

VIZIO

series, exclusively streaming on Disney+.

WATCH NOW

TRENDING NOW



APPS + INPUTS



# Financial Results

Q2'24 Earnings Presentation



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 before interest income, net, other income, net, (benefit from) 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 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. We compensate for these limitations by providing a reconciliation of Adjusted EBITDA to net income. 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.

The metrics included in this presentation, including the key operational financial metrics defined on slide 17, as well as SmartCast Hours per SmartCast Active Account and direct advertising client relationships, 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. There are a number of risks and uncertainties that could cause actual results to differ materially from statements made in this presentation. 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, including our Annual Report on Form 10-K for the year ended December 31, 2023, as filed on February 28, 2024, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, as filed on May 8, 2024. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the three and six months ended June 30, 2024. 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

## SECOND QUARTER 2024 HIGHLIGHTS

(COMPARISON TO SECOND QUARTER 2023)

- Net revenue of \$437 million, up 11%
- Platform+ net revenue of \$169 million, up 19%
- Gross profit of \$100 million, up 16%
- Platform+ gross profit of \$99 million, up 15%
- Net income of \$0 million compared to net income of \$2 million
- Adjusted EBITDA <sup>2</sup> of \$9 million compared to \$18 million
- Adjusted EBITDA includes acquisition-related costs of \$8.4 million and cash incentive awards in lieu of equity awards of \$0.5 million in connection with our long-term incentive plan

(\$ in millions, unaudited)

	Three Months Ended June 30,			
	2024	2023	Change	
			\$	%
<b>Net Revenue</b>				
Device	\$ 268	\$ 252	\$ 16	6%
Platform+	169	142	27	19%
<b>Total Net Revenue</b>	<b>437</b>	<b>394</b>	<b>43</b>	<b>11%</b>
<b>Gross Profit</b>				
Device	1	0	1	200%
Platform+	99	86	13	15%
<b>Total Gross Profit</b>	<b>100</b>	<b>86</b>	<b>13</b>	<b>16%</b>
Operating Expenses <sup>1</sup>	106	80	27	33%
<b>Net Income</b>	<b>\$ 0</b>	<b>\$ 2</b>	<b>\$ (2)</b>	<b>(89)%</b>
<b>Adjusted EBITDA <sup>2</sup></b>	<b>\$ 9</b>	<b>\$ 18</b>	<b>\$ (10)</b>	<b>(52)%</b>

<sup>1</sup>2024 second quarter operating expenses include share-based compensation of \$11.7 million.  
2023 second quarter operating expenses include share-based compensation of \$9.3 million.

<sup>2</sup>Non-GAAP financial measure, see reconciliation to net income on slide 16

# Quarterly Highlights



## Q2'24 QUARTERLY HIGHLIGHTS

- Reached 18.8 million SmartCast Active Accounts, which streamed 5.6 billion hours<sup>1</sup>
- Grew SmartCast Hours per average SmartCast Active Account to 100 per month, up 6% YoY
- Expanded our direct advertising relationships by 13% compared to Q2'23<sup>2</sup>
- Introduced a new line of award-winning sound bars featuring select models that start as low as \$99 with Dolby Atmos® and DTS:X capabilities
- Unveiled additional advertising products focusing on new content hubs and ad formats at the 2024 NewFronts
- Added WatchFree+ channels, including Death Valley Days, Tribeca Channel, Nature Moments, and World's Wildest Police Videos bringing the total number of FAST channels to over 350
- Launched 23 new apps, including NBC Sports, Fox News, Fanmio, and Binge Korea bringing the total number of built-in apps to over 250



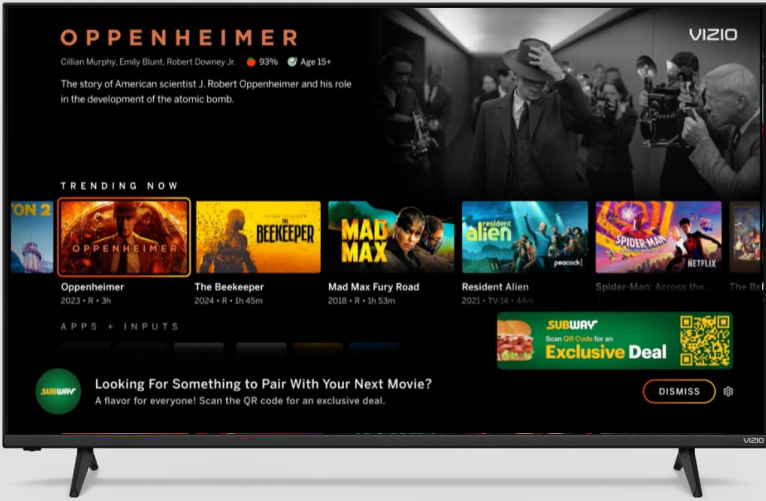
<sup>1</sup> Streamed hours represent SmartCast Hours.

<sup>2</sup> Direct advertising relationships consists of the number of advertisers that purchased advertising inventory directly from VIZIO during the second quarter.



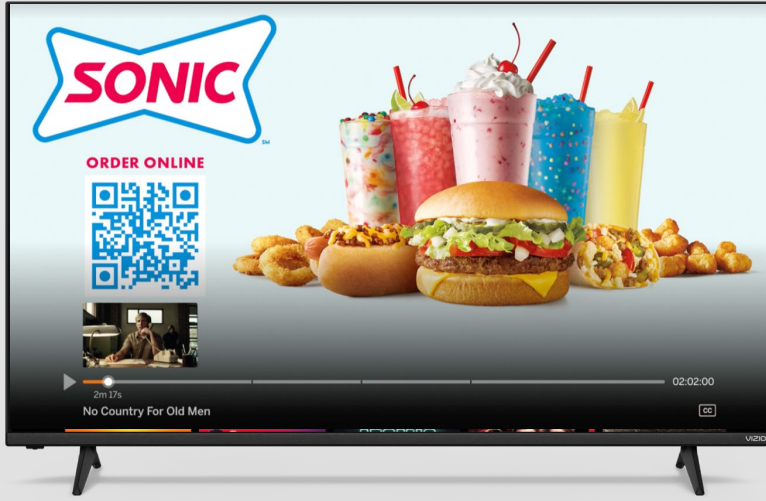
### Content Hubs

Three new home screen experiences focused on gaming, news, and sports that serve as an aggregation hub for viewers and advertising partners



### VIZIO Recommends

A unique ad experience that allows sponsored messages to appear on the VIZIO home screen when a user has spent an extended amount of time deciding what to watch



### Pause Ads on WatchFree+

Pause ads allow brands to reach viewers when they take a break from content with a non-intrusive and creative message. Some beta partners include Inspire Brands, Dunkin, Sonic, Baskin Robbins, and Warner Bros. Pictures



# VIZIO Creates Unique Opportunities For Advertisers To Reach A Growing Audience

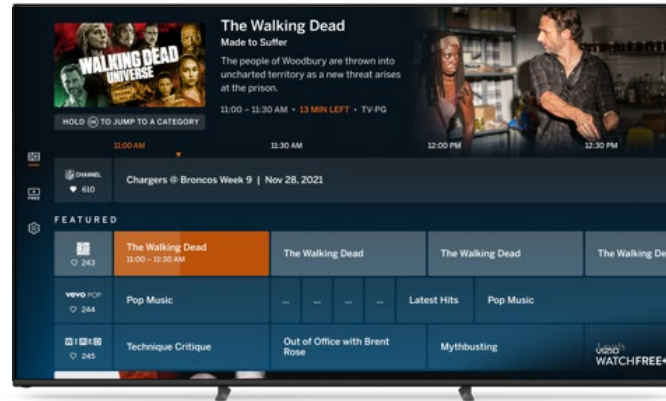
## Power-On TV



### VIZIO Home

Front and center sponsorships & unit placement

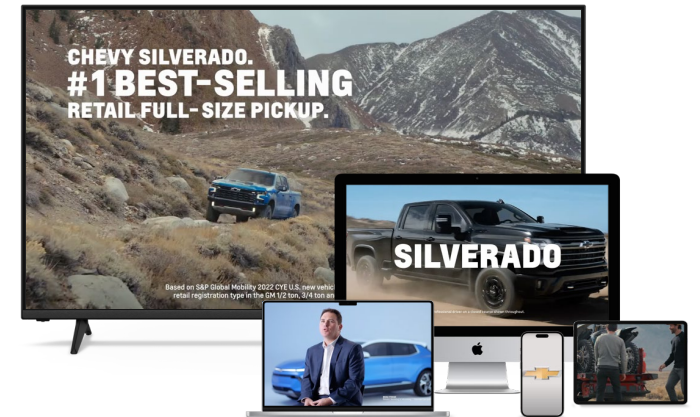
## Entertainment



### VIZIO's WatchFree+

CTV Video within lean-back and on-demand environments

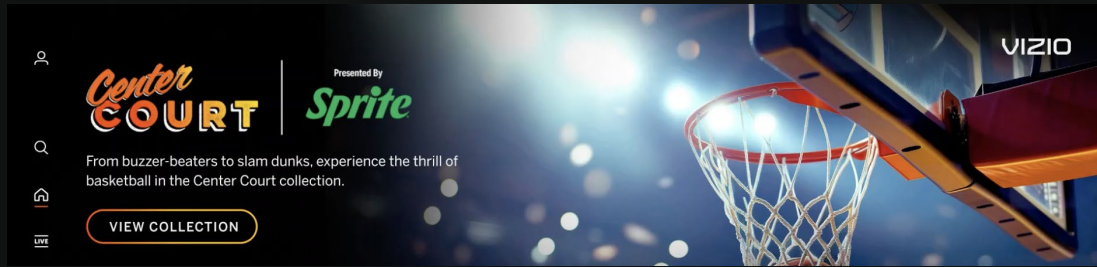
## Beyond the TV



### VIZIO Household & Audience Connect

Off platform opportunities to extend reach

# SELECT Q2 HOME SCREEN HIGH IMPACT SPONSORSHIPS



Center COURT | Presented By Sprite

From buzzer-beaters to slam dunks, experience the thrill of basketball in the Center Court collection.

VIEW COLLECTION

VIZIO

Center Court Collection Sponsored by Sprite



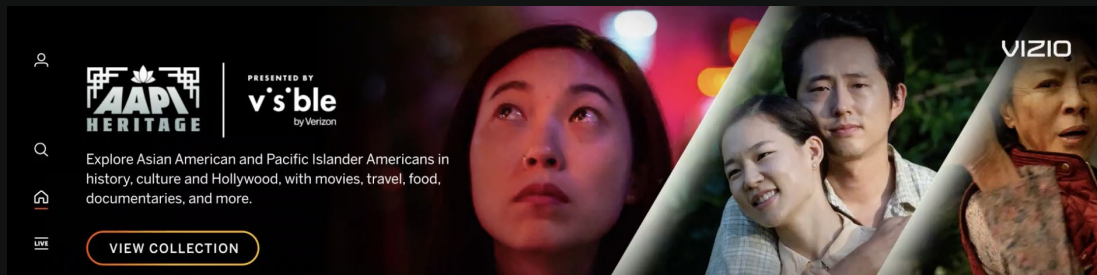
BLACK MUSIC MONTH | PRESENTED BY cricket

Celebrate the creative culture of Black musicians and artists with this collection of movies, shows and documentaries.

VIEW COLLECTION

VIZIO

Black Music Month Sponsored by Cricket



AAP | HERITAGE | PRESENTED BY v's'ble by Verizon

Explore Asian American and Pacific Islander Americans in history, culture and Hollywood, with movies, travel, food, documentaries, and more.

VIEW COLLECTION

VIZIO

Asian American and Pacific Islander Heritage Sponsored by Visible



VIZIO WATCHFREE+ | FORK FLIGHT & PRESENTED BY ASHLEY

Explore documentaries, films, and TV shows featuring black entrepreneurs, business owners, icons, and everyday heroes.

WATCH NOW

VIZIO

VIZIO's Fork & Flight Sponsored by Ashley



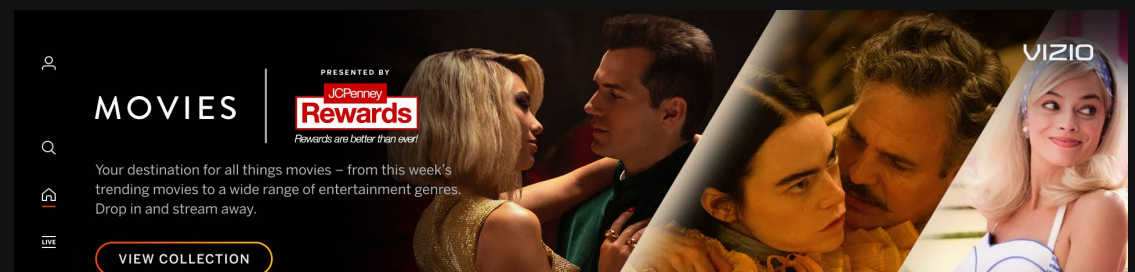
MATCHDAY | SPORTS MOVIES & SHOWS | PRESENTED BY McDonald's

Explore a collection of sports movies and shows, featuring classics and new releases. With a mix of action, drama, and comedy, there's something for every sports fan.

VIEW COLLECTION

VIZIO

Match Day Sponsored by McDonald's



MOVIES | PRESENTED BY JCPenney Rewards Rewards are better than ever!

Your destination for all things movies – from this week's trending movies to a wide range of entertainment genres. Drop in and stream away.

VIEW COLLECTION

VIZIO

Movies Collection Sponsored by JCPenney Rewards



# Operating Metrics

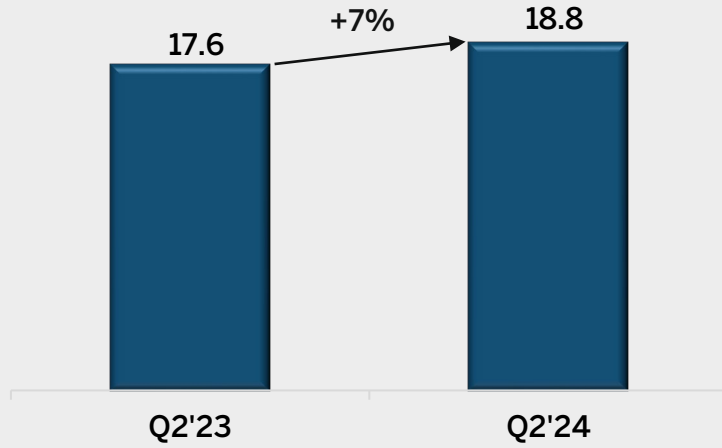


# SECOND QUARTER 2024 PLATFORM+ METRICS

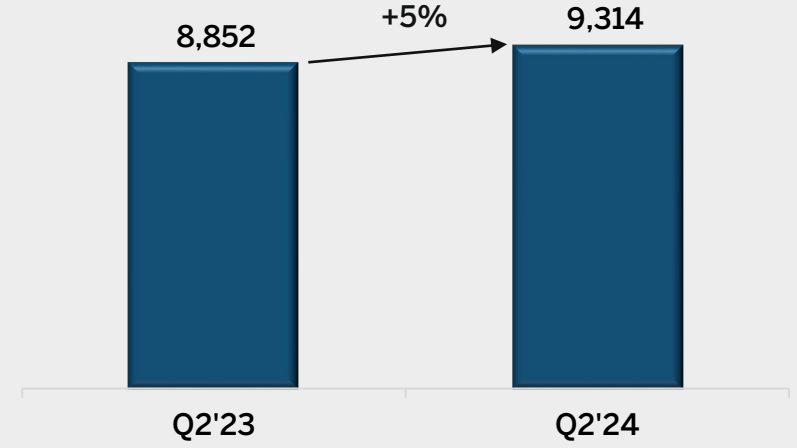
In millions except ARPU

### SmartCast Active Accounts

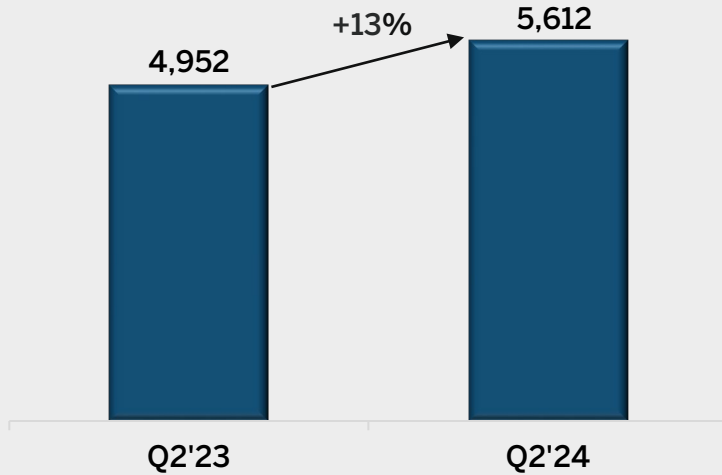
(as of 06/30)



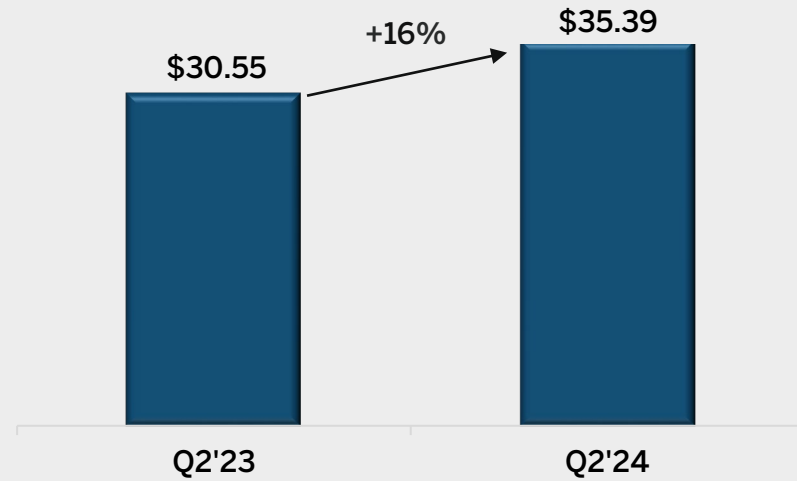
### Total VIZIO Hours



### SmartCast Hours



### SmartCast ARPU



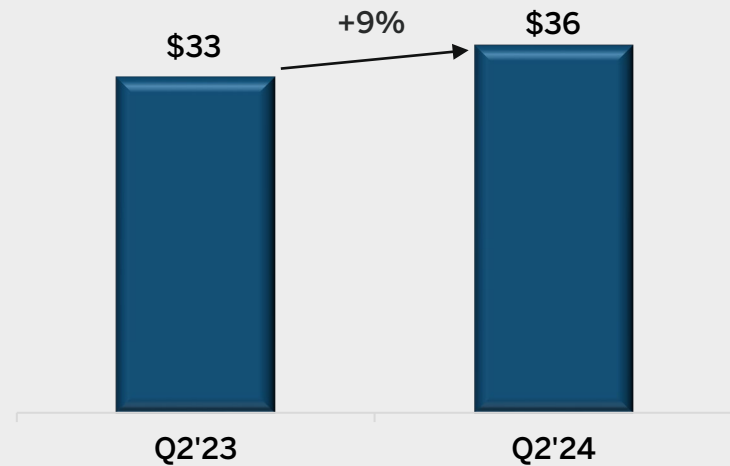
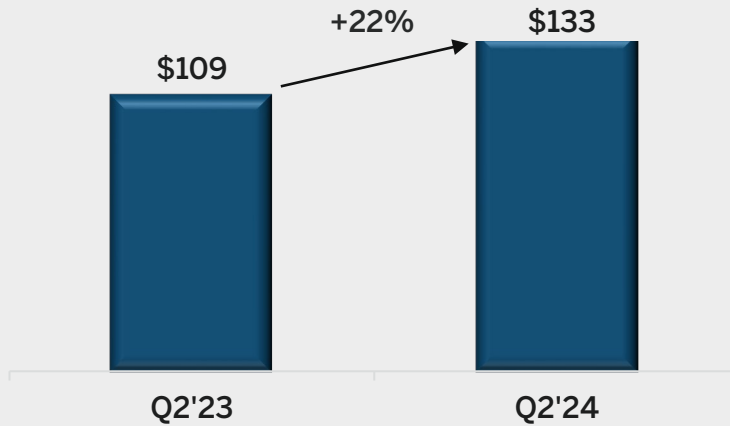
\$ in millions

## Advertising Revenue

- Advertising revenue up 22%
- Growth driven by higher engagement and a growing advertiser base
- For the quarter, advertising revenue represented 79% of total Platform+ net revenue

## Non-Advertising Revenue

- Non-advertising revenue up 9%
- Continued growth in content distribution partially offset by lower button revenue



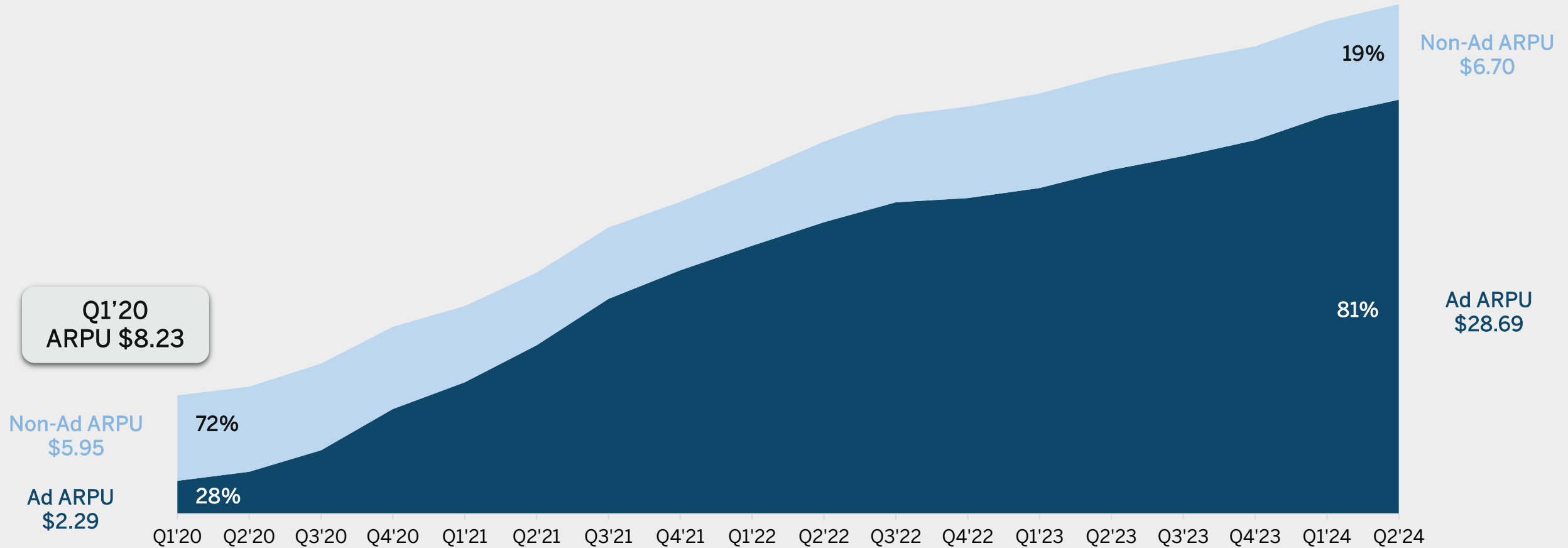
# SMARTCAST ARPU PER REVENUE CATEGORY

Q2'24 advertising ARPU of \$28.69 represents 81% of SmartCast ARPU, up from 28% in Q1'20

Q1'20-Q2'24  
CAGR +41%

Q2'24  
ARPU \$35.39

■ Advertising ■ Non-Advertising





# Appendix

# RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ in millions, unaudited

	Three Months Ended June 30,	
	2024	2023 <sup>1</sup>
Net income	\$ -	\$ 2
Adjusted to exclude the following:		
Interest income, net	(3)	(3)
Other income, net	(3)	-
(Benefit from) provision for income taxes	(1)	8
Depreciation and amortization	3	2
Share-based compensation	13	10
Adjusted EBITDA <sup>2</sup>	\$ 9	\$ 18

<sup>1</sup> Totals may not sum due to rounding.

<sup>2</sup> 2024 Adjusted EBITDA includes acquisition-related costs of \$8.4 million and cash incentive awards in lieu of equity awards of \$0.5 million in connection with our long-term incentive plan.



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