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SIMON MAYS-SMITH, VP INVESTOR RELATIONS

Thanks, operator, and good afternoon. Thank you for joining our conference call to discuss Autodesk's fiscal 26 second quarter results. Andrew Anagnost, our CEO, and Janesh Moorjani, our CFO, are on the line with me.

During this call, we will make forward-looking statements, including outlook and related assumptions, and on products, go-to-market and strategies. Actual events or results could differ materially. Please refer to our SEC filings, including our most recent Form 10-Q and the Form 8-K filed with today's press release, for important risks and other factors that may cause our actual results to differ from those in our forward-looking statements.

Forward-looking statements made during the call are being made as of today. If this call is replayed or reviewed after today, the information presented during the call may not contain current or accurate information. Autodesk disclaims any obligation to update or revise any forward-looking statements.

We will quote several numeric or growth changes during this call as we discuss our financial performance.

Unless otherwise noted, each such reference represents a year-on-year comparison. All non-GAAP numbers referenced in today's call are reconciled in our press release and supplemental materials available on our investor relations website.

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And now, I will turn the call over to Andrew.

ANDREW ANAGNOST, CEO

Thank you, Simon, and welcome everyone to the call.

Autodesk delivered strong second quarter results. Revenue and non-GAAP earnings per share topped the higher end of our guidance ranges; billings, non-GAAP operating margin, and free cash flow exceeded our expectations. As a result, we are raising our guidance for the full year.

In an uncertain geopolitical, macroeconomic, and policy environment, two things remain clear. First, our strong momentum and performance in the first half of fiscal 26 set us up well to achieve our goals for the year; and second, we continue to make the right decisions to drive long-term shareholder value.

We remain focused on executing our established strategic priorities in cloud, platform, and AI; optimizing our sales and marketing to drive higher operating margins; and allocating capital to organic investment, targeted and tuck-in acquisitions, and continuing our share repurchase program as our free cash flow grows.

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We have laid strong foundations for future revenue and operating margin growth, and shareholder value creation. We're excited to tell you more about our plans at Autodesk University in September and at our investor day on October 7th.

I will now turn the call over to Janesh to discuss our quarterly financial performance and guidance. I'll then come back to update you on our strategic growth initiatives.

JANESH MOORJANI, CFO

Thanks, Andrew.

Q2 was another strong quarter. Overall, the underlying momentum of the business was similar to prior quarters and better than the assumptions that we'd built into our guidance range. We saw strength in AECO, where our customers are benefiting from sustained investment in data centers, infrastructure, and industrial buildings, which is more than offsetting softness in commercial. The Autodesk store, billings linearity during the quarter, and up-front revenue were also stronger than expected. Our go-to-market optimization plan remains on track and operational friction from the new transaction model implementation continues to ease.

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Total revenue in the second quarter grew 17 percent as reported and 18 percent in constant currency. The contribution from the new transaction model to revenue was approximately \$105 million in the second quarter. Total revenue grew 11 percent in constant currency and excluding the impact of the new transaction model. Please see the tables in our press release, earnings deck and Excel financials for details by product and region. In the second quarter of this year, we started to cycle past the anniversary of acquisitions made last year. So I should note that we saw consistent revenue growth in Q1 and Q2, if you remove the impact of acquisitions.

Billings increased 36 percent as reported and 34 percent at constant currency, reflecting the shift to annual billings for most multi-year contracts and the transition to the new transaction model. The contribution from the new transaction model to billings was approximately \$129 million in the second quarter. Billings grew 26 percent at constant currency and excluding the impact of the new transaction model.

RPO of \$7.3 billion and current RPO of \$4.7 billion grew 24 percent and 20 percent, respectively, benefiting from tailwinds from the new transaction model.

Turning to margins, second-quarter GAAP and non-GAAP operating margins were 25 percent and 39 percent, respectively, reflecting year-over-year increases of 240 and 140 basis points, respectively. This reflected

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operating leverage, ongoing cost discipline, and some timing benefits from restructuring, partly offset by the margin drag from the new transaction model.

Second-quarter free cash flow was \$451 million, which benefited from the earlier timing of billings in the quarter.

Moving on to capital allocation, we purchased approximately 1.2 million shares for \$356 million, at an average price of approximately \$298 per share. Year to date, we have repurchased 2.5 million shares for \$709 million.

Turning to guidance.

I will again speak to the numbers, excluding the impacts of the new transaction model, and in constant currency, to give you a clearer view of the underlying dynamics of the business. In the earnings deck, you'll see that we've split the impact of the new transaction model and currency movements for our fiscal 26 guidance.

The underlying momentum of the business in the second quarter of fiscal 26 was consistent with recent quarters and better than the more cautious assumptions built into the bottom end of our prior guidance

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range. The macroeconomic environment seems broadly stable but uncertainty remains elevated. As usual, we have a large pool of EBA renewals to close in the back half of the year. We will also start cycling against tougher new transaction model billings and revenue growth comparisons with last year, particularly in the fourth quarter. We remain disciplined and focused on the controllable factors that drive our revenue, operating margin, earnings per share, and capital allocation, which are the key building blocks of free cash flow per share.

Reflecting all this, we've raised our billings guidance range to \$7.355 billion to \$7.445 billion, and raised our revenue guidance range to \$7.025 billion to \$7.075 billion, which flows through the strength of the business in the first half to our full year underlying guidance along with some additional tailwinds from FX. The bottom end of our full-year guidance ranges reflects similar macroeconomic assumptions for the second half of the year as we had outlined on the prior call.

We've also raised our non-GAAP operating margin guidance for the year to approximately 37 percent, or approximately 40 percent on an underlying basis, which excludes the impact of the new transaction model.

As you are aware, we initiated the optimization phase of our sales and marketing efficiency plan in February.

We are making good progress and are on track to realize its expected benefits. These efficiency gains,

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combined with inherent operating leverage, set us up well to expand our operating margin over time.

Assuming no material change in the external environment, we expect reported non-GAAP operating margin to be 41 percent in fiscal 29, or about 45 percent on an underlying basis which excludes the mechanical impact of the new transaction model as it fully scales next year. This would represent a reported and underlying improvement of approximately 500 basis points and approximately 900 basis points, respectively, since we started to scale the new transaction model at the end of fiscal 24. We'll tell you more about our plans at our investor day on October 7th.

We've also raised our free cash flow guidance range for fiscal 26 by \$88 million at the midpoint to \$2.2 billion to \$2.275 billion. As we said in February, utilization of US deferred tax assets will mean we pay little US federal cash tax in fiscal 26. We do not, therefore, get incremental cash benefit from the One Big Beautiful Bill Act this year.

And finally, we've also raised our fiscal 26 share buy-back targets by \$100 million to between approximately \$1.2 billion and \$1.3 billion, which is a 40- to 50-percent increase compared to fiscal 25.

The slide deck on our website has more details on modeling assumptions for the third quarter and full-year fiscal 26.

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Andrew, back to you.

ANDREW ANAGNOST, CEO

Thank you, Janesh.

Autodesk is focused on the convergence of design and make in the cloud, enabled by platform, industry clouds, and AI. We are at the forefront of convergence because we've been evolving and investing in the business models, products and platforms, and go-to-market that capitalize on it. Let me give you a few examples from the quarter.

AtkinsRéalis is a world-class engineering services and nuclear company. Over the years, it has embedded Autodesk technologies across its global delivery ecosystem to enhance design quality, reduce rework, and support data-driven decision-making throughout the project lifecycle. Having signed our sixth EBA with them this quarter, I'm excited that there is still so much more we can do. Through initiatives like automated model validation, enhanced interoperability, and immersive XR-based design reviews, Autodesk will help further streamline workflows and improve quality assurance. AI-enabled design strategies, digital twin capabilities,

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and Autodesk Construction Cloud will support its expanded service offerings and reinforce its position as a digitally enabled partner.

Kimley-Horn is a premier planning and design consulting firm committed to growth and digital transformation. It renewed and expanded its relationship with Autodesk to accelerate the adoption of BIM solutions and Autodesk Construction Cloud. By fostering collaboration and productivity across the project lifecycle, Kimley-Horn anticipates significantly increasing efficiency by the end of 2025.

Dynamic Energy is a full-service solar developer offering turnkey services for commercial, industrial, institutional, and utility-scale solar installations. Faced with workflow and forecasting challenges created by a lack of integration with its ERP, it selected Autodesk Construction Cloud to replace a competitive solution. The lack of integration with its existing ERP created challenges with client billing, inefficient invoice approval workflows, and difficulty forecasting. Dynamic Energy will also leverage Autodesk Construction Cloud's mobile app offline capabilities, multi-user workflows for inspections, and KPI progress tracking.

These stories have a common theme: converging people, processes and data across the project lifecycle to increase efficiency and sustainability, while decreasing risk. Our comprehensive end-to-end industry clouds, and platform, drive convergence and extend our footprint further into larger growth segments like data

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centers, infrastructure and construction. And that is reflected in sustained strong revenue and new customer momentum in construction.

Moving on to manufacturing, we made excellent progress on our strategic initiatives. Customers continue to invest in their digital transformations and consolidate on our Design and Make platform to drive growth and increase resilience.

A leading European research institution for aerospace, energy, and transportation, was seeking to accelerate innovation and boost sustainability. To achieve these goals—while maintaining high standards of precision and risk control— it adopted Autodesk’s Product Design & Manufacturing Collection. These advanced tools streamline data management, optimize workflows, and shorten development cycles. By enabling increased virtual testing and simulation, it will significantly reduce its reliance on physical prototypes, supporting both efficiency and sustainability.

MotorScrubber is a market leader in innovative floor cleaning machines. It was looking to connect disciplines, data, and workflows, from design through manufacturing, to drive efficiency and accelerate time to market. To do that, it has adopted Fusion, with the simulation, design, and data management extensions to replace a competitive CAD solution.

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A leading multinational biopharmaceutical company is adopting Fusion to increase the resiliency of its supply chain to actual and potential disruption and drive operational efficiency. Using Fusion, it can quickly, collaboratively, and securely design, make, and document critical spare parts when needed. This minimizes downtime and production delays while maintaining documentation in this highly regulated industry.

Converged data opens up new opportunities for Autodesk. As customers seek to drive efficient innovation, Fusion is driving strong growth with extension attach rates increasing and driving average sales prices higher. And we're delivering meaningful productivity gains to customers where we deploy AI. We have continued to see success with our AI powered Sketch AutoConstrain in Fusion. Since its launch this year, the AI model has delivered over 1.2 million dimensions and has been retrained, and the UX improved, along the way. The acceptance rates of AutoConstrain's suggestions to commercial users has grown to more than 60 percent, with 90 percent of those sketches fully constrained. That is a substantial productivity gain.

In education, Anna University, Chennai, signed a strategic engagement with Autodesk to enhance student employability through modern, applied engineering education across its 400+ affiliated colleges. As part of the collaboration, a state-of-the-art Design and Make Innovation Center at the College of Engineering, Guindy,

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will be equipped with Autodesk's cloud-based platforms to support hands-on training in digital manufacturing, CNC machining, and Building Information Modeling.

And lastly, we continue to find new ways for our customers to consume our products and services in ways that work best for them. For example, an iconic high-performance automotive manufacturer was looking to enable designers across its ecosystem, with unified access to technology while retaining robust user management and scalability. Through a renewed agreement with Autodesk, that included a combination of named user subscriptions and Flex consumption tokens, it can serve users enterprise wide and achieve its goals. This hybrid model provides a blueprint for scalable digital transformation across the automotive and manufacturing sectors.

Attractive long-term secular growth markets, our focused strategy of delivering ever-more valuable and connected solutions to our customers, and a resilient business, are generating strong and sustained momentum both in absolute terms and relative to peers. Our disciplined execution is driving greater operational velocity and efficiency. We are deploying capital to grow the business, further reduce our share count, and enhance value creation over time. In combination, we believe these factors will deliver sustainable shareholder value over many years.

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To set the stage for Autodesk University and investor day, let me close by talking about Autodesk AI.

For more than a decade, Autodesk has been at the forefront of innovation — in BIM, SaaS, generative design, and now in generative AI. We have been building industry-specific foundation models and products capable of understanding and reasoning about 2D and 3D geometry, design and make data, complex structures, and even physical behavior.

For example, last year we introduced Project Bernini — a generative AI model for 3D — as part of a broader initiative to create professional-grade foundation models that will disrupt long-standing technology paradigms and redefine what we mean by software, platforms, and products.

By combining our own spatial and physical reasoning with deep, industry-specific knowledge, Autodesk AI will move beyond traditional, deterministic and rules-based parametric CAD kernels to deliver adaptive and context aware, AI-driven CAD engines. These engines will dramatically expand what's possible across the entire project lifecycle — while eliminating much of the repetitive work and rework that slows projects down today.

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As we integrate these capabilities into our platform, Autodesk customers will be able to build their own AI models — trained on their own data and infused with their unique context — unlocking new, differentiated sources of value, efficiency, and competitive advantage while remaining confident that they are using AI in a way that is certified to be ethical, transparent, and accountable.

We're excited about the road ahead — not only because of the industry-leading AI tools and foundation models we are creating, but also because of the go-to-market, industry cloud, and platform foundations we've built over the last decade to scale AI successfully.

We look forward to sharing more with you at Autodesk University and our Investor Day.

Operator, we would now like to open the call up for questions.