APX Group Holdings, Inc.

3rd Quarter 2019 Results

November 7, 2019

forward-looking statements

This presentation includes forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995, including but not limited to, statements of APX Group Holdings, Inc. (the "Company", "Vivint", "we", "our", or "us" related to the performance of our business, our financial results, our liquidity and capital resources, our plans, strategies and prospects, both business and financial, and other non-historical statements. Forward-looking statements convey the Company's current expectations or forecasts of future events. All statements contained in this presentation other than statements of historical fact are forward-looking statements. These statements are based on the beliefs and assumptions of our management. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. These statements may be preceded by, followed by or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates" or "intends" or similar expressions.

Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements which speak only as of this date hereof. You should understand that the following important factors, in addition to those discussed in "Risk Factors" in our most recent annual report on Form 10-K/A, our quarterly report on Form 10-Q for the quarter ended March 31, 2019, our quarterly report on Form 10-Q for the quarter ended September 30, 2019, which we expect to file with the SEC on or about the date of this presentation, and other reports filed with the Securities Exchange Commission ("SEC"), could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements: (1) any delay in the completion of, or failure of Vivint Smart Home, Inc. to complete, the proposed merger between Vivint Smart Home, Inc. and Mosaic Acquisition Corp. ("Mosaic"); (2) risks related to disruption of managements time from ongoing business operations due to the proposed transactions with Mosaic; (3) risks related to the smart home and security industry, including risks of and publicity surrounding the sales, subscriber origination and retention process; (4) the highly competitive nature of the smart home and security industry and product introductions and promotional activity by our competitors; (5) litigation, complaints, product liability claims and/or adverse publicity; (6) the impact of changes in consumer spending patterns, consumer preferences, local, regional, and national economic conditions, crime, weather, demographic trends and employee availability; (7) increases and/or decreases in utility and other energy costs, increased costs related to utility or governmental requirements; (8) cost increases or shortages in smart home and security technology products or components; (9) the introduction of unsuccessful new products and services; (10) privacy and data protection laws, privacy or data breaches, or the loss of data; (11) the impact to our business, results of operations, financial condition, regulatory compliance and customer experience of the Vivint Flex Pay plan and our ability to successfully compete in the retail sales channels; and (12) risks related to our exposure to variable rates of interest with respect to our revolving credit facility and term loan facility. In addition, the origination and retention of new subscribers will depend on various factors, including, but not limited to, market availability, subscriber interest, the availability of suitable components, the negotiation of acceptable contract terms with subscribers, local permitting, licensing and regulatory compliance, and our ability to manage anticipated expansion and to hire, train and retain personnel, the financial viability of subscribers and general economic conditions. These and other factors that could cause actual results to differ from those implied by the forward-looking statements in this presentation are more fully described in the "Risk Factors" section of our most recent annual report on Form 10-K/A and our quarterly reports on Form 10-Q for the quarters ended March 31, 2019 and September 30, 2019, as such factors may be updated from time to time in our periodic filings with the SEC. These risk factors should not be construed as exhaustive. We disclaim any obligations to and do not intend to update the above list or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligations to update or revise publicly any forward-looking statements, whether a result of new information, future events, or otherwise.

non-GAAP financial measures

This presentation includes Covenant Adjusted EBITDA, which is a supplemental measure that is not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP").

"Covenant Adjusted EBITDA" is defined as net income (loss) before interest expense (net of interest income), income and franchise taxes and depreciation and amortization (including amortization of capitalized subscriber acquisition costs), further adjusted to exclude the effects of certain contract sales to third parties, non-capitalized subscriber acquisition costs, stock based compensation and certain unusual, non-cash, non-recurring and other items permitted in certain covenant calculations under the agreements governing our notes, the credit agreement governing our term loan and our credit agreement governing our revolving credit facility.

We believe that the presentation of Covenant Adjusted EBITDA is appropriate to provide additional information to investors about the calculation of, and compliance with, certain financial covenants contained in the agreements governing the notes, the credit agreements governing the revolving credit facility and our term loan. Such tests include an incurrence-based maximum consolidated secured debt ratio and consolidated total debt ratio of 4.00 to 1.0, an incurrence-based minimum fixed charge coverage ratio of 2.00 to 1.0, and, solely in the case of the credit agreement governing the revolving credit facility, a maintenance-based maximum consolidated first lien secured debt ratio of 5.35 to 1.0, each as determined in accordance with the agreements governing the notes and the credit agreements governing the revolving credit facility and our term loan. We caution investors that amounts presented in accordance with our definition of Covenant Adjusted EBITDA may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate Covenant Adjusted EBITDA in the same manner.

Covenant Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity.

See Annex A of this presentation for a reconciliation of Covenant Adjusted EBITDA to net loss for the Company, which we believe is the most closely comparable financial measure calculated in accordance with GAAP.

participants

Todd Pedersen
Chief Executive Officer

Alex Dunn
President

Dale R. Gerard
Interim Chief Financial Officer

vivint.SmartHome

3Q'2019 Summary

- **Vivint Smart Home / Mosaic Merger Transaction**
  - We believe our partnership with Mosaic will make us the leading public smart home company
  - Timeline, subject to satisfaction of closing conditions: Transaction expected to close 4Q'2019 / 1Q'2020
  - We believe this transaction will raise our profile in the marketplace and provide a strong platform for growth

- **CFO departure**
  - Talented, deep bench in the accounting and finance functions
  - Dale R. Gerard assuming CFO role on an interim basis; Held various senior-level Finance roles at Vivint since 2010
  - Launched national search for permanent replacement

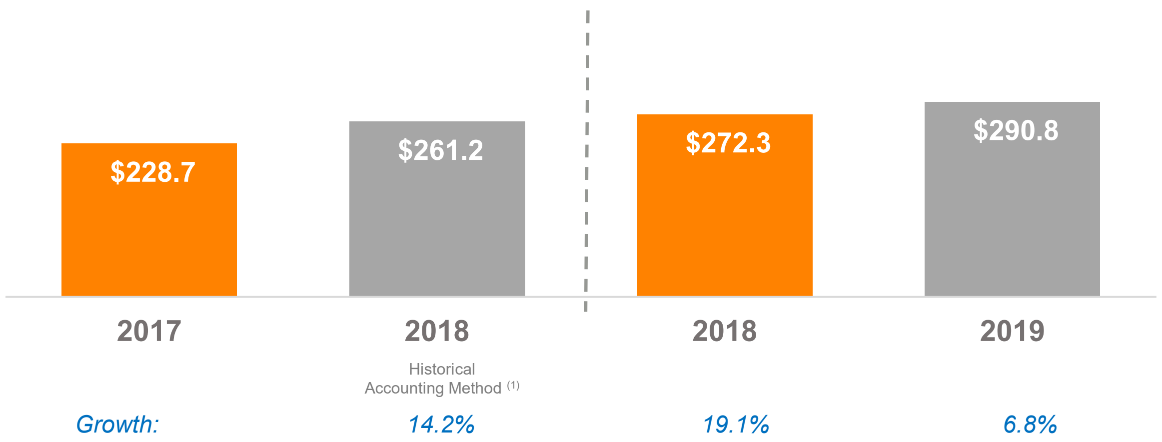
- **Key Financial Highlights**
  - Total Revenue of $290.8 million, up 6.8% year over year. Excluding revenue adjustment up ~10%
  - Originated ~111K new subscribers
  - 7.6% year over year growth in Total Subscribers; Growth momentum improved throughout the quarter
  - Covenant Adjusted EBITDA grew 21.6% year over year to $169.4 million, represented 58.2% margin

revenue and covenant adjusted EBITDA[2]

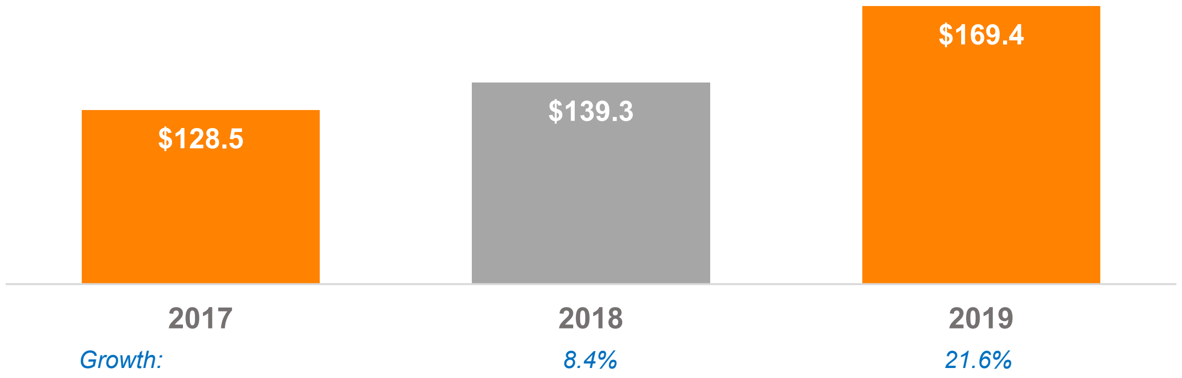
Quarter ended September 30,

($ in Millions)

Revenue



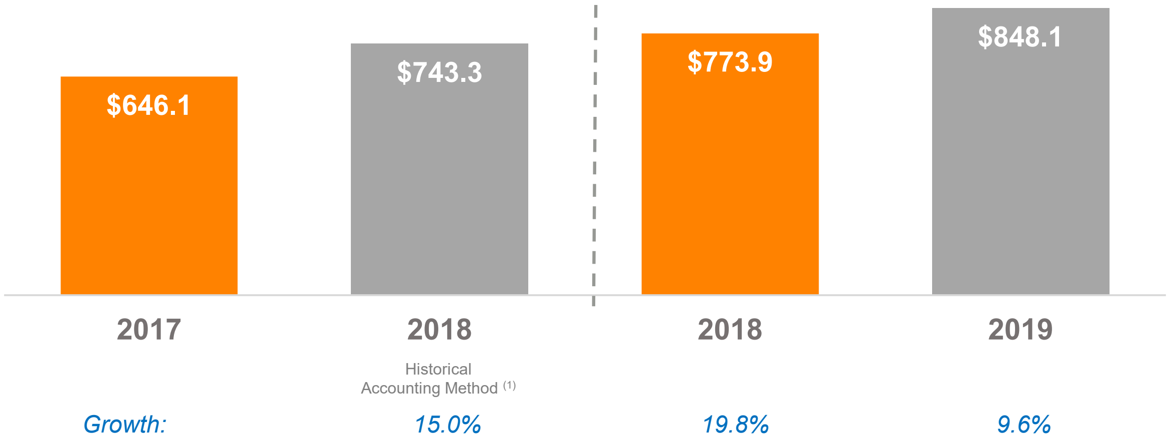
Covenant Adjusted EBITDA



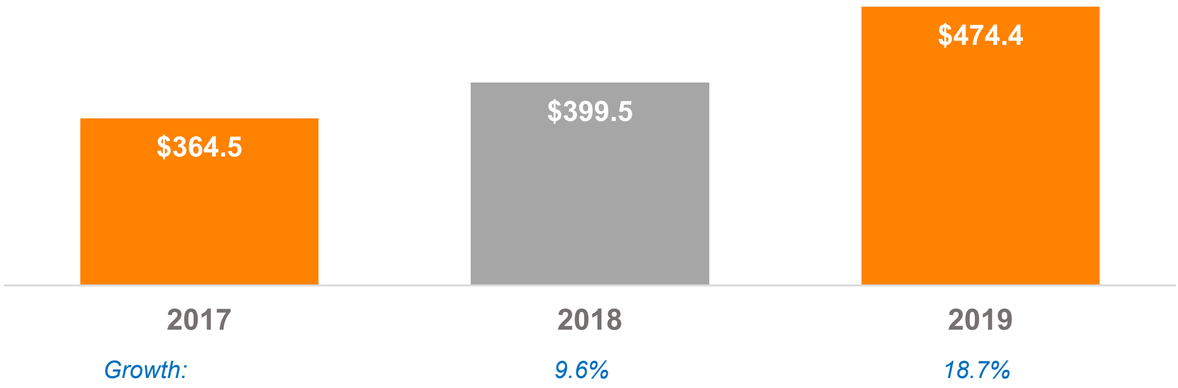
Nine Months ended September 30,

($ in Millions)

Revenue



Covenant Adjusted EBITDA



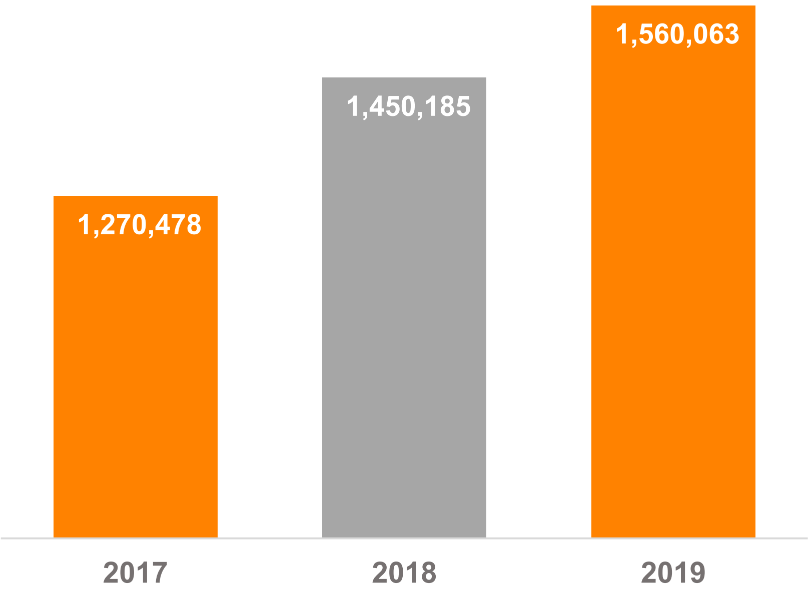
(1) Historical Accounting Method removes the impact of the adoption of Financial Accounting Standards Board Accounting Standard Codification Topic 606, Revenue From Contracts with Customers ("Topic 606") and is comparable 2017 periods

(2) A reconciliation of Covenant Adjusted EBITDA to GAAP Net Loss is included in Annex A of this presentation

smart home subscriber portfolio data(1)

As of and for the quarter ended September 30,

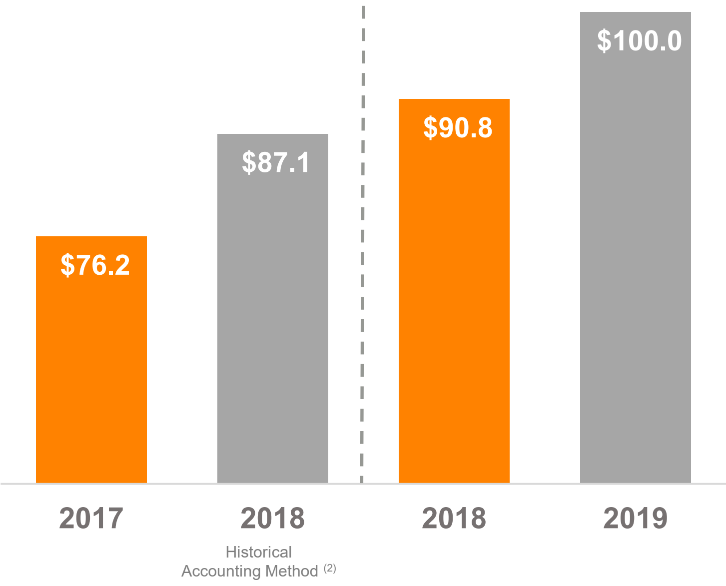
Total Subscribers



Growth: *14.1%* *7.6%*

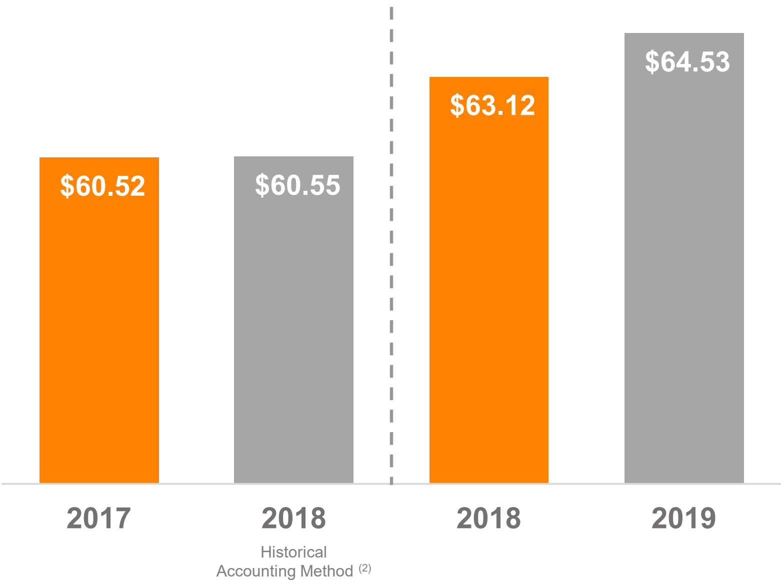
Total Monthly Revenue

($ in Millions)



Growth: *14.3%* *19.2%* *10.1%*

AMRU



Growth: *0%* *4.3%* *2.2%*

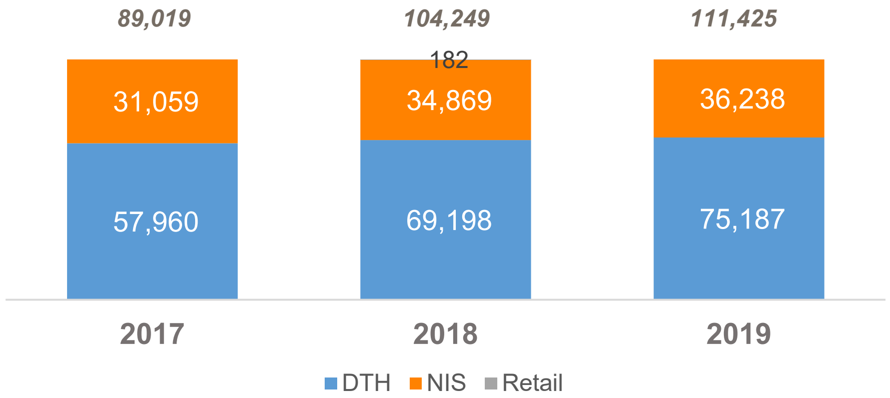
(1) All periods exclude wireless internet business and pilot sales channel initiatives
(2) Historical Accounting Method removes the impact of the adoption of Topic 606 and is comparable to 3Q17

vivint.SmartHome

new smart home subscribers(1)

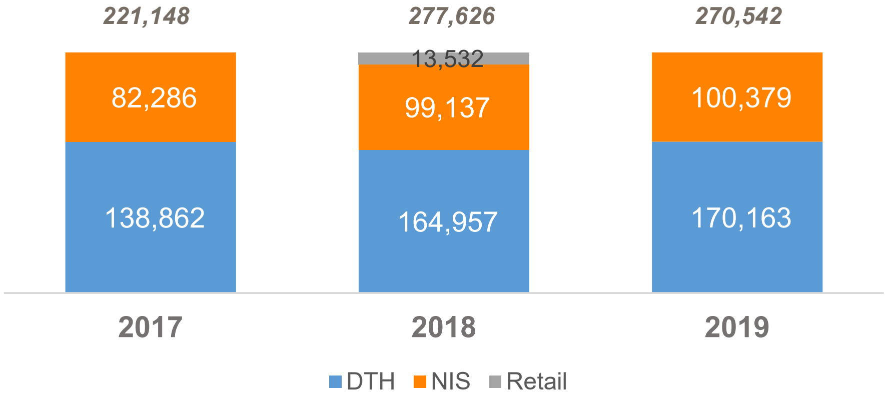
New Smart Home Subscribers

Three Month Period ended September 30,



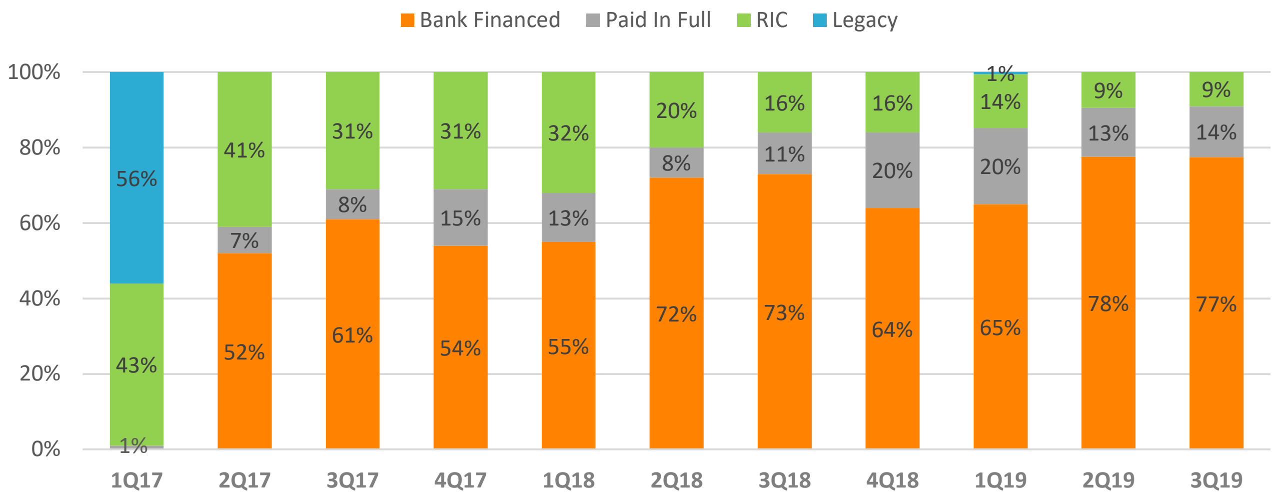
Growth:	*17.1%*	*6.9%*
	16.9%, excluding Retail	*7.1%, excluding Retail*

Nine Month Period ended September 30,



Growth:	*25.5%*	*(2.6%)*
	19.4%, excluding Retail	*2.4%, excluding Retail*

Vivint Flex Pay Mix(2) (US Only)



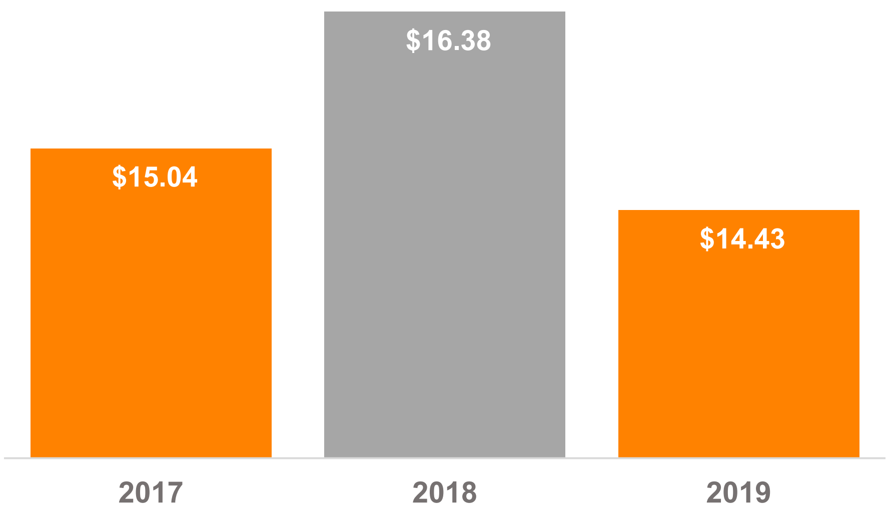
- ~91% of new subscribers financed or PIF in 3Q19
- RICs decreased by ~44% YOY

(1) All periods exclude wireless internet business and pilot sales channel initiatives
(2) Paid in Full excludes New Subscribers from Retail Sales Channel

vivint.SmartHome

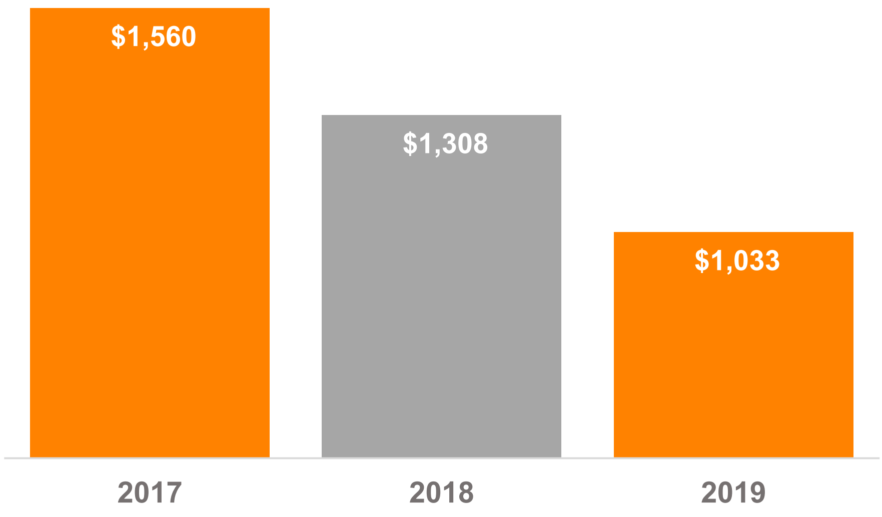
service and subscriber acquisition costs[1]

Net Service Costs per Subscriber and Net Service Margin
Quarters Ended September 30,



Net Service Margin: 73.2% 68.7% 72.4%

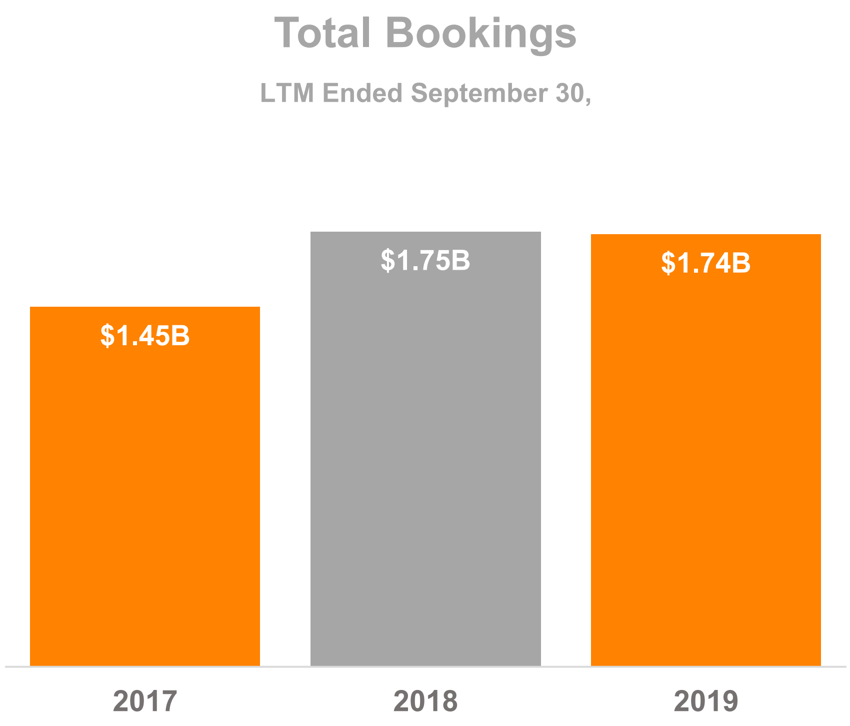
Net Subscriber Acquisition Costs per New Subscriber
LTM Ended September 30,

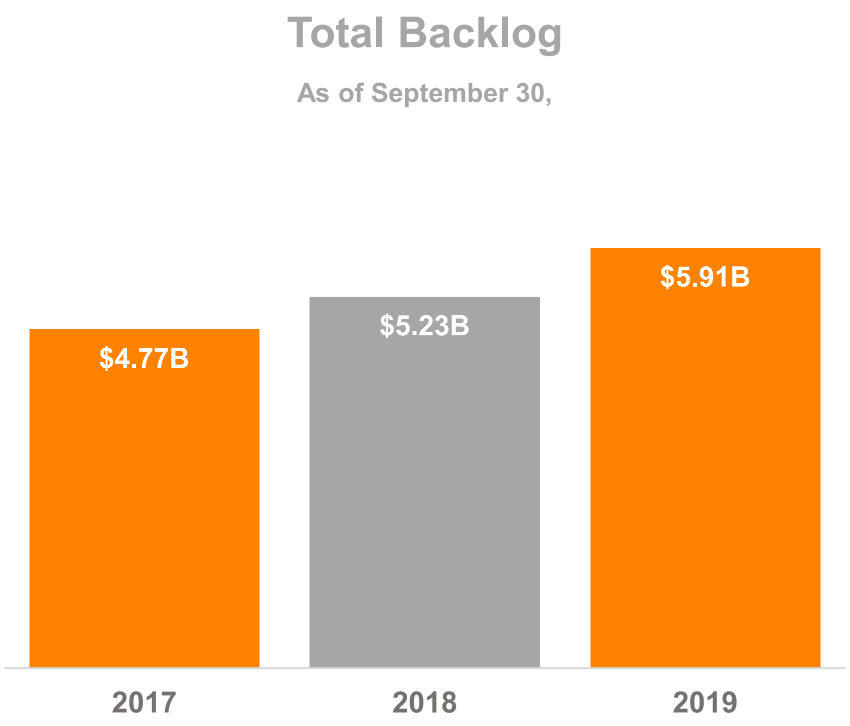


- $1,106 - Average proceeds collected at point of sale in LTM period ended September 2019
- Net SAC decreasing ~21% YOY

(1) All periods exclude wireless internet business and sales channel pilot initiatives

total bookings and total backlog



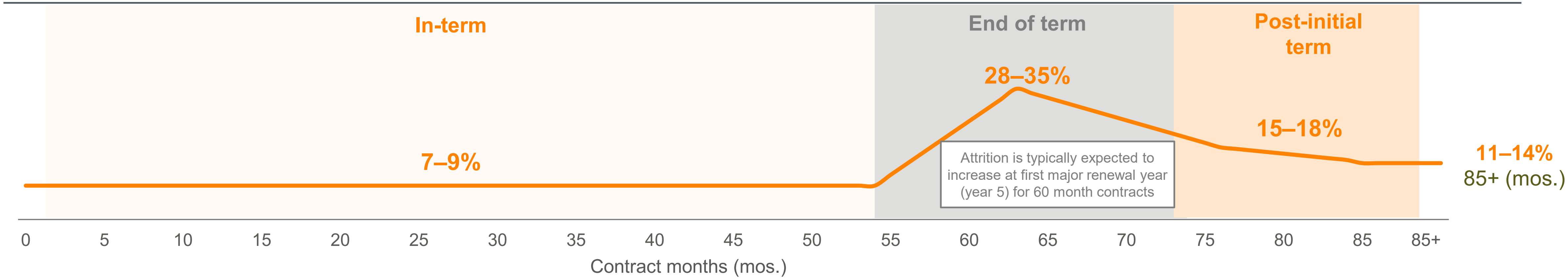


- Total Monthly Service Revenue for New Subscribers x Average Subscriber Lifetime + Product Revenue
- Vivint creates significant cohort value each year

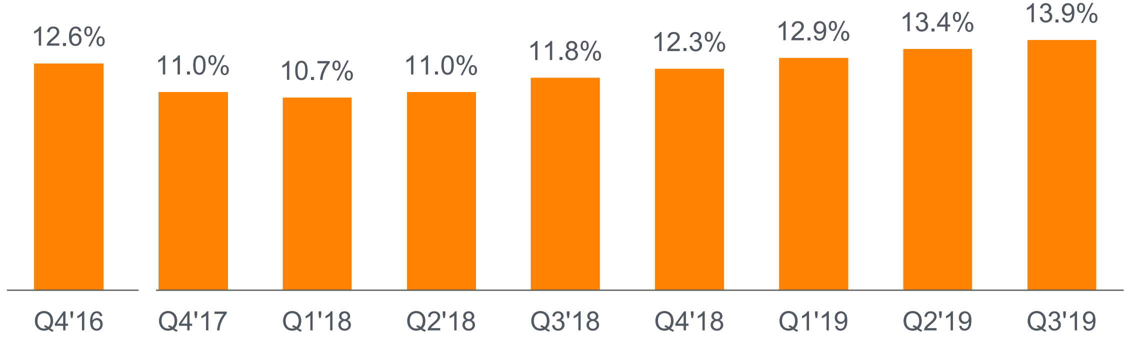
- Unrecognized Product Revenue + Total Service Revenue expected to be recognized over the remaining Subscriber Lifetime (for Total Subscribers)
- The Vivint subscription model yields predictable economic results

quarterly attrition may vary given cohort dynamics, average subscriber life of 8 years remains constant

Illustrative cohort attrition



LTM attrition rate

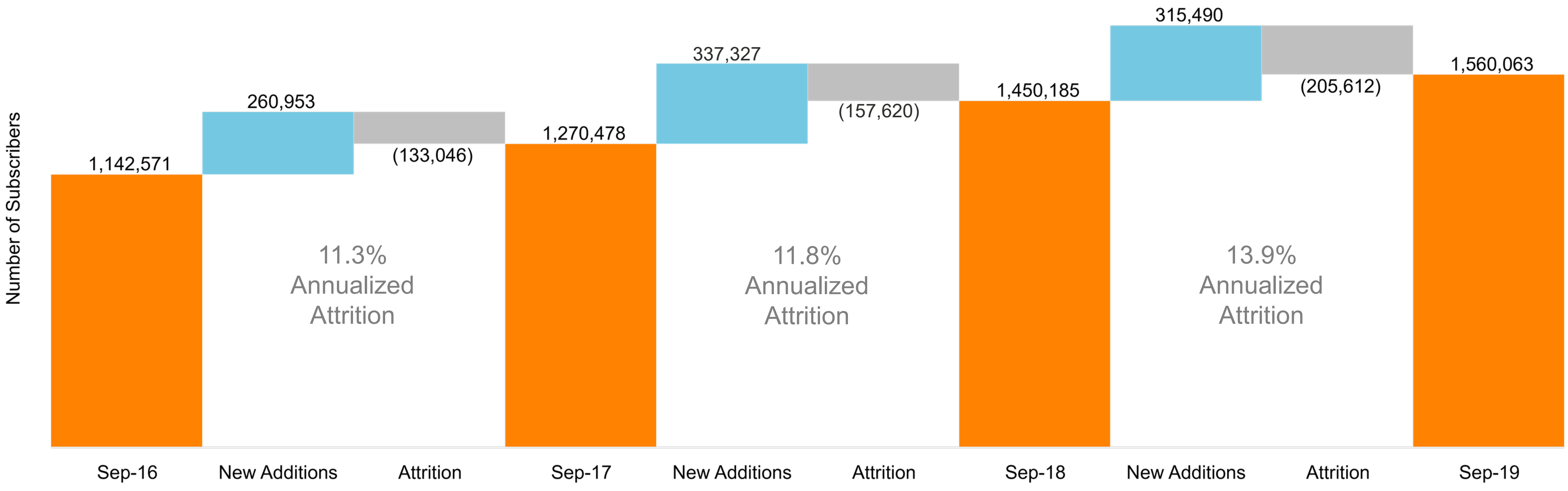


	Q4'16	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
% base at end of term[1]	*7.5%*	*7.8%*	*8.0%*	*12.2%*	*15.9%*	*17.1%*	*18.8%*	*19.3%*	*19.4%*

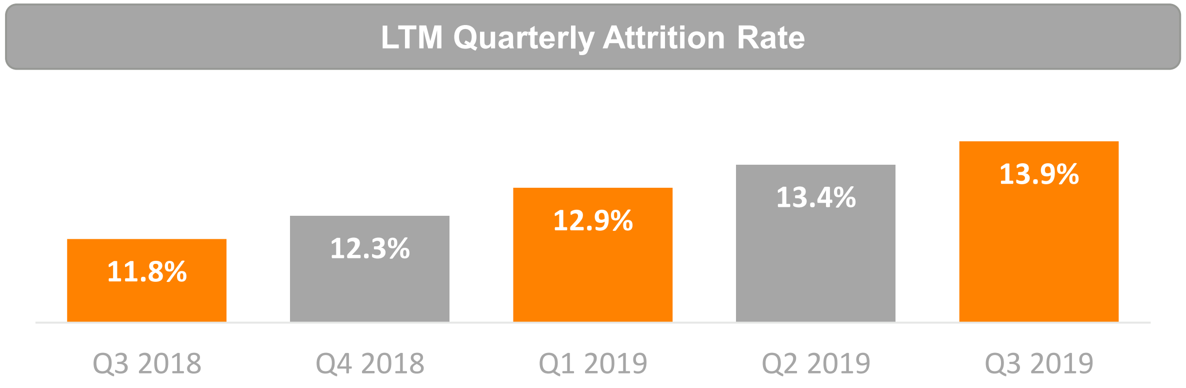
- Contract term length changed to 60 months in 2013 and has increased significantly with the introduction of FlexPay, impacting the percentage of base coming to end of term starting in mid-2018
- Increase of attrition rates in Q1 and Q2 2019 due to multiple cohorts simultaneously reaching end of term; trend expected to continue to increase through 2020 as contracts come to end of term and then return to normalized levels

Note: Attrition rate excludes wireless internet business and sales channel pilots
1. Percent of base coming to end of initial term in the trailing year period

attrition rate[1]



- Cohorts at initial end of contract term during 2019
  - 2014 60-mo contracts
  - 2015 42-mo contracts (4Q18 – 1Q19)
  - 2016 42-mo contracts (4Q19 – 1Q20)



(1) All periods exclude wireless internet business and sales channel pilot initiatives

Q&A

APX Group Holdings, Inc.

Consolidated Financial Statements

For Quarters Ended September 30, 2019 and 2018

condensed consolidated balance sheets

APX Group Holdings, Inc. and Subsidiaries
(In thousands)
(Unaudited)

		September 30, 2019		December 31, 2018
ASSETS				
Current Assets:				
Cash and cash equivalents	$	2,878	$	12,773
Accounts and notes receivable, net		64,642		48,724
Inventories		99,602		50,552
Prepaid expenses and other current assets		12,685		11,449
Total current assets		179,807		123,498
Property, plant and equipment, net		60,216		73,401
Capitalized contract costs, net		1,247,678		1,115,775
Deferred financing costs, net		1,348		2,058
Intangible assets, net		197,236		255,085
Goodwill		836,040		834,855
Operating lease right-of-use assets		66,792		—
Long-term notes receivables and other assets, net		100,408		119,819
Total assets	$	2,689,525	$	2,524,491
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities:				
Accounts payable	$	95,126	$	66,646
Accrued payroll and commissions		118,608		65,479
Accrued expenses and other current liabilities		177,306		136,715
Deferred revenue		233,783		186,953
Current portion of operating lease liabilities		11,316		—
Current portion of finance lease liabilities		7,577		7,743
Total current liabilities		643,716		463,536
Notes payable, net		3,029,688		3,037,095
Revolving credit facility		134,000		—
Finance lease liabilities, net of current portion		4,377		5,571
Operating lease liabilities		65,644		—
Deferred revenue, net of current portion		418,840		323,585
Other long-term obligations		92,683		90,209
Deferred income tax liabilities		1,128		1,096
Total liabilities		4,390,076		3,921,092
Total stockholders' deficit		(1,700,551)		(1,396,601)
Total liabilities and stockholders' deficit	$	2,689,525	$	2,524,491

vivint.SmartHome

consolidated statements of operations

APX Group Holdings, Inc. and Subsidiaries
(In thousands)
(Unaudited)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Revenues:				
Recurring and other revenue	$ 290,844	$ 272,335	$ 848,146	$ 773,899
Total revenues	290,844	272,335	848,146	773,899
Costs and expenses:				
Operating expenses	99,759	92,703	274,848	265,784
Selling expenses	48,348	41,970	149,865	166,872
General and administrative expenses	47,693	50,542	141,471	150,715
Depreciation and amortization	137,536	130,636	403,261	381,767
Restructuring expenses	—	542	—	4,683
Total costs and expenses	333,336	316,393	969,445	969,821
Loss from operations	(42,492)	(44,058)	$ (121,299)	$ (195,922)
Other expenses (income):				
Interest expense	65,233	61,881	194,798	180,998
Interest income	—	—	(23)	(31)
Other (income) expenses, net	(5,682)	14,510	(8,126)	(25,999)
Total other expenses	59,551	76,391	186,649	154,968
Loss before income taxes	(102,043)	(120,449)	(307,948)	(350,890)
Income tax expense (benefit)	249	(223)	(604)	(1,562)
Net loss	$ (102,292)	$ (120,226)	$ (307,344)	$ (349,328)

summary of consolidated statements of cash flows

APX Group Holdings, Inc. and Subsidiaries
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net cash provided by (used in) operating activities	$ 8,240	$ 966	$ (122,750)	$ (130,023)
Net cash (used in) provided by investing activities	(2,593)	(3,248)	(2,465)	37,455
Net cash (used in) provided by financing activities	(5,912)	110,668	115,298	201,664
Effect of exchange rate changes on cash	10	60	22	(2)
Net (decrease) increase in cash and cash equivalents	(255)	108,446	(9,895)	109,094
Cash and cash equivalents:				
Beginning of period	3,133	4,520	12,773	3,872
End of period	$ 2,878	$ 112,966	$ 2,878	$ 112,966

vivint.SmartHome

APX Group Holdings, Inc.

Annex A

reconciliation of non-GAAP financial measures – APX Group

($ in Millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	2017	2019	2018	2017
Net loss	**$ (102.3)**	**$ (120.2)**	**$ (107.9)**	**$ (307.4)**	**$ (349.3)**	**$ (274.7)**
Interest expense, net	65.2	61.9	58.0	194.7	181.0	166.5
Other (income) loss expense, net	(5.7)	14.5	8.6	(8.1)	24.3	18.8
Gain on sale of spectrum (i)	-	-	-	-	(50.4)	-
Income tax (benefit) expense, net	0.2	(0.2)	1.2	(0.7)	(1.5)	2.3
Restructuring expense (ii)	-	0.5	-	-	4.6	-
Depreciation and amortization (iii)	26.4	29.1	30.9	79.9	86.9	91.5
Amortization of capitalized contract costs	111.2	101.5	53.6	323.4	294.8	150.0
Non-capitalized contract costs (iv)	72.6	59.6	69.5	210.2	213.6	172.5
Non-cash compensation (v)	1.3	0.9	0.3	3.0	1.4	1.1
Other Adjustments (vi)	13.3	15.0	14.3	39.0	46.8	36.5
Adjustment for change in accounting principle (Topic 606) (vii)	(12.8)	(23.3)	-	(59.6)	(52.7)	-
Covenant Adjusted EBITDA	**$ 169.4**	**$ 139.3**	**$ 128.5**	**$ 474.4**	**$ 399.5**	**$ 364.5**

i. Gain on sale of spectrum intangible assets during the three months ended March 31, 2018.
ii. Restructuring employee severance and termination benefits expenses.
iii. Excludes loan amortization costs that are included in interest expense.
iv. Reflects subscriber acquisition costs that are expensed as incurred because they are not directly related to the acquisition of specific subscribers. Certain other industry participants purchase subscribers through subscriber contract purchases, and as a result, may capitalize the full cost to purchase these subscriber contracts, as compared to our organic generation of new subscribers, which requires us to expense a portion of our subscriber acquisition costs under GAAP.
v. Reflects non-cash compensation costs related to employee and director stock option plans. Excludes non-cash compensation costs included in non-capitalized subscriber acquisition costs.
vi. Other Adjustments includes certain items such as product development costs, subcontracted monitoring fee savings, certain legal and professional fees, expenses associated with retention bonuses, relocation and severance payments, and certain other adjustments.
vii. Adjustments to eliminate the impact of the Company's adoption of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers.

certain definitions

Total Subscribers - is the aggregate number of active Smart Home and security subscribers at the end of a given period.

Total Monthly Service Revenue – is the contracted recurring monthly service billings to our smart home and security subscribers, based on the Total Subscribers number as of the end of a given period.

Attrition Rate - is the aggregate number of canceled Smart Home and security subscribers during the prior 12 month period divided by the monthly weighted average number of Total Subscribers based on the Total Subscribers at the beginning and end of each month of a given period. Subscribers are considered canceled when they terminate in accordance with the terms of their contract, are terminated by Vivint or if payment from such subscribers is deemed uncollectible (when at least four monthly billings become past due). If a sale of a service contract to third parties occurs, or a subscriber relocates but continues their service, Vivint does not consider this as a cancellation. If a subscriber transfers their service contract to a new subscriber, Vivint does not consider this a cancellation.

Average Subscriber Lifetime - in number of months, is 100% divided by Vivint's expected long-term annualized attrition rate multiplied by 12 months.

Net Service Costs - is the average monthly service costs incurred during the period (both period and capitalized service costs), including monitoring, customer service, field service and other service support costs, less total non-recurring Smart Home services billings for the period.

Net Service Cost per Subscriber - is the average monthly service costs incurred during the period (both period and capitalized service costs), including monitoring, customer service, field service and other service support costs, less total non-recurring Smart Home services billings for the period divided by average monthly Total Subscribers for the same period.

Net Service Margin - is the monthly average service RPU for the period, less total average net service costs for the period divided by the monthly average MSR for the period.

New Subscribers - is the aggregate number of net new Smart Home and security subscribers originated during a given period. This metric excludes new subscribers acquired by the transfer of a service contract from one subscriber to another.

Net Subscriber Acquisition Costs - is the net cash cost to create new Smart Home and security subscribers during a given 12 month period. These costs include commissions, Products, installation, marketing, sales support and other allocations (general and administrative and overhead) less upfront payment received from the sale of Products associated with the initial installation, and installation fees. These costs exclude capitalized contract costs and upfront proceeds associated with contract modifications.

Net Subscriber Acquisition Costs per New Subscriber - is the net cash cost to create new Smart Home and security subscribers during a given 12 month period divided by New Subscribers for that period. These costs include commissions, Products, installation, marketing, sales support and other allocations (general and administrative and overhead) less upfront payment received from the sale of Products associated with the initial installation, and installation fees. These costs exclude capitalized contract costs and upfront proceeds associated with contract modifications.

Total Bookings - is total monthly service revenue for New Subscribers multiplied by Average Subscriber Lifetime, plus total Product revenue to be recognized over the contract term from New Subscribers.

Total Monthly Service Revenue for New Subscribers - is the contracted recurring monthly service billings to Vivint's New Subscribers during a given period.

Total Backlog - is total unrecognized Product revenue plus total service revenue expected to be recognized over the remaining subscriber lifetime for Total Subscribers.

definition of non-GAAP financial measures

This presentation includes Covenant Adjusted EBITDA, which is a supplemental measure that is not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP").

"Covenant Adjusted EBITDA" is defined as net income (loss) before interest expense (net of interest income), income and franchise taxes and depreciation and amortization (including amortization of capitalized subscriber acquisition costs), further adjusted to exclude the effects of certain contract sales to third parties, non-capitalized subscriber acquisition costs, stock based compensation and certain unusual, non-cash, nonrecurring and other items permitted in certain covenant calculations under the agreements governing Vivint's notes, the credit agreement governing the term loan and the credit agreement governing the revolving credit facility. Management believes that the presentation of Covenant Adjusted EBITDA is appropriate to provide additional information to investors about the calculation of, and compliance with, certain financial covenants contained in the agreements governing Vivint's notes, the credit agreements governing the revolving credit facility and the term loan.

Covenant Adjusted EBITDA may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate Covenant Adjusted EBITDA in the same manner.

Covenant Adjusted EBITDA is not a measurement of Vivint's financial performance under GAAP and should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of Vivint's liquidity.

See foregoing Appendix A slides for reconciliation of this presentation, Covenant Adjusted EBITDA, to net loss for Vivint, which management believes is the most closely comparable financial measure calculated in accordance with GAAP.

Covenant Adjusted EBITDA should be considered in addition to and not as a substitute for, or superior to, financial measures presented in accordance with GAAP.