



# Investor overview

Driving Sustainable Growth at Scale

December 2021



# Safe harbor

This presentation contains forward-looking statements about our strategies, products, future results, performance or achievements, financial, operational and otherwise, including statements about our strategic priorities and guidance for future periods; total addressable market (TAM), our long term financial and operational goals; our M&A strategy; our capital allocation initiatives; our stock repurchase program; and our environmental, social and governance goals. These statements reflect management's current expectations, estimates and assumptions based on the information currently available to us. These forward-looking statements are not guarantees of future performance and involve significant risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from results, performance or achievements expressed or implied by the forward-looking statements contained in these presentations, such as a failure to maintain subscriptions, billings, revenue, deferred revenue, margins and cash flow growth; difficulty in predicting those financial and performance metrics; failure to maintain spend management; developments in the COVID-19 pandemic and the resulting impact on our business and operations, general market, political, economic, and business conditions, including supply chain disruptions, resulting inflationary pressures and hiring conditions, failure to successfully integrate acquisitions and manage transitions to new business models and markets, including our efforts to expand in construction and manufacturing, and attract customers to our cloud-based offerings; failure to successfully expand adoption of our products; and negative developments in worldwide economic, business or political conditions.

A discussion of factors that may affect future results is contained in our most recent Form 10-K and Form 10-Q filings available at [www.sec.gov](http://www.sec.gov), including descriptions of the risk factors that may impact us and the forward-looking statements made in this presentation. The forward-looking statements made in this presentation are being made as of the time and date of their live presentation. If this presentation is reviewed after the time and date of its live presentation, even if subsequently made available by us, on our website or otherwise, this presentation may not contain current or accurate information. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events or otherwise.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures. Please see the section entitled "Reconciliation of GAAP Financial Measures to non-GAAP Financial Measures" in the Appendices attached to the presentations for an explanation of management's use of these measures and a reconciliation of the most directly comparable GAAP financial measures.



Our company



Where we're going



How we'll get there

## Our company

- A growth company with a strong track record of execution
- An expanding total addressable market with a resilient subscription foundation
- Deploying capital with discipline and focus

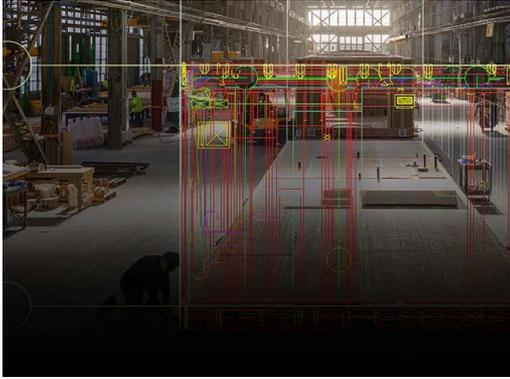


Where we're going



How we'll get there

# Global leader in design software and services



## Architecture, Engineering & Construction (AEC)

Improving the way building, infrastructure, and industrial projects are designed, built, and operated

- Autodesk Architecture, Engineering & Construction Collection
- Autodesk AutoCAD
- Autodesk Construction Cloud
- Autodesk Revit



## Design & Manufacturing

Providing manufacturers with comprehensive digital design, engineering, manufacturing, and production solutions

- Autodesk Design & Manufacturing Collection
- Autodesk Fusion 360
- Autodesk Inventor



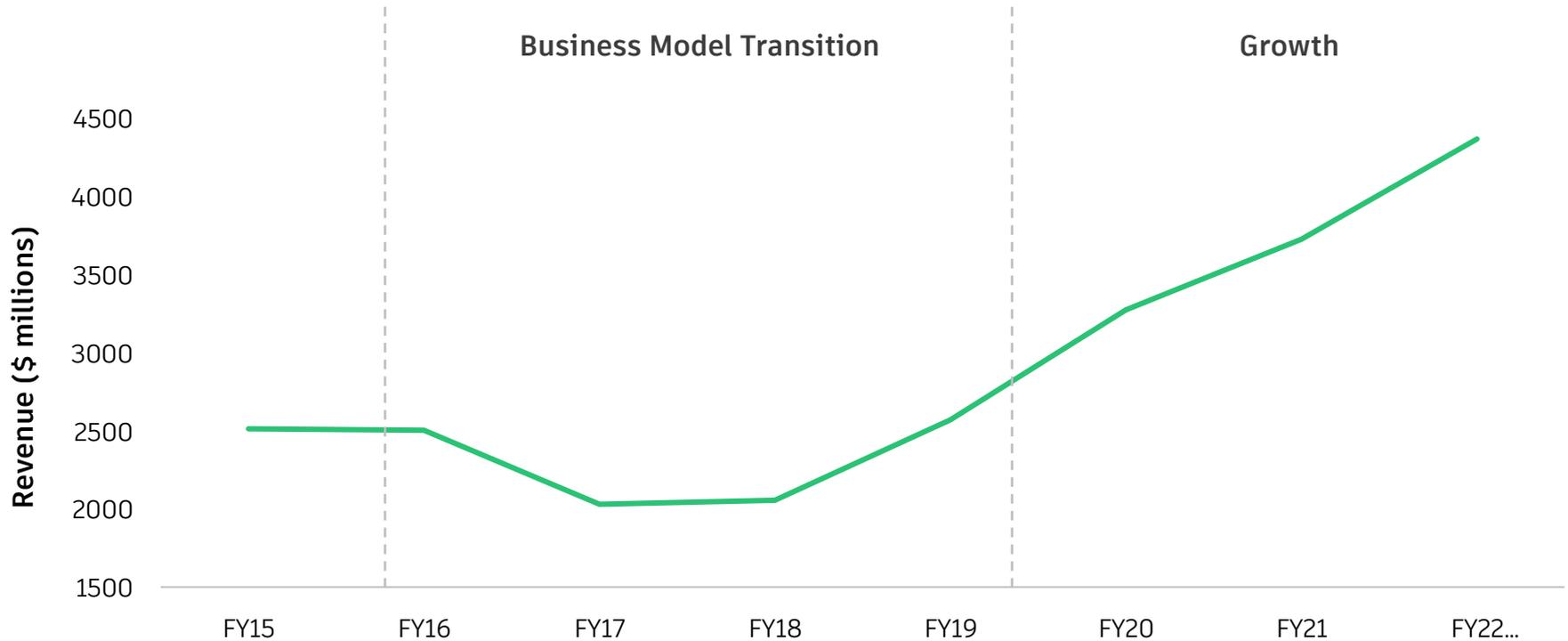
## Media & Entertainment

Providing tools for digital sculpting, modeling, animation, effects, rendering, and compositing for design visualization, visual effects, and games production

- Autodesk Media & Entertainment Collection
- Autodesk Maya
- Autodesk ShotGrid

# A growth company

Consistent revenue growth since completing the business model transition



# Expanding total addressable market

**\$62B**

FY22



**\$78B**

FY26

Source:  
Cambashi FY22 Application TAM  
Models based on Cambashi FY22 Professions Dataset and Autodesk estimates  
Global Water Intelligence 2021 figures in addition to internal estimates

# Resilient subscription foundation

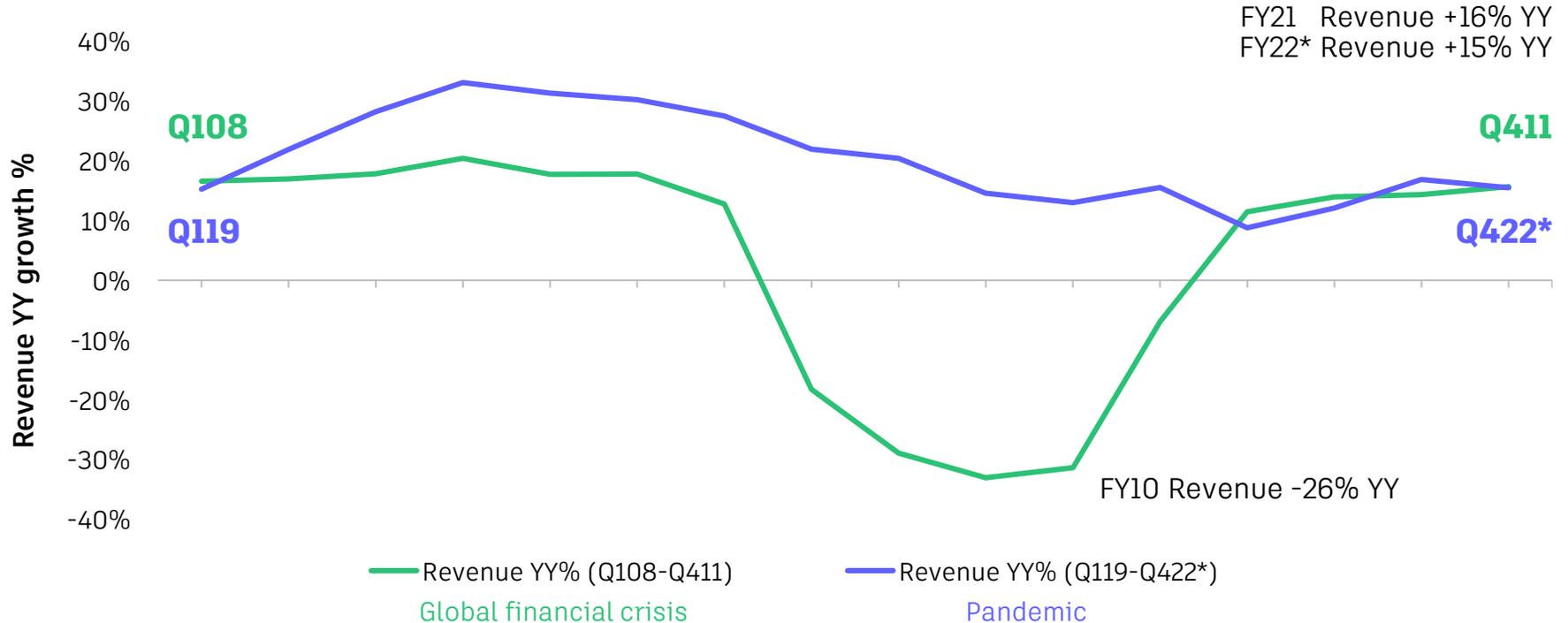
Business model shift to subscription reduces volatility

# 97%

FY21 Recurring Revenue

# A more resilient company

The great financial crisis versus the COVID-19 pandemic



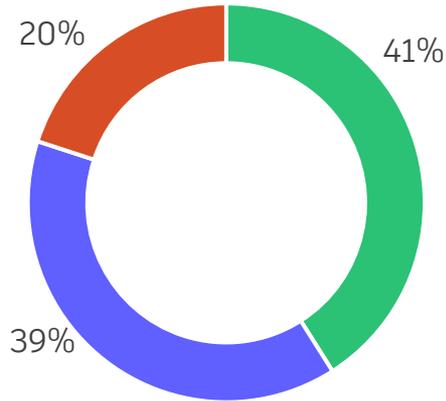
\*Q3, Q4 and FY22 Revenue represents mid-point of guidance

# Diversified product portfolio and customer base

Revenue diversification at scale across geographies, product families and customers

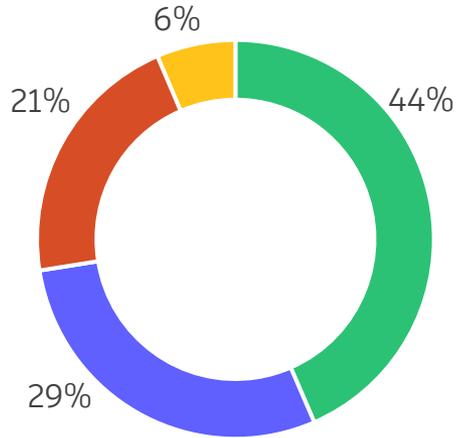
FY21 Revenue  
by Geography

■ AMER ■ EMEA ■ APAC



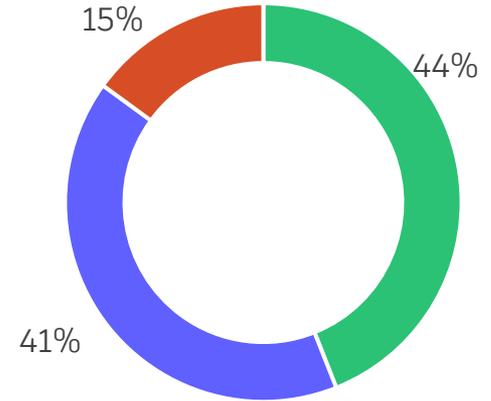
FY21 Net Revenue  
by Product Family

■ AEC ■ AutoCAD and AutoCAD LT ■ MFG ■ M&E/Other



FY21 Net Revenue  
by Customer Size

■ Medium ■ Large ■ Small



Small represents customers with fewer than 20 employees and 15 seats  
Medium represents customers with 20 to 5,000 employees and fewer than 1,000 seats  
Large represents customers with more than 5,000 employees or 1,000 seats

# Capital discipline and focus

## Capital allocation strategy



### Invest in Organic Growth

- AI/Machine learning
- Platform
- Cloud



### Invest in M&A to enhance growth potential

- Adjacent personas
- Adjacent verticals
- End-to-end solutions



### Return capital to shareholders

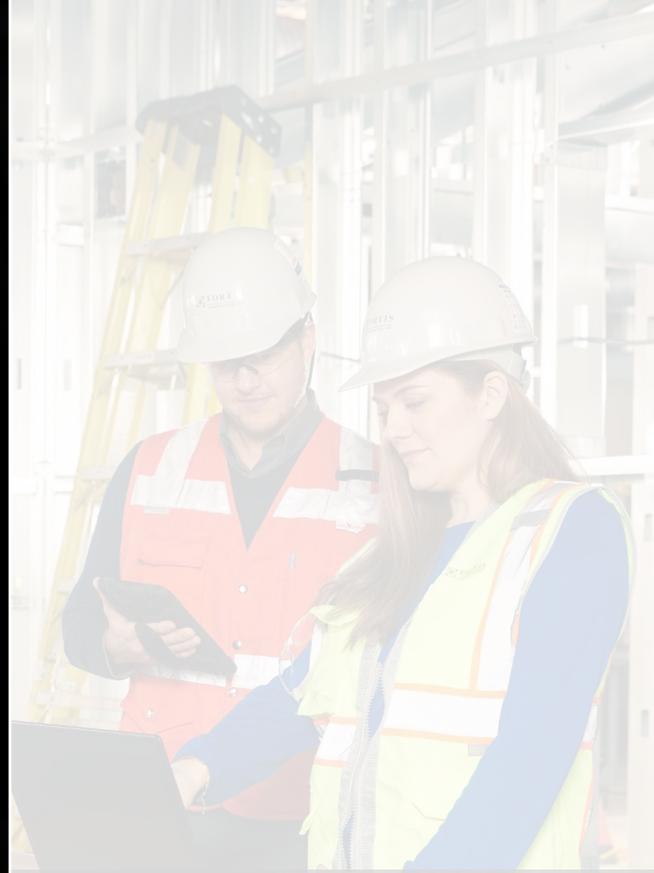
- Sustained
- Grids
- Offset Dilution



Our company

## Where we're going

- Sustainable double-digit growth
- Ongoing cost discipline and operating efficiency
- Amplifying our impact



How we'll get there

# Double digit growth FY 23 to FY 26



Double Digit  
Revenue Growth



Double digit FCF  
CAGR

# Ongoing cost discipline and operating efficiency

## Non-GAAP Operating Margin

**29%**

Fiscal 21

**~31%**

Fiscal 22

**38-40%**

Fiscal 23-26 Model

Non-GAAP to GAAP reconciliations for FY21 and FY22 are included in the Appendix. A reconciliation for the non-GAAP metrics in the FY23-26 model is not available because certain items Autodesk traditionally excludes from the non-GAAP metrics cannot be reasonably calculated or predicted at this time. The effect of these items may be significant.

# Our Impact Strategy

Impact strategy drives progress in our operations, with customers, across industry



## Focus: Improving our Operations

Advance sustainable business practices across our culture, governance, and operations

-  Governance & Accountability ▶ Sustainability & Foundation Team directly responsible for ESG strategy and execution with CEO oversight
-  Risk Management ▶ Identify and mitigate climate change and other ESG risks and negative impacts
-  Metrics & Targets ▶ Set bold targets based on climate science and other contexts to drive progress



## Focus: Partnering with Customers

Empower customers to improve the impact of design and make decisions

-  Energy & Materials ▶ Use energy and materials more efficiently, reduce waste and accelerate the shift to a low carbon economy
-  Health & Resilience ▶ Design and make products that are safer, healthier, more resilient, and better connected for all involved
-  Work & Prosperity ▶ Enabling workforces to adapt and thrive in an ever-changing world



## Focus: Advancing Industries & SDGs

Accelerate industry collaboration and innovation between and beyond our industries



# Autodesk at the forefront of sustainability

## Driving net-zero carbon emissions



### Commitments

- **Report** climate change information in mainstream financial reporting
- Conduct **responsible** corporate engagement in climate change policy
- Continue to use an **internal price** on carbon
- **Engage suppliers** to set greenhouse gas emissions reduction targets



### Targets

- **Net-Zero Carbon emissions** for Scopes 1,2 and 3 annually, beginning FY21<sup>(1)</sup>
- **100% renewable energy** powering our facilities, cloud services, and employee wfh<sup>(1)</sup>
- **50% reduction** in scope 1 and 2 GHG emissions by FY31<sup>(2)</sup>
- **25% minimum reduction** in scope 3 GHG emissions per dollar of gross profit by FY31<sup>(2)</sup>



### Investment Priorities

- **Efficiency:** Improve our performance while reducing costs and GHG footprint
- **Renewable Energy:** Since FY16, we have purchased 92,500MWh of RE
- **Net-Zero Carbon leadership:** Resources and support for our suppliers
- **Carbon offset and removal:** In FY21 alone we invested over \$1M that offset 126,000 metric tons of CO<sub>2</sub>e

(1) Achieved in FY2021 and ongoing (2) Compared to FY 2020

(3) For details on our targets, please refer to our FY21 Impact Report here



# Social impact via diversity

## Diversity and belonging objectives and goals

### Attract a diverse workforce

#### Objective

Increase representation of women in tech, women in sales, and underrepresented people of color employees in the United States

#### Goals (by the End of Fiscal Year 2024)<sup>(1)</sup>

Increase the number of women in tech roles globally by

**25%**

Increase the number of US employees who are underrepresented people<sup>(2)</sup> of color by

**30%**

Increase the number of US Black employees by

**100%**

### Expand leadership diversity

#### Objective

Increase geographic and demographic diversity of leadership

#### Goals (by the End of Fiscal Year 2024)<sup>(1)</sup>

Increase the number of leaders (director and above) based in EMEA, APAC, Japan, Canada, and LATAM by

**10%**

Increase the number of leaders (senior director and above) in the United States who are people of color<sup>(3)</sup> by

**40%**

Increase the number of Black and Latinx leaders (senior director and above) in the United States by

**300%**

### Foster a culture of belonging

#### Objective

Transform our culture so that all employees feel they belong

#### Goals (by the End of Fiscal Year 2024)<sup>(1)</sup>

Reduce gaps between all demographic groups and company-wide survey scores on belonging to

**5 Points or less**

Increase the number of leaders (senior director and above) in the United States who are people of color<sup>(3)</sup> by

**5 Points or less**

Increase the number of Black and Latinx leaders (senior director and above) in the United States by

**75%**

Notes:

Compared to the beginning of fiscal year 2022.

Underrepresented people of color includes the following United States EEO-1 categories: Black, Latinx, Native Hawaiian or Pacific Islander, Native American, or Alaska Native.

People of color includes the following United States EEO-1 categories: Asian, Black, Latinx, Native Hawaiian, or Pacific Islander, Native American or Alaska Native, Two or More Races.

# Diverse board with critical skills

## Overview of our Board



**Stacy J. Smith**  
Non-Executive Chairman,  
Autodesk  
Joined in 2011



**Andrew Anagnost**  
President and CEO, Autodesk  
Joined in 2017



**Karen Blasing**  
Former CFO, Guidewire  
Software  
Joined in 2018



**Mary T. McDowell**  
CEO, Mitel Networks  
Corporation  
Joined in 2010



**Reid French**  
Former CEO, Applied Systems  
Joined in 2017



**Stephen Milligan**  
Former CEO, Western Digital  
Joined in 2018



**Dr. Ayanna Howard**  
Dean, College of Engineering,  
Ohio State University; CTO &  
Co-founder, Zyrobotics  
Joined in 2019



**Lorrie M. Norrington**  
Adviser and Operating Partner,  
Lead Edge Capital  
Joined in 2011



**Blake Irving**  
Former CEO, GoDaddy Inc.  
Joined in 2019



**Elizabeth (Betsy) Rafael**  
Former CTO, GoDaddy  
Joined in 2013

### Directors bring critical skills and an effective mix of experience and knowledge

#### Technology Industry Experience



#### Financial Experience



#### Senior Leadership Experience



#### International Experience



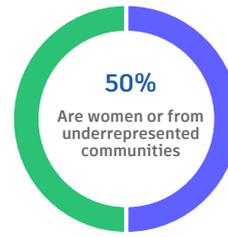
#### Other Public Company Board Service



#### Tenure



#### Diversity



#### Age



# Committed to privacy and data security

We are committed to incorporating the core principles and requirements of applicable global laws into our global privacy and data protection program

## Data Security

### Build Secure



We build security into our products and services from the ground up

### Run Secure



We also build security directly into deployment infrastructure

### Stay Secure



We proactively defend against threats with appropriate response

## Privacy

### Protect Privacy



We build privacy into our products and services, to keep pace with regulations and customer expectations

### Choice & Transparency



We are committed to being transparent in what data we collect, use, share and store

### Privacy Principles



Our principles apply worldwide across development plans, businesses and operations

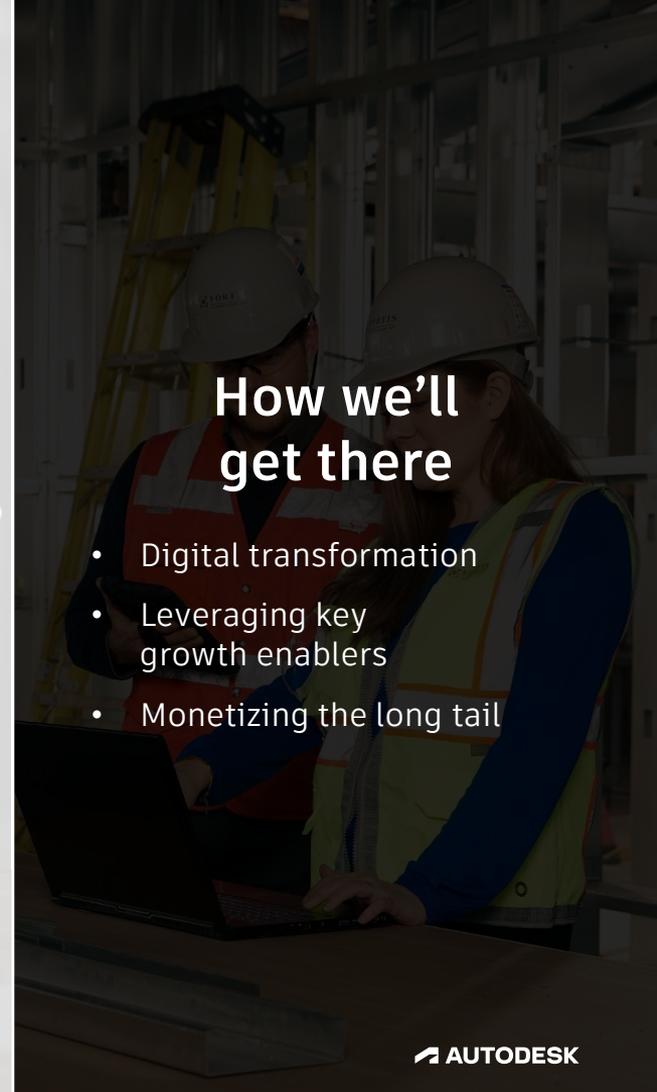
For details on our privacy statement, please click [here](#)



Our company



Where we're going



## How we'll get there

- Digital transformation
- Leveraging key growth enablers
- Monetizing the long tail

# A strong base

Growing renewal base, strong net revenue retention

**5.3M**

Total subscriptions  
Fiscal 21

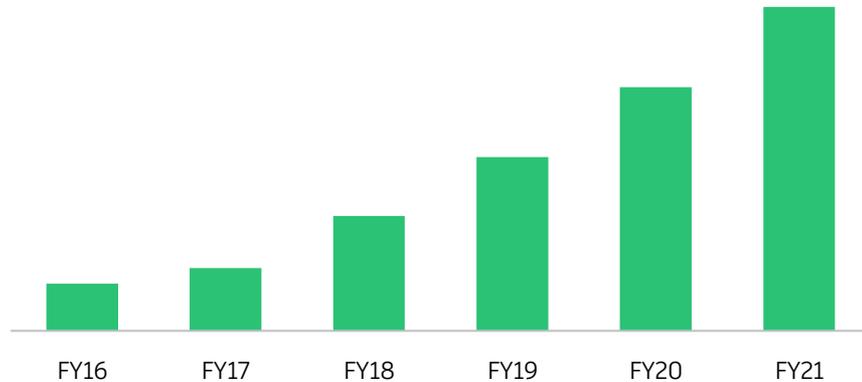
**100-110%**

Net revenue retention rate  
Fiscal 21

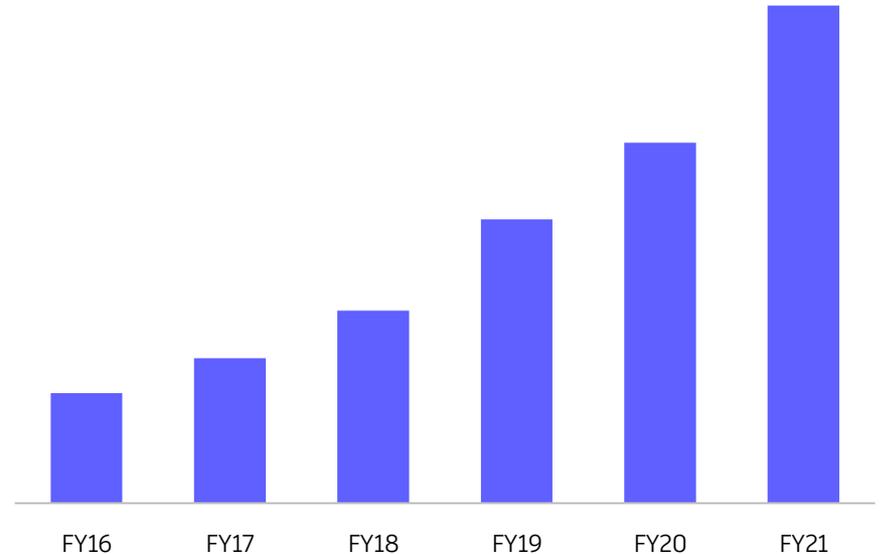
# Growing direct sales

Driving growth in direct sales through digital and enterprise channels

## Digital Sales



## Enterprise Sales



# More consistent free cash flow

Moving from multi-year, up-front product subscriptions to annual billings

## Today

Multi-year product subscription contracts with **up-front** billings:



### Customer:

- Price certainty
- Discount versus an annual subscription
- Large, up-front capital outlay



### Autodesk

- Inconsistent free cash flow
- Predictable revenue stream
- Lower price realization with discount

## FY24 and beyond

Multi-year product subscription contracts with **annual** billings:



### Customer:

- Price certainty
- Predictable annual capital outlay



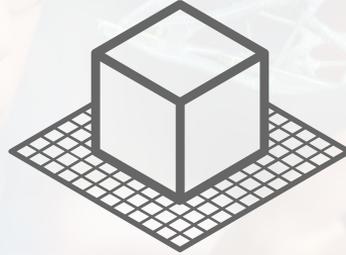
### Autodesk

- More consistent free cash flow
- Predictable revenue stream
- Higher price realization without discount

# Digital transformation



1. Convergence  
of **design & build**  
in AEC



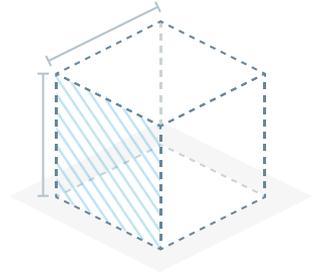
2. Convergence of  
**design & make**  
in manufacturing



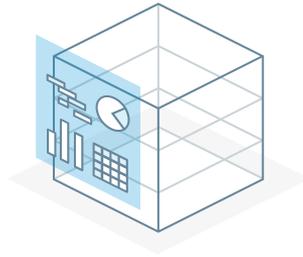
3. Integration of  
**adjacent verticals**

# 1. Convergence of design and build in AEC

Driving data through the construction lifecycle to increase efficiency and sustainability



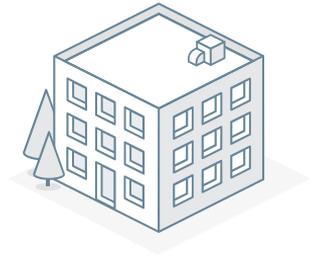
Design



Plan



Build



Operate



## Design

Increased adoption of BIM drives  
2D to 3D conversion

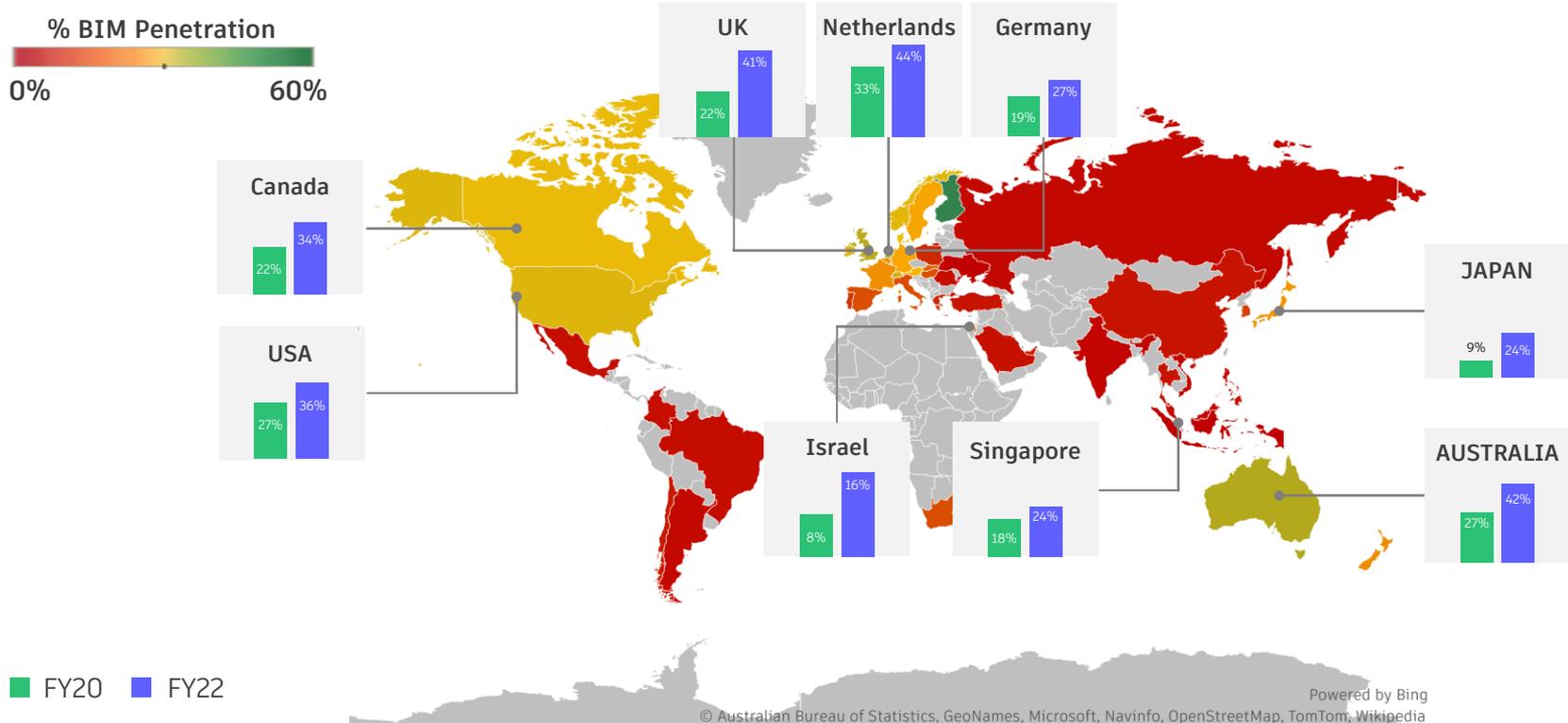


## Build

Integrate Construction Cloud Across  
the entire process

# Growing Penetration of BIM

Building Information Modelling (BIM) enables data driven decision making



# Why we win in architecture and engineering



Technology leader  
in AEC



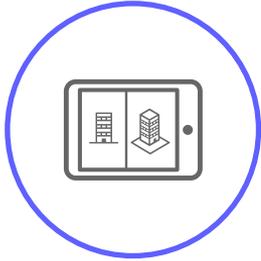
Spanning the entire  
project ecosystem for  
multiple industries



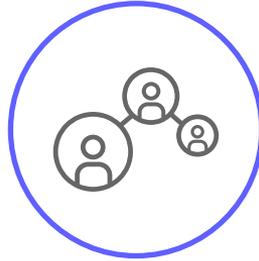
Vast ecosystem

By bringing our strengths together

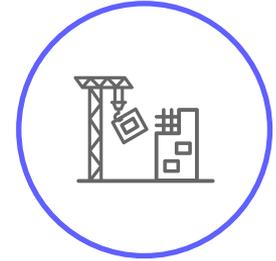
# Why we win in construction



**Autodesk construction  
cloud & data strategy**



**Go-to-market  
strategy**



**Future of  
construction**

# 2. Convergence of design and make in MFG

Driving data through the product lifecycle to increase efficiency and sustainability



## Design & Make Convergence

Share shift from siloed legacy solutions to an integrated cloud-based platform



Design



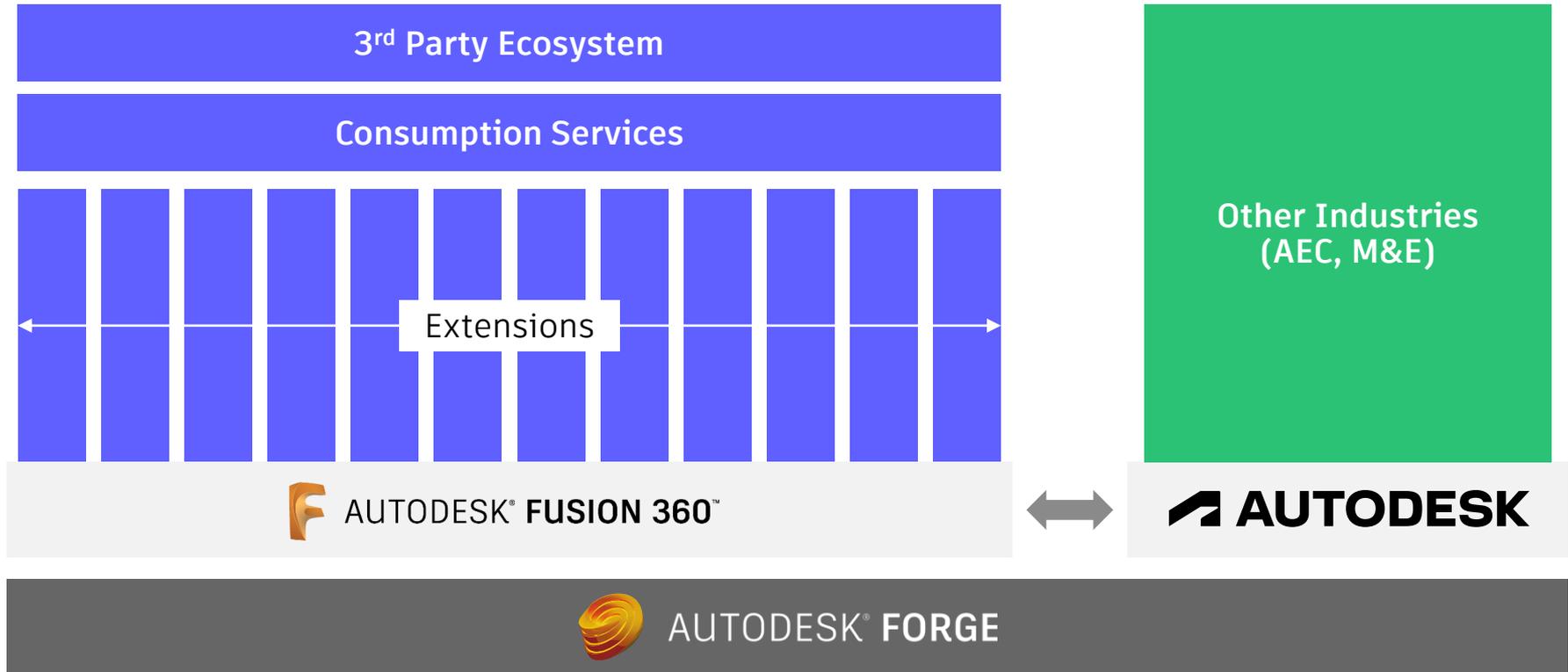
Make



Use

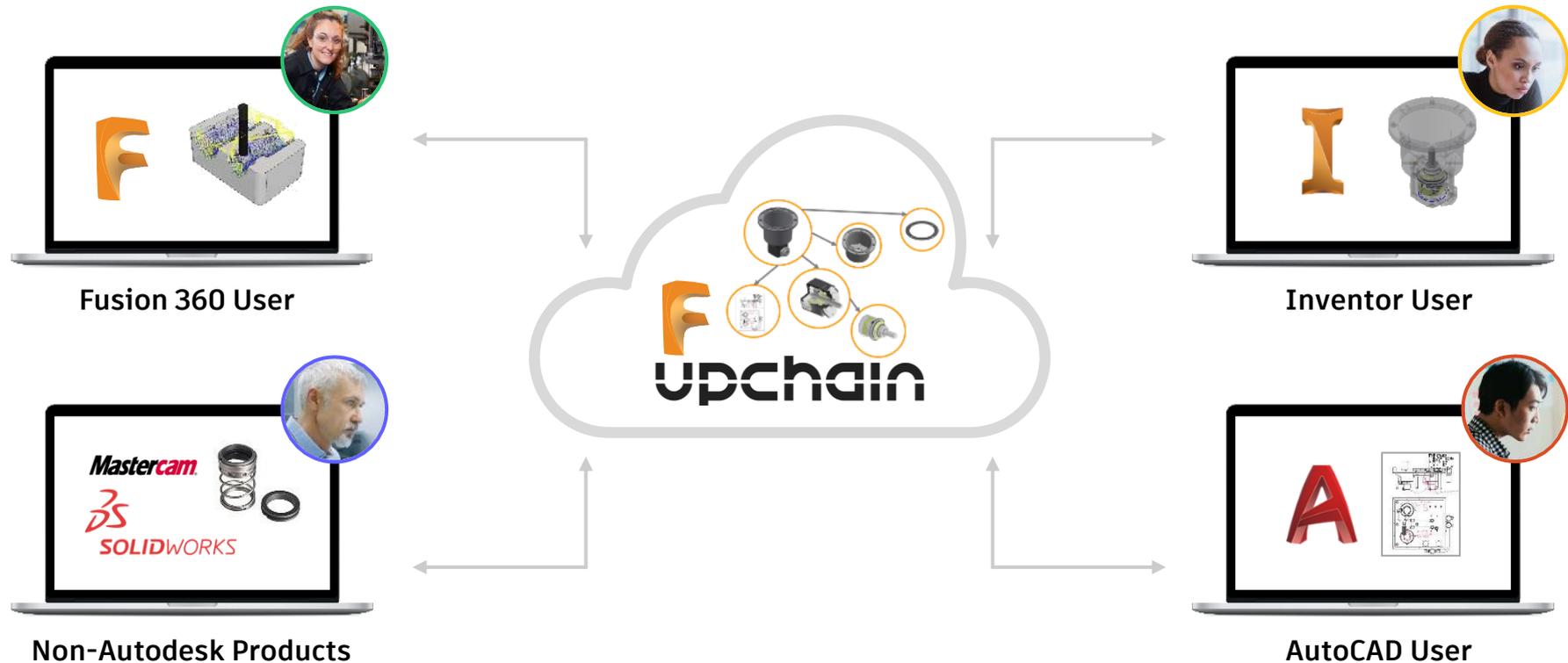
# Design & manufacturing platform

Convergence of manufacturing processes in the cloud



# Common-cloud data & lifecycle management

Connected data creates multiple onramps into the Fusion 360 ecosystem



# Fusion 360's disruptive business model

\$5,000 - \$50,000

VS

\$495  
Subscription per year

\$495 - \$1,600  
Extension per year



# Why we win in manufacturing



**Strength in core  
design & make**



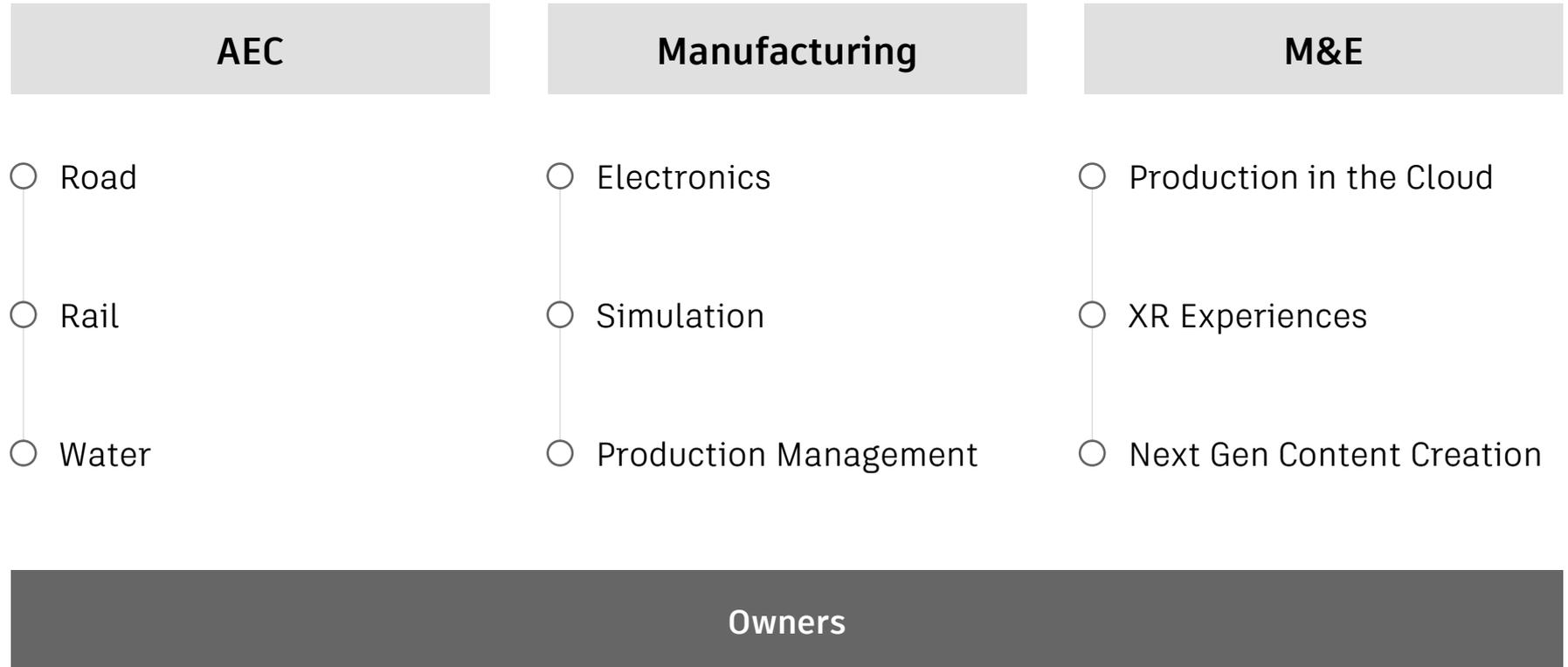
**Bridge silos  
with data**



**Converge  
with platform**

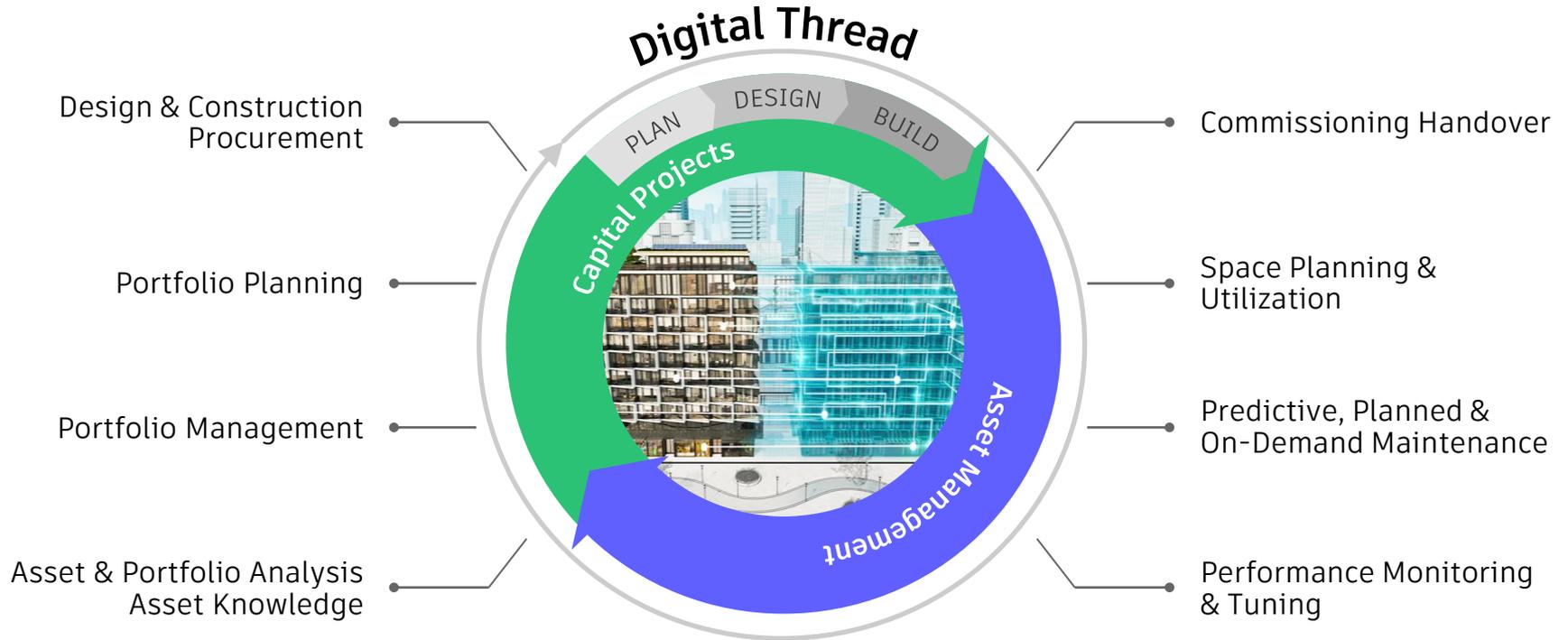
# 3. Integration of Adjacent Verticals

End-to-end full lifecycle solutions, adding new use cases and usage



# Owners

Digital Twin, Tandem, Transforms the Built Asset Lifecycle



# Owners

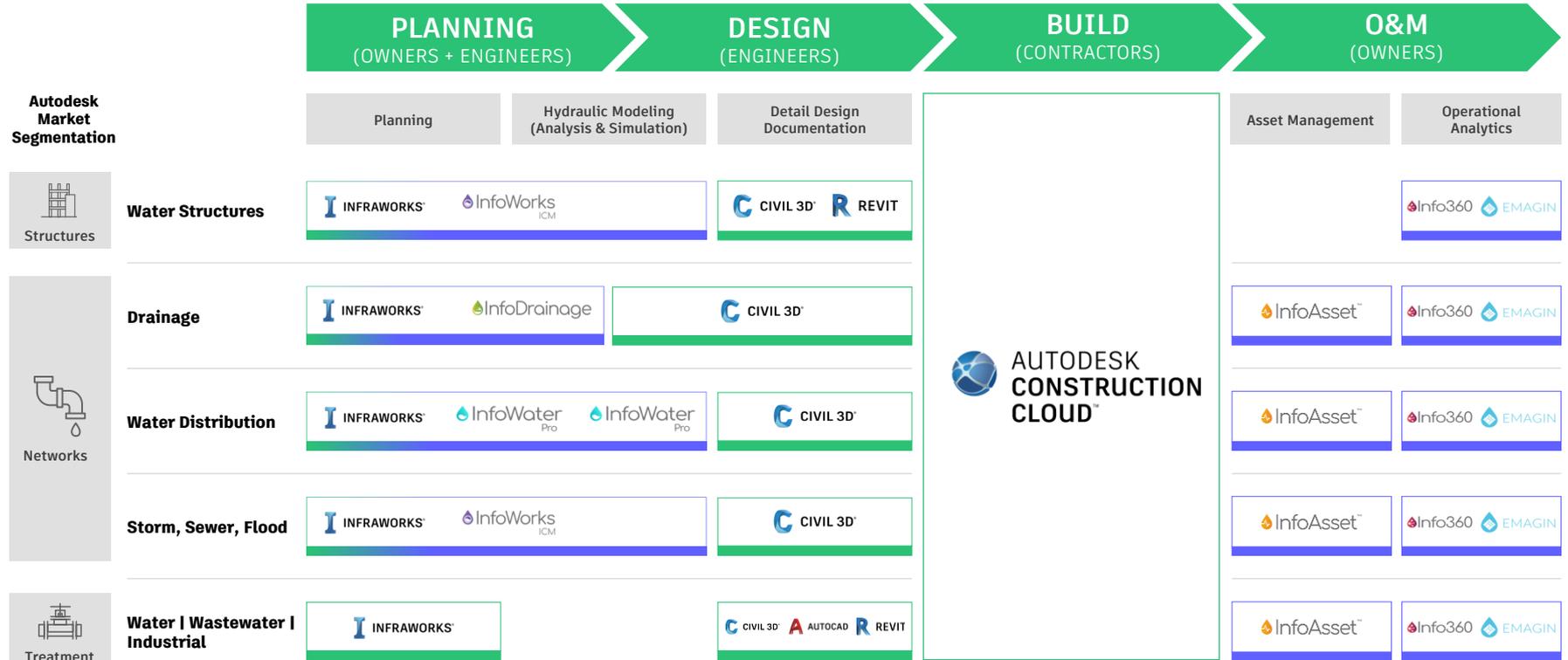
## Tandem's Existing and Planned Workflows and Personas

	Tandem Platform	Autodesk Tandem			Autodesk Tandem Pro		
Workflow	 <p><b>Integrate</b></p> <p>Power a digital twin ecosystem via open access to asset and space information built on Autodesk Forge</p>	 <p><b>Specify</b></p> <p>Define and manage asset and space information requirements</p>	 <p><b>Capture</b></p> <p>Aggregate, view, query, update, and normalize asset and space data</p>	 <p><b>Verify</b></p> <p>Validate asset and space information deliverables via user defined rules</p>	 <p><b>Monitor</b></p> <p>Ingest and correlate event data to monitor facilities through a single pane of glass</p>	 <p><b>Operate</b></p> <p>Easy to use, mobile centric predictive, planned, and on-demand maintenance</p>	 <p><b>Predict</b></p> <p>Analyze data to predict future events and inform decision making</p>
Personas	<ul style="list-style-type: none"> <li>Enterprise Developers</li> <li>3<sup>rd</sup> Party Developers</li> </ul>	<ul style="list-style-type: none"> <li>BIM Manager</li> <li>Capital Project Manager</li> <li>IT/Data Manager</li> </ul>	<ul style="list-style-type: none"> <li>BIM Manager</li> <li>Architects</li> <li>Engineers / Designers</li> <li>Project Managers</li> <li>Commissioning Agents</li> </ul>	<ul style="list-style-type: none"> <li>BIM Manager</li> <li>Commissioning Agents</li> <li>Capital Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>Facility Manager</li> <li>Operations Manager</li> </ul>	<ul style="list-style-type: none"> <li>Facility Manger</li> <li>Maintenance Technicians</li> <li>Occupant</li> </ul>	<ul style="list-style-type: none"> <li>Facility Manager</li> <li>Operations Manager</li> </ul>

AEC Project Team Persona | Owner/Operator Persona | Developer Persona

# Water infrastructure

## End-to-end full lifecycles solutions



# Digital transformation creates a better world



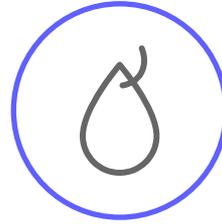
End-to-End digital solutions enable our customers to realize their sustainability goals



## Carbon

**40%** of global emissions from buildings<sup>(1)</sup>

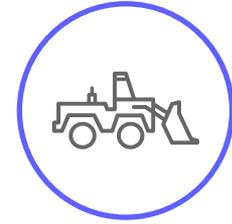
**19%** of global emissions from manufacturing<sup>(2)</sup>



## Water

**~2 trillion gallons** lost each year in the U.S.<sup>(3)</sup>

**~8 trillion gallons** lost each year worldwide<sup>(4)</sup>



## Waste

**1/3** of waste in developed world from construction<sup>(5)</sup>

**10%** of waste in Europe from manufacturing<sup>(6)</sup>

### Notes:

1. Architecture 2030 – Why buildings?
2. Autodesk FY21 Impact Report & IEA
3. NPR – As Infrastructure Crumbles, Trillions Of Gallons Of Water Lost

4. World Bank - What is non-revenue water? How can we reduce it for better water service?
5. Autodesk FY21 Impact Report & Eurostat
6. Sustainable Resource Recovery and Zero Waste Approaches



# Case study – green building design

## Architecture Engineering & Construction



**Autodesk customer saves client \$2.5M  
with net-zero building solutions**



### Results & Highlights

- An architecture firm is committed to AIA 2030 - calling on all new buildings to be carbon-neutral by 2030
- Has submitted more than 2.4 million square feet of projects to the 2030 Commitment thanks to digital processes
- Projects average 48% efficiency from design improvements



### Autodesk Solution

Design team used Autodesk technology to optimize building design for energy efficiency and net-zero carbon emissions, and automate processes to replicate on other projects:

- Revit and Insight used to analyze energy performance and target efficiency interventions across the building and submit to 2030 Commitment
- Infraworks provided insights on site context
- Dynamo automated tasks to streamline process



# Case study – green infrastructure

## Infrastructure Design & Construction



**Coastal highway project uses BIM to Reduce Carbon Emissions**



### Results & Highlights

- Design and construction of a 15-mile stretch of coastal highway, including five tunnels and fjord-spanning bridges, while reducing carbon emissions associated with construction
- Detailed parametric design reduced the amount of concrete needed, enabling a 15% emissions reduction for the Trysfjord bridge alone



### Autodesk Solution

Design teams used Autodesk technology to reduce materials and waste and improve constructability:

- Generative design, Revit and Dynamo scripts, and Autodesk Forge viewer used to federate and visualize data across multiple platforms

# Case study – water management and quality



## Water Infrastructure



**Harnessing Cloud Collaboration and 3D Modeling to Address a Public Health Crisis**



### Results & Highlights

- Redesigned and upgraded water system in the US Midwest after the city suffered a toxic algal bloom that compromised its aging water system



### Autodesk Solution

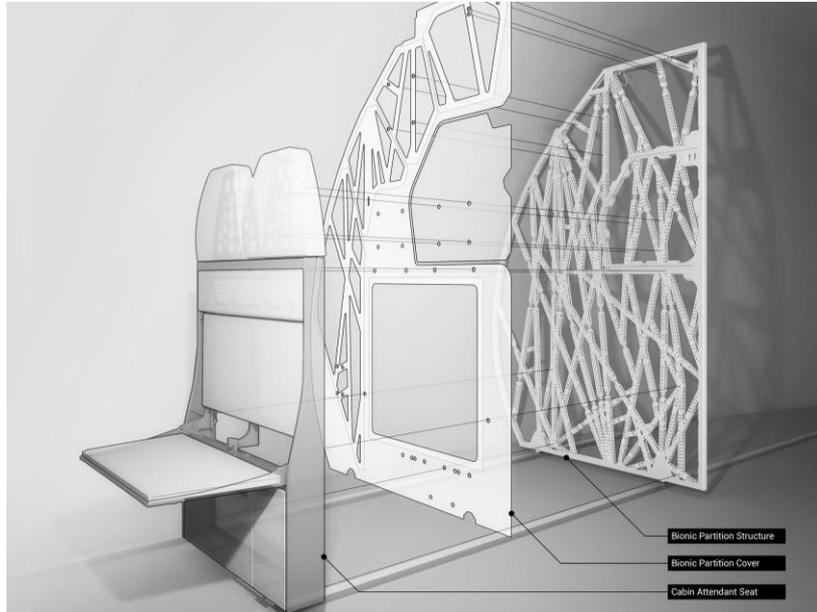
The geographically dispersed project team used Autodesk technology to deliver the project on time:

- BIM 360 collaboration solutions saved over 1,000 design hours
- ReCap and InfraWorks monitored construction with rich as-built models that could also be used for augmented and virtual reality



# Case study – manufacturing

## Product Design & Manufacturing



**Manufacturer makes “Bionic Partition”  
45% lighter saving 166 tons CO2 per  
plane per year**



### Results & Highlights

- The newly-designed bulkhead partition is inspired by slime molds to be stronger, thinner, and uses 95% less raw material
- 45% percent lighter, this one part will save 3,180 kg of jet fuel and 166 tons of CO2 per plane per year



### Autodesk Solution

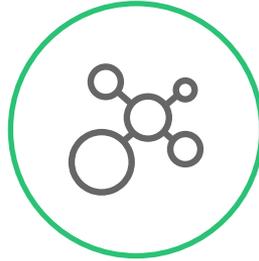
The customer used Autodesk technology to optimize design for strength and lightweighting, streamline 3D printing, and verify structural integrity with simulation:

- Autodesk Generative Design
- Autodesk Netfabb
- Autodesk Simulation

# Leveraging key growth enablers



**1. Business Model**



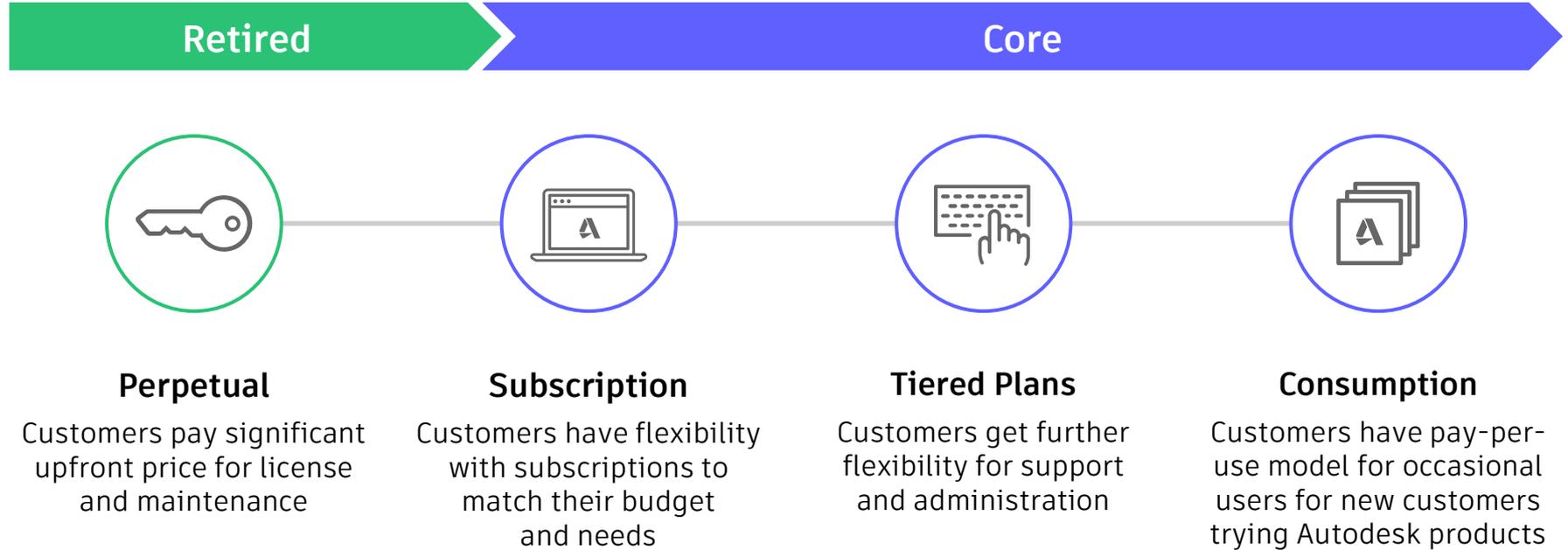
**2. Convergence of Industries**



**3. License Compliance**

# 1. Business model

Business model evolution enables more customers to access our ecosystems



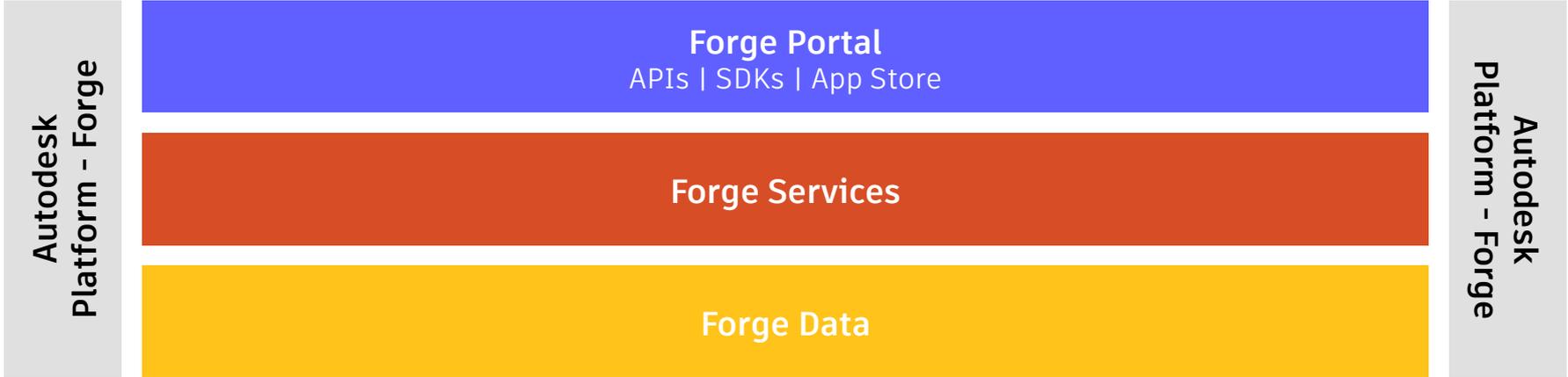
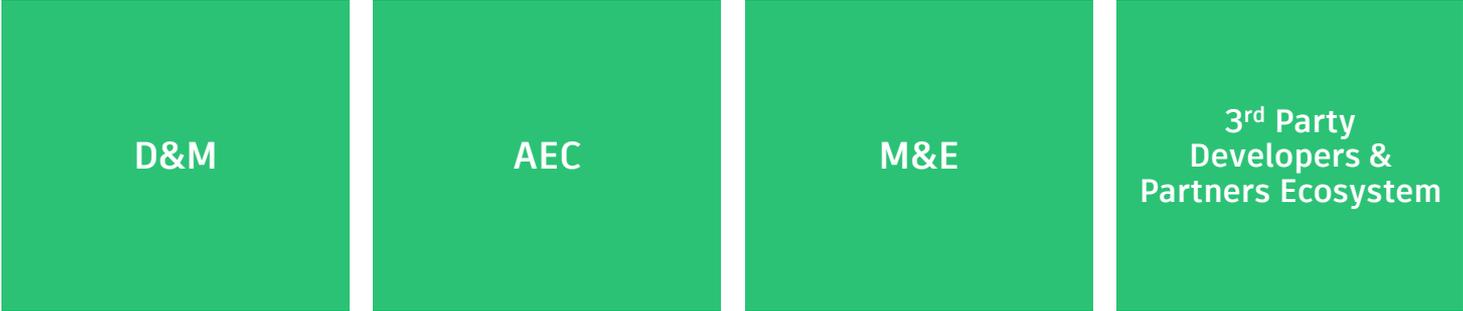
# Flexible business model

Configurable for go-to-market

 Product	Single Product	Collection	Portfolio	
 Term	Day	Month	Year	Multi-Year
 Access	Assigned	Flexible		
 Plan	Standard	Premium	Enterprise	
 Add Ons	Cam	Generative	Simulation	Consulting
 Payment	Cash	Token		

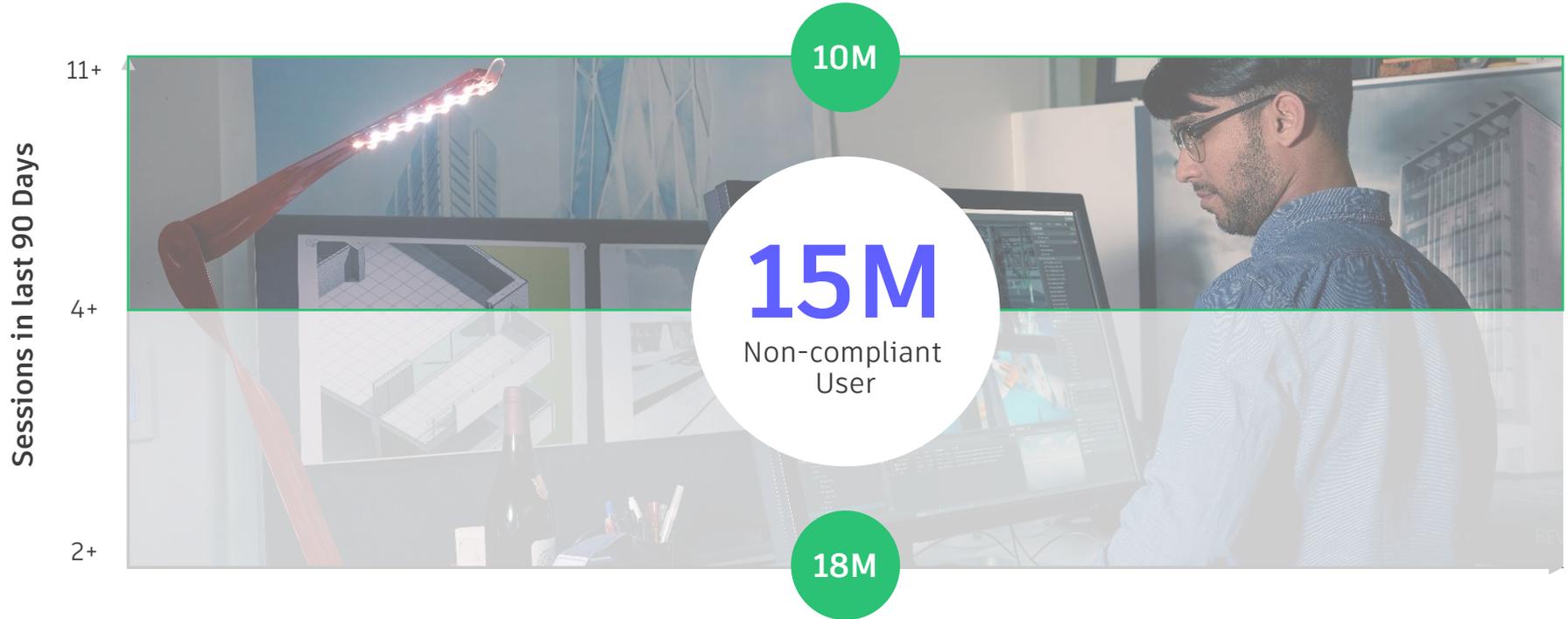
# 2. Convergence of industries

Collaboration and convergence with Forge-powered workflows



# 3. License-compliance

2M targetable non-compliant subscriptions within paying customer base



All Version 2013-2022

# Monetizing the long tail



1. Consumption



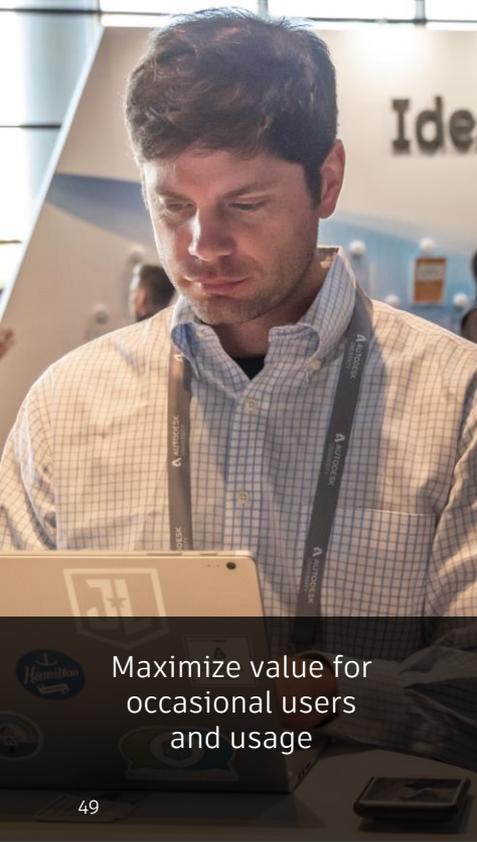
2. Platform



3. Ecosystem

# 1. Consumption

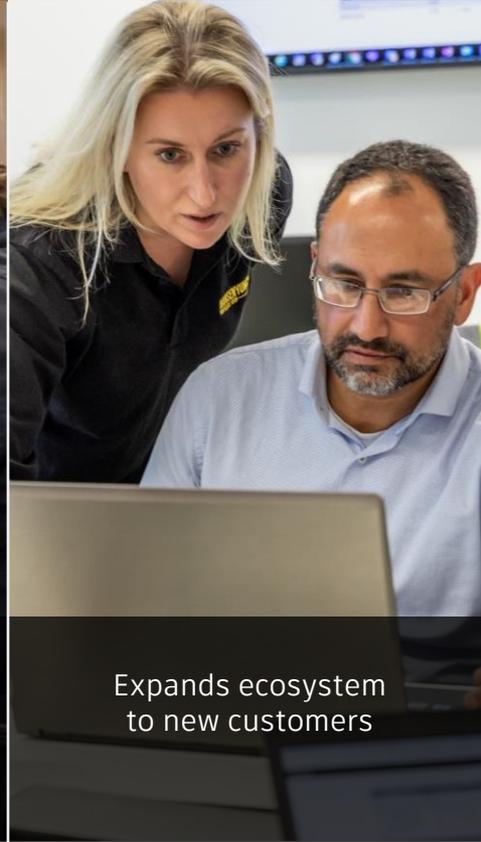
Flex is our innovative new model that changes how people get what they need



Maximize value for occasional users and usage



Lowers price of entry to try products across the portfolio



Expands ecosystem to new customers



Lends itself to project-oriented work

# 2. Platform

Forge powers convergence and acceleration of digital transformation



**Extending modern  
cloud services**



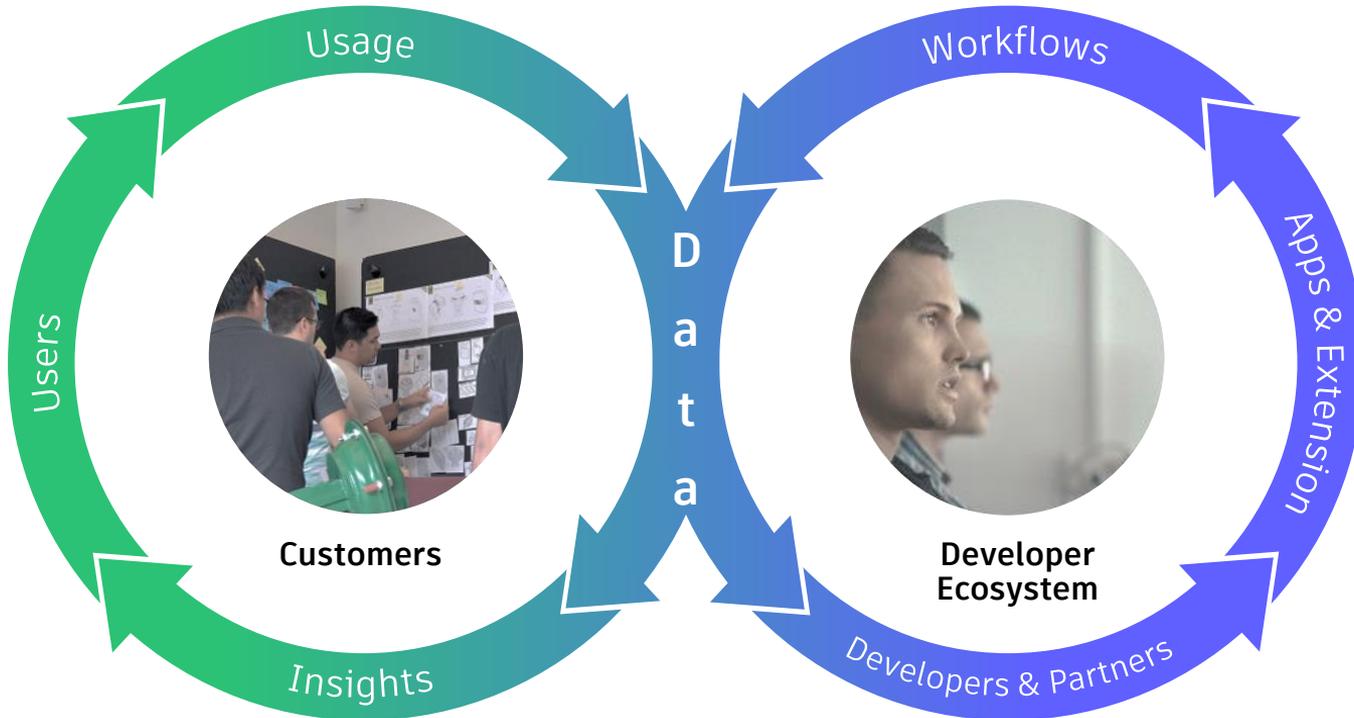
**Connecting data  
experiences**



**Igniting developer  
ecosystem**

# 3. Ecosystem

The flywheel of data and platform creates a vibrant ecosystem of new capabilities



# Sustainable growth at scale

Double-digit revenue and FCF growth



Compounding  
revenue growth



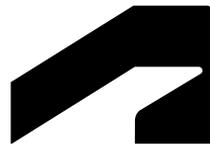
Sustainable  
margins



Consistent  
free cash  
flow growth



Continued capital  
discipline



# Appendix

# Additional Links

- [SEC Filings](#)
- [FY21 Impact Report](#)
- [Sustainability Financing Framework](#)
- [Customer Case Studies](#)
- [Corporate Governance](#)



# Reconciliation of GAAP financial measures to non-GAAP financial measures

(In millions, except per share data)

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

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

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

# GAAP to non-GAAP operating margin reconciliation

	FY21	FY22
<b>GAAP Operating Margin</b>	17%	~15%
Stock-based compensation expense	11%	~13%
Amortization of developed technologies	1%	-
Amortization of purchased intangibles	1%	~2%
Acquisition-related costs	-	~1%
<b>Non-GAAP Operating Margin</b>	<b>29%</b>	<b>~31%</b>

Totals may not sum due to rounding

# Glossary of terms

To help better understand our financial performance we use several key performance metrics including billings, recurring revenue, and net revenue retention rate ("NR3"). These metrics are key performance metrics and should be viewed independently of revenue and deferred revenue as these metrics are not intended to be combined with those items. We use these metrics to monitor the strength of our recurring business. We believe these metrics are useful to investors because they can help in monitoring the long-term health of our business. Our determination and presentation of these metrics may differ from that of other companies. The presentation of these metrics is meant to be considered in addition to, not as a substitute for or in isolation from, our financial measures prepared in accordance with GAAP.

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

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

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

**Design Business:** Represents the combination of maintenance, product subscriptions, and all EBAs. Main products include, but are not limited to, AutoCAD, AutoCAD LT, Industry Collections, Revit, Inventor, Maya and 3ds Max. Certain products, such as our computer aided manufacturing solutions, incorporate both Design and Make functionality and are classified as Design.

# Glossary of terms

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

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

**Industry Collections:** Autodesk Industry Collections are a combination of products and services that target a specific user objective and support a set of workflows for that objective. Our Industry Collections consist of: Autodesk Architecture, Engineering and Construction Collection, Autodesk Product Design & Manufacturing Collection, and Autodesk Media and Entertainment Collection.

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

**Make Business:** Represents certain cloud-based product subscriptions. Main products include, but are not limited to, Assemble, Autodesk Build, BuildingConnected, Fusion 360 and Shotgrid. Certain products, such as Fusion 360, incorporate both Design and Make functionality and are classified as Make.

# Glossary of terms

**Net Revenue Retention Rate (NR3):** Measures the year-over-year change in subscription and maintenance revenue for the population of customers that existed one year ago (“base customers”). Net revenue retention rate is calculated by dividing the current quarter subscription and maintenance revenue related to base customers by the total corresponding quarter subscription and maintenance revenue from one year ago. Subscription and maintenance revenue is based on USD reported revenue, and fluctuations caused by changes in foreign currency exchange rates and hedge gains or losses have not been eliminated. Subscription and maintenance revenue related to acquired companies, one year after acquisition, has been captured as existing customers until such data conforms to the calculation methodology. This may cause variability in the comparison.

**Other Revenue:** Consists of revenue from consulting, training, and other products and services, and is recognized as the products are delivered and services are performed.

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

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

# Glossary of terms

**Remaining Performance Obligations (RPO):** The sum of total short-term, long-term, and unbilled deferred revenue. Current remaining performance obligations is the amount of revenue we expect to recognize in the next twelve months.

**Spend:** The sum of cost of revenue and operating expenses.

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

**Subscription Revenue:** Includes our term-based product subscriptions, cloud service offerings, and flexible EBAs.

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

