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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date Earliest Event Reported): May 7, 2019

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**APX Group Holdings, Inc.**  
(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**333-191132-02**  
(Commission File Number)

**46-1304852**  
(I.R.S. Employer  
Identification No.)

**4931 North 300 West**  
**Provo, UT 84604**  
(Address of Principal Executive Offices) (Zip Code)

**(801) 377-9111**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Securities registered pursuant to Section 12(b) of the Act: None.

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**Item 2.02 Results of Operations and Financial Condition.**

On May 7, 2019, APX Group Holdings, Inc. (the “Company”) issued a press release announcing the results of the Company’s operations for the quarter ended March 31, 2019. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference in this Item 2.02.

The information in this Current Report on Form 8-K and Exhibit 99.1 is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit Number**

**Exhibit**

99.1

[Press Release issued by APX Group Holdings, Inc., dated May 7, 2019, announcing results for the quarter ended March 31, 2019.](#)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APX GROUP HOLDINGS, INC.

By: /s/ Dale Gerard  
Name: Dale Gerard  
Title: Senior Vice President of Finance and Treasurer

Date: May 7, 2019

## APX GROUP HOLDINGS, INC. REPORTS FIRST QUARTER 2019 RESULTS

**1<sup>st</sup> Quarter 2019 Highlights**

- ⑩ Total revenues increased 12.0% year over year to \$276.2 million
- ⑩ Net loss of \$89.2 million compared to net loss of \$84.7 million in the prior year
- ⑩ \$149.7 million in Adjusted EBITDA<sup>a</sup> compared to \$122.9 million in Adjusted EBITDA<sup>a</sup> in the prior year
- ⑩ 47,536 New Subscribers

**Provo, UT – May 7, 2019 – APX Group Holdings, Inc.** (“APX Group”, “Vivint” or the “Company”) today reported financial and operational results for the first quarter ended March 31, 2019 .

“One of our primary focus areas in the first quarter is preparation for our summer selling season,” said Todd Pedersen, chief executive officer of APX Group. “We believe we’ve made good progress in expanding our direct-to-home sales force and expect to have more sales representatives in the field this year. We’ve also spent quite a bit of time integrating our second look financing partner and expect this addition will reduce retail installment contracts as we move through the year. Our innovation team will release a number of new products in 2019, including a new 4K outdoor camera and an upgraded doorbell camera, along with a regular cadence of enhancements to our smart home cloud platform. With all of this momentum, I believe we’re well positioned for another strong performance this calendar year.”

**a:** This earnings release includes Adjusted EBITDA, a metric that is not calculated in accordance with Generally Accepted Accounting Principles in the U.S. (“GAAP”). See the “Statement Regarding Non-GAAP Financial Measures” section at the end of this earnings release for the definition of Adjusted EBITDA and a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP.

## Revenue and Subscriber Data

The Company reported total revenues of \$276.2 million for the three-month period ended March 31, 2019 an increase of \$29.6 million, or 12.0% , as compared to the same period in 2018. Total Subscribers increased by approximately 10% during the three-month period ended March 31, 2019 , which accounted for approximately \$26.5 million of the increase in total revenues, while approximately \$4.1 million of the increase was due to an increase of \$0.81 in the Average Monthly Revenue per User. When compared to the three months ended March 31, 2018 , foreign currency translation negatively affected total revenues by \$0.9 million , as computed on a constant foreign currency basis.

The Company added 47,536 New Subscribers during the first quarter of 2019 , a decrease of 14.4% compared to 55,502 New Subscribers during the same period in 2018. Excluding the New Subscribers originated from the retail channel in the first quarter of 2018, New Subscriber growth is flat on a year-over-year comparison basis.

## Summary of Quarterly Key Financial and Portfolio Metrics

(\$ in millions, except for subscriber data)

	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019
<b>Total Revenues</b>	\$ 246.6	\$ 255.0	\$ 272.3	\$ 276.5	\$ 276.2
<b>Net Loss</b>	\$ (84.7)	\$ (144.4)	\$ (120.2)	\$ (118.6)	\$ (89.2)
<b>Adjusted EBITDA <sup>(a)</sup></b>	\$ 122.9	\$ 137.2	\$ 139.3	\$ 138.3	\$ 149.7
<i>Adjusted EBITDA Margin</i>	49.8%	53.8%	51.2%	50.0%	54.2%
<b>New Subscribers <sup>(1)</sup></b>	55,502	117,875	104,249	44,948	47,536
<b>Total Subscribers <sup>(1)</sup></b>	1,313,742	1,393,635	1,450,185	1,444,822	1,445,349
<b>Total Monthly Service Revenue <sup>(1)</sup></b>	\$ 71.0	\$ 73.3	\$ 75.5	\$ 76.1	\$ 77.0
<i>Average Monthly Service Revenue per User <sup>(1)</sup></i>	\$ 54.00	\$ 52.61	\$ 52.05	\$ 52.67	\$ 53.26
<b>Total Monthly Revenue <sup>(1)</sup></b>	\$ 82.2	\$ 85.0	\$ 90.8	\$ 92.2	\$ 92.1
<i>Average Monthly Revenue per User <sup>(1)</sup></i>	\$ 62.97	\$ 62.49	\$ 63.12	\$ 63.80	\$ 63.78
<b>Attrition Rate <sup>(2)</sup></b>	10.7%	11.1%	11.8%	12.3%	12.9%

(1) New Subscribers from sales pilots are not included

(2) Attrition Rate is reported on an LTM basis for each period end and excludes wireless internet business and pilot programs

“As Vivint grows and increases capabilities, we’ve continually emphasized operational and financial scaling across the business, and we are seeing meaningful results in this area,” said Mark Davies, chief financial officer of APX Group. “In terms of sales efficiency, our last 12-month Net Subscriber Acquisition Cost decreased year over year from \$1,488 to \$1,142. Our G&A productivity has improved year over year, as we’ve reduced G&A as a percent of revenue from 20.6% to 16.8%. And most importantly, the benefits of our fully integrated technology and service platform has yielded significant improvements in our service cost per subscriber, which decreased from \$17.04 in the first quarter of 2018 to \$13.83 this quarter. While these improvements are significant, we’ll remain focused on balancing growth with cash flow and margin creation.”

## Costs and Expenses

Operating expenses for the first quarter of 2019 decreased by \$0.7 million to \$83.1 million as compared to \$83.8 million for the first quarter of 2018. The primary drivers of the decrease were a \$2.6 million decrease in costs associated with our retail channel and other sales pilots and lower equipment costs of \$2.2 million. These cost decreases were partially offset by increases in personnel and related support costs of \$1.9 million , customer payment processing costs of \$0.6 million, and information technology software costs of \$0.4 million.

Net Service Cost per Subscriber was \$13.83 for the first quarter of 2019, which contributed to a Net Service Margin of 74.0% , as compared to \$17.04 and a Net Service Margin of 68.6% for the same period in 2018.

**a:** This earnings release includes Adjusted EBITDA, a metric that is not calculated in accordance with Generally Accepted Accounting Principles in the U.S. (“GAAP”). See the “Statement Regarding Non-GAAP Financial Measures” section at the end of this earnings release for the definition of Adjusted EBITDA and a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP.

Selling expenses, net of capitalized contract costs, for the first quarter of 2019 decreased by \$15.7 million to \$43.6 million as compared to \$59.2 million for first quarter of 2018. The primary drivers of the decrease were \$11.2 million in lower costs associated with our retail channel and other sales pilots, a decrease in personnel and related support costs of \$3.0 million and lower marketing-related costs of \$1.1 million .

The Company's Net Subscriber Acquisition Costs per New Subscriber was \$1,142 for the last twelve months ended March 31, 2019 as compared to \$1,488 for the same period in 2018. The average proceeds collected at point of sale during the last twelve months was approximately \$1,031 per New Subscriber.

General and administrative ("G&A") expenses, net of allocations, for the first quarter of 2019 decreased by \$4.7 million to \$46.3 million as compared to \$51.0 million for the first quarter of 2018. The primary drivers of the decrease were a reduction in professional and legal contracted services costs of \$2.8 million, lower marketing-related costs of \$1.4 million , a decrease in personnel and related support costs of \$1.3 million and lower information technology costs of \$0.5 million. The decreases were partially offset by a \$1.9 million increase in bad debt.

### **Adjusted EBITDA and Net Loss**

Net loss was \$89.2 million and Adjusted EBITDA was \$149.7 million for the first quarter of 2019 , as compared to net loss of \$84.7 million and Adjusted EBITDA of \$122.9 million for the same period in 2018 .

### **Liquidity**

As of March 31, 2019 , the Company's liquidity position on a consolidated basis, defined as cash on hand, short-term marketable securities and available borrowing capacity under the Company's revolving credit facility, was approximately \$253 million .

### **Certain Credit Statistics**

The Company's net leverage ratio, defined as the ratio of net debt to LTM Adjusted EBITDA, was 5.5 x as of March 31, 2019 .

### **Conference Call**

Vivint will host a conference call and webcast to discuss the quarterly results at 5:00 p.m. ET today, May 7, 2019. To join the live webcast and conference call, please visit the Investor Relations section of the Vivint website, [www.investors.vivint.com/events-presentations/events](http://www.investors.vivint.com/events-presentations/events), or dial (833) 235-7641 for domestic participants or (647) 689-4162 for international participants with the conference code of 1698518.

A financial results presentation and online access to join the webcast will be available immediately before the call on the Investor Relations section of the Company's website at <http://www.investors.vivint.com/events-presentations/events>. A replay of the webcast will be available for 30 days on the Investor Relations section of the Company's website at [www.investors.vivint.com](http://www.investors.vivint.com) following the completion of the webcast and conference call.

### **About Vivint Smart Home**

Vivint Smart Home is a leading smart home company in North America. Vivint delivers an integrated smart home system with in-home consultation, professional installation and support delivered by its Smart Home Pros, as well as 24-7 customer care and monitoring. Dedicated to redefining the home experience with intelligent products and services, Vivint serves more than 1.4 million customers. For more information, visit [www.vivint.com](http://www.vivint.com).

### **Forward-Looking Statements**

This earnings release and accompanying conference call include certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995, including statements regarding, among other things, the Company's plans, strategies and prospects, both business and financial. Forward-looking statements convey the Company's current

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expectations or forecasts of future events. Although we believe that the Company's plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that the Company 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 the date hereof. You should understand that the following important factors, in addition to those discussed in "Risk Factors" and elsewhere in the Company's most recent Annual Report on Form 10-K/A, for the fiscal year ended December 31, 2018 and the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2019, which is expected to be filed on or about the date of this earnings release, 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 smart home and security industry, including risks of and publicity surrounding the sales, subscriber origination and retention process;
- the highly competitive nature of the smart home and security industry and product introductions and promotional activity by Vivint's competitors;
- litigation, complaints, product liability claims and/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;
- increases and/or decreases in utility and other energy costs, increased costs related to utility or governmental requirements;
- cost increases or shortages in smart home and security technology products or components;
- the introduction of unsuccessful new Smart Home Services;
- privacy and data protection laws, privacy or data breaches, or the loss of data; and
- the impact to the Company's 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.

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 press release are more fully described in the "Risk Factors" section in the Company's most recent annual report on Form 10-K/A for the fiscal year ended December 31, 2018 and the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2019, which is expected to be filed on or about the date of this earnings release, and other reports as such factors may be updated from time to time in the Company's periodic filings with the SEC. These risk factors should not be construed as exhaustive. We undertake no obligations to update or revise publicly any forward-looking statements, whether a result of new information, future events, or otherwise, except as required by law.

### **Certain Definitions**

**Total Subscribers** - is the aggregate number of active smart home and security subscribers at the end of a given period.

**Total Monthly Revenue** - or Total MR, is the average monthly total revenue recognized during the period.

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**Average Monthly Revenue per User** - or AMRU, is Total MR divided by average monthly Total Subscribers during a given period.

**Total Monthly Service Revenue** - or MSR, 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.

**Average Monthly Service Revenue per User** - or AMSRU, is Total MSR divided by Total Subscribers at 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 us 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, we do not consider this as a cancellation. If a subscriber transfers their service contract to a new subscriber, we do not consider this a cancellation.

**Average Subscriber Lifetime** - in number of months, is 100% divided by our expected long-term annualized attrition rate (which is currently estimated at 13%) multiplied by 12 months.

**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 MSR 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 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 our New Subscribers during a given period.

**Average Monthly Service Revenue per New Subscriber** - is the Total Monthly Service Revenue for New Subscribers divided by New Subscribers during a given period.

**Lifetime Service Revenue per New Subscriber** - is the Total Monthly Service Revenue for New Subscribers divided by New Subscribers, multiplied by Average Subscriber Lifetime.

**Lifetime Service Revenue Multiple** - is the Lifetime Service Revenue per New Subscriber divided by Net Subscriber Acquisition Costs per New Subscriber.

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

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**Contact:**

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**APX GROUP HOLDINGS, INC. and SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations**

(In thousands)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenues:</b>		
Recurring and other revenue	\$ 276,249	\$ 246,597
<b>Total revenues</b>	<b>276,249</b>	<b>246,597</b>
<b>Costs and expenses:</b>		
Operating expenses	83,076	83,760
Selling expenses	43,591	59,243
General and administrative expenses	46,339	50,967
Depreciation and amortization	131,221	124,258
<b>Total costs and expenses</b>	<b>304,227</b>	<b>318,228</b>
<b>Loss from operations</b>	<b>(27,978)</b>	<b>(71,631)</b>
<b>Other expenses (income):</b>		
Interest expense	63,748	58,790
Interest income	(23)	(31)
Other income, net	(2,246)	(45,240)
<b>Total other expenses</b>	<b>61,479</b>	<b>13,519</b>
<b>Loss before income taxes</b>	<b>(89,457)</b>	<b>(85,150)</b>
Income tax benefit	(301)	(433)
<b>Net loss</b>	<b>\$ (89,156)</b>	<b>\$ (84,717)</b>

**APX GROUP HOLDINGS, INC. and SUBSIDIARIES**

Condensed Consolidated Balance Sheets

(In thousands)

(Unaudited)

	March 31, 2019	December 31, 2018
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,691	\$ 12,773
Accounts and notes receivable, net	55,348	48,724
Inventories	94,275	50,552
Prepaid expenses and other current assets	15,128	11,449
<b>Total current assets</b>	<b>168,442</b>	<b>123,498</b>
Property, plant and equipment, net	64,614	73,401
Capitalized contract costs, net	1,092,865	1,115,775
Deferred financing costs, net	1,797	2,058
Intangible assets, net	235,583	255,085
Goodwill	835,404	834,855
Operating lease right-of-use assets	72,891	—
Long-term notes receivables and other assets, net	121,796	119,819
<b>Total assets</b>	<b>\$ 2,593,392</b>	<b>\$ 2,524,491</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities:		
Accounts payable	\$ 115,242	\$ 66,646
Accrued payroll and commissions	37,281	65,479
Accrued expenses and other current liabilities	158,997	136,715
Deferred revenue	194,326	186,953
Current portion of operating lease liabilities	11,749	—
Current portion of finance lease liabilities	7,114	7,743
<b>Total current liabilities</b>	<b>524,709</b>	<b>463,536</b>
Notes payable, net	3,035,990	3,037,095
Revolving credit facility	40,000	—
Finance lease liabilities, net of current portion	3,952	5,571
Operating lease liabilities	71,964	—
Deferred revenue, net of current portion	326,631	323,585
Other long-term obligations	73,390	90,209
Deferred income tax liabilities	1,120	1,096
<b>Total liabilities</b>	<b>4,077,756</b>	<b>3,921,092</b>
Total stockholders' deficit	(1,484,364)	(1,396,601)
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 2,593,392</b>	<b>\$ 2,524,491</b>

**APX GROUP HOLDINGS, INC. and SUBSIDIARIES**

## Summary Cash Flow Data

(In thousands)

(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Net cash used in operating activities	\$ (43,017)	\$ (59,582)
Net cash (used in) provided by investing activities	(1,811)	46,586
Net cash provided by financing activities	35,721	12,616
Effect of exchange rate changes on cash	25	(19)
Net decrease in cash and cash equivalents	(9,082)	(399)
<b>Cash and cash equivalents:</b>		
Beginning of period	12,773	3,872
End of period	\$ 3,691	\$ 3,473

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## Statement Regarding Non-GAAP Financial Measures

This earnings release includes 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”).

“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 the credit agreement governing our revolving credit facility.

We believe that the presentation of 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, and the credit agreements governing the revolving credit facility and the term loan. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate Adjusted EBITDA in the same manner.

Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net 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 the following table for a quantitative reconciliation of Adjusted EBITDA to Net Loss, which we believe is the most comparable financial measure calculated in accordance with GAAP.

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**APX GROUP HOLDINGS, INC. and SUBSIDIARIES**

Reconciliation of Non-GAAP Financial Measures

(In millions)

(Unaudited)

	March 31, 2018	June 30, 2018	Three Months Ended September 30, 2018	December 31, 2018	March 31, 2019
<b>Net loss</b>	\$ (84.7)	\$ (144.4)	\$ (120.2)	\$ (118.6)	\$ (89.2)
Interest expense, net	58.8	60.3	61.9	63.8	63.7
Other loss (income), net	5.1	4.7	14.5	8.7	(2.2)
Gain on sale of spectrum (i)	(50.4)	—	—	—	—
Income tax benefit	(0.4)	(0.9)	(0.2)	—	(0.3)
Restructuring expenses (ii)	—	4.1	0.5	—	—
Depreciation and amortization (iii)	28.9	28.9	29.1	28.9	26.2
Amortization of capitalized contract costs	95.4	97.9	101.5	103.4	105.0
Non-capitalized contract costs (iv)	70.9	83.1	59.6	63.0	57.7
Non-cash compensation (v)	0.2	0.3	0.9	0.9	0.8
Other Adjustments (vi)	12.0	19.8	14.9	12.7	11.5
Adjustment for change in accounting principle (Topic 606) (vii)	(12.9)	(16.6)	(23.2)	(24.5)	(23.5)
<b>Adjusted EBITDA</b>	\$ 122.9	\$ 137.2	\$ 139.3	\$ 138.3	\$ 149.7

- (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*.