

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 Wadhwani, 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 first 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, March 14, 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, March 14, 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.

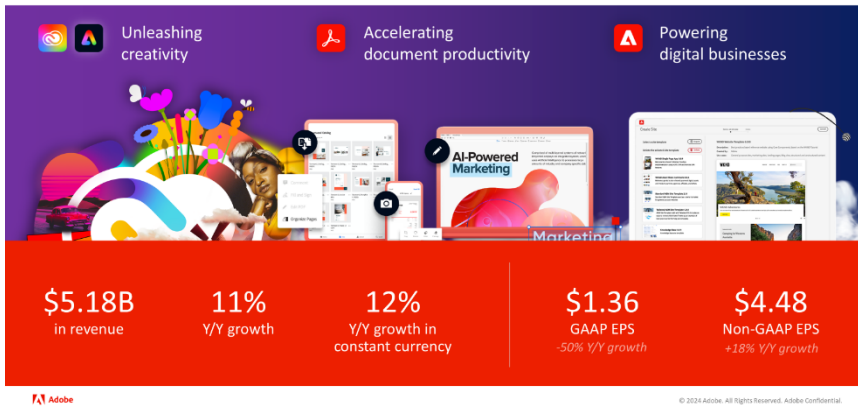
Adobe Summit is just around the corner in Las Vegas at the Venetian Convention and Expo Center beginning on Tuesday, March 26. Following the day one keynote, we will host an investor meeting at 2:00pm Pacific Time. The event will be webcast live and the replay will be available on Adobe's IR website. More details about Summit are available at summit.adobe.com.

I will now turn the call over to Shantanu.



SHANTANU NARAYEN

Q1 FY2024 Performance



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

Adobe had a strong first quarter. We achieved \$5.18 billion in revenue in Q1, representing 12 percent year-over-year growth. GAAP earnings per share for the quarter was \$1.36 and non-GAAP earnings per share was \$4.48, representing 18 percent year-over-year growth.

Our performance reflects the essential role that Adobe products play in driving the global digital economy. We are delivering on our strategy to unleash creativity for all, accelerate document productivity and power digital businesses. Adobe Creative Cloud, Document Cloud and Experience Cloud are more critical than ever to the success of creators, communicators, students, entrepreneurs and businesses of all sizes with AI serving as an accelerant for all.

We are a leader in delivering generative AI across all our clouds. We're taking a highly differentiated approach across data, models and interfaces. Our proprietary data is built on decades of deep domain expertise across creative, documents and customer experience management. We leverage large language models (LLMs) as well as have invested in building and delivering our proprietary models in the creative, document and marketing domains. Our IP-friendly approach is a differentiator for creators and enterprises. In addition, we have innovated by delivering generative AI directly in products—with releases in Adobe Photoshop, Illustrator and Express across both desktop and mobile. AI Assistant in Acrobat and Reader unlocks the tremendous value of the trillions of PDFs around the world. We're bringing generative AI to Adobe Experience Cloud and will demonstrate our AI Assistant for customer experience management at Adobe Summit.

Every student, communicator, creative professional and marketer is now focused on leveraging Generative AI to imagine, ideate, create and deliver content and applications across a plethora of channels. Adobe is uniquely positioned through the combination of Express, Firefly, Creative Cloud, Acrobat and Experience Cloud to deliver on this immense market opportunity. The success we are already seeing with our GenStudio offering in the enterprise is validation of our leadership and we expect that success to translate into other segments as we roll out these solutions throughout the year.

We are driving strong usage, value and demand for our AI solutions across all customer segments. We are successfully monetizing our innovations with particular strength in Q1 in the enterprise segment across our Digital Media and Digital Experience businesses. This strength is reflected in our strong RPO growth of 16 percent year over year.

We are pleased with a strong Q1. We have a phenomenal product roadmap that we're executing against to bring AI innovation across our global customer base and we are just getting started.

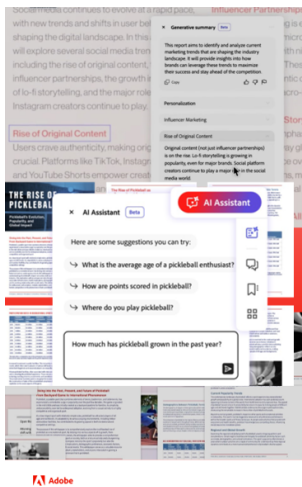
I'll now turn it over to David to discuss the momentum in our Digital Media business.



DAVID WADHWANI

Thanks, Shantanu. Hello everyone.

In Q1, we achieved net new Digital Media ARR of \$432 million and revenue of \$3.82 billion, which grew 13 percent year over year.



Adobe Document Cloud

- Document Cloud revenue of \$750 million, up 18% Y/Y as reported and in constant currency in Q1 FY2024
- Acrobat Web monthly active users (MAU) up over 70% Y/Y, surpassing 100M users
- Acrobat extensions, Microsoft Edge and Google Chrome, and Acrobat mobile offerings, continue to accelerate free -to-paid conversion
- Increased adoption through link sharing and stakeholder collaboration drove over 300% Y/Y growth in the number of PDF files sent
- Key enterprise customer wins include Berkshire Hathaway, Merck Sharp & Dohme, Northrop Grumman, Porsche and the U.S. Navy

Digital Media: Document Cloud

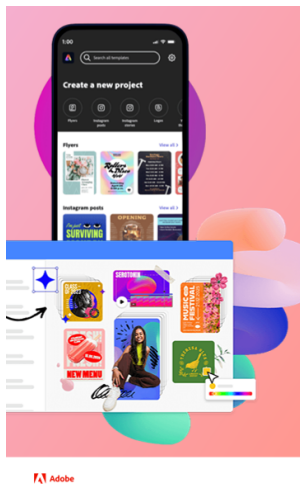
The world’s information—whether it’s an enterprise legal contract, a small business invoice, or personal school form—lives in trillions of PDFs. We were thrilled to announce Acrobat AI Assistant, a massive leap forward on our journey to bring Intelligence to PDFs. With AI Assistant, we’re combining the power of generative AI with our unique understanding of the PDF file format to transform the way people interact with and instantly extract additional value from their most important documents.

Enabled by our proprietary attribution engine, AI Assistant is deeply integrated into Reader and Acrobat workflows. It instantly generates summaries and insights from long documents, answers questions through a conversational interface and provides an onramp for generating emails, reports and presentations. AI Assistant is governed by secure data protocols so that customers can use the capabilities with confidence. We're pleased with the initial response to the English language beta and look forward to usage ramping across our customer base as we release other languages later in the year. We will monetize this functionality through a monthly add-on offering to the hundreds of millions of Reader users as well as the Acrobat install base, across individuals, teams and enterprises.

In Q1, we achieved Document Cloud revenue of \$750 million, growing 18 percent year over year. We added \$143 million of net new Document Cloud ARR which was a Q1 record, with year-over-year ending ARR growth of 23 percent in constant currency.

Other business highlights include:

- Acrobat Web continues to be an incredible source of customer acquisition with monthly active users (MAU) up over 70 percent year over year and surpassing 100 million users in Q1.
- Acrobat extensions for Microsoft Edge and Google Chrome, and our Acrobat mobile offerings, continue to accelerate free-to-paid conversion.
- Increased viral adoption through link sharing and stakeholder collaboration drove over 300 percent year-over-year growth in the number of PDF files sent.
- Key enterprise customer wins include Berkshire Hathaway, Merck Sharp & Dohme, Northrop Grumman, Porsche and the U.S. Navy.



Adobe Creative Cloud

- Creative revenue of \$3.07 billion, up 11% Y/Y or 12% Y/Y in constant currency in Q1 FY2024
- Launched Adobe Express mobile app beta
- Adobe Express Web, total usage/exports more than doubled year over year
- Highest adoption of Firefly-powered tools in Photoshop, Generative Fill and Generative Expand, across desktop, web and iPad since the release in May 2023
- Beta release of AI-powered Enhance Speech and new audio workflows drove Premiere beta usage to record highs
- Adobe video tools used by 80% of this year's entrants at Sundance Film Festival
- Introduced Behance Pro for rapidly growing creator community
- New research, preview of Adobe music generation models, editing tools and video auto-dubbing models
- Introduction of Firefly Services for enterprises drove notable wins, including Accenture, IPG and Starbucks
- Key customer wins include AECOM, Capital Group, Dentsu, IBM, Nintendo and RR Donnelley

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Digital Media: Creative Cloud

On Creative Cloud, creativity is the currency of differentiation in our digital-first world. Every creator and business is focused on building their brand and engaging with their audiences through standout content. Creative Cloud remains the solution of choice for the world's creators, whether their medium is design, photography, video, illustration or 3D. Adobe Express is inspiring millions of users of all skill levels to design more quickly and easily than ever before.

In the year since we announced and released Adobe Firefly, our creative generative AI models, we have aggressively integrated this functionality into both our Creative Cloud flagship applications and most recently Adobe Express, delighting millions of users who have generated over 6.5 billion assets to date. In addition to creating proprietary foundation models, Firefly includes a web-based interface for ideation and rapid prototyping which has seen tremendous adoption. We also recently introduced Firefly Services, an AI platform which enables every enterprise to embed and extend our technology into their creative production and marketing workflows. Firefly Services is currently powered by our commercially safe models and includes the ability for enterprises to create their own custom models by providing their proprietary data sets as well as to embed this functionality through APIs into their email, media placement, social and web creation process.

Early adopters like IBM are putting Firefly at the center of their content creation processes. IBM used Adobe Firefly to generate 200 campaign assets and over 1,000 marketing variations in moments rather

than months. The campaign drove 26X higher engagement than its benchmark and reached more key audiences.

In Q1, we achieved \$3.07 billion in revenue, which grew 12 percent year over year. Net new Creative Cloud ARR was \$289 million.

Other business highlights include:

- The launch of the new Adobe Express mobile app beta brings the magic of Adobe Firefly AI models directly into mobile workflows. The first-of-its-kind integration with TikTok's Creative Assistant makes the creation and optimization of social media content quicker, easier and more effective than ever before. Express Web usage continues to ramp nicely with total exports more than doubling year over year and overall Express adoption is expected to accelerate even further given the positive reception we're seeing from the mobile beta.
- Generative Fill in Photoshop continues to empower creators to create in new ways and accelerate image editing workflows. Q1 saw the highest adoption of Firefly-powered tools in Photoshop since the release of Generative Fill in May 2023 with customers adopting these features across desktop, web and most recently, iPad which added Generative Fill and Generative Expand in December.
- The beta release of AI-powered Enhance Speech and new audio workflows drove Premiere beta usage to record highs. Adobe video tools were the go-to choice at Sundance Film Festival with over 80 percent of this year's entrants using Adobe software.
- The introduction of Behance Pro, a new offering to serve the rapidly growing Behance community, empowers members to build their brand and find opportunities, and for businesses to hire talented creators through the Behance platform.
- The unveiling of new research, like the preview of our music generation models and editing tools last month and our video auto-dubbing models earlier today, have inspired our Creative Cloud and Express customers.
- The introduction of Firefly Services for enterprises drove notable wins in the quarter including Accenture, IPG, and Starbucks.

- Other key enterprise wins include AECOM, Capital Group, Dentsu, IBM, Nintendo and RR Donnelley.

Given the size of the opportunity we see with generative AI, we continue to focus on driving innovation, adoption and usage of our AI solutions. In Q1, we saw strength across both clouds, with record new commercial subscriptions in Creative Cloud for a Q1, and strong product-led growth in Document Cloud. You can expect to see the product advances in Express with Firefly on mobile, Firefly Services and AI Assistant in Acrobat drive ARR acceleration in the second half of the year.

We're excited about our product roadmap. The 6.5 billion assets generated to date include images, vectors, designs and text effects and we can't wait to share the work we're doing on audio, video and 3D through research sneaks and product announcements in the coming months.

I'll now pass it to Anil.



ANIL CHAKRAVARTHY

Thanks, David. Hello everyone.



Adobe Experience Cloud

- Digital Experience revenue of \$1.29 billion, up 10% Y/Y as reported and in constant currency with subscription revenue of \$1.16 billion, up 12% Y/Y as reported and in constant currency in Q1 FY2024
- Momentum with AEP and native apps, with the combined annualized book of business surpassing \$800M in the quarter
- Demand for Adobe Experience Manager, Workfront and GenStudio to address the enterprise content supply chain
 - Global agencies standardizing on Adobe include Accenture Song, Havas, IPG, Omnicom and Publicis
- Strength in Adobe Journey Optimizer and Adobe Campaign for personalized experiences across channels and surfaces
- Adobe recognized as a leader:
 - Gartner Magic Quadrant for Digital Experience Platforms for seventh consecutive year
 - Forrester Wave for Digital Experience Platforms
 - Forrester Wave for Digital Asset Management, AEM Assets for fourth consecutive year
- Key customer wins include Carl Zeiss, Comcast, Home Depot, NASCAR, Nestle, PayPal, Rogers Communications, Santander Group, Starbucks and Walgreens

The Experience Cloud business had a great first quarter, achieving \$1.29 billion in revenue, and it was our strongest Q1 on record for new business. Subscription revenue was \$1.16 billion, representing 12 percent year-over-year growth.

Companies are prioritizing digital investments to improve marketing agility and customer engagement while driving growth and profitability. Adobe’s Holiday Shopping Report, which analyzes trillions of data points, showed strong online spending during the 2023 holiday season, growing 4.9 percent year-over-year to \$222.1 billion, a new record for e-commerce as well as mobile shopping which surpassed desktop for the first time and drove 51.1 percent of online sales.

Our Adobe Experience Cloud applications span the entire customer funnel, from acquisition to monetization to retention. As the global leader in the Digital Experience Platforms category, Adobe offers businesses a single view of their customers' data across every channel, allowing them to create precise segments and deliver personalized experiences, regardless of when and where a customer interacts with their brand. Over the last five years, our organic innovations in Adobe Experience Platform, Real-time CDP, Journey Optimizer and Customer Journey Analytics have made us the leading platform for Customer Experience Management (CXM) given the scale of the profiles, campaigns and interactions we process, which now exceed 500 trillion segment evaluations per month. Today, rollout of personalization at scale has been limited by the number of content variations you can create and the number of journeys you can deploy. We believe harnessing generative AI will be the next accelerant with Creative Cloud, Firefly Services and GenStudio providing a comprehensive solution for the content supply chain and Generative Experience Model automating the creation of personalized journeys.

Adobe GenStudio is a generative AI-first application that allows marketers to quickly plan, create, store, deliver, and measure marketing content in a single, intuitive offering. With state-of-the-art generative AI powered by Firefly Services, marketers can create on-brand content with unprecedented scale and agility to deliver personalized experiences. Adobe GenStudio natively integrates with multiple Adobe applications across Creative Cloud and Experience Cloud including Express, Firefly, Workfront, Experience Manager, Customer Journey Analytics, and Journey Optimizer. It can be used by brands and their agency partners to unlock new levels of creativity and efficiency in marketing campaigns.

Business highlights include:

- Momentum with Adobe Experience Platform and native applications, with the combined annualized book of business surpassing \$800 million in the quarter.
- Demand for Adobe Experience Manager, Workfront and GenStudio to address the enterprise content supply chain. Global agencies including Accenture Song, Havas, IPG, Omnicom and Publicis have standardized on Adobe as their technology platform of choice for their own workflows and to optimize creative collaboration with the world's leading brands.

- Strength in Adobe Journey Optimizer and Adobe Campaign as companies look to deliver more personalized experiences across channels and surfaces.
- Adobe was recognized as a leader in the Gartner Magic Quadrant for Digital Experience Platforms for the seventh consecutive year, as well as the Forrester Wave for Digital Experience Platforms. Adobe Experience Manager Assets was also named a leader for the fourth consecutive time in the Forrester Wave for Digital Asset Management.
- Key customer wins include Carl Zeiss, Comcast, Home Depot, NASCAR, Nestle, PayPal, Rogers Communications, Santander Group, Starbucks and Walgreens.

Later this month, we are excited to host Adobe Summit, the world's largest digital experience conference in Las Vegas, where we'll be joined by thousands of customers, partners and developers from around the world. We look forward to showcasing a number of product innovations including: a new Generative Experience Model, advances in Adobe GenStudio, a new AI Assistant in Adobe Experience Platform, new capabilities in RT-CDP for first-party data activation and expanded Firefly Services offerings. We will articulate our vision and playbook for brands to achieve a new level of personalization at scale in the era of generative AI. We look forward to sharing our exciting product roadmap and hearing from our customers on how Adobe is helping them transform their business.

We were off to a fast start in Q1 and look forward to continuing the momentum and leadership in Q2 and beyond.

I will now pass it to Dan.



DAN DURN

Thanks, Anil.

Today I will start by summarizing Adobe’s performance in Q1 fiscal 2024, highlighting growth drivers across our businesses, and I’ll finish with financial targets.

Q1 FY2024 Results

Total Revenue	\$5.18 billion	11% Y/Y growth	12% Y/Y growth ¹
Digital Media segment revenue	\$3.82 billion	12% Y/Y growth	13% Y/Y growth ¹
Digital Media ARR	\$432 million of net new ARR		
Digital Experience segment revenue	\$1.29 billion	10% Y/Y growth	10% Y/Y growth ¹
Digital Experience subscription revenue	\$1.16 billion	12% Y/Y growth	12% Y/Y growth ¹
Earnings per share	GAAP: \$1.36		Non-GAAP: \$4.48

- Generated \$1.17 billion of cash flows from operations
- Repurchased approximately 3.1 million shares
- Remaining Performance Obligations (RPO) exiting the quarter were \$17.58 billion

¹ Adjusted to show growth rates in constant currency.

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Q1 Performance

In Q1, Adobe delivered another quarter of double-digit top-line growth with robust margins that result from product leadership, strong execution and financial discipline.

The pace of our product innovation across Document Cloud, Creative Cloud and Experience Cloud is leading to customers making large multi-year commitments to Adobe, and you see the result of those customer investments in our RPO performance, which accelerated to 16 percent year-over-year

growth.

In the quarter, Adobe achieved record revenue of \$5.18 billion, which represents 11 percent year-over-year growth, or 12 percent in constant currency.

Business and financial highlights included:

- GAAP diluted earnings per share of \$1.36 and non-GAAP diluted earnings per share of \$4.48;
- Digital Media revenue of \$3.82 billion;
- Net new Digital Media ARR of \$432 million;
- Digital Experience revenue of \$1.29 billion;
- Cash flows from operations of \$1.17 billion;
- RPO of \$17.58 billion exiting the quarter; and
- Repurchasing approximately 3.1 million shares of our stock during the quarter.

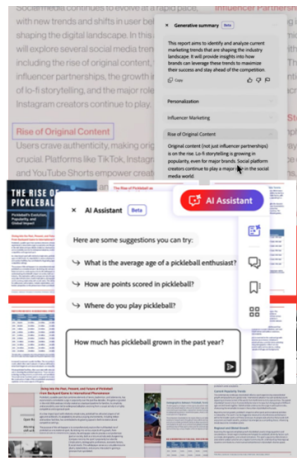
GAAP EPS came in lower due to the billion-dollar payment resulting from the termination of the Figma transaction (the “Termination Payment”). Absent the Termination Payment, our cash flows from operations would have been \$1 billion more, and GAAP EPS would have been \$2.19 higher. The Termination Payment impacts both Q1 GAAP EPS and our full-year fiscal 2024 GAAP EPS.

Digital Media

In our Digital Media segment, we achieved Q1 revenue of \$3.82 billion, which represents 12 percent year-over-year growth, or 13 percent in constant currency. We exited the quarter with \$15.76 billion of Digital Media ARR, up 14 percent year over year in constant currency.

Adobe Document Cloud | Q1 FY2024 Highlights

- Document Cloud revenue of \$750 million growing 18% Y/Y, with \$143 million of net new Document Cloud ARR
- Demand for Acrobat subscriptions across all customer segments and geographies
- Continued growth of Acrobat Web, demonstrating the success of flagship products across multiple surfaces
- Growing monthly active users in Acrobat Reader funnel, driving free-to-paid conversion
- New user acquisition resulting from Microsoft Edge and Google Chrome partnerships
- Strength in Teams business with upselling new Acrobat offering, which include integrated Sign capabilities
- Strong demand from businesses of all sizes, demonstrating the mission criticality of document solutions



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Digital Media: Document Cloud

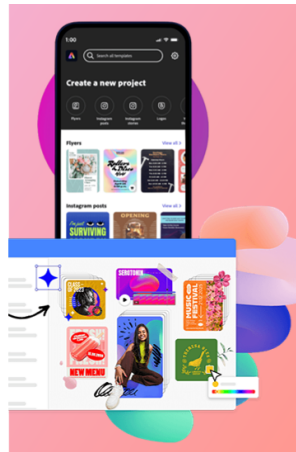
Adobe achieved Document Cloud revenue of \$750 million, which represents 18 percent year-over-year growth as reported and in constant currency. We added \$143 million of net new Document Cloud ARR in the quarter.

Q1 Document Cloud growth drivers included:

- Demand for Acrobat subscriptions across all customer segments and geographies;
- Continued growth of Acrobat Web, demonstrating the success of our flagship products across multiple surfaces;
- Growing monthly active users in our Acrobat Reader funnel, driving free-to-paid conversion;
- New user acquisition resulting from our Microsoft Edge and Google Chrome partnerships;
- Strength in our Teams business with upselling our new Acrobat offering, which includes integrated Sign capabilities; and
- Strong demand from businesses of all sizes, demonstrating the mission criticality of our document solutions.

Adobe Creative Cloud | Q1 FY2024 Highlights

- Creative revenue of \$3.07 billion growing 11% Y/Y or 12% Y/Y in constant currency, with \$289 million of net new Creative ARR
- Net new Creative ARR grew more than 20% Y/Y, excluding the impact of pricing actions
- New subscription growth, including strong adoption of Creative Cloud All Apps across geographies and customer segments
- Strong single app customer demand in Creative categories such as imaging and photography, and continued growth of Stock and Frame.io
- Continued strength in emerging markets
- Outstanding performance of Creative Cloud in the enterprise, including early traction of Firefly Services



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Digital Media: Creative Cloud

We achieved Creative revenue of \$3.07 billion, which represents 11 percent year-over-year growth, or 12 percent in constant currency. We added \$289 million of net new Creative ARR in the quarter, with ending ARR growing 12 percent year over year in constant currency.

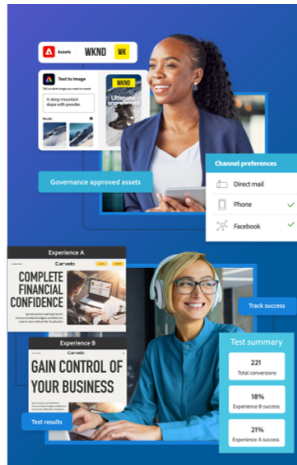
Overall, Creative Cloud pricing actions performed as expected in the quarter. Q1 net new Creative ARR grew more than 20 percent year over year, excluding the impact of pricing actions associated with both Acrobat Creative Cloud and All Apps in the year-ago quarter, and Creative Cloud in Q1 FY24.

Q1 Creative growth drivers included:

- New subscription growth, including strong adoption of Creative Cloud All Apps across geographies and customer segments;
- Strong single app customer demand in Creative categories such as imaging and photography, and continued growth of Stock and Frame.io;
- We again saw strength in emerging markets, which we continue to believe is a massive growth opportunity; and
- Outstanding performance of Creative Cloud in the enterprise, including early traction of Firefly Services.

Adobe Experience Cloud | Q1 FY2024 Highlights

- Digital Experience revenue of \$1.29 billion growing 10% Y/Y, with subscription revenue of \$1.16 billion growing 12% Y/Y
- Success closing transformational deals—across geographies and verticals—with large enterprises choosing Adobe to be their end-to-end CXM platform
- Continued momentum with AEP and native applications, with the annualized book of business growing more than 60% Y/Y
- Strong customer adoption of Content, Campaign and Workfront solutions
- Continued strength with customer retention and expansion across products



Adobe

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Digital Experience

Turning to our Digital Experience segment, in Q1 we achieved revenue of \$1.29 billion, which represents 10 percent year-over-year growth as reported and in constant currency. Digital Experience subscription revenue was \$1.16 billion, growing 12 percent year over year as reported and in constant currency.

Q1 was a tremendous start to the year for our Experience Cloud business, with growth drivers including:

- Success closing transformational deals—across geographies and verticals—with large enterprises that are choosing Adobe to be their end-to-end CXM platform;
- Continued momentum with AEP and native applications, with the annualized book of business growing more than 60 percent year over year;
- Strong customer adoption of our Content, Campaign and Workfront solutions; and
- Continued strength with customer retention and expansion across our products.

CXM remains an enterprise imperative, and as a leader in the category we see a robust pipeline as we look into Q2 and beyond.

Q1 FY2024 Results

\$17.58B

RPO

\$6.82B

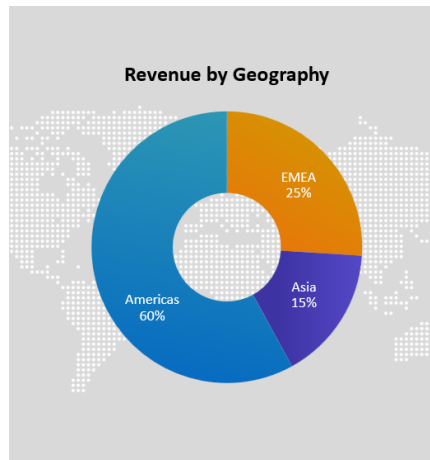
Cash and short-term investments

\$1.17B

Cash flows from operations

~3.1M

Shares repurchased



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Income Statement and Balance Sheet

Turning to the income statement and balance sheet, Adobe’s effective tax rate in Q1 was 36 percent on a GAAP basis and 18.5 percent on a non-GAAP basis. The Q1 GAAP tax rate came in higher than targeted due to the Figma Termination Payment.

RPO exiting the quarter was a record \$17.58 billion, growing 16 percent year over year as reported and in constant currency.

Our ending cash and short-term investment position exiting Q1 was \$6.82 billion, and cash flows from operations in the quarter were \$1.17 billion.

In Q1 we entered into a \$2 billion share repurchase agreement, which effectively exhausted our prior \$15 billion authority. As a result of our strong trajectory of growth and profitability, we are announcing a new \$25 billion share repurchase program, which demonstrates Adobe’s continued commitment to returning capital to our shareholders.

Q2 FY2024 Financial Targets | March 14, 2024

Total Revenue	\$5.25 billion to \$5.30 billion	
Digital Media ARR	~\$440 million of net new ARR	
Digital Media segment revenue	\$3.87 billion to \$3.90 billion	
Digital Experience segment revenue	\$1.31 billion to \$1.33 billion	
Digital Experience subscription revenue	\$1.165 billion to \$1.185 billion	
Tax rate	GAAP: ~18.5%	Non-GAAP: ~18.5%
Earnings per share ¹	GAAP: \$3.35 to \$3.40	Non-GAAP: \$4.35 to \$4.40

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.

¹ Targets assume diluted share count of ~453 million for Q2 fiscal year 2024



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Targets

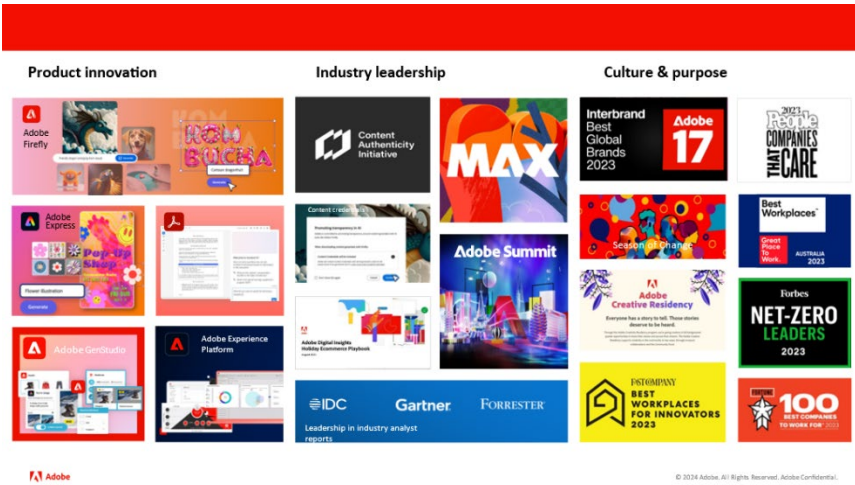
In light of the momentum across our business, and factoring in the macroeconomic environment, for Q2 we are targeting:

- Total Adobe revenue of \$5.25 to \$5.30 billion;
- Digital Media net new ARR of approximately \$440 million;
- Digital Media segment revenue of \$3.87 to \$3.90 billion;
- Digital Experience segment revenue of \$1.31 to \$1.33 billion;
- Digital Experience subscription revenue of \$1.165 to \$1.185 billion;
- Tax rate of approximately 18.5 percent on a GAAP and non-GAAP basis;
- GAAP earnings per share of \$3.35 to \$3.40; and
- Non-GAAP earnings per share of \$4.35 to \$4.40.

Summary

In summary, fiscal 2024 is off to a strong start. By combining the power of product innovation and executional excellence, Adobe is driving consistent, profitable growth. We're delivering on our product roadmap, and we have the right strategy to monetize these innovations into the back half of the year and beyond. Adobe is incredibly well positioned to capitalize on the secular trends that will shape the next decade.

Shantanu, back to you.



SHANTANU NARAYEN

Thanks, Dan.

We are the leader in three large and growing categories and have delivered groundbreaking innovation across Creative Cloud, Document Cloud and Experience Cloud. We believe that AI augments human ingenuity and expands our addressable market opportunity. I'm proud of the pace and the responsible manner in which we have embraced and delivered generative AI capabilities across our product portfolio. As a result of our strategy and execution, we are confident in our ability to attract new users and deliver value to existing customers to drive growth and profitability.

I'd like to thank our 30,000 employees for their continued dedication and unwavering focus on innovation and execution. It is particularly exciting to be named to Glassdoor's Best Places to Work, Fortune's Most Admired Companies and the JUST 100.

Thank you and we will now take questions. Operator.

Q&A

