



Investing in the Sun with **Vivint Solar.**

Q4 2017 Financial Results

March 7, 2018

vivint.Solar

Forward Looking Statements

This presentation contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, such as estimates of nominal contracted payments remaining, estimated retained value, the capacity of solar energy systems to be installed, the market price of electricity, introduction of new products, the sustainability of our business, expansion into new markets and our projected sales mix, regulatory compliance, plans for growth and future operations, demand for certain products, technological capabilities, strategic relationships as well as assumptions related to the foregoing.

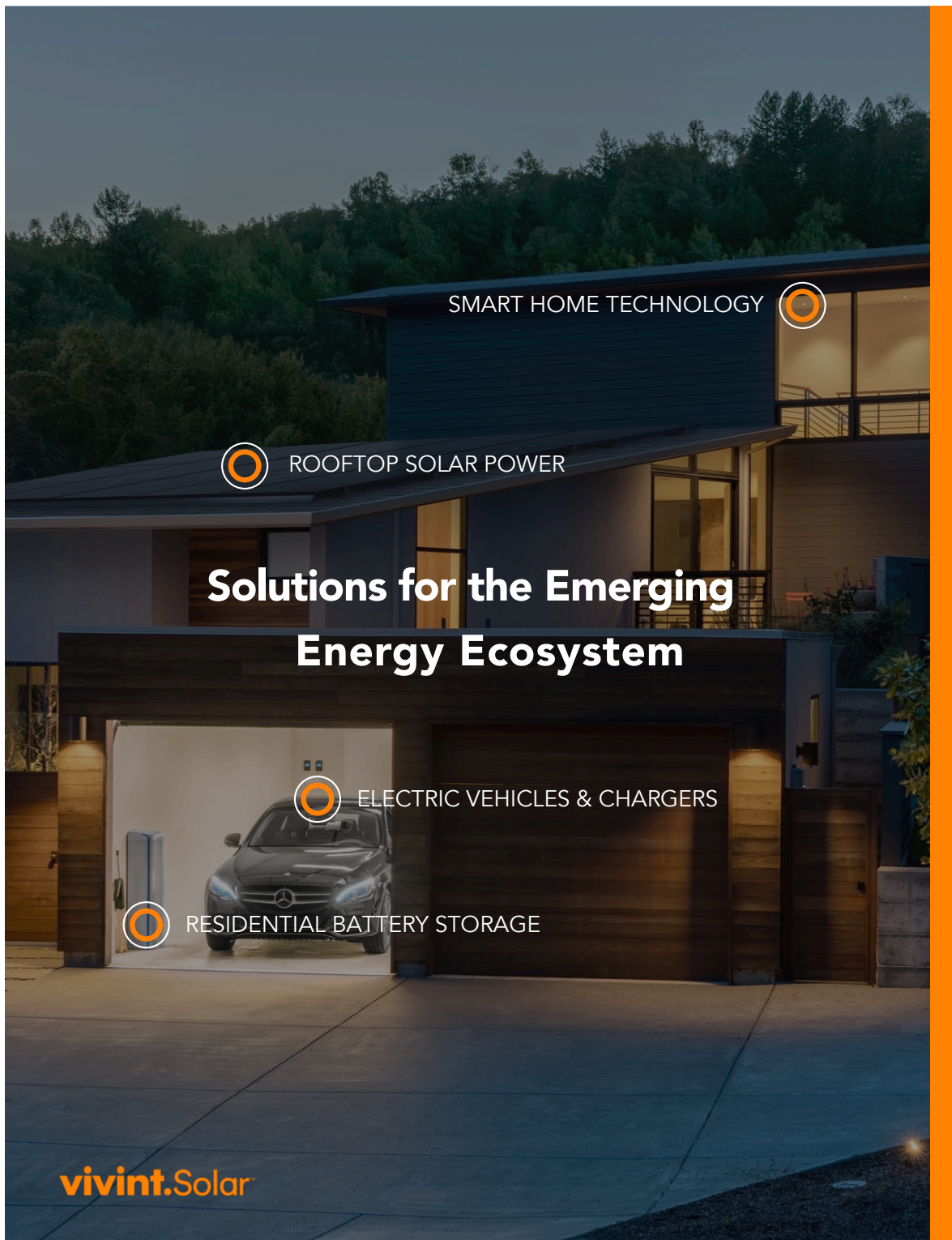
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Our Vision:

Empower families to take control of their energy future.

How We Do That:

By providing solutions that give consumers a choice in how they create and consume power.

Guiding Principles

HOW WE RUN OUR BUSINESS

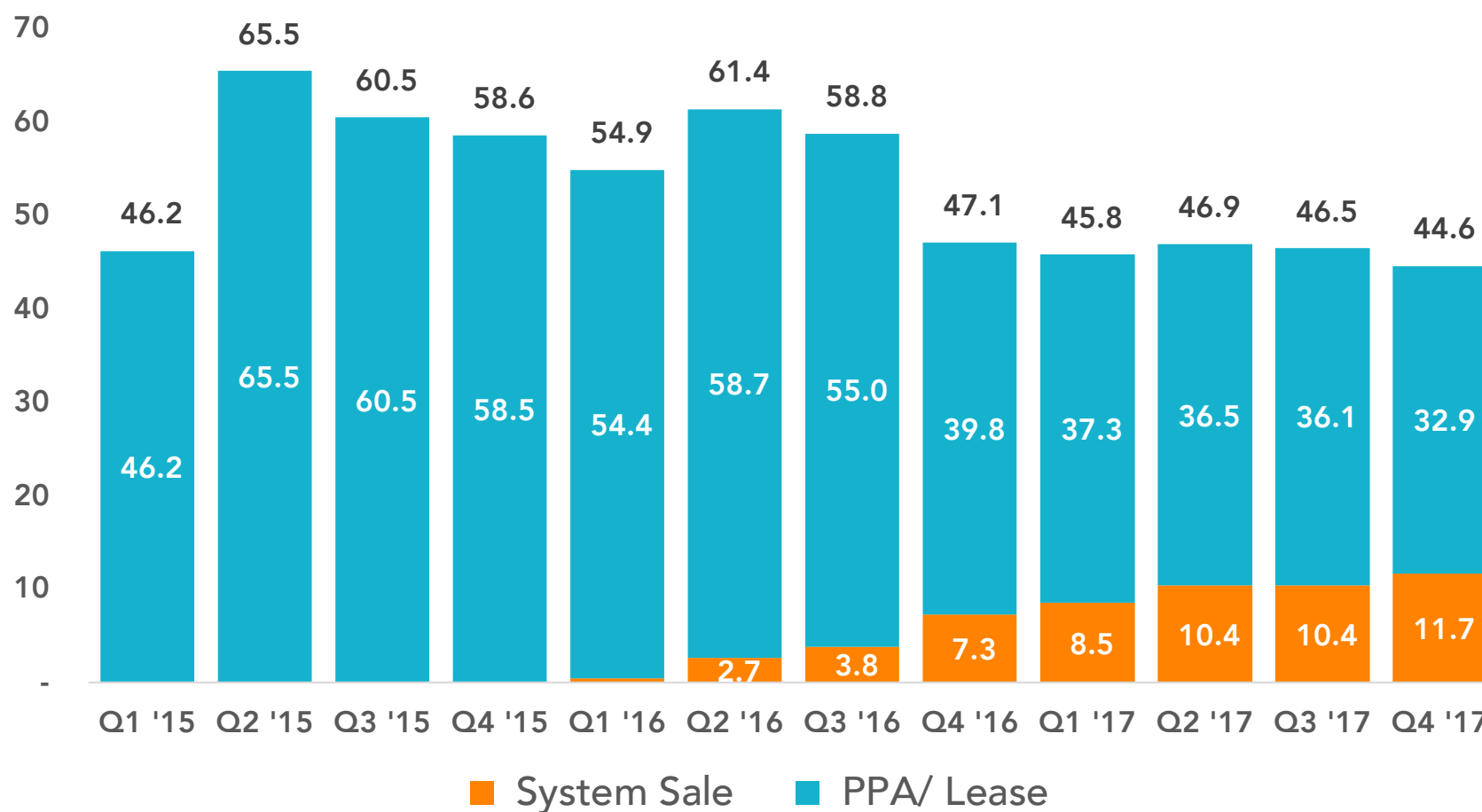
- 1. Build the most sustainable business in the residential solar industry**
- 2. Delight our customers**
- 3. Deliver differentiated solutions**
- 4. Generate attractive returns for investors**
- 5. Grow sustainably**

The Vivint Solar Difference

We believe that being responsible citizens in an unpredictable industry makes us a better option for our customers and our shareholders. Our guiding principles define how we run our business, and we believe that you can see a difference when you compare Vivint Solar to competitors in our industry.

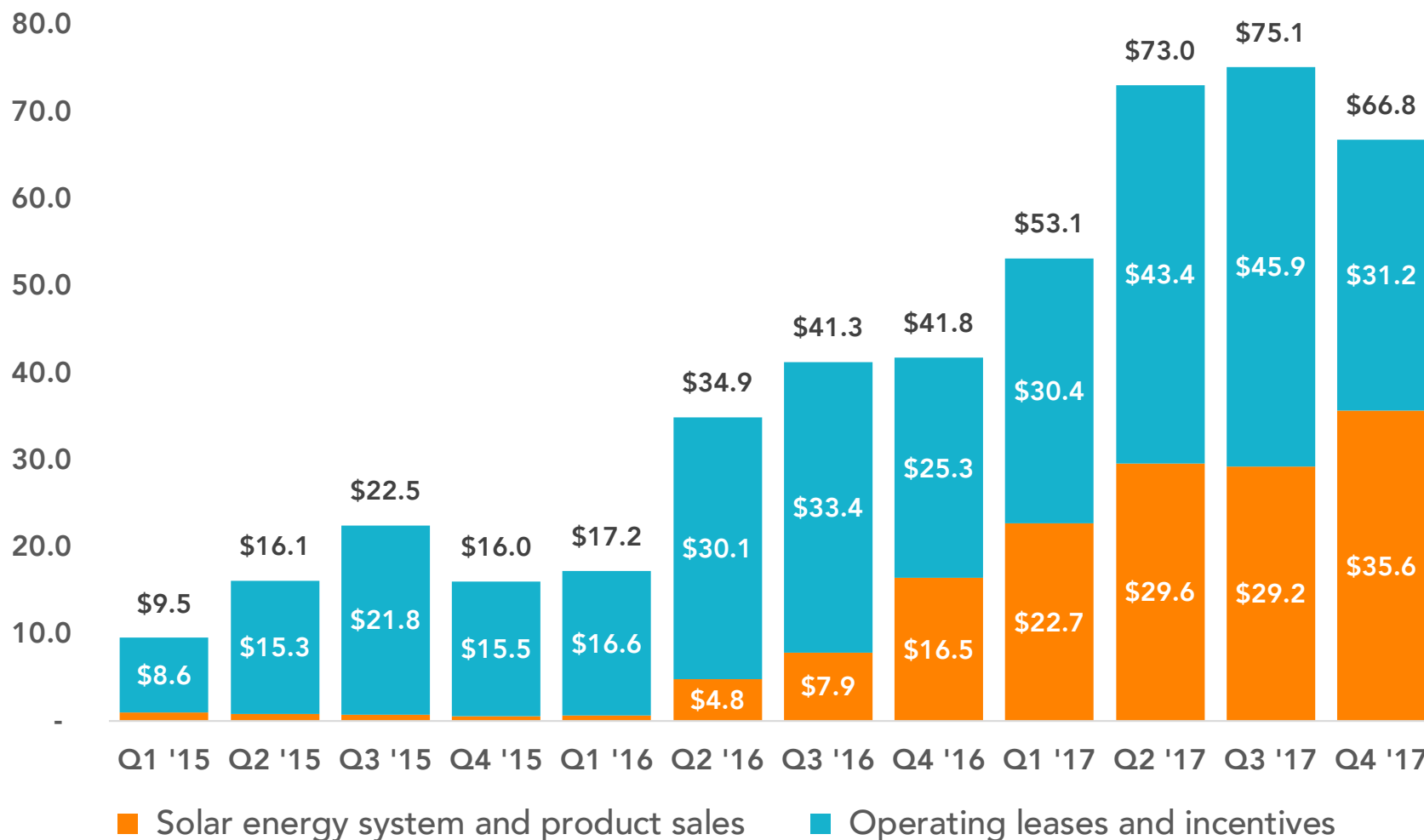
MWs Installed

MEASURED IN MEGAWATTS

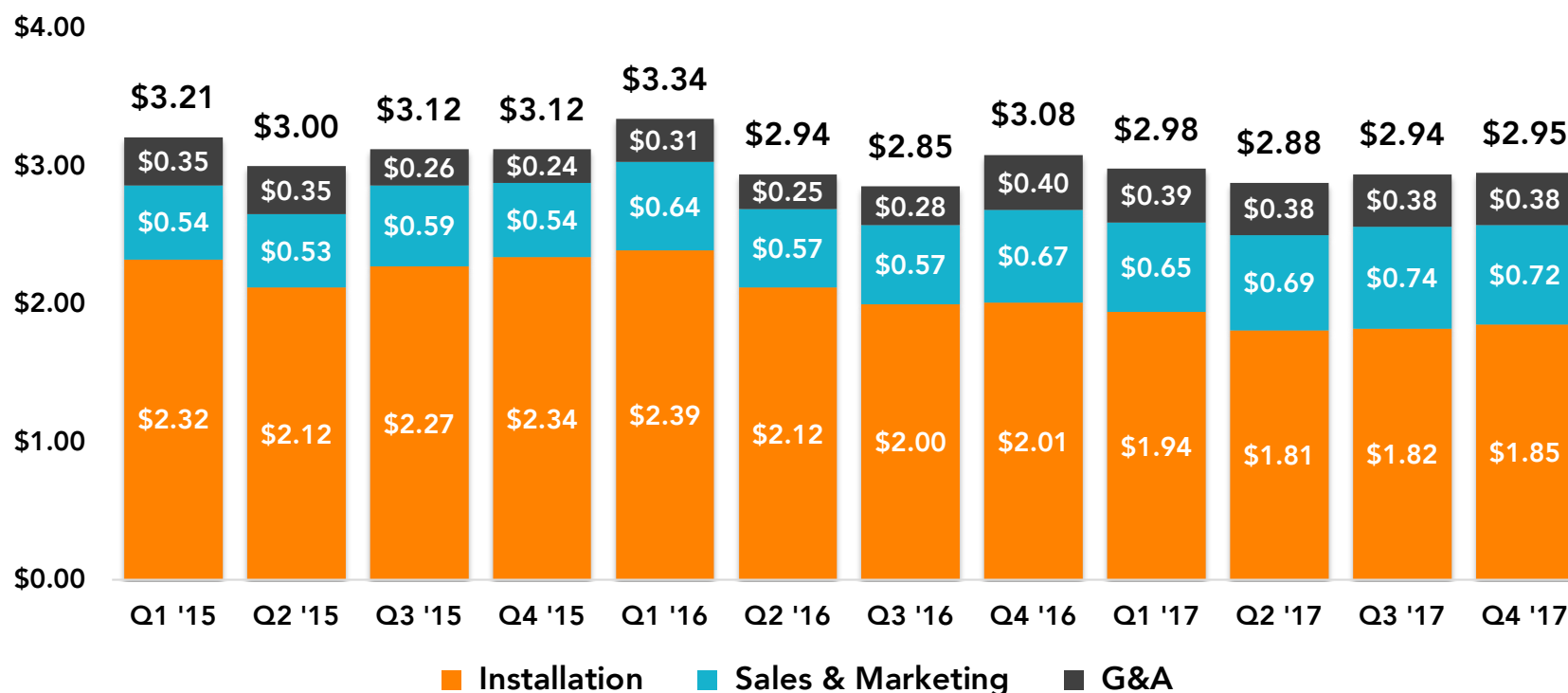


Revenue

\$ AMOUNTS IN MILLIONS



Cost per Watt

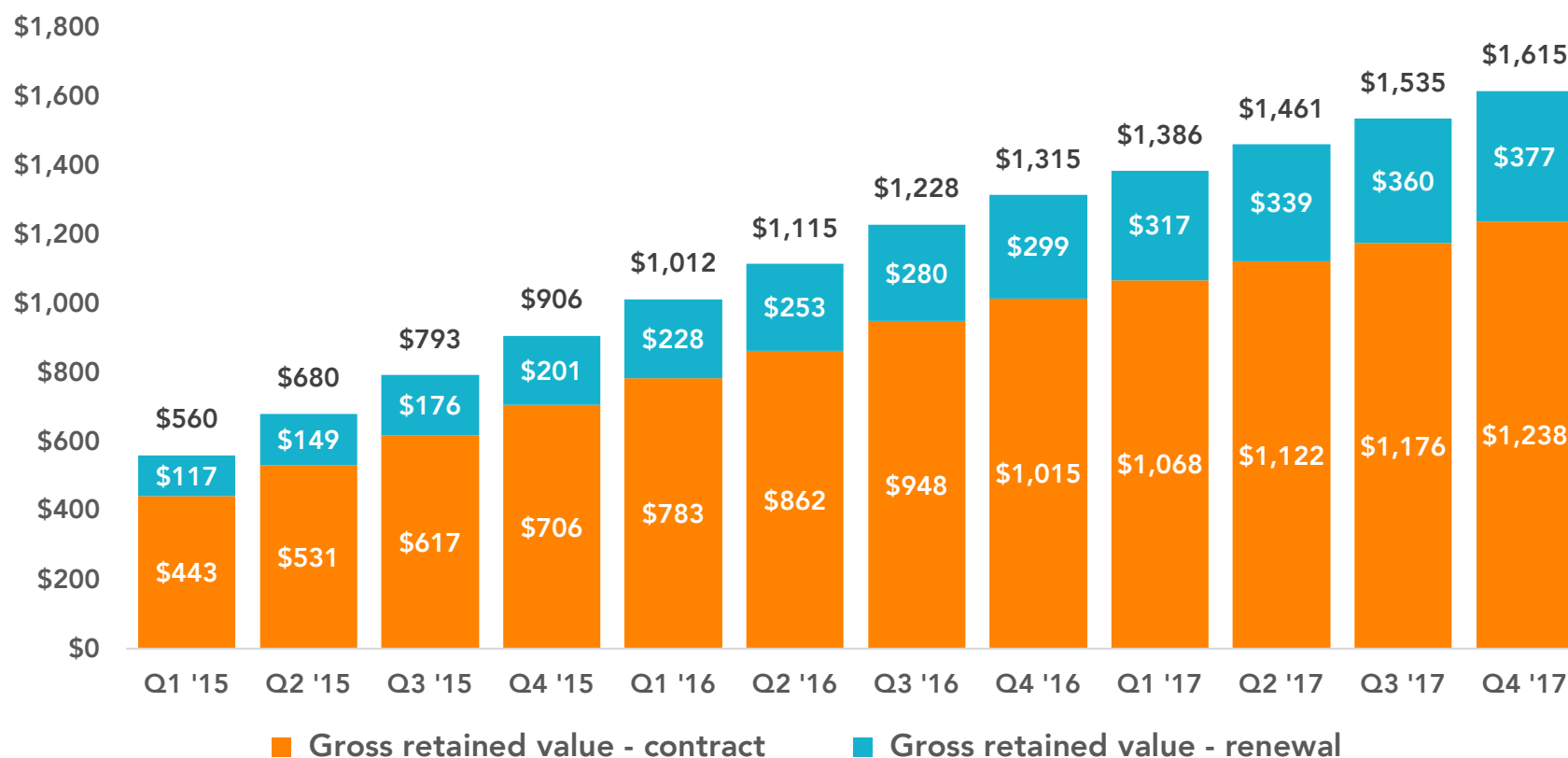


Cost efficiency is key to sustainability and market expansion.

Lowering cost per watt increases the margin from our system sales at a given price and allows our project funding to cover more of the costs of installation of PPAs and leases. This frees operating cash flows to facilitate faster growth, market expansion, and increased enterprise value.

Gross Retained Value

\$ AMOUNTS IN MILLIONS

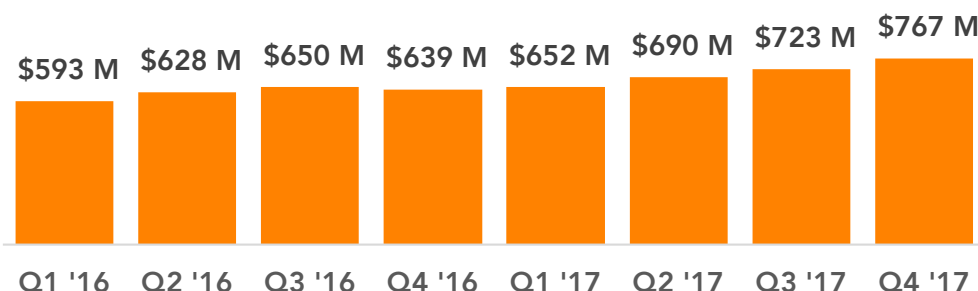


Note: Amounts may not add due to rounding.

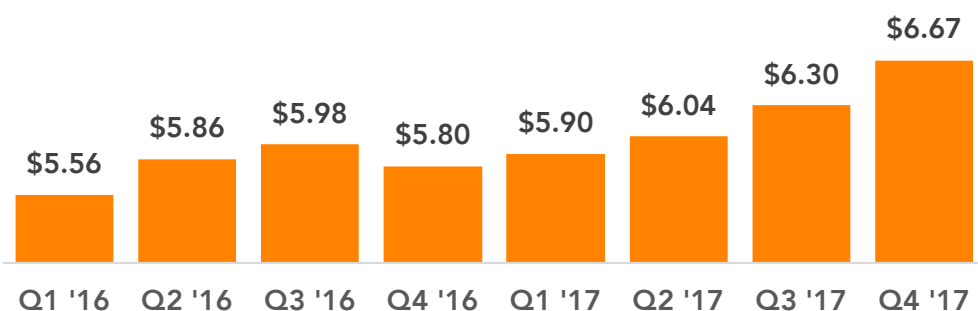
Measuring Long-Term Value

USING ESTIMATED NET RETAINED VALUE

ESTIMATED NET RETAINED VALUE:



ESTIMATED NET RETAINED VALUE PER SHARE:



What is Estimated Net Retained Value?

Estimated Net Retained Value represents the asset value that would remain after repaying all debt. It is calculated by taking Estimated Gross Retained Value, subtracting all debt, and adding back cash & cash equivalents.

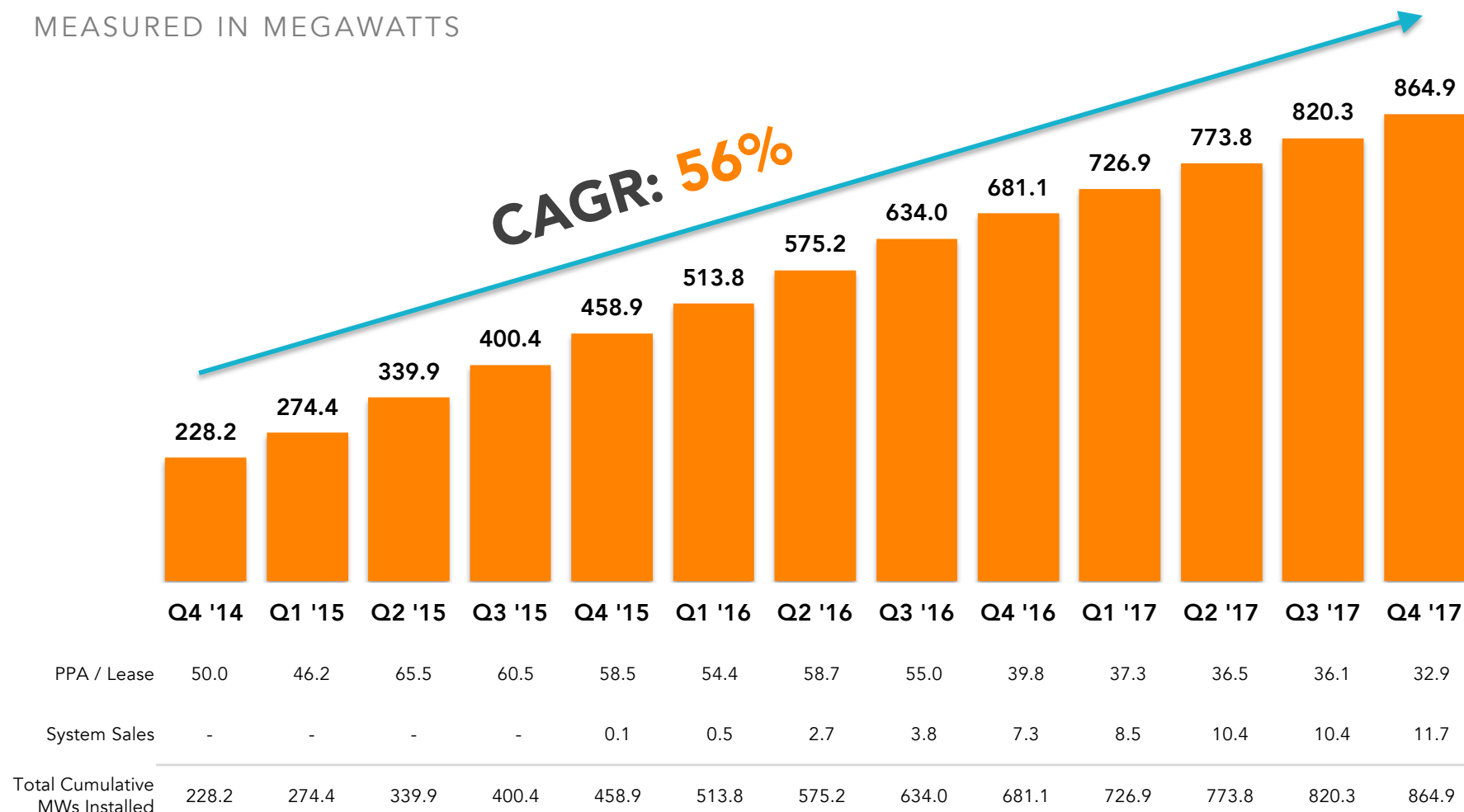
Why does Vivint Solar use Estimated Net Retained Value to measure long-term value creation?

Estimated net retained value captures the residual asset value that is available to equity holders at a given point in time. As Vivint Solar continues to develop and retain ownership of solar systems, we believe that estimated net retained value will increase over time, resulting in increasing value to our shareholders.

Appendices

Cumulative Installed Capacity

MEASURED IN MEGAWATTS



Retained Value Sensitivities

Estimated Retained Value

\$ amounts in millions

	4%	6%	8%
Contracted	\$ 1,476	\$ 1,238	\$ 1,051
Renewal	\$ 589	\$ 377	\$ 244
Total	\$ 2,065	\$ 1,615	\$ 1,295

Note: Sums may not total due to rounding.

Estimated Retained Value per Watt

	4%	6%	8%
Contracted	\$ 1.83	\$ 1.53	\$ 1.30
Renewal	\$ 0.73	\$ 0.47	\$ 0.30
Total	\$ 2.56	\$ 2.00	\$ 1.61

Note: Sums may not total due to rounding.

Operating Metrics

	FY2015	Q1 16	Q2 16	Q3 16	Q4 16	FY2016	Q1 17	Q2 17	Q3 17	Q4 17	FY2017
MW Booked	273.9	66.4	73.7	59.3	56.7	256.1	52.3	55.4	52.9	54.6	215.2
Sequential growth rate		(17)%	11%	(20)%	(4)%		(8)%	6%	(5)%	3%	
Period over period growth rate	43%	33%	1%	(16)%	(29)%	(6)%	(21)%	(25)%	(11)%	(4)%	(16)%
PPA/ Lease	230.7	54.4	58.7	55.0	39.8	207.9	37.3	36.5	36.1	32.9	142.8
System Sale	0.1	0.5	2.7	3.8	7.3	14.2	8.5	10.4	10.4	11.7	41.0
MW Installed	230.8	54.9	61.4	58.8	47.1	222.2	45.8	46.9	46.5	44.6	183.8
Sequential growth rate		(6)%	12%	(4)%	(20)%		(3)%	2%	(1)%	(4)%	
Period over period growth rate	49%	19%	(6)%	(3)%	(20)%	(4)%	(17)%	(24)%	(21)%	(5)%	(17)%
PPA/Lease	458.9	513.3	572.0	627.0	666.8	666.8	704.1	740.6	776.7	809.6	809.6
System sale	0.1	0.5	3.2	7.0	14.3	14.3	22.8	33.2	43.6	55.3	55.3
Cumulative MW Installed	458.9	513.8	575.2	634.0	681.1	681.1	726.9	773.8	820.3	864.9	864.9
Sequential growth rate		12%	12%	10%	7%		7%	6%	6%	5%	
Period over period growth rate	101%	87%	69%	58%	48%	48%	41%	35%	29%	27%	27%
Installation	\$ 2.25	\$ 2.39	\$ 2.12	\$ 2.00	\$ 2.01	\$ 2.15	\$ 1.94	\$ 1.81	\$ 1.82	\$ 1.85	\$ 1.86
Sales & Marketing	0.55	0.64	0.57	0.57	0.67	0.58	0.65	0.69	0.74	0.72	0.70
General & Administrative	0.30	0.31	0.25	0.28	0.40	0.30	0.39	0.38	0.38	0.38	0.38
Cost per watt	\$ 3.10	\$ 3.34	\$ 2.94	\$ 2.85	\$ 3.08	\$ 3.04	\$ 2.98	\$ 2.88	\$ 2.94	\$ 2.95	\$ 2.94
Estimated retained value - contract (\$ in millions)	\$ 705.6	\$ 783.4	\$ 862.0	\$ 948.3	\$ 1,015.1	\$ 1,015.1	\$ 1,068.3	\$ 1,121.6	\$ 1,175.5	\$ 1,238.0	\$ 1,238.0
Estimated retained value - renewal	200.5	228.4	252.9	280.0	299.4	299.4	317.4	339.0	359.7	377.1	377.1
Estimated retained value	\$ 906.1	\$ 1,011.8	\$ 1,114.9	\$ 1,228.3	\$ 1,314.5	\$ 1,314.5	\$ 1,385.7	\$ 1,460.6	\$ 1,535.2	\$ 1,615.1	\$ 1,615.1
Sequential growth rate		12%	10%	10%	7%		5%	5%	5%	5%	
Period over period growth rate	88%	81%	64%	55%	45%	45%	37%	31%	25%	23%	23%
Estimated retained value per watt - contract	\$ 1.54	\$ 1.53	\$ 1.51	\$ 1.51	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.51	\$ 1.51	\$ 1.53	\$ 1.53
Estimated retained value per watt - renewal	0.44	0.44	0.44	0.45	0.45	0.45	0.45	0.46	0.46	0.47	0.47
Estimated retained value per watt	\$ 1.97	\$ 1.97	\$ 1.95	\$ 1.96	\$ 1.97	\$ 1.97	\$ 1.97	\$ 1.98	\$ 1.98	\$ 2.00	\$ 2.00
Estimated retained value (\$ in millions)	\$ 906	\$ 1,012	\$ 1,115	\$ 1,228	\$ 1,315	\$ 1,315	\$ 1,386	\$ 1,461	\$ 1,535	\$ 1,615	\$ 1,615
Less: debt - non-recourse	(269)	(363)	(414)	(549)	(635)	(635)	(748)	(765)	(792)	(820)	(820)
Less: debt - recourse	(147)	(143)	(143)	(143)	(137)	(137)	(137)	(122)	(122)	(137)	(137)
Plus: cash & cash equivalents	92	87	70	113	97	97	150	116	102	108	108
Net retained value	\$ 582	\$ 593	\$ 628	\$ 650	\$ 639	\$ 639	\$ 652	\$ 690	\$ 723	\$ 767	\$ 767
Sequential growth rate		2%	6%	3%	(2)%		2%	6%	5%	6%	
Period over period growth rate	(9)%	(6)%	1%	5%	10%	10%	10%	10%	11%	20%	20%
Shares outstanding (in thousands)	106,088	106,619	107,226	108,692	110,245	110,245	110,498	114,192	114,763	115,099	115,099
Net retained value per share	\$ 5.49	\$ 5.56	\$ 5.86	\$ 5.98	\$ 5.80	\$ 5.80	\$ 5.90	\$ 6.04	\$ 6.30	\$ 6.67	\$ 6.67

Note: Amounts may not add due to rounding.

Consolidated Financial Statement Summaries

All numbers in \$ thousands, except per share amounts

	FY2015	Q1 16	Q2 16	Q3 16	Q4 16	FY2016	Q1 17	Q2 17	Q3 17	Q4 17	FY2017
Statement of Operations											
Revenue											
Operating leases and incentives	\$ 61,150	\$ 16,578	\$ 30,061	\$ 33,394	\$ 25,320	\$ 105,353	\$ 30,389	\$ 43,413	\$ 45,909	\$ 31,151	\$ 150,862
Solar energy system and product sales	3,032	652	4,843	7,868	16,451	29,814	22,725	29,582	29,230	35,629	117,166
Total Revenue	\$ 64,182	\$ 17,230	\$ 34,904	\$ 41,262	\$ 41,771	\$ 135,167	\$ 53,114	\$ 72,995	\$ 75,139	\$ 66,780	\$ 268,028
Cost of Revenue											
Cost of revenue - operating leases and incentives	131,213	37,760	38,538	39,268	35,230	150,796	35,070	33,763	34,731	37,741	141,305
Cost of revenue - solar energy system and product sales	1,762	422	3,716	6,468	12,579	23,185	18,665	22,831	22,168	25,313	88,977
Total cost of revenue	132,975	38,182	42,254	45,736	47,809	173,981	53,735	56,594	56,899	63,054	230,282
Gross profit (loss)	(68,793)	(20,952)	(7,350)	(4,474)	(6,038)	(38,814)	(621)	16,401	18,240	3,726	37,746
Operating expenses											
Sales and marketing	48,078	12,648	10,813	8,617	9,358	41,436	8,818	9,411	9,808	10,659	38,696
Research and development	3,901	1,232	144	842	761	2,979	896	895	896	653	3,340
General and administrative	92,664	22,920	18,064	19,022	21,796	81,802	20,579	20,301	19,379	19,140	79,399
Amortization of intangible assets	13,172	265	155	342	139	901	140	139	139	140	558
Impairment of intangible assets	4,506	36,601	-	-	-	36,601	-	-	-	-	-
Total operating expenses	162,321	73,666	29,176	28,823	32,054	163,719	30,433	30,746	30,222	30,592	121,993
Loss from operations	(231,114)	(94,618)	(36,526)	(33,297)	(38,092)	(202,533)	(31,054)	(14,345)	(11,982)	(26,866)	(84,247)
Interest expense	12,568	5,765	7,413	9,361	11,469	34,008	14,721	16,838	16,148	16,557	64,264
Other expense	(154)	30	309	(434)	(1,342)	(1,437)	276	715	195	(834)	352
Loss before income taxes	(243,528)	(100,413)	(44,248)	(42,224)	(48,219)	(235,104)	(46,051)	(31,898)	(28,325)	(42,589)	(148,863)
Income tax provision	9,737	5,149	8,055	2,959	(2,812)	7,433	9,401	(5,156)	9,375	(181,265)	(157,333)
Net loss	(253,265)	(105,562)	(52,303)	(39,265)	(45,407)	(242,537)	(55,452)	(37,054)	(37,700)	138,676	8,470
Net income available (loss attributable) to NCI	(266,345)	(74,343)	(64,674)	(55,961)	(65,545)	(260,523)	(68,744)	(42,034)	(44,605)	(45,245)	(200,628)
Net income available (loss attributable) to stockholders	\$ 13,080	\$ (31,219)	\$ 12,371	\$ 16,696	\$ 20,138	\$ 17,986	\$ 13,292	\$ 4,980	\$ 6,905	\$ 183,921	\$ 209,098
Weighted average shares - diluted	109,858	106,619	111,380	113,344	114,898	112,538	116,398	117,570	119,465	119,578	118,268
Diluted earnings per share	\$ 0.12	\$ (0.29)	\$ 0.11	\$ 0.15	\$ 0.18	\$ 0.16	\$ 0.11	\$ 0.04	\$ 0.06	\$ 1.54	\$ 1.77
Balance Sheet											
Cash & cash equivalents	\$ 92,213	\$ 87,164	\$ 69,614	\$ 113,037	\$ 96,586	\$ 96,586	\$ 150,477	\$ 115,612	\$ 101,755	\$ 108,452	\$ 108,452
Solar energy systems, net	1,102,157	1,200,322	1,303,904	1,389,946	1,458,355	1,458,355	1,514,197	1,567,598	1,622,561	1,673,532	1,673,532
Non-recourse debt	269,100	363,602	413,806	549,107	635,352	635,352	747,943	764,798	792,167	819,607	819,607
Recourse debt	146,750	142,600	142,600	142,600	136,500	136,500	136,500	121,500	121,500	136,500	136,500
Cash Flow											
Cash flows from operating activities	\$ (189,244)	\$ (60,489)	\$ (48,233)	\$ (15,158)	\$ (41,810)	\$ (165,690)	\$ 3,398	\$ (16,822)	\$ (11,250)	\$ (9,180)	\$ (33,854)
Cash flows from investing activities	(556,446)	(110,993)	(106,951)	(111,058)	(85,445)	(414,447)	(95,004)	(65,993)	(65,472)	(64,339)	(290,808)
Cash flows from financing activities	576,254	166,433	137,634	169,639	110,804	584,510	145,497	47,950	62,865	80,216	336,528
Proceeds from NCI	292,729	89,986	93,277	53,885	40,700	277,848	58,560	56,954	46,777	51,437	213,728
Net proceeds from non-recourse debt	164,100	94,502	50,204	135,301	86,245	366,252	112,591	16,855	27,369	27,440	184,255

Glossary

Installations

Represents the number of solar energy systems installed on customer premises.

Megawatts (MWs)

Represents the DC nameplate megawatt production capacity.

MW Installed

Represents the aggregate megawatt nameplate capacity of solar energy systems for which panels, inverters, and mounting and racking hardware have been installed on customer premises in the period.

MW Booked

Represents the aggregate megawatt nameplate capacity of solar energy systems that were permitted during the period net of cancellations in the period.

Estimated Retained Value

Represents the net cash flows, discounted at 6%, that Vivint Solar expects to receive from customers pursuant to long-term customer contracts net of estimated cash distributions to fund investors and estimated operating expenses for systems installed as of the measurement date. For purposes of the calculation, Vivint Solar aggregates the estimated retained value from the solar energy systems during the typical 20-year term of Vivint Solar's contracts, which Vivint Solar refers to as estimated retained value under energy contracts, and the estimated retained value associated with an assumed 10-year renewal term following the expiration of the initial contract term, which Vivint Solar refers to as estimated retained value of renewal. To calculate estimated retained value of renewal, Vivint Solar assumes all contracts are renewed at 90% of the contractual price in effect at the expiration of the initial term.

Glossary

Estimated Retained Value per Watt

Is calculated by dividing the estimated retained value as of the measurement date by the aggregate nameplate capacity of solar energy systems under long term customer contracts that have been installed as of such date, and is subject to the same assumptions and uncertainties as estimated retained value.

Nominal Contracted Payments Remaining

Equals the sum of the remaining cash payments that Vivint Solar's customers are expected to pay over the term of their agreements for systems installed as of the measurement date. For a power purchase agreement, Vivint Solar multiplies the contract price per kilowatt-hour by the estimated annual energy output of the associated solar energy system to determine the estimated nominal contracted payments. For a customer lease, Vivint Solar includes the monthly fees and upfront fee, if any as set forth in the lease.

Undeployed Tax Equity Financing Capacity

Represents a forecast at the amount of megawatts that can be deployed based on committed available tax equity financing for Energy Contracts.