

# Adobe Company

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**Date:** 2/25/2022 **Current Price:** \$467.68 (02/25/2022) **Recommendation:** BUY  
**Ticker - NASDAQ:** ADBE **Target Price:** Scenario 1 - \$440.45 & Scenario 2 - \$881.55

## INVESTMENT SUMMARY

My recommendation for Adobe Company (ADBE) at the time - 02/25/2022 is BUY because both target prices in scenario 1 (sales growth rate increases normally): \$440.45 and scenario 2 (sales growth rate increases incredibly cause of Metaverse): \$881.55 are higher than the current price - \$467.68 with the upsides respectively are 6.8% and 88.49%.

02/25/2022	
Stock Price	\$467.68
52-Week Range	\$416.81- \$699.54
Market Capitalization	\$219B
Enterprise Value	16B
EPS (TTM)	46.46x
P/E Ratio (TTM)	10.02

Valuation	DCF	Relative Valuation
Scenario 1 (without Metaverse)	\$471.5	\$527.4
Scenario 2 (with Metaverse)	\$1,235.7	\$527.4
Weights	50%	50%
Target Price	\$449.45	\$881.55

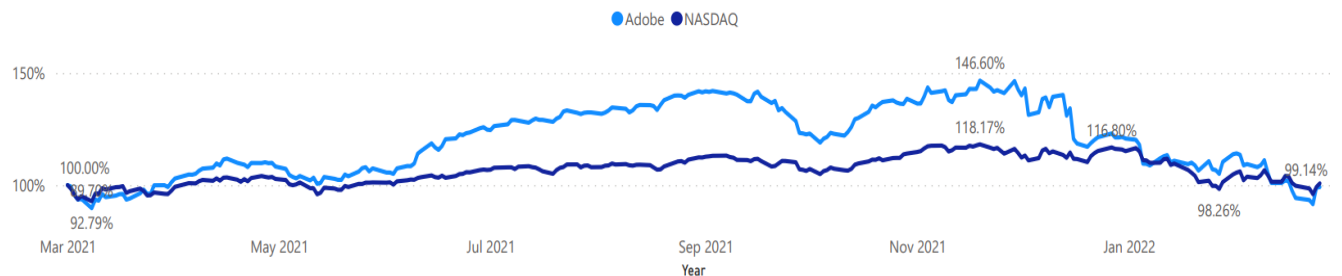


Figure 1: 52-week stock price performance between Adobe & NASDAQ index.

The recommendation is mainly driven by the information below.

**Growth Drivers:** the spending for software industry is expected to increase up to \$750 billions in 2023, meanwhile Adobe is also forecasted to address 80% of total “Creative Software Industry” shares. This leads to the potential of growing in its sales. Besides, the information of Metaverse is coming soon might affect a lot in the growing sales of Adobe in the future.

**Valuation:** the target price is computed based on two scenarios. The first scenario is with the normal sales growth rate following what Adobe is doing, the second one is with the significant growth rate in sales if the Metaverse happens. The method of evaluating the target price in both two scenarios using discount cash flow model and relative valuation.

**Main Risks:** The most considering risks for Adobe can be accounted for the highly competitive with a lot

of competitors in the software industry market, also for the covid 19 & its variants, and the change in currency exchange and interest rate somehow affects Adobe's revenue.

## BUSINESS DESCRIPTION

Adobe is a leading creative software firm that develops and sells software and services for creating and managing content. Its products and services are not only for personal computers but also across mobile and web.

The company has two main segments: digital Media and digital Experience Digital Media segment generates 73% of the company's revenue, while digital experience segment produces 24% of total revenue in 2021.

Digital Media segment offers offer two types of products. One is Adobe Creative Cloud with a lot of familiar software such as Photoshop, Adobe Illustrator, Lightroom, Premiere, etc. The other one is Adobe Document Cloud with products are Adobe Reader, Adobe Signing, and Adobe Publishing, etc. In 2021, Digital Media Segment Revenue is \$11.52 billion, in there \$9.55 billion for Creative Cloud & \$1.97 billion for Adobe Document Cloud. Digital Media Segment revenue is expected to increase up to \$41 billion (figure 2).

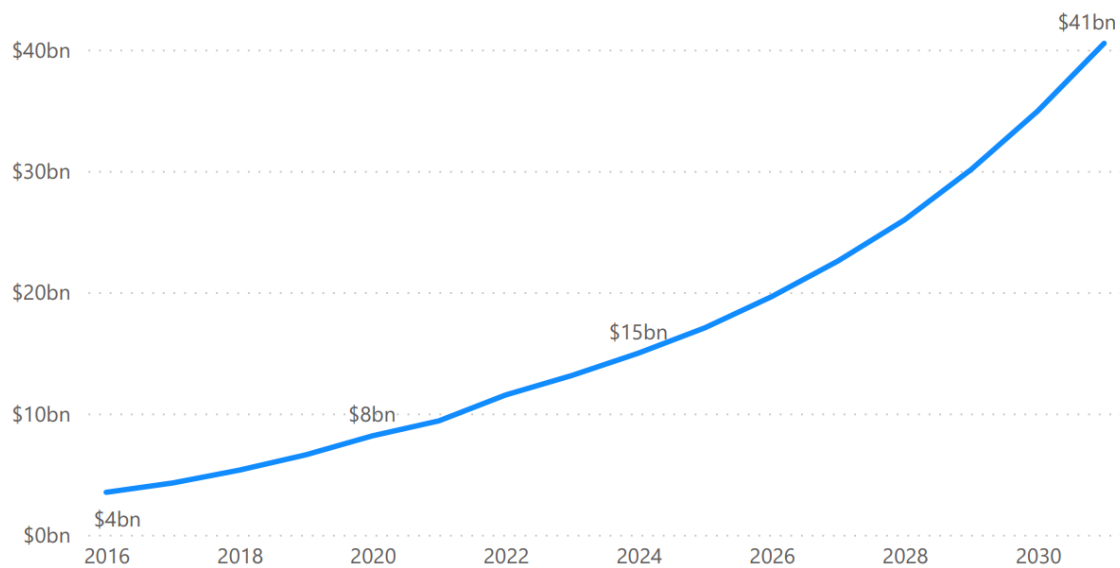
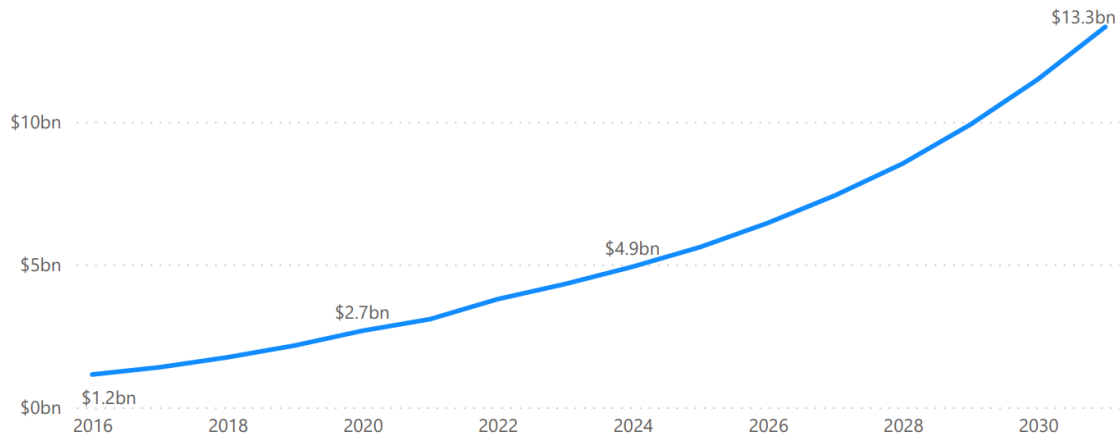


Figure 2: Digital Media Segment Revenue by Years

Digital Experience Segment offers “Adobe experience Platform” which “is an open system that transforms all users’ data — Adobe and non-Adobe — into robust customer profiles that update in real time and uses AI-driven insights to help you to deliver the right experiences across every channel.” <sup>(1)</sup> In 2021, Digital Experience Segment Revenue is \$3.87 billion, and it is expected to increase till \$13.3 billion in 2030 (figure

3).



*Figure 3: Digital Experience Segment Revenue by Years*

## MANAGEMENT & GOVERNANCE

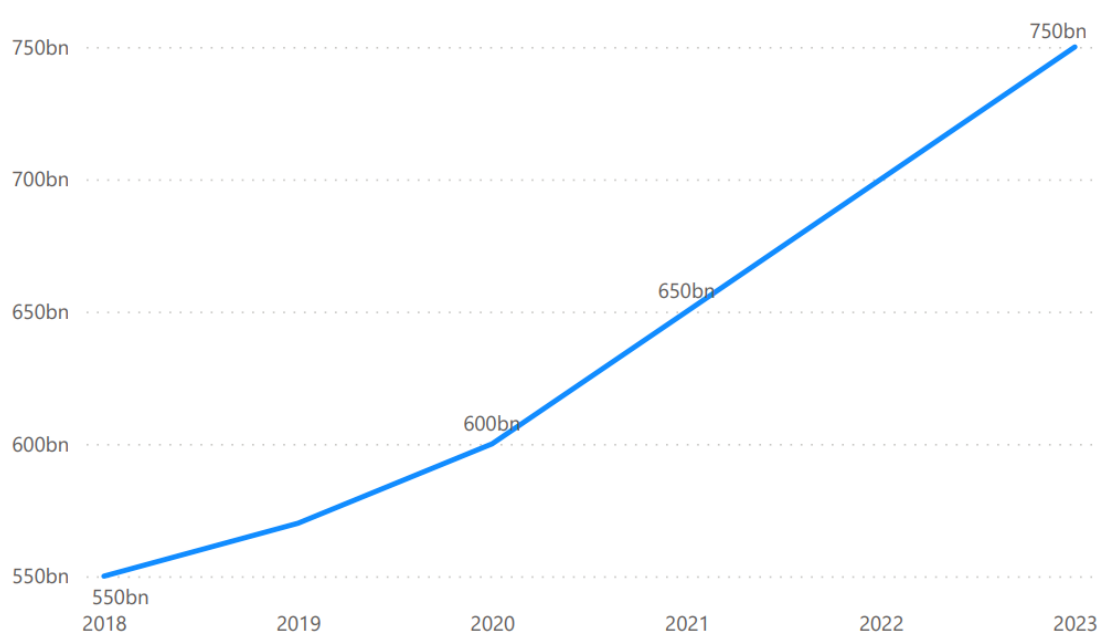
The executive management team at Adobe has played a crucial role in the company's success. The page Comparably.com has graded Adobe Executive Team an "A+". According to Comparably with 10,000+ Workers, employees put Adobe's Executive Team in the top 5% of similar-sized firms. Adobe's score is also the highest among its five competitors, which are Salesforce, Google, Microsoft, Apple, and Oracle. The two co-founders of Adobe - Dr. John Warnock and Dr. Charles Geschke has retired after contributing a lot for Adobe to get its position today. Since 2017, the company has been led by CEO Shantanu Narayen, who has worked for Adobe for more than 20 years in many different positions. His experience with Adobe gives him a wide understanding of the company, also a deep knowledge about its industry and corporate governance issues.

In terms of Corporate Governance, "Adobe Inc.'s ISS Governance *Quality Score* as of February 1, 2022, is 3. The pillar scores are Audit: 4; Board: 4; Shareholder Rights: 1; Compensation: 8" <sup>(2)</sup> The score of 3 is quite low in the range of 1 to 10, this brings up a quite good reputation for Adobe in corporate governance.

## INDUSTRY OVERVIEW AND COMPETITIVE POSITIONING

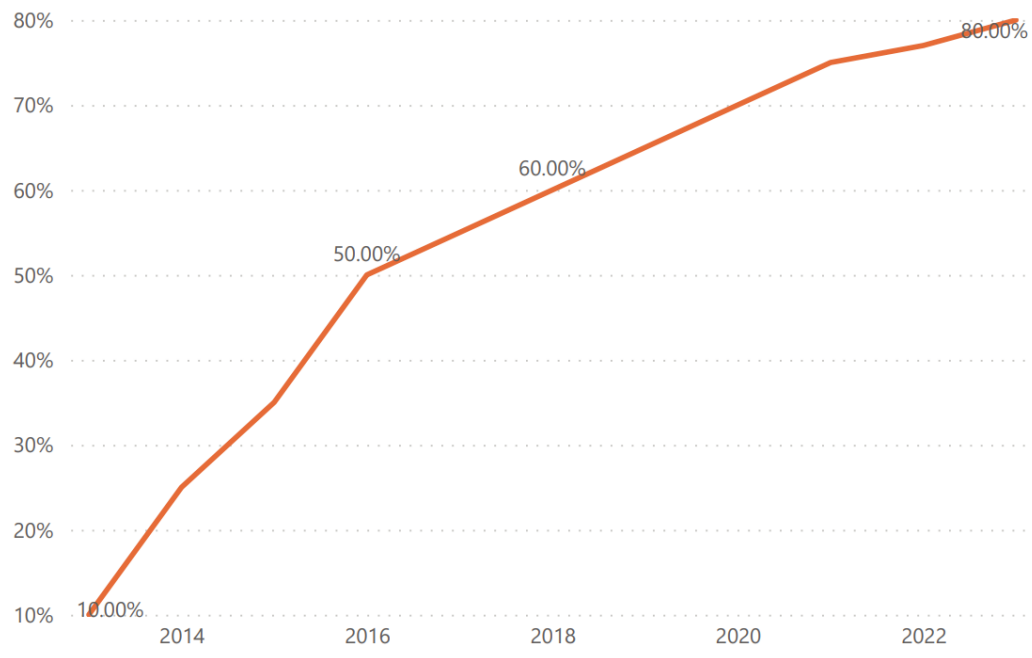
### Industry Overview

Adobe belongs to the software industry which is one of the most competitive industries with the threat of a lot of potential competitors and new technology every day. The spending of software industry was around \$650 billion in 2021 and it is forecasted to increase up to \$750 billion in 2023.



*Figure 4: Software Industry Spending by Years*

Adobe is defined to be long to software industry, however when take a deeper look in what they are doing, their products and services, we can say that Adobe is more about creative software company. And according to Trefis, a financial research firm, Adobe takes 65% of the total creative software industry, and it is forecasted to increase up to 80% in 2023.



*Figure 4: Adobe Share in the creative software industry by Years*

According to the potential growth of the software market in general, and the potential growth of Adobe

share in the creative software market in specific, we can see that there is very high potential for Adobe to grow and get more in revenue.

## Competitive Positioning

In the software industry, there a lot of companies, but ones that seem to be closer to Adobe company's structure and considered as Adobe's competitors can be counted for the companies like Autodesk (ADSK), Oracle (ORCL), Salesforces (CRM), SAP, IBM, and Microsoft (MSFT).

Autodesk is a design software and services company established in 1982, the keys products of Autodesk are AutoCAD Civil 3D; AutoCAD; and CAM (computer-aided manufacturing).

Oracle was founded in 1986 and provides business information technology products and services.

Salesforces, founded in 1999, is a company that specializes in customer relationship management

technologies. SAP is a company that specializes in corporate application software and enterprise resource planning, established in 1972. IBM, founded in 1911, delivers data and information technology solutions and products; its products range in five segments which are Cloud and cognitive software, Global

Business Services, Global Technology Services, Systems, Global Financing. Microsoft is founded in

1975, it is a technology firm that creates and maintains software, services, hardware, and software-as-a-service.

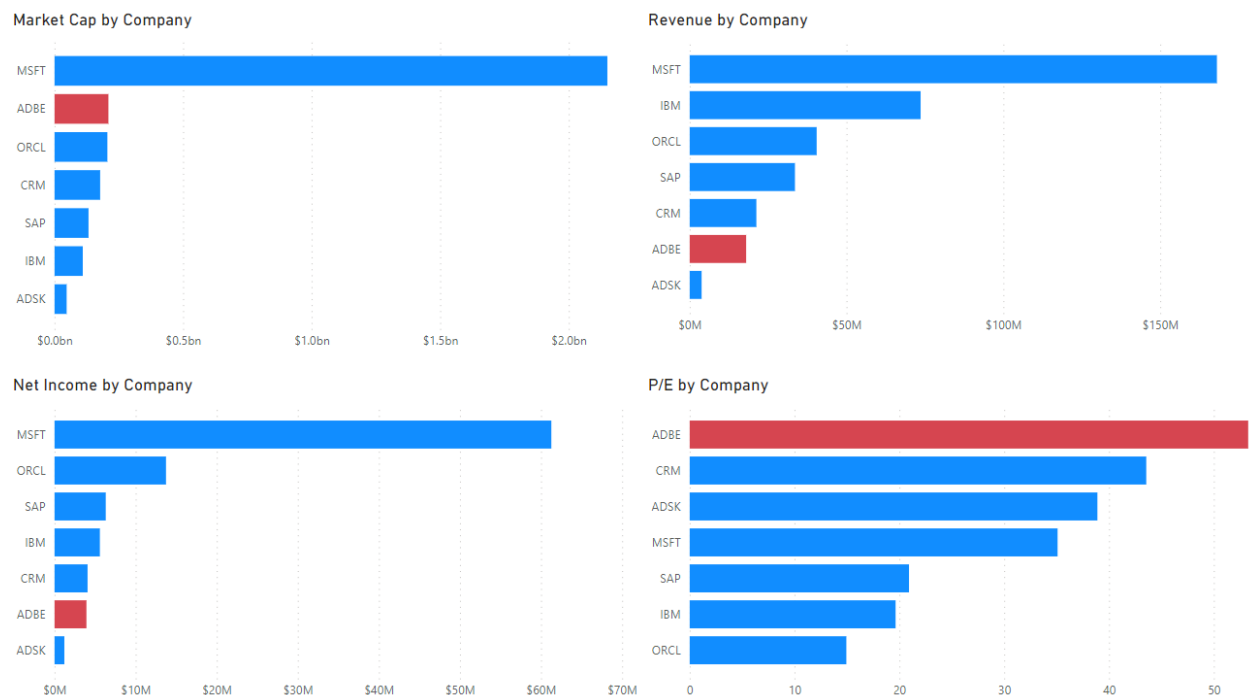


Figure 5: Adobe & Competitors by Market Cap, Revenue, Net Income & P/E in 2021

As we can see in figure 5, Adobe is in the second place in Market Cap, the 6<sup>th</sup> place in Revenue and Income,

but the 1<sup>st</sup> place in P/E.

## Porter Five Forces

In a very competitive industry like Software industry, Adobe must face some of the remarkable threats about competitors, substitutes, and customers.

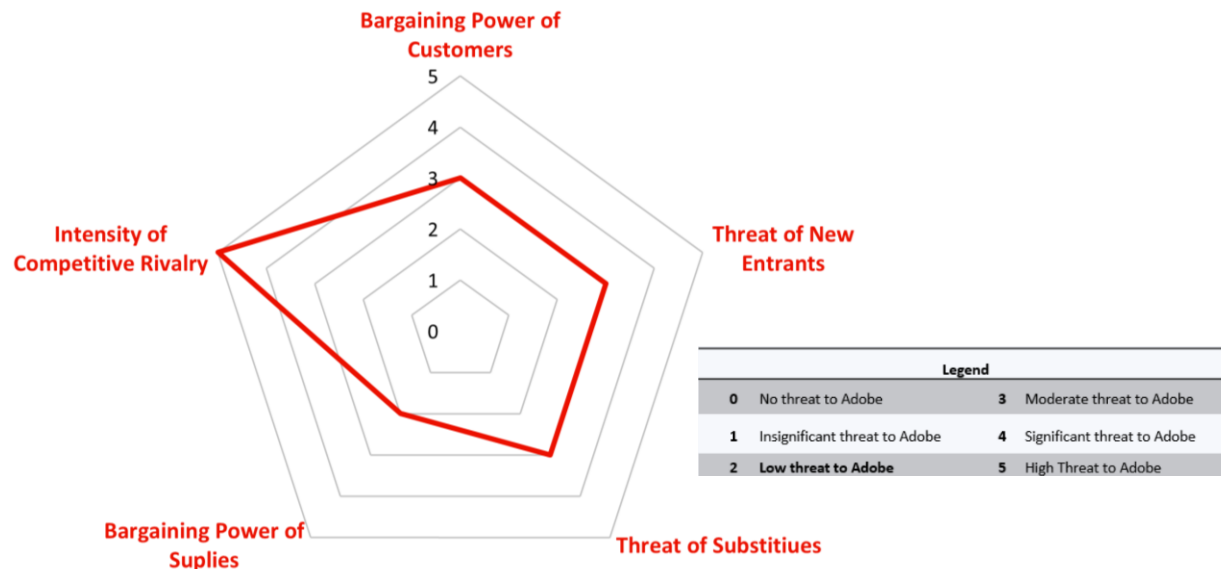


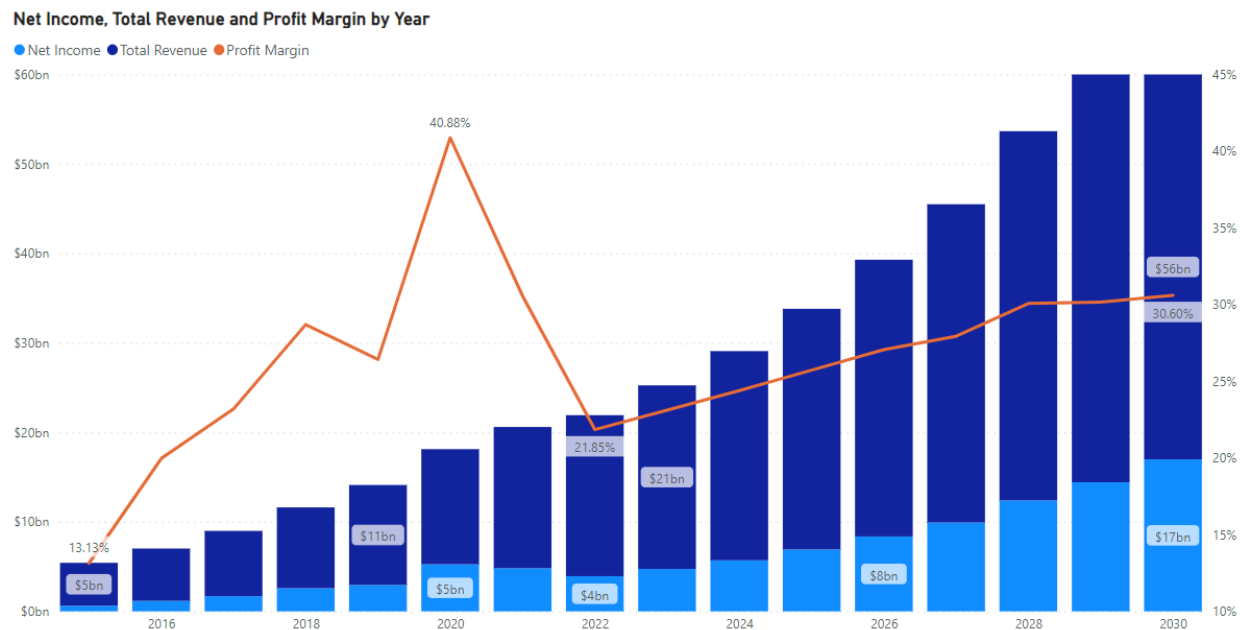
Figure 6: Adobe's Porter Five Forces

**The threat of competitive rivalry is high** for Adobe; this is extremely common for every software and technology firm since everything in technology moves very quickly; whomever has the most inventive and superior technology will have the power of control. **The bargaining power of customer is moderate** for Adobe since customers may put pressure on the firm to produce new versions of its goods, but this can also be transformed into an opportunity to have customers renew their membership to acquire a new version. **The threat of new entrants is also moderate**, because if a new company wants to join the software business, they must at least have the technology for their goods and services, which is not always the case anymore. **The threat of substitutes is moderate**; Adobe has many rivals, many of which provide identical products to Adobe at a lower cost or even for free. However, unlike Adobe, most of them just provide a single product rather than the entire creative cloud with a vast number of various tools. The last one is **bargaining power of Suppliers, which poses a low threat** to Adobe because most of their goods can be manufactured in-house without the need for outside suppliers, and their major supplier can be depended on to be their workers (Figure 6).

## FINANCIAL ANALYSIS

### Profitability

Adobe's net income in 2021 was roughly \$5 billion, accounting for over 28 percent of total sales; by 2030, the net income is expected to rise to \$17 billion, accounting for 30.3 percent of total revenue - \$56 billion. The profit margin improved and reached a peak of 40.88 percent in 2020 — the year of COVID 19, indicating that Adobe is one of the firms who fared well during the crisis. When the COVID outbreak occurred, people were forced to quarantine and stay at home more than ever before, and many people created creative content at home, which is why Adobe's revenue and net income in 2020 are significantly greater than in 2019. The profit margin returned to normal in 2021, and it is expected to climb gradually in the next years (figure 7).



*Figure 7: Adobe's Net Income, Total Revenue and Profit Margin by Year*

Return on Asset (ROA) and Return on Equity (ROE) show how well investors' investment (Equity) and asset management in generating income. ROA & ROE follow a similar pattern of Profit margin. ROA climbed from 6% in 2015 to 23% in 2020, and it is predicted to rise progressively in the following years at its usual rate. ROE was 9% in 2015, 44% in 2020, and then gradually declined to 20% to 17% from 2022 to 2030 (Figure 8).

### ROA % (Net) and ROE % (Net) by Year

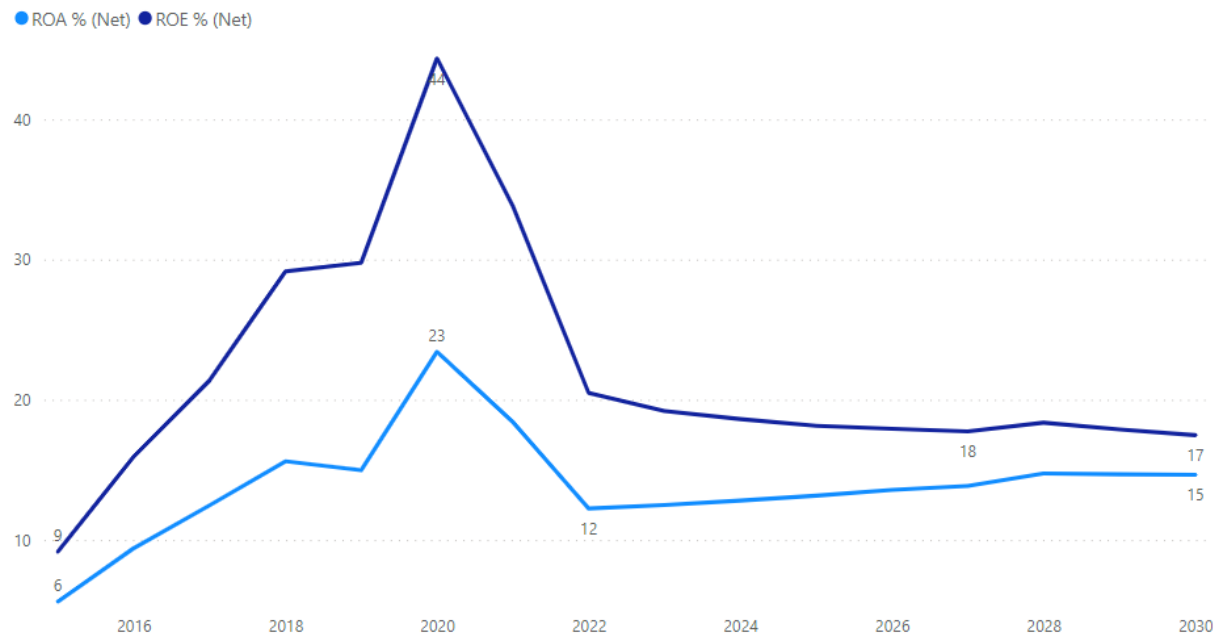
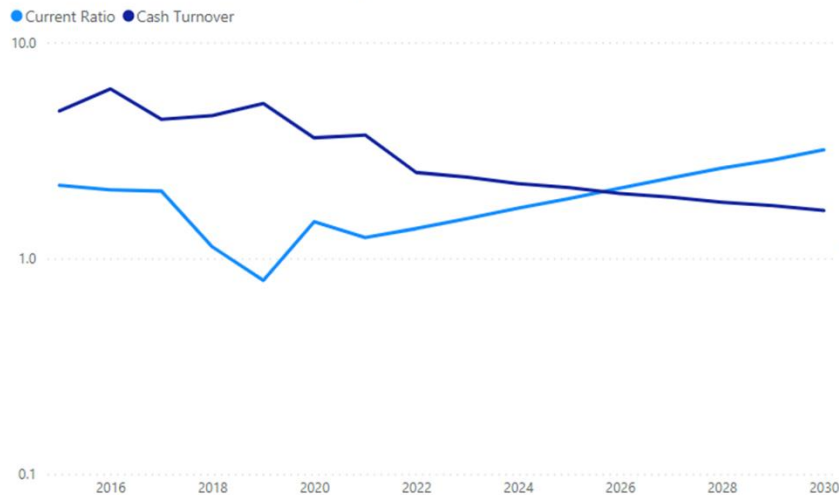


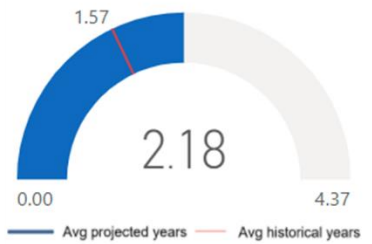
Figure 8: Adobe's ROA & ROE by Year

## Liquidity

### Current Ratio and Cash turnover Ratio by Year



### Current Ratios



### Cash Turnover

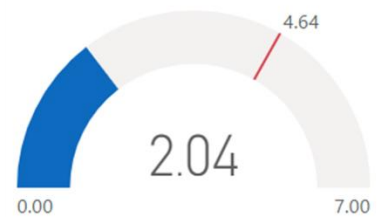


Figure 9: Adobe's Liquidity Ratios



The current ratio, which measures the company's capacity to service short-term debt, fell from 2.18 in 2015 to 0.79 in 2019, and it has since risen. The historical average current ratio (from 2006 to 2021) is 1.57 which is lower than its industry – 1.66 (*appendix – industry ratios*), in the projected average current ratio (from 2022 to 2030) is anticipated to be somewhat higher - 2.18. Meanwhile, cash turnover gradually declines with time. The average historical cash turnover (from 2006 to 2021) is 4.64, whereas the average current ratio in the future years (2022 to 2030) is just 2.04 (figure 9)

## Activity

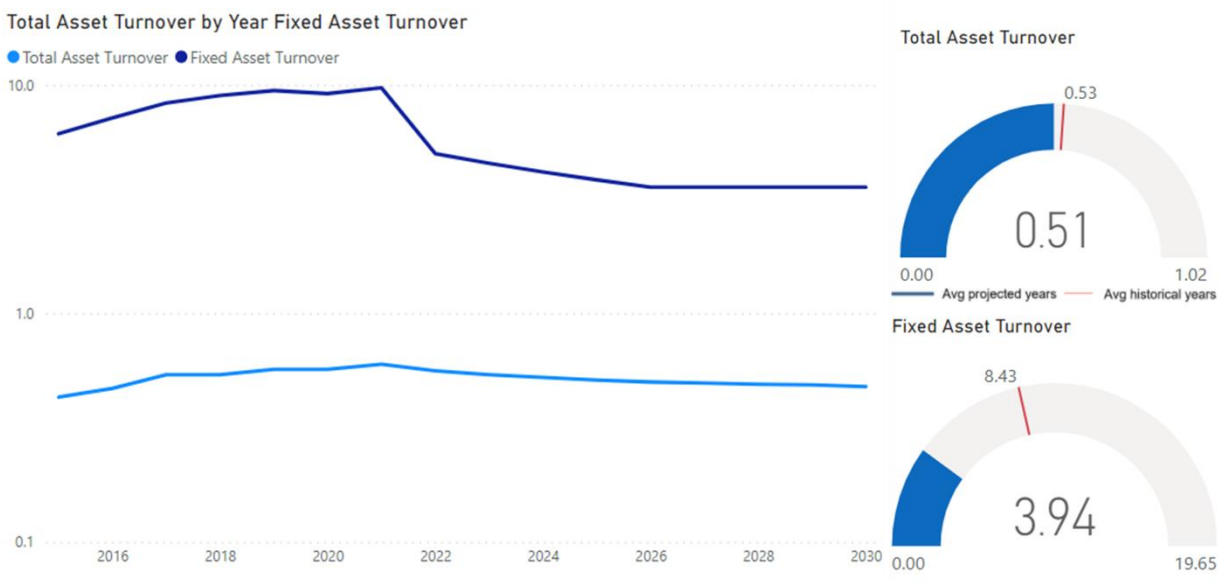


Figure 10: Adobe's Activity Ratios

The activity ratios demonstrate how successfully the organization utilizes its assets to generate revenue. Total asset turnover appears to have been constant throughout the years, with an average historical rate of 0.53 – lower than the industry's 0.74 – and an average predicted rate of 0.51. Fixed Asset turnover grew to 10 in 2021, then began to decline; its average historical rate is 8.43, while the average anticipated rate is just 3.94. Overall, in the future, the company is less efficient in managing their asset better to create more revenue.

## Financial Leverage

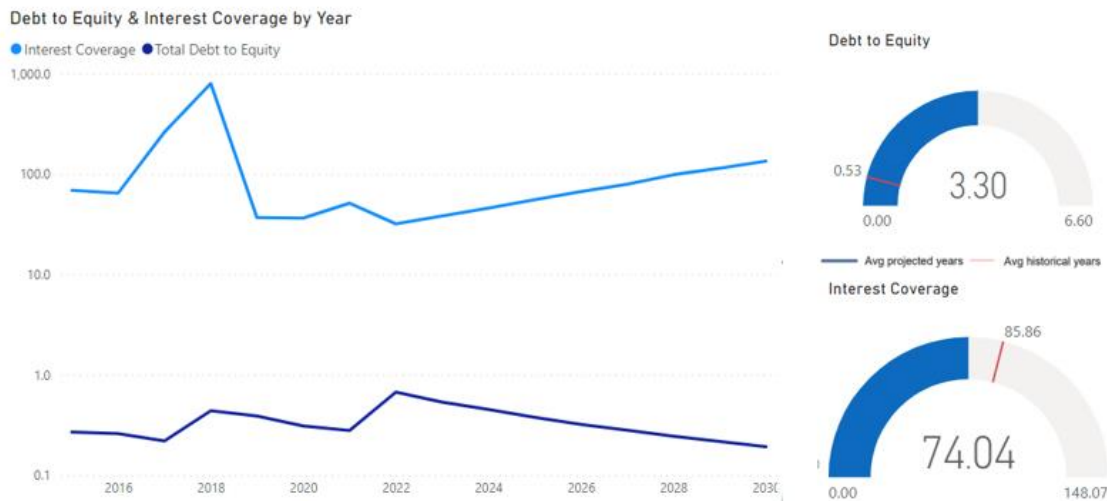


Figure 11: Financial Leverage Ratios

Debt to equity relates total debt to complete equity. Equity has been highly volatile in recent years, but it is expected to rise steadily in the future. In the past, its average rate was 0.53, which was significantly lower than the industry rate of 1.1; in the future, its average rate is 3.30, indicating that with \$1 in equity, we may have \$3.3 in debt. On the other hand, the interest ratio, which is used to evaluate a company's capacity to pay interest on current debt, has climbed in the past but will fall in the future; its historical average rate is 85.86, while its predicted rate is 74.04. Overall, financial leverage appears to be riskier in the future.

## VALUATION

The valuation methods used for Adobe are the discount cash flow model and relative valuation. We will estimate Adobe's stock price till 2030 using the discount cash flow (DCF) model, and the Monte Carlo Simulation will be used to validate the price we acquire from the DCF model. With the relative valuation, we will calculate the P/E multiplier, EBITDA multiplier, Sales Multiplier, and Book Value Multiplier to get Adobe's average price. The 50:50 portion will be utilized for the DCF model and relative value to determine Adobe's target price.

### Discount Cash Flow Model

In Discount Cash Flow Model, some of assumptions are made to able to work on this model. I created the common size of Adobe's income statement, balance sheet, also ratios based on sales. Then looking at the trend of these values, as well as compare with the industry, and checking the news to make these assumptions.

### Revenue Assumption:

		2020	2021	2022E	2030E
Revenue	Digital Media Segment	\$9.23B	\$11.52B	\$13.13B	\$40.53B
	Digital Experience Segment	\$3.4B	\$3.87B	\$4.32B	\$13.32B
	Total	\$12.87B	\$15.79B	\$17.99B	\$55.52B
YoY% Revenue	Digital Media Segment	20%	25%	14%	16.5%
	Digital Experience Segment	6%	24%	14%	16%
	Total Revenue Growth	15%	25%	14%	16%

*Table 1: Revenue Assumptions*

In 2021, the Digital Media segment accounted for 73% of total revenue, while the Digital Experience segment accounted for 24% of total revenue. From 2006 through 2021, the average YoY sales growth rate was roughly 14%. From 2018 to 2021, the CAGR of the Digital Media and Digital Experience segments is roughly 16%. According to Adobe company's annual report, their revenue growth rate for 2022 in both primary segments is similarly 14–16 %. As a result, I chose to anticipate that the revenue growth rate from 2022 to 2030 will progressively increase from 14% to 16% (*Table 1*). This is what I consider as scenario 1, when the sales growth rate increases normally following what Adobe is doing now.

In Scenario 2, if the Metaverse is realized, the rate of sales growth might be double what it is now. According to USAtoday.com, *Metaverse is “a combination of multiple elements of technology, including virtual reality, augmented reality and video where users “live” within a digital universe. Supporters of the metaverse envision its users working, playing, and staying connected with friends through everything from concerts and conferences to virtual trips around to the world”*<sup>(3)</sup>. Last year, Facebook and Microsoft both made moves regarding the Metaverse, making the issue more popular than ever. A lot of internet news is starting to provide information on companies that will gain from Metaverse, including Adobe, one of the leaders in the creative software business. Metaverse is expected to launch around the end of 2022 or the early following year. When this occurs, it will have a significant impact on Adobe sales, its sales growth rate will increase to 30%

External Factor Assumptions:

External Factor	2022-2030
(1) Risk Free Rate	1.83% - 3%
(2) Market Risk Premium	5.6%-5.4%
(3) Interest rate on debt (Cost of Debt)	2.80%
(4) Cost of Equity	4.41% - 2.80%
(5) Capital Structure (% debt)	22.31% - 4.75%
(6) WACC (discount rate)	3.94%-5.33%
(7) Perpetual CF growth	2.3%
(8) Perpetual Discount	5.33%

*Table 2: External Factors Assumptions*

(1) Risk Free-rate is estimated from a 10-year-treasury rate by looking at its average rate from 2015 to 2021, and its trend. (Appendix)

(2) Market Risk Premium is estimated from “Average market risk premium in the United States from 2011 to 2021” by looking at its average rate from 2015 to 2021, and its trend. (Appendix)

(3) Cost of debt – is the yield of Adobe’s bond with maturity is 1/31/2030 (Appendix)

(4) Cost of Equity:  $(2) * \text{Beta} + (1)$

(5) Capital Structure =  $\text{LT Debt} / (\text{LT Debt} + \text{TE})$

(6) WACC =  $[1 - (5)] * (4) + (5) * (3) * (1 - \text{Depreciation})$

(7) Perpetual CF growth – is the forecast GDP growth rate of the US from 2020 to 2030. (Appendix)

(8) Perpetual Discount = WACC of 2030

Payout and Financing Assumptions:

<u>Payout and Financing</u>	<u>2022-2030</u>
Debt portion to finance operations	100%

*Table 3: Financing Assumptions*

(9) Debt Portion is 100% - Assume whenever Adobe need money to finance something it just goes and borrows it.

Parameter Estimates

Parameter Estimates	2022-2030	Tax rate	18%
COGS/Sales	12%-10%	Cash/Sales	40%-60%
Selling General & Admin	41%-36%	Account Receivable/Sales	11-14%
Depreciation & Amortization	1.6%-1.5%	Other Assets/Sales	110%-115%
Research & Development	18%-15%	Fixed Assets/Sales	20%-28%
Other Non-Operating Expense/Sales	-0.10%	AP. Acr Exp etc/Sales	14%-15%
Depreciation/FA	0.1% - 6%	Beta	0.46

*Table 4: Parameter Estimates*

All the values in *Table 4: Parameter Estimates* (Except Beta) are computed by determining their common size with sales, then comparing with the industry, average growth rate, and looking at their trend to make assumptions.

The beta is determined by taking the risk-free rate and the Adobe stock price, as well as the NASDAQ market price in the past (from 2006 to 2021), and then applying the capital asset pricing model (CAPM) to get the Beta. The Beta indicates the company's risk in the market.

## The Models

After assuming all of the required data for the DCF model, I began utilizing them to generate the income statement, balance sheet, investment module, and financing module for the future years (2022 to 2030) (Appendix). Then, using them to determine the free cash flow for future years and compute the net present value (NPV). When I add all the NPVs together, I get the Enterprise Value; then I subtract it to the Net Debt, I obtain the Equity Value. Finally, I divided the Equity Value by the number of shares outstanding to get the projected price.

Scenario 1: Sales grow normally (without Metaverse)

Cash flow	2022	2023	....	2029	2030
	0	1	....	7	8
Operating CF	\$4,070,997	\$4,998,810	....	\$15,288,343	\$17,957,653
Net CAPEX	\$478,341	\$1,035,822	....	\$25,969,58	\$3,012,471
Net NWC	\$1,030,113	\$1,342,419	....	\$4,455,889	\$6,432,323
Free cash flow	\$2,562,542	\$2,620,568	....	\$8,235,495	\$8,512,858 + \$287,179,994 (Terminal Value)
NPV Cash Flow	\$2,562,542	\$2,514,992	....	\$5,744,623	\$195,138,338
Enterprise Value	\$224,773,022				
Net Debt	\$833,326				
Equity Value	\$223,939,696				
Share Outstanding	475,000				
<b>Projected Price</b>	<b>\$471.45</b>				

Table 5: Projected Price of scenario 1 (without Metaverse) by using the DCF model

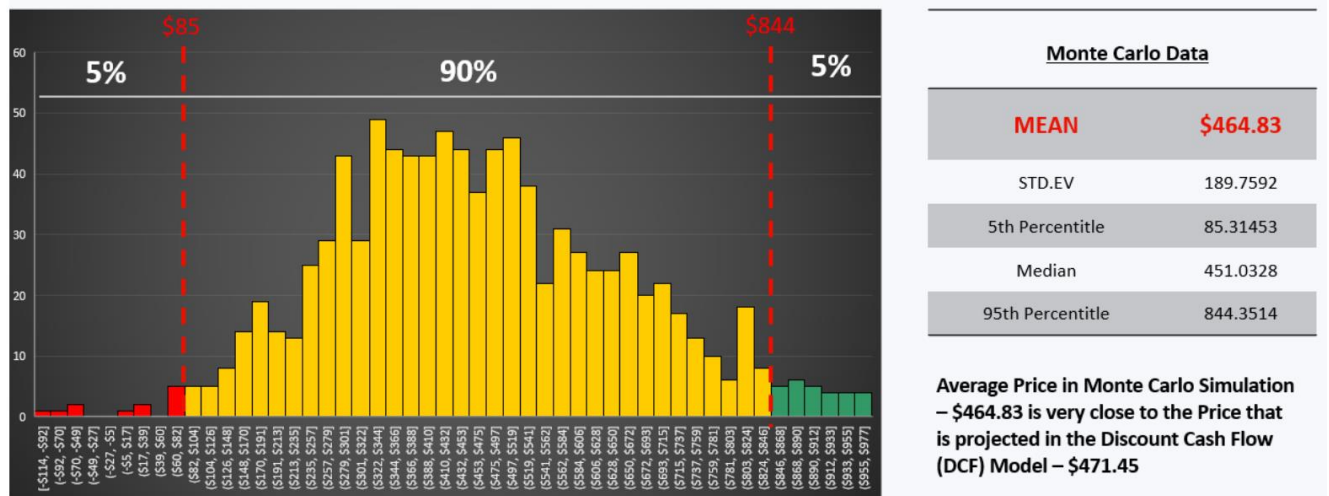


Figure 12: Monte Carlo simulation to validate the projected price in scenario 1.

Table 5 is for Scenario 1, in which Adobe's expected future sales growth rate is derived based on what

they are doing now. The projected price is \$471.45, which is quite near to and valid in comparison to the price obtained from the Monte Carlo Simulation – which is 464.83 (Figure 12).

Scenario 2: Sales grow incredibly (with Metaverse)

Cash flow	2022	2023	....	2029	2030
	0	1	....	7	8
Operating CF	4,070,997	5,453,018	....	33,165,052	43,620,143
Net CAPEX	478,341	107,969	....	215,939	215,939
Net NWC	1,030,113	2,114,401	....	15,450,692	23,560,218
Free cash flow			....		
	2,562,543	3,230,648		17,498,421	19,843,986 + 771,514,618 (TV)
NPV Cash Flow	2,562,543	3,102,155	....	\$5,744,623	\$195,138,338
Enterprise Value				\$587,794,205	
Net Debt				\$833,326	
Equity Value				\$ 586,960,879	
Share Outstanding				475,000	
<b>Proj Stock Price</b>					<b>\$1235.71</b>

Table 6: Projected Price of scenario 2 (with Metaverse) by using the DCF model

Table 6 is for Scenario 2, in which Adobe's predicted future revenue growth rate is calculated based on the future presence of Metaverse, while long-term assets and long-term liabilities continue to increase steadily. The projected price is \$1,235.71, which is nearly three times the price projected in Scenario 1.

## Relative Valuation

	ADBE	ADSK	ORCL	CRM	SAP	IBM	MSFT	Average
P/E (forward or last earnings)	53.28	38.90	14.94	43.56	20.92	19.64	35.10	32.33
EBITDA multiplier	42.46	71.55	12.54	291.24	16.25	-42.44	27.54	76.93
Sales multiplier	11.64	12.40	5.07	8.35	3.94	1.49	12.79	7.95
Book Value multiplier	10.91	48.67	39.22	4.27	4.45	5.81	15.15	18.35

	Cap Based on AVG	Price per share
P/E (forward or last earnings)	\$ 127,117,363.68	\$ 267.62
EBITDA multiplier	\$ 379,575,062.80	\$ 799.11
Sales multiplier	\$ 143,142,322.73	\$ 301.35
Book Value multiplier	\$ 352,292,497.10	\$ 741.67
<b>Average Price</b>		<b>\$ 527.44</b>

Table 7: Projected Price in Relative Valuation

In Relative Valuation, I calculated the industry average for each multiplier using Adobe and six other businesses that are considered Adobe's comparable competitors: Autodesk (ADSK), Oracle (ORCL),

Salesforce (CRM), SAP, IBM, and Microsoft (MSFT). There are four multipliers used: the P/E multiplier, the EBITDA multiplier, the Sales multiplier, and the Book Value multiplier. After obtaining the industry average for each multiplier, I used it to get Adobe's Market Cap, which I then divided by the number of shares outstanding to obtain the Price per share. I get the projected price using the relative valuation by taking the average of these prices, which is \$527.44.

### Target Stock Price

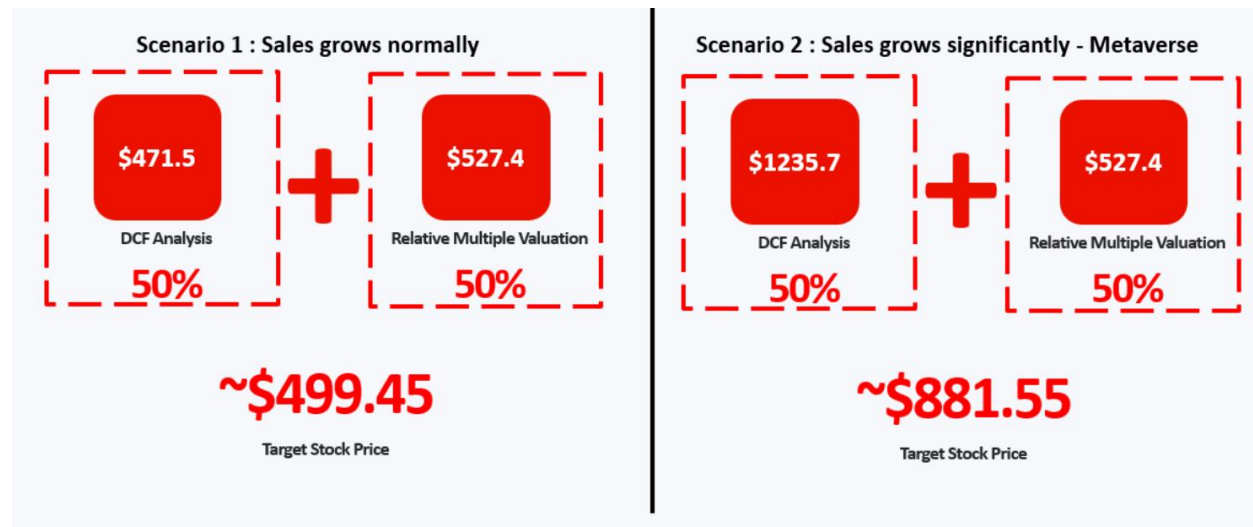


Figure 13: Target Stock Price in both scenarios.

By using the portion 50:50 for the projected prices from DCF model and Relative Valuation, we get the target stock price for each scenario. In scenario 1 – sales grow normally, the target stock price is \$499.45. In scenario 2 – sales grow significantly with Metaverse, the target stock price is \$881.55.

### INVESTMENT RISK

Some of the risks that might affect directly to the investment are also analyzed. They are Market Risk, Operational Risk, Regulatory Risk, General Risk, and Economics Risk.

**Market Risk – MR:** With the introduction of new technologies and an increasing number of comparable rivals daily, Adobe is facing a significant risk in growing its firm. This needs more and more upgrades, as well as R&D innovation, to provide better products and services.

**Operational Risk – OR:** Rely on data centers maintained by Adobe as well as third parties to host and provide its services. Any malfunction with these centers will cause a major problem for the entire system. Also, because Adobe is an international organization, it must deal with distinct hazards in each region, with difficulties ranging from employees to management that are changing daily.



**Regulatory Risk – RR:** Compliance with rules and regulations throughout the world is another issue that arises when establishing a worldwide business. Any failure to meet the rules and regulations in any region may result in compensation for Adobe. Furthermore, people are becoming increasingly concerned about the privacy and security of their personal information, which has resulted in a greater regulatory focus on privacy and security problems.

**General Risk – GR:** The environment and climate change are also regarded as hazards to Adobe's business operations. Furthermore, the COVID 19 and its variations continue to occur, and we don't know how long it will take for the COVID to vanish. The omicron variant, which appears to be more contagious but also weaker, offers us optimism that this COVID may become a normal illness.

**Economics Risk – ER:** Foreign currency fluctuations and controls may be a major issue for Adobe, since sales to customers outside of the Americas account for 43 percent of overall income. Another risk is an increase in interest rates; as of December 3, 2021, the value of Adobe debt securities as a short-term investment is \$1.95 billion. Changes in interest rates may hurt the market value of certain investments. Furthermore, the current situation with the conflict has caused the price of energy (oil & gas) to skyrocket; if this continues or worsens, it might spark a new global crisis.

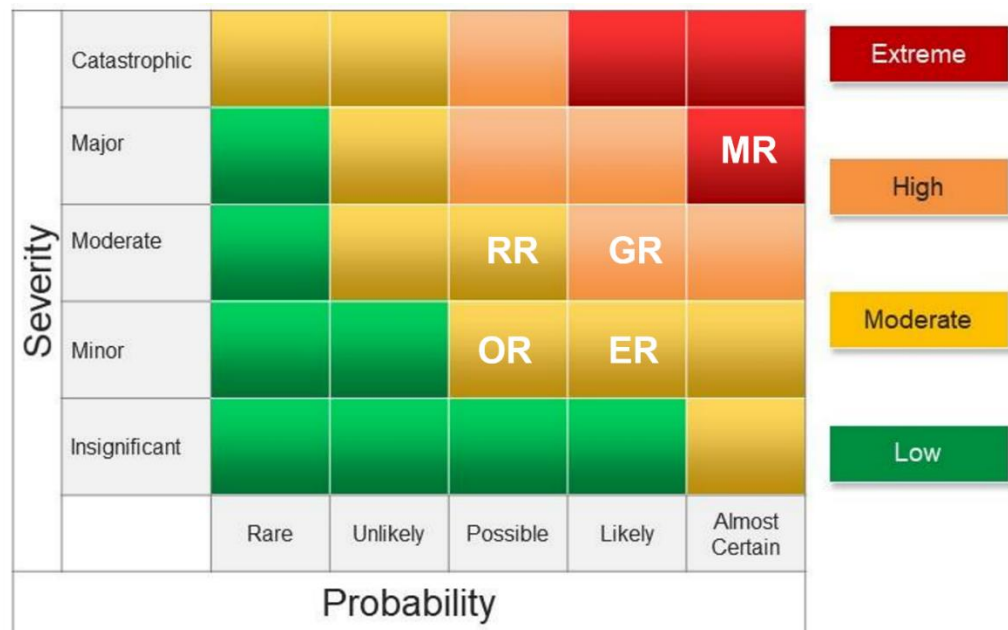


Figure 14: Adobe risks matrix

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[https://markets.businessinsider.com/bonds/adobe\\_inc-bond-2025-us00724fac59](https://markets.businessinsider.com/bonds/adobe_inc-bond-2025-us00724fac59)

<https://www.adobe.com/investor-relations.html>

[https://tippie.uiowa.edu/sites/tippie.uiowa.edu/files/documents/krause/s17\\_adbe1.pdf](https://tippie.uiowa.edu/sites/tippie.uiowa.edu/files/documents/krause/s17_adbe1.pdf)

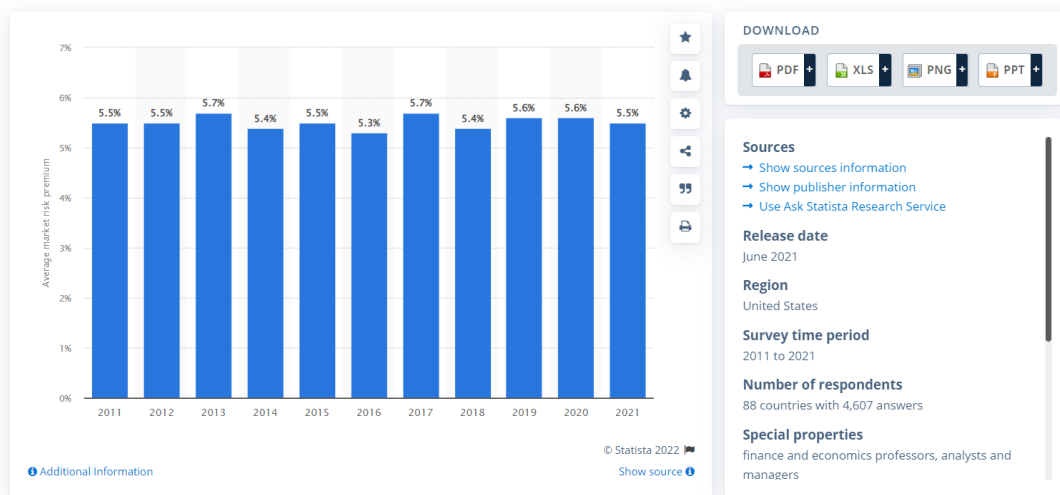
<https://finance.yahoo.com/>

<https://www.mergentonline.com/basicsearch.php>

## Appendix

### 1. Market risk Premium:

Average market risk premium in the United States from 2011 to 2021



## 2. Risk Free Rate – 10-Year-Treasury



## 3. Cost of debt – Adobe bond yield rate.

### More Bonds of Adobe Inc.

ISIN	MATURITY	COUPON	YIELD
US00724PAD15	2/1/2030	2.3000%	2.6908%
US00724PAC32	2/1/2027	2.1500%	2.2630%
US00724PAB58	2/1/2025	1.9000%	1.9302%
US00724PAA75	2/1/2023	1.7000%	1.3955%

#### 4. Perpetual CF growth - GDP growth rate of US from 2020 to 2030



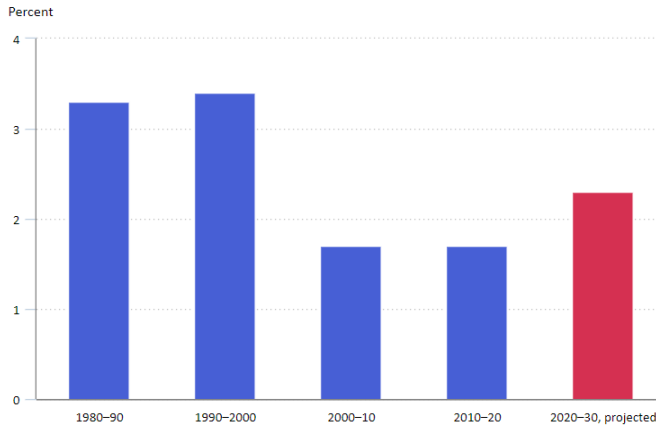
Data on display

### Some growth projected for the U.S. economy, 2020–30

Kevin Dubina | September 2021

The U.S. Bureau of Labor Statistics (BLS) projects the economy to grow by 2.3 percent each year, on average, from 2020 to 2030. As the chart shows, this would be faster than the annual rate of growth in the previous two decades but would fall short of that achieved in the 1980s and 1990s.

Annual growth in real GDP from 1980–2020 to projected 2020–30 (percent)



#### 5. Adobe Balance sheet:

Report Date	12/01/2006	11/30/2007	11/28/2008	11/27/2009	12/03/2010	12/02/2011	11/30/2012	11/29/2013	11/28/2014	11/27/2015	12/02/2016	12/01/2017	11/30/2018	11/29/2019	11/27/2020	12/03/2021
Currency	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Scale	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Cash & Equivalents	772500	946422	866450	999487	749990	989500	1425052	834556	1117400	876560	1011315	2306072	1642775	2650221	4478900	3844000
Short Term Investments	1508379	1047432	1132752	904986	1718124	1922192	2113301	2339196	2622091	3111524	3749985	3513702	1586167	1526755	1514000	1954000
Cash & Equivs & ST Investments	2280879	1993854	2019202	1904473	2468014	2911692	3538353	3173752	3739491	3988084	4761300	5819774	3228962	4176976	5992000	5798000
Receivables (ST)	408666	362811	467234	410879	554328	634373	617233	599820	591800	672006	833033	1217968	1315578	1534809	1398000	1878000
Current Tax Assets	155613	171472	110713	77417	83247	91963	59537	102247	95279	0	0	0	0	0	0	0
Other Current Assets	39311	44640	137954	80855	110461	133423	116237	170110	175758	161802	245441	210071	312499	783140	756000	993000
Total Current Assets	2884469	2572977	2735103	2473624	3216050	3771451	4331360	4045929	4602328	4821892	5830774	7247813	4857039	6494925	8146000	8669000
Gross Property Plant & Equip	481572	580635	665631	830850	973968	1153758	1398675	1447738	1699157	1758616	1926212	2203494	2480908	2861647	2975000	3124000
Accumulated Depreciation	254375	290877	352594	442718	525087	625930	734373	787964	914034	971195	1109948	1266518	1405836	1568632	1458000	1451000
Net Property Plant & Equip	227197	289758	313037	388132	448881	527828	664302	659774	785123	787421	816264	936976	1075072	1293015	1517000	1673000
Receivables (LT)	2400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long Term Investments	46273	52830	76589	63526	25018	21045	0	0	0	0	0	0	0	0	0	0
Intangible Assets	2655899	2550721	2349690	4021977	4099107	4394743	4678295	5377235	5191624	5876888	5820879	6207219	12650049	12411764	12101000	14488000
Prepayments (LT)	2943	20798	14869	16645	21728	17577	0	0	0	0	0	0	0	0	0	0
Deferred LT Assets	0	3145	7560	9045	11071	12803	0	0	0	0	0	0	0	0	1370000	1085000
Other Assets	143367	223450	324750	308268	319293	245736	300566	297360	206754	240271	230197	143548	186522	562696	1150000	1326000
Total Assets	5962548	5713679	5821598	7282237	8141148	8991183	9974523	10380298	10785829	11726472	12707114	14535556	18768662	20762400	24284000	27241000
Accounts Payable & Accrued Exps	313638	428891	491499	516343	624826	722531	649186	725206	769363	773191	827654	1107311	1349443	1575516	1724000	2048000
Accounts Payable	0	41724	56840	58904	52432	86660	49759	62096	68377	93307	88024	113538	186258	209499	306000	312000
Accrued Expenses	313638	387167	435659	457439	572394	635871	599427	663110	700986	679884	739630	993773	1163185	1366017	1418000	1736000
Current Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Lease Obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities	363709	423519	271100	328210	434463	519036	611349	785766	1121843	1440365	1983981	2420146	2951683	3466079	3788000	4684000
Total Current Liabilities	677347	852410	762599	844553	1068088	1250779	1271752	1525648	2494435	2213556	2811635	3527457	4301126	8190938	5512000	6932000
LT Debt & Leases	0	0	350000	1000000	1513662	1505096	1496938	1499297	911086	1907231	1902068	1881421	4124800	988924	4117000	4123000
Deferred LT Liabilities	103359	174893	148684	289203	152027	236905	323208	428902	399716	259303	286791	368533	184332	263225	140000	150000
Minority Interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Liabilities	29965	36394	149961	257913	214984	215290	217443	201817	204687	344802	281785	298276	796310	789158	1251000	1239000
Total Liabilities	810672	1063697	1411244	2391669	2948761	3208070	3309341	3655664	4009924	4724892	5262279	6075687	9406568	10232245	11020000	12444000
Common Share Capital	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	0
Additional Paid-in Capital	2451910	2340969	2396819	2390661	2456278	2753896	3038065	3392696	3778495	4184883	4616331	5082195	5685337	6504600	7357000	8428000
Retained Earnings	3317785	4041592	4913406	5299514	5808914	6528735	7003003	6928964	6824294	7253431	8114517	9573870	11815597	14828562	19611000	23905000
Accum Other Comprehensive Income	6344	27948	57222	24446	17428	29950	30712	46103	8094	169800	173602	111821	148130	188034	158000	137000
Treasury Stock	623924	1760588	2957154	2823914	3264294	3529529	3407259	3643190	3918851	4267715	5132472	6084436	7990751	10615234	13546000	17399000
For Curr Trans (BS)	0	0	0	0	0	10580	9669	31495	44377	167442	187225	96938	144532	169929	104000	164000
Other Equity	0	0	0	0	0	10580	9669	31495	44377	167442	187225	96938	144532	169929	104000	164000
Total Equity	5151876	4649982	4410354	4890568	5192387	5783113	6665182	6724634	6775905	7001580	7424835	8459869	9362114	10530155	13264000	14797000
Total Liabilities & Equity	5962548	5713679	5821598	7282237	8141148	8991183	9974523	10380298	10785829	11726472	12707114	14535556	18768662	20762400	24284000	27241000

Balance Sheet	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cash & Equivs & ST Investments	5,992,000	5,798,000	7,197,960	8,615,958	10,523,777	12,640,226	15,464,106	18,495,071	22,692,030	27,279,945	33,310,249
Receivables (ST)	1,398,000	1,878,000	1,979,439	2,256,560	2,806,341	3,227,292	3,711,386	4,623,768	5,363,571	6,221,742	7,772,391
Other Cur Assets	756,000	993,000	993,000	993,000	993,000	993,000	993,000	993,000	993,000	993,000	993,000
<b>Total Current Assets</b>	<b>8,146,000</b>	<b>8,669,000</b>	<b>10,170,399</b>	<b>11,865,519</b>	<b>14,323,118</b>	<b>16,860,518</b>	<b>20,168,492</b>	<b>24,111,839</b>	<b>29,048,600</b>	<b>34,494,687</b>	<b>42,075,640</b>
Gross Property Plant & Equip	2,975,000	3,124,000	3,598,980	4,513,121	5,612,661	6,992,465	8,659,900	9,958,884	11,552,306	13,400,675	15,544,783
Accumulated Depreciation	1,458,000	1,451,000	1,454,361	1,576,043	1,829,188	2,207,342	2,676,913	3,235,477	3,880,813	4,629,402	5,497,766
<b>Net Property Plant &amp; Equip</b>	<b>1,517,000</b>	<b>1,673,000</b>	<b>2,144,619</b>	<b>2,937,078</b>	<b>3,783,473</b>	<b>4,785,123</b>	<b>5,982,986</b>	<b>6,723,408</b>	<b>7,671,493</b>	<b>8,771,273</b>	<b>10,047,017</b>
Other Assets	14,621,000	16,899,000	19,794,390	23,181,030	26,426,374	30,928,213	35,567,444	40,902,561	47,446,971	55,038,486	63,844,644
<b>Total LT Assets</b>	<b>16,138,000</b>	<b>18,572,000</b>	<b>21,939,009</b>	<b>26,118,108</b>	<b>30,209,868</b>	<b>35,713,336</b>	<b>41,550,430</b>	<b>47,625,969</b>	<b>55,118,464</b>	<b>63,809,759</b>	<b>73,891,661</b>
<b>Total Assets</b>	<b>24,284,000</b>	<b>27,241,000</b>	<b>32,109,408</b>	<b>37,983,627</b>	<b>44,532,986</b>	<b>52,573,853</b>	<b>61,718,922</b>	<b>71,737,807</b>	<b>84,167,064</b>	<b>98,304,446</b>	<b>115,967,301</b>
AP, Accr Exp. etc	1,724,000	2,048,000	2,519,286	2,871,986	3,507,926	4,034,115	4,639,232	5,335,117	6,188,735	7,178,933	8,327,562
Other Current Liabilities	3,788,000	4,884,000	4,884,000	4,884,000	4,884,000	4,884,000	4,884,000	4,884,000	4,884,000	4,884,000	4,884,000
<b>Total Current Liabilities</b>	<b>5,512,000</b>	<b>6,932,000</b>	<b>7,403,286</b>	<b>7,755,986</b>	<b>8,391,926</b>	<b>8,918,115</b>	<b>9,523,232</b>	<b>10,219,117</b>	<b>11,072,735</b>	<b>12,062,933</b>	<b>13,211,562</b>
LT Debt & Leases & Other long	5,508,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000
<b>Total Liabilities</b>	<b>11,020,000</b>	<b>12,444,000</b>	<b>12,915,286</b>	<b>13,267,986</b>	<b>13,903,926</b>	<b>14,430,115</b>	<b>15,035,232</b>	<b>15,731,117</b>	<b>16,584,735</b>	<b>17,574,933</b>	<b>18,723,562</b>
Retained Earnings	19,611,000	23,905,000	27,836,294	32,579,602	38,282,751	45,202,180	53,571,605	63,507,079	75,915,188	90,348,466	107,338,937
<b>Total Equity</b>	<b>13,264,000</b>	<b>14,797,000</b>	<b>19,194,122</b>	<b>24,715,641</b>	<b>30,629,060</b>	<b>38,143,739</b>	<b>46,683,690</b>	<b>56,006,691</b>	<b>67,582,329</b>	<b>80,729,513</b>	<b>97,243,739</b>
<b>Total Liabilities &amp; Equity</b>	<b>24,284,000</b>	<b>27,241,000</b>	<b>32,109,408</b>	<b>37,983,627</b>	<b>44,532,986</b>	<b>52,573,853</b>	<b>61,718,922</b>	<b>71,737,807</b>	<b>84,167,064</b>	<b>98,304,446</b>	<b>115,967,301</b>

## 6. Adobe Income Statement

Report Date	12/01/2006	11/30/2007	11/28/2008	11/27/2009	12/03/2010	12/02/2011	11/30/2012	11/29/2013	11/28/2014	11/27/2015	12/02/2016	12/01/2017	11/30/2018	11/29/2019	11/27/2020	12/03/2021
Scale	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Sales Revenue	2575300	3157881	3579889	2945853	3800000	4216258	4403677	4055240	4147065	4795511	5854430	7301505	9030008	11171297	12133000	15128000
Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	735000	657000
<b>Total Revenue</b>	<b>2575300</b>	<b>3157881</b>	<b>3579889</b>	<b>2945853</b>	<b>3800000</b>	<b>4216258</b>	<b>4403677</b>	<b>4055240</b>	<b>4147065</b>	<b>4795511</b>	<b>5854430</b>	<b>7301505</b>	<b>9030008</b>	<b>11171297</b>	<b>12868000</b>	<b>15785000</b>
Direct Costs	292457	354694	362630	296732	403502	437873	483782	586557	622080	744317	819908	1010491	1194999	1672720	1722000	1865000
<b>Gross Profit</b>	<b>2282843</b>	<b>2803187</b>	<b>3217259</b>	<b>2649121</b>	<b>3396498</b>	<b>3778385</b>	<b>3919895</b>	<b>3468683</b>	<b>3524985</b>	<b>4051194</b>	<b>5034522</b>	<b>6291014</b>	<b>7835009</b>	<b>9498577</b>	<b>11146000</b>	<b>13920000</b>
Selling General & Admin	1102260	1259370	1426632	1280652	1627696	1800427	1951141	2140578	2195640	2215161	2487907	2822298	3365727	4124984	4559900	5406000
Depreciation & Amortization	69873	72435	68246	71555	72130	42833	48657	52254	52424	68649	78534	76562	91101	175244	162000	172000
Research & Development	539684	613242	662057	565141	680332	738053	742823	826631	844353	862730	975987	1224059	1537812	1930228	2188000	2540000
Restruct Remediation & Impair	19733	555	32053	41260	23266	97773	-2917	26497	19883	1559	-1508	0	0	0	0	0
Other Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Indirect Operating Costs</b>	<b>1731560</b>	<b>1945602</b>	<b>2188988</b>	<b>1958608</b>	<b>2403424</b>	<b>2679086</b>	<b>2739704</b>	<b>3045980</b>	<b>3112300</b>	<b>3148099</b>	<b>3540920</b>	<b>4122919</b>	<b>4994640</b>	<b>6230456</b>	<b>6909000</b>	<b>8118000</b>
<b>Total Indirect Operating Costs</b>	<b>551293</b>	<b>857585</b>	<b>1028271</b>	<b>690513</b>	<b>993074</b>	<b>1099299</b>	<b>1180191</b>	<b>1427223</b>	<b>1412685</b>	<b>903095</b>	<b>1493602</b>	<b>2168095</b>	<b>2840369</b>	<b>3268121</b>	<b>4237000</b>	<b>5802000</b>
Interest Income	67185	94311	49662	32641	-33818	-41534	-42344	-44579	-37552	-13100	-23073	-8250	3556	-86583	-116000	-113000
Gains on Sale of Assets	61249	4558	18069	-8214	-3157	7691	12378	-1002	5083	3916	325	8501	-7437	51455	13000	16000
Foreign Exchange Gains	0	-9264	-17494	-13420	-12948	-30226	-31431	-21001	-18640	-20130	-35716	-30705	-42612	-26252	0	0
Other Non-Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42000	0
<b>Total Non-Operating Income</b>	<b>128434</b>	<b>89605</b>	<b>50237</b>	<b>11007</b>	<b>-49923</b>	<b>-64069</b>	<b>-61397</b>	<b>-66582</b>	<b>-51309</b>	<b>-29314</b>	<b>-58464</b>	<b>-30454</b>	<b>-46493</b>	<b>-63380</b>	<b>-61000</b>	<b>-97000</b>
<b>Earnings Before Tax (EBT)</b>	<b>679727</b>	<b>947190</b>	<b>1078508</b>	<b>701520</b>	<b>943151</b>	<b>1035230</b>	<b>1118794</b>	<b>356141</b>	<b>361376</b>	<b>873781</b>	<b>1435138</b>	<b>2137641</b>	<b>2793876</b>	<b>3204741</b>	<b>4176000</b>	<b>5705000</b>
Taxation	173918	223383	206694	315012	168471	202383	286019	66156	92981	244230	266356	443687	203102	253283	-1084000	883000
Extraordinary Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounting Changes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Income</b>	<b>505809</b>	<b>723807</b>	<b>871814</b>	<b>386508</b>	<b>774680</b>	<b>832847</b>	<b>832775</b>	<b>289985</b>	<b>268395</b>	<b>629551</b>	<b>1168782</b>	<b>1693954</b>	<b>2590774</b>	<b>2951458</b>	<b>5260000</b>	<b>4822000</b>
Preference Dividends & Similar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income to Common	505809	723807	871814	386508	774680	832847	832775	289985	268395	629551	1168782	1693954	2590774	2951458	5260000	4822000
Average Shares Basic	593750	584203	539373	524470	519045	497469	494731	501372	497667	498764	496345	493632	490564	486291	480900	477300
EPS Net Basic	0.85	1.24	1.62	0.74	1.49	1.67	1.68	0.58	0.54	1.26	2.35	3.43	5.28	6.07	10.94	10.1
EPS Continuing Basic	0.85	1.24	1.62	0.74	1.49	1.67	1.68	0.58	0.54	1.26	2.35	3.43	5.28	6.07	10.94	10.1
Average Shares Diluted	612222	598775	548553	530610	525824	503921	502721	513476	508480	507164	504299	501123	497843	491572	485500	481000
EPS Net Diluted	0.83	1.21	1.59	0.73	1.47	1.65	1.66	0.56	0.53	1.24	2.32	3.38	5.2	6	10.83	10.02
EPS Continuing Diluted	0.83	1.21	1.59	0.73	1.47	1.65	1.66	0.56	0.53	1.24	2.32	3.38	5.2	6	10.83	10.02
<b>Shares Outstanding</b>	<b>600834</b>	<b>571409</b>	<b>526111</b>	<b>522657</b>	<b>501897</b>	<b>491540</b>	<b>494132</b>	<b>496261</b>	<b>497484</b>	<b>497809</b>	<b>494254</b>	<b>491262</b>	<b>487663</b>	<b>482339</b>	<b>479000</b>	<b>475000</b>

Income Statement	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Sales Revenue											
Other Revenue											
<b>Total Revenue</b>	<b>12,868,000</b>	<b>15,785,000</b>	<b>17,994,900</b>	<b>20,514,186</b>	<b>23,386,172</b>	<b>26,894,098</b>	<b>30,928,213</b>	<b>35,567,444</b>	<b>41,258,236</b>	<b>47,859,553</b>	<b>55,517,082</b>
Direct Costs	1,722,000	1,865,000	2,159,388.00	2,461,702.32	2,689,409.78	3,092,821	3,402,103	3,912,419	4,332,115	5,025,253	5,551,708
<b>Gross Profit</b>	<b>11,146,000</b>	<b>13,920,000</b>	<b>15,835,512</b>	<b>18,052,484</b>	<b>20,696,762</b>	<b>23,801,277</b>	<b>27,526,109</b>	<b>31,655,026</b>	<b>36,926,121</b>	<b>42,834,300</b>	<b>49,965,374</b>
Selling General & Admin	4,559,000	5,406,000	7,377,909	8,205,674	9,120,607	10,219,757	11,443,439	13,159,954	14,852,965	17,229,439	19,996,149
Depreciation & Amortization	162,000	172,000	287,918	338,484	397,565	443,753	494,851	569,079	639,503	717,893	832,756
Research & Development	2,188,000	2,540,000	3,239,082	3,589,983	4,092,580	4,571,997	5,257,796	5,690,791	6,188,735	7,178,933	8,327,562
<b>Total Indirect Operating Costs</b>	<b>6,909,000</b>	<b>8,118,000</b>	<b>10,904,909</b>	<b>12,134,141</b>	<b>13,610,752</b>	<b>15,235,506</b>	<b>17,196,086</b>	<b>19,419,825</b>	<b>21,681,203</b>	<b>25,126,265</b>	<b>29,146,468</b>
<b>Operating Income (EBIT)</b>	<b>4,237,000</b>	<b>5,802,000</b>	<b>4,930,603</b>	<b>5,918,343</b>	<b>7,086,010</b>	<b>8,565,770</b>	<b>10,330,023</b>	<b>12,235,201</b>	<b>15,244,918</b>	<b>17,708,035</b>	<b>20,818,906</b>
Interest Expense	116,000	113,000	154,336	154,336	154,336	154,336	154,336	154,336	154,336	154,336	154,336
Other Non-Operating Expense	-55,000	-16,000	(17,995)	(20,514)	(23,386)	(26,894)	(30,928)	(35,567)	(41,258)	(47,860)	(55,517)
<b>Total Non-Operating Expense</b>	<b>61,000</b>	<b>97,000</b>	<b>136,341</b>	<b>133,822</b>	<b>130,950</b>	<b>127,442</b>	<b>123,408</b>	<b>118,769</b>	<b>113,078</b>	<b>106,476</b>	<b>98,819</b>
<b>Earnings Before Tax (EBT)</b>	<b>4,176,000</b>	<b>5,705,000</b>	<b>4,794,262</b>	<b>5,784,521</b>	<b>6,955,060</b>	<b>8,438,328</b>	<b>10,206,615</b>	<b>12,116,432</b>	<b>15,131,840</b>	<b>17,601,558</b>	<b>20,720,087</b>
Taxation	(1,084,000)	883,000	862,967	1,041,214	1,251,911	1,518,899	1,837,191	2,180,958	3,168,280	3,729,616	4,375,754
<b>Net Income</b>	<b>5,260,000</b>	<b>4,822,000</b>	<b>3,931,294</b>	<b>4,743,307</b>	<b>5,703,149</b>	<b>6,919,429</b>	<b>8,369,424</b>	<b>9,935,475</b>	<b>12,408,109</b>	<b>14,433,278</b>	<b>16,990,471</b>
<b>Profit margin</b>	<b>40.88%</b>	<b>30.55%</b>	<b>21.85%</b>	<b>23.12%</b>	<b>24.39%</b>	<b>25.73%</b>	<b>27.06%</b>	<b>27.93%</b>	<b>30.07%</b>	<b>30.16%</b>	<b>30.60%</b>
Depreciation	(110,632,000)	(7,000)	3,361	121,682	253,145	378,154	469,571	558,564	645,336	748,589	868,364

## 7. Adobe Investment and Financing Module:

Investment Module	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Current Asset Investment	2,154,000	717,000	101,439	277,121	549,780	420,951	484,094	912,382	739,803	858,171	1,550,650
Investment in new Fixed Assets		149,000	474,980	914,141	1,099,560	1,379,784	1,667,434	1,298,985	1,593,422	1,848,369	2,144,108
Replacement of Depreciated Assets	(110,632)	(7,000)	3,361	121,682	253,145	378,154	469,571	558,564	645,336	748,589	868,364
Fixed Asset Investment	(110,632)	142,000	478,341	1,035,822	1,352,705	1,757,939	2,137,005	1,857,548	2,238,757	2,596,958	3,012,472
Total Investment	2,043,368	859,000	579,780	1,312,944	1,902,486	2,178,890	2,621,099	2,769,931	2,978,560	3,455,130	4,563,121
<b>Financing Module</b>											
Required financing	2,043,368	859,000	579,780	1,312,944	1,902,486	2,178,890	2,621,099	2,769,931	2,978,560	3,455,130	4,563,121
<i>Sources of funds:</i>											
Net income	5,260,000	4,822,000	3,931,294	4,743,307	5,703,149	6,919,429	8,369,424	9,935,475	12,408,109	14,433,278	16,990,471
Depreciation	(110,632)	(7,000)	3,361	121,682	253,145	378,154	469,571	558,564	645,336	748,589	868,364
Earnings CF	5,149,368	4,815,000	3,934,656	4,864,989	5,956,295	7,297,584	8,838,995	10,494,038	13,053,445	15,181,867	17,858,835
Minimum Dividend	0	0	0	0	0	0	0	0	0	0	0
Internal Financing	5,149,368	4,815,000	3,934,656	4,864,989	5,956,295	7,297,584	8,838,995	10,494,038	13,053,445	15,181,867	17,858,835
Spontaneous Financing (CL)	(2,678,938)	1,420,000	471,286	352,700	635,940	526,189	605,117	695,885	853,619	990,198	1,148,629
<b>Total int and spont financing</b>	<b>2,470,430</b>	<b>6,235,000</b>	<b>4,405,942</b>	<b>5,217,689</b>	<b>6,592,234</b>	<b>7,823,772</b>	<b>9,444,113</b>	<b>11,189,923</b>	<b>13,907,063</b>	<b>16,172,065</b>	<b>19,007,464</b>
Required external financing	(427,062)	(5,376,000)	(3,826,161)	(3,904,745)	(4,689,749)	(5,644,883)	(6,823,014)	(8,419,992)	(10,928,503)	(12,716,930)	(14,444,343)
Debt issued	0	0	0	0	0	0	0	0	0	0	0
Equity issued	0	0	0	0	0	0	0	0	0	0	0
<b>Total discretionary financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financing</b>	<b>2,470,430</b>	<b>6,235,000</b>	<b>4,405,942</b>	<b>5,217,689</b>	<b>6,592,234</b>	<b>7,823,772</b>	<b>9,444,113</b>	<b>11,189,923</b>	<b>13,907,063</b>	<b>16,172,065</b>	<b>19,007,464</b>

## 8. Adobe Cash Flow Model:

### Scenario 1:

Cash flow	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			0	1	2	3	4	5	6	7	8
Operating CF	5,210,368	4,912,000	4,070,997	4,998,810	6,087,244	7,425,025	8,962,403	10,612,807	13,166,522	15,288,344	17,957,654
Net CAPEX		142,000	478,341	1,035,822	1,352,705	1,757,939	2,137,005	1,857,548	2,238,757	2,596,958	3,012,472
Net NWC		(897,000)	1,030,113	1,342,420	1,821,660	2,011,211	2,702,897	3,247,462	4,083,143	4,455,889	6,432,324
Free cash flow*		5,667,000	2,562,543	2,620,568	2,912,879	3,655,876	4,122,541	5,507,796	6,844,623	8,235,496	8,512,858
											<b>287,179,994.06</b>
											<b>295,692,852</b>
<b>Enterprise Value</b>	<b>\$ 224,773,022</b>		2,562,543	2,514,993	2,681,337	3,186,695	3,425,259	4,359,950	5,159,283	5,744,624	195,138,339
<b>EV/share</b>	<b>473.21</b>										
Net Debt	833,326										
<b>Equity Value</b>	<b>\$ 223,939,696</b>										
<b>Proj Stock Price</b>	<b>471.45</b>										
<b>Interest and Debt Service</b>											

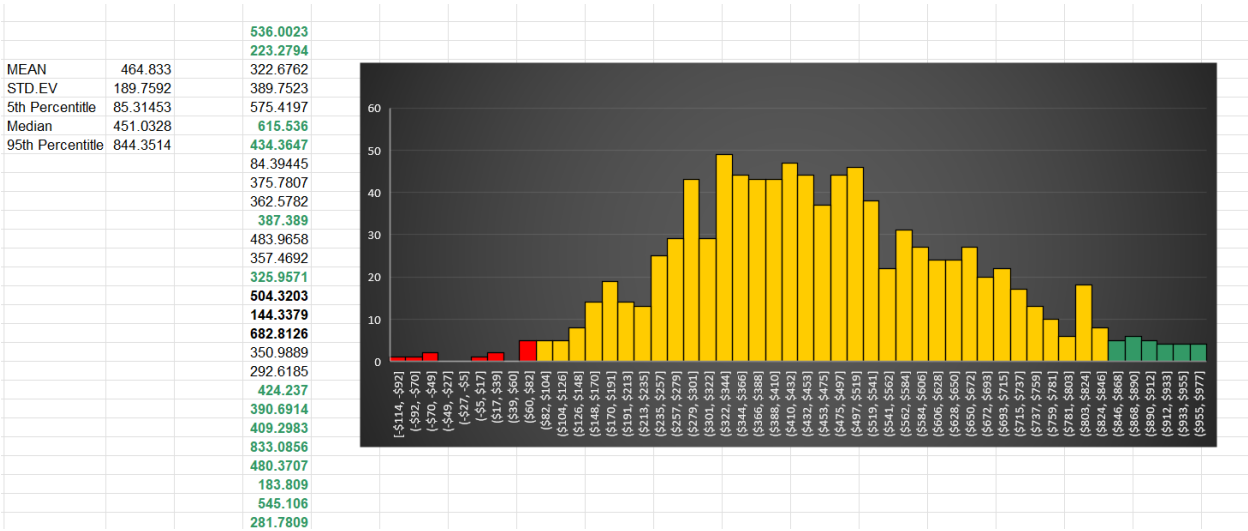
### Scenario 2:

Cash flow	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			0	1	2	3	4	5	6	7	8
Operating CF	5,210,368	4,912,000	4,070,997	5,453,018	7,467,862	10,165,052	13,769,561	18,354,115	25,533,579	33,165,052	43,620,143
Net CAPEX		142,000	478,341	107,969	179,949	215,939	215,939	215,939	215,939	215,939	215,939
Net NWC		(897,000)	1,030,113	2,114,401	3,509,006	4,444,740	6,500,433	8,895,329	12,142,124	15,450,692	23,560,218
Free cash flow*		5,667,000	2,562,543	3,230,648	3,778,907	5,504,373	7,053,190	9,242,847	13,175,516	17,498,421	19,843,986
											<b>771,514,618.17</b>
											<b>791,358,605</b>
<b>Enterprise Value</b>	<b>\$ 587,794,205</b>		2,562,543	3,102,155	3,483,243	4,810,985	5,878,805	7,337,978	9,954,231	12,227,259	538,437,007
<b>EV/share</b>	<b>1237.46</b>										
Net Debt	833,326										
<b>Equity Value</b>	<b>\$ 586,960,879</b>										
<b>Proj Stock Price</b>	<b>1235.71</b>										
<b>Interest and Debt Service</b>											
Interest expense	-	-	154,336	154,336	154,336	154,336	154,336	154,336	154,336	154,336	154,336
Total Interest bearing debt	5,508,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000	5,512,000
Total debt	11,020,000	12,444,000	12,915,286	13,545,108	14,782,257	16,098,134	17,808,774	20,032,606	22,923,588	26,681,865	31,567,624

9. Calculating Beta:

Date	Price	Adobe	Rf	NASDAQ	Excess Return S&P500	Excess Return Adobe	-0.0153 Alpha	0.37 Beta	S&P500
1/1/2006	\$39.73	-0.0297	0.048	-0.0586	-0.048	-0.078			
2/1/2006	\$38.55	-0.09339	0.048	-0.0224	-0.037	-0.141			
3/1/2006	\$34.95	0.121602	0.048	-0.0554	-0.036	0.074			
4/1/2006	\$39.20	-0.26964	0.048	-0.1099	-0.079	-0.318	2.67% Average Rf		
5/1/2006	\$28.63	0.060426	0.048	-0.0511	-0.048	0.012			
6/1/2006	\$30.36	-0.06094	0.048	-0.0851	-0.043	-0.109	0.46 Beta	NASDAQ	
7/1/2006	\$28.51	0.137846	0.048	-0.0039	-0.027	0.090			
8/1/2006	\$32.44	0.154747	0.048	-0.0138	-0.023	0.107			
9/1/2006	\$37.46	0.021089	0.048	-0.0001	-0.016	-0.027			
10/1/2006	\$38.25	0.049935	0.048	-0.0205	-0.032	0.002			
11/1/2006	\$40.16	0.023904	0.048	-0.0548	-0.035	-0.024			
12/1/2006	\$41.12	-0.05472	0.048	-0.0279	-0.034	-0.103			
1/1/2007	\$38.87	0.009776	0.0463	-0.0657	-0.068	-0.037			
2/1/2007	\$39.25	0.06242	0.0463	-0.0440	-0.036	0.016			
3/1/2007	\$41.70	-0.00336	0.0463	-0.0036	-0.003	-0.050			
4/1/2007	\$41.56	0.060154	0.0463	-0.0148	-0.014	0.014			
5/1/2007	\$44.06	-0.08874	0.0463	-0.0468	-0.064	-0.135			
6/1/2007	\$40.15	0.003487	0.0463	-0.0682	-0.078	-0.043			
7/1/2007	\$40.29	0.061057	0.0463	-0.0266	-0.033	0.015			
8/1/2007	\$42.75	0.021287	0.0463	-0.0058	-0.011	-0.025			
9/1/2007	\$43.66	0.097114	0.0463	0.0120	-0.031	0.051			
10/1/2007	\$47.90	-0.12025	0.0463	-0.1156	-0.090	-0.167			
11/1/2007	\$42.14	0.014004	0.0463	0.0406	0.055	0.039			

10. Monte Carlo:





## 11. Relative Valuation:

		in thousand as of 2/22/22									
		ADBE	ADSK	ORCL	CRM	SAP	IBM	MSFT			
Price		\$ 441.00	\$ 214.00	\$ 73.00	\$ 193.00	\$ 112.00	\$ 123.00	\$ 286.00			
Market Cap		\$ 209,475,000	\$ 46,994,400	\$ 205,422,000	\$ 177,367,000	\$ 132,112,886	\$ 109,796,371	\$ 2,150,434,000			
Shares outstanding		475,000	219,600	2,814,000	919,000	1,179,579	892,653	7,519,000			
NET INCOME (last)		\$ 3,931,294	\$ 1,208,200	\$ 13,746,000	\$ 4,072,000	\$ 6,314,406	\$ 5,590,000	\$ 61,271,000			
EBITDA		\$ 4,933,964	\$ 656,800	\$ 16,383,000	\$ 609,000	\$ 8,128,341	\$ (2,587,000)	\$ 78,070,000			
SALES		\$ 17,994,900	\$ 3,790,400	\$ 40,479,000	\$ 21,252,000	\$ 33,551,650	\$ 73,620,000	\$ 168,088,000			
BOOK VALUE (EQUITY)		\$ 19,194,122	\$ 965,500	\$ 5,238,000	\$ 41,493,000	\$ 29,717,000	\$ 18,901,000	\$ 141,988,000			
P/E (2021)	#DIV/0!									Average	
P/E (forward or last earnings)		53.28	38.90	14.94	43.56	20.92	19.64	35.10		32.33	
EBITDA multiplier		42.46	71.55	12.54	291.24	16.25	-42.44	27.54		76.93	
Sales multiplier		11.64	12.40	5.07	8.35	3.94	1.49	12.79		7.95	
Book Value multiplier		10.91	48.67	39.22	4.27	4.45	5.81	15.15		18.35	
ADBE											
Cap Based on AVG	Price per share										
P/E (forward or last earnings)	\$ 127,117,363.68	\$ 267.62									
EBITDA multiplier	\$ 379,575,062.80	\$ 799.11									
Sales multiplier	\$ 143,142,322.73	\$ 301.35									
Book Value multiplier	\$ 352,292,497.10	\$ 741.67									
Average		\$ 527.44									

## 12. External Factor, Payout and Financing, Parameter Estimates - Values Compare with industry

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
External Factors											
Risk Free Rate			1.83%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	3.00%	3.00%
Market risk premium			5.60%	5.70%	5.60%	5.50%	5.50%	5.50%	5.50%	5.40%	5.40%
Interest rate on debt (cost of debt)			2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Annual sales growth			14%	14%	14%	15%	15%	15%	16%	16%	16%
Cost of equity			4.41%	4.62%	4.58%	5.03%	5.03%	5.03%	5.03%	5.48%	5.48%
Capital Structure (% debt)			22.31%	18.23%	15.25%	12.63%	10.56%	8.96%	7.54%	6.39%	4.75%
WACC (discount rate)			3.94%	4.20%	4.23%	4.68%	4.74%	4.79%	4.82%	5.28%	5.33%
Perpetual CF growth			2.3%								
Perpetual discount			5.33%								
Payout and financing											
Debt portion to fin operations	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Payout ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Parameter Estimates											
COGS/Sales			12.00%	12.00%	11.50%	11.50%	11.00%	11.00%	10.50%	10.50%	10.00%
Selling General & Admin			41%	40%	39%	38%	37%	37%	36%	36%	36%
Depreciation & Amortization			1.60%	1.65%	1.70%	1.65%	1.60%	1.60%	1.55%	1.50%	1.50%
Research & Development			18.00%	17.50%	17.50%	17.00%	17.00%	16.00%	15.00%	15.00%	15%
Other Non-Operating Expense/Sales			-0.10%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%
Depreciation/FA			0.1%	3%	5%	6%	6%	6%	6%	6%	6%
Tax rate			18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Cash/Sales			40.00%	42.00%	45.00%	47.00%	50.00%	52.00%	55.00%	57.00%	60%
Account Receivable/Sales			11.00%	11.00%	12.00%	12.00%	12.00%	13.00%	13.00%	13.00%	14.00%
Other Assets/Sales			110.00%	113.00%	113.00%	115.00%	115.00%	115.00%	115.00%	115.00%	115.00%
Fixed Assets/Sales			20.00%	22.00%	24.00%	26.00%	28.00%	28.00%	28.00%	28.00%	28.00%
AP, Acr Exp etc/Sales			14%	14%	15%	15%	15%	15%	15%	15%	15%
Beta			0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Number of shares			475,000								



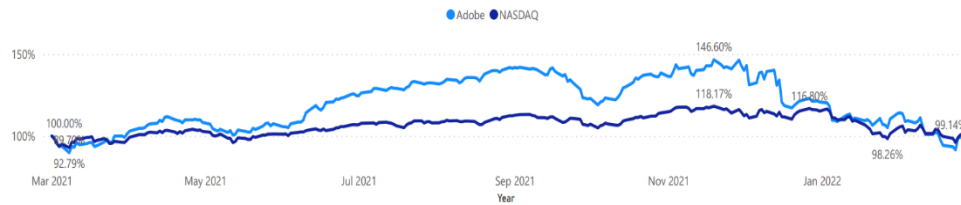
INCOME STATEMENT		01/31/2011	01/31/2012	01/31/2013	01/31/2014	01/31/2015	01/31/2016	01/31/2017	01/31/2018	01/31/2019	01/31/2020	01/31/2021	Average	Assumption
INDUSTRY														
Adobe	COGS/SALES	29.50%	28.45%	28.38%	29.19%	30.54%	30.74%	32.55%	31.74%	30.57%	29.20%	21.44%	29.68%	keep decrease till 10%
		10.39%	10.99%	14.46%	15.00%	15.52%	14.00%	13.84%	13.23%	14.97%	13.38%	12.56%	12.61%	
INDUSTRY														
Adobe	SGA/SALES	34.92%	35.16%	36.28%	36.41%	36.17%	35.72%	38.12%	37.36%	36.32%	34.83%	35.34%	35.85%	keep decrease around 35.88%
		42.70%	44.31%	52.78%	52.94%	46.19%	42.50%	38.65%	37.27%	36.92%	35.43%	42.05%	42.54%	
INDUSTRY														
Adobe	DEP/SALES	2.09%	1.88%	1.81%	1.68%	2.01%	1.72%	1.60%	1.49%	1.53%	1.69%	2.20%	1.83%	stag around 1.50% to 1.70%
		1.02%	1.10%	1.23%	1.26%	1.43%	1.34%	1.05%	1.01%	1.57%	1.26%	1.54%	1.57%	
INDUSTRY														
Adobe	R&D/SALES	14.18%	14.22%	14.74%	14.99%	15.72%	16.06%	17.26%	16.67%	15.65%	15.98%	17.50%	15.12%	reduce a little bit till 15%
		17.50%	16.87%	20.38%	20.36%	17.99%	16.87%	16.76%	17.03%	17.28%	17.00%	18.12%	18.25%	
INDUSTRY														
Adobe	RR/SALES	0.61%	2.30%	0.76%	0.57%	2.80%	1.07%	1.37%	1.35%	1.28%	1.00%	0.36%	1.38%	reduce back to 0
		2.32%	-0.07%	0.65%	0.48%	0.03%	-0.03%	0.00%	0.00%	0.00%	0.00%	0.44%	0.47%	
INDUSTRY														
Adobe	OTHER/SALES	-0.71%	-0.01%	-0.09%	0.31%	0.03%	-0.06%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	keep around 0%
		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INDUSTRY														
Adobe	Total Indirect Operating Cost/sales	50.12%	52.42%	52.57%	53.15%	55.46%	53.61%	57.48%	56.07%	53.96%	52.77%	54.28%	53.25%	decrease till 53%
		63.54%	62.21%	75.11%	75.05%	65.65%	60.48%	56.47%	55.31%	55.77%	53.69%	62.15%	62.82%	
INDUSTRY														
Adobe	Operating Income/Sales	20.38%	19.13%	19.05%	17.65%	14.00%	15.65%	9.97%	12.19%	15.47%	16.02%	31.92%	17.54%	decrease till 17%
		26.07%	26.80%	10.42%	9.95%	18.83%	25.51%	29.69%	31.45%	29.25%	32.93%	25.28%	24.57%	
INDUSTRY														
Adobe	Interest Income/sales	-0.35%	-0.34%	-0.43%	-0.63%	-0.81%	-1.38%	-1.62%	-1.61%	-1.91%	-1.79%	-1.85%	-0.61%	stag around 0% then decrease
		-0.93%	-0.96%	-1.10%	-0.91%	-0.27%	-0.39%	-0.11%	0.04%	-0.73%	-0.90%	0.01%	0.05%	
INDUSTRY														
Adobe	Gains on Sale of Assets/sales	0.10%	0.01%	-0.07%	-0.12%	0.15%	0.04%	0.39%	0.08%	0.13%	0.01%	-0.08%	0.08%	stag around 0.25%
		0.18%	0.28%	-0.02%	0.12%	0.08%	0.01%	0.12%	-0.08%	0.46%	0.10%	0.25%	0.26%	
INDUSTRY														
Adobe	Foreign Exchange Gains/sales	-0.23%	-0.03%	-0.03%	-0.04%	-0.27%	-0.04%	-0.27%	0.05%	0.07%	-0.13%	-0.09%	-0.07%	increase till -0.07%
		-0.72%	-0.71%	-0.52%	-0.45%	-0.42%	-0.61%	-0.42%	-0.47%	-0.23%	0.00%	-0.38%	-0.41%	
INDUSTRY														
Adobe	Other Non-Operating Income/sales	0.49%	0.20%	0.28%	0.41%	0.12%	0.30%	0.42%	0.11%	0.81%	-0.02%	0.35%	0.29%	stag around 0%
		-0.53%	-0.43%	-0.54%	-0.33%	-0.34%	-0.60%	-0.30%	-0.55%	0.23%	0.43%	0.10%	-0.11%	
INDUSTRY														
Adobe	Total Non-Operating Income/sales	-0.04%	-0.14%	-0.24%	-0.35%	-0.88%	-1.25%	-0.87%	-1.44%	-0.87%	-1.21%	0.85%	-0.10%	increase till 0%
		-1.52%	-1.39%	-1.64%	-1.24%	-0.61%	-1.00%	-0.42%	-0.51%	-0.57%	-0.47%	-0.11%	-0.10%	
INDUSTRY														
Adobe	Earnings Before Tax/sales	20.35%	18.99%	18.81%	17.31%	13.11%	14.40%	9.10%	10.75%	14.62%	16.81%	25.32%	16.97%	stag around 25%
		24.55%	25.41%	8.78%	8.71%	18.22%	24.51%	29.28%	30.94%	28.69%	32.45%	25.18%	24.49%	
INDUSTRY														
Adobe	Taxation/sales	4.93%	4.23%	4.57%	3.44%	3.22%	4.28%	2.90%	7.38%	1.60%	3.31%	-5.14%	3.88%	decrease till 3.88%
		4.80%	6.50%	1.63%	2.24%	5.09%	4.55%	6.08%	2.25%	2.27%	-8.42%	4.21%	4.12%	
INDUSTRY														
Adobe	Tax Rate	19.55%	25.56%	18.58%	25.73%	27.95%	18.56%	20.76%	7.27%	7.90%	-25.96%	15.48%	18.28%	stag around 18%

RATIOS		12/02/2011	11/30/2012	11/29/2013	11/28/2014	11/27/2015	12/02/2016	12/01/2017	11/30/2018	11/29/2019	11/27/2020	12/03/2021		
INDUSTRY	Profitability Ratios													
Adobe	ROA % (Net)	10.34%	11.85%	9.28%	7.93%	5.19%	6.53%	2.23%	1.26%	6.91%	8.31%	13.76%	8.18%	stay around 15%
		9.75%	8.61%	2.86%	-2.53%	5.61%	9.41%	12.47%	15.6%	14.97%	23.42%	18.41%	10.89%	
INDUSTRY														
Adobe	ROE % (Net)	26.67%	108.94%	25.87%	23.34%	24.43%	18.29%	8.16%	-23.51%	29.08%	28.82%	127.06%	32.22%	increase till 32%
		15.22%	13.42%	4.34%	-3.97%	9.16%	15.94%	21.39%	29.15%	29.76%	44.33%	33.61%	17.79%	
INDUSTRY														
Adobe	ROI % (Operating)	22.56%	22.22%	19.78%	12.62%	11.28%	7.12%	7.39%	16.53%	18.53%	20.73%	18.29%	16.80%	keep staying around 30%
		15.73%	15.3%	5.17%	-4.98%	10.53%	16.12%	22.11%	23.91%	23.28%	26.51%	31.45%	16.80%	
INDUSTRY	Liquidity Ratios													
Adobe	Quick Ratio	1.53	1.38	1.56	1.53	1.59	1.54	1.40	1.63	1.22	1.37	1.48	1.46	increase till 2.26
		2.84	3.27	2.47	1.74	2.11	1.99	2	1.06	0.7	1.34	1.11	2.26	
INDUSTRY														
Adobe	Current Ratio	1.81	1.54	1.73	1.71	1.75	1.68	1.53	1.80	1.39	1.54	1.61	1.66	
		3.02	3.41	2.65	1.85	2.18	2.08	2.05	1.13	0.79	1.48	1.25	2.42	
INDUSTRY														
Adobe	Net Current Assets % TA	20.21%	8.83%	7.85%	4.12%	6.87%	10.69%	9.00%	14.07%	6.70%	10.20%	12.82%	13.28%	
		28.03%	30.67%	24.28%	19.54%	22.24%	23.83%	25.59%	2.96%	-8.17%	10.85%	6.38%	21.00%	
INDUSTRY	Debt Management													
Adobe	LT Debt to Equity	0.46	0.52	0.52	0.81	0.76	0.79	1.19	0.93	1.25	1.88	4.16	0.96	
		0.26	0.22	0.22	0.13	0.27	0.26	0.22	0.44	0.09	0.31	0.28	0.21	
INDUSTRY														
Adobe	Total Debt to Equity	0.58	0.60	0.54	0.96	0.87	0.91	1.22	1.11	1.41	2.02	4.56	1.10	
		0.26	0.23	0.23	0.22	0.27	0.26	0.22	0.44	0.39	0.31	0.28	0.25	
INDUSTRY														
Adobe	Interest Coverage	183.51	43.49	40.12	134.91	305.33	110.09	116.62	143.20	122.51	154.45	100.82	259.65	
		26.47	27.87	9.48	10.99	68.94	64.73	262.8	798.753937	36.89	36.53	51.35	92.71	

	Asset Management												
INDUSTRY	Total Asset Turnover	0.75	0.78	0.84	0.83	0.79	0.73	0.65	0.65	0.62	0.57	0.44	0.74
Adobe		0.49	0.47	0.4	0.384492003	0.43	0.47	0.54	0.54	0.57	0.57	0.6	0.51
INDUSTRY	Receivables Turnover	5.20	5.14	5.19	5.19	5.21	5.09	5.00	4.87	4.75	4.68	5.27	5.04
Adobe		7.11	7.06	6.68	7.007544779	7.61	7.65	7.14	7.15	7.86	8.8	9.48	7.71
INDUSTRY	AR/Sales	0.19	0.19	0.19	0.19	0.19	0.20	0.20	0.21	0.21	0.21	0.19	0.20
Adobe		0.14	0.14	0.15	0.14	0.13	0.13	0.14	0.14	0.13	0.11	0.11	0.13
INDUSTRY	Accounts Payable Turnover	20.95	23.78	27.05	26.49	22.44	21.14	22.44	22.98	24.37	27.80	35.79	24.89
Adobe		60.79	64.74	72.71	60.64999927	59.48	63.53	72.65	60.41	56.61	50.06	50.26	58.74
INDUSTRY	Accrued Expenses Turnover	13.84	13.90	13.88	13.19	13.03	12.99	12.06	13.09	14.21	13.78	14.56	14.53
Adobe		7	7.15	6.44	5.916045399	6.96	8.12	8.45	8.4	8.86	9.27	9.85	7.98
INDUSTRY	Property Plant & Equip Turnover	10.52	11.45	11.10	10.89	10.58	9.80	8.93	9.10	9.48	9.72	8.69	10.71
Adobe		8.66	7.41	6.14	5.282057716	6.12	7.18	8.35	9	9.46	9.18	9.74	8.98
INDUSTRY	Cash & Equivalents Turnover	7.46	6.54	7.34	7.92	9.41	8.39	6.39	5.48	5.60	5.32	5.14	6.50
Adobe		4.86	3.66	3.6	3.711352246	4.82	6.1	4.41	4.59	5.22	3.62	3.73	4.23
INDUSTRY	Cash/Sales	69.06%	80.35%	78.26%	90.17%	83.16%	81.33%	79.71%	35.76%	37.39%	46.57%	36.73%	66.01%
Adobe	Depreciation/FA	9.48%	8.50%	3.77%	8.01%	3.31%	7.53%	7.58%	5.95%	6.09%	-3.79%	-0.23%	6.28%
INDUSTRY	Intangible Asset/Sales	104.23%	106.24%	132.60%	125.19%	122.55%	99.43%	85.01%	140.09%	111.10%	94.04%	91.78%	106.87%
INDUSTRY	AP Acr Exp etc/Sales	17.14%	14.74%	17.88%	18.55%	16.12%	14.14%	15.17%	14.94%	14.10%	13.40%	12.97%	15.36%
Adobe													
INDUSTRY	Other Asset (LT)/Sales	111.28%	113.06%	139.93%	130.17%	127.56%	103.36%	86.98%	142.15%	116.14%	113.62%	107.06%	115.13%
Adobe													
INDUSTRY	Fixed Asset/Sales	27.36%	31.76%	35.70%	40.97%	36.67%	32.90%	30.18%	27.47%	25.62%	23.12%	19.79%	28.16%
Adobe													

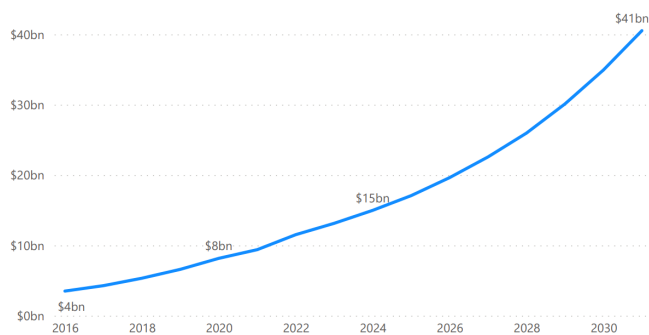


## REASON TO USE SPECIFIC CHART IN THE REPORT:



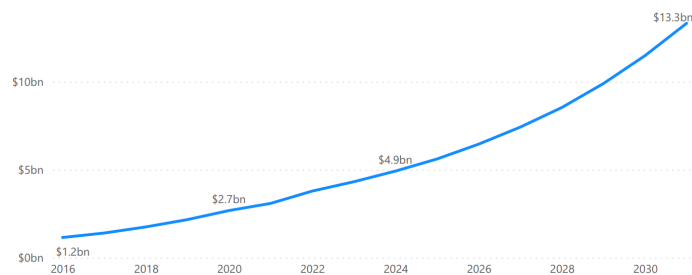
*Figure 1: 52-week stock price performance between Adobe & NASDAQ index.*

I use the line chart of Adobe and NASDAQ daily stock price to get the trend and easier to compare the different between 2 stock prices.



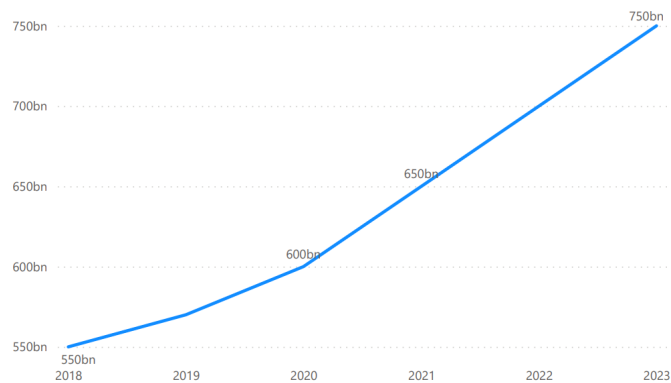
*Figure 2: Digital Media Segment Revenue by Years*

The line chart to show the increasing trend in revenue of digital media segment



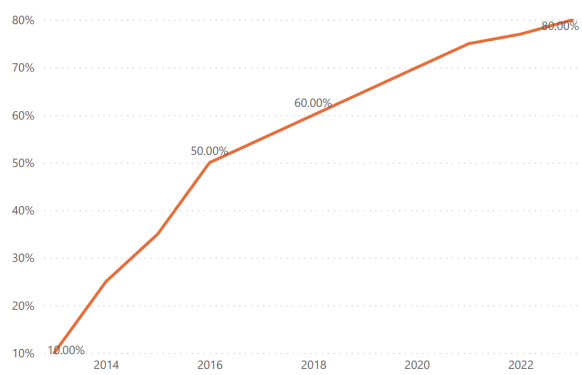
*Figure 3: Digital Experience Segment Revenue by Years*

The line chart to show the increasing trend in revenue of digital media segment and Digital Experience Segment of Adobe Company.



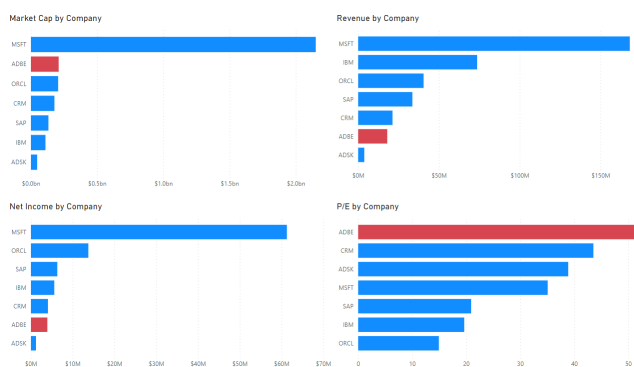
*Figure 4: Software Industry Spending by Years*

The line chart to show the increasing trend in software industry spending.



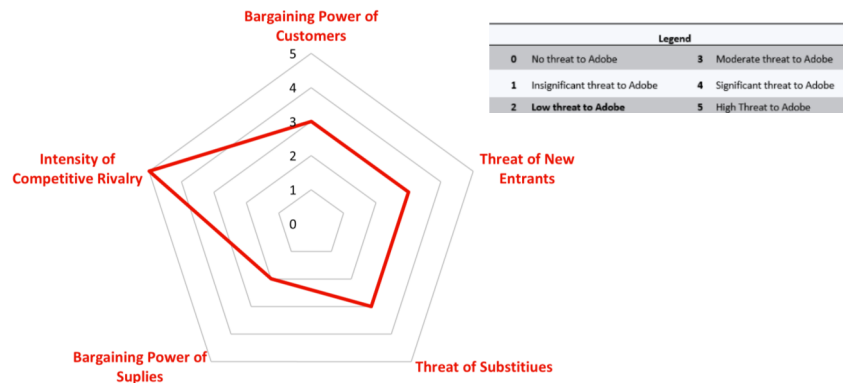
*Figure 4: Adobe Share in the creative software industry by Years*

The line chart to show the increasing trend in Adobe share in the creative software industry.



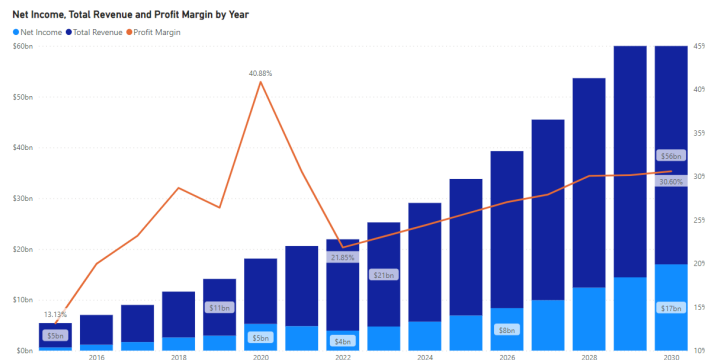
*Figure 5: Adobe & Competitors by Market Cap, Revenue, Net Income & P/E in 2021*

The bar charts to make it easier to compare Adobe Market Cap, Net Income, Revenue and P/E with its competitors.



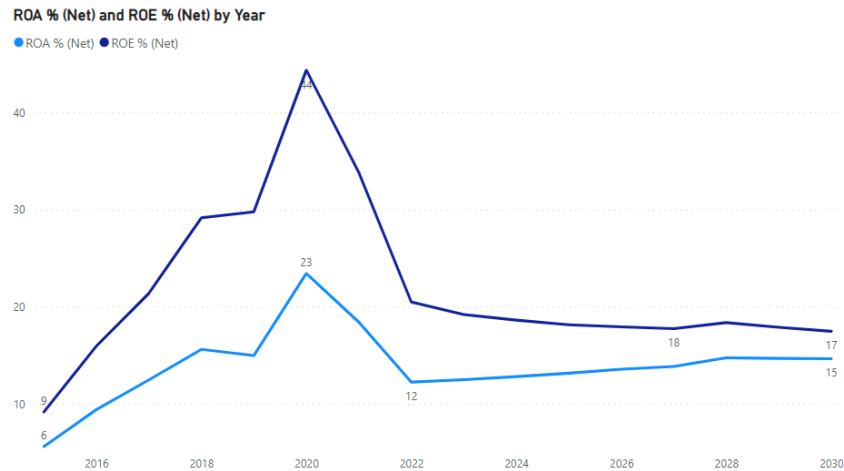
*Figure 6: Adobe's Porter Five Forces*

The radar charts to show the Porter Five Forces for Adobe, this is a most common chart to show this information.



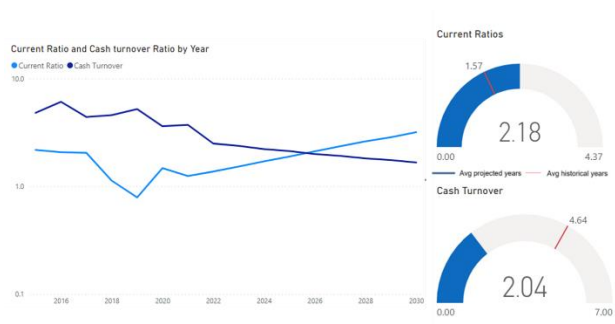
*Figure 7: Adobe's Net Income, Total Revenue and Profit Margin by Year*

The line and stacked column chart to show the portion of Adobe Net Income and Total Revenue, also its increasing trend. The line chart is the profit Margin, since it is computed by using the Net Income and the Cost, so I put it in the chart with the Net Income and Revenue to make it somewhat relevant.

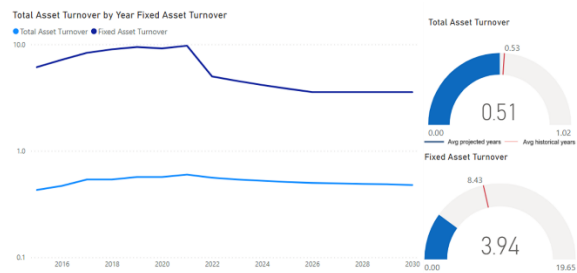


*Figure 8: Adobe's ROA & ROE by Year*

The line chart to show the trend of ROA and ROE.



*Figure 9: Adobe's Liquidity Ratios*



*Figure 10: Adobe's Activity Ratios*

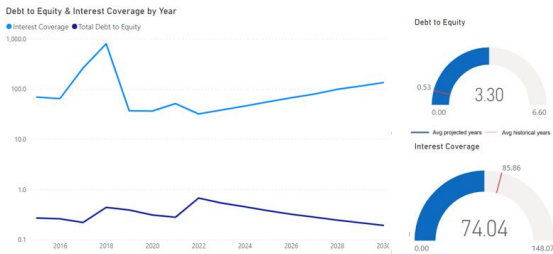


Figure 11: Financial Leverage Ratios

The line chart and gauge chart in figure 9 to 11. Line char is for showing the trend of these ratios, the gauge chart is for comparing the average rate in the

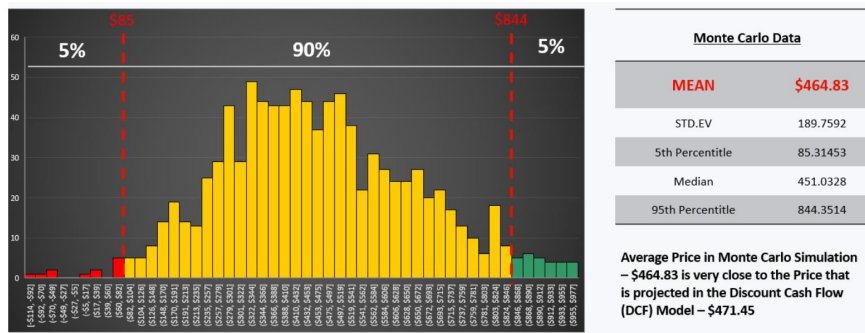
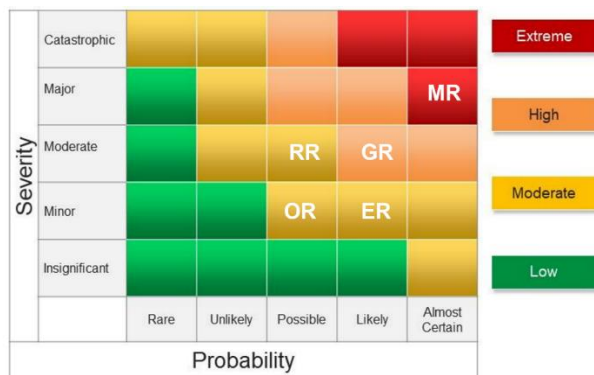


Figure 12: Monte Carlo simulation to valid the projected price in scenario 1.

The histogram chart for showing distribution of the Monte Carlo Simulation.



The Matrix chart showing the level rate of different risks with the y-axis is severity and the x-axis is for the probability.