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Fourth-Quarter & Full-Year 2020 Earnings Webcast

February 18, 2021

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, projected future performance and any statements about Frontdoor's plans, strategies, and prospects. Forward-looking statements can be identified by the use of forward-looking terms such as "believe," "expect," "estimate," "could," "should," "intend," "may," "plan," "seek," "anticipate," "project," "will," "shall," "would," "aim," or other comparable terms. These forward-looking statements changes in the source and intensity of competition in our market; weakening general economic conditions; the success of our business strategies; our ability to attract, retain and maintain positive relations with third-party contractors and vendors; weather conditions and seasonality; our dependence on labor availability, third-party vendors, including business process outsourcers, and third-party component suppliers; special risks applicable to operations outside the United States by us or our business process outsource providers; lawsuits, enforcement actions and other claims by third parties or governmental authorities; increases in tariffs or changes to import/export regulations; cybersecurity breaches, disruptions or failures in our technology systems and our failure to protect the security of personal information about our customers; increases in appliance, parts and system prices, and other operating costs; our ability to protect our intellectual property and other material proprietary rights; and the effects of our substantial indebtedness. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of new markets or market segments in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. For a discussion of other important factors that could cause Frontdoor's results to differ materially from those expressed in, or implied by, the forward-looking statements included in this document, you should refer to the risks and uncertainties detailed from time to time in Frontdoor's periodic reports filed with the SEC, including the disclosure contained in Item 1A. Risk Factors in our 2019 Annual Report on Form 10-K filed and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, as such factors may be further updated from time to time in Frontdoor's periodic filings with the SEC. Except as required by law, Frontdoor does not undertake any obligation to update or revise these forward-looking statements to reflect new information or events or circumstances that occur after the date of this presentation or to reflect the occurrence of unanticipated events or otherwise. Readers are advised to review Frontdoor's filings from the SEC's EDGAR database at sec.gov, and via Frontdoor's website at frontdoorhome.com.

Non-GAAP Financial Measures

To supplement Frontdoor's results presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), Frontdoor has disclosed the non-GAAP financial measures of Adjusted EBITDA, Free Cash Flow, and Unrestricted Cash.

We define "Adjusted EBITDA" as net income before: provision for income taxes; interest expense; depreciation and amortization expense; non-cash stock-based compensation expense; restructuring charges; Spin-off charges; secondary offering costs; and other non-operating expenses. We believe Adjusted EBITDA is useful for investors, analysts and other interested parties as it facilitates company-to-company operating performance comparisons by excluding potential differences caused by variations in capital structures, taxation, the age and book depreciation of facilities and equipment, restructuring initiatives, Spin-off charges and equity-based, long-term incentive plans.

We define "Free Cash Flow" as net cash provided from operating activities less property additions. Free Cash Flow is not a measurement of our financial performance or liquidity under U.S. GAAP and does not purport to be an alternative to net cash provided from operating activities or any other performance or liquidity measures derived in accordance with U.S. GAAP. Free Cash Flow is useful as a supplemental measure of our liquidity. Management uses Free Cash Flow to facilitate company-to-company cash flow comparisons, which may vary from company to company for reasons unrelated to operating performance.

We define "Free Cash Flow Conversion" as Free Cash Flow divided by the Adjusted EBITDA for the same period.

We define "Unrestricted Cash" as cash not subject to third-party restrictions. For additional information related to our third-party restrictions, see "Liquidity and Capital Resources — Liquidity" under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2019 Annual Report on Form 10-K filed with the SEC.

We define "Net Debt" as Gross Debt minus Unrestricted Cash.

See the schedules attached hereto for additional information and reconciliations of such non-GAAP financial measures. Management believes these non-GAAP financial measures provide useful supplemental information for its and investors' evaluation of Frontdoor's business performance and are useful for period-over-period comparisons of the performance of Frontdoor's business. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, these non-GAAP financial measures may not be the same as similarly entitled measures reported by other companies.

Today's Speakers

Rex Tibbens

President &
Chief Executive Officer

Brian Turcotte

Senior Vice President &
Chief Financial Officer

Matt Davis

Vice President
Investor Relations & Treasurer

2020 Summary

- Navigated challenging external environment
- Grew revenue 8%
- Improved customer retention to 76%
- Expanded emerging businesses

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2021 Objectives

- Deliver double-digit revenue growth
- Focus on automation
- Expand customer retention initiatives
- Execute emerging business strategies

AHS ProConnect

- Expand marketing opportunities
- Deepen trade offerings across geographies
- Targeting 80K jobs completed in 2021

American Home Shield® | ProConnect™

Q4 2020 Financial Summary

$ millions

Revenue	Net Income	Adjusted EBITDA[(1)]
$323	$2	$32

(1) See the Appendix accompanying this presentation for a reconciliation of Adjusted EBITDA, a non-GAAP measure, to the nearest U.S. GAAP measure. See “Reconciliations of Non-GAAP Financial Measures” included in this presentation for a description of the calculation for this measure.

Q4 2020 Adjusted EBITDA[1] Bridge

$ millions

Three Months Ended December 31, 2019	**$48**
Impact of change in revenue[2]	17
Contract claims costs	(18)
Sales and marketing costs	(6)
Customer service costs	(8)
General and administrative costs	1
Other	(3)
Three Months Ended December 31, 2020	**$32**

Note: Revenue and expense items are year-over-year increases/(decreases); amounts presented in table may not sum due to rounding.

[1] See the Appendix accompanying this presentation for a reconciliation of Adjusted EBITDA, each a non-GAAP measure, to the nearest GAAP measure. See "Reconciliations of Non-GAAP Financial Measures" included in this presentation for descriptions of calculations of these measures.
[2] Revenue conversion is calculated using the estimated gross margin impact of new home service plan revenue along with the impact of price changes.

FY 2020 Financial Summary

$ millions

Revenue	Net Income	Adjusted EBITDA[1]
$1,474	$112	$270

[1] See the Appendix accompanying this presentation for a reconciliation of Adjusted EBITDA, a non-GAAP measure, to the nearest U.S. GAAP measure. See "Reconciliations of Non-GAAP Financial Measures" included in this presentation for a description of the calculation for this measure.

FY 2020 Adjusted EBITDA[1] Bridge

$ millions

Year Ended December 31, 2019	**$303**
Impact of change in revenue[2]	88
Contract claims costs	(49)
Sales and marketing costs	(42)
Customer service costs	(19)
General and administrative costs	(6)
Other	(5)
Year Ended December 31, 2020	**$270**

Note: Revenue and expense items are year-over-year increases/(decreases); amounts presented in table may not sum due to rounding.

(1) See the Appendix accompanying this presentation for a reconciliation of Adjusted EBITDA, each a non-GAAP measure, to the nearest GAAP measure. See "Reconciliations of Non-GAAP Financial Measures" included in this presentation for descriptions of calculations of these measures.
(2) Revenue conversion is calculated using the estimated gross margin impact of new home service plan revenue along with the impact of price changes.

FY 2020 Cash Flow

$ millions	Year Ended December 31,	
Net cash provided from (used for):	**2020**	**2019**
Operating Activities	$207	$200
Investing Activities	(31)	(61)
Financing Activities	(7)	(7)
Cash increase during the period	**$170**	**$132**

$ millions, except Free Cash Flow Conversion

Free Cash Flow[1]	Free Cash Flow Conversion[1]	Available Liquidity[2]
$175	**65%**	**$668**

[1] See the Appendix accompanying this presentation for a reconciliation of Free Cash Flow and Free Cash Flow Conversion, both non-GAAP measure, to the nearest U.S. GAAP measure. See "Reconciliations of Non-GAAP Financial Measures" included in this presentation for a description of the calculation for this measure.

[2] Consists of $418 million of Unrestricted Cash and an undrawn revolving credit facility of $250 million

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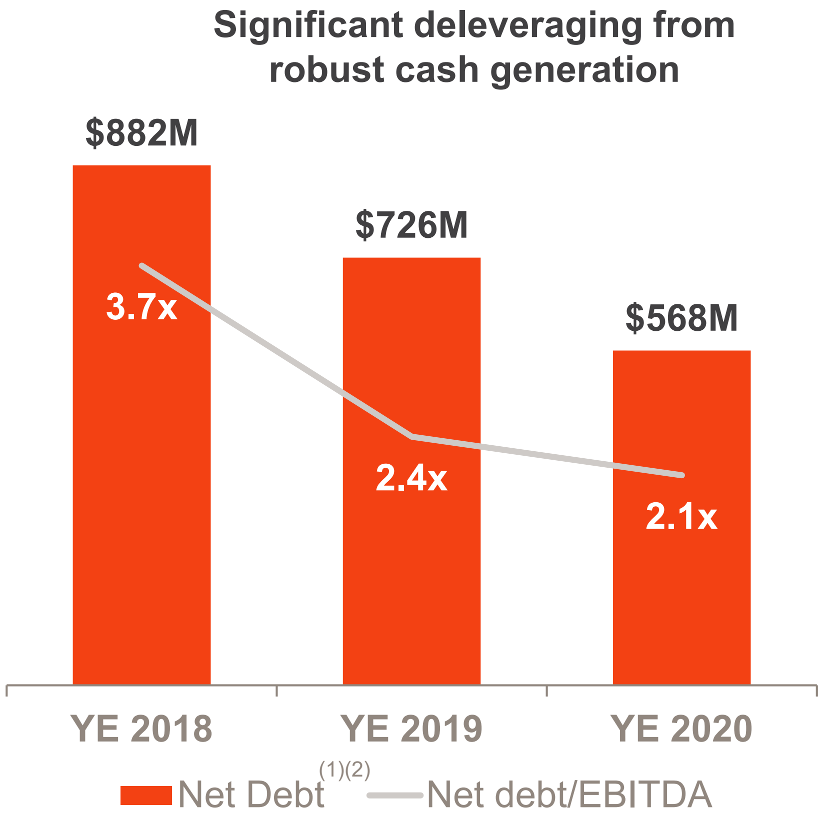
Capital Allocation Strategy

- Growth first capital allocation strategy
  - Organic growth
  - Acquisitions
  - Debt repayment
    - $100M of TLB in February
  - Return cash to shareholders



(1) Restricted cash and marketable securities are not included in net debt.
(2) See the Appendix accompanying this presentation for a reconciliation of Net Debt, a non-GAAP measure, to the nearest GAAP measure. See "Reconciliations of Non-GAAP Financial Measures" included in this presentation for descriptions of calculations of these measures.

Full-Year 2021 Outlook

	2020 Results	2021 Outlook Low	2021 Outlook High
Revenue ($ billions)	1.47	1.63	1.65
Gross Profit Margin (%)	49	~48	
Adjusted EBITDA ($ millions)[(1)]	270	280	300
Capital Expenditures ($ millions)	32	35	45
Annual Effective Tax Rate (%)	25	~25	

	2021 ProConnect Outlook
ProConnect Markets (cities)	35
Jobs (# Thousands)	~80
Revenue ($ millions)	~20

[(1)] A reconciliation of the forward-looking full-year 2021 Adjusted EBITDA outlook to net income cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliation that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, the company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.

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Q&A

For more information please visit our website:
frontdoorhome.com

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APPENDIX

Q4 2020 Consolidated Results

Note: See elsewhere in this Appendix for a reconciliation of Adjusted EBITDA, a non-GAAP measure, to the nearest U.S. GAAP measure; amounts presented in table may not sum due to rounding.

$ millions, except per share amounts

	Three Months Ended December 31,		
	2020	2019	Better / (Worse)
Revenue	$ 323	$ 300	$ 23
YoY Growth			*8%*
Gross Profit	137	139	(1)
% of revenue	*42.5%*	*46.3%*	*(3.8) pts*
Selling and administrative expenses	109	95	(14)
% of revenue	*33.8%*	*31.7%*	*(2.0) pts*
Depreciation and amortization expense	9	6	(3)
Restructuring charges	4	1	(3)
Interest expense	14	15	1
Interest and net investment income	—	(2)	(2)
Income before Income Taxes	1	23	(22)
Provision for income taxes	(1)	5	5
Net Income	$ 2	$ 19	$ (17)
Other Comprehensive Income (Loss), Net of Income Taxes:			
Net unrealized gain on derivative instruments	$ 3	$ 4	$ (1)
Total Comprehensive Income	$ 5	$ 23	$ (18)
Earnings per Share:			
Basic	$ 0.02	$ 0.22	$ (0.20)
Diluted	$ 0.02	$ 0.22	$ (0.20)
Weighted-average common shares outstanding:			
Basic	85.3	84.8	0.5
Diluted	85.7	85.1	0.6
Adjusted EBITDA	$ 32	$ 48	$ (16)

FY 2020 Consolidated and Combined Results

Note: See elsewhere in this Appendix for a reconciliation of Adjusted EBITDA, a non-GAAP measure, to the nearest U.S. GAAP measure; amounts presented in table may not sum due to rounding.

$ millions, except per share amounts

	Year Ended December 31, 2020	2019	Better / (Worse)
Revenue	$ 1,474	$ 1,365	$ 109
YoY Growth			*8%*
Gross Profit	716	678	38
% of revenue	*48.6%*	*49.6%*	*(1.1) pts*
Selling and administrative expenses	467	392	(75)
% of revenue	*31.7%*	*28.7%*	*(3.0) pts*
Depreciation and amortization expense	34	24	(10)
Restructuring charges	8	1	(7)
Spin-off charges	—	1	1
Interest expense	57	62	5
Interest and net investment loss (income)	1	(6)	(7)
Income before Income Taxes	149	204	(55)
Provision for income taxes	37	51	14
Net Income	$ 112	$ 153	$ (40)
Other Comprehensive Income (Loss), Net of Income Taxes:			
Net unrealized loss on derivative instruments	$ (12)	$ (12)	$ (1)
Total Comprehensive Income	$ 100	$ 141	$ (41)
Earnings per Share:			
Basic	$ 1.32	$ 1.81	$ (0.49)
Diluted	$ 1.31	$ 1.80	$ (0.49)
Weighted-average common shares outstanding:			
Basic	85.2	84.7	0.6
Diluted	85.5	84.9	0.6
Adjusted EBITDA	$ 270	$ 303	$ (32)

Net Income to Adjusted EBITDA Reconciliations

$ millions	Three Months Ended December 31, 2020		Three Months Ended December 31, 2019		Year Ended December 31, 2020		Year Ended December 31, 2019	
Net Income	**$**	**2**	**$**	**19**	**$**	**112**	**$**	**153**
Depreciation and amortization expense		9		6		34		24
Restructuring charges		4		1		8		1
Spin-off charges		—		—		—		1
Provision for income taxes		(1)		5		37		51
Non-cash stock-based compensation expense		4		2		17		9
Interest expense		14		15		57		62
Secondary offering costs		—		—		—		2
Other non-operating expenses[1]		—		1		5		—
Adjusted EBITDA	**$**	**32**	**$**	**48**	**$**	**270**	**$**	**303**

Amounts presented in the above tables may not sum due to rounding.

[1] For the year-ended December 31, 2020, other non-operating expenses includes (a) a loss on investment of $3 million, (b) incremental direct costs related to COVID-19 of $1 million, which were temporary in nature and primarily related to incremental health and childcare benefits for our employees and hoteling costs related to our offshore business process outsourcers and (c) acquisition-related transaction costs of $1 million. For the three months ended December 31, 2019, other non-operating expenses included acquisition-related transaction costs of $1 million.

Net Cash Provided from Operating Activities to Free Cash Flow Reconciliations

$ millions, except Free Cash Flow Conversion	Three Months Ended December 31,		Year Ended December 31,	
	2020	**2019**	**2020**	**2019**
Net Cash Provided from Operating Activities	$ 54	$ 47	$ 207	$ 200
Property Additions	(6)	(7)	(32)	(22)
Free Cash Flow	$ 48	$ 40	$ 175	$ 178
Adjusted EBITDA	$ 32	$ 48	$ 270	$ 303
Free Cash Flow Conversion	147%	83%	65%	59%

Amounts presented in the above tables may not sum due to rounding.