

VIZIO

Financial Results and Outlook Q2'21 Earnings Call

Non-GAAP Financial Measures and Forward-Looking Statements

To supplement our financial information presented in accordance with generally accepted accounting principles in the United States of America, or GAAP, VIZIO considers certain financial measures that are not prepared in accordance with GAAP, including Adjusted EBITDA. We define Adjusted EBITDA as total net income before interest income, other (expense) income, net, provision for income taxes, depreciation and amortization and share-based compensation. We consider Adjusted EBITDA to be an important metric to assess our operating performance and help us to manage our working capital needs. Utilizing Adjusted EBITDA, we can identify and evaluate trends in our business as well as provide investors with consistency and comparability to facilitate period-to-period comparisons of our business. We believe that providing users with non-GAAP measures such as Adjusted EBITDA may assist investors in seeing VIZIO's operating results through the eyes of management and in comparing VIZIO's operating results over multiple periods with other companies in our industry. We use Adjusted EBITDA in conjunction with net income as part of our overall assessment of our operating performance and the management of our working capital needs. Our definition of Adjusted EBITDA may differ from the definition used by other companies and therefore comparability may be limited. In addition, other companies may not publish Adjusted EBITDA or similar metrics. Furthermore, Adjusted EBITDA has certain limitations in that it does not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. Thus, Adjusted EBITDA should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP, including net income. We compensate for these limitations by providing a reconciliation of Adjusted EBITDA to net income. We encourage investors and others not to rely on any single financial measure and to view Adjusted EBITDA in conjunction with net income.

Non-GAAP Financial Measures and Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally relate to future events or VIZIO's future financial or operating performance. In some cases, you can identify forward looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, priorities, plans, or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding VIZIO's future financial and operating performance, including our outlook and guidance, our expectations regarding the impact of the COVID-19 pandemic, and our ability to keep pace with technological advances in our industry and successfully compete in highly competitive markets. Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties, including changes in our plans or assumptions, that could cause actual results to differ materially from those projected. These risks include the possibility that: we are not able to keep pace with technological advances in our industry and successfully compete in highly competitive markets; we do not have the ability to continue to increase the sales of our Smart TVs; we cannot attract and maintain SmartCast Active Accounts; we cannot increase SmartCast Hours; we are not able to attract and maintain popular content on our platform; we are not able to maintain relationships with advertisers; and we cannot adapt to market conditions and technological developments, including with respect to our platform's compatibility with applications developed by content providers. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission, including our prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on March 24, 2021, and in our Quarterly Report on Form 10-Q filed on May 12th, 2021 and our Quarterly Report on Form 10-Q that will be filed following this earnings release. The forward-looking statements in this presentation are based on information available to VIZIO as of the date hereof, and VIZIO disclaims any obligation to update any forward-looking statements, except as required by law.

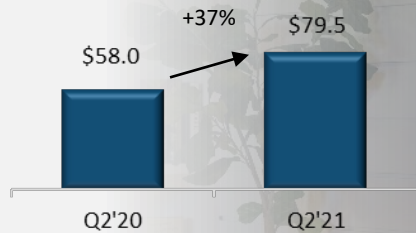
Second Quarter 2021 Financial Highlights

\$ in millions, unaudited

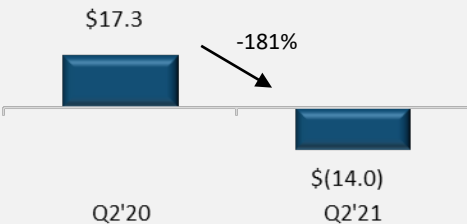
Net Revenue



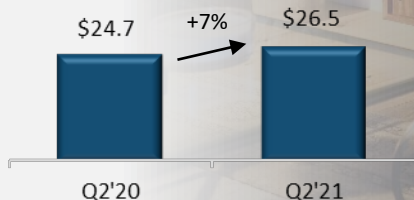
Gross Profit



Net Income/(Loss)



Adjusted EBITDA ¹



¹ Excludes share-based compensation, see reconciliation to net income on slide 17. © 2021 VIZIO, INC. All Rights Reserved.

Second Quarter 2021 Financial Results

\$ in millions, unaudited

	Three Months Ended June 30,			
	2021	2020	Change	
			\$	%
Revenue				
Device	\$ 335.6	\$ 366.9	\$ (31.2)	-9%
Platform+	65.5	26.6	38.9	146%
Total Revenue	401.2	393.5	7.7	2%
Gross Profit				
Device	32.1	40.2	(8.1)	-20%
Platform+	47.5	17.8	29.7	167%
Total Gross Profit	79.5	58.0	21.6	37%
Operating Expenses	88.4	35.2	53.2	151%
Net Income	\$ (14.0)	\$ 17.3	\$ (31.3)	-181%
Adjusted EBITDA ¹	\$ 26.5	\$ 24.7	\$ 1.8	7%



¹ Excludes share-based compensation, see reconciliation to net income on slide 17

Continued Investment Across Multiple Lanes

VIZIO

Products



New Series of Smart TV lineup with enhanced picture quality and features



New Series lineup of sound bars with elevated audio performance

Capabilities



VIZIO Voice with built-in, push-to-talk voice remote capability



Next-gen SmartCast with upgraded search and discovery

Content



Supporting more leading SVOD / AVOD apps on SmartCast



More content with 32 new ad-supported channels with now over 250 channels available

Advertising



Generating cross-platform and CTV advertising opportunities



Expanding implementation for addressable advertising

Other



Recognized as the Best Connected TV Platform of 2021



New Denver office

Growing technology and innovation footprint

Second Quarter 2021: Device Highlights

- Launched the 2022 Quantum Color TV collection with the industry's best color range ¹
- Powerful new Bluetooth VIZIO Voice remote enabling faster search & discovery
- New collection is geared for gamers with a dedicated gaming engine & AMD FreeSync
- Expanded award-winning 2022 collection of immersive soundbars featuring Dolby Atmos and DTS:X



¹ Based on the industry standard Rec. 2020 (uv) color space, per third-party/Rtings.com as of August 2, 2021

Recent Awards and Accolades

VIZIO

TV Awards and Accolades

tech radar GREAT VALUE *
IGN EDITORS' CHOICE *
RECOMMENDED PRODUCT *
tom's guide AWARDS 2021 *
RECOMMENDED PRODUCT *
tech radar GREAT VALUE *
VIZIO P-Series Quantum X (2021) *
Newsweek EDITORS' CHOICE *
"Best 4K TV for Gaming" 10/27/20 | P65Q9-H1 *
IGN *
WIRED RECOMMENDS *
2021 EDITORS' CHOICE REVIEWED *
USA TODAY NETWORK *

OLED P-Series Quantum X P-Series Quantum 9 M-Series Quantum D-Series



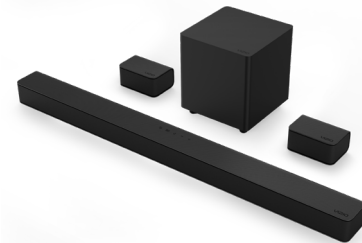
Audio Awards and Accolades

THE BEST SOUND BARS
2021 WIRED RECOMMENDS
RATING: 9/10
PUREWOW 100 92 100
RECOMMENDED PRODUCT
IGN EDITORS' CHOICE *
WIRED RECOMMENDS *
TechHive EDITORS' CHOICE *
RECOMMENDED PRODUCT *
Newsweek EDITORS' CHOICE *
tech radar GREAT VALUE *
VIZIO M512a-H6 *
2021 EDITORS' CHOICE REVIEWED *
USA TODAY NETWORK *
gamesradar+ HIGHLY RECOMMENDED *
2021 EDITORS' CHOICE REVIEWED *
USA TODAY NETWORK *
reviewgeek editors' choice *

Elevate M-Series 512a M-Series 5.1 V-Series 5.1 V-Series 2.1

Other

GD USA
AMERICAN PACKAGE DESIGN AWARDS 2021 WINNER
 Packaging
DIGIDAY VIDEO & TV AWARDS 2021 WINNER
 SmartCast



*denotes Q2 Award

Second Quarter 2021: Platform+ Highlights

- First IAB NewFronts presentation led to strong upfront commitments from advertisers
- Doubled our direct advertising customer base this quarter versus a year ago, and more than tripled our average revenue per advertiser
- Select streaming app launches during the quarter included LEGO TV, The Space Channel, Go Traveler, and Midnight Pulp
- Expanded WatchFree with 32 FAST channels including Hallmark Movies, Real Crime, and Forensic Files
- Leveraged first-party viewership data to launch curated FAST channels, Fork & Flight and VIZIO Investigation
- Surpassed 11 million TVs capable of dynamic ad insertion with major networks like AMC, Discovery and FOX launching live local and national addressable TV campaigns



Partnership Expansion

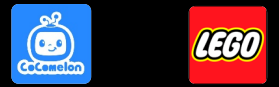
VIZIO
Ad-Supported
Content

SmartCast Apps

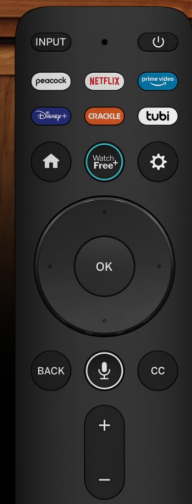
Data Informed
Exclusive Content

Watch Free+ VIZIO +32 New FAST Channels

Recently Added



Coming Soon



Wide Array of Monetization

VIZIO

Advertising

Ad-Supported Content

Ad inventory on services such as WatchFree, VIZIO Free Channels and certain third-party AVOD services

Data Licensing

Fees from ad tech companies, advertising agencies and networks to license data generated from our Inscape technology to inform their ad buying decisions

Non-Advertising

Home Screen

Ad placements on our SmartCast home screen by streaming services, studios and other consumer brands

SVOD & vMVPD

Revenue shared by SVOD and vMVPD services on new user subscriptions activated or reactivated through our platform

Off-platform Ads

VIZIO will see its cross platform ad retargeting product Household Connect strengthened via Verizon Media's unified ad platform

PVOD & TVOD

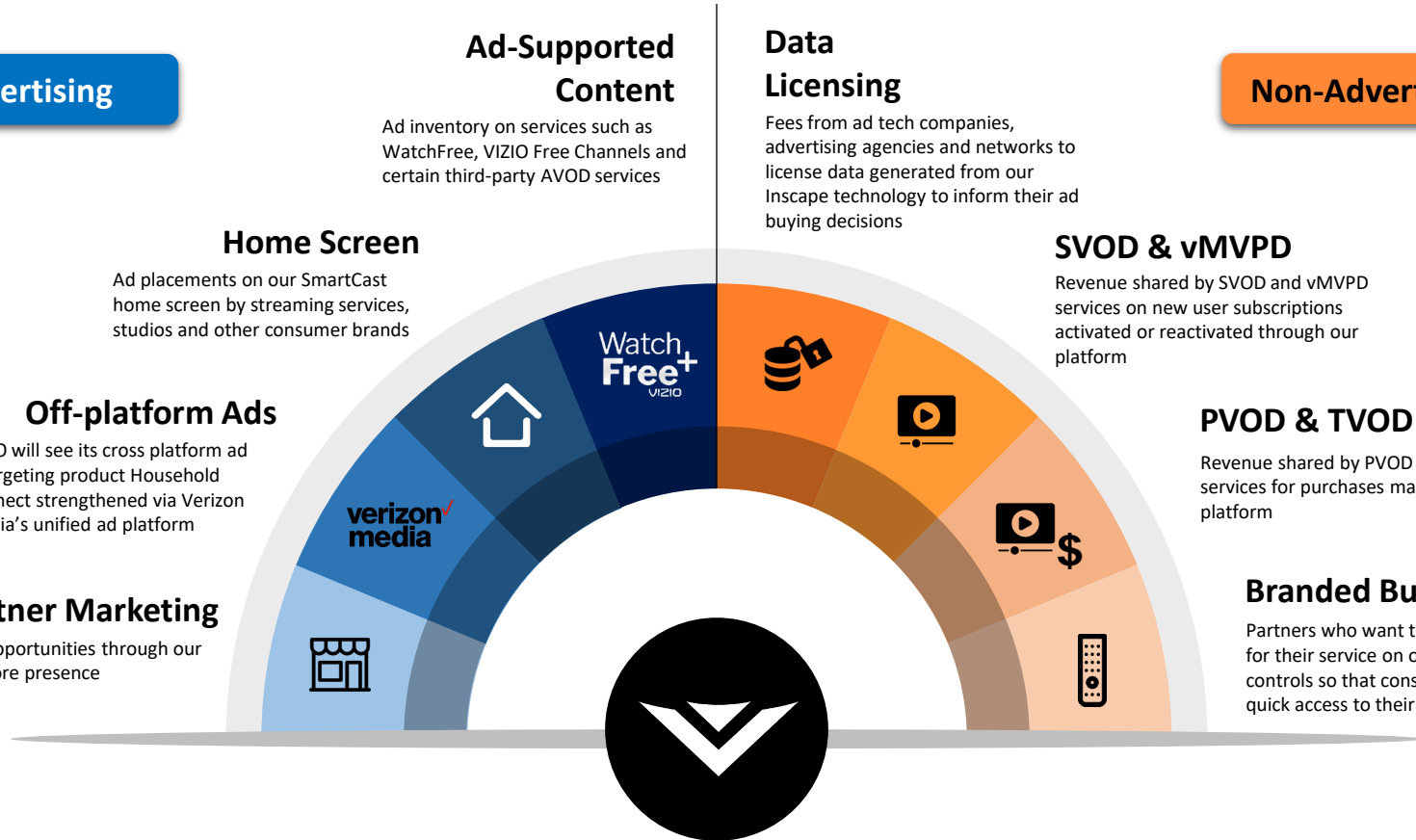
Revenue shared by PVOD and TVOD services for purchases made on our platform

Partner Marketing

Branding opportunities through our large, in-store presence

Branded Buttons

Partners who want to place a button for their service on our VIZIO remote controls so that consumers can have quick access to their service



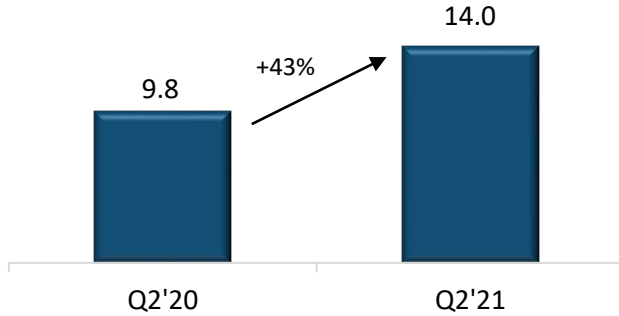


METRICS

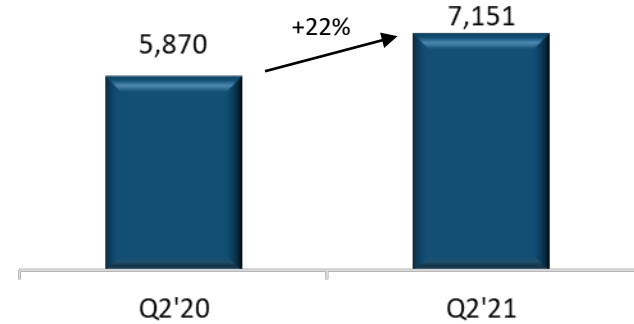
Second Quarter 2021 Financial Highlights – Platform+

Active Accounts and Hours in millions

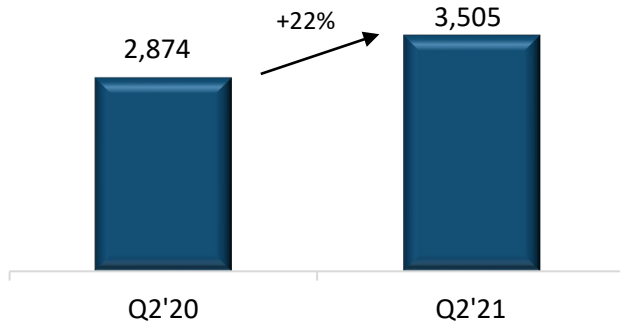
SmartCast Active Accounts



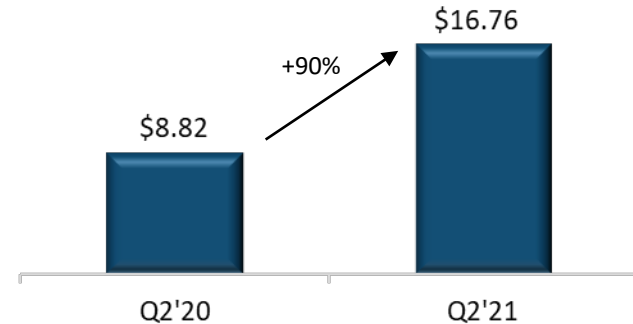
Total VIZIO Hours



SmartCast Hours



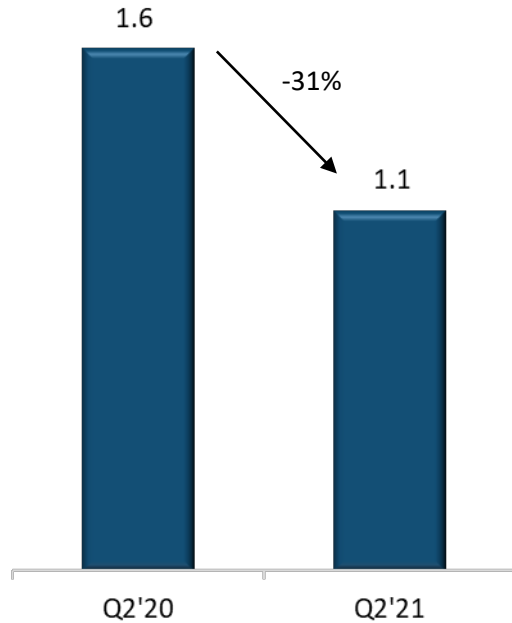
ARPU



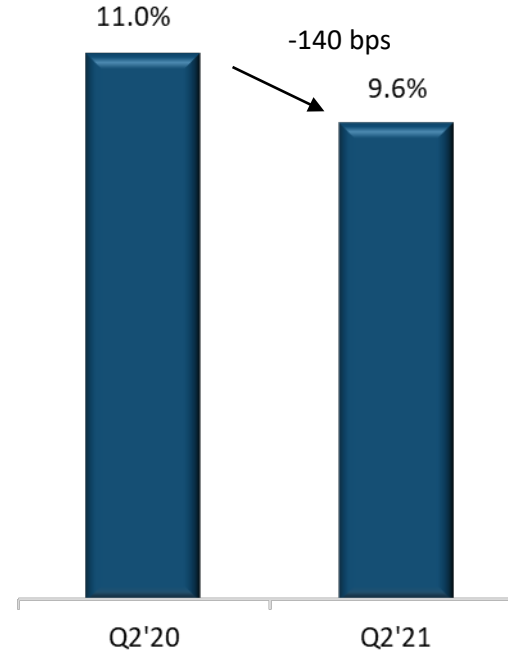
Second Quarter 2021 Financial Highlights – Device

Shipments in millions

Smart TV Shipments



Device Margins





FINANCIAL OUTLOOK

Expected Outlook

\$ in millions

	Third Quarter 2021
Platform+ Net Revenue	\$76 - \$82
Platform+ Gross Profit	\$55 - \$60
Adjusted EBITDA	\$20 - \$25

Platform+

- Continued triple digit growth in Platform+ revenue

Devices

- We expect to see sequential growth in Q3 shipments as we replenish low channel inventory
- Gross margins to trend toward single digits over the coming quarters, more in line with long-term trend

Reconciliation of Net Income to Adjusted EBITDA

\$ in millions, unaudited

	Three Months Ended June 30,	
	2021	2020
Net (Loss) Income	\$ (14.0)	\$ 17.3
Adjusted to exclude the following		
Interest income	(0.1)	(0.1)
Other expense (income), net	(0.0)	(0.0)
Provision for income taxes	5.3	5.6
Depreciation and amortization	0.7	0.6
Share-based compensation	34.6	1.3
Adjusted EBITDA	\$ 26.5	\$ 24.7

Key Operational and Financial Metrics

We review certain key operational and financial metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy.

- **Smart TV Shipments.** We define Smart TV Shipments as the number of Smart TV units shipped to retailers or direct to consumers in a given period. Smart TV Shipments currently drive the majority of our revenue and provide the foundation for increased adoption of our SmartCast operating system and the growth of our Platform+ revenue. The growth rate between Smart TV units shipped and Device net revenue is not directly correlated because VIZIO's Device net revenue can be impacted by other variables, such as the series and sizes of Smart TVs sold during the period, the introduction of new products as well as the number of sound bars shipped.
- **SmartCast Active Accounts.** We define SmartCast Active Accounts as the number of VIZIO Smart TVs where a user has activated the SmartCast operating system through an internet connection at least once in the past 30 days. We believe that the number of SmartCast Active Accounts is an important metric to measure the size of our engaged user base, the attractiveness and usability of our operating system, and subsequent monetization opportunities to increase our Platform+ net revenue.
- **Total VIZIO Hours.** We define Total VIZIO Hours as the aggregate amount of time users spend utilizing our Smart TVs in any capacity. We believe this usage metric is critical to understanding our total potential monetization opportunities.
- **SmartCast Hours.** We define SmartCast Hours as the aggregate amount of time viewers engage with our SmartCast platform to stream content or access other applications. This metric reflects the size of the audience engaged with our operating system as well as indicates the growth and awareness of our platform. It is also a measure of the success of our offerings in addressing increased user demand for OTT streaming. Greater user engagement translates into increased revenue opportunities as we earn a significant portion of our Platform+ net revenue through advertising, which is influenced by the amount of time users spend on our platform.

Key Operational and Financial Metrics

- **SmartCast ARPU.** We define SmartCast ARPU as total Platform+ net revenue, less revenue attributable to legacy VIZIO V.I.A. Plus units, during the preceding four quarters divided by the average of (i) the number of SmartCast Active Accounts at the end of the current period; and (ii) the number of SmartCast Active Accounts at the end of the corresponding prior year period. SmartCast ARPU indicates the level at which we are monetizing our SmartCast Active Account user base. Growth in SmartCast ARPU is driven significantly by our ability to add users to our platform and our ability to monetize those users.
- **Device gross profit.** We define Device gross profit as Device net revenue less Device cost of goods sold in a given period. Device gross profit is directly influenced by consumer demand, device offerings, and our ability to maintain a cost-efficient supply chain.
- **Platform+ gross profit.** We define Platform+ gross profit as Platform+ net revenue less Platform+ cost of goods sold in a given period. As we continue to grow and scale our business, we expect Platform+ gross profit to increase over the long term.



VIZIO

THANK YOU