Q1 2022 EARNINGS CALL

Avid Technology (Nasdaq: AVID)

May 4, 2022

NON-GAAP MEASURES & OPERATIONAL METRICS

The following non-GAAP measures & operational metrics will be used in the presentation:

Non-GAAP Measures

- Adjusted EBITDA
- Adjusted EBITDA Margin
- Free Cash Flow
- Non-GAAP Gross Profit
- Non-GAAP Gross Margin
- Non-GAAP Operating Expenses
- Non-GAAP Net Income
- Non-GAAP Earnings Per Share
- LTM Adjusted EBITDA

Operational Metrics

- Annual Contract Value (“ACV”)
- Cloud Enabled Software Subscriptions
- LTM Recurring Revenue %
- Revenue Backlog

Reconciliations of all non-GAAP measures used in this presentation that are required to be reconciled to their comparable GAAP measures are included in this presentation and in our press release announcing Q1 2022 results published today and filed as an exhibit to our 8-K filed with the SEC today, and definitions of the operational metrics used in this presentation are included in the supplemental financial information datasheet available on ir.avid.com. Avid believes the non-GAAP measures and the operational metrics provided in this presentation provide helpful information to investors with respect to evaluating the Company’s performance. However, these non-GAAP measures and operational metrics may vary from how other companies present such measures. Non-GAAP measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP.

The presentation also includes expectations for future Adjusted EBITDA, Non-GAAP Earnings per Share and Free Cash Flow, which are forward-looking non-GAAP financial measures. Reconciliations of these forward-looking non-GAAP measures are not included in this presentation or elsewhere, due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from the estimation of the non-GAAP results, 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 information provided in this presentation includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include statements regarding our future financial performance or position, results of operations, business strategy, plans and objectives of management for future operations, and other statements that are not historical fact. You can identify forward-looking statements by their use of forward-looking words such as “may”, “will”, “anticipate”, “expect”, “believe”, “estimate”, “intend”, “plan”, “should”, “seek”, or other comparable terms.

Readers of this presentation should understand that these forward-looking statements are not guarantees of performance or results. Forward-looking statements provide our current expectations and beliefs concerning future events and are subject to risks, uncertainties, and factors relating to our business and operations, all of which are difficult to predict and could cause our actual results to differ materially from the expectations expressed in or implied by such forward-looking statements.

These risks, uncertainties, and factors include, but are not limited to: risks related to the impact of the coronavirus (COVID-19) outbreak and its variants on our business, suppliers, consumers, customers and employees; economic, social, and political instability, security concerns, and the risk of war or armed conflict, particularly in areas of heightened geopolitical tension and open conflict such as Ukraine where we have outsourced research and development activities; our liquidity; our ability to execute our strategic plan including our cost saving strategies, and to meet customer needs; our ability to retain and hire key personnel; 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; our higher indebtedness and ability to service it and meet the obligations thereunder; restrictions in our credit facilities; our move to a subscription model and related effect on our revenues and ability to predict future revenues; fluctuations in subscription and maintenance renewal rates; elongated sales cycles; fluctuations in foreign currency exchange rates; seasonal factors; adverse changes in economic conditions; variances in our Revenue Backlog and the realization thereof; risks related to the availability and prices of raw materials, including any negative effects caused by inflation, armed conflict and related sanctions, weather conditions, or health pandemics; disruptions or inefficiencies in our supply chain and/or operations, including from armed conflict and related sanctions and the COVID-19 outbreak; the costs, disruption, and diversion of management's attention due to the COVID-19 outbreak; the possibility of legal proceedings adverse to our Company; and other risks described in our reports filed from time to time with the U.S. Securities and Exchange Commission. Moreover, the business may be adversely affected by future legislative, regulatory or other changes, including tax law changes, as well as other economic, business and/or competitive factors. The risks included above are not exhaustive. We caution readers not to place undue reliance on any forward-looking statements included in this presentation which speak only as to the date of this presentation. We undertake no responsibility to update or revise any forward-looking statements, except as required by law.

BUSINESS UPDATE

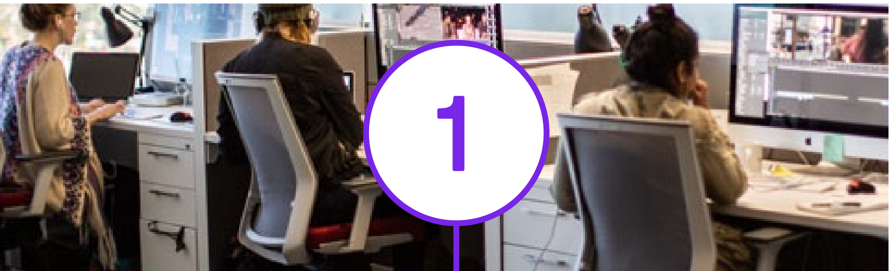
Jeff Rosica

Chief Executive Officer & President

AVID | EDIT ON DEMAND

› Edit from anywhere with fast and secure SaaS-based video editing solution

Q1 2022 EXECUTIVE SUMMARY



Strong subscription growth driven by continued success with enterprises and creatives

Despite healthy business activity, supply chain constraints limited shipments of integrated solutions in the quarter

Total revenue growth and expanding margins drove continued YoY improvement in profitability

Ended Q1 with strong customer demand for our products and elevated integrated solutions backlog, giving us confidence in our full-year 2022

1 STRONG SUBSCRIPTION REVENUE GROWTH

- Consistent subscription net adds driving growth of subscriber base
- Continued strong adoption of enterprise subscriptions by new and existing customers
- Sustained and steady growth of creative tools subscriptions

+24.1% YoY
CLOUD-ENABLED SOFTWARE SUBSCRIPTIONS

+32.5% YoY
Q1 SUBSCRIPTION REVENUE

+21,200
CLOUD-ENABLED SOFTWARE SUBSCRIPTIONS ADDED IN Q1

2

HEALTHY BUSINESS ACTIVITY WITH SUPPLY CHAIN HEADWINDS

- Overall market demand and business remained healthy and growing
- Strength across product portfolio
- Higher backlog of integrated solutions than usual as global supply chain limited shipments in the quarter

+12.3% YoY
ANNUAL CONTRACT VALUE GROWTH

+12.0% YoY
Q1 SUBSCRIPTION & MAINTENANCE REVENUE

+7.6% YoY
Q1 INTEGRATED SOLUTIONS REVENUE

3 REVENUE GROWTH AND EXPANDING MARGINS IMPROVING PROFITABILITY

- Strong growth of higher margin subscription and maintenance
- Continued focus on execution and managing cost base
- Expanded profitability while investing in technology innovation for future growth

$100.6M
Q1 TOTAL REVENUE
+6.7% YoY

66.8%
Q1 NON-GAAP
GROSS MARGIN

19.2%
Q1 ADJUSTED
EBITDA MARGIN

+17.9% YoY
Q1 NON-GAAP
EPS GROWTH

LOOKING FORWARD

Expect continued healthy market conditions and customer demand for Avid solutions

Planning to launch several innovative new products to meet market demands and contribute towards growth

Expect supply chain conditions impacting certain parts of the business today to moderate over time

Expect to deliver continued profitable growth and improving Free Cash Flow

Q1 2022 FINANCIAL RESULTS

Ken Gayron

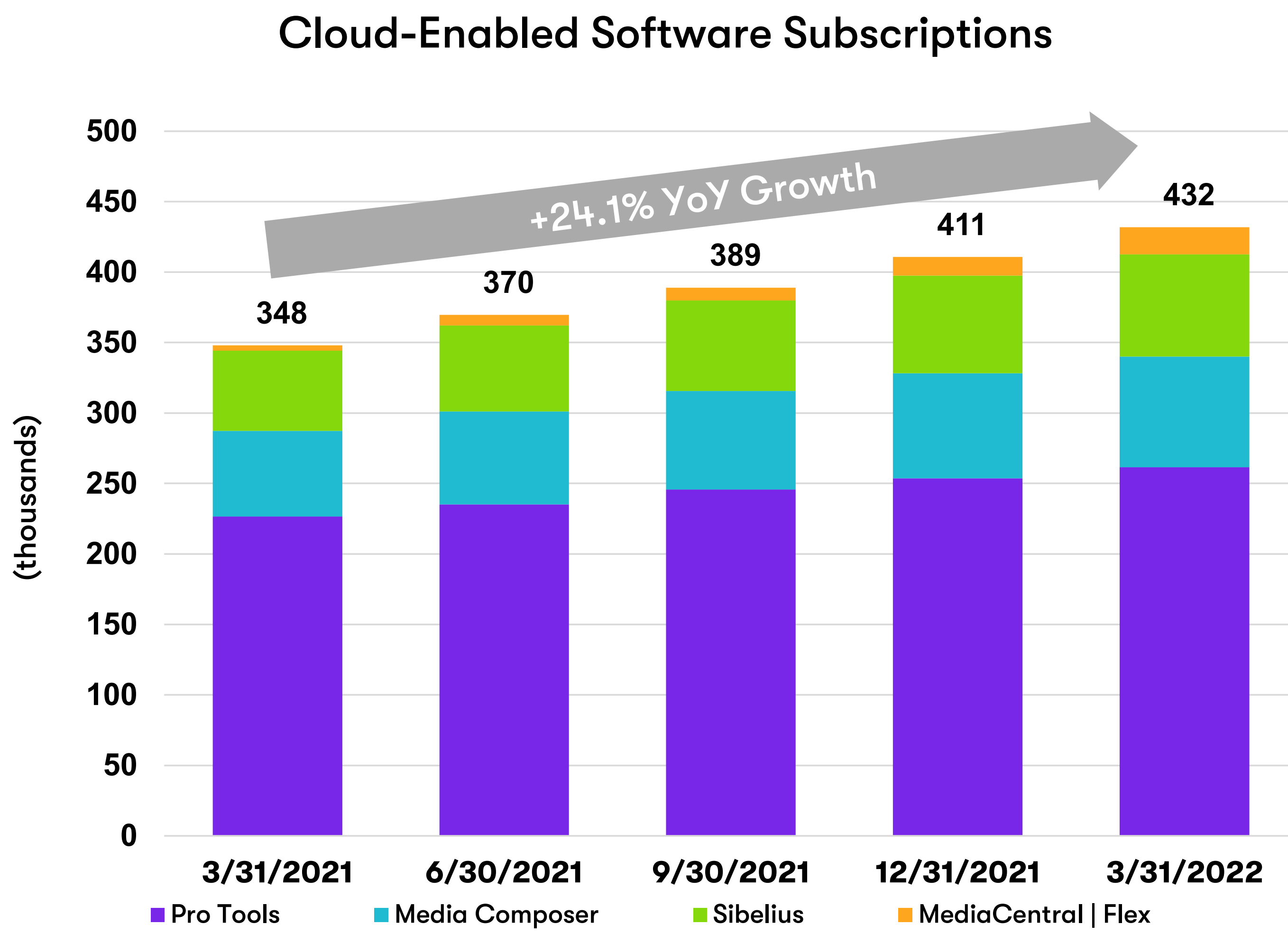
Executive Vice President
& Chief Financial Officer

MEDIACENTRAL | COLLABORATE

› Enabling production teams to work together from anywhere, making it easy to communicate, update assignments, and stay on track—creating greater efficiencies.

SUBSCRIPTION GROWTH PROGRESSES

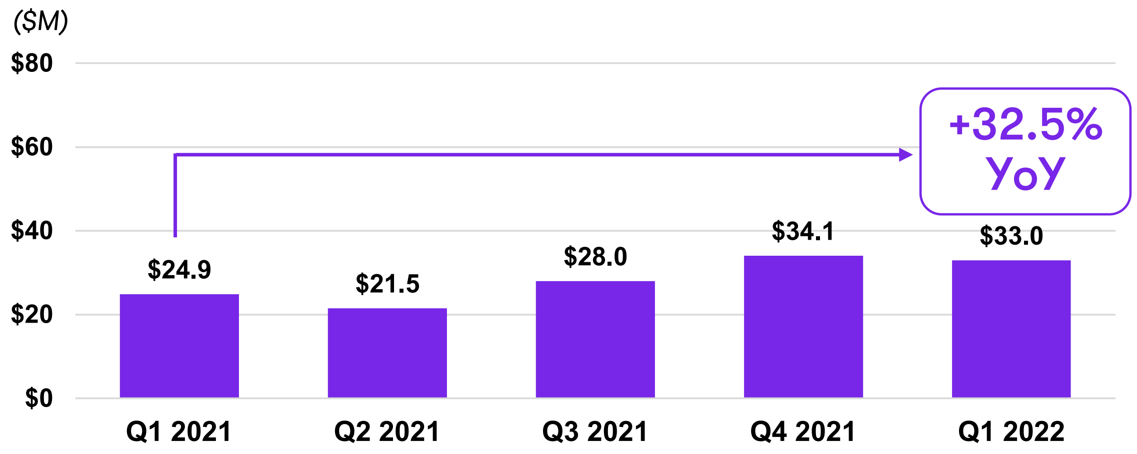
- Net increase of approx. 21,200 paid Cloud-Enabled Software Subscriptions in the fourth quarter
- Exceptional performance of enterprise MediaCentral | Flex subscriptions, which grew approx. 6,100 to approx. 19,300
- Solid growth of creative software subscriptions, an increase of approx. 15,100



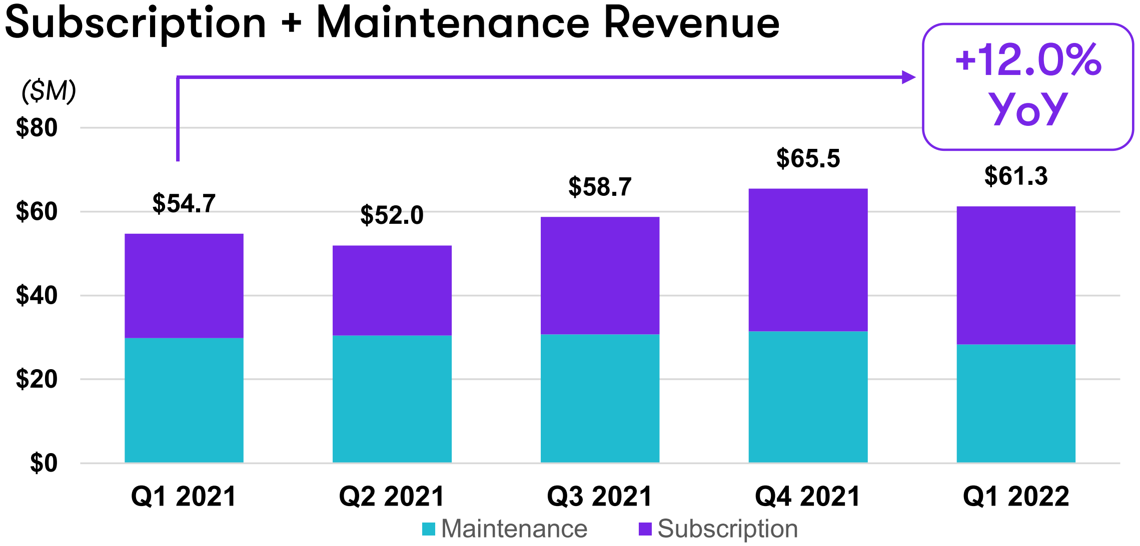
REVENUE BY TYPE

Strong growth in subscription driving YoY increase in revenue and profitability

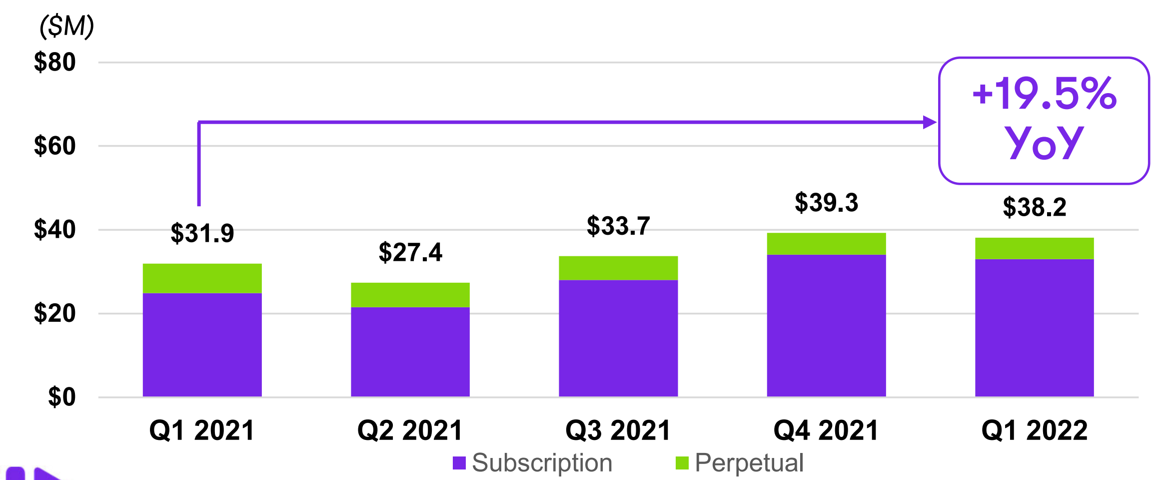
Subscription Revenue



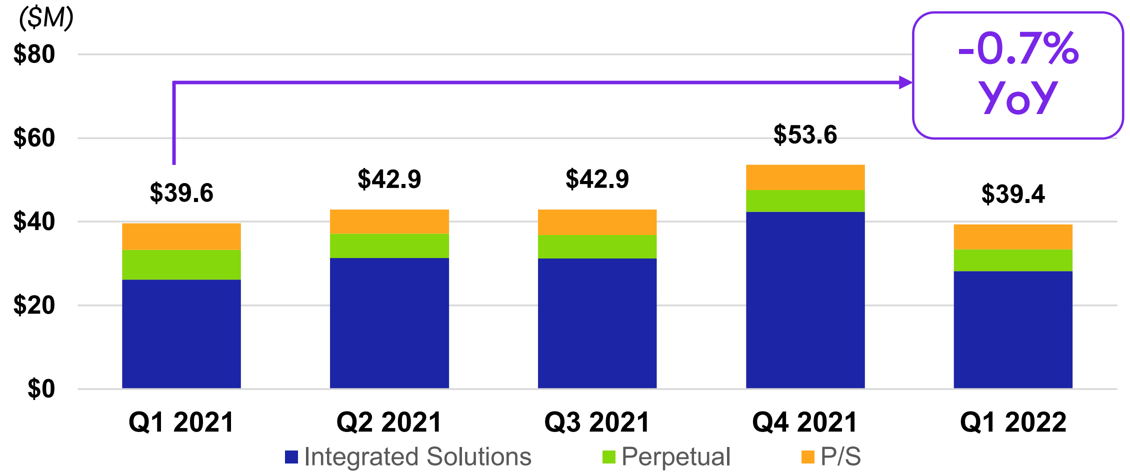
Subscription + Maintenance Revenue



Software (Subscription & Perpetual) Revenue



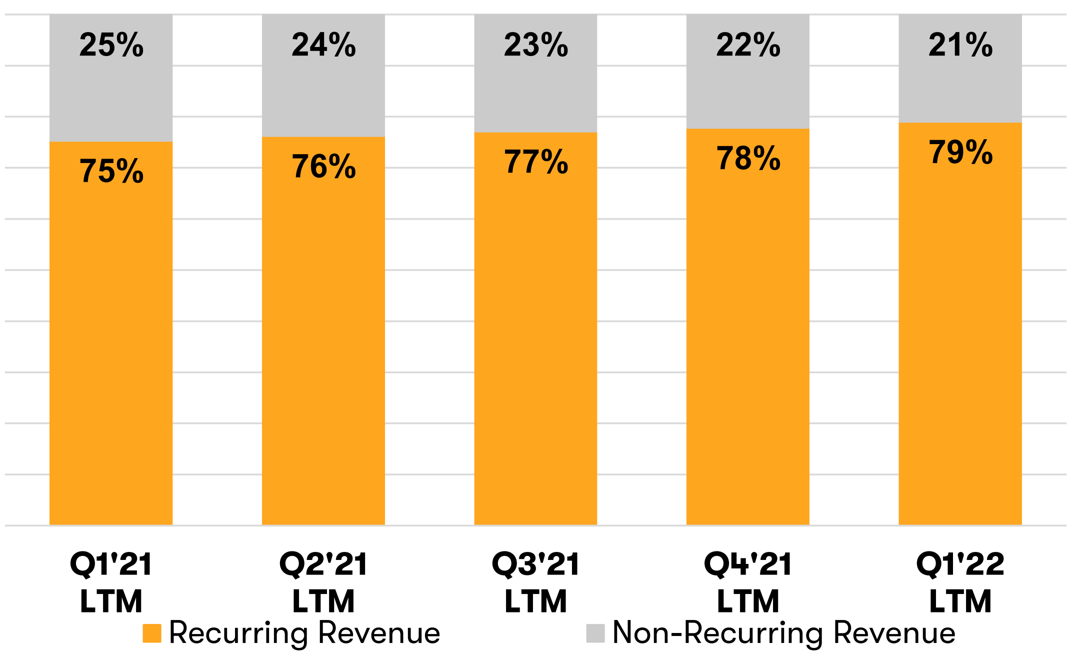
Integrated Solutions, Perpetual, P/S Revenue



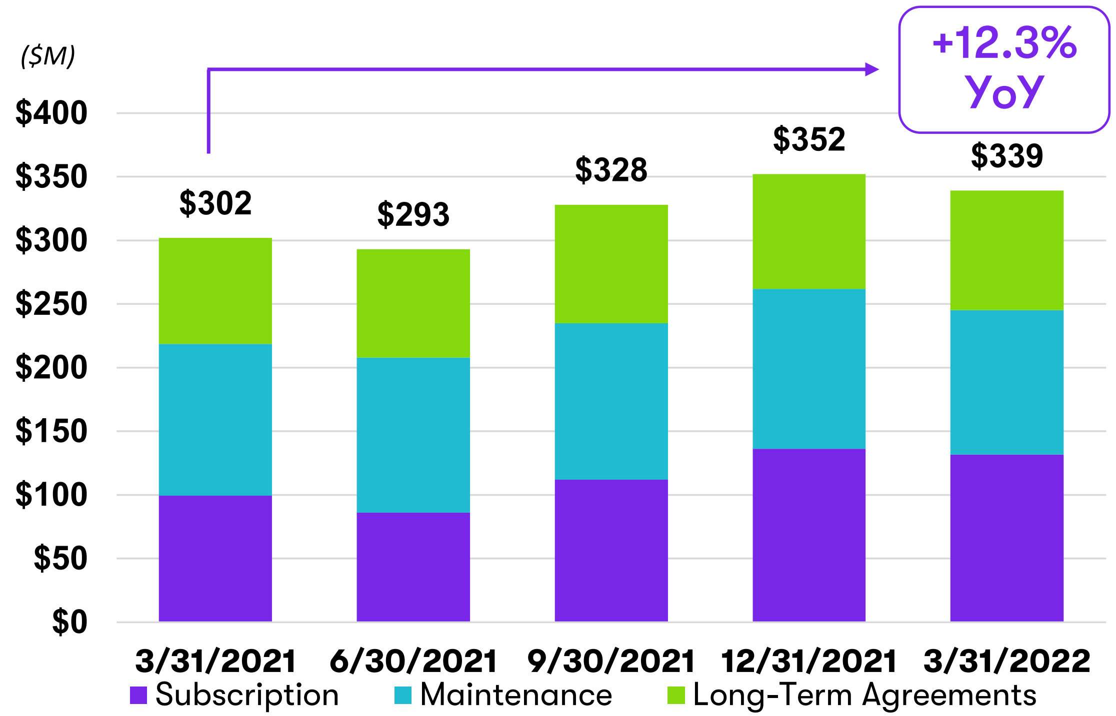
LTM RECURRING REVENUE % AND ACV

LTM Recurring Revenue % increased 380 bps YoY to 79.1% and Annual Contract Value increased +12.3% YoY

LTM Recurring Revenue %



Annual Contract Value

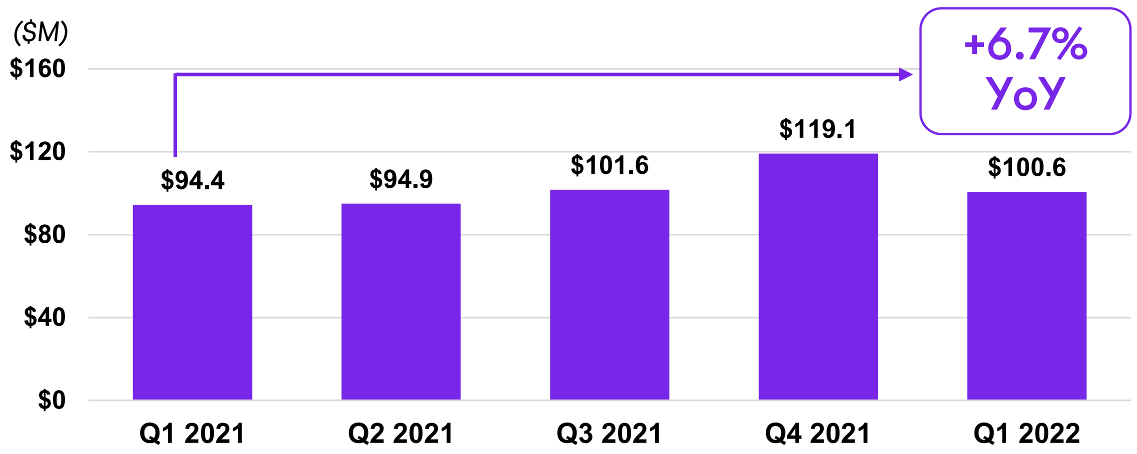


Note: Long-Term Agreement contribution to ACV excludes maintenance and subscription portion.

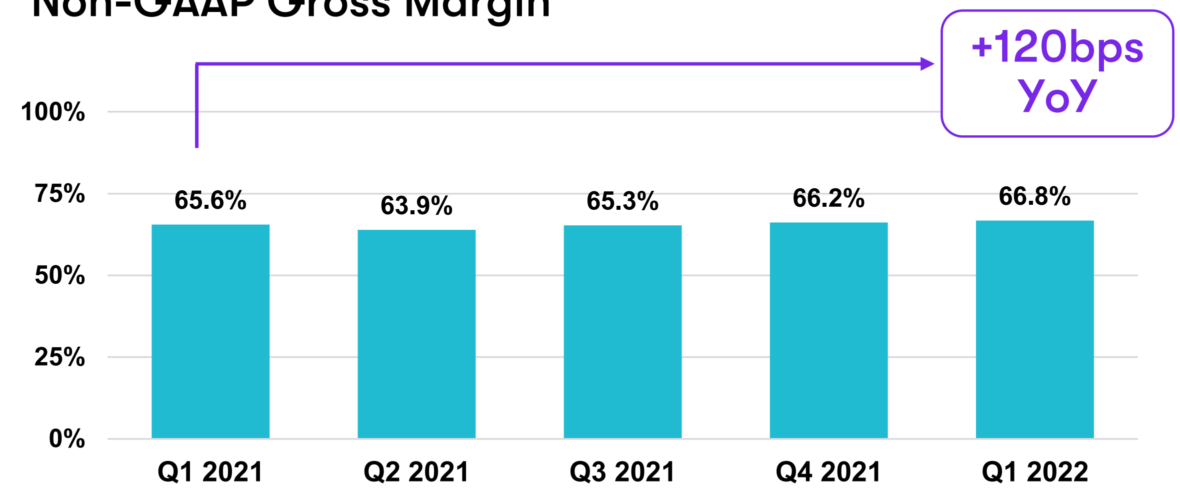
OPERATING RESULTS

Growth in revenue and gross margin yielded continued healthy profitability

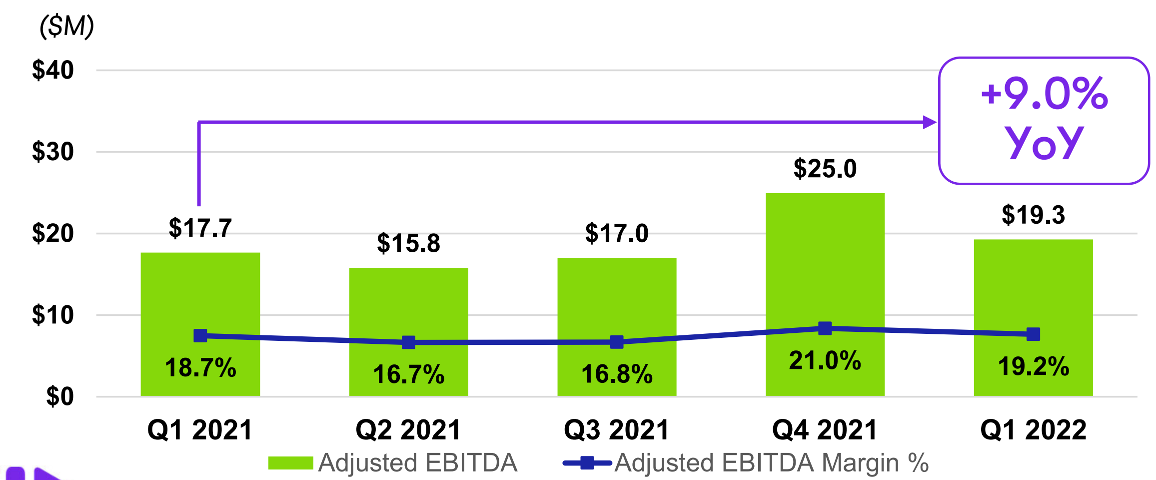
Total Revenue



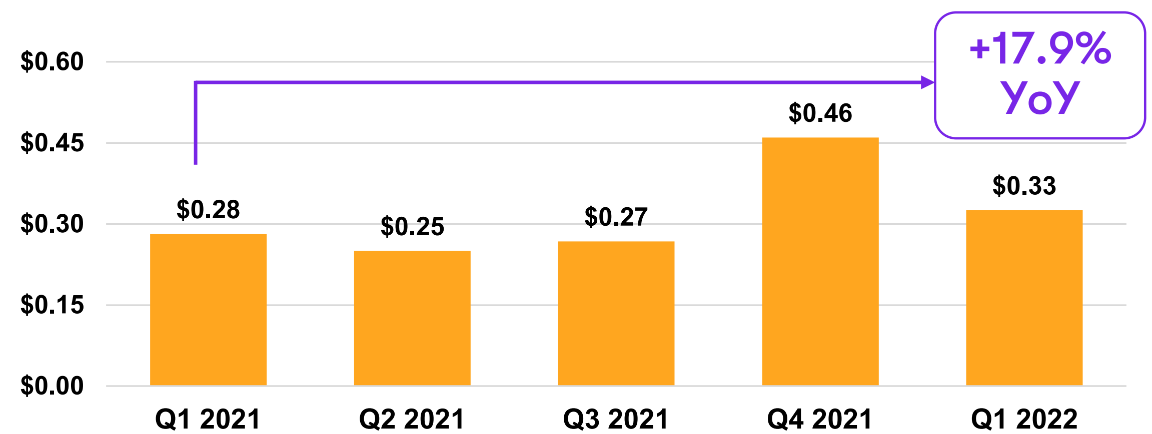
Non-GAAP Gross Margin



Adjusted EBITDA



Non-GAAP Earnings per Share



Q1 2022 FINANCIAL RESULTS

Growth in revenue and strong business fundamentals yielded continued healthy profitability

($M, except per share)	Q1'21	Q4'21	Q1'22	YoY change Fav/(Unfav)
Revenue	$94.4	$119.1	$100.6	6.7%
Subscription & Maintenance Revenue	54.7	65.5	61.3	12.0%
Non-GAAP Gross Profit	61.9	78.8	67.2	8.6%
Non-GAAP Gross Margin	*65.6%*	*66.2%*	*66.8%*	*120 bps*
Non-GAAP Operating Expenses	$46.3	$55.8	$49.7	(7.4%)
Non-GAAP Operating Expenses Margin %	*49.1%*	*46.8%*	*49.4%*	*(30 bps)*
Non-GAAP Net Income	13.0	20.9	14.8	13.6%
Non-GAAP Earnings per Share	$0.28	$0.46	$0.33	$0.05
Adjusted EBITDA	17.7	25.0	19.3	9.0%
Adjusted EBITDA Margin %	*18.7%*	*21.0%*	*19.2%*	*50 bps*
Free Cash Flow	$11.1	$25.0	$4.7	($6.4)
Change in Working Capital[1]	($0.1)	$6.4	($9.4)	($9.3)
Capital Expenditures	($1.3)	($2.1)	($3.2)	($2.0)

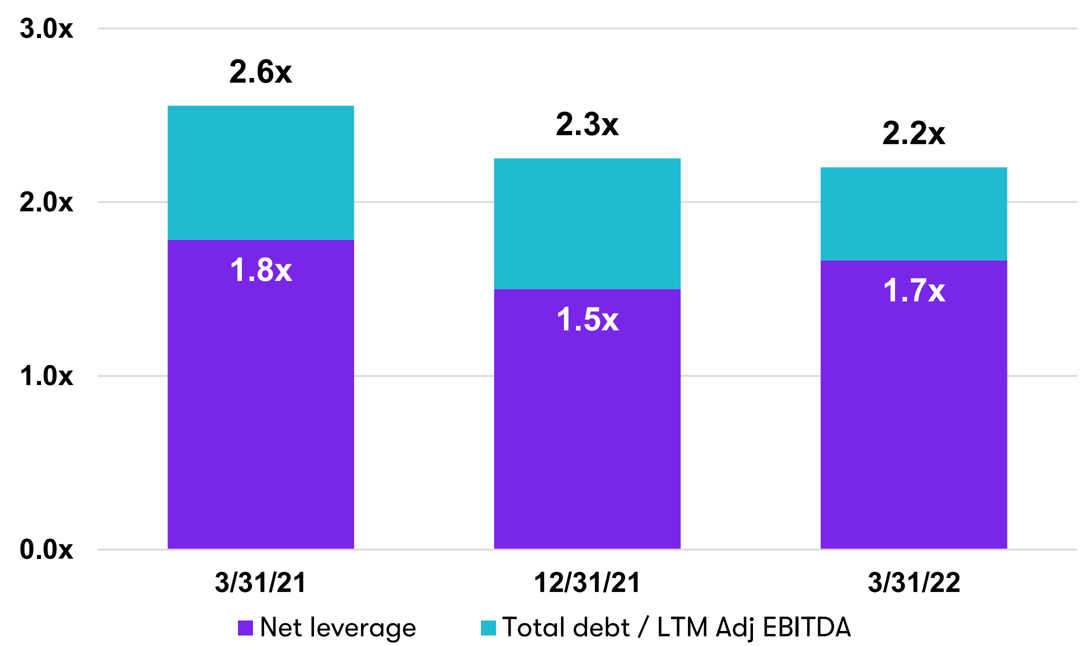
(1) (Increase) decrease in working capital during a period is the change in operating assets and liabilities, as shown on the consolidated statement of cash flows.

LEVERAGE

Continued profitable growth contributing to continued reduction in leverage

- Total debt/LTM Adj EBITDA and Net Leverage improved YoY
- Amendment to credit facility in February which lowered interest rate spread by 25bps and extended maturity to 2027
- Repurchased approximately 354K shares for $10.8M during the first quarter, under share repurchase authorization
- Healthy $41M cash balance and $111M available liquidity including undrawn revolver

Net Leverage (Net Debt[1] / LTM Adjusted EBITDA)



(1) Net Debt = Total Debt – Cash and Cash Equivalents

Q2 AND FULL YEAR 2022 GUIDANCE

($M, except per share)	Q2 2022 Low	Q2 2022 High	Full-Year 2022 Low	Full-Year 2022 High
Revenue	$92	$104	$430	$450
Subscription & Maintenance Revenue	$60	$64	$266	$274
Non-GAAP Earnings per Share (1)	$0.19	$0.32	$1.40	$1.51
Adjusted EBITDA	$13.5	$19.5	$84	$94
Free Cash Flow			$60	$67

(1) Assumes 45.5M shares for Q2 2022 and 46.2M shares for FY 2022.


Q&A

REVENUE & NON-GAAP GROSS MARGIN BY TYPE

($M)	Q1 2021	Q4 2021	Q1 2022	Q1 2022 Q/Q %	Q1 2022 Y/Y %
Revenue					
Subscriptions	$24.9	$34.1	$33.0	(3.2%)	32.5%
Maintenance	29.9	31.4	28.3	(9.8%)	(5.1%)
Subscriptions and Maintenance	**$54.7**	**$65.5**	**$61.3**	**(6.4%)**	**12.0%**
Perpetual Licenses	7.1	5.2	5.2	(0.0%)	(26.4%)
SW Licenses and Maintenance	**$61.8**	**$70.7**	**66.5**	**(5.9%)**	**7.6%**
Integrated Solutions	26.2	42.4	28.2	(33.4%)	7.6%
Professional Services & Training	6.4	6.0	6.0	(1.0%)	(6.5%)
Total Revenue	**$94.4**	**$119.1**	**$100.6**	**(15.5%)**	**6.7%**
Software Revenue (Subscriptions + Perpetual Licenses)	**$31.9**	**$39.3**	**$38.2**	**(2.8%)**	**19.5%**
Non-GAAP Gross Margin					
SW Licenses and Maintenance	82.7%	83.2%	82.0%	(120 bps)	(70 bps)
Integrated Solutions	36.8%	45.6%	41.6%	(400 bps)	480 bps
Professional Services & Training	17.4%	11.5%	15.4%	390 bps	(200 bps)
Total Non-GAAP Gross Margin %	**65.6%**	**66.2%**	**66.8%**	**60 bps**	**120 bps**

Note: Non-GAAP Gross Margin by revenue type excludes stock-based compensation and amortization of intangible assets

BALANCE SHEET AS OF MARCH 31, 2022

($M)

	3/31/21	12/31/21	3/31/22
Cash and Cash Equivalents	$55.6	$56.8	$41.2
Accounts Receivable	58.8	77.0	57.4
Contract Asset, Current Portion	22.0	18.9	25.5
Net Inventory	27.6	19.9	17.8
Accounts Payable	19.2	26.9	21.4
Deferred Revenue	97.5	98.1	92.3
Total Debt	184.3	170.0	169.6
Net Debt[1]	128.7	113.1	128.4
Net Debt / LTM Adjusted EBITDA	1.8x	1.5x	1.7x
Share Repurchases during the year ending 12/31/21 and three months ending 3/31/22		$25.1	$10.8
Cumulative Share Repurchases as of 12/31/21 and 3/31/22		$25.1	$35.9

(1) Net Debt = Total Debt – Cash and Cash Equivalents

RECONCILIATION OF NON-GAAP GROSS PROFIT AND NON-GAAP OPERATING EXPENSES

AVID TECHNOLOGY, INC.
Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures
(unaudited - in thousands)

	Three Months Ended		
	March 31, 2022	December 31, 2021	March 31, 2021
GAAP Revenue			
GAAP Revenue	$ 100,649	$ 119,064	$ 94,364
Non-GAAP Gross Profit			
GAAP Gross Profit	66,764	78,347	61,416
Stock-based compensation	426	439	440
Non-GAAP Gross Profit	$ 67,190	$ 78,786	$ 61,856
GAAP Gross Margin	66.3%	65.8%	65.1%
Non-GAAP Gross Margin	66.8%	66.2%	65.6%
Non-GAAP Operating Expenses			
GAAP Operating Expenses	53,489	61,176	50,870
Less Amortization of intangible assets	(58)	(73)	(105)
Less Stock-based compensation	(2,996)	(3,208)	(2,977)
Less Restructuring costs, net	(15)	(115)	(1,074)
Less Acquisition, integration and other costs	(459)	(985)	(369)
Less Efficiency program costs	-	-	(48)
Less Digital Transformation costs	(243)	(1,028)	-
Less COVID-19 related expenses	-	-	(2)
Non-GAAP Operating Expenses	$ 49,718	$ 55,767	$ 46,295

These non-GAAP measures reflect how Avid manages its businesses internally. 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.

RECONCILIATION OF NON-GAAP OPERATING INCOME, ADJUSTED EBITDA, AND ADJUSTED EBITDA MARGIN

AVID TECHNOLOGY, INC.
Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures
(unaudited - in thousands)

	Three Months Ended		
	March 31, 2022	December 31, 2021	March 31, 2021
Non-GAAP Operating Income and Adjusted EBITDA			
GAAP net income	10,586	15,216	4,391
Interest and other expense	1,563	1,220	5,673
Provision for income taxes	1,126	735	482
GAAP Operating Income	13,275	17,171	10,546
Amortization of intangible assets	58	73	105
Stock-based compensation	3,422	3,647	3,417
Restructuring costs, net	15	115	1,074
Acquisition, integration and other costs	459	985	369
Efficiency program costs	-	-	48
Digital Transformation costs	243	1,028	-
COVID-19 related expenses	-	-	2
Non-GAAP Operating Income	$ 17,472	$ 23,019	$ 15,561
Depreciation	1,803	1,932	2,119
Adjusted EBITDA	$ 19,275	$ 24,951	$ 17,680
GAAP net income margin	10.5%	12.8%	4.7%
Adjusted EBITDA Margin	19.2%	21.0%	18.7%

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RECONCILIATION OF NON-GAAP NET INCOME, NON-GAAP EARNINGS PER SHARE AND FREE CASH FLOW

AVID TECHNOLOGY, INC.
Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures
(unaudited - in thousands)

	Three Months Ended		
	March 31, 2022	December 31, 2021	March 31, 2021
Non-GAAP Net Income			
GAAP net income	10,586	15,216	4,391
Amortization of intangible assets	58	73	105
Stock-based compensation	3,422	3,647	3,417
Restructuring costs, net	15	115	1,074
Acquisition, integration and other costs	459	985	369
Efficiency program costs	-	-	48
Digital Transformation costs	243	1,028	-
COVID-19 related expenses	-	-	2
Loss on Extinguishment of debt	-	-	3,748
Tax impact of non-GAAP adjustments	(3)	(198)	(149)
Non-GAAP Net Income	$ 14,780	$ 20,866	$ 13,005
Weighted-average share count (Basic)	44,817	45,061	44,559
Weighted-average share count (Diluted)	45,408	45,773	46,204
Non-GAAP Earnings per Share (Basic)	$ 0.33	$ 0.46	$ 0.29
Non-GAAP Earnings per Share (Diluted)	$ 0.33	$ 0.46	$ 0.28
Free Cash Flow			
Net cash provided by operating activities	7,917	27,071	12,313
Capital expenditures	(3,244)	(2,069)	(1,254)
Free Cash Flow	$ 4,673	$ 25,002	$ 11,059
Free Cash Flow conversion from Adjusted EBITDA	24.2%	100.2%	62.6%

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RECONCILIATION OF LTM ADJUSTED EBITDA AND LTM ADJUSTED EBITDA MARGIN

AVID TECHNOLOGY, INC.
Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures
(unaudited - in thousands)

	Three Months Ended March 31,		Year Ended December 31,	Last Twelve Months (LTM)	
	2022	2021	2021	Q1 2022	Q1 2021
GAAP revenue	$ 100,649	$ 94,364	$ 409,944	$ 416,229	$ 368,377
<u>**Non-GAAP Operating Income and Adjusted EBITDA**</u>					
GAAP net income	10,586	4,391	41,388	47,583	21,310
Interest and other expense	1,563	5,673	2,308	(1,802)	19,523
Provision for income taxes	1,126	482	2,567	3,211	1,732
GAAP operating income	13,275	10,546	46,263	48,992	42,565
Amortization of intangible assets	58	105	388	341	420
Stock-based compensation	3,422	3,417	14,482	14,487	11,972
Restructuring costs, net	15	1,074	1,116	57	5,975
Acquisition, integration and other costs	459	369	3,068	3,158	1,384
Efficiency program costs	-	48	48	-	1,248
Digital Transformation	243	-	1,836	2,079	-
COVID-19 related expenses	-	2	22	20	94
Non-GAAP Operating Income	$ 17,472	$ 15,561	$ 67,223	$ 69,134	$ 63,658
Depreciation	1,803	2,119	8,255	7,939	8,482
Adjusted EBITDA	$ 19,275	$ 17,680	$ 75,478	$ 77,073	$ 72,140
GAAP net income margin	10.5%	4.7%	10.1%	11.4%	5.8%
Adjusted EBITDA Margin	19.2%	18.7%	18.4%	18.5%	19.6%

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POWERING
GREATER
CREATORS