APX Group Holdings, Inc.

Financial and Operating Highlights

Third Quarter 2014

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forward-looking statements

This presentation contains "forward looking statements", 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. 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. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. 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 the Company's annual report on form 10-K for the year ended December 31, 2013 (the"10-K"), filed with the Securities Exchange Commission (SEC), as such factors may be updated from time to time in our periodic filings with the SEC, which are available on the SEC's website at www.sec.gov, 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:

- risks of the security and home automation industry, including risks of and publicity surrounding the sales, subscriber origination and retention process;
- the highly competitive nature of the security and home automation industry and product introductions and promotional activity by our competitors;
- litigation, complaints or adverse publicity;
- the impact of changes in consumer spending patterns, consumer preferences, local, regional, and national economic conditions, crime, weather, demographic trends and employee availability;
- adverse publicity and product liability claims;
- increases and/or decreases in utility and other energy costs, increased costs related to utility or governmental requirements; and
- 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. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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 filed on Form 10-K for the year ended December 31, 2013 as such factors may be updated from time to time in our periodic filings with the SEC. The risks described in "Risk Factors" are not exhaustive. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. 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 as 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	VP, Finance & Treasurer

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the vivint vision: a smart, integrated home…

Connecting and Simplifying Life

Vivint Platform
Harnessing the “internet-of-things”

Core Competencies

Innovation	Customer Acquisition	Customer Service	Integrated Technology

- Vivint has delivered the most complete smart home platform in the industry
- Our product offering now incorporates all of the key services necessary for customer value, retention and maximized RMR
- The 24 month platform investment cycle is nearing completion.
- Coupled with our core competencies of customer acquisition, service and end to end technology, Vivint has a unique, differentiated and competitive offering.

2014 key initiatives update

- Vivint Sky Operating Platform
  - Processes 86.4 million daily inbound data points
  - Captures and stores 2.3 million video clips per day, allowing for anytime, anywhere secured access
  - 160,000+ subscribers using the platform
- Continued Progress With Wireless Internet Service Offering:
  - 5,200+ subscribers
- New Information Technology Systems
  - Stabilized
  - Enhancing functionality

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APX Group third quarter 2014 highlights

Three Months ended September 30,

- Total revenues up +13.4% VPY
- Adjusted EBITDA[(1)] $78.8 million
- 73,220 New subscribers
- Issued $100 million of senior notes due 2020
- Acquired data cloud storage technology
- Issued $50 million dividend

Nine Months ended September 30,

- Total revenues up 17.3%, excluding 2GIG
- Adjusted EBITDA[(1)] $225.3 million
- 182,919 New subscribers
- LTM Attrition 12.8% (90 bps improvement from Q2 2014)
- Total subscribers 899,174

(1) Adjusted EBITDA is a non-GAAP measure. Please see Annex A of this presentation for a reconciliation of Adjusted EBITDA to net loss.

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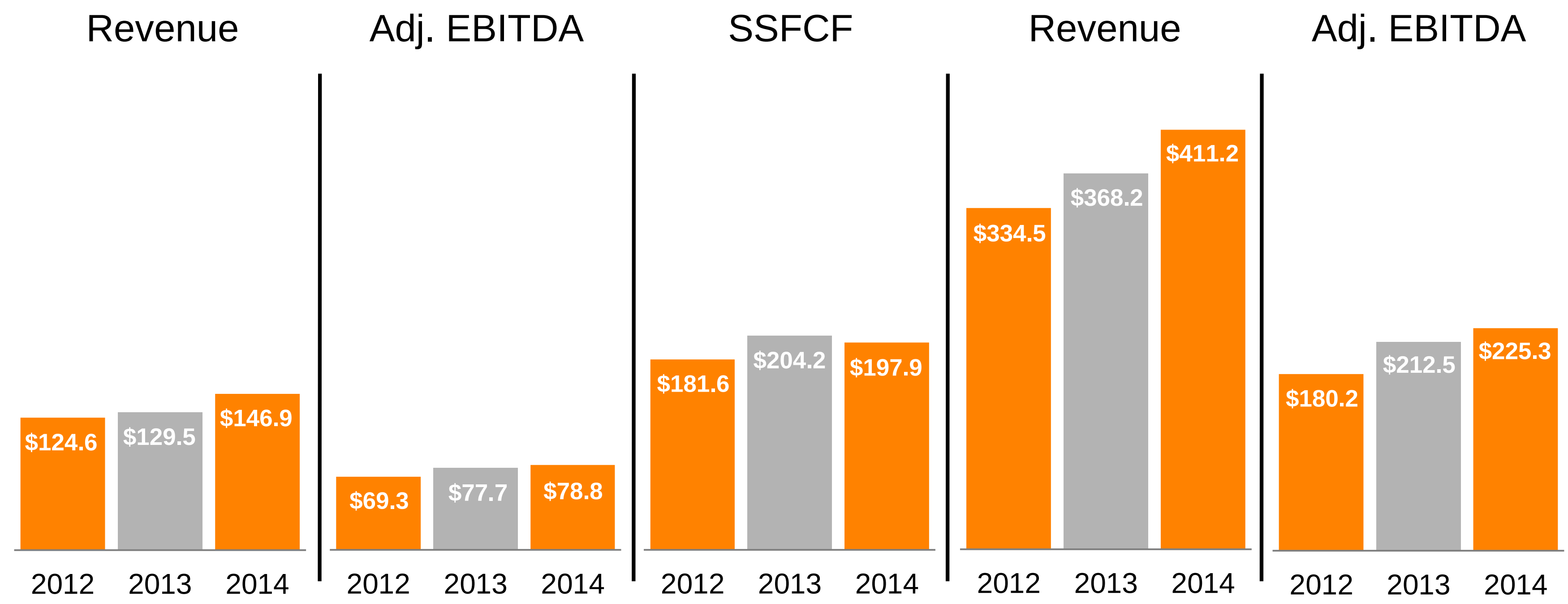
APX Group key operating results

($ in Millions)

Three months ended September 30,	Nine months ended September 30,



	Revenue (3M)		Adj. EBITDA (3M)		SSFCF (3M)		Revenue (9M)		Adj. EBITDA (9M)	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
YoY:	*3.9%*	*13.4%*	*12.1%*	*1.4%*	*10.0%*	*-3.1%*	*10.1%*	*11.7%*	*17.9%*	*6.0%*
Ex 2Gig:	*19.0%*	*13.4%*	*14.9%*	*1.4%*	*12.3%*	*-3.1%*	*20.8%*	*17.3%*	*18.1%*	*6.2%*

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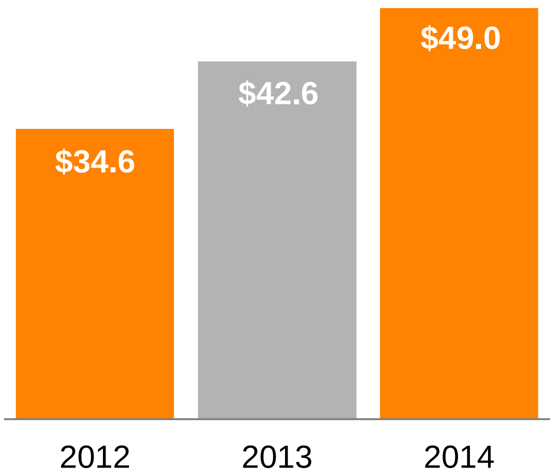
subscriber portfolio data

Three months ended September 30,

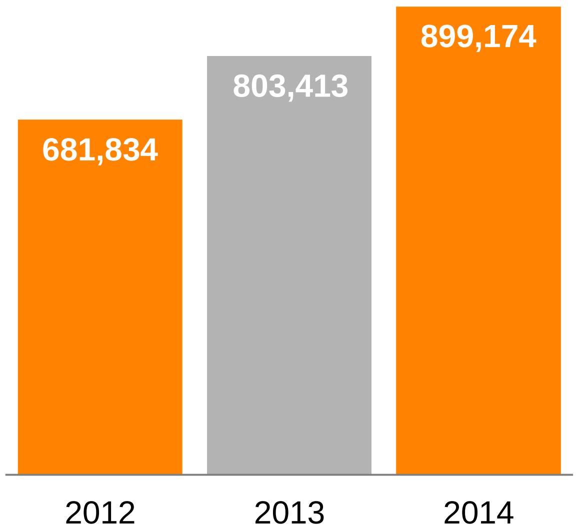
Total RMR[1]

($ in Millions)



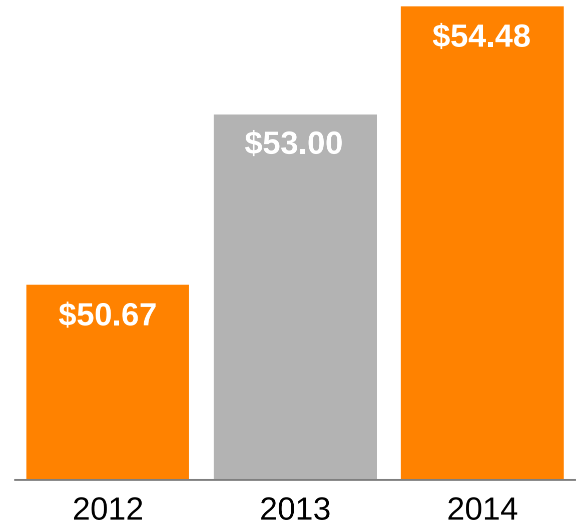
Growth: 23.1% 15.0%

Total Subscribers



Growth: 17.8% 11.9%

Avg RMR[1] Per Subscriber



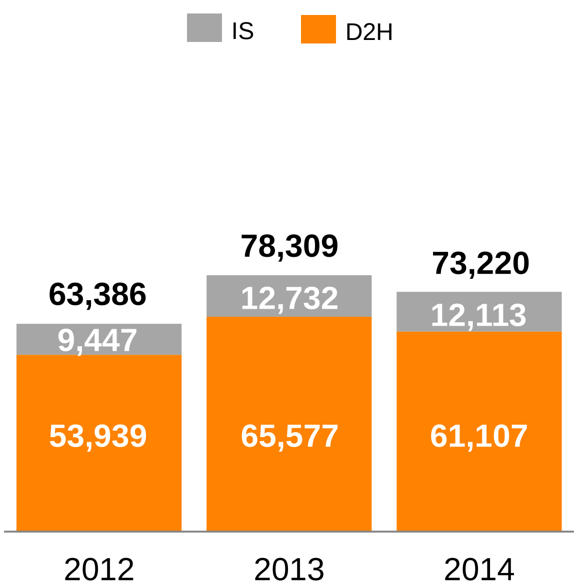
Growth: 4.6% 2.8%

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

new subscriber data

Three months ended September 30,	Nine months ended September 30,	Three months ended September 30,

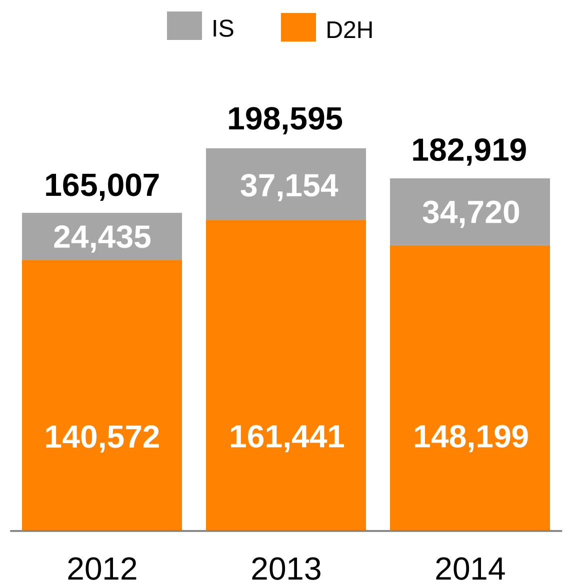
Total New Subscribers



YoY:

	2013	2014
Total	*23.5%*	*-6.5%*
DTH	*21.6%*	*-6.8%*
IS	*34.8%*	*-4.9%*

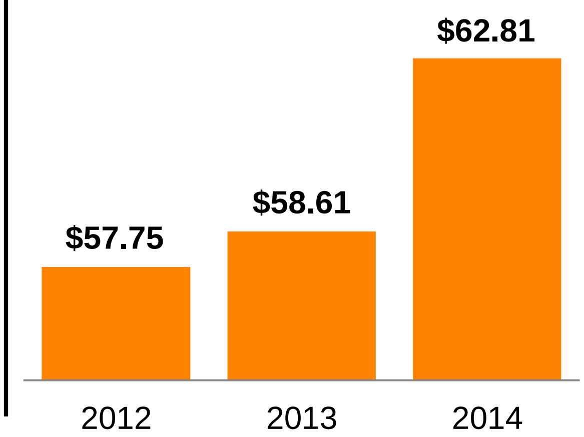
Total New Subscribers



YoY:

	2013	2014
Total	*20.4%*	*-7.9%*
DTH	*14.9%*	*-8.2%*
IS	*52.1%*	*-6.6%*

Avg RMR[1] per New Subscriber

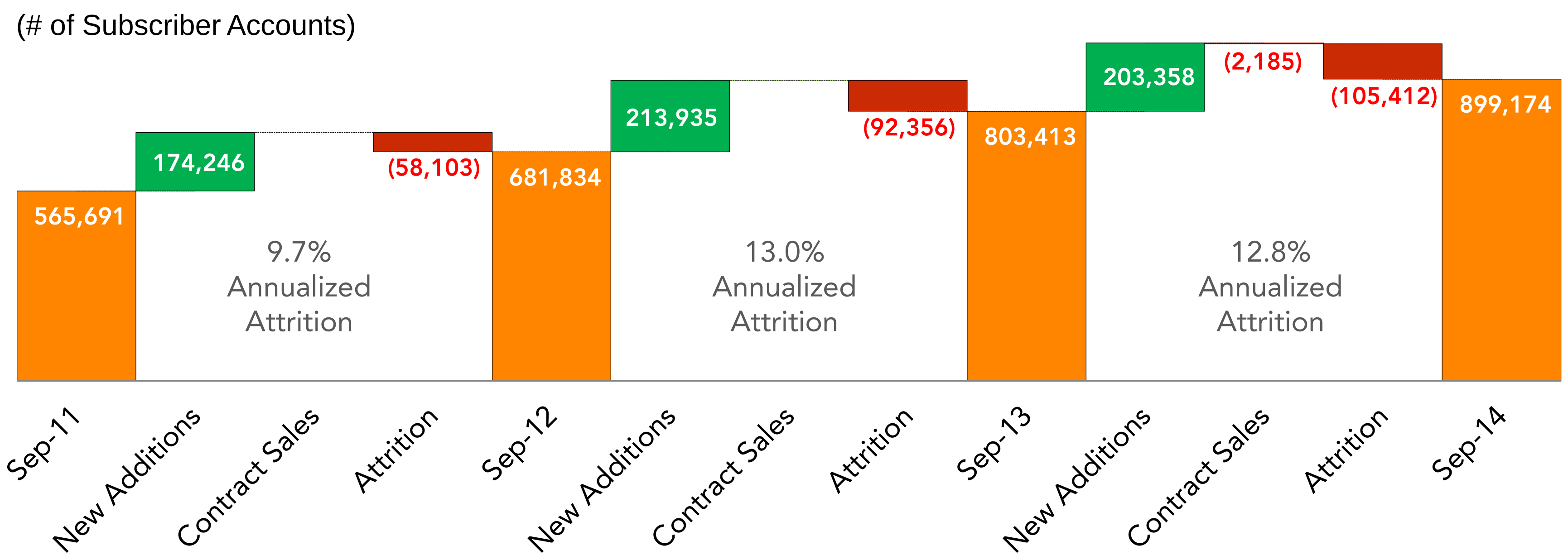


Adoption Rate for Additional Services:

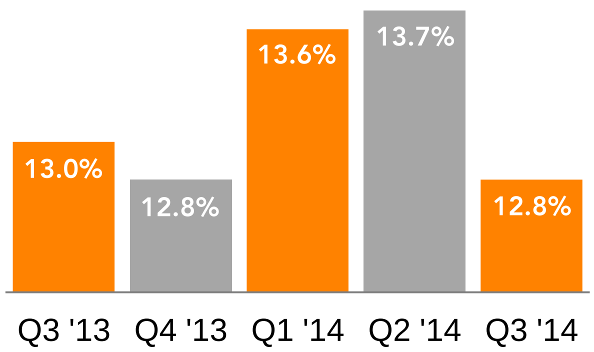
2012	2013	2014
57.9%	*63.7%*	*72.3%*

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

subscriber account attrition(1)



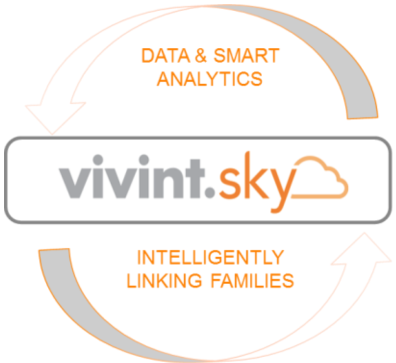
- Attrition improved 90 bps from its peak in Q2 2014 of 13.7%

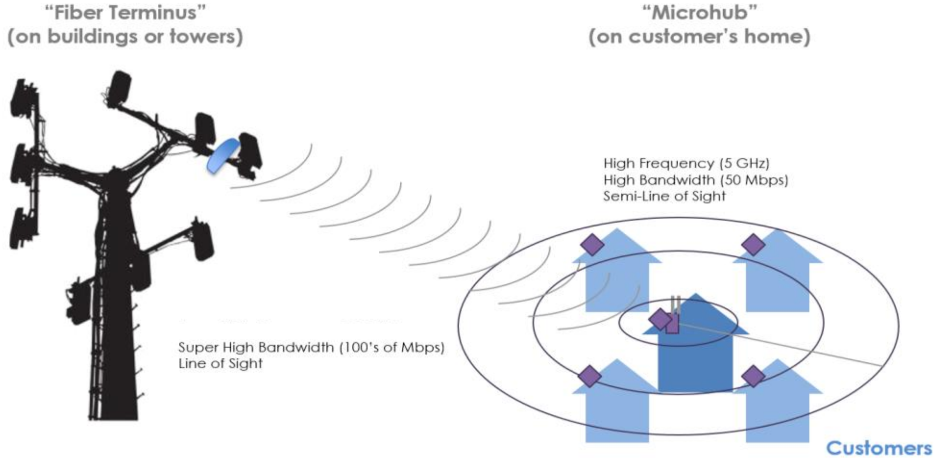


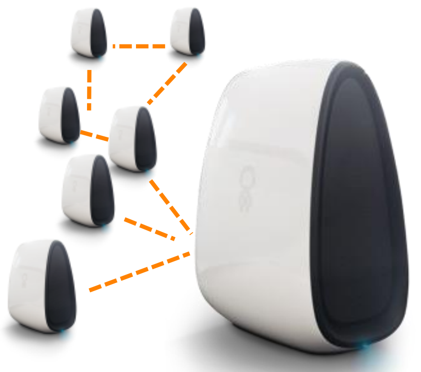
(1) Reflects Vivint metrics only, excluding the Wireless Internet business for all periods presented

summary

- Vivint Sky Operating Platform
- IT System Implementation
- Brand
- Data Cloud Storage Technology
- Wireless Internet Service
- Platform Investments Cycle Nearing Completion







Q & A

APX Group Holdings, Inc.

Consolidated Financial Statements

Three and Nine Months Ended September 30, 2014 and 2013

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condensed consolidated balance sheets

APX Group Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (unaudited)
(In thousands)

	September 30, 2014	December 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 67,186	$ 261,905
Restricted cash and cash equivalents	14,214	14,375
Accounts receivable, net	9,843	2,593
Inventories, net	61,273	29,260
Prepaid expenses and other current assets	40,808	13,870
Total current assets	193,324	322,003
Property and equipment, net	51,877	35,818
Subscriber contract costs, net	530,980	288,316
Deferred financing costs, net	54,602	59,375
Intangible assets, net	740,246	840,714
Goodwill	842,665	836,318
Restricted cash and cash equivalents, net of current portion	14,214	14,214
Long-term investments and other assets, net	9,874	27,676
Total assets	$ 2,437,782	$ 2,424,434
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 40,994	$ 24,004
Accrued payroll and commissions	103,535	46,007
Accrued expenses and other current liabilities	67,318	33,118
Deferred revenue	36,356	26,894
Current portion of capital lease obligations	4,309	4,199
Total current liabilities	252,512	134,222
Notes payable, net	1,863,413	1,762,049
Capital lease obligations, net of current portion	8961	6268
Deferred revenue, net of current portion	32,294	18,533
Other long-term obligations	9,121	3,905
Deferred income tax liabilities	9,884	9,214
Total liabilities	2,176,185	1,934,191
Commitments and contingencies (See Note 13)		
Stockholders' equity:		
Common stock	-	-
Additional paid-in capital	603,851	652,488
Accumulated deficit	(327,630)	(154,615)
Accumulated other comprehensive loss	(14,624)	(7,630)
Total stockholders' equity	261,597	490,243
Total liabilities and stockholders' equity	$ 2,437,782	$ 2,424,434

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consolidated statements of operations

APX Group Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (unaudited)
(In thousands)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Revenues:				
Monitoring revenue	$ 140,227	$ 123,329	$ 393,383	$ 334,344
Service and other sales revenue	5,517	5,587	15,070	32,902
Activation fees	1,151	587	2,795	951
Total revenues	146,895	129,503	411,248	368,197
Costs and expenses:				
Operating expenses (exclusive of depreciation and amortization shown separately below)	52,770	40,208	141,303	124,336
Selling expenses	26,884	26,488	81,202	75,394
General and administrative expenses	31,792	20,661	92,253	65,910
Depreciation and amortization	57,847	50,835	161,563	142,967
Total costs and expenses	169,293	138,192	476,321	408,607
Loss from operations	(22,398)	(8,689)	(65,073)	(40,410)
Other expenses (income):				
Interest expense	38,135	30,055	109,487	83,309
Interest income	(340)	(411)	(1,464)	(1,087)
Other expenses (income), net	535	(84)	238	233
Gain on 2GIG Sale	-	(479)	-	(47,122)
Loss before income taxes	(60,728)	(37,770)	(173,334)	(75,743)
Income tax expense	(1,264)	(2,865)	(319)	11,598
Net loss	$ (59,464)	$ (34,905)	$ (173,015)	$ (87,341)

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summary of consolidated statements of cash flows

APX Group Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (unaudited)
(In thousands)

	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Net loss	$ (173,015)	$ (87,341)
Net cash provided by operating activities	91,656	139,671
Net cash used in investing activities	(332,712)	(140,722)
Net cash provided by financing activities	47,112	104,863
Effect of exchange rate changes on cash	(775)	(169)
Net (decrease) increase in cash	(194,719)	103,643
Cash:		
Beginning of period	261,905	8,090
End of period	$ 67,186	$ 111,733

APX Group Holdings, Inc.

Annex A

reconciliation of non-GAAP financial measures – APX Group

($ in Millions)	Three Months Ended September 30, 2014	2013	2012	Nine Months Ended September 30, 2014	2013	2012
Net loss	**$ (59.5)**	**$ (34.9)**	**$ (10.5)**	**$ (173.0)**	**$ (87.3)**	**$ (39.8)**
Interest expense, net	37.8	29.6	29.5	108.0	82.2	89.9
Other (income) expense, net	0.5	(0.1)	-	0.2	0.2	0.1
Income tax expense (benefit)	(1.3)	(2.9)	3.0	(0.3)	11.6	5.2
Depreciation and amortization (i)	40.8	42.9	2.3	121.2	130.2	6.5
Amortization of capitalized creation costs	17.1	7.9	22.7	40.3	12.8	60.2
Non-capitalized subscriber acquisition costs (ii)	35.9	25.5	17.2	96.7	78.1	45.7
Non-cash compensation (iii)	0.5	0.6	0.2	1.4	1.3	0.5
Gain on 2GIG Sale (iv)	-	(0.5)	-	-	(47.1)	-
Adjustment for Solar business	-	-	1.4	-	-	2.0
Transaction costs related to 2GIG Sale (v)	-	-	-	-	5.5	-
Transaction related costs	-	0.3	1.8	-	0.6	4.0
Other Adjustments (vi)	7.0	9.3	1.7	30.8	24.4	5.9
Adjusted EBITDA	**$ 78.8**	**$ 77.7**	**$ 69.3**	**$ 225.3**	**$ 212.5**	**$ 180.2**
LQA Adjusted EBITDA	$ 315.0	$ 311.0	$ 277.3			
Add: G&A Pro Forma Adjustment(1)	20.1	12.5	5.1			
Less: Attrition Replacement Cost(2)	137.2	119.3	96.6			
Annualized SSFCF	$ 197.9	$ 204.2	$ 185.7			

(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) Non-recurring gain on the 2GIG Sale.

(v) Bonuses and transaction related costs associated with the 2GIG Sale.

(vi) Other adjustments represent primarily items on the following slide (in millions):

(1) Adjustment bsed on management's estimated G&A expense savings in Steady State

(2)

	3 Months ended September 30, 2014	2013	2012
RMR	$ 49.0	$ 42.6	$ 34.5
Normalized RMR Attrition Rate	10.0%	10.0%	10.0%
RMR Attrited	$ 4.9	$ 4.3	$ 3.5
Normalized Net Creation Multiple	28.0x	28.0x	28.0x
Attrition Replacement Cost	$ 137.2	$ 119.3	$ 96.6

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Reconciliation of non-GAAP continued - other adjustments

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2014	2013	2012	2014	2013	2012
Other Adjustments						
Product development	$ 2.4	$ 3.1	$ -	$ 9.4	$ 8.0	$ -
Fire related losses, net of probable insurance recoveries	(1.8)	-	-	0.9	-	-
Purchase accounting deferred revenue fair value adjustment	1.3	1.6	-	4.0	5.4	-
CMS technology impairment loss	-	-	-	1.4	-	-
Information technology implementation	0.4	-	-	2.5	-	-
Subcontracted monitoring agreement		-	-	2.2	-	-
Monitoring fee	1.1	1.9	-	2.6	3.5	-
Start-up of new strategic initiatives	1.9	1.0	-	2.7	1.4	-
Non-operating legal and professional fees	(0.3)	1.0	-	0.8	4.5	0.5
Solar business costs		-	1.6	-	-	3.0
One-time compensation-related payments	0.7	-	-	2.0	-	-
Rebranding		-	-	-	-	1.4
All other adjustments	1.2	0.7	0.1	2.3	1.6	1.0
Total other adjustments	**$ 6.9**	**$ 9.3**	**$ 1.7**	**$ 30.8**	**$ 24.4**	**$ 5.9**

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 subscriber

Total RMR – The aggregate RMR billed for all subscribers

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

Ave. 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 Creation Cost Multiple – Defined as total Net Subscriber Acquisition Costs, divided by the number of 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

Steady State Free Cash Flow ("SSFCF") – Provides an estimate of the cash flow of a company, if it were to invest in new RMR only to the extent required to replace attrition. SSFCF is defined as LQA Adjusted EBITDA less cost to replace RMR attrited, plus an add-back for pro forma G&A expenses. Cost to replace RMR attrited is calculated by multiplying RMR by the attrition rate in steady state by the Net Creation Cost Multiple