Autodesk issues statement regarding Starboard Value's intent to nominate director candidates

Mar 19, 2025

SAN FRANCISCO, March 19, 2025 /PRNewswire/ -- Autodesk, Inc. (NASDAQ: ADSK) today issued the following statement addressing Starboard Value LP's ("Starboard") intent to nominate directors for election to the Autodesk Board of Directors:

Autodesk's Board and management team have reviewed Starboard's latest letter. We are always committed to acting in the best interests of our company and shareholders – as demonstrated by our strong recent financial results, the deliberate strategic initiatives we have implemented to generate significant long-term value and our ongoing board refreshment. Our strong business performance has driven total shareholder returns that have outperformed our peers.

Continued Strong Financial and Operational Performance

We have been taking decisive actions to drive growth, significantly expand operating margin, generate robust free cash flow and continue innovating for our customers. In FY 2025, we completed the launch of our new go-to-market approach and are now in the optimization phase of that plan. Our FY 2025 underlying non-GAAP operating margin of ~39%[1] represents an increase of more than 2,400 bps since FY 2019 and 300 bps since FY 2023, reaching our 38%-40% target a year ahead of schedule. Furthermore, our recently announced restructuring actions will drive additional efficiency at scale as we optimize our go-to-market organization. We remain laser-focused on executing our strategy to continue this momentum and margin expansion as we deliver sustainable value for shareholders and customers.

Proven Track Record of Board Refreshment and Strong Corporate Governance

We have continued to proactively evolve our Board, maintaining a thoughtful balance of directors with deep knowledge of Autodesk and those with fresh perspectives. Our Board is comprised of a majority of independent directors with extensive industry and technological expertise and operational execution and strategic transformation experience.

In the past six years, Autodesk has appointed five new independent directors, including the December 2024 appointments of John Cahill, former Chairman and CEO of Kraft Foods, and Ram Krishnan, Executive Vice President and Chief Operating Officer of Emerson, who have exceptional track records of creating value for shareholders. We also announced that two directors will not be standing for reelection at the 2025 Annual Meeting. We remain committed to Board evolution in alignment with our strategy.

Engagement with Starboard

In the spirit of constructive engagement over the past year, Autodesk proactively met with Starboard representatives repeatedly and invited them to present their ideas to the full Board. When we added our newest directors, we reached out in advance to offer Starboard the opportunity to participate in the process, which they dismissed.

If Starboard proceeds with their nomination, the Board's Corporate Governance Committee will review Starboard's candidates as part of our regular director evaluation process. Autodesk shareholders are not required to take any action at this time.

About Autodesk

The world's designers, engineers, builders, and creators trust Autodesk to help them design and make anything. From the buildings we live and work in, to the cars we drive and the bridges we drive over. From the products we use and rely on, to the movies and games that inspire us. Autodesk's Design and Make Platform unlocks the power of data to accelerate insights and automate processes, empowering our customers with the technology to create the world around us and deliver better outcomes for their business and the planet. For more information, visit autodesk.com or follow @autodesk. #MakeAnything

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Safe Harbor Statement

This press release contains forward-looking statements that involve risks and uncertainties, including statements regarding momentum in our business and margin expansion, delivering sustainable value for shareholders and innovation for customers, the benefits from our recent restructuring, our review of Starboard's nominees, our short-term and long-term goals, our strategies, market and product positions, future performance and results, and all statements that are not historical facts. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including: our strategy to develop and introduce new products and services and to move to platforms and capabilities, exposing us to risks such as limited customer acceptance (both new and existing customers), costs related to product defects, and large expenditures; global economic and political conditions, including changes in monetary and fiscal policy, foreign exchange headwinds, recessionary fears, supply chain disruptions, resulting inflationary pressures and hiring conditions; geopolitical tension and armed conflicts, and extreme weather

events; costs and challenges associated with strategic acquisitions and investments; our ability to successfully implement and expand our transaction model and our sales and marketing optimization; dependency on international revenue and operations, exposing us to significant international regulatory, economic, intellectual property, collections, currency exchange rate, taxation, political, and other risks, including risks related to the war against Ukraine launched by Russia and our exit from Russia and the current conflict between Israel and Hamas; inability to predict subscription renewal rates and their impact on our future revenue and operating results; existing and increased competition and rapidly evolving technological changes; fluctuation of our financial results, key metrics and other operating metrics; our transition from up front to annual billings for multi-year contracts; deriving a substantial portion of our net revenue from a small number of solutions, including our AutoCAD-based software products and collections; any failure to successfully execute and manage initiatives to realign or introduce new business and sales initiatives, including our new transaction model for Flex; net revenue, billings, earnings, cash flow, or new or existing subscriptions shortfalls; social and ethical issues relating to the use of artificial intelligence in our offerings; our ability to maintain security levels and service performance meeting the expectations of our customers, and the resources and costs required to avoid unanticipated downtime and prevent, detect and remediate performance degradation and security breaches; security incidents or other incidents compromising the integrity of our or our customers' offerings, services, data, or intellectual property; reliance on third parties to provide us with a number of operational and technical services as well as software; our highly complex software, which may contain undetected errors, defects, or vulnerabilities; increasing regulatory focus on privacy issues and expanding laws; governmental export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate the controls; protection of our intellectual property rights and intellectual property infringement claims from others; the government procurement process; fluctuations in currency exchange rates; our debt service obligations; and our investment portfolio consisting of a variety of investment vehicles that are subject to interest rate trends, market volatility, and other economic factors.

Further information on potential factors that could affect the financial results of Autodesk are included in Autodesk's Form 10-K and subsequent Forms 10-Q, which are on file with the U.S. Securities and Exchange Commission. Autodesk disclaims any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

[1] Excluding the impact of foreign exchange and the implementation of the new transaction model; see slide 7 in Autodesk's Q4 FY 2025 earnings presentation

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