The platform that **powers** media and entertainment

Q1 2018 EARNINGS CALL
AVID TECHNOLOGY

Introduction

Dean Ridlon

Vice President, Investor Relations

Non-GAAP & Operational Measures

The following Non-GAAP (Adjusted) Measures & Operational Measures will be used in the presentation:

Non-GAAP Measures
Adjusted EBITDA
Free Cash Flow
Adjusted Free Cash Flow
Non-GAAP Gross Margin
Non-GAAP Operating Expenses

Operational Measures
Bookings, Recurring Revenue Bookings
Revenue Backlog

These non-GAAP measures are defined in our Form 8-K filed today, and the historical non-GAAP measures are reconciled with their comparable GAAP measures in our press release tables as well as in the supplemental financial information available on ir.avid.com, which also includes definitions of our operational measures. Avid believes the non-GAAP financial measures and operational metrics provided in this presentation provide helpful information to investors with respect to evaluating the Company's performance.

The presentation also includes the forward-looking non-GAAP financial measure, Adjusted EBITDA. Reconciliations of this forward-looking non-GAAP financial measure are not included in this presentation or our press release issued today, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible at this time. As a result, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

Safe Harbor Statement

Certain statements made within this presentation contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including projections and statements about our anticipated plans, objectives, expectations and intentions. Among other things, this presentation includes projected results of operations for the second quarter of 2018 which are based on a variety of assumptions about key factors and metrics that will determine our future results of operations, including, for example, anticipated market update of new products, realization of identified efficiency programs and market based cost inflation. Other forward-looking statements include, without limitation, statements based upon or otherwise incorporating judgments or estimates relating to future performance such as future operating results and expenses; earnings; bookings; backlog; product mix and free cash flow; our long-term and recent cost savings initiatives and the anticipated benefits therefrom; our future strategy and business plans; our product plans, including products under development, such as cloud and subscription based offerings. The projected future results of operations, and the other forward-looking statements in this presentation are based on current expectations as of the date of this presentation and subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The guidance presented in this presentation is inherently uncertain and subject to numerous risks and uncertainties. Our actual future results of operations and cash flows could differ materially from those discussed in this presentation.

For additional information, including a discussion of some of the key risks and uncertainties associated with these forward-looking statements, please see the "Forward Looking Statements" section of our press release issued today, as well as the Risk Factors and Forward-Looking Statements sections of the Company's 2017 Annual Report on Form 10-K filed with the SEC. Copies of these filings are available from the SEC, the Avid Technology web site or the Company's Investor Relations Department.

Any forward-looking information relayed in this presentation speaks only as of today, and Avid undertakes no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

Business Update

Jeff Rosica
Chief Executive Officer and President

Q1 2018 Business Highlights

- Bookings were up 5% year over year, on a comparable basis (excluding Greater China)
- Strong growth in Subscriptions and Digital/e-commerce
- Revenue and Adjusted EBITDA in line with guidance
- Gross Margin showing sequential improvement of 300 basis points vs. Q4 2017
- Growth in Free Cash Flow with $3.3M for the quarter, up 82% year over year

Q1 Strategic Metrics

- Digital/e-commerce bookings up 52% year over year
- Cloud-enabled software subscriptions hit nearly 100K, up 40% year over year
- Total MediaCentral platform licenses were 54,500, up 17% year over year
- Contractually committed backlog was $329M*, an increase of $57M or 21% year over year

*Post ASC 606 adjustments.

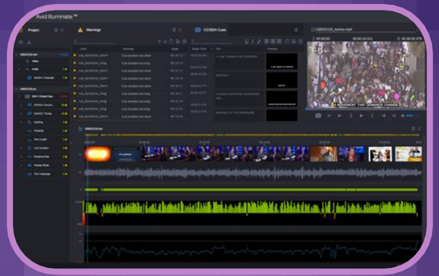
Management's Focus & Key Priorities

- Launched significant cross-functional, multi-point action plan to drive improvements in gross margins
- Spinning up new efforts to further optimize the cost structure, with major emphasis on non-personnel (indirect) related costs
- Accelerated efforts and execution plan to improve the global supply chain to improve HW gross margins, lower working capital requirements and drive further cost efficiencies
- Heavier company-wide emphasis and focus on bookings-to-revenue conversion with key process and policy improvements being made
- Driving new 'commercialization' plans/efforts, combined with key product roadmap re-prioritizations, to optimize nearer term opportunities and help drive top-line growth

Goal is to drive EBITDA margin expansion and free cash flow generation

NAB Show & Avid Connect Success

Key new product introductions expected to help drive top-line revenue in 2H 2018



Debuted 'Avid On Demand' SaaS Offering

Launching new SaaS offering with market-leading 'on demand' solutions to open additional growth opportunities and drive market penetration of the platform

Enhanced MediaCentral Platform

Driving upgrade and new client opportunities with next gen UX/UI, platform improvements and cloud-based workflows and media services

New Tiered Creative Tools Suite

Enhancing subscription growth opportunity with expanded tiers to better address users at any level

Extended S6L Live Sound Product Line

Building further growth opportunity by now addressing entire market for live event production

NAB Show: Strong growth in leads, client engagements and social impressions

Avid Connect: 1,400+ people from 50+ countries, **highest attendance ever**

HOW TO THINK ABOUT
Avid

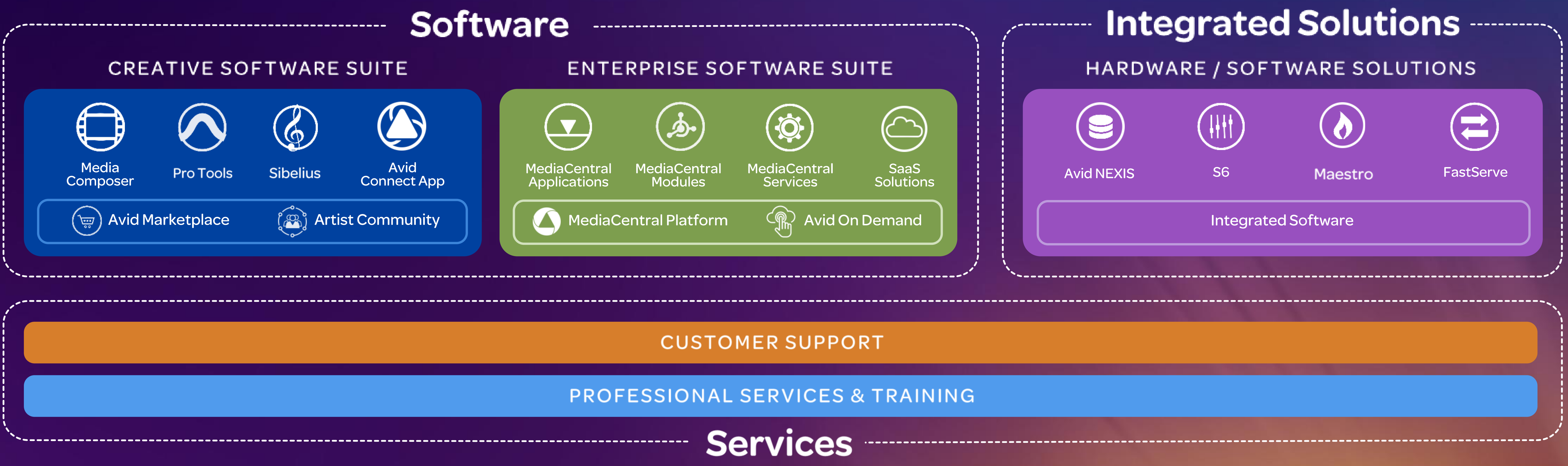
Avid is the **leading technology provider** of software tools and platforms that power the media and entertainment industry.

From aspiring creatives and the most celebrated media professionals and artists,
to a majority of the prominent media companies across film, television and music, **the industry relies on Avid products** to entertain, inform and engage audiences around the globe.

With unrivaled industry leadership through an installed base including more than a million users and thousands of large-scale deployments, **Avid is uniquely positioned** to help the entire media industry to thrive in the digital era—and now capitalize on the benefits of cloud and SaaS technologies.

HOW TO THINK ABOUT
our portfolio

- Portfolio comprised of Software, Integrated Solutions & Services
- Increasing significance of Software in revenue mix and earnings growth
- Integrated Solutions will continue as key contributor for the mid term
- Cloud and SaaS offerings will start to make contributions in late 2018
- Continued positive trend around growth of recurring revenue
- Improved reporting visibility in 2H around these categories and key metrics



HOW TO THINK ABOUT
our markets

	Creative software products are key to most workflows	*Cloud-enabled platform with enterprise-class solutions*	*Tightly integrated SW solutions on common HW platforms*
Media Enterprises 	✓ Key anchors that drive much wider opportunities and solution adoption	✓✓ Core of our platform strategy, cloud-based workflows and SaaS offerings	✓✓ Essential part of key enterprise solutions today, but SW layer will power future SaaS
Creative Teams 	✓✓ Integral part of most audio and video production workflows	✓ Major expansion opportunity with new platform and solution offerings	✓✓ Integral part of most solutions today, but will enable future cloud-based offerings
Individual Artists 	✓✓ Vital part of subscription business and digital e-commerce efforts	✓ Platform powers Collaboration tools and SaaS offerings for individuals	✓ HW requirements mainly focused around I/O and control surfaces
	CREATIVE SOFTWARE SUITE	**ENTERPRISE SOFTWARE SUITE**	**INTEGRATED HW/SW SOLUTIONS**

HOW TO THINK ABOUT

the opportunity

Large and growing market poised for transition

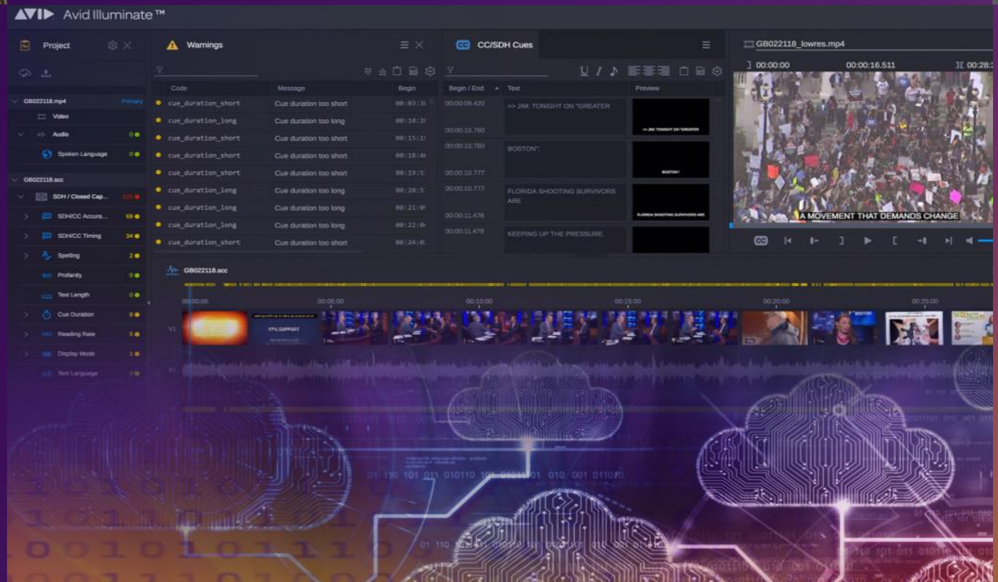
Customers facing significant disruption and on the cusp of making major changes and investments in their business and operational approaches

Deeply entrenched, with a market leadership position

Ability to leverage significant global customer base that is loyal to the brand across TV, film, music and media

Best positioned to help the industry navigate disruption

Unique approach with common technology platform, software tools and integrated workflow solutions—all with large and open ecosystem



Ready to intercept the next emerging opportunity

Leveraging unique partnership with Microsoft to lead media and entertainment industry into the cloud with market-leading SaaS and AI offerings

Q1 2018 Financial Results and Q2 Guidance

Brian E. Agle
Senior Vice President and
Chief Financial Officer

Q1 2018 Financial Results

($M)	Q1'18
Bookings	**$ 101.6**
Revenue	**97.9**
Non-GAAP Gross Profit	**57.7**
Non-GAAP Gross Margin	*59%*
Non-GAAP Operating Expenses	**54.7**
Adjusted EBITDA	**6.3**
Free Cash Flow	**$ 3.3**

- Both Revenue and Adjusted EBITDA within Guidance

		Guidance	
($M)	**Q1'18**	**Low**	**High**
Revenue	$97.9	$95	$105
Adjusted EBITDA	$6.3	$3	$9

- Bookings growth of 5% year over year (excl. Greater China) driven by strategic purchase agreements
- Non-GAAP Gross margin as percentage of revenue improved sequentially (Q4'17 was 56%)
- Generated positive Free Cash Flow

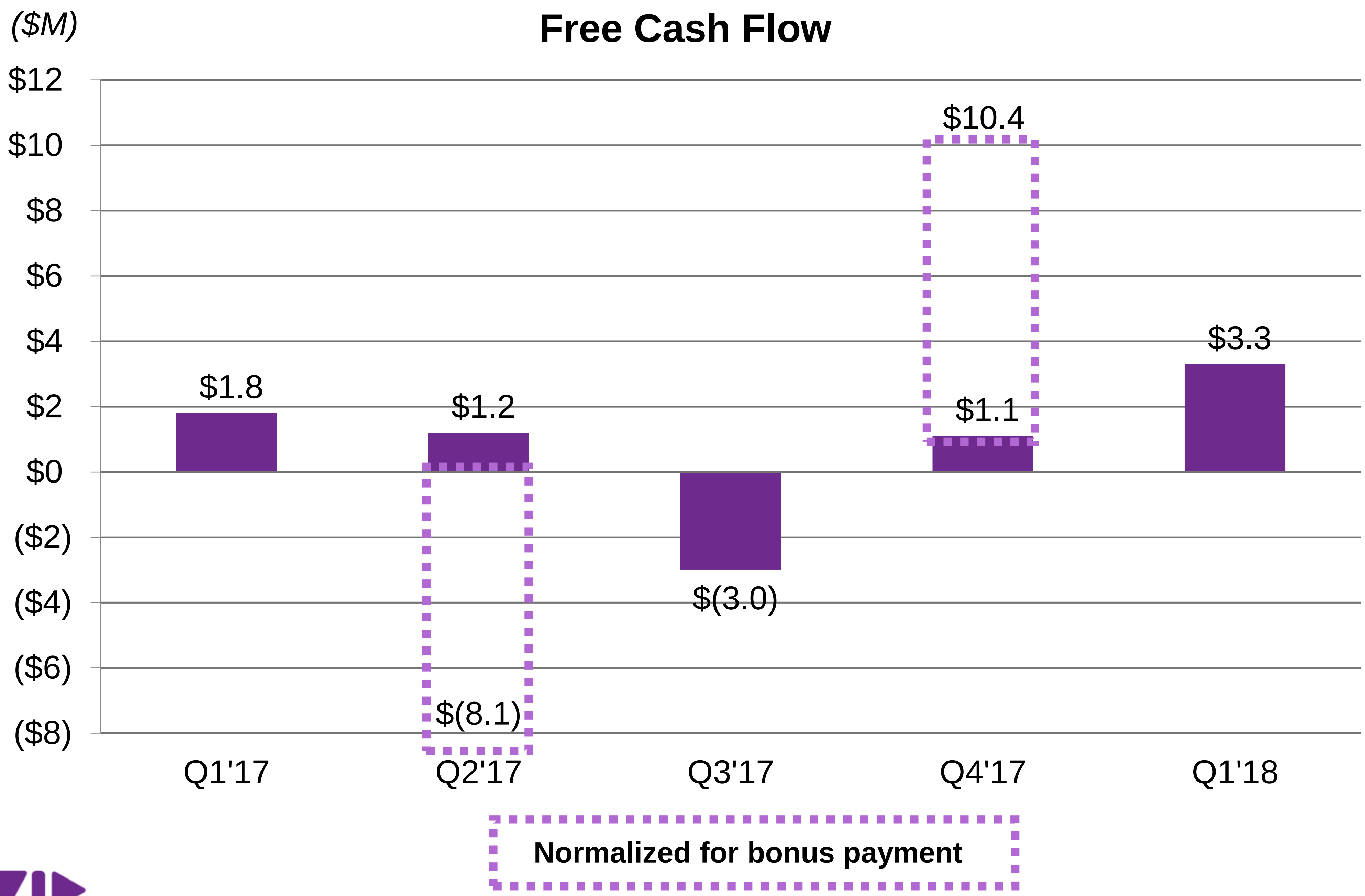
A GAAP to Non-GAAP reconciliation is available in the Q1 2018 earnings press release issued today

Balance Sheet & Backlog as of 3/31/2018

($M)		3/31/17	12/31/17	3/31/18
Cash		**$47.0**	**$57.2**	**$48.0**
Accounts Receivable				**52.5**
Accounts Receivable (ASC 605)		*43.6*	40.1	*31.5*
Net Inventory				**32.9**
Net Inventory (ASC 605)		*49.1*	*38.4*	38.6
Deferred Revenue	a			**106.4**
Deferred Revenue (ASC 605)		*223.0*	*194.6*	*199.3*
Contractually Committed Backlog	b	**271.2**	**341.5**	**328.6**
Total Revenue Backlog	a+b	**494.2**	**536.1**	**435.0**
Long Term Debt		**$189.3**	**$204.5**	**$203.3**

- Cash down sequentially due to $8.5M letter of credit issued for hardware supplier transition
- Adoption of ASC 606 had an impact on balances for Accounts Receivable, Net Inventory, Deferred Revenue and Backlog
- Contractually committed backlog up $57M YoY

Free Cash Flow – Continued Improvement



- Improvement year over year & sequentially
- 2016 bonus of $9.3 million was paid in Q4 2017
- 2017 bonus of $8.3 million has been paid in Q2 2018
- Expect similar seasonal cash flow in 2018 including the normalized bonus payment

Q1 2018 Free Cash Flow Improvement

($M)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2018	Fav/ (Unfav)
GAAP net cash provided by (used in) operating activities	**$ 3.5**	**$ 5.4**	**$ 1.9**
Capital expenditures	(1.7)	(2.1)	(0.4)
Free Cash Flow	1.8	3.3	1.5
Restructuring payments	3.3	2.4	0.9
Restatement payments	0.1	0.3	(0.2)
Efficiency program payments	1.6	0.1	1.5
Non-Operational / One-time items	5.0	2.8	2.2
Adjusted Free Cash Flow	**$ 6.8**	**$ 6.1**	**$ (0.7)**

Free Cash Flow improves with lower Non-Operational/One-time items

Subscription Services Revenue Reporting

($000s)	Three Months Ended March 31,	
	2017 (1)	2018
Subscription Services Revenue	$ 3,721	$ 8,465

- With ASC 606, expect quarterly subscription revenue to be more lumpy and less linear compared to ASC 605
- Additional reporting and metrics later this year

(1) As a result of our adoption of ASC 606 effective January 1, 2018 using the modified retrospective method, prior period amounts have not been adjusted to conform with ASC 606 and therefore may not be comparable.

Q2 2018 Guidance

($M)	Q2 2018 Guidance	
	Low	**High**
Revenue	$97	$107
Adjusted EBITDA	$4	$10

Improved Capital Structure

Amendment to Cerberus senior credit facility

Improved Pricing	▪ Annual fees and interest reduced by 125 basis points
Upsized Facility	▪ $35 million of additional liquidity (no fees) ▪ Term loan increased to $127.5M; revolver increased to $22.5M
Extended Term	▪ Term extended to May 2023 ▪ “Springing Maturity” feature eliminated
Expanded Basket	▪ Ability to retire $40M of convertible notes
Reduced Amortization	▪ New principal amortization schedule: 1%, 1%, 2.5%, 5%, 5%

Closing Remarks

Jeff Rosica
Chief Executive Officer and President

Q&A