Contract

From: Erik

Contractor will NOT have access and contrib...

42. Other, \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have execut...

Owner Signature

Owner Representative Signature

Contractor Signature

Contractor Representative Signature

Click here to sign

Drive Acrobat innovation with Liquid Mode & Sensei-powered intelligence

Metal Fabrication

only be built by another Bodea production line system, the Bodea Automater GS2000. As an internationally recognized manufacturer of equipment, there is no better turnkey production and machinery for manufacturing systems. This innovative manufacturing technology has been unsurpassed for centuries

Bodea provides its partners and authorized facilities with solutions, products, and services throughout the entire lifecycle chain, including and/or semiautomatic machinery, testing modules, design specifications, certifications, training and certification transfer, and personalized solutions.

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Bodea provides its partners and authorized facilities with solutions, products, and services throughout the entire lifecycle chain, including and/or semiautomatic machinery, testing modules, design specifications, certifications, training and certification transfer, and

JSON

Unlock business workflows through PDF & Adobe Sign APIs

```
// Create an ExecutionContext using credentials
const executionContext = PDFToolsSdk.Execution.
createPdfOperation = PDFToolsSdk.CreatePDF.Oper

// Set operation input from a source file
const input = PDFToolsSdk.FileRef.createFrom.ex
createPdfOperation.setInput(input);
```

- Process automation
- Systems of record
- Natural language processing
- Content republishing

Leverage diversified Adobe and partner GTM motions to reach all segments

Adobe Sign

Fill & Sign

You have signed the document.

To download the signed document, please click on 'Save a Copy'.

# Deliver task-based document verbs to satisfy explosive organic demand

## Capitalize on the global demand Adobe has created for PDF actions on web and mobile

- 21 PDF frictionless verbs, growing share of voice for 80M+ monthly PDF searches<sup>1</sup>
- Innovative Acrobat browser functionality laid foundation for Chrome extension and Microsoft partnership
- Premium verbs and frictionless onboarding driving paid offering upsell on desktop, web & app stores

1. As of December 2021

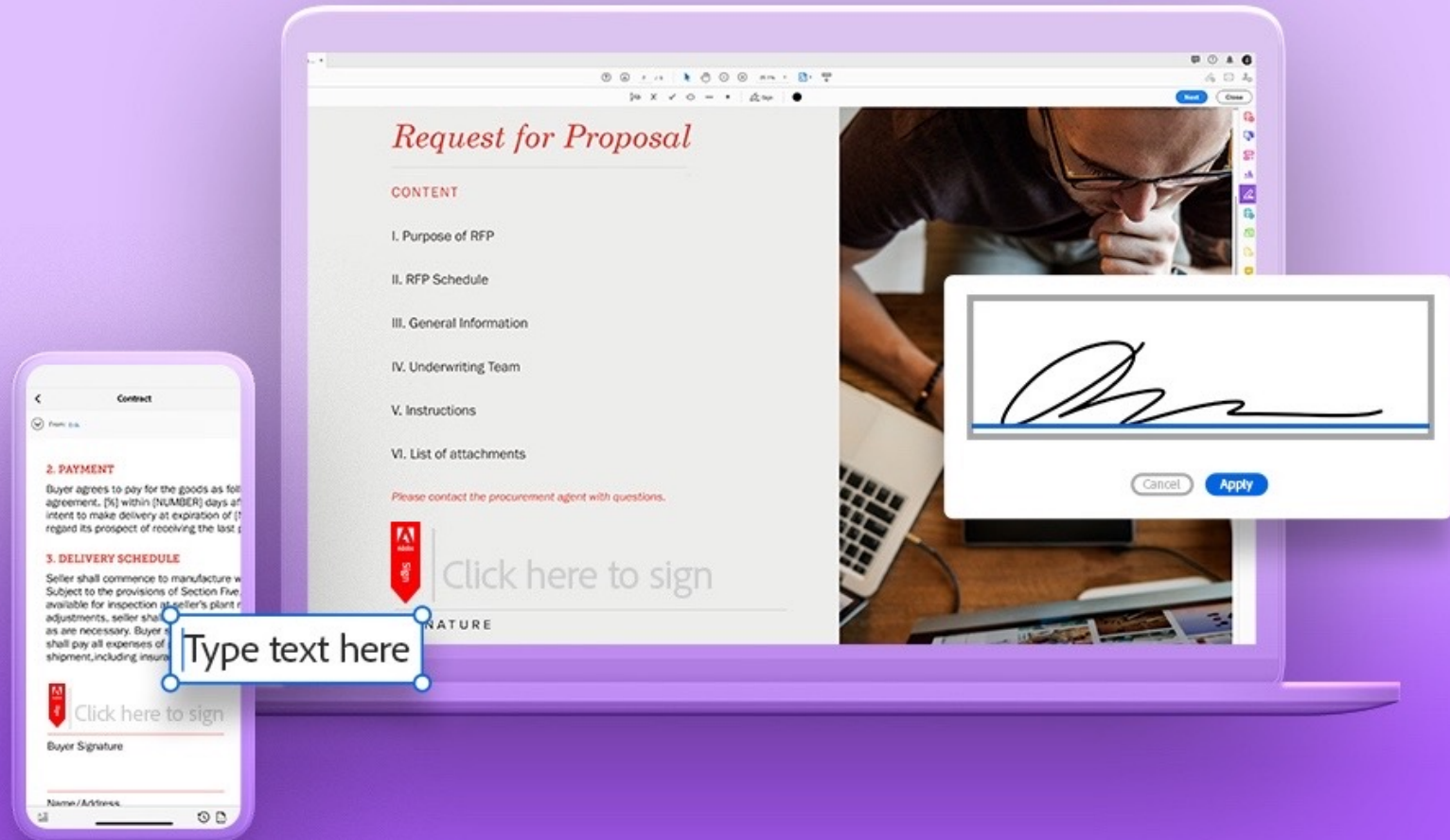
The image displays a screenshot of the Adobe Acrobat browser interface. The top portion shows a document viewer with a red background. A mobile device is overlaid on the left, displaying a PDF with the text "Best. Seals. Ever. Deals." and a comment bubble. The main document viewer shows a page titled "About us." with a comment from Susan Ramage dated August 21, 2020, containing highlighted text and a "Change to: Who we are." button. A menu is open over the document, listing actions: Comment, Fill and Sign, Edit PDF, and Organize Pages. Below the document viewer, a white section titled "Make great work happen from anywhere" features a grid of eight tool cards, each with a "Try now" button:

- Convert to PDF**: Turn almost any file into a PDF
- PDF to JPG**: Convert a PDF to JPG or other image formats
- Edit PDF**: Add notes, highlights, and other annotations
- Compress PDF**: Reduce the size of your PDF for easier sharing
- Rotate PDF Pages**: Rotate pages to portrait or landscape mode
- Delete PDF Pages**: Remove pages from your PDF
- Reorder PDF Pages**: Rearrange pages in your PDF
- Fill & Sign**: Complete a form and add your signature

# Proliferate e-signatures by integrating into Acrobat across all surfaces

## Bring e-signatures to where agreements live to accelerate business automation and productivity

- Users want single integrated solution to create documents, sign them and collect signatures
- Driving rapid adoption of Adobe Sign in Acrobat and Reader
- Expanding offerings and making Adobe Sign native in Acrobat to drive discovery and growth



# Drive Acrobat innovation with Liquid Mode & Sensei-powered intelligence

## Unlock data and deliver transformative reading experiences with AI & ML

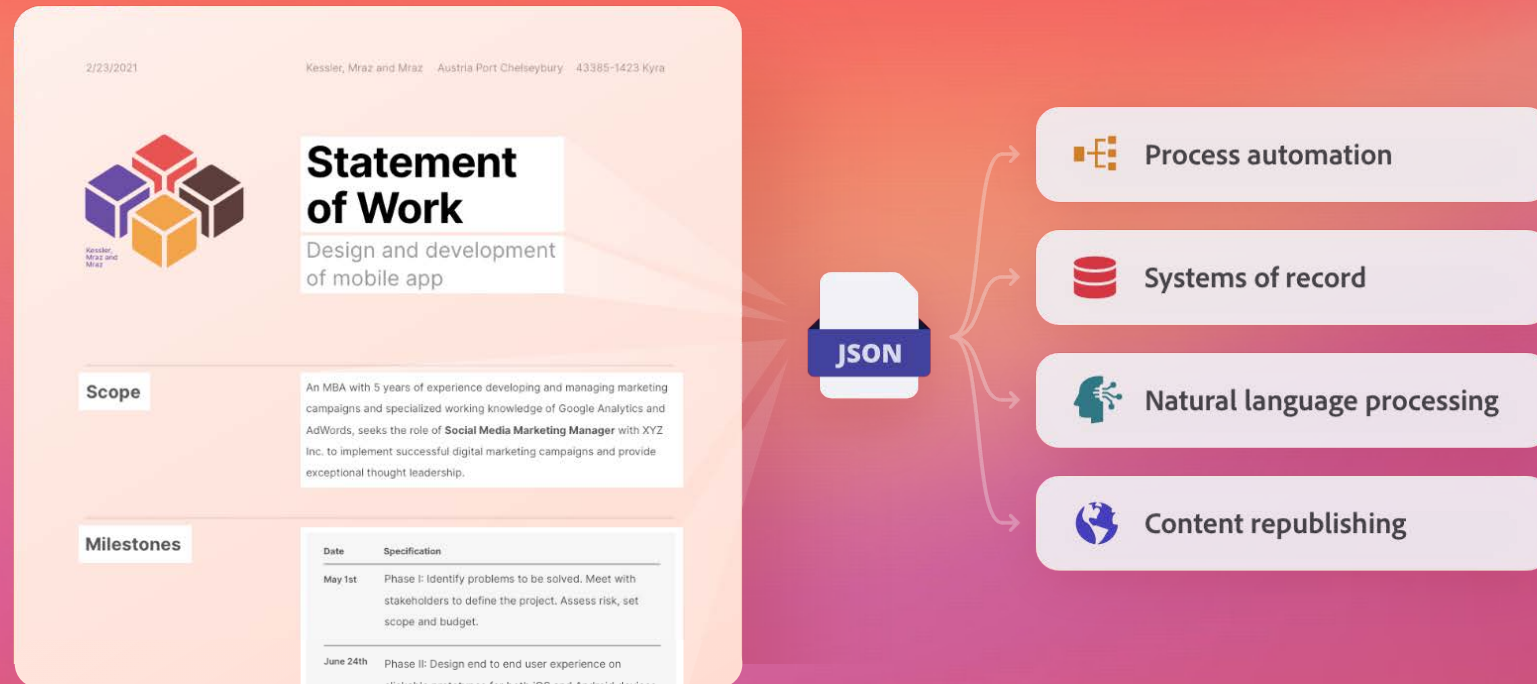
- Mobile viewing: Sensei-powered Liquid Mode is becoming default experience
- Document productivity: Industry-leading PDF search & form field detection
- Unstructured data: Extract functionality lets businesses & developers pull data & meaning from documents



# Unlock business workflows through PDF & Adobe Sign APIs

## Underpin growth in document workflows and automation with PDF

- Imperative for businesses to improve efficiency, employee, and customer experience by automating manual, repetitive workflows
- PDF, Adobe Sign APIs enable developers to easily access and build powerful document workflows (Create PDF, Protect PDF, Send for Signature)
- Expanded integrations with low-code & no-code platforms & line of business apps



# Leverage diversified Adobe & partner GTM motions to reach all segments

## Grow Acrobat via every route to market






















- Freemium Reader model continues to drive Acrobat growth
- Adobe.com optimized for SMB and individuals
- Adobe Scan, Acrobat web & mobile drive new user adoption
- Microsoft and Google partnerships expand reach of Acrobat and Adobe Sign
- Joint GTM with Experience Cloud for large enterprises

The image is a composite of three overlapping screenshots. The top-left screenshot shows the Google Drive interface with a file named 'NDA - December v02' selected, and a context menu open showing options like 'Preview', 'Open with', 'Share', and 'Download'. The 'Open with' menu is expanded to show 'Google Docs' and 'Adobe Acrobat for Google Drive'. The bottom-left screenshot shows the Microsoft Word Online interface for a document titled 'Global Corp Nondisclosure Agree...'. The ribbon includes 'FILE', 'HOME', 'INSERT', 'PAGE LAYOUT', 'REVIEW', 'VIEW', and 'EDIT IN WORD'. The 'ADobe Sign' tab is active, showing options like 'Fill and Sign', 'Send for Signature', and 'Agreement Status'. The bottom-right screenshot shows the Adobe Sign 'Fill & Sign' overlay, which includes a document icon with a checkmark and the text: 'You have signed the document. To download the signed document, please click on 'Save a Copy'.'

# Adobe Document Cloud

Accelerating document productivity through Acrobat

## PDF web services

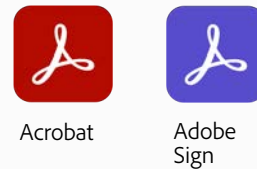
- |  |  |
|--|--|
|  Convert to PDF      |  JPG to PDF           |
|  Word to PDF         |  PDF to Word          |
|  PPT to PDF          |  PDF to PPT           |
|  Excel to PDF        |  PDF to Excel         |
|  PDF to JPG          |  Reorder PDF Pages    |
|  Edit PDF            |  Compress PDF         |
|  Rotate PDF Pages    |  Merge PDFs           |
|  Delete PDF Pages   |  Split PDF           |
|  Extract PDF Pages |  Request Signatures |
|  Insert PDF Pages  |  Fill & Sign        |
|  |  Protect PDF        |

## Apps

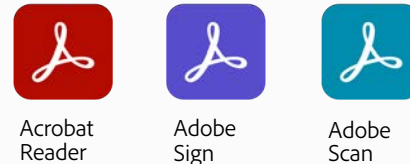
### Desktop



### Web



### Mobile



## Document services through APIs

ISVs, SIs, Enterprise & Developers

 API Access to Embeddable Acrobat Viewer

 API Access to PDF Services & Adobe Sign

## Document Cloud platform innovation

- Liquid Mode on mobile
- Form field detection
- Contract intelligence & data extraction
- ML authoring for Adobe Sign
- Reflowable editing with AI
- Smart find in Acrobat



# Document Cloud: audiences & products

Knowledge workers

Communicators

Line of Business & IT; developers

- Acrobat
- Download Reader
- Sign a PDF
- Scan an invoice
- Send a secure contract
- Edit a PDF
- Compress a PDF

**Desktop Apps**

- Acrobat Reader
- Acrobat Standard
- Acrobat Pro

**Mobile Apps**

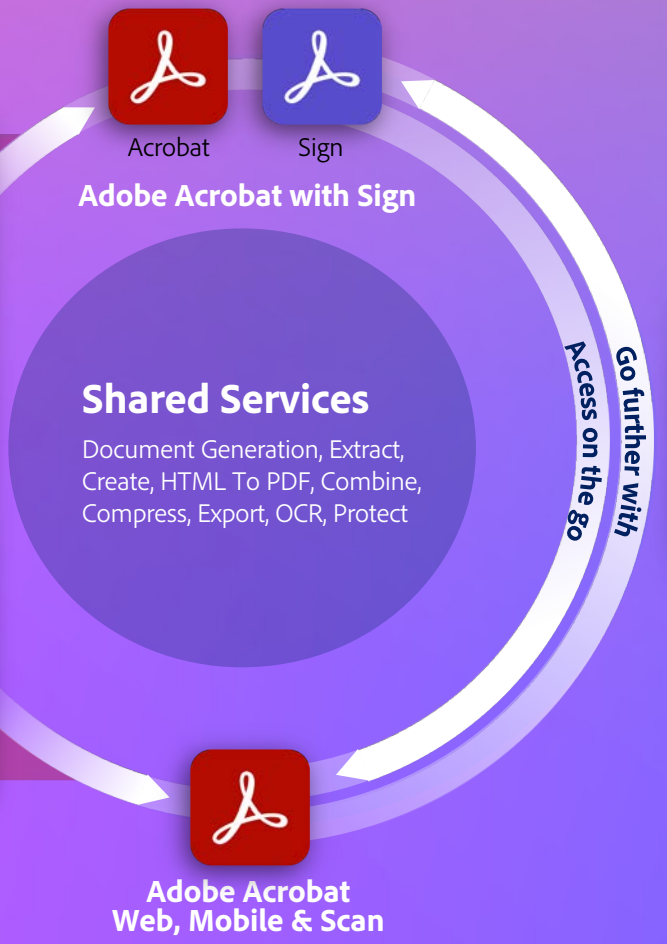
- Acrobat Reader
- Adobe Sign
- Adobe Scan

**Web Quick Actions**

**Compress PDF**

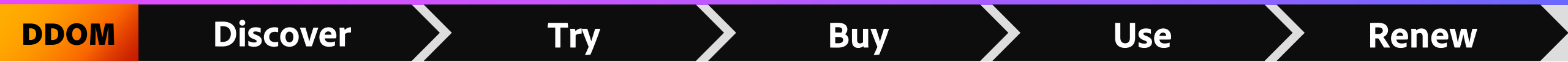
Recent Documents My computer

Drag and drop your file  
Add a file from your device



**Adobe PDF & e-sign APIs**

- </ Create PDF from URL >
- </ Extract PDF Content & Structure >
- </ Send for signing >
- </ Check Signature Status >



# Document Cloud: activating a broader universe

**Trillions**  
of PDFs

**~3B**  
Reader & Acrobat Users

**~900M**  
Communicators

**~131M**  
Knowledge  
Workers

## Acrobat ecosystem

- Essential value for remote and hybrid work
- Easy onboarding through mobile and web quick actions
- Integrated collaboration and e-signature workflows
- Broader opportunity through enterprise & global focus
- Migration to subscription drives continued growth

## E-signature & embedded PDF services

- Essential value for remote and hybrid work
- Broader opportunity through emerging market growth
- Enable document automation and workflow solutions with Acrobat & Adobe Sign APIs

Source: Adobe, IDC, International Labor Organization; U.S. Bureau of Labor Statistics; Business Software Alliance

# 2024 Document Cloud Total Addressable Market



2023 Document Cloud TAM

~\$21B



2024 Document Cloud TAM

~\$32B

~\$10B

## Knowledge Workers

- High frequency & industry-specific use cases
- Expanded reach with Acrobat verbs
- E-signature for business users integrated in Acrobat
- Sharing for commenting and review
- Business & enterprise adoption and growth

~\$8B

## Communicators

- Expanding use of PDF for business, personal and education tasks
- Web & mobile use cases
- Frictionless free-to-paid conversion
- E-signature for individuals integrated in Acrobat

~\$14B

## Document Services & APIs

- Document workflows and process automation
- Acrobat and e-signature solutions & APIs
- Seamless integration with line of business apps
- Market expansion driven by remote/hybrid work and emerging market growth

# Adobe Document Cloud growth drivers



Importance of remote & hybrid work · Growing number of small businesses · Transition from paper to digital

Increasing number of PDF related searches · Frictionless onboarding with web & mobile apps

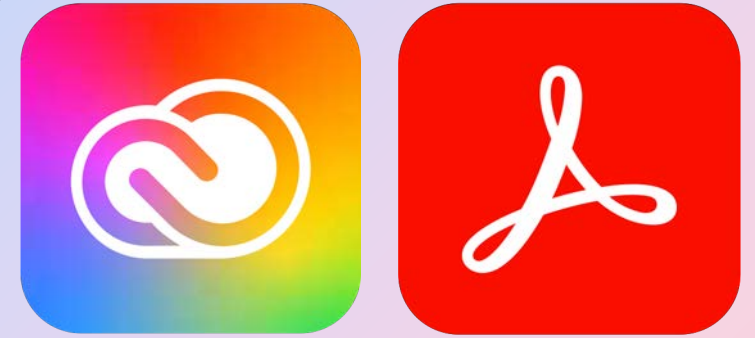
Modernization of business workflows · Velocity of e-signature usage in Acrobat

Data-driven operating model · Digital journey optimization

Conversion, engagement & retention optimization · Microsoft partnership · Continued Acrobat subscription migration

# Digital Media summary

- Content creation exploding with rise of creator economy
- High-impact content essential for business
- Collaboration an imperative for creatives
- Web and mobile surfaces essential to content creation
- E-signatures going mainstream with Acrobat integration
- Developer adoption of Adobe PDF & Adobe Sign APIs
- Smart Adobe PDFs differentiate Document Cloud



**~\$95B TAM**

**DDOM + Product Led Growth**



# Financial Summary & Growth Strategy

Dan Durn | EVP & CFO

December 16, 2021



# Q4 and Fiscal 2021 Financial Summary

# Q4 FY 2021 financial results

Total Adobe revenue	\$4.11 billion (20% Y/Y growth)	
Digital Media ARR	\$571 million of net new ARR	
Digital Media segment revenue	\$3.01 billion (21% Y/Y growth)	
Digital Experience segment revenue	\$1.01 billion (23% Y/Y growth)	
Digital Experience subscription revenue	\$886 million (27% Y/Y growth)	
Earnings per share	GAAP: \$2.57 (-45% Y/Y)	Non-GAAP: \$3.20 (14% Y/Y growth)

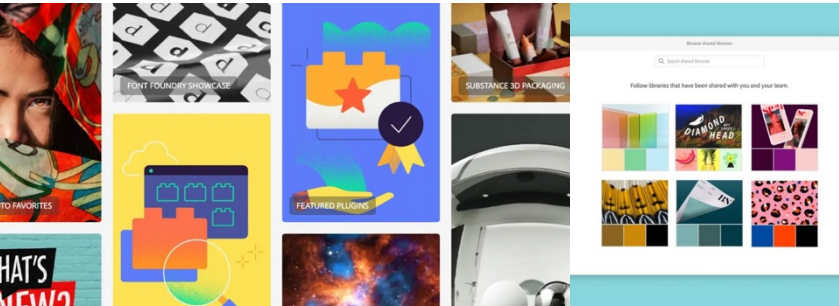
- Generated record \$2.05 billion of cash flows from operations
- Repurchased ~1.6 million shares at cost of \$1.00 billion
- Grew Remaining Performance Obligations (RPO) by 23% Y/Y to \$13.99 billion



# Q4 FY 2021 financial highlights & commentary



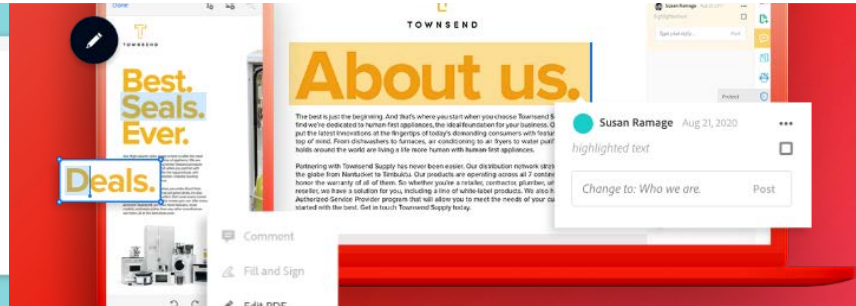
## Adobe Creative Cloud



- \$2.48B revenue (19% Y/Y growth)
- Added \$430M of net new ARR
- \$10.30B ending ARR (17% Y/Y growth)
- Growth drivers:
  - Traffic and acquisition of new users on Adobe.com
  - Strength in the CC Teams offering
  - Traditional Q4 enterprise seasonal strength
  - Focus on co-selling CC Enterprise and Frame.io



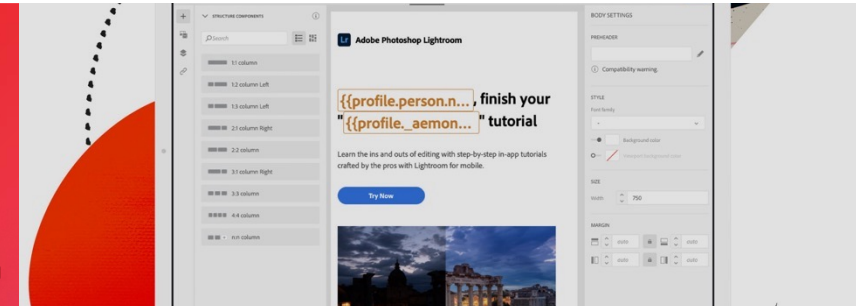
## Adobe Document Cloud



- \$532M revenue (29% Y/Y growth)
- Record \$141M of net new ARR
- \$1.93B ending ARR (31% Y/Y growth)
- Growth drivers:
  - Strong momentum across customer segments, verticals and geographies
  - Web-and mobile-first tools
  - Integration of Sign within Acrobat offering

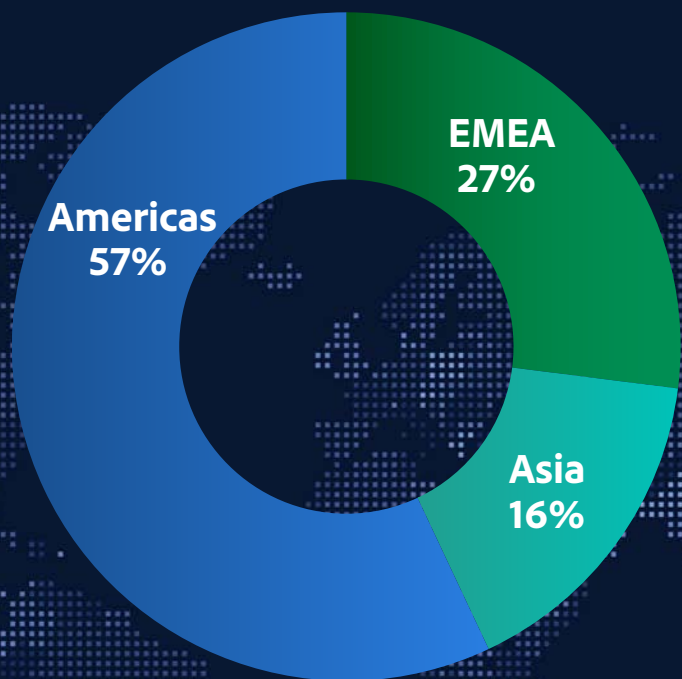


## Adobe Experience Cloud



- \$1.01B revenue (23% Y/Y growth)
- \$886M subscription revenue (27% Y/Y growth)
- Growth drivers:
  - Differentiated real-time customer Experience Platform and app services
  - Momentum in content and commerce, data analytics, customer journey and workflow management
  - Driving customer value realization and cross-sell in customer base

## Q4 FY 2021 results



Q4 revenue by geography

- From a quarter-over-quarter currency perspective, FX decreased revenue by \$19 million. Net of impacts from hedging, currency decrease to revenue was \$7 million.
- From a year-over-year currency perspective, FX increased revenue by \$37 million. Net of impacts from hedging, the year-over-year currency increase to revenue was \$53 million.
- Trade DSO of 42 days
- Q4 FY 2021 effective tax rate of 16% on a GAAP and Non-GAAP basis

# Outstanding FY 2021 financial results

	FY21 Original Targets <sup>1</sup>	FY21 Actual Results	
Total Adobe revenue	~\$15.15 billion <sup>2</sup>	\$15.79 billion	↑ +\$635 million
Digital Media annualized recurring revenue ARR (net new)	~\$1.75 billion	\$1.98 billion	↑ +\$230 million
Digital Media segment revenue	~19% Y/Y growth	25% Y/Y growth	↑ +600 bps
Digital Experience segment revenue	~19% Y/Y growth	24% Y/Y growth	↑ +500 bps
Digital Experience subscription revenue	~22% Y/Y growth	27% Y/Y growth	↑ +500 bps
Earnings per share (GAAP)	~\$8.57	\$10.02	↑ +\$1.45
Earnings per share (Non-GAAP)	~\$11.20	\$12.48	↑ +\$1.28

- Generated record \$7.23 billion of cash flows from operations
- Repurchased ~7.2 million shares at a cost of \$3.87 billion
- Grew Remaining Performance Obligations (RPO) by 23% Y/Y to \$13.99 billion

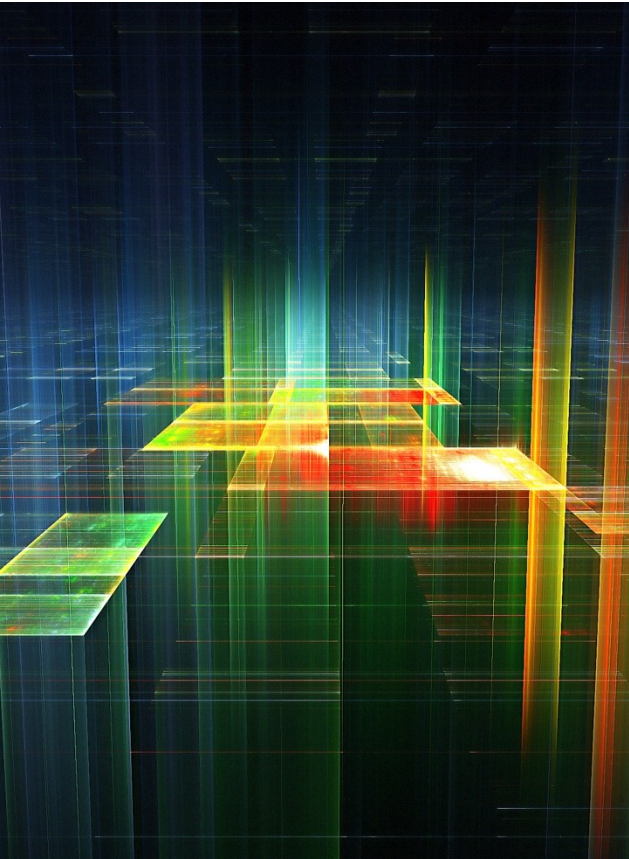
<sup>1</sup> FY 2021 original targets provided on Dec 10, 2020.

<sup>2</sup> Revenue targets were set based on October 2020 foreign exchange ("FX") rates, which for planning purposes assumed to be constant during FY 2021.

Source: Adobe, December 2021

# Adobe is a unique investment opportunity

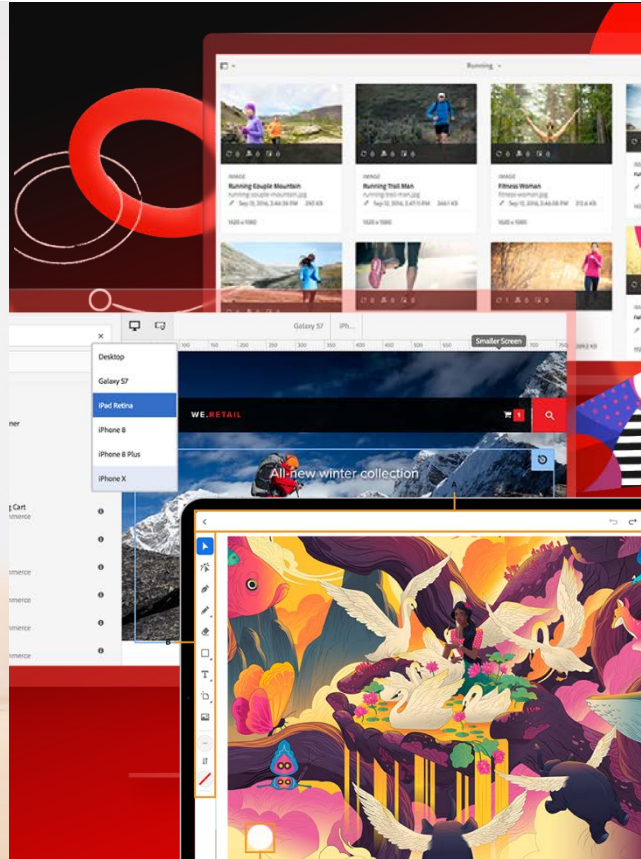
Massive markets



Outstanding financial performance



Products and platforms that create and lead industries



Driving next decade of growth



# Adobe's massive opportunity

## The digitization of *everything*

Democratizing content creation

Enabling work & collaboration

Powering digital businesses

Strong innovation engine

People-first culture

Scaled ecosystem & network effects

Category-defining products & platforms

Expanding customer base

Adobe's Foundation

# Adobe is a unique investment opportunity

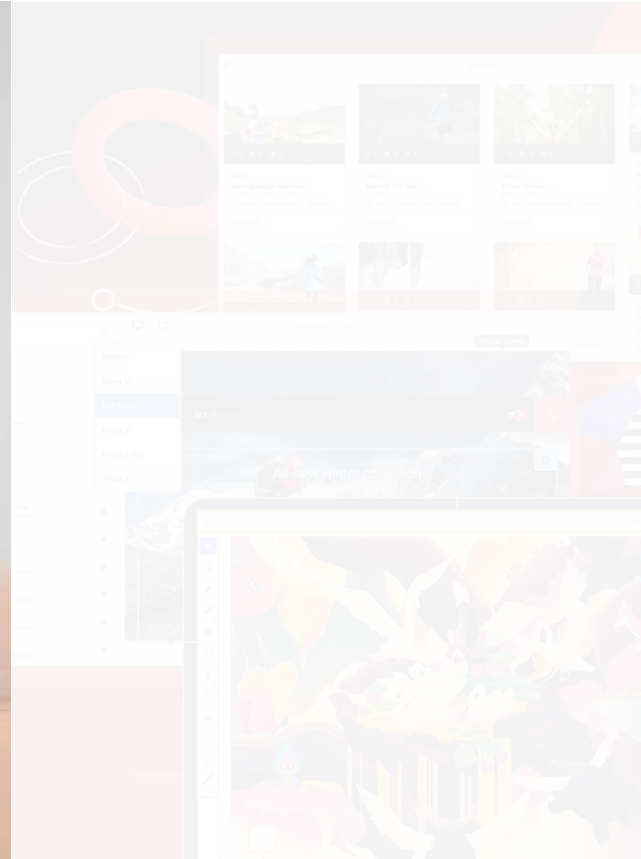
Massive market opportunities



Outstanding financial performance



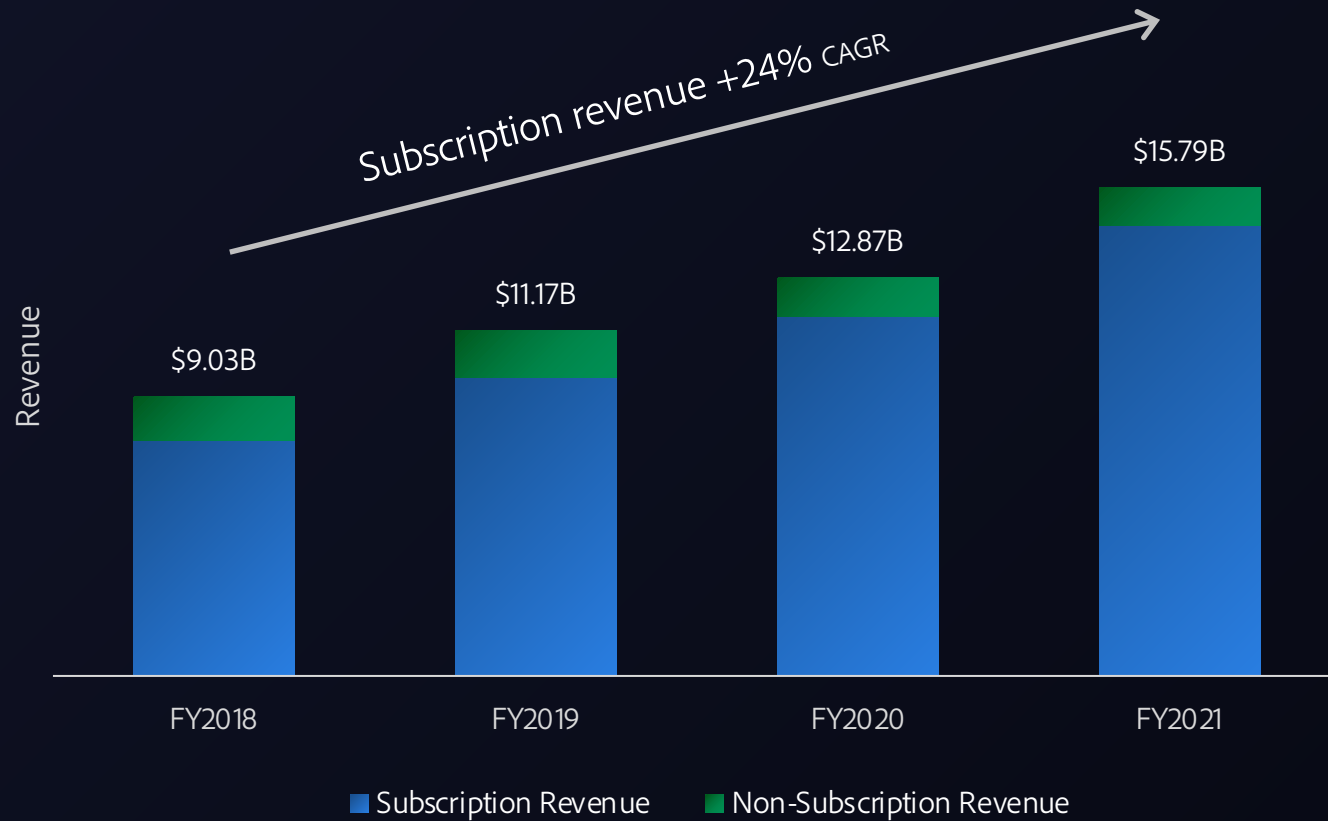
Products and platforms that create and lead industries



Driving next decade of growth



# Delivering strong revenue growth

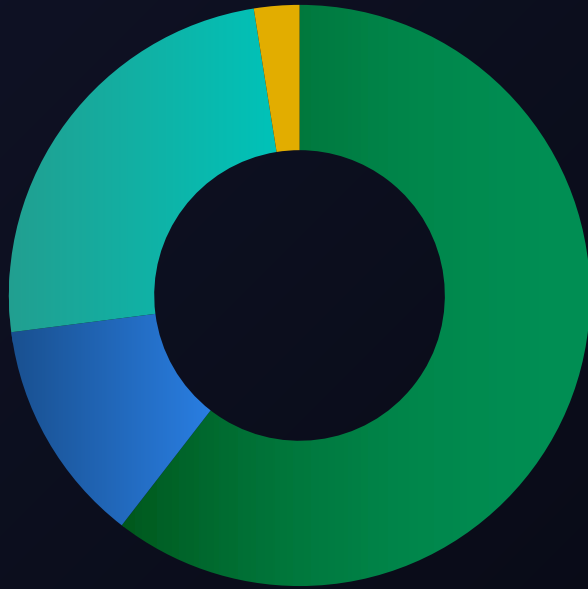


- Proven track record of delivering sustainable growth at scale
  - Total revenue grew ~75% since FY 2018
  - +20% CAGR for total revenue for FY 2018 – FY 2021
  - +24% CAGR for subscription revenue for FY 2018 – FY 2021
- Diversified contribution from portfolio of established and new initiatives

# Diverse sources of revenue

FY 2021

## Business Segments



■ CC ■ DC ■ DX ■ P&A

## Routes to Market



■ Digital ■ Channel ■ Enterprise

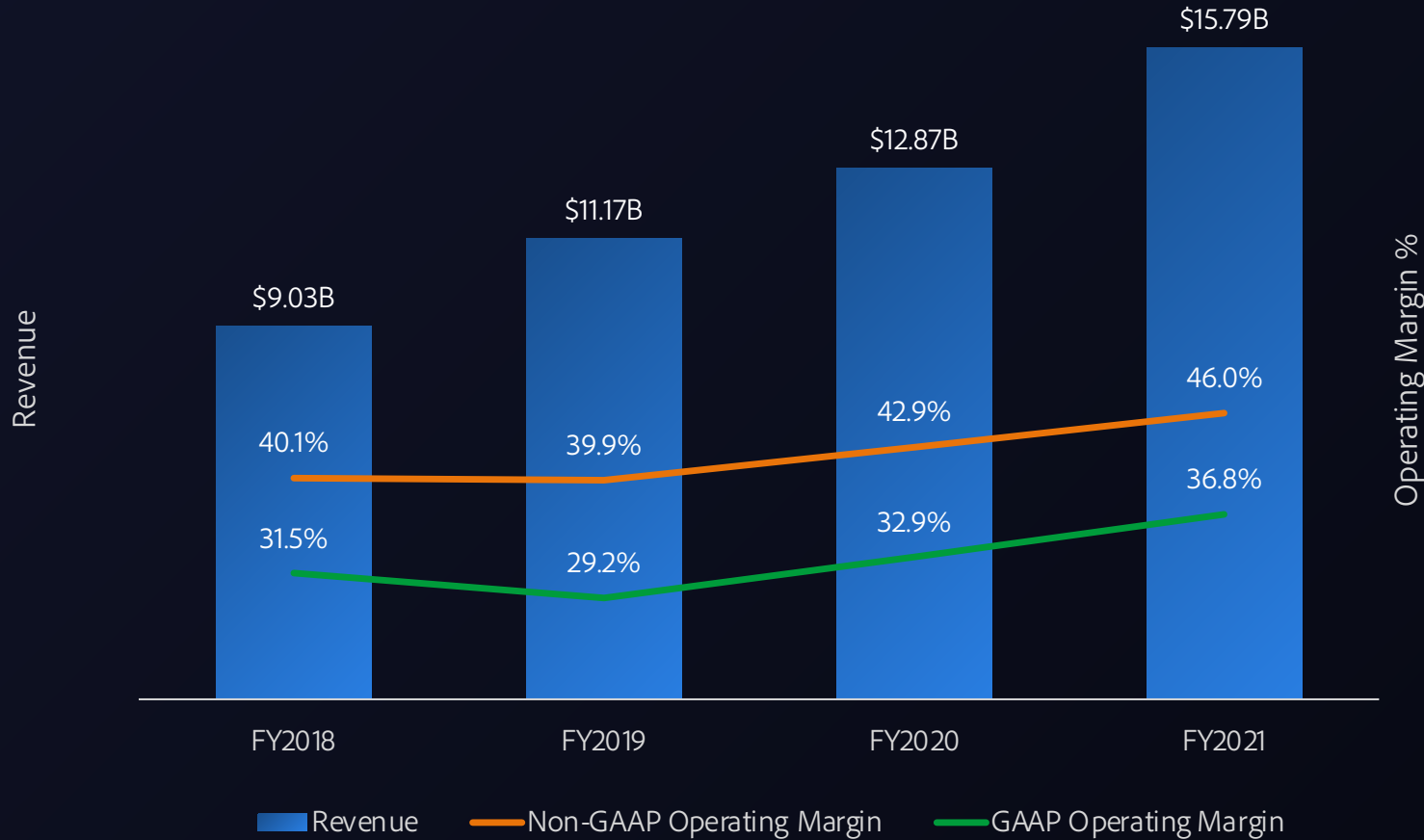
## Geographic Footprint



■ Americas ■ International



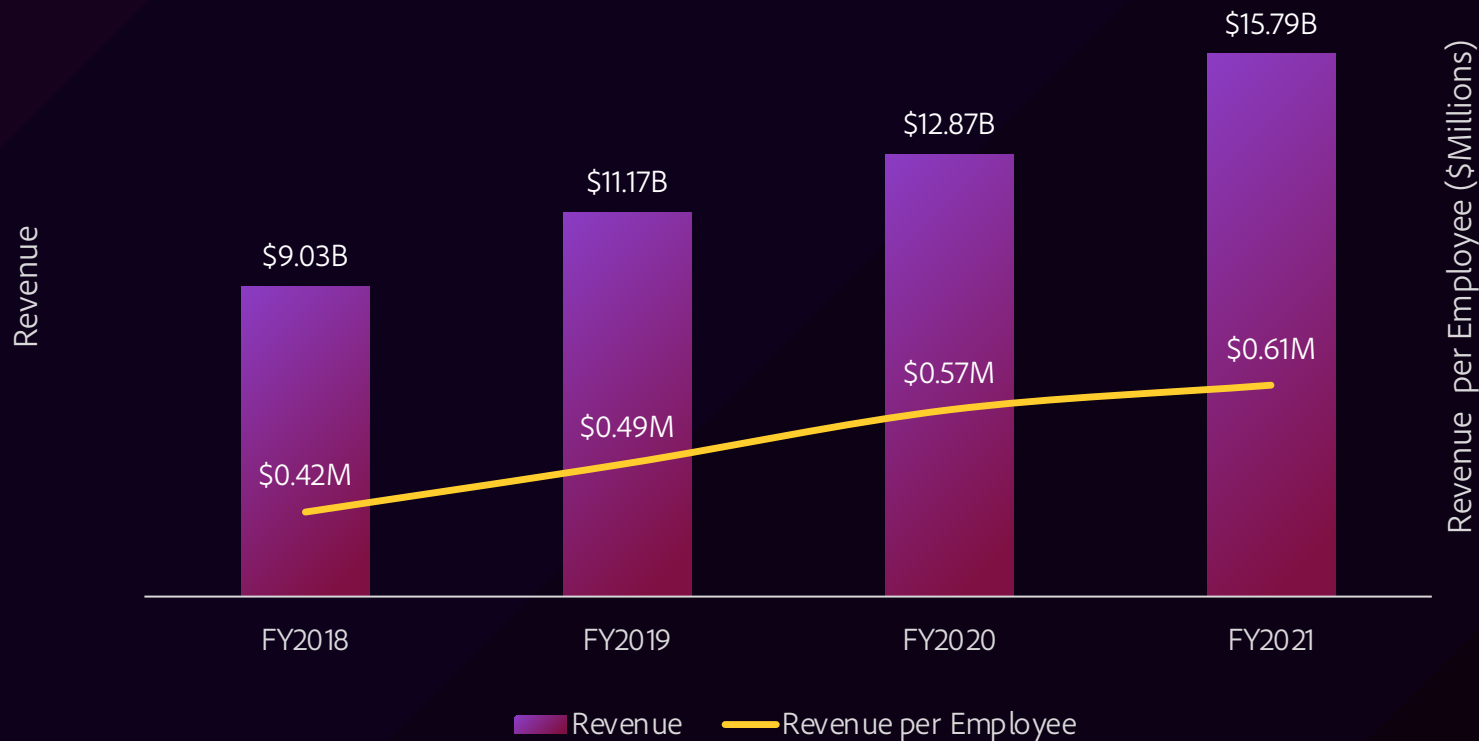
# Operating model drives profitable growth



- Disciplined execution and investment rigor enables balance of long-term investment while driving profitability
- FY 2018 through FY 2021 include integrations of strategic acquisitions including Magento, Marketo, Allegorithmic, Workfront and Frame.io

# Productivity momentum

Revenue per employee: 13% CAGR



- Topline growth combined with expanding productivity, driven by investing in employees and empowering them to do their best work
- Strong returns on headcount investments, with revenue per employee increasing >40% since FY 2018

# Growing book of business

## Remaining performance obligations

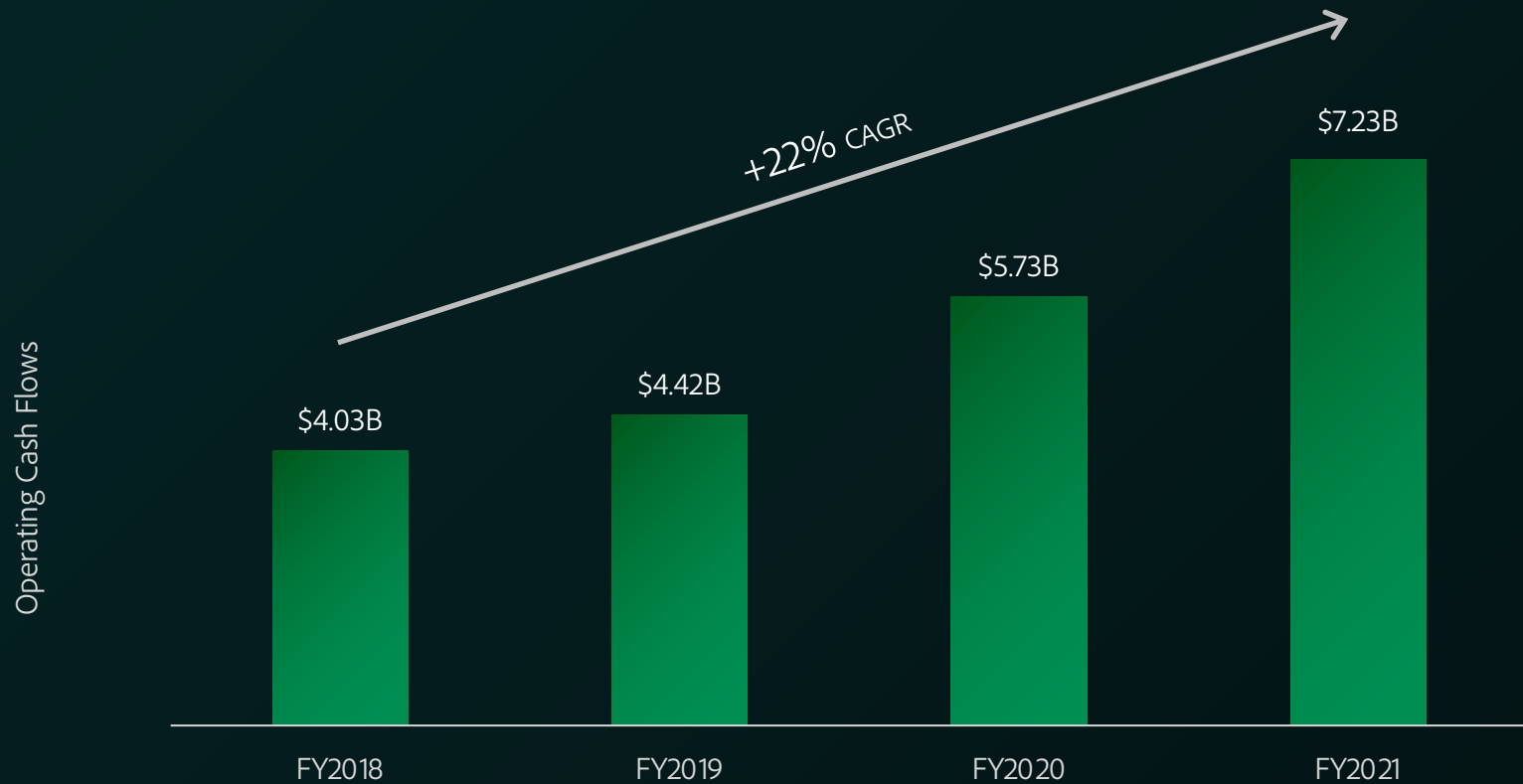


- RPO reflects contractually committed future revenues, driving predictable growth
- RPO growth accelerated to 23% Y/Y exiting FY 2021 on the strength of enterprise bookings
- Individual Adobe.com subscriptions billed monthly are included in unbilled backlog based on remaining contract terms

Source: Adobe, December 2021

1. FY 2018 deferred revenue and unbilled backlog amounts were reported based on prior accounting standards in effect for that fiscal year, and thus limit comparability with other fiscal years presented.

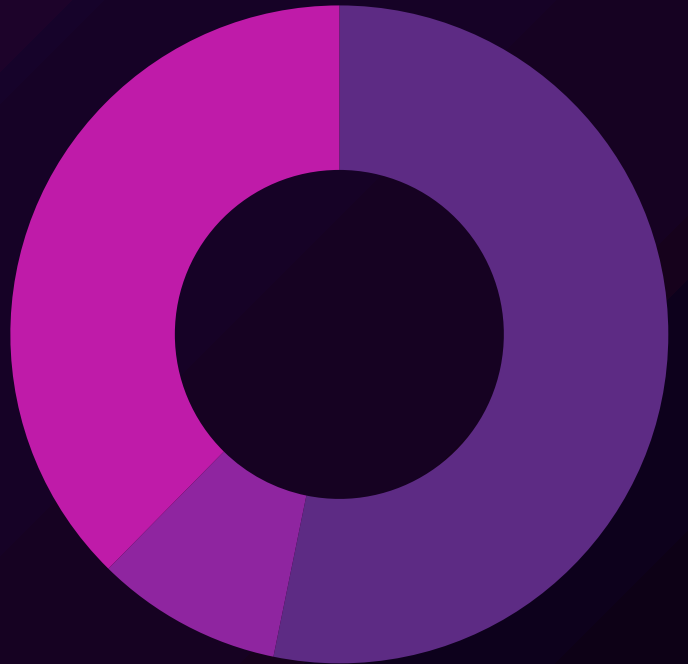
# Profitable growth generates record operating cash flows



- First \$2+ billion operating cash flows (OCF) quarter in Q4 FY 2021
- Generated record OCF of \$7.23 billion in FY 2021

# Strong capital structure

FY 2021 ending liquidity position



■ Cash and Investments ■ Credit Facility ■ Debt

MOODY'S  
**A2**

S&P Global  
Ratings

**A+**

## Disciplined financial management

### Strong liquidity position

- Robust cash flows
- \$5.8B in cash and short-term investments
- \$1.0B in undrawn credit facility

### Investment-grade rating

- \$4.1B in debt with balanced maturity profile<sup>1</sup>
- Well positioned to access capital markets
- Ample debt capacity

Source: Adobe, December 2021  
1: Maturities through February 2030

# Disciplined capital allocation

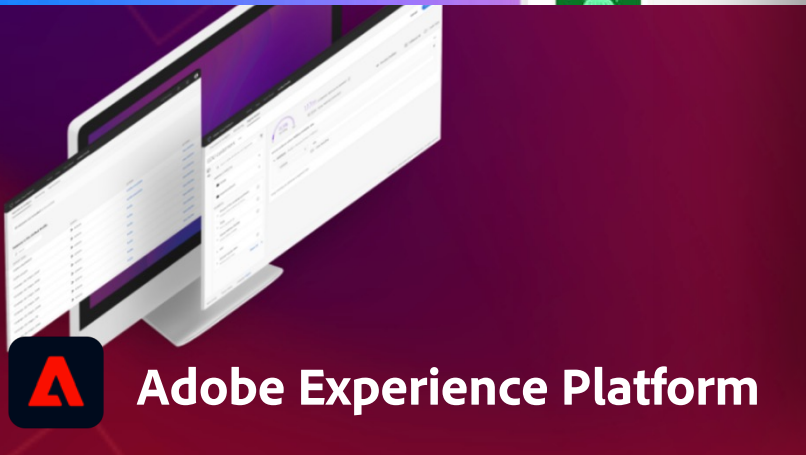
Organic innovation



Strategic acquisitions

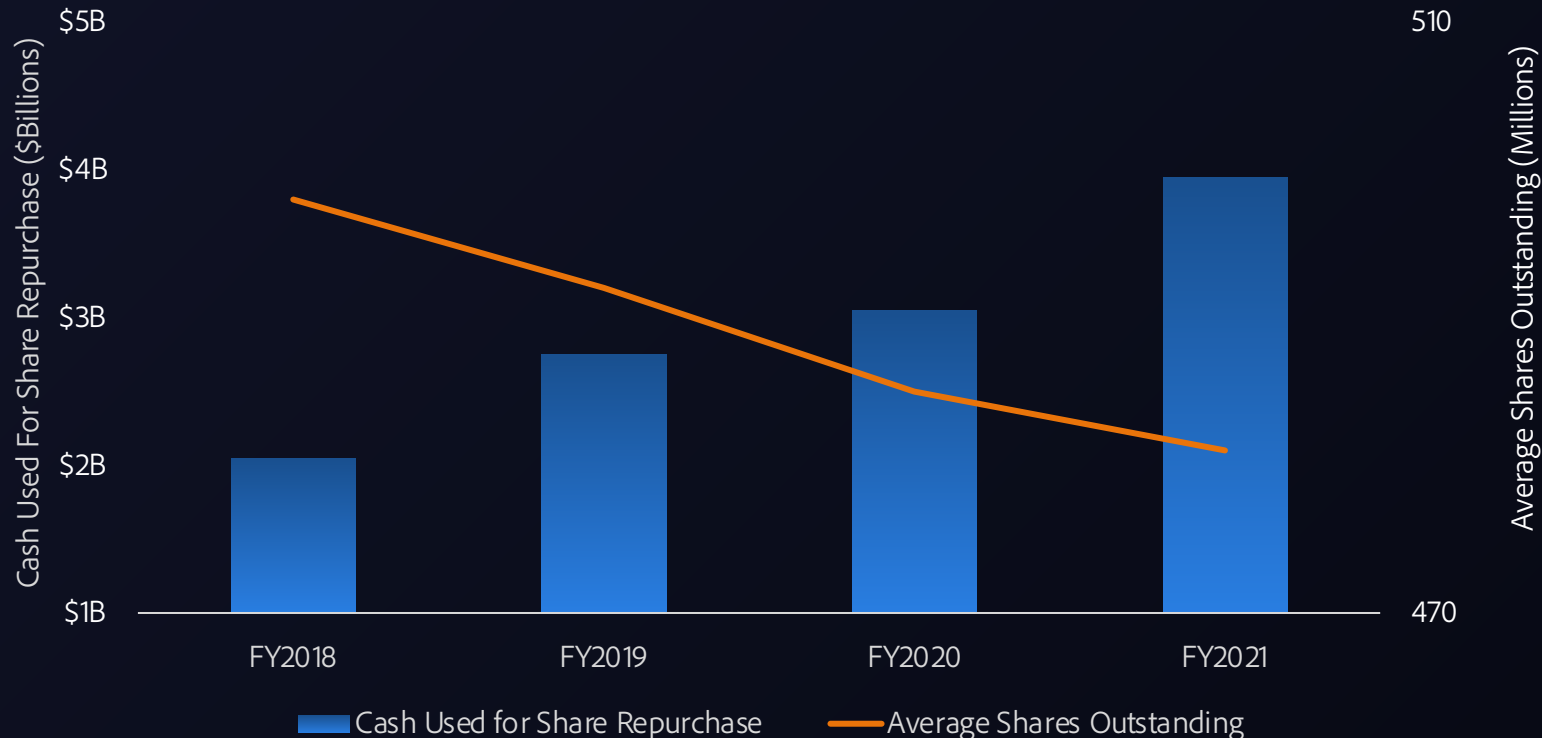


Capital returns to shareholders



# Returning cash to shareholders

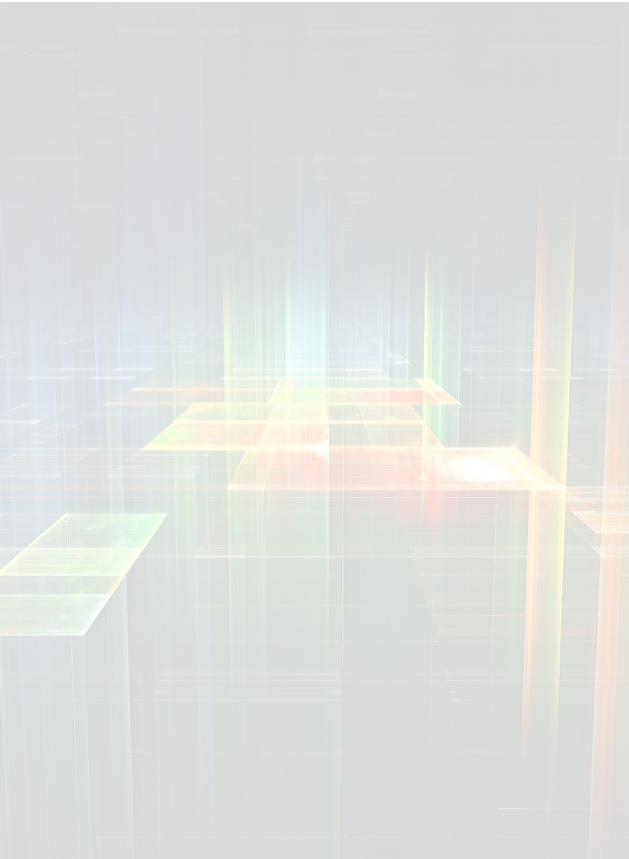
## Stock repurchase program



- ~\$12 billion used for share repurchase since FY 2018
- \$15B repurchase authority extends through the end of fiscal 2024
  - \$13.1 billion remaining
  - Accelerating pace of repurchases
- Repurchased ~7.2 million shares during FY 2021 at a cost of \$3.87 billion

# Adobe is a unique investment opportunity

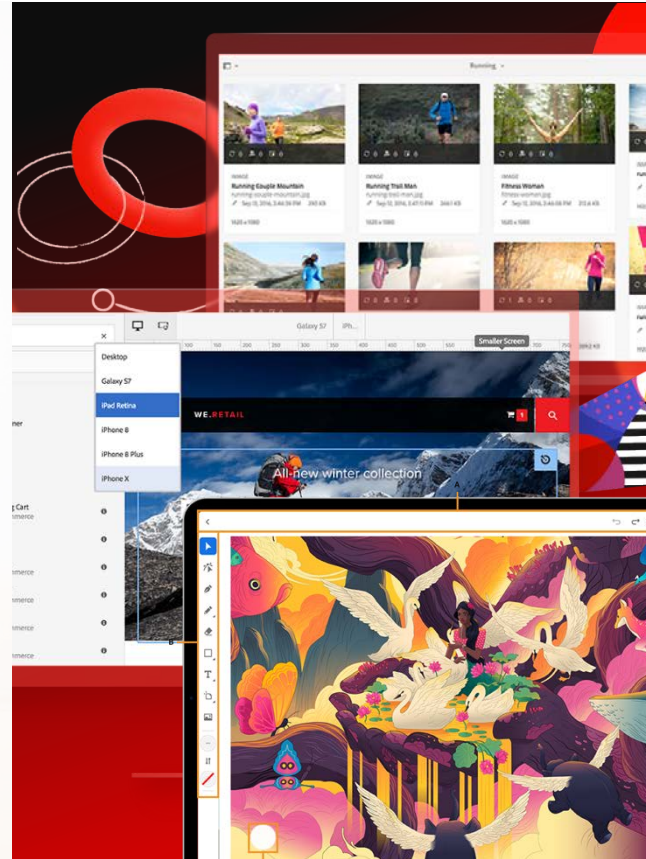
Massive market opportunities



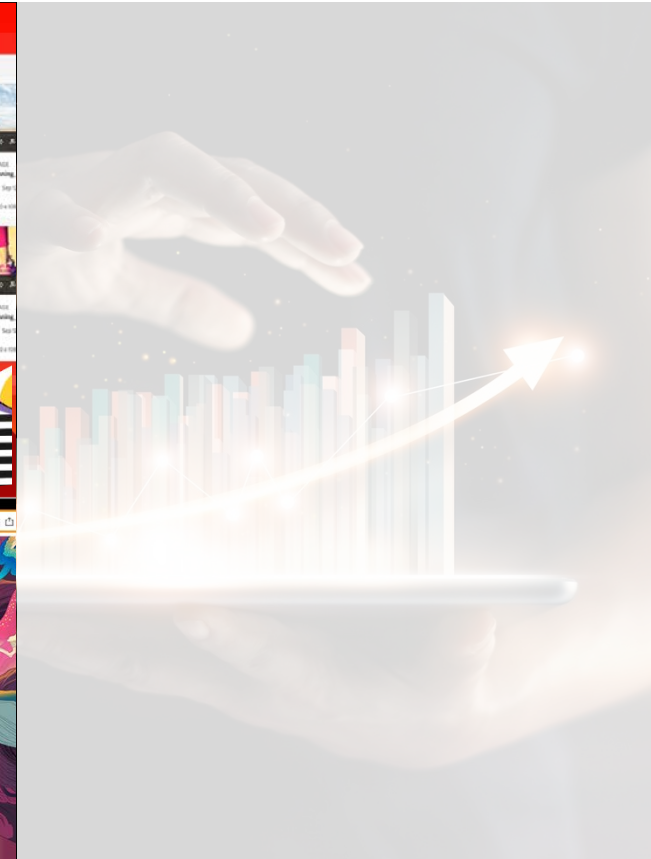
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Products and platforms that create and lead industries



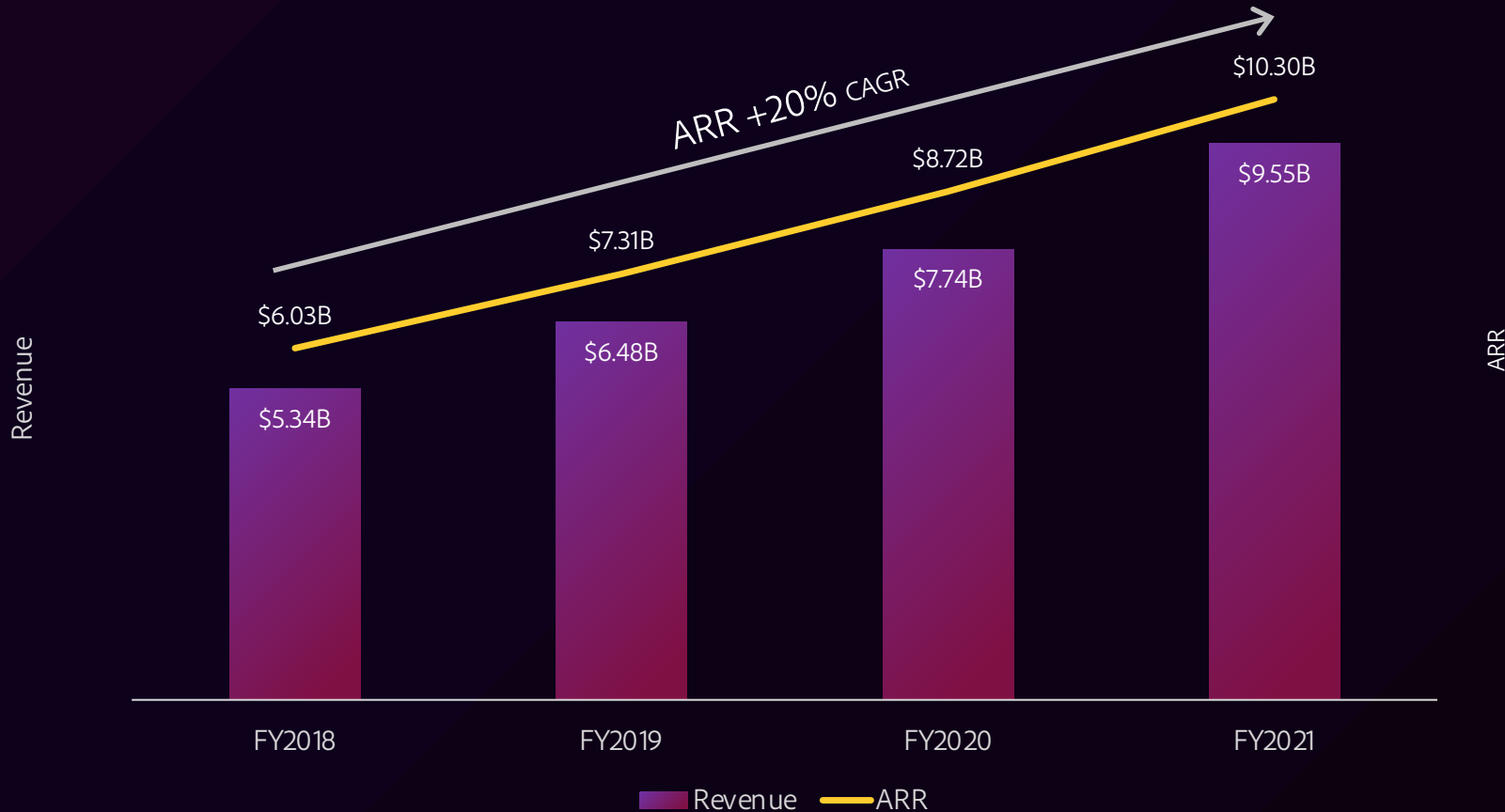
Driving next decade of growth





# Creative Cloud business momentum

## ARR & Revenue



- Sustained ARR and revenue growth, driven by:
  - Innovative, comprehensive and industry-defining portfolio of products
  - Marketing campaigns to generate awareness and drive traffic to Adobe.com
  - Creating adoption journeys for customers that connect and empower them to do more with services like Adobe Stock, cloud libraries and collaboration features
- With the addition of Creative Cloud Express and Frame.io, company is reaching new creators and stakeholders to power the world's content

Source: Adobe, December 2021

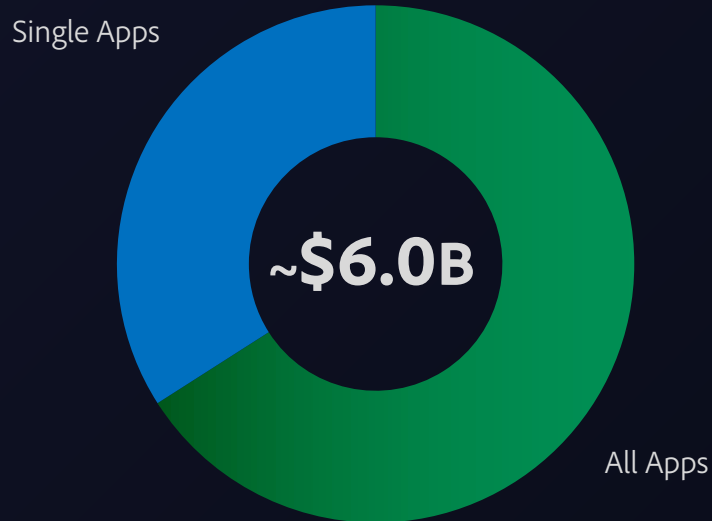


# Creative Cloud business momentum

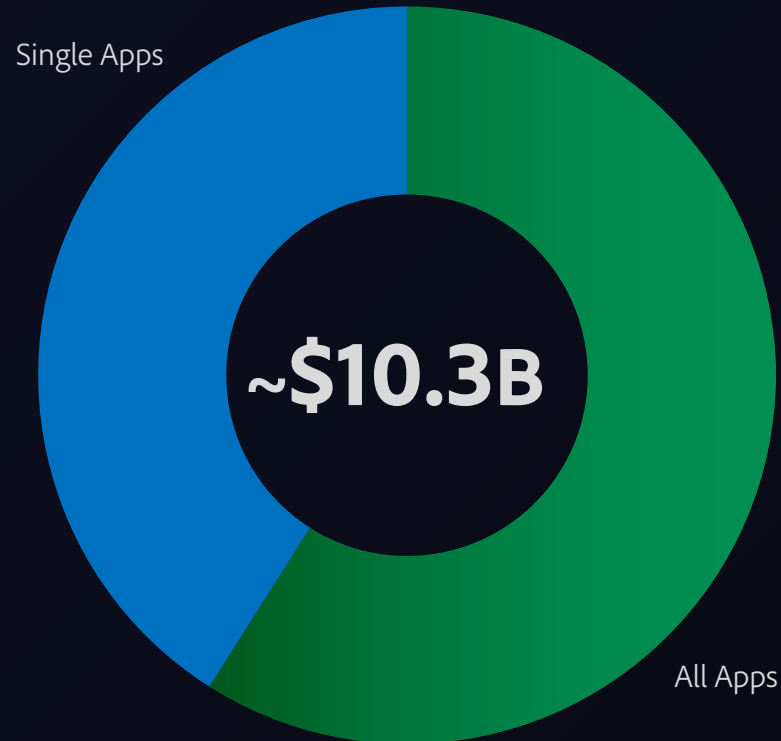
ARR: single app vs. all apps



FY 2018



FY 2021



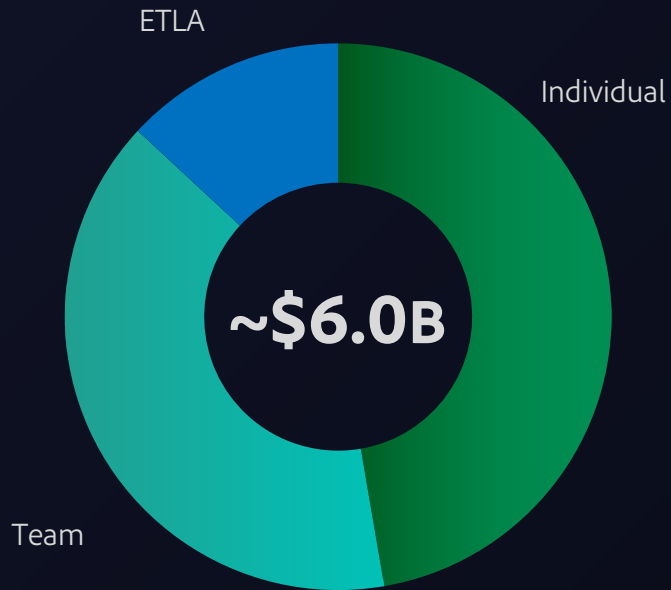
- Most comprehensive offering across every design category and surface
- Single apps and mobile apps are a proven onramp for new customer acquisition and monetization
- Growth driven across all offerings and customer segments, including single apps and all apps

# Creative Cloud business momentum

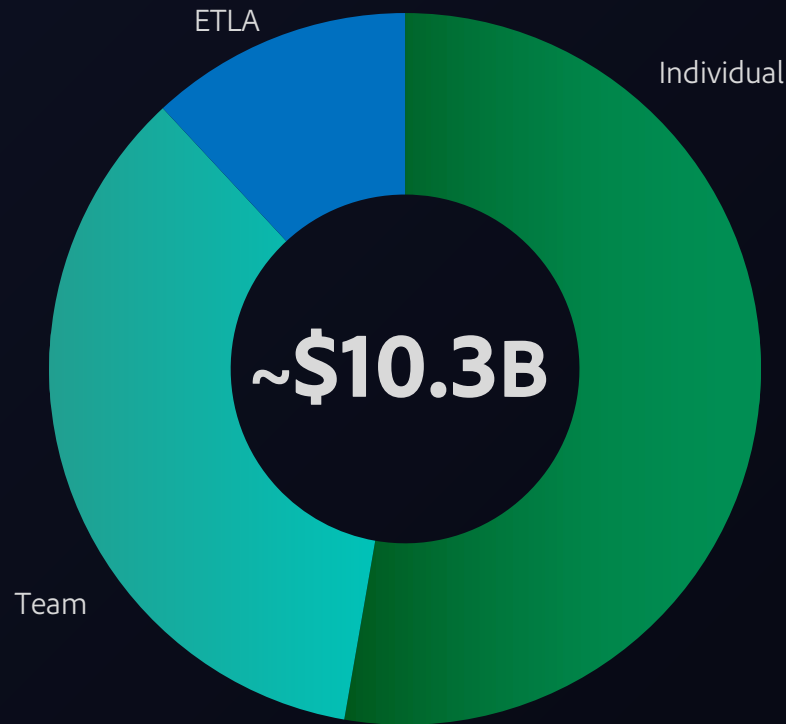
ARR by offering



FY 2018



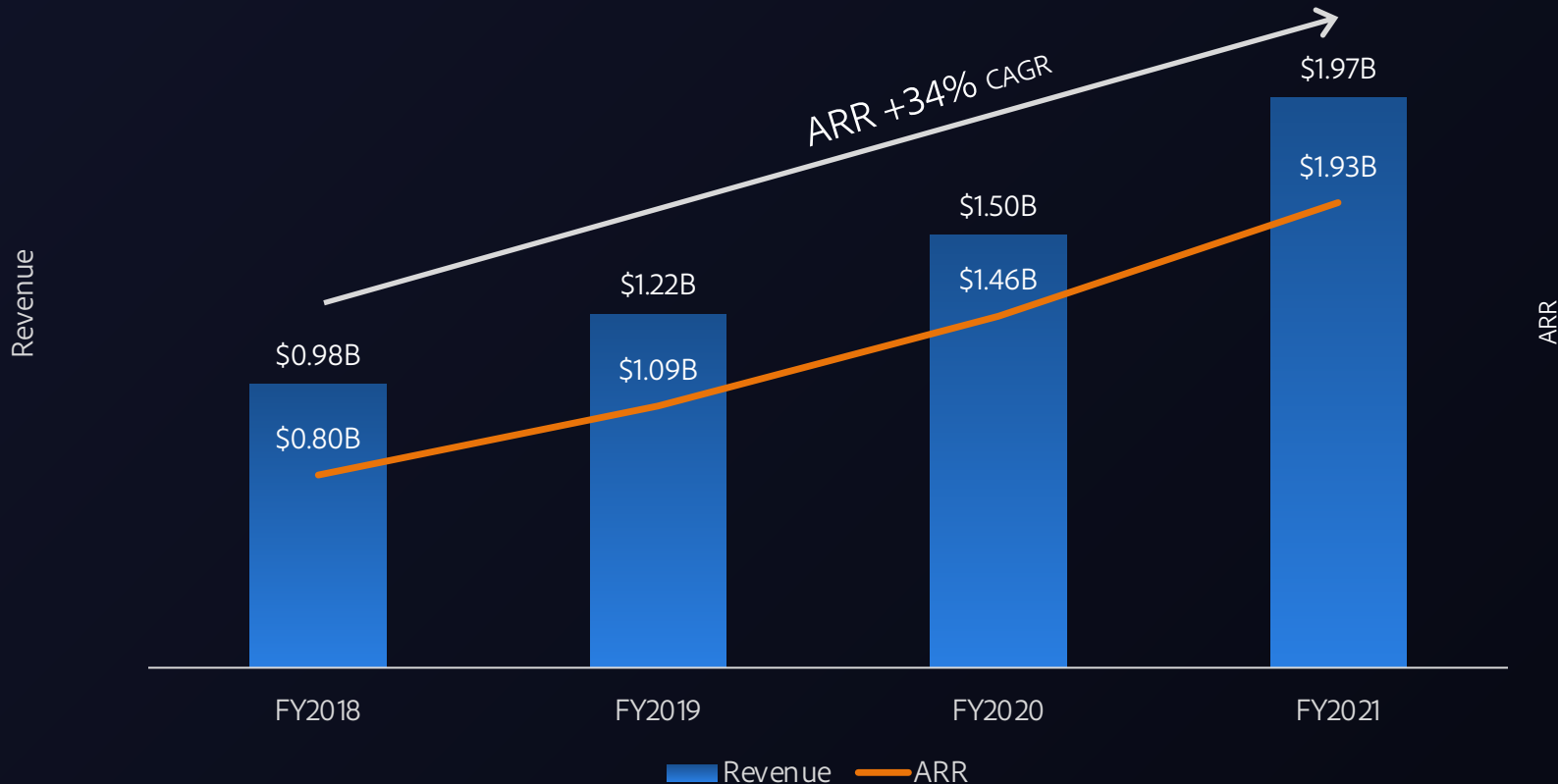
FY 2021



- Tailored offerings for each customer segment, including individuals, small businesses, education and enterprises
- Enterprises have option to purchase either Team or ETLA offering
- ARR growth strong across Enterprise, Team and individual offerings
- Services offerings drive stakeholder acquisition and monetization opportunity
- Team offering available through both Adobe.com and reseller channel

# Document Cloud business momentum

## ARR & Revenue



- Sustained revenue and ARR growth driven by:
  - New user acquisition
  - Strong growth of Acrobat on Adobe.com across geos, web and mobile
  - Seat expansion in the enterprise
- PDF and document workflows are mission critical to the way people work and collaborate

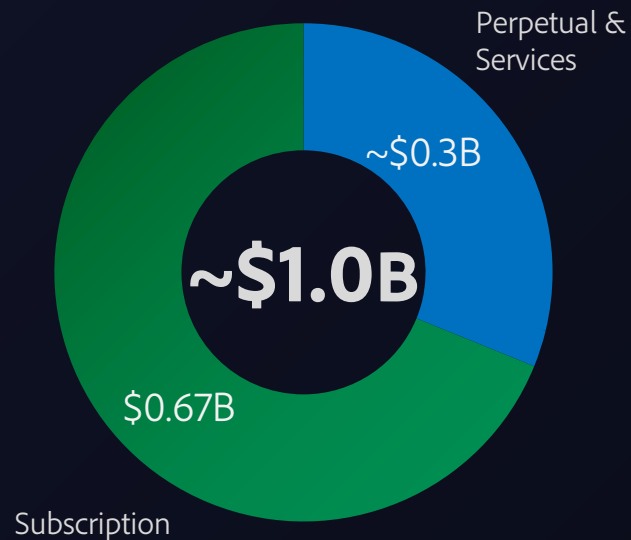
Source: Adobe, December 2021

# Document Cloud business momentum

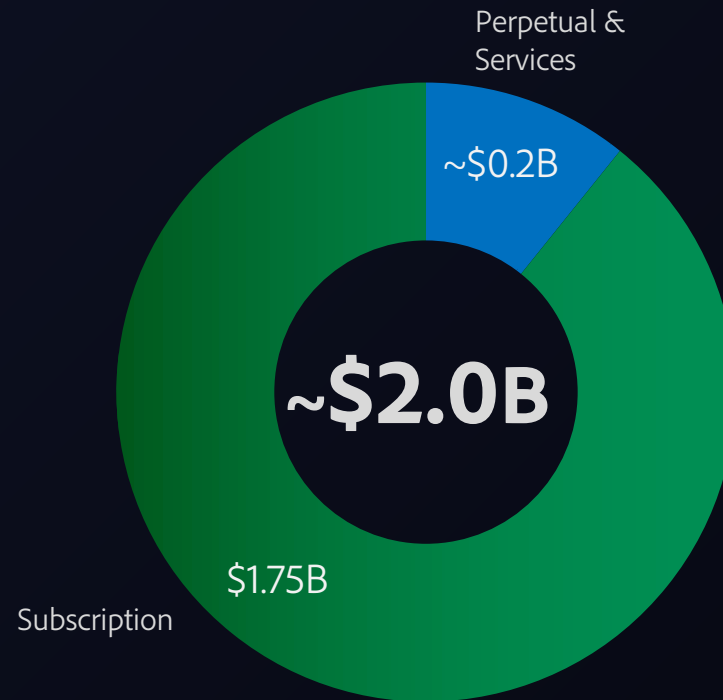
## Revenue mix



FY 2018



FY 2021



- Subscription revenue has more than doubled in three years, driving segment growth and mix shift toward recurring revenue
- Subscription revenue growth fueled by ETLA adoption and individual subscription offerings, including mobile and web
- Continuing migration opportunity for perpetual installed base

Source: Adobe, December 2021

# Digital Media business momentum

ARR



Source: Adobe, December 2021



# Experience Cloud business momentum

## Growing customer engagement

FY 2018

**~\$1.3M**

Average ARR of top 1000 customers

**~\$5M**

Average ARR of top 100 customers

**~\$8.5M**

Average ARR of top 25 customers

FY 2021

**~\$2.3M**

Average ARR of top 1000 customers

**~\$10M**

Average ARR of top 100 customers

**~\$20M**

Average ARR of top 25 customers

**66%**

growth in accounts with >\$1M in ARR (FY 2018-FY 2021)

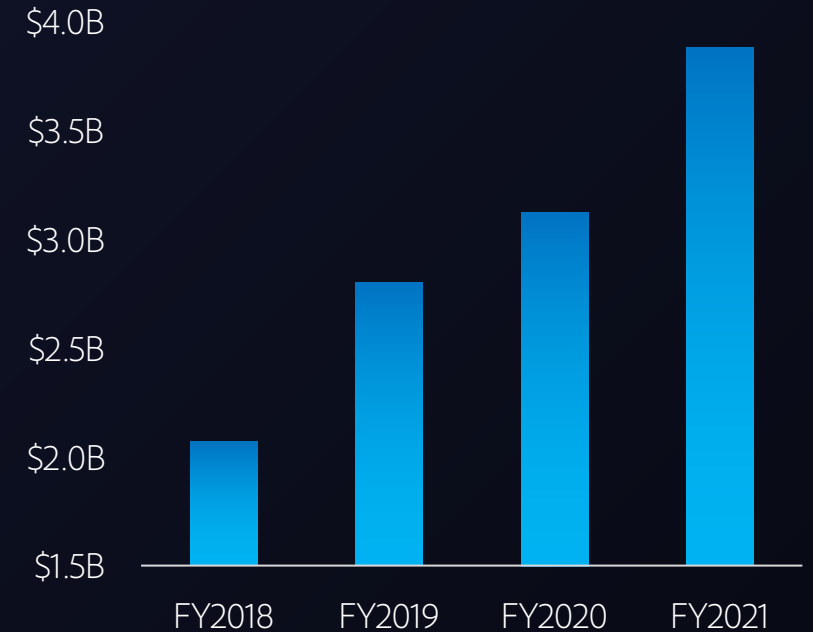
**>90%**

of top 100 customers have 3+ products\*

**~\$760M**

Combined TCV of top 10 customers\*\*

## Annual revenue



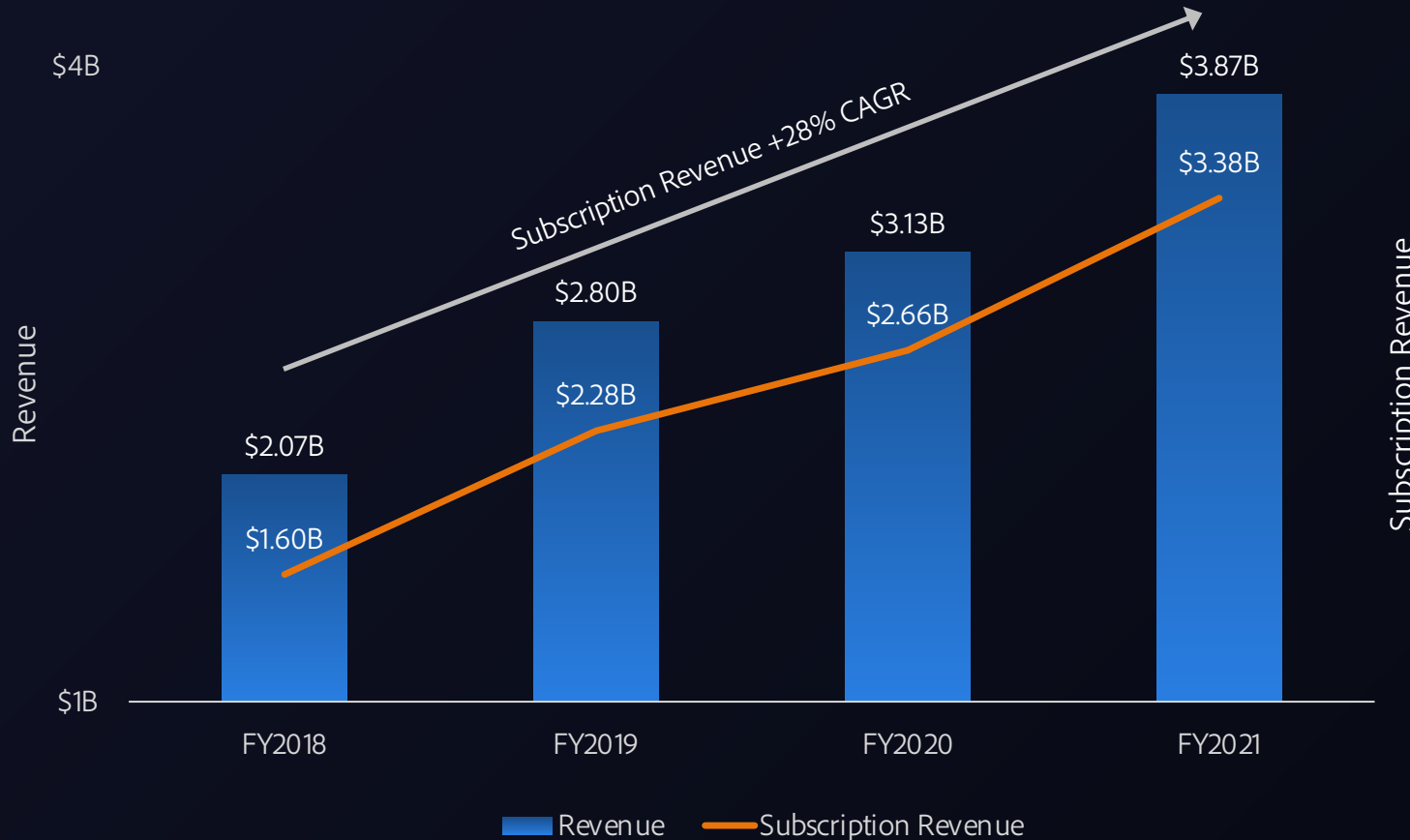
\*Products include Application Services (CJA, AJO, RTCDP)

\*\*Reflects Total Contract Value for top 10 customers at end of Q4 FY 2021

Source: Adobe, December 2021

# Digital Experience business momentum

## Subscription revenue & revenue



- Focus on driving subscription revenue growth
- Growth across subscription offerings: Data Insights & Audiences, Content & Commerce, Customer Journey Management and Marketing Workflow
- Tremendous growth and demand for Adobe Experience Platform and app services, driving transformational customer adoption

Source: Adobe, December 2021





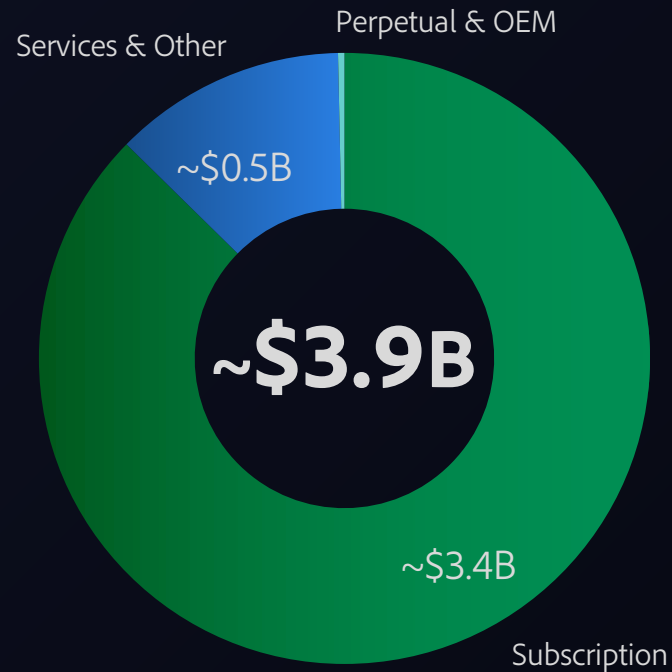
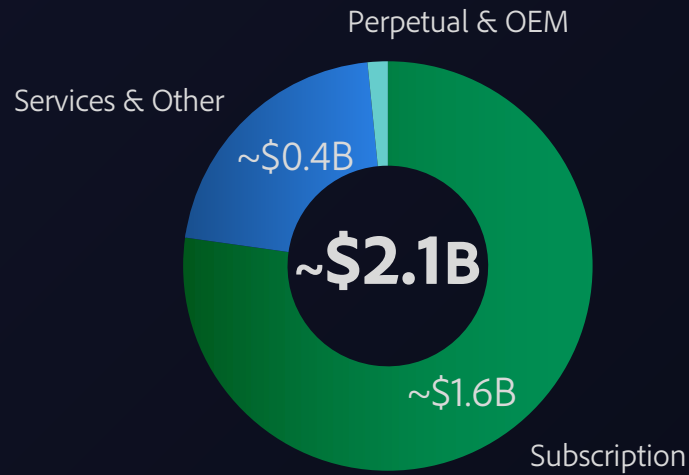
# Digital Experience business momentum

## Revenue mix



FY 2018

FY 2021



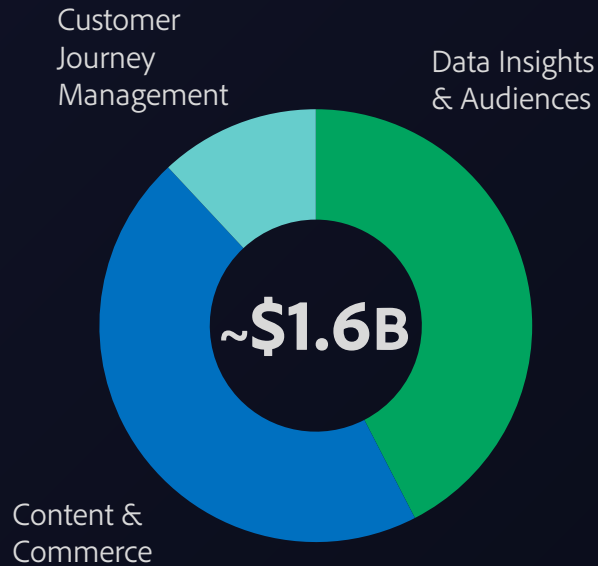
- Adobe Experience Cloud revenue has grown ~87% in the last three years
- Subscription revenue CAGR of approximately ~28% since FY 2018
- Continuing strategy of leveraging our expanding partner ecosystem to deliver implementation and professional services

# Experience Cloud business momentum

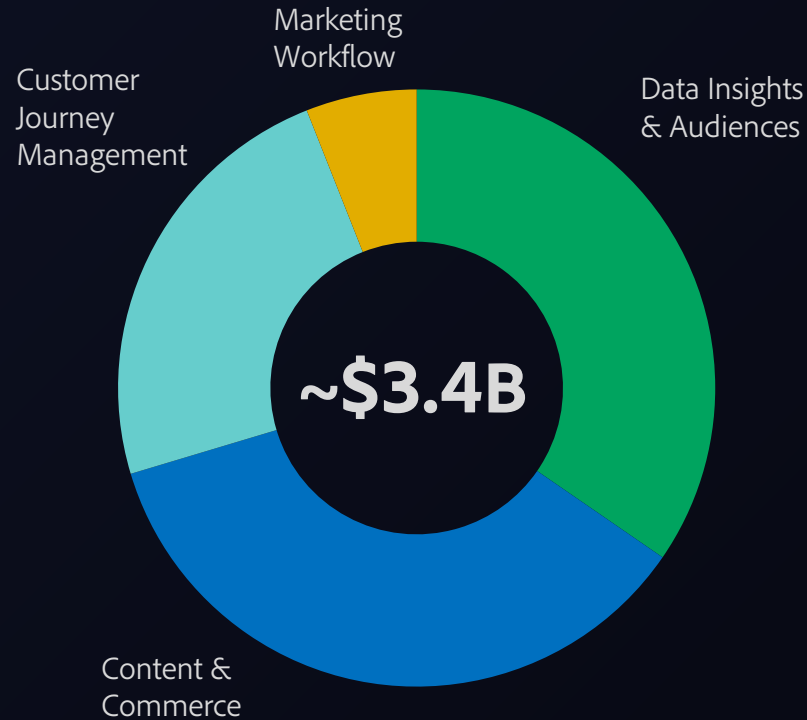
## Subscription revenue by category



FY 2018



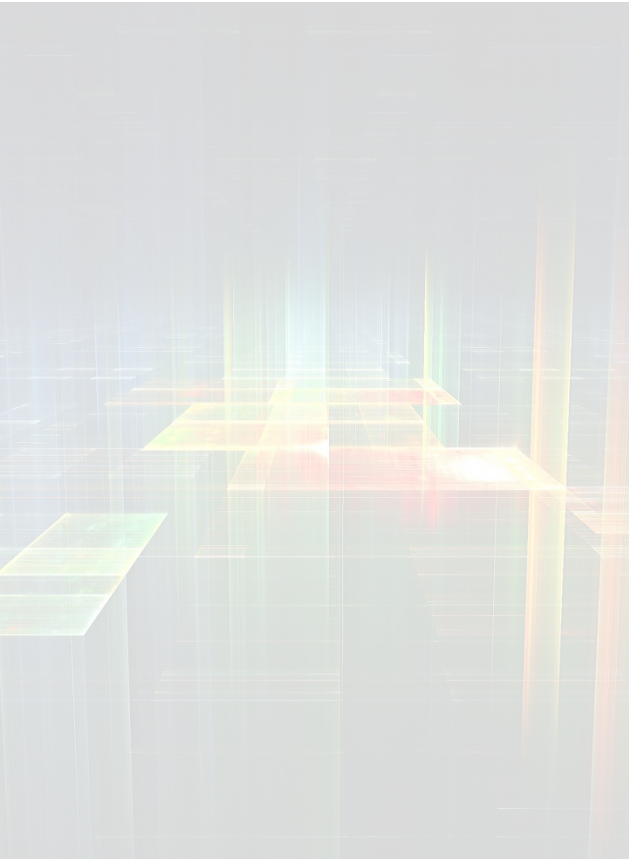
FY 2021



- Data Insights & Audiences, Content & Commerce, Customer Journey Management, and Marketing Workflow are large, growing categories, fundamental to CXM
- Market-leading, comprehensive solutions, built on a common data and content platform
- Marketing Workflow added through Workfront acquisition during Q1 FY 2021

# Adobe is a unique investment opportunity

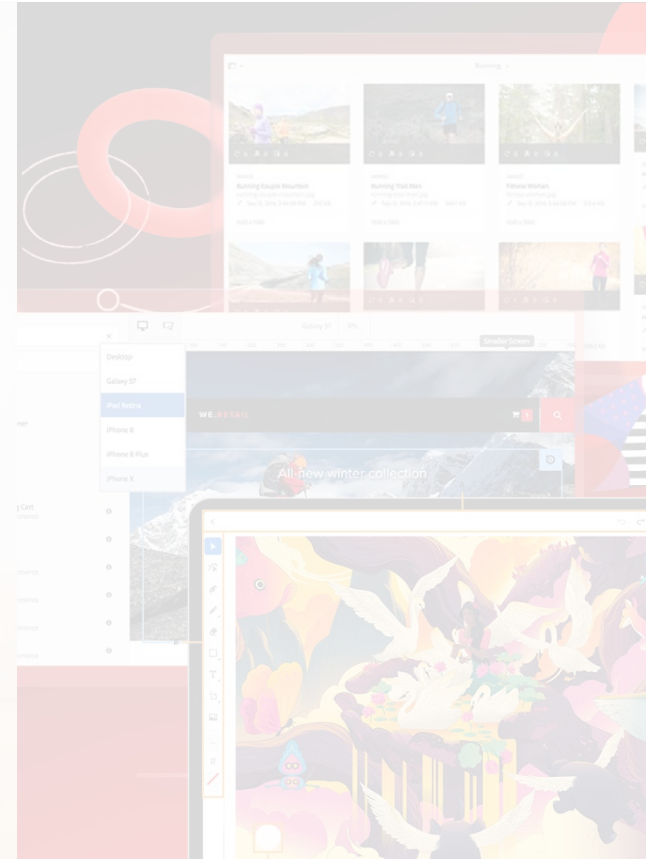
Massive market opportunities



Outstanding financial performance



Products and platforms that create and lead industries



Driving next decade of growth



# Driving the next decade of growth

Future investments

New categories

Usage expansion and upsell

New customer acquisition

Geographic expansion

Innovative portfolio of market-leading products and services

Massive addressable market

Broad ecosystem

Strong customer engagement and retention

ID	Thumbnail	Name	Type	SKU	Price	Quantity	Visibility	Status	Inventory	Action
1		Jawz Buff Bag	Simple Product	24 9850	\$39.00	100,000	Catalog Search	Enabled	Inventory 1	Edit
2		Knee Shoulder Pads	Simple Product	24 9851	\$19.00	100,000	Catalog Search	Enabled	Inventory 1	Edit
3		Green Summit Backpack	Simple Product	24 9852	\$39.00	100,000	Catalog Search	Enabled	Inventory 1	Edit
4		Mylife Waterway Bag	Simple Product	24 9853	\$49.00	100,000	Catalog Search	Enabled	Inventory 1	Edit

**TOWNSEND**

## About us.

The best is just the beginning. And that's where you start when you choose Townsend & find we're dedicated to human first appliances, the ideal foundation for your business. Q put the latest innovations at the fingertips of today's discerning consumers with knowledge of need. From dishwashers to furnaces, air conditioning to air fryers to water proof beds around the world are living a life more fun than with human first appliances.

Partnering with Townsend Supply has never been easier. Our distribution network offers the greatest from hardware to furniture. Our products are spreading across all 7 continents lower the warranty of all of them. So whether you're a retailer, contractor, plumber, or restorer, we have a solution for you, including a line of white-label products. We also have Authorized Service Provider programs that will allow you to meet the needs of your customers with the best. Get in touch Townsend Supply today.

**Best Seals. Ever.**

**Deals.**

Susan Ramage Aug 21, 2020

highlighted text

Change to: Who are. Post

# FY 2022 considerations



## Foreign currency impact

- Strengthening US Dollar results in headwind to revenue growth rates in FY 2022
- ARR Annual Revaluation: \$86M decrease in Digital Media ARR on account of current FX rates; \$12.15B FY 2022 beginning Digital Media ARR balance

## Operating expenses

- Travel and facilities spending expected to ramp throughout year
- Investing in long-term strategic initiatives, integrating Frame.io, increasing headcount

## Fiscal calendar

- FY 2022 is a 52-week fiscal year, as compared to FY 2021, which was a 53-week fiscal year
- Q1 FY 2022 is a 13-week fiscal quarter, as compared to Q1 FY 2021, which was a 14-week fiscal quarter

## Tax

- Increased effective tax rates based on current enacted policies are reflected in FY 2022 targets
- GAAP tax rate of ~17.5%, Non-GAAP tax rate of ~17.0%

Source: Adobe, December 2021

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.

# FY 2022 annual targets

December 16, 2021

Total Adobe revenue <sup>1</sup>	~\$17.90 billion	
Digital Media ARR <sup>2</sup>	~\$1.90 billion of net new ARR	
Digital Media segment revenue (Y/Y growth)	~14 %	~17 % (Adjusted <sup>3</sup> )
Digital Experience segment revenue (Y/Y growth)	~14 %	~17 % (Adjusted <sup>3</sup> )
Digital Experience subscription revenue (Y/Y growth)	~16 %	~19 % (Adjusted <sup>3</sup> )
Tax rate	GAAP: ~17.5 %	Non-GAAP: ~17 %
Earnings per share <sup>4</sup>	GAAP: ~\$10.25	Non-GAAP: ~\$13.70

<sup>1</sup>Additional week in the first quarter of fiscal year 2021 contributed approximately \$267 million of total Adobe revenue.

<sup>2</sup>Additional week in the first quarter of fiscal year 2021 contributed approximately \$25 million of net new Digital Media ARR.

<sup>3</sup>Adjusted to account for the extra week in first quarter fiscal year 2021 and to show growth rates in constant currency.

<sup>4</sup>Targets assume share count of ~477 million for fiscal year 2022 and ~479 million for first quarter fiscal year 2022.

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.

# Q1 FY 2022 targets

December 16, 2021

Total Adobe revenue <sup>1</sup>	~\$4.23 billion	
Digital Media ARR <sup>2</sup>	~\$400 million of net new ARR	
Digital Media segment revenue (Y/Y growth)	~8 %	~17 % (Adjusted <sup>3</sup> )
Digital Experience segment revenue (Y/Y growth)	~11 %	~18 % (Adjusted <sup>3</sup> )
Digital Experience subscription revenue (Y/Y growth)	~13 %	~20 % (Adjusted <sup>3</sup> )
Tax rate	GAAP: ~16 %	Non-GAAP: ~17 %
Earnings per share <sup>4</sup>	GAAP: ~\$2.63	Non-GAAP: ~\$3.35

<sup>1</sup> Additional week in the first quarter of fiscal year 2021 contributed approximately \$267 million of total Adobe revenue.

<sup>2</sup> Additional week in the first quarter of fiscal year 2021 contributed approximately \$25 million of net new Digital Media ARR.

<sup>3</sup> Adjusted to account for the extra week in first quarter fiscal year 2021 and to show growth rates in constant currency.

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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.

# Delivering for our shareholders

Proven track record

FY 2018 – FY 2021

**+75% growth**

Revenue

**+92% growth**

Subscription revenue

**+104% growth**

Operating income

**~\$21B**

Generated  
Operating Cash Flows<sup>1</sup>

**~\$12B**

Returned to  
shareholders through buybacks<sup>1</sup>

**~270%**

Stock Price Return

Source: Adobe, December 2021

<sup>1</sup>Cumulative for FY 2018 – FY 2021

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.



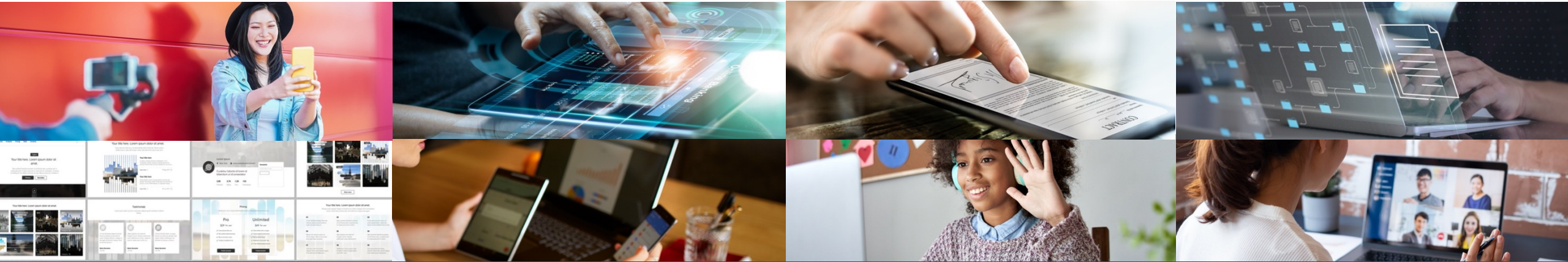


# Adobe Opportunity

**Shantanu Narayen | Chairman & CEO**

**December 16, 2021**

# Digital transforming work, learning & entertainment



**Explosive growth of creator economy**

**Democratization of creativity**

**Work & education now hybrid**

**Cloud & real-time collaboration**

**Document workflow automation**

**Digital business mandate**

**Personalized experiences expected**

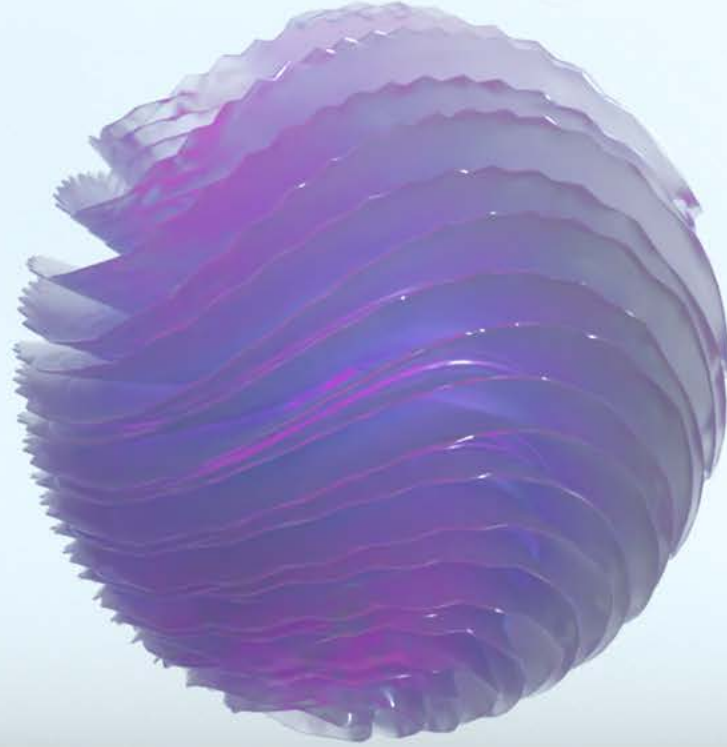
**E-commerce explosion**

**AI & machine learning redefining software**

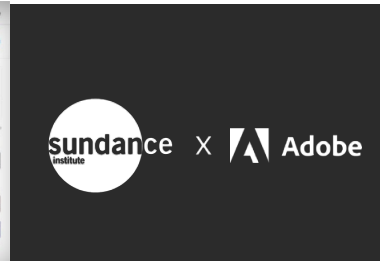
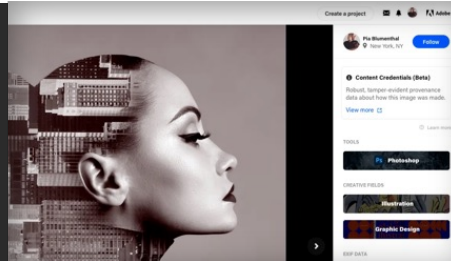
**Trust / privacy imperative**



# Changing the world through digital experiences



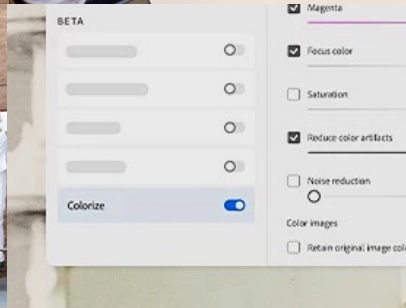
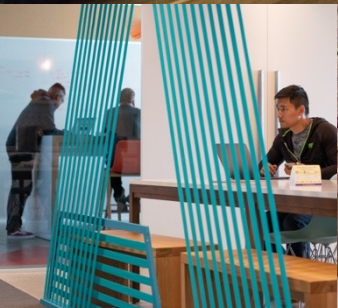
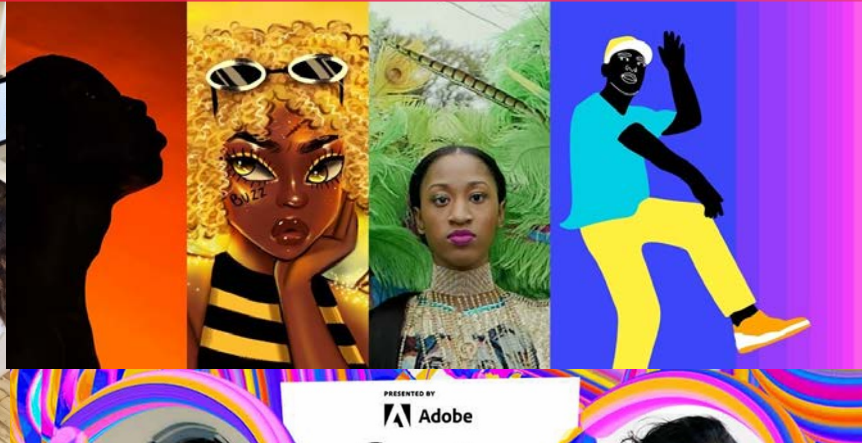
# Adobe's purpose



## Adobe for All

## Technology to Transform

## Creativity for All



# Adobe's strategy

Unleashing  
creativity

 Adobe Creative Cloud



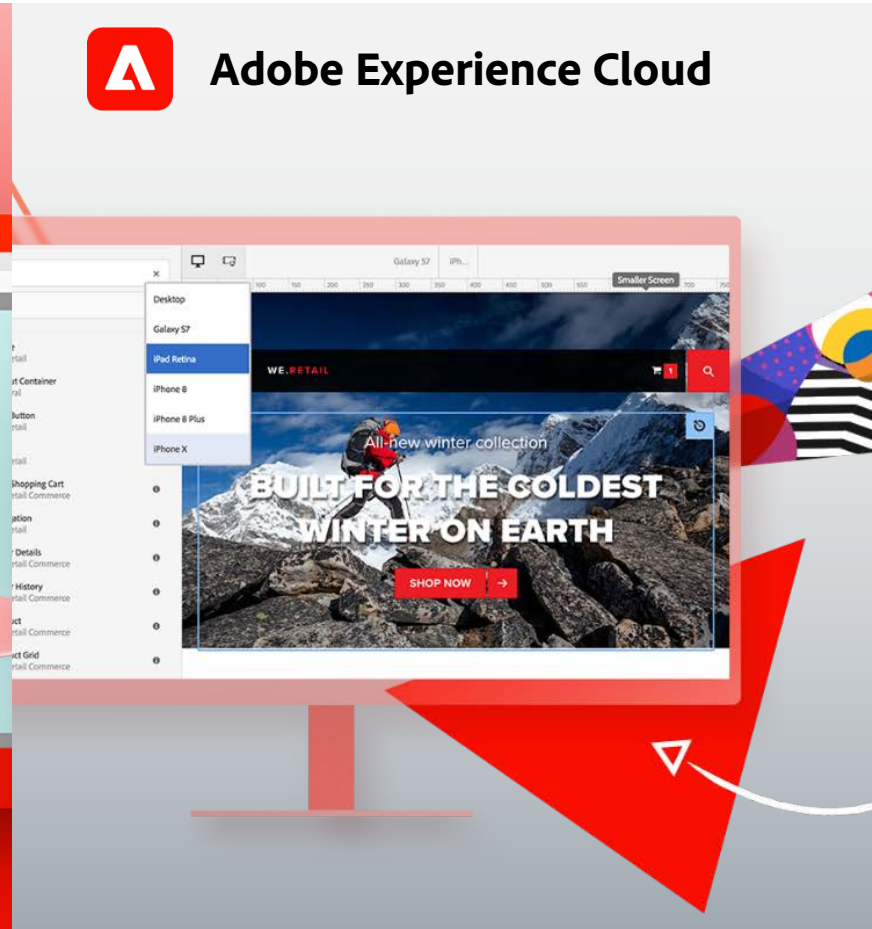
Accelerating  
document productivity

 Adobe Document Cloud



Powering  
digital businesses

 Adobe Experience Cloud



# Adobe's total addressable market

~\$205B

2024 Total addressable market

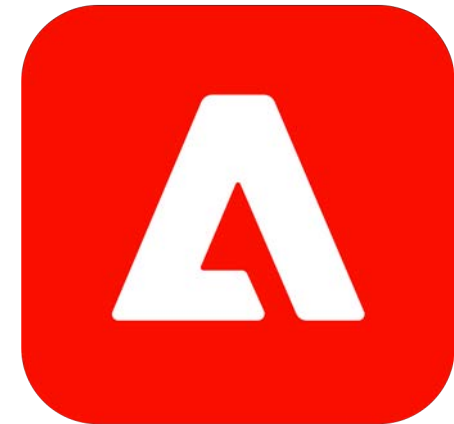
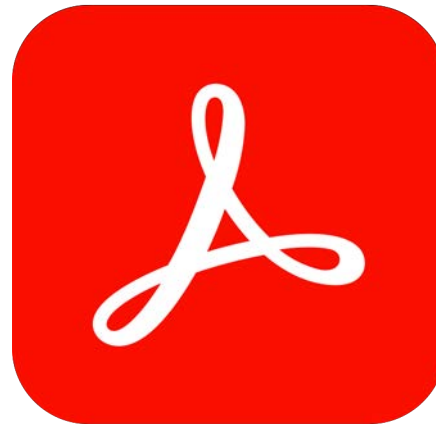
Creating &  
leading categories

Expanding  
customer base

Delivering  
technology platforms

Innovating  
business models

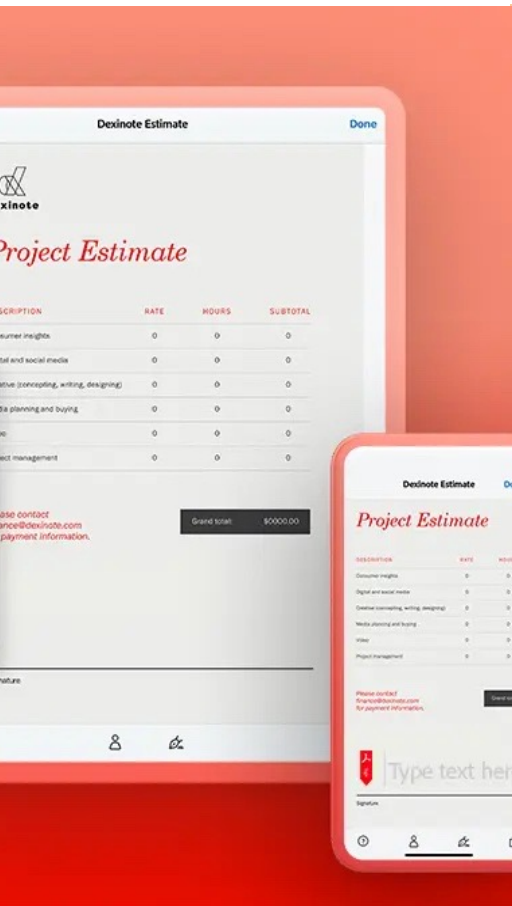
Scaling  
partner ecosystem



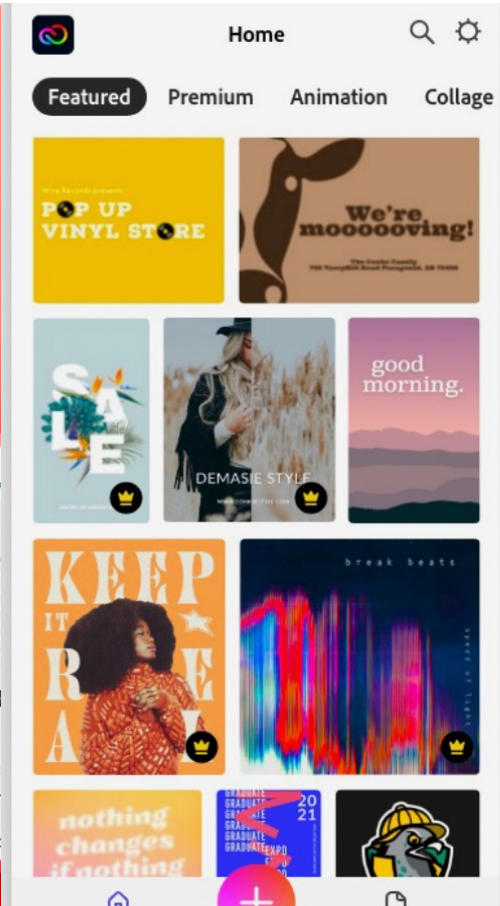
Source: Adobe, December 2021

# Driving the next decade of growth

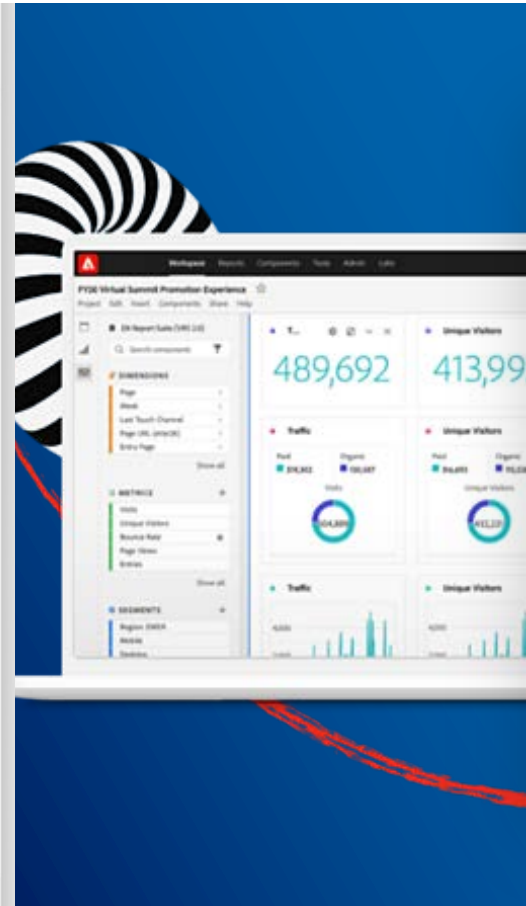
## Creating & leading categories



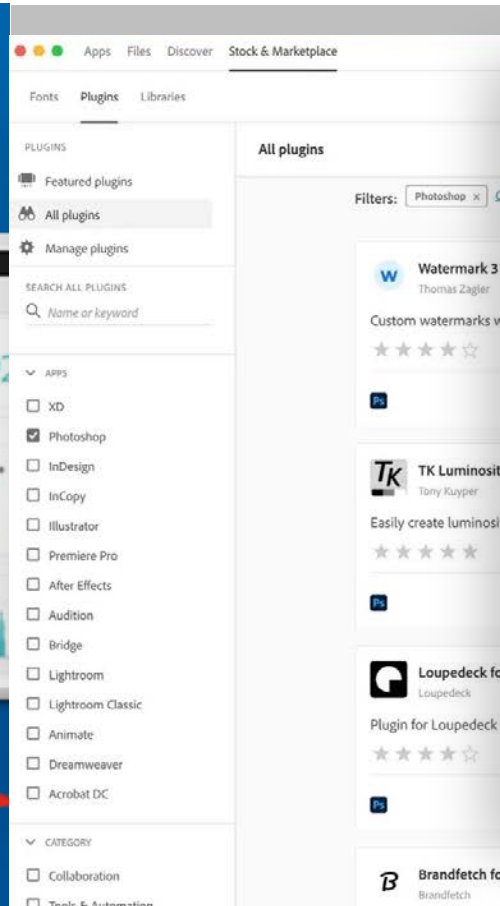
## Expanding customer base



## Delivering technology platforms



## Innovating business models



## Scaling partner ecosystem



# Driving the next decade of growth

**Creating & leading categories**



**Expanding customer base**



**Delivering technology platforms**



**Innovating business models**



**Scaling partner ecosystem**



**Engaged global employee base**





**Thank you**



**Q&A**



Artwork by Davy Evans / UK



# Adobe Financial Analyst Meeting

December 16, 2021

# Non-GAAP reconciliation

Reconciliation of GAAP to non-GAAP operating margin

**FY 2018**

GAAP Operating Margin

31.5 %

Stock-based and deferred compensation

6.8 %

Amortization of intangibles

1.8 %

Non-GAAP Operating Margin

40.1 %