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Adobe Inc. (ADBE)

Q2 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good day, and welcome to the Q2 FY 2025 Adobe Earnings Conference Call. Today's conference is being recorded.

At this time, I'd like to turn the conference over to Steve Day, SVP, DX CFO and Corporate Finance, Interim Head of IR. Please go ahead.

Steve Day

Senior Vice President, Digital Experience Chief Financial Officer, Corporate Finance & Interim Head-Investor Relations, Adobe Inc.

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.

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.

Shantanu Narayen

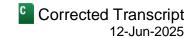
Chair & Chief Executive Officer, Adobe Inc.

Thanks, Steve. Good afternoon and thank you for joining us. Adobe delivered another strong quarter, achieving record revenue of \$5.87 billion, representing 11% 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% year-over-year growth.

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're looking for quick

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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. All 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 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.

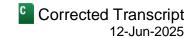
Firefly empowers creative professionals to generate images, video, audio and vectors from a single place with unmatched creative control, iterate on their creations through Adobe's creative apps and seamlessly deliver them into production. Our support for third-party models including from Google, OpenAI 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% 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

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advertising platforms. They're 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 and Chief Digital Officers 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 Al 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 Al 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.

David Wadhwani

President-Digital Media Business, Adobe Inc.

Thanks, Shantanu. Hello everyone. In Q2, Digital Media achieved revenue of \$4.35 billion, which grew 12% yearover-year. We exited the quarter with \$18.09 billion of Digital Media ARR, growing ending ARR 12.1% year-overyear.

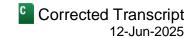
We continue to see strong performance across our business professionals and consumers group, where users are increasingly turning to Adobe for products that combine creativity and productivity. Virtually every business professional and consumer stands to benefit from Al-assisted consumption, visually 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 Al 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 growth accelerating to over 25% year-over-year and crossing 700 million monthly active

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users, as Acrobat users increasingly rely on Acrobat Al 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% 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% 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% 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; the Express ecosystem continues to expand with partner add-ons growing more than 25% quarter-over-quarter with new integrations from Google Ads, Vimeo and Bitly; select key global customer wins include Cisco, County of Los Angeles, the Defense Information Systems Agency, Macys and Ulta Beauty.

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.

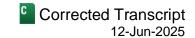
Many individuals and organizations are turning to AI to develop high-quality content with more agility and efficiency. As a result, the Firefly App is becoming the creative AI destination for Creative Cloud customers and new users alike to explore, ideate, create and collaborate with AI-first workflows 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, OpenAl's GPT-image model, and Black Forest Labs' Flux image model, with Runway, Ideogram, Fal.ai, Luma and Pika coming soon.

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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% 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% 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; excitement for and adoption of generative Al 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.

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.

Anil Chakravarthy

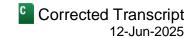
President-Digital Experience Business, Adobe Inc.

Thanks, David. Hello everyone. 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% year-over-year growth and making us the largest provider in our category.

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.



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With Adobe GenStudio, we are amplifying the value of cutting-edge GenAl 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.

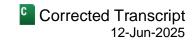
The National Football League expanded our global partnership combining content, data and journeys to deliver a new level of Al-powered fan experiences. Adobe will enable all 32 clubs to scale personalized fan touchpoints across NFL channels through project management, audience and campaign development, 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\$ year-over-year; momentum for GenStudio for Performance Marketing with growth of over 45% 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; key global customer wins including Aviva, Australia Post, Dyson, Fiserv, Infosys,

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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 Al. 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'll now pass it to Dan.

Daniel J. Durn

Chief Financial Officer & Executive Vice President-Finance, Technology, Security and Operations, Adobe Inc.

Thanks, Anil. Today, I'll start by summarizing Adobe's performance in Q2 fiscal 2025, highlighting growth drivers across our businesses, and I'll finish with financial targets. In Q2, Adobe achieved revenue of \$5.87 billion, which represents 11% 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% year-over-year growth.

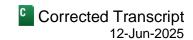
Second quarter business and financial highlights included: Digital Media revenue of \$4.35 billion; Digital Media ending ARR of \$18.09 billion, growing 12.1% year-over-year; Digital Experience revenue of \$1.46 billion; cash flows from operations of \$2.19 billion, which is a record for Q2; and exiting the quarter, remaining performance obligations were \$19.69 billion, growing 10% year-over-year, or 11% in constant currency and cRPO growing 10% as reported and in constant currency.

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

Within Digital Media, second quarter growth drivers for business professionals and consumers included: greater than 25% 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 11 times 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% year-over-year; and strong adoption of Acrobat and Express by individuals, SMBs and enterprises across geographies.

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.

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

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% year-over-year; strong adoption of GenStudio with greater than 25% year-over-year growth in ARR; and increasing customer value ensuring strong customer retention.

Adobe's success is being driven by innovation in service of both business professionals and consumers and creative and marketing professionals. For the business professionals and consumers group, subscription revenue was \$1.60 billion, which represents 15% 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% year-over-year growth, or 11% 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 FY 2023.

Turning to the income statement and balance sheet, Adobe's effective tax rate in Q2 was 19.5% on a GAAP basis and 18.5% on a non-GAAP basis. RPO exiting the quarter was \$19.69 billion, growing 10% year-over-year, or 11% in constant currency and cRPO growing 10% 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.

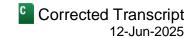
Let me now turn to our financial targets, which assume current macroeconomic conditions. For Q3 FY 2025, we are targeting: total Adobe revenue of \$5.875 billion to \$5.925 billion; Digital Media segment revenue of \$4.37 billion to \$4.40 billion; Digital Experience segment revenue of \$1.45 billion to \$1.47 billion; Digital Experience subscription revenue of \$1.35 billion to \$1.36 billion; GAAP earnings per share of \$4 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% and a non-GAAP tax rate of approximately 18.5%.

As a result of us driving strong performance in the first half of the year, we are pleased to raise our targets for FY 2025 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're on pace to surpass \$250 million in Al-first direct ARR book of business exiting the year.

For FY 2025, we are now targeting: total Adobe revenue of \$23.50 billion to \$23.60 billion; Digital Media segment revenue of \$17.45 billion to \$17.50 billion; Digital Media ending ARR book of business growth of 11.0% year-over-year; Digital Experience segment revenue of \$5.80 billion to \$5.90 billion; Digital Experience subscription revenue of \$5.375 billion 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.

In summary, Adobe's Q2 performance and revised FY 2025 targets reflect excellent execution and the momentum we're building across our portfolio in a dynamic macroeconomic environment. With a disciplined approach to

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investment and focus on driving customer innovation, we remain confident in our ability to deliver strong shareholder value.

Shantanu, back to you.

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

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?

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] The first question comes from Saket Kalia with Barclays.

Saket Kalia

Analyst, Barclays Capital, Inc.

Okay. Great. Hey, guys. Thanks for taking my question here. David, maybe – David and Shantanu or maybe for both of you. The merging of creativity and productivity definitely seemed thematic. And maybe around that, it's interesting to see the growing adoption of Express within Acrobat. And maybe can you just maybe talk about why that combo works, and how does the pricing work there? Does the customer subscribe to both or just one? Thanks.

David Wadhwani

President-Digital Media Business, Adobe Inc.

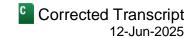
Great. Thanks, Saket. Yeah. As we've talked about for quite a while, we're seeing an absolute explosion in the demand for content creation and more and more visually rich content creation. The reason this works, and why Acrobat and Express are really effectively part of the same value proposition to business professionals and consumers is that there has been a significant amount of work that we've done, research we've seen where content consumption for many people is really the beginning of a content creation process.

As I'd mentioned in the past, when we launched AI Assistant about a year ago now, what we started noticing is that as people were having conversations with the documents they were using, the very next step or the last, one of the last steps they did was basically ask the AI Assistant to write a summary for an email, or write an outline for a presentation, or give it stats for an infographic, right.

And so what we've done here is we've brought these products really into the same surface, so they are one product in effect. And if you are using Acrobat, you are able to get access to all of the capabilities of Express and



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what you get as part of premium there. But what you will expect to see is more and more deeper integration of the two going forward, and we have a lot of exciting things to share in the back half of this year around that.

Saket Kalia

Analyst, Barclays Capital, Inc.

Very helpful. Thank you.

Operator: And the next question will come from Mark Murphy with JPMorgan.

Mark R. Murphy

Analyst, JPMorgan Securities LLC

Thank you so much, and congratulations on the beat and raise performance. I noticed on the Adobe Stock website that volume of video content really took off during Q2 positively, and I'm interested in just what you see happening there to drive the contributor uploaded content higher?

Then also just having seen the news with the Disney and NBCUniversal filing a copyright lawsuit that related to some of the AI generated imagery. I'm just curious if you have any view that that might validate the Adobe strategy of being commercially safe and having the content authenticity, and if you think there is any ramifications of that?

David Wadhwani

President-Digital Media Business, Adobe Inc.

Yeah. Thanks for the question. One of the things – I think if you aggregate the question the way you're asking it, I mean, I think one of the core principles for Adobe has and continues to be that we have a great deal of respect for content creators. We want to make sure and help them monetize content, the content they create in any way possible, because we think it's just good for the industry.

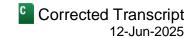
One of the things that we've been doing over the last many years is taking Adobe Stock from being this independent capabilities and just integrating it throughout so more users get more value, and the demand for content as it continues to grow is really at their fingertips. And as a result, if someone is using Express or if someone is using Creative Cloud or if someone's using Firefly Boards, they're able to access this incredible set of content that's being developed by the community.

More recently, to your point, we expanded that set to invest in a lot of, what we call, creative mission so people can submit more video content and video content of all forms for all different kind of outputs, whether it's vertically oriented or horizontally oriented. And as that corpus of video content has been building up, we're seeing a lot more pull through, and so the whole economy around that is working.

And then secondly, to the point you were making around the training data set and how we train and compensate creators, this has been one of the core things that we believe from the very beginning is that the right, transparent and really the only commercially safe way to build these models is to do it on a set of content that – where the contributors are themselves excited and willing participants in the process. And so, we have trained our Firefly models, as many of you know, on Stock and other content that we have access to.

We do have a contributor fund that pays out to those individuals. And as a result, we feel like we're in a very advantaged position when it comes to people choosing models, I'll say, especially in enterprises. We see a lot of companies selecting Firefly, partially because of the quality, partially because of the controllability of it, but also

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very, very strongly because of the commercial safety of it. And we believe that it's just – it's the right way to approach it, and we believe it's a safe bet for the long-term in this industry.

Anil Chakravarthy

President-Digital Experience Business, Adobe Inc.

And, Mark, maybe if I were to just add. I think on the – as it relates to the other services, they've all just really focused on the tip of the iceberg in terms of ideation. And I think Firefly, with the support for all of those models, will be the ultimate creative destination. And to, I think, punctuate what David said, in the enterprise, the value proposition that we have resonates because even if you use it for ideation, you're not going to use something that's not being designed to be intellectual, yeah, the intellectual property being correct for production. And so I think that's where you're going to continue to see our stuff being used for scaled production, because it's so unique.

Mark R. Murphy

Analyst, JPMorgan Securities LLC

Excellent. Thank you so much.

Operator: And the next question will come from Kirk Materne with Evercore ISI.

Kirk Materne

Analyst, Evercore ISI

Yeah. Thanks very much. David, I was wondering if you can just walk through sort of the initial reaction to the change on the Creative Cloud Pro. What you're seeing on that front and then sort of what you might be expecting in terms of those changes in the back half of the year from a revenue perspective? Thanks.

David Wadhwani

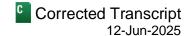
President-Digital Media Business, Adobe Inc.

Yeah. If we take a step back, and this is one that we have been, I think, fairly consistent over the last few years in terms of our core strategy, and we reiterated it at Summit a few months ago, is that, again, the demand for content has been almost insatiable. The number of people wanting to create richer content has been very strong.

And one of the things that we've talked about is that historically, Creative Cloud was a single offer, whether it was Creative Cloud All Apps or Creative Cloud Pro, really doing double duty or triple duty across the entire ecosystem of people wanting to create content. And so, we've been very methodically over the last couple of years extending the offering line-up, right, so that we can meet the needs of business professionals and consumers with Acrobat and Express, we can meet the needs of creators with the new Firefly plans that we've released recently, whether it's Firefly Standard for, in the US, \$10, Firefly Pro for \$20, or Firefly Premium, which is unlimited access to video generation as well for \$200 a month.

And for creative pros, we've been adding very steadily, we've been adding more and more of these capabilities directly in the tools, the desktop tools they know and love and use every single day. The value they're getting out of it is enormous. We talked about the fact that we've crossed 24 billion generations to-date, and as a result, we've been able to introduce the Creative Cloud Pro plan, which is a higher priced plan, but it has a lot more value integrated into the ecosystem of the desktop applications, but it also comes with the Firefly application as well.

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And then in the context of enterprises, we're seeing a huge growth of Firefly Services and GenStudio for automation of that content. And that really fits into what we've been talking about as monetization architecture of P times Q plus V, right, where quantity growth comes from the business pro and consumer. We talked about how Acrobat and Express is seeing strong MAU growth of 25% year-over-year, crossing 700 million. Quantity also comes from for the Firefly App. We talked about traffic being up 30% quarter-over-quarter. We talked about 2x subs growth there, 30% growth in terms of new users to Adobe quarter-over-quarter for Firefly.

In terms of the pricing part of that equation, we talked about the increased value that we have in Creative Cloud Pro that gives us some opportunity to match the value we're providing with the pricing. And then in terms of the value is around Firefly Services and GenStudio. So, that's really the growth algorithm.

The thing to note is that, as we go down this path, some of this will take some time to play out because we have – for the quantity side, we have freemium and lower priced offers, but we're starting to see the early signs of that. And if you do the math and I'll maybe turn it over to Dan, if you do the math, our core Creative business subscription revenue has been accelerating over the past few quarters.

Daniel J. Durn

Chief Financial Officer & Executive Vice President-Finance, Technology, Security and Operations, Adobe Inc.

Yeah. And just to build on that, David, if you take a look at the supplemental disclosure that we provided, between the subscription revenue for creative and marketing professionals, the subscription revenue for DX, you can pretty quickly derive what the subscription revenue is for the Creative and Creative Pro audience that we serve.

And I think what you'll see is, in the current quarter, growing 10.1% year-over-year, which is up from 10% in Q1. And when you think about the acceleration over the last four or five quarters, in the year ago period, that same 10.1% would have been about 7.9%. So, just over 2% acceleration over the last four quarters. So, we feel good about the way the strategy is unfolding and our ability to execute against that growth strategy.

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

Kirk, to your other question about how this rolls out, just to be clear, it's – all this happens on renewal. And so, the good news is it's all ahead of us in terms of where that happens. And we'll roll it out in enterprise; we'll roll it out in regions. And so, the good news is that the initial feedback has been good, but it's early as it relates to the rollout. So, that just speaks to the organic strength.

Kirk Materne

Analyst, Evercore ISI

Thank you, all.

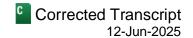
Operator: And the next question will come from Tyler Radke with Citi.

Tyler Radke

Analyst, Citigroup Global Markets, Inc.

Thank you very much for taking the question. I wanted to ask about how you're thinking about overall GenAl usage versus monetization. In the quarter, it looked like you saw another quarter of about 4 billion Firefly generations, which is a huge number. But I think that's been pretty consistent with what you've seen in the last two quarters.

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So, two questions. Are you pleased with that level? Are there things that you're doing to increase the generations of that? And then of that 4 billion, like how far through the monetization are you? I mean, it seems like you're seeing a lot of good success in terms of new users to the Firefly standalone apps and on track on some of the standalone AI targets for the year. So, just help us think through the monetization and kind of that usage incentivization dynamics here.

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.



Yeah, Tyler. I think underlying the numbers, there's been a fair amount of re-architecture to make sure that AI is really driving it. I mean, even at the Financial Analyst Meeting, we talked about the AI influence revenue and the AI direct revenue. The AI influence revenue is already in the billions, because that speaks to the value that people are getting across both our DX products, Acrobat products, as well as the Creative products.

So, across the board, there's no question that AI is being a nice tailwind as it relates to adoption. And we also said we're tracking ahead of the \$250 million. The immense opportunity is all ahead of us. And as we get this entire offering that we keep talking about, which is Acrobat, Express, Firefly Single App, Creative Cloud Pro, which includes Firefly, GenStudio and the AEP and Apps, each one of them we think has tremendous opportunity ahead of us. So, it's very early in terms of the AI monetization, but we're very advanced in terms of how much innovation we've delivered. And so, it feels really good right now.

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Analyst, Citigroup Global Markets, Inc.



Thank you.

Operator: And the next question will come from Alex Zukin with Wolfe Research.

Alex Zukin





Yeah. Hey, guys. Maybe just one two-part question for me and that's on the topic of competition. It looks, at least by our math, it looks like Express is now at 50 million MAUs. So, maybe just comment on the competitive environment that you're seeing down market, with some of the disruptors.

And then with respect to outside of your traditional competitive environment, maybe just coopetition with vendors like Meta, where it – at least it's a little harder for some investors to understand given their increasing usage of Al to automate kind of ad creation and campaign optimization. To what extent does that overlap versus partner with some of the GenStudio offerings? I think it would be helpful to just go into that a little bit.

David Wadhwani

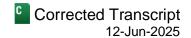


President-Digital Media Business, Adobe Inc.

Great. Yeah. Maybe I'll start and I'll hand it over to Shantanu and Anil to address the second part. When it comes to the growth of the – of our new web and mobile offerings, if you look at everything we've been doing with Express, everything we've been doing with the launch of Photoshop on mobile, of course, Firefly's on web, and we've said that it's coming to mobile soon as well. We have Lightroom, of course, also being a very significant part of that.

What we've been doing over the last few years is taking that data-driven operating model that we've been – that we've perfected in terms of the web journeys and really reallocating it, all of the – a significant part of what we've

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learned there from top-of-funnel generation to performance marketing, to conversion and retention to virality, that entire ecosystem has been flowing very well. A lot of that we learned with what we were doing with Acrobat, and now we're applying it to the other areas.

The other thing that has been playing in our benefit, especially with something like Express, is the fact that we're part of a broader ecosystem. One of the things that has been most exciting to see is that Express adoption within businesses. We talked about how 8,000 – we onboarded into 8,000 new businesses in the quarter with Express. We mentioned a number of really great logos, obviously, with Intuit and Cisco and the NFL and Premier League entering these things.

And what's really great about that is it's really part of an enterprise-wide content supply chain sale where Express is integrated with AEM, Express is integrated with Workfront. And it's a way of taking all the work that we're doing on the DX side of the business and empowering more people to participate in that and create content that's onbrand.

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

А

I think the two things that I'll just maybe add to that is, first, as it relates to even, I think, what you're calling the low end, when you consider the business professionals and consumers, the amount of MAU that we have is very significant. So, I just wanted to make sure that you understand that, because they also use a lot of the products that are perhaps referred to within the creative professional.

But I think to your other point, as it relates to the amount of content that's being created for digital advertising and the third party support, we've already announced a whole bunch of third party support. You're going to see a whole bunch more announced. And every sort of advertising platform, if that's what I can call it, once the Adobe partnership as it relates to GenStudio for Performance Marketing, I think initially you'll probably see SMEs go with perhaps a more proprietary channel.

But I think across each one of these channels, we're going to be the one company that people look at to make sure that in a seamless collaboration, they can post, whether it's to Microsoft, whether it's to Google, whether it's to Snap, TikTok, Meta, you name all of them, Amazon. As all of these come online, they will be using our GenStudio for Performance Marketing. But I'll have Anil also talk about some of the other things and hopefully you'll track what we are doing at Cannes as well.

Anil Chakravarthy

President-Digital Experience Business, Adobe Inc.

А

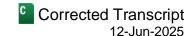
Yeah. Thanks, Shantanu. Yeah. As Shantanu mentioned, in terms of the ad platforms, obviously, their primary goal is to grow the ad revenue. The best way to do that is to make sure that the Creative is optimized and the ROI from the advertisers' perspective is clear to the advertisers, which is where our marketing stack and everything that we're doing around GenStudio for Performance Marketing comes together really well. And so, we already announced at Summit, including Meta and a number of others, including Google and so on and next week at Cannes, we'll be announcing all the other major platforms as well.

Alex Zukin

Analyst, Wolfe Research LLC

Would love to join you guys in Cannes, but thank you for answering the question, guys.

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Operator: And we'll take a question from Keith Weiss with Morgan Stanley.

Keith Weiss

Analyst, Morgan Stanley & Co. LLC Excellent. Thank you, guys, for fitting me in and congratulations on a solid quarter. Dan, just two clarification

questions on the guidance for the year. You guys talked about the changes in the All Apps Creative Cloud pricing already being reflected in the guidance. [indiscernible] (00:54:28) this is an example of you guys stratifying that pricing. And there's an ability for people to sort of upsell to the Pro or sort of get a lower priced edition with the Standard. How did you guys think about that mix, any guidance you could give us on sort of your assumptions on where customers go? Number one. And number two, any change in the FX assumptions on the revenue side of the equation for the guide for the full year?

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

Yeah. Keith, maybe I'll start off by saying that. I mean, I think as it relates to creative professional, we want CC Pro to be the sweet spot for where the majority of users will go. It's not dissimilar to what we've done where let's get more Firefly App adoption. Let's get more adoption of the Al features within the desktop applications and move them to CC Pro being the best product, as they also experience what we are doing with ideation and multiple products. So, the goal there is clear. All of the AI and generative capability will increasingly be best available for our customers through the CC Pro application.

On the other hand, that takes the while as it comes to renewal if they have annual cycles. So, that's the other thing that you have to think about and as we roll that out and in different regions, but from our perspective, we want CC Pro and Firefly App to be the sweet spot of how this emerges. But we also believe that CC Standard as well as Firefly Single App will continue to be meaningful parts of the business and an onramp to the other. So, hopefully that answers your question on mix.

Keith Weiss

Analyst, Morgan Stanley & Co. LLC

Excellent. And on the FX side of the equation?

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

Yeah. I think on the FX, I'll go and then certainly we can add. I mean, as you think about what we've done with our DME revenue, there are two things that are impacting the strength in the revenue. There's some FX. I mean, think of that as maybe a third of where you're seeing the benefit. The vast majority of the benefit is really happening as a result of how we're driving ARR and the revenue conversion for the business. So, hopefully that helps in terms of how you think about what role FX has played in our business. But the vast majority of the raise has to do with ARR performance as it relates to the revenue conversion of that into revenue.

Keith Weiss

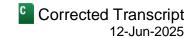
Analyst, Morgan Stanley & Co. LLC

Excellent. Thanks for the clarification.

Operator: And we'll go to Brent Thill with Jefferies.



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Brent Thill

Analyst, Jefferies LLC

Thanks. Shantanu, you've used double digit growth as your true north for growing the company. I think everyone's curious, with AI, are you less or more bullish on that 10% true north that you've been talking through.

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

A

Well, Brent, I mean let's look at some of the facts and maybe as we think about what's happened in this business. I think at the FA Meeting, we tried to talk about, hey, while the growth on growth and this is what you folks have been talking about for net new ARR has been relatively consistent, I mean, we have reaffirmed DME ARR for the quarter. And that's at 11%.

When you look at it also in the new model that we're providing by customer segments and you think about what's happening between the business professional and consumer and what's happening on creative and marketing professionals, you saw I think the revenue growth was 15% and 10% or 11%, depending on whether you take as reported or constant currency.

And I think Dan alluded to this. What has really been gratifying for us to see is when you look at the creative subscription revenue growth, now that you have these additional disclosures, you will see relative to Q2 of 2024 versus 2023 and then you look at it as Q2 of 2025 versus 2024, it's also at 10% growth. So, what we've been talking about, which is we're retooling the business, is happening. And so, yes, the opportunity is there. We want to make sure that we invest in AI to enable more people to use the platform. And yes, that's really been the focus.

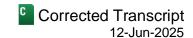
And then on the other side, the business and consumer side, that's been growing around 15%. So, as I think about the growth initiatives, Brent, to answer your question, on the business professional and consumer, the things that you have to think about is AI and AI Assistant first with a single document, with multiple documents, increasing the relevance and usage of Acrobat.

I think as it relates to Express, if you look at it, Express standalone, the fact that in the post template era, AI will even further democratize the ability for people to take the story that they have in their head and make sure that that's available. You're seeing the momentum in that business. But again, really, there the North Star is the combination of creativity and productivity driving growth for us.

We never talk enough I think about the marketing and what kind of a strength that is. If you look at our marketing performance, we look at what others are also at this scale reporting. It's clear that we're growing our business faster than them. And the impact of the content and the marketing business, we continue to be really bullish about it. And for those who sometimes say, wow, your seats are not growing and automation will take over, guess what, we're the leader in automation. But we think it's really a combination of both of that, that also make us really unique.

I know the question that came up earlier, I'll just touch on that again. I do believe the fact that Firefly has been designed to be preserve intellectual attributes of people. That is going to become an increasingly important thing in the enterprise. Everybody is experimenting with it, as it becomes mainstream, that's going to be. So, yes, Brent, the short answer is I'm more bullish about it. And I'm – what I'm really pleased about is underlying 2025, how we've re-architected the business to be this AI-driven growth.

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Brent Thill

Analyst, Jefferies LLC

Thank you, Shantanu.

Operator: And our next question will come from Jay Vleeschhouwer with Griffin Securities.

Jay Vleeschhouwer

Analyst, Griffin Securities, Inc.

Thank you. Good evening. Shantanu, since you alluded earlier to head count, maybe we can focus on the permanent part of your head count, not just the summer interns. And there's some very interesting trends there with regard to where you're looking to add in terms of open positions and in the last few months, including very recently, there are four specific areas where there's some prevalence of functions. And I'd like to ask you about those. And go to market, number one; number two, product management; number three, strategy; and number four, marketing, both across DME and DX. So, maybe talk about some of the rationales or needs that you have internally with regard to where you're looking to add in those respects?

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

Sure, Jay. I mean, I think if Dan were answering that question, he would say, as you look at the Q1 versus – Q2 versus Q1 expense, you'll see that we're investing in the right areas, given the innovation roadmap, being able to ensure that we, in conjunction with the launches, market the product. Express, we still need to get more awareness of it. The product's great. We really focus on going big in a few countries. We're seeing dramatic improvement as a result of that focus. So, the marketing investment is clearly as a result of making sure that we invest a lot more to ensure that the launches that we have and the product roadmap that we have, the awareness is high.

I think on product management, the sort of theme that David and Anil would probably talk about is PLG and how PLG is really helping it. The refinements that people are making and the traditional way of releasing products, Jay, used to be that you design a product and then you'd release it. Now, it's this ongoing iteration and we measure every single morning. And so I think the product management has to do a lot with are we investing in the right PLG motions to make sure that that's happening.

And then on strategy, I mean, again, I think Als will offer folks a lot more. We've talked about, on data, models, agents and interfaces, how we continue to be well positioned. And so I think on strategy, it's the interfaces and the agentic stuff that we're focused on, we are.

But again, I should also clarify. At large, we're not really looking to grow our head count very dramatically. We are finding a lot more efficiency. People are using AI to be more efficient within the enterprise. So, you're right about the focus areas. But the real increase this quarter, I think, had to do more with interns. And we love hiring more interns because it's a try-before-you-buy both ways, right. And the fact that we're such a attractive place for people to come, I am really excited about the number of people who want to come to Adobe on that side.

Steve Day

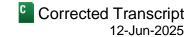
Senior Vice President, Digital Experience Chief Financial Officer, Corporate Finance & Interim Head-Investor Relations, Adobe Inc.

We have time for one more question.

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Jay Vleeschhouwer

Analyst, Griffin Securities, Inc.

Thank you, Shantanu.

Operator: Thank you. And that question will come from Kash Rangan with Goldman Sachs.

Kash Rangan

Analyst, Goldman Sachs & Co. LLC

Hi, Shantanu and team. Goldman Sachs loves your shares, your love for interns. Our interns also just started. So, the question for your business is clearly there's a lot of innovation happening in Al. And when you look at the targets for Al, the \$125 million book of business projected to go to \$250 million, is there any evidence at all that you can point to with your DDOM or maybe other sources that the push towards Al, be it through Firefly or GenStudio, is actually visibly, tangibly, quantifiably moving the pace of creative adoption and driving business to a larger degree than what's possible without Al.

So, in other words, you have an AI bucket of revenue, which is what it is, and the core. Any evidence to suggest that the core is tangibly being energized and is poised for some growth curve ahead? It's easy to extrapolate that 10%, 11% like Brent was talking about, right? But where could we be wrong in not seeing that change of that curve and the adoption that you might be seeing and may not be manifested in financial metrics, but maybe you see things under the hood that give you the conviction that we're at the beginning of that curve of adoption that could lead the company to a phase of growth that we kind of saw in the 2014, 2018 timeframe when people wrongly extrapolated the flattish trends in the on-prem business and then the cloud really just took off, right? Is there any evidence?

Shantanu Narayen

Chair & Chief Executive Officer, Adobe Inc.

Yeah, Kash, I think what I would point to is, maybe three things, from the DDOM, as you refer to it. First, the new book of business. If you build a new book of business that's going from \$0 to \$250 million, I think most people would say that's pretty phenomenal because these are products, whether it's Acrobat, AI Assistant, the new Firefly App, Firefly Services, which continues to rock frankly and GenStudio for Performance Marketing. Those are pretty good. So, that – on one vector, you look at it and say, we're driving new businesses and the scale is good. Clearly, at our scale, the bigger metric that we track is in DX.

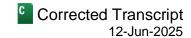
Let's talk about DX. And in DX, how much of this technology that we have been delivering is being adopted? What is the scale at which we're driving, whether it's campaigns, whether it's engagement through email or SMS, the amount of transactions that are going through AEP and apps, and all of that is because the agility of marketing and the ability to personalize these experiences with customers is dramatically increasing. So, that's one underlying trend that we clearly see. And the demand for that is only increasing and not decreasing.

And I think in David's business, whether it's in Acrobat or whether it's in the Creative products, it's generations, which means are people using AI to be more productive and the output. I think last quarter, we had talked about, hey, even Express, it's gone over a billion exports. So, those are sort of the two underlying. That, as we've always said, is sort of this influence revenue. But the influence revenue and the underlying usage point to the fact that adoption is good.

So, hopefully that gives you some insight into how we're looking at it, which is the core products that we have that are driving this \$20 billion. Are we making sure that usage and retention and adoption of the new features implies



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that people are seeing value in it? And then on the new ones, hey, are we building these new businesses that allow us to create new offerings like CC Pro, like Acrobat with Al Assistant and Acrobat in Al Assistant and Express. And I think those are sort of some of the underlying trends that we see.

The Ultimate tier, which is this is the new AI tiers or Prime tiers within the enterprise. So, those are some of the underlying early indicators to your point and MAU, and MAU just means that, hey, this freemium model is attracting a new set of customers that allows us to feel confident about go forward prospects for the company.

But since that's the last question and I think we're out of time, maybe I'll just sort of summarize. We're really pleased with the first half performance. The fact that we continue to drive both top line and bottom line is something that's meaningful to us. And we're focused on driving continued success for this in the second half and beyond. And we look forward to sharing more at our next earnings call.

And with that, I'll turn it back over to Steve.

Steve Day

Senior Vice President, Digital Experience Chief Financial Officer, Corporate Finance & Interim Head-Investor Relations, Adobe Inc.

Okay. That ends the call. Thank you.

Operator: Thank you. That does conclude today's conference. We do thank you for your participation. Have an excellent day.

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