

AVID TECHNOLOGY, INC.
Investor Relations Datasheet

(unaudited, in \$ millions, except Other Key Metrics Data)

Please refer to the definitions below for a definition of the non-GAAP and operational metrics used herein.

	Q1'13	Q2'13	Q3'13	Q4'13	2013	Q1'14	Q2'14	Q3'14	Q4'14	2014	Q1'15	Q2'15	Q3'15	YTD 2015
Bookings Summary														
Bookings (As Reported)	125.1	120.7	127.0	150.4	523.1	126.1	127.8	112.2	153.2	519.3	112.3	117.6	115.1	345.1
Product	87.6	92.7	93.5	100.7	374.5	88.3	95.6	78.5	81.7	344.1	74.5	77.7	73.4	225.6
Service - Maintenance & Subscription	30.3	20.3	23.7	42.9	117.2	27.0	19.5	24.0	64.7	135.2	31.6	30.8	32.0	94.4
Service - Professional Service	7.2	7.7	9.8	6.8	31.5	10.8	12.7	9.7	6.8	40.0	6.2	9.1	9.7	25.0
Bookings (constant FX)	123.5	120.1	126.4	148.4	518.5	126.3	125.6	111.0	155.0	517.9	117.8	122.5	121.0	361.3
Bookings Marketed (constant FX)	116.2	113.1	122.3	141.7	493.3	121.2	122.1	108.1	154.0	505.4	117.3	122.4	121.0	360.7
Recurring Revenue Bookings (Maintenance & Subs) %	22%	15%	17%	28%	21%	21%	15%	21%	42%	26%	29%	26%	28%	
Net Revenue														
Product	98.7	99.9	93.0	104.0	395.5	94.6	87.3	105.2	91.3	378.4	80.0	76.1	88.9	245.1
Service - Maintenance & Subscription	28.1	31.2	32.0	29.8	121.1	28.9	28.3	27.4	29.4	114.0	29.7	26.6	40.3	96.6
Service - Professional Service	9.3	10.3	14.0	13.3	46.9	11.5	9.1	9.8	7.5	37.9	9.8	7.0	8.2	25.0
Total Net Revenue	136.1	141.4	139.0	147.1	563.5	135.0	124.7	142.4	128.2	530.3	119.5	109.7	137.4	366.7
US & Rest of Americas	63.9	68.0	66.0	63.5	261.4	59.6	54.8	65.1	58.9	238.4	52.7	48.5	56.9	158.1
Europe, Middle East & Africa	51.3	52.2	51.9	59.0	214.4	55.4	54.1	58.1	50.2	217.8	49.3	47.0	57.7	154.0
Asia-Pacific	20.9	21.2	21.1	24.5	87.7	20.0	15.8	19.2	19.1	74.1	17.6	14.2	22.2	54.0
Total Net Revenue	136.1	141.4	139.0	147.0	563.5	135.0	124.7	142.4	128.3	530.3	119.5	109.7	136.8	366.1
Pre-2011 Revenue	34.1	31.2	30.0	29.0	124.4	26.5	24.1	21.6	19.4	91.7	17.0	15.3	13.5	45.8
Post-2010 Revenue	102.0	110.1	109.0	118.0	439.2	108.5	100.5	120.8	108.8	438.6	102.6	94.4	123.9	320.9
Total Net Revenue	136.1	141.4	139.0	147.1	563.5	135.0	124.7	142.4	128.2	530.3	119.5	109.7	137.4	366.7
Gross Margin %														
Product	63%	61%	57%	58%	60%	63%	60%	64%	61%	62%	60%	63%	64%	62%
Service	59%	63%	65%	63%	63%	61%	59%	61%	60%	61%	61%	56%	69%	62%
Other Key Metrics														
Media Central Licences Sold (cumulative)	-	1,068	3,232	5,317	-	12,619	15,389	18,458	20,881	-	23,709	25,000	28,043	-
Active Paid Subscribers	-	-	-	-	-	-	1,000	3,200	5,000	-	7,000	12,000	17,228	-
Key Balance Sheet Items														
Accounts Receivable DSO	53	46	36	35	35	39	42	36	38	38	39	45	37	
Inventory Turns	3.9	3.5	3.3	3.5	3.5	3.8	4.0	4.0	4.2	4.2	5.0	4.9	4.3	
Revenue Backlog														
Pre-2011				176.1	176.102	150.0	126.2	104.6	84.6	84.6	66.9	51.5	37.9	156.3
Post-2010				290.7	290.7	301.8	303.8	314.7	330.2	330.2	345.7	341.3	326.6	1013.6
Deferred Revenue				466.8	466.8	451.8	430.0	419.3	414.8	414.8	412.7	392.8	364.5	1,170.0
Other Backlog				92.2	92.2	97.2	113.2	119.9	124.7	124.7	116.0	147.5	148.8	412.2
Total Revenue Backlog				559.1	559.1	549.0	543.1	539.2	539.5	539.5	528.6	540.3	513.3	1,582.2
Total Post-2010 Revenue Backlog				383.0	383.0	399.0	417.0	434.6	454.9	454.9	461.7	488.7	475.4	1,425.8

AVID TECHNOLOGY, INC.

Reconciliations of GAAP financial measures to Non-GAAP financial measures

(unaudited - in thousands, except per share data)

	Q1'13	Q2'13	Q3'13	Q4'13	FY'13	Q1'14	Q2'14	Q3'14	Q4'14	FY'14	Q1'15	Q2'15	Q3'15	YTD 2015
GAAP														
Net Revenues	\$136,071	\$141,345	\$138,893	\$147,103	\$563,412	\$134,982	\$124,644	\$142,429	\$128,196	\$530,251	\$119,586	\$109,767	\$137,436	\$366,789
Cost of revenues	52,942	54,795	56,213	59,959	223,909	50,715	50,420	52,788	50,548	204,471	47,492	43,469	49,622	140,583
Gross Profit	83,129	86,550	82,680	87,144	339,503	84,267	74,224	89,641	77,648	325,780	72,094	66,298	87,814	226,206
Operating Expenses	74,049	76,457	78,814	85,415	314,735	74,580	76,584	74,581	80,336	306,081	70,979	74,493	73,409	218,881
Operating income (loss)	9,080	10,093	3,866	1,729	24,768	9,687	(2,360)	15,060	(2,688)	19,699	1,115	(8,195)	14,405	7,325
Interest and other expense, net	(258)	(247)	(363)	192	(676)	(351)	(357)	(455)	(1,620)	(2,783)	(723)	(1,439)	(2,519)	(4,681)
Provision for (benefit from) income taxes, net	557	669	921	792	2,939	440	622	365	761	2,188	561	(5,550)	768	(4,221)
Income (loss) from continuing operations, net of tax	\$8,265	\$9,177	\$2,582	\$1,129	\$21,153	\$8,896	(\$3,339)	\$14,240	(\$5,069)	\$14,728	(\$169)	(\$4,084)	\$11,118	\$6,865
Weighted-average common shares outstanding - diluted	39,034	39,069	39,076	39,111	39,069	39,122	39,119	39,201	39,966	39,267	39,387	39,635	39,750	40,727
Income (loss) per share from continuing operations, net of tax - diluted	\$0.21	\$0.23	\$0.07	\$0.03	\$0.54	\$0.23	(\$0.09)	\$0.36	(\$0.13)	\$0.38	(\$0.00)	(\$0.10)	\$0.28	\$0.17
Adjustments to GAAP Results														
Cost of Revenues														
Amortization of intangible assets	651	501	158	158	1,468	50	-	-	-	50	-	163	1,950	2,113
Stock-based compensation	226	212	185	173	796	153	163	78	282	675	254	215	183	652
Operating Expenses														
Amortization of intangible assets	663	658	660	667	2,648	480	398	373	375	1,626	374	408	786	1,568
Restructuring costs, net	273	1,918	688	2,491	5,370	-	(165)	-	-	(165)	-	539	-	539
Restatement costs	769	2,929	8,730	8,162	20,591	4,155	6,690	8,564	3,919	23,237	1,807	(1,106)	287	988
Acquisition and other costs	-	-	-	-	-	-	-	-	-	-	2,342	3,333	1,965	7,640
Gain on sale of assets	(125)	-	-	-	(125)	-	-	-	-	-	-	-	-	-
Stock-based compensation														
R&D	145	173	137	127	581	127	113	96	166	502	107	46	73	225
Sales & Marketing	581	473	402	329	1,786	284	642	252	2,472	3,658	690	683	529	1,902
G&A	1,125	1,250	808	572	3,752	697	1,218	(1,107)	5,875	6,677	1,411	1,938	1,604	4,953
Other														
Tax adjustment	(215)	(215)	(215)	(215)	(860)	(15)	4	4	(5)	(12)	-	-	-	-
Gross Margin %														
Non-GAAP														
Net Revenues	136,071	141,345	138,893	147,103	563,412	134,982	124,644	142,429	128,196	530,251	119,586	109,767	137,436	366,789
Cost of revenues	52,065	54,082	55,870	59,628	221,645	50,512	50,257	52,710	50,266	203,746	47,238	43,091	47,489	137,818
Gross profit	84,006	87,263	83,023	87,475	341,767	84,470	74,387	89,719	77,930	3,265,065	72,348	66,676	89,947	228,971
Operating expenses	70,618	69,057	67,389	73,067	280,132	68,837	67,688	66,403	67,529	270,456	64,248	68,652	68,165	201,066
Operating Income (Loss)	13,388	18,207	15,634	14,408	61,635	15,633	6,699	23,316	10,401	56,049	8,100	(1,976)	21,782	27,905
Interest and other expense, net	(258)	(247)	(363)	192	(676)	(351)	(357)	(455)	(1,620)	(2,783)	(723)	(1,439)	(2,519)	(4,681)
Provision for (benefit from) income taxes, net	772	884	1,136	1,007	3,799	455	618	361	766	2,200	561	(5,550)	768	(4,221)
Income from continuing operations, net of tax	12,358	17,076	14,135	13,593	57,160	14,827	5,724	22,500	8,015	51,066	6,816	2,135	18,495	27,445
Income per share from continuing operations, net of tax - diluted	\$0.32	\$0.44	\$0.36	\$0.35	\$1.46	\$0.38	\$0.15	\$0.57	\$0.20	\$1.30	\$0.17	\$0.05	\$0.47	\$0.69
Adjusted EBITDA														
Non-GAAP Operating Income (from above)	13,388	18,207	15,634	14,408	61,636	15,633	6,699	23,316	10,401	56,049	8,100	(1,976)	21,782	27,905
Depreciation	4,719	4,429	4,302	4,386	17,837	4,336	3,990	3,968	3,847	16,140	3,677	3,411	3,168	10,257
Amortization of capitalized software development costs	102	77	49	586	815	49	49	28	11	138	-	-	-	-
Adjusted EBITDA	\$18,210	\$22,713	\$19,985	\$19,380	\$80,287	\$20,018	\$10,738	\$27,312	\$14,259	\$72,327	\$11,777	\$1,435	\$24,950	\$38,162
Adjusted Free Cash Flow														
GAAP net cash (used in) provided by operating activities	(1,410)	(4,146)	(4,472)	883	(9,145)	(23,992)	(2,090)	5,252	10,933	(9,897)	4,630	(30,844)	(9,873)	(36,087)
Capital expenditures	(2,126)	(3,164)	(3,708)	(2,627)	(11,625)	(3,515)	(2,876)	(5,269)	(1,632)	(13,292)	(2,940)	(3,802)	(4,368)	(11,110)
Restructuring payments	4,293	3,122	3,256	2,536	13,151	2,926	1,885	1,274	1,127	7,212	428	308	316	1,052
Restatement payments	-	1,514	3,919	7,728	13,161	10,352	5,737	6,814	5,756	28,658	2,117	1,507	-	3,624
Acquisition and other payments	-	-	-	-	-	-	-	-	-	-	-	1,590	3,368	4,958
Adjusted Free Cash Flow	\$757	(\$2,674)	(\$1,005)	\$8,520	\$5,542	(\$14,229)	\$2,656	\$8,071	\$16,184	\$12,681	\$4,235	(\$31,241)	(\$10,557)	(\$37,563)

AVID TECHNOLOGY, INC.
Definition of Key Metrics

	Key Metric	Avid's Definition of Key Metric
Bookings (1)	Bookings	Bookings is an operational metric that is defined as the amount of revenue we expect to earn from an agreement between Avid and a customer for goods and services over the course of the agreement. To count as a booking, we expect there to be persuasive evidence of an agreement between us and our customer and that the collectability of the amounts payable under the arrangement are reasonably assured.
	Marketed Bookings	Bookings as defined above, excluding the products and services not actively marketed to customers, as management believes these products are non-strategic due to lower growth, lower margin profiles.
	Recurring Revenue Bookings	Bookings that represent recurring business, such as annual multi year maintenance or support contacts purchased by our customers as well as any bookings associated with our subscription based model for our software.
Revenue Backlog (2)	Revenue Backlog (includes Pre-2011 and Post-2010 Deferred Revenue and Other Backlog)	Revenue backlog is an operational metric that is defined as firm orders received including (i) orders where the customer has paid in advance of our performance obligations being fulfilled, and (ii) orders for future product deliveries or services that have not yet been invoiced by us. We generally ship our products shortly after the receipt of an order. Orders that may exist at the end of a quarter and have not been shipped are not recognized as revenue and are included in revenue backlog.
	Deferred Revenue	Represents arrangement consideration paid in advance or invoiced and payable related to (i) the undelivered portion of annual support contracts, (ii) software arrangements for which VSOE of fair value of undelivered elements does not exist, (iii) Implied Maintenance Release PCS performance obligations, and (iv) in-process installations that are subject to substantive customer acceptance provisions. Note that pre-2011 and post-2010 deferred revenue outlined below are subsets of total deferred revenue.
	Pre-2011 Deferred Revenue	Deferred Revenue from arrangements originating before January 1, 2011. Prior to our adoption of ASU No. 2009-14 on January 1, 2011, the majority of our products were subject to software revenue recognition guidance that required us to recognize revenue ratably for periods as long as eight years from product delivery because we did not have VSOE of fair value for the Implied Maintenance Release PCS deliverable included in most of our customer arrangements.
	Post-2010 Deferred Revenue	Deferred Revenue from arrangements originating after December 31, 2010, which primarily represents the the Implied Maintenance Release PCS and other service and support elements to be recognized over time as services are rendered.
	Other Backlog	Represents orders for future product deliveries and services where cash has not been received or order has not yet invoiced, such as (i) product orders received but not yet shipped, (ii) professional services not yet rendered and (iii) future years of multi-year support agreements not yet billed.
Non-GAAP Measures (3)	These non-GAAP measures reflect how Avid manages its businesses internally.	
	Non-GAAP Operating Income (Loss) Non-GAAP Net Income Per Share Non-GAAP Operating Expenses Non-GAAP Gross Margin	Each of these non-GAAP metrics exclude restructuring costs, stock based compensation, amortization and impairment of intangibles as well as other unusual items such as costs related to the restatement, M&A related activity, and impact of significant legal settlements.
	Adjusted EBITDA	Non-GAAP operating income (loss) excluding depreciation and all amortization expense.
	Adjusted Free Cash Flow	GAAP operating cash flow less capital expenditures and excluding payments or receipts related to M&A, significant legal settlements, restructuring, restatement or other non-operational or non-recurring events.

(1) Due to the timing of revenue recognition, all of the revenue related to the booking may not be recorded in the period that it was transacted and would therefore be reported as part of revenue backlog and/or deferred revenue, thereby providing visibility into future revenue. However, because our bookings are based on orders that, under certain circumstances can be cancelled or adjusted, bookings may not convert into revenue earned.

(2) Refer to the Revenue Recognition Accounting Policies in our 2014 Form 10-K and our 2015 Form 10-Qs filed with the SEC for a complete description of the timing and methodology of revenue recognition and risks related thereto. Certain orders included in revenue backlog may be reduced, canceled or deferred by our customers. The expected timing of the recognition or amortization of revenue backlog into revenue is based on current estimates and could change based on a number of factors, including (i) the timing of delivery of products and services, (ii) customer cancellations or change orders, (iii) changes in the estimated period of time Implied Maintenance Release PCS is provided to customers or (iv) changes in accounting standards or policies. Implied Maintenance Release PCS, as we define it, is the implicit obligation to make software updates available to customers over a period of time
Gross Margin %

(3) Avid's non-GAAP measures may vary from how other companies present non-GAAP measures. Non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles. This non-GAAP information supplements, and is not intended to represent a measure of performance in accordance with, disclosures required by generally accepted accounting principles, or GAAP. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP.