



Autodesk Inc (ADSK) — Research Summary

Technology | Software - Application | 2026-07-02

Price: \$207.48

Signal: BUY (7.61/10)

Market: bull_tech

Autodesk Inc (ADSK) — Equity Research Summary

Rating: BUY (7.61/10) | **Price:** \$207.48 | **Market Cap:** \$44.0B

1. Company Overview & Investment Thesis

Autodesk is a leading provider of design and engineering software, best known for AutoCAD and its tools serving the architecture, construction, manufacturing, and media industries. The company runs a subscription-based model that generates highly predictable, recurring revenue with exceptional margins. With the stock trading near 52-week lows despite steady earnings beats and a forward valuation well below its trailing multiple, ADSK looks attractive for investors seeking a high-quality software franchise at a discount.

2. Fundamental Snapshot

Valuation: Trailing P/E of 30.4 compresses to a forward P/E of just 16.6 — a sharp step-down signaling strong expected earnings growth and a more reasonable entry point than the headline multiple suggests. EV/EBITDA sits near 21x (\$43.8B EV / \$2.1B EBITDA), and price-to-free-cash-flow is elevated but supported by robust cash generation. The P/S of 5.9 is typical for premium application software.

Earnings Trend: Autodesk has beaten estimates in all four of the last quarters, most recently posting \$2.35 vs. \$2.12 expected (+10.8%). This consistent outperformance points to disciplined execution and a management team that guides conservatively.

Growth & Margins: Revenue grew 4.4% year-over-year in the latest quarter (down from 11.0% the prior quarter), a modest deceleration worth monitoring. Profitability, however, is outstanding: gross margins of ~91%, operating margins of ~28%, and a 19.5% net profit margin. The business converts sales to cash efficiently, generating \$0.9B in free cash flow last quarter with minimal capital spending.

Balance Sheet: Roughly balanced, with \$2.9B cash against \$2.7B debt (D/E of 0.85) — a healthy, near-net-neutral position.

3. Technical Outlook

The stock is trading at \$207.48, sitting near the **bottom of its 52-week range** (\$185.50–\$329.09) — closer to lows than highs. Momentum has clearly faded from its peak, with shares off roughly 37% from the 52-week high. However, the stock recently jumped on an analyst upgrade, suggesting sentiment may be turning.

Key levels to watch:

- **Support:** ~\$185–190 (recent lows)
- **Resistance:** ~\$260, then \$319 (analyst target zone)

A hold above recent lows combined with the upgrade catalyst suggests a possible base-building phase rather than continued decline.

4. News & Sentiment

Overall Sentiment: Slightly Bullish

Three themes stand out:

1. **Analyst upgrade momentum:** Autodesk shares "skyrocketed" alongside Okta and Dynatrace after Guggenheim's John DiFucci turned more positive on software names — a direct, stock-specific tailwind.
2. **Broad market backdrop:** Equities have been choppy, with weakness concentrated in chipmakers and AI hardware. Software names like Autodesk have been relative beneficiaries as capital rotates within tech.
3. **Favorable macro tone:** A weaker jobs report has eased rate-hike fears, generally supportive for growth software valuations.

The prevailing narrative is that high-quality, cash-generative software companies are being re-rated favorably as investors look past chip-sector volatility. Analyst consensus is firmly constructive: **23 Buys, 9 Holds, 0 Sells**, with a \$319 average target implying **+53.5% upside**.

5. Bottom Line

Aerondight Systems Signal: BUY (7.61/10)

Thesis: A best-in-class design software franchise with 91% gross margins and strong free cash flow, trading near 52-week lows at a compelling forward multiple with significant analyst-implied upside.

Key Upcoming Catalyst: Next quarterly earnings report — continued beats and reassurance on the revenue growth trajectory could re-accelerate the stock.

Risk Level: Medium. The main watch-items are decelerating revenue growth (4.4% last quarter) and a beta of 1.32, meaning the stock will move more than the broader market. A rich P/B (13.8) and elevated P/FCF leave little room for execution missteps, but the strong balance sheet, consistent earnings beats, and discounted forward valuation provide a solid margin of safety.

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