

COMPANY UPDATE

Avid Technology (Nasdaq: AVID)

August 2022

Media Composer with
Secure Reliable Transport

› Faster editing workflows through seamless
“over the shoulder” collaboration





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 Earnings Per Share
- LTM Adjusted EBITDA

Operational Metrics

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

Reconciliations of all non-GAAP measures used in this presentation that are required to be reconciled to their comparable GAAP measures are included in this presentation and in our press release announcing Q2 2022 results published on August 2, 2022 and filed as an exhibit to our 8-K filed with the SEC on August 2, 2022, and definitions of the operational metrics used in this presentation are included in the supplemental financial information datasheet available on ir.avid.com. 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 Earnings 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 and its variants on our business, suppliers, consumers, customers and employees; economic, social, and political instability, security concerns, and the risk of war or armed conflict, particularly in areas of heightened geopolitical tension and open conflict such as Ukraine where we have outsourced research and development activities; 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, armed conflict and related sanctions, weather conditions, or health pandemics; disruptions or inefficiencies in our supply chain and/or operations, including from armed conflict and related sanctions and 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 presentation which speak only as to the date of this presentation. We undertake no responsibility to update or revise any forward-looking statements, except as required by law.



BUSINESS UPDATE

Jeff Rosica

Chief Executive Officer & President

Avid NEXIS | Flex
and Avid NEXIS | VFS (Virtual File System)

> Next-gen subscription storage for anywhere,
anytime media availability





> OUR MISSION

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

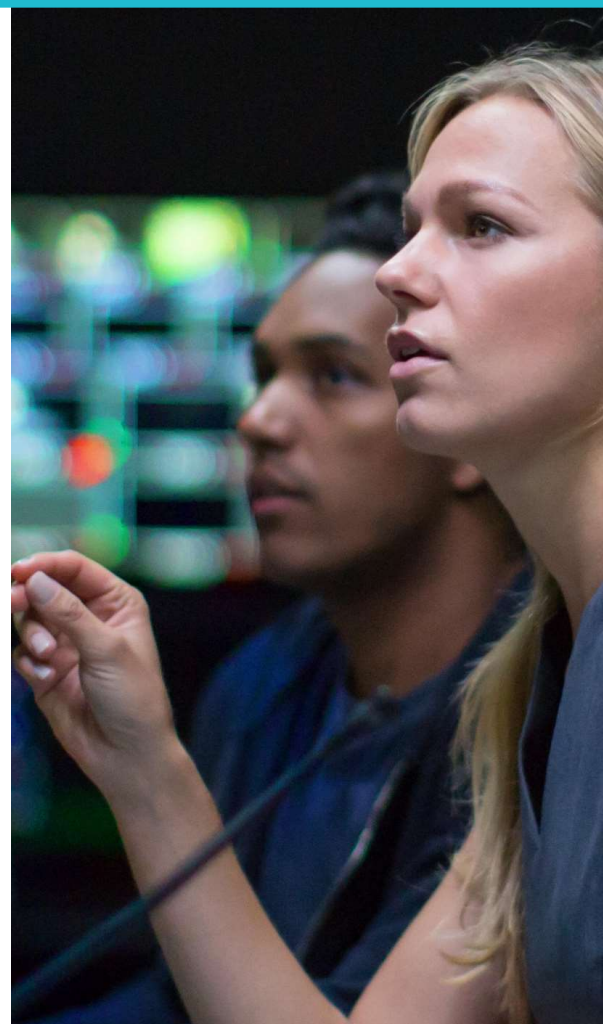
> OUR VISION

We have a vision to help make the world a better place by connecting all people everywhere through the power of media



STRATEGY ELEVATOR STATEMENTS: VIDEO & MEDIA BUSINESS

Expand position in media enterprises with unique cloud-enabled innovations that increase efficiency and creativity by enabling virtualized workflows for distributed teams, while broadening our position outside media and entertainment



TV & Film Production

Strengthen and expand our market position by widening across the production lifecycle with unique cloud-enabled innovations that realize our virtualized production vision, while growing and optimizing the overall business opportunity

News & Sports

Leverage our strong market position and widely adopted platform to deliver needed innovations that redefine market solutions with an emphasis on hybrid-cloud deployment and digital-first approaches that can grow share of wallet

Video Creation

Build on our strong market position in high-end editorial to expand our opportunity by uniquely addressing today's needs for video creatives and the pro video market with innovative solutions that enable better team collaboration and concurrent creation



STRATEGY ELEVATOR STATEMENTS: AUDIO & MUSIC BUSINESS

Maximize the growth opportunities and optimize the business in our core markets while pursuing the large down-market opportunity to capture the fast-growing music creators' opportunity



Audio Production

Driven by expected sustained growth in content production, continue to optimize the business and maximize our growth opportunity with unique capabilities that can further differentiate including picture + sound workflow innovations

Music Creation

Build on our leading position to create a unique and compelling end-to-end music creation offering that captures the wider and fast-growing music creators' opportunity with the DAW serving as the creative hub

Live Sound

As the live event segments continue to recover and market demand is expected to deliver sustained growth, leverage our position as a top-tier solution while continuing to optimize our business and maximize our growth opportunity



LARGE & GROWING MARKET OPPORTUNITY

Substantial opportunity for Avid to drive sustainable and profitable growth

2021
\$234B
+7% YoY

Global video consumption
revenue (VOD, ad-based
& PayTV services)

\$25.9B
+13% CAGR
(2019-21)

Global Recorded Music
Industry Revenue
(2021E)

OVER
45M

Global Pro & Expert
Creators Producing
and Monetizing
Content (2022E)

\$15.3B

Total Avid Market
Opportunity

Software and hardware for
audio, video and media
management (2022E)

+10% CAGR
(2021-2025E)

40M+

Total Avid Creative
Users Opportunity

Audio and
Video Creator Tools
(2022E)



Sources: Activate, IFPI, LinkTree, MIDiA Research, IABM-DC, Coughlan Associates, Avid

AVID BY THE NUMBERS

SUBSCRIPTION REVENUE
\$129.2M
 +45.4% YoY

SUBSCRIPTION COUNT
450K
 +21.8% YoY

SUBSCRIPTION +
 MAINTENANCE REVENUE
\$247.4M
 +17.3% YoY

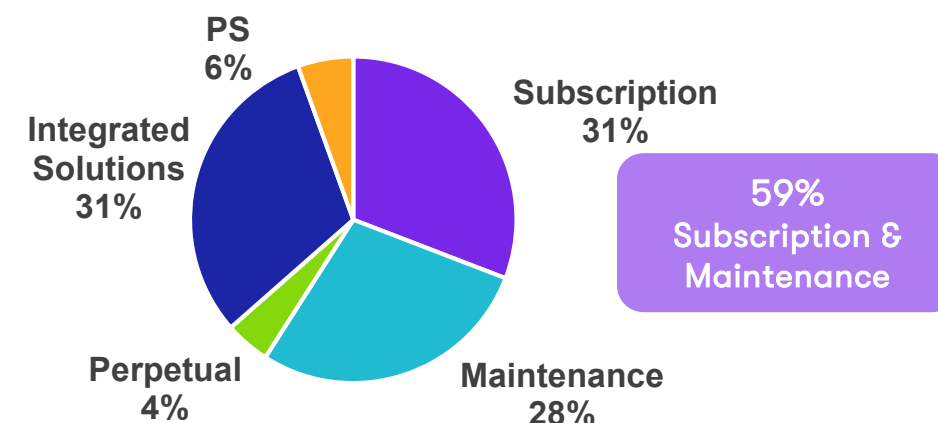
REVENUE
\$419.0M
 +9.1% YoY

ADJUSTED EBITDA
\$77.7M
 +4.4% YoY

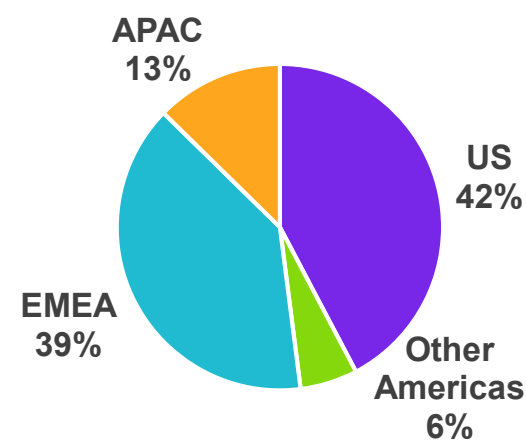
FREE CASH FLOW
\$46.9M

NON-GAAP EPS
\$1.31
 +14.9% YoY

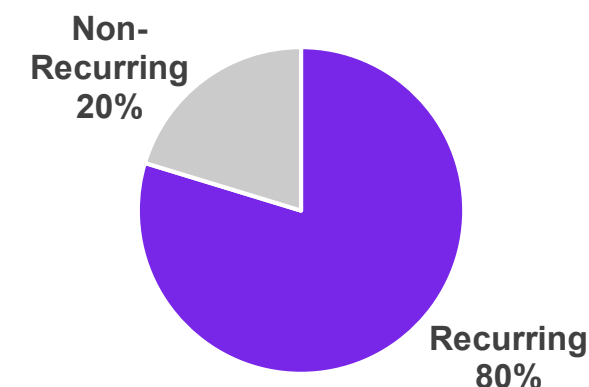
REVENUE BY TYPE



REVENUE BY GEO



RECURRING REVENUE %



Unless otherwise noted, all data is for LTM (Last 12 Months) period ending Q2'2022, with YoY comparison to 12 months ending Q2'2021. Subscription count is paid Cloud-enabled software subscriptions as of June 30, 2022.

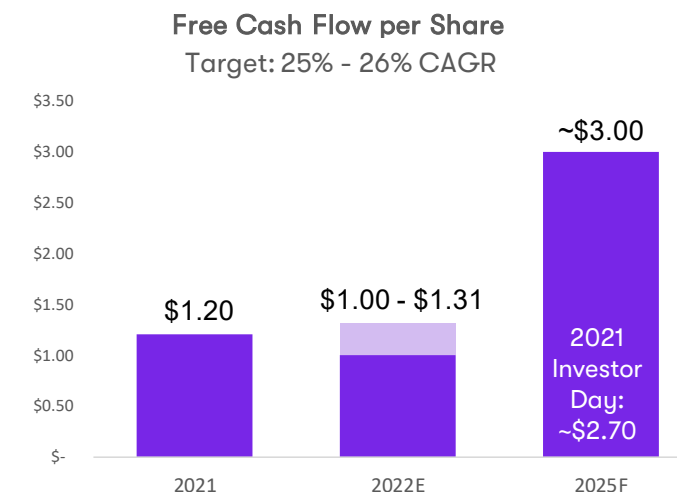
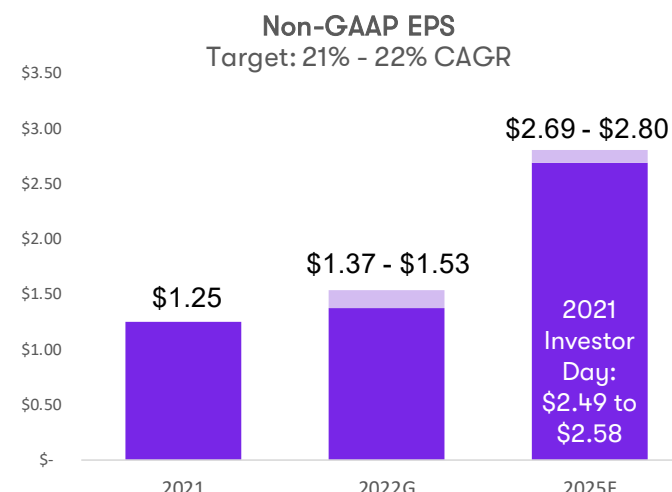
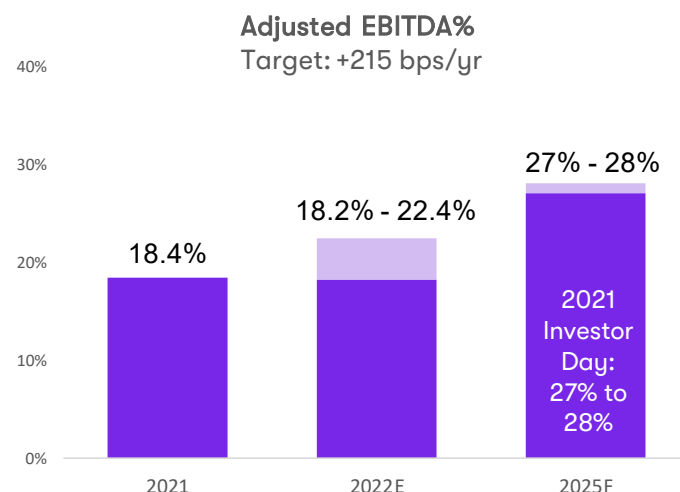
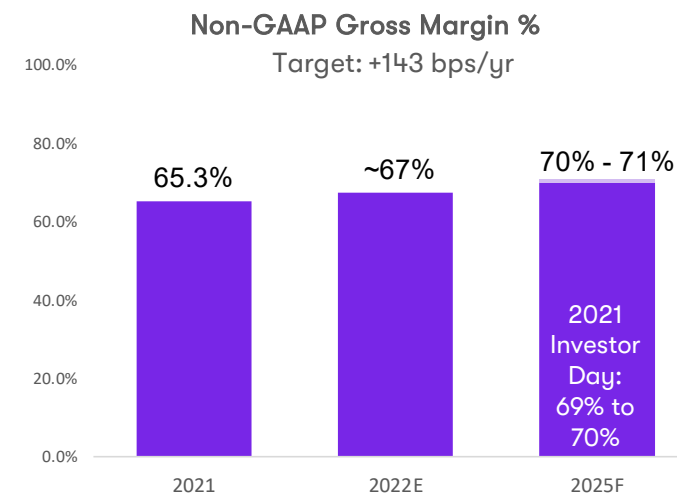
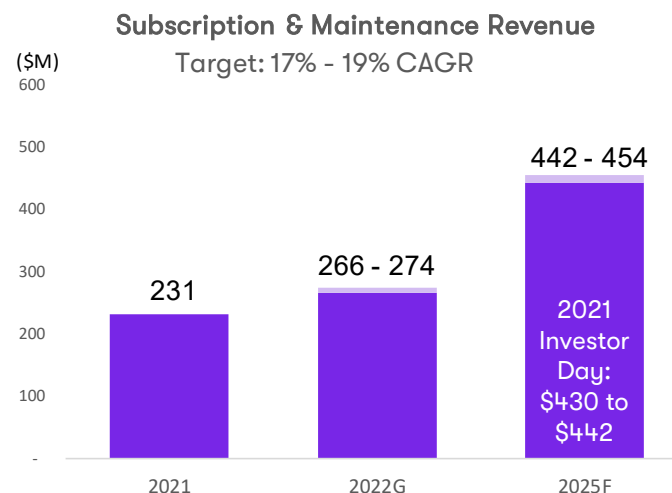
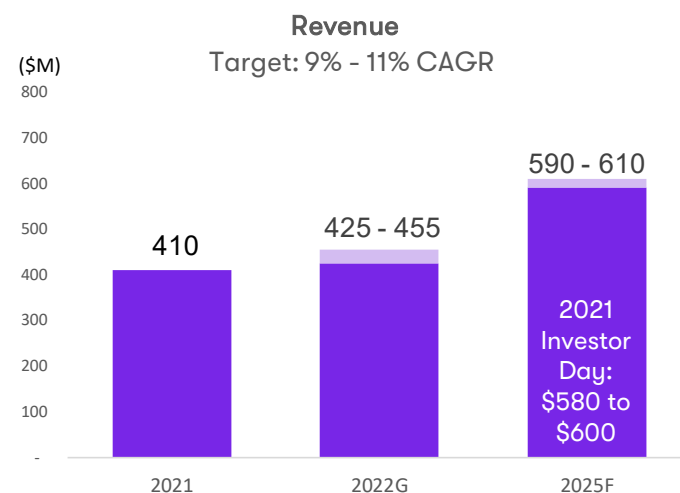
INVESTMENT THESIS

- 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 new customer business requirements that **play well into Avid's unique strengths**
- 3 **Significant opportunity** to drive continued **strong growth of subscriptions** driven by both the creative and enterprise segments
- 4 Early stages of the media industry's **transition to SaaS & cloud**, with Avid in a strong competitive position and first-mover advantage
- 5 Solid business fundamentals with a continued positive performance trajectory delivering **improved revenue growth, profitability and Free Cash Flow**
- 6 Strong expected cash generation yields significant opportunities for **strategic capital allocation** to help **optimize long term shareholder returns**



KEY LONG-TERM MODEL TARGETS

2025 targets as presented at May 2022 Investor Day



CAGR % represents 2021 to the midpoint of 2025F. 2022G = 2022 Guidance as revised on Aug. 2, 2022; 2022E = 2022 estimate consistent with guidance. We do not consider our four-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 incremental Non-GAAP Earnings Per Share of ~\$0.75 and Free Cash Flow per share of ~\$0.95 in 2025F.

DRAFT

Q2 2022 FINANCIAL RESULTS

Ken Gayron

Executive Vice President
& Chief Financial Officer

Pro Tools Artist

› Aspiring music creators now have a professional
yet affordable solution to create any style of music



Q2 2022 EXECUTIVE SUMMARY



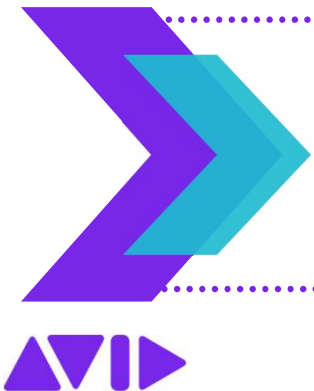
Strong subscription revenue growth driven by ongoing success with both enterprises and creatives



While market demand remained robust, supply chain constraints continued to limit integrated solutions shipments and revenue



Business fundamentals remain solid and profitability continues year-over-year improvement



Continued strong market conditions and higher-than-normal unshipped orders give us confidence in the trajectory of our business.

Q2 2022 RESULTS – BY THE NUMBERS

+14.1% YoY

TOTAL ARR

+45.8% YoY

SUBSCRIPTION ARR

+21.8% YoY

CLOUD-ENABLED
SOFTWARE SUBSCRIPTIONS

+18,500

CLOUD-ENABLED SOFTWARE
SUBSCRIPTIONS ADDED IN Q2

450,300 TOTAL AT JUNE 30

+58.7% YoY

SUBSCRIPTION REVENUE

\$34.1M

+19.2% YoY

SUBSCRIPTION +
MAINTENANCE REVENUE

\$61.9M

\$97.7M

TOTAL REVENUE

+3.0% YoY

>\$20M

EXCESS UNSHIPPED ORDERS DUE TO
SUPPLY CHAIN CONSTRAINTS

\$28.0M

INTEGRATED SOLUTIONS REVENUE
-10.6% YoY

16.9%

ADJUSTED EBITDA MARGIN

+20bps YoY

\$0.26

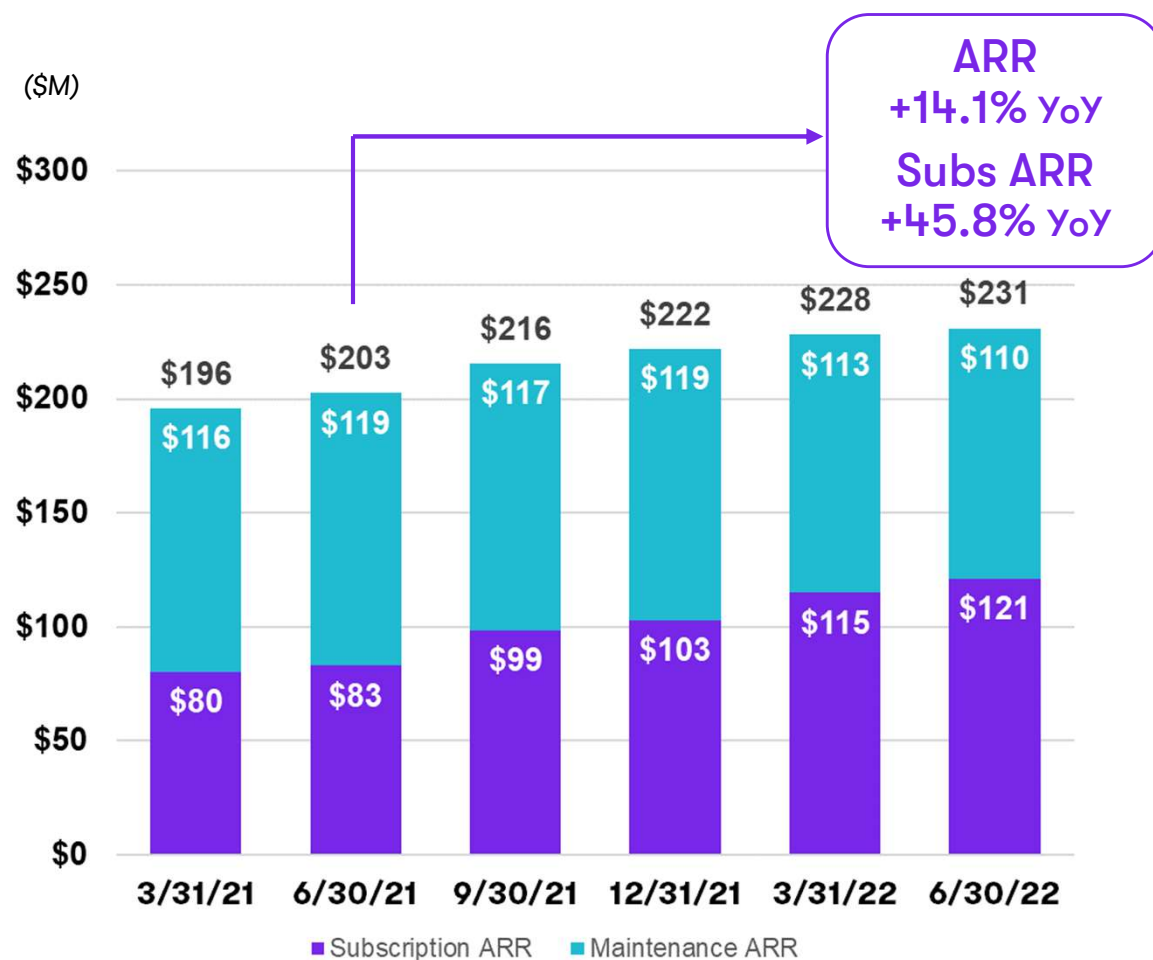
NON-GAAP EPS

+4.0% YoY

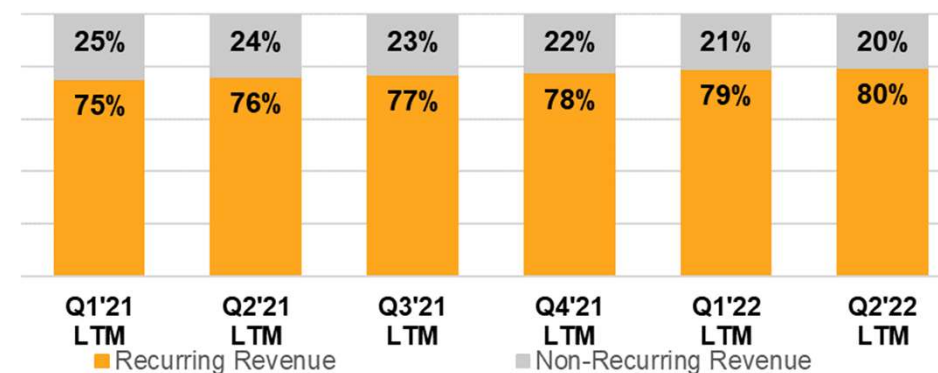


ANNUAL RECURRING REVENUE (ARR), LTM RECURRING REVENUE % AND ACV

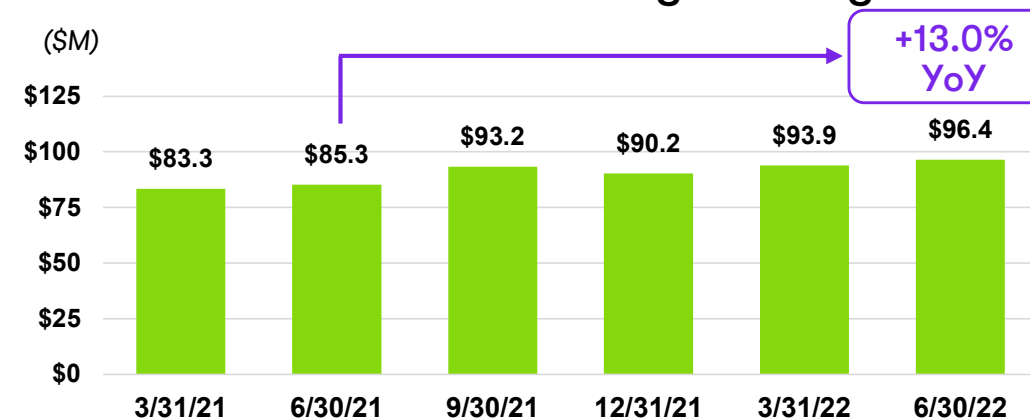
Annual Recurring Revenue (ARR)



LTM Recurring Revenue %



Annual Contract Value from Long-Term Agreements¹



(1) Annual Contract Value from Long-Term Agreements excludes the subscription and maintenance portion, which is included in ARR

Q3 AND FULL YEAR 2022 GUIDANCE

As presented during Q2 2022 earnings call on August 2, 2022

| (\$M, except per share) | Q3 2022 | | Full-Year 2022 | |
|---|---------|--------|----------------|--------|
| | Low | High | Low | High |
| Revenue | \$100 | \$112 | \$425 | \$455 |
| Subscription & Maintenance Revenue | \$67 | \$70 | \$266 | \$274 |
| Non-GAAP Earnings per Share ⁽¹⁾ | \$0.27 | \$0.39 | \$1.37 | \$1.53 |
| Adjusted EBITDA | \$17.5 | \$23.5 | \$83 | \$95 |
| Free Cash Flow | | | \$45 | \$59 |



(1) Assumes 45.0M shares for Q3 2022 and 45.2M shares for FY 2022.

Q&A



Q2 2022 & LTM Q2 2022 FINANCIAL RESULTS

Growth in revenue yielded continued healthy profitability

| (\$M, except per share) | Q2'21 | Q1'22 | Q2'22 | YoY change Fav/(Unfav) | LTM Q2 2021 | LTM Q2 2022 | Change Fav (Unfav) |
|--|--------|---------|--------|---------------------------|----------------|----------------|-----------------------|
| Revenue | \$94.9 | \$100.6 | \$97.7 | 3.0% | \$384.0 | \$419.0 | 9.1% |
| Subscription & Maintenance Revenue | 52.0 | 61.3 | 61.9 | 19.2% | 210.9 | 247.4 | 17.3% |
| Non-GAAP Gross Profit | 60.6 | 67.2 | 64.0 | 5.5% | 246.9 | 276.3 | 11.9% |
| <i>Non-GAAP Gross Margin</i> | 63.9% | 66.8% | 65.5% | 160 bps | 64.3% | 65.9% | 160 bps |
| Non-GAAP Operating Expenses¹ | \$47.0 | \$49.7 | \$49.6 | (5.4%) | 181.0 | \$206.4 | (14.0%) |
| Non-GAAP Net Income | 11.6 | 14.8 | 11.8 | 1.7% | 52.0 | 59.9 | 15.1% |
| <i>Non-GAAP Earnings per Share</i> | \$0.25 | \$0.33 | \$0.26 | \$0.01 | 1.1 | \$1.32 | \$0.19 |
| Adjusted EBITDA | 15.8 | 19.3 | 16.5 | 4.1% | 74.5 | 77.7 | 4.4% |
| <i>Adjusted EBITDA Margin %</i> | 16.7% | 19.2% | 16.9% | 20 bps | 19.4% | 18.5% | (90 bps) |





BALANCE SHEET AS OF JUNE 30, 2022

(\$M)

| | <u>6/30/21</u> | <u>12/31/21</u> | <u>6/30/22</u> |
|---|----------------|-----------------|----------------|
| Cash and Cash Equivalents | \$53.3 | \$56.8 | \$44.3 |
| Accounts Receivable | 58.7 | 77.0 | 53.9 |
| Contract Asset | 21.8 | 25.4 | 30.3 |
| Net Inventory | 24.2 | 19.9 | 19.2 |
| Accounts Payable | 21.8 | 26.9 | 32.9 |
| Deferred Revenue | 91.6 | 98.1 | 80.9 |
| Total Debt | 182.1 | 170.0 | 186.5 |
| Net Debt ¹ | 128.8 | 113.1 | 142.2 |
| Net Leverage ² | 1.7x | 1.5x | 1.8x |
| Share Repurchases during the year ending 12/31/21 and six months ending 6/30/22 | | \$25.1 | \$25.0 |
| Cumulative Share Repurchases as of 12/31/21 and 6/30/22 | | \$25.1 | \$50.0 |



(1) Net Debt = Total Debt – Cash and Cash Equivalents; (2) Net Leverage = Net Debt / LTM Adjusted EBITDA

REVENUE & NON-GAAP GROSS MARGIN BY TYPE

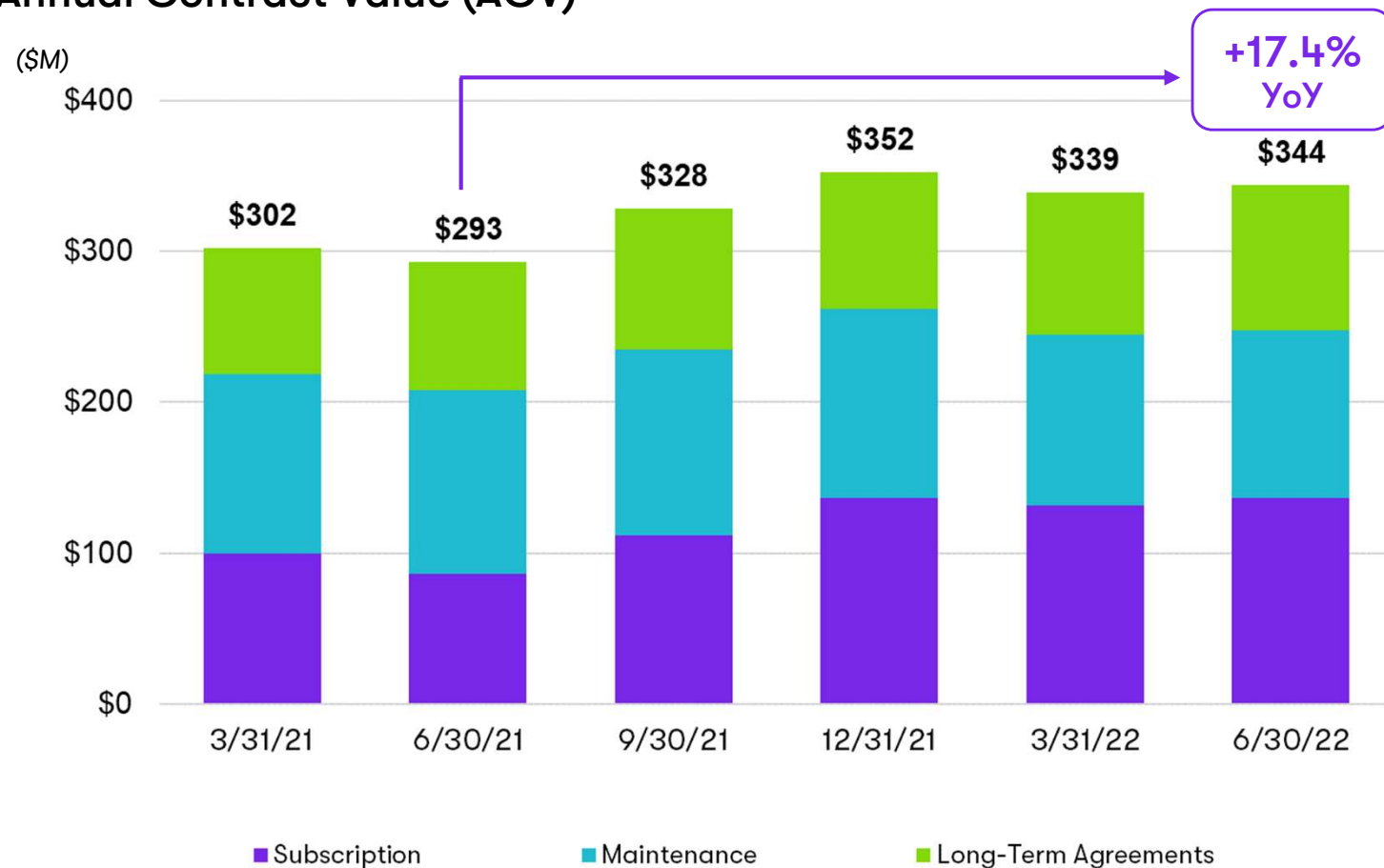
| (\$M) | <u>Q2 2021</u> | <u>Q1 2022</u> | <u>Q2 2022</u> | <u>Q2 2022</u> <u>Q/Q %</u> | <u>Q2 2022</u> <u>Y/Y %</u> | <u>LTM Q2</u> <u>2022</u> |
|--|----------------|----------------|----------------|--------------------------------|--------------------------------|------------------------------|
| Revenue | | | | | | |
| Subscriptions | \$21.5 | \$33.0 | \$34.1 | 3.6% | 58.7% | \$129.2 |
| Maintenance | 30.4 | 28.3 | 27.8 | (1.9%) | (8.8%) | 118.2 |
| Subscriptions and Maintenance | \$52.0 | \$61.3 | \$61.9 | 1.0% | 19.2% | \$247.4 |
| Perpetual Licenses | 5.9 | 5.2 | 2.7 | (47.3%) | (53.2%) | 18.8 |
| SW Licenses and Maintenance | \$57.8 | \$66.5 | 64.7 | (2.7%) | 11.8% | 266.2 |
| Integrated Solutions | 31.3 | 28.2 | 28.0 | (0.7%) | (10.6%) | 129.8 |
| Professional Services & Training | 5.7 | 6.0 | 5.0 | (16.0%) | (12.9%) | 23.1 |
| Total Revenue | \$94.9 | \$100.6 | \$97.7 | (3.0%) | 3.0% | \$419.0 |
| Software Revenue (Subscriptions + Perpetual Licenses) | \$27.4 | \$38.2 | \$36.9 | (3.3%) | 34.8% | \$148.0 |
| Non-GAAP Gross Margin | | | | | | |
| SW Licenses and Maintenance | 79.8% | 82.0% | 82.1% | 10 bps | 230 bps | 82.5% |
| Integrated Solutions | 44.7% | 41.6% | 39.6% | (200 bps) | (510 bps) | 42.2% |
| Professional Services & Training | 8.2% | 15.4% | (4.5%) | (1990 bps) | (1270 bps) | 8.4% |
| Total Non-GAAP Gross Margin % | 63.9% | 66.8% | 65.5% | (130 bps) | 160 bps | 65.9% |



Note: Non-GAAP Gross Margin by revenue type excludes stock-based compensation expense

ANNUAL CONTRACT VALUE

Annual Contract Value (ACV)



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



RECONCILIATION OF NON-GAAP GROSS PROFIT AND NON-GAAP OPERATING EXPENSES

AVID TECHNOLOGY, INC.

Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures

(unaudited - in thousands)

| | Three Months Ended | | | Twelve Months Ended | |
|---|--------------------|-------------------|------------------|---------------------|-------------------|
| | June 30, 2022 | March 31, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| GAAP Revenue | | | | | |
| GAAP Revenue | \$ 97,680 | \$ 100,649 | \$ 94,876 | \$ 419,033 | \$ 383,972 |
| Non-GAAP Gross Profit | | | | | |
| GAAP Gross Profit | 63,366 | 66,764 | 60,138 | 274,380 | 245,161 |
| Stock-based compensation | 589 | 426 | 478 | 1,898 | 1,782 |
| Non-GAAP Gross Profit | <u>\$ 63,955</u> | <u>\$ 67,190</u> | <u>\$ 60,616</u> | <u>\$ 276,278</u> | <u>\$ 246,943</u> |
| GAAP Gross Margin | 64.9% | 66.3% | 63.4% | 65.5% | 63.8% |
| Non-GAAP Gross Margin | 65.5% | 66.8% | 63.9% | 65.9% | 64.3% |
| Non-GAAP Operating Expenses | | | | | |
| GAAP Operating Expenses | 53,402 | 53,489 | 51,140 | 224,422 | 201,658 |
| Less Amortization of intangible assets | (57) | (58) | (105) | (293) | (420) |
| Less Stock-based compensation | (3,056) | (2,996) | (3,159) | (12,597) | (11,102) |
| Less Restructuring costs, net | (342) | (15) | (15) | (384) | (5,850) |
| Less Acquisition, integration and other costs | 50 | (459) | (838) | (2,270) | (2,222) |
| Less Efficiency program costs | - | - | - | - | (1,013) |
| Less Digital Transformation costs | (445) | (243) | - | (2,524) | - |
| Less COVID-19 related expenses | - | - | (20) | - | (52) |
| Non-GAAP Operating Expenses | <u>\$ 49,552</u> | <u>\$ 49,718</u> | <u>\$ 47,003</u> | <u>\$ 206,354</u> | <u>\$ 180,999</u> |

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 NON-GAAP OPERATING INCOME, ADJUSTED EBITDA, AND ADJUSTED EBITDA MARGIN

AVID TECHNOLOGY, INC.

Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures

(unaudited - in thousands)

| | Three Months Ended | | | Twelve Months Ended | |
|--|--------------------|-------------------|------------------|---------------------|------------------|
| | June 30, 2022 | March 31, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| Non-GAAP Operating Income and Adjusted EBITDA | | | | | |
| GAAP net income | 7,373 | 10,586 | 7,006 | 47,950 | 26,471 |
| Interest and other expense | 1,865 | 1,563 | 1,633 | (1,570) | 15,658 |
| Provision for income taxes | 726 | 1,126 | 359 | 3,578 | 1,374 |
| GAAP Operating Income | 9,964 | 13,275 | 8,998 | 49,958 | 43,503 |
| Amortization of intangible assets | 57 | 58 | 105 | 293 | 420 |
| Stock-based compensation | 3,645 | 3,422 | 3,637 | 14,495 | 12,883 |
| Restructuring costs, net | 342 | 15 | 15 | 384 | 5,850 |
| Acquisition, integration and other costs | (50) | 459 | 838 | 2,270 | 2,222 |
| Efficiency program costs | - | - | - | - | 1,013 |
| Digital Transformation costs | 445 | 243 | - | 2,524 | - |
| COVID-19 related expenses | - | - | 20 | - | 52 |
| Non-GAAP Operating Income | <u>\$ 14,403</u> | <u>\$ 17,472</u> | <u>\$ 13,613</u> | <u>\$ 69,924</u> | <u>\$ 65,943</u> |
| Depreciation | 2,066 | 1,803 | 2,202 | 7,803 | 8,513 |
| Adjusted EBITDA | <u>\$ 16,469</u> | <u>\$ 19,275</u> | <u>\$ 15,815</u> | <u>\$ 77,727</u> | <u>\$ 74,456</u> |
| GAAP net income margin | 7.5% | 10.5% | 7.4% | 11.4% | 6.9% |
| Adjusted EBITDA Margin | 16.9% | 19.2% | 16.7% | 18.5% | 19.4% |

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RECONCILIATION OF NON-GAAP NET INCOME, NON-GAAP EARNINGS PER SHARE AND FREE CASH FLOW

AVID TECHNOLOGY, INC.

Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures

(unaudited - in thousands)

| | Three Months Ended | | | Twelve Months Ended | |
|--|--------------------|-------------------|------------------|---------------------|------------------|
| | June 30, 2022 | March 31, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| Non-GAAP Net Income | | | | | |
| GAAP net income | 7,373 | 10,586 | 7,006 | 47,950 | 26,471 |
| Amortization of intangible assets | 57 | 58 | 105 | 293 | 420 |
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| Restructuring costs, net | 342 | 15 | 15 | 384 | 5,850 |
| Acquisition, integration and other costs | (50) | 459 | 838 | 2,270 | 2,222 |
| Efficiency program costs | - | - | - | - | 1,013 |
| Digital Transformation costs | 445 | 243 | - | 2,524 | - |
| Gain on forgiveness of PPP Loan | - | - | - | (7,800) | - |
| COVID-19 related expenses | - | - | 20 | - | 52 |
| Loss on Extinguishment of debt | - | - | - | - | 3,748 |
| Tax impact of non-GAAP adjustments | - | (3) | (10) | (226) | (615) |
| Non-GAAP Net Income | <u>\$ 11,812</u> | <u>\$ 14,780</u> | <u>\$ 11,611</u> | <u>\$ 59,890</u> | <u>\$ 52,044</u> |
| Weighted-average share count (Basic) | 44,740 | 44,817 | 45,211 | 44,740 | 45,211 |
| Weighted-average share count (Diluted) | 45,110 | 45,408 | 46,550 | 45,110 | 46,550 |
| Non-GAAP Earnings per Share (Basic) | \$ 0.26 | \$ 0.33 | \$ 0.26 | \$ 1.34 | \$ 1.15 |
| Non-GAAP Earnings per Share (Diluted) | \$ 0.26 | \$ 0.33 | \$ 0.25 | \$ 1.33 | \$ 1.12 |
| Free Cash Flow | | | | | |
| Net cash provided by operating activities | 7,305 | 7,917 | 6,585 | 58,813 | 67,557 |
| Capital expenditures | (4,115) | (3,244) | (1,021) | (11,903) | (4,755) |
| Free Cash Flow | <u>\$ 3,190</u> | <u>\$ 4,673</u> | <u>\$ 5,564</u> | <u>\$ 46,910</u> | <u>\$ 62,802</u> |
| Free Cash Flow conversion from Adjusted EBITDA | 19.4% | 24.2% | 35.2% | 60.4% | 84.3% |

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, LTM ADJUSTED EBITDA MARGIN AND NET LEVERAGE

AVID TECHNOLOGY, INC.

Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures

(unaudited - in thousands)

| | Six Months Ended June 30, | | Year Ended December 31, | Last Twelve Months (LTM) | |
|--|------------------------------|------------------|----------------------------|--------------------------|-------------------|
| | 2022 | 2021 | 2021 | Q2 2022 | Q2 2021 |
| | \$ | \$ | \$ | \$ | \$ |
| GAAP revenue | 198,329 | 189,240 | 409,944 | 419,033 | 383,972 |
| Non-GAAP Operating Income and Adjusted EBITDA | | | | | |
| GAAP net income | 17,959 | 11,397 | 41,388 | 47,950 | 26,471 |
| Interest and other expense | 3,428 | 7,306 | 2,308 | (1,570) | 15,658 |
| Provision for income taxes | 1,852 | 841 | 2,567 | 3,578 | 1,374 |
| GAAP operating income | 23,239 | 19,544 | 46,263 | 49,958 | 43,503 |
| Amortization of intangible assets | 115 | 210 | 388 | 293 | 420 |
| Stock-based compensation | 7,067 | 7,054 | 14,482 | 14,495 | 12,883 |
| Restructuring costs, net | 357 | 1,089 | 1,116 | 384 | 5,850 |
| Acquisition, integration and other costs | 409 | 1,207 | 3,068 | 2,270 | 2,222 |
| Efficiency program costs | - | 48 | 48 | - | 1,013 |
| Digital Transformation | 688 | - | 1,836 | 2,524 | - |
| COVID-19 related expenses | - | 22 | 22 | - | 52 |
| Non-GAAP Operating Income | \$ 31,875 | \$ 29,174 | \$ 67,223 | \$ 69,924 | \$ 65,943 |
| Depreciation | 3,869 | 4,321 | 8,255 | 7,803 | 8,513 |
| Adjusted EBITDA | \$ 35,744 | \$ 33,495 | \$ 75,478 | \$ 77,727 | \$ 74,456 |
| GAAP net income margin | 9.1% | 6.0% | 10.1% | 11.4% | 6.9% |
| Adjusted EBITDA Margin | 18.0% | 17.7% | 18.4% | 18.5% | 19.4% |
| Total Debt | | | 169,964 | 186,483 | 182,138 |
| Less Cash and Cash Equivalents | | | (56,818) | (44,332) | (53,337) |
| Net Debt | | | \$ 113,146 | \$ 142,151 | \$ 128,801 |
| Net Leverage (= Net Debt / LTM Adjusted EBITDA) | | | 1.5x | 1.8x | 1.7x |

LTM Adjusted EBITDA

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.





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