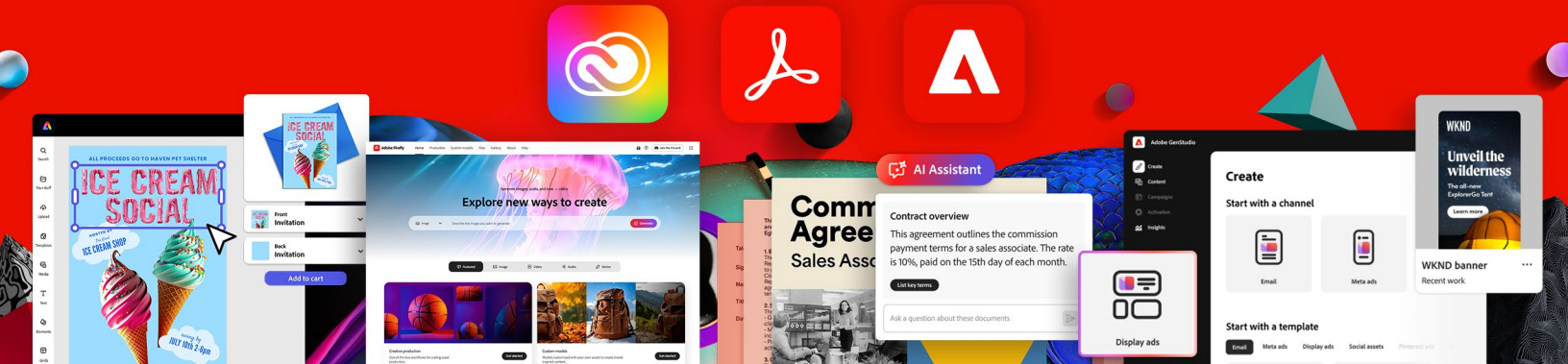# A Letter From Our Chair & CEO

To our stockholders, customers, employees and partners,

Adobe is a global technology company with a mission to change the world through personalized digital experiences. For over four decades, Adobe's innovations have transformed how individuals, teams, businesses, enterprises, institutions, and governments engage and interact across all types of media. Our products, services and solutions are used around the world to imagine, create, manage, deliver, measure, optimize and engage with content across surfaces and fuel digital experiences. We have a diverse user base that includes consumers, communicators, creative professionals, developers, students, small and medium businesses and enterprises. We are also empowering our customers by putting the power of AI in their hands, and doing so in ways we believe are responsible. Our products and services help unleash creativity, accelerate document productivity and power businesses in a digital world.

A MOMENTOUS 2024

In fiscal year 2024, we delivered record revenue of $21.51 billion across our two businesses, Digital Media and Digital Experience, representing 11% year-over-year growth. GAAP diluted earnings per share was $12.36, representing 5% year-over-year growth. In our Digital Media business, comprised of our Creative Cloud and Document Cloud applications, we delivered revenue of $15.86 billion, which grew 12% year-over-year. Our Digital Experience business, with solutions spanning the entire customer funnel from acquisition to monetization to retention, delivered revenue of $5.37 billion, making us one of the mission-critical providers of marketing technology in the world. We exited the year with $19.96 billion in remaining performance obligations, and cash and short-term investments of $7.89 billion.

DIFFERENTIATED VISION AND STRATEGY

Adobe is uniquely positioned to build on its decade of artificial intelligence ("AI") innovation and capitalize on the explosive growth of generative AI and digital content. As customer needs have evolved amidst the proliferation of digital surfaces, media types and channels, we are continuing to focus on supporting creative professionals across **core creative** categories like imaging, design, illustration and video with superior power and precision. We are enabling marketers to streamline **creativity and marketing** for greater impact, by bringing content and performance data together and enabling personalization to the individual customer, in real time at unprecedented scale. For business professionals and consumers, we are amplifying **creativity and productivity** by enabling anyone regardless of age or experience level to express themselves in quick, easy and compelling ways.

Our highly differentiated approach to generative AI innovations puts ethics, responsibility and provenance at the forefront and always with customer trust in mind. We are innovating across the full AI technology stack: data, models and interfaces, natively integrating AI across all our existing and new offerings, because that is the only way to deliver AI in a way that enhances customers' work. This approach is rooted in Adobe's belief that creativity is a uniquely human trait and that AI has the power to assist and amplify human ingenuity and enhance creativity, not replace it.

The tremendous staying power and impact that technologies like PostScript, Photoshop and PDF have had in the market is a result of our focus on architecture as part of our ecosystem approach to innovation. We continued to execute against our aggressive product roadmap, delivering foundational

technology platforms that set us up for continued growth in fiscal year 2025 and beyond. By building foundational platforms, advancing collaboration with customers, partners and community members and developing industry standards that drive broad impact across the digital ecosystem, we are adding value at multiple points in the marketplace. This proven approach sets us up to accelerate and scale at unprecedented speed, while ensuring that we are building trust with all members of our broad community throughout the entire process.

Digital Media

Our strategy with **Adobe Creative Cloud** is to advance the state-of-the-art across all creative categories including imaging, video and design, while empowering more first-time creators to express themselves and collaborate in sharing their stories with the world. We have delivered hundreds of innovations across our flagship applications— Photoshop, Illustrator, InDesign, Lightroom and Premiere Pro—elevating the state of the art in imaging, graphic design, video, illustration and increasingly 3D. Notable innovations include adjustment presets and adjustment brushes in Photoshop, major performance and workflow improvements in Illustrator and a new web-based 3D illustration tool for graphic designers called Project Neo (in beta). We reimagined pro video workflows end to end across editing, audio, color and effects in Premiere Pro enabling faster video editing and released a major update of Frame.io, offering seamless creative management for video projects and seamless collaboration between editors and their stakeholders. We introduced multiple generative AI models in Adobe Firefly, our family of creative generative AI models, including Imaging, Vector, Design and Video (in beta). Adobe now has a comprehensive set of commercially safe generative AI models for creative content, offering unprecedented levels of output quality and user control in our applications. We are exposing the power of our creative tools and the magic of generative AI through Firefly Services APIs so organizations can generate and assemble content at scale.

We continue to reimagine creativity and productivity for a broader set of customers with Adobe Express, the quick and easy create-anything app. We released Express for Business, including support for brand controls and template locking, Firefly custom models, bulk creation and generation of variations, presentation and print capabilities, and workflows with Photoshop, Illustrator and Experience Cloud. We are working to create more streamlined and precise workflows within our tools, through features like Text-to-Template in Express and increasingly Acrobat.

Our strategy with **Adobe Document Cloud** is to fundamentally transform how people engage with and extract value from the digital documents that power their personal and professional lives. PDF has become a global standard for automating business and consumer workflows and Acrobat is the platform of choice to view, edit, sign, share and collaborate with these documents. We released AI Assistant in Adobe Acrobat and Reader, unlocking even greater value from the trillions of PDFs around the world. After focusing primarily on document consumption for Acrobat's first 30 years, we are now leveraging generative AI to expand to multi-modal content creation. We have integrated Adobe Firefly image generation into our Edit PDF workflows. Acrobat AI Assistant is empowering everyone to shift from reading documents to having conversations with them to summarize and extract insights, compose emails, reports and presentations and share learnings. AI Assistant also offers specialized AI for contracts and scanned documents, support for additional languages and the ability to analyze larger documents. In Acrobat Web, our integrations with Adobe Express allow users to generate images and quickly stylize content.

Digital Experience

Our strategy with **Adobe Experience Cloud** is to help enterprises deliver personalized digital experiences at scale to their customers by combining the right content, customer data and journeys in real time. We are enabling them to supercharge their marketing agility and customer engagement while driving growth and profitability. This year, we celebrated the five-year anniversary of Adobe Experience Platform ("AEP"), the industry-leading real-time customer data platform, which we conceived and built from scratch, and which became the latest billion-dollar book of business in our Digital Experience portfolio. We released AEP AI Assistant to enhance the productivity of marketing practitioners through generative AI, while expanding access to native AEP applications. We set the stage to drive an AI content revolution by bringing content and data together in Adobe GenStudio, integrating high-velocity creative expression with enterprise activation. With Adobe GenStudio, we are bringing together products across our clouds including Creative Cloud, Adobe Experience Manager, Workfront, Adobe Journey Optimizer and Customer Journey Analytics as well as Adobe Express for Business to address the massive content supply chain opportunity. Our approach to empower marketers to quickly plan, create, manage, activate and measure on-brand content is resonating with customers and validating our leadership across data, content and journeys to deliver personalized experiences at scale. We also released

Adobe GenStudio for Performance Marketing, extending our end-to-end content supply chain solution and empower marketing teams to create their own ads and emails, driving impactful, personalized marketing campaigns.

With Firefly, we are ushering in a new era for our flagship products by natively integrating more AI-powered features across our portfolio and using AI to bring our clouds closer together. We are also extending our applications to integrate third-party text and media generation models and partnering strategically to offer customers greater choice in tools and further enhancing the value of our leading applications and solutions. Our deep knowledge of the PDF file format combined with OpenAI's GPT models is a differentiator for Acrobat AI Assistant. We integrated the Pika idea-to-video model with the Generative Extend tool in Adobe Premiere Pro enabling creators to add a few seconds to the end of a video shot. Strong customer usage, value and demand for our AI solutions across all segments are driving early monetization success of new AI technologies across our Digital Media and Digital Experience businesses. We are delighted to see customer excitement and adoption for our AI solutions continue to grow. Over the past year, features like Generative Fill in Photoshop, Generative Recolor in Illustrator, Generative Remove in Lightroom and Acrobat AI Assistant have become the most popular and highly used capabilities in our applications, enabling new levels of creativity and productivity.

OUR PURPOSE

As one of the world's most innovative software companies whose products touch billions of people around the world, we are committed to serving the diverse needs of our customers and making a positive impact in their lives. There are three key areas where we are uniquely positioned to make an impact: Creativity for All, Adobe for All and Technology to Transform.

Through **Creativity for All**, we are empowering millions of creators of all ages and backgrounds to access the tools, skills and platforms needed to express themselves, reach their full potential and share their stories with the world. We have over 100 higher education institutions in the Adobe Creative Campus program globally and support K-12 student success across digital literacy and creativity by offering free access to Adobe Express for Education. We expanded Adobe Digital Academy into a flagship skilling program that aims to equip 30 million learners and teachers in the U.S., UK and India with skills in AI literacy, marketing and content creation by 2030. We launched the Adobe Film + TV Fund in collaboration with the Adobe Foundation to accelerate investment in filmmaking and advance the careers of emerging creators in the film and television industries.

Adobe for All is our commitment to creating a company where all employees are empowered to make an impact. We were founded on the principle that great ideas come from anywhere and we believe that when people feel respected and included, they are more creative, innovative and successful. The wealth of perspectives and lived experiences that our employees bring are vital to our business growth, fueling the product innovation and value that we deliver to billions of people around the world. In 2024, we continued our commitment to fair compensation practices and the advancement of career growth for all employees through global and regional initiatives. Global advancement programs such as Adobe Leader Experience offer leadership development and internal networking and learning opportunities. Through Adobe's Learning Fund, we provide funding for education and professional development programs to give all employees the opportunity to invest in their career at Adobe. We were proud to once again be recognized for our exceptional culture and industry leadership including being named to Wall Street Journal's 250 Best-Managed Companies of 2024, Fortune's World's Most Admired Companies, Fortune's 100 Best Companies to Work For 2024, Comparably's Best Company Culture, Fortune's Best Places to Work for Parents, Forbes America's Best Companies for Veterans, the Dow Jones Best-In-Class Indices and JUST Capital's JUST 100 Companies.

Technology to Transform is our commitment to advancing the responsible use of technology for the good of our customers, communities and the environment. We are leading the development of industry standards for content authenticity and creator attribution. We chose to train Firefly on licensed and public domain content to offer customers a commercially safe solution that respects creator rights and doesn't infringe on third-party intellectual property rights. We follow a rigorous review process to ensure that our AI technologies are developed and deployed responsibly and ethically, considering potential risks and impacts on users and society. Since 2019, the Adobe-led Content Authenticity Initiative has been focused on promoting the widespread adoption of provenance tools like Content Credentials and now has over 4,000 members. We have proposed that governments around the world establish a federal anti-impersonation right enabling creators to take action against those who intentionally misuse AI tools to impersonate their style. We continue to work toward reducing our impact on

the planet and achieving our 100% renewable electricity by 2025 target; our investments in additive renewable electricity enabled us to support more than 70% of Adobe's site electricity demand with wind and solar power in 2024.

LOOKING AHEAD

As customer needs continue to evolve, we are focused on delivering the offerings that advance their creativity, marketing and productivity in the age of AI. Our 30,000+ employees worldwide are motivated to create the future and raise the bar in driving the next decade of growth. Adobe stands in an enviable position, with an impressive track record of innovation, category and brand leadership, financial performance and growth. Coupled with the massive market opportunity, Adobe's best years are ahead of us.

Thank you for your continued partnership and support.

Sincerely,

Shantanu Narayen
Chair & CEO
Adobe Inc.