

Adobe Q3 FY2025 Earnings Call

September 11, 2025

Adobe

Introduction

Doug Clark | VP, Head of Investor Relations

Adobe

DOUG CLARK

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 third quarter fiscal year 2025 financial results. You can find our press release, as well as PDFs of our prepared remarks and financial results, on Adobe's Investor Relations website.

Financial Disclaimer

Some of the information discussed in this presentation, including our financial targets and product plans, is based on information as of today, September 11, 2025 and contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those set forth in such statements.

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

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

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The information discussed on this call, including our financial targets and product plans, is as of today, September 11, 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 and non-GAAP growth rates, including 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.

Q3 FY2025 Results

Shantanu Narayen | Chair & CEO

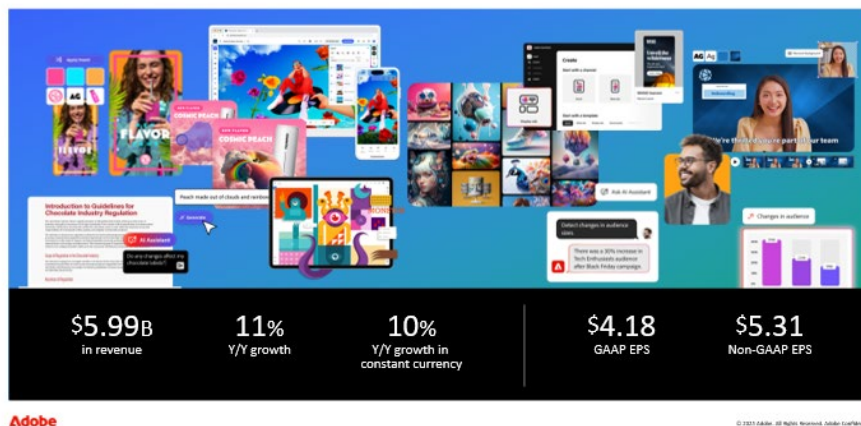


SHANTANU NARAYEN

Thanks, Doug.

Good afternoon, everyone and thank you for joining us.

Q3 FY2025 Performance



Adobe had another strong quarter and delivered double-digit top-line growth and profitability. In Q3, we achieved record revenue of \$5.99 billion, representing 10 percent year-over-year growth. GAAP earnings per share for the quarter was \$4.18 and non-GAAP earnings per share was \$5.31 representing 14 percent year-over-year growth.

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



AI represents a tectonic technology shift and presents the biggest opportunity for Adobe in decades. Our strategy to harness AI is focused on infusing it across our category-leading applications to provide more value and delivering innovative new AI-first products. We've done a great job executing this strategy by accelerating innovation with a focus on offering greater value to Creative and Marketing Professionals and Business Professionals and Consumers.

Creativity has always been core to the company's mission. We're infusing AI across our flagship Creative Cloud applications including Photoshop, Illustrator, Premiere Pro and After Effects and delivering new offerings for next generation creators with Adobe Firefly across web and mobile.

- We're delivering an end-to-end, ideation-to-creation solution in the new Firefly application to make it the single destination for creators' workflows. It includes our own first-party, commercially safe models and leading third-party models. We are seeing strong adoption of the standalone Firefly subscription offering.
- We recently added Google Gemini Flash 2.5 alongside Google's Veo and Imagen models to the roster of partner models from OpenAI, Black Forest Labs, Runway, Pika, Ideogram and others. In the rapidly evolving AI landscape, where each generative AI model has its own aesthetic style, we're offering customers choice and flexibility to use the right model within Adobe applications, without the friction of switching between workflows and platforms.
- AI is now deeply integrated across our flagship applications in Creative Cloud, giving creators everything they need to bring their creative visions to life all in one workflow. We're seeing strong adoption of the Creative Cloud Pro offering which includes Firefly, reflecting the value

professionals see in having AI integrated with power and precision creative tools. Simply put, Adobe is the operating system for creative work.

Adobe combines creativity and marketing in the enterprise, offering the most differentiated solution to serve the growing needs of Creative and Marketing Professionals.

- Adobe GenStudio is the most comprehensive solution that brings together workflow and planning, creation and production, asset management, activation and delivery and reporting and insights to enable marketing automation with AI in the enterprise.
- Our Workfront, Frame, AEM Assets, Firefly Services, and GenStudio for Performance Marketing products - which are key components of the integrated GenStudio solution - now exceed \$1 billion in ARR growing over 25 percent year over year.

Customers are leveraging the rich data and customer knowledge in Adobe Experience Platform to enable agentic workflows to scale the capabilities of Adobe's category-leading customer experience orchestration applications. We're seeing continued adoption and momentum for Adobe Experience Platform (AEP) AI Assistant with 70 percent of eligible AEP customers leveraging this functionality.

- As AI transforms consumer behavior, it's reinventing marketing and customer experience. Brand discovery is shifting from primarily search to include generative engine optimization. AI becomes the new UI, guided by conversations rather than menu clicks. Brands must deliver hyper-personalized, immersive experiences on owned channels to drive engagement and loyalty. In this new reality, Adobe uniquely offers an integrated customer experience platform that delivers automation, agility and scale.
- The explosion of content creation and automation in the enterprise and the beginning of new marketing needs such as LLM optimization and LLM advertising are a massive opportunity for Adobe. We're infusing AI into Adobe Experience Manager with our upcoming LLM Optimizer release, a powerful agentic app to improve brand visibility, drive acquisition and maintain engagement with customers across LLM platforms.

For Business Professionals and Consumers, we're integrating creativity with productivity for billions of users with the recent launch of Acrobat Studio, which brings together Acrobat and Express.

- PDF has been the global standard for digital documents for over 30 years and continues to grow. We're evolving Acrobat from a leading document productivity app to a first-of-its

kind destination for people to get insights faster, create standout content and collaborate more seamlessly.

- The new Acrobat Studio includes PDF Spaces, which transforms collections of PDFs, web pages and other files into dynamic knowledge hubs that help people work smarter and faster using AI Assistant to derive insights.
- We're seeing steady growth across our family of Acrobat and Express products with combined monthly active users growing approximately 25 percent year over year.

Adobe is the leader in the AI creative applications category. Our AI-influenced ARR has now surpassed \$5 billion, up from over \$3.5 billion exiting fiscal year 2024 and we have already surpassed our full year AI-first ending ARR target. Given our customer-focused growth strategy, product innovation and strong go-to-market execution and the momentum in our business, we're pleased to once again raise our FY25 revenue and EPS targets.

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

Q3 FY2025 Highlights

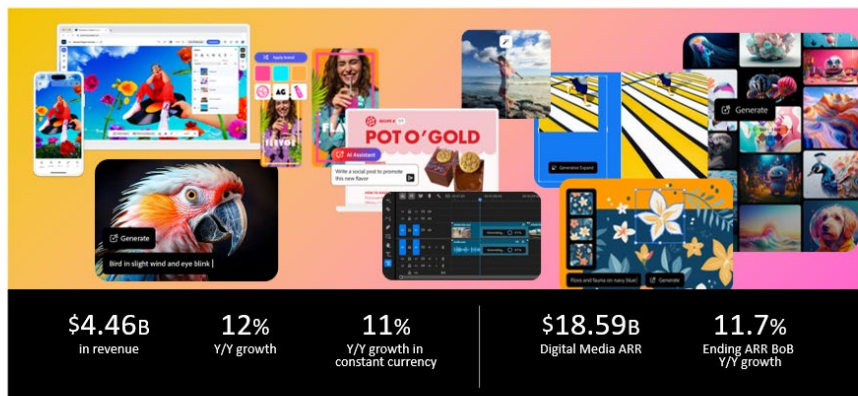
David Wadhwani | President, Digital Media Business



DAVID WADHWANI

Thanks, Shantanu. Hello, everyone.

Digital Media Performance



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In Q3, Digital Media achieved revenue of \$4.46 billion, which grew 11 percent year over year. We exited the quarter with \$18.59 billion of Digital Media ARR, growing ending ARR 11.7 percent year over year.

Digital Media

Business Professionals & Consumers

- Ending units for Acrobat AI Assistant, grew 40%+ Q/Q and AI Assistant engagement with conversations and summarizations grew ~50% Q/Q;
- Acrobat Mobile ending ARR grew 30%+ Y/Y;
- 14,000+ organizations added Express, 4x increase Y/Y;
- Express usage within Acrobat almost nearly doubled Q/Q;
- New Express integrations include LinkedIn, Miro and Premier League;
- 80%+ Y/Y increase in the number of students with access to Express Premium plans;
- Partnership with the State of California for high school and college students – access to Express, Acrobat and Firefly; and
- Key customer wins include: Allegis Group, Deutscher Sparkassenverlag (DSV), FedEx, Intuit, KKR, Lloyds Bank, Lockheed Martin, Provincial Government of Ontario, the State Government of Virginia and Vivendi.

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Our **Business Professionals and Consumers** customer group had another strong quarter. The introduction of Acrobat AI Assistant brought a new conversational interface that enhances the experience of customers consuming PDFs. This unlocks increased comprehension across the trillions of PDFs in the world. We continue to see accelerated use of AI Assistant across desktop, web and mobile.

Our vision is to harness the power of generative AI and conversational experiences to fundamentally reshape how knowledge is discovered, synthesized and shared. We're executing on our strategy to extend the role of PDF and Acrobat by delivering a cohesive experience that empowers individuals to effortlessly move from content consumption in Acrobat to content creation in Express.

We've expanded our strategy with the introduction of PDF Spaces, a new foundation for content consumption and creation. PDF Spaces reimagines how people work with documents—transforming static files into dynamic, collaborative knowledge hubs. Users can leverage PDF Spaces to organize documents and links, discover insights faster through conversational experiences and enable editing and remixing of PDF content into new formats like emails and presentations. I'm particularly excited that anyone can easily create agents to perform document tasks on their behalf. Customers can use PDF Spaces with team members for more impactful knowledge sharing and collaboration. The combination of PDF Spaces, AI Assistant and an integrated Express experience is available through Acrobat Studio, a new, premium offer in our Acrobat line-up. Early reception of Acrobat Studio has been strong, with encouraging adoption and usage trends that highlight the significant customer demand and opportunity ahead.

We're seeing rapid adoption of Adobe Express. In the enterprise, Express is helping organizations scale content creation while maintaining brand consistency and quality. A great example is dentsu, which has made Express a core part of its global marketing strategy. Adobe's platform is being rolled out to all 68,000 employees worldwide and scaled across brands including Carat, iProspect, dentsu X, Dentsu Creative, Tag and Merkle. By enabling creative teams to build content in Creative Cloud and share that content through Express within an overall GenStudio solution, dentsu ensures brand alignment across global teams while empowering marketers to create and remix their own content. This is driving measurable impact at dentsu.

Other business highlights include:

- Ending units for Acrobat AI Assistant grew more than 40 percent quarter over quarter and AI Assistant engagement, with conversations and summarizations grew nearly 50 percent quarter over quarter;
- Acrobat Mobile ending ARR grew more than 30 percent year over year;
- Over 14,000 organizations added Express in Q3 alone, a 4x increase in the quarter versus a year ago;
- Express usage within Acrobat nearly doubled quarter over quarter;
- New Express integrations in Q3 include LinkedIn, Miro and Premier League;
- Over an 80 percent year over year increase in the number of students with access to Express Premium plans. We signed a partnership with the State of California to help prepare high school and college students across the California State University system for careers in AI by providing them with access to Express, Acrobat AI Assistant and Firefly; and
- Key customer wins include: Allegis Group, Deutscher Sparkassenverlag (DSV), FedEx, Intuit, KKR, Lloyds Bank, Lockheed Martin, Provincial Government of Ontario, the State Government of Virginia and Vivendi.

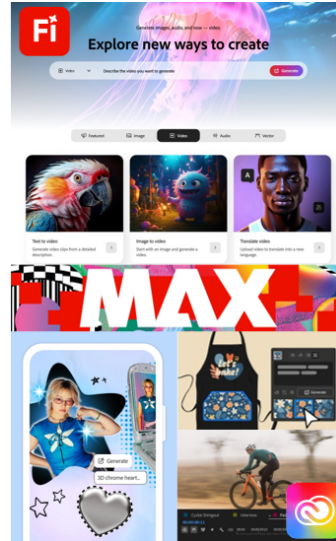
Digital Media

Creative Professionals & Creators

- New user acquisition of Creative Cloud, with strength in emerging markets like India grew ending units 50% Y/Y;
- Millions of downloads of the Firefly App for mobile since launch;
- Firefly app MAU grew 30% Q/Q;
- Firefly app continues to attract next gen creators, with first time Adobe subscribers through the app growing 20% Q/Q;
- Generative AI consumption accelerated, with 29 billion generations, and video generations growing ~40% Q/Q;
- Key enterprise wins: Disney, FedEx, Home Depot, Meta, MetLife, Stagwell, Ulta and Volkswagen.

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Our Creative Business had a strong quarter. Creativity has never been more important, and we continue to lead by delivering the next generation of innovations to empower **Creative Professionals and Creators**. As demand for content accelerates, our strategy is centered on making creativity more accessible, more intelligent and more impactful. We are doing this by deeply integrating AI into our flagship applications, expanding creativity through new apps like Firefly and providing powerful automation to help customers scale their work. Together, these innovations are transforming how ideas move from inspiration to execution and helping our customers create with greater speed, efficiency and imagination.

We are continuing to infuse AI into our flagship applications like Photoshop, Premiere Pro and Illustrator to help onboard new users more quickly and make existing users far more productive. Recent examples include the addition of a new Harmonize feature in Photoshop that blends composited objects with the image by automatically adjusting lighting, colors and shadows. Harmonize has quickly become one of the most used features in Photoshop. We released Project Turntable, a popular sneak from MAX last year, into Illustrator, which helps users rotate their 2D artwork to accurately visualize different angles, eliminating a frequent and time-consuming task. Innovations like these directly translate into measurable value for customers by cutting production times, enabling more content output, and raising the overall quality of creative work and have driven strong migration to our new Creative Cloud Pro offer.

The Firefly app is a powerful, yet accessible AI production studio that helps creators deliver original content faster than ever before. In Q3, we added a slew of new capabilities, including avatar generation, sound effects generation and updates to the growing list of integrated generative models. Firefly provides access to Adobe's commercially safe generative AI models alongside a growing list of leading

third-party models, including Google's Imagen, Veo and Gemini Flash 2.5, OpenAI's GPT-image as well as, Flux, Runway, Ideogram, Pika and Ray2, to name a few. This is enabling the Firefly app to be the go-to destination for content generation and editing for both creators using Adobe products for the first time as well as Creative professionals who have been using Creative Cloud applications for years.

We are delivering incredibly powerful automated content production capabilities through Firefly Services to enterprises of all sizes and across all verticals. These agentic services leverage Custom Models to automate and personalize image, video and 3D content for marketing campaigns, ad creation and post-production video work, all while maintaining brand consistency. Additionally, we delivered a no-code interface that extends the power of Firefly Services to studio and design teams. Firefly Services are available through GenStudio as well as to individuals through Firefly app subscriptions. Consumption of Firefly Services and Custom Models grew 32 percent and 68 percent quarter over quarter, respectively.

Other business highlights include:

- Continued new user acquisition of Creative Cloud with particular strength in emerging markets like India which grew ending units 50 percent year over year;
- Millions of downloads of the Firefly App for mobile since launch;
- Firefly app MAU grew 30 percent quarter over quarter;
- Firefly app continues to attract next gen creators, with first time Adobe subscribers through the app growing 20 percent quarter over quarter;
- Generative AI consumption accelerated, with 29 billion generations, and video generations growing nearly 40 percent quarter over quarter; and
- Key enterprise wins include Disney, FedEx, Home Depot, Meta, MetLife, Stagwell, Ulta and Volkswagen.

We're excited to welcome our community at Adobe MAX next month. We'll showcase incredible innovations that highlight amazing productivity features in our flagship Creative Cloud applications, breakthrough AI capabilities leveraging Firefly and third-party models, new agentic experiences for conversational editing, and significant strides in content production automation for enterprises. MAX is always a celebration of the community's creativity and we look forward to sharing how Adobe magic is transforming creative workflows and unlocking new opportunities.

I'll now turn it over to Anil.

Q3 FY2025 Highlights

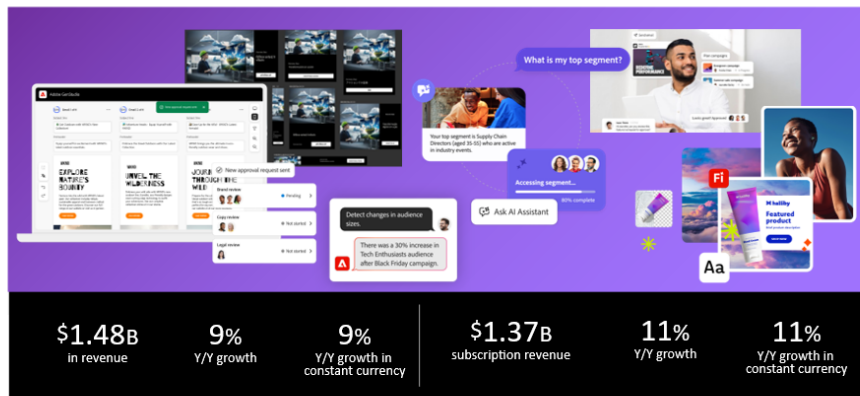
Anil Chakravarthi | President, Digital Experience Business



ANIL CHAKRAVARTHY

Thanks, David. Hello, everyone.

Digital Experience Performance



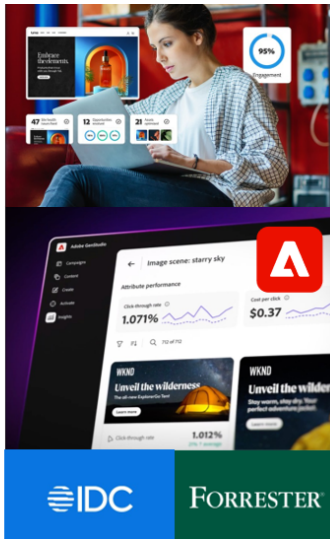
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Digital Experience had a strong Q3, achieving revenue of \$1.48 billion for the quarter. Subscription revenue in the quarter was \$1.37 billion, representing 11 percent year-over-year growth, making us the largest software provider in our category. Our success has been driven by having the most comprehensive solution for digital marketing and customer experience, enabling the world's largest brands to deliver personalized experiences at scale.

AI is changing consumer behavior and transforming how businesses engage with consumers. Our most recent Adobe Digital Index data, which is based on online transactions across over 1 trillion visits to U.S. retail sites, shows that LLM traffic grew 4,700 percent year over year in July 2025.

Digital Experience Creative & Marketing Professionals

- Strong demand for AEP and native apps with Q3 subscription revenue growing over 40% Y/Y;
- Adoption and momentum for AEP AI Assistant with 70% of eligible AEP customers using AI Assistant;
- Partnerships including Accenture, dentsu, IBM, Infosys, Omnicom and Publicis;
- Industry analyst recognition:
 - Leader in **Forrester Wave** reports for Customer Data Platforms for B2B and Digital Analytics Solutions; and
 - **IDC MarketScape** for Worldwide AI-Enabled Marketing Platforms for Enterprise and Midsize customers.
- 60% Y/Y growth in cross-cloud deals, demonstrating the value of the Adobe integrated platform including GenStudio;
- 40%+ of our top 50 enterprise accounts doubled their ARR spend since the start of FY23; and
- Key global customer wins: Amgen, Australia Post, Dick's Sporting Goods, Disney, FedEx, Intuit, Lloyds Bank, Macy's, MetLife, Microsoft, Morgan Stanley, Qatar Airways and Stagwell.



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The rapid changes in consumer behavior and expectations in the era of AI are forcing brands to reinvent marketing and customer experience. Customer acquisition is being disrupted, as brand discovery shifts from link-based search results to include LLMs. Brands need to win visibility through LLMs by providing machine-readable content and real-time updates, while strengthening their direct relationship with their consumers. With the rise of conversational interfaces, consumers increasingly expect that they can accomplish any interaction with a brand through a single interface. Hyper-personalization and immersive experiences will attract consumers to owned channels like websites and mobile apps, enabling brands to drive deeper customer engagement and loyalty. Enterprises need an end-to-end, integrated customer experience orchestration platform to achieve the scale, automation, agility and efficiency required in the era of AI.

Adobe is uniquely positioned to help businesses orchestrate and deliver personalized customer experiences by fusing creativity, marketing and agentic AI. Our AI-first and AI-infused solutions spanning GenStudio for content supply chain; AEP and Apps for customer engagement and loyalty; and Adobe Experience Manager and LLM Optimizer for brand visibility and discovery, enable us to power customer experience orchestration in the era of agentic AI.

We're seeing accelerating adoption and usage of Adobe GenStudio, the most comprehensive content supply chain solution, as enterprises drive content velocity with AI. New capabilities in Adobe GenStudio

for Performance Marketing are accelerating video and display ad campaign creation. Marketers will be able to produce engaging short-form video ads using the commercially safe Firefly Video Model. We released new capabilities for display ad campaigns, including on-brand image generation with Firefly, as well as offerings with Amazon Ads, Google Campaign Manager 360, LinkedIn and Meta to power seamless campaign workflows.

We are innovating on our leading AEP marketing and customer experience platform with built-in agentic functionality, empowering marketers to deliver digital experiences with greater agility and efficiency. Our intelligent agents understand intent, reason and recommend actions to drive outcomes across content, data, and journeys. Purpose-built agents are embedded in our core apps and new AI-first applications, helping brands unlock greater efficiency and precision, automate workflows and personalize experiences at scale. We launched the first phase of AEP Agent Orchestrator in Q3, empowering businesses to build, manage and orchestrate AI agents from Adobe and third parties. These capabilities power the Data Insights Agent and Product Support Agent, which are generally available now and add to our growing portfolio of agents.

Our newest innovation is Adobe LLM Optimizer, available in early access. As customers and prospects increasingly turn to generative AI search and assistants for brand discovery, LLM Optimizer helps shape how brands show up in results which is driving influence, visibility and qualified traffic.

Other business highlights include:

- Strong demand for AEP and native apps with Q3 subscription revenue growing over 40 percent year over year;
- Continued adoption and momentum for AEP AI Assistant with 70 percent of eligible AEP customers using AI Assistant;
- Expanded partnership announcements at Cannes including Accenture, dentsu, IBM, Infosys, Omnicom and Publicis;
- Industry analyst recognition, including being named a leader in two Forrester Wave reports for Customer Data Platforms for B2B and Digital Analytics Solutions as well as two IDC MarketScapes for Worldwide AI-Enabled Marketing Platforms for Enterprise and Midsize customers;
- Strong 60 percent year-over-year growth in cross-cloud deals, demonstrating the value of the Adobe integrated platform including GenStudio;
- Over 40 percent of our top 50 enterprise accounts doubled their ARR spend since the start of FY23; and

- Key global customer wins, including Amgen, Australia Post, Dick's Sporting Goods, Disney, FedEx, Intuit, Lloyds Bank, Macy's, MetLife, Microsoft, Morgan Stanley, Qatar Airways and Stagwell.

We are excited to showcase our latest innovations, including AI-first apps and AI-infused products, at MAX next month. These advancements further strengthen our position as the leader in customer experience orchestration in the era of agentic AI.

I'll now pass it to Dan.

Q3 FY2025 Results

Dan Durn | EVP & CFO



DAN DURN

Thanks, Anil.

Today, I will start by summarizing Adobe's performance in Q3 fiscal 2025, highlighting growth drivers across our businesses, and I'll finish with our targets.

Q3 FY2025 Results

Total Revenue	\$5.99 billion	11% Y/Y growth	10% Y/Y growth ¹
Digital Media Ending ARR		11.7% Y/Y growth ¹	
Digital Media segment revenue	\$4.46 billion	12% Y/Y growth	11% Y/Y growth ¹
Digital Experience segment revenue	\$1.48 billion	9% Y/Y growth	9% Y/Y growth ¹
Digital Experience subscription revenue	\$1.37 billion	11% Y/Y growth	11% Y/Y growth ¹
Earnings per share	GAAP: \$4.18		Non-GAAP: \$5.31

- Generated record Q3 \$2.20 billion of cash flows from operations
- 8.0 million shares repurchased in the quarter
- Record Remaining Performance Obligations (RPO) exiting the quarter were \$20.44 billion
- Current Remaining Performance Obligations (cRPO) exiting the quarter were 67%

¹ Adjusted to show growth rates in constant currency.

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Q3 FY2025 Performance

In Q3, we exceeded our targets and once again delivered double digit top-line and EPS growth. We are driving demand by infusing AI into our category-leading solutions as well as delivering new AI-first products across Business Professionals and Consumers, Creative Professionals and Creators, and Marketing Professionals.

Adobe achieved revenue of \$5.99 billion, which represents 11 percent year-over-year growth as reported, or 10 percent in constant currency. GAAP diluted earnings per share in Q3 was \$4.18 and non-GAAP diluted earnings per share was \$5.31, reflecting 11 percent and 14 percent year-over-year growth, respectively.

Adobe AI-influenced ARR surpassed \$5 billion and we expect it to continue to rise as a percent of our business. Notably, ARR from our new AI-first products, including Firefly, Acrobat AI Assistant, and GenStudio for Performance Marketing, has already achieved our end-of-year target of over \$250 million.

Third quarter business and financial highlights included:

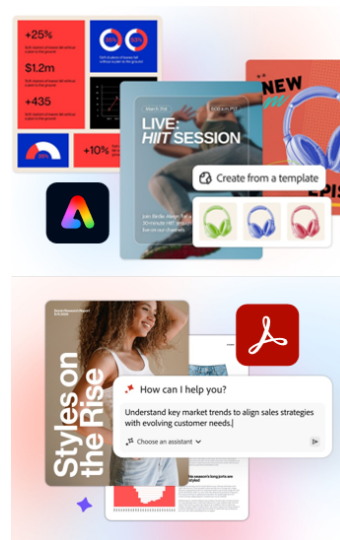
- Digital Media revenue of \$4.46 billion;
- Digital Media ending ARR of \$18.59 billion, growing 11.7 percent year over year;
- Digital Experience revenue of \$1.48 billion;
- Cash flows from operations of \$2.20 billion, which is a record for Q3; and
- Exiting the quarter, Remaining Performance Obligations (RPO) were \$20.44 billion, growing 13 percent year over year, or 12 percent in constant currency and cRPO growing 10 percent as reported and in constant currency.

Digital Media Business Professionals & Consumers

- Exited the quarter with \$18.59 billion of Digital Media ARR, growing 11.7% Y/Y;
- MAU of Acrobat and Express grew ~25% Y/Y, fueling our freemium growth strategy;
- Strong usage and monetization of our Acrobat offerings including AI Assistant and our newly launched Acrobat Studio;
- 4x Y/Y increase in businesses adding Express;
- Robust performance in the education sector driven by access to Express, Acrobat AI Assistant and Firefly for students, faculty, and staff; and
- Strong ARR book of business growth across all routes to market and geographies.

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Digital Media

In our Digital Media segment, we achieved 12 percent year-over-year revenue growth as reported, or 11 percent in constant currency. We exited the quarter with Digital Media ARR growing 11.7 percent year

over year in constant currency, driven by strong demand for higher-value AI-infused offerings including Creative Cloud Pro and Acrobat as well as AI-first products including Firefly and Acrobat AI Assistant.

Within Digital Media, Q3 growth drivers for **Business Professionals and Consumers** included:

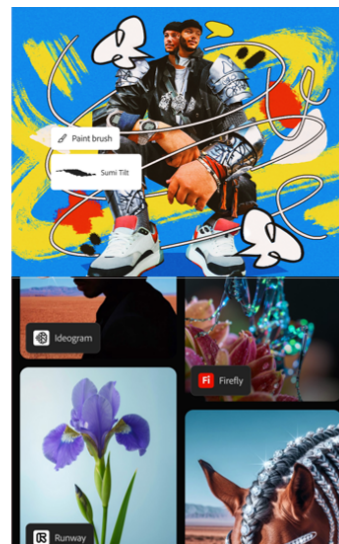
- Monthly active users of Acrobat and Express grew approximately 25 percent year-over-year, fueling our freemium growth strategy;
- Strong usage and monetization of our Acrobat offerings including AI Assistant and our newly launched Acrobat Studio;
- 4x increase in businesses adding Express in the quarter versus a year ago;
- Robust performance in the education sector driven by access to Express, Acrobat AI Assistant and Firefly for students, faculty, and staff; and
- Strong ARR book of business growth across all routes to market and geographies.

Digital Media Creative Professionals & Creators

- Exited the quarter with \$18.59 billion of Digital Media ARR, growing 11.7% Y/Y;
- Increasing demand and usage of AI-innovation in our flagship applications like Photoshop, Premiere Pro, and Illustrator as part of our new Creative Cloud Pro offering;
- Strong new subscription adoption of Firefly App by individuals and Firefly Services by enterprises;
- Support of Firefly and third-party models in Creative Cloud applications drove accelerating generative AI usage Q/Q; and
- Strong ARR book of business growth across all routes to market and geographies.

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Within Digital Media, Q3 growth drivers for **Creative Professionals and Creators** included:

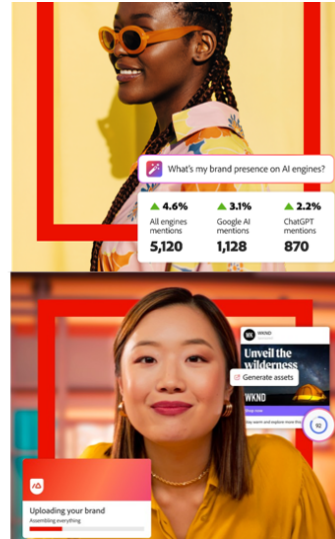
- Increasing demand and usage of AI-innovation in our flagship applications like Photoshop, Premiere Pro, and Illustrator as part of our new Creative Cloud Pro offering;
- Strong new subscription adoption of the Firefly App by individuals and Firefly Services by enterprises;
- Support of Firefly and third-party models in Creative Cloud applications drove accelerating generative AI usage quarter over quarter; and
- Strong ARR book of business growth across all routes to market and geographies.

Digital Experience Marketing Professionals

- AEP & Apps ending ARR growing 40%+ Y/Y as enterprises focus on delivering personalization at scale for customer engagement;
- Strong adoption of AEM including Sites Optimizer as marketers increase relevancy of their owned websites across both 'search' and LLM platforms;
- Increasing demand for GenStudio, our comprehensive content supply chain solution, as enterprises drive content velocity and AI automation;
- Continued strength in customer retention and expansion; and
- Strong execution in deals over \$1 million across key verticals and geographies.

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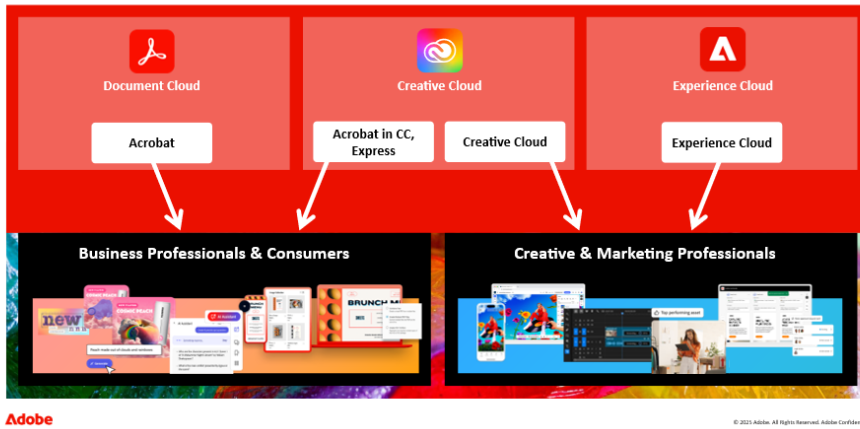
Digital Experience

Turning to our Digital Experience segment, in Q3 we achieved revenue of \$1.48 billion, which represents 9 percent year-over-year growth as reported and in constant currency. Digital Experience subscription revenue was \$1.37 billion, growing 11 percent year over year as reported and in constant currency.

Within Digital Experience, Q3 growth drivers for **Marketing Professionals** included:

- AEP and Apps ending ARR growing greater than 40 percent year over year as enterprises focus on delivering personalization at scale for customer engagement;
- Strong adoption of AEM including Sites Optimizer as marketers increase relevancy of their owned websites across both 'search' and LLM platforms;
- Increasing demand for GenStudio, our comprehensive content supply chain solution, as enterprises drive content velocity and AI automation;
- Continued strength in customer retention and expansion; and
- Strong execution in deals over \$1 million across key verticals and geographies.

Customer Groups



Customer Group Results and Insights

Our growth strategy is focused on serving the diverse needs of our customers across both “Business Professionals and Consumers” and “Creative and Marketing Professionals”. As we previously outlined, our continued success will be driven by orienting our innovations, offerings, monetization models and go-to-market around our customer groups.

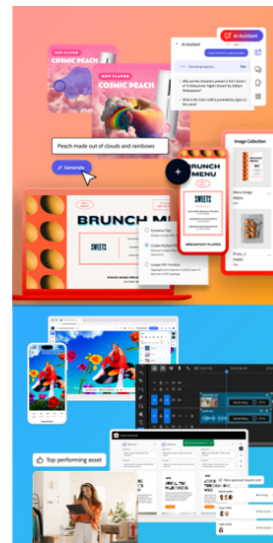
Customer Group Performance Q3 FY2025 Highlights

Business Professionals & Consumers Group consists of subscription revenue from Adobe Acrobat offerings and Adobe Express, all of which are part of Digital Media.

- **Business Professionals & Consumers Group** subscription revenue was \$1.65 billion, which represents 15% Y/Y growth as reported, or 14% in constant currency.

Creative & Marketing Professionals Group consists of subscription revenue from Digital Experience offerings as well as Creative Cloud flagship apps within Digital Media.

- **Creative & Marketing Professionals Group** subscription revenue was \$4.12 billion, which represents 11% Y/Y growth as reported, or 10% in constant currency.



For the **Business Professionals and Consumers Group**, subscription revenue was \$1.65 billion, which represents 15 percent year-over-year growth as reported, or 14 percent in constant currency.

For the **Creative and Marketing Professionals Group**, subscription revenue was \$4.12 billion, which represents 11 percent year-over-year growth, or 10 percent in constant currency.

In the enterprise at the intersection of creativity and marketing, Adobe's integrated and AI-infused solutions are transforming the entire content supply chain to address digital content workflow and planning, creation and production, asset management, delivery and activation, and reporting and insights. This massive market represents an opportunity to drive both creative seat and ARPU growth as well as demand for our content production and marketing automation solutions.

- We are driving strong adoption of our automation solutions in the enterprise with GenStudio. Our Workfront, Frame, AEM Assets, Firefly Services, and GenStudio for Performance Marketing products - which are key components of the integrated GenStudio solution - now exceed \$1 billion in ARR growing over 25 percent year over year;
- In the enterprise, we delivered over 60 percent year-over-year growth of One Adobe deals, reflecting cross-cloud adoption and deepening strategic partnerships with our customers.

In addition, historical subscription revenue for these customer groups is available in the Adobe Investor Relations data sheet under 'Supplementary Customer Group Data' dating back to FY23.

Q3 FY2025 Results

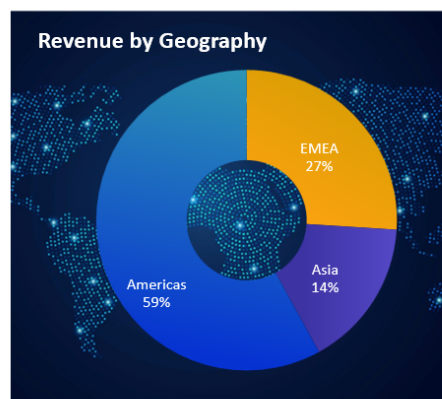
\$20.44B
RPO

\$5.94B
Cash and short-term investments

\$2.20B
Cash flows from operations

8.0M
Shares repurchased

Adobe



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Other Financial Highlights

Turning to other financial disclosures, Adobe's effective tax rate in Q3 was 19.0 percent on a GAAP basis and 18.5 percent on a non-GAAP basis.

Our cash flow from operations in the quarter was a Q3 record of \$2.20 billion, and ending cash and short-term investment position exiting Q3 was \$5.94 billion.

In Q3, we entered into a share repurchase agreement totaling \$2.50 billion, and we currently have \$8.40 billion remaining of our \$25 billion authorization granted in March 2024.

Targets

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

Q4 FY2025 Financial Targets¹ | September 11, 2025

Total Revenue	\$6.075 billion to \$6.125 billion	
Digital Media segment revenue	\$4.53 billion to \$4.56 billion	
Digital Experience segment revenue	\$1.495 billion to \$1.515 billion	
Digital Experience subscription revenue	\$1.395 billion to \$1.410 billion	
Earnings per share	GAAP: \$4.27 to \$4.32	Non-GAAP: \$5.35 to \$5.40

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

¹ Targets assume non-GAAP operating margin of ~45.5%, non-GAAP tax rate of ~18.5% and diluted share count of ~418 million for fourth quarter fiscal year 2025.

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For Q4 FY25, we are targeting:

- Total Adobe revenue of \$6.075 to \$6.125 billion;
- Digital Media segment revenue of \$4.53 to \$4.56 billion;
- Digital Experience segment revenue of \$1.495 to \$1.515 billion;
- Digital Experience subscription revenue of \$1.395 to \$1.410 billion;
- GAAP earnings per share of \$4.27 to \$4.32; and
- Non-GAAP earnings per share of \$5.35 to \$5.40.

For Q4, we expect non-GAAP operating margin of approximately 45.5 percent and a non-GAAP tax rate of approximately 18.5 percent.

Based on our momentum, we are pleased to raise our Digital Media ending ARR growth target, and given our Q4 targets, we are raising the full year total revenue and GAAP and Non-GAAP EPS targets.

Updated FY2025 Financial Targets¹ | September 11, 2025

Total Revenue	\$23.65 billion to \$23.70 billion	
Digital Media segment revenue	\$17.56 billion to \$17.59 billion	
Digital Media ending ARR growth	11.3% Y/Y	
Digital Experience segment revenue	\$5.84 billion to \$5.86 billion	
Digital Experience subscription revenue	\$5.39 billion to \$5.41 billion	
Earnings per share	GAAP: \$16.53 to \$16.58	Non-GAAP: \$20.80 to \$20.85

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

¹ Targets assume non-GAAP operating margin of ~46%, non-GAAP tax rate of ~18.5% and diluted share count of ~427 million for fiscal year 2025.

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For FY25, we are now targeting:

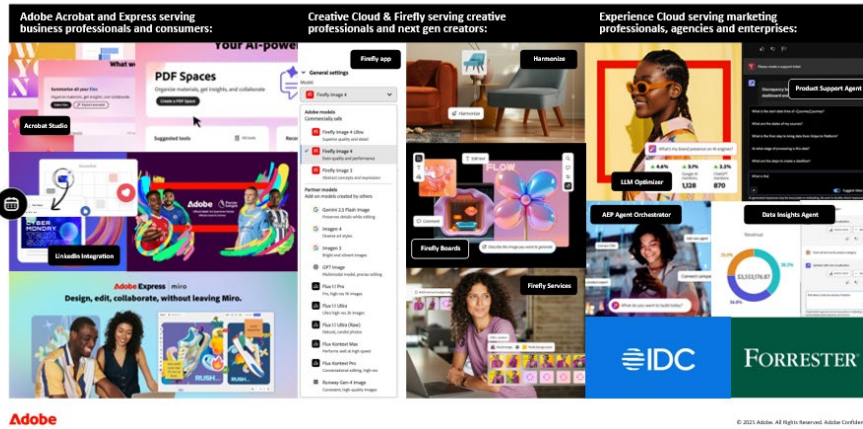
- Total Adobe revenue of \$23.65 to \$23.70 billion;
- Digital Media segment revenue of \$17.56 to \$17.59 billion;
- Digital Media ending ARR book of business growth of 11.3 percent year over year;
- Digital Experience segment revenue of \$5.84 to \$5.86 billion;
- Digital Experience subscription revenue of \$5.39 to \$5.41 billion;
- GAAP earnings per share of \$16.53 to \$16.58; and
- Non-GAAP earnings per share of \$20.80 to \$20.85.

Summary

In summary, Adobe's Q3 performance demonstrates strong execution in an AI-first world. Our focus on product leadership and customer-centric innovation positions us to deliver durable and profitable growth. We are excited to see customers adopt and utilize our comprehensive suite of differentiated AI-first and AI-infused solutions. Looking ahead, I am confident that our investments and strategic focus will deliver long-term shareholder value.

Shantanu, back to you.

Q3 FY2025 Highlights



SHANTANU NARAYEN

Thanks, Dan.

I'm extremely energized by my constant engagement with our world-class product teams and excited about our innovative roadmap to deliver Adobe magic to an ever-increasing number of customers. In my interactions with companies around the world, it's clear that they're investing in Adobe as their mission-critical creative AI technology partner.

I look forward to seeing you at Adobe MAX, where we will showcase incredible innovations across creativity, marketing and AI and host an investor Q&A session.

Thank you, and we will now take your questions. Operator.

Q&A

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The Adobe logo, consisting of the word "Adobe" in white, bold, sans-serif font, centered within a solid red rectangular background.

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