



Financial Results

Q4'23 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 income (expense), 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 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 18, as well as SmartCast Hours per SmartCast Active Account, direct advertising client 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.

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 press release include, but are not limited to, statements regarding our future financial and operating performance, and our expectations regarding advertising sales, including the amount of advertising spend we expect to realize from our partnerships, statements regarding the our pending acquisition by Walmart Inc. (the "Transaction"), including the expected timing of the closing of the Transaction, and expectations for VIZIO following the closing of the Transaction. There are a number of risks and uncertainties that could cause actual results to differ materially from statements made in this presentation, including: the possibility that the conditions to the closing of the Transaction are not satisfied; potential litigation relating to the Transaction; uncertainties as to the timing of the consummation of the Transaction; the ability of each party to consummate the Transaction; the occurrence of any event, change or circumstance that could result in the merger agreement being terminated, including in circumstances that would require us to pay a termination fee or other expenses; possible disruption to our current plans and operations related to the Transaction, including due to the diversion of management's attention from our ongoing business operations due to processes related to the Transaction; and the effect of the Transaction and related publicity on our current plans and operations, including our ability to retain and hire key personnel and our ability to maintain relationships with our current and prospective customers, suppliers and others with whom we do business. If any of these risks or uncertainties materialize, our actual results could differ materially from the results expressed or implied by these forward-looking statements. 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 ("SEC"), including our Quarterly Report on Form 10-Q filed with the SEC on November 9, 2023. Additional information will also be set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 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.

Financial Highlights



FOURTH QUARTER 2023 HIGHLIGHTS

(COMPARISON TO FOURTH QUARTER 2022)

- Net revenue of \$503 million, compared to \$533 million
- Platform+ net revenue of \$174 million, up 28%
- Gross profit of \$98 million, up 14%
- Platform+ gross profit of \$105 million, up 27%
- Net income of \$13 million, up 110%
- Adjusted EBITDA ¹ of \$24 million, up 20%

FOURTH QUARTER RESULTS EXCEEDED GUIDANCE

\$ IN MILLIONS

	Q4'23	Guidance
Platform+ Net Revenue	\$174	\$162 - \$167
Platform+ Gross Profit	\$105	\$97 - \$103
Adjusted EBITDA ¹	\$24	\$7 - \$16

¹Non-GAAP financial measure, see reconciliation to net income on slide 17

FOURTH QUARTER FINANCIAL RESULTS

\$ in millions, unaudited

	Three Months Ended December 31,						
	2023		2022		Change		
					\$	%	
Net Revenue							
Device	\$	328	\$	397	\$	(69)	(17%)
Platform+		174		137		38	28%
Total Net Revenue		503		533		(31)	(6%)
Gross Profit							
Device		(7)		3		(10)	NM
Platform+		105		83		23	27%
Total Gross Profit		98		86		12	14%
Operating Expenses ¹		89		75		14	18%
Net Income	\$	13	\$	6	\$	7	110%
Adjusted EBITDA²	\$	24	\$	20	\$	4	20%

¹2023 fourth quarter operating expenses include share-based compensation of \$12.1 million.

2022 fourth quarter operating expenses include share-based compensation of \$7.8 million.

²Non-GAAP financial measure, see reconciliation to net income on slide 17.

NM-Not Meaningful





Quarterly Highlights

Q4'23 QUARTERLY HIGHLIGHTS

- Reached 18.5 million SmartCast Active Accounts, which streamed¹ 5.5 billion hours
- Bestselling 65"+ TV², as well as the Top 3 Bestselling TVs during 2023³
- Grew average SmartCast Hours per SmartCast Active Account to 101 per month, up 8% YoY
- Expanded our direct advertising relationships by 32% compared to Q4'22, adding 117 net new advertisers in Q4'23⁴
- Rolled out a VIZIO Home software update with enhancements designed to make navigation, loading and content discovery even more seamless
- Added WatchFree+ channels including Crunchyroll, Top Gear, BBC Food, Antiques Roadshow UK, and CraftsTV, bringing the total number of FAST channels to over 290
- Structured agreements with BBC Studios, Magnolia Pictures and Paramount Global Content Distribution to join the lineup of more than 20 studios and media companies offering free premium, on demand and linear content on WatchFree+
- Launched 24 new apps including NFL, Fox Local, Music Choice, and Brit Box, bringing the total number of built-in apps to over 200
- Released our exclusive shoppable content series, *Merry & Bright*, presented by The Home Depot and hosted by American Idol winner Jordin Sparks

¹ Streamed hours represent SmartCast Hours.

² Source: Circana, Retail Tracking Service, U.S., unit sales, Display Size: 65 inches and above, Model V655J09, 12 months ending December 2023.

³ Source: Circana, Retail Tracking Service, U.S., unit sales, Models D40FJ09, V505J09, D32HJ09, 12 months ending December 2023.

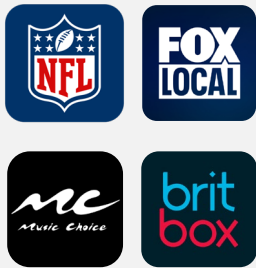
⁴ Direct advertising relationships consists of the number of advertisers that purchased advertising inventory directly from VIZIO during the fourth quarter. Net new advertisers for the quarter is calculated as the difference between the number of direct advertising relationships during the fourth quarter of 2023 versus the fourth quarter of 2022.



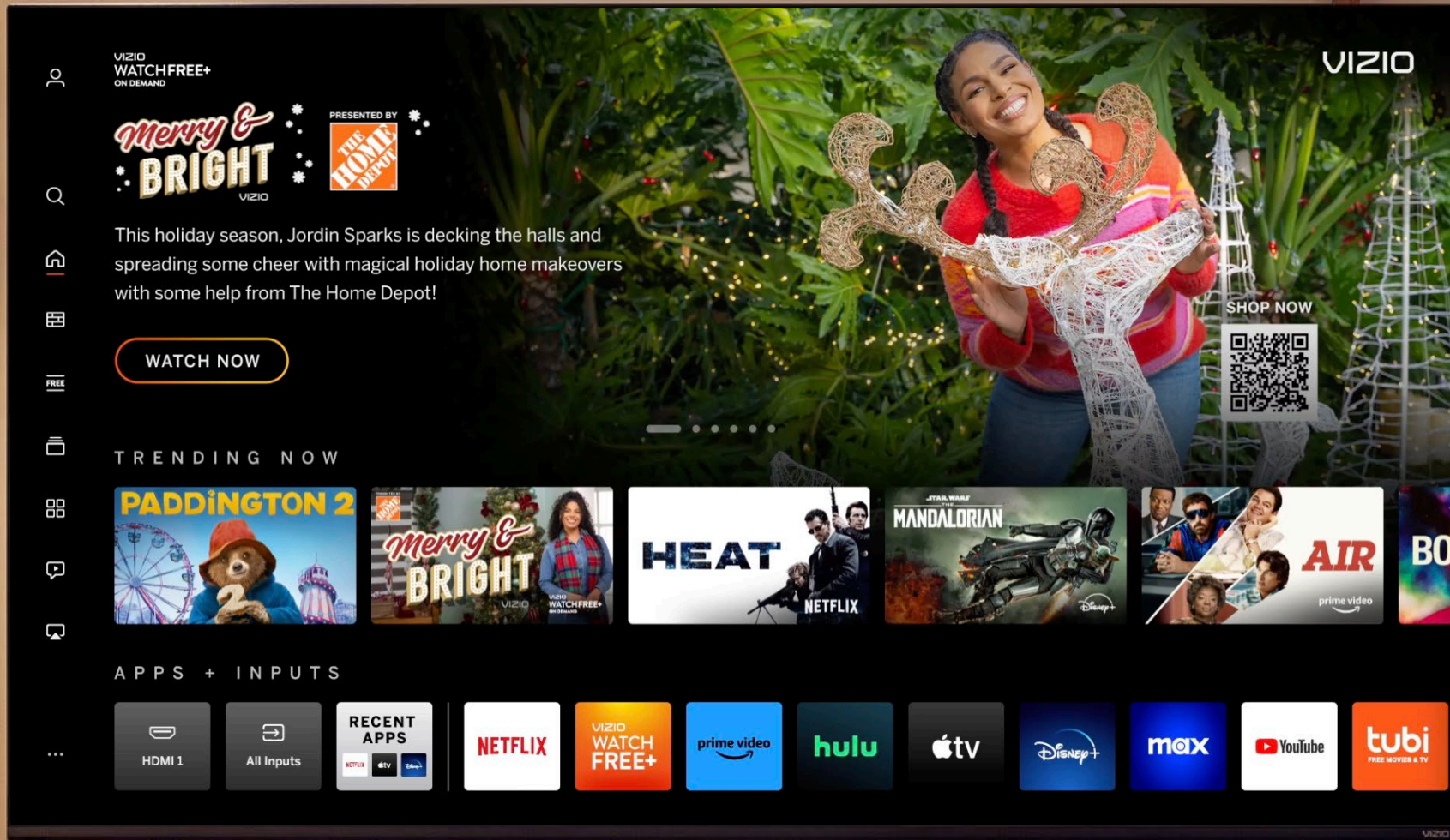
MONETIZABLE EXPERIENCES

TV and more. Without all the cords.

- 219 Built-in Streaming Apps
- 24 New Apps



Select Q4 App Launches



Like Cable TV But Streaming and Free.

- 291 FAST Channels
- 18,000 AVOD Titles¹
- Data Driven Programming
- Improved Electronic Programming Guide



¹ AVOD stands for Advertising Video On Demand

BROAD BASE OF ADVERTISING PARTNERS

Automotive		Banking & Finance		CPG		Energy		Entertainment	

Food & Beverage		HealthCare		Insurance		Pharma		Quick Serve Restaurants	

Note: Select advertising partners shown

SELECT Q4 HOME SCREEN HIGH IMPACT SPONSORSHIPS

VIZIO

MAKE EVERY NIGHT
FRYDAY MOVIE NIGHT
MOVIE COLLECTION

PRESENTED BY
Ore-Ida

John Wick uncovers a path to defeating The High Table. But before he can earn his freedom, Wick must face off against a new enemy.

CALL TO ACTION

Movie Collection Sponsored by Ore-Ida

American
★ CLASSICS
VIZIO

PRESENTED BY
VW

VIZIO American Classics goes back in time when families gathered around the TV to watch the world's biggest personalities on television and stage, ballfields and more.

WATCH NOW

American Classics Sponsored by Volkswagen

Laughing
ALL THE WAY

Coca-Cola

Unwrap the gift of laughter! Browse holiday-themed movies, shows and stand-up specials for a season filled with joy and humor.

VIEW COLLECTION

Comedy Collection Sponsored by Coca-Cola

WHAT'S HOT
NEW YEAR'S
2024
COUNTDOWN

PRESENTED BY
Simply
Mixology

Wrap up 2023 with a "Best of" binge while getting ready for the countdown to the New Year.

VIEW COLLECTION

What's Hot Collection Sponsored by Simply Mixology

FOOTBALL
KICKOFF

PRESENTED BY
PRIZEPICKS

No false starts here, just everything you need to get ready for football season. Stream live sports and expert analysis plus on-demand movies, shows, and documentaries.

VIEW COLLECTION

Football Kickoff Collection Sponsored by PrizePicks

VIZIO
WATCHFREE+
ON DEMAND

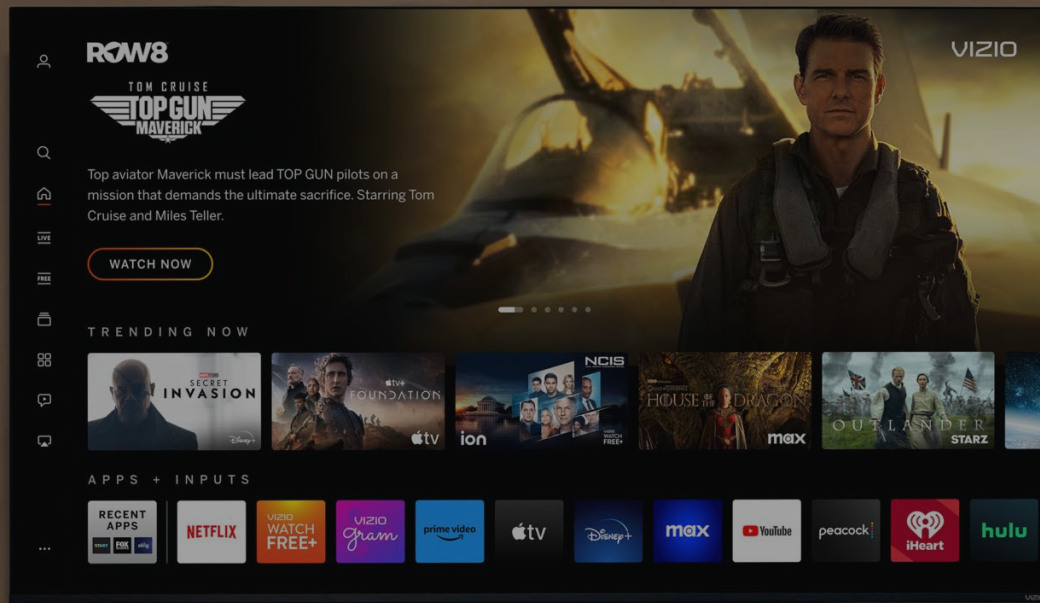
Merry &
BRIGHT
VIZIO

PRESENTED BY
THE HOME DEPOT

This holiday season, Jordin Sparks is decking the halls and spreading some cheer with magical holiday home makeovers with some help from The Home Depot!

WATCH NOW

VIZIO's Merry & Bright Series Sponsored by The Home Depot



Operating Metrics

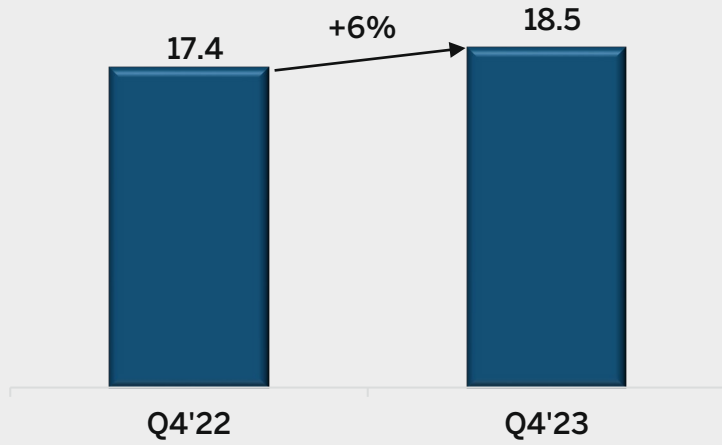


FOURTH QUARTER 2023 PLATFORM+ METRICS

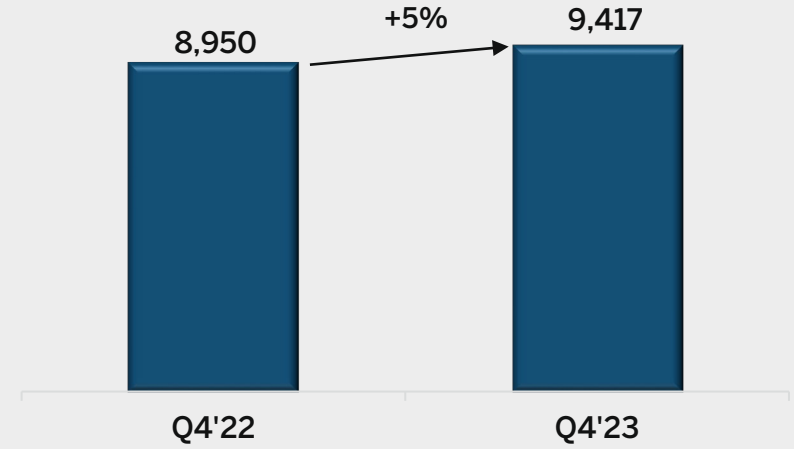
In millions except ARPU

SmartCast Active Accounts

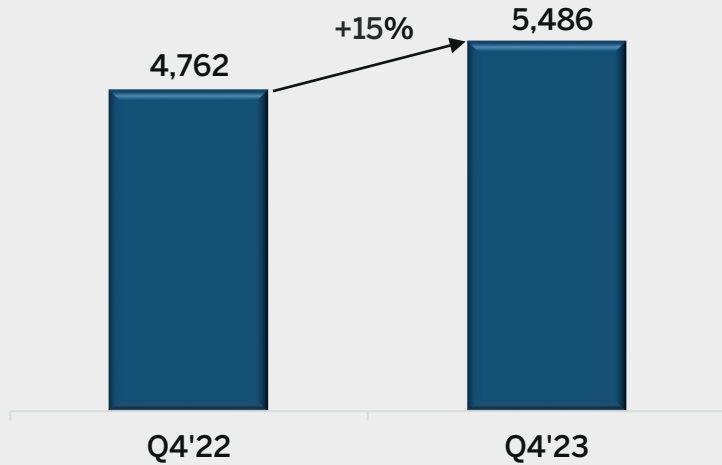
(as of 12/31)



Total VIZIO Hours



SmartCast Hours



SmartCast ARPU



\$ in millions

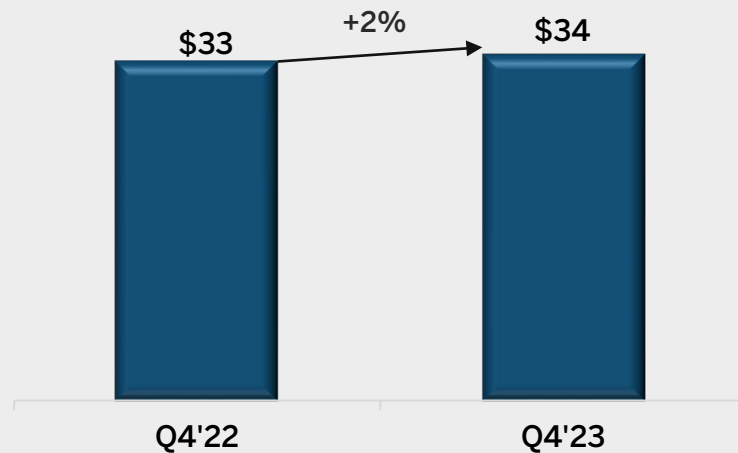
Advertising Revenue

- Fourth quarter advertising revenue up 36%
- Growth driven by higher engagement and a growing advertiser base
- Continued to broaden our base of advertisers
- For the quarter, advertising revenue represented 80% of total Platform+ Net Revenue



Non-Advertising Revenue

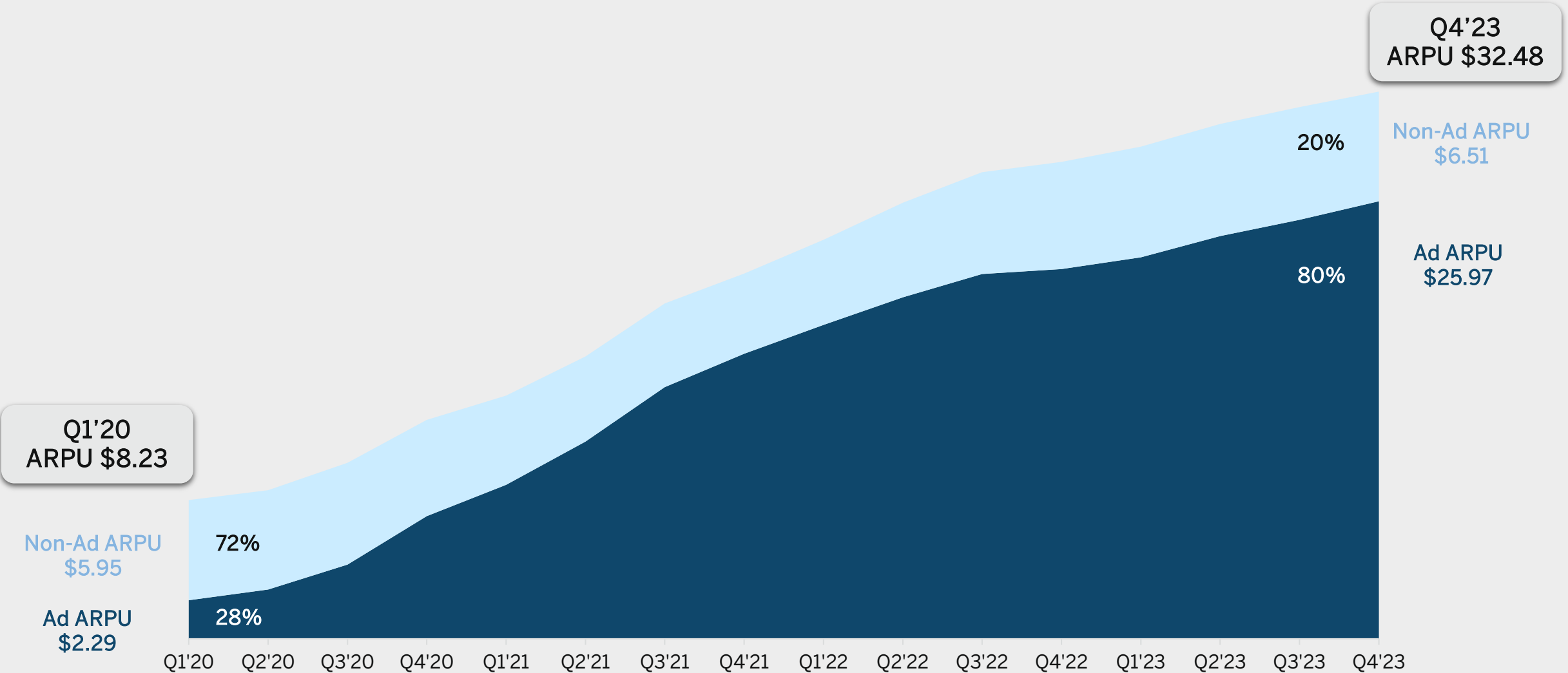
- Fourth quarter non-advertising revenue up 2%
- Continued growth in both data licensing and content distribution revenue, partially offset by lower button revenue due to lower shipments and lower rate



SMARTCAST ARPU PER REVENUE CATEGORY

Q4'23 advertising ARPU of \$25.97 represents 80% of SmartCast ARPU, has grown from 28% since Q1'20

3-Year CAGR +36%



series, exclusively streaming on Disney+.

WATCH NOW

TRENDING NOW



APPS + INPUTS



Appendix

VIZIO



RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ in millions, unaudited

	Three Months Ended December 31,	
	2023	2022¹
Net income (loss)	\$ 13	\$ 6
Adjusted to exclude the following:		
Interest income, net	(4)	(1)
Other income (expense), net	-	1
Provision for income taxes	-	5
Depreciation and amortization	2	1
Share-based compensation	13	9
Adjusted EBITDA	<u>\$ 24</u>	<u>\$ 20</u>

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