APX Group Holdings, Inc.

Financial and Operating Highlights

First Quarter 2015

forward-looking statements

APX Group, Inc. (the ”Company”, “Vivint”, “we”, “our”, or “us”) obtained the industry, market and competitive position data included in this presentation from its estimates and research as well as from industry publications, surveys and studies conducted by third parties. Industry publication studies and surveys generally state that the information contained therein has been obtained from sources believed to be reliable but there can be no assurance as to the accuracy or completeness of such information. While APX Group, Inc. believes that each of the publications, studies and surveys is reliable, APX Group, Inc. has not independently verified industry, market and competitive position data from third-party sources. While APX Group, Inc. believes its internal business research is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent sources. Accordingly, you should not place undue weight on the industry and market share data in this presentation.

This presentation includes forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995, including but not limited to, statements 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 earnings release 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, among others, 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) risks of the security and home automation industry, including risks of and publicity surrounding the sales, subscriber origination and retention process; (2) the highly competitive nature of the security and home automation industry and product introductions and promotional activity by our competitors; (3) litigation, complaints or adverse publicity; (4) the impact of changes in consumer spending patterns, consumer preferences, local, regional, and national economic conditions, crime, weather, demographic trends and employee availability; (5) adverse publicity and product liability claims; (6) increases and/or decreases in utility and other energy costs, increased costs related to utility or governmental requirements; and (7) cost increases or shortages in security and home automation technology products or components. 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 annual report on Form 10-K for the year ended December 31, 2014 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 Adjusted EBITDA and Steady-State Free Cash Flow ("SSFCF"), which are supplemental measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). Adjusted EBITDA and SSFCF are not measurements of our financial performance under GAAP and should not be considered as an alternative to net income or any other measure derived in accordance with GAAP or as alternatives to cash flows from operating activities as a measure of our liquidity. We believe that Adjusted EBITDA provides useful information about flexibility under our covenants to investors, lenders, financial analysts and rating agencies since these groups have historically used EBITDA-related measures in our industry, along with other measures, to estimate the value of a company, to make informed investment decisions, and to evaluate a company's ability to meet its debt service requirements. Adjusted EBITDA eliminates the effect of non-cash depreciation of tangible assets and amortization of intangible assets, much of which results from acquisitions accounted for under the purchase method of accounting. Adjusted EBITDA also eliminates the effects of interest rates and changes in capitalization which management believes may not necessarily be indicative of a company's underlying operating performance. Adjusted EBITDA is also used by us to measure covenant compliance under the indenture governing our senior secured notes, the indenture governing our senior unsecured notes and the credit agreement governing our revolving credit facility.

We believe that SSFCF is a useful measure of pre-levered cash that is generated by the business after the cost of replacing recurring revenue lost to attrition, but before the cost of new subscribers driving recurring revenue growth. The use of SSFCF is subject to certain limitations. For example, SSFCF adjusts for cash items that are ultimately within management's discretion to direct and therefore the measure may imply that there is less or more cash that is available for the Company's operations than the most comparable GAAP measure.

We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA and SSFCF may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate Adjusted EBITDA and SSFCF in the same manner.

See Annex A of this presentation for a reconciliation of Adjusted EBITDA and SSFCF to net loss for the Company, which we believe is the most closely comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA and SSFCF should be considered in addition to and not as a substitute for, or superior to, financial measures presented in accordance with GAAP.

participants

Todd Pedersen	Chief Executive Officer
Alex Dunn	President
Mark Davies	Chief Financial Officer
Dale R. Gerard	SVP, Finance & Treasurer

APX Group First Quarter 2015 Highlights

25K net new originations[(1)]

~67% take rate for additional services[(1)]

12.5% low and improving attrition rate[(1)]

~75% net service margin[(1)]

5K new wireless Internet originations

- Strong Financial and Subscriber Growth
  - Revenue growth 14.9%
  - RMR growth 14.7%
  - Adj. EBITDA growth 14.2%
  - Total subscribers up 12.1%
- Average RMR per New Subscriber increased to $61.46
- New Package and Product Offerings
- Growth in Wireless Subscribers
- Opened 3rd Market for Internet – San Antonio

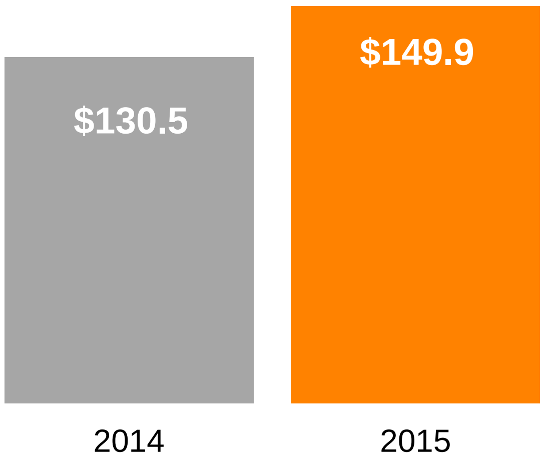
(1) For the quarter ended March 31, 2015, all data excludes wireless internet business

APX Group key operating results

Quarter ended March 31,

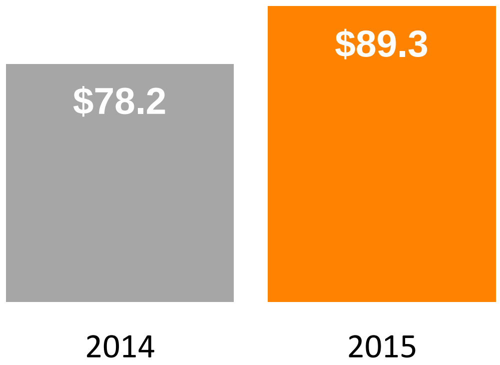
($ in Millions)

Revenue



- 14.9% YOY growth
- 12.1% growth in subscriber base[(1)]
- Wireless Internet $1.5M
- FX ($1.9M) impact
- Deferred revenue $0.3M Q1 2014

Adjusted EBITDA



- 14.2% YOY growth
- Operational cost scaling

(1) Excludes wireless Internet service

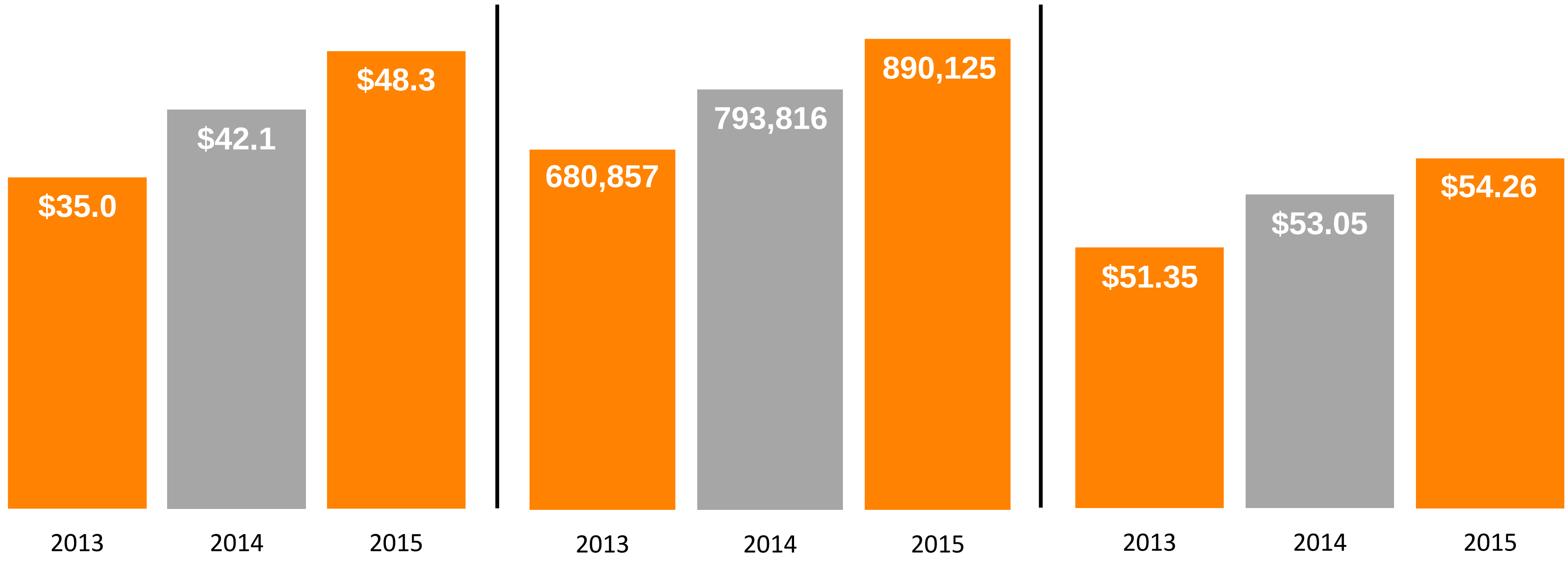
subscriber portfolio data(1)

Quarter ended March 31,

Total RMR(2)
($ in Millions)

Total Subscribers

Avg. RMR Per Subscriber(2)



Growth:	20.3%	14.7%	Growth:	16.6%	12.1%	Growth:	3.3%	2.3%

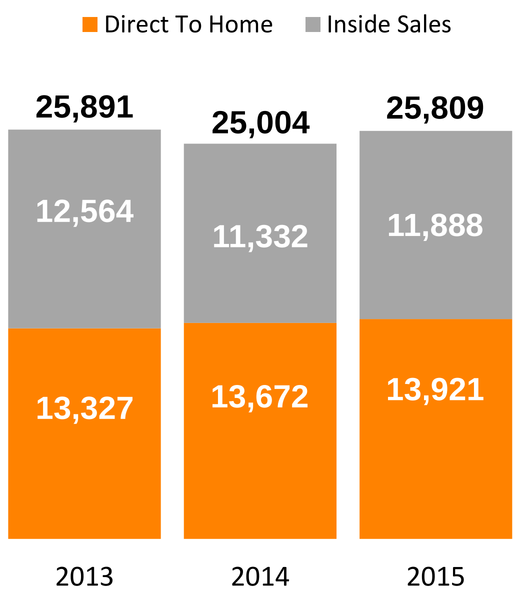
(1) All subscriber portfolio data presented excludes wireless internet business

(2) RMR is stated as of the end of each period

new subscriber originations[1]

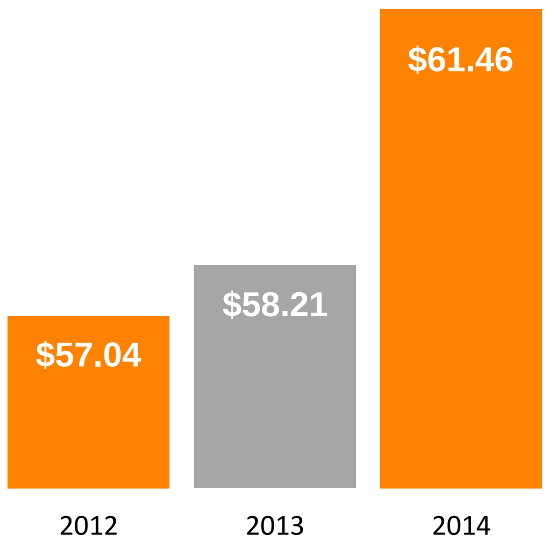
Quarter ended March 31,

New Subscribers



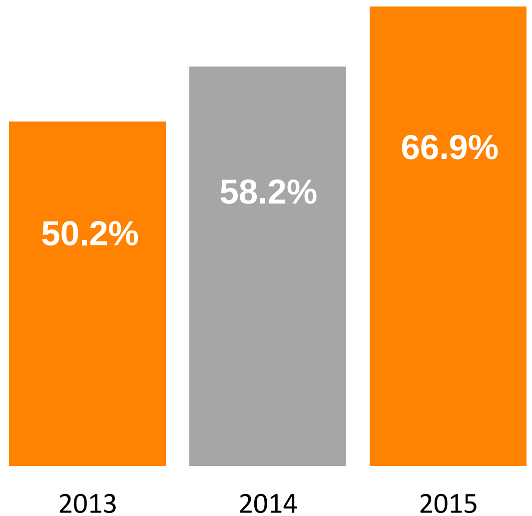
Growth: -3.4% 3.2%

Avg. RMR Per New Subscriber[2]



Growth: 2.1% 5.6%

Adoption Rate

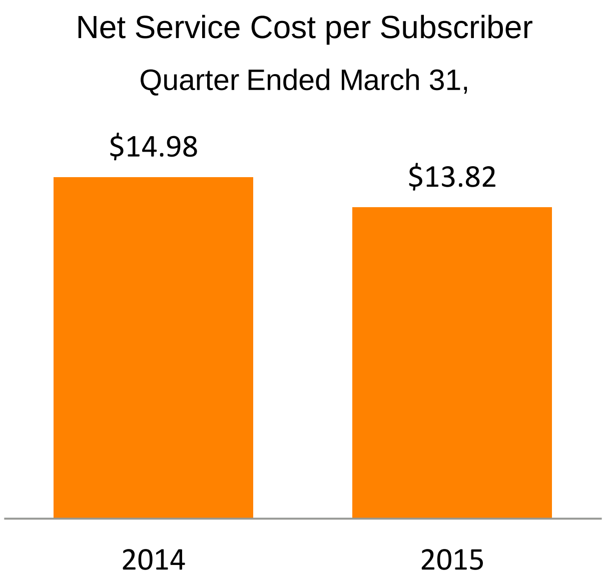


Growth: 800bps 870bps

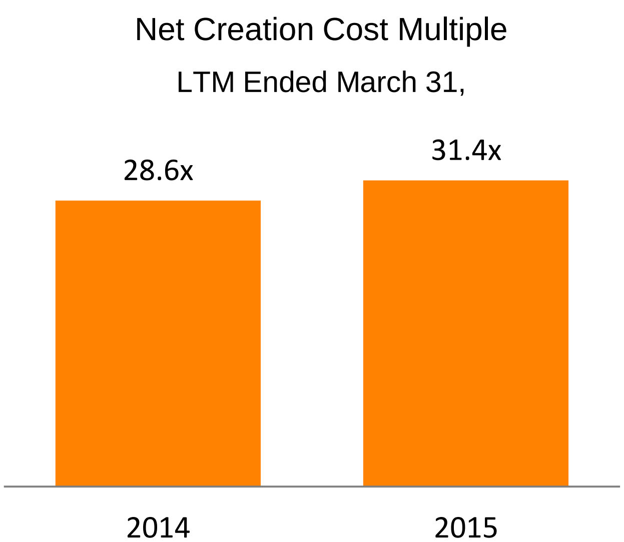
(1) All subscriber portfolio data presented excludes wireless internet business

(2) RMR is stated as of the end of each period

service and creation costs



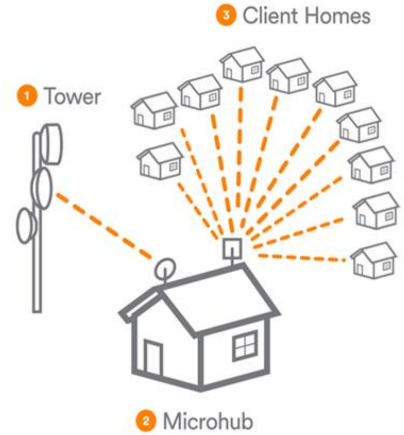
- 75.8% Service Margins in Q1 2015 vs. 71.8% in Q1 2014
- Increase in cellular expense, offset by scaling overhead and allocation costs



New Panel and Equipment	3.9x
RMR increase per subscriber	(2.1x)
Installation	.4x
Sales Overhead	.7x
G&A Allocation	.3x
Marketing	(.4x)

Service costs and margin and creation cost multiples are as of the end of each period and exclude the wireless internet business

wireless internet



Q1 2015 Highlights

- 5,038 New subscribers in 1Q15, up 61% from 4Q14
- 13,362 Total subscribers
- Adjusted EBITDA 51% improvement from 4Q14
- Opened 3rd market …. San Antonio

2015 wireless internet guidance

- 25K to 30K new subscribers
- Concentrating on select markets
- At full scale: (Estimated)
  - 8-10 subscribers per hub
  - ~$55 Avg. RMR per New Subscriber
  - Net Service Margins 50% - 60%
  - Net Creation Cost Multiple ≤ 20x

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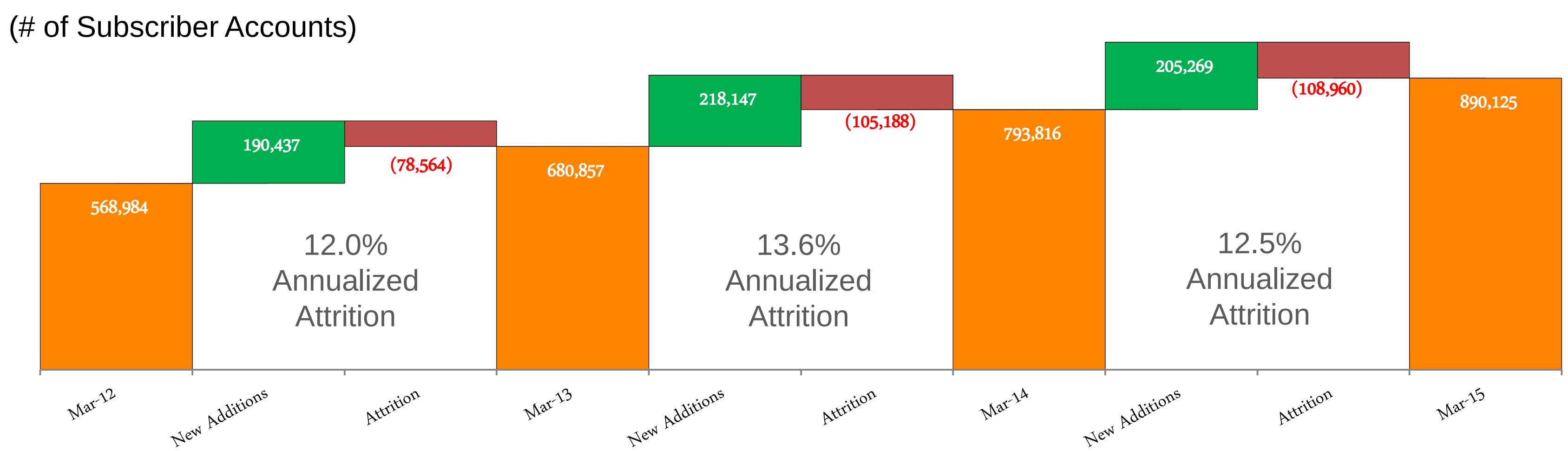
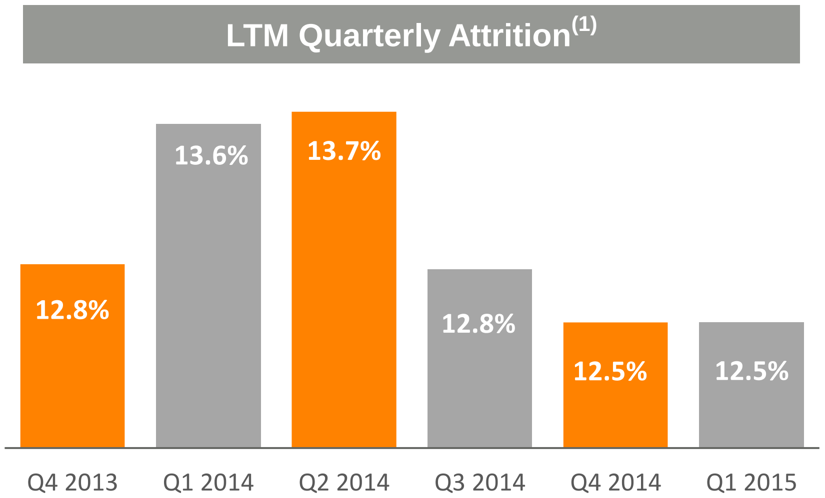
subscriber account attrition(1)



- 110 bps year-over-year improvement
- ~15% of portfolio reaching initial end of contract term during 2015
  - 2011 42-mo contracts (1Q15)
  - 2012 42-mo contracts (4Q15)



(1) All subscriber attrition data presented excludes the wireless internet business for all periods presented

New service offerings and products for 2015

Doorbell Camera

Outdoor Camera HD

Garage Door Controller

Space Monkey Cloud Storage

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Summary

- Strong Operational Execution in 1st Qtr.
- D2H Summer Selling Season Underway
- Scaling and ramping Wireless Internet
- Customer Retention and Attrition Continues to Perform as Expected
- Continue to believe that the market is trending toward Smart Home as a Service

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Q & A

APX Group Holdings, Inc.

Consolidated Financial Statements

Quarter Ended March 31, 2015 and 2014

condensed consolidated balance sheets

APX GROUP HOLDINGS, INC. and SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands)

	March 31, 2015	December 31, 2014
ASSETS	(unaudited)	(audited)
Current Assets:		
Cash and cash equivalents	18,046	10,807
Restricted cash and cash equivalents	$ 14,214	$ 14,214
Accounts receivable, net	6,901	8,739
Inventories	65,852	36,157
Prepaid expenses and other current assets	12,842	15,454
Total current assets	117,855	85,371
Property and equipment, net	71,396	62,790
Subscriber contract costs, net	562,892	548,073
Deferred financing costs, net	53,830	52,158
Intangible assets, net	665,056	703,226
Goodwill	838,968	841,522
Long-term investments and other assets, net	10,466	10,533
Total assets	**$ 2,320,463**	**$ 2,303,673**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 73,790	$ 31,323
Accrued payroll and commissions	28,024	37,979
Accrued expenses and other current liabilities	59,619	28,862
Deferred revenue	27,480	26,412
Current portion of capital lease obligations	5,715	5,549
Total current liabilities	194,628	130,125
Notes payable, net	1,862,887	1,863,155
Revolving line of credit	32,500	20,000
Capital lease obligations, net of current portion	10,236	10,655
Deferred revenue, net of current portion	33,079	32,505
Other long-term obligations	7,716	6,906
Deferred income tax liabilities	8,243	9,027
Total liabilities	2,149,289	2,072,373
Total stockholders' equity	171,174	231,300
Total liabilities and stockholders' equity	**$ 2,320,463**	**$ 2,303,673**

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consolidated statements of operations

APX GROUP HOLDINGS, INC. and SUBSIDIARIES

Consolidated Statements of Operations

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2015	**2014**
Revenues:		
Monitoring revenue	$ 143,398	$ 124,859
Service and other sales revenue	5,225	4,834
Activation fees	1,308	766
Total revenues	149,931	130,459
Costs and expenses:		
Operating expenses	51,330	41,317
Selling expenses	25,275	25,579
General and administrative expenses	28,234	25,135
Depreciation and amortization	57,057	50,352
Total costs and expenses	161,896	142,383
Loss from operations	(11,965)	(11,924)
Other expenses (income):		
Interest expense	38,257	35,640
Interest income	-	(552)
Other (income) expenses, net	(40)	(245)
Total other expenses	38,217	34,843
Loss before income taxes	(50,182)	(46,767)
Income tax expense (benefit)	130	208
Net loss	$ (50,312)	$ (46,975)

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summary of consolidated statements of cash flows

APX GROUP HOLDINGS, INC. and SUBSIDIARIES
Summary Cash Flow Data
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Net cash provided by operating activities	$ 53,010	$ 23,241
Net cash used in investing activities	(51,157)	(110,889)
Net cash provided by (used in) financing activities	5,987	(21)
Effect of exchange rate changes on cash	(601)	(174)
Net (decrease) increase in cash	7,239	(87,843)
Cash:		
Beginning of period	10,807	261,905
End of period	**$ 18,046**	**$ 174,062**

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APX Group Holdings, Inc.

Annex A

reconciliation of non-GAAP financial measures – APX Group

($ in Millions)

	Three Months Ended March 31,	
	2015	2014
Net loss	**$ (50.3)**	**$ (47.0)**
Interest expense, net	38.2	35.1
Other (income) expense, net	-	(0.3)
Income tax expense (benefit)	0.1	0.2
Depreciation and amortization (i)	37.7	40.0
Amortization of capitalized creation costs	19.4	10.3
Non-capitalized subscriber acquisition costs (ii)	34.9	26.9
Non-cash compensation (iii)	0.7	0.5
Other Adjustments (iv)	8.6	12.5
Adjusted EBITDA	**$ 89.3**	**$ 78.2**

(i) Excludes loan amortization costs that are included in interest expense.

(ii) 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.

(iii) Reflects non-cash compensation costs related to employee and director stock and stock option plans.

(iv) Other adjustments including certain items such as product development, fire related expenses, subcontracted monitoring fee savings and other similar adjustments.

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Reconciliation of non-GAAP continued - other adjustments

	Three Months Ended March 31, 2015	2014
Other Adjustments		
Product development	$ 2.4	$ 3.8
Fire related losses, net of probable insurance recoveries	-	1.7
Purchase accounting deferred revenue fair value adjustment	1.2	1.4
CMS technology impairment loss	-	1.4
Information technology implementation	0.5	1.3
Subcontracted monitoring agreement	-	1.1
Monitoring fee	0.7	0.7
Start-up of new strategic initiatives	0.1	0.4
Non-operating legal and professional fees	1.0	-
One-time compensation-related payments	0.2	0.4
Excess inventory	0.8	-
Non-cash contingent liabilities	-	-
All other adjustments	1.7	0.3
Total other adjustments	$ 8.6	$ 12.5

certain definitions

Total Subscribers – The aggregate number of active subscribers at the end of a given period

RMR – The recurring monthly revenue billed to a security and home automation subscriber

Total RMR – The aggregate RMR billed for all security and home automation subscribers

Average RMR per Subscriber – The Total RMR divided by Total Subscribers. This is also commonly referred to as Average Revenue per User, or ARPU

Average RMR per New Subscriber – The aggregate RMR for new subscribers originated during a period divided by the number of new subscribers originated during such period

Attrition – The aggregate number of canceled subscribers during a period divided by the monthly weighted average number of total subscribers for such period. Subscribers are considered canceled when they terminate in accordance with the terms of their contract, are terminated by us, or if payment from such subscribers is deemed uncollectible (120 days past due). Sales of contracts to third parties and moves are excluded from the attrition calculation

Net Subscriber Acquisition Costs – Defined as direct and indirect costs to create a new security and home automation subscriber. These include commissions, equipment, installation, marketing and other allocations (G&A and overhead), less activation fees and up sell revenue. These costs also exclude residuals and long-term equity expenses associated with the direct-to-home sales channel.

Net Creation Cost Multiple – Defined as Net Subscriber Acquisition Costs, divided by the number of net new subscribers originated, and then divided by the Average RMR per New Subscriber

Adjusted EBITDA – 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, the historical results of the Company's Solar variable interest entity and certain unusual, non-cash, non-recurring and other items permitted in certain covenant calculations under the indentures governing the notes

Last Quarter Annualized Adjusted EBITDA ("LQA Adjusted EBITDA") – A common industry measure used to reflect the step-function in earnings during the sales season related to the subscribers generated from April to August. LQA Adjusted EBITDA, calculated by multiplying Adjusted EBITDA for the most recent fiscal quarter by 4, represents the ongoing earnings power of Vivint's current subscriber base and is potentially a more relevant metric than LTM due to the recurring nature of the revenue and expected earnings

Net Service Cost – Defined as total service costs, including monitoring, customer service, field service and other allocations (G&A and overhead) costs, less total service revenue divided by total service subscribers

Net Service Margin – Defined as Average RMR per subscriber less Net Service Costs divided by Average RMR per subscriber