# Adobe Inc (ADBE)

## Fundamentals Remain Intact




Bloomberg

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**Adobe Inc**

### Company profile

Adobe delivers creative, document, and customer-experience software through Creative Cloud, Document Cloud, and its Digital Experience platform. It serves creators, enterprises, and consumers worldwide, distributed via online channels and partnerships.

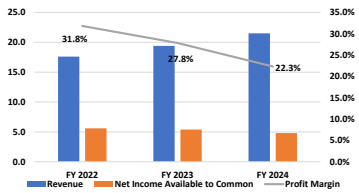
| Technical Data | |
|---|---|
| Price | 350.40 |
| R1 | 385.50 |
| R2 | 386.50 |
| S1 | 333.00 |
| S2 | 332.00 |
| MACD | - |
| RSI | - |

M+ Research， Bloomberg

## Technical Outlook

**ADBE is forming an inverse head-and-shoulders pattern**, and the recent breakout above the 60-day EMA signals a potential trend reversal. The USD330–322 zone serves as a key support area, while the USD420–430 region represents the recent high and immediate resistance. A sustained break below USD322 would invalidate the current bullish setup.

### Financial Snapshot




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## Trading Catalysts

- **Fundamental remain intact, in our view…** Similarly to GOOGL's sentiment earlier this year, Wall Street has been rather skeptical of ADBE's offerings with the arrival of AI LLMs (large-language models) that allow users to generate digital content easily using just prompts.

- **…with monthly active users hitting high double-digit growth.** However, we note that ADBE's monthly active users for Acrobat as well as Express have surpassed 750 million, growing 20% YoY. This evidences that ADBE's offerings remain valuable in spite of AI LLMs.

- **Valuations appear to be undemanding.** The application software industry trades at an average P/E of 85.64×, while ADBE is currently valued at just 21.07×. Its PEG ratio of 0.58× is also significantly lower than the peer average of 9.15×, suggesting the stock may be undervalued relative to its growth potential.

## Peer Comparison

| Company Name | Ticker | Price (USD) | Market Cap (USD'bn) | P/E (x) | Forward P/E (x) | ROE (%) | NP Margin (%) | RSI | ST Trend |
|---|---|---|---|---|---|---|---|---|---|
| **ADOBE INC** | **ADBE** | **350.4** | **146.7** | **21.1** | **14.9** | **55.4** | **30.0** | **Positive bias** | **Up** |
| INTUIT INC | INTU | 676.0 | 188.1 | 46.4 | 28.0 | 22.0 | 20.5 | Positive bias | Up |
| SYNOPSYS INC | SNPS | 477.3 | 88.8 | 67.2 | 33.2 | 7.1 | 18.9 | Overbought | Up |
| AUTODESK INC | ADSK | 300.9 | 63.8 | 51.3 | 27.1 | 40.3 | 18.1 | Negative bias | Up |
| SALESFORCE INC | CRM | 262.4 | 245.8 | 34.2 | 20.8 | 12.2 | 16.4 | Positive bias | Up |
| **Avg ex-ADOBE INC** | | | **113.6** | **55.0** | **29.4** | **23.2** | **19.2** | | |

Source: Bloomberg, M+ Research

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