

## Autodesk, Inc. (ADSK)

187.98 -7.66

At close 5/18/2022 04:00PM EDT

CEO	Description
Dr. Andrew Anagnost	Autodesk, Inc. provides 3D design, engineering, and entertainment software and services worldwide. The company offers AutoCAD Civil 3D, a surveying, design, analysis, and documentation solution for civil engineering, including land development, transportation, and environmental projects; BIM 360, a construction management cloud-based software; AutoCAD, a software for professional design, drafting, detailing, and visualization; AutoCAD LT, a drafting and detailing software; computer-aided manufacturing (CAM) software for computer numeric control machining, inspection, and modelling for manufacturing; Fusion 360, a 3D CAD, CAM, and computer-aided engineering tool; and Industry Collections tools for professionals in architecture, engineering and construction, product design and manufacturing, and media and entertainment collection industries. It also provides Inventor tools for 3D mechanical design, simulation, analysis, tooling, visualization, and documentation; Vault, a data management software to manage data in one central location, accelerate design processes, and streamline internal/external collaboration; Maya and 3ds Max software products that offer 3D modeling, animation, effects, rendering, and compositing solutions; and ShotGrid, a cloud-based software for review and production tracking in the media and entertainment industry. It sells its products and services to customers directly, as well as through a network of resellers and distributors. Autodesk, Inc. was incorporated in 1982 and is headquartered in San Rafael, California.
Sector	
Technology	
Industry	
Software – Application	
Exchange	
NASDAQ Global Select	

At the end of trading today, Autodesk finished thirty-one percent below its market price one year ago (272.75, 18-May-21) and thirty-three percent below its 2022 open (280.73, 3-Jan-22). DCF valuation indicates the current market is undervaluing Autodesk. Our target price is between 286.61 – 311.23, which would bring Autodesk back to within 2021 values.

		Open	High	Low	Close
2021	MAX	342.52	344.39	339.33	342.27
	MIN	252.74	258.54	245.05	249.68
2022	MAX	305.65	307.22	300.00	305.34
	MIN	136.89	141.54	125.38	136.00

The revenue growth rates for 2023 and 2024 are slightly aggressive for the current economic climate; however, they are not unreasonable for the industry at 15.4% and 14.7%, respectively.

The target lower limit is based on Autodesk's capitalization and the upper limit is based on using comparable firms.

Comparable Companies Unlevered Beta								
		Levered $\beta$	MVoDebt	MVoEquity	Debt/Equity	Tax Rate	Unlevered $\beta$	WACC
Trimble, Inc.	TRMB	1.580	1,414.60	16,338.95	8.66%	14.25%	1.471	9.840
ANSYS, Inc.	ANSS	1.258	857.95	21,147.26	4.06%	11.78%	1.215	8.530
ESI Group SA	ESI.PA	0.624	59.16	376.49	15.71%	-7.38%	0.534	5.310
Adobe, Inc.	ADBE	1.048	4,673.00	191,380.28	2.44%	15.48%	1.027	7.690
	Average	1.128			7.72%	8.53%	1.062	7.843
	Median	1.153			6.36%	13.02%	1.121	8.110

## Autodesk, Inc.

ADSK

Target price range: \$286.61 - \$311.23

	2022	2023	2024	2025	2026	2027
	0	1	2	3	4	5
EBIT	\$ 617,600.0	\$ 694,368.5	\$ 796,440.7	\$ 812,369.5	\$ 828,616.9	\$ 845,189.3
Tax Expense	74,050.2	145,817.4	167,252.6	170,597.6	174,009.6	177,489.7
<b>NOPLAT</b>	<b>543,549.8</b>	<b>548,551.2</b>	<b>629,188.2</b>	<b>641,771.9</b>	<b>654,607.4</b>	<b>667,699.5</b>
Depreciation	148,100.0	197,472.5	226,501.0	231,031.0	235,651.6	240,364.7
CapEx	-	-	-	-	-	-
Δ NWC	(690,100.0)	247,518.8	(146,717.9)	(22,896.0)	(23,353.9)	(23,821.0)
<b>Unlevered FCF</b>	<b>1,549.8</b>	<b>993,542.4</b>	<b>708,971.2</b>	<b>849,907.0</b>	<b>866,905.1</b>	<b>884,243.2</b>
Terminal Value						96,197,568.2
<b>PV of UFCF</b>	<b>1,549.8</b>	<b>905,780.7</b>	<b>589,253.1</b>	<b>643,993.2</b>	<b>598,850.0</b>	<b>61,139,381.3</b>

Enterprise Value \$ 63,877,258.4

Net Debt 1,531,600.0  
Implied Equity \$ 62,345,658.4

Outstanding Shares 217,530

Implied Share Price \$286.61 Undervalued

\* Using 1.4420 Beta resulting in 9.689% WACC

	2022	2023	2024	2025	2026	2027
	0	1	2	3	4	5
Free Cash Flow	1,549.8	993,542.4	708,971.2	849,907.0	866,905.1	884,243.2
<i>Discount Factor</i>		<i>0.92</i>	<i>0.85</i>	<i>0.79</i>	<i>0.73</i>	<i>0.67</i>
Present Value of Free Cash Flow		918,357.4	605,730.2	671,192.9	632,809.3	596,620.7

Enterprise Value \$ 69,232,814.9

Net Debt 1,531,600.0  
Implied Equity \$ 67,701,214.9

Outstanding Shares 217,530

Implied Share Price \$311.23 Undervalued

TV EBITDA 765,700.0  
Exit Multiple 137.8  
Terminal Value (TV) 105,518,220.8

*Discount Factor* 0.62  
PV of TV 65,808,104.4  
PV of FCF 3,424,710.5

\* Using relevered 1.1079 Beta (based on comparables) resulting in 8.187% WACC

### Assumptions:

- Using standard tax rate of 21% for projected years
- Terminal Value long-term growth rate is 8.69%
- 3.28% Risk free rate
- Autodesk, Inc. Beta = 1.442
- 4.72% Equity Risk Premium