

Adobe Q2 FY2025 Earnings Call

June 12, 2025



Introduction

Steve Day | SVP, DX CFO & Corporate Finance, Interim Head of Investor Relations



STEVE DAY

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 second quarter fiscal year 2025 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 12, 2025 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 12, 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.

Q2 FY2025 Results

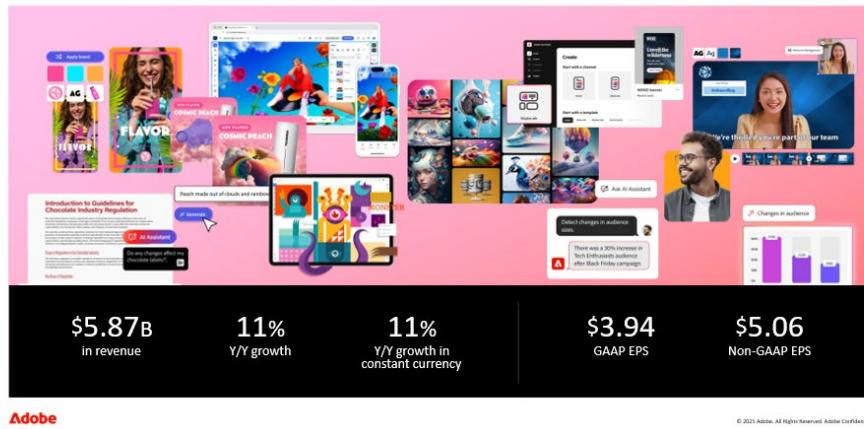
Shantanu Narayen | Chair & CEO



SHANTANU NARAYEN

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

Q2 FY2025 Performance



Adobe delivered another strong quarter, achieving record revenue of \$5.87 billion, representing 11 percent year-over-year growth. GAAP earnings per share for the quarter was \$3.94, and non-GAAP earnings per share was \$5.06, representing 13 percent year-over-year growth.

Adobe's growth agenda is to serve these massive and expanding audiences



At our Investor Meeting in March, we outlined our growth strategy for the company centered on delivering transformative innovation for diverse customer audiences: business professionals, consumers, creators, creative professionals and marketing professionals.

The creative opportunity is expanding across audiences with AI as an accelerant. It is opening the content floodgates, tapping into everyone's imagination and massively expanding the number of creative assets being created, edited, integrated and delivered.

There are billions of **Business Professionals and Consumers** in the world who want to be both creative and efficient to accomplish their objectives. They see AI and conversational interfaces as a more productive way to accelerate creative storytelling and to quickly synthesize information across multiple documents. They are looking for quick and easy tools that are available on every computing surface and an easy onramp that allows them to trial products and subscribe based on the value derived. As the need for creative expression continues to grow exponentially, creativity and productivity are merging. AI can make them more creative and productive in their business context.

Adobe pioneered creative storytelling through groundbreaking applications like Photoshop and Illustrator and digital document sharing with the introduction of PDF and Acrobat. Our strategy is to bring productivity and creativity to life for billions of users across a variety of surfaces. Acrobat AI Assistant is redefining how people extract value from digital documents, unlocking new levels of productivity by cutting time to insights through conversational interfaces. Adobe Express is using AI to enable consumers to quickly design and publish engaging content through conversational AI in an easy to use, all-in-one application. Our unique value proposition is integrating these solutions to facilitate a

smoother creation to consumption process through mobile apps, web browsers and desktop offerings. Adobe's monthly active users (MAU) across these categories now exceed over 700 million users.

In the **Creative and Marketing Professionals Group**, **Creative Professionals** need best of breed applications that enable them to bring their ideas to life across media types including imaging, design, video, photography, illustration, animation, 3D and more. These offerings need to extend across all surfaces and facilitate seamless collaboration with multiple stakeholders. The next generation of creators are looking for powerful onramps through web and mobile platforms. Ideation through AI is an emerging category that will be made more powerful through support for multiple creative models. Adobe is delivering a comprehensive creative platform that extends from ideation through creation to mass production and delivery to address this content supply chain opportunity.

At the heart of this creative AI revolution is Adobe Firefly, an onramp to creative expression that augments the power of Creative Cloud desktop applications. The Firefly App is a new destination for AI-assisted content ideation, creation and production, with Adobe's comprehensive family of commercially safe Firefly creative models and an expansive ecosystem of third-party models. Firefly empowers creative professionals to generate images, video, audio and vectors from a single place with unmatched creative control, iterate on their creations through Adobe's creative apps and seamlessly deliver them into production. Our support for third-party models including from Google, OpenAI and Black Forest Labs gives creators the flexibility to choose the AI that works best for them—with Firefly upholding our standards for IP safety and transparency.

We rolled out new Firefly offerings globally and will be delivering more innovation over the next few months. Paired with Creative Cloud Apps, the Firefly App empowers creative professionals with enhanced precision and performance—ready to support them whenever and wherever inspiration strikes. The Firefly App is attracting new users to the Adobe franchise with first-time subscribers growing 30 percent quarter over quarter.

Our Digital Experience business was inspired by our vision to enable this creative output to be delivered at scale by enterprises as part of their digital marketing transformation. We have a unique advantage and opportunity to integrate creativity, marketing and AI to deliver Customer Experience Orchestration. **Marketing Professionals** need to create an unprecedented volume of compelling content and optimize it to deliver personalized digital experiences, across channels including mobile apps, email, websites, social media and advertising platforms. They are looking for agility and self-service, as well as integrated workflows with their creative teams and agencies. To achieve this, enterprises require custom,

commercially safe models and purpose-built agents tailored to address the inefficiencies of the content supply chain. Marketing practitioners, Chief Marketing Officers (CMO's) and Chief Digital Officers (CDO's), need solutions that enable them to acquire, engage and delight customers across a variety of channels and geographies. Adobe's strategy is to deliver a comprehensive marketing technology platform leveraging AI to offer vertical solutions that integrate content, customer data and profiles across journeys in both B2B and B2C industries.

Adobe GenStudio and Firefly Services are revolutionizing the content supply chain across enterprises, empowering marketers to activate personalized, on-brand content across millions of touchpoints. For marketing professionals, Adobe Experience Platform and Apps and purpose-built agents are redefining the future of customer connection by enabling real-time orchestration of content, data and journeys.

Adobe's differentiation lies in our best of breed, industry-leading applications across web content management, analytics, customer data platforms, commerce, journey orchestration and workflow management. We're infusing AI in each of these solutions and combining creativity and marketing in GenStudio by bringing together creative ideation and production, workflow, asset management, content delivery and content analytics in a seamlessly integrated offering.

While our AI-influenced ARR is already contributing billions of dollars, our AI book of business from AI-first products such as Acrobat AI Assistant, Firefly App and Services and GenStudio for Performance Marketing is tracking ahead of the \$250 million ending ARR target by the end of fiscal 2025.

I'll now turn it over to David and Anil to discuss the momentum in our businesses.

Q2 FY2025 Highlights

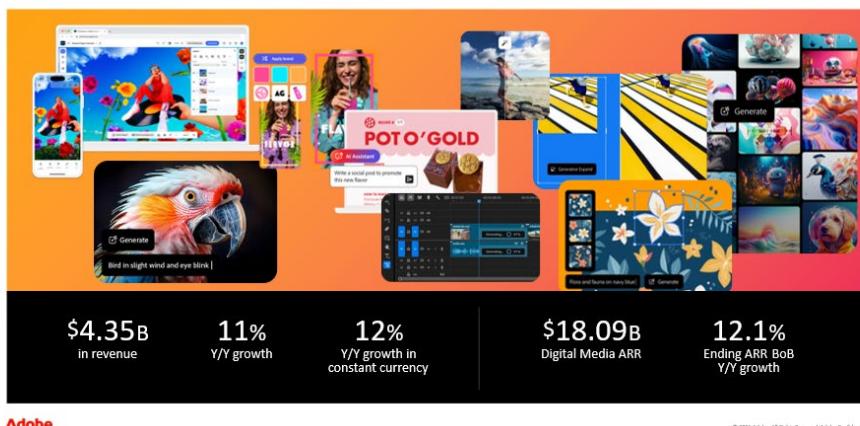
David Wadhwani | President, Digital Media Business



DAVID WADHWANI

Thanks, Shantanu. Hello everyone.

Digital Media Performance



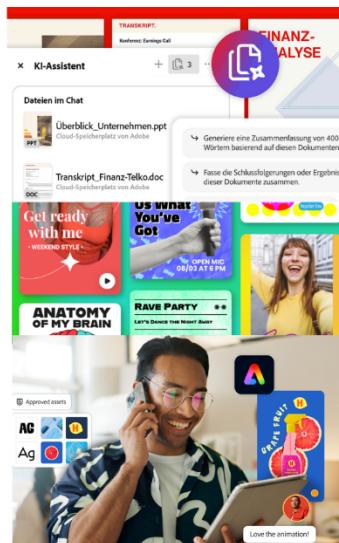
In Q2, Digital Media achieved revenue of \$4.35 billion, which grew 12 percent year over year. We exited the quarter with \$18.09 billion of Digital Media ARR, growing ending ARR 12.1 percent year over year.

Digital Media Business Professionals & Consumers

- Acrobat PDF link sharing MAU grew over 20% Y/Y, helping to drive viral adoption;
- Use of generative AI features continues to grow quickly with AI Assistant MAU in Acrobat and generative AI MAU in Express growing over 3x year over year;
- Acrobat AI Assistant engagement continues to accelerate with the number of questions asked nearly doubling Q/Q;
- The Express ecosystem continues to expand with partner add-on's growing more than 25% Q/Q with new integrations from Google Ads, Vimeo and Bitly; and
- Select key global customer wins include Cisco, County of Los Angeles, the Defense Information Systems Agency (DISA), Macys.com and Ulta Beauty.

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DIGITAL MEDIA: BUSINESS PROFESSIONALS & CONSUMERS

We continue to see strong performance across our **Business Professionals and Consumers Group**, where users are increasingly turning to Adobe for products that combine creativity and productivity. Virtually every business professional and consumer stands to benefit from AI assisted consumption, visually rich creation and natively integrated collaboration. Our investments in conversational experiences in Acrobat and generative AI models in Express allow users to combine the two products in novel ways that empower users to accelerate their time to insight and ability to create compelling presentations. Sales professionals can gather industry reports on a prospect, use AI Assistant to quickly identify effective sales conversations and automatically generate a pitch deck with Express. A social media marketer can ask AI Assistant for help identifying buying behaviors in market research documents and use that information to create better TikTok videos in Express. The combination of Acrobat and Express, can help anyone move from consumption to creation faster and with more impactful content than ever before.

As a result, we're seeing steady growth across our family of Acrobat and Express products, with combined monthly active user (MAU) growth accelerating to over 25 percent year over year and crossing 700 million MAU, as Acrobat users increasingly rely on Acrobat AI Assistant to enhance content consumption and Express to create richer PDFs, customized presentations and animated designs. Due to increasing customer demand for creative functionality through Acrobat, we saw an approximately 3x quarter over quarter and approximately 11x year over year increase in the adoption of Express

capabilities within Acrobat. Subscription revenue for the **Business Professionals and Consumers Group** grew 15 percent year over year.

We're rapidly acquiring the next generation of business professionals and consumers across individuals, small and medium business and enterprises. With students, we're driving over 75 percent year-over-year increase in students gaining access to Acrobat AI Assistant and/or Express Premium plans. These products are also seeing strong adoption by businesses with over 35,000 new businesses added in Q2. Express alone added around 8,000 new businesses this quarter—approximately 6x growth year over year—including companies such as Microsoft, ServiceNow, Workday, Intuit and top sports leagues like MLB, the NFL and Premier League.

Other highlights include:

- Acrobat PDF link sharing MAU grew over 20 percent year over year, helping to drive viral adoption;
- Use of generative AI features continues to grow quickly with AI Assistant MAU in Acrobat and generative AI MAU in Express growing over 3x year over year;
- Acrobat AI Assistant engagement continues to accelerate with the number of questions asked nearly doubling quarter over quarter;
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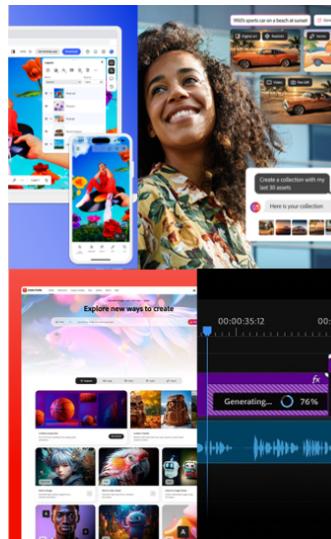
Digital Media

Creative & Marketing Professionals

- Launch of the new Firefly capabilities in February continues to drive excitement. Traffic to the Firefly App grew over 30% Q/Q and paid subscriptions nearly doubled in the same period;
- Firefly continues to drive new user acquisition, with first-time Adobe subscribers growing more than 30% Q/Q;
- Launched Photoshop mobile and released major updates to our flagship Creative Cloud Apps including Photoshop, Illustrator, Premiere Pro, After Effects and Substance at MAX London, garnering over 350 million video views across social media;
- Excitement for and adoption of generative AI innovation, such as Generative Fill in Photoshop, Generative Remove in Lightroom, Generative Expand in Illustrator, Generative Extend in Premiere Pro, video generation in the Firefly App and production workflows in Firefly Services, continues to accelerate with over 24 billion cumulative generations exiting Q2; and
- Key customer wins include Cisco, County of San Diego, DEPT Holding, Fanatics, Infosys, Schwarz Global Sourcing and Wells Fargo.

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DIGITAL MEDIA: CREATIVE & MARKETING PROFESSIONALS

We're also seeing the rising importance of creative content across **Creative and Marketing Professionals**. Demand for creative capabilities across mediums, including imaging, design, photography, video, illustration and 3D, is on the rise as individuals and businesses need visually compelling content to stand out in a crowded media landscape. Many individuals and organizations are turning to AI to develop high-quality content with more agility and efficiency. As a result, the Firefly App is becoming the Creative AI destination for Creative Cloud customers and new users alike to explore, ideate, create and collaborate with AI-first workflows across media types.

The Firefly App empowers anyone—from seasoned professionals to first-time creators—to generate multiple media formats in a single product with unmatched creative control and iterate on their creations across Adobe's creative apps. The Firefly App benefits from our own, commercially safe Firefly foundation models across imaging, video, audio, vector and design. Earlier this quarter, we launched the new Firefly Image Model 4 for life-like images and the Firefly Image Model 4 Ultra for impeccable detail in complex visuals. We also made the Firefly Video Model generally available for the first time, empowering creators to generate 4K footage from text prompts and images with unprecedented creative control and extend video clips in our tools like Premiere Pro.

In addition to supporting our own Firefly Models, the Firefly App now supports a growing family of third-party models for creative ideation. Firefly offers the flexibility to explore the diverse aesthetic styles of Google's Imagen and Veo models, OpenAI's GPT-image model, and Black Forest Labs' Flux image model,

with Runway, Ideogram, Fal.ai, Luma and Pika coming soon. With the release of the Firefly Boards public beta earlier this quarter, creators can now ideate and collaborate when generating content with Firefly and our third-party models.

To monetize this incredible innovation, we have introduced a comprehensive set of offerings aimed at new and existing creators and creative professionals across all routes to market. The new Firefly App subscription plans are ideal for creators starting their creative journey and are now globally available. Creative Cloud Pro, which combines Creative Cloud All Apps and the Firefly App, represents the best value for content creation and is now available in North America. Creative Cloud Pro will be released in other geographies over the next few months.

Other highlights include:

- The launch of the new Firefly capabilities in February continues to drive excitement. Traffic to the Firefly App grew over 30 percent quarter over quarter and paid subscriptions nearly doubled in the same period;
- Firefly continues to drive new user acquisition, with first-time Adobe subscribers growing more than 30 percent quarter over quarter;
- We launched Photoshop mobile and released major updates to our flagship Creative Cloud Apps including Photoshop, Illustrator, Premiere Pro, After Effects and Substance at MAX London, garnering over 350 million video views across social media;
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- Key customer wins include Cisco, County of San Diego, DEPT Holding, Fanatics, Infosys, Schwarz Global Sourcing and Wells Fargo.

Creativity fuels the global economy and is the foundation of how marketers engage with their customers effectively across channels. As a result, we're seeing high enterprise demand for and adoption of Firefly Services and Custom Models to automate and scale on-brand content production for marketing use cases.

Adobe is uniquely positioned to lead the way in applying AI to amplify creativity across the full continuum of content creation. We're excited about the momentum we're seeing in both flagship apps and new offerings across our **Business Professionals and Consumers** and **Creative and Marketing Professionals Groups**. Our growing base of monthly active users, accelerating use of generative AI, steady influx of new customers, inclusion of partner models and accelerating adoption of automation services drove a strong quarter with Digital Media revenue of \$4.35 billion and we are pleased to raise our revenue target for the year.

I'll now turn it over to Anil to talk about how this creative innovation is amplifying our momentum with marketing professionals.

Q2 FY2025 Highlights

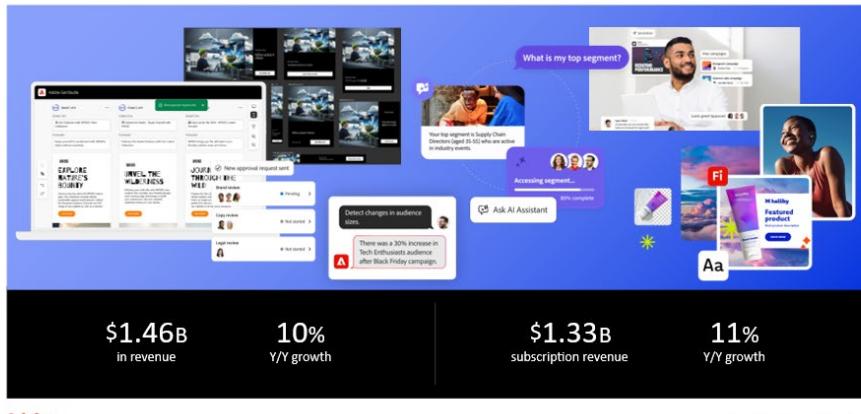
Anil Chakravarthy | President, Digital Experience Business



ANIL CHAKRAVARTHY

Thanks, David. Hello everyone.

Digital Experience Performance



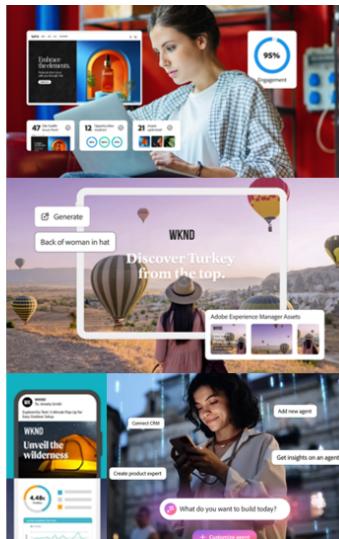
Experience Cloud had a strong Q2, achieving revenue of \$1.46 billion for the quarter. Subscription revenue in the quarter was \$1.33 billion, representing 11 percent year-over-year growth and making us the largest provider in our category.

Digital Experience Creative & Marketing Professionals

- Strong demand for AEP and native apps, with Q2 subscription revenue growing over 40% Y/Y;
- Momentum for GenStudio for Performance Marketing with growth of over 45% Q/Q;
- Continued demand for Firefly Services and Custom Models as part of the GenStudio solution, resulting in 4x Y/Y ARR growth;
- Release of AEM Sites Optimizer garnered tremendous interest from customers like Qualcomm eager to tap its agentic capabilities for valuable insights and recommendations to improve their website's performance, usability and security;
- Industry analyst recognition including being named a Leader in the Forrester Wave for Collaborative Work Management for the third consecutive time, IDC Marketscape for Worldwide Connected TV Advertising Platforms and the Gartner Magic Quadrant for Content Marketing Platforms, with GenStudio solutions including Workfront, Adobe GenStudio for Performance Marketing, Creative Cloud, Firefly and Express; and
- Key global customer wins including Aviva, Australia Post, Dyson, Fiserv, Infosys, Major League Baseball, Manulife, Navy Federal Credit Union, O'Reilly Auto Parts, Premier League, SAP, UBS, Ulta Beauty and Wyndham.

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DIGITAL EXPERIENCE: CREATIVE & MARKETING PROFESSIONALS

Content creation is the fuel driving personalized experiences at scale. Adobe is the only company unifying the entire workflow from creation and production, workflow and planning, asset management, delivery and activation through to reporting and insights. Our Customer Experience Orchestration strategy enables enterprises to combine creativity, marketing and agentic AI to deliver personalized, conversational digital experiences in real-time at global scale.

With Adobe GenStudio, we are amplifying the value of cutting-edge gen AI capabilities across the end-to-end content supply chain. GenStudio optimizes the process of planning, creating, managing, activating and measuring content for marketing campaigns and personalized customer experiences. We launched GenStudio Foundation, a unified interface to bring together data from our full suite of content supply chain applications, providing visibility and actionable insights into campaign plans, projects and assets. GenStudio for Performance Marketing empowers teams to create their own on-brand content, supporting ad creation and activation for Google, LinkedIn, Meta, Microsoft, Snap and TikTok.

We're building on the momentum behind Firefly Services and Custom Models, addressing additional highly desired solutions including video reframe and support of third-party models for automation and cost efficiency. With The Coca-Cola Company, we co-developed a new AI-powered design intelligence system called Project Fizzion, built on Firefly Services and Custom Models. Project Fizzion is designed to scale creative output up to 10 times faster while tackling the common challenge of misinterpreting brand guidelines in AI-powered content.

Adobe Experience Platform and native applications are central to delivering unified, personalized customer experiences. With the introduction of AEP AI Assistant, we've extended the platform's value by enabling teams across the business to interact with data through natural language—streamlining ingestion, insight generation, audience segmentation and experience delivery. Building on this momentum, we're now expanding AEP with native AI agents that intelligently orchestrate customer journeys in real time. These innovations empower our customers to leverage their first-party customer data and deliver more relevant, high-impact advertising experiences rooted in direct customer relationships. The National Football League expanded our global partnership combining content, data and journeys to deliver a new level of AI-powered fan experiences. Adobe will enable all 32 clubs to scale personalized fan touchpoints across NFL channels through project management, audience and campaign development, creative production and performance optimization.

At Adobe Summit in March, we introduced the Adobe AI platform with an agentic layer to scale customer experience orchestration. We unveiled 10 agents—purpose-built for creative, marketing, and technology teams—that leverage Adobe Experience Platform to act intelligently and in alignment with business goals. These agents coordinate across systems to accelerate the delivery of exceptional experiences. We recently launched a Product Support Agent to help enterprises anticipate, troubleshoot and resolve operational issues. Customers like Wegmans Food Markets and dentsu Merkle are already using it to streamline onboarding and feature deployment and drive faster resolutions and greater efficiency.

Other highlights include:

- Strong demand for AEP and native apps, with Q2 subscription revenue growing over 40 percent year over year;
- Momentum for GenStudio for Performance Marketing with growth of over 45 percent quarter over quarter;
- Continued demand for Firefly Services and Custom Models as part of the GenStudio solution, resulting in 4x year-over-year ARR growth;
- The release of AEM Sites Optimizer garnered tremendous interest from customers like Qualcomm eager to tap its agentic capabilities for valuable insights and recommendations to improve their website's performance, usability and security;

- Industry analyst recognition including being named a Leader in the Forrester Wave for Collaborative Work Management for the third consecutive time, IDC Marketscape for Worldwide Connected TV Advertising Platforms and the Gartner Magic Quadrant for Content Marketing Platforms, with GenStudio solutions including Workfront, Adobe GenStudio for Performance Marketing, Creative Cloud, Firefly and Express; and
- Key global customer wins including Aviva, Australia Post, Dyson, Fiserv, Infosys, Major League Baseball, Manulife, Navy Federal Credit Union, O'Reilly Auto Parts, Premier League, SAP, UBS, Ulta Beauty and Wyndham.

We are executing on our expanded vision of Customer Experience Orchestration to empower enterprises to deliver personalization at scale in the era of AI. Enterprises are looking for a technology partner and platform to unify fragmented solutions and unlock greater efficiency and value. Leading enterprise players including AWS, Microsoft, SAP and ServiceNow have endorsed Adobe as their partner for customer experience orchestration.

We've activated our global partner ecosystem—spanning top-tier technology and media companies, system integrators and leading agencies—to accelerate customer experience orchestration. Next week at the Cannes Lions Festival, we'll unveil several exciting announcements that underscore the power of our category-defining solutions and partnerships. We look forward to engaging directly with customers and agency partners at the event. With unmatched scale and a clear innovation agenda, we are well positioned to continue our growth.

I will now pass it to Dan.

Q2 FY2025 Results

Dan Durn | EVP & CFO



DAN DURN

Thanks, Anil.

Today, I will start by summarizing Adobe's performance in Q2 fiscal 2025, highlighting growth drivers across our businesses, and I'll finish with financial targets.

Q2 FY2025 Results

Total Revenue	\$5.87 billion	11% Y/Y growth	11% Y/Y growth ¹
Digital Media Ending ARR		12.1% Y/Y growth	
Digital Media segment revenue	\$4.35 billion	11% Y/Y growth	12% Y/Y growth ¹
Digital Experience segment revenue	\$1.46 billion	10% Y/Y growth	10% Y/Y growth ¹
Digital Experience subscription revenue	\$1.33 billion	11% Y/Y growth	11% Y/Y growth ¹
Earnings per share	GAAP: \$3.94		Non-GAAP: \$5.06

- Generated \$2.19 billion of cash flows from operations
- 8.6 million shares repurchased in the quarter
- Remaining Performance Obligations (RPO) exiting the quarter were \$19.69 billion
- Current Remaining Performance Obligations (cRPO) exiting the quarter were 67%

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¹. Adjusted to show growth rates in constant currency.

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Q2 FY2025 Performance

In Q2, Adobe achieved revenue of \$5.87 billion, which represents 11 percent year-over-year growth as reported and in constant currency. GAAP diluted earnings per share in Q2 was \$3.94 and non-GAAP diluted earnings per share was \$5.06, representing 13 percent year-over-year growth.

Second quarter business and financial highlights included:

- Digital Media revenue of \$4.35 billion;
- Digital Media ending ARR of \$18.09 billion, growing 12.1 percent year over year;
- Digital Experience revenue of \$1.46 billion;
- Cash flows from operations of \$2.19 billion which is a record for Q2; and
- Exiting the quarter, Remaining Performance Obligations (RPO) were \$19.69 billion, growing 10 percent year over year, or 11 percent in constant currency and cRPO growing 10 percent as reported and in constant currency.

Digital Media

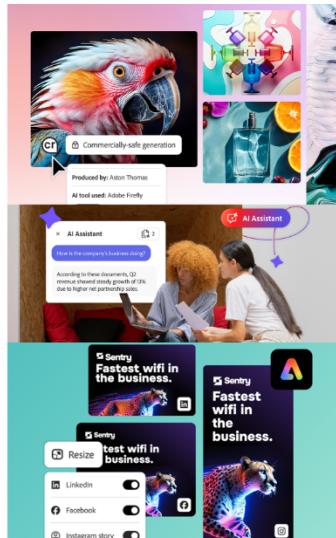
In our Digital Media segment, we achieved Q2 revenue of \$4.35 billion, which represents 11 percent year-over-year growth, or 12 percent in constant currency. We exited the quarter with \$18.09 billion of Digital Media ARR, growing our ending ARR book of business 12.1 percent year over year in constant currency.

Digital Media Business Professionals & Consumers

- Revenue of \$4.35 billion growing 11% Y/Y, or 12% in constant currency. Exited the quarter with \$18.09 billion of Digital Media ARR, growing 12.1% Y/Y;
- Greater than 25% Y/Y growth in monthly active users driven by PLG optimization of the combined Acrobat and Express freemium funnel;
- Strong acquisition, usage and monetization of our AI offerings, including Acrobat AI Assistant, Acrobat Premium and Express;
- Accelerating adoption of Express creative functionality through Acrobat driving approximately 11X Y/Y growth of monthly active users due to increasing customer demand;
- Record mobile app store performance for Acrobat and Express combined, growing ending ARR greater than 40% Y/Y; and
- Strong adoption of Acrobat and Express by individuals, SMBs and enterprises across geographies.

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Within Digital Media, second quarter growth drivers for **Business Professionals and Consumers** included:

- Greater than 25 percent year-over-year growth in monthly active users driven by PLG optimization of the combined Acrobat and Express freemium funnel;

- Strong acquisition, usage and monetization of our AI offerings, including Acrobat AI Assistant, Acrobat Premium and Express;
- Accelerating adoption of Express creative functionality through Acrobat driving approximately 11X year-over-year growth of monthly active users due to increasing customer demand;
- Record mobile app store performance for Acrobat and Express combined, growing ending ARR greater than 40 percent year over year; and
- Strong adoption of Acrobat and Express by individuals, SMBs and enterprises across geographies.

Digital Media Creative & Marketing Professionals

- Revenue of \$4.35 billion growing 11% Y/Y, or 12% in constant currency. Exited the quarter with \$18.09 billion of Digital Media ARR, growing 12.1% Y/Y;
- Growth of Creative Cloud flagship offerings driven by CC All Apps, Photoshop and Lightroom, with particular strength in emerging markets driven by Latin America, India and Eastern Europe;
- Growing traction of the newly launched Firefly App web subscription and Photoshop mobile offerings;
- Significant usage of Firefly in our Creative Cloud and Firefly Apps with total generations crossing 24 billion exiting the quarter; and
- Rapid acceleration of creative and marketing automation with Firefly Services integrated with GenStudio in the enterprise.

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Within Digital Media, second quarter growth drivers for **Creative and Marketing Professionals** included:

- Growth of Creative Cloud flagship offerings driven by CC All Apps, Photoshop and Lightroom, with particular strength in emerging markets driven by Latin America, India and Eastern Europe;
- Growing traction of the newly launched Firefly App web subscription and Photoshop mobile offerings;
- Significant usage of Firefly in our Creative Cloud and Firefly Apps with total generations crossing 24 billion exiting the quarter; and
- Rapid acceleration of creative and marketing automation with Firefly Services integrated with GenStudio in the enterprise.

Digital Experience

Turning to our Digital Experience segment, in Q2 we achieved revenue of \$1.46 billion, which represents 10 percent year-over-year growth as reported and in constant currency. Digital Experience subscription revenue was \$1.33 billion, growing 11 percent year over year as reported and in constant currency.

Digital Experience Marketing Professionals

- Revenue of \$1.46 billion growing 10% Y/Y as reported and in constant currency, with subscription revenue of \$1.33 billion, growing 11% Y/Y as reported and in constant currency;
- Industry demand for Customer Experience Orchestration solutions requiring integrated offerings across content, data and journeys;
- Driving higher value from AI-infused Prime and Ultimate tiered offerings with existing and new customers;
- AEP and Apps subscription revenue growing greater than 40% Y/Y;
- Strong adoption of GenStudio with greater than 25% Y/Y growth in ARR; and
- Increasing customer value ensuring strong customer retention.

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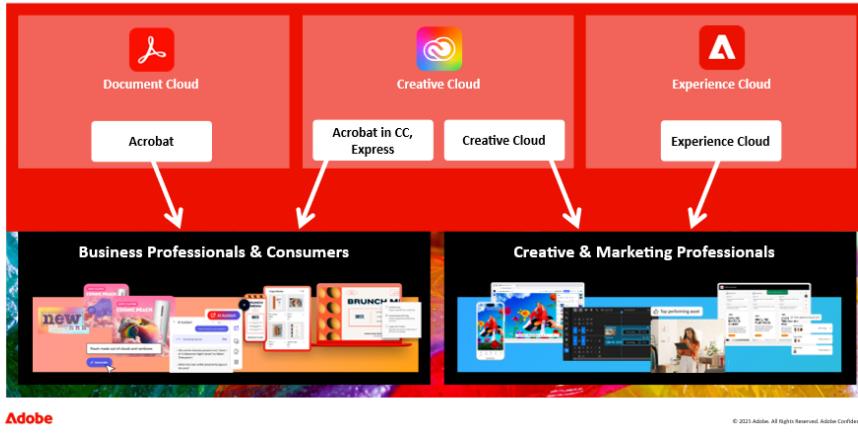
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Within Digital Experience, second quarter growth drivers for **Marketing Professionals** included:

- Industry demand for Customer Experience Orchestration solutions requiring integrated offerings across content, data and journeys;
- Driving higher value from AI-infused Prime and Ultimate tiered offerings with existing and new customers;
- AEP and Apps subscription revenue growing greater than 40 percent year over year;
- Strong adoption of GenStudio with greater than 25 percent year-over-year growth in ARR; and
- Increasing customer value ensuring strong customer retention.

Customer Groups



Adobe's success is being driven by innovation in service of both "Business Professionals and Consumers" and "Creative and Marketing Professionals".

Customer Group Performance | Q2 FY2025 Highlights

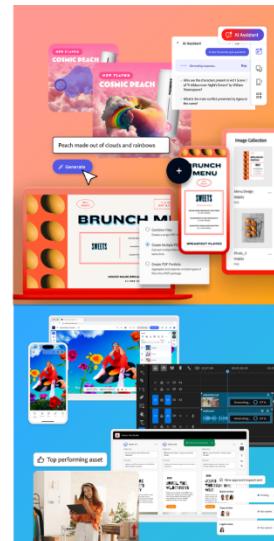
Business Professionals & Consumers Group will consist of all subscription revenue from Document Cloud, Acrobat subscription revenue in Creative Cloud, and Adobe Express subscription revenue in Creative Cloud, all of which are part of Digital Media.

- **Business Professionals & Consumers Group** subscription revenue was \$1.60 billion, which represents 15% Y/Y growth as reported and in constant currency.

Creative & Marketing Professionals Group will consist of all subscription revenue from Digital Experience as well as all of the remaining subscription revenue from Creative Cloud in Digital Media.

- **Creative & Marketing Professionals Group** subscription revenue was \$4.02 billion, which represents 10% Y/Y growth or 11% in constant currency.

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For the **Business Professionals and Consumers Group**, subscription revenue was \$1.60 billion, which represents 15 percent year-over-year growth as reported and in constant currency.

For the **Creative and Marketing Professionals Group**, subscription revenue was \$4.02 billion, which represents 10 percent year-over-year growth, or 11 percent in constant currency.

Additionally, historical subscription revenue for these customer groups is now available in the Adobe Investor Relations data sheet under 'Supplementary Customer Group Data' dating back to FY2023.

Q2 FY2025 Results

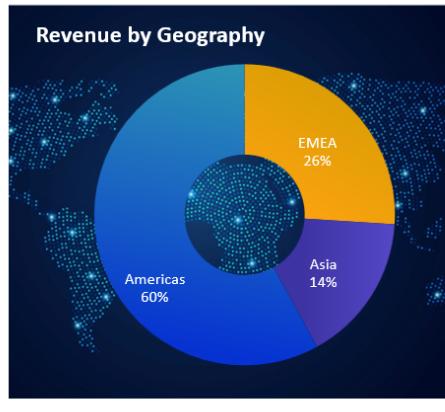
\$19.69B
RPO

\$5.71B
Cash and short-term investments

\$2.19B
Cash flows from operations

8.6M
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 Q2 was 19.5 percent on a GAAP basis and 18.5 percent on a non-GAAP basis.

RPO exiting the quarter was \$19.69 billion, growing 10 percent year over year, or 11 percent in constant currency and cRPO growing 10 percent year over year as reported and in constant currency.

Our cash flows from operations in the quarter were a Q2 record of \$2.19 billion, and ending cash and short-term investments exiting Q2 was \$5.71 billion.

In Q2, we entered into a share repurchase agreement totaling \$3.50 billion, and we currently have \$10.90 billion remaining of our \$25 billion authorization granted in March 2024.

Targets

Let me now turn to our financial targets, which assume current macroeconomic conditions.

Q3 FY2025 Financial Targets¹ | June 12, 2025

Total Revenue	\$5.875 billion to \$5.925 billion
Digital Media segment revenue	\$4.37 billion to \$4.40 billion
Digital Experience segment revenue	\$1.45 billion to \$1.47 billion
Digital Experience subscription revenue	\$1.35 billion to \$1.36 billion
Earnings per share	GAAP: \$4.00 to \$4.05 Non-GAAP: \$5.15 to \$5.20

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 non-GAAP operating margin of ~45.5%, non-GAAP tax rate of ~18.5% and diluted share count of ~425 million for third quarter fiscal year 2025.

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For Q3 FY25 we are targeting:

- Total Adobe revenue of \$5.875 to \$5.925 billion;
- Digital Media segment revenue of \$4.37 to \$4.40 billion;
- Digital Experience segment revenue of \$1.45 to \$1.47 billion;
- Digital Experience subscription revenue of \$1.35 to \$1.36 billion;
- GAAP earnings per share of \$4.00 to \$4.05; and
- Non-GAAP earnings per share of \$5.15 to \$5.20.

For Q3, we expect non-GAAP operating margin of approximately 45.5 percent and a non-GAAP tax rate of approximately 18.5 percent.

As a result of us driving strong performance in the first half of the year, we are pleased to raise our targets for FY25 total revenue, Digital Media segment revenue and EPS, as well as reaffirm Digital Experience subscription and segment revenue and Digital Media ending ARR growth for the year. Additionally, we are on pace to surpass \$250 million in AI-first direct ARR book of business exiting the year.

Updated FY2025 Financial Targets¹ | June 12, 2025

Total Revenue	\$23.50 billion to \$23.60 billion
Digital Media segment revenue	\$17.45 billion to \$17.50 billion
Digital Media ending ARR growth	11.0% Y/Y
Digital Experience segment revenue	\$5.80 billion to \$5.90 billion
Digital Experience subscription revenue	\$5.375 billion to \$5.425 billion
Earnings per share	GAAP: \$16.30 to \$16.50 Non-GAAP: \$20.50 to \$20.70

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¹Targets assume non-GAAP operating margin of ~46%, non-GAAP tax rate of ~18.5% and diluted share count of ~428 million for fiscal year 2025.



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For FY25, we are now targeting:

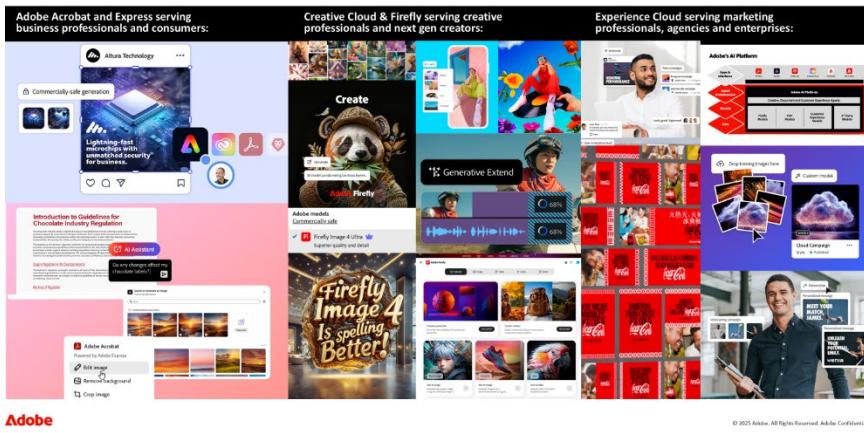
- Total Adobe revenue of \$23.50 to \$23.60 billion;
- Digital Media segment revenue of \$17.45 to \$17.50 billion;
- Digital Media ending ARR book of business growth of 11.0 percent year over year;
- Digital Experience segment revenue of \$5.80 to \$5.90 billion;
- Digital Experience subscription revenue of \$5.375 to \$5.425 billion;
- GAAP earnings per share of \$16.30 to \$16.50; and
- Non-GAAP earnings per share of \$20.50 to \$20.70.

Summary

In summary, Adobe's Q2 performance and revised FY25 targets reflect excellent execution and the momentum we're building across our portfolio in a dynamic macroeconomic environment. With a disciplined approach to investment and focus on driving customer innovation, we remain confident in our ability to deliver strong shareholder value.

Shantanu, back to you.

Q2 FY2025 Highlights



SHANTANU NARAYEN

Thanks, Dan.

Our strong Q2 performance highlights our momentum and how we're leveraging AI to drive exponential value in the creative economy. As a result of our strategy and execution, we're confident in our ability to deliver value to existing customers and attract new users.

I'm incredibly proud of how our teams around the world continue to create the future, raise the bar and bring our purpose to life. Adobe continues to attract great talent and we're excited to welcome new college graduates and interns to help us change the world through personalized digital experiences.

Thank you and we will now take questions. Operator.

Q&A

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