

Walmart to acquire Vizio to accelerate growth of Walmart Connect

Walmart and Vizio announced they have entered into an agreement for Walmart to acquire Vizio for \$11.50 per share in cash, equating to a fully diluted equity value of approximately \$2.3bn.



Source: <https://corporate.walmart.com/about>

According to Walmart's corporate site, the acquisition of Vizio and its SmartCast Operating System (OS) would enable Walmart to connect with and serve its customers in new ways including innovative television and in-home entertainment and media experiences.

It would further create new opportunities to help advertisers connect with customers, empowering brands with differentiated and compelling opportunities to engage at scale and to realise greater impact from their advertising spend with Walmart.

Once finalised, the acquisition would be expected to further accelerate Walmart Connect, Walmart's media business in the US, bringing together Vizio's advertising solutions business with Walmart's reach and capabilities. These benefits would be further strengthened by the growth of connected TV platforms and Walmart's industry-leading TV panel sales.

"There is a lot to be excited about with this acquisition," said Seth Dallaire, executive vice president and chief revenue officer, Walmart US. "We believe Vizio's customer-centric operating system provides great viewing experiences at attractive price points. We also believe it enables a profitable advertising business that is rapidly scaling. Our media business, Walmart Connect, is helping brands create meaningful connections with the millions of customers who shop with us each week. We believe the combination of these two businesses would be impactful as we redefine the intersection of retail and entertainment."

Since its founding in 2002, Vizio's mission has been to deliver immersive entertainment and innovative connected home devices to consumers at great value. In recent years, Vizio's growing device ecosystem and its Smart TV operating system SmartCast, have amassed over 18 million active accounts growing approximately 400% since 2018. Vizio has built this customer-centric platform on its devices enabling users to stream content for free by watching ads.

Building on this foundation, Vizio created an advertising business that has continued to grow while enabling marketers to reach consumers at scale. Vizio's platform has over 500 direct advertiser relationships, including many of the Fortune 500. Vizio's Platform+ business, which consists largely of its advertising business, now accounts for a majority of the company's gross profit.

“We believe this is the ideal next chapter in Vizio’s history. By bringing our capabilities and resources together, we’ll drive innovation and create even more value for our customers,” said William Wang, chief executive officer of Vizio.

“Walmart’s approach is aligned with Vizio’s mission and vision, and our technology will help bring a scaled, connected TV advertising platform to Walmart Connect. This transaction delivers immediate and compelling value to Vizio stockholders and is a true testament to the hard work of the entire Vizio team.”

Walmart Connect, the retailer’s closed-loop omnichannel media business, grew 30% for fiscal year 2024. The business offers Walmart suppliers and sellers attractive opportunities to reach their desired customers no matter where, how, and when they shop. The company continues to innovate to bring to life distinct omnichannel solutions for advertisers of all sizes and accelerate shared growth.

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