

2019 Avid Investor Day

NOVEMBER 19
NEW YORK CITY

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



2019 Avid
Investor
Day

OPENING REMARKS

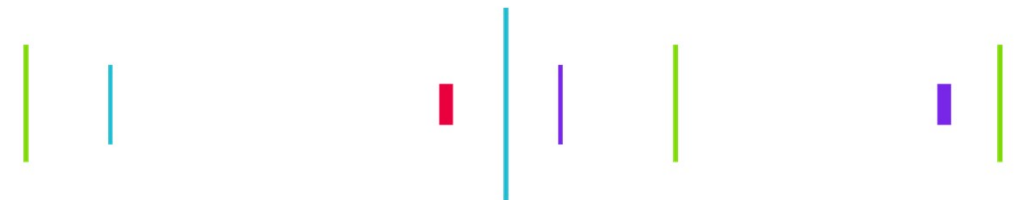
WHIT RAPPOLE

VP Corporate Development & Investor Relations



- 10:10-11:00 > **Company Strategy & Business Overview**
Jeff Rosica, CEO & President
- 11:00-11:45 > **Market Solutions**
Dana Ruzicka, Chief Product Officer & SVP
Kathy-Anne McManus, SVP Global Customer Solutions & Services
- 11:45-12:15 > **Lunch**
- 12:15-1:15 > **Solution Demos & Market Discussion**
- 1:15-1:40 > **Commercial Strategy**
Tom Cordiner, Chief Revenue Officer & SVP
- 1:40-2:30 > **Financial Strategy**
Ken Gayron, CFO & EVP
- 2:30-3:00 > **Wrap Up & Q&A**

AGENDA





NON-GAAP & OPERATIONAL MEASURES

2019 Avid
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The following non-GAAP measures & operational measures will be used in the presentation:

Non-GAAP Measures

- Adjusted EBITDA
- 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**
- Revenue Backlog
- LTM Recurring Revenue %
- Annual Contract Value

The non-GAAP measures used in this presentation are reconciled to their comparable GAAP measures in 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 guidance for Adjusted EBITDA, Free Cash Flow, and Non-GAAP Net Income Per Share, 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 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. These forward looking statements 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 full fiscal years 2019 and 2020, which are based on a variety of assumptions about key factors and metrics that will determine our future results of operations, including, for example, the completion of our transition to a new hardware supply chain, anticipated market uptake 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; backlog; product mix and free cash flow; Recurring Revenue and Annual Contract Value; 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, recurring revenue and annual contract value. 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 November 7, 2019, as well as the Risk Factors and Forward-Looking Statements sections of the Company’s 2018 Annual Report on Form 10-K filed with the SEC. Copies of these filings are available from the SEC, the Avid 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.



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COMPANY STRATEGY & BUSINESS OVERVIEW

JEFF ROSICA
CEO & President



LEADING TECHNOLOGY PROVIDER AND INNOVATIVE CATEGORY CREATOR

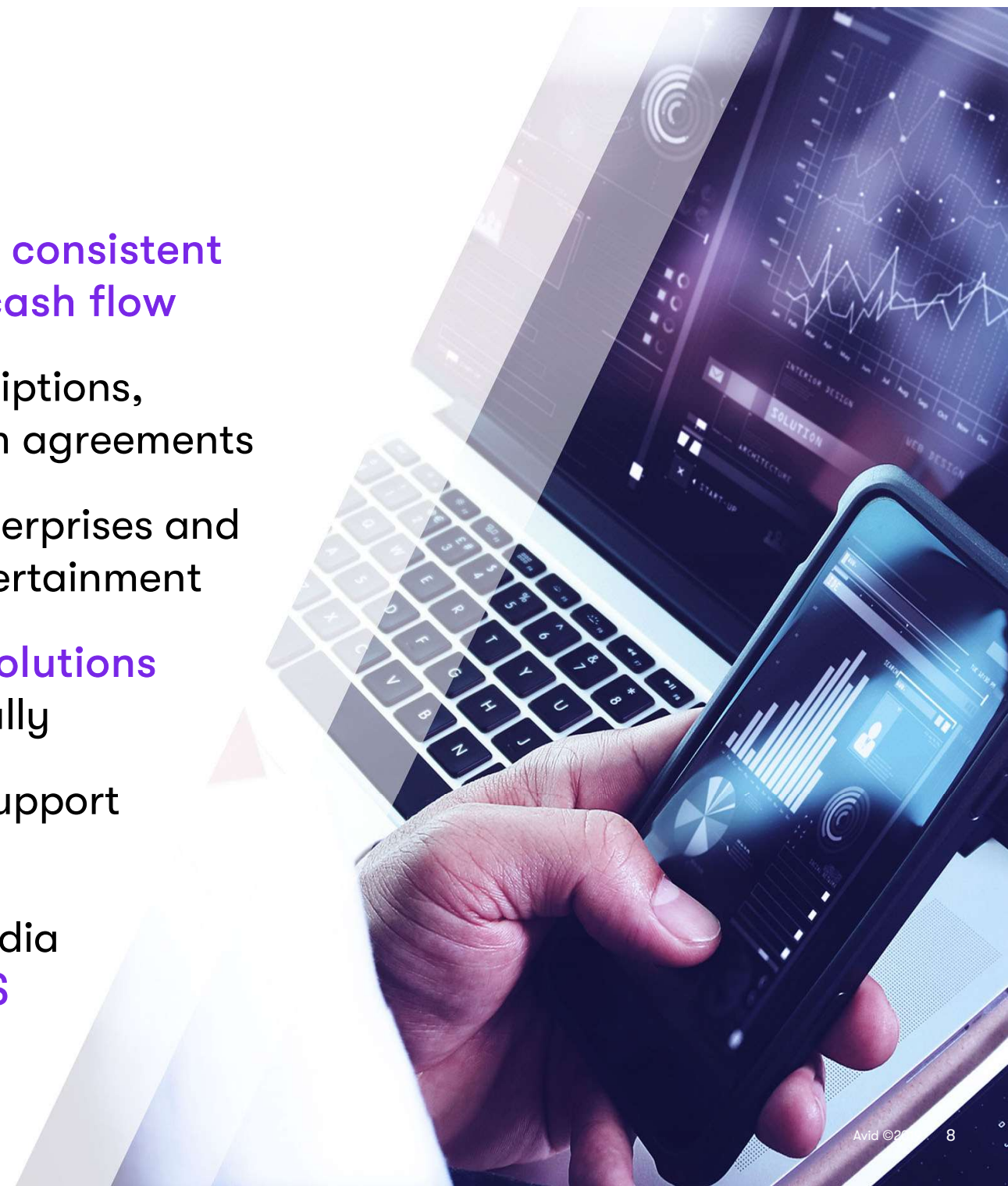
Powering greater creators.

With over one million creative users and thousands of enterprise clients relying on Avid's technology platforms and solutions around the world, **Avid enables the industry to thrive** in today's connected media and entertainment world.



INVESTMENT THESIS

- Positive performance trajectory delivering more **consistent growth** and **improving profitability and free cash flow**
- **Growing recurring revenue** driven from subscriptions, software/hardware maintenance and long-term agreements
- **Sticky, long-term relationships** with major enterprises and leading creative individuals across media & entertainment
- Leading provider of **innovative software and solutions** that empower the work of media creators globally
- Providing the **preeminent media platform** to support efficient content creation for media enterprises
- At the forefront of enabling the transition of media production from on-premise **to cloud and SaaS**



AVID AT-A-GLANCE

By The Numbers (LTM 9/30/19)

\$408M

LTM Revenue

\$56M

LTM Adjusted
EBITDA

\$13M

LTM Free
Cash Flow

\$171M

LTM Subscription +
Maintenance Rev.

+36%

LTM Adjusted
EBITDA Growth

61%

LTM Non-GAAP
Gross Margin

+46%

Subscription
Growth YoY

59%

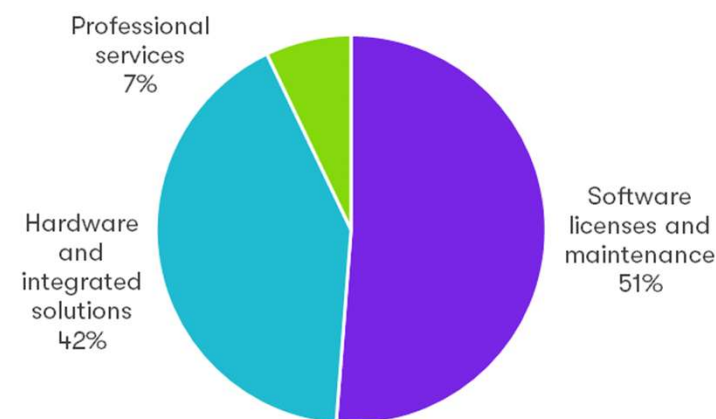
LTM Recurring
Revenue

170K+

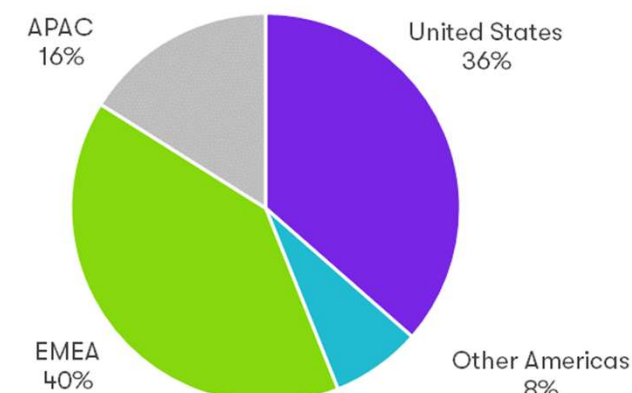
Paid
Subscriptions

Revenue Breakdown (LTM 9/30/19)

Type Split



Geographic Split



MEDIA EXPERIENCING MOMENTOUS CHANGE

A time of substantial change, happening at an unprecedented pace across media, reshaping the business and creating significant market opportunities



AVID PARTICIPATES IN A DYNAMIC MARKET

Consumers continue to increase media consumption and desire to access anywhere

Changing consumer viewing habits, shifting away from traditional broadcast to streaming

Media companies under pressure to produce more high quality content while spending less

Avid directly addresses a \$6.4 billion subset of the broadcast and media technology market that is growing 2.3% CAGR 2018-21E

Covering audio and video post-production software, media management and workflow automation software, media storage and production graphics, and live sound and studio audio hardware ⁽¹⁾

Avid is growing addressable market by

- Cloud IaaS compute and storage for media production
- Expanding addressable video and audio creative users outside traditional broadcast & media
- Automation / AI
- Metadata
- Security



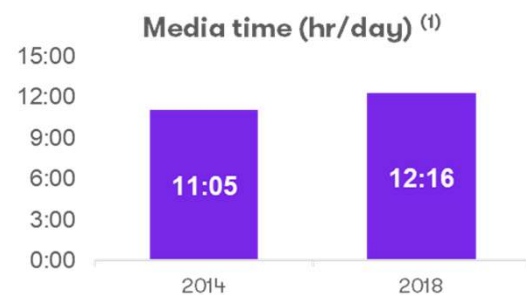
Source: (1) IABM-DC 2019 Global Market Valuation Report

ADDRESSING MAJOR MARKET TRENDS

Several macro trends create significant opportunity for Avid to drive growth

Substantial growth in content creation

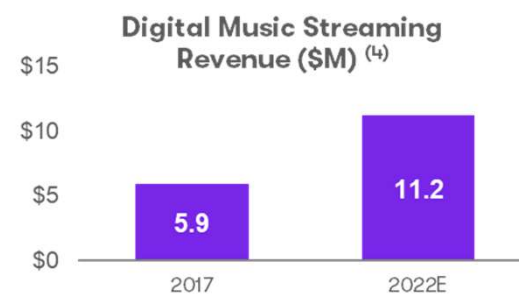
Driving investments in creative tools and overall growth in content creators



- Scripted TV series growing at 6% CAGR since 2014 ⁽²⁾
- 10M+ hrs. of video uploaded to YouTube monthly ⁽³⁾
- New OTT/SVOD players setting higher quality standards (4K/HDR)

Immersive audio is the next big wave

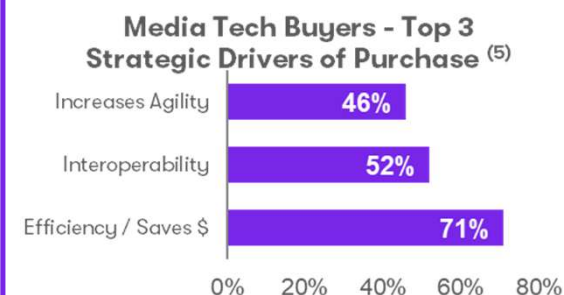
Creating significant upgrade cycle across music studios and audio post production



- Amazon Music HD and Echo Studio support Dolby Atmos
- UMG remastering 1000s of songs in Dolby Atmos for new streaming services
- Premium SVOD services require Dolby Atmos audio

Media enterprises in digital transition

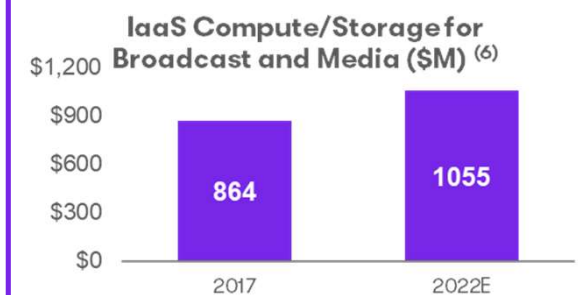
Move to unify operations creates opportunities for platform approach



- Enterprises' top priorities are efficiency, agility and speed
- Traditional media impacted by changing viewer habits
- Consolidation also driving efficiencies: Disney/Fox, Sinclair/Fox, Viacom/CBS

Media industry heading to the cloud

Early stages of industry's transition of many media workflows to cloud & SaaS



- Today media distribution is predominately done in the cloud; media enterprises now want production in the cloud
- Cloud and AI will help media enterprises achieve greater synergies and efficiencies

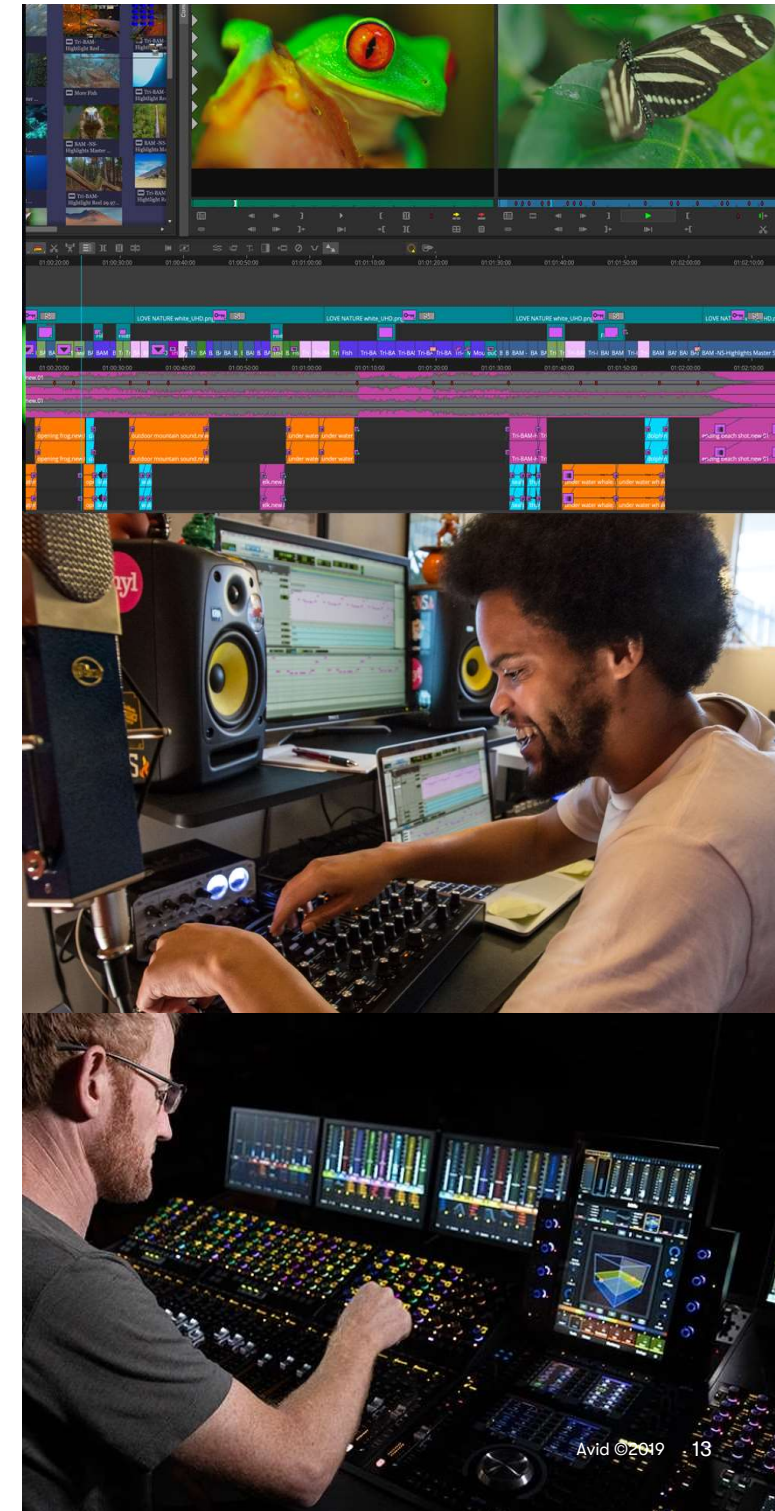


Source: (1) Activate Tech and Media Outlook 2016 & 2019, (2) FX Networks Research, "Estimated Number of Scripted Original Series, Broadcast, Cable and Online Services" (as of Dec. 5, 2018); (3) YouTube-statistics; (4) IFPI, "Global Music Report 2019" all statements in this presentation attributable to IFPI represent Avid's interpretation of the data and have not been reviewed by IFPI, (5) IABM 2019 Buying Trends Report (May 2019), (6) IABM-DC 2019 Global Market Valuation Report

CREATIVE INDIVIDUALS & TEAMS

Avid empowers professional media creators with innovative software and integrated solutions

- Supporting growth in content creation
 - Industry leading creative tools that enable audio and video production teams to deliver better content, more efficiently
 - Empowering individuals while supporting the workflow and technology needs of enterprises
- Meeting the highest production standards
 - Support for 4K / HDR / immersive audio
 - OTT providers Netflix / Disney+ driving production standards
- End users include video editors, sound editors, recording engineers, producers, musicians, filmmakers & students



MEDIA ENTERPRISES, STUDIOS AND BROADCASTERS

Avid delivers the leading media platform to support enterprise content creation – on premise & in the cloud

- Enterprise platform forms the backbone for media workflows
 - MediaCentral is an open, flexible & powerful platform built specifically for demanding media workflows
 - Core news production & asset management applications
 - Open connectivity for add-on functionality
- Enabling media enterprises to move post-production to the cloud
 - Cloud-deployed versions of MediaCentral, Avid NEXIS & Media Composer
 - Secure environment for media enterprises & demanding workflows in the cloud
 - Key customer wins & strong pipeline



BUILDING RECURRING REVENUE

- Benefits of strong recurring revenue streams
 - Better visibility into upcoming performance
 - Stronger relationships with customers
- Multi-pronged effort to grow recurring revenue
 - Growing **subscription** revenue with creative individuals and teams
 - Optimizing **maintenance** on hardware and perpetual software
 - **Long-term agreements** with select enterprises and channel partners
 - Launching **enterprise cloud** solutions

LTM Recurring Revenue %
59%

Total Annual
Contract Value
\$258M



GROWING SUBSCRIPTIONS

Building recurring revenue through subscriptions for creative software tools

- Offer subscription versions of core creative software applications
- Enables lower initial cost for creative individuals and ongoing revenue stream
- Mix of new customers, cross-sell from customers with maintenance, and upgrades from older versions without maintenance
- Initial success starting to bring enterprises to subscription

Total subscriptions
170K

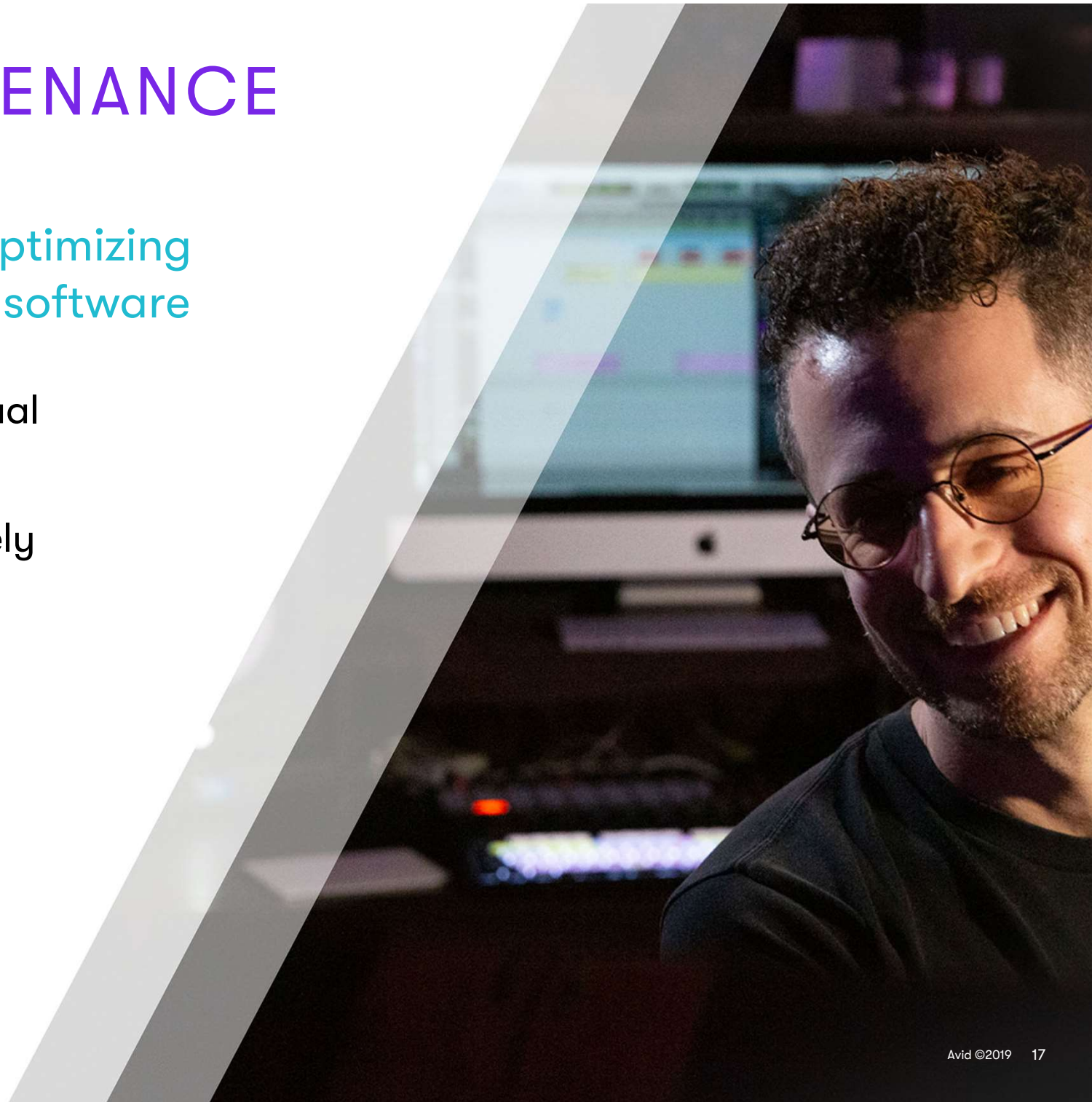
Subscriptions growth
46% YoY



OPTIMIZING MAINTENANCE REVENUE

Building recurring revenue by optimizing maintenance on hardware and software

- Maintenance on hardware and perpetual software is largest revenue line
- Creative tools software business actively transitioning to subscription (creatives now > enterprises starting)
- Benefit from ongoing hardware sales and new product introductions
- Large installed base of perpetual software products – not all available as subscription



INCREASING LONG-TERM AGREEMENTS

Building recurring revenue through long-term agreements with enterprises & channel partners

- Long-term agreement strategy
 - Build longer and deeper relationships with largest enterprises and channel partners
 - Enterprise agreements, supplier purchase agreements, and enterprise license agreements
- Success with LTAs to date
 - ACV nearly doubling since 2017
 - 50 enterprise customers/partners under contract
- Vision for LTAs in future
 - Continue to place heavy emphasis on LTAs as a major growth vehicle

Total LTA
50

LTA Annual
Contract Value
\$83M



ENABLING ENTERPRISE CLOUD

Building a strong front-runner position in cloud solutions
& SaaS offerings for demanding media workflows

- Enterprise cloud strategy
 - Complete, secure, cloud-based workflows to support post-production from raw content ingest to final content release
 - Cloud based versions of creative tools, platform and NEXIS storage
 - Edit-on-demand, shared-library on demand, IP contribution and distribution
- Walt Disney Company / Microsoft
 - Major early proof point on Avid's cloud strategy and industry reference client
- Potential for growth in 2020 and beyond
 - Pipeline of additional media companies
 - Continue to add cloud workflows and cloud software versions



IMPROVING BUSINESS OPERATIONS

- Focus R&D on priority areas
 - Reimagining creative software tools
 - Cloud hosted versions of software products
 - Targeted audio hardware
- Transition to lean supply chain
 - Improved cost structure, lower working capital, greater operating flexibility
- Control operating expenses
 - \$20M Smart Savings, continued focus on costs
- Selective investment in IT to support business strategy and process automation



Avid Customer Association

Building a higher level of engagement with our enterprise clients and creative users

Over 30,000 ACA members strong

BUILDING AVID COMMUNITY

Avid Link

A community to connect, collaborate, and get discovered

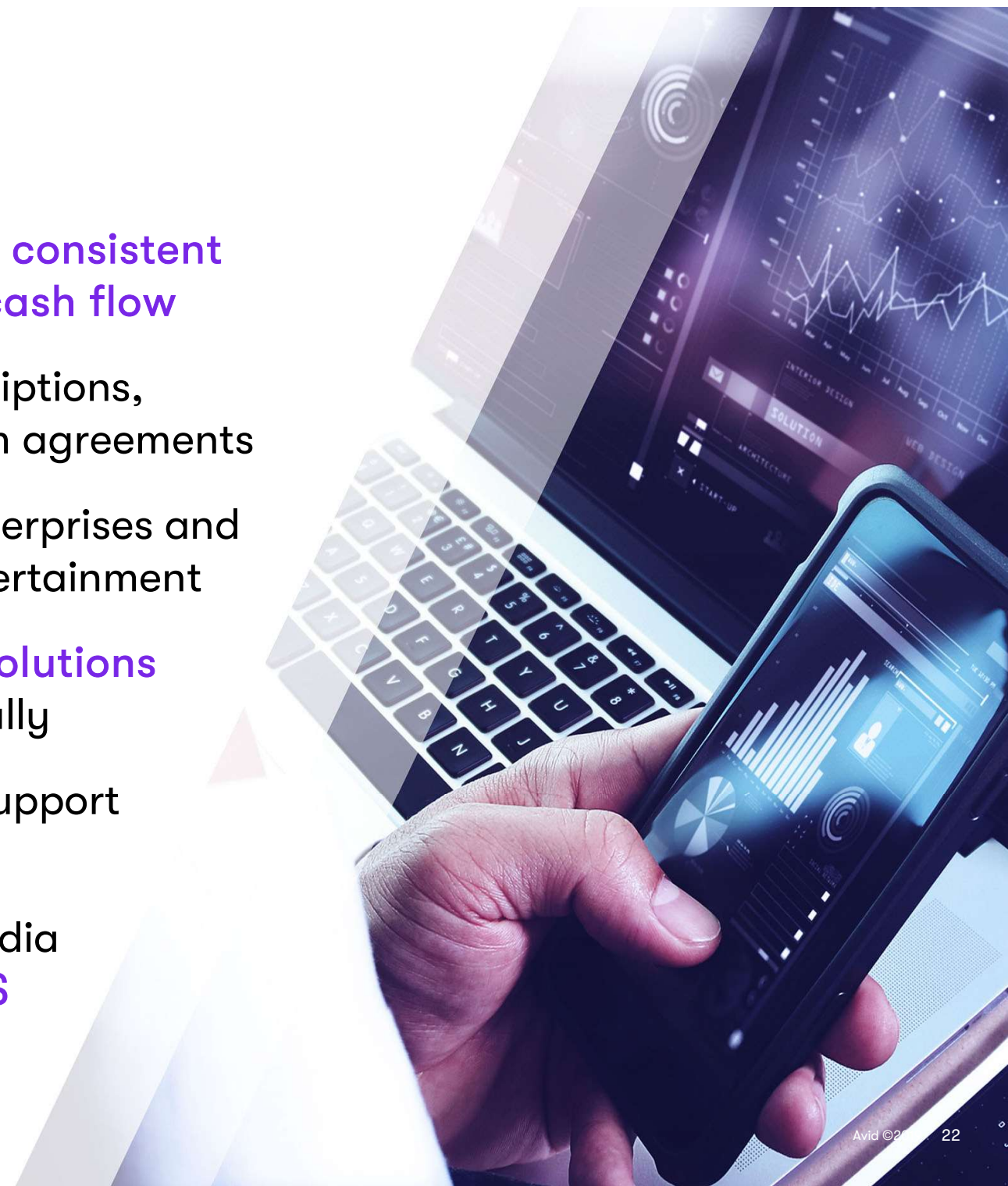
More than 340,000 new members in the community

More than 160,000 with public profiles



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11:00-11:45 > **Market Solutions**

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Ken Gayron, CFO & EVP

2:30-3:00 > **Wrap Up & Q&A**

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AVID MANAGEMENT TEAM

New team, new perspective



**KATHY-ANNE
MCMANUS**
SVP Global
Customer Solutions
& Services

TOM CORDINER
Chief Revenue
Officer

**DIANA
BRUNELLE**
Chief HR
Officer

JASON DUVA
CAO

JEFF ROSICA
CEO & President

KEN GAYRON
CFO

DANA RUZICKA
Chief Product
Officer

MELISSA PULS
CMO

**DAVE
PERILLO**
SVP Global
Supply Chain
Operations





POWERING
GREATER
CREATORS

2019 Avid
Investor
Day

MARKET SOLUTIONS

DANA RUZICKA

Chief Product Officer & SVP

KATHY-ANNE MCMANUS

SVP Global Customer Solutions & Services



AVID SOLUTIONS FOR CREATIVE AND ENTERPRISE

Software

CREATIVE SOFTWARE SOLUTIONS



Media
Composer



Pro Tools



Sibelius



Avid Link



Avid Marketplace



Artist Community

ENTERPRISE SOFTWARE SOLUTIONS



MediaCentral
Applications



MediaCentral
Nodules



MediaCentral
Services



SaaS
Solutions



MediaCentral Platform



Avid On Demand

Integrated Solutions

HARDWARE/SOFTWARE SOLUTIONS



Avid NEXIS



S6



Maestro



FastServe

Integrated Software

MACRO GROWTH DRIVERS

Substantial Growth
in Content Creation



Immersive Audio is
the Next Big Wave



Media Enterprises in
Digital Transition



Media is Heading
into the Cloud



SOLUTIONS FOR CREATIVES

Software

CREATIVE SOFTWARE SOLUTIONS



Media
Composer



Pro Tools



Sibelius



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ENTERPRISE SOFTWARE SOLUTIONS



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Sept '19 YoY Paid
**SUBSCRIPTIONS
GROWTH**

46%

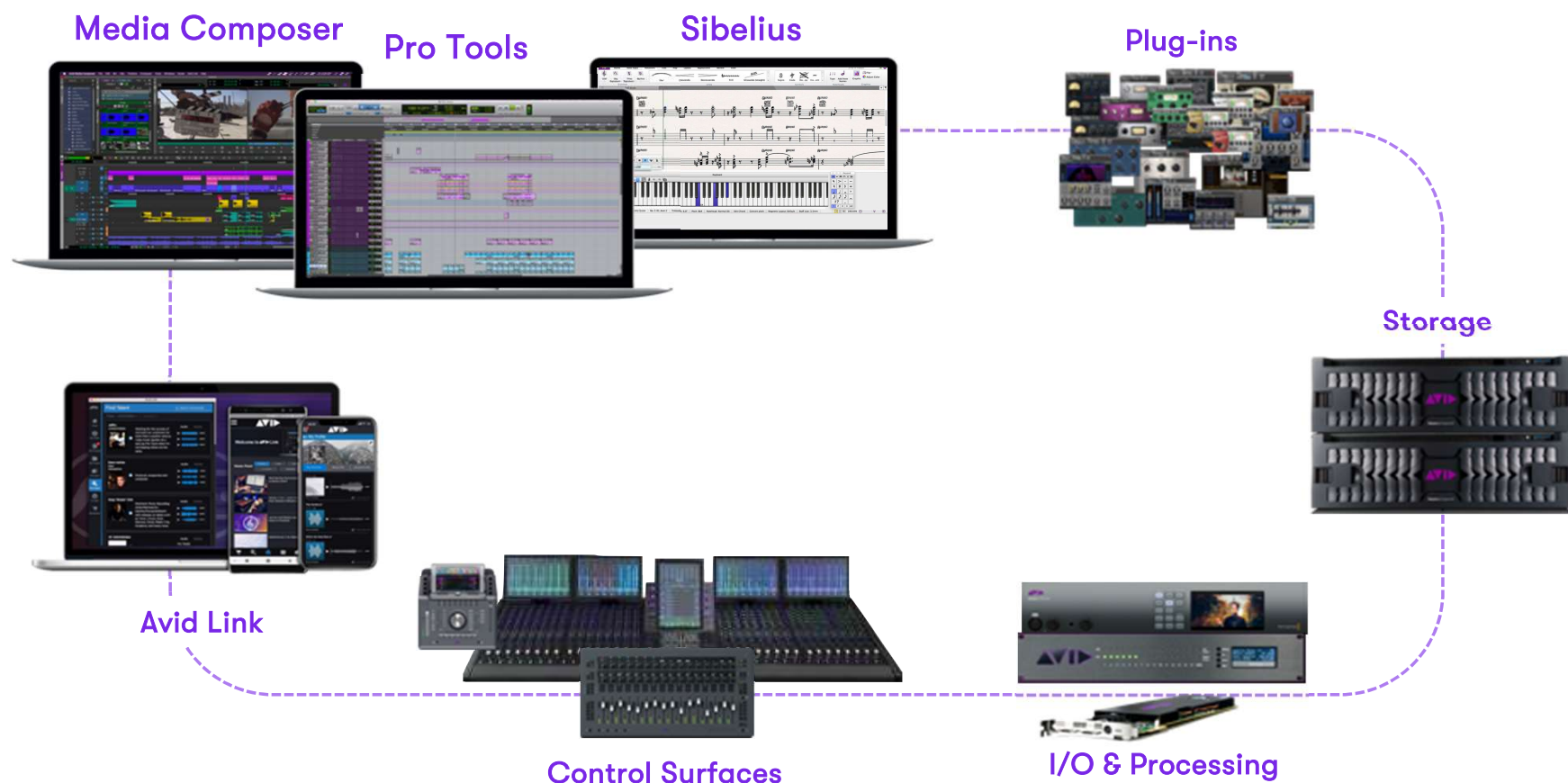
Oct '19
**FIRST
DOWNLOADS**

1,900,000+



CREATIVE TOOLS CONNECTED ECOSYSTEM

Unique and comprehensive end-to-end workflow anchored by software creative tools



- ✓ Proven and trusted in TV and film production (Oscar®/Emmy®)
- ✓ Preeminent audio community / VIP brand association (GRAMMY™)
- ✓ Subscription offerings – appealing to larger share of addressable market
- ✓ Unique integration that drives up-sell / cross-sell

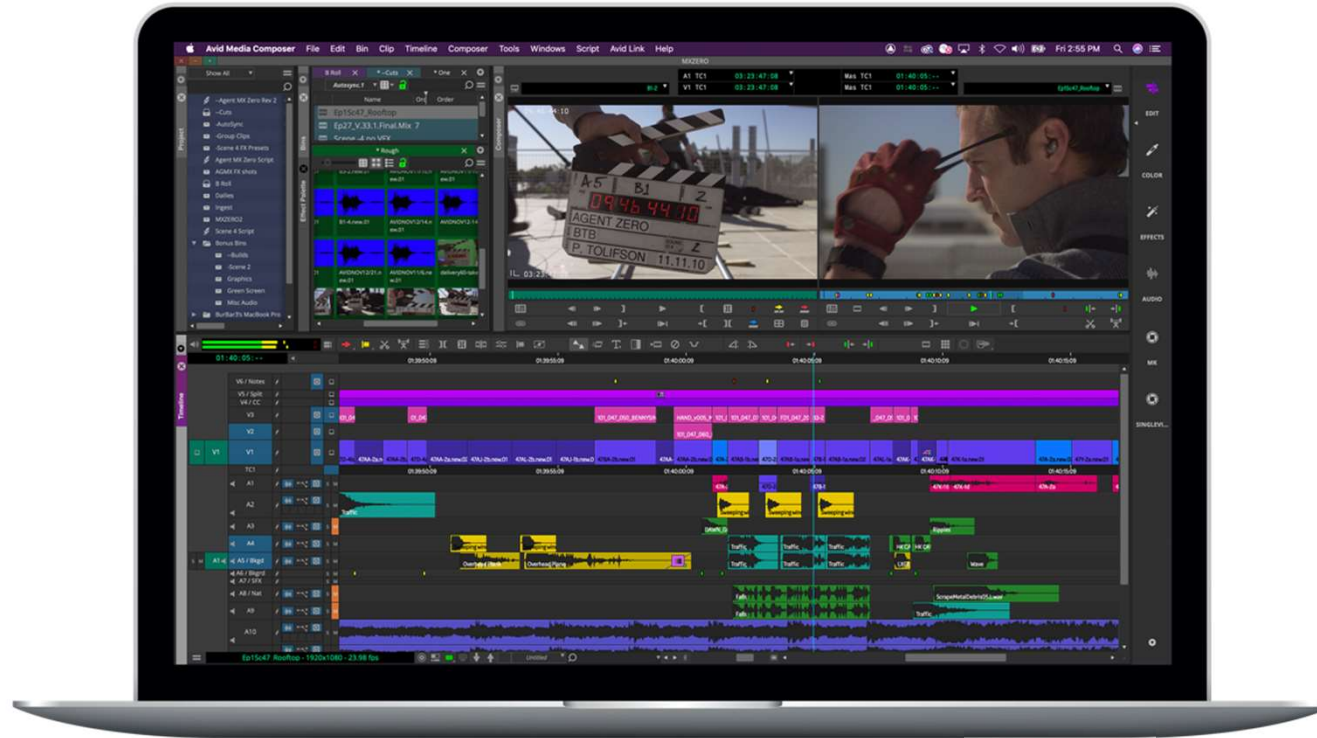


SUBSTANTIAL GROWTH IN CONTENT CREATION

Next gen Media Composer delivered over 50% subscription growth YoY Q3



- More people creating content than ever before
- New and growing number of distribution channels (web, mobile, FAANG)
- Demand for more original and higher-quality produced content



I/O



Control
Surfaces



Storage



Plugins



Delivered next generation user experience attracting new and existing users



Now have entire workflow in the box – first cut to final finish



Customizable by role, and connects users from anywhere – on premise or on demand



Integrated editing, storage, IO and processing workflow from HDR, to 8K and beyond



IMMERSIVE AUDIO IS THE NEXT BIG WAVE

Pro Tools delivered over 50% subscription growth YoY Q3



- Immersive audio becoming pervasive in TV, film, games and now music
- Consumers have come to expect compelling audio/visual experience
- Requires major retooling to meet production need



I/O



Storage



Plugins



Pro Tools integrated recording, editing, and mixing workflow: the industry gold standard



Delivered the most comprehensive Dolby Atmos® production solution



Extended control surface line to expand addressable market opportunity



Avid uniquely positioned for immersive music customer retooling



INNOVATIVE SOLUTIONS FOR CREATIVES



TREND / OPPORTUNITY

- Explosion in content creation creating larger addressable market
- Immersive audio: the next big wave triggering retooling
- Massive growth in streaming (FAANG) resulting in boom in original programming



INNOVATION/INVESTMENT

- Delivering best-in-class audio and video tools for the most demanding production standards
- Comprehensive end-to-end workflow for audio and video
- Continued line extension and productization (freemium and subscription) to attract new users and grow overall customer footprint



BUSINESS OUTCOMES

- Sustained growth in creative software subscriber base
- Capture larger share of wallet with software and hardware add-ons
- Grow recurring revenue and maximize customer lifetime value



ENTERPRISE SOFTWARE & INTEGRATED SOLUTIONS

Software

CREATIVE SOFTWARE SOLUTIONS



Media
Composer



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ENTERPRISE SOFTWARE SOLUTIONS



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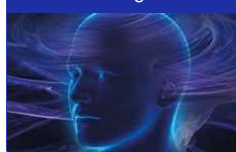
FastServe

Integrated Software

Substantial Growth
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Immersive Audio is
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Media Enterprise in
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Media is Heading
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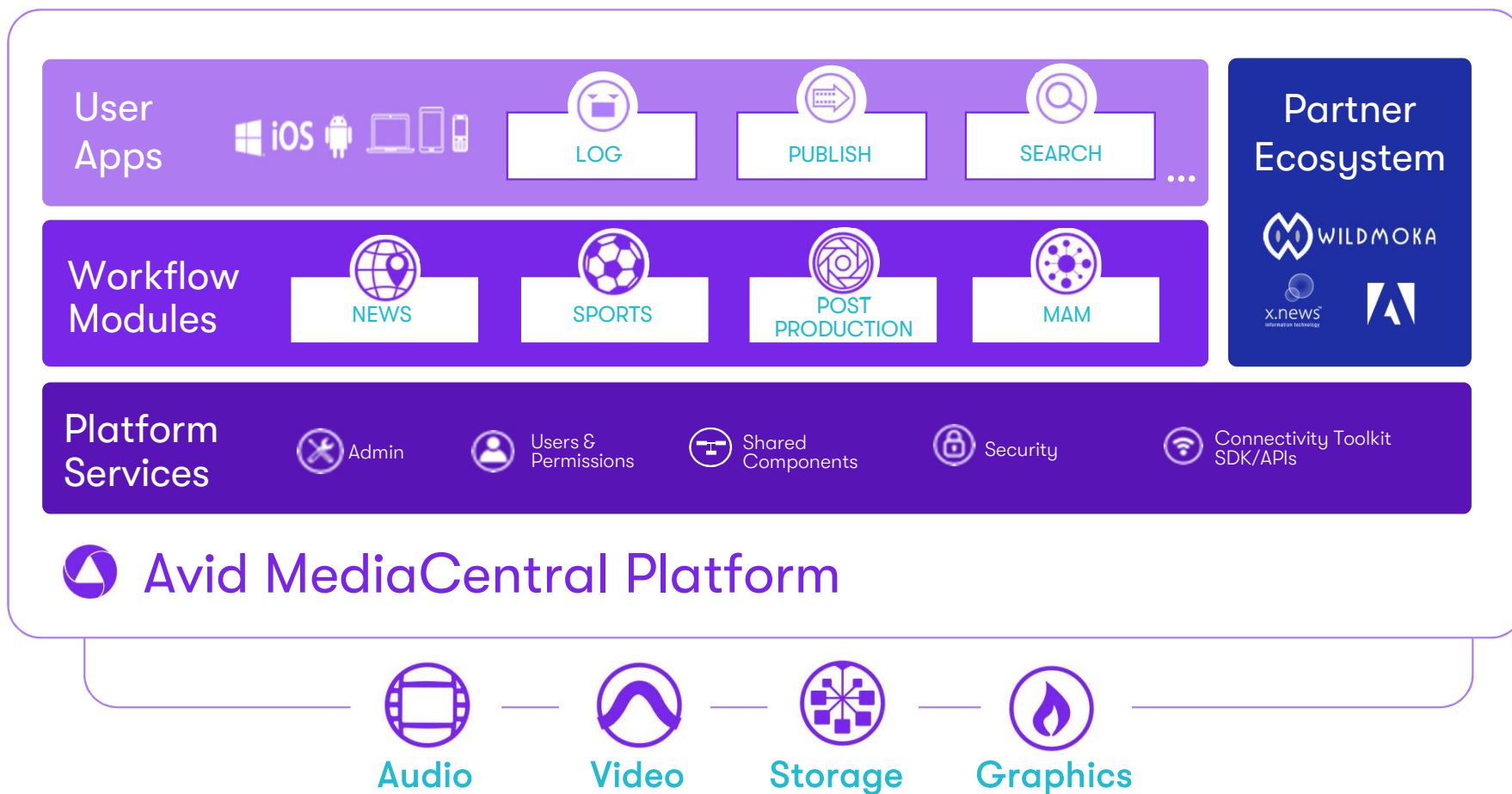
Nearly
10,000 ENTERPRISE
customers

+400 reseller & **600**
alliance partners helping
serve customers in over **140**
countries



ENTERPRISE SOFTWARE & INTEGRATED SOLUTIONS

Fully launched MediaCentral 2019, 47 global deployments and strong pipeline



- ✓ IT-centric platform approach to media production
- ✓ Comprehensive sets of apps, modules and services delivering end-to-end workflow solutions
- ✓ Open and extensible with rich partner ecosystem
- ✓ Deployment flexibility offering customers easy transition to the cloud



MEDIA ENTERPRISES IN DIGITAL TRANSITION



- Large media companies need efficiencies to compete
- Embrace new digital distribution platforms
- Leverage existing investments while transforming business models

Large media companies have 100s of people working, across departments and sites, to create finished content under tight deadlines in mission critical environments



- ⚠ Disconnected production teams
- ⚠ Limited access and awareness of media assets

- ⚠ Inefficient use of production infrastructures
- ⚠ Lots of manual, redundant workflow tasks



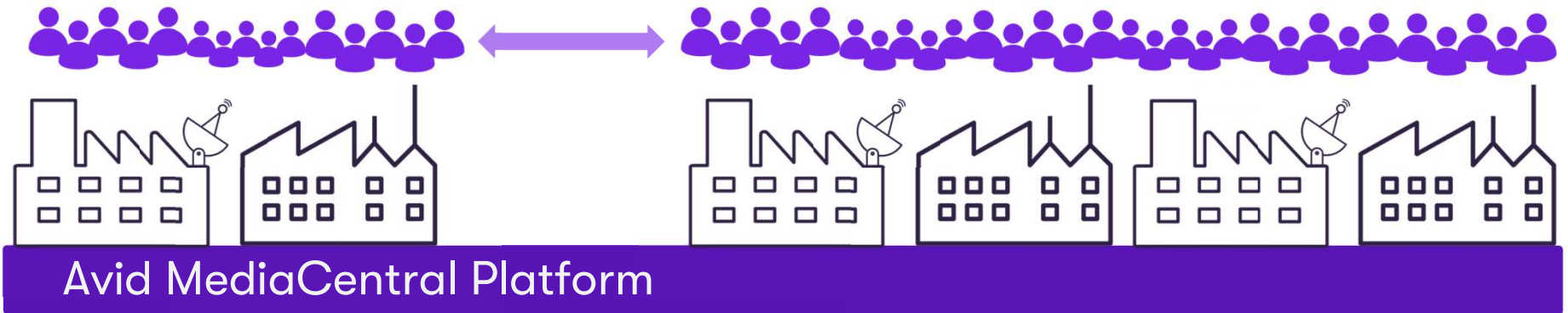
MEDIA ENTERPRISES IN DIGITAL TRANSITION

Avid uniquely positioned with MediaCentral to solve critical pain points



- Large media companies need efficiencies to compete
- Embrace new digital distribution platforms
- Leverage existing investments while transforming business models

Connecting users and automating workflow to drive efficiencies



Access to media in a secure and frictionless experience



Connect content creators from wherever they are



Tie together production silos with unified media management and workflow backbone



Automate and orchestrate tasks and workflow to drive efficiency and increase throughput

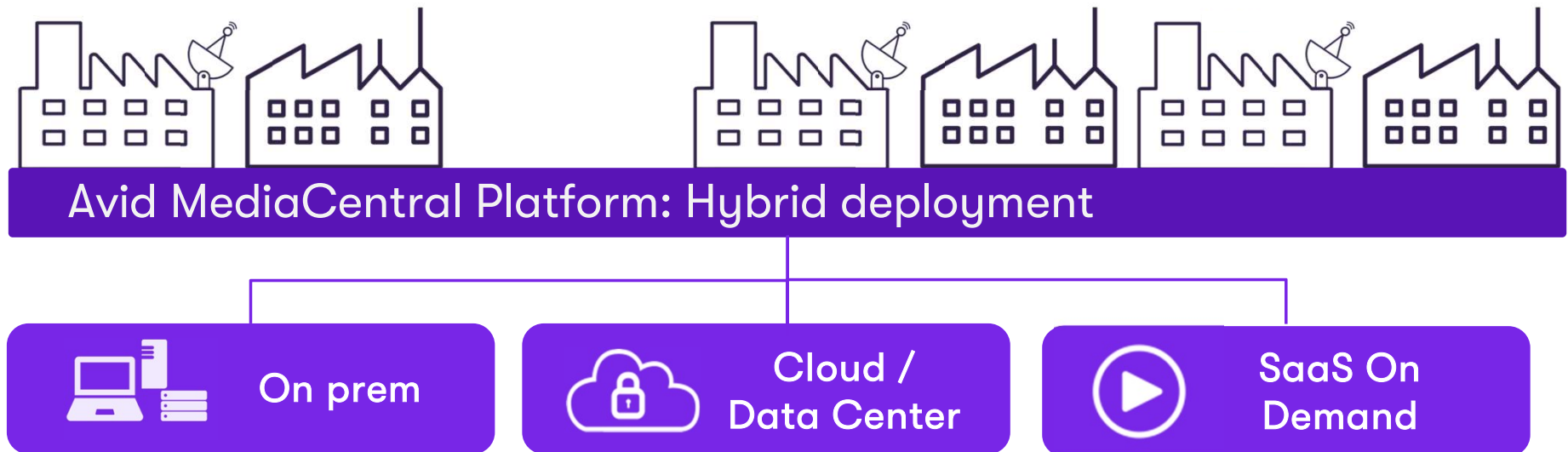


MEDIA IS HEADING INTO THE CLOUD



- Cloud clearly seen as efficiency play for large media companies over time
- Customers must leverage existing investments while exploiting new SaaS functionality
- Transition will happen over time

Avid MediaCentral offers a unique environment where customers transition at their own pace

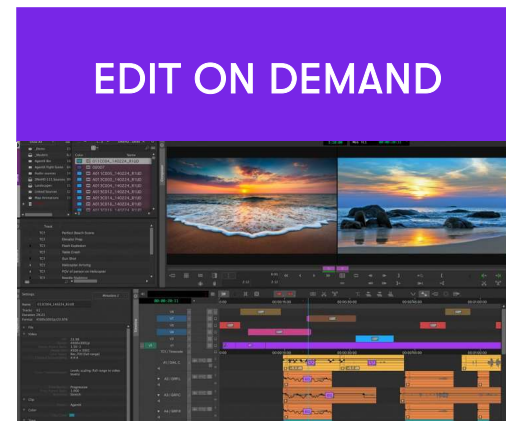


MEDIA IS HEADING INTO THE CLOUD

Extending reach with new workflows in the cloud



- Cloud clearly seen as efficiency play for large media companies over time
- Customers must leverage existing investments while exploiting new SaaS functionality
- Transition will happen over time



- Add-ons to current installations
- Subscription-based
- Monetization of infrastructure



SOLUTIONS FOR ENTERPRISES



TREND / OPPORTUNITY

- Media enterprises need to drive efficiencies to remain competitive
- New digital platforms create opportunity but require new capabilities
- Customers investing in new SaaS models to address new digital business requirements



INNOVATION/INVESTMENT

- Expanding suite of modules and apps for new customer workflow needs
- Leveraging partners to extend platform capabilities into new areas
- Expanding cloud deployment and SaaS offerings



BUSINESS OUTCOMES

- Adding net new customer logos, competitive take-outs
- Capture larger share of wallet with new modules, apps and services
- Grow recurring revenue and maximize customer lifetime value with long-term agreements



STRONGER CUSTOMER ENGAGEMENT IS DELIVERING RESULTS



- Customer adoption of our product solutions and services
- Customer retention: driving renewals
- Faster customer time-to-value
- Increasing customer lifetime value
- Delivering exceptional customer experience



CUSTOMER RECURRING REVENUE GROWTH



CUSTOMER RECURRING REVENUE GROWTH

Empowering our customers, **elevating** the experience, **driving** more value & adoption through a **continuous** learning engagement

- e-Learning
- Remote delivery
- Virtual labs
- Snackable content
- Customized learning paths
- Scalable learning partner program

LEARNING SERVICES

Customer-Centric
Engagement Model

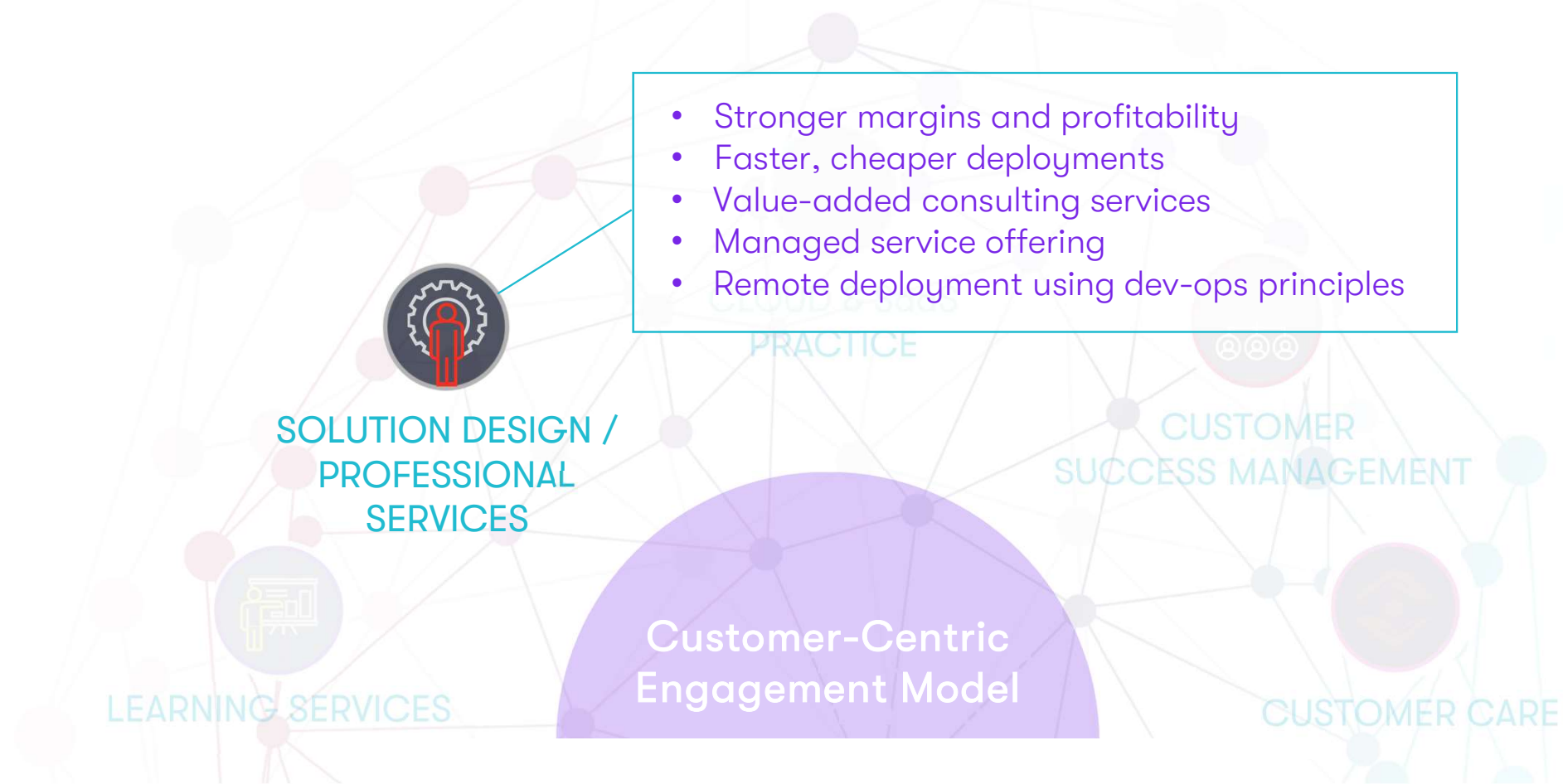
CLOUD & SaaS
PRACTICE

CUSTOMER
SUCCESS MANAGEMENT

CUSTOMER CARE

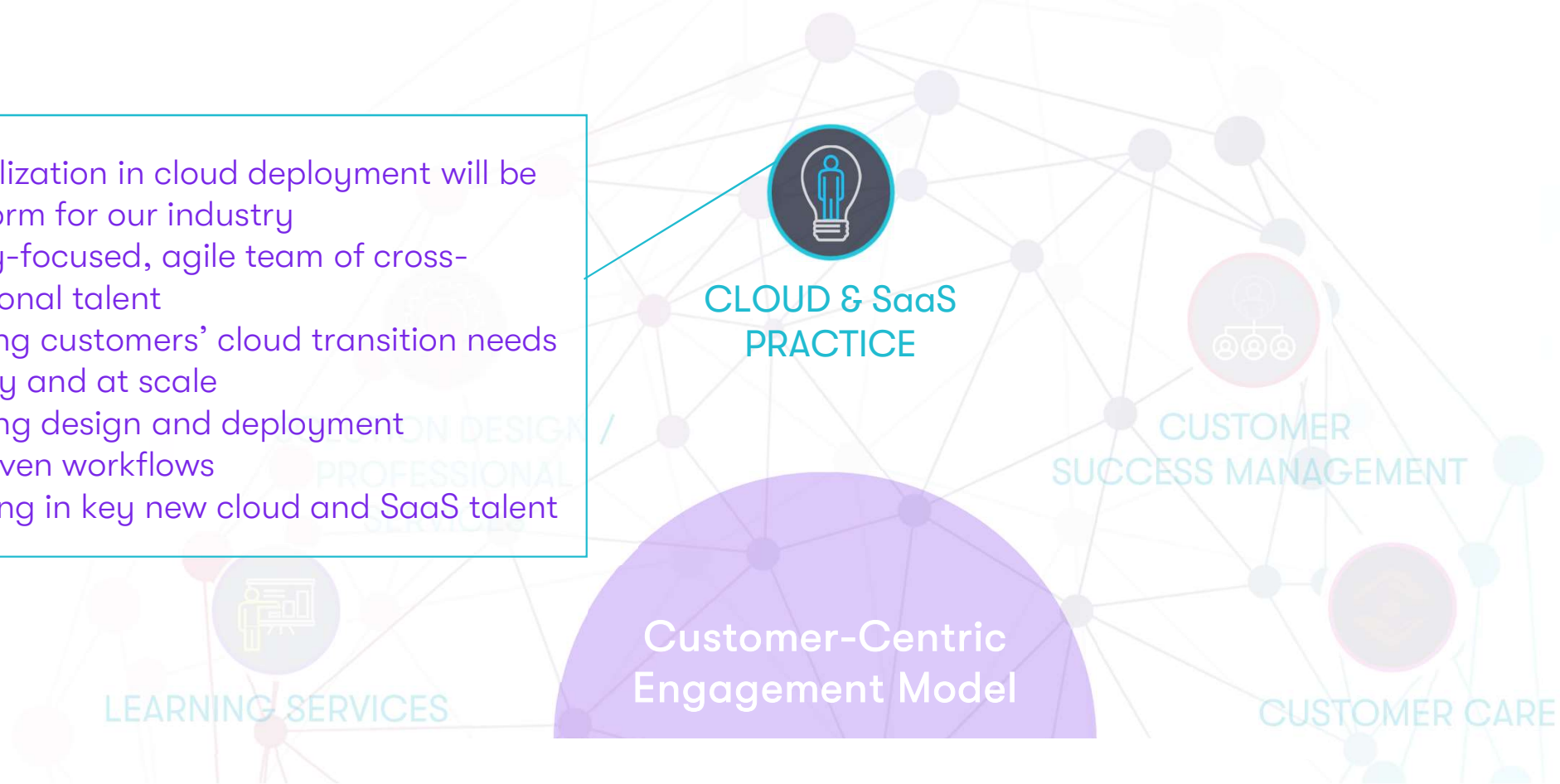


CUSTOMER RECURRING REVENUE GROWTH



CUSTOMER RECURRING REVENUE GROWTH

- Virtualization in cloud deployment will be the norm for our industry
- Highly-focused, agile team of cross-functional talent
- Meeting customers' cloud transition needs quickly and at scale
- Leading design and deployment of proven workflows
- Bringing in key new cloud and SaaS talent

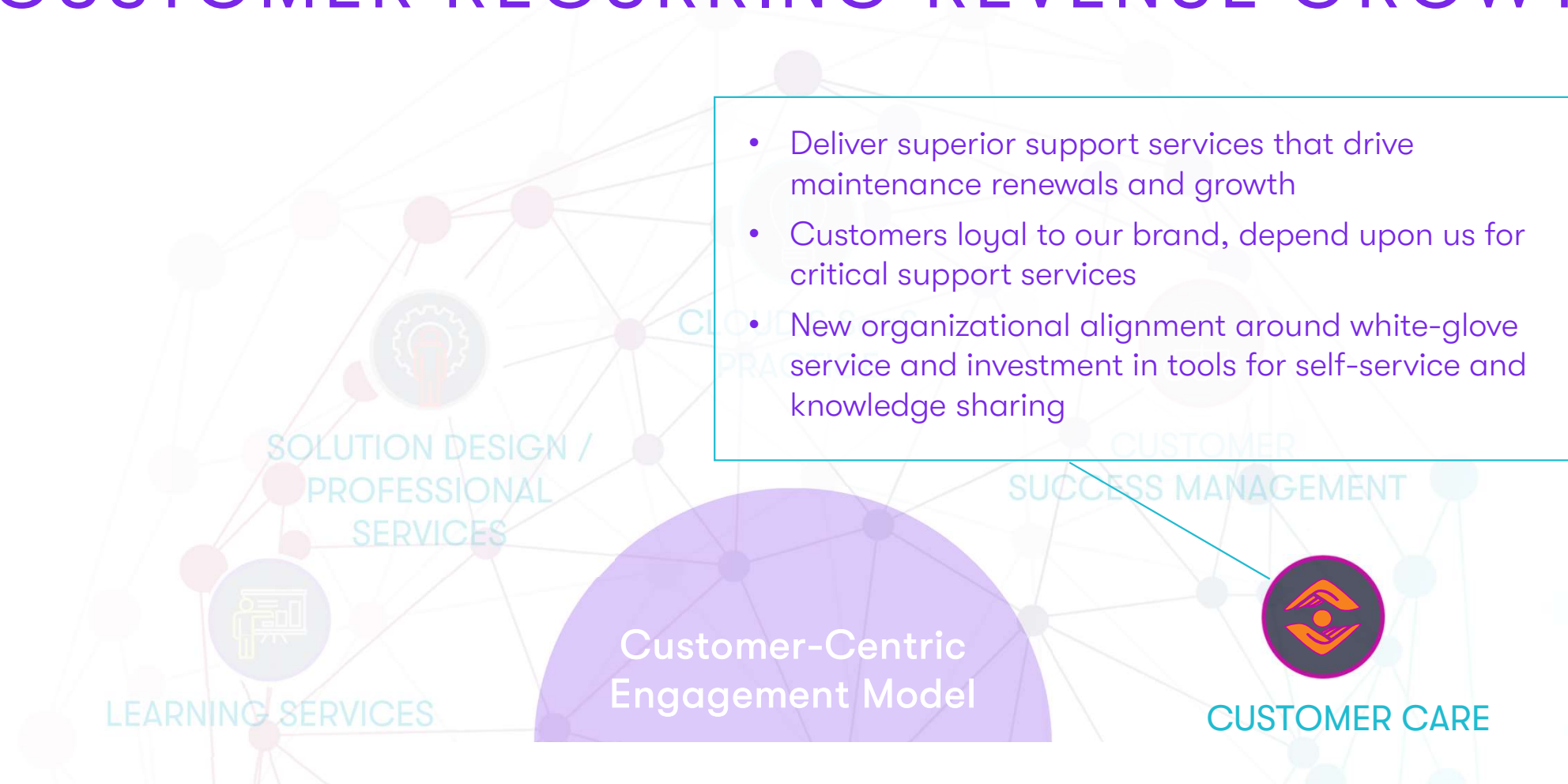


CUSTOMER RECURRING REVENUE GROWTH

- Key new function accelerating our subscription growth
- Leading great customer experiences
- Responsible for adoption, retention and custom satisfaction
- Faster customer time-to-value
- Drives up-sell and cross-sell
- Provides smooth, unhindered engagement across all company functions



CUSTOMER RECURRING REVENUE GROWTH



CUSTOMER EXPERIENCE DRIVES VALUE

Delivering the right customer experience builds loyalty, creates advocacy and drives up customer lifetime value





POWERING
GREATER
CREATORS

2019 Avid
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COMMERCIAL STRATEGY

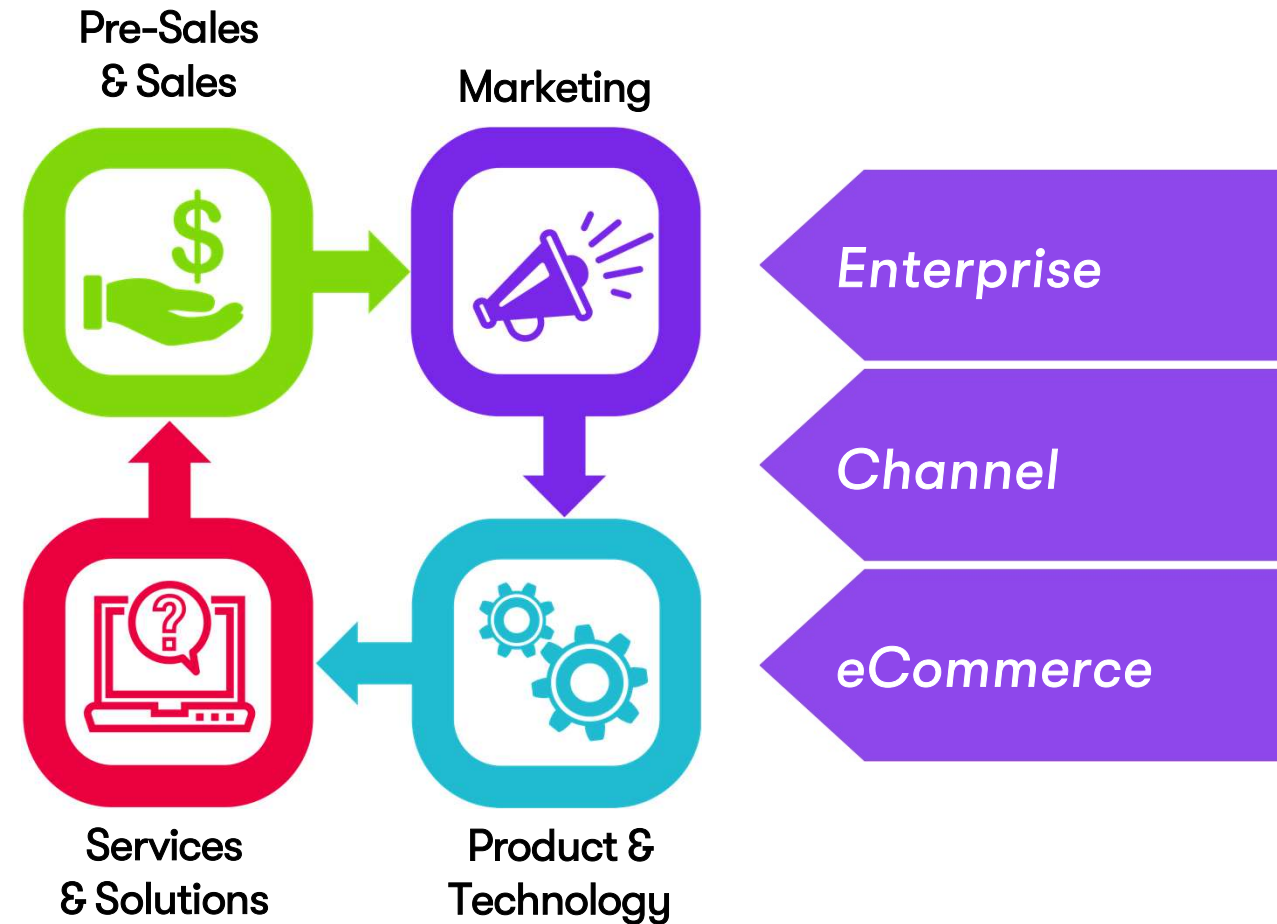
TOM CORDINER
Chief Revenue Officer & SVP



COMMERCIAL STRATEGY

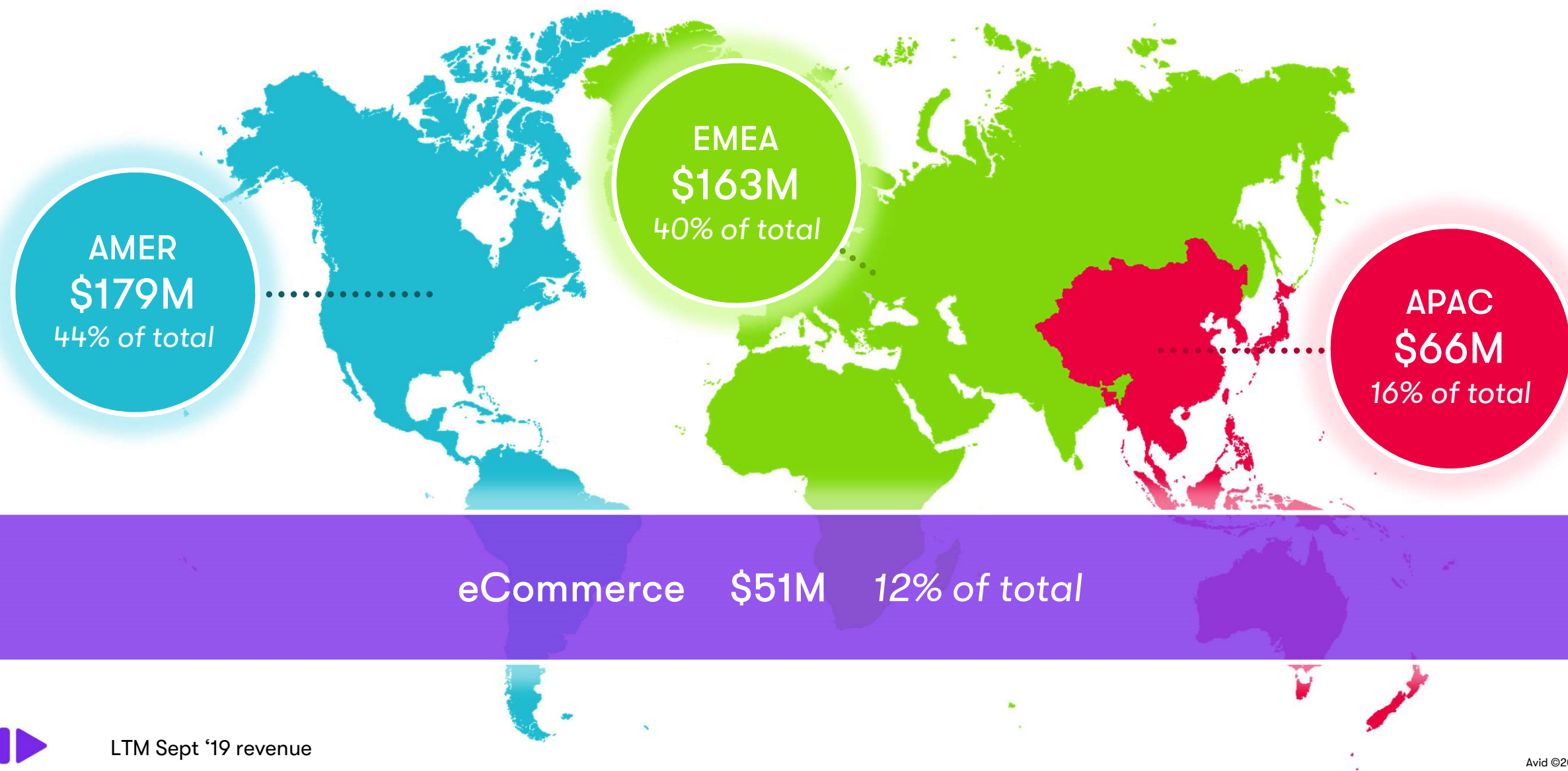
Building a recurring revenue growth engine

- Fuel **growth** and **profitability** with a fully optimized **go-to-market** strategy across product, marketing, sales, and services
- Drive momentum in **recurring revenue** with particular focus on growing subscriptions for creative individuals and enterprises, long-term agreements, and optimizing maintenance streams
- Change the nature of how Avid sells – **strategic** pragmatism and **partnerships** vs **tactical** end of quarter deal-making
- Maximize **geographic** effectiveness and reach while also improving profitability and cost efficiency



AVID SERVES MARKETS GLOBALLY

Broad and diverse market penetration



LTM Sept '19 revenue

GO-TO-MARKET FOR ENTERPRISES AND CREATIVE INDIVIDUALS

Enterprise Direct

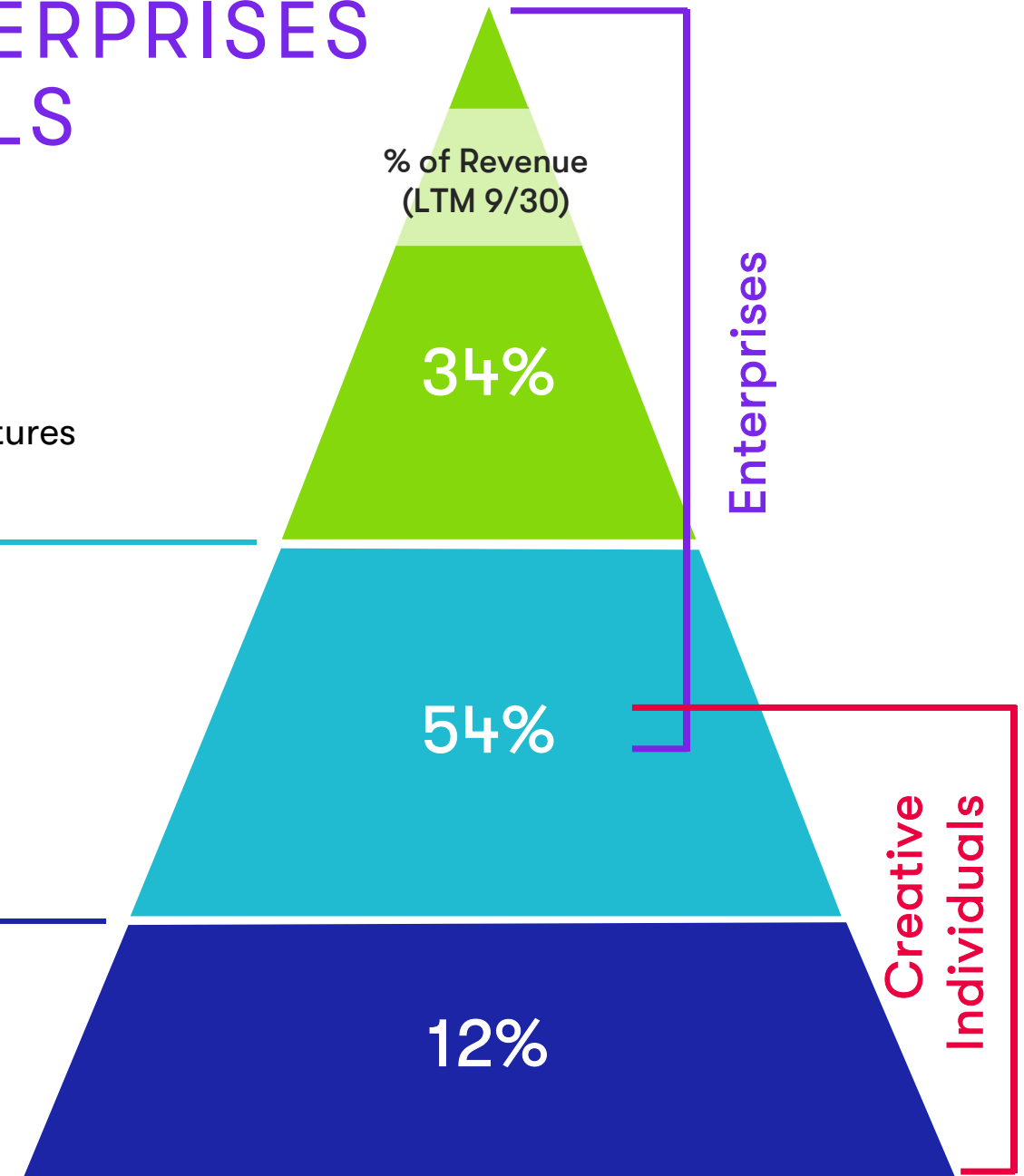
- Largest 200+ accounts
- Multi-year Enterprise Agreements with key customers
- Flexible deployment models, licensing options & commercial structures

Channel

- Strategic Purchasing Agreements with market leading distributors, retailers, system integrators and VARs
- Scalable service and localized approach to help end-users access products, training and support quickly

eCommerce

- Best-in-class eCommerce engine serving creative individuals and small teams
- Proactive support model with recurring subscriptions
- Subscription growth engine



BUILDING RECURRING REVENUE STREAMS

Leveraging strong market position to realize maximum customer value

- Subscriptions

- Strong uptake of subscription for creative tools by individuals through eCommerce and channel partners
- Gaining traction with enterprise license agreements (ELAs) for creative tools and MediaCentral

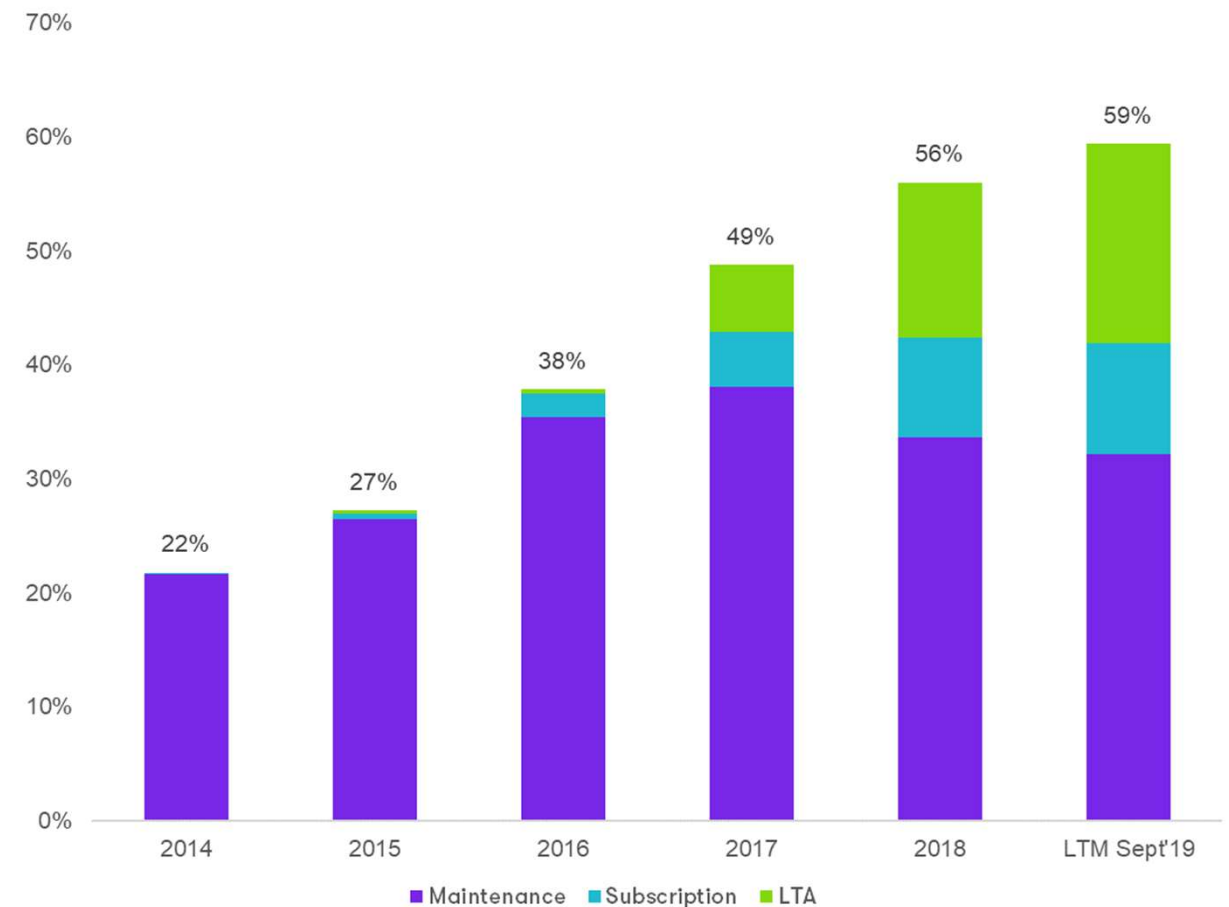
- Maintenance

- Grow maintenance from hardware and remaining perpetual software
- Optimize maintenance as customers switch to subscription

- Long-Term Agreements

- Enterprise Agreements with leading enterprises
- Strategic Purchasing Agreements with channel partners

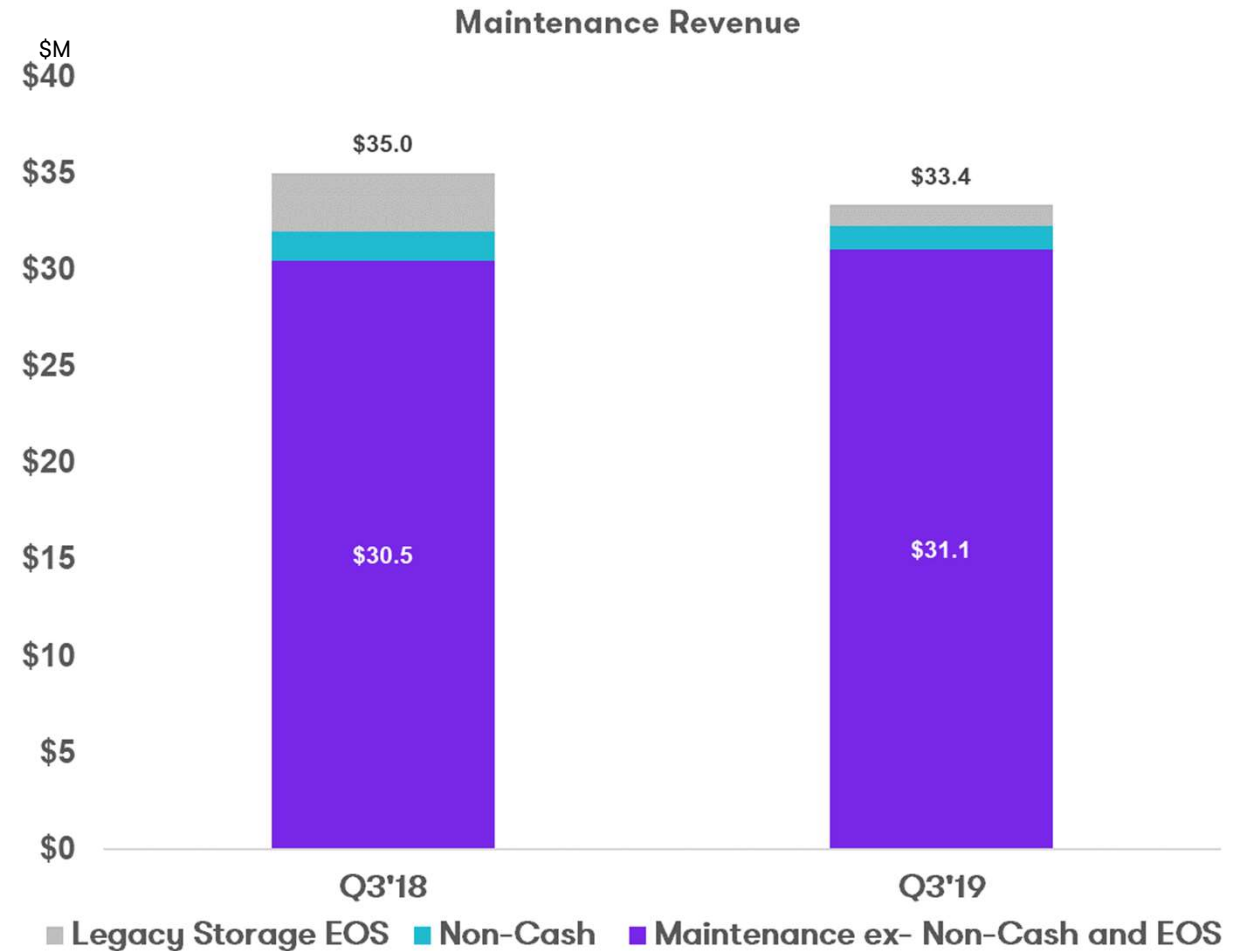
LTM Recurring Revenue by Type



OPTIMIZING MAINTENANCE

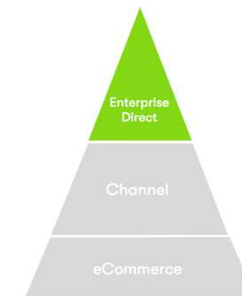
Maximizing the value of support contracts

- Hardware products maintenance (~45%)
 - Impact in 2019 from ending sale of maintenance contracts on certain legacy storage systems
 - Grow maintenance on hardware from generally stronger hardware product sales and new products over past 18 months
- Software products maintenance (~55%)
 - Grow maintenance stream from MediaCentral and creative tools installed base and new perpetual license sales
 - Current impact from ongoing transition of creative tools to subscription for individuals
 - Future impact from enterprise subscription and MediaCentral subscription

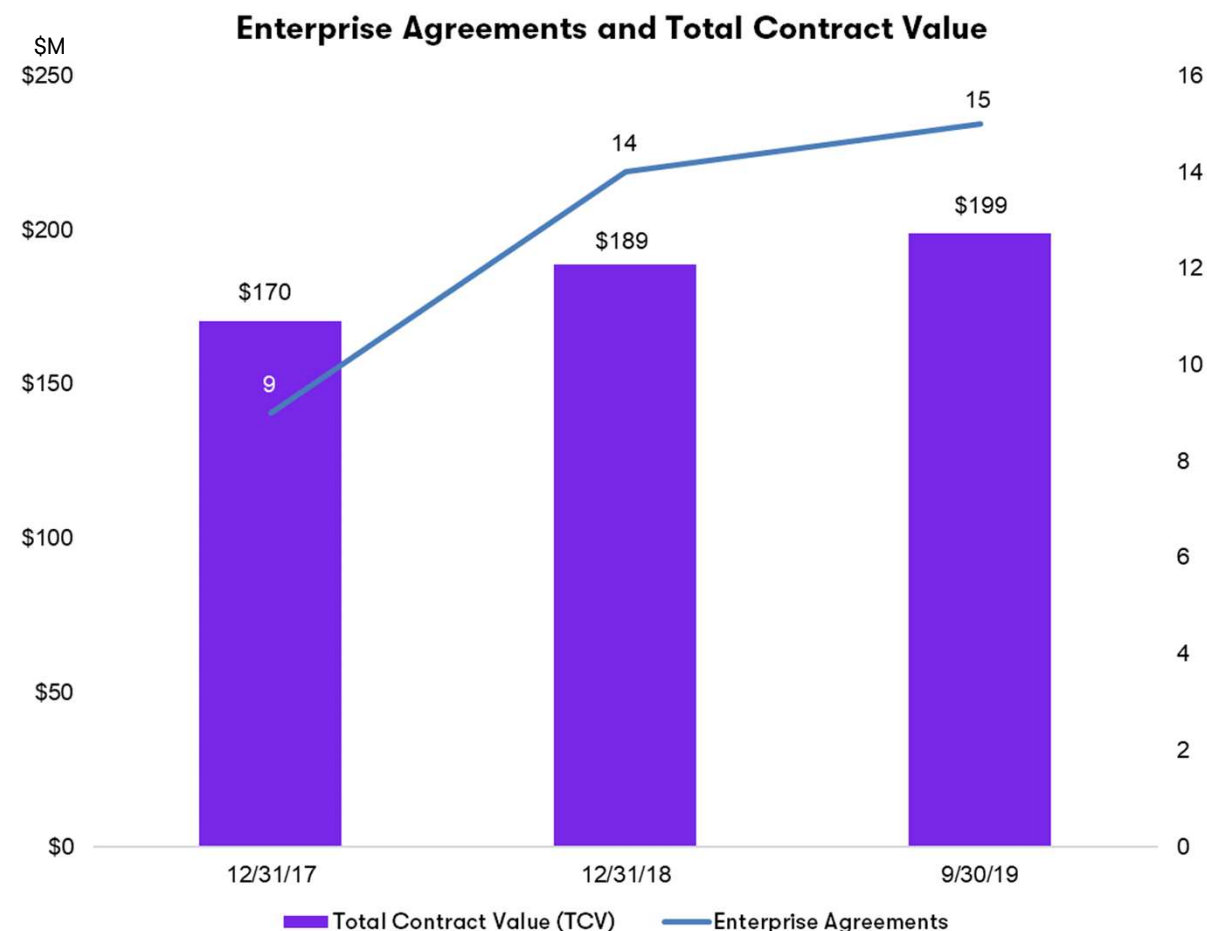


ENTERPRISE DIRECT SALES

Enterprise direct strategy and enterprise agreements

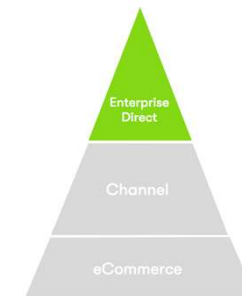


- Enterprise commercial objectives
 - Increased strategic engagement with the largest media brands to drive greater wallet share
 - Improve customer loyalty via white glove customer experience
- LTA – Enterprise Agreements
 - Longer term revenue commitment, delivering more predictable annual deployment costs for customers
 - Flexible and more inclusive licensing give greater access to Avid product portfolio
 - Bespoke commercial frameworks with defined upgrade cycles to accelerate project delivery
 - Opportunity for incremental subscription licenses
- Future evolution
 - Leverage foundation of LTAs to strategically transition customers to subscription model via enterprise license agreements

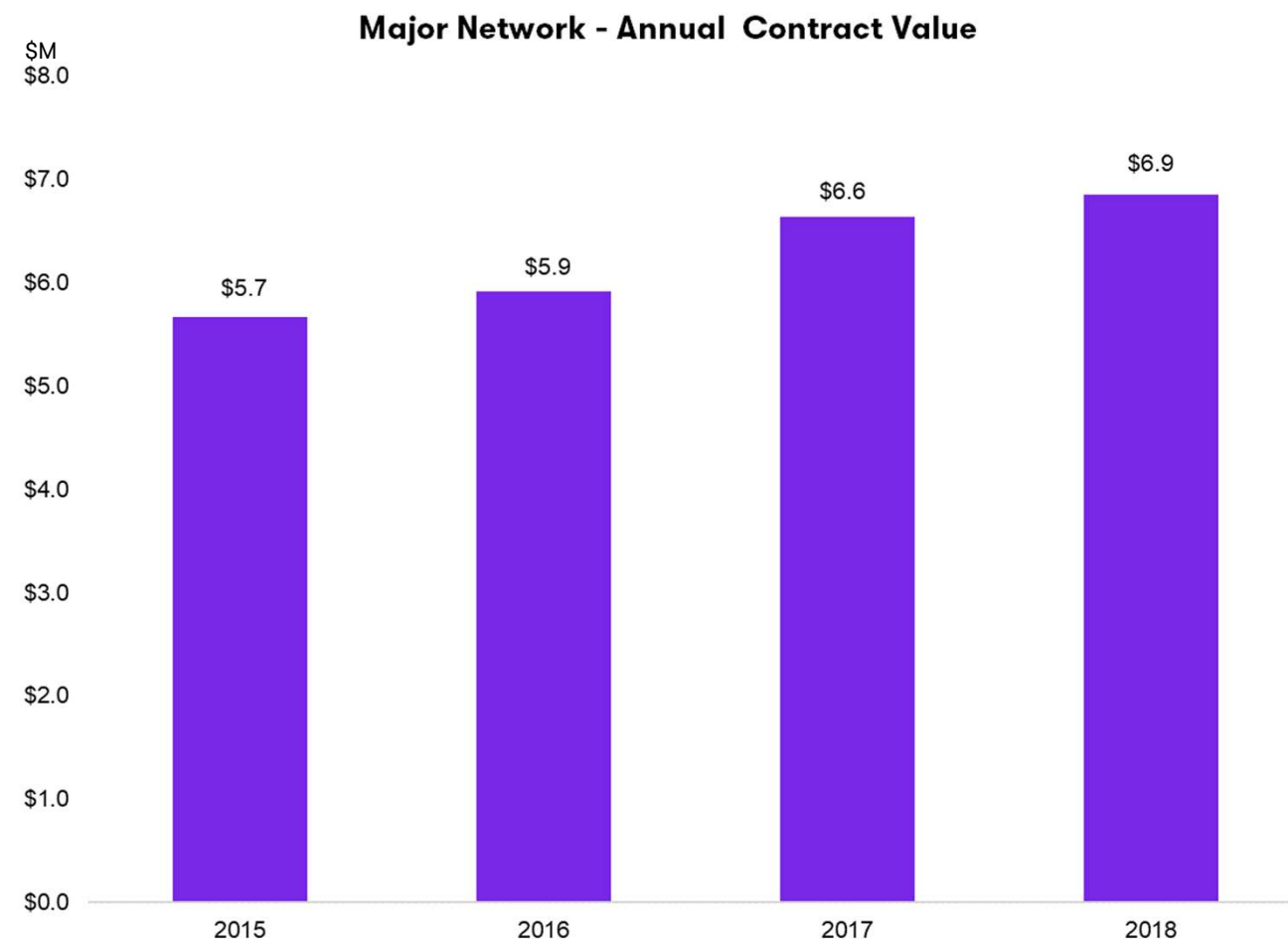


ENTERPRISE AGREEMENTS

CASE STUDY: Major U.S. news and sports network

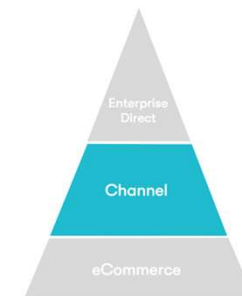


- Major U.S. news and sports network committed to expanding operations with Avid
- Multi-year agreement delivered predictable cost structure
- Utilizes full suite of Avid MediaCentral platform and video portfolio
- Growing revenue stream as customer drives market consolidation, standardizes on Avid infrastructure and adds new solutions

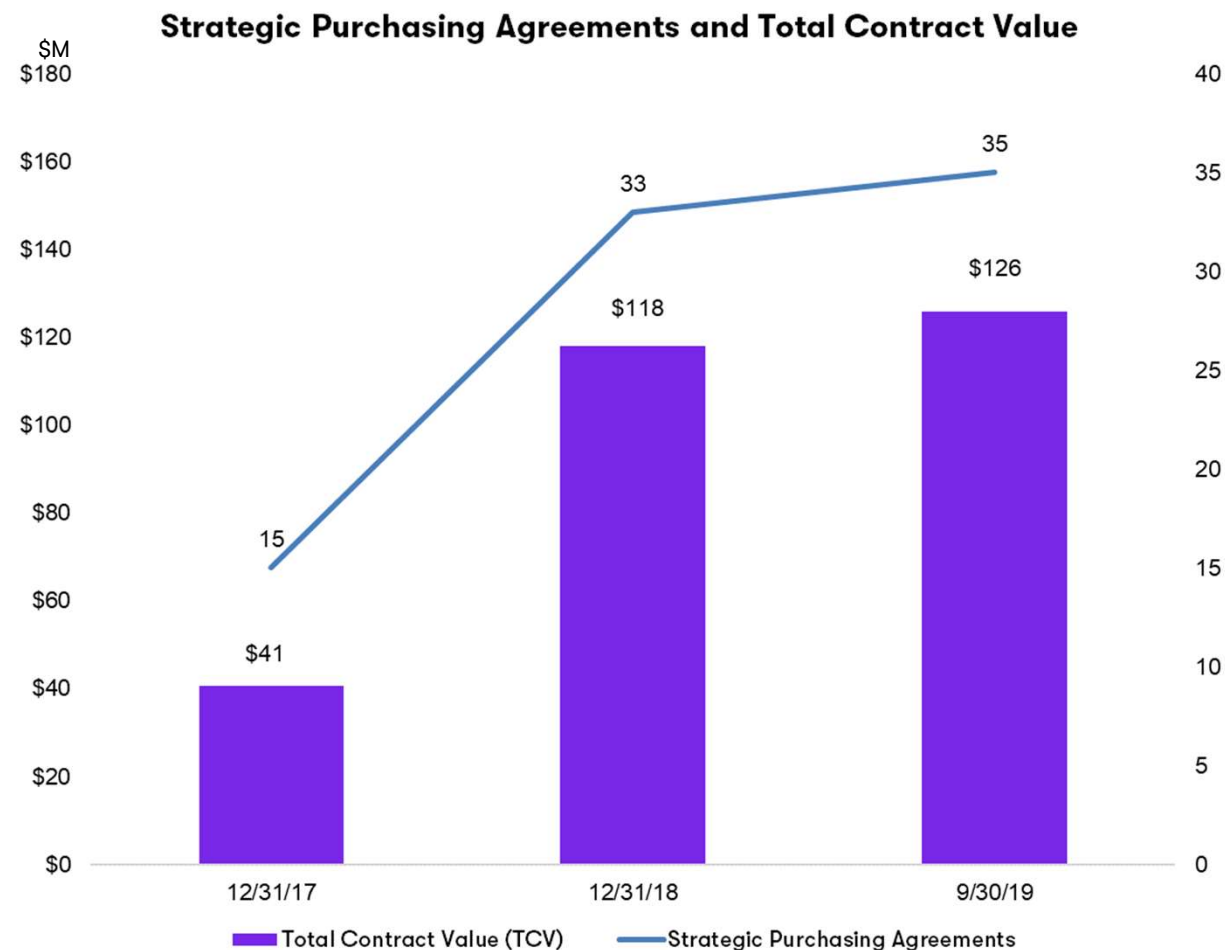


CHANNEL SALES

Channel sales strategy and strategic purchasing agreements

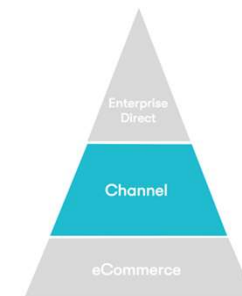


- Channel commercial objectives
 - Invest more strategically in a smaller number of bigger partners and fuel their growth
 - Leverage partners reach, sales, pre-sales resources and support organization
 - Commits partners to resourcing Avid vs. competitor products
- LTA – Strategic Purchasing Agreements
 - Annual or multi-year commitment from partner to deliver guaranteed revenue stream to Avid
 - More favorable commercial terms for partners who commit to revenue growth delivered earlier in each quarter
- Future evolution
 - Fully integrated enablement for targeted partners
 - Adding SaaS partners with cloud capabilities

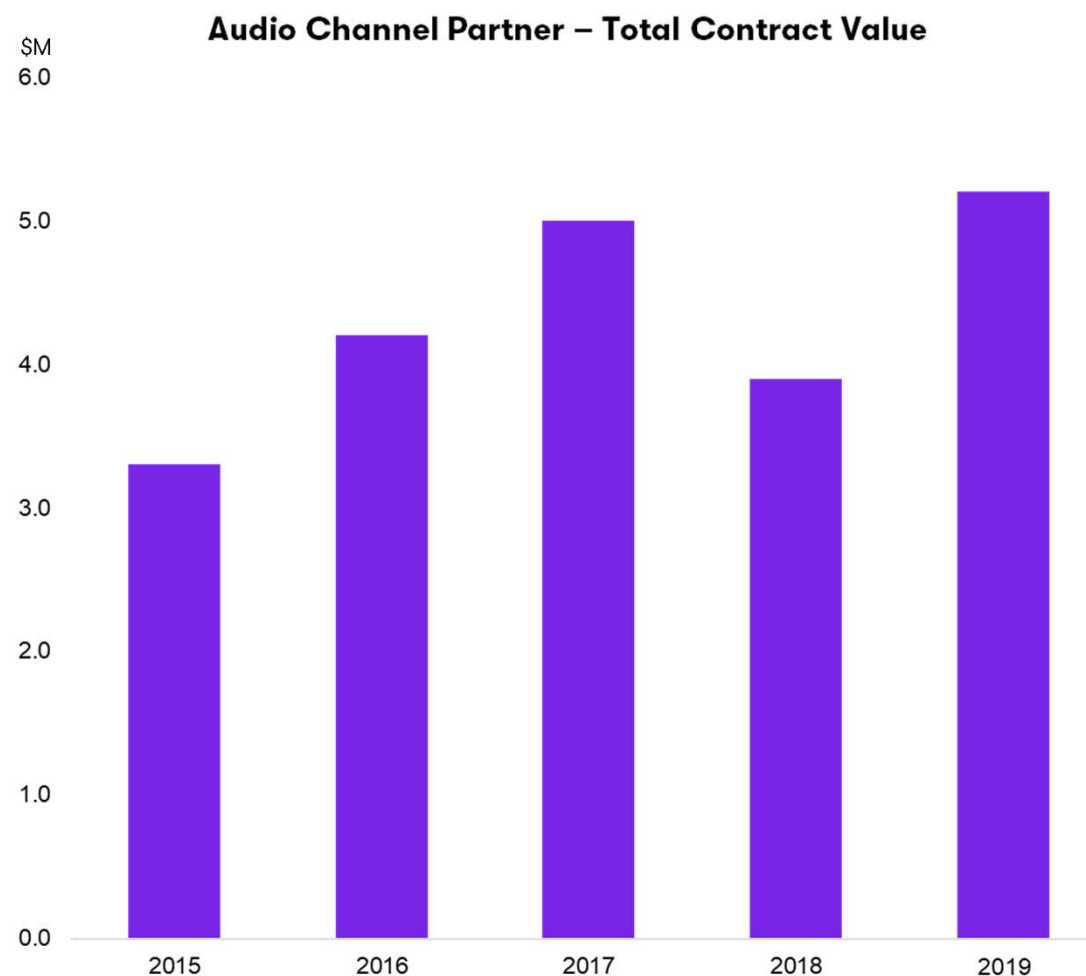


STRATEGIC PURCHASING AGREEMENTS

CASE STUDY: Large U.S. audio channel partner



- Large provider of audio solutions to professional music and post-production industry
- Longer term commercial agreement fueled ability of partner to grow and deliver broader market coverage of Avid solutions
- Agreement enables profitable expansion of partner reach and growth of Avid footprint and solutions across the U.S.
- Agreement has enabled margin optimization through minimized discount structure



eCOMMERCE SALES

- eCommerce commercial objectives

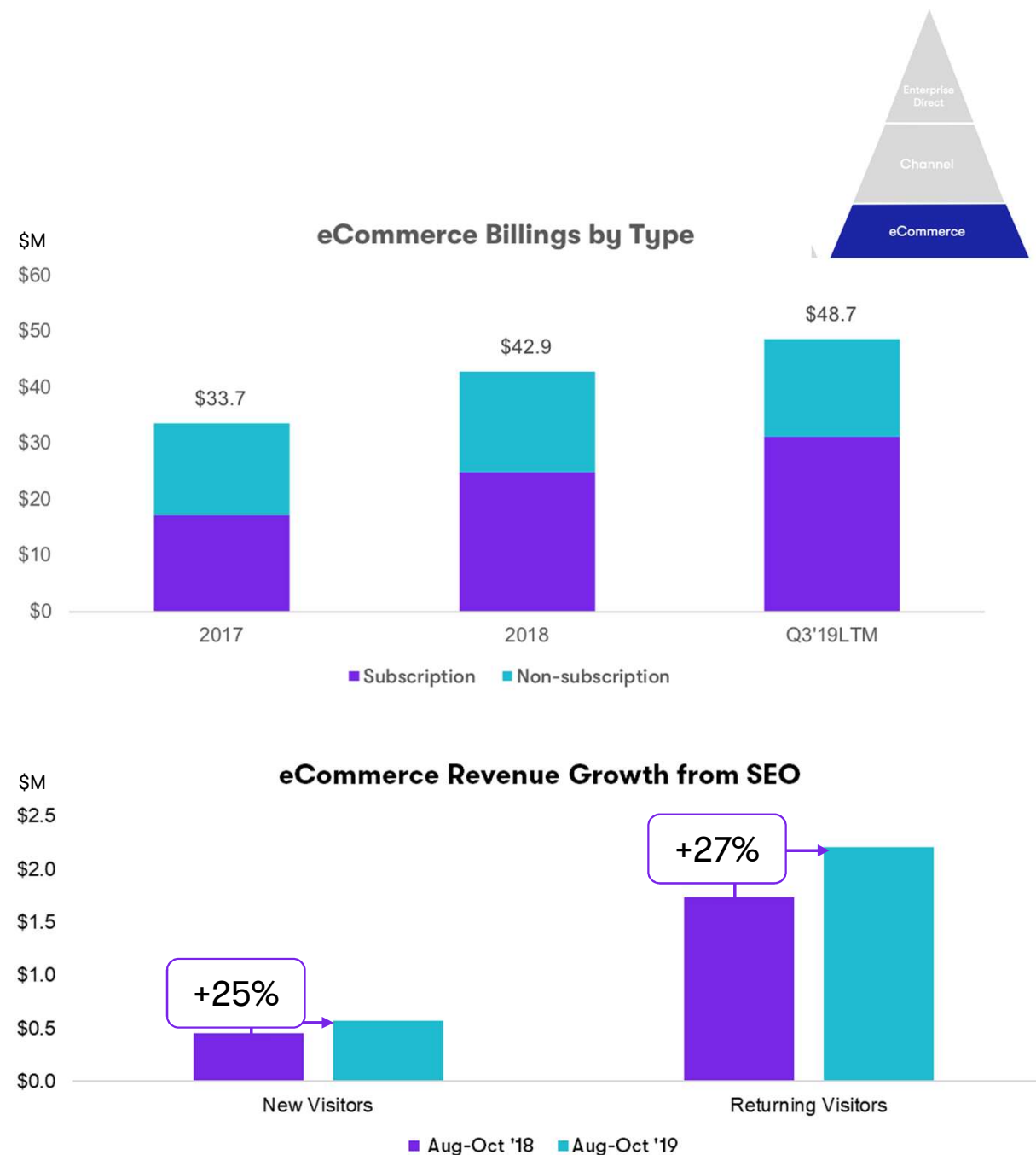
- Fuel subscription revenue growth by selling creative tools via a high margin, profitable eCommerce model
- Increase lifetime value of customers by delivering the highest quality customer experience via eLearning and customer support model

- Support subscription growth for creative individuals and teams

- eCommerce business grew 19% YTD in Q3'19
- ~65% of eCommerce revenue are creative tools subscriptions in YTD Q3'19
- Dedicated SEO efforts yielded 27% YoY revenue growth in the three months ending October '19

- Future evolution

- Continue to grow the subscription creative tools business while improving unified digital experience for our customers
- Stronger investments in advertising for strategic focus on all steps in the funnel



COMMERCIAL STRATEGY SUMMARY

- Drive momentum in recurring revenue
- Support subscription growth
- Grow maintenance revenue
- Build value through long term agreements
- Continue eCommerce momentum





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FINANCIAL STRATEGY AND OUTLOOK

KEN GAYRON
Chief Financial Officer



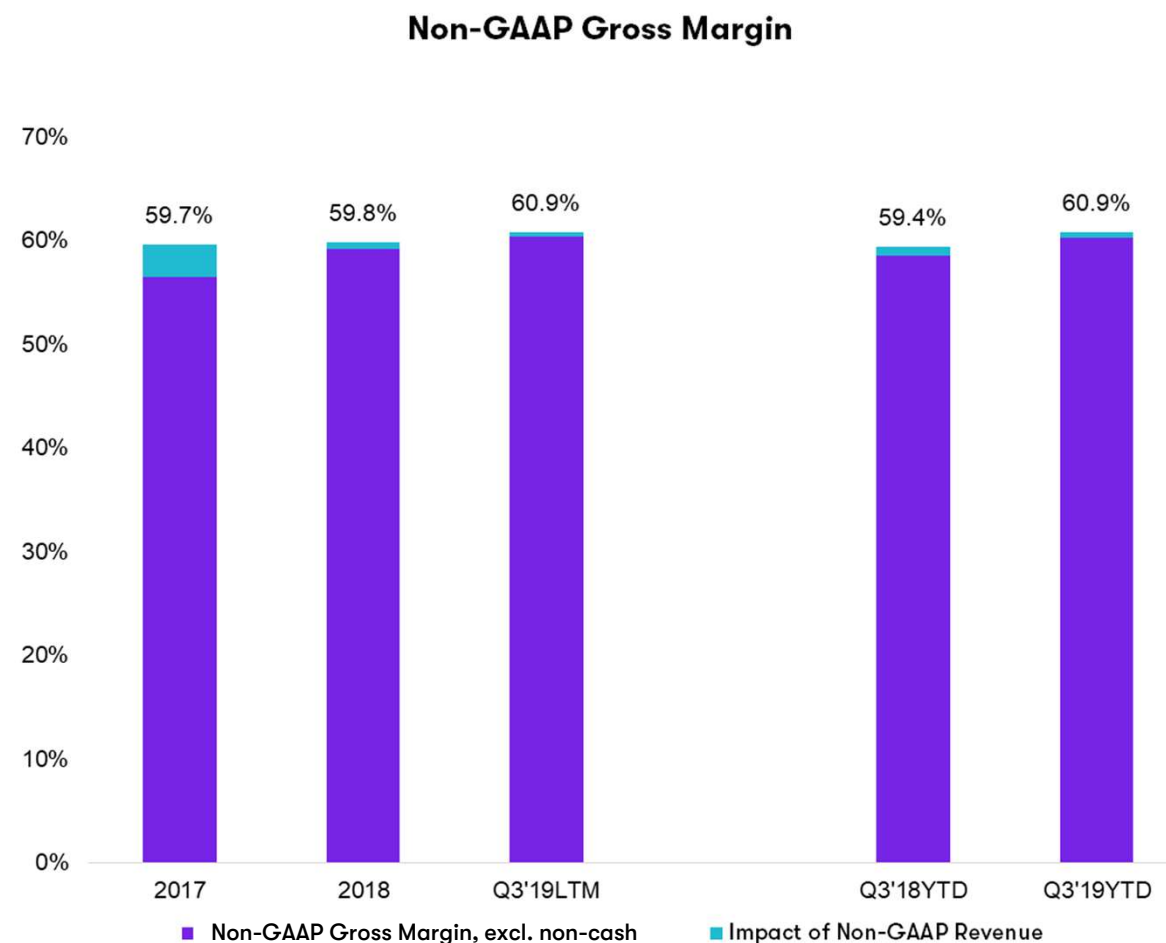
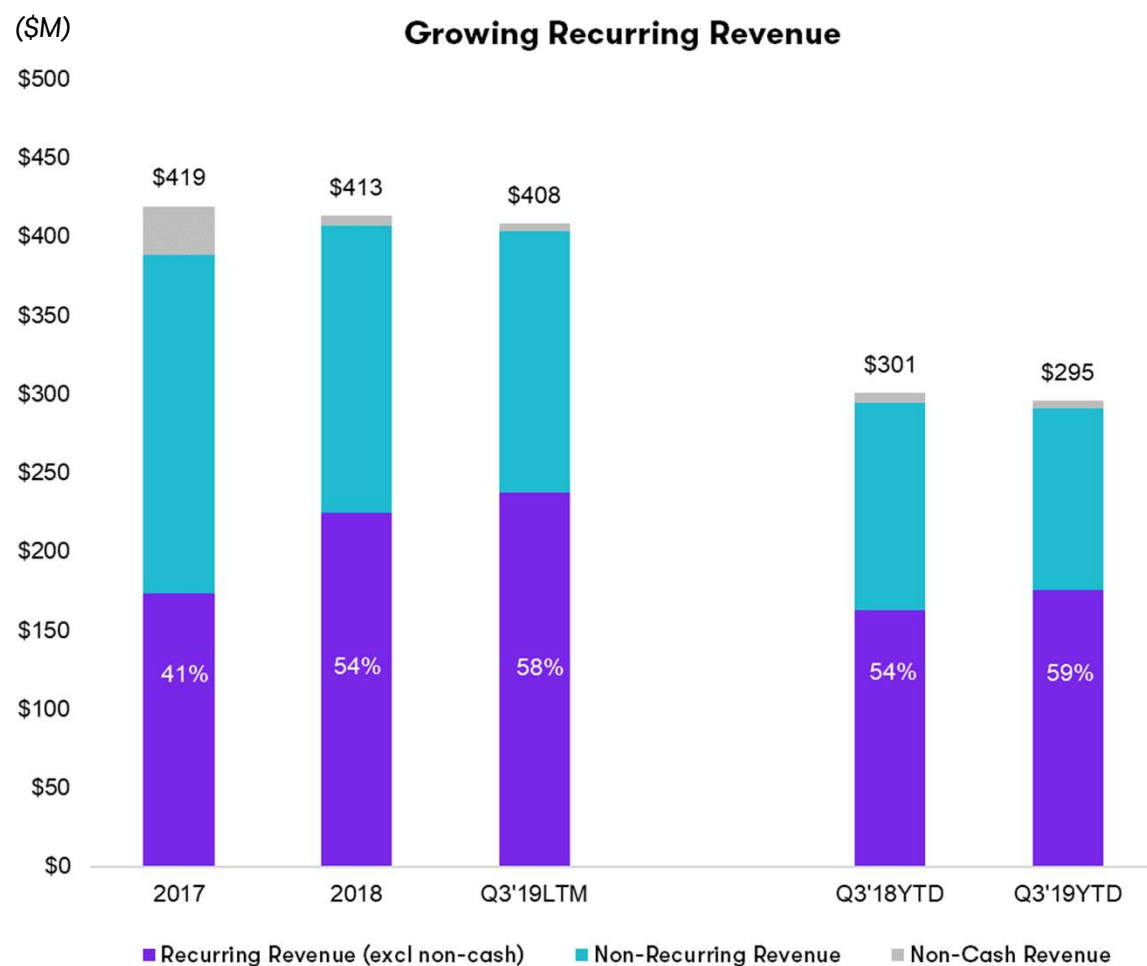


FINANCIAL STRATEGY

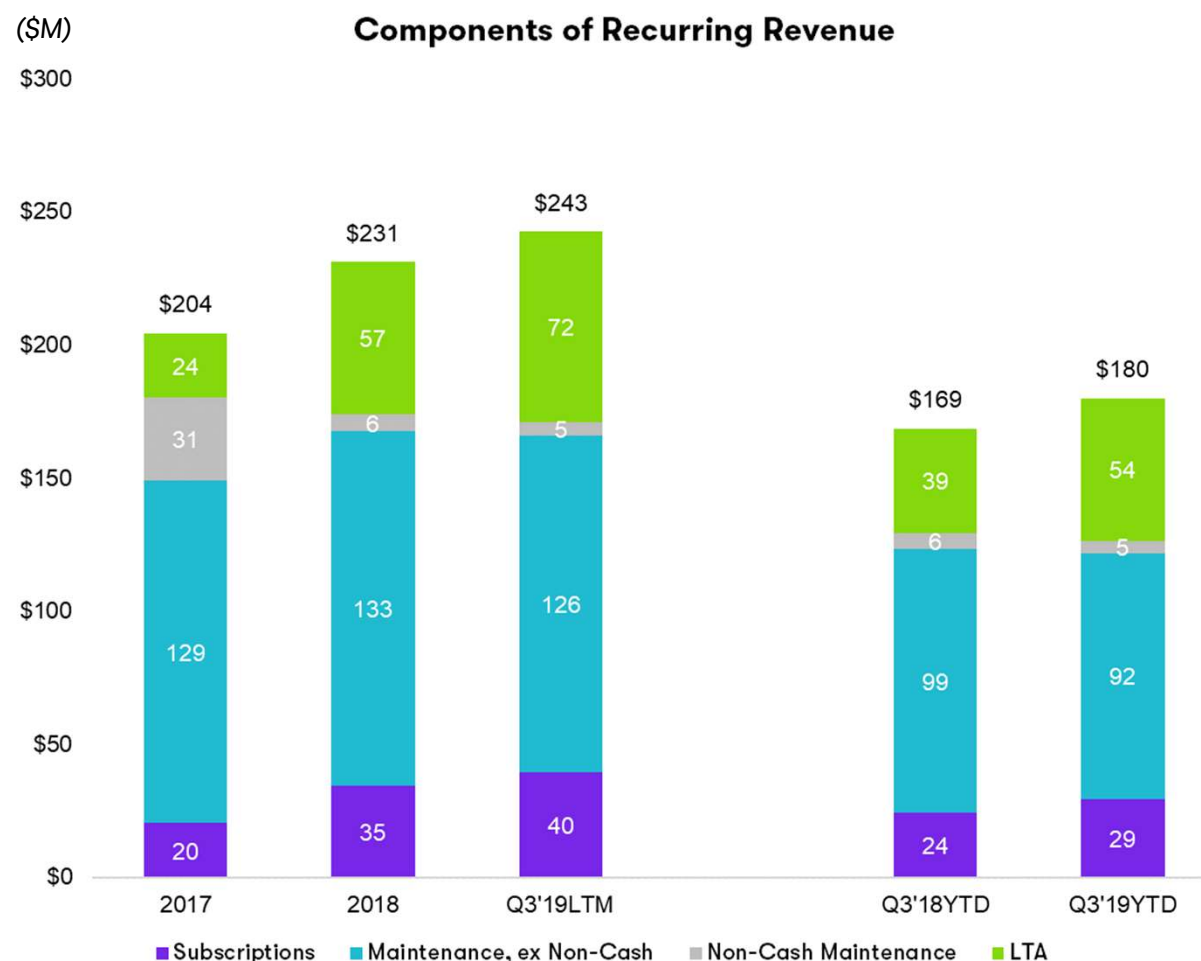
- Continue momentum in recurring revenue
 - Aggressively expand subscription
 - Stabilize and grow maintenance
 - Increase number and value of long-term agreements
- Drive continued improvements in gross margin through operational efficiency and new products
- Further internal efficiencies to drive operating expense discipline
- Grow Free Cash Flow conversion with more efficient working capital and interest expense



IMPROVING RECURRING REVENUE AND NON-GAAP GROSS MARGIN



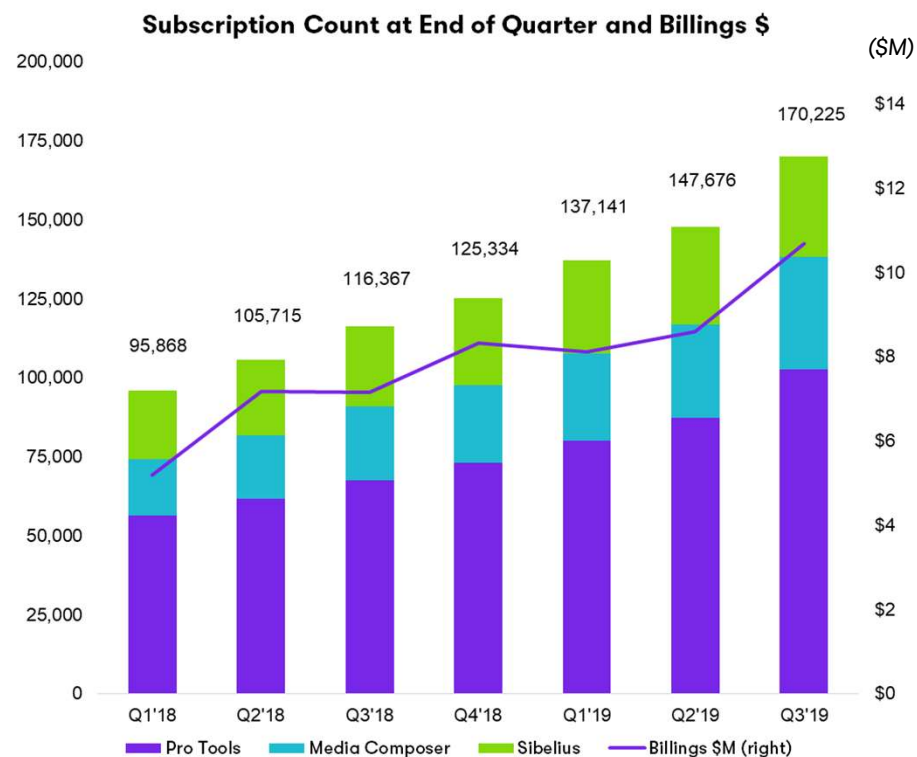
COMPONENTS OF RECURRING REVENUE



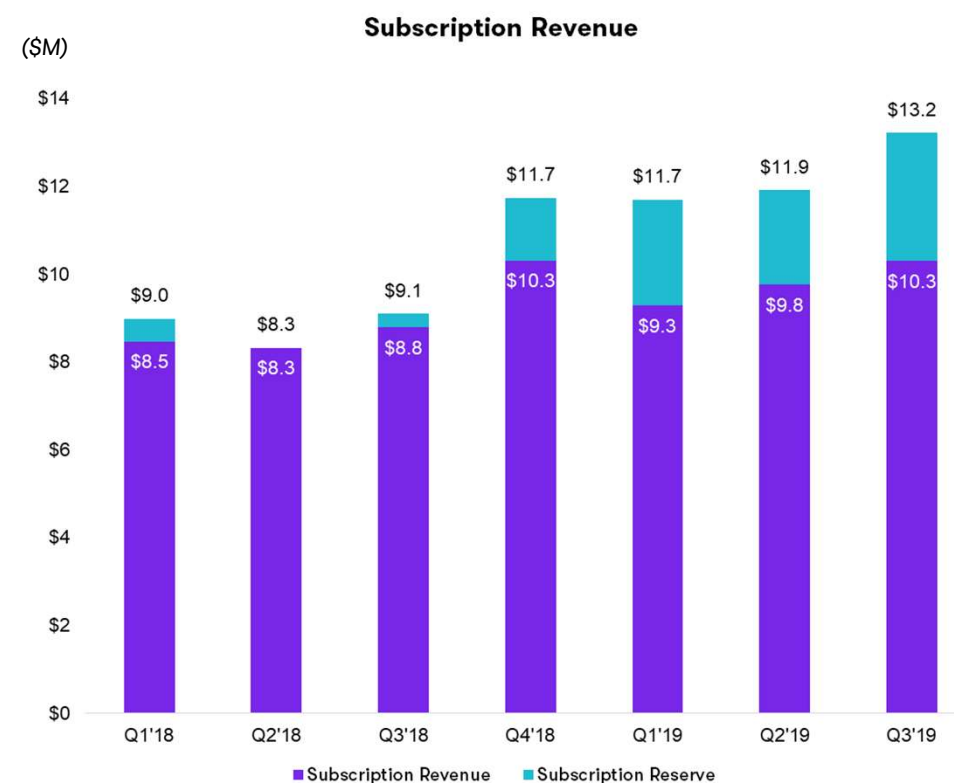
- Subscriptions
 - Driven by robust growth in subscriptions, +44% CAGR since the end of 2017
- Maintenance
 - Excluding non-cash, maintenance is fairly stable despite strong growth in subscriptions
 - Headwinds from legacy storage in 2019 are dissipating, providing more stability moving forward
- Long-Term Agreements (LTA)
 - Providing more visibility and confidence looking forward, locking in a growing share of wallet



SUBSCRIPTIONS



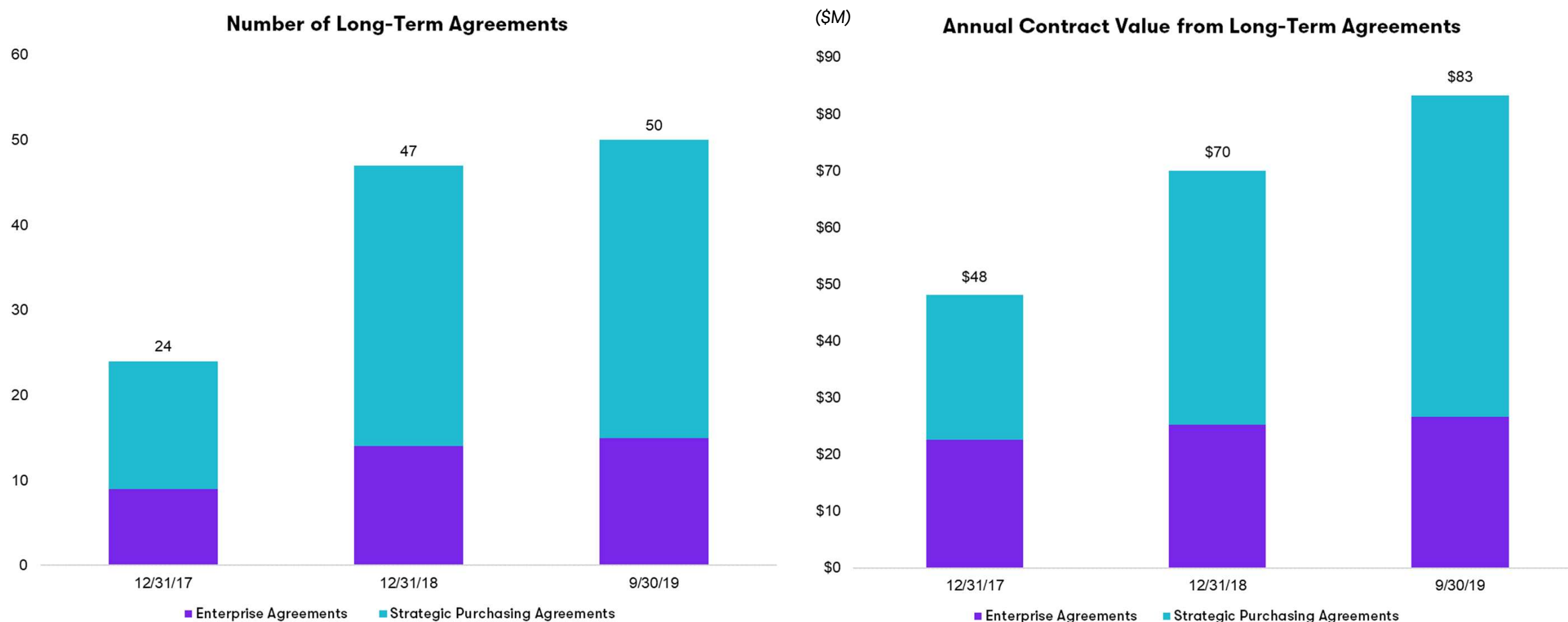
- Subscriptions up 46% YoY in Q3'19
- Subscription billings up 49% YoY in Q3'19



- Subscription revenue up 17% YoY Q3'19
- Going forward, subscription revenue should more closely track growth in subscriptions as the reserve percentage normalizes



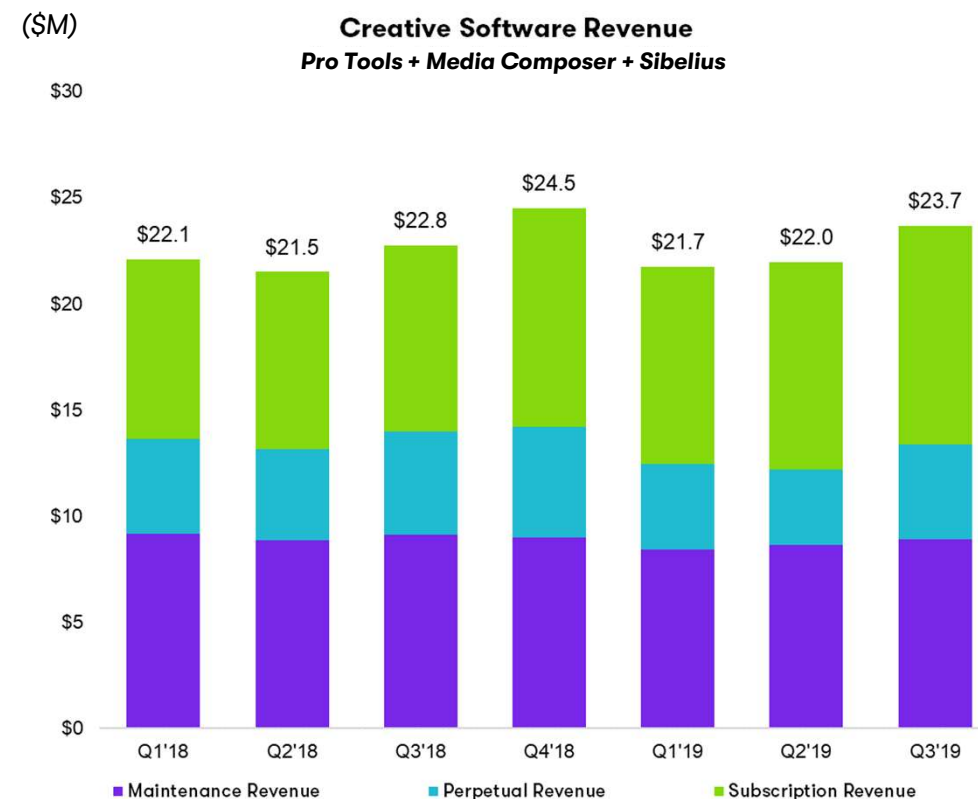
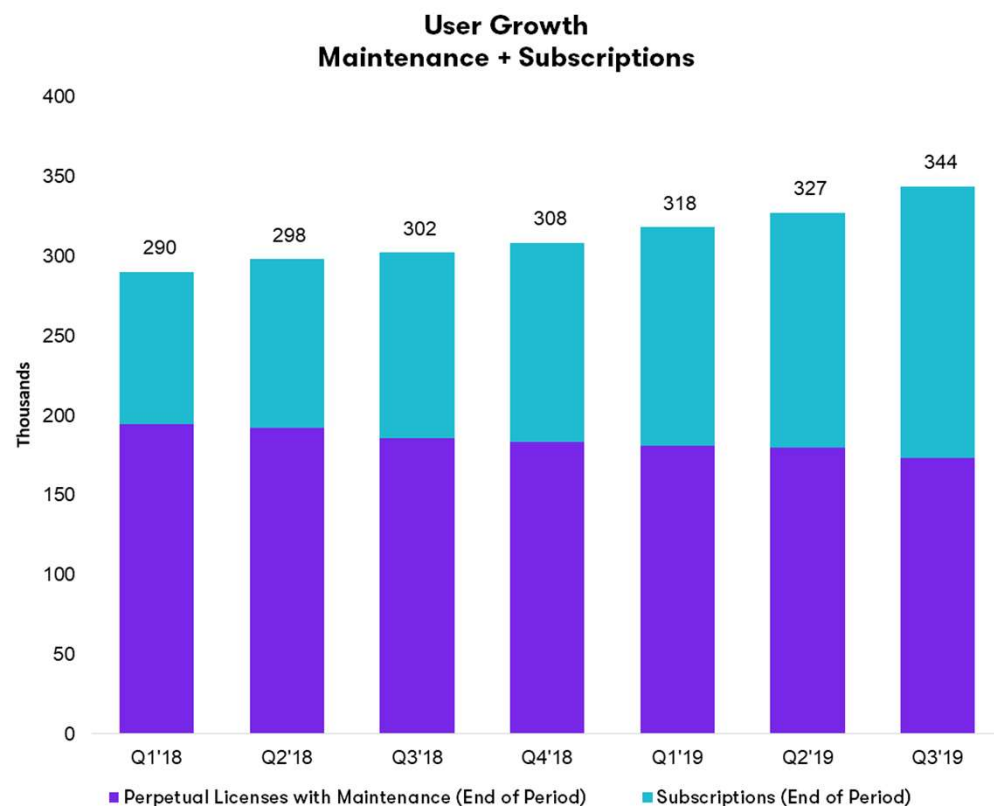
LONG-TERM AGREEMENTS



- The number of long-term agreements has doubled since 2017, creating significant growth in Annual Contract Value (ACV)



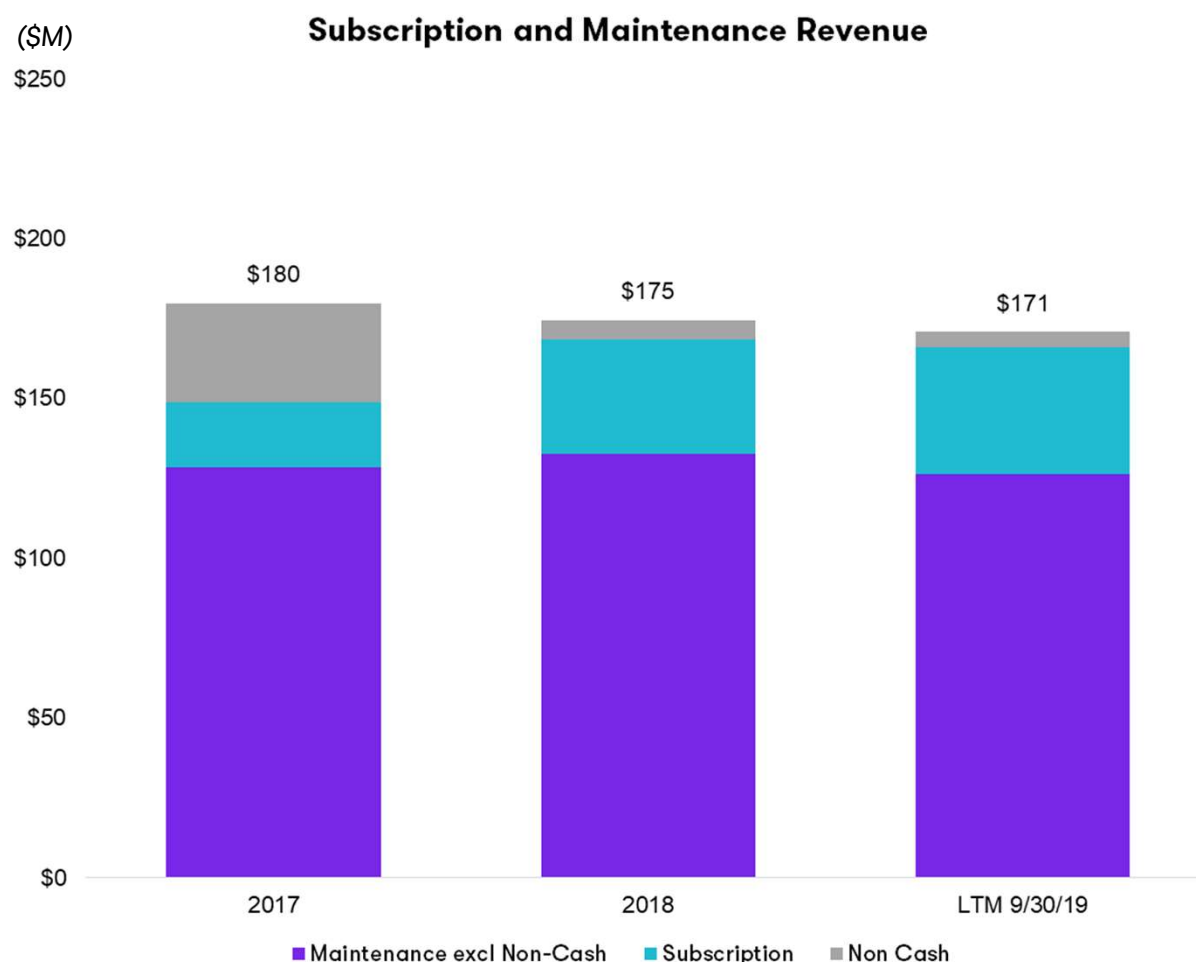
CREATIVE SOFTWARE USERS AND REVENUE



- Total user growth (perpetual licenses with maintenance contracts + subscriptions) was up 14% YoY in Q3'19
- Creative software revenue was up 4% YoY in Q3'19, despite impact from transition to subscription and increased subscription revenue reserve



SUBSCRIPTION AND MAINTENANCE REVENUE



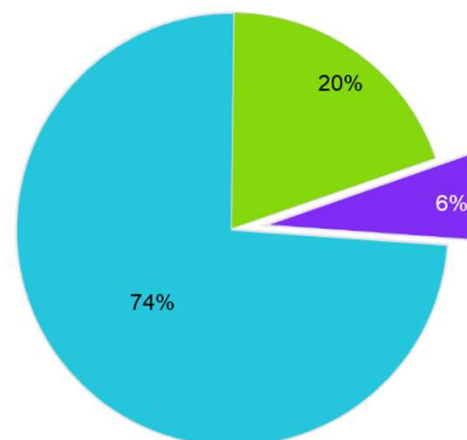
- Subscription and Maintenance revenue grew 13% in 2018, excluding non-cash revenue
- In 2019, change to subscription reserves and legacy storage end of service suppressed growth
- As these factors normalize and we take an aggressive approach in pricing for subscriptions and maintenance, we anticipate a favorable return to growth



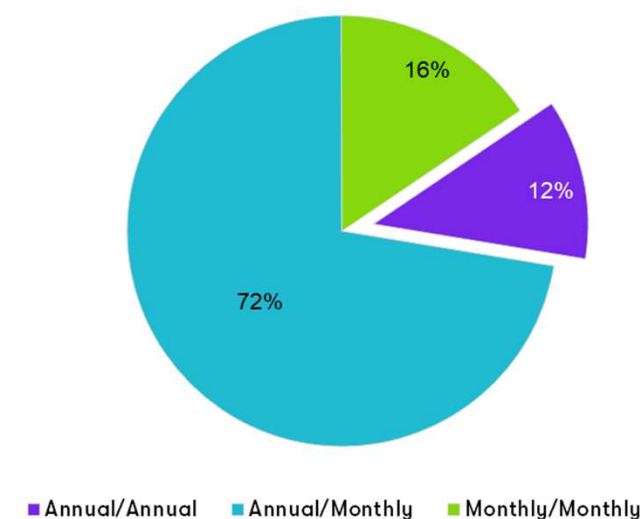
SUBSCRIPTION TERM AND BILLING

- In July 2019, implemented pricing increases on most subscription solutions
- Goal of price changes was to improve gross margin and incentivize customers to select annual paid annual subscriptions
- Annual paid annual subscriptions provide a higher quality revenue stream for the Company with cash upfront
- Share of subscriptions from annual paid upfront has doubled over the past year

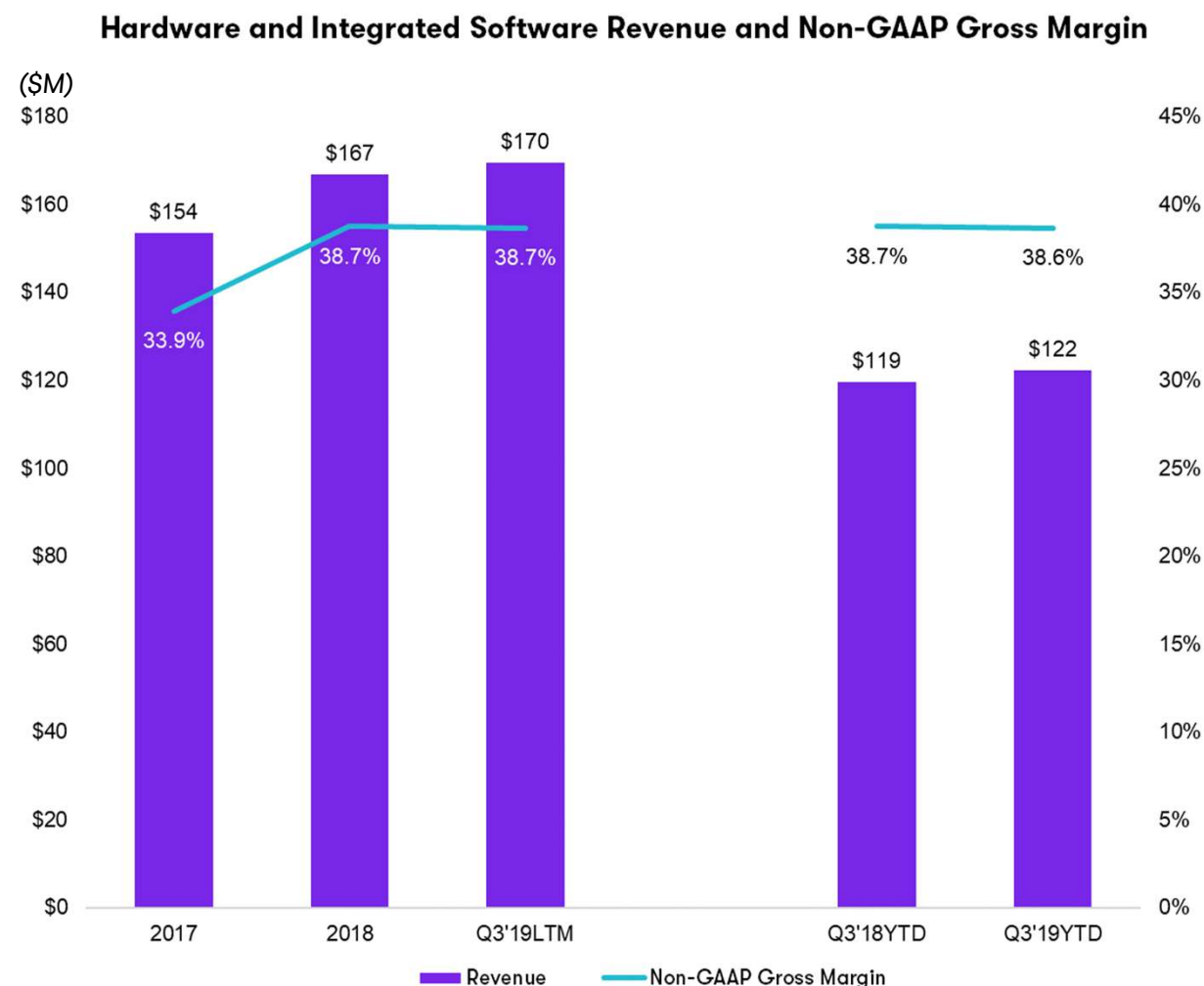
December 31, 2018 Subscription by Bill Plan



September 30, 2019 Subscription by Bill Plan



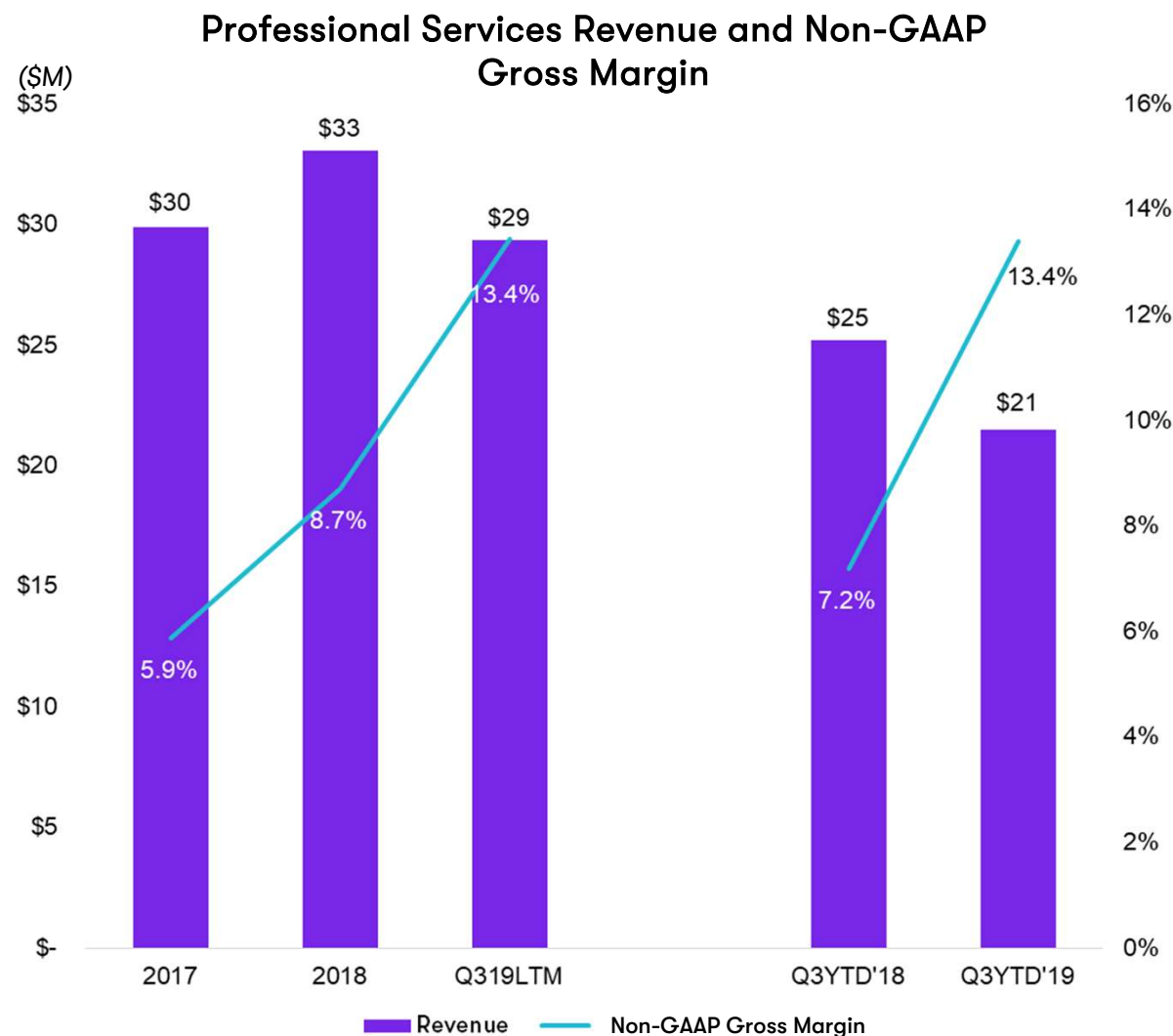
HARDWARE & INTEGRATED SOLUTIONS REVENUE



- Storage revenue grew 17% (\$10M) in 2018
- Q3'19 YTD revenue growth attributable to live sound (\$3M) and storage (\$2M)
- Well positioned to have stronger Q4 and 2020 with the release of new audio products



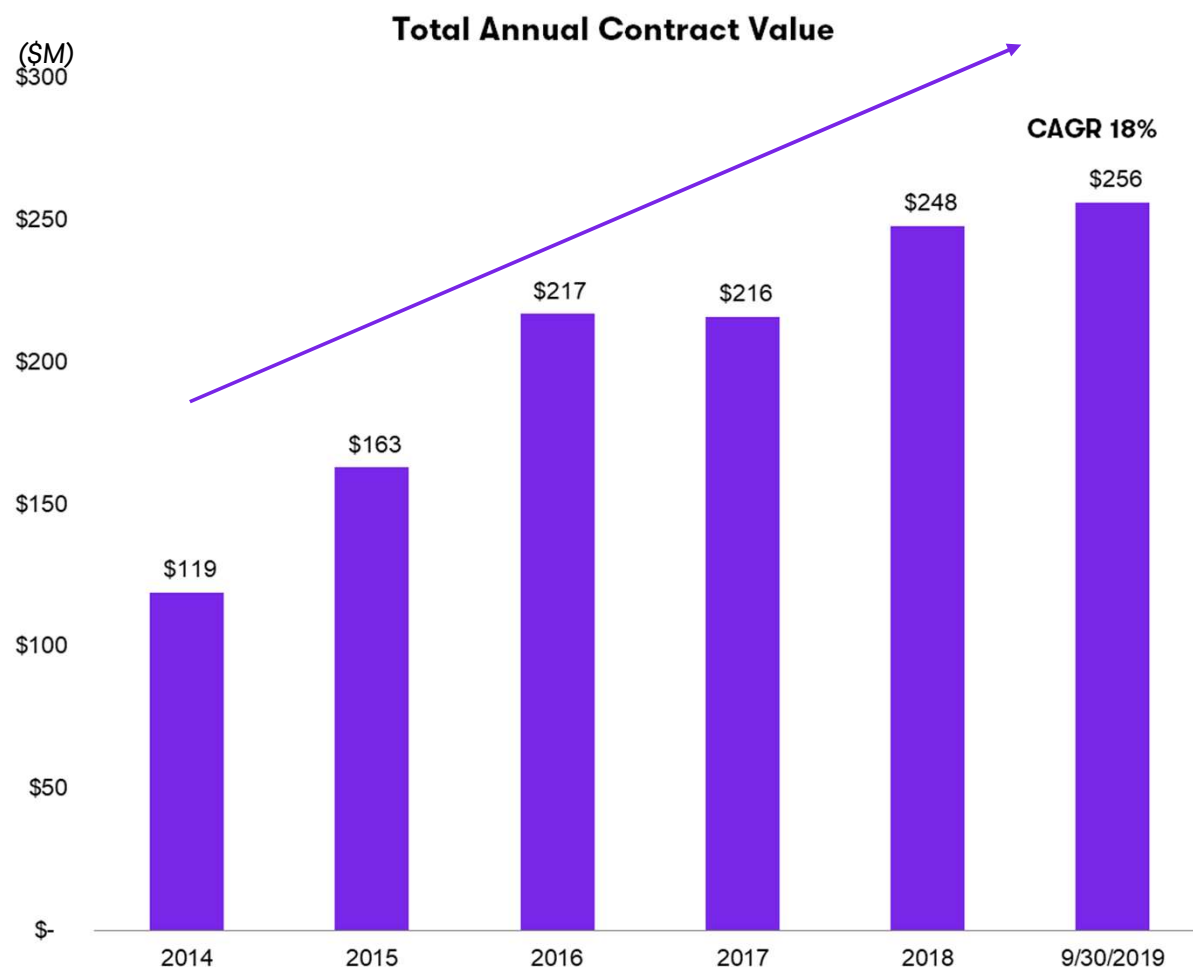
PROFESSIONAL SERVICES REVENUE



- Focus on improving gross margin through enhanced business selection criteria and pre-sales analysis



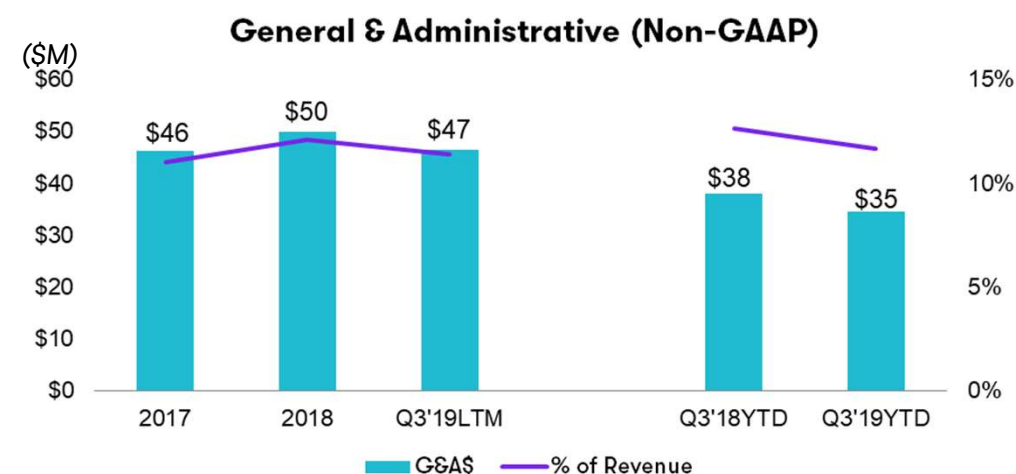
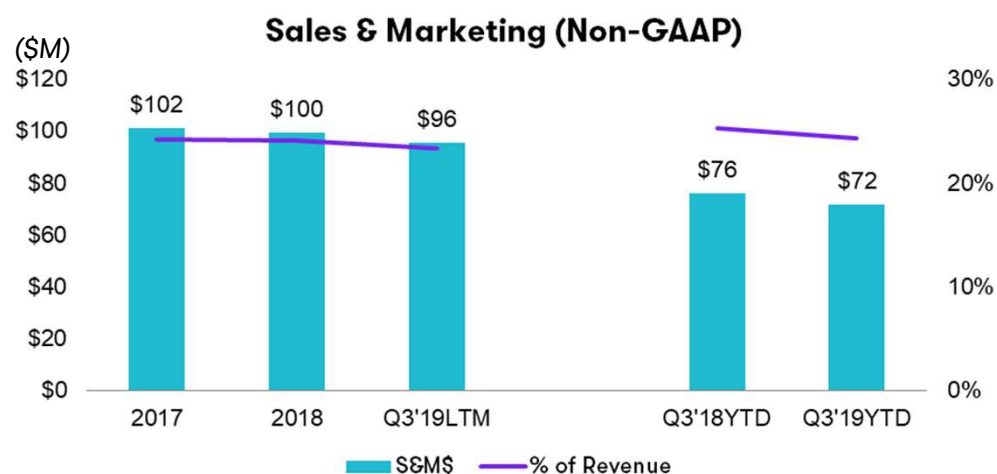
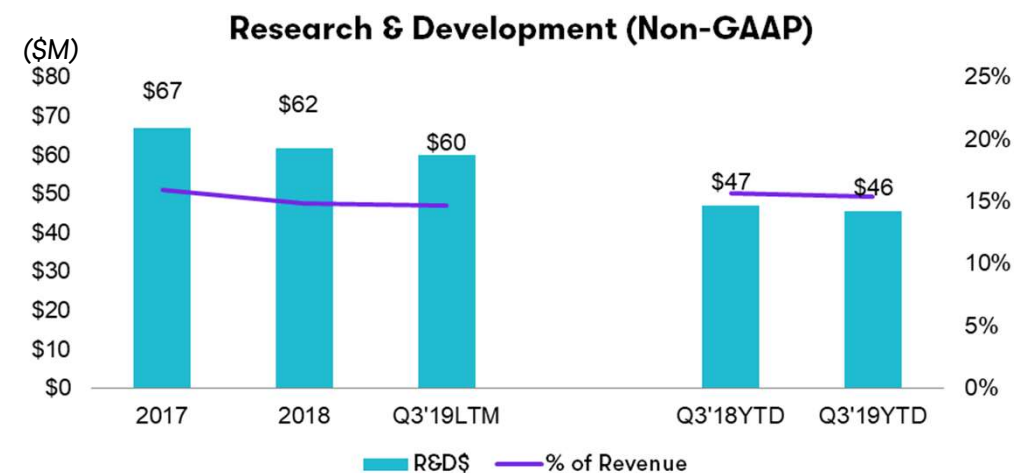
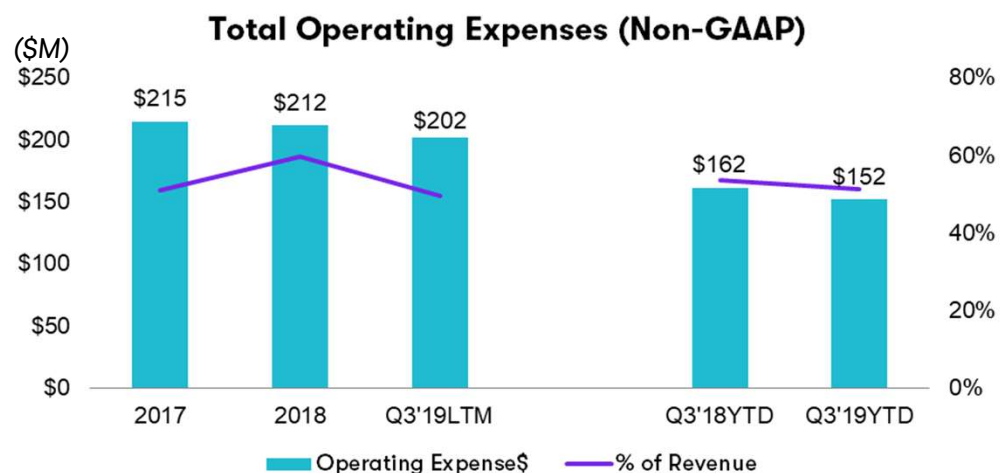
ANNUAL CONTRACT VALUE



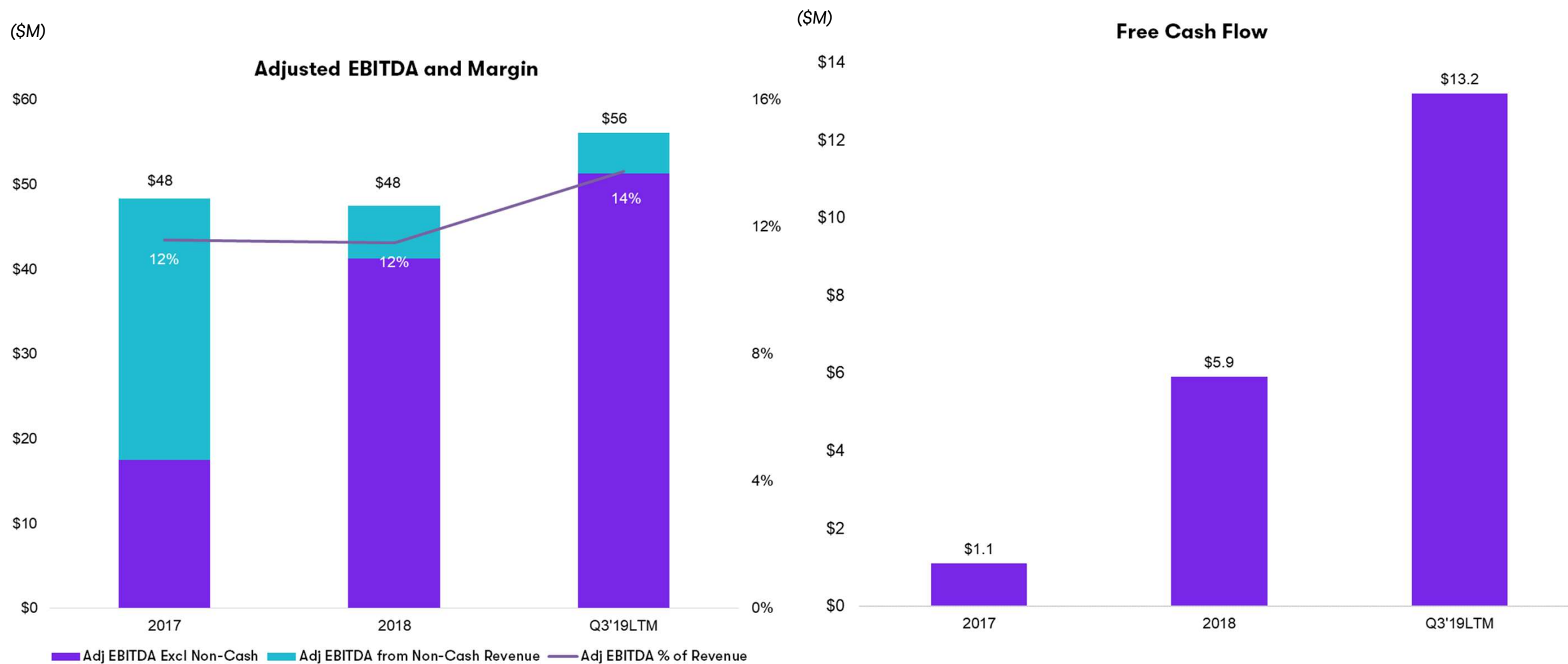
- Strong growth in Total Annual Contract Value from growing subscriptions and long-term agreements
- Annual Contract Value is the sum of
 - Quarterly subscription revenue times four
 - Quarterly maintenance revenue times four
 - ACV of long-term agreements at the end of the quarter, without double counting subscription and maintenance



IMPROVING OPERATING EFFICIENCY



ADJUSTED EBITDA AND FREE CASH FLOW



CAPITAL STRUCTURE

As of 9/30/19	Amount	Maturity	Interest Rate
Cash & Cash Equivalents	\$52M		
Revolver (\$22.5M Undrawn)	\$0M	May 2023	LIBOR + 6.25%
Term Loan (including Current Portion)	\$201M	May 2023	LIBOR + 6.25%
Convertible Notes	\$29M	June 2020	2.00%

- Current liquidity of \$75M, including undrawn revolver, is more than sufficient to repay the \$29M in convertible notes at the June 2020 maturity
- Expected continuing improvements in Adjusted EBITDA and debt repayments that should result in a decline in total leverage



2020 FULL YEAR GUIDANCE

(\$M)	Full Year 2019 Guidance		Full Year 2020 Guidance	
	Low	High	Low	High
Revenue	\$405	\$415	\$417	\$437
Subscription & Maintenance Revenue			\$180	\$190
Adjusted EBITDA	\$55	\$60	\$66	\$74
Free Cash Flow	\$12	\$17	\$27	\$35
Non-GAAP Net Income per Share	\$0.50	\$0.60	\$0.84	\$0.93

- Improving Recurring Revenue and ACV provides visibility into 2020 revenue
- Achieving EBITDA & FCF expansion in 2020 through
 - Improving gross margin from mix shift to high margin SW & subscriptions, launch of higher margin HW in Audio
 - Freight savings from supplier transition
 - Internal operating efficiency programs being implemented to reduce operating expenses



ADJUSTED EBITDA TO FREE CASH FLOW BRIDGE

	FY2017	FY2018	FY2019 Guidance	FY2020 Guidance
Adjusted EBITDA	100%	100%	100%	100%
Restructuring Payments	25%	14%	3%	8%
Non-cash Revenue	58%	16%	10%	7%
Interest Payments	20%	30%	31%	23%
CAPEX Payments	16%	22%	13%	17%
Working Capital Changes (Excluding Non-cash Revenue)	(21%)	6%	18%	0%
Free Cash Flow Conversion	2%	12%	25%	44%



KEY ASSUMPTIONS FOR THREE YEAR MODEL

Key Metric	Assumptions
Revenue Growth	Mid single digits in 2020 and 2021 improving to high single digits in 2022
Subscription & Maintenance Growth	High single digits in 2020 and 2021 improving to low double digits in 2022
Recurring Revenue As a % of Total	Low 60% range in 2020 improving to mid 60's in 2021 and low 70's in 2022
Non-GAAP Gross Margin	Low 60% range in 2020 improving to mid 60's in 2021 and 2022
OPEX % of Revenue	High 40% range in 2020 and 2021 decreasing to mid 40's in 2022
Adj. EBITDA % of Revenue	Mid teens in 2020 improving to high teens in 2021 and low 20's in 2022
Capex	2.5%-3.5% of revenue
Cash Taxes	\$1-1.5 million annually
EBITDA to FCF Conversion	Mid 40's in 2020 improving to low to mid 50's in 2021 approaching 60% in 2022

We do not consider our three year operating model for 2021 and 2022 to be financial guidance, and we do not intend to provide any updates with respect to such outlook.

- Revenue growth on strength in subscription and new audio products
- Recurring revenue % expansion from subscription and LTA
- Gross margin expansion from supply chain efficiency and favorable mix shift
- OPEX to grow less than revenue from continued expense control and targeted investments
- FCF conversion continues to improve on working capital efficiency and reduced interest expense
- 2022 Revenue \$475M+, \$100M+ Adj. EBITDA, \$60M+ FCF



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Q&A





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