

2021 Avid Investor Day

MAY 19

We're on a mission to **empower media creators** with innovative technology solutions **to entertain, inform, educate and enlighten the world.**



2021 Avid
Investor
Day

WELCOME

WHIT RAPPOLE

VP Corporate Development & Investor Relations





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 Net Income Per Share
- LTM Adjusted EBITDA

Operational Metrics

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

Reconciliations of all non-GAAP measures used in this presentation that are required to be reconciled to their comparable GAAP measures and definitions of the operational metrics used in this presentation are included in Appendix of this presentation. 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 Net Income 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 on our business, suppliers, consumers, customers and employees; 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, 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 included 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.



AGENDA

2021 Avid
Investor
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10:00am EDT

Welcome > WHIT RAPPOLE, VP CORPORATE DEVELOPMENT & INVESTOR RELATIONS

Company Strategy > JEFF ROSICA, CHIEF EXECUTIVE OFFICER & PRESIDENT

Innovation & Technology > KEVIN RILEY, CHIEF TECHNOLOGY OFFICER & SVP

Audio & Music > DANA RUZICKA, GENERAL MANAGER AUDIO & MUSIC SOLUTIONS & SVP

Video Post & Storage > TIM CLAMAN, GENERAL MANAGER VIDEO POST & STORAGE SOLUTIONS & SVP

BREAK

Media Platform & Cloud > LIOR NETZER, GENERAL MANAGER MEDIA PLATFORM & CLOUD SOLUTIONS & SVP

Commercial Strategy > TOM CORDINER, CHIEF REVENUE OFFICER & SVP

CX & Customer Success > KATHY-ANNE McMANUS, CHIEF CUSTOMER EXPERIENCE OFFICER & SVP

Financial Strategy & Outlook > KEN GAYRON, CHIEF FINANCIAL OFFICER & EVP

Q&A > EXECUTIVE TEAM

1:00pm EDT

Closing > JEFF ROSICA & KEN GAYRON

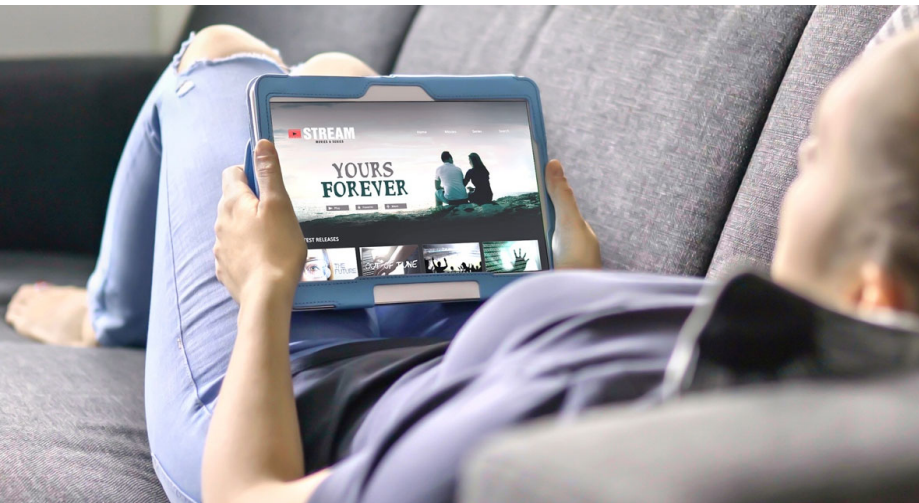


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COMPANY STRATEGY

JEFF ROSICA
Chief Executive Officer & President





If you **enjoy** the movies,
watch television or
listen to music—you're
experiencing **AVID** tools
and solutions at work





Many award-winning artists & media creators, the leading studios and major broadcasters all rely on **AVID** to create content



AVID BY THE NUMBERS

SUBSCRIPTION +
MAINTENANCE REVENUE
\$206.0M
+14.4% YoY

SUBSCRIPTION REVENUE
\$83.7M
+68.0% YoY

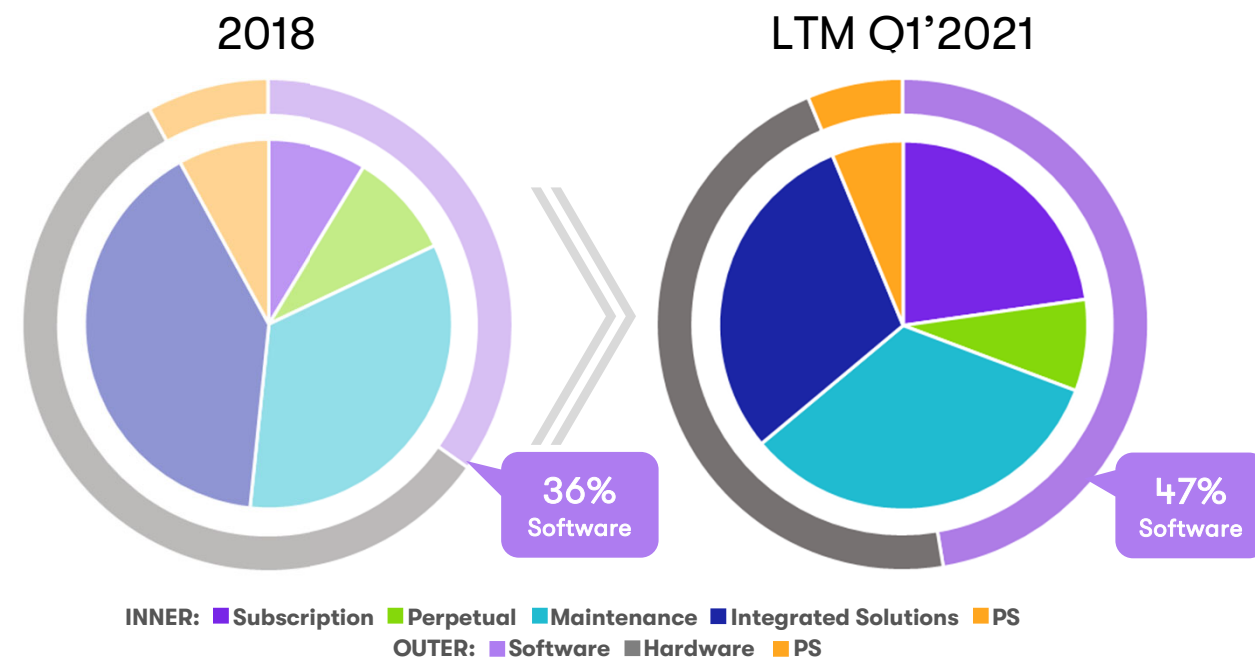
FREE CASH FLOW
\$52.0M
+6,800% YoY

SUBSCRIPTIONS
324K
+49.2% YoY

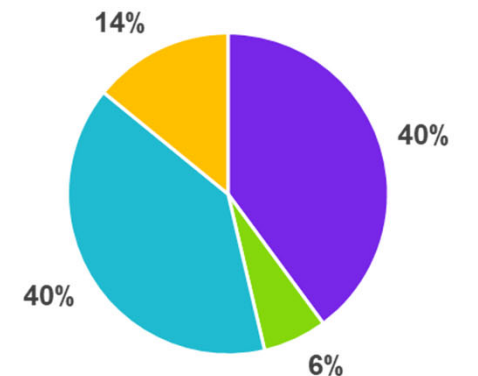
ADJUSTED EBITDA
\$72.1M
+51.6% YoY

E-COMMERCE
REVENUE
\$77.7M
+25.1% YoY

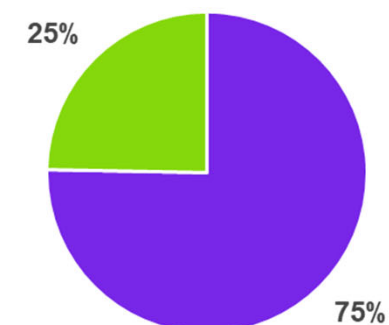
REVENUE BY TYPE



REVENUE BY GEO



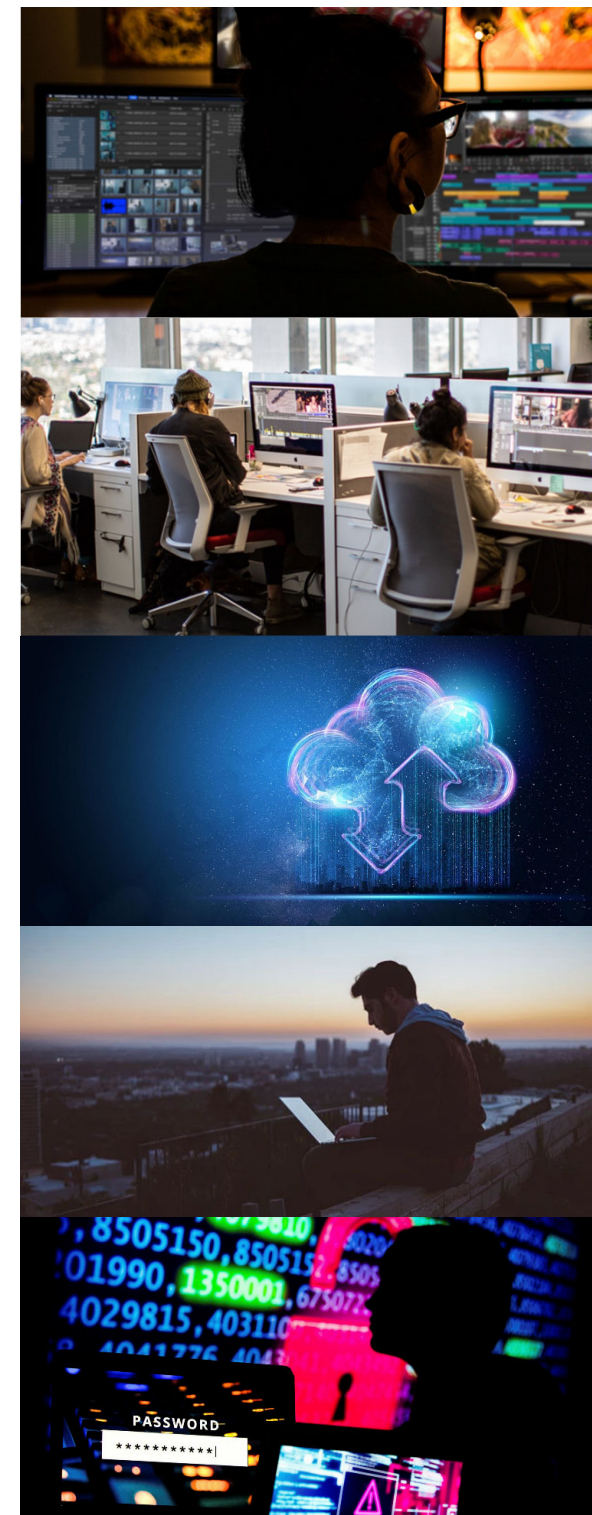
RECURRING REVENUE %







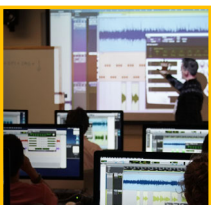
Unless otherwise noted, all data is for LTM (Last 12 Months) period ending Q1'2021, with YoY comparison to 12 months ending Q1'2020. Paid cloud-enabled software subscriptions as of March 31, 2021

INVESTMENT THESIS

- 1 Market leading media technology provider of **innovative software and solutions** with **sticky customer relationships**
- 2 **Big shifts in media markets** driving technology refreshes and customer requirements that play well into Avid's unique strengths
- 3 **Period of accelerating subscription growth** with expected continued growth from creatives plus new growth coming from enterprises
- 4 Early stages of the **transition to SaaS & cloud** for the media industry, with Avid holding an early mover advantage
- 5 **Increasing need for better interoperability** between software tools in rapidly expanding market of **tens of millions creative pros**
- 6 Positive performance trajectory delivering continued **strong improvement in revenue growth, profitability and free cash flow**



SOLUTIONS TO CREATE & MANAGE MEDIA CONTENT

		KEY CUSTOMERS	WHY WE WIN
	BROADCAST & CABLE	<ul style="list-style-type: none"> • News & Sports • Program Production • Digital & Social Media 	<ul style="list-style-type: none"> • Deeply embedded at leading broadcasters globally • Open, tightly-integrated platform providing end-to-end solutions • Leading customers on journey to cloud & distributed production
	TV & FILM PRODUCTION	<ul style="list-style-type: none"> • Studios • Audio & Video Post-Production • Production Companies 	<ul style="list-style-type: none"> • Leading video and audio creation software for TV & film • Unique solution integration with MediaCentral and NEXIS • Subscription/SaaS provides secure solution for distributed teams
	MUSIC	<ul style="list-style-type: none"> • Music Creators • Recording Studios • Live Sound 	<ul style="list-style-type: none"> • Leading music production software demanded by top creatives • Tight integration with I/O, HW acceleration and control surfaces • Attractive subscription offering with range of price points
	PRO VIDEO	<ul style="list-style-type: none"> • Corporate, Retail, Religion • Governments and Institutions • Independent Video Creators 	<ul style="list-style-type: none"> • Media industry-standard video editing solution available for pros • Offer solutions with basic workflow and media management • Attractive subscription offering with range of price points
	EDUCATION	<ul style="list-style-type: none"> • Institutions • Instructors • Students 	<ul style="list-style-type: none"> • Longstanding position with leading schools to train students on the professional-level tools they need to succeed in the market • Focused education go-to-market and learning partner program



INDUSTRY-TRUSTED SOFTWARE AND SOLUTIONS

CREATIVE SOFTWARE

The industry's preferred suite of powerful creative software tools for creating high-quality audio and video content



Pro Tools
DAW



Media
Composer
Video Editor



Sibelius
Notation



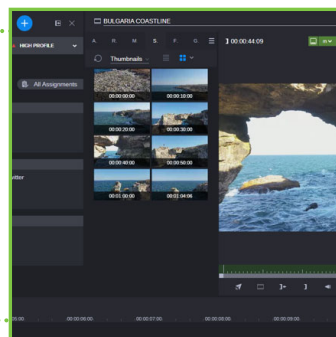
Avid Link
Community



MediaCentral
Editorial
Management

ENTERPRISE SOFTWARE

Media's leading cloud-enabled, secure and open platform for media production workflows to create content more efficiently



MediaCentral
Production
Management



MediaCentral
Newsroom
Management



MediaCentral
Asset
Management



MediaCentral
Graphics
Management

INTEGRATED SOLUTIONS

Integrated hardware + software solutions that offer advanced capabilities and help uniquely position the company's offering



S1, S4, S6, S6L
Control
Surfaces



Video &
Audio I/O



NEXIS
Storage



FastServe
Video
Servers



Maestro
Graphics

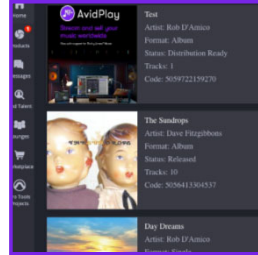


KEY MARKET & BUSINESS DRIVERS



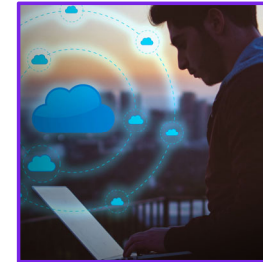
Strong market demand for more high-quality, rich media content

- Growth in content outlets and competition: more channels, more shows and more music creates more customers/users
- Subscription-based streaming business model drives strong and continuous demand for original and fresh content
- Need for greater efficiencies at “content factories” is driving desire for automation, AI/ML, and data to help streamline



Democratization of media creation, distribution and monetization

- Music is being transformed by streaming services—opening up opportunities for artists to get their music heard and monetized
- Media “gate keepers” are far less prevalent in the business today, making it easier for creators to get their work seen and heard
- Far fewer barriers for creators to get access to the tools they need—today’s tools are more accessible and easier to use



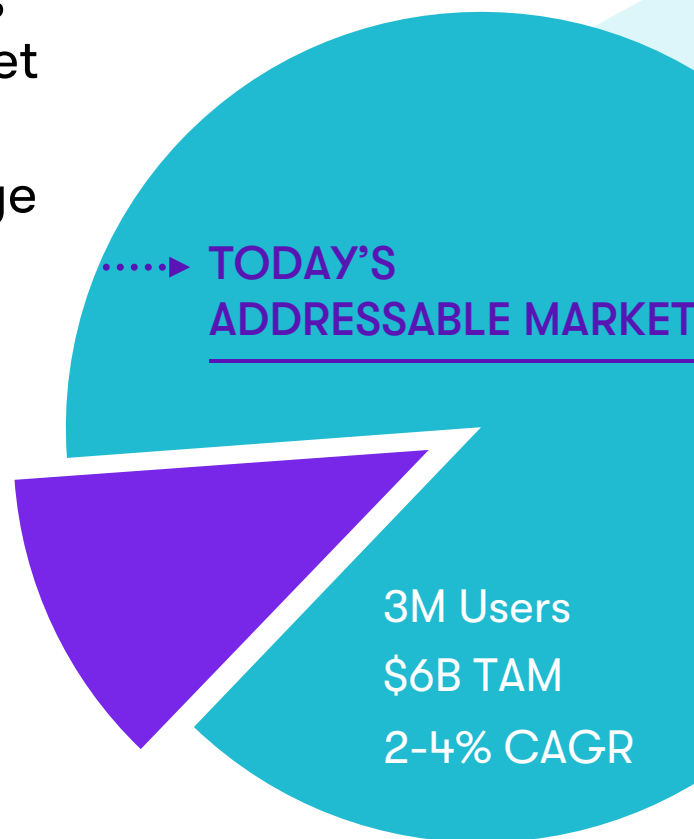
Major market shifts are driving tech refreshes and key investments

- High demand for better tools enabling distributed teams and supporting “work from anywhere” post-COVID
- Business demands for more flexibility and efficiency driving Cloud/SaaS, and hybrid-cloud deployments
- Trend towards immersive audio—led by Dolby—is driving retooling of TV, film & music creation workflows



EXPANDING OUR MARKET AND GROWTH OPPORTUNITIES

Pursuing attractive market opportunities in the growing music creation segment, professional video market and the wider media content and data storage product category through technology innovation and go-to-market expansion moves



.....▶ FUTURE ADDRESSABLE MARKET

30M+ Users
\$13B+ TAM
8% CAGR

Avid market estimates based on Frost & Sullivan (2020), IABM-DC (2020), MiDiA Research (2020) and Coughlin & Associates (2020)



DRIVING MULTIPLE TIERS OF SUBSCRIPTION GROWTH

- Heavy focus on driving the **continued growth of creative tools** subscriptions
- Recent launch of **enterprise subscriptions** providing an **additional growth** driver
- Beginning stage of **new growth engine** with **Cloud/SaaS** solutions offering

CLOUD

ENTERPRISE

CREATIVE





EVOLVING OUR ORGANIZATION FOR THE NEXT GROWTH PHASE

- Sharpening focus on each of our product areas
 - Audio & Music Solutions
 - Video Post & Storage Solutions
 - Media Platform & Cloud Solutions
- Accelerating innovation and technology to deliver subscription and Cloud/SaaS growth
- Evolving go-to-market & commercial strategy
- Improving customer experience and success of our clients and users with Avid solutions



SOLUTION-FOCUSED BUSINESS AREAS

Driving next phase of Avid's strategic growth with focused business leaders

Audio & Music



Core Offering

- Audio/music creation software
- Audio I/O, hardware acceleration and control surfaces
- Live sound consoles

Target Markets

- Audio post sound for film & TV
- Music creation, recording/mixing
- Live event sound production

Video Post & Storage



Core Offering

- Video creation & editing software
- High-performance collaborative storage solutions, on-prem & cloud
- Editorial management software

Target Markets

- Film & TV post-production
- Broadcast program production
- Professional video

Media Platform & Cloud



Core Offering

- Media production and content management software
- Cloud/SaaS media production
- Video servers and graphics

Target Markets

- Broadcast and cable news
- Sports production
- Content/media management



INCREASE INNOVATION FOCUS

Uniquely positioned to capitalize on key industry shifts

- Making key technology investments to drive even greater innovation in support of growth plans
- Accelerating our journey to the cloud and further strengthening our market position in leading the media industry's transition
- Technology to enhance value creation
 - Digital transformation
 - Subscription licensing
 - Cloud/SaaS platform
 - Customer experience



EVOLVE COMMERCIAL STRATEGY

Building a highly effective and efficient go-to-market

- Driving continuous evolution of the go-to-market to enable Subscription & SaaS across the direct, channel and eCommerce routes to market
- Leveraging global scale and commercial engine to support continued building of Recurring Revenue
 - Driving favorable economics from enterprise subscription offerings
 - Better engagement with and enablement of the channel is delivering greater success
 - Protecting maintenance revenue during the subscription transition



ENHANCE CUSTOMER EXPERIENCE

Driving value through an improved customer experience

- Taking a greater outside-in customer perspective
- Digital transformation to better support growth
- Improving UX/UI to support market expansion
- Investing in customer success management to deliver improved value and retention
- More efficient and effective customer care
- Enhanced learning services as part of the subscription offering



IMPROVE BUSINESS OPERATIONS

More efficient business better prepared to drive growth

- Started 2021 with a streamlined business, positioned to deliver profitable growth
- Successfully managed through pandemic and delivered strong profitability and cash generation
- Investing in digital transformation to support strategic growth and business efficiencies
- Continued management focus on delivering improving profitability and Free Cash Flow



STRATEGIC VISION | AVID 2025

- ❖ Predominately a Subscription and SaaS company
- ❖ Significantly larger and stronger competitive position in the music creation space
- ❖ Undisputed leadership in high-end television/film entertainment and news/sports production
- ❖ Strong competitive position established in the mid-market 'pro video' content creation space
- ❖ Recognized by 'next gen' creators as the top brand and leading set of creative tools

Aspirational Financial Goals in 2025

- \$375M+ in Subscription & SaaS revenue, making up a majority of total revenue
- 80%+ Recurring Revenue
- Adj. EBITDA Margin of 27%+ and Free Cash Flow Conversion of >80%



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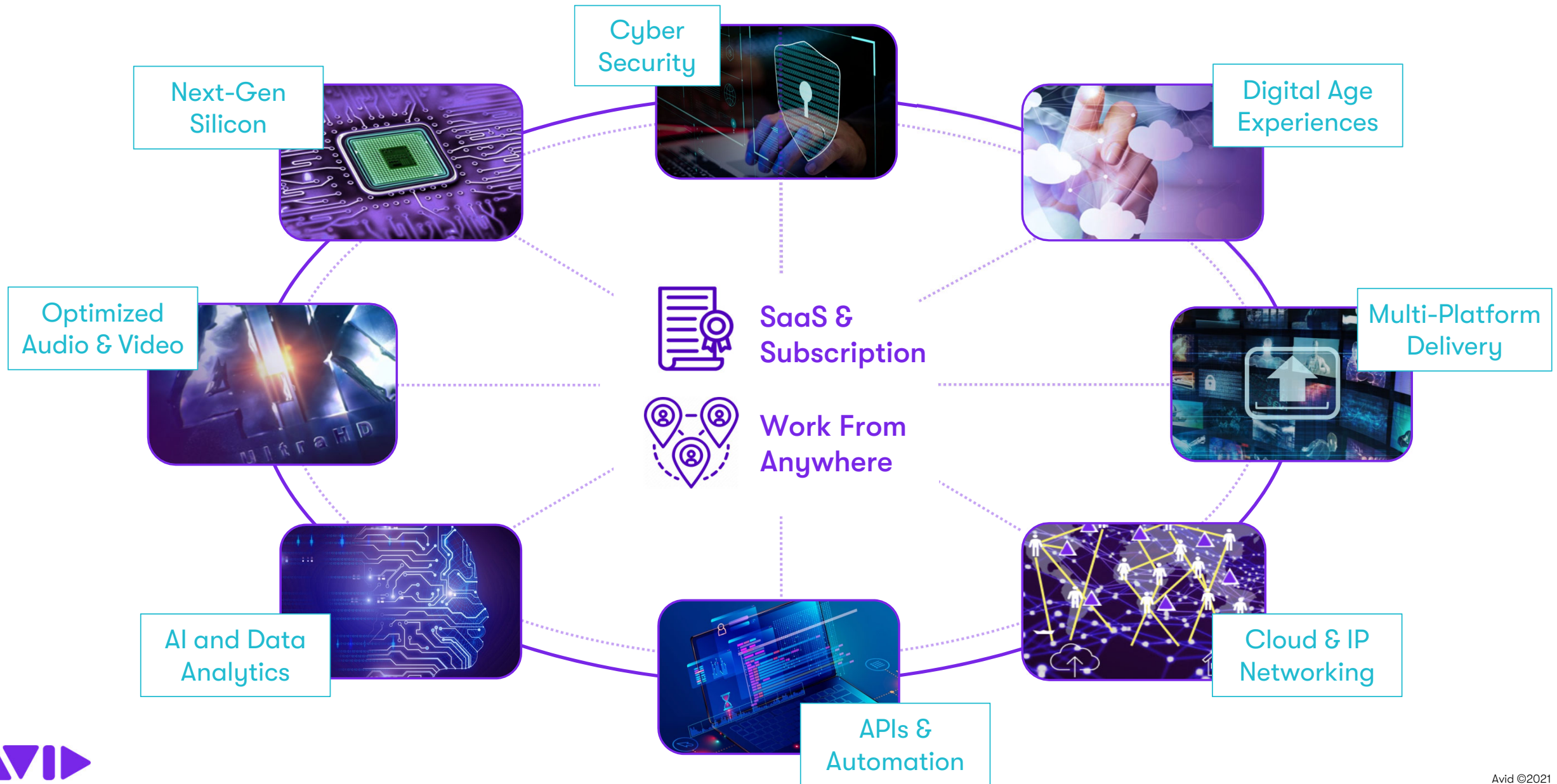
INNOVATION & TECHNOLOGY

KEVIN RILEY

Chief Technology Officer & SVP



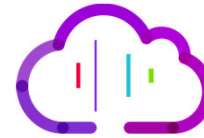
TECHNOLOGY & INNOVATION FOCUS AREAS



AVID IS TAKING THE INDUSTRY TO CLOUD

Why Cloud? Why Now?

- Accelerated timelines and compressed budgets require **on-demand infrastructure**
- Distributed production and virtual collaboration requires **real-time, global reach**
- AI enabled automation and smart assist fuels acceleration and reduces complexity
→ **AI and big data live in the cloud**
- Production complexity is increasing at a rate that **only cloud** compute, storage and networking **can match**



Why Avid?

- We have well established, **sticky customer relationships**
- We have the **trust of our customers** to partner on their journey
- We have **unique, foundational IP and assets** that are directly leverageable
- We have introduced:
 - SaaS for cloud creation and production
 - SaaS for collaboration and social
 - Cloud for asset management

THE TIME IS **NOW**, WE ARE **IDEALLY POSITIONED**, AND WE HAVE **STARTED** THE MIGRATION



ACCELERATING THE CLOUD JOURNEY

Enabling the tipping point of hyperscale production in the cloud

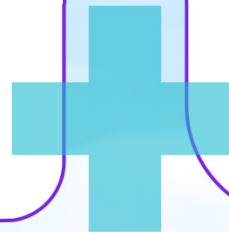
Security Is an Essential Enabler

- Identity, provenance and encryption enable trust in distributed cloud environments
- Media and metadata are the key assets and reside in Avid solutions
- Uniquely positioned to unify security across audio and video domains as creative worlds converge
- Strategy: deliver essential security features backed by security services for end-to-end assurance



Unlocking AI and Big Data

- Avid solutions are the gatekeepers of the data
- Ideally positioned to enable AI and big data
- We are cloud-connecting our portfolio to unlock data across on-premises, cloud, remote, and on-the-go
- Focusing on codecs, automation, smart-assist and asset management
- Strategy: leverage our know-how, trust and position to drive an industry framework for AI deployment



AVID INNOVATION ENGINE, CLOUD-READY ASSETS & ENTERPRISE DIGITAL TRANSFORMATION

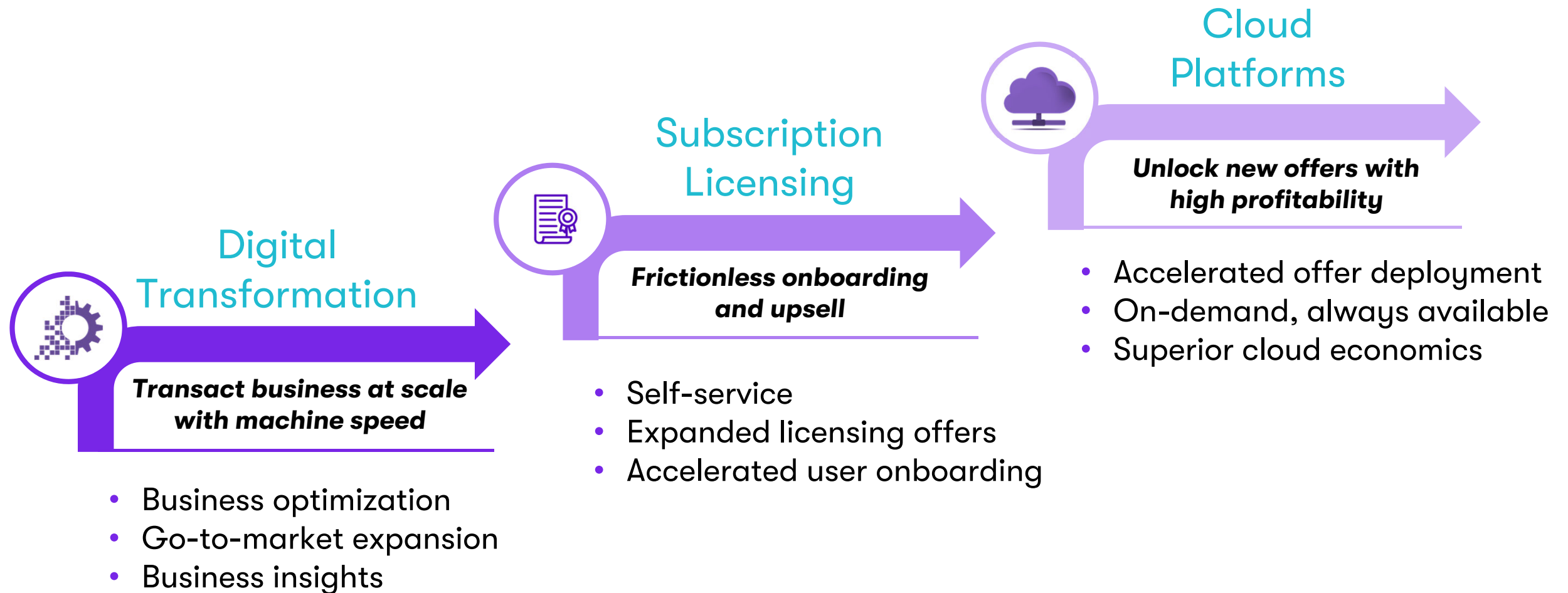


*Accelerate the industry to cloud creating
a new SaaS & Subscription trajectory*

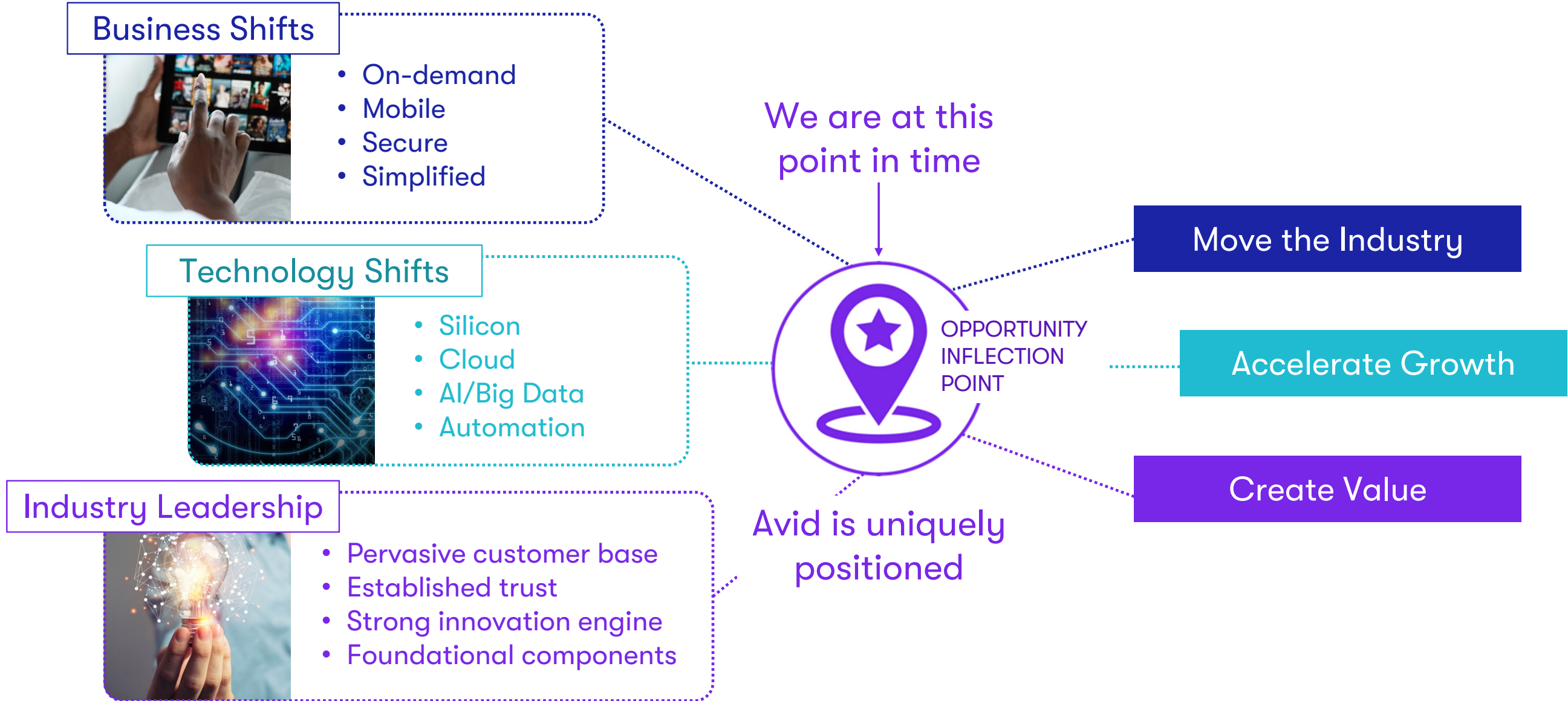


TECHNOLOGY IN SUPPORT OF VALUE CREATION

Enabling subscription and SaaS business scale



CAPITALIZING ON THE INFLECTION POINT



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AUDIO & MUSIC

DANA RUZICKA

General Manager Audio & Music Solutions & SVP



AUDIO & MUSIC SOLUTIONS SUMMARY

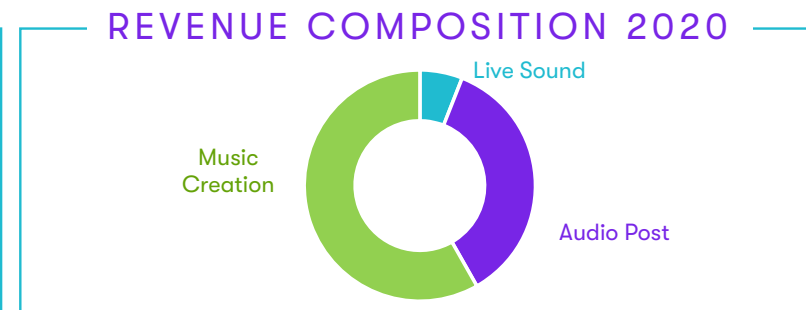
Avid is the undisputed leader in professional audio with significant room for growth in adjacent product categories and new customer segments



INDUSTRY LEADER



Dozens of industry awards recognized as tool of choice for audio professionals around the globe



MUSIC CREATION




Pro Tools is used on the world's most popular, and Grammy®-winning music productions

AUDIO POST



Pro Tools is the DAW behind the world's biggest, award winning films and TV shows

LIVE SOUND



S6L systems are the preferred choice for the biggest festivals, theatrical productions and performance venues

OVERALL MARKET OPPORTUNITY

\$1.7B+ TOTAL ADDRESSABLE	8-9% AVID SHARE	5% OVERALL MARKET GROWTH
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Source: MiDiA (2020) and Avid

RIDING CONTINUOUS WAVE OF INNOVATION

With major new product introductions, software subscription and smart hardware capabilities across all product categories



PRO TOOLS | MTRX STUDIO
PRO TOOLS | SYNC X
PRO TOOLS | HDX THUNDERBOLT



VENUE S6-L



PRO TOOLS | CARBON



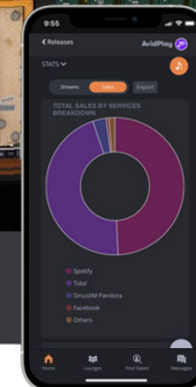
SIBELIUS SOFTWARE



PRO TOOLS SOFTWARE



AVID CONTROL



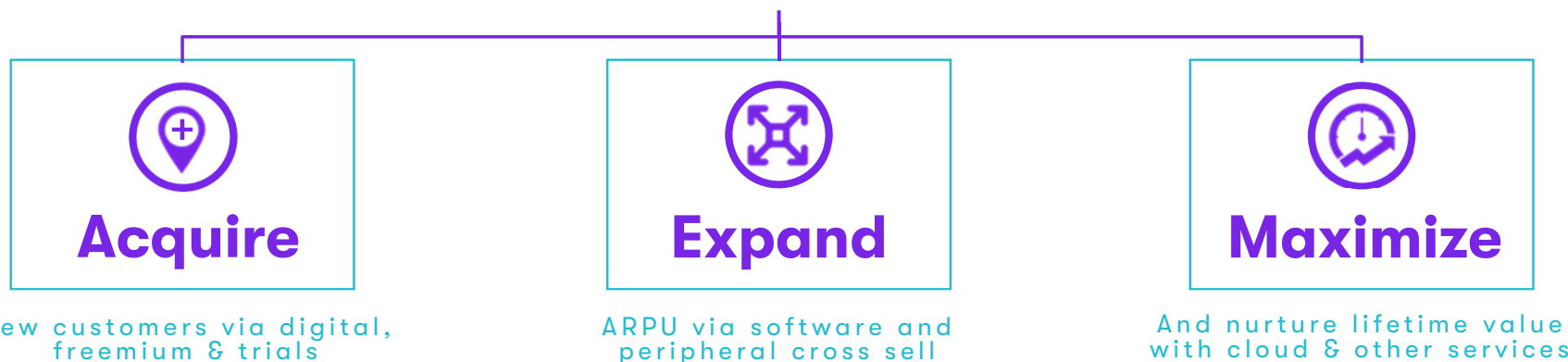
AVIDPLAY

PRO TOOLS SOFTWARE AT THE CORE

Fast-growing software subscription business with significant room for expansion

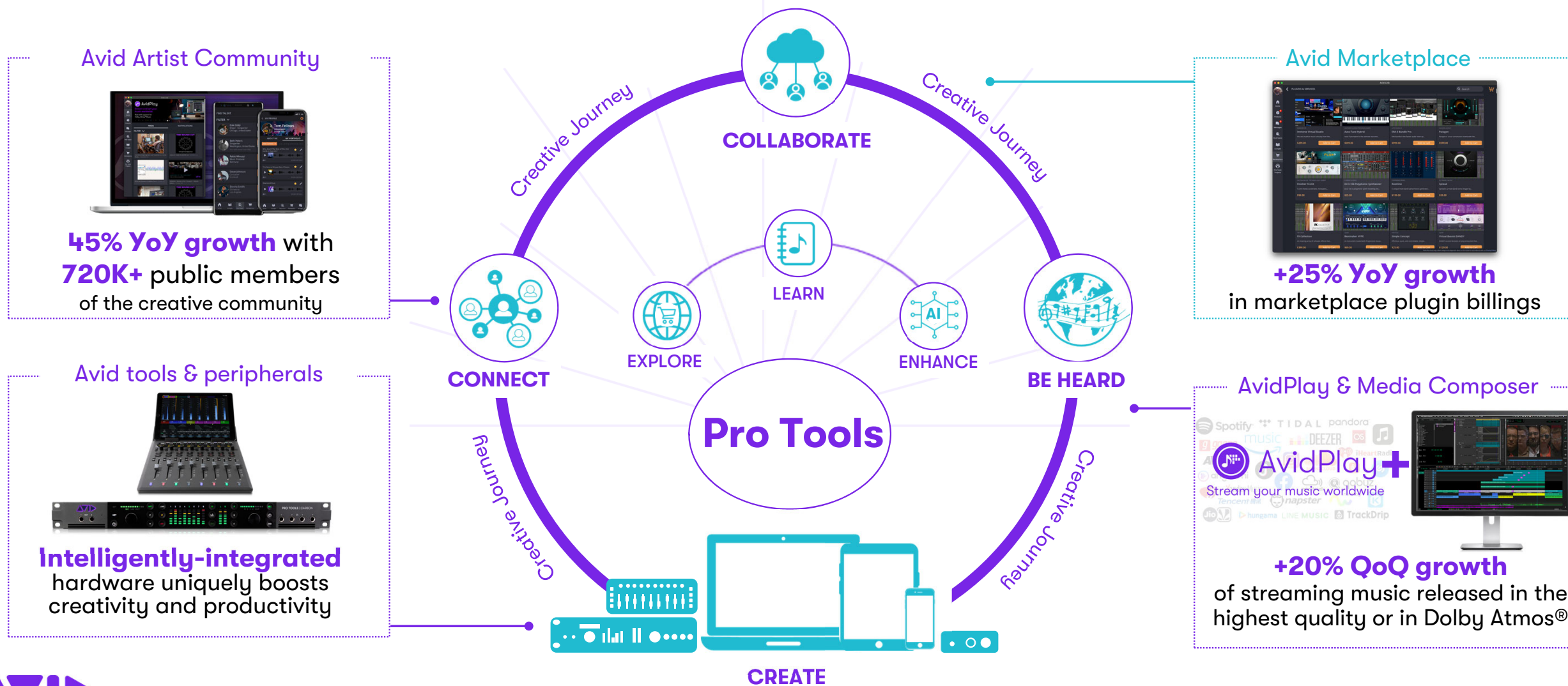


Commercial Conversion Engine



FUELING AN END-TO-END ECOSYSTEM

Positioning Avid for ARPU growth through innovative creative tools, community, marketplace and cloud services uniquely tailored for the serious audio and music creator



A CLOSER LOOK: MUSIC CREATION



Spanning aspiring music creators to established top tier pros & artists, growth from new customer acquisition down market and category expansion

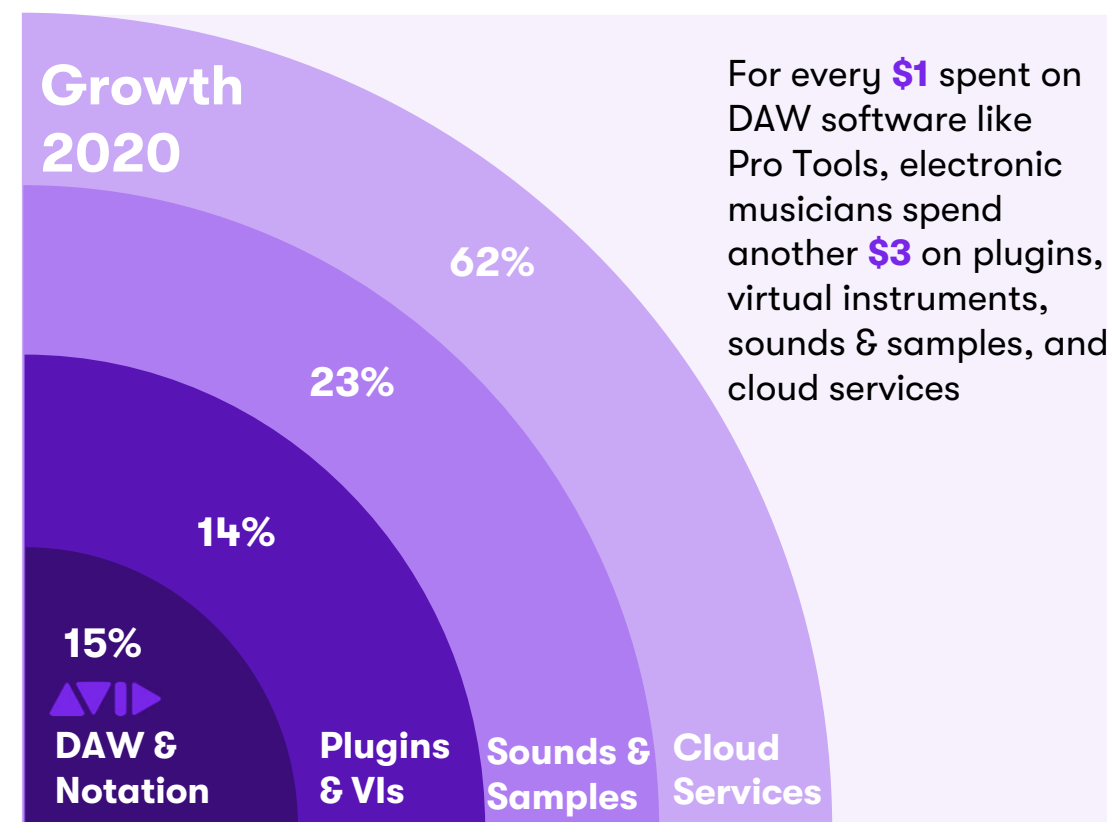
POTENTIAL SUBSCRIBERS

10s MILLIONS — MILLIONS — 100,000s

ACQUIRING NEW USERS

	<ul style="list-style-type: none"> Film and television post-production, professional music studios, and high budget individual producers Estimated annual spend of \$475M* 	Avid "Pro" Customer Today
	<ul style="list-style-type: none"> Professional and aspirational creatives Estimated annual spend of \$570M* Average individual spend > \$200 per year 	Expanding into Serious Music Creator
	<ul style="list-style-type: none"> Light hobbyist and introductory creatives Estimated annual spend of \$700M*, Average individual spend < \$100 per year 	Casual Music Creator Opportunistic

PRODUCT CATEGORY EXPANSION



Avid is **uniquely positioned** to fulfill the **needs and aspirations** of the **serious music creator**



Sources: IABM-DC (2020) and MIDiA Creator Tools (2020).

* Avid estimated split among user tiers



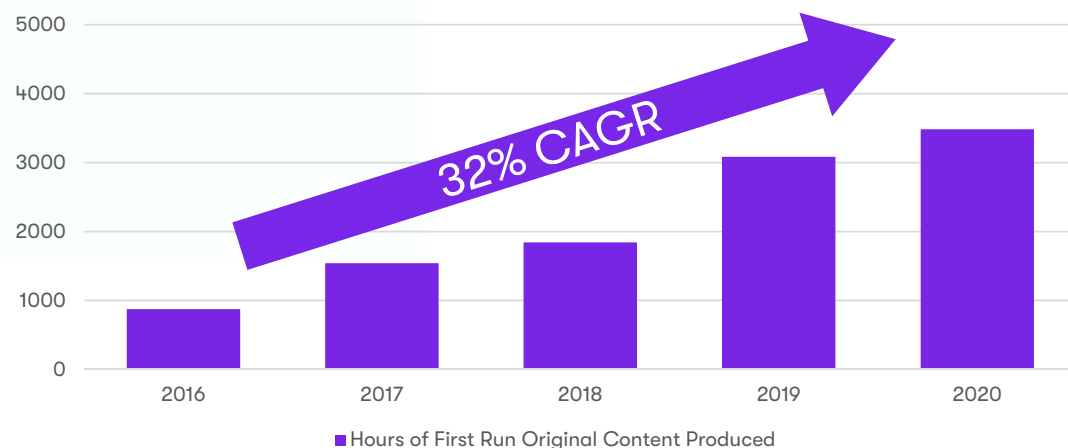
A CLOSER LOOK: AUDIO POST

Avid solutions deliver end-to-end workflow and integration uniquely suited for the rigors of TV / film / streaming production, growth driven by increased demand for highly-produced content and ever more stringent delivery requirements

Increased content creation

Rising consumer demand drives **increasing original content production** by leading streaming services

Leading Content Streaming Provider Metrics



New standards and delivery formats

Heightened competition between providers drives

- ▶ EVER TIGHTER DELIVERY DEADLINES
- ▶ HIGHER-QUALITY REQUIREMENTS
- ▶ DIFFERENTIATED LOCALIZED EXPERIENCE



IMMERSIVE AUDIO FORMATS ARE SUPPORTED BY STREAMERS



NETFLIX ORIGINALS ARE NOW DUBBED IN 30+ LANGUAGES



Sources: IHS Markit

A CLOSER LOOK: LIVE SOUND PRODUCTION

House of worship, theater and installed sound to top-tiered touring artists and festivals, poised for resurgence in 2H 2021 after temporary pause related to COVID-19

"Live Nation has booked **twice as many shows** for 2022 as it did in 2019"
Live Nation CEO Michael Rapino via NME

Continued innovation in Live Sound with **VENUE 7 software**, AVB MILAN compatibility and large-format 48D console

IDEALLY POSITIONED FOR
LIVE SOUND RESURGENCE

"Two main stages, six headliners, the best line up of acts 2021 will see, and 200,000 fans are going to celebrate the best music," said **Melvin Benn** of the sold out **Reading and Leeds Festival**. "The acts are desperate to play, the kids are desperate to come."

"I feel very passionate about the chance we have for normalcy right now with the vaccine," says **Brad Paisley** about his summer tour.



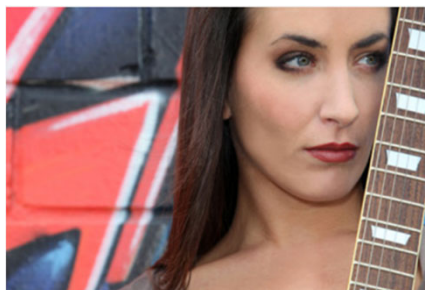
KEY TAKEAWAYS

Avid is well positioned for continued growth across music creation, audio post-production and live sound

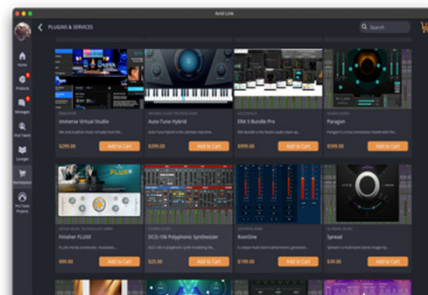
- ✓ Unparalleled brand position in professional market space
- ✓ Uniquely differentiated end-to-end solution
- ✓ Strong momentum in software subscription with significant room for growth

KEY GROWTH DRIVERS

Grow new customer acquisition down market with “serious music creators”



Further expand cross sell of plugins, VIs, sounds & samples and cloud services



Continue to serve growing TV / film / streaming space with specialized solutions



Well positioned for market rebound in live and event sound



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VIDEO POST & STORAGE

TIM CLAMAN

General Manager Video Post & Storage Solutions & SVP



VIDEO POST & STORAGE SOLUTIONS SUMMARY

Avid is the undisputed market leader in collaborative editing software and storage for film, television entertainment, news and sports, which positions us for profitable growth in adjacent categories and segments



Video Creation Software



Storage



Video I/O

INDUSTRY LEADER

Heritage of category creating **innovation**



Strong **brand**, trusted **workflows**, marquee **customers** all over the world

2020 REVENUE MIX

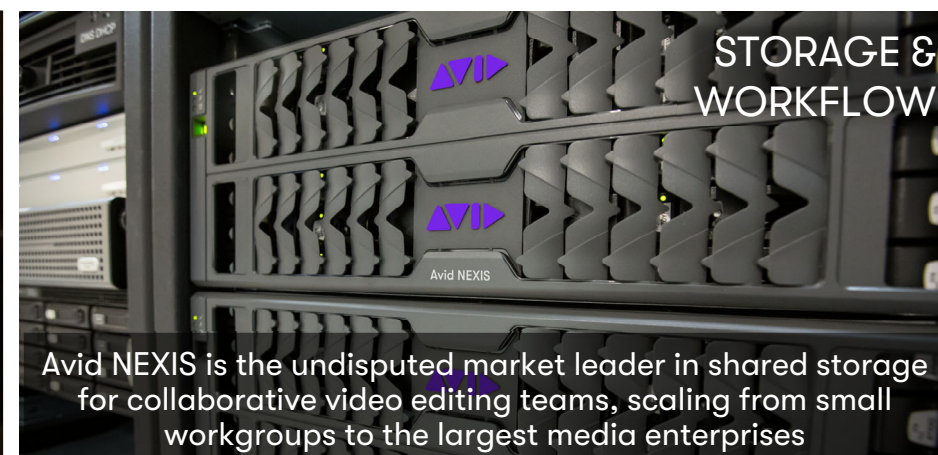


FILM & TV ENTERTAINMENT NEWS AND SPORTS



Media Composer is the most trusted, most acclaimed video editing solution for professional Film, TV Entertainment, News and Sports

STORAGE & WORKFLOW



Avid NEXIS is the undisputed market leader in shared storage for collaborative video editing teams, scaling from small workgroups to the largest media enterprises

MARKET OPPORTUNITY (2021E)*

\$6.7B

STORAGE MARKET (\$M)

~7%

GROWTH ('19-'25) CAGR

\$2.2B

ALL VIDEO NLE SOFTWARE (\$M)

~6%

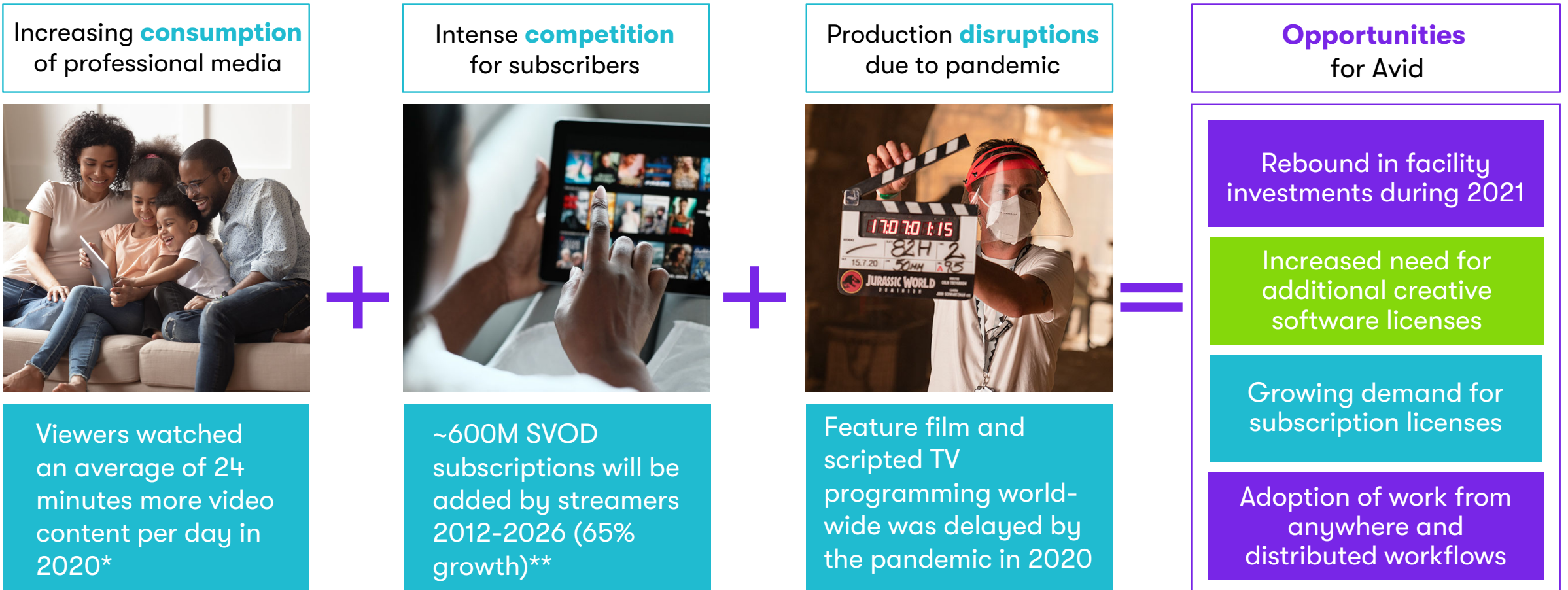
GROWTH ('19-'25) CAGR



* Sources: Coughlin and Associates, 2020; Avid; Frost & Sullivan, 2020

MARKET CONDITIONS POINT TO GROWTH

Insatiable demand for professional content with intense competition for viewers positions Avid for accelerated growth as production rebounds from the pandemic



* Activate Consulting (2020) US viewing habits **Source: Digital TV Research (2021)

VIDEO POST PRODUCTION OPPORTUNITY

Avid is positioned for growth with expansion of video post production, picture and sound, and hybrid cloud workflows

- ✓ Strong market share and embedded position with professional film and television content creators – individual creatives, facilities, studios
- ✓ Media Composer sits at the core of post production workflows
 - ✓ Recent expansion into finishing and mastering workflows for OTT original content
- ✓ Majority of revenue & users on perpetual/maintenance, but market is quickly adopting subscription
- ✓ Expansive market opportunity with distributed workflows and picture and sound interoperability
 - ✓ Edit On Demand for cloud-based collaborative editing

Post & Broadcast NLE Market Opportunity*

~\$300M

TOTAL ADDRESSABLE

17%

AVID SHARE

~4%

CAGR



Source: Frost & Sullivan, 2020

MEDIA COMPOSER VIDEO CREATION SOFTWARE

Avid Media Composer subscriptions have been growing rapidly through new customer acquisition and transition from perpetual and maintenance

+18,000

12 month subscription growth

Q1 2021

136% YoY
subscription
revenue growth

Media Composer



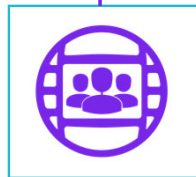
62,000

Paid subscriptions

Q1 2021

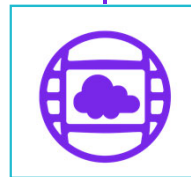
41%
YoY growth

DRIVEN BY NEW INNOVATION



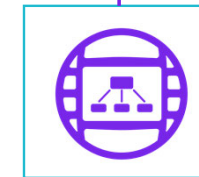
Media Composer |
Enterprise

Customize roles for teams



Avid |
Edit On Demand

Video editing in the cloud



Media Composer |
Distributed Processing

Speeds up your production



PRO VIDEO OPPORTUNITY

There is a huge opportunity to leverage Avid's aspirational brand and proven technology further down-market in the massive \$1.9B Pro Video segment

POTENTIAL SUBSCRIBERS

100s MILLIONS

10s MILLIONS

100,000s



FILM & TELEVISION

- Professional film and television post production
- Users tend to be specialists, focusing on one discipline
- Users value depth of toolset and workflow efficiency



PRO VIDEO

- Professional video creation outside of Media & Entertainment
- Target segments: Corporations, Government, Houses of Worship, Education
- Users are “jacks of all trades” who value all-in-one tool set



HOBBYISTS

- Users who create videos as a hobby, sharing them on social media
- Annual spend on software subscriptions is large but highly fragmented
- Powerful, free mobile apps are more than adequate for most

Avid's Core Customer Today

Further Expansion into



Pro Video

Video Hobbyists

Opportunistic



ALL-IN-ONE VIDEO CREATION TOOL

+



PICTURE & SOUND WORKFLOWS

+



CLOUD STORAGE AND PUBLISHING

+



SIMPLE MOBILE APPS

+

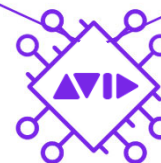


WORKFLOW AUTOMATION

+



PAY-AS-YOU-GO SUBSCRIPTION



LEVERAGING EXISTING AVID TECH AND EXPERTISE



* Avid estimate based on Frost & Sullivan (2020)

VIDEO CREATION TOOLS – GROWTH STRATEGY

Readily accessible paths to increased **ARPU** and rapid expansion of user base



COLOR GRADING & FINISHING

Increased **ARPU** by migrating high-end customers to higher value models with premium features and paid options



AUDIO POST

Cultivating **aspiring professional** video creatives via freemium **mobile app** with easy path to commercial offers and more aggressive programs for **education**



Avid Media Composer

Infusing Avid's proven collaborative workflows with **Work From Anywhere** capabilities, while driving efficiency with unique **Picture & Sound** workflows with Avid Pro Tools



MOBILE APPS

Significantly expand user base by extending further down-market into adjacent **Pro Video** segment

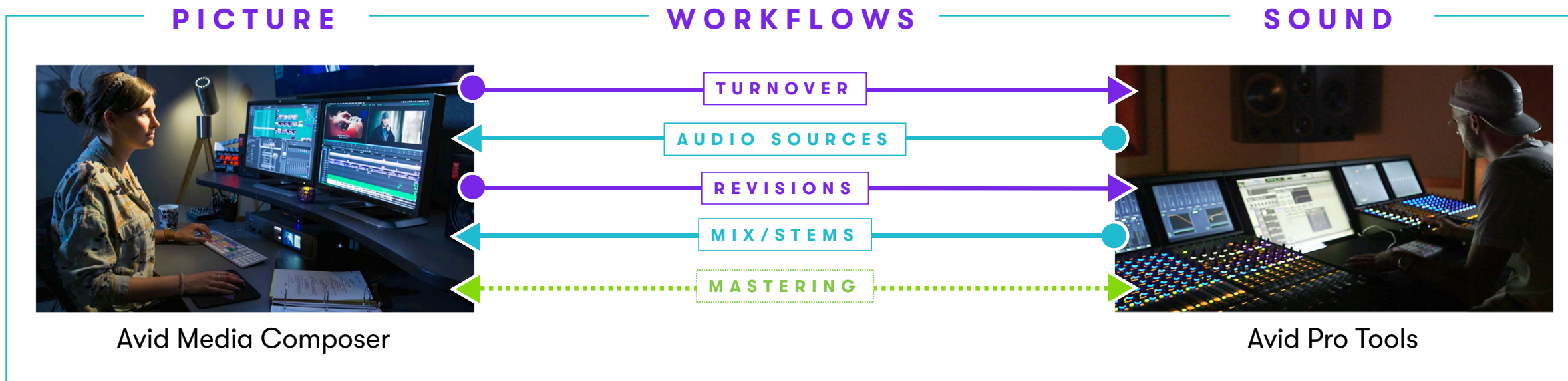


PRO VIDEO APP



SUPPORTING PICTURE & SOUND WORKFLOWS

Avid is uniquely positioned to expand workflow efficiencies by enabling concurrent working between picture and sound teams while automating mundane tasks



Reinforces Avid's #1 position in high-end post production with uniquely differentiated workflows

- ✓ Enable concurrent collaboration*
- ✓ Simplify turnover from picture to sound
- ✓ Automate revisions
- ✓ Enhance audio toolset in Media Composer
- ✓ Enrich data exchange

Increasing ARPU with "enterprise" versions of Media Composer and Pro Tools that offer unique valuable capabilities for post production



AVID NEXIS STORAGE TODAY

Avid leads the industry with collaborative workflows powered by Avid NEXIS high performance shared storage solutions

Avid enjoys a large **installed base** to build on

- More than **5,000** NEXIS systems sold during the last five years
- Approaching **1 Exabyte** of storage installed at customer sites worldwide

Avid NEXIS drives profitable **recurring revenue**

- Maintenance renewals, system upgrades, and system expansions

Avid's NEXIS file system provides ultra **high performance** for media workflows

- Patented software runs on commodity hardware, now ported to cloud

Avid NEXIS supports an **open ecosystem** of third party solutions

- Creative tools from Adobe, Blackmagic Design, Apple and Autodesk are fully supported

Avid NEXIS | Cloud enables **collaborative** teams in the cloud

- Flexible SaaS solutions that enable real-time video editing in the cloud



AVID NEXIS CLOUD

Avid is building on our large, profitable on-premises installed base by adding hybrid cloud software subscriptions

- ✓ Avid NEXIS | Cloud powers Edit On Demand
- ✓ Available as a **software subscription** for “bring your own cloud” deployments
- ✓ Deployed in lighthouse accounts throughout the world
- ✓ We plan to introduce **hybrid cloud** bundles providing a flexible migration path to the cloud
- ✓ \$2.1B TAM for cloud storage for post and archiving in 2025E, 35%+ CAGR*



* Coughlin Associates M&E Storage Report

KEY TAKEAWAYS

Avid is well positioned for profitable growth in video creation tools and storage

- ✓ Leading brand, large installed base, and marquee customers in media & entertainment
- ✓ Strong momentum in software subscriptions with significant room for growth
- ✓ Adjacent opportunities for expansion: hybrid cloud storage and pro video

MAJOR GROWTH DRIVERS

Pent-up demand for professional content will drive **rebound in content production** during 2021



Accelerating expansion of **software subscriptions** for individuals, teams, and enterprises



Conversion from Avid's large on prem installed base to **hybrid cloud storage subscriptions**

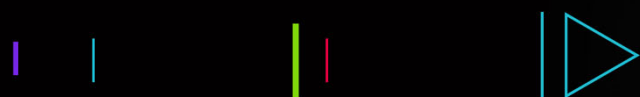


Opportunity to extend further down-market into the large, growing **Pro Video** segment



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WE'LL RETURN
SHORTLY!



2021 Avid
Investor
Day

MEDIA PLATFORM & CLOUD

LIOR NETZER

General Manager Media Platform & Cloud Solutions & SVP

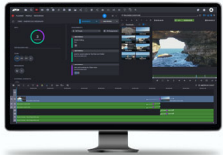


MEDIA & CLOUD SOLUTION SUMMARY

Avid is the market leader and is well positioned to lead the industry transition to cloud



Media Management



On Demand Cloud



Video Servers



Graphics

INSTALL BASE

2,200+

Systems
Deployed

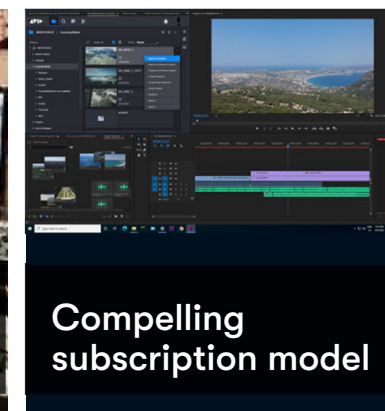
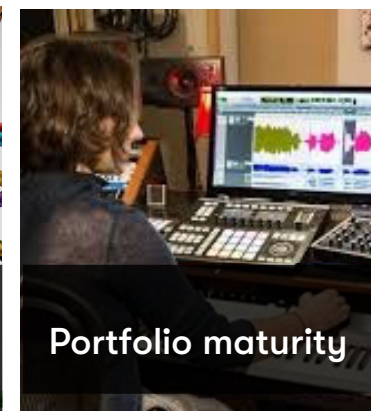
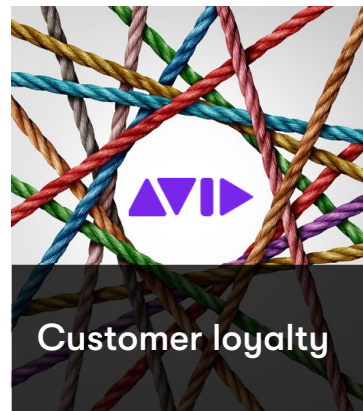
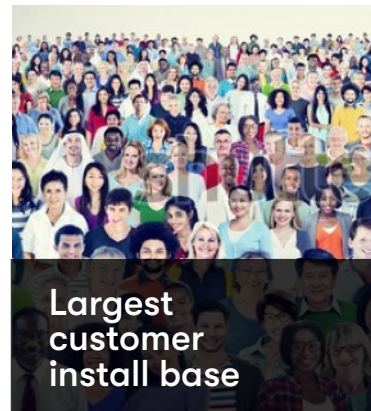
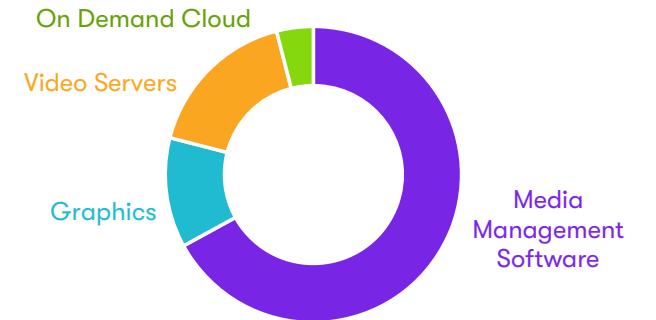
200+

Studio & Broadcast
Clients

750+

News
Clients

REVENUE COMPOSITION 2020



ON-PREM MARKET OPPORTUNITY

\$1.2B+

ON-PREM ADDRESSABLE

~7%

AVID SHARE

~3-5%

ON-PREM MARKET GROWTH

NEW CLOUD OPPORTUNITY

\$1.3B+

CLOUD ADDRESSABLE

20+%

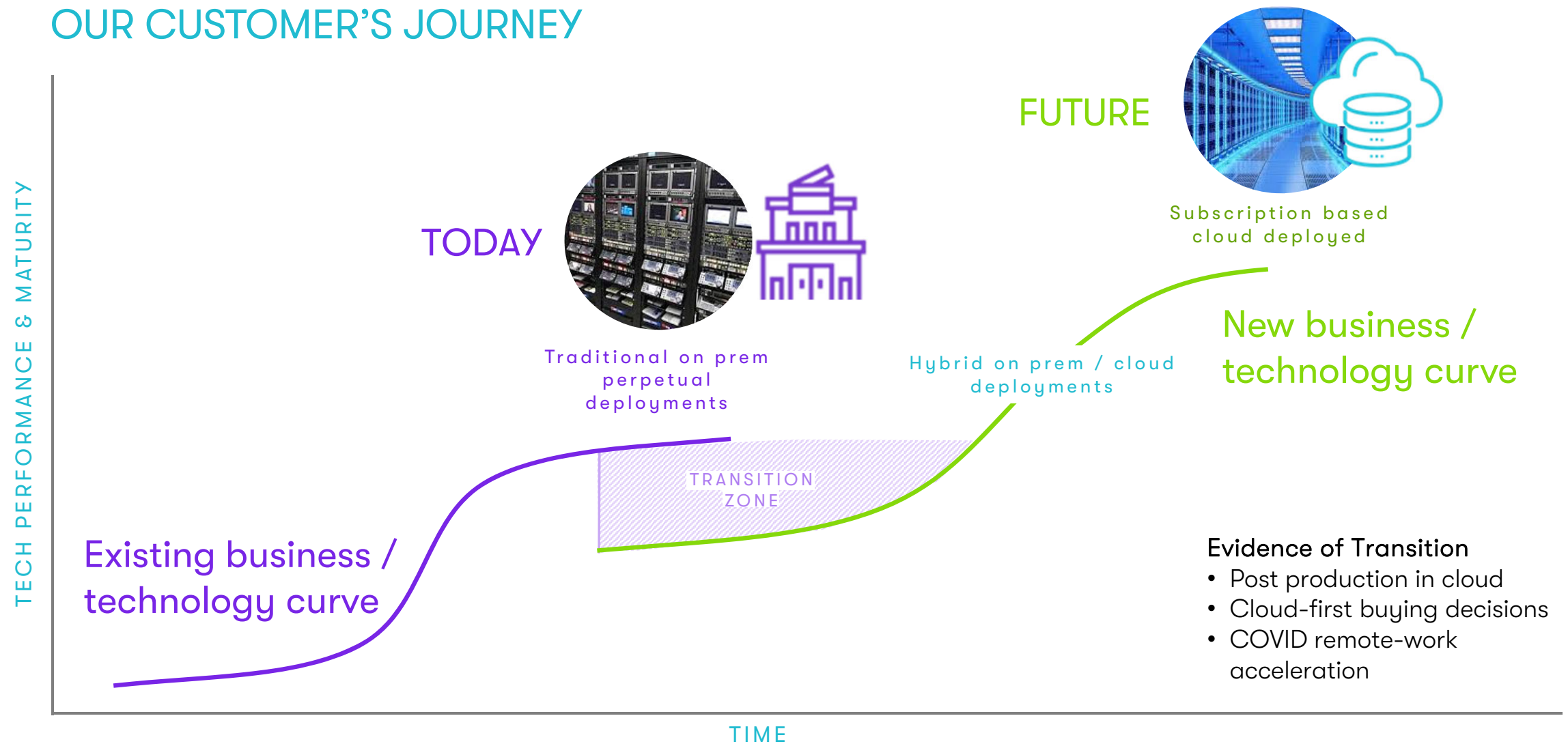
CLOUD MARKET GROWTH



IABM-DC (2020)

|| ZOOMING IN ON THE TRANSITION TO CLOUD & SAAS

OUR CUSTOMER'S JOURNEY



KEY MARKET TRENDS

100%

of those surveyed answered that **total cost of ownership** is the most significant purchase decision factor



85%

of broadcast and media companies **having employed or planning to employ cloud-based workflows**



88%

of those surveyed stated that **cybersecurity** is essential for their operations



80%

of those surveyed reported that **enhancing newsroom operations** is strategic for their future



67%

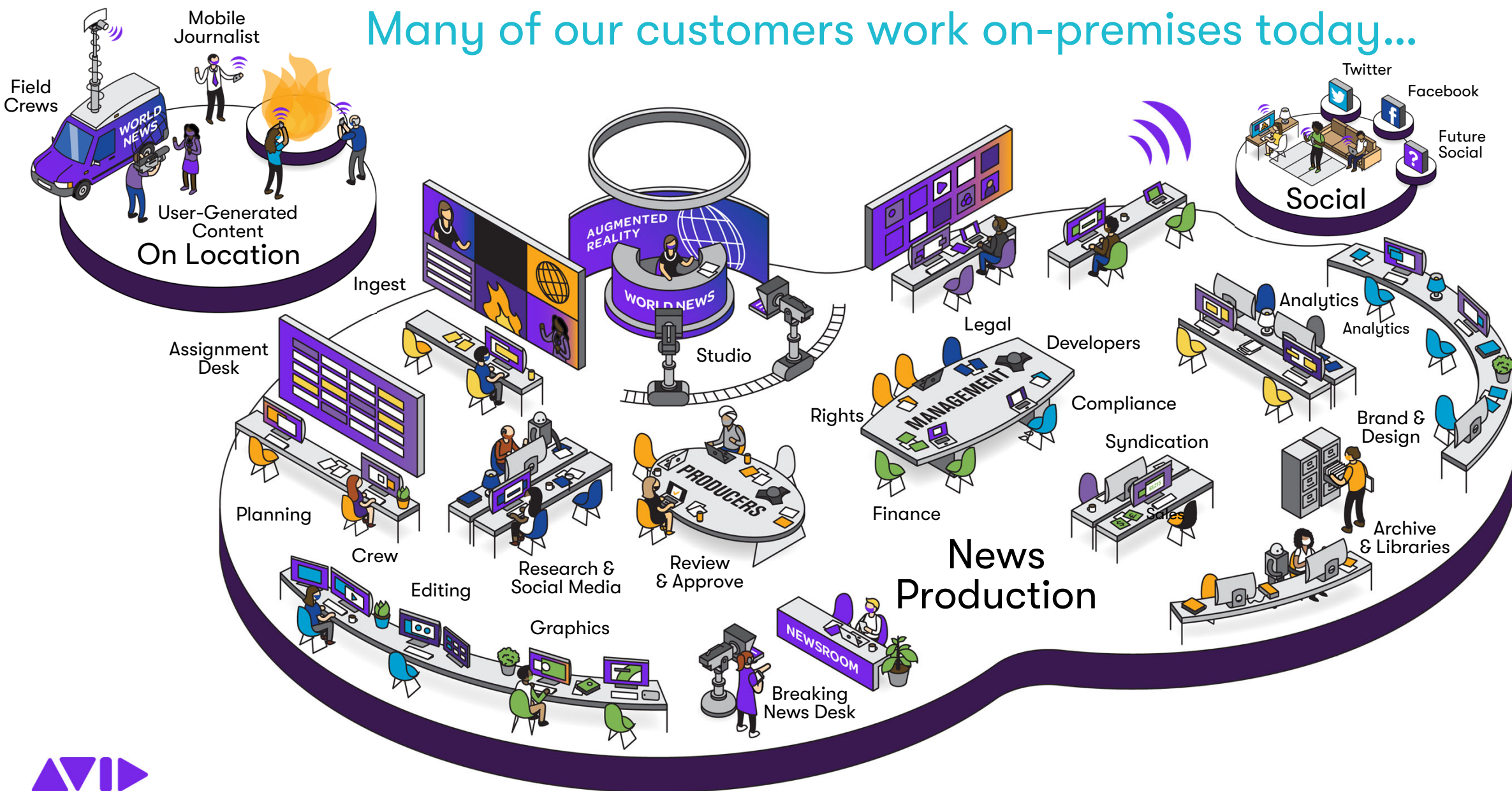
of those surveyed reported that **DR & business continuity** is 4th-biggest investment area



Devoncraft, 2020 Big Broadcast Survey, Avid Customer Association 2020 survey.

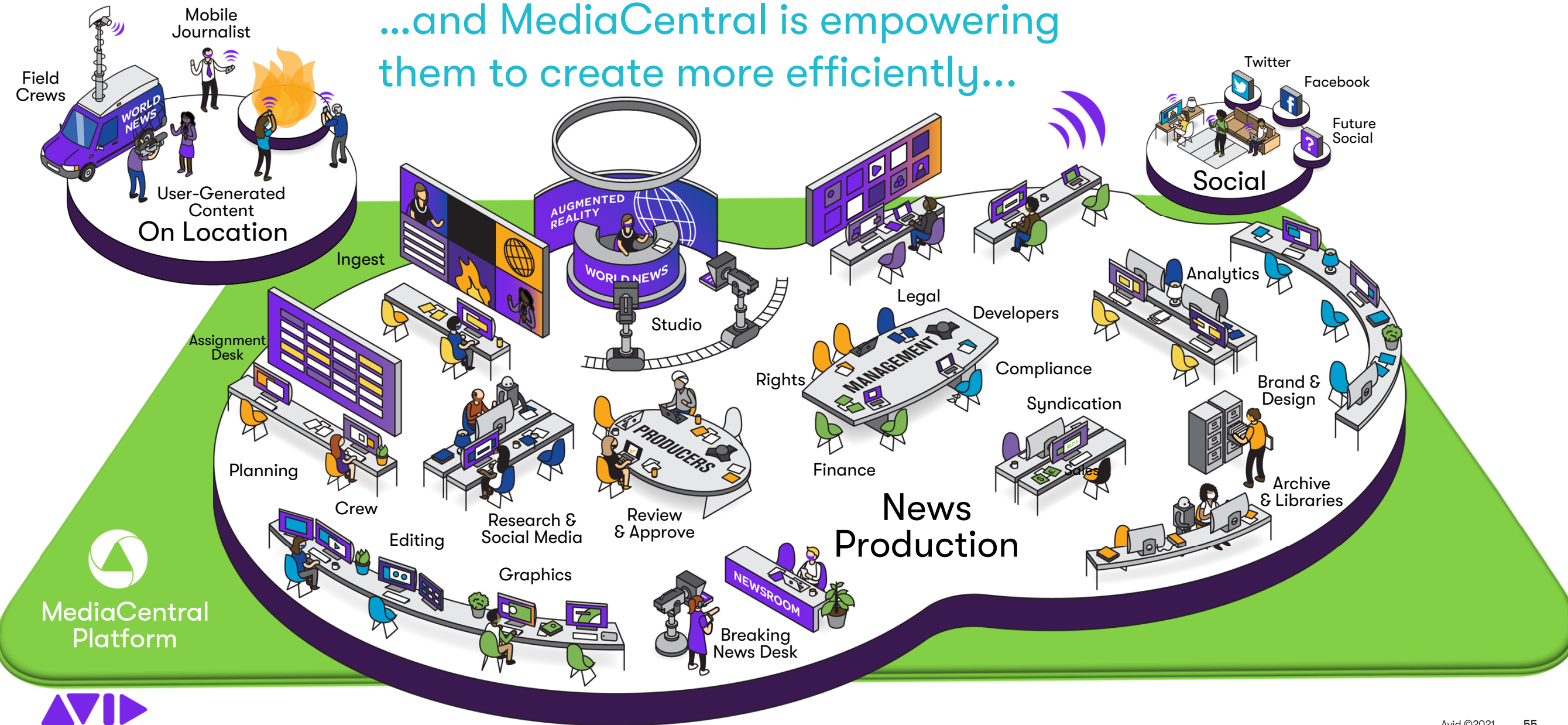
WE MAKE MEDIA WORKFLOWS MANAGEABLE

Many of our customers work on-premises today...



WITH AN IT-CENTRIC PLATFORM APPROACH

...and MediaCentral is empowering them to create more efficiently...



■ | ■ NOW MOVING TO CLOUD & SAAS



MEDIA SOLUTIONS OPPORTUNITY

Avid's pervasive and loyal install base transitioning from support & maintenance contracts to subscription & SaaS

Current State

- ✓ Total addressable market >\$1B on-premises
- ✓ Now moving to subscription based, innovative, open and secure, content management and production solutions
- ✓ Workloads to move to cloud and seamlessly sync to on-premises systems
- ✓ Avid's central value proposition of distributed production workflows are becoming a key success factor and MediaCentral platform

Future State (5 years)

- Use our production data to enable enterprises, teams and individuals to be more productive and efficient leveraging AI & ML
- Individual collaborators will have tools to connect and participate in larger ecosystem workflows



IABM-DC (2020)

CLOUD & SAAS OPPORTUNITY

COVID-19 has accelerated the transition to cloud, reducing customer reservations and hesitancy

Current State

- ✓ 85% of broadcast and media companies having employed or planning to employ cloud-based workflows
- ✓ While early in our journey, with first mover advantage, we offer customers cloud-based SaaS workflows in Edit, Media management and Storage
- ✓ We are building a shared multi-tenant collaborative Cloud Platform that is “Trusted by Design” to deliver new customer-valued cloud workflow offerings
- ✓ Avid faces mix of traditional competition and new cloud native providers

Future State (5 years)

- A multi-cloud strategy, with Avid working effectively with each of the main cloud vendors and support multi-cloud ecosystems
- Media industry will have adopted cloud first for new installation, to streamline production value chains, deliver content faster, reduce workflow TCO, improve collaboration and adopt consumption economics



Avid Customer Association 2020 survey



EDIT ON DEMAND

Remote collaboration for post-production creative teams

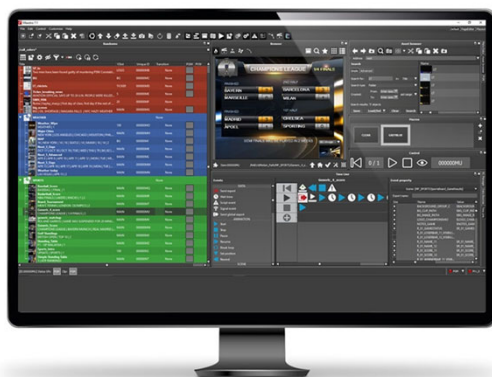
- ✓ Breakthrough service model that optimizes & aligns clients spend with production schedules
- ✓ Turnkey cloud-based post-production environment for secure remote collaboration
- ✓ Familiar industry-leading Media Composer and Avid NEXIS shared bins/projects workflow
- ✓ Simple pricing, ability to elastically scale over course of project lifecycles



GRAPHICS & VIDEO SERVERS OPPORTUNITY

Our deep & advantaged workflow integration with the MediaCentral Platform, differentiates Avid's offerings

GRAPHICS (Maestro)



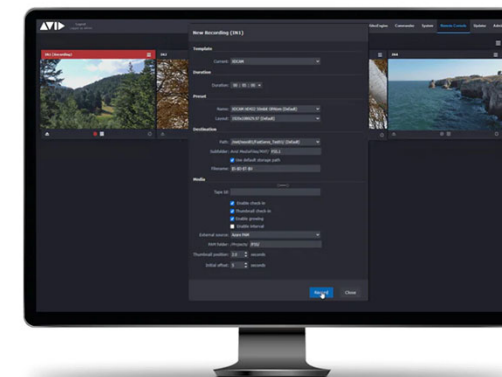
Current State

- ✓ With broadcasters competing over eyeballs, graphics is one of the most effective storytelling tools, allowing them to stand out from the competition
- ✓ We are moving to a software-based subscription solution enabling a future SaaS and cloud offerings
- ✓ Exiting lower margin hardware products

Future State (5 years)

- Move to software-based and cloud solutions accompanied by more flexible subscription-based business models
- Industry will adopt fully remote and virtualized real-time graphics solutions, with deeper workflow integrations

VIDEO SERVERS (FastServe)



Current State

- ✓ Our ingest and playout solutions are the ins and outs into our end-to-end media production solutions, now starting to move to cloud as well
- ✓ Our hybrid approach will support a faster growth of Cloud based media production by providing the optimized real-time delivery of high-quality media to the cloud
- ✓ Exiting lower margin hardware products

Future State (5 years)

- Further integration with the MediaCentral platform gives Avid unique and differentiated knowledge of data flows, allowing it to use AI and ML to enhance workflows



MEDIA AND CLOUD

In summary

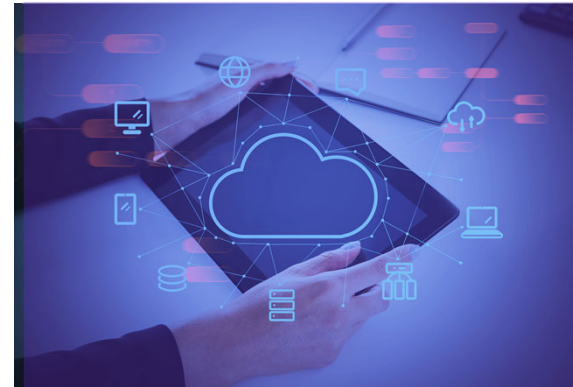
Double-down on distributed, remote and secure workflows



Attach to high growth market segments using cloud and SaaS



Build SaaS / cloud platform solution and platform for Avid overall



Maintain leadership position in E2E media and news workflows



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COMMERCIAL STRATEGY

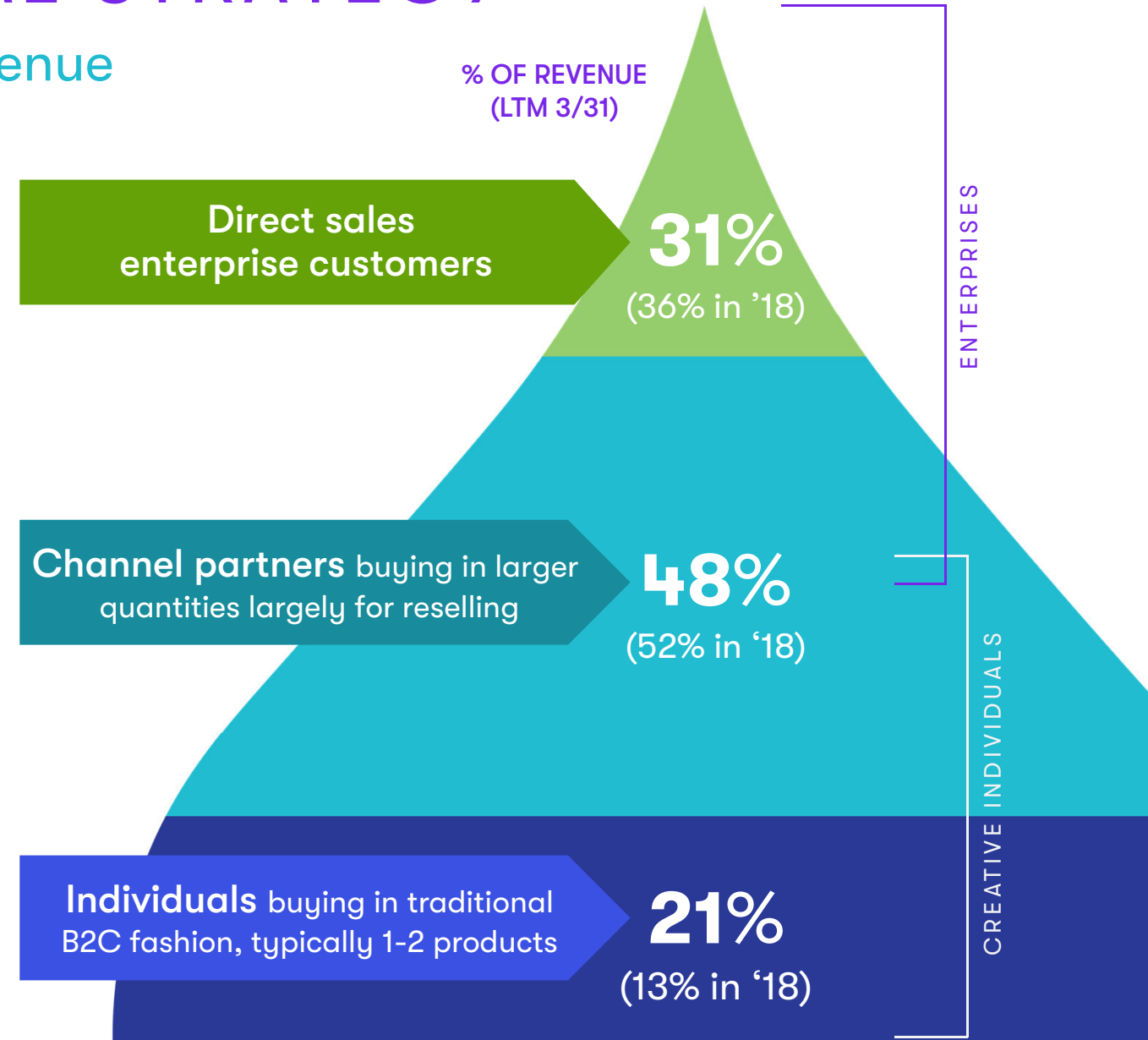
TOM CORDINER
Chief Revenue Officer & SVP



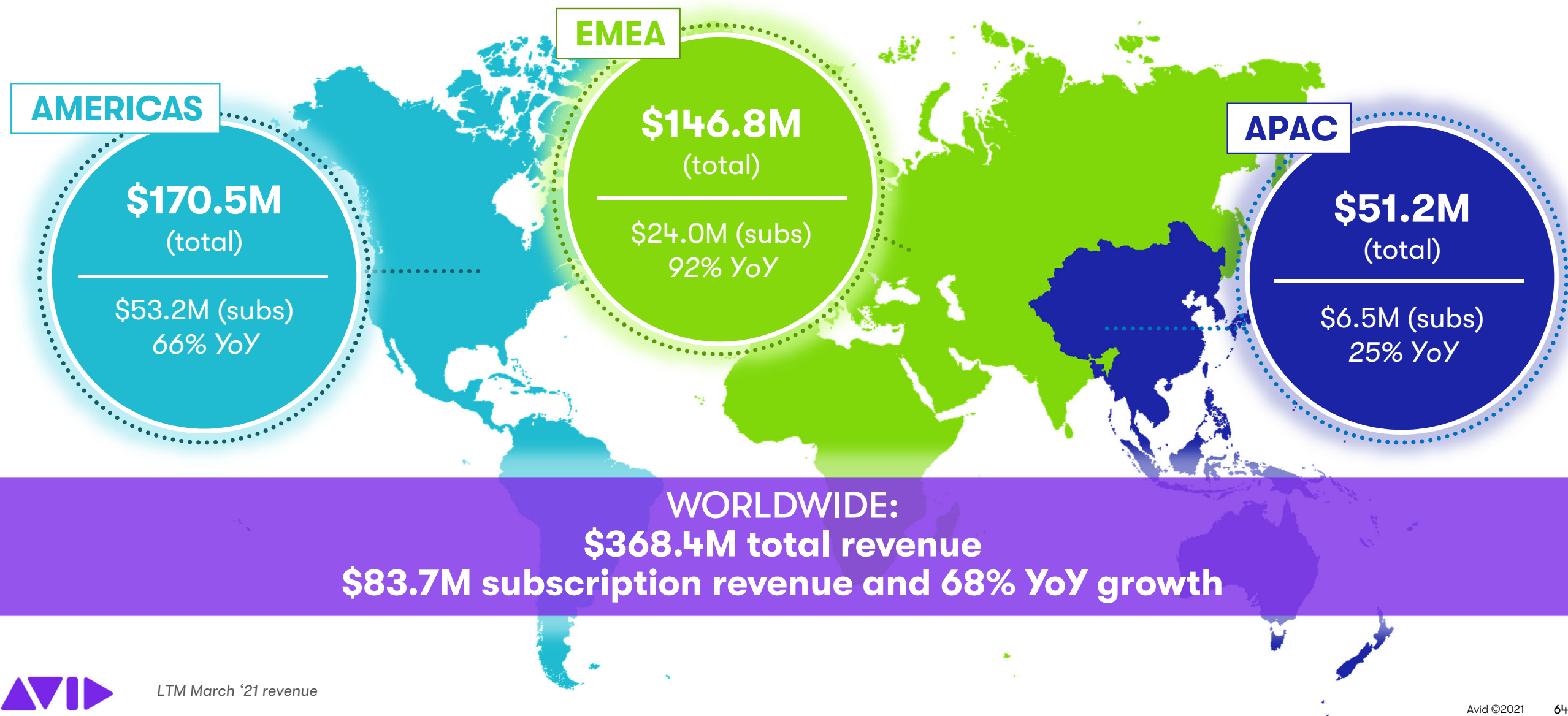
OVERALL COMMERCIAL STRATEGY

Grow subscription and recurring revenue

- Growing subscription across all customer types and routes-to-market
 - A. Enterprise direct
 - B. Channel partners
 - C. eCommerce/B2C
- Nurture and grow Long-Term Agreements (LTA) with customers & partners – focus on subscription offerings
- Protect maintenance through transition to subscription



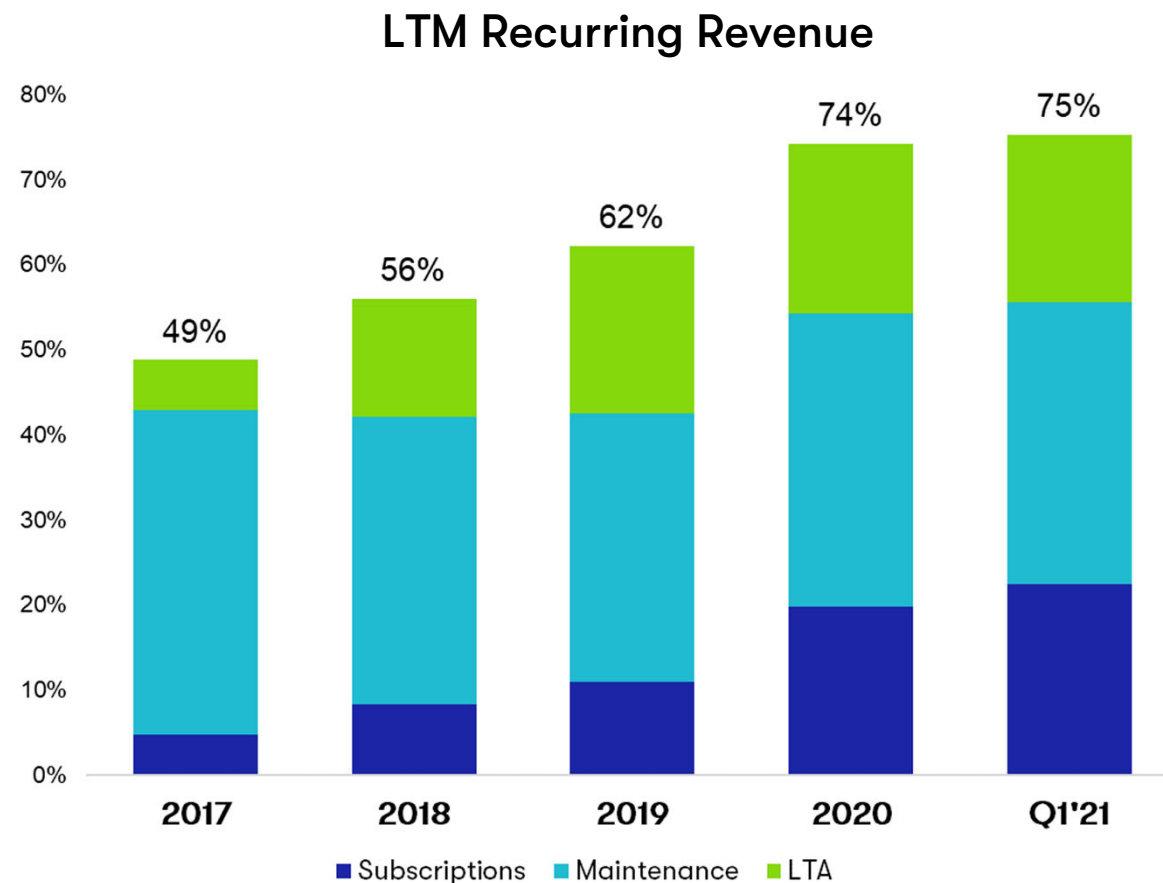
GLOBAL SCALE ENABLING SUBSCRIPTION REVENUE GROWTH



BUILDING RECURRING REVENUE STREAMS

Leveraging strong market position to realize maximum customer value

- Subscriptions
 - Continued creative tool momentum
 - Enterprise subscription via MediaCentral Flex adoption
- Maintenance
 - Managed migration of software maintenance to long-term enterprise subscription
 - Grow remaining hardware maintenance
- Long-Term Agreements
 - Enterprise Agreements
 - Enterprise subscription
 - Strategic Purchasing Agreements



Note: Long-Term Agreement portion of Recurring Revenue excludes the subscription and maintenance portion

SIGNIFICANT CUSTOMER SUBSCRIPTION & SAAS ADOPTION

Subscription, Cloud and SaaS



JIGSAW24



PUBLIC
SENAT

PETER PHOK
FILM PRODUCER



keycode
MEDIA



Christy's



FULL SAIL
UNIVERSITY



doc<10

svt



FOTOKEM

lkegami



THE
LOS ANGELES®
FILM SCHOOL

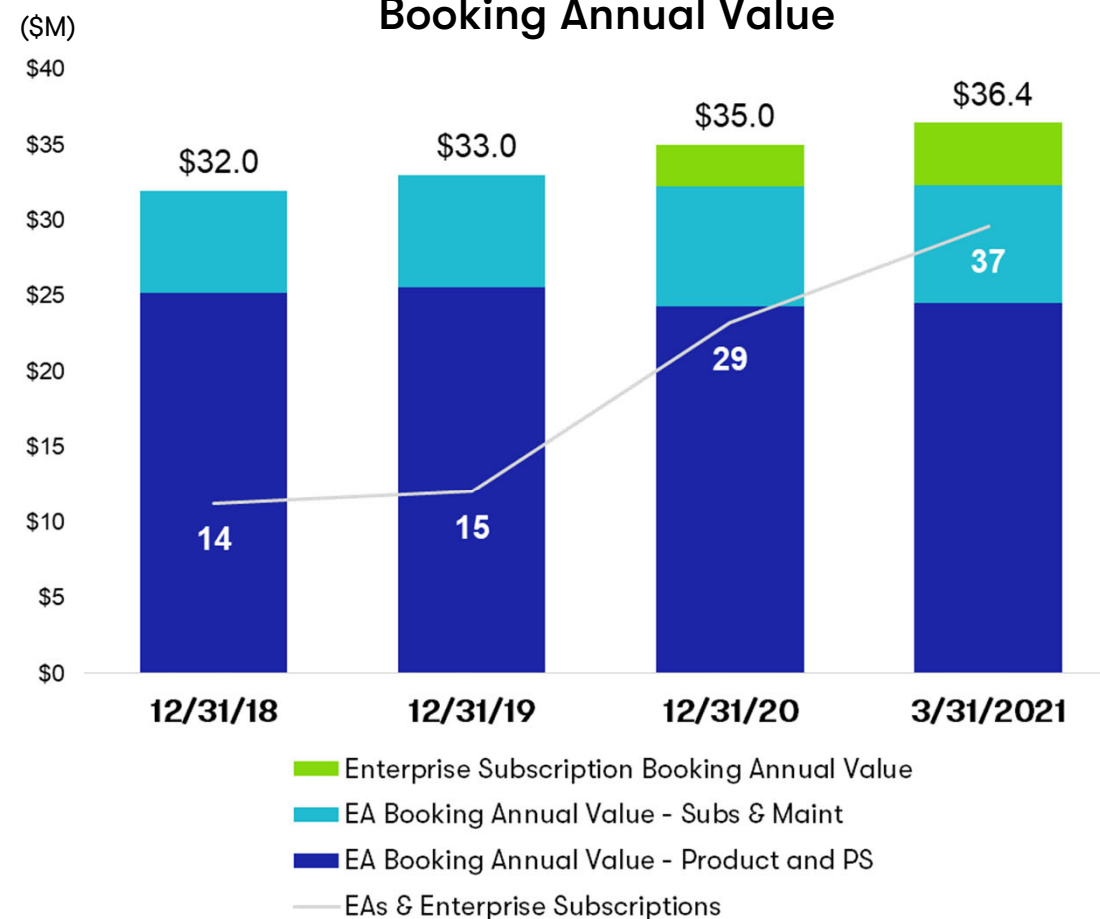


ENTERPRISE DIRECT SALES

Grow subscription and Enterprise Agreements

- Enterprise commercial objectives
 - Drive uptake in subscription, SaaS and Long-Term Agreements
 - Creating stickier revenue streams and greater wallet share
 - Improve subscription license deployments and customer loyalty via customer success management
- LTA – Enterprise Agreements and enterprise subscription
 - Longer-term revenue commitment, delivering more predictable annual deployment costs for customers
 - Opportunity for incremental subscription licenses

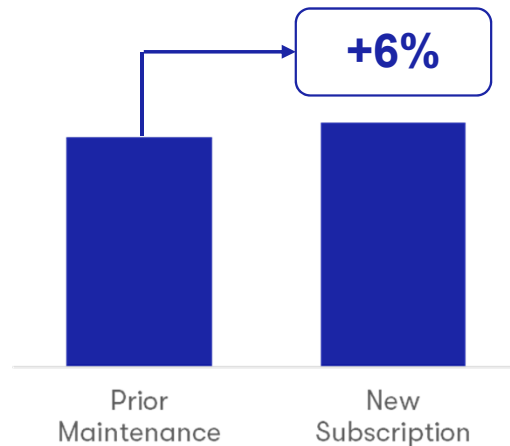
EAs & Enterprise Subscriptions
Booking Annual Value



FAVORABLE ECONOMICS OF MOVING ENTERPRISE CUSTOMERS TO SUBSCRIPTION

Customer A

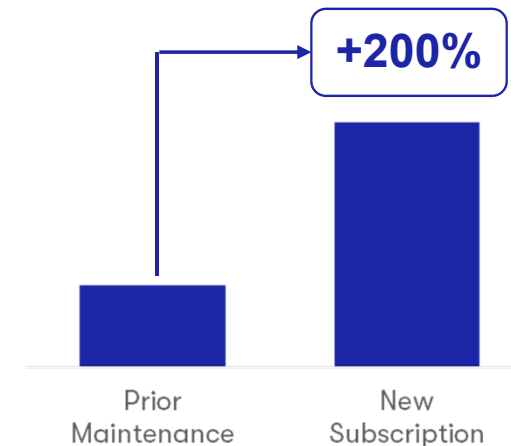
Change in Booking Annual Value



- European broadcaster
- MediaCentral Flex

Customer B

Change in Booking Annual Value



- US local TV station
- Media Composer & MediaCentral Flex

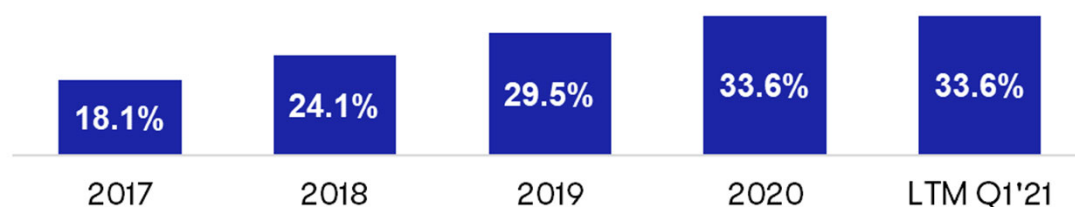


CHANNEL SALES STRATEGY

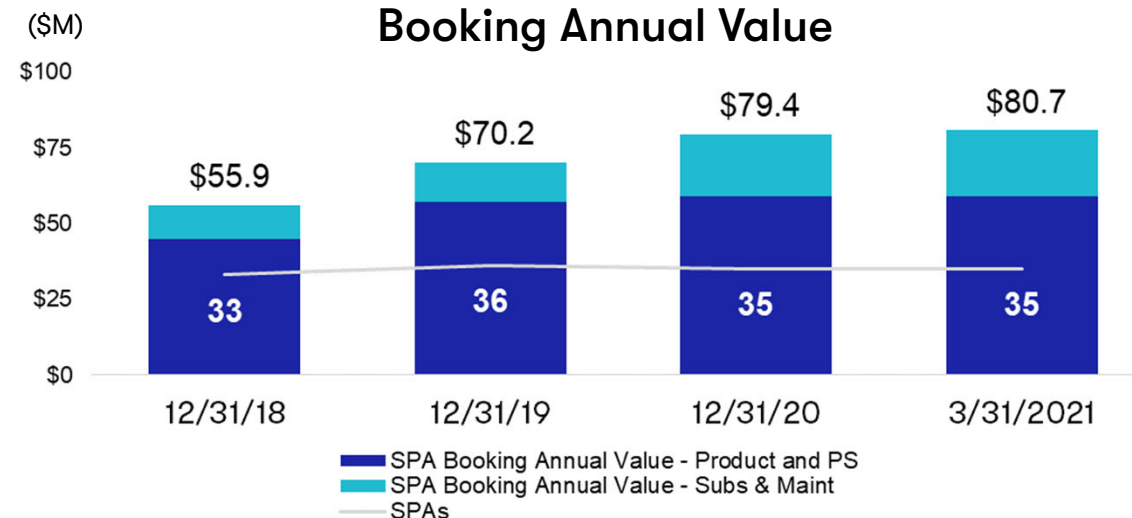
Grow subscription and Strategic Purchasing Agreements

- Channel commercial objectives
 - Drive subscription and recurring revenue focus with new partner recruitment, modernized program and digital enablement
 - Outsourcing of sub-scale markets to lower and variabalize Avid go-to-market costs
- Long-term Strategic Purchasing Agreements
 - Annual or multi-year commitments
 - Four-tier program to cater for all market segments and partner models

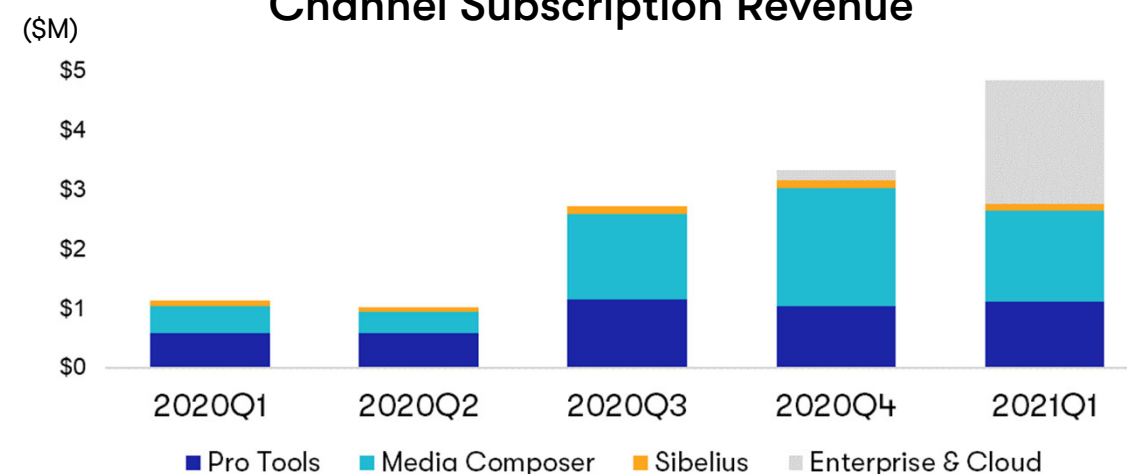
Channel Recurring Revenue as a % of Total Avid Revenue



Strategic Purchasing Agreement Booking Annual Value



Channel Subscription Revenue



eCOMMERCE (DIRECT TO CONSUMER) SALES

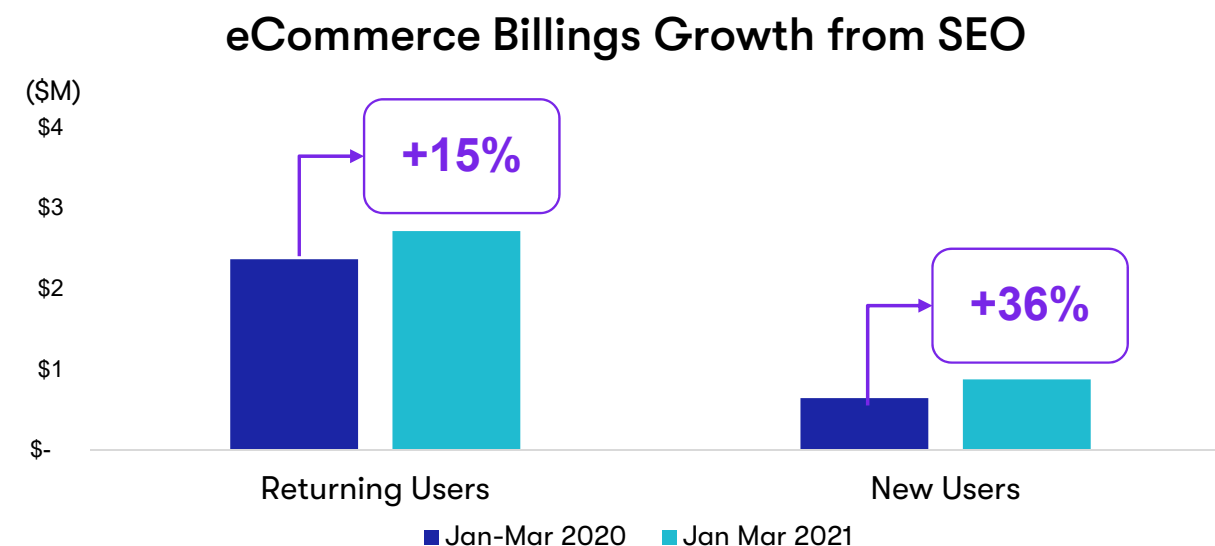
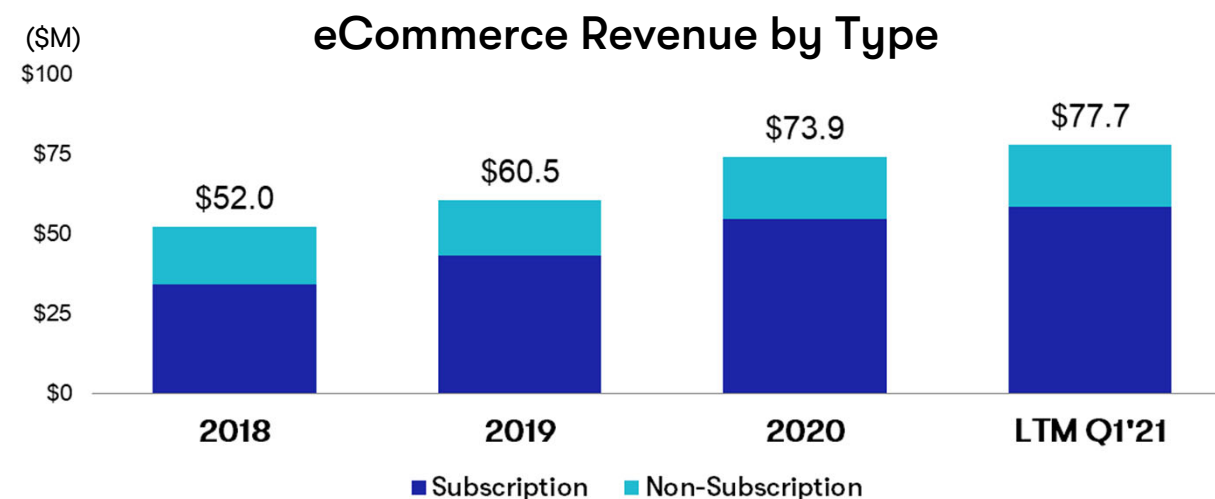
- eCommerce commercial objectives
 - Fuel subscription revenue growth via high margin creative tools sales
- Support subscription growth for creative individuals and teams
 - 77% of Q121 eCommerce revenues were creative tools subscriptions
 - Attractive customer acquisition costs and lifetime value
 - Subscription revenues grew 30% YoY, fueled by robust growth in paid search and SEO
- Future evolution
 - B2B eCommerce growth, personalization, localization
 - Site search, digital advertising

21%

YoY Conversion Rate Lift

18%

YoY Reduction in Bounce Rate

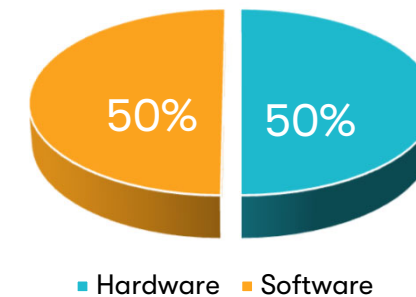


OPTIMIZING MAINTENANCE

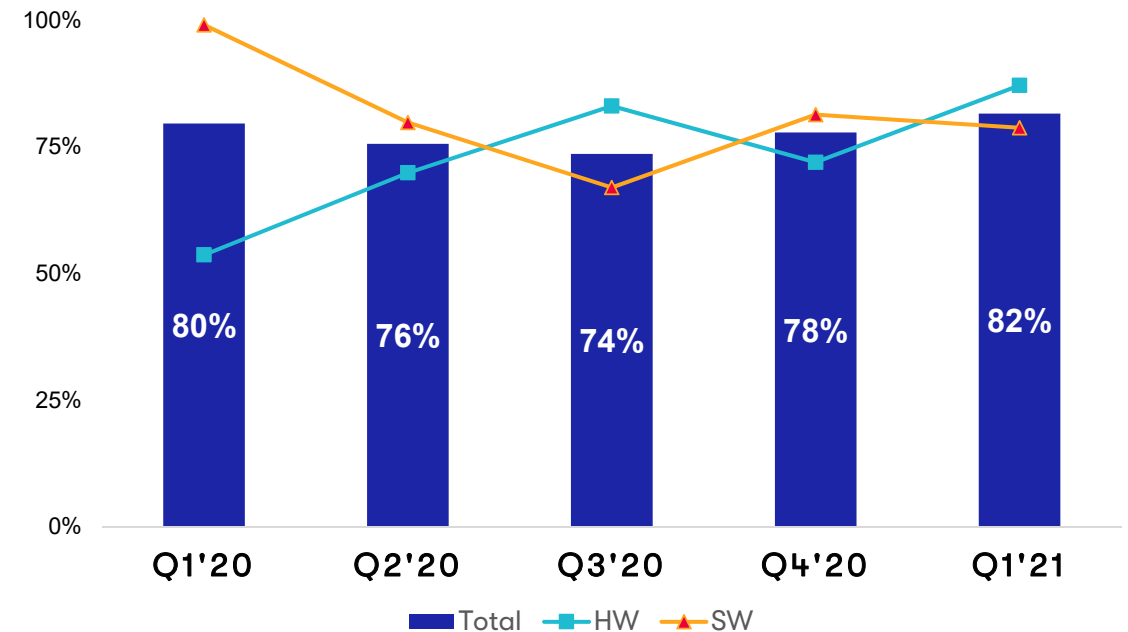
Maximizing the value of support contracts

- Hardware products maintenance
 - Significant improvement in renewals rates coming out of COVID, due to dedicated worldwide renewals teams and new commercial leadership
 - Focus on price increases and hardware maintenance growth and renewal rates
- Software products maintenance
 - Rapid conversion of maintenance contracts to higher ARPU enterprise subscription revenues
 - Future evolution to automated quoting platform for all renewals

Maintenance Revenue Split



Maintenance Billings Renewal Rate



COMMERCIAL STRATEGY SUMMARY

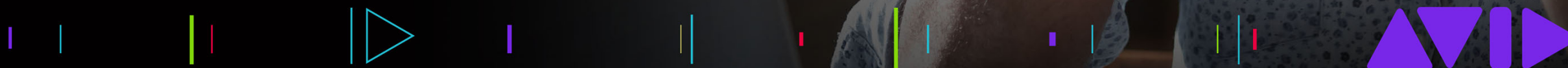
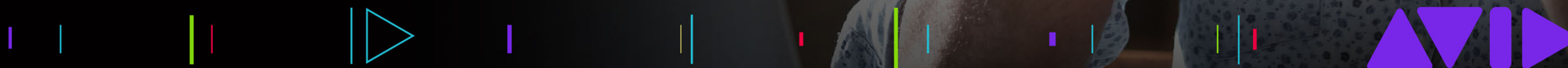
- **Grow** subscription and recurring revenue
- **Accelerate** new EA and enterprise subscription, plus Cloud/SaaS term agreements
- **Drive** strategic revenue and optimize maintenance
- Continue to **improve** enterprise selling efficiency
- **Leverage** channel scale and build out digital go-to-market engines
- **Enhance** demand generation and pipeline growth strategies to enter new markets



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Day

CX & CUSTOMER SUCCESS

KATHY-ANNE McMANUS
Chief Customer Experience Officer & SVP





OUTSIDE-IN CUSTOMER PERSPECTIVE

Customer journeys and customer personas



DIGITAL TRANSFORMATION

Customer-centric, collaborative, creative and cloud-focused

Compelling
Digital Solutions

Visionary, Innovative & Open

Cloud & Mobile ♦ Unified UX/UI ♦ Empower Collaboration ♦ Solve Problems

Modern Business
Models

Flexible, Adaptable, Subscription & SaaS Enabled

Enhance Value to Customers ♦ Increase Enterprise Value of Avid

Superior Customer
Experience

Customer-Centric, Customer Success Focused

Frictionless ♦ Transparent ♦ Digital First ♦ Omnichannel ♦ Metric Driven

More Efficient
Operations

Modernized, Digital Inside & Out

Digitally Transformed Operations ♦ Faster Clock-speed ♦ Lower Costs

Investments enable us to scale and
fuel our subscription & SaaS business model



IMPROVING OUR UX/UI MATURITY

Unifying & improving the user experience across our digital ecosystem



Ongoing priority of UX improvements to delight and attract new users to support market expansion



CUSTOMER SUCCESS MGMT: VALUE & RETENTION

Increasing adoption | ensuring customer satisfaction | growing the relationship

VALUE TO CUSTOMERS

- Maximizing **customer time-to-value** while ensuring a positive experience
- Alignment to **customer business objectives**, expectations and outcomes
- Continual **proactive engagement** on the customer journey
- Smooth, **frictionless, unhindered** engagement
- **Metrics** and data-driven

VALUE TO AVID

- Accelerating our subscription growth, focus on recurring revenue and transition to cloud/SaaS
- Responsible for **adoption, nurturing, retention** and customer satisfaction
- Guide **renewal, up-sell** and cross-sell
- Maximize **retention** and ensure expansions
- Leading requirements for great **customer experiences**



LEARNING SERVICES: ADOPTION & GROWTH

Elevating experience | creating product value | driving community



NEW AVID LEARNING CENTRAL
Subscription offering



NEW AVID LEARNING ACADEMY
Avid | First K-12 program



NEW CONTENT PARTNERSHIPS
Dolby and Seneca



NEW AVID CERTIFIED
SUPPORT REPRESENTATIVE
Remote & live online

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



CUSTOMER CARE: ENABLING THE EXPERIENCE

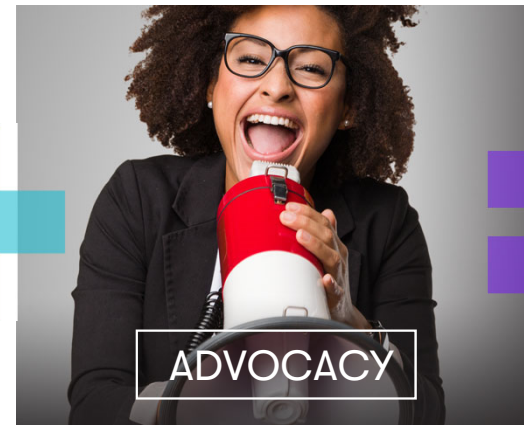
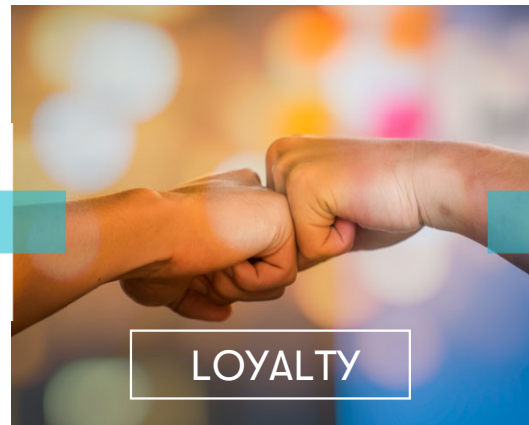
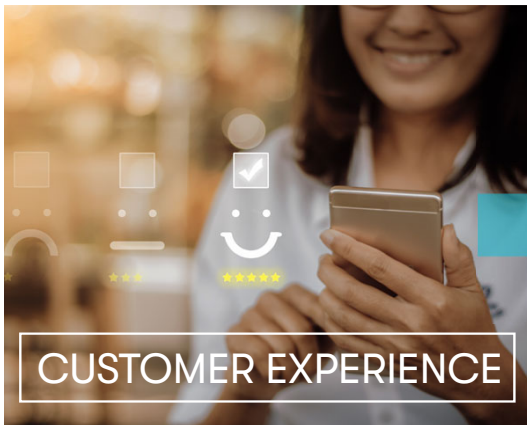
Differentiating service engagement | creating efficiencies





CUSTOMER EXPERIENCE DRIVES VALUE

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



2021 Avid
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Day

FINANCIAL STRATEGY & OUTLOOK

KEN GAYRON
Chief Financial Officer & EVP



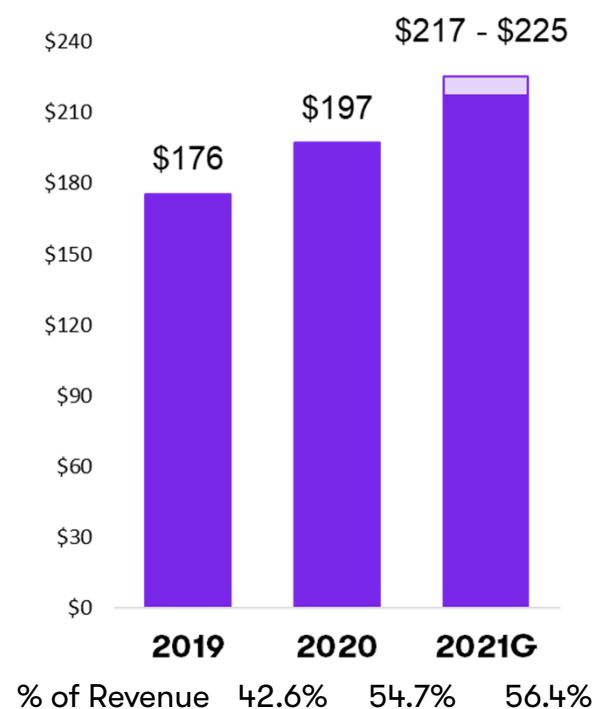
FINANCIAL SUMMARY

Avid has delivered strong growth in strategic subscription & maintenance revenue and in profitability metrics

(\$M, except for per share)

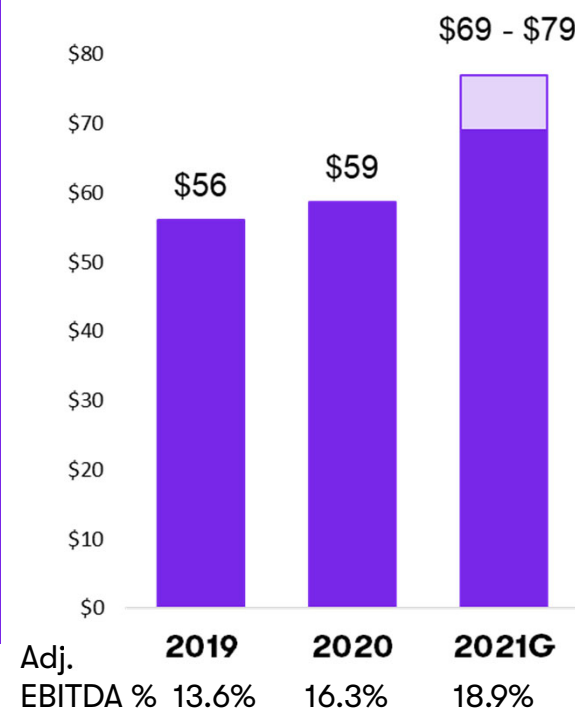
Subscription & Maintenance Revenue

CAGR 12.2%



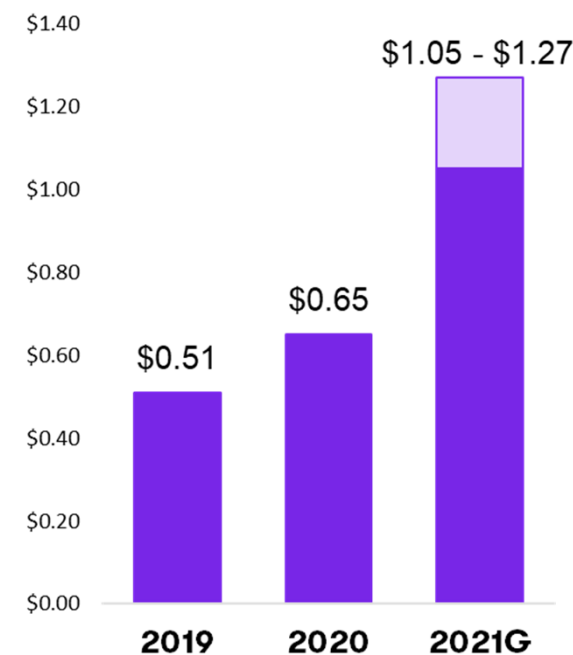
Adjusted EBITDA

CAGR 14.9%



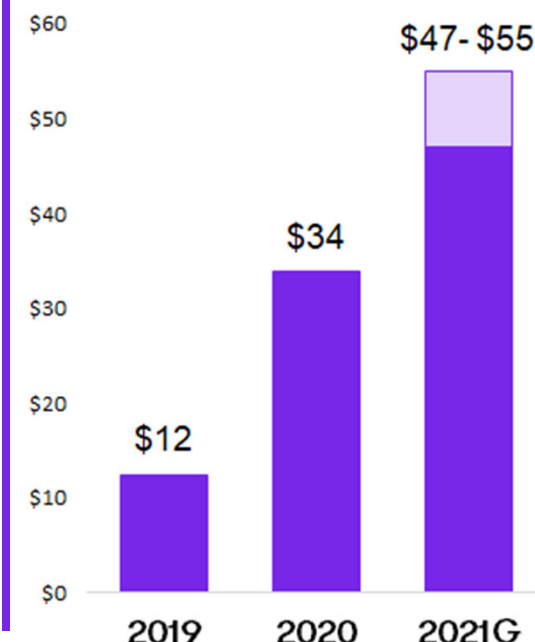
Non-GAAP Net Income per Share

CAGR 50.8%



Free Cash Flow

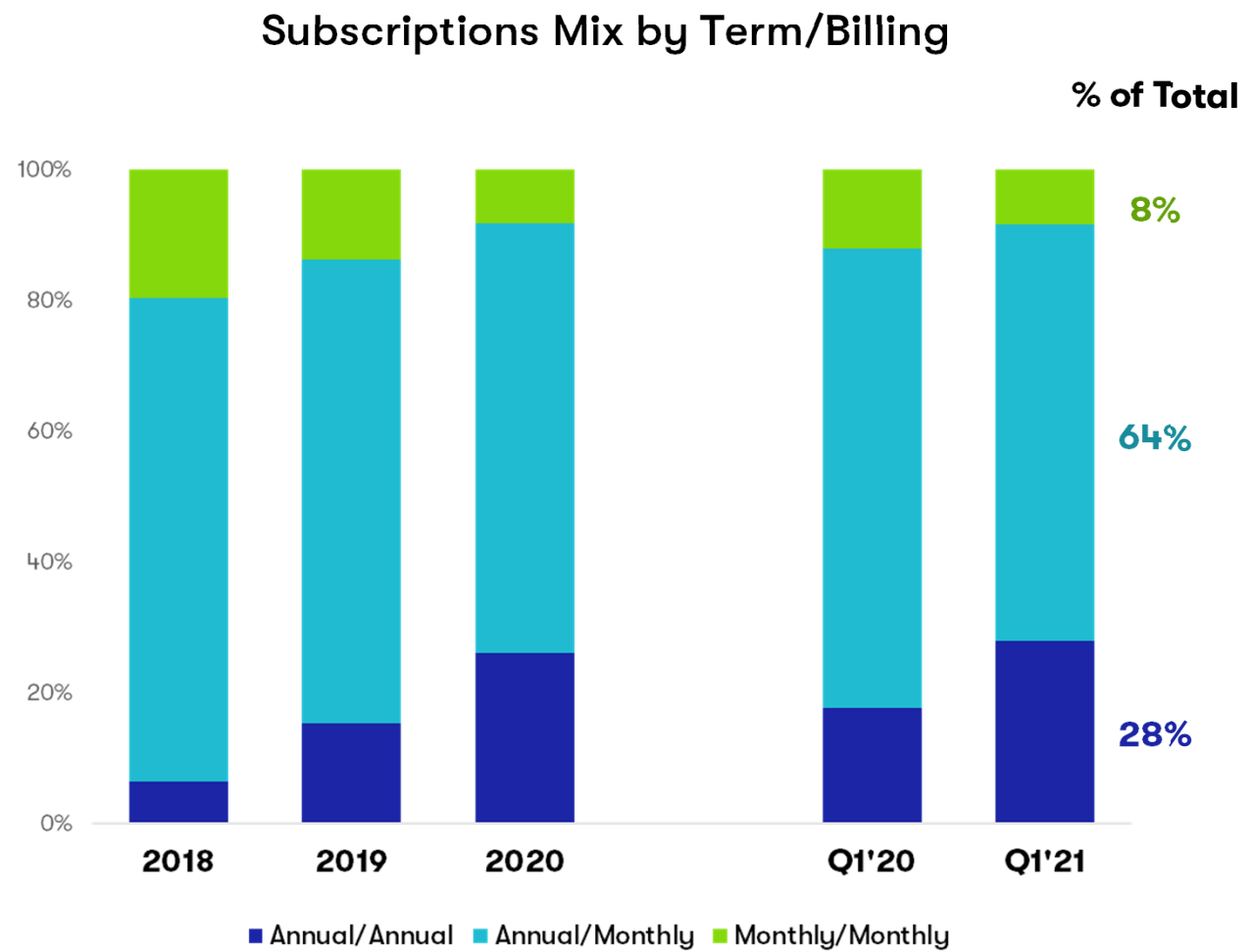
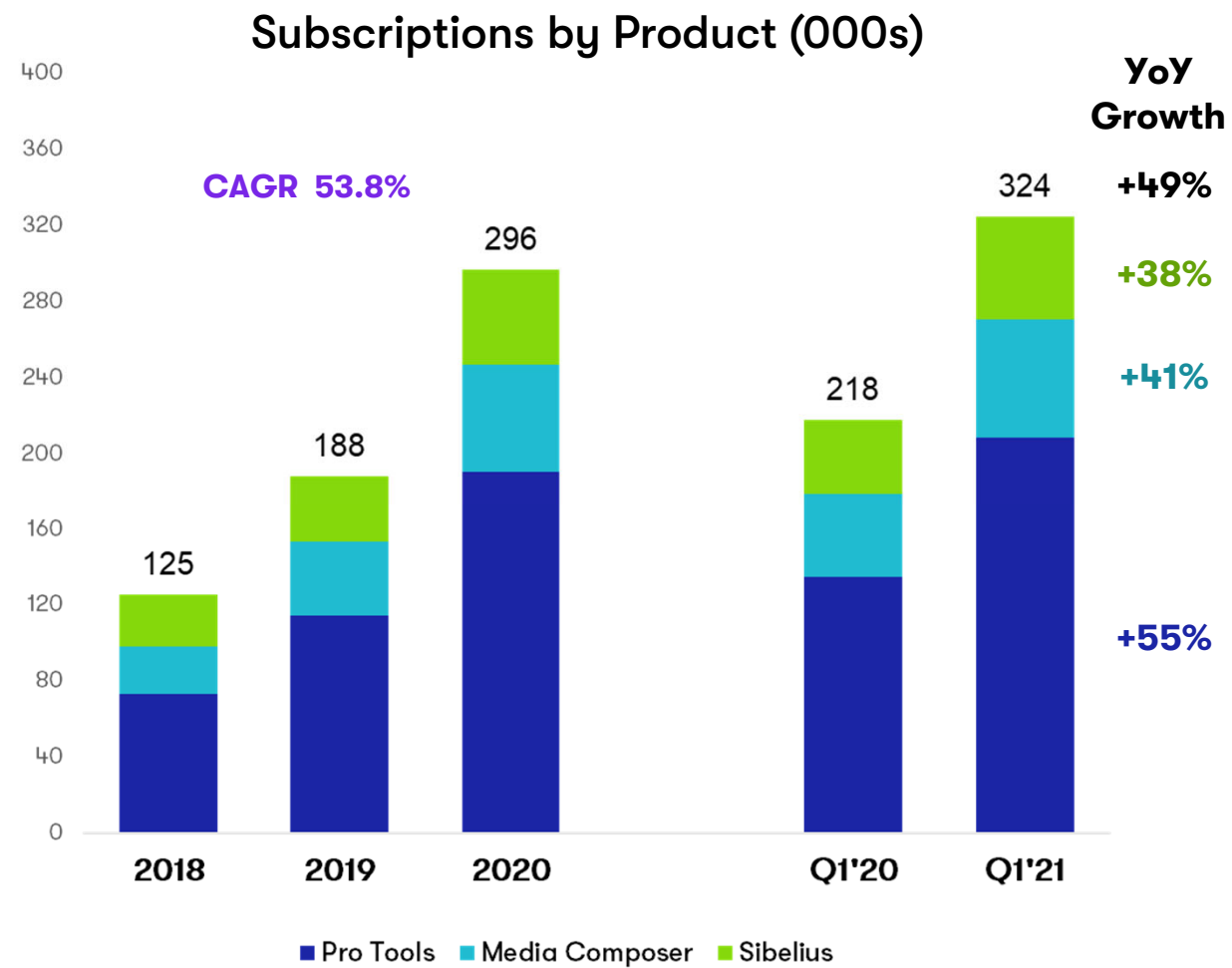
CAGR 102.3%



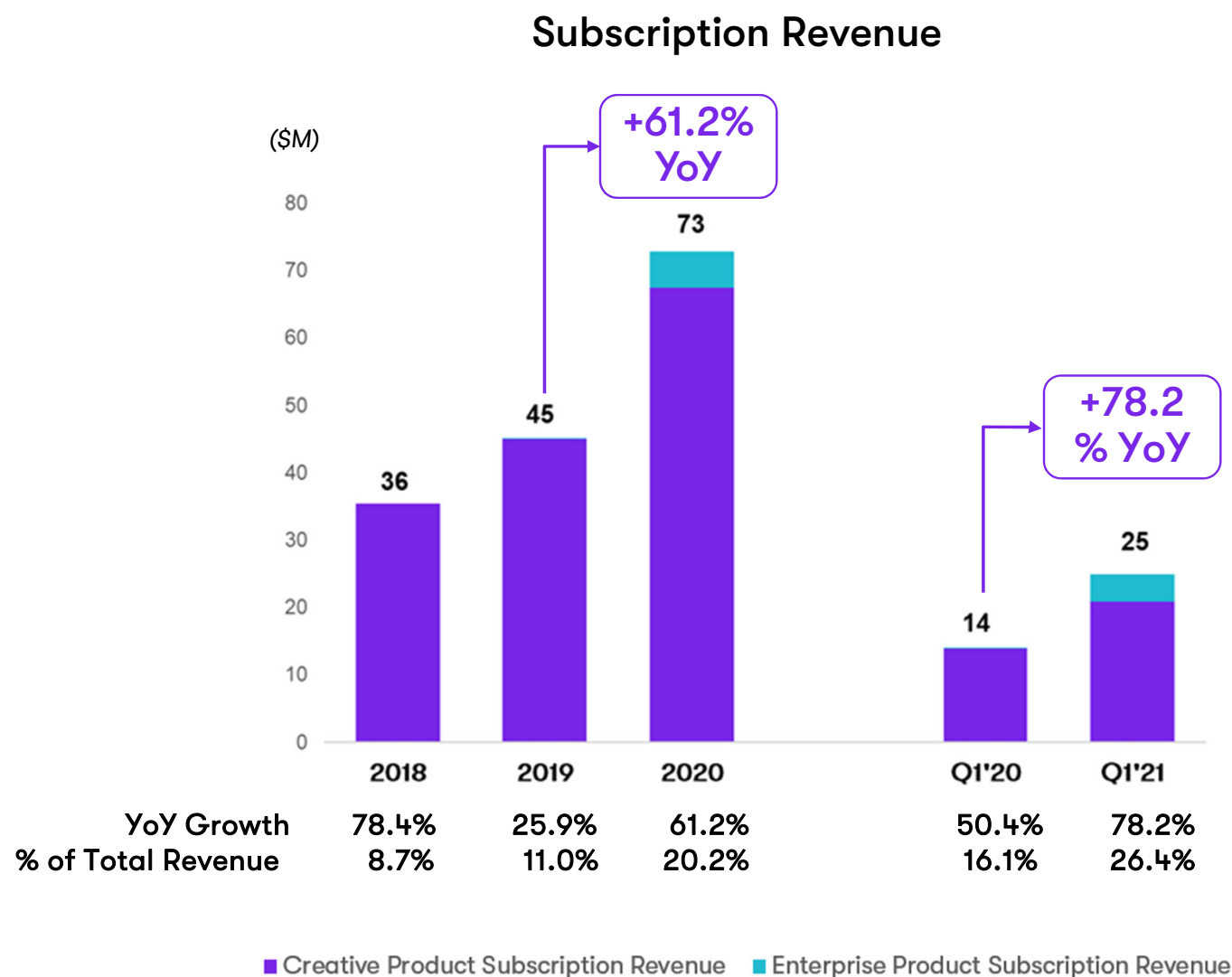
2021G = 2021 guidance range.
See Appendix for non-GAAP reconciliations

CONTINUING STRONG GROWTH IN SUBSCRIPTIONS

Cloud-enabled software subscriptions growing for all creative software and improving mix of annual paid upfront



ACCELERATING SUBSCRIPTION REVENUE GROWTH



Subscriptions for enterprise solutions are driving the next stage of subscription growth

Subscription revenue was over 26% of total revenue in Q1'21 up from 9% in 2018

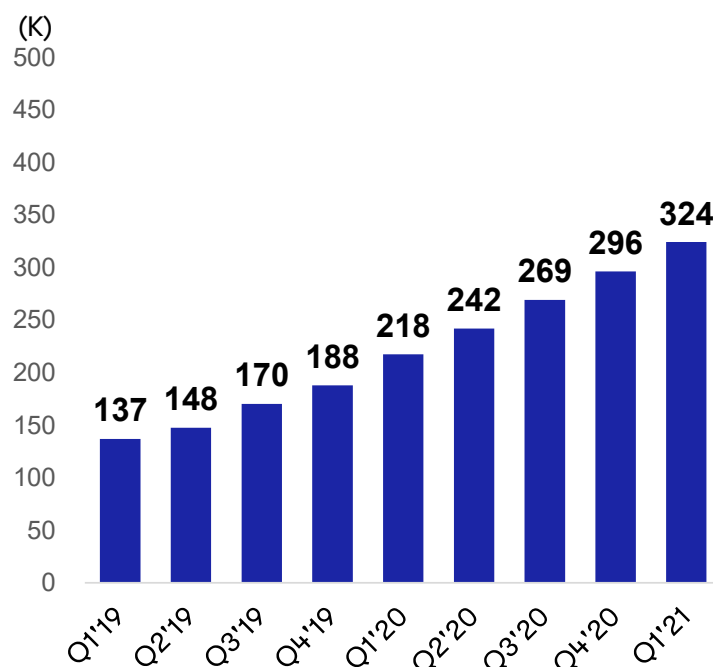
Subscription revenue reached ~\$100M annual run rate in Q1'21

Subscription revenue is expected to exceed 50% of total revenue by early 2024



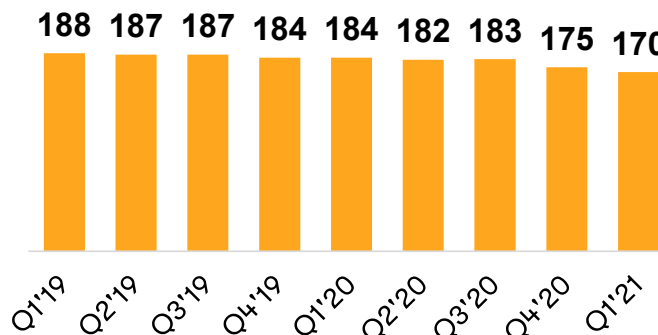
CREATIVE SUBSCRIPTIONS & MAINTENANCE ASU

Subscriptions
+54% CAGR



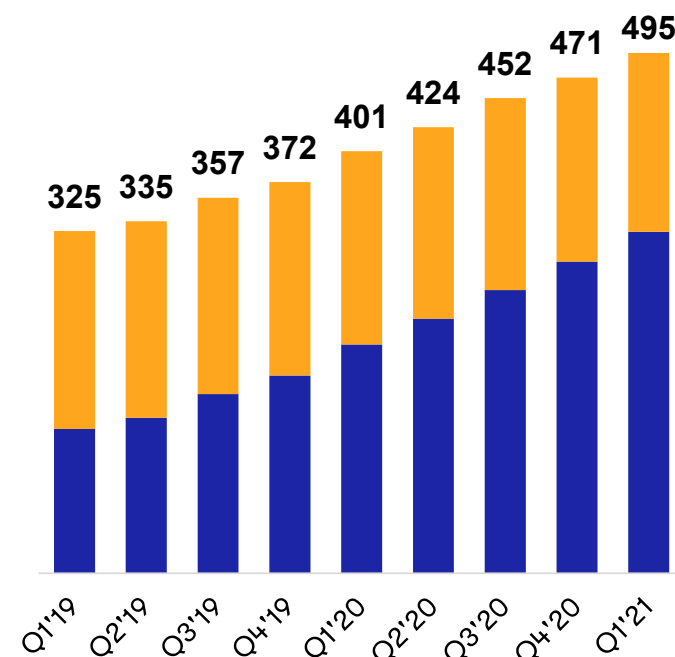
Strong subscription growth added 187k of subscriptions in past 2 years

Active Maintenance Contracts on Creative Software
(5%) CAGR



Moderate decline of (18k) in active maintenance contracts over same period

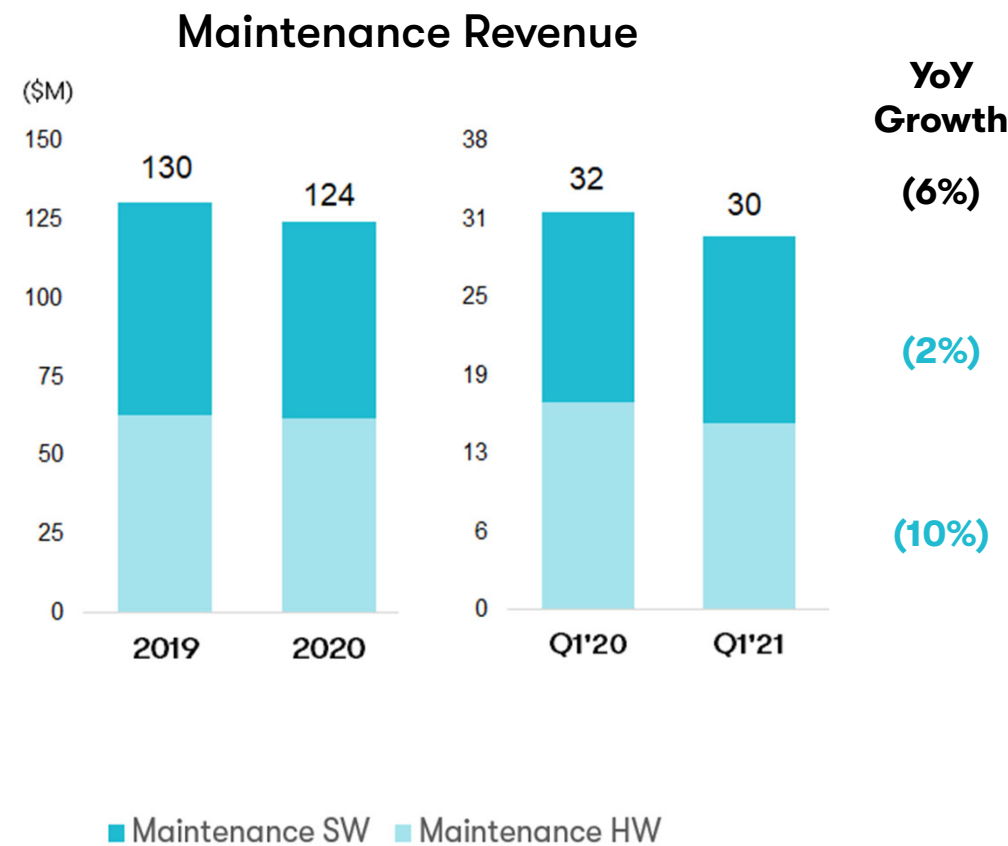
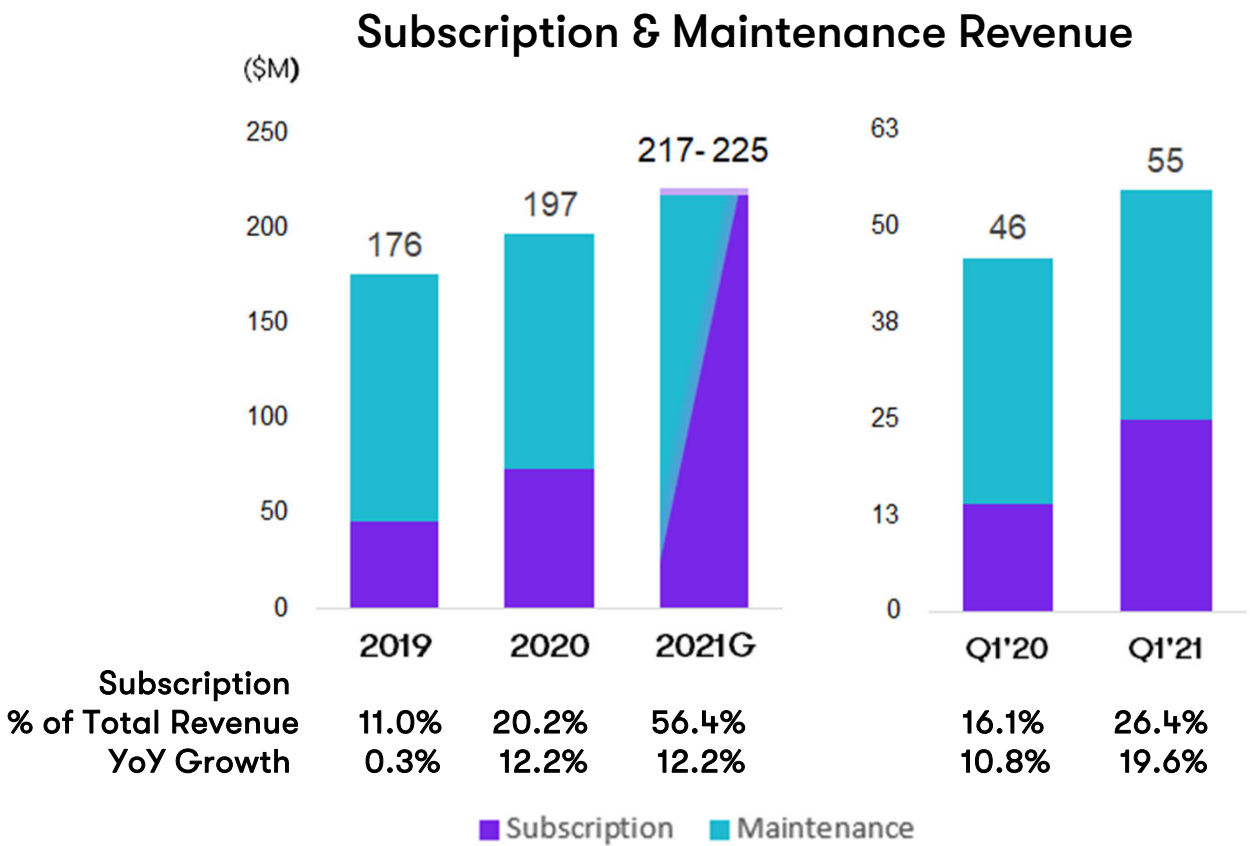
Subscriptions & Active Maintenance Contracts
+23% CAGR



Yields healthy organic growth in total paid users



HISTORICAL SUBSCRIPTION AND MAINTENANCE REVENUE GROWTH

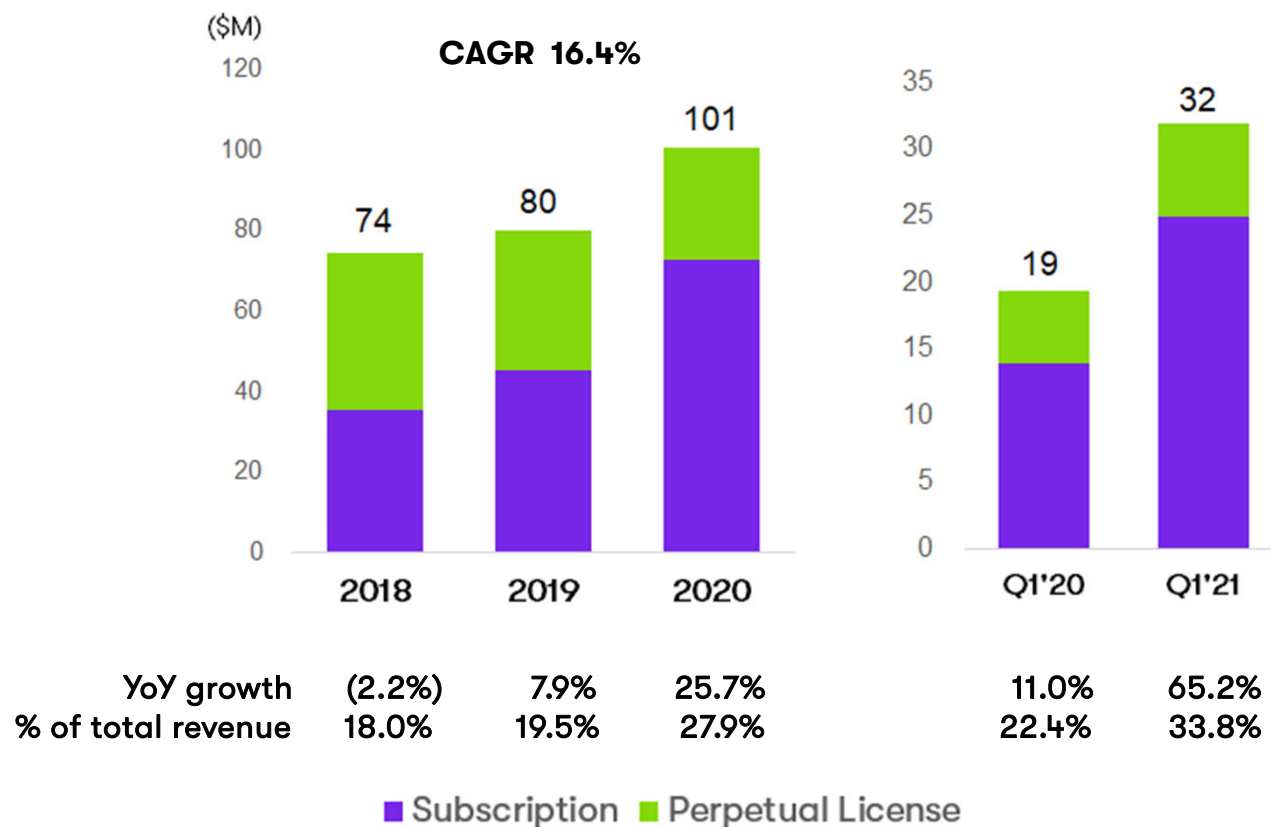


Subscription & maintenance revenue continues to grow at double-digit rate with growth reaching 19.6% in Q1'21

Maintenance on hardware remains a significant portion of total maintenance revenue

HISTORICAL SOFTWARE REVENUE GROWTH

Software Revenue (Subscription & Perpetual)



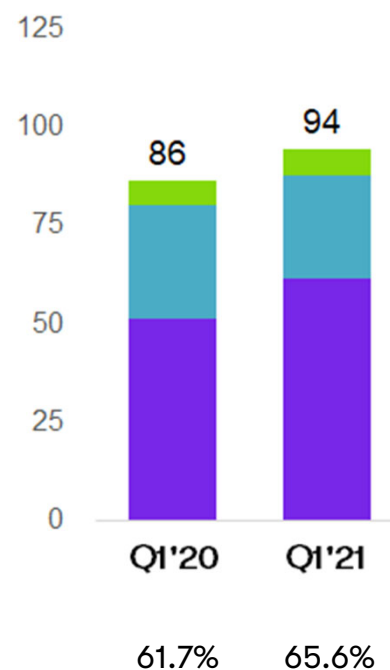
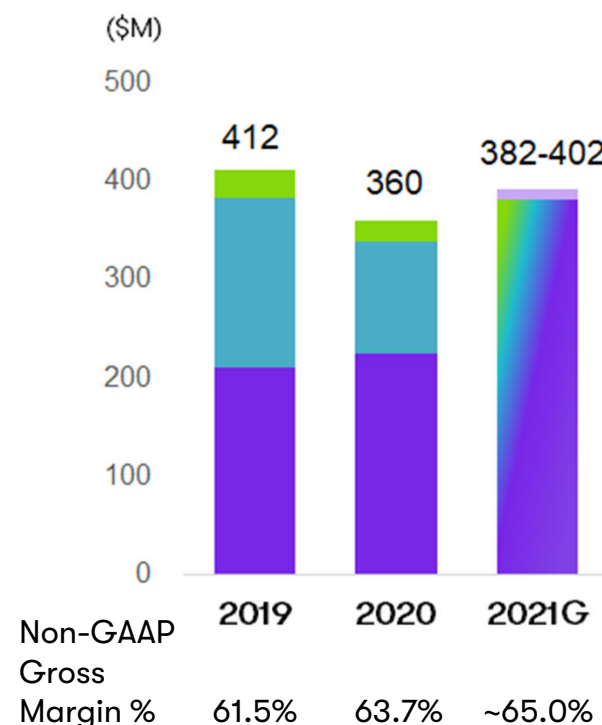
While the transition to subscription is progressing, some users continue to prefer perpetual licenses, providing a solid revenue and cash stream

Software revenue growth has accelerated in recent periods, as subscription scales



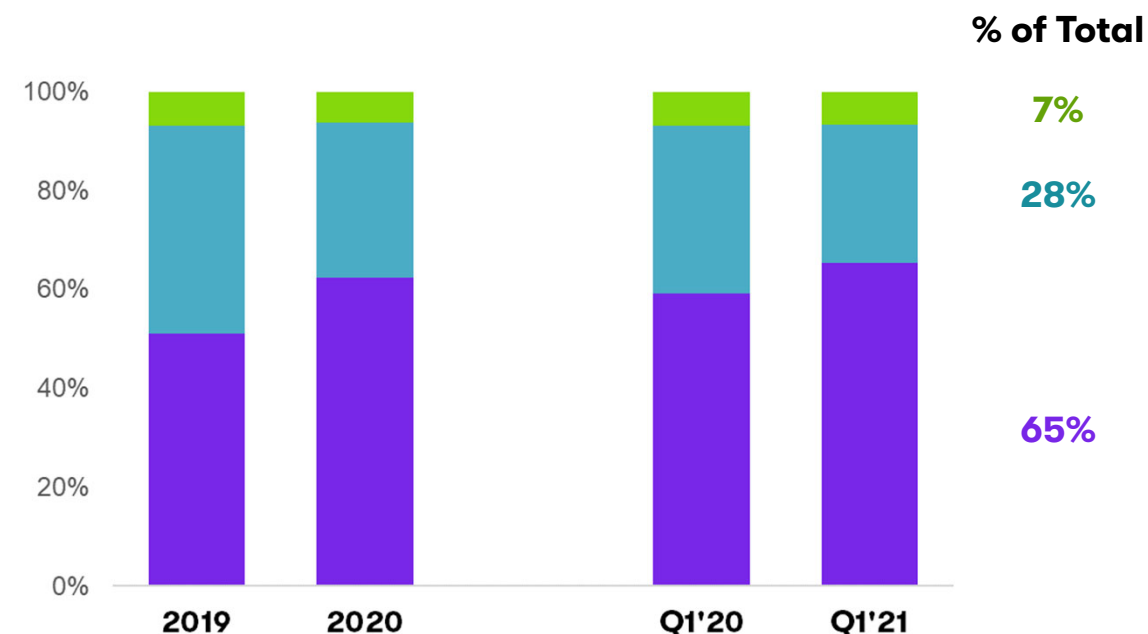
TOTAL REVENUE & MIX

Total Revenue



■ Software Licenses and Maintenance
 ■ Integrated Solutions
 ■ Professional Services

Revenue Mix



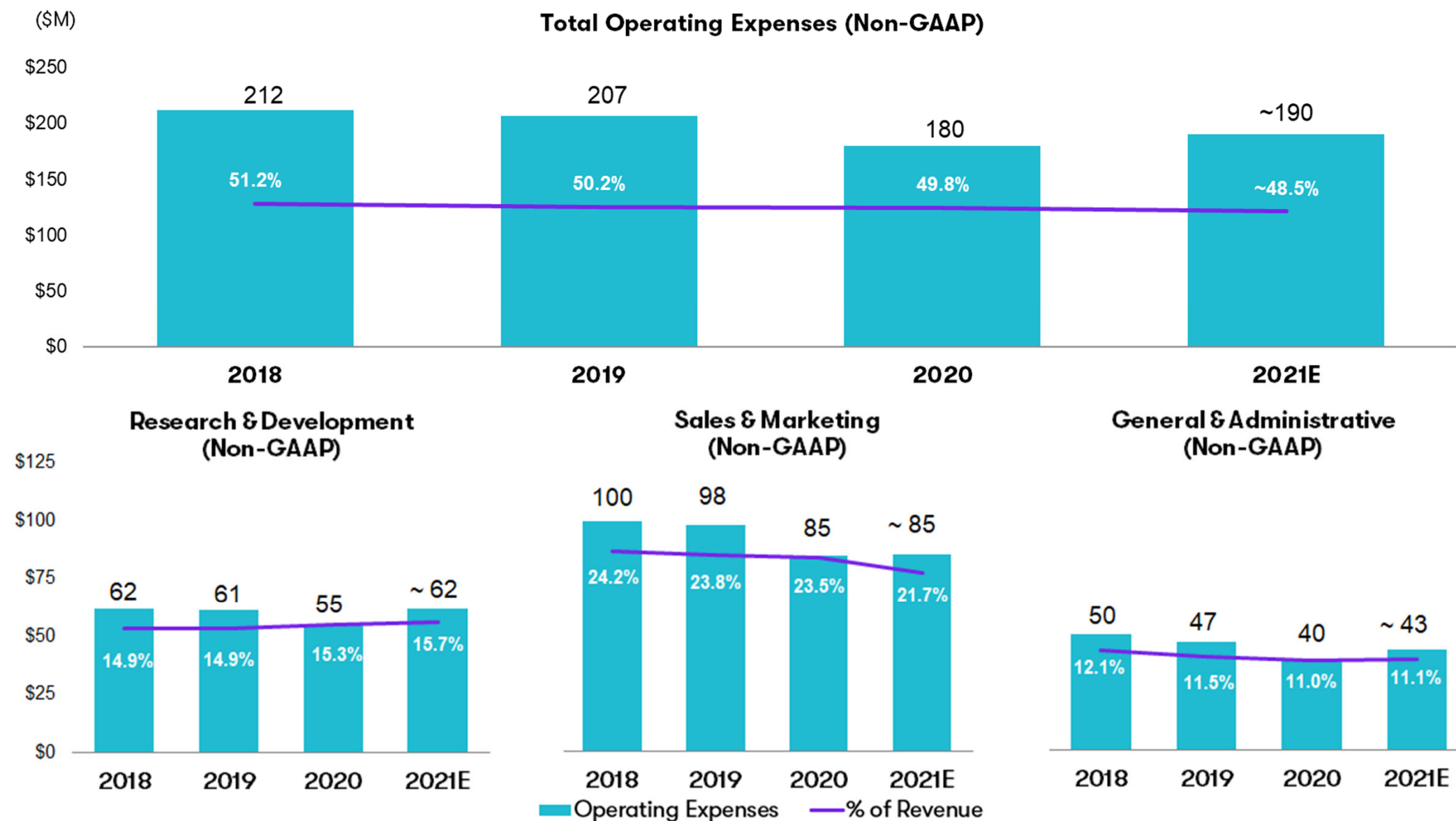
Total revenue rebounded from impact of COVID, with +9.2% YoY growth in Q1'21

Mix shift to software licenses and maintenance from 51% in 2019 to 65% in Q1 2021 is driving improvement in gross margin



2021G = 2021 guidance range. See Appendix for non-GAAP reconciliations

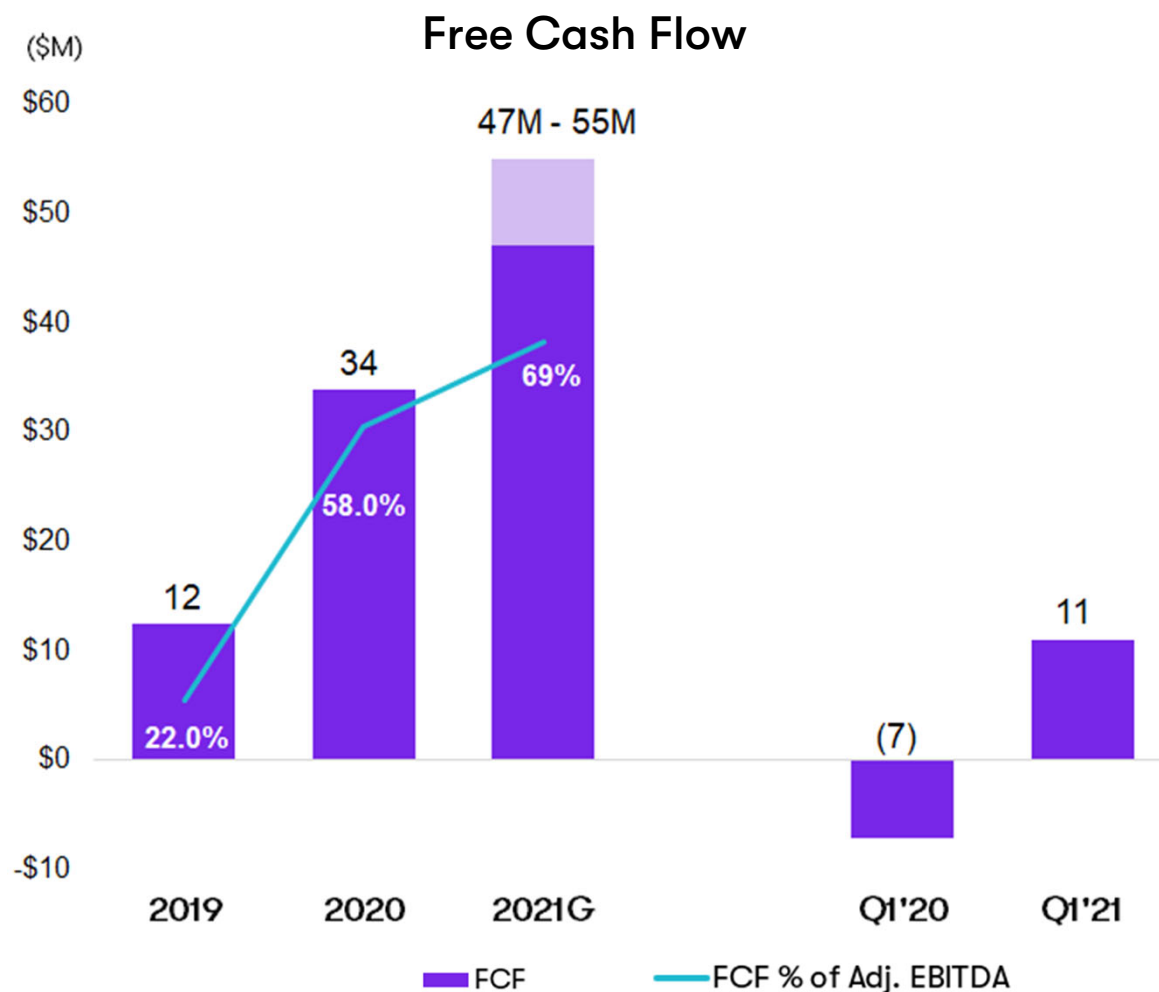
OPERATING EXPENSE EFFICIENCY



2021E = 2021 estimate consistent with the guidance range.
See Appendix for non-GAAP reconciliations

FREE CASH FLOW & CAPITAL EXPENDITURES

Strong Free Cash Flow and YoY growth, with Free Cash Flow approaching 70% of Adjusted EBITDA in 2021



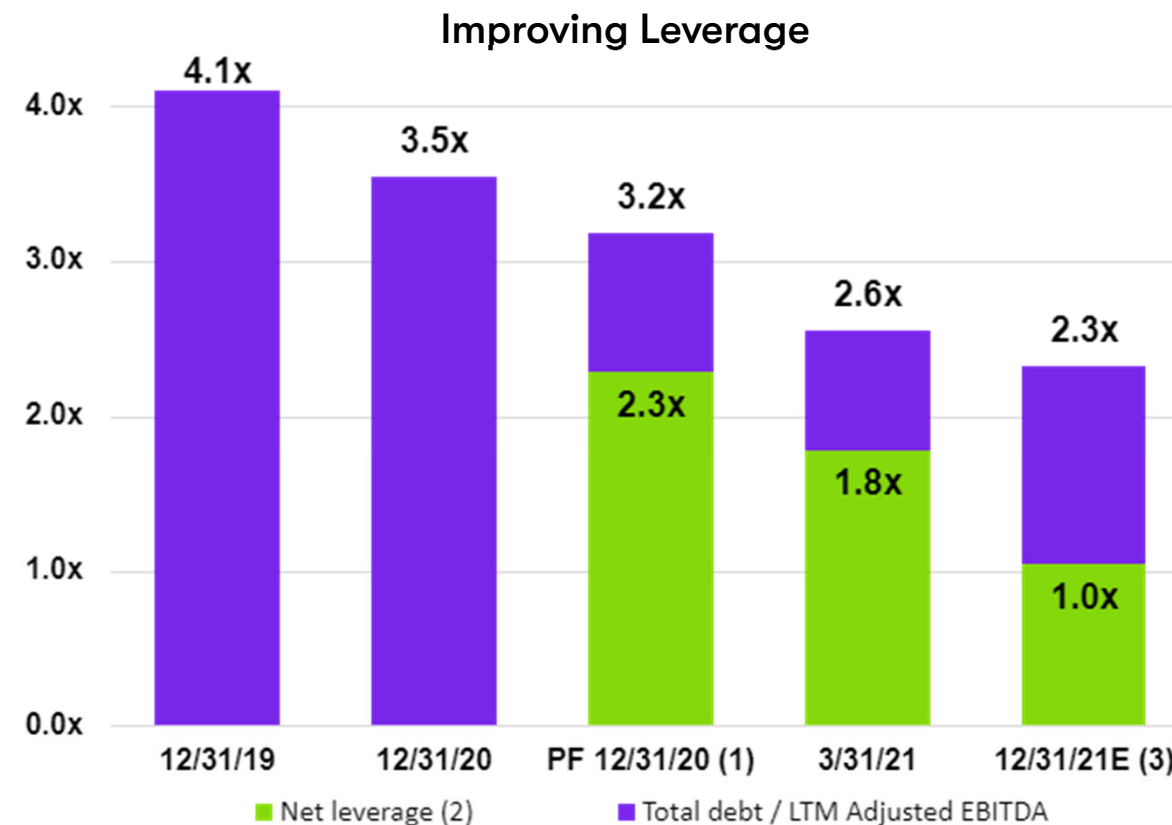
2021G = guidance range; 2021E = 2021 estimate consistent with the guidance range. See Appendix for non-GAAP reconciliations

SIGNIFICANTLY REDUCED LEVERAGE

Creates options for future capital deployment

Strong Free Cash Flow and YoY growth in Adjusted EBITDA have improved credit metrics

The January 2021 refinancing further reduces leverage, and provides additional financial flexibility and liquidity to support strategy and growth plans



(1) Pro forma for term loan refinance completed on January 5, 2021 which reduced total debt by \$21 million and total cash by \$27 million.

(2) Net leverage is (total debt – cash and cash equivalents) / LTM Adjusted EBITDA

(3) Leverage at 12/31/21E assumes midpoint of FCF guidance, scheduled amortization of term loan and forgiveness of full amount of PPP loan in 2021

Note: See Appendix for reconciliation of LTM Adjusted EBITDA



Q2 AND FY 2021 GUIDANCE

(\$M, except per share)	Q2 2021 Guidance		Full-Year 2021 Guidance	
	Low	High	Low	High
Revenue	\$88.5	\$94.5	\$382	\$402
Subscription & Maintenance Revenue	\$51	\$55	\$217	\$225
Non-GAAP Net Income per Share ⁽¹⁾	\$0.19	\$0.27	\$1.05	\$1.27
Adjusted EBITDA	\$13	\$17	\$69	\$79
Free Cash Flow			\$47	\$55



(1) Assumes 46.7M shares for Q2 2021 and 46.6M shares for FY 2021

KEY LONG-TERM MODEL ASSUMPTIONS

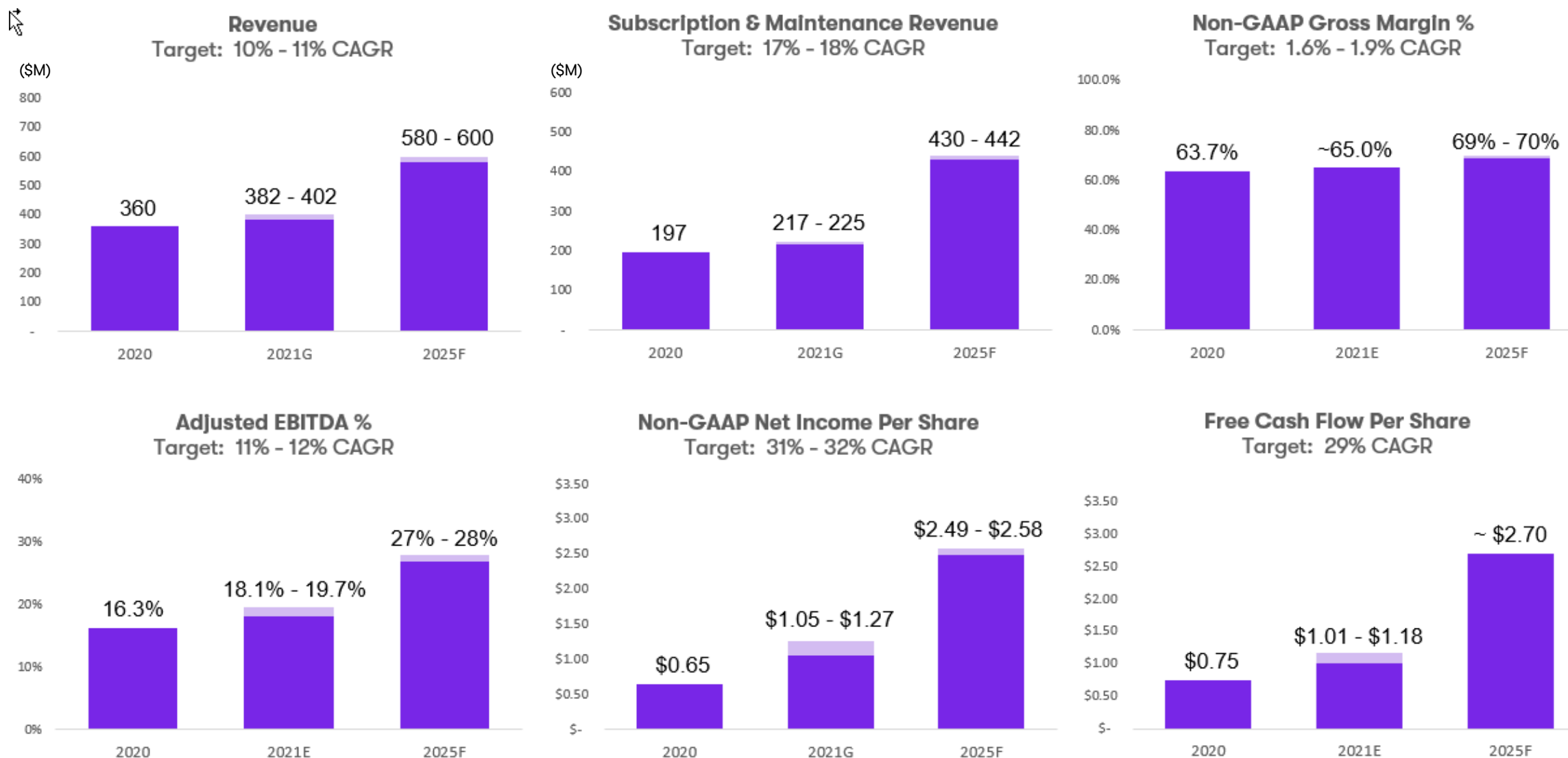
Significant achievement against 2019 Investor Day plan and metrics

Key Metric	Achievement to 2019 Investor Day	2022 to 2025 Organic Model Assumptions
Revenue Growth	☑	High single digit in 2022 with incremental improvement through 2025 with recurring revenue mix in mid 70% range in 2022 improving to low 80s in 2025
Subscription & Maintenance Growth	☑	High teens growth in 2022 through 2025 with subscription revenue growing to 60%+ of total revenue in 2025
Non-GAAP Gross Margin %	☑	Mid 60% range in 2022, approaching 69% to 70% by 2025
OPEX % of Revenue	☑	High 40's range in 2022 with incremental improvement through 2025
Adj. EBITDA % of Revenue	☑	High teens/low 20's in 2022 improving to mid to high 20's in 2025
EBITDA to FCF Conversion	☑	Mid 70%'s in 2022 improving to low/mid 80%'s in 2025
Free Cash Flow	☑	Mid \$60M's in 2022 improving to mid \$130M's in 2025
CapEx	☑	\$M high teens; 2.5% to 4.5% of revenue Investments to scale subscription/SaaS, CapEx to be higher in 2022-23
Non-GAAP Cash Taxes	☑	Cash tax rate not to exceed 8% due to NOLs



We do not consider our five-year operating model for 2022 through 2025 to be financial guidance, and we do not intend to provide any updates with respect to such outlook.

KEY LONG-TERM MODEL TARGETS

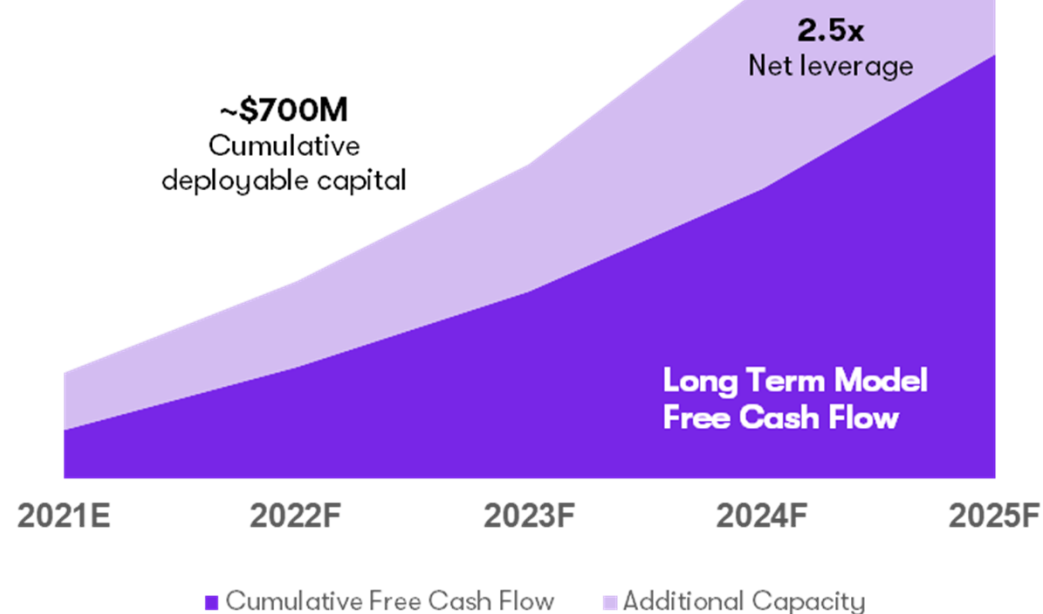


2021G = 2021 Guidance; 2021E = 2021 estimate consistent with guidance. We do not consider our five-year operating model for 2022F through 2025F to be financial guidance, and we do not intend to provide any updates with respect to such outlook. Additional capital deployment could drive an incremental Non-GAAP Net Income per Share of \$0.62 and Free Cash Flow per share of \$1.05 in 2025F.

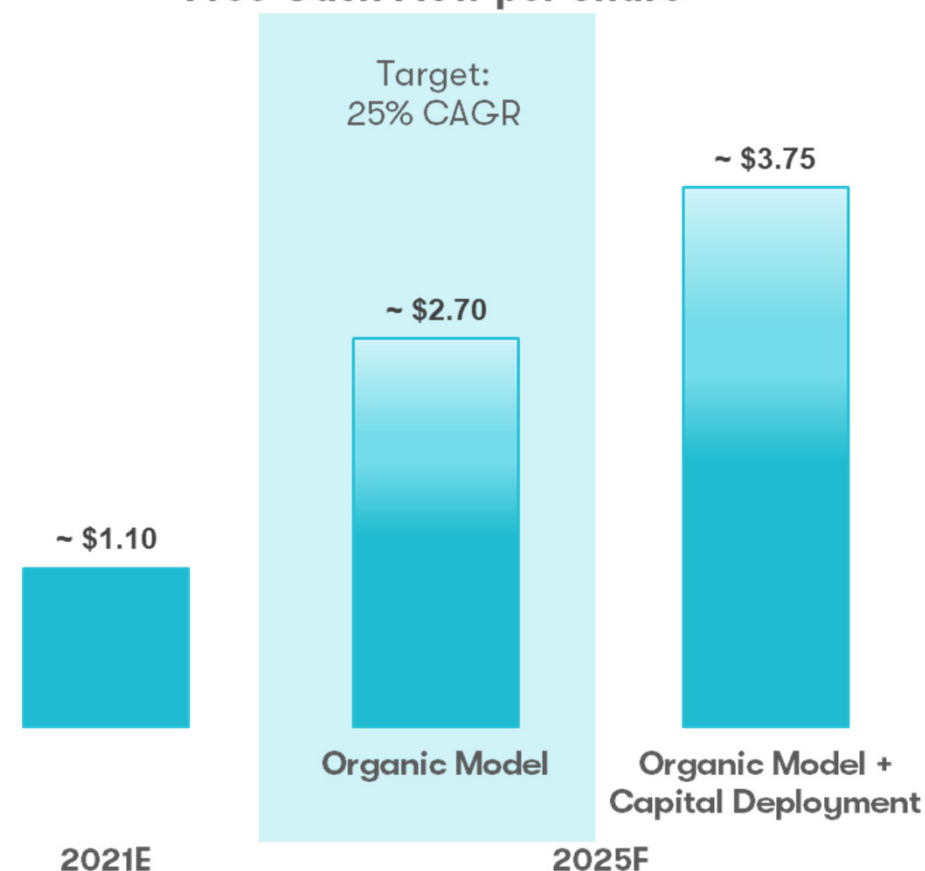
CAPITAL DEPLOYMENT IN ACTION

Deployment Priorities to Build Shareholder Return

- Organic reinvestment
- Maintain responsible leverage
- Strategic, accretive M&A
- Consider share repurchases



Free Cash Flow per Share



2021E = 2021 estimate consistent with guidance. We do not consider our five-year operating model for 2022F through 2025F to be financial guidance, and we do not intend to provide any updates with respect to such outlook.

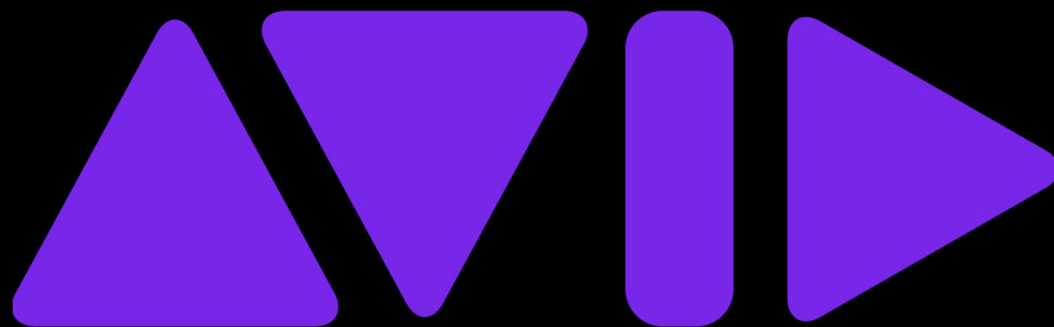
2021 Avid
Investor
Day

Q&A



2021 Avid Investor Day





POWERING
GREATER
CREATORS

RECONCILIATION OF NON-GAAP MEASURES

Non-GAAP Gross Margin 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,		Year Ended December 31,			Last Twelve Months (LTM)	
	2021	2020	2020	2019	2018	Q1 2021	Q1 2020
GAAP revenue	\$ 94,364	\$ 86,453	\$ 360,466	\$ 411,788	\$ 413,282	\$ 368,377	\$ 394,922
Non-GAAP Gross Profit							
GAAP gross profit	61,416	53,151	228,320	249,075	239,164	236,585	240,944
Amortization of intangible assets	-	-	-	3,738	7,800	-	1,788
Stock-based compensation	440	200	1,339	617	321	1,579	748
Non-GAAP Gross Profit	\$ 61,856	\$ 53,351	\$ 229,659	\$ 253,430	\$ 247,285	\$ 238,164	\$ 243,480
GAAP Gross Margin	65.1%	61.5%	63.3%	60.5%	57.9%	64.2%	61.0%
Non-GAAP Gross Margin	65.6%	61.7%	63.7%	61.5%	59.8%	64.7%	61.7%
Non-GAAP Operating Expenses							
GAAP operating expenses	50,870	53,603	196,753	216,972	225,480	194,020	214,703
Less Amortization of intangible assets	(105)	(96)	(411)	(695)	(1,450)	(420)	(428)
Less Stock-based compensation	(2,977)	(1,909)	(9,325)	(7,341)	(5,937)	(10,393)	(7,581)
Less Restructuring costs, net	(1,074)	(145)	(5,046)	(631)	(5,148)	(5,975)	(218)
Less Restatement costs	-	-	-	18	(826)	-	10
Less Acquisition, integration and other costs	(369)	183	(832)	(1,446)	(361)	(1,384)	(1,112)
Less Efficiency program costs	(48)	(131)	(1,331)	(250)	(94)	(1,248)	(378)
Less COVID-19 related expenses	(2)	(186)	(278)	-	-	(94)	(186)
Non-GAAP Operating Expenses	\$ 46,295	\$ 51,319	\$ 179,530	\$ 206,627	\$ 211,664	\$ 174,506	\$ 204,810
GAAP Operating Expense Margin	53.9%	62.0%	54.6%	52.7%	54.6%	52.7%	54.4%
Non-GAAP Operating Expense Margin	49.1%	59.4%	49.8%	50.2%	51.2%	47.4%	51.9%

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.

Non-GAAP R&D, S&M and G&A expenses exclude same items as Non-GAAP Operating Expenses



RECONCILIATION OF NON-GAAP MEASURES

Non-GAAP Operating Income & Adjusted EBITDA

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)	
	2021	2020	2020	2019	2018	Q1 2021	Q1 2020
Non-GAAP Operating Income and Adjusted EBITDA							
GAAP net income (loss)	4,391	(5,857)	11,062	7,601	(10,674)	21,310	1,957
Interest and other expense	5,673	5,283	19,133	29,578	23,087	19,523	29,676
Provision for income taxes	482	122	1,372	(5,076)	1,271	1,732	(5,392)
GAAP operating income (loss)	10,546	(452)	31,567	32,103	13,684	42,565	26,241
Amortization of intangible assets	105	96	411	4,433	9,250	420	2,216
Stock-based compensation	3,417	2,109	10,664	7,958	6,258	11,972	8,329
Restructuring costs, net	1,074	145	5,046	631	5,148	5,975	218
Restatement costs	-	-	-	(18)	826	-	(10)
Acquisition, integration and other costs	369	(183)	832	1,446	361	1,384	1,112
Efficiency program costs	48	131	1,331	250	94	1,248	378
COVID-19 related expenses	2	186	278	-	-	94	186
Non-GAAP Operating Income	\$ 15,561	\$ 2,032	\$ 50,129	\$ 46,803	\$ 35,621	\$ 63,658	\$ 38,670
Depreciation	2,119	2,142	8,505	9,202	11,891	8,482	8,916
Adjusted EBITDA	\$ 17,680	\$ 4,174	\$ 58,634	\$ 56,005	\$ 47,512	\$ 72,140	\$ 47,586
GAAP net income margin	4.7%	(6.8%)	3.1%	1.8%	-2.6%	5.8%	0.5%
Adjusted EBITDA Margin	18.7%	4.8%	16.3%	13.6%	11.5%	19.6%	12.0%

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 LTM ADJUSTED EBITDA

Non-GAAP Net Income 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,		Year Ended December 31,			Last Twelve Months (LTM)	
	2021	2020	2020	2019	2018	Q1 2021	Q1 2020
Non-GAAP Net Income							
GAAP net income (loss)	4,391	(5,857)	11,062	7,601	(10,674)	21,310	1,957
Amortization of intangible assets	105	96	411	4,433	9,250	420	2,216
Stock-based compensation	3,417	2,109	10,664	7,958	6,258	11,972	8,329
Restructuring costs, net	1,074	145	5,046	631	5,148	5,975	218
Restatement costs	-	-	-	(18)	826	-	(10)
Acquisition, integration and other costs	369	(183)	832	1,446	361	1,384	1,112
Efficiency program costs	48	131	1,331	250	94	1,248	378
COVID-19 related expenses	2	186	278	-	-	94	186
Loss on extinguishment of debt	3,748	7	-	7,371	-	3,741	7,378
Tax impact of non-GAAP adjustments	(149)	(10)	(496)	(7,493)	(726)	(635)	(7,465)
Non-GAAP Net Income (loss)	\$ 13,005	\$ (3,376)	\$ 29,128	\$ 22,179	\$ 10,537	\$ 45,509	\$ 14,299
Weighted-average common shares outstanding - basic	44,559	43,254	43,822	42,649	41,662	44,146	42,947
Weighted-average common shares outstanding - diluted	46,204	43,254	44,878	43,495	41,662	45,171	43,306
Non-GAAP Earnings Per Share - basic	\$ 0.29	\$ (0.08)	\$ 0.66	\$ 0.52	\$ 0.25	\$ 1.03	\$ 0.33
Non-GAAP Earnings Per Share - diluted	\$ 0.28	\$ (0.08)	\$ 0.65	\$ 0.51	\$ 0.25	\$ 1.01	\$ 0.33
Free Cash Flow							
GAAP net cash provided by (used in) operating activities	12,313	(5,605)	39,555	19,641	15,822	57,473	7,660
Capital expenditures	(1,254)	(1,479)	(5,692)	(7,185)	(9,936)	(5,467)	(6,897)
Free Cash Flow	\$ 11,059	\$ (7,084)	\$ 33,863	\$ 12,456	\$ 5,886	\$ 52,006	\$ 763
Free Cash Flow conversion of Adjusted EBITDA	62.6%	(169.7%)	57.8%	22.2%	12.4%	72.1%	1.6%

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 and are not intended to represent a measure of performance in accordance with, or to be used as a substitute for, non-GAAP information supplements, and is not intended to represent a measure of performance in accordance with, and by generally accepted accounting principles, or GAAP. Non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, financial measures determined in accordance with GAAP.



DEFINITIONS OF OPERATIONAL METRICS

- Cloud-enabled software subscriptions as of the end of a quarter represent the number of paid subscription licenses under an active contract as of that date, excluding any licenses that may be receiving service under an active contract but that are not paid for at that time by the customer, whether due to a promotion, cancellation or otherwise. For comparison purposes, subscription numbers for previous quarters have been adjusted from previously published numbers to (i) include multi-year and multi-seat licenses, and (ii) exclude certain terminated subscription licenses.
- Recurring Revenue is defined as the sum of subscription revenue, maintenance revenue and revenue under our long-term contractual agreements.
- LTM Recurring Revenue % is Recurring Revenue divided by Total Net Revenue for the most recent four quarters.
- Annual Contract Value is defined, as of a given date, as the sum of the following three components: (i) the annual value of all long-term contractual agreements in effect on such date, calculated by dividing the total value of each contract (excluding expected maintenance revenue included in (ii) below and expected subscription revenue included in (iii) below) divided by the total number of years of such contract, (ii) maintenance revenue for the quarter ended on such date, multiplied by four, and (iii) subscription revenue for the quarter ended on such date, multiplied by four.
- Revenue Backlog consists of firm orders received and includes both (i) orders where the customer has been invoiced in advance of our performance obligations being fulfilled and (ii) orders for future product deliveries or services that have not yet been invoiced by us.

