

VIZIO



Financial Results and Outlook

Q3'23 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 income (loss) before interest income, net, 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 (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 to review our financial information in its entirety, not to rely on any single financial measure and to view Adjusted EBITDA in conjunction with net income (loss).

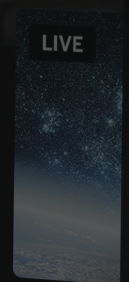
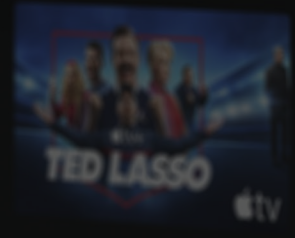
The metrics included in this presentation, including the key operational financial metrics defined on slide 23, as well as direct advertising relationships and net new advertisers, are not based on any standardized industry methodology and are not necessarily calculated in the same manner or comparable to similarly titled measures presented by other companies. Similarly, these metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. The numbers that we use to calculate these metrics are based on internal data. While these numbers are based on what we believe to be reasonable judgments and estimates for the applicable period of measurement, there are inherent challenges in measuring usage and engagement. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy.

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 advertising sales, including the amount of advertising spend we expect to realize from our partnerships. 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 pursue technologies that do not become commercially accepted, consumers may not buy our devices, and TV OEMs may not adopt our technologies; 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; 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 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 Annual Report on Form 10-K for the year ended December 31, 2022, as filed on March 1, 2023, and our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2023, as filed on May 9, 2023, and for the quarter ended June 30, 2023, as filed on August 8, 2023. Additional information will be available in our Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2023. 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.

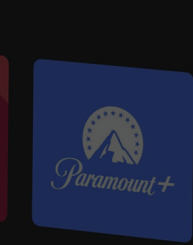
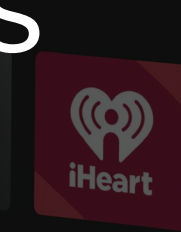
aspirations and close partnerships threaten their future.

WATCH NOW

TRENDING NOW



APPS + INPUTS



Financial Highlights

VIZIO

THIRD QUARTER 2023 HIGHLIGHTS

(COMPARISON TO THIRD QUARTER 2022)

- Net revenue of \$426 million, compared to \$435 million
- Platform+ net revenue of \$156 million, up 22%
- Gross Profit of \$96 million, up 20%
- Platform+ gross profit of \$100 million, up 26%
- Net income of \$14 million, up 590%
- Adjusted EBITDA ¹ of \$27 million, up 61%

THIRD QUARTER RESULTS EXCEEDED GUIDANCE

\$ IN MILLIONS

	Q3'23	Guidance
Platform+ Net Revenue	\$156	\$153 - \$157
Platform+ Gross Profit	\$100	\$93 - \$96
Adjusted EBITDA ¹	\$27	\$10 - \$15

¹Non-GAAP financial measure, see reconciliation to net income on slide 22

THIRD QUARTER FINANCIAL RESULTS

\$ in millions, unaudited

	Three Months Ended September 30,			
			Change	
	2023	2022	\$	%
Net Revenue				
Device	\$ 270	\$ 307	\$ (37)	-12%
Platform+	156	128	28	22%
Total Net Revenue	426	435	(9)	-2%
Gross Profit				
Device	(3)	1	(4)	NM
Platform+	100	79	21	26%
Total Gross Profit	96	80	16	20%
Operating Expenses ¹	84	75	8	11%
Net Income	\$ 14	\$ 2	\$ 12	590%
Adjusted EBITDA ²	\$ 27	\$ 17	\$ 10	61%

¹2023 third quarter operating expenses include share-based compensation of \$11.4 million.

2022 third quarter operating expenses include share-based compensation of \$11.1 million.

²Non-GAAP financial measure, see reconciliation to net income on slide 22

NM-Not Meaningful



Quarterly Highlights



Q3'23 QUARTERLY HIGHLIGHTS

- Reached 17.9 million SmartCast Active Accounts, which streamed 5.2 billion hours
- Grew average SmartCast Hours per SmartCast Active Account to 97 per month, up 12% YoY
- Expanded our direct advertising relationships by 20% compared to Q3'22, adding 66 net new advertisers in Q3'23¹
- Rolled out an all-new quantum 4K QLED Smart TV in 65" (\$499) and 75" (\$699) online and at major retailers including Walmart and Sam's Club
- Added WatchFree+ channels including Golf Nation, Celebrating Hispanic Heritage, Cheaters, and getTV, bringing the total number of FAST channels to over 290
- Launched 9 new apps including ESPN, Pet Collective, Black Voices+, and Local BTV, bringing the total number of built-in apps to almost 200
- Hosted the 2nd Annual VIZIO Developer Conference, a program created to help developers and content partners build apps and experiences for VIZIO Smart TVs
- Exclusive CTV partner of the Intuit SMB Media Labs business, unlocking both B2B budgets, and a new wave of retail media network partnerships



¹ Direct advertising relationships consists of the number of advertisers that purchased advertising inventory directly from VIZIO during the third quarter. Net new advertisers for the quarter is calculated as the difference between the number of direct advertising relationships during the third quarter of 2023 versus the third quarter of 2022.

MONETIZABLE EXPERIENCES

WatchFree+

Our #2 most watched free ad supported app on our platform

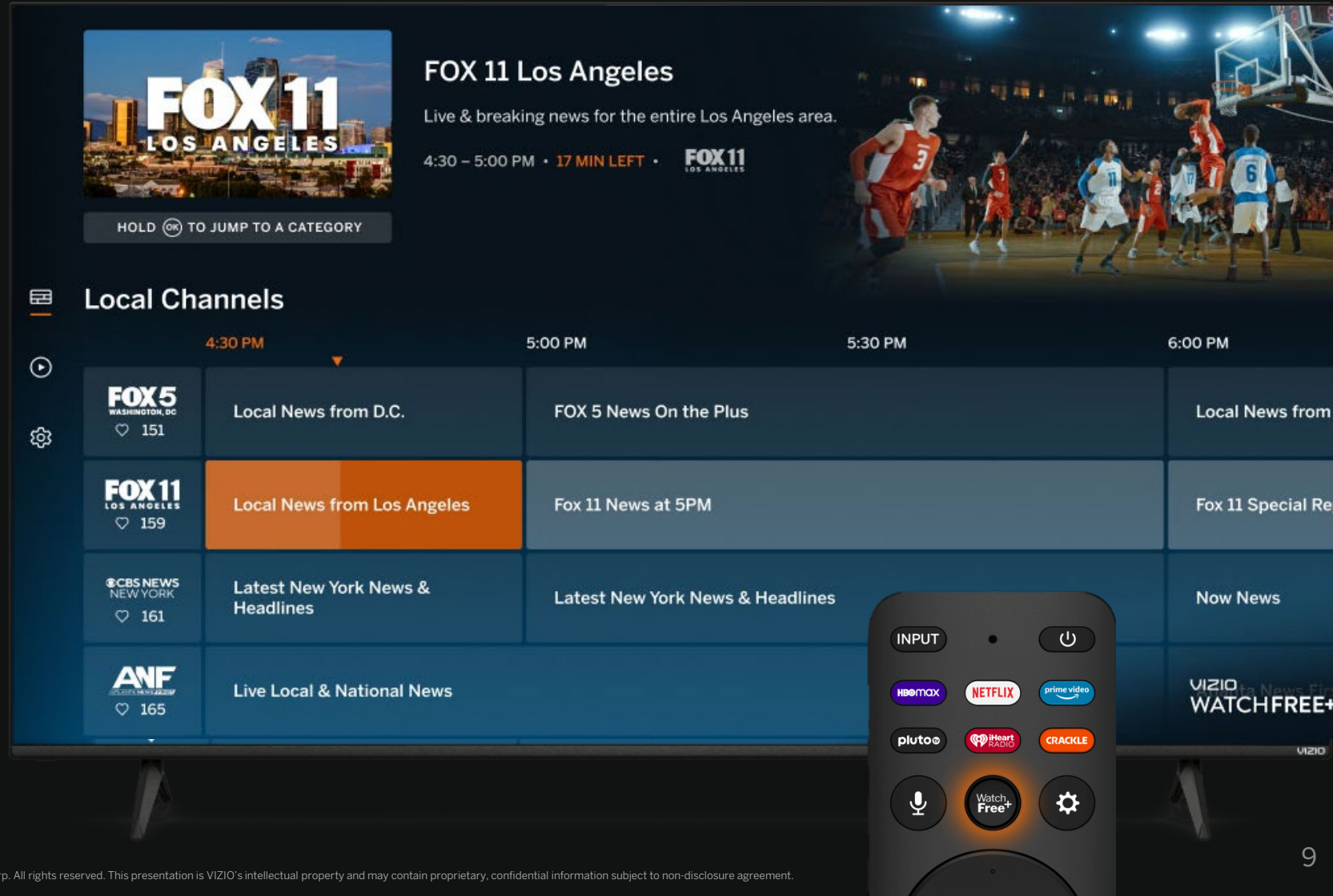
- 290 FAST Channels
- Almost 14,000 AVOD Titles
- Data Driven Programming
- New Electronic Programming Guide

Endless Streaming

Almost 200 build-in streaming apps across a variety of genres



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



BROADENING OUR BASE OF ADVERTISING PARTNERS

Automotive		Banking & Finance		CPG		Energy		Entertainment	

Food & Beverage		HealthCare		Insurance		Pharma		Retail	

Promote



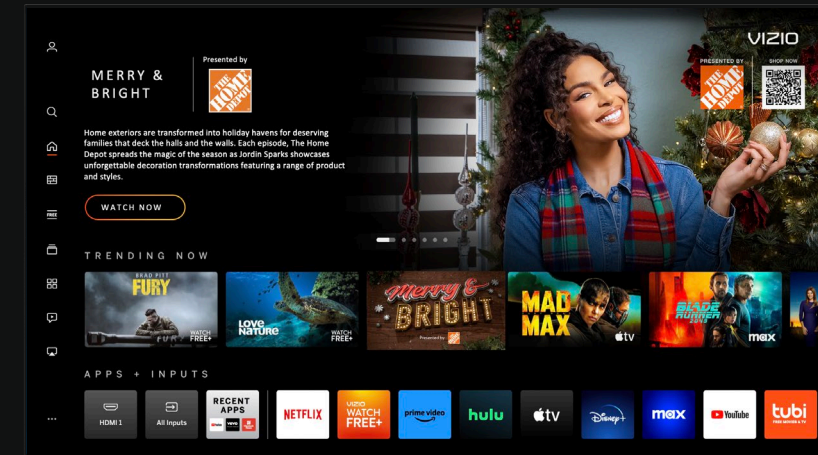
VIZIO Ads helps put M&E partners front and center on the biggest screen in the home

Sponsor



High impact non-M&E brand sponsorships tied to monetizable content and curated collections

Branded Content Studio



An opportunity to pair brand partners with custom exclusive content and storylines that viewers seek

SELECT HIGH IMPACT SPONSORSHIPS



WATCH FREE+

FORK & FLIGHT

Presented by **SUBWAY**

A unique mix of today's most popular culinary and travel TV shows alongside top digital creators and trendsetters. Fork & Flight will take you to the kitchen, the farm and France all-in-a-day!

VIZIO

VIZIO Fork & Flight Channel Sponsored by Subway



WATCH FREE+

ACTION!

PRESENTED BY **Six Flags**

Catch the most explosive, high-octane ACTION films with our collection of old and new favorites!

VIZIO

Action Category Sponsored by Six Flags



WATCH FREE+

HOUSE

PRESENTED BY **LOVESAC** STEALTHTECH

There's no place like HOUSE! Inspired by real estate, renovation, and redesign -- it will feature all the home essentials.

VIZIO

VIZIO House Channel Sponsored by LoveSac



REALITY

presented by **amika:**

So real it's unreal. Prepare to witness epic showdowns, strangers falling in love, talent contests, game shows and more.

Big Brother

Sister Wives

VIZIO

Reality Category Sponsored by Amika



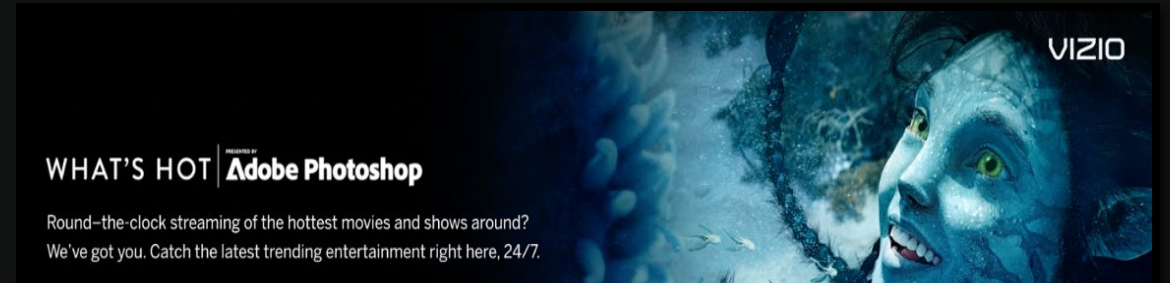
HISPANIC HERITAGE MONTH

PRESENTED BY **AGUAS FRESCAS**

Kick off the season with live sports, pigskin-themed movies, shows, documentaries, and plenty of other gridiron content.

VIZIO

Hispanic Heritage Month Sponsored by Minute Maid



WHAT'S HOT

PRESENTED BY **Adobe Photoshop**

Round-the-clock streaming of the hottest movies and shows around? We've got you. Catch the latest trending entertainment right here, 24/7.

VIZIO

What's Hot Category Sponsored by Adobe Photoshop

HOW (& WHY) BRANDS ARE KICKING OFF FOOTBALL SEASON ON VIZIO

VIZIO developed a Football Kickoff Collection that provides a one-stop-shop viewing hub for the 2023 season, right on the Home Screen



- Unique brand sponsorships
- Live access to NFL and College games via streaming app partners such as Sling, YouTube TV, and Prime Video
- Free ad-supported streaming TV channels on VIZIO's WatchFree+ for Pac 12, Sports Grid, and CBS Sports HQ
- "Tailgate Ready" cooking content, music videos, and popular social video trends
- A massive library of classic football movies and biopics like *Invincible*, *Remember The Titans*, and *American Underdog*

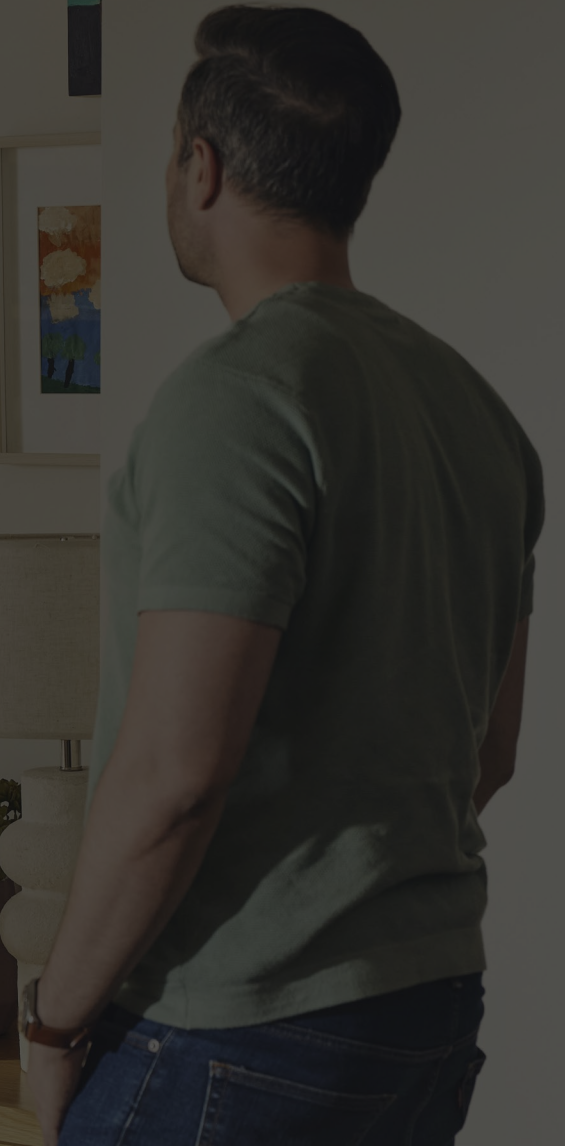
VIZIO BRANDED CONTENT STUDIO

- Attracts new advertisers to the high margin Home Screen.
- Low upfront investment in exclusive content, high visibility and impact.
- **Innovating** custom solutions, **optimizing** Home Screen capabilities, built for brands to resonate with consumers.
- **Measurable.** Backed by VIZIO's Inscape ACR data to deliver the right content to the right customer.
- Promoted front & center on the biggest screen in the house.





Operating Metrics

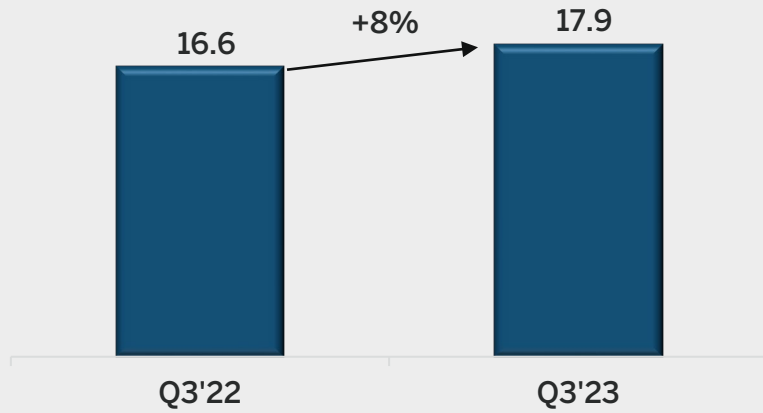


THIRD QUARTER 2023 PLATFORM+ METRICS

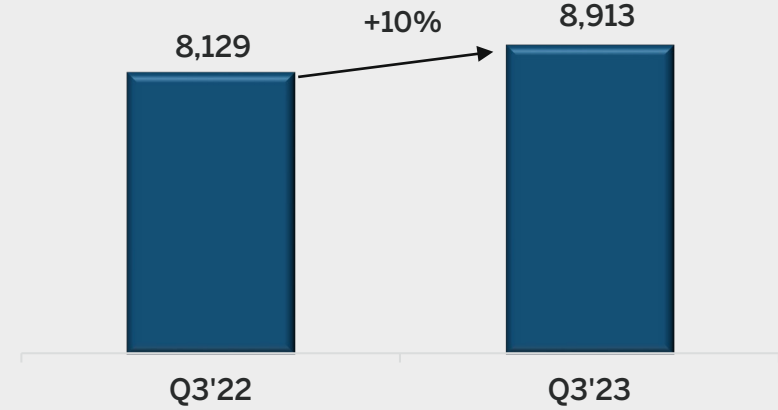
In millions except ARPU

SmartCast Active Accounts

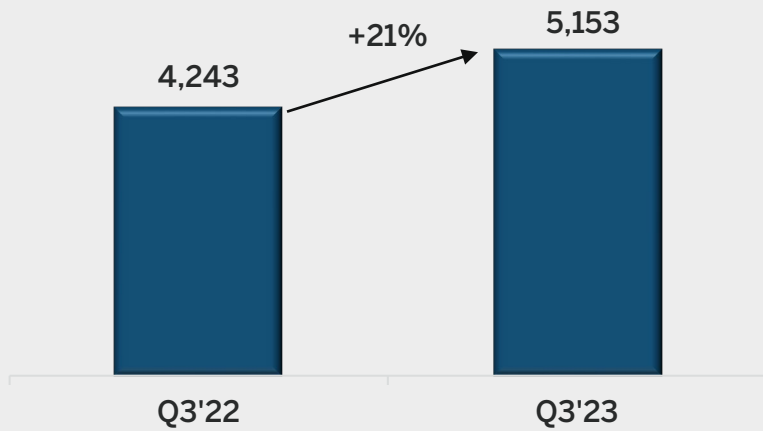
(as of 09/30)



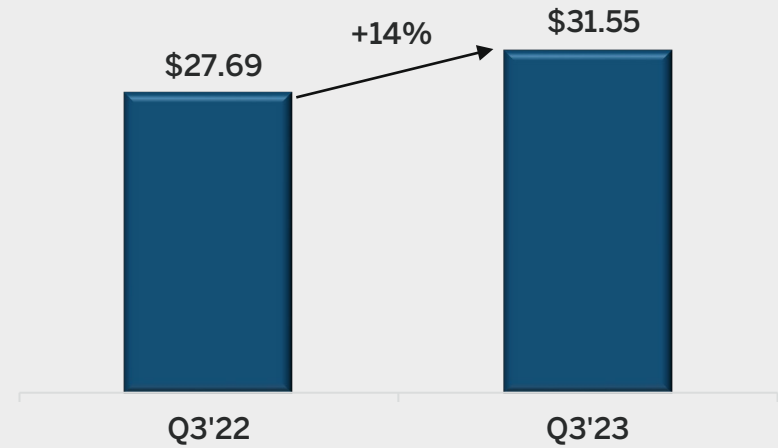
Total VIZIO Hours



SmartCast Hours



SmartCast ARPU

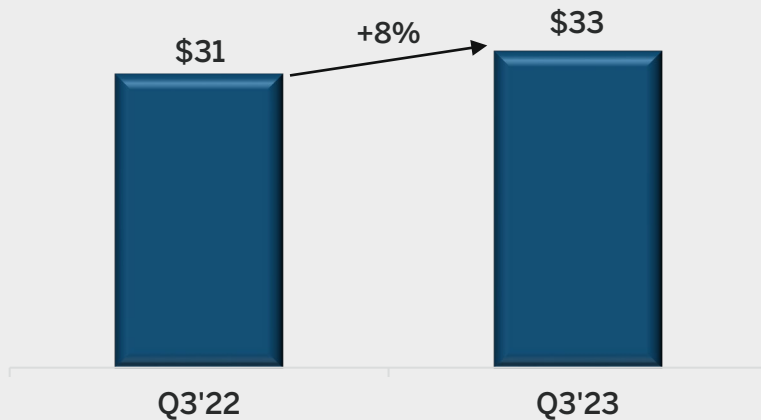


\$ in millions



Advertising Revenue

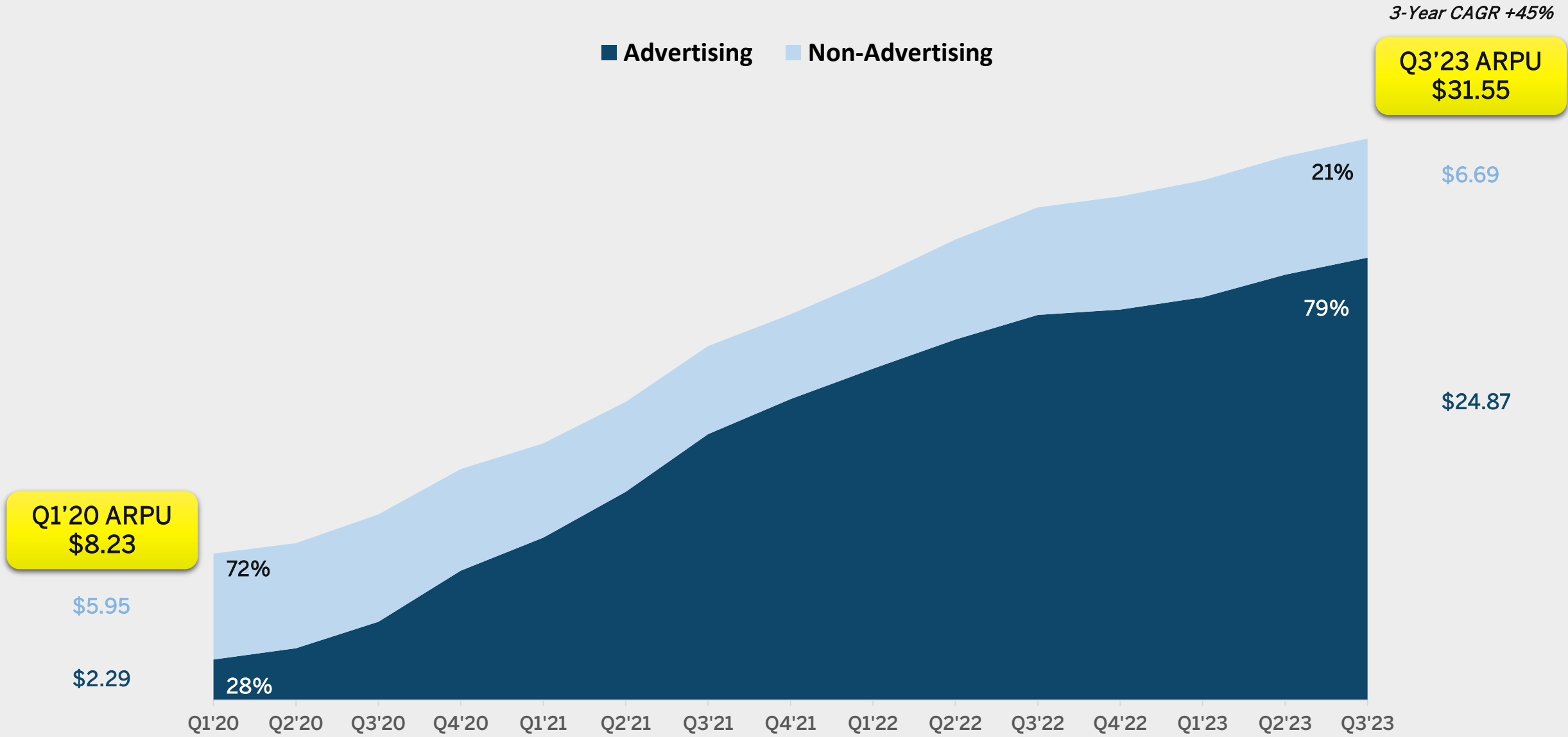
- Third quarter advertising revenue up 27%
- Growth driven by higher engagement and a growing advertiser base
- Continued to broaden our base of advertisers
- For the quarter, advertising revenue represented 79% of total Platform+ Net Revenue



Non-Advertising Revenue

- Third quarter non-advertising revenue up 8%
- Continued growth in both data licensing and content distribution revenue

SMARTCAST ARPU PER REVENUE CATEGORY



Financial Outlook



EXPECTED OUTLOOK

\$ in millions

	Fourth Quarter 2023
Platform+ Net Revenue	\$162- \$167
Platform+ Gross Profit	\$97- \$103
Adjusted EBITDA	\$7 - \$16

Platform+

- Revenue growth of 20% with gross profit margin of 61% at midpoint of range
- Expected double-digit growth in both advertising and non-advertising revenue

A photograph of a Vizio television set on a desk. The screen displays a grid of streaming service logos: Netflix, Amazon Prime Video, Disney+, CW, HBO Max, YouTube, Peacock, iHeart, Paramount+, and YouTubeTV. In the foreground, a grey fabric-covered soundbar is visible with control buttons for power, menu, Bluetooth, and volume. To the right of the soundbar is a potted succulent plant in a light-colored pot, and a white marker with a green tip lies on the desk surface. The word "VIZIO" is printed on the bottom right corner of the TV bezel.

Appendix

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ in millions, unaudited

	Three Months Ended September 30,	
	2023 ¹	2022
Net Income	\$ 14	\$ 2
Adjusted to exclude the following:		
Interest income, net	(4)	-
Other income, net	-	-
Provision for income taxes	2	3
Depreciation and amortization	2	1
Share-based compensation	12	11
Adjusted EBITDA	\$ 27	\$ 17

¹Subtotals may not add due to rounding.

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 useful 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.

Thank You