

frontdoor™

welcome home happiness



Forward Looking Statements

Information Regarding Forward-Looking Statements

This presentation contains forward-looking statements and cautionary statements, including 2018 revenue growth, Adjusted EBITDA margins and capital expenditures, as well as statements with respect to the potential separation of frontdoor, inc. ("Frontdoor" or the "Company") from ServiceMaster Global Holdings, Inc. ("ServiceMaster") and the distribution of Frontdoor shares to ServiceMaster shareholders. Forward-looking statements can be identified by the use of forward-looking terms such as "believes," "expects," "may," "will," "shall," "should," "would," "could," "seeks," "aims," "projects," "is optimistic," "intends," "plans," "estimates," "anticipates" or other comparable terms. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control, including, without limitation, the risks and uncertainties discussed in the "Risk Factors", "Cautionary Statement Concerning Forward-Looking Statements" and "Information Regarding Forward-Looking Statements" sections in the Company's and ServiceMaster's reports filed with the U.S. Securities and Exchange Commission. Such risks, uncertainties and changes in circumstances include, but are not limited to: uncertainties as to the timing of the spin-off or whether it will be completed at all, the results and impact of the announcement of the proposed spin-off, the failure to satisfy any conditions to complete the spin-off, the expected tax treatment of the spin-off, the increased demands on management to prepare for and accomplish the spin-off, the incurrence of significant transaction costs, the impact of the spin-off on the business of Frontdoor, and the failure to achieve anticipated benefits of the spin-off. 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 the market segments in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. Additional factors that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, without limitation, lawsuits, enforcement actions and other claims by third parties or governmental authorities; the effects of our substantial indebtedness; changes in interest rates, because a significant portion of our indebtedness bears interest at variable rates; weakening general economic conditions; weather conditions and seasonality; the success of our business strategies, and costs associated with restructuring initiatives. The Company assumes no obligation to update the information contained herein, which speaks only as of the date hereof. For a discussion of some of the important factors that could cause the Company's results to differ materially from those expressed in, or implied by, the forward-looking statements included in this presentation, investors should refer to the disclosure contained under the heading "Risk Factors" in our registration statement on Form 10.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures. Non-GAAP measures should not be considered as an alternative to GAAP financial measures. Non-GAAP measures may not be calculated or comparable to similarly titled measures of other companies. See non-GAAP reconciliations in the Appendix to this presentation for a reconciliation of these measures to the most directly comparable GAAP financial measures. Adjusted EBITDA and free cash flow are not measurements of the Company's financial performance under GAAP and should not be considered as an alternative to net income, net cash provided by operating activities from continuing operations or any other performance measures derived in accordance with GAAP. Management uses these non-GAAP financial measures to facilitate operating performance comparisons from period to period. We believe these non-GAAP financial measures are useful for investors, analysts and other interested parties as they facilitate company to company operating performance and cash flow comparisons, as applicable, by excluding potential differences caused by variations in capital structures, taxation, the age and book depreciation of facilities and equipment, restructuring initiatives and equity-based, long-term incentive plans.

Today's presenters



Rex Tibbens

Chief Executive Officer



Brian Turcotte

Chief Financial Officer



Raj Midha

Chief Marketing Officer



Chelsea Sumrow

VP, Direct Marketing and Telesales



Charlie Ngo

Sr. Director, Strategy



Rob Eshleman

Director, Product Development



Agenda

- 1 **Introduction**
Our business, vision and strategy
- 2 **Business Overview**
How our business works
- 3 **Key Investment Highlights**
What makes us special
- 4 **Growth Opportunities**
How we intend to grow our business
- 5 **Financial Overview**
How we create value for shareholders
- 6 **Our Future**
Our vision for the future

Introduction

Rex Tibbens

Chief Executive Officer





We are obsessed with taking the hassle out of owning a home,
with services powered by people and enabled by technology



Home services are a hassle

Home Services Journey

Homeowners



Home
maintenance

Information
buried in
manuals

Finding a
provider

Too many
provider options

Appointment
scheduling

Large
appointment
windows

Problem
diagnosis

Lack of
transparent
pricing

Problem
resolution

Multiple visits
to resolve
an issue

Not called until
too late

High cost to
generate leads

Scheduling
uncertainty

Perception of
price gouging

Parts
availability

Contractors



A powerful company with a history of service

frontdoor™

4 go-to-market brands

American
Home Shield

HSA
HOME WARRANTY

LANDMARK
HOME WARRANTY

OneGuard
HOME WARRANTY + SERVICE PLANS

Founded the home service plan industry in **1971**
45+ years of experience

4 x
larger than the next
largest competitor

2 million
customers

Nationwide
Coverage

15,000 contractor firms

45,000 technicians

150+ account executives
in the field

Included in
400,000+
real estate transactions
per year



Building on a great foundation for an even greater tomorrow



Industry Leadership

- Leader in home service plan category



- **More** than just a home service plan

Expertise

- Reactive repair
- Home service plan



- Deep expertise in **all value-added** services in and around your home

Customer Value Drivers

- Budget protection
- Repair or replace



- **Convenient** on-demand services
- High customer **engagement**

Service Delivery

- Semi automated
- Personal and high-touch
- Reactive



- **Fully automated** tech service
- Predictive

A strong core business...

1. Core Business

Grow Category

- Consumer education
- Customer experience

Geographies

- U.S. penetration
- International growth

Segments

- Multi-family homes
- Convenience seekers

3x upside in U.S. home service plan household penetration

2. Home Services

Improve

- Remodeling, flooring replacement, painting

Repair

- HVAC repair, electrical, appliance, plumbing

Maintain

- HVAC checkups and gutter cleaning

Repair makes up only ~25% of home services industry

3. Data Platform

Assets

Parts

Maintenance
Needs

Warranties

Recalls

Inspection
Reports

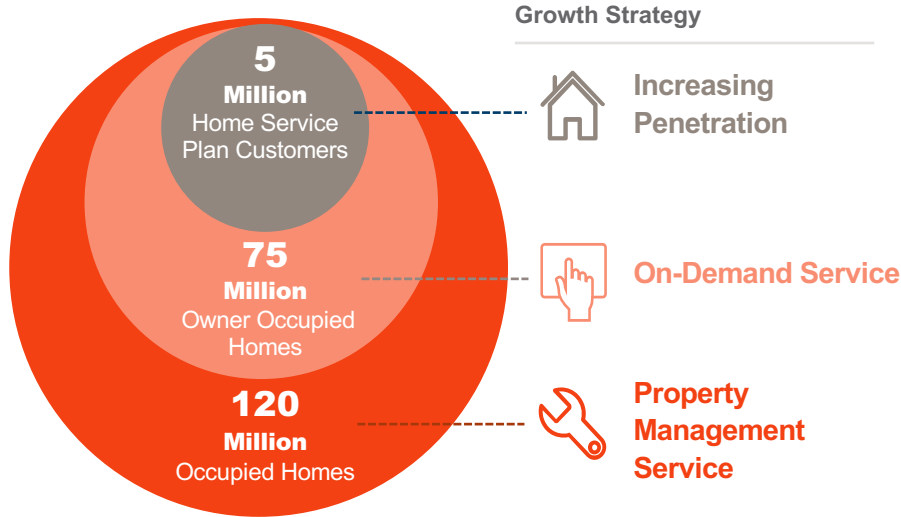
Repair
History

Internet of
Things

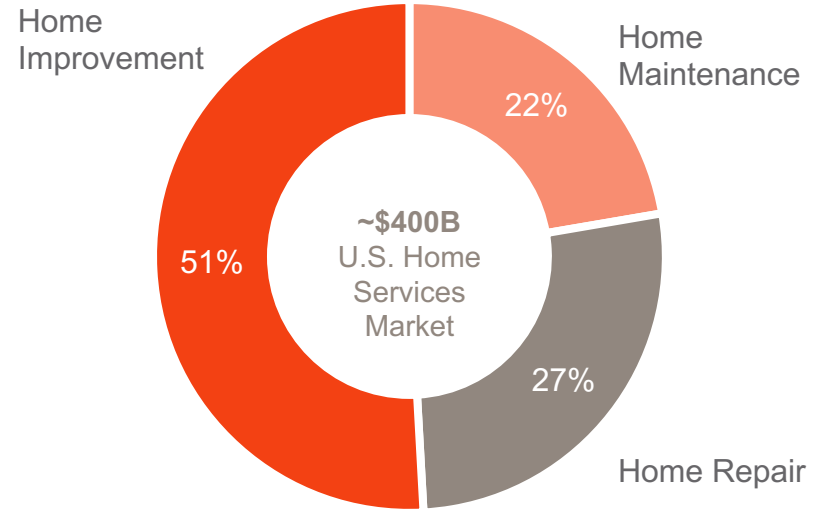
...with the platform to penetrate into the broader home services category

We have a large total addressable market

View by homes



View by services



Megatrends are in our favor



DIFM vs. DIY



Digital Natives



Internet of Things

Frontdoor creates value for both customers and contractors



Enhanced opportunities as an independent company



Why Frontdoor?

- **Great core business — a growing subscription business with high margins**
- **Opportunities within core business alone represent significant upside**
- **Unique and powerful marketplace model in home services**
- **Well-positioned to be a leader in the \$400B U.S. home services market**

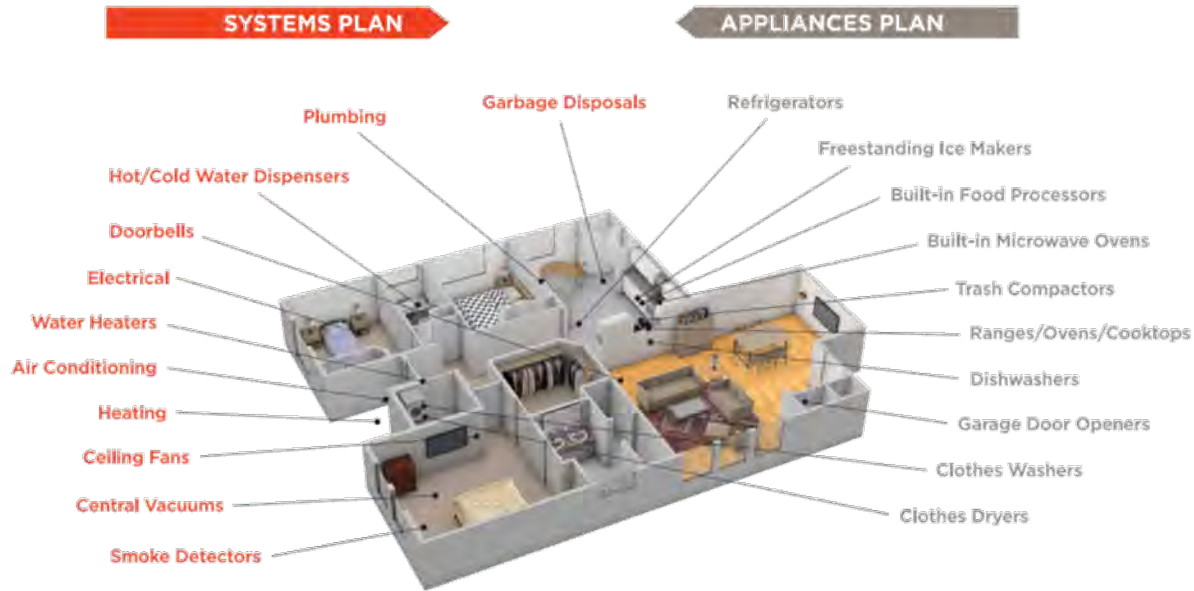
Business Overview

Raj Midha

Chief Marketing Officer



What is a home service plan?



- Agreement that protects homeowner from unexpected expenses and inconvenience of breakdowns to major systems and appliances
- Repair or replacement of covered items that will inevitably breakdown due to normal wear and tear

How does a home service plan work?

1

Customer chooses coverage and plan and pays monthly or annual fee



Systems plan

Appliances plan

Combo plan

Systems & Appliances

2

Covered item breaks



3

Customer requests service and pays Trade Service Fee



4

We assign a pro



5

We pay pro for covered expenses





Home system & appliance breakdown customer mindset

- Urgent
- Essential
- DIY not an option
- Non-standard pricing
- Technical and high risk



Our value proposition to homeowners

Budget Protection

Protection against high cost of home repairs and replacements

Peace of Mind

Having a plan for inevitable but unexpected home service needs

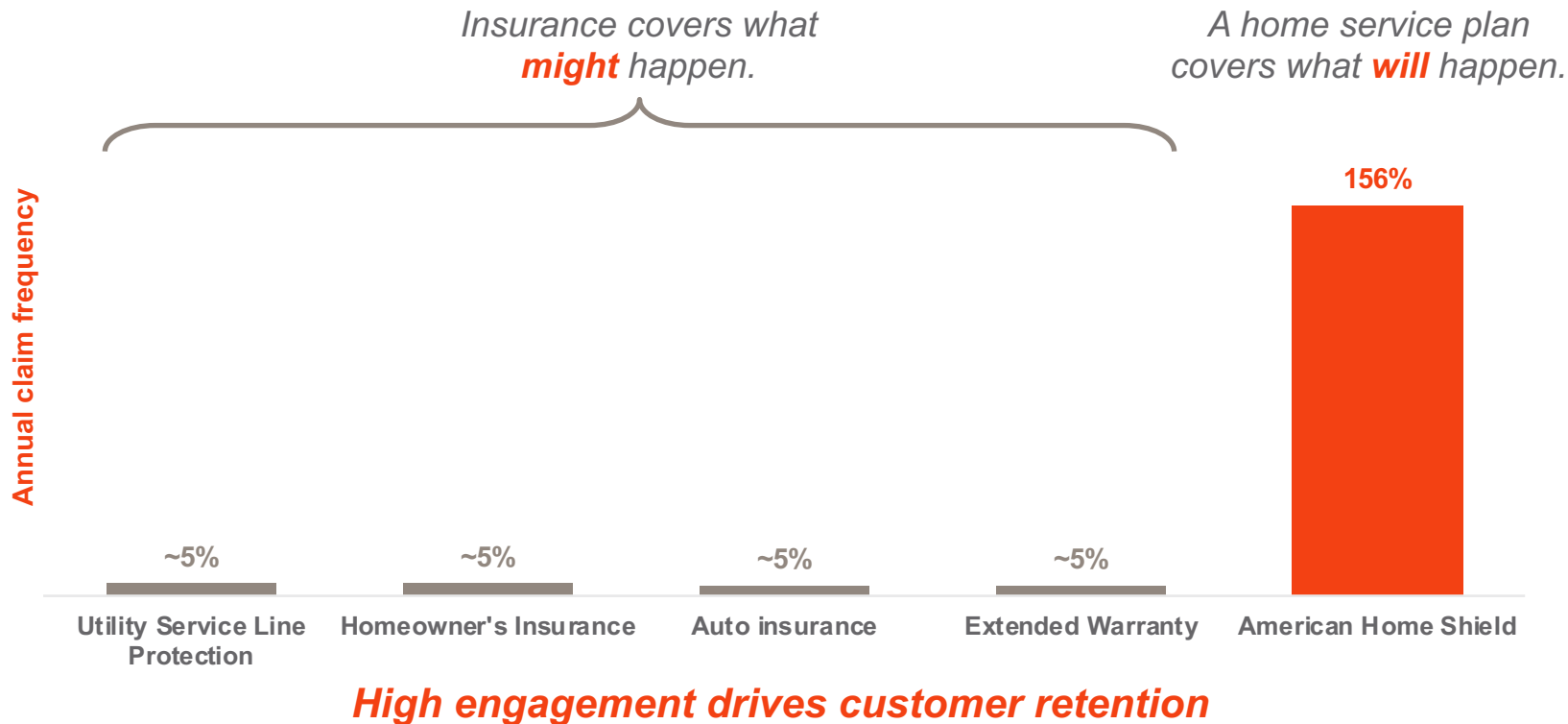
Convenience

One company to contact with a pre-qualified network for any need

Guarantee

The job will get completed, and we stand behind our work

A home service plan is a high engagement product



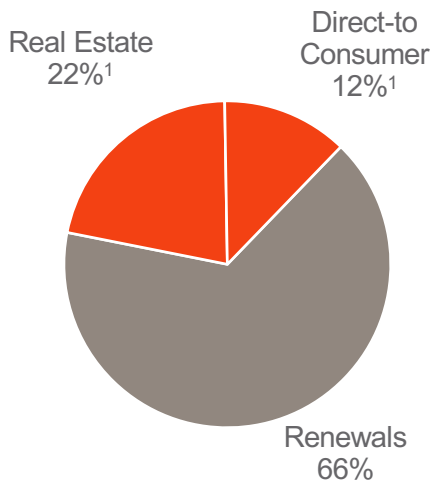
Go-to-market strategy

Real Estate channel



Home service plans purchased by home sellers, real estate agents and home buyers in conjunction with a real estate transaction

2017 revenue mix



Direct-to-Consumer (DTC) channel



Home service plans purchased directly by homeowners outside of a real estate transaction



Go-to-market strategy: Real Estate channel

- We built the home service plan industry through the real estate channel over 45 years ago
- Value proposition is peace of mind for home buyers, which facilitates home sales
- Marketed through 150+ field sales professionals who build relationships with real estate professionals
- Profitable in first year; renews at 28% after year one

Note: As of 12/31/17



Go-to-market strategy: Direct-to-Consumer channel

- We pioneered the DTC channel within the last decade
- Value proposition for existing homeowners is budget protection from unexpected home system and appliance breakdowns
- Marketed directly to consumers through digital, direct mail, TV and other channels
- Profitable in second year; renews at 75% after year one

Note: As of 12/31/17

Large and pre-qualified contractor network

✓ **15,000** independent contractor firms



Licensed, insured and background checked



Proactively managed on 15 metrics, including quality and cost



80% of jobs handled by preferred network (highest quality and lowest cost)

We offer a strong value proposition for contractors



- **Paid jobs**, not just leads
- **Steady volume of work** throughout the year
- **Access to infrastructure** for replacement systems/appliances and parts
- Ability to provide a great customer experience, which leads to **opportunities to up-sell** value-added additional services

95% of contractors in our network want to expand relationships with us over next two years

Significant customer service infrastructure



- **Dedicated team of 2,000+ customer service associates**
- **5 geographically diverse call center locations:**
 - Memphis, TN
 - LaGrange, GA
 - Carroll, IA
 - Phoenix, AZ
 - Salt Lake City, UT
- **Lower cost outsourcing partners to handle seasonal peak volume**

Key Investment Highlights

Rex Tibbens

Chief Executive Officer



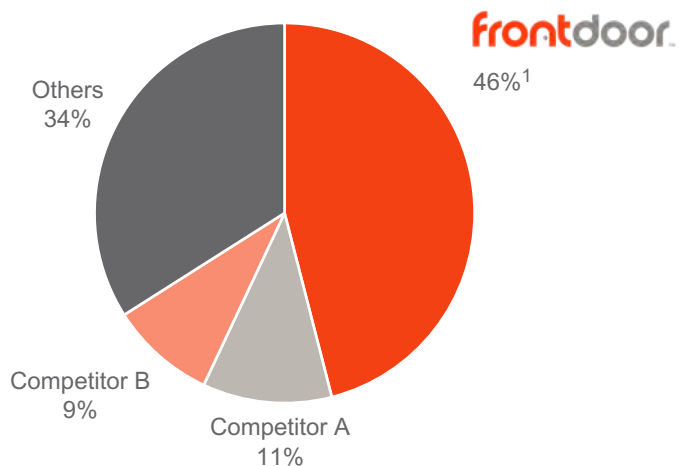
Key Investment Highlights

- 1 Leading position in large, underpenetrated, growing markets
- 2 Diverse revenue streams
- 3 High-value service offering that appeals to a broad range of demographics
- 4 Nationwide, pre-qualified contractor network provides competitive advantage
- 5 Technology-enabled platform drives efficiency, quality of service, and customer retention
- 6 Unique and valuable customer acquisition channels

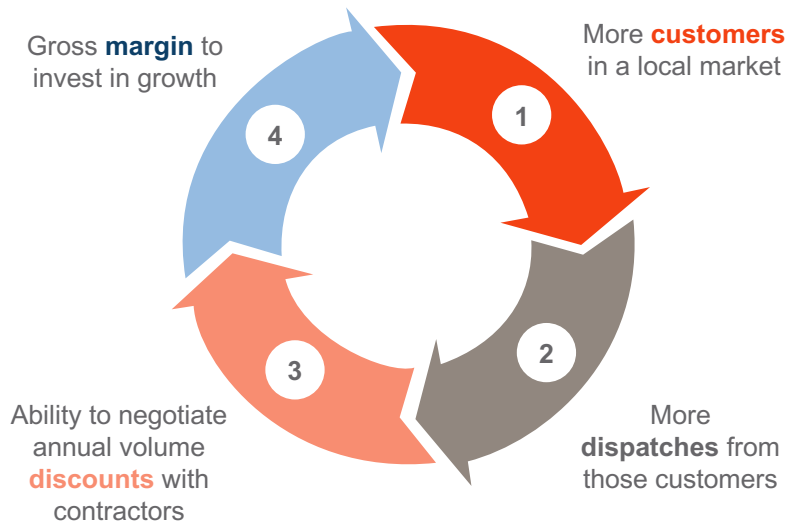
Building on a great core business with significant upside opportunity

1 Industry leader in home service plans

Home service plan segment



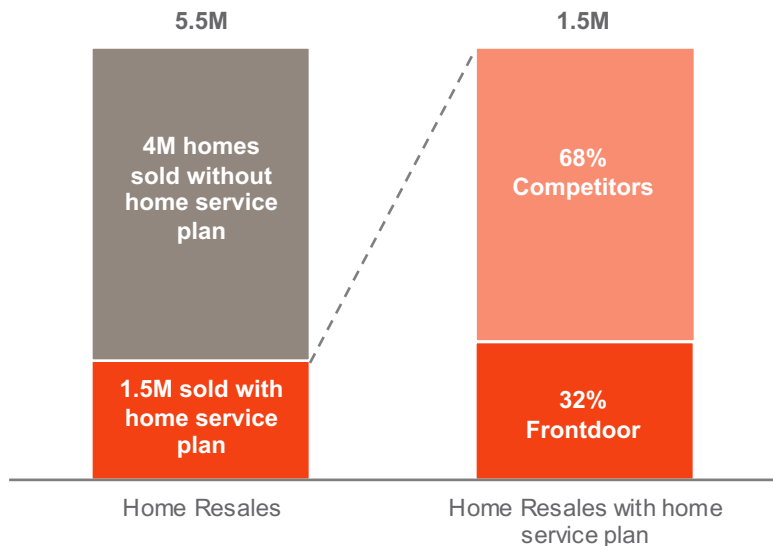
The value of scale



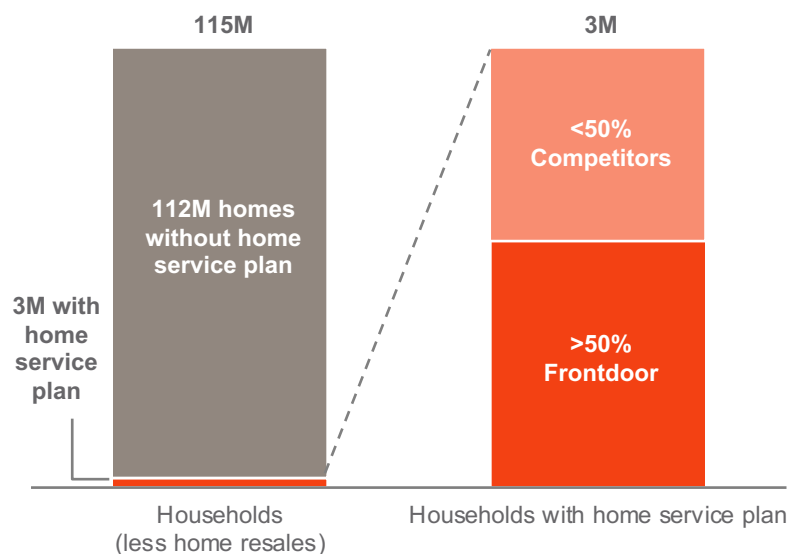
Frontdoor's scale is a key competitive advantage

1 The U.S. home service plan industry is underpenetrated

Real Estate Channel



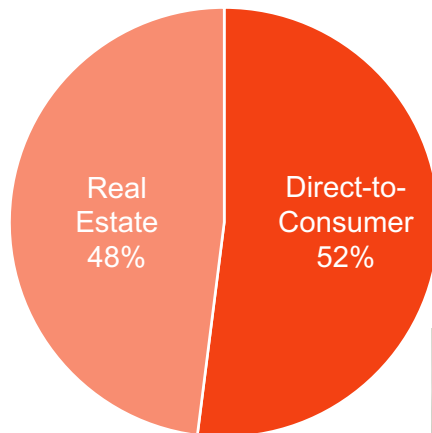
Direct-to-Consumer Channel



Fewer than 4% of U.S. households have a home service plan

2 Diverse revenue streams

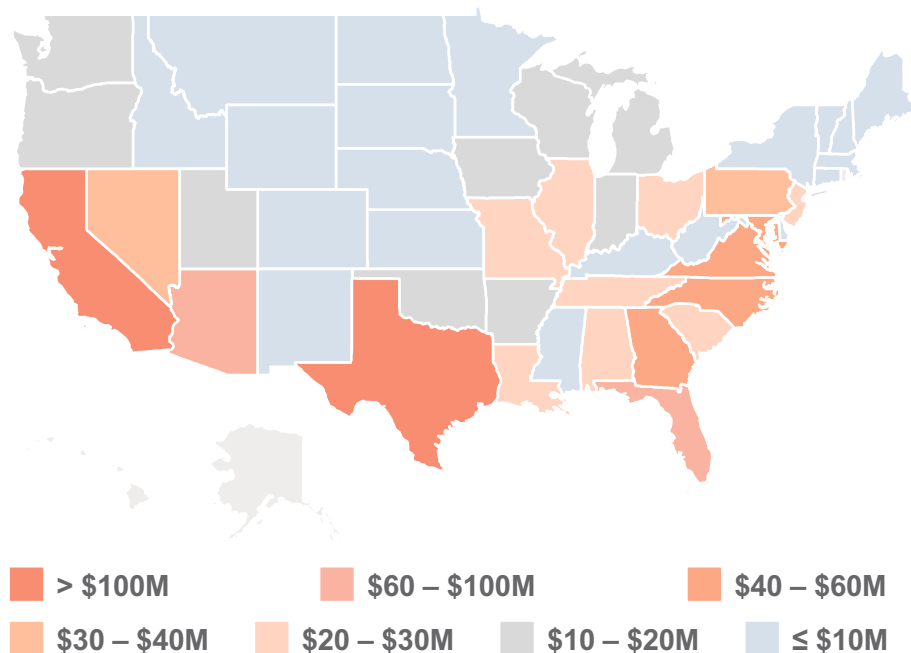
Customer mix by service line



2M customers



Revenue mix by state



3 We have a high-value service offering...

Our customers use their plans an average of twice a year, helping protect their budget from covered repair or replacement costs like these:



without a home service plan

**\$1,035 average
replacement cost¹**



without a home service plan

**\$3,565 average
replacement cost¹**



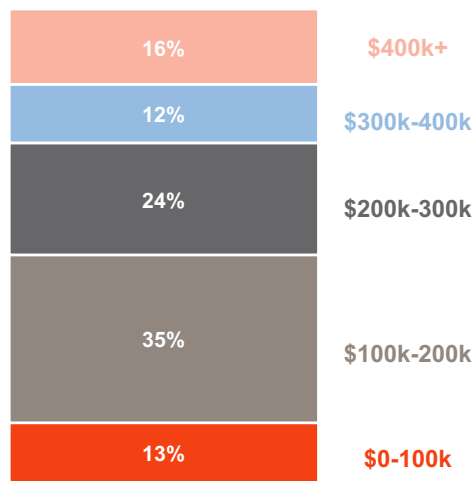
without a home service plan

**\$755 average
replacement cost¹**

69% of Americans have less than \$1,000 saved, and 34% have no savings at all²

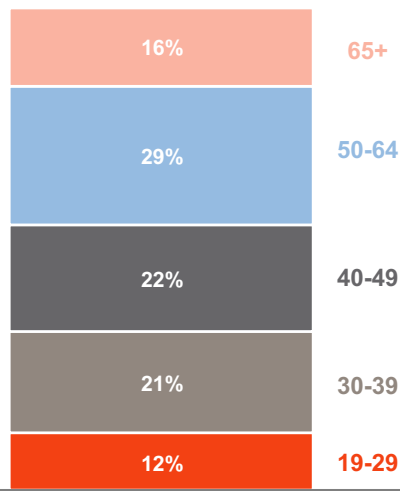
3 ...that appeals to a broad range of demographics

Home purchase price



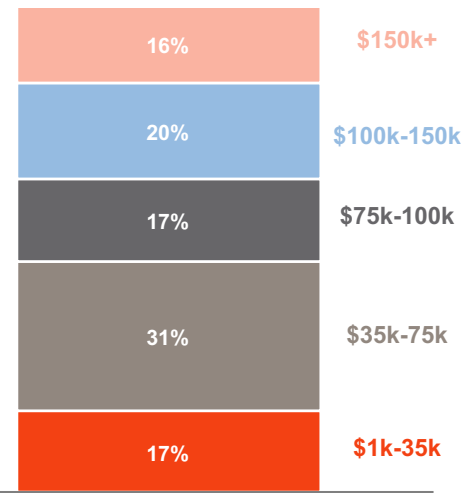
1st Year DTC

Head of household age



1st Year DTC

Household income



1st Year DTC

36% of DTC customers have household income of \$100K+

4 Frontdoor has one of the largest contractor networks in the U.S.

15,000 independent,
pre-screened local home
service contractor firms

45,000 technicians

50 states served



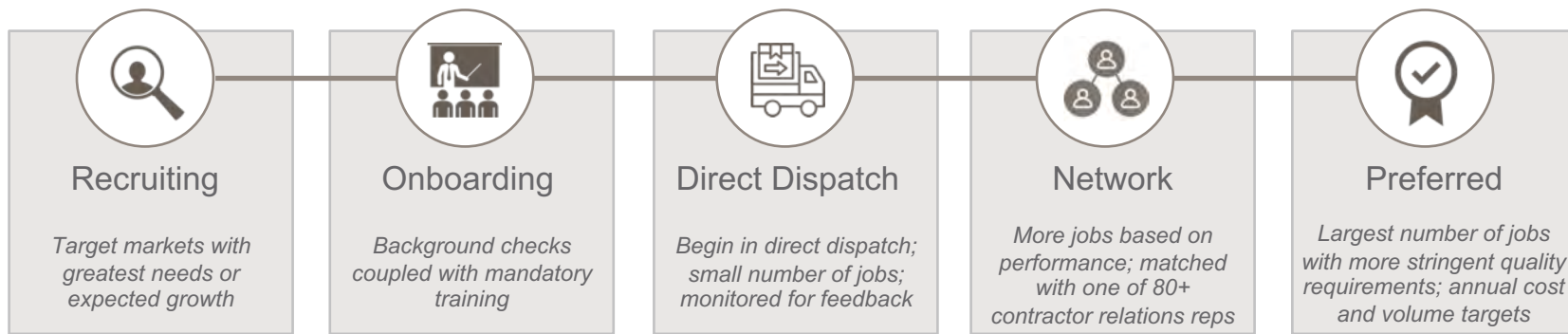
4 million service requests
each year

2 million customers

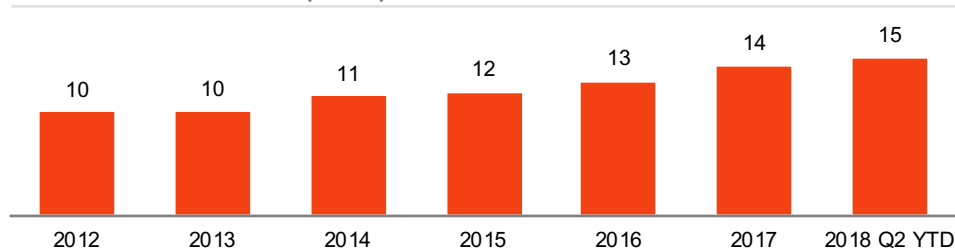
80% of the service work that is
driven through the network is
handled by our Preferred Network

***Our pre-screened, independent and scaled contractor network
is a core differentiator***

4 Superior contractor development is a key competitive advantage



Number of contractors (000's)¹



Contractor Average Rating (out of 5)



Our contractor management expertise is rooted in our robust quality control and cost management structure

5 Our technology-enabled platform drives efficiency, quality of service, and customer retention

frontdoorTM
TECHNOLOGY PLATFORM



Customers



Contractors



Real Estate
professionals



6 Unique and valuable customer acquisition channels

Real Estate



Unique access to customers who are moving, including many before a home is even sold



Deep and long-standing relationships with real estate agents and brokers

DTC



Diverse marketing channels, which both capture existing demand (e.g., paid search) and grow the category (e.g., broadcast)



Data-driven marketing approach within the DTC channel

6 Frontdoor's Real Estate channel with its long-standing strategic relationships is a key differentiator

Field Sales organization



150+ field sales professionals



50+ phone based sales agents



National coverage

Tenured team of real estate sales professionals

Select national Real Estate partners



Sotheby's
INTERNATIONAL REALTY

CENTURY 21

Select regional Real Estate partners

Southeast



Northeast



West



Midwest



Long-standing strategic relationships with 7 of the top 10 real estate brokers



Growth Opportunities

Chelsea Sumrow

VP, Direct Marketing and Telesales

Charlie Ngo

Sr. Director, Strategy

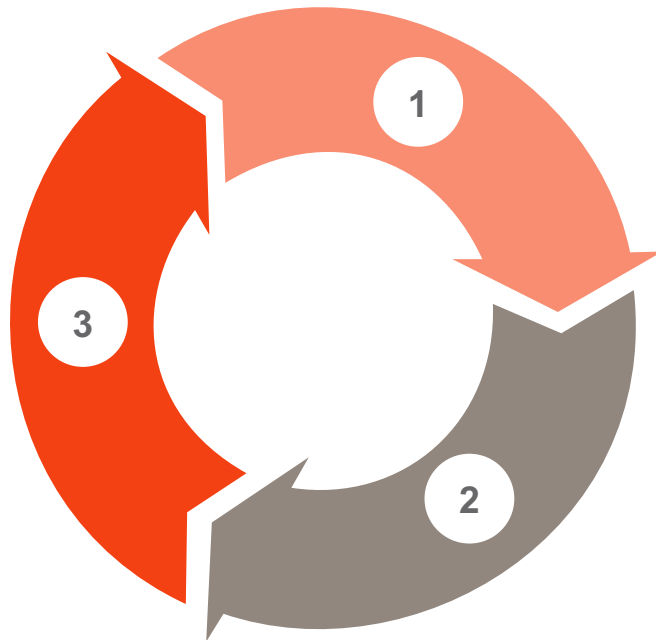
Rob Eshleman

Director, Product Development

Opportunities to grow existing platform

Engage and retain

- Customer engagement
- Additional services



Acquire effectively

- Advertising optimization
- Geographic expansion

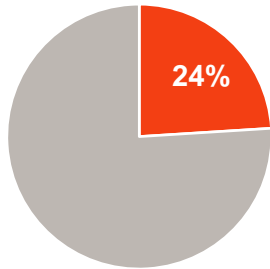
Serve profitably

- Dynamic pricing
- Self-service enhancement

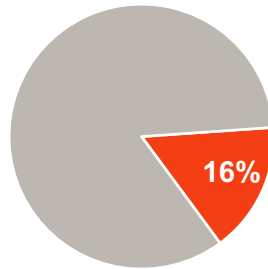
Strategic, data-driven marketing mix to drive demand



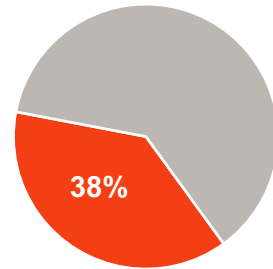
Direct mail



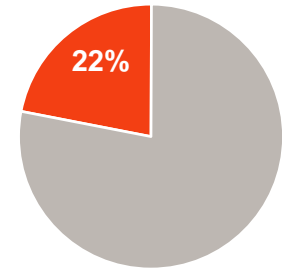
Broadcast



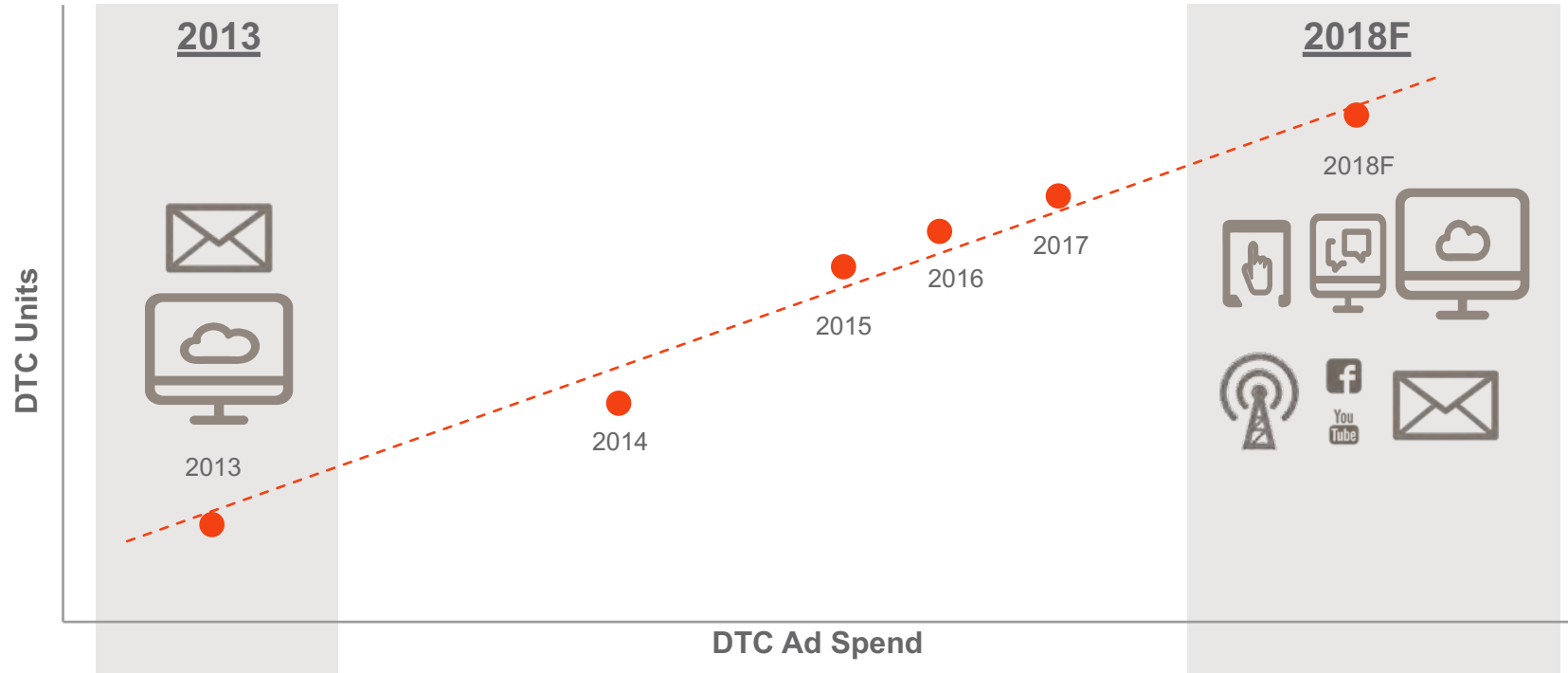
Digital



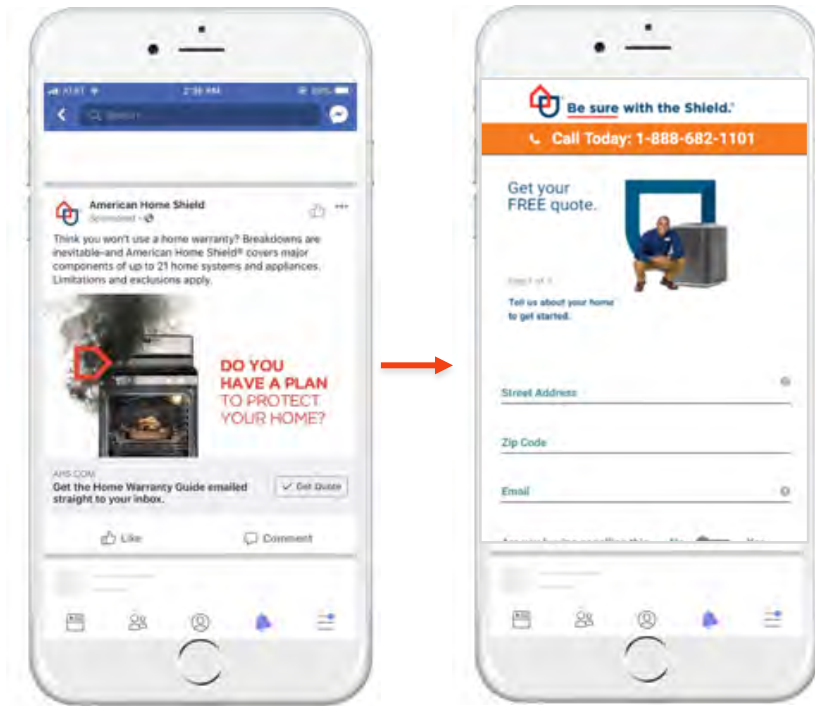
Social & other



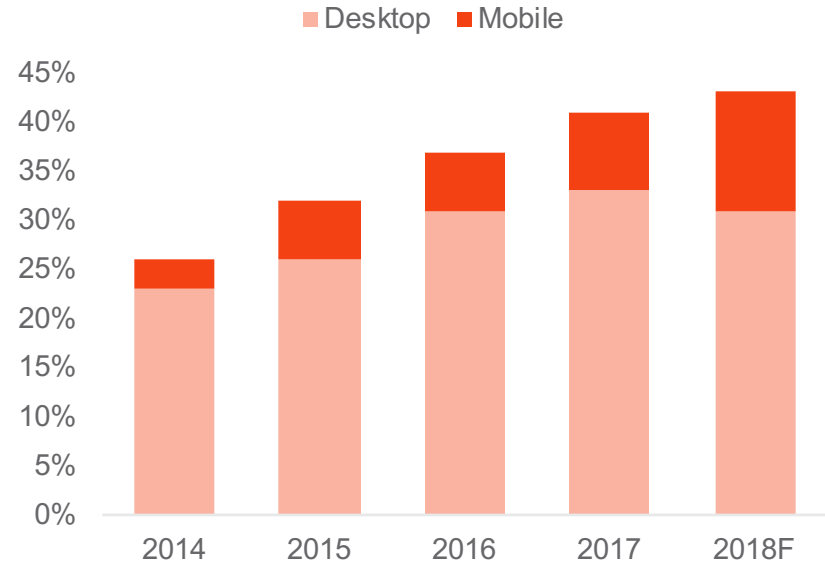
Proven ability to scale marketing investment



We continuously improve the digital and mobile experience



eCommerce sales as % of total DTC sales



Optimizing campaign measurement



Goal: measure the incremental lifetime value of each dollar spent



Tie each customer contact back to the advertising investment that drove it



Target customers with highest lifetime value



Randomized A/B testing to get a true read on incremental lift



Granular measurement of campaign performance

TV advertising campaign optimization



+15% Increase in spend

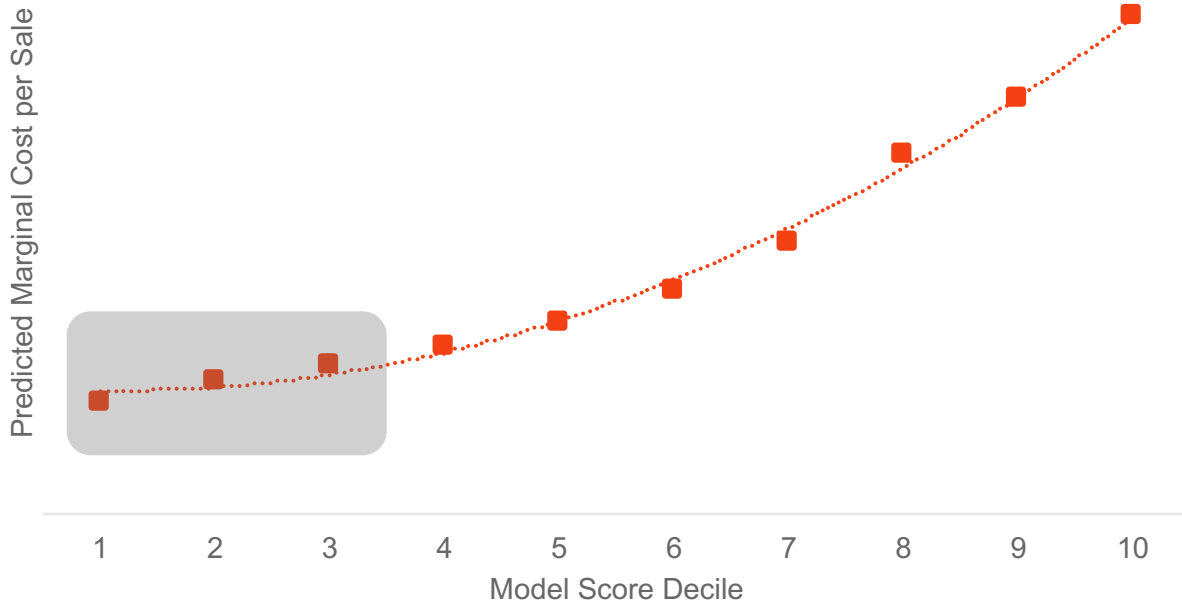


+18% Cost Per Call improvement



+27% Cost Per Sale improvement

Predictive models allow us to target the highest value customers

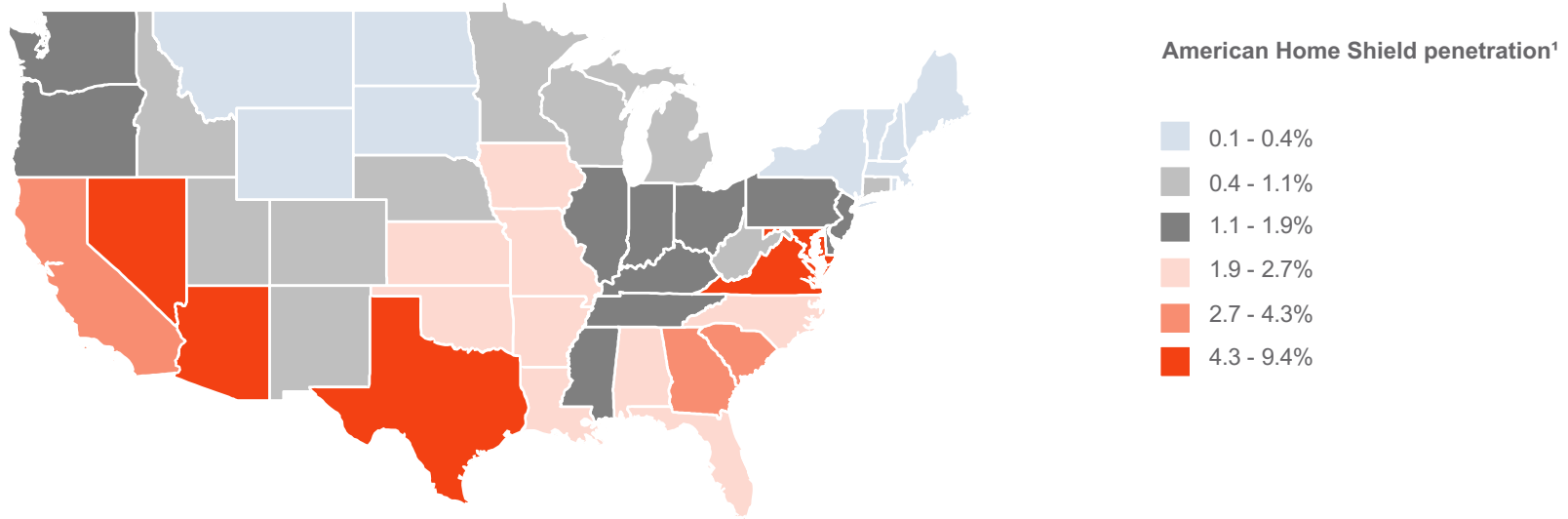


- Our predictive models rank U.S. households
- We determine spending based on model curves and cost per sale targets
- A/B testing to validate and improve models and creative

Significant room for increased penetration



American Home Shield penetration by state



While underpenetrated regions like the Northeast have substantial room for growth, there is still significant upside in our strongest markets

Source: Company filings; Management numbers




Note: Numbers reflect American Home Shield brand

¹ August 2017 contracts in force divided by Single Family Dwelling Units from Experian

We align pricing and sales strategy to generate profitable growth



Pricing Example: State-level DTC monthly prices for homes <5k square feet

	Systems 	Appliances 	Combo 
Trade Service Call Fee			
\$75 per service call	\$39.99	\$39.99	\$49.99
\$100 per service call	\$29.99	\$29.99	\$39.99 Most Popular
\$125 per service call	\$24.99	\$24.99	\$34.99

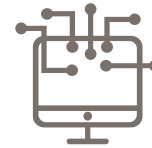
Dynamic pricing opportunity: Acquire and retain customers at the right price



Illustrative example

	Home A	Home B
		
Location	State: CA Zip code: XXXXX-XXXX	State: CA Zip code: YYYYY-YYYY
AHS contractor coverage	Good	Good
Home size	2,066 sq. ft.	2,050 sq. ft.
Home age	1997	2007
Home value	\$800K - \$1.5M	\$200K - \$400K
Appliance grade	High-end	Mid-range
Labor rates	High	Low
Current price (Combo-\$100)	\$39.99 / month	\$39.99 / month

Dynamic pricing objectives



Utilize our **data capabilities** to **measure** price elasticity and costs to **set price**

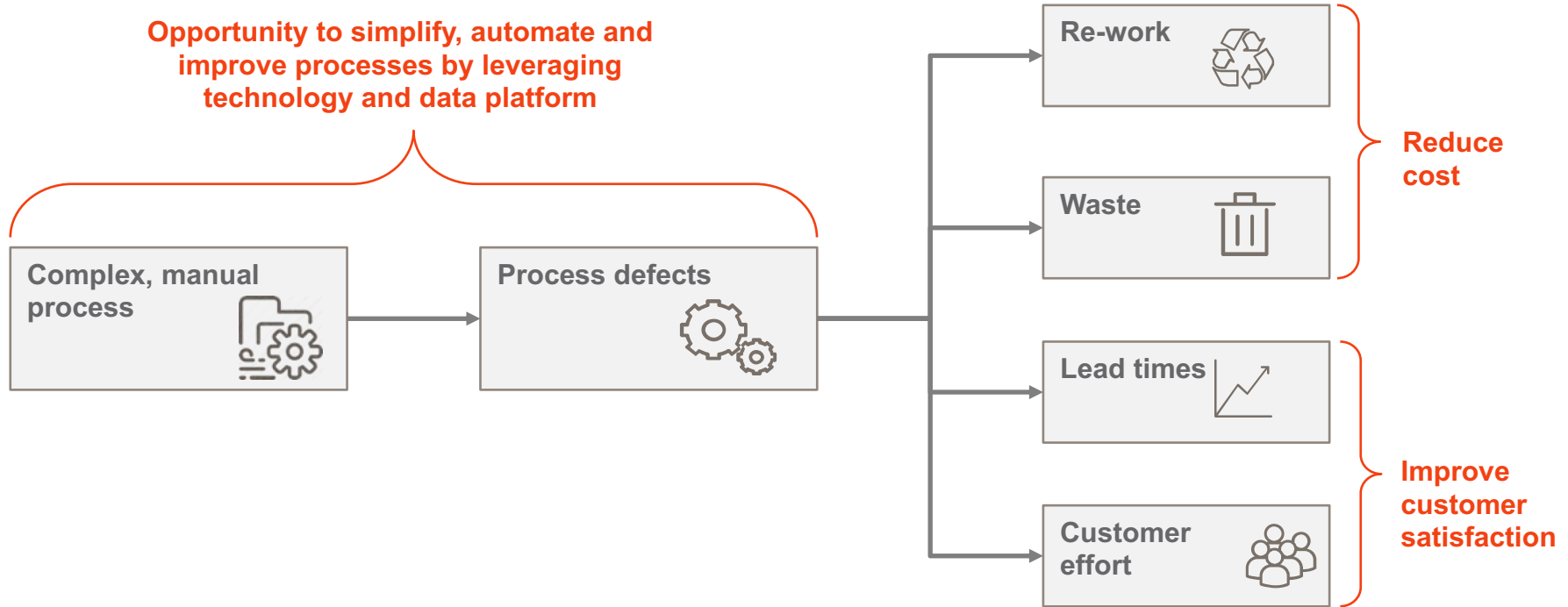


Achieve **consistent gross margin** across geographies



Target **lower risk** customers

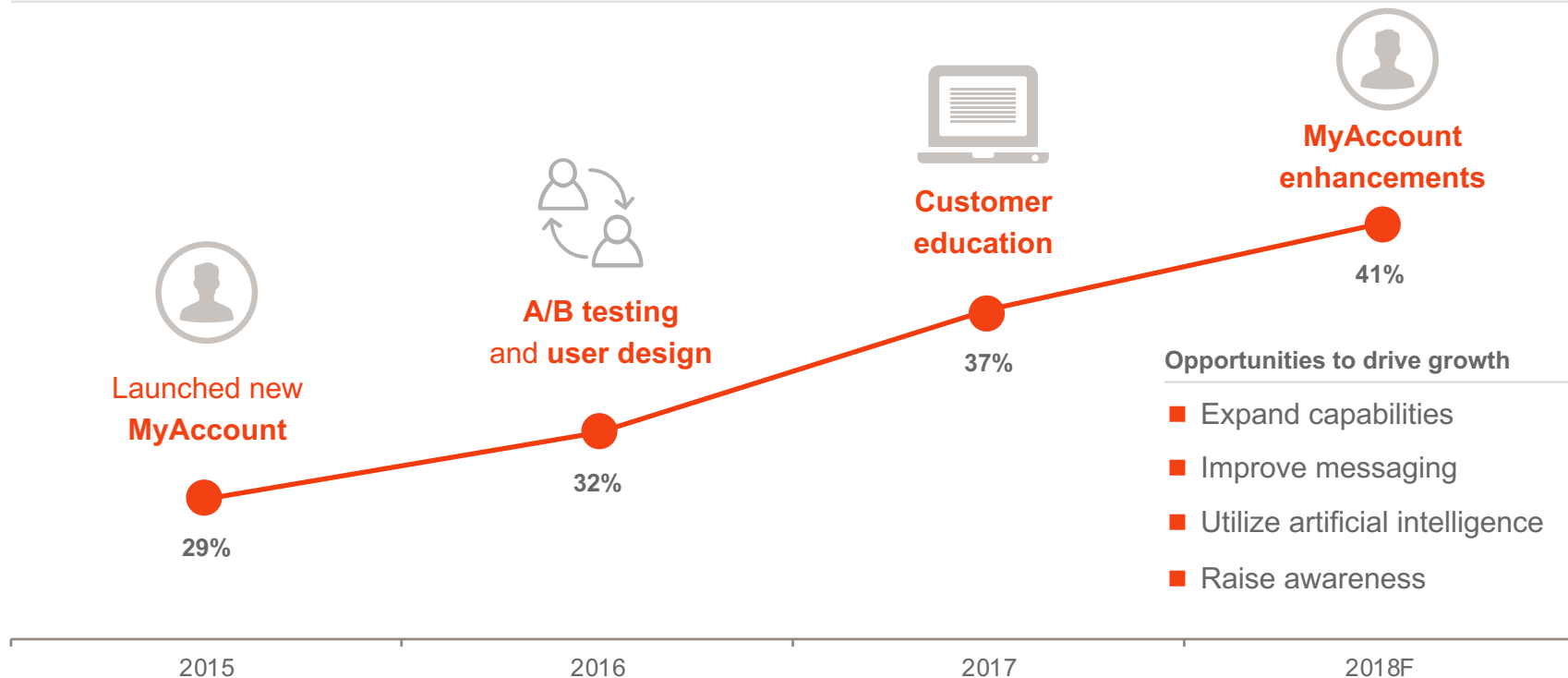
We can reduce cost as we improve customer experience



Example: Expanding online self-service



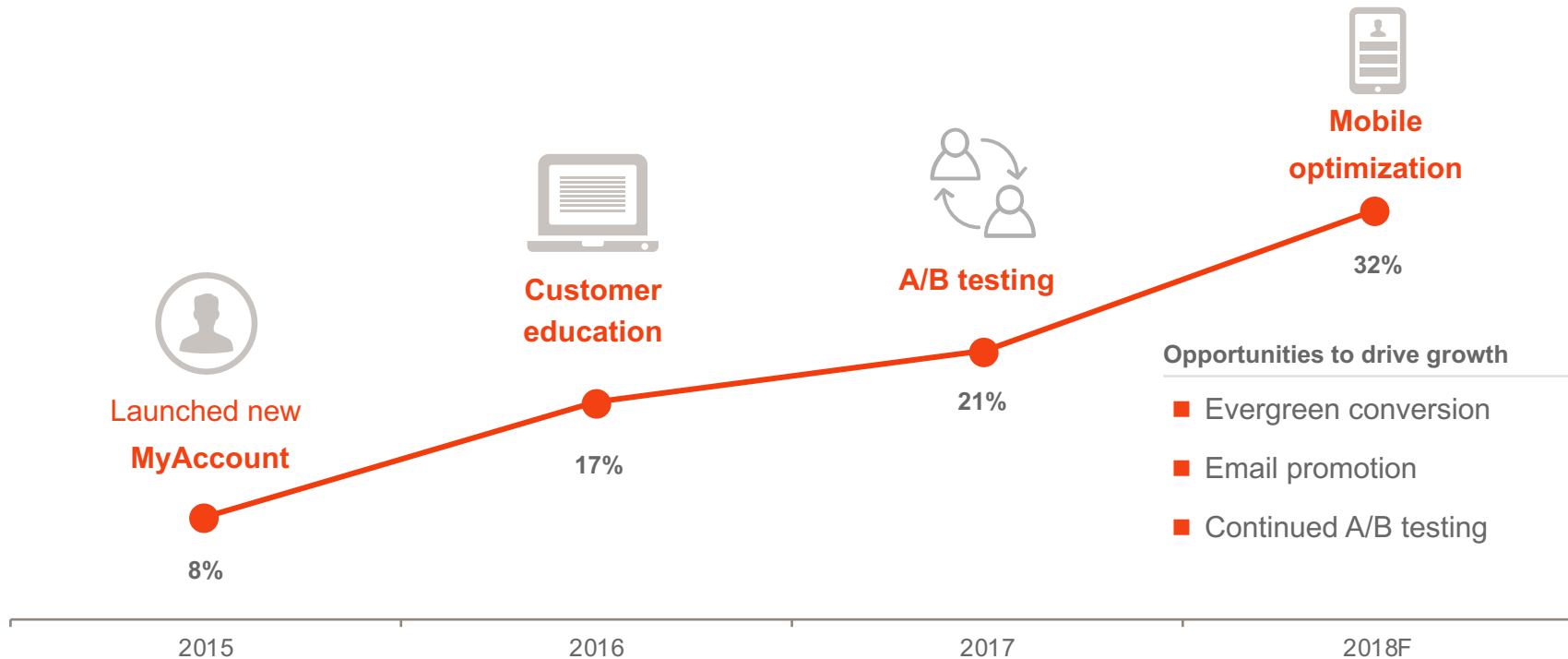
Online service work order requests (% of total)



Example: Expanding online renewal self-service



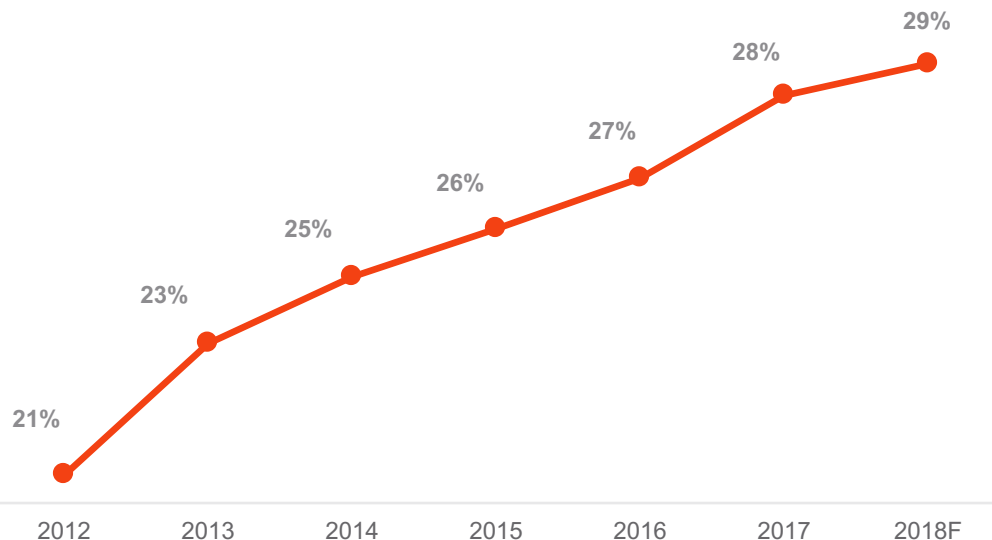
Contracts renewed online¹ (% of total)



Improving customer engagement to increase renewal rates



1st term Real Estate renewal rate



- 1st term Real Estate renewal rate is **28%**¹ compared to **75%**¹ for DTC
- Continuous improvements to 1st term customer communication and engagement have helped drive increased renewal rates
- Next step will be to promote increased engagement through product enhancements

Product enhancement example: Re-keying of homes



Developed and deployed **Re-key service** to meet the needs of Real Estate customers while driving low-cost engagement

March 15th, 2017



*Pilot launched in
5 states*

August 15th, 2017



*Expansion to
14 additional states*

February 1st, 2018



*National Rollout:
Expansion to the
remaining 31 states*

Within 12 months, we built a nationwide network of locksmith companies that are currently averaging 4.7 / 5 stars in customer survey scores

Many opportunities to increase the breadth of the home service plan



Current Services



Refrigerators
Dishwashers
Ranges
Ovens
Clothes washers
Clothes dryers

Air conditioning
Heating
Electrical
Indoor plumbing
Water heaters
Microwaves

New or Currently in Pilot



Locksmith
HVAC tune-up
TV mounting
Carpet cleaning

Filter subscription
Dryer vent cleaning
Utility line protection
Handyman service

Future Services



Painting
Smart Home installation
Landscaping
Home inspection
Moving

Benefits of adding services to the home service plan



Engage customers in a positive use circumstance



Customer engagement and higher loyalty



Little to no incremental claims cost



Opportunity to develop “SKUs” for on-demand offering



Home service plan becomes a “home maintenance” solution

Financial Overview

Brian Turcotte

Chief Financial Officer



Investment thesis

Impressive growth

~12%

Historical revenue
CAGR since 2013

Robust margins¹

22%+

Average EBITDA
margins since 2013

Strong free cash flow¹

65%+

Average FCF
conversion since
2013

Capital-light model

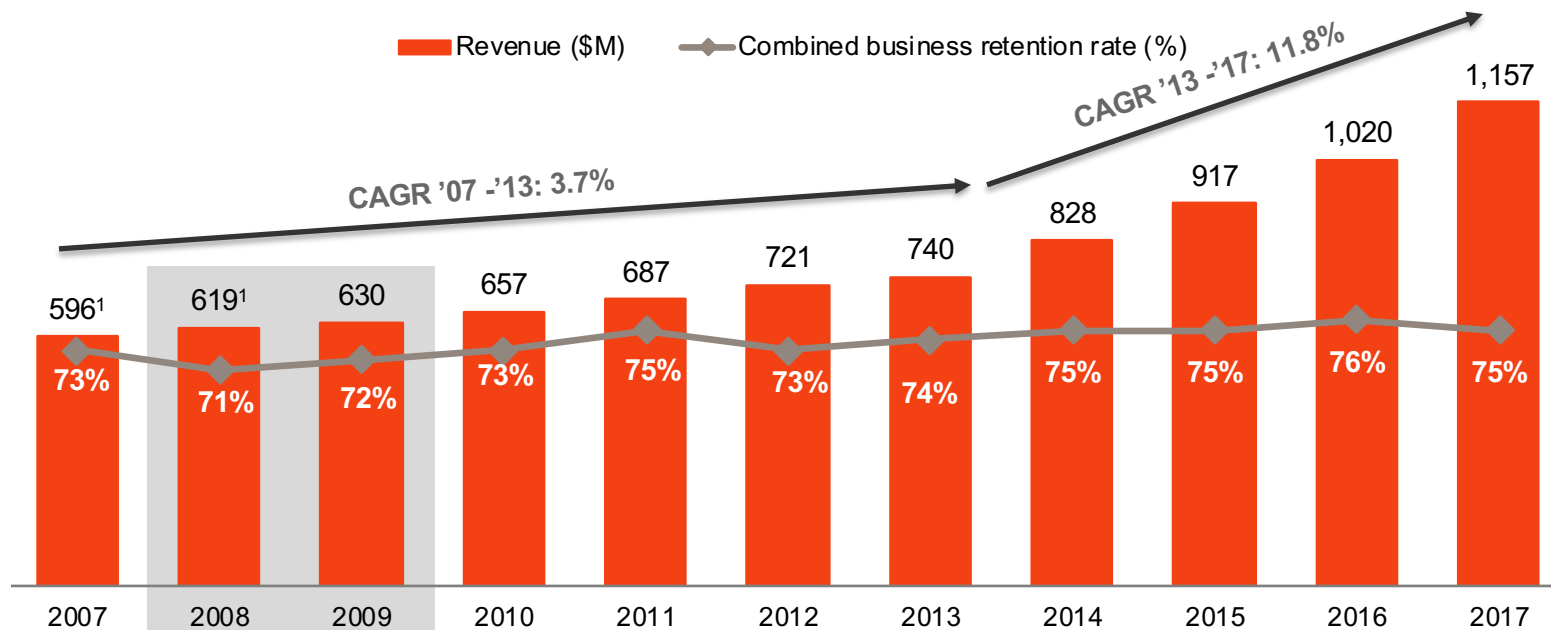
<2%

Capex as a % of
revenue

***Attractive core business with significant upside –
making a good business great!***

Strong revenue growth and consistent customer retention

Revenue and Retention Rates over time



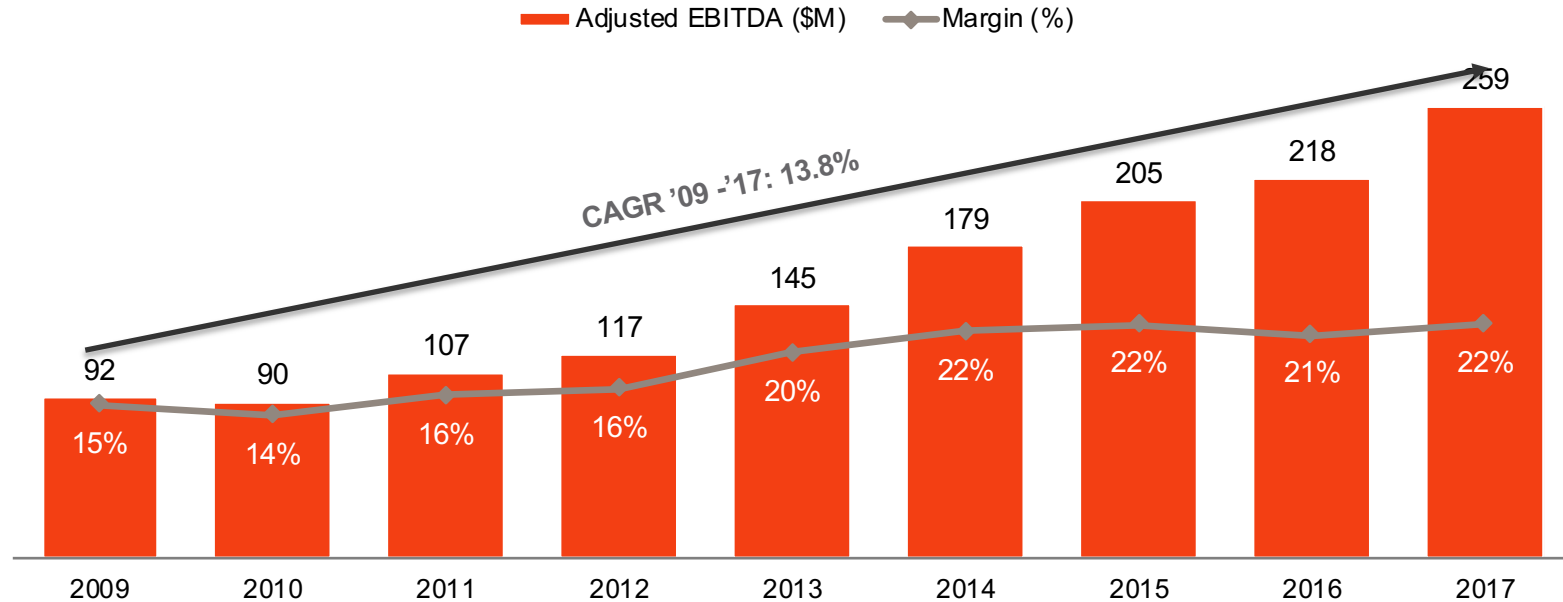
Organic revenue growth, even through tough economic cycles

Source: Company filings; Management numbers

¹ Normalized to exclude purchase accounting adjustments related to CD&R acquisition; Adjustments of \$55.3M and \$30.8M in Revenue in 2007 and 2008 respectively

Track record of consistent Adjusted EBITDA growth

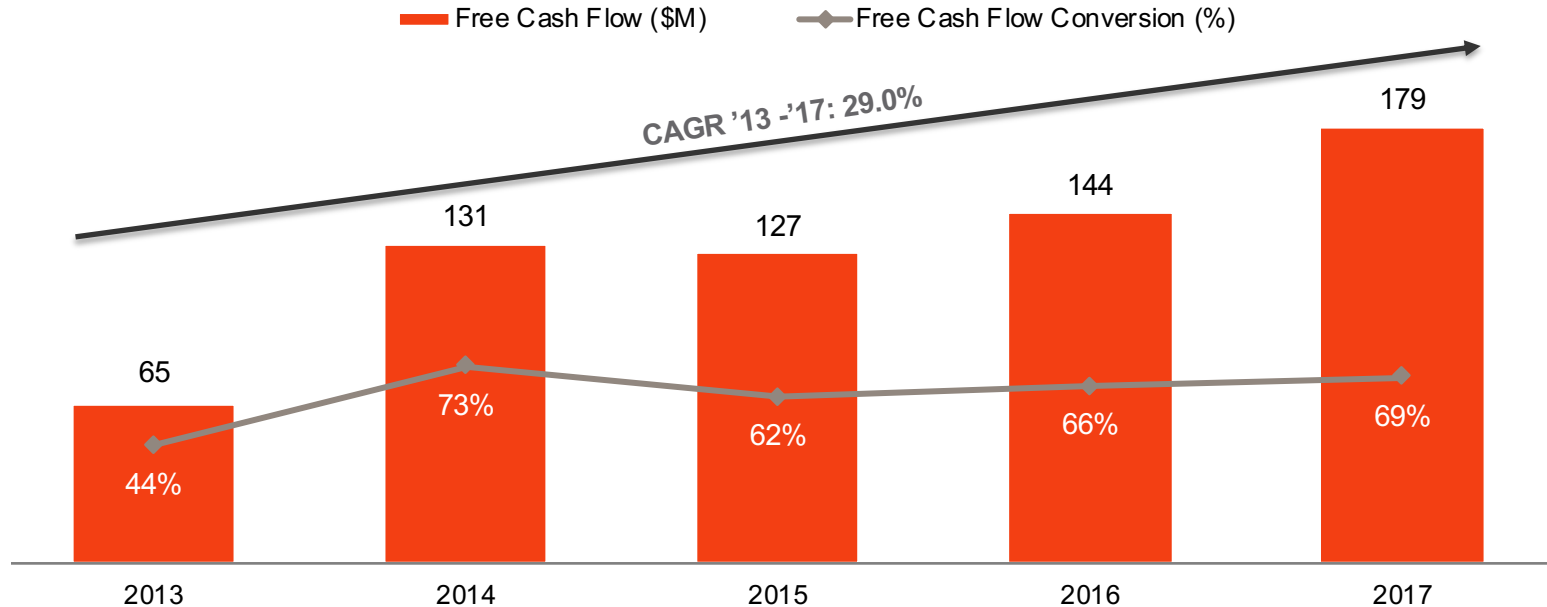
Adjusted EBITDA¹ and margins over time



Averaged 22% Adjusted EBITDA margins since 2013

Strong free cash flow to fund growth

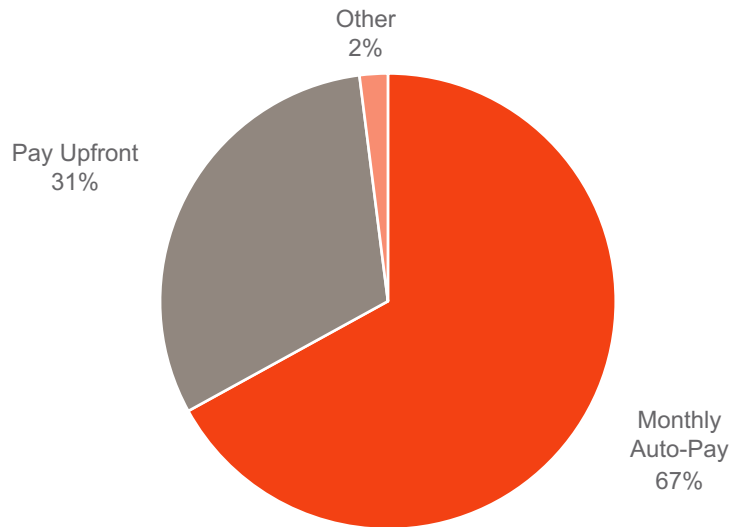
Free Cash Flow¹



Generated over \$600M of cumulative free cash flow in last 5 years

Subscription-based model provides consistency and predictability in our business performance

Customer Payment Method – FY 2017



- **67%** of our customers (nearly 1.4 million accounts) are on a monthly auto-pay program
- Monthly auto-pay customers are more likely to renew
- **31%** of customers pay upfront, primarily in the real estate channel



Disciplined approach to capital allocation

- Invest in core business and grow organically
 - Capex – capital-light business
 - Opex – aimed at driving efficiencies
- M&A
 - Funded primarily through free cash flow
- Repay debt
- Return cash to shareholders

Strong EBITDA conversion ratio

Cost structure (% of revenue)

Costs	FY 2017
Claims	50%
Selling	8%
Marketing	6%
Service (Call Center)	8%
G&A	6%
Other	1%
Total	78%
Depre. / Amort. / Interest	1%
EBITDA	22%

Overview of margin expansion opportunities

- Dynamic pricing to align labor rates to contract prices
- Better technology to measure end-to-end cost profile per contract
- Greater data and performance marketing to drive further cost efficiencies
- Deeper investment in customer self-service to drive lower cost and higher customer satisfaction

YTD Financial Update

YTD'18 update

- 9% organic revenue growth YTD YoY, driven by unit growth and price realization
- YTD'18 Adj. EBITDA impacted by a \$22M increase in contract claims costs, primarily due to a higher mix of appliance replacements vs. repairs and a higher number of work orders driven by significantly warmer summer temperatures in 2018
- Also had an increase in sales and marketing costs and additional investment in customer care center costs

YTD¹ financial summary

(\$M)	YTD'18	YTD'17	% change
Revenue	\$602	\$553	8.9%
Gross profit	272	268	1.5%
Adj. EBITDA ²	105	113	(7.1%)
% margin ²	17.4%	20.4%	(3.0%)

Initiatives

People: Strong leadership in place



Pricing: Increasing pricing to properly reflect the rise in replacements of appliances and implementing dynamic pricing processes



Process and visibility: Improve operations and analytics to identify changing trends



Cost containment: Renegotiating appliance contractor agreements and sourcing additional appliance parts supply



Long-term targets for home service plan business

Metrics	2018F	Long-term annual targets
Revenue growth	8-10%	High single digit organic
Gross margin	46-47%	~50%
Adjusted EBITDA margin	~20%	Low 20's
Capex	<div>\$20-30M</div>	~\$20M

Principally reflects costs to replicate IT systems historically shared with SERV; capex averaged ~\$11M previous 5 years

Our Future

Rex Tibbens

Chief Executive Officer





Our vision for the future.

A strong core business...

1. Core Business

Grow Category

- Consumer education
- Customer experience

Geographies

- U.S. penetration
- International growth

Segments

- Multi-family homes
- Convenience seekers

3x upside in U.S. home service plan household penetration

2. Home Services

Improve

- Remodeling, flooring replacement, painting

Repair

- HVAC repair, electrical, appliance, plumbing

Maintain

- HVAC checkups and gutter cleaning

Repair makes up only ~25% of home services industry

3. Data Platform

Assets

Parts

Maintenance
Needs

Warranties

Recalls

Inspection
Reports

Repair
History

Internet of
Things

...with the platform to penetrate into the broader home services category



Key elements of home services strategy



- On-demand service



- Service experience transparency

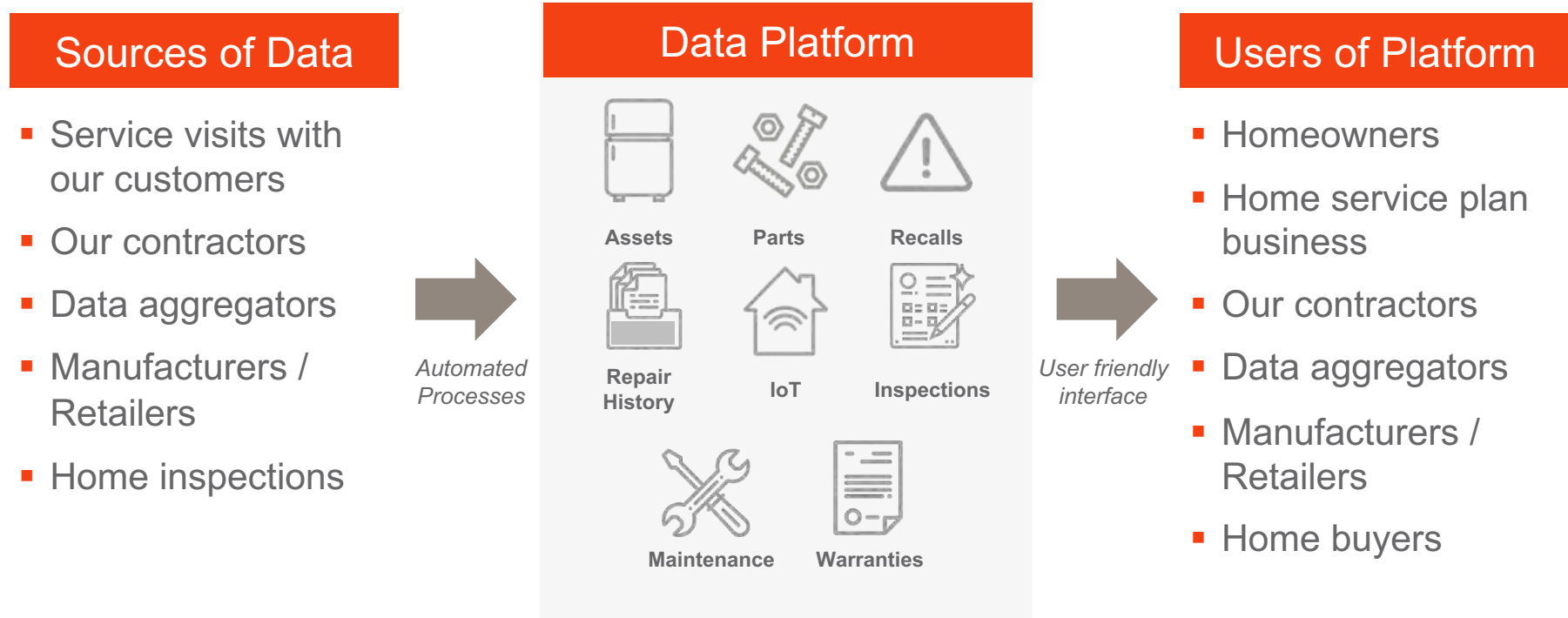


- Transparent pricing



- Preventative maintenance

A robust data platform will unlock value throughout the home services category and beyond



Platform users will consume and contribute data

Why Frontdoor?

- **Great core business — a growing subscription business with high margins**
- **Opportunities within core business alone represent significant upside**
- **Unique and powerful marketplace model in home services**
- **Well-positioned to be a leader in the \$400B U.S. home services market**

Appendix

Non-GAAP reconciliation definitions

Adjusted EBITDA is defined as net income before: depreciation and amortization expense; interest expense; interest income from affiliate; provision for income taxes; non-cash stock-based compensation expense; restructuring charges; spin-off charges; non-cash impairment of software and other related costs; affiliate royalty expense; (gain) loss on insured home service plan claims; and other non-operating expenses

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue

Free Cash Flow is defined as net cash provided from operating activities from continuing operations less property additions

Free Cash Flow Conversion is defined as Free Cash Flow divided by Adjusted EBITDA

Net Income to Adjusted EBITDA Reconciliations

(In millions)	Six months ended June 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Net Income	\$58	63	\$160	\$124	\$120	\$74	\$84
Depreciation and amortization expense	9	9	17	13	9	9	8
Interest expense	0	0	1	–	–	–	–
Interest income from affiliate	(1)	(1)	(3)	(2)	–	–	–
Provision for income taxes	20	37	60	71	69	46	50
Non-cash stock-based compensation expense	2	3	4	4	4	3	1
Restructuring charges	3	1	20	3	–	1	1
Spin-Off charges	15	-	–	–	–	–	–
Non-cash impairment of software and other related costs	-	-	–	–	–	47	–
Affiliate royalty expense	1	1	2	2	1	1	1
(Gain) loss on insured home service plan claims	(1)	0	(1)	1	–	(3)	–
Other	-	1	–	1	1	–	–
Adjusted EBITDA	\$105	\$113	\$259	\$218	\$205	\$179	\$145

Revenue	\$602	\$553	\$1,157	\$1,020	\$917	\$828	\$740
Net Income as a % of Revenue	10%	11%	14%	12%	13%	9%	11%
Adjusted EBITDA Margin	18%	20%	22%	21%	22%	22%	20%

Net Cash Provided from Operating Activities to Free Cash Flow Reconciliations

(In millions)	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net Cash Provided from Operating Activities	\$194	\$155	\$135	\$142	\$78
Property additions	(15)	(11)	(7)	(11)	(13)
Free Cash Flow	\$179	\$144	\$127	\$131	\$65
Adjusted EBITDA	\$259	\$218	\$205	\$179	\$ 145
Free Cash Flow Conversion	69%	66%	62%	73%	44%

Pro forma capitalization

	PF Spin	
	Amount (\$M)	x Adj. EBITDA
Cash and marketable securities	\$275	
New \$250M Revolver	-	
New 7-Year Term Loan B	650	
Total Secured Debt	\$650	2.58x
Net Secured Debt¹	\$600	2.38x
New Senior Unsecured Notes due 2026	350	
Total Debt	\$1,000	3.97x
Net Debt¹	\$950	3.77x
SpinCo LTM 6/30/18 Adj. EBITDA		\$252

¹ \$225M of SpinCo restricted cash and marketable securities are not used for cash netting