



# VIZIO

**Financial Results and Outlook  
Q4'21 Earnings Call**

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 (loss) income before interest income, other 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 (loss) 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 (loss) income. We compensate for these limitations by providing a reconciliation of Adjusted EBITDA to net (loss) income. We encourage investors and others not to rely on any single financial measure and to view Adjusted EBITDA in conjunction with net (loss) income.

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 and our expectations regarding advertising spend commitments. 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 sell 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 press release 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 25, 2021, and in our Quarterly Reports on Form 10-Q filed on May 12, 2021, August 5, 2021, and November 10, 2021. Additional information will also be set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. 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.

A man with a beard and short hair, wearing a blue button-down shirt over a white t-shirt, is sitting on a couch. He is holding a black remote control in his right hand and looking off to the side with a thoughtful expression. The background is a dimly lit room with a wooden bookshelf and a window with blinds.

# Financial Highlights

## Fourth Quarter 2021 Highlights

(comparison to fourth quarter 2020)

- Net revenue of \$629 million, compared to \$734 million
- Platform+ net revenue of \$105 million, up 74%
- Gross profit of \$77 million, compared to \$102 million
- Platform+ gross profit of \$67 million, up 39%
- Adjusted EBITDA <sup>1</sup> of \$17 million, compared to \$54 million

## Fourth Quarter Results Met and Exceeded Guidance

(\$ in millions)

|                              | <u>Q4'21</u> | <u>Guidance</u> |
|------------------------------|--------------|-----------------|
| Platform+ Net Revenue        | \$105        | \$100 - \$110   |
| Platform+ Gross Profit       | \$67         | \$65 - \$70     |
| Adjusted EBITDA <sup>1</sup> | \$17         | \$7 - \$12      |

<sup>1</sup> Non-GAAP financial measures, see reconciliation to net income on slide 25

# Fourth Quarter 2021 Financial Results

\$ in millions, unaudited

|                                    | Three Months Ended December 31, |              |                |              |
|------------------------------------|---------------------------------|--------------|----------------|--------------|
|                                    | 2021                            | 2020         | Change         |              |
|                                    |                                 |              | \$             | %            |
| <b>Net Revenue</b>                 |                                 |              |                |              |
| Device                             | \$ 524                          | \$ 674       | \$ (150)       | -22%         |
| Platform+                          | 105                             | 60           | 45             | 74%          |
| <b>Net Revenue</b>                 | <b>629</b>                      | <b>734</b>   | <b>(105)</b>   | <b>-14%</b>  |
| <b>Gross Profit</b>                |                                 |              |                |              |
| Device                             | 10                              | 54           | (44)           | -82%         |
| Platform+                          | 67                              | 48           | 19             | 39%          |
| <b>Total Gross Profit</b>          | <b>77</b>                       | <b>102</b>   | <b>(25)</b>    | <b>-24%</b>  |
| Operating Expenses <sup>1</sup>    | 97                              | 49           | 48             | 99%          |
| <b>Net (Loss) Income</b>           | <b>\$ (10)</b>                  | <b>\$ 41</b> | <b>\$ (51)</b> | <b>-125%</b> |
| <b>Adjusted EBITDA<sup>2</sup></b> | <b>\$ 17</b>                    | <b>\$ 54</b> | <b>\$ (37)</b> | <b>-68%</b>  |

<sup>1</sup> 2021 fourth quarter operating expenses include share-based compensation of \$36.1 million.

2020 fourth quarter operating expenses include share-based compensation of \$0.8 million.

<sup>2</sup> Non-GAAP financial measure, see reconciliation to net income on slide 25.



A group of people are gathered on a modern outdoor patio, watching a football game on a large television mounted on a stone fireplace. The TV shows a player in a white jersey with the number 27. The people are cheering and raising their hands. The patio features a stone fireplace, a large sofa, and a coffee table. A swimming pool is visible in the background.

# Device Highlights

# Device Highlights

- #3 bestselling Smart TV brand in the US in 2021 <sup>1</sup>
- #1 bestselling Sound Bar brand in the US in 2021 <sup>2</sup>
- Expanded number of gaming TVs shipped with FreeSync certification
- Returned to pre-pandemic stock levels which lead to healthier inventory positions across retail partners



<sup>1</sup> The NPD Group/Retail Tracking Service, LCD TV, Smart TV: Web Browser Only, Apps and Web Browser, Apps Only, Annual 2021

<sup>2</sup> The NPD Group/Retail Tracking Service, Annual 2021



# A TV and Soundbar For Every Budget

## Select Retail Partners



### D-Series

Starting at \$139

24" – 43"  
Screen Sizes

HD/FHD

V-Gaming Engine



### M-Series

Starting at \$349

43" – 75"  
Screen Sizes

4K Ultra HD

ProGaming Engine  
w/AMD FreeSync



### V-Series

Starting at \$339

43" – 75"  
Screen Sizes

4K Ultra HD

V-Gaming Engine



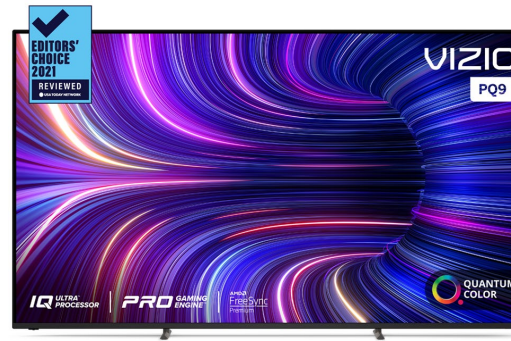
### P-Series

Starting at \$899

65" – 85"  
Screen Sizes

4K Ultra HD

ProGaming Engine  
w/AMD FreeSync Premium



### OLED

Starting at \$999

55" – 65"  
Screen Sizes

4K Ultra HD

ProGaming Engine

### V-Series

Starting at \$115

A step-up in home theater sound with up to 6 Speakers



### M-Series

Starting at \$99

All in one, 5.1 & 5.1.2 Surround With Up to 11 Speakers



### Elevate

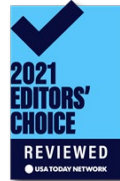
Starting at \$799

Upfiring Rotating Speaker With Up to 18 Speakers



# Recent Awards & Accolades

## TV



D-Series

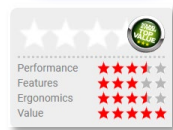
M-Series

PQ9-Series

PQX-Series

OLED

## Audio



V-Series 2.0

V-Series 2.1d

V-Series 2.1x

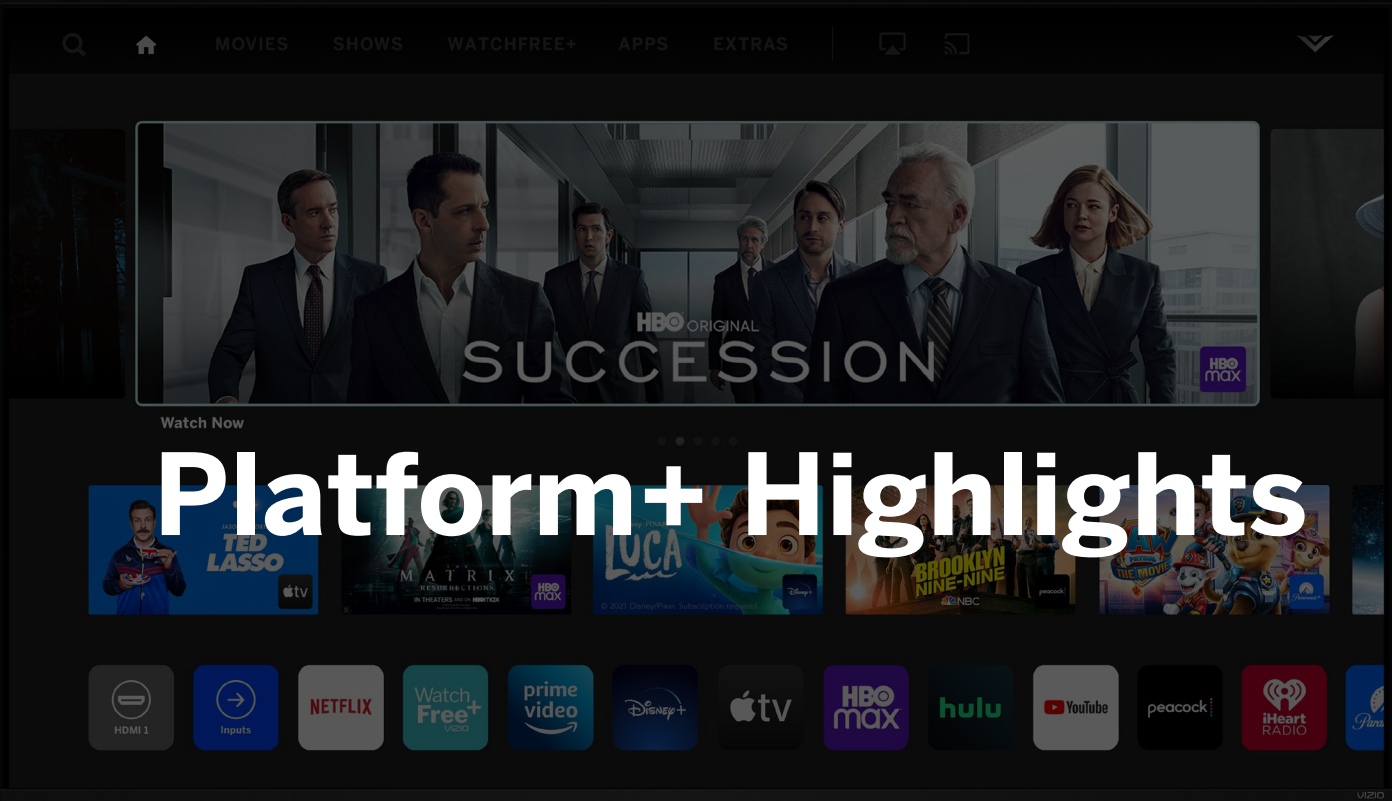
V-Series 5.1x

M-Series 5.1.2

M-Series 5.1ax

Elevate 10

Note: Q4 awards are highlighted



# Platform+ Highlights

- HDMI 1
- Inputs
- NETFLIX
- Watch Free+ VIDEO
- prime video
- Disney+
- Apple tv
- HBO max
- hulu
- YouTube
- peacock
- iHeart RADIO
- Pandora

# Platform+ Highlights

- Increased direct advertising client base by over 20% and average revenue per advertiser by over 70% versus Q4'20
- Grew relationships with advertising categories such as Automotive, Media & Entertainment, Insurance, and Retail versus Q4'20
- Expanded WatchFree+ with thousands of free on demand movies, TV shows and VIZIO exclusives
- App launches included Discovery+, History Vault, Lifetime Movie Club, AfroLandTV, and Crime Central
- Launched more VIZIO Features (*Mission, House, Fear, and Polaris*) curated channels with 100% ad inventory control



# Direct Advertising Growth

*% reflects year-over-year revenue growth*

**+ 226%**

**Insurance**



**+ 200%**

**Retail**



**+ 180%**

**Automotive**



**+ 140%**

**Media &  
Entertainment**



***Continued to Expand Relationships With Key Advertiser Categories***

# WatchFree+



Like Cable TV. **But Streaming and Free.**

*2nd Most Watched Ad Supported App On Our Platform*

No logins

No subscriptions

No Fees

220+ Free Streaming Channels

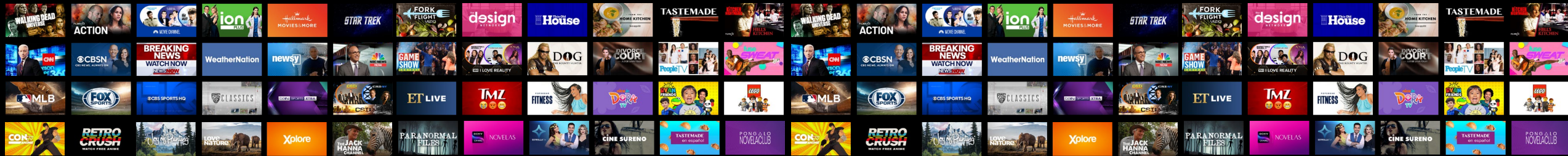
5,000+ On Demand Titles

News, sports, movies TV shows, and more

*Expanded WatchFree+ with Thousands of On Demand Titles*

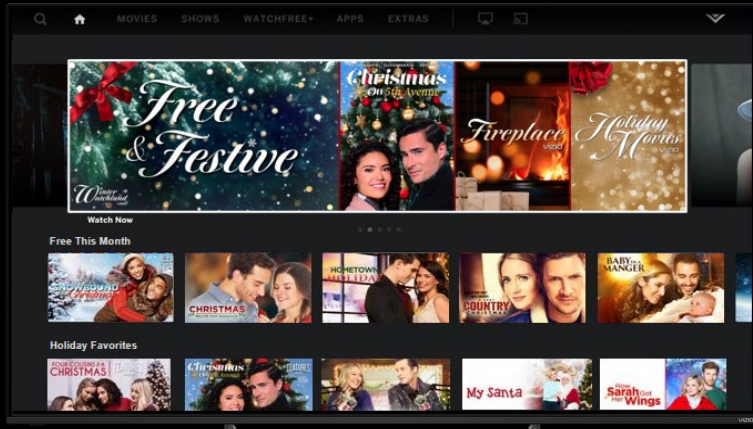
Disney  
Media & Entertainment  
Distribution

**LIONSGATE**

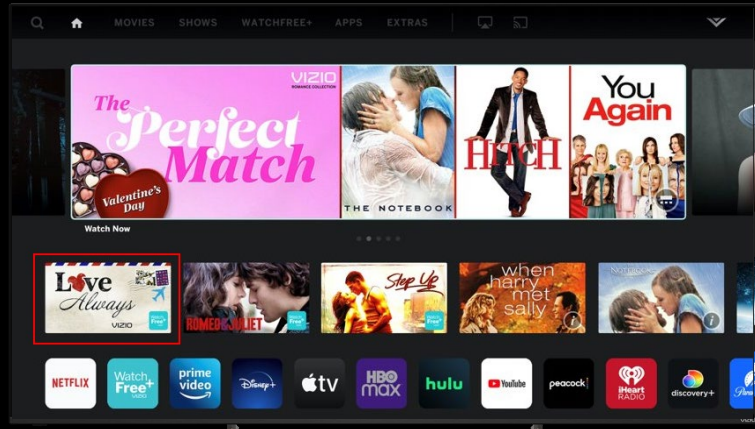


# Branded Monetization Opportunities Across Our Home Screen

## Home Screen Placement Drives Engagement



Holiday Hub: Winter Watchland



Valentines Day: The Perfect Match

**Increased Monetization Across Home Screen Sponsorships & WatchFree+ Video Ads**

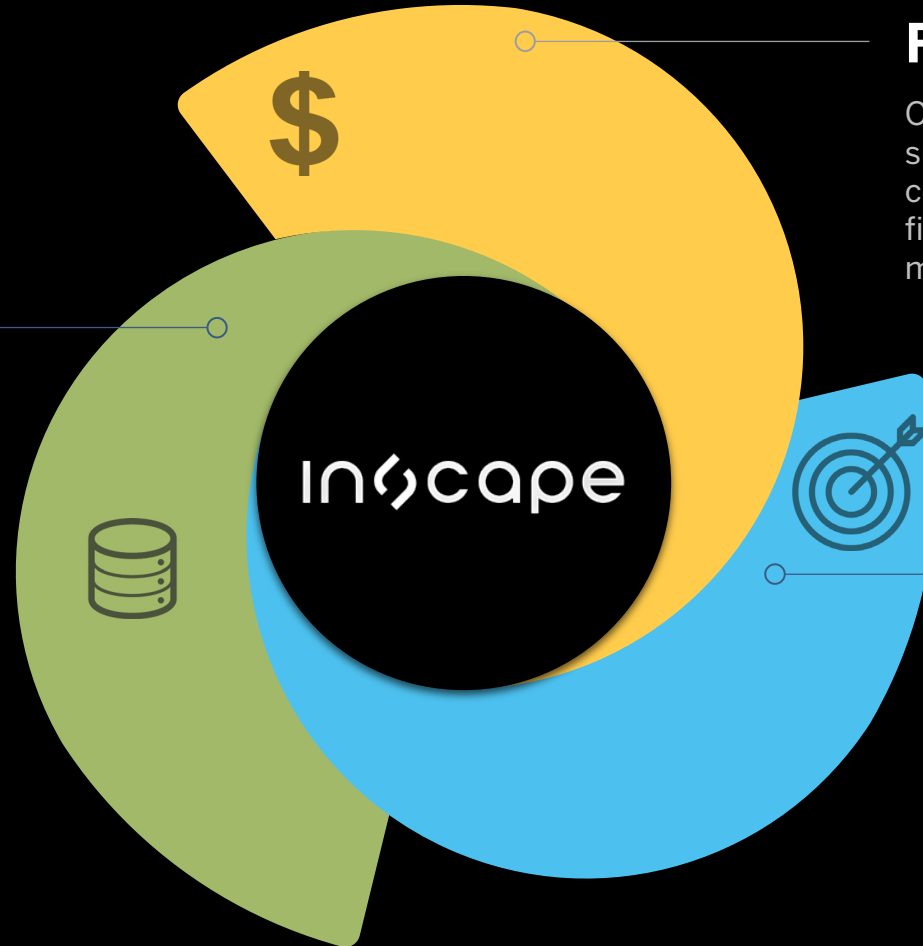
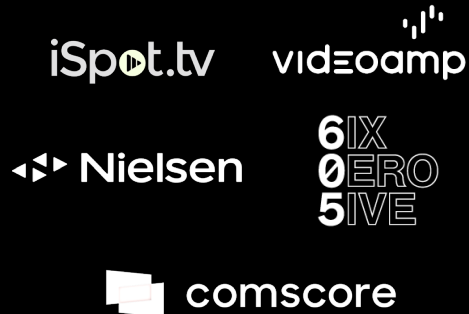
## Sponsorship Opportunities



# Advantages of VIZIO First-Party Data

## Powering Measurement

Our TV viewership currency grade data is used by the top CTV measurement companies to help them understand what's happening across household TVs in linear and streaming environments.



## Fueling Monetization

Our first-party data supports our passion to drive superior CTV search & discovery functionality. Our content recommendation engine helps consumers find more of what they want to watch and in more monetizable areas across our platform.

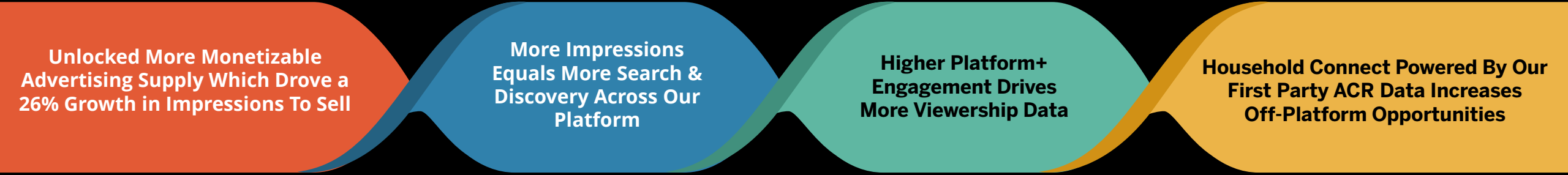
## Deepening Relationships

Our TV viewership data captures glass level opted-in first-party data across all input sources. This gives agencies and networks better ad targeting capabilities as they plan their CTV ad buying.





# Monetization Opportunity Continues to Grow

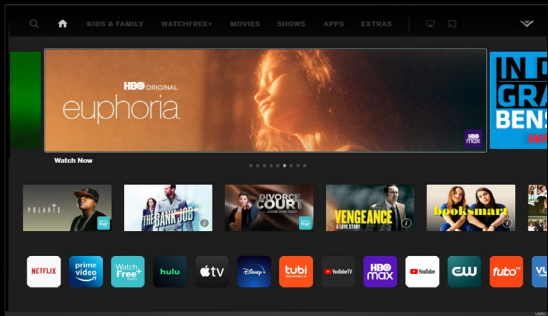


Unlocked More Monetizable Advertising Supply Which Drove a 26% Growth in Impressions To Sell

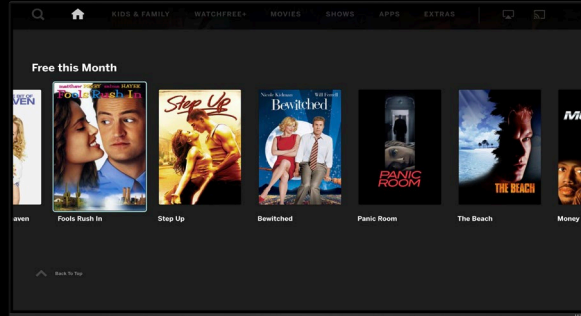
More Impressions Equals More Search & Discovery Across Our Platform

Higher Platform+ Engagement Drives More Viewership Data

Household Connect Powered By Our First Party ACR Data Increases Off-Platform Opportunities



4 Additional Hero Banner Units and 7 New Unique Video Categories With Hero Banner Units

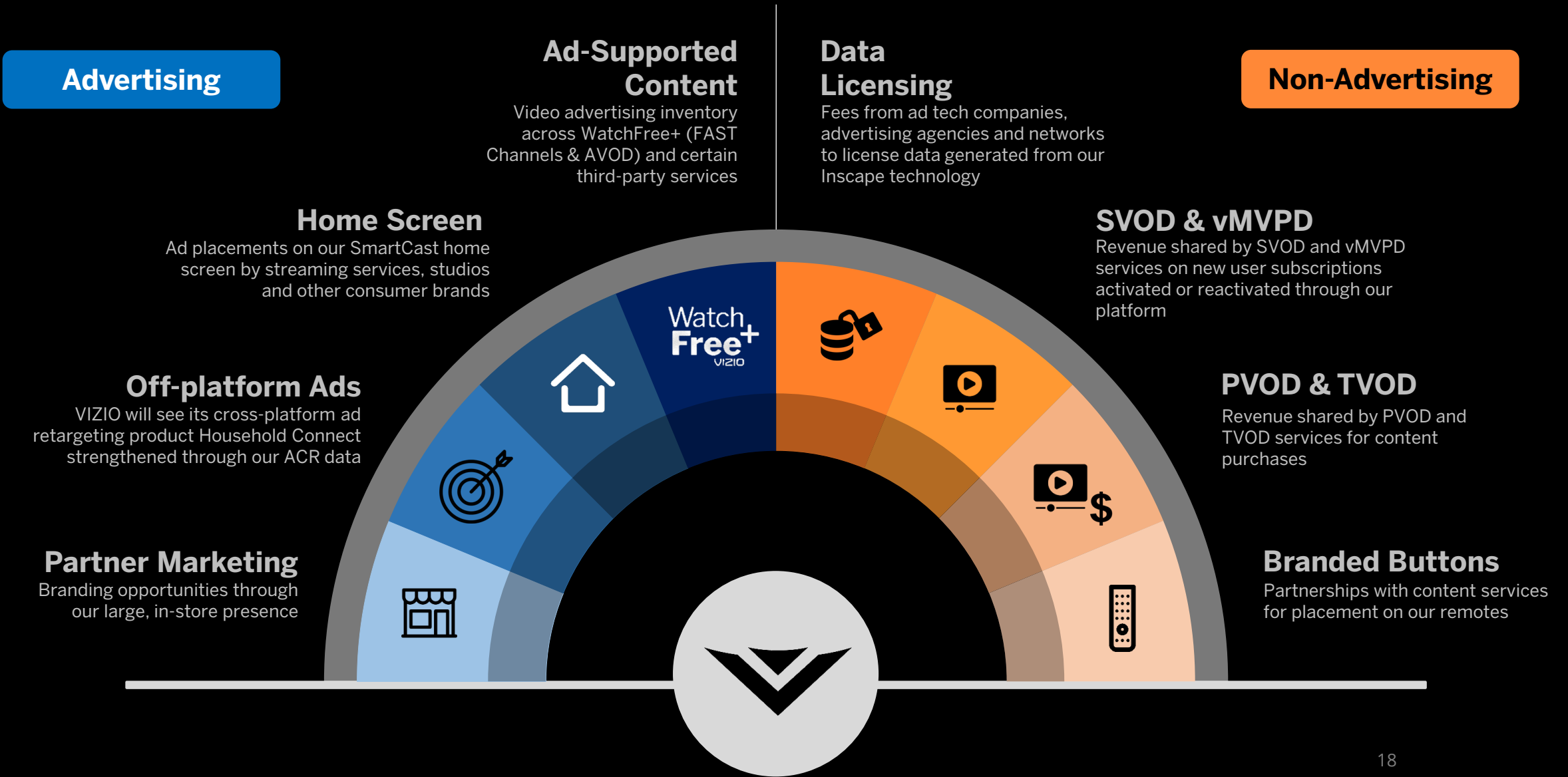


in<sup>s</sup>cape



First Party Data Expands TAM Opportunity

# Wide Array of Monetization



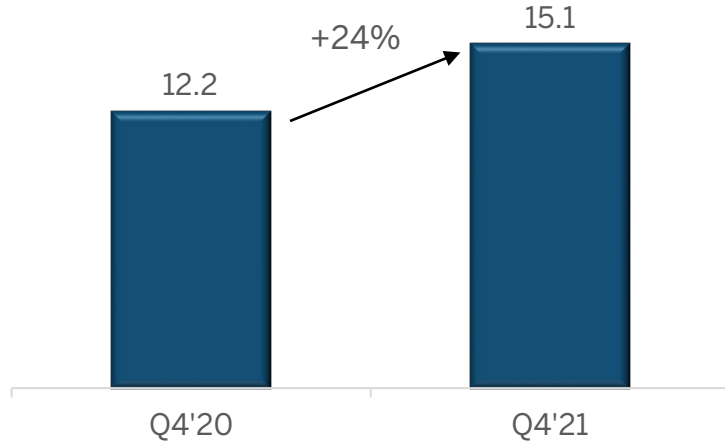


# Operating Metrics

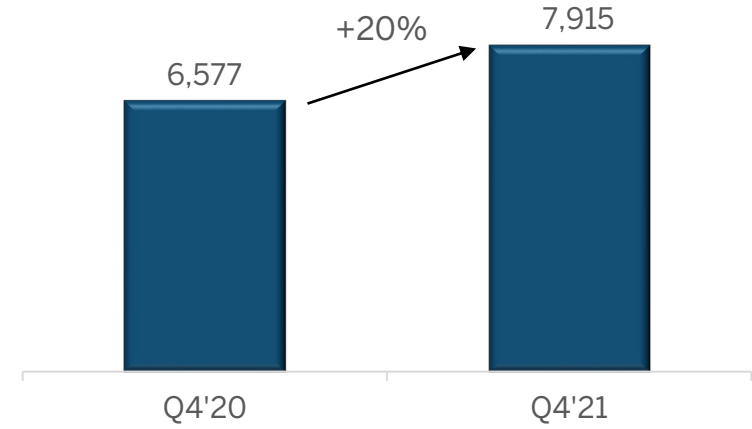
# Fourth Quarter 2021 Operating Metrics – Platform+

Active Accounts and Hours in millions

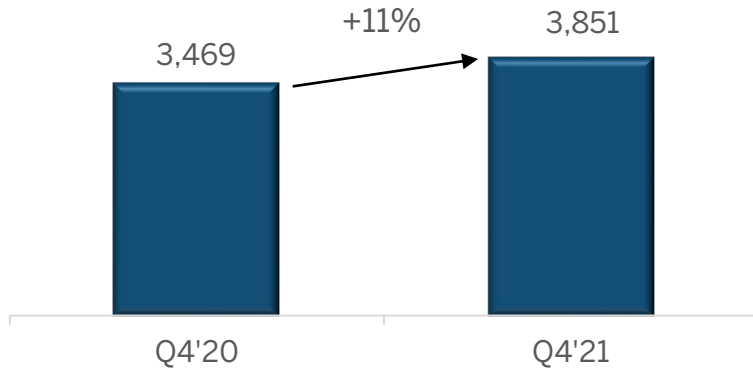
**SmartCast Active Accounts**



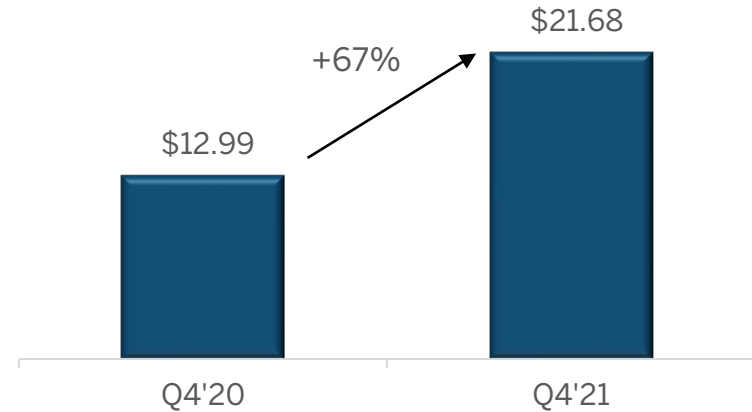
**Total VIZIO Hours**



**SmartCast Hours**



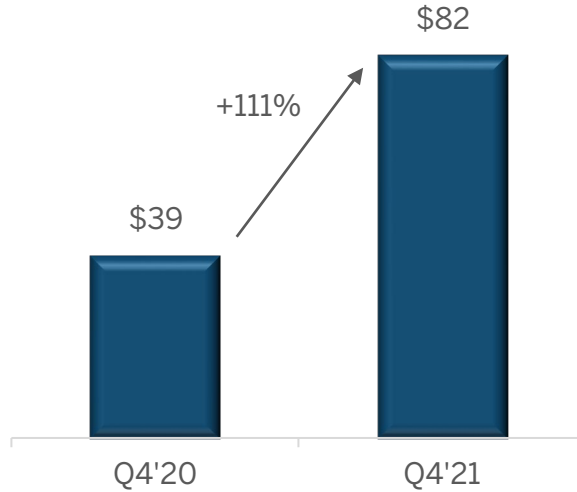
**SmartCast ARPU**



# Fourth Quarter 2021 Financial Highlights – Platform+

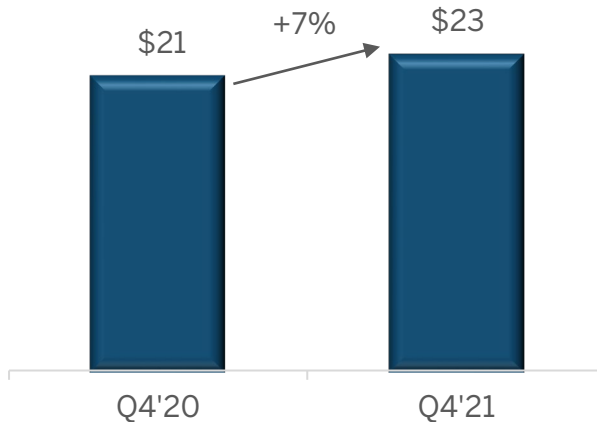
\$ in millions

## Advertising Net Revenue



- Year over year advertising net revenue up 111% in fourth quarter 2021
- For the quarter, the increase in Platform + was primarily driven by an increase in advertising revenue

## Non-advertising Net Revenue

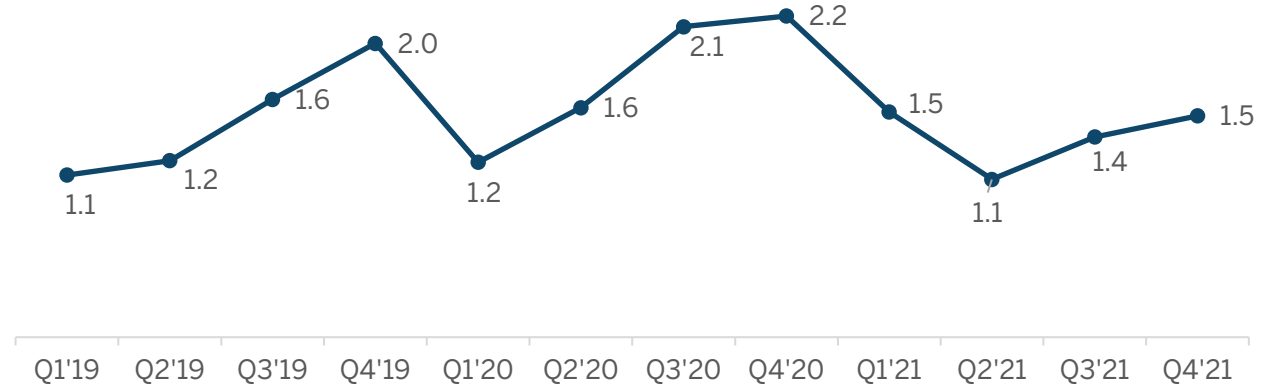
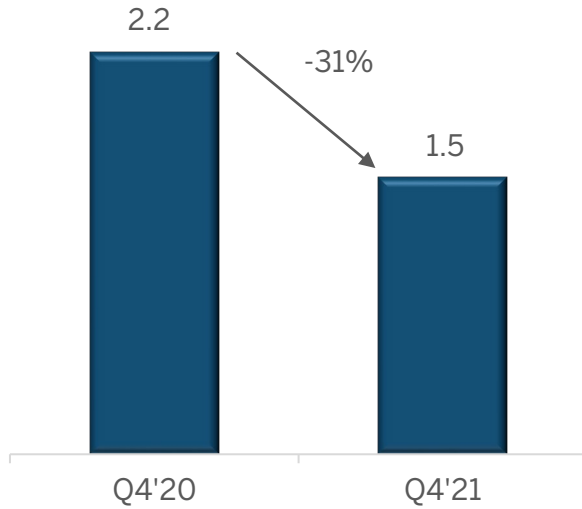


- Year over year non-advertising net revenue up 7% in fourth quarter 2021
- For this quarter, non-advertising revenue increased due to higher button and data licensing revenue

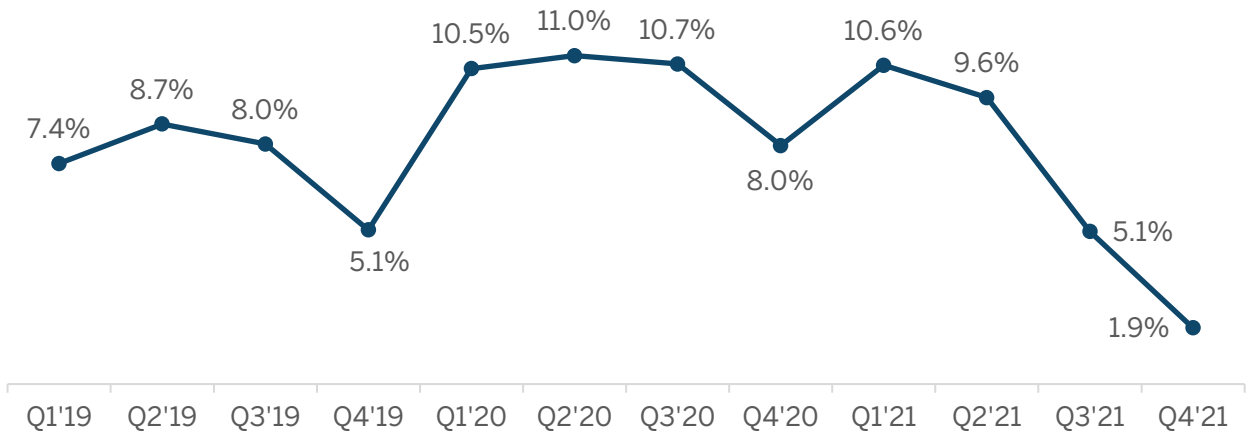
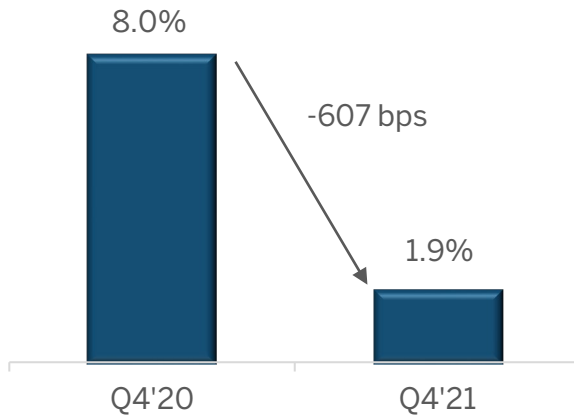
# Fourth Quarter 2021 Financial Highlights – Device

Shipments in millions

## Smart TV Shipments



## Device Gross Margin



A couple is sitting on a teal-colored sofa in a modern living room. The woman, on the left, is wearing a white top and blue jeans, and is smiling. The man, on the right, is wearing a blue shirt over a white t-shirt and is also smiling. They appear to be in a relaxed conversation. In the foreground, there is a coffee table with a glass of pink drink, a bowl, and a stack of books. The background features a wooden shelf with various decorative items and a window with blinds.

# Financial Outlook

# Expected Outlook

\$ in millions

|                        | First<br>Quarter<br>2022 |
|------------------------|--------------------------|
| Platform+ Net Revenue  | \$90 - \$95              |
| Platform+ Gross Profit | \$57 - \$60              |
| Adjusted EBITDA        | (\$2) - \$2              |

## Platform+

- Revenue growth of 77% with gross profit margin of 63% at midpoint of range
- Expected growth in both advertising and non-advertising revenue

## Device

- We expect benefit from improved channel inventories
- Gross margins of low single digits over the coming quarters to drive unit sales and customer acquisition



# Reconciliation of Net (Loss) Income to Adjusted EBITDA

*\$ in millions, unaudited*

|   | <b>Three Months Ended<br/>December 31,</b> |       |
|---|--|-------|
|   | 2021                                       | 2020  |
| Net (loss) income                         | \$ (10)                                    | \$ 41 |
| Adjusted to exclude the following:        |  |       |
| Interest (income) expense, net            | -  | -     |
| Other income, net                         | (3)  | -     |
| Provision for (benefit from) income taxes | (7)  | 12    |
| Depreciation and amortization             | 1  | 1     |
| Share-based compensation                  | 37   | 1     |
| Adjusted EBITDA                           | \$ 17                                      | \$ 54 |

# 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.
- **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

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**Thank You**