

JONATHAN VAAS

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

On this call, which is being recorded, we will discuss Adobe’s second quarter fiscal year 2024 financial results. You can find our press release, as well as PDFs of our prepared remarks and financial results, on Adobe’s Investor Relations website.

Financial Disclaimer

Some of the information discussed in this presentation, including our financial targets and product plans, is based on information as of today, June 13, 2024, and contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those set forth in such statements.

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

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



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The information discussed on this call, including our financial targets and product plans, is as of today, June 13, and contains forward-looking statements that involve risk, uncertainty and assumptions. Actual results may differ materially from those set forth in these statements. For more information on those risks, please review today's earnings release and Adobe's SEC filings.

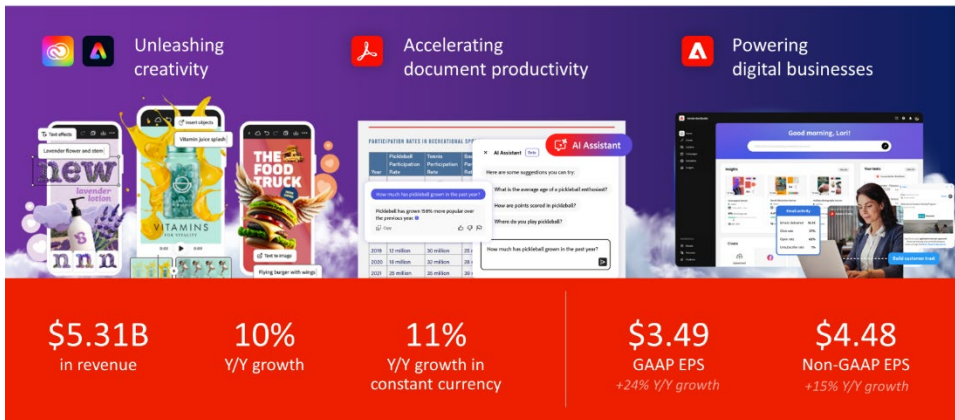
On this call we will discuss GAAP and non-GAAP financial measures. Our reported results include GAAP growth rates as well as constant currency rates. During this presentation, Adobe's executives will refer to constant currency growth rates unless otherwise stated. Non-GAAP reconciliations are available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

I will now turn the call over to Shantanu.



SHANTANU NARAYEN

Q2 FY2024 Performance



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

Adobe had an outstanding quarter, achieving revenue of \$5.31 billion, representing 11 percent year-over-year growth. GAAP earnings per share for the quarter was \$3.49 and non-GAAP earnings per share was \$4.48, representing 15 percent year-over-year growth.

Our success is driven by growing customer value through an innovative product roadmap. The advances we are delivering across Creative Cloud, Document Cloud and Experience Cloud are enabling us to attract an expanding universe of users. Everyone from creators, communicators, students,

entrepreneurs and businesses of all sizes are using our products to unleash their creativity, accelerate document productivity and power their digital businesses.

Adobe's highly differentiated approach to AI is rooted in the belief that creativity is a uniquely human trait – and that AI has the power to assist and amplify human ingenuity and enhance productivity. We're innovating across data, models and interfaces and natively integrating AI across all our offerings. In Creative Cloud, we have invested in training our Firefly family of creative generative AI models with a proprietary data set and delivering AI functionality within our flagship products including Photoshop, Illustrator, Lightroom and Premiere. We're reimagining creativity for a broader set of customers by delivering Adobe Express as an AI-first application across the web and mobile surfaces. Since its debut in March 2023, Firefly has been used to generate over 9 billion images across Adobe creative tools.

In Document Cloud, we're revolutionizing document productivity with Acrobat AI Assistant, an AI-powered conversational engine that can easily be deployed in minutes. This enhances the value of the trillions of PDFs which hold a significant portion of the world's information. Acrobat AI Assistant features are now available through an add-on subscription to all Reader and Acrobat enterprise and individual customers across desktop, web and mobile.

At the end of May, we celebrated the five-year anniversary of Adobe Experience Platform (AEP), which we conceived and built from scratch and which is on track to be the next billion-dollar business in our Digital Experience portfolio. We released AEP AI Assistant to enhance the productivity of marketing practitioners through generative AI, while expanding access to native AEP applications.

With Adobe GenStudio, we're bringing together products across our clouds—including Creative Cloud, Adobe Experience Manager, Workfront, Adobe Journey Optimizer and Customer Journey Analytics as well as Adobe Express for Business—to address the massive content supply chain opportunity. Our approach to empower marketers to quickly plan, create, manage, activate and measure on-brand content is resonating with customers and validating our leadership across data, content and journeys to deliver personalized experiences at scale.

We're extending our applications to integrate third-party text, image and video models and partnering strategically to create multi-modal large language models (MMLLMs) offering customers greater choice in tools and further enhancing the value of our leading applications and solutions.

We're driving strong usage, value and demand for our AI solutions across all customer segments and seeing early success monetizing new AI technologies across our Digital Media and Digital Experience businesses.

Given this rich product roadmap, focus on execution and customer demand in the first half of the year, we are pleased to raise our annual Digital Media net new ARR, Digital Experience subscription revenue and EPS targets.

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



DAVID WADHWANI

Thanks, Shantanu. Hello everyone.

In Q2, we achieved net new Digital Media ARR of \$487 million and revenue of \$3.91 billion, which grew 12 percent year over year.



- Document Cloud revenue of \$782 million, up 19% Y/Y as reported and in constant currency in Q2 FY2024
- General availability of Acrobat AI Assistant
- Acrobat link sharing for PDF continues to grow rapidly, more than doubling year over year and driving viral new user adoption
- Free monthly active users (MAU) of Acrobat Web grew over 60% Y/Y, as a result of link sharing and Microsoft Edge and Google Chrome extensions
- Continued strength with free-to-paid digital conversion from product led growth optimizations
- Strong growth in the SMB segment for our Teams offering, driven by a combination of seat expansion and new account wins
- Key enterprise customer wins with AstraZeneca, Chevron, State Government of Florida, State of Illinois, United Healthcare Services and Wells Fargo.

Adobe

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Digital Media: Document Cloud

On the Document Cloud side, PDF has become a global standard for automating business and consumer workflows, and Acrobat is the platform of choice to view, edit, share and collaborate with these documents. We continue to see steady growth in monthly active users of our Document Cloud

solutions, including Acrobat Reader, Acrobat Standard and Pro, and our signature, share and review workflows across mobile, web and desktop.

The introduction of Acrobat AI Assistant, made generally available in April for English documents, marks the beginning of a new era of innovation and efficiency for the approximately 3 trillion PDFs in the world. Acrobat AI Assistant is empowering everyone to shift from reading documents to having conversations with them – in order to summarize documents, extract insights, compose presentations and share learnings. AI Assistant is available as a standalone offer for use in Reader and as an add-on to Acrobat Standard and Pro. We're seeing early success driving adoption of AI Assistant as part of our commerce flows and remain optimistic about the long-term opportunities.

In Q2, we achieved Document Cloud revenue of \$782 million, growing 19 percent year over year. We added \$165 million of net new Document Cloud ARR, which was a Q2 record, with year-over-year ending ARR growth of 24 percent in constant currency.

Other business highlights include:

- General availability of Acrobat AI Assistant support for document types beyond PDF, meeting transcripts and enterprise requirements.
- Acrobat link sharing for PDF-based collaboration continues to grow rapidly, more than doubling year over year and driving viral new user adoption.
- Free monthly active users (MAU) of Acrobat Web grew over 60 percent year over year, as a result of link sharing and our Microsoft Edge and Google Chrome extensions.
- Continued strength with free-to-paid digital conversion, as a result of product led growth optimizations.
- Strong growth in the SMB segment for our Teams offering, driven by a combination of seat expansion and new account wins.
- Key enterprise customer wins with AstraZeneca, Chevron, State Government of Florida, State of Illinois, United Healthcare Services and Wells Fargo.



Adobe

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- Creative revenue of \$3.13 billion, up 10% Y/Y or 11% Y/Y in constant currency in Q2 FY2024
- Launch of Express for Business, include Firefly custom models, and workflows with Photoshop, Illustrator and Experience Cloud.
- Release of Firefly Image 3 Foundation Model with high quality image generation and more control with structure and style reference
- Release of Photoshop (beta), with Reference Image and advances in Generative Fill
- Debut of Generative Remove in Adobe Lightroom for stunning, high-quality, photo-realistic results
- Release of Premiere (beta), with new audio workflows driving usage to record highs in Q2
- Deep integration of Firefly in Substance 3D, provides an easy way to create textures and materials from reference images
- Introduction of an all new Frame.io, streamlining workflows across content types on a flexible and intuitive collaboration platform
- Key enterprise customer wins include Credit Agricole, FedEx, Infosys, Rakuten, Ralph Lauren, Samsung, Schneider Electric and Volvo

Digital Media: Creative Cloud

Turning to Creative Cloud, creative professionals are leading the global charge to meet the ever-increasing demand for engaging content across a variety of platforms and channels. Enterprises rely on creative professionals to produce differentiated content to drive increasingly personalized marketing campaigns. Solopreneurs and small businesses need to stand out in a crowded digital landscape with engaging videos and designs. Educators are passionate about providing students with the visual communication skills needed to thrive in the decades ahead. Consumers are increasingly looking for ways to share their stories digitally. Creative Cloud, Express and Firefly Services are uniquely positioned to catalyze this opportunity for everyone, by leveraging the promise of generative AI.

Our Creative Cloud flagship applications continue to release new features that are significantly improving user onboarding while simultaneously delivering an unprecedented level of power and precision. Generative Fill and Generative Expand are already two of the top three features used by customers on the latest version of Photoshop. Text to vector support is off to a great start in Illustrator. Remove Object is the fastest growing feature in Lightroom mobile. Our preview of generative AI capabilities in Premiere won Production Hub Award of Excellence at NAB, the largest video show in North America. We are integrating our leading applications with Firefly and third-party generative AI models to deliver the richest, most engaging content.

Our vision for Adobe Express is to provide a breakthrough application to make design easy for

communicators worldwide, leveraging generative AI and decades of Adobe technology across web and mobile. Our launch of the all-new Express application on iOS and Android earlier this quarter is off to a strong start, with monthly active users doubling quarter over quarter. This week's "Design Made Easy" event, which focused on Express for Business, was another big step forward for us. Companies of all sizes are excited about the integrated power and commercial safety of Firefly, the seamless workflows with Photoshop, Illustrator and Adobe Experience Cloud and enterprise-grade brand controls that are now part of Express for Business – making it the optimal product for marketing, sales and HR teams to quickly and easily create visual content to share.

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

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

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

Other business highlights include:

- The launch of Express for Business, including support for brand controls and template locking, Firefly custom models, bulk creation and generation of variations, presentation and print capabilities, and workflows with Photoshop, Illustrator and Experience Cloud.
- The release of Firefly Image 3 Foundation Model with high quality image generation and more control with structure and style reference.
- The release of the **Photoshop (beta)**, with *Reference Image* and advances in *Generative Fill*.

- The debut of **Generative Remove in Adobe Lightroom**, enabling anyone to remove unwanted objects from any photograph non-destructively with stunning, high-quality, photo-realistic results.
- The release of the **Premiere (beta)**, with new audio workflows driving strong usage.
- The deep integration of Firefly in **Substance 3D**, which provides an easy way to create textures and materials from reference images.
- The introduction of an all new **Frame.io**, streamlining workflows across content types on a flexible and intuitive collaboration platform.
- Key enterprise customer wins include Credit Agricole, FedEx, Infosys, Rakuten, Ralph Lauren, Samsung, Schneider Electric and Volvo.

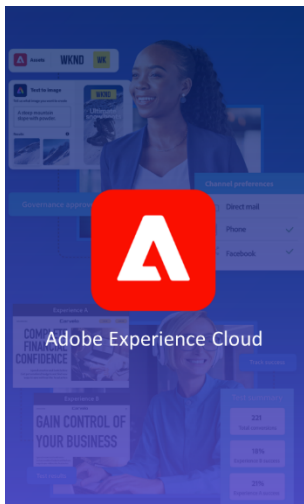
We're excited about the accelerating pace of innovation across the Digital Media business and pleased with the adoption of AI functionality as well as its early monetization across Document Cloud and Creative Cloud, including our flagship applications, Firefly Services and Express. We're pleased to raise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

I'll now pass it to Anil.



ANIL CHAKRAVARTHY

Thanks, David. Hello everyone.



- Digital Experience revenue of \$1.33 billion, up 9% Y/Y as reported and in constant currency with subscription revenue of \$1.20 billion, up 13% Y/Y as reported and in constant currency in Q2 FY2024
- Continued momentum with AEP and native applications growing subscription revenue 60% Y/Y
- AEP innovations announced at Summit: Adobe Journey Optimizer B2B Edition, Federated Audience Composition, and RT-CDP Collaboration
- GenStudio innovations to address enterprise content supply chain needs across Workflow & Planning, Creation & Production, Asset Management, Delivery & Activation, and Reporting & Insights
- Recent advancements: Contextual Search in Adobe Experience Manager (AEM) Assets, Adobe Workfront Planning, and AEM Generate Variations
- Strong industry analyst recognition: Gartner’s Magic Quadrant for Content Marketing Platforms and leadership for both IDC’s B2C and B2B MarketScapes for Digital Commerce Applications
- Key customer wins include Amazon, British Telecom, Comcast, Mercedes-Benz, Maruti Suzuki, Nationwide Building Society, Novo Nordisk, ServiceNow, Stellantis, ULTA Beauty and U.S. Department of the Treasury

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In Q2, we achieved Experience Cloud revenue of \$1.33 billion. Subscription revenue was \$1.20 billion, representing 13 percent year-over-year growth.

We are the industry leader in helping enterprises deliver personalized experiences at scale to their customers, by combining the right content, customer data and journeys in real time. When we introduced Adobe Experience Platform five years ago, it was a revolutionary approach to address customer data and journeys. Today, we are the #1 digital experience platform, and AEP with native apps is well on its way to becoming a billion-dollar business. We are now transforming the content

supply chain for enterprises with Adobe GenStudio, enabling them to produce content at scale, leveraging generative AI through native integrations with Firefly Services and Adobe Express for Business. Enterprise customers, both B2C and B2B, view customer experience management and personalization at scale as key areas of differentiation, making it a priority investment for Chief Marketing Officers (CMOs), Chief Information Officers (CIOs) and Chief Digital Officers (CDOs).

We're excited by the customer interest and adoption of our latest innovations including **AEP AI Assistant**, a generative AI-powered conversational interface that empowers practitioners to automate tasks, simulate outcomes, and generate new audiences and journeys. For example, customers like General Motors and Hanesbrands have been working with AEP AI Assistant to boost productivity and accelerate time-to-value, while democratizing access to AEP and apps across their organizations.

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

Other business highlights include:

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

- **GenStudio innovations** to address enterprise content supply chain needs across Workflow & Planning, Creation & Production, Asset Management, Delivery & Activation, and Reporting & Insights. Recent advancements include: **Contextual Search in Adobe Experience Manager (AEM) Assets**, which enables users to find the right asset and variation in their growing digital libraries; **Adobe Workfront Planning**, which provides every user with a unified view of all activities across the marketing lifecycle, through highly visual marketing campaign calendars and dynamic briefs; and **AEM Generate Variations**, which accelerates the creation of audience-specific content variations to drive personalized web experiences.
- Strong industry analyst recognition, including Gartner’s Magic Quadrant for Content Marketing Platforms and leadership for both IDC’s B2C and B2B MarketScapes for Digital Commerce Applications.
- Key customer wins include Amazon, British Telecom, Comcast, Mercedes-Benz, Maruti Suzuki, Nationwide Building Society, Novo Nordisk, ServiceNow, Stellantis, ULTA Beauty and U.S. Department of the Treasury.

We have enabled our vibrant partner ecosystem of system integrators and agencies to deliver advisory and implementation services across our product portfolio. We look forward to engaging with customers and major agencies at the Cannes Lions Festival later this month. Our category-leading solutions, robust pipeline and tremendous scale position us to drive strong growth in the second half and we are raising our subscription revenue target for the year.

I will now pass it to Dan.



DAN DURM

Thanks, Anil.

Today I will start by summarizing Adobe’s performance in Q2 fiscal 2024, highlighting growth drivers across our businesses, and I’ll finish with financial targets.

Q2 FY2024 Results

Total Revenue	\$5.31 billion	10% Y/Y growth	11% Y/Y growth ¹
Digital Media segment revenue	\$3.91 billion	11% Y/Y growth	12% Y/Y growth ¹
Digital Media ARR	\$487 million of net new ARR		
Digital Experience segment revenue	\$1.33 billion	9% Y/Y growth	9% Y/Y growth ¹
Digital Experience subscription revenue	\$1.20 billion	13% Y/Y growth	13% Y/Y growth ¹
Earnings per share	GAAP: \$3.49		Non-GAAP: \$4.48
<ul style="list-style-type: none"> Generated \$1.94 billion of cash flows from operations \$2.5 billion share repurchase agreement Remaining Performance Obligations (RPO) exiting the quarter were \$17.86 billion 			

¹ Adjusted to show growth rates in constant currency.

Q2 Performance

In Q2, Adobe delivered strong top-line growth and industry-leading profitability while accelerating the pace of innovations we are delivering to market across Document Cloud, Creative Cloud and Experience Cloud.

In the quarter, Adobe achieved record revenue of \$5.31 billion, which represents 10 percent year-over-year growth, or 11 percent in constant currency, with strength across all three clouds.

This performance stems from the diversification of Adobe's business, across our market-leading products, business models, customer segments and geographies. When combined with our talented employees, strong execution and world-class financial discipline, you have the ingredients that make this company incredibly resilient.

Second quarter business and financial highlights included:

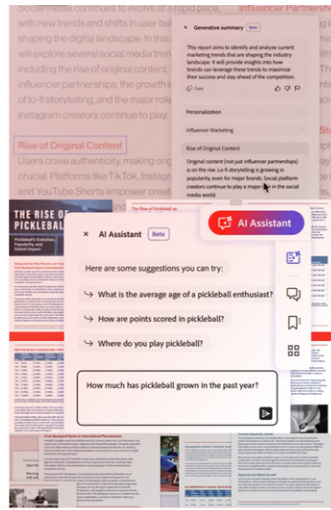
- GAAP diluted earnings per share of \$3.49 and non-GAAP diluted earnings per share of \$4.48;
- Digital Media revenue of \$3.91 billion;
- Net new Digital Media ARR of \$487 million;
- Digital Experience revenue of \$1.33 billion;
- Cash flows from operations of \$1.94 billion; and
- RPO of \$17.86 billion exiting the quarter.

Digital Media

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

 Adobe Document Cloud | Q2 FY2024 Highlights

- Document Cloud revenue of \$782 million growing 19% Y/Y, with \$165 million of net new Document Cloud ARR
- Demand for Acrobat subscriptions across all customer segments and geographies
- New user acquisition resulting from increasing Reader MAU
- A great start monetizing AI Assistant through our digital channel
- Strong usage and engagement from Acrobat Web as well as through our Chrome and Edge partnerships, which are driving free-to-paid conversion
- Growing Teams subscription units sold to SMBs, both through Adobe.com and our reseller channel
- Strength in our enterprise solutions, demonstrating the importance of PDF as a source of unstructured data in business workflows



 Adobe

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Digital Media: Document Cloud

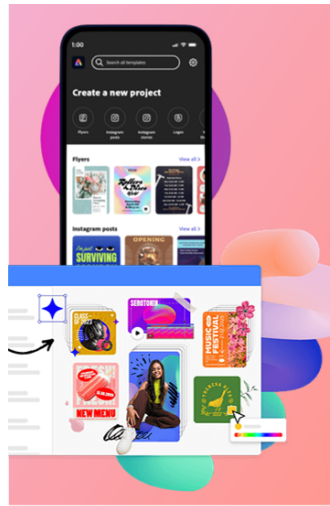
Adobe achieved Document Cloud revenue of \$782 million, which represents 19 percent year-over-year growth as reported and in constant currency. We added \$165 million of net new Document Cloud ARR, which was a record for a Q2.

Q2 Document Cloud growth drivers included:

- Demand for Acrobat subscriptions across all customer segments and geographies;
- New user acquisition resulting from increasing Reader MAU;
- A great start monetizing AI Assistant through our digital channel;
- Strong usage and engagement from Acrobat Web as well as through our Chrome and Edge partnerships, which are driving free-to-paid conversion;
- Growing Teams subscription units sold to SMBs, both through Adobe.com and our reseller channel; and
- Strength in our enterprise solutions, demonstrating the importance of PDF as a source of unstructured data in business workflows.

 Adobe Creative Cloud | Q2 FY2024 Highlights

- Creative revenue of \$3.13 billion growing 10% Y/Y or 11% Y/Y in constant currency, with \$322 million of net new Creative ARR
- New subscriptions for our Creative Cloud All Apps offerings, with particular strength in digital acquisition on Adobe.com, with multiple product releases during the quarter driving customer engagement and demand
- Strong growth of single apps, including imaging, photography, design and Stock
- Accelerating customer interest and usage for our new Express mobile and Express for Business offerings
- Strong renewals as customers migrate to higher-value, higher ARPU Creative Cloud plans that include Firefly entitlements
- Continued subscription unit growth, with particular strength in emerging markets
- Strength from SMBs adopting our Team offering, as well as in the enterprise segment with ETLA adoption



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Digital Media: Creative Cloud

We achieved Creative revenue of \$3.13 billion, which represents 10 percent year-over-year growth, or 11 percent in constant currency. We added \$322 million of net new Creative ARR in the quarter.

Q2 Creative growth drivers included:

- New subscriptions for Creative Cloud All Apps, with particular strength in digital acquisition on Adobe.com, with multiple product releases during the quarter driving customer engagement and demand;
- Strong growth of single apps, including in imaging, photography, design and Stock;
- Accelerating customer interest and usage for our new Express mobile and Express for Business offerings;
- Strong renewals as customers migrate to higher-value, higher ARPU Creative Cloud plans that include Firefly entitlements;
- Continued subscription unit growth, with particular strength in emerging markets; and
- Strength from SMBs adopting our Team offering, as well as in the enterprise segment with ETLA adoption.

We’re pleased with the performance of the Creative business in the first half of the year, fueled by strong commercial subscriptions in both Q1 and Q2. As we look at the momentum we’re carrying into

the back half, we expect to deliver year-over-year growth of Creative net new ARR in Q3 and Q4 and are raising our Digital Media net new ARR target for the fiscal year.

Adobe Experience Cloud | Q2 FY2024 Highlights

- Digital Experience revenue of \$1.33 billion growing 9% Y/Y, with subscription revenue of \$1.20 billion growing 13% Y/Y
- Subscription revenue strength from transformational accounts
- Market leadership with AEP and native applications, with subscription revenue growing 60% Y/Y
- Additional subscription revenue strength across Data Insights & Audiences and Customer Journey categories
- Accelerated adoption of our AEM and Workfront solutions from businesses looking to solve their content supply chain challenges



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Digital Experience

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

Q2 Digital Experience growth drivers included:

- Subscription revenue strength from transformational accounts;
- Market leadership with AEP and native applications, with subscription revenue growing 60 percent year over year;
- Additional subscription revenue strength across the Data Insights & Audiences and Customer Journey categories; and
- Accelerated adoption of our AEM and Workfront solutions from businesses looking to solve their content supply chain challenges.

Q2 FY2024 Results

\$17.86B

RPO

\$8.07B

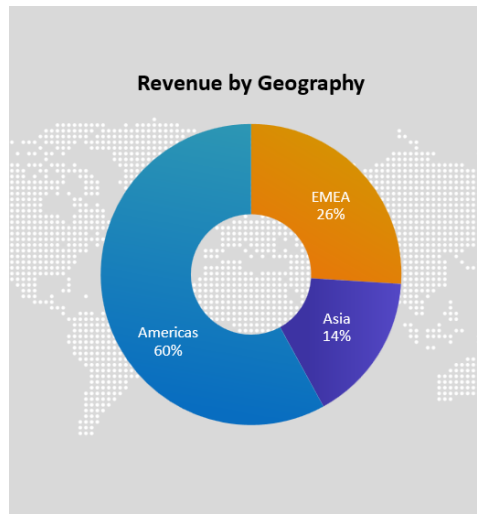
Cash and short-term investments

\$1.94B

Cash flows from operations

\$2.5B

Share repurchase agreement



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Income Statement and Balance Sheet

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

Adobe’s effective tax rate in Q2 was 18.5 percent on a GAAP and non-GAAP basis, in line with our expectations for the quarter.

RPO exiting the quarter was \$17.86 billion, growing 17 percent year over year as reported, or 18 percent when factoring in a one-point currency headwind. Current RPO grew 12 percent exiting the quarter.

Our ending cash and short-term investment position at the end of Q2 was \$8.07 billion, and cash flows from operations in the quarter were \$1.94 billion.

In Q2 we entered into a \$2.5 billion share repurchase agreement, and we currently have \$22.7 billion remaining of the \$25 billion authorization granted in March 2024.

Targets

We will now provide Q3 targets as well as updated fiscal 2024 annual targets, factoring in current

macroeconomic conditions as well as:

- Strong momentum across our business;
- Our current FX outlook into the back half of the year, with the U.S. Dollar remaining stronger as compared to our original expectations when we set our FY’24 targets in December; and
- An expected strong seasonal finish to the year in Q4.

Q3 FY2024 Financial Targets | June 13, 2024

Total Revenue	\$5.33 billion to \$5.38 billion	
Digital Media ARR	~\$460 million of net new ARR	
Digital Media segment revenue	\$3.95 billion to \$3.98 billion	
Digital Experience segment revenue	\$1.325 billion to \$1.345 billion	
Digital Experience subscription revenue	\$1.20 billion to \$1.22 billion	
Tax rate	GAAP: ~18.0%	Non-GAAP: ~18.5%
Earnings per share ¹	GAAP: \$3.45 to \$3.50	Non-GAAP: \$4.50 to \$4.55

The information on this slide contains forward looking statements that involve risk and uncertainty. Actual results may differ materially. Please review Adobe's SEC filings and/or visit the Adobe Investor Relations website for additional information.

¹ Targets assume diluted share count of ~447 million for Q3 fiscal year 2024.



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For Q3 we are targeting:

- Total Adobe revenue of \$5.33 to \$5.38 billion;
- Digital Media net new ARR of approximately \$460 million;
- Digital Media segment revenue of \$3.95 to \$3.98 billion;
- Digital Experience segment revenue of \$1.325 to \$1.345 billion;
- Digital Experience subscription revenue of \$1.20 to \$1.22 billion;
- Tax rate of approximately 18 percent on a GAAP basis and 18.5 percent on a non-GAAP basis;
- GAAP earnings per share of \$3.45 to \$3.50; and
- Non-GAAP earnings per share of \$4.50 to \$4.55.

FY2024 Updated Financial Targets | June 13, 2024

Total Revenue	\$21.40 billion to \$21.50 billion	
Digital Media ARR	~\$1.95 billion of net new ARR	
Digital Media segment revenue	\$15.80 billion to \$15.85 billion	
Digital Experience segment revenue	\$5.325 billion to \$5.375 billion	
Digital Experience subscription revenue	\$4.775 billion to \$4.825 billion	
Tax rate	GAAP: ~20.5%	Non-GAAP: ~18.5%
Earnings per share ¹	GAAP: \$11.80 to \$12.00	Non-GAAP: \$18.00 to \$18.20

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¹ Targets assume diluted share count of ~449 million for fiscal year 2024.



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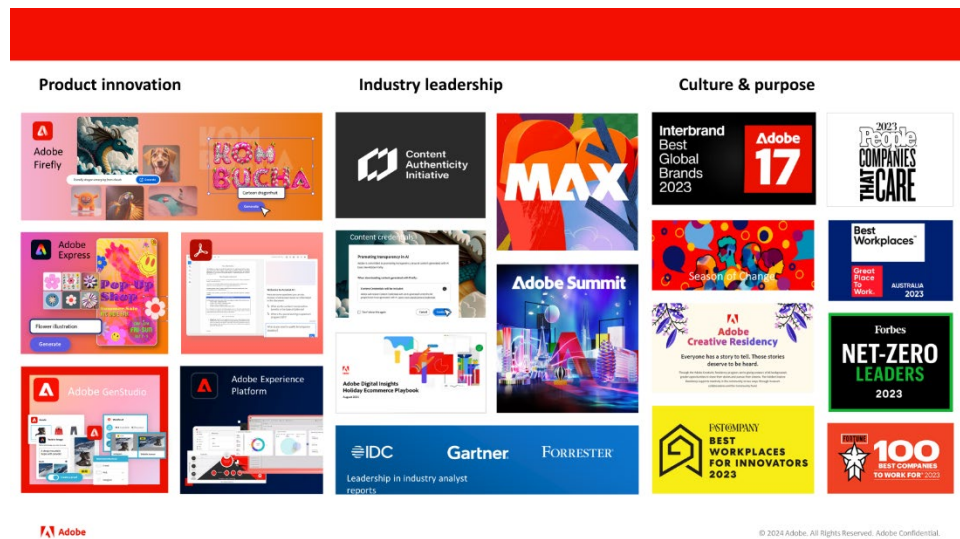
For fiscal 2024, given our first half performance we are now targeting:

- Total Adobe revenue of \$21.40 to \$21.50 billion;
- Digital Media net new ARR of approximately \$1.95 billion;
- Digital Media segment revenue of \$15.80 to \$15.85 billion;
- Digital Experience segment revenue of \$5.325 to \$5.375 billion;
- Digital Experience subscription revenue of \$4.775 to \$4.825 billion;
- Tax rate of approximately 20.5 percent on a GAAP basis and 18.5 percent on a non-GAAP basis;
- GAAP earnings per share of \$11.80 to \$12.00; and
- Non-GAAP earnings per share of \$18.00 to \$18.20.

Summary

In summary, I'm extremely pleased with the company's performance in the first half of the year and the momentum we see in our business. Adobe's product leadership, velocity of innovation, diversity of our business and financial discipline make us unique, enabling us to deliver strong top- and bottom-line results through dynamic market conditions. I'm confident in our ability to catalyze transformative, long-term trends that will position us to win over the next decade.

Shantanu, back to you.



SHANTANU NARAYEN

Thanks, Dan.

Adobe remains one of the greatest places to work in the industry, and I want to thank our employees for their relentless dedication to supporting our customers and communities. We continue to invest in hiring, including new college grads and interns to bring the best and brightest talent to Adobe. This quarter, Adobe was recognized among Fortune’s 100 Best Companies to Work For, Glassdoor’s Best-Led Companies and the Civic 50 list of the most community-minded companies in the U.S.

Demand for our category-defining products and services continues to grow. Our business fundamentals and market tailwinds are strong, and we look forward to building on our momentum in the second half and beyond.

Thank you and we will now take questions. Operator.

Q&A

