



VIZIO

Financial Results and Outlook Q4'22 Earnings Call

Non-GAAP Financial Measures and Operational Metrics

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 (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).

The metrics included in this presentation, including the key operational financial metrics defined on slide 25, as well as direct client 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.

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 sales, including Upfront advertising commitments, which represent advertisers' indication of expected advertising spend made to us during 2022, but are not fully binding commitments and may differ from the amount of advertising revenue actually received. 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 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; and 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, 2021, as filed on March 10, 2022, and our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2022, as filed on May 12, 2022, for the quarter ended June 30, 2022, as filed on August 10, 2022, and for the quarter ended September 30, 2022, as filed on November 9, 2022. Additional information will also be set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. 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 2022 Highlights

(comparison to fourth quarter 2021)

- Net revenue of \$533 million, compared to \$629 million
- Platform+ net revenue of \$137 million, up 30%
- Gross profit of \$86 million, up 11%
- Platform+ gross profit of \$83 million, up 23%
- Net income of \$6 million, compared to net loss of \$10 million
- Adjusted EBITDA ² of \$20 million, up 15%

Fourth Quarter 2022 Financial Results

(\$ in millions, unaudited)

	Three Months Ended December 31,			
	2022	2021	\$ Change	% Change
Net Revenue				
Device	\$ 397	\$ 524	\$ (127)	-24%
Platform+	137	105	31	30%
Total Net Revenue	533	629	(95)	-15%
Gross Profit				
Device	3	10	(7)	-70%
Platform+	83	67	16	23%
Total Gross Profit	86	77	9	11%
Operating Expenses ¹	75	97	(22)	-23%
Net Income (Loss)	\$ 6	\$ (10)	\$ 17	NM
Adjusted EBITDA ²	\$ 20	\$ 17	\$ 3	15%

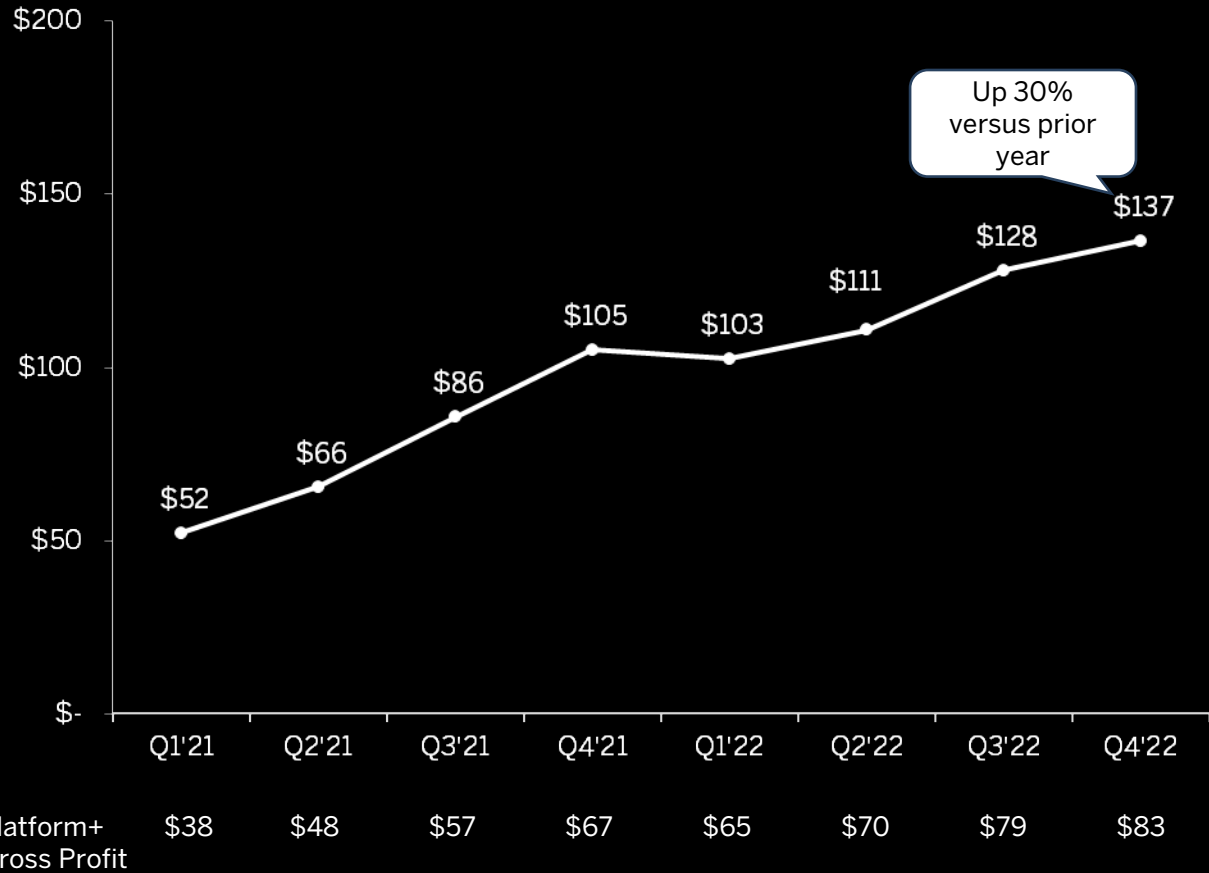
¹ 2022 fourth quarter operating expenses include share-based compensation of \$7.8 million.
² 2021 fourth quarter operating expenses include share-based compensation of \$36.1 million.

² Non-GAAP financial measure, see reconciliation to net income (loss) on slide 24.

NM-Not Meaningful

Platform+ Net Revenue

(\$ in millions)



Fourth Quarter Results Versus Guidance

(\$ in millions)

	Q4'22	Guidance
Platform+ Net Revenue	\$137	\$138 - \$142
Platform+ Gross Profit	\$83	\$84 - \$87
Adjusted EBITDA ¹	\$20	\$15 - \$19

¹ Non-GAAP financial measure, see reconciliation to net income (loss) on slide 24.



Device Highlights

Q4'22 Device Highlights

- 50" V-Series (America's #1 Bestselling TV in 2022¹) Smart TV shipments increased by 65% in Q4'22 YoY
- Named Wirecutter's Budget Pick for Best LED TV for our M-Series Quantum X Smart TV
- Awarded SECRETS of Home Theater and High Fidelity's sound bar of the year for the M-Series Elevate 5.1.2



¹ The NPD Group/Retail Tracking Service, U.S., based on units, Jan. – Dec. 2022 combined.

America's Smart TV



D-Series
Everything for everyone.



V-Series
Smart. Fast. It's 4K for all.



M-Series Quantum 6
Millions of titles in millions of colors.



M-Series Quantum X
Experience the extraordinary.

Select Retail Partners



Voice Remote



Bluetooth Headphone Capable
Optimized for built-in streaming.



Stream Better with WiFi 6E
Backwards compatible with WiFi 5 and earlier Wi-Fi devices.



Auto Update
Receive latest apps, free channels and more.

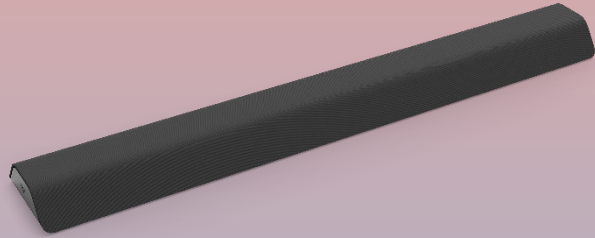


Works with **Apple AirPlay**



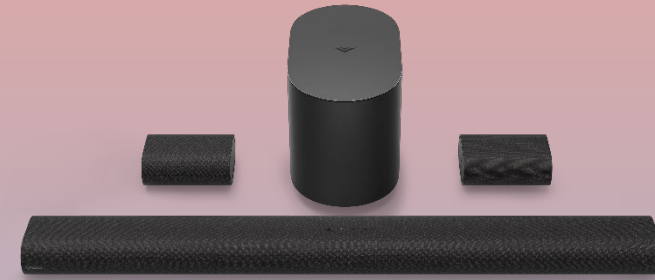
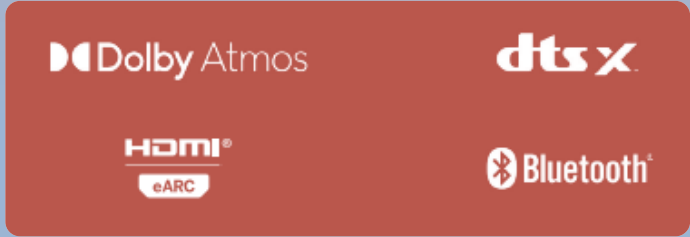
Chromecast built-in

2023 Sound Bar Collection



M-Series All-in-One 2.1 Immersive Sound Bar

Dual built-in subwoofers. One low-profile design.



M-Series Elevate 5.1.2 Immersive Sound Bar

Award-winning Dolby Atmos and DTS:X sound delivered through patented Adaptive Height Speakers that automatically rotate to optimize performance



Platform+ Highlights



Q4'22 Platform+ Highlights

- During Q4'22, surpassed 17 million SmartCast Active Accounts, which streamed 4.8 billion SmartCast Hours
- Increased SmartCast Hours per SmartCast Active Account to 93 per month, up 7% YoY
- Expanded our direct advertising client relationships by 53% compared to Q4'21, adding 130 net new advertisers in Q4'22¹
- Unveiled an upgraded design and user experience for WatchFree+ with an intuitive Electronic Program Guide, faster and easier navigation, and personalization features
- Apps launched included AMC+, Fox Sports, Discovery GO, Hallmark Movies Now, and TLC Go
- WatchFree+ channels launched include Fox Weather, JAIL, Canela, MotorTrend, and Kidoodle



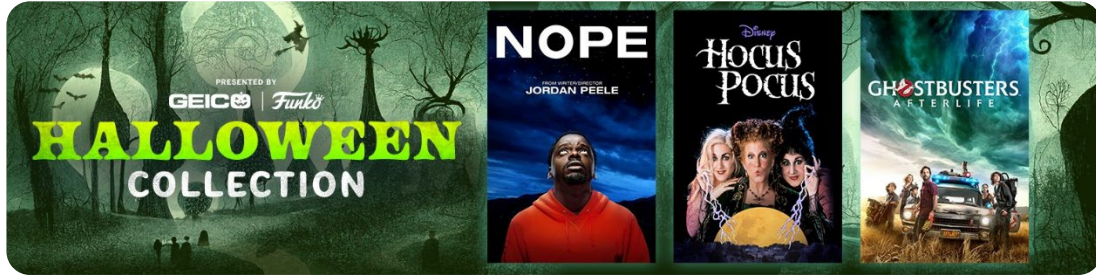
¹ Direct advertising relationships includes the number of advertisers that purchased advertising inventory directly from VIZIO during the fourth quarter. Net new advertisers for the quarter is calculated as the difference between the number of direct advertising relationships during the fourth quarter of 2022 versus the fourth quarter of 2021.

Continuously Expanding Our Base of Advertising Partners

VIZIO Ads



High Impact Sponsorships On The Biggest Screen In The House



Halloween Sponsorship (Geico)



Holiday Movies Sponsorship (JCPenney)



Football Kickoff (McDonalds)



Festival of Lights (Subway)

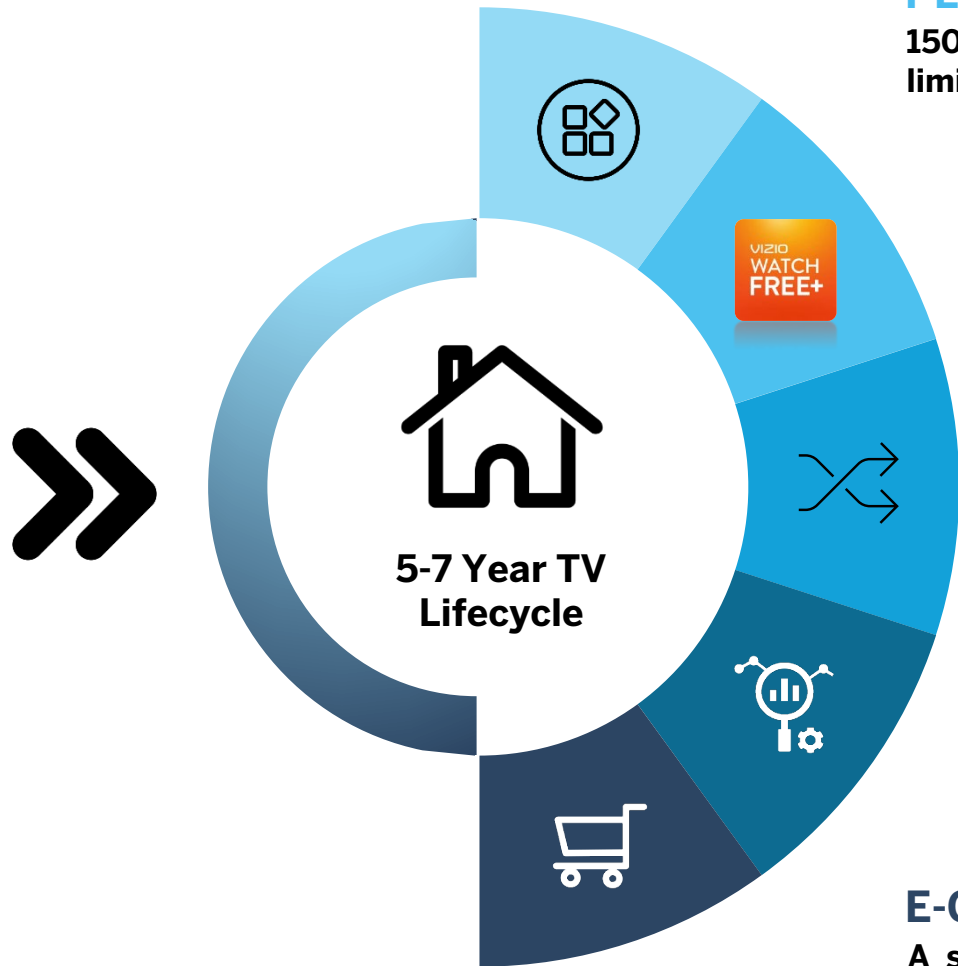


Winter Watchland (Geico)



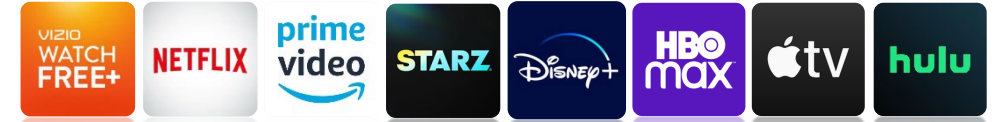
VIZIO House Sponsorship (Take 5)

Endless Value Out Of The Box



PLUG & PLAY

150+ pre-loaded apps for limitless entertainment



And Many More...

ENDLESS FREE CONTENT

Cable-like experience with hundreds of FAST channels and thousands of on-demand titles



BACKWARDS COMPATIBLE

New apps, content, and enhancements through WiFi



DATA-DRIVEN SEARCH & DISCOVERY

1P data-driven home screen sponsorships and unit placement



E-COMMERCE & SUBSCRIPTION OFFERINGS

A single place to subscribe, track payments, and manage streaming services

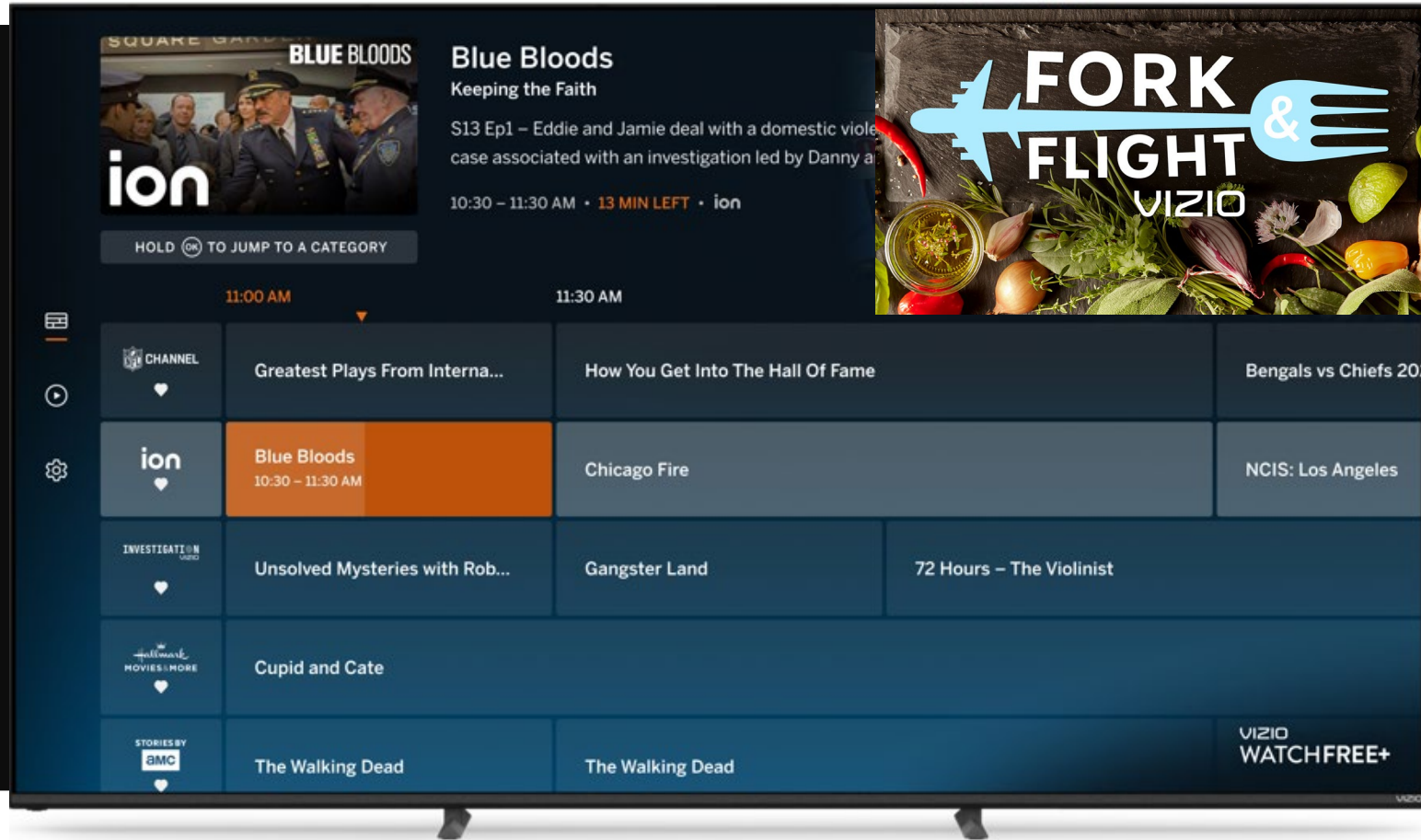


Like Cable TV. But Streaming... and Free



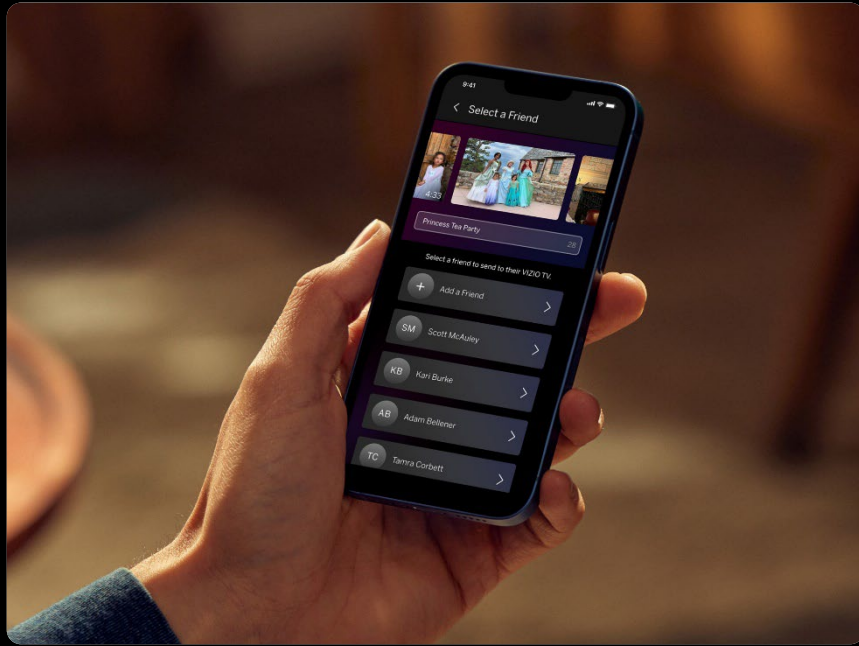
#2 Most watched free ad-supported app

- **Upgraded** design
- **New** electronic programming guide
- **Faster** navigation
- **Improved** personalization features
- **260+** FAST channels
- **5,000+** AVOD titles
- **Data-driven** programming



VIZIO*Gram*

A CES Innovation Award-Winning Feature: **VIZIO*Gram*** lets you share life's special moments by sending photos and videos to your friends and family, directly on VIZIO Smart TVs.



Share life's
adventures.

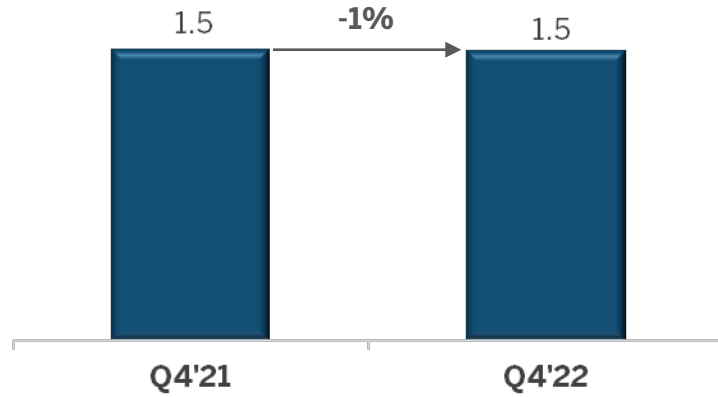


Operating Metrics

Fourth Quarter 2022 Operating Metrics

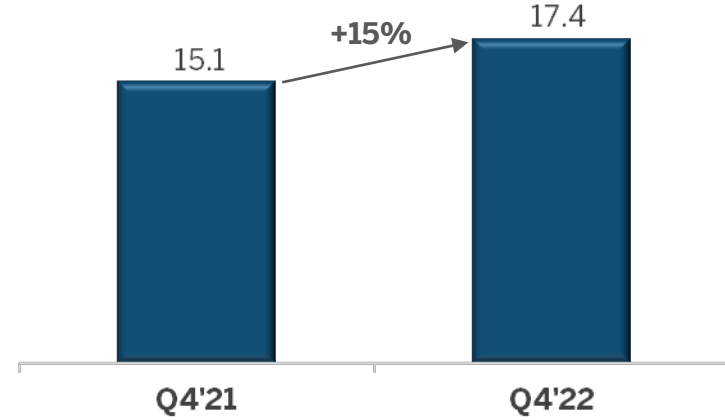
In millions

Smart TV Shipments

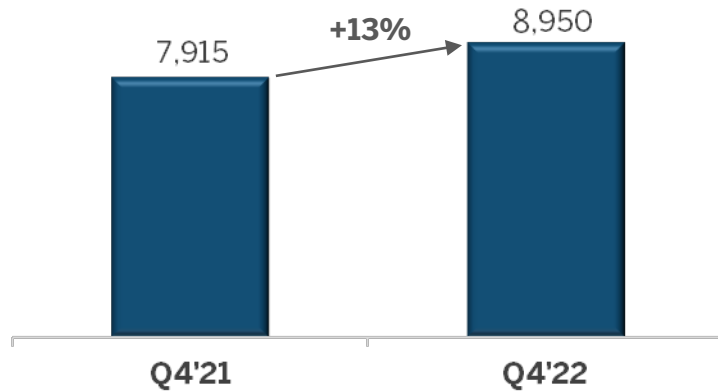


SmartCast Active Accounts

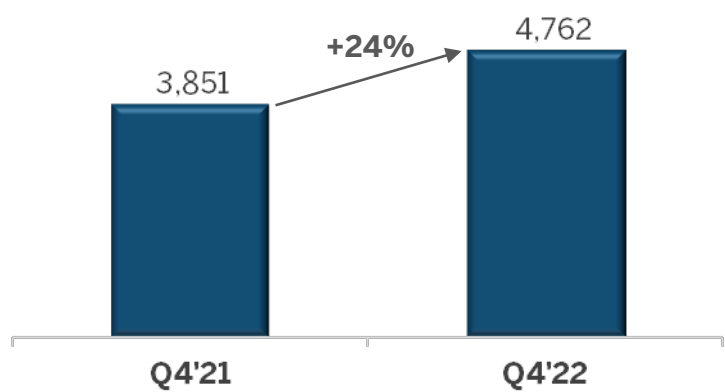
(as of 12/31)



Total VIZIO Hours



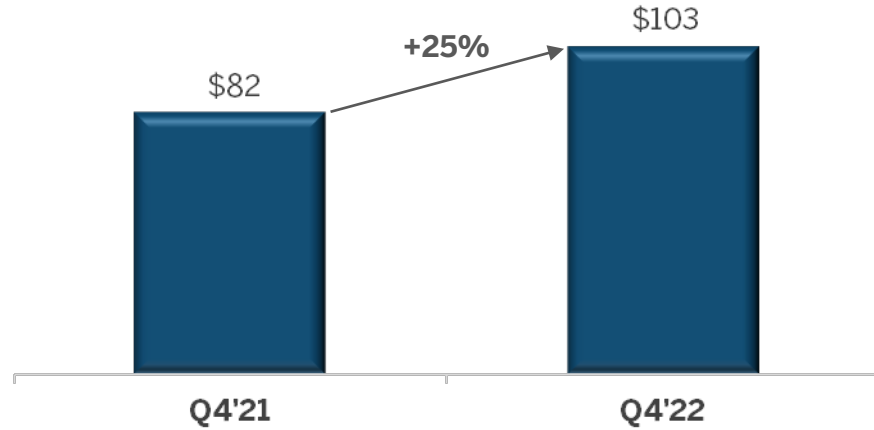
SmartCast Hours



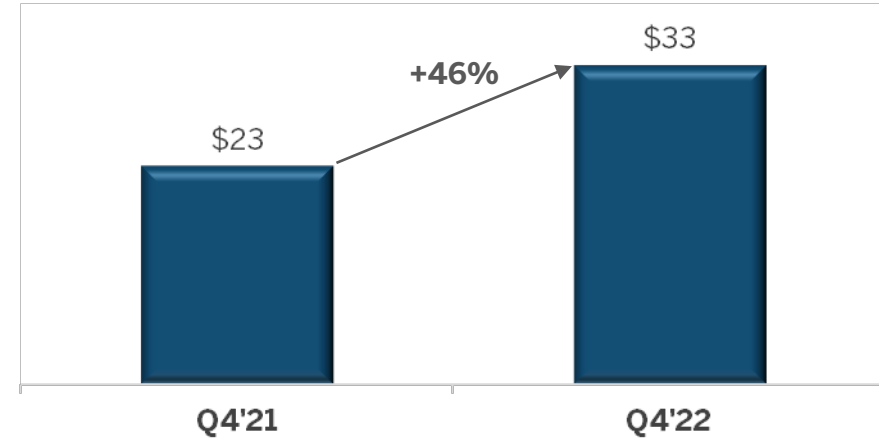
Fourth Quarter 2022 Financial Highlights – Platform+

\$ in millions, except ARPU

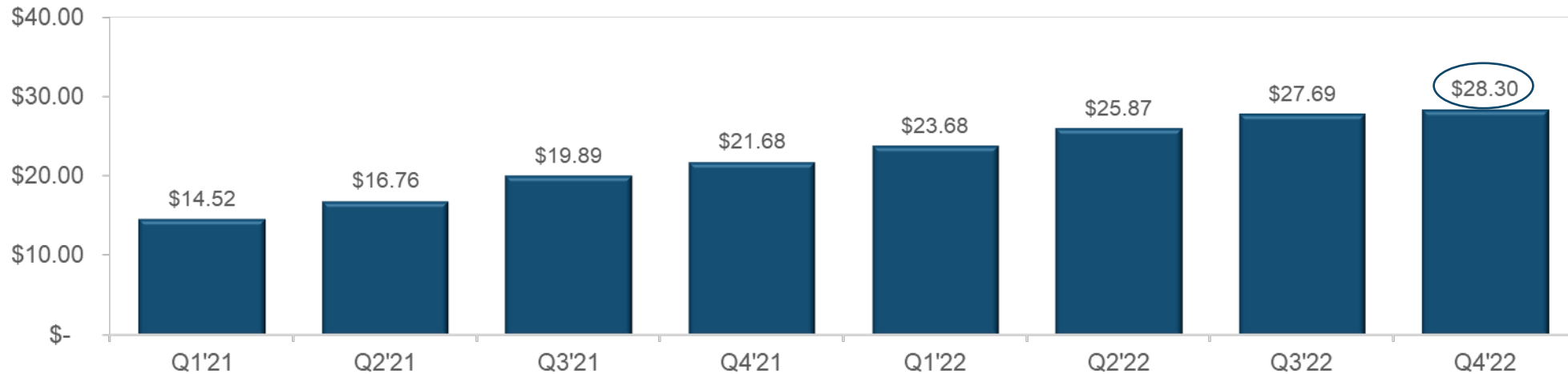
Advertising Revenue



Non-Advertising Revenue



ARPU





Financial Outlook

Expected Outlook

\$ in millions

	First Quarter 2023
Platform+ Net Revenue	\$114 - \$119
Platform+ Gross Profit	\$66 - \$70
Adjusted EBITDA	\$0 - \$5

Platform+

- Revenue growth of 14% with gross profit margin of 58% at midpoint of range
- Expected growth in both advertising and non-advertising revenue

Appendix

VIZIO

Reconciliation of Net Income (Loss) to Adjusted EBITDA

\$ in millions, unaudited

	Three Months Ended December 31,	
	2022	2021
Net income (loss)	\$ 6	\$ (10)
Adjusted to exclude the following:		
Interest income, net	(1)	(0)
Other (expense) income, net	1	(3)
Provision for (benefit from) income taxes	5	(7)
Depreciation and amortization	1	1
Share-based compensation	9	37
Adjusted EBITDA	\$ 20	\$ 17

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 Vizio television is mounted on a dark wood entertainment center in a dimly lit living room. The TV screen displays the Apple TV+ interface, featuring a banner for the series 'FOUNDATION' and a row of other content including 'LUCA', 'WESTWORLD', and 'GODZILLA KONG'. Below the content are icons for various streaming services: Netflix, Watch Free, Prime Video, Disney+, Apple TV, HBO Max, Hulu, YouTube, and Peacock. The room includes a grey sofa, a patterned rug, and a large window on the right. The word 'VIZIO' is overlaid in large white letters on the TV screen, with 'Thank You' written below it in a smaller white font.

VIZIO

Thank You