

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

ADBE.OQ - Q4 2022 Adobe Inc Earnings Call

EVENT DATE/TIME: DECEMBER 15, 2022 / 10:00PM GMT

## OVERVIEW:

Co. reported FY22 revenues of \$17.61b, GAAP diluted EPS of \$10.10 and non-GAAP diluted EPS of \$13.71. 4Q22 revenues were \$4.53b. 4Q22 GAAP diluted EPS was \$2.53. 4Q22 non-GAAP diluted EPS was \$3.60. Expects FY23 total revenues to be \$19.1-19.3b, GAAP EPS to be \$10.75-11.05 and non-GAAP EPS to be \$15.15-15.45. Expects 1Q23 total revenues to be \$4.60-4.64b, GAAP EPS to be \$2.60-2.65 and non-GAAP EPS to be \$3.65-3.70.

## CORPORATE PARTICIPANTS

**Anil S. Chakravarthy** *Adobe Inc. - President of Digital Experience Business*

**Daniel J. Durn** *Adobe Inc. - CFO and Executive VP of Finance, Technology Services & Operations*

**David Wadhvani** *Adobe Inc. - President of Digital Media Business*

**Jonathan Vaas** *Adobe Inc. - VP of IR*

**Shantanu Narayen** *Adobe Inc. - Chairman & CEO*

## CONFERENCE CALL PARTICIPANTS

**Aleksandr J. Zukin** *Wolfe Research, LLC - MD & Head of the Software Group*

**Brad Alan Zelnick** *Deutsche Bank AG, Research Division - Head of Software Equity Research and Senior US Software Research Analyst*

**Bradley Hartwell Sills** *BofA Securities, Research Division - Director, Analyst*

**Brent John Thill** *Jefferies LLC, Research Division - Equity Analyst*

**James Derrick Wood** *Cowen and Company, LLC, Research Division - MD of TMT - Software & Senior Software Analyst*

**Jay Vleeschhouwer** *Griffin Securities, Inc., Research Division - MD of Software Research*

**Keith Frances Bachman** *BMO Capital Markets Equity Research - MD & Senior Software & IT Services Analyst*

**Mark L. Moerdler** *Sanford C. Bernstein & Co., LLC., Research Division - Senior Research Analyst*

**Mark Ronald Murphy** *JPMorgan Chase & Co, Research Division - MD*

**Michael James Turrin** *Wells Fargo Securities, LLC, Research Division - Senior Equity Analyst*

**Sterling Auty** *SVB MoffettNathanson*

## PRESENTATION

### Operator

Good day, and welcome to the Q4 and FY '22 Adobe Earnings Conference Call. Today's conference is being recorded. At this time, I would like to turn the conference over to Jonathan Vaas, Vice President of Investor Relations. Please go ahead.

---

### Jonathan Vaas - Adobe Inc. - VP of IR

Good afternoon, and thank you for joining us. With me on the call today are Shantanu Narayen, Adobe's Chairman 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 2022 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. The information discussed on this call, including our financial targets and product plans, is as of today, December 15, and contains forward-looking statements that involve risks, uncertainty and assumptions.

Actual results may differ materially from those set forth in these statements. For a discussion of these risks, you should review the factors discussed in today's press release and in Adobe's SEC filings. 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 and adjusted growth rates in constant currency that also account for an extra week in fiscal 2021. During this presentation, Adobe's executives will refer to constant currency and adjusted growth rates unless otherwise stated. Reconciliations between the 2 are available in our earnings release and on Adobe's Investor Relations website.

I will now turn the call over to Shantanu.

---

**Shantanu Narayen** - *Adobe Inc. - Chairman & CEO*

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

2022 was an exciting and eventful year for Adobe. We achieved record revenue of \$17.61 billion, representing 15% year-over-year growth. GAAP earnings per share was \$10.10 and non-GAAP earnings per share was \$13.71. We delivered record operating cash flows with a focus on profitability. Our strong performance in the uncertain macroeconomic environment underscores the resilience of our business and the mission-critical role of our products in a digital-first world.

Our strategy to unleash creativity for all, accelerate document productivity and power digital businesses is driving momentum across every geography and customer segment making us one of the most innovative, diversified and profitable software companies in the world. We continue to execute against our product road map to serve a vast customer universe from individuals to large enterprises and deliver strong top and bottom line growth.

Adobe Creative Cloud, Document Cloud and Experience Cloud have become the foundation of digital experiences starting with the first creative spark to the creation and development of all content and media to the personalized delivery across every channel.

In Q4, we achieved revenue of \$4.53 billion representing 14% year-over-year growth. In our Digital Media business, we had our best quarter ever on net new ARR, delivering \$576 million and our Digital Experience business achieved its first \$1 billion subscription revenue quarter, growing 16% year-over-year.

I will now pass it to David.

---

**David Wadhvani** - *Adobe Inc. - President of Digital Media Business*

Thanks, Shantanu, and Hello, everyone.

The demand for digital content across every creative category, customer segment and media type is accelerating at a rapid pace. Creative Cloud remains the leading creativity platform, offering a comprehensive portfolio of products for every discipline across imaging, photography, design, video, web, animation and 3D. Core products such as Photoshop, Lightroom, Illustrator, Premiere Pro and Acrobat continue to lead their categories as we add new features and enhance their capabilities with Adobe Sensei, our AI engine. The rapid progress we're making with Adobe Express is attracting millions of new users and delivering additional value to Creative Cloud members who are also interested in lightweight task-oriented tools.

New collaboration capabilities like Share for Review are integrated directly into Creative Cloud and Document Cloud applications to enable seamless creation, sharing and review across creative and document workflows.

Our ongoing product innovation ensures that Adobe remains the preeminent destination for 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. Q4 was a record quarter for Creative Cloud. We achieved net new Creative Cloud ARR of \$453 million and revenue of \$2.68 billion, which grew 13% year-over-year. This strong performance was a result of demand for our flagship applications, including Photoshop, Lightroom, Illustrator, Premiere Pro and Acrobat; Expansion in SMB and enterprise driven by strong execution of our year-end pipeline across direct sales and our reseller channel,

accelerating growth in Substance 3D and Frame.io, underscoring the continued strength and significant opportunities in our newer businesses, momentum in Express, our template-based web and mobile product for creating everything from year-end sales promotions to holiday cards to social media posts.

Express' unparalleled collection of stock images, videos, fonts, design assets and templates and its unique integration of AI magic from Photoshop, Premiere Pro and Acrobat enable us to deliver the best of Adobe to customers of every skill level. Q4 continued to see exciting growth with millions of monthly active users, greater than 40% quarter-over-quarter visitor growth in the U.S. and an NPS greater than 50.

Key customer wins include Electronic Arts, Meta, NBC Universal, Publicis, Roku, Target and United Nations. In October, we were thrilled to be back live with thousands of members from our creative community at Adobe MAX. The conference has always been an opportunity to showcase our incredible innovation, and we drove over a quarter of a billion video views across all channels.

Our announcements included: Powerful new AI capabilities in Photoshop, such as a one-click Delete and Fill tool to remove and replace objects and a new Photo Restoration neural filter that instantly fixes damaged photos; a share for review service in Photoshop and Illustrator that enables designers to easily collaborate with key stakeholders; the first-to-market Camera to Cloud integration between Frame.io and RED Digital Camera and Fuji Film, significantly reducing production costs and time; advances in Substance 3D that empower brands such as Electronic Arts, HUGO BOSS, NASCAR, NVIDIA and the Coca-Cola Company to create engaging immersive experiences; a new partnership between the content authenticity initiative and Leica and Nikon to implement provenance technology into cameras, allowing photographers to embed when, where and how images were captured and early demonstrations of Adobe's Generative AI technology integrated into our tools, which promises to transform the creative process, making it more accessible, fast and efficient than ever before.

Now turning to the Document Cloud business. Digital documents have become synonymous with productivity in our personal and professional lives, whether it's an offer to purchase a new home, a bank deposit form, a school permission slip or a sales contract.

Document Cloud is the leader in digital documents, offering innovative solutions across every device and for every skill level. Our strategy to enable all common document actions, including editing, sharing, reviewing, scanning and signing across desktop, mobile and web is paying strong dividends.

In Q4, Document Cloud had record revenue of \$619 million, which represents 19% year-over-year growth and strong net new ARR of \$123 million with ending ARR growing 23% year-over-year.

Q4 highlights include new Acrobat functionality for SMBs including the ability to send branded agreement templates and combined payments with e-signed documents, new capabilities between Document Cloud and Creative Cloud to help knowledge workers and creative professionals seamlessly collaborate and improve their productivity. Scan innovation that allows users to simultaneously scan the left and right pages of a book as well as scan both sides of an ID card on 1 page, strong organic growth in both traffic and searches for PDF capabilities, which serve as a critical funnel to Acrobat web, significant growth in Sign transactions within Acrobat underscoring the need for integrated document solutions, outstanding growth in API transactions. API calls nearly doubled quarter-over-quarter, demonstrating the strategic necessity of integrating PDF capabilities within enterprise applications.

Key customer wins include BioNTech, Cigna, Deloitte, Mitsubishi Electric, Raytheon, Shell Information Technology and the U.S. Department of State. Q4 was the strongest net new ARR quarter ever for Digital Media, driven by outstanding execution against multiple growth drivers in our core business. In addition, we're excited about the pending Figma acquisition, which represents a tremendous opportunity to accelerate the future of creativity and productivity for millions of people. Overall, the regulatory process is proceeding as expected. The transaction is being reviewed globally, including by the Department of Justice (DOJ) and the Competition and Markets Authority (CMA) in the U.K. We are currently engaged in the DOJ's second request process. We expect that the transaction will also be reviewed in the EU.

We continue to feel positive about the facts underlying the transaction and expect to receive approval to close the transaction in 2023. I'll now pass it to Anil.

**Anil S. Chakravarthy** - Adobe Inc. - President of Digital Experience Business

Thanks, David. Hello, everyone.

Every business in every category now depends on digital to engage and transact with their customers. Adobe's Holiday Shopping Report which analyzes trillions of data points in Adobe Analytics found a Cyber Monday drove an all-time high of \$11.3 billion in online spending, with mobile shopping now accounting for 55% of sales on Thanksgiving and Buy Now, Pay Later orders jumping 85% during Cyber Week. We predict spend will exceed \$210 billion this holiday season. No company is better positioned than Adobe to capitalize on this large global opportunity.

In my customer conversations, it's clear that the current macroeconomic climate requires businesses to prioritize investments and digital remains mission-critical to drive operational efficiency, improve customer engagement and maximize long-term value realization. We are driving a mix of diversified revenue streams through subscription and consulting services across new and existing customers, demonstrating the strength of our business.

Experience Cloud is powering digital businesses in every industry across B2B and B2C with our leading solutions spanning, data insights and audiences, content and commerce, customer journeys and marketing workflow. And it is unique in that it helps businesses 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 the most personalized real-time experiences at scale. Adobe Experience Platform processes 29 trillion segment evaluations per day and executes a response time of less than 250 milliseconds (at 99.5%), illustrating the impact of its real-time capabilities at scale.

In Q4, we continued to drive strong growth in our Experience Cloud business, achieving \$1.15 billion in revenue. Subscription revenue was \$1.01 billion, our first \$1 billion quarter and representing 16% year-over-year growth. Adobe is differentiated in our ability to power the entire customer experience from ideation to content creation to personalized delivery to monetization. Chipotle is a great example. They're using Creative Cloud to design content for web and mobile channels and Experience Cloud to highlight new product offerings based on consumer preferences and support a faster, easier and more customized online ordering process. In government, the State of Illinois is using Experience Cloud and Document Cloud to provide simpler and more equitable access to state services for over 12 million residents.

It's especially inspiring to witness the positive social impact of Adobe technology. The National Center for Missing and Exploited Children has long used Photoshop to create age progress photos and now uses Experience Cloud to facilitate the recovery of missing children. Additional Q4 highlights include strong demand for Adobe Experience Platform in native applications inclusive of Real-Time CDP, Adobe Journey Optimizer and Customer Journey Analytics, which are rapidly becoming the digital underpinning of large brands globally. Accelerating demand for Adobe Experience Manager demonstrating Adobe's role in helping businesses effectively manage their current supply chain from creation to monetization.

A new Marketing Mix Modeling service as part of our data insights and audiences offering, which enables marketers to harness the power of Adobe Sensei to assess marketing ROI in weeks rather than months and forecast resources for campaigns more effectively.

Strong growth in Partner and Adobe professional services underscoring our customers' continued focus on implementation and value realization, key customer wins, including BlackRock, Chipotle, Delta Airlines, DFS Group, Disney Park, Elevance Health, GM, Office Depot, Publicis, Santander and Wells Fargo. Adobe continued to receive strong industry analyst recognition, including leadership in the Gartner Magic Quadrant for B2B Marketing Automation Platforms, the Forrester Wave for Collaborative Work Management and the Forrester Wave for Enterprise Marketing Suites.

I'll now pass it over to Dan.

**Daniel J. Durn** - Adobe Inc. - CFO and Executive VP of Finance, Technology Services & Operations

Thanks, Anil. Our earnings report today covers both Q4 and fiscal year 2022 results. As you know, in 2022, we experienced significant headwinds from the strengthening of the U.S. dollar, increased tax rates and the impacts from the Russia-Ukraine war. Despite those headwinds in fiscal '22, Adobe achieved record revenue of \$17.61 billion, which represents 12% year-over-year growth or 15% growth in constant currency on an adjusted basis. GAAP EPS for the year was \$10.10 and non-GAAP EPS was \$13.71.

We exceeded our initial Non-GAAP EPS target for fiscal year '22, which speaks to the discipline, strong execution and resilient operating model of the company. Fiscal year '22 business and financial highlights included: Digital Media revenue of \$12.84 billion; net new Digital Media ARR of \$1.91 billion, Digital Experience revenue of \$4.42 billion, cash flows from operations of \$7.84 billion, RPO of \$15.19 billion exiting the year, and repurchasing approximately 15.7 million shares of our stock during the year at a cost of \$6.30 billion.

In the fourth quarter of fiscal year '22, Adobe achieved revenue of \$4.53 billion, which represents 10% year-over-year growth or 14% in constant currency. GAAP diluted earnings per share in Q4 was \$2.53 and non-GAAP diluted earnings per share was a record \$3.60.

Q4 business and financial highlights included: Digital Media revenue of \$3.30 billion, record net new Digital Media ARR of \$576 million, Digital Experience revenue of \$1.15 billion, record cash flows from operations of \$2.33 billion, adding over \$1 billion to RPO sequentially in the quarter and repurchasing approximately 5 million shares of our stock.

In our Digital Media segment, we achieved Q4 revenue of \$3.30 billion, which represents 10% year-over-year growth or 14% in constant currency. We exited the quarter with \$13.97 billion of Digital Media ARR. We achieved Creative revenue of \$2.68 billion, which represents 8% year-over-year growth or 13% in constant currency, and we added \$453 million of net new Creative ARR in the quarter.

Driving this performance was good linearity throughout the quarter as well as strong customer purchasing during the peak holiday shopping weeks. Fourth quarter Creative growth drivers included new user growth fueled by customer demand, targeted campaigns and promotions and year-end seasonal strength, which drove strong web traffic and conversion rates in the quarter, adoption of our Creative Cloud All Apps offerings across customer segments, from enterprise to team to individual and education, strength of the new Acrobat within our Creative Cloud offering demonstrating the importance of digital documents and workflows to the creative community.

Sales of individual applications, including a strong quarter for our imaging and photography offerings, continued growth of newer businesses, including Express, Substance, Frame and Stock and a solid finish to the year in SMB and enterprise. Adobe achieved Document Cloud revenue of \$619 million, which represents 16% year-over-year growth or 19% in constant currency. We added \$123 million of net new Document Cloud ARR in the quarter.

Fourth quarter Document Cloud growth drivers included: Acrobat subscription demand across all customer segments, continued growth of Acrobat web, fueled by online searches for PDF and product-led growth, strong performance of our new Acrobat offering integrated with Sign, driving upsell ARR as well as new customer adoption and year-end seasonal strength in SMB, including through our reseller channel.

Turning to our Digital Experience segment. In Q4, we achieved revenue of \$1.15 billion and subscription revenue of \$1.01 billion, both of which represent 14% year-over-year growth or 16% in constant currency. Fourth quarter Digital Experience growth drivers included: expected year-end strength with significant bookings of our newer offerings in EMEA that builds on our momentum in North America, success closing numerous transformational deals that span our portfolio of solutions. Momentum with our Adobe Experience Platform and native applications, including Real-Time CDP, strength with our content and Workfront solutions, which are integral components of our content supply chain strategy and increased customer demand for professional services as enterprises focus on implementation and accelerating time to value realization from digital investments.

In Q4, we focused on making disciplined investments to drive growth and awareness of our products. We continue to have world-class gross and operating margins and drove strong EPS performance in the quarter. Adobe's effective tax rate in Q4 was 22.5% on a GAAP basis and 17.5% on a non-GAAP basis. The GAAP tax rate came in lower than expected, primarily due to lower-than-projected tax on our foreign earnings. RPO exiting the quarter was \$15.19 billion growing 9% year-over-year or 12% when factoring in a 3 percentage point FX headwind. Our ending cash and

short-term investment position exiting Q4 was \$6.10 billion and cash flows from operations in the quarter were a record \$2.33 billion, up 14% year-over-year.

We now intend to use cash on hand to repay the current portion of our debt on or before the due date, which we expect will reduce our interest expense in fiscal year '23. In Q4, we entered into a \$1.75 billion share repurchase agreement. And we currently have \$6.55 billion remaining of our \$15 billion authorization granted in December 2020, which goes through 2024. As a reminder, we measure ARR on a constant currency basis during a fiscal year and revalue ARR at year-end for current currency rates.

FX rate changes between December of 2021 and this year, have resulted in a \$712 million decrease to the Digital Media ARR balance entering fiscal year '23, which is now \$13.26 billion after the revaluation. This is reflected in our updated investor data sheet, and ARR results will be measured against this amount during fiscal year '23. We provided preliminary fiscal year '23 targets at our Financial Analyst Meeting in October that take into account the macroeconomic environment and the growth drivers of our various businesses.

While there is ongoing macro uncertainty, given the massive long-term opportunity in digital and the momentum in our business, we're pleased to reiterate those financial targets. In summary, for fiscal year '23, we're targeting: total Adobe revenue of \$19.1 billion to \$19.3 billion; Digital Media net new ARR of approximately \$1.65 billion; Digital Media segment revenue of \$13.9 billion to \$14.0 billion; Digital Experience segment revenue of \$4.925 billion to \$5.025 billion; Digital Experience subscription revenue of \$4.375 billion to \$4.425 billion; tax rate of approximately 22% on a GAAP basis and 18.5% on a non-GAAP basis; GAAP earnings per share of \$10.75 to \$11.05 and non-GAAP earnings per share of \$15.15 to \$15.45.

As a reminder, these targets do not contemplate our planned acquisition of Figma. We expect normal seasonality throughout the year, with Q1 being sequentially down and seasonally light for new business, sequential growth from Q1 to Q2, a dip in Q3 on account of summer seasonality and a strong finish to the year in Q4. For Q1 fiscal '23, we're targeting: total Adobe revenue of \$4.60 billion to \$4.64 billion; Digital Media net new ARR of approximately \$375 million; Digital Media segment revenue of \$3.35 billion to \$3.375 billion; Digital Experience segment revenue of \$1.16 billion to \$1.18 billion; Digital Experience subscription revenue of \$1.025 billion to \$1.045 billion; tax rate of approximately 22% on a GAAP basis and 18.5% on a non-GAAP basis; GAAP earnings per share of \$2.60 to \$2.65 and non-GAAP earnings per share of \$3.65 to \$3.70.

In summary, Adobe finished fiscal year '22 strong, executing on our strategies across Creative Cloud, Document Cloud and Experience Cloud. I expect this performance to carry into next year as Adobe sustained top line growth and world-class profitability continue to position us well for fiscal '23 and beyond.

Shantanu, back to you.

---

**Shantanu Narayen** - Adobe Inc. - Chairman & CEO

Thanks, Dan.

As the company celebrates its 40th anniversary, it is a perfect time to reflect on our past and our future. Adobe was founded on simple, but enduring principles that remain with us today. Innovation is at our core. Employees are our greatest asset and our customers, communities and shareholders are central to our success.

Over the past four decades, Adobe's continuous innovation and leadership have empowered billions of people around the globe to imagine, create and deliver the best digital experiences. Our strong brand and company culture enable us to attract and retain the world's best employees. We are proud to once again be named to Interbrand's Best Global Brands list as a top riser for the seventh year in a row and to Wall Street Journal's Best-Managed Companies, ranking #1 for employee engagement and development. We have everything it takes to continue our success in the future, massive market opportunities, a proven ability to create and expand categories that transform markets, an expansive product portfolio that serves a growing universe of customers, revolutionary technology platforms that advance our industry leadership and competitive advantage and expanding ecosystem that delivers even greater value to customers, strong business fundamentals in the most dedicated and talented employees. I have never been more certain that Adobe's best days are ahead. Thank you, and we will now take questions. Operator?

## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions)

We'll go ahead and take our first question from Mark Moerdler with Bernstein Research.

**Mark L. Moerdler** - *Sanford C. Bernstein & Co., LLC., Research Division - Senior Research Analyst*

Congratulations on the quarter and the guidance, by the way. Can you give us, David, some more color on Adobe Express and your ability to convert free users to paid users? Are you seeing any impact to creative customers trying to switch Express? And how do you assure Express paid adoption with that impact on Creative Cloud?

**David Wadhvani** - *Adobe Inc. - President of Digital Media Business*

Yes. We're very excited about sort of the state of Express. Express just finished its first year in market. We have millions of monthly active users. As I mentioned, we saw very strong growth sequentially quarter-over-quarter with -- in the U.S., which is our primary focus market, 40% quarter-over-quarter growth in visitors, terrific NPS of over 50% and that's really on the backs of hundreds of millions of Stock content that we have, the 20,000 fonts that we've added that is unique to our offering the highest quality templates. And the constant addition of best-breed features from our other Adobe products like Photoshop and Premiere and Acrobat.

We've had over 100 releases in the first year that Express has been out. So we're very excited about that. And so the Express business itself continues to do well, both in terms of free users and in terms of conversion of those free users. But to your question, we also are seeing very strong adoption of Express within our existing CC customer base. So we see a lot of people, of course, buying our core flagship applications for the power and precision that they have and that they represent, but there are times in those users that are looking to just get something done quickly. And the fact that Express is also entitled to those users gives them the ability to have the power and precision and the speed and ease.

And so as users are coming, we're bringing in more users than we've ever had in audiences, we haven't reached by finding intent-based search for things. We're bringing those users in, which is giving us incredible top of funnel. We're driving the conversion. And we're also able to drive utilization increases in CC customers, which is driving retention of that business overall as well. So the funnel and that migration of that base is very healthy and playing out as expected.

### Operator

We'll go ahead and move on to our next question from Brad Sills with Bank of America.

**Bradley Hartwell Sills** - *BofA Securities, Research Division - Director, Analyst*

I wanted to ask another question about Creative Cloud Express. Obviously, you're seeing some success here with that top of funnel business. Is there any color you can provide on where you see the upgrade path for some of those customers? Are there -- is there a certain upsell motion that we could see conversion of other products, even potentially the full suite in that installed base as it's growing?



**David Wadhvani** - Adobe Inc. - President of Digital Media Business

Yes. As we talked about when we launched Creative Cloud Express, the primary focus right now is bringing people into Adobe Express and just making them successful, whether it's at the free tier or whether it's at the paid tier or whether it's a pay tier eventually migrating up into the core flagship applications.

Our primary focus has been and continues to be right now around usage, repeat usage and utilization. We are seeing, though, while that's our primary focus, we are seeing a lot of really interesting data coming in suggesting that we -- that the upgrade has are -- while still early and not our primary focus are working. For example, in many higher ed institutions where we've started to deploy Adobe Express, we're starting to see not just the increase in terms of usage of Express, but we're also starting to see increase in demand for Adobe Creative Cloud flagship applications. And again, part of this is we know and we believe that everyone should be creative and creativity is the new productivity. But as people start to leverage and benefit from that creativity, they naturally want more power and precision as well. So they do go well hand in hand (inaudible).

---

**Operator**

We'll move on to our next question from Sterling Auty with SVB MoffettNathanson.

---

**Sterling Auty** - SVB MoffettNathanson

So I'm curious, is there anything operationally that you can do in preparation for the Figma acquisition, either from an expense structure or development side now before close? And if so, what are those moves that you're making?

---

**Shantanu Narayen** - Adobe Inc. - Chairman & CEO

Yes, Sterling, maybe I can speak to that. I mean, first, it's nice to see that since the deal was announced, the excitement associated with both what we can do as combined companies as well as, as you can see from our results, the interest in the core business. And so we're excited overall associated with it. Certainly, as the regulatory bodies are looking at it. We can focus on thinking about strategically. We are getting a lot of great feedback from customers. But these are 2 separate independent companies. And as it relates to our own cost structure as well as our technology, we feel really good about all the prioritizations we've made. And so we feel like we're uniquely positioned when it closes to immediately take advantage of it.

---

**Operator**

We'll move on to our next question from Brad Zelnick with Deutsche Bank.

---

**Brad Alan Zelnick** - Deutsche Bank AG, Research Division - Head of Software Equity Research and Senior US Software Research Analyst

My congrats as well on a strong finish to the year. Following up on Sterling's question, it's good to hear the Figma close process is moving forward as expected. Can you give us an update on how their business is trending, just relative to your commentary at the time the deal was announced especially given the evolution of the macro environment since then.

---

**Shantanu Narayen** - Adobe Inc. - Chairman & CEO

Brad, as you know, they're a private company. And so we're certainly not at liberty to talk about it. And they have to continue to execute on their opportunity by themselves.

**Operator**

We'll move on to our next question from Mark Murphy with JPMorgan.

---

**Mark Ronald Murphy** - *JPMorgan Chase & Co, Research Division - MD*

I'll add my congrats. So Shantanu, the amount of energy and excitement in the audience was quite impressive down at the MAX conference. And I'm wondering which of the innovations that you unveiled has created the most enthusiasm, which you might -- you think might also be monetizable? And I'm wondering whether it could be Generative AI or that Share for Review capability, the Intertwine capability or anything else really coming to the forefront.

---

**Shantanu Narayen** - *Adobe Inc. - Chairman & CEO*

Well, Mark, firstly, thanks for being there, and it's clear that you were also looking at all of the cool new innovative stuff that was delivered. I always worry about questions like that because it's, you know, which of my children do I love the most. But let me just speak to, I think, thematically, what David and Scott showed, which is the core applications. We just continue to make sure the core applications are more accessible, more productive, more fun. And so I think that's one area, thematically, that the team has done an outstanding job of making sure that we continue to deliver innovative capabilities. You mentioned Intertwine and Illustrator.

I think the second thing, thematically, we talk about how do we get more people into the franchise. David also referred to that when he answered the 2 questions on Express, which is, the more we get people into the franchise, whether it's through our trial products, whether it's through Express, whether it's through participating in the collaborative process. I think that only adds to the available market for Adobe. And so I think the work that we're doing in collaboration is really continuing to democratize what we can do. So I'm pretty excited about that. I think the AI and the sneaks that you talked about, that really the potential for that when you see whether it was the individual funds that were being done or whether your ability through a text, to be able to get your content done exactly the way it is.

I'm sure you've been tracking also what's happened, Mark, in terms of the ChatGPT and what you can do with respect to tech.

So I think that entire space, our vision has always been anybody who has a creative idea, how do you get that creative idea to life. And so I think moving from the hundreds of millions to billions of people who can use it. You're right, that has profound impact in terms of getting more people on our platform. And I think you'll see us be quite aggressive about delivering more of that functionality in an augmented way, perhaps first starting with Express. But I think we're excited about all of that. And the Frame acquisition certainly also is off. I think David and Dan spoke to Substance. So we feel really good about the multiple growth drivers.

---

**David Wadhvani** - *Adobe Inc. - President of Digital Media Business*

If I can just add a little bit to that. The 3 examples you brought are really interesting examples because Intertwine is an example of the ongoing innovation in our existing flagship application. So that continues to drive and keep people engaged and onboarding into the applications and keep those -- keeps everything fresh and differentiated. Share for Review that initial release, while still early, we've been amazed by the repeat use of that once people start using it. And that represents a great growth loop for us because, as you know, anyone that gets shared a document, whether it's a Photoshop document or an Illustrator document or any other document is also an opportunity as a stakeholder to turn into a future user of Adobe products, whether it happens to be the Photoshop document to Photoshop usage or whether it happens to be driving people to try Adobe Express. So those growth loops are really interesting and important to us as well. I just wanted to make sure people saw that opportunity.

---

**Operator**

The next question will come from Jay Vleeschhouwer with Griffin Securities.

**Jay Vleeschhouwer** - *Griffin Securities, Inc., Research Division - MD of Software Research*

Shantanu, I'd like to ask about a term that you use often at MAX. And in fact, a new 3-letter acronym that you use as well, namely product-led growth. And the question is Adobe has arguably been a product-led growth company for the more than 30 years that I've known you and I'm wondering now what does product-led growth mean differently today from what it might have meant historically? And relatedly, how are you thinking about the cross-sell and upsell opportunity that you also spoke about at MAX, specifically for 2023.

**Shantanu Narayen** - *Adobe Inc. - Chairman & CEO*

Yes, Jay, thanks for recognizing that our innovation has really come through an extremely close relationship with customers. So I think in the past, in the desktop era, what product-led growth really was all about was making sure that as we engage with the customers, as we engage with the community, that we were able to use that. I think the best example perhaps in the desktop era was what we did with Lightroom. And when we first came up with Lightroom, given the fact that we had Photoshop already as a product, just getting the millions of people to use it even before we release the product, having all those evangelize a great product, I think was a great example. What the team in both Creative Cloud and frankly, in the Experience Cloud, are doing is actually also following on the great work that we pioneered in the Document Cloud.

And so in the Document Cloud, I think product-led growth really related to as we think about what people were doing on searches when we introduced our web-based offerings for Acrobat, that's when we just started to see this velocity of how we engage with customers and prioritizing what's clearly top of mind for them, our ability to immediately satisfy them, I think, escalated quite a bit.

When David came in, David really said, we've got to take this to a whole new level with product-led growth, and it's integrating both the community as well as, frankly, right now, engagement and engagement marketing in the product. And so when you get into product sessions right now, and you see the product manager and the engineering manager as well as the product marketing manager, all of them are on the same page. We have data. We have things instrumented in the products and your ability to do both AB testing and here's where we use our own products and the products that Anil does. And so product-led growth right now is about saying, at any given time, we probably have 3 tests in market for a particular feature as well. And we're using that to really learn from the customer interactions and to deliver better quality products sooner. But David has really been the pioneer. So David, if you'd like to add? And then maybe a little bit, Anil, on what we are doing for that in digital experience as well.

**David Wadhvani** - *Adobe Inc. - President of Digital Media Business*

Yes, Shantanu, I think that was a pretty complete summary. The only thing I would add is that there's an interesting inflection point that we are in terms of our product development cycles that give us an opportunity to take what we've always been doing, to your point, with product-led growth and drive even more use of it, which is the introduction of all the web applications that we have. So we now have Photoshop web, we have Illustrator web, we have Acrobat web, we have Adobe Express, and you combine that with the sharing focus that we have with Share for Review as an example. And we have new growth loops that we can start optimizing, and that's been a huge area of focus for the teams.

**Anil S. Chakravarthy** - *Adobe Inc. - President of Digital Experience Business*

Yes. I just wanted to add, Shantanu, as you said, several of our enterprise customers are starting to deploy their own product-led growth using our analytics technology, a banking customer, for example, one of our best customers. They have their online mortgage application, and they want to track who is able to use it successfully, who's able to complete applications completely online, and they're using our analytics technology to do that and see what works and what they need to do to fix it. So we're starting to see like exactly, as you said, our technology being both used inside Adobe to drive our own PLG as well as customers doing it.

**Shantanu Narayen** - Adobe Inc. - Chairman & CEO

And Jay, maybe to get to your second question and taking a step back, I do have to say, when we look at our annual targets that we had provided for Digital Media ARR at the beginning of the year of \$1.9 billion. And I know even with our Q4 guide, I think people had some questions about where is the momentum. And I think the team crushed that, which I feel really good about. And so a lot of that is happening as a result of just first, attracting and acquiring customers to the platform. And then what you're referring to is the cross-sell upsell, whether it's people who first engage with us on a mobile device, whether it's people in Acrobat we've used Adobe Reader as a very, very good on-ramp to allow people to engage with PDF functionality and then either get a license for our Acrobat web product or for the desktop product. Individual apps, the success and the driving of individual apps has always been an on ramp, and we then do a really good job because we use Adobe Experience Platform to then convert them and even promotional pricing.

I know we've had some questions in the past. And we have incredible data that shows us when people come in, whether that's on educational pricing and then they graduate or on promotional pricing, converting them to customers. So I think there are numerous ways in which we've demonstrated that by personalizing our offer to every creative or knowledge worker that we're able to monetize that as well after they derive the value from it.

---

**Operator**

We'll move on to Derrick Wood with Cowen & Company.

---

**James Derrick Wood** - Cowen and Company, LLC, Research Division - MD of TMT - Software & Senior Software Analyst

Congrats on a strong net new ARR customer -- quarter. I wanted to ask about the composition of this number. The growth dynamic between Creative Cloud and Document Cloud was a little surprising. I mean Creative Cloud had, I think, the second strongest sequential percentage growth Q4 ever. But looking at Document Cloud, net new ARR didn't grow much sequentially in what's typically a stronger uptick in Q4. Can you just give a little more color on the seasonal dynamics you saw between Creative and Document Cloud in the quarter?

---

**David Wadhvani** - Adobe Inc. - President of Digital Media Business

Sure. Yes, I'm happy to do that. So first of all, yes, as Shantanu mentioned, we're very pleased with how FY '22 has gone and how the quarter closed out, we saw a lot of strength in the core businesses. And our primary focus across these businesses continues to be around new customer acquisition, new customer adds. We also have a lot of diversity in terms of the drivers that we have and the leverage we have to drive the business.

As we mentioned, we saw great strength across all of our Creative segments imaging, photo, video design. We also grew a lot of -- focused a lot in terms of new campaigns that are targeting new audiences for creative as well. With a new campaign called Everyone can Photoshop that's bringing customers in directly into the products and has been very productive in terms of driving top of funnel and conversion. On the -- in terms of new businesses for Creative, we're seeing a lot of strength from new businesses like Frame and Substance that have contributed more this quarter than ever before.

And to your point, we've also been seeing a lot of strength in the core business around Acrobat. We're running a Acrobat's Got It campaign really targeted at new customers in SMB where we show them all the capabilities that Acrobat has now including specifically focused on signatures and things that really help them drive the business.

So overall, the business is doing very well. The one dynamic that if you look at from an Acrobat perspective that we're really proud of too is that we saw -- for the year, we saw growth of ARR at 23% despite the complicated macro. And it's important to remember that some portion of this is also -- the Acrobat business is also represented in the Creative business. So the Acrobat growth number is probably a bit understated in this point.

**Operator**

We'll move on to our next question from Michael Turrin with Wells Fargo Securities.

**Michael James Turrin** - Wells Fargo Securities, LLC, Research Division - Senior Equity Analyst

Maybe one on the Digital Experience side, we fielded some questions there just around guidance for next year in the current backdrop. You're holding on targets grew well at 16% in constant currency for the quarter, so can you just talk more around how much visibility you have in the targets there and it's how you closed the year at all, particularly given that EMEA comment provides incremental confidence in those targets going forward.

**Anil S. Chakravarthy** - Adobe Inc. - President of Digital Experience Business

Thanks for the question. We are pleased with the performance of the Digital Experience business. I mean just as a quick reminder, at the beginning of the year, we had guided DX at 17% of adjusted growth for the year, which is what we achieved in a really tough year with all the different macro issues. So if I really take a step back, we're -- first of all, we're in a really strong position with our product portfolio. We have a clear leader in the market with the investments we made at the Adobe Experience platform starting 5 years ago. And that is really paying off with the book of business that we are seeing and all the customer adoption that we are seeing. And what we are hearing from our conversations with our customers is that they're really eager to invest in a platform that enables them to meet the mission-critical priorities around digital.

And that's what we are enabling them and personalization in real time at scale. So this is a significantly large opportunity. And what we believe is that as we go through this time, single product companies are going to come under a lot of scrutiny. So while we definitely see deals getting scrutinized and going up to higher levels for approval, we also see that customers really want to invest in a market leader like us for their investments, it's going to last the next 10, 15 years to -- for the digital investment. So pleased with where we are.

**Shantanu Narayen** - Adobe Inc. - Chairman & CEO

Maybe Anil, I'll just add a couple of things to what you said. I mean the first is that value realization has been top of mind for a lot of these customers. And so I think if you look at the business as well, the services part, it's very clear that people want to implement it. And what I think is unique about Adobe's offerings in this particular space is that we help both with the customer engagement and frankly, the top of funnel as well as we held with productivity and cost. And so it doesn't matter which side of that equation you are as an enterprise. I think both of them find that the Adobe Experience Cloud as well as, frankly, what we are doing with Sign actually help them on both fronts. And so we're pleased associated with that, and we have good visibility. I want to complement Anil and his team on the execution against the pipeline and transformational deals also, I think, just reflect the overarching interest that people have in making sure digital continues to be an imperative. And so we're not going to be immune to the macroeconomic, but I like our differentiated solution and our execution.

**Operator**

And our next question comes from Brent Thill with Jefferies.

**Brent John Thill** - Jefferies LLC, Research Division - Equity Analyst

Dan, in terms of your guide, are you implying the environment gets worse or stays the same. And for Shantanu, can you just talk about the next 6 to 9 months as we potentially go into a tougher economic headwind, how you're reshaping and rethinking your go to market or any steps that you can take to ensure you can cut through what is coming in.

**Daniel J. Durn** - *Adobe Inc. - CFO and Executive VP of Finance, Technology Services & Operations*

Yes. So from a guide standpoint, we spent a lot of time talking about the environment we're in during FA day. Against that backdrop, you can see the momentum of the business. You can see the execution against the opportunities. What I really like about the way we're positioned in the market. There's a diversification of the company. It's end markets, it's product segments, it's business models, it gives us a resilience in the environment that we're in and we see that in the momentum we're carrying into next year. There's really no change to the view of the environment that we're in, and you see that reflected in the targets that we set for 2023. So we feel good about the way we're executing against a complicated macro environment, and we'll continue to stay focused on adding value to our customers, but there's a diversification and our resilience to who we are and a mission criticality of what we sell to our customers. And then you could see that in the comment that Shantanu made. You can see us impacting the company's top line. You can see us impacting the productivity with which they serve their customers, and that puts us in a pretty unique position.

---

**Shantanu Narayen** - *Adobe Inc. - Chairman & CEO*

And Brent, as it relates to your second question, I'll unpack that in maybe 2 ways. First is we're really pleased with what we did and even when the pandemic first started about prioritizing what was really critical for us. And I think the prioritization exercise when you're really focused on your top imperatives, that's really helped bring clarity and alignment within the company that I don't think should be undersold in terms of how effective that has been for execution. As it relates to the next 6 or 9 months and you think about the 3 routes to market, Digital continues to be an area of strength. I mean, I know through our Adobe Digital Index we talk about what we are seeing in terms of people continuing to engage with the customers -- companies that they want to transact with electronically. And so on the digital side, we will just continue to make sure we focus on acquiring the customers.

David spoke to some of the effective campaigns. Clearly, we understand the attribution of that. And we just have to remain vigilant on making sure that we're attracting the customers on the new platforms where they exist. And for retention, which is a key issue as well, just how they continue to get value from the offerings that they have, the partner ecosystem, whether that's for the small and medium business or whether that's for what we are doing with the SI and VAR community on Digital Experience, just continuing to enable them, continuing to engage with them. I think that's a part.

Clearly, the small and medium business did see a rebound after what they went through last year, which was a really bad situation. So I think we have to remain vigilant on that. And I think on the direct sales part, as we look at our pipeline, December, despite the fact that it's our first month of our quarter, we will continue to focus on execution against that to take advantage of whatever budget flush exists in companies. And then as you start to come to what happens in Japan in February as it's the end of their fiscal year, continuing to focus on Europe. Brent, Europe was actually one of the highlights for us in the quarter. I think Adobe Experience Platform has done well.

And so we remain cautious, clearly about the macroeconomic, but I think we have visibility into making sure that we can continue to execute, Brent.

---

**Operator**

We'll go ahead and move on to our next question from Keith Bachman with BMO.

---

**Keith Frances Bachman** - *BMO Capital Markets Equity Research - MD & Senior Software & IT Services Analyst*

Apologize in advance for some background noise. Shantanu and David, I wanted to direct this to you, if I could. The ARR net new in the quarter was very good, particularly relative to expectations. If we look back over a little longer period of time though, than the quarter, growth has slowed in net new ARR even if it's assuming of flattening out. And what I didn't -- what we didn't really get -- I think as much as we would have liked at the Analyst Day was, what do you think that the key drivers of the net new ARR and Creative have been or total ARR if you want.

And what are the key things that you're focused on before Figma that would cause an improvement in ARR growth? I assume that one has been perhaps Adobe Express as a more compelling entry point. Is there anything else that you can call out there's something (inaudible) that you believe that Adobe is focused on like really some issues in the past that you think are going to be resolved in (inaudible) before Figma but improve despite the macro or help growth in the Creative side.

---

**David Wadhvani** - Adobe Inc. - *President of Digital Media Business*

Yes, I'm happy to jump in and Shantanu can add anything. So at a high level, if you look at what we've talked about at Analyst Day, our strategy is very clear, which is new users and retention are the core drivers and focus areas. As Shantanu mentioned, we're being very focused and very intentional in terms of those 2 things. When it comes to new subscribers, we added more new commercial subscribers this year than we've ever added in our history, and that is a really important intentional sort of activities we are doing.

Many of those new users are -- tend to be nonprofessionals, right? Or they tend to be earlier in career professionals. And so they are coming in and leveraging our initial single app plan or Adobe Express, as an example, and we're very happy to have them take that on because we believe very strongly that the opportunities to drive and upsell them from Express to single app and from single app to all apps, is going to be something that is persistent and something that is very ready and available to us at the time we need. The main thing, though, is about getting them into the products and making them successful. And so with that focus, we've been very -- we've also been maniacally operational about retention of those bases. I think people have asked questions, as you broaden the net, you bring in other users that are not typical Adobe users, what's happening to the retention rates.

I think we also shared that we're seeing usage of products continues to stay very strong as we bring in these new audiences. And we're starting -- and we're seeing retention continue to tick up and improve. And in fact, retention now is better than it was pre-pandemic as an example. So we continue to bring in new users. We continue to retain those new users and we see organic opportunities to move them up and upgrade them.

Shantanu mentioned a great example of education. We continue to see a lot of people come in with our education pricing. And then we have the opportunity, 2 years or 3 years later when they graduate to upgrade them to full commercial pricing. And those activities are playing out as expected, and we see a lot more opportunity to it, but it all comes down to bringing new users in, getting them using the products a lot and retaining them.

---

**Shantanu Narayen** - Adobe Inc. - *Chairman & CEO*

And maybe to add to that, Keith. I mean, when you think about the newer businesses that we're talking about, video just continues to be a really key growth driver, 3D and immersive imaging and photography. But if you take a step back, I think there are 2 things happening in the macroeconomic environment, there are actually going to be tailwinds. The first is the fact that it is the golden age of design. Everybody would like to express themselves. There are more screens on which all of this content is being consumed. So I think the insatiable consumer demand for content, I think, is certainly driving a lot of more content that's being created. One of the exciting areas that I think David and Anil have talked about is what we are calling content supply chain. And when you take even the larger companies, they are all trying to get a handle of as they engage digitally with customers how much content is being created? Where is it being created?

Where is it being delivered? How do I localize it? What's the efficacy of that content. And so I think this content supply chain and everything we have with our creative applications our asset management, the fact that we then deliver that content. I think we continue to believe that, that's going to be a growth driver for the entire business as well.

So I wouldn't underestimate the insatiable consumer demand but I also wouldn't underestimate what's happening as enterprises recognize that the way to engage with people is to personalize that content.

---

**Jonathan Vaas** - Adobe Inc. - *VP of IR*

Okay. Operator, we're at the top of the hour. We'll make time for one more question, and then we'll wrap up.

---

**Operator**

You bet. We'll go ahead and take our last question from Alex Zukin with Wolf Research.

---

**Aleksandr J. Zukin** - *Wolfe Research, LLC - MD & Head of the Software Group*

I apologize for background noise. I guess we've heard a lot about the continuing growth initiatives in the demand environment, sounding like it's pretty resistant to any macro pressures you're seeing at the moment. I'll ask the kind of other side of the equation. As you think about the levers that you have on the margin side, the discipline that you've been exhibiting. It does seem like over the last quarter and maybe the past few quarters, that margin story, that margin discipline has continued to exceed at least our expectations. So as we look at the next year, as you think about the levers that you have in the business if the parts of the business should slow. Can you go through maybe walk through a little bit of where you see the opportunity to either, a, leave in or b, pull back? And also how we should think about cash conversion in that scenario from a cash flow perspective.

---

**Daniel J. Durn** - *Adobe Inc. - CFO and Executive VP of Finance, Technology Services & Operations*

Yes. So from an operating performance standpoint, you rightfully point out, the company is performing really, really well. But we're doing what we've always done inside the company, which is drive growth, deliver industry-leading products and innovation to our customers, help them become more effective on the critical path of driving revenue for their business. But we do it in a very disciplined way that drives margin and cash flow while driving growth. And we talked a lot about rule of 40 at our FA day. If I were to take a step back and reflect on FY '22, it's complicated macro environment. and we were operating at a rule of 60 for the year. So we feel really good about our ability to operate. And so as I look forward into next year, we're going to continue to lead. We're going to continue to innovate. We're going to continue to make our customers successful, but we'll continue to do what we've always done, which is ruthlessly prioritize where we make our investments, constantly review the portfolio, prioritize the things that are going to drive long-term value for our customers and do it in a very disciplined way.

So that's the operating tone inside the company. Nothing's changed on that front. We feel really good about how we're executing in the environment and the momentum we're carrying into 2023. From a cash flow standpoint, it all starts with driving that discipline in the business and we'll continue to drive cash flow and deploy that excess cash on a quarterly basis to create value with the shareholders.

---

**Shantanu Narayen** - *Adobe Inc. - Chairman & CEO*

And Alex, given that was the last question, let me start off by saying as we celebrate our 40th anniversary, it's both humbling and inspiring to think about the impact that Adobe has had on the communication world and what we've been able to do. And it's rare to be able to say at this level that we believe that our best years are ahead of us. If I take a step back and I look at what we have done in 2022, there are 3 things that stand out for me, the Digital Media ARR and just continuing to drive new customer acquisition and deliver innovative products across both the Creative Cloud and Document Cloud. We've done a really good job of demonstrating why creativity and design is going to be more important and also combining creativity with productivity.

On the DX side, the organic creation of the Adobe Experience Platform and its apps, and the success that we've seen associated with that, the fact that we just had a first \$1 billion quarter as it related to subscription revenues, I think that just reflects both the fact that we created this category. And unlike all of the other enterprise software companies who are in that space, we're just ruthlessly focused on this. And it is unique in that it helps both the top line and bottom line for enterprises. And to the question that you specifically asked, Alex, I mean, profitability, despite the FX impact that impacted hundreds of millions of dollars when you look back and say, at the end of the year, we exceeded our non-GAAP EPS that we had said a year ago.

I think that is a really amazing performance by the finance and operations team of making sure that we continue to remain focused. And I think as it relates to go forward, we've clearly talked about why we're excited about the innovative road map, why we're excited about all of the things that



are going to come up in 2023 and beyond. And so I think it was a good year. We will continue to remain focused. I want to thank our employees who really are the unsung heroes of all of this execution and the work that they do. And for every one of you, thank you again for your interest in Adobe and happy holidays and wishing you all a joyous holiday season.

---

**Jonathan Vaas** - Adobe Inc. - VP of IR

Thanks, everyone. This concludes the call.

---

**Operator**

With that, that does conclude today's call. Thank you for your participation. You may now disconnect.

---

**DISCLAIMER**

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2022, Refinitiv. All Rights Reserved.