



Avid Business Update

May 14, 2015

Safe Harbor & Non-GAAP Measures

The information provided in this presentation includes forward-looking statements that involve risks and uncertainties, including statements about our anticipated plans, objectives, expectations and intentions. Such statements include, without limitation, statements regarding our recently filed financial statements or other information included herein based upon or otherwise incorporating judgments or estimates relating to future performance such as future operating expenses, earnings, bookings, revenue backlog, backlog conversion rate, product mix and free cash flow; our cost savings initiatives; our future strategy and business plans; our product plans, including products under development, such as cloud and subscription based offerings; the expected timing and closing of the proposed acquisition of Orad and term loan financing as well as refinancing of our existing credit facility, the anticipated benefits of the proposed acquisition, including estimated synergies; and the effects of the proposed transaction, including effects on future financial and operating results; and our liquidity and ability to raise capital. These forward-looking statements are based on our expectations as of May 17, 2015 and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to the effect on our sales, operations and financial performance resulting from: our liquidity; our ability to execute our strategic plan, including cost savings initiatives, and meet customer needs; our ability to produce innovative products in response to changing market demand, particularly in the media industry; our ability to successfully accomplish our product development plans; competitive factors; history of losses; fluctuations in our revenue, based on, among other things, our performance and risks in particular geographies or markets; fluctuations in foreign currency exchange rates and seasonal factors; adverse changes in economic conditions; variances in our backlog and the realization thereof; the identified material weaknesses in our internal control over financial reporting; the previously disclosed SEC and Department of Justice inquiries; pending litigation, including the previously disclosed class action and possibility of further legal proceedings adverse to our company resulting from the restatement or related matters; the costs associated with the restatement. Moreover, the business may be adversely affected by future legislative, regulatory or changes, including tax law changes, as well as other economic, business and/or competitive factors. The risks included above are not exhaustive. Other factors that could adversely affect our business and prospects are described in the filings made by our company with the SEC. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Avid includes non-GAAP financial measures in this presentation, including adjusted EBITDA, free cash flow, non-GAAP operating income, non-GAAP operating income per share, and non-GAAP operating expense. The Company also includes the operational metric of bookings and revenue backlog in this presentation. For an explanation of these measures and a reconciliation to the Company's comparable GAAP financial measures please see our previous filings with the SEC, including our current report on Form 8-K filed on March 16, 2015 and May 7, 2015.






Avid is...

A premier provider of technology solutions to create, manage, distribute, and monetize media content

Avid's heritage began with digital editing and mixing with some of the world's best loved creative tools which defined an industry...



... But the industry evolved as more of the workflow became digitized creating distribution and monetization issues for our customers ...



...Avid initially refused to make that shift, staying stubbornly siloed in the creative suite...



...now Avid Everywhere empowers our customers by connecting a creative idea with its expression and consumption as a monetized media asset.

Strong Position in High-Growth Markets With Attractive Economics

Proven and Trusted Provider of High-value Media Solutions

- Relationship across every major media segment
- Participate across media workflow from creation to distribution
- Emotionally engaged client community
- Integrated, open and flexible approach lowers cost

Global Distribution Network and Market Presence

- Presence in over 140 countries with broad reseller network
- All major film studios are customers
- ~ 80% of International News and US Station Groups
- ~ 70% of commercial music use Avid products

Large and Growing Market in Midst of Dramatic Change

- \$54B market with accessible high growth segments
- Digitization and consumerization pressuring traditional operating models
- Fusing of creative and monetization processes
- Heavily fragmented vendor market

Avid Transformation on Track

- Acceleration of higher margin, higher growth products
- Reduced operating costs with continued opportunity
- Focus on cross-selling and penetrating Tier 3 market
- Ability to generate strong cash flow

Experienced Management Team

- Reversed bookings decline and improved profitability
- Deep industry and turn-around experience
- Completed complex restatement
- On track to meet financial targets

Strong Progress on Transformation with Large Opportunity Ahead









- Faster new product introduction
- Improved cross selling
- Participate in higher growth areas
- Lower cost deployment
- Scale to all segments

The Aid Advantage

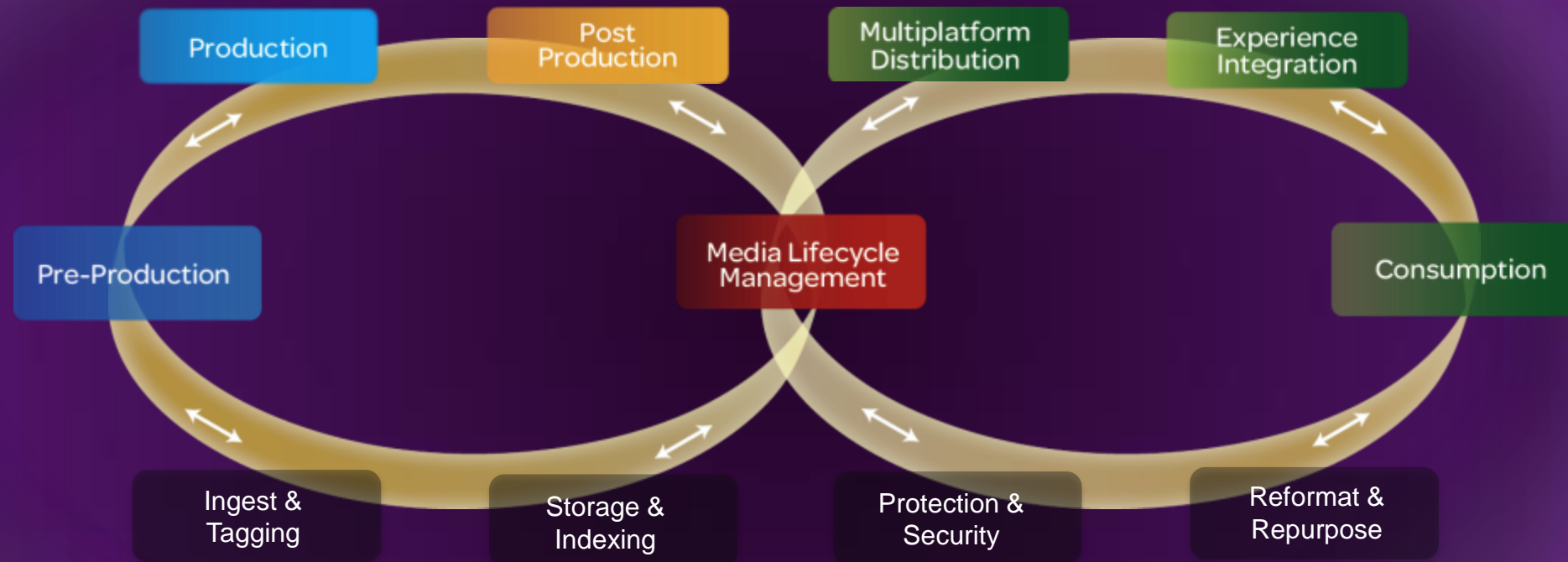
- Improved service model
- More efficient and targeted delivery
- Increase revenue
- Improved relationships



- Increased community engagement
- Improved return on investment
- Greater market alignment
- Productive outlet for energy



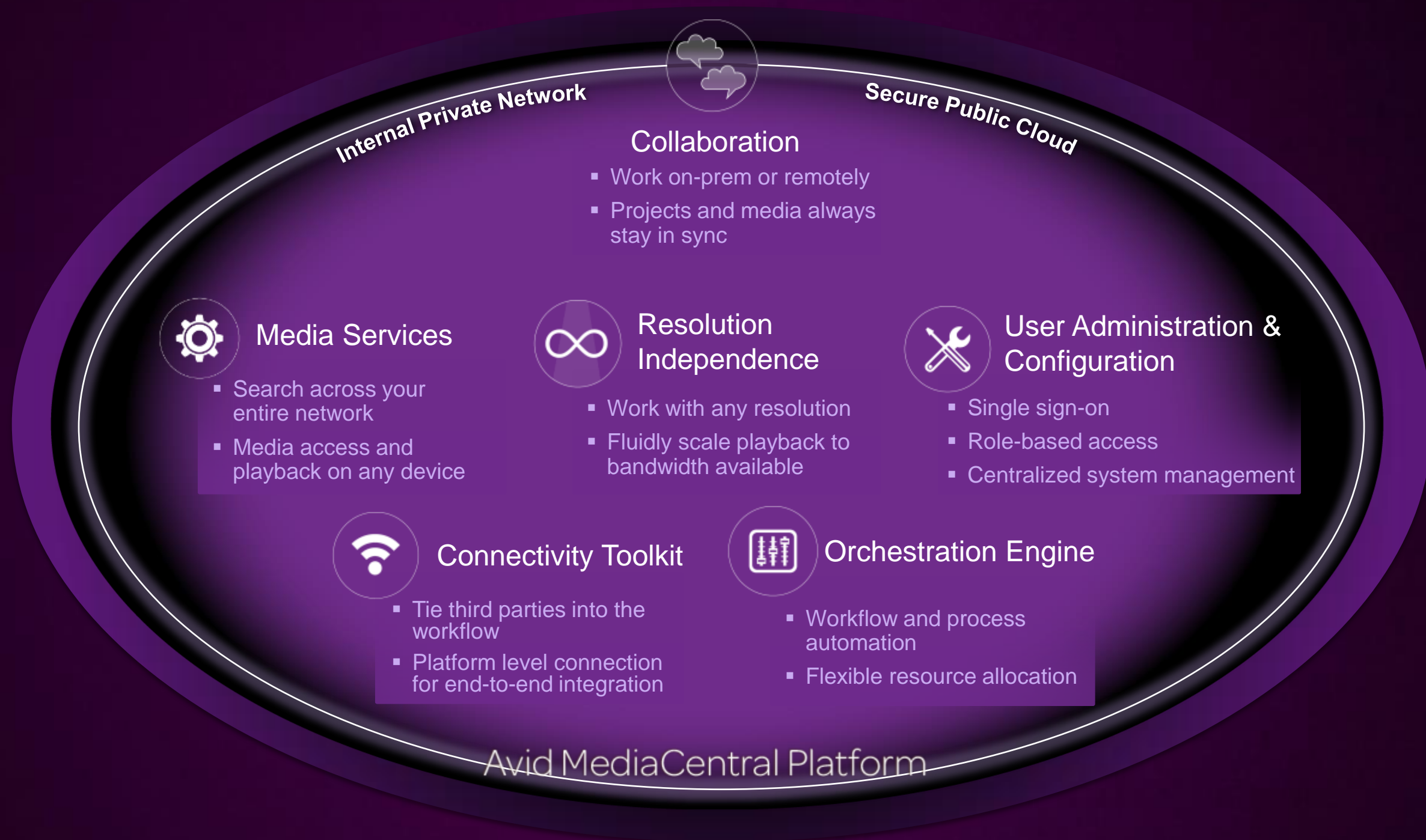
Create



Monetize

Avid MediaCentral Platform







The Choice is Yours



Public Cloud



Private Cloud



On Premise

deployment



purchasing



Perpetual



Floating



Subscription



INCREASE GROWTH

- Cross sell and up sell
- New product adoption
- Improved account management

Large Media
Enterprises

- Optimize channel networks
- Reseller productivity
- Cross sell and up sell

Businesses
& Institutions

- Launch new products and pricing/packaging models
- Digital strategy
- Reseller strategy

Individual Creatives






Performance Update



Financial Conversion of Strategy

Three-pronged approach to convert strategic vision to a long term financial expression of adjusted EBITDA and free cash flow growth



Stabilize
bookings,
improve visibility
and sell more
profitably

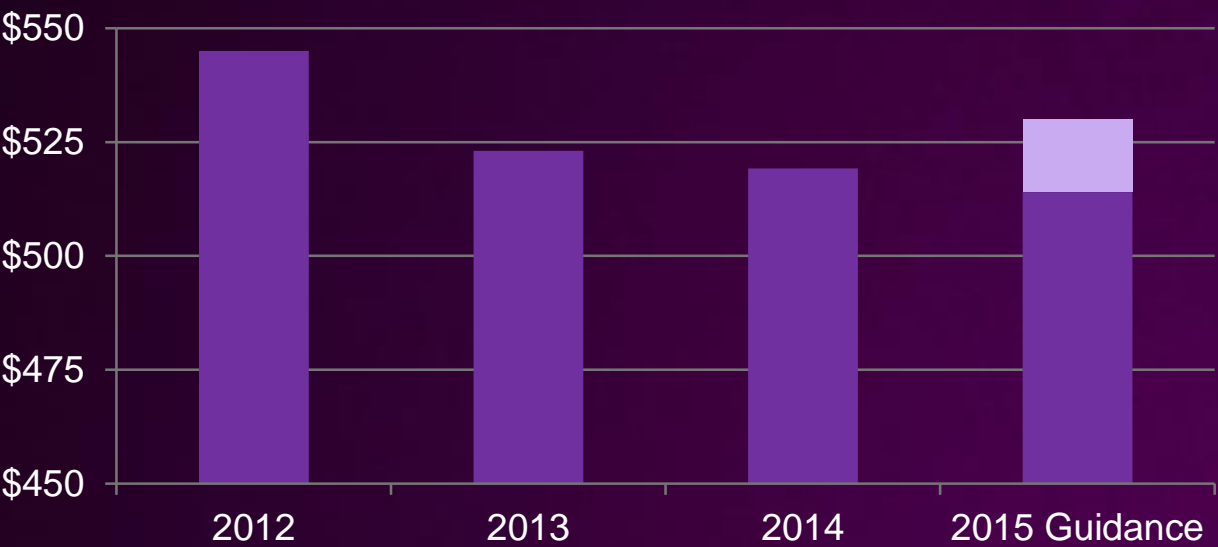
Shift to higher
growth areas of
value chain

Lower
operating costs

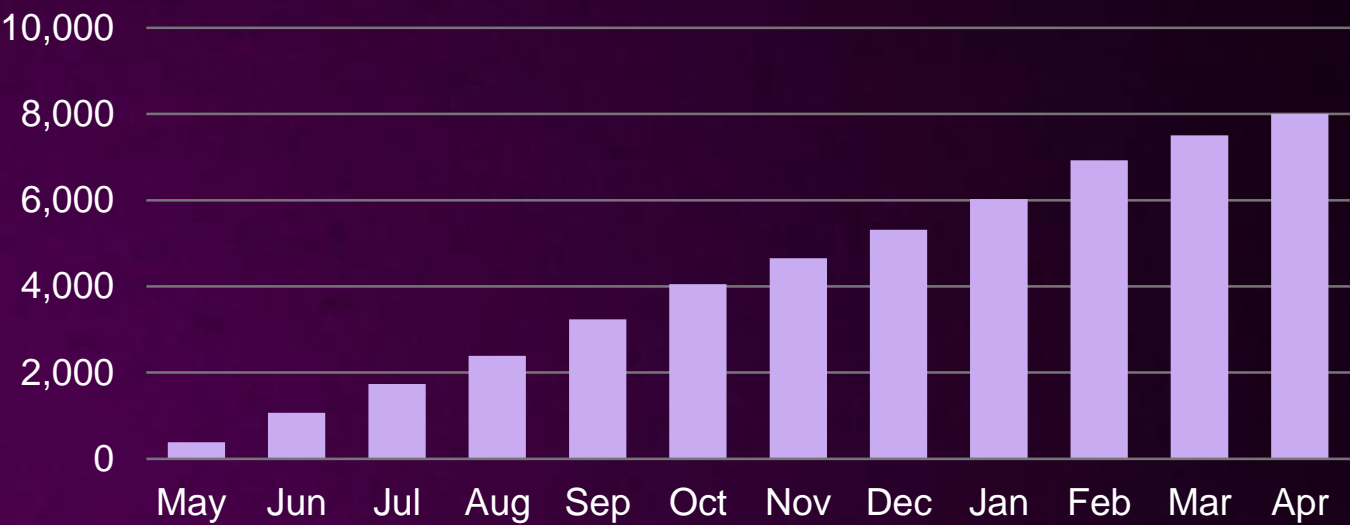
...we believe the strategy is working as reflected in leading key financial metrics

Recent Growth Trends

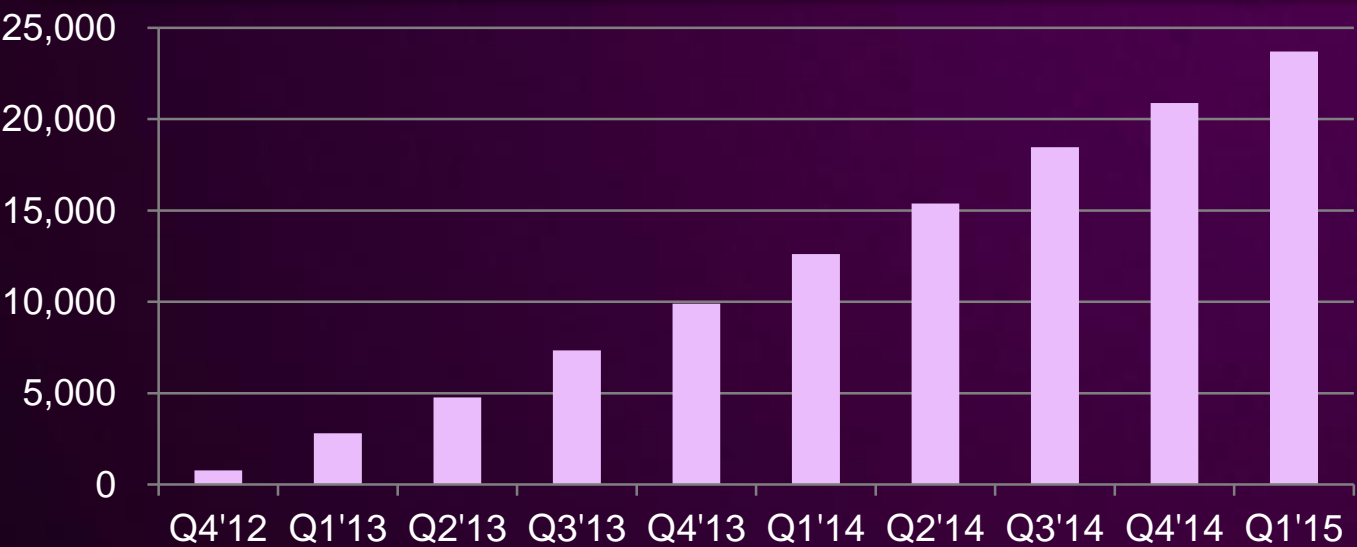
Bookings (\$M)



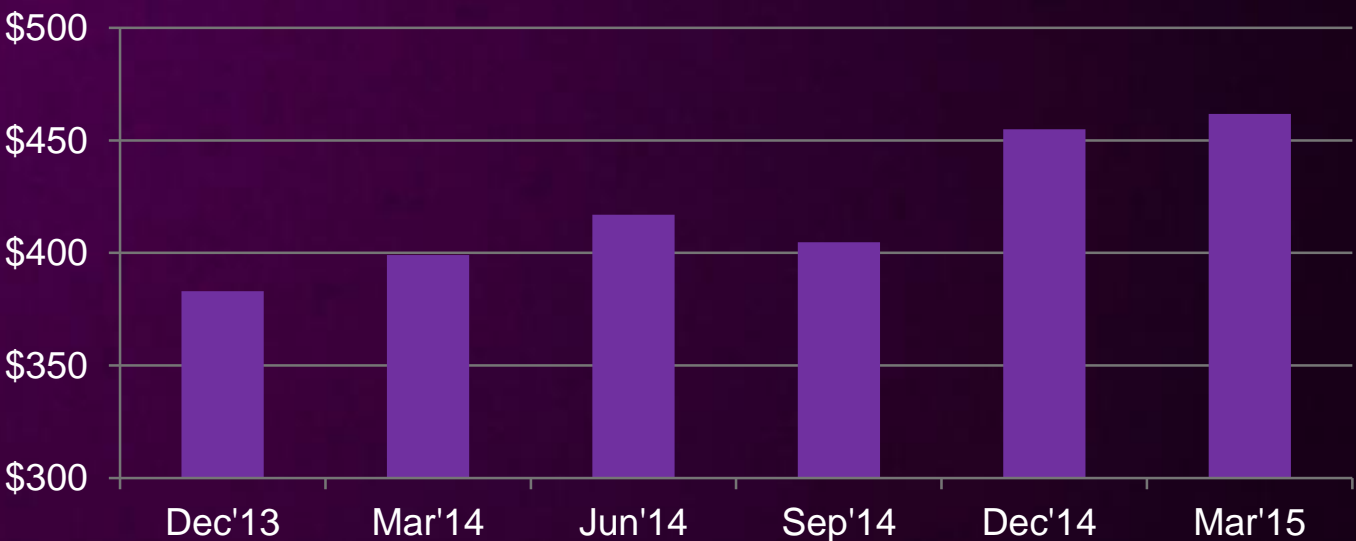
Subscribers (Media Composer and Pro Tools)



MediaCentral Users



Growing Revenue Backlog⁽¹⁾

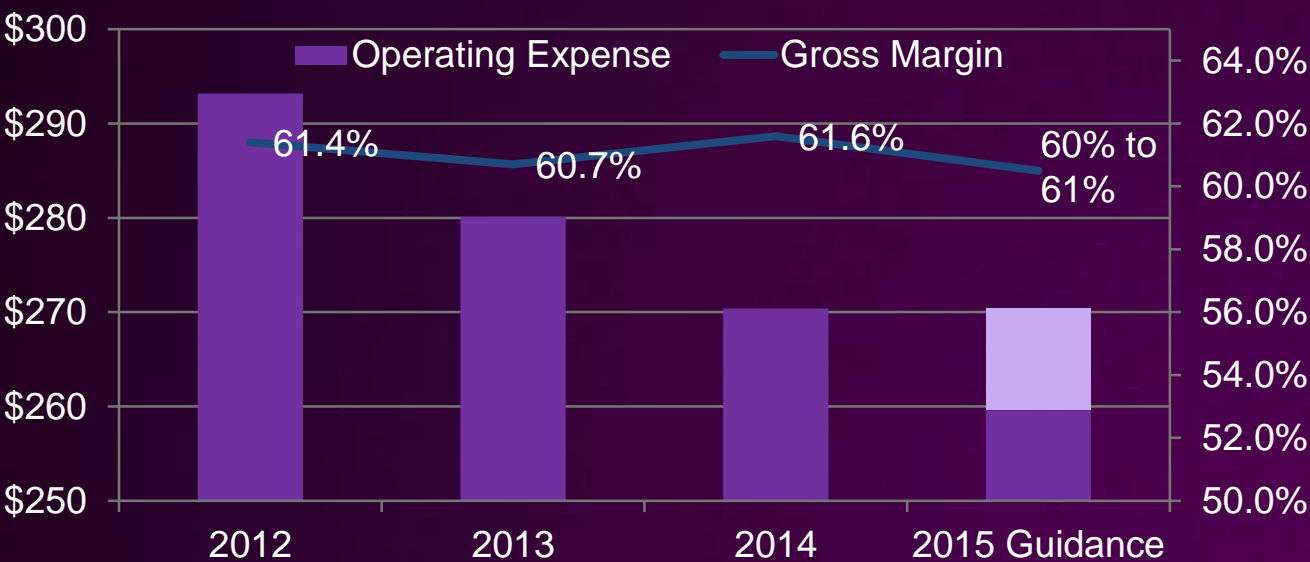


(1) Figures reflect revenue backlog generated after 2010.

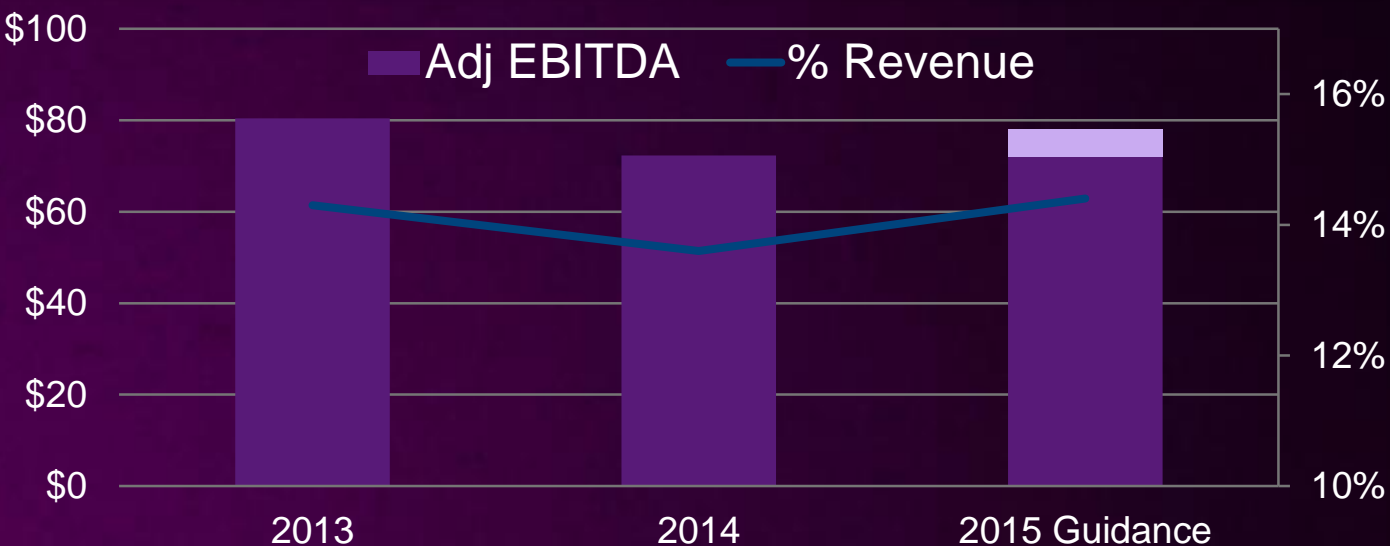


Profitability Trends (\$M)

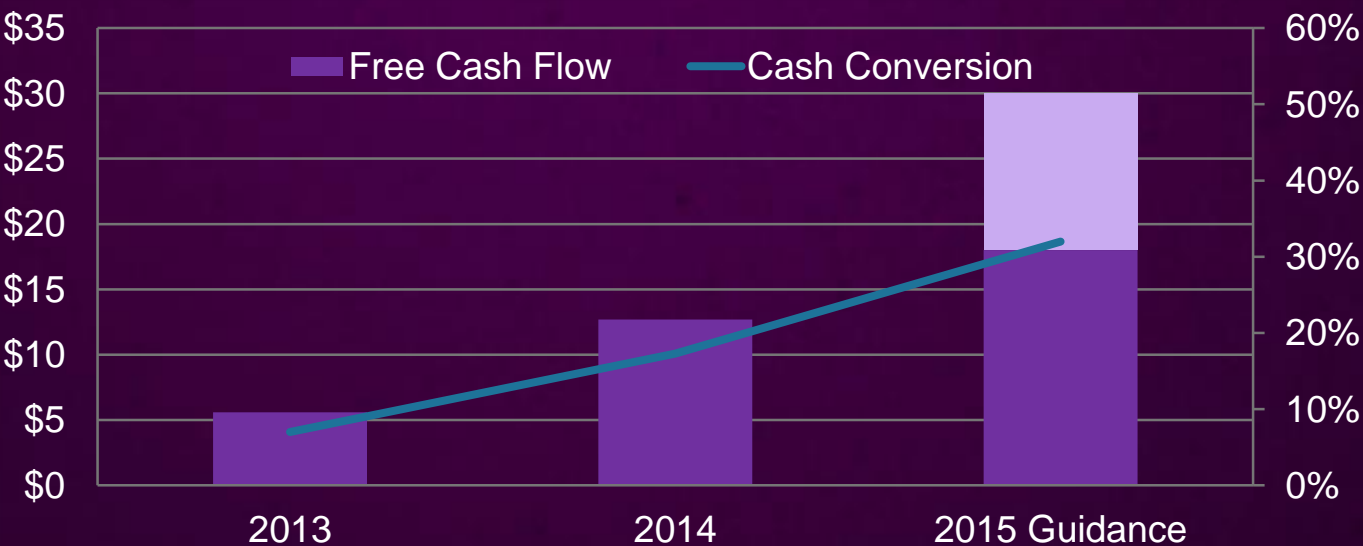
Non-GAAP Gross Margin & Expenses



Adjusted EBITDA



Free Cash Flow and Cash Conversion



Growth and Visibility on a Scalable Operating Model

Avid has turned on 5 key growth engines enabled by Avid Everywhere

Revenue

	Direct	Reseller	Digital
Media Central platform adoption enabling cross-selling of existing product suite	✓	✓	
Expand cross-sell through natural extensions of current product suite	✓	✓	
Sell new products beyond our traditional workflows all the way to consumption	✓	✓	
Sell third-party products via the connectivity toolkit and AppStore by leveraging Media Central Platform	✓	✓	✓
Enter the Tier III market aggressively via cloud subscription and marketplace		✓	✓

Costs

Focus on a leaner, more directed cost structure enabled by common platform architecture

- Align resources to support growth engines
- Labor arbitrage and facility rationalization
- Product rationalization
- Clear focus on ROI supported investments
- Indirect procurement





Acquisition of Orad Hi-Tec Systems, LTD

Transaction Synopsis



Profile	
Founded	1993
Headquarters	Kfar Saba, Israel
Ownership	Public (Frankfurt)
Customers	>600
Employees	240

2014 Financials	
Revenue	\$40.5 million
Annual Growth	27%
Gross Margin	70%
EBITDA	\$5.3 million
Free Cash Flow	\$4.5 million

Transaction	
Date Announced	April 12, 2015
Purchase Price	€5.67 Share
Implied Ent. Val.	Approx. \$60 million
Consideration	Cash
Expected Close	June 2015

