Forwards or Backwards

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Adobe: A Timeline

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If you have opened a PDF, edited a photo or cut a video, you have probably used something Adobe made. But Adobe began with none of that. It began in December 1982, when two Xerox PARC researchers, John Warnock and Chuck Geschke, left to sell a way of describing a printed page. This video follows Adobe from that day to September 2026.

PostScript and the Apple LaserWriter (announced 23 January 1985) started desktop publishing. Then came the 1986 share listing, Illustrator (1987), the font war with Apple and Microsoft over TrueType (1989), and Photoshop, which began as Thomas Knoll's program Display and went on sale on 19 February 1990. Warnock's 1990 Camelot memo became Acrobat and the PDF (15 June 1993), which became an open ISO standard on 1 July 2008.

The Aldus merger (1994) brought PageMaker and After Effects. InDesign (1999) took on QuarkXPress after Quark tried to buy Adobe. Macromedia (about $3.4 billion, 2005) brought Flash, until Steve Jobs's 'Thoughts on Flash' (29 April 2010) and Flash's end on 31 December 2020.

Under Shantanu Narayen, CEO from 1 December 2007, Adobe stopped selling boxes: from May 2013, new features went only to Creative Cloud subscribers, despite a petition with 49,841 supporters. Revenue dipped, then climbed to $23.77 billion in fiscal 2025. Omniture, Magento and Marketo built a second business; the roughly $20 billion Figma deal was abandoned on 18 December 2023, with a $1 billion fee.

Then Firefly (March 2023), a US government lawsuit over cancellation fees (settled for $150 million in March 2026), and pressure from AI. On 3 September 2026 Adobe named Anil Chakravarthy to succeed Narayen on 1 December 2026. Its Q3 fiscal 2026 revenue was a record $6.76 billion, but its forecast fell short of analysts' estimates.

Forwards or backwards? The video sets out the case for each.

No figure appears without its date and source. There are no photographs in this video; illustrations show unnamed people, objects and places.

Educational documentary. Not financial or investment advice.

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1. The software everyone uses



If you have ever opened a PDF, you have used an idea that came out of Adobe. The magazine cover, the billboard and the wedding photograph were very likely finished in Photoshop. A great deal of the video on the internet was cut in Premiere Pro, and its titles were animated in After Effects.

Few companies sit so quietly underneath so much of what people see. Yet Adobe did not begin with pictures at all. It began with a way of telling a printer where to put ink on a page.

This video follows Adobe from two engineers leaving Xerox in nineteen eighty-two, to a change of chief executive in twenty twenty-six. It follows the printer language, the fonts and the programs that made Adobe the everyday tool of creative work. And it follows the deals, the fights and the change in pricing that made the company rich, and unpopular.

The company is now very large.

In the year to November twenty twenty-five, Adobe's revenue was twenty-three point seven seven billion dollars. That was eleven per cent more than the year before. At the end of that year the company employed thirty-one thousand, three hundred and sixty people, half of them in the United States.

And yet it is a company under pressure.

In March twenty twenty-six, Shantanu Narayen, who had run Adobe since two thousand and seven, said he would hand over the job. In September the board named his successor, Anil Chakravarthy,

who takes over on the first of December. Investors, meanwhile, worry that artificial intelligence can now do much of what people pay Adobe for.

To understand how Adobe got here, and whether it can stay on top, the story starts in a research laboratory, with a printer language its owner would not let anyone sell.

2. Two engineers leave Xerox, 1982



In the late nineteen seventies, one of the most inventive computer laboratories in the world belonged to a photocopier company. Xerox's Palo Alto Research Center, known as PARC, built personal workstations, office networks and some of the first laser printers.

Two of its researchers were John Warnock and Charles Geschke, known as Chuck. Together they worked on a language called Interpress. It let a computer describe a whole printed page, with its text, lines and pictures, to a printer.

Xerox made Interpress its standard, but it would not let the pair publish it. According to the founders' own account, the language could not be released until Xerox shipped a printer that used it. That was expected to take seven years.

For two researchers who wanted their work to be used, that was a very long wait.

Warnock later described the choice they faced: "We can live in the world's greatest sandbox for the rest of our life, or we can do something about it." A sandbox is a place to play and experiment. PARC was a wonderful place to invent things, and a poor place to sell them.

They resigned from Xerox in November, and started their own company on the second of December, nineteen eighty-two.

They named it after Adobe Creek, a stream that ran behind their homes in Los Altos. Their first office was a short drive away, on Marine Way in Mountain View. The Xerox laboratory they had left was just

up the road in Palo Alto.

Money came quickly. Even before the company started, the investment bank Hambrecht and Quist had agreed to put two and a half million dollars into the company over two years. The plan was to build workstations and laser printers of their own.

That plan lasted only a few months, because Steve Jobs came to visit.

3. PostScript and the LaserWriter, 1985



Steve Jobs came to see the founders in about May nineteen eighty-three. He offered to buy their company for five million dollars, and they said no. What Jobs really wanted was their software, for a laser printer Apple was building for the new Macintosh.

That software was the language Warnock and Geschke had written at Adobe. They called it PostScript.

PostScript is a page-description language, a way of describing a page in words a printer can follow. Instead of sending a printer a picture of the page, the computer sends instructions: this font, at this size, a line from here to there. A small computer inside the printer follows the instructions and works out where every dot of toner should go.

Because the page is described rather than drawn, the same file prints sharply on any PostScript printer, from a desktop machine to a typesetter.

Warnock remembered Jobs's reaction to PostScript: "This is a match made in heaven." Apple would put PostScript inside its first laser printer. Adobe would be paid a royalty, a fee for every copy used.

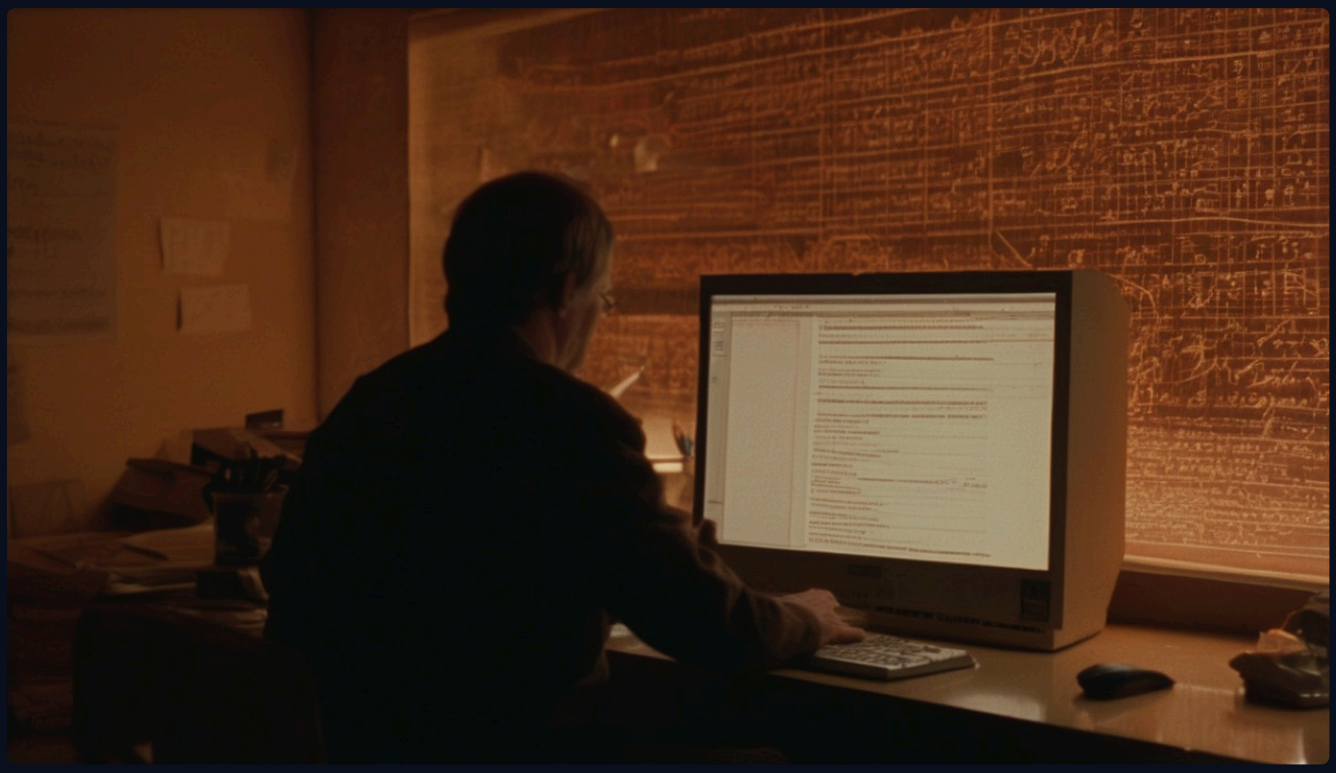
Instead of buying Adobe, Apple paid in advance. It gave the company one and a half million dollars as an advance on royalties. It also paid one million dollars for a fifth of the company.

So Adobe stopped planning to make hardware. It would license its language to printer makers, and let them build the machines.

Apple announced the LaserWriter on the twenty-third of January, nineteen eighty-five. It cost six thousand nine hundred and ninety-five dollars. That July, a young company called Aldus shipped PageMaker, a program for laying out pages on the Macintosh.

Put together, the Macintosh, the LaserWriter and PageMaker let one person at a desk produce pages that had needed a print shop. Aldus's founder, Paul Brainerd, gave the new trade its name: desktop publishing.

4. Fonts, Illustrator and the flotation



The LaserWriter made Adobe's name, and its money.

On the twentieth of August, nineteen eighty-six, Adobe's shares went on sale to the public, on the Nasdaq market. In its financial year of nineteen eighty-six, revenue was sixteen million dollars. A year later it was thirty-nine million.

Much of that money came from fonts. A font is a set of letter shapes, and Adobe stored each letter as an outline drawn with curves, so it could be printed sharply at any size. Adobe's own format was called Type One, and it licensed famous typefaces that printers and designers wanted.

The same idea, drawing with outlines, gave Adobe its first program for artists.

Illustrator came out in nineteen eighty-seven, for the Macintosh only. Warnock's wife, Marva, was a graphic artist, so he knew the problems graphic artists faced. Illustrator let them draw smooth curves on screen, and print them at any size without jagged edges.

Then Apple and Microsoft, two of the biggest names in personal computing, went their own way on fonts.

On the nineteenth of September, nineteen eighty-nine, at the Seybold publishing conference in San Francisco, the two companies announced a rival font format, later called TrueType. Greg Hitchcock, a Microsoft font engineer who was in the room, remembers Warnock's verdict: "That's the biggest bunch of garbage and mumbo jumbo". Apple, Adobe's first big customer, was now its rival in fonts.

Adobe fought back in two ways. In October nineteen eighty-nine it released Adobe Type Manager, which drew its fonts sharply on screen as well as on paper. And in nineteen ninety it published the Type One specification, so that anyone could make fonts in its format.

Adobe kept its place in printing. But its next big product would have nothing to do with ink.

5. Photoshop, 1990



In nineteen eighty-seven, Thomas Knoll was a doctoral student at the University of Michigan. He wrote a program to display and change digital images on his Macintosh.

He called the program Display. His brother John worked at Industrial Light and Magic, the special-effects company, and saw what it could become. Together the brothers turned Display into a full editor for photographs.

A photograph on a computer is not made of outlines. It is made of dots.

Photoshop works in a different way from Illustrator. A digital photograph is a grid of tiny coloured squares called pixels, and Photoshop changes the pixels themselves. Illustrator stores shapes as outlines instead, so they stay sharp however large they are printed. Designers call the first kind of picture raster, and the second vector.

Adobe licensed the brothers' program in nineteen eighty-eight, and the deal was finalised in April nineteen eighty-nine. Photoshop went on sale on the nineteenth of February, nineteen ninety, for the Macintosh only. In twenty thirteen, the Computer History Museum published the source code of that first version for anyone to read.

Photoshop became a standard tool in design studios, newspapers and advertising agencies.

Its name became a verb. Merriam-Webster's dictionary, as quoted by the Computer History Museum, defines it as altering a digital image with image-editing software, especially in a way that distorts

reality. Photoshop gave the world a new tool, and a new kind of doubt about pictures.

Adobe's next product was about trust of a different kind: that a document would look the same wherever it was opened.

6. Acrobat and the PDF, 1993



By nineteen ninety, offices were full of computers that could not read each other's files. A document written on one kind of machine often looked wrong, or would not open at all, on another.

In the summer of nineteen ninety, Warnock wrote a memo called The Camelot Project. It set out the problem: "What industries badly need is a universal way to communicate documents across a wide variety of machine configurations, operating systems and communication networks." In plain terms, any document, readable anywhere.

The answer became the Portable Document Format, or PDF. A program on one computer turns a document into a PDF file, with its fonts, pictures and layout packed inside. A reader program on any other computer shows it exactly as it was made, and any printer can print it.

Acrobat, the software that made and read PDF files, was launched on the fifteenth of June, nineteen ninety-three, at the Equitable Center in New York. At first the reader was not free. It cost between thirty-five and fifty dollars a seat. With Acrobat two point oh, in the autumn of nineteen ninety-four, Adobe gave the reader away.

Giving the reader away worked. The more people could open a PDF, the more useful it was to send one.

Over the next fourteen years, PDF became the ordinary way to send a finished document, and Adobe let go of sole control. On the first of July, two thousand and eight, the International

Organization for Standardization published PDF as an open standard that anyone could use. A second version of the standard followed in twenty seventeen.

The format Warnock called Camelot now belongs to everyone, and Adobe no longer controls it.

7. Buying Aldus and beating Quark



By the early nineteen nineties Adobe had PostScript, fonts, Illustrator, Photoshop and Acrobat. It did not have a program for laying out pages. The best known one, PageMaker, belonged to Aldus.

On the fifteenth of March, nineteen ninety-four, Adobe agreed to merge with Aldus, in a share deal valued at about five hundred and twenty-five million dollars. The merger was completed on the thirty-first of August. Adobe was now far larger than the company that had licensed a printer language.

Aldus was based in Seattle, far to the north of Adobe's home in Mountain View. The deal brought PageMaker, and something Aldus had bought only the year before: After Effects, a program for animating graphics and titles in video. Two years later, in nineteen ninety-six, Adobe moved its headquarters to San Jose.

PageMaker, though, had a strong rival. QuarkXPress, made by a company called Quark, was the program many professional magazine and newspaper designers used.

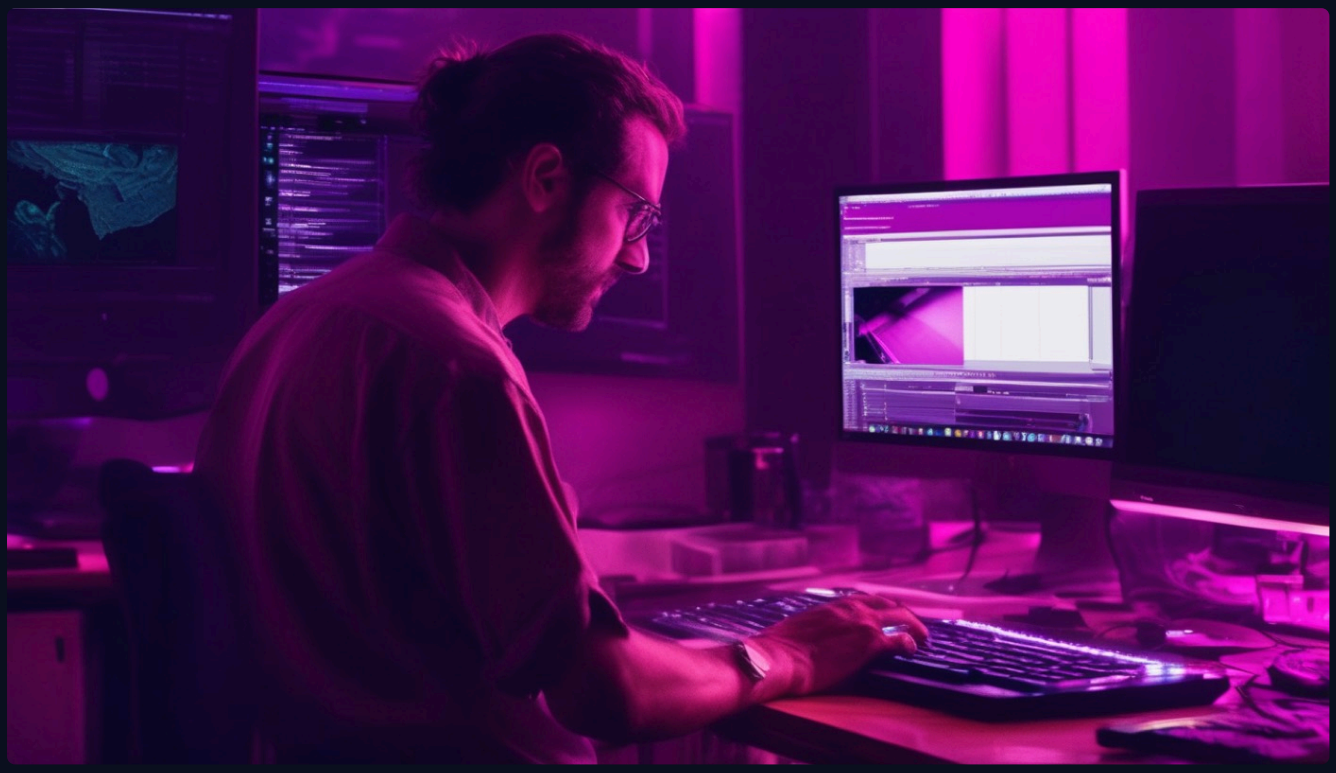
In August nineteen ninety-eight, Quark tried to buy Adobe itself. Adobe's reply was short: "Adobe is not interested in pursuing discussions". Quark talked of a hostile bid, an offer made directly to shareholders over the board's head, and said it would sell off PageMaker and a secret project codenamed K2.

K2 was InDesign, Adobe's new page-layout program. It began shipping in English by the first of September, nineteen ninety-nine, for about seven hundred dollars. In two thousand and three,

Adobe bundled its design programs, InDesign among them, into a single package called the Creative Suite.

Quark never did buy Adobe. Instead, as the trade magazine Printing Impressions later put it, Quark lost its near-monopoly in professional publishing to InDesign. Adobe did not need to buy its rival. It built a replacement.

8. Macromedia and Flash, 2005



The web brought Adobe its next rival. Macromedia, based in San Francisco, made Flash and Dreamweaver, a leading tool for building websites.

Flash was a plug-in: a small program added to a web browser, so the browser could play things it could not play on its own. Animated adverts, games and early web video often ran inside it.

On the eighteenth of April, two thousand and five, Adobe agreed to buy Macromedia, for shares worth about three point four billion dollars. Each Macromedia share became one point three eight Adobe shares. The deal was completed on the third of December.

With Macromedia, Adobe's family of programs was part home-grown and part bought in. Illustrator, Acrobat and InDesign were built inside the company, and Photoshop was licensed from its inventors. PageMaker, After Effects, Flash and Dreamweaver came with companies Adobe bought.

Flash was now Adobe's. And then Apple refused to let it onto the iPhone.

On the twenty-ninth of April, twenty ten, Steve Jobs published an open letter called Thoughts on Flash. He argued it was built for an older kind of computer: "Flash was designed for PCs using mice, not for touch screens using fingers." Phones and tablets were where the web was going.

Adobe stopped developing Flash for mobile browsers in November twenty eleven. In July twenty seventeen, it announced that Flash Player would come to an end. Support stopped on the thirty-first

of December, twenty twenty. From the twelfth of January, twenty twenty-one, Adobe blocked Flash content from running at all.

Adobe had paid billions for Macromedia, and one of its best-known products lasted only fifteen more years.

9. From boxes to Creative Cloud



For its first thirty years, Adobe sold software the way almost everyone did: in a box, with a licence to use that version for as long as you liked.

The man who changed that was Shantanu Narayen. He joined Adobe in nineteen ninety-eight, and became chief executive on the first of December, two thousand and seven.

The old way and the new way make money differently. With a boxed licence, a customer paid once, kept that version, and upgraded when they chose. With a subscription, the customer pays every month or every year, and always has the latest version. If they stop paying, they lose the software.

Adobe launched Creative Cloud in May twenty twelve, alongside a boxed version, Creative Suite six. The full set cost forty-nine dollars ninety-nine a month, on an annual plan. Then on the sixth of May, twenty thirteen, at its MAX conference, Adobe said new features would come only to Creative Cloud subscribers.

Many customers were furious. They would now pay for as long as they used the software, and could never simply own it.

A petition on the website Change dot org, started the same day, asked Adobe to drop the plan. It gathered forty-nine thousand, eight hundred and forty-one supporters before it closed. Adobe did not change course.

At first the switch cost Adobe money. Revenue fell in twenty thirteen, the year of the switch, to about four point oh six billion dollars. Then it climbed. By twenty eighteen it was above nine billion dollars. By twenty twenty-five it was nearly twenty-four billion.

Subscriptions gave Adobe steady, predictable income, which investors prize. They also tied customers to Adobe more tightly than a box ever had.

10. Marketing clouds and the Figma failure



Subscriptions were not Adobe's only new business. It also began selling software to the people who run websites and advertising: tools that measure who visits, and what they buy.

It built that business by buying companies. Omniture, which measured website traffic, was valued at about one point eight billion dollars in two thousand and nine. In twenty eighteen came Magento, software for online shops, at one point six four billion dollars. Marketo, which sends marketing emails automatically, cost four point seven four billion.

Together these became what Adobe now calls its Digital Experience business. In the year to November twenty twenty-five it brought in five point eight six billion dollars. That was a quarter of all of Adobe's revenue.

In April twenty twenty-six, Adobe completed a smaller purchase, Semrush, which helps websites get found in search results. It cost one point eight seven billion dollars.

The biggest purchase of all never happened. Figma made design software that runs in a web browser, so a whole team can work on one design at once. On the fifteenth of September, twenty twenty-two, Adobe agreed to buy it for about twenty billion dollars, in cash and shares.

Competition regulators looked closely at the deal, and raised concerns about it.

On the eighteenth of December, twenty twenty-three, the two companies called the deal off, saying: "there is no clear path to receive necessary regulatory approvals from the European Commission and

the UK Competition and Markets Authority". Adobe then paid Figma a termination fee of one billion dollars.

Figma stayed independent, and remained one of Adobe's strongest competitors.

11. Firefly and the AI threat



The two men who started Adobe did not see how this part of the story would end.

Chuck Geschke died on the sixteenth of April, twenty twenty-one, aged eighty-one. John Warnock died on the nineteenth of August, twenty twenty-three, aged eighty-two. By then Adobe had launched its answer to generative AI, and was soon in court over how it sold its subscriptions.

Generative AI is software that makes new pictures, or text, from a written request, after learning from millions of examples. For a company that sells tools for making pictures, that is a direct threat.

Adobe announced its own generative AI, called Firefly, on the twenty-first of March, twenty twenty-three. It went on sale for business use that September. Users made more than two billion images with it while it was still being tested. By April twenty twenty-five, Adobe said Firefly had been used to make more than twenty-two billion images and videos.

Adobe's pitch was that Firefly was safe for commercial work. It said Firefly learned from pictures in Adobe Stock, its own library of licensed images. It also learned from openly licensed content, and from public-domain material whose copyright had expired.

Adobe's trouble in court was about something older: its subscriptions. On the seventeenth of June, twenty twenty-four, the United States government sued Adobe, and two of its executives, over its annual plan paid monthly. The complaint said customers were not told clearly about a large fee for cancelling early, and that cancelling was made hard.

In March twenty twenty-six, Adobe settled the case for one hundred and fifty million dollars. Half was a penalty, and half was free services for customers. The prosecutor's statement was blunt: "Consumers should not have to navigate a digital maze to cancel a subscription."

Rivals now press Adobe from two sides. Simpler design tools, such as Figma and Canva, compete for its customers. And AI companies now offer tools that make a picture from a sentence. In early September twenty twenty-six, the bank Morgan Stanley cut its rating on Adobe's shares, citing the risk that AI competition could hurt Creative Cloud.

12. A new CEO, 2026



In twenty twenty-six, Adobe began to change its leader.

On the twelfth of March, twenty twenty-six, Shantanu Narayen said he would step down as chief executive once a successor was found. That evening Adobe's shares fell more than seven per cent in late trading. On the third of September, the board chose Anil Chakravarthy, who runs Adobe's business software for large companies, and its worldwide sales.

Chakravarthy joined Adobe in twenty twenty, after running the data company Informatica. He had also run Adobe's Digital Experience business, the marketing side built from Omniture and Marketo.

Chakravarthy becomes president and chief executive on the first of December, and Narayen becomes executive chair. Narayen said: "I could not be more confident that Anil is the right person to lead Adobe's growth in an AI-driven era". The market was less sure. The next day, Adobe's shares fell about seven per cent.

A week after that, Adobe reported its latest results.

In the three months to the end of August, revenue was a record six point seven six billion dollars. That was thirteen per cent more than a year earlier. Annual recurring revenue, the yearly value of all its subscriptions, reached twenty-seven point five billion dollars. For its AI-first products alone, it passed six hundred and fifty million.

But the forecast disappointed. Adobe expected between six point eight and six point eight five billion dollars in the next quarter. Analysts had been looking for about six point eight five billion, so the middle of Adobe's range fell short. The shares fell nearly five per cent after hours, and were back to about level the next day.

So which way is Adobe going?

The case for forwards is strong. Two researchers who could not get their idea out of Xerox built the company whose programs are the everyday tools for documents, photographs and video. PDF is now an open standard that anyone can use. And Adobe is still growing, with record revenue in twenty twenty-six.

The case for backwards is real too. Customers who once owned their software now rent it, and the government sued over how hard it was to stop. The Figma deal failed, and Flash is gone. And its founders' company now has to prove that AI is its tool, not its replacement.

Adobe began by teaching printers to understand a page. Forty-four years later, software can draw the page from a sentence. Whether Adobe moves forwards or backwards may depend on whether its new chief executive can make that software Adobe's own.

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Not regulated financial advice.