

# ASCENT CAPITAL GROUP INC



2<sup>nd</sup> Quarter 2017  
Earnings Presentation  
August 2017

# Forward Looking Statements

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, including the launch of MONI's direct sales and installation channel, market potential and expansion, the success of new products and services, such as ASAPer, consumer demand for interactive and home automation services, account creation and related costs, subscriber attrition, anticipated account generation, future financial prospects, and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of our services, technological innovations in the alarm monitoring industry, competitive issues, continued access to capital on terms acceptable to Ascent and/or MONI, our ability to capitalize on acquisition opportunities, general market and economic conditions and changes in law and government regulations. These forward-looking statements speak only as of the date of this press release, and Ascent expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Ascent's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Ascent, including the most recent Forms 10-K and 10-Q for additional information about Ascent and about the risks and uncertainties related to Ascent's business which may affect the statements made in this presentation.

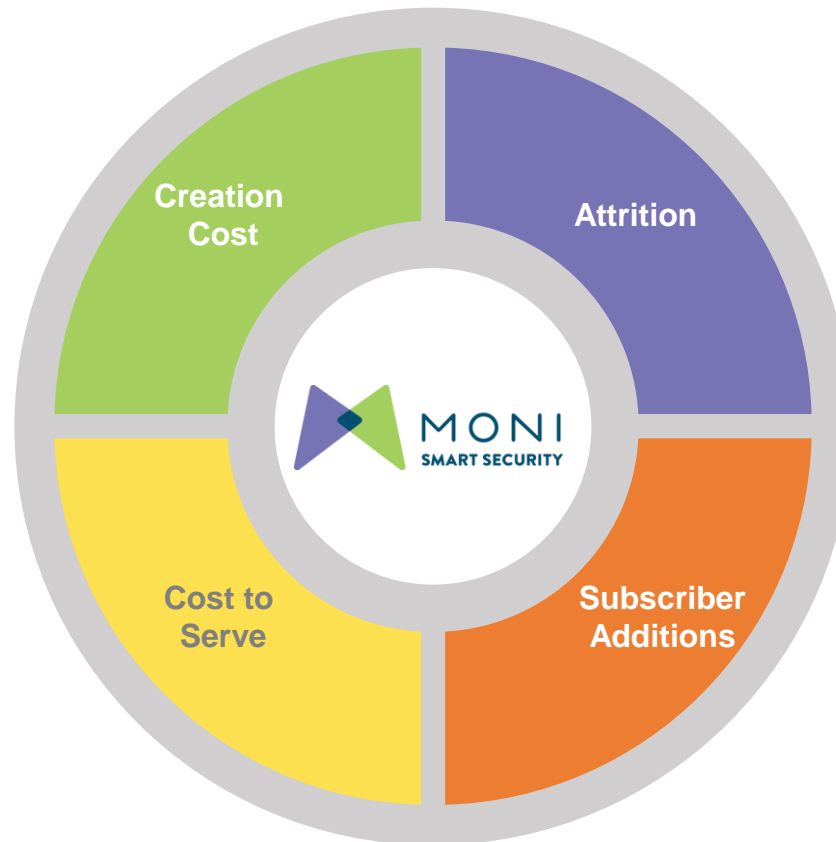
# Focus on Grand Slam Initiatives

## Creation Cost

- Internal lead generation
- Re-negotiate with dealers
- Increase growth of lower cost DIY business
- Direct installs

## Cost to Serve

- Invest in customer service automation
- Increase penetration of HomeTouch to existing base
- Target cost savings initiatives
- LiveWatch gains greater scale
- ASAPer



## Attrition

- Proactively identify “at risk” customers through new technology platform
- Improve customer care and first call resolution
- Increase mix of “sticky” HomeTouch customers

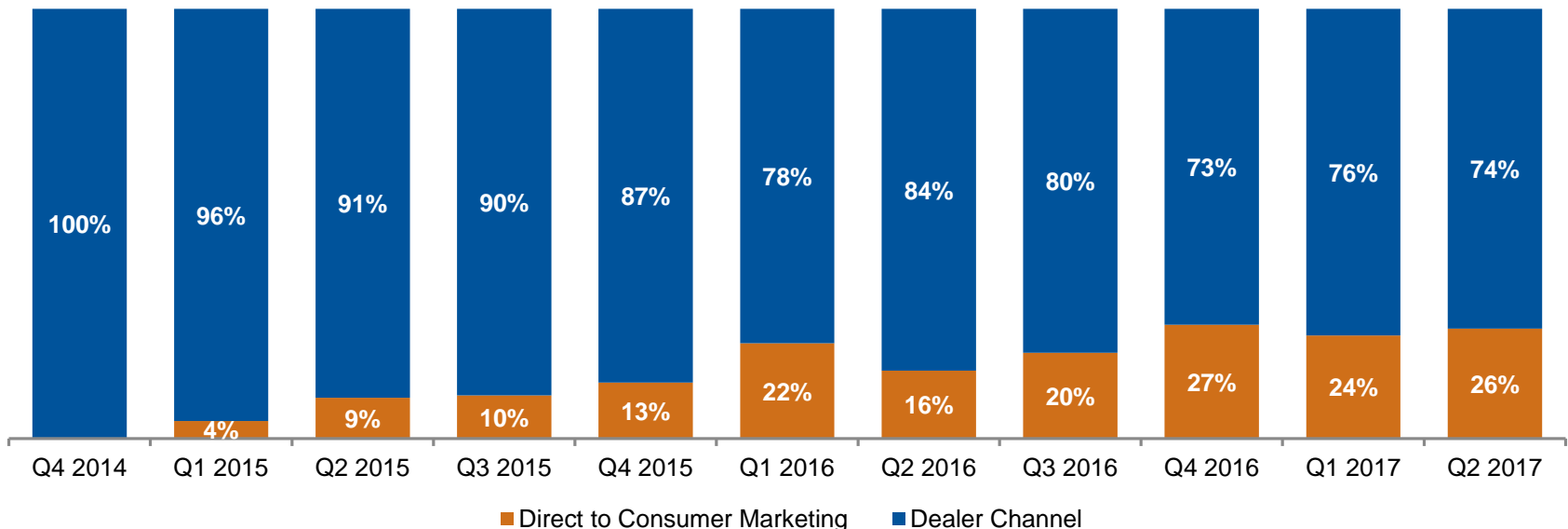
## Subscriber Additions

- Strong partnerships with AAA and AARP help attract and retain new dealers
- New programs to reinforce long-term partnership with MONI
- Expand direct-to-consumer DIY offering

# MONI's Evolution: New Channels to Market

- 3 years ago, MONI sourced accounts exclusively from dealers under the Monitronics brand
- Today, 26% of MONI's new subscribers are sourced through direct to consumer channels under the MONI Smart Security and LiveWatch brands
- This will continue to grow as the MONI Direct channel scales and LiveWatch continues to expand

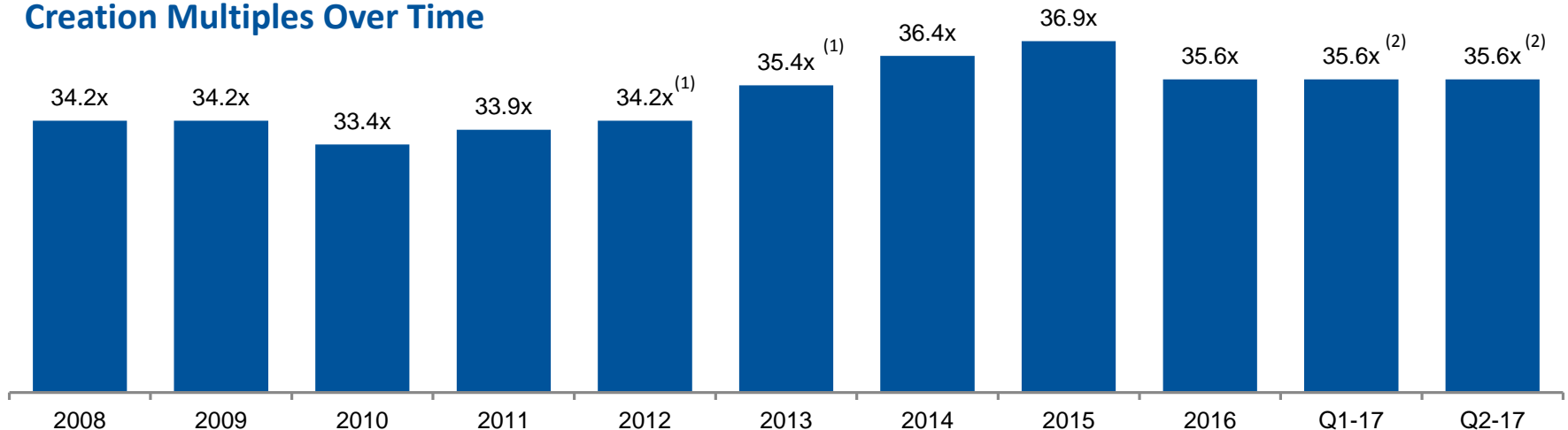
## Subscriber Additions by Channel



# Improving Creation Multiples

- MONI using several levers to improve subscriber acquisition economics:
  - Successfully completed renegotiations in 2016 and retained all major dealers
  - Reduced purchases from higher cost dealers
  - Implementing additional initiatives to further improve the quality of accounts acquired from dealers
  - Creating accounts from lower cost inside sales and DIY channels
- 35.6x Q2 creation multiple, flat with Q1 and 2016

## Creation Multiples Over Time



1) Excludes favorable impact of Pinnacle bulk acquisition

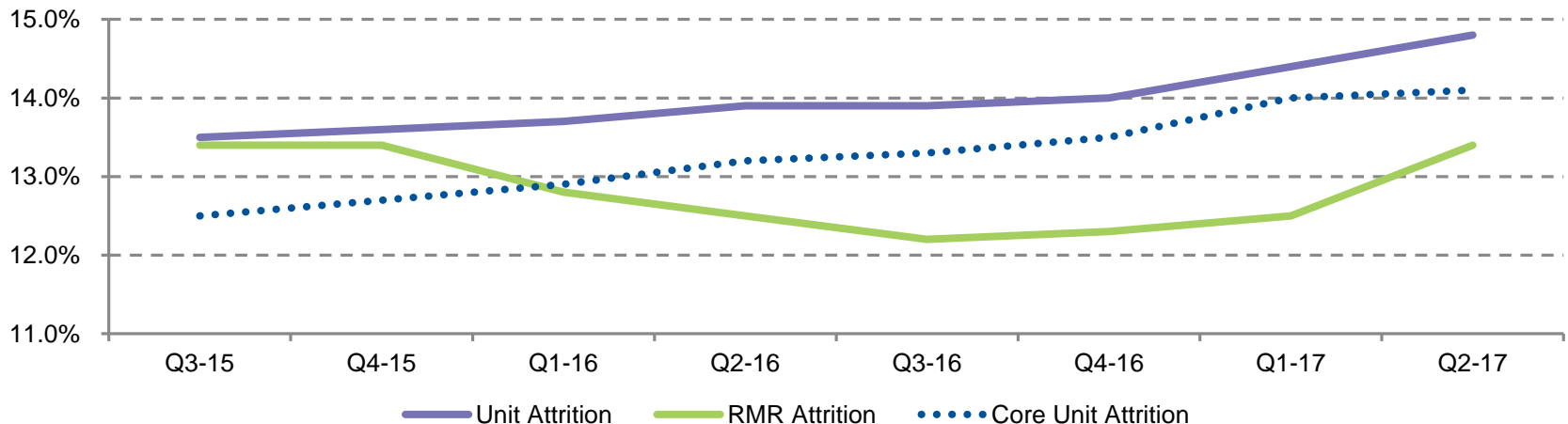
2) Excludes impact of additional marketing expense associated with startup of new direct sales channel

# Improved Customer Retention

## Focus Areas:

- Provide exceptionally high levels of customer service
- Expand customer groups identified by predictive churn analytics
- Aggressively drive contract extensions
  - Extended ~2,500 customers per week YTD, up from 1,800 per week a year ago
- Introduce offers that increase RMR
  - Implementing measured price increases along with new automation products

**Goal: Drive improvements in RMR and Core attrition each year over the next 5 years**



# Fully-Connected Home Capabilities

- MONI's adoption rate of Home Automation services continues to accelerate
  - MONI has greatly increased its penetration in interactive home services since first introducing HomeTouch in 2012
  - MONI's products are compatible with multiple product suites, allowing it to be more widely adopted by consumers



**MONI Interactive Services Penetration**  
(% of New Additions)

