

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

ADBE.OQ - Q2 2024 Adobe Inc Earnings Call

EVENT DATE/TIME: JUNE 13, 2024 / 9:00PM GMT

## OVERVIEW:

Company Summary

## CORPORATE PARTICIPANTS

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

**Shantanu Narayen** *Adobe Inc - Chairman of the Board, Chief Executive Officer*

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

**Anil Chakravarthy** *Adobe Inc - President - Digital Experience Business*

**Daniel Durn** *Adobe Inc - Chief Financial Officer, Executive Vice President - Finance, Technology Services and Operations*

## CONFERENCE CALL PARTICIPANTS

**Mark Moerdler** *AllianceBernstein L.P. - Analyst*

**Aleksandr J. Zukin** *Wolfe Research, LLC - Analyst*

**Saket Kalia** *Barclays plc - Analyst*

**Brent John Thill** *Jefferies Financial Group Inc. - Analyst*

**Gregg Moskowitz** *Mizuho Americas LLC - Analyst*

**Keith Weiss** *Morgan Stanley & Co LLC. - Analyst*

**Bradley Sills** *Bank of America Corporation - Analyst*

**Brad Alan Zelnick** *Deutsche Bank AG - Analyst*

**Kasthuri Gopalan Rangan** *Goldman Sachs Group, Inc. - Analyst*

**Jake Roberge** *William Blair & Company, L.L.C. - Analyst*

## PRESENTATION

### Operator

Good day, and welcome to the Q2 FY 2024 Adobe Earnings Conference Call. Today's conference is being recorded. At this time, I'd like to turn the conference over to Jonathan Vaas, VP 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 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 Second Quarter Fiscal Year 2024 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.

Information discussed on this call, including our financial targets and product plans is as of today June 13, and contains forward-looking statements that involve risks, uncertainties, and assumptions. Actual results may differ materially from those set forth in these statements. For more information on those risks, please review today's earnings release and 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. During this presentation, Adobe's executives will refer to constant currency growth rates unless otherwise stated. Non-GAAP reconciliations 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 of the Board, Chief Executive Officer*

Thanks, Jonathan. Good afternoon and thank you for joining us. Adobe had an outstanding quarter, achieving revenue of \$5.31 billion, representing 11% year-over-year growth. GAAP earnings per share for the quarter was \$3.49 and non-GAAP earnings per share was \$4.48, representing 15% year-over-year growth. Our success is driven by growing customer value through an innovative product roadmap. The advances we are delivering across Creative Cloud, Document Cloud and Experience Cloud are enabling us to attract an expanding universe of users.

Everyone from creators, communicators, students, entrepreneurs, and businesses of all sizes are using our products to unleash their creativity, accelerate document productivity and power their digital businesses. Adobe's highly differentiated approach to AI is rooted in the belief that creativity is a uniquely human trait and that AI has the power to assist and amplify human ingenuity and enhance productivity.

We're innovating across data, models and interfaces and natively integrating AI across all our offerings. In Creative Cloud, we've invested in training our Firefly family of creative generative AI models with a proprietary data set and delivering AI functionality within our flagship products including Photoshop, Illustrator, Lightroom and Premiere.

We're reimagining creativity for a broader set of customers by delivering Adobe Express as an AI first application across the web and mobile surfaces. Since its debut in March 2023, Firefly has been used to generate over 9 billion images across Adobe Creative tools. In Document Cloud, we're revolutionizing document productivity with Acrobat AI Assistant and AI powered conversational engine that can easily be deployed in minutes.

This enhances the value of the trillions of PDFs, which hold a significant portion of the world's information. Acrobat AI Assistant features are now available through an add-on subscription to all Reader and Acrobat enterprise and individual customers across desktop, web and mobile. At the end of May, we celebrated the 5-year anniversary of Adobe Experience Platform, which we conceived and built from scratch, which is on track to be the next billion-dollar business in our Digital Experience portfolio.

We released AEP AI Assistant to enhance the productivity of marketing practitioners through generative AI while expanding access to native AEP applications. With Adobe GenStudio, we're bringing together products across our clouds, including Creative Cloud Adobe Experience Manager, Workfront, Adobe Journey Optimizer and Customer Journey Analytics as well as Adobe Express for Business to address a massive content supply chain opportunity.

Our approach to empower marketers to quickly plan, create, manage, activate and measure on-brand content is resonating with customers and validating our leadership across data, content and journeys to deliver personalized experiences at scale. We're extending our applications to integrate third party text, image and video models and partnering strategically to create multimodal large language models, offering customers greater choice and tools, and further enhancing the value of our leading applications and solutions.

We're driving strong usage value and demand for our AI solutions across all customer segments and seeing early success monetizing new AI technologies across our Digital Media and Digital Experience businesses. Given this rich product road map focused on execution and customer demand in the first half of the year, we're pleased to raise our annual Digital Media net new ARR, Digital Experience subscription revenue and EPS targets.

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

---

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

Thanks, Shantanu. Hello, everyone. In Q2, we achieved net new Digital Media ARR of \$487 million and revenue of \$3.91 billion, which grew 12% year over year. On the Document Cloud side, PDF has become a global standard for automating business and consumer workflows. And Acrobat is the platform of choice to view, edit, share, and collaborate with these documents.

We continue to see steady growth in monthly active users of our Document Cloud solutions, including Acrobat Reader, Acrobat Standard and Pro, and our signature share and review workflows across mobile, web and desktop. The introduction of Acrobat AI Assistant made generally available in April for English documents marks the beginning of a new era of innovation and efficiency for the approximately 3 trillion PDFs in the world.

Acrobat AI Assistant is empowering everyone to shift from reading documents to having conversations with them in order to summarize documents, extract insights, compose presentations and share learnings. AI Assistant is available as a standalone offer for use in Reader and as an add-on to Acrobat Standard and Pro, we're seeing early success driving adoption of AI Assistant as part of our commerce flows and remain optimistic about the long-term opportunities.

In Q2, we achieved Document Cloud revenue of \$782 million, growing 19% year over year. We added \$165 million of net new Document Cloud ARR, which was a Q2 record with year-over-year ending ARR growth of 24% in constant currency. Other business highlights include general availability of Acrobat AI Assistant support for document types beyond PDF, meeting transcripts and enterprise requirements.

Acrobat link sharing for PDF based collaboration continues to grow rapidly more than doubling year over year and driving viral new user adoption. Free monthly active users of Acrobat Web grew over 60% year over year as a result of link sharing and our Microsoft Edge and Google Chrome extensions.

Continued strength with free to paid digital conversion as a result of product-led growth optimizations. Strong growth in the SMB segment for our Team's offering driven by a combination of seat expansion and new account wins, key enterprise customer wins with AstraZeneca, Chevron, State Government of Florida, State of Illinois, United Healthcare Services and Wells Fargo.

Turning to Creative Cloud, creative professionals are leading with global charge to meet the ever-increasing demand for engaging content across a variety of platforms and channels. Enterprises rely on creative professionals to produce differentiated content to drive increasingly personalized marketing campaigns.

Solopreneurs and small businesses need to stand out in a crowded digital landscape with engaging videos and designs. Educators are passionate about providing students with the visual communication skills needed to thrive in the decades ahead, consumers are increasingly looking for ways to share their stories digitally.

Creative Cloud, Express and Firefly Services are uniquely positioned to capitalize this opportunity for everyone by leveraging the promise of generative AI. Our Creative Cloud flagship applications continue to release new features that are significantly improving user onboarding while simultaneously delivering an unprecedented level of power and precision.

Generative Fill and Generative Expand are already two of the top three features used by customers on the latest version of Photoshop. Text to vector support is off to a great start in Illustrator. Remove Object is the fastest growing feature and Lightroom mobile. Our preview of generative AI capabilities in Premier won Production HUB Award of Excellence at NAB, the largest video show in North America. We are integrating our leading applications with Firefly and third party generative AI models to deliver the richest most engaging content.

Our vision for Adobe Express is to provide a breakthrough application to make design easy for communicators worldwide, leveraging generative AI and decades of Adobe technology across web and mobile. Our launch of the all new Express application on iOS and Android earlier this quarter is off to a strong start with monthly active users doubling quarter over quarter.

This week's Design Made Easy event which focused on Express for Business was another big step forward for us. Companies of all sizes are excited about the integrated power and commercial safety of Firefly, the seamless workflows with Photoshop, Illustrator and Adobe Experience Cloud and enterprise-grade brand controls that are now part of Express for Business, making it the optimal product for marketing, sales, and HR teams to quickly and easily create visual content to share.

We also announced the general availability of Firefly Services and Custom Models at Summit. The platform makes API calls and model customization available to developers accessible through low-code, no-code tools and integrates with our Experience Cloud products. Firefly Services can power the creation of thousands of asset variations in minutes instead of months and at a fraction of the cost.

This allows us to monetize the volume of content being created through automation services. The increasing availability of Firefly and Creative Cloud, Express, Firefly Services and the web app is giving us opportunities to access more new users, provide more value to existing users and monetize content automation. These integrations are driving the acceleration of Firefly generations with May seeing the most generations of any month to date.

In Q2, we achieved \$3.13 billion in revenue, which grew 11% year over year. Net new Creative Cloud ARR was \$322 million.

Other Business Highlights include the launch of Express for Business, including support for brand controls and template locking, Firefly Custom Models, bulk creation and generation of variations, presentation and print capabilities and workflows with Photoshop, Illustrator and Experience Cloud.

The release of Firefly Image 3 Foundation Model with high quality image generation and more control with structure and style reference. The release of the Photoshop beta with Reference Image and advances in Generative Fill, the debut of Generative Remove in Adobe Lightroom, enabling anyone to remove unwanted objects from any photograph non-destructively with stunning, high-quality, photo realistic results.

The release of the Premier beta with new audio workflows driving strong usage, the deep integration of Firefly in Substance 3D, which provides an easy way to create textures and materials from reference images. The introduction of an all new Frame.io streamlining workflows across content types on a flexible and intuitive collaboration platform. Key enterprise customer wins include Credit Agricole, FedEx, Infosys, Rakuten, Ralph Lauren, Samsung, Schneider Electric and Volvo.

We are excited about the accelerating pace of innovation across the Digital Media business and pleased with the adoption of AI functionality as well as its early monetization across Document Cloud and Creative Cloud, including our flagship applications, Firefly Services and Express. We're pleased to raise our annual net new ARR target to \$1.95 billion and excited to deliver on our rich product road map in the second half.

I'll now pass it to Anil.

---

**Anil Chakravarthy** - Adobe Inc - President - Digital Experience Business

Thanks David. Hello everyone. In Q2, we achieved Experience Cloud revenue of \$1.33 billion. Subscription revenue was \$1.2 billion, representing 13% year-over-year growth. We are the industry leader in helping enterprises deliver personalized experiences at scale to their customers by combining the right content, customer data and journeys in real time.

When we introduced Adobe Experience Platform five years ago, it was a revolutionary approach to address customer data and journeys. Today, we're the number one digital experience platform, and AEP with native apps is well on its way to becoming a billion-dollar business. We're now transforming the content supply chain for enterprises with Adobe GenStudio, enabling them to produce content at scale, leveraging generative AI through native integrations with Firefly Services and AdobeExpress for Business.

Enterprise customers, both B2C and B2B view customer experience management and personalization at scale as key areas of differentiation, making it a priority investment for Chief Marketing Officers, Chief Information Officers, and Chief Digital Officer. We're excited by the customer interest and adoption of our latest innovations, including AEP AI Assistant, a generative AI-powered conversational interface that empowers practitioners to automate tasks, simulate outcomes and generate new audiences and journeys.

For example, customers like General Motors and Hanesbrands have been working with AEP AI Assistant to boost productivity and accelerate time to value while democratizing access to AEP and apps across their organization.

Marriott International is a great example of a customer that expanded its decade-long relationship with Adobe and turned to Adobe Experience Cloud to orchestrate highly personalized guest experiences across online reservations and the Marriott Bonvoy mobile app. Adobe Real-Time CDP and Adobe Journey Optimizer enable Marriott to connect data from disparate sources and activate relevant experiences in moments that matter, helping the company match individuals with the best options across its portfolio of more than 30 brands and nearly 9,000 properties.

Other business highlights include continued momentum with AEP and native applications growing subscription revenue 60% year-over-year in Q2. AEP innovations announced at Summit include Adobe Journey Optimizer B2B Edition, a new application for B2B customers built on AEP to orchestrate account specific buying group journeys; Federated Audience Composition which enables enterprises to minimize data copy and generate audiences directly from their enterprise data warehouses; and Real-time CDP Collaboration, a new clean room application for brands and publishers to collaborate in a privacy-safe way to discover, reach and measure their high-value audiences in a world without third-party cookies.

GenStudio innovations to address enterprise content, supply chain needs across workflow and planning, creation and production, asset management, delivery and activation and reporting and insights. Recent advancements include Contextual Search in Adobe Experience Manager Assets, which enables users to find the right asset and variation in their growing digital libraries, Adobe Workfront Planning, which provides every user with a unified view of all activities across the marketing lifecycle through highly visual marketing campaign calendars and dynamic briefs.

And AEM Generate Variations which accelerate the creation of audience specific content variations to drive personalized web experiences. Strong industry analyst recognition, including Gartner's Magic Quadrant for Content Marketing Platforms and leadership for both IDC's B2C and B2B MarketScapes for Digital Commerce Applications.

Key customer wins include Amazon, British Telecom, Comcast, Mercedes Benz, Maruti Suzuki, Nationwide Building Society, Novo Nordisk, ServiceNow, Stellantis, Ulta Beauty and US Department of the Treasury. We have enabled our vibrant partner ecosystem of system integrators and agencies to deliver advisory and implementation services across our product portfolio.

We look forward to engaging with customers and major agencies at the Cannes Lions Festival later this month. Our category-leading solutions, robust pipeline, and tremendous scale position us to drive strong growth in the second half, and we are raising our subscription revenue target for the year. I will now pass it to Dan.

---

**Daniel Durn** - Adobe Inc - Chief Financial Officer, Executive Vice President - Finance, Technology Services and Operations

Thanks Anil. Today, I'll start by summarizing Adobe's performance in Q2 fiscal '2024, highlighting growth drivers across our businesses and I'll finish with financial targets. In Q2, Adobe delivered strong top line growth and industry-leading profitability while accelerating the pace of innovations we're delivering to market across Document Cloud, Creative Cloud and Experience Cloud.

In the quarter, Adobe achieved record revenue of \$5.31 billion, which represents 10% year-over-year growth or 11% in constant currency, with strength across all three clouds. This performance stems from the diversification of Adobe's business across our market-leading products, business models, customer segments and geographies. When combined with our talented employees, strong execution, and world-class financial discipline, you have the ingredients that make this company incredibly resilient.

Second quarter business and financial highlights included GAAP diluted earnings per share of \$3.49 and non-GAAP diluted earnings per share of \$4.48, Digital Media revenue of 3.91 billion, net new Digital Media ARR of \$487 million. Digital Experience revenue of \$1.33 billion, cash flows from operations of \$1.94 billion and RPO of \$17.86 billion exiting the quarter.

In our Digital Media segment, we achieved Q2 revenue of \$3.91 billion, which represents 11% year over year growth or 12% in constant currency. We exited the quarter with \$16.25 billion of Digital Media ARR, up 13% year over year in constant currency.

Adobe achieved Document Cloud revenue of \$782 million, which represents 19% year-over-year growth as reported and in constant currency. We added \$165 million of net new Document Cloud ARR, which was a record for Q2. Q2 Document Cloud Growth drivers included demand for Acrobat subscriptions across all customer segments and geographies, new user acquisition resulting from increasing Reader MAU.

A great start monetizing AI Assistant through our digital channel; strong usage and engagement from Acrobat Web as well as through our Chrome and Edge partnerships which are driving free to paid conversion; growing Teams subscription units sold to SMBs both through Adobe.com and our reseller channel and strengthen our Enterprise Solutions, demonstrating the importance of PDF as a source of unstructured data in business workflows.

We achieved Creative revenue of \$3.13 billion, which represents 10% year-over-year growth or 11% in constant currency. We added \$322 million of net new Creative ARR in the quarter. Q2 Creative growth drivers included new subscriptions for Creative Cloud All Apps, with particular strength in digital acquisition on Adobe.com with multiple product releases during the quarter, driving customer engagement and demand.

Strong growth of single apps, including in Imaging, Photography, Design, and Stock; accelerating customer interest and usage for our new Express mobile and Express for Business offerings. Strong renewals as customers migrate to higher value, higher ARPU Creative Cloud plans that include Firefly entitlements; continued subscription unit growth, with particular strength in emerging markets and strength from SMBs adopting our Teams offering as well as in the enterprise segment with ETLA adoption.

We're pleased with the performance of the Creative business in the first half of the year, fueled by strong commercial subscriptions in both Q1 and Q2. As we look at the momentum we're carrying into the back half, we expect to deliver year-over-year growth of Creative net new ARR in Q3 and Q4 and are raising our Digital Media net new ARR target for the fiscal year.

Turning to our Digital Experience segment, in Q2, we achieved revenue of \$1.33 billion, which represents 9% year over year growth as reported and in constant currency. Digital Experience subscription revenue was \$1.20 billion, growing 13% year over year as reported and in constant currency.

Q2 Digital Experience growth drivers included subscription revenue strength from transformational accounts; market leadership with AEP and native applications with subscription revenue growing 60% year over year; additional subscription revenue strength across the Data Insights and Audiences and Customer Journey categories and accelerated adoption of our AEM and Workfront solutions from businesses looking to solve their content supply chain challenges.

Turning to the income statement and balance sheet. In Q2, Adobe delivered year-over-year EPS growth of 24% on a GAAP basis and 15% on a non-GAAP basis. This was driven by revenue growth and disciplined prioritization of our investments, which resulted in non-GAAP operating margin strength in Q2. The company continues to deliver world-class gross margins while investing in groundbreaking AI capabilities.

Adobe's effective tax rate in Q2 was 18.5% on a GAAP and non-GAAP basis in line with our expectations for the quarter. RPO exiting the quarter was \$17.86 billion, growing 17% year over year as reported or 18% when factoring in a one point currency headwind.

Current RPO grew 12% exiting the quarter. Our ending cash and short-term investment position at the end of Q2 was \$8.07 billion and cash flows from operations in the quarter were \$1.94 billion. In Q2, we entered into a \$2.5 billion share repurchase agreement, and we currently have \$22.7 billion remaining of the \$25 billion authorization granted in March 2024.

We will now provide Q3 targets as well as updated fiscal '2024 annual targets. Factoring in current macroeconomic conditions as well as strong momentum across our business. Our current FX outlook into the back half of the year with the US dollar remaining stronger as compared to our original expectations when we set our FY24 targets in December and an expected strong seasonal finish to the year in Q4.

For Q3, we're targeting total Adobe revenue of \$5.33 billion to \$5.38 billion. Digital Media net new ARR of approximately \$460 million. Digital Media segment revenue of \$3.95 billion to \$3.98 billion. Digital Experience segment revenue of \$1.325 billion to \$1.345 billion. Digital Experience subscription revenue of \$1.20 billion to \$1.22 billion.

Tax rate of approximately 18% on a GAAP basis and 18.5% on a non-GAAP basis. GAAP earnings per share of \$3.45 to \$3.50 and non-GAAP earnings per share of \$4.50 to \$4.55. For fiscal '2024, given our first half performance we are now targeting. Total Adobe revenue of \$21.40 billion to \$21.50 billion. Digital Media Net New ARR of approximately \$1.95 billion.

Digital Media segment revenue of \$15.80 billion to \$15.85 billion. Digital Experience segment revenue of \$5.325 billion to \$5.375 billion. Digital Experience subscription revenue of \$4.775 billion to \$4.825 billion. Tax rate of approximately 20.5% on a GAAP basis and 18.5% on a non-GAAP basis. GAAP earnings per share of \$11.80 to \$12, and non-GAAP earnings per share of \$18 to \$18.20.

In summary, I'm extremely pleased with the company's performance in the first half of the year and the momentum we see in our business. Adobe's product leadership, velocity of innovation, diversity of our business and financial discipline make us unique, enabling us to deliver strong top and bottom line results through dynamic market conditions.

I'm confident our ability to catalyze transformative long-term trends that will position us to win over the next decade. Shantanu, back to you.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

Thanks Dan. Adobe remains one of the greatest places to work in the industry, and I want to thank our employees for their relentless dedication to supporting our customers and communities. We continue to invest in hiring, including new college grads and interns to bring the best and brightest talent to Adobe.

This quarter, Adobe was recognized among Fortune's 100 Best Companies to Work For, Glassdoors Best Led Companies and the Civic 50 list of the most community minded companies in the US. Demand for our category-defining products and services continues to grow. Our business fundamentals and market tailwinds are strong, and we look forward to building on our momentum in the second half and beyond.

Thank you, and we will now take questions.

---

## QUESTIONS AND ANSWERS

### Operator

Thank you. (Operator Instructions)

Mark Moerdler, Bernstein.

---

**Mark Moerdler** - *AllianceBernstein L.P. - Analyst*

Thank you very much and congratulations on the quarter and especially the strong net new ARR. I'd like to ask a little more color on specifically the net new ARR that we saw in Creative Cloud. Can you give us a sense of what the contribution near term, medium term to Digital ARR are from seat growth versus upsell versus consumption on things like Adobe Stock and AI credits even rank ordering or quantifying anything give us some sense of what's driving that number, and that would be very helpful and really understanding what's going on in the drivers of that number. Thanks.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

Sure Mark. Let me start and then certainly David and Dan can add. To your point, we had a strong quarter and I think what's really driving the quarter big picture continues to be the innovation that we're delivering and the way AI is actually making our applications both more affordable, easy to onboard as well as, frankly, a higher value uses.

New users is still a big driver of the growth that we continue to see in the business. On the Document Cloud side, a lot of that has to do with the introduction of AI Assistant and the fact that people are migrating to the higher value products.



And on Creative Cloud, I would say the things that we're doing on imaging with Firefly and what we've seen both in Photoshop and Lightroom. I think in the prepared remarks, Dan certainly talked about what's happening with also each of the different segments. So the SMB segment actually had a strong quarter. Enterprise continues to have a strong quarter. So, across the board, Mark, we actually saw strength in the business.

---

**Operator**

Alex Zukin, Wolfe Research.

---

**Aleksandr J. Zukin** - *Wolfe Research, LLC - Analyst*

Hi guys. Thanks for taking the question and congratulations on this incredible results. I wanted to ask kind of just similar to Mark's question. Just how much of GenAI demand did you see in the quarter in terms of -- for sort of both the Creative Cloud portfolio and Digital Media in Creative Studio as well as in GenStudio ?

And how does it kind of help to pick up more on the enterprise side of the business, on the SMB side of the business ? Help us understand that progression and maybe how you're planning for it in the back half of the year

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

Sure, Alex. Again, maybe I'll start with that. And just taking a step back, I think we've talked about the platform that we have for GenAI that constitutes data as well as models and finally interfaces. On the models we released Firefly Services, we've started to see some customer wins in Firefly Services, so they're using it for variations. And these other custom models that we're creating as well as access to APIs.

I would say that's early in terms of adoption, but the interest as customers say, how they can ingest their data into our models as well as custom models. That's really ahead of us, and we expect that to continue to grow in Q3 and Q4.

I think the biggest opportunity for us and why we're really excited about GenAI is in the interfaces because that's the way people derive value, whether it's in being able to complete their tasks faster, whether it's be able to do new workflows. And I would say in that particular space, Acrobat has really seen a significant amount of usage as it relates to AI Assistant and Photoshop.

I'll have David again add, but Generative Fill and what we are doing there, what we're doing in Illustrator and that both for existing customers as well as for prospects who now come in and say the products are becoming increasingly more productive for us. That's what's really driving the value there.

And last but not least, the AI-first applications when we think of the application like Express, Express is all about reimagining what we can do for creators by sort of leapfrogging existing technologies and providing an AI-first application. And so that's also off to a good start.

---

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

Yes. And just add to a little bit of what Shantanu said, Alex, and we've talked a lot about how FY23 was the year that AI was in the playground and this is the year we need to bring it into production. And a lot of that is industry wide, but we're in a pretty special position as it relates to that. So to Shantanu's point, a lot of active releases this quarter, right?

Acrobat AI Assistant, Firefly updates in Photoshop, Firefly was introduced for the first time into Lightroom, Express Mobile launched Express for Business launched. We launched Firefly Services for enterprises to produce content at scale. So as you can see, there was a ton of innovation -- in our core applications around generative AI.

You put that together with some of the activations that we've done at Summit and we did at Max London and we're getting our word out very broadly, it starts to create this ability to not just look at and play with AI, but actually use it as part of your workflow. So that's been deeply integrated into everything we do. And that's the key point the interfaces that people work out if we bring AI there, everyone becomes more productive.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

And maybe one last thing, Alex. Sequentially, if you look at it from a route to market, digital had a very strong quarter as it relates to what we did on Adobe.com. We had talked about enterprise doing well in Q1 as well, that continued. And SMB also, the interest in our Teams product also continued to do really well. So I think sequentially, I would point to SMB and digital's strength as driving further growth.

---

**Aleksandr J. Zukin** - *Wolfe Research, LLC - Analyst*

Super helpful. And then maybe just one on the macro. Just given your guys' purview, like what is the story that you're seeing in terms of the macro on the demand environment? Clearly again, you're commenting on solid performance in the SMB and in the enterprise. Is there any areas that you're seeing pockets of weaknesses that's really vertical-dependent? Just maybe give a comment on kind of how we should think about it as we look to the rest of the year.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

I think from a macro perspective, what I think differentiates Adobe more than any other company is how differentiated and how diverse the set of products that we have. And again, from individual consumers all the way to enterprises, our products are mission-critical.

And so at this scale, it's all about execution. And the business cycles will come and go, Alex, but we're actually continuing to focus on execution and converting the pipeline and the interest and the awareness of AI into monetization. And so, we just will be ruthlessly focused on continuing to execute against that. So nothing really to report different on the macroeconomic environment from our perspective.

---

**Aleksandr J. Zukin** - *Wolfe Research, LLC - Analyst*

Awesome. Keep doing what you're doing, guys.

---

**Operator**

Saket Kalia, Barclays.

---

**Saket Kalia** - *Barclays plc - Analyst*

Okay, great. Hi guys, thanks for taking my question here and echo the congrats on the quarter. Maybe for both of you Shantanu and David. There are clearly just so many layers to the Firefly monetization story. But I think one theme that's coming out a little bit in this call and particularly interesting route to monetize is just the increased engagement that Firefly helps drive in your flagship products, right, or I think we call it sort of the interfaces, right?

An example there would be like Generative Fill for Photoshop. And you've clearly started expanding that to other flagships like Premiere and Illustrator. Maybe to go one level deeper, is there a way that you think about the potential opportunity from things like higher retention rates? Or any other way that -- I know it's really tough to size, but how have you sort of thought about it even qualitatively?

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

Yes, it's a great question. And yes, the core has been from the very beginning, we've talked to you guys about our primary focus for generative AI is about user adoption and proliferation, right? And that has continued to be the primary thing on our mind and that's the primary thing on our mind for multiple reasons and to your point, there are many different ways that we can monetize this.

First is, as you think about the growth algorithms that we always have in our head, it always starts with, as Shantanu said, new users, right? And then it's about getting more value to existing users at higher ARPU, right?

So in the context of new users, first and foremost, we want to make sure that everything we're doing generative AI is embedded in our tools, starting with Express, right? So we have Express in the market. We're seeing a lot of adoption and usage of Express in the market.

As that's happening, we're infusing generative AI more and more into Express in a whole host of ways. And that's really helping both everything from our marketing message for the completeness of the AI offering in there, all the way through to user engagement and success and onboarding and retention.

Similarly, though this is having the same effect in our core Creative products as well, right. The introduction of Firefly, combined with some of the product-led growth work we've been doing in particular something called the Context Bar makes it easy for new users coming in to just be successful, more successful out of the gate, which then, of course, helps with both conversion and retention.

And then with AI Assistant, the ability to sort of embed that into the purchase flow for Acrobat and get a high attach rate, we always talk about that as a would you like fries with it moment at Adobe when someone's going through the checkout flow, it's just a great way for people to say, look, this is value I want, I want to add it and buy up to the higher plans.

So there are a lot of different mechanisms that we see. But by far, the strongest is going to be the fact that we are seeing people like in Creative Cloud, migrating to the higher-priced plans because they include Firefly and so we just want to get more value to these users as well.

---

**Shantanu Narayen** - Adobe Inc - Chairman of the Board, Chief Executive Officer

And in terms of the generations, Saket, I think we talked about it. We did a great job at MAX in London talking about some of the new functionality in releasing Photoshop, I think we're up to 9 billion generations, and actually, I think the greatest amount of generations was in May. So the momentum clearly is the more we integrate this functionality into our interfaces, the more that usage is really driving adoption as well as retention.

---

**Saket Kalia** - Barclays plc - Analyst

Very helpful. Thanks, guys.

---

**Operator**

Brent Thill, Jefferies.

---

**Brent John Thill** - Jefferies Financial Group Inc. - Analyst

David, on Express, you mentioned the success you're seeing. Can you maybe drill into some of the other metrics and accomplishments that you're seeing out of Express this quarter?

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

Yes. For starters, there's a lot of buzz of Express here at Adobe coming off the event we just had earlier this week, but it's really based on the fact that the innovation in Express is on a tear, right? A few months ago, we introduced an all-new Express for the web. This quarter, we introduced an all-new Express for mobile. We introduced Express for Business.

We also now have, as we've just talked about, been more deeply integrating AI features, whether it's for image generation or Generative Fill or Text Effects, character animation, design generations more deeply into the flow for Express.

And that combination has led to an incredible set of metrics over the last quarter, in particular, but building throughout the year. Express MAU is growing very quickly. We talked about on the -- in the script earlier that MAU on mobile has more than doubled quarter-over-quarter, which is fantastic to see. And cumulative exports if you look at year-over-year it has grown by over 80%. So really feeling good about sort of the momentum we're seeing.

But if you take a step back, I think it is important to take a step back and understand our vision. Express that is now in market is built on a brand-new platform, right? And that brand-new platform lays the groundwork for the AI era.

And this will be -- Express will be the place that anyone can come and create through a combination of conversational and standard inputs. That's the vision that we have and I think it's an opportunity for us to really leap forward in terms of what we can do on the web and mobile at Adobe.

And it's taken us a little time to get here. It hasn't happened overnight. But now that we are here, we are going to pour the gas on go-to-market, right? You know what we can do with our data-driven operating model. We've been ramping up what we're doing in digital and Adobe.com journeys.

We now can do the same thing and unleash all of that expertise in the mobile app store. You know what we're capable in terms of our product-led growth motions. Acrobat we've now embedded Express Workflows into Acrobat Editor. We obviously have been embedding it into Creative Cloud workflows. And also, as we showed at Summit with Anil, we've embedded it into our Experience Cloud workflows as well.

In addition to all of that, we're now unleashing our inside sales force to target the small, medium businesses. Our education teams are really gearing up for the back-to-school launch for K-12 and higher ed. And our field and enterprise sales now have Express for Business. So -- and we're doing all this globally, right? It's a massive market, and we're ramping up and we're ready to go.

---

**Brent John Thill** - Jefferies Financial Group Inc. - Analyst

Thank you.

---

**Operator**

Gregg Moskowitz, Mizuho.

---

**Gregg Moskowitz** - Mizuho Americas LLC - Analyst

Hi. Thank you very much. And I'll add my congratulations. For your Creative business, how are you thinking about the Q side of the P times Q equation over the balance of the year? Based on these numbers anyway, I would certainly assume that you had really healthy unit growth in Q2. And I'm wondering if you expect that to continue.

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

Yes. I mean, again, I think what -- it is this mix of product innovation that we've been putting out there and the steady drumbeat of that. A lot of it getting attention because of the quality and the hooks of AI and being able to sort of bring people, onboarding them quickly and successfully into the product and then as we talked about, the more they use these AI features, the more they retain. And we feel really good about really that whole workflow.

So yes, the new user growth continues to be our primary focus. And when you add in everything we're doing with Express, we're -- again, like I said, we're off to the races and we feel very good about the momentum on new user acquisition and existing member retention.

---

**Shantanu Narayen** - Adobe Inc - Chairman of the Board, Chief Executive Officer

And Gregg, as you're aware, I mean, certainly with Express, we also have the model of customer acquisition as it relates to people coming in through trial and free and then conversion. So we are seeing the interest level as it relates to Express, in particular, significant interest.

---

**Gregg Moskowitz** - Mizuho Americas LLC - Analyst

And Shantanu, since you also called out the strength in digital earlier, including driving new Creative All Apps subscriptions from your website, are you doing anything different that's helping to drive that behavior? And if so, is that something you think can continue as well?

---

**Shantanu Narayen** - Adobe Inc - Chairman of the Board, Chief Executive Officer

I would, Gregg, sort of modestly say, we've been world-class at sort of driving that for a long time now. But the team, I think, continues to do an amazing job and I would say David referred to the DDOM. Adobe Home is now sort of increasingly the way that we're driving a lot of people to get aware of our new products. And so, I would say the mobile part as well and the mobile journeys, as we've got these mobile products, whether it's Lightroom or whether it's certainly, Express, that's an area of increasing focus for us.

And the traditional sort of understanding where search terms are, I think we're getting better and better at that, which leads to way more digital traffic for us.

So I think it's across the board. But I'd also highlight, I mean, the commerce team that we have at Adobe that understands what the segments are and how for those particular segments we can attract people, that's great. I mean, I think in the prepared remarks, Dan also talked about the strength in emerging markets. And I think the beautiful part about AI is that since they need access to the cloud to get all of the AI functionality, emerging market growth has been really strong for us.

---

**Gregg Moskowitz** - Mizuho Americas LLC - Analyst

Very helpful. Thank you.

---

**Operator**

Keith Weiss, Morgan Stanley.

---

**Keith Weiss** - Morgan Stanley & Co LLC. - Analyst

Thank you guys for taking the question. And again, congratulations on a really solid set of results in an environment where not very many software companies have been able to beat and raise in this type of uneven environment.

I wanted to maybe focus in a little bit on the question that Mark Moerdler asked. In particular on what gives you guys the confidence to see a return to year-on-year growth in Creative Cloud net new ARR. It declined in Q2, it declined in Q1 and if I'm not mistaken, the decline in Q2 was a little bit steeper than what we saw in Q1.

So what are the particular drivers and maybe some detail on those drivers that give you guys the confidence that trend line that has been actually heading in the wrong direction is going to head in the right direction now? We're actually going to see growth in those metrics in Q3 and Q4?

---

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

Yes. Thanks, Keith. This is one of the areas that I think we've shared with you the complexity of the year-over-year comparisons in the first half based on prior pricing marks that we had. But more importantly, to your point, the year-over-year complexities are now behind us. And we're very excited about the momentum of the first half and how it sets us up for the second half, frankly, across both Document Cloud and Creative Cloud. Both are really momentum stories.

The \$478 million -- the \$487 million, sorry, just to be clear, the \$487 million that we printed this time is obviously strong performance, and it implies that both CC and DC came in over what the growth -- the guide would have implied otherwise, right? So it's giving us a lot of good momentum going into the back half.

Now the momentum is really driven by three things, and just I'll try to share a little bit more context here and hopefully gives you. First is new user acquisition, right? We're seeing Express starting to perform well in terms of bringing a lot of new users into the franchise across mobile and web.

AI Assistant in Reader has been a really nice start for us, and we've been very pleased with how the uptake on that's going. And then Firefly itself, as I mentioned, has been increasingly more productive in terms of bringing in onboarding users and then retaining users because of the growth.

We continue -- as we drive that more holistically throughout the product set, we start to see more people using it, including, as Shantanu mentioned earlier, in emerging markets. So we are seeing very good strength and usage in emerging markets, and that has certainly been a bright spot for us, which is something that obviously represents a lot of potential and upside for us.

In terms of existing customers, the migration has been going very well for us as well. So, more people are moving to the higher-priced, higher-value plans because of the Firefly capabilities. We're even seeing this in enterprises where people are moving up to the highest versions of Creative Cloud, which is what we call it, Creative Cloud Enterprise 4, because they get more access to features beyond just generation. They have more collaborative capabilities beyond just kind of sharing via e-mail. And we're starting to see that create a nice momentum in upgrade cycles in the enterprise segment as well.

And then certainly, let's not forget the new offerings, too. While still early, automation and content production is something that we're driving effectively in a lot of these accounts with Firefly Services. So that mix of new users, existing user migration, and also the new offerings that we have in market are driving that growth formula that we talked about, which is now P times Q plus V for value with these automation services.

---

**Keith Weiss** - *Morgan Stanley & Co LLC. - Analyst*

That is a great answer. Thank you so much.

---

**Operator**

Brad Sills, Bank of America.

---

**Bradley Sills** - *Bank of America Corporation - Analyst*

Oh, great. Thank you so much. I wanted to ask a question around the generative credit component to your pricing here. It seems like with all the progress you've made embedding Firefly across the key flagship products and the engagement levels that you're seeing, we should start to see perhaps some ramp in that generative credit component to your pricing. Is that a fair assessment?

Would you expect to start to see that coming in? Or should we look to other services like the video capabilities that you're going to be launching shortly as a key catalyst there? Thank you.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

I think you're right, Brad. When we think about what we've done with imaging and video, we've done the right thing by making sure the higher-value paid plans that people don't have to think about the amount of generative capability. And so there, the balance between for free and trialist users, they're going to run into the generative capability limits and, therefore, have to subscribe.

But for the people who actually have imaging and vector needs, that they're not constantly thinking about generative, I think we actually got it right. To your point, as we move to video, expect to see different plans because those plans will, by necessity, take into account the amount of work that's required to do video generation. So you're absolutely right as a sort of framework for you to think about it.

The two other things that I would say is, I mean, clearly, Express is really being driven by sort of the need for AI and how people are able to describe what they want and get the final output. When David talked about exports, just to clarify what that means is people who have successfully got what they want to get done, done. And that's a key measure of how we are doing it, and AI is certainly facilitating and accelerating that.

And last thing I would say, Brad is, as you know, on the Acrobat side, it's a slightly different model which we like, which is anybody who has Reader and is looking at a document, they can have an upsell to the AI Assistant. If you have Acrobat Pro, you can upsell to the AI Assistant.

And if you're a brand new acquisition of a user when you're coming in, the adoption of the highest-value products, so between Standard Pro and Pro plus Assistant, we've been pleased to see how many people are migrating to the Pro plus Assistant. So hopefully, that gives you some color of how we think about it differently by product.

---

**Bradley Sills** - *Bank of America Corporation - Analyst*

Very helpful. Thank you Shantanu.

---

**Operator**

Brad Zelnick, Deutsche Bank.

---

**Brad Alan Zelnick** - *Deutsche Bank AG - Analyst*

Great. Thank you so much and congrats to all of you. I don't want Anil to feel left out, so I'm going to ask a DX question. Anil, it's good to hear AEP is on track to become the next billion-dollar business for Adobe. Can you expand on the journey and drivers that get you there? And in particular, how important are cloud migrations? And how do you see AEP AI Assistant perhaps accelerating the journey to \$1 billion? Thanks.

**Anil Chakravarthy** - Adobe Inc - President - Digital Experience Business

Thank you, Brad. Appreciate it. As you know, I mean, customer experience management and especially it's been a hugely important priority area for Chief Marketing Officers and with CIOs and Chief Digital Officers as well. And for us, we are focused on personalization scale, which is really built around the AEP platform. We're the largest provider in this space. We're growing faster than any of our peers, and we're the number one Digital Experience platform as a result and that has really helped us keep the momentum.

When you think about the AEP AI Assistant, it's doing a couple of things. One, it's really making it easier for customers to deploy use cases. When you think of use cases that they have around, for example, generating audiences and running campaigns around those audiences, these are things today that require some data engineering.

They require the ability to put these audiences together. So they require marketing and IT teams to work together. The AEP AI Assistant is making it much easier for marketers to be able to do it themselves and be able to deploy a lot more use cases.

So as there's more usage, it will help drive more consumption and help drive the growth in terms of number of profiles, number of users, and we help -- we see it helping us grow towards that billion-dollar business.

---

**Brad Alan Zelnick** - Deutsche Bank AG - Analyst

Great to hear and keep up the great work guys.

---

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

Hey, operator, we're almost at the top of the hour. We'll take two last questions and then wrap up. Thanks. operator, we're almost at the top of the hour.

---

**Operator**

Thank you.

Kash Rangan, Goldman Sachs.

---

**Kasthuri Gopalan Rangan** - Goldman Sachs Group, Inc. - Analyst

Hi, thank you very much. You guys could have three separate earnings calls because you have three different businesses that even the smallest one is very large. So yes, sorry, Anil, David, and Shantanu, I may not be able to ask all the questions that I want. I'm sure we have plenty. But I'll just keep it super high level, Shantanu.

Generative AI, it seems to swing back and forth. Just so early in its evolution, the possibilities seem magical sometimes, endless sometimes, sometimes it feels very disappointing. But with every quarter that Adobe is executing on this path, where do you stand with the question that we do get from investors?

Will generative AI be so good that it's the end of the creative process? So we don't need creative folks, that software will do everything? That sounds a little far-fetched, but I'm just throwing it out there to see how you would react to that proposition.

Same in Experience Cloud as well. Could generative AI create its own marketing campaign, put marketing people out of business? Or maybe it doesn't. I'm sure you have strong views. Maybe flipped on the other side, it does create category growth on the other hand, not category compression.



So sorry for that super high-level question, but that seems to be a big debate on the stock here, at least from the long-term perspective. Thank you so much.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

Yes, Kash. I think there are two things when we talk to investors that are perhaps on their mind. I mean, I think the first is it's fair to say that the interest that exists right now from investors as it relates to AI is all associated with the infrastructure and chips and perhaps rightly so because that's where everybody is creating these models. They're all trying to train them. And there's a lot of, I think, deserved excitement associated with that part of where we are in the evolution of generative AI.

If the value of AI doesn't turn to inference and how people are going to use it, then I would say all of that investment would not really reap the benefit in terms of where people are spending the money. And so we're always convinced that when you have this kind of disruptive technology, the real benefits come when people use interfaces to do whatever task they want to do quicker, faster, and when it's embedded into the workflows that they're accustomed to because then there isn't an inertia associated with using it.

So with that sort of as a broad segment, I am a big believer that generative AI is going to, for all the categories that we're in, it's actually going to dramatically expand the market because it's going to make our products more accessible, more affordable, more productive in terms of what you -- what we can do. I'm still acting CMO at the company, and I see the excitement around how we can, with agility, create way more content, create variations.

When Anil talked about personalization at scale, I think there are two aspects to it, right? I mean, the first was always data, and Anil and the team have done a great job with sort of the Real-Time Customer Data Platform to get that. And that's resonated with users. But the real value is when you infuse that with the right content to make that personalized experience. So I think the demand is there for way more content than people can do, and generative AI is going to be an accelerant in that as well.

And so net-net, I am absolutely betting on the fact that five years from now, there will be more people saying, I'm using creative tools to accomplish what I want, and there'll be more marketers saying, I can now, with the agility that I need, truly deliver a marketing campaign and an audience that's incredibly more specific than I could in the past.

And that's Adobe's job to demonstrate how we are both leading in both those categories and to continue to innovate. But I recognize and I understand the question that exists in the industry associated with AI. If the value doesn't accrue to interfaces, I'll leave you with that. I think the investment would not be as beneficial as I believe it can be.

---

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

And maybe one thing to add to that, Kash, just to build on what Shantanu was talking about. I think the other thing we get asked a fair amount is about the comparison between different models, right? So Firefly might be better at something. Midjourney might be something at something else.

DALL-E might do something else. And the key thing here is that around this table, we get excited when models innovate. We get excited when Firefly does something amazing. We get excited when third-party models do something because our view, to Shantanu's point, is that the more content that gets generated out of these models, the more content that needs to be edited, whether it's color correction, tone matching, transitions, assembling clips, or masking, compositing images.

And the reason for this is that this is not a game where there's going to be one model. Each model is going to have its own personality, what it generates, what it looks like, how fast it generates, how much it costs when it generates that, and to have some interface layer to help synthesize all of this is important.

And so just sort of to note, we've said this before but I'll say it again here, you will see us building our products and tools and services leveraging Firefly for sure, but you'll also see us leveraging best-of-breed personalities from different models and integrate them all together.

---

**Kasthuri Gopalan Rangan** - *Goldman Sachs Group, Inc. - Analyst*

Awesome, the message here is that, GenAI is going to create more growth in the category. And Shantanu, you did that with the pivot to cloud. You grew the category, so here we go again. Thank you so much.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

Thanks, Kash.

---

**Operator**

Jake Roberge, William Blair.

---

**Jake Roberge** - *William Blair & Company, L.L.C. - Analyst*

Hey, thanks for taking the question and I'll echo my congrats on the great quarter. I know it's early, but what's been the feedback and customer behavior for those users that are on Firefly Services and GenStudio? And then thinking more longer term, what type of price uplift could you see from those customers over time, just given what you said about the acceleration in Firefly generations being driven by those products? Thanks.

---

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

Maybe I'll start with Customer Zero. Right before this meeting, I was in a meeting with our CMO. And well, sometimes it's hard to tell if he's wearing the CMO or CEO hat, but CMO this time. And we were reviewing a full-funnel campaign that we're planning on launching later this year.

And exactly as Shantanu mentioned earlier, we saw benefits in terms of cost of the campaign, faster time to market for the campaign, and the amount of content that we can create to personalize that campaign.

And that is one of those things that we've been doing more and more around our DDOM, which has actually been very productive for us, as you can see this quarter, and what we're pitching to other customers. So we've been working with -- we listed some of the customers earlier, but we've been working with a long list of customers on everything from accelerating the content creation for social, accelerating content creation for regional, and then increasing the number of amount of content that's created for increased personalization, which then, of course, flows through all of the Experience Cloud products that Anil is working on to get targeted better.

---

**Shantanu Narayen** - *Adobe Inc - Chairman of the Board, Chief Executive Officer*

And Jake, maybe in terms of what I would say we're seeing usage of, I think the initial usage of Firefly Services in most companies was all around ideation. How can they create multiple variations of them and in the ideation process really just accelerate that ideation process?

Most companies are then starting with as they're putting it into production, how can they, with the brand assets and the brand guidelines that they have, do this in terms of the variations, whether they be geographic variations or they be just variations?

I mean, if you take a step back also, every single ad company right now will tell you that the more variations that you provide, the better your chances are of appropriately getting an uplift for your media spend. So I would say that most companies are starting with creating these variations for geographies.

The other one that we see a fair amount of is engaging with their communities. So when they want their communities to have assets that they have blessed for usage within community campaigns, that's the other place where Firefly Services are being used and a company has a community portal where the community can come in, take something, and then post whether it's on whatever social media site that you want. So I think that's the initial one.

All of the agency companies are companies that have actually even publicly said how GenStudio is something that they have embraced.

But even the large media companies, because the media companies are certainly interested in understanding how all of this GenAI could be used to automate as well as accelerate the amount of content that they can produce.

So hopefully, that gives you some color of it. If there's been sort of the questions that they ask along the way, which hopefully and actually, luckily, we have great answers, it's all around the indemnification and how they can use it. And I would say that continues to be a really key differentiator for us.

But since that is the last question, let me just say I'm proud of how we executed in Q2, both across the product innovation, delivery as well as the go-to-market because clearly, a number of you asked how we were able to put together these numbers where others have perhaps talked about the macroeconomic environment. We certainly remain focused on leveraging technology to delight a broader set of customers.

And at the end of the day, to the questions that we were asked, we believe that the real value of AI will be in the interfaces that individuals, enterprises use to accomplish their tasks and workflows. And we think we're incredibly well positioned. So thank you for joining us.

---

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

Thanks, everyone. This concludes the call.

---

**Operator**

This does conclude today's conference. We do thank you for your participation and have an excellent day.

---

**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.

©2024, Refinitiv. All Rights Reserved.