



# VIZIO

**Financial Results and Outlook  
Q2'22 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 (loss) before interest income, net, other 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 income (loss) 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 income (loss). We compensate for these limitations by providing a reconciliation of Adjusted EBITDA to net income (loss). We encourage investors and others not to rely on any single financial measure and to view Adjusted EBITDA in conjunction with net income (loss).

# 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 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; we cannot adapt to market conditions and technological developments, including with respect to our platform's compatibility with applications developed by content providers; and an economic downturn or economic uncertainty adversely affects consumer discretionary spending and advertising. 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, as filed on March 10, 2022, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, as filed on May 12, 2022. Additional information will be available in our Quarterly Report on Form 10-Q for the three and six months ended June 30, 2022. The forward-looking statements in this press release 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.



# Financial Highlights

## Second Quarter 2022 Highlights

(comparison to second quarter 2021)

- Net revenue of \$409 million, up 2%
- Platform+ net revenue of \$111 million, up 69%
- Gross profit of \$74 million, compared to \$80 million
- Platform+ gross profit of \$70 million, up 47%
- Net income of \$2 million, compared to \$14 million loss
- Adjusted EBITDA<sup>1</sup> of \$11 million, compared to \$26 million

## Second Quarter Results Versus Guidance

(\$ in millions)

	Q2'22	Guidance
Platform+ Net Revenue	\$111	\$107 - \$111
Platform+ Gross Profit	\$70	\$66 - \$69
Adjusted EBITDA <sup>1</sup>	\$11	\$3 - \$7

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

# Second Quarter 2022 Financial Results

\$ in millions, unaudited

	Three Months Ended June 30,			
	2022	2021 <sup>1</sup>	\$ Change	% Change
<b>Net Revenue</b>				
Device	\$ 298	\$ 336	\$ (38)	-11%
Platform+	111	66	45	69%
<b>Total Net Revenue</b>	<b>409</b>	<b>401</b>	<b>8</b>	<b>2%</b>
<b>Gross Profit</b>				
Device	4	32	(28)	-88%
Platform+	70	47	22	47%
<b>Total Gross Profit</b>	<b>74</b>	<b>79</b>	<b>(6)</b>	<b>-7%</b>
Operating Expenses <sup>2</sup>	70	88	(19)	-21%
<b>Net Income (Loss)</b>	<b>\$ 2</b>	<b>\$ (14)</b>	<b>\$ 16</b>	<b>NM</b>
<b>Adjusted EBITDA<sup>3</sup></b>	<b>\$ 11</b>	<b>\$ 26</b>	<b>\$ (15)</b>	<b>-57%</b>

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

<sup>2</sup> 2022 second quarter operating expenses include share-based compensation of \$6.2 million.  
2021 second quarter operating expenses include share-based compensation of \$34.4 million.

<sup>3</sup> Non-GAAP financial measure, see reconciliation to net income (loss) on slide 27.

NM-Not meaningful



A close-up photograph of a cylindrical Vizio speaker. The speaker has a dark, textured fabric grille. On the left side, there is a circular opening with a glowing purple light ring around its inner edge. The word "VIZIO" is embossed on the fabric to the right of the opening. The background is dark with some blurred blue and teal light patterns.

# Device Highlights

VIZIO

# Device Highlights

*comparison to second quarter 2021*

- Increased Smart TV shipments 5% year-over-year
- #2 Smart TV brand during Q2'22 <sup>1</sup>
- 50" V-Series model remained the #1 bestselling TV with shipments increasing 36% <sup>2</sup>
- 40" D-Series model increased to the #2 bestselling TV with shipments increasing 22% <sup>2</sup>
- Recognized as a Fortune 1000 brand and recently recognized by Newsweek as one of America's Best Home and Garden brands for Smart TVs



<sup>1</sup> The NPD Group/Retail Tracking Service, Smart TV: Web Browser Only, Apps and Web Browser, Apps Only, based on unit sales, April - June 2022 combined.

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



# Introducing Our New TV and Soundbar Collection

## Select Retail Partners



**D-Series**  
Starting at \$129

HD/FHD  
24" – 43" Screen Sizes



**MQ6-Series**  
Starting at \$349

QLED 4K Ultra HD  
43" – 75" Screen Sizes



**V-Series**  
Starting at \$289

4K Ultra HD  
43" – 75" Screen Sizes



**MQX-Series**  
Starting at \$629

QLED 4K Ultra HD 120Hz  
50" – 75" Screen Sizes



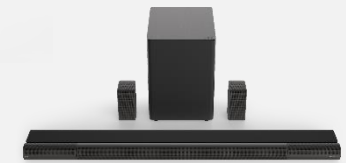
**V-Series**  
Starting at \$119

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 \$999

Upfiring Rotating Speaker with up to 18 Speakers

# Recent Awards & Accolades

## TV

### D-Series



### M-Series



### P-Series

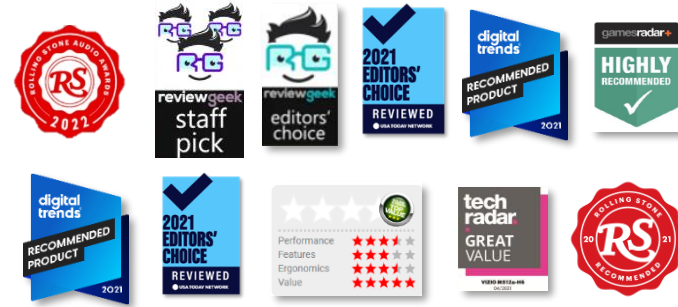


### OLED



## AUDIO

### V-Series



### M-Series



### Elevate



## BRAND



## SUPPORT & SERVICE



Note: Awards received in Q2 are highlighted

\* Fortune 1000 is a registered trademark of Fortune Media IP Limited and is used under license. Fortune and Fortune Media IP Limited are not affiliated with, and do not endorse products or services of, VIZIO.



# Platform+ Highlights

# Platform+ Highlights

*comparison to second quarter 2021*

- Surpassed 16 million SmartCast Active Accounts streaming 4.3 billion SmartCast hours
- Revenue of \$111 million driven by Advertising revenue growth of 71% and Non-Advertising revenue growth of 65%
- Expanded our direct advertising client relationships by 74%, adding 243 net new advertisers
- App launches included TikTok, Outdoor America, Nosey, and Playwork Kids
- WatchFree+ channels launched include VIZIO American Classics, Vevo Music, LOL! Network, G4 Select, and The Jamie Oliver Channel
- Expanded WatchFree+ on-demand library with titles from Disney, Sony, and Warner Bros



# Continued Growth Through an Expanding Base of Advertisers

Select Q2'22 Advertising Categories and Partners

## Entertainment



## Automotive



## Finance & Banking



## CPG



## Food & Beverage



## Insurance



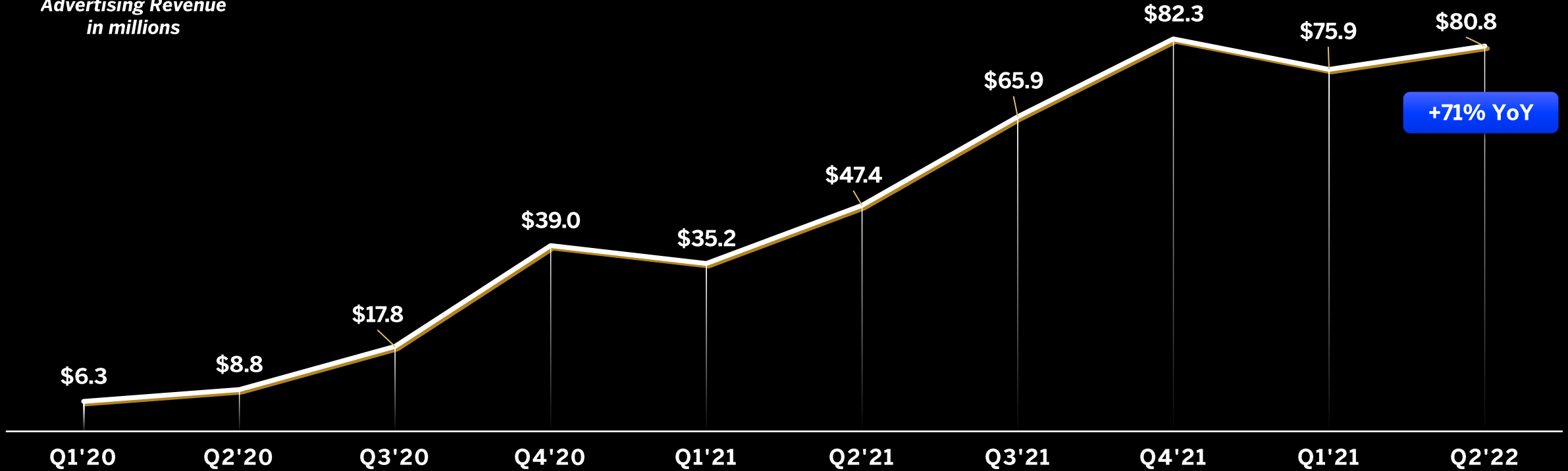
## Pharma



## Retail



Advertising Revenue in millions



# The Power of VIZIO Ads

## Power On

### Homescreen

Front and center sponsorships and unit placement

## On Screen

### WatchFree+

Live FAST and on-demand lean-back environments with premium ad inventory

## Beyond The TV

### VIZIO Mobile

User controlled entertainment experience with advertising opportunities

### Household Connect

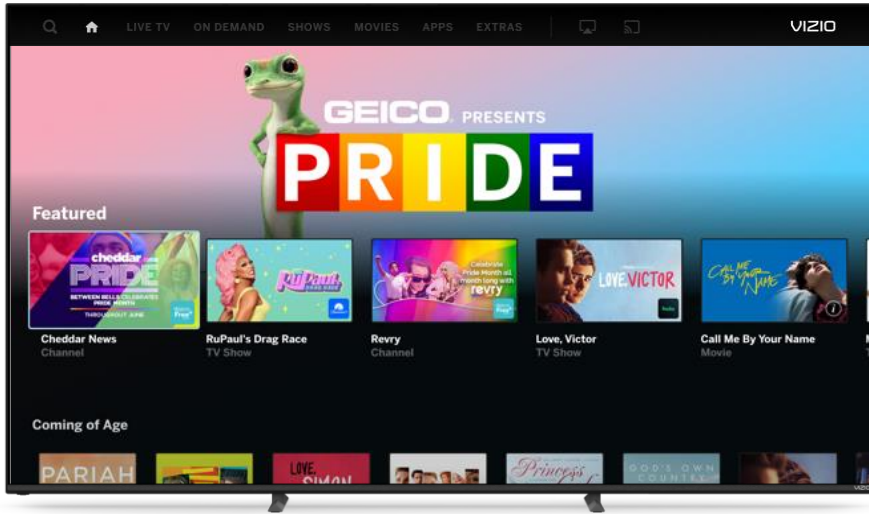
Cross-device advertising opportunities



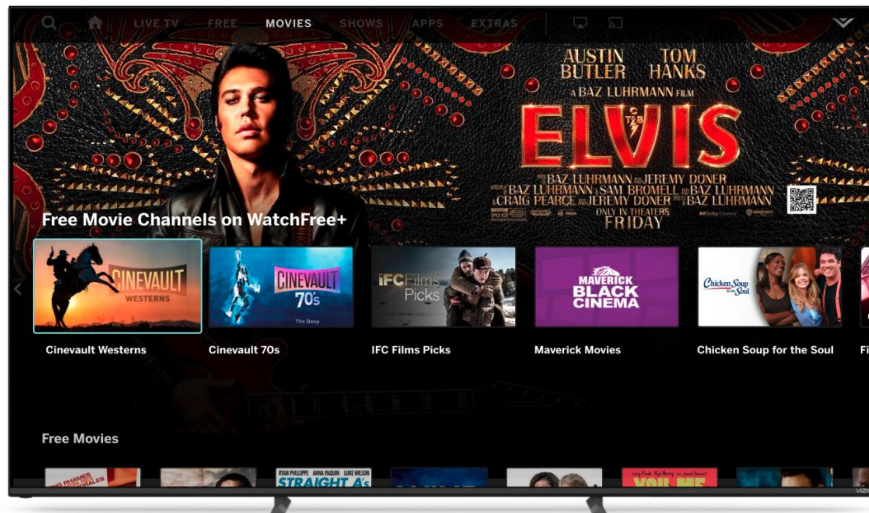
VIZIO's ownership of hardware + software + 1st party viewership data creates opportunities to reach unique audiences

# High Impact Sponsorships On The Biggest Screen In The House

## GEICO Presents The Pride Collection



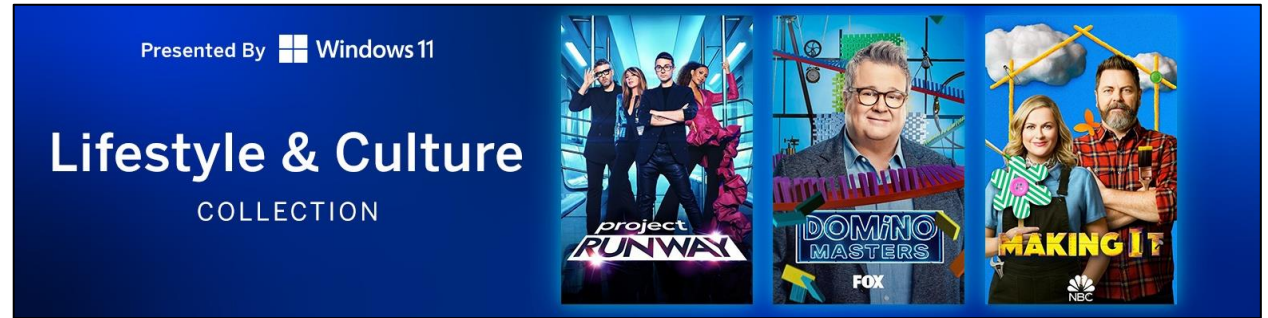
## Warner Bros. Presents Elvis



## TurboTax




## Microsoft




## Pacifico



# A Free Lean Back Experience







 **2<sup>nd</sup>** Most watched ad-supported app on our platform

 WatchFree+ continues to outpace overall streaming growth on our platform






## WatchFree+ Like Cable TV. But Streaming and Free






- No logins
- No fees
- Hundreds of FAST channels
- No subscriptions
- No dongles
- Thousands of AVOD titles


**Select Studio Partners**
















**Select FAST Channels**





# WatchFree+ Features: Data-Driven Curated Exclusive Channels



## VIZIO Features

Numerous first-party data driven channels across multiple genres

100% ad inventory control across VIZIO Features

150% more viewing time on VIZIO House Channel vs other Home + Food channels

### FAST Channels

9 branded VIZIO channels across genres

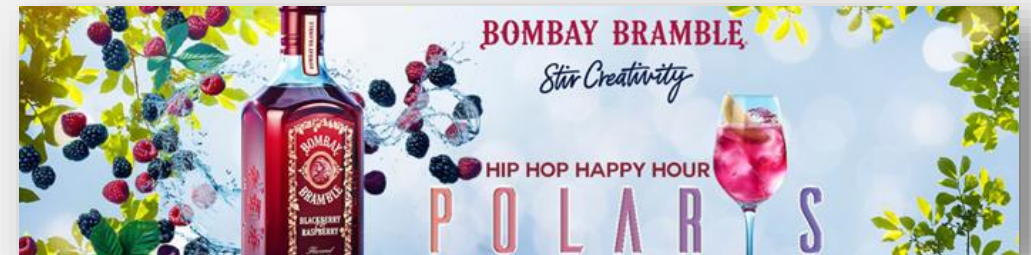


### Sponsored Exclusives

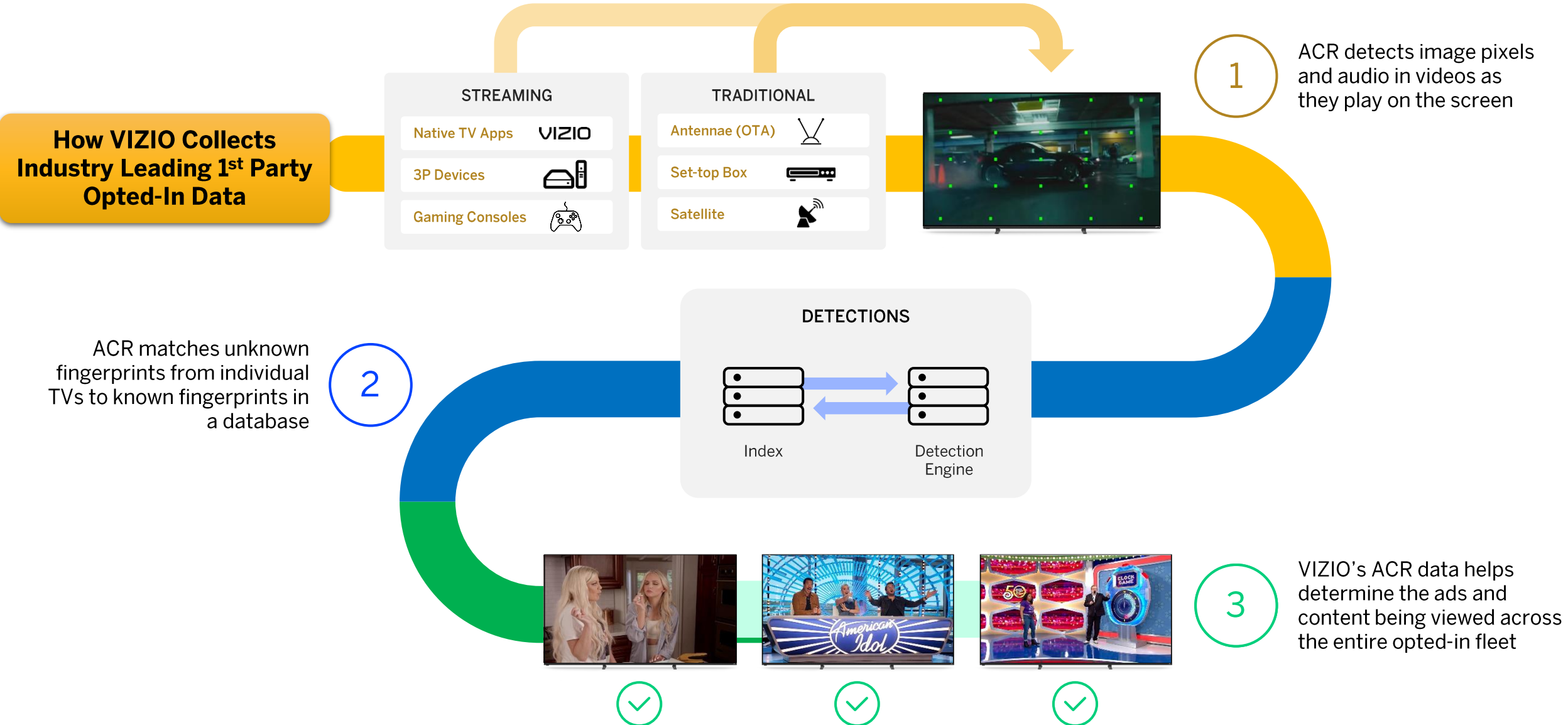
Exclusive content available for brand integration & sponsorship opportunities



### Custom Home Screen Content



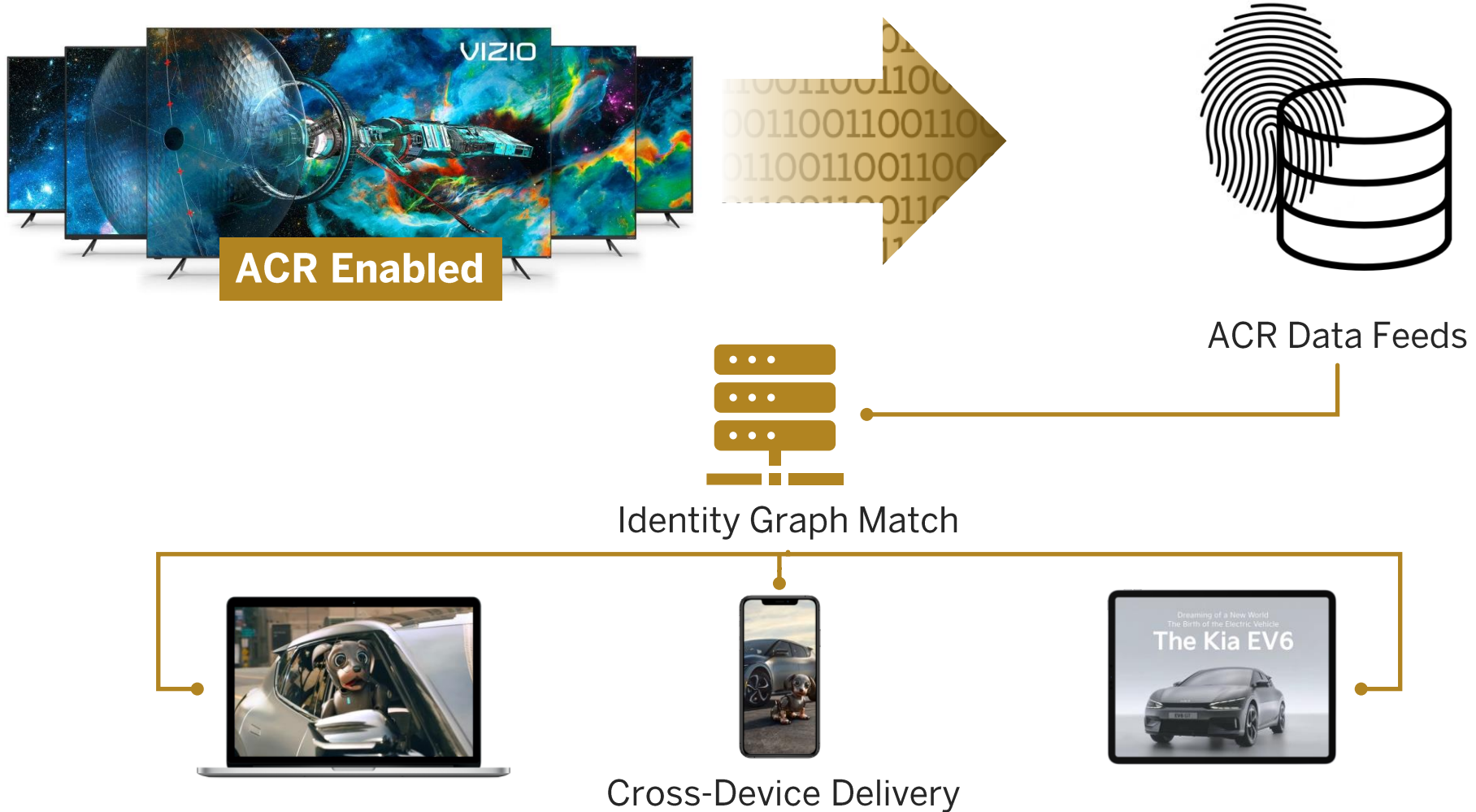
# How Our First Party ACR Data Works



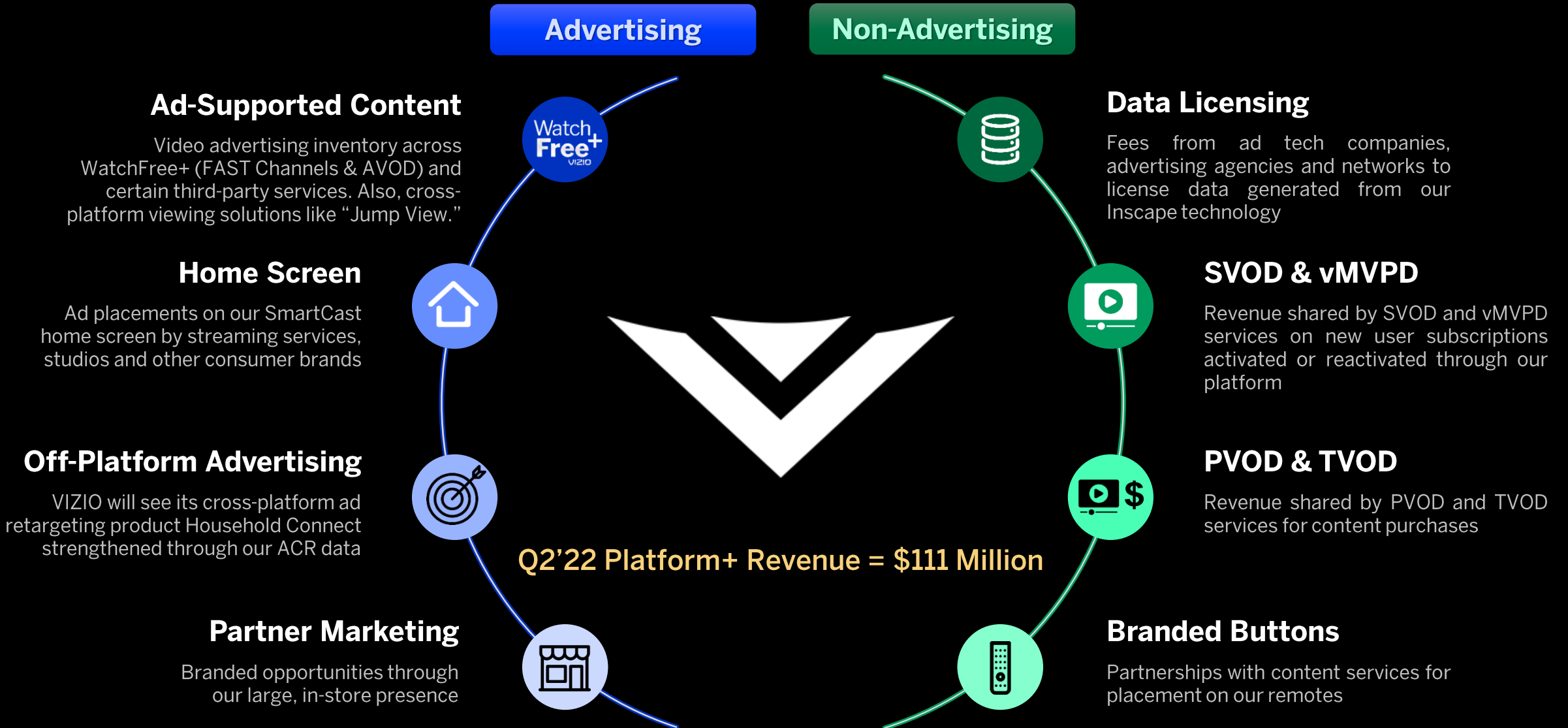
ACR = Automatic Content Recognition

# ACR Data Powers Cross-Device Audience Targeting

*Household Connect allows advertisers to message to consumers as a household regardless of the screen*



# Wide Array of Platform+ Monetization



**Advertising**

**Non-Advertising**

**Ad-Supported Content**

Video advertising inventory across WatchFree+ (FAST Channels & AVOD) and certain third-party services. Also, cross-platform viewing solutions like "Jump View."



**Home Screen**

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



**Off-Platform Advertising**

VIZIO will see its cross-platform ad retargeting product Household Connect strengthened through our ACR data



**Partner Marketing**

Branded opportunities through our large, in-store presence



**Data Licensing**

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



**SVOD & vMVPD**

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



**PVOD & TVOD**

Revenue shared by PVOD and TVOD services for content purchases



**Branded Buttons**

Partnerships with content services for placement on our remotes



**Q2'22 Platform+ Revenue = \$111 Million**

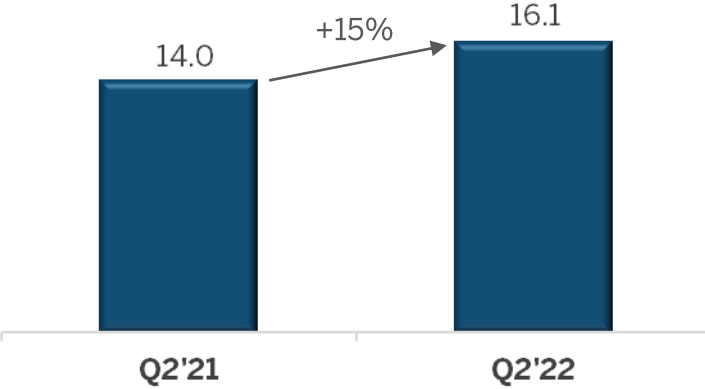


# Operating Metrics

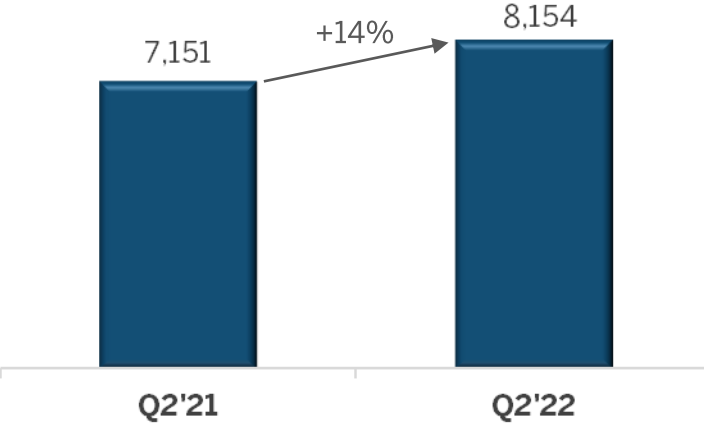
# Second Quarter 2022 Operating Metrics – Platform+

*In millions, except ARPU*

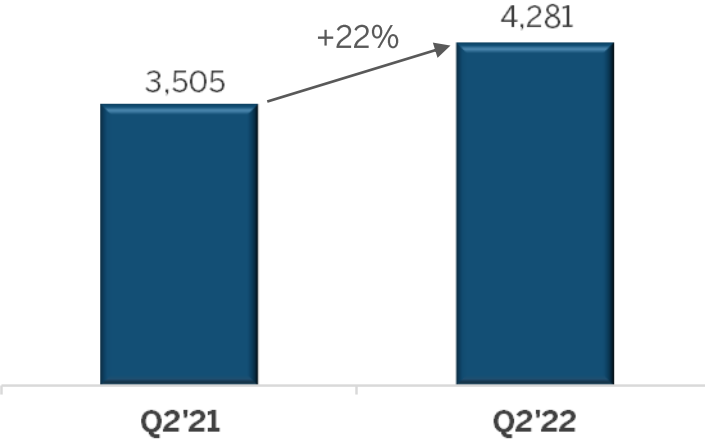
### SmartCast Active Accounts



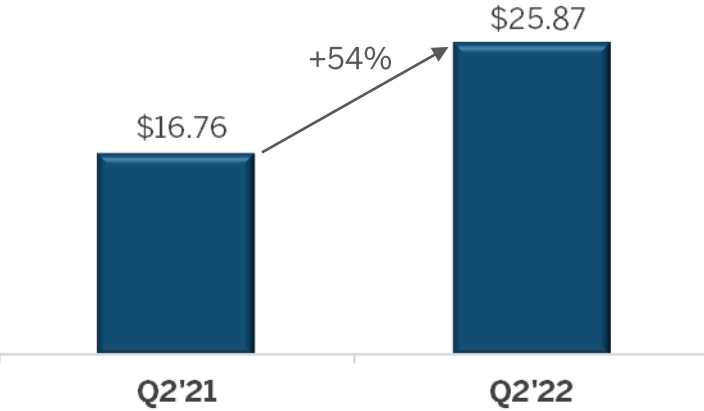
### Total VIZIO Hours



### SmartCast Hours

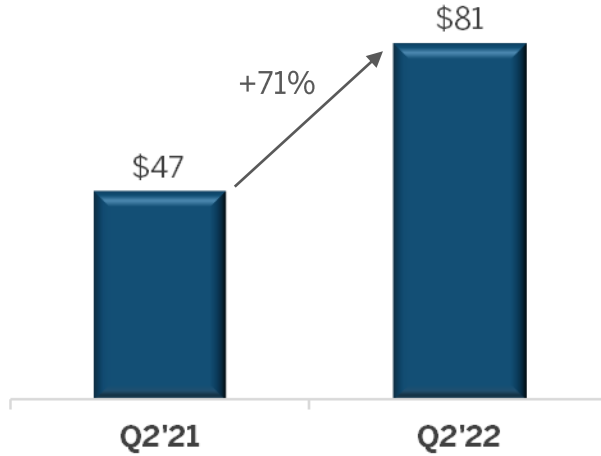


### SmartCast ARPU



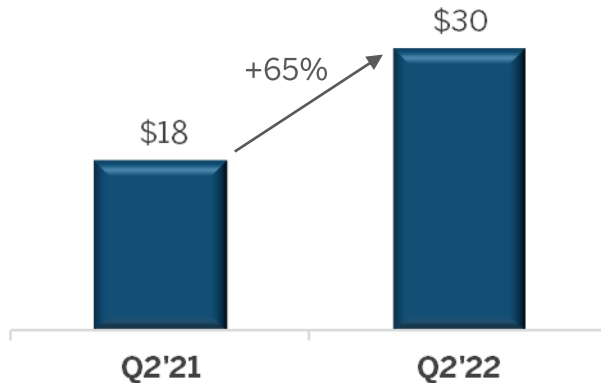
# Second Quarter 2022 Financial Highlights – Platform+

\$ in millions



## Advertising Revenue

- Second quarter advertising revenue up 71%
- Strong growth in both video and home screen revenue driven by expanded relationships with advertisers across different categories



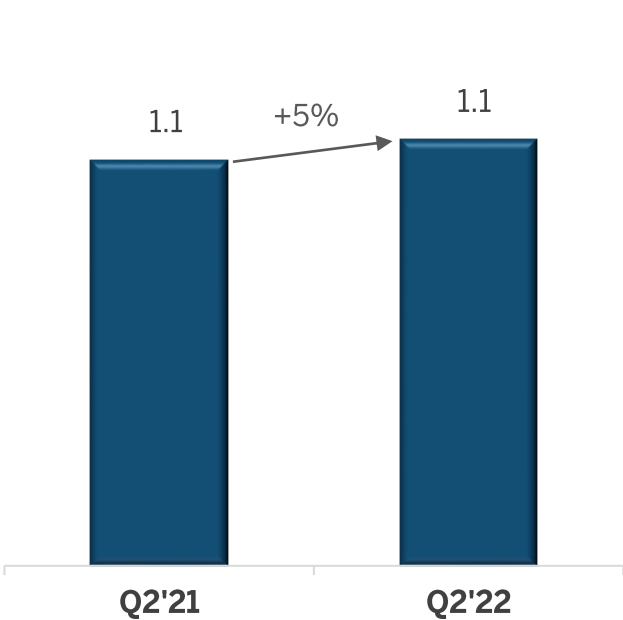
## Non-Advertising Revenue

- Second quarter non-advertising revenue up 65%
- Non-advertising revenue benefited from increased data licensing revenue and higher button revenue

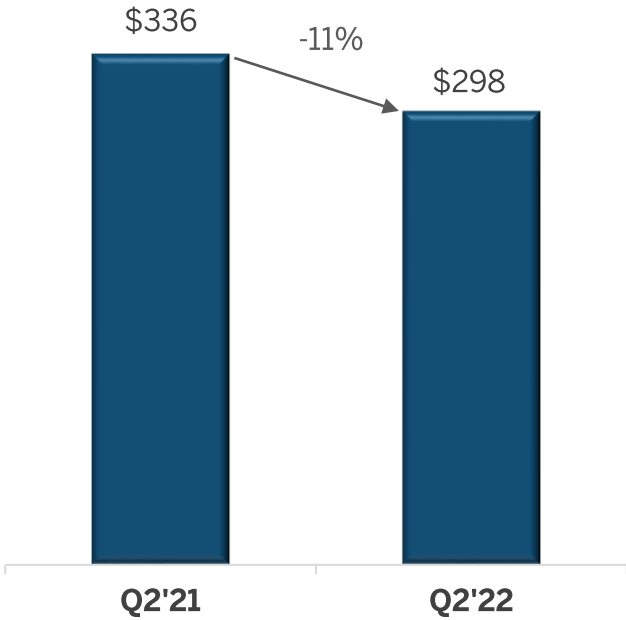
# Second Quarter 2022 Financial Highlights – Device

TV units and \$ in millions

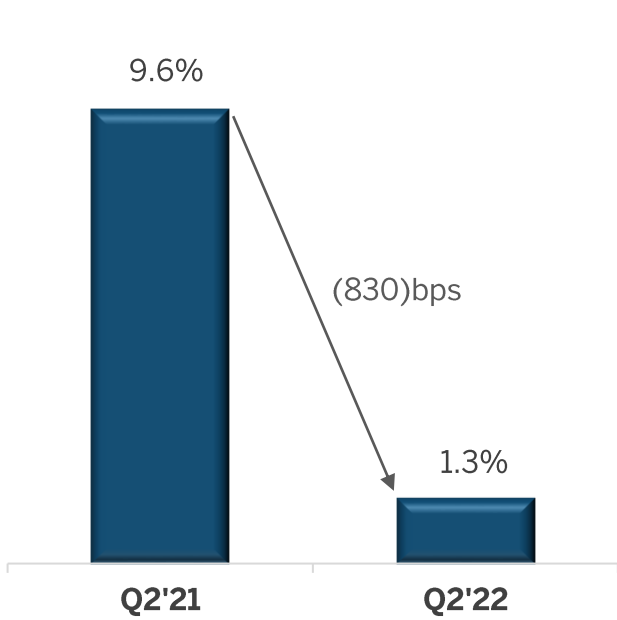
### Smart TV Units



### Device Net Revenue



### Device Gross Margin







# Financial Outlook

# Expected Outlook

\$ in millions

	Third Quarter 2022
Platform+ Net Revenue	\$120 - \$125
Platform+ Gross Profit	\$75 - \$78
Adjusted EBITDA	\$8 - \$13

## Platform+

- Revenue growth of 43% 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 Income (Loss) to Adjusted EBITDA

*\$ in millions, unaudited*

	Three Months Ended June 30,	
	2022	2021 <sup>1</sup>
Net income (loss)	\$ 2	\$ (14)
Adjusted to exclude the following:		
Interest income, net	-	-
Other (expense) income, net	1	-
Provision for income taxes	1	5
Depreciation and amortization	1	1
Share-based compensation	6	35
Adjusted EBITDA	\$ 11	\$ 26

<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 shipments 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 on which 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 and 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.

A woman is shown in profile, wearing large, glowing purple headphones. She is sitting at a desk in a dimly lit room, looking towards a large screen. The screen displays a grid of streaming service logos, including 'WORLD', 'GIZELLA KONG', 'apple tv', 'HEADSTICK', and others. The overall atmosphere is blue and purple, with the woman's hands on a keyboard and mouse in the foreground.

# VIZIO

## Thank You