

JONATHAN VAAS

Good afternoon and thank you for joining us. With me on the call today are Shantanu Narayen, Adobe’s Chair and CEO, David Wadhvani, President of Digital Media, Anil Chakravarthy, President of Digital Experience, and Dan Durn, Executive Vice President and CFO.

On this call, which is being recorded, we will discuss Adobe’s fourth quarter and fiscal year 2023 financial results. You can find our press release, as well as PDFs of our prepared remarks and financial results, on Adobe’s Investor Relations website.

Financial Disclaimer

Some of the information discussed in this presentation, including our financial targets and product plans, is based on information as of today, Dec. 13, 2023, and contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those set forth in such statements.

For a discussion of these risks and uncertainties, you should review Adobe's SEC filings.

During this presentation, we will discuss non-GAAP financial measures. The GAAP financial measures that correspond to non-GAAP or adjusted financial measures, as well as the reconciliation between the two, are available on www.adobe.com/ADBE.



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On this call we will discuss GAAP and non-GAAP financial measures. Our reported results include GAAP growth rates as well as constant currency rates. During this presentation, Adobe's executives will refer to constant currency revenue growth rates unless otherwise stated. Reconciliations between the two are available in our earnings release and on Adobe's IR website.

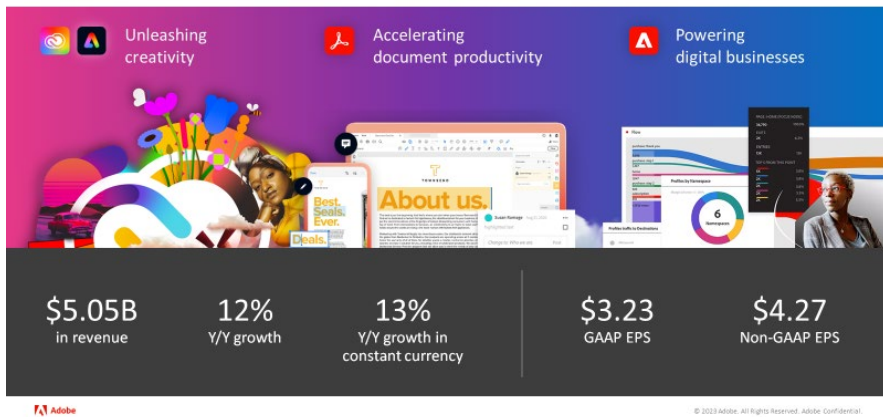
I will now turn the call over to Shantanu.



SHANTANU NARAYEN

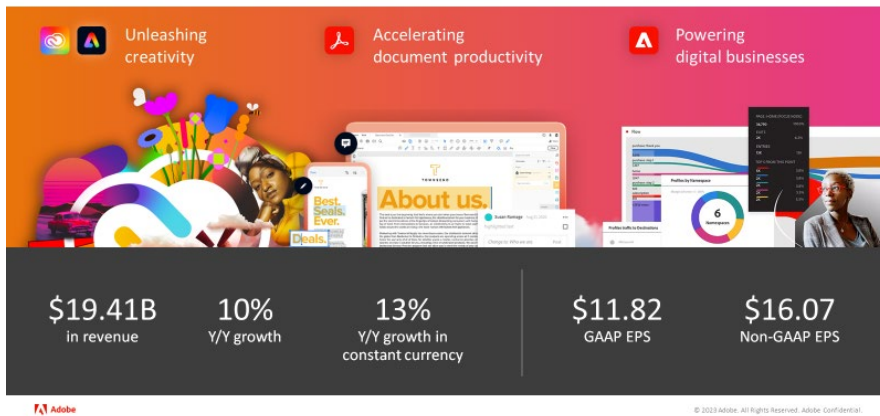
Thanks, Jonathan. Good afternoon and thank you for joining us.

Q4 FY2023 Performance



Q4 was our first ever \$5 billion quarter, a new record for the company. Adobe achieved revenue of \$5.05 billion, representing 13 percent year-over-year growth. GAAP earnings per share for the quarter was \$3.23 and non-GAAP earnings per share was \$4.27, representing 28 percent and 19 percent year-over-year growth, respectively.

FY2023 Performance



Q4 was the culmination of another record year for Adobe, achieving \$19.41 billion in revenue, which represents 13 percent annual growth. GAAP earnings per share in fiscal 2023 was \$11.82 and non-GAAP earnings per share was \$16.07, both representing 17 percent year-over-year growth. We exited the year with \$17.22 billion in RPO (remaining performance obligations).

Our strong performance reflects the mission-critical role our products play in a digital-first world, incredible product innovation and exceptional execution. Adobe Creative Cloud, Document Cloud and Experience Cloud have become the foundation of digital experiences, starting with the moment of inspiration, to the creation and development of content and media, to the personalized delivery and activation across every channel. Adobe's mission of changing the world through personalized digital experiences and our delivery of foundational technology platforms set us up for the next decade of growth. We take pride in being one of the most inventive, diversified and profitable software companies in the world.

We believe that every massive technology shift offers generational opportunities to deliver new products and solutions to an ever-expanding set of customers. AI and generative AI is one such opportunity and we have articulated how we intend to invest and differentiate across data, models and interfaces. We have delivered against this strategy and are pleased that a number of our groundbreaking innovations—including our Firefly models and integrations across Creative Cloud, Liquid Mode and integrations across Document Cloud and AI services in our Real-time Customer Data Platform and integrations in Experience Cloud—are now seeing tremendous usage by customers.

We remain excited about the strategic opportunity with Figma to jointly advance product design, accelerate collaborative creativity on the web, and redefine the future of creativity and productivity. We continue to engage with the European Commission (EC), the Competition and Markets Authority (CMA) in the U.K., and the U.S. Department of Justice (DOJ) as they conduct their regulatory reviews. The EC has provided a preliminary statement of objections (SO), and the CMA has issued provisional findings (PF) of competition concerns. We strongly disagree with these findings and are responding to the respective regulators. As per their current timelines, the EC's decision deadline is February 5th and the CMA's is February 25th. While the DOJ does not have a formal timeline to decide whether to bring a complaint, we expect a decision soon.

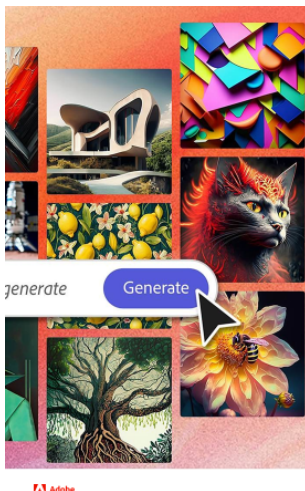
I'll now turn it over to David to discuss the momentum in our Digital Media business.



DAVID WADHWANI

Thanks, Shantanu. Hello everyone.

In Q4, we achieved net new Digital Media ARR of \$569 million and revenue of \$3.72 billion, which grew 14 percent year over year, fueled by innovation in both our Creative and Document businesses.



Adobe Creative Cloud

- Creative revenue of \$3.00 billion in Q4 FY2023
- Strong digital traffic drove record new commercial subscriptions
- 4.5 billion generations to date through integrated Creative Cloud generative AI Firefly models
- Three new Adobe Firefly models – Firefly Image 2, Firefly Vector and Firefly Design
- Introduced Generative Credits as part of our Creative Cloud subscription plans
- Record adoption of Photoshop Generative Fill and Generative Expand
- Significant performance improvement in Adobe Premiere Pro and now natively integrated with Frame.io
- Best year ever for Adobe Stock – high-quality image, vector, video and 3D content
- Creative Cloud, Express and Firefly integration with Adobe GenStudio for ideation, creation and stakeholder collaboration
- Strong mid-market and enterprise adoption driven by upsell to Creative Cloud offerings with Firefly
- Key customer wins include CyberAgent, Deloitte, Discovery Communications, Nexstar Media, Pepsi, Publicis and the United Nations

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Digital Media: Creative Cloud

Starting with Creative Cloud, global demand for content is accelerating and continues to be a tailwind for the business. Creative Cloud remains the creativity platform of choice for creators across imaging, photography, design, video, web, animation and 3D.

Our rapid pace of product and AI model innovation is empowering a wide and growing base of individuals, students, creative professionals, small business owners and enterprises to create and

monetize amazing content more quickly and easily than ever before. We were thrilled to come together in person with thousands of creators at Adobe MAX in Los Angeles and at our MAX event in Tokyo, with millions more from our community engaging with us online. We reached a record 300 million social interactions in the month following MAX.

Q4 was a record quarter for Creative Cloud, achieving \$3.00 billion in revenue, which grew 14 percent year over year. Net new Creative Cloud ARR was \$398 million.

Business highlights include:

- Strong digital traffic resulting from product innovation, social engagement and our continued product led growth (PLG) efforts, which drove record new commercial subscriptions in the quarter.
- The general availability of our generative AI Firefly models and their integrations across Creative Cloud drove tremendous customer excitement with over 4.5 billion generations since launch in March.
- The release of three new Adobe Firefly models—Firefly Image 2 model, Firefly Vector model and Firefly Design model—offering highly differentiated levels of control with Effects, Photo Settings and Generative Match. We also introduced Generative Credits as part of our Creative Cloud subscription plans.
- The general availability of Photoshop Generative Fill and Generative Expand, which are seeing record adoption and they're already among the most used features in the product.
- Advances in Adobe Illustrator with the introduction of Text to Vector (beta) enabling users to generate icons, scenes, subjects, patterns and gradients.
- Adobe Premiere Pro advances include a significant performance improvement in the timeline for faster and smoother editing, new color preferences and improved tone mapping. Premiere Pro is also now natively integrated with Frame.io, offering faster content sharing and collaboration.

- The combination of Adobe Express and Firefly is enabling everyone from creative pros to beginners to quickly move from ideation to task-based workflows in Express, dramatically expanding our reach and widening our top of funnel. The family of generative capabilities across Express, including Text to Image, Text Effects, Text to Template and Generative Fill, are driving adoption of Express and making it even faster and more fun for users of all skill levels. Express now comes pre-installed on all new Chromebooks, making it accessible to students, educators and anyone using Chrome OS.
- Continued strength in Adobe Stock, which had its best year ever, driven by accelerating demand for high-quality image, vector, video and 3D content.
- Creative Cloud, Express and Firefly integrations with Adobe GenStudio, enabling ideation, creation and stakeholder collaboration as part of their overall content supply chain.
- Strong mid-market and enterprise adoption driven by upsell to Creative Cloud offerings with Firefly. Key customer wins include CyberAgent, Deloitte, Discovery Communications, Nexstar Media, Pepsi, Publicis and the United Nations.

We are thrilled with the momentum we're seeing in the Creative business following a year of unprecedented innovation. Customer excitement around Firefly integrations across our applications has been great to see, with community engagement, social interactions and creative marketing campaigns driving organic brand search volume, traffic and record demand. While we started rolling out new Creative Cloud pricing in select geographies in November, the primary driver of growth continues to be new paid subscriptions across our routes to market. We are excited to build on this momentum as we enter FY24.



Adobe

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Adobe Document Cloud

- Document Cloud revenue of \$721 million in Q4 FY2023
- Acrobat Web monthly active users (MAU) up over 70% Y/Y
- Link-sharing around PDF file increased 400% Y/Y, bringing millions of users into the Acrobat ecosystem
- Acrobat mobile MAU surpassing 100 million users in Q4
- Liquid mode has served over one billion files to customers on mobile devices
- Adobe Acrobat to Express workflows make it easier to import, edit and enhance documents for visually stunning PDFs
- Key enterprise customer wins include Alshaya, Bank of America, Department of Veterans Affairs, Mastercard, State Farm Auto Insurance and Volkswagen

Digital Media: Document Cloud

Now turning to Document Cloud, digital documents are essential enablers of our personal and professional lives. Document Cloud is a leader in digital documents, powering all common document actions including editing, sharing, reviewing, scanning and signing. Document Cloud innovations are advancing accessibility, comprehension, productivity, automation and security in document workflows across web, desktop and mobile.

In Q4, we achieved Document Cloud revenue of \$721 million, growing 17 percent year over year. We added a record \$171 million of net new Document Cloud ARR, with ending ARR growing 23 percent year over year in constant currency.

Business highlights include:

- Acrobat Web growth, which continues to be an incredible source of customer acquisition with monthly active users (MAU) up over 70 percent year over year.
- A surge in usage of link sharing for stakeholder collaboration around PDF files, which increased 400 percent year over year, creating a viral growth loop that is bringing tens of millions of users into the Acrobat ecosystem. This is a great example of how we are scaling our PLG motions.
- Strong demand for Acrobat on mobile, with MAU surpassing 100 million users in Q4. Liquid Mode has now served over one billion files to customers, demonstrating how indispensable this technology has become on mobile devices.

- Adobe Acrobat to Express workflows, making it even easier to import, edit and enhance documents to create visually stunning PDFs.
- Key enterprise customer wins include Alshaya, Bank of America, Department of Veterans Affairs, Mastercard, State Farm Auto Insurance and Volkswagen.

Much like in the Creative business, we expect generative AI to deliver additional value and attract new customers to Document Cloud. Acrobat's generative AI capabilities, which will enable new creation, comprehension and collaboration functionality, have already been rolled out in a private beta. We expect to release this in a public beta in the coming months.

It's been an extraordinary year for the Digital Media business with the introduction of hundreds of transformative innovations that are reshaping the future of creativity, productivity and digital experiences. Capping this year's many accolades, TIME magazine recognized Adobe Liquid Mode, Photoshop Generative Fill and Generative Expand among the Best Inventions of 2023.

I'll now pass it to Anil.



ANIL CHAKRAVARTHY

Thanks, David. Hello everyone.

Digital experiences are indispensable for every business in every category, enabling companies of all sizes to engage and transact with customers around the world. Adobe’s Holiday Shopping Report, which analyzes trillions of data points, found that both Black Friday and Cyber Monday sales hit record highs of \$9.8 billion and \$12.4 billion, respectively, jumping 7.5 percent and 9.6 percent from last year. We predict that holiday 2023 spend will exceed \$221 billion in the U.S. alone. Adobe Experience Cloud is optimally positioned to capitalize on this massive global opportunity.

Companies across B2C and B2B are turning to Adobe Experience Cloud as the platform to accelerate experience-led growth. Our leading solutions spanning data insights and audiences, content and commerce, customer journeys and marketing workflow, empower businesses to drive customer demand, engagement and growth while simultaneously delivering productivity gains. Our comprehensive set of applications, including Real-Time CDP, are built natively on our highly differentiated Adobe Experience Platform, providing companies with a unified profile of each of their customers to deliver personalized, real-time experiences at scale.

Generative AI accelerates our pace of innovation across the Experience Cloud portfolio enabling us to build on our capabilities to deliver personalized digital experiences. Our efforts are focused in three areas: 1) augmenting our applications with an AI Assistant that significantly enhances productivity for current users, and provides an intuitive conversational interface to enable many more knowledge

workers to use our products; 2) reimagining existing Experience Cloud applications, like we did with Adobe Experience Manager; and 3) developing entirely new solutions built for the age of generative AI, like Adobe GenStudio.



Adobe Experience Cloud

- Digital Experience revenue of \$1.27 billion with subscription revenue of \$1.12 billion in Q4 FY2023
- Strong momentum across AEP and native apps with its first \$100 million quarter of net new business and exited the year with greater than \$700 million annualized book of business
- Tremendous interest in the release of GenStudio from brands like Henkel, Pepsi and Verizon and agencies like Publicis, Omnicom and Havas as they look to accelerate and optimize their content supply chains
- Reimagined customer experiences with all-new Adobe Experience Manager Sites that enable businesses and developers to quickly test and optimize web content
- Adobe recognized as a leader in over 25 industry analyst reports this year
- Key customer wins include Alshaya, Coca Cola, EY, IBM, Marriott, Riyadh Air, Santander Brasil, Sony, Southern Graphics, Unilever, Vanguard and Verizon

Adobe

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In Q4, we continued to drive strong growth in the Experience Cloud business across our enterprise and mid-market customers, achieving \$1.27 billion in revenue. Subscription revenue was \$1.12 billion, representing 12 percent year-over-year growth.

Business highlights include:

- Strong momentum with Adobe Experience Platform and native applications (AEP), inclusive of Real-Time CDP, Adobe Journey Optimizer and Customer Journey Analytics. AEP had its first \$100 million quarter of net new business in Q4 and exited the year with a greater than \$700 million annualized book of business.
- Release of Adobe GenStudio, an end-to-end solution that brings together best-in-class applications across Creative Cloud, Express and Experience Cloud, with Firefly generative AI at the core to help brands meet the rising demand for content. GenStudio provides a comprehensive offering spanning content ideation, creation, production and activation. We are seeing tremendous interest in GenStudio from brands like Henkel, Pepsi and Verizon and agencies like Publicis, Omnicom and Havas as they look to accelerate and optimize their content supply chains.

- Reimagined customer experiences with the all-new Adobe Experience Manager Sites that enable businesses and developers to quickly test and optimize web content; deliver fastest possible page load times; and maximize SEO rankings, lighthouse scores and conversion.
- Adobe was recognized as a leader in over 25 industry analyst reports this year including the Gartner Magic Quadrants for Digital Experience Platforms, B2B Marketing Automation Platforms and Multichannel Marketing Hubs. In the Forrester Wave for Digital Experience Platforms, which was published last week, Adobe received the highest scores for strategy.
- Key customer wins include Alshaya, Coca Cola, EY, IBM, Marriott, Riyadh Air, Santander Brasil, Sony, Southern Graphics, Unilever, Vanguard and Verizon.

In our conversations with these and other customers around the world, C-level executives are continuing to prioritize experience-led growth as a critical business imperative, despite ongoing budget scrutiny. Adobe Experience Cloud is well positioned to keep winning with innovative products that power end-to-end customer experiences and enable companies to simultaneously drive growth and profitability. We are looking forward to continuing our leadership and momentum into 2024.

I will now pass it to Dan.



DAN DURN

Thanks, Anil.

Our earnings report today covers both Q4 and FY23 results.

FY2023 Results

Total Revenue	\$19.41 billion	10% Y/Y growth	13% Y/Y growth ¹
Digital Media segment revenue	\$14.22 billion	11% Y/Y growth	14% Y/Y growth ¹
Digital Media ARR	\$1.91 billion of net new ARR		
Digital Experience segment revenue	\$4.89 billion	11% Y/Y growth	12% Y/Y growth ¹
Digital Experience subscription revenue	\$4.33 billion	12% Y/Y growth	13% Y/Y growth ¹
Earnings per share	GAAP: \$11.82		Non-GAAP: \$16.07

- Generated \$7.30 billion of cash flows from operations
- Repurchased approximately 11.5 million shares

¹ Adjusted to show growth rates in constant currency.

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What a year 2023 was. Fueled by a deep understanding of our customers, product innovation and outstanding execution, we delivered strong financial results and world-class margins, positioning the company for years of continued growth.

In FY23, Adobe achieved record revenue of \$19.41 billion, which represents 10 percent year-over-year growth, or 13 percent growth in constant currency.

GAAP EPS for the year was \$11.82, and non-GAAP EPS was \$16.07, each growing 17 percent year over year.

FY23 business and financial highlights included:

- Digital Media revenue of \$14.22 billion;
- Net new Digital Media ARR of \$1.91 billion;
- Digital Experience revenue of \$4.89 billion;
- Cash flows from operations of \$7.30 billion;
- RPO of \$17.22 billion exiting the year; and
- Repurchasing approximately 11.5 million shares of our stock during the year at a cost of \$4.63 billion.

Q4 FY2023 Results

Total Revenue	\$5.05 billion	12% Y/Y growth	13% Y/Y growth ¹
Digital Media segment revenue	\$3.72 billion	13% Y/Y growth	14% Y/Y growth ¹
Digital Media ARR	\$569 million of net new ARR		
Digital Experience segment revenue	\$1.27 billion	10% Y/Y growth	11% Y/Y growth ¹
Digital Experience subscription revenue	\$1.12 billion	12% Y/Y growth	12% Y/Y growth ¹
Earnings per share	GAAP: \$3.23		Non-GAAP: \$4.27

- Generated \$1.60 billion of cash flows from operations
- Repurchased approximately 1.8 million shares
- Remaining Performance Obligations (RPO) exiting the quarter were \$17.22 billion

¹ Adjusted to show growth rates in constant currency.

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In the fourth quarter of FY23, Adobe achieved revenue of \$5.05 billion, which represents 12 percent year-over-year growth, or 13 percent in constant currency. GAAP diluted earnings per share in Q4 was \$3.23 and non-GAAP diluted earnings per share was a record \$4.27, growing 28 percent and 19 percent year over year, respectively.

Q4 business and financial highlights included:

- Digital Media revenue of \$3.72 billion;
- Net new Digital Media ARR of \$569 million;
- Digital Experience revenue of \$1.27 billion;
- Cash flows from operations of \$1.60 billion;

- Adding approximately \$1.5 billion to RPO in the quarter, our highest sequential quarterly increase ever; and
- Repurchasing approximately 1.8 million shares of our stock.

Digital Media

In our Digital Media segment, we achieved Q4 revenue of \$3.72 billion, which represents 13 percent year-over-year growth, or 14 percent in constant currency. Our net new ARR in Q4 was \$569 million, which was a quarterly record in constant currency, and we exited the quarter with \$15.17 billion of Digital Media ARR.

 **Adobe Creative Cloud | Q4 FY2023 Highlights**

- Creative revenue of \$3.00 billion growing 12% Y/Y or 14% Y/Y in constant currency, with \$398 million of net new Creative ARR
- Individual subscriber growth, fueled by targeted campaigns and web traffic
- Creative Cloud All Apps subscriptions growth across customer segments and geographies, with particular strength in emerging markets
- Sales of CC Single Apps, including strength in imaging and photography offerings
- Continued growth in Frame.io and Adobe Stock, achieving best year in net new ARR
- Growth in customer demand in education
- Typical Q4 strength in the enterprise, including significant upsell of new Firefly and Express



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Digital Media: Creative Cloud

We achieved Creative revenue of \$3.00 billion, which represents 12 percent year-over-year growth, or 14 percent in constant currency, and we added \$398 million of net new Creative ARR in the quarter. Driving this performance was strong customer acquisition throughout the quarter, as well as strength during the peak holiday shopping weeks.

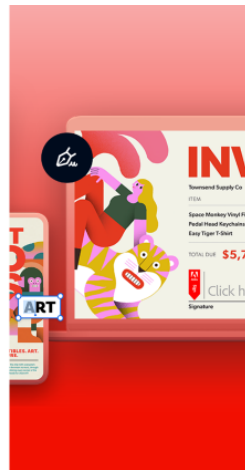
Fourth quarter Creative growth drivers included:

- Individual subscriber growth, fueled by targeted campaigns and strong web traffic;
- A strong quarter for Creative Cloud All Apps subscriptions across customer segments and geographies, with particular strength in emerging markets;
- Sales of CC single apps, including a strong quarter for our imaging and photography offerings;

- Continued growth of our Frame.io offering and Adobe Stock, which capped off its best year ever in terms of net new ARR;
- Customer demand in education, driven by back-to-school purchasing, as well as migrations to full-priced offerings by graduating students entering the workforce; and
- Typical Q4 strength in the enterprise, including significant upsell of our new Firefly and Express offerings.

 Adobe Document Cloud | Q4 FY2023 Highlights

- Document Cloud revenue of \$721 million growing 16% Y/Y or 17% Y/Y in constant currency, with \$171 million of net new Document Cloud ARR
- Strong Acrobat subscription demand across all customer segments, routes to market and geographies
- Continued strength of our free-to-paid funnels, including Reader on the desktop and Acrobat web
- Strong performance of our collaboration services, including PDF link sharing and Sign, which are virally bringing new users to the Acrobat ecosystem
- Outstanding quarter for Acrobat mobile with increased proliferation, usage and conversion
- Year-end seasonal strength in SMB and enterprise



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 Adobe

Digital Media: Document Cloud

Adobe achieved Document Cloud revenue of \$721 million, which represents 16 percent year-over-year growth, or 17 percent in constant currency. We added a record \$171 million of net new Document Cloud ARR in the quarter.

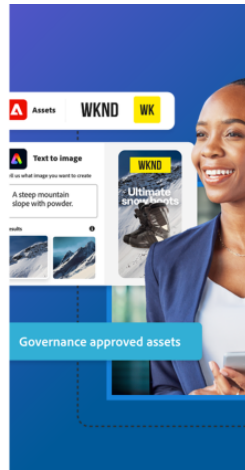
Fourth quarter Document Cloud growth drivers included:

- Acrobat subscription demand across all customer segments, routes to market and geographies;
- Continued strength of our free-to-paid funnels, including Reader on the desktop and Acrobat web;
- Strong performance of our collaboration services, including PDF link sharing and Sign, which are virally bringing new users to the Acrobat ecosystem;

- An outstanding quarter for Acrobat mobile as a result of increased proliferation, usage and conversion; and
- Year-end seasonal strength in SMB and enterprise.

 Adobe Experience Cloud | Q4 FY2023 Highlights

- Digital Experience revenue of \$1.27 billion growing 10% Y/Y or 11% Y/Y in constant currency, with subscription revenue of \$1.12 billion growing 12% Y/Y
- Strong year-end bookings across solutions, with particular strength in North America
- Continued success closing multi-solution transformational deals with large enterprises
- Momentum with AEP and native applications, with the FY23 exiting book of business growing greater than 60 percent year over year
- Strong net dollar retention for early adopters of AEP, demonstrating the value enterprises are realizing from our real-time data platform and integrated offerings
- Strength across our Data & Insights, Content and Workfront solutions, and growing customer interest and pipeline for our new GenStudio solution



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Digital Experience

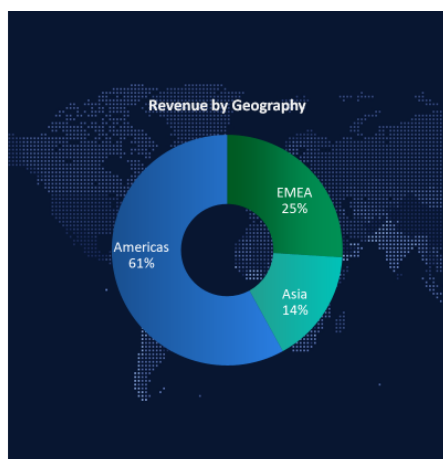
Turning to our Digital Experience segment, in Q4 we achieved revenue of \$1.27 billion, growing 10 percent year over year or 11 percent in constant currency. We achieved subscription revenue of \$1.12 billion, which represents 12 percent year-over-year growth.

Fourth quarter Digital Experience growth drivers included:

- Strong year-end bookings across solutions, with particular strength in North America;
- Continued success closing multi-solution transformational deals with large enterprises;
- Momentum with AEP and native applications, with the FY23 exiting book of business growing greater than 60 percent year over year;
- Strong net dollar retention for early adopters of AEP, demonstrating the value enterprises are realizing from our real-time data platform and integrated offerings; and
- Strength across our Data & Insights, Content and Workfront solutions, and growing customer interest and pipeline for our new GenStudio solution.

Q4 FY2023 Results

- RPO of \$17.22 billion
- Cash and short-term investments of \$7.84 billion
- Cash flows from operations of \$1.60 billion
- Repurchased approximately 1.8 million shares



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Income Statement and Balance Sheet

We drove world-class operating margins in Q4 and throughout fiscal 2023 by making disciplined investments in R&D, marketing and sales, and we're pleased that we grew EPS faster than revenue.

Adobe's effective tax rate in Q4 was 18 percent on a GAAP basis and 18.5 percent on a non-GAAP basis, in line with our expectations.

RPO exiting the quarter was \$17.22 billion, growing 13 percent year over year.

Our ending cash and short-term investment position exiting Q4 was \$7.84 billion, and cash flows from operations in the quarter were \$1.60 billion, after making a previously discussed payment in the quarter of \$826 million of U.S. federal taxes that we deferred from the second and third quarters of FY23.

In Q4, we entered into a \$1 billion share repurchase agreement, and we currently have \$2.15 billion remaining of our \$15 billion authorization granted in December 2020.

As a reminder, we measure ARR on a constant currency basis during a fiscal year and revalue ARR at year-end. FX rate changes between December of 2022 and this year have resulted in a \$160 million increase to the Digital Media ARR balance entering FY24, which is now \$15.33 billion and is reflected in our updated investor data sheet.

FY2024 Financial Targets | Dec. 13, 2023

Total Revenue	\$21.30 billion to \$21.50 billion	
Digital Media ARR	~\$1.90 billion of net new ARR	
Digital Media segment revenue	\$15.75 billion to \$15.85 billion	
Digital Experience segment revenue	\$5.275 billion to \$5.375 billion	
Digital Experience subscription revenue	\$4.75 billion to \$4.80 billion	
Tax rate	GAAP: ~18.0%	Non-GAAP: ~18.5%
Earnings per share ¹	GAAP: \$13.45 to \$13.85	Non-GAAP: \$17.60 to \$18.00

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

¹ Targets assume diluted share count of ~454 million for fiscal year 2024



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Targets

Factoring in the momentum across our businesses and current expectations for the macroeconomic and foreign exchange environments, for FY24 we are targeting:

- Total Adobe revenue of \$21.30 to \$21.50 billion;
- Digital Media net new ARR of approximately \$1.90 billion;
- Digital Media segment revenue of \$15.75 to \$15.85 billion;
- Digital Experience segment revenue of \$5.275 to \$5.375 billion;
- Digital Experience subscription revenue of \$4.75 to \$4.80 billion;
- Tax rate of approximately 18 percent on a GAAP basis and 18.5 percent on a non-GAAP basis;
- GAAP earnings per share of \$13.45 to \$13.85; and
- Non-GAAP earnings per share of \$17.60 to \$18.00.

As a reminder, and as is customary, these targets do not reflect our planned acquisition of Figma.

We expect normal seasonality throughout the year, with a seasonal step down for new business into the first quarter, sequential growth from Q1 to Q2, typical Q3 summer seasonality, and a strong finish to the year in Q4.

We expect our cash tax rate to improve sequentially in FY24 by two percentage points as the amortization of previously capitalized R&D increases our deductions next year for tax purposes, benefitting our operating cash flows next year.

Q1 FY2024 Financial Targets | Dec. 13, 2023

Total Revenue	\$5.10 billion to \$5.15 billion	
Digital Media ARR	~\$410 million of net new ARR	
Digital Media segment revenue	\$3.77 billion to \$3.80 billion	
Digital Experience segment revenue	\$1.27 billion to \$1.29 billion	
Digital Experience subscription revenue	\$1.14 billion to \$1.16 billion	
Tax rate	GAAP: ~18.0%	Non-GAAP: ~18.5%
Earnings per share ¹	GAAP: \$3.35 to \$3.40	Non-GAAP: \$4.35 to \$4.40

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¹ Targets assume diluted share count of ~456 million for Q1 fiscal year 2024



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For Q1 FY24 we are targeting:

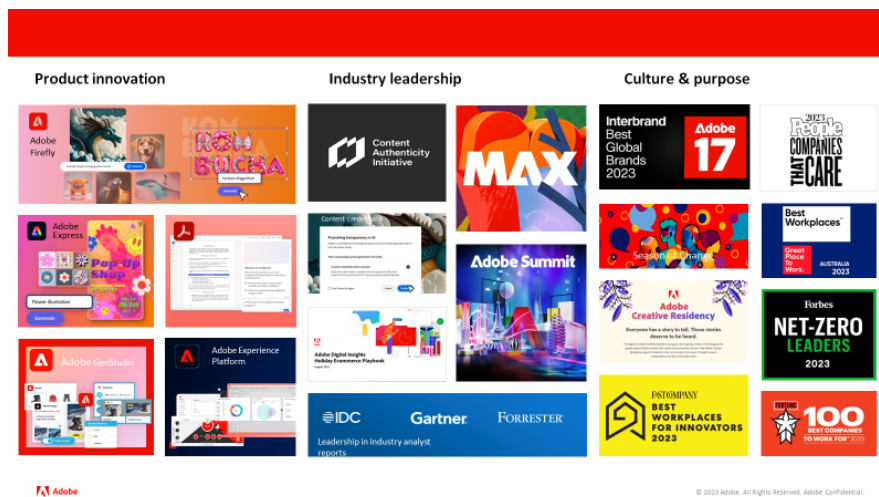
- Total Adobe revenue of \$5.10 to \$5.15 billion;
- Digital Media net new ARR of approximately \$410 million;
- Digital Media segment revenue of \$3.77 to \$3.80 billion;
- Digital Experience segment revenue of \$1.27 to \$1.29 billion;
- Digital Experience subscription revenue of \$1.14 to \$1.16 billion;
- Tax rate of approximately 18 percent on a GAAP basis and 18.5 percent on a non-GAAP basis;
- GAAP earnings per share of \$3.35 to \$3.40; and
- Non-GAAP earnings per share of \$4.35 to \$4.40.

While the implied operating margin for Q1 is up sequentially, we expect a typical seasonal margin stepdown starting in Q2 as a result of the annual merit increases and disciplined investments to drive growth.

Summary

In summary, I couldn't be prouder of the company's performance in FY23 and the momentum we're carrying into 2024 across Creative Cloud, Document Cloud and Experience Cloud. Our strategy, scale, speed of execution and profitability position us for years of sustained success.

Shantanu, back to you.



SHANTANU NARAYEN

Thanks, Dan.

In addition to our financial accomplishments, we are proud to once again be recognized for our industry leadership. Content Credentials and Adobe's approach to responsible AI were recognized by Fast Company as one of the year's breakthrough innovations, we were once again named to the Dow Jones Sustainability Index, Glassdoor listed Adobe as one of the Best Places to Work, and Interbrand ranked us in the top 20 Best Global Brands, as a rising brand for the eighth year in a row.

Digital remains a massive tailwind as content demand and consumption continues to grow and businesses of all sizes are focused on transforming their customer experiences. Adobe is incredibly well-positioned to lead and capitalize on this opportunity thanks to our innovative roadmap, expanding global customer base, strong brand and the best employees in the world. Our FY24 financial targets reflect our confidence in continuing to drive strong top-line growth and world-class profitability.

I am more certain than ever that Adobe's best days are ahead of us.

Thank you and we will now take questions. Operator.

Q&A

