



Adobe Systems Investor Relations Data Sheet

Last Updated: March 15, 2018

Description		Q1'16	Q2'16	Q3'16	Q4'16	FY2016	Q1'17	Q2'17	Q3'17	Q4'17	FY2017	Q1'18
Revenue (\$Millions)	Total Revenue	1,383.3	1,398.7	1,464.0	1,608.4	5,854.4	1,681.6	1,772.2	1,841.1	2,006.6	7,301.5	2,078.9
Revenue by Segment (\$Millions)	Digital Media	931.7	943.1	990.0	1,076.2	3,941.0	1,138.1	1,212.0	1,270.2	1,390.3	5,010.6	1,460.5
	Digital Experience	377.3	385.4	404.0	464.7	1,631.4	477.3	495.4	507.8	549.9	2,030.4	554.1
	Publishing	74.3	70.2	70.0	67.5	282.0	66.2	64.8	63.1	66.4	260.5	64.3
Revenue by Segment (as % of total revenue)	Digital Media	68%	67%	68%	67%	67%	68%	68%	69%	69%	69%	70%
	Digital Experience	27%	28%	27%	29%	28%	28%	28%	28%	28%	28%	27%
	Publishing	5%	5%	5%	4%	5%	4%	4%	3%	3%	3%	3%
Supplementary Segment Data	Digital Media											
	Creative Revenue (\$Millions)	732.9	754.9	802.7	885.6	3,176.1	942.2	1,012.1	1,063.9	1,155.7	4,173.9	1,229.5
	Creative ARR ^{1,2} (\$Millions) - Updated for December 2015 Currency Rates	2,735	2,998	3,256	3,539	-	-	-	-	-	-	-
	Creative ARR ^{1,2} (\$Millions) - Updated for December 2016 Currency Rates	-	-	-	3,515	-	3,759	4,044	4,316	4,631	-	-
	Creative ARR ^{1,2} (\$Millions) - Updated for December 2017 Currency Rates	-	-	-	-	-	-	-	-	4,771	-	5,074
	Document Cloud Revenue (\$Millions)	198.8	188.2	187.3	190.6	764.9	195.9	199.9	206.3	234.6	836.7	231.0
	Document Cloud ARR ^{2,3} (\$Millions) - Updated for December 2015 Currency Rates	393	415	442	475	-	-	-	-	-	-	-
	Document Cloud ARR ^{2,3} (\$Millions) - Updated for December 2016 Currency Rates	-	-	-	472	-	493	520	556	600	-	-
	Document Cloud ARR ^{2,3} (\$Millions) - Updated for December 2017 Currency Rates	-	-	-	-	-	-	-	-	614	-	647
	Total Digital Media ARR² (\$Millions) - Updated for December 2015 Currency Rates	3,128	3,413	3,698	4,014	-	-	-	-	-	-	-
Total Digital Media ARR² (\$Millions) - Updated for December 2016 Currency Rates	-	-	-	3,987	-	4,252	4,564	4,872	5,231	-	-	
Total Digital Media ARR² (\$Millions) - Updated for December 2017 Currency Rates	-	-	-	-	-	-	-	-	5,385	-	5,721	
¹ Creative Annualized Recurring Revenue ("ARR") = Annual Value of Creative Cloud Subscriptions and Services + Annual Value of Creative ETLA Contracts + Annual Value of Digital Publishing Suite ("DPS") Contracts ² ARR is forecasted annually at December currency rates, and currency rates are held constant through that fiscal year for measurement purposes; end-of-year actual ARR balances are revalued at new December rates for the next fiscal year ³ Document Cloud Annualized Recurring Revenue ("ARR") = Annual Value of Document Cloud Subscriptions and Services + Annual Value of Acrobat ETLA Contracts												
Supplementary Segment Data	Digital Experience											
	Experience Cloud Subscription Revenue⁴ (\$Millions)	265.8	264.0	287.2	306.2	1,123.2	352.9	377.1	395.2	427.3	1,552.5	430.9
⁴ Includes revenue from SaaS, managed service and term offerings for Adobe Analytics Cloud and Adobe Marketing Cloud, as well as total revenue for Adobe Advertising Cloud												
Revenue by Geography (\$Millions)	Americas	806.5	820.0	851.9	921.7	3,400.1	975.8	1,026.7	1,063.1	1,151.0	4,216.6	1,170.7
	EMEA	385.6	380.6	400.2	452.7	1,619.1	459.1	475.9	500.8	549.2	1,985.0	587.2
	Asia	191.2	198.1	211.9	234.0	835.2	246.7	269.6	277.2	306.4	1,099.9	321.0
Revenue by Geography (as % of total revenue)	Americas	58%	59%	58%	57%	58%	58%	58%	58%	58%	58%	56%
	EMEA	28%	27%	27%	28%	28%	27%	27%	27%	27%	27%	28%
	Asia	14%	14%	15%	15%	14%	15%	15%	15%	15%	15%	16%
Supplementary Cost of Revenue Data (\$Millions)	Digital Media	54.6	58.2	56.8	61.6	231.1	55.0	58.4	69.5	57.1	240.0	55.5
	Digital Experience	136.4	136.4	139.2	147.9	559.9	176.8	175.1	187.6	207.5	747.0	198.8
	Publishing	7.6	7.5	6.7	7.1	28.9	5.5	5.9	5.8	6.3	23.5	4.6
	Total	198.6	202.1	202.7	216.6	819.9	237.3	239.4	262.9	270.9	1,010.5	258.9
Stock-Based and Deferred Compensation Expenses (\$Millions)	Direct Costs	5.5	5.3	5.0	5.3	21.1	7.4	8.7	8.3	8.9	33.3	9.7
	Research & Development	32.8	30.2	30.6	30.9	124.5	38.6	48.0	48.4	50.9	185.9	60.0
	Sales & Marketing	33.6	33.0	32.2	32.2	131.0	37.7	40.8	41.0	40.6	160.1	44.4
	General & Administrative	19.8	18.7	18.3	18.2	75.0	19.9	21.1	20.3	21.8	83.1	22.3
	Total	91.7	87.2	86.1	86.6	351.6	103.6	118.6	118.0	122.2	462.4	136.4
Other Data	Worldwide Employees	14,154	14,844	15,381	15,706	-	16,637	17,322	17,788	17,973	-	18,133
	Days Sales Outstanding - Trade Receivables	42	43	45	47	-	46	46	50	55	-	47
	Diluted Shares Outstanding	505.7	504.7	503.7	501.2	504.3	500.9	500.4	500.4	500.1	501.1	499.4

Adobe provides this information as of the modification date above and makes no commitment to update the information subsequently. For a full explanation of this data, you are encouraged to review Adobe's Form 10-K and 10-Q SEC filings.



Adobe Systems Investor Relations Data Sheet

Income Statement - Reconciliation of GAAP to Non-GAAP
Last Updated: March 15, 2018

Description		Q1'16	Q2'16	Q3'16	Q4'16	FY2016	Q1'17	Q2'17	Q3'17	Q4'17	FY2017	Q1'18
GAAP (\$Millions, except EPS)	Revenue	1,383.3	1,398.7	1,464.0	1,608.4	5,854.4	1,681.6	1,772.2	1,841.1	2,006.6	7,301.5	2,078.9
	Cost of revenue	198.6	202.1	202.7	216.5	819.9	237.3	239.4	262.9	270.9	1,010.5	258.9
	Gross profit	1,184.8	1,196.6	1,261.3	1,391.9	5,034.5	1,444.3	1,532.8	1,578.2	1,735.7	6,291.0	1,820.0
	Operating expenses	877.0	852.4	891.9	919.6	3,540.9	975.3	1,028.7	1,032.5	1,086.4	4,122.9	1,117.3
	Operating income	307.8	344.2	369.3	472.3	1,493.6	469.0	504.1	545.7	649.3	2,168.1	702.7
	Non-operating income (expense)	(15.5)	(14.4)	(13.0)	(15.6)	(58.5)	(8.4)	(11.5)	(4.3)	(6.3)	(30.5)	(0.2)
	Income before income taxes	292.3	329.8	356.3	456.7	1,435.1	460.6	492.6	541.4	643.0	2,137.6	702.5
	Provision for income taxes	38.0	85.7	85.5	57.1	266.3	62.2	118.2	121.8	141.5	443.7	119.4
	Net income	254.3	244.1	270.8	399.6	1,168.8	398.4	374.4	419.6	501.5	1,693.9	583.1
	Diluted earnings per share	\$ 0.50	\$ 0.48	\$ 0.54	\$ 0.80	\$ 2.32	\$ 0.80	\$ 0.75	\$ 0.84	\$ 1.00	\$ 3.38	\$ 1.17
Adjustments to Reconcile to Non-GAAP (\$Millions)	Cost of revenue											
	Stock-based and deferred compensation	(5.5)	(5.3)	(5.0)	(5.3)	(21.1)	(7.4)	(8.7)	(8.3)	(8.9)	(33.2)	(9.7)
	Amortization of purchased intangibles and technology license arrangements	(17.9)	(13.6)	(13.4)	(12.6)	(57.5)	(16.3)	(17.2)	(17.2)	(16.1)	(66.9)	(14.6)
	Total adjustments to cost of revenue	(23.4)	(18.9)	(18.4)	(17.9)	(78.7)	(23.7)	(26.0)	(25.5)	(25.0)	(100.2)	(24.3)
	Operating expenses											
	Stock-based and deferred compensation	(86.2)	(81.9)	(81.1)	(81.3)	(330.4)	(96.2)	(109.9)	(109.7)	(113.3)	(429.1)	(126.7)
	Restructuring and other charges	0.4	0.5	0.3	0.3	1.5	-	0.1	-	0.4	0.5	-
	Amortization of purchased intangibles and technology license arrangements	(18.4)	(19.0)	(22.7)	(18.5)	(78.5)	(19.1)	(19.3)	(19.4)	(18.7)	(76.6)	(17.1)
	Total adjustments to operating expenses	(104.2)	(100.4)	(103.5)	(99.5)	(407.4)	(115.4)	(129.1)	(129.1)	(131.6)	(505.2)	(143.8)
	Non-operating income (expense)	1.2	3.3	(1.5)	(1.4)	1.6	(2.6)	(1.7)	(1.0)	(2.3)	(7.6)	(3.0)
Taxes	50.4	9.3	14.6	63.1	137.4	63.2	17.4	24.1	26.0	130.7	(24.0)	
Non-GAAP (\$Millions, except EPS)	Revenue	1,383.3	1,398.7	1,464.0	1,608.4	5,854.4	1,681.6	1,772.2	1,841.1	2,006.6	7,301.5	2,078.9
	Cost of revenue	175.2	183.2	184.3	198.6	741.2	213.7	213.4	237.4	245.9	910.4	234.6
	Gross profit	1,208.1	1,215.5	1,279.7	1,409.8	5,113.2	1,468.0	1,558.8	1,603.7	1,760.7	6,391.2	1,844.3
	Operating expenses	772.8	752.0	788.5	820.1	3,133.5	859.9	899.7	903.4	954.7	3,617.7	973.5
	Operating income	435.3	463.5	491.1	589.7	1,979.7	608.0	659.1	700.3	806.0	2,773.4	870.9
	Non-operating income (expense)	(14.3)	(11.1)	(14.6)	(16.9)	(56.9)	(10.9)	(13.2)	(5.3)	(8.6)	(38.0)	(3.2)
	Income before income taxes	421.0	452.4	476.6	572.8	1,922.8	597.1	645.9	695.0	797.4	2,735.4	867.6
	Provision for income taxes	88.4	95.0	100.1	120.2	403.7	125.4	135.6	146.0	167.4	574.4	95.4
	Net income	332.6	357.4	376.5	452.6	1,519.1	471.7	510.3	549.1	629.9	2,161.0	772.2
	Diluted earnings per share	\$ 0.66	\$ 0.71	\$ 0.75	\$ 0.90	\$ 3.01	\$ 0.94	\$ 1.02	\$ 1.10	\$ 1.26	\$ 4.31	\$ 1.55
Shares	Diluted shares outstanding	505.7	504.7	503.7	501.2	504.3	500.9	500.4	500.4	500.1	501.1	499.4
Reconciliation of Diluted Earnings Per Share (\$)	GAAP diluted earnings per share	0.50	0.48	0.54	0.80	2.32	0.80	0.75	0.84	1.00	3.38	1.17
	Stock-based and deferred compensation	0.18	0.17	0.17	0.17	0.70	0.21	0.23	0.24	0.24	0.92	0.27
	Amortization of purchased intangibles and technology license arrangements	0.07	0.06	0.07	0.06	0.27	0.07	0.07	0.07	0.07	0.29	0.06
	Non-operating income (expense)	-	0.01	-	-	-	(0.01)	-	-	-	(0.02)	-
	Income tax adjustments	(0.09)	(0.01)	(0.03)	(0.13)	(0.28)	(0.13)	(0.03)	(0.05)	(0.05)	(0.26)	0.05
Non-GAAP diluted earnings per share	\$ 0.66	\$ 0.71	\$ 0.75	\$ 0.90	\$ 3.01	\$ 0.94	\$ 1.02	\$ 1.10	\$ 1.26	\$ 4.31	\$ 1.55	
Reconciliation of GAAP to Non-GAAP Operating Margin	GAAP operating margin	22.2%	24.6%	25.2%	29.4%	25.5%	27.9%	28.4%	29.6%	32.4%	29.7%	33.8%
	Stock-based and deferred compensation	6.6%	6.2%	5.9%	5.4%	6.0%	6.2%	6.7%	6.4%	6.1%	6.3%	6.6%
	Amortization of purchased intangibles and technology license arrangements	2.7%	2.3%	2.4%	1.9%	2.3%	2.1%	2.1%	2.0%	1.7%	2.0%	1.5%
	Non-GAAP operating margin	31.5%	33.1%	33.5%	36.7%	33.8%	36.2%	37.2%	38.0%	40.2%	38.0%	41.9%

The above results are supplied to provide meaningful supplemental information regarding Adobe's core operating results because such information excludes amounts that are not necessarily related to its core operating results. Adobe uses this non-GAAP financial information in assessing the performance of the Company's ongoing operations, and for planning and forecasting in future periods. This non-GAAP information should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.



FY2018 Business Segment Classifications

Last Updated: March 15, 2018

Products			
Digital Media	Creative		
	Creative Cloud	Creative Cloud Desktop Apps	Creative Cloud Mobile Apps
	Creative Cloud for individuals	Acrobat Pro DC	Behance
	Creative Cloud for students and teachers	After Effects	Capture
	Creative Cloud for teams	Animate	Comp
	Creative Cloud for enterprises	Audition	XD (Experience Design)
	Creative Cloud for education	Bridge	Illustrator Draw
	Creative Cloud Photography plan	Character Animator	Photo Editor by Aviary
		Dimension	Photoshop Express
		Dreamweaver	Photoshop Fix
Services	XD (Experience Design)	Photoshop Lightroom for mobile	
AIR/Flash Player	Fireworks CS6	Photoshop Mix	
Aviary	Fuse (Beta)	Photoshop Sketch	
Behance	Illustrator	Portfolio	
Creative SDK	InCopy	Prelude Live Logger	
Digital Publishing Suite	InDesign	Premiere Clip	
Extendscript Toolkit	Ink & Slide	Preview	
Extension Manager	Media Encoder	Scout	
Flash Builder	Muse	Spark Page	
Gaming SDK	Photoshop	Spark Post	
PhoneGap Build	Photoshop Lightroom	Spark Video	
Portfolio	Prelude		
Stock	Premiere Pro	Consumer Products	
Story Plus	Scout	Photoshop Elements	
Talent	Story	Premiere Elements	
Typekit			
	Document Cloud		
Acrobat Pro DC	Document Cloud ExportPDF	Scan	
Acrobat Standard DC	Document Cloud Send	Sign	
Reader DC	PDF Pack		
Adobe Experience Cloud			
Digital Experience	Adobe Marketing Cloud		Adobe Analytics Cloud
	Adobe Experience Manager	Adobe Target	Adobe Analytics
	Assets	Targeting & Personalization	Standard
	Communities	Search & Merchandising	Premium
	Forms	Mobile App Targeting & Optimization	Video
	Livefyre		Mobile Apps
	Mobile	Adobe Primetime	
	Sites	PayTV Pass	Adobe Audience Manager
		TV SDKs (Player, DRM, Packaging)	Audience Manager
	Adobe Campaign	Ad Insertion, Ad Decisioning	
Campaign		Adobe Advertising Cloud	
	Adobe Social	Adobe Media Optimizer	
	Social	Media Optimizer Search	
		Media Optimizer DSP (TubeMogul)	
		Media Optimizer DCO	
Publishing	Authorware	eLearning Suite	PostScript
	Captivate	Font Folio	Robohelp
	ColdFusion	FrameMaker	Shockwave Player
	Connect	JRun	Technical Communication Suite
	Contribute	LiveCycle	Type
	Director	PageMaker	

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