vividseats

Q3 2024 Financial Results

November 7, 2024

(Nasdaq: SEAT)

# Agenda

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Stan Chia, Chief Executive Officer

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Lawrence Fey, Chief Financial Officer

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Lawrence Fey, Chief Financial Officer

# Important Disclaimers

## Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements in this presentation relate to, without limitation: our future operating results and financial position, including our expectations regarding Marketplace GOV, revenues, Adjusted EBITDA, Adjusted EBITDA margin, cash conversion from Adjusted EBITDA and forward net leverage; our expectations with respect to live event industry growth, concert supply and our TAM and competitive positioning; our business strategy; share repurchases and M&A opportunities; the adoption and benefits of Skybox Drive; and the plans and objectives of management for future operations. Words such as “anticipate,” “believe,” “can,” “continue,” “could,” “designed,” “estimate,” “expect,” “forecast,” “future,” “goal,” “intend,” “likely,” “may,” “plan,” “project,” “propose,” “seek,” “should,” “target,” “will” and “would,” as well as similar expressions which predict or indicate future events and trends or which do not relate to historical matters, are intended to identify such forward-looking statements. Forward-looking statements are not guarantees of future performance, conditions or results, and are subject to risks, uncertainties and assumptions that can be difficult to predict and/or outside of our control. Therefore, actual results may differ materially from those contemplated by any forward-looking statements. Important factors that could cause or contribute to such differences include, but are not limited to: our ability to generate sufficient cash flows or raise additional capital when necessary or desirable; the supply and demand of live concert, sporting and theater events; our ability to continue to maintain and develop our relationships with ticket buyers, sellers and partners; changes in internet search engine algorithms and dynamics, search engine disintermediation or mobile application marketplace rules; our ability to compete in the ticketing industry; our ability to maintain and improve our platform and develop successful new solutions and enhancements or improve existing ones; the impact of extraordinary events, including disease epidemics and pandemics; our ability to identify suitable acquisition targets and to complete planned acquisitions, the impact of our acquisitions and strategic investments, including our integration of Wavedash Co., Ltd. and Vegas.com, LLC; the effects of any recession and/or heightened inflation; our ability to maintain the integrity of our information systems and infrastructure, and to identify, assess and manage relevant cybersecurity risks; and other factors discussed in the “Risk Factors” sections of our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date of this presentation. 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.

## Use of Non-US GAAP Financial Measures

We present Adjusted EBITDA, Adjusted EBITDA margin, cash generation, cash conversion from Adjusted EBITDA and forward net leverage, which are financial measures not defined under accounting principles generally accepted in the United States of America ("US GAAP"), 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 because they exclude the impact of items that are outside of our control or not reflective of ongoing performance related directly to the operation of our business. These non-US GAAP financial measures are key measures 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-US GAAP financial measures provide useful information to investors and others in understanding and evaluating our results of operations, as well as provide a useful measure for making period-to-period comparisons of our business performance and highlighting trends in our operating results. These non-US GAAP financial 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 US GAAP. These non-US GAAP financial measures do not reflect all amounts associated with our operating results as determined in accordance with US GAAP and may exclude recurring costs, such as interest expense – net, equity-based compensation, litigation, settlements and related costs, change in fair value of warrants, change in fair value of derivative assets and foreign currency revaluation (gains)/losses. In addition, other companies may calculate similarly titled non-US GAAP financial measures differently than we do, thereby limiting their usefulness as a comparative tool. We compensate for these limitations by providing specific information regarding the US GAAP amounts excluded from these non-US GAAP financial measures. See the “Non-US GAAP Reconciliations” section of this presentation for a reconciliation of these non-US GAAP financial measures for completed periods to their most directly comparable US GAAP measures.

# Business Highlights & Updates

Stan Chia, Chief Executive Officer

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# Q3 2024 Highlights

| Marketplace GOV[1] | Revenues | Adjusted EBITDA[2] |
|---|---|---|
| $872M | $187M | $34M |

- Demand remains robust with continued industry strength in sports and theater categories
- Q3 concert supply faced difficult comps with mix away from stadium tours
- Delivered strong unit economics, unlocked synergies from Vegas.com and began onboarding Skybox Drive users
- Anticipate concert supply dynamics returning to long-term trajectory and improving relative to Q3 trends

(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 a non-US GAAP financial measure. See the "Non-US GAAP Reconciliations" section of this presentation for a reconciliation of Adjusted EBITDA to net income. Q3'24 net income was $9.2M, a 43% decrease from Q3'23's net income.*

# Financial Results & Outlook

Lawrence Fey, Chief Financial Officer

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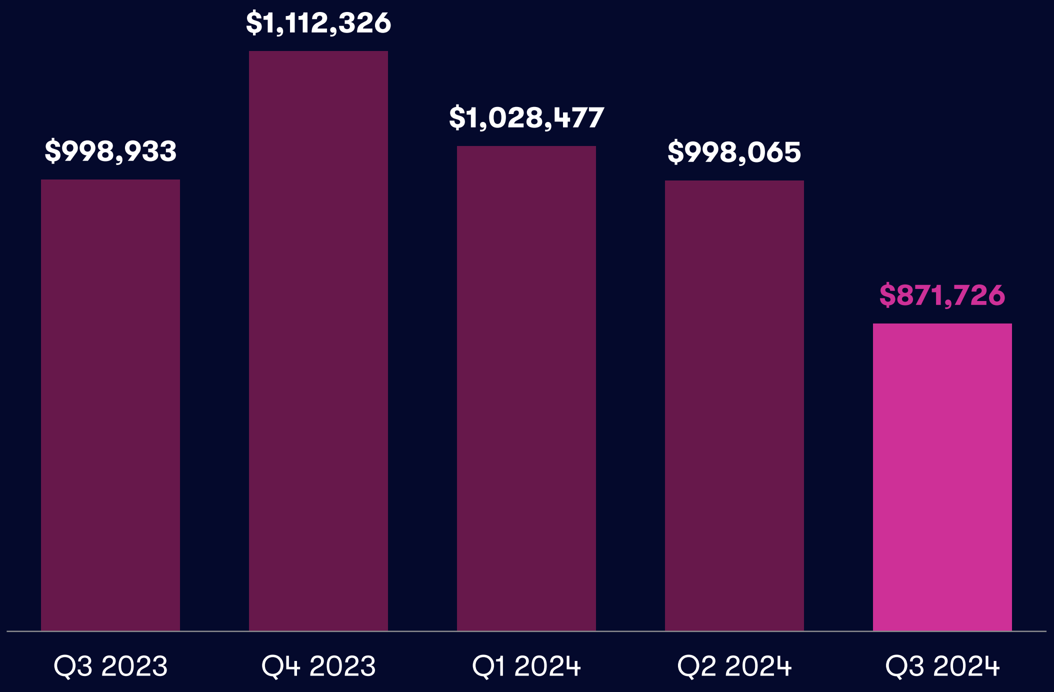
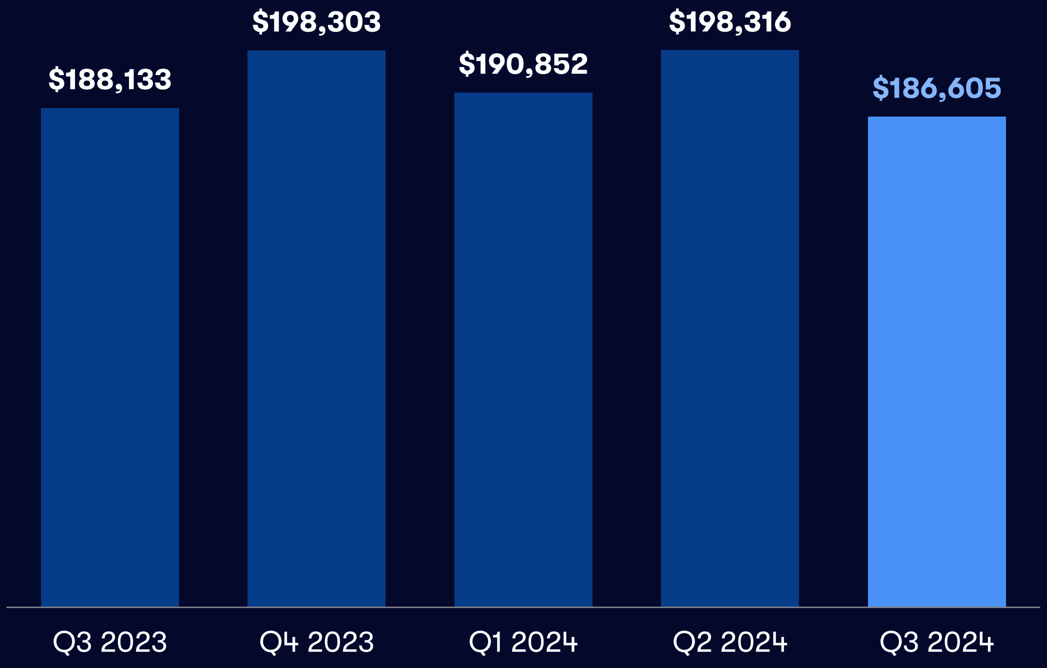
# Marketplace GOV and Revenues

*(in thousands)*

## Marketplace GOV[1]




## Revenues

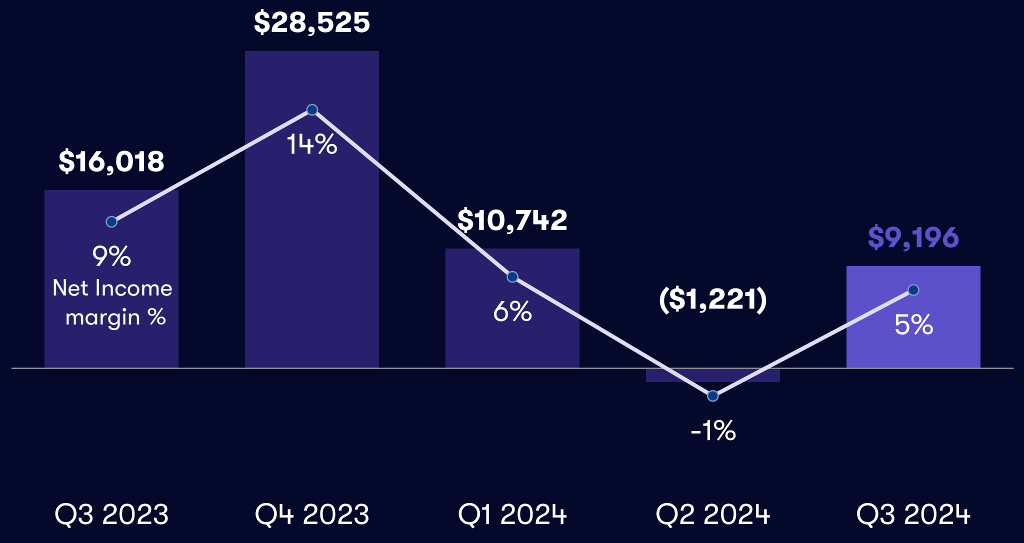



*(1) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.*

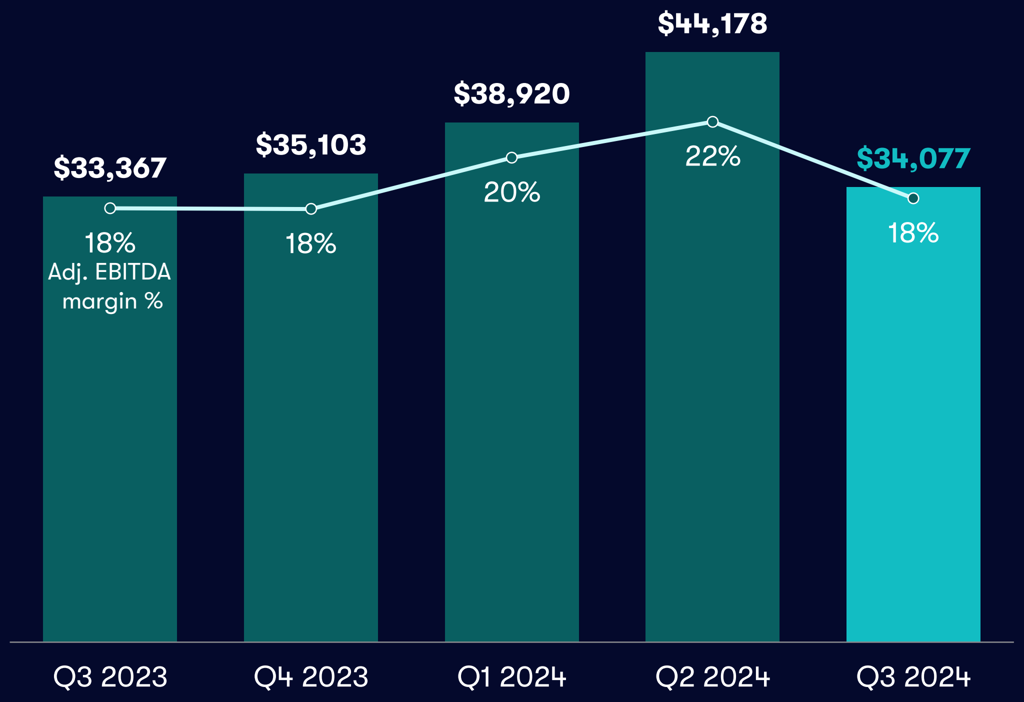
# Net Income / (Loss) and Adjusted EBITDA

*(in thousands)*

**US GAAP Net Income / (Loss)[1]**




**Adjusted EBITDA[2]**



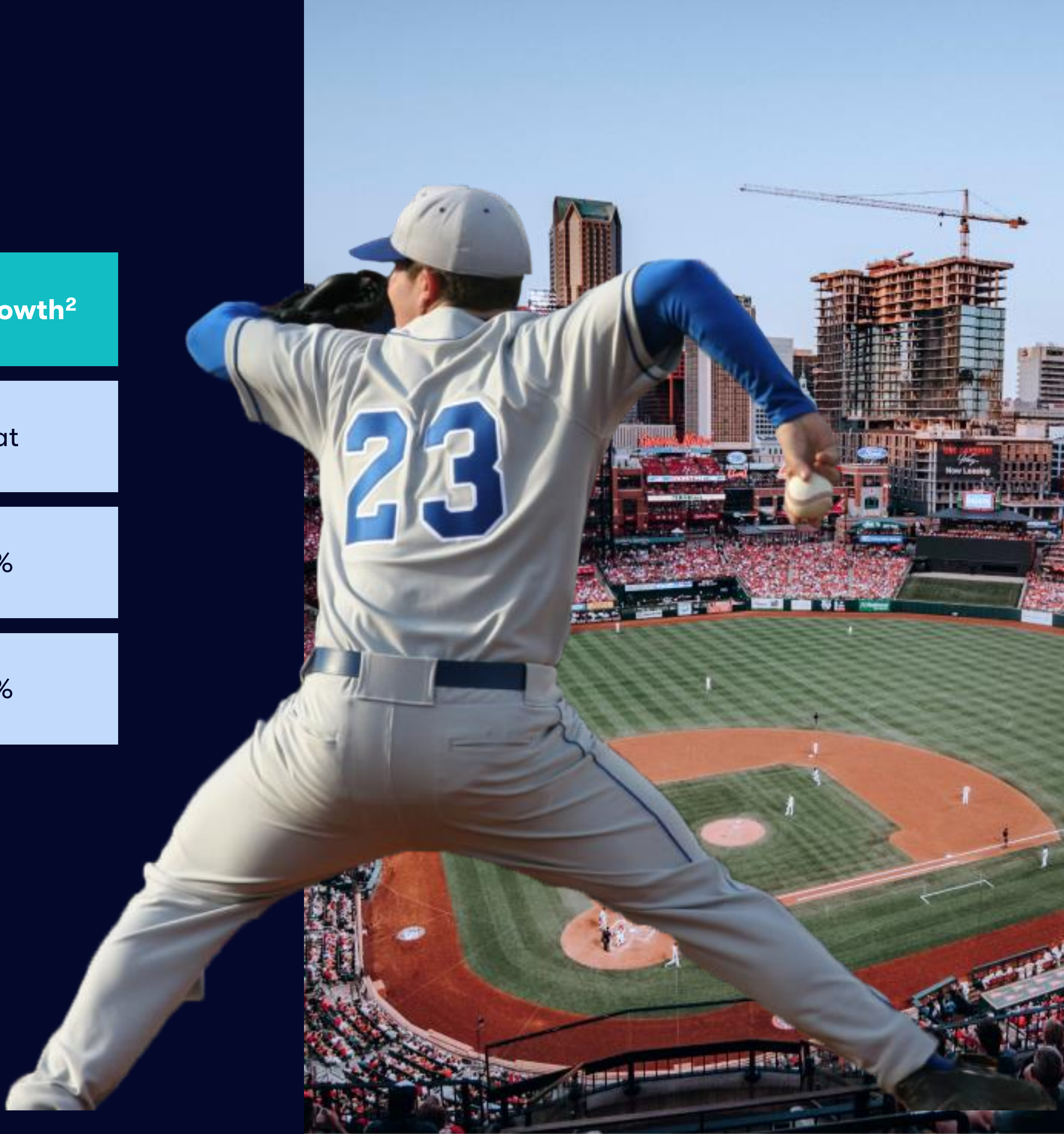

(1) *Represents consolidated net income before allocation to noncontrolling interests.*
(2) *Adjusted EBITDA and Adjusted EBITDA margin are non-US GAAP financial measures. See the "Non-US GAAP Reconciliations" section of this presentation for a reconciliation of Adjusted EBITDA to net income and Adjusted EBITDA margin to net income margin.*

# 2024 Financial Guidance

| Key Financial Metrics | 11/7/24 | YOY Growth[2] |
|---|---|---|
| Marketplace GOV | $3.8B to $4.0B | ~Flat |
| Revenues | $760M to $780M | +8% |
| Adjusted EBITDA[1] | $145M to $155M | +6% |

(1) Adjusted EBITDA is a non-US GAAP financial measure. See "Important Disclaimers." We calculate forward-looking Adjusted EBITDA based on internal forecasts that omit certain information that would be included in forward-looking net income, the most directly comparable US GAAP measure. We do not provide a reconciliation of forward-looking Adjusted EBITDA to forward-looking net income because the timing and/or probable significance of certain excluded items that have not yet occurred and are outside of our control is inherently uncertain and unavailable without unreasonable efforts. Such items could have a significant and unpredictable impact on our future US GAAP financial results.

(2) Reflects 2024 guidance (midpoint).



# Cash Generation & Balance Sheet

## 2023

**$116M Cash Generated[1]**

$213M deployed for strategic acquisitions & investments

$20M deployed for share repurchases

## 2024

**Strong Balance Sheet**

$394M debt principal outstanding at 9/30

$202M cash at 9/30

<1.3x forward net leverage[2,4]

$23M deployed for share repurchases YTD

## Long-Term

**60-70% Cash Conversion from Adj. EBITDA at long-term growth rates[3,4]**

(1) Reflects net decrease in cash, cash equivalents, and restricted cash of $119.9 million, adjusted to exclude strategic acquisitions/investments of $212.9 million (acquisition of business & investments in convertible promissory note and warrant) and capital structure changes of $23.1 million (payments of February 2022 first lien loan, payments of Shoko Chukin bank loan & repurchases of common stock). Cash generation is a non-GAAP financial measure. See "Important Disclaimers."
(2) Calculated as excess of debt principal outstanding over cash balance, divided by 2024 Adj. EBITDA guidance (midpoint).
(3) Reflects projected net increase in cash, cash equivalents, and restricted cash, excluding strategic acquisitions/investments and capital structure changes (if any), compared to projected Adj. EBITDA. Long-term growth rates assume 7-10% secondary market live event growth in North America.
(4) Forward net leverage and cash conversion from Adj. EBITDA are non-US GAAP financial measures. See "Important Disclaimers." We calculate forward-looking Adj. EBITDA based on internal forecasts that omit certain information that would be included in forward-looking net income, the most directly comparable US GAAP measure. We do not provide a reconciliation of forward-looking Adj. EBITDA to forward-looking net income because the timing and/or probable significance of certain items excluded from this measure that have not yet occurred and are outside of our control is inherently uncertain and unavailable without unreasonable efforts. Such items could have a significant impact on our future US GAAP.

# Closing Remarks

Stan Chia, Chief Executive Officer

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# Key Takeaways

1. **Double-Digit Growth CAGR**

   2024 has been a digestion year for concert supply, but we expect healthy industry growth again in 2025. Demand remains robust with continued strength in the industry seen across sports and theater in 2024.

2. **Strong Unit Economics & Execution**

   We delivered strong unit economics despite marketing intensity while maximizing efficiencies, including synergies from our acquisition of Vegas.com.

3. **Differentiated Platform Positioned for Long-Term Success**

   We focus on building long-term stickiness on both sides of our marketplace and recently took Skybox Drive live, which will fortify our position amongst sellers.

# Q+A

# Thank You

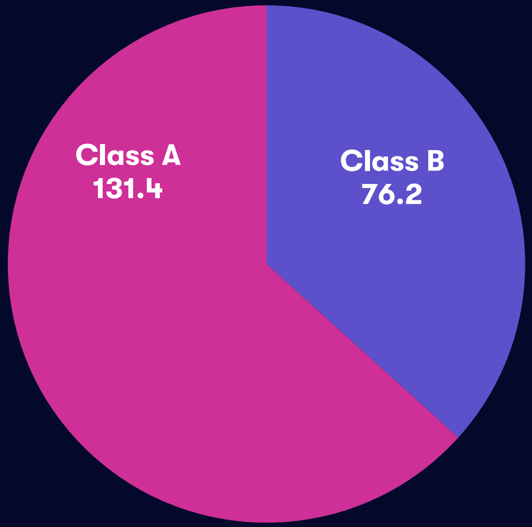
investors@vividseats.com

# Capital Structure

**207.7M Shares Outstanding[1] as of 9/30/24**

## CLASS A

- Publicly traded (SEAT)
- EPS calculation reflects ~63% economic interest and ~63% shares outstanding



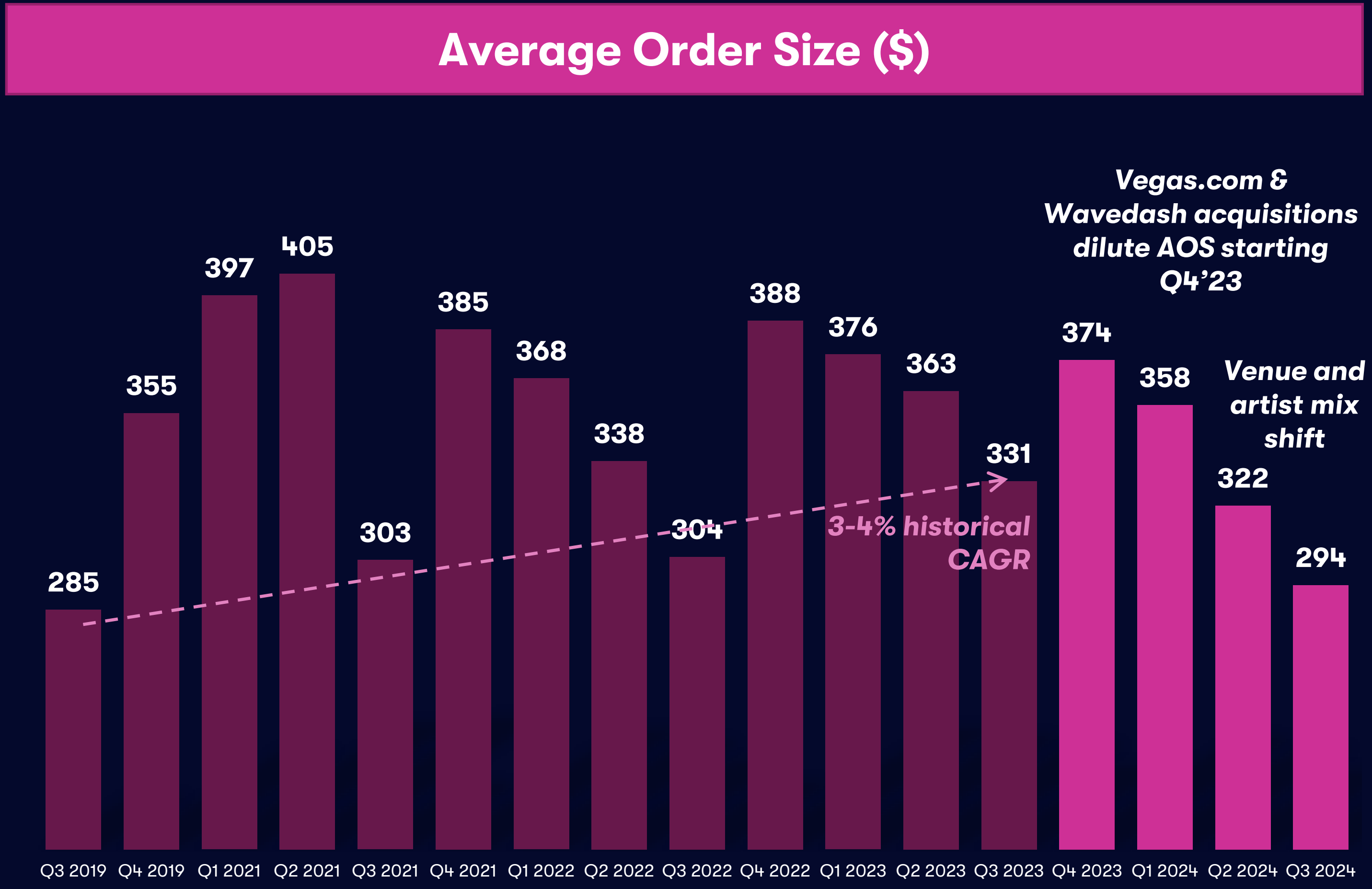

## CLASS B

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

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

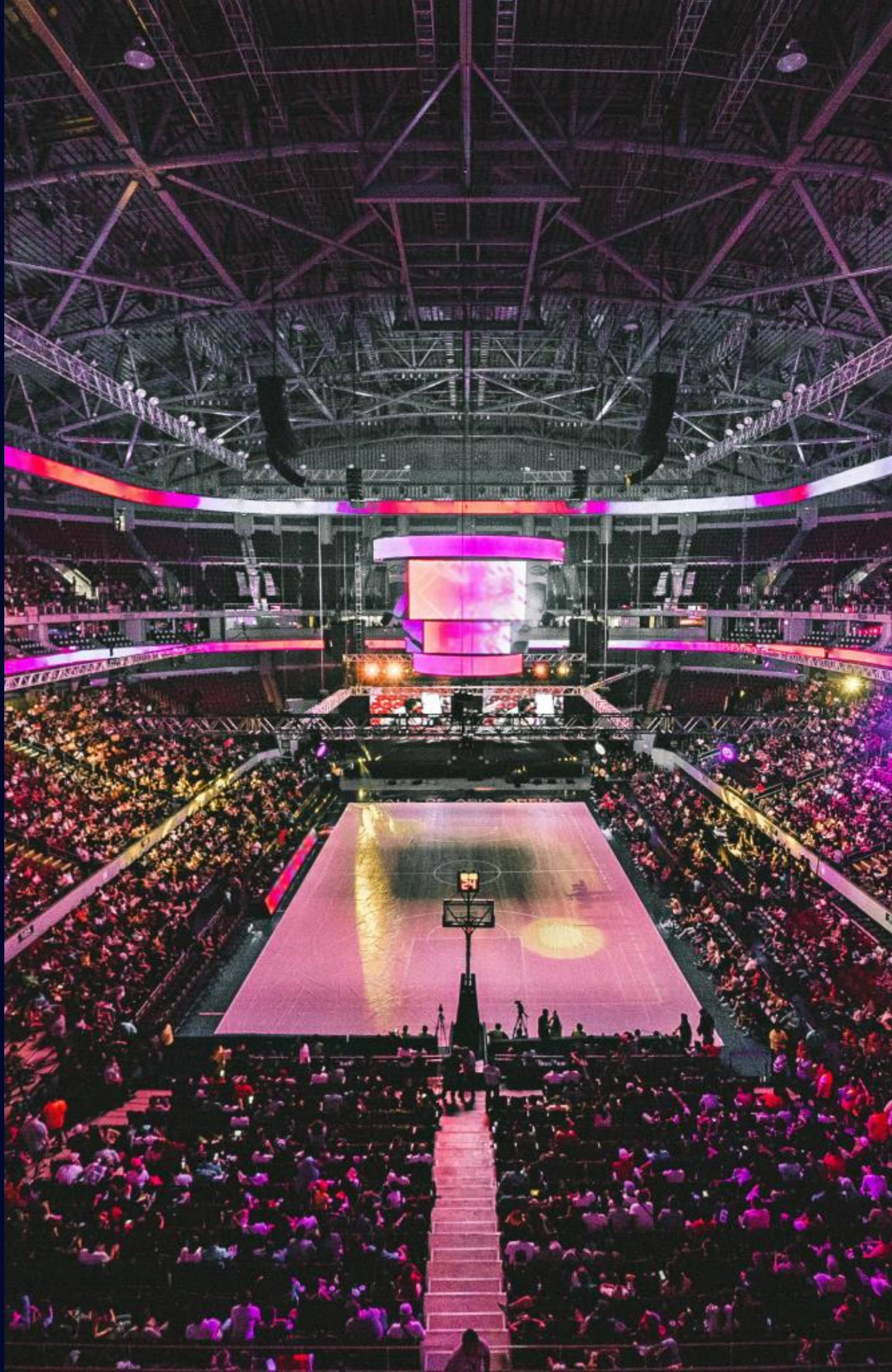
(1) *Net of treasury stock.*

# Supplementary Financial Data – Historical AOS[1]




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

(2) 2020 omitted due to pandemic distortion.



# Supplementary Financial Data – Q3 2024

*(in thousands)*

## Marketplace Revenues by Event Category

| | Three Months Ended September 30, | | |
|---|---|---|---|
| | 2024 | 2023 | % Change |
| **Revenues:** | | | |
| **Concerts** | $67,701 | $87,142 | -22% |
| **Sports** | 50,378 | 52,169 | -3% |
| **Theater** | 28,705 | 14,788 | 94% |
| **Other** | 5,869 | 289 | 1,931% |
| **Total Marketplace revenues** | **$152,653** | **$154,388** | **-1%** |

## Segment Contribution Margin

| | Three Months Ended September 30, 2024 | | |
|---|---|---|---|
| | Marketplace | Resale | Consolidated |
| **Revenues** | $152,653 | $33,952 | $186,605 |
| **Cost of revenues** | 23,052 | 27,977 | 51,029 |
| **Marketing and selling** | 67,835 | 0 | 67,835 |
| **Contribution margin** | **$61,766** | **$5,975** | **$67,741** |

| | Three Months Ended September 30, 2023 | | |
|---|---|---|---|
| | Marketplace | Resale | Consolidated |
| **Revenues** | $154,388 | $33,745 | $188,133 |
| **Cost of revenues** | 23,923 | 26,539 | 50,462 |
| **Marketing and selling** | 77,006 | 0 | 77,006 |
| **Contribution margin** | **$53,459** | **$7,206** | **$60,665** |

## EPS

| | Three Months Ended September 30, | |
|---|---|---|
| **Numerator—basic:** | **2024** | **2023** |
| Net income | $9,196 | $16,018 |
| Less: Income attributable to redeemable noncontrolling interests | 3,900 | 9,341 |
| **Net income attributable to Class A Common Stockholders—basic** | **5,296** | **6,677** |
| **Denominator—basic:** | | |
| Weighted average Class A common stock outstanding—basic | 131,521,578 | 96,407,327 |
| **Net income per Class A common stock—basic** | **$0.04** | **$0.07** |
| **Numerator—diluted:** | | |
| Net income attributable to Class A Common Stockholders—basic | $5,296 | $6,677 |
| Net income effect of dilutive securities: | | |
| Effect of Noncontrolling Interests | - | - |
| Effect of RSUs | 2 | 15 |
| **Net income attributable to Class A Common Stockholders—diluted** | **5,298** | **6,692** |
| **Denominator—diluted:** | | |
| Weighted average Class A common stock outstanding—basic | 131,521,578 | 96,407,327 |
| Weighted average effect of dilutive securities: | | |
| Effect of Noncontrolling Interests | - | - |
| Effect of RSUs | 433,103 | 455,572 |
| Weighted average Class A common stock outstanding—diluted | 131,954,681 | 96,862,899 |
| **Net income per Class A common stock—diluted** | **$0.04** | **$0.07** |

# Non-US GAAP Reconciliations

*(in thousands except for percentages)*

| | 2023 | | | | 2024 | | | 2023 | | | | 2024 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 |
| **Net income (loss) / Net income (loss) margin** | **$30,272** | **$38,326** | **$16,018** | **$28,525** | **$10,742** | **-$1,221** | **$9,196** | **18.8%** | **23.2%** | **8.5%** | **14.4%** | **5.6%** | **-0.6%** | **4.9%** |
| Income tax expense (benefit) | $285 | -$24,485 | $2,595 | -$20,594 | $2,269 | $577 | $4,290 | 0.2% | -14.8% | 1.4% | -10.4% | 1.2% | 0.3% | 2.3% |
| Interest expense - net | $3,280 | $2,772 | $2,544 | $4,909 | $5,082 | $5,324 | $6,300 | 2.0% | 1.7% | 1.4% | 2.5% | 2.7% | 2.7% | 3.4% |
| Depreciation and amortization | $2,598 | $2,704 | $3,301 | $8,575 | $10,483 | $10,502 | $10,669 | 1.6% | 1.6% | 1.8% | 4.3% | 5.5% | 5.3% | 5.7% |
| Sales tax liability(1) | - | - | - | $3,172 | -$2,732 | $4,819 | $526 | - | - | - | 1.6% | -1.4% | 2.4% | 0.3% |
| Transaction costs(2) | $456 | $4,488 | $2,290 | $5,545 | $1,901 | $3,507 | $1,243 | 0.3% | 2.7% | 1.2% | 2.8% | 1.0% | 1.8% | 0.7% |
| Equity-based compensation(3) | $5,530 | $7,380 | $7,578 | $7,126 | $8,488 | $19,112 | $10,685 | 3.4% | 4.5% | 4.0% | 3.6% | 4.4% | 9.6% | 5.7% |
| Litigation, settlements and related costs(4) | $300 | -$66 | $26 | -$45 | $3 | $4 | $157 | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% |
| Change in fair value of warrants(5) | -$327 | $1,000 | -$1,664 | $20 | -$460 | -$1,301 | -$3,952 | -0.2% | 0.6% | -0.9% | 0.0% | -0.2% | -0.7% | -2.1% |
| Change in fair value of derivative asset(6) | - | - | $83 | -$619 | $37 | $43 | $456 | - | - | 0.0% | -0.3% | 0.0% | 0.0% | 0.2% |
| Change in fair value of contingent consideration(7) | $34 | -$1,052 | $20 | - | - | - | - | 0.0% | -0.6% | 0.0% | - | - | - | - |
| Loss on asset disposals(8) | $7 | $10 | $34 | $634 | $102 | $20 | $38 | 0.0% | 0.0% | 0.0% | 0.3% | 0.1% | 0.0% | 0.0% |
| Foreign currency revaluation losses(9) | - | - | $542 | -$2,719 | $3,005 | $2,792 | -$5,531 | - | - | 0.3% | -1.4% | 1.6% | 1.4% | -3.0% |
| Tax Receivable Agreement liability adjustment(10) | - | - | - | $574 | - | - | - | - | - | - | 0.3% | - | - | - |
| **Adjusted EBITDA / Adjusted EBITDA margin** | **$42,435** | **$31,077** | **$33,367** | **$35,103** | **$38,920** | **$44,178** | **$34,077** | **26.3%** | **18.8%** | **17.7%** | **17.7%** | **20.4%** | **22.3%** | **18.3%** |

**Notes:**

(1) *We have historically incurred sales tax expense in jurisdictions where we expected to collect and remit indirect taxes, but were not yet collecting from customers. During the three and nine months ended September 30, 2024, we accrued for additional sales and indirect tax liabilities in jurisdictions where we are not yet collecting from customers and settled certain local admission tax liabilities for less than the amount that was accrued as of December 31, 2023. The liability for the three months ended December 31, 2023 was recorded for local admissions taxes that we were not yet collecting from customers, including estimated penalties.*

(2) *Relates to legal, accounting, tax and other professional fees; personnel-related costs, which consist of retention bonuses; integration costs; and other transaction-related expenses. Costs in the three and nine months ended September 30, 2024 primarily related to the refinancing of our first lien loan, share repurchases, acquisitions and strategic investments. Costs in the three and nine months ended September 30, 2023 primarily related to a secondary offering of our Class A common stock, acquisitions and strategic investments.*

(3) *Relates to equity granted pursuant to our 2021 Incentive Award Plan, as amended, and profits interests issued prior to our merger transaction with Horizon Acquisition Corporation (the "Merger Transaction"), neither of which are considered indicative of our core operating performance.*

(4) *Relates to external legal costs, settlement costs and insurance recoveries that were unrelated to our core business operations.*

(5) *Relates to the revaluation of warrants to purchase common units of Hoya Intermediate, LLC held by Hoya Topco, LLC following the Merger Transaction.*

(6) *Relates to the revaluation of derivatives recorded at fair value.*

(7) *Relates to the revaluation of Vivid Picks cash earnouts.*

(8) *Relates to asset disposals, which are not considered indicative of our core operating performance.*

(9) *Relates to unrealized foreign currency revaluation losses from the remeasurement of non-operating assets and liabilities denominated in non-functional currencies on the balance sheet date.*

(10) *Relates to remeasurement of the Tax Receivable Agreement liability.*