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FOR IMMEDIATE RELEASE

Adobe Reports Record Q4 and Fiscal 2024 Revenue

- **FY2024 Net New Digital Media ARR exceeds \$2.0 billion**
- **FY2024 Digital Experience revenue exceeds \$5.3 billion**
- **Record Q4 operating cash flows of \$2.92 billion**
- **Record RPO of \$19.96 billion, 16 percent year-over-year growth**

New Delhi, India. – Dec. 12, 2024 – Adobe (Nasdaq:ADBE) today reported financial results for its fourth quarter and fiscal year 2024 ended Nov. 29, 2024.

“Adobe delivered record FY24 revenue, demonstrating strong demand and the mission-critical role Creative Cloud, Document Cloud and Experience Cloud play in fueling the AI economy,” said Shantanu Narayen, chair and CEO, Adobe. “Our highly differentiated technology platforms, rapid pace of innovation, diversified go-to-market and the integration of our clouds position us for a great year ahead.”

“Adobe drove FY24 records of \$21.51 billion in revenue, \$8.06 billion in cash flows from operations and \$19.96 billion in RPO,” said Dan Durn, executive vice president and CFO, Adobe. “Adobe’s strategy, AI innovation and massive cross-cloud opportunity position us well for 2025 and beyond.”

Fourth Quarter Fiscal Year 2024 Financial Highlights

- Adobe achieved revenue of \$5.61 billion in its fourth quarter of fiscal year 2024, which represents 11 percent year-over-year growth as reported and in constant currency. Diluted earnings per share was \$3.79 on a GAAP basis and \$4.81 on a non-GAAP basis.
- GAAP operating income in the fourth quarter was \$1.96 billion and non-GAAP operating income was \$2.60 billion. GAAP net income was \$1.68 billion and non-GAAP net income was \$2.13 billion.
- Record cash flows from operations were \$2.92 billion.
- Remaining Performance Obligations (“RPO”) exiting the quarter were \$19.96 billion.
- Adobe repurchased approximately 4.6 million shares during the quarter.

Fourth Quarter Fiscal Year 2024 Business Segment Highlights

- Digital Media segment revenue was \$4.15 billion, which represents 12 percent year-over-year growth as reported and in constant currency. Document Cloud revenue was \$843 million, representing 17 percent year-over-year growth as reported and in constant currency. Creative revenue grew to \$3.30 billion, representing 10 percent year-over-year growth or 11 percent in constant currency.
- Net new Digital Media Annualized Recurring Revenue (“ARR”) was \$578 million, exiting the quarter with Digital Media ARR of \$17.33 billion. Document Cloud ARR grew to \$3.48 billion and Creative ARR grew to \$13.85 billion.
- Digital Experience segment revenue was \$1.40 billion, representing 10 percent year-over-year growth as reported and in constant currency. Digital Experience subscription revenue was \$1.27 billion, representing 13 percent year-over-year growth or 12 percent in constant currency.

Fiscal Year 2024 Financial Highlights

- Adobe achieved revenue of \$21.51 billion in fiscal year 2024, which represents 11 percent year-over-year growth as reported and in constant currency. Diluted earnings per share was \$12.36 on a GAAP basis and \$18.42 on a non-GAAP basis.
- GAAP operating income was \$6.74 billion and non-GAAP operating income was \$10.02 billion. GAAP net income was \$5.56 billion and non-GAAP net income was \$8.28 billion.
- Adobe generated \$8.06 billion in operating cash flows during the year.
- Adobe repurchased approximately 17.5 million shares during the year.

Fiscal Year 2024 Business Segment Highlights

- Digital Media segment revenue was \$15.86 billion, which represents 12 percent year-over-year growth as reported and in constant currency. Net new Digital Media ARR was \$2.00 billion during the fiscal year.
- Document Cloud revenue was \$3.18 billion, representing 18 percent year-over-year growth as reported and in constant currency.
- Creative revenue grew to \$12.68 billion, representing 10 percent year-over-year growth or 11 percent in constant currency.
- Digital Experience segment revenue was \$5.37 billion, representing 10 percent year-over-year growth as reported and in constant currency. Digital Experience subscription revenue was \$4.86 billion, representing 12 percent year-over-year growth as reported and in constant currency.

Financial Targets

We measure ARR on a constant currency basis during the fiscal year and revalue ending ARR at year-end. Foreign exchange rate changes between the end of fiscal year 2023 and the end of fiscal year 2024 have resulted in a \$117 million decrease to the Digital Media ARR balance entering fiscal year 2025, from \$17.33 billion to \$17.22 billion and is reflected in our investor data sheet. We expect an approximate \$200 million headwind to fiscal year 2025 revenue, as a result of the effect of foreign exchange and a smaller impact of the continued move to subscriptions from perpetual offerings.

The following table summarizes Adobe's fiscal year 2025 targets¹:

Total revenue	\$23.30 billion to \$23.55 billion	
Digital Media segment revenue	\$17.25 billion to \$17.40 billion	
Digital Media ending ARR growth	11.0% year over year	
Digital Experience segment revenue	\$5.80 billion to \$5.90 billion	
Digital Experience subscription revenue	\$5.375 billion to \$5.425 billion	
Earnings per share	GAAP: \$15.80 to \$16.10	Non-GAAP: \$20.20 to \$20.50

¹ Targets assume non-GAAP operating margin of ~46 percent, non-GAAP tax rate of ~18.5 percent and diluted share count of ~433 million for fiscal year 2025.

The following table summarizes Adobe's first quarter fiscal year 2025 targets²:

Total revenue	\$5.63 billion to \$5.68 billion	
Digital Media segment revenue	\$4.17 billion to \$4.20 billion	
Digital Experience segment revenue	\$1.38 billion to \$1.40 billion	
Digital Experience subscription revenue	\$1.27 billion to \$1.29 billion	
Earnings per share	GAAP: \$3.85 to \$3.90	Non-GAAP: \$4.95 to \$5.00

² Targets assume non-GAAP operating margin of ~47 percent, non-GAAP tax rate of ~18.5 percent and diluted share count of ~439 million for first quarter fiscal year 2025.

Adobe to Host Conference Call

Adobe will webcast its fourth quarter and fiscal year 2024 earnings conference call today at 2:00 p.m. Pacific Time from its investor relations website: <http://www.adobe.com/ADBE>. Earnings documents, including Adobe management's prepared conference call remarks with slides and an investor datasheet are posted to Adobe's Investor Relations Website in advance of the conference call for reference.

Forward-Looking Statements, Non-GAAP and Other Disclosures

In addition to historical information, this press release contains “forward-looking statements” within the meaning of applicable securities laws, including statements related to our business, strategy, artificial intelligence and innovation momentum; our market opportunity and future growth; market trends; current macroeconomic conditions; fluctuations in foreign currency exchange rates; strategic investments; customer success; revenue; operating margin; annualized recurring revenue; tax rate; earnings per share; and share count. Each of the forward-looking statements we make in this press release involves risks, uncertainties and assumptions based on information available to us as of the date of this press release. Such risks and uncertainties, many of which relate to matters beyond our control, could cause actual results to differ materially from these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to: failure to innovate effectively and meet customer needs; issues relating to development and use of AI; failure to realize the anticipated benefits of investments or acquisitions; failure to compete effectively; damage to our reputation or brands; service interruptions or failures in information technology systems by us or third parties; security incidents; failure to effectively develop, manage and maintain critical third-party business relationships; risks associated with being a multinational corporation and adverse macroeconomic conditions; failure to recruit and retain key personnel; complex sales cycles; changes in, and compliance with, global laws and regulations, including those related to information security and privacy; failure to protect our intellectual property; litigation, regulatory inquiries and intellectual property infringement claims; changes in tax regulations; complex government procurement processes; risks related to fluctuations in or the timing of revenue recognition from our subscription offerings; fluctuations in foreign currency exchange rates; impairment charges; our existing and future debt obligations; catastrophic events; and fluctuations in our stock price. Further information on these and other factors are discussed in the section titled “Risk Factors” in Adobe’s most recently filed Annual Report on Form 10-K and Adobe’s most recently filed Quarterly Reports on Form 10-Q. The risks described in this press release and in Adobe’s filings with the U.S. Securities and Exchange Commission should be carefully reviewed.

Undue reliance should not be placed on the financial information set forth in this press release, which reflects estimates based on information available at this time. These amounts could differ from actual reported amounts stated in Adobe’s Annual Report on Form 10-K for our fiscal year ended Nov. 29, 2024, which Adobe expects to file in Jan. 2025. Adobe assumes no obligation to, and does not currently intend to, update these forward-looking statements.

A reconciliation between GAAP and non-GAAP earnings results and financial targets and a statement regarding use of non-GAAP financial information are provided at the end of this press release and on Adobe’s investor relations website.

About Adobe

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