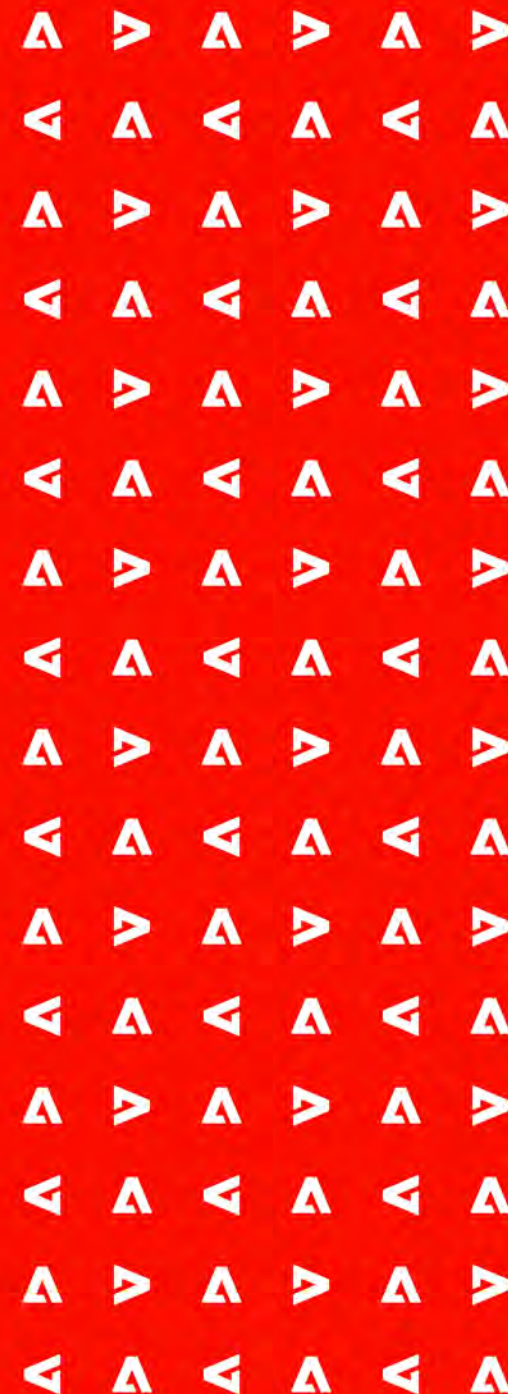




# Adobe Financial Analyst Meeting

December 10, 2020

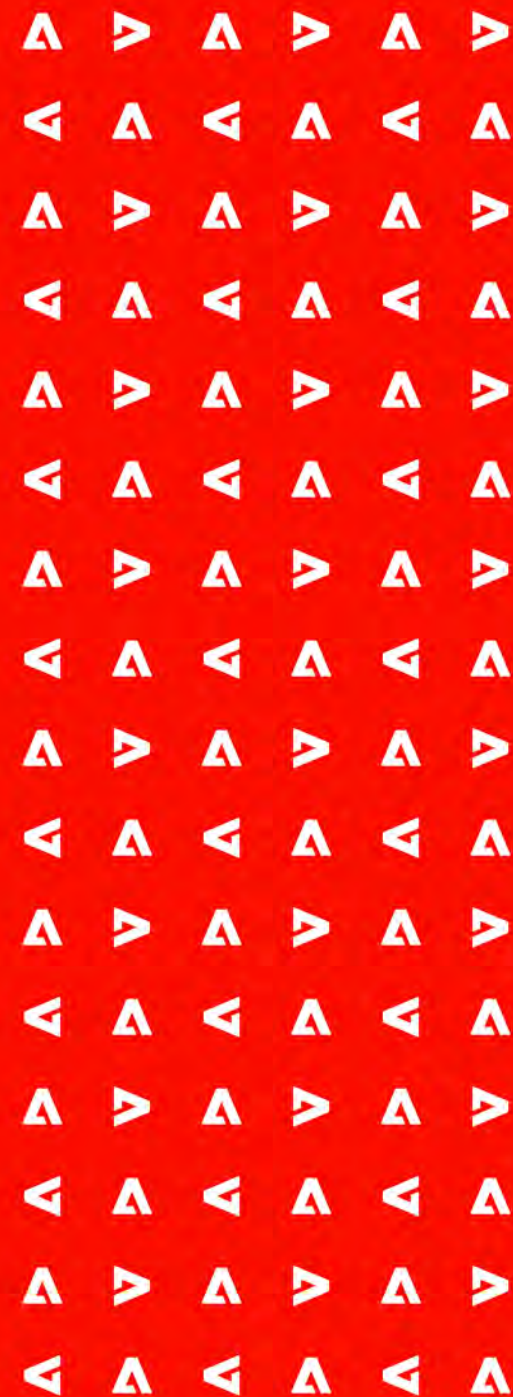




# Welcome

**Jonathan Vaas | VP, Investor Relations**

**December 10, 2020**



# Agenda

|                     |                  |
|---------------------|------------------|
| Vision and Strategy | Shantanu Narayen |
|---------------------|------------------|

|                   |                |
|-------------------|----------------|
| Technology Vision | Abhay Parasnis |
|-------------------|----------------|

|                         |              |
|-------------------------|--------------|
| Creative Cloud Strategy | Scott Belsky |
|-------------------------|--------------|

|                         |                  |
|-------------------------|------------------|
| Document Cloud Strategy | Shantanu Narayen |
|-------------------------|------------------|

|                           |                   |
|---------------------------|-------------------|
| Experience Cloud Strategy | Anil Chakravarthy |
|---------------------------|-------------------|

|                      |             |
|----------------------|-------------|
| Stakeholder Strategy | Gloria Chen |
|----------------------|-------------|

|                                       |             |
|---------------------------------------|-------------|
| Financial Summary and Growth Strategy | John Murphy |
|---------------------------------------|-------------|

|     |  |
|-----|--|
| Q&A |  |
|-----|--|

# Financial Disclaimer

Some of the information discussed in this presentation contains forward-looking statements that involve risk, uncertainty and assumptions. Actual results may differ materially from those set forth in such statements. For a discussion of the risks and uncertainties, you should review Adobe's SEC filings, including the annual report on Form 10-K for fiscal year 2019 and the quarterly reports on Form 10-Q filed by the company in 2020. In our presentation, we may discuss non-GAAP financial measures. The GAAP financial measures that correspond to such non-GAAP measures, as well as the reconciliation between the two, are available on our website at <http://www.adobe.com/ADBE>.

Adobe does not undertake an obligation to update forward-looking statements.

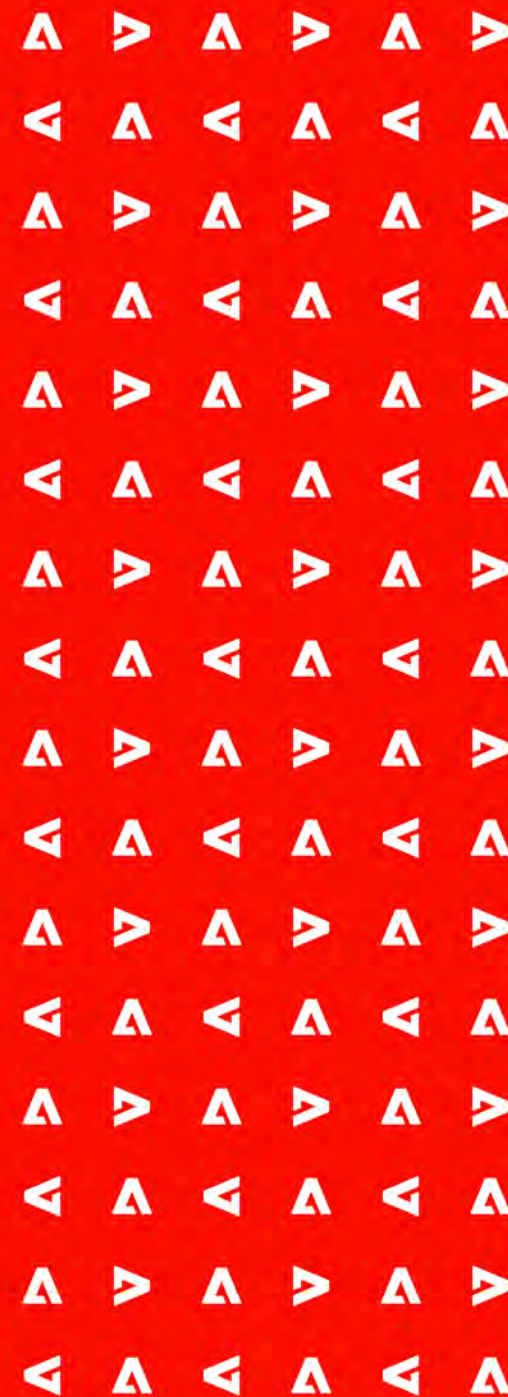




# Vision and Strategy

Shantanu Narayen | President & CEO

December 10, 2020

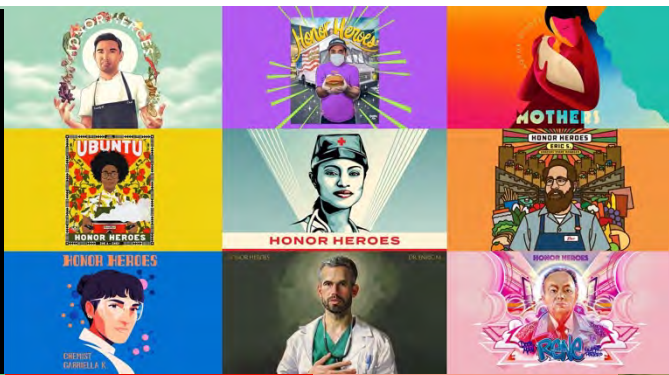


# 2020 Accomplishments



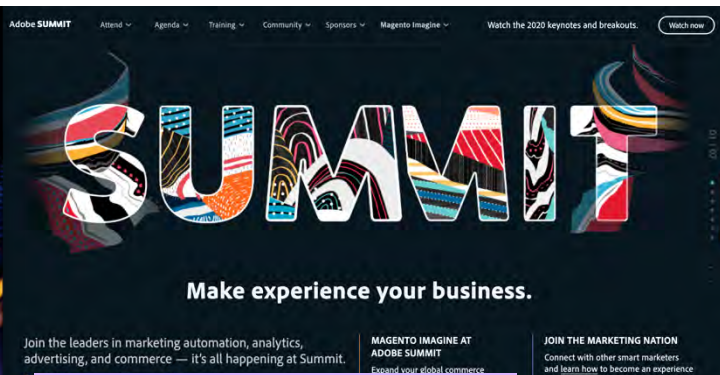


Content Authenticity Initiative





Adobe Analytics  
2020 Digital Economy Index



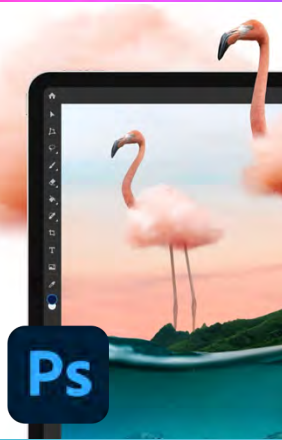
Adobe SUMMIT

Make experience your business.

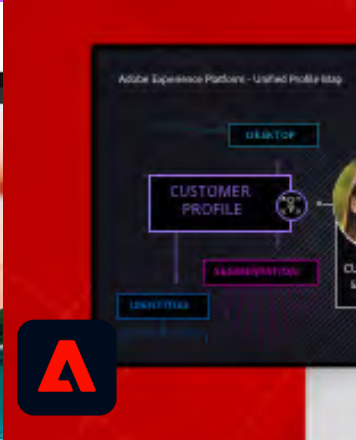
Join the leaders in marketing automation, analytics, advertising, and commerce — it's all happening at Summit.

MAGENTO IMAGINE AT ADOBE SUMMIT

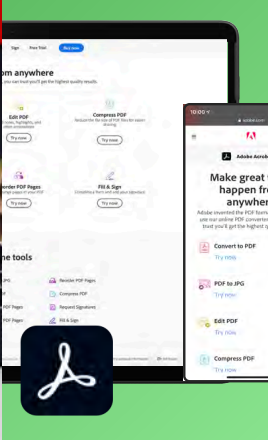
JOIN THE MARKETING NATION



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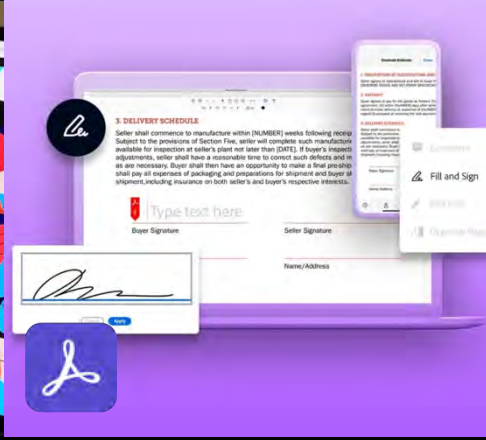


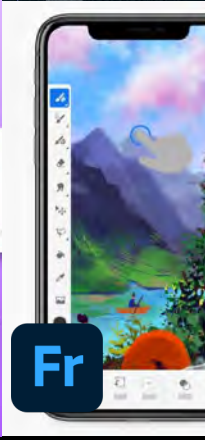
Adobe X workfront





Ai





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100 FASTEST GROWING COMPANIES 2020  
FORTUNE



FORTUNE 100 BEST COMPANIES TO WORK FOR 2020



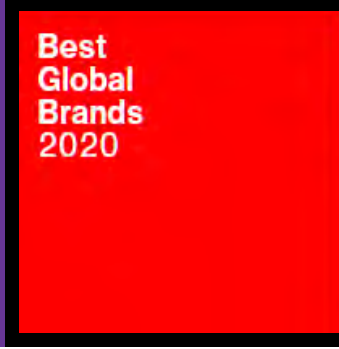
FORRESTER



Gartner



2020  
= Bloomberg Gender-Equality Index



Best Global Brands 2020



27 Adobe  
UP 12 PLACES



# 2020 Innovation Highlights

Photoshop Neural Filters

Adobe Fresco

Real-time Customer Data Platform

Acrobat Liquid Mode

Intelligent Services



Illustrator on iPad

XD Collaboration

Photoshop Camera

Frictionless PDF

Customer Journey Analytics

Adobe Experience Platform

# 2020 Financial Highlights

## Q4 FY2020

**\$3.42B**

Total Revenue

**14% Y/Y growth**

**\$4.64**

GAAP EPS

**167% Y/Y growth**

**\$2.81**

Non-GAAP EPS

**23% Y/Y growth**

**\$548M**

Record net new  
Digital Media ARR

**14%**

Digital Experience  
subscription revenue  
Y/Y growth\*

**\$1.78B**

Record cash flows  
from operations

## FY2020

**\$12.87B**

Total Revenue

**15% Y/Y growth**

**\$10.83**

GAAP EPS

**81% Y/Y growth**

**\$10.10**

Non-GAAP EPS

**28% Y/Y growth**

**\$1.85B**

Net new  
Digital Media ARR

**17%**

Digital Experience  
subscription revenue  
Y/Y growth\*

**\$5.73B**

Cash flows  
from operations

\*Excludes Adobe Advertising Cloud revenue, which has been reclassified to our Publishing and Advertising segment effective Q4 FY2020

Source: Adobe, December 2020



# Changing the World Through Digital Experiences



# Tectonic Shifts Towards All Things Digital



**Golden Age of Design and Creativity**

**Digital Imperative for Customer Engagement**

**Paper-to-Digital Automation**

**Content Fuels the Global Economy**

**Acceleration of Remote Education**

**Future of Work Reimagined**

**Explosion of E-commerce**

**Everyone is a Creator**

**AI & Machine Learning Redefining Software**

**PC as the Computing Workhorse**

**Mobile & Cloud Accelerating Productivity**

**People Buy Experiences, Not Products**

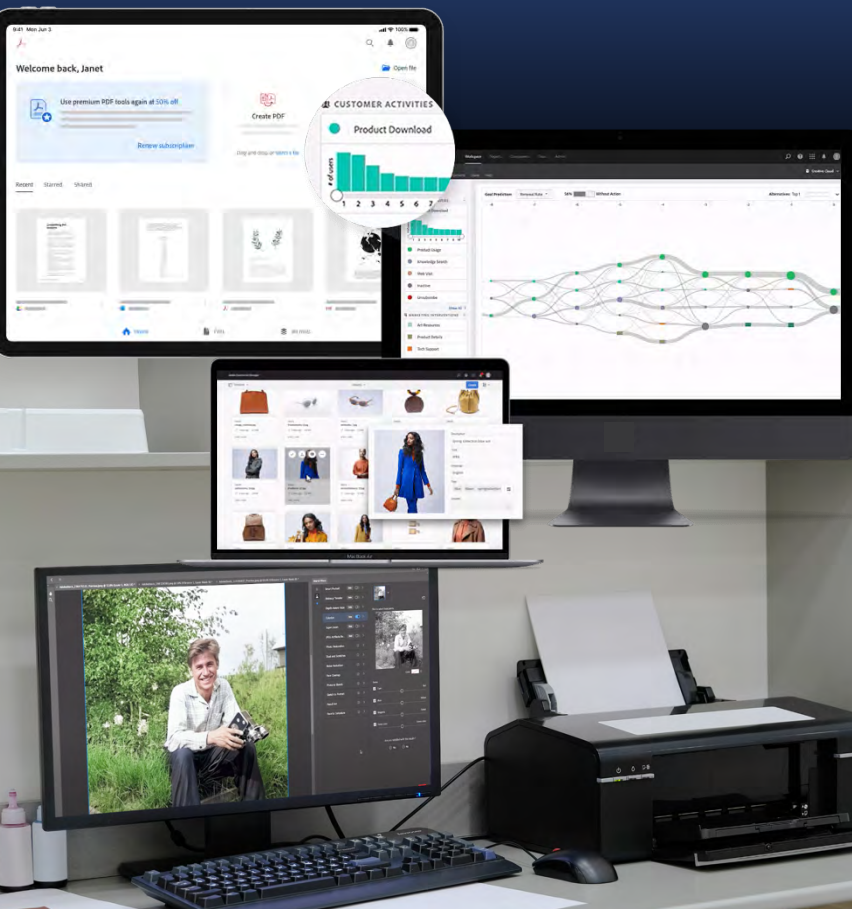
**Privacy & Security a Mandate to Earn Trust**





# Transforming Work, Learn and Play

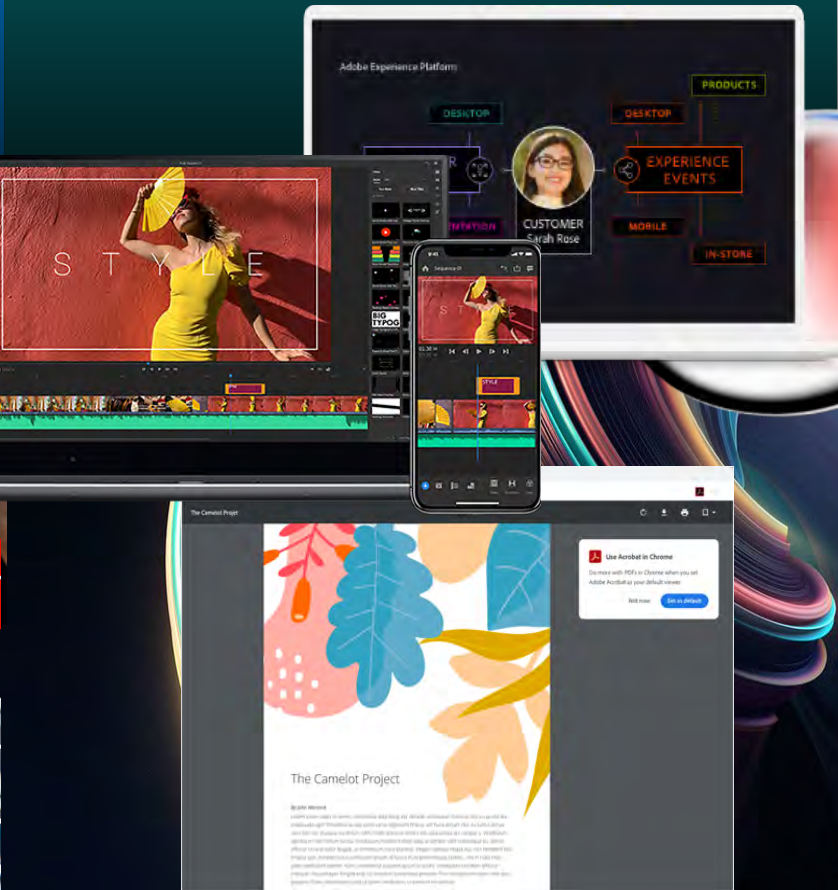
## Category Creation



## Empowering Everyone



## Platform Innovation



# Adobe's Strategy

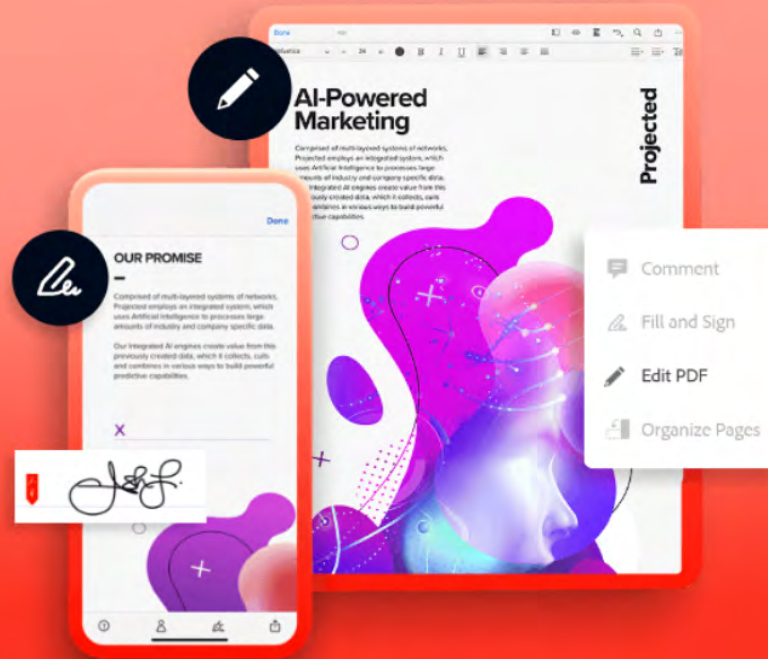
## Unleashing Creativity

### Adobe Creative Cloud



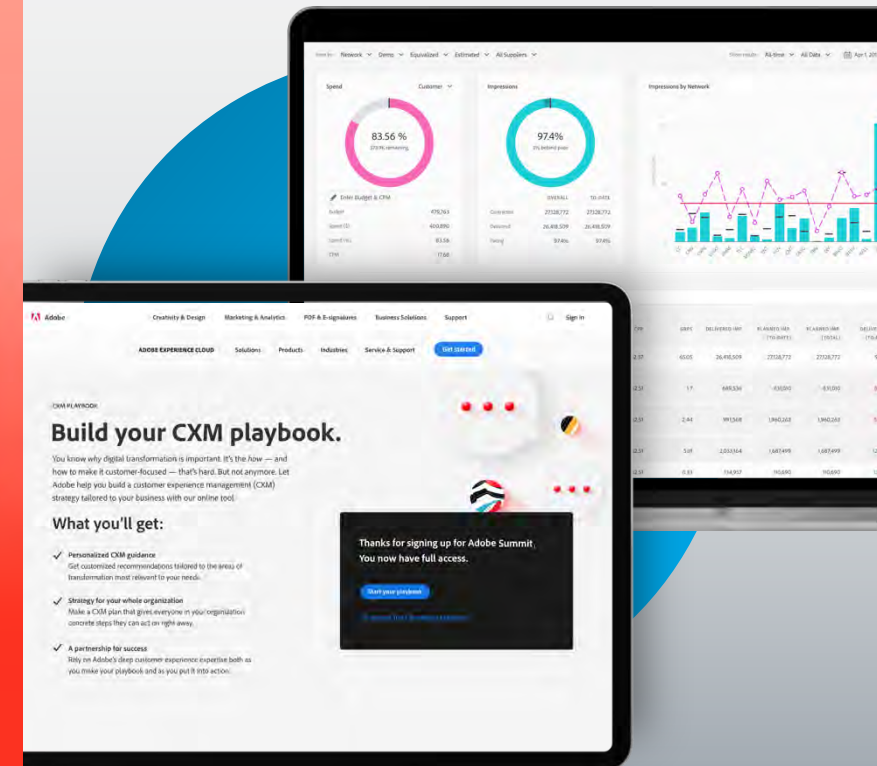
## Accelerating Document Productivity

### Adobe Document Cloud



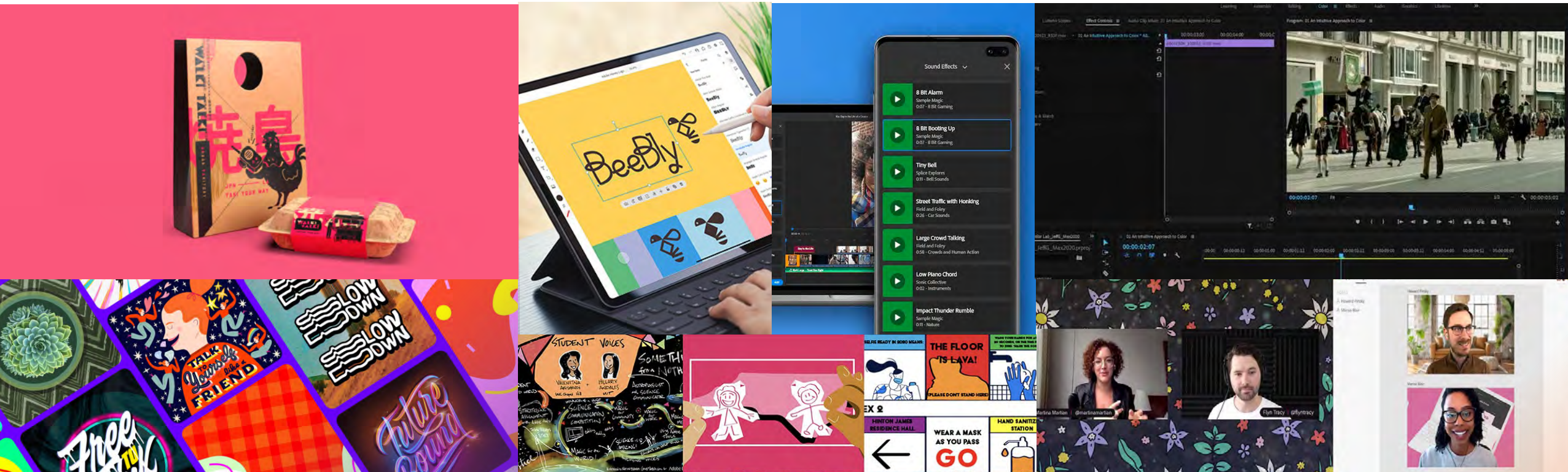
## Powering Digital Businesses

### Adobe Experience Cloud





# Content Fuels the Global Economy



# Creativity is for Everyone

# Creativity is Essential

# Creativity is Multi-Player





# Creative Cloud Strategy

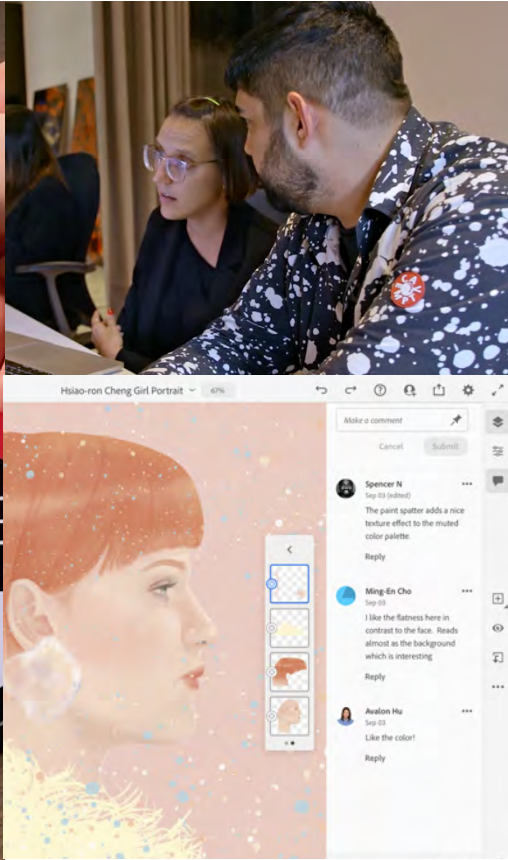
**Advance Every  
Creative Category**



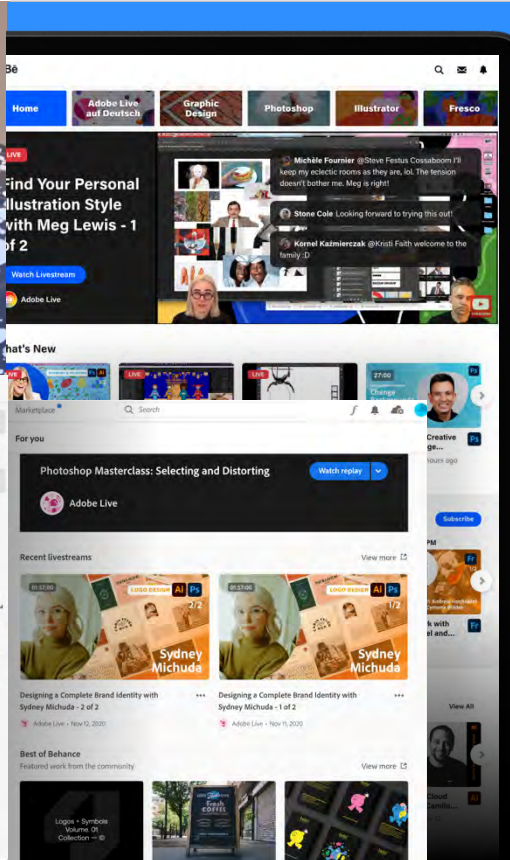
**Multi-Surface  
Systems**



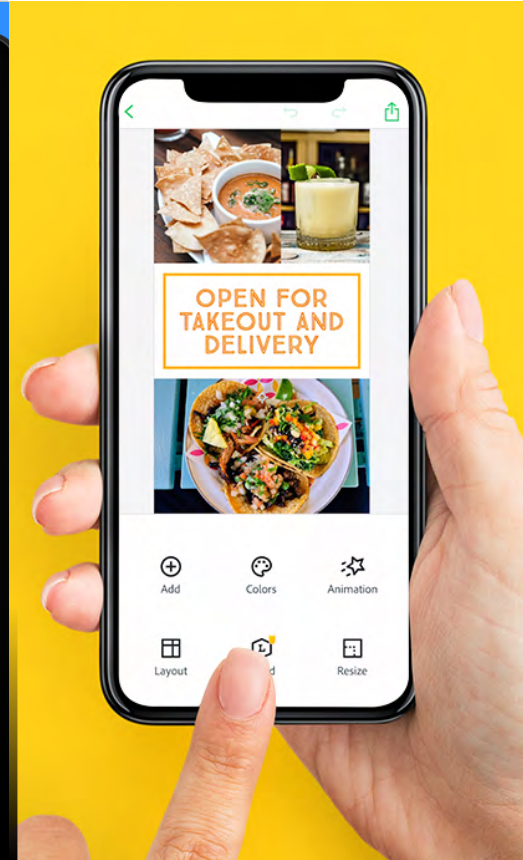
**Collaboration  
Services**



**Engage and Inspire  
the Community**



**Democratize  
Creativity**



# 2023 Creative Cloud Total Addressable Market



2022 Creative Cloud TAM

~\$31B



2023 Creative Cloud TAM

~\$41B

## ~\$20B Creative Professionals

- Capitalizing on creative job growth
- Increasing retention through multi-surface systems
- Growing adoption of 3D&I
- Increasing use of services
- Creating differentiated value for businesses
- Transforming products for team offering
- Expanding web-based creative tools

## ~\$15B Communicators

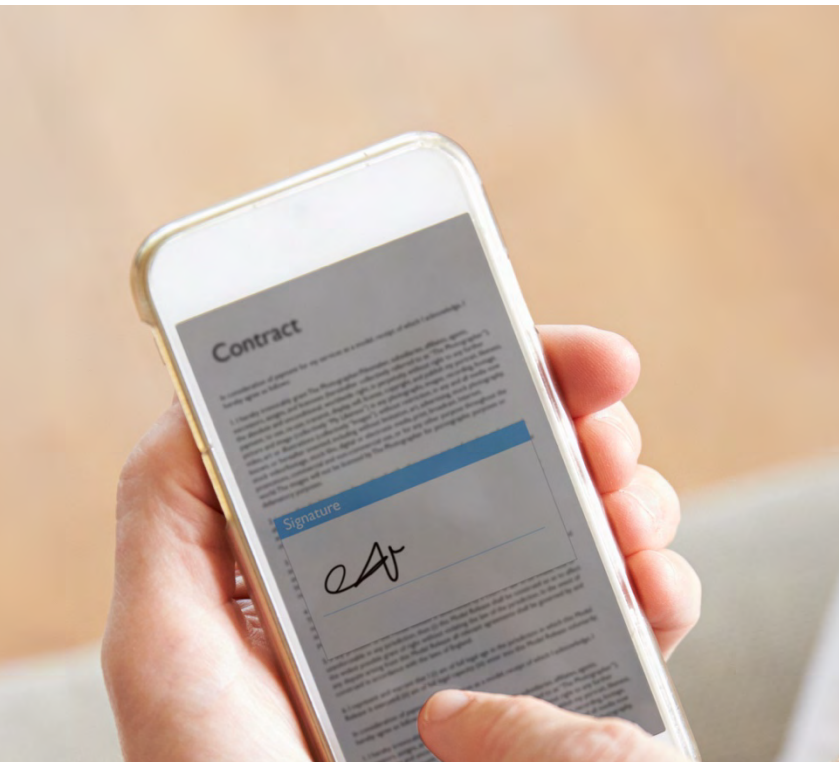
- Expanding accessible tools for non-pro creators
- Growing resources for template-driven design
- Streamlining collaboration & content workflow
- Capitalizing on stakeholder opportunity
- Helping up-level creative skills
- Expanding web-based creative tools

## ~\$6B Consumers

- Bringing AI power to consumer apps
- Helping up-level creative skills
- Expanding monetization of mobile offerings
- Expanding web-based creative tools



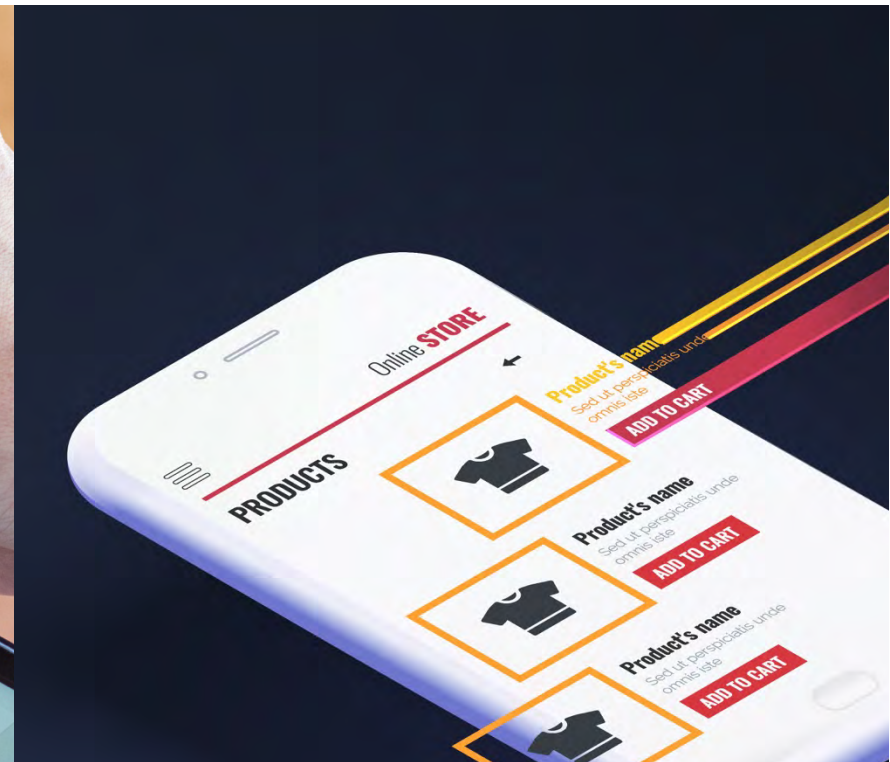
# Business Moves with Digital Documents



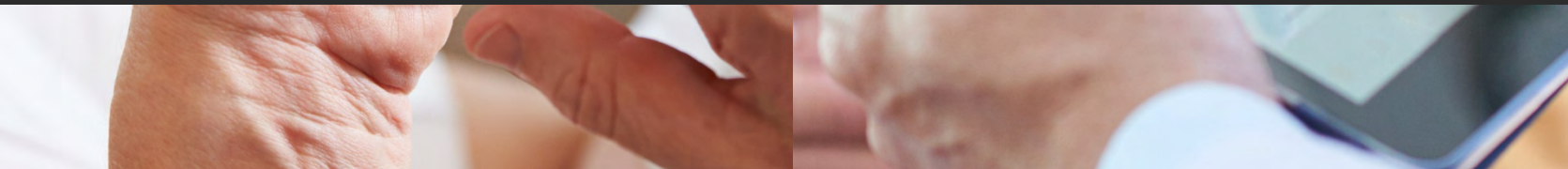
**AI, Cloud & Mobile  
Reshaping Productivity**



**Paper-to-Digital  
Accelerating**



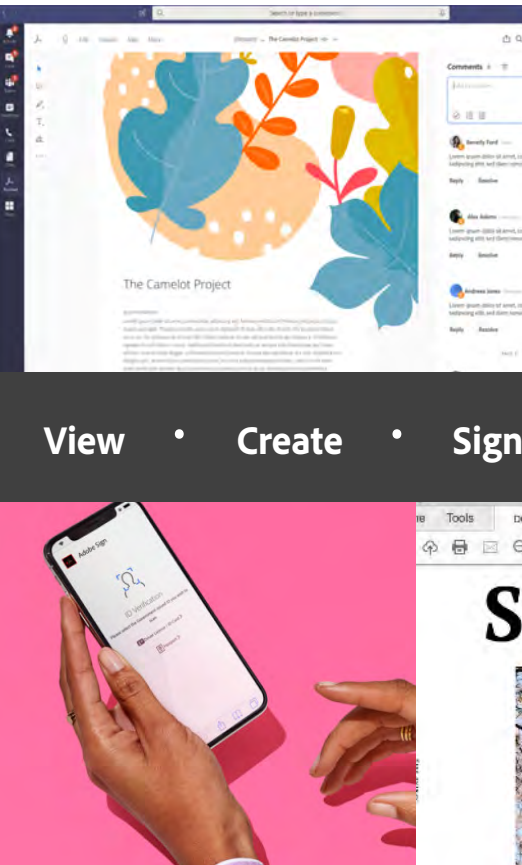
**Cloud Ecosystems Are  
Driving API Economy**



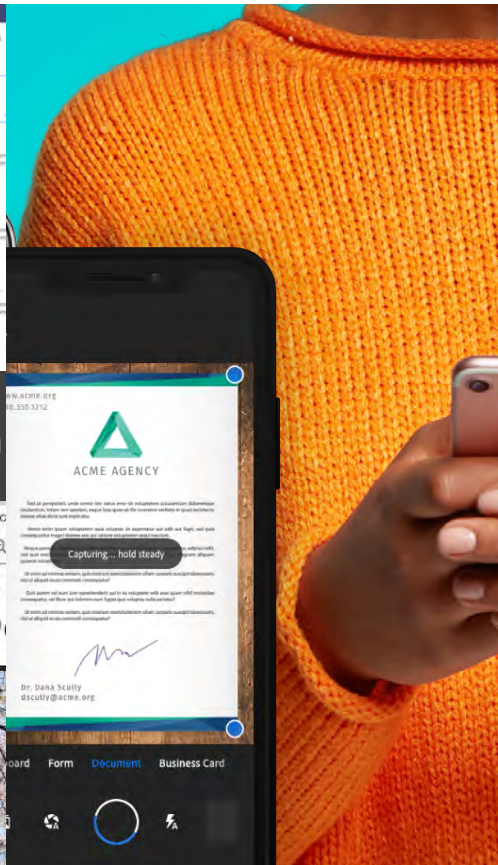


# Adobe Document Cloud Strategy

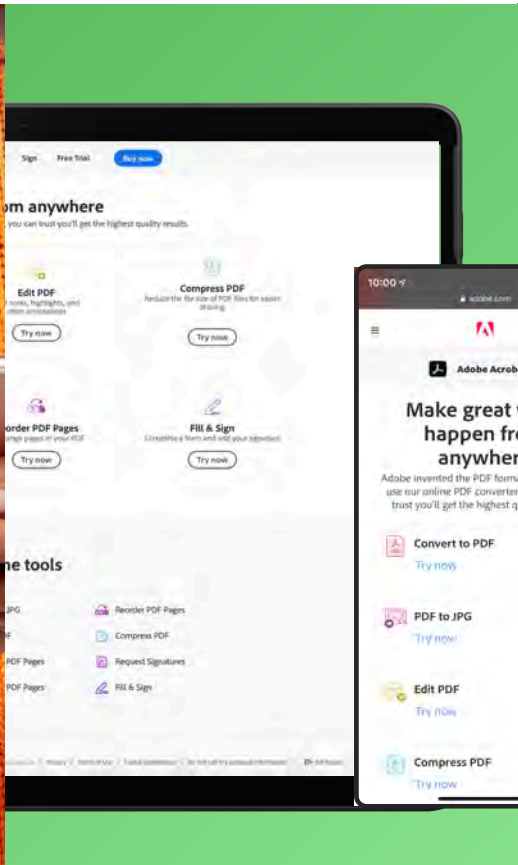
**Expand Sensei-Powered Acrobat Verbs**



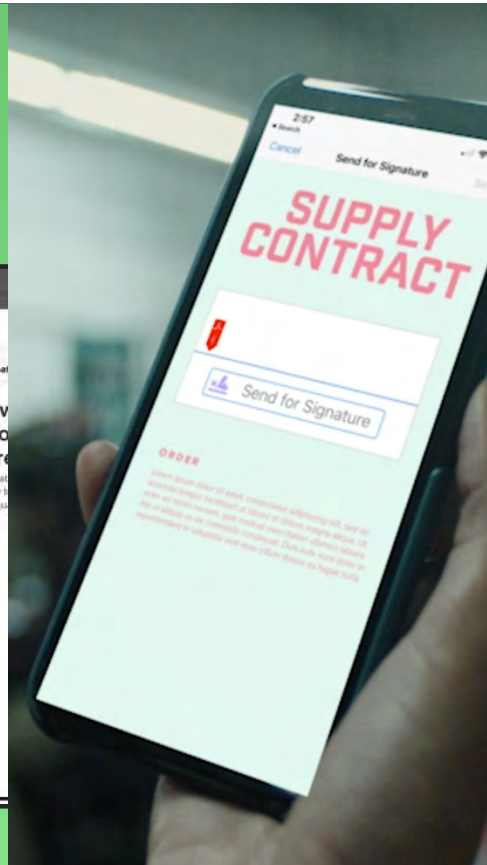
**Mobile Fuels New Business Opportunity**



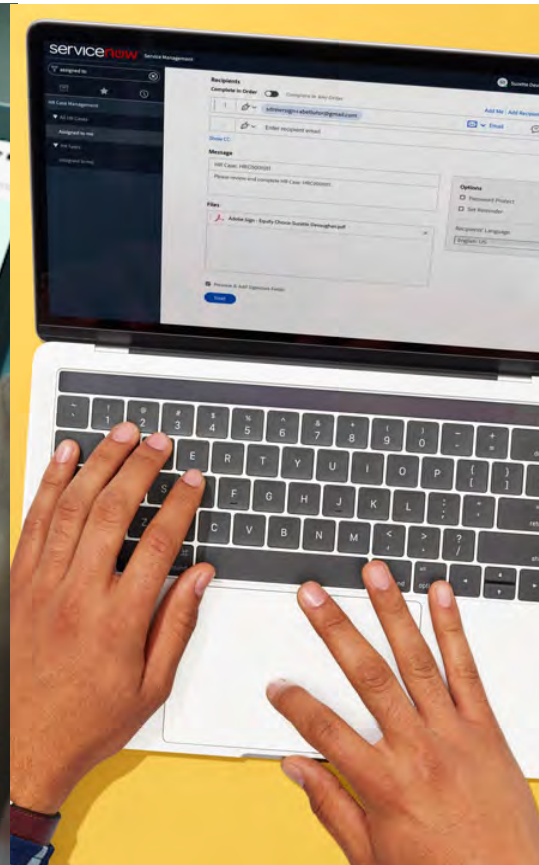
**Capture PDF Demand with Acrobat Web**



**Power Paper-To-Digital Transformation**



**Unleash PDF Ecosystem with Document Services**





# Capture PDF Demand with Acrobat Web

**Online demand for PDF actions, initiated by a search query, is massive opportunity to delight consumers and expand customer base**

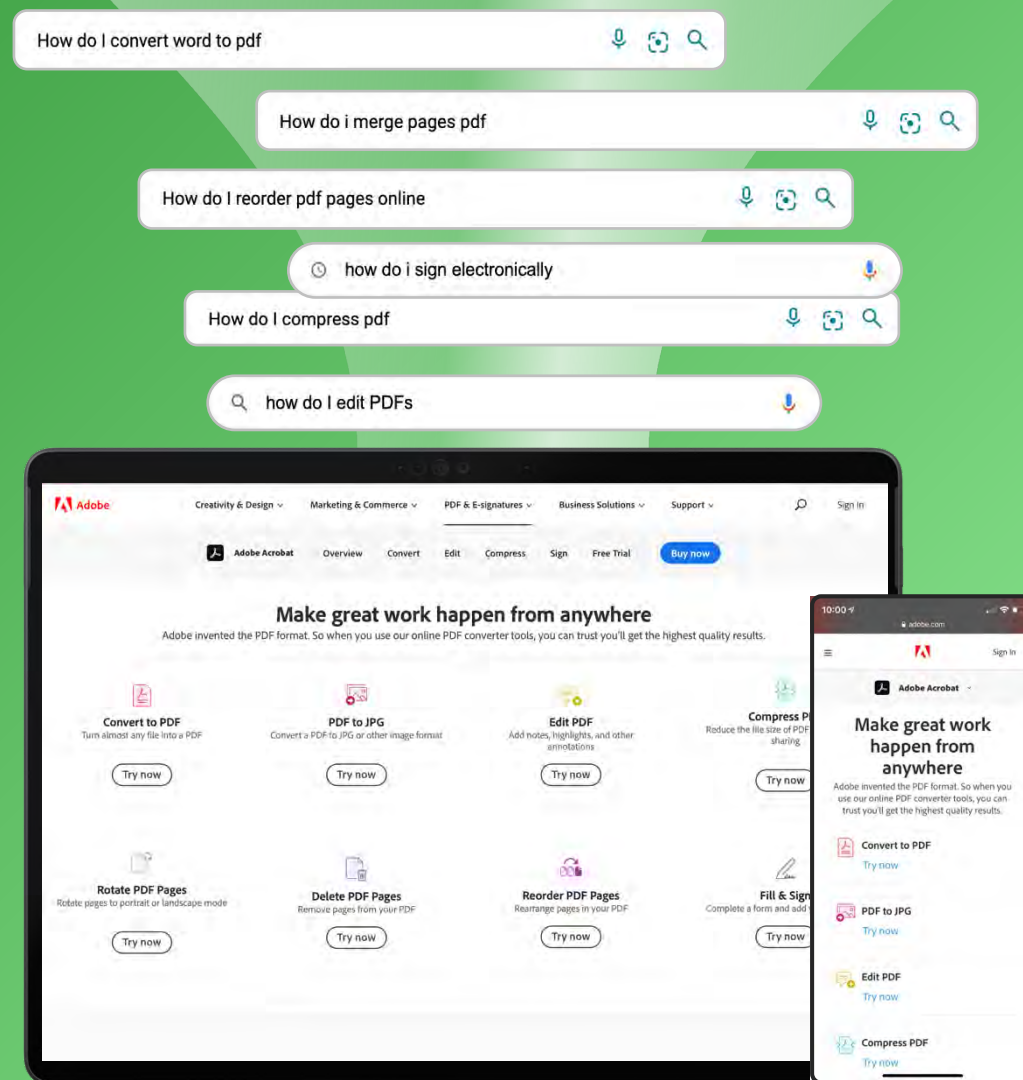
50M+ searches for PDF actions every month

Affinity for Adobe's brand driving explosive traffic growth on Adobe.com

Single-click, best-in-class web experience delivers quick results and discovery of comprehensive Acrobat offerings

Repeat use drives Adobe IDs and upsell to Acrobat subscriptions starting from \$9.99

Source: Bridge Edge reports



# Power Paper-to-Digital Transformation

**Every business is going digital: sales, HR, procurement & customer experience**

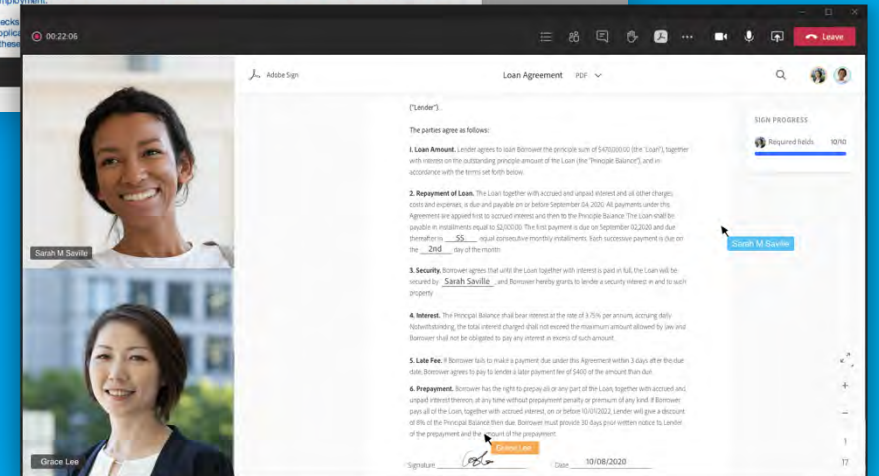
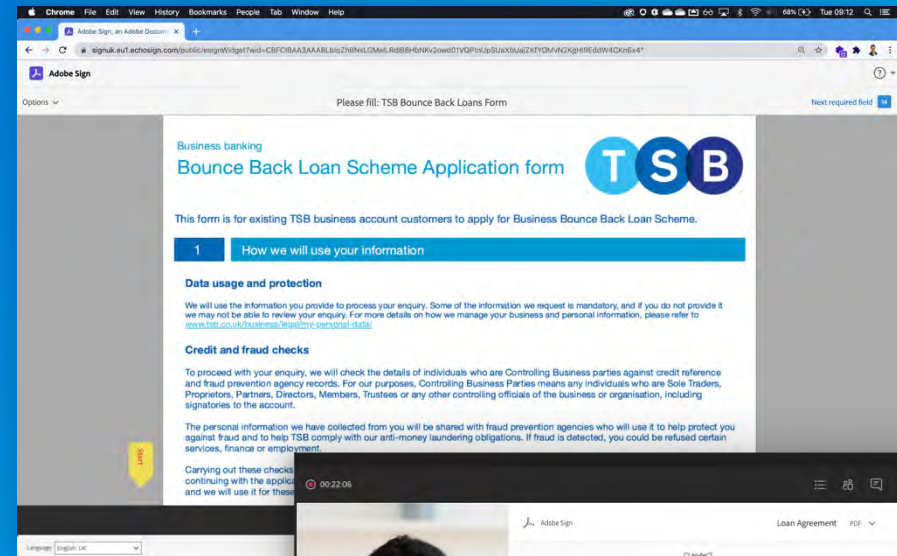
Digital documents and signatures integral to business transformation

Acrobat, AEM Forms & Sign deliver unified document platform, opportunity across Adobe enterprise customers

Sign integrated into MSFT Teams, Workday, ServiceNow & Notarize workflows

GTM expertise: Adobe brand awareness, demand creation, DDOM, and channel & direct enterprise scale drive maximum market impact

Customer Onboarding in TSB Web Experience, Powered by Adobe Sign



Live Signing in Microsoft Teams, Powered by Adobe Sign



# 2023 Document Cloud Total Addressable Market



2022 Document Cloud TAM

~\$13B



2023 Document Cloud TAM

~\$21B

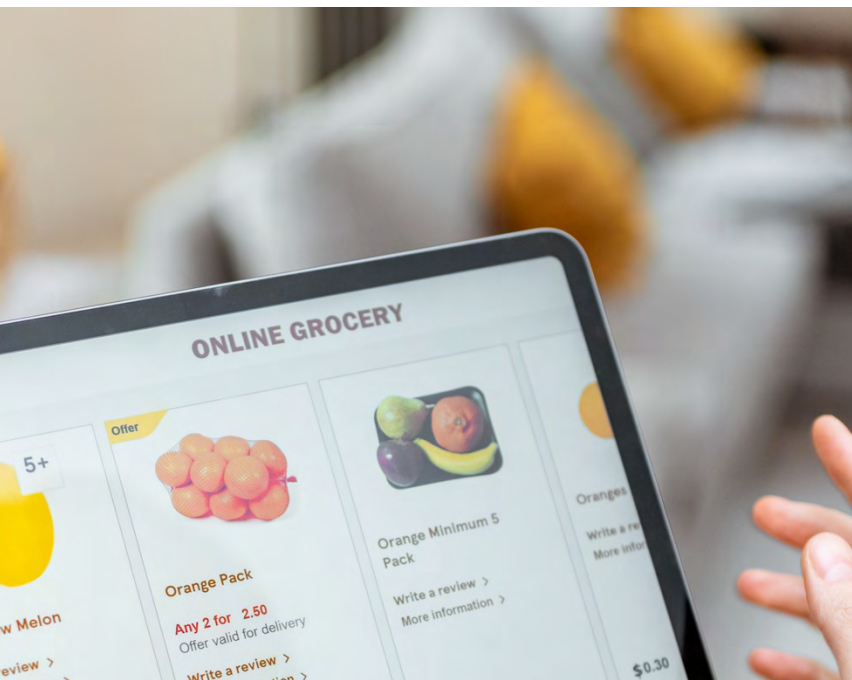
## ~\$11B Acrobat Applications

- PDF category growth
- New mobile products
- Online demand for PDF actions
- Expansion of Acrobat verbs
- Migration of perpetual users to subscriptions

## ~\$10B Document Services Platform

- eSignatures
- Embedded PDF-as-a-Service
- Document intelligence services

# Businesses Doubling Down on Customer Experience Management



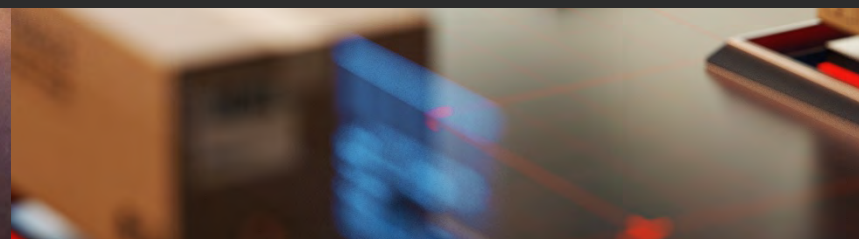
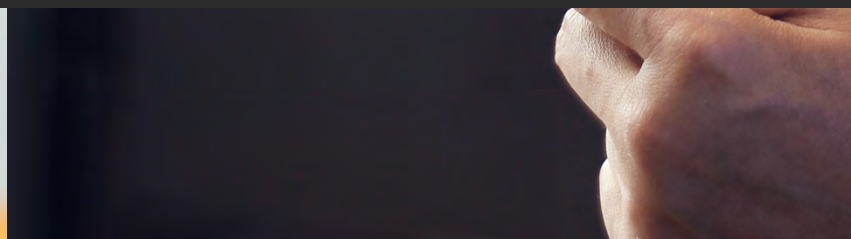
**Every Business is a Digital Business**



**Customers Expect Engaging Personalized Experiences**



**Next-gen Platform Required to Deliver the Customer Experience**



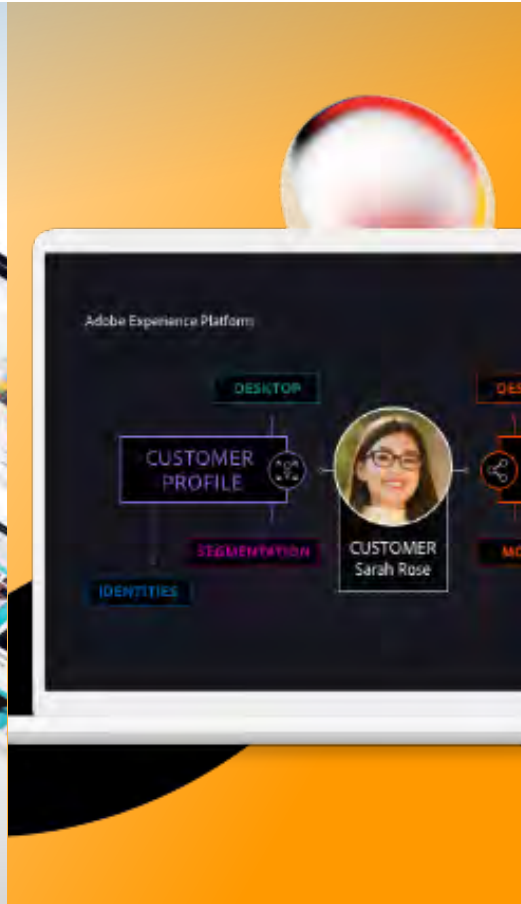


# Adobe Experience Cloud Strategy

**Comprehensive  
Applications & Services**



**Next Gen Technology  
Platform**



**Industry-leading Marketing  
System of Record**



**Scaled GTM with  
CMO & CIO**



**Expansive Partner  
Ecosystem**



# 2023 Experience Cloud Total Addressable Market



2022 Experience Cloud TAM

**~\$74B\***



2023 Experience Cloud TAM

**~\$85B**

---

**~\$26B** Customer Data & Insights

- Customer Analytics
- Customer Data Platform
- Identity Resolution
- Customer and Business Intelligence

**~\$44B** Content & Commerce

- Content and Asset Management
- Headless CMS
- Personalization
- Digital Commerce

**~\$15B** Customer Journey Management

- Campaign Management
- Email Marketing
- Account-based Marketing
- Lead Management

\* 2022 TAM updated to remove Advertising Cloud market  
Source: IDC and Adobe, December 2020



# Adobe's Growth Advantage

**~\$147B**

2023 Total Addressable Market

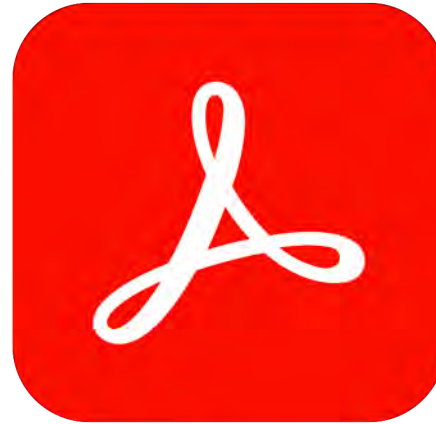
**Category Creation  
& Reinvention**

**Empowering  
Everyone**

**Leading Applications,  
Services & Platforms**

**Exceptional Brand  
& Employees**

**World-Class  
Financial Discipline**



Source: Adobe, December 2020

# Adobe Growth Drivers



## Applications

## Services

## Platforms

Growth in new creative jobs · Social media video creators · Mobile consumer photography · New media types  
Free-to-paid · Demand creation campaigns · Migration of perpetual to subscriptions · Sensei Creative intelligence  
SMB & enterprise seat expansion · Adobe Sign · Reader upsell to Acrobat · Remote work and learning  
Anti-piracy · Growth in knowledge worker jobs · Sensei Document intelligence · Acrobat web offerings  
Ubiquitous content · Adobe Experience Platform · Sensei Experience intelligence · Strategic partnerships  
Global expansion · Mid-market and new logo growth · Customer success & retention · Cross-sell & up-sell

Source: Adobe, December 2020

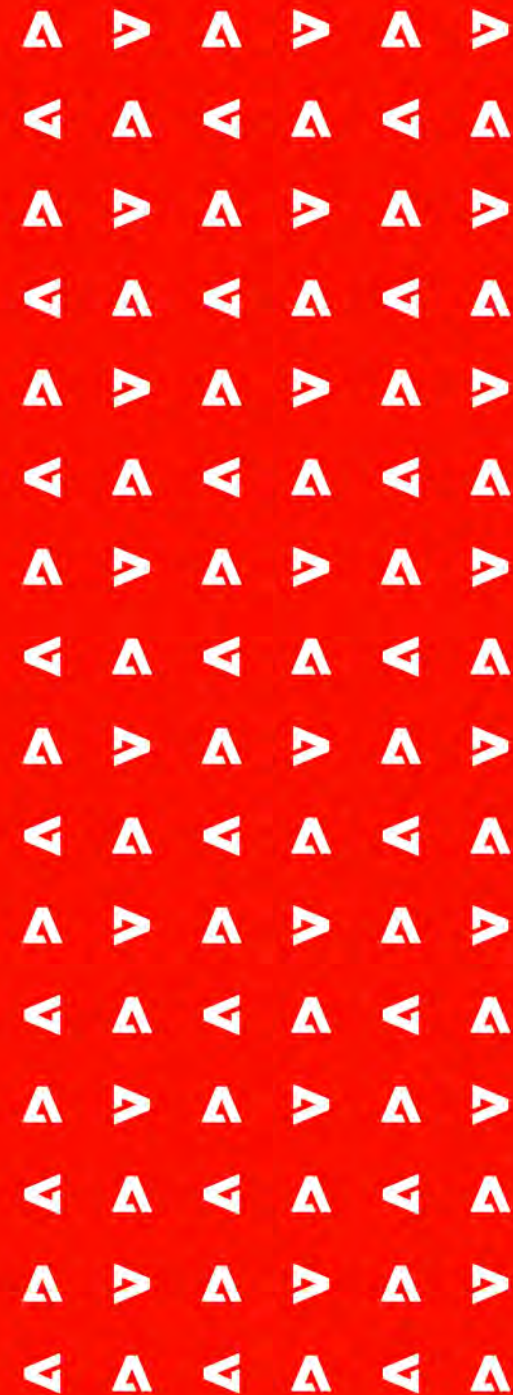




# Technology Vision

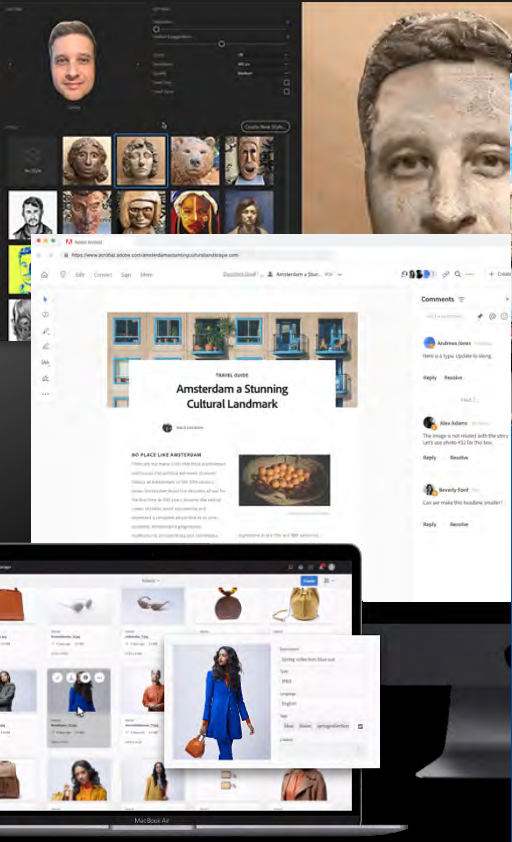
**Abhay Parasnis | CTO and Chief Product Officer,  
Document Cloud**

**December 10, 2020**

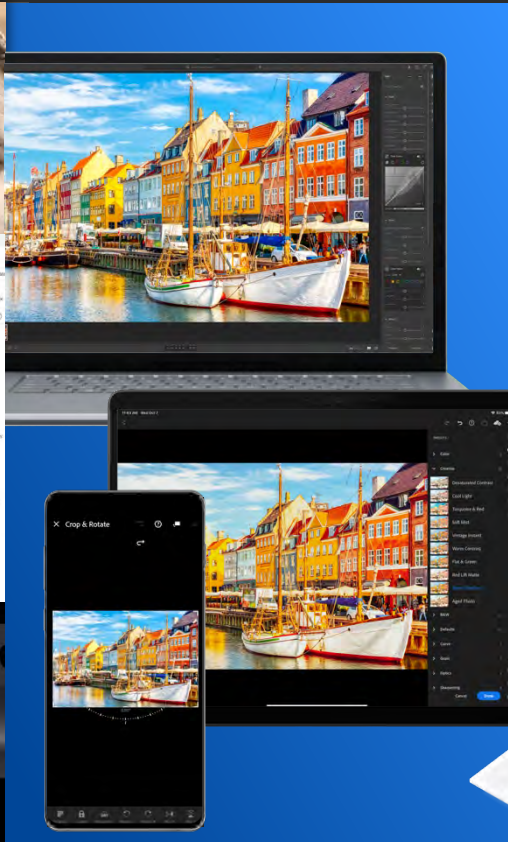


# Adobe's Technology Vision

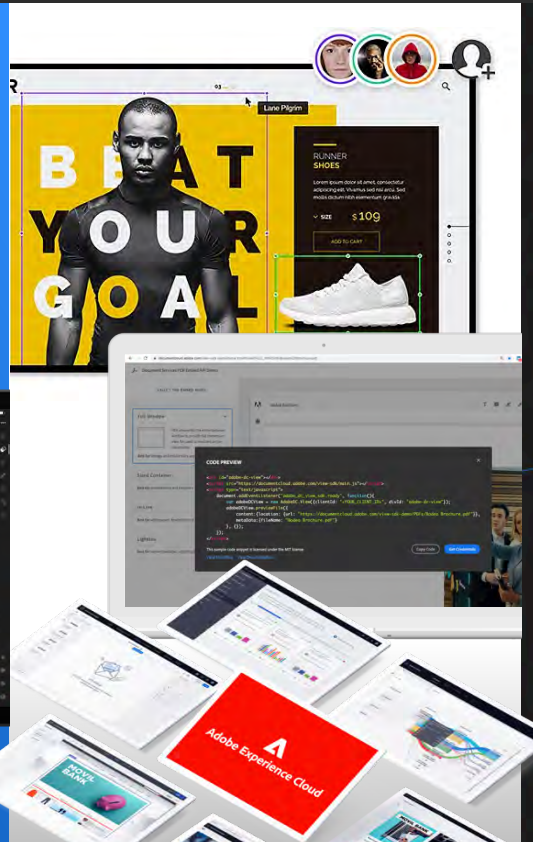
## Innovation @ Scale



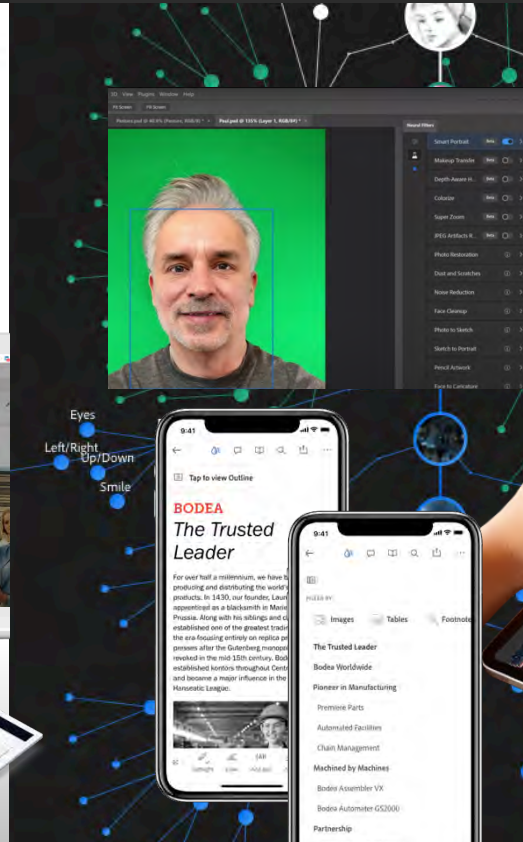
## Multi-Surface Experiences



## Services & Open APIs



## AI-First with Sensei



## Engineering Excellence



# Unmatched Scale: From Cloud to the Edge



**Adobe Creative Cloud**  
**Unleashing Creativity**



**Adobe Document Cloud**  
**Accelerating Document Productivity**



**Adobe Experience Cloud**  
**Powering Digital Businesses**

**~50B**

Content platform  
assets

**>350M**

CC mobile apps  
downloaded

**>300B**

PDFs opened in  
DC apps in last  
12 months

**~25B**

Content pages  
delivered per day

**~7,200**

Service releases  
per month

**>230M**

Adobe Stock assets

**>2B**

Mobile & desktop  
devices with Reader  
or Acrobat

**~2500**

Multi-Cloud  
deployed Services

**~16.8T**

Segment evaluations  
per day

**~30B**

Cloud API calls  
per day

Source: Adobe, as of Q3 FY2020



# Innovation Engine



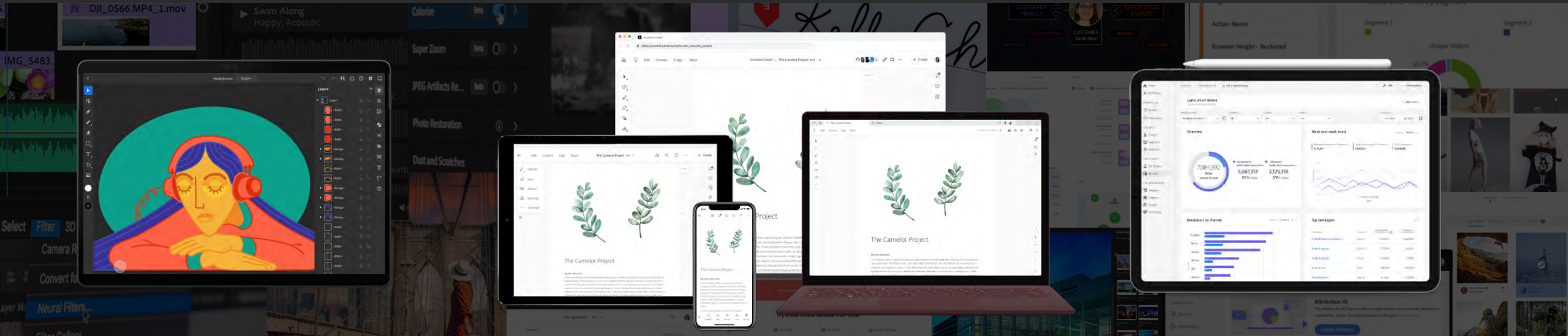
**Adobe Creative Cloud**  
**Unleashing Creativity**



**Adobe Document Cloud**  
**Accelerating Document Productivity**



**Adobe Experience Cloud**  
**Powering Digital Businesses**



- Illustrator on iPad 
- Cloud Docs     
- Neural Filters 

- Liquid Mode PDF
- Acrobat Web
- PDF Developer APIs & Ecosystem

- AEM Cloud Services
- Adobe Experience Platform
- Customer Journey Analytics

# Adobe's Unified Product Architecture

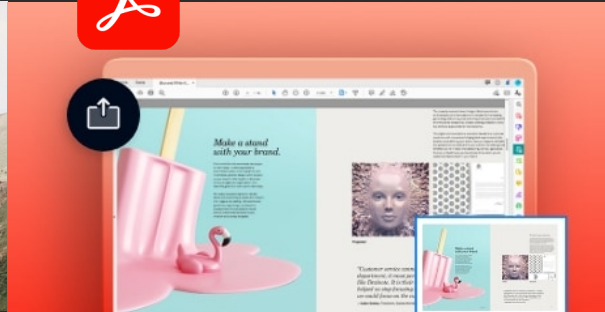
## Adobe Creative Cloud

## Unleashing Creativity



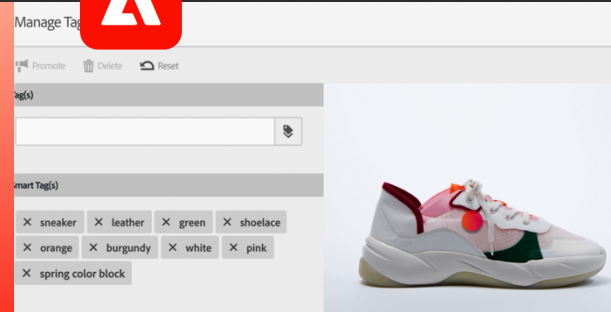
## Adobe Document Cloud

# Accelerating Document Productivity



## Adobe Experience Cloud

## Powering Digital Businesses



# Applications

## Services

Adobe Stock

## Behance, Adobe Live

## Design Systems, CC Libraries

## Fonts, Training, Portfolio

## Cloud Docs & Collaboration

## Create/Combine/Compress

Edit/Organize/View

Share &amp; Review

## Liquid Mode

## Adobe Scan & Sign

## Intelligent Services

## Journey Orchestration

## Offer Decisioning

## Real-Time Customer Data Platform

## Customer Journey Analytics

# Platform

# Adobe Sensei

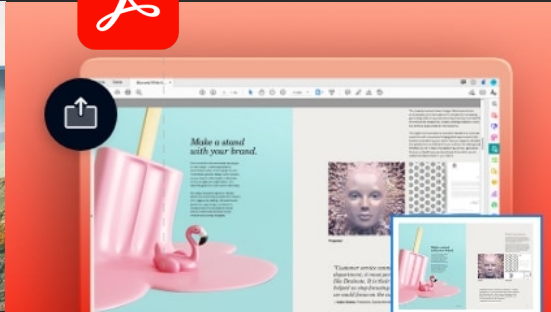
# Content + Data

# Adobe's Unified Product Architecture

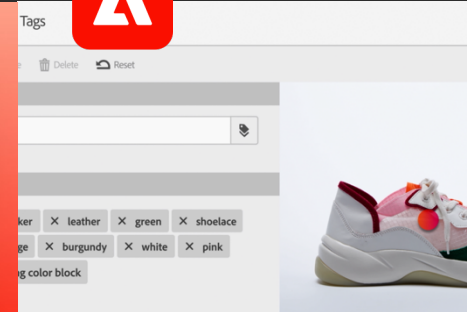
**Adobe Creative Cloud**  
Unleashing Creativity



**Adobe Document Cloud**  
Accelerating Document Productivity



**Adobe Experience Cloud**  
Powering Digital Businesses



**Multi-Surface  
Experiences**

Applications

Services

Adobe Stock

Behance, Adobe Live

Design Systems, CC Libraries

Fonts, Training Portfolio

Cloud Docs & Collaboration

...

Create/Combine/Compress

Edit/Organize/View

Share & Review

Liquid Mode

Adobe Scan & Sign

...

Intelligent Services

Journey Orchestration

Offer Decisioning

Real-Time Customer Data Platform

Customer Journey Analytics

...

**Services &  
Open APIs**

Platform

Adobe Sensei

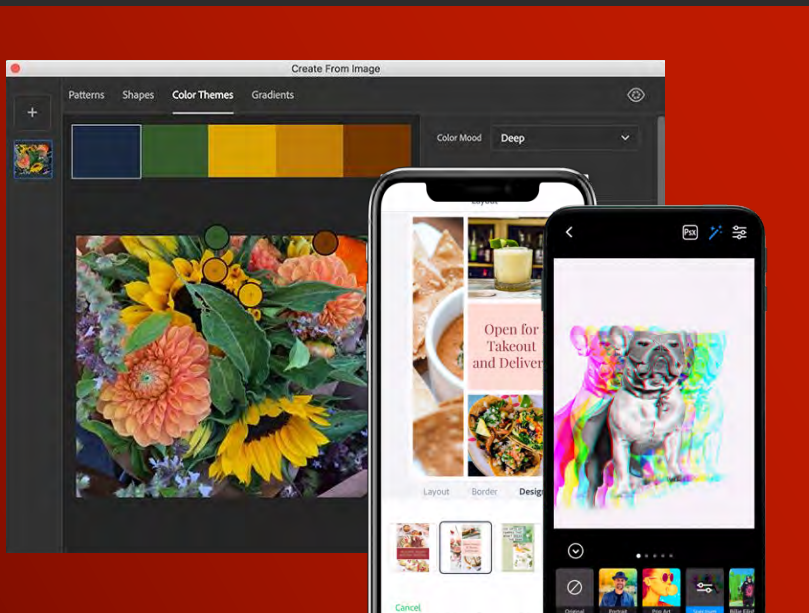
Content + Data

**AI-First  
with Sensei**



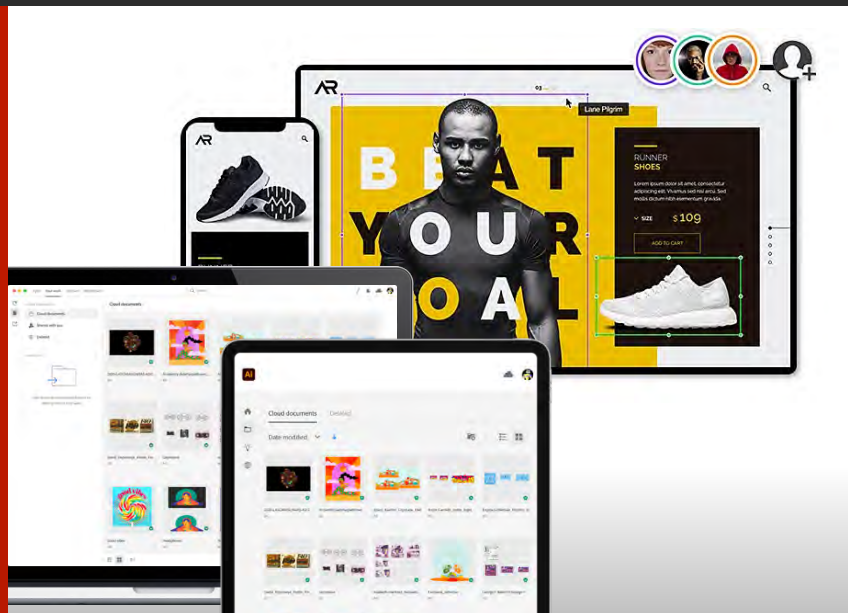
# Creative Cloud Technology Themes

## Multi-Surface Experiences



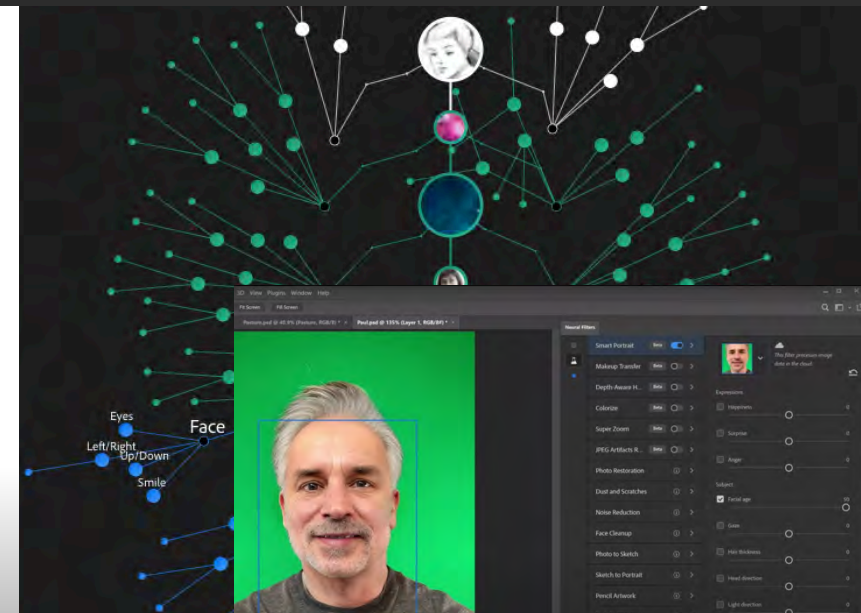
- Deliver multi-surface workflows thru Desktop, Mobile & Web
- Invest in new modalities, data types & capture technologies

## Services & Open APIs



- Expand Creative Cloud Docs & integrated Stock content
- Enable real-time in-context collaboration in CC apps

## AI-First w/ Sensei



- Deliver Sensei-powered Creative Graph
- Develop breakthrough AI-First workflows for Imaging & Video

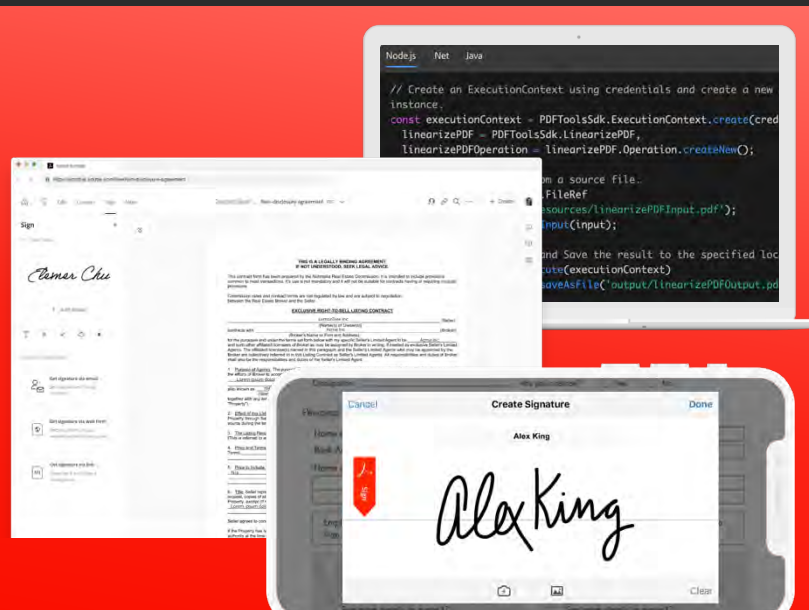
# Document Cloud Technology Themes

## Multi-Surface Experiences



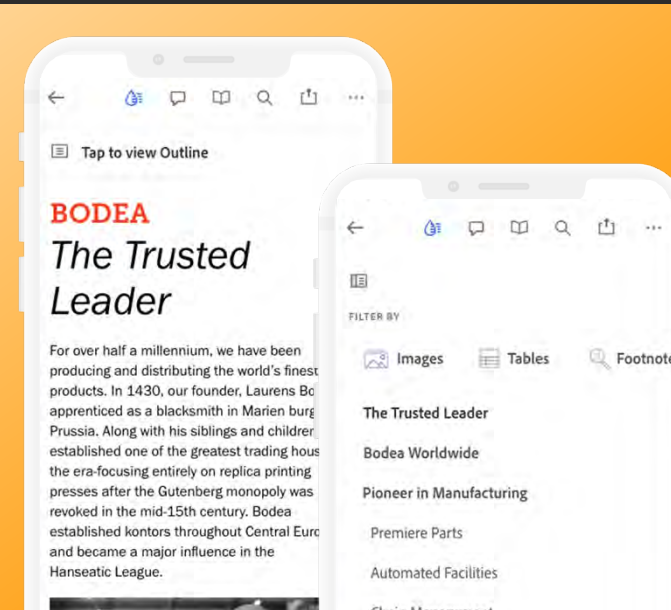
- Extend best-in-class Desktop PDF Runtime to web & mobile
- Invest in Capture & Scan breakthroughs

## Services & Open APIs



- Integrate Adobe Sign w/ core Acrobat workflows for the Enterprise
- Deliver rich PDF collaboration services
- Open PDF APIs for the broader partner ecosystem & embedded SaaS play

## AI-First w/ Sensei

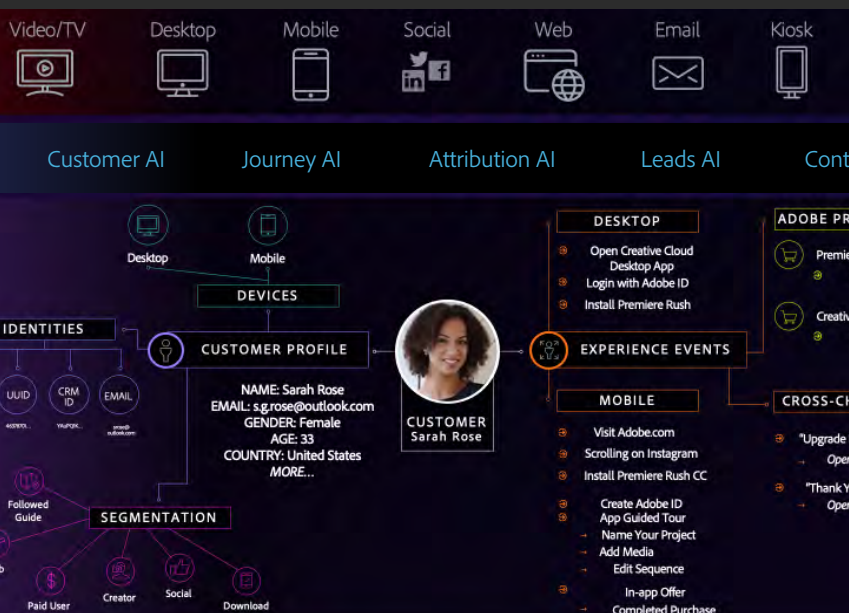


- Enable AI-infused mobile delivery via Liquid Mode
- Sensei-powered Acrobat verbs & Document Graph
- Unlock document intelligence



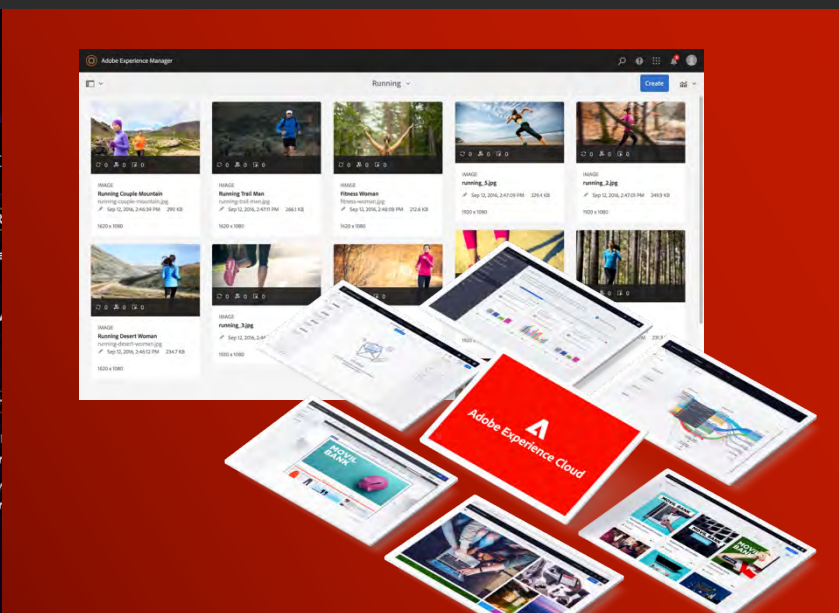
# Experience Cloud Technology Themes

## Multi-Surface Experiences



- Innovate with Real-time Customer Profile
- Next-gen content experiences with AEM Cloud Service (Content + Commerce)
- Deliver cross-channel Activation & Personalization

## Services & Open APIs



- Accelerate best-in-class CXM functionality thru new services - Journey Orchestration, Real-time CDP, Customer Journey Analytics
- Integrate Experience Cloud w/ partner ecosystem via AEP & open APIs/Standards

## AI-First w/ Sensei



- Create AI-powered Unified Experience Graph for B2B & B2C
- Deliver Intelligent Services like Attribution AI and Customer AI



# Engineering Excellence

## Multi-Cloud & Multi-Device Architecture



- Adobe Multi-Cloud Foundation for delivery across major public/hybrid/private cloud stacks
- Deep shared technologies & IP enabling experiences across Desktop, Mobile & Web at scale

## Security & Privacy



- Industry-first Common Controls Framework
- Compliance with all major standards: SOC2, GDPR, HIPAA, FedRAMP & more
- Data Sovereignty

## Operational Excellence



- Trillions of Transactions completed
- Mission-critical Content Delivery
- Operate at Four 9's Reliability
- Optimized for COGs delivery

## Industry Initiatives



- Content Authenticity Initiative
- Open Data Initiative
- AI Ethics

**Talent**

**Research**

**Patents**

Source: Adobe, December 2020



# Inventing the Future

## Creativity Beyond the Screen



Adobe Creative Cloud

## Reimagining Documents



Adobe Document Cloud

## Rewiring the Customer Experience



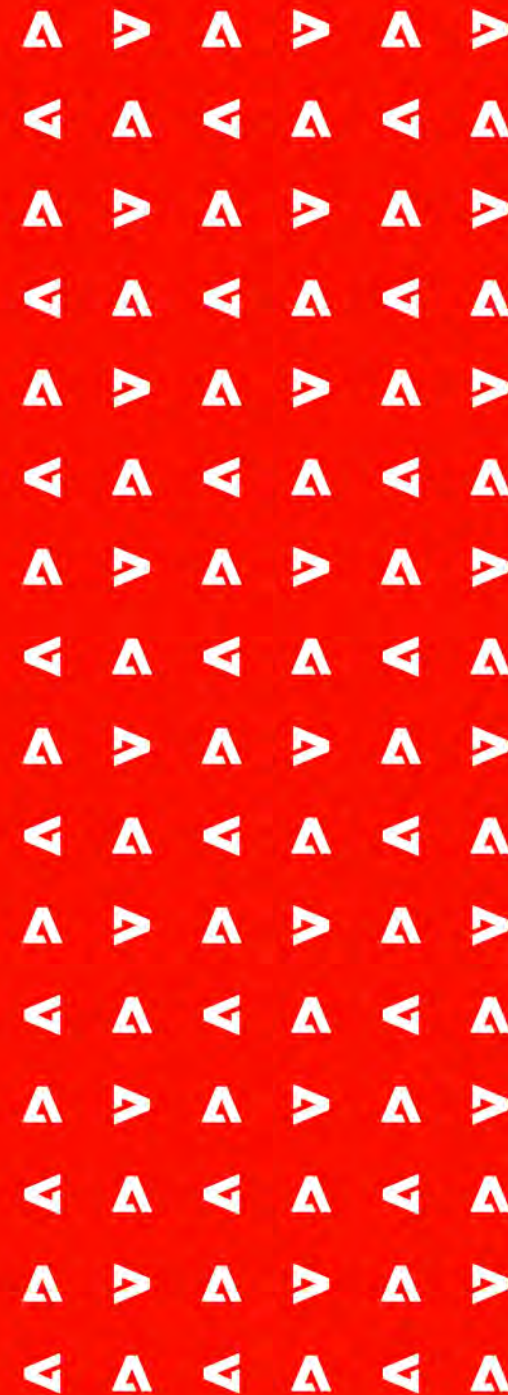
Adobe Experience Cloud



# Creative Cloud Strategy

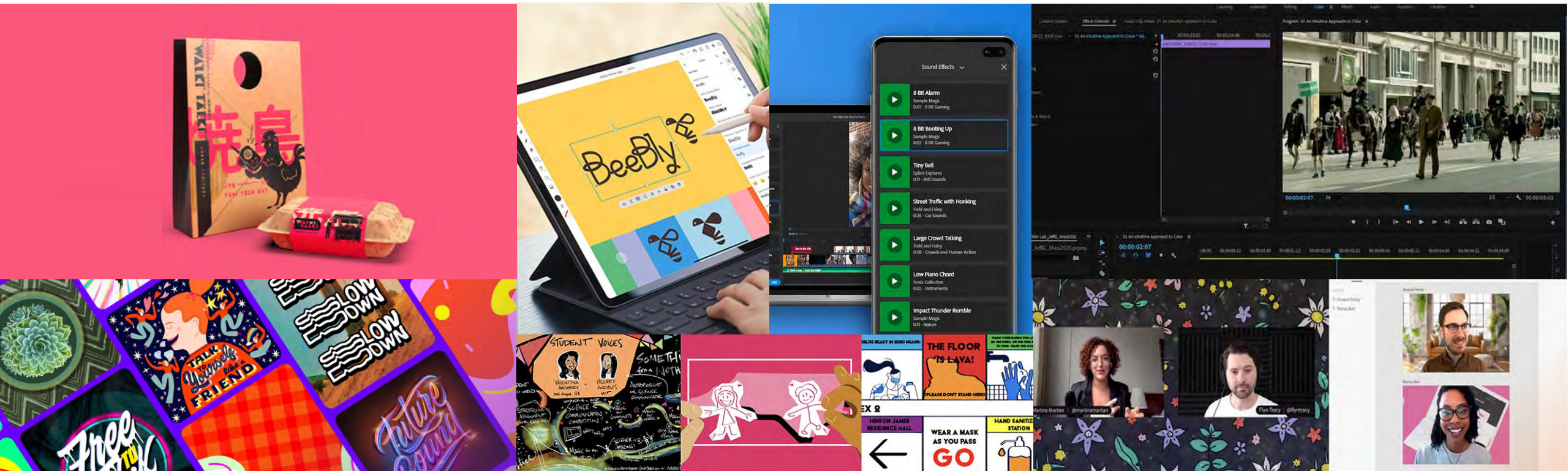
Scott Belsky | EVP and Chief Product Officer, Creative Cloud

December 10, 2020





# Content Fuels the Global Economy



Creativity is for  
Everyone

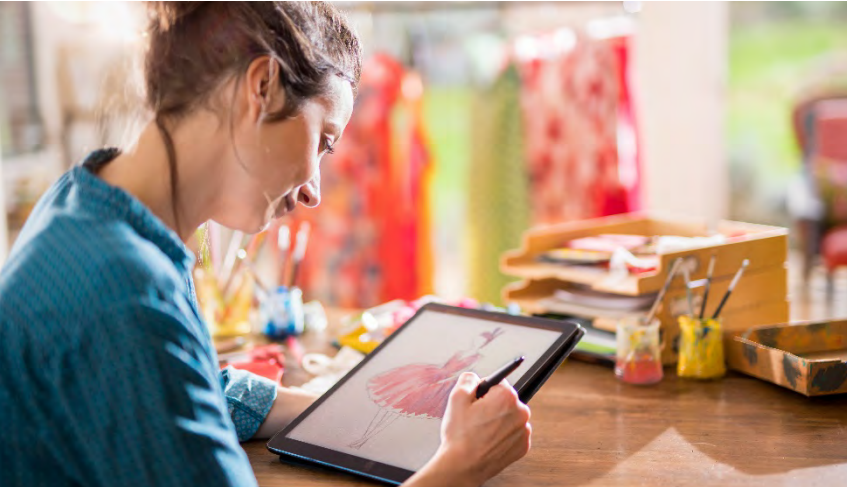
Creativity is  
Essential

Creativity is  
Multi-Player





# Creativity For All



**Creative professionals**



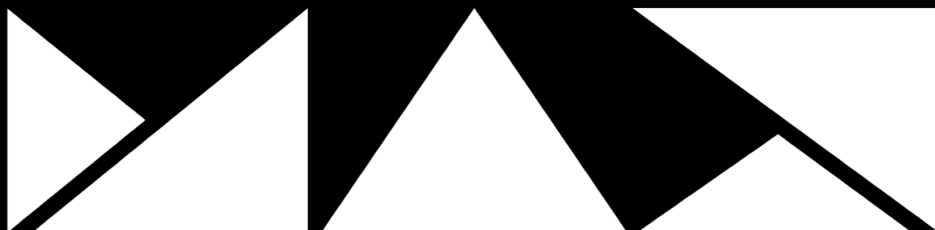
**Communicators**



**Consumers**



Freelancers • Agencies • Enterprises • Small businesses • Education • Governments • Hobbyists • ISVs • Social media creators



**21M** Video Views

**50M** Social Interactions

**#3 in US/#1 in Japan** on Twitter



### **Leveling Up Creative Skills**

Enabling skill development  
through Livestreaming and  
Community



### **Accelerating Collaboration**

Advancing co-creation with  
Team Libraries, Review, and  
Design Systems



### **Unleashing New Forms of Creation**

Pushing creative frontiers through  
Sensei-powered features and  
extending to new surfaces



# Creative Cloud and Document Cloud Innovation Engine

## 2017

Adobe XD  
Adobe Photoshop Lightroom  
Adobe Photoshop Lightroom Classic  
Adobe Scan  
Video Collaboration  
Adobe Photoshop Express  
Adobe Spark

## 2018

Adobe Premiere Rush  
XD - Voice triggers  
Adobe Live on Behance  
Stock - premium content  
Photoshop – content-aware fill reimaged  
Adobe Dimension  
Adobe Fonts  
Lightroom - Search

## 2019

Photoshop on the iPad  
Adobe Photoshop Camera  
Scan Magic Clean  
Adobe Fresco  
Co-editing in XD  
Acrobat Web  
Creative Cloud - desktop app  
Acrobat online  
Design systems  
PDF Service Online  
Substance  
Adobe Aero  
InDesign - Asset Link

## 2020

Illustrator on iPad  
Neural Filters in Photoshop  
Liquid Mode for Acrobat Reader  
Fresco on iPhone  
Lightroom Community  
16 Frictionless Acrobat “verbs”  
Livestreaming in iPad Apps  
Speech-to-text in Premiere Pro  
Auto Reframe in Premiere Rush  
Libraries in Spark  
Aero Desktop  
APIs released for Embedded PDF  
InDesign Share for Review  
XD 3D Transform  
After Effects 3D Workspace



# Creative Cloud Strategy

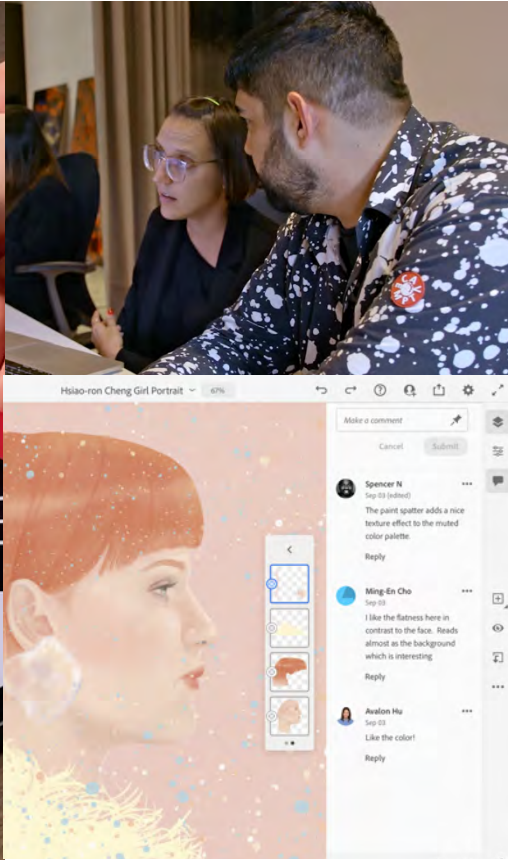
**Advance Every  
Creative Category**



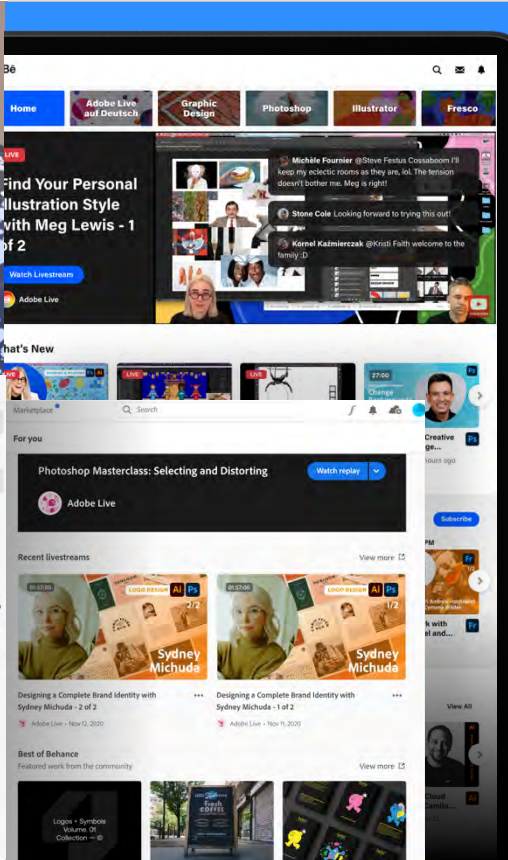
**Multi-Surface  
Systems**



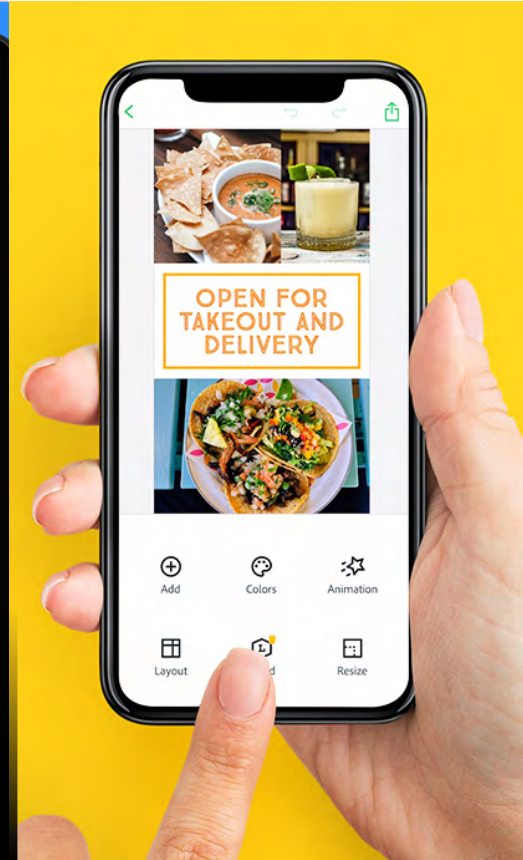
**Collaboration  
Services**



**Engage and Inspire  
the Community**



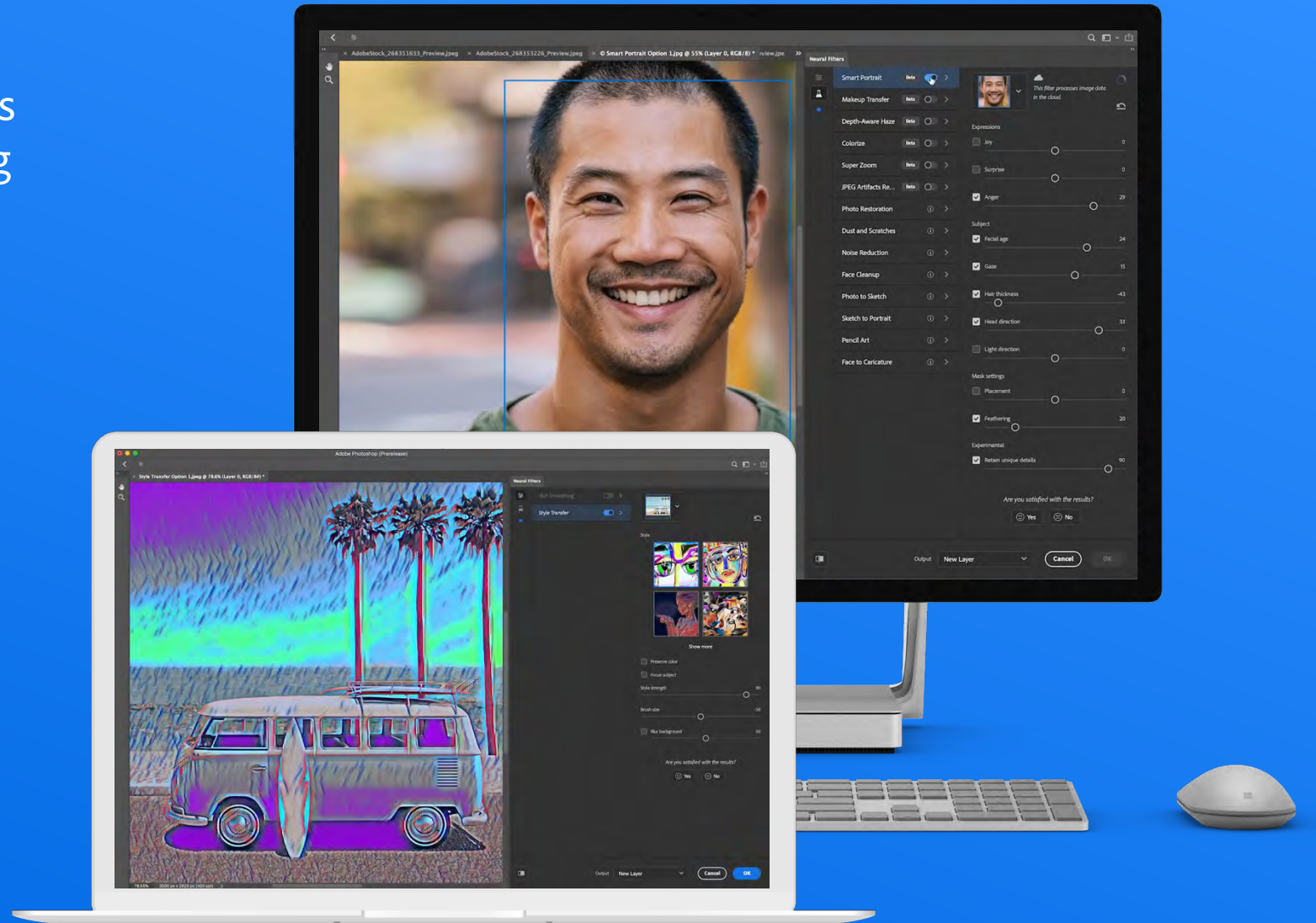
**Democratize  
Creativity**





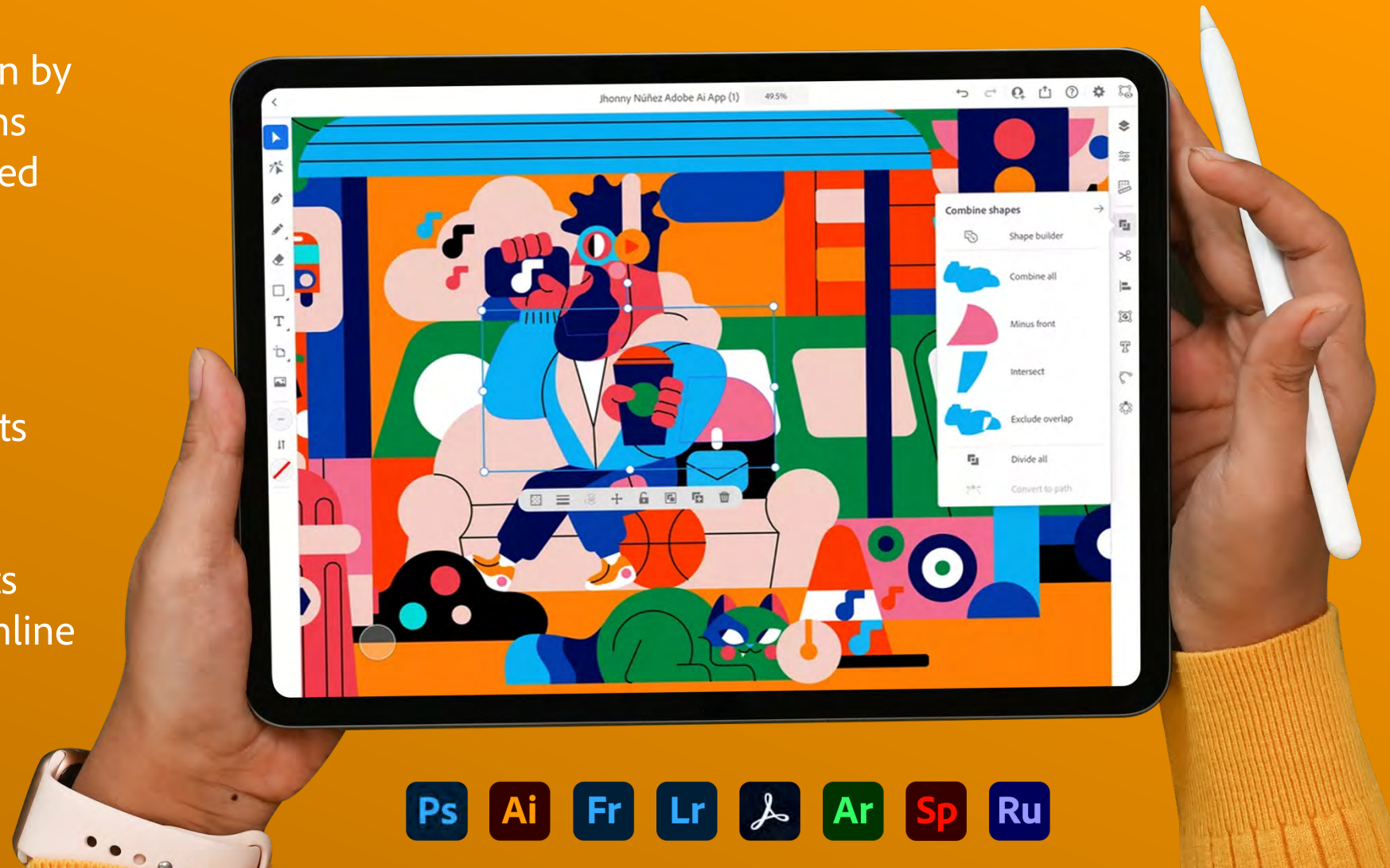
# Advance Every Creative Category

- Rolling out new creative superpowers and productivity breakthroughs using Adobe Sensei across all apps
- Expanding 3D & Immersive creation broadens use throughout enterprises
- Positioned for growth in new mediums: AR & VR



# Multi-Surface Systems

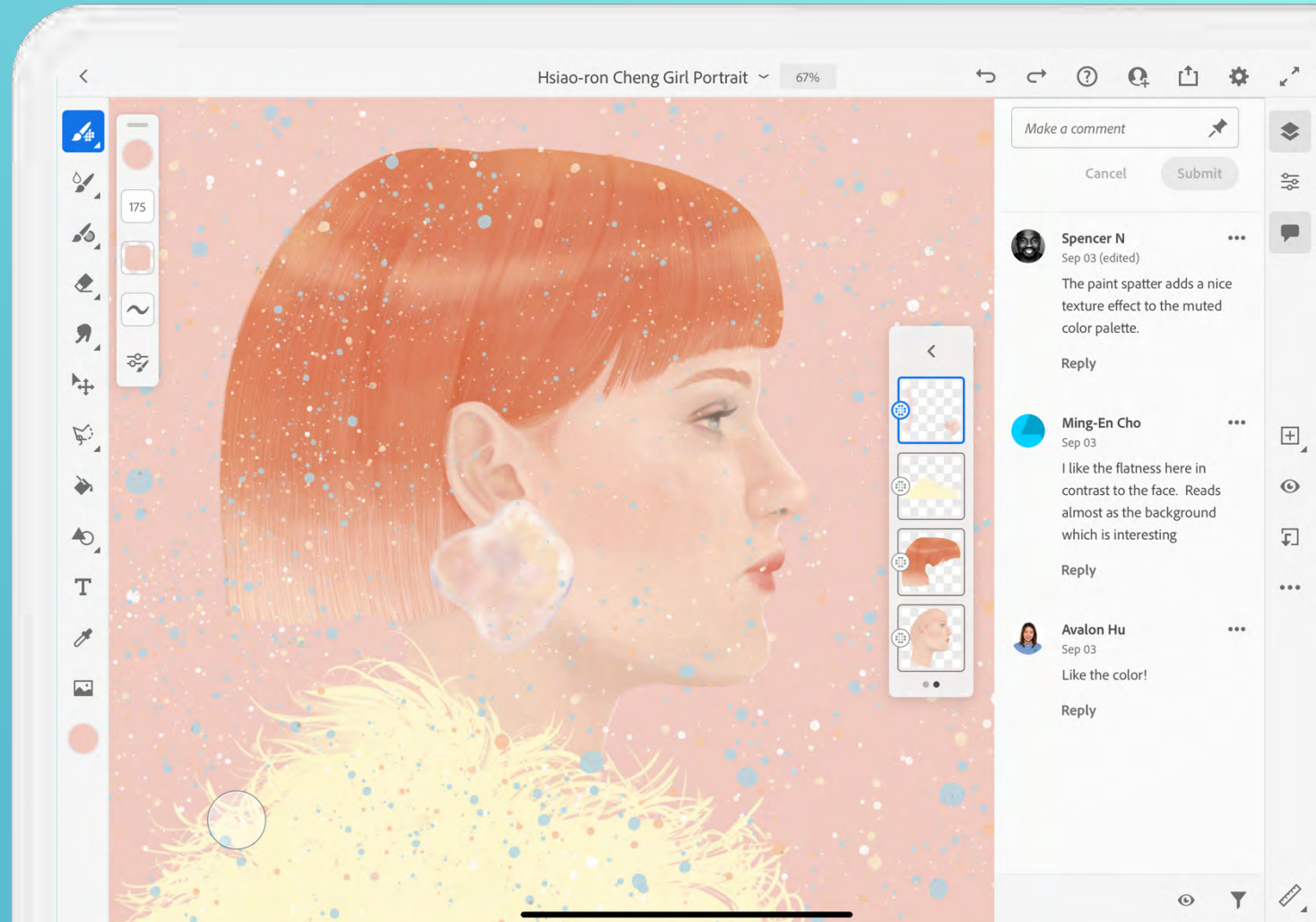
- Drive engagement and retention by evolving our leading applications into multi-surface, cloud-powered systems: Photoshop, Illustrator, Lightroom, XD and Spark
- Extend creative capabilities on the web, making our products more accessible and viral
- Expand use of Cloud Documents to increase flexibility and streamline collaboration





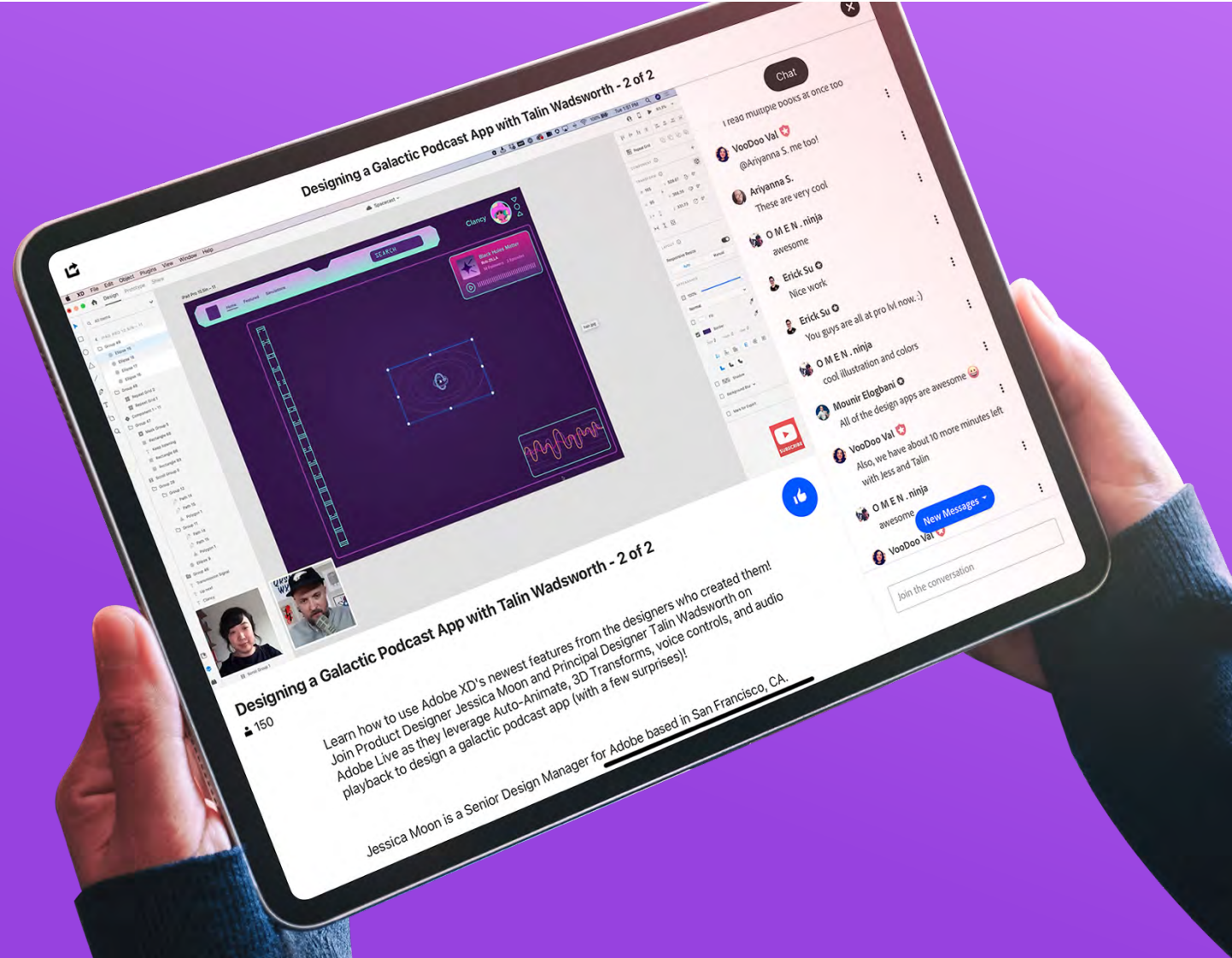
# Collaboration Services

- Establish Creative Cloud as the Creative System for every team and enterprise, with services like Creative Cloud Libraries, Cloud Docs, co-editing, Fonts and Stock
- Increase lifetime value by making Creative Cloud single source of truth for assets
- Deepen integration of Creative Cloud with 3rd party apps, including Office, Dropbox, and Google Workspace
- Engage stakeholders and marketers through workflow management, while leveraging our Workfront acquisition



# Engage and Inspire the Community

- Increase engagement through hyper-personalized experiences
- Up-level skills through in-app learning and community, driving more product installs, usage and satisfaction
- Enable Livestreaming through Adobe Live to boost viral app discovery & inspiration
- Grow Behance, now 25M members strong, to continue to connect and inspire the creative world

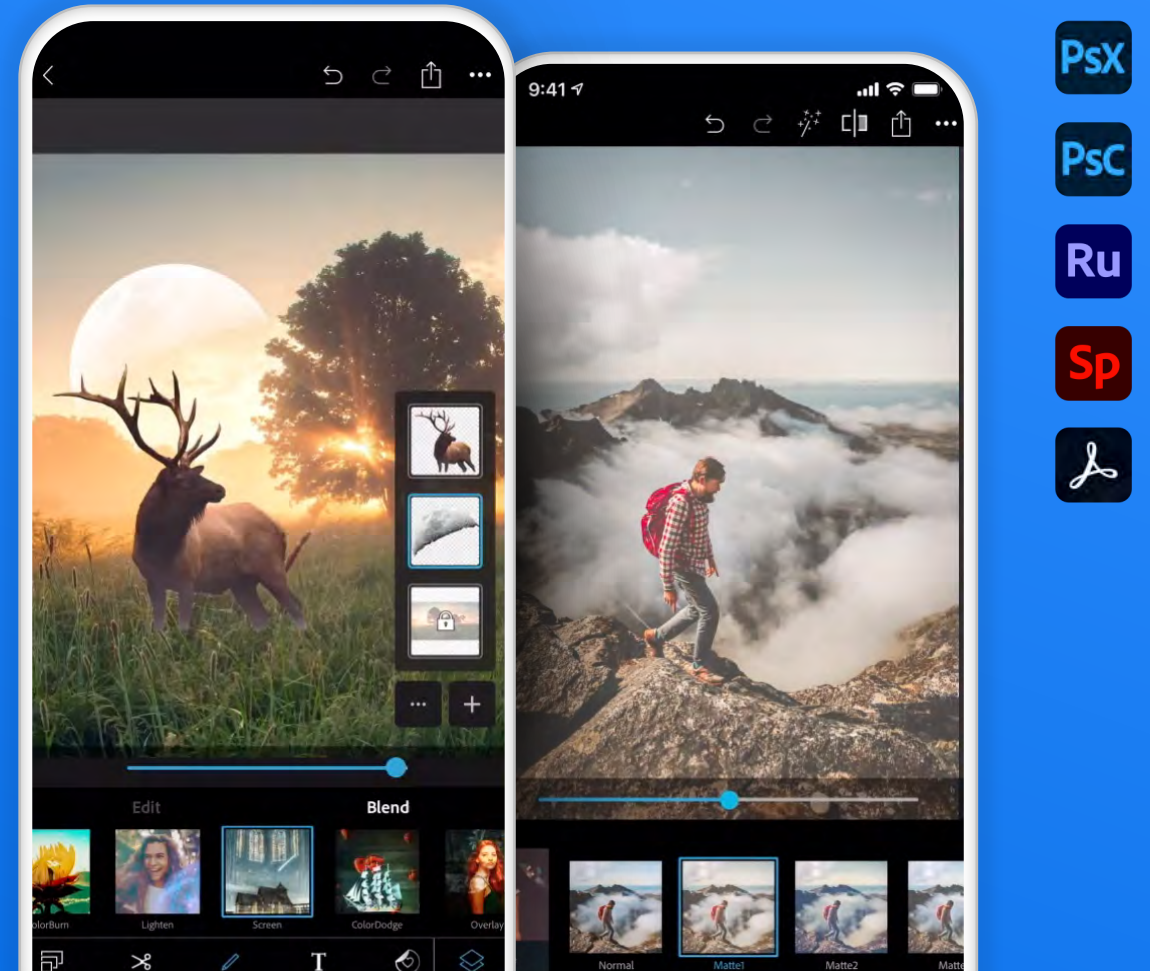


Source: Adobe, December 2020



# Democratize Creativity

- Explosion in creative intent expressed through search keywords such as edit photo, make a flyer, represent a massive opportunity to expand customer base through new web capabilities
- Grow adoption and expand monetization of consumer mobile apps like Ps Express, Rush and Lightroom
- Unleash content-first creation through integration of Adobe Stock in all products
- Deliver a more comprehensive offering for Consumers and Communicators, with unique interoperability with category-leading products, fulfilling our mission of “creativity for all”





# Adobe Creative Cloud

## APPS

### Multi-Surface Apps



Photoshop



Photoshop  
Lightroom



Illustrator



Premiere  
Rush



Spark



Aero



Acrobat

### Desktop Apps



Photoshop  
Lightroom Classic



Premiere  
Pro



After Effects



Animate



Audition



Character  
Animator



Prelude



XD



Dreamweaver



InDesign



InCopy



Media  
Encoder



Dimension



Substance

### Mobile Apps



Photoshop  
Camera



Photoshop  
Express



Fresco

### Content

Aa Fonts

St Stock

Pf Portfolio

### Community

Be Behance

Adobe Live

Training

### Teams

Co-Edit Collaboration

CC Libraries

Design Systems

## CLOUD SERVICES



# Expanding Customer Universe

## Total Potential Users in 2023

**~4B**  
**Consumers**

Hobbyists, Enthusiasts, K-12,  
Social Media Users

**~700M**  
**Communicators**

Students, Marketers,  
Knowledge Workers, Businesses

**~49M**  
**Creative Pros**

### Creative Pros

- Content velocity requires productivity gains
- Increasingly collaborative
- New work driving adoption of new mediums

### Communicators

- Need to stand out with content-rich creative communication
- Driven by results, not process
- Compatibility with Creative Pros essential

### Consumers

- Want to stand out on social media
- Interested in web and mobile products

Source: Adobe, International Labor Organization; U.S. Bureau of Labor Statistics; Business Software Alliance

# 2023 Creative Cloud Total Addressable Market



2022 Creative Cloud TAM

**~\$31B**



2023 Creative Cloud TAM

**~\$41B**

## **~\$20B** Creative Professionals

- Capitalizing on creative job growth
- Increasing retention through multi-surface systems
- Growing adoption of 3D&I
- Increasing use of services
- Creating differentiated value for businesses
- Transforming products for team offering
- Expanding web-based creative tools

## **~\$15B** Communicators

- Expanding accessible tools for non-pro creators
- Growing resources for template-driven design
- Streamlining collaboration & content workflow
- Capitalizing on stakeholder opportunity
- Helping up-level creative skills
- Expanding web-based creative tools

## **~\$6B** Consumers

- Bringing AI power to consumer apps
- Helping up-level creative skills
- Expanding monetization of mobile offerings
- Expanding web-based creative tools



# Creative Cloud Growth Drivers



## Creative Professionals

## Communicators

## Consumers

Convert creative intent with web apps · Growth in new creative jobs · Mobile consumer photography · Mobile consumer video  
Social media marketers · Social media video creators · Photography & imaging enthusiasts · New media types 3D & AR  
SMB & enterprise seat expansion · K12 & higher ed student adoption · Stock content and offerings · Stakeholder seat growth  
Anti-piracy · Free-to-paid · Upsell · Global expansion · Partnerships · Demand creation campaigns  
Engagement and retention · Migration of perpetual to subscriptions · Learn & training

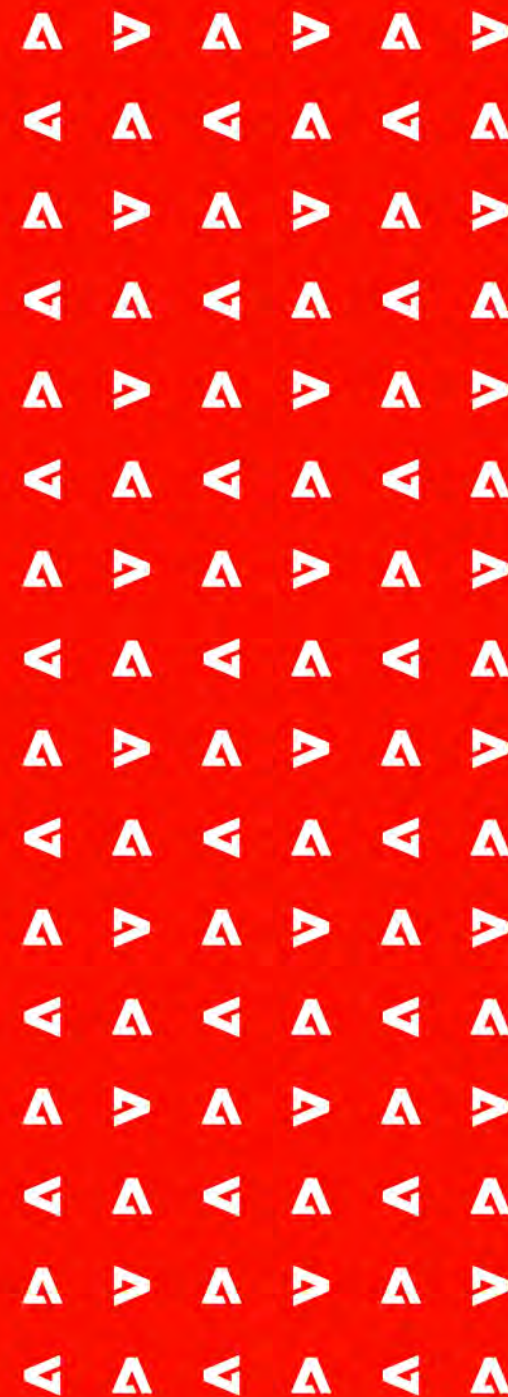
Source: Adobe, December 2020



# Document Cloud Strategy

Shantanu Narayen | President & CEO

December 10, 2020





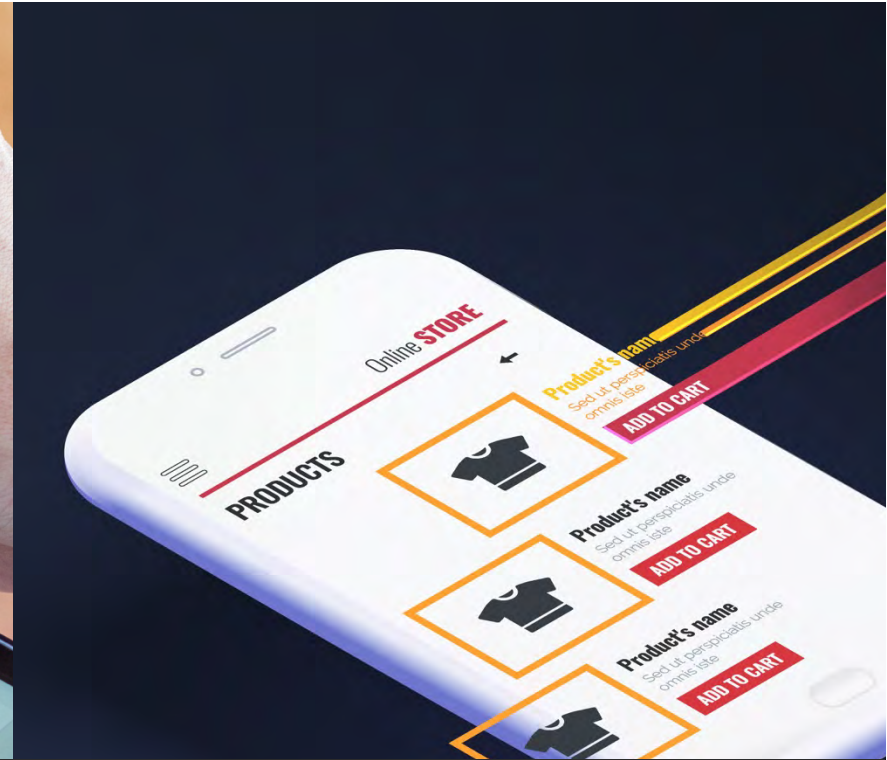
# Business Moves with Digital Documents



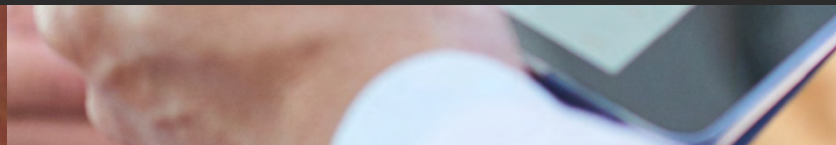
**AI, Cloud & Mobile  
Reshaping Productivity**



**Paper-to-Digital  
Accelerating**

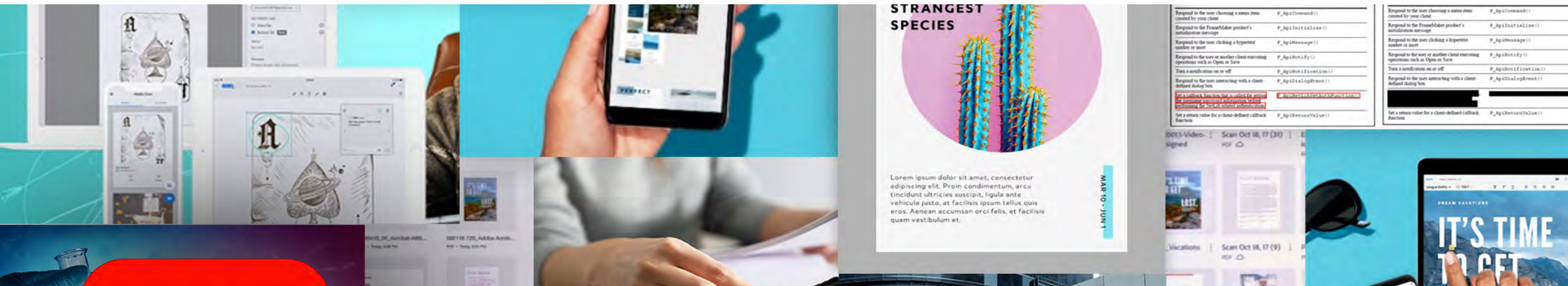


**Cloud Ecosystems Are  
Driving API Economy**





# Adobe Document Cloud Ubiquity & Impact



**>2B**

Mobile + Desktop  
devices with Reader  
or Acrobat installed

**>300B**

PDFs opened in  
DC apps in last  
12 months

## >50M

Downloads for  
Adobe Scan

# > 90M

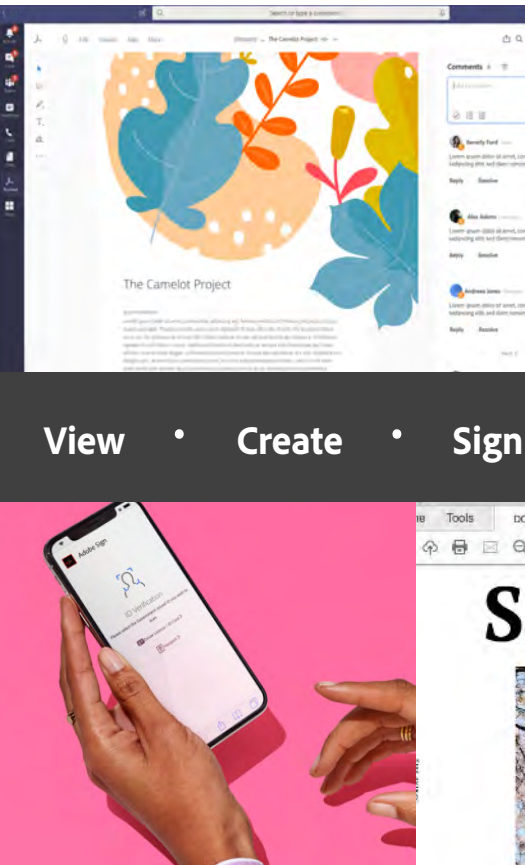
Liquid Mode  
files processed  
in first 7 months

# >300%

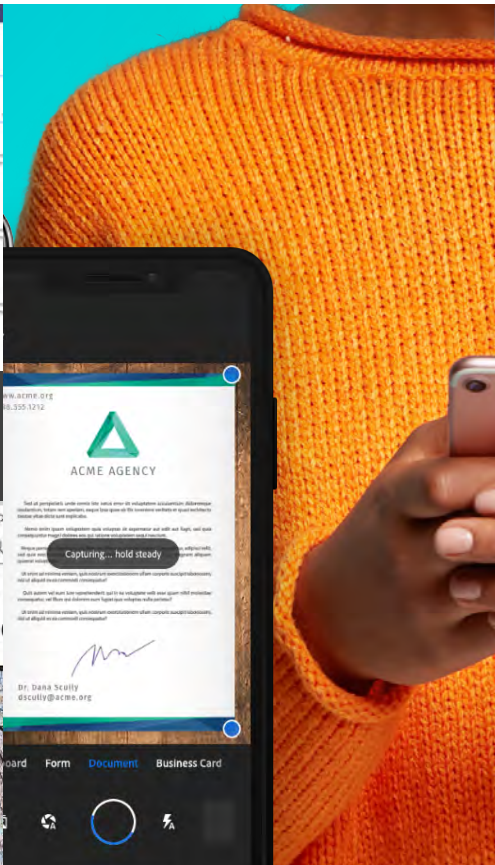
## Y/Y growth of Adobe Sign transactions in Acrobat

# Adobe Document Cloud Strategy

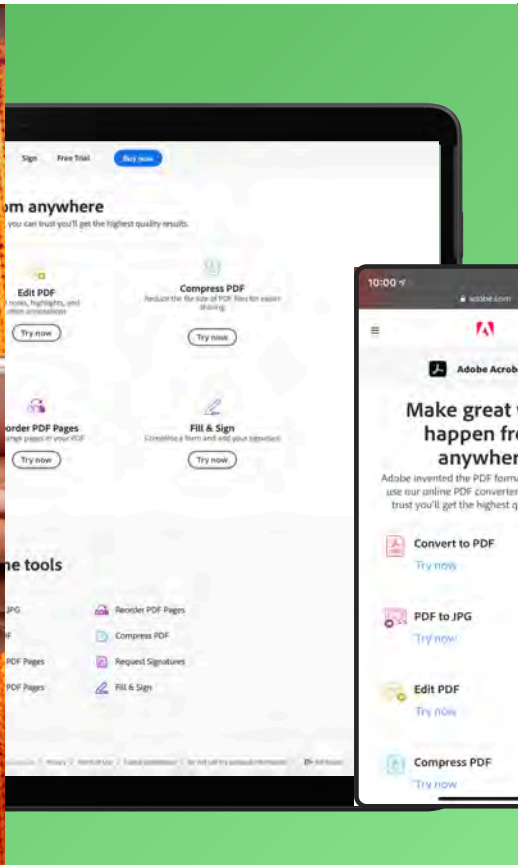
**Expand Sensei-Powered Acrobat Verbs**



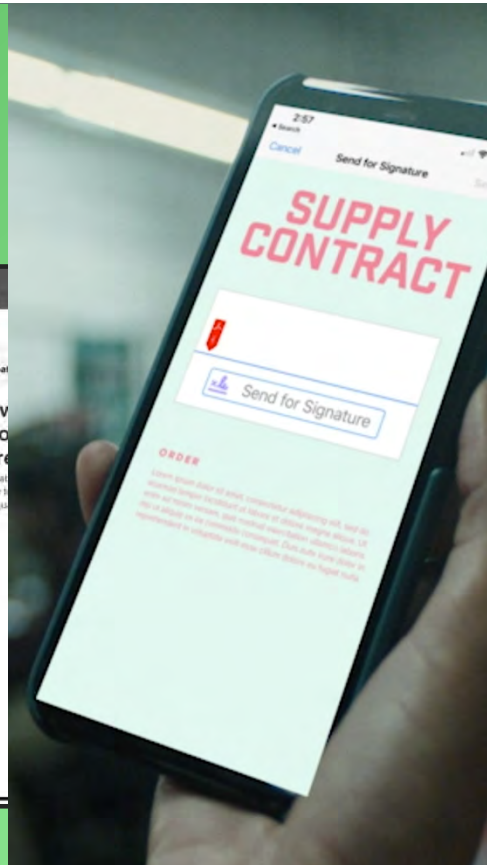
**Monetize Expanding Mobile User Base**



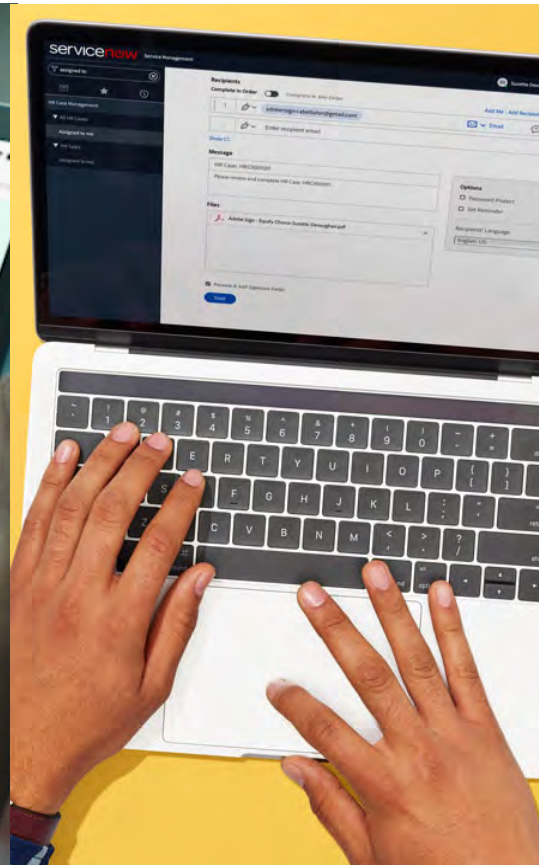
**Capture PDF Demand with Acrobat Web**



**Power Paper-To-Digital Transformation**

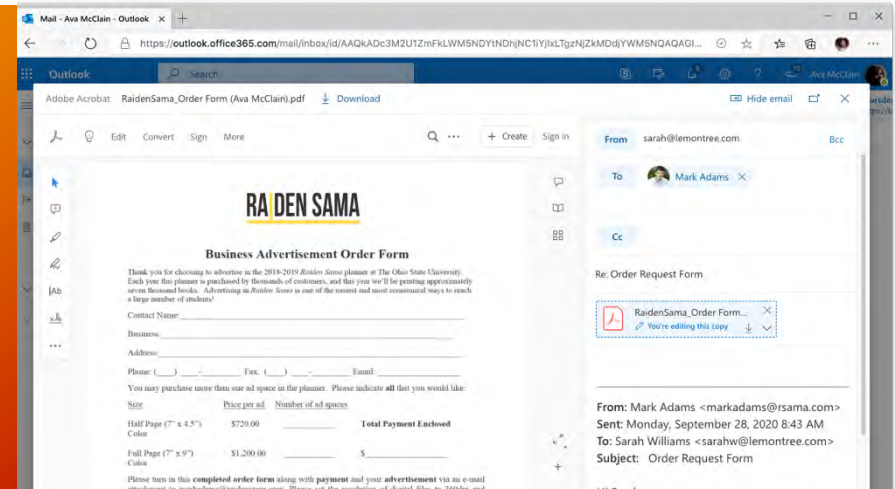
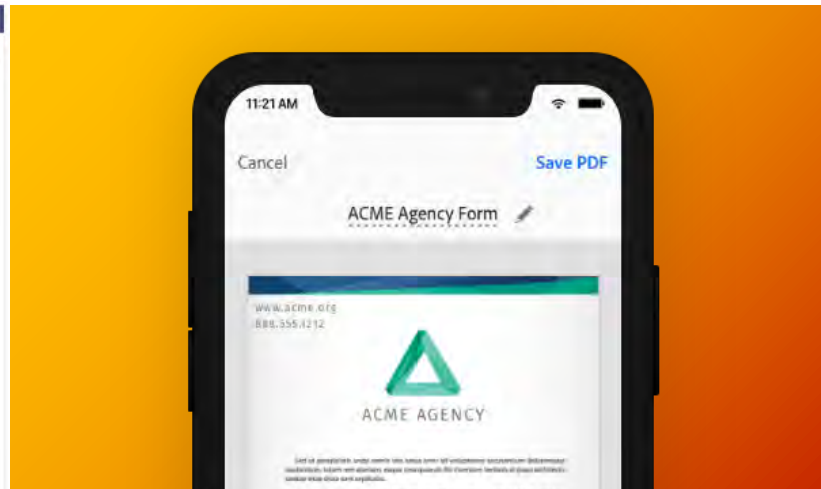
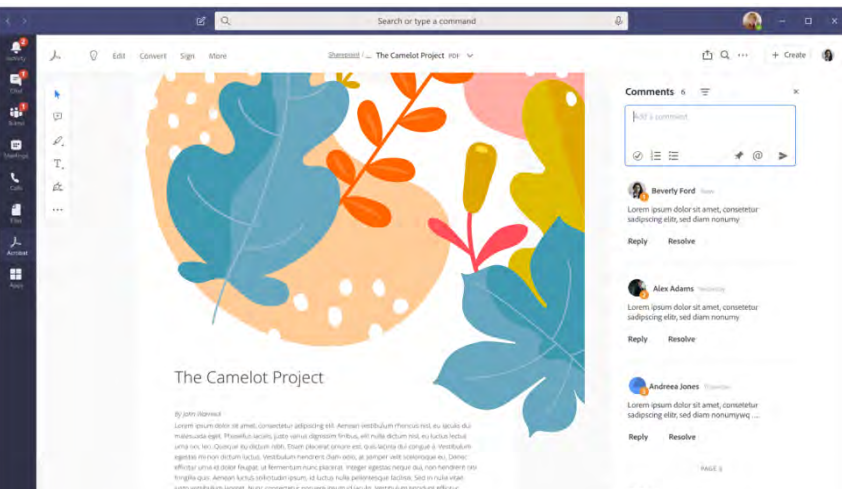


**Unleash PDF Ecosystem with Document Services**

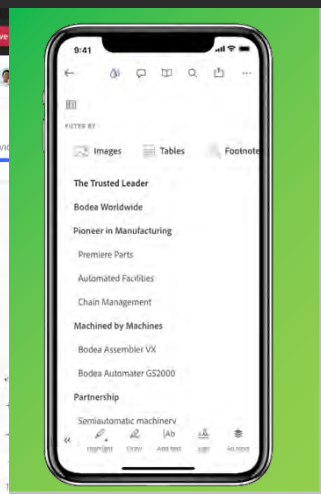
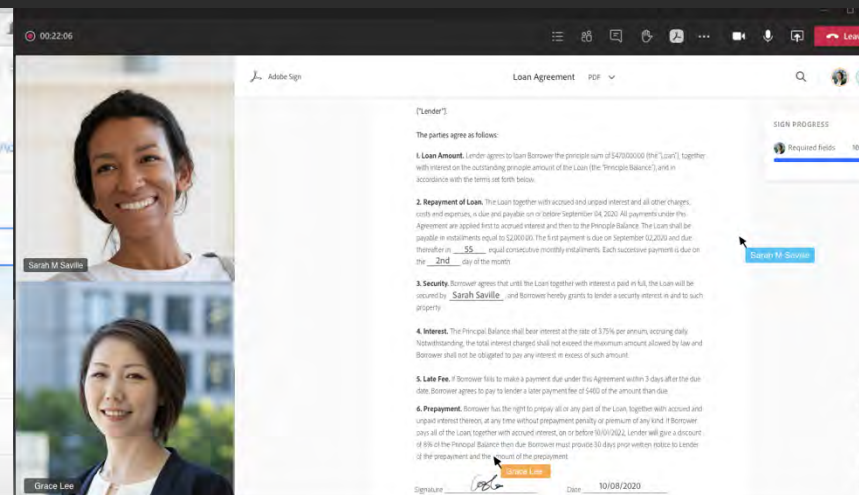
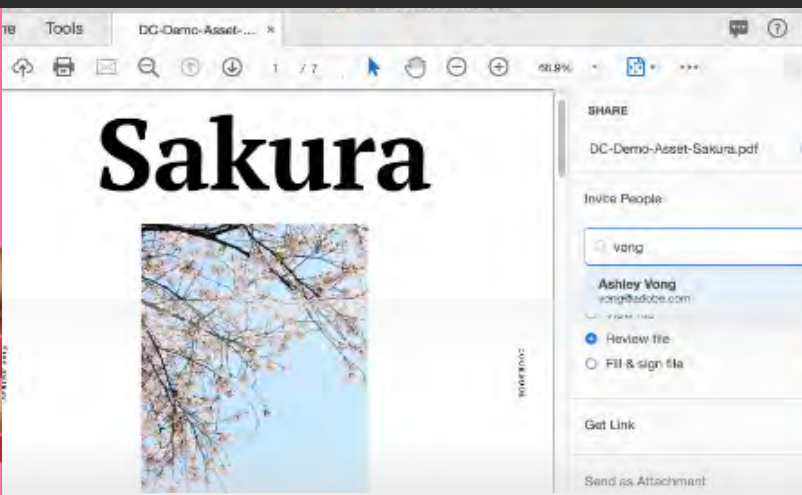
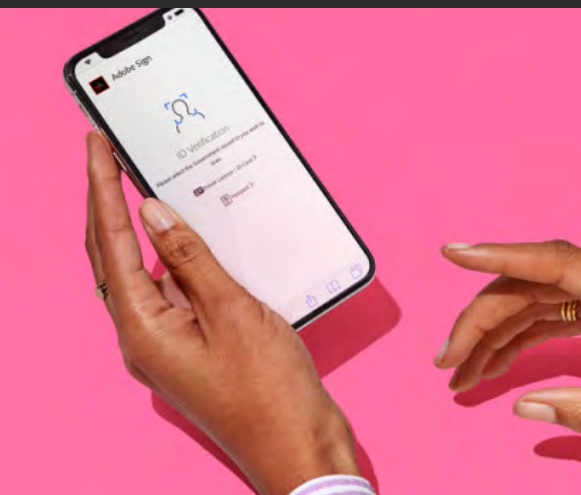




# Expand Sensei-Powered Acrobat Verbs



View • Organize • Sign • Scan • Share • Edit • Compress • Create • Search





# Monetize Expanding Mobile User Base

Liquid Mode in Reader delivers responsive mobile viewing for PDFs, eliminates pinching & zooming

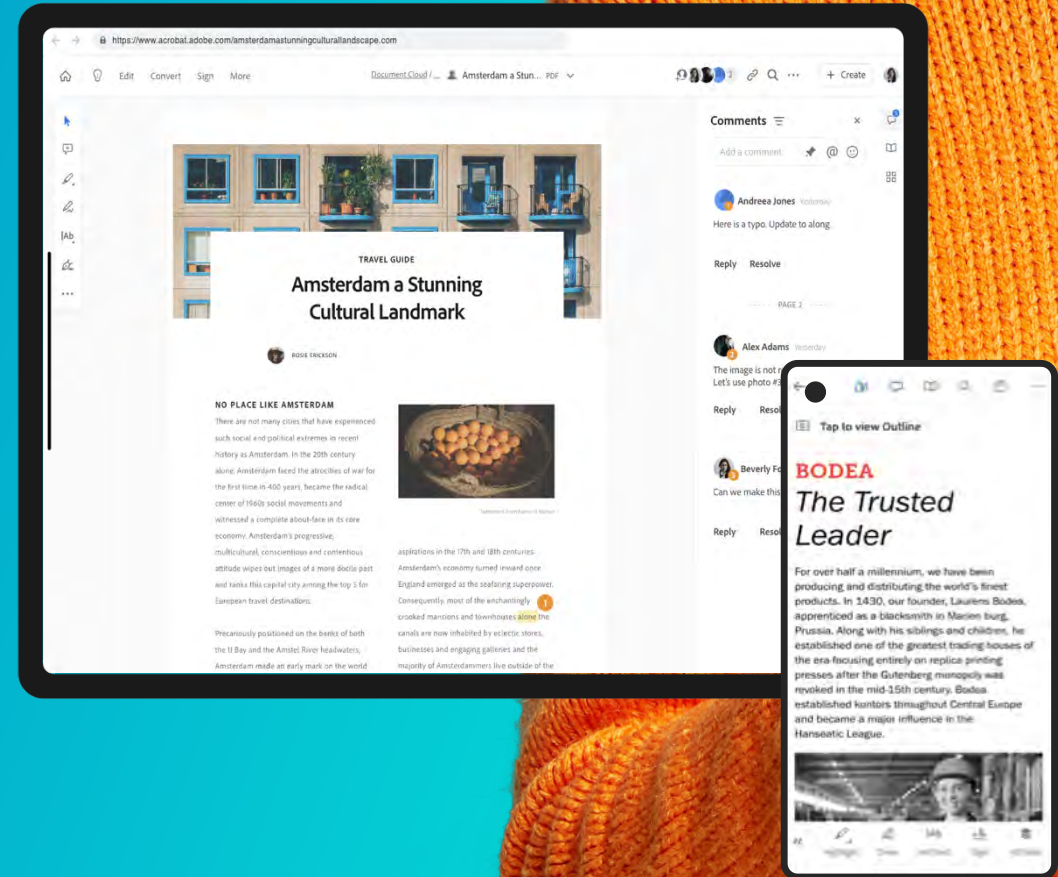
Adobe Scan app turns your phone into a scanner, delivers PDF creation on mobile

Adobe Sign accelerates completion of business transactions on-the-go

Acrobat on iPad delivers best-in-class PDF editing and collaboration

Premium mobile features drive upsell to paid Acrobat subscriptions via App Stores

Mobile usage drives Adobe ID creation and funnel for desktop offerings



# Capture PDF Demand with Acrobat Web

**Online demand for PDF actions, initiated by a search query, is massive opportunity to delight consumers and expand customer base**

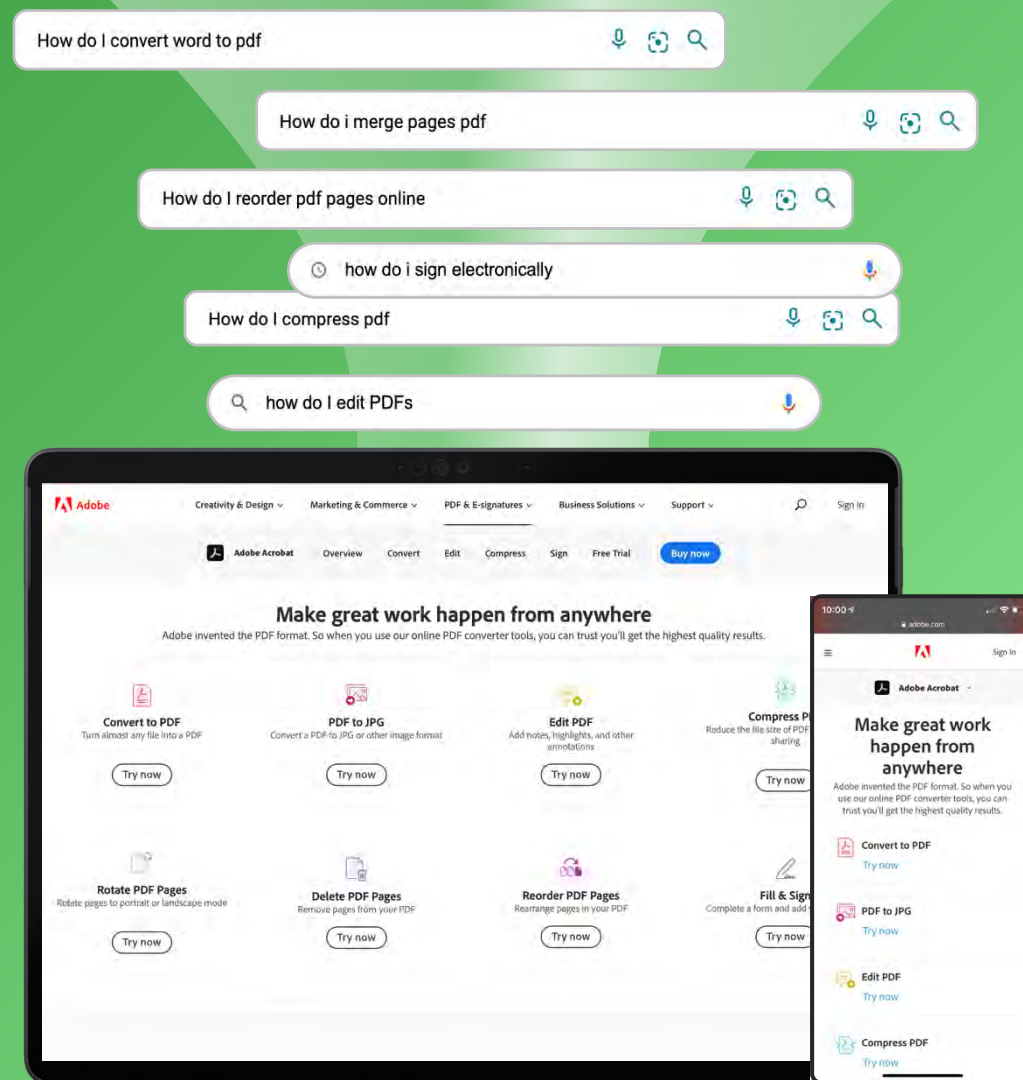
50M+ searches for PDF actions every month

Affinity for Adobe's brand driving explosive traffic growth on Adobe.com

Single-click, best-in-class web experience delivers quick results and discovery of comprehensive Acrobat offerings

Repeat use drives Adobe IDs and upsell to Acrobat subscriptions starting from \$9.99

Source: Bridge Edge reports





# Power Paper-to-Digital Transformation

**Every business is going digital: sales, HR, procurement & customer experience**

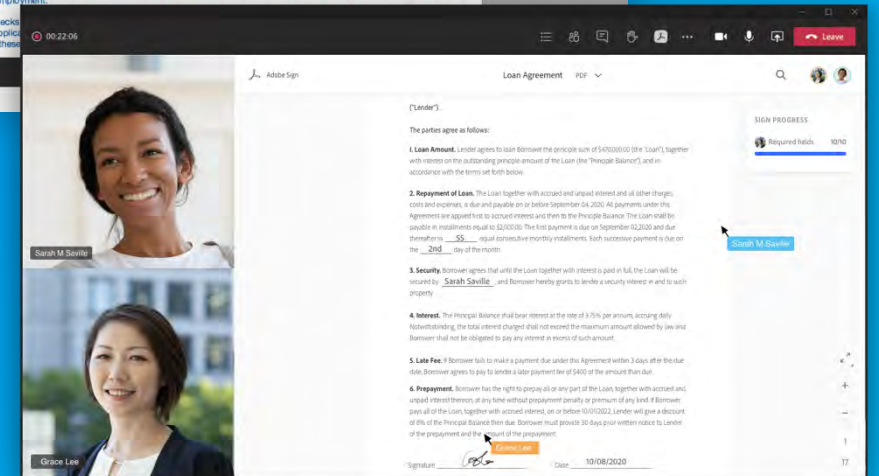
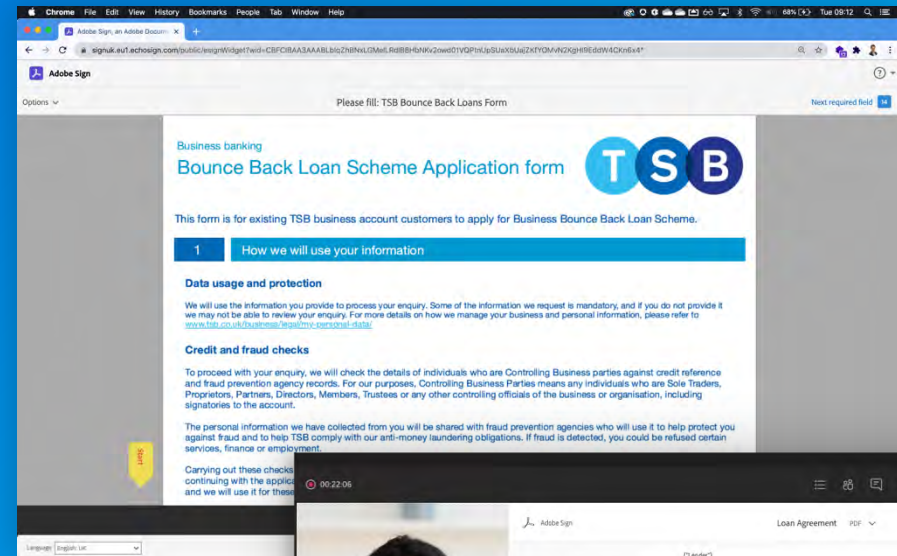
Digital documents and signatures integral to business transformation

Acrobat, AEM Forms & Sign deliver unified document platform, opportunity across Adobe enterprise customers

Sign integrated into MSFT Teams, Workday, ServiceNow & Notarize workflows

GTM expertise: Adobe brand awareness, demand creation, DDOM, and channel & direct enterprise scale drive maximum market impact

Customer Onboarding in TSB Web Experience, Powered by Adobe Sign



Live Signing in Microsoft Teams, Powered by Adobe Sign

# Unleash PDF Ecosystem with Document Services

## Embedded PDF viewing & document actions in apps creates new API monetization opportunity

Comprehensive APIs available on Adobe.io including embedded viewing, PDF conversion services, and OCR\* for searching

Introduced breakthrough Sensei API for PDF data extraction (beta)

~6000 developers onboarded

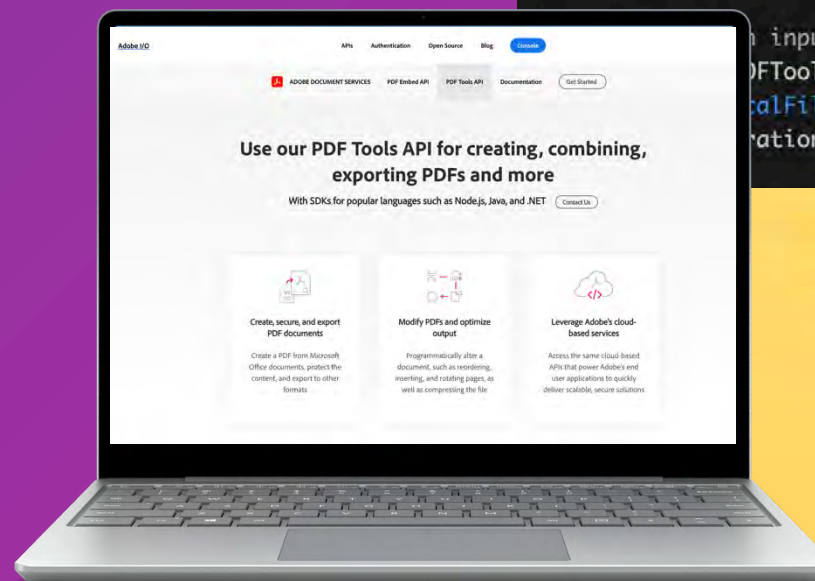
Source: Adobe, December 2020

\*Optical Character Recognition

Node.js .Net Java

```
// Create an ExecutionContext using credentials and create a new
instance.
const executionContext = PDFToolsSdk.ExecutionContext.create(cred
linearizePDF = PDFToolsSdk.LinearizePDF,
linearizePDFOperation = linearizePDF.Operation.createNew();

// input from a source file.
PDFToolsSdk.FileRef
calFile('resources/linearizePDFInput.pdf');
ation.setInput(input);
```





# Comprehensive Document Cloud Offerings

## PDF WEB SERVICES

- |                                                                                                    |                                                                                                      |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
|  Convert to PDF    |  JPG to PDF         |
|  Word to PDF       |  PDF to Word        |
|  PPT to PDF        |  PDF to PPT         |
|  Excel to PDF      |  PDF to Excel       |
|  PDF to JPG        |  Reorder PDF Pages  |
|  Edit PDF          |  Compress PDF       |
|  Rotate PDF Pages  |  Request Signatures |
|  Delete PDF Pages |  Fill & Sign       |

## APPS

### Desktop



Acrobat Reader



Acrobat Standard



Acrobat Pro

### Web



Acrobat web



Adobe Sign

### Mobile



Acrobat Reader



Adobe Sign



Adobe Scan

## DOCUMENT SERVICES THROUGH APIs

ISVs, SIs, Enterprise & Developers



API Access to Embeddable Acrobat Viewer



API Access to PDF Services & Adobe Sign

# Acrobat: Activating a Broader Universe

**Trillions**  
of PDFs

**~2B**  
Reader & Acrobat Users

**~700M**  
Communicators

**~80M**  
Advanced Users



## Acrobat Desktop, Mobile & Web

- Expanded addressable market from category expansion; on-the-go, mobile-first work; online demand for PDF actions
- PDF verbs beyond viewing: Sign, Scan, Edit
- Migration to subscription
- Enterprise & global market expansion

## eSign & Embedded PDF Services

- Every business is digitizing internal & customer-facing document and signature workflows
- Developers embedding document viewing & manipulation for apps requires PDF APIs
- Document intelligence innovation with new services

Source: Adobe, IDC, International Labor Organization; U.S. Bureau of Labor Statistics; Business Software Alliance



# 2023 Document Cloud Total Addressable Market



2022 Document Cloud TAM

~\$13B



2023 Document Cloud TAM

~\$21B

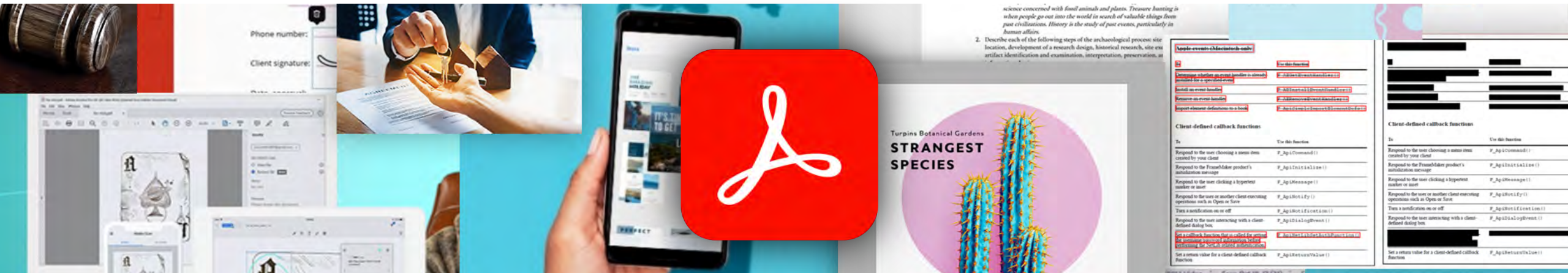
~\$11B Acrobat Applications

- PDF category growth
- New mobile products
- Online demand for PDF actions
- Expansion of Acrobat verbs
- Migration of perpetual users to subscriptions

~\$10B Document Services Platform

- eSignatures
- Embedded PDF-as-a-Service
- Document intelligence services

# Adobe Document Cloud Growth Drivers



**Acrobat**

**PDF Mobile and Web Services**

**Embedded Document Services**

Verbs: Create, Sign, Edit, Share, Compress · Adobe Sign · Reader upsell to Acrobat · Remote work and learning

Acrobat mobile & Scan users · PDF category growth & transformation · Acrobat migration to subscriptions

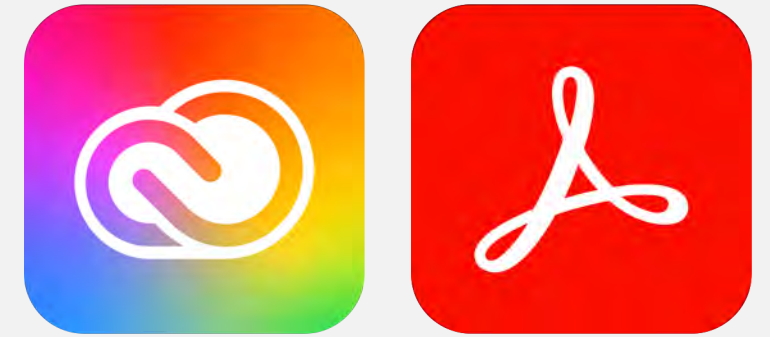
SMB & enterprise seat expansion · International growth · Acrobat web offerings · Partnerships

API access to embedded PDF services: Create, Sign, Edit, Share, Compress · Product line optimization

Free to paid conversion · Anti-piracy · Document intelligence · Growth in knowledge worker jobs

# Digital Media Summary

- Creativity is essential for success of enterprises and individuals
- Expanding creative frontiers with multi-surface systems, breakthrough technology, and tools for new mediums
- Comprehensive collaboration system brings stakeholders into Creative Cloud
- Delighting our customers with Adobe Sensei magic across entire Digital Media product portfolio
- Expanding web and mobile tools to fulfill mission of creativity for all and accelerate document productivity
- Secular trends driving digitization across industries and all market segments
- Explosive opportunity with Acrobat verbs, Reader ubiquity, and Embedded PDF services
- Digital documents & Adobe Sign essential to business resiliency
- Data-driven insights across large, established GTM powering ARR growth



**~\$62B TAM**  
**Across Creative Cloud and Document Cloud**

Source: Adobe, December 2020

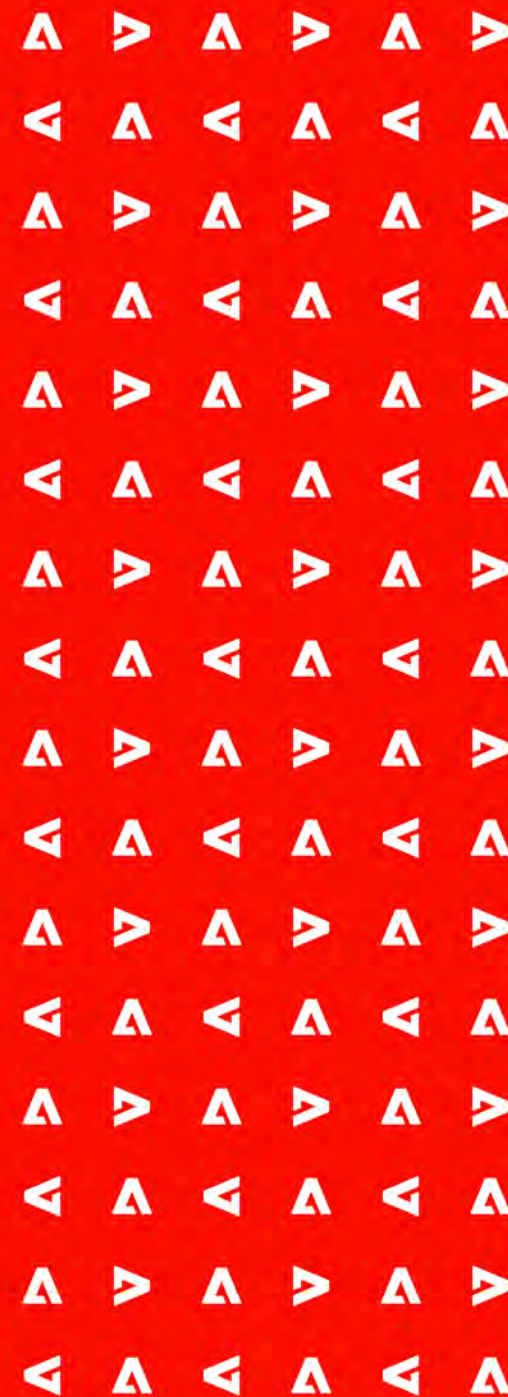




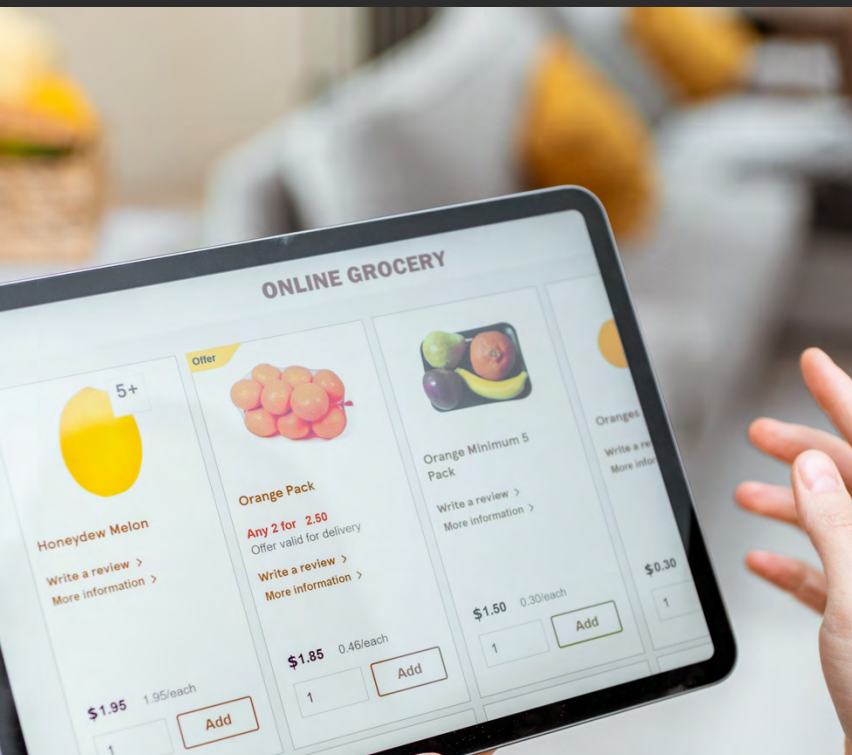
# Experience Cloud Strategy

Anil Chakravarthy | EVP and GM, Digital Experience

December 10, 2020



# Businesses Doubling Down on Customer Experience Management



**Every Business is a  
Digital Business**



**Customers Expect Engaging  
Personalized Experiences**



**Next-gen Platform Required to  
Deliver the Customer Experience**

# Adobe Experience Cloud Momentum

## Business Value

**~288%**

3-year Experience Cloud ROI<sup>1</sup>

**~6 months**

Payback period<sup>1</sup>

**~30%**

Average revenue gain per Commerce customer<sup>2</sup>

**~247%**

3-year Commerce ROI<sup>2</sup>

## Ecosystem

**>2,800**

ISV partners

**~20%**

Services practice growth YoY

**>450k**

Magento developers & community members

**>17M**

Unique visitors to Experience League community

## Experience Platform

**~25B**

Content pages delivered (per day)

**~107B**

Edge Network calls (per day)

**~16.8T**

Segment evaluations (per day)

**250ms**

Response time at 99.5%

<sup>1</sup>Source: Forrester study on Adobe Experience Cloud, 2020

<sup>2</sup>Source: IDC study on Adobe Commerce Cloud, Nov 2020

Source: Adobe, December 2020 for all other figures



# Adobe Experience Cloud Momentum

## Highlights

**FY2015**

**~61%**

of top 100 customers  
have 3+ products

**~\$3M**

Average ARR  
of top 100 customers

**FY2020**

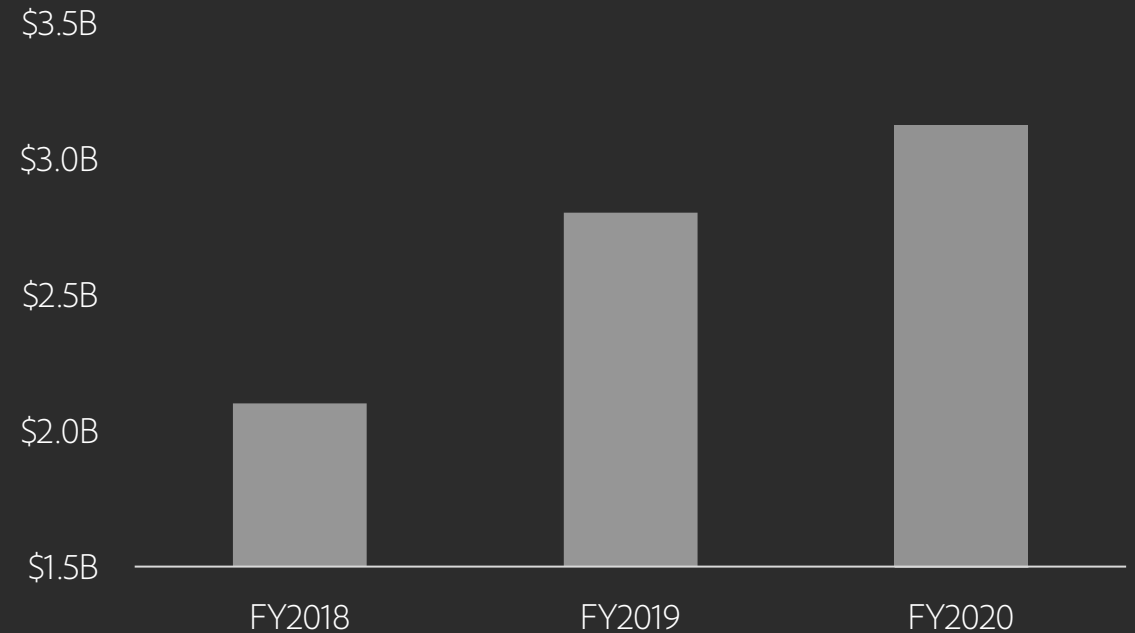
**~93%**

of top 100 customers  
have 3+ products

**~\$8M**

Average ARR  
of top 100 customers

## Annual Revenue



Metrics shown for 2015, 2018, 2019, and 2020 exclude Advertising Cloud products, ARR and revenue

Source: Adobe, December 2020

# Workfront Snapshot

- Leading work management application for marketers
- Orchestration of content creation and campaign workflows across marketing and creative teams
- Unique opportunity to help CMOs significantly increase the ROI of their marketing campaigns through:
  - Higher efficiency in campaign execution
  - Greater agility and personalization
  - Improved tracking and attribution of business outcomes
  - Optimization of campaigns based on insights



NORDSTROM

Prudential



Financial

T-Mobile



+



workfront™

~1M

Users

~60M

Work events/month

~3,000

Customers

~1,000

Joint Customers

Source: Adobe, December 2020

# Adobe Leadership Recognition



As of November 30, 2020

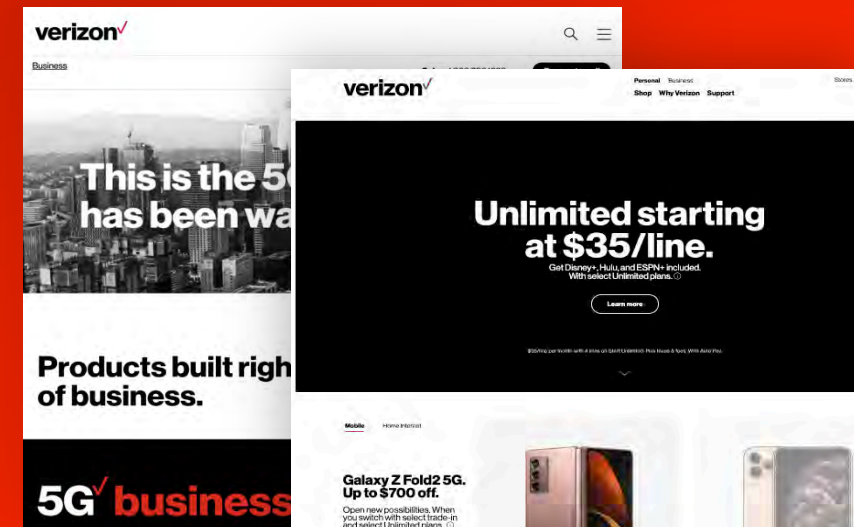


# Adobe Experience Cloud: Mission Critical for verizon✓

- Personalized communications delivered in real-time via Adobe Experience Platform
- Optimized customer journeys delivering omni-channel experiences
- Increased conversions with data-driven optimization and personalization
- Created customer loyalty based on targeted actions

**“Verizon’s investment in Adobe has grown over time and we continue to recognize the importance of having a strong and innovative MarTech partner like Adobe.”**

Tami Erwin, Executive Vice President and Group CEO—Verizon Business



# Adobe Experience Cloud: Mission Critical Across Industries

## RETAIL



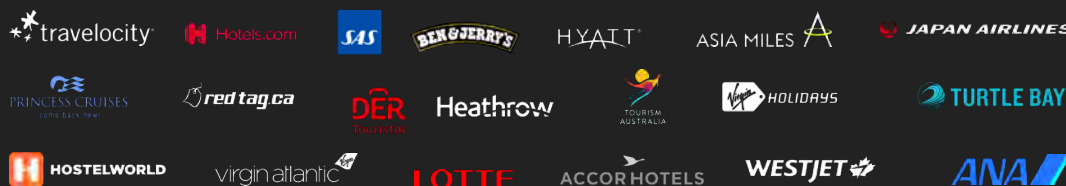
**MEDIA &  
ENTERTAINMENT**



## HIGH TECH



## TRAVEL &amp; HOSPITALITY



Source: Adobe, December 2020



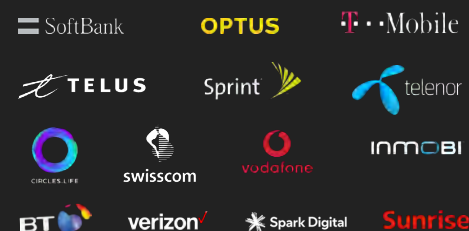
## FINANCIAL SERVICES



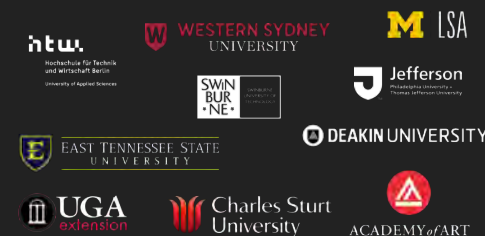
## MANUFACTURING



## TELECOM



## EDUCATION



## HEALTHCARE &amp; LIFE SCI



## PUBLIC SECTOR



# Challenges to Mastering CXM

Privacy  
Regulations

Data  
Sovereignty

Cookieless  
World

Activating First-  
party Data

Harnessing  
Power of AI/ML



Alignment Across C-suite  
(CMO/CIO)

Fragmented  
Customer Data

Legacy  
Systems

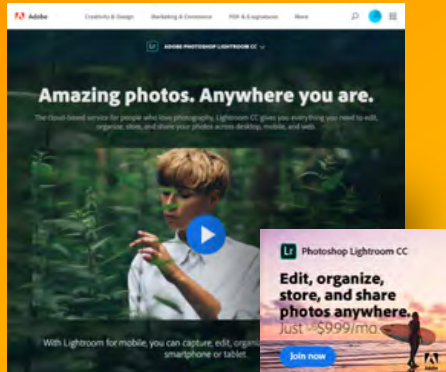
Translating Insights  
into Action

Infrastructure  
Bottlenecks

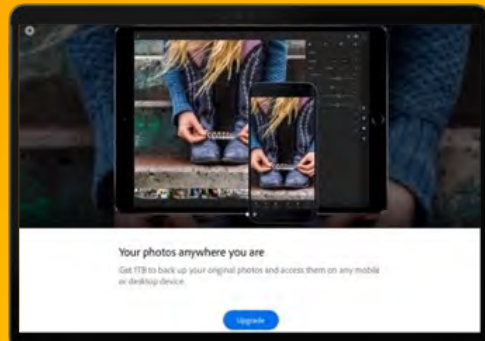
Manual, Inefficient  
Processes



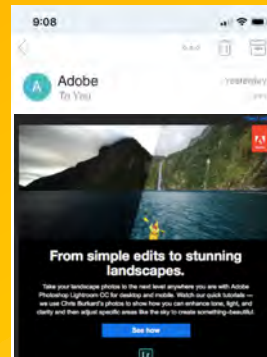
# Powering All Businesses with Data Driven Operating Model (DDOM)



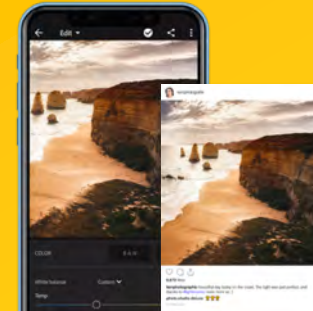
Discover



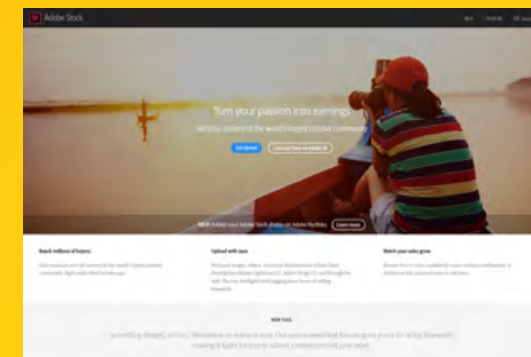
Try



Buy

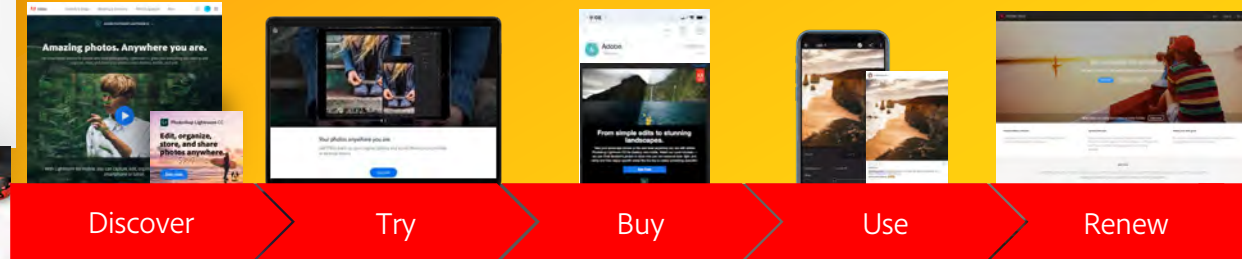
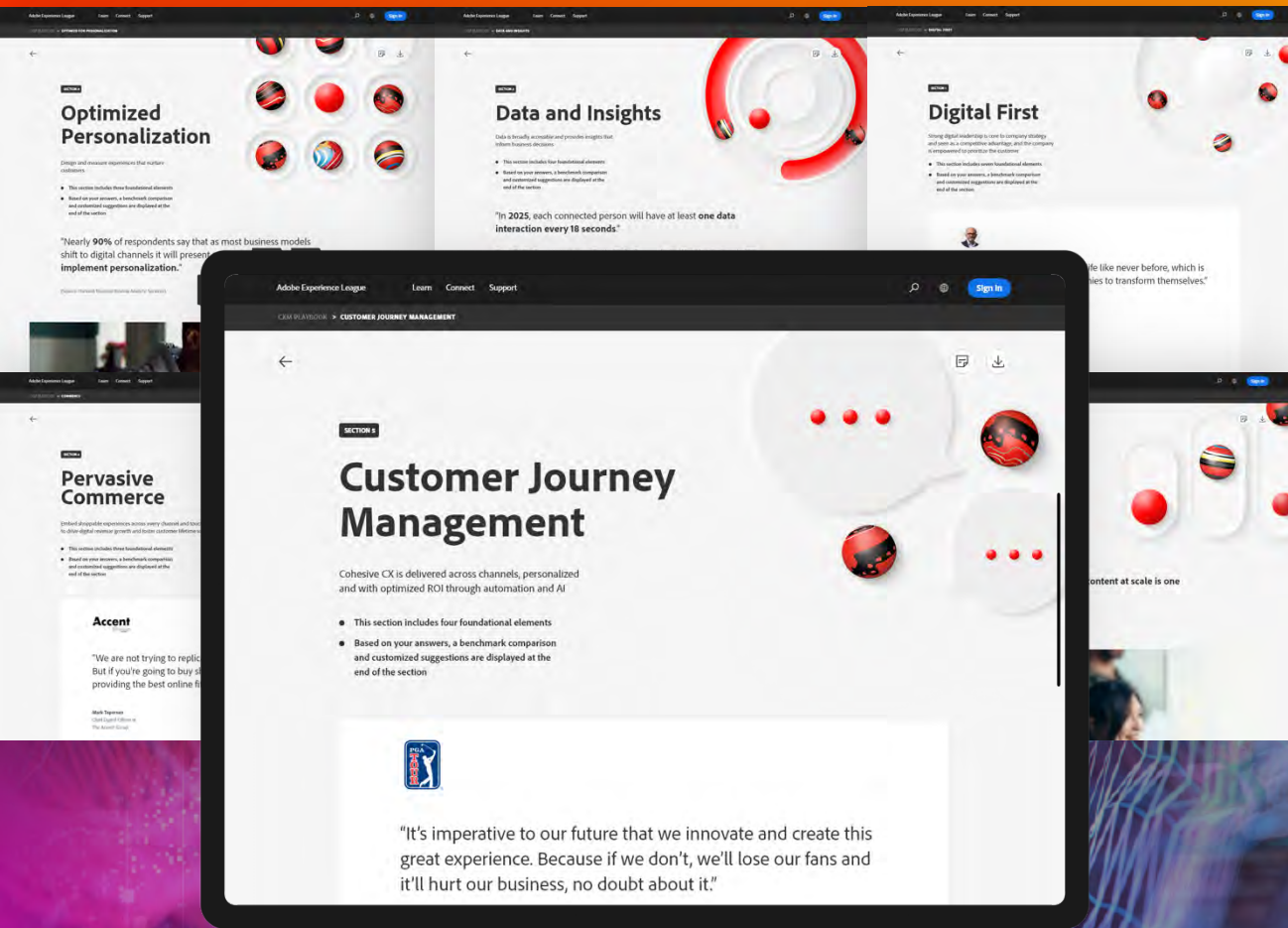


Use



Renew

# Adobe Delivering Customizable DDOM Playbook to Master CXM



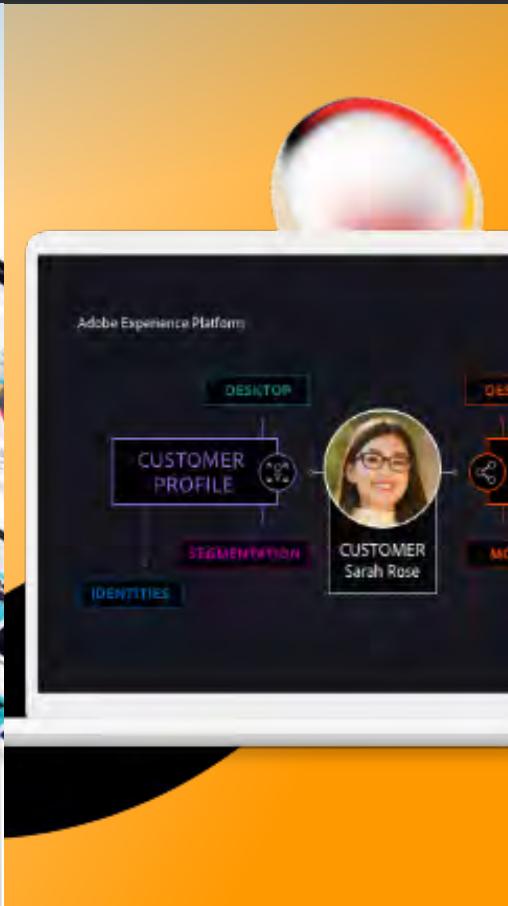


# Adobe Experience Cloud Strategy

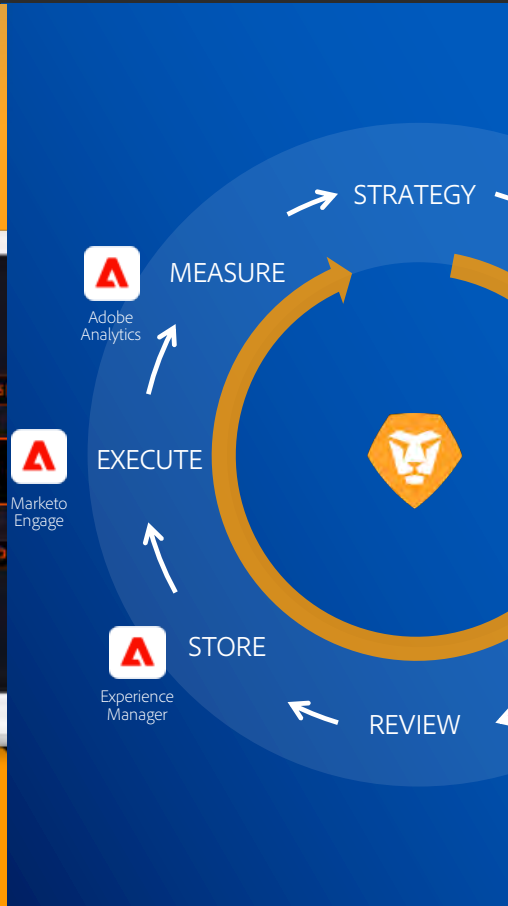
**Comprehensive  
Applications & Services**



**Next Gen Technology  
Platform**



**Industry-leading Marketing  
System of Record**



**Scaled GTM with  
CMO & CIO**



**Expansive Partner  
Ecosystem**





# Adobe Experience Cloud: Comprehensive CXM Portfolio

Applications

- Best of breed applications
- Integrated through Platform + Services

Services

- Acceleration of functionality delivered through services
- API access to Intelligent Services

Platform

- Adobe Experience Platform
- Adobe Sensei framework & tools

Multi-Cloud Infrastructure

- Architected to run on heterogeneous environments

# Adobe Experience Cloud: Comprehensive CXM Portfolio



Customer Data  
& Insights



Content &  
Commerce



Customer Journey  
Management

Applications



Adobe  
Analytics



Adobe Audience  
Manager



Adobe  
Target



Adobe Experience  
Manager



Adobe  
Commerce



Adobe  
Campaign



Marketo  
Engage



workfront

Services

Customer Journey Analytics

Real-Time CDP

Journey Orchestration

Offer Decisioning

Attribution AI

Customer AI

Journey AI

Leads AI

Platform



Adobe Experience Platform

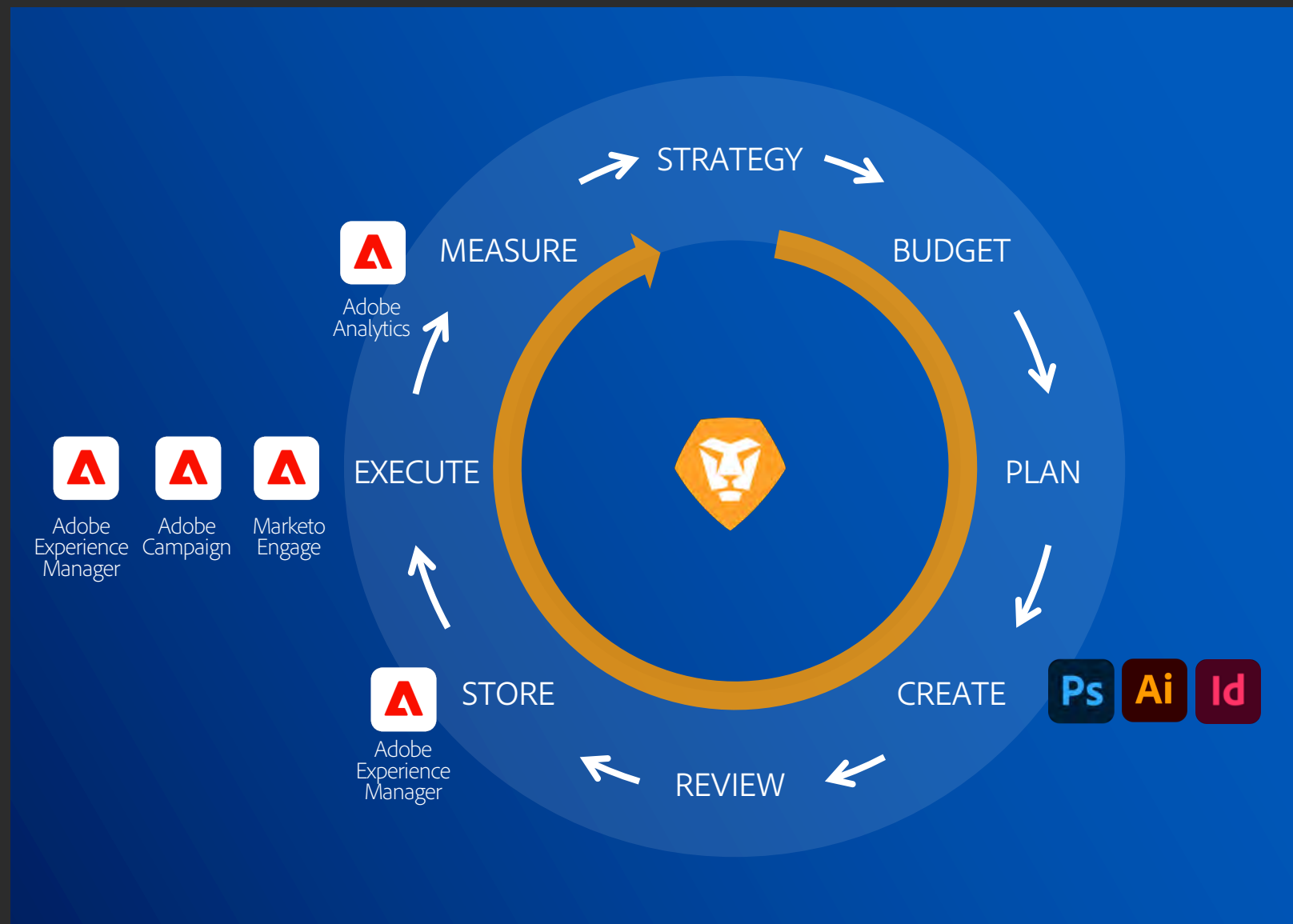
Collection

Intelligence

Activation

## Opportunity to Create Marketing System of Record (MSR)

- Creation of a comprehensive marketing management system to connect teams, campaigns, budgets and activities
- Native integration with Creative Cloud, Experience Cloud apps and 3<sup>rd</sup>-party applications
- Adobe Apps + Marketing System of Record (MSR) enables:
  - Efficiency and agility in campaign execution
  - Measurement and attribution of business outcomes
  - Optimization of campaigns based on insights





# Next Generation Adobe Experience Platform



## Customer Data & Insights

- Platform to deliver personalized, real-time, omni-channel customer experience at cloud scale
- Architected to accelerate innovation of new Sensei-powered services, and standardize capabilities across existing Adobe applications
- Integrated with 120+ data sources and destinations to enable comprehensive 360-degree view of customers via unified profiles

**~5.7B**

Identity calls  
(per day)

**~107B**

Edge Network Calls  
(per day)

**~16.8T**

Segment evaluations  
(per day)

**250ms**

Response Time  
at 99.5%

Source: Adobe, December 2020



verizon



T.Rowe Price

SYNOPSYS

T S B

# Adobe Experience Cloud: Customer Data & Insights



## Customer Data & Insights

### Adobe Analytics

Experience System of Intelligence  
for Cross-Channel Data, Insights &  
Activation

#### Highlights

- Broad coverage of B2C omni-channel analytics
- Internet scale behavioral dataset:  
~22T data transactions per year
- Enables real-time personalization via  
integration with Target, Audience Manager  
& Adobe Experience Platform

#### Innovation Roadmap

- Expanding use cases for Customer  
Journey Analytics
- Multi-touch and AI-led attribution  
models
- Real-time executive level insights

### Adobe Audience Manager + Real-Time Customer Data Platform (CDP)

Insights & Activation for Known &  
Unknown Audiences

#### Highlights

- ~16.8T segment evaluations per day
- Workflow integrated with Analytics, Target,  
Campaign, Advertising Cloud & Experience  
Platform
- Enhanced governance with automated  
usage policy enforcement

#### Innovation Roadmap

- Data Management Platform and  
Customer Data Platform convergence
- Advanced consent management & data  
governance
- AI-led data transformations

Source: Adobe, December 2020

# Adobe Experience Cloud: Content & Commerce



## Content & Commerce

### Adobe Experience Manager (AEM) + Target

Single Source of Truth to Deliver  
Multi-channel Personalization at Scale

#### Highlights

- Category leader with AEM Sites, up >55% Y/Y in page traffic and API calls
- Supporting remote workforce with AEM Assets, Forms, and Adobe Sign
- ~25B content pages served daily. ~96B dynamic media (images, videos, 3D) served monthly
- Rapid growth of AEM Cloud Service

#### Innovation Roadmap

- Evolution of headless Content APIs
- Industry specific templates and accelerators for Cloud adoption
- Intelligence by design

### Adobe Commerce

Making Every Experience Shoppable  
for B2B & B2C across all business  
models

#### Highlights

- Support B2B, B2C & hybrid use cases on single platform
- Scalable from mid-market to enterprise
- Open & vibrant ecosystem of 450K+ developers & community members

#### Innovation Roadmap

- Modern headless commerce platform
- Merchant Services
- Commerce intelligence

Source: Adobe, December 2020



# Adobe Experience Cloud: Customer Journey Management



## Customer Journey Management

### Adobe Campaign

Personalized, Omni-Channel Customer  
Journey Orchestration & Campaign  
Execution for B2C Marketers

#### Highlights

- Deep affinity with analytics, content & audience management
- Scalable from 100K to 100M+ customer profiles. Capable of sending 10-30B messages annually across multiple channels
- Over 650M messages/day in the holiday season and >1B messages sent on Black Friday alone

#### Innovation Roadmap

- Enhancing Scale & Speed
- Reimagining campaign orchestration into customer journey management
- Next-best-action & Next-best-offers

### Marketo Engage

Marketing Automation & Account-  
Based Marketing for B2B Journeys

#### Highlights

- Mission critical tool for B2B marketers
- >1T marketing activities/year tracked across thousands of Enterprise and Mid-Market customers
- >550 partner developed integrations providing customers a highly flexible tech ecosystem

#### Innovation Roadmap

- Integration with B2B CDP
- Account-based Experiences
- B2B Attribution & Intelligence

Source: Adobe, December 2020

# Adobe Experience Cloud GTM Strategy



**Trusted Partner to  
CMOs and CIOs**

**High-impact  
Digital Marketing**

**Transformational  
Accounts**

**Mid-market and  
New Logo Growth**

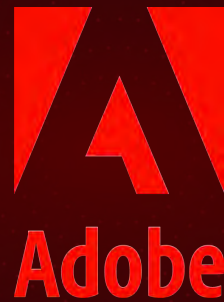
**CXM  
Playbook**

**Verticals | Geographies | Partners**



# Expansive Ecosystem of >2,800 Partners

## ISVs / Tech Partners



## System Integrators / Agencies



Source: Adobe, December 2020



# 2023 Experience Cloud Total Addressable Market



2022 Experience Cloud TAM

~\$74B\*



2023 Experience Cloud TAM

~\$85B

~\$26B **Customer Data & Insights**

- Customer Analytics
- Customer Data Platform
- Identity Resolution
- Customer and Business Intelligence

~\$44B **Content & Commerce**

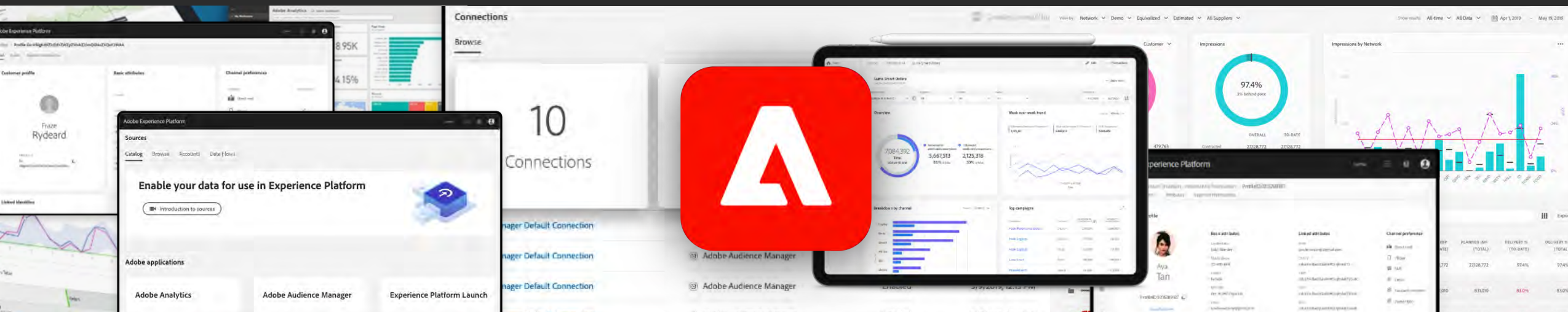
- Content and Asset Management
- Headless CMS
- Personalization
- Digital Commerce

~\$15B **Customer Journey Management**

- Campaign Management
- Email Marketing
- Account-based Marketing
- Lead Management

\* 2022 TAM updated to remove Advertising Cloud market  
Source: IDC and Adobe, December 2020

# Experience Cloud Growth Drivers



## Applications

## Services

## Platform

Digital Acceleration · Real-time Personalization at Scale · Adobe Digital Index · B2B · Direct-to-Consumer  
Ubiquitous Content · Commerce and Merchant Services · Marketing System of Record · Customer Data Platform  
Customer Journey Analytics · Intelligent Services · Adobe Experience Platform · Customer Journey Management  
Strategic Partnerships · Global Expansion · Transformational Accounts · Mid-market and New Logo Growth  
Customer Value Delivery · Customer Success & Retention · Land & Expand · Cross-sell & Up-Sell

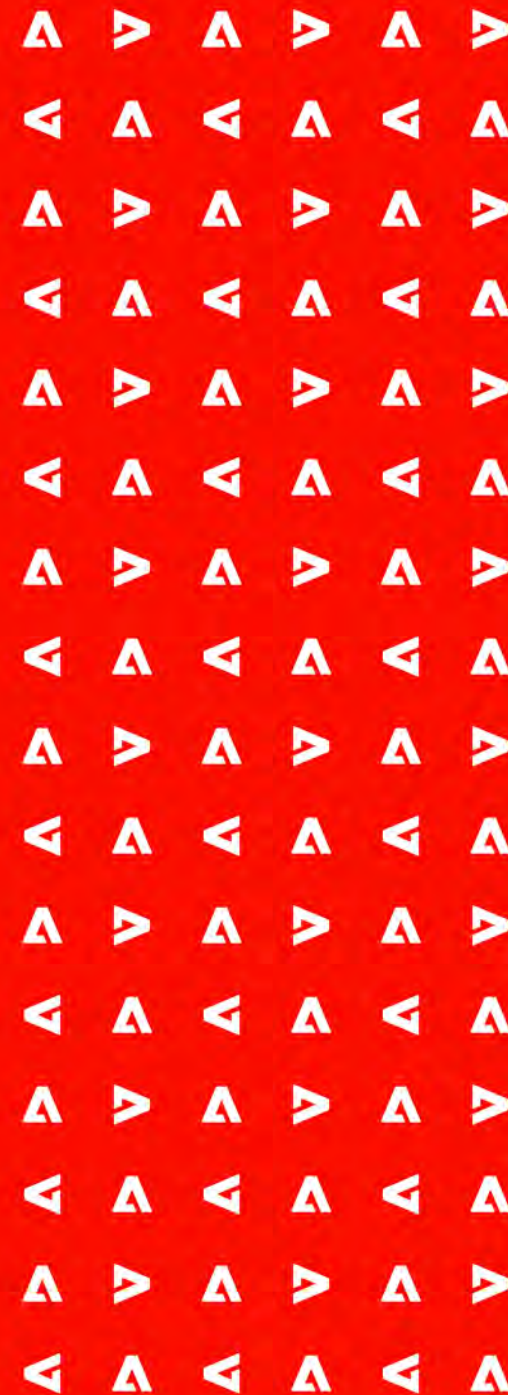
Source: Adobe, December 2020



# Stakeholder Strategy

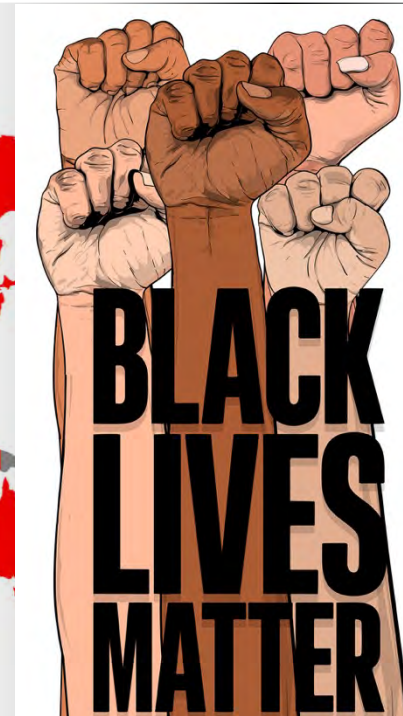
**Gloria Chen | Chief People Officer and EVP, Employee Experience**

**December 10, 2020**





# A Transformational Year



"Capitalism Post-COVID – companies doing good to become great."

**Forbes**

"Coronavirus: How the world of work may change forever."

**BBC**

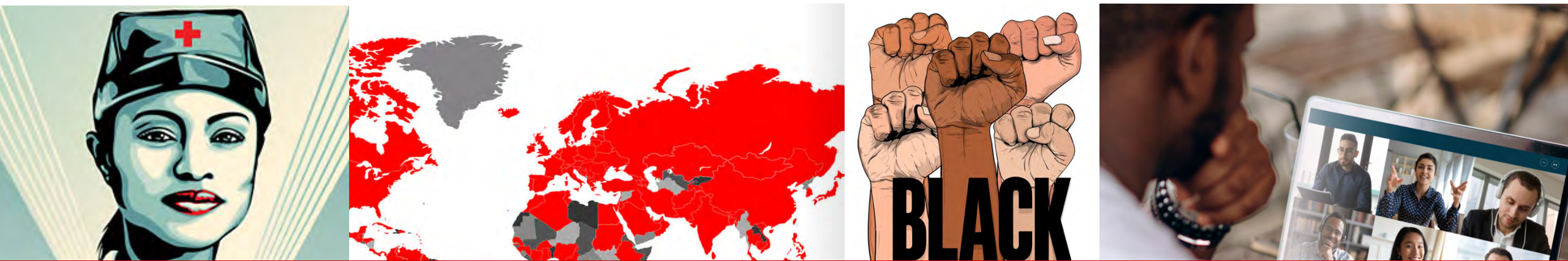
"Corporate America Agrees Black Lives Matter. What Comes Next?"

**The New York Times**

"How to Prepare for Hiring in the Post-Pandemic World."

**Inc.**

# A Transformational Year: Adobe's Resilience



**“Adobe's support of employees was stellar before COVID, and since the pandemic has only grown stronger. This is what it looks like when a company prioritizes its employees: it makes us able to care more for our children, parents, partners, and communities. I'm proud and grateful to be working here at Adobe.”** — 11/20 Employee Survey Respondent

## Across our Employees, Customers and Communities:

Covid-19 WFH Expense Fund

Covid-19 Time Off Benefits

Company-wide Days Off

Adobe For All Programs

Taking Action Initiative

Virtual internship program

Virtual Town Halls

Virtual Family Field Trip

Wellness & meditation apps

Well-being Matters speaker series

Employee Assistance Program

Virtual Summit and MAX

Government Rapid Response Program

30M free Creative Cloud licenses for students at home

Covid-19 Testing Data Response Platform

Free job postings on Adobe Talent on Behance

Covid-19 support for Experience Cloud customers

Millions donated to relief organizations for COVID-19, racial injustice and CA wildfire relief

Over 25,000 hours of virtual volunteering by employees

#HonorHeroes

Sundance Ignite Fellowships

#WhenISeeBlack

Adobe Creative Residency

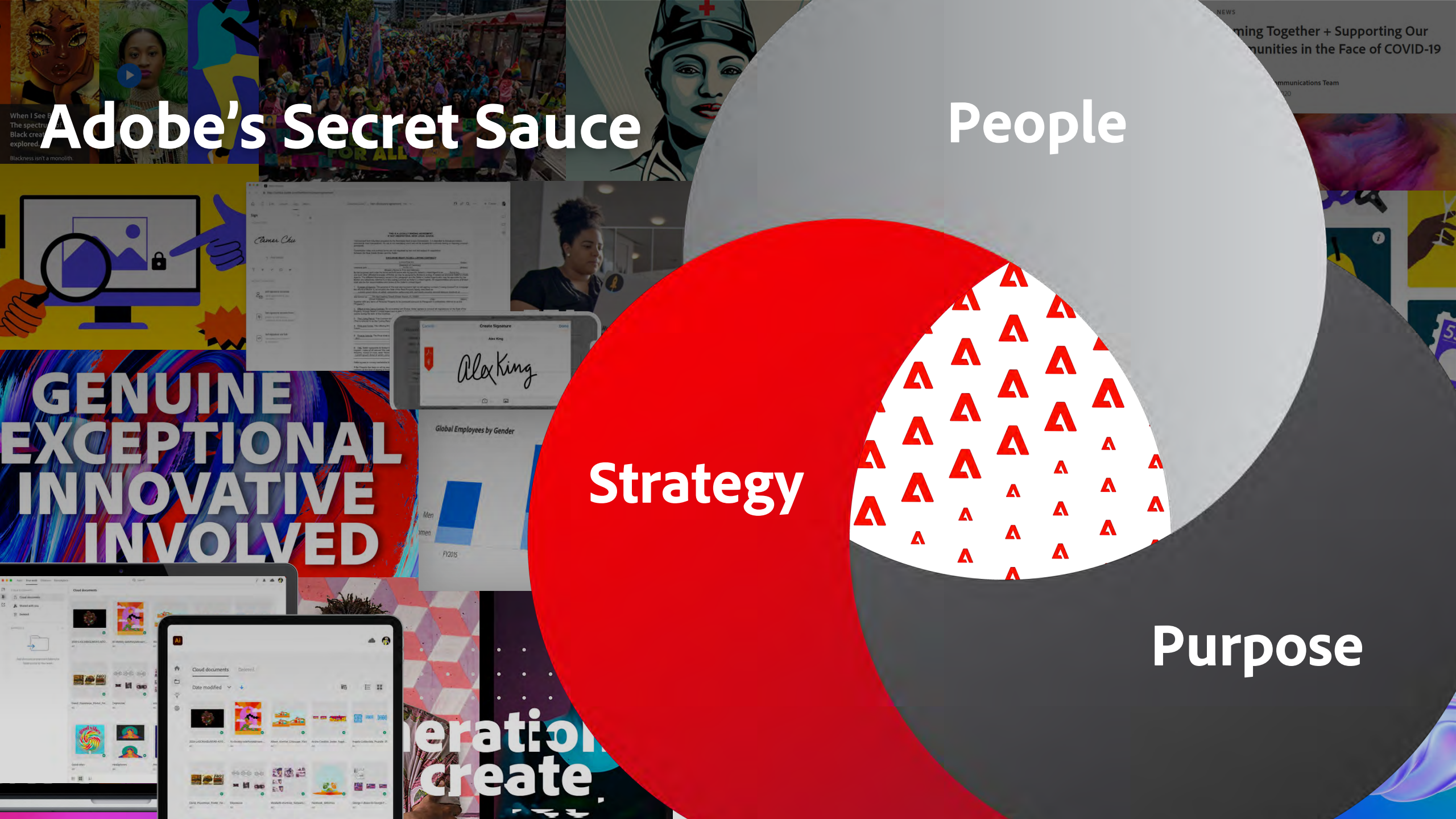
Adobe Digital Academy

Generation Create

Source: Adobe, December 2020







# Adobe's Secret Sauce

People

Strategy

Purpose

GENUINE  
EXCEPTIONAL  
INNOVATIVE  
INVOLVED

eration  
create

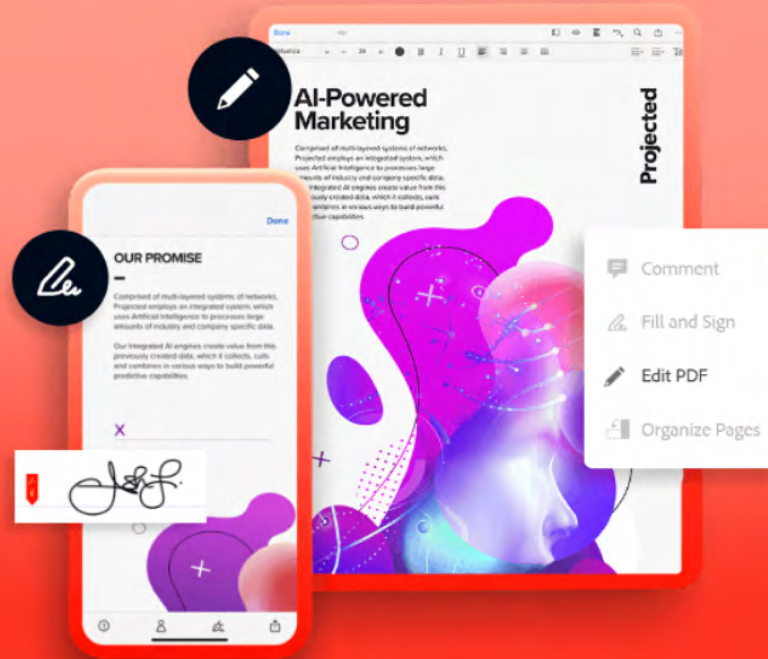


# Adobe's Winning Strategy: Transforming Work, Learn and Play

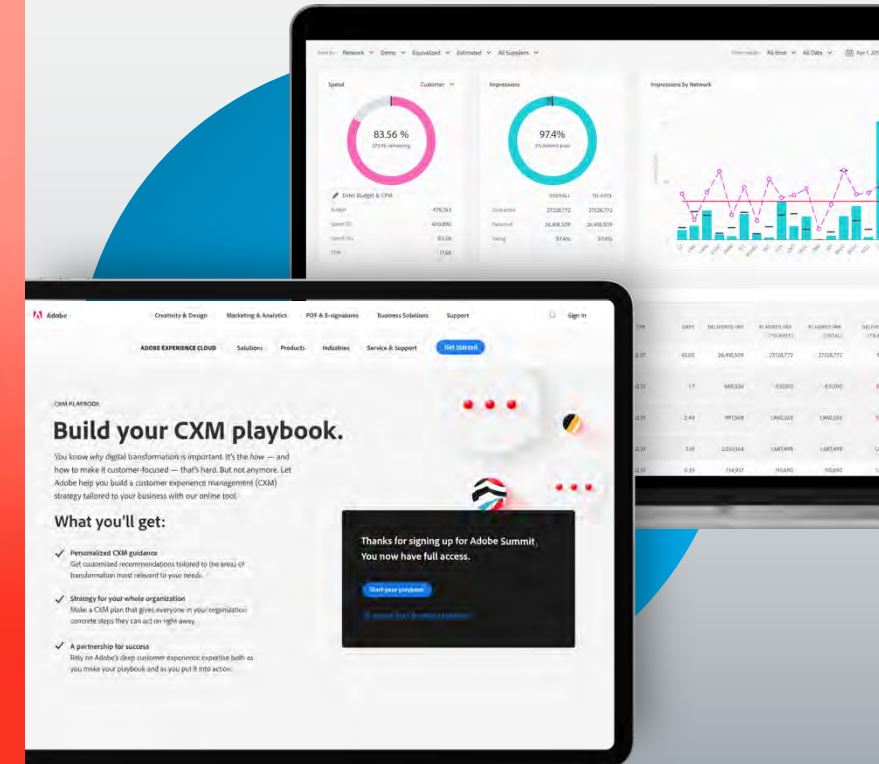
## Unleashing Creativity



## Accelerating Document Productivity



## Powering Digital Businesses







Adobe's Values: A Strong Foundation

**GENUINE  
EXCEPTIONAL  
INNOVATIVE  
INVOLVED**



# People: Adobe's Employee-Centric Programs & Policies

## Attracting & Retaining Great People



- 22,000+ employees globally
- Robust university internship, research fellowship & sales academy programs
- Progressive family benefits, including parental leave, adoption, fertility & surrogacy assistance, & childcare support
- Sabbaticals & wellness programs

## Empowering Them to Do Their Best Work



- Check-in, Mentoring, Networking
- Employee & People Manager Development
- Technical training: Machine Learning, Security
- On-demand learning resources
- Learning Fund
- Career Management Program & internal mobility

## Creating an Inclusive, Productive Culture



- Adobe Capabilities
- Adobe For All in Action
- Taking Action Initiative
- Vibrant employee networks & site councils
- Employee Recognition: Founders Award, Tech Excellence Award, Patent Awards

Source: Adobe, December 2020





# Adobe For All In Action

We believe diversity & inclusion drives creativity & innovation – and when our employees are their most authentic selves, they do their best work.

In 2020, we articulated the following aspirations:

## Champion Global Diversity

To reflect more of the diversity around us, we're fundamentally committed to global diversity and inclusion across gender, race, ethnicity, age, disability, sexual orientation, gender identity, cultural background, and religious beliefs

## Visibility in Leadership

Because we believe leadership role models can create a virtuous cycle of growth, development and advancement, we want to increase representation of women in leadership positions to 30% globally by 2025 and double representation of underrepresented minorities in leadership positions by 2025

## Taking Action Initiative

To measure the impact of the Taking Action Initiative, we want to double Black representation as a percentage of US employees by 2025

## Equity & Inclusion

To continue to drive equity and inclusion for all employees, we will:

Report pay parity and opportunity parity metrics annually

Drive strong employee engagement and a sense of belonging across all groups

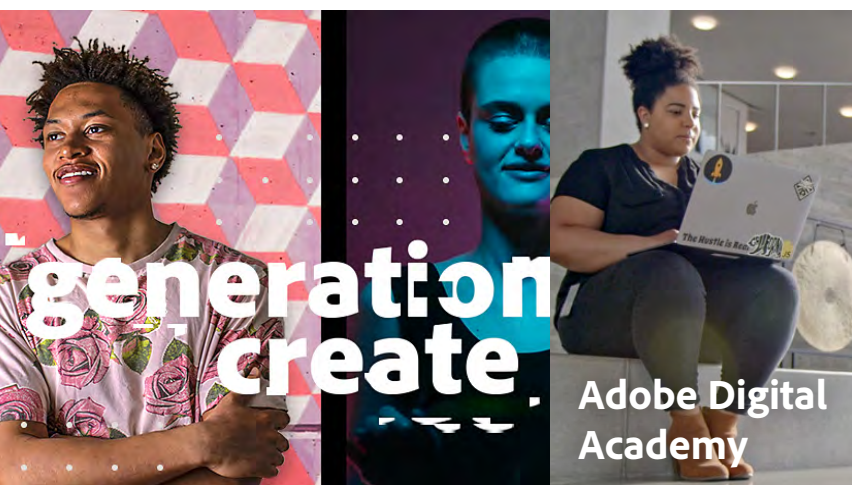
For more information, go to [adobe.com/diversity](https://adobe.com/diversity)

\*In US, URM employees who self-identify as Black/African American, Hispanic/Latinx, Native American, Pacific Islander, and/or two or more races



# Purpose: Adobe's Societal Impact

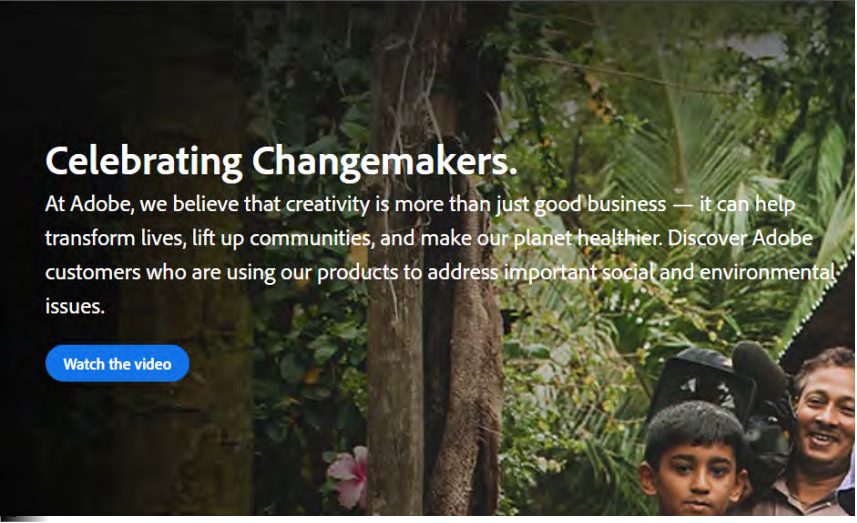
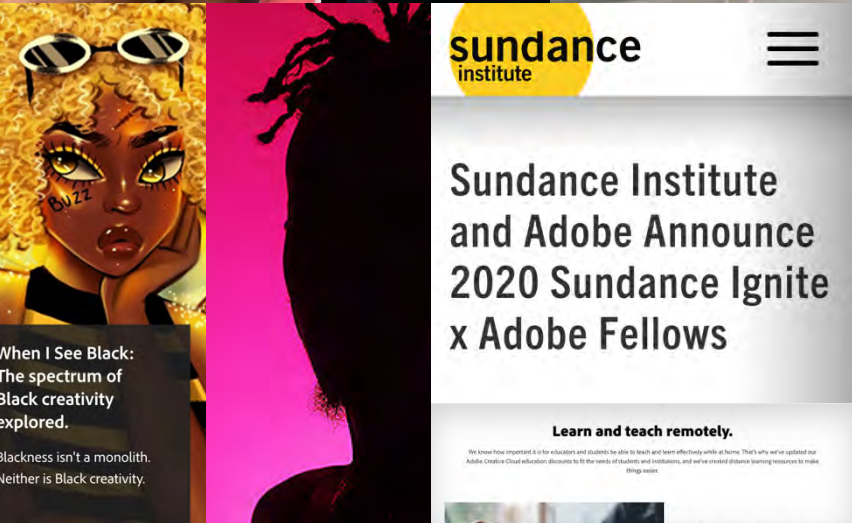
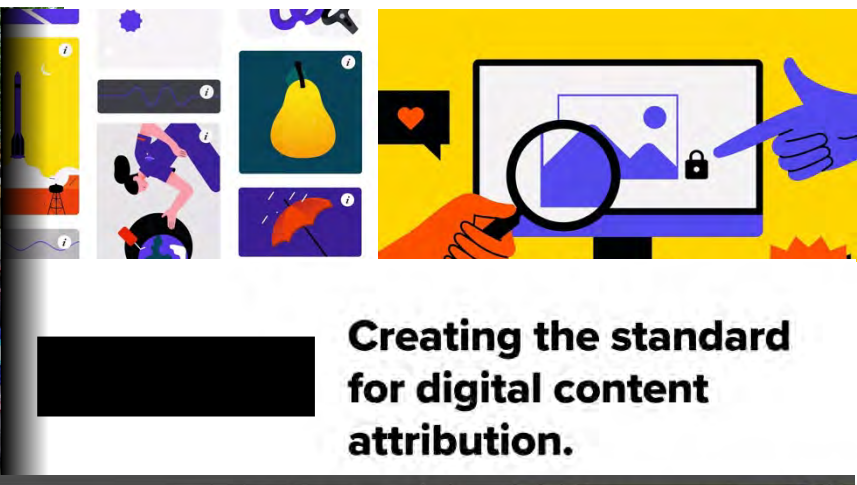
Empower Every Voice



Strengthen Our Communities



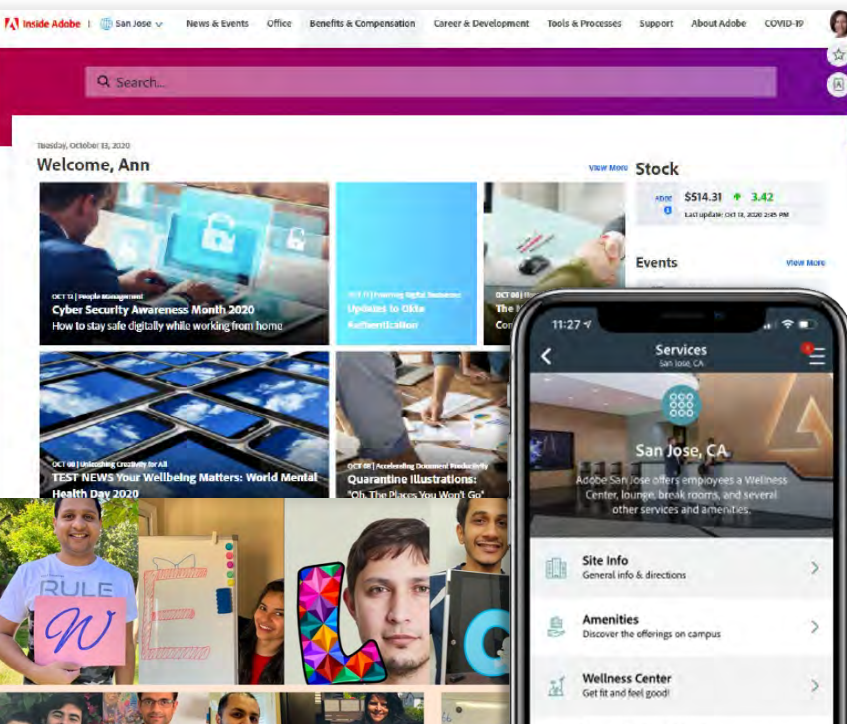
Use Tech for Good





# Looking Ahead: Leaning into the Future of Work

## Embrace a Digital-First Culture



"Over the past year, we've learned there is so much we can do virtually. We are doubling down on reimagining the end-to-end employee experience – from onboarding and career growth, to collaboration, community and creativity."

## Make Flexible Work the Default



"We continue to believe in the value of meaningful in-person gatherings, but how we work has fundamentally changed. We're committed to expanding flexibility to work from home, acknowledging that striking the right balance may look a little different for each team."

## Iterate and Learn with Remote Work



"Being a fully remote worker is a significant decision with implications not just for the individual but also for the manager, team and culture. We still have a lot to learn, especially since WFH during a pandemic is not necessarily reflective of the future remote work experience."



**100 FASTEST GROWING COMPANIES 2020**  
FORTUNE

**100**  
**BWA**  
**FOI**  
BEST WORKPLACES FOR INNOVATORS

Best Global Brands 2020

**27**  
Adobe  
▲ UP 12 PLACES

**BEST PLACES TO WORK**  
HUMAN RIGHTS CAMPAIGN FOUNDATION  
**2020** for LGBTQ Equality  
100% CORPORATE EQUALITY INDEX™

2020  
Bloomberg  
Gender-Equality Index

Great Place To Work®  
Certificado  
MAR 2019 - MAR 2020  
BRASIL

AMERICA'S MOST  
**JUST**  
COMPANIES  
Forbes 2021

**BEST PLACES TO WORK 2020**  
EMPLOYEES' CHOICE

2020  
Best CEOs for  
**DIVERSITY**

2020  
**People COMPANIES THAT CARE**

Best Workplaces™  
In Tech Large Organisations  
Great Place To Work®  
UK 2020

Indeed  
TOP-RATED WORKPLACE  
Tech in India  
2019

FORTUNE  
**100 BEST COMPANIES TO WORK FOR**  
2020

WayUp PRESENTS  
**TOP 100**  
INTERNSHIP PROGRAMS  
WINNER 2020

**DEI** BEST PLACE TO WORK FOR  
DISABILITY INCLUSION 2020™  
100% DISABILITY EQUALITY INDEX

Best Workplaces™  
Great Place To Work®  
JAPAN 2020

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

**Forbes | 2020**  
**THE BEST EMPLOYERS for DIVERSITY**  
POWERED BY STATISTA

FORTUNE  
**CHANGE THE WORLD**  
2020

LinkedIn  
**TOP COMPANIES**  
WHERE INDIA WANTS TO WORK NOW  
Adobe  
2019



**IN HER SIGHT**  
**50 Best Places to Work**  
As Rated by Women

indeed  
**TOP-RATED WORKPLACES**  
Best in Tech

Source: Adobe, December 2020

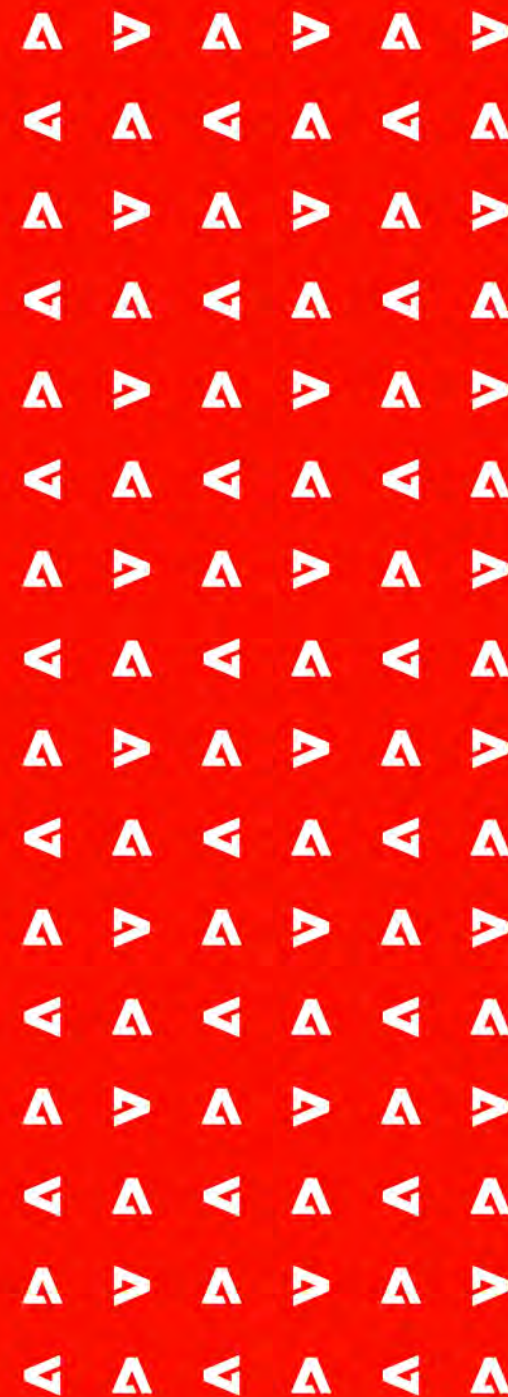




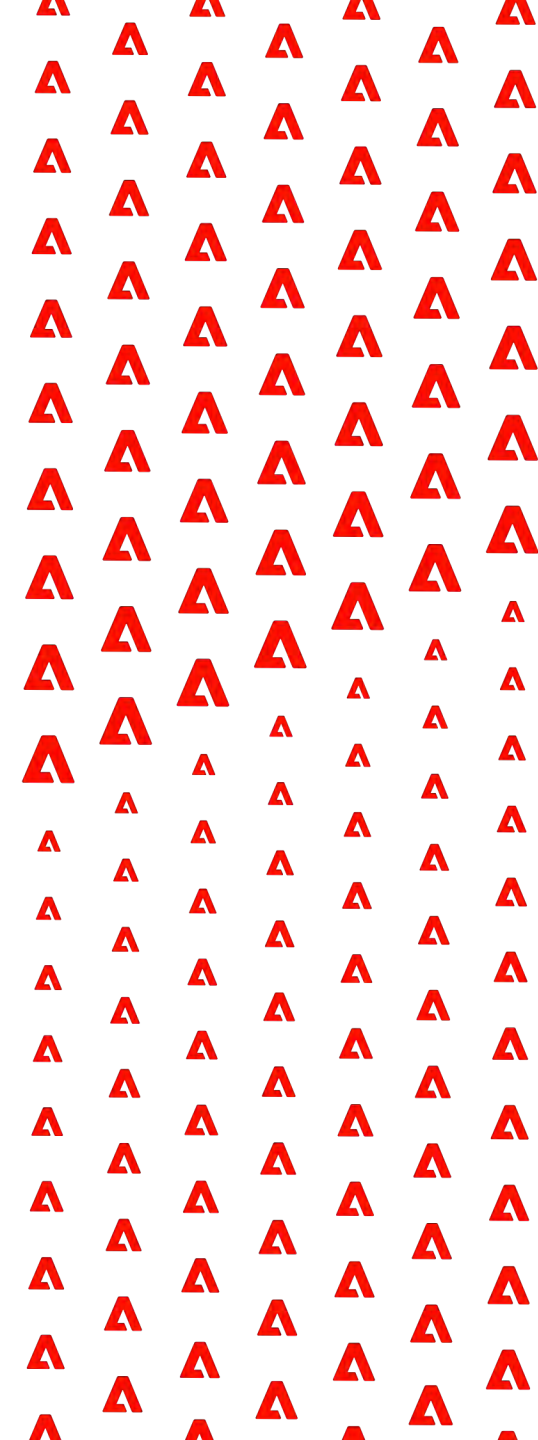
# Financial Summary and Growth Strategy

John Murphy | EVP and CFO

December 10, 2020



# **Q4 and Fiscal 2020 Financial Summary**





# Segment Reporting Update

## In Q4 FY2020, we made the following changes to our financial reporting

- Created a new segment called “Publishing and Advertising,” which combines our Publishing segment with Advertising Cloud
  - This realignment resulted from a change we made in Q4 FY2020 to the way we manage our Digital Experience business to better reflect the strategic shift related to Advertising Cloud and to align with our overall core value proposition of delivering on customer experience management
- Reclassified Advertising Cloud revenue and cost of revenue from ‘Subscription’ to ‘Services and other’ on the income statement
- FY2018, FY2019 and FY2020 financial information revised to maintain comparability



## Q4 FY2020 Financial Results

|                                            |                                                                 |                                                                  |
|--------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|
| Total Adobe revenue                        | \$3.42 billion (14% Y/Y growth)                                 |                                                                  |
| Digital Media segment revenue              | \$2.50 billion (20% Y/Y growth)                                 |                                                                  |
| Digital Media ARR                          | \$548 million of net new ARR                                    |                                                                  |
| Digital Experience segment revenue         | \$877 million<br>2% Y/Y growth<br>(including Advertising Cloud) | \$819 million<br>10% Y/Y growth<br>(excluding Advertising Cloud) |
| Digital Experience subscription revenue    | \$754 million<br>4% Y/Y growth<br>(including Advertising Cloud) | \$696 million<br>14% Y/Y growth<br>(excluding Advertising Cloud) |
| Publishing and Advertising segment revenue | \$110 million                                                   |                                                                  |
| Earnings per share                         | GAAP: \$4.64<br>(167% Y/Y growth)                               | Non-GAAP: \$2.81<br>(23% Y/Y growth)                             |

- Generated record \$1.78 billion of cash flows from operations
- Repurchased 1.6 million shares at cost of \$762 million

# Q4 Financial Highlights & Growth Drivers



## Adobe Creative Cloud



- \$2.08B revenue (20% Y/Y growth)
- Added \$425M of net new ARR
- \$8.72B ending ARR (20% Y/Y growth)
- ARR growth drivers
  - Acquisition of new users across all geos and segments
  - Single App and All App subscriptions
  - Performance in the imaging, video and Stock categories



## Adobe Document Cloud



- \$411M revenue (21% Y/Y growth)
- Added record \$123M of net new ARR
- \$1.46B ending ARR (35% Y/Y growth)
- ARR growth drivers
  - Strong subscription demand for Acrobat through Adobe.com, Reader funnel and mobile
  - Significant momentum with Adobe Sign
  - Greater than expected perpetual revenue



## Adobe Experience Cloud

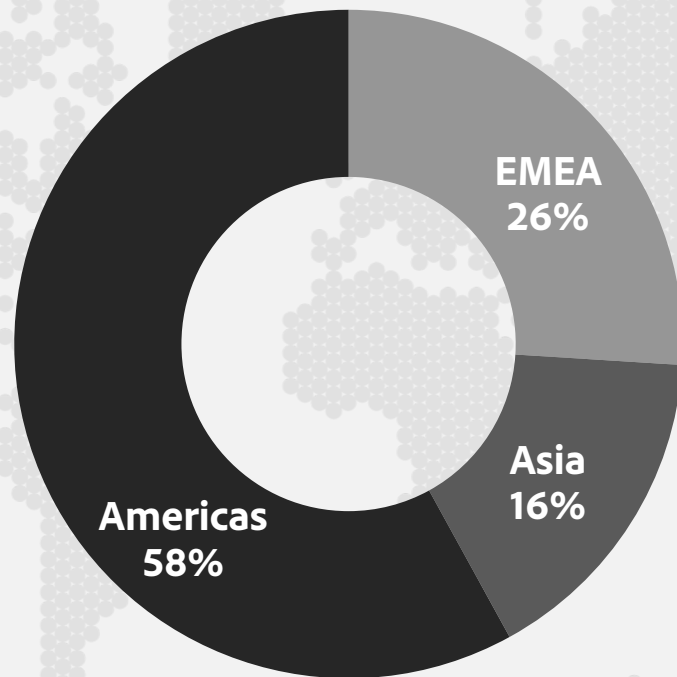


- \$819M revenue (10% Y/Y growth)
- \$696M subscription revenue (14% Y/Y growth)
- Accelerating adoption of Adobe Experience Platform and App Services
- Momentum in Content & Commerce, including increased traction with AEM Cloud Service
- Continued recovery in the mid-market as well as success with large deals >\$1M



# Q4 FY2020 Results

## Q4 Revenue by Geography



## Currency ("FX") Impact

- From a quarter-over-quarter currency perspective, FX increased revenue by \$29 million. Net of impacts from hedging, the sequential currency increase to revenue was \$21 million.
- From a year-over-year currency perspective, FX increased revenue by \$25 million. Net of impacts from hedging, the year-over-year currency increase to revenue was \$5 million.

Trade DSO of 37 days

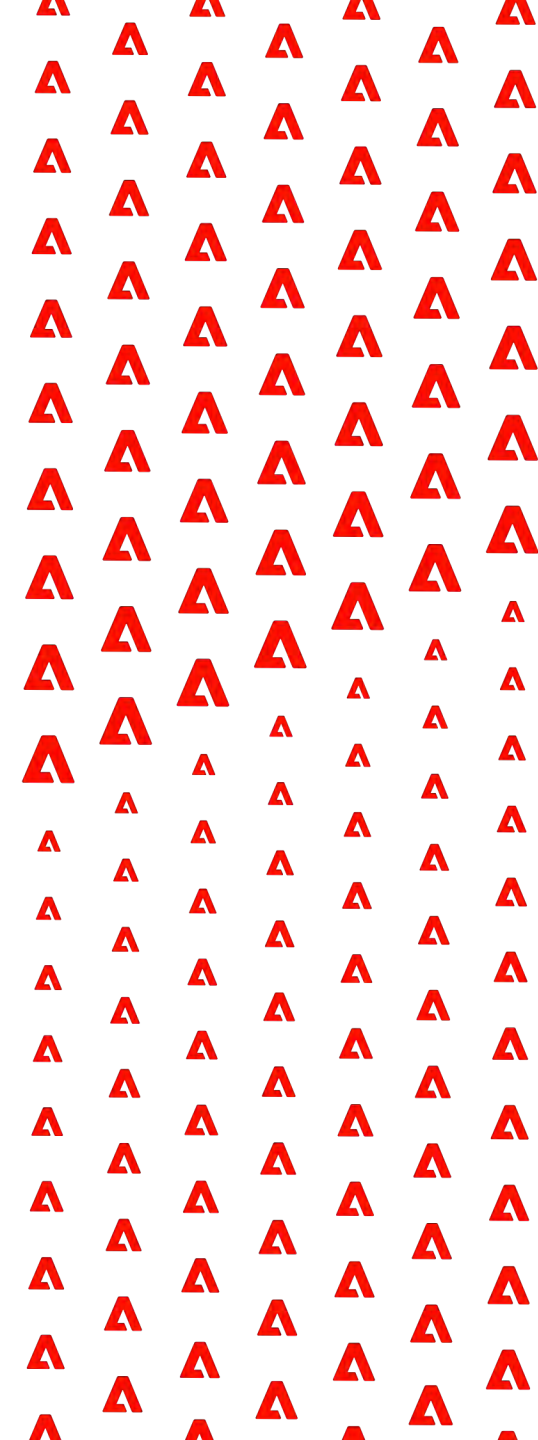
Q4 effective tax rate of -88% on a GAAP basis and 10% on a Non-GAAP basis

# FY2020 Annual Financial Results

|                                         |                                                                   |                                                                   |
|-----------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Total Adobe revenue                     | \$12.87 billion (15% Y/Y growth)                                  |                                                                   |
| Digital Media segment revenue           | \$9.23 billion (20% Y/Y growth)                                   |                                                                   |
| Digital Media ARR                       | \$1.85 billion of net new ARR                                     |                                                                   |
| Digital Experience segment revenue      | \$3.40 billion<br>6% Y/Y growth<br>(including Advertising Cloud)  | \$3.13 billion<br>12% Y/Y growth<br>(excluding Advertising Cloud) |
| Digital Experience subscription revenue | \$2.93 billion<br>10% Y/Y growth<br>(including Advertising Cloud) | \$2.66 billion<br>17% Y/Y growth<br>(excluding Advertising Cloud) |
| Earnings per share                      | GAAP: \$10.83<br>(81% Y/Y growth)                                 | Non-GAAP: \$10.10<br>(28% Y/Y growth)                             |

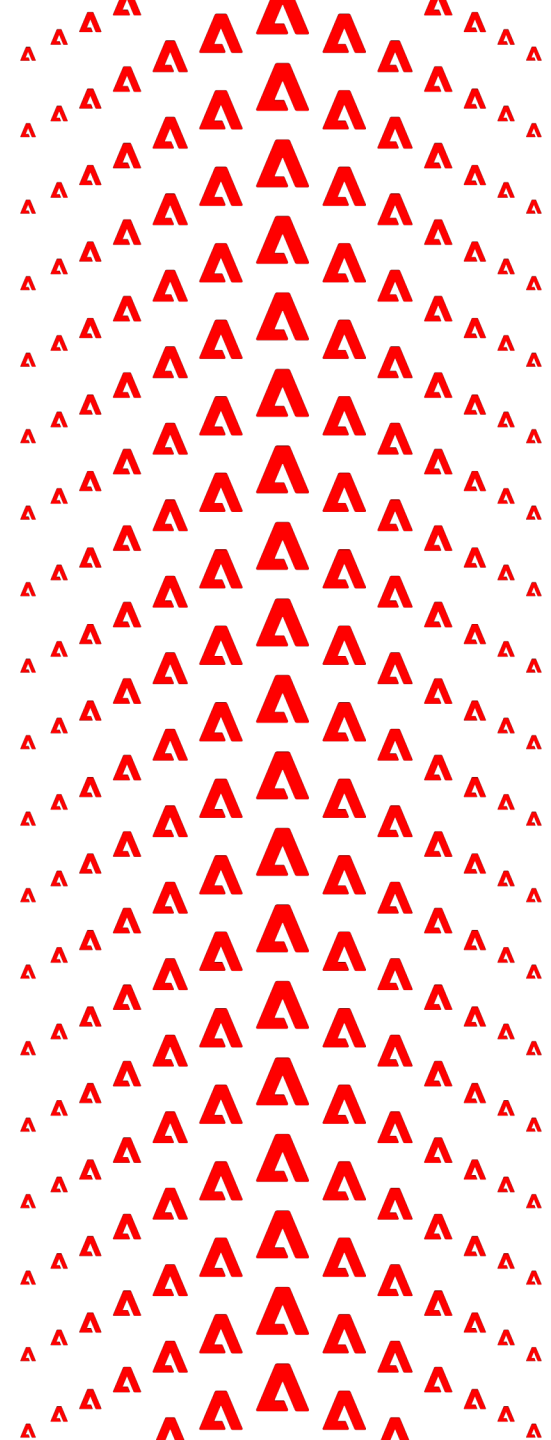
- Generated record \$5.73 billion of cash flows from operations
- Repurchased 8.0 million shares, returning \$3.0 billion of cash to stockholders
- Grew Remaining Performance Obligation (RPO) by 15% Y/Y to \$11.34 billion

# Financial Strategy





# **Digital Media Business Momentum**



# Creative Cloud Business Momentum



**~75%**

Individual subscribers  
new to CC franchise <sup>1</sup>

**>80%**

Y/Y growth in  
mobile units

**~60%**

Y/Y subscriber growth from  
emerging markets <sup>2</sup>

**~40%**

Substance SDI customers  
new to franchise

**>45M**

Students with  
Adobe Spark

**~25M**

Behance members

**>40%**

Premiere Pro  
Y/Y ARR growth

**>40%**

Adobe Stock  
Y/Y license growth  
across all asset types

**>300M**

Mobile IDs created  
cumulatively

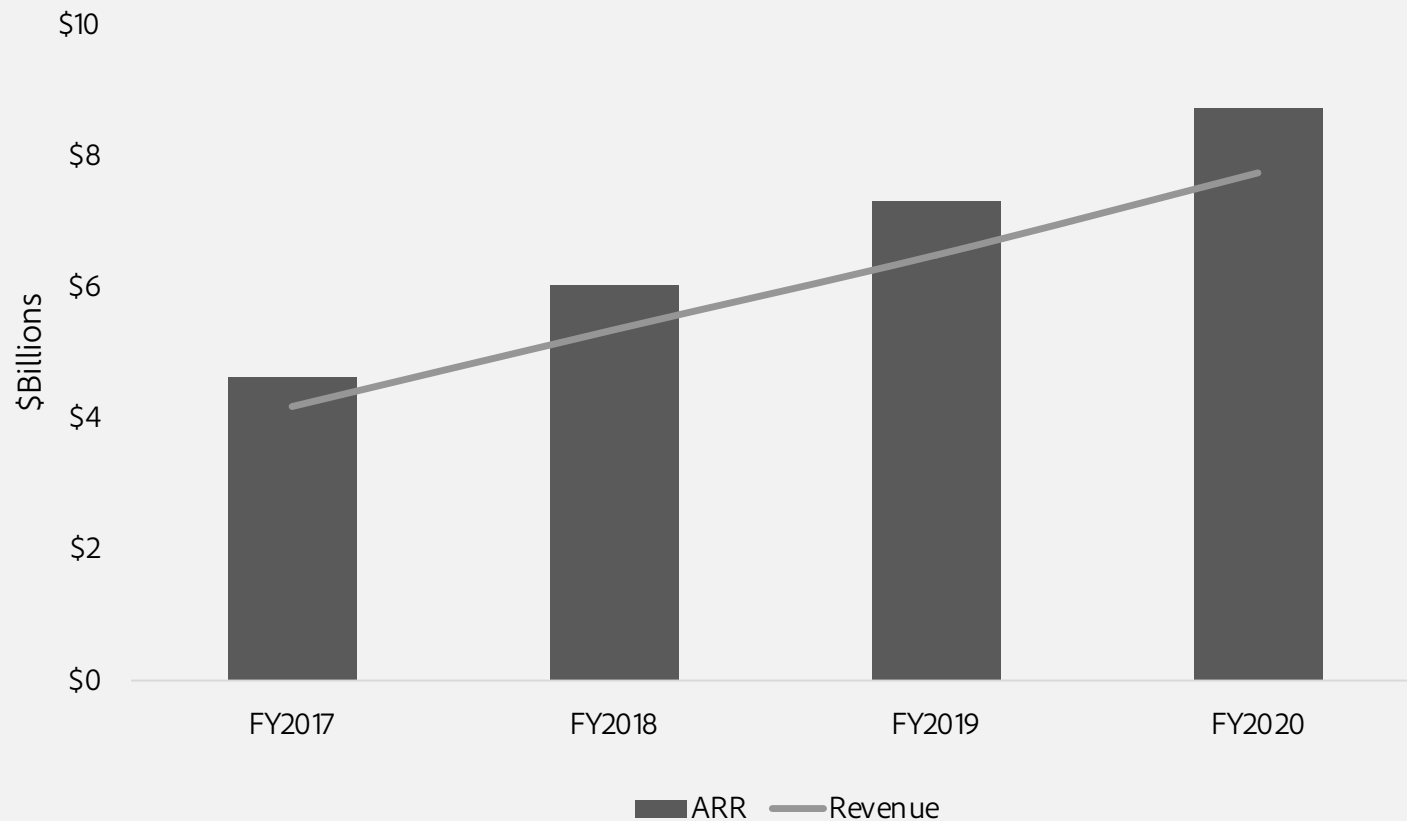
<sup>1</sup> Percentage of new individual subscribers during FY2020

<sup>2</sup> Includes all geographies outside of Australia, Canada, France, Germany, Italy, Japan, Netherlands, New Zealand, Nordic region, Switzerland, U.K. and U.S.

Source: Adobe, as of Q4 FY2020

# Business Momentum

## Creative Cloud ARR & Revenue



- Strong momentum with record net new Creative ARR of \$1.47B in FY2020
- Growth drivers include:
  - New user acquisition, including communicator and consumer segments, fueled by elevated web traffic
  - Demand for single apps, including video and photography offerings
  - Strong engagement and retention across subscriber base
  - Expansion into new markets
  - Macroeconomic recovery in SMB driving demand for Team offering
  - Education ETLAs

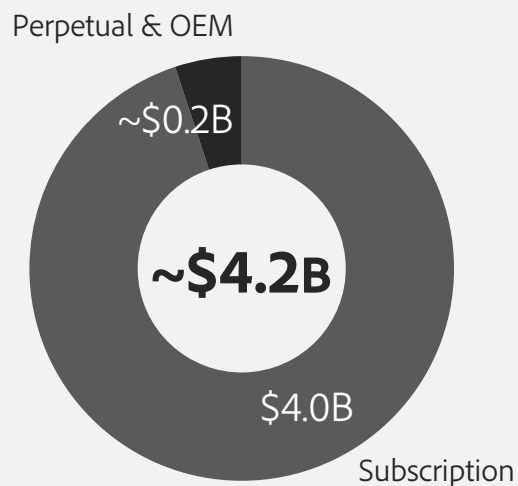
Source: Adobe, December 2020



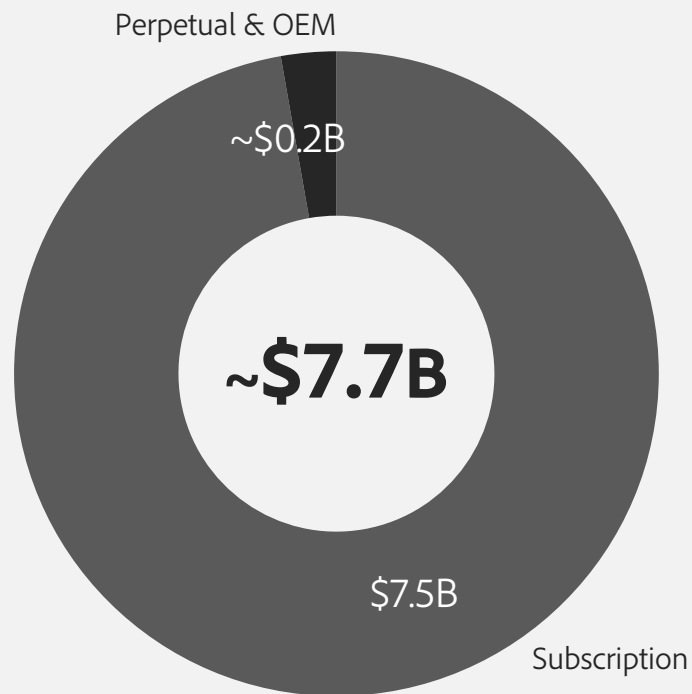
# Business Momentum

## Creative Cloud Revenue Mix

### FY2017 Revenue Mix



### FY2020 Revenue Mix



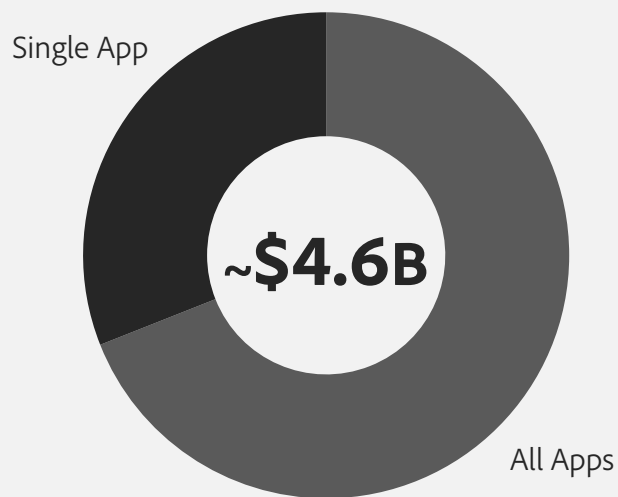
- >97% of revenue is subscription-based and recurring
- Creative Cloud business has grown ~85% in three years
- Continued innovation across products and services driving new customer acquisition, engagement and ARR growth

Source: Adobe, December 2020

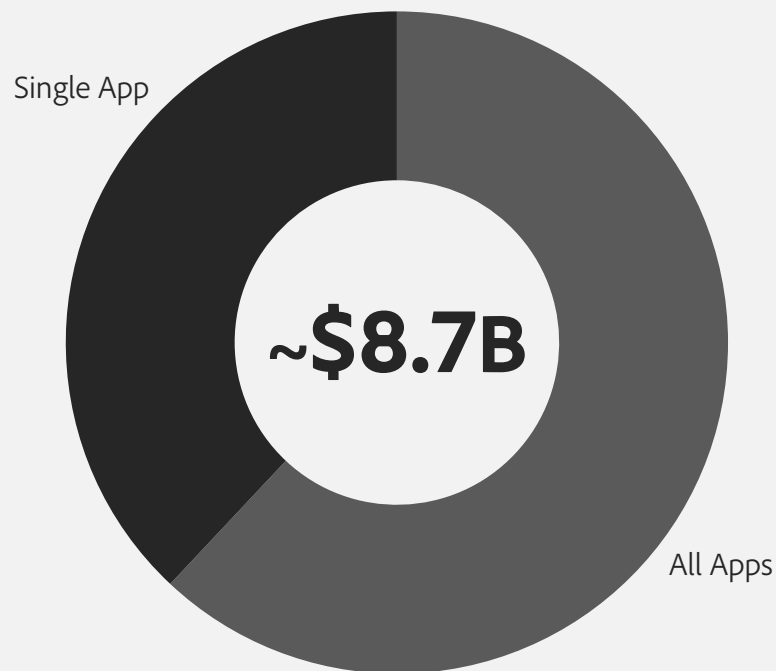
# Business Momentum

## Creative Cloud ARR: Single App vs. All Apps

**FY2017**



**FY2020**



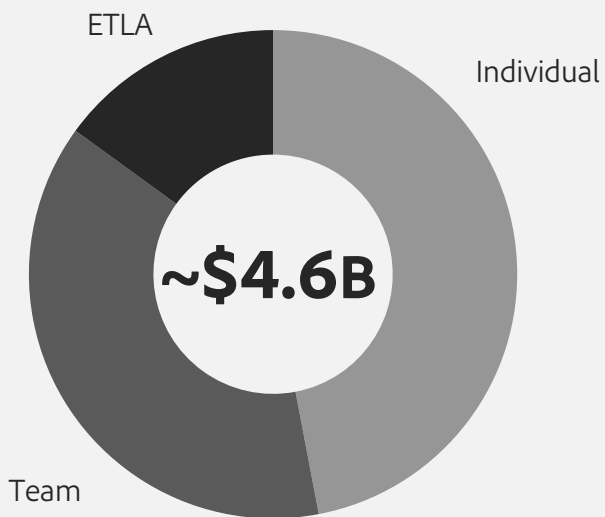
- Most comprehensive offering across every design category and surface
- Single apps and mobile apps are a proven onramp for new customer acquisition and monetization
- Growth driven across all offerings and customer segments, including single apps and all apps
- >60% of Creative ARR is based on All Apps subscribers

Source: Adobe, December 2020; Includes Enterprise and CSMB; 2017 based on Q4 FY2017 and FY2020 based on Q4 FY2020 ending ARR

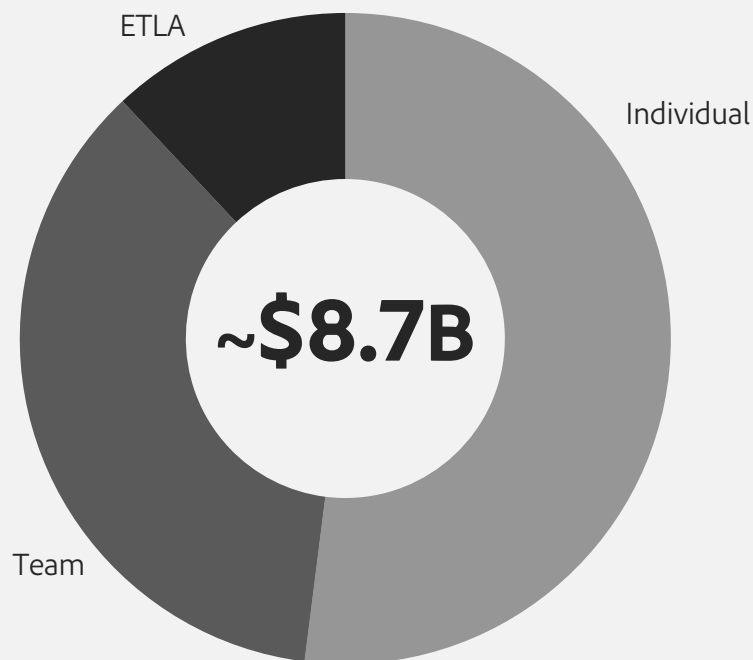
# Business Momentum

## Creative Cloud ARR by Offering

**FY2017**



**FY2020**

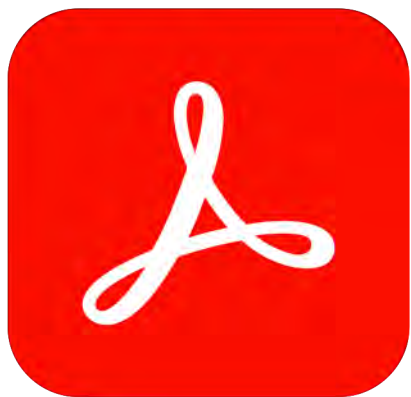


- Tailored offerings for each customer segment, including individuals, small businesses, education and enterprises
- Enterprises have option to purchase either Team or ETLA offering
- ARR growth strong across Enterprise, Team and individual offerings
- Services offerings drive stakeholder acquisition and monetization opportunity
- Team offering available through both Adobe.com and reseller channel

Source: Adobe, December 2020; Includes Enterprise and CSMB; 2017 based on Q4'17 and 2020 based on Q4'20 Ending ARR



# Adobe Document Cloud Business Momentum



**>2B**

Mobile + Desktop  
devices with Reader  
or Acrobat installed

**>175M**

Mobile IDs created  
in past 3 years

**>100%**

Y/Y growth for  
mobile app downloads <sup>1</sup>

**>75%**

Individual subscribers new  
to Acrobat franchise <sup>2</sup>

**>200%**

Y/Y growth in  
mobile app ARR

**>70%**

Channel units are  
subscriptions <sup>3</sup>

**~6,000**

Platform developers  
onboarded exiting FY2020

**>300%**

Y/Y growth in Adobe  
Sign transactions in Acrobat

Source: Adobe, as of Q4FY20

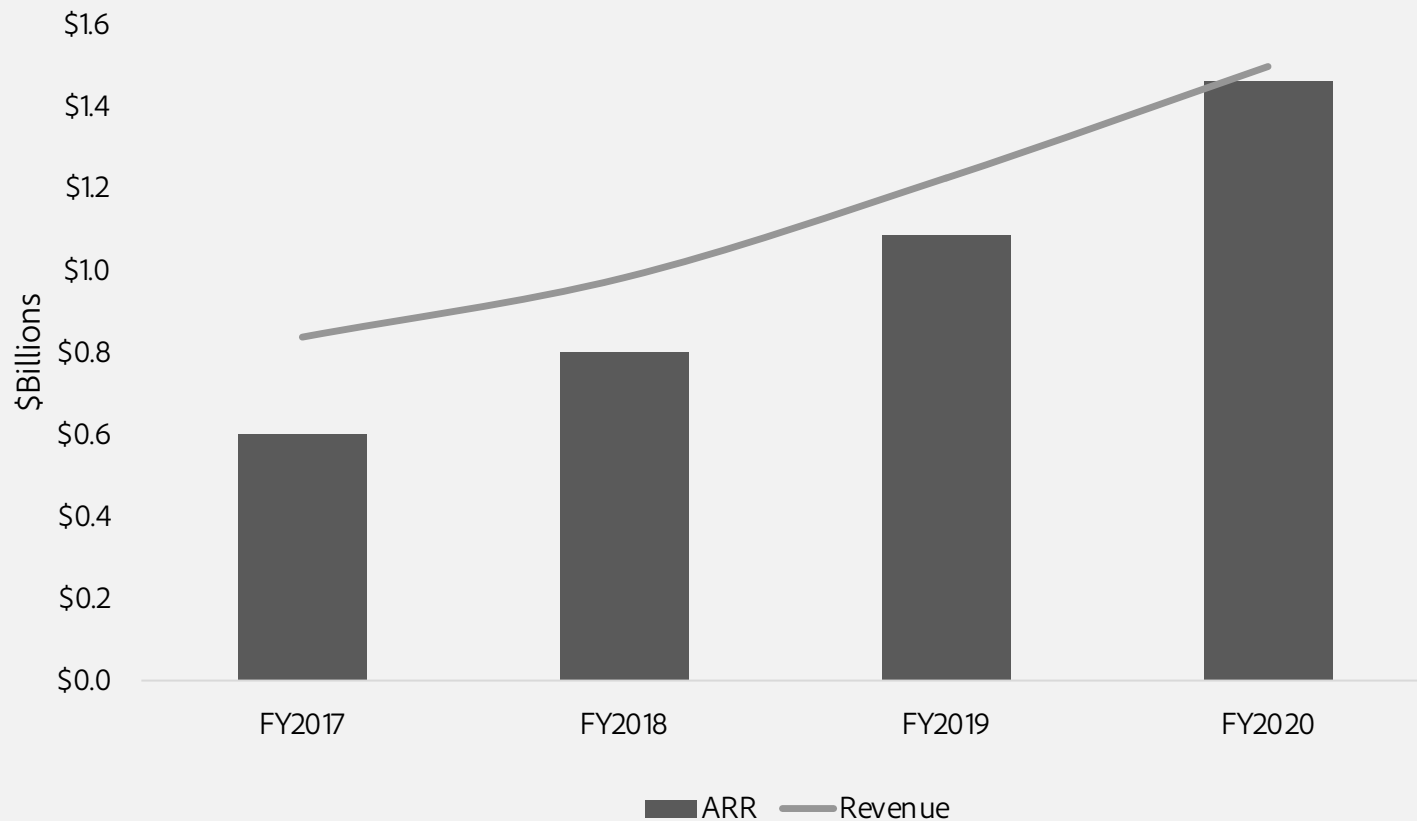
<sup>1</sup>Total Acrobat and Scan downloads, as of Q3 FY2020

<sup>2</sup> Percentage of new individual subscribers during FY2020

<sup>3</sup> Subscription units as a percentage of total units licensed through reseller channel including perpetually licensed units

# Business Momentum

## Adobe Document Cloud ARR & Revenue



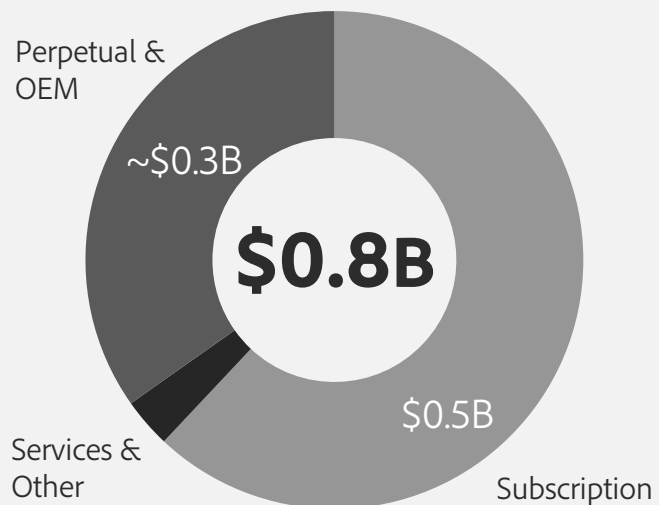
- Growth accelerating with record net new Document Cloud ARR of \$383 million in FY2020
- Growth drivers include
  - New user acquisition
  - Monetization of Reader install base on mobile
  - Subscription demand for Acrobat across all geos
  - Meaningful Acrobat and PDF adoption through CC Single App and All Apps
  - Enterprise adoption, including of Adobe Sign

Source: Adobe, December 2020

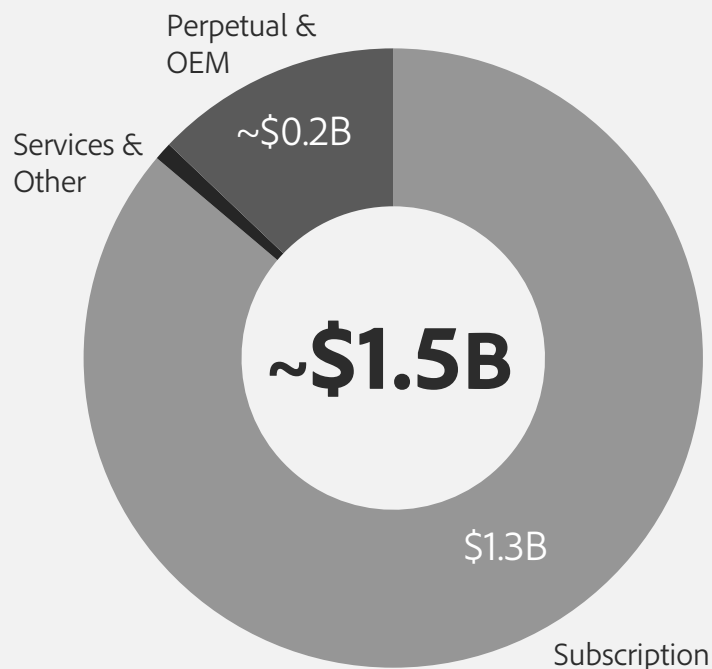
# Business Momentum

## Adobe Document Cloud Revenue Mix

### FY2017 Revenue Mix



### FY2020 Revenue Mix



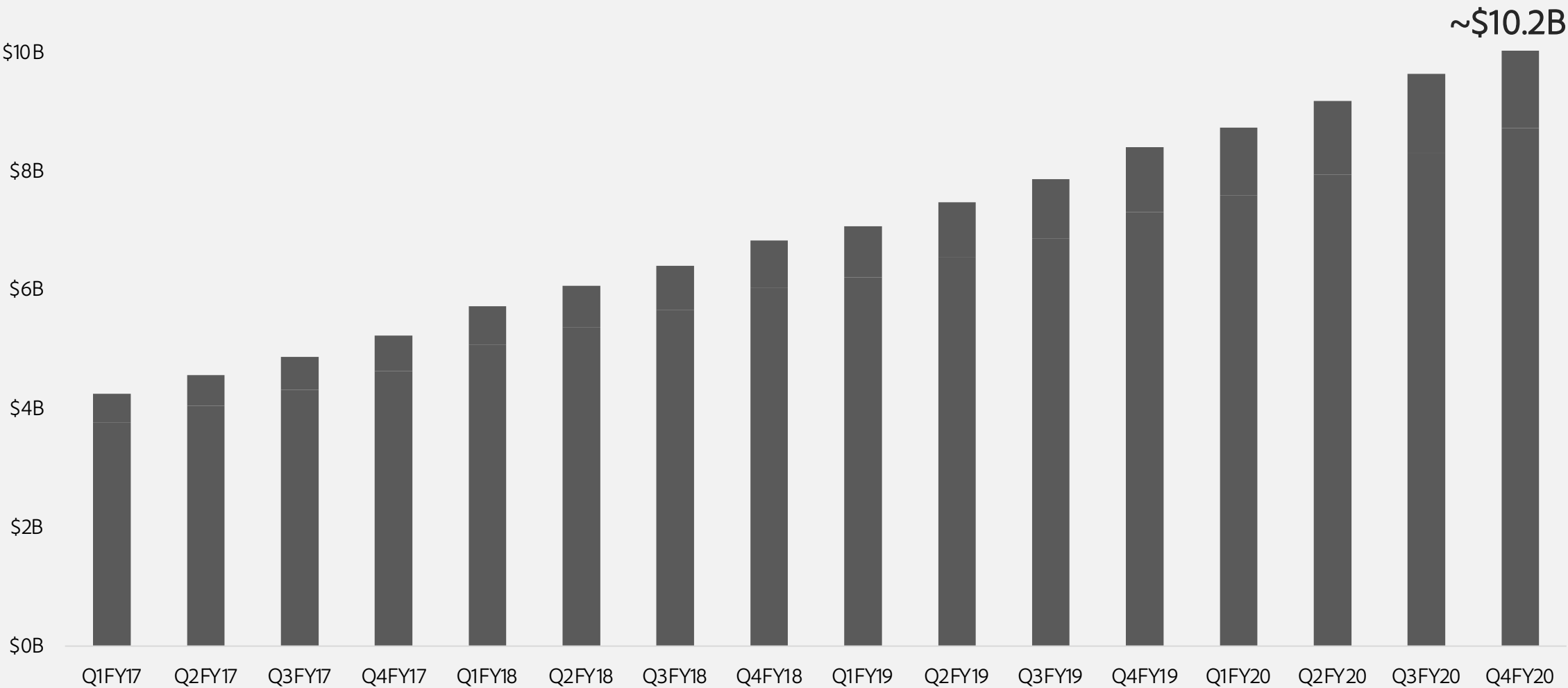
- Subscription revenue has more than doubled in three years, driving segment growth and mix shift toward recurring revenue
- Subscription revenue growth fueled by ETLA adoption and individual subscription offerings
- Continuing migration opportunity for perpetual installed base

Source: Adobe, December 2020



# Digital Media Business Momentum

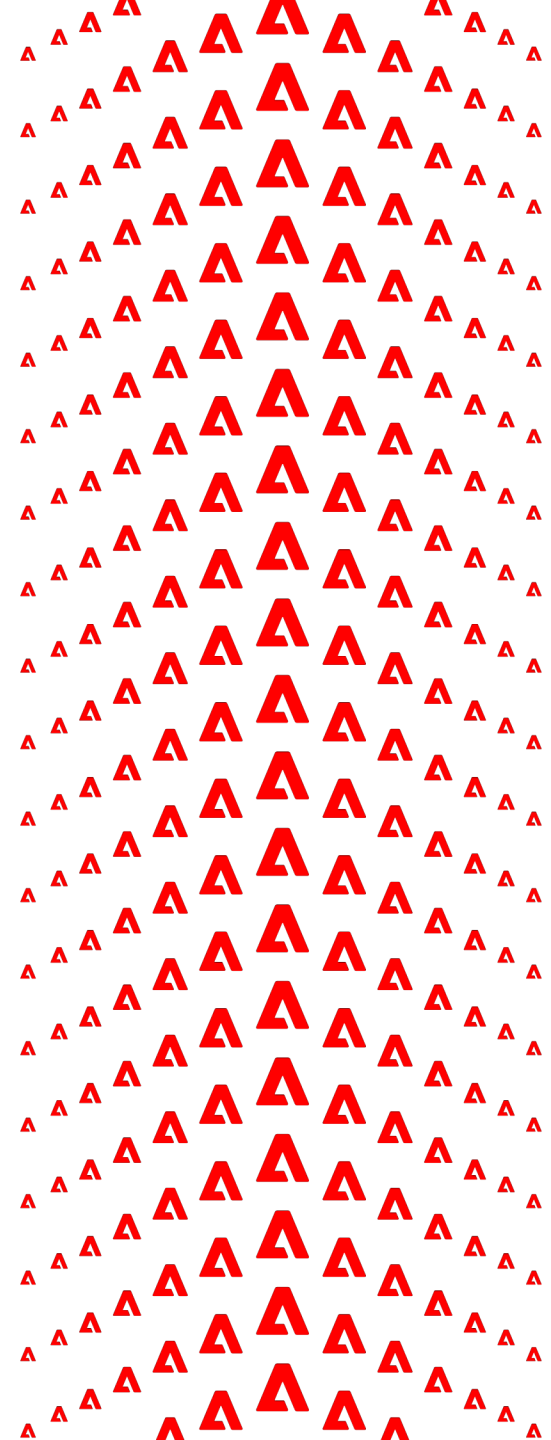
## Digital Media ARR



Source: Adobe, December 2020



# **Digital Experience Business Momentum**



**workfront**<sup>®</sup>  
An Adobe Company





# Digital Experience Business Momentum



## Highlights

**FY2015**

**~61%**

of top 100 customers  
have 3+ products

**~\$3M**

Average ARR  
of top 100 customers

**FY2020**

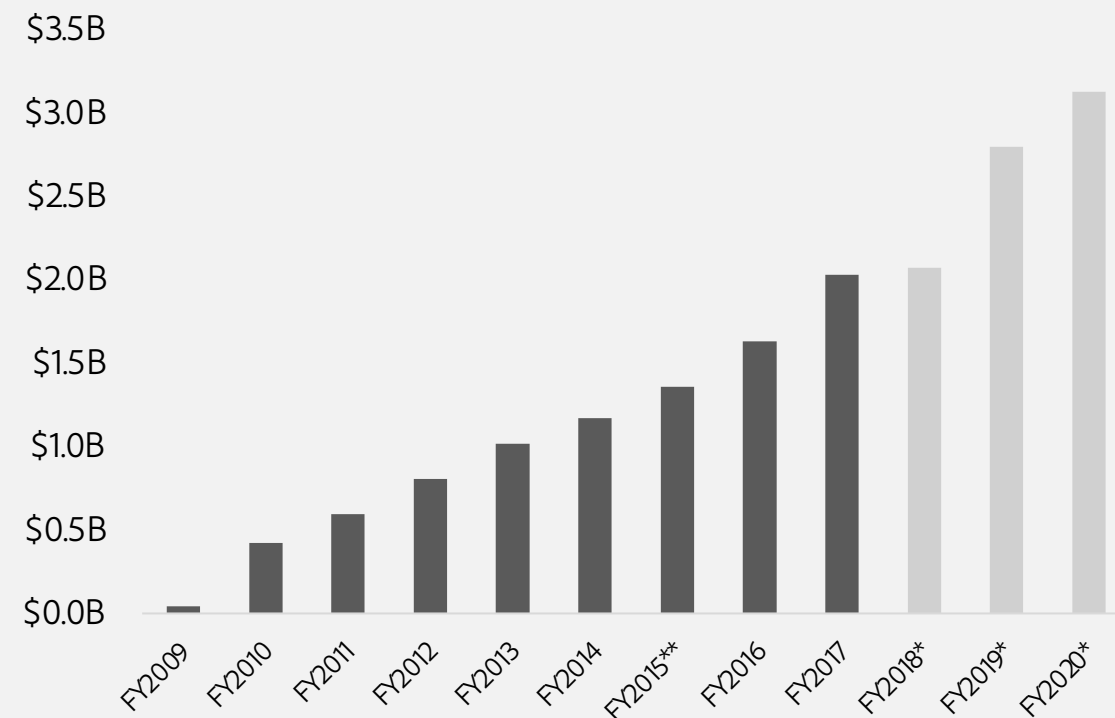
**~93%**

of top 100 customers  
have 3+ products

**~\$8M**

Average ARR  
of top 100 customers

## Annual Revenue



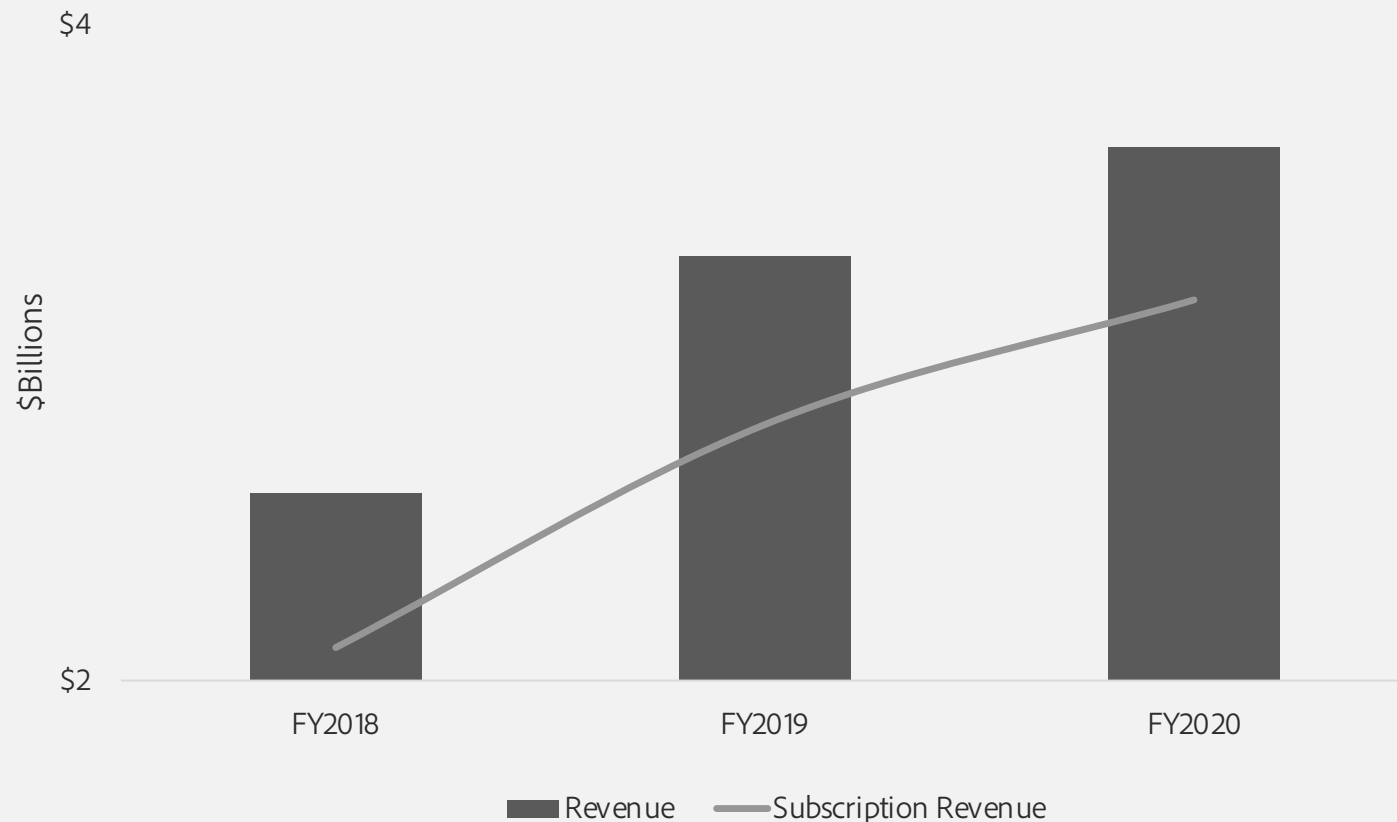
\*Revenue numbers for FY2018 – 2020 updated to reflect reclassification of Advertising Cloud; revenue for fiscal years prior to FY2018 are shown as previously reported.

\*\*FY2015 ARR and Product count updated to exclude Advertising Cloud

Source: Adobe, December 2020

# Business Momentum

## Digital Experience Revenue and Subscription Revenue



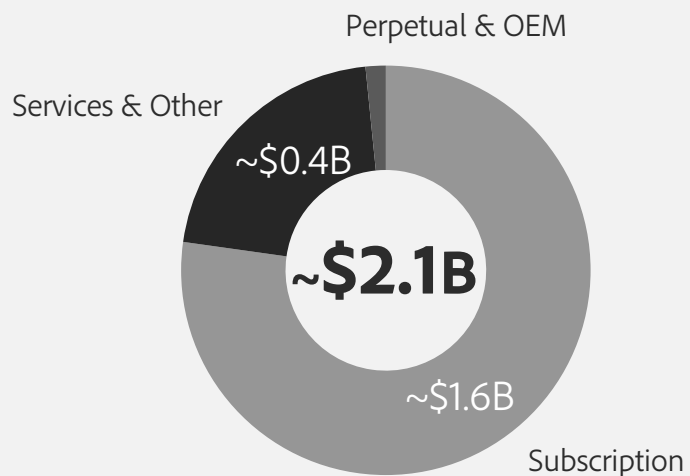
- Focus has been on growing subscription revenue
- Growth driven across subscription offerings, with particular strength in enterprise adoption of Content & Commerce offerings, including AEM Cloud Service
- Adobe Experience Platform gaining traction with strong bookings and referenceable customers driving momentum
- Continued recovery in the mid-market

Source: Adobe, December 2020

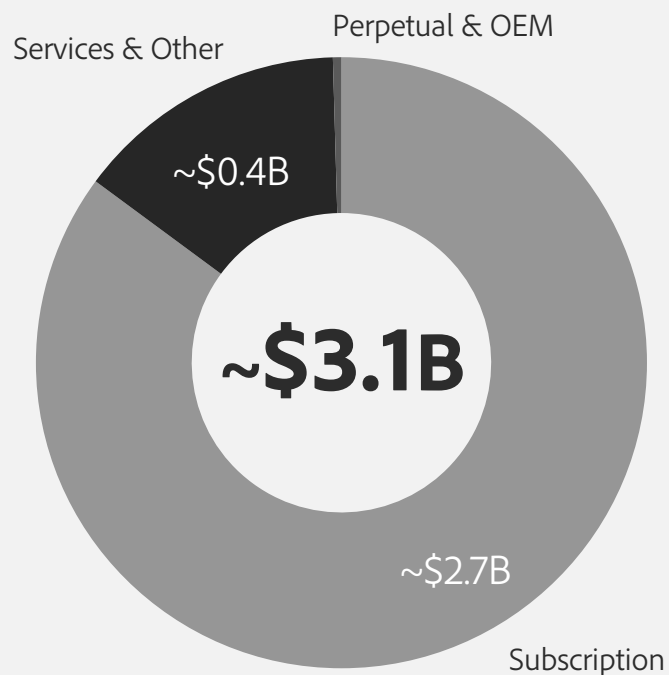
# Business Momentum

## Adobe Experience Cloud Revenue Mix

### FY2018 Revenue Mix



### FY2020 Revenue Mix



- Adobe Experience Cloud revenue has grown more than 50% in last two years
- Subscription revenue CAGR of approximately ~29% since FY2018
- Continuing strategy of leveraging our expanding partner ecosystem to deliver implementation and professional services

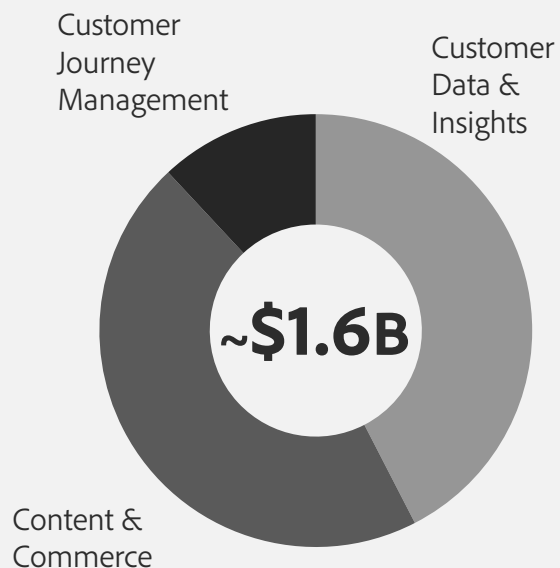
Source: Adobe, December 2020



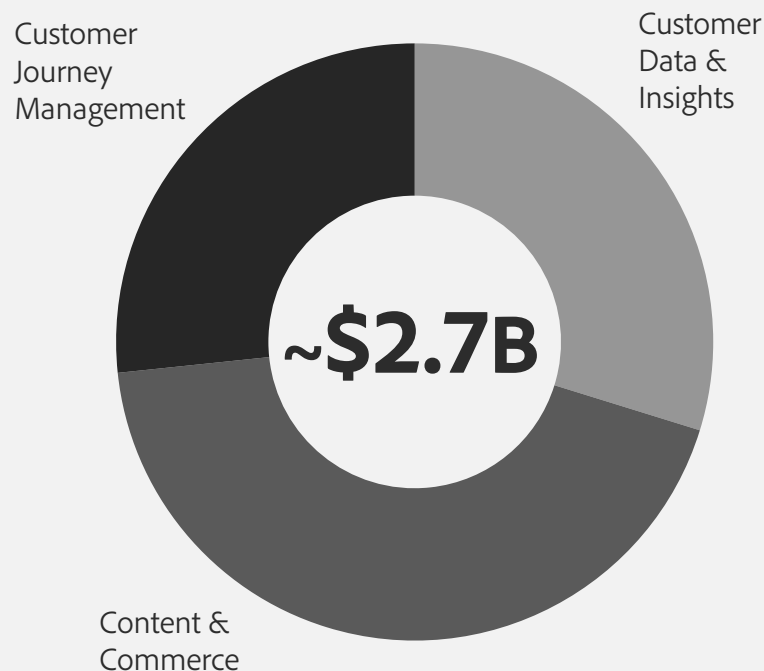
# Business Momentum

## Adobe Experience Cloud Subscription Revenue by Category

**FY2018**

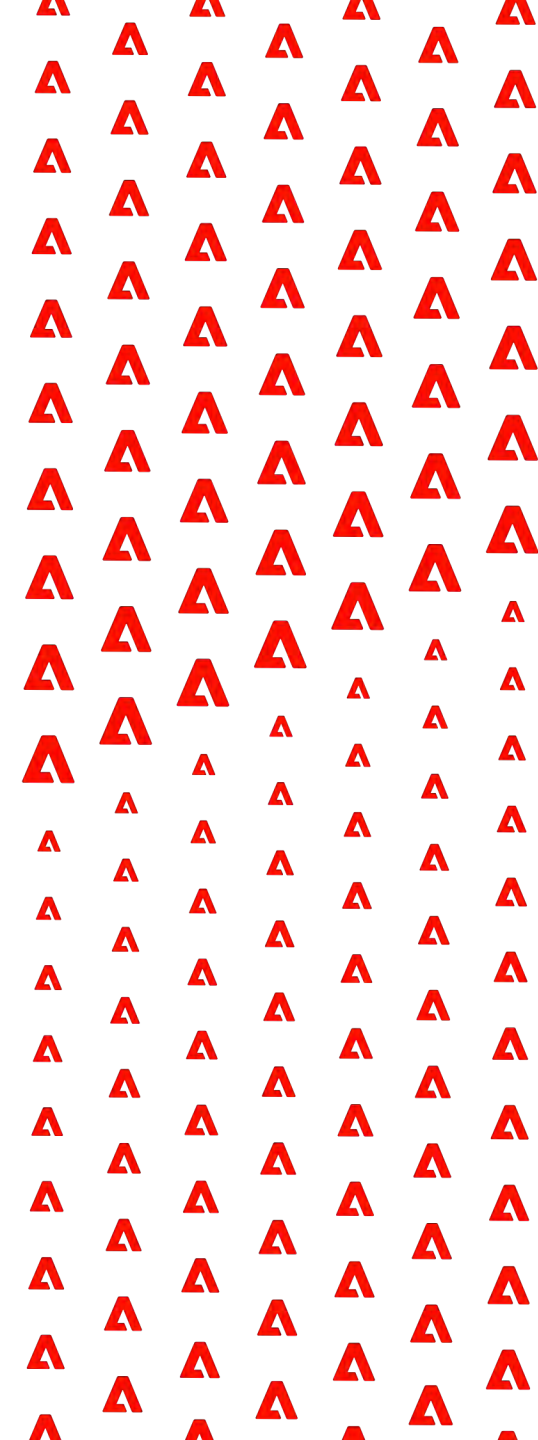


**FY2020**



- Customer Journey Management, Content & Commerce, Customer Data & Insights are large, growing categories, fundamental to CXM
- Market-leading, comprehensive solutions, built on a common data and content platform
- Content & Commerce demand driven by need for digital presence and ability to transact business online
- Customer Journey Management demand driven by need to deliver personalized experience
- Customer Data & Insights demand driven by need to unify and activate data

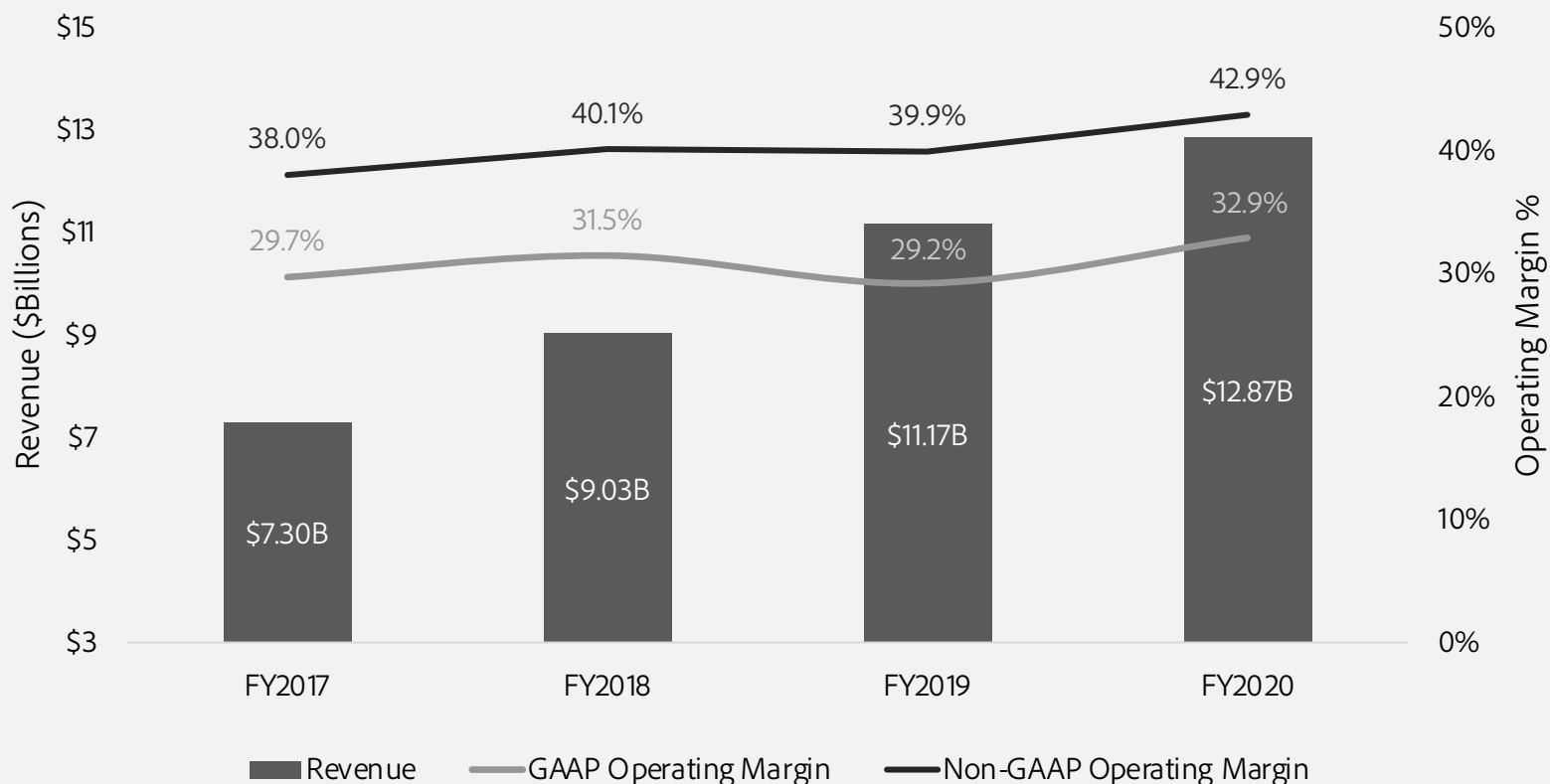
# Income Statement, Cash Flows and Capital Allocation



# Business Momentum

## Adobe Revenue & Operating Margin

### Adobe Revenue & Operating Margin



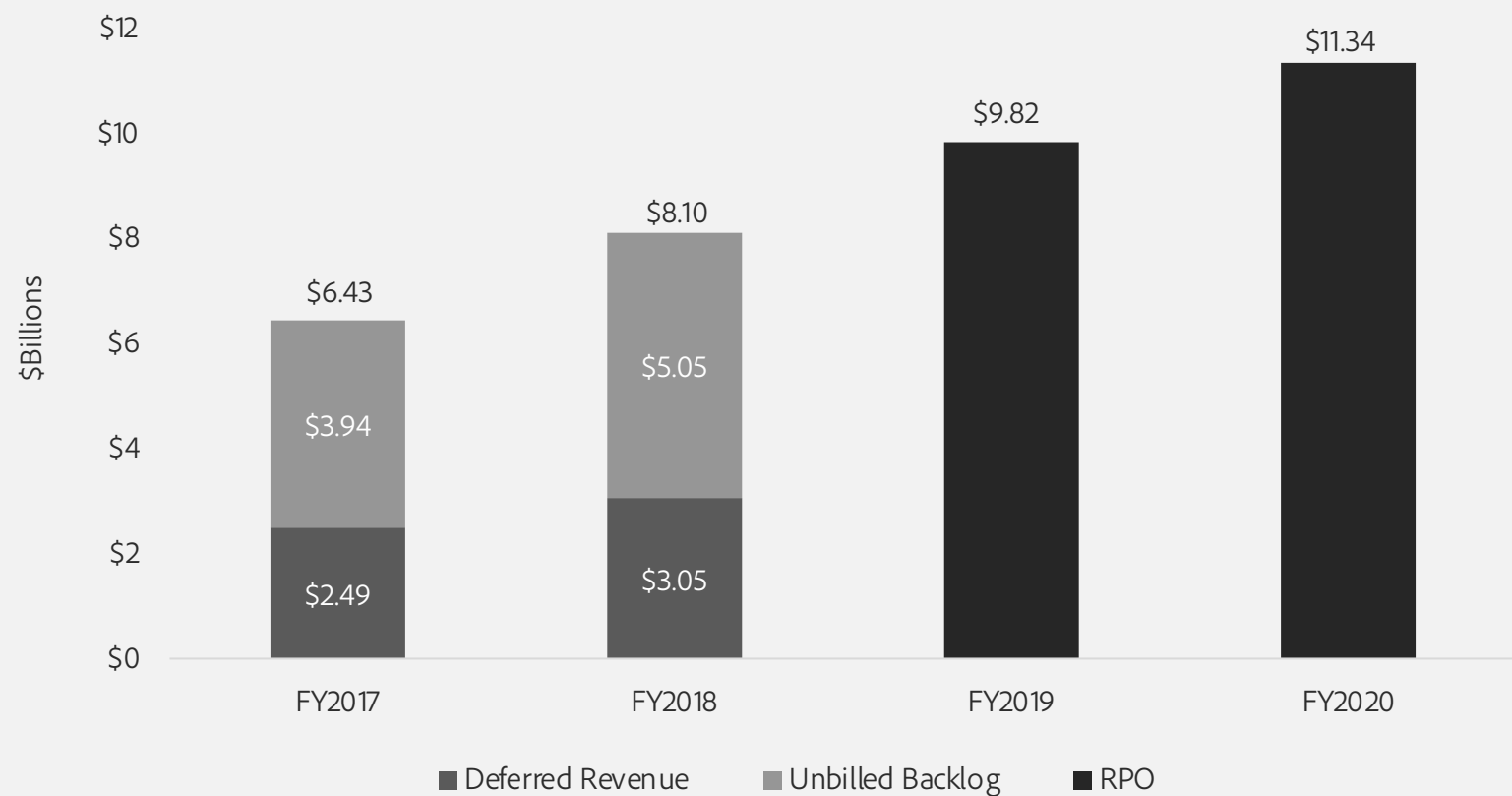
- Strong revenue growth with operating margin expansion
- Strategic decision to exit transaction-driven Advertising Cloud business contributed to margin improvement in FY2020
- Actions taken in response to COVID such as pausing hiring, suspending travel and reducing facilities operations drove additional margin benefit in FY2020

Source: Adobe, December 2020



# Business Momentum

## Remaining Performance Obligation

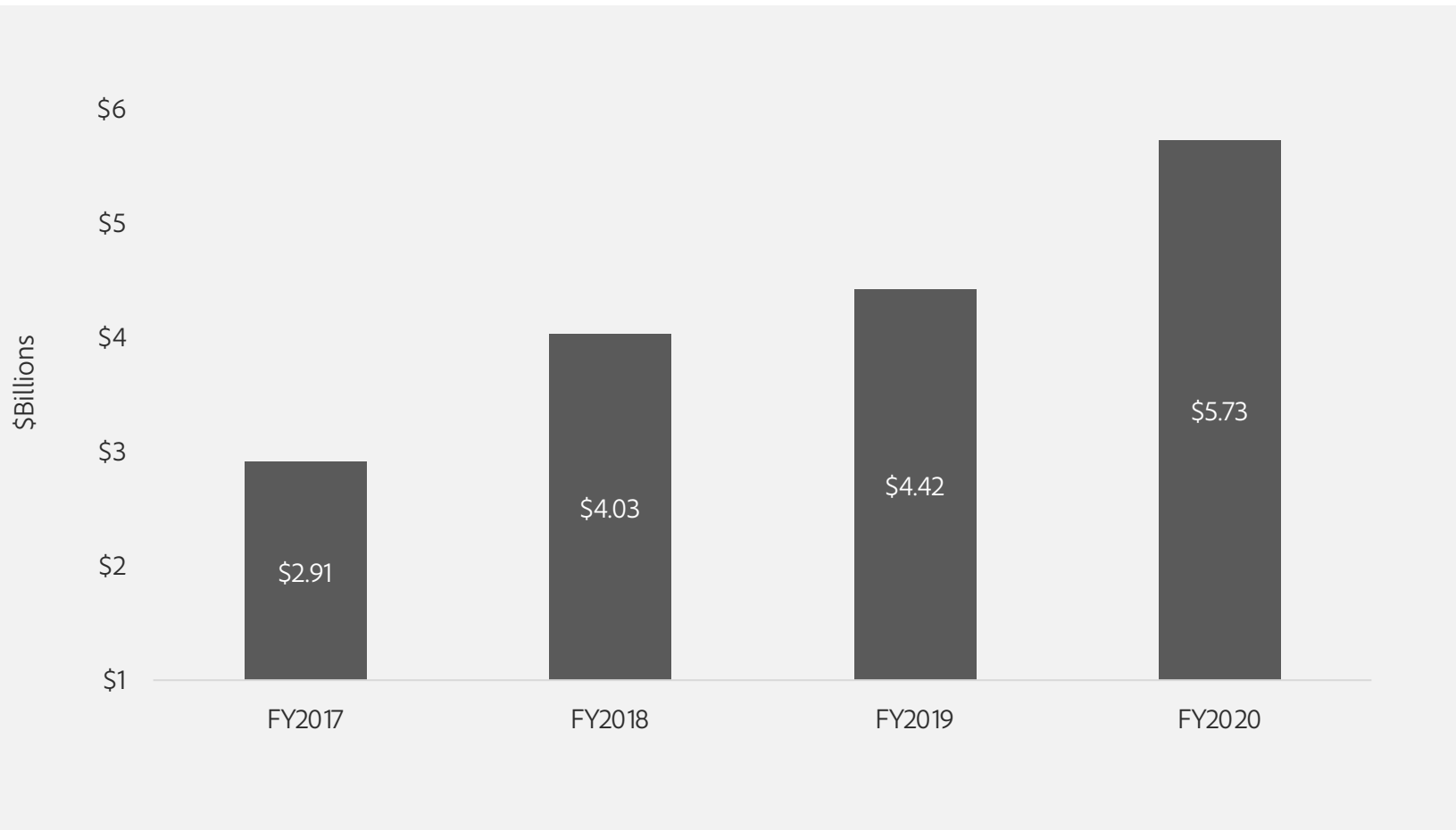


- RPO provides visibility into contractually committed future revenue
- Exiting FY20, RPO grew >15% Y/Y
- Adobe.com offerings, typically billed monthly, are reported as unbilled backlog, whereas channel offerings billed annually up front are reported as deferred revenue
- Strength in acquisition on Adobe.com continues to drive a mix-shift from deferred revenue to unbilled backlog

Source: Adobe, December 2020

# Business Momentum

## Operating Cash Flows



- Generated record Operating Cash Flows (OCF) in FY2020
- OCF grew 30% Y/Y during FY2020
- Capital management strategy continues to prioritize investment in growing the business and return of capital to stockholders

Source: Adobe, December 2020

# Business Momentum

## Balanced Capital Allocation Strategy



### Strong liquidity position

- ~\$6B of cash and short-term investments at fiscal year end
- \$1B unutilized credit facility, remains available until 2023



### Financial discipline

- \$4.15B of public debt outstanding
- Rated A by S&P
- Rated A2 by Moody's



### Cash generation

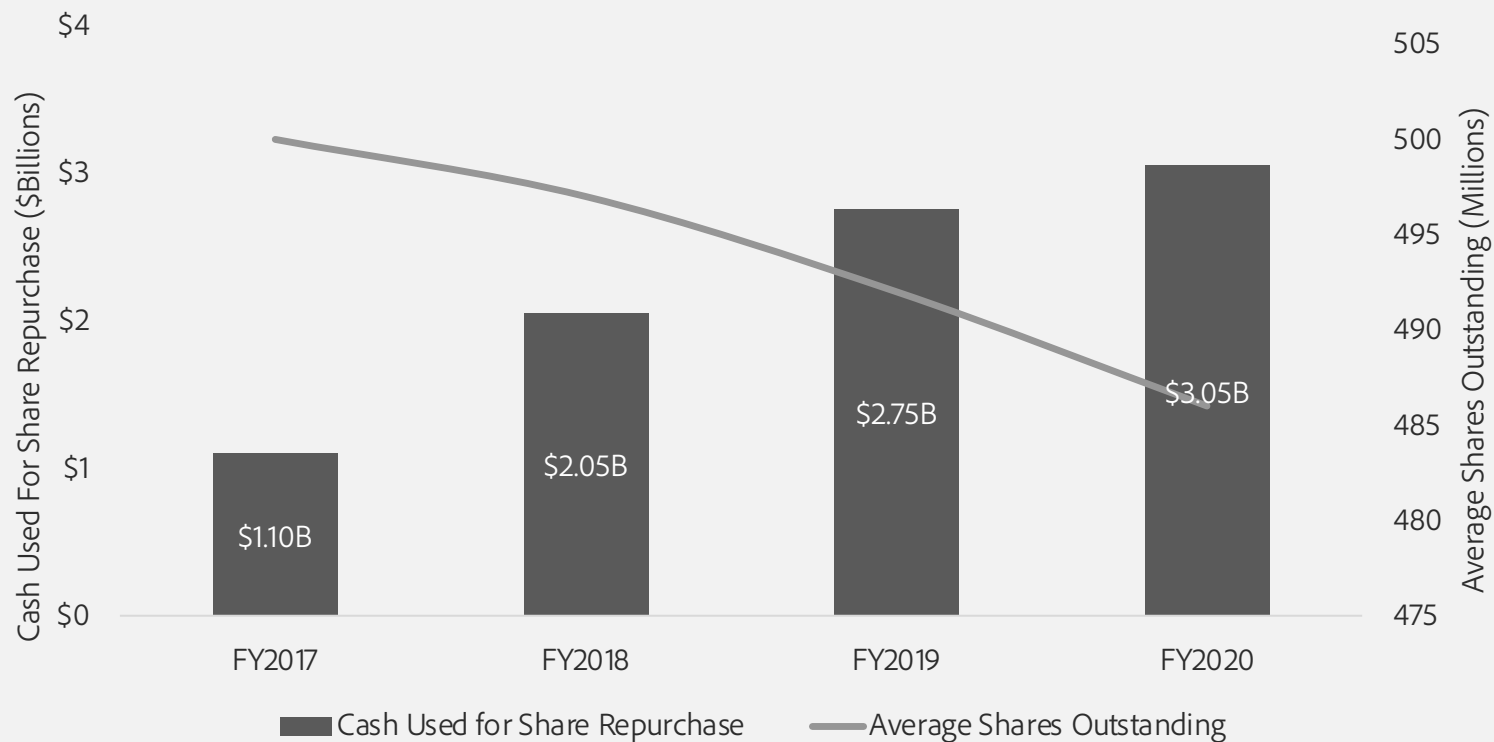
- Excess cash returned to stockholders through stock repurchase

Source: Adobe, as of Q4 2020. Does not include impact of Workfront acquisition.



# Business Momentum

## New \$15B Stock Repurchase Program to Accelerate Share Buybacks



- Strong track record of returning capital to stockholders to reduce share count
- Announcing new \$15B repurchase authority through FY2024, accelerating pace of repurchases
- \$2.05B still remains under 2018 authority

Source: Adobe, December 2020

# Adobe Financial Strategy

## Driving Growth and Profitability

### Top Line Growth

- Large, growing addressable market
- Diversified portfolio of market-leading products and services
- Expanding into new customer segments and categories
- Revenue from new investments and businesses accelerating

### Operational Discipline

- Data-driven operational planning
- Margin expansion
- Earnings growth
- Dynamic planning capabilities
- Focused integration motion
- Changing tax environment
- COVID-19 response

### Balance Sheet Strength

- Exceptional cash flow performance
- Conservative use of debt financing
- Strong & growing RPO balances, creating predictable revenue generation

### Capital Management

- Investment in growth of existing business
- Evaluation of inorganic opportunities
- Return of capital to stockholders

# Growth Opportunity

## Digital Media Summary

- Advancing product categories and leadership
- Expanding customer universe with multi-surface systems
- Driving continued Creative Cloud growth
  - Reaching beyond creative professionals to communicators and consumers
  - Engaging and inspiring our community, driving lifetime value
- Fueling Document Cloud growth inflection
  - Acquiring and monetizing new customers across desktop, mobile and web
  - Changing nature of work and learning driving massive paper-to-digital acceleration
- Building on world-class DDOM capabilities
- Extensive list of growth drivers expanding TAM and fueling net new ARR

Source: Adobe, December 2020



## 2023 MARKET OPPORTUNITY

### Creative Cloud ~\$41B

Creative Professionals ~\$20B

Communicators ~\$15B

Consumers ~\$6B

### Adobe Document Cloud ~\$21B

Acrobat Applications ~\$11B

Document Platform Services ~\$10B

# ~\$62B

## Total Addressable Market



# Growth Opportunity

## Digital Experience Summary

- Massive opportunity driven by imperative for businesses to embrace Customer Experience Management (CXM) as digital transformation priority
- Leadership across comprehensive set of CXM applications and services
- Opportunity to extend Workfront to create transformative marketing system of record
- Scaled next-generation Adobe Experience Platform expected to drive multi-year growth
- Organization aligned to drive subscription/SaaS revenue growth, gaining share of ~\$85B addressable market

Source: IDC and Adobe, December 2020



## 2023 MARKET OPPORTUNITY

### Adobe Experience Cloud

|                             |        |
|-----------------------------|--------|
| Customer Data & Insights    | ~\$26B |
| Content & Commerce          | ~\$44B |
| Customer Journey Management | ~\$15B |

**~\$85B**

**Total Addressable Market**

# FY2021 Assumptions



## Macroeconomic Environment

- Expect gradual macroeconomic improvement
- Recovery of the SMB segment into FY2021



## Tax

- Increased effective tax rates reflected in FY2021 targets
- GAAP tax rate of ~19%, Non-GAAP tax rate of ~17.5%
- IP transfers in FY2020 will benefit cash tax rates over several years



## Workfront Acquisition

- FY2021 targets include estimates, as purchase accounting process incomplete
- Expected revenue contribution of \$25M in Q1



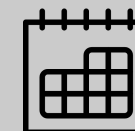
## ARR Annual Revaluation

- \$77M increase in Digital Media ARR on account of current foreign exchange rates
- \$10.26B FY2021 beginning Digital Media ARR balance



## Operating Expenses

- Continued savings from T&E and facilities operations
- Travel and facilities spending expected to ramp in second half of year
- Investing in growth initiatives, hiring expected to ramp



## Fiscal Calendar

- FY2021 is a 53-week fiscal year
- Additional week falls in Q1

Source: Adobe, December 2020

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

# FY2021 Annual Targets

December 10, 2020

|                                         |                                |                    |
|-----------------------------------------|--------------------------------|--------------------|
| Total Adobe revenue <sup>1</sup>        | ~\$15.15 billion               |                    |
| Digital Media segment revenue           | ~19% year-over-year growth     |                    |
| Digital Media ARR                       | ~\$1.75 billion of net new ARR |                    |
| Digital Experience segment revenue      | ~19% year-over-year growth     |                    |
| Digital Experience subscription revenue | ~22% year-over-year growth     |                    |
| Tax rate                                | GAAP: ~19%                     | Non-GAAP: ~17.5%   |
| Share count                             | ~482 million shares            |                    |
| Earnings per share                      | GAAP: ~\$8.57                  | Non-GAAP: ~\$11.20 |

<sup>1</sup> Revenue targets were set based on October 2020 foreign exchange ("FX") rates, which for current planning purposes are assumed to be constant during FY2021

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



# Q1 FY2021 Targets

December 10, 2020

|                                         |                               |                   |
|-----------------------------------------|-------------------------------|-------------------|
| Total Adobe revenue <sup>1</sup>        | ~\$3.75 billion               |                   |
| Digital Media segment revenue           | ~26% year-over-year growth    |                   |
| Digital Media ARR                       | ~\$410 million of net new ARR |                   |
| Digital Experience segment revenue      | ~19% year-over-year growth    |                   |
| Digital Experience subscription revenue | ~22% year-over-year growth    |                   |
| Tax rate                                | GAAP: ~15.5%                  | Non-GAAP: ~17.5%  |
| Share count                             | ~484 million shares           |                   |
| Earnings per share                      | GAAP: ~\$2.19                 | Non-GAAP: ~\$2.78 |

<sup>1</sup> Revenue targets were set based on October 2020 foreign exchange ("FX") rates, which for current planning purposes are assumed to be constant during FY2021

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

# Growth and Margin at Scale

~\$147B

2023 Total Addressable Market

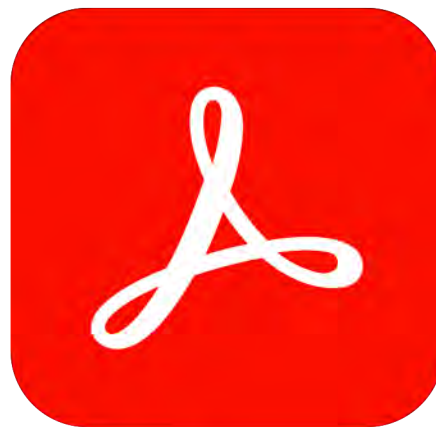
Category Creation  
& Reinvention

Empowering  
Everyone

Leading Applications,  
Services & Platforms

Exceptional Brand  
& Employees

World-Class  
Financial Discipline



Source: Adobe, December 2020

# Non-GAAP Reconciliation

## Reconciliation of GAAP to Non-GAAP Operating Margin

FY2017

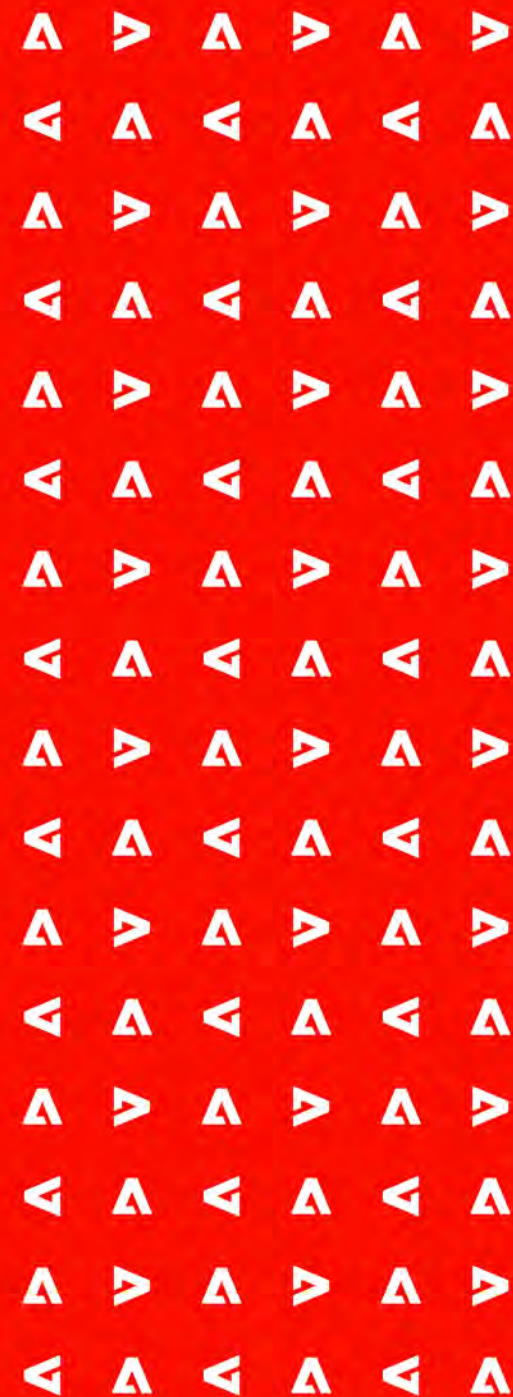
|                                       |       |
|---------------------------------------|-------|
| GAAP Operating Margin                 | 29.7% |
| Stock-based and deferred compensation | 6.3%  |
| Amortization of intangibles           | 2.0%  |
| Non-GAAP Operating Margin             | 38.0% |





# Q&A

December 10, 2020





# Adobe Financial Analyst Meeting

December 10, 2020

