



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	33.20	38.55	Revenues per sh ^A	60.90
1.31	1.39	1.82	2.17	1.28	2.24	2.29	1.23	1.17	1.95	3.04	4.11	6.02	7.65	12.56	11.80	13.60	"Cash Flow" per sh	20.85	
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	10.00	11.60	Earnings per sh ^{A,B}	18.00
.01	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh ^C	Nil
.10	.14	.23	.21	.23	.34	.43	.55	.38	.30	.37	.41	.36	.55	.82	.87	.90	1.00	Cap'l Spending per sh	1.40
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	32.70	40.70	Book Value per sh	76.90
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	474.00	472.00	Common Shs Outst'g	468.00
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	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	42.0
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			Relative P/E Ratio	2.35
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CAPITAL STRUCTURE as of 9/3/21		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		24-26
Total Debt \$4122.0 mill. Due in 5 Yrs. \$2000 mill.		4216.3	4403.7	4055.2	4147.1	4795.5	5854.4	7301.5	9030.0	11171	12868	15750	18200							Revenues (Smill) ^A	28500
LT Debt \$4122.0 mill. LT Int. \$180.0 mill. (22% Cap'l)		32.5%	33.6%	18.3%	17.5%	25.9%	31.2%	34.2%	35.3%	35.8%	38.8%	42.0%	42.0%							Operating Margin	42.0%
Leases, Uncapitalized Annual rentals \$104.0 mill.		270.2	299.8	321.2	313.6	339.5	331.5	326.0	346.5	736.7	757.0	800	880							Depreciation (Smill)	1200
No Defined Benefit Pension Plan.		832.8	832.8	290.0	268.4	629.6	1168.8	1694.0	2590.8	2951.5	5260.0	4800	5550							Net Profit (Smill)	8550
Pfd Stock None		19.5%	25.6%	18.6%	25.7%	28.0%	18.6%	20.8%	7.3%	7.9%	17.0%	20.0%	20.0%							Income Tax Rate	20.0%
Common Stock 475,800,000 shs. as of 9/24/21		19.8%	18.9%	7.2%	6.5%	13.1%	20.0%	23.2%	28.7%	26.4%	40.9%	30.5%	30.5%							Net Profit Margin	30.0%
MARKET CAP: \$308 billion (Large Cap)		2520.7	3059.6	2520.2	2107.9	2608.3	3028.2	3720.3	555.9	d1696	2634.0	2000	2100							Working Cap'l (Smill)	3000
CURRENT POSITION		1505.1	1496.9	1499.3	911.1	1907.2	1902.1	1881.4	4124.8	988.9	4117.0	4100	4100							Long-Term Debt (Smill)	4200
		5783.1	6665.2	6724.6	6775.9	7001.6	7424.8	8459.9	9362.1	10530	13264	15500	19200							Shr. Equity (Smill)	36000
		11.9%	10.6%	3.9%	3.9%	7.4%	12.9%	16.7%	19.5%	26.3%	30.6%	24.0%	24.0%							Return on Total Cap'l	21.0%
		14.4%	12.5%	4.3%	4.0%	9.0%	15.7%	20.0%	27.7%	28.0%	39.7%	31.0%	29.0%							Return on Shr. Equity	24.0%
		14.4%	12.5%	4.3%	4.0%	9.0%	15.7%	20.0%	27.7%	28.0%	39.7%	31.0%	29.0%							Retained to Com Eq	24.0%
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ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20
of change (per sh)	10 Yrs.	5 Yrs.	to '24-'26
Revenues	13.0%	21.5%	18.0%
"Cash Flow"	16.5%	43.5%	15.5%
Earnings	19.0%	56.5%	15.5%
Dividends	--	--	Nil
Book Value	9.5%	11.0%	22.5%

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Feb.Per	May.Per	Aug.Per	Nov.Per	
2018	2078.9	2195.4	2291.1	2464.6	9030.0
2019	2600.9	2744.3	2834.1	2992.0	11171.3
2020	3091.0	3128.0	3225.0	3424.0	12868.0
2021	3905.0	3835.0	3935.0	4075	15750
2022	4450	4500	4550	4700	18200

Fiscal Year Ends	EARNINGS PER SHARE ^{A,B}				Full Fiscal Year
	Feb.Per	May.Per	Aug.Per	Nov.Per	
2018	1.17	1.33	1.34	1.37	5.20
2019	1.36	1.29	1.61	1.74	6.00
2020	1.96	2.27	1.97	4.64	10.83
2021	2.61	2.32	2.52	2.55	10.00
2022	2.95	2.75	2.90	3.00	11.60

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017					
2018					
2019					
2020					
2021					
2022					

NO CASH DIVIDENDS BEING PAID

ADOBE SHOULD CLOSE FISCAL 2022 WITH SOLID RESULTS (YEAR ENDS FRIDAY CLOSEST TO NOVEMBER 30TH). The software developer made healthy progress during the first nine months of the year, reflecting strong demand across the business. Adobe continues to benefit from the ongoing use of digital media and the need for more advanced graphic content. We currently look for Adobe's top line to increase about 22%, to \$15.75 billion, up nicely from our prior forecast. In addition, we have added \$0.25 to our profit forecast, which now stands at \$10.00 per share.

The larger Digital Media segment continues to make progress. Demand for the *Creative Cloud* offering remains healthy, thanks to customer additions, high retention rates, and product upgrades, particularly in the photography category. In addition, the *Substance 3D* collection is resonating well with users. Also included in the Digital Media segment, Adobe's *Document Cloud* maintains a leading position in the paperless forms space with few credible competitors. **Elsewhere, the Digital Experience segment is making contributions, as**

well. This unit's software provides enterprise customers with analytics, marketing, content, and commerce solutions. We think Adobe's offerings hold potential, as the e-commerce marketplace is expanding. The *Experience Cloud* suite has been adopted by top clients (Facebook, Ford Motor, Honeywell) suggesting a competitive edge. **A small acquisition is worth noting.** Recently, Adobe agreed to purchase Frame.io, a cloud-based video collaboration platform with over one million users. Its platform complements Adobe's main video offerings and makes sense, as digital collaboration is an emerging marketplace. The transaction, valued at \$1.3 billion, is expected to close shortly. For perspective, Adobe has a history of making acquisitions, such as the purchase of Marekto, a provider of digital marketing software. **These shares are favorably ranked for Timeliness.** However, the stock has staged a sizable advance over the past year and trades at an elevated multiple. Our projections suggest that this issue holds somewhat limited appreciation potential for the next 3 to 5 years.

Adam Rosner
November 5, 2021

(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 mid-December. (C) Dividend discontinued mid-year fiscal '05.

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	100
Earnings Predictability	75