

# Adobe Financial Analyst Meeting

November 4, 2019

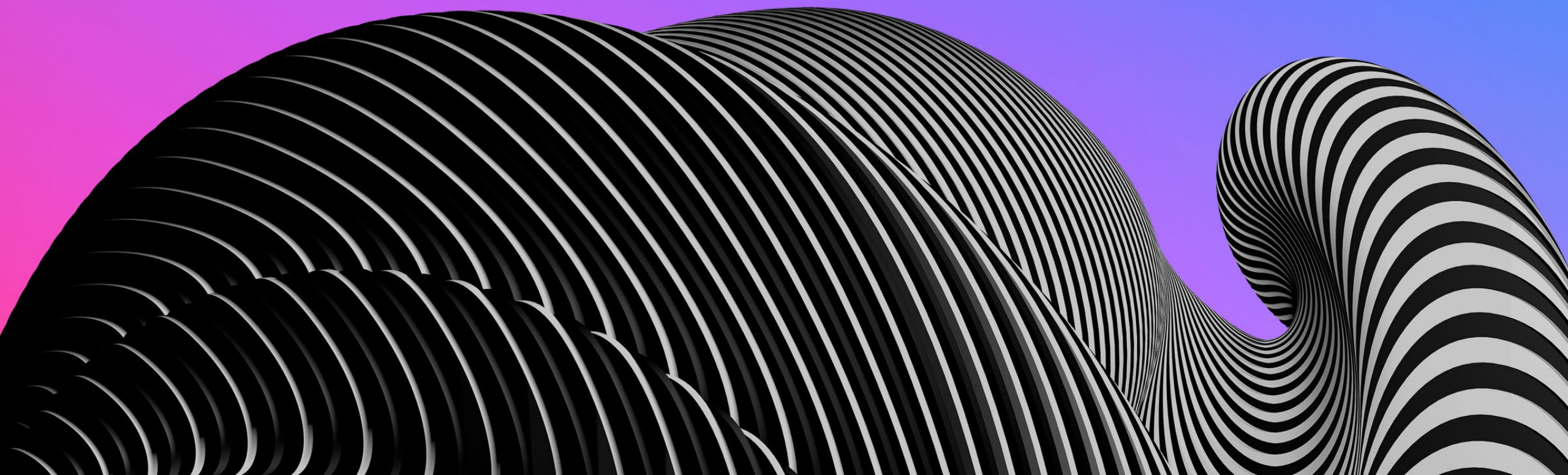




# Welcome

Mike Saviage | VP Investor Relations

November 4, 2019



# Agenda

Vision & Strategy

Shantanu Narayen

Growth Strategy

Gloria Chen

Digital Media Opportunity

Shantanu Narayen

Digital Experience Opportunity

Shantanu Narayen

Technology Vision

Abhay Parasnis

Executing On Our Growth Strategy

John Murphy

Q&A

# Financial Disclaimer

Some of the information discussed in this presentation contains forward-looking statements that involve risk and uncertainty. Actual results may differ materially from those set forth in such statements. For a discussion of the risks and uncertainties, you should review Adobe's SEC filings, including the annual report on Form 10-K for fiscal year 2018 and the quarterly reports on Form 10-Q filed by the company in 2019. In our presentation, we may discuss non-GAAP financial measures. The GAAP financial measures that correspond to such non-GAAP measures, as well as the reconciliation between the two, are available on our website at <http://www.adobe.com/ADBE>.

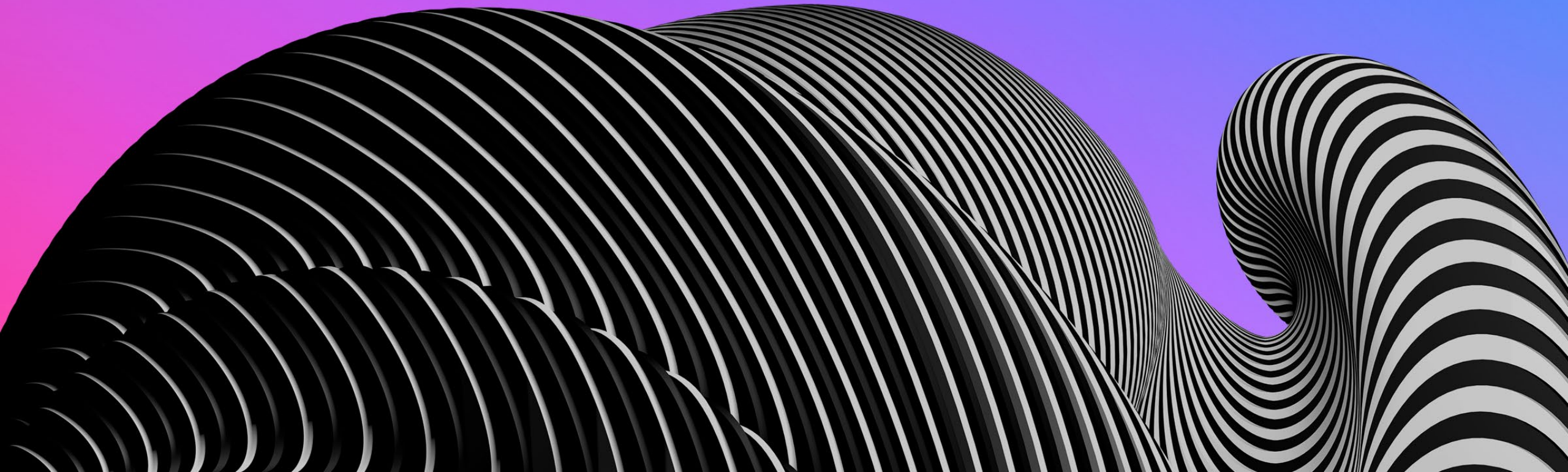
Adobe does not undertake an obligation to update forward-looking statements.



# Vision & Strategy

Shantanu Narayen | President & CEO

November 4, 2019







*Changing the World Through Digital Experiences*







# Macro Trends

It's the Golden Age of Design & Creativity

Digital Transformation Leads the C-Suite Agenda

Paper-to-Digital Automation

Content Fuels the Digital Economy

Digital Engagement Across Every Touch Point

AI & Machine Learning Redefining Software

Mobile & Cloud Drive Modern Productivity

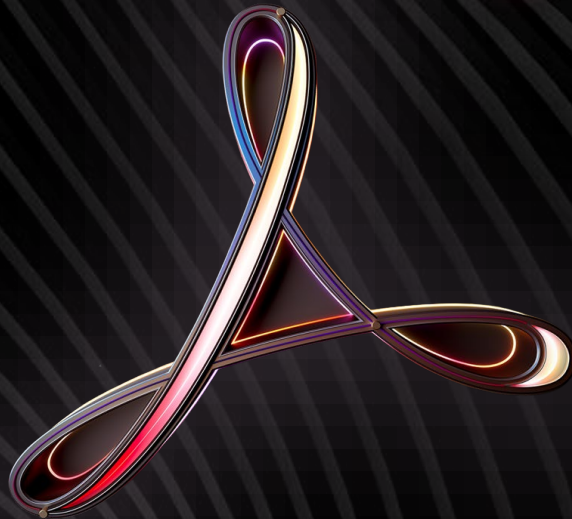
Privacy & Security a Mandate to Earn Trust



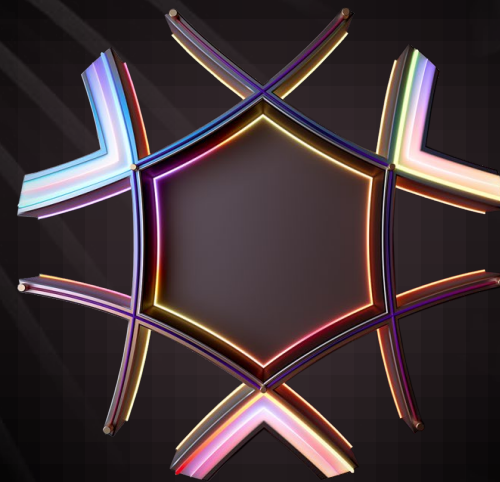
Unleashing  
*Creativity*



Accelerating  
*Document  
Productivity*



Powering  
*Digital  
Businesses*



# Creative Cloud: Unleashing Creativity



Creating & leading categories  
with multi-surface systems

Expanding universe of users

Innovative services fueling new market  
opportunities

Data-driven customer insights driving  
ARR growth



# Document Cloud: Accelerating Document Productivity



PDF is the de-facto electronic document format

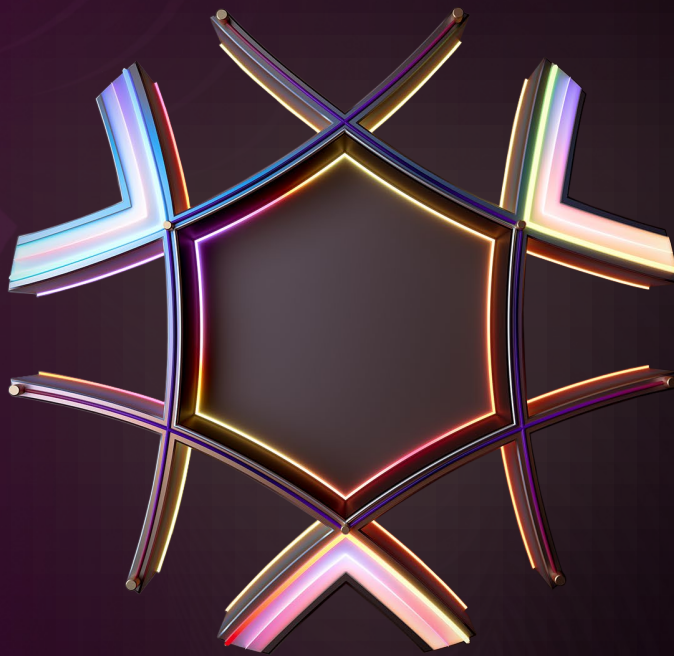
Reader ubiquity on desktop, mobile & web

Acrobat on all surfaces to deliver "document verb" capabilities

Embedding PDF across cloud & apps through document services

New customer acquisition, web & mobile offerings & migration to subscription driving unit & ARR growth

# Experience Cloud: Powering Digital Businesses



Decade of leadership in Digital Marketing category

Integrated suite designed to manage digital customer journeys across B2C, B2B, enterprise & midmarket

Introduced generational innovation through new product & Experience Platform delivery in 2019

Content, data & Sensei services unique differentiators

Positioned to lead in explosive CXM category & drive subscription revenue growth



# Adobe's Growth Advantage

~\$128B

2022 Total Addressable Market

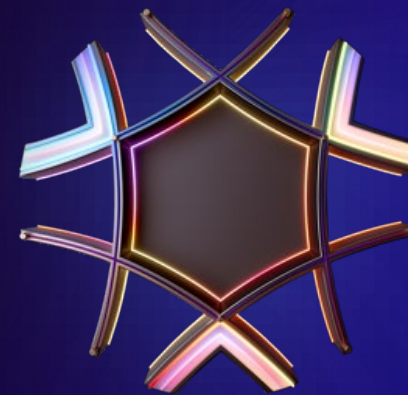
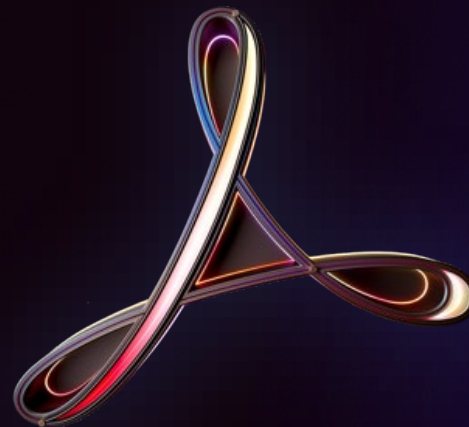
Category Creation  
& Expansion

Loyal & Growing  
Customer Universe

Innovative  
Technology Platforms

Globally  
Admired Brand

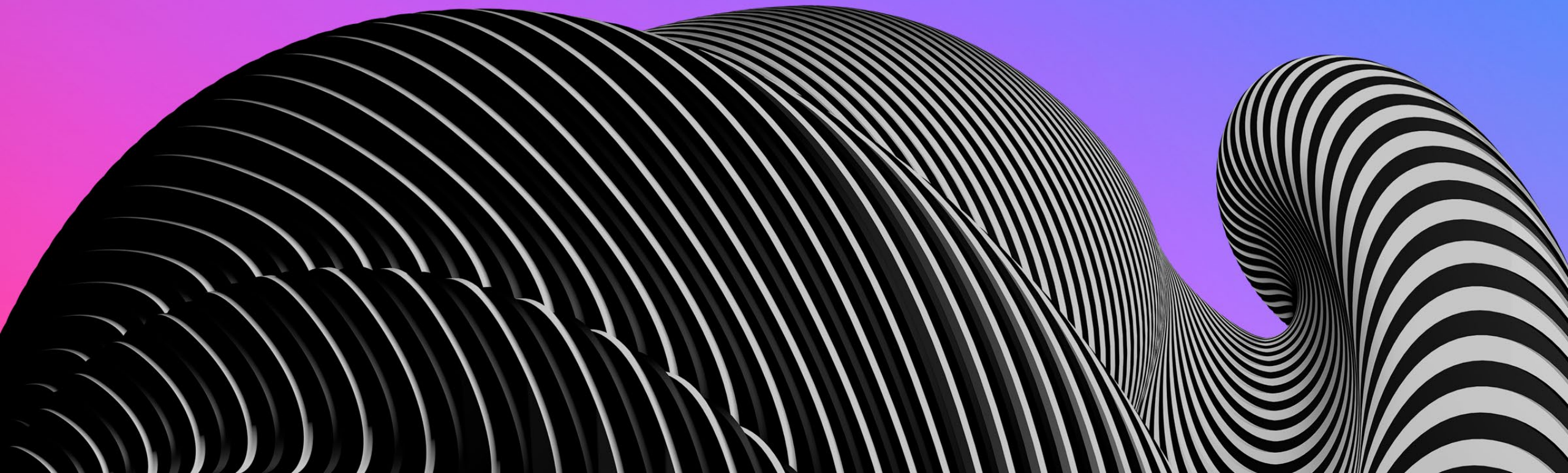
Unique  
Financial Profile



# Adobe's Growth Strategy

Gloria Chen | SVP of Strategy & Growth

November 4, 2019





# Adobe's Growth Advantage

~\$128B

2022 Total Addressable Market

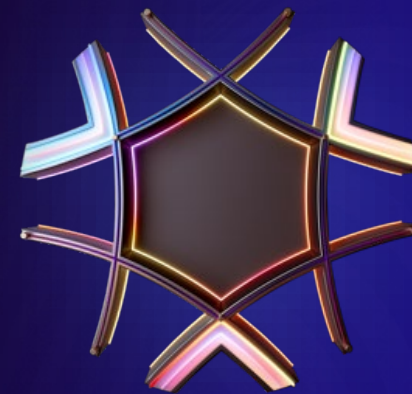
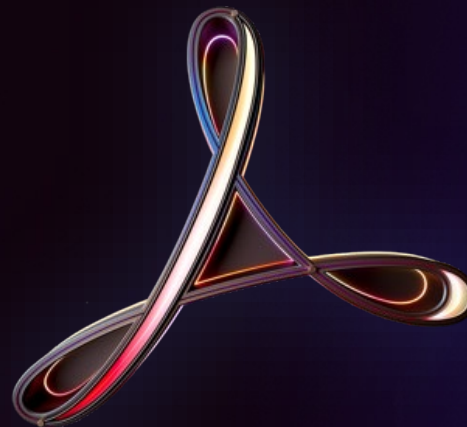
Category Creation  
& Expansion

Loyal & Growing  
Customer Universe

Innovative  
Technology Platforms

Globally  
Admired Brand

Unique  
Financial Profile



# Strategic Growth Vectors

## Growing Customer Universe

Driving engagement from consumers to the world's largest companies

## Core Assets

Customers  
Technology  
Brand

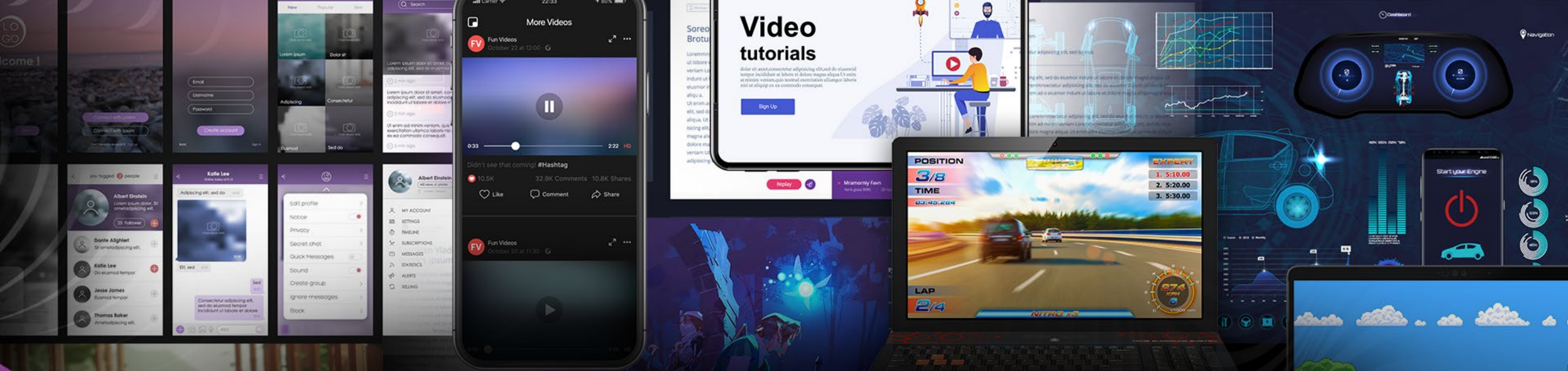
## Category Creation & Expansion

Innovating in creativity, documents & customer experience management

## Apps + Services + Platforms

Expanding offerings & monetization opportunities





# Content Fuels the Digital Economy

Creativity is for Everyone

Creativity is Everywhere

Creativity is Big Business





# Creative Cloud Strategy

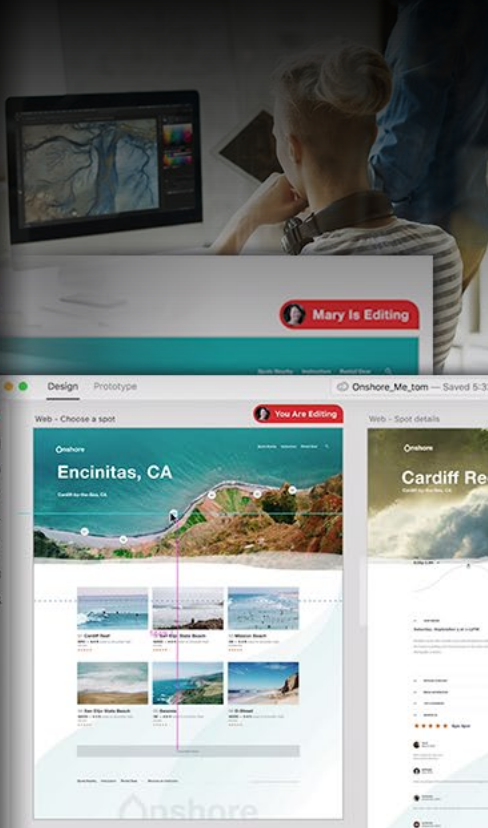
Empower  
All Voices

Push Category &  
Technology Boundaries

Accelerate Individual  
& Team Productivity

Put Adobe Magic  
to Work

Inspire  
the Community





# Sizing the Creative Cloud Addressable Market

## 2021 TAM

Methodology focused on the migration from Creative Suite to Creative Cloud

Core

Market Expansion

Value Expansion



## 2022 TAM

Methodology aligned to the expanding universe of users we target

Creative Pros

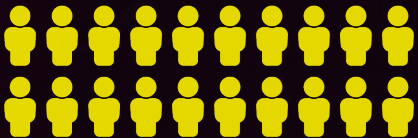
Communicators

Consumers

# Creative Professional Market Opportunity

## Total Potential Users in 2022

**~10M**  
Students in Creative Majors



**~35M**  
Creative Pros  
Freelance, Agencies, SMB, Enterprise



- Exploding job market for Creatives
- Multi-surface systems
- Emerging categories including screen design, 3D & AR
- Growing portfolio of services
- Remaining migration & non-genuine conversion
- Global market expansion

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



# Expanding Customer Universe

## Total Potential Users in 2022

~4B

Consumers

Hobbyists, Enthusiasts, K-12,  
Social Media Users

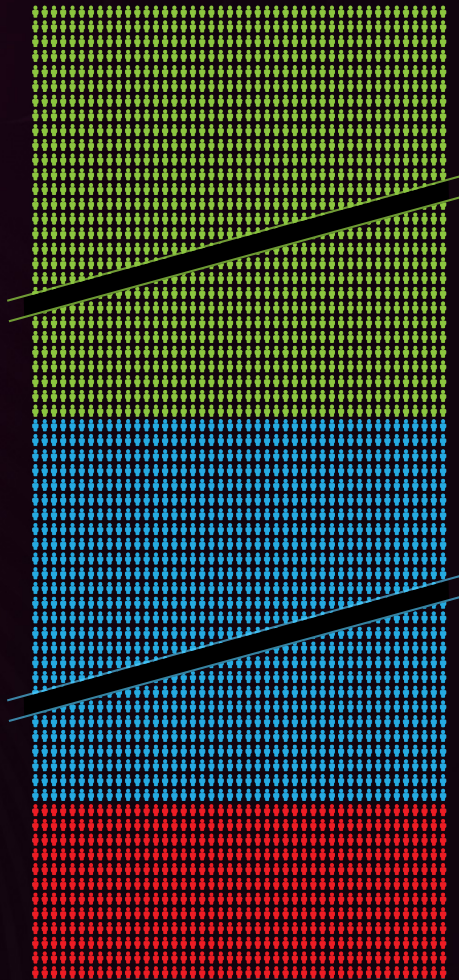
~700M

Communicators

Students, Marketers,  
Knowledge Workers, Businesses

~45M

Creative Pros



### Communicators

- Creative beyond productivity apps
- Template-driven design
- Collaboration & content workflow

### Consumers

- Apps for photo & video
- Mobile-only offerings

Building on >200M Adobe IDs  
created to date to access CC mobile  
apps

# 2022 Creative Cloud Total Addressable Market



2021 Creative Cloud TAM

~\$29B



2022 Creative Cloud TAM

~\$31B

~\$15B

Creative Professionals

- Creative job growth
- Multi-surface systems
- New media categories
- Services

~\$12B

Communicators

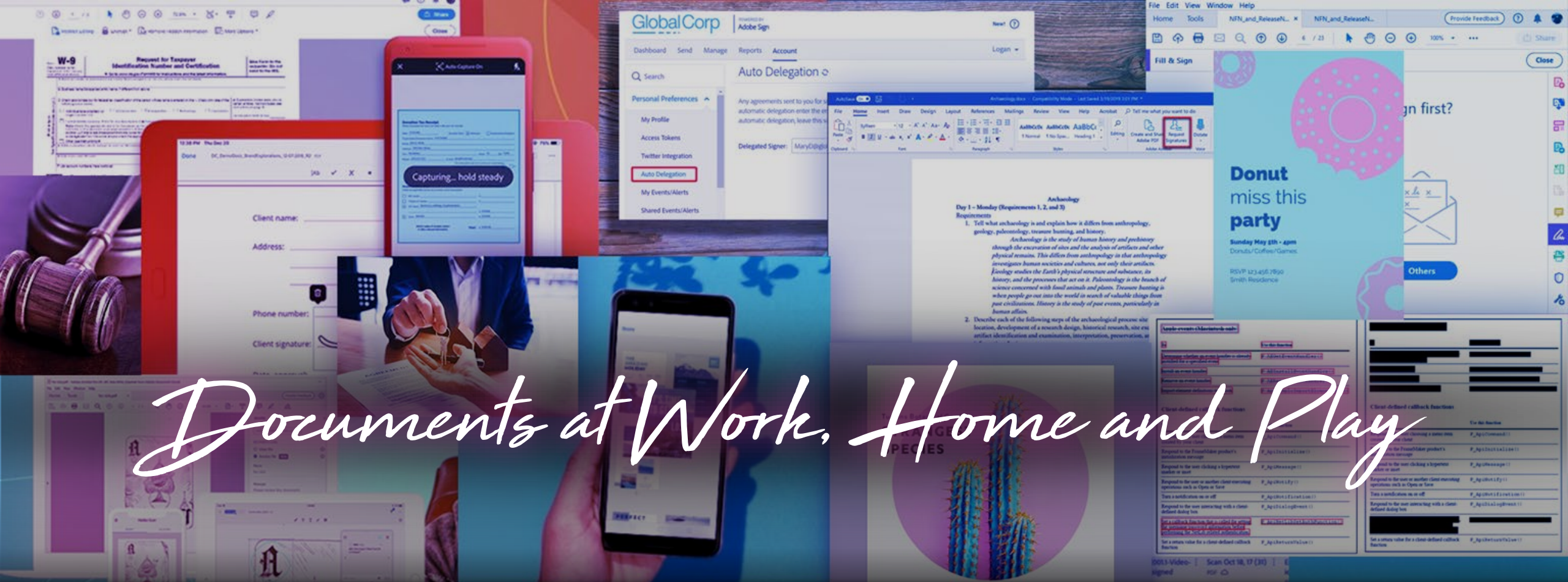
- Creative content beyond productivity apps
- Template-driven design
- Collaboration & content workflow

~\$4B

Consumers

- Apps for photo & video
- Mobile only offerings





# Documents at Work, Home and Play

Paper-to-Digital  
Transformation Continues

Cloud & Mobile  
Reshaping Productivity

Document Services Role  
in the API Economy





# Adobe Document Cloud Strategy

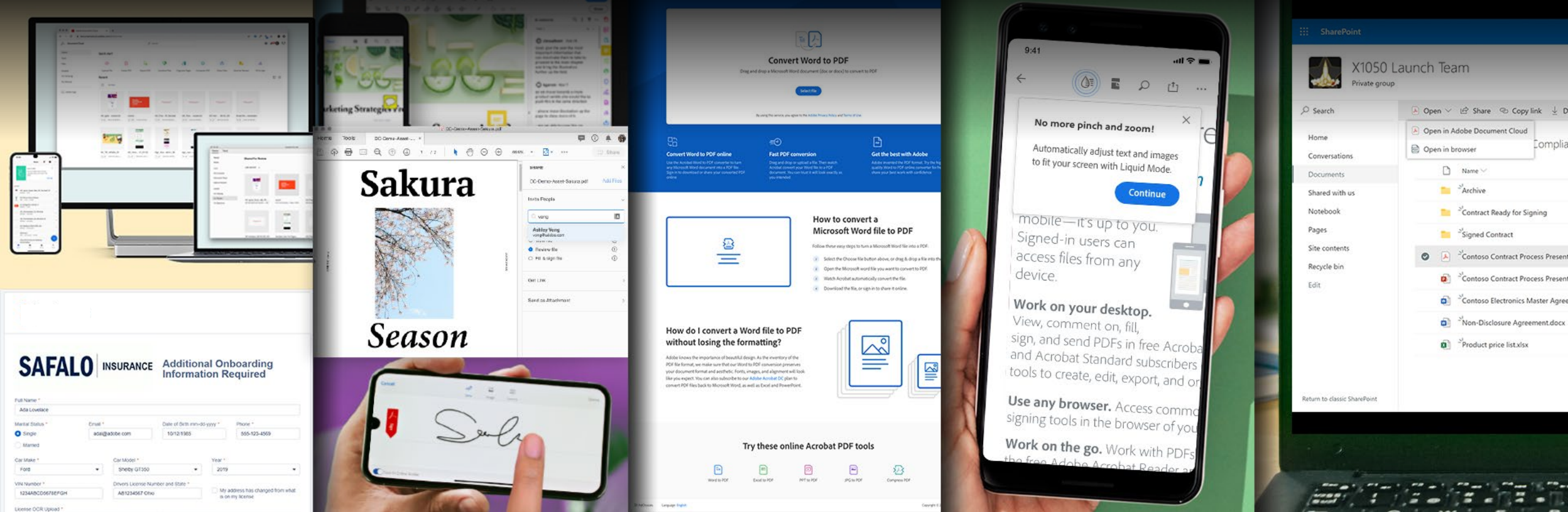
Deliver Best PDF Viewing Experience Everywhere

Expand Document Verbs in Acrobat

Make PDF Frictionless for Mobile & Web

Unlock Value of PDF via Sensei

Unleash PDF Ecosystem with Document Services





# Sizing the Document Cloud Addressable Market

## 2021 TAM

Methodology consistent with Creative Cloud

Core  
Market Expansion  
Value Expansion



## 2022 TAM

Methodology aligned to expanding Acrobat users and new categories of services

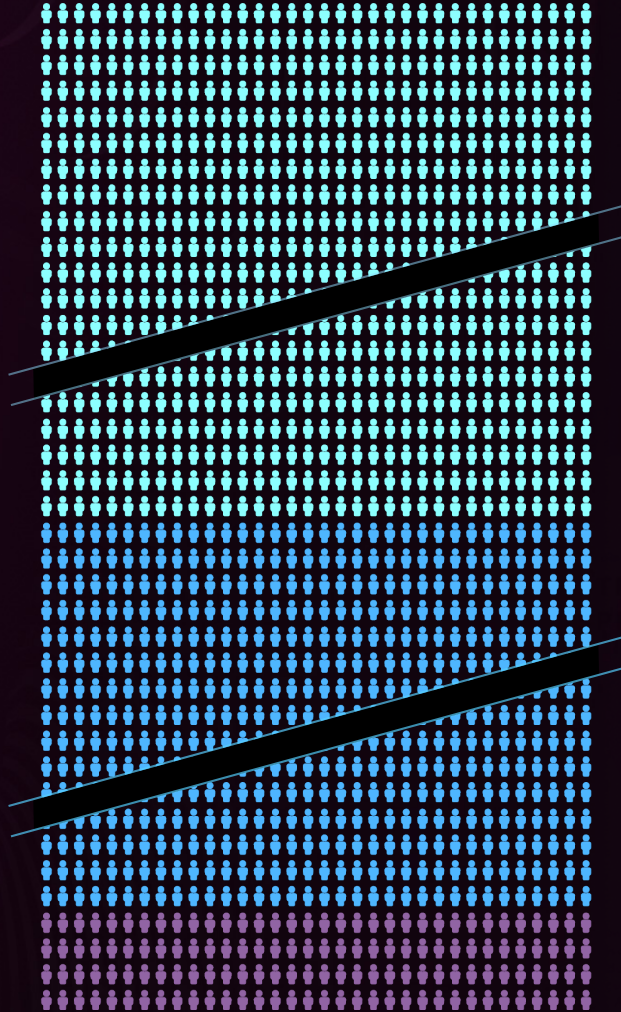
Acrobat Applications  
Document Services Platform

# Acrobat: Activating PDF Verbs Across a Broader Universe of Users

~2B  
Reader & Acrobat Users

~700M  
Communicators

~75M  
Advanced Users



## Acrobat

- Document verbs beyond viewing
- Enterprise & global market expansion
- Migration to subscription

## PDF Mobile & Web

- Cloud & mobile productivity
- Frictionless PDF services on Adobe.com



# Embedded Document Services: Expanding PDF Beyond Acrobat

**Trillions**  
of PDFs created every year



- eSignatures & workflows
- Embedded PDF-as-a-Service
- Document intelligence

**~2B**  
Reader & Acrobat Users





# 2022 Document Cloud Total Addressable Market



2021 Document Cloud TAM

~\$7.5B



2022 Document Cloud TAM

~\$13B

~\$7B

Acrobat Applications

- PDF category growth
- Expansion of Acrobat verbs
- Migration of perpetual users to subscriptions
- New mobile products
- Frictionless web experiences

~\$6B

Document Services Platform

- eSignatures
- Embedded PDF-as-a-Service
- Document intelligence services



# Every Business is a Digital Business

People Buy Experiences,  
Not Products

B2B Companies Must  
Deliver B2C Experiences

CIOs Must Architect for  
Real-Time Action



# Adobe Experience Cloud Strategy

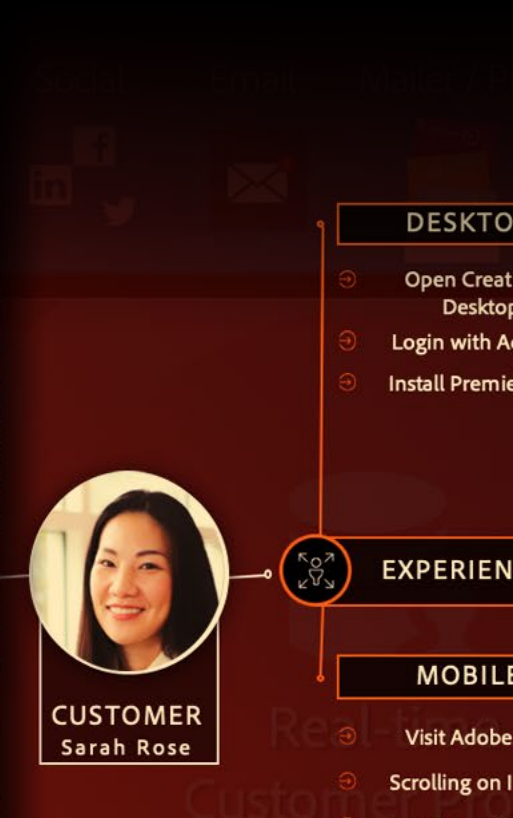
Build on Affinity with CMO to Drive CXM Across C-Suite

Extend CXM From B2C to B2E

Expand to CIO with Adobe Experience Platform

Scale in Mid-Market Segment

Evangelize DDOM as a Transformation Playbook





# Sizing the Experience Cloud Addressable Market

## Enterprise Software Categories Represented in TAM

### Data & Insights

- Customer & business intelligence
- Web & marketing analytics
- Data management platform
- Customer data platform
- Data lakes
- Identity resolution
- Data connectors

### Content & Personalization

- Content & asset management
- Digital forms & data capture
- Personalization & testing
- Multi-screen TV platform

### Customer Journey Management

- Multi-channel campaign management
- Lead management
- Email marketing
- Account-based marketing

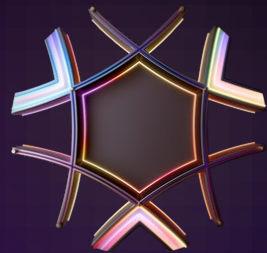
### Commerce

- eCommerce & merchandising
- Order management
- Product information management

### Advertising

- Demand-side platform
- Search engine marketing
- Dynamic creative management

# 2022 Experience Cloud Total Addressable Market

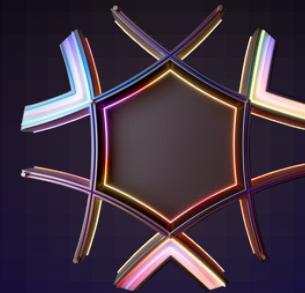


2021 Experience Cloud TAM

~\$71B

Source: IDC and Adobe, November 2019

© 2019 Adobe. All Rights Reserved.



2022 Experience Cloud TAM

~\$84B

~\$23B

Data &  
Insights

~\$28B

Content &  
Personalization

~\$13B

Customer Journey  
Management

~\$10B

Commerce

~\$10B

Advertising



# Adobe's Growth Advantage

~\$128B

2022 Total Addressable Market

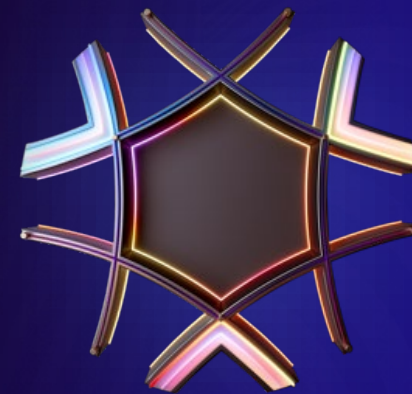
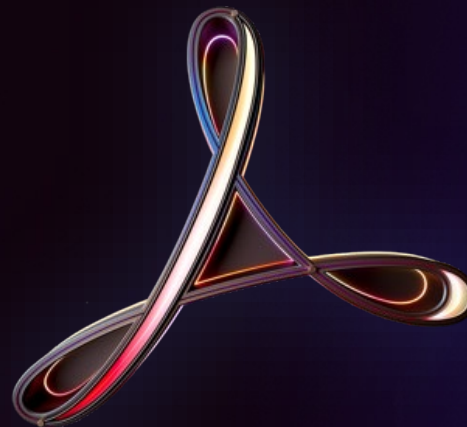
Category Creation  
& Expansion

Loyal & Growing  
Customer Universe

Innovative  
Technology Platforms

Globally  
Admired Brand

Unique  
Financial Profile



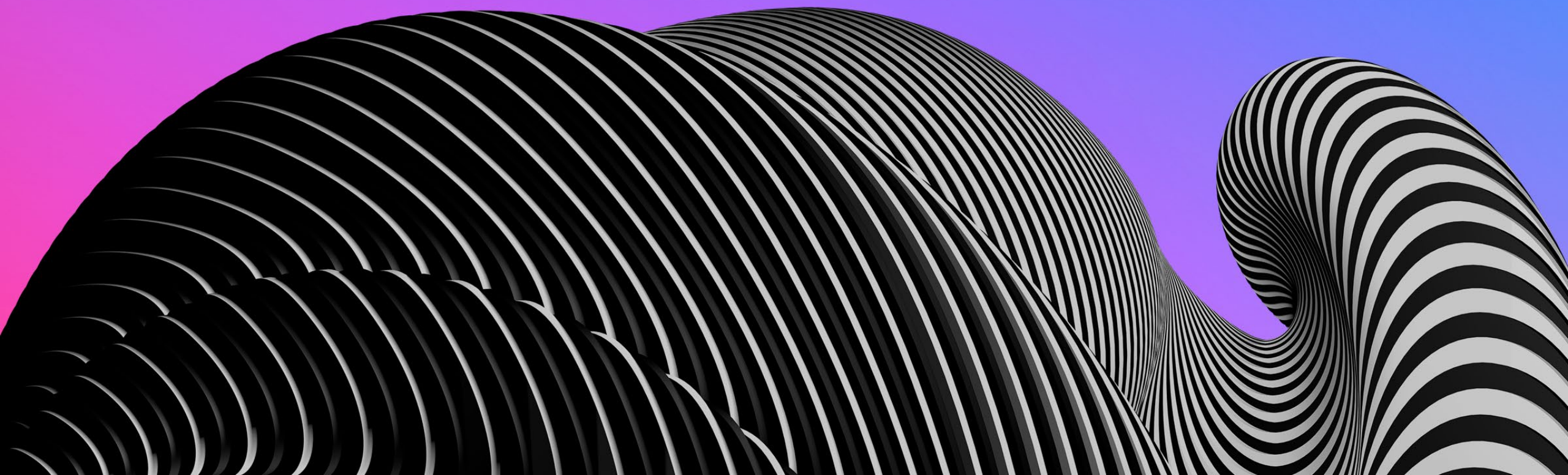
Source: Adobe, November 2019

© 2019 Adobe. All Rights Reserved.

# Adobe's Digital Media Opportunity

Shantanu Narayen | President & CEO

November 4, 2019





# Adobe's Digital Media Business

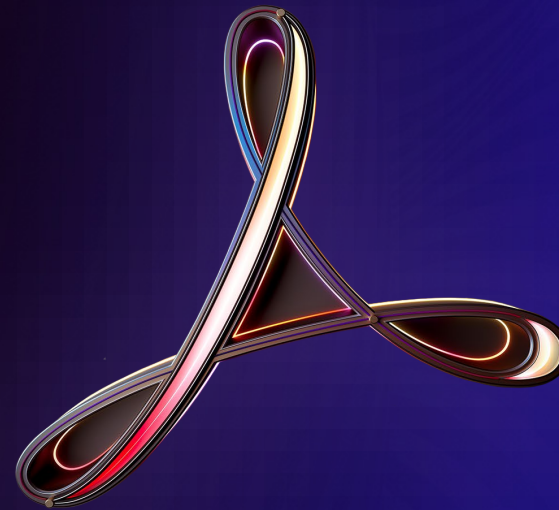
Unleashing

*Creativity*



Accelerating

*Document  
Productivity*



Digital Media Customers

*Creative Professionals*

*Communicators*

*Consumers*

Freelancers · Small Businesses · Agencies · Education · Enterprises · Governments · ISVs



# Digital Media Innovation Engine

## 2016

Adobe Sensei  
Creative Cloud Libraries  
Adobe Stock  
Adobe Portfolio  
Character Animator  
CC Learn

## 2017

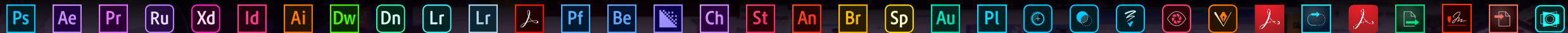
Adobe XD  
Lightroom CC  
Essential Graphics Panel in Ae  
New Search for Stock in Photoshop  
Video Collaboration  
Mixamo  
Photoshop Express  
Adobe Spark  
Adobe Scan

## 2018

Adobe Premiere Rush  
Adobe XD with Voice triggers  
Adobe XD integration with Ae and Ai  
Adobe Live on Behance  
Motion Graphic Templates  
Adobe Stock Premium Content  
Illustrator with new Properties Panel  
Photoshop Content Aware Fill reimagined  
Adobe Dimension  
Adobe Fonts  
Lightroom Search

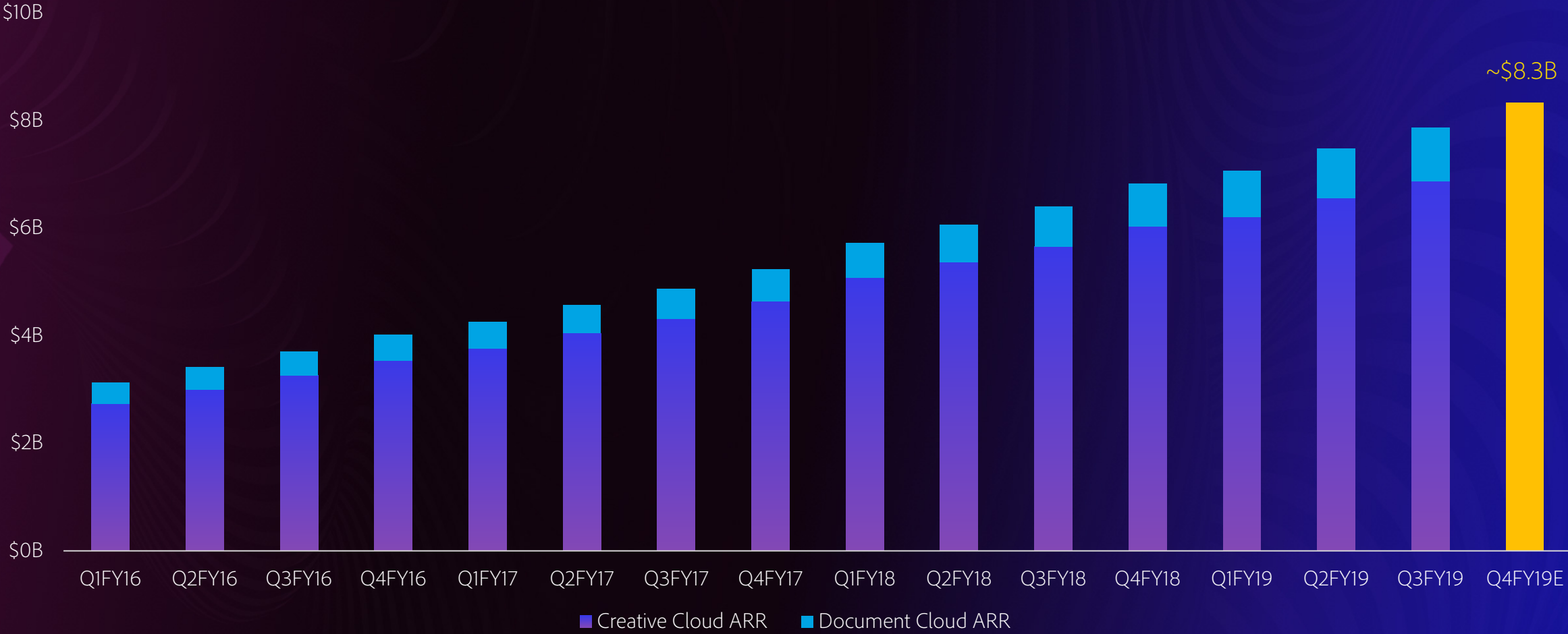
## 2019

Scan Magic Clean  
Photoshop on iPad  
Photoshop Camera  
Fresco on iPad & Surface  
Co-editing in XD  
CC Desktop app  
Acrobat Web  
Design Systems  
Collaboration  
PDF Services Online  
Substance  
Aero  
InDesign Asset Link



# Digital Media Business Momentum

## Digital Media Annualized Recurring Revenue (ARR)



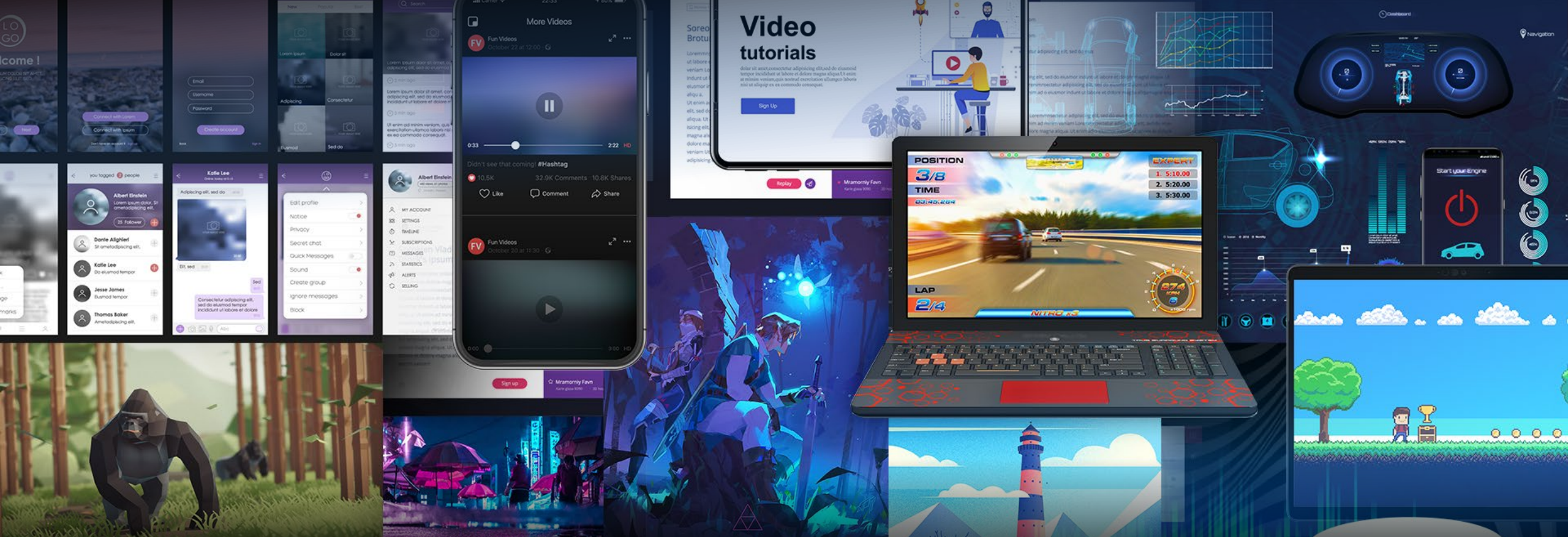
Source: Adobe, Q4FY19E includes targeted net new ARR



Creative Cloud



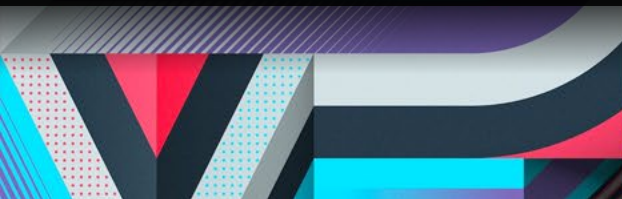




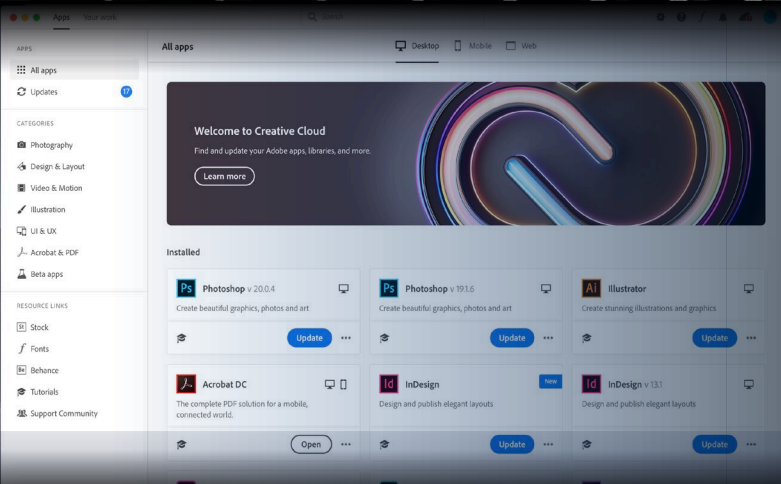
Creativity is For Everyone

Creativity is Everywhere

Creativity is Big Business







Adobe XD



Photoshop on iPad



Fresco on Windows



Aero on iOS



Illustrator on iPad



Photoshop Camera

# Creative Cloud Business Momentum



**>50%**

Cumulative new subscribers to Creative Cloud franchise

**>90%**

Enterprise seats with services

**>15%**

Y/Y seat growth in Enterprise

**>40%**

Y/Y revenue growth for Adobe Stock

**~18M**

Behance members

**>200M**

Mobile IDs created

**~100%**

Y/Y growth in mobile units

**>5M**

Adobe XD downloads

**>23M**

Students with Adobe Spark



# Creative Cloud Strategy

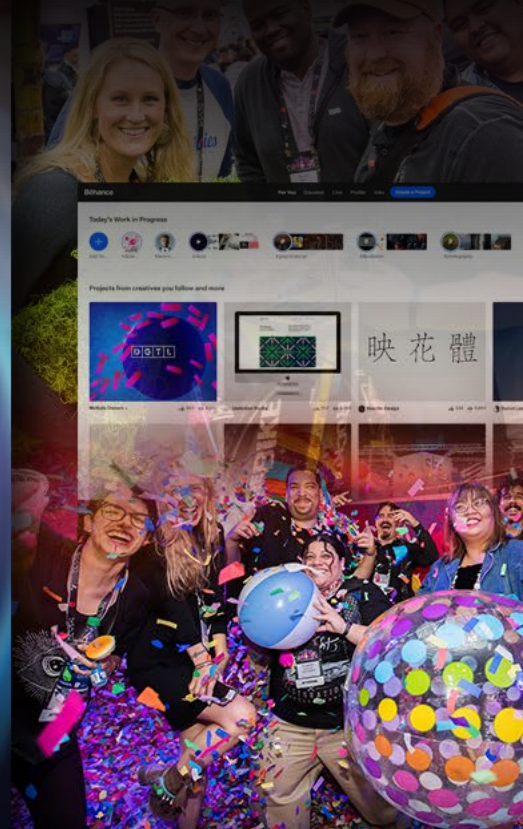
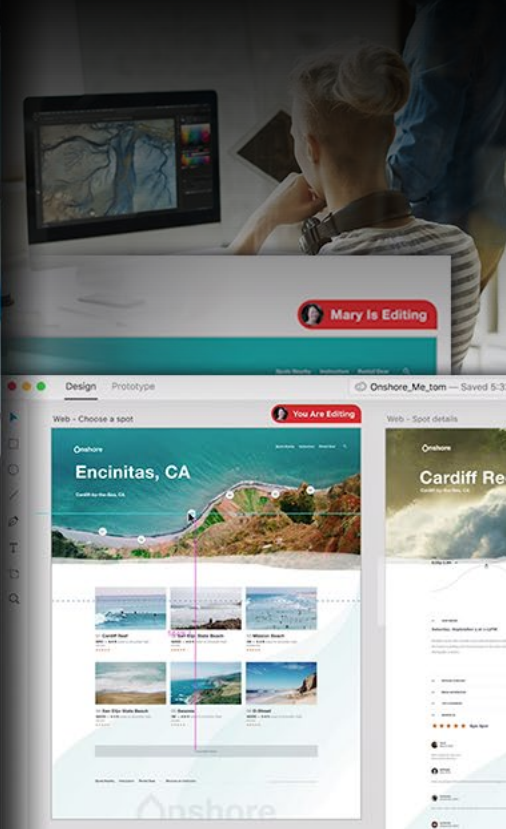
Empower  
All Voices

Push Category &  
Technology  
Boundaries

Accelerate Individual  
& Team Productivity

Put Adobe Magic  
to Work

Inspire  
the Community





# Creative Cloud Product Strategy

Drive  
Customer  
Engagement

Extend  
Category  
Leadership

Accelerate  
Individual & Team  
Productivity

Expand to  
Communicators  
& Consumers

Embrace  
New Media  
Types





# Accelerating Creative Cloud Innovation

*Creative  
Professionals*

*Communicators*

*Consumers*

Photoshop on iPad · Photoshop Camera · Adobe Spark · Adobe XD co-editing · Alexa "Adobe Inspiration Engine"

Photoshop Express · Fresco Live Brushes · 17k Adobe Fonts · Dimension Match Image · CC Desktop & Web

Fresco on Windows · Lightroom integrated community · Aero for Augmented Reality · CC Libraries in 3<sup>rd</sup> Parties

Dimension Multiple Lighting · Premiere Pro Auto Reframe · After Effects Content Aware Fill · Lightroom Texture Controls

Substance Product Line · First Mile in Apps · Photoshop Object Selection · Stock: 130 million assets & 750k premium images

Illustrator on iPad · Live Streaming in Fresco · CC Libraries at scale · Premiere Rush on Android

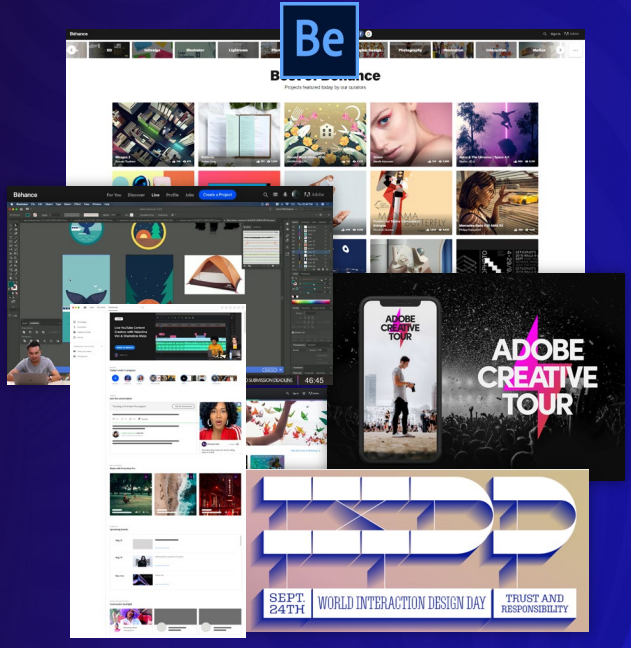
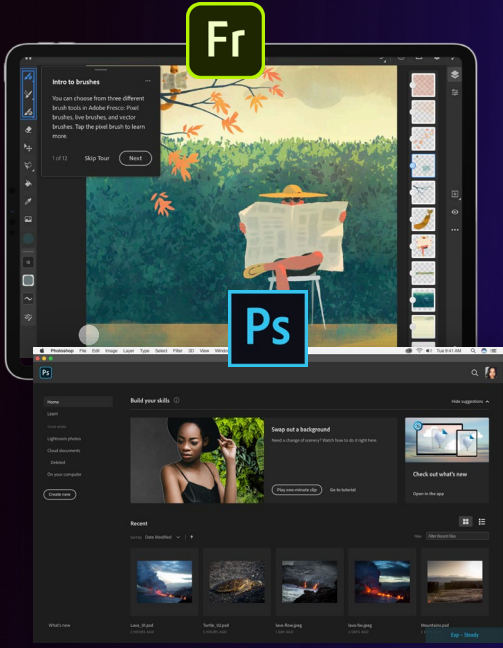
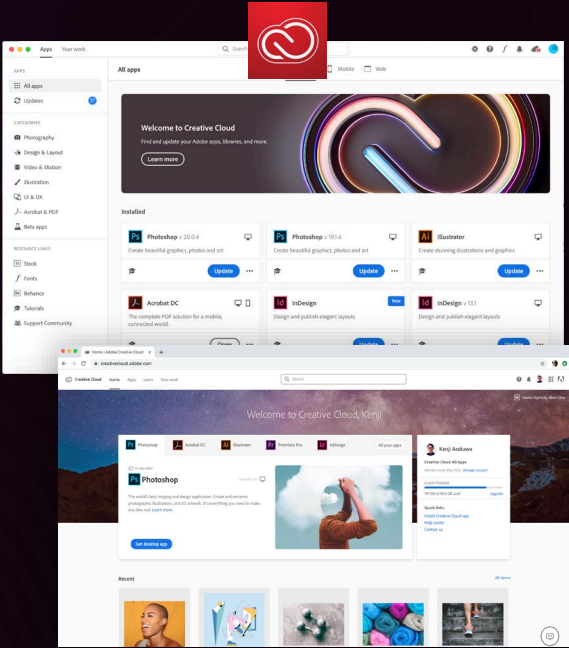
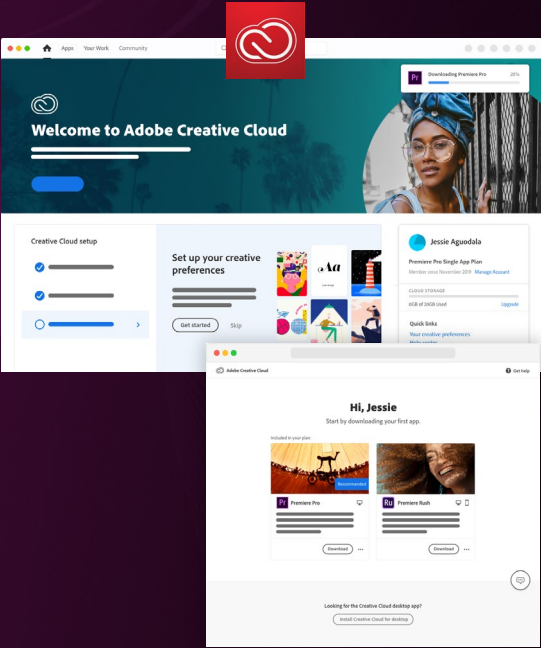
# Customer Engagement

First Mile

Creative Cloud  
Web & Desktop

In-App Learning

Community





# Category Leadership

## Creative Imaging & Photography



Photoshop



Photoshop on iPad



Photoshop Express



Photoshop Camera



Lightroom Mobile



Lightroom

## Video



Premiere Pro



Photoshop



Premiere Rush



After Effects



Character Animator



Animate



Audition



Illustrator

## Graphic Design, Web & Illustration



Photoshop



Illustrator



InDesign



Spark



Fresco



Bridge



Dreamweaver



Acrobat

## UX



XD



Photoshop



Illustrator



After Effects

## Immersive



Aero



Dimension



Substance

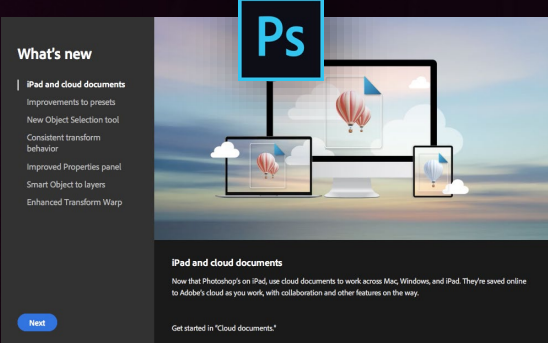
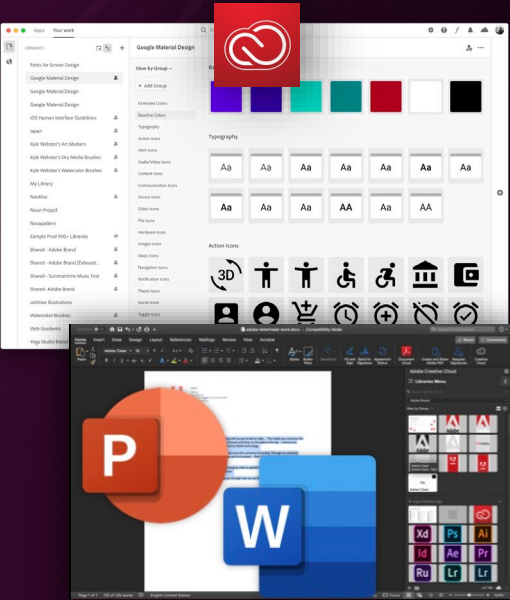
# Accelerating Individual & Team Productivity

Creative Cloud Libraries

Cloud Documents

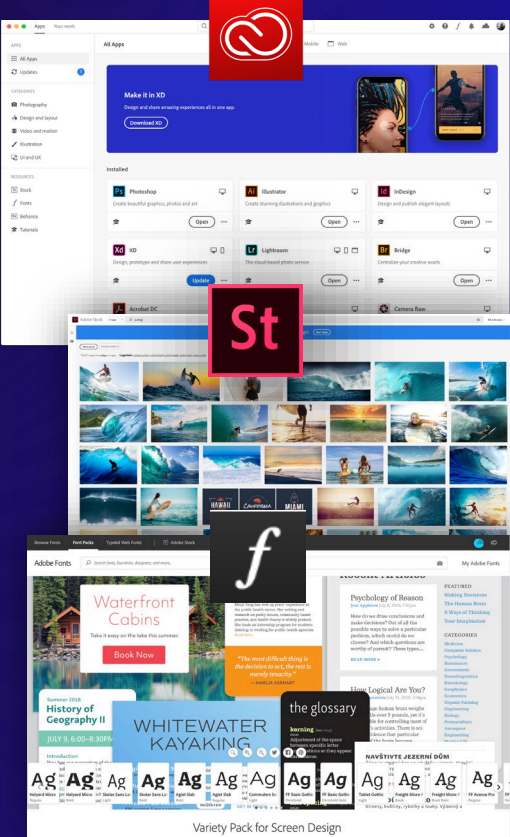
Collaboration & Co-Editing

Services For Content & Community



Connect XD to your favorite apps and services.

- Microsoft Teams**  
Easily share Creative Cloud assets and files, and get comment notifications on your prototypes.
- Jira**  
Make designer to developer handoffs easy. Find the latest designs and specs and get thumbnail previews and asset info.
- Slack**  
Instantly share Creative Cloud files, designs, specs, and notifications — all in real time.

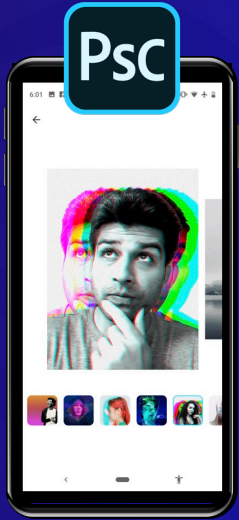
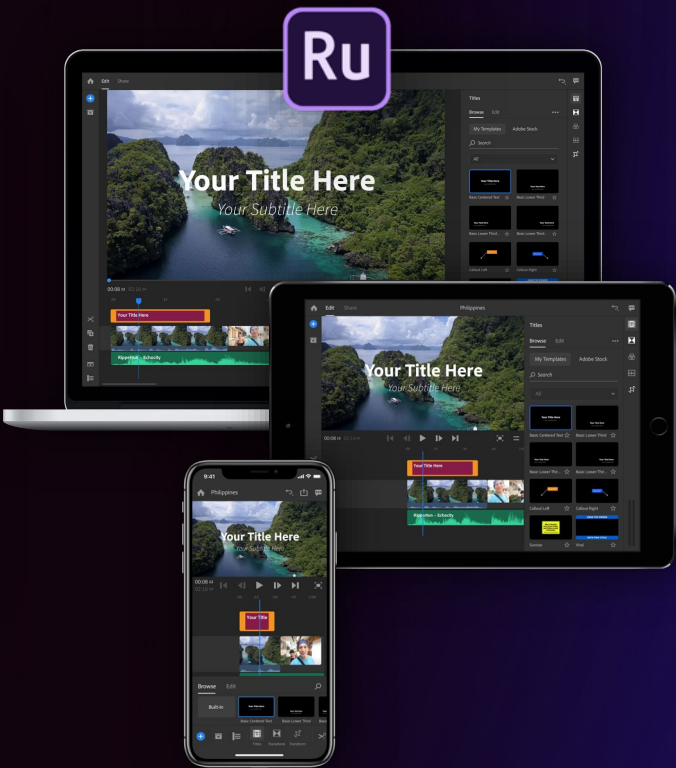




# Expanding to Communicators & Consumers

Visual Storytelling

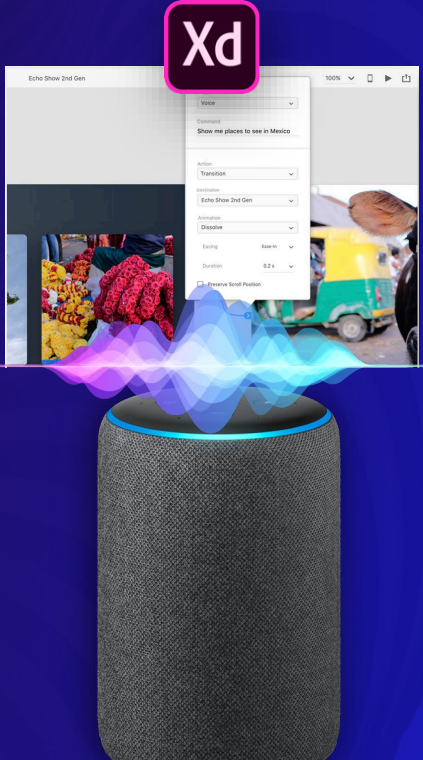
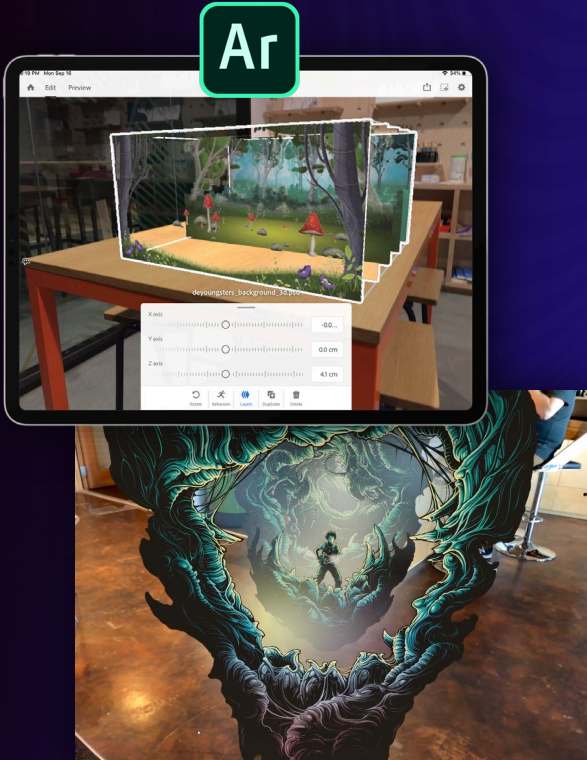
New Photo & Video Mobile Offerings



# Embracing New Media Types

Using 3D for 2D Design

New Class of Immersive Experiences



Marketing

Entertainment

Interactive Experiences



# Creative Cloud



## SERVICES

### CONTENT

- Aa Fonts
- St Stock
- Pf Portfolio

### COMMUNITY

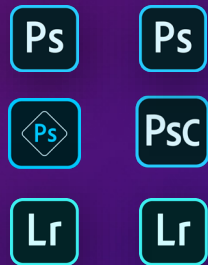
- Be Behance
- Adobe Live
- Training

### TEAMS

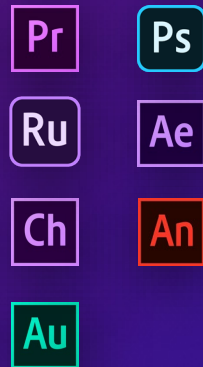
- Co-Edit Collaboration
- CC Libraries
- Design Systems

## APPS

### CREATIVE IMAGING & PHOTOGRAPHY



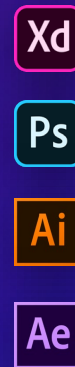
### VIDEO



### GRAPHIC DESIGN, WEB & ILLUSTRATION



### UX



### IMMERSIVE



## PLATFORM



Adobe Sensei  
Creative Intelligence



Adobe Creative Platform  
(Cloud Docs, APIs, Extensibility)

# Creative Cloud Growth Drivers

~\$31B

2022 Creative Cloud TAM

*Creative Professionals*

*Communicators*

*Consumers*

Growth in new creative jobs · K12 & higher ed student adoption · New media types 3D & AR

SMB & enterprise seat expansion · Stock content · Global expansion · Collaboration

Social media marketers · Photography & imaging enthusiasts · YouTubers & video enthusiasts

Anti-piracy · Free-to-paid · Mobile offerings · Partnerships · Learn & training

CS migration to subscriptions · Elements migration to subscriptions · Lightroom migration to subscriptions

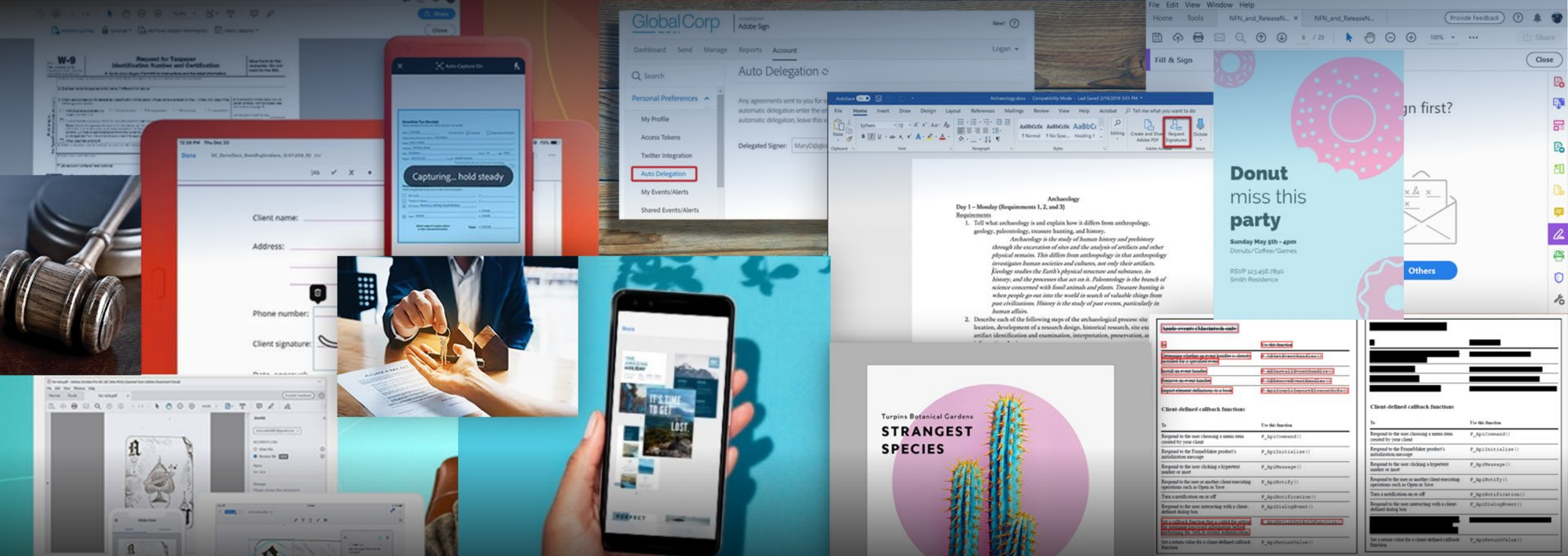
Source: Adobe, November 2019



# Adobe Document Cloud



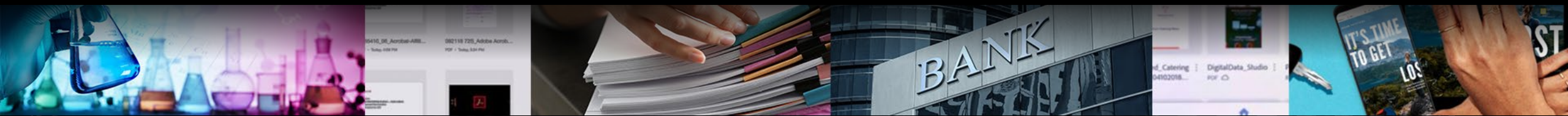




Paper-to-Digital  
Transformation Continues

Cloud & Mobile  
Reshaping Productivity

Document Services Role  
in the API Economy





# Adobe Document Cloud Business Momentum



**~2B**

Mobile + Desktop devices with Reader or Acrobat installed

**>100M**

Mobile IDs created in past 2 years

**~130%**

Y/Y growth in scans uploaded to Document Cloud

**>20%**

Acrobat Y/Y unit growth for 3 consecutive years<sup>1</sup>

**>40%**

Of subscribers are new to Acrobat franchise

**>60%**

Channel units are subscriptions<sup>2</sup>

**>70%**

Enterprise book of business that has purchased services

**>400%**

Y/Y growth of Adobe Sign transactions in Acrobat

Source: Adobe, as of Q3FY19

<sup>1</sup> Across Creative Cloud and Adobe Document Cloud, Q2FY17 through Q3FY19

<sup>2</sup> Subscription units as a percentage of total units licensed through reseller channel including perpetually licensed units

# Adobe Document Cloud Strategy

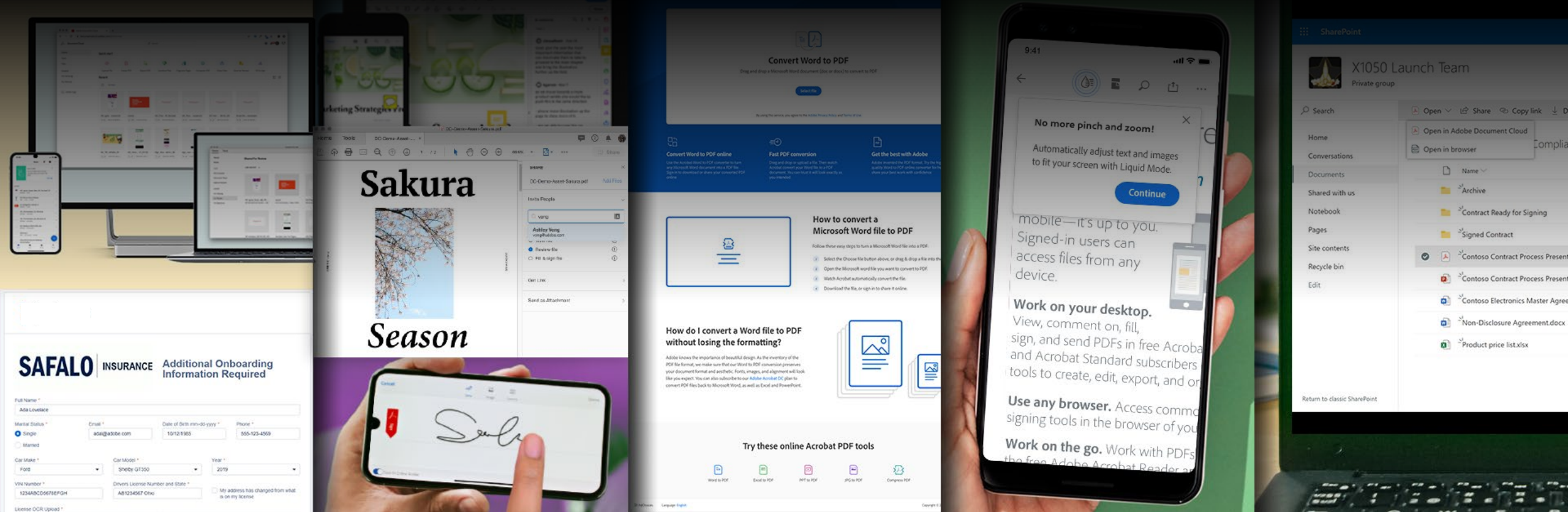
Deliver Best PDF Viewing Experience Everywhere

Expand Document Verbs in Acrobat

Make PDF Frictionless for Mobile & Web

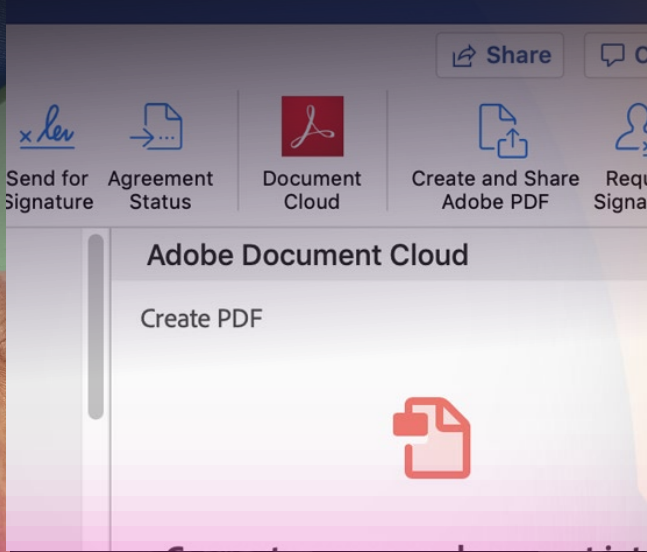
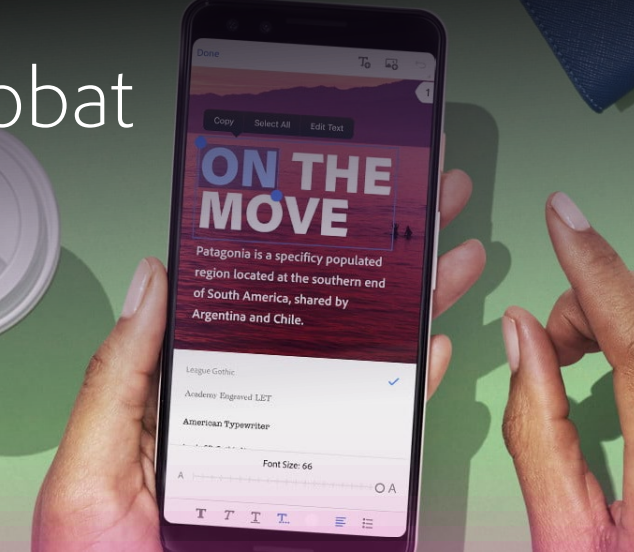
Unlock Value of PDF with Sensei

Unleash PDF Ecosystem with Document Services

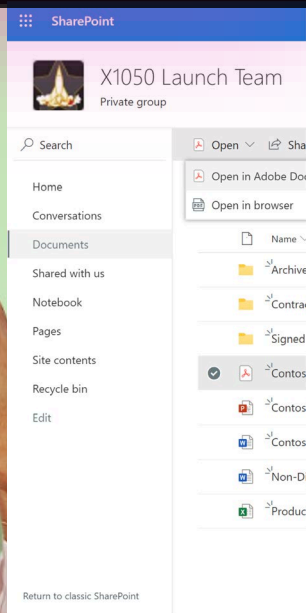
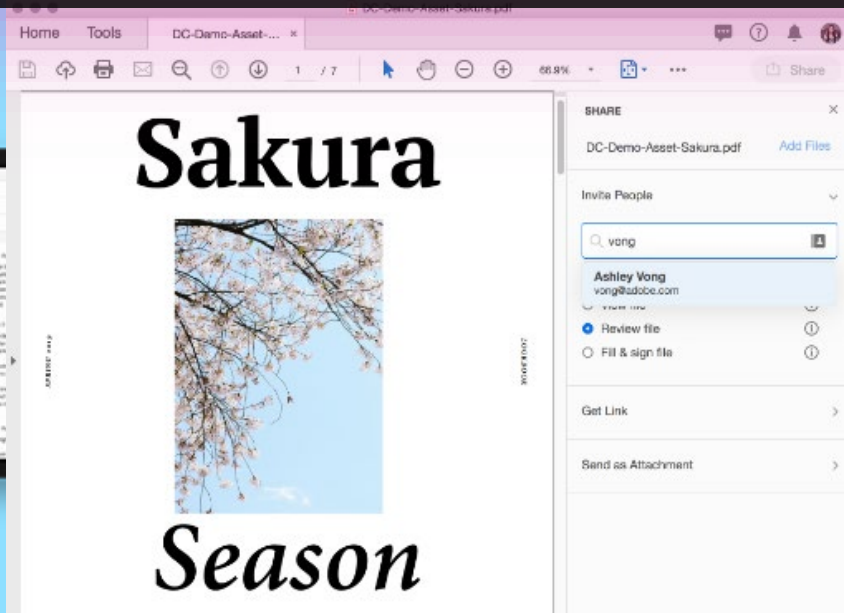
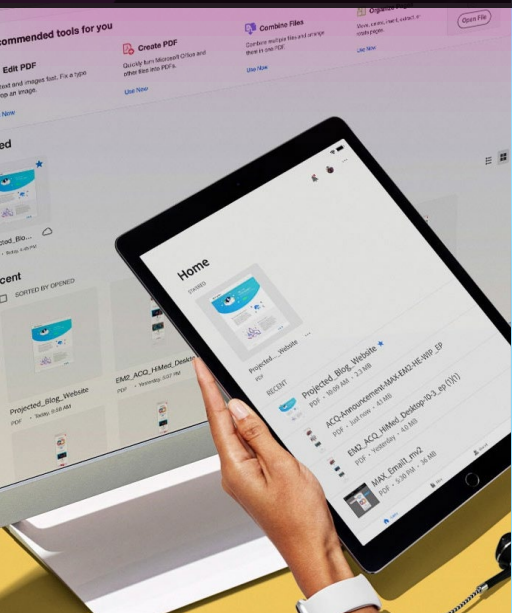




# Document Verb Capabilities in Acrobat



View • Create • Sign • Scan • Share • Edit • Review • Extract • Embed



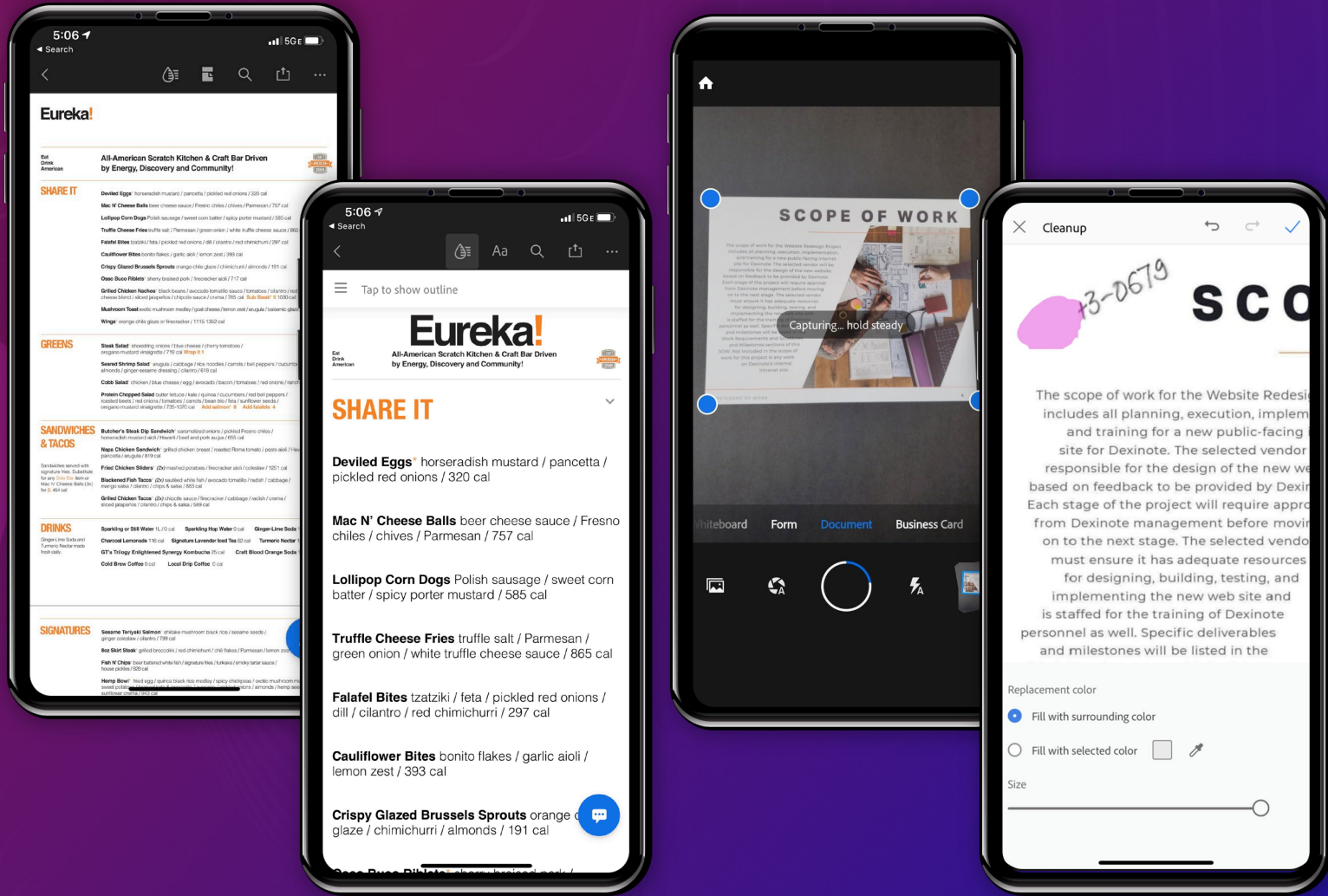
# Deliver PDF Services for Mobile & Web

- Launched Create, Compress & Convert as services on Adobe.com
- Enabled PDF editing in Acrobat mobile
- Extended Scan leadership with Adobe Sensei
- Introduced paid funnel for Acrobat mobile





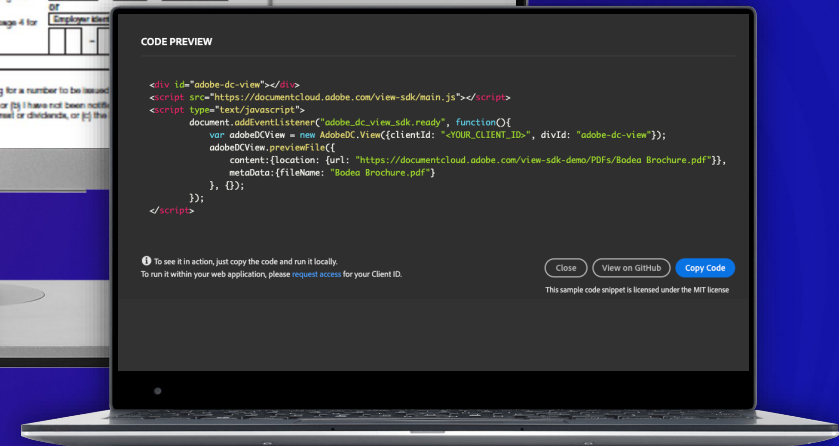
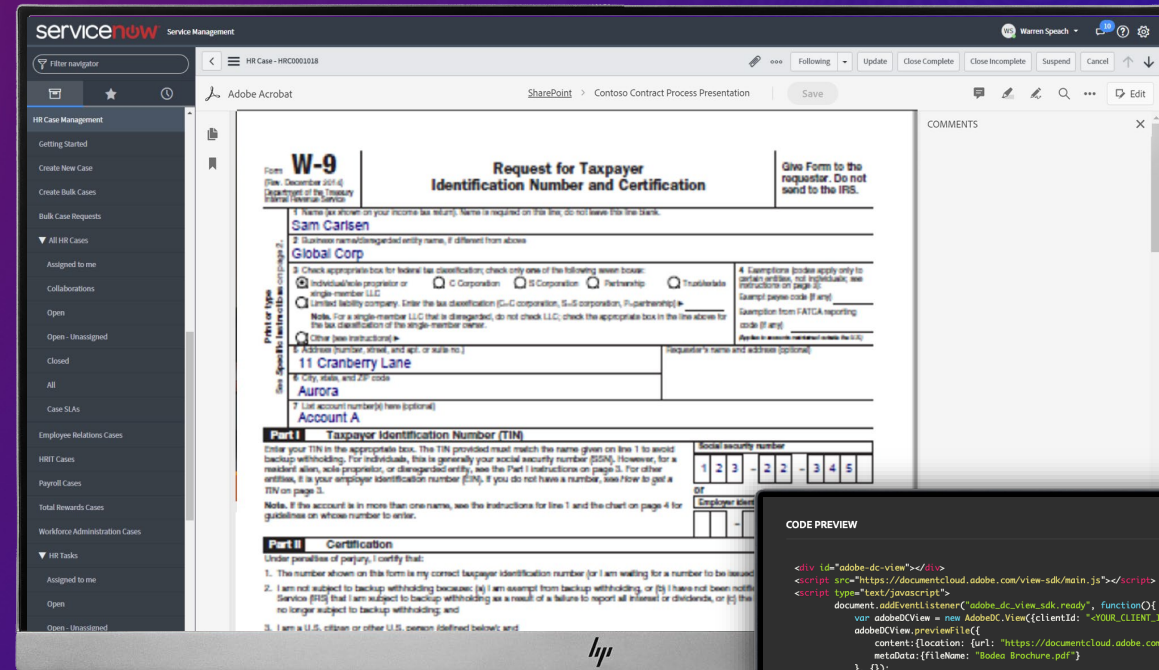
# Unlock Value of PDF with Sensei



- Started global rollout of responsive mobile PDF viewing with Liquid Mode
- Introduced full text search for files stored in Document Cloud
- Extended Adobe Scan leadership with boundary detection, auto-clean & shadow removal
- Improved user experience for form-filling in Acrobat & Sign by automatically recognizing form fields

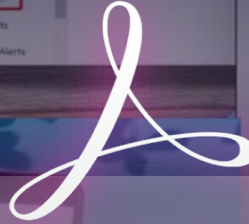
# Unleash PDF Ecosystem with Document Services

- Launched beta of embeddable PDF viewing using Acrobat.js
- Launched beta of PDF services developer APIs via Adobe.io













# Adobe Document Cloud Offerings



## SERVICES

-  View
-  Create/Combine/Compress
-  Share & Review
-  Sign
-  Scan
-  Edit/Organize
-  Protect
-  Redact

## APPS



Acrobat DC



Acrobat Reader



Adobe Sign



Acrobat Mobile



Adobe Scan

## EMBEDDED PDF AS-A-SERVICE

ISVs, SIs, Enterprise & Developers



API Access to  
Embeddable Acrobat  
Viewer



API Access to PDF  
Services & Adobe Sign

# Adobe Document Cloud Growth Drivers

~\$13B

2022 Document Cloud TAM

*Acrobat*

*PDF Mobile and Web Services*

*Embedded Document Services*

Verbs: Create, Sign, Edit, Share, Compress · Reader upsell to Acrobat · Acrobat migration to subscriptions

Acrobat mobile & Scan users · PDF category growth & transformation · SMB & enterprise seat expansion

International growth · Anti-piracy · Acrobat web offerings · Partnerships

API access to embedded PDF services: Create, Sign, Edit, Share, Compress · Product line optimization

Free to paid conversion · Document intelligence · Growth in knowledge worker jobs



# Scaling Our Digital Media Franchise

## DDOM Goes Mainstream

Mobile

Global Expansion

Enterprise

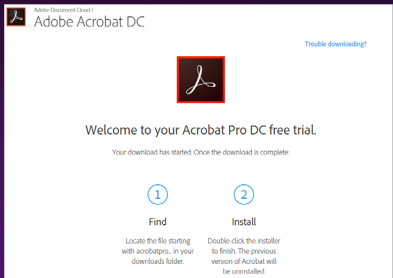
Channel

Inside Sales



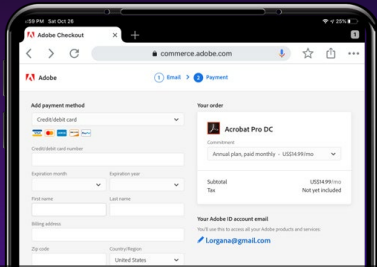
DISCOVER

- Frictionless journeys
- SEO



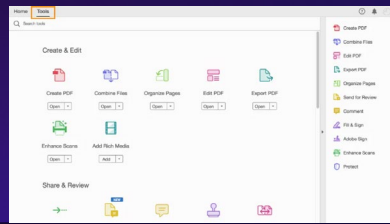
TRY

- Cross-device experience
- Trial with payment



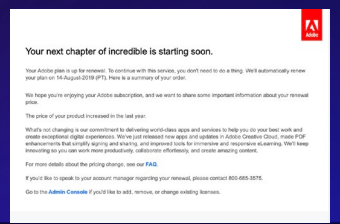
BUY

- Mobile & web offerings
- Multi-year offerings



USE

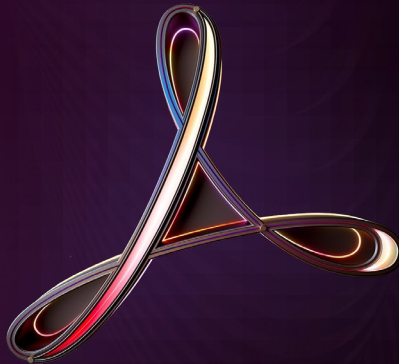
- Creative Cloud Desktop
- Engagement marketing
- Customer success & training



RENEW

- Upsell/cross-sell
- Seat expansion
- Channel auto-renewal

# Digital Media Summary



~\$44B TAM across Creative Cloud and Document Cloud

Category leadership extending into adjacent market opportunities and new media types

Expanding customer universe with multi-surface creative apps

Explosive opportunity with Acrobat verbs, Reader ubiquity, and PDF services

Unprecedented product innovation and Adobe Sensei magic

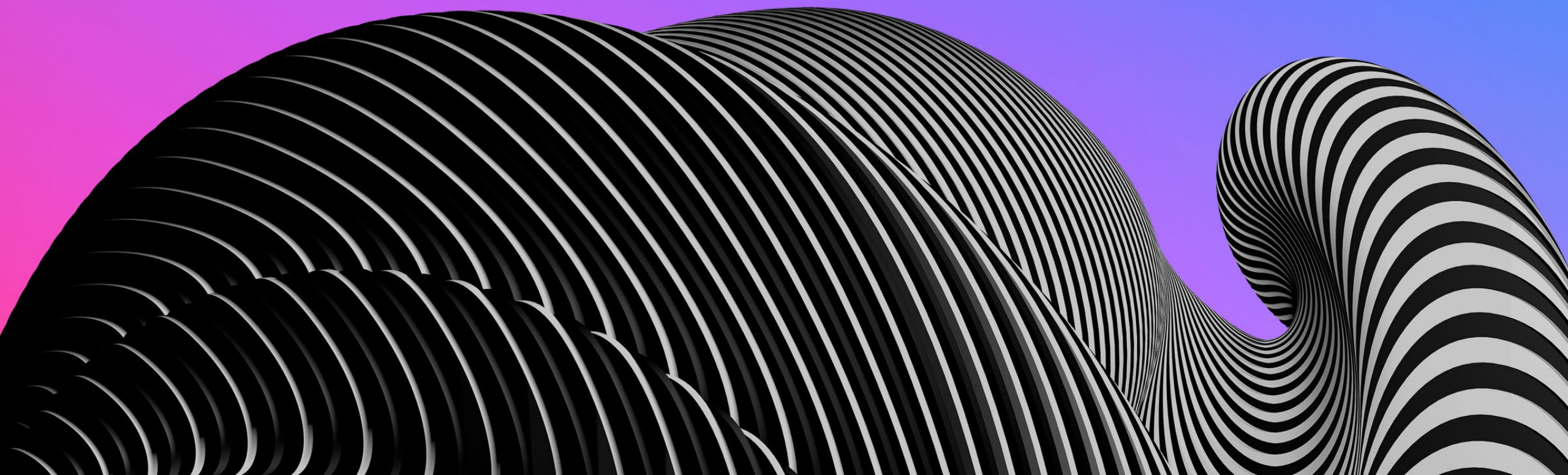
Data-driven insights across large, established GTM powering ARR growth



# Adobe's Digital Experience Opportunity

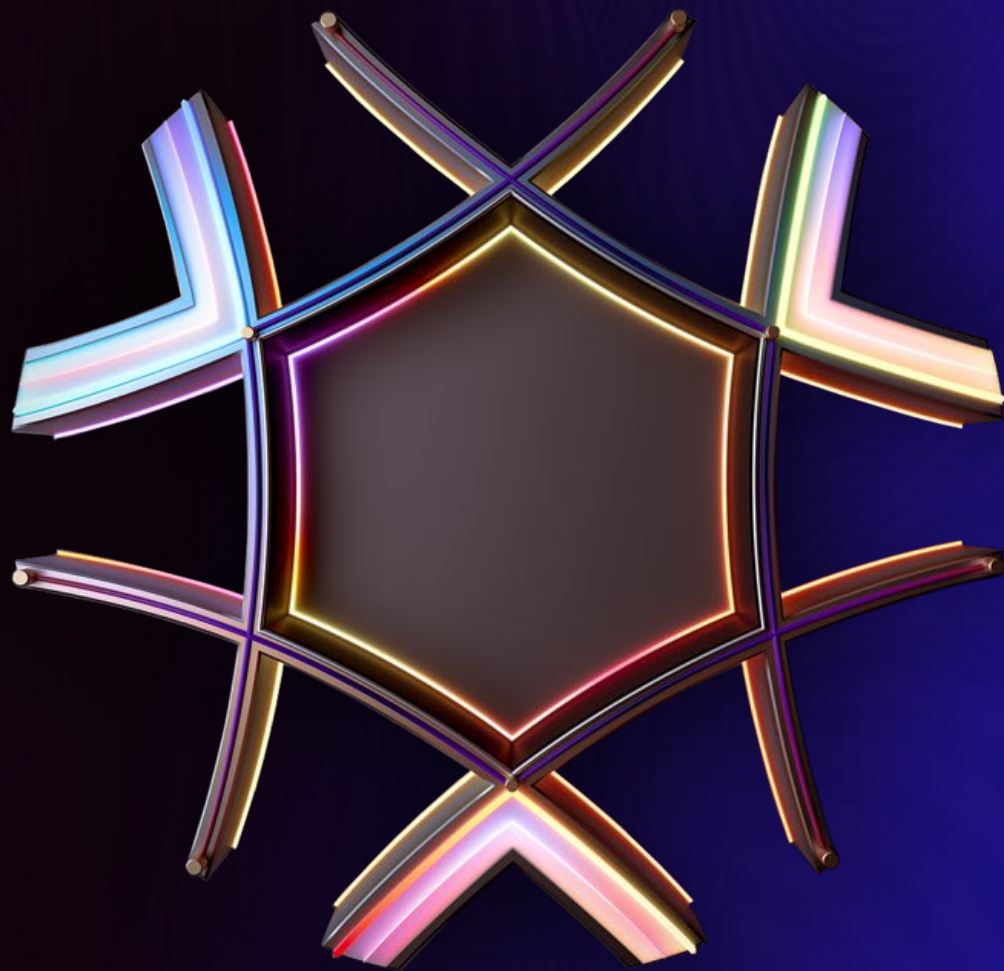
Shantanu Narayen | President & CEO

November 4, 2019



Powering

*Digital  
Businesses*







People Buy Experiences,  
Not Products

B2B Companies Must  
Deliver B2C Experiences

CIOs Must Architect for  
Real-Time Action



# Adobe Experience Cloud Momentum

## Highlights

2014

**~66%**

of top 100 customers have 3+ products

**~\$3M**

Average ARR of top 100 customers

2019

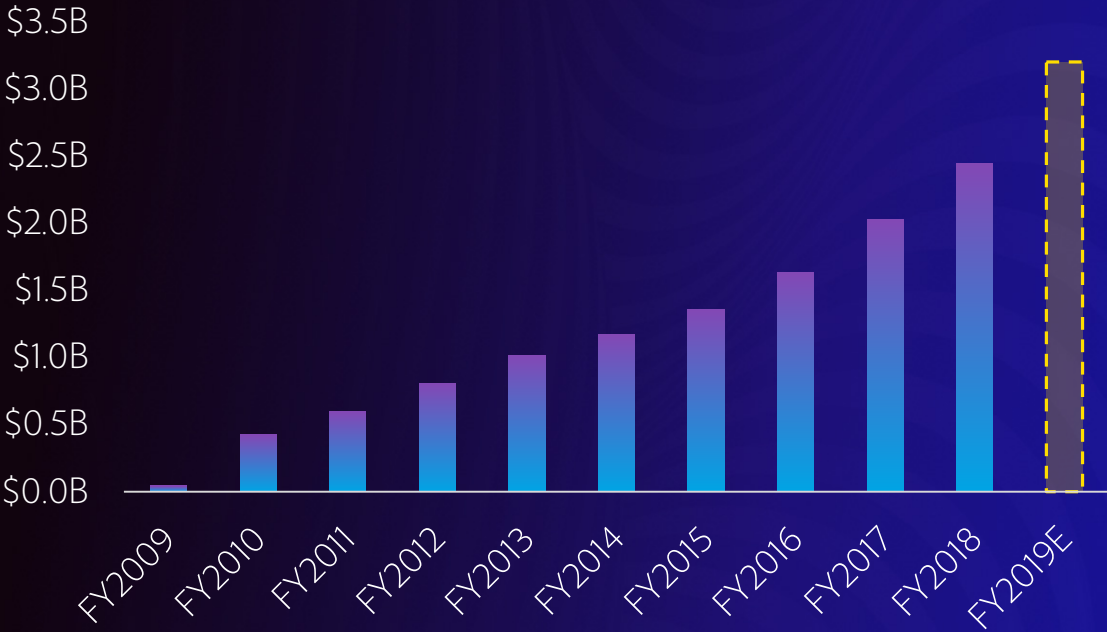
**~90%**

of top 100 customers have 3+ products

**~\$6M**

Average ARR of top 100 customers

## Annual Revenue



Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets



# Adobe Experience Cloud Momentum

## Product

## Ecosystem

## Business Value

**~15B**

Web pages served  
per day

**~3.3B**

Offers delivered  
per day

**~14T**

Segment activations  
per day

**~3.5M**

Ad opportunities  
per second

**~1T**

Marketo B2B marketing  
activities per year

**~67K**

Solution  
partners

**~1.6K**

ISV partners

**~350K**

Magento  
developers

**~6.2K**

Marketplace apps  
and listings

**~550K**

Visitors to Experience  
League Community

**~25%**

Increase in web  
& mobile conversions

**~40%**

Reduction in contact  
center volume

**~242%**

ROI

**~7**

Month payback  
period

**~14%**

Improvement  
in NPS

Source: Adobe, November 2019, Forrester, December 2018

# Adobe Experience Cloud: Mission Critical Across Industries

## Retail



## Travel & Hospitality



## Media & Entertainment



## Financial Services



## High Tech



## Manufacturing



## Telecom



## Education



## Healthcare/Life Science



## Public Sector





# Adobe Experience Cloud: A Decade of Leadership

## From Content Creation to Content Lifecycle

Make | Manage | Measure | Monetize



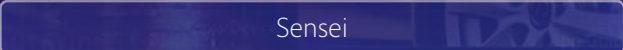
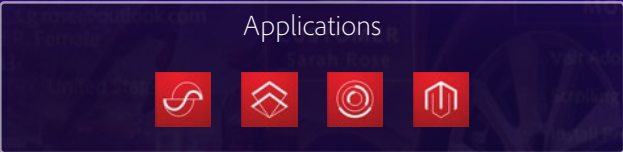
## Building the Comprehensive Digital Marketing Suite

Advertising | Marketing | Analytics



## Addressing the Broader Customer Experience Management Opportunity

B2E | Enterprise + Mid-Market | Platform + AI



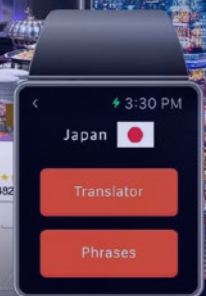
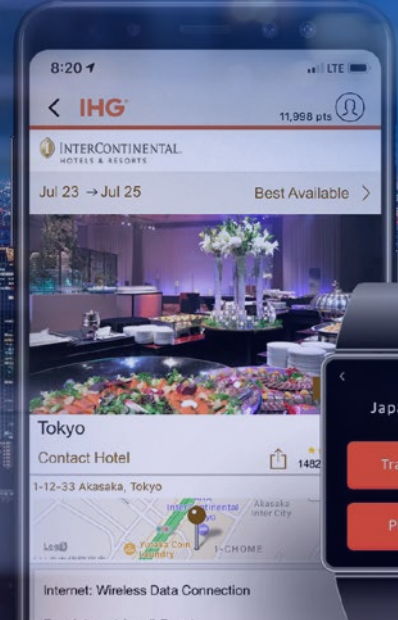


# Digital Transformation: Enterprise Evolution

**EXPERIENCE**  
BUSINESS WAVE

**FRONT**  
OFFICE WAVE

**BACK**  
OFFICE WAVE



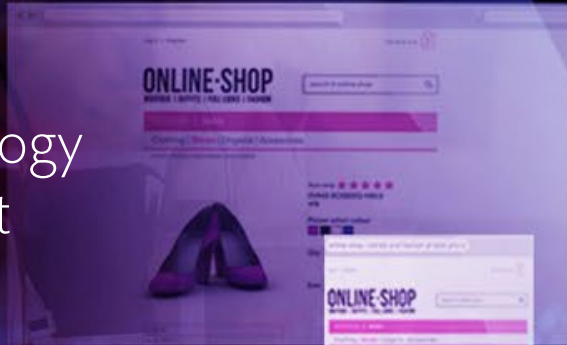


# Experience Business Imperatives

Know Who I Am



Make Technology  
Transparent



Privacy & Security



Consistent Experience  
Across Surfaces

Stitching Trillions  
of Data Points

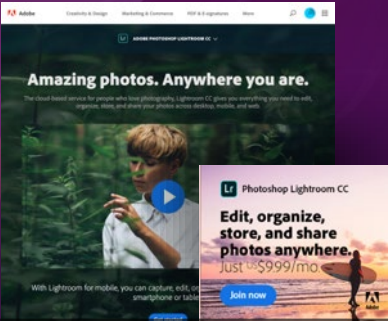
Bridging SaaS  
& On-Premise Islands

Customer Domain  
Specialized AI Models

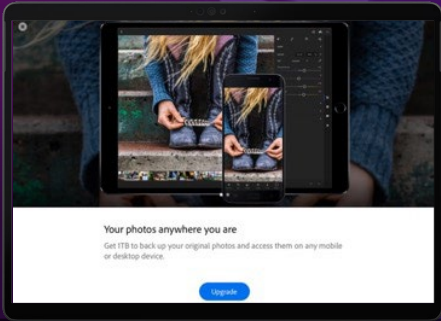
From Batch Transactions  
to Real-Time Activation



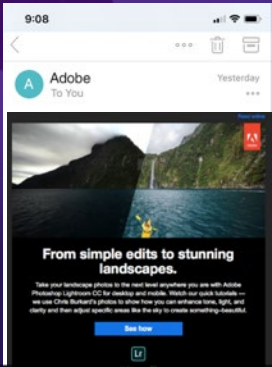
# Powering Experience Businesses Across the Customer Journey



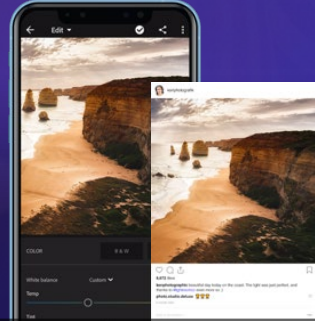
DISCOVER



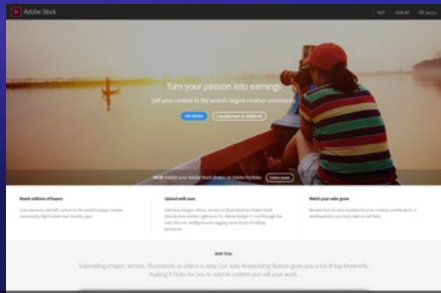
TRY



BUY



USE



RENEW



# Adobe Experience Cloud Evolution: Applications + Services + Platform

Applications

- Best of breed applications
- Integrated through Platform + Services

Services

- Acceleration of functionality delivered through services
- Experience intelligence services

Platform

- Adobe Experience Platform
- Adobe Sensei framework & tools

Multi-Cloud Infrastructure

- Architected to run on heterogeneous environments

# Adobe Experience Cloud Evolution: Applications + Services + Platform

Applications



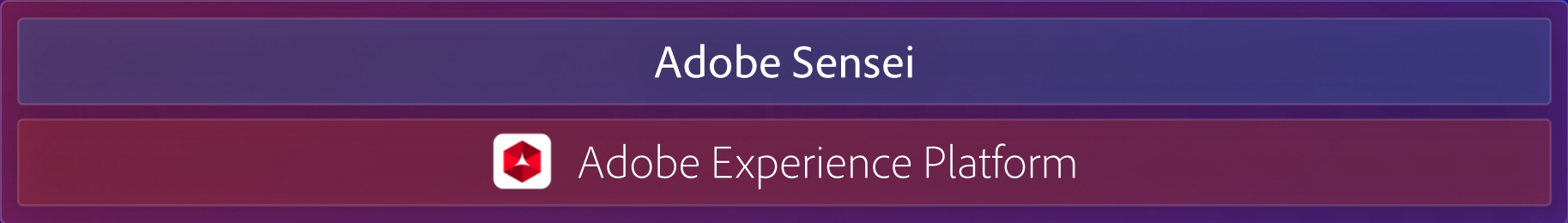
The Applications layer is represented by a light blue rounded rectangle. It contains two rows of icons and labels. The top row features four large red icons with white symbols, each labeled with a cloud service: Analytics Cloud, Marketing Cloud, Commerce Cloud, and Advertising Cloud. The bottom row features eight smaller icons with various symbols, each labeled with a specific application: Adobe Analytics, Audience Manager, Experience Manager, Adobe Target, Adobe Campaign, Marketo Engage, Magento Commerce, and Advertising.

Services



The Services layer is represented by a dark blue rounded rectangle containing two rows of light blue buttons. The top row includes Analysis Workspace, Real-Time CDP, Triggered Journeys, and Offer Management. The bottom row includes Attribution.ai, Customer.ai, Journey.ai, and Leads.ai.

Platform



The Platform layer is represented by a dark red rounded rectangle. It contains two stacked horizontal bars. The top bar is a lighter shade of red and contains the text "Adobe Sensei". The bottom bar is a darker shade of red and contains the Adobe Experience Platform logo (a red cube with a white triangle) and the text "Adobe Experience Platform".



# Adobe Experience Cloud Evolution: Applications + Services + Platform



REAL-TIME CUSTOMER PROFILE & INSIGHTS



CONTENT & COMMERCE



CUSTOMER JOURNEY MANAGEMENT

## Applications

Analytics Cloud	Marketing Cloud	Commerce Cloud	Advertising Cloud				
Adobe Analytics	Audience Manager	Experience Manager	Adobe Target	Adobe Campaign	Marketo Engage	Magento Commerce	Advertising

## Services

Analysis Workspace	Real-Time CDP	Triggered Journeys	Offer Management
Attribution.ai	Customer.ai	Journey.ai	Leads.ai

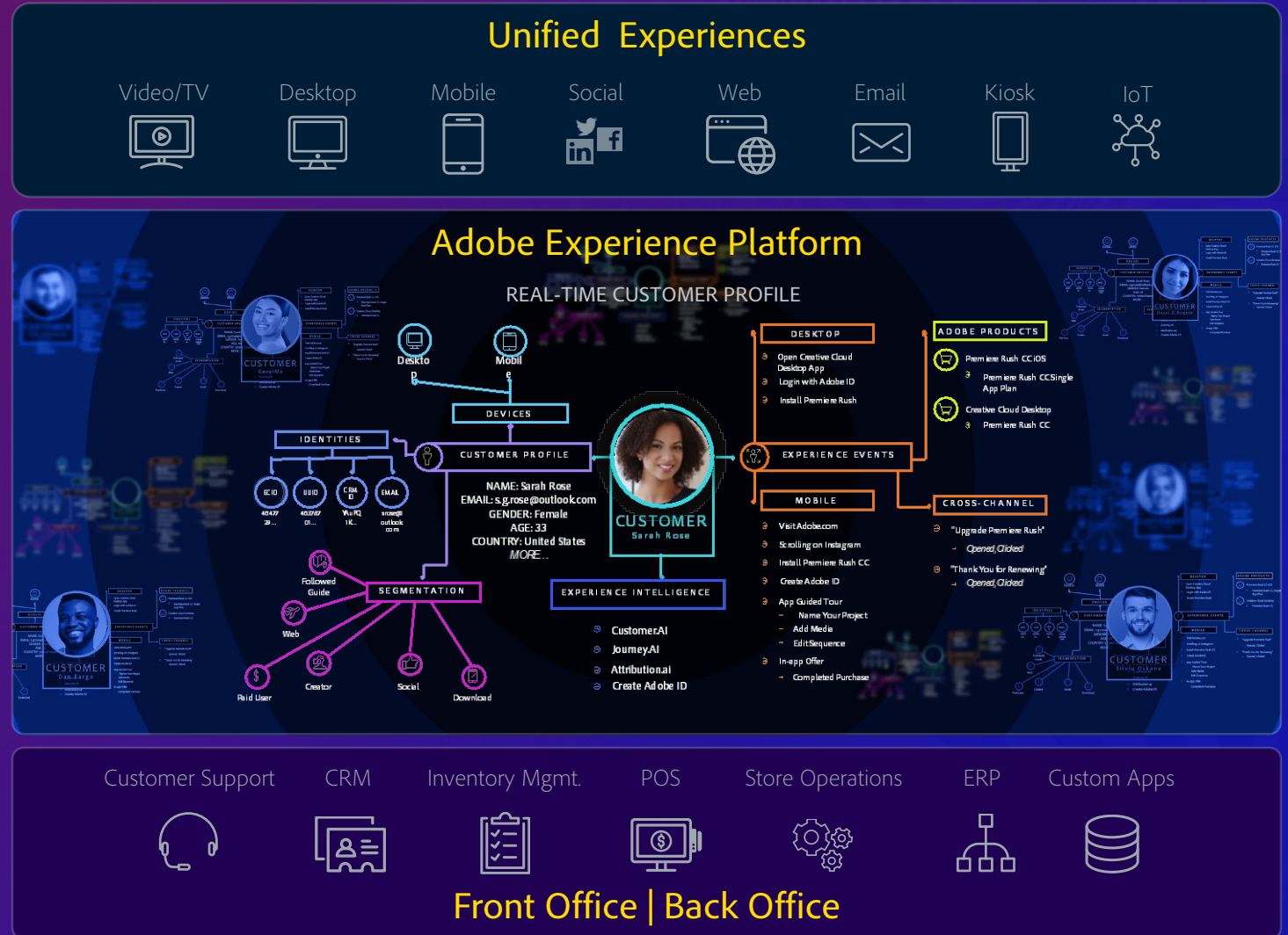
## Platform

**Adobe Sensei**

Adobe Experience Platform

# Adobe Experience Cloud: Real-Time Customer Profile & Insights

## Adobe Experience Platform Architected for CXM





# Adobe Experience Cloud: Real-Time Customer Profile & Insights

## Adobe Analytics

Experience System of Intelligence for  
Cross-Channel Data, Insights &  
Activation

### HIGHLIGHTS

- Broad coverage of B2C omni-channel analytics
- Internet scale behavioral dataset:  
~13T data transactions per year
- Enables real-time personalization via integration with Target, Audience Manager & Adobe Experience Platform

### INNOVATION ROADMAP

- Customer journey analytics
- Query & analysis workspace
- Sensei-powered services

## Adobe Audience Manager + Real-Time Customer Data Platform (CDP)

Insights & Activation for  
Known & Unknown Audiences

### HIGHLIGHTS

- Scale asset for audience creation & delivery:  
~14T segment activations per day
- Workflow integrated with Analytics, Target, Campaign, Advertising Cloud

### INNOVATION ROADMAP

- Internet scale services to drive real-time personalization
- Unified real-time edge across Adobe Experience Cloud
- Audience Manager & Real-Time CDP integration

# Adobe Experience Cloud: Content & Commerce

## Adobe Experience Manager (AEM) + Target

Single Source of Truth to Deliver  
Multi-channel Personalization at Scale

### HIGHLIGHTS

- Mission-critical category leader with AEM Sites; content velocity driving AEM Assets
- ~15B web pages served per day; ~3.3B offers delivered per day
- Together with Analytics, provides a digital foundation for every business

### INNOVATION ROADMAP

- Content as a SaaS service
- Headless content management
- Content velocity & intelligence

## Magento Commerce

Making Every Experience Shoppable  
for B2C & B2B, Physical & Digital Goods

### HIGHLIGHTS

- Scalable from mid-market to Enterprise across B2C & B2B
- Open & vibrant ecosystem of ~350K developers; ~5.4K apps

### INNOVATION ROADMAP

- Deep integration with AEM
- Extending reach through partnerships with Amazon & Google
- Mobile commerce with Progressive Web Apps



# Adobe Experience Cloud: Customer Journey Management

## Adobe Campaign

Multi-Channel Campaign Orchestration  
& Automation for B2C Journeys

### HIGHLIGHTS

- Deep affinity with B2C content & audience management & personalization
- Largest customers scaling to 10-20B emails annually to a profile base of 25-100M

### INNOVATION ROADMAP

- Triggered Journeys to deliver personalized interactions across customer journeys
- Intelligent Sensei services: Journey.ai, Attribution.ai

## Marketo Engage

Omni-Channel Marketing Automation  
& Account-Based Marketing for  
B2B Journeys

### HIGHLIGHTS

- Mission critical tool for B2B marketers
- ~1T marketing activities/year
- >550 ecosystem partners

### INNOVATION ROADMAP

- Align B2B & B2C journey management
- Account-based experience (ABX)
- Extend individual and account targeting with LinkedIn Integration

# Adobe Experience Cloud: Advertising

## Unified Advertising Platform Brands & Agencies

### HIGHLIGHTS

- Unify media silos for advertising across Search, Display, Video & TV
- 1<sup>st</sup>-party data activation from Analytics & Audience Manager

### INNOVATION ROADMAP

- Video ad planning, delivery & measurement for TV Everywhere across digital, OTT & linear
- Unique inventory access with 1<sup>st</sup>-party data match



# Adobe Experience Cloud: Experience Intelligence

Attribution.ai

Customer.ai

Journey.ai

Leads.ai



BUDGET ALLOCATION



AUDIENCE TAGGING



CONTRIBUTION ANALYSIS




SENTIMENT ANALYSIS



AUTOMATED INSIGHTS



ANOMALY DETECTION



ATTRIBUTION



INTELLIGENT ALERTS



SUBJECT LINE OPTIMIZATION




VIDEO RECOMMENDATIONS



NEW LOOKALIKE MODELING




INTELLIGENT AUDIENCE SEGMENTATION



LANDING PAGE OPTIMIZATION




PROBABILISTIC DEVICE STITCHING




EMAIL FREQUENCY CONTROL




PREDICTING CLICKS



ONE-CLICK PERSONALIZATION



PERSONALIZATION



AUTO-TAGGING

# Adobe Experience Cloud: Open Platform & Ecosystem



Experience Cloud

## DEVELOPER SERVICES

Adobe I/O

## INTELLIGENT SERVICES

Adobe Sensei

## PLATFORM

Adobe Experience Platform

## INFRASTRUCTURE SERVICES

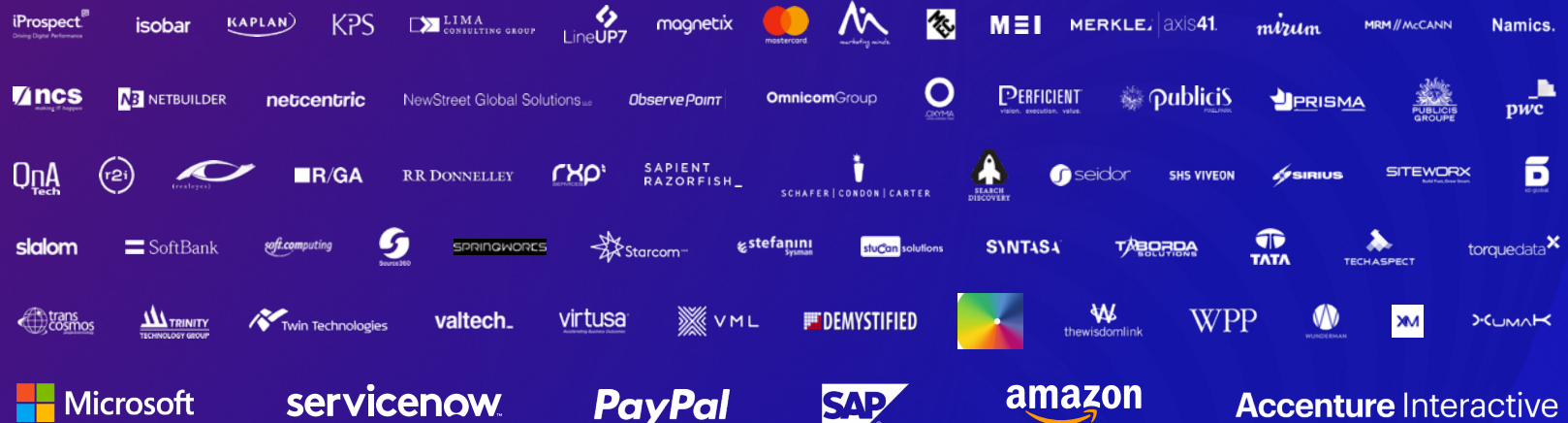
Multi-Cloud Foundation



Adobe I/O

Adobe Exchange

Open Data Initiative





# Adobe Experience Cloud Growth Strategy

Build on Affinity with CMO to Drive CXM Across C-Suite

Extend CXM From B2C to B2E

Expand to CIO with Adobe Experience Platform

Scale in Mid-Market Segment

Evangelize DDOM as a Transformation Playbook



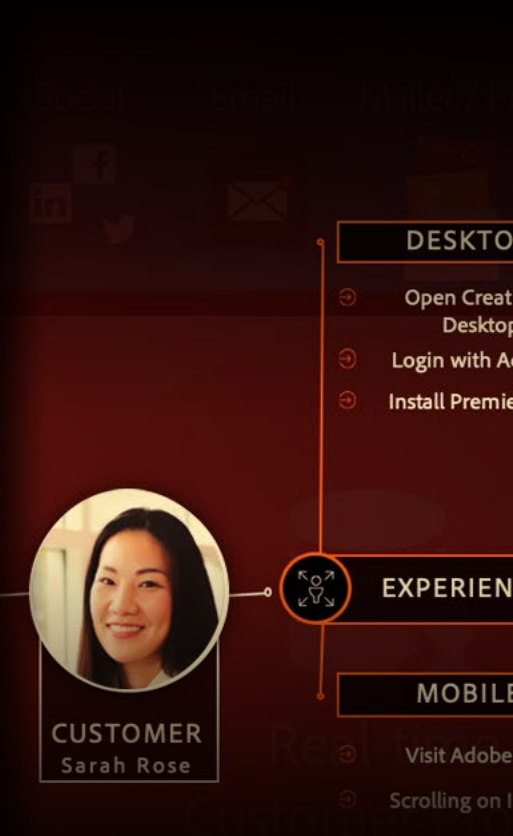
Verticals



Geographies



Partners





# CXM Thought Leadership

The customer experience is always right.

Only Adobe brings together customer data and content to deliver amazing experiences. Just what you'd expect from a leader in customer experience management.

Make experience your business.  
Learn more at [adobe.com/go/customerexperience](https://adobe.com/go/customerexperience)

Adobe Experience Cloud

© 2018 Adobe. All rights reserved. Adobe and the Adobe logo are registered trademarks or trademarks of Adobe Systems Incorporated in the United States and other countries. All other marks are the property of their respective owners.

CMO  
by Adobe

## The Experience Makers

Home | Library | Back Friday Weekend

### Online Holiday Sales Hit \$80.3 Billion, Says Adobe Analytics

Total e-commerce sales for holiday shopping have hit \$80.3 billion from Nov. 1 through Dec. 6, nearly 10% year-over-year growth from 2017, according to newly released data from Adobe Analytics.

By Adam Smith  
Updated Dec 6, 2018 1:07 PM EST | Original Dec 7, 2018

## A LOOK BACK AT 25 YEARS OF DIGITAL ADVERTISING

- 1994** The modern display ad is born. CBT purchased a small piece of Webdex real estate on Hotmail.com that said "New! You Ever Clicked Your Mouse Right? Meet the Web!" Approximately 44% of those who saw the ad clicked on it.
- 1995** Yahoo emerges as a commercial enterprise and becomes the primary search engine for the Web.
- 1996** A number of companies begin to adopt keyword-based banner advertising, including AT&T, Yahoo, Yahoo!, and Club Med.
- 1997** The pop-up ad is invented. Pop-under ads soon follow, common today to most banner ads.
- 1998** Google debuts AdWords and, with algorithms, revolutionizes search engines. Google is also credited with introducing the concept of search engine optimization.
- 1999** The first advertising networks, connecting advertising to websites, begin to appear.
- 2000** Google introduces AdWords and, with algorithms, revolutionizes search engines. Google is also credited with introducing the concept of search engine optimization.
- 2001** The dot-com bubble, which originated from the mid-1990s to 2000, begins giving rise to a small recession.
- 2002** A software developer in Denmark writes the source code for AdWords, to be released as a business extension soon after.
- 2003** LinkedIn launches. The site will grow into a professional networking platform with hundreds of millions of members.
- 2004** The Facebook debate on Feb. 4, 2004, sparks a search to define the term "social media." The platform expands to other types of advertising, particularly native ads.
- 2005** Broadband adoption surges as up Internet access, offering persistent connectivity and much faster performance. This means sales and other more robust content a viable option for content creators and brands.
- 2006** Facebook introduces sponsored links and smaller display ads that focus on user demographics and interests. Other social networks follow suit, also adopting hyper-targeted ads.
- 2007** The introduction of the iPhone is a major tipping point for mobile advertising. Brands begin to take a more granular marketing approach to mobile, which eventually leads to "mobile first" design strategies.



## Digital Insights

Latest

Summer Travel Guide: Tips, Tricks, And Trends For Booking Your Next Vacation

The average American expects to spend anywhere from two to three weeks of their pay on summer vac...

08-17-2018

## WELCOME TO EXPERIENCE LEAGUE

To become an Experience League member, you need more than just great leads and online help. You need a partner. Experience League is a new member program with global training to help you get the most out of Adobe Experience Cloud. With ongoing resources, one-to-one expert support, and a thriving community of fellow professionals, Experience League is a comprehensive program designed to help you become your best.

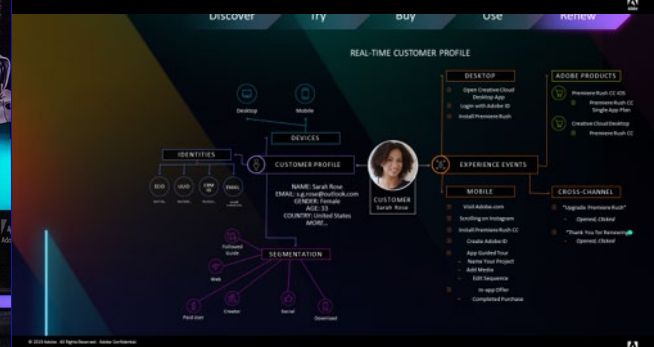
John O'Sullivan

B2B → B2C

Unlocking the power of B2E

End-to-end lead to revenue

RTX TRIPLE THREAT BUY REFORCE RTX™, GET UP TO THREE GAMES.





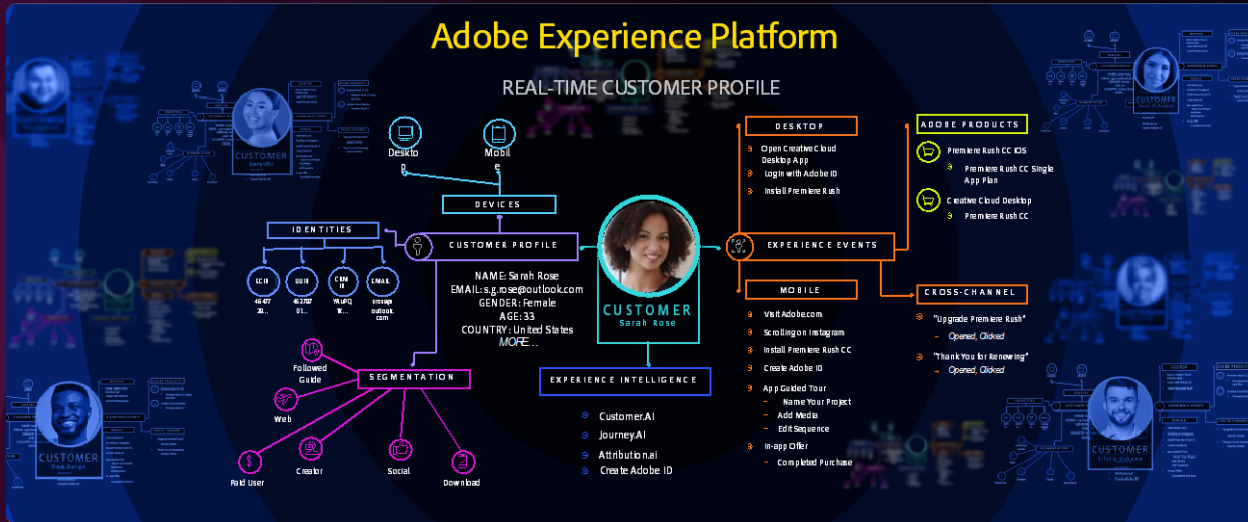
# Expand to CIO with Adobe Experience Platform

## Unified Experiences



## Adobe Experience Platform

### REAL-TIME CUSTOMER PROFILE



- Comprehensive, differentiated offering across entire C-Suite
- Opens new line items in CIO budget
- Accelerates CMO adoption of Adobe technology with support from CIOs and ecosystem partners
- Enables enterprise-wide integration for all Adobe Experience Cloud applications
- Delivers strong value proposition for developers and data scientists

Customer Support CRM Inventory Mgmt. POS Store Operations ERP Custom Apps



## Front Office | Back Office

# Extend Customer Experience Management to B2E

- B2B companies must deliver B2C experiences
- Creates new demand for entire Adobe Experience Cloud offering
- Standardization across single platform unlocks power of Business to Everyone (B2E)

B2B



B2C

UNLOCKING THE POWER OF  
END-TO-END LEAD TO REVENUE

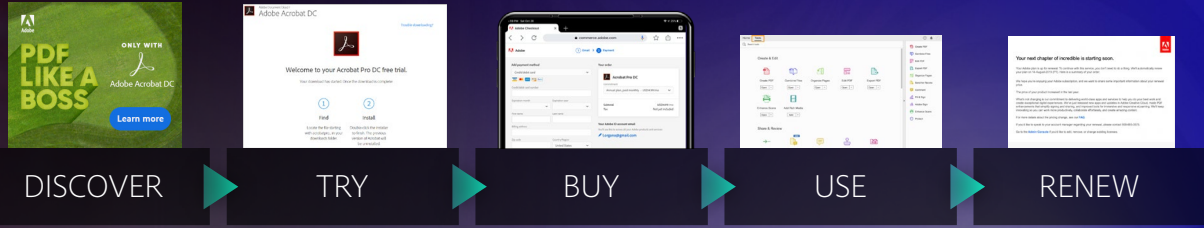
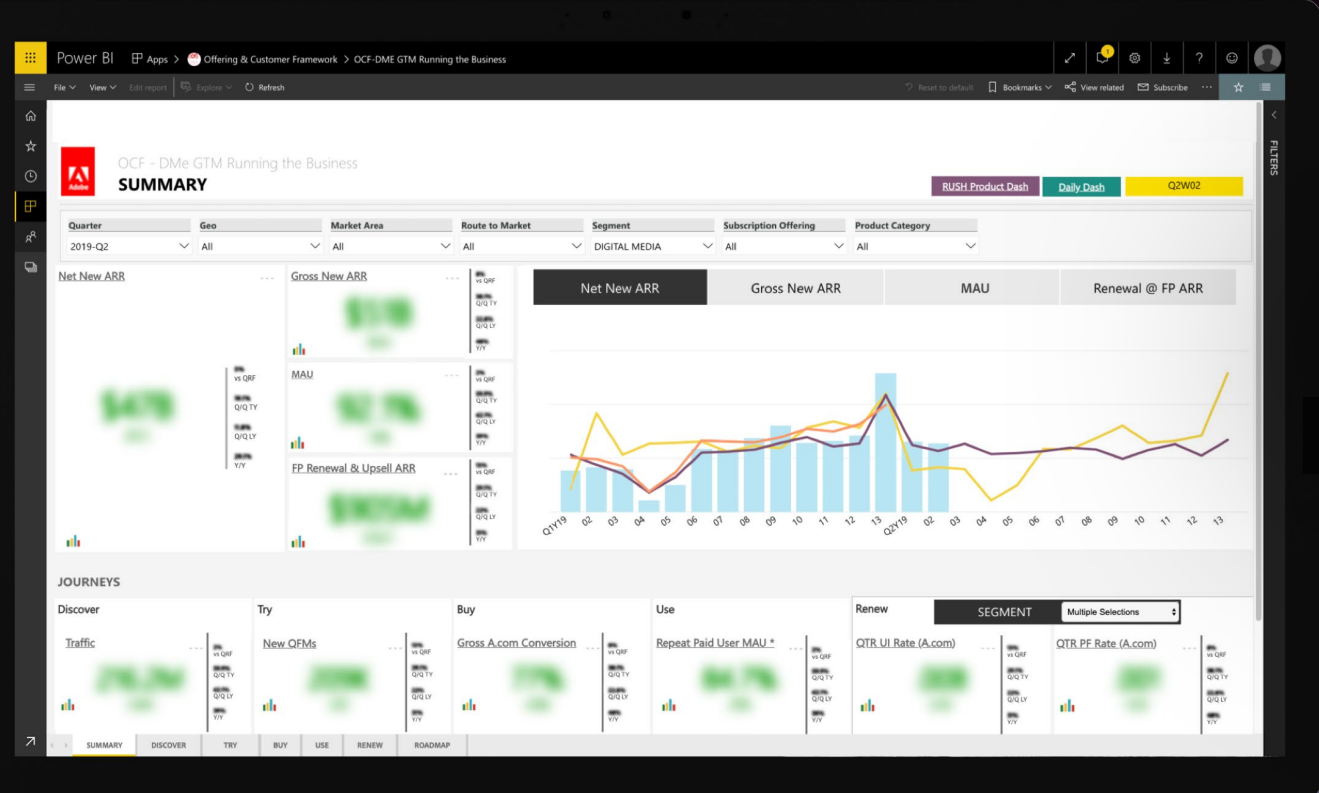
B2E



# Scale in Mid-Market Segment

- Expanded market opportunity for Adobe Experience Cloud
- Anchored by momentum across Marketo & Magento
- Drives focus on self-serve & time-to-value
- High-velocity Adobe.com & inside sales motion
- Broad developer, partner & reseller ecosystem

# Evangelize DDOM as a Transformation Playbook





# Experience Cloud: Powering Digital Businesses

~\$84B Digital Experience TAM

Decade of leadership in Digital Marketing category

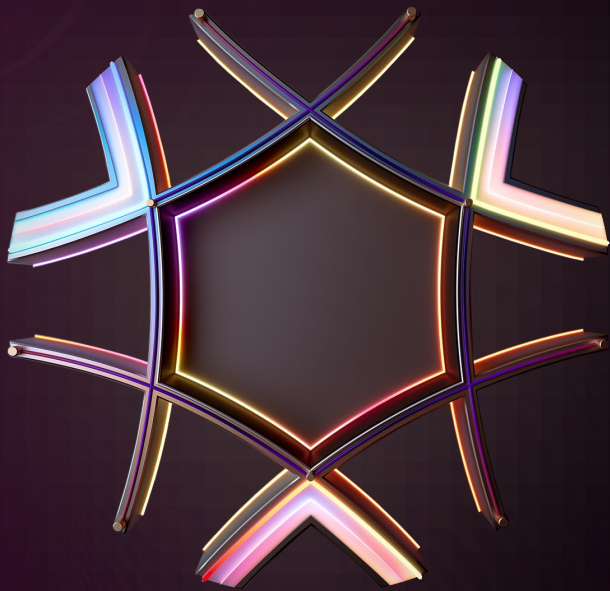
Integrated suite designed to deliver entire customer journey across B2C, B2B, enterprise & mid-market

Introduced generational innovation in new products and platforms in 2019

Content, data & Sensei services are unique differentiators in the industry

Robust ecosystem enables accelerated adoption and seamless integration of Adobe's platform

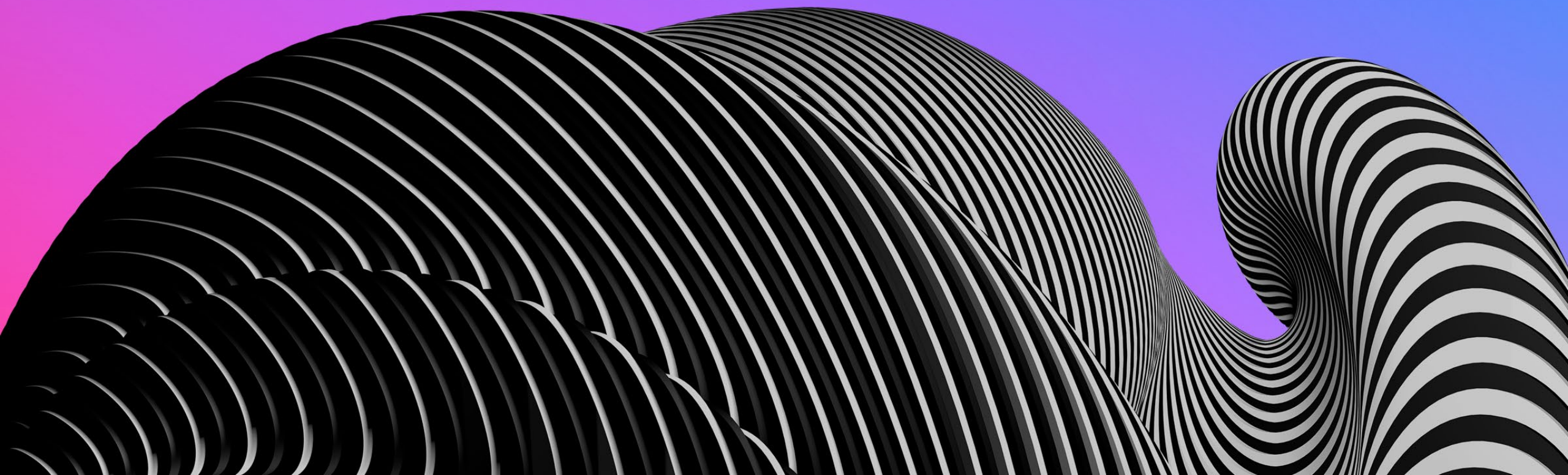
Positioned to lead in explosive CXM category



# Technology Vision

Abhay Parasnis | EVP & CTO

November 4, 2019





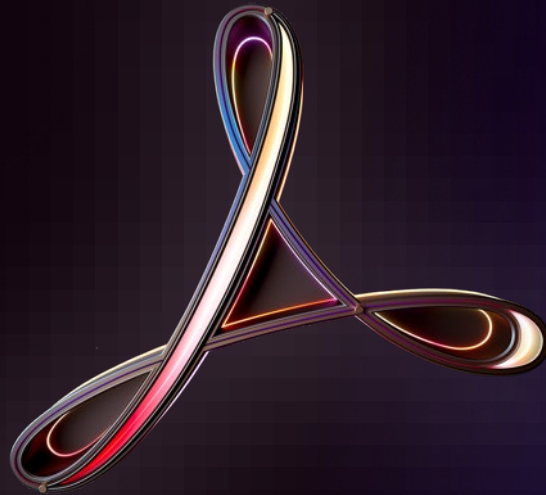
Unleashing

*Creativity*



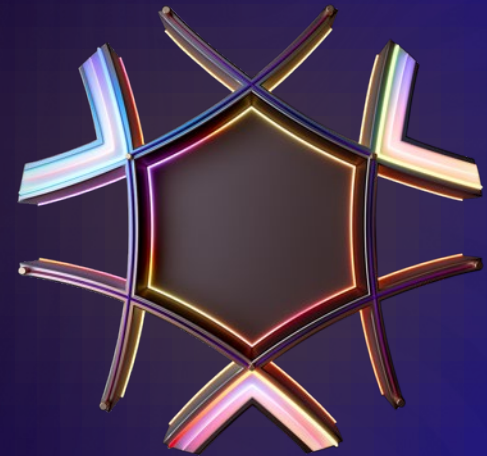
Accelerating

*Document  
Productivity*



Powering

*Digital  
Businesses*

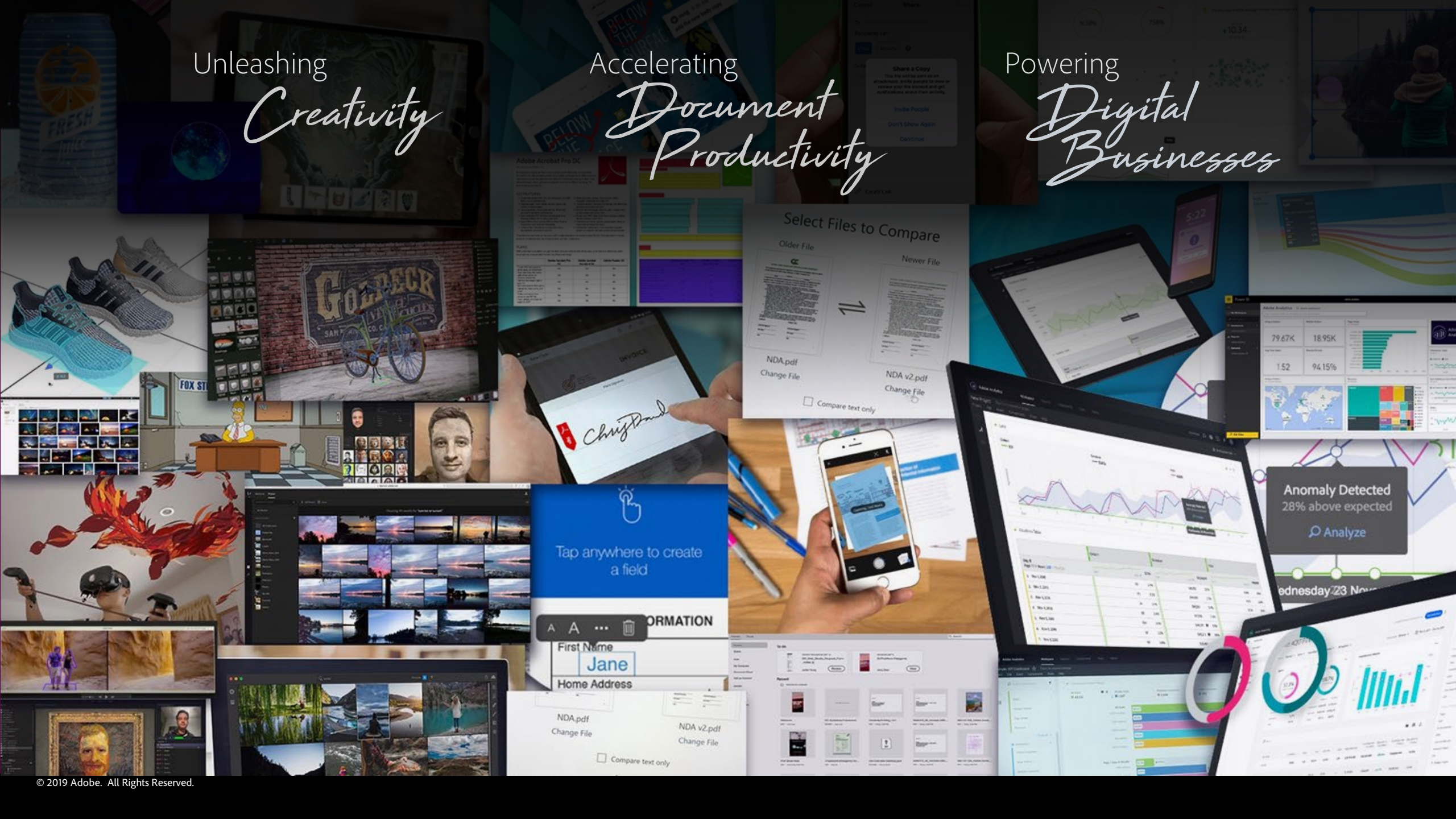




Unleashing  
*Creativity*

Accelerating  
*Document  
Productivity*

Powering  
*Digital  
Businesses*





Unleashing

*Creativity*

Accelerating

*Document  
Productivity*

Powering

*Digital  
Businesses*

Applications

Services

Platform

Unleashing  
*Creativity*

Accelerating  
*Document  
Productivity*

Powering  
*Digital  
Businesses*

Applications

Adobe Creative Cloud	Adobe Document Cloud	Adobe Experience Cloud

Services

Adobe Creative Cloud Services	Adobe Document Cloud Services	Adobe Experience Cloud Services
Adobe Stock	Create/Combine/Compress	Attribution.ai
Behance, Adobe Live	Edit/Organize	Customer.ai
Design Systems, CC Libraries	Share & Review	Leads.ai
Fonts, Training, Portfolio	View	Triggered Journeys
Co-Edit Collaboration	Adobe Scan & Sign	Analysis Workspace
...	...	...

Platform

**Adobe Sensei**

Content + Data



Unleashing  
*Creativity*

Accelerating  
*Document  
Productivity*

Powering  
*Digital  
Businesses*

Multi-Cloud  
Platform

Experiences  
Across Surfaces

Sensei Intelligent  
Services

Security &  
Compliance

Operational  
Excellence

~29B

Content  
platform assets

~310M

Mobile apps  
downloaded

~250B

PDFs opened  
last year

~15B

Web pages  
served per day

~340M

Yearly active  
Adobe IDs

~6000

Cloud releases  
per month

~1600

Multi-Cloud  
services

~2B

Mobile + Desktop devices  
w/ Reader or Acrobat

~35M

Adobe Scan  
downloads

~14T

Segment activations  
per day

~13B

Cloud API calls  
per day



# Innovation Engine



Emerging  
Products

Research  
Breakthroughs

Patents

Talent





# Escaping The Glass



# Content Reimagined



# Real-Time Data



# Intelligence Everywhere





# Escaping The Glass

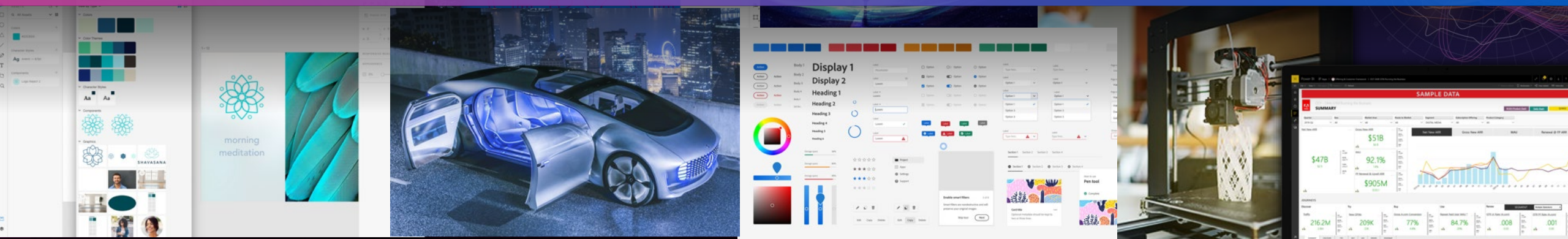
Imaging & Video  
Reimagined

Voice, Vision  
& Immersive

Real-Time  
Collaboration

The Future of  
Documents

Activating  
Insights at Scale







# Content Reimagined

Cloud-First Content Authoring



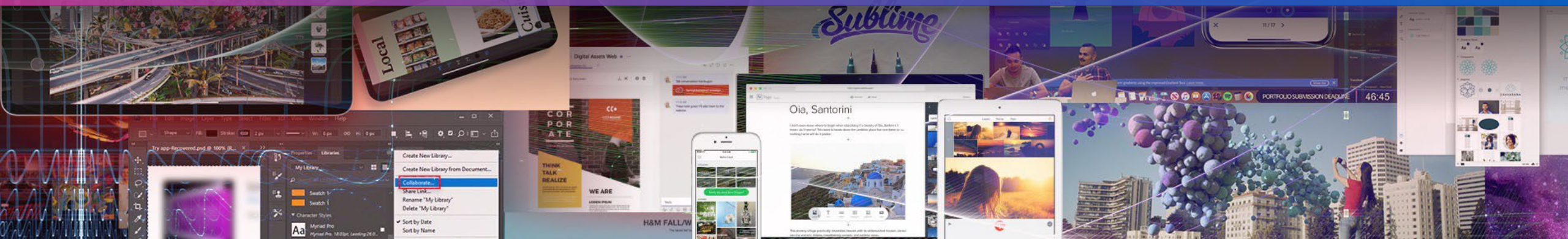
Semantic Content Model & Services



Content Intelligence



True SaaS Content Delivery







# Real-Time Data



Data Ingestion & Multi-Modal Data

Semantic Model of Customer Profile

Experience Intelligence

Real-Time Edge Delivery





# Adobe Experience Platform

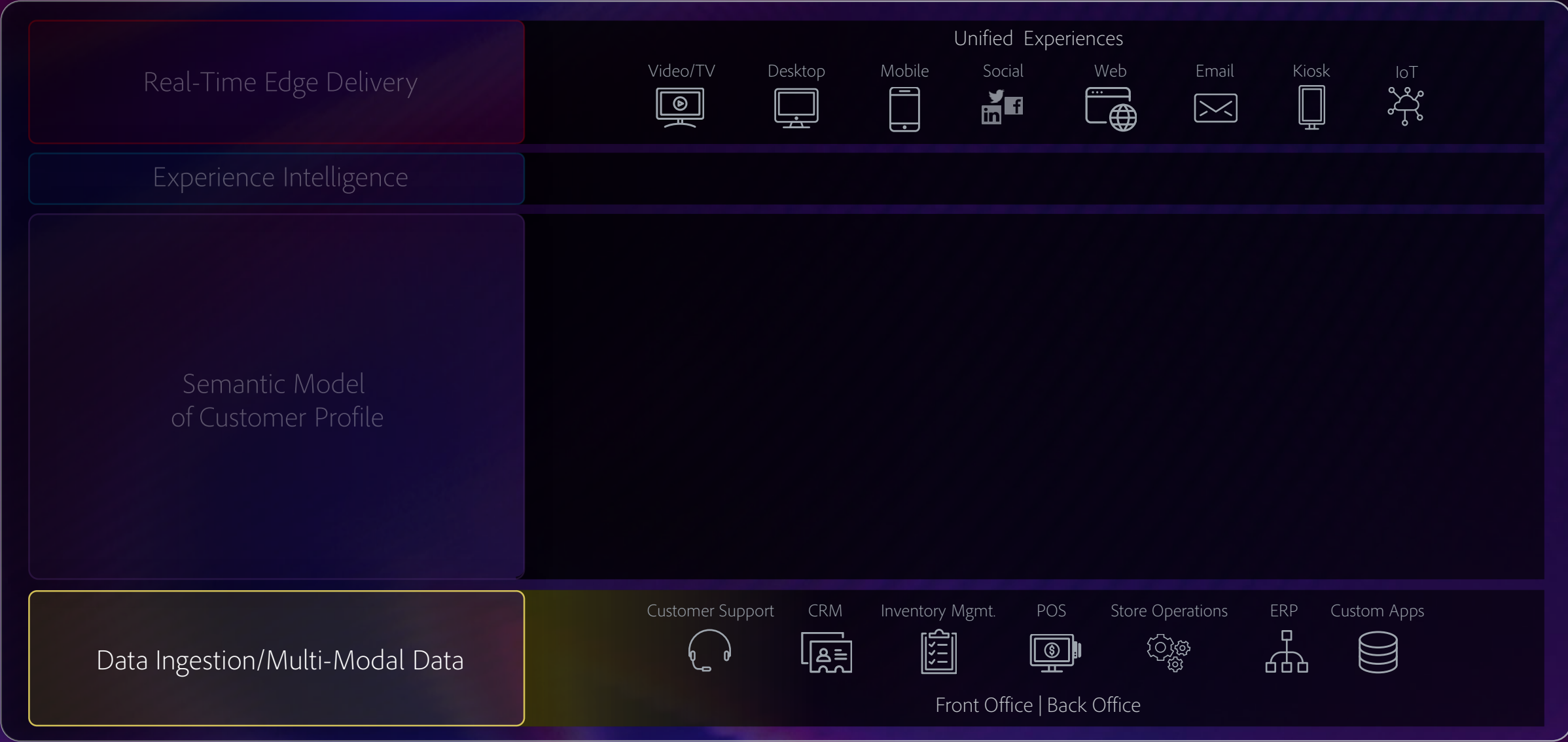
Real-Time Edge Delivery

Experience Intelligence

Semantic Model  
of Customer Profile

Data Ingestion/Multi-Modal Data

# Adobe Experience Platform





# Adobe Experience Platform

Real-Time Edge Delivery

Unified Experiences

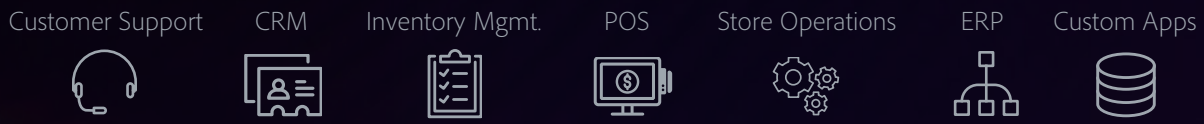


Experience Intelligence

Semantic Model of Customer Profile



Data Ingestion/Multi-Modal Data



Front Office | Back Office

# Adobe Experience Platform

Real-Time Edge Delivery

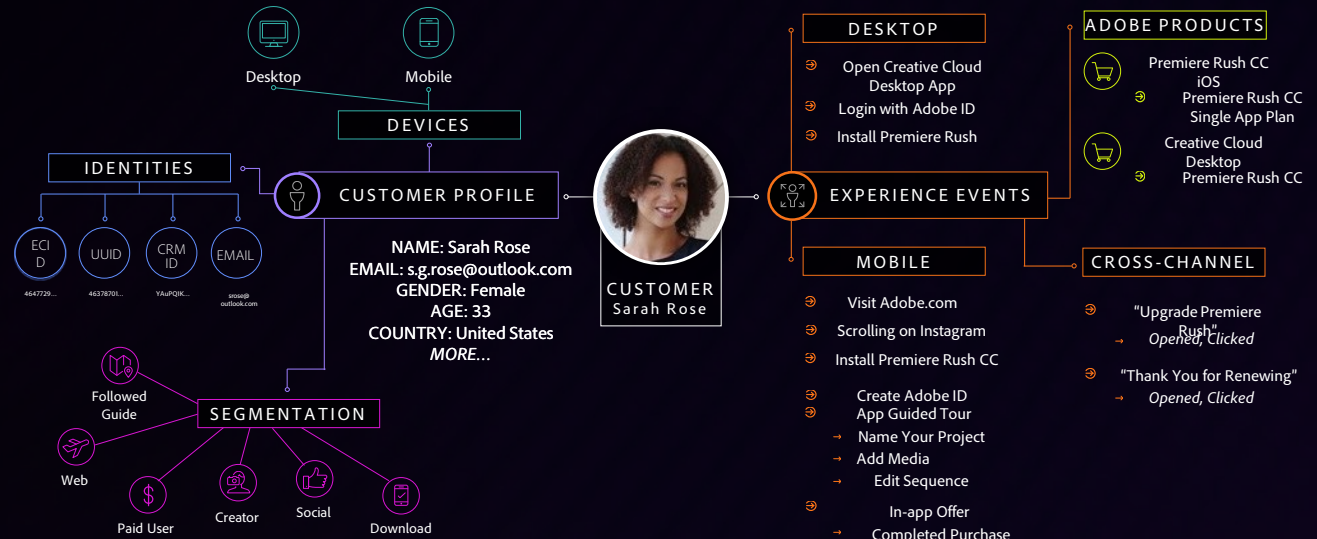
Unified Experiences



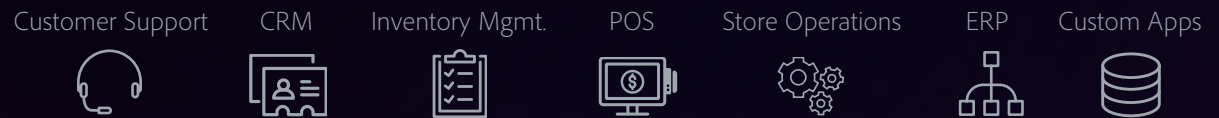
Experience Intelligence

Customer.ai Journey.ai Attribution.ai Leads.ai Content.ai

Semantic Model of Customer Profile



Data Ingestion/Multi-Modal Data



Front Office | Back Office



# Adobe Experience Platform

Real-Time Edge Delivery

Unified Experiences



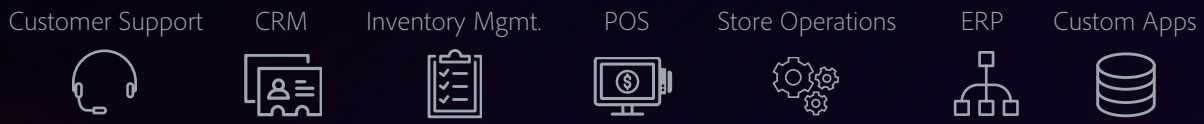
Experience Intelligence

Customer.ai Journey.ai Attribution.ai Leads.ai Content.ai

Semantic Model of Customer Profile



Data Ingestion/Multi-Modal Data



Front Office | Back Office

# Adobe Experience Platform

Real-Time Edge Delivery

Unified Experiences



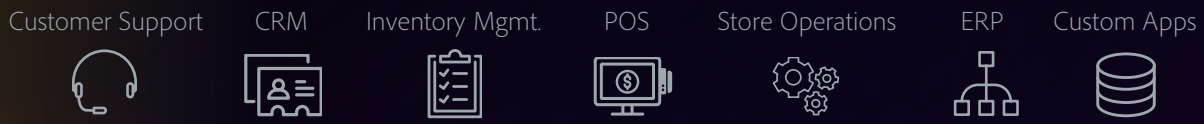
Experience Intelligence

Customer.ai Journey.ai Attribution.ai Leads.ai Content.ai

Semantic Model of Customer Profile



Data Ingestion/Multi-Modal Data



Front Office | Back Office







# Sensei Platform







# Escaping The Glass



# Content Reimagined



# Real-Time Data



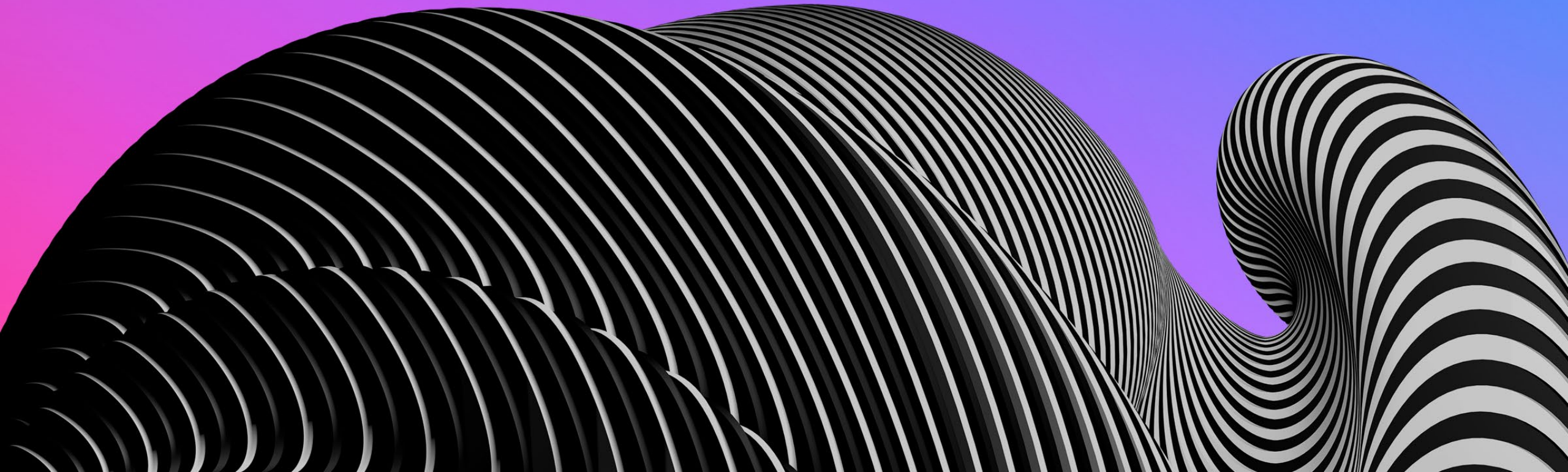
# Intelligence Everywhere



# Executing On Our Growth Strategy

John Murphy | EVP & CFO

November 4, 2019





# Updated Q4FY2019 Financial Targets

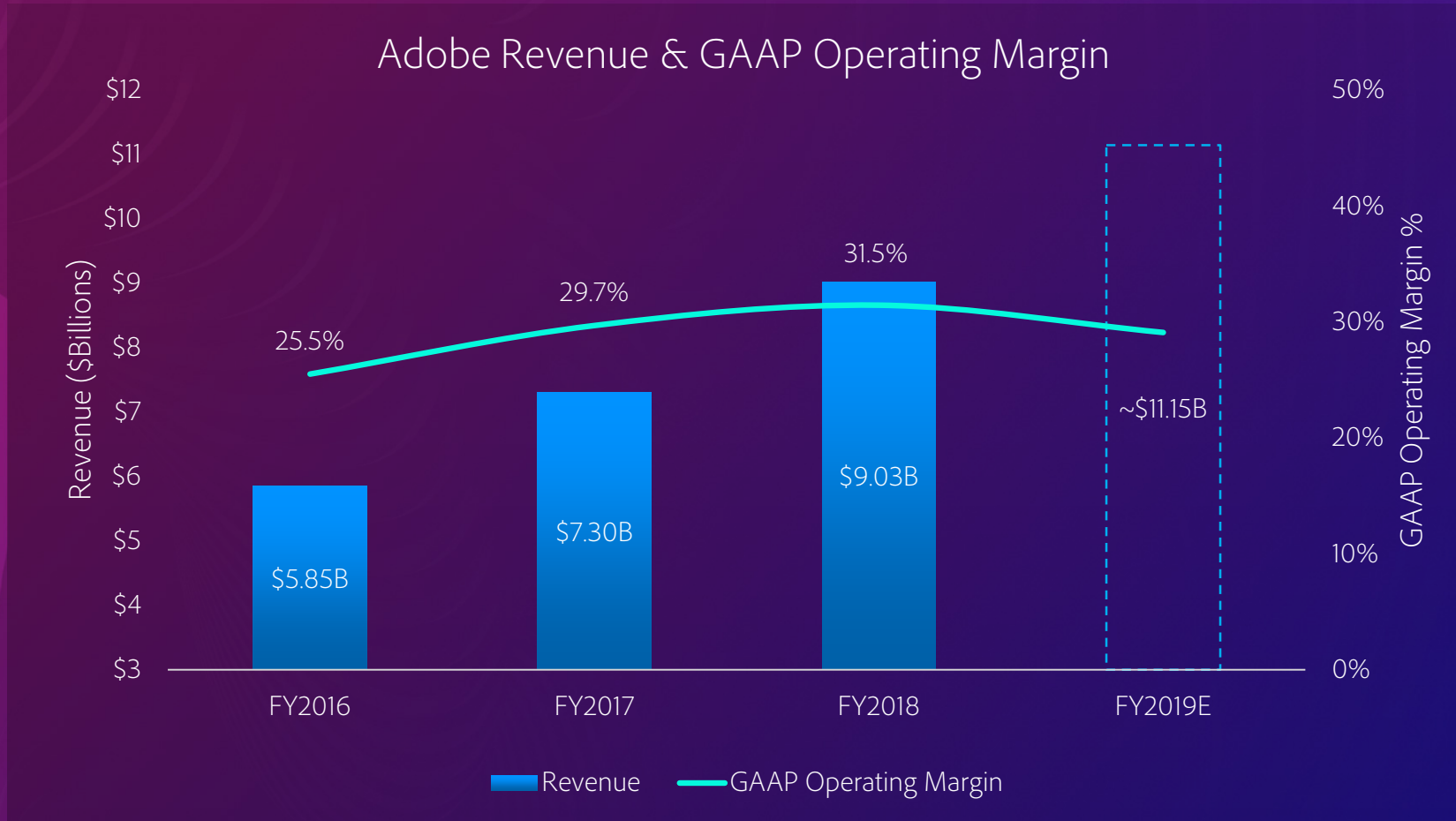
November 4, 2019

Revenue	~\$2.97 billion	
Digital Media segment revenue	~20% year-over-year growth	
Digital Experience segment revenue	~23% year-over-year growth	
Net new Digital Media ARR	<b>~\$475 million</b>	
Non-operating expense	~\$20 million	
Tax rate	GAAP: ~11%	Non-GAAP: ~11%
Earnings per share	GAAP: ~\$1.68	Non-GAAP: ~\$2.25
Share count	~490 million shares	

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.

# Business Momentum

## Adobe Revenue & Margin



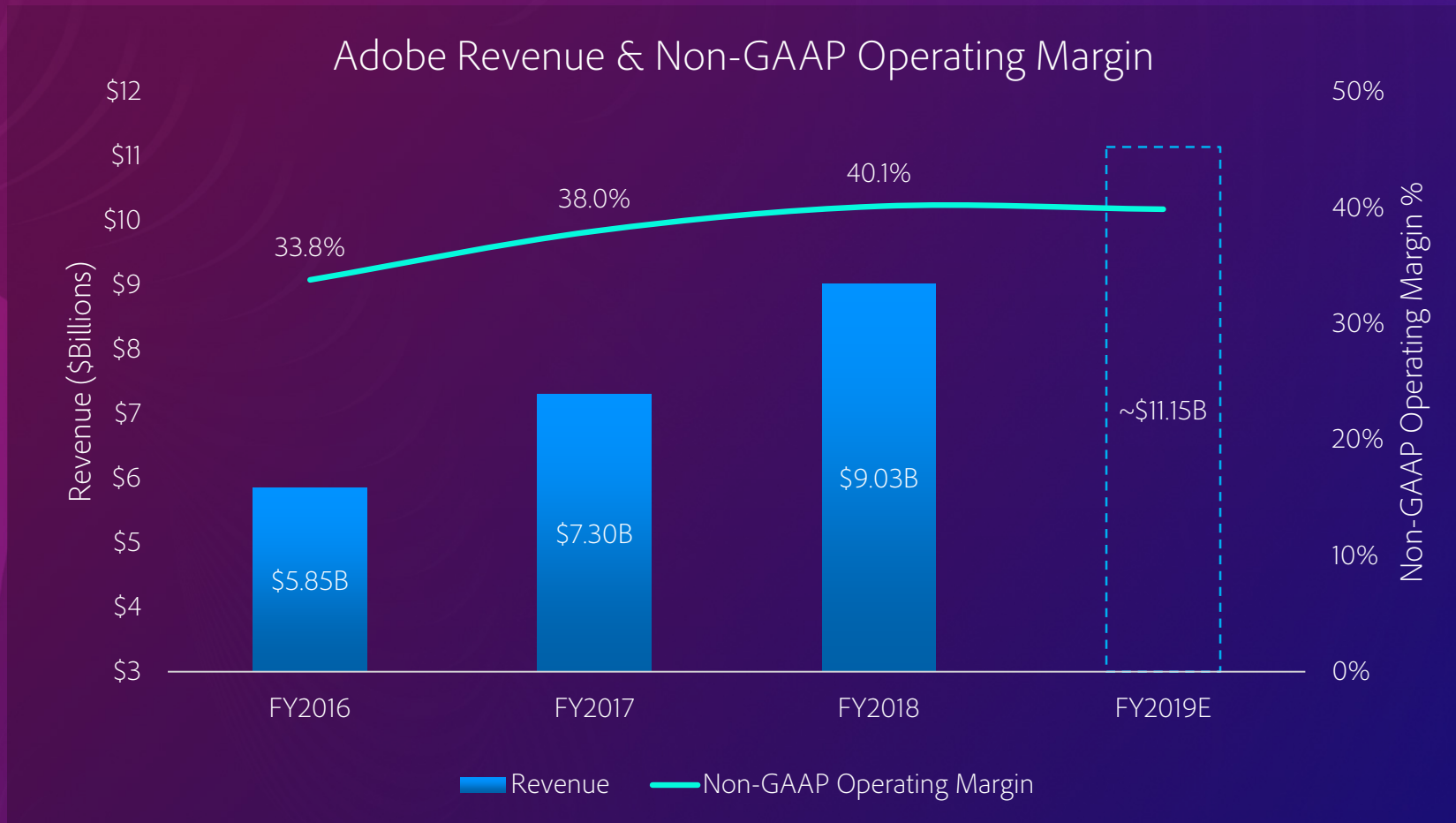
- Strong revenue growth with operating margin expansion
- FY2019 GAAP operating margin impacted by acquisitions in FY2018

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets



# Business Momentum

## Adobe Revenue & Margin

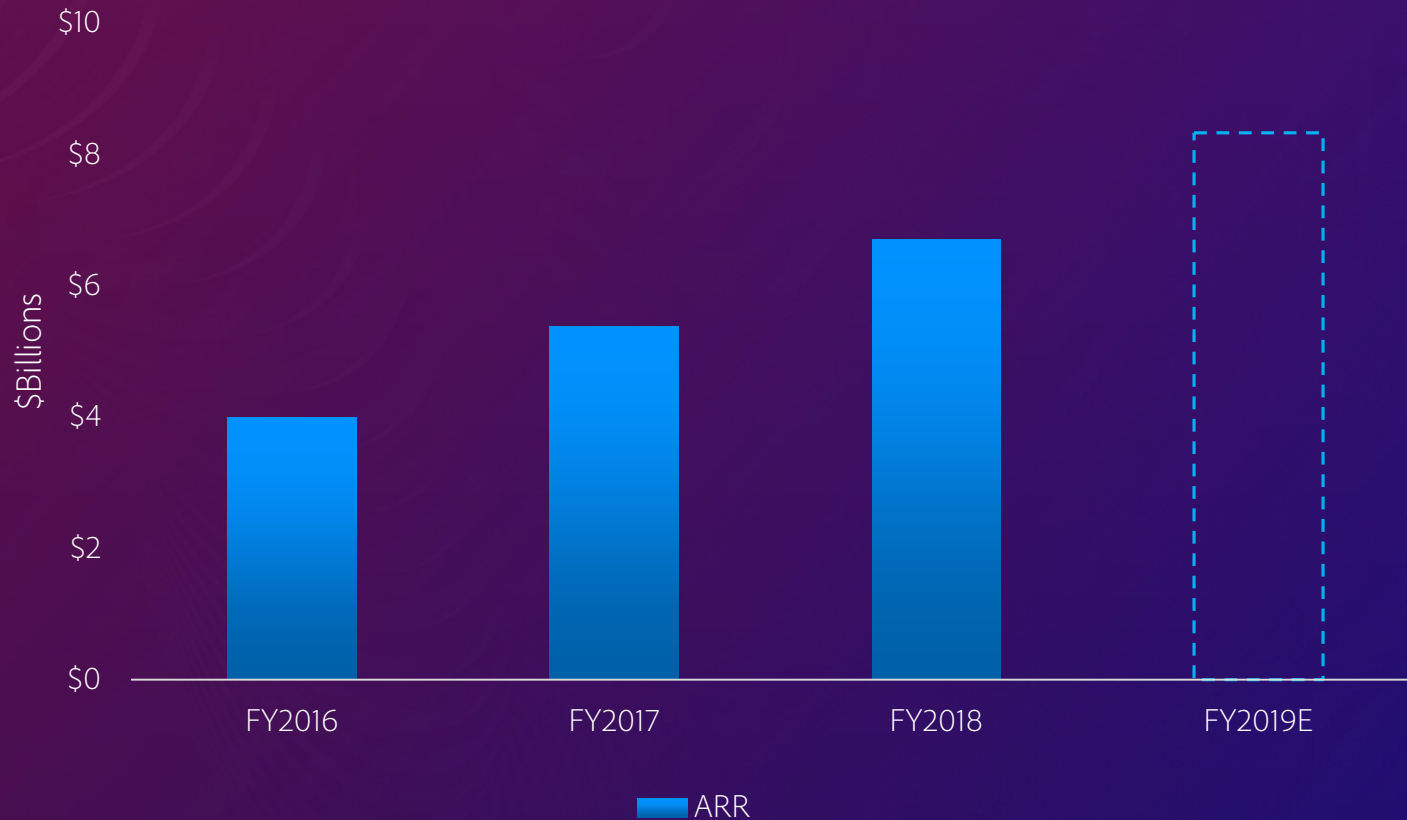


- Strong revenue growth with operating margin expansion
- FY2019 operating margin impacted in 1HFY19 due to acquisition accounting
- Margin expansion returning in 2HFY19 as expected

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; reconciliation between GAAP and non-GAAP operating margins can be found on our Investor Relations website

# Business Momentum

## Digital Media ARR & Revenue



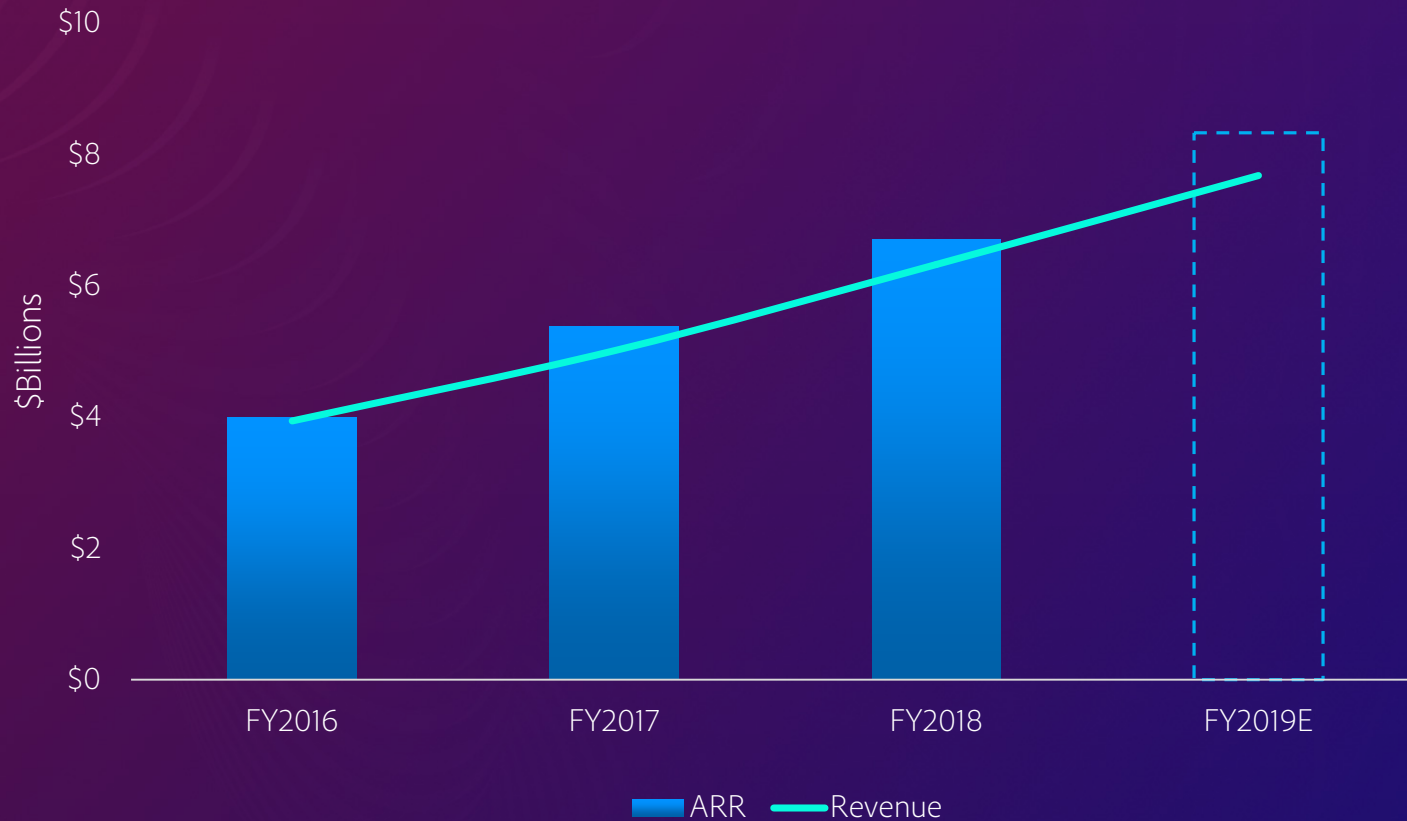
- Momentum continues with expected record net new ARR in FY2019
- Multiple drivers contributing to accelerated ARR performance
  - Creative Cloud growth continues
  - Adobe Document Cloud revenue growth accelerates after move to subscriptions

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; FY2019 ARR is based on November 2018 FX rates held constant through the year; FY2016-FY2018 ARR amounts are based on revalued FX rates exiting each fiscal year



# Business Momentum

## Digital Media ARR & Revenue

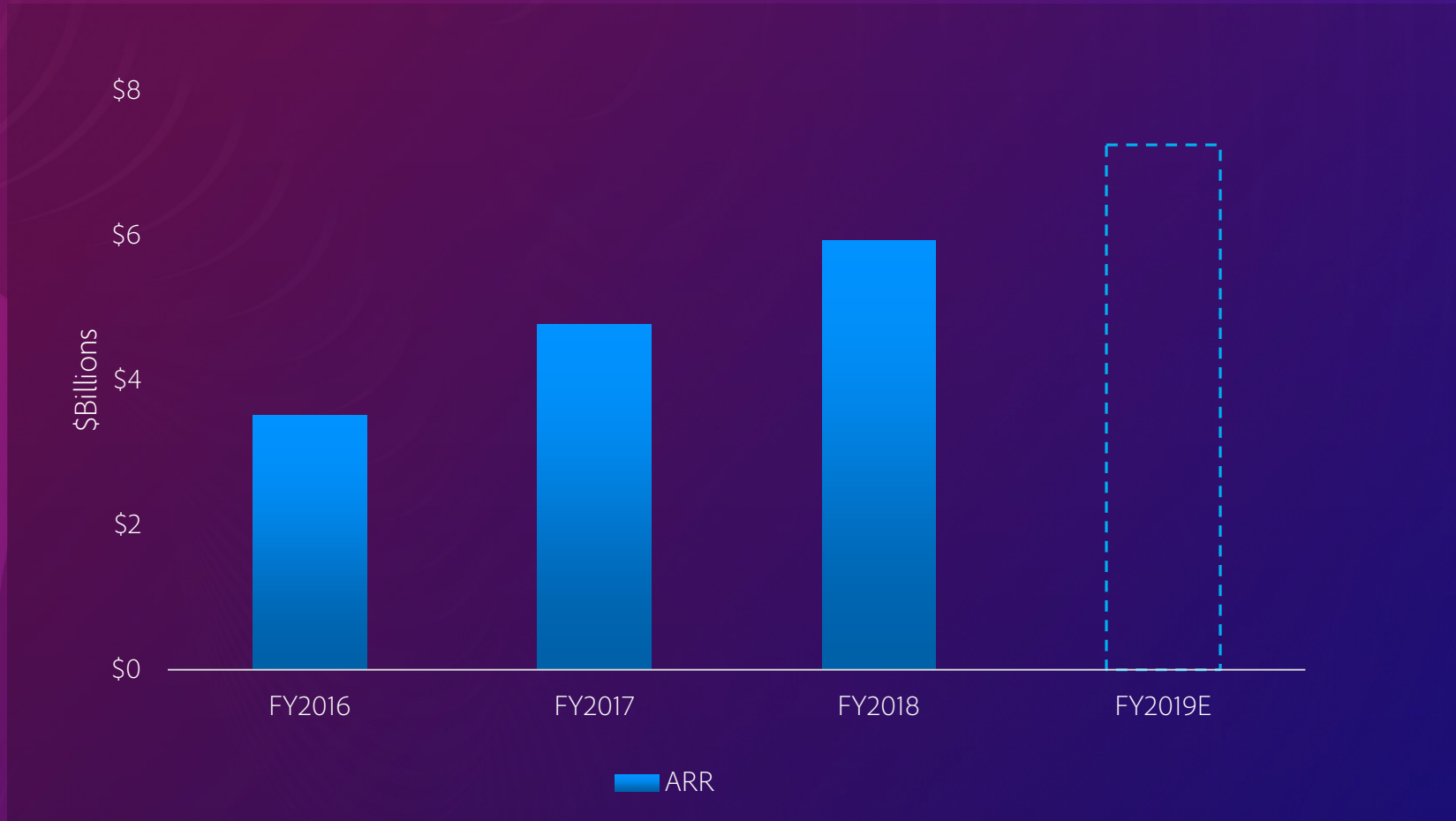


- Momentum continues with expected record net new ARR in FY2019
- Multiple drivers contributing to accelerated ARR performance
  - Creative Cloud growth continues
  - Adobe Document Cloud revenue growth accelerates after move to subscriptions

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; FY2019 ARR is based on November 2018 FX rates held constant through the year; FY2016-FY2018 ARR amounts are based on revalued FX rates exiting each fiscal year

# Business Momentum

## Creative Cloud ARR & Revenue



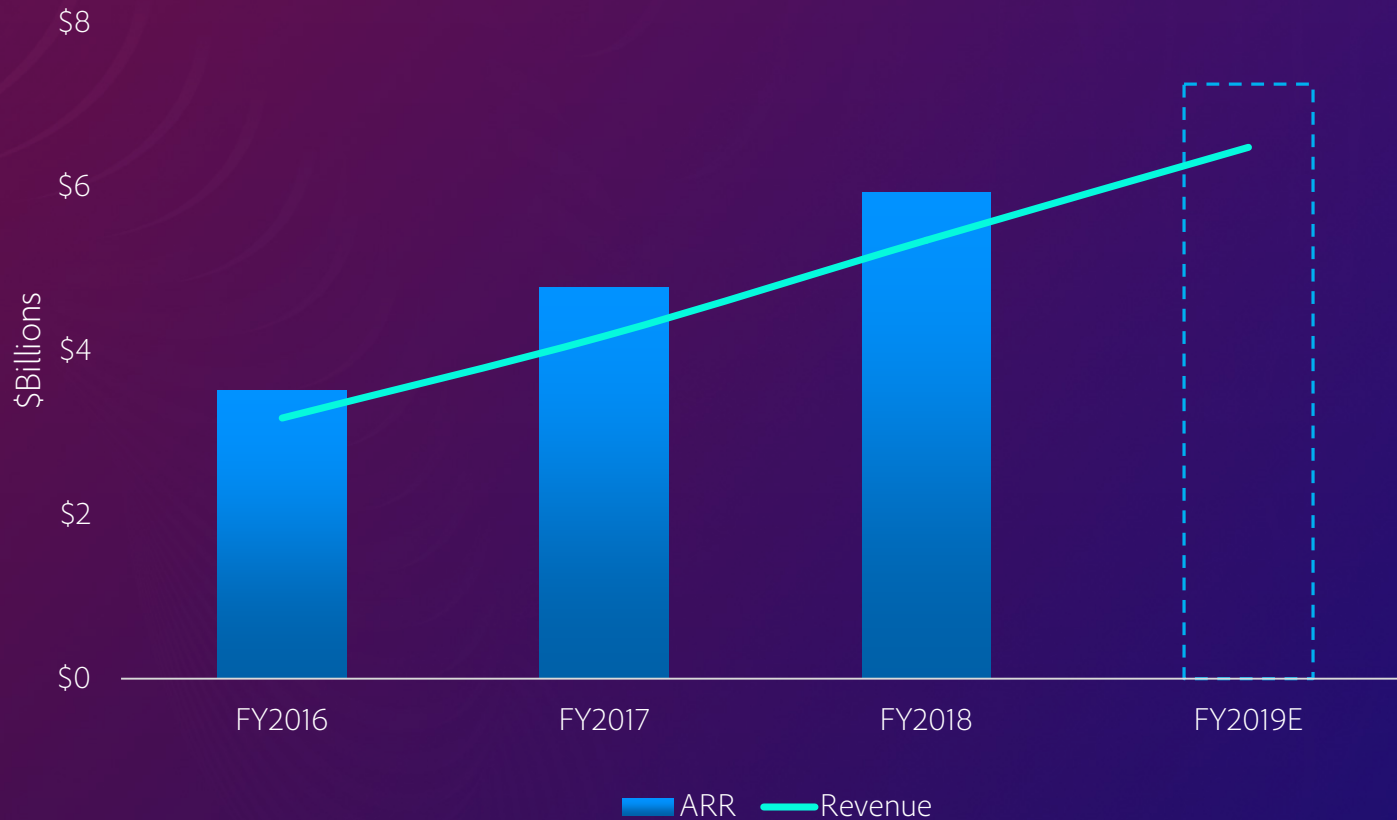
- Multiple growth drivers fueling ARR & revenue
  - New user acquisition
  - Single App upsell to All Apps
  - Adoption of services
  - Global expansion
  - Engagement & retention

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; FY2019 ARR is based on November 2018 FX rates held constant through the year; FY2016-FY2018 ARR amounts are based on revalued FX rates exiting each fiscal year



# Business Momentum

## Creative Cloud ARR & Revenue



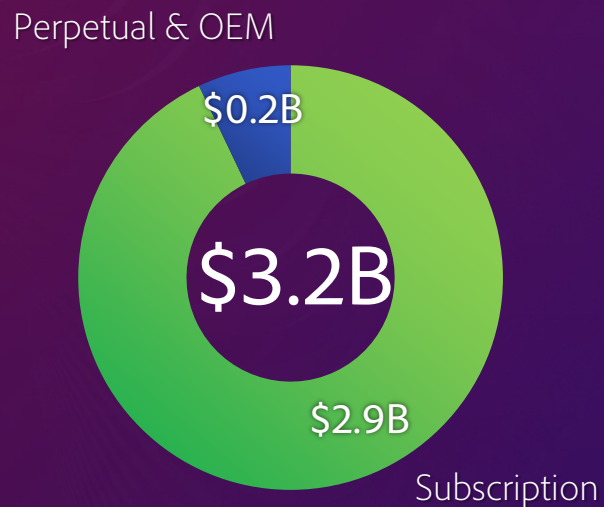
- Multiple growth drivers fueling ARR & revenue
  - New user acquisition
  - Single App upsell to All Apps
  - Adoption of services
  - Global expansion
  - Engagement & retention

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; FY2019 ARR is based on November 2018 FX rates held constant through the year; FY2016-FY2018 ARR amounts are based on revalued FX rates exiting each fiscal year

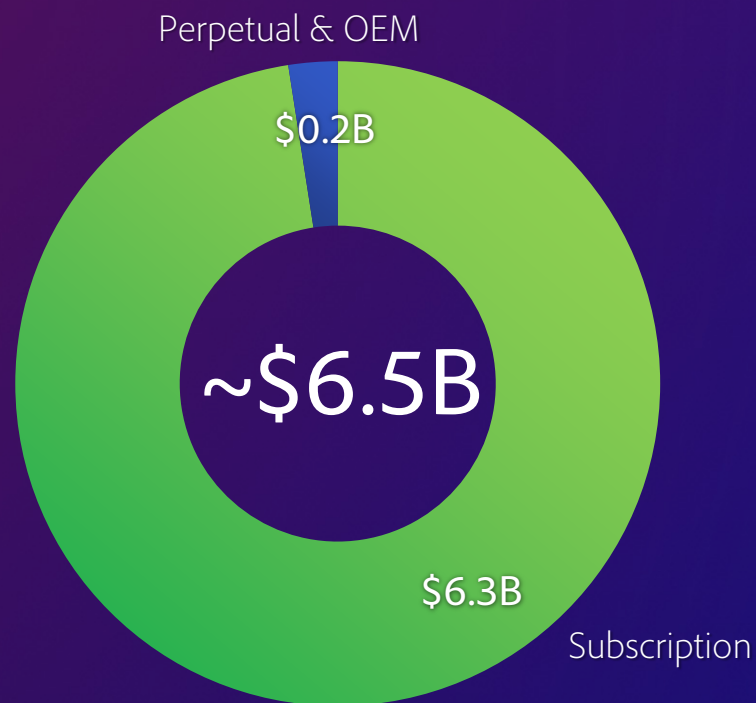
# Business Momentum

## Creative Cloud Revenue Mix

### FY2016 Revenue Mix



### FY2019E Revenue Mix



- Creative Cloud business has doubled in three years
- ~97% of revenue is subscription-based
- Continued innovation and tiered service offerings acquiring more users and enabling ARR growth

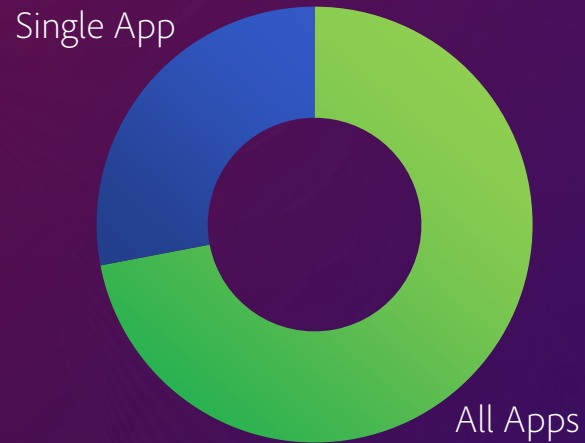
Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets



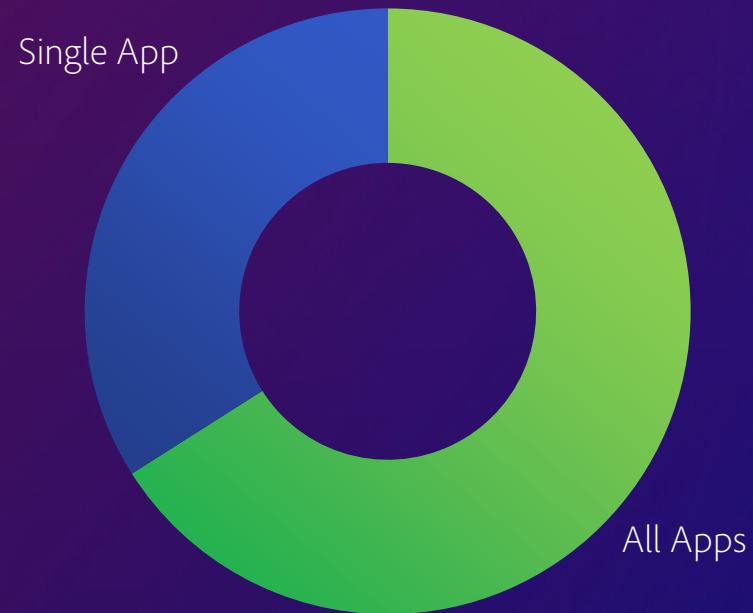
# Business Momentum

## Creative Cloud ARR: Single App vs. All Apps

FY2016



FY2019E

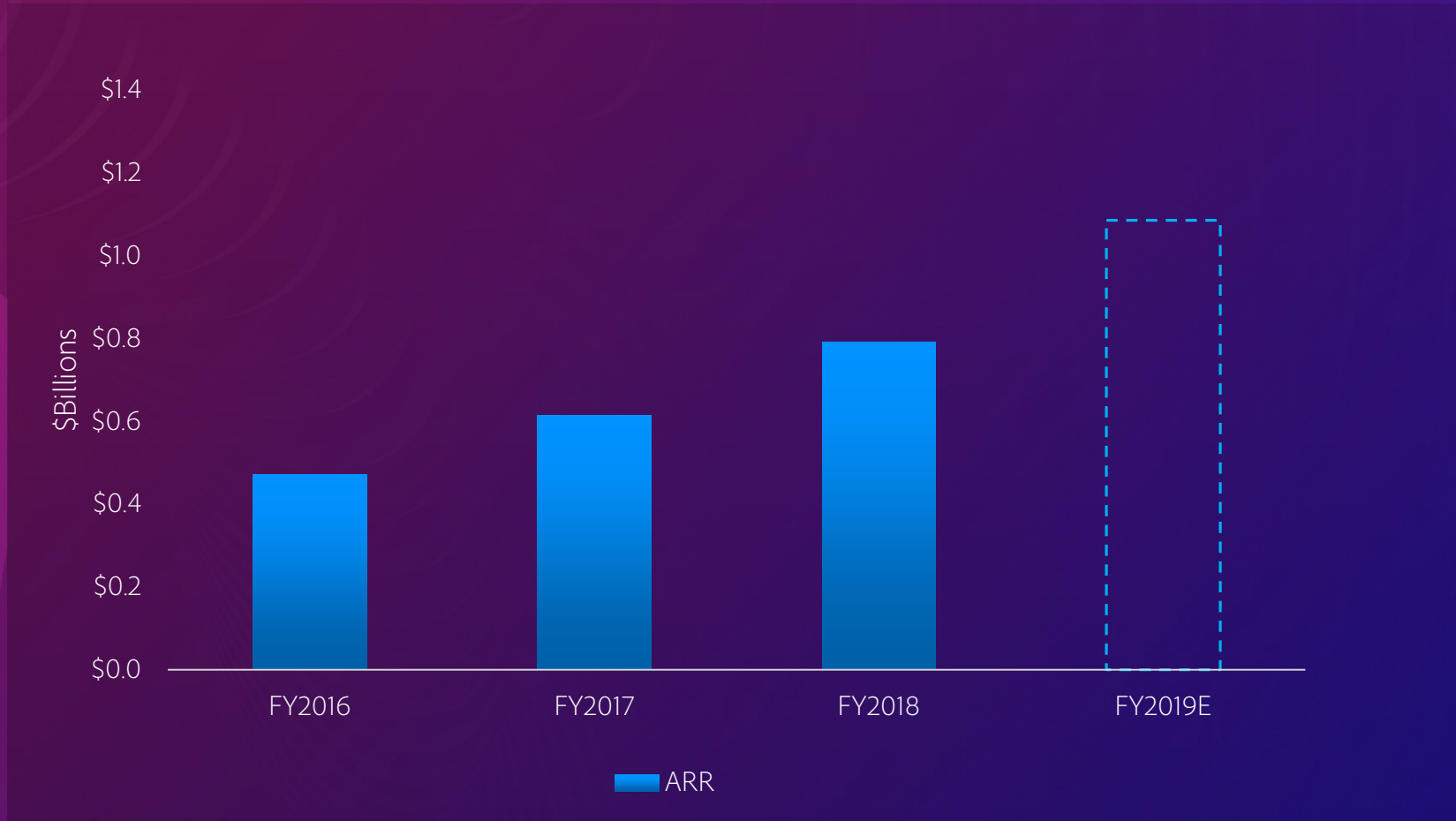


- Good mix of new and existing customers for Single App and All Apps
- New customer acquisition ramped up by Single App adoption
- Two-thirds of Creative ARR is based on All Apps subscribers

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; excludes ARR associated with enterprise site licensing

# Business Momentum

## Adobe Document Cloud ARR & Revenue



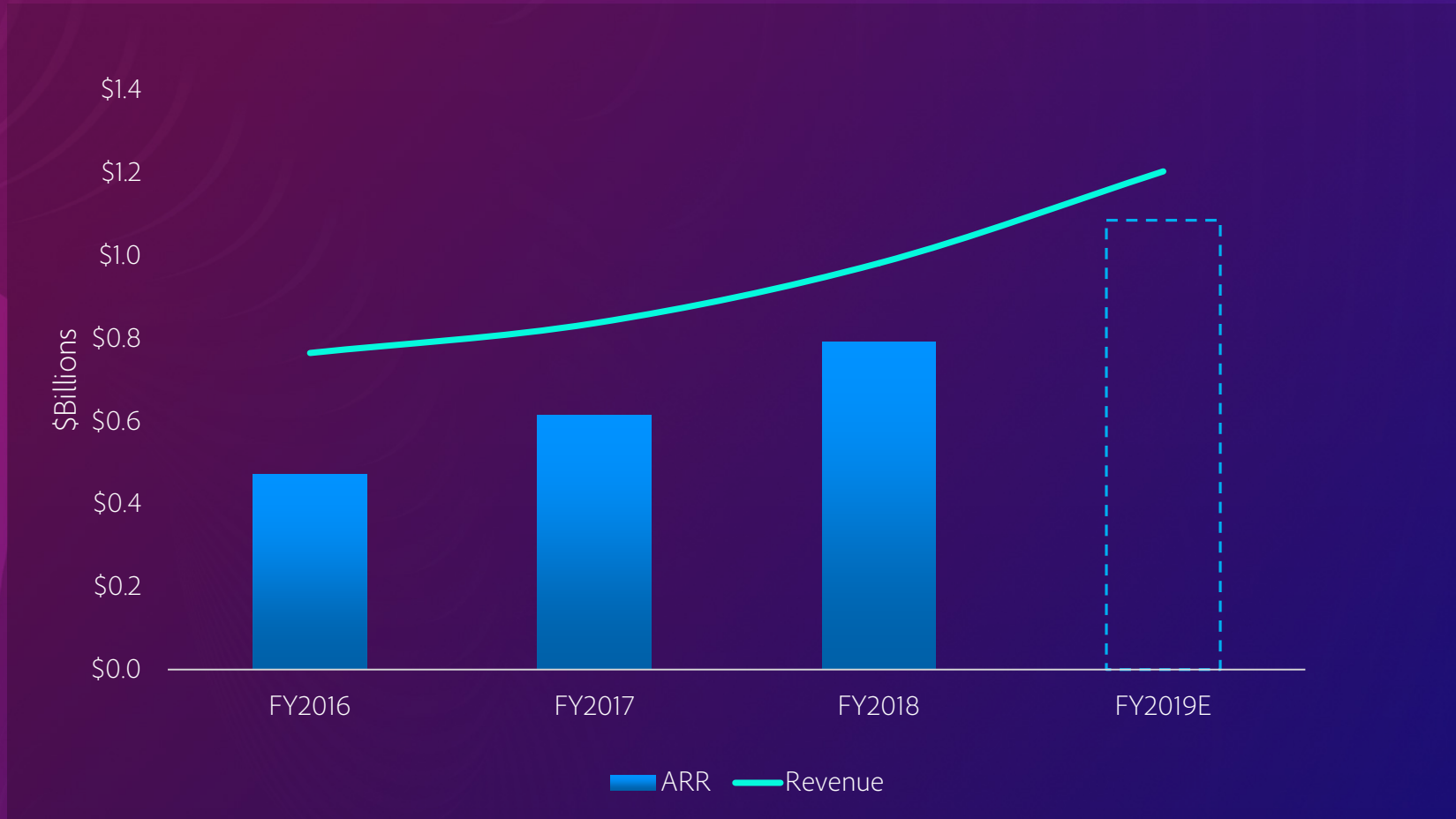
- Acceleration in growth driven by new customer acquisition and stacking effect of subscriptions
- Incremental performance driven by new growth drivers
  - PDF services
  - Reader & mobile upsell
  - Migration of perpetual licenses to subscriptions

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; FY2019 ARR is based on November 2018 FX rates held constant through the year; FY2016-FY2018 ARR amounts are based on revalued FX rates exiting each fiscal year



# Business Momentum

## Adobe Document Cloud ARR & Revenue



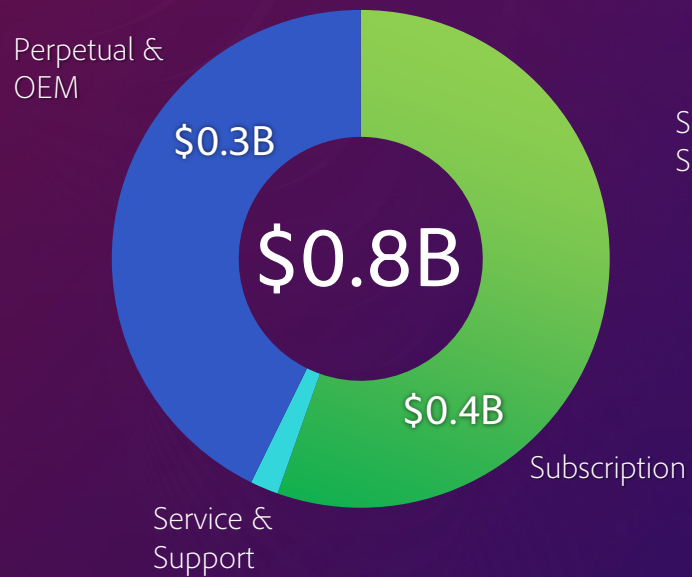
- Acceleration in growth driven by new customer acquisition and stacking effect of subscriptions
- Incremental performance driven by new growth drivers
  - PDF services
  - Reader & mobile upsell
  - Migration of perpetual licenses to subscriptions

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY19 financial targets; FY2019 ARR is based on November 2018 FX rates held constant through the year; FY2016-FY2018 ARR amounts are based on revalued FX rates exiting each fiscal year

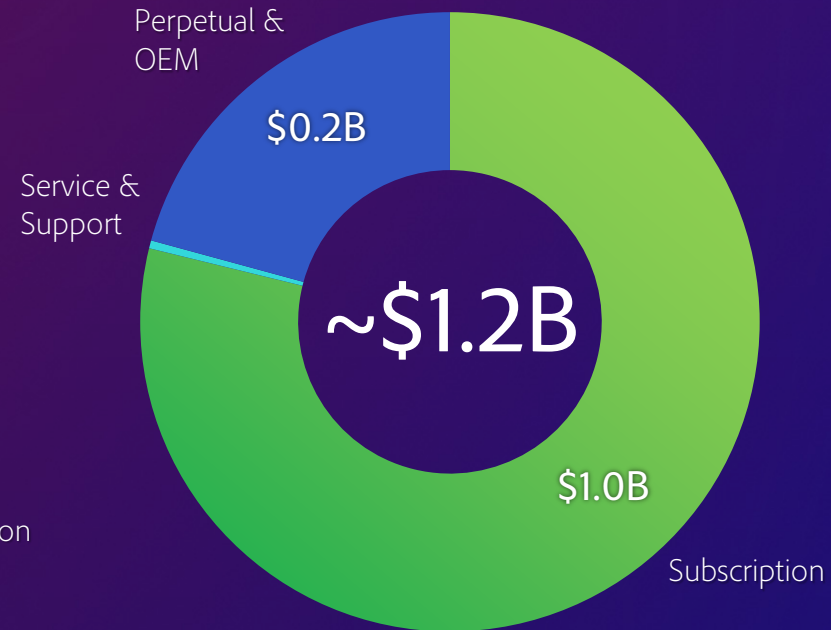
# Business Momentum

## Adobe Document Cloud Revenue Mix

FY2016 Revenue Mix



FY2019E Revenue Mix



- Subscription and ETLA adoption fueling growth of subscription revenue
- Perpetual installed base represents migration opportunity

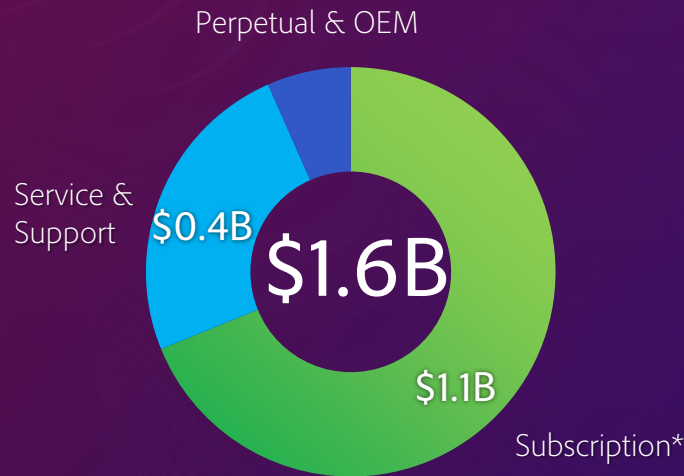
Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY2019 financial targets



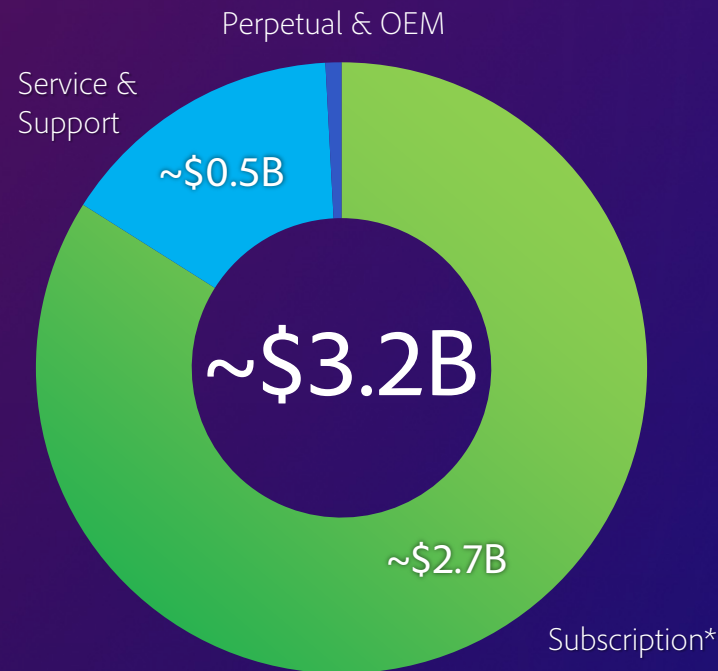
# Business Momentum

## Adobe Experience Cloud Revenue Mix

### FY2016 Revenue Mix



### FY2019E Revenue Mix



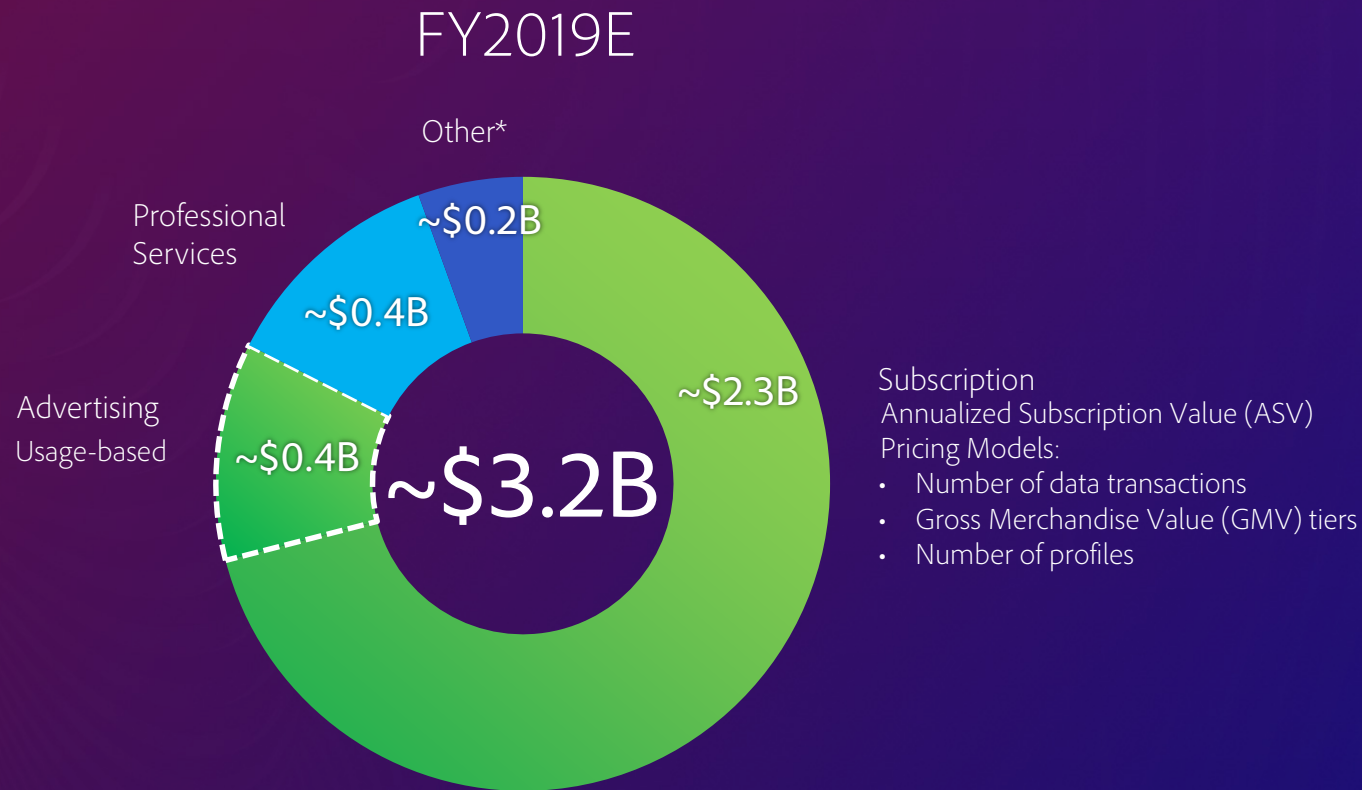
- Adobe Experience Cloud revenue has doubled in three years
- Focus has been on growing subscription revenue
- Strategically reduced Service & Support as a percentage of total revenue

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY2019 financial targets

\* Includes revenue from SaaS, managed service and term offerings for Adobe Analytics Cloud, Adobe Marketing Cloud, and Adobe Experience Platform; all revenue for Adobe Advertising Cloud; and all technology revenue for Adobe Commerce Cloud

# Business Momentum

## Adobe Experience Cloud Revenue by Revenue Type



- Focus has been on growing ASV book of business and related subscription revenue
- FY2019E subscription revenue includes ~\$400M of usage-based revenue

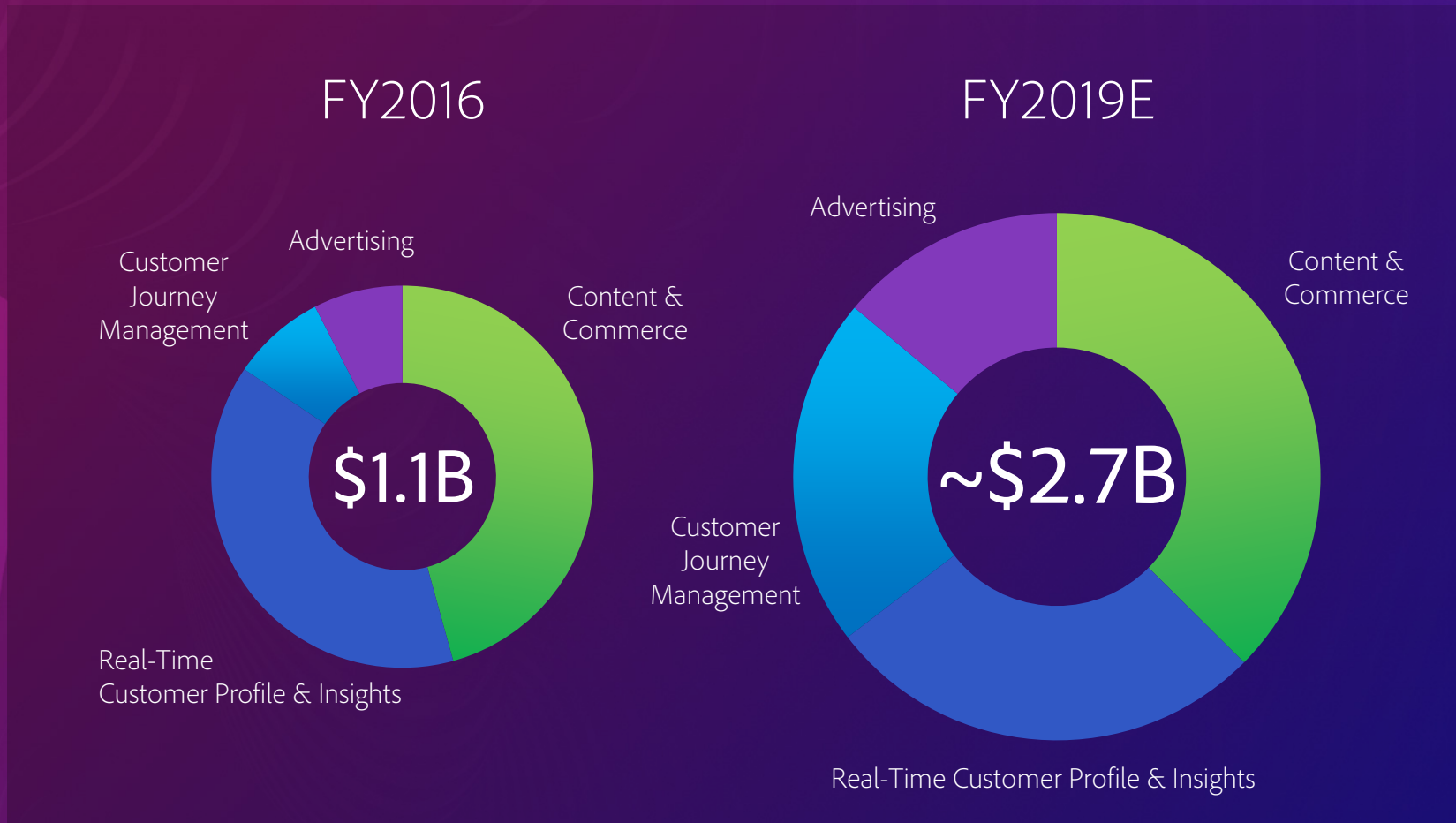
Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY2019 financial targets

\* Other includes perpetual, video, OEM and support revenue



# Business Momentum

## Adobe Experience Cloud Subscription Revenue by Customer Solutions



- GTM strategy aligned with customer solution categories and industry use cases
- Comprehensive set of solutions poised to capture increasing share of large TAM

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY2019 financial targets

# Business Momentum

## Deferred Revenue and Unbilled Backlog / RPO



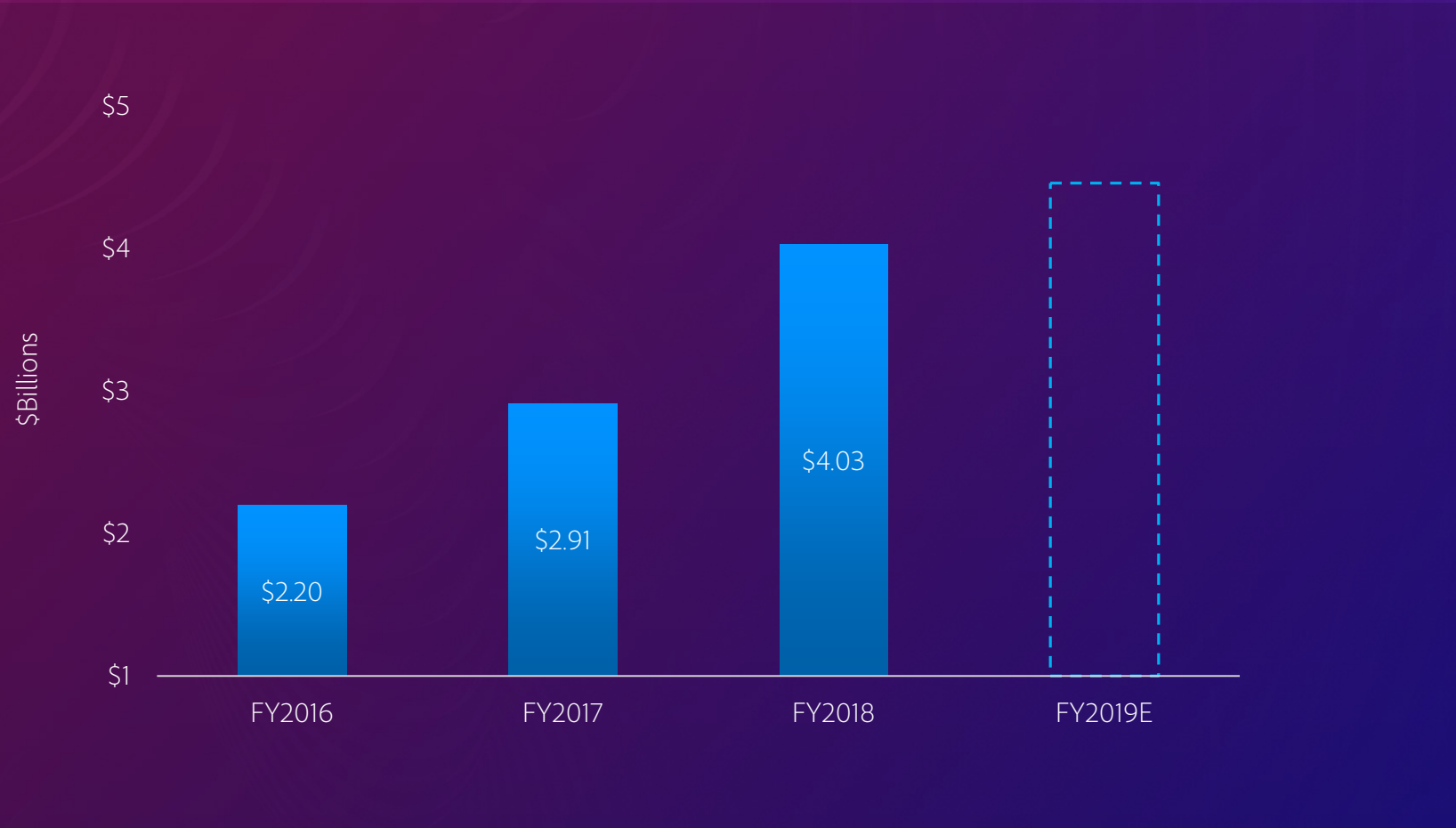
- Remaining Performance Obligation (RPO) replaces deferred revenue and unbilled backlog metric
- RPO provides visibility into contractually committed future revenue

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY2019 financial targets



# Business Momentum

## Operating Cash Flow



- Sustained growth in Operating Cash Flow (OCF)
- OCF growth drives capital management strategy, investment in existing business, evaluation of inorganic opportunities and return of capital to shareholders

Source: Adobe; FY2019E reflects FY2019 YTD results and Q4FY2019 financial targets

# Business Momentum

## Capital Structure



### Strong liquidity position

- \$3.7B of cash and short-term investments
- \$1.0B unutilized credit facility, remains available until 2023



### Conservative leverage approach

- \$1.9B of public debt outstanding
- \$2.3B of bank term loans outstanding
- Rated A by S&P
- Rated A3 by Moody's

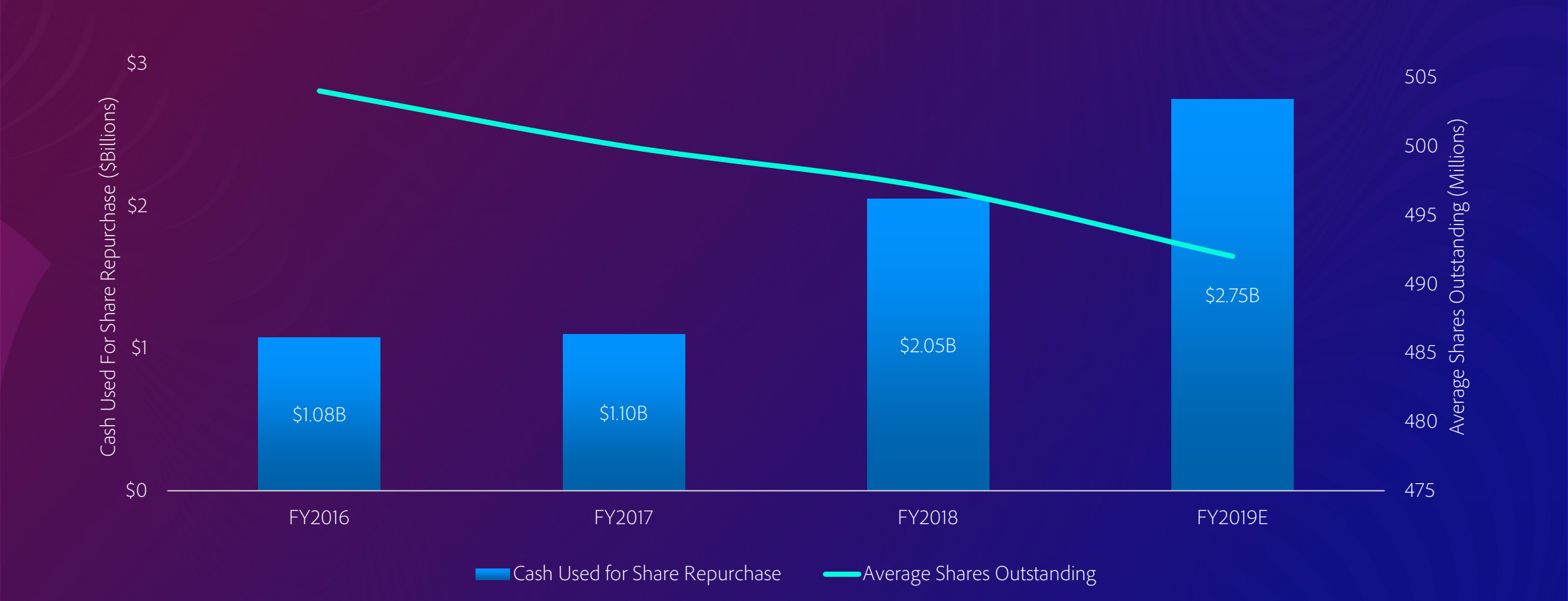


### Excess cash returned to stockholders through stock repurchase



# Business Momentum

## Share Repurchase



Source: Adobe; FY2019E reflects FY2019 YTD results and committed stock repurchase funding as noted in our Form 10-Q for Q3FY2019 filed in September 2019

# Adobe Financial Strategy

## Top Line Growth

- Creative Cloud fueled by numerous growth drivers
- Adobe Document Cloud growth inflection
- Adobe Experience Cloud is the most comprehensive CXM offering
- Investment in "Apps + Services + Platforms" and Sensei creates market differentiation

## Operational Discipline

- Disciplined spend management
- Margin expansion
- Earnings growth
- Dynamic planning capabilities
- Focused integration motion
- Changing tax environment

## Balance Sheet Strength

- Exceptional cash flow performance
- Conservative use of debt financing
- Strong & growing RPO balances

## Capital Management

- Investment in existing business
- Evaluation of inorganic opportunities
- Return of capital to shareholders



# Growth Opportunity

## Digital Media Summary

- Category leadership & new category creation
- Expanding customer universe with multi-surface apps
- Expecting strong Creative Cloud growth
  - Reaching broader customer segments
  - Pushing category & technology boundaries
- Expecting strong Adobe Document Cloud growth
  - Using subscription model to drive new customer acquisition & migrate large perpetual installed base
  - Monetizing document “verbs” & delivering frictionless PDF by embedding in third-party apps & providing document services
- Leveraging & investing in world-class DDOM capabilities
- Extensive list of growth drivers fueling net new ARR



## 2022 MARKET OPPORTUNITY

Creative Cloud	~\$31B
Creative Professionals	~\$15B
Communicators	~\$12B
Consumers	~\$4B
Adobe Document Cloud	~\$13B
Acrobat Applications	~\$7B
Document Platform Services	~\$6B

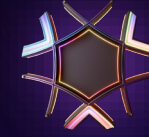
**~\$44B**

Total Addressable Market

# Growth Opportunity

## Digital Experience Summary

- Category leadership & new category creation
- Massive opportunity driven by digital transformation imperative
- Differentiated & most complete Customer Experience Management offering
- Introduced generational innovation in new products & platforms in 2019
- Robust partner ecosystem increases opportunities
- Expecting bookings growth to fuel strong subscription revenue growth



## 2022 MARKET OPPORTUNITY

Adobe Experience Cloud	~\$84B
Data & Insights	~\$23B
Content & Personalization	~\$28B
Commerce	~\$10B
Customer Journey Management	~\$13B
Advertising	~\$10B

~\$84B

Total Addressable Market



# Preliminary FY2020 Targets

November 4, 2019

Total Adobe revenue <sup>1</sup>	~\$13.15 billion	
Digital Media segment revenue	~19% year-over-year growth	
Digital Media ARR	~\$1.55B of net new ARR	
Digital Experience segment revenue	~16% year-over-year growth	
Digital Experience subscription revenue <sup>2</sup>	~18% year-over-year growth	
Digital Experience subscription bookings <sup>3</sup>	>20% year-over-year growth	
Earnings per share	GAAP: ~\$7.40	Non-GAAP: ~\$9.75

<sup>1</sup> Revenue targets were set based on Oct. 2019 foreign exchange ("FX") rates, which for current planning purposes are assumed to be constant during fiscal year 2020

<sup>2</sup> Includes revenue from SaaS, managed service and term offerings for Adobe Analytics Cloud, Adobe Marketing Cloud, and Adobe Experience Platform; all revenue for Adobe Advertising Cloud; and all technology revenue for Adobe Commerce Cloud

<sup>3</sup> Includes annualized subscription value of SaaS, managed service and term offerings under contract for Adobe Experience Cloud and excludes Adobe Advertising Cloud

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

# Growth and Margin at Scale

~\$128B

2022 Total Addressable Market

Category Creation  
& Expansion

Loyal & Growing  
Customer Universe

Innovative  
Technology Platforms

Globally  
Admired Brand

Unique  
Financial Profile

