Adobe Investor Meeting

October 10, 2023

Welcome

Jonathan Vaas | VP, Investor Relations

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Speaker Name	Section
Shantanu Narayen	Adobe's Innovation Engine
Scott Belsky	Innovation Reshaping the Digital World
David Wadhwani	Digital Media Innovation
Anil Chakravarthy	Digital Experience Innovation
Dana Rao	Responsible Innovation
Gloria Chen	Innovation at Adobe
Dan Durn	Innovation and Growth
Q&A	

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Adobe's Innovation Engine

Shantanu Narayen | Chair & CEO

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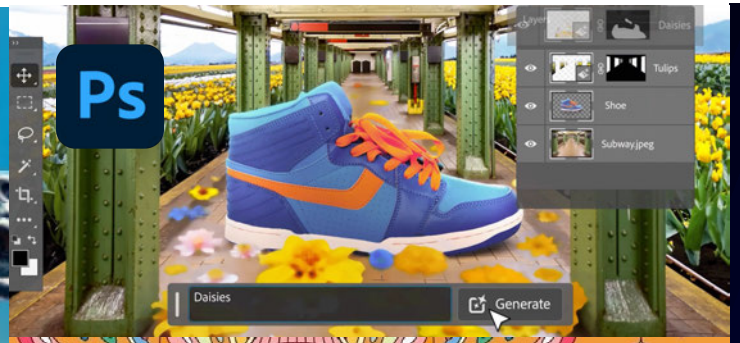
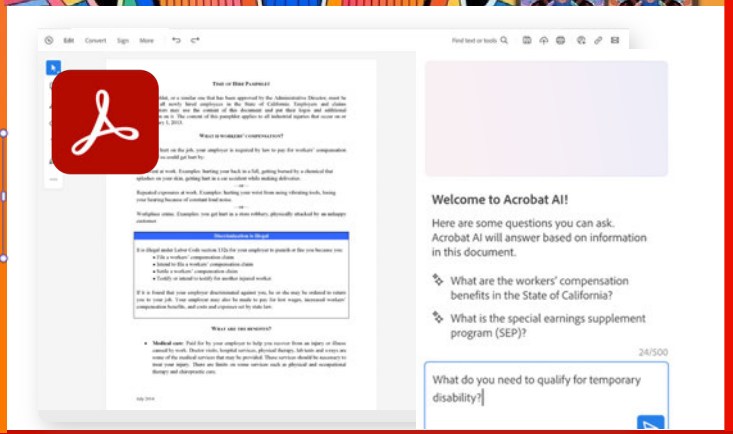
2023 highlights

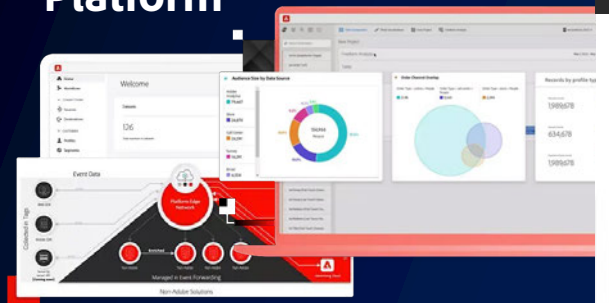
Adobe Firefly

Adobe Express

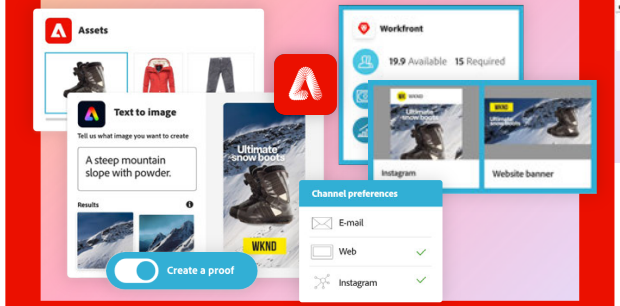




Adobe Experience Platform



Adobe GenStudio

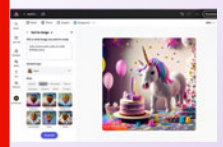


Content Authenticity Initiative

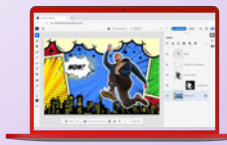
Adobe × Microsoft Edge

Adobe Acrobat Extension for Microsoft Edge

Adobe × Google



Firefly + Express in Google Bard



Express on Google Chromebook

Adobe Experience Platform × aws

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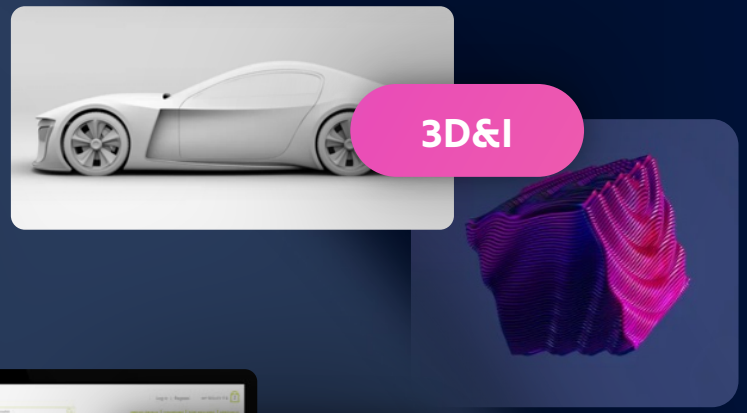
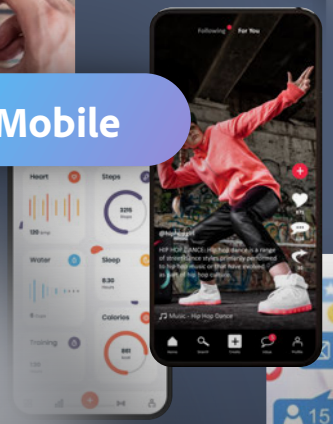
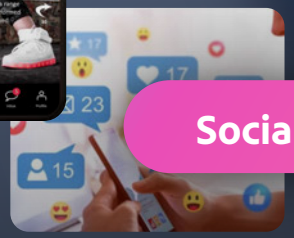
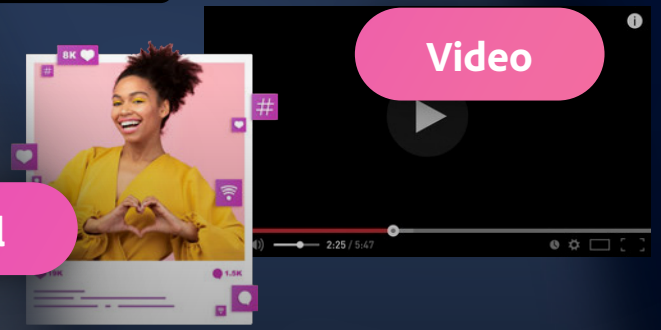
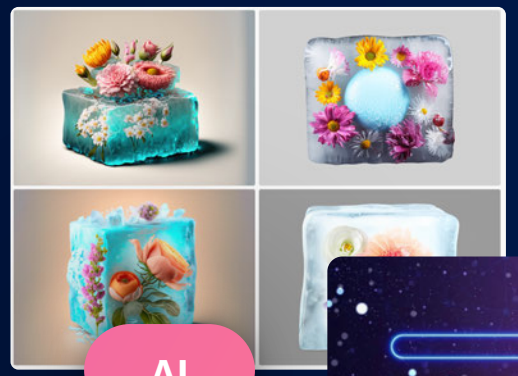
Tectonic shifts in technology

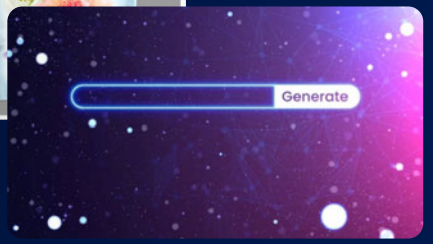


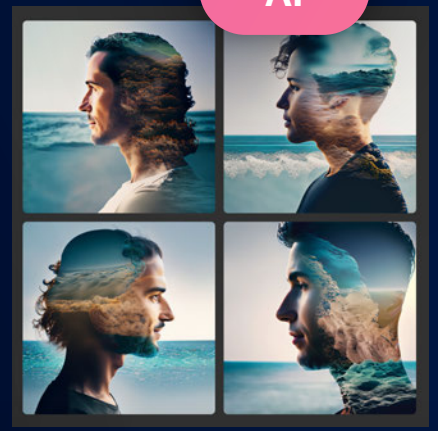


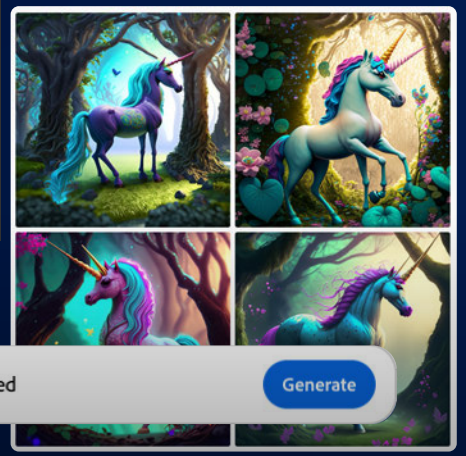


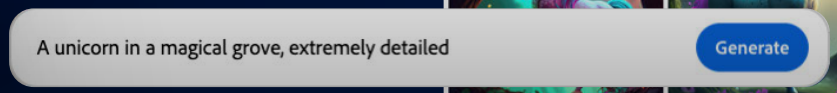












Internet era | Mobile era | Social era | AI era

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Adobe's innovation shaping every era

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Changing the world through digital experiences

Imagine and express ideas ⟷ **Create content and apps** ⟷ **Personalize and power experiences**

Students **Consumers** **Communicators** **Creative Professionals** **Developers** **SMBs** **Enterprises**

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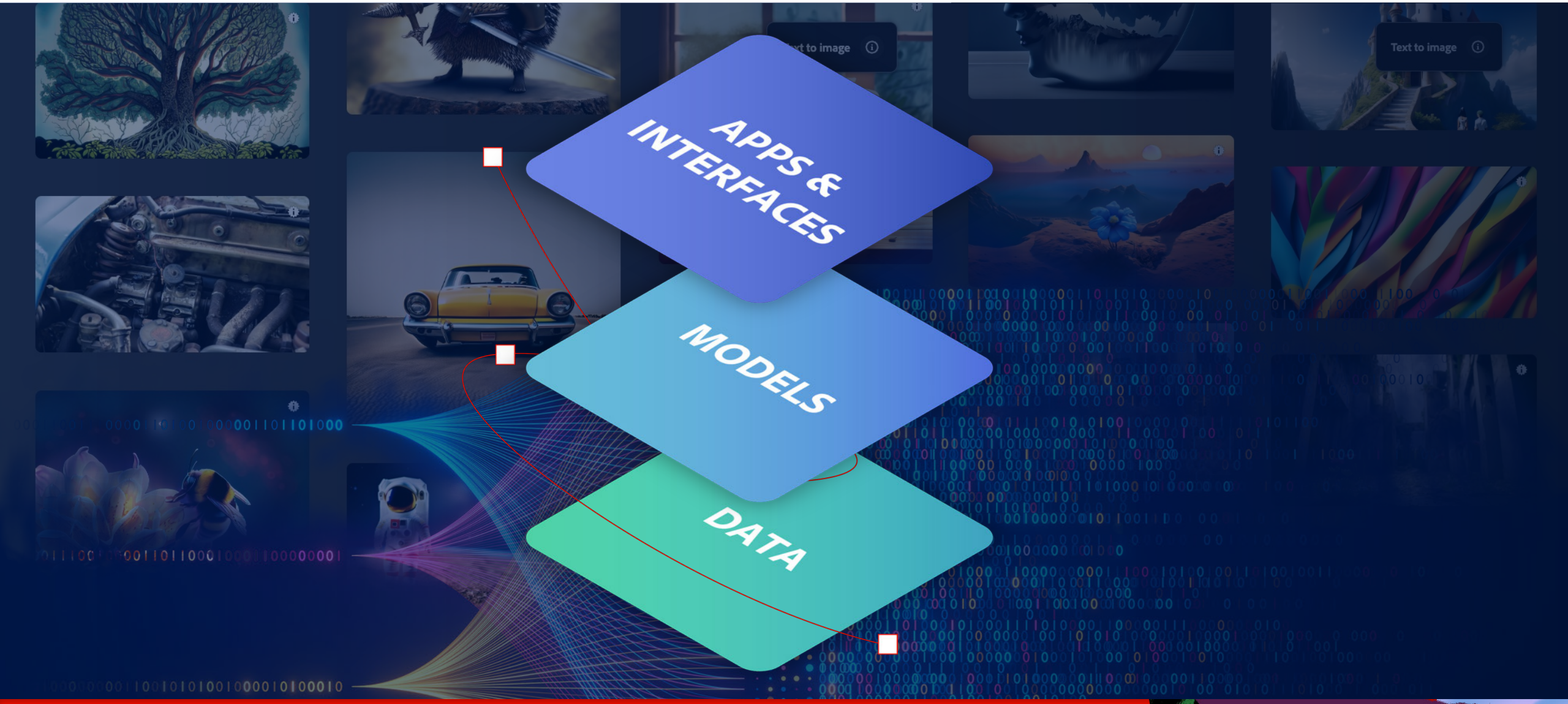
Architecting for the AI era



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Adobe's comprehensive AI stack

Deeply integrate into our industry-leading apps and workflows; invent new apps and services

Build category-leading foundation models for all media types, designed to be commercially safe; partner strategically

Harness high-quality, proprietary training assets responsibly; power data platforms for model customization

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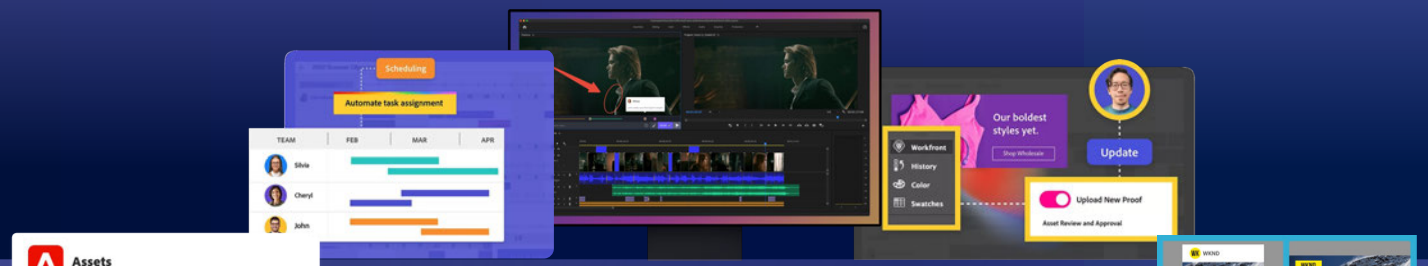
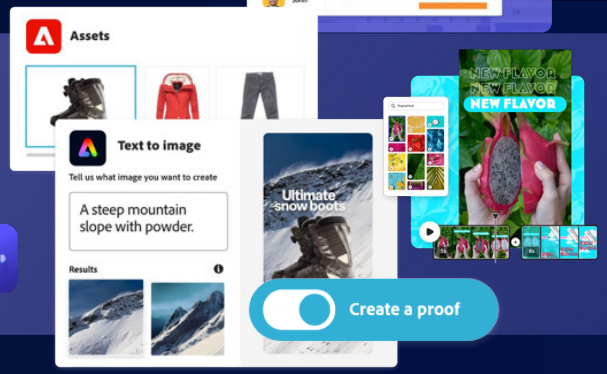
AI supercharging digital experiences

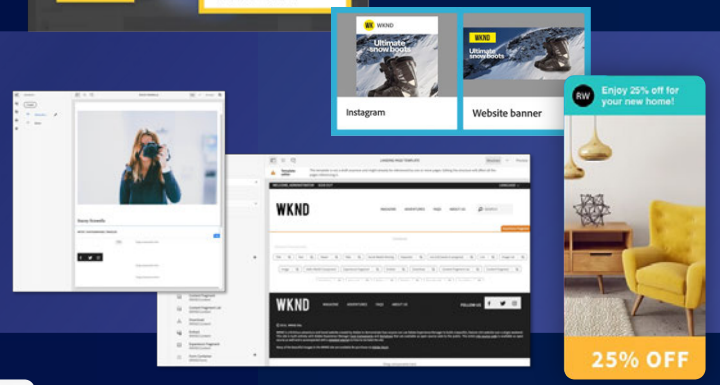
Workflow and collaboration



Content creation and production



Delivery and activation



Analytics and reporting

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Accelerating growth in the AI era

Creating categories and technology platforms

Expanding customer reach and adoption

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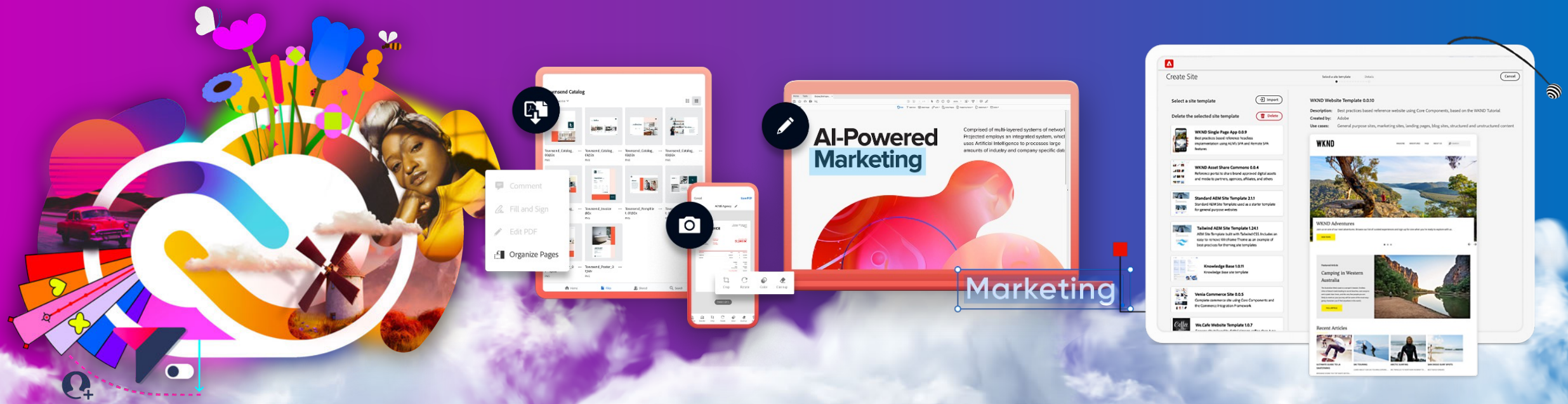
Changing the world through *personalized* digital experiences

Unleashing creativity

Accelerating document productivity

Powering digital businesses



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Innovation Reshaping the Digital World

Scott Belsky | Chief Strategy Officer and EVP,
Design & Emerging Products

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The new age of **creativity and personalized digital experiences** will change everything.

The future of creativity & AI

Find someone with skills to tell your story	→	**Tell your own story**
Category constrained	→	**Imagination constrained**
Siloed creation	→	**Collaborative creation**
Limited exploration	→	**100x cycles for exploration**
Exclusive to few	→	**100x participants**

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The future of digital experiences & AI

Generalized experiences	→	**Personalized experiences**
You search	→	**You converse**
You learn an app	→	**App learns you**
Marketing specialization	→	**Marketing democratization**
Reactive data analysis	→	**Real-time optimization**

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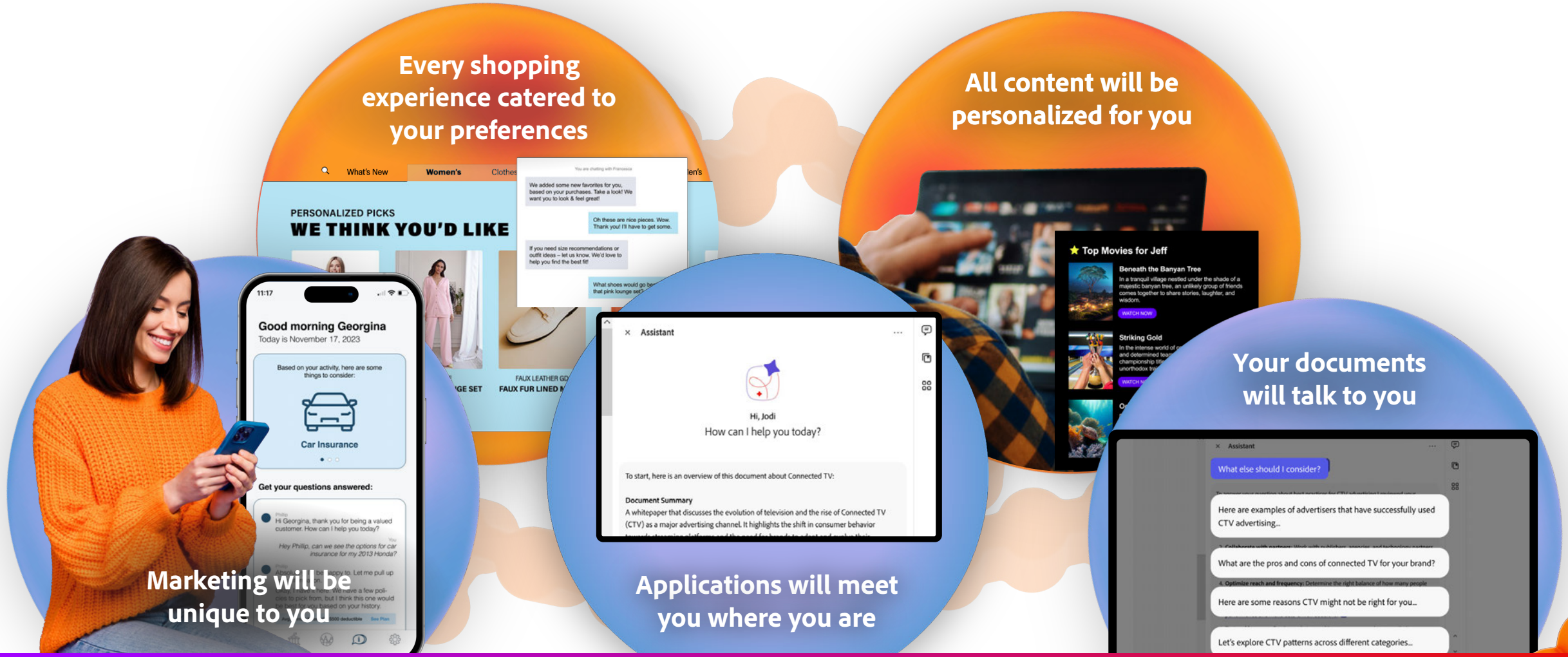
In the future, we will all feel known by the brands we trust



Real-time data is the fuel for personalization

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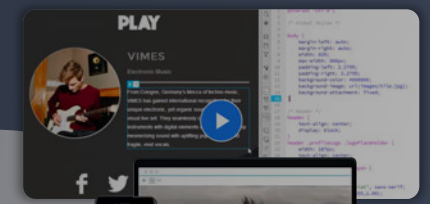
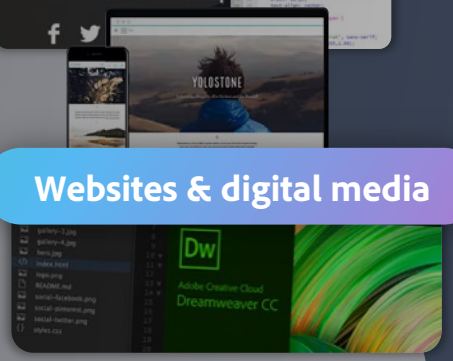
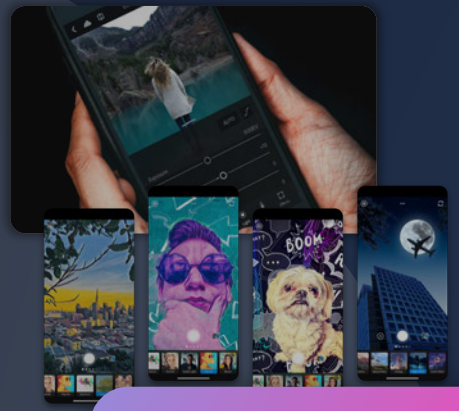
Tech shifts lead to demand for more content & higher-quality experiences

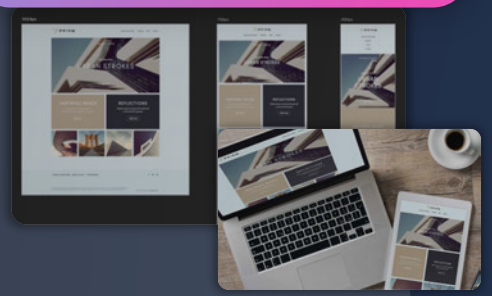




Websites & digital media

Internet era

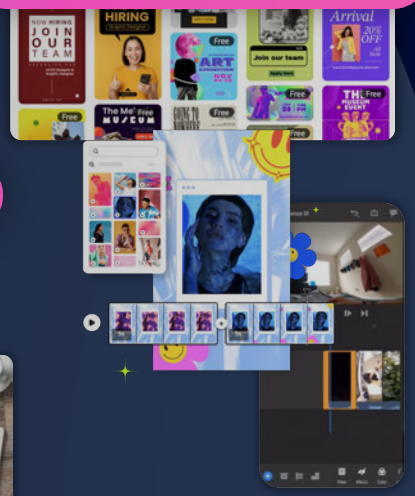




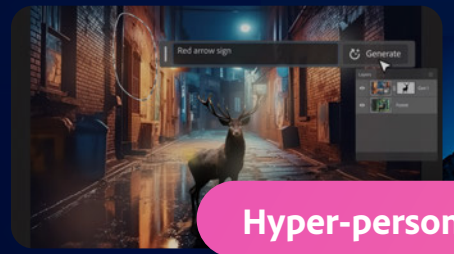
Cross-platform content

Mobile era

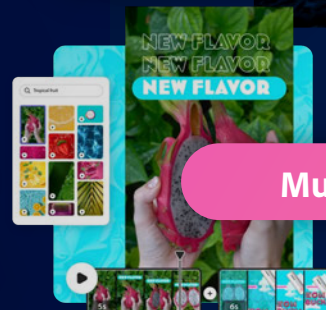
Social & video

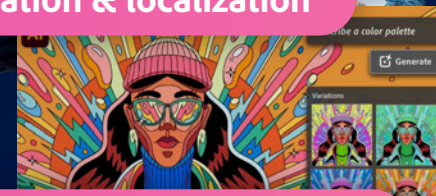


Social era



Hyper-personalization & localization





Multi-modal experiences

Immersive content on new surfaces

AI era

DEMAND FOR CONTENT

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Tech shifts result in more creative opportunity

Early 2000's

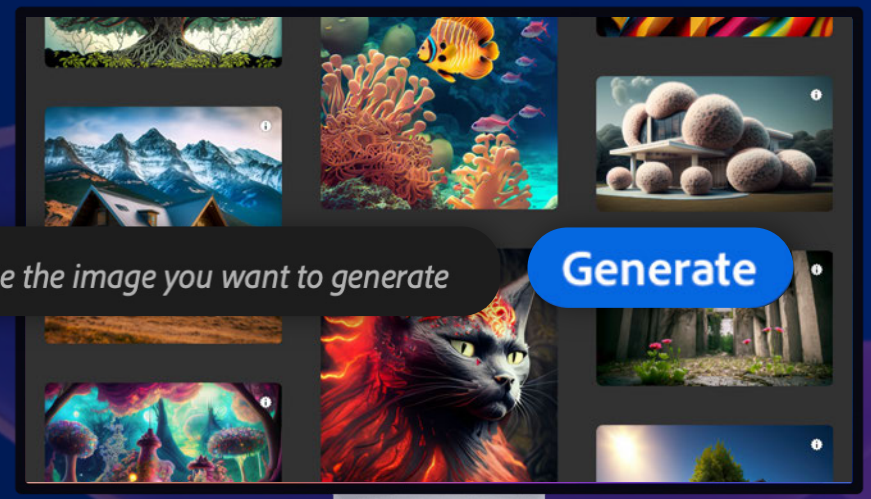
No-code web builders

2000's-2020's

Social video

Today

Generative AI



140%

Growth in **pro developer jobs** after no-code web builders emerged[1]

500%

Growth in **video pro jobs** after social video platforms emerged[2]

~8 out of 10

Creative pros believe generative AI will have a positive impact on their career[3]

[1] US Bureau of Labor Statistics – includes web, software and app developers, 2003-2019
[2] US Bureau of Labor Statistics – includes TV, video, movie editors & camera operators, 2006-2022
[3] Adobe, Survey of US creative professionals, 78% of respondents, September 2023

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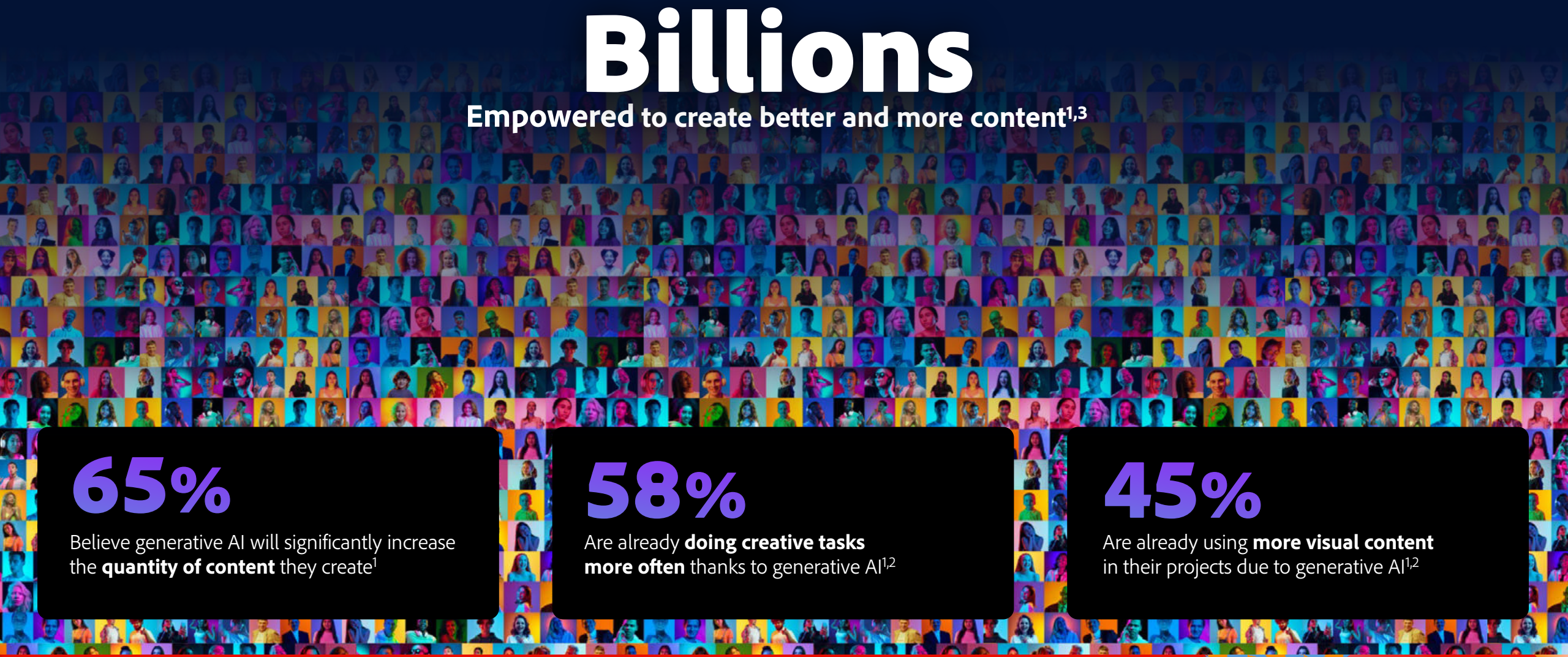
Communicators and consumers embrace generative creativity



Billions

Empowered to create better and more content[1,3]

65%

Believe generative AI will significantly increase the **quantity of content** they create[1]

58%

Are already **doing creative tasks more often** thanks to generative AI[1,2]

45%

Are already using **more visual content** in their projects due to generative AI[1,2]

[1] Adobe, Survey of US, Japan & India communicators and consumers, September 2023
[2] Of those who have used generative AI in the last 6 months
[3] Adobe, 2024 total potential market, December 2021

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The opportunity for Adobe

- More than ever before, **people and brands will stand out** through **unique creative expression.**
- Creativity becomes **accessible to everyone** as AI-powered and web-based **tools boost creative confidence.**
- Creative pros get **more time** and AI-powered **surface area of discovery** as "the experience bar goes up."
- The **future of experiences** across e-commerce, entertainment, education, marketing and everyday life becomes **hyper-personalized.**
- **Marketing evolves** from a centralized discipline to a multi-stakeholder activity with **many personas sharing stories at the speed of social.**
- As the world craves more **story, process and meaning, human ingenuity and emotion will continue to move us.**

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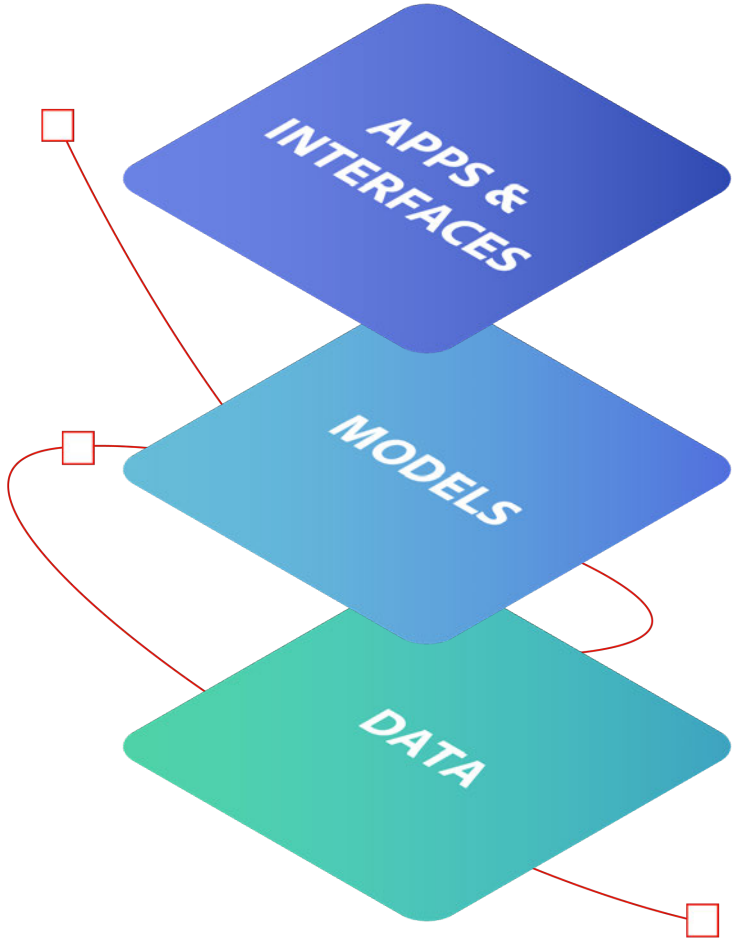
AI will be the **thread** to stitch customer workflows — and ultimately **our clouds** — together.

Adobe's comprehensive AI stack



- **Deep integration** into flagships and established workflows
- **Stand-alone** service offerings and APIs
- **Conversational assistants** to accelerate workflows and lower technical barriers
- **Unified workflows** across creation and marketing

- **Category-specific** models
- **Model customization** for brands and individuals
- **Designed to be commercially safe**, API-first, ecosystem-ready

- **High-quality, proprietary training assets** and trillions of data points across creativity, digital documents and digital experiences
- **Compensation systems for contributors** to source more and better content
- **Customer and marketing data platforms** that power model customization

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The digital experience flywheel

Variation & personalization

Data & AI

Analysis & optimization

Students | Consumers | Communicators | Creative Professionals | Developers | SMBs | Enterprises

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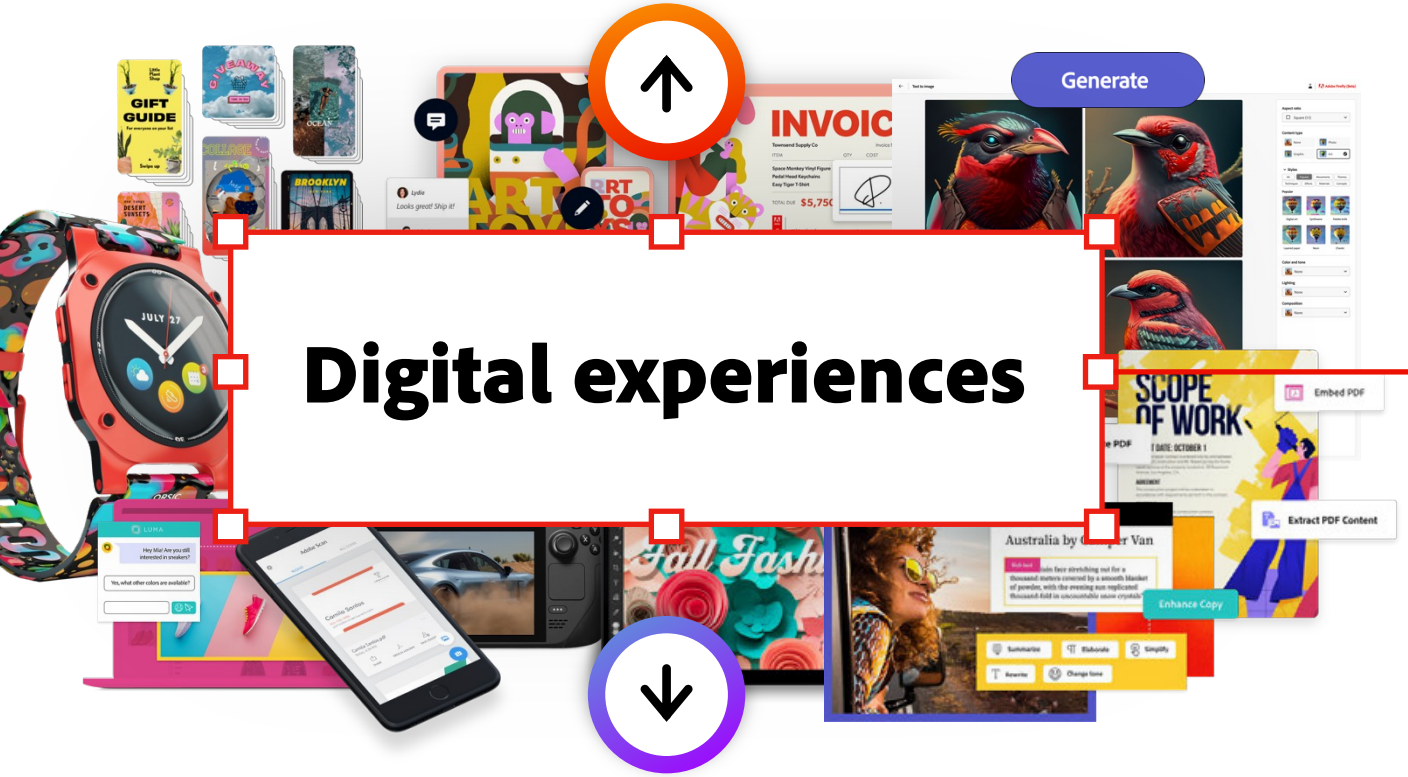
The AI opportunity for Adobe: raise the ceiling & lower the floor

Raise the ceiling



Lower the floor

More value: personalized digital experiences

- Create and power more content across media types
- Enable agile experience creation and scaled production
- Deliver hyper-personalization at scale

More users: bring billions into the fold

- Meet users where they are in Adobe apps, enterprise workflows and partner ecosystem
- Streamline onboarding and accelerate time-to-success
- Empower new stakeholders across creativity, documents and digital experiences

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Imagine the future

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Digital Media Innovation

David Wadhwani | President, Digital Media Business

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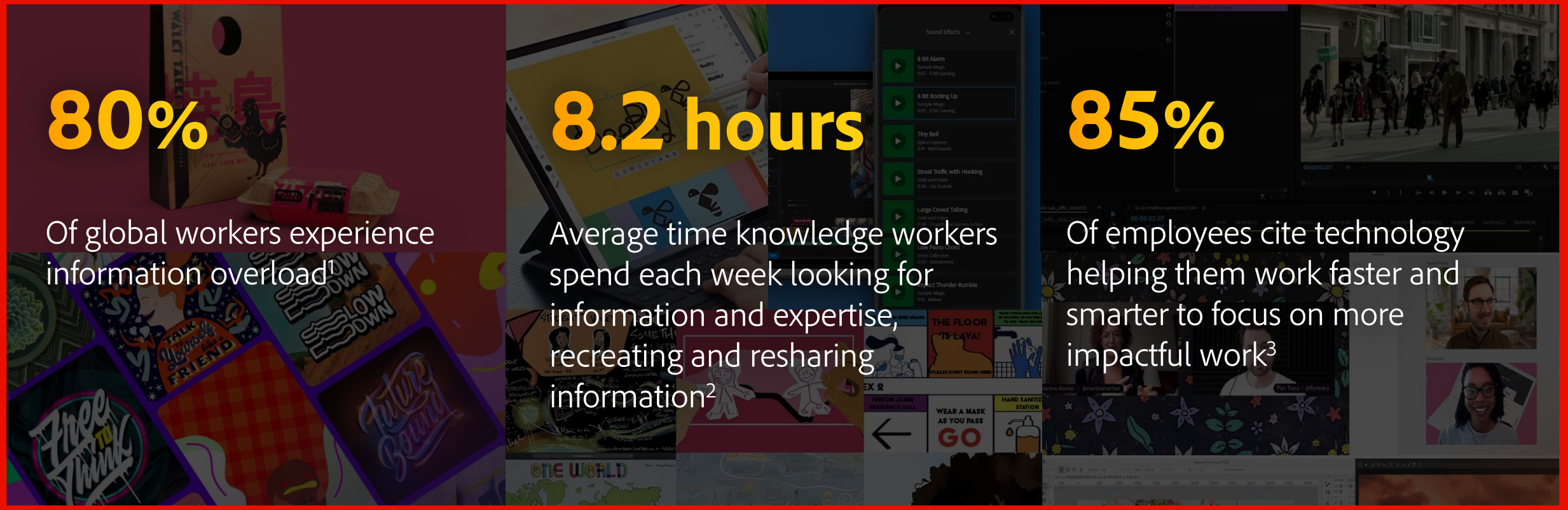
Adobe Document Cloud

Adobe Creative Cloud

Adobe Document Cloud

Adobe Creative Cloud

Information explosion in the workplace



80%

Of global workers experience information overload[1]

8.2 hours

Average time knowledge workers spend each week looking for information and expertise, recreating and resharing information[2]

85%

Of employees cite technology helping them work faster and smarter to focus on more impactful work[3]

Information explosion

Worker inefficiency

Technological solution

[1] Opentext, Information Overload survey, August 2022
[2] APQC, Survey of full-time knowledge workers, July 2021
[3] Adobe, The Future of Digital Work Survey, small business employees, April 2023

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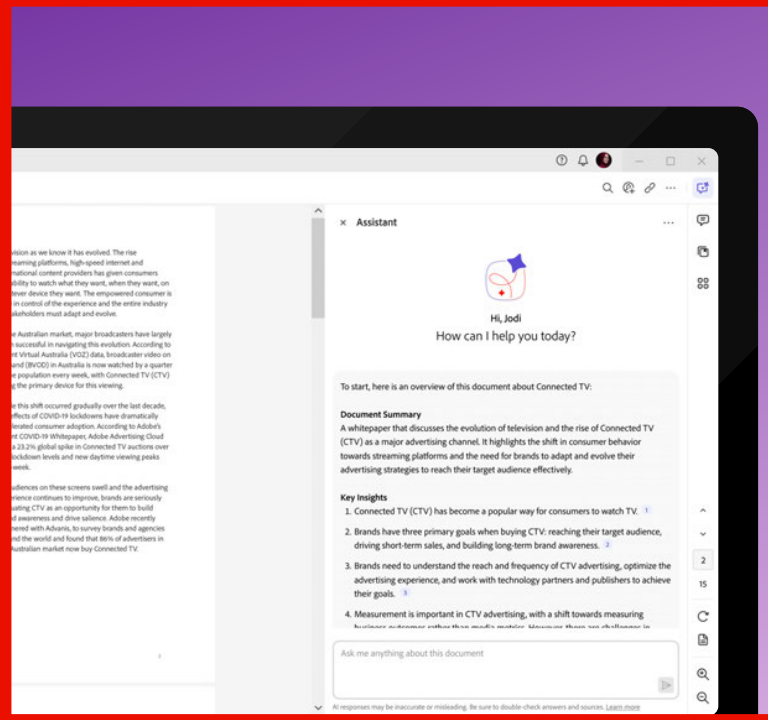
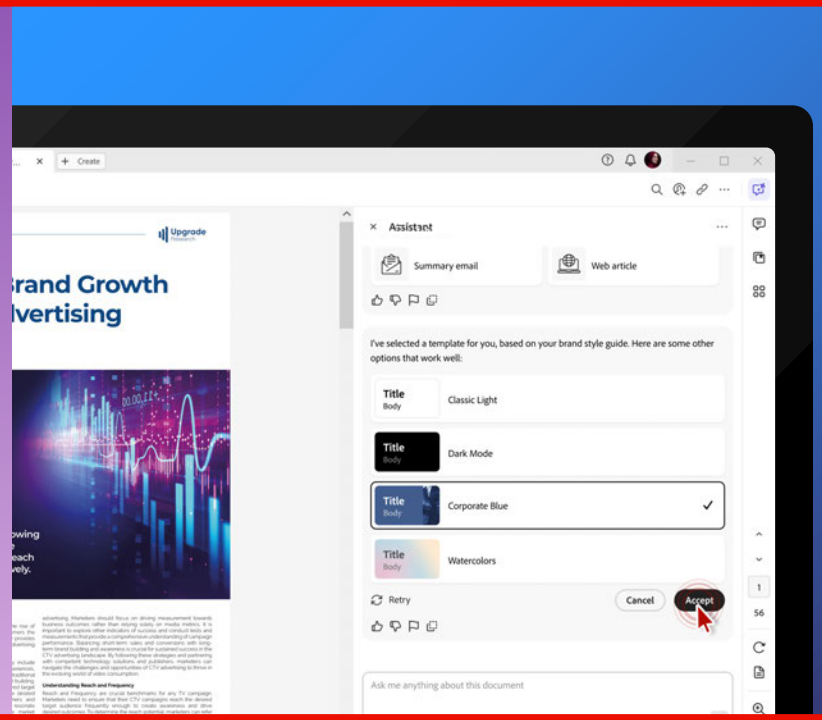
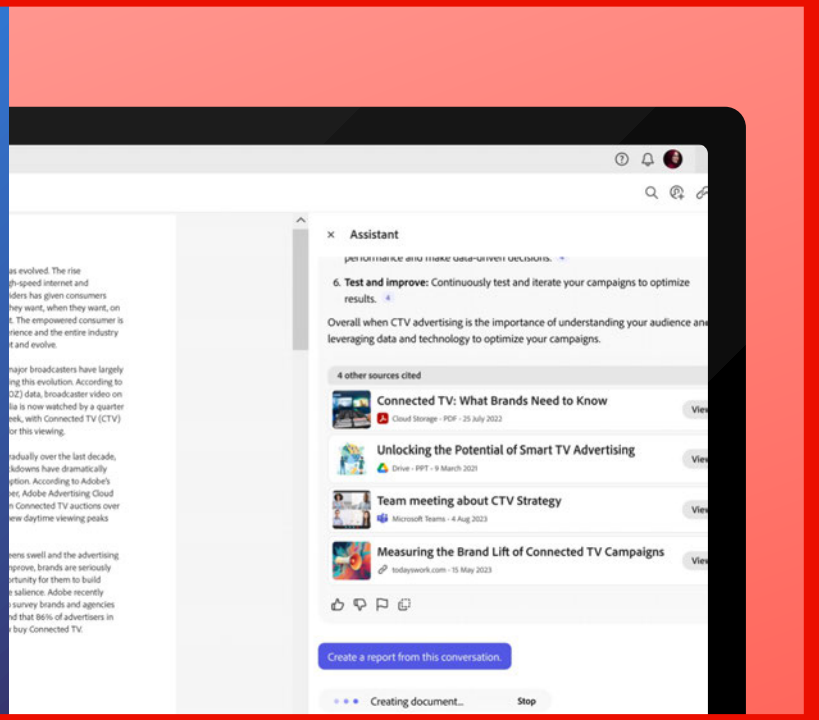
What to expect in Document Cloud: insight, creation and collaboration







Document insight: AI-assisted conversational experiences

Document creation: AI-powered authoring, editing and formatting

Document collaboration: AI-supported review process

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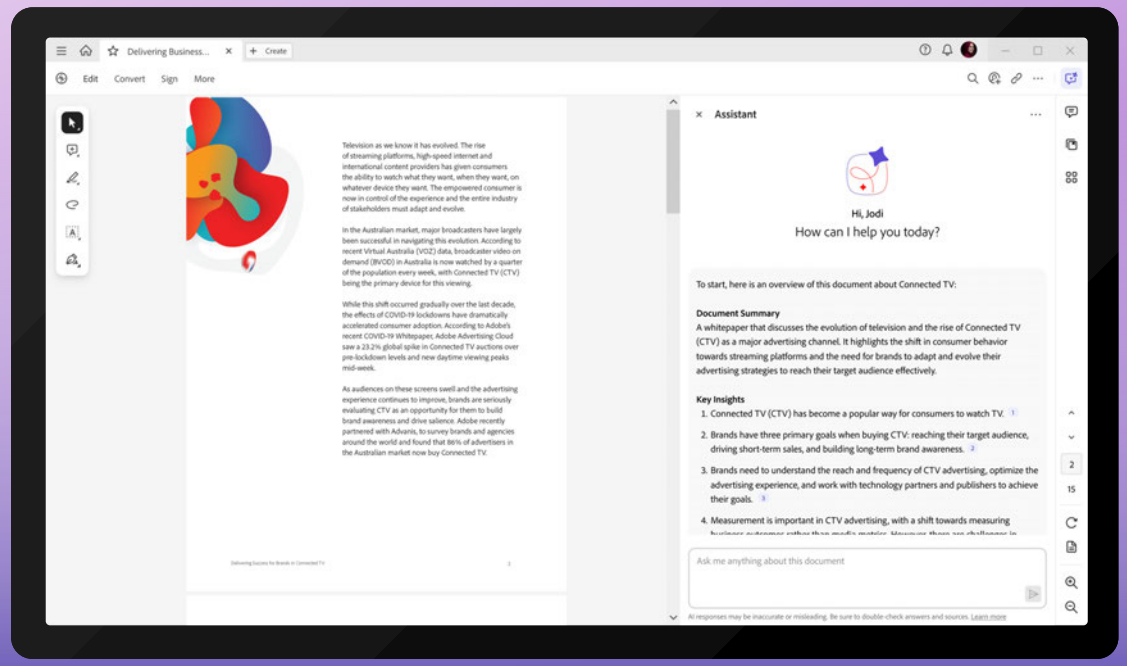
Document insight: AI-assisted conversational experiences



>100B

PDFs viewed in Reader + Acrobat[1]

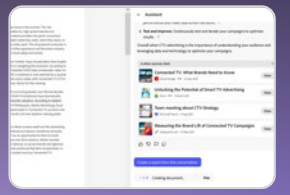
~500M

MAU in Reader + Acrobat[2]

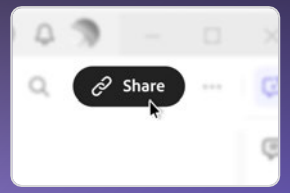
What to expect

Single document conversations

Multi-document conversations



Enterprise access controls



- Accelerate time-to-knowledge
- Conversational interface drives deeper insights
- Cited-source attributions deliver greater context and confidence
- Related documents contextualize understanding

[1] Adobe, April through September 2023
[2] Adobe, Monthly average, June through August 2023; MAU means monthly active users

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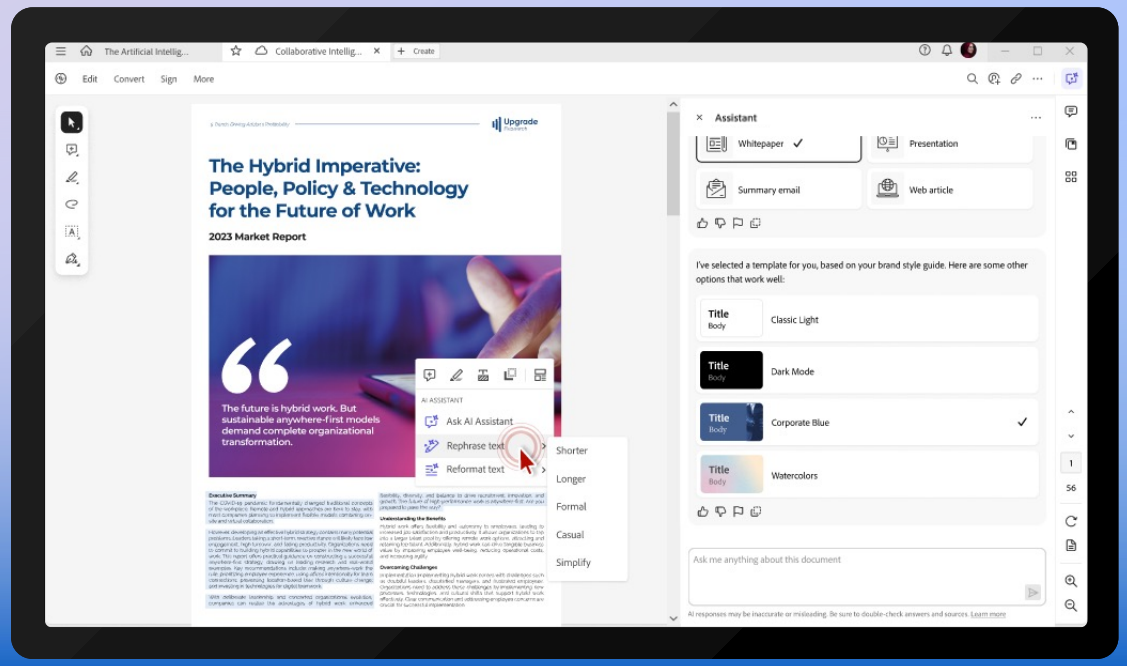
Document creation: AI-powered authoring, editing and formatting

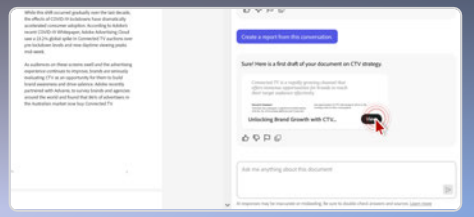


>16B

Documents edited in Acrobat[1]

What to expect

Generative Draft



Generative Rewrite

- Generate draft documents
- Assist with copy editing
- Suggest content design and layout
- Offer multiple output formats

[1] Adobe, internal estimate for 2023, based on January through June 2023 actuals

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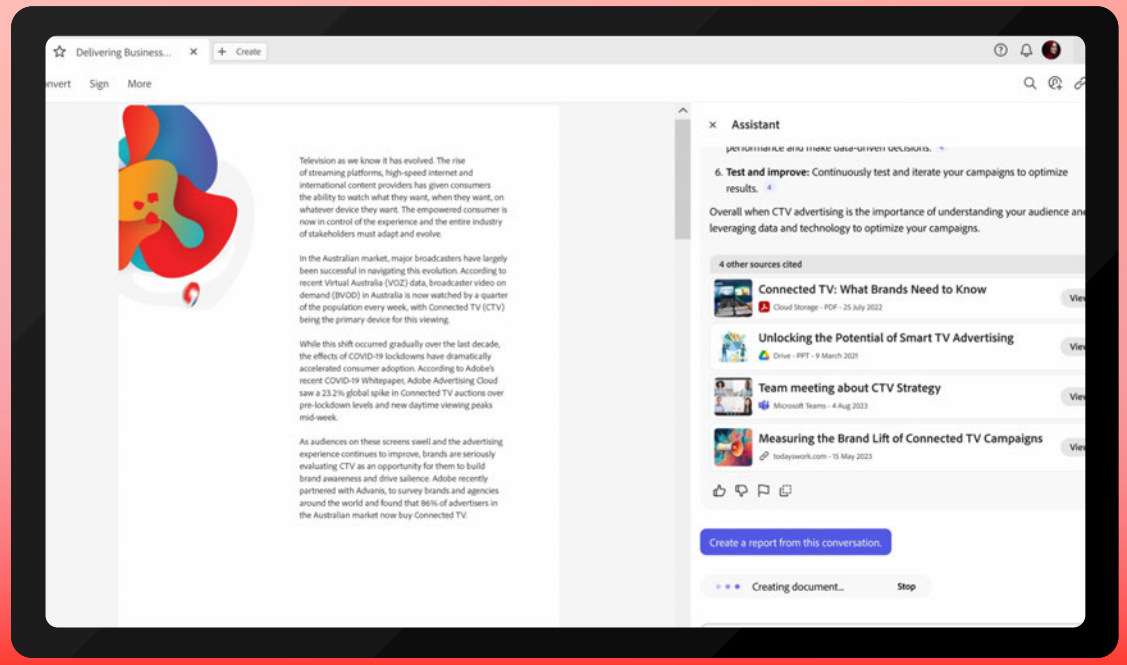
Document collaboration: AI-supported review process

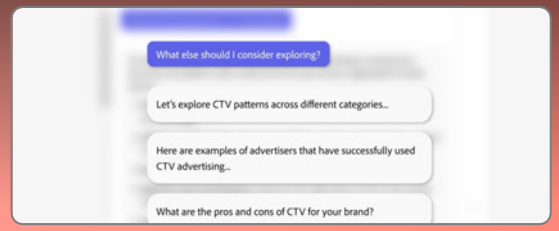


~75%

More documents shared in Acrobat Y/Y[1]

What to expect

AI Review and Approval



- Analyze feedback and comments
- Apply suggested changes automatically
- Highlight and help resolve areas of conflict

[1] Adobe, Y/Y growth, January through September 2023

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The AI opportunity for Document Cloud

More value

More users

Conversational insight, assisted creation and streamlined collaboration for paid users

- Integrated conversational AI Assistant
- Accelerate document insights
- Streamline collaboration and workflows
- Elevate PDF to a knowledge repository

AI Assistant in Reader provides new opportunities to monetize free MAU

- AI Assistant integrated into free Reader
- Provide AI onramp for hundreds of millions of users
- Available across desktop, web and mobile

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AI innovation drives new monetization opportunities

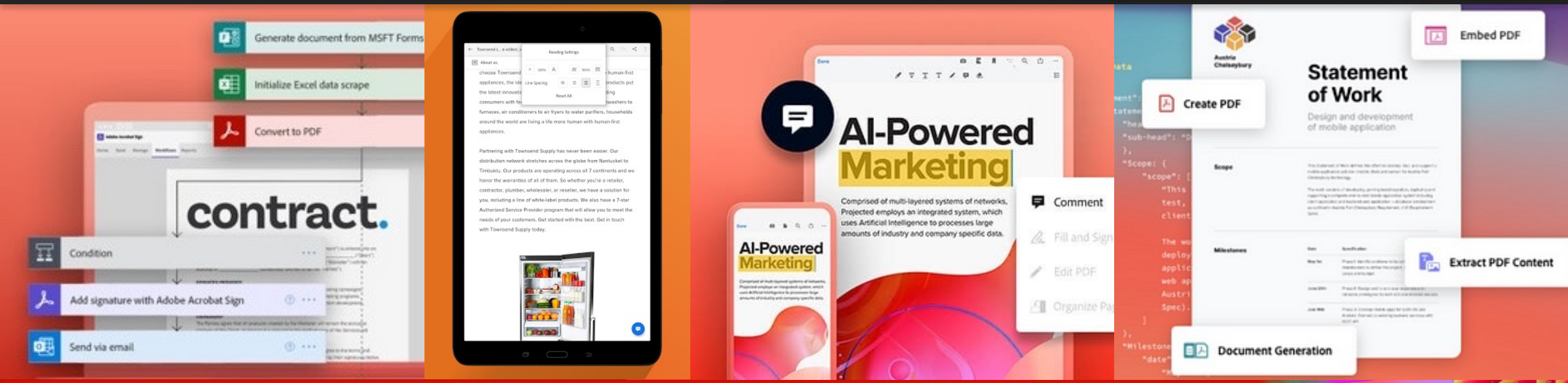
Freemium access to AI Assistant across desktop, web and mobile

Increase free-to-paid conversion with paid Generative Credits plans for Reader users

Generative Credits included in Acrobat Standard and Pro increase value for document insights, creation and collaboration

Enterprise APIs and controls, paid Reader offer and increased value in Acrobat drive higher penetration in enterprises

Individuals to enterprises



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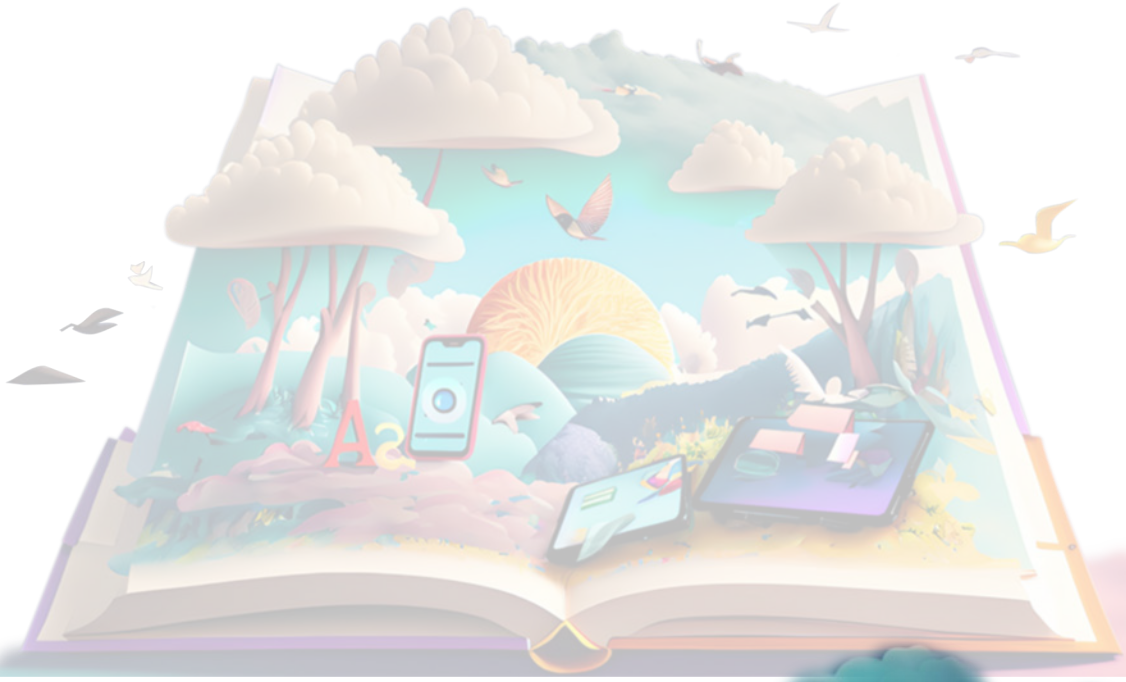
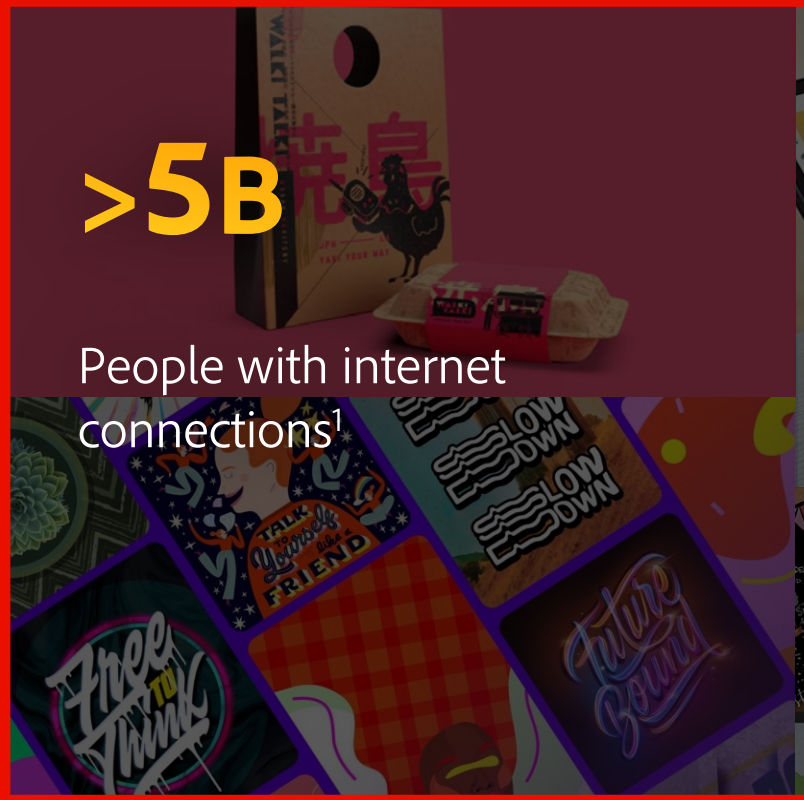
Adobe Document Cloud



Adobe Creative Cloud

Content explosion fueling the global economy

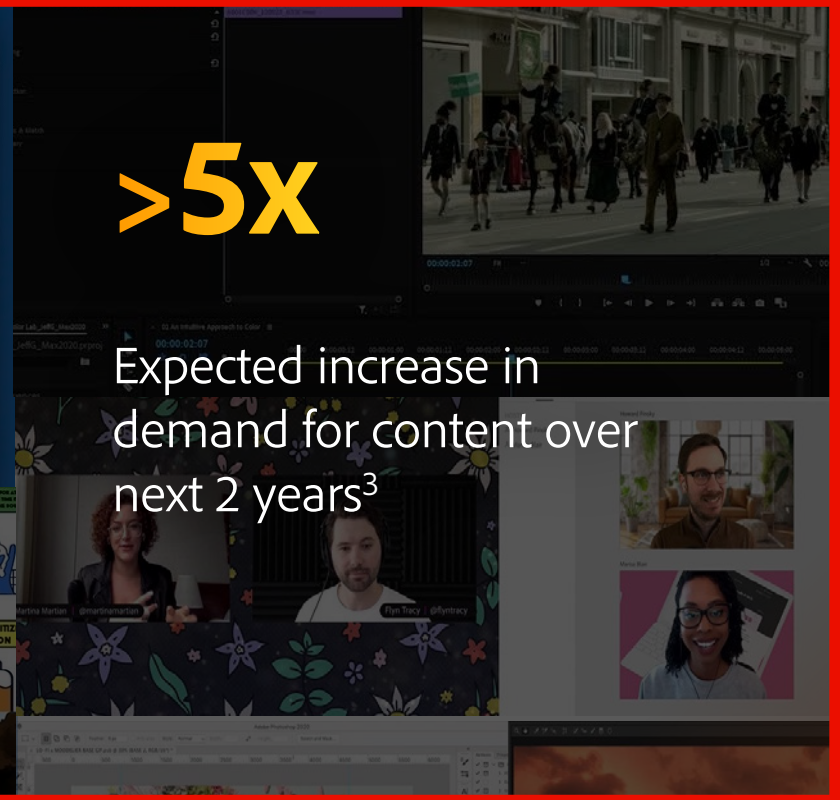


>5B

People with internet connections[1]

~900M

Global population of communicators[2]



>5x

Expected increase in demand for content over next 2 years[3]

Global consumers engaging digitally

Creator economy builds brands and businesses online

Digital content drives individual and business success

[1] Statista, Number of internet and social media users worldwide, July 2023
[2] Adobe, 2024 total potential market, December 2021
[3] Adobe, customer experience and marketing professionals survey, March 2023

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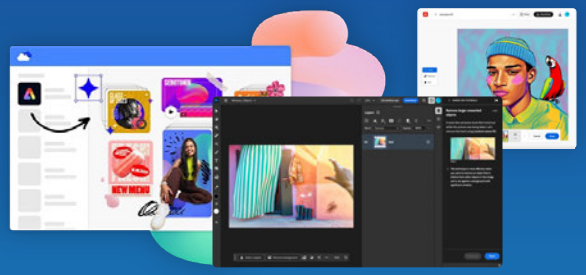
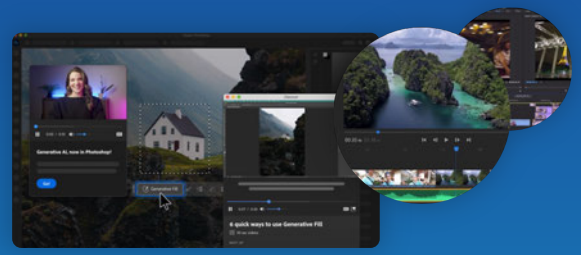
Adobe's breadth of offerings supports needs of all audiences



Fun & easy onboarding

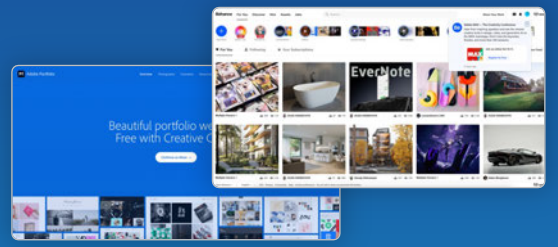
- Firefly *(web app)*
- Express
- Photoshop *(web)*
- Illustrator *(web)*[1]
- Photoshop Express
- Fresco



Creative Cloud

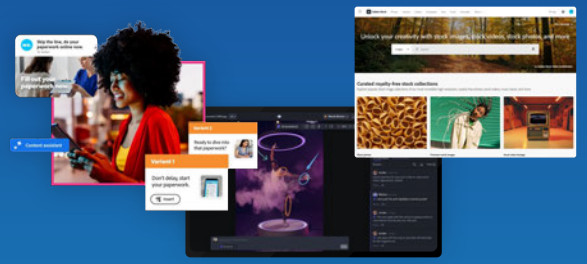
- Photoshop
- Illustrator
- Premiere Pro
- InDesign
- Photoshop Lightroom
- After Effects
- Creative Cloud for Teams
- Creative Cloud for Enterprise

• • •



Integrated services

- Adobe Fonts
- Adobe Portfolio
- Behance
- Creative Cloud Libraries



Value-added services

- Adobe Stock
- Frame.io
- Substance 3D Collection
- GenStudio
- Custom Models[2]
- Firefly APIs[2]

Freemium offers to enterprise agreements

Students | **Consumers** | **Communicators** | **Creative Professionals** | **Developers** | **SMBs** | **Enterprises**

[1]Public beta
[2]Early access-only

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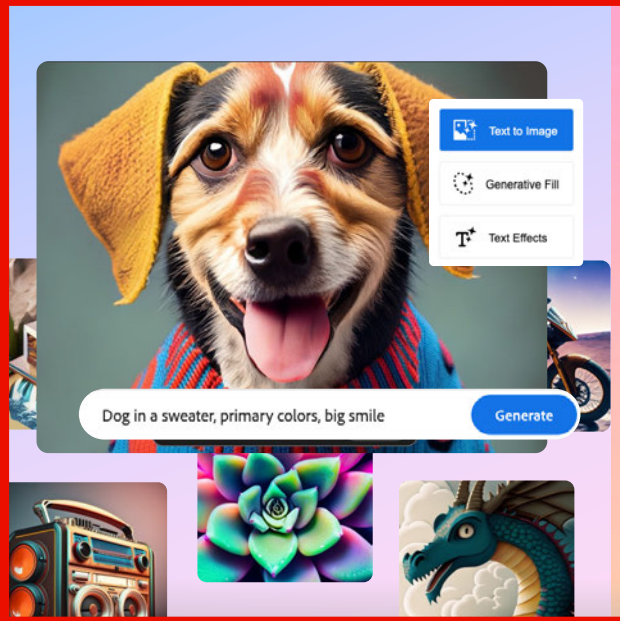
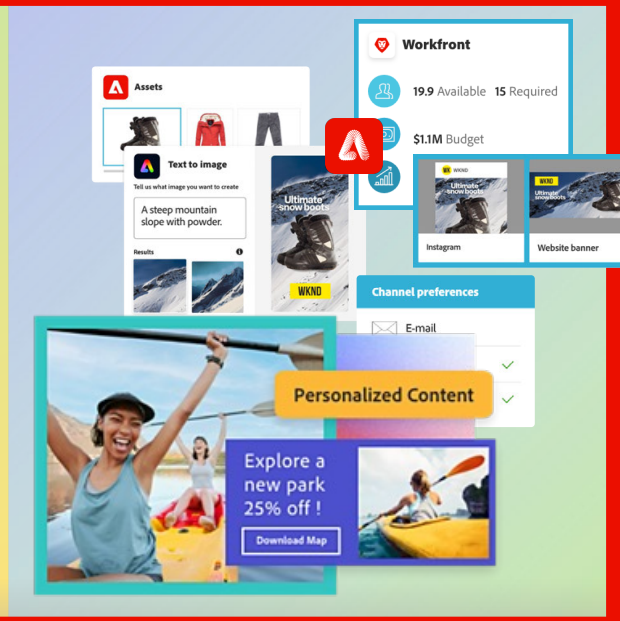
What to expect in Creative Cloud: unleashing a new era of creativity



Adobe's Firefly foundation models built for all media types

Generative AI natively built into Creative Cloud flagship apps

AI-first creative apps with Adobe Express and Firefly web app



Content production and delivery automated by AI for all businesses

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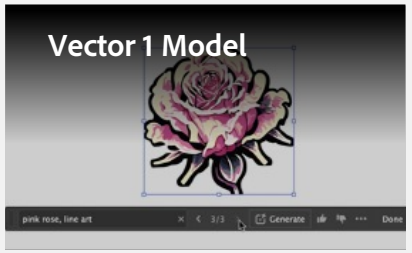
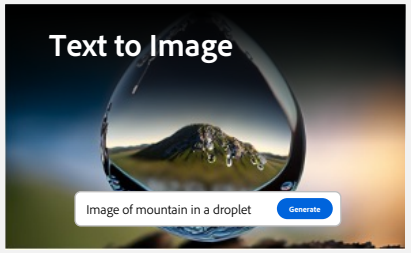
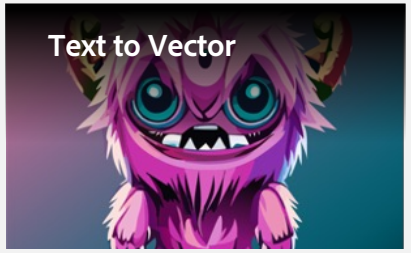
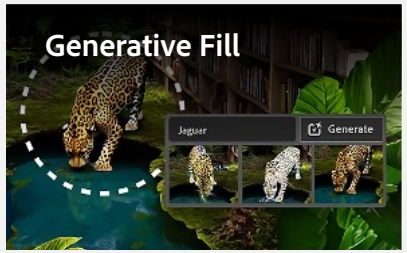
Adobe's Firefly foundation models built for all media types

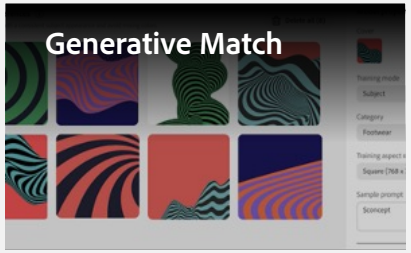
What we've delivered

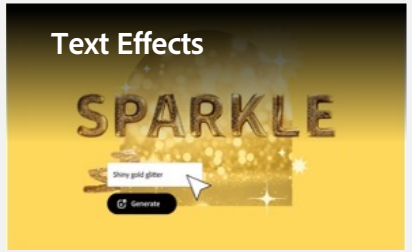


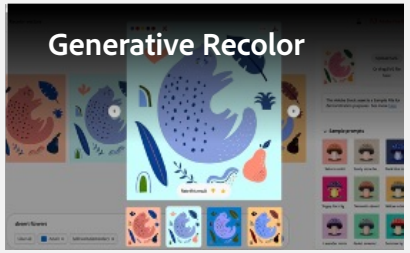










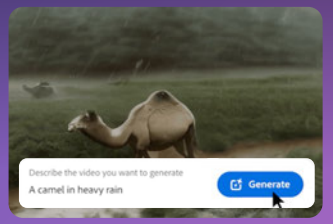


>3B
Images generated[1]

>20
Unique Firefly models[2]

What to expect

Firefly Video 1 Model



Firefly Audio 1 Model

Firefly 3D 1 Model

- Most comprehensive set of generative AI models
- Built for native integration into Adobe apps
- Designed to be commercially safe
- Created with transparency of training content

[1] Adobe, March through September 2023
[2] Adobe, October 2023

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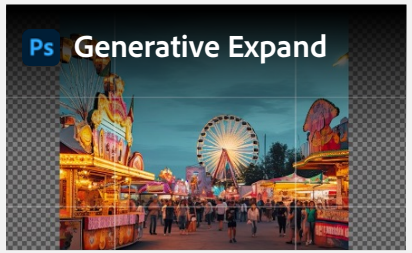
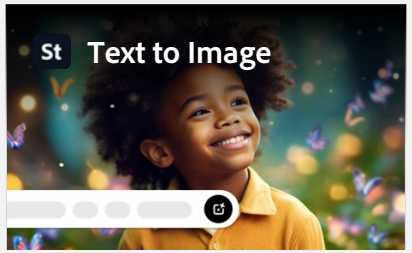
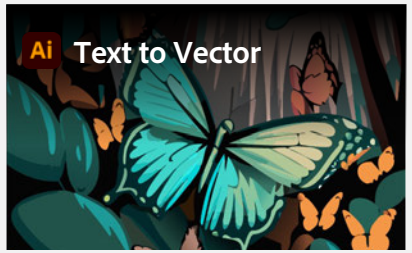
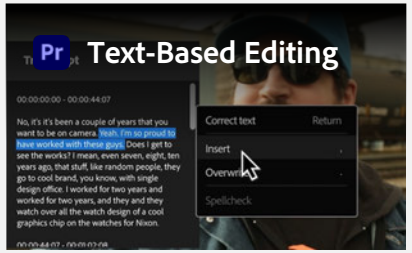
Generative AI natively built into Creative Cloud flagship apps

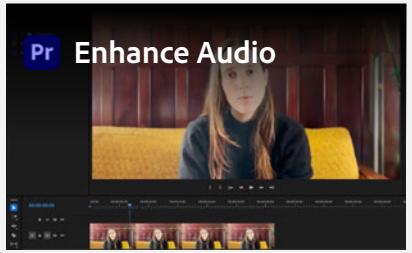
What we've delivered

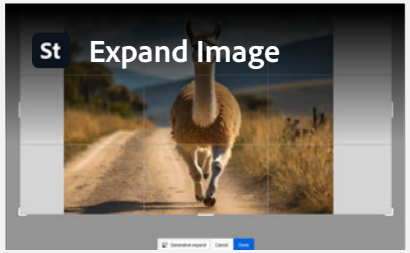












~80%

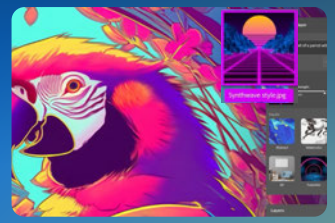
Of C-Pros plan to explore new mediums (e.g., video, 3D) given ease of creation with generative AI[1]

>10x

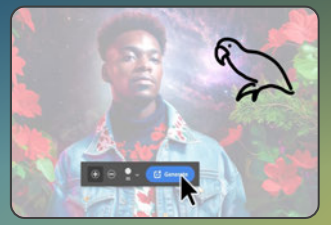
Generative Fill adoption rate vs. average for other creative features[2]

What to expect

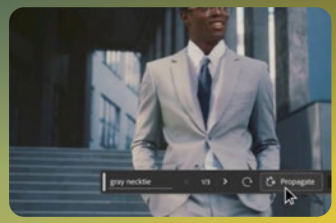
Stylized creation



Guided generation



Generative Fill for video



- Accelerate creative ideation and exploration
- Speed up production work
- Increase power and precision
- Streamline onboarding

[1] Adobe, Survey of US creative professionals, September 2023
[2] Adobe, Ps Generative Fill 15-day adoption (% Generative Fill-enabled versions) by Ps MAU compared to the average 1 month / current adoption rate of 12 creative features typically used by Ps MAU

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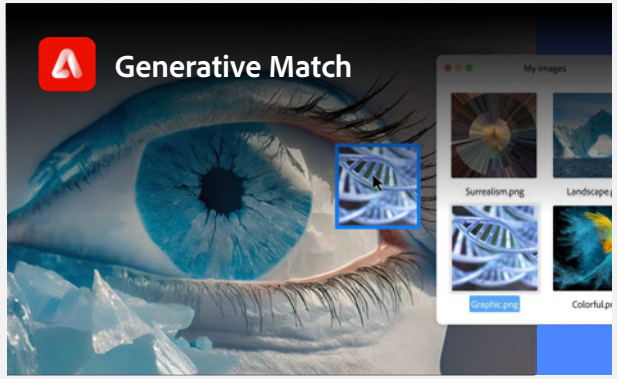
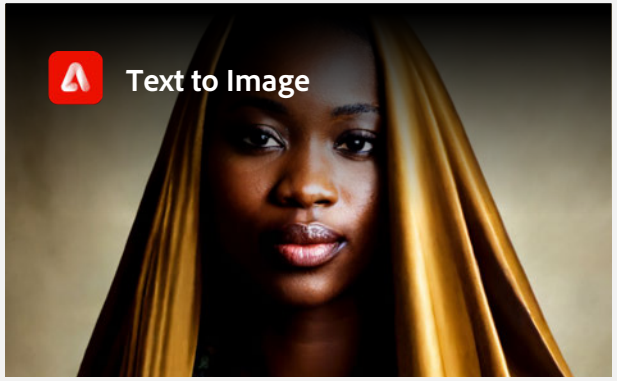
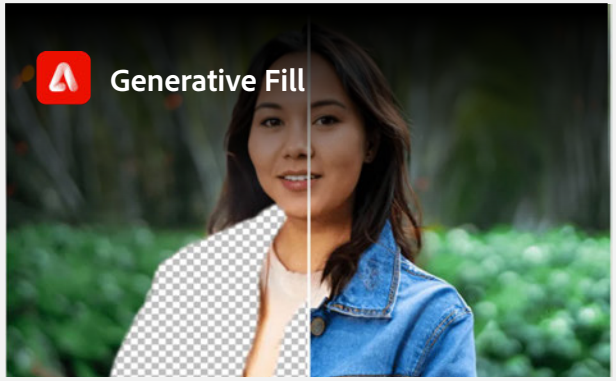
AI-first creative apps: Adobe Firefly

What we've delivered







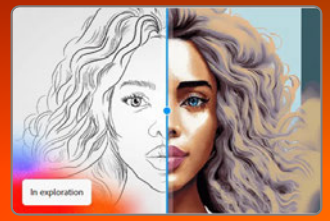
>25%
Increase in traffic to Adobe.com Y/Y[1]

~90%
Of Firefly web app users are not current Adobe subscribers[2]

What to expect

3D to Image

Sketch to Image



Object-based editing

- Fun playground for AI-assisted creativity
- Quick destination for new Adobe AI projects
- Focused on new customer acquisition
- Product-led growth journeys to Adobe Express

[1] Adobe, Y/Y growth, Q3FY2023
[2] Adobe, August through September 2023

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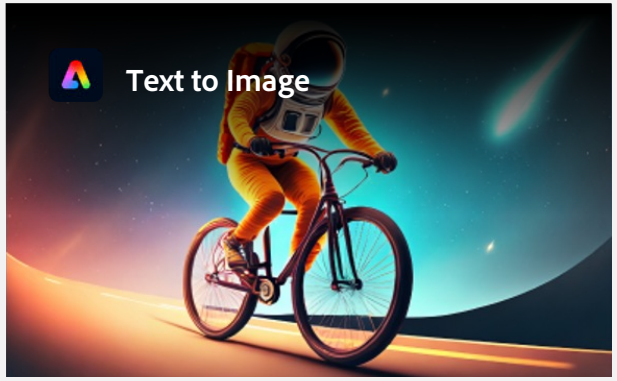
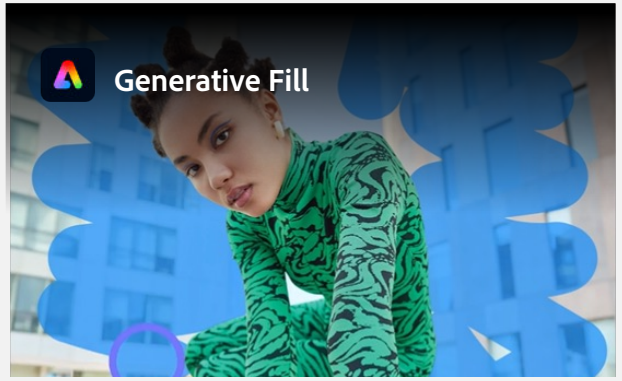
AI-first creative apps: Adobe Express

What we've delivered



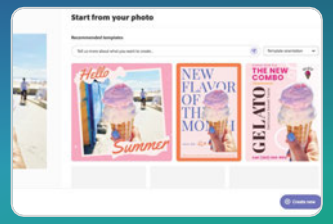


~20%
Increase in Adobe Express MAU Q/Q

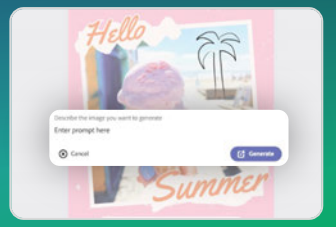
~65%
Increase in Adobe Express MAU among paid CC users Q/Q

What to expect

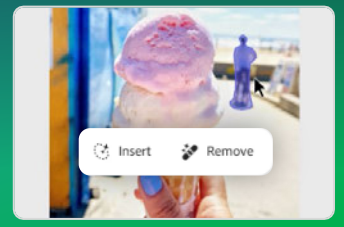
Image to Template



Sketch to Image



Firefly Editing Engine



- All-in-one app for fliers, posters, TikToks, Reels and more
- Additional value to Creative Cloud subscribers
- Opportunity for new customer acquisition
- Product-led growth journeys to higher value plans

Source: Adobe, May to August 2023

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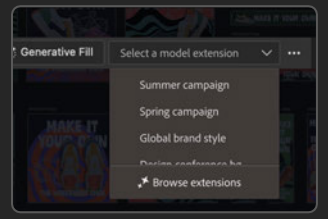
Content production and delivery automated by AI for all businesses

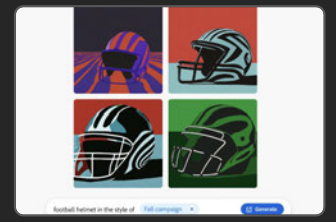
Powering content creation for business

What to expect

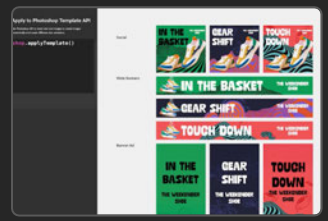
Custom model extensions



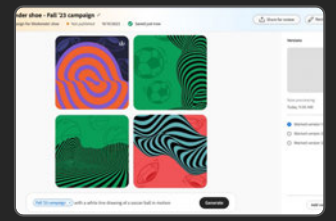
On-brand generations



Firefly Automation APIs



Generative Match



Connecting creativity and marketing

- Scale enterprise content creation
- Increase velocity with real-time localization, variant generation and personalization
- Enable designer-marketer collaboration

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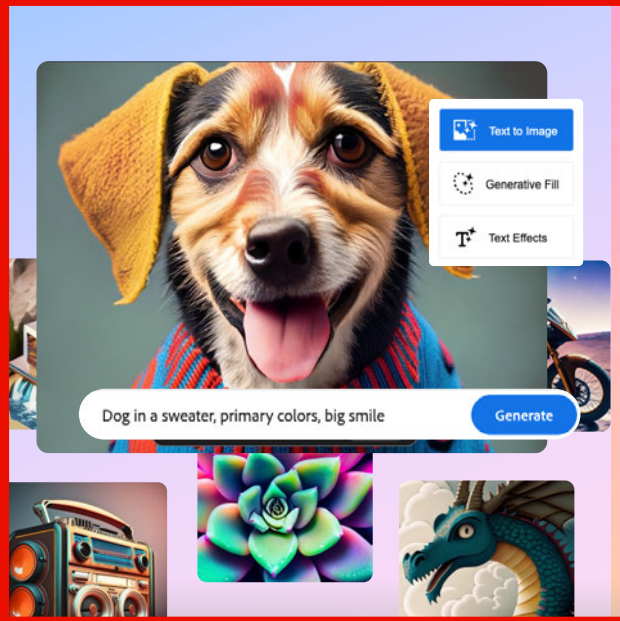
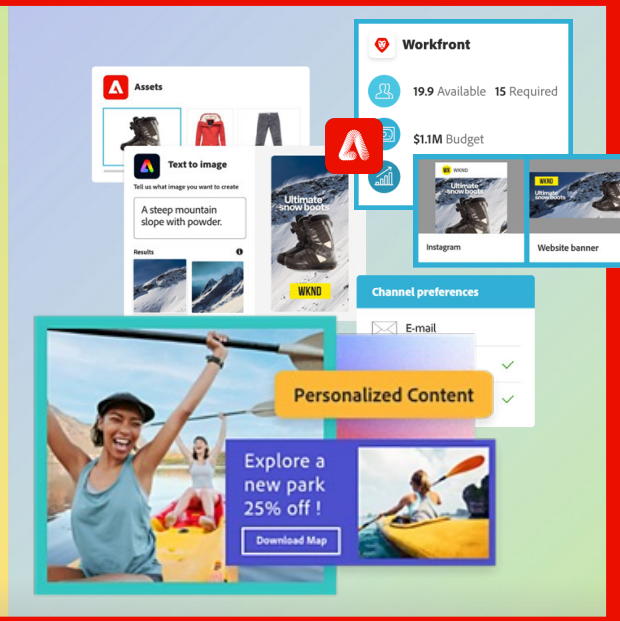
What to expect in Creative Cloud: unleashing a new era of creativity



Adobe's Firefly foundation models built for all media types

Generative AI natively built into Creative Cloud flagship apps

AI-first creative apps with Adobe Express and Firefly web app



Content production and delivery automated by AI for all businesses

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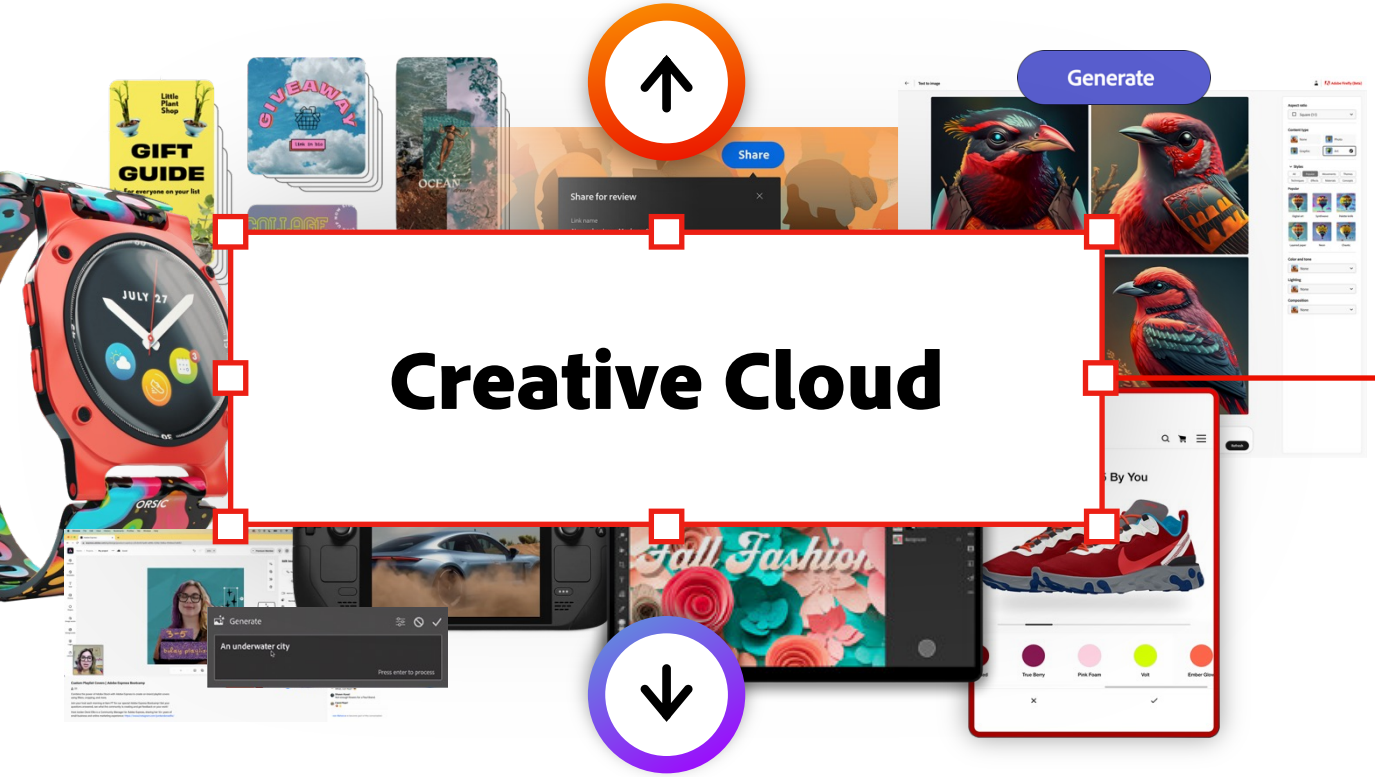
The AI opportunity for Creative Cloud

More value



More users

Supercharge content creation

- Enrich ideation and exploration across media types
- Deliver the power and precision professionals need
- Accelerate previously costly production workflows
- Streamline stakeholder collaboration
- Drive content personalization at scale

Fast and fun creative expression

- Remove onboarding friction with AI-first creation apps
- Empower students and creators to promote ideas
- Enable marketers to work at the speed of social
- Encourage consumers to express themselves

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AI innovation drives new monetization opportunities

Adobe Express and Firefly web app

- Expand new user adoption through freemium offerings
- Drive free to paid conversion with usage limits on generative AI capabilities
- Offer new revenue stream with Generative Credits

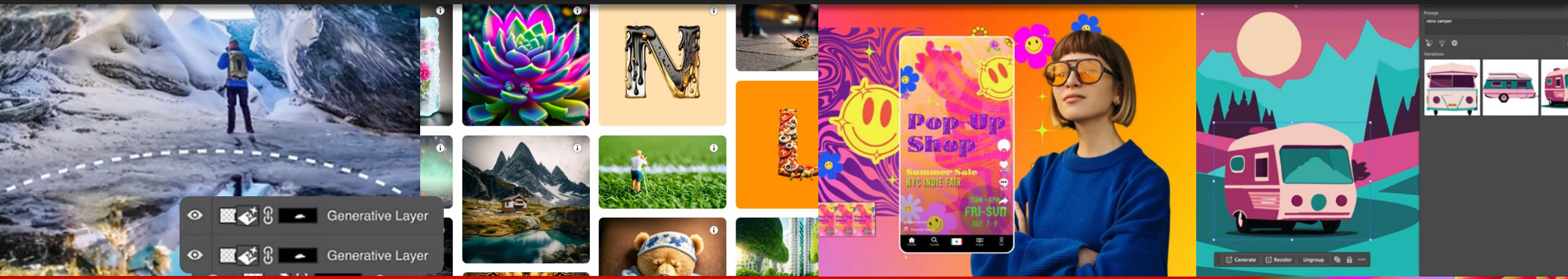
Creative Cloud

- Increase value in flagship apps
- Expand customer base / seats through improved onboarding and user success
- Further increase engagement / retention
- Offer new revenue stream with Generative Credits

New offerings for enterprise and SMB

- Enable enterprise model customization
- Drive automation and workflow integration through generative AI APIs for enterprises
- Support agile marketing workflows between creative teams and stakeholders
- New GenStudio solution

Subscriptions and consumption



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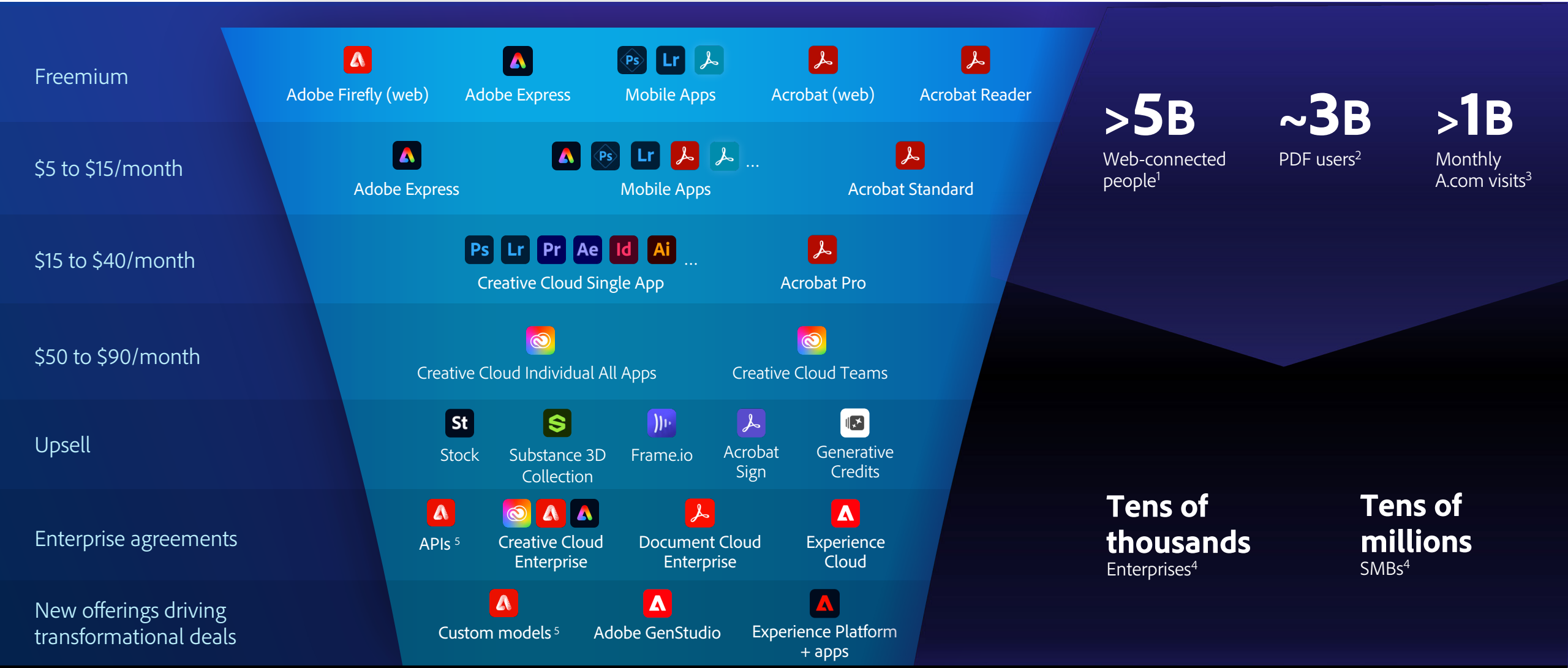
Digital Media summary:
creating a massive market with the right offerings



Prices are for US customers, in USD, Adobe.com, October 2023
[1] Statista, Number of internet and social media users worldwide, July 2023
[2] Adobe, 2024 total potential market, December 2021
[3] Adobe, Monthly average, June through August 2023
[4] Internal estimate based on third party data, 2023; SMB means small and medium business
[5] Early access-only

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The digital experience flywheel

Variation & personalization

Data & AI

Analysis & optimization

Students | Consumers | Communicators | Creative Professionals | Developers | SMBs | Enterprises

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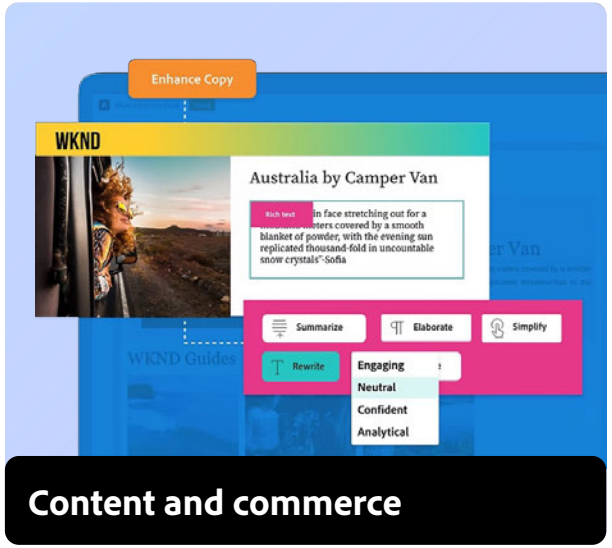
Digital Experience
Innovation
Anil Chakravarthy | President, Digital Experience Business
Adobe Investor Meeting

Adobe Experience Cloud

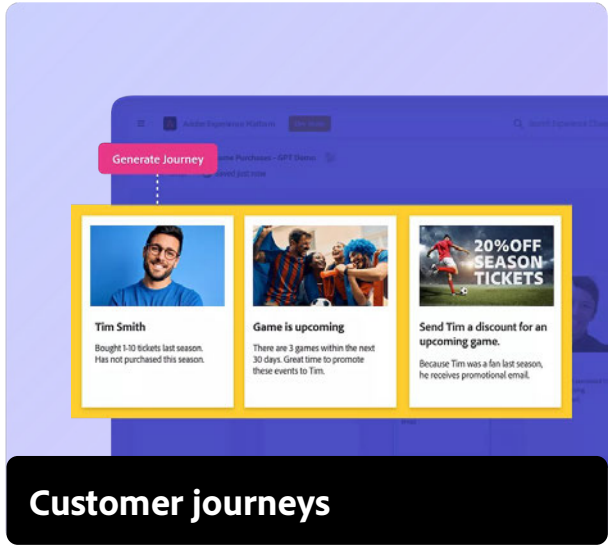
Accelerating personalized digital experiences through the power of generative AI

Adobe Experience Cloud

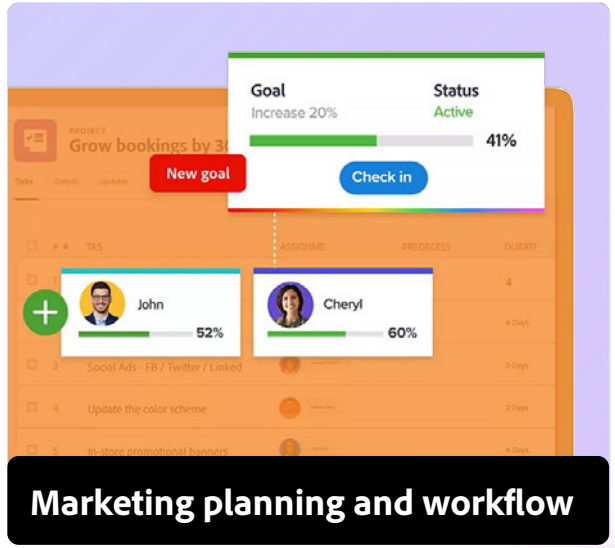


Content and commerce

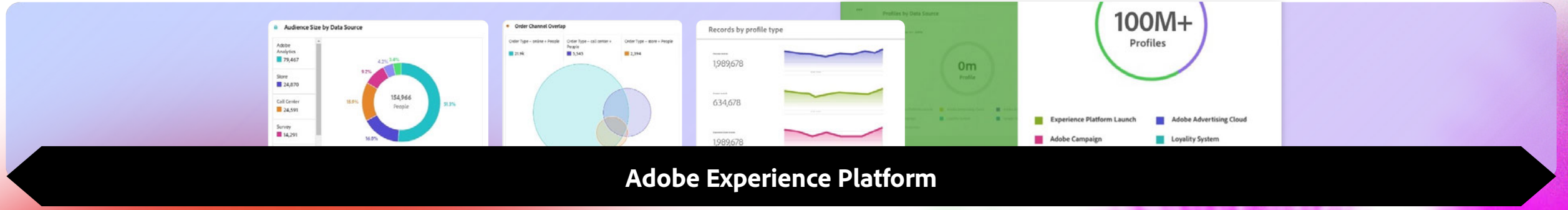
Data insights and audiences



Customer journeys



Marketing planning and workflow



Adobe Experience Platform

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Content and commerce: innovations and momentum

Adobe Experience Cloud

Momentum

~10.4B
Monthly pages and experiences served[1]

~9x
Number of API calls Y/Y[2]

~1,000
Adobe Experience Manager Cloud Service customers[3]

Innovations

- Smart search of images and video through AI-powered metadata
- Ease of use for developers through headless orchestration and extensible APIs
- Experience-driven personalized commerce

[1] Adobe, monthly for AEM customers hosted on Adobe, September 2023
[2] Adobe, Y/Y, September 2023
[3] Adobe, September 2023

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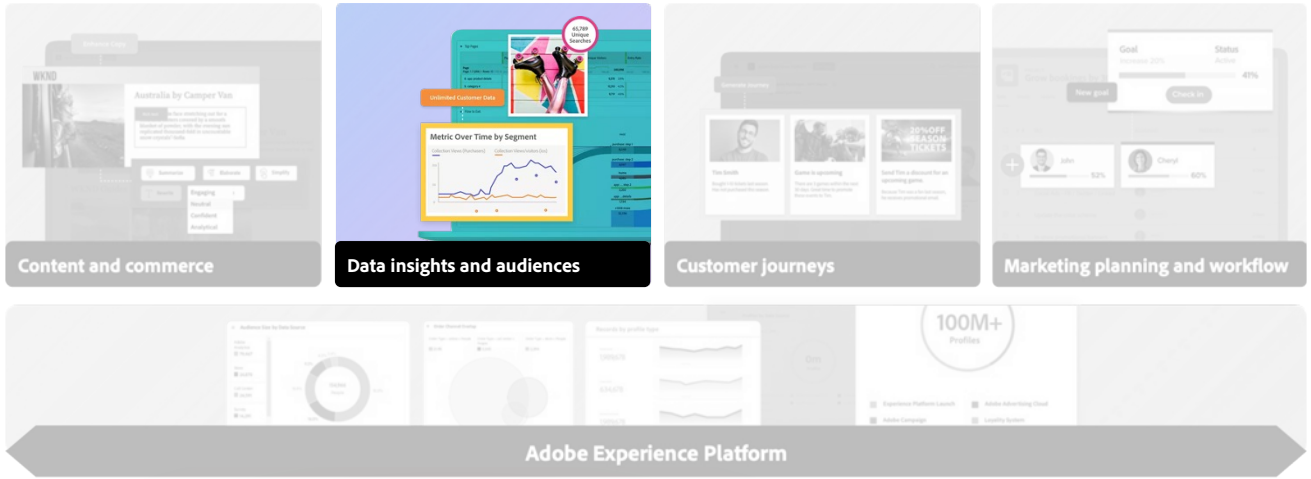
Data insights and audiences: innovations and momentum

Adobe Experience Cloud



Momentum

10/10
Top televised events powered by Adobe Analytics[1]

~1 trillion
Visits to retail sites analyzed by Adobe Digital Price Index[2]

~17 trillion
First-party segment evaluations per day[3]

Innovations

- Segment Match in Adobe Real-Time CDP enabling business partners to securely share customer data
- Introduction of Adobe Product Analytics to optimize digital products through deep customer insights
- Customer AI – predictive customer propensity models to improve conversion

[1] Statista, U.S. leading broadcast and cable primetime telecasts by total number of viewers, 2022; Adobe, 2022
[2] Adobe, since the launch of Adobe Digital Price Index in 2014
[3] Adobe, average for September 2023

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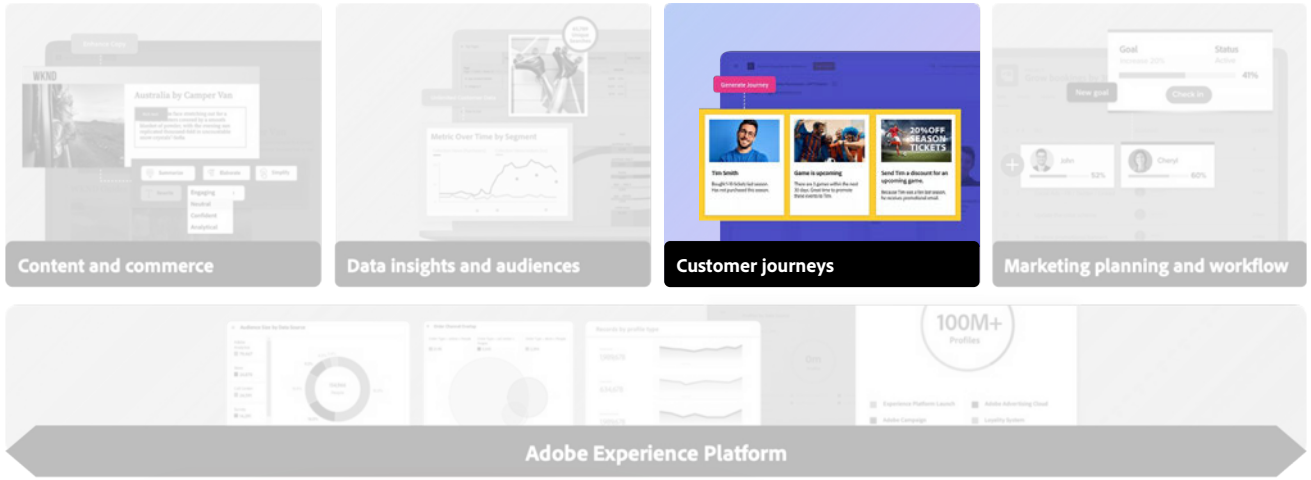
Customer journeys: innovations and momentum

Adobe Experience Cloud



Momentum

>350B
Emails delivered per year[1]

67%
Growth in Adobe Dynamic Chat live customers[2]

Innovations

- Omnichannel experimentation in Adobe Journey Optimizer enabling personalization at all customer touchpoints
- Single interface for marketers to run and optimize batch campaigns and real-time journeys
- Account- and individual-based personalization for B2B brands

[1] Adobe, September 2022 through August 2023
[2] Adobe, December 2022 to September 2023

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Marketing planning and workflow: innovations and momentum

Adobe Experience Cloud

Momentum

51%
Increase in projects completed[1]

2x
Increase in content approvals[2]

Innovations

- Introduction of Adobe Mix Modeler to optimize media spend for customer acquisition
- System of record for campaign planning in Adobe Workfront
- Native integrations with Experience Cloud and Creative Cloud to manage campaigns end-to-end

[1] Adobe, daily, August 2021 to September 2023
[2] Adobe, weekly, August 2021 to September 2023

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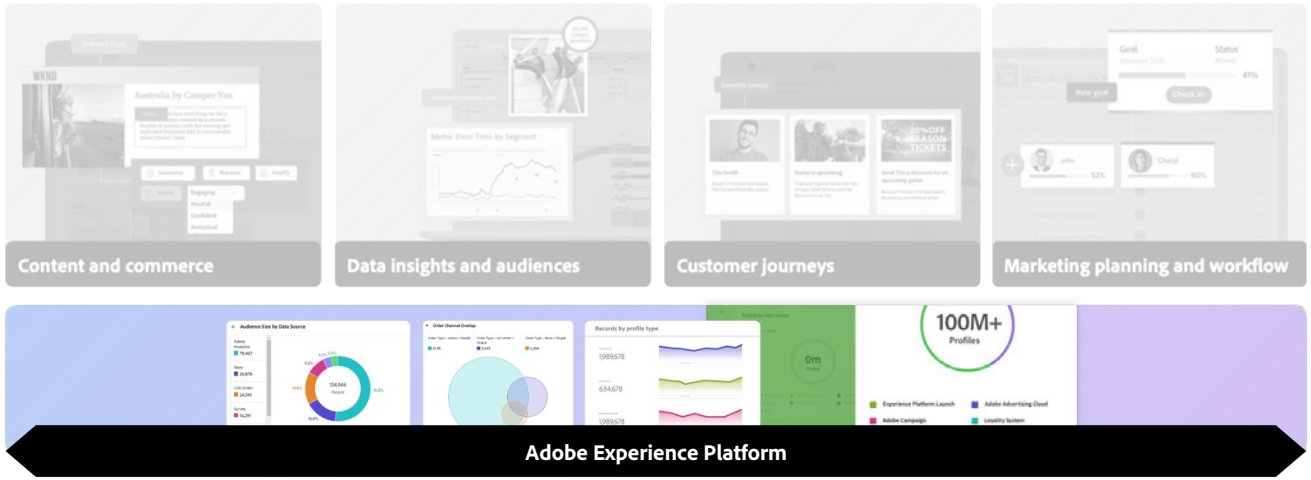
Adobe Experience Platform: innovations and momentum

Adobe Experience Cloud



Momentum

>250B
Edge network calls[1]

~112B
API calls year-to-date[2]

<100ms
Response time for 99.5% of requests[3]

Innovations

- Multi-cloud – Azure and AWS – providing greater infrastructure options for customers
- Global data residency enabling faster Adobe Experience Platform growth in international markets
- Healthcare Shield and Privacy and Security Shield for trust and data governance

[1] Adobe, daily, peak from January through September 2023
[2] Adobe, January through September 2023
[3] Adobe, July through September 2023

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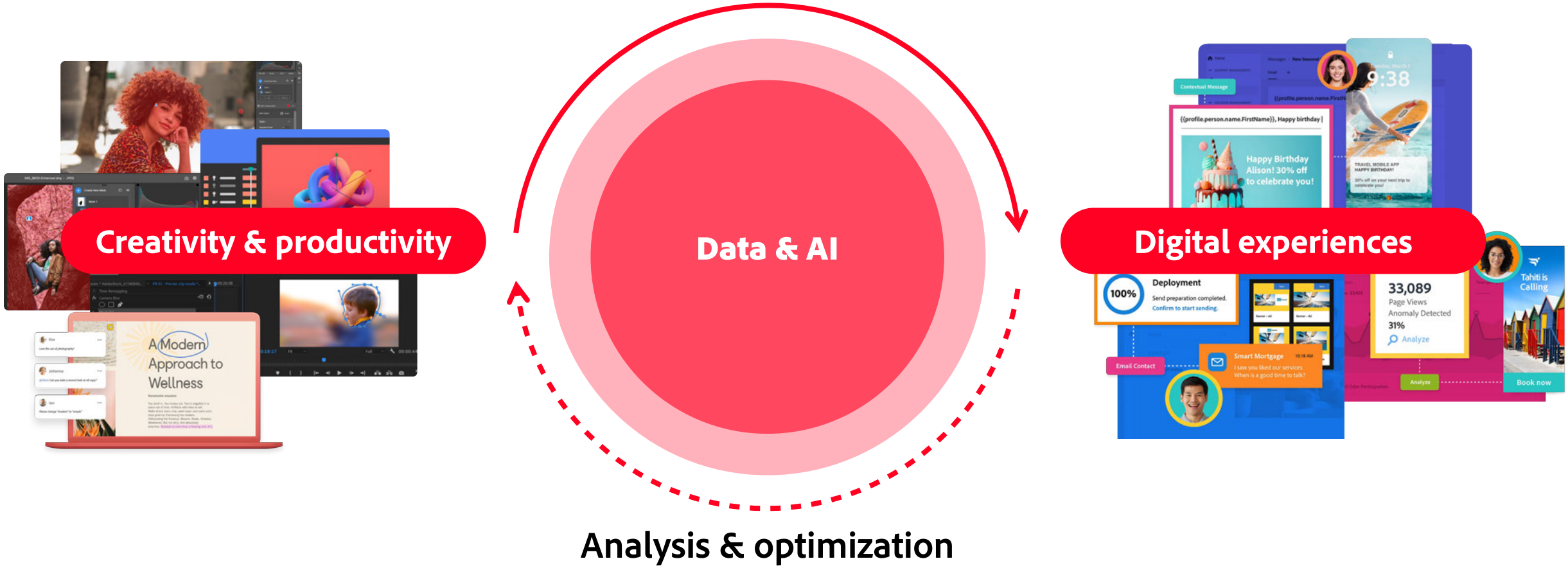
The digital experience flywheel



Students | Consumers | Communicators | Creative Professionals | Developers | SMBs | Enterprises

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The digital experience flywheel

Variation & personalization

Adobe is the most powerful real-time platform to deliver personalized digital experiences at scale

Analysis & optimization

Students | Consumers | Communicators | Creative Professionals | Developers | SMBs | Enterprises

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What to expect in Experience Cloud: delivering the future of digital experiences

AI Assistant enhancing productivity across Experience Cloud apps

Reimagining Experience Cloud apps leveraging generative AI

New generative AI-based solutions to revolutionize digital experiences

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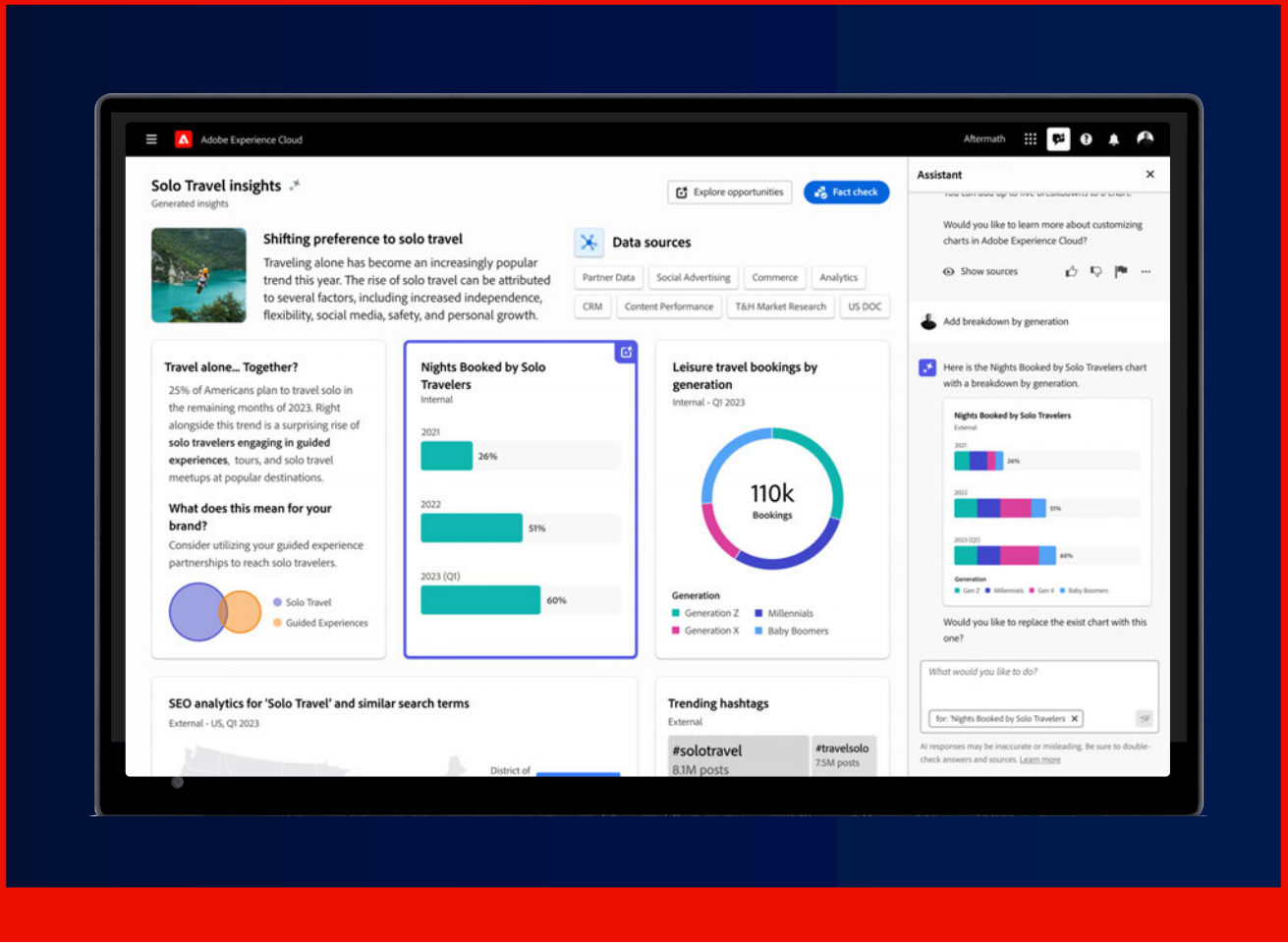
AI Assistant across Experience Cloud apps

Conversational interface natively embedded in workflows across Experience Cloud apps



Contextual assistance

Enable users across enterprise to receive accurate and brand-safe answers through conversational agent

Insights generated by AI

Automatically generate natural-language insights powered by analysis of events, trends and user behavior

Automated workflow and tasks

Automate manual, cumbersome tasks and enable users to focus on higher-value activities

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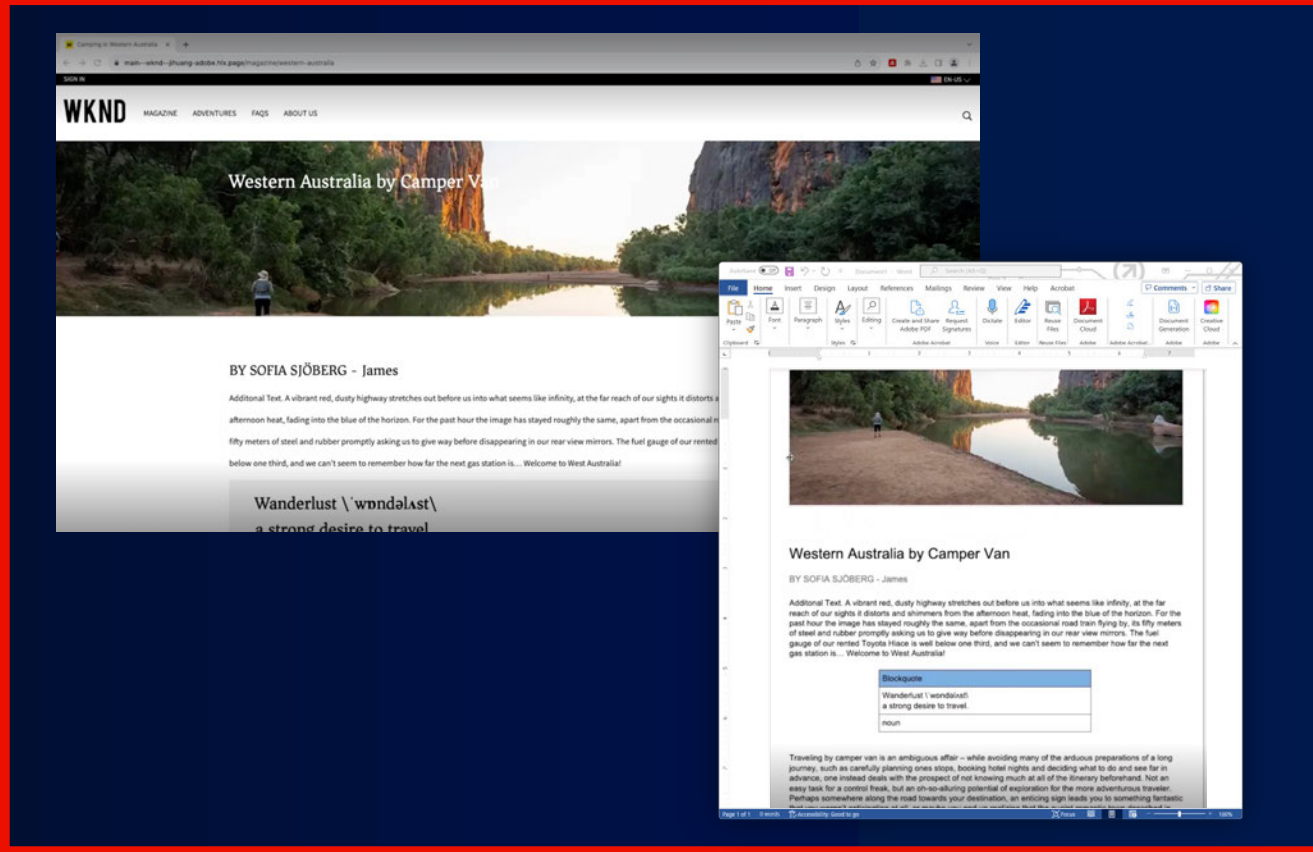
Reimagined Adobe Experience Manager

Revolutionary new product to build, author and deliver content to every device at the speed of digital business and with transformative generative AI capabilities



Edge delivery services

Deliver fastest possible page load times, and maximize SEO, lighthouse scores and conversion through composable services

Document-based authoring

Empower users to create, edit and publish content with familiar tools like Microsoft Word

Content optimization

Optimize site design and performance with generative AI and embedded testing

Developer tools

Build sites and launch features quickly with pre-optimized code and well-known JavaScript and CSS frameworks

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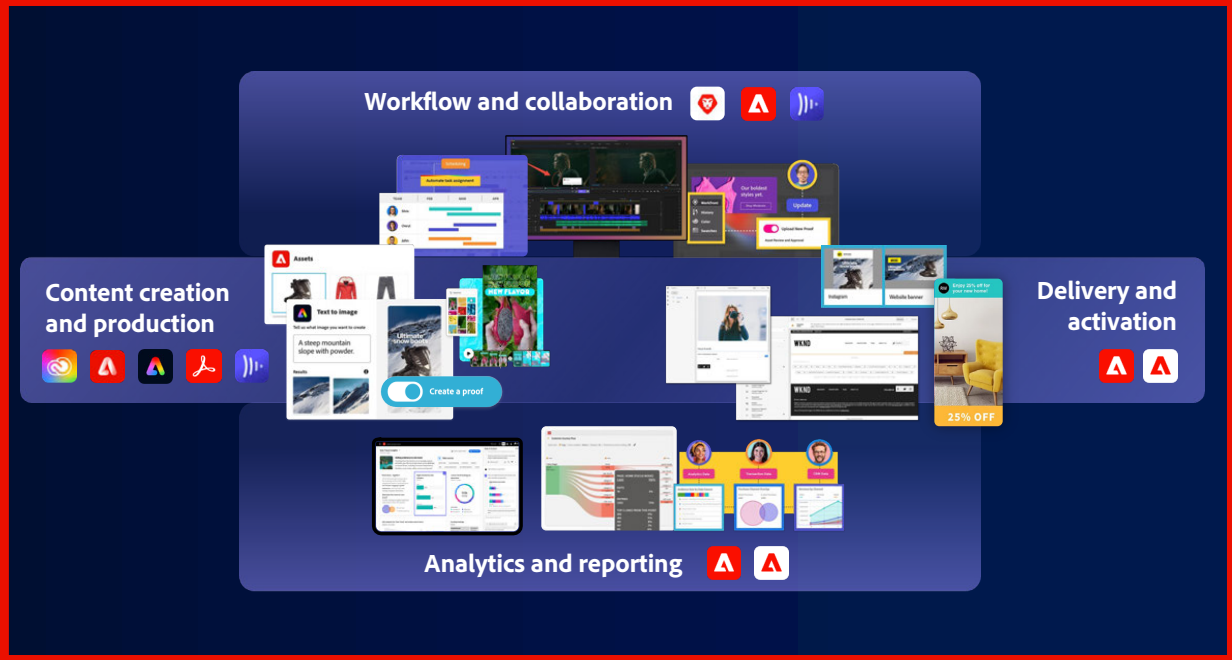
Adobe GenStudio

Supercharging the content supply chain with the power of generative AI



Ideation/brief — Creation — Collaboration and reviews — Production — Deployment — Measurement and optimization

Content creation and production

Empower creative teams with central content hub and generative AI-powered ideation, creation and automation of derivative assets

Workflow and collaboration

Simplify collaboration across marketing and creative teams and enhance visibility into capacity, projects, risks and timelines

Delivery and activation

Streamline activation through native integration of content hub with Experience Cloud and third-party partner applications

Analytics and reporting

Measure performance of content for specific audiences from experience to asset and individual content attribute levels

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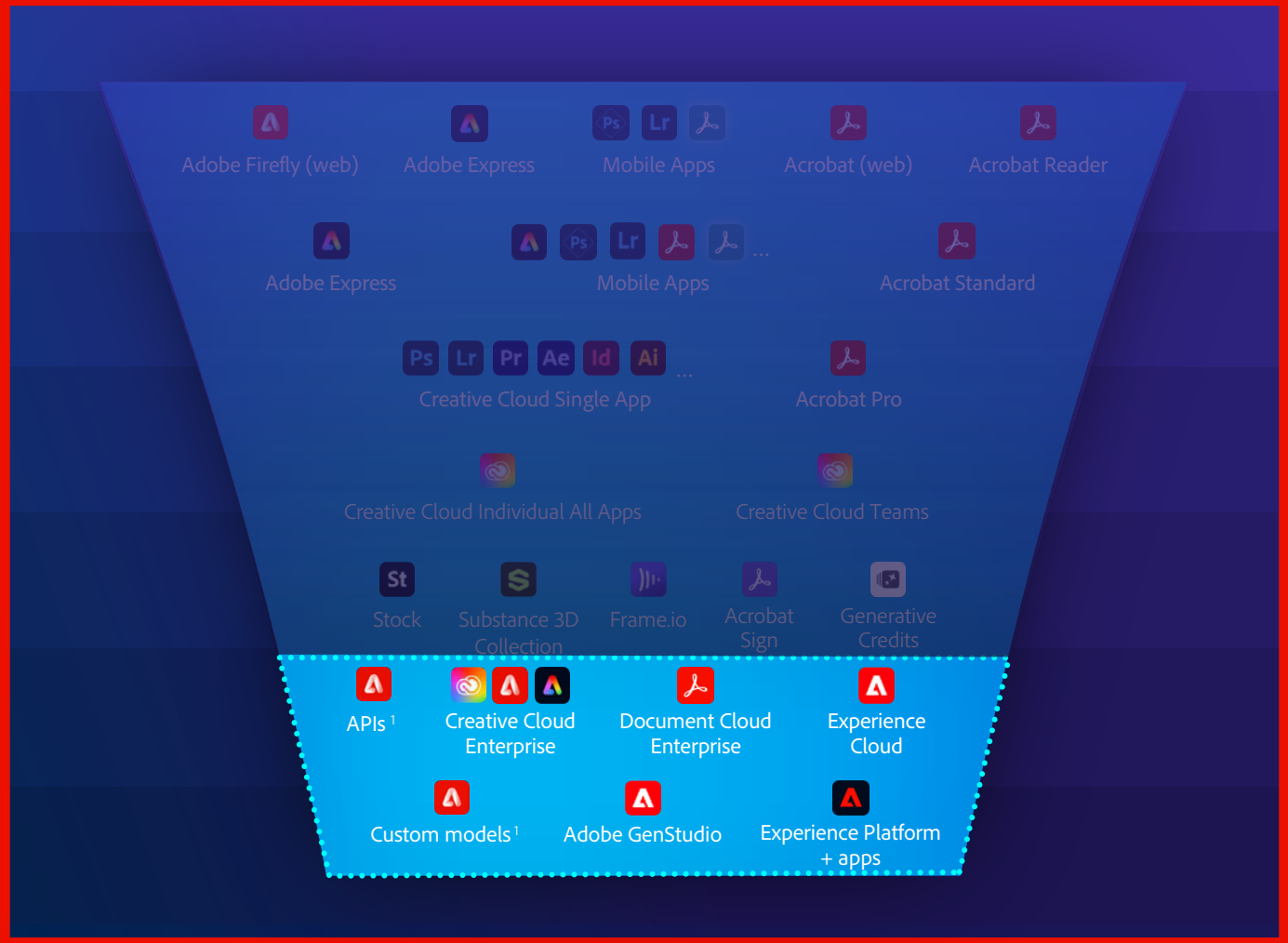
Enterprise go-to-market for Adobe GenStudio



- C-level (CEO, CMO, CDO) interest in Adobe's vision for generative AI
- Viral adoption of Adobe Firefly and Adobe Express by knowledge workers in enterprises
- Accelerated deployment and time-to-value
- Brand-specific customization
- Strategic partnerships with major system integrators and agencies

[1] Early access-only

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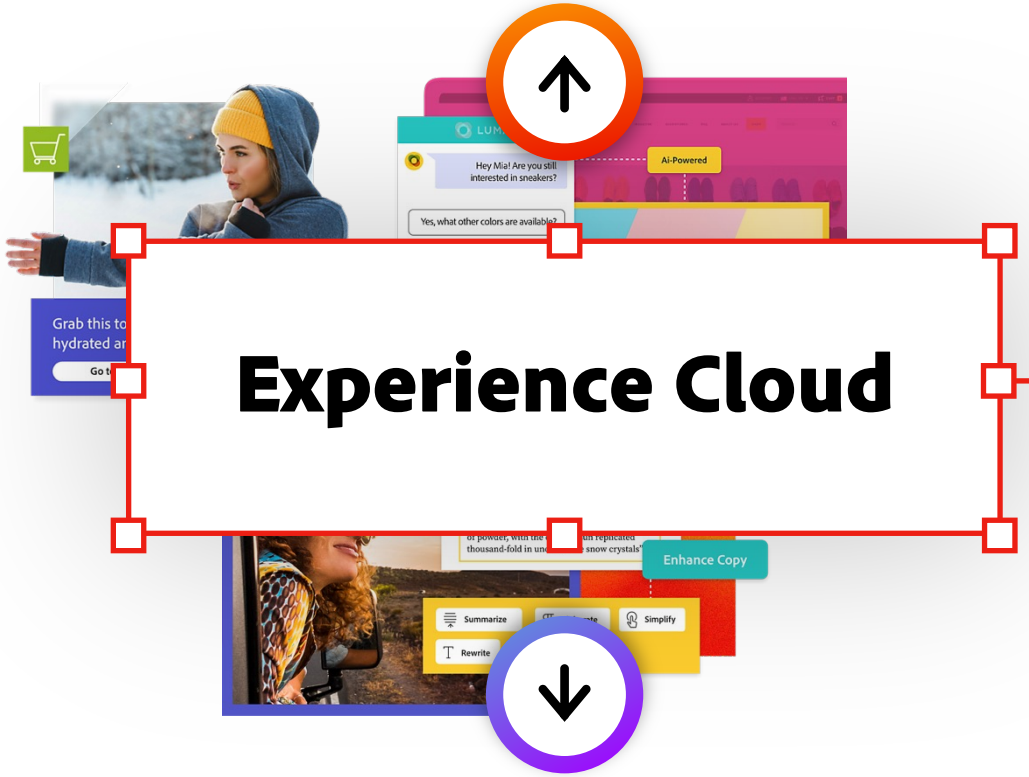
The AI opportunity for Experience Cloud

Transformational value



Empowering new practitioners

Accelerate business value

- Simplify content creation-to-activation process
- Drive efficiency through embedded generative AI offerings and automated workflows
- Shorten time to plan and deploy new use cases

Expand enterprise user base

- Enable any user to rapidly become proficient through conversational interfaces
- Expand beyond marketing to include new functional areas
- Democratize insights across the enterprise

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AI innovation drives new monetization opportunities

AI Assistant enhancing productivity across Experience Cloud apps

- Drive upsell through availability in Prime and Ultimate tiers
- Create incremental adoption opportunities through seat expansion

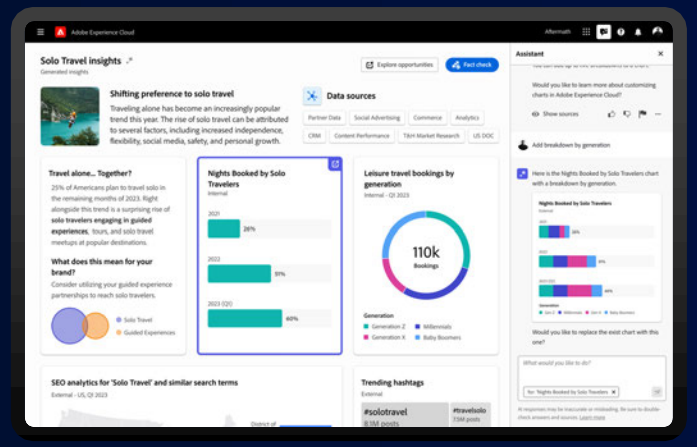
Reimagining Experience Cloud apps leveraging generative AI

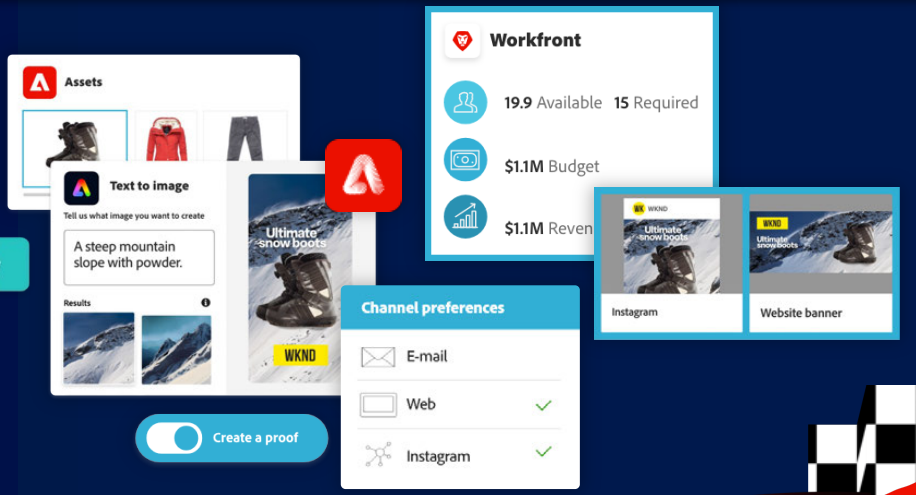
- Deliver added value for new and renewing customers
- Enable list price uplift

New generative AI-based solutions to revolutionize digital experiences

- Offer scaled pricing based on number of seats and usage

Subscriptions and consumption





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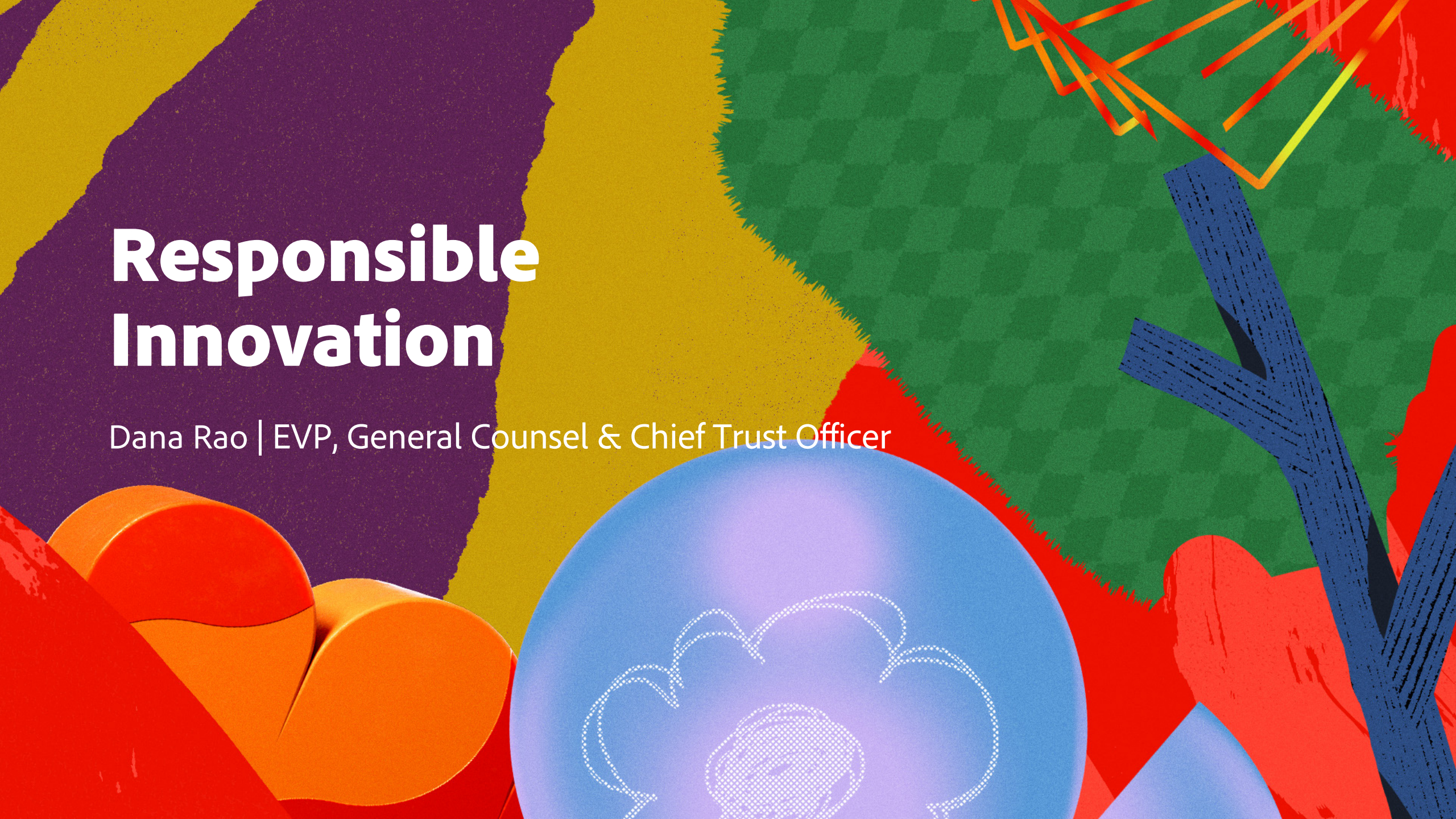
Adobe Experience Cloud

Accelerating personalized digital experiences through the power of generative AI

Responsible Innovation

Dana Rao | EVP, General Counsel & Chief Trust Officer



Adobe's history of responsible innovation

NATIONAL CENTER FOR MISSING & EXPLOITED CHILDREN®

Adobe & NCMEC

Partnering with NCMEC to provide Adobe tools that assisted with the **recovery of more than 20,000 children** annually from 2020-2022[1]

AMERICA'S MOST JUST COMPANIES
CNBC 2023

JUST BUSINESS IS BETTER BUSINESS
Proud to be a JUST 100 leader

FORTUNE
WORLD'S MOST ADMIRED COMPANIES™ 2023

MOST TRUSTWORTHY COMPANIES IN AMERICA 2023
Newsweek
statista

2023 People COMPANIES THAT CARE

[1] NCMEC, Impact Report, 2020 to 2022

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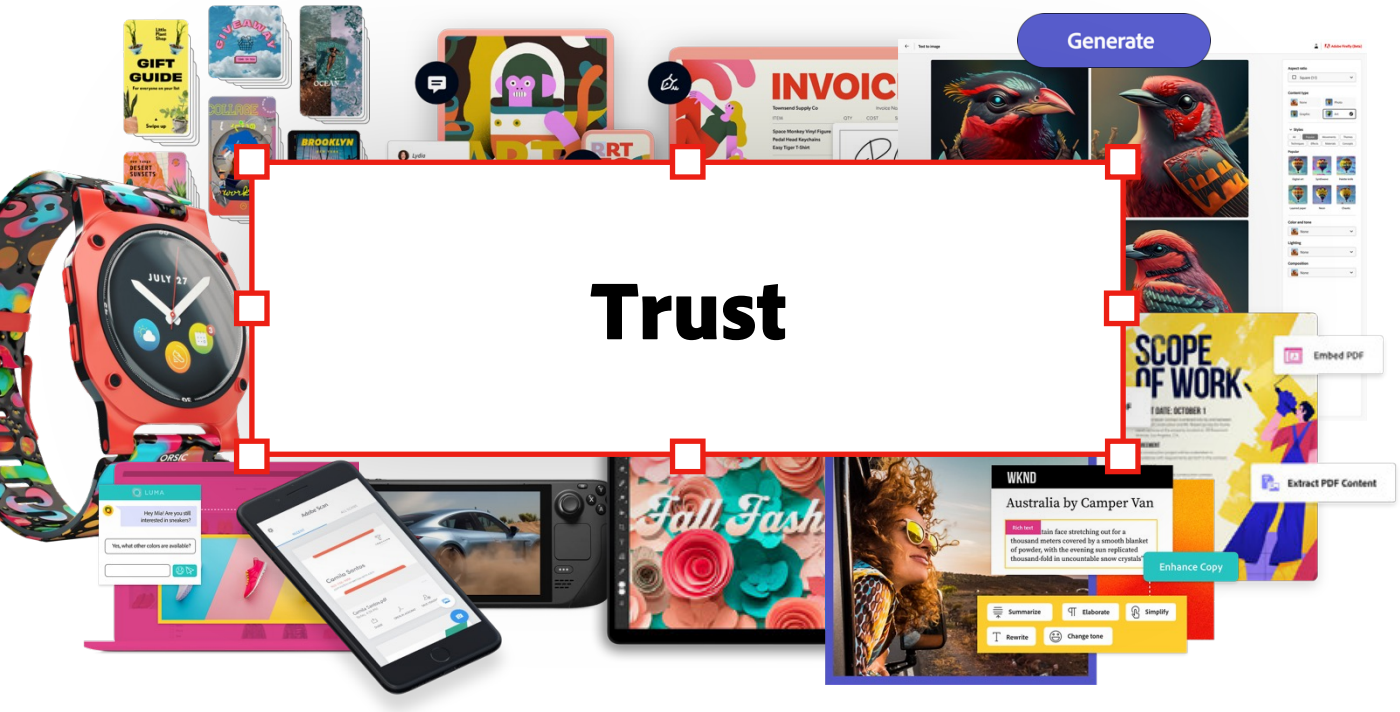
The opportunity for responsible innovation

Strengthening corporate integrity



Creating business value

67%

Of consumers say **data missteps** will cause them to stop buying from companies[1]

73%

Of consumers are concerned about **whether digital content is trustworthy**[1]

89%

Of brands trust that **AI is making their customers experiences better**[1], but…

65%

Have also observed **AI-driven bias**[1]

37%

Of consumers rank **trust as the most important thing** impacting buying decisions[2]

[1] Adobe, Trust survey of global consumers at companies with >50 employees, March 2022
[2] Adobe, Digital Economy survey of consumers and customer experience and marketing professionals across 19 countries, March 2023

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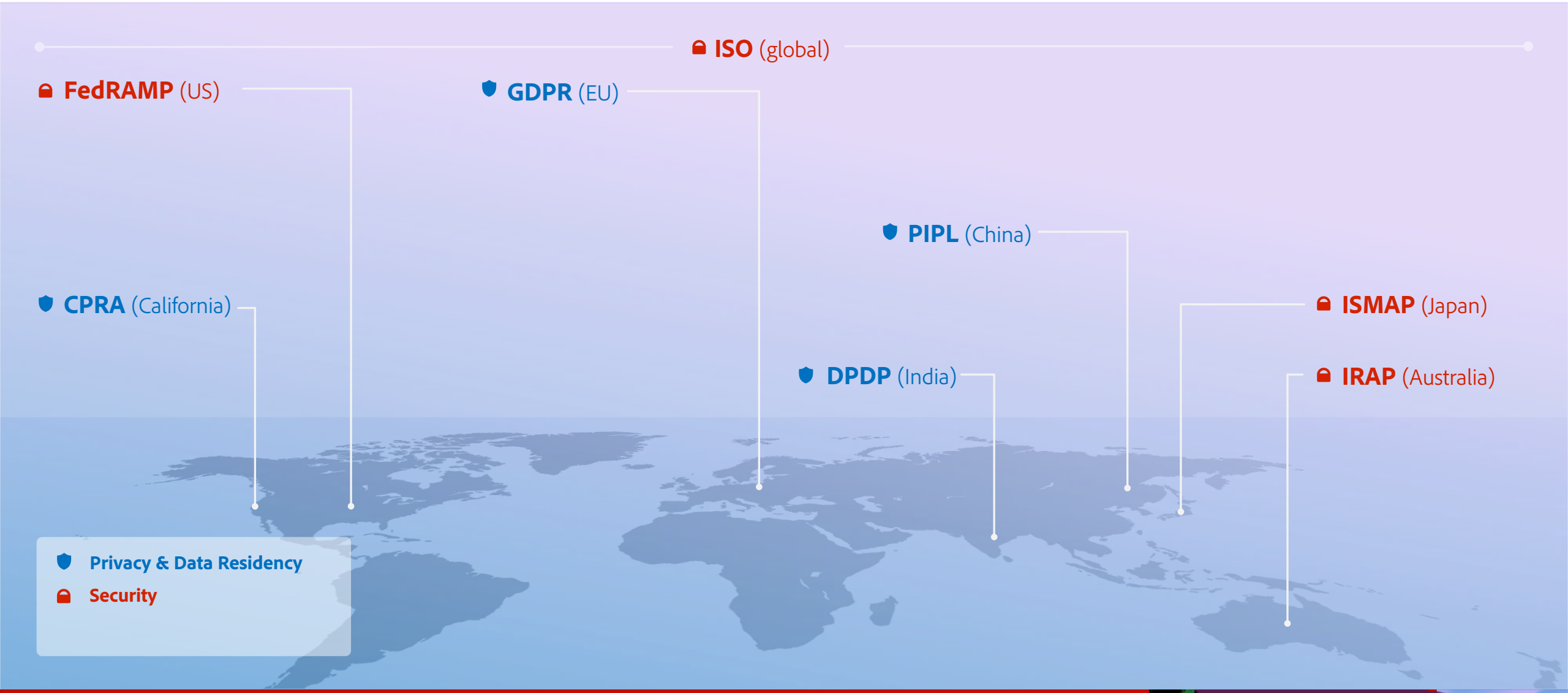
AI and data: growing global regulatory implications



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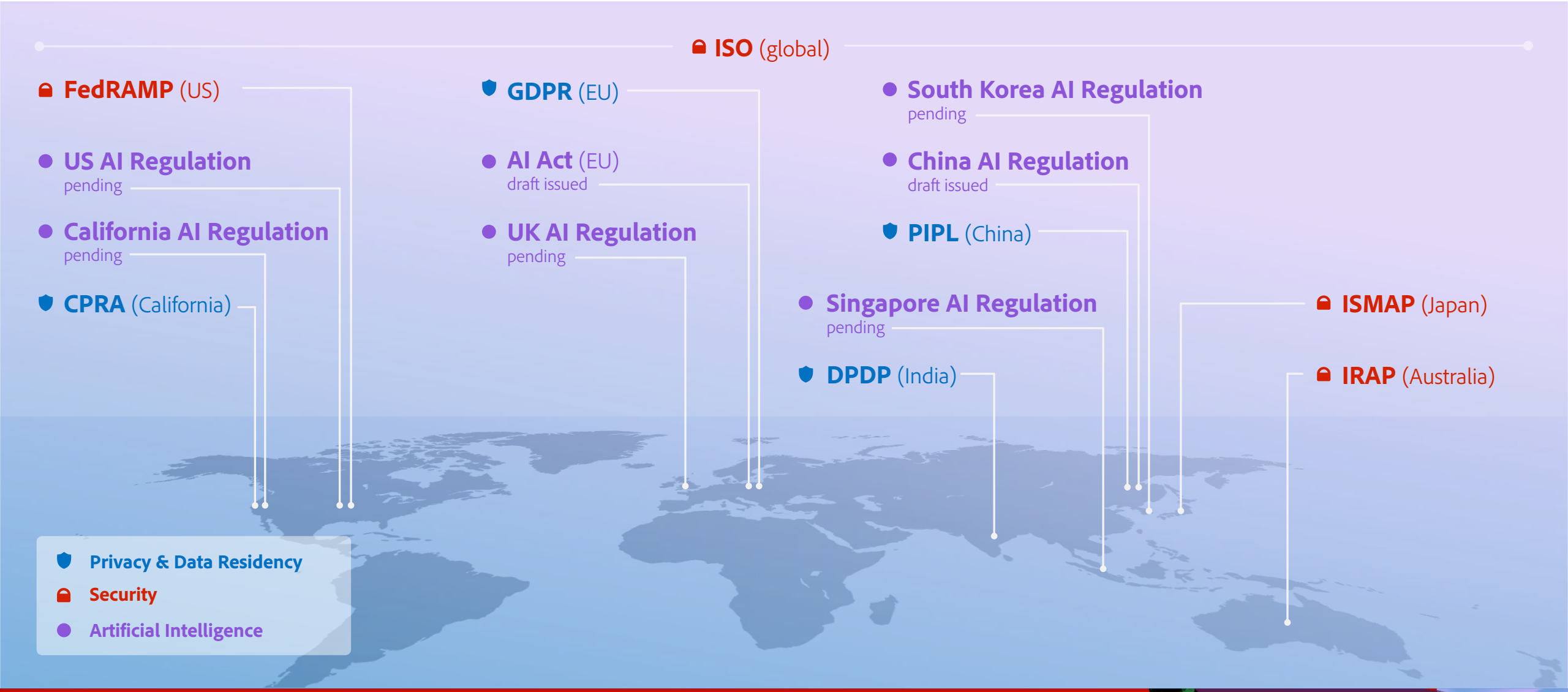
AI and data: growing global regulatory implications



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Adobe's responsible AI focus areas

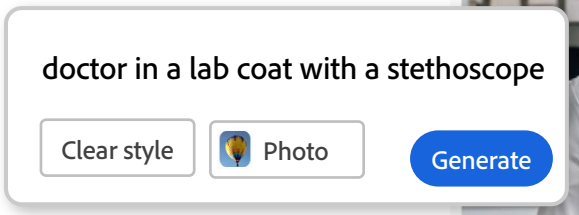
AI acceleration driving regulatory focus on:

Harmful bias/discrimination | Creator and brand protection | Misinformation

Without proper guardrails, AI models can learn from biases inherent in training data.

Adobe's approach

Rigorous AI Ethics review process with continuous testing, training and feedback enables Adobe to mitigate harmful, unsafe, biased outputs in our models.



Results from Adobe Firefly

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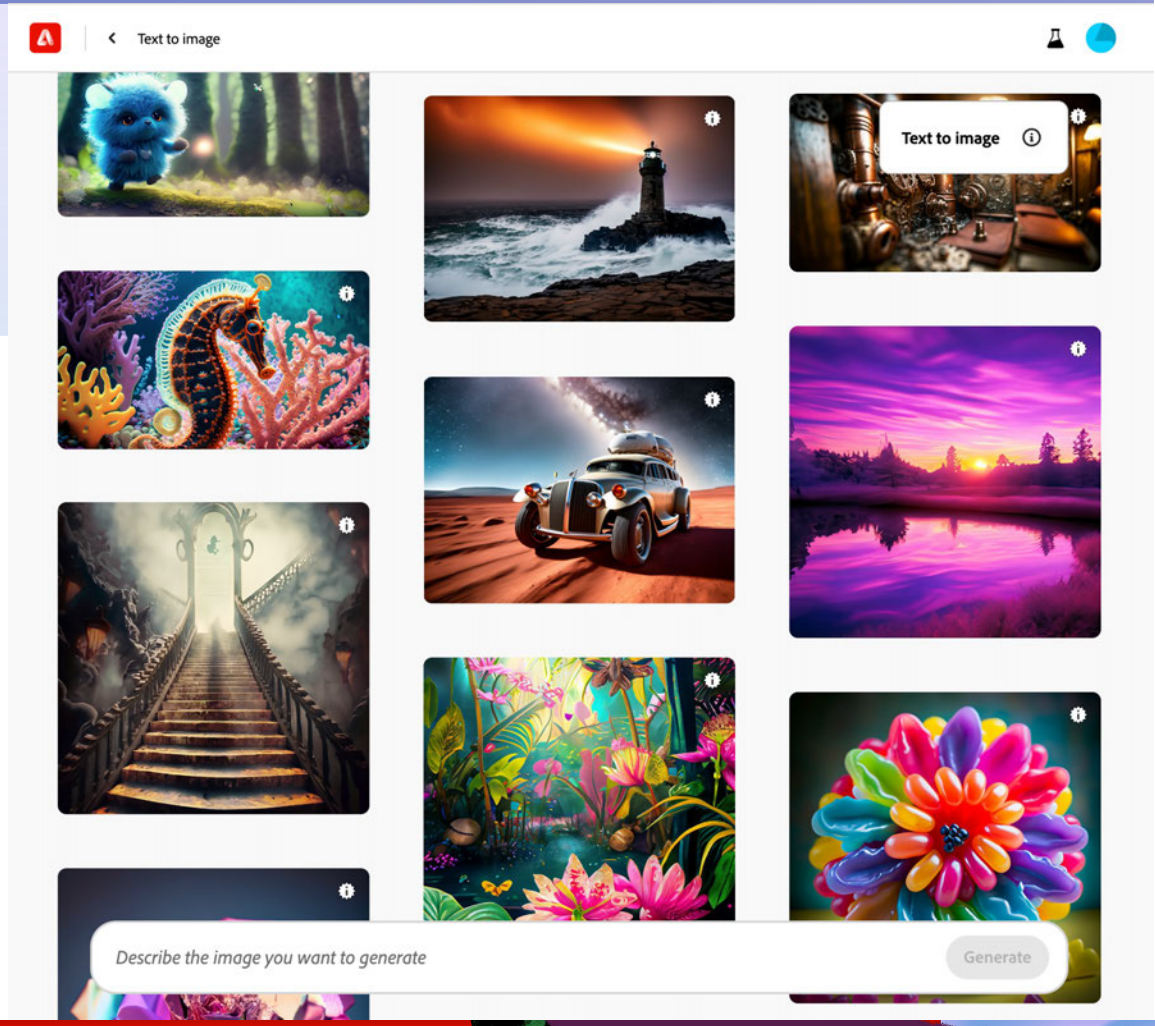
AI acceleration driving regulatory focus on:

Harmful bias/discrimination | **Creator and brand protection** | **Misinformation**

Creators have concerns about AI training on their work, brands are concerned that using AI will cause them to infringe someone's intellectual property.



Adobe's approach

Designed to be commercially safe by training on licensed content, building in content moderation, and providing industry-leading indemnification.

FAIR Act: Adobe proposed new legislation to let creators enforce rights against those who intentionally impersonate their style.

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AI acceleration driving regulatory focus on:

Harmful bias/discrimination | **Creator and brand protection** | **Misinformation**

Bad actors can misuse AI to generate realistic synthetic content designed to deceive.

Content Authenticity Initiative

Adobe's approach

Founded the **Content Authenticity Initiative,** a cross-industry coalition of **~2,000 members**[1] including chipmakers, camera manufacturers, software and AI developers, media organizations.

Developed **Content Credentials, a standards-based** technology that acts as a nutrition label for digital content.

Microsoft arm NVIDIA Nikon The New York Times THE WALL STREET JOURNAL.

[1] Content Authenticity Initiative, October 2023

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Adobe GenStudio: responsible innovation in action

- **Investment in developing foundation models** from the ground up enables Adobe to design our AI to be **commercially safe**
- **AI Ethics testing and content moderation**
- **Indemnification** for generative AI content
- **Privacy and Security data governance**

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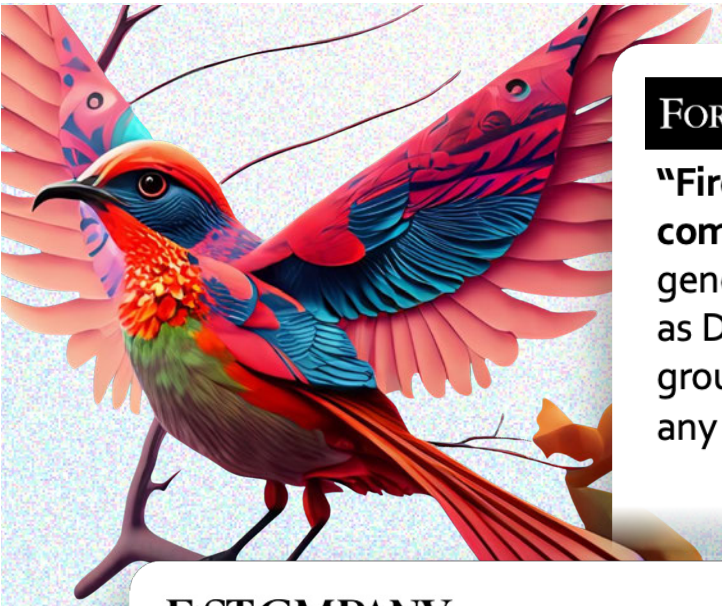
Responsible innovation matters



FORRESTER

"Firefly is designed for open commercial use – unlike other generative AI systems for images such as DALL-E 2, whose output was groundbreaking but is legally dicey for any organization to use publicly."

OMDIA

"Adobe behaves like an adult when other companies generate images in a somewhat irresponsible way."

FORTUNE

"Adobe expands call for law to fight AI impersonation."

FAST COMPANY

The other part of the unique proposition that Adobe brings to the AI wars is the Content Authenticity Initiative….this is a good step forward that will protect users of these technologies, human content creators, and society as a whole, whose very existence is threatened by the proliferation of credible fake content and its potential use by bad actors.

The New York Times

"The good news is that Adobe, the company that makes Photoshop, has considered the dangers and has been working on a plan to address the widespread dissemination of digitally manipulated pics. The company has created what it describes as a "nutrition label" that can be embedded in image files to document how a picture was altered, including if it has elements generated by artificial intelligence."

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Innovation at Adobe

Gloria Chen | Chief People Officer &
EVP, Employee Experience

Adobe Investor Meeting

Our Company Values

Let's Adobe together.

Create the future.

Creativity is in our DNA. We constantly look around the corner to see what is possible. But we don't wait for the future, we create it.

We are builders, makers, and inventors, driven by a deep empathy for our customers and users.

We are open-minded and celebrate new ideas. We have the courage to disrupt the market and ourselves through bold bets and ideas we turn into reality.

Own the outcome.

We think and operate like owners. We take initiative, have a bias toward action, and assume ownership for end results, not just our part.

We are reliable and have clear points of view. We're decisive and learn from our mistakes.

Raise the bar.

We aim high and we play to win. We relentlessly focus on execution, celebrate excellence and are intellectually honest about where we must do better.

We deliver both speed and quality by doing fewer things better. Our success is measured by the success of our customers and users.

Be genuine.

The ability to be yourself is core to who we are. We embrace and respect diversity.

We support and challenge each other by being honest and direct. We always act with sincerity, integrity and the highest of ethics.

We do this for our employees, partners, customers and communities.

Exciting time for innovation at Adobe

Strong foundation

Accelerating pipeline

Firefly

New ways of working

Productivity and creativity unleashed

Agile ideation, design and development

Operations, insights and speed at scale

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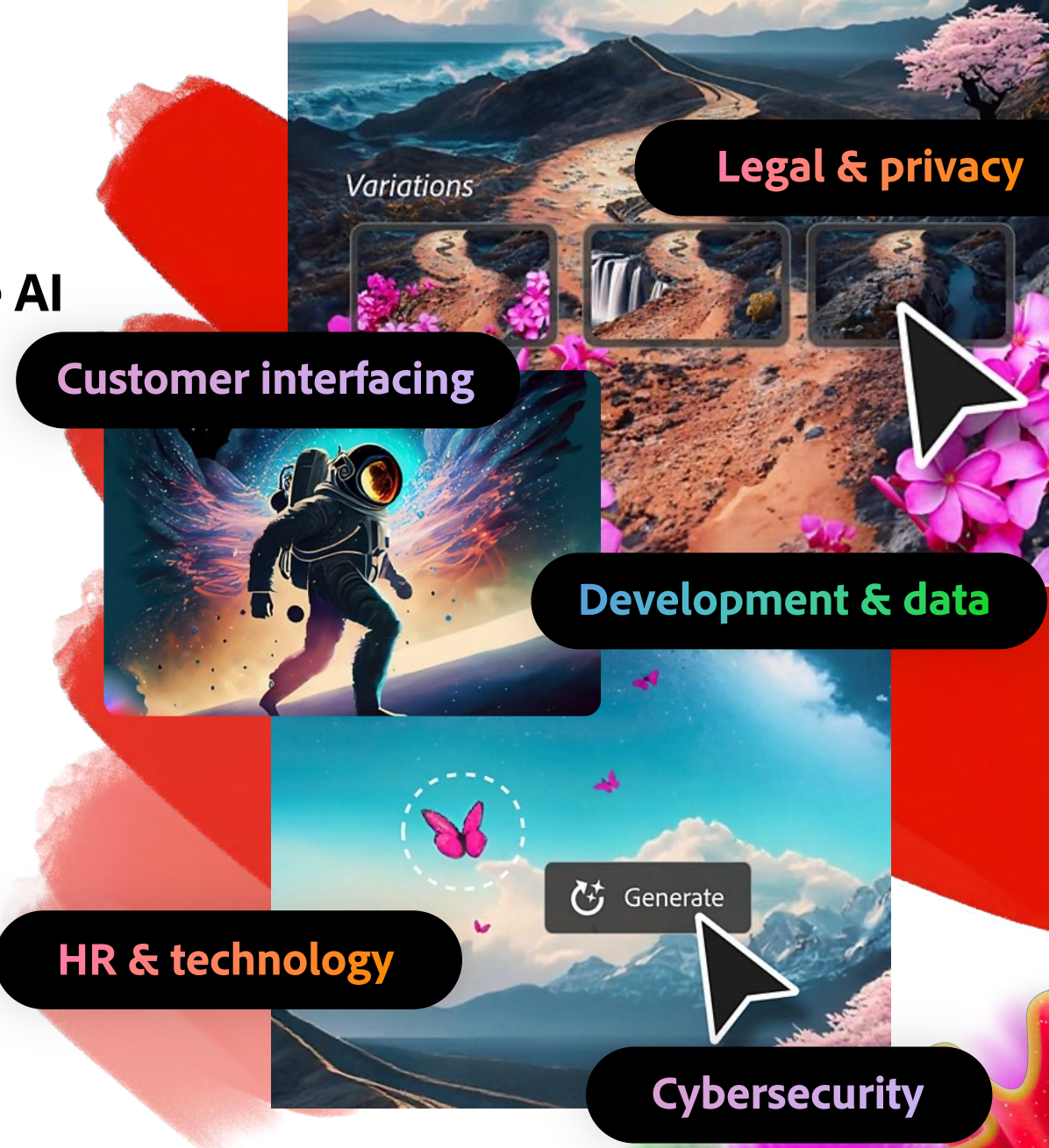
AI @ Adobe approach

Rethink work & what is possible with generative AI

- **Cross-functional** working group
- Encouraging and enabling **responsible grassroots experimentation**
- Building **AI literacy** and sharing learnings broadly
- Maximizing the use of **Adobe @ Adobe**
- Deploying **micro innovations** and **high-impact solutions**



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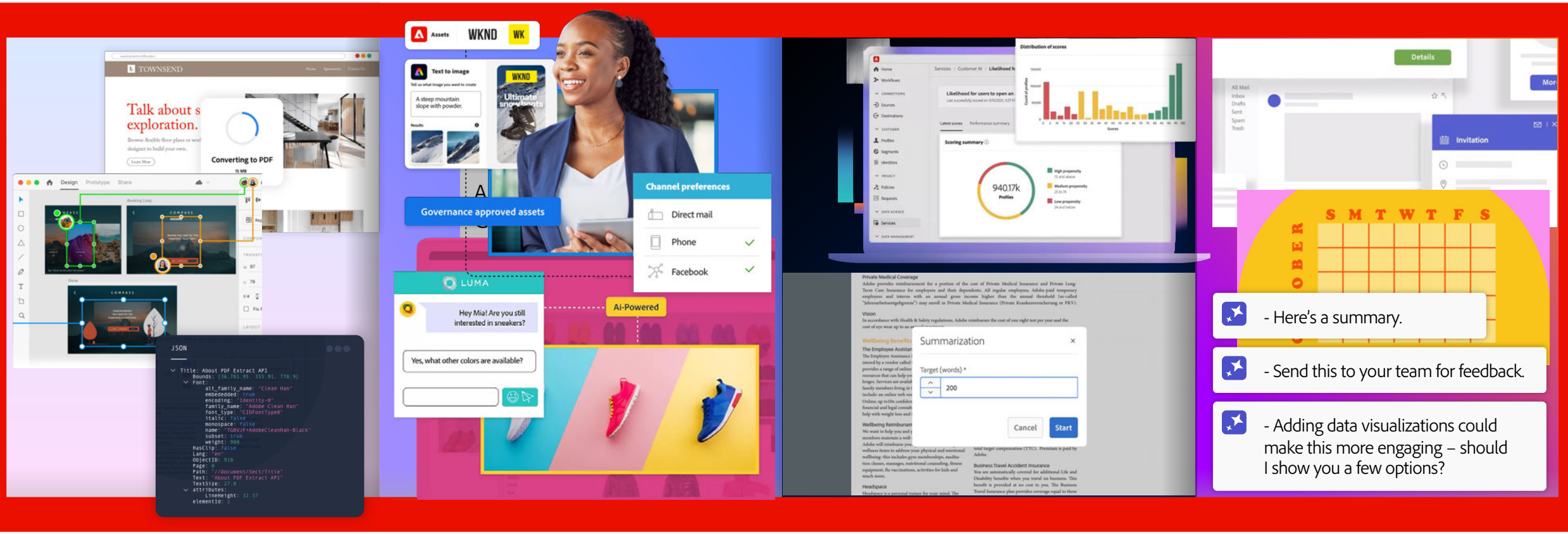
Innovating across the enterprise with AI



Product innovation

Customer experience

Operational excellence

Employee experience and productivity

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Innovation at Adobe

Changing the world through personalized digital experiences

Unleashing creativity, empowering employees and attracting great talent

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Innovation and Growth

Dan Durn | Chief Financial Officer & EVP, Finance, Technology Services & Operations

Dramatically expanding our reach with purpose-built offerings

>5B

People with internet connections[1]

Billions of users

Hundreds of millions of users

When it is as **easy to create** as it is to type, how does that expand **Adobe's reach**?

Today **Future**

[1] Statista, number of internet and social media users worldwide, July 2023
Illustrative line chart

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Product innovations expanding our growth opportunity

New multi-surface consumer offerings

Value-added services and generative AI augment flagship offerings

Comprehensive, multi-cloud, integrated solutions for enterprise

Meeting customers where they are

Power and precision of capabilities accelerate the learning curve, enabling user success and engagement.

Delivering ROI to deepen customer journeys

[1] Early access-only

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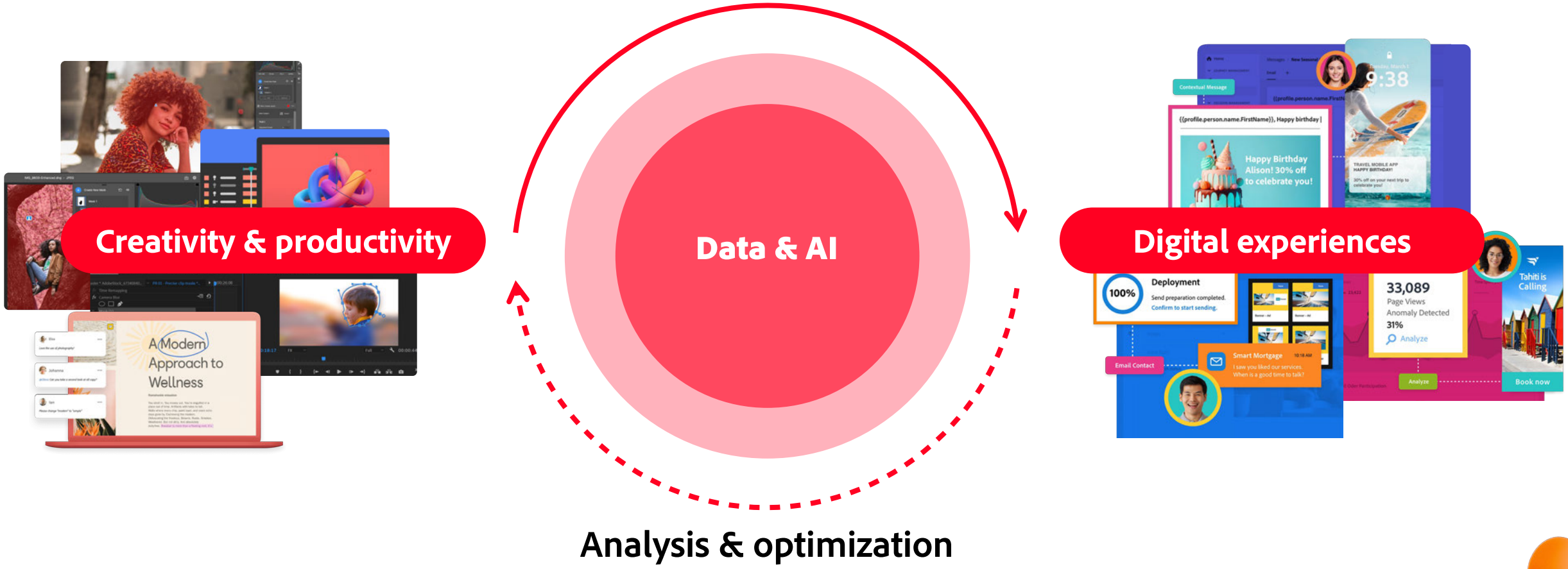
The digital experience flywheel



Students | Consumers | Communicators | Creative Professionals | Developers | SMBs | Enterprises

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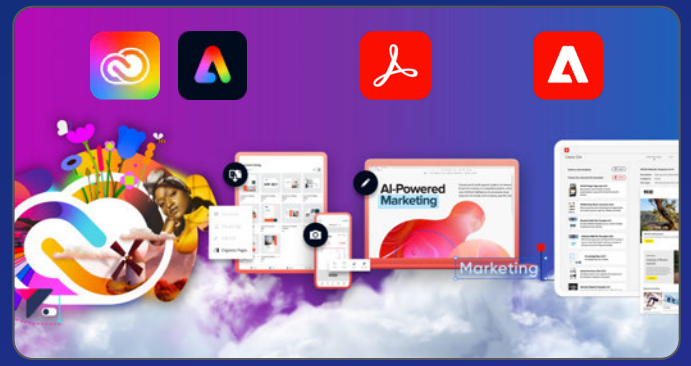
Generative AI investments to drive profitable growth

Multi-cloud architecture

Broad ecosystem partnerships

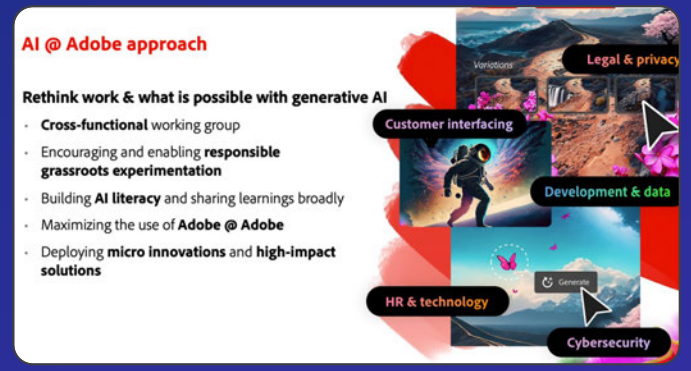
Connecting the clouds



Prioritization across the product portfolio

Training & inference optimization

Generative AI @ Adobe driving productivity



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Investments in cloud services drive customer value, engagement, differentiation and scale

Creative Cloud

40%

More Photoshop usage when cloud services are utilized[1]

25%

Less churn among Creative Cloud customers using Adobe tools on multiple surfaces[4]

Document Cloud

>75%

Increase in Acrobat Web MAU Y/Y[2]

~5x

Acrobat Web conversion rate, as compared to desktop funnel[5]

Experience Cloud

~17 trillion

First-party segment evaluations per day[3]

<100ms

Response time for 99.5% of requests[6]

[1] Adobe, based on Photoshop users' average usage, June to August 2023
[2] Adobe, Y/Y growth, Q3FY2023
[3] Adobe, average for September 2023
[4] Adobe, difference in average next 30-day cancellation rates, multiple surfaces vs single surface, June to August 2023
[5] Adobe, December 2022 to August 2023 monthly average free-to-paid conversion rates for Acrobat Web MAU & Acrobat Desktop Reader MAU
[6] Adobe, July through September 2023

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Adobe's Unique Growth Recipe

Monetizing our innovations – Adobe's growth algorithm

	Creative Cloud	Document Cloud	Experience Cloud
New user growth	• Freemium funnels driving broad adoption and engagement • Expanding in web and mobile • Innovating in more media types	• Freemium funnel - Reader and Web • Distribution partnerships • Generative AI-powered capabilities	• Extending value of AEP + native apps to broader customer base • Serve new practitioners in the enterprise with Product Analytics and Mix Modeler • Drive value, insights and retention with embedded AI Assistants[1]
Cross-sell & upsell	• Services adoption and collaboration • Upsell to higher value offerings • Seat expansion with Express • New offerings including APIs and custom models[1]	• Share and Sign adoption • Conversational experience • Seat expansion in businesses • New offerings including AI Assistant and APIs[1]	• Transformational deals to deliver personalization at scale • Adoption of AI Assistant through Prime and Ultimate tiers[1] • Enhanced cross-cloud opportunities, including GenStudio

Value-based pricing & Generative Credits

[1] In development

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Adobe's DDOM journey over the last decade

Adobe: "customer zero"

Migration to subscription

International growth

Expanding to web & mobile

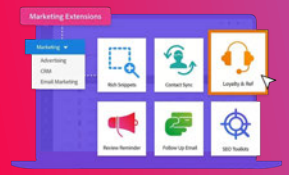
Value-added services

Line optimizations

Transformational deals

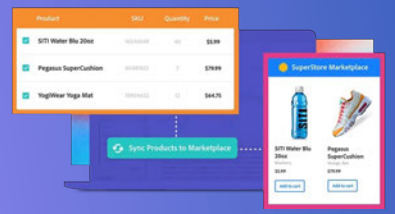
Targeted campaigns

Data-driven offer experimentation



Leveraging content & marketing

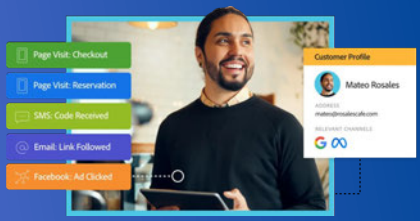
Collaboration



Experience Platform + apps

Drive value realization & upsell

Hyper-personalization with real-time data



Expanding DDOM playbook into new categories: commerce, journeys, workflows . . .

~$4B
2014 Revenue

Delivering operating margin expansion

$20B
and beyond...

DDOM	Discover	Try	Buy	Use	Renew

Source: Adobe, $20B based on annualized mid-point of Q4FY23 total revenue financial target range, issued 9/14/23; DDOM means Data-Driven Operating Model

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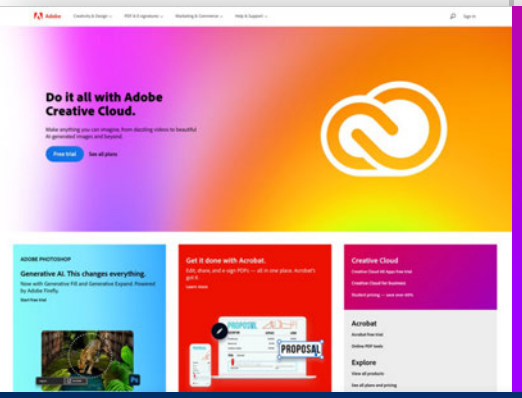
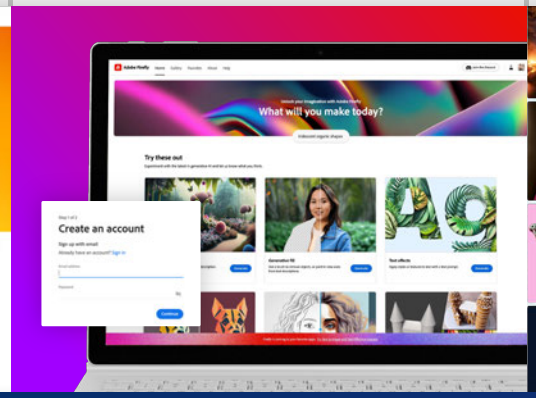
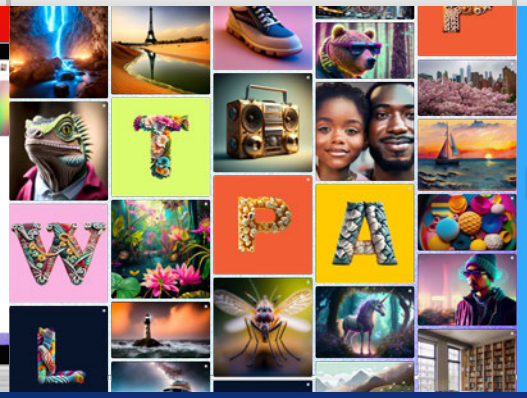
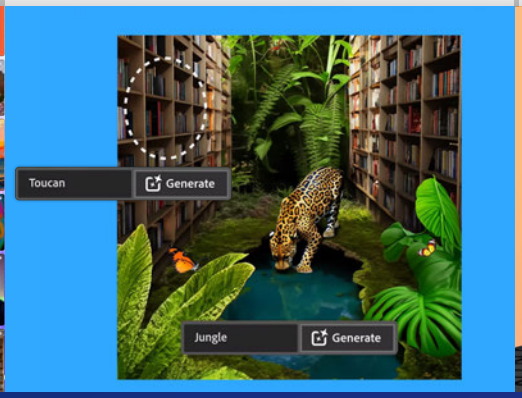
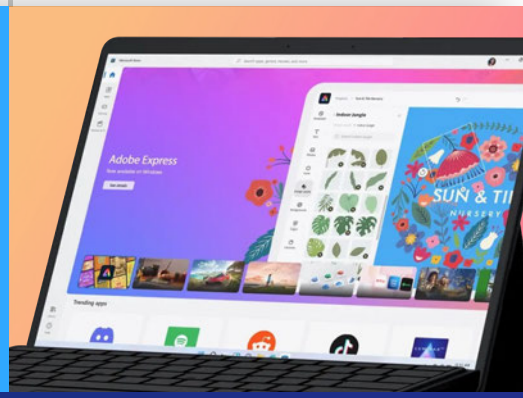
Digital Media: driving customer empathy and expansion through product-led growth (PLG)

Traffic	New user IDs created	Generations	Engagement	MAU
				
>25%	**~90%**	**>3B**	**>10x**	**~20%**
Increase in traffic to Adobe.com Y/Y[1]	Firefly web app users are not current Adobe subscribers[2]	Images generated[3]	Generative Fill adoption rate vs. average for other creative features[4]	Increase in Adobe Express MAU Q/Q[5]

[1] Adobe, Y/Y growth, Q3FY2023
[2] Adobe, August to September 2023
[3] Adobe, March to September 2023
[4] Adobe, Ps Generative Fill 15-day adoption (% Generative Fill-enabled versions) by Ps MAU compared to the average 1 month / current adoption rate of 12 creative features typically used by Ps MAUs
[5] Adobe, May to August 2023

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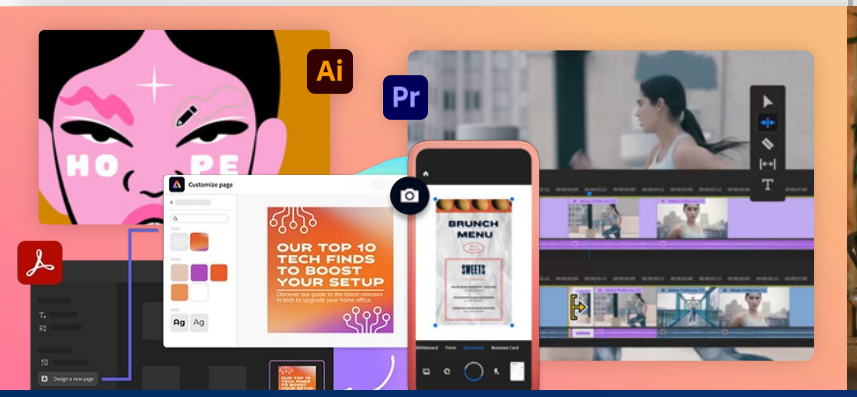
Digital Media: driving the top-line with DDOM and PLG

Subscribers



Traffic, new user IDs and a successful PLG motion in freemium offerings drive paid subscriptions

Retention

Generative AI benefits throughout the product portfolio drive increased engagement—improving retention

ARR

Strong demand, deeper engagement, improved retention and upsell journeys drive ARR growth at scale

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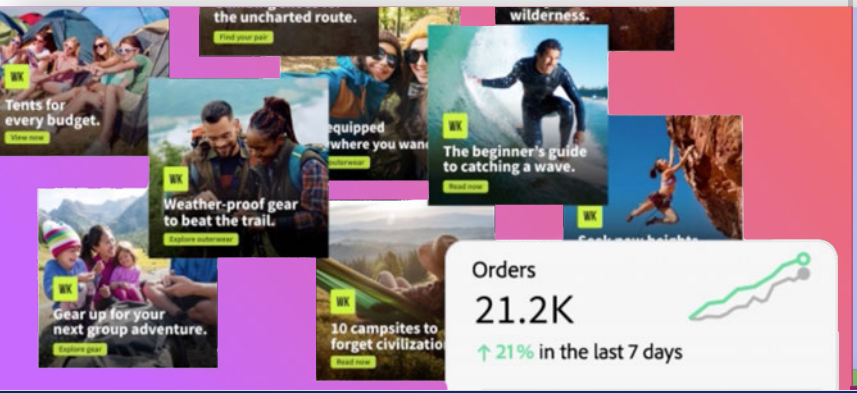
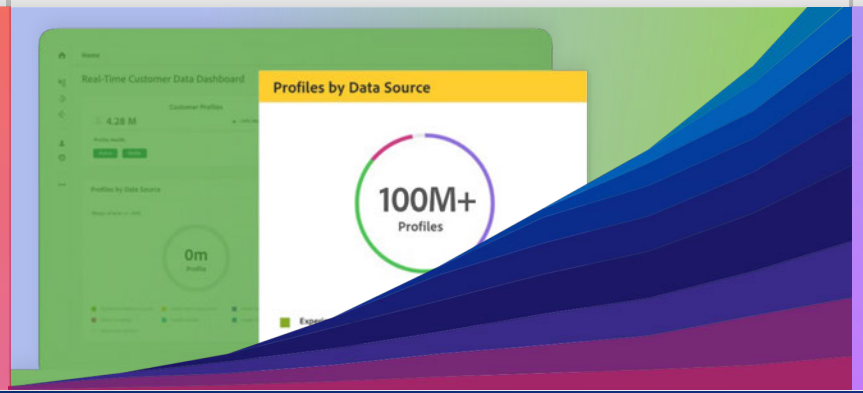
Digital Experience: driving the top-line with personalization at scale

New logos



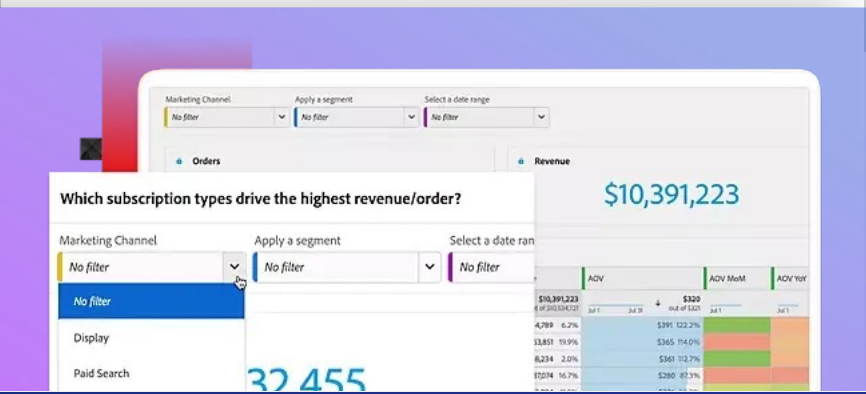
Solution selling to onboard new customers across content and commerce, data insights and audiences, customer journeys, and marketing planning and workflow

Expansion & transformation



Real-time customer data platform and integrated offering enabling multi-solution adoption and transformational outcomes

Subscription revenue



Driving subscription revenue growth at scale by enabling enterprises to simultaneously increase their top-line growth and improve ROI

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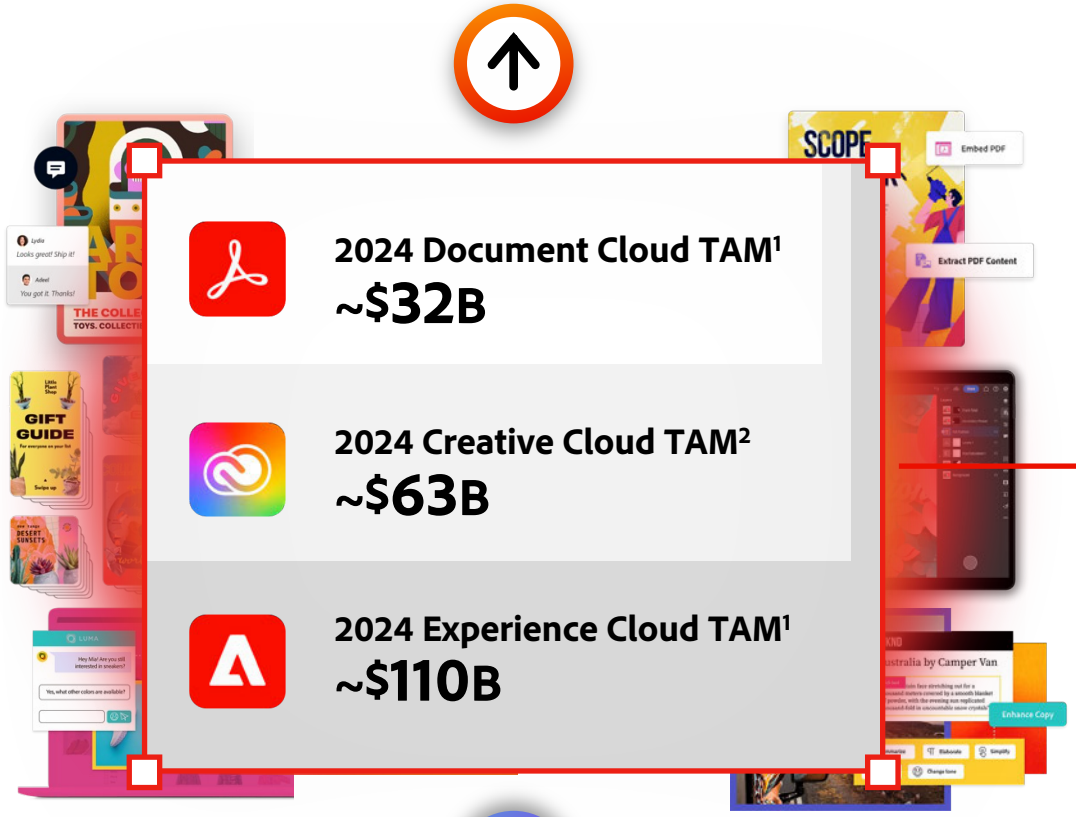
Expanding Adobe's opportunity: the path to $30B and beyond

Raise the ceiling



Lower the floor

More value: transform digital experiences

- New tools, APIs, models and workflows—integrated across Adobe's clouds—to deliver higher-quality, personalized digital experiences more efficiently
- New offerings, including Firefly, GenStudio, Product Analytics, and an omni-channel platform, to drive customer acquisition, expansion and retention
- Unique monetization opportunity that scales with usage, intensity and value

More users: bring billions into the fold

- Breadth of Digital Media offerings meeting customers where they are across unparalleled product footprint and distribution network
- Empowering new stakeholders across businesses of all sizes with Express, Acrobat and GenStudio
- Increased accessibility to experience creation and delivery platforms for new practitioners in the enterprise

[1] Adobe and IDC, December 2021
[2] Adobe, December 2021

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Adobe