

SIMON MAYS-SMITH, VP INVESTOR RELATIONS

Thanks, operator, and good afternoon. Thank you for joining our conference call to discuss

Autodesk's fiscal 27 first 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, on products, artificial intelligence, sales and marketing optimization, go-to-market,

strategies, trends, and pending transactions. Actual events or results could differ materially.

Please refer to our SEC filings, including our most recent Form 10-K 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, where you will also find a presentation deck on the acquisition announced today.

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

ANDREW ANAGNOST, CEO

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

We delivered strong Q1 fiscal 27 results today, with revenue and earnings per share above the high end of our guidance ranges, and this outperformance flows through to our full-year guidance.

Today, we shared in a separate announcement that we have entered into a definitive agreement to acquire MaintainX, a leading modern maintenance and asset operations solution used by organizations to manage and optimize day-to-day operations. The acquisition reflects Autodesk's commitment to becoming a long-term leader in operations and builds upon Autodesk Operations Solutions' (AOS) capabilities in digital twins and factory design. I'm going to devote my opening remarks to operations and will return to our other strategic initiatives after Janesh's discussion of our financial performance and guidance.

Autodesk's strategy is to converge design, make, and operate data and context continuously through the full lifecycle. This benefits owners, designers, builders, manufacturers, and operators through increased efficiency and resilience, and reduced risk and downtime.

Operations is highly complementary to the design and make category, reflecting growing customer demand for more continuous, data-driven workflows from concept through to operation and optimization. With this expansion in operations, we plan to unlock higher-value system level AI, extend our duration with assets and systems from years to decades, and meaningfully expand our addressable market.

MaintainX helps organizations manage maintenance, assets, and frontline operations with a modern, mobile-first platform with pre-built integrations that serve as both a system of record and action for day-to-day operational workflows. It's led by world-class engineering and AI talent and

delivers a scalable go-to-market growth motion for operations with strong expansion potential across customer segments, geographies, and adjacent use cases. Its position as a key component of maintenance and operational activity gives Autodesk access to rich data on asset condition and history, inspections, maintenance patterns, and real-world performance. Bringing MaintainX into Autodesk begins to build the data and context loop that enables a new generation of more integrated, data driven, and AI powered capabilities connecting digital design and make with real-world performance to deliver predictive maintenance, intelligent automation, and real-time decision support. In short, we are excited to welcome the MaintainX team to Autodesk and this acquisition will position us to help our customers increase efficiency and resilience and reduce risk and downtime through convergence.

Janesh, over to you to discuss our quarterly financial performance and guidance.

JANESH MOORJANI, CFO

Thanks, Andrew.

Q1 was another strong quarter. Overall, the underlying momentum of the business was consistent with prior quarters, and a bit better than the assumptions we'd built into our guidance range, with strength coming from similar industry segments in AECO, particularly in construction and emerging markets. Our sales reorganization is proceeding as planned. The overall impact to new subscription growth was within the range of our expectations, while up-front revenue was less impacted than we expected. Renewal rates remained strong.

Total revenue in the first quarter grew 18 percent as reported and 16 percent in constant currency.

As expected, the new transaction model provided a tailwind of roughly 3.5 percentage points to

revenue growth in the first quarter. Please see the tables in our press release, earnings deck, and

Excel financials for details by product and region.

Billings increased 18 percent as reported and 15 percent in constant currency. The new transaction

model provided a tailwind of roughly 1.5 percentage points to billings growth in the first quarter.

We completed the transition to annual billings for most multi-year contracts during the quarter, so

there will no longer be noise in billings from that transition but, with the ongoing reduction in the

level of multi year discounting, we expect the shift from multi year to annual contracts will

continue to benefit price realization while also weighing on unbilled deferred revenue growth.

Turning to margins, first-quarter GAAP and non-GAAP operating margins were 28 percent and 39

percent, respectively. GAAP operating margin increased approximately 14 percentage points,

primarily due to the absence of one-time charges and underlying margin improvements. Non-GAAP

operating margin was up approximately 2 percentage points. This primarily reflected operating leverage and the benefits from our sales optimization.

First-quarter free cash flow of \$876 million benefited from typical seasonal strength partly offset by cash restructuring costs.

Moving on to capital allocation, we repurchased approximately 1.9 million shares during the quarter for \$448 million. We continue to expect our share buyback in fiscal 27 to be similar to fiscal 26 in total dollars. We expect to maintain a healthy buyback program that continues to apply approximately 50 percent of free cash flow to further reduce share count over time.

Our capital allocation framework is unchanged. In addition to share repurchases, we still plan to deploy cash to the highest return opportunities, prioritizing organic investment in R&D, including

cloud, platform and AI, and accelerating the realization of our strategy with targeted and tuck-in acquisitions. MaintainX is a good example of this and will be the cornerstone, in scope and scale, of our acquisition investment in operations.

Building on our successful expansion in construction, we're applying the same playbook to expand in operations. The foundation is the same: a cornerstone acquisition of an established and disruptive market leader with a strong go-to-market motion. We expect to fund the acquisition of MaintainX through a combination of cash on hand and debt financing. MaintainX expects to achieve in excess of \$135 million of annualized recurring revenue (ARR) this calendar year with growth in excess of 50 percent. We expect the transaction to close later this fiscal year, subject to regulatory approvals. We will include the impact of the acquisition in our guidance after the transaction closes. We intend to absorb the margin dilution from MaintainX within our fiscal 27 and fiscal 29 margin goals. After close, MaintainX will be integrated into Autodesk Operations Solutions, or AOS, under Stephen Hooper, SVP of AOS. As many of you who have met him over the

years know, Stephen brings the product vision, go-to-market expertise, and decades of operational experience at scale to turn AOS into our next major growth engine.

Let me finish with guidance.

Our guidance philosophy is unchanged. Our guidance continues to be based on the range of possible outcomes in our bottom-up sales forecast, which is grounded in the momentum of the business and embeds prudence to reflect temporary risk to billings and revenue as we operationalize our sales optimization plan.

Full-year guidance assumptions that we described last quarter remain largely unchanged. We've assumed the macroeconomic environment will remain broadly stable through the year.

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Billings and revenue guidance continue to reflect potential disruption from our sales restructuring, consistent with the plan we laid out in February and what we saw in the first quarter. We continue to expect billings to be slightly more weighted to the second half, in part reflecting that disruption, and in part due to the weighting of our largest EBA cohort in the fourth quarter.

Noise from the new transaction model will significantly diminish during the year from an approximately 3.5 percentage point tailwind to revenue growth in Q1, to approximately 2 percentage points in Q2, and averaging out at approximately 1.5 percentage points for the full year. We'll talk about it less as that noise fades.

Non-GAAP margins will continue to reflect ongoing operating leverage, savings from restructuring, and sustained investments in our long-term strategic priorities.

Free cash flow in fiscal 27 will continue to reflect discrete restructuring outflows and tax benefits.

The net effect of these discrete cash movements is immaterial to free cash flow in fiscal 27. Our US federal cash tax payments will begin to normalize in fiscal 28.

We continue to manage our stock-based compensation with discipline. We expect SBC to fall below 10 percent of revenue in fiscal 27, continuing the trend of the last few years.

Reflecting all this, for fiscal 27, we've raised the bottom end of our prior billings guidance to a range of \$8.505 billion to \$8.580 billion reflecting the sustained momentum of the business. We've raised our revenue guidance to a range of \$8.155 billion to \$8.215 billion, reflecting our strong results in the first quarter. Our GAAP operating margin guidance range is 26 to 28 percent. We've raised our non-GAAP operating margin guidance to approximately 39 percent reflecting our

increased revenue guidance. We've also raised the bottom end of our free cash flow guidance, to a range of \$2.725 billion to \$2.8 billion.

In summary, 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.

The slide deck on our website has modeling assumptions for the second quarter and full-year fiscal

27.

Andrew, back to you.

ANDREW ANAGNOST, CEO

Thank you, Janesh.

Autodesk is focused on convergence, powered by our platform, industry clouds, and AI. Let me give you some examples of our progress in the quarter that demonstrate how this differentiated strategy works.

For our customers in architecture, engineering, construction, manufacturing and operations, convergence increases efficiency and resilience, and reduces risk and down time. All of this is in service of deploying fewer resources to every project so they can bid on, and win, more projects with the resources they have.

As you can see in the performance of Make, Forma for Construction's revenue growth accelerated again and has strong momentum with owners, designers, GCs, and subcontractors seeking to

converge design and construction workflows. Once again, customers are choosing to consolidate fragmented legacy systems onto Autodesk's platform.

For example, Dome Construction, an ENR Top 400 general contractor, selected Forma for Construction to replace disconnected legacy point solutions and standardize workflows across preconstruction, VDC, project execution, cost management, and turnover. In Europe, Essex Services Group, a leading UK building services contractor, signed a multi-year enterprise agreement for Forma Build to consolidate fragmented systems across complex data center and commercial projects. And Germany's largest municipal water utility, Berlin Water, expanded its use of Autodesk's solutions, including Forma Design Collaboration, to modernize collaboration across water infrastructure planning and delivery.

These stories have a common theme: converging people, processes, and data across the project lifecycle to increase efficiency and resilience, decrease risk, and prepare for an agentic AI world.

Our comprehensive end-to-end industry clouds, and platform, drive convergence and extend our footprint further into the larger growth segments.

In manufacturing, customers are demanding convergence as they invest in their digital transformation to leverage granular and unified data and embrace AI-driven automation capable of industry transformation. By consolidating on our platform, customers have the flexibility and connectivity across workflows to increase agility, innovation, and resilience.

For example, Loh Services, the shared service of the Friedhelm Loh Group, a German industrial technology conglomerate, renewed and expanded its enterprise agreement with Autodesk to better connect CAD, product data management, and enterprise systems – reducing fragmentation and

accelerating time to market. In the US, a leading automotive manufacturer renewed its enterprise agreement with Autodesk to advance its factory of the future strategy, standardizing on Autodesk solutions across digital factory and AECO workflows to reduce vehicle lead times and scale factory design simulation across 14 factories for more proactive, data-driven production planning. In addition, a visual display and fabrication company replaced a legacy design solution with Fusion after a multi-month evaluation, connecting design and manufacturing in the cloud to reduce handoffs and move projects through development faster. And in Europe, Schiedel, a leading manufacturer of chimney systems, implemented an integrated Inventor, Vault, and Fusion workflow to automate product configuration – generating thousands of modular component variants automatically to fast-track assembly and drawing creation. All this was reflected in Fusion's accelerating growth.

Let me finish by talking about AI.

As I said last quarter, building agentic AI requires data, context, and expertise. What differentiates Autodesk is that we have all three at scale, and each one is scarce. We have scarce, geometric-rich data from real Design and Make workflows that lets us build frontier 3D foundation models grounded in how the built world is actually designed and made. We have real-world workflow context, including design intent, constraints, constructability, coordination, and tradeoffs, that enables industry-specific MCP and agentic-based workflows that work reliably across the lifecycle. And we have deep domain and technical expertise that translates data and context into trusted products, defensible IP, and knowledge graphs built for professional grade outcomes.

That foundation matters because our customers do not just need AI that can generate. They need AI that produces outputs that are correct in the real world. That is a hard problem, and we are using a hybrid approach to solve it. We are combining probabilistic AI generation with deterministic engineering validation using parametric and physics-based engines designed to reason about the physical world in 3D so AI generated outcomes can be validated against real-

world constraints. Simply put, AI can generate, and our engines can validate. Let me unpack that a bit.

Frontier models are incredibly capable, but they are still fundamentally vision and language systems. Simply generating drawings is very different from understanding how something performs, behaves, or can actually be manufactured and constructed. For our customers, that accuracy matters.

Through assistants and MCP infrastructure, Autodesk provides the harness layer that makes frontier models more controllable, context-aware, and useful across the lifecycle. Autodesk

Assistant is a good example already in market and there are even more powerful tools on the way.

But we are going much further than MCP- and agent-based workflows. Autodesk's 3D foundation models use decades of engineering intelligence, combined with trusted product engines, to directly reason about geometry and physical relationships, enabling workflows like similarity search, drawing dimensions, constraints, building plans, and geometry-aware automation.

AutoConstrain in Fusion and more expansive features like our soon-to-be-launched Building Layout Explorer in Forma, are good examples of our progress here.

When Autodesk's AI generates a design revision, manufacturing toolpath, routing layout, or simulation setup, that output is validated through the same core parametric models from Autodesk that our customers have trusted for decades.

These systems perform deterministic checks for geometric integrity, manufacturability, constructability, standards compliance, and performance. Every validation loop also improves the

platform itself, continuously strengthening our AI models, validation systems, and quality thresholds over time. With MaintainX, we intend to extend those capabilities to develop digital twins that move beyond descriptive and informative models to high-value predictive and autonomous workflows and systems.

This combination of probabilistic AI generation and deterministic engineering validation is why we said last quarter that 3D Agentic AI requires high-fidelity, geometry-rich **data**, deep industry **context** embedded in real-world design and make processes, and specialized 3D AI **expertise**. Few companies have all these. Autodesk does. It's why we believe Autodesk will define the next generation of industrial AI.

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