Empowering media creators **with innovative technology, powerful solutions and collaborative tools** to entertain, inform, educate and enlighten the world

Q2 2020 EARNINGS CALL

Avid Technology (NYSE:AVID)

August 3, 2020

NON-GAAP & OPERATIONAL MEASURES

The following non-GAAP measures & operational measures 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 Operating Income
- Non-GAAP Net Income (Loss) Per Share

Operational Measures
- Cloud Enabled Software Subscriptions
- Recurring Revenue
- LTM Recurring Revenue %
- Annual Contract Value ("ACV")

The non-GAAP measures used in this presentation are reconciled to their comparable GAAP measures in our press release announcing Q2 2020 results published today and filed as an exhibit to our 8-K filed with the SEC today, and the operational measures used in this presentation are defined in the supplemental financial information datasheet available on ir.avid.com. Avid believes the non-GAAP measures and operational measures provided in this presentation provide helpful information to investors with respect to evaluating the Company's performance. However, these non-GAAP measures and operational measures 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 Adjusted EBITDA, Adjusted EBITDA Margin 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, 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, as amended. 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: 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 impact of the coronavirus (COVID-19) outbreak on our business, suppliers, consumers, customers and employees; risks related to the availability and prices of raw materials, including any negative effects caused by inflation, weather conditions, or health pandemics; disruptions or inefficiencies in our supply chain and/or operations, including from 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 includes in this press release which speak only as to the date of this press release. 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

Q2 2020 EXECUTIVE SUMMARY

Continued negative impact of COVID-19 on media industry and on Avid non-recurring revenue during Q2

Continued improvement in Annual Contract Value and strong growth in subscriptions

Significantly improved profitability from higher gross margin & lower operating expenses

Quickly responded to COVID-19 situation, implementing significant cost saving efforts which yielded improved financial performance on lower revenues

Q2 2020 PERFORMANCE

Continued strength in recurring portions of the business, even in the current challenging market, contributing to improved profitability

SUBSCRIPTION REVENUE	SUBSCRIPTION + MAINTENANCE REVENUE	NON-GAAP GROSS MARGIN	E-COMMERCE REVENUE	ADJUSTED EBITDA
+68.3% YoY	+13.5% YoY	65.4% +600 bps YoY	+27.9% YoY	+43.3% YoY

Q2 2020 PERFORMANCE

Non-recurring portions of the business continued to see temporary challenges due to the COVID-19 situation

Continued restrictions from COVID-19 on film/TV production, live sports and music events—temporarily impacting demand

Channel partners' business impacted and thus remained cautious given current market climate and customer demand

Enterprise customers delayed some purchases and paused certain projects due to business situation and facility restrictions

LOOKING FORWARD

- Demand environment remains weak and somewhat uncertain due to COVID-19, but we expect a gradual recovery beginning in the second half of 2020
- Recurring business expected to perform well driven by subscription + maintenance — expect to see growing contribution from cloud/SaaS offerings
- Given external market environment, remain focused on growing higher quality revenue streams and optimizing profitability and cash flow
- Refocusing strategy and investments to capitalize on strategic growth opportunities as we emerge from post-COVID environment

Q2 2020
FINANCIAL RESULTS

Ken Gayron
Executive Vice President & Chief Financial Officer

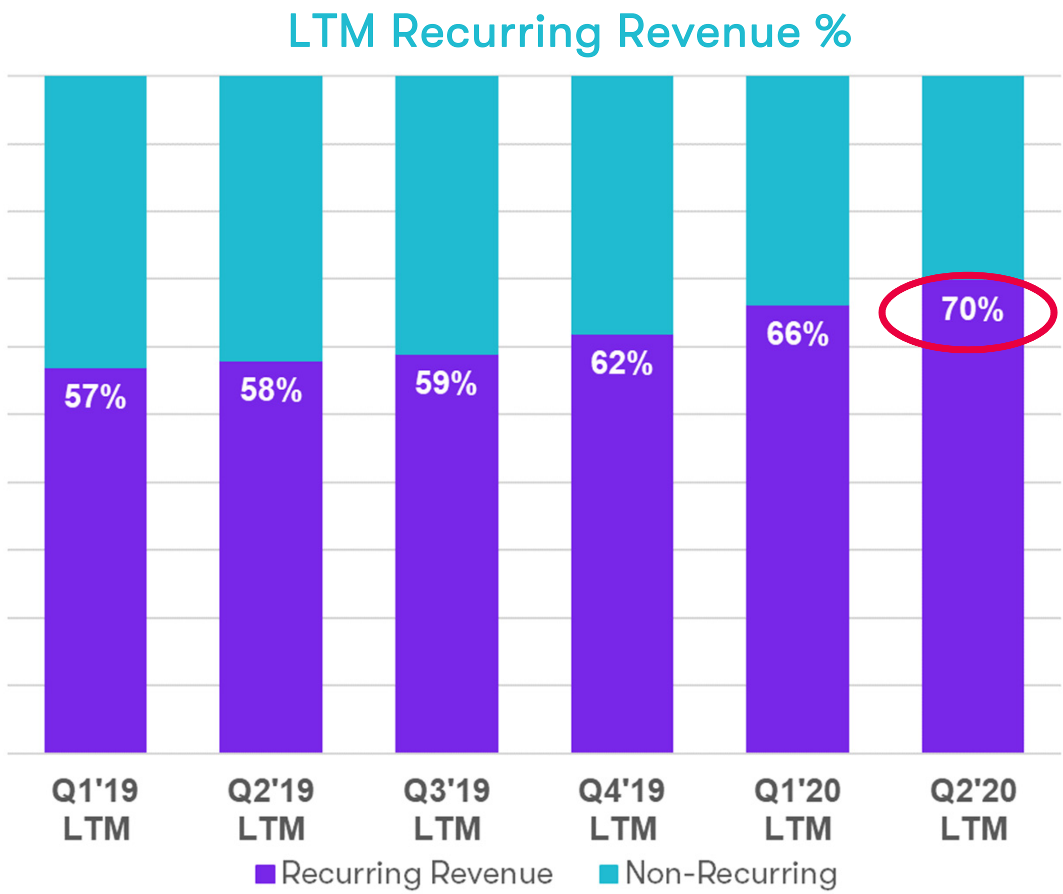
Q2 2020 FINANCIAL RESULTS

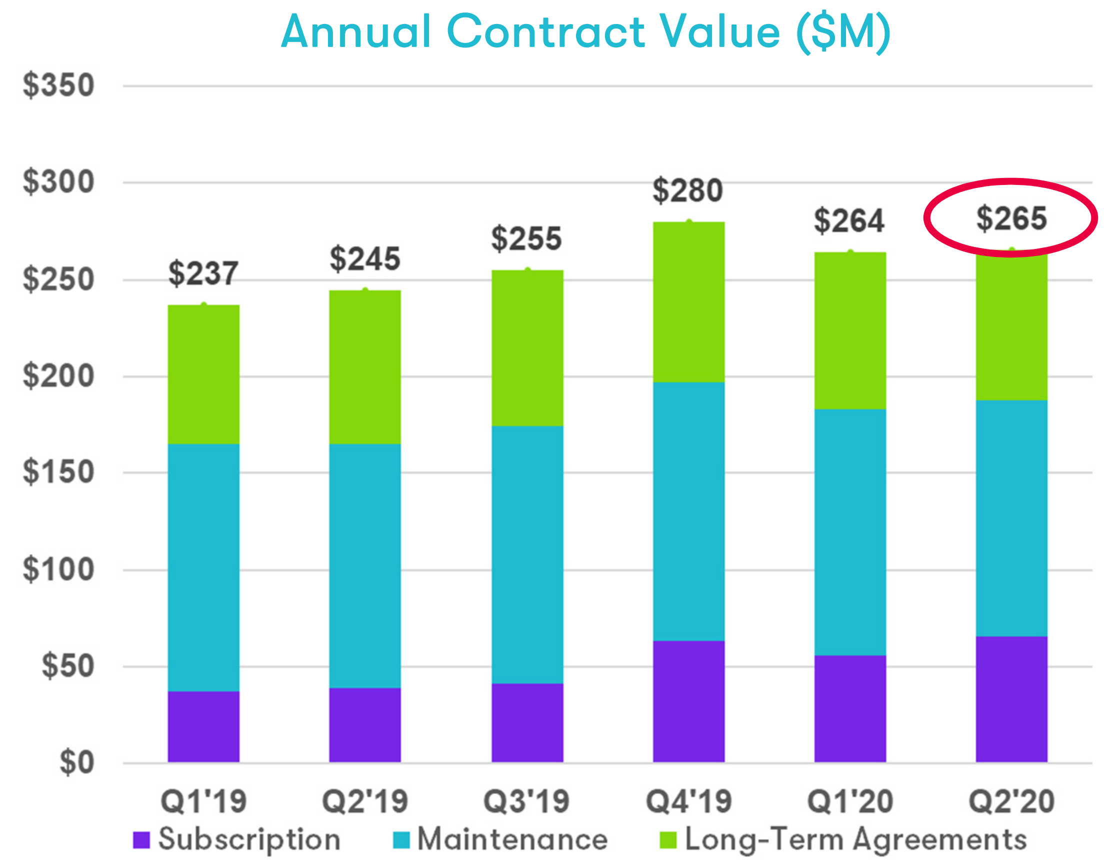
Growth in subscription & maintenance revenue and focus on controlling expenses yielded improved profitability

($M, except per share)	Q2'19	Q1'20	Q2'20	YoY change Fav/(Unfav)
Revenue	$98.7	$86.5	$79.3	(19.7%)
Subscription & Maintenance Revenue	41.4	45.8	47.0	13.5%
Non-GAAP Gross Profit	58.6	53.4	51.8	(11.6%)
Non-GAAP Gross Margin	*59.4%*	*61.7%*	*65.4%*	*600 bps*
Non-GAAP Operating Expenses	$51.8	$51.3	$40.5	21.7%
Adjusted EBITDA	9.4	4.2	13.5	43.3%
Adjusted EBITDA Margin %	*9.5%*	*4.8%*	*17.0%*	*750 bps*
Non-GAAP Net Income (Loss) per Share	$0.02	($0.08)	$0.12	$0.10
Free Cash Flow	($4.5)	($7.1)	($5.2)	($0.7)
(Increase) / Decrease in Working Capital[(1)]	($4.9)	($7.2)	($12.0)	($7.2)

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

LTM RECURRING REVENUE % AND ACV METRICS





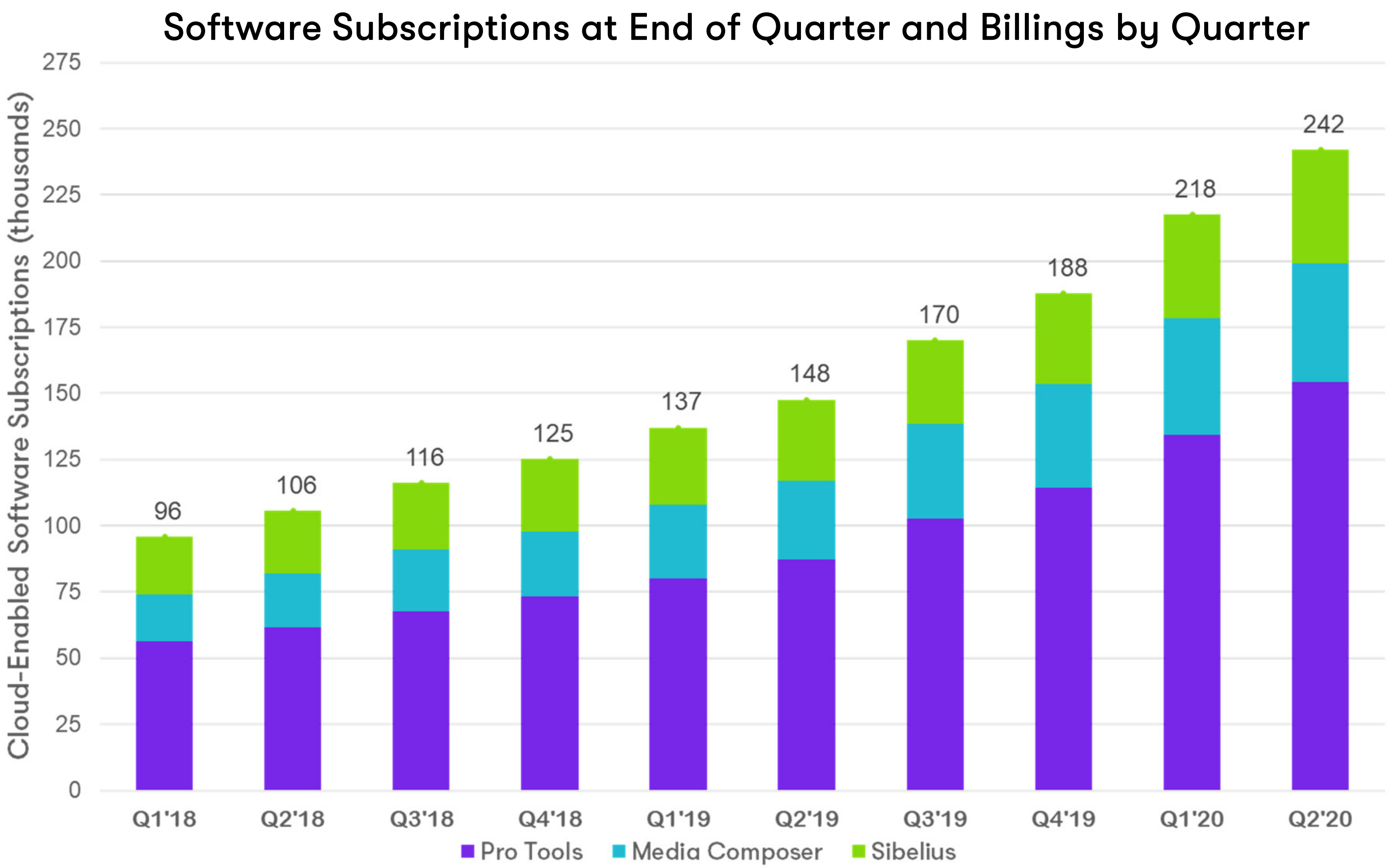
LTM Recurring Revenue % increased 1200 bps YoY from growth in Subscriptions and Long-Term Agreements, and lower non-recurring product sales in 1H'20

ACV up $20M, or +8.5%, YoY from increased Subscription revenue and stable Long-Term Agreements

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

SUBSCRIPTION GROWTH CONTINUES

Continued robust growth of cloud-enabled software subscriptions, up 64% year-over-year, with net increase of 24,000 paid subscriptions in the quarter



REVENUE & NON-GAAP GROSS MARGIN BY TYPE

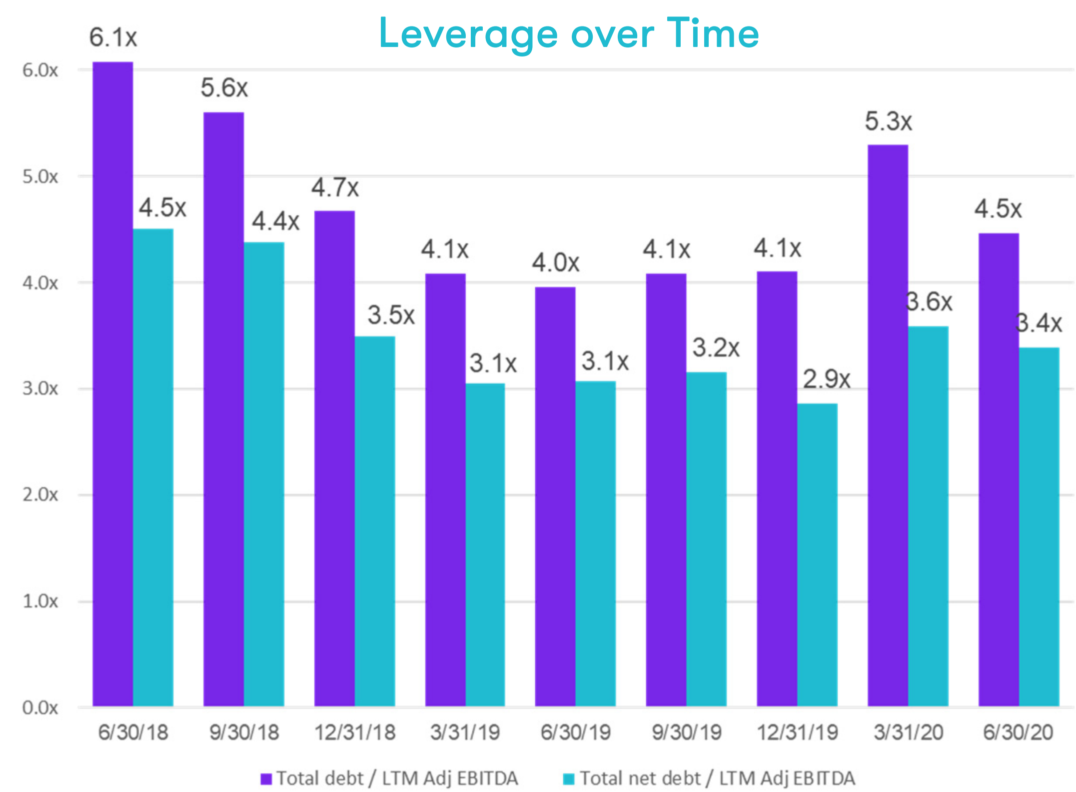
($M)	Q2 2019	Q1 2020	Q2 2020	Q2 2020 Y/Y %
Revenue				
Subscriptions	$9.8	$14.0	$16.4	68.3%
Maintenance	31.6	31.8	30.6	(3.4%)
Subscriptions and Maintenance	**$41.4**	**$45.8**	**$47.0**	**13.5%**
Perpetual Licenses	8.6	5.4	6.8	(20.8%)
SW Licenses and Maintenance	**$50.0**	**$51.1**	**$53.8**	**7.6%**
HW & Integrated Software	41.7	29.3	20.8	**(50.1%)**
Professional Services & Training	7.0	6.0	4.6	**(33.4%)**
Total Revenue	**$98.7**	**$86.5**	**$79.3**	**(19.7%)**
Non-GAAP Gross Margin				
SW Licenses and Maintenance	85.2%	85.2%	85.6%	40 bps
HW & Integrated Software	36.5%	32.2%	25.8%	(1070 bps)
Professional Services & Training	11.1%	5.7%	8.9%	(220 bps)
Total Non-GAAP Gross Margin %	**59.4%**	**61.7%**	**65.4%**	**600 bps**
Non-Cash Revenue [1]	1.2	1.2	1.0	
Legacy storage end-of-service maintenance revenue	1.0	0.9	0.4	
Maintenance, excl. non-cash[1] and legacy storage end-of-service	**$29.4**	**$29.7**	**$29.2**	**(0.7%)**

(1) Amortization of IPCS deferred revenue, net of current period deferrals.

CAPITALIZATION AND CREDIT METRICS

- Healthy cash balance of $55.7 million at June 30, 2020
- Improvement in Net Debt / LTM Adj. EBITDA to 3.4x at June 30, 2020 from higher LTM Adj. EBITDA
- Amended credit facility on May 19, 2020, added covenant cushion through December 2021
- 4.3x actual leverage per covenant provides substantial cushion to 6.0x maximum leverage covenant

($M)	3/31/2020	6/30/2020	Maturity / Rate
Cash & Cash Equivalents	$81.2	$55.7	
Revolver ($0.5M undrawn)	22.0	22.0	May 2023 / LIBOR +675
Term Loan (including current portion)	200.0	199.7	May 2023 / LIBOR +675
Convertible Notes	28.6	- (1)	
Total Debt	251.8	230.7	
LTM Adjusted EBITDA	47.6	51.7	
Total Debt / LTM Adjusted EBITDA	5.3x	4.5x	
Net Debt / LTM Adjusted EBITDA	3.6x	3.4x	
Covenant Secured Debt / Adjusted EBITDA	4.6x	4.3x	



(1) Remaining $28.9M of Convertible Notes repaid at maturity on June 15, 2020, using available cash

OUTLOOK AND CURRENT EXPECTATIONS

Based on the fluid COVID-19 situation, we are providing limited outlook on our current Q3 and FY 2020 expectations

Current expectations for Q3'20

- Expect external market to show gradual improvement beginning in Q3, but potentially an uneven recovery due to the evolving COVID-19 situation
- Expect sequential revenue increase due to continued growth in subscription + maintenance revenue partially offset by continued headwinds on non-recurring part of business
- Cost savings measures implemented in Q2 continue to reduce operating expenses, yielding sequential increase in Adjusted EBITDA

Current expectations for FY 2020

- While anticipate a gradual recovery in H2, demand for products to remain weak into the fall; expect pent up demand will surface as restrictions ease and more productions return
- Continued demand for subscriptions and remote workflow/cloud solutions, combined with significant new product releases planned in Q3/Q4 expected to contribute to H2 performance
- Cost savings measures taken during Q2 to deliver more than $30 million year-over-year reduction in operating expenses for FY 2020
- Adjusted EBITDA margin to improve versus FY 2019 and Free Cash Flow to be positive in FY 2020
- Approximately 60% of the cost reductions in FY 2020 to become permanent in FY 2021


Q&A

BALANCE SHEET AS OF JUNE 30, 2020

Healthy cash balance and improved accounts payable

($M)	**6/30/19**	**3/31/20**	**6/30/20**
Cash and Cash Equivalents*	$51.0	$81.2	$55.7
Accounts Receivable	58.6	60.0	52.9
DSO	*54*	*64*	*61*
Contract Assets	$18.5	$22.2	$18.2
Net Inventory	34.1	32.6	29.7
Accounts Payable	39.1	35.0	17.9
Deferred Revenue	93.5	95.4	85.7
Long-Term Debt	200.2	220.4	227.4

POWERING
GREATER
CREATORS