

Fourth Quarter Fiscal 2019 Earnings

February 28, 2019



Safe Harbor

This presentation contains forward looking statements about revenue, billings, free cash flow, ARR, spend and EPS, products, future performance, financial and otherwise, including statements regarding our progress on our key priorities, business model transformation, guidance for the first fiscal quarter and full fiscal year 2020, our long term financial objectives and capital allocation. These statements reflect management's current expectations, estimates and assumptions based on the information currently available to us. These forward-looking statements are not guarantees of future performance and involve significant risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from results, performance or achievements expressed or implied by the forward-looking statements contained in this presentation, such as a failure to maintain subscriptions, ARR, ARPS, billings, revenue, deferred revenue, operating margins and cash flow growth; failure to maintain spend management; failure to successfully integrate acquired businesses, complete transitions to new business model and markets; failure of the construction industry grows as anticipated; failure to successfully expand adoption of our products; and any worsening in the macro economy or increase in protectionism.

A discussion of factors that may affect future results is contained in our most recent SEC Form 10-K and Form 10-Q filings available at www.sec.gov, including descriptions of the risk factors that may impact us and the forward-looking statements made in this presentation. The forward-looking statements made in this presentation are made as of February 28, 2019. If this presentation is reviewed after February 28, 2019, even if made available by us, on our website or otherwise, it may not contain current or accurate information. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events or otherwise.

Revenue, billings and ARR metrics are presented under Accounting Standard Codification ("ASC") 606, unless stated otherwise.

Non-GAAP Financial Measures

These presentations include certain non-GAAP financial measures. Please see the Appendices attached to the presentations for an explanation of management's use of these measures and a reconciliation of the most directly comparable GAAP financial measures.

Strong Close to Fiscal 2019

Results Reflect Business Momentum

34%

ARR Growth

95%

Recurring Revenue

\$2.6B

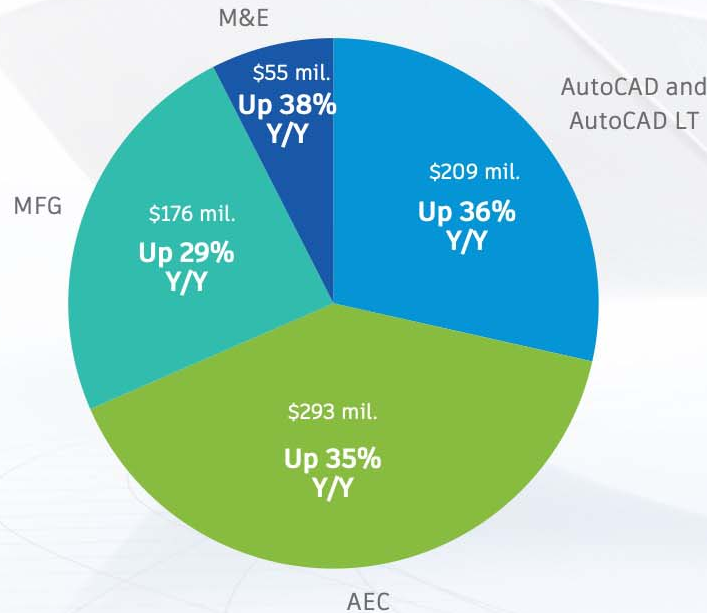
Total Revenue

4M+

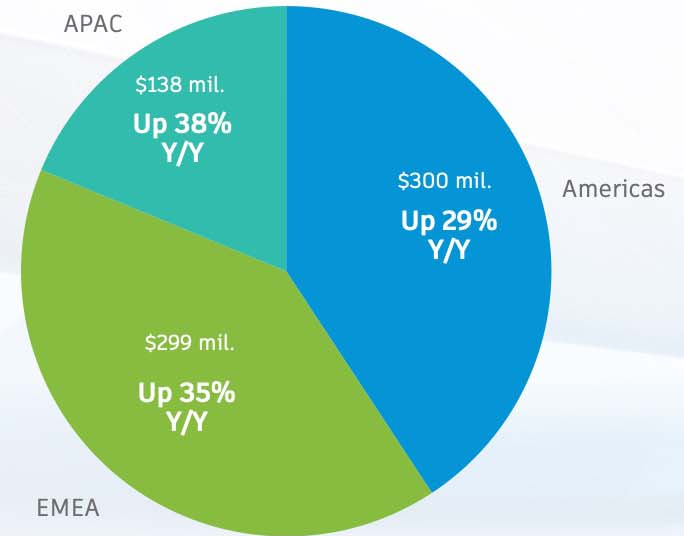
Total
Subscriptions

Strong Growth Across All Products & Geographies

4Q19 REVENUE MIX BY PRODUCT FAMILY⁽¹⁾



4Q19 REVENUE MIX BY GEOGRAPHY



(1) Excludes \$4 million of revenue from Other.

Significant Progress on Key Priorities

Complete the Subscription Transition



Less than 20% of revenue from maintenance agreements

Digitize the Company



Investing in creating superior customer experiences with subscription

Drive BIM Through Entire Design & Make Process for AEC



Increasing adoption of BIM across our customer base, especially in Construction

Automate the Process of Design for Manufacturability in Manufacturing



Generative design and Fusion continue to attract global manufacturing leaders

Converge Construction and Manufacturing to a New Paradigm



Seeing early signs of convergence

Executing in Construction

Strengthen Foundation

Continued organic investment across current BIM 360 portfolio as well as acquired Assemble Systems, PlanGrid and BuildingConnected.

Integrate Offerings

Deliver integrated workflows leveraging acquired products to deliver increased value to customers.

Expand Addressable Market

Broaden product portfolio to expand our presence with general contractors, sub-contractors, and building owners.



AutoCAD



Revit



BIM 360



Building
Connected



Assemble
Systems



PlanGrid

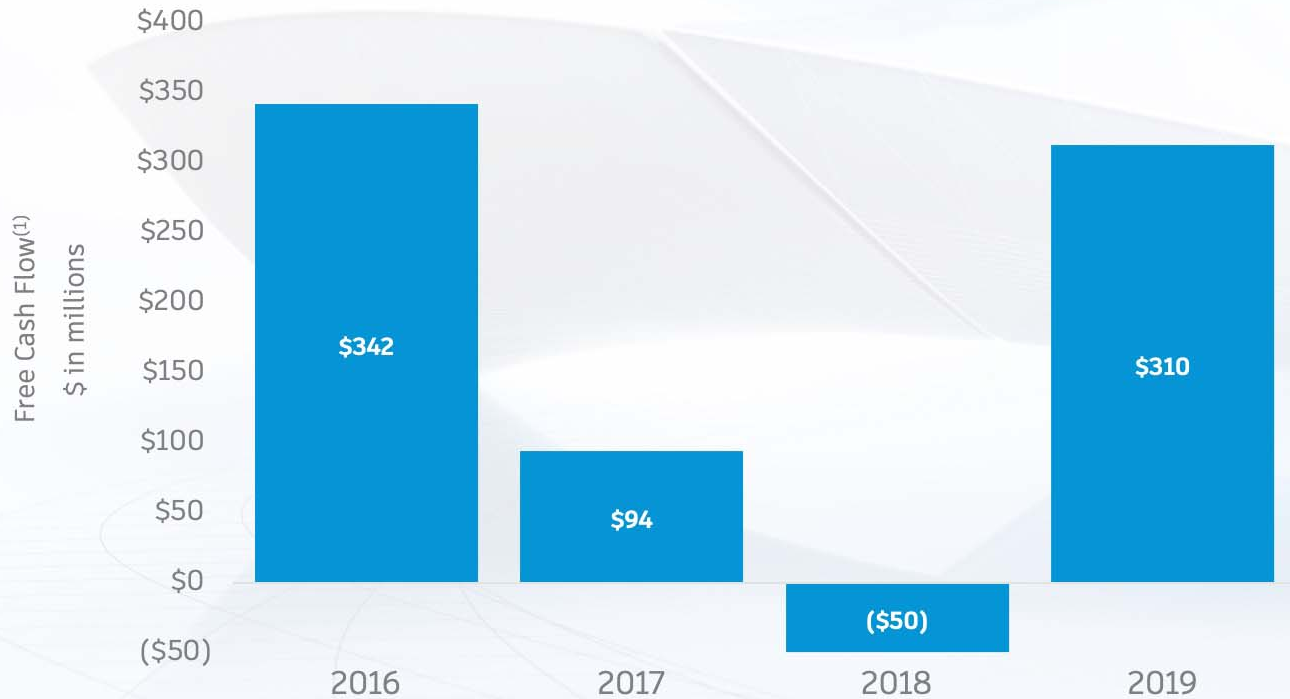
Milestone: Record Billings of Over \$1 Billion in 4Q19

Up 39% Y/Y



*Q419 includes \$43 million of billings related to fourth quarter acquisitions.

Milestone: Free Cash Flow Inflected



FY19 QUARTERLY FCF

Q1: (\$34) million

Q2: \$23 million

Q3: \$27 million

Q4: \$294 million

FY19: \$310 million

(1) Non-GAAP to GAAP reconciliations in appendix.

Strong ARR Growth With Subscription Momentum

ARR is the key measure of success



*Includes \$27 million of ARR related to fourth quarter acquisitions, or one point of the 34% Y/Y growth.

Outlook

Q1 FY20⁽¹⁾

(ending April 30, 2019)

Revenue	\$735M–\$745M
EPS GAAP	\$0.06–\$0.10
EPS non-GAAP ⁽¹⁾	\$0.44–\$0.48

FY20⁽¹⁾

(ending January 31, 2020)

Total ARR (in millions)	\$3,500 - \$3,550 Up 27%-29%
Billings (in millions)	\$4,050 - \$4,150 Up 50%-53%
Revenue (in millions) ⁽²⁾	\$3,250 - \$3,300 Up 26%-28%
GAAP Spend growth ⁽³⁾	Approx. 10%
Non-GAAP Spend growth ⁽³⁾	Approx. 9%
EPS GAAP	\$1.12 - \$1.31
EPS non-GAAP	\$2.71 - \$2.90
Free cash flow	Approx. \$1.35 billion

(1) Non-GAAP to GAAP reconciliations in appendix.

(2) We do not expect foreign currency exchange rates or hedge gains/losses to materially impact our revenue guidance.

(3) Spend is equal to cost of revenue plus operating expenses. Non-GAAP spend excludes \$310 million related to stock-based compensation expense, \$64 million for the amortization of acquisition-related intangibles, and \$31 million for acquisition related costs.

Non-GAAP FY20 Model Considerations

INCOME STATEMENT

- Recurring revenue as percent of total expected to be consistent with FY19 in mid-90% range
- Gross margins expected to expand modestly, driven by revenue growth
- Expect operating margins to expand, driven by operating leverage, partially offset by expenses associated with recent acquisitions
- Interest expense to increase, driven by increased debt balance
- Effective tax rate of 18%
- Share count to be consistent with FY19

BALANCE SHEET / CASH FLOW

- Expect to retire \$500M short-term debt by end of FY20
- Capital expenditures to be consistent with FY19
- Three-fourths of FY20 free cash flow expected in the second half of the year, with heavier weighting in Q4 due to normal seasonality
 - Free cash flow expected to decline sequentially in 1Q20

The background features a complex geometric design. On the left, there are several overlapping, curved, light blue shapes that resemble stylized pages or folds. On the right, a dark blue, angular shape is partially visible, also appearing to be a folded page. A diagonal white line separates these two main areas. In the background, a faint grid of light blue lines is visible, creating a sense of depth and structure. The overall color palette is dominated by various shades of blue and white, giving it a clean, modern, and professional appearance.

Appendix

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures (In millions, except per share data)

To supplement our consolidated financial statements presented on a GAAP basis, we provide investors with certain non-GAAP measures including non-GAAP net income per share, non-GAAP operating margin, non-GAAP spend, non-GAAP EPS and free cash flow. For our internal budgeting and resource allocation process and as a means to evaluate period-to-period comparisons, we use non-GAAP measures to supplement our consolidated financial statements presented on a GAAP basis. These non-GAAP measures do not include certain items that may have a material impact upon our future reported financial results. We use non-GAAP measures in making operating decisions because we believe those measures provide meaningful supplemental information regarding our earning potential and performance for management by excluding certain expenses and charges that may not be indicative of our core business operating results. For the reasons set forth below, we believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business. This allows investors and others to better understand and evaluate our operating results and future prospects in the same manner as management, compare financial results across accounting periods and to those of peer companies and to better understand the long-term performance of our core business. We also use some of these measures for purposes of determining company-wide incentive compensation.

There are limitations in using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which charges are excluded from the non-GAAP financial measures. We compensate for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in our public disclosures. The presentation of non-GAAP financial information is meant to be considered in addition to, not as a substitute for or in isolation from, the directly comparable financial measures prepared in accordance with GAAP. We urge investors to review the reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures included in this presentation, and not to rely on any single financial measure to evaluate our business.

The following slides shows Autodesk's non-GAAP results reconciled to GAAP results included in this presentation.

Appendix

Fourth Quarter Fiscal 2019 Non-GAAP Results Excluding Acquisitions^(1,2,3,4)

(\$ in millions except subscription and per subscription data)

	GAAP	Non-GAAP		Consolidated ex-Acquisitions
		Consolidated	Acquisitions	
Subscription & Maintenance Revenue	\$687	\$687	\$7	\$680
Other	\$50	\$50	\$0	\$50
Total Revenue	\$737	\$737	\$7	\$730
Total Spend	\$697	\$598	\$12	\$586
Operating Income	\$40	\$139	(\$5)	\$144
Diluted Net Income Per Share	\$0.29	\$0.46	(\$0.03)	\$0.49
ARR				
Core ARR		\$2,624	\$0	\$2,624
Cloud ARR		\$126	\$27	\$99
Total ARR		\$2,749	\$27	\$2,722
Net Sub Adds				
Core Subscriptions		74,000	0	74,000
Cloud Subscriptions		177,000	127,000	51,000
Total Subscriptions		252,000	127,000	125,000
ARPS				
Core ARPS		\$725	\$0	\$725
Cloud ARPS		\$177	\$216	\$169
Total ARPS		\$635	-	\$648
Billings & Deferred Revenue				
Calculated Billings		\$1,037	\$43	\$994
Deferred Revenue		\$2,091	\$36	\$2,055
Unbilled Deferred Revenue		\$591	\$61	\$530
Total Deferred Revenue		\$2,682	\$97	\$2,585

- (1) For definitions, please view the Glossary of Terms later in this document.
- (2) We are providing detailed contributions of the fourth quarter acquisitions only for 4Q19 as our prior outlook excluded its impact. After 4Q19, Autodesk will only disclose the impact of recent acquisitions on revenue, ARR, and billings.
- (3) Reflects only partial period contribution from recent fourth quarter acquisitions.
- (4) May not sum due to rounding.

Appendix

Fourth Quarter Fiscal 2019 Overview

<i>(in millions except per share data)</i> ⁽¹⁾	4Q 2019 under ASC 606	4Q 2019 under ASC 605	Total Y/Y change, as reported ⁽⁴⁾	Total Y/Y change under ASC 605 ⁽⁵⁾	Management Comments
Subscription plan ARR ⁽²⁾	\$2,200	\$2,160	87%	84%	Driven by growth in all subscription plan types, led by product subscriptions.
Maintenance plan ARR	\$549	\$559	(38)%	(36)%	Reflects the migration of maintenance plan subscriptions to product subscriptions.
Total ARR ⁽²⁾	\$2,749	\$2,719	34%	32%	
Revenue ⁽³⁾	\$737	\$713	33%	29%	Driven by growth in subscription plan revenue, led by product subscription revenue.
GAAP spend	\$697	\$710	(5)%	(4)%	Driven by lower restructuring costs.
Non-GAAP spend	\$598	\$611	5%	7%	Driven by employee-related costs.
GAAP diluted net income (loss) per share	\$0.29	\$0.06	137%	108%	
Non-GAAP diluted net income (loss) per share	\$0.46	\$0.32	611%	456%	

(1) For definitions, please view the Glossary of Terms later in this document.

(2) Included in Subscription plan ARR and total ARR is a \$27 million contribution from the fourth quarter acquisitions. This represented 2 percentage points of the year-over-year increase in Subscription plan ARR and 1 percentage point of the year-over-year increase in total ARR.

(3) Included in revenue was a \$7 million contribution from the fourth quarter acquisitions, or 1 percentage point of the year-over-year increase.

(4) Reflects 4Q 2019 under ASC 606 compared to 4Q 2018 under ASC 605.

(5) Reflects 4Q 2019 under ASC 605 compared to 4Q 2018 under ASC 605.

Appendix – Other Financial Information

In millions except subscription data, per subscription data, and per share data ⁽¹⁾

	Under ASC 605		Under ASC 606		
	4Q18	1Q19	2Q19	3Q19	4Q19
ARR					
Subscription plan ARR ⁽²⁾	\$1,175	\$1,402	\$1,682	\$1,925	\$2,200
Maintenance plan ARR	\$879	\$725	\$666	\$601	\$549
Total ARR ^(2,3)	\$2,054	\$2,126	\$2,347	\$2,526	\$2,749
Core ARR	\$1,985	\$2,058	\$2,272	\$2,438	\$2,624
Cloud ARR ⁽²⁾	\$69	\$68	\$75	\$88	\$126
M2S ARR included in Subscription plan ARR	\$152	\$273	\$349	\$415	\$470
Subscriptions (in thousands) ^(4,5,6)					
Subscription plan subscriptions	2,267	2,574	2,864	3,116	3,534
Maintenance plan subscriptions	1,449	1,243	1,071	962	796
Total subscriptions	3,716	3,817	3,935	4,078	4,330
Core subscription	3,285	3,368	3,456	3,547	3,621
Cloud subscription	431	449	479	532	709
M2S subscription additions	168	154	117	71	110
Annualized Revenue Per Subscription ("ARPS") ^(4,7)					
Subscription plan ARPS	\$518	\$544	\$587	\$618	\$623
Maintenance plan ARPS	\$607	\$583	\$621	\$624	\$690
Total ARPS	\$553	\$557	\$596	\$619	\$635
Core ARPS	\$604	\$611	\$657	\$687	\$725
Cloud ARPS	\$161	\$152	\$157	\$165	\$177

(1) For definitions, please view the Glossary of Terms later in this document.

(2) Included in Subscription plan ARR, cloud ARR and total ARR is a \$27 million contribution from the fourth quarter acquisitions.

(3) The sum of Core ARR and Cloud ARR does not foot to Total ARR due to rounding.

(4) Starting in the first quarter of fiscal 2020, Autodesk will discontinue quarterly reporting of subscriptions and ARPS.

(5) Prior periods have been adjusted to conform to the current presentation.

(6) Included in subscription plan, total, and cloud subscriptions is a 127,000 contribution from the fourth quarter acquisitions.

(7) Included in subscription plan ARPS is the negative impact of \$15 related to the fourth quarter acquisitions. Included in total ARPS is the negative impact of \$13 related to the fourth quarter acquisitions. Included in cloud ARPS is a \$8 contribution from the fourth quarter acquisitions.

Appendix – Other Financial Information

In millions except subscription data, per subscription data, and per share data ^(1,4)

	Under ASC 605	Under ASC 606			
	4Q18	1Q19	2Q19	3Q19	4Q19
Revenue					
Recurring Revenue	\$514	\$532	\$587	\$631	\$687
Recurring revenue as a percentage of total revenue	93%	95%	96%	96%	93%
Subscription revenue ⁽²⁾	\$294	\$350	\$421	\$481	\$550
Maintenance revenue	\$220	\$181	\$166	\$150	\$137
Other revenue ⁽³⁾	\$40	\$28	\$25	\$30	\$50
Total net revenue ⁽²⁾	\$554	\$560	\$612	\$661	\$737
Direct revenue	30%	29%	28%	28%	30%
Indirect revenue	70%	71%	72%	72%	70%
Revenue by Geography					
Americas	\$232	\$234	\$248	\$269	\$300
EMEA	\$221	\$221	\$248	\$267	\$299
Asia Pacific	\$100	\$106	\$116	\$126	\$138
Emerging economies	\$64	\$65	\$74	\$81	\$87
Emerging economies as percent of total revenue	12%	12%	12%	12%	12%
Revenue by product family⁽⁵⁾					
Architecture, Engineering and Construction (AEC)	\$217	\$222	\$243	\$264	\$293
AutoCAD Product Family and AutoCAD LT	\$154	\$156	\$177	\$191	\$209
Manufacturing	\$136	\$135	\$146	\$159	\$176
Media and Entertainment (M&E)	\$40	\$42	\$42	\$44	\$55
Other	\$7	\$5	\$4	\$4	\$4

(1) For definitions, please view the Glossary of Terms later in this document.

(2) Included in subscription revenue and total net revenue was a \$7 million contribution from the fourth quarter acquisitions.

(3) Previously called "License and other revenue."

(4) Totals may not agree with the sum of the components due to rounding.

(5) Due to changes in the go-to-market offerings of our AutoCAD product subscription, prior period balances have been adjusted to conform to current period presentation. AutoCAD product family now contains revenue from all AutoCAD vertical products, such as AutoCAD Architecture, AutoCAD Electrical, and AutoCAD Mechanical.

Appendix – Other Financial Information

In millions except subscription data, per subscription data, and per share data ^(1,2)

	Under ASC 605	Under ASC 606			
	4Q18	1Q19	2Q19	3Q19	4Q19
Billings & Deferred Revenue					
Billings	\$ 745	\$ 411	\$ 605	\$ 654	\$ 1,037
Deferred Revenue	\$ 1,955	\$ 1,806	\$ 1,800	\$ 1,792	\$ 2,091
Unbilled Deferred Revenue ⁽³⁾	326	412	406	451	591
Total Deferred Revenue ⁽⁴⁾	\$ 2,281	\$ 2,218	\$ 2,205	\$ 2,243	\$ 2,682
FX impact					
Year-on-year FX (impact) benefit on total ARR	\$ (1)	\$ 9	\$ 25	\$ 37	\$ 38
Year-on-year FX benefit on total revenue	-	\$ 3	\$ 7	\$ 10	\$ 10
Year-on-year FX (impact) benefit on cost of revenue and operating expenses	\$ (12)	\$ (10)	\$ (6)	\$ 1	\$ 5
Year-on-year FX (impact) benefit on operating income	\$ (12)	\$ (7)	\$ 1	\$ 11	\$ 15
Balance Sheet Items and Cash Review					
Cash Flow from Operating Activities	\$ 79	\$ (17)	\$ 43	\$ 39	\$ 312
Capital Expenditures	\$ 11	\$ 17	\$ 20	\$ 13	\$ 18
Free Cash Flow	\$ 68	\$ (34)	\$ 23	\$ 27	\$ 294
Depreciation, Amortization and Accretion	\$ 27	\$ 24	\$ 22	\$ 24	\$ 25
Total Cash and Marketable Securities	\$ 1,514	\$ 1,464	\$ 1,298	\$ 1,193	\$ 954

(1) For definitions, please view the Glossary of Terms later in this document.

(2) Totals may not agree with the sum of the components due to rounding.

(3) For 4Q19, deferred revenue includes a \$36 million contribution from the fourth quarter acquisitions. Unbilled deferred revenue includes a \$61 million contribution from the fourth quarter acquisitions. Total deferred revenue includes a \$97 million contribution from the fourth quarter acquisitions.

(4) The adoption of ASC 606 required a change to the definition of unbilled deferred revenue. Unbilled deferred revenue represents contractually stated or committed orders under early renewal and multi-year billing plans primarily for subscription, services for which the associated deferred revenue has not been recognized. Under ASC 606, unbilled deferred revenue is not included as a receivable or deferred revenue on our Consolidated Balance Sheet.

Appendix – Other Financial Information

In millions except subscription data, per subscription data, and per share data ⁽¹⁾

	Under ASC 605	Under ASC 606			
	4Q18	1Q19	2Q19	3Q19	4Q19
Gross Margin					
Gross Margin - GAAP	87%	88%	89%	89%	90%
Gross Margin - Non-GAAP	88%	89%	90%	90%	91%
Operating Expenses (in millions)					
Operating Expenses - GAAP	\$663	\$548	\$567	\$574	\$620
Operating Expenses - Non-GAAP	\$506	\$471	\$494	\$505	\$531
Total Spend (in millions)					
Total Spend - GAAP	\$736	\$615	\$636	\$646	\$697
Total Spend - Non-GAAP	\$571	\$531	\$556	\$569	\$598
Operating Margin					
Operating Margin - GAAP	(33%)	(10%)	(4%)	2%	5%
Operating Margin - Non-GAAP	(3%)	5%	9%	14%	19%
Earnings Per Share					
Basic Net (Loss) Income Per Share - GAAP	\$ (0.79)	\$ (0.38)	\$ (0.18)	\$ (0.11)	\$ 0.30
Diluted Net (Loss) Income Per Share - GAAP	\$ (0.79)	\$ (0.38)	\$ (0.18)	\$ (0.11)	\$ 0.29
Basic Net (Loss) Income Per Share - Non-GAAP	\$ (0.09)	\$ 0.07	\$ 0.20	\$ 0.30	\$ 0.46
Diluted Net (Loss) Income Per Share - Non-GAAP	\$ (0.09)	\$ 0.06	\$ 0.19	\$ 0.29	\$ 0.46
Weighted Average Shares					
Basic Net (Loss) Income Share Count - GAAP	219.1	218.6	219.0	218.9	219.2
Diluted Net (Loss) Income Share Count - GAAP	219.1	218.6	219.0	218.9	221.3
Basic Net Income Share Count - Non-GAAP	219.1	218.6	219.0	218.9	219.2
Diluted Net Income Share Count - Non-GAAP	219.1	221.6	222.2	221.6	221.3

(1) See non-GAAP to GAAP reconciliations.

Appendix – Non-GAAP Reconciliation to GAAP

(In millions, except per share data)

	Three Months Ended January 31,		Fiscal Year Ended January 31,	
	2019	2018	2019	2018
GAAP cost of subscription and maintenance revenue	\$ 56.7	\$ 52.8	\$ 216.0	\$ 214.4
Stock-based compensation expense	(3.7)	(3.4)	(13.1)	(11.9)
Non-GAAP cost of subscription and maintenance revenue	\$ 53.0	\$ 49.4	\$ 202.9	\$ 202.5
GAAP cost of other revenue	\$ 15.4	\$ 16.6	\$ 54.4	\$ 72.6
Stock-based compensation expense	(1.5)	(0.9)	(4.5)	(4.0)
Non-GAAP cost of other revenue	\$ 13.9	\$ 15.7	\$ 49.9	\$ 68.6
GAAP amortization of developed technology	\$ 4.9	\$ 3.7	\$ 15.5	\$ 16.4
Amortization of developed technology	(4.9)	(3.7)	(15.5)	(16.4)
Non-GAAP amortization of developed technology	\$ —	\$ —	\$ —	\$ —
GAAP gross profit	\$ 660.3	\$ 480.7	\$ 2,283.9	\$ 1,753.2
Stock-based compensation expense	5.2	4.3	17.6	15.9
Amortization of developed technology	4.9	3.7	15.5	16.4
Non-GAAP gross profit	\$ 670.4	\$ 488.7	\$ 2,317.0	\$ 1,785.5
GAAP marketing and sales	\$ 320.8	\$ 301.5	\$ 1,183.9	\$ 1,087.3
Stock-based compensation expense	(31.7)	(27.2)	(109.4)	(107.3)
Non-GAAP marketing and sales	\$ 289.1	\$ 274.3	\$ 1,074.5	\$ 980.0
GAAP research and development	\$ 190.4	\$ 182.2	\$ 725.0	\$ 755.5
Stock-based compensation expense	(25.4)	(21.2)	(82.5)	(82.9)
Non-GAAP research and development	\$ 165.0	\$ 161.0	\$ 642.5	\$ 672.6
GAAP general and administrative	\$ 100.7	\$ 80.1	\$ 340.1	\$ 305.2
Stock-based compensation expense	(11.7)	(9.4)	(40.0)	(38.9)
CEO transition costs ⁽¹⁾	—	0.2	0.1	(21.4)
Acquisition related costs	(11.9)	—	(16.2)	—
Non-GAAP general and administrative	\$ 77.1	\$ 70.9	\$ 284.0	\$ 244.9
GAAP amortization of purchased intangibles	\$ 6.2	\$ 4.9	\$ 18.0	\$ 20.2
Amortization of purchased intangibles	(6.2)	(4.9)	(18.0)	(20.2)
Non-GAAP amortization of purchased intangibles	\$ —	\$ —	\$ —	\$ —

(1) CEO transition costs include stock-based compensation of (\$0.2) million and \$16.4 million related to the acceleration of eligible stock awards for the three months and fiscal year ended January 31, 2018, respectively. CEO transition costs also include severance payments, legal fees incurred with the CEO transition and recruiting costs related to the search for a new CEO.

Appendix – Non-GAAP Reconciliation to GAAP

	Three Months Ended		Fiscal Year Ended	
	January 31,		January 31,	
	2019	2018	2019	2018
GAAP restructuring and other exit costs, net	\$ 1.9	\$ 93.9	\$ 41.9	\$ 94.1
Restructuring and other exit costs, net	(1.9)	(93.9)	(41.9)	(94.1)
Non-GAAP restructuring and other exit costs, net	\$ —	\$ —	\$ —	\$ —
GAAP operating expenses	\$ 620.0	\$ 662.6	\$ 2,308.9	\$ 2,262.3
Stock-based compensation expense	(68.8)	(57.8)	(231.9)	(229.1)
Amortization of purchased intangibles	(6.2)	(4.9)	(18.0)	(20.2)
CEO transition costs ⁽¹⁾	—	0.2	0.1	(21.4)
Acquisition related costs	(11.9)	—	(16.2)	—
Restructuring and other exit costs, net	(1.9)	(93.9)	(41.9)	(94.1)
Non-GAAP operating expenses	\$ 531.2	\$ 506.2	\$ 2,001.0	\$ 1,897.5
GAAP Spend	\$ 697.0	\$ 735.7	\$ 2,594.8	\$ 2,565.7
Stock-based compensation expense	(74.0)	(62.1)	(249.5)	(245.0)
Amortization of developed technology	(4.9)	(3.7)	(15.5)	(16.4)
Amortization of purchased intangibles	(6.2)	(4.9)	(18.0)	(20.2)
CEO transition costs ⁽¹⁾	—	0.2	0.1	(21.4)
Acquisition related costs	(11.9)	—	(16.2)	—
Restructuring and other exit costs, net	(1.9)	(93.9)	(41.9)	(94.1)
Non-GAAP Spend	\$ 598.1	\$ 571.3	\$ 2,253.8	\$ 2,168.6
GAAP (loss) income from operations	\$ 40.3	\$ (181.9)	\$ (25.0)	\$ (509.1)
Stock-based compensation expense	74.0	62.1	249.5	245.0
Amortization of developed technology	4.9	3.7	15.5	16.4
Amortization of purchased intangibles	6.2	4.9	18.0	20.2
CEO transition costs ⁽¹⁾	—	(0.2)	(0.1)	21.4
Acquisition related costs	11.9	—	16.2	—
Restructuring charges (benefits) and other exit costs, net	1.9	93.9	41.9	94.1
Non-GAAP income (loss) from operations	\$ 139.2	\$ (17.5)	\$ 316.0	\$ (112.0)
GAAP interest and other expense, net	\$ (7.3)	\$ (16.4)	\$ (17.7)	\$ (48.2)
(Gain) loss on strategic investments and dispositions	(3.0)	7.0	(12.5)	16.5
Restructuring and other exit costs, net	(4.7)	—	(10.2)	—
Non-GAAP interest and other expense, net	\$ (15.0)	\$ (9.4)	\$ (40.4)	\$ (31.7)
GAAP benefit (provision) for income taxes	\$ 31.7	\$ 24.8	\$ (38.1)	\$ (9.6)
Discrete GAAP tax provision items	(19.1)	(10.5)	(31.4)	(20.7)
Income tax effect of non-GAAP adjustments	(36.1)	(7.3)	17.2	67.7
Non-GAAP (provision) benefit for income taxes	\$ (23.5)	\$ 7.0	\$ (52.3)	\$ 37.4

(1) CEO transition costs include stock-based compensation of (\$0.2) million and \$16.4 million related to the acceleration of eligible stock awards for the three months and fiscal year ended January 31, 2018, respectively. CEO transition costs also include severance payments, legal fees incurred with the CEO transition and recruiting costs related to the search for a new CEO.

Appendix – Non-GAAP Reconciliation to GAAP

(In millions, except per share data)

	Three Months Ended		Fiscal Year Ended	
	2019	2018	2019	2018
GAAP net income (loss)	\$ 64.7	\$ (173.5)	\$ (80.8)	\$ (566.9)
Stock-based compensation expense	74.0	62.1	249.5	245.0
Amortization of developed technology	4.9	3.7	15.5	16.4
Amortization of purchased intangibles	6.2	4.9	18.0	20.2
CEO transition costs ⁽¹⁾	—	(0.2)	(0.1)	21.4
Restructuring and other exit costs, net	(2.8)	93.9	31.7	94.1
Acquisition related costs	11.9	—	16.2	—
(Gain) loss on strategic investments and dispositions	(3.0)	7.0	(12.5)	16.5
Discrete GAAP tax provision items	(19.1)	(10.5)	(31.4)	(20.7)
Income tax effect of non-GAAP adjustments	(36.1)	(7.3)	17.2	67.7
Non-GAAP net income (loss)	\$ 100.7	\$ (19.9)	\$ 223.3	\$ (106.3)
GAAP diluted net (loss) per share ⁽²⁾	\$ 0.29	\$ (0.79)	\$ (0.37)	\$ (2.58)
Stock-based compensation expense	0.33	0.28	1.12	1.11
Amortization of developed technology	0.02	0.02	0.08	0.08
Amortization of purchased intangibles	0.03	0.02	0.08	0.09
CEO transition costs ⁽¹⁾	—	—	—	0.09
Acquisition related costs	0.05	—	0.07	—
Restructuring and other exit costs, net	(0.01)	0.43	0.14	0.43
(Gain) loss on strategic investments and dispositions	(0.01)	0.03	(0.05)	0.08
Discrete GAAP tax items	(0.08)	(0.05)	(0.14)	(0.09)
Income tax effect of non-GAAP adjustments	(0.16)	(0.03)	0.08	0.31
Non-GAAP diluted net income (loss) per share ⁽²⁾	\$ 0.46	\$ (0.09)	\$ 1.01	\$ (0.48)
GAAP diluted shares used in per share calculation	221.3	219.1	218.9	219.5
Shares included in non-GAAP net income (loss) per share, but excluded from GAAP net (loss) per share as they would have been anti-dilutive	—	—	3.1	—
Non-GAAP Diluted weighted average shares used in per share calculation	221.3	219.1	222.0	219.5

(1) CEO transition costs include stock-based compensation of (\$0.2) million and \$16.4 million related to the acceleration of eligible stock awards for the three months and fiscal year ended January 31, 2018, respectively.

CEO transition costs also include severance payments, legal fees incurred with the CEO transition and recruiting costs related to the search for a new CEO.

(2) Net income (loss) per share were computed independently for each of the periods presented; therefore the sum of the net income (loss) per share amount for the quarters may not equal the total for the year.

Appendix – Non-GAAP Reconciliation to GAAP

	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
	(Unaudited)				
GAAP gross margin	87%	88%	89%	89%	90%
Stock-based compensation expense	1%	1%	1%	1%	1%
Amortization of developed technology	1%	1%	1%	1%	1%
Non-GAAP gross margin ⁽²⁾	88%	89%	90%	—%	91%
Operating Expenses - GAAP	\$663	\$548	\$567	\$574	\$620
Stock-based compensation expense	(58)	(51)	(53)	(59)	(69)
Amortization of purchased intangibles	(5)	(4)	(4)	(4)	(6)
CEO transition costs ⁽¹⁾	—	—	—	—	—
Acquisition related costs	—	—	(3)	(2)	(12)
Restructuring and other exit costs, net	(94)	(23)	(14)	(4)	(2)
Operating Expenses - Non-GAAP ⁽²⁾	\$506	\$471	\$494	\$505	\$531
GAAP Spend	\$736	\$615	\$636	\$646	\$697
Stock-based compensation expense	(62)	(54)	(57)	(64)	(74)
Amortization of developed technology	(4)	(4)	(3)	(4)	(5)
Amortization of purchased intangibles	(5)	(4)	(4)	(4)	(6)
CEO transition costs ⁽¹⁾	—	—	—	—	—
Acquisition related costs	—	—	(3)	(2)	(12)
Restructuring and other exit costs, net	(94)	(23)	(14)	(4)	(2)
Non-GAAP Spend ⁽²⁾	\$571	\$531	\$556	\$569	\$598

(1) CEO transition costs include stock-based compensation of (\$0.2) million and \$16.4 million related to the acceleration of eligible stock awards for the three months and fiscal year ended January 31, 2018, respectively. CEO transition costs also include severance payments, legal fees incurred with the CEO transition and recruiting costs related to the search for a new CEO.

(2) Totals may not sum due to rounding.

Appendix – Non-GAAP Reconciliation to GAAP

	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
	(Unaudited)				
GAAP operating margin	(33)%	(10)%	(4)%	2%	5%
Stock-based compensation expense	11%	10%	9%	10%	10%
Amortization of developed technology	1%	1%	1%	1%	1%
Amortization of purchased intangibles	1%	1%	1%	1%	1%
CEO transition costs	—%	—%	—%	—%	—%
Acquisition related costs	—%	—%	—%	—%	2%
Restructuring and other exit costs, net	17%	4%	2%	1%	—%
Non-GAAP operating margin ⁽¹⁾	(3)%	5%	9%	14%	19%
GAAP diluted net loss (income) per share	\$ (0.79)	\$ (0.38)	\$ (0.18)	\$ (0.11)	\$ 0.29
Stock-based compensation expense	0.28	0.25	0.26	0.28	0.33
Amortization of developed technology	0.02	0.02	0.02	0.02	0.02
Amortization of purchased intangibles	0.02	0.02	0.01	0.02	0.03
Acquisition related costs	—	—	0.01	0.01	0.05
Restructuring and other exit costs, net	0.43	0.09	0.06	—	(0.01)
Gain on strategic investments and dispositions	0.03	(0.01)	(0.02)	(0.01)	(0.01)
Discrete GAAP tax provision items	(0.05)	—	(0.04)	(0.02)	(0.08)
Income tax effect of non-GAAP adjustments	(0.03)	0.07	0.07	0.10	(0.16)
Non-GAAP diluted net (loss) income per share	\$ (0.09)	\$ 0.06	\$ 0.19	\$ 0.29	\$ 0.46
GAAP diluted weighted average shares used in per share calculation	219.1	218.6	219.0	218.9	221.3
Shares included in non-GAAP net income per share, but excluded from GAAP net loss per share as they would have been anti-dilutive	—	3.0	3.2	2.7	—
Non-GAAP diluted weighted average shares used in per share calculation	219.1	221.6	222.2	221.6	221.3

(1) Totals may not sum due to rounding.

Appendix

1QFY20 GAAP to Non-GAAP EPS Reconciliation

GAAP	\$0.06 - \$0.10
Stock-based compensation expense	\$0.34
Amortization of acquisition-related intangibles	\$0.07
Acquisition related costs	\$0.04
GAAP-only tax charges	(\$0.07)
Non-GAAP	\$0.44 - \$0.48

Appendix

FY20 GAAP to Non-GAAP EPS Reconciliation

GAAP	\$1.12 - \$1.31
Stock-based compensation expense	\$1.39
Amortization of acquisition-related intangibles	\$0.28
Acquisition related costs	\$0.13
GAAP-only tax charges	(\$0.21)
Non-GAAP	\$2.71 - \$2.90

Appendix – Non-GAAP Reconciliation to GAAP

	Fiscal Q1 2019	Fiscal Q2 2019	Fiscal Q3 2019	Fiscal Q4 2019	Full Year Fiscal 2019
Cash flow from operating activities	\$ (17)	\$ 43	\$ 39	\$ 312	\$ 377
Capital expenditures	\$ 17	\$ 20	\$ 13	\$ 18	\$ 67
Free cash flow	\$ (34)	\$ 23	\$ 27	\$ 294	\$ 310

	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Cash flow from operating activities	\$ 414	\$ 170	\$ 1	\$ 377
Capital expenditures	\$ 72	\$ 76	\$ 51	\$ 67
Free cash flow	\$ 342	\$ 94	\$ (50)	\$ 310

Adoption of ASC 606

Starting the first quarter of fiscal 2019, Autodesk reports its results under two new accounting standards. Revenue is now reported under Accounting Standard Codification ("ASC") 606 and sales commissions are now reported under ASC 340-40. We did not recast historical information as we elected to use the modified retrospective transition method. These new standards did not result in a change in timing or amount of revenue recognized for the majority of our maintenance and subscription offerings, though there may be immaterial shifts in the timing of revenue recognition due to the elimination of vendor-specific objective evidence (VSOE) requirements and other differences between the standards. However, we are required to capitalize and amortize sales commissions under the new standards. ASC 606 and ASC 340-40 do not affect cash flows or subscriptions. We will discontinue reporting on the ASC 605 comparisons starting next quarter.

Glossary of Terms

Annualized Recurring Revenue (ARR): Represents the annualized value of our average monthly recurring revenue for the preceding three months. "Maintenance plan ARR" captures ARR relating to traditional maintenance attached to perpetual licenses. "Subscription plan ARR" captures ARR relating to subscription offerings. Refer to the definition of recurring revenue below for more details on what is included within ARR. Recurring revenue acquired with the acquisition of a business is captured when total subscriptions are captured in our systems and may cause variability in the comparison of this calculation.

ARR is currently one of our key performance metrics to assess the health and trajectory of our business. ARR should be viewed independently of revenue and deferred revenue as ARR is a performance metric and is not intended to be combined with any of these items.

Annualized Revenue Per Subscription (ARPS): Is calculated by dividing our annualized recurring revenue by the total number of subscriptions.

Billings: Total revenue plus net change in deferred revenue from the beginning to the end of the period.

Cloud Service Offerings: Represents individual term-based offerings deployed through web browser technologies or in a hybrid software and cloud configuration. Cloud service offerings that are bundled with other product offerings are not captured as a separate cloud service offering.

Constant Currency (CC) Growth Rates: We attempt to represent the changes in the underlying business operations by eliminating fluctuations caused by changes in foreign currency exchange rates as well as eliminating hedge gains or losses recorded within the current and comparative periods. We calculate constant currency growth rates by (i) applying the applicable prior period exchange rates to current period results and (ii) excluding any gains or losses from foreign currency hedge contracts that are reported in the current and comparative periods.

Core business: Represents the combination of maintenance, product, and EBA.

Enterprise Business Agreements (EBAs): Represents programs providing enterprise customers with token-based access or a fixed maximum number of seats to a broad pool of Autodesk products over a defined contract term.

Free Cash Flow: Cash flow from operating activities minus capital expenditures.

Maintenance Plan: Our maintenance plans provide our customers with a cost effective and predictable budgetary option to obtain the productivity benefits of our new releases and enhancements when and if released during the term of their contracts. Under our maintenance plans, customers are eligible to receive unspecified upgrades when and if available, and technical support. We recognize maintenance revenue over the term of the agreements, generally one year.

Other Revenue: Consists of revenue from consulting, training and other services, and is recognized over time as the services are performed. Other revenue also includes software license revenue from the sale of products which do not incorporate substantial cloud services and is recognized up front.

Glossary of Terms

Product Subscription: Provides customers the most flexible, cost-effective way to access and manage 3D design, engineering, and entertainment software tools. Our product subscriptions currently represent a hybrid of desktop and SaaS functionality, which provides a device-independent, collaborative design workflow for designers and their stakeholders.

Recurring Revenue: Consists of the revenue for the period from our traditional maintenance plans and revenue from our subscription plan offerings. It excludes subscription revenue related to consumer product offerings, select Creative Finishing product offerings, education offerings, and third party products. Recurring revenue acquired with the acquisition of a business is captured when total subscriptions are captured in our systems and may cause variability in the comparison of this calculation.

Subscription Plan: Comprises our term-based product subscriptions, cloud service offerings, and EBAs. Subscriptions represent a combined hybrid offering of desktop software and cloud functionality which provides a device-independent, collaborative design workflow for designers and their stakeholders. With subscription, customers can use our software anytime, anywhere, and get access to the latest updates to previous versions.

Subscription Revenue: Includes subscription fees from product subscriptions, cloud service offerings, and EBAs.

Total Deferred Revenue: Is calculated by adding together total short term, long term, and unbilled deferred revenue.

Total Subscriptions: Consists of subscriptions from our maintenance plans and subscription plan offerings that are active and paid as of the fiscal year end date. For certain cloud service offerings and EBAs, subscriptions represent the monthly average activity reported within the last three months of the fiscal quarter end date. Total subscriptions do not include education offerings, consumer product offerings, select Creative Finishing product offerings, Autodesk Buzzsaw, Autodesk Constructware, and third party products. Subscriptions acquired with the acquisition of a business are captured once the data conforms to our subscription count methodology and when added, may cause variability in the comparison of this calculation.

Unbilled Deferred Revenue: Unbilled deferred revenue represents contractually stated or committed orders under early renewal and multi-year billing plans for subscription, services and maintenance for which the associated deferred revenue has not been recognized. Under ASC 606, unbilled deferred revenue is not included as a receivable or deferred revenue on our Consolidated Balance Sheet.



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