Starboard Value®

AUTODESK

August 2024

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We Believe Autodesk Has an Opportunity to Create Significant Value by Addressing Performance and Board Failures

Autodesk Has Underperformed as a Result of Failures by the Board of Directors (the "Board")	
Share Price Underperformance	Underperformed on a 1-year, 2-year, 3-year, 4-year, 5-year, 6-year, and 7-year basis during Andrew Anagnost's tenure as CEO
Financial and Operating Underperformance	Missed or is on pace to miss **EVERY** Investor Day commitment since 2018
Integrity Issues	Actively changed billings practices to inflate free cash flow, contrary to public disclosure
Lack of Board Accountability	Poor budgeting discipline and terrible compensation practices

The Board Needs to Take Action

- Re-evaluate CEO Andrew Anagnost
- Right-size cost structure
- Fix budgeting discipline
- Overhaul compensation practices
- Improve capital allocation

We believe Autodesk can achieve 45%+ Adj. Operating Margins and $3.4 billion of Adj. EBITDA by FY2027[(1)]

(1) Please reference Page 85 for additional detail on financial targets and embedded assumptions.

We Believe Autodesk Is a High-Quality Business

We believe Autodesk, Inc. ("Autodesk" or the "Company") is an attractive business with sustainable competitive advantages and a long runway for continued growth.

Attractive Autodesk Business Characteristics
✓ Leading market position within core AEC franchise
✓ High switching costs and entrenched position in customer workflows
✓ Market tailwinds expected to continue to drive growth
✓ Favorable competitive dynamics allow for sustained pricing power
✓ Highly-recurring, subscription revenue base
✓ Attractive growth opportunities in adjacencies, such as construction cloud

We believe Autodesk is a premier software business

However, Autodesk Has Significantly Underperformed During CEO Andrew Anagnost's Tenure

Since Mr. Anagnost's appointment as permanent CEO in June 2017, Autodesk has faced myriad issues, which have driven massive underperformance.

Autodesk Performance Issues

- ✗ **Massive and long-term share price underperformance**
- ✗ **Large valuation discount compared to peers**
- ✗ **Repeatedly missed Investor Day financial commitments**
- ✗ **Below-peer profitability despite significant gross margin advantage**

Why has Autodesk underperformed *despite* its advantageous market position and strong business fundamentals?

We Believe Autodesk Is in Need of Substantial Change

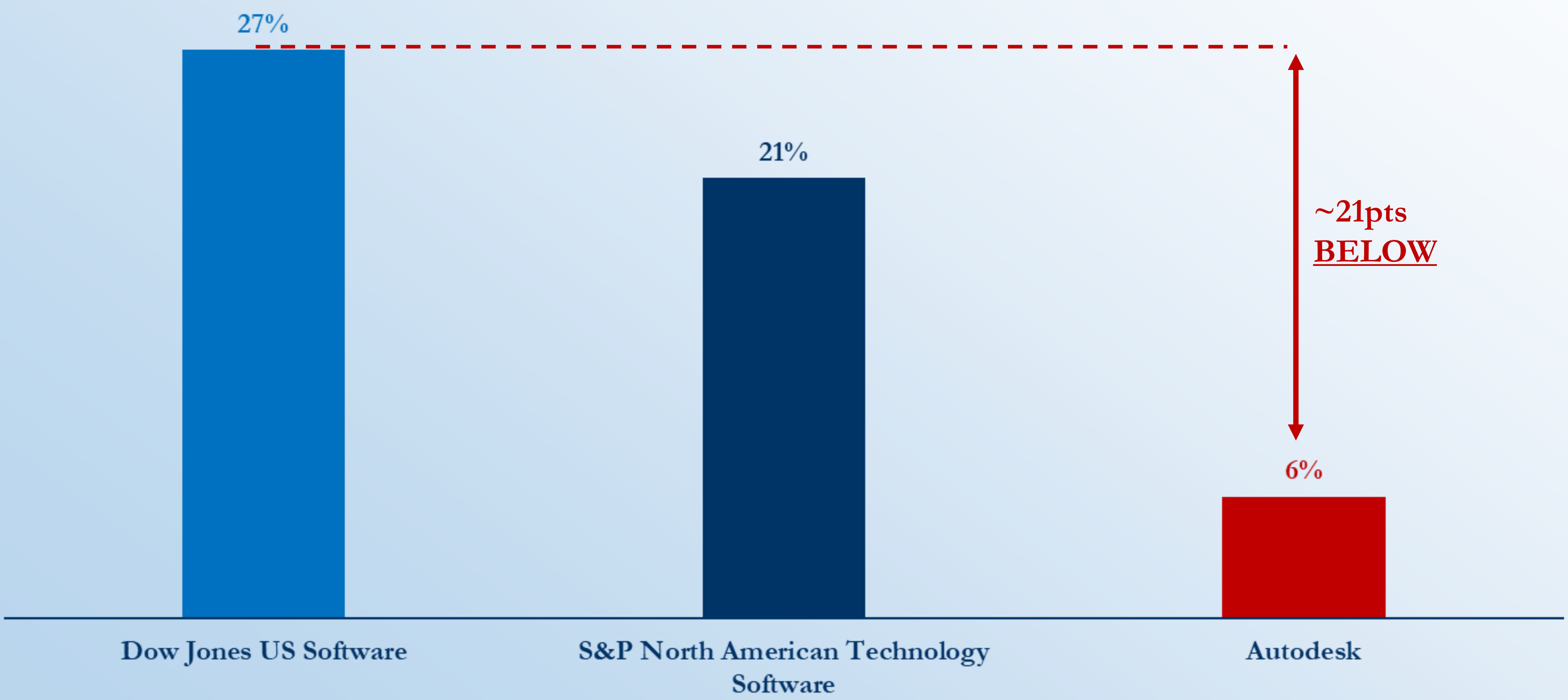
Over the last several years, Autodesk's management team and the Board have overseen a wide range of concerning issues and underperformance, which we believe makes clear the need for change.

Autodesk's Red Flags
1 Consistent and long-term share price underperformance through CEO Anagnost's tenure
2 Repeatedly missed Investor Day financial targets
3 Subpar operating and financial performance
4 Problematic compensation practices that have failed to hold management accountable
5 Intentionally misleading disclosures revealed through recent Audit Committee investigation
6 Concerning capital allocation

Change is needed at Autodesk

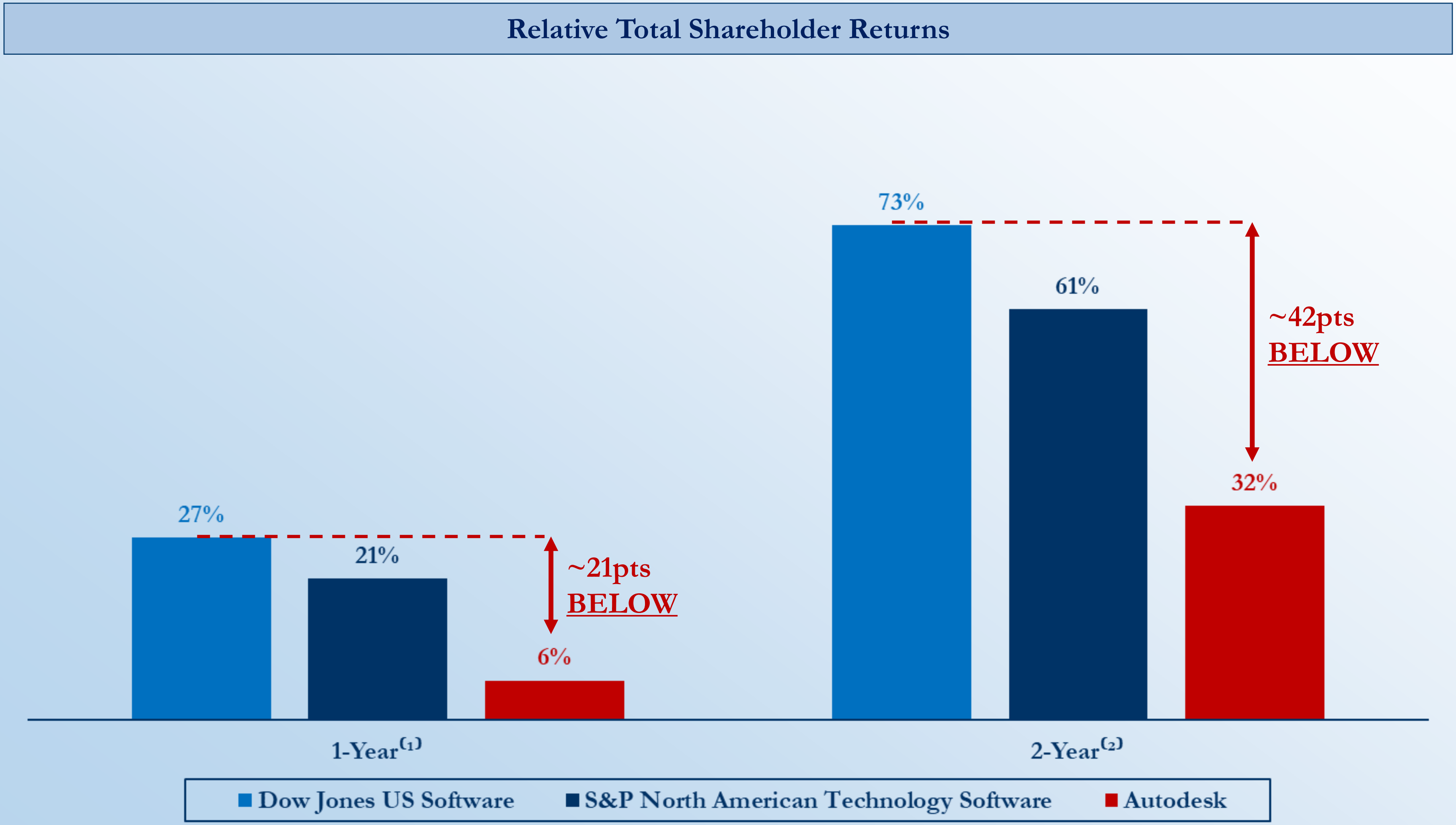
Autodesk's Share Price Has Meaningfully Underperformed Over the Last Year…

Relative Total Shareholder Returns



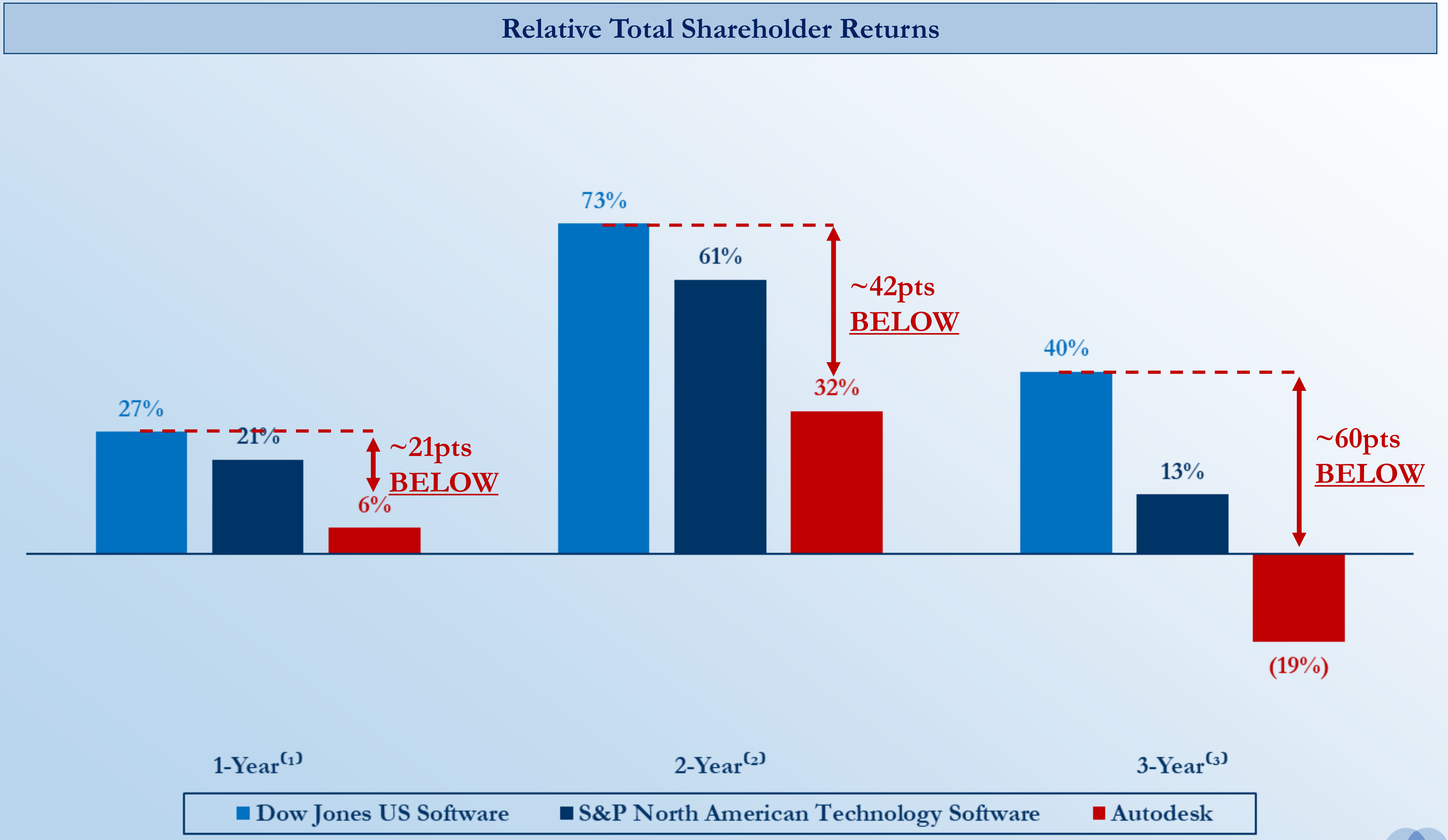
Source: Bloomberg. Represents TSR from 06/14/23 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

… And Over the Last Two Years…



Source: Bloomberg. (1) Represents TSR from 06/14/23 to 06/14/24. (2) Represents TSR from 06/14/22 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

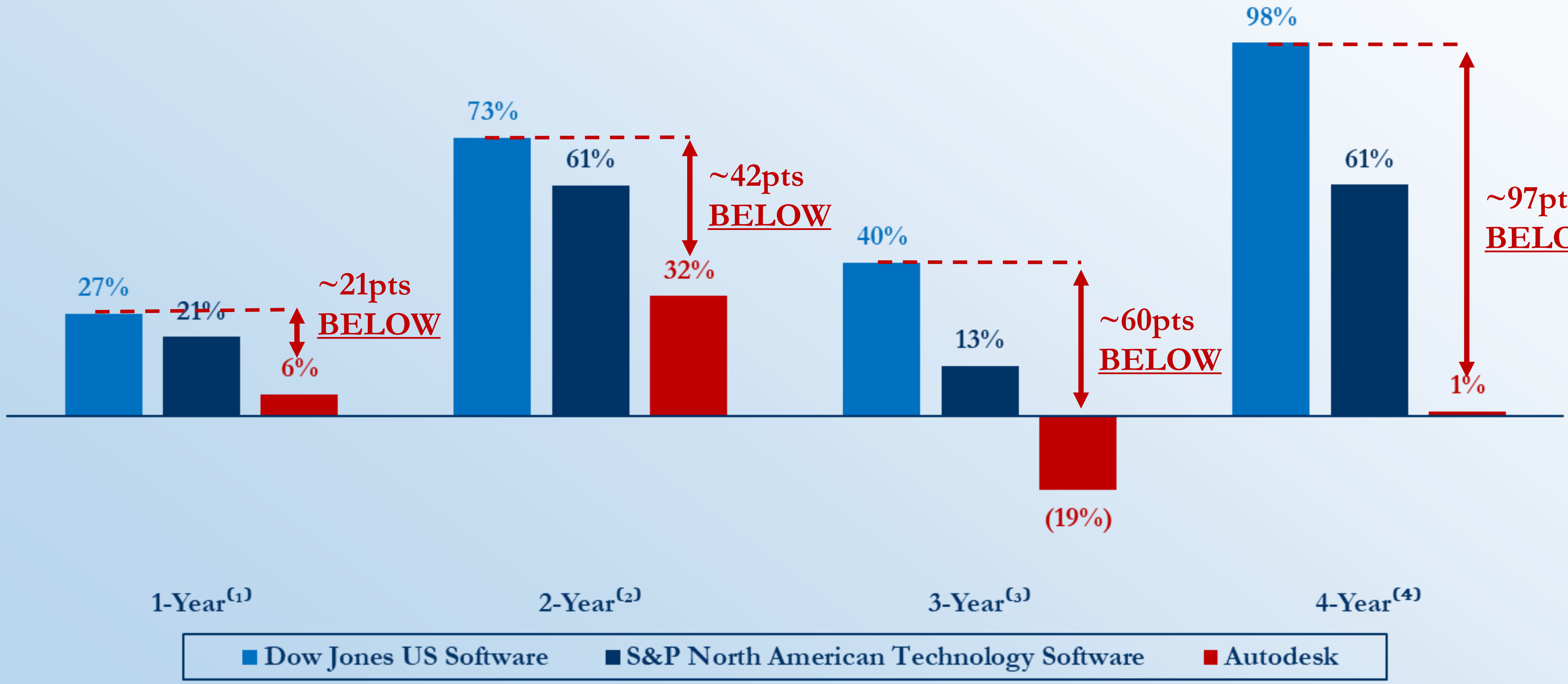
… And Over the Last Three Years…



Source: Bloomberg. (1) Represents TSR from 06/14/23 to 06/14/24. (2) Represents TSR from 06/14/22 to 06/14/24. (3) Represents TSR from 06/14/21 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

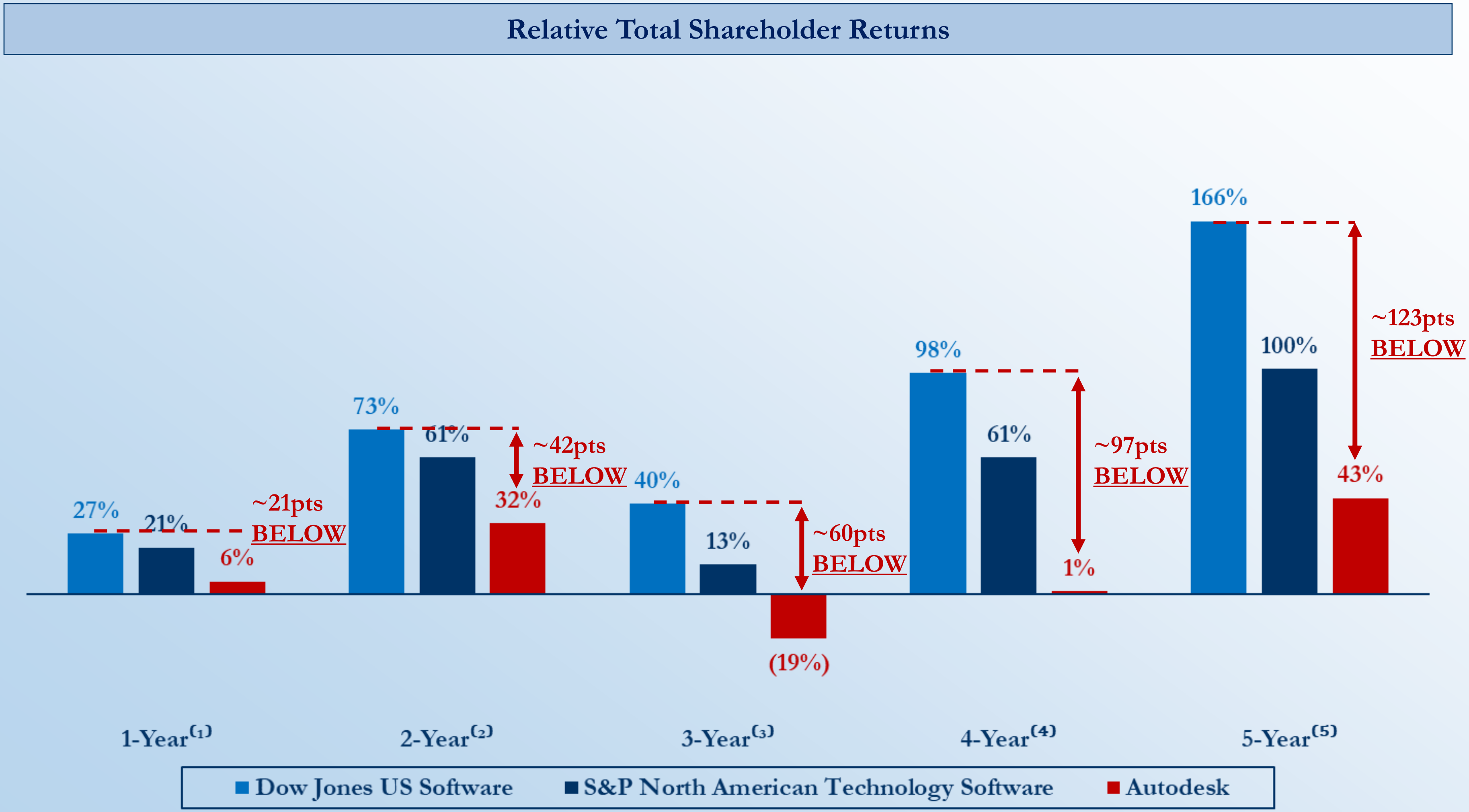
… And Over the Last Four Years…

Relative Total Shareholder Returns



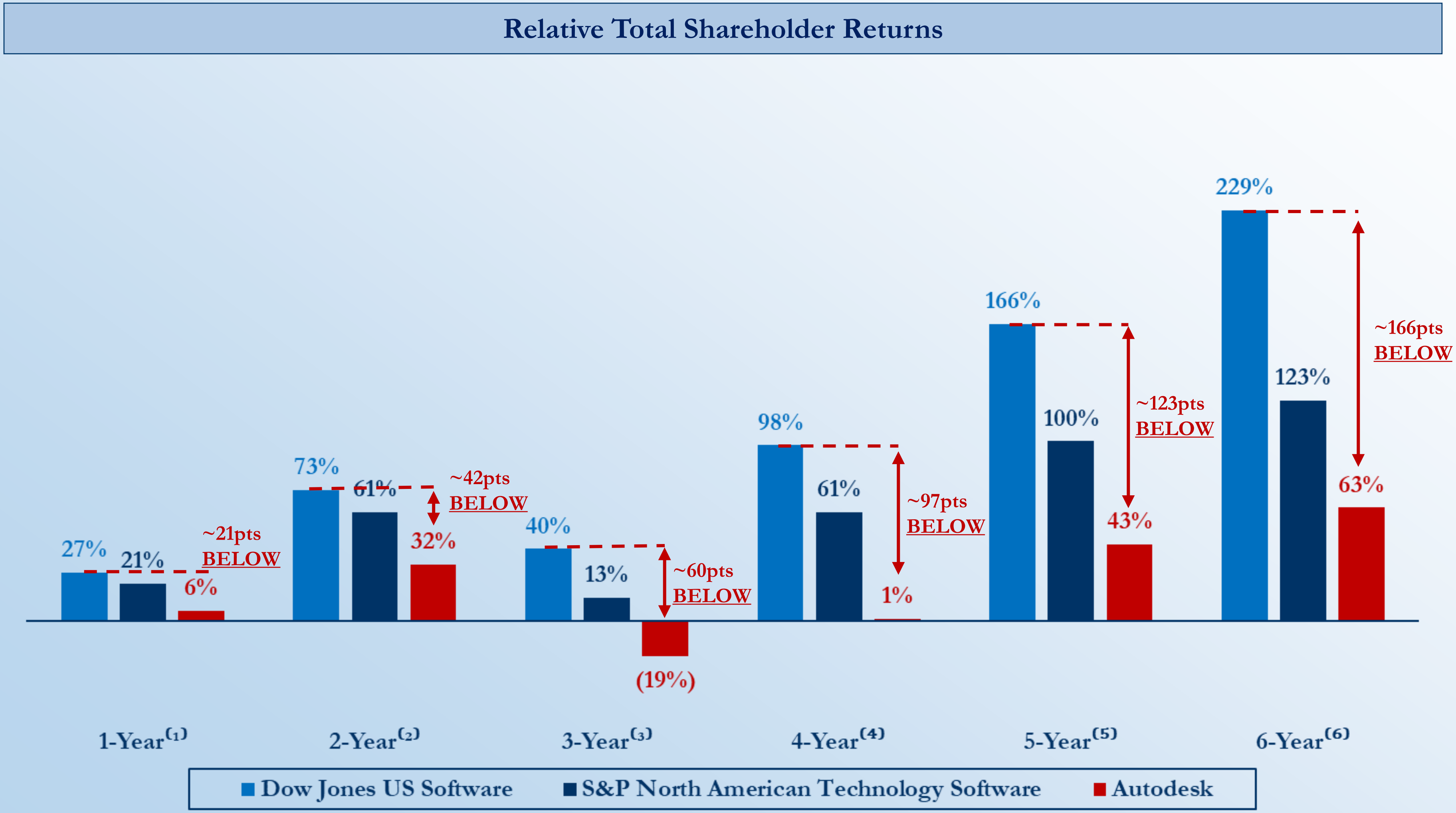
Source: Bloomberg. (1) Represents TSR from 06/14/23 to 06/14/24. (2) Represents TSR from 06/14/22 to 06/14/24. (3) Represents TSR from 06/14/21 to 06/14/24. (4) Represents TSR from 06/14/20 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

… And Over the Last Five Years…



Source: Bloomberg. (1) Represents TSR from 06/14/23 to 06/14/24. (2) Represents TSR from 06/14/22 to 06/14/24. (3) Represents TSR from 06/14/21 to 06/14/24. (4) Represents TSR from 06/14/20 to 06/14/24. (5) Represents TSR from 06/14/19 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

… And Over the Last Six Years…

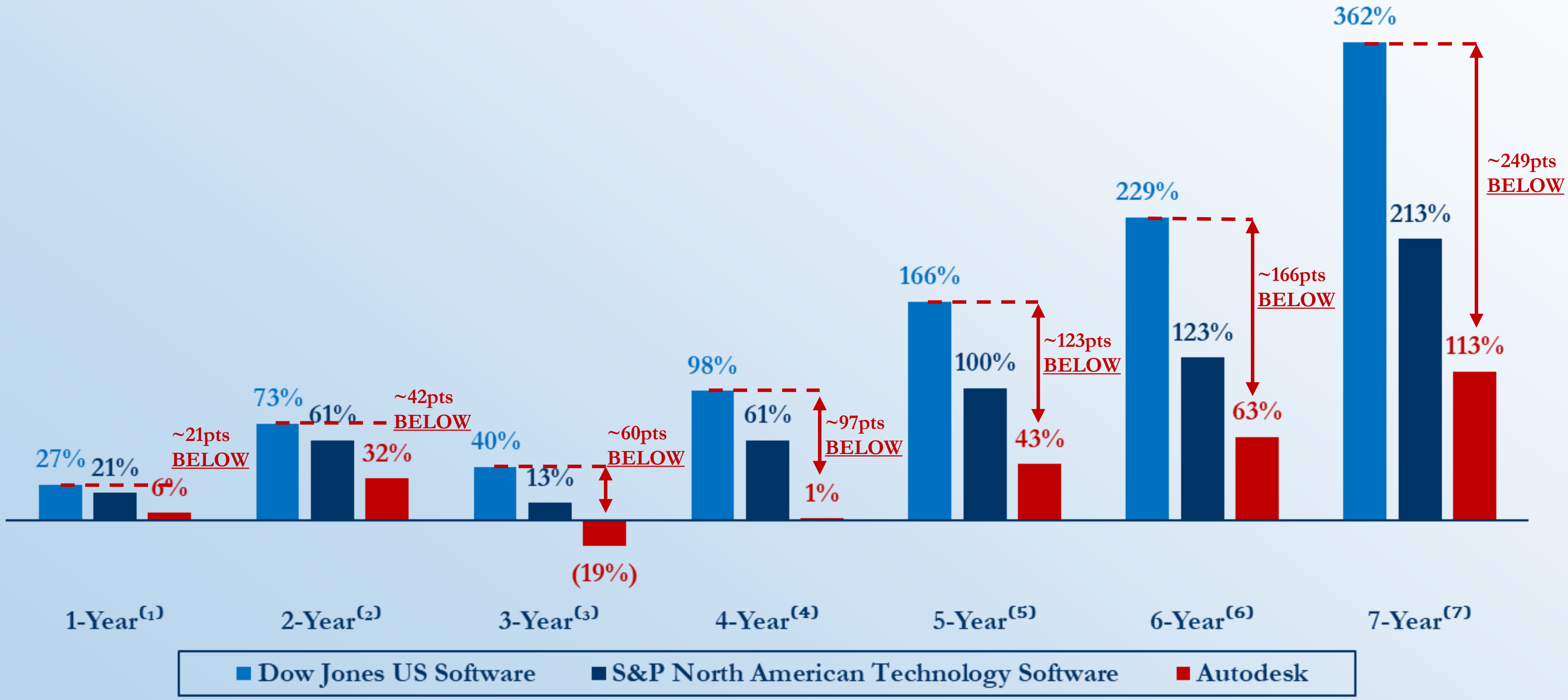


Source: Bloomberg. (1) Represents TSR from 06/14/23 to 06/14/24. (2) Represents TSR from 06/14/22 to 06/14/24. (3) Represents TSR from 06/14/21 to 06/14/24. (4) Represents TSR from 06/14/20 to 06/14/24. (5) Represents TSR from 06/14/19 to 06/14/24. (6) Represents TSR from 06/14/18 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

… And Over the Last Seven Years

Andrew Anagnost was appointed CEO in June 2017, and in the 7 years since then, Autodesk's share price has meaningfully underperformed.

Relative Total Shareholder Returns



Source: Bloomberg. (1) Represents TSR from 06/14/23 to 06/14/24. (2) Represents TSR from 06/14/22 to 06/14/24. (3) Represents TSR from 06/14/21 to 06/14/24. (4) Represents TSR from 06/14/20 to 06/14/24. (5) Represents TSR from 06/14/19 to 06/14/24. (6) Represents TSR from 06/14/18 to 06/14/24. (7) Represents TSR from 06/19/17 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

Cumulatively, Autodesk's Share Price Has Severely Underperformed During CEO Anagnost's Tenure

The Company's share price has underperformed multiple related indices and the broader market since Mr. Anagnost was appointed permanent CEO in June 2017.

Share Price Performance Chart During Mr. Anagnost's Tenure as Permanent CEO

Source: Bloomberg. Represents TSR from 06/19/17 to 06/14/24. Indices are being shown for illustrative and comparison purposes only.

We Believe Autodesk Is in Need of Substantial Change

Over the last several years, Autodesk's management team and Board have overseen a wide range of concerning issues and underperformance, which we believe makes clear the need for change.

Autodesk's Red Flags	
1	Consistent and long-term share price underperformance through CEO Anagnost's tenure
2	Repeatedly missed Investor Day financial targets
3	Subpar operating and financial performance
4	Problematic compensation practices that have failed to hold management accountable
5	Intentionally misleading disclosures revealed through recent Audit Committee investigation
6	Concerning capital allocation

Change is needed at Autodesk

Autodesk Has Held Five Investor Days During Mr. Anagnost's Tenure as CEO

Timeline of Autodesk Investor Days (2018 – 2023)

AUTODESK **INVESTOR DAY**
MARCH 28, 2018

AUTODESK **INVESTOR DAY**
MARCH 28, 2019

AUTODESK **INVESTOR DAY**
JUNE 3, 2020

AUTODESK **INVESTOR DAY**
SEPTEMBER 1, 2021

AUTODESK **INVESTOR DAY**
March 22, 2023

Source: Company presentations.

At Its 2018 Investor Day, Autodesk Made Free Cash Flow and Growth Commitments for FY2023

March 2018 Investor Day Excerpt

Long-Term Growth Drivers: FY21 and Beyond

- Maintain foundation: strong core business execution
- Expand into new markets: construction and manufacturing
- Combination leads to ~$2.4B in free cash flow in FY23
- Focus on sum of revenue growth + free cash flow margin
  - Projected growth range of net 55% to 65% in FY23

In 2018, Autodesk committed to reaching $2.4 billion of free cash flow in FY2023

Source: Company presentations. Emphasis added.

Autodesk's Investor Day Financial Targets

Summary of Investor Day Commitments

	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
Revenue Growth CAGR % (Implied Revenue)								
Adj. Operating Margin (Implied Op. Income)								
Free Cash Flow ("FCF") Growth								
Free Cash Flow	$2.4 billion							
Revenue Growth + FCF Margin	55 – 65%							

Source: Capital IQ, company presentations and public filings.

At Its 2019 Investor Day, Autodesk Made Several Financial Commitments for FY2023

March 2019 Investor Day Excerpt

In 2019, Autodesk committed to reaching growth + profit of 55% - 65% by FY2023

Source: Company presentations. Emphasis added.

At Its 2019 Investor Day, Autodesk Made Several Financial Commitments for FY2023 (Cont'd)

March 2019 Investor Day Excerpt

GROWTH DRIVER		CONTRIBUTION TO AUTODESK'S REVENUE CAGR
Market Factors		**4-6%**
	Real global GDP growth	2-3%
	Inflation / cost of living adjustments	2-3%
Autodesk Specific Factors		**11-13%**
Core Growth Factors	Growing renewal base Monetizing non-compliant users Converting legacy customers Increasing mix shift to Industry Collections Increasing direct sales mix	8-9%
	Expanding in Construction & Manufacturing	3-4%
Revenue CAGR (FY20-FY23)		**15-19%**

In 2019, Autodesk committed to growing revenue at a 15-19% CAGR through FY2023

Source: Company presentations. Emphasis added.

Autodesk's Investor Day Financial Targets

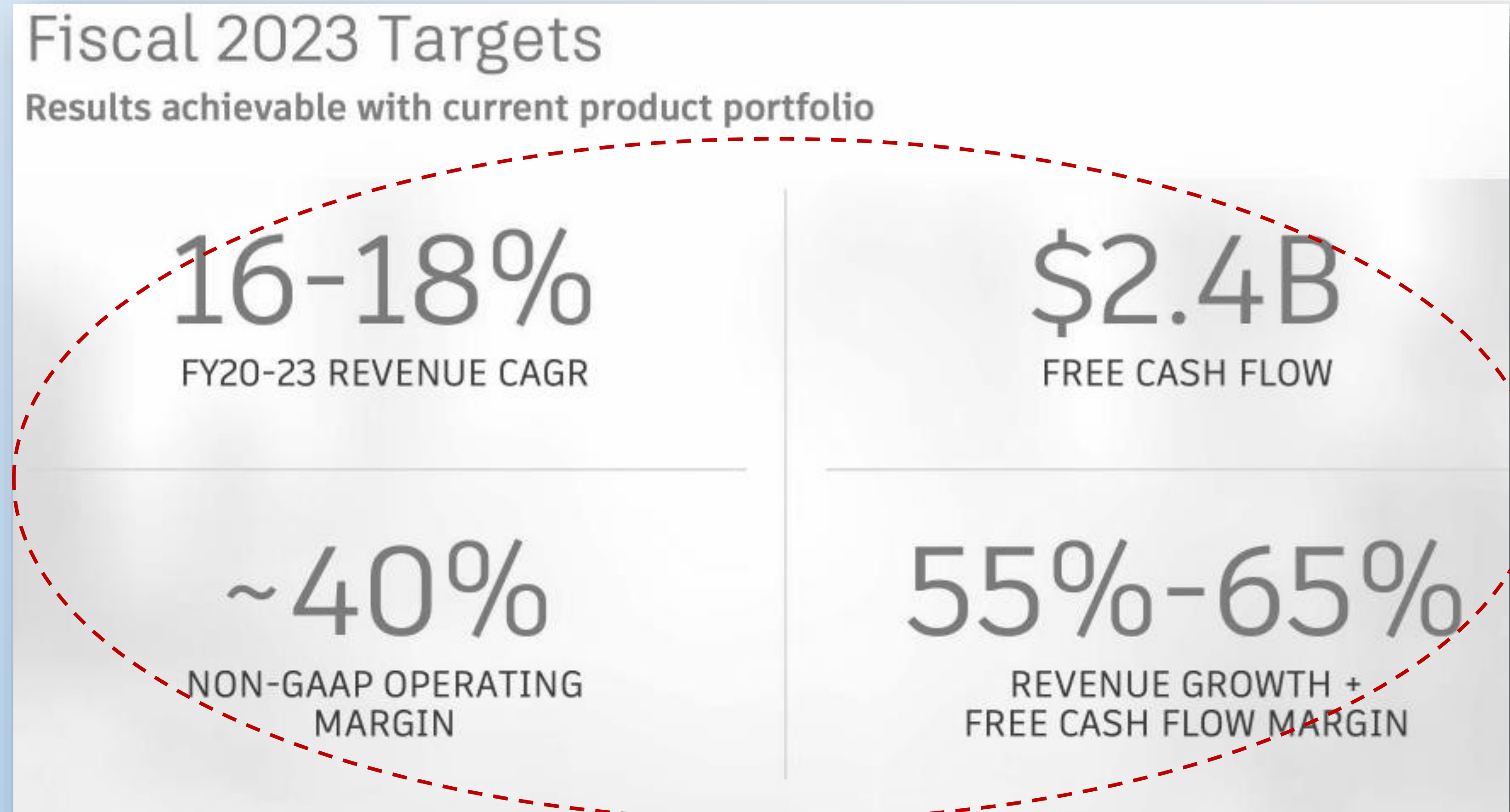
Summary of Investor Day Commitments

	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
Revenue Growth CAGR % (Implied Revenue)		15 – 19% ($4.9 – $5.6bn)						
Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)						
Free Cash Flow ("FCF") Growth								
Free Cash Flow	$2.4 billion	$2.4 billion						
Revenue Growth + FCF Margin	55 – 65%	55 – 65%						

Source: Capital IQ, company presentations and public filings.

The Company Then Reiterated These Commitments for FY2023 at Its 2020 Investor Day

June 2020 Investor Day Excerpt



In 2020, Autodesk again committed to reaching growth + profit of 55% - 65% by FY2023

Source: Company presentations. Emphasis added.

Autodesk's Investor Day Financial Targets

Summary of Investor Day Commitments

	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
Revenue Growth CAGR % (Implied Revenue)		15 – 19% ($4.9 – $5.6bn)	16 – 18% ($5.1 - $5.4bn)					
Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)					
Free Cash Flow ("FCF") Growth								
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion					
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%					

Source: Capital IQ, company presentations and public filings.

At the 2021 Investor Day, Autodesk Made Some Minor Adjustments for M&A

September 2021 Investor Day Excerpt

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Fiscal 23 Goals: Where We're Going

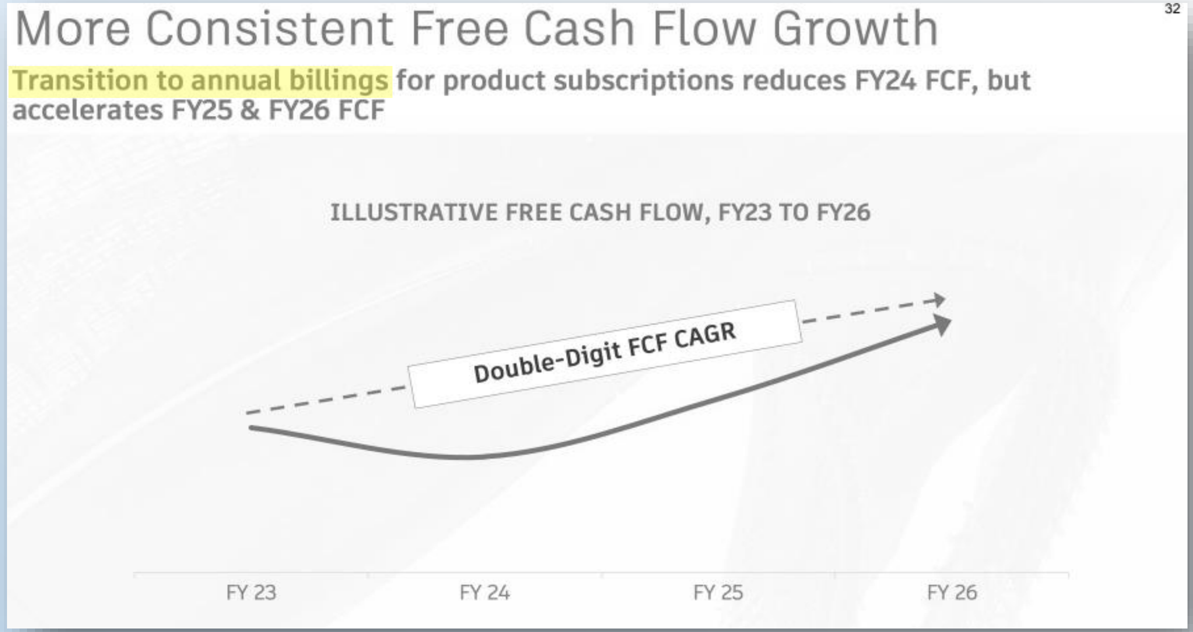
A balance of robust growth and profitability at scale

2020 Investor Day	M&A	Current
16-18% FISCAL 20 TO FISCAL 23 TOTAL REVENUE CAGR	~0.5 pt	**16-18%** FISCAL 20 TO FISCAL 23 TOTAL REVENUE CAGR
$2.4B FREE CASH FLOW	-	**$2.4B** FREE CASH FLOW
~40% NON-GAAP OPERATING MARGIN	~(2) pts	**~38%** NON-GAAP OPERATING MARGIN
55-65% REVENUE GROWTH + FCF MARGIN		**64-68%** REVENUE GROWTH + FCF MARGIN

Source: Company presentations.

In 2021, the Company Also Committed to a Double-Digit Free Cash Flow CAGR From FY2023 to FY2026

September 2021 Investor Day Excerpt



Autodesk committed to generating $2.4 billion of FCF in FY2023 and double digit FCF growth from FY2023 through FY2026, implying a minimum of $3.2 billion in FY2026 FCF

Source: Company presentations. Emphasis added.

Autodesk's Investor Day Financial Targets

Summary of Investor Day Commitments

	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
Revenue Growth CAGR % (Implied Revenue)		15 – 19% ($4.9 – $5.6bn)	16 – 18% ($5.1 - $5.4bn)	16 – 18% ($5.1 - $5.4bn)				
Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)	38% ($1.9 - $2.0bn)				
Free Cash Flow ("FCF") Growth						*FY23 – 26 Target* "Double digit growth"		
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion	$2.4 billion		Implied $3.2bn+		
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%	64 – 68%				

Source: Capital IQ, company presentations and public filings.

The Company Has Missed ALL of the FY2023 Commitments Made to Shareholders

Summary of Investor Day Commitments

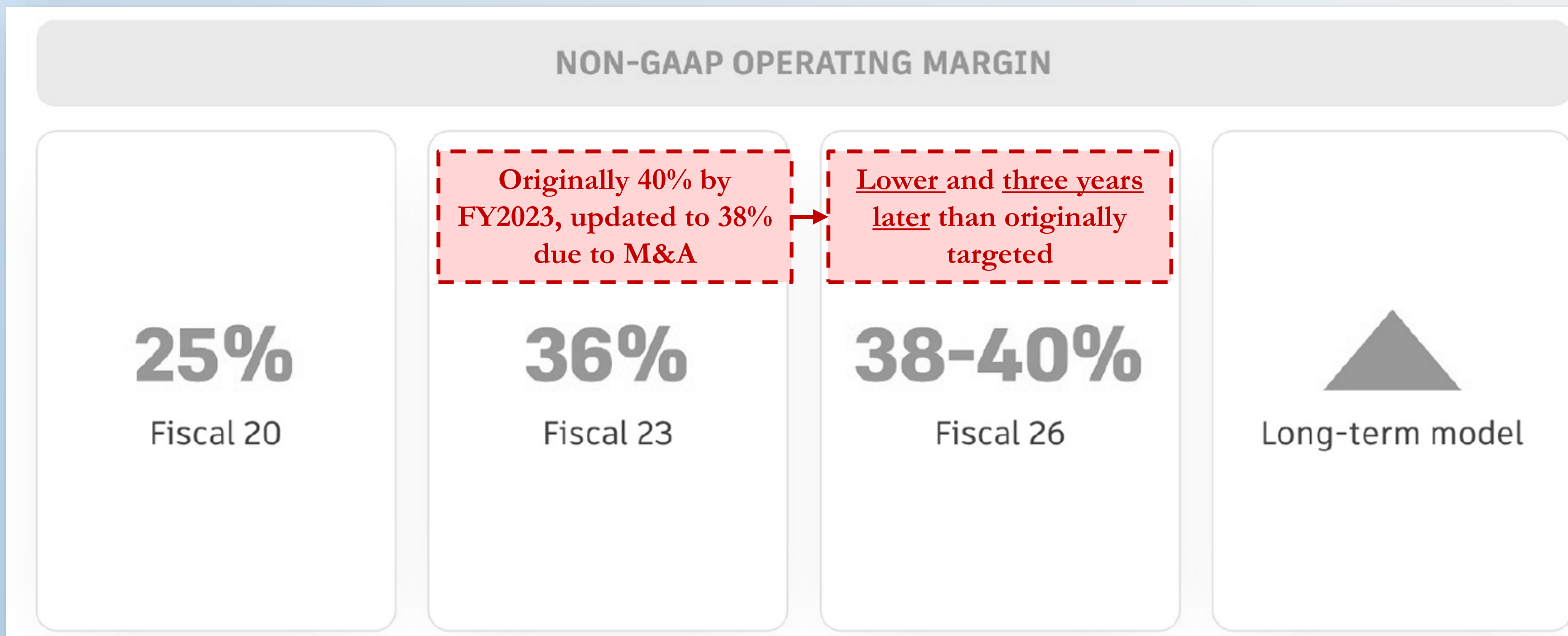
	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
Revenue Growth CAGR % (Implied Revenue)		15 – 19% ($4.9 – $5.6bn) At low end	16 – 18% ($5.1 - $5.4bn)	16 – 18% ($5.1 - $5.4bn)	15% ($5.0bn)			
Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)	38% ($1.9 - $2.0bn)	36% ($1.8bn)			
Free Cash Flow ("FCF") Growth					*Inflated from multi-year, upfront enterprise billings*	*FY23 – 26 Target* "Double digit growth"		
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion	$2.4 billion	$2.0 billion	Implied $3.2bn+		
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%	64 – 68%	55%			

Source: Capital IQ, company presentations and public filings.

At Its Next Investor Day in 2023, Autodesk Delayed Its Adjusted Operating Margin Targets

In the face of slower growth, Autodesk delayed its margin targets, in stark contrast to actions taken by most other software companies during this time.

March 2023 Investor Day Excerpt



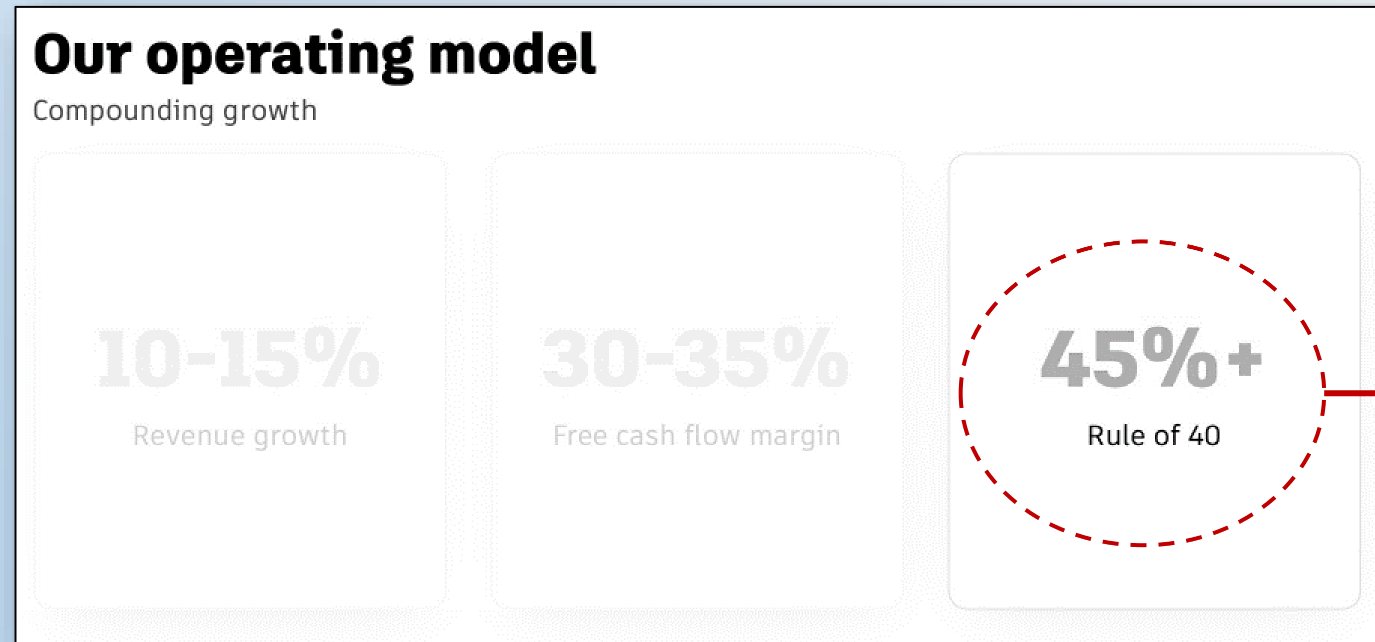
After missing its prior margin targets, Autodesk tried to buy itself more time

Source: Company presentations. Emphasis added.

After Missing Its Previous Targets for Growth + Profitability, Autodesk Then Lowered Its Targets

Rather than focus on improving execution and performance after missing its prior targets, Autodesk instead lowered the bar for itself moving forward.

March 2023 Investor Day Excerpt



After raising its original 55-65% target to 64-68% - but achieving 55% - Autodesk set its new target of 45%+

In 2023, Autodesk lowered its growth + profitability target to just 45%+, far below its prior target

Source: Company presentations. Emphasis added.

Autodesk Significantly Lowered the Bar

After achieving 55% Revenue Growth + FCF Margin in FY2023, the Company lowered its long-term target to 45% with little explanation.

Revenue Growth + Free Cash Flow Performance and Targets

MISSED

September 2021

FY2023 Target:
64 - 68%(1)

???

February 2023

FY2023 Actual:
55%

March 2023

New Long-Term Target:
45%

Why did the Board allow management to lower the bar so dramatically?

Source: Public company filings and presentations.
(1) Targets adjusted at 2021 Investor Day to account for M&A.

Autodesk Significantly Lowered the Bar (Cont'd)

After achieving 55% Revenue Growth + FCF Margin in FY2023, the Company lowered its long-term target to 45% with little explanation.

Revenue Growth + Free Cash Flow Performance and Targets

"I also want to reiterate what our fiscal '23 targets are; 16% to 18% revenue CAGR, $2.4 billion in free cash flow, roughly a 40% operating margin, and **again a sum of revenue growth in free cash flow that stays between 55% and 65%**. We are confident in these targets at this point, and I want to make sure that you understand that it is our goal to achieve these to the same degree that we achieved our FY '20 targets that we set over three years ago."

Andrew Anagnost, CEO
2020 Digital Investor Day

"We continue to manage our business **using a Rule of Forty framework with a goal of reaching 45% or more over time**. We are taking significant steps towards our goal this year and next. We think this **balance between compounding revenue growth and strong free cash flow margins captured in the Rule of Forty framework is the hallmark of the most valuable companies in the world**…"

Andrew Anagnost, CEO
Q1 FY2025 Earnings Call

Why did the Board accept growth + profit – the "hallmark" of value – declining so much?

Source: Company presentation and earnings transcripts. Note: Quotes bolded and underlined for emphasis.

Autodesk's Investor Day Financial Targets

Summary of Investor Day Commitments

	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
Revenue Growth CAGR % (Implied Revenue)		15 – 19% ($4.9 – $5.6bn)	16 – 18% ($5.1 - $5.4bn)	16 – 18% ($5.1 - $5.4bn)	15% ($5.0bn)	LOWERED	10 – 15% ($6.7 - $7.6bn)	
Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)	38% ($1.9 - $2.0bn)	36% ($1.8bn)		38 – 40% ($2.5 - $3.0bn)	
Free Cash Flow ("FCF") Growth						*FY23 – 26 Target* "Double digit growth"		
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion	$2.4 billion	$2.0 billion	Implied $3.2bn+		
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%	64 – 68%	55%	LOWERED	45% *"Long-Term"*	

Source: Capital IQ, company presentations and public filings.

During Investor Days, Autodesk Made Repeated Financial Commitments to Shareholders

Summary of Investor Day Commitments

	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
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Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)	38% ($1.9 - $2.0bn)	36% ($1.8bn)		38 – 40% ($2.5 - $3.0bn)	35% ($2.4bn)
Free Cash Flow ("FCF") Growth						*FY23 – 26 Target* "Double digit growth"		0%
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion	$2.4 billion	$2.0 billion	Implied $3.2bn+		$2.0 billion
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%	64 – 68%	55%		45% *"Long-Term"*	42%

Source: Capital IQ, company presentations and public filings. Market data as of July 29, 2024.

Unfortunately, the Company Has Missed or Is on Pace to Miss ALL of the Commitments Made to Shareholders

Summary of Investor Day Commitments

	Targets for FY2023					Targets for FY2026		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Actual	2021 Investor Day	2023 Investor Day	2026 Consensus
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Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)	38% ($1.9 - $2.0bn)	36% ($1.8bn)		38 – 40% ($2.5 - $3.0bn)	35% ($2.4bn)
Free Cash Flow ("FCF") Growth					*Inflated from multi-year, upfront enterprise billings*	*FY2[illegible] – 26 Target* "Double digit growth"		0%
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion	$2.4 billion	$2.0 billion	Implied $3.2bn+		$2.0 billion
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%	64 – 68%	55%		45% *"Long-Term"*	42%

Source: Capital IQ, company presentations and public filings. Market data as of July 29, 2024.

We Believe Autodesk Is in Need of Substantial Change

Over the last several years, Autodesk's management team and Board have overseen a wide range of concerning issues and underperformance, which we believe makes clear the need for change.

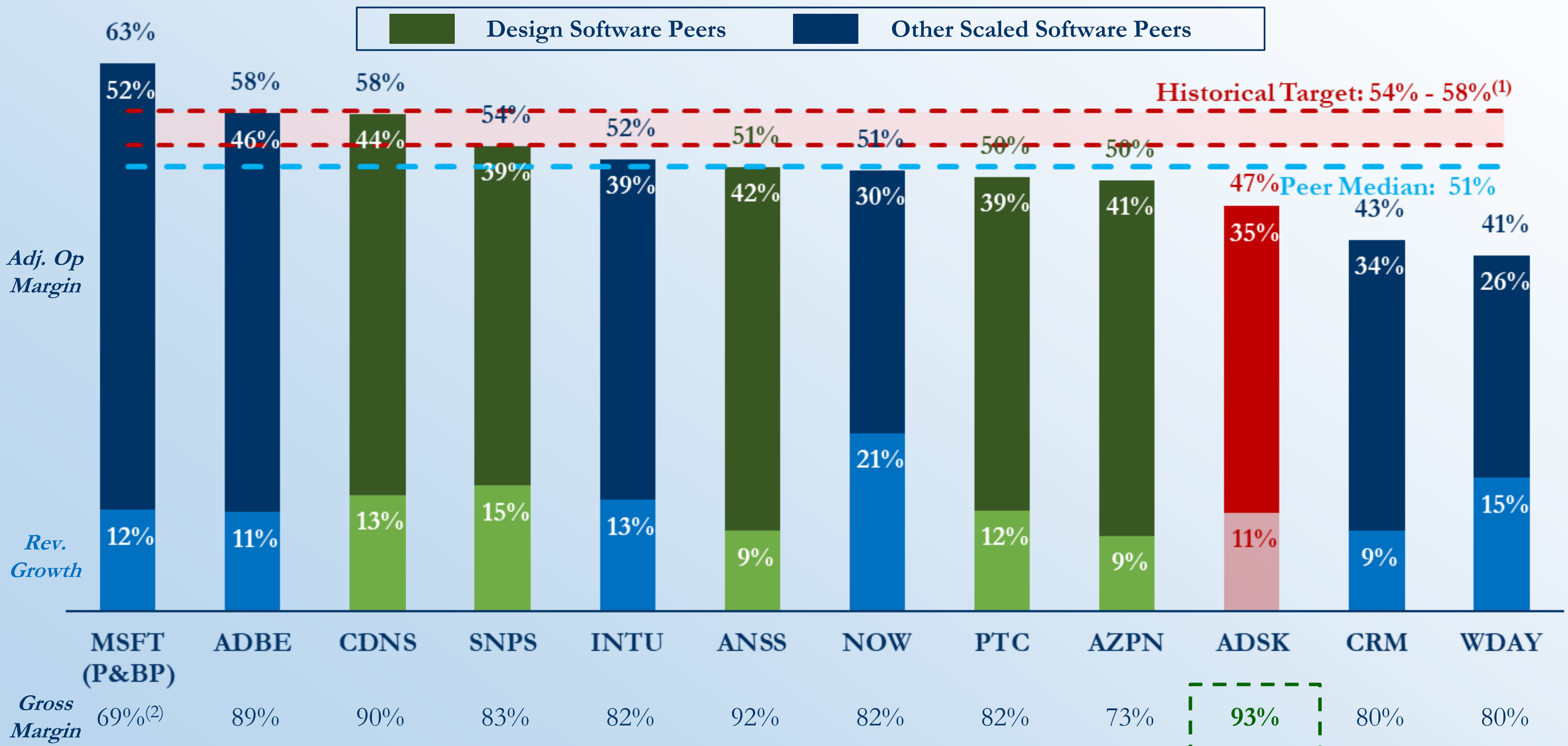
Autodesk's Red Flags	
1	Consistent and long-term share price underperformance through CEO Anagnost's tenure
2	Repeatedly missed Investor Day financial targets
3	Subpar operating and financial performance
4	Problematic compensation practices that have failed to hold management accountable
5	Intentionally misleading disclosures revealed through recent Audit Committee investigation
6	Concerning capital allocation

Change is needed at Autodesk

Autodesk's Combination of Growth Plus Profitability Lags Peers

As growth has slowed, Autodesk has not made the necessary adjustments to its operating model to generate appropriate levels of profitability.

CY2025E Growth plus Adj. Operating Margins



We believe Autodesk can meaningfully improve its combination of growth + profitability

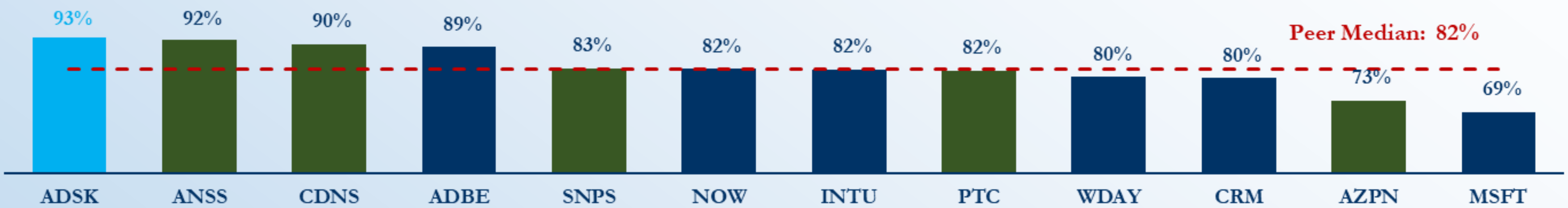
Source: Capital IQ, Bloomberg, and public company filings. Market data as of July 29, 2024. Note: Represents CY2025 estimates. Starboard has identified ADBE, ANSS, AZPN, CDNS, CRM, INTU, MSFT, NOW, PTC, SNPS, and WDAY as the relevant peer set for comparison with ADSK. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

(1) Represents historical revenue growth targets of 16% - 18% and adjusted operating margin targets of 38% - 40%. (2) Represents MSFT consolidated gross margins.

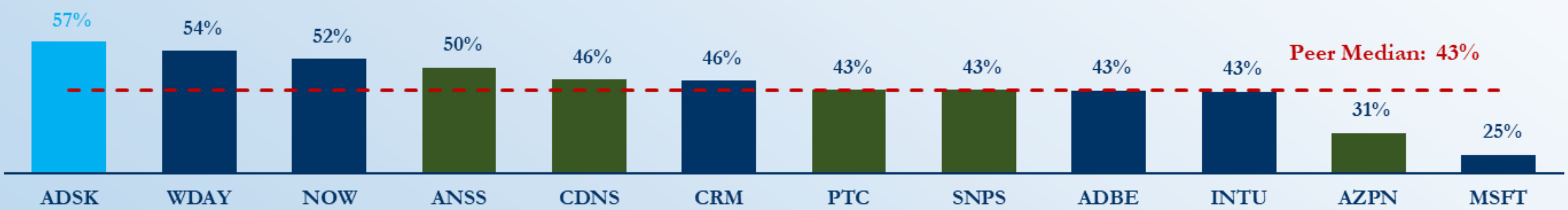
Despite a Gross Margin Advantage, Autodesk Has Operating Margins Below Peers

Autodesk has best-in-class gross margins, but the Company has used that advantage to mask its high operating expense ratios.

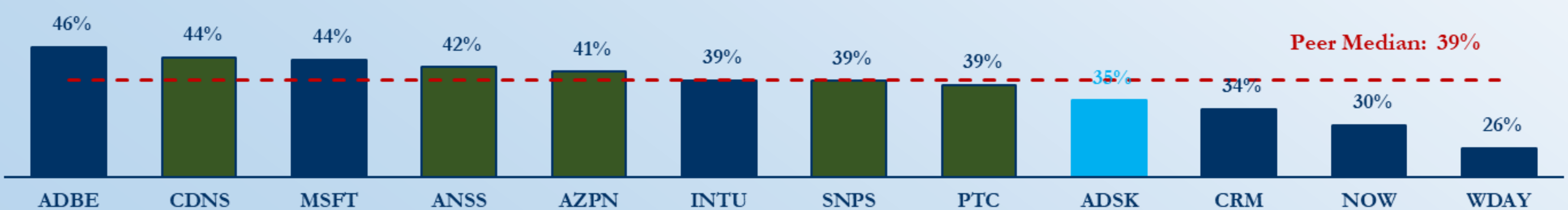
Autodesk has the best gross margins among peers…



…But the worst operating expense ratio…



…Leading to operating margins below peers



Autodesk significantly outspends peers on operating expenses

Source: Capital IQ, Bloomberg. Market data as of July 29, 2024. Note: Represents CY2025 estimates.
Starboard has identified ADBE, ANSS, AZPN, CDNS, CRM, INTU, MSFT, NOW, PTC, SNPS, and WDAY as the relevant peer set for comparison with ADSK. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

We Believe There Are Multiple Opportunities to Improve Margins

We believe Autodesk can significantly increase margins, through both improved operating leverage and discrete cost reduction actions.

Margin Expansion Opportunities

A — Sales and Marketing Savings

- Our diligence indicates the Company's current go-to-market organization is hamstrung by widespread bloat and misaligned incentive structures.
- We believe there is an opportunity to reduce sales and marketing expenses to be more in-line with peer levels.

B — G&A Savings

- Autodesk currently spends ~9% of revenue on G&A compared to the vertical and broader software peer median of ~6% of revenue.
- Unlike peers which have undergone extensive right-sizing and cost-reduction efforts over the last 18 months, Autodesk has yet to commence a comprehensive program.
- We believe there is an opportunity to reduce G&A to be more in-line with peer levels.
- After reducing costs, Autodesk should diligently manage headcount growth.

C — Operating Leverage

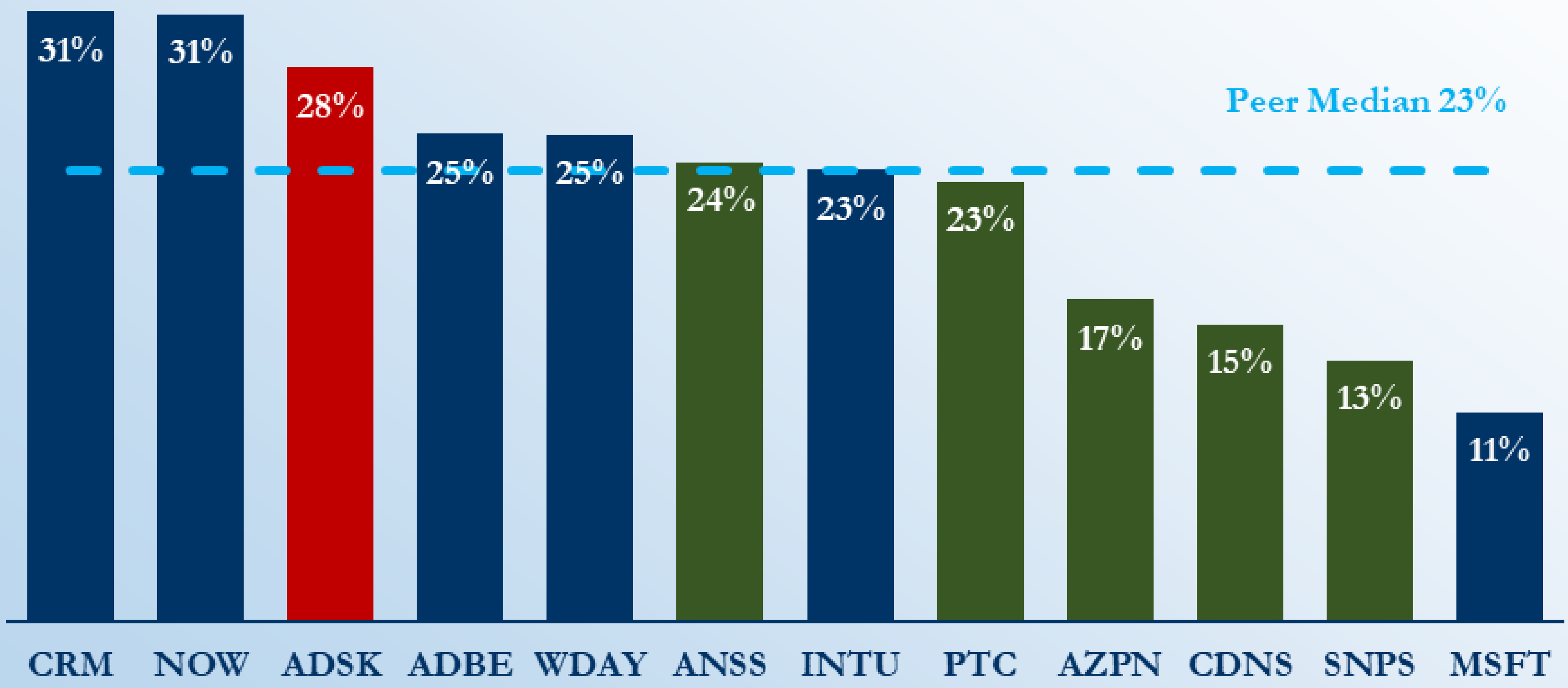
- We believe there is a meaningful opportunity to optimize the Company's organization structure and increase efficiency, leading to an improvement in the Company's expected incremental margins.
  - Autodesk's incremental margins are expected to decline meaningfully vs. historic levels.
  - Further, Autodesk's **expected incremental margins are woefully below peers.**

We believe Autodesk has a significant opportunity to expand margins

Source: Company filings, earnings transcripts, and Starboard research.

We Believe There Is an Opportunity to Rationalize Costs in the Sales and Marketing Organization

Sales & Marketing Expense as a Percentage of Sales

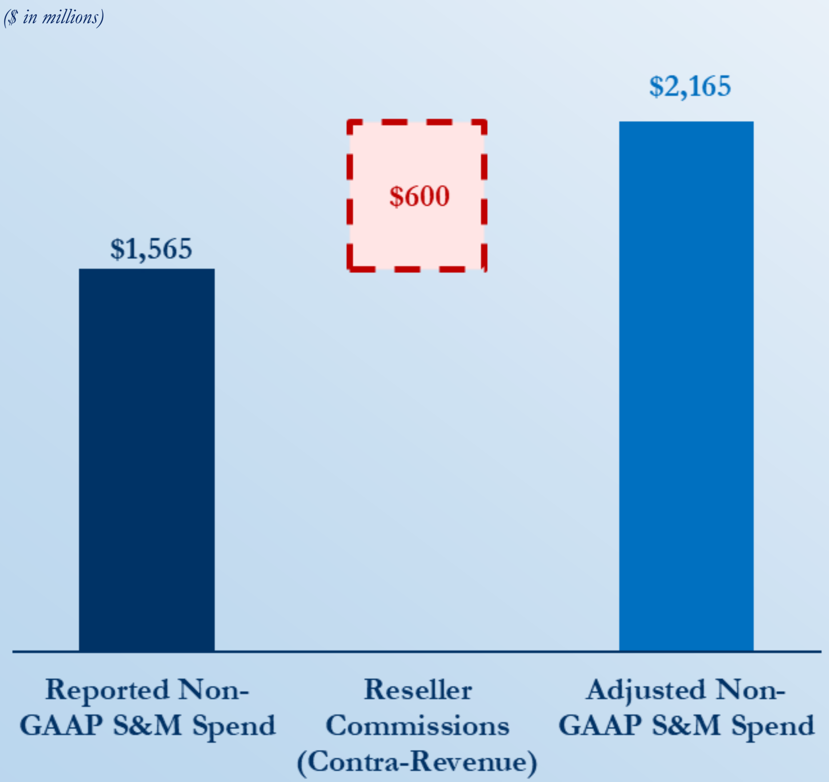


Source: Capital IQ, Bloomberg, and public company filings. Note: Represents latest fiscal year financials as of July 29, 2024. Certain adjustments were allocated in proportion to prior years or excluded where not disclosed. Starboard has identified ADBE, ANSS, AZPN, CDNS, CRM, INTU, MSFT, NOW, PTC, SNPS, and WDAY as the relevant peer set for comparison with ADSK. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

A Autodesk's Sales and Marketing Spend Is Actually Even Larger Than Its Financials Indicate

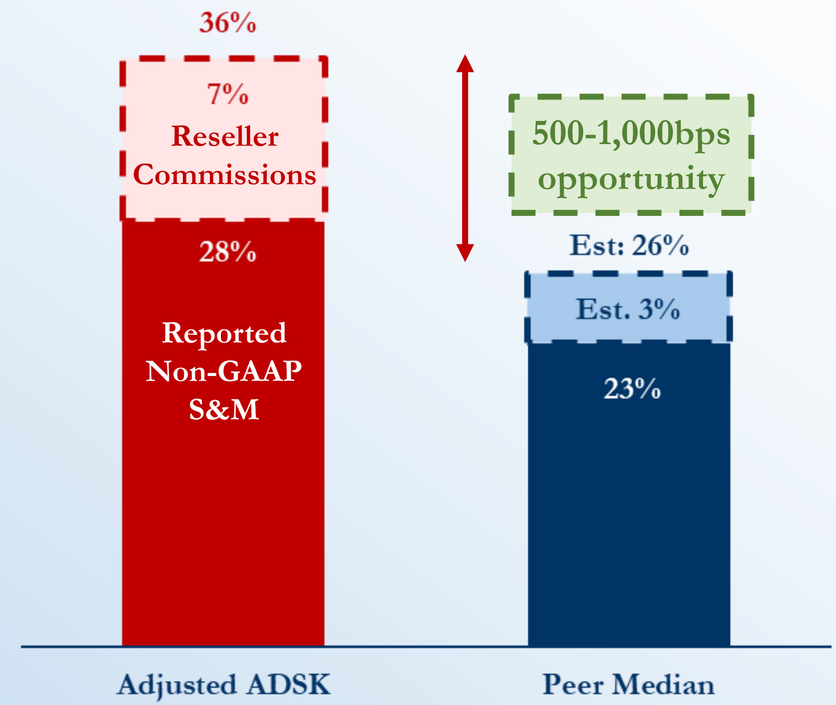
Autodesk spends considerably more on S&M than its reported financials suggest…

Autodesk FY2024 Sales and Marketing Spend



… Making the magnitude of Autodesk's excessive spend relative to peers even more apparent

S&M Expense as a Percentage of Sales

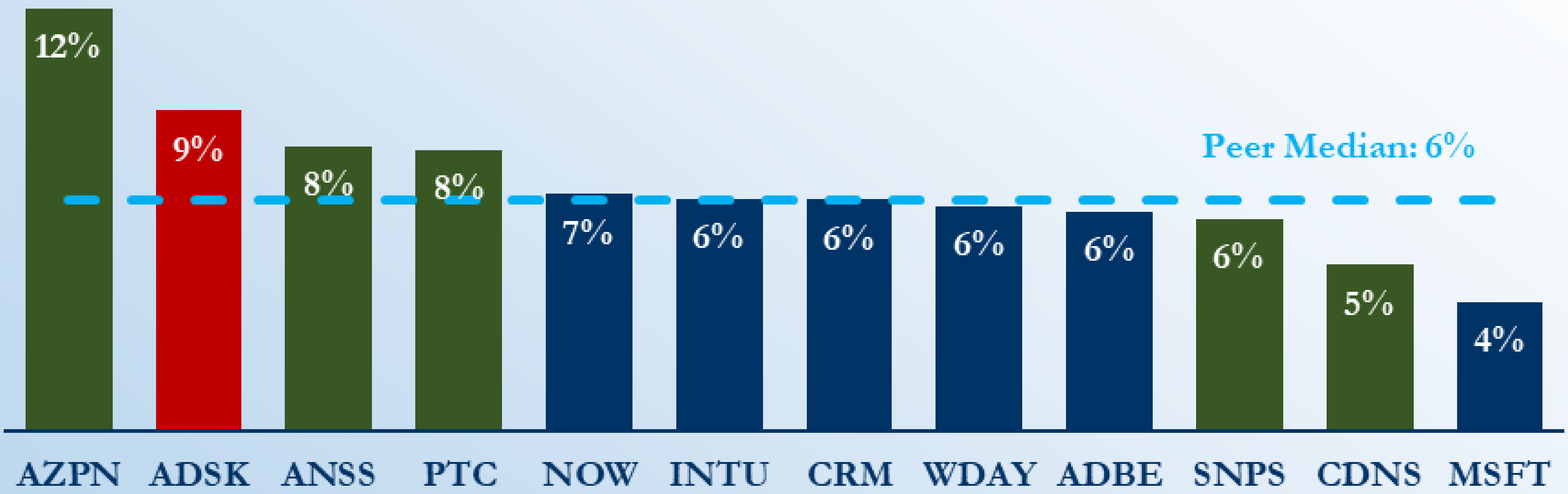


We recommend Autodesk target a minimum of <u>500bps reduction in sales and marketing</u> spend as a percentage of revenue, which represents approximately <u>$275 million of potential savings</u>.

Source: Public company filings and earnings releases.

B We Believe There Is Also an Opportunity to Rationalize Costs in the Company's G&A Function

G&A Expense as a Percentage of Sales

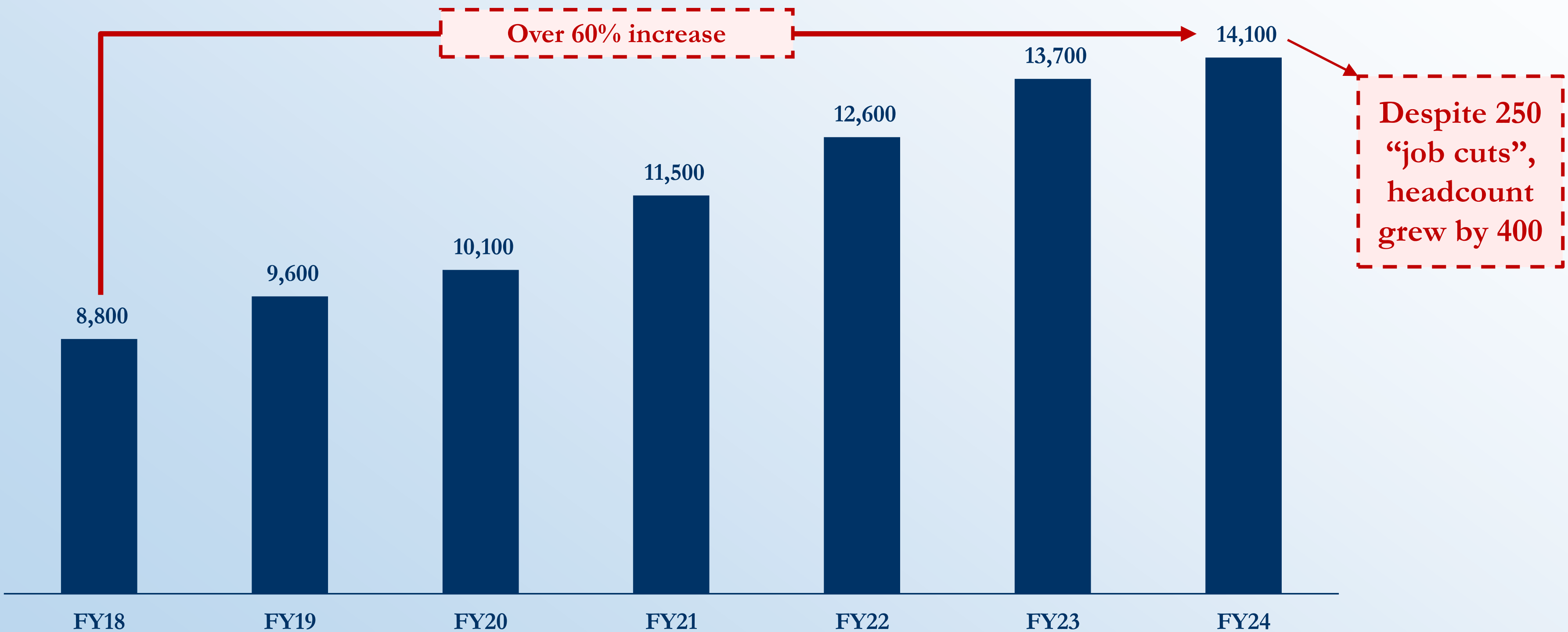


We recommend Autodesk target a minimum of <u>300bps reduction in G&A</u> spend as a percentage of revenue, which represents approximately <u>$165 million of potential savings</u>.

Source: Capital IQ, Bloomberg, and public company filings. Note: Represents latest fiscal year financials as of July 29, 2024. Certain adjustments were allocated in proportion to prior years or excluded where not disclosed. Starboard has identified ADBE, ANSS, AZPN, CDNS, CRM, INTU, MSFT, NOW, PTC, SNPS, and WDAY as the relevant peer set for comparison with ADSK. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

B Autodesk's Headcount Has Steadily Grown Over Time Despite Announced "Job Cuts"

Autodesk Headcount Growth



Autodesk's headcount has grown year after year, despite decelerating growth and stagnant margins

Source: Public company filings.

B Autodesk Has Not Right-Sized Headcount, as Other Tech Companies Have Done

Over the last two years, many technology companies have significantly reduced costs to maintain or improve their financial profiles in the face of slowing growth.

While Many Tech Companies Have Taken Action to Right-Size Their Cost Structures…

Salesforce to Lay Off 10% of Workforce, Reduce Offices
Co-CEO Marc Benioff says cuts come as customers pull back spending

Cisco to Cut 5% of Workforce Amid Restructuring Efforts
The workforce reduction is part of a move to realign its business and enable further investment in key areas, the company said

SAP to Launch Restructuring Program Affecting 8,000 Jobs in AI Push
Restructuring costs to be recognized in the first half of the year

Microsoft to Lay Off 10,000 Workers as Slowdown Hits Software Business
CEO Satya Nadella says shaky global economy warrants caution, $1.2 billion charge to earnings planned

Facebook Parent Meta Announces Layoffs of 11,000 Staff
Job cuts are the first broad head-count reduction to occur in the company's history

Twilio to Lay Off 17% of Workers in Second Round of Cuts
Cloud-communications company giving priority to profit over growth as it reorganizes

… Autodesk's Actions Have Been Extremely Limited Thus Far

Autodesk Cuts About 250 Jobs, Joining Flurry of Tech Layoffs

By Brody Ford

February 2, 2023 at 11:27 PM EST

Represents less than 2% of employee base and headcount still grew in 2023

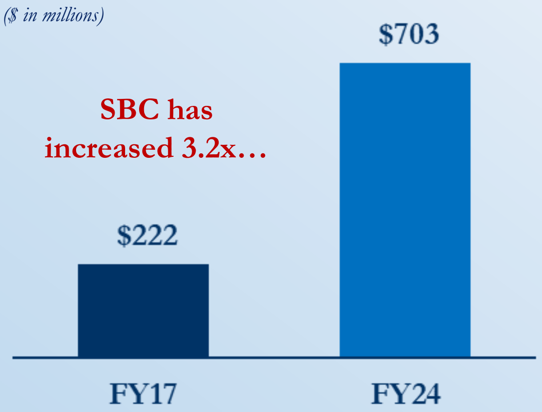
Autodesk has not taken sufficient action to drive higher profitability as growth has slowed

Source: Public company filings, Wall Street Journal, and Bloomberg. Emphasis added.

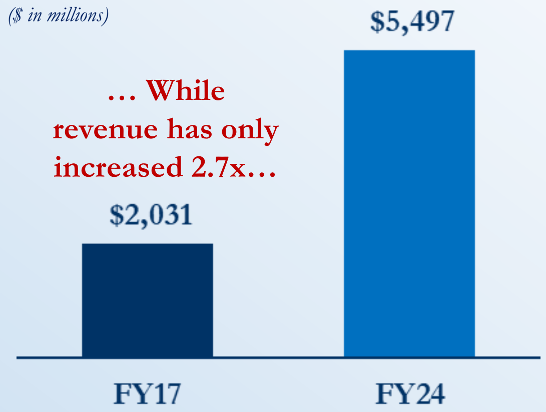
B Stock-Based Compensation Has Greatly Increased During Mr. Anagnost's Tenure

Autodesk has seen meaningful growth in stock-based compensation despite slowing growth.
(See Section 4 for additional details)*

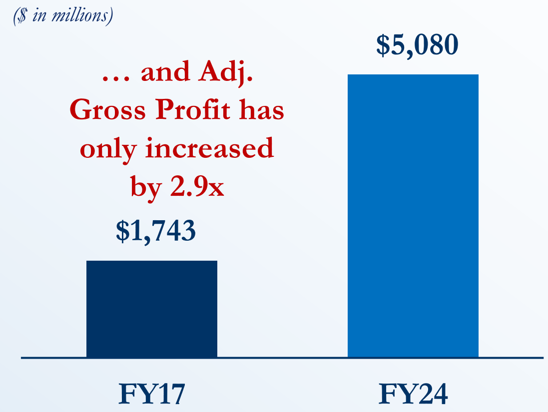
Stock-Based Compensation



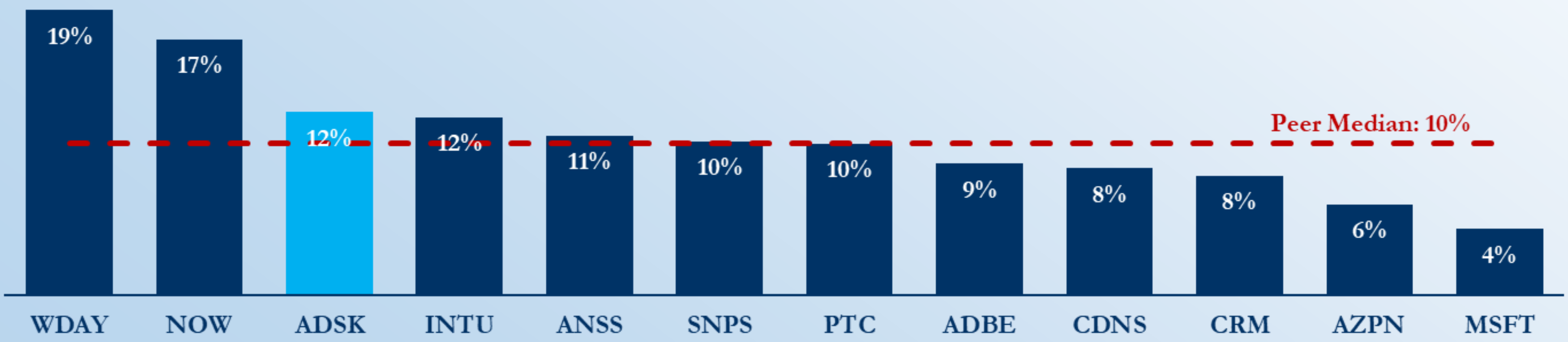
Revenue



Adj. Gross Profit



Stock-Based Compensation as a Percentage of Sales



Autodesk's quality of earnings is subpar and a point of frustration among shareholders

Source: Capital IQ, Bloomberg. Market data as of July 29, 2024. Note: Represents latest LTM financials.
Starboard has identified ADBE, ANSS, AZPN, CDNS, CRM, INTU, MSFT, NOW, PTC, SNPS, and WDAY as the relevant peer set for comparison with ADSK. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

Ⓒ Incremental Margins Are a Helpful Benchmark to Measure the Efficiency of Revenue Growth

Illustrative Explanation of Incremental Margins

10% growth

	Year 1	Year 2	Change
Revenue:	**$5.00 billion**	**$5.50 billion**	**+ $500 million**
	÷	÷	
Operating Profit:	**$1.50 billion**	**$1.75 billion**	**+ $250 million**
Operating Margin:	**30%**	**32%**	**50% Incremental Margin**

We believe companies should generate significant operating leverage on revenue growth, evidenced by incremental margins that are substantially higher than consolidated margins – especially software companies with high gross margins

Source: Public company filings.

C Autodesk Generated Solid Incremental Margins From FY18 – FY21, Benefitting From Poor Historical Profitability

FY2018 – FY2021 Incremental Margins

23% CAGR

	FY2018	FY2021	Change
Revenue:	**$2.06 billion**	**$3.79 billion**	**+ $1.73 billion**
	÷	÷	
Operating Profit:	**($112 million)**	**$1.11 billion**	**+ $1.22 billion**
Operating Margin:	**(5%)**	**29%**	**71% Incremental Margin**

Autodesk produced meaningful margin improvement from FY2018 – FY2021, with adjusted operating margins expanding from (5%) in FY2018 to nearly 30% in FY2021

Source: Public company filings.

C However, as Revenue Growth Slowed, Autodesk's Incremental Margins Declined From Prior Levels

FY2021 – FY2024 Incremental Margins

	FY2021	FY2024	Change
	13% CAGR		
Revenue:	$3.79 billion	$5.50 billion	+ $1.71 billion
	÷	÷	
Operating Profit:	$1.11 billion	$1.96 billion	+ $850 million
Operating Margin:	29%	36%	50% Incremental Margin

As revenue growth slowed, Autodesk's incremental margins declined to 50% – below prior levels and below the 55% incremental margins we believe Autodesk should target

Source: Public company filings.

C Looking Forward, Incremental Margins Are Expected to Further Deteriorate

FY2024 – FY2027E Incremental Margins

11% CAGR

	FY2024	FY2027E	Change
Revenue:	**$5.50 billion**	**$7.52 billion**	**+ $2.03 billion**
	÷	÷	
Operating Profit:	**$1.96 billion**	**$2.70 billion**	**+ $737 million**
Operating Margin:	**36%**	**36%**	**36%**

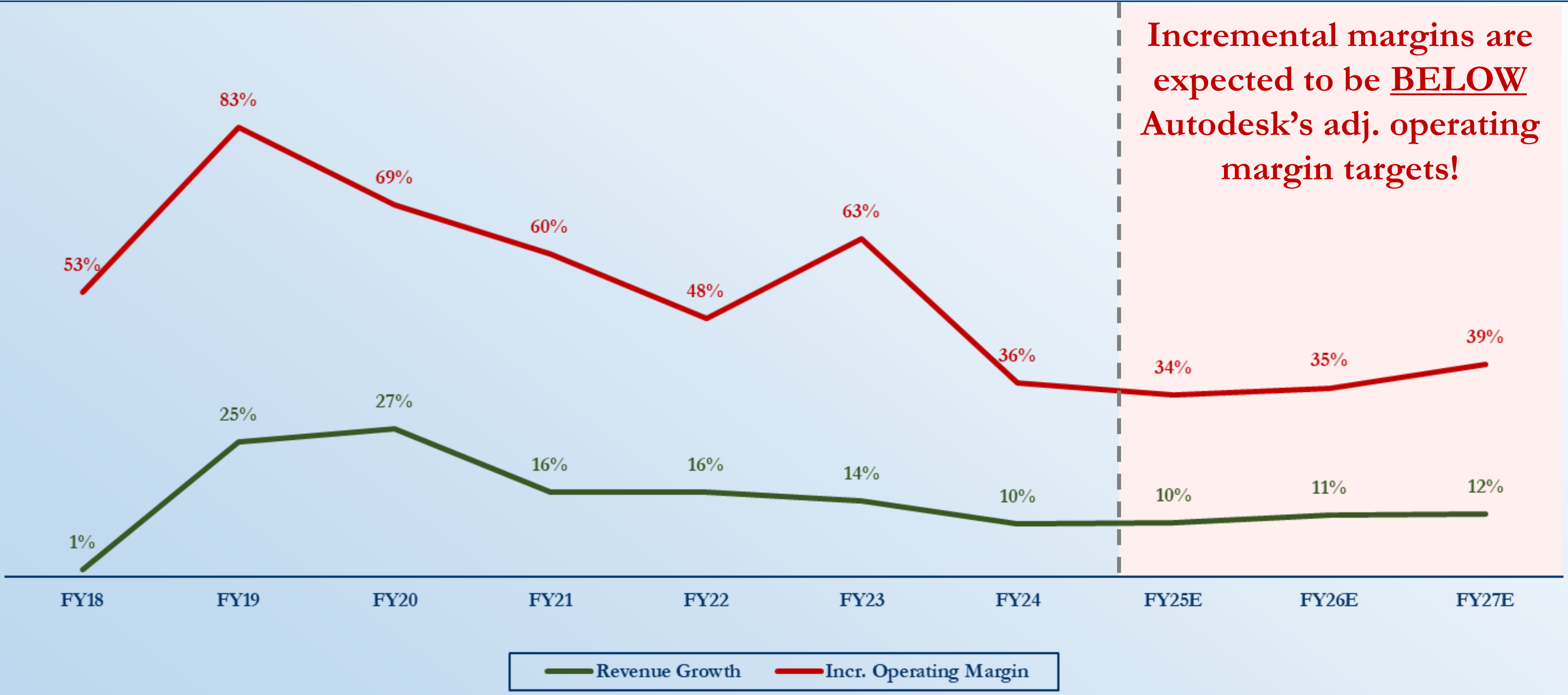
36% incremental margins are not acceptable and not fully explained by the agency transition.
We believe Autodesk should target 55% incremental margins.

Source: Public company filings and Capital IQ. Market data as of July 29, 2024.
Note: Consensus estimates appear to assume modest shift to agency model. Excluding any impact from the agency model transition embedded in consensus estimates, we believe incremental margins would still be well below peer levels and at unacceptable levels. Autodesk should be targeting materially higher incremental margins and profitability than what is forecasted by consensus estimates.

C Autodesk's Incremental Margins Have Declined With Slowing Growth

As growth has slowed, Autodesk has not appropriately managed its spend, and the Company is expected to generate incremental operating margins well below historical levels over the next few years.

Autodesk Incremental Adj. Operating Margins vs. Revenue Growth



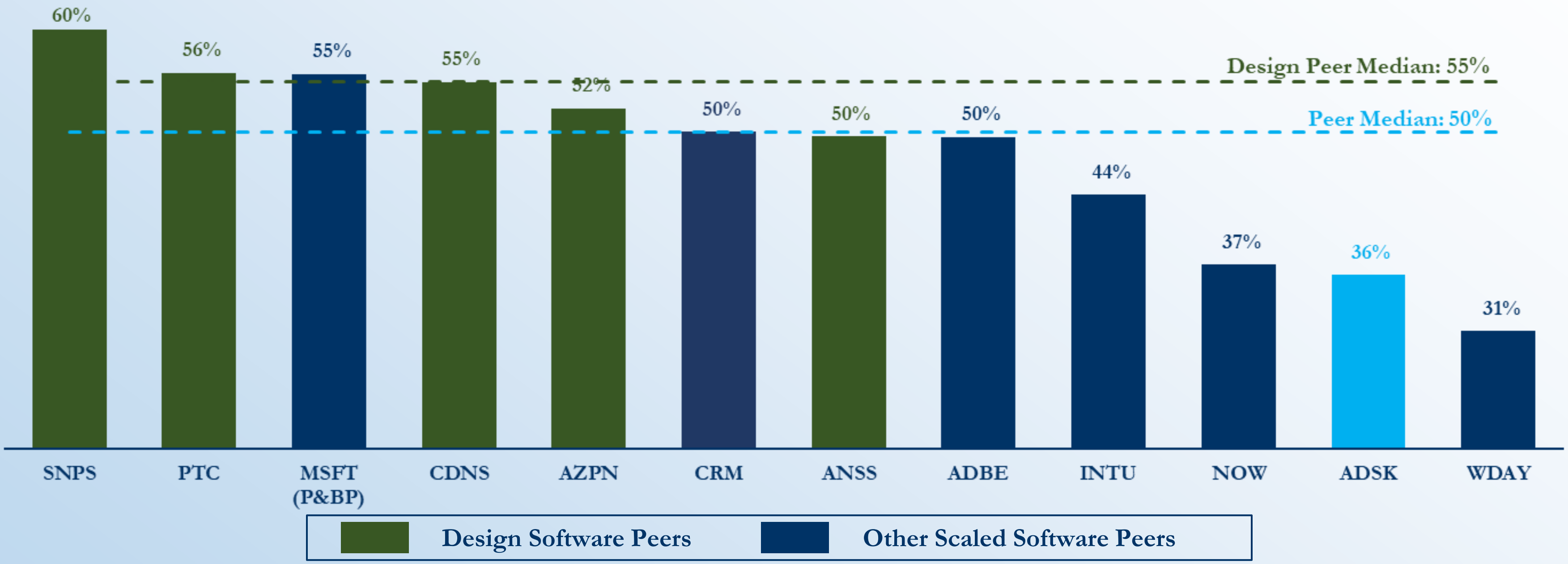
As growth slows, companies should moderate expense growth such that margins improve and the combination of growth + profitability improves over time – Autodesk has been doing the opposite

We believe Autodesk should be able to generate incremental margins above 50%

Source: Capital IQ, Bloomberg, public company filings and Wall Street research. Market data as of July 29, 2024.
Note: Consensus estimates appear to assume modest shift to agency model. Excluding any impact from the agency model transition embedded in consensus estimates, we believe incremental margins would still be well below peer levels and at unacceptable levels. Autodesk should be targeting materially higher incremental margins and profitability than what is forecasted by consensus estimates.

Ⓒ The Company's Expected Incremental Margins Are Well Below Peers

Consensus Incremental Margins (CY2023 - CY2026)



	SNPS	PTC	MSFT (P&BP)	CDNS	AZPN	CRM	ANSS	ADBE	INTU	NOW	ADSK	WDAY
CY23-26 Revenue CAGR:	*9%*	*11%*	*15%*	*13%*	*9%*	*9%*	*8%*	*11%*	*13%*	*21%*	*11%*	*16%*
CY23 Gross Margin:	*82%*	*82%*	*69%*	*90%*	*65%*	*77%*	*91%*	*89%*	*82%*	*82%*	*92%*	*77%*

We believe Autodesk should target ~55% incremental margins, in-line with design software peers

Source: Capital IQ, Bloomberg, and public filings. Market data as of July 29, 2024.
Starboard has identified ADBE, ANSS, AZPN, CDNS, CRM, INTU, MSFT, NOW, PTC, SNPS, and WDAY as the relevant peer set for comparison with ADSK. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

The Board Must Ensure Autodesk's Budgets Target an Appropriate Financial Profile

Proposed FY2025E – FY2027E Minimum Budget Targets

Represents Wall Street Consensus Revenue Estimates – Autodesk's Management and Board Must Determine Appropriate Revenue Forecasts

	FY2025:	Cost Reductions	PF FY2025:	Incremental Margins	PF FY2026:	Incremental Margins	PF FY2027:
Consensus Revenue	$6.1 billion		$6.1 billion	Rev Growth: $692 million	$6.7 billion	Rev Growth: $779 million	$7.5 billion
Consensus Gross Profit	$5.6 billion		$5.6 billion		$6.2 billion		$6.9 billion
Adj. Operating Income	Consensus: $2.2 billion	At least 500bps of S&M cost savings (~$275mm) and 300bps of G&A cost savings (~$165mm)	$2.6 billion *run-rate*(1)	55% Incr. Margins: $381 million	$3.0 billion	55% Incr. Margins: $429 million	$3.4 billion
Adj. Operating Margin	Consensus: 36%		43% *run-rate*(1)		44%		45%

We believe Autodesk should build a budget by doing the following:

- Right-size cost structure
  - Hold management accountable for delivering operating margins
- Make revenue growth assumptions & determine operating income with proper incremental margin targets
  - Hold management accountable for delivering revenue and operating income

Source: Capital IQ and Starboard research. Market data as of July 29, 2024. (1) Assumes full benefit of cost savings outlined in the Cost Reductions column.
Note: Consensus estimates appear to assume modest shift to agency model.

We Believe Autodesk Is in Need of Substantial Change

Over the last several years, Autodesk's management team and Board have overseen a wide range of concerning issues and underperformance, which we believe makes clear the need for change.

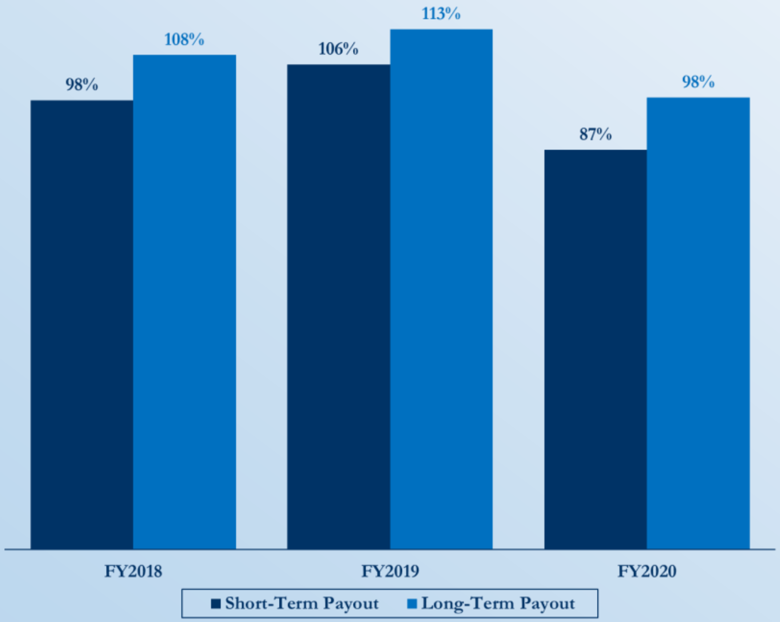
Autodesk's Red Flags	
1	Consistent and long-term share price underperformance through CEO Anagnost's tenure
2	Repeatedly missed Investor Day financial targets
3	Subpar operating and financial performance
4	Problematic compensation practices that have failed to hold management accountable
5	Intentionally misleading disclosures revealed through recent Audit Committee investigation
6	Concerning capital allocation

Change is needed at Autodesk

From FY2018 – FY2020, Autodesk Executives Earned Full Payouts for Modest Outperformance…

As Autodesk generated strong revenue growth and its share price modestly outperformed, the Board rewarded executives with full bonus payouts.

97% STI Avg Payout & 106% LTI Avg Payout[1] for 26% Relative TSR[2] Outperformance



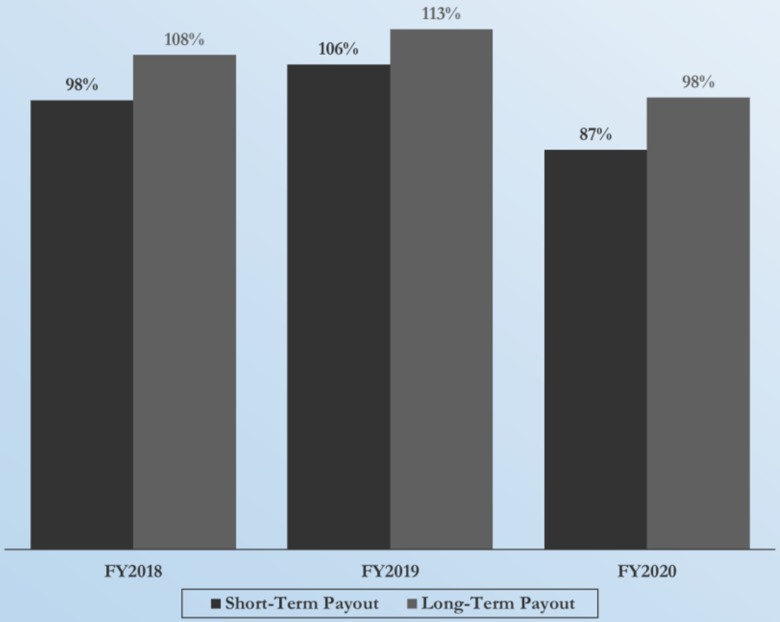
Source: Public company filings, Bloomberg. (1) Calculated as Actual Number of PSUs Earned divided by Target Number of PSUs earned over the trailing 3-year lookback period. (2) Represents TSR from 01/31/17 to 01/31/20. Performance is relative to S&P North American Technology Software Index.

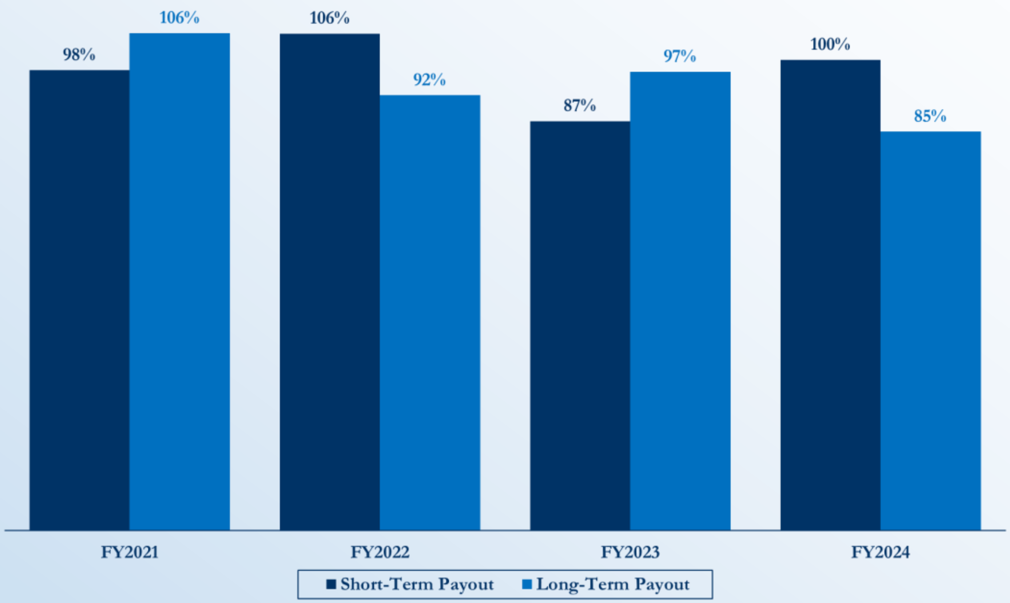
…However, As Shareholder Returns Deteriorated, the Board Continued to Pay Executives Full Bonuses

Despite shareholder returns meaningfully declining, the Board continued to reward management with large and growing incentive bonuses.

97% STI Avg Payout & 106% LTI Avg Payout[1] for 26% Relative TSR[2] Outperformance

99% STI Avg Payout & 95% LTI Avg Payout[1] for 44% Relative TSR[4] Underperformance





If we examine performance since Mr. Anagnost was appointed as permanent CEO in June 2017, full payouts were granted for only 3% relative TSR[3] outperformance

Are the budgets wrong or are the compensation plans wrong?

The Board has failed to hold management accountable

Source: Public company filings, Bloomberg. (1) Calculated as Actual Number of PSUs Earned divided by Target Number of PSUs earned over the trailing 3-year lookback period. (2) Represents TSR from 01/31/17 to 01/31/20. (3) Represents TSR from 06/19/17 to 01/31/20. (4) Represents TSR from 01/31/20 to 01/31/24. Performance is relative to S&P North American Technology Software Index.

The Board Has Engaged in Problematic Compensation Practices That Impede Accountability

We believe there are several additional issues plaguing Autodesk's compensation practices.

Problematic Compensation Practices
✘ Long-term incentive plan targets are set annually. The Company discloses multi-year targets to investors, why not use them?
✘ Compensation targets well below financial commitments to investors
✘ Over-reliance on revenue as performance criteria (i.e., 60% of short-term and long-term) without a minimum level of profitability threshold
✘ Mid-year adjustment to compensation targets in FY2023

The Board has failed to install executive compensation practices that properly align incentives

Source: Public company filings.

Autodesk's "Long-Term" Compensation Is Based on Financial Targets Set Annually

The Company's long-term incentive compensation is actually based on performance targets set annually, allowing management to circumvent accountability for long-term operating performance.

Overview of Autodesk's "Long-Term" Incentive Compensation Program

Stated Goal	Reality
Three-year incentive compensation program "Encourage[s] focus on long-term stockholder value creation"	"Three-year" program split into three tranches with performance targets <u>set at the beginning of each performance period</u>

Annual setting of performance criteria for a "long-term" plan fails to hold management accountable for meeting long-term financial targets

The Board's long-term incentive compensation plan structure fails to hold management accountable

Source: Public company filings.

So, Despite Autodesk Repeatedly Making Long-Term Financial Commitments…

Summary of Investor Day Commitments

	External Targets for FY2023			
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day
Revenue Growth CAGR % (Implied Revenue)		15 – 19% ($4.9 – $5.6bn)	16 – 18% ($5.1 - $5.4bn)	16 – 18% ($5.1 - $5.4bn)
Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)	38% ($1.9 - $2.0bn)
Free Cash Flow ("FCF") Growth				
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion	$2.4 billion
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%	64 – 68%

Source: Capital IQ, company presentations and public filings.

…The Board Managed Down Compensation Targets to Be Below External Financial Targets…

Summary of Investor Day Commitments

	External Targets for FY2023				Comp Targets & Actual Results		
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Comp Targets	2023 Actual	Miss vs. Investor Day
Revenue Growth CAGR % (Implied Revenue)		15 – 19% ($4.9 – $5.6bn)	16 – 18% ($5.1 - $5.4bn)	16 – 18% ($5.1 - $5.4bn)	15.7%(1) ($5.1bn)	15.2%(2) ($5.0bn)	1-3% CAGR ($100-$400mm)
Adj. Operating Margin (Implied Op. Income)		40% ($2.0 – $2.2bn)	40% ($2.0 - $2.2bn)	38% ($1.9 - $2.0bn)	36% ($1.8bn)	36% ($1.8bn)	200bps ($150-$250mm)
Free Cash Flow ("FCF") Growth							
Free Cash Flow	$2.4 billion	$2.4 billion	$2.4 billion	$2.4 billion	$2.0 billion	$2.0 billion	$400 million
Revenue Growth + FCF Margin	55 – 65%	55 – 65%	55 – 65%	64 – 68%		55%	900 – 1,300bps

Source: Capital IQ, company presentations and public filings. (1) CAGR shown for comparative purposes relative to Investor Day targets, however, compensation targets are set annually. FY2023 compensation target represented annual revenue growth of 15%, below the Company's growth framework of 16 – 18%. (2) CAGR shown for comparative purposes relative to Investor Day targets. FY2023 actual represented annual revenue growth of 14%.

…Allowing Management to Earn Incentive Compensation Despite Missing Investor Day Targets

Summary of Investor Day Commitments

	External Targets for FY2023				Comp Targets & Actual Results			
	2018 Investor Day	2019 Investor Day	2020 Investor Day	2021 Investor Day	2023 Comp Targets	2023 Actual	Miss vs. Investor Day	Comp Attainment
Revenue Growth CAGR % (Implied Revenue)		✘ 15 – 19% ($4.9 – $5.6bn) At low end	✘ 16 – 18% ($5.1 - $5.4bn)	✘ 16 – 18% ($5.1 - $5.4bn)	15.7%[1] ($5.1bn)	15.2%[2] ($5.0bn)	1-3% CAGR ($100-$400mm)	98.8%
Adj. Operating Margin (Implied Op. Income)		✘ 40% ($2.0 – $2.2bn)	✘ 40% ($2.0 - $2.2bn)	✘ 38% ($1.9 - $2.0bn)	36% ($1.8bn)	36% ($1.8bn)	200bps ($150-$250mm)	98.0%
Free Cash Flow ("FCF") Growth					*Inflated from multi-year, upfront enterprise billings*			
Free Cash Flow	✘ $2.4 billion	✘ $2.4 billion	✘ $2.4 billion	✘ $2.4 billion	$2.0 billion	$2.0 billion	$400 million	99.4%
Revenue Growth + FCF Margin	✘ 55 – 65%	✘ 55 – 65%	✘ 55 – 65%	✘ 64 – 68%		55%	900 – 1,300bps	

Source: Capital IQ, company presentations and public filings. (1) CAGR shown for comparative purposes relative to Investor Day targets, however, compensation targets are set annually. FY2023 compensation target represented annual revenue growth of 15%, below the Company's growth framework of 16 – 18%. (2) CAGR shown for comparative purposes relative to Investor Day targets. FY2023 actual represented annual revenue growth of 14%.

The Board Set Compensation Targets Well Below the Company's Investor Day Targets for FY2023

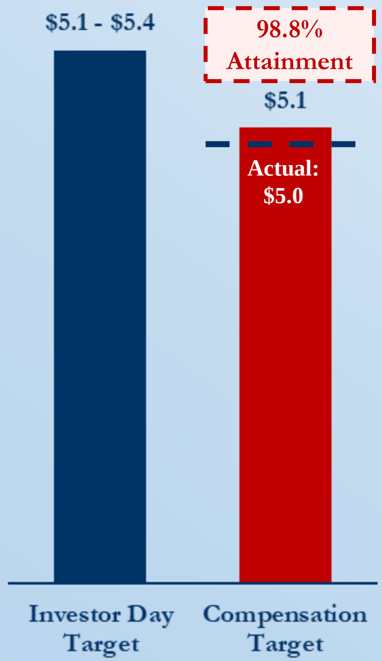
Autodesk's Board has fostered a culture of subpar performance and lack of accountability by allowing executives to earn incentive compensation despite dramatically missing publicly issued financial targets

Investor Day Targets vs. Compensation Targets for FY2023

Implied FY2023 Revenue

($ in billions)

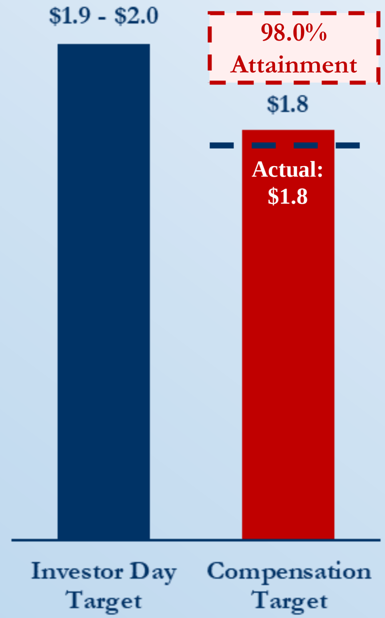
~$180mm **BELOW** midpoint of Investor Day Target



Implied Adj. Op Income

($ in billions)

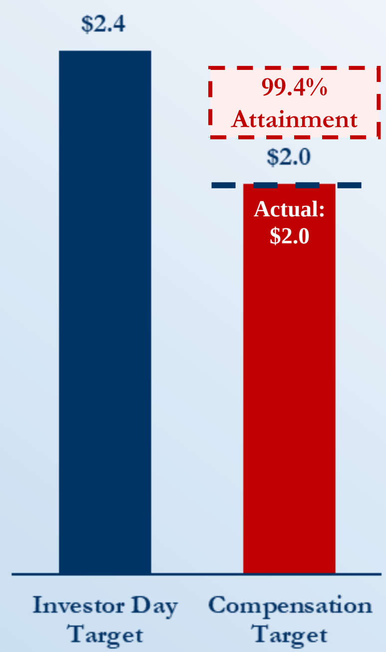
~$170mm **BELOW** midpoint of Investor Day Target



Free Cash Flow ("FCF")

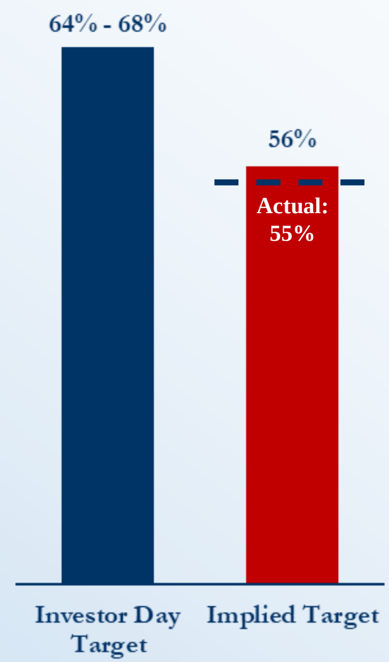
($ in billions)

~$360mm **BELOW** Investor Day Target



Growth + FCF Margins

1,000bps **BELOW** midpoint of Investor Day Target



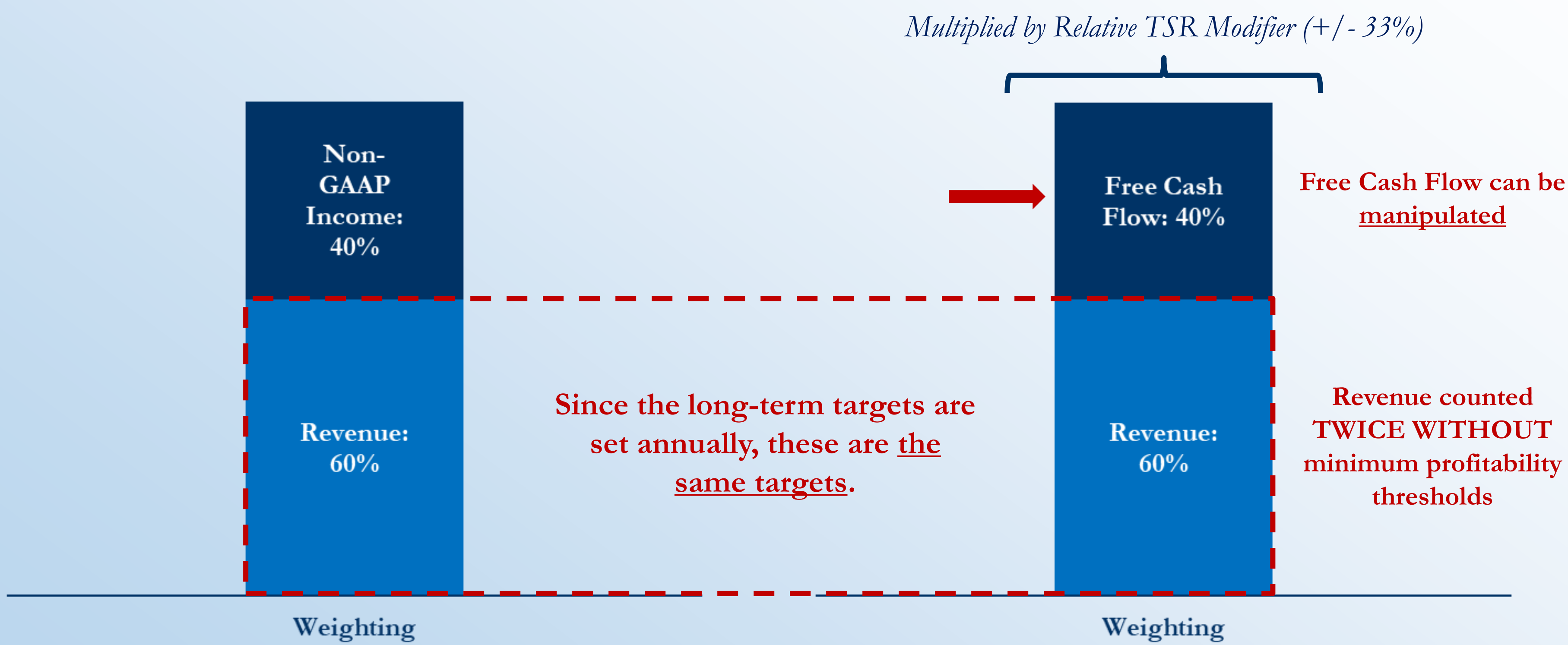
Compensation targets should be aligned with or even higher than external targets – not lower!

Source: Company presentations, public company filings.

Autodesk's Incentive Compensation Disproportionally Relies on Revenue <u>Without</u> Minimum Profitability

Overview of Autodesk's Incentive Compensation Program

Short-Term | **Long-Term**



We believe overreliance on revenue without minimum profitability threshold misaligns executives with shareholders and allows for manipulation (e.g., acquisitions or agency transition)

Source: Public company filings.

In FY2023, the Company Made a Mid-Year Adjustment to Its Compensation Targets

Excerpt From 2023 Definitive Proxy Statement

At the beginning of fiscal year 2023, the Committee approved fiscal year 2023 EIP performance measures to align our CEO's and other NEOs' bonus opportunities with our strategic priorities and key drivers of success. In connection with the uncertain economic conditions resulting from the war in Ukraine, including the discontinuation of revenue from Russia, the Committee updated the EIP performance targets in May 2022 to reflect the Company's fiscal year 2023 financial plan by adjusting the performance targets downward. This adjustment did not result in a material modification of the PSU awards that executives received in lieu of cash incentives, nor did it result in recognition of incremental grant date fair value on our consolidated financial statements. The updated total revenue and non-GAAP income from operations performance targets were 17% and 31% above last year's actual performance achievement, respectively. In its exercise of negative discretion, the Committee considered the performance attained versus the pre-established performance targets to determine payouts. For our CEO and other NEOs, the Committee assessed the performance of Autodesk against targets set in May 2022 based on the criteria below; the final award could range from 0% to 200% of the target award. This calculation yielded a bonus payout of 94.9% of target, as shown below:

The Board adjusted compensation targets midway through the year, significantly de-risking management's compensation

Source: Public company filings. Emphasis added.

Autodesk's Decision to Make a Mid-Year Adjustment in 2022 Was Rare Among Peers

	Maintained Compensation Targets		Maintained Compensation Targets		Maintained Compensation Targets
Akamai Technologies	✓	Intuit	✓	Autodesk	✗
Adobe	✓	NetApp	✓	ServiceNow	✗
Ansys	✓	Palo Alto	✓		
Cadence Design Systems	✓	PTC Inc.	✓		
Docusign	✓	Salesforce	✓		
Electronic Arts	✓	Synopsys	✓		
Fortinet	✓	Workday	✓		
Gen Digital	✓				

Unlike Autodesk, ServiceNow disclosed both the actual magnitude of the mid-year adjustment & the original targets and capped payouts on the adjusted targets

Mid-year compensation adjustments are extremely rare and reflect poor compensation practices

Source: Public company filings and earnings transcripts. Note: Peer compensation group includes companies included in Autodesk's definitive proxy for the 2024 Annual Meeting.

Outcomes for Executives and Shareholders Have Been Vastly Different at Autodesk

The Board, through its flawed compensation programs, has failed to incentivize and hold management accountable for its long-term underperformance while shareholders have suffered

Executives	Shareholders
■ Compensation targets below targets promised to investors	✘ Long-term share price underperformance
■ 98% and 100% FY2018-FY2024 average payout rates for short-term and long-term incentive plans(1) despite missing targets	✘ Missed Investor Day targets
■ No consequences for intentionally misleading shareholders	✘ Operating performance below peers
■ Able to use M&A to bolster compensation	✘ Misleading disclosure and investor communications
	✘ Use of shareholder capital for M&A with unclear returns

We believe Autodesk must improve its compensation practices, address its flawed budgeting process, and move to best-in-class standards for operations, compensation, and governance

Source: Public company filings. (1) Represents the average short-term and long-term payouts from FY2018 – FY2024.

We Believe Autodesk Is in Need of Substantial Change

Over the last several years, Autodesk's management team and Board have overseen a wide range of concerning issues and underperformance, which we believe makes clear the need for change.

Autodesk's Red Flags

1. Consistent and long-term share price underperformance through CEO Anagnost's tenure
2. Repeatedly missed Investor Day financial targets
3. Subpar operating and financial performance
4. Problematic compensation practices that have failed to hold management accountable
5. Intentionally misleading disclosures revealed through recent Audit Committee investigation
6. Concerning capital allocation

Change is needed at Autodesk

In April 2024, Autodesk Announced an Audit Committee Investigation and a Delayed 10-K Filing

On April 1, 2024, Autodesk announced the Audit Committee of the Board was conducting an investigation into the Company's free cash flow and non-GAAP operating margin practices.

Autodesk Falls After Disclosing Internal Probe Into Accounting

- Focus on free cash flow, non-GAAP operating margin practices
- Company put off release of annual financial report as a result

By Brody Ford

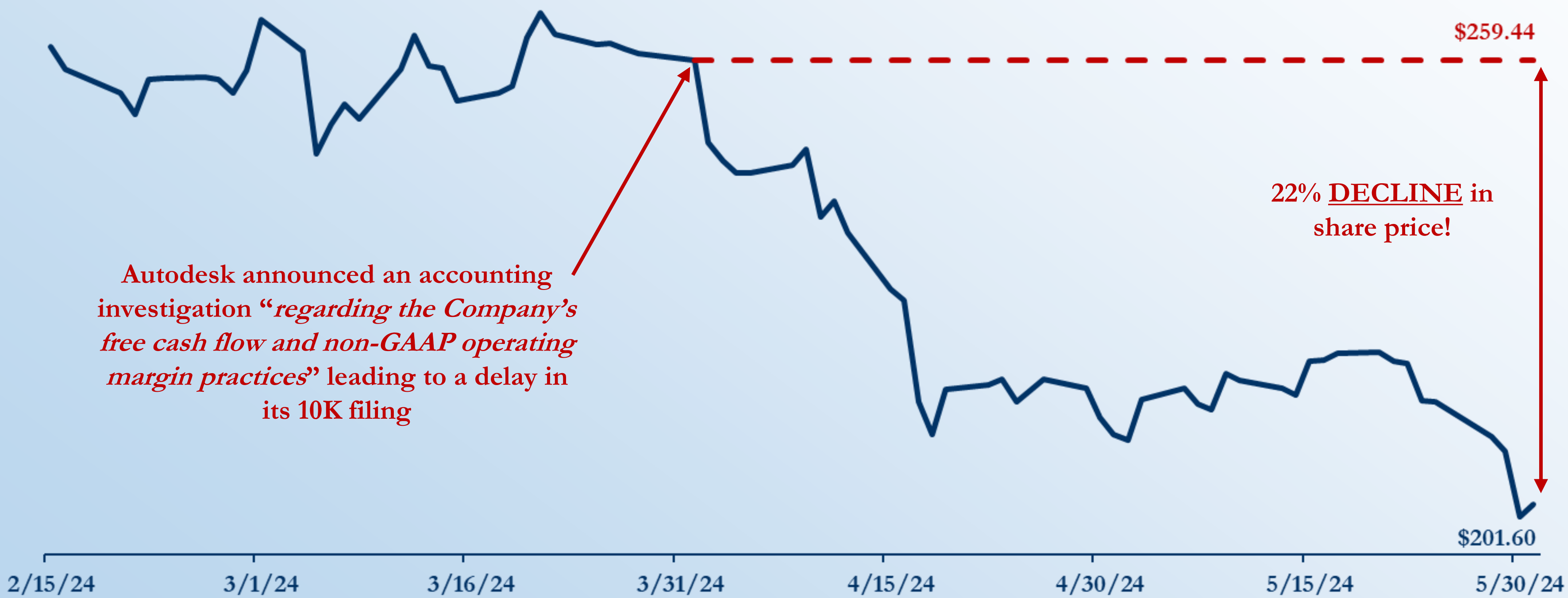
(Bloomberg) -- Autodesk Inc. fell by the most in almost a month after disclosing an internal investigation into its own accounting practices and putting off the release of its annual financial report.

Source: Bloomberg.

Over the Next Two Months, Autodesk's Share Price Declined Meaningfully

From the announcement of the investigation through the release of its findings, Autodesk's stock price fell more than 20%.

Share Price Reaction to Accounting Investigation



Source: Capital IQ and public company filings. Market data as of May 31, 2024

The Findings of the Investigation Outlined a Concerning Series of Events

The findings of the recent Audit Committee investigation demonstrate that Autodesk's leadership team apparently took actions to intentionally mislead shareholders in an attempt to reach certain financial targets.

Summary of Events

Source: Public company filings. Emphasis added.

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Summary of Events

Autodesk began transitioning large enterprise customers from multi-year, upfront billings to annual billings

August 2021

FY2018

Then-CFO Ms. Clifford stated, "[m]ost EBAs are already on annual billing terms…we had already <u>assumed that EBAs would all be on annual billing terms starting next year in our fiscal '23</u>"

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FY2023: Autodesk's leadership realized that the Company would not meet its free cash flow goal

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FY2023

Autodesk's leadership realized that the Company would not meet its free cash flow goal

Leadership made an active decision to change business practices and again focus on multi-year, upfront billings

Source: Public company filings. Emphasis added.

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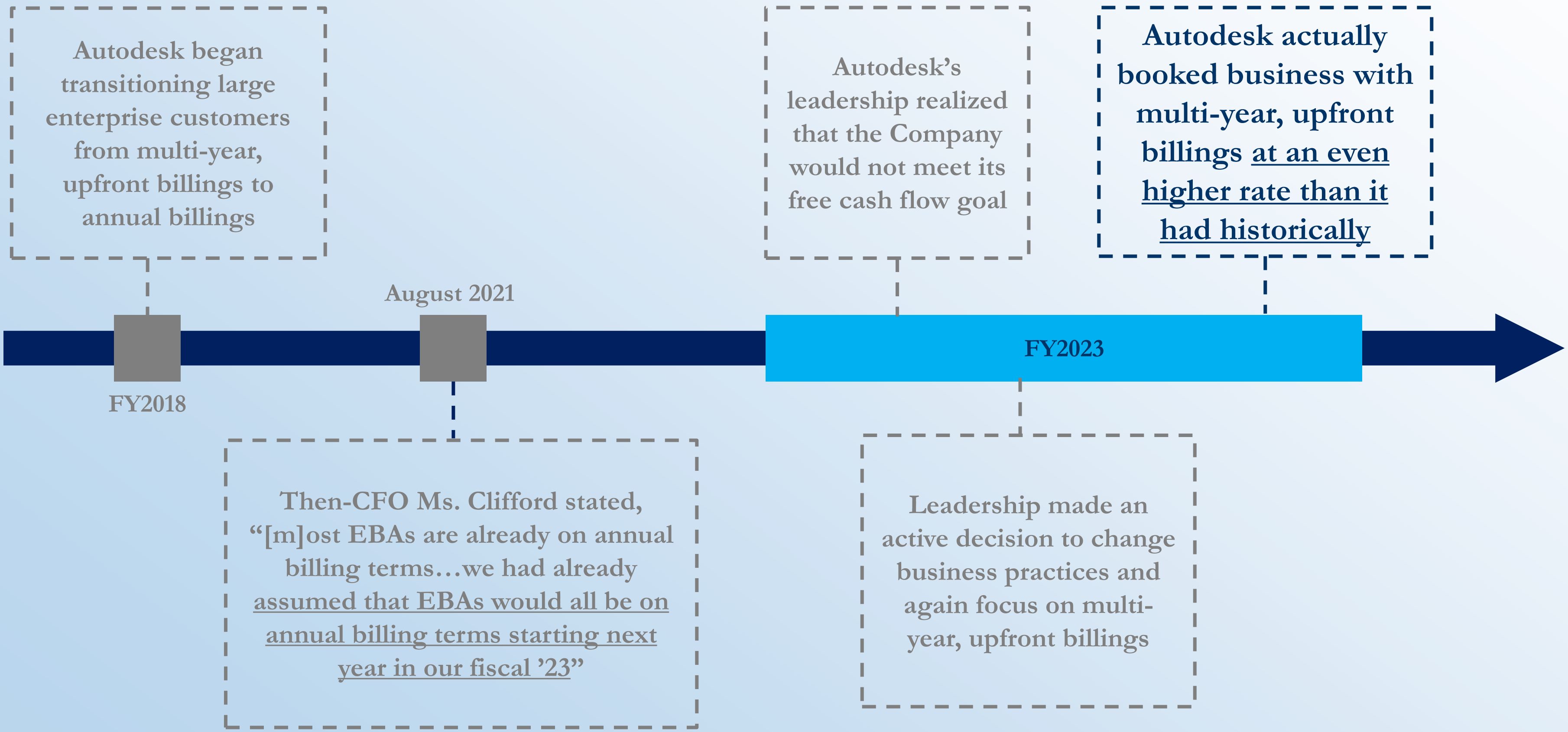

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FY2023:

- Autodesk's leadership realized that the Company would not meet its free cash flow goal
- Leadership made an active decision to change business practices and again focus on multi-year, upfront billings
- Autodesk actually booked business with multi-year, upfront billings <u>at an even higher rate than it had historically</u>

Autodesk told shareholders one thing and did the opposite – this is not how public companies should operate

Source: Public company filings. Emphasis added.

Autodesk Admitted to Misleading Shareholders and Manipulating Financial Results

These conclusions are direct and clear findings released by the Company.

- On May 31, 2024, Autodesk announced the principal findings of the Audit Committee Investigation:

AUTODESK

Autodesk reports results of audit committee investigation Provides preliminary results for first quarter fiscal 2025 and business outlook

May 31, 2024

"During fiscal year 2022, the Company announced that it had begun to shift enterprise customers to contracts billed annually, and that it had assumed fiscal 2023 enterprise contracts would be billed annually. ***The Company subsequently determined, however, to pursue multiyear upfront contracts with enterprise customers to help meet its fiscal year 2023 free cash flow goal. Upfront billings of enterprise customers in fiscal year 2023 substantially exceeded historical levels, helping the Company to meet its lowered annual free cash flow target****."*

We believe the findings prove that Autodesk management intentionally misled shareholders

Source: Public company filings. Emphasis added.

Autodesk Took Actions That Were Not in the Company's or Shareholders' Best Interests

After repeatedly espousing the benefits of moving to annual billings, Autodesk reverted to its old practice in an attempt to hit its financial targets.

"…overall, we're focused on making **changes that are both good for our customers and good for Autodesk and shifting more of the billing patterns for our enterprise business agreements to annual billings is one step to help us achieve that goal…**

…it's a change that **we think is better for our customers and better for Autodesk and will help us make Autodesk a more valuable company over time**."

Deborah Clifford, Fmr CFO
September 2021

Management stated the transition to annual billings was better for Autodesk, its customers, and its shareholders….

But when it became clear that Autodesk would miss its financial targets, management reversed course – harming the Company, its customers, and its shareholders – to protect and potentially enrich themselves

Source: Company's earnings transcripts. Note: Quotes bolded and underlined for emphasis.

The Manipulated Financial Metrics Are Key Components of Executive Compensation

The investigation revealed that Autodesk manipulated free cash flow and non-GAAP operating margin results.

- The findings revealed that Autodesk's top executives made statements that were false and differed dramatically from the Company's actual business practices and served to inflate free cash flow and non-GAAP operating margins.
- **<u>Both free cash flow and non-GAAP operating margin are key determinants of executive compensation, as shown below:</u>**

Incentive Program	Performance Metrics
Executive Incentive Plan (EIP)	Total Revenue Non-GAAP Income from Operations
Long-Term Incentives — Performance Share Units (PSU)	Total Revenue Free Cash Flow Relative TSR (as defined below) (over 1, 2, and 3 years)

If performance metrics are manipulated upwards, the Financial Goal Funding multiplier will increase and result in a higher bonus payout.

Target Award × **Financial Goal Funding Multiplier** × **Relative TSR Multiplier** *(For LTIP Only)* = **Bonus Award Payout**

If free cash flow and non-GAAP operating income were artificially inflated, management's compensation would also be artificially inflated

Source: Public company filings. Emphasis added.

Yet There Have Been No True Consequences

Autodesk is asking shareholders to accept a complete lack of consequences and accountability for these serious issues.

Autodesk Actions

- Communicating with investors regarding transition to annual billings
- Deciding to revert to multi-year upfront billings
- Informing sales team of the switch back to multi-year upfront billings
- Contacting customers to inform them of the change
- Approving and signing customer contracts
- Choosing not to inform investors of the change when reporting results

Who Was Responsible?

Deborah Clifford
Fmr CFO

Chief Strategy Officer

Betsy Rafael
Fmr Chair of Audit Committee

Interim CFO

Andrew Anagnost
CEO

???

Steve Blum
COO & Fmr CRO

???

Where Is the Accountability?

We find it almost impossible to believe there were not more members of management, and potentially the Board, who were aware of these deeply concerning issues.

- **Why has there been no disclosure of who else was involved, much less any consequences?**
- **Are we supposed to believe the former CFO took all of these actions without the knowledge of the CEO?**
- **How can the Board continue to trust executives who misled the directors and the shareholders?**
- **If members of the Board were not misled and knew what was happening, how can those directors remain on the Board?**

Shareholders deserve answers and a Board that will protect their interests at all times

We Believe Autodesk Is in Need of Substantial Change

Over the last several years, Autodesk's management team and Board have overseen a wide range of concerning issues and underperformance, which we believe makes clear the need for change.

Autodesk's Red Flags
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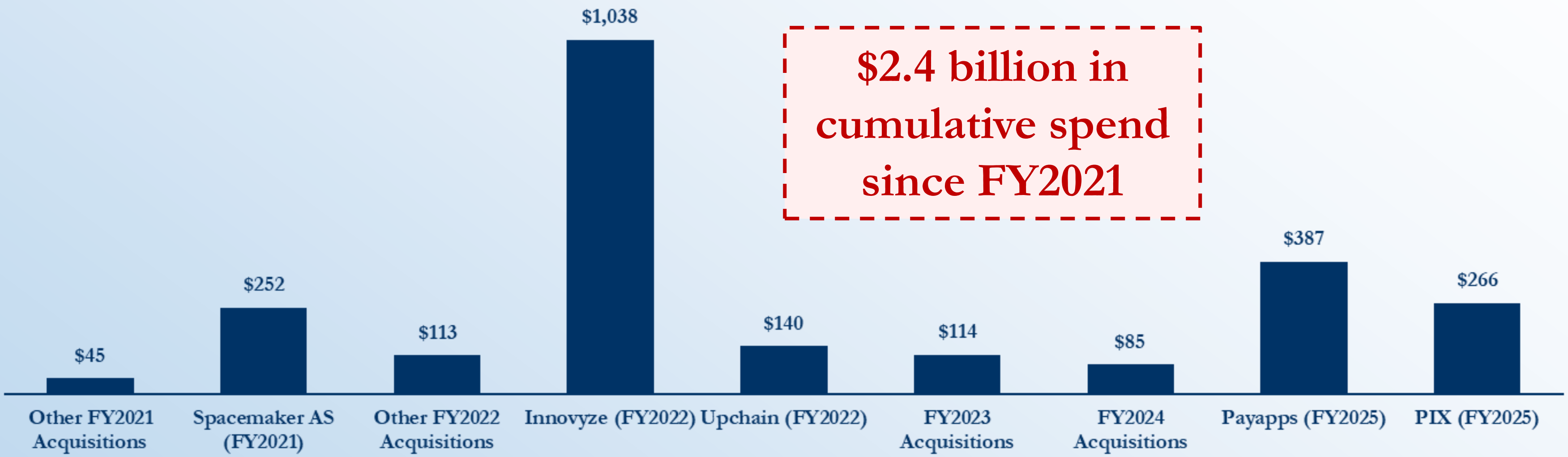
6 Concerning capital allocation

Change is needed at Autodesk

We Have Concerns With Autodesk's M&A Strategy

Summary of Autodesk's Recent Acquisition Spend



- **Autodesk has spent $2.4 billion on acquisitions over the last five years, mostly for assets with little to no revenue.**
- **The Company has not regularly disclosed revenue or return metrics associated with these deals – suggesting poor performance.**
- **We believe the recent $266 million acquisition of PIX raises significant questions.**

We believe the Company should prioritize improving its own performance over speculative M&A

Source: Public company filings.

We Believe the Board Should Provide More Rigorous Oversight Over the Company's M&A Activities

We seriously question whether the Board has properly held management accountable.

- **Does the Board approve acquisitions based on returns-focused criteria?**
- **Does the Board review acquired businesses to assess performance versus projections?**
- **How have acquired businesses performed relative to original expectations?**
- **How does the Board factor M&A into its compensation practices?**
- **How does the Board weigh deploying capital toward acquisitions with other competing uses of capital, such as share repurchases?**

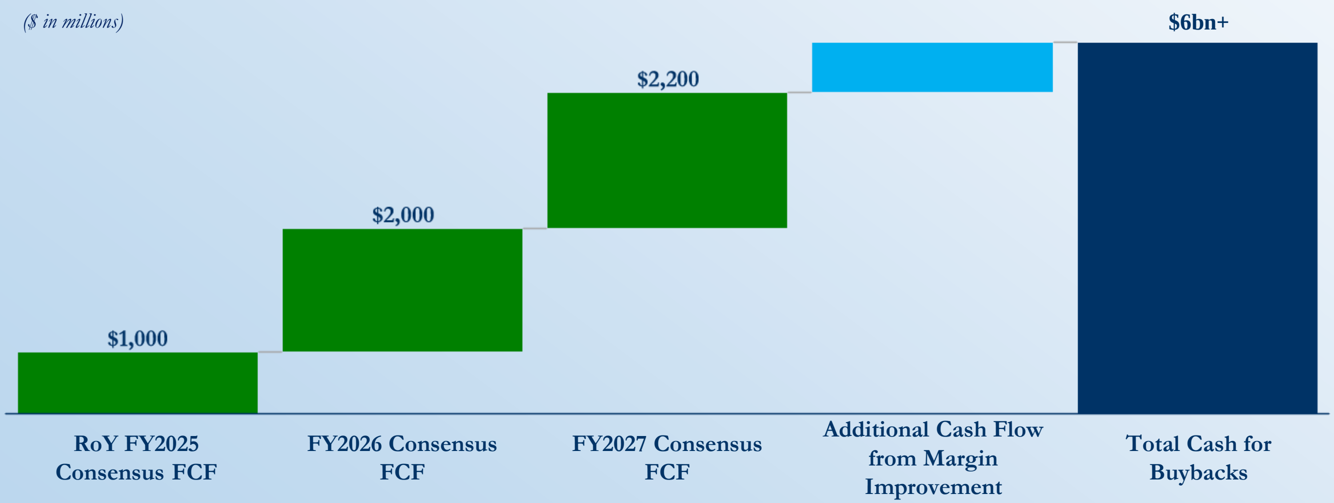
How has the $2.4 billion of acquisition spend benefitted shareholder value creation over the last 5 years?

Autodesk Should Increase the Pace and Magnitude of Share Repurchases

We believe Autodesk can also create significant value through more shareholder-friendly capital allocation.

- Autodesk currently generates a significant amount of free cash flow, and the Company is expected to have a net cash position by fiscal year end.
- In November 2022, Autodesk authorized the repurchase of $5 billion of the Company's stock (adding to an existing authorization). As of the most recent quarter, approximately $4.7 billion remains on this authorization.
- Based on consensus expectations, Autodesk will have more than $5 billion of free cash flow to deploy through FY2027 – **margin improvement will drive even greater free cash flow generation and capital deployment capacity**.
- We believe Autodesk should be using this free cash flow to reduce its share count and grow free cash flow per share.

Capital Deployment Capacity



Over the next few years, we believe Autodesk can meaningfully shrink its share count and grow FCF per share

Source: Company filings and earnings transcripts. Market data as of July 29, 2024.

Conclusion

Autodesk's Board Has Failed to Provide Effective Oversight and Accountability

- The Board's primary oversight responsibilities are to:

1. Use the budgeting process to tie
   - Disclosure
   - Results
   - Compensation

   to drive long-term shareholder value creation

2. Evaluate and approve capital deployment, including M&A

3. Evaluate the performance of management and make changes when necessary

Autodesk's Board has failed in each of these areas

Autodesk's Board Must Ensure Appropriate Targets Are Set To Drive Significant Value Creation

Proposed FY2025E – FY2027E Minimum Budget Targets

Represents Wall Street Consensus Revenue Estimates – Autodesk's Management and Board Must Determine Appropriate Revenue Forecasts

	FY2025:	Cost Reductions	PF FY2025:	Incremental Margins	PF FY2026:	Incremental Margins	PF FY2027:
Consensus Revenue	$6.1 billion		$6.1 billion	Rev Growth: $692 million	$6.7 billion	Rev Growth: $779 million	$7.5 billion
Consensus Gross Profit	$5.6 billion		$5.6 billion		$6.2 billion		$6.9 billion
Adj. Operating Income	Consensus: $2.2 billion	At least 500bps of S&M cost savings (~$275mm) and 300bps of G&A cost savings (~$165mm)	$2.6 billion *run-rate*(1)	55% Incr. Margins: $381 million	$3.0 billion	55% Incr. Margins: $429 million	$3.4 billion
Adj. Operating Margin	Consensus: 36%		43% *run-rate*(1)		44%		45%
Adj. EBITDA	Consensus: $2.3 billion		$2.6 billion *run-rate*(1)		$3.0 billion		$3.4 billion
Free Cash Flow ("FCF")	Consensus: $1.5 billion						~$3.1 billion(2)
Share Repurchases	*$6+ billion of share repurchases through FY2027(3)*						
FCF Per Share	~$7.00						~$15.50+(3)

Source: Capital IQ and Starboard estimates. (1) Assumes full benefit of cost savings outlined in the Cost Reductions column. (2) Assumes 90% Adj. Operating Income to FCF conversion. (3) Includes impact of share issuance in-line with Company commentary and share repurchases at an average repurchase price of $268 during the projection period.
Note: Consensus estimates appear to assume modest shift to agency model.

Autodesk's Board Must Hold Management Accountable For Delivering These Results

We believe Autodesk has an opportunity to create significant shareholder value – but it must address the mistakes of its past and operate with accountability, integrity, and high performance standards.

- Autodesk should disclose these improved financial targets to the investment community with detail on how they will be achieved.
- Unlike previous years, **management's long-term incentive compensation must be tied to achieving these targets and TSR.**
  - The Board cannot allow management to mislead or confuse by blaming the agency transition for muddying the numbers.
    - The Company should have enough visibility to assess results on a like-for-like basis.
- **The Board must objectively evaluate the CEO.**

It is imperative the Board do its job and ensure shareholder value is created at Autodesk