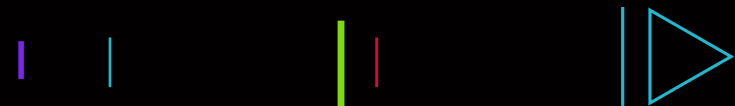


2022 Avid
Investor
Day

MUSIC CREATION

DANA RUZICKA
General Manager
Audio & Music Solutions



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



Creative Software



IO & Acceleration

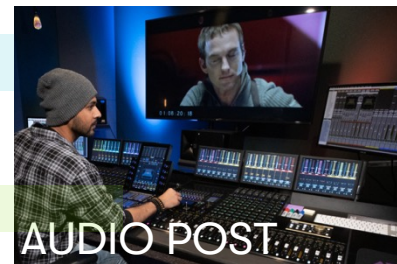


Consoles & Control Surfaces



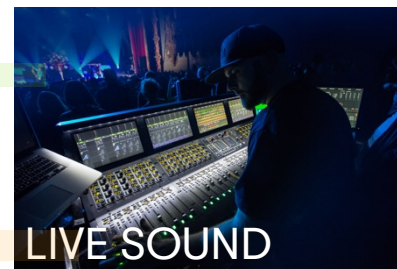
MUSIC CREATION

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 a preferred choice for the biggest festivals, theatrical productions and performance venues

INDUSTRY LEADER



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

REVENUE COMPOSITION 2021

Live Sound

Audio Post



Music Creation

WE OPERATE IN A LARGE & GROWING MARKET

With significant room for software subscription and cloud service expansion

\$25.9B

+13% CAGR
(2019-21)

Global Recorded Music
Industry Revenue
(2021E)

20M+

2022E

Global music creators
uploading tracks to digital
streaming platforms

>\$100B

2021E
+7% CAGR
'19-'22E

Global spend by top
8 studios and streaming
services on video content

Avid TAM for audio and music
software, services and hardware

TOTAL TAM
\$2.9B

(2022E)

+7% CAGR
(2021-25E)

SOFTWARE & SERVICES
TAM

+10% CAGR
(2021-25E)

Avid Market Share

5.7%

Avid Software Growth

11%

(2020-2021)



Sources: IFPI, MIDiA Research, Ampere, Avid

RIDING CONTINUOUS WAVE OF INNOVATION

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



Massive performance and workflow gains with Hybrid Engine for integrated Pro Tools systems

Significantly enhanced control surface capabilities via regular software updates



Expanded smart hardware integration with Pro Tools software

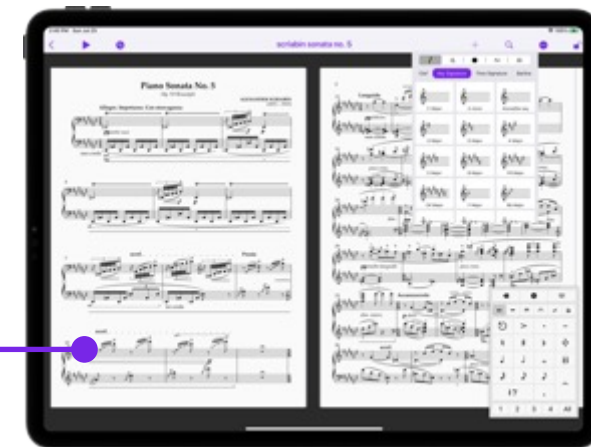


Continuous Pro Tools software enhancements, delivery of new features and value-add content for subscription

On-the-go music notation with Sibelius Mobile

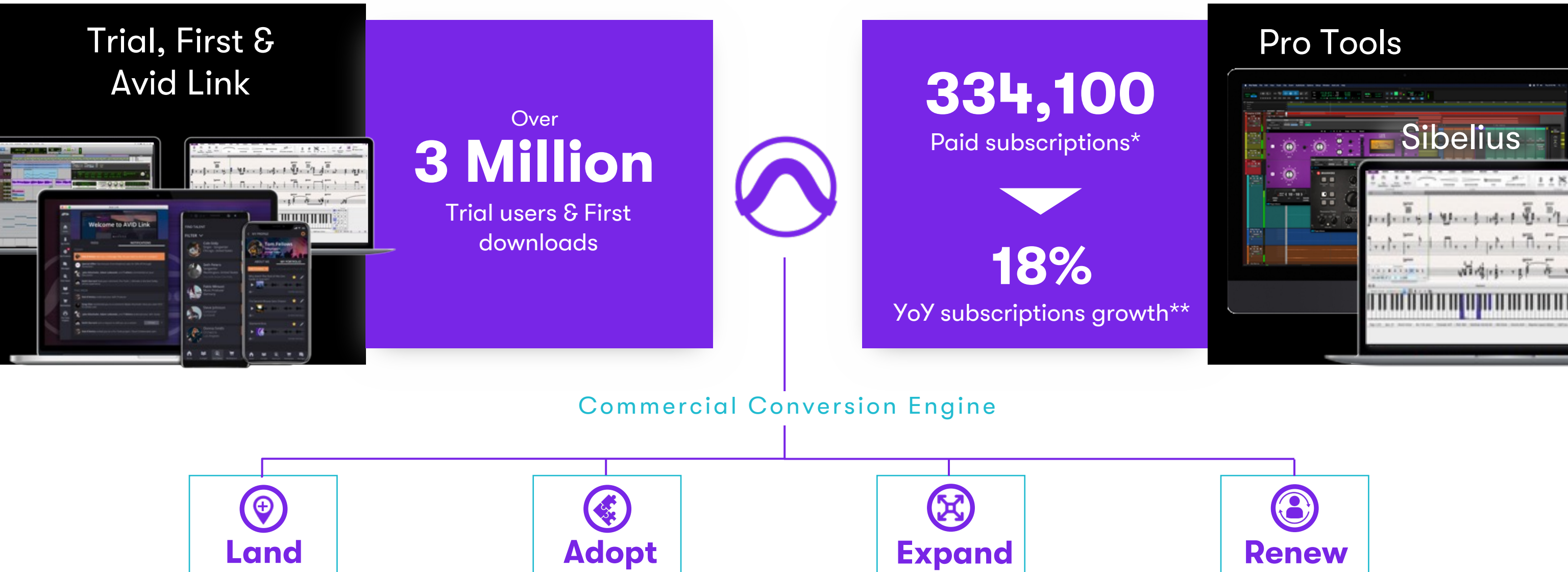


Accessible tools for musicians to produce immersive audio



SOFTWARE SUBSCRIPTION AT THE CORE

Fast-growing Pro Tools and Sibelius software subscription business with significant room for further expansion



*As of March 31, 2022
** March 31, 2021 to March 31, 2022



MUSIC CREATION GROWTH DRIVERS



AUDIO POST & LIVE SOUND GROWTH DRIVERS



TECHNOLGY & COMMERCIAL FOR GROWTH

Audio & Music Solutions



NEW CUSTOMER EXPANSION

Music Creation market spans aspiring creators to established top tier pros & artists, streaming platforms dramatically expanding pool of self publishers

POTENTIAL
SUBSCRIBERS

CUSTOMER SEGMENTATION

AVID STRATEGY FOR EXPANSION

10,000s
—
MILLIONS
—
10s MILLIONS



- Film and television post-production, professional music studios, and high budget individual producers
- Estimated annual spend of \$600M



- Professional and aspirational creatives
- Core self-publishing segment
- Estimated annual spend of \$600M
- Average individual spend > \$200E per year



- Light hobbyist and introductory creatives
- Aspirational self-publishing segment
- Estimated annual spend of \$300M
- Average individual spend < \$100E per year

Avid “Pro”
Customer
Today

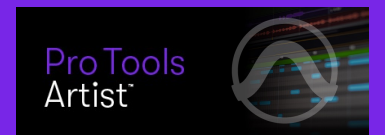
Expanding into



Serious
Music Creator

Casual
Music Creator
Opportunistic

1. Leverage Avid brand affinity with top tier artists and pros to attract aspiring creatives
2. Match product experience and pricing to targeted personas
3. Enhance creative toolset with a focus on “time to fun” and value for money

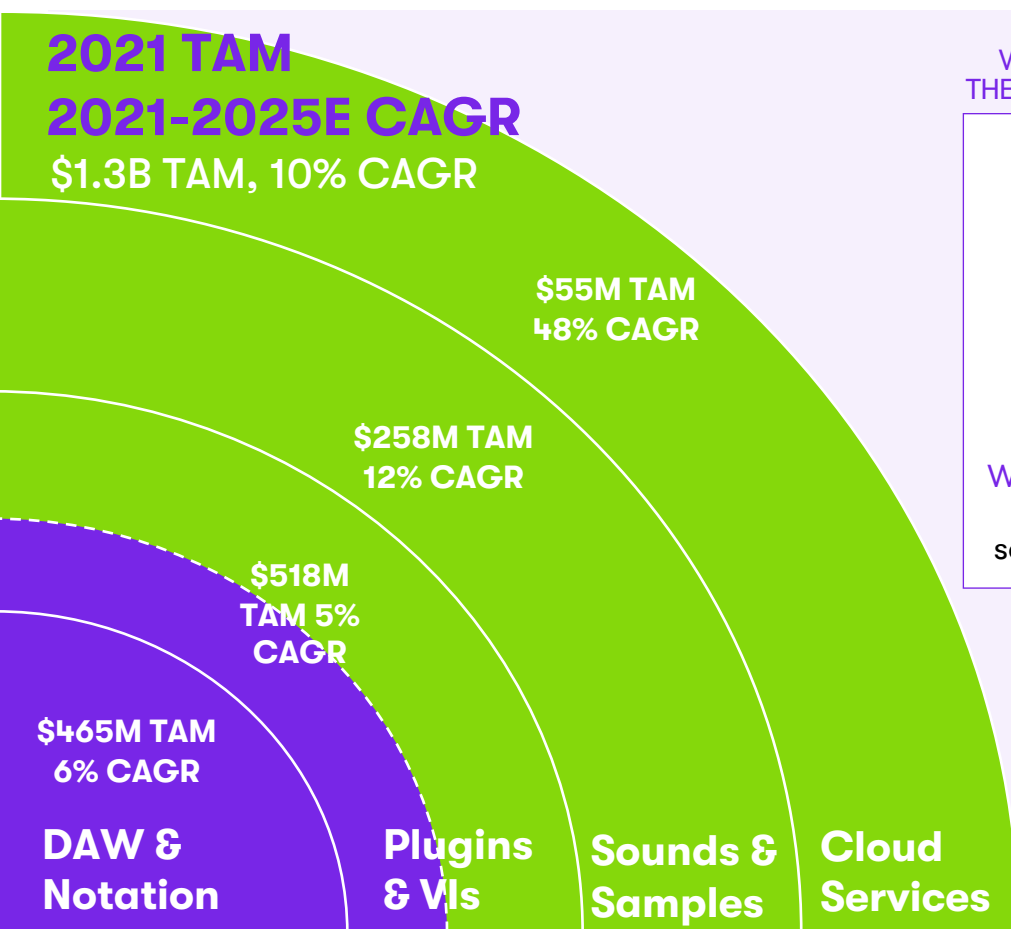


Avid is **uniquely positioned** to fulfill the **needs and aspirations** of the **serious music creator**

CATEGORY EXPANSION

Avid core is DAW & notation today, with expansion opportunity from cross-sell of plugins, virtual instruments, sounds and samples

PRODUCT CATEGORY SEGMENTATION



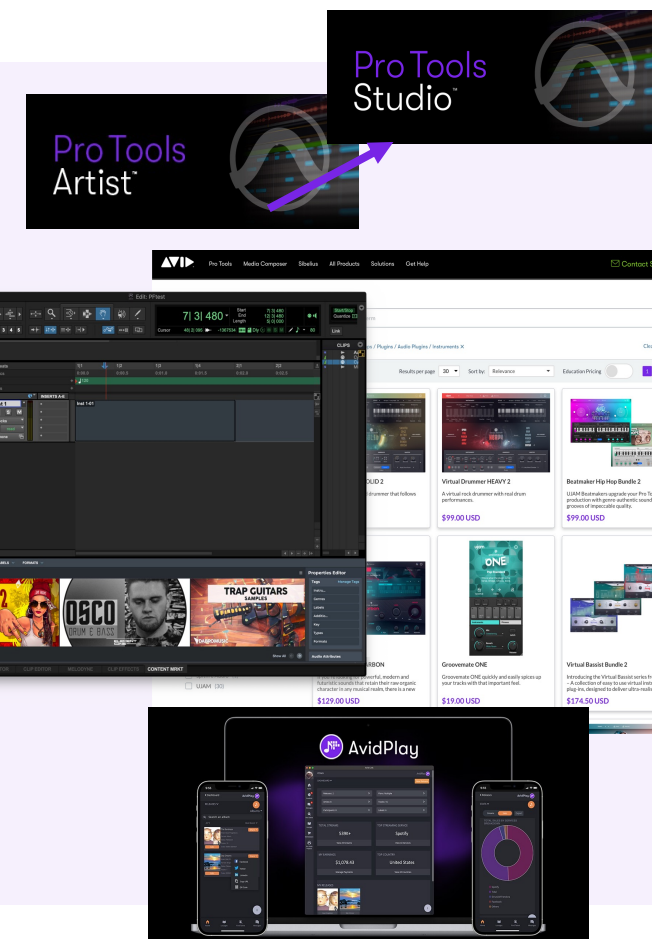
WE BELIEVE IN THE FUTURE THAT...

For every
\$1
on DAW SW
(Pro Tools)

\$3
Will be spent on
plugins, VI,
sounds & cloud

AVID STRATEGY FOR EXPANSION

- 1) UPGRADES & CROSS-SELL
Pro Tools tiers, Sibelius
- 2) MARKETPLACE
In-app, mobile, online
Sounds, Beats, Plugins, VIs
- 3) CLOUD SERVICES
Mastering, Music Distribution



Avid Today

Category Expansion Opportunity

Sources: MIDiA Research

NEW 2022 PRO TOOLS TIERS

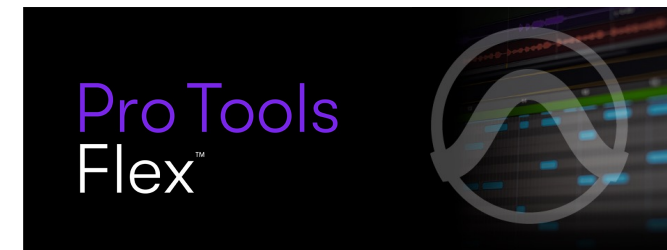
Starting April 26, 2022 Pro Tools offering expanded to reach a broader audience and provide optimal value for all user personas



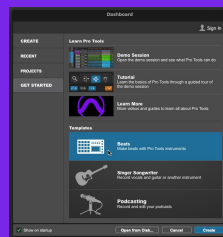
Next-gen, entry-level music creators / hobbyists
\$9.99/month
\$99/year



Aspiring and serious music producers / engineers
\$39.99/month
\$299/year



Audio post facilities / high end music professionals and studios
\$99.99/month
\$999/year



Enhanced "Get Started" User Experience



New built-in virtual instruments



Apple Silicon and macOS Monterey support
Enhanced Windows compatibility



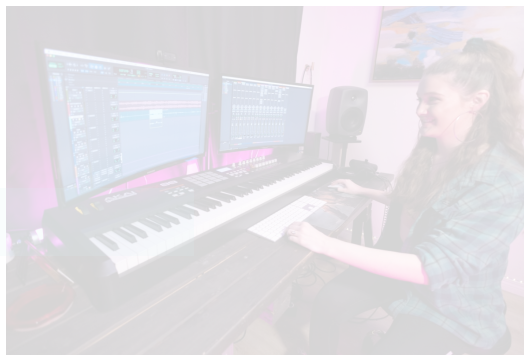
Pro Tools Inner Circle Loyalty Program



END-TO-END UX BUILT FOR GROWTH

Driving ARPU expansion by serving up the appropriate creative tools, community, plugins, VIs, soundware and cloud services for sale, right within the creative process





MUSIC CREATION
GROWTH DRIVERS



AUDIO POST & LIVE SOUND
GROWTH DRIVERS



TECHNOLGY
& COMMERCIAL
FOR GROWTH

Audio & Music Solutions



CONTINUED GROWTH IN 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
➤ **\$100B original content spend** by top 8 leading studios and streaming services in 2021

Investment by audio post facilities

- ▶ FACILITIES INVESTING IN HIGH-END S6-BASED ROOMS
- ▶ BIGGEST CONTROL SURFACES YEAR SINCE 2017

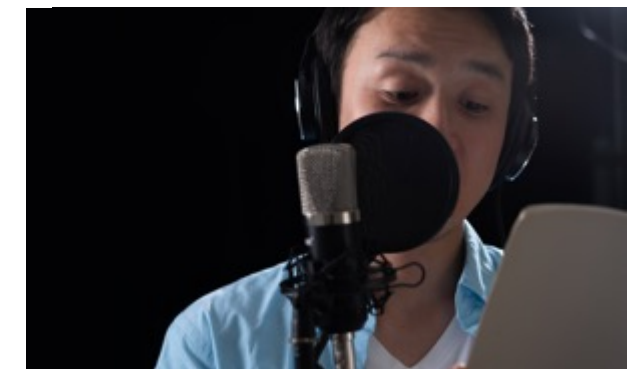
New standards and delivery formats

Heightened competition between providers drives

- ▶ HIGHER-QUALITY REQUIREMENTS
- ▶ DIFFERENTIATED LOCALIZED EXPERIENCE



IMMERSIVE AUDIO FORMATS ARE NOW A DELIVERY REQUIREMENT



NETFLIX ORIGINALS ARE NOW DUBBED IN 30+ LANGUAGES

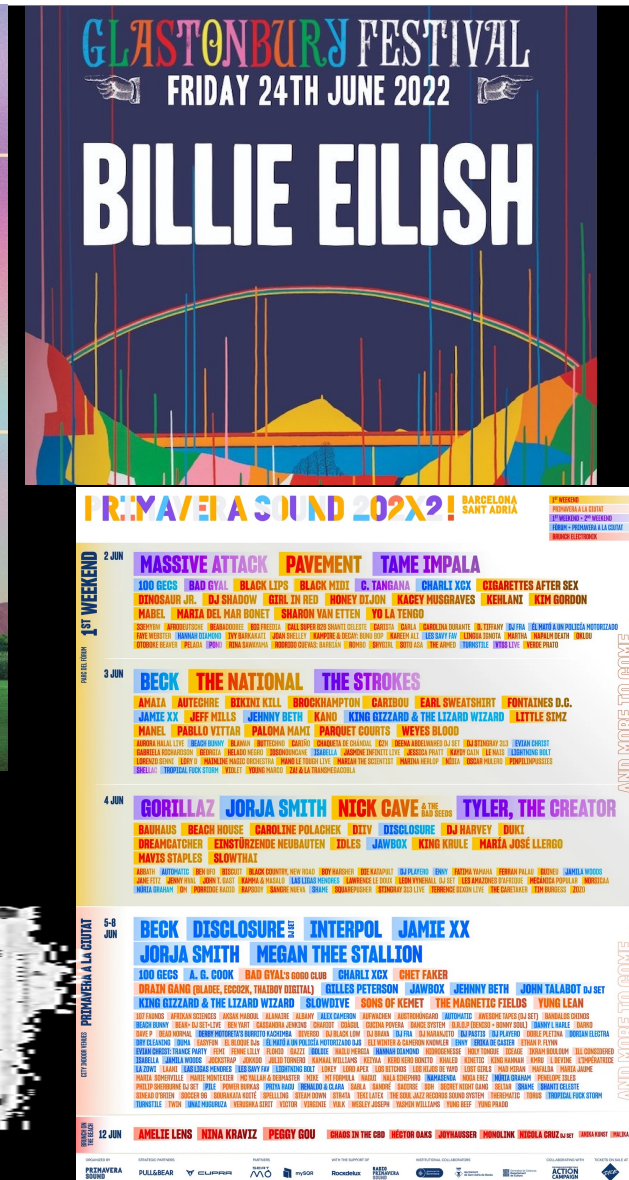


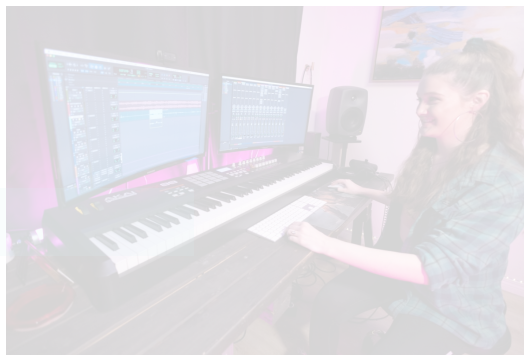
“Live Nation has booked **twice as many shows** for 2022 as it did in 2019”
Live Nation CEO Michael Rapino via NME

LEADING CONSOLE ON RIDERS IN 2022

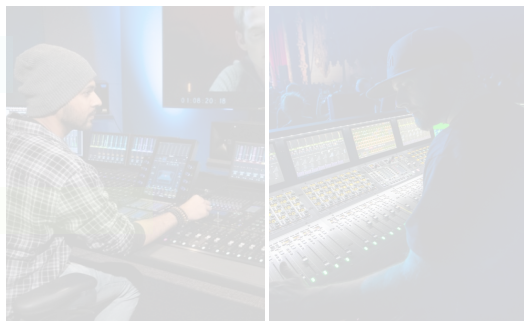
Statista Music Event
Worldwide Report

“S6L is simply the best sounding console in the world.” Gareth Owen 8-time TONY and Olivier winning sound designer





MUSIC CREATION
GROWTH DRIVERS



AUDIO POST
& LIVE SOUND
GROWTH DRIVERS



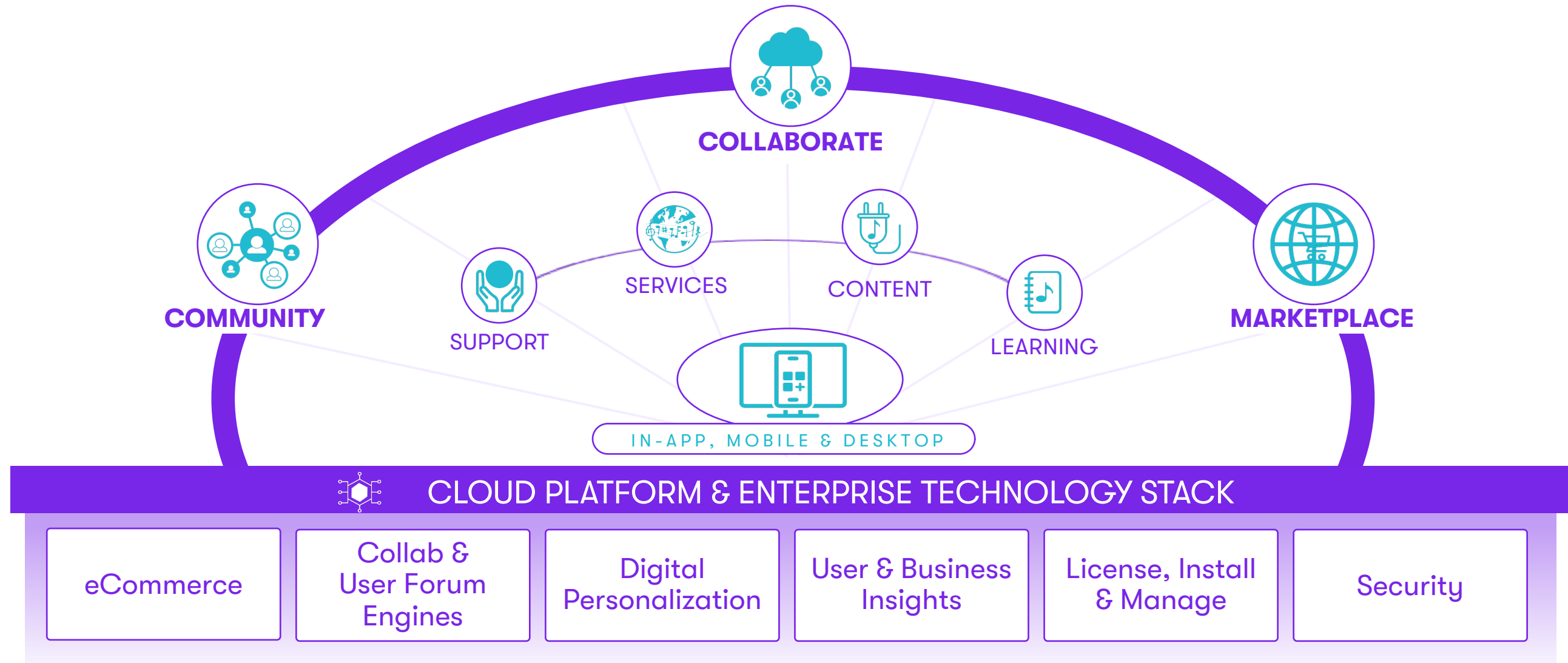
TECHNOLOGY
& COMMERCIAL
FOR GROWTH

Audio & Music Solutions



ENABLED BY A MODERN CLOUD PLATFORM

Delivering the Pro Tools ecosystem at scale across all modalities



EXPLORE (Discover + Access + Create)



IMPROVING OUR CX & UX MATURITY

Through the life of the relationship with the customer

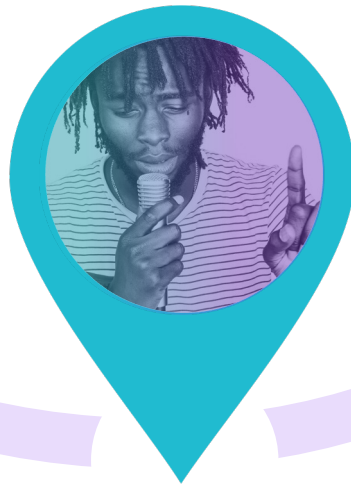


THE NEW CUSTOMER ENGAGEMENT MODEL

LAER customer engagement model – designed to drive subscription growth

- Accelerated subscription growth contribution
- Increased average order value with digital first marketing experience
- Optimize CAC

Land

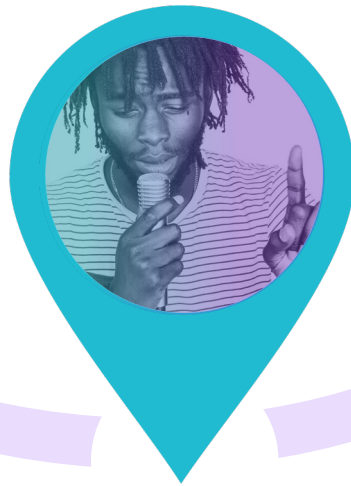


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Land



Adopt

- Shortened customer time-to-value and time to fun
- Personalized learning and nurture campaigns that ensure adoption
- Improved experiences and NPS

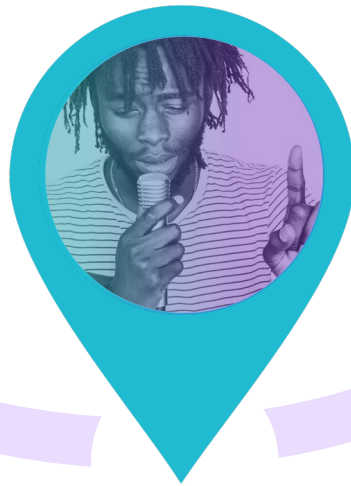


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Expand

- Generate upsell and cross-sell opportunity
- ARPU expansion
- Value creation
- Continuous engagement

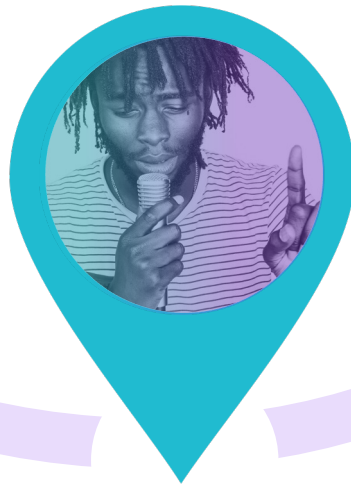


THE NEW CUSTOMER ENGAGEMENT MODEL

LAER customer engagement model – designed to drive subscription growth

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- Increased average order value with digital first marketing experience
- Optimize CAC

Land



Renew

- Maximize retention
- Increase customer lifetime value
- Leverage product usage metrics for uplift in ARR and ARPU



Adopt

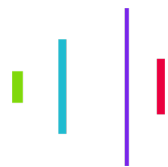
- Shortened customer time-to-value and time to fun
- Personalized learning and nurture campaigns that ensure adoption
- Improved experiences and NPS



Expand

- Generate upsell and cross-sell opportunity
- ARPU expansion
- Value creation
- Continuous engagement





DELIVERING EXPERIENCE AND VALUE

Providing the right customer experiences and value proposition



CUSTOMER
EXPERIENCE



VALUE



LOYALTY



ARPU & CUSTOMER
LIFETIME VALUE



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



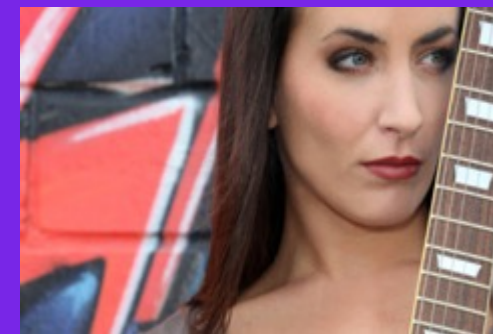
Strong momentum with fast growing software subscription business



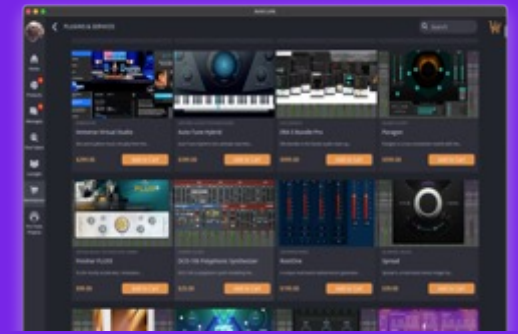
Significant room for subscription growth through user and category expansion

KEY GROWTH DRIVERS

USER EXPANSION



CATEGORY EXPANSION



GROWTH IN POST



GROWTH IN LIVE



2022 Avid
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COMMERCIAL STRATEGY

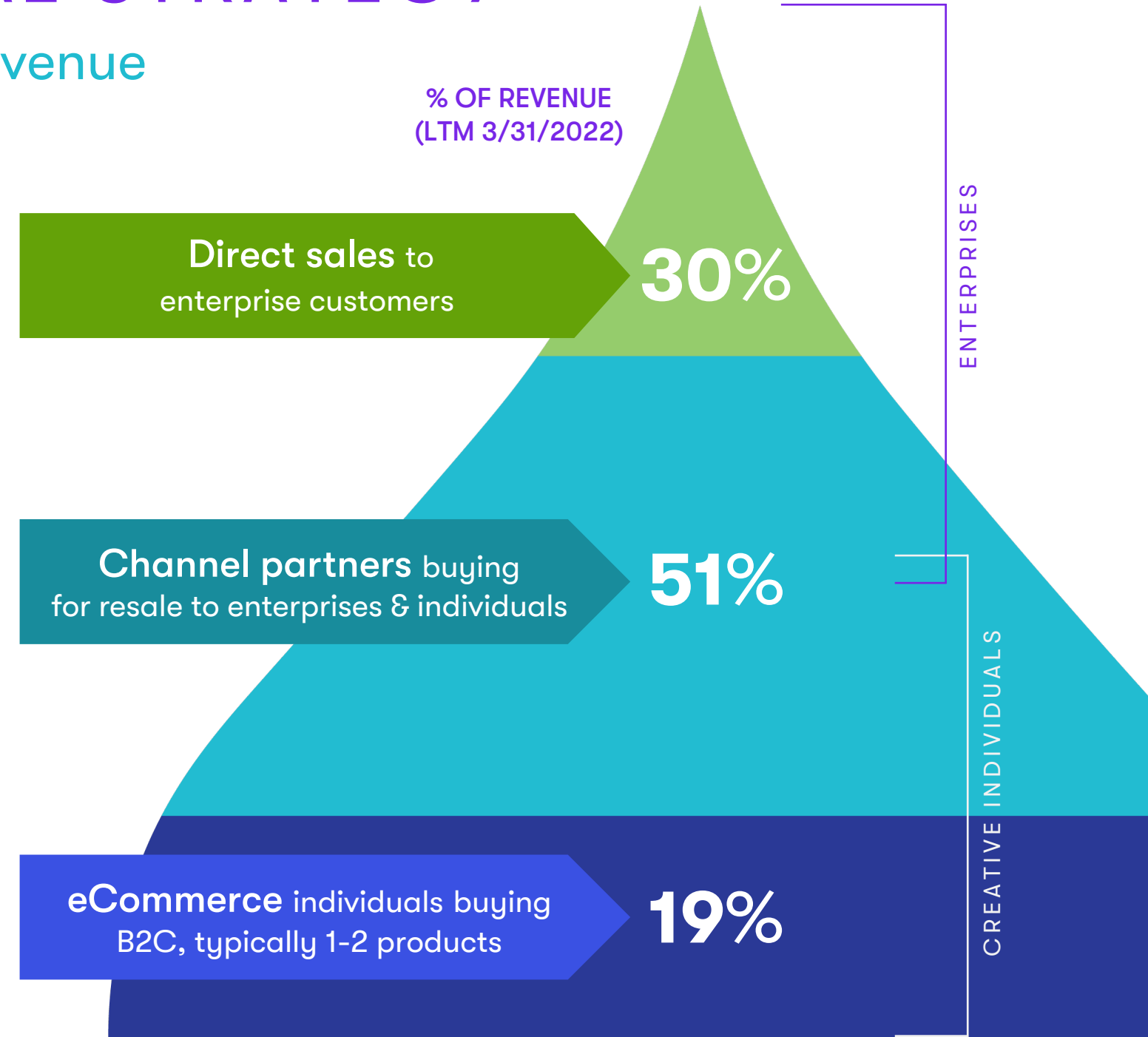
TOM CORDINER
Chief Revenue Officer



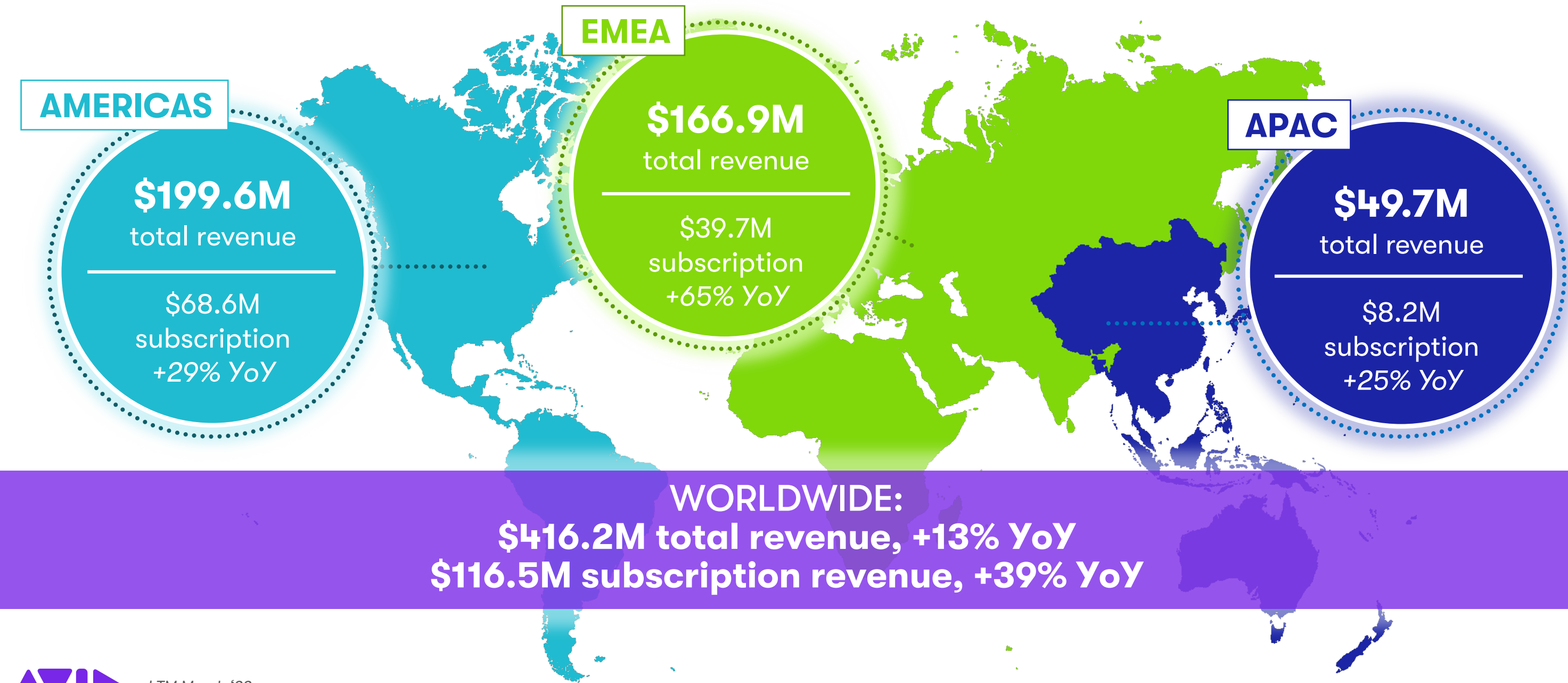
OVERALL COMMERCIAL STRATEGY

Grow subscription and Recurring Revenue

- Grow subscription across all customer types and routes-to-market
- Deliver strong uplift on converting enterprise customers to subscription
- Land new enterprise customer logos
- Nurture and grow Strategic Purchasing Agreements (SPA) with channel partners
- Grow eCommerce sales and improve eCommerce customer experience
- Invest in customer success management to improve adoption, expansion and retention



GLOBAL SCALE ENABLING SUBSCRIPTION REVENUE GROWTH

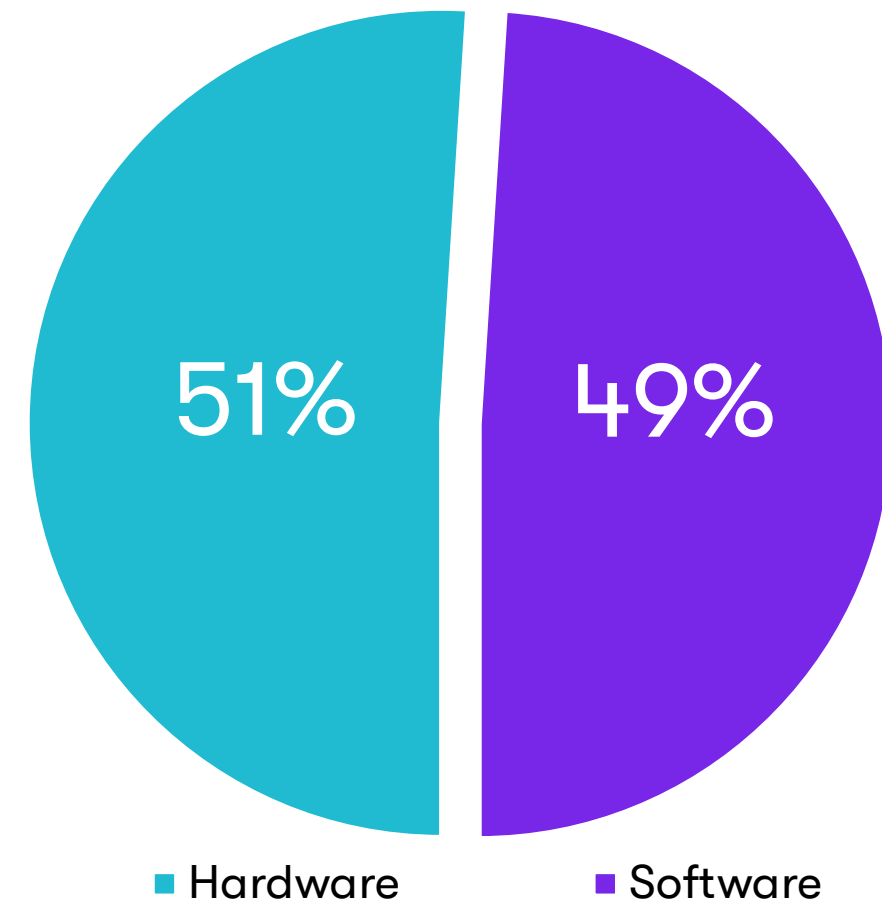


OPTIMIZING MAINTENANCE

Maximizing the value of support contracts

- Software products maintenance
 - Conversions to subscription
 - Future end-of-life of new perpetual licenses
 - Evolution to automated quoting platform for all renewals
- Hardware products maintenance
 - New video subscription offerings that separate software from COTS hardware will reduce hardware maintenance in future
 - Continued growth of audio hardware solutions and related maintenance
 - Focus on price increases and hardware maintenance growth and renewal rates

Maintenance Revenue Split
\$120.9M LTM 3/31/2022



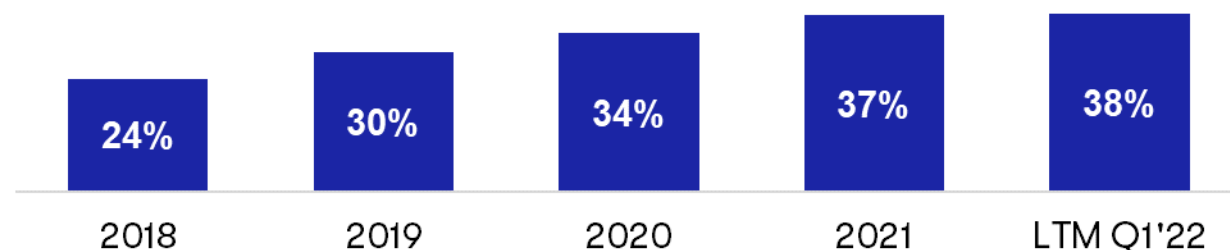


CHANNEL SALES STRATEGY

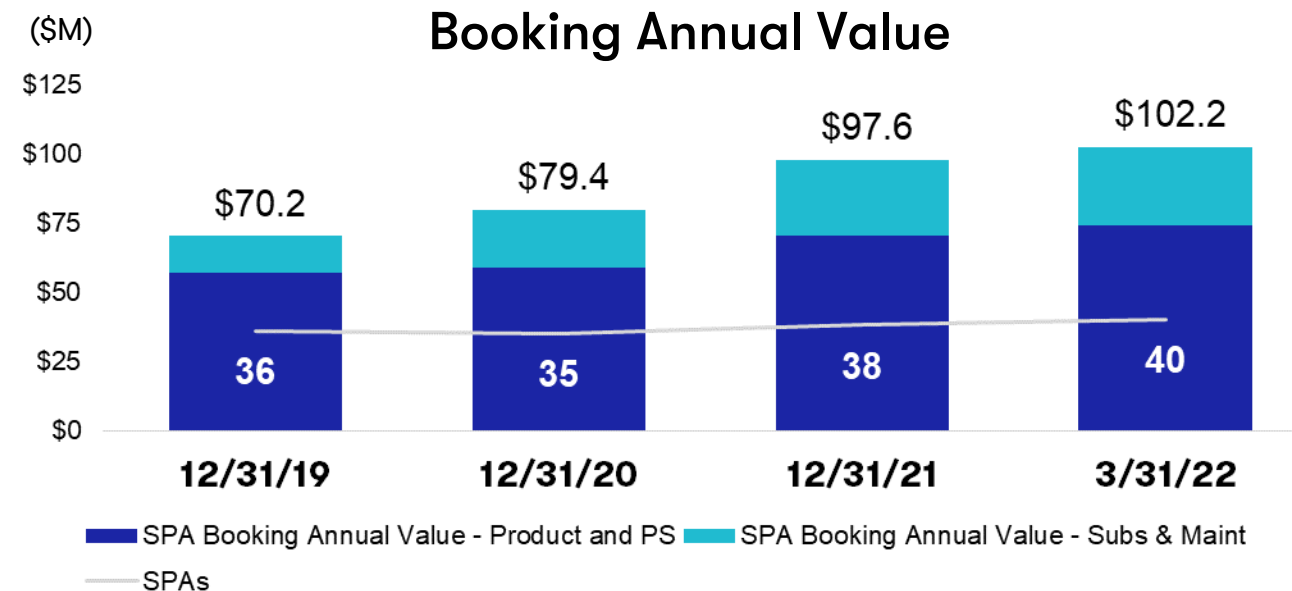
Grow subscription and Strategic Purchasing Agreements

- Channel commercial objectives
 - Drive subscription and Recurring Revenue focus with new partner recruitment, subscription-enabled program and digital enablement
 - Consolidating remaining sub-scale markets and partners into larger master distributors
- Long-term Strategic Purchasing Agreements
 - Transition to predominantly annual agreements
 - Six-tier program to cater to all market segments and regions

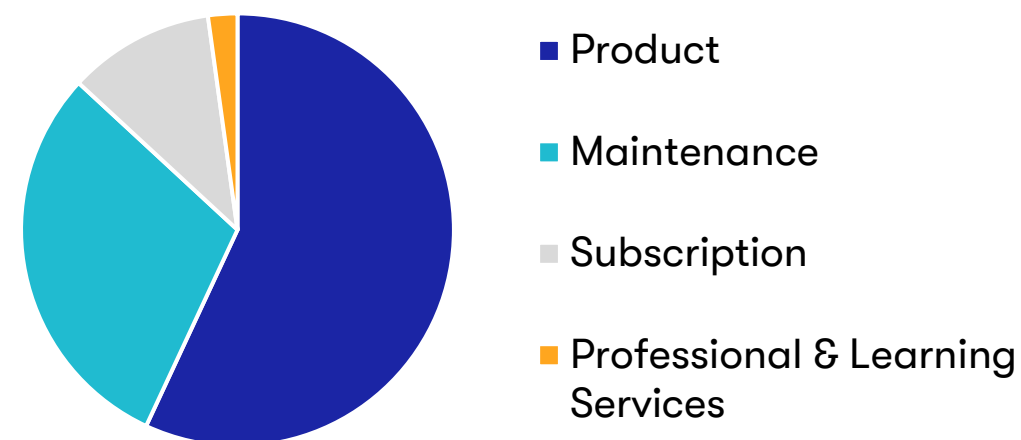
Channel Recurring Revenue as a % of Total Avid Revenue



Strategic Purchasing Agreement Booking Annual Value



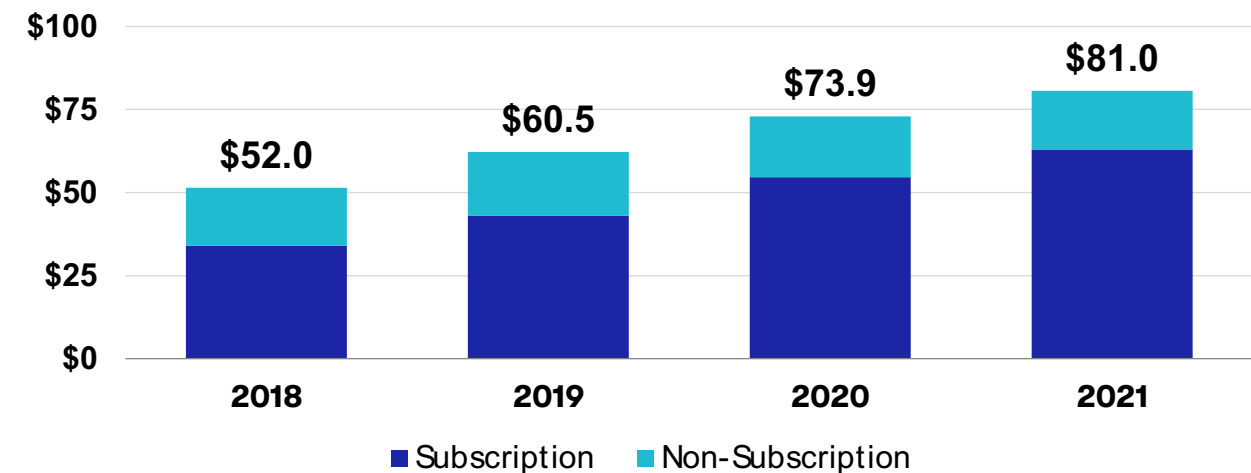
LTM Channel Revenue by Type



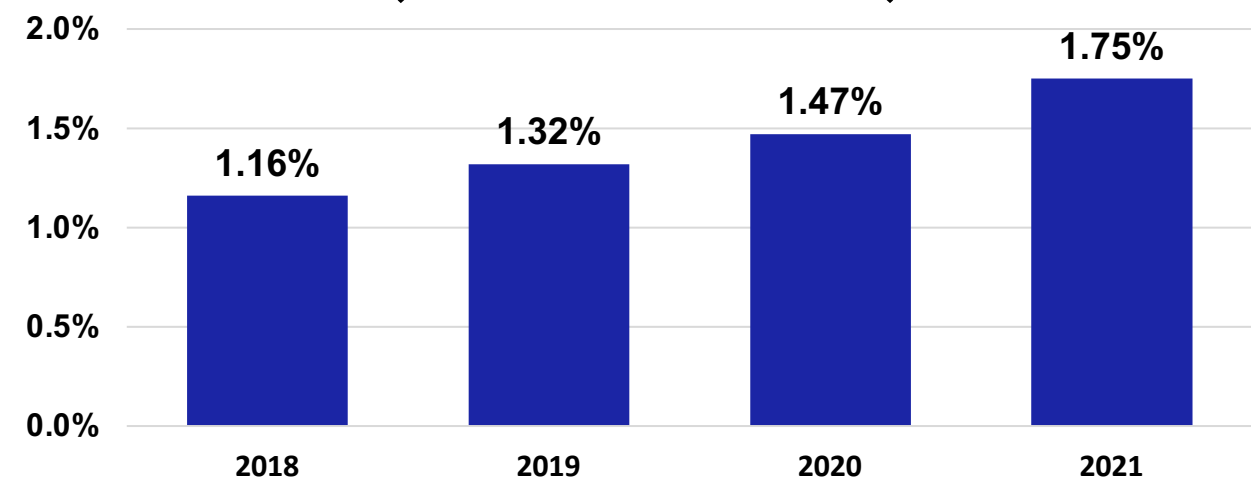
eCOMMERCE (DIRECT TO CONSUMER) SALES

- eCommerce is the largest channel for reaching direct to consumer for creative individuals
- Our eCommerce has historically seen strong subscription and perpetual/maintenance
- Phased out Pro Tools new perpetual licenses through eCommerce channel in April 2022
- Growth of channel partners selling creative subscriptions DTC during 2021 has impacted our direct eCommerce
- Continued improvement of eCommerce revenue conversion rate (orders/web sessions)

eCommerce Revenue by Type



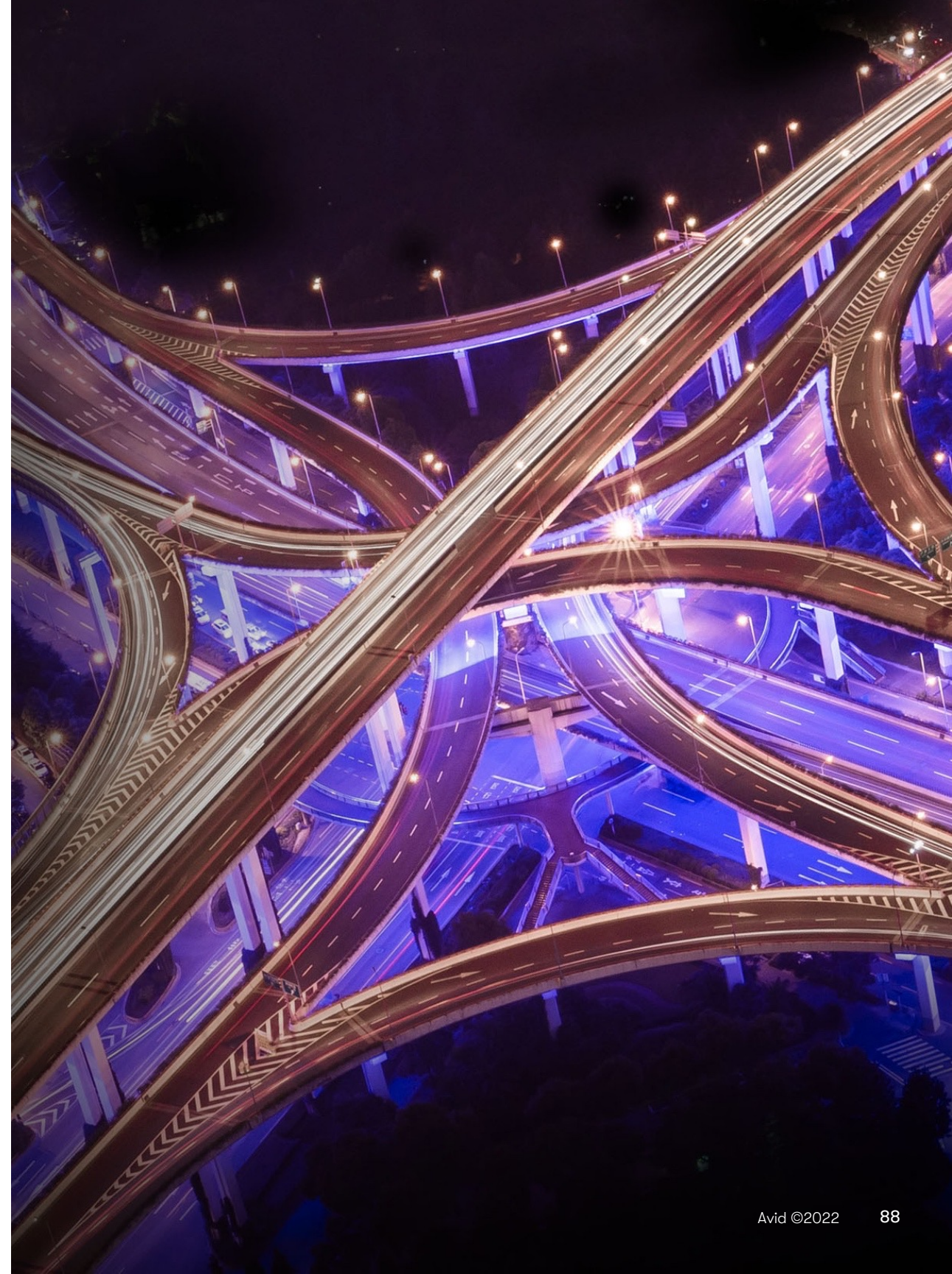
eCommerce Revenue Conversion Rate (orders/web sessions)

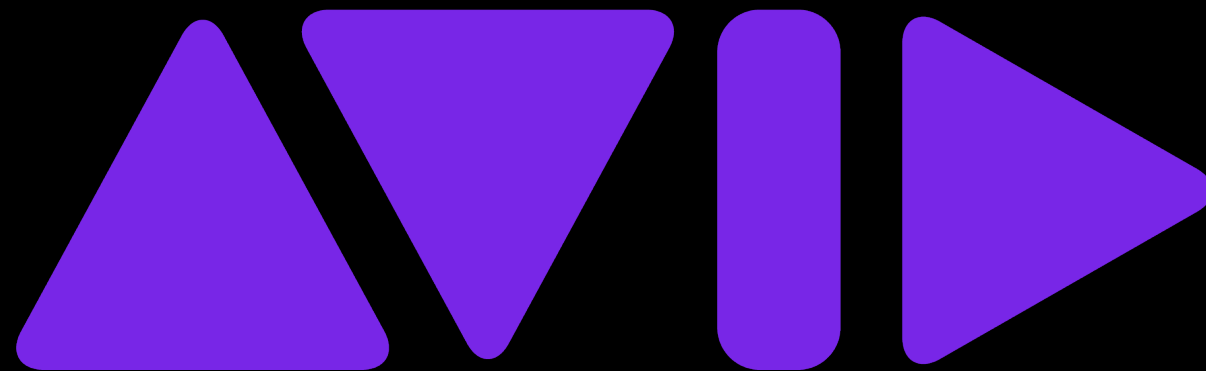


Source: Google Analytics

COMMERCIAL STRATEGY SUMMARY

- **Growth** of subscription and recurring revenue contribution
- **Accelerate** enterprise subscription adoption
- **Leverage** channel scale and build out digital go-to-market engines
- Continue to **improve** salesforce go-to-market efficiencies





POWERING
GREATER
CREATORS