



# VIZIO

## Financial Results and Outlook Q1'22 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, net, other income (expense), net, provision for (benefit from) 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 condensed 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 Annual Report on Form 10-K for the year ended December 31, 2021, filed on March 10, 2022, and our Quarterly Report on Form 10-Q for the three months ended March 31, 2022, to be filed in the next few days. 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 young child with curly hair is sitting on a light-colored sofa in a living room. The child is holding a black smartphone in their right hand and looking towards the left. The room has a large window in the background showing green foliage. The overall lighting is soft and warm. The text "Financial Highlights" is overlaid in the center of the image.

# Financial Highlights

## First Quarter 2022 Highlights

(comparison to first quarter 2021)

- Net revenue of \$485 million, compared to \$506 million
- Platform+ net revenue of \$103 million, up 97%
- Gross profit of \$73 million, compared to \$87 million
- Platform+ gross profit of \$65 million, up 69%
- Adjusted EBITDA <sup>1</sup> of \$4 million, compared to \$40 million

## First Quarter Results Exceeded Guidance

(\$ in millions)

	Q1'22	Guidance
Platform+ Net Revenue	\$103	\$90 - \$95
Platform+ Gross Profit	\$65	\$57 - \$60
Adjusted EBITDA <sup>1</sup>	\$4	(\$2) - \$2

<sup>1</sup> Non-GAAP financial measure, see reconciliation to net (loss) income on slide 27.

# First Quarter 2022 Financial Results

\$ in millions, unaudited

	Three Months Ended March 31,			
	2022	2021	Change	
			\$	%
<b>Net Revenue</b>				
Device	\$ 383	\$ 453	\$ (71)	-16%
Platform+	103	52	50	97%
<b>Total Net Revenue</b>	<b>485</b>	<b>506</b>	<b>(20)</b>	<b>-4%</b>
<b>Gross Profit</b>				
Device	8	48	(40)	-84%
Platform+	65	38	27	69%
<b>Total Gross Profit</b>	<b>73</b>	<b>87</b>	<b>(14)</b>	<b>-16%</b>
Operating Expenses <sup>1</sup>	86	73	13	18%
<b>Net (Loss) Income</b>	<b>\$ (11)</b>	<b>\$ 3</b>	<b>\$ (14)</b>	<b>-424%</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ 4</b>	<b>\$ 40</b>	<b>\$ (36)</b>	<b>-89%</b>

<sup>1</sup> 2022 first quarter operating expenses include share-based compensation of \$16.2 million.

2021 first quarter operating expenses include share-based compensation of \$26.0 million.

<sup>2</sup> Non-GAAP financial measure, see reconciliation to net (loss) income on slide 27.





# Device Highlights

# Device Highlights

- #1 TV and sound bar shelf share at Walmart & Target <sup>1</sup>
- 50" V Series model was the #1 selling 4K TV in US during Q1'22 <sup>2</sup>
- Increased mid-size (43" – 58") units shipped by 40% from Q1'21
- 23% increase in TV shipments versus pre-pandemic Q1'19
- Received CES 2022 Innovation Awards for TV (M Series X), Audio (M Series Elevate) and our SmartCast operating system



<sup>1</sup> According to gap intelligence's Televisions and Sound Bars Pricing & Promotion Report, March 2022.

<sup>2</sup> The NPD Group/Retail Tracking Service, based on unit sales, Jan. - Mar. 2022 combined.



# A TV and Soundbar For Every Budget

## Select Retail Partners



### D-Series

Starting at \$129

24" – 43"  
Screen Sizes

HD/FHD

V-Gaming Engine



### M-Series

Starting at \$399

43" – 75"  
Screen Sizes

4K Ultra HD

ProGaming Engine  
w/AMD FreeSync



### V-Series

Starting at \$289

43" – 75"  
Screen Sizes

4K Ultra HD

V-Gaming Engine



### P-Series

Starting at \$999

65" – 85"  
Screen Sizes

4K Ultra HD

ProGaming Engine  
w/AMD FreeSync Premium



### OLED

Starting at \$1,299

55" – 65"  
Screen Sizes

4K Ultra HD

ProGaming Engine

### V-Series

Starting at \$119

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



### M-Series

Starting at \$149

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



### Elevate

Starting at \$1,099

Upfiring Rotating Speaker With Up to 18 Speakers



# Recent Awards & Accolades

## TV

D-Series



M-Series



P-Series



OLED



## AUDIO

V-Series



M-Series



Elevate



## BRAND



Note: Q1 awards are highlighted

# Platform+ Highlights



# Platform+ Highlights

- Advertising revenue grew 116% versus Q1'21
- Expanded direct advertising client base by 80% and increased average revenue per advertiser by 65% versus Q1'21
- Off-device advertising grew by over 200% driven by strength in Household Connect sales
- App launches included Sling TV, Amazon Music, Chicken Soup for the Soul, Daily Wire, and Us Weekly
- Added 1,000 on-demand titles to WatchFree+ from major studios including Warner Brothers, now bringing total studio partnerships to 26
- Inked partnership with TransUnion to incorporate their TruAudience® Identity and Data Marketplace into VIZIO's Household Connect
- Launched VIZIO Jump View, a cross-platform solution designed to bridge for viewers the gap between linear TV and streaming services



# Direct Advertising Growth

% reflects year-over-year revenue growth

+111%

## Media & Entertainment



+57%

## Automotive



+52%

## Insurance



+50%

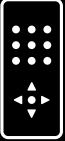
## Consumer Packaged Goods




# VIZIO's Free Content Solution for Consumers

## Why Consumers Love Free Content Services


## VIZIO's WatchFree+ Solution

- 



**#1**  
Ease of Use
- 

**#2**  
Quality Programming
- 

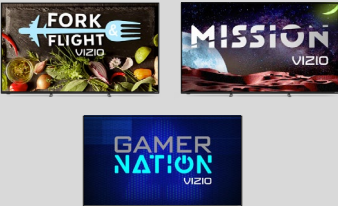
**#3**  
Exclusive content



- Multiple access points to WatchFree+
- No logins, no subscriptions, and no fees

- Over 5,000 On Demand titles from major Hollywood studios
- Over 250 live channels across news, sports, movies, TV shows, and more



- Curated VIZIO branded FAST channels across all genres
- Personalized content experiences based on VIZIO's first-party data

# Like Cable TV. But Streaming and Free

2<sup>nd</sup> Most Watched Ad Supported App On Our Platform

Watch  
Free+  
VIZIO

Thousands of On Demand Titles from Studio Partners

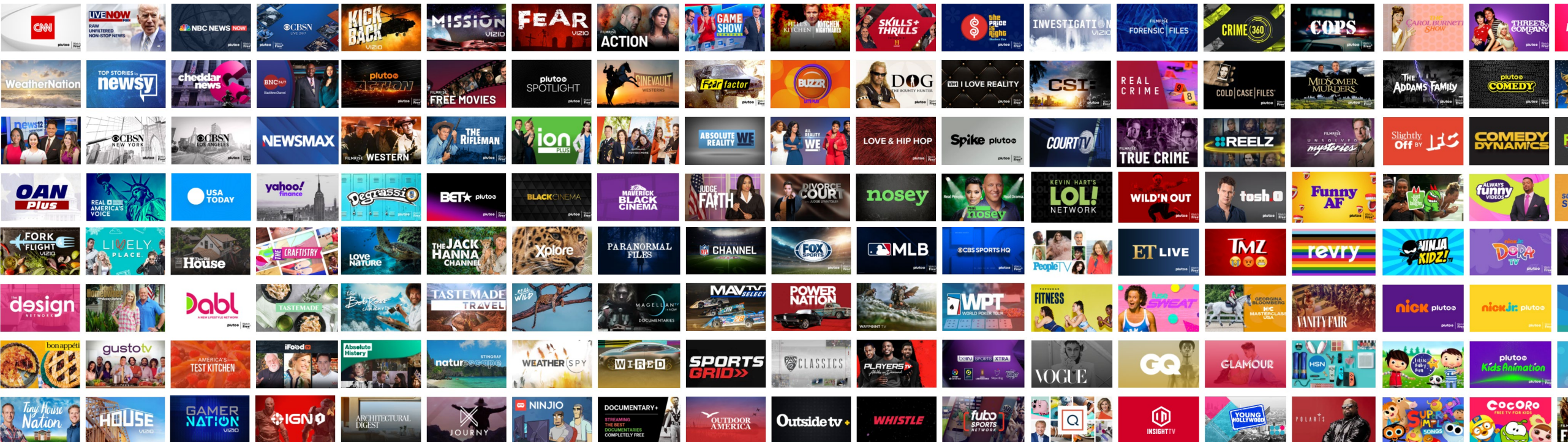


LIONSGATE



Relativity

Over 250 Live Channels



# VIZIO Features: Data-Driven Curated Exclusive Channels



## VIZIO Features

Numerous first-party data driven channels across multiple genres

100% ad inventory control across VIZIO Features

Average viewing time on VIZIO Fork & Flight and VIZIO Investigation is 3x longer vs standard FAST channels

### Exclusive data-driven content





# Always On Home Screen Brand Sponsorship & Engagement Opportunities



New Year, New Me: Presented by Nissan



Super Bowl: Game Day Collection



What's Hot: Presented by Microsoft



Sports Movies & Shows: Presented by TurboTax



Valentines Day: The Perfect Match



Black Voices: Black History Month

## Women's History Month

## Asian American & Pacific Islander Heritage Month

## Hispanic Heritage Month

Black History Month

Oscars & Grammys

May the 4th

Juneteenth

Shark Week

Emmys

Halloween

Valentine's Day

March Madness

Mother's Day

Father's Day

July 4th

Labor Day

Thanksgiving

Holidays

New Years

Super Bowl

April Fools

Pride Month

Fall Premiers

Earth Day

Q1

Q2

Q3

Q4

# Advantages of VIZIO First-Party Data

## 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.

HDMI 1 HDMI 2 HDMI 3 SmartCast



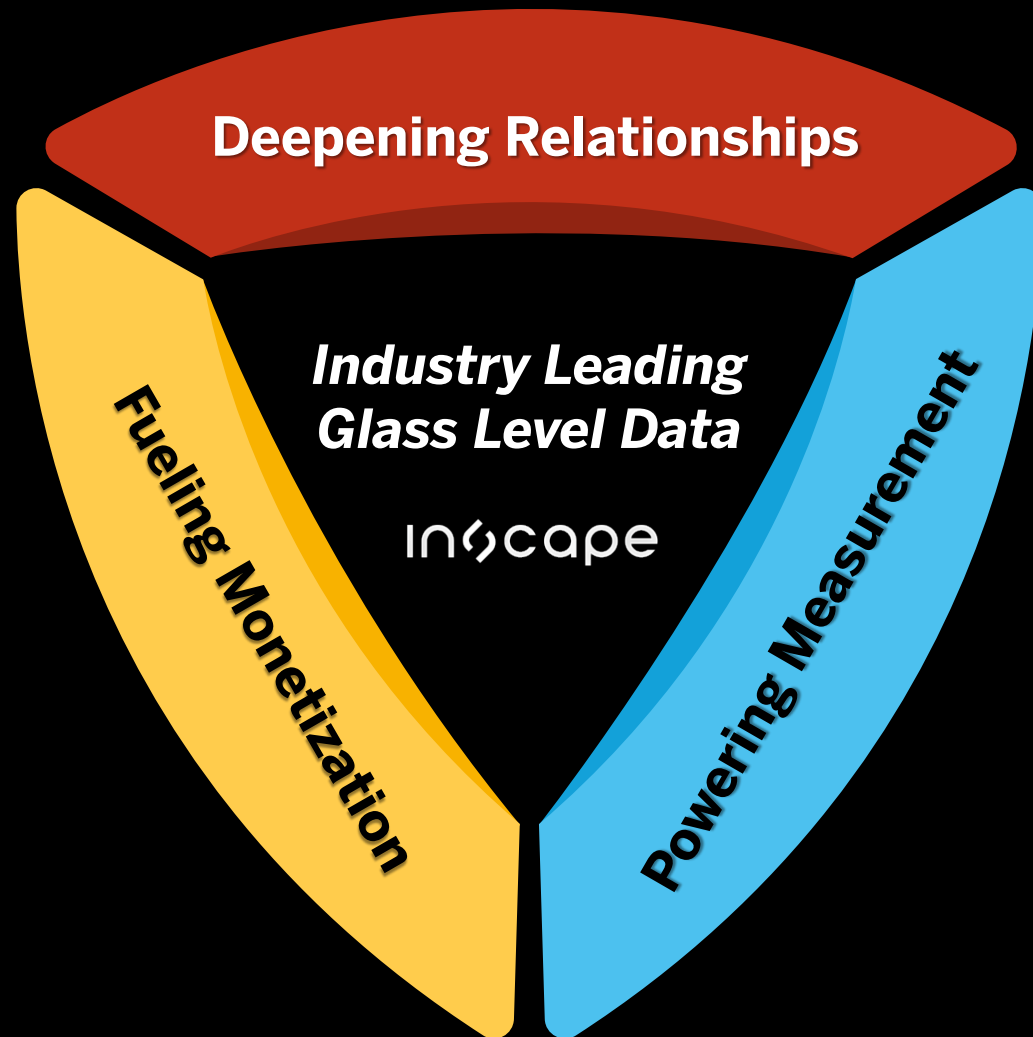
## Powering Measurement

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.

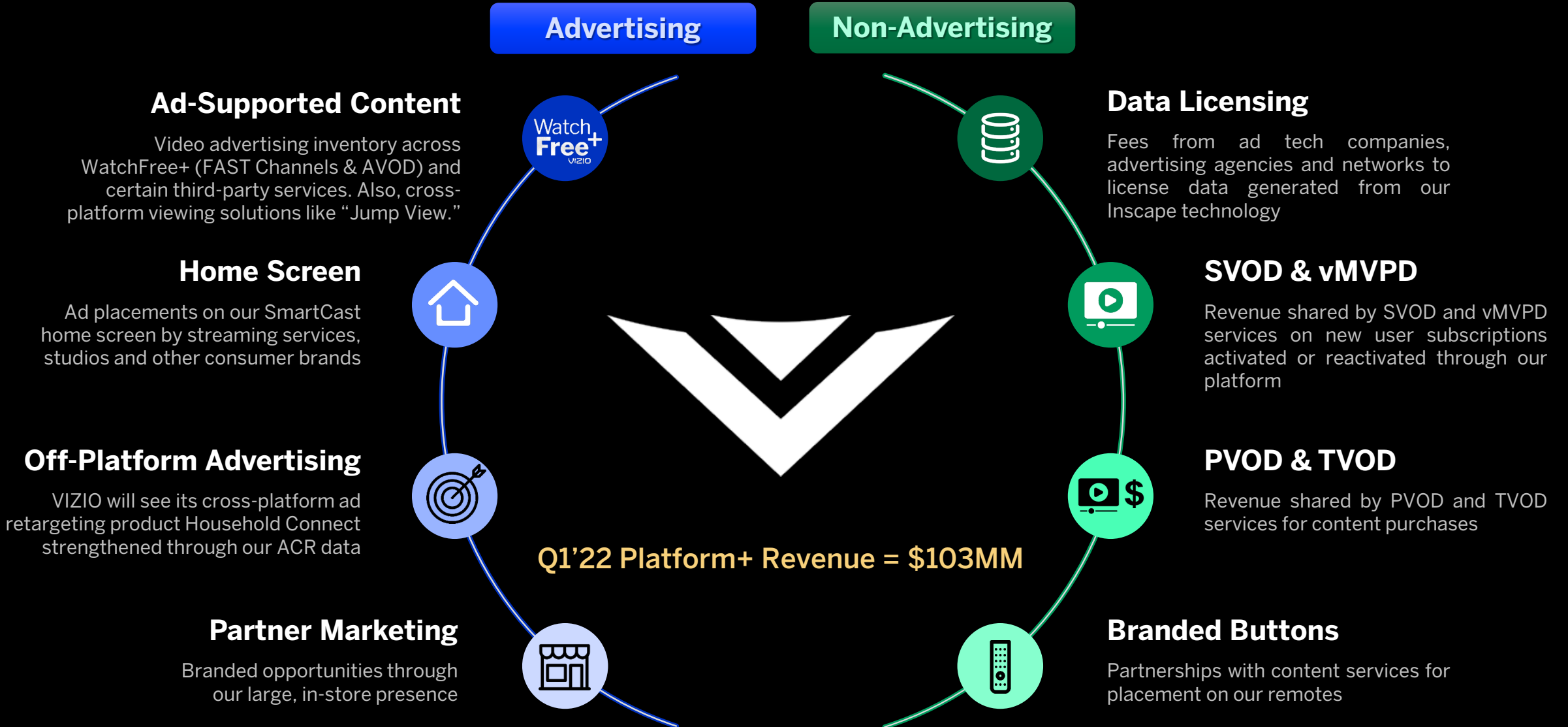


## Fueling Monetization

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.



# Wide Array of Platform+ Monetization



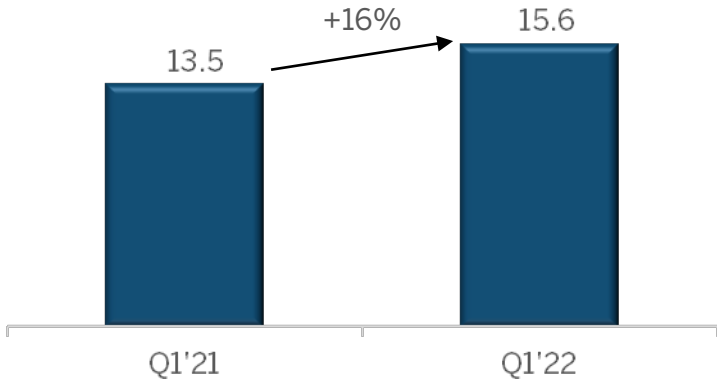
# Operating Metrics



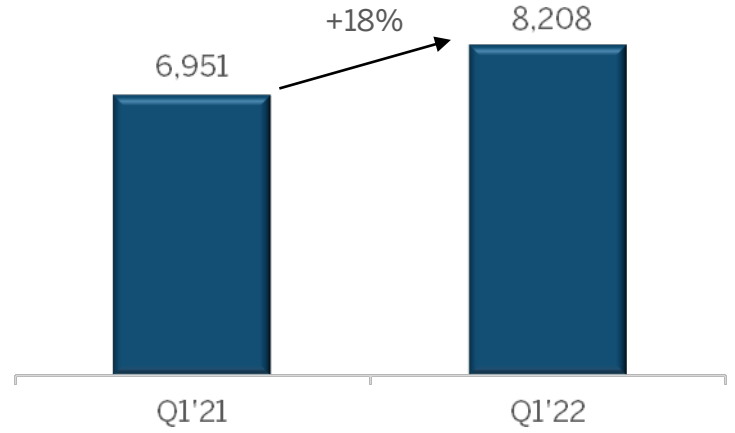
# First Quarter 2022 Operating Metrics – Platform+

Active Accounts and Hours in millions

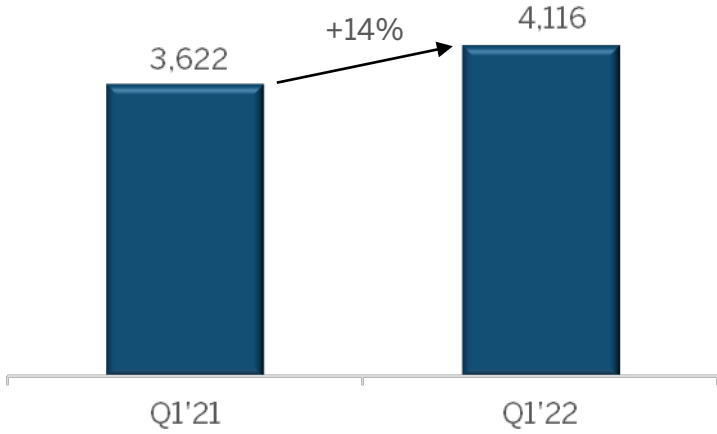
**SmartCast Active Accounts**



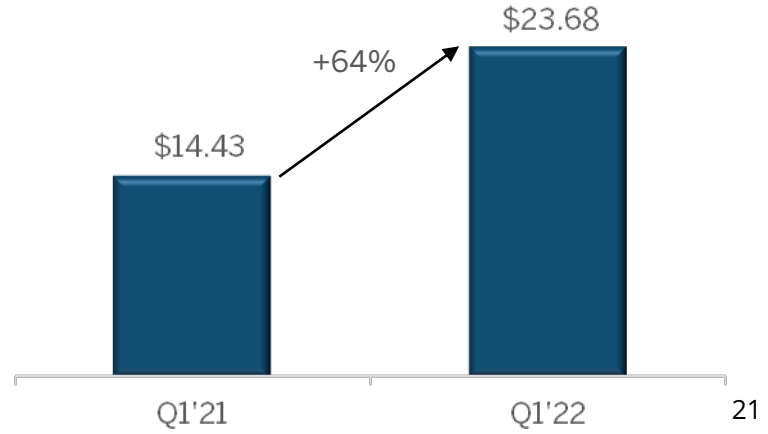
**Total VIZIO Hours**



**SmartCast Hours**

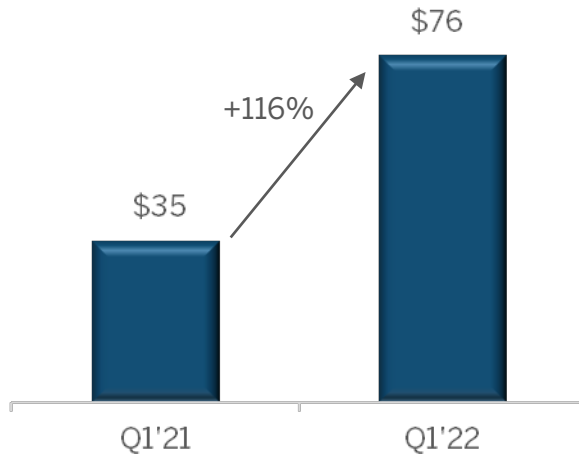


**SmartCast ARPU**



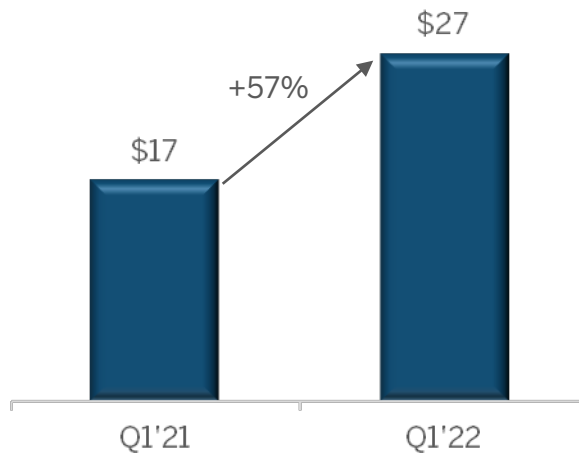
# First Quarter 2022 Financial Highlights – Platform+

\$ in millions



## Advertising Net Revenue

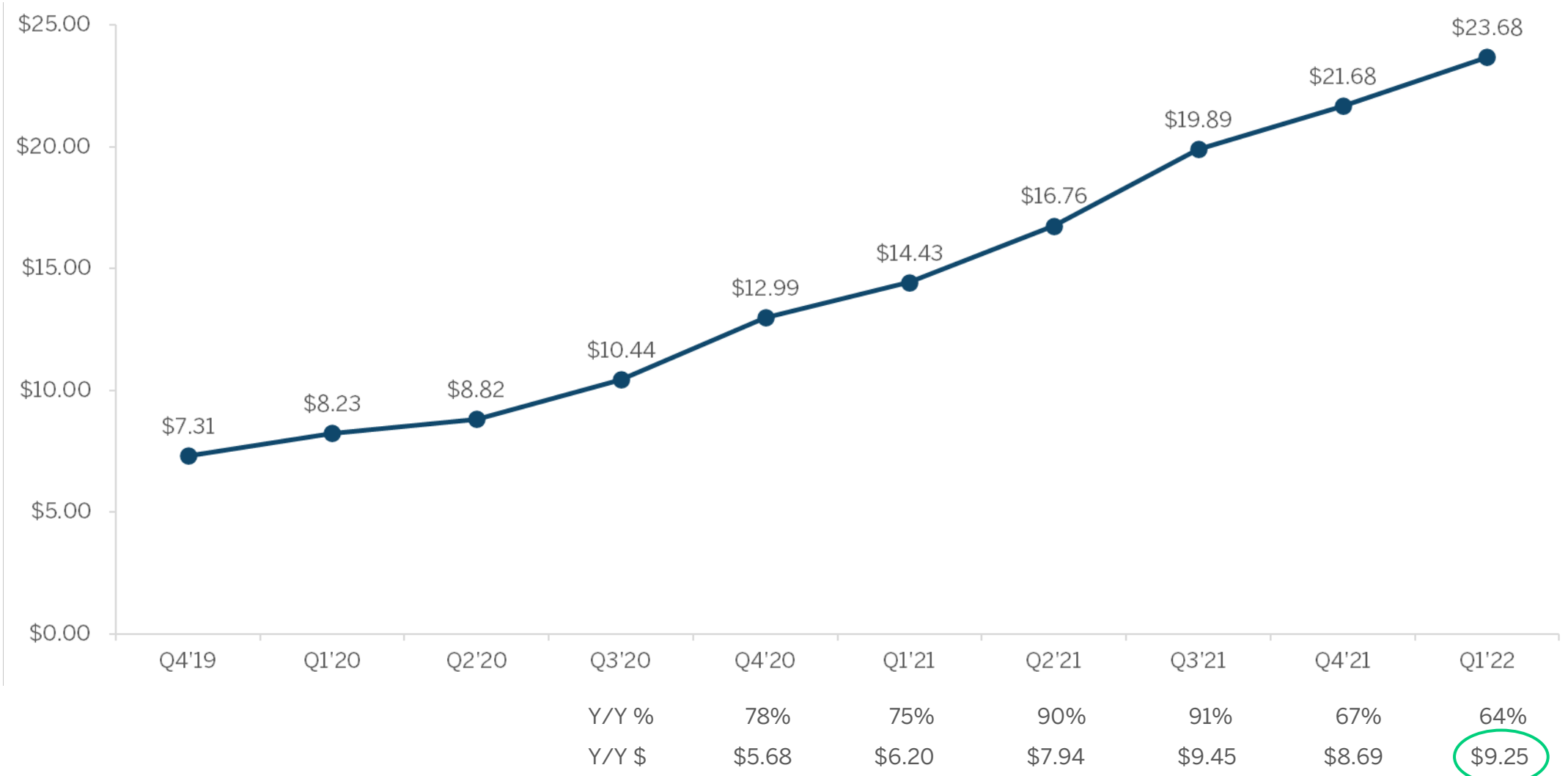
- First quarter advertising net revenue up 116%
- Strong growth in both video and home screen revenue



## Non-advertising Net Revenue

- First quarter non-advertising net revenue up 57%
- Non-advertising revenue benefited from increased data licensing revenue

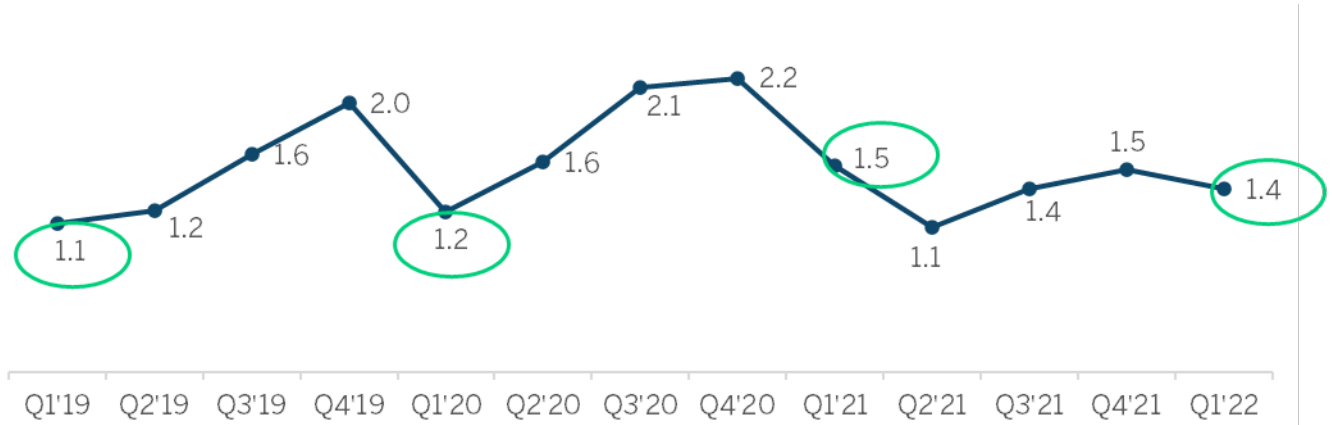
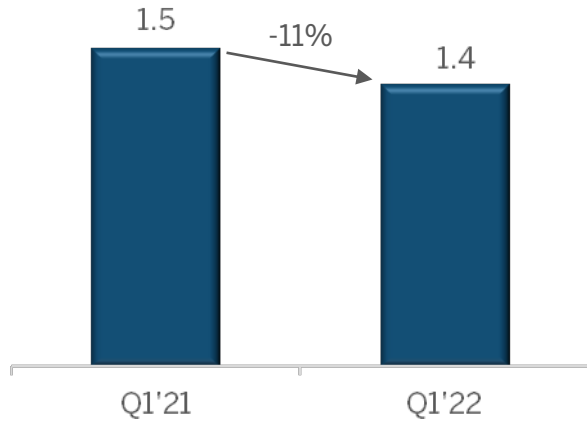
# First Quarter 2022 Financial Highlights – SmartCast ARPU



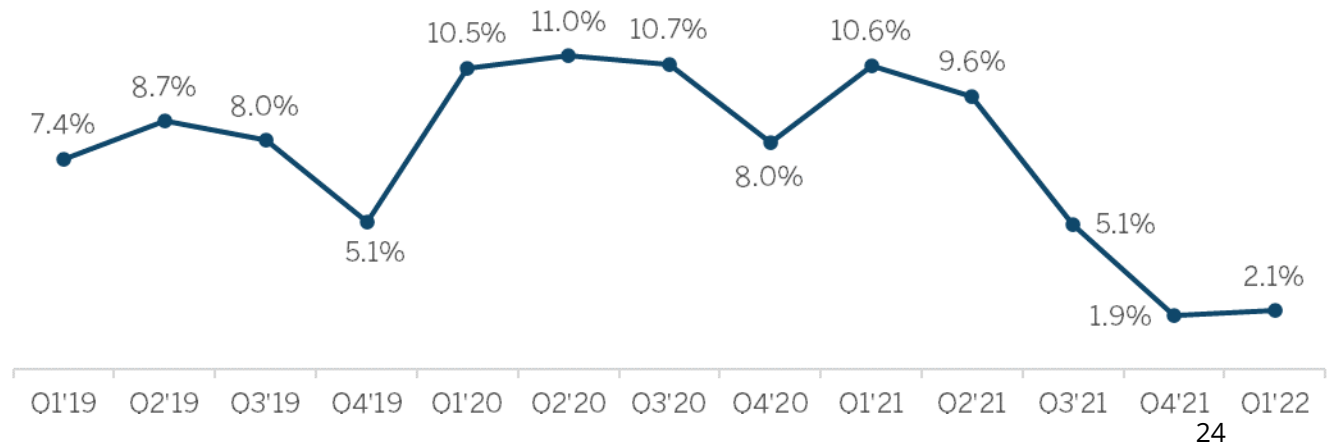
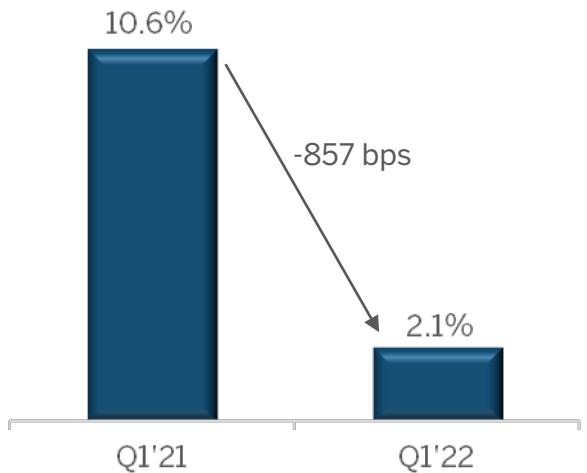
# First Quarter 2022 Financial Highlights – Device

Shipments in millions

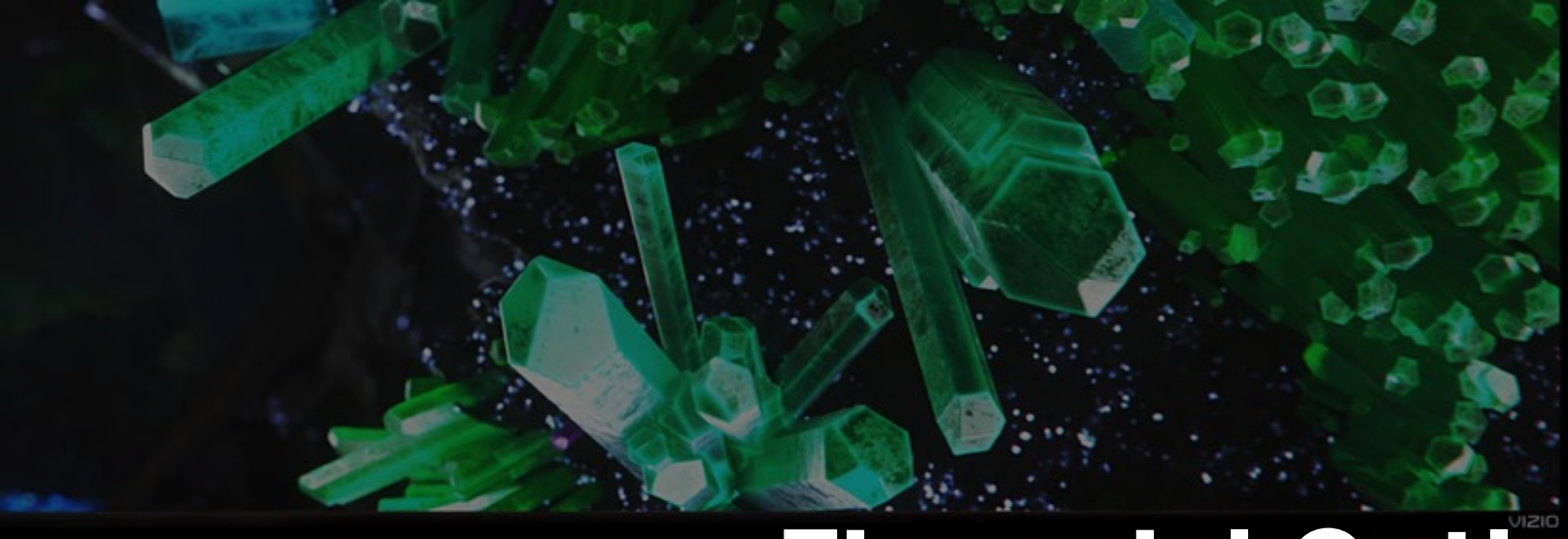
## Smart TV Shipments



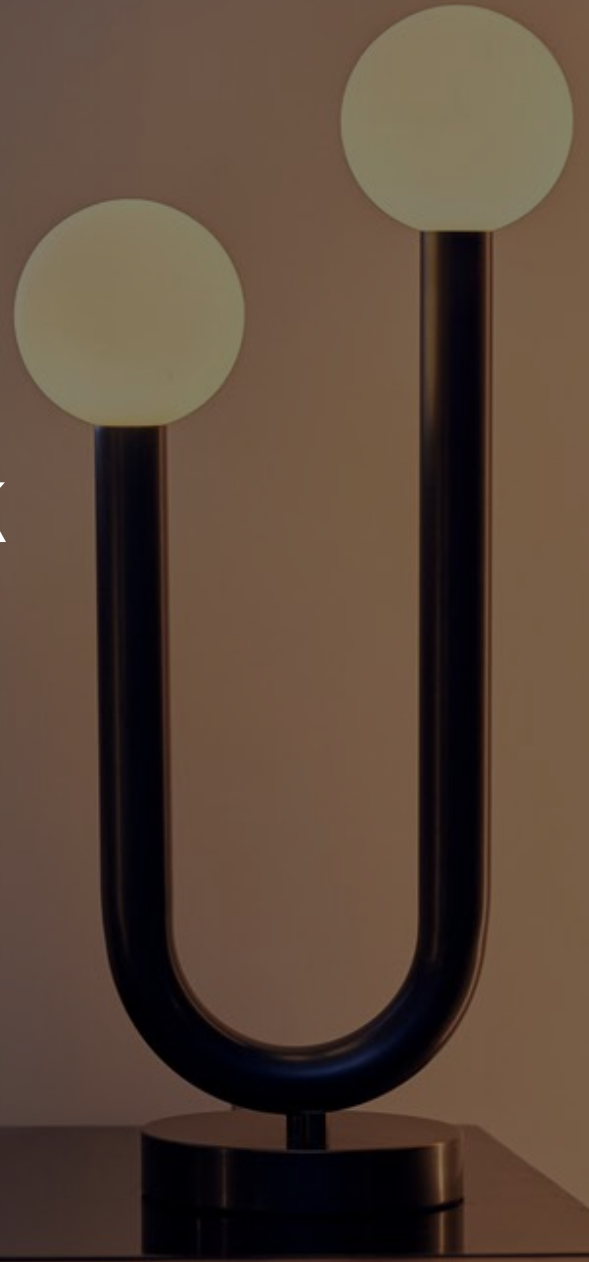
## Device Gross Margin







# Financial Outlook



# Expected Outlook

\$ in millions

	Second Quarter 2022
Platform+ Net Revenue	<u>\$107 - \$111</u>
Platform+ Gross Profit	\$66 - \$69
Adjusted EBITDA	\$3 - \$7

## Platform+

- Revenue growth of 66% with gross profit margin of 62% 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

	Three Months Ended March 31,	
	2022 <sup>1</sup>	2021
Net (loss) income	\$ (11)	\$ 3
Adjusted to exclude the following:		
Interest income, net	-	-
Other income (expense), net	-	-
Provision for (benefit from) income taxes	(2)	10
Depreciation and amortization	1	1
Share-based compensation	17	26
Adjusted EBITDA	\$ 4	\$ 40

<sup>1</sup> Subtotals may not add due to rounding.

# 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**