
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 7, 2017

Vivint Solar, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36642
(Commission
File Number)

45-5605880
(IRS Employer
Identification No.)

1800 West Ashton Blvd.
Lehi, Utah 84043
(Address of principal executive offices, including zip code)
(877) 404-4129
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- 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.

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2017, Vivint Solar, Inc. (the “Company”) issued a press release reporting its financial results for the third quarter ended September 30, 2017. A copy of the press release is furnished herewith as Exhibit 99.1.

The Company makes reference to non-GAAP financial measures in the press release, and includes information regarding such measures in the press release.

The Company also posted a memorandum to the investors section of its website outlining the Company’s methodology for estimating its cost per watt for installing solar energy systems that has been updated for its financial results for the third quarter ended September 30, 2017.

The information furnished in this Current Report under Item 2.02 and the exhibit attached hereto shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing 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.

Pursuant to the rules and regulations of the Securities and Exchange Commission, the attached exhibit is deemed to have been furnished to, but not filed with, the Securities and Exchange Commission:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Vivint Solar, Inc. press release dated November 7, 2017

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.

Vivint Solar, Inc.

By: /s/ DANA RUSSELL
Dana Russell
Chief Financial Officer
and Executive Vice President

Date: November 7, 2017

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Vivint Solar, Inc. press release dated November 7, 2017



VIVINT SOLAR ANNOUNCES THIRD QUARTER 2017 RESULTS

LEHI, Utah, November 7, 2017 -- Vivint Solar (NYSE: VSLR), today announced financial results for the third quarter ended September 30, 2017.

Third Quarter 2017 Operating Highlights

Key operating and development highlights for the quarter ended September 30, 2017 include:

- MW Booked of approximately 53 MWs for the quarter.
- MW Installed of approximately 47 MWs. Total cumulative MWs installed were approximately 820 MWs.
- Installations were 7,076 for the quarter. Cumulative installations were 120,363.
- Estimated Nominal Contracted Payments Remaining increased by approximately \$111 million during the quarter to approximately \$2.9 billion.
- Estimated Retained Value increased by approximately \$75 million during the quarter to approximately \$1.5 billion.
- Estimated Retained Value per Watt was \$1.98.
- Cost per Watt was \$2.94, an increase from \$2.88 in the second quarter of 2017 and up from \$2.85 in the third quarter of 2016.

Third Quarter 2017 GAAP Financial Results

Summary GAAP financial results for the quarter ended September 30, 2017 include:

- Operating Leases and Incentives Revenue was \$45.9 million, up 37% from \$33.4 million in the third quarter of the prior year. Total revenue for the quarter was \$75.1 million, up 82% from \$41.3 million in the third quarter of the prior year.
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- Cost of Revenue – Operating Leases and Incentives was \$34.7 million, down from \$39.3 million in the same period of 2016 .
- Total Operating Expenses, including cost of revenue, were \$87.1 million, compared to \$74.6 million in the third quarter of 2016.
- Loss from Operations was \$12.0 million compared to \$33.3 million in the same period of 2016.
- GAAP Net Income Available (Loss Attributable) per Share to Common Stockholders was \$0.06, down from \$0.15 in the third quarter of 2016.
- Non-GAAP Net Loss Attributable Before Non-Controlling Interests and Redeemable Non-Controlling Interests per Share was (\$0.33), up from (\$0.36) in the same period of 2016. See below for a further discussion of Non-GAAP Loss per Share.
- Cash and Cash Equivalents as of September 30, 2017 were \$101.8 million.

Financing Activity

As of September 30, 2017, the company had \$15 million in undrawn capacity in the working capital facility, had \$275 million in undrawn capacity in the aggregation facility, and had approximately 76 MWs of installation capacity remaining in its tax equity funds.

Guidance for Fourth Quarter 2017

The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially. These statements supersede all prior statements regarding 2017 financial results.

For the fourth quarter of 2017, Vivint Solar expects:

- MW Installed: 46 to 50 MWs
- Cost per Watt: \$2.90 - \$3.00

Earnings Conference Call

Vivint Solar will host an investor conference call and live webcast today, Tuesday, November 7, 2017, at 5:00 p.m. ET to discuss these financial results. To access the conference call, dial 1.844.579.6824 or 1.763.488.9145 for international callers. The conference ID is 9870 3603. A listen-only webcast will be accessible on the investor relations page of the Company's website at investors.vivintsolar.com/ and will be archived and available on this site until November 30, 2017. Participants should follow the instructions provided on the website to download and install the necessary audio

applications in advance of the call. In addition, the earnings presentation slides will be available on the investor relations page of the site by 5:00 p.m. ET along with this press release and the financial information discussed on today's conference call at investors.vivintsolar.com/.

About Vivint Solar

Vivint Solar is a leading full-service residential solar provider in the United States. With Vivint Solar, customers can power their homes with clean, renewable energy and typically achieve significant financial savings over time. Offering integrated residential solar solutions for the entire customer lifecycle, Vivint Solar designs and installs the solar energy systems for its customers, and offers monitoring and maintenance services. In addition to being able to purchase a solar energy system outright, customers may benefit from Vivint Solar's affordable, flexible financing options, power purchase agreements, or lease agreements, where available. Through an exclusive collaboration, Vivint Solar also offers solar plus storage systems with Mercedes-Benz batteries. For more information, visit www.vivintsolar.com or follow @VivintSolar on Twitter.

Note on Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995, including statements regarding Vivint Solar's guidance for megawatts installed and cost per watt, installation capacity remaining in tax equity funds, growth prospects, and operating and financial results, such as estimates of nominal contracted payments remaining, estimated retained value, estimated retained value per watt, including the assumptions related to the calculation of the foregoing metrics.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Forward-looking statements should not be read as a guarantee of future performance or results, and they will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. These statements are based on current expectations and assumptions regarding future events and business performance as of the date of this press release, and they are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements, including but not limited to: the availability of additional financing on acceptable terms; changes in the retail price of traditional utility generated electricity; changes in electric utility policies and regulations; the availability of rebates, tax credits and other incentives, including solar renewable energy certificates, or SRECs, and other federal and state incentives; regulations and policies related to net metering; changes in regulations, tariffs and other trade barriers and tax policy affecting us and our industry; our ability to manage our recent and future growth effectively, including attracting, training and retaining sales personnel and solar energy system installers; the availability and price of solar panels and other system components, the assumptions employed in calculating our operating metrics may be inaccurate; and

such other risks identified in the registration statements and reports that Vivint Solar files with the U.S. Securities and Exchange Commission, or SEC, from time to time. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in those statements will be achieved or will occur, and actual results could differ materially from those anticipated or implied in the forward-looking statements. Except as required by law, Vivint Solar does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. You should read the documents Vivint Solar has filed with the SEC for more complete information about the company. These documents are available on both the EDGAR section of the SEC's website at www.sec.gov and the Investor Relations section of the Company's website at investors.vivintsolar.com/.

Vivint Solar, Inc.
Condensed Consolidated Unaudited Balance Sheets
(In thousands)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 101,755	\$ 96,586
Accounts receivable, net	29,517	12,658
Inventories	19,802	11,285
Prepaid expenses and other current assets	29,519	46,683
Total current assets	180,593	167,212
Restricted cash and cash equivalents	45,593	26,853
Solar energy systems, net	1,622,561	1,458,355
Property and equipment, net	17,040	23,199
Intangible assets, net	1,002	1,420
Prepaid tax asset, net	482,446	419,474
Other non-current assets, net	36,889	29,843
TOTAL ASSETS	\$ 2,386,124	\$ 2,126,356
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY		
Current liabilities:		
Accounts payable	\$ 42,315	\$ 46,630
Accounts payable—related party	476	191
Distributions payable to non-controlling interests and redeemable non-controlling interests	11,664	16,176
Accrued compensation	23,199	20,003
Current portion of long-term debt	13,454	6,252
Current portion of deferred revenue	32,283	19,911
Current portion of capital lease obligation	4,571	5,163
Accrued and other current liabilities	25,044	19,364
Total current liabilities	153,006	133,690
Long-term debt, net of current portion	882,672	750,728
Deferred revenue, net of current portion	33,680	34,379
Capital lease obligation, net of current portion	2,294	5,476
Deferred tax liability, net	491,834	395,218
Other non-current liabilities	13,999	10,355
Total liabilities	1,577,485	1,329,846
Commitments and contingencies		
Redeemable non-controlling interests	127,833	129,676
Stockholders' equity:		
Common stock	1,148	1,102
Additional paid-in capital	554,420	542,348
Accumulated other comprehensive income	6,027	7,631
Retained earnings	29,186	5,217
Total stockholders' equity	590,781	556,298
Non-controlling interests	90,025	110,536
Total equity	680,806	666,834
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY	\$ 2,386,124	\$ 2,126,356

Vivint Solar, Inc.
Condensed Consolidated Unaudited Statements of Operations
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue:				
Operating leases and incentives	\$ 45,909	\$ 33,394	\$ 119,711	\$ 80,033
Solar energy system and product sales	29,230	7,868	81,537	13,363
Total revenue	75,139	41,262	201,248	93,396
Operating expenses:				
Cost of revenue—operating leases and incentives	34,731	39,268	103,564	115,566
Cost of revenue—solar energy system and product sales	22,168	6,468	63,664	10,606
Sales and marketing	9,808	8,617	28,037	32,078
Research and development	896	842	2,687	2,218
General and administrative	19,379	19,022	60,259	60,006
Amortization of intangible assets	139	342	418	762
Impairment of goodwill	—	—	—	36,601
Total operating expenses	87,121	74,559	258,629	257,837
Loss from operations	(11,982)	(33,297)	(57,381)	(164,441)
Interest expense	16,148	9,361	47,707	22,539
Other expense (income), net	195	(434)	1,186	(95)
Loss before income taxes	(28,325)	(42,224)	(106,274)	(186,885)
Income tax expense (benefit)	9,375	(2,959)	23,932	10,245
Net loss	(37,700)	(39,265)	(130,206)	(197,130)
Net loss attributable to non-controlling interests and redeemable non-controlling interests	(44,605)	(55,961)	(155,383)	(194,978)
Net income available (loss attributable) to common stockholders	\$ 6,905	\$ 16,696	\$ 25,177	\$ (2,152)
Net income available (loss attributable) per share to common stockholders:				
Basic	\$ 0.06	\$ 0.15	\$ 0.22	\$ (0.02)
Diluted	\$ 0.06	\$ 0.15	\$ 0.21	\$ (0.02)
Weighted-average shares used in computing net income available (loss attributable) per share to common stockholders:				
Basic	114,505	108,692	112,554	107,516
Diluted	119,465	113,344	117,825	107,516

Vivint Solar, Inc.
Condensed Consolidated Unaudited Statements of Cash Flows
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	\$ (37,700)	\$ (39,265)	\$ (130,206)	\$ (197,130)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	15,632	12,500	44,671	32,376
Amortization of intangible assets	139	342	418	762
Impairment of goodwill	—	—	—	36,601
Deferred income taxes	33,238	41,075	98,493	124,912
Stock-based compensation	2,249	3,678	9,501	6,145
Loss on solar energy systems and property and equipment	1,258	4,317	5,024	4,576
Non-cash interest and other expense	2,044	1,966	7,355	4,963
Reduction in lease pass-through financing obligation	(1,550)	(1,613)	(3,545)	(3,279)
Losses (gains) on interest rate swaps	200	(258)	1,193	(258)
Excess tax detriment from stock-based compensation	—	(299)	—	(1,280)
Changes in operating assets and liabilities:				
Accounts receivable, net	(7,844)	(140)	(16,859)	(8,444)
Inventories	(3,661)	(2,655)	(8,517)	(5,891)
Prepaid expenses and other current assets	(5,084)	(2,209)	16,289	98
Prepaid tax asset, net	(19,866)	(35,273)	(62,972)	(122,313)
Other non-current assets, net	104	(961)	(5,921)	(4,255)
Accounts payable	936	1,742	874	664
Accounts payable—related party	173	(68)	120	(1,480)
Accrued compensation	3,522	3,696	1,500	8,334
Deferred revenue	5,004	2,222	11,673	3,396
Accrued and other liabilities	(44)	(3,955)	6,235	(2,377)
Net cash used in operating activities	<u>(11,250)</u>	<u>(15,158)</u>	<u>(24,674)</u>	<u>(123,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for the cost of solar energy systems	(66,192)	(106,651)	(211,225)	(318,273)
Payments for property and equipment	(39)	(809)	(672)	(2,697)
Proceeds from disposals of solar energy systems and property and equipment	852	319	1,952	693
Change in restricted cash and cash equivalents	(2,309)	(3,917)	(18,740)	(8,434)
Proceeds from state tax credits	2,216	—	2,216	—
Purchase of intangible assets	—	—	—	(291)
Net cash used in investing activities	<u>(65,472)</u>	<u>(111,058)</u>	<u>(226,469)</u>	<u>(329,002)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from investment by non-controlling interests and redeemable non-controlling interests	46,777	53,885	162,291	237,148
Distributions paid to non-controlling interests and redeemable non-controlling interests	(11,294)	(10,417)	(33,774)	(22,230)
Proceeds from long-term debt	33,000	355,551	306,750	500,257
Payments on long-term debt	(5,631)	(220,250)	(164,935)	(224,400)
Payments for debt issuance and deferred offering costs	(267)	(10,544)	(13,677)	(16,774)
Proceeds from lease pass-through financing obligation	980	557	2,467	1,417
Principal payments on capital lease obligations	(1,070)	(1,298)	(3,413)	(4,357)
Proceeds from issuance of common stock	370	2,155	603	2,645
Net cash provided by financing activities	<u>62,865</u>	<u>169,639</u>	<u>256,312</u>	<u>473,706</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(13,857)	43,423	5,169	20,824
CASH AND CASH EQUIVALENTS—Beginning of period	115,612	69,614	96,586	92,213
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 101,755</u>	<u>\$ 113,037</u>	<u>\$ 101,755</u>	<u>\$ 113,037</u>

Vivint Solar, Inc.
Key Operating Metrics

	September 30, 2017	Three Months Ended June 30, 2017	September 30, 2016
Installations	7,076	7,108	8,266
Megawatts installed	46.5	46.9	58.8
Cumulative installations	120,363	113,287	93,138
Cumulative megawatts installed	820.3	773.8	634.0
Estimated nominal contracted payments remaining (in millions)	\$ 2,913.2	\$ 2,802.4	\$ 2,432.2
Estimated retained value under energy contracts (in millions)	\$ 1,175.5	\$ 1,121.6	\$ 948.3
Estimated retained value of renewal (in millions)	\$ 359.7	\$ 339.0	\$ 280.0
Estimated retained value (in millions)	\$ 1,535.2	\$ 1,460.6	\$ 1,228.3
Estimated retained value per watt	\$ 1.98	\$ 1.98	\$ 1.96

Sensitivity Analysis for Retained Value

The following table provides quantitative sensitivity analysis of our estimate of retained value of solar energy systems under contracts as of September 30, 2017, including both the contracted and estimated renewal portion, at a range of discount rates (retained value amounts in millions):

	4%	6%	8%
Estimated retained value under energy contracts	\$ 1,405.6	\$ 1,175.5	\$ 995.1
Estimated retained value of renewal	562.8	359.7	232.4
Total estimated retained value	\$ 1,968.4	\$ 1,535.2	\$ 1,227.5

Non-GAAP Earnings per Share (EPS) Before Noncontrolling Interests

We report GAAP EPS, which is based upon net income available (loss attributable) to common stockholders. We also report non-GAAP EPS. The difference between GAAP EPS and non-GAAP EPS is that non-GAAP EPS is based on net loss, which excludes net loss attributable to non-controlling interests and redeemable non-controlling interests. Additionally, we have excluded the effect of the goodwill impairment for the nine months ended September 30, 2016 as it is a non-cash, non-recurring event that is not representative of our ongoing business. As we are in a net loss position for all periods reported, potentially issuable shares are excluded from the diluted EPS calculation since the effect would be antidilutive. Therefore, basic and diluted non-GAAP EPS are the same in each period presented.

Under GAAP accounting, we report net loss attributable to non-controlling interests and redeemable non-controlling interests to reflect our joint venture fund investors' allocable share in the results of these joint venture investment funds. Net loss attributable to non-controlling interests and redeemable non-controlling interests is calculated based primarily on the hypothetical liquidation at book value, or HLBV, method, which assumes that the joint venture funds are liquidated at the reporting date, even though liquidation may or may not ever occur. Additionally, the returns that will be allocated to the investors over the expected terms of the investment funds may differ significantly from the amounts calculated under the HLBV method. Accordingly, we also report non-GAAP EPS based on our losses before net loss attributable to non-controlling interests and redeemable non-controlling interests per share, which we view as a better measure of our operating performance. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP.

According to this definition, the non-GAAP loss before the allocation of loss attributable to non-controlling interests and redeemable non-controlling interests per share was (\$0.33) and (\$1.16) for the three and nine months ended September 30, 2017.

Vivint Solar, Inc. Reconciliation from GAAP EPS to Non-GAAP EPS (In thousands, except per share data)

	Three Months Ended			
	September 30, 2017		September 30, 2016	
	Net Loss	EPS	Net Loss	EPS
Net income available to common stockholders	\$ 6,905	\$ 0.06	\$ 16,696	\$ 0.15
Net loss attributable to non-controlling interests and redeemable non-controlling interests	(44,605)	(0.39)	(55,961)	(0.51)
Non-GAAP net loss	<u>\$ (37,700)</u>	<u>\$ (0.33)</u>	<u>\$ (39,265)</u>	<u>\$ (0.36)</u>
Weighted-average shares used in computing net loss per share		<u>114,505</u>		<u>108,692</u>
	Nine Months Ended			
	September 30, 2017		September 30, 2016	
	Net Loss	EPS	Net Loss	EPS
Net income available (loss attributable) to common stockholders	\$ 25,177	\$ 0.22	\$ (2,152)	\$ (0.02)
Net loss attributable to non-controlling interests and redeemable non-controlling interests	(155,383)	(1.38)	(194,978)	(1.81)
Impairment of goodwill	—	—	36,601	0.34
Non-GAAP net loss	<u>\$ (130,206)</u>	<u>\$ (1.16)</u>	<u>\$ (160,529)</u>	<u>\$ (1.49)</u>
Weighted-average shares used in computing net loss per share:		<u>112,554</u>		<u>107,516</u>

Glossary of Definitions

“ **Installations** ” represents the number of solar energy systems installed on customers’ premises.

“ **MWs or megawatts** ” represents the DC nameplate megawatt production capacity.

“ **MW Booked** ” represents the aggregate megawatt nameplate capacity of solar energy systems that were permitted during the period net of cancellations in the period.

“ **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.

“ **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.

“ **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.

“ **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.

“ **Undeployed Tax Equity Financing Capacity** ” represents a forecast of the amount of megawatts that can be deployed based on committed available tax equity financing for energy contracts.

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