UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

May 31, 2024

Autodesk, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**000-14338**	**94-2819853**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Market Street, Ste. 400 San Francisco, California	**94105**
(Address of principal executive offices)	(Zip Code)

(415) 507-5000
(Registrant’s telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ADSK	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On May 31, 2024, Autodesk, Inc. ("Autodesk" or the "Company") issued a press release reporting preliminary financial results for the first quarter ended April 30, 2024. The press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Non-GAAP Financial Measures

To supplement Autodesk's condensed consolidated financial statements presented on a GAAP basis, the press release furnished herewith as Exhibit 99.1 provides investors with certain non-GAAP measures, including but not limited to historical and future non-GAAP operating margin, non-GAAP income from operations, non-GAAP free cash flow, and non-GAAP diluted net income per share. For Autodesk's internal budgeting and resource allocation process and as a means to evaluate period-to-period comparisons, Autodesk uses non-GAAP measures to supplement its condensed consolidated financial statements presented on a GAAP basis. These non-GAAP measures do not include certain items that may have a material impact upon Autodesk's reported financial results. Autodesk uses non-GAAP measures in making operating decisions because Autodesk believes those measures provide meaningful supplemental information for management regarding the Company's earning potential and performance by excluding certain expenses and charges that may not be indicative of the Company's core business operating results. For the reasons set forth below, Autodesk believes that 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 Autodesk's institutional investors and the analyst community to help them analyze the health of the Company's business. This allows investors and others to better understand and evaluate Autodesk's 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 its core business. Autodesk also uses some of these measures for purposes of determining company-wide incentive compensation.

As described above, Autodesk may exclude the following items, as applicable, from its non-GAAP measures:

A. *Stock-based compensation expenses*. Autodesk excludes stock-based compensation expenses from its non-GAAP measures primarily because they are non-cash expenses and management finds it useful to exclude certain non-cash charges to assess the appropriate level of various operating expenses to assist in budgeting, planning, and forecasting future periods. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use under FASB ASC Topic 718, Autodesk believes that excluding stock-based compensation expenses allows investors to make meaningful comparisons between its recurring core business operating results and those of other companies.

B. *Amortization of developed technologies and purchased intangibles.* Autodesk incurs amortization of acquisition-related developed technology and purchased intangibles in connection with acquisitions of certain businesses and technologies. Amortization of developed technologies and purchased intangibles is inconsistent in amount and frequency and is significantly affected by the timing and size of Autodesk's acquisitions. Management finds it useful to exclude these variable charges from our cost of revenues to assist in budgeting, planning and forecasting future periods. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to Autodesk's future period revenues as well. Amortization of developed technologies and purchased intangible assets will recur in future periods.

C. *CEO transition costs.* Autodesk excludes amounts paid to the Company's former CEOs, upon departure under the terms of their transition agreements, including severance payments, acceleration of restricted stock units, and continued vesting of performance stock units, and legal fees incurred with the transition. Also excluded from Autodesk's non-GAAP measures are recruiting costs related to the search for a new CEO. These costs represent non-recurring expenses and are not indicative of Autodesk's ongoing operating expenses. Autodesk further believes that excluding the CEO transition costs from its non-GAAP results is useful to investors in that it allows for period-over-period comparability.

D. *Goodwill impairment.* This is a non-cash charge to write down goodwill to fair value when there was an indication that the asset was impaired. As explained above, management finds it useful to exclude certain non-cash charges to assess the appropriate level of various operating expenses to assist in budgeting, planning, and forecasting future periods.

E. *Restructuring and other exit costs, net.* These expenses are associated with realigning Autodesk's business strategies based on current economic conditions. In connection with these restructuring actions or other exit actions, Autodesk recognizes costs related to termination benefits for former employees whose positions were eliminated, the closure of facilities, and cancellation of certain contracts. Autodesk excludes these charges because these expenses are not reflective of ongoing business and operating results. Autodesk believes it is useful for investors to understand the effects of these items on its total operating expenses.

F. *Lease-related asset impairments and other charges*. These charges are associated with the optimization of Autodesk's facilities costs related to leases that Autodesk vacated as a result of Autodesk's one-time move to a more hybrid remote workforce. In connection with these facility leases, Autodesk recognizes costs related to the impairment or abandonment of operating lease right-of-use assets, computer equipment, furniture, and leasehold improvements, and other costs. Autodesk excludes these charges because these expenses are not reflective of ongoing business and operating results. Autodesk believes it is useful for investors to understand the effects of these items on Autodesk's total operating expenses.

G. *Acquisition-related costs.* Autodesk excludes certain acquisition-related costs, including due diligence costs, professional fees in connection with an acquisition, certain financing costs, and certain integration-related expenses. These expenses are unpredictable, and dependent on factors that may be outside of Autodesk's control and unrelated to the continuing operations of the acquired business or Autodesk. In addition, the size and complexity of an acquisition, which often drives the magnitude of acquisition-related costs, may not be indicative of such future costs. Autodesk believes excluding acquisition-related costs facilitates the comparison of its financial results to the Autodesk's historical operating results and to other companies in its industry.

H. *Loss (gain) on strategic investments and dispositions.* Autodesk excludes gains and losses related to its strategic investments and dispositions of strategic investments, purchased intangibles, and businesses from its non-GAAP measures primarily because management finds it useful to exclude these variable gains and losses on these investments and dispositions in assessing Autodesk's financial results. Included in these amounts are non-cash unrealized gains and losses, dividends received, realized gains and losses on the sales or losses on the impairment of these investments, and gain and loss on dispositions. Autodesk believes excluding these items is useful to investors because these excluded items do not correlate to the underlying performance of its business and these losses or gains were incurred in connection with strategic investments and dispositions which do not occur regularly.

I. Discrete tax provision items. Autodesk excludes the GAAP tax provision, including discrete items, from the non-GAAP measure of net income (loss), and includes a non-GAAP tax provision based upon the projected annual non-GAAP effective tax rate. Discrete tax items include income tax expenses or benefits that do not relate to ordinary income from continuing operations in the current fiscal year, unusual or infrequently occurring items, or the tax impact of certain stock-based compensation. Examples of discrete tax items include, but are not limited to, certain changes in judgment and changes in estimates of tax matters related to prior fiscal years, certain costs related to business combinations, certain changes in the realizability of deferred tax assets, or changes in tax law. Management believes this approach assists investors in understanding the tax provision and the effective tax rate related to ongoing operations. Autodesk believes the exclusion of these discrete tax items provides investors with useful supplemental information about the Company's operational performance.

J. *Establishment (release) of a valuation allowance on certain net deferred tax assets.* This is a non-cash charge to record or to release a valuation allowance on certain deferred tax assets. As explained above, management finds it useful to exclude certain non-cash charges to assess the appropriate level of various cash expenses to assist in budgeting, planning, and forecasting future periods.

K. *Income tax effects on the difference between GAAP and non-GAAP costs and expenses*. The income tax effects that are excluded from the non-GAAP measures relate to the tax impact on the difference between GAAP and non-GAAP expenses, primarily due to stock-based compensation, amortization of purchased intangibles, and restructuring charges and other exit costs (benefits) for GAAP and non-GAAP measures.

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. Autodesk compensates 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. Autodesk urges investors to review the reconciliation of its non-GAAP financial measures to the comparable GAAP financial measures included in Exhibit 99.1 and not to rely on any single financial measure to evaluate its business.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Transition of Chief Financial Officer to Chief Strategy Officer

On May 31, 2024, Deborah Clifford transitioned from her previous position as the Company's Executive Vice President and Chief Financial Officer to Chief Strategy Officer of the Company, effective as of May 31, 2024.

Appointment of Interim Chief Financial Officer

On May 31, 2024, the Company appointed Elizabeth Rafael as Interim Chief Financial Officer, effective as of May 31, 2024. Ms. Rafael will continue to serve as a member of the Board of Directors of the Company.

Ms. Rafael, age 62, has served as a member of the Company's Board of Directors since 2013 and was previously the Chair of the Company's Audit Committee. Previously, Ms. Rafael most recently served as Chief Transformation Officer at GoDaddy Inc., an Internet domain registrar and web hosting company, from May 2018 to November 2019. She served as Principal Accounting Officer of Apple Inc. from January 2008 to October 2012, and as its Vice President and Corporate Controller from August 2007 until October 2012. From April 2002 to September 2006, Ms. Rafael served as Vice President, Corporate Controller and Principal Accounting Officer of Cisco Systems, Inc., and held the position of Vice President, Corporate Finance at Cisco from September 2006 to August 2007. From December 2000 to April 2002, Ms. Rafael was the Executive Vice President, Chief Financial Officer, and Chief Administrative Officer of Aspect Communications, Inc., a provider of customer relationship portals. From April 2000 to November 2000, Ms. Rafael was Senior Vice President and CFO of Escalate, Inc., an enterprise e-commerce application service provider. From 1994 to 2000, Ms. Rafael held a number of senior positions at Silicon Graphics International Corp. ("SGI"), culminating her career at SGI as Senior Vice President and Chief Financial Officer. Prior to SGI, Ms. Rafael held senior management positions in finance with Sun Microsystems, Inc., and Apple Computers. Ms. Rafael began her career with Arthur Young & Company. Ms. Rafael has served on the board of directors of Informatica LLC, since July 2021, Proofpoint, Inc., from February 2021 through October 2021, and Kinaxis, Inc., since February 2020. She previously served on the boards of directors of Echelon Corporation from November 2005 to June 2018, GoDaddy Inc. from May 2014 to May 2018, Shutterfly, Inc., from June 2016 to September 2019, and PalmSource, Inc., from April 2004 to November 2005.

There are no family relationships between Ms. Rafael and any director or executive officer of Autodesk. Ms. Rafael is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

In connection with Ms. Rafael's appointment as Interim Chief Financial Officer, Ms. Rafael will be paid a monthly salary of $300,000. She will not be eligible to participate in the Autodesk Executive Incentive Plan or any similar bonus program. Ms. Rafael also will not be eligible to participate in the Autodesk Executive Change in Control Program or the Autodesk Amended and Restated Severance Plan.

Ms. Rafael will also receive a grant of restricted stock units with a value of $250,000, and will be awarded and vest at the same time as the annual award for non-employee directors under the Autodesk Director Compensation Policy.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated as of May 31, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AUTODESK, INC.

By: /s/ Ruth Ann Keene

Ruth Ann Keene
Executive Vice President, Corporate Affairs, Chief Legal Officer and Corporate Secretary

Date: June 3, 2024

Exhibit 99.1

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

May 31, 2024

SAN FRANCISCO, May 31, 2024 /PRNewswire/ -- Autodesk, Inc. (NASDAQ: ADSK) announces the results of the Audit Committee investigation. As previously announced on April 1, 2024, the Audit Committee of the Board of Directors initiated an internal investigation regarding the company's free cash flow and non-GAAP operating margin practices. The Committee has completed its planned procedures with respect to the investigation. The company's management has determined that there will be no restatement or adjustment of any audited or unaudited, filed or previously announced, GAAP or non-GAAP financial statements.

The company is also providing preliminary results for first quarter fiscal 2025 and business outlook.

"We appreciate your patience as we work through this important process. We take situations like this very seriously and are grateful to put the investigation behind us," said Andrew Anagnost, Autodesk president and CEO. "In the first quarter of fiscal 2025, we generated broad-based growth in AEC and manufacturing across products and regions. The new transaction model implementation is on track. Our strong start sets us up well to achieve our goals for the year."

The company also announces the following executive appointments.

Elizabeth "Betsy" Rafael has been appointed by the Board as Interim Chief Financial Officer (Principal Financial Officer), effective May 31, 2024. As Interim Chief Financial Officer, she is not currently an "independent director" for purposes of the Nasdaq Stock Market and has stepped down from the Audit Committee. She remains a director of the company.

Deborah L. Clifford has been appointed as the company's Chief Strategy Officer, reporting to the Chief Executive Officer, effective May 31, 2024. Her responsibilities will include, among other things, corporate development, new vertical businesses that are outside Autodesk's existing product groups, and the company's Social Impact and Sustainability efforts.

Autodesk is working diligently to file its annual report on Form 10-K as soon as possible and to hold an earnings call to discuss first quarter fiscal 2025 results. Until the Form 10-K is filed and full first quarter earnings are reported, the company remains in a closed period and is restricted in its communications with investors.

Summary of the principal findings of the Audit Committee

The relevant time period for the investigation was fiscal years 2022, 2023, and 2024. A summary of the principal findings of the Audit Committee are set forth below:

- The company has historically relied on multiyear contracts with its enterprise and product subscription customers, billed upfront, to help meet its free cash flow targets. During the relevant period, the company engaged in programs designed to incentivize customers to accept multiyear upfront billing, renew early, and/or pay before the end of the fiscal year.
- The company has disclosed its practice of incentivizing customers to adopt multiyear upfront billing arrangements. It has also acknowledged that discounted multiyear upfront contracts reduce revenue and lower billings in out years. Though prior to fiscal year 2024, the company did not quantify free cash flow attributable to multiyear upfront billings, it has noted the contribution of upfront collections to fluctuations in the company's quarterly reported long-term deferred revenue.
- 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.
- In addition, during the relevant period, certain decisions regarding discretionary spending, collections, and accounts payable were informed by their anticipated effects on the company's external free cash flow and/or non-GAAP operating margin targets. The resulting actions generally served to reduce reported free cash flow and/or lower reported margin in the current period. Though free cash flow was one factor in the company's executive compensation program, these decisions were not calculated to influence compensation outcomes.

The Audit Committee proposed certain remedial measures including: reviewing certain processes around financial communications and disclosures; assessing certain company organizational functions and responsibilities; and adopting and enhancing policies and processes related to the matters investigated.

Separate from the Audit Committee's findings, the company notes that multiyear upfront billings of enterprise customers in fiscal year 2024 was substantially lower than fiscal years 2022 and 2023.

Preliminary results for first quarter fiscal 2025 and business outlook

Autodesk also announced preliminary results for the first quarter fiscal 2025 and business outlook as follows:

First Quarter Fiscal 2025 Preliminary Results

	Q1 FY25 (ending April 30, 2024)
Revenue	approximately $1.42 billion
GAAP diluted EPS	approximately $1.16
Non-GAAP diluted EPS (1)	approximately $1.87

(1) Non-GAAP earnings per diluted share excludes approximately $0.69 related to stock-based compensation expense, $0.05 and $0.07 for the amortization of purchased intangibles and developed technologies, respectively, $0.07 for acquisition-related costs, and $0.02 for valuation allowance on deferred tax assets, partially offset by ($0.19) related to GAAP-only tax charges.

Business Outlook

The following are forward-looking statements based on current expectations and assumptions, and involve risks and uncertainties, some of which are set forth below under "Safe Harbor Statement." Autodesk's business outlook for the second quarter and full-year fiscal 2025 considers the current economic environment and foreign exchange currency rate environment. A reconciliation between the fiscal 2025 GAAP and non-GAAP estimates is provided below.

Second Quarter Fiscal 2025

Q2 FY25 Guidance Metrics	**Q2 FY25 (ending July 31, 2024)**
Revenue (in millions)	$1,475 - $1,490
EPS GAAP	$1.12 - $1.18
EPS non-GAAP (1)	$1.98 - $2.04

(1) Non-GAAP earnings per diluted share excludes $0.80 related to stock-based compensation expense, $0.15 for the amortization of both purchased intangibles and developed technologies, and $0.07 for acquisition-related costs, partially offset by ($0.16) related to GAAP-only tax charges.

Full Year Fiscal 2025

FY25 Guidance Metrics	**FY25 (ending January 31, 2025)**
	$5,810 - $5,960
Billings (in millions)	Up 12% - 15%
	$5,990 - $6,090
Revenue (in millions) (1)	Up 9% - 11%
GAAP operating margin	21% - 22%
Non-GAAP operating margin (2)	35% - 36%
EPS GAAP	$4.71 - $4.93
EPS non-GAAP (3)	$7.99 - $8.21
Free cash flow (in millions) (4)	$1,430 - $1,500

(1) Excluding the impact of foreign currency exchange rates and hedge gains/losses, revenue guidance range would be approximately 1 percentage point higher.

(2) Non-GAAP operating margin excludes approximately 11% related to stock-based compensation expense, approximately 2% for the amortization of both purchased intangibles and developed technologies, and approximately 1% related to acquisition-related costs.

(3) Non-GAAP earnings per diluted share excludes $3.16 related to stock-based compensation expense, $0.57 for the amortization of both purchased intangibles and developed technologies, and $0.20 related to acquisition-related costs, partially offset by ($0.65) related to GAAP-only tax charges.

(4) Free cash flow is cash flow from operating activities less approximately $30 million of capital expenditures.

The second quarter and full-year fiscal 2025 outlook assume a projected annual effective tax rate of 21 percent and 19 percent for GAAP and non-GAAP results, respectively. Shifts in geographic profitability continue to impact the annual effective tax rate due to significant differences in tax rates in various jurisdictions. Therefore, assumptions for the annual effective tax rate are evaluated regularly and may change based on the projected geographic mix of earnings.

Safe Harbor Statement

This press release contains forward-looking statements that involve risks and uncertainties, including statements regarding our preliminary first quarter fiscal 2025 results, statements in the paragraphs under "Business Outlook" above, statements about our short-term and long-term goals, statements regarding our strategies, market and product positions, performance and results, and all statements that are not historical facts. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including: any adjustments that could be made prior to filing our annual report on Form 10-K and announcing our first quarter fiscal 2025 results, the risk that the completion and filing of the Form 10-K will take longer than expected; our strategy to develop and introduce new products and services and to move to platforms and capabilities, exposing us to risks such as limited customer acceptance (both new and existing customers), costs related to product defects, and large expenditures; global economic and political conditions, including foreign exchange headwinds, recessionary fears, supply chain disruptions, resulting inflationary pressures and hiring conditions; costs and challenges associated with strategic acquisitions and investments; dependency on international revenue and operations, exposing us to significant international regulatory, economic, intellectual property, collections, currency exchange rate, taxation, political, and other risks, including risks related to the war against Ukraine launched by Russia and our exit from Russia; inability to predict subscription renewal rates and their impact on our future revenue and operating results; existing and increased competition and rapidly evolving technological changes; fluctuation of our financial results, key metrics and other operating metrics; our transition from up front to annual billings for multi-year contracts; deriving a substantial portion of our net revenue from a small number of solutions, including our AutoCAD-based software products and collections; any failure to successfully execute and manage initiatives to realign or introduce new business and sales initiatives; net revenue, billings, earnings, cash flow, or new or existing subscriptions shortfalls; social and ethical issues relating to the use of artificial intelligence in our offerings; our ability to maintain security levels and service performance meeting the expectations of our customers, and the resources and costs required to avoid unanticipated downtime and prevent, detect and remediate performance degradation and security breaches; security incidents or other incidents compromising the integrity of our or our customers' offerings, services, data, or intellectual property; reliance on third parties to provide us with a number of operational and technical services as well as software; our highly complex software, which may contain undetected errors, defects, or vulnerabilities; increasing regulatory focus on privacy issues and expanding laws; governmental export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate the controls; protection of our intellectual property rights and intellectual property infringement claims from others; the government procurement process; fluctuations in currency exchange rates; our debt service obligations; and our investment portfolio consisting of a variety of investment vehicles that are subject to interest rate trends, market volatility, and other economic factors. Our estimates as to tax rate are based on current tax law, including current interpretations of the Tax Cuts and Jobs Act, and could be affected by changing interpretations of that Act, as well as additional legislation and guidance around that Act.

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

About Autodesk

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

SOURCE Autodesk, Inc.

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