



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26	
4.02	4.39	5.53	6.80	5.64	7.57	8.58	8.91	8.17	8.34	9.63	11.85	14.86	18.52	23.16	26.86	33.23	<b>38.25</b>	Revenues per sh <sup>A</sup>	<b>61.70</b>	
1.31	1.39	1.82	2.17	1.28	2.13	2.24	2.29	1.23	1.17	1.95	3.04	4.11	6.02	7.65	12.56	<b>11.80</b>	<b>12.35</b>	"Cash Flow" per sh	<b>20.55</b>	
1.13	.83	1.21	1.59	.73	1.47	1.65	1.66	.56	.53	1.24	2.32	3.38	5.20	6.00	10.83	10.02	<b>10.25</b>	Earnings per sh <sup>A,B</sup>	<b>17.50</b>	
.01	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>Nil</b>	
.10	.14	.23	.21	.23	.34	.43	.55	.38	.30	.37	.41	.36	.55	.82	.87	.73	<b>.90</b>	Cap'l Spending per sh	<b>1.40</b>	
3.81	8.77	8.14	8.38	9.36	10.35	11.77	13.49	13.55	13.62	14.06	15.02	17.22	19.20	21.83	27.69	31.15	<b>39.55</b>	Book Value per sh	<b>73.60</b>	
488.73	587.23	571.41	526.11	522.66	501.90	491.54	494.13	496.26	497.48	497.81	494.25	491.26	487.66	482.34	479.00	475.00	<b>468.00</b>	Common Shs Outst'g	<b>462.00</b>	
26.9	42.6	34.5	23.4	37.2	21.7	18.4	19.2	NMF	NMF	NMF	41.5	40.8	44.2	45.2	37.0	NMF	NMF	Avg Ann'l P/E Ratio	<b>42.0</b>	
1.43	2.30	1.83	1.41	2.48	1.38	1.15	1.22	NMF	NMF	NMF	2.18	2.05	2.39	2.41	1.89	NMF	NMF	Relative P/E Ratio	<b>2.35</b>	
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CAPITAL STRUCTURE as of 12/31/21																	2025	2026
Total Debt \$4123.0 mill. Due in 5 Yrs. \$2000 mill.																	4216.3	4403.7
LT Debt \$4123.0 mill. LT Int. \$180.0 mill. (22% Cap'l)																	32.5%	33.6%
Leases, Uncapitalized Annual rentals \$104.0 mill.																	270.2	299.8
No Defined Benefit Pension Plan.																	832.8	832.8
Pfd Stock None																	19.5%	25.6%
Common Stock 471,700,000 shs. as of 1/14/22																	19.8%	18.9%
MARKET CAP: \$245 billion (Large Cap)																	2520.7	3059.6
CURRENT POSITION																	1505.1	1496.9
CASH ASSET																	5783.1	6665.2
RECEIVABLES																	11.9%	10.6%
INVENTORY (FIFO)																	14.4%	12.5%
OTHER																	14.4%	12.5%
CURRENT ASSETS																	--	--
ACCTS PAYABLE																	--	--
DEBT DUE																	--	--
OTHER																	--	--
CURRENT LIAB.																	--	--

**BUSINESS:** Adobe, Inc. develops various computer software products that enable users to create, transfer, and print electronic documents. In fiscal 2021, the company operated in the following primary business segments: Digital Media, Digital Experience, and Publishing and Advertising. Adobe's leading software products include *Illustrator*, *Photoshop*, *InDesign*, and *Acrobat*. R&D spending accounted for roughly 16.0% of the company's total revenues in fiscal '20. Has about 25,990 employees. Vanguard Group owns approximately 8.0% of stock. Officers & directors own less than 1% (3/21 proxy). Chairman, President and CEO: Shantanu Narayen. Inc.: DE. Address: 345 Park Avenue, San Jose, CA 95110-2704. Telephone: 408-536-6000. Internet: www.adobe.com.

ANNUAL RATES																	2025	2026
of change (per sh)																	10.9%	10.6%
Revenues																	14.4%	12.5%
"Cash Flow"																	14.4%	12.5%
Earnings																	14.4%	12.5%
Dividends																	--	--
Book Value																	9.5%	11.0%
Fiscal Year Ends																	2018	2019
QUARTERLY REVENUES (\$ mill.) <sup>A</sup>																	2078.9	2195.4
Full Fiscal Year																	2600.9	2744.3
EARNINGS PER SHARE <sup>A,B</sup>																	3091.0	3128.0
Full Fiscal Year																	3905.0	3835.0
QUARTERLY DIVIDENDS PAID																	4230	4420
Full Year																	4420	4450
NO CASH DIVIDENDS BEING PAID																	4450	4110.0
Full Year																	4110.0	15785.0
Full Year																	2.60	2.50
Full Year																	2.55	2.60
Full Year																	2.60	2.50
Full Year																	2.55	2.60

**Adobe's results may moderate in fiscal 2022 (year ends Friday closest to November 30th).** The software company's top line has now surpassed the \$15 billion mark, reflecting a sizable increase in international business. Looking forward, revenues will likely be impacted by unfavorable currency rates, stemming from a stronger U.S. dollar. A shorter fiscal year will present challenges, as well. For fiscal 2022, we now look for Adobe to post revenues of \$17.9 billion, down from our prior forecast. We have lowered our earnings estimate by \$1.35, to \$10.25 per share. Costs should be well controlled, but a higher tax rate will also pressure the bottom line.

**The mainstay Digital Media segment should make progress.** Adobe's *Creative Cloud* suite continues to provide designers with the vital software needed to produce digital content (video, photography, illustration, Internet design, etc.). Looking forward, the industry is evolving and there will likely be strong demand for the programs used for the creation of 3D and augmented reality designs. Elsewhere, Adobe's document handling business is included in this operating segment. Here, the *Document Cloud* offering and the *Acrobat* program should remain the dominate software in a massive marketplace. Elsewhere, the **Digital Experience segment holds promise.** Adobe's *Experience Cloud* suite helps enterprise clients engage with customers across the digital domain. The product (used for advanced analytics, marketing, and commerce) continues to be well received. Although the technology is quite advanced, it should be noted that there are competitors emerging. **Finances easily support the business.** At the end of fiscal 2021, Adobe had cash of \$3.8 billion and debt of \$4.1 billion on its balance sheet. The company is positioned to increase R&D efforts, fund capital spending, and acquisitions, like the recent purchase of Frame.io. Elsewhere, stock buybacks can be expected, too. **These timely shares have pulled back since our November report.** This may reflect equity market movements, as much as Adobe's outlook. Our projections suggest that the stock holds decent appreciation potential for the next 3 to 5 years. The top Safety mark is worthy of mention.

*Adam Rosner* February 4, 2022

(A) Fiscal year ends the Friday closest to November 30th.	(B) Diluted earnings. Excludes net nonrec. (losses)/gains: '05, 06. Egs. may not sum due to rounding. Next earnings report due late March.	(C) Dividend discontinued mid-year fiscal '05.	Company's Financial Strength	A+
			Stock's Price Stability	90
			Price Growth Persistence	95
			Earnings Predictability	75