vividseats

Q4 2022 Financial Results

March 7, 2023

(Nasdaq: SEAT)

Agenda

01 **Business Highlights & Update**
Stan Chia, Chief Executive Officer

02 **Financial Results**
Lawrence Fey, Chief Financial Officer

03 **Q&A**
Stan Chia, Chief Executive Officer
Lawrence Fey, Chief Financial Officer

Forward-looking statements and use of non-GAAP financial measures

Safe Harbor

- Certain statements made in this presentation are "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this presentation may be forward-looking statements. Forward-looking statements in this presentation include, but are not limited to, statements regarding our future results of operations and financial position, including our expectations regarding Marketplace Gross Order Value, revenues and Adjusted EBITDA, Adjusted EBITDA margins, G&A, customer acquisition costs, cash conversion and the impact of our investments; our expectations with respect to live event industry growth; our competitive positioning; our business strategy; and the plans and objectives of management for future operations. When used in this presentation, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside of our control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include the continuing impact of the COVID-19 pandemic, the timing and manner of the resumption of large-scale sporting events, concerts and theater shows, our relationships with buyers, sellers and distribution partners, changes in Internet search engine algorithms or changes in marketplace rules, competition in the ticketing industry, the willingness of artists, teams and promoters to continue to support the secondary ticket market, and our ability to maintain and improve our platform and brand or develop successful new solutions and enhancements or improve existing ones, the impact of potential unfavorable legislative developments, the success of our acquisition of Betcha Sports, Inc. and rebranding to Vivid Picks, the effects of a recession and inflation, our ability to obtain subsequent debt refinancing, the impact of system interruption and the lack of integration and redundancy in our systems and infrastructure, the impact of cyber security risks, data loss or other breaches of our network security, our being a controlled company, and other risks and uncertainties described in the section titled “Risk Factors” in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

- We present Adjusted EBITDA and Adjusted EBITDA margin, which are non-GAAP measures, because they are measures frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. Further, we believe these measures are helpful in highlighting trends in our operating results as they exclude the impact of items that are outside the control of management or not reflective of ongoing performance related directly to the operation of our business segments. These non-GAAP measures are used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. Moreover, we believe these non-GAAP measures provide useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance and highlighting trends in our operating results. These non-GAAP measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. Further limitations of these non-GAAP measures are that they do not reflect all of the amounts associated with our operating results as determined in accordance with GAAP and may exclude costs that are recurring, such as interest expense, equity-based compensation, litigation, settlements and related costs and change in value of warrants. In addition, other companies may calculate similarly-titled non-GAAP measures differently than us, thereby limiting their usefulness as a comparative tool. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from Adjusted EBITDA and Adjusted EBITDA margin. Please refer to the “Non-GAAP Reconciliations” later in this presentation. We calculate forward-looking non-GAAP Adjusted EBITDA based on internal forecasts that omit certain information that would be included in forward-looking GAAP net income (loss), the most directly comparable GAAP measure. We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA guidance to forward-looking GAAP net income (loss) because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts.

Business Highlights & Updates

Stan Chia, Chief Executive Officer

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2022 Highlights

Marketplace GOV [1]
$3.2B

Revenues
$600M

Adjusted EBITDA [2]
$113M

- Captured strong live event demand; both Marketplace GOV and Revenues exceeded prior records from 2021 by more than 30%
- Delivered Adjusted EBITDA within guidance range with strong execution despite challenging 2H competitive landscape
- Deliberate investment in superior product & service, for both buyers and sellers, to drive long-term stickiness in our marketplace

(1) *Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.*

(2) *Adjusted EBITDA is not a measure defined under GAAP. See the appendix for a reconciliation of Adjusted EBITDA to Net income (loss). 2022 Net income was $70.8M and 2021 Net loss was $19.1M.*

Q4 2022 Highlights

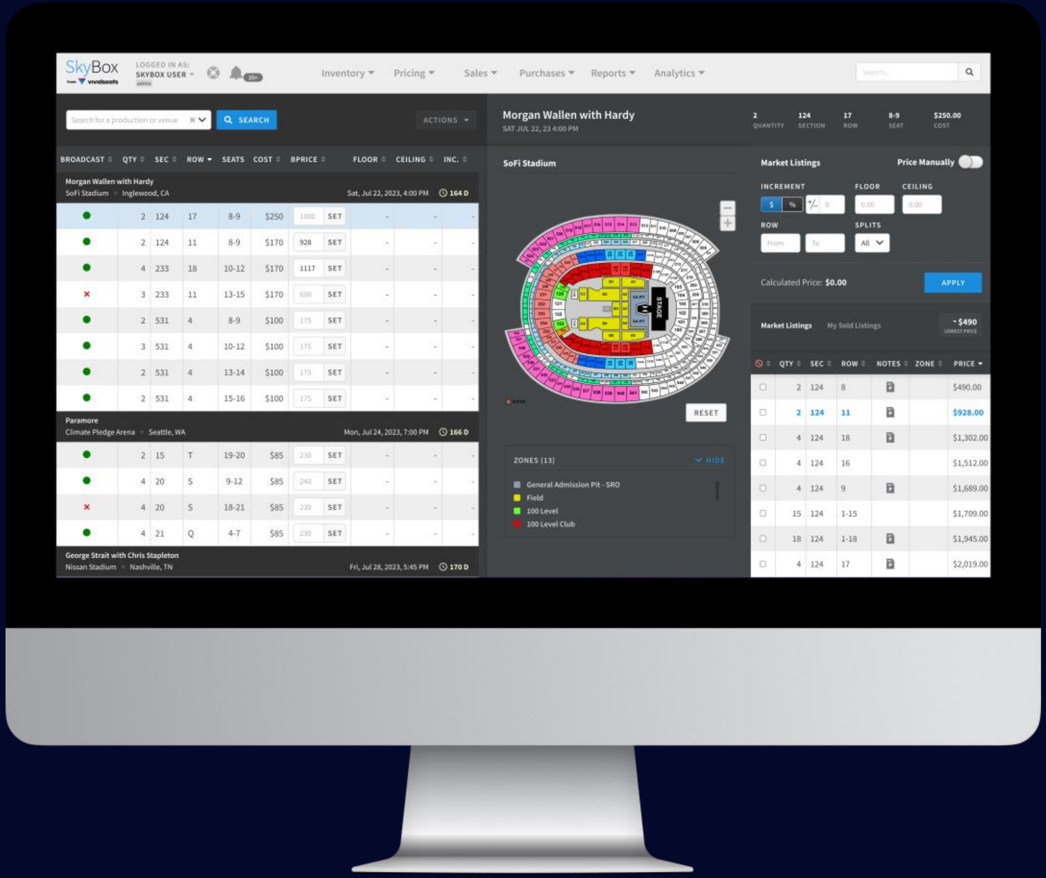
Marketplace GOV [1]	Revenues	Adjusted EBITDA[2]
$846M	$165M	$34M

- Wrapped 2022 with strong quarter tactically balancing volume and profitability in challenging competitive environment
- Resilient demand continued, but growth slowed as tailwinds from postponed events subsided
- Repurchased $29 million of shares during the quarter; entering 2023 with strong balance sheet and strategic flexibility

(1) *Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.*

(2) *Adjusted EBITDA is not a measure defined under GAAP. See the appendix for a reconciliation of Adjusted EBITDA to Net income (loss). Q4'22 Net income was $24.8M and Q4'21 Net income was $0.3M.*

Our Seller Technology - Announcing Skybox Drive



Integrated automation software accessible directly from SkyBox POS

SkyBox Drive

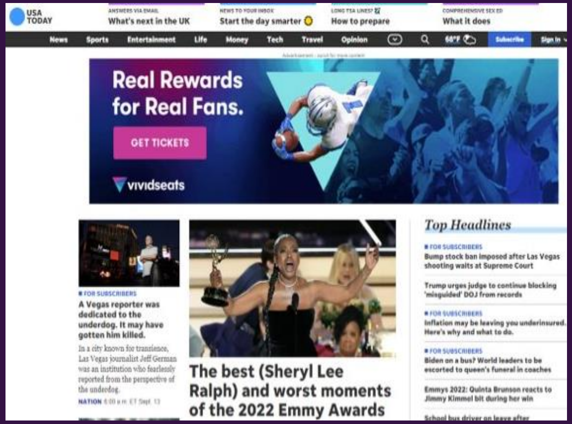
Intelligent automation software that optimizes seller revenue – a unique new product line from SkyBox

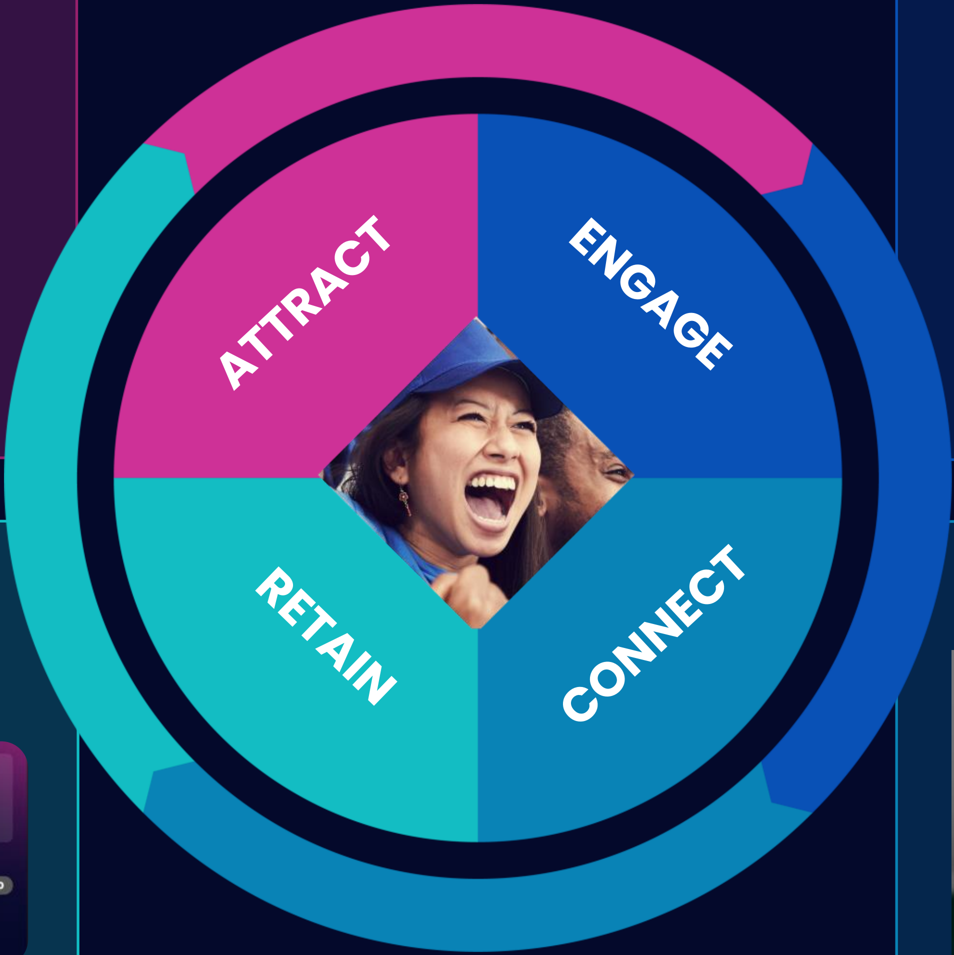
CORE VALUE PROPS

1. Simply customize & automate revenue optimization strategies
2. The ONLY system powered with data from Vivid Seats
3. Built as a turn-key extension to our SkyBox ERP
4. Real-time data feeds

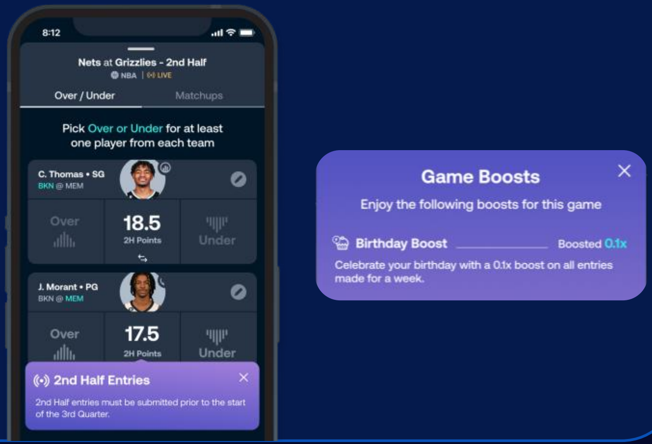
Building Our Brand With Buyers

Attract sports & music enthusiasts across targeted touchpoints

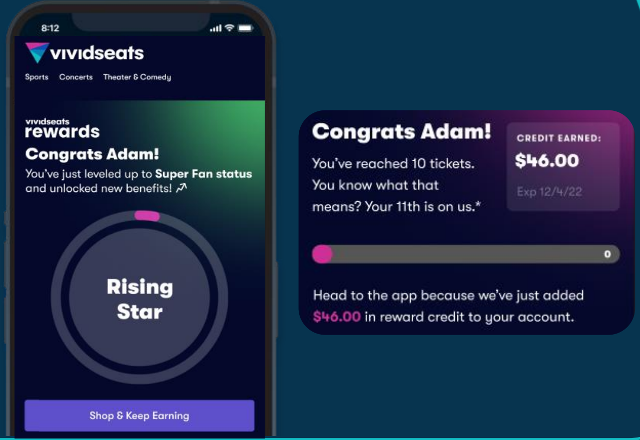




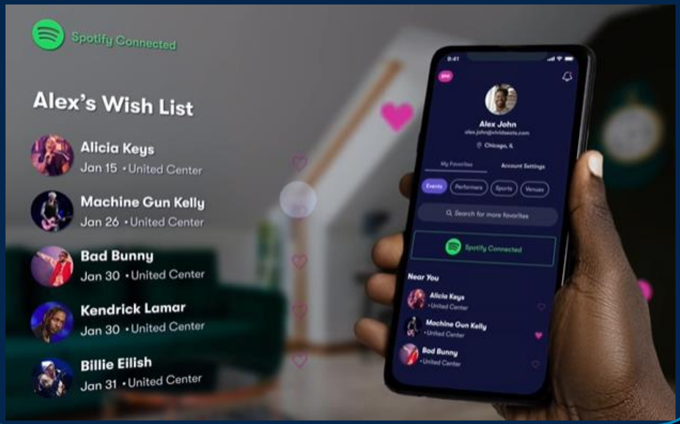
Engage users across our ecosystem



Reward fan passion with the industry's only loyalty program



Connect and personalize their journey to the next event



Financial Updates

Lawrence Fey, Chief Financial Officer

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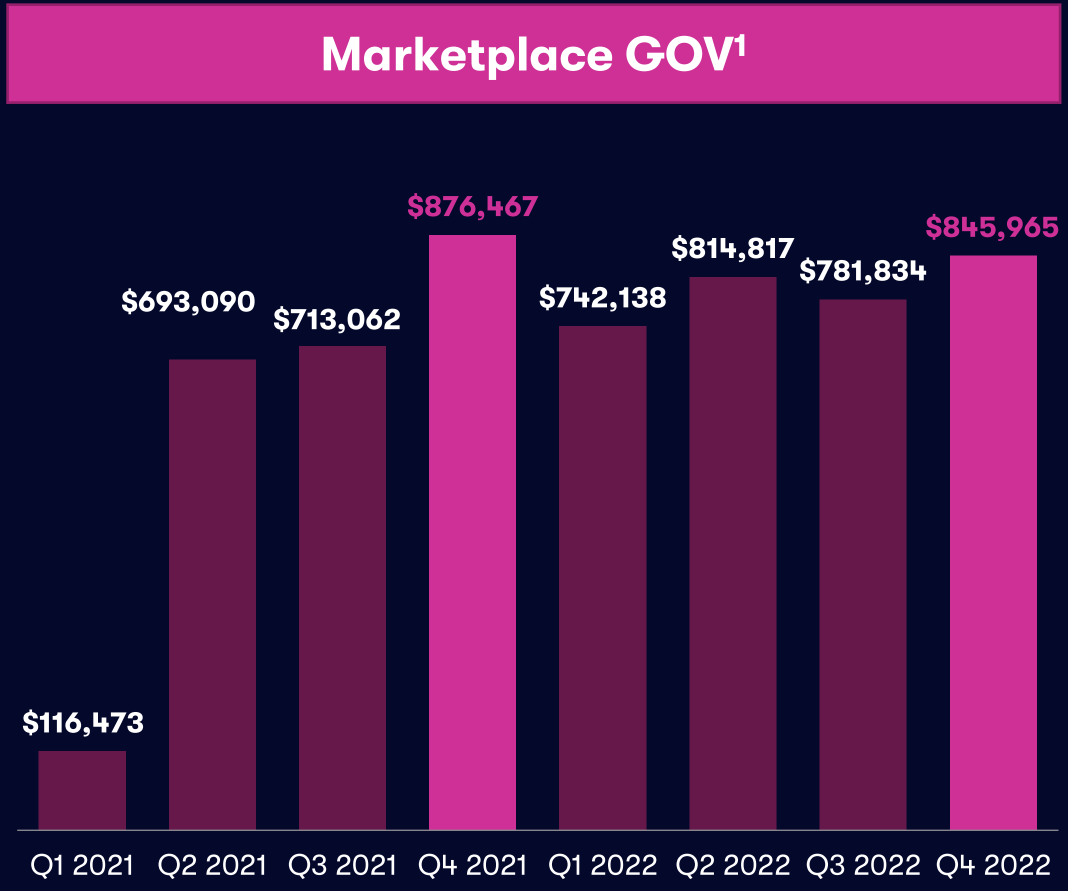
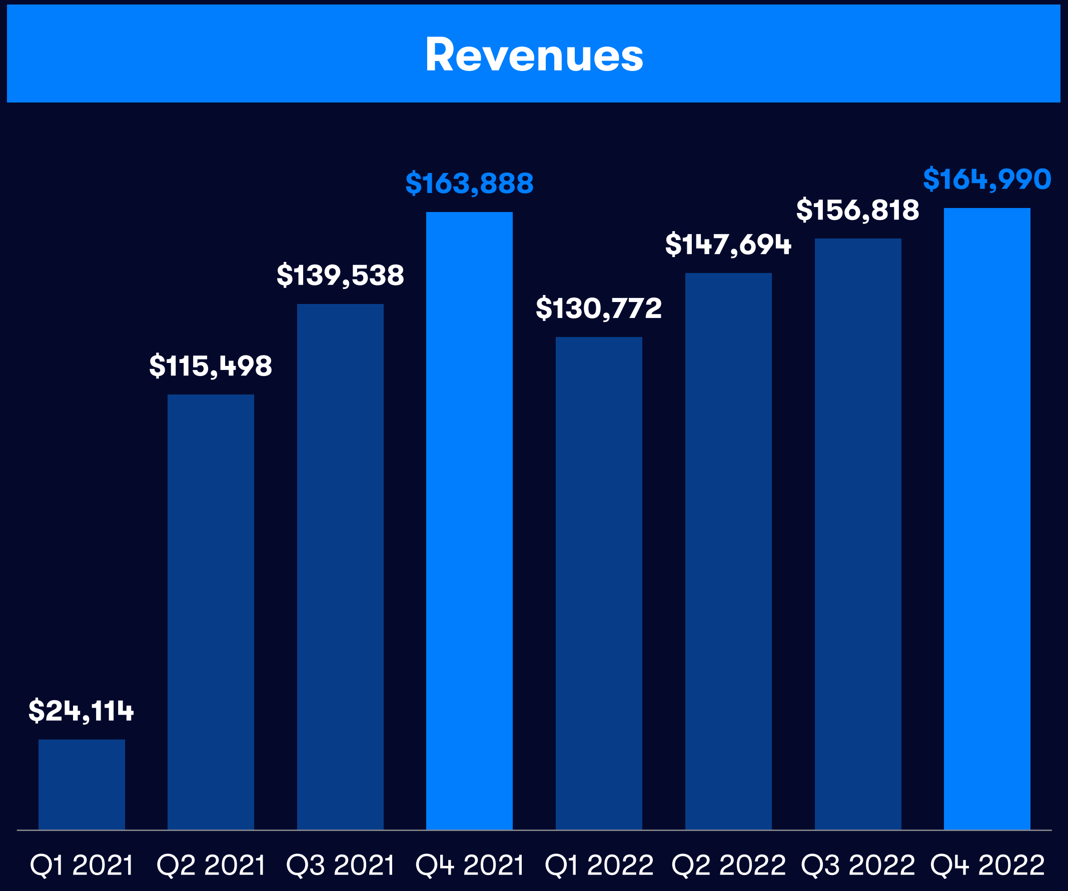
Marketplace GOV and Revenues

(in thousands)



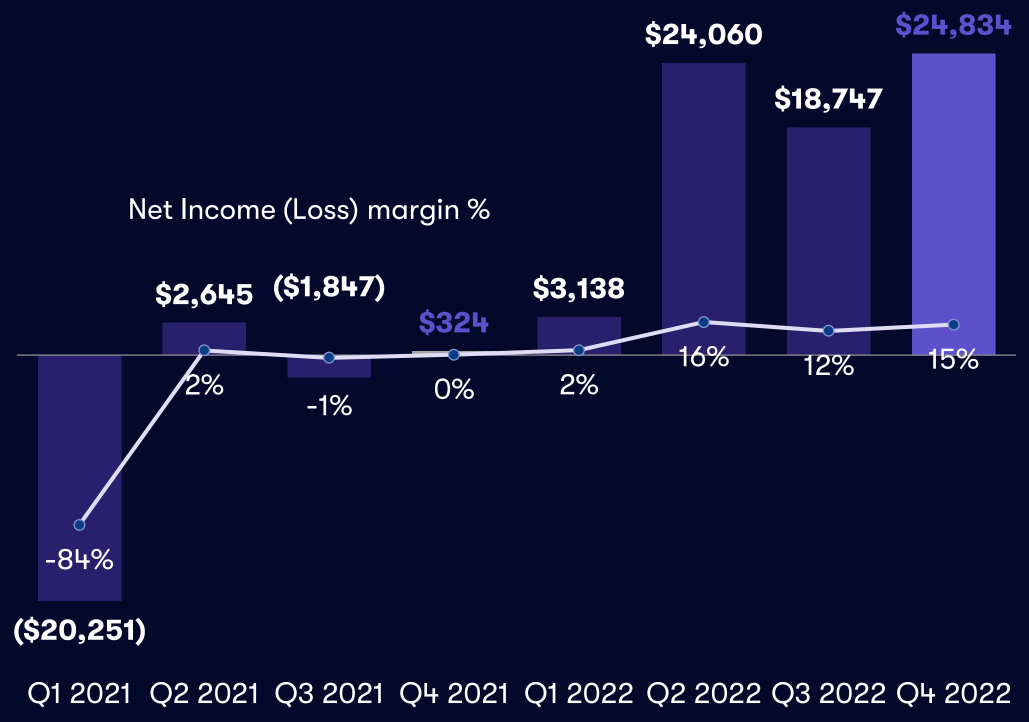


(1) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.

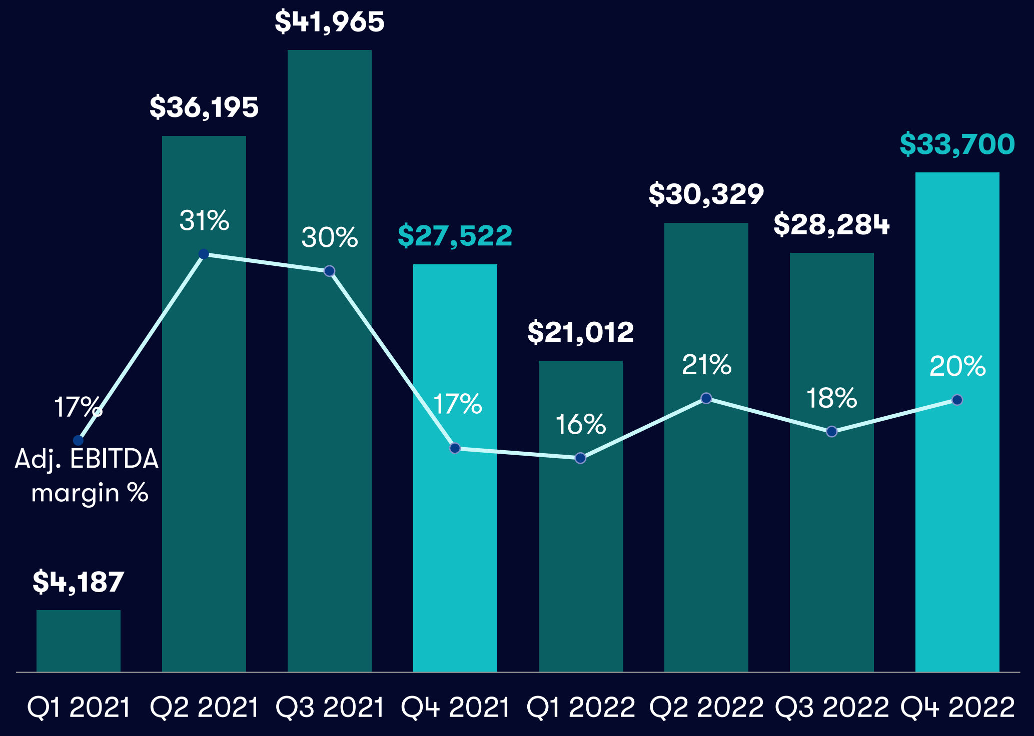
Net Income/(Loss) and Adjusted EBITDA

(in thousands)

GAAP Net Income (Loss)[1]



Adjusted EBITDA[2]



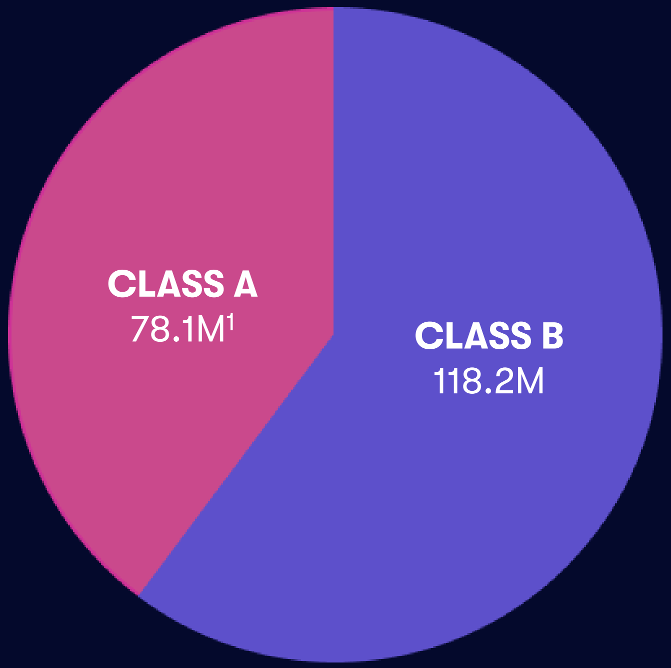
(1) Represents consolidated net income (loss) before allocation to noncontrolling interests.
(2) Adjusted EBITDA and Adjusted EBITDA margin are not measures defined under GAAP. See the appendix for a reconciliation of Adjusted EBITDA to net income (loss) and Adjusted EBITDA margin to net income (loss) margin.

Capital Structure

196M Shares Outstanding[1] as of 12/31/22

CLASS A

- Publicly traded (SEAT)
- EPS calculation reflects ~40% economic interest & ~40% shares outstanding



CLASS B

- Privately held by PE investors
- Convertible 1-for-1 into Class A

- Consolidated financial statements reflect entirety of operations
- Holders of Class A and Class B shares have equivalent per share economic interests in operating entity

(1) Shares outstanding, net of treasury stock

2023 Financial Guidance

Key Financial Metrics	3/7/23
Marketplace GOV	$3.0B to $3.3B
Revenues	$580M to $610M
Adjusted EBITDA[1]	$110M to $115M

(1) Adjusted EBITDA is not a measure defined under GAAP. We believe adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. We calculate forward-looking non-GAAP Adjusted EBITDA based on internal forecasts that omit certain information that would be included in forward-looking GAAP net income (loss), the most directly comparable GAAP measure. We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA guidance to forward-looking GAAP net income (loss) because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts.

Balance Sheet and Cash Flow

Strategic Flexibility

Sizable Cash Balance
$252M

Low Debt Balance
$273M[1]

Undrawn Credit Facility
$100M

Cash Generation in
2023

- Strong balance sheet coupled with future cash generation provides significant strategic flexibility in 2023 and beyond
- Anticipate return toward normalized cash generation in 2023 as non-recurring items from 2022 cease (sales tax settlements, normalization of seller payables)
- Share repurchases as of 12/31/22:
  - 4.3mm shares repurchased in 2022 for $32mm at $7.46 volume weighted avg price
  - $8M remaining under authorization

(1) Represents Term Loan Principal outstanding.

Closing Remarks

Stan Chia, Chief Executive Officer

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Key Takeaways

1

2022 – Exceptional Year for Live Events & Vivid Seats

We estimate the secondary ticketing market has grown well above the long-term trendline of 7-10% annual growth since reopening after the pandemic. 2022 was bolstered by passionate fans with resilient demand and tailwind from postponed events. We captured industry strength and delivered record Marketplace GOV and Revenues.

2

2023 – Opportunity for Vivid Seats to Press Advantage

We expect muted industry growth as the industry returns to trendline. This is an opportunity for us to press advantage, make compelling brand investments and leverage our strong profitability and balance sheet as the competitive landscape evolves.

3

Beyond – Differentiated Platform Driving Long-Term Value

Momentum from our brand and product investments is building and our repeat rates are trending higher. We expect substantial leverage as we build further momentum and as CACs normalize.

Q+A

Thank You

investors@vividseats.com

Supplementary Financial Data – Q4 2022

(in thousands)

Marketplace Revenues by Event Category

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Revenues:						
Concerts	$63,132	$58,949	7%	$251,423	$171,149	47%
Sports	53,455	59,843	(11)%	196,467	175,471	12%
Theater	23,486	23,316	1%	61,483	41,745	47%
Other	49	454	(89)%	1,721	1,303	32%
Total Marketplace revenues	**$140,122**	**$142,562**	**(2)%**	**$511,094**	**$389,668**	**31%**

Segment Contribution Margin

	Three Months Ended December 31, 2022		
	Marketplace	Resale	Consolidated
Revenues	$ 140,122	$24,868	$164,990
Cost of revenues	20,214	18,091	38,305
Marketing and selling	68,412	-	68,412
Contribution margin	**$51,496**	**$6,777**	**58,273**

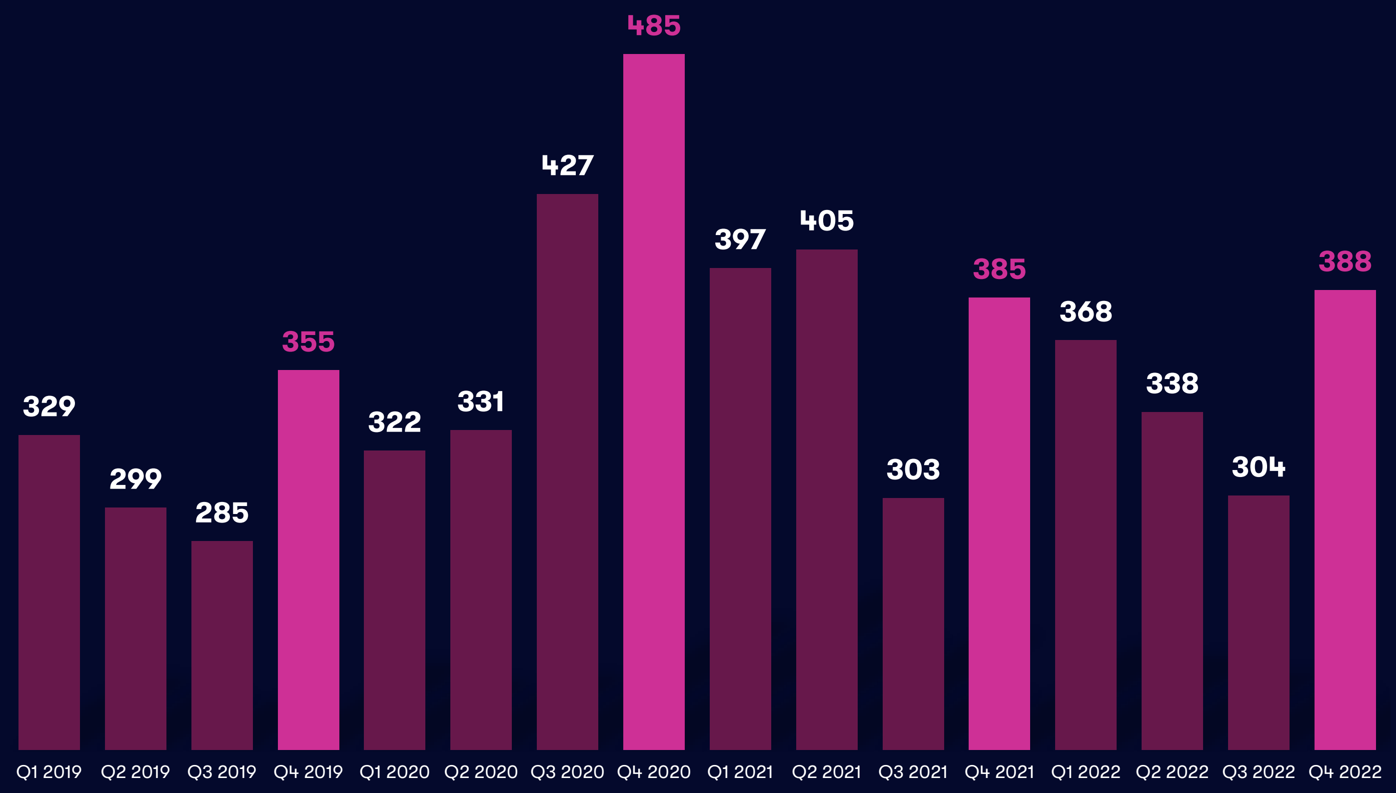
	Three Months Ended December 31, 2021		
	Marketplace	Resale	Consolidated
Revenues	$ 142,562	$21,326	$163,888
Cost of revenues	19,601	16,630	36,231
Marketing and selling	76,610	-	76,610
Contribution margin	**$46,351**	**$4,696**	**51,047**

EPS

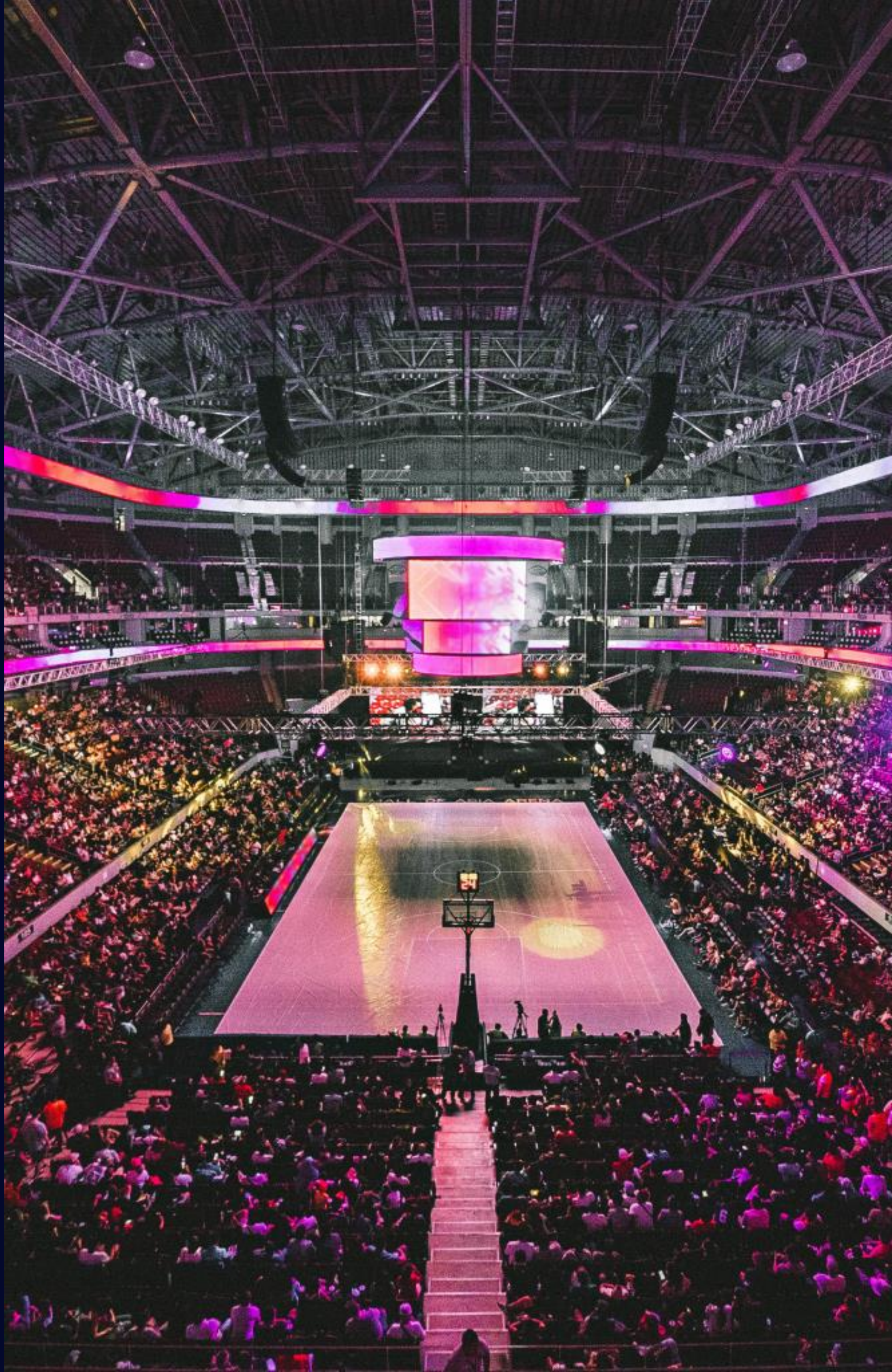
	2022	2021
Numerator—basic:		
Net income (loss)	$70,779	$(6,293)
Less: (Income) loss attributable to redeemable noncontrolling interests	(42,117)	3,010
Net income (loss) attributable to Class A Common Stockholders—basic	**28,662**	**(3,283)**
Denominator—basic:		
Weighted average Class A common stock outstanding—basic	80,257,247	77,498,775
Net income (loss) per Class A common stock—basic	**$0.36**	**$(0.04)**
Numerator—diluted:		
Net income (loss) attributable to Class A Common Stockholders—basic	$28,662	$ (3,283)
Net income (loss) effect of dilutive securities:		
Effect of dilutive Exercise Warrants	55	—
Effect of dilutive RSUs	6	—
Effect of dilutive noncontrolling interests	42,056	—
Effect of dilutive Hoya Intermediate Warrants	—	(123)
Net income (loss) attributable to Class A Common Stockholders—diluted	**70,779**	**(3,406)**
Denominator—diluted:		
Weighted average Class A common stock outstanding—basic	80,257,247	77,498,775
Weighted average effect of dilutive securities:		
Effect of dilutive Exercise Warrants	258,906	—
Effect of dilutive RSUs	28,228	—
Effect of dilutive noncontrolling interests	118,200,000	—
Weighted average Class A common stock outstanding—diluted	198,744,381	77,498,775
Net income (loss) per Class A common stock—diluted	**$0.36**	**$ (0.04)**

Supplementary Financial Data – Historical AOS[1]

Average Order Size ($)



(1) *Average Order Size ("AOS") is calculated by dividing Marketplace GOV by Total Marketplace orders.*



Non-GAAP Reconciliations

(in thousands)

	2021				2022				Full Year	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2021	2022
Net income (loss)	**-$20,251**	**$2,645**	**-$1,847**	**$324**	**$3,138**	**$24,060**	**$18,747**	**$24,834**	**-$19,129**	**$70,779**
Income tax expense (benefit)	-	-	-	$304	$76	-	$118	-$1,784	$304	-$1,590
Interest expense - net	$16,319	$16,839	$17,319	$7,702	$3,942	$2,699	$2,901	$3,316	$58,179	$12,858
Depreciation and amortization	$295	$500	$711	$816	$1,385	$1,726	$2,158	$2,463	$2,322	$7,732
Sales tax liability[1]	$2,261	$10,726	$21,574	-$25,605	$922	$2,010	-$118	-	$8,956	$2,814
Transaction costs[2]	$3,546	$3,863	$1,428	$4,015	$1,402	$2,345	$538	$555	$12,852	$4,840
Equity-based compensation[3]	$1,090	$1,184	$1,197	$2,576	$3,597	$5,312	$5,073	$5,071	$6,047	$19,053
Loss on extinguishment of debt[4]	-	-	-	$35,828	$4,285	-	-	-	$35,828	$4,285
Litigation, settlements and related costs[5]	$641	$438	$1,583	$173	-$14	$1,009	$89	$1,393	$2,835	$2,477
Severance related to COVID-19[6]	$286	-	-	-	-	-	-	-	$286	-
Change in fair value of warrants[7]	-	-	-	$1,389	$2,279	-$8,832	-$65	-$1,609	$1,389	-$8,227
Change in fair value of contingent consideration[8]	-	-	-	-	-	-	-$1,220	-$845	-	-$2,065
Loss on asset disposals[9]	-	-	-	-	-	-	$63	$306	-	$369
Adjusted EBITDA	**$4,187**	**$36,195**	**$41,965**	**$27,522**	**$21,012**	**$30,329**	**$28,284**	**$33,700**	**$109,869**	**$113,325**

Non-GAAP Reconciliations

	2021				2022				Full Year	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2021	2022
Net income (loss) margin	**-84.0%**	**2.3%**	**-1.3%**	**0.2%**	**2.4%**	**16.3%**	**12.0%**	**15.1%**	**-4.3%**	**11.8%**
Income tax expense (benefit)	-	-	-	0.2%	0.1%	-	0.1%	-1.1%	0.1%	-0.3%
Interest expense - net	67.7%	14.6%	12.4%	4.7%	3.0%	1.8%	1.8%	2.0%	13.1%	2.1%
Depreciation and amortization	1.2%	0.4%	0.5%	0.5%	1.1%	1.2%	1.4%	1.5%	0.5%	1.3%
Sales tax liability(1)	9.4%	9.3%	15.5%	-15.6%	0.7%	1.4%	-0.1%	-	2.0%	0.5%
Transaction costs(2)	14.7%	3.3%	1.0%	2.4%	1.1%	1.6%	0.3%	0.3%	2.9%	0.8%
Equity-based compensation(3)	4.5%	1.0%	0.9%	1.6%	2.8%	3.6%	3.2%	3.1%	1.4%	3.2%
Loss on extinguishment of debt(4)	-	-	-	21.9%	3.3%	-	-	-	8.1%	0.7%
Litigation, settlements and related costs(5)	2.7%	0.4%	1.1%	0.1%	-0.0%	0.7%	0.1%	0.8%	0.6%	0.4%
Severance related to COVID-19(6)	1.2%	-	-	-	-	-	-	-	0.1%	-
Change in fair value of warrants(7)	-	-	-	0.8%	1.7%	-6.0%	-0.0%	-1.0%	0.3%	-1.4%
Change in fair value of contingent consideration(8)	-	-	-	-	-	-	-0.8%	-0.5%	-	-0.3%
Loss on asset disposals(9)	-	-	-	-	-	-	0.0%	0.2%	-	0.1%
Adjusted EBITDA margin	**17.4%**	**31.3%**	**30.1%**	**16.8%**	**16.1%**	**20.5%**	**18.0%**	**20.4%**	**24.8%**	**18.9%**

Non-GAAP Reconciliations

Notes:

(1) We have historically incurred sales tax expense in jurisdictions where we expected to remit sales tax payments but were not yet collecting from customers. During the second half of 2021, we began collecting sales tax from customers in the required jurisdictions. The sales tax liability presented herein represents the tax liability for sales tax prior to the date we began collecting sales tax from customers reduced by abatements received, inclusive of any penalties and interest assessed by the jurisdictions. The aforementioned liability was fully paid in 2022.
(2) Transaction costs consist of legal; accounting; tax and other professional fees; personnel-related costs, which consist of retention bonuses; and integration costs. Transaction costs recognized in 2022 were related to the merger transaction with Horizon Acquisition Corporation (the "Merger Transaction"), the acquisition of Betcha Sports, Inc. ("Betcha" rebranded as "Vivid Picks"), refinancing of the remaining June 2017 First Lien Loan with a new $275.0 million term loan (the "February 2022 First Lien Loan") and our offering to the holders of our outstanding public warrants to receive shares of Class A Common Stock in exchange for each outstanding public warrant tendered by the holder. Transaction costs recognized in 2021 were related to the Merger Transaction, to the extent they were not eligible for capitalization, and the acquisition of Vivid Picks.
(3) We incur equity-based compensation expenses for profits interests issued prior to the Merger Transaction and equity granted according to the 2021 Incentive Award Plan ("2021 Plan"), which we do not consider to be indicative of our core operating performance. The 2021 Plan was approved and adopted in order to facilitate the grant of equity incentive awards to our employees and directors. The 2021 Plan became effective on October 18, 2021.
(4) Loss on extinguishment of debt incurred in 2022 resulted from the extinguishment of the June 2017 First Lien Loan in February 2022. Loss on extinguishment of debt incurred in 2021 and 2020 resulted from the retirement of the May 2020 First Lien Loan, fees paid related to the early payment of a portion of the principal of the June 2017 First Lien Loan in October 2021, and the retirement of the revolving credit facility in May 2020.
(5) These expenses relate to external legal costs and settlement costs, which were unrelated to our core business operations.
(6) These charges relate to severance costs resulting from significant reductions in employee headcount due to the effects of the COVID-19 pandemic.
(7) This relates to the revaluation of warrants to purchase common units of Hoya Intermediate ("Intermediate Units") held by Hoya Topco following the Merger Transaction.
(8) This relates to the revaluation of Vivid Picks cash earnouts.
(9) This relates to asset disposals, which are not considered indicative of our core operating performance.

Defined Terms:

- In March of 2021, we incorporated an entity in Delaware for the purpose of completing the transactions contemplated by the transaction agreement dated April 21, 2021 (the "Transaction Agreement") among Horizon Acquisition Corporation ("Horizon"), a publicly traded special purpose acquisition company, Horizon Sponsor, LLC, a Delaware limited liability company, Hoya Intermediate, LLC ("Hoya Intermediate") and Hoya Topco, LLC ("Hoya Topco"), a Delaware limited liability company.
- In October 2021, as contemplated by the Transaction Agreement, Horizon merged with us (the "Merger Transaction"), upon which the separate corporate existence of Horizon ended and we remained as the surviving entity. At the same time, we became a publicly traded company listed on the Nasdaq Global Select Market ("Nasdaq") with our Class A common stock trading under the symbol "SEAT" and warrants trading under the symbol "SEATW."
- On June 30, 2017, we entered into a $575.0 million first lien debt facility, comprised of a $50.0 million revolving facility (the "Revolving Facility") and a $525.0 million term loan (the "June 2017 First Lien Loan"), and a second lien credit facility, comprised of a $185.0 million second lien term loan (the "June 2017 Second Lien Loan"). The First Lien Loan was amended to upsize the committed amount by $115.0 million on July 2, 2018. On October 28, 2019, we paid off our June 2017 Second Lien Loan balance. The underlying credit facility was subsequently retired on May 22, 2020. On October 18, 2021, in connection with and using the proceeds from the Merger Transaction, we made an early payment of a portion of our May 2020 First Lien Loan balance.
- On May 22, 2020, we entered into a new $260.0 million first lien term loan (the "May 2020 First Lien Loan") that is pari passu with the June 2017 First Lien Loan. The proceeds from the May 2020 First Lien Loan were used for general corporate purposes and to extinguish and retire the Revolving Facility in full. On October 18, 2021, in connection with and using the proceeds from the Merger Transaction, we paid off in full our May 2020 First Lien Loan balance.
- In connection with the Merger Transaction, Hoya Intermediate issued to Hoya Topco (i) warrants to purchase 3,000,000 shares of Hoya Intermediate common units at an exercise price of $10.00 per share, and (ii) warrants to purchase 3,000,000 shares of Hoya Intermediate common units at an exercise of $15.00 per share (collectively, the "Hoya Intermediate Warrants").