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

Q3 2019 EARNINGS CALL

Avid Technology

November 7, 2019

NON-GAAP & OPERATIONAL MEASURES

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 year 2019 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 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; 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 today, 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.

BUSINESS UPDATE

Jeff Rosica

Chief Executive Officer & President

KEY BUSINESS OBSERVATIONS

- Certain revenue headwinds during Q3 impacted quarterly results
  - Supply chain transition
  - Sales to enterprise clients
- Strong growth seen in subscriptions for creative software business
- Stabilizing maintenance revenue
- Continuing realization of cost savings
- Continuing to execute strategy to grow revenue, improve costs and improve profitability

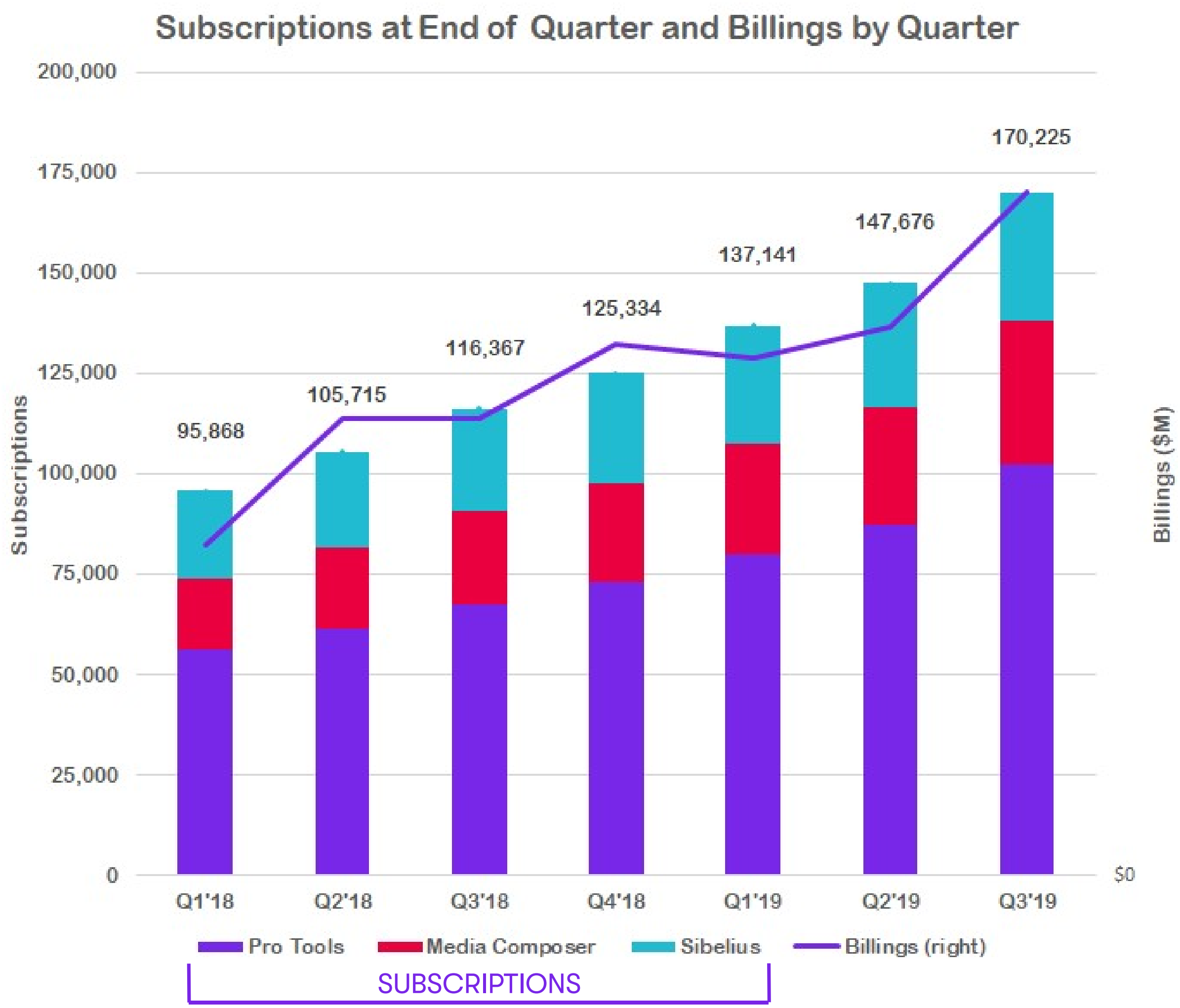
Q3 2019
BUSINESS PERFORMANCE

($M, except per share)	Q3 2019	YoY Change
Revenue	$93.5	(-10.2%)
Non-GAAP Gross Margin	62.1%	+190bps
Adjusted EBITDA	$12.8	(-12.3%)
Free Cash Flow	($4.6)	+$1.8
Non-GAAP Net Income per Share	$0.10	(-$0.03)

SUPPLY CHAIN UPDATE

- Greater than expected challenges during Q3 impacted shipments
  - Product qualifications slower than planned
  - Volume ramp slower than planned
- Confident in progress to support Q4 plan
  - Major product qualifications completed – remaining product qualifications scheduled for Q4
  - Volume production lines upgraded & resources added
- Benefits of the new supply chain are worth the short term challenges
  - Reduced cost of sales & operating expenses
  - Reduced inventory & working capital

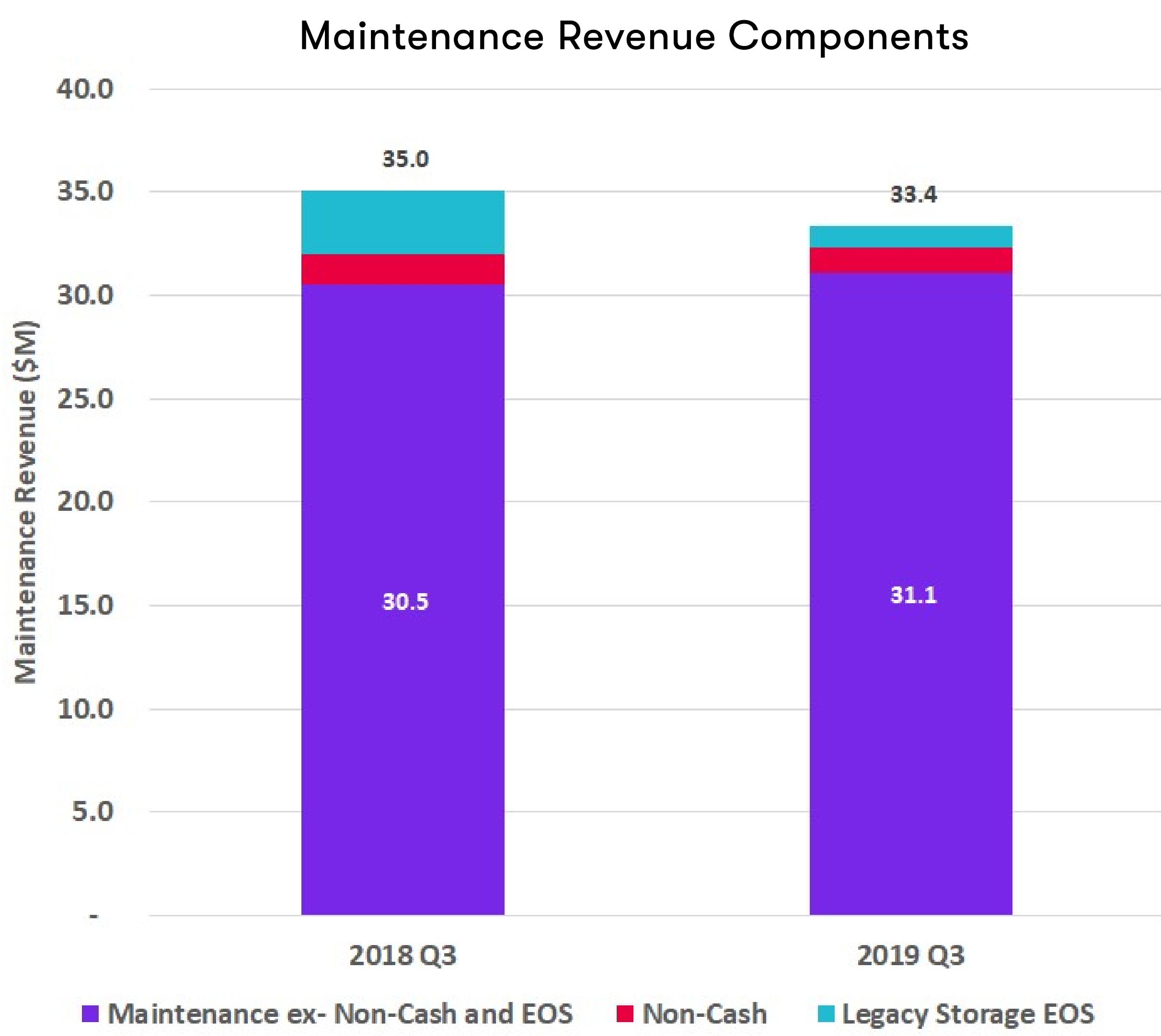
SUBSCRIPTION UPDATE



- Subscriptions up 46% YoY in Q3 to over 170,000
  - Largest subscriptions increase ever in Q3, with 22,549 net new subscriptions
  - Growth across all products – Media Composer 2019 particularly strong
- Price increases implemented at start of Q3
- Subscription billings up 49% YoY in Q3
  - Growth in billings tracking subscriptions

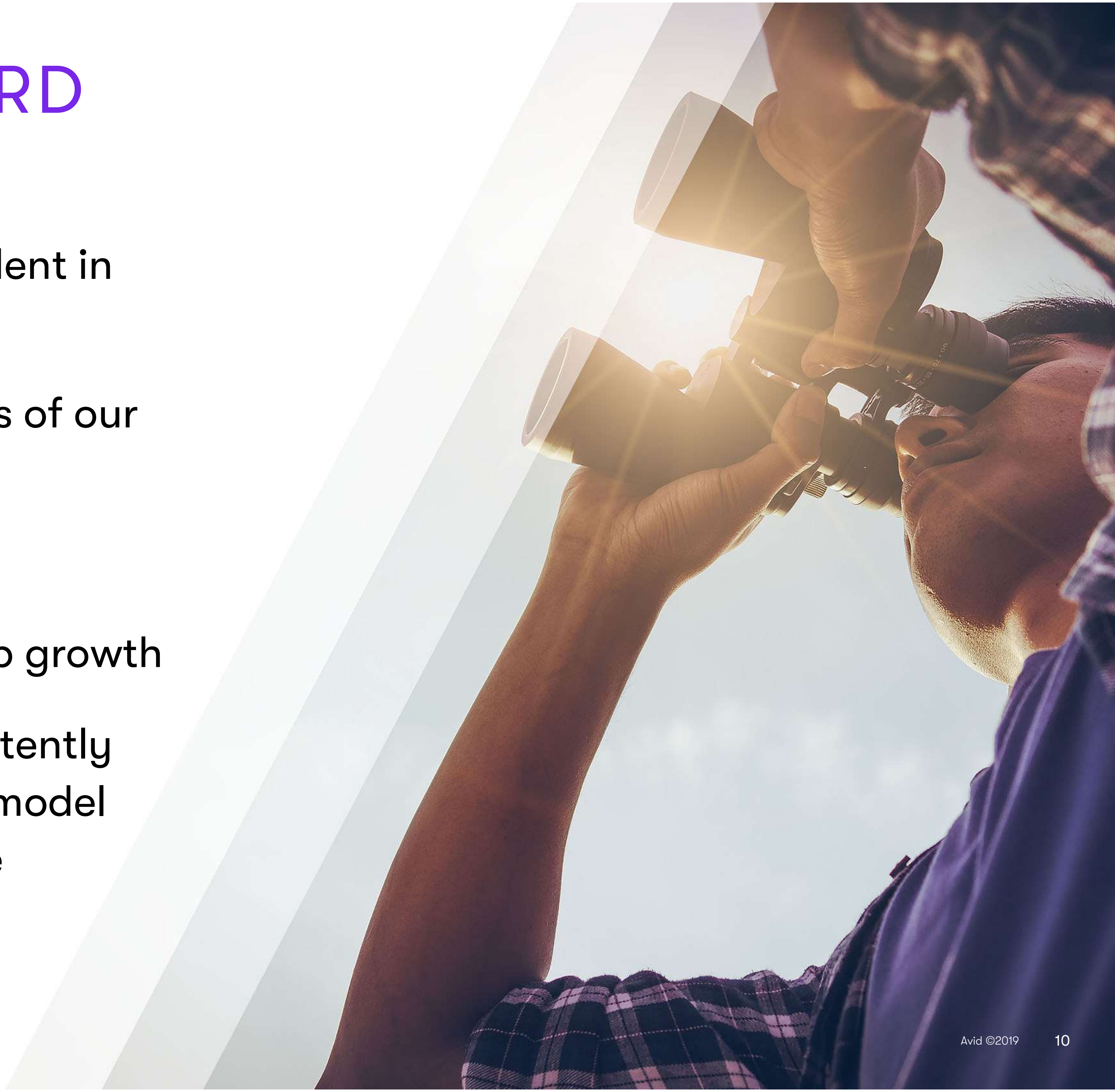
MAINTENANCE UPDATE

- Hardware products maintenance
  - Approximately 45% of total
  - Impact in 2019 from ending sale of maintenance contracts on certain legacy storage systems
  - Positive underlying trend from generally stronger hardware product sales in recent quarters
- Software products maintenance
  - Approximately 55% of total
  - Healthy maintenance stream from MediaCentral and creative tools perpetual licenses
  - Impact from ongoing transition of portion of creative tools to subscription



LOOKING FORWARD

- Looking beyond Q3, we are confident in position and expectations
- Clear path to realizing the benefits of our supply chain transition
- Pleased with subscription trends
- Recent product innovations to help growth
- Confident in trajectory to a consistently profitable & predictable financial model built on growing recurring revenue



Q3 2019 FINANCIAL RESULTS AND FULL-YEAR 2019 GUIDANCE

Ken Gayron
Executive Vice President & Chief Financial Officer

Q3 2019 FINANCIAL RESULTS

($M, except per share)	Q3'18	Q2'19	Q3'19	Change Fav/(Unfav) YoY	Change Fav/(Unfav) Seq
Revenue	$104.0	$98.7	$93.5	(10%)	(5%)
LTM Recurring Revenue %	54%	58%	59%	560bps	130bps
Non-GAAP Gross Profit	$62.7	$58.6	$58.0	(7%)	(1%)
Non-GAAP Gross Margin %	*60.2%*	*59.4%*	*62.1%*	*190bps*	*270bps*
Non-GAAP Operating Expenses	$50.8	$51.8	$47.3	7%	9%
Non-GAAP Net Income (Loss) per Share	$0.13	$0.02	$0.10	$(0.03)	$0.08
Adjusted EBITDA	$14.6	$9.4	$12.8	(12%)	36%
Free Cash Flow	$(6.4)	$(4.5)	$(4.6)	$1.8	$(0.1)

- Revenue down (10%) YoY – impacted by supply chain transition and sales to enterprise customers
- Non-GAAP Gross Margin improved by 190bps YoY, primarily from better software margin and mix
- Non-GAAP Operating Expenses were down ($3.5M) YoY, largely driven by Smart Savings initiatives
- Adjusted EBITDA down ($1.8M) YoY, due to lower revenue offset by lower operating expenses
- Free Cash Flow improved $1.8M YoY

REVENUE & NON-GAAP GROSS MARGIN BY TYPE

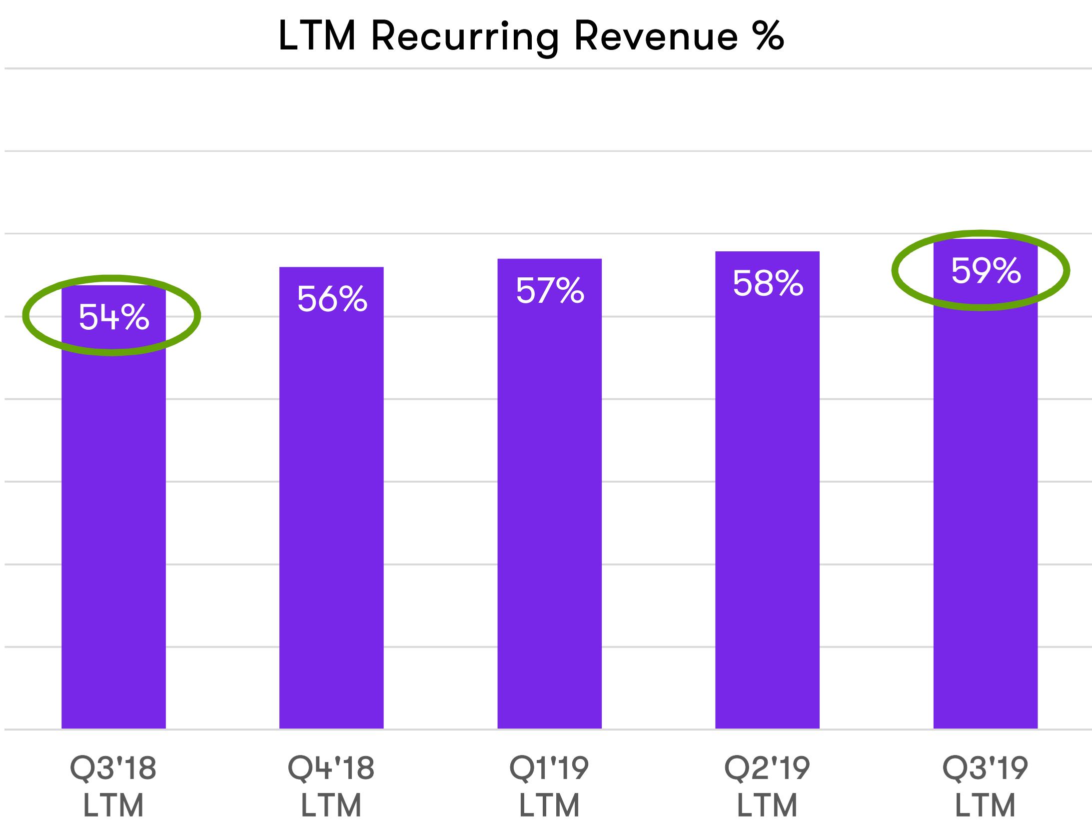
($M)

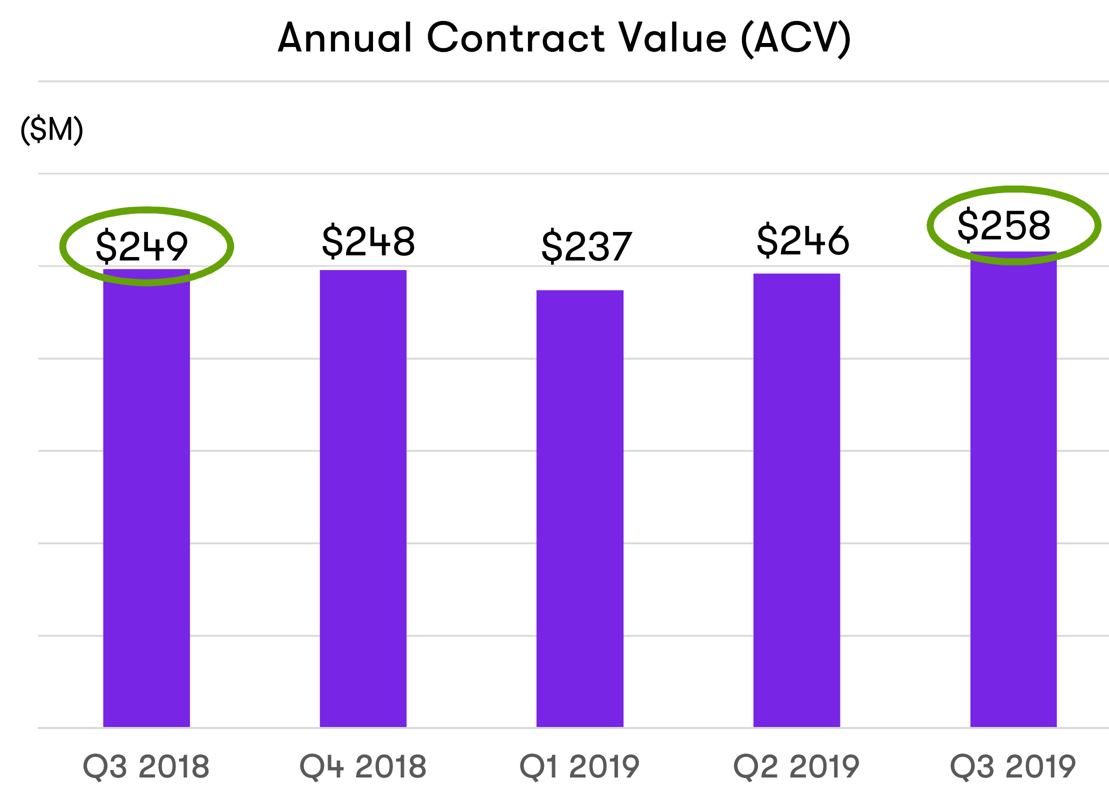
	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Y/Y %	Q/Q %
Revenue							
Subscriptions	$8.8	$10.3	$9.3	$9.8	$10.3	17.2%	5.5%
Software perpetual licenses	9.8	12.9	8.1	8.6	8.7	(11.5%)	0.7%
Maintenance	35.0	34.3	32.0	31.6	33.4	(4.7%)	5.6%
SW Licenses and Maintenance	**$53.6**	**$57.5**	**$49.4**	**$50.0**	**$52.3**	**(2.4%)**	**4.7%**
% of Total Revenue	*51.5%*	*51.0%*	*47.8%*	*50.6%*	*56.0%*		
HW & Integrated Software	**$42.4**	**$47.3**	**$46.3**	**$41.7**	**$34.2**	**(19.2%)**	**(17.9%)**
% of Total Revenue	*40.8%*	*42.0%*	*44.8%*	*42.2%*	*36.6%*		
Professional Services & Training	**$8.1**	**$7.9**	**$7.6**	**$7.0**	**$6.9**	**(14.9%)**	**(1.5%)**
% of Total Revenue	*7.8%*	*7.0%*	*7.4%*	*7.1%*	*7.4%*		
Total Revenue	**$104.0**	**$112.7**	**$103.3**	**$98.7**	**$93.5**	**(10.1%)**	**(5.3%)**
Non-GAAP Gross Margin							
SW Licenses and Maintenance	85.1%	85.5%	84.8%	85.2%	86.7%	1.6%	1.5%
HW & Integrated Software	40.3%	38.7%	43.8%	36.5%	34.2%	(6.1%)	(2.3%)
Professional Services & Training	(0.2%)	13.6%	14.5%	11.1%	14.5%	14.7%	3.4%
Total Non-GAAP Gross Margin %	**60.2%**	**60.8%**	**61.3%**	**59.4%**	**62.1%**	**1.9%**	**2.7%**
Non-Cash Revenue [(1)]	1.5	1.1	1.2	1.2	1.2		
Legacy storage end-of-service maintenance revenue	3.1	2.4	1.7	1.0	1.1		
Maintenance, excl. non-cash[(1)] and legacy storage end-of-service	$30.5	$30.8	$29.1	$29.4	$31.1	1.9%	5.8%

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

Supply chain and sales to enterprise customers impacted HW/Integrated Solutions and software perpetual licenses in Q3, while subscriptions continued to grow and maintenance stabilized

LTM RECURRING REVENUE % AND ANNUAL CONTRACT VALUE





LTM Recurring Revenue % increased 5% YoY primarily from growth in subscriptions and long-term agreements

ACV up $9M YoY from increased subscription revenue and growth of Long Term Agreements

BALANCE SHEET & BACKLOG AS OF SEPTEMBER 30, 2019

($M)		9/30/18	6/30/19	9/30/19
Cash and Cash Equivalents*		**$50.5**	**$51.0**	**$52.3**
Accounts Receivable		**51.0**	**58.6**	**53.7**
DSO		45	54	53
Contract Assets		**$17.1**	**$18.5**	**$14.4**
Net Inventory		**32.1**	**34.1**	**32.2**
Accounts Payable		**33.6**	**39.1**	**35.6**
Deferred Revenue	**a**	**88.2**	**93.5**	**85.0**
Contractually Committed Backlog	**b**	**370.9**	**351.3**	**358.6**
Total Revenue Backlog	**a+b**	**459.1**	**444.8**	**443.6**
Long-Term Debt		**229.4**	**200.2**	**199.6**

- Cash balance up $1.8M YoY from FCF and reduction in restricted cash, offset in part by debt repurchases, restructuring and refinancing costs
- Inventory flat YoY – expected benefit from supply chain transition still to come
- Deferred revenue down $3.2M YoY from recognition of IPCS non-cash revenue, offset in part by increase in maintenance and subscription deferred revenue
- Contractually committed backlog down ($1M) on renewal and extension of long-term agreements
- Long Term Debt of $200M, excludes $28M convertible notes due in June 2020

*Cash balance excludes restricted cash of for all periods - $8.5M, $9.0M and $1.7M for 9/30/18, 6/30/19 and 9/30/19 respectively.

ROLLING LTM METRICS

On a trailing twelve month basis, Non-GAAP profitability metrics and Free Cash Flow are up significantly year-over-year

FULL-YEAR 2019 GUIDANCE

($M, except per share)	Full-Year 2019 Guidance Low	Full-Year 2019 Guidance High
Revenue	$405	$415
Adjusted EBITDA	$55	$60
Free Cash Flow	$12	$17
Non-GAAP Net Income per Share [(1)]	$0.50	$0.60

(1) Assumes 43.674M shares


Q&A

POWERING
GREATER
CREATORS