



# Frontier (FYBR) Investor Day Presentation

August 5, 2021

# Safe Harbor statement

## Forward looking language

This presentation contains "forward-looking statements" related to future events. Forward-looking statements address our expectations or beliefs concerning future events, including, without limitation, our future operating and financial performance, our ability to comply with the covenants in the agreements governing our indebtedness and other matters. These statements are made on the basis of management's views and assumptions, as of the time the statements are made, regarding future events and performance and contain words such as "expect," "anticipate," "intend," "plan," "forecast," "believe," "seek," "see," "may," "will," "would," or "target." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. A wide range of factors could materially affect future developments and performance, including but not limited to: our significant indebtedness, our ability to incur substantially more debt in the future, and covenants in the agreements governing our current indebtedness that may reduce our operating and financial flexibility; our ability to successfully implement strategic initiatives, including our fiber buildout and other initiatives to enhance revenue and realize productivity improvements and cost savings; competition from cable, wireless and wireline carriers, satellite, fiber "overbuilders" and "over the top" companies, and the risk that we will not respond on a timely or profitable basis; our ability to successfully adjust to changes in the communications industry, including the effects of technological changes and competition on our capital expenditures, products and service offerings; risks related to disruption in our networks, infrastructure and information technology that result in customer loss and/or incurrence of additional expenses; the impact of potential information technology or data security breaches or other cyber-attacks or other disruptions; our ability to retain or attract new customers and to maintain relationships with customers, including wholesale customers; our reliance on a limited number of key suppliers and vendors; declines in revenue from our voice services, switched and non-switched access and video and data services that we cannot stabilize or offset with increases in revenue from other products and services; our ability to secure, continue to use or renew intellectual property and other licenses used in our business; our ability to hire or retain key personnel; our ability to dispose of certain assets or asset groups or to make acquisition of certain assets on terms that are attractive to us, or at all; the effects of changes in the availability of federal and state universal service funding or other subsidies to us and our competitors and our ability to obtain future subsidies, including participation in the proposed RDOF program; our ability to meet our CAF II and RDOF obligations and the risk of penalties or obligations to return certain CAF II and RDOF funds; our ability to defend against litigation and potentially unfavorable results from current pending and future litigation; our ability to comply with applicable federal and state consumer protection requirements; the effects of governmental legislation and regulation on our business, including costs, disruptions, possible limitations on operating flexibility and changes to the competitive landscape resulting from such legislation or regulation; the impact of regulatory, investigative and legal proceedings and legal compliance risks; our ability to effectively manage service quality in the states in which we operate and meet mandated service quality metrics; the effects of changes in income tax rates, tax laws, regulations or rulings, or federal or state tax assessments; the effects of changes in accounting policies or practices; our ability to successfully renegotiate union contracts; the effects of increased medical expenses and pension and postemployment expenses; changes in pension plan assumptions, interest rates, discount rates, regulatory rules and/or the value of our pension plan assets; the likelihood that our historical financial information may no longer be indicative of our future performance and our implementation of fresh start accounting; adverse changes in economic, political and market conditions in the areas that we serve, the U.S. and globally; potential adverse impacts of the COVID-19 pandemic on our business and operations, including potential disruptions to the work of our employees arising from health and safety measures such as social distancing and working remotely, our ability to effectively manage increased demand on our network, our ability to maintain relationships with our current or prospective customers and vendors, as well as their abilities to perform under current or proposed arrangements with us, and stress on our supply chain; risks

associated with our emergence from the Chapter 11 Cases, including, but not limited to, the continuing effects of the Chapter 11 Cases on us and our relationships with our suppliers, customers, service providers or employees and changes in the composition of our board of directors and senior management; volatility in the trading price of our common stock, which has a limited trading history; substantial market overhang from the common stock issued in the Chapter 11 reorganization; certain provisions of Delaware law and our certificate of incorporation that may prevent efforts by our stockholders to change the direction or management of our Company; and certain other factors set forth in our other filings with the SEC. This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative and is not intended to be exhaustive. You should consider these important factors, as well as the risks and other factors contained in Frontier's filings with the U.S. Securities and Exchange Commission, including our most recent reports on Form 10-K and Form 10-Q. These risks and uncertainties may cause actual future results to be materially different than those expressed in such forward-looking statements. We do not intend, nor do we undertake any duty, to update any forward-looking statements.

### Non-GAAP Financial Measures

Certain financial measures included herein, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Expenses and Operating Free Cash Flow, are not made in accordance with U.S. GAAP, and use of such terms varies from others in the same industry. Non-GAAP financial measures should not be considered as alternatives to net income (loss), net income margin or any other performance measures derived in accordance with U.S. GAAP as measures of operating performance or cash flows as measures of liquidity. Non-GAAP financial measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for results as reported under U.S. GAAP. This presentation includes a reconciliation of certain non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with U.S. GAAP. Projected GAAP financial measures and reconciliations of projected non-GAAP financial measures are not provided herein because such GAAP financial measures are not available on a forward-looking basis and such reconciliations could not be derived without unreasonable effort.

This presentation uses the term "Implied Enterprise Value", "Implied EV" and other similar terms, which is calculated using a trend line implied by our peers and certain assumed levels of broadband penetration. This term does not necessarily represent our actual enterprise value.

### Note Regarding Classifications of Results

Unless otherwise indicated, the information presented herein, including operational, non-GAAP measures, and commentary pertain to the Remaining Properties only. "Remaining Properties," as defined in Frontier's 10-K for the year ended December 31, 2020, comprises the 25 states Frontier currently operates in and excludes Washington, Oregon, Idaho, and Montana due to the divestiture of operations and assets in these states effective May 1, 2020. "Consolidated" refers to the entire business, which may include financial data from Washington, Oregon, Idaho, and Montana for the periods through May 1, 2020. References to "Northwest Ops" refer to the metrics of the four Northwest states.

# Today's presenters...



**Nick Jeffery**

Chief Executive  
Officer



**Scott Beasley**

Chief Financial  
Officer

**Veronica  
Bloodworth**

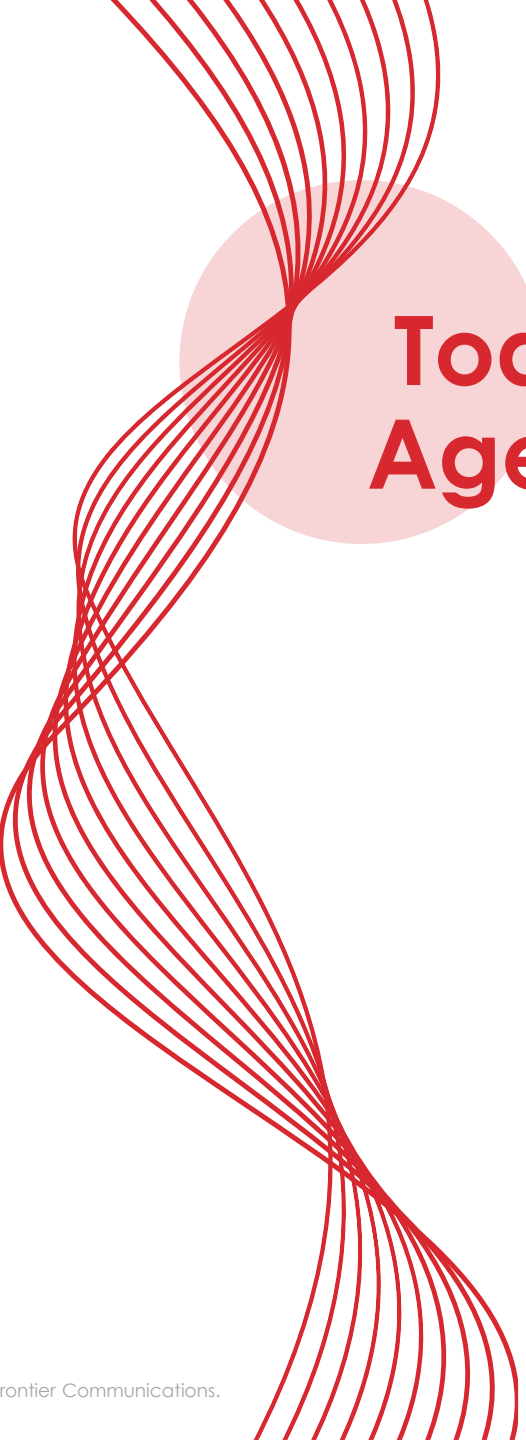
Chief Network  
Officer



**John Stratton**

Executive Chairman  
of the Board





# Today's Agenda

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Company overview &  
FY 21 momentum



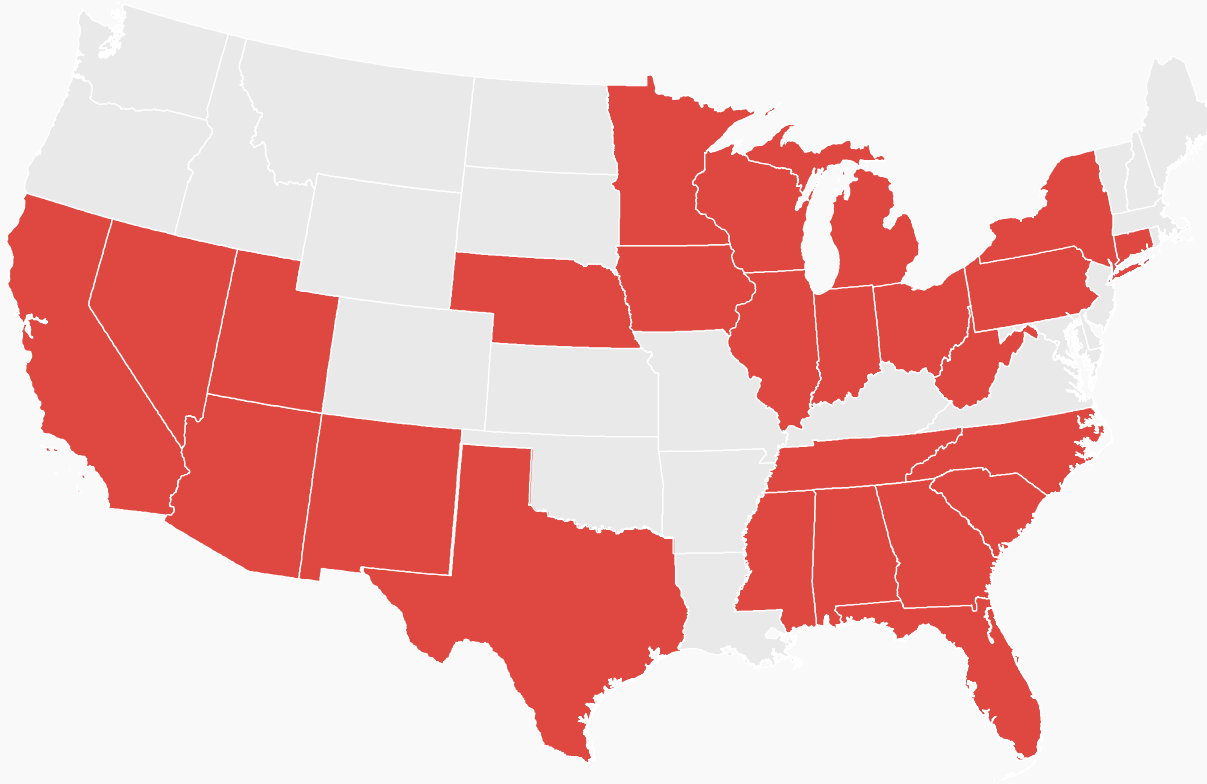
Strategic review

# 01

## Company overview & FY 21 momentum

# Frontier today: company overview

## Frontier footprint



## Key operational & financial metrics

**\$6.7B**

LTM Revenue as of  
Q2 '21

**\$2.7B**

LTM Adj. EBITDA as of  
Q2 '21

2.8M

Broadband Customers<sup>1</sup>

**\$1.1 B**

LTM EBITDA from Fiber as  
of Q2 '21

# 400k

Businesses within 250 feet of Frontier fiber

23k

Towers within 1 mile of  
Frontier fiber

Note: All metrics shown are adjusted for the sale of Northwest Operations. Adjusted EBITDA and Adjusted EBITDA margins are non-GAAP measures. See Appendix slides for reconciliations to the closest GAAP measure.

# Our new board brings extensive experience across key disciplines

Technology

Finance

Operations

Legal &  
Regulatory

Telcom  
Industry

Talent



**John Stratton,  
Chairman**

Former EVP,  
President of  
Verizon Global  
Operations



**Kevin  
Beebe**

Co-Founder, Astra  
Capital  
Management  
  
Former Group  
President of  
Operations, ALLTEL  
Corp.



**Lisa  
Chang**

Chief People  
Officer, Coca-  
Cola Company



**Pamela  
Coe**

Former Deputy  
General Counsel  
and Corporate  
Secretary of Liberty  
Media Corporation



**Nick Jeffery,  
CEO**

Former CEO of  
Vodafone UK



**Stephen Pusey**

Former Global  
Chief Technology  
Officer, Vodafone  
Group PLC



**Margaret  
"Peggy" Smyth**

Former CFO,  
National Grid USA



**Maryann  
Turcke**

Former Chief  
Operating Officer,  
National Football  
League



**Pratabkumar  
"Prat" Vemana**

Chief Digital  
Officer, Kaiser  
Foundation Health  
Plans and Hospitals  
(Kaiser  
Permanente)

# Management Team with strong track record of creating shareholder value and leading turnarounds



**Nick Jeffery**  
**Chief Executive Officer**  
Former CEO of Vodafone UK



**Scott Beasley**  
**Chief Financial Officer**  
Former CFO of Arcosa



**Veronica Bloodworth**  
**Chief Network Officer**  
Former SVP of Construction  
and Engineering for AT&T



**John Harrobin**  
**EVP of Consumer**  
Former CMO of Audible  
& Verizon



**Mike Shippey**  
**EVP of Business & Wholesale**  
Former President of Wholesale  
for Windstream Holdings



**Alan Gardner**  
**Chief People Officer**  
Former SVP of Human  
Resources for Verizon Wireless

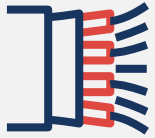


**Mark Nielsen**  
**Chief Legal Officer**  
+30 years legal &  
governmental experience



**Erin Kurtz**  
**Chief Communications Officer**  
Former SVP of Communications  
for XPO Logistics

# Commitment to ESG



## Our Products

**Our products connect people to the Digital Society**

- Connect underserved communities in rural areas across 25 states to bridge the “digital divide”
- Participate in FCC CAF & RDOF programs
- Products enable online work and education



## Our People

**We develop a talented, diverse, sustainable workforce**

- Robust environmental, health and safety compliance programs
- Contribution to community engagement programs where we live and work
- Talent development, performance & retention programs



## Our Planet

**We are stewards of the environment**

- Fiber network uses less energy than broadband alternatives
- Frontier Green Initiatives to decrease energy consumption & reduce waste
- First electric vehicle purchases in 2021 to reduce GHG footprint
- Meet or exceed federal, state & local laws & regulations governing greenhouse gas emissions, hazardous materials & pollutants

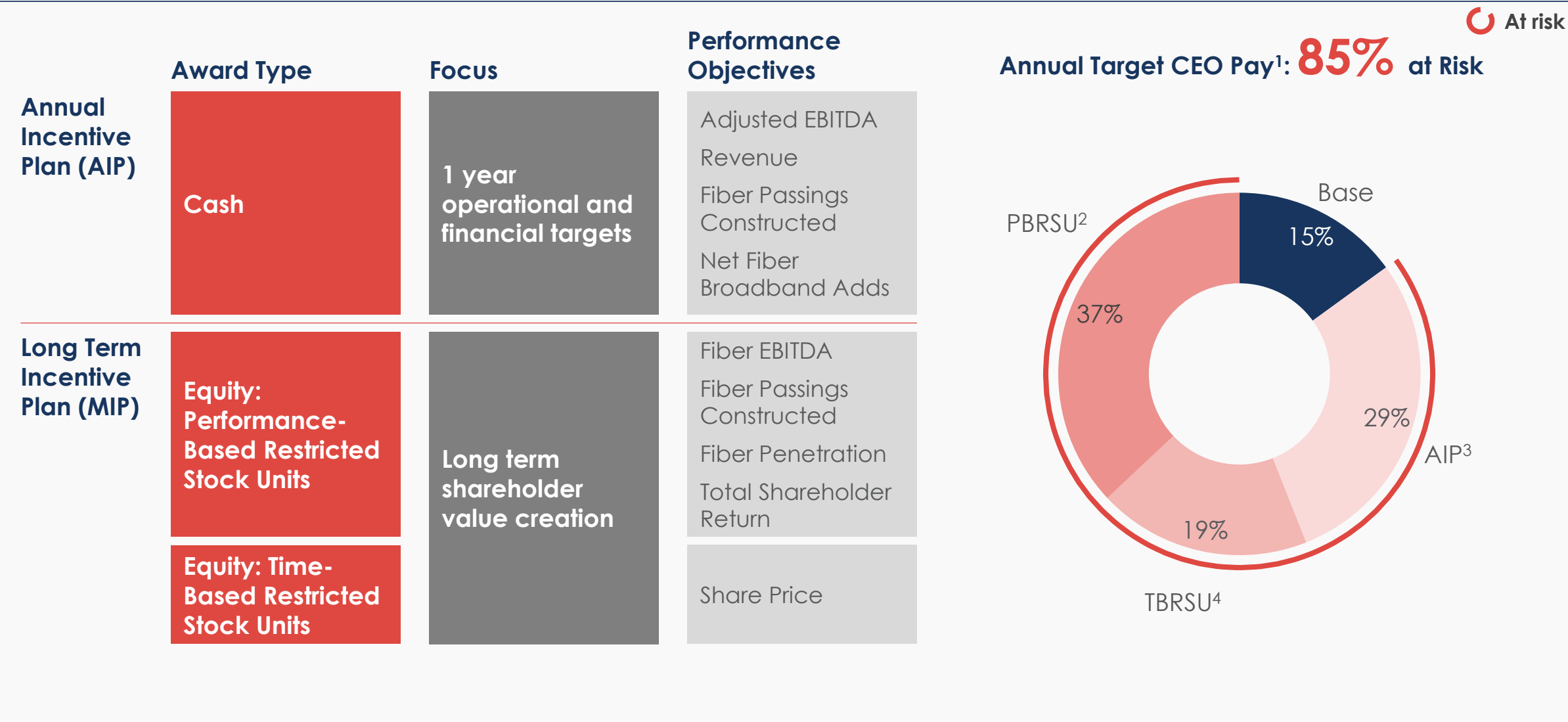


## Our Governance

**We are committed to the highest principles of governance**

- Diverse board representation
- “Pay for Performance” compensation philosophy
- Separate Chairman & CEO role
- Board level oversight of human capital & ESG matters
- Comprehensive compliance & ethics programs

# New culture of performance accountability



1. Excludes one-time bankruptcy emergence grants in 2021 | 2. PBR SU: Performance-Based Restricted Stock Unit | 3. AIP: Annual Incentive Plan | 4. TBR SU: Time Based Restricted Stock Units

# Clear purpose **Building Gigabit America**

## Why

Digital Society

Inclusion for all

Environment

## What

Fiber  
deployment

Penetration

Customer  
experience

Operational  
efficiency

← Revenue Growth + Cost Leadership →

← Radical Simplification + Reset Culture →

## How

**The  
Frontier  
Way**

Earn  
Customer  
Loyalty

+

Get it done  
together

+

Do what we  
say we will  
do

+

Create the  
Future

## Q2 2021: Financial Highlights

**\$1.62B Revenue**, including roughly flat sequential data revenue but lower voice revenue

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**\$298M Operating Income**, up sequentially from Q1 2021

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**\$633M of Adjusted EBITDA**, down sequentially as Fiber growth was offset by Copper decline

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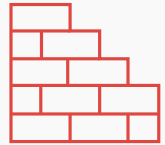
**\$278M of Adjusted EBITDA from Fiber**, up sequentially on higher Consumer Fiber performance

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Note: Adjusted EBITDA and Operating Free Cash Flows are non-GAAP measures. See Appendix for reconciliations to closest GAAP measures.

© Frontier Communications.

## Q2 2021: Key operating metrics



**157k fiber passings constructed** during the quarter, up 51% from Q1's pace



**12k fiber net adds, marking 8th consecutive quarter** of positive consumer fiber net adds



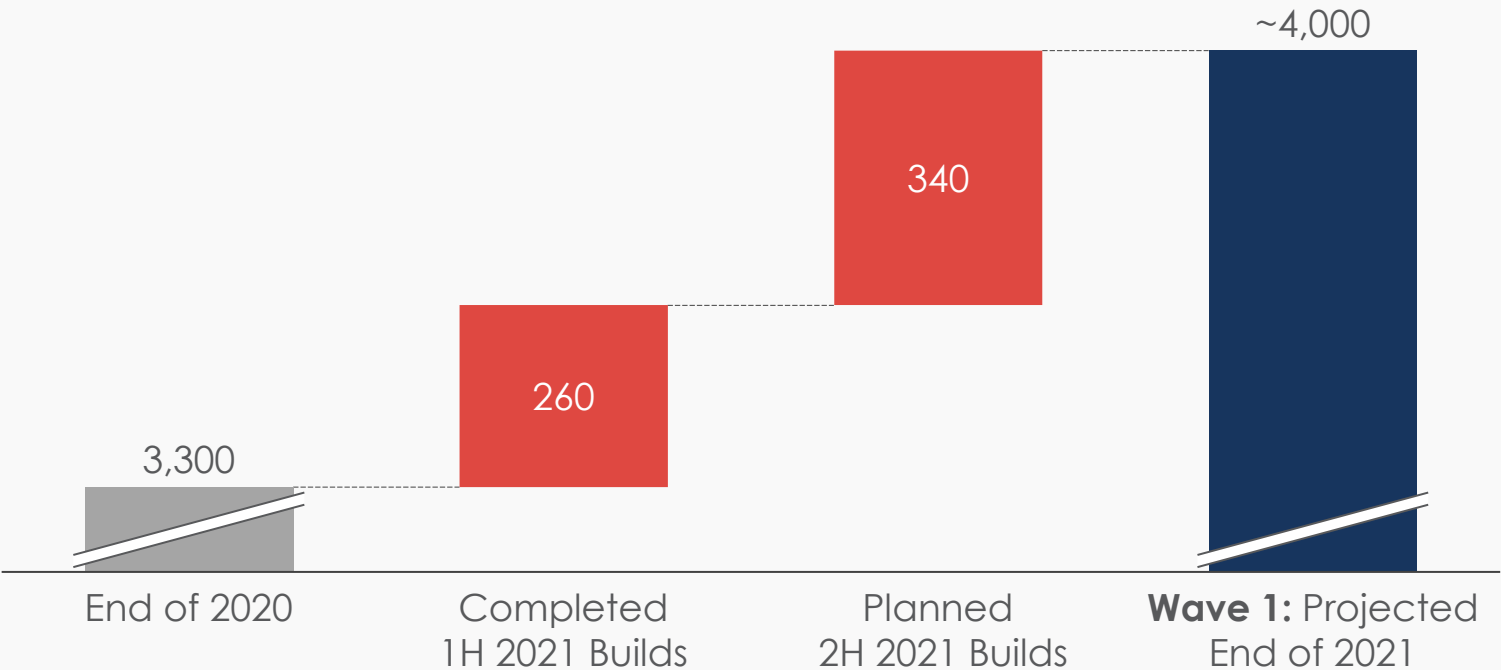
**1.5% consumer fiber churn**, continuing the trend of improvement vs. 2020 performance



**\$63.10 ARPU** for consumer fiber, as consumers continue to upgrade speeds

# Accelerated build to 600,000+ locations in FY 21

## 2021 Fiber build plan ('000s homes)



**600K+ builds to be completed in FY21, up from 495K in previous plan**

## Key drivers of 2021 build acceleration



Strengthened executive team with industry leaders



Developed partnerships with fiber build partners



Refined processes to accelerate build decision-making and eliminate silos

# Updating capex and fiber build guidance, driven by fiber acceleration in 2021

|                      | 2020A                | Initial 2021E  |   | Revised 2021E  |
|----------------------|----------------------|----------------|---|----------------|
| Capital Expenditures | \$1.2B               | ~\$1.5B        | ➤ | ~\$1.8B        |
| Fiber Build          | 60,000               | 495,000        | ➤ | 600,000        |
| Adjusted EBITDA      | \$2.77B <sup>1</sup> | \$2.40 - 2.50B | ➤ | \$2.40 - 2.50B |

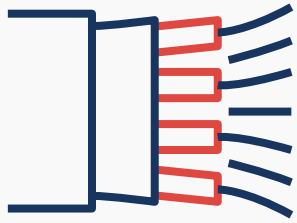
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1. See Appendix for a reconciliation to the closest GAAP measure.

# 02

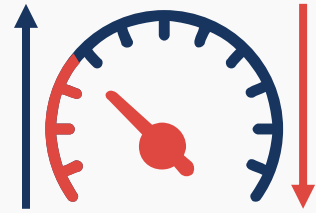
## Strategic review

# Major announcements in today's presentation



**10M+ locations passed  
with fiber**

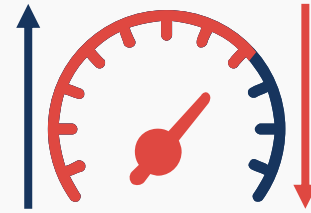
by the end of 2025



**Symmetrical  
1 Gbps**

**Best in class consumer  
offering today**

for all digital needs



**Symmetrical  
2 Gbps**

**Launching 2Gbps in  
1Q 2022**

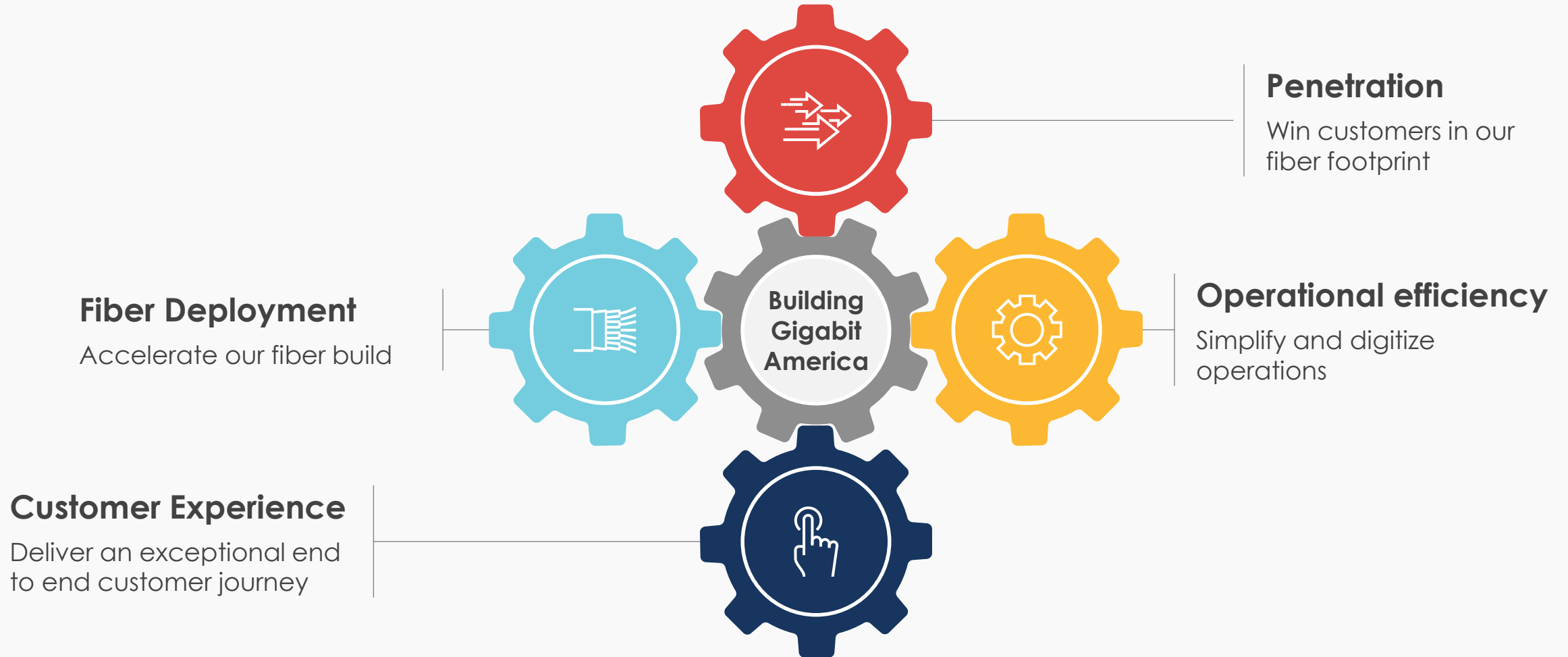
to unlock next-gen  
digital experiences



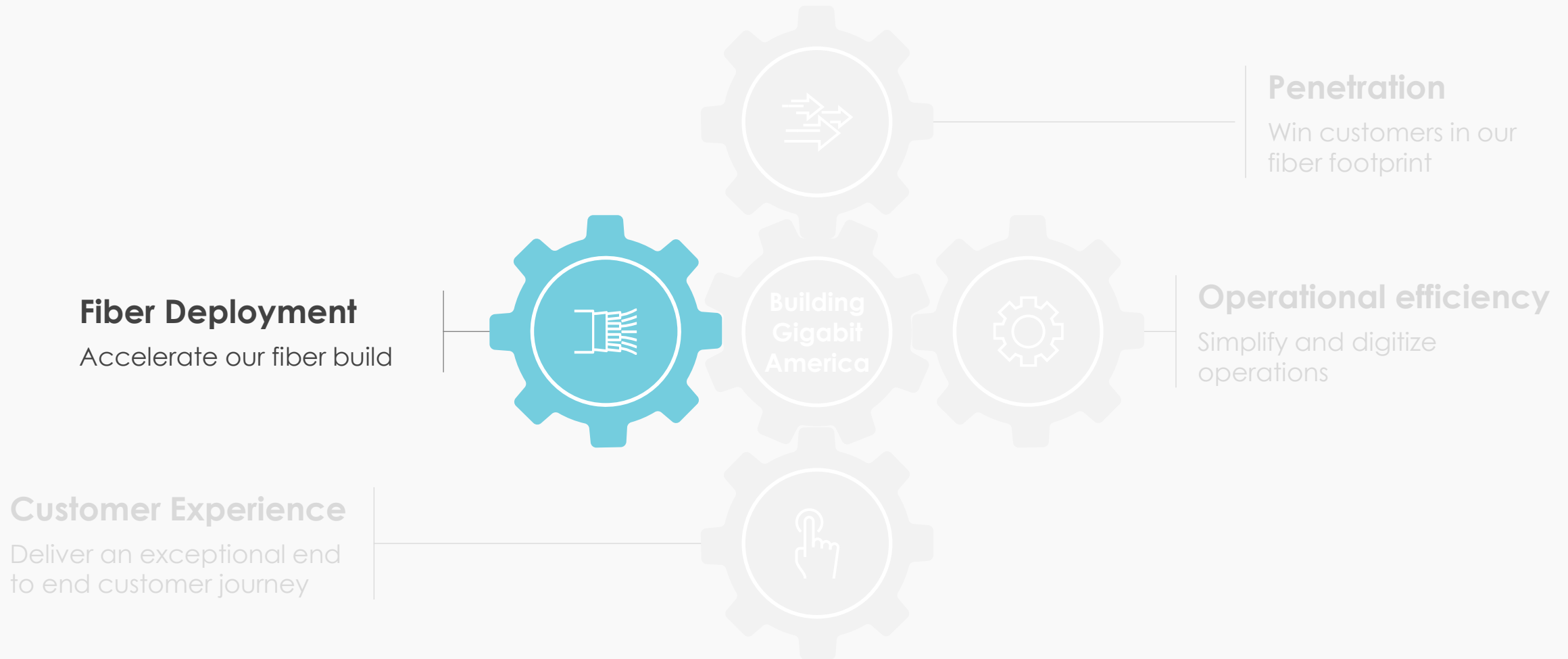
**Targeting \$250M run  
rate savings by FY 2023**

from simplifying  
operations & improving  
customer experience

# Strategy focused on 4 levers of value creation



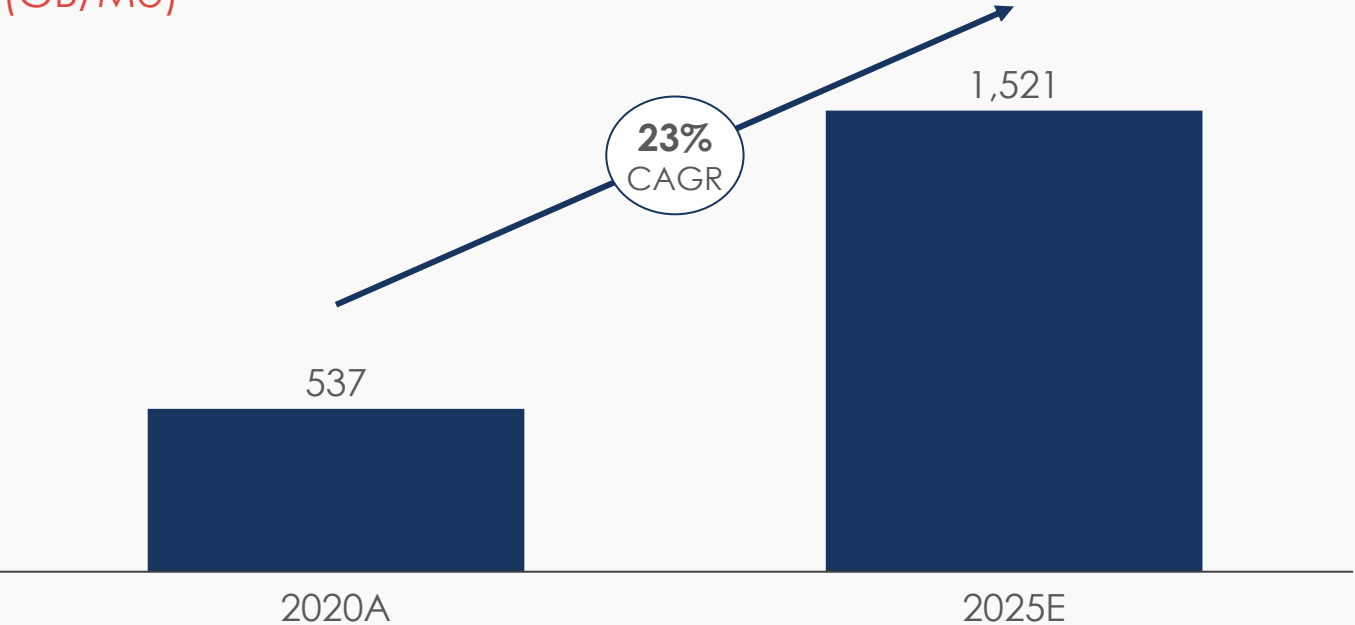
# Strategy focused on 4 levers of value creation



# Demand for high-speed broadband growing rapidly

## Demand expected to grow exponentially

### US Data Usage per HH<sup>1</sup> (GB/Mo)



## By 2025...



**+3X**  
video consumption<sup>1</sup>



**8hrs+**  
spent online / person<sup>2</sup>



**+3X**  
devices/ HH<sup>3</sup>



**5X**  
uplink data  
demand / HH<sup>4</sup>

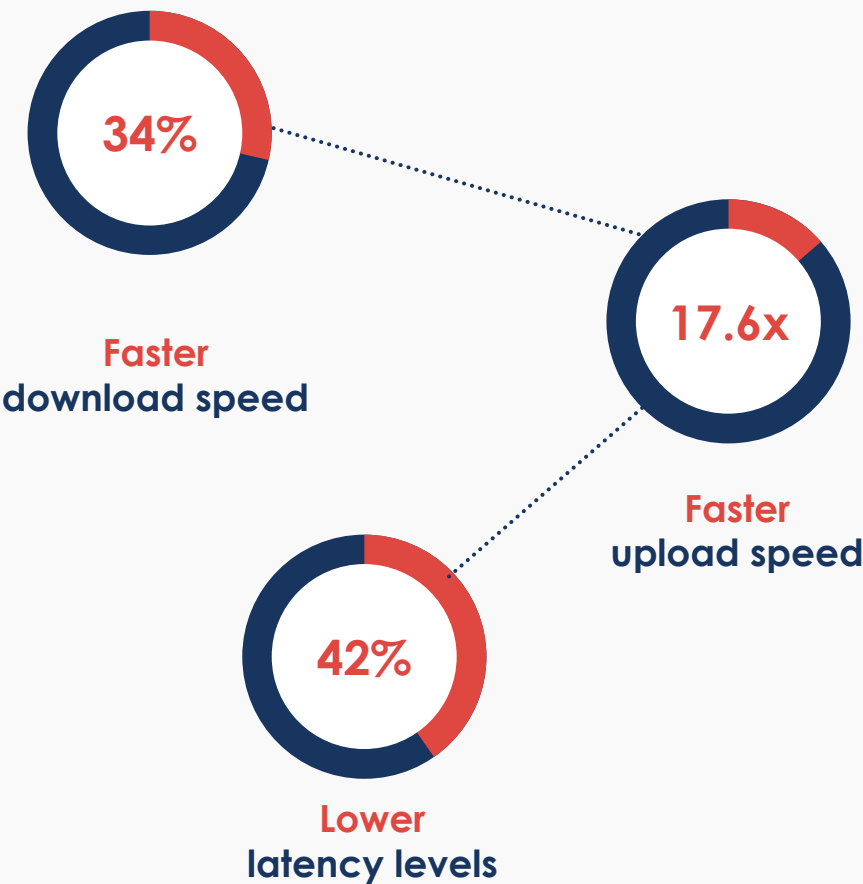


**Frontier's uplink internet traffic has grown more since beginning of the pandemic than in the prior 5 years combined**

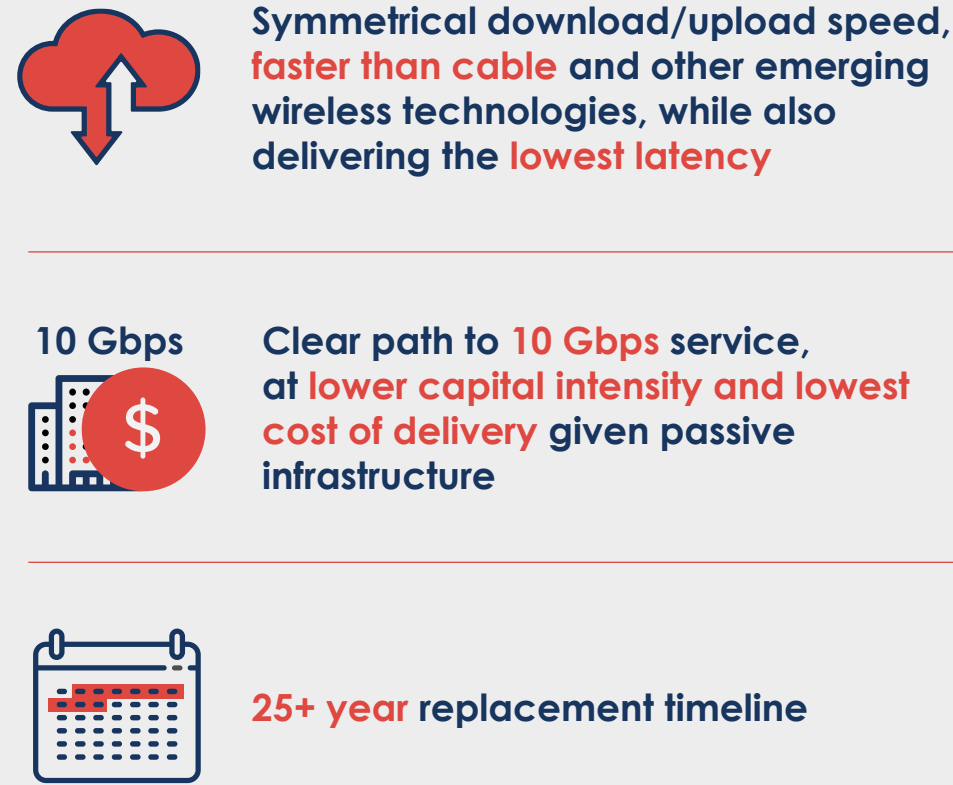
1. Combines North America Mobile Network Traffic & Consumer Internet Traffic, Credit Suisse Report 2021 | 2. eMarketer, NSR | 3. Bell Labs Projection | 4. Uplink / Downlink ratio is projected to double by 2025 (1:5 in 2025 vs. 1:10 in 2020)

# Fiber is the best product to meet this demand

## Fiber is superior to cable today



## Fiber will maintain superiority in the future



Source: FCC

# Our incumbent position provides significant speed and cost advantages in building new fiber



## Overlash aerial copper lines

~\$30 benefit per location



## Owned long haul transport

~\$10 benefit per location



## Utilize existing fiber; only replace existing distribution legacy copper

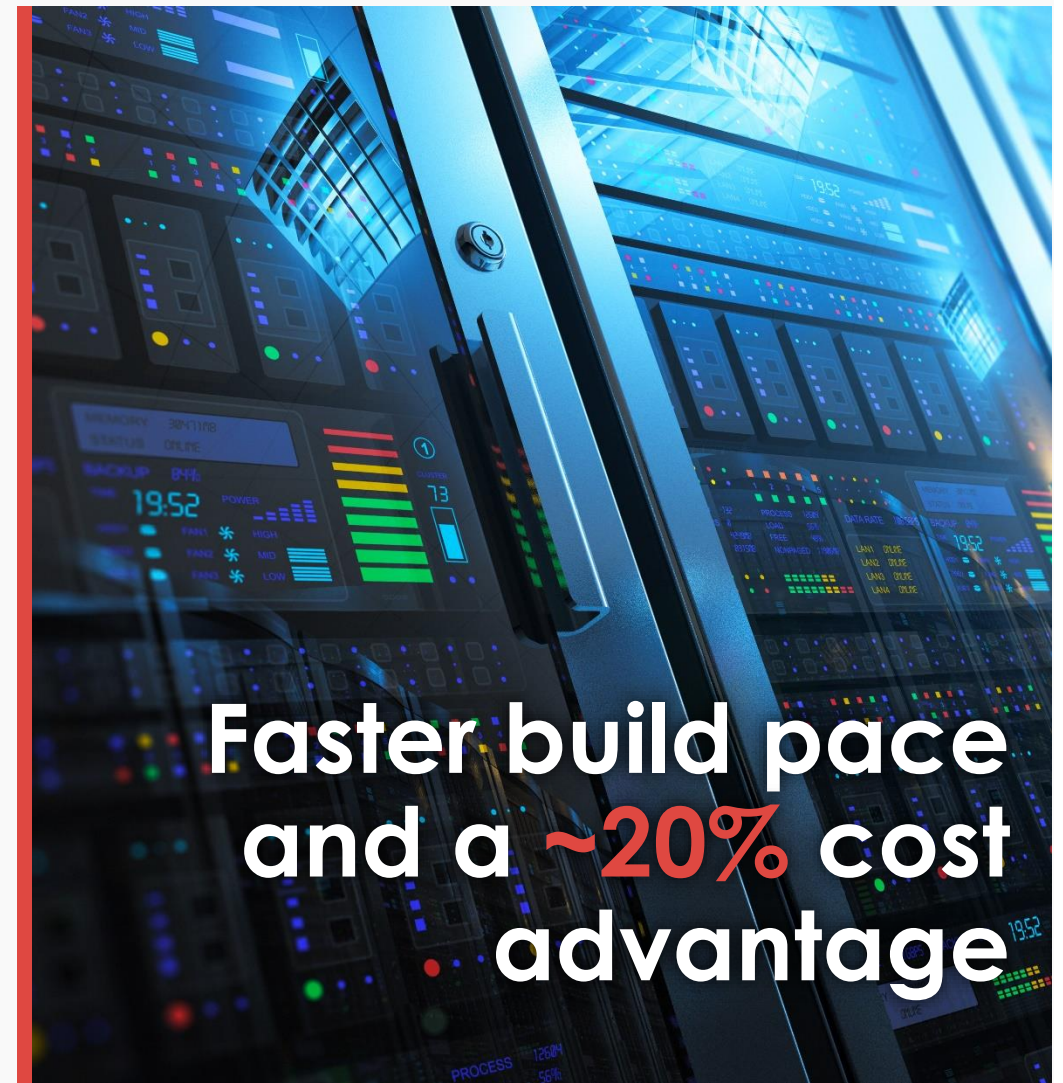
~\$30 benefit per location

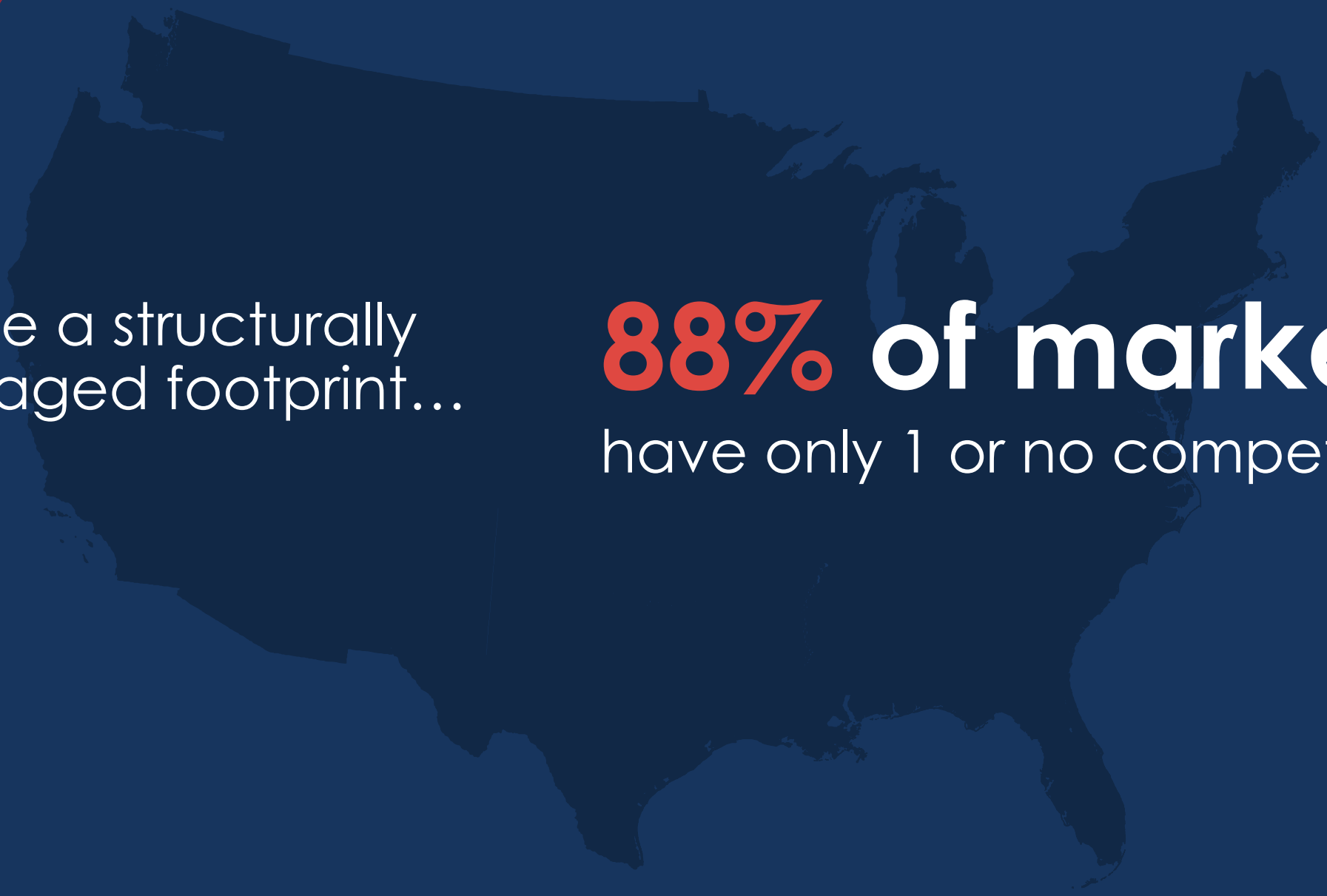


## Existing conduit capacity

~\$40 benefit per location

*Note: Dollar and percent savings calculated off initial pilot; dollar cost savings are expected to scale up with more expensive build costs*



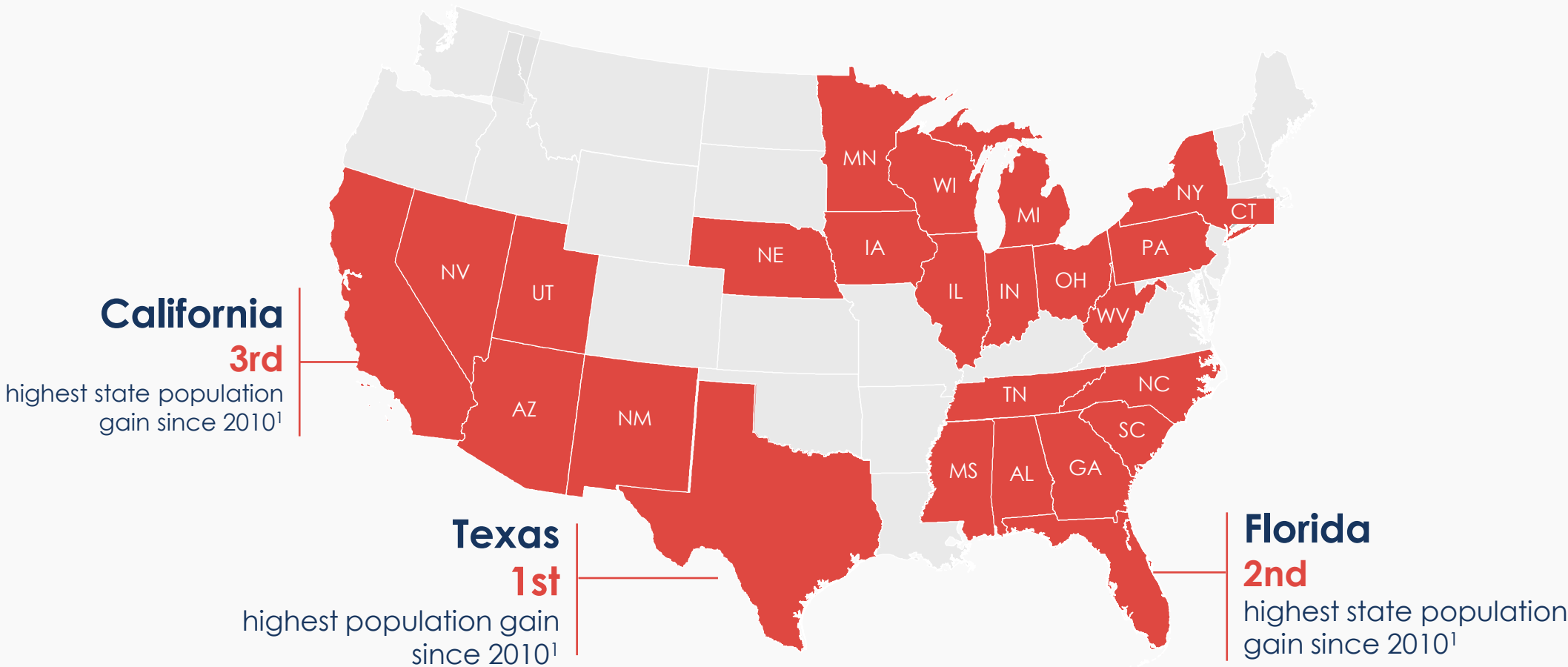


We have a structurally  
advantaged footprint...

**88%** of markets  
have only 1 or no competitors

...and our footprint is weighted towards attractive states with positive demographic trends

Frontier footprint



1. US census 2010 to 2020 population gain by number of people by state

# Announcing today

10M+ total fiber passings by end of 2025

WAVE 1

Total end of FY2021

~4M

FY21 Fiber Passings

+

WAVE 2

Announcing today

~6M

Fiber builds in next four  
years

=

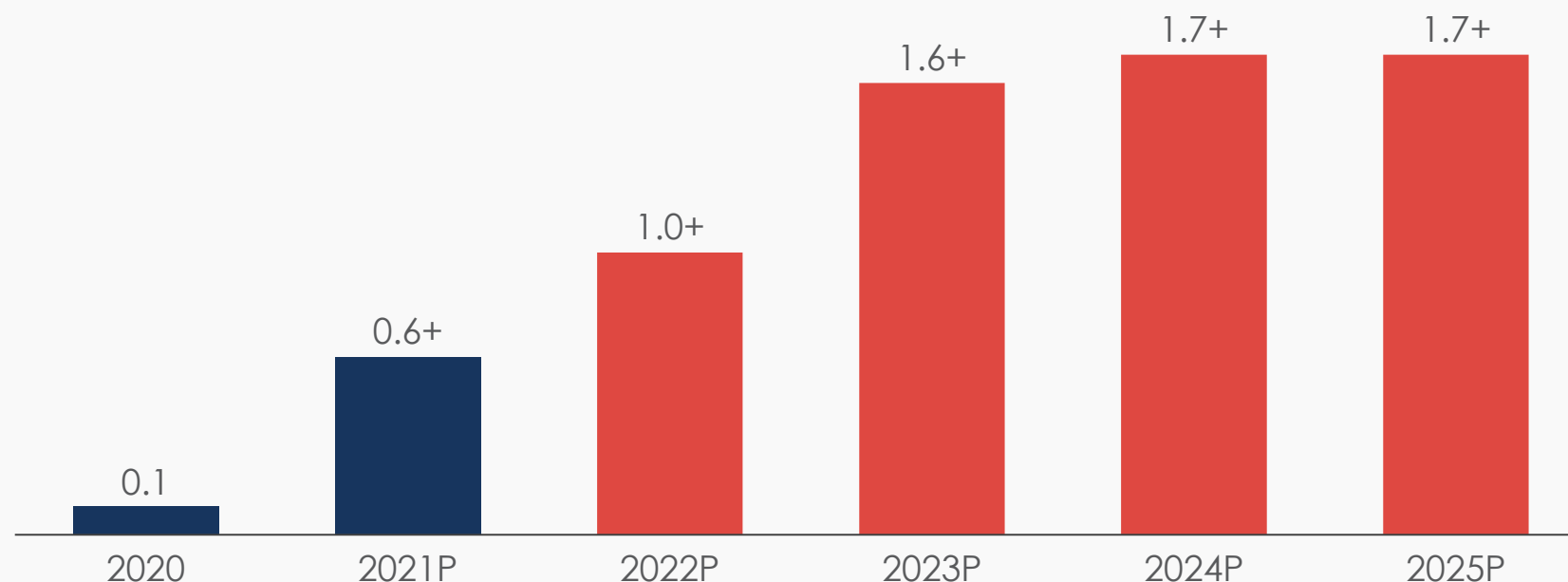
Total end of 2025

10M+

FY25 Fiber Passings

# We plan to build rapidly to maintain our first-mover advantage

## Planned Expansion Fiber Passings<sup>1</sup>, M passings



**End of Wave 1: 4M fiber passings by end of 2021**

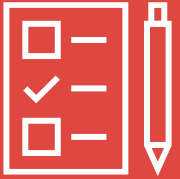
**Wave 2: 6M fiber passings from 2022-2025**  
Rapid acceleration as we become more efficient

### Expected build cost per passing:

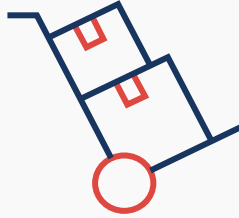
- **Wave 1:** \$500-600
- **Wave 2:** ~\$900-1000<sup>2</sup>
- Wave 2 build sequencing balances cost, speed, and efficiency; we are focused on maximizing value from the full build
- We are accelerating market expansion & time to revenue
- Cost per passing in a quarter or year will vary based on population density and terrain

1. Consumer and business locations with less than 5 units per location included in expansion passings plan.

2. Average projected cost for FY 22 through FY 25



# Foundation for scaled build in place



**Materials**



**Labor**



**Permitting**



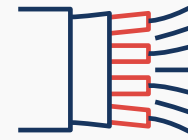
# Funding the Wave 2 fiber build plan



**Our build plans are fully funded through early 2023 with cash and accessible debt capacity**



**Committed to disciplined balance sheet management, not exceeding “mid threes” net leverage**



**Access to multiple sources of capital for FY23 and beyond**



**Wave 3 provides strategic optionality**

# We have ~\$1.5B of liquidity to help fund build plans...

## Significant liquidity including:



**~\$1B** cash balance as of 06/30/21

**\$535M** available capacity in revolving credit facility



**~2.2x** net leverage at emergence, **lowest among peer group**

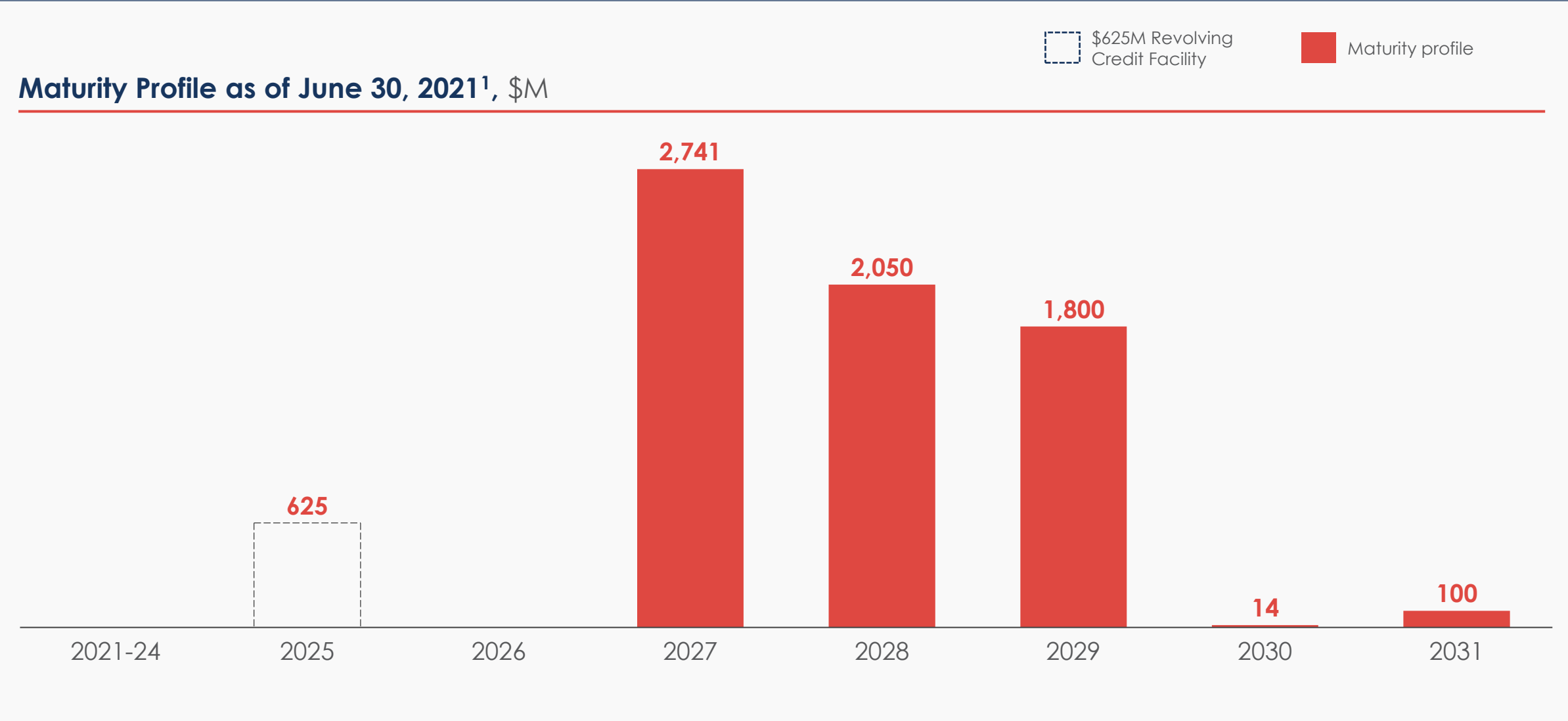


**Committed to disciplined balance sheet management**; not exceeding “mid-threes” net leverage, consistent with our fiber peers



**~\$1.5B**  
**current liquidity**

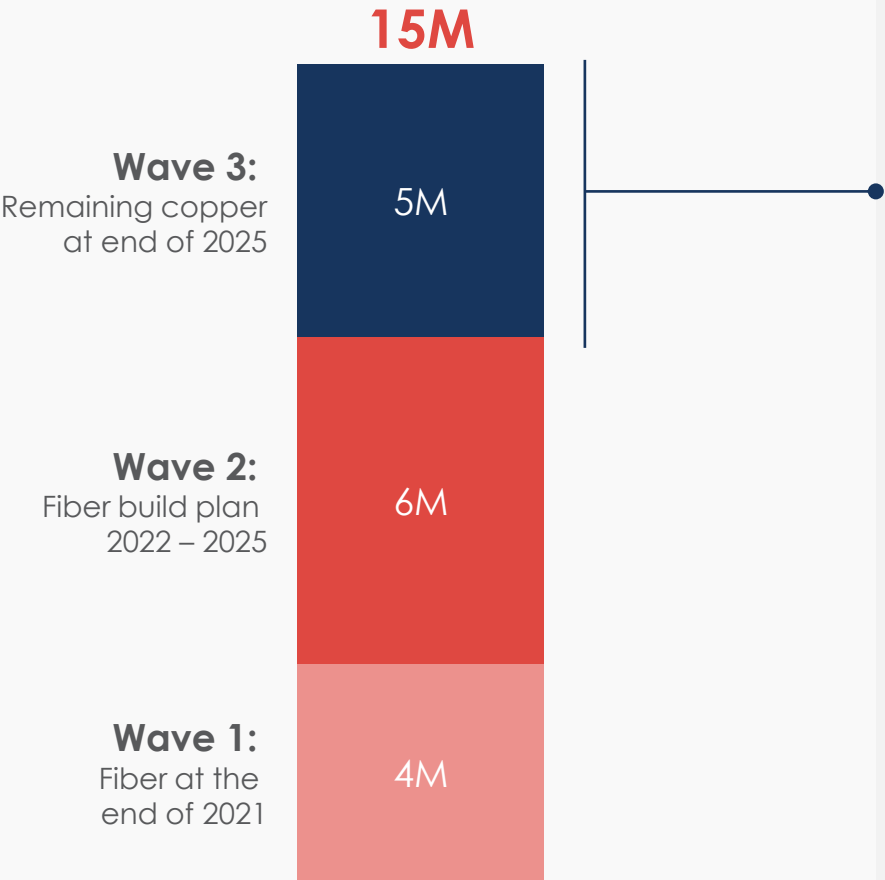
...and no debt maturities earlier than 2027



1. Excludes amortization payments of ~\$16 million per year on Term Loan and Rural Utilities loans

# We plan to have 10M+ fiber passings by end of 2025; Wave 3 also has significant potential

## Passings at end of 2025, M



## Government funding to bridge 'digital divide'

### Legislation Passed

~\$370B

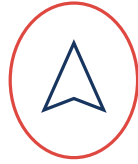
- \$3.2B:** Emergency Broadband Benefit Program (EBBP)
- \$7.2B:** Emergency Connectivity Fund / E-Rate Program
- \$10B:** American Rescue Plan – Capital Projects Fund
- \$350B:** American Rescue Plan – State and Local Fiscal Recovery Fund

### Legislation proposed

~\$65B

- \$65B:** Bipartisan Infrastructure Framework includes funding for last mile deployments and accessibility funding

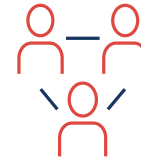
# Wave 3 provides strategic optionality



Upgrade to fiber

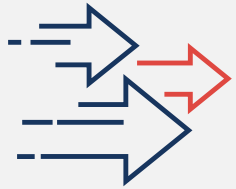


Optimize & Hold

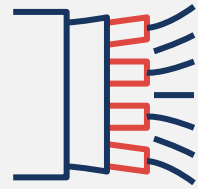


Strategic Options

# Fiber deployment key takeaways



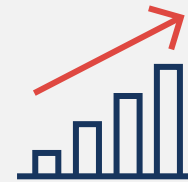
High speed internet  
even more critical  
with growing  
demand



Fiber is the best  
product to meet  
the increasing  
demand



Incumbent position  
creates significant  
advantages in  
building fiber

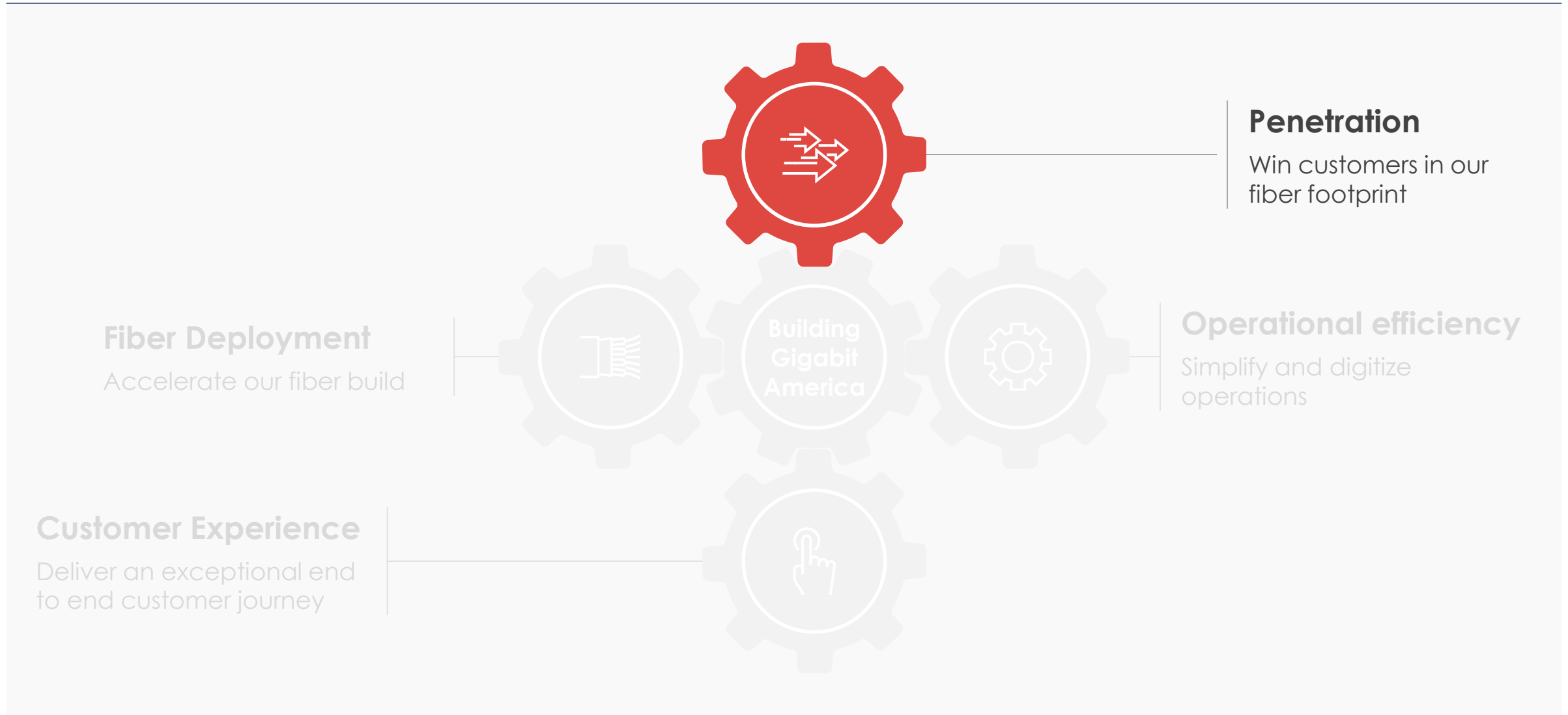


Today announcing  
an incremental  
build of 6M+ fiber  
passings by end of  
2025

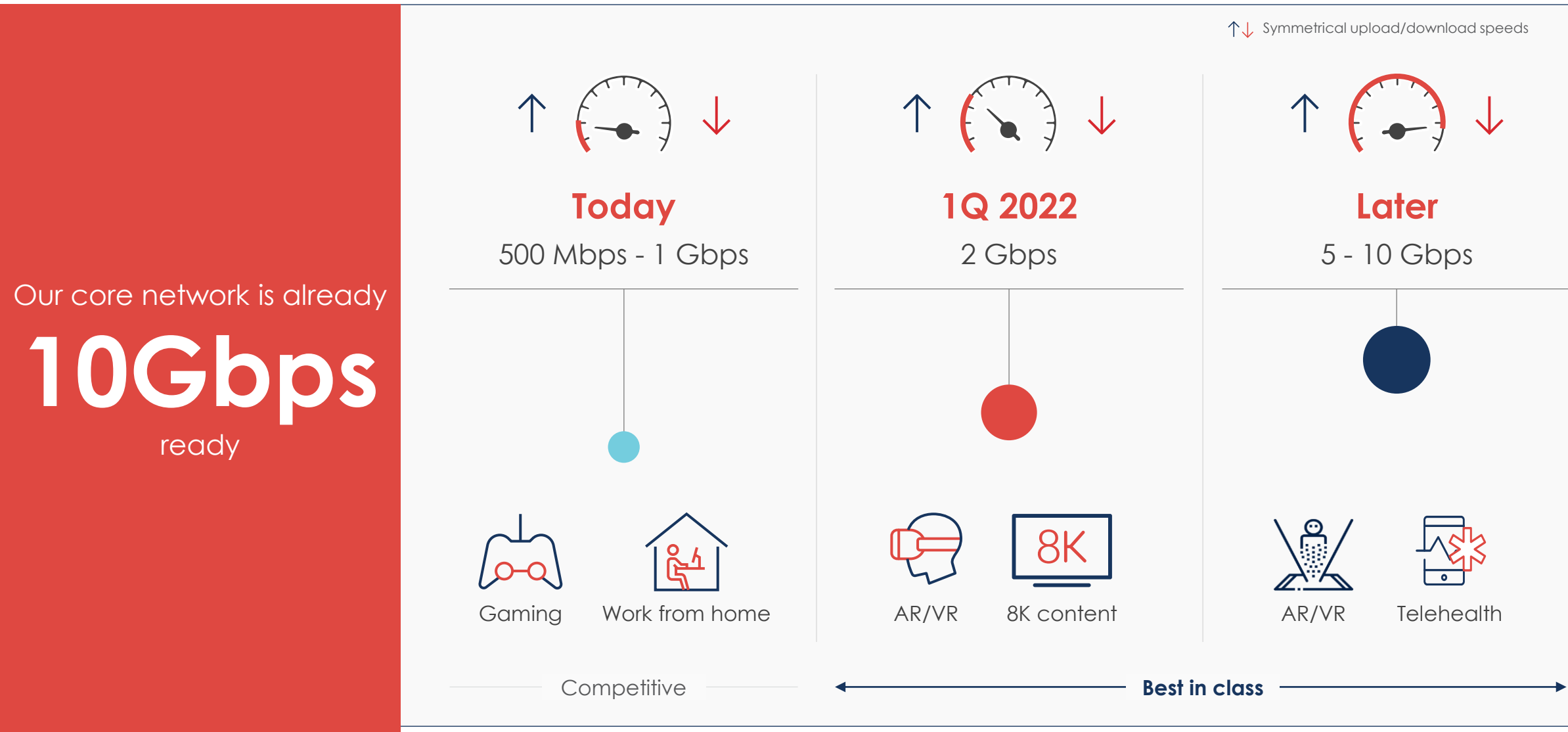


Our build plans are  
fully funded through  
early 2023;  
additional upside  
from government  
programs

# Strategy focused on 4 levers of value creation



# We are going to speeds where only fiber can compete



# Frontier is doing what cable can't



**Do what  
cable can't.**

**MORE SPEED**



**MORE FAMILY HARMONY**

**Frontier**

**MORE GAMING  
LESS LAG**



**MORE GAMING  
LESS LAG**

**Frontier**

**Do what  
cable can't.**

With upload speeds 25x faster than cable.

**Frontier**

**Frontier** [Check Availability](#)

**Frontier® has been named Best Internet Service Provider for Online Gaming.**

Best Internet Service Providers of 2021, U.S. News & World Report

**Frontier**

**FIBER  
IS HERE.  
UNFRIEND  
CABLE.**



**Frontier**

**DO WHAT CABLE  
CAN'T WITH 25X FASTER  
UPLOAD SPEEDS**

# Announcing today: Best in market consumer offering

500  

Mbps

\$54.99

 Symmetrical speeds up to 500Mbps

 Stream with high resolution video quality

 Telecommute and video conference with confidence

 Multiple users or large families simultaneously

1  

Gbps<sup>1</sup>

\$79.99

 Symmetrical speeds up to 1 Gbps

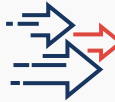
 Our fastest speed available

 Game with ultimate performance

 Powering all your users, devices and online activities with no compromises

## Announcing today

Best in market consumer offering

**Fastest entry speeds**

Speeds starting at 500 Mbps

**Top performance**

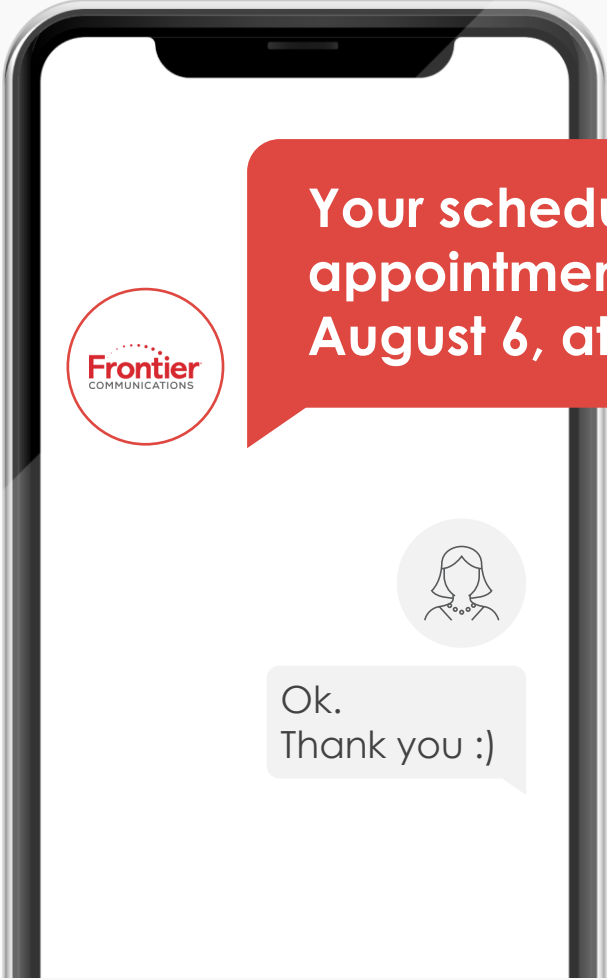
Symmetrical speeds of up to 1Gbps

**Compelling value**

No Activation Fee. No Hidden Fees. Everyday Low Price

1. Max wired speeds of 940/880, actual speeds may vary

# Offer strengthened with introduction of Next Day Install



**Your scheduled appointment is on August 6, at 5pm.**

Frontier COMMUNICATIONS

Ok.  
Thank you :)

## Service overview

Scaled to all fiber markets in June 2021

Provides customers with ability to choose next day or preferred install day, including Saturdays



**40%+**  
adoption rate<sup>1</sup>



**~5%**  
increase in close rates

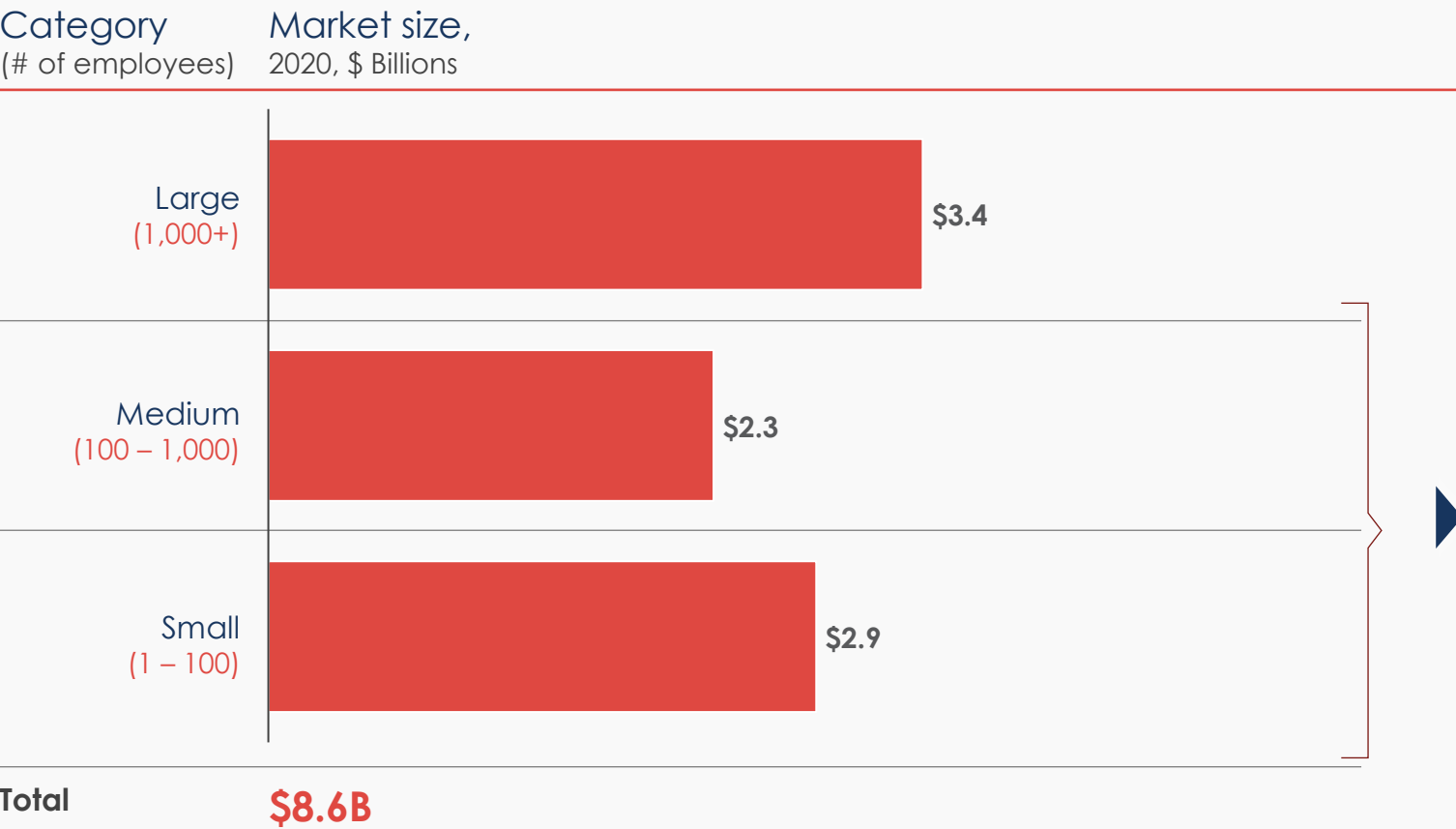


**~15%**  
reduction in cancellations between order and installation

1. Adoption rate of when offered

# We also have a major opportunity in B2B and we are newly focused on Small/Medium businesses

## Frontier's addressable B2B market (within footprint)



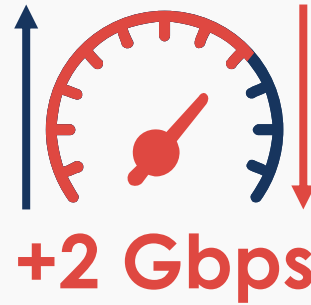
Increasing focus on SMB and lower complexity enterprises

Offering the most relevant Value Added Services (VAS) bundles for SMB category

Strong emphasis on inside sales and digital for SMB go-to-market

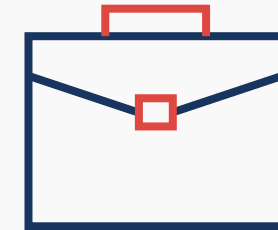
SOURCE: D&B, IDC, FCC, Frontier budget, 2020, Frontier customer data with monthly spend

**We are bringing  
the same  
unmatched  
performance to  
businesses**



### **Same unmatched performance**

Launching best in class  
speeds of up to 2Gbps,  
eventually reaching  
10Gbps



### **New portfolio of services**

Including: expanded VoIP  
and UCaaS solutions,  
business identity theft  
protection & LTE back-up

... and our full suite of business service products

**Today**

**2H, 2021**

**2022**

**Managed Workstation / Server  
Security Package**

**Cloud Storage and Backup**

**My Premium Tech Pro**

**Frontier Texting**

**Multi-Device Security Pro**

**Gateway Security**

**Business Identity Theft Protection**

**Online Marketing Bundle**

**Office Productivity**

**Desktop-as-a-Service (DaaS)**

**Expanded VoIP and UCaaS  
solutions**

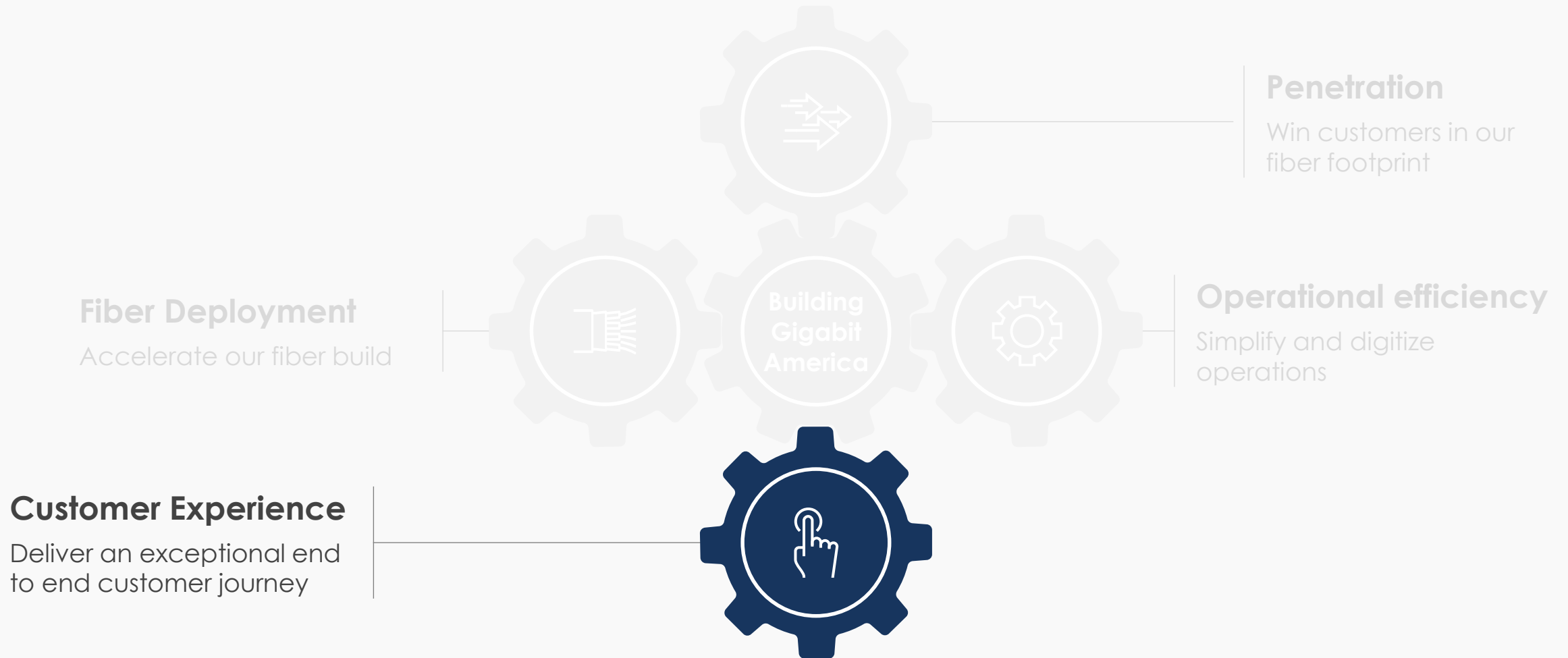
**Mesh wi-fi**

**Managed Wi-Fi**

**Wi-fi customer marketing &  
analytics service**

**LTE backup**

# Strategy focused on 4 levers of value creation



# Renewed focus to create deeper customer relationships



## Clear value proposition

Easy to understand products, transparent pricing & billing, excellent level of care



## Personalized engagement

Differentiated service and freedom to choose how to engage (e.g., self-service)



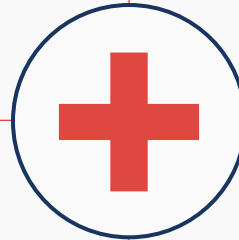
## Channel of choice

Meet the customer where they want, whether that's on the call, over chat, or via app



## Proactive issue resolution

Stopping problems and addressing pain points before they start



# New customer-centric initiatives in flight



## Updated billing & payment flows

Easy to understand billing  
e-billing migration  
Payment option flexibility  
(e.g., 1 Click, Express Pay)



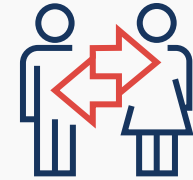
## IVR optimization & simplification

Simplified & dynamic  
route optimization  
Customer based routing  
(e.g., Personalized service  
from a live agent)



## New digital customer channels

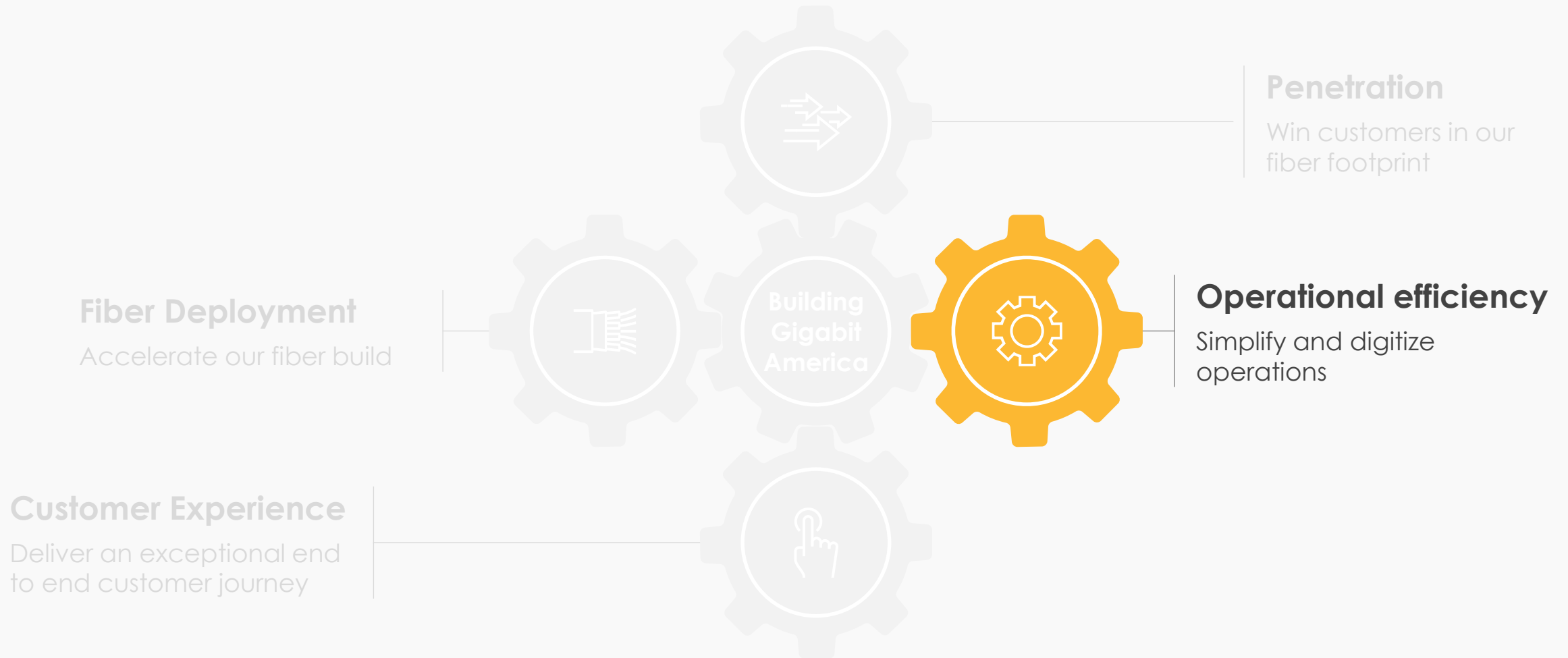
Self-serve capabilities  
AI assisted & agent  
assisted web & app chat



## Improve customer communications

Optimize customer  
outreach touchpoints  
Provide more transparent  
& clear communications

# Strategy focused on 4 levers of value creation



# 4 core guiding principles for simplification of our operations

## Guiding Principles



**Focus on value levers**, de-prioritize everything else



**Eliminate inefficiencies**, simplifying processes and operations



**Reduce organizational complexity** to accelerate decision making



**Embed simplification in our DNA**, promoting ownership across all levels of the organization

## “Frontier 20”

**Campaign to solicit suggestions from all employees**

**1,000+ associates** participated

**2,500+ simplification ideas** submitted



**Consolidate non-utilized equipment**, saving space and electricity (\$10M/yr)

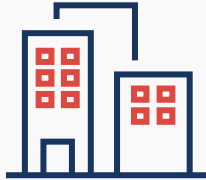


**Right-size landscaping services** at 3,000+ facilities (\$1M/yr)



**Increase energy efficiency** by switching to LED lighting (\$5M/yr)

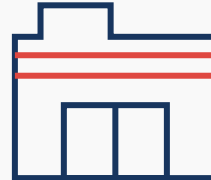
# Simplification decisions already in flight



## **Divest non-productive real estate**

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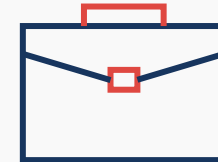
Consolidate 30+ excess locations (>1M sq.ft.) to reduce operating expenses and redeploy cash



## **Close retail stores**

---

Not reflective of consumer high speed broadband buying behavior



## **Review strategic options on ancillary, non-core businesses**

---

Reviewing ancillary businesses with low margin or non-recurring revenues



Impact of  
simplification  
initiatives

Gross run-rate savings



Additional \$150M+ one-time cash benefits from divesting non-core assets

**New team  
building a culture  
of trust with our  
investors,  
analysts and  
other  
stakeholders**



## **Transparency**

Enhanced Investor  
Reporting package to  
track progress of value  
drivers

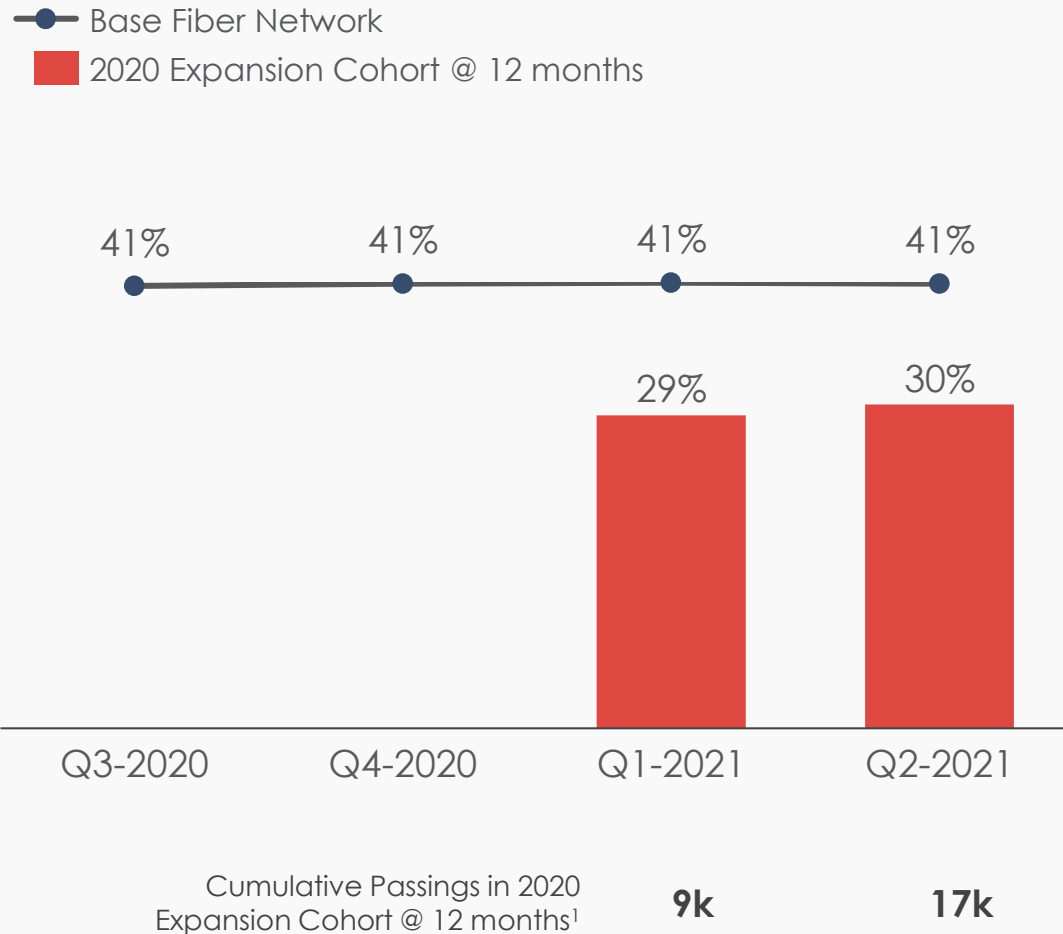


## **Accessibility**

Active shareholder  
engagement schedule

# Investor Reporting Package

## Fiber penetration,% of passings



## What we'll report

### Overall Fiber Network

- Penetration
- ARPU
- Revenue
- EBITDA

### Base Fiber Network

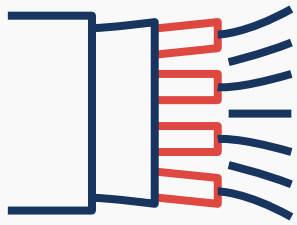
- Penetration

### Expansion Fiber Network

- Penetration of each cohort as passings reach each 12-month anniversary
- For example, through Q2 2021, our Expanded Fiber passings achieved 30% penetration on passings at the 12-month mark

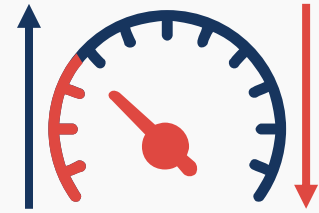
1. Penetration includes Consumer and Business passings of < 5 units

# Recap: Major announcements in today's presentation



**10M+ locations passed  
with fiber**

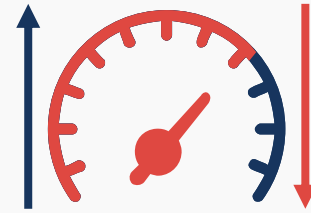
by the end of 2025



**Symmetrical  
1 Gbps**

**Best in class consumer  
offering today**

for all digital needs



**Symmetrical  
2 Gbps**

**Launching 2Gbps in  
1Q 2022**

to unlock next-gen  
digital experiences



**Targeting \$250M run  
rate savings by FY 2023**

from simplifying  
operations & improving  
customer experience

# We are building a long-term winner with significant competitive advantages...

## Projected Milestones through 2026



### Late 2022

Anticipated inflection point of return to sequential EBITDA growth

### 2023

6.6M+ Fiber Passings by end of year as peak build years commence

### 2025

Wave 2 fiber build complete

### 2026

Free Cash Flow positive as Wave 2 concludes and FCF accelerates

## Wave 2 Steady state

**10M+**  
Fiber passings

**4.5M+**  
Fiber customers

**\$4B+**  
Adjusted EBITDA

**Mid-to-High 40s**  
EBITDA margin

...and our Wave 2 plan would create significant value for stakeholders

Fiber EV / passing benchmarks<sup>1</sup>



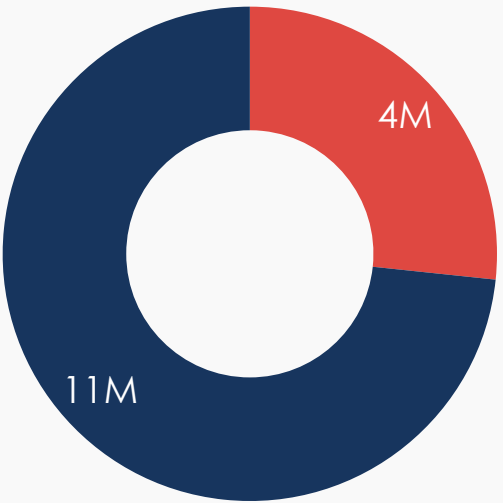
**\$3,000-\$4,000**  
/ Fiber passing



**\$300 - \$600+**  
/ Copper passing

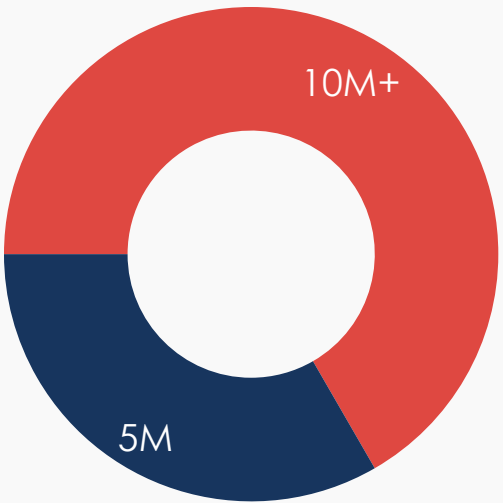
Fiber passings Copper passings

End of 2021



**\$16-20B**  
Implied Enterprise Value

2025+

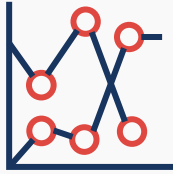


**\$32-43B+**  
Implied Enterprise Value

Range would represent an ~8-11X EBITDA multiple of Wave 2 Steady State

1. Benchmarks calculated using publicly available data for ISPs as of March 2021

# Frontier Investment Thesis



**Strong & growing  
demand**



**Superior product**



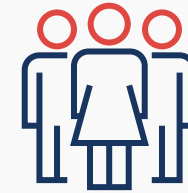
**Favorable market  
structure**



**Clear strategy &  
purpose**



**Ample liquidity  
& access to capital**



**Strong & experienced  
leadership team**

# Q&A

# Appendix

# Operating metrics

| (Millions unless otherwise noted)                  | Q1 2020      | Q2 2020      | Q3 2020      | Q4 2020      | Q1 2021      | Q2 2021      |
|----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Consolidated Passings</b>                       |              |              |              |              |              |              |
| Base Fiber Network                                 | 3.2          | 3.2          | 3.2          | 3.2          | 3.2          | 3.2          |
| Cumulative 2020 Fiber Builds <sup>1</sup>          | 0.0          | 0.0          | 0.0          | 0.1          | 0.1          | 0.1          |
| Cumulative 2021 Fiber Builds <sup>1</sup>          | -            | -            | -            | -            | 0.1          | 0.3          |
| <b>Total Fiber</b>                                 | <b>3.2</b>   | <b>3.2</b>   | <b>3.3</b>   | <b>3.3</b>   | <b>3.4</b>   | <b>3.6</b>   |
| <b>Total Copper</b>                                | <b>11.9</b>  | <b>11.9</b>  | <b>11.9</b>  | <b>11.9</b>  | <b>11.8</b>  | <b>11.7</b>  |
| <b>Total Passings</b>                              | <b>15.1</b>  | <b>15.1</b>  | <b>15.2</b>  | <b>15.2</b>  | <b>15.2</b>  | <b>15.3</b>  |
| <b>Broadband Customers (thousands)<sup>2</sup></b> |              |              |              |              |              |              |
| Fiber                                              | 1,309        | 1,316        | 1,323        | 1,333        | 1,346        | 1,358        |
| Copper                                             | 1,589        | 1,565        | 1,538        | 1,501        | 1,474        | 1,440        |
| <b>Total</b>                                       | <b>2,898</b> | <b>2,881</b> | <b>2,861</b> | <b>2,834</b> | <b>2,820</b> | <b>2,798</b> |
| <b>Penetration</b>                                 |              |              |              |              |              |              |
| Total Fiber                                        | 40.6%        | 40.7%        | 40.8%        | 40.3%        | 39.5%        | 38.1%        |
| Total Copper                                       | 13.6%        | 13.4%        | 13.1%        | 12.8%        | 12.7%        | 12.5%        |
| <b>Total</b>                                       | <b>19.4%</b> | <b>19.2%</b> | <b>19.1%</b> | <b>18.8%</b> | <b>18.7%</b> | <b>18.5%</b> |
| <b>Fiber Penetration by Cohort<sup>3</sup></b>     |              |              |              |              |              |              |
| Base Fiber                                         | 40.7%        | 40.8%        | 41.0%        | 41.2%        | 41.3%        | 41.2%        |
| Cumulative 2020 Fiber Builds <sup>1</sup>          | -            | -            | -            | -            | 28.7%        | 29.6%        |

Note: Estimated passings. Total includes both Consumer and Business locations. Due to changes in methodology during the second quarter of 2021, historical periods have been updated to reflect the comparable amounts. Certain figures may not tie to Q2 2021 earnings press release due to rounding.

1. Excludes CAF-related builds.

2. Excludes wholesale.

3. Includes customers in locations that have been passed with fiber for more than twelve months. 2020 fiber builds shown at the twelve-month mark after being passed with fiber.

# Operating metrics, continued

| (Thousands)                                   | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 |
|-----------------------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Consumer KPIs<sup>1</sup></b>              |         |         |         |         |         |         |
| Customer accounts                             | 3,374   | 3,342   | 3,306   | 3,264   | 3,235   | 3,196   |
| Net adds                                      | (39)    | (32)    | (36)    | (42)    | (30)    | (38)    |
| BB net adds                                   | (13)    | (10)    | (14)    | (23)    | (9)     | (18)    |
| Account churn                                 | 1.84%   | 1.63%   | 1.81%   | 1.67%   | 1.45%   | 1.54%   |
| ARPC                                          | \$88.42 | \$87.22 | \$86.75 | \$87.57 | \$87.16 | \$85.65 |
| <b>Fiber Broadband (BB) KPIs<sup>1</sup></b>  |         |         |         |         |         |         |
| Consumer Customers                            | 1,215   | 1,223   | 1,229   | 1,238   | 1,251   | 1,263   |
| Business Customers <sup>2</sup>               | 94      | 93      | 94      | 95      | 95      | 95      |
| Consumer:                                     |         |         |         |         |         |         |
| BB Net adds                                   | 10      | 8       | 6       | 9       | 13      | 12      |
| BB Churn                                      | 1.94%   | 1.52%   | 1.80%   | 1.56%   | 1.41%   | 1.53%   |
| BB ARPU                                       | \$56.80 | \$56.92 | \$57.58 | \$59.72 | \$60.73 | \$63.10 |
| <b>Copper Broadband (BB) KPIs<sup>1</sup></b> |         |         |         |         |         |         |
| Consumer Customers                            | 1,419   | 1,401   | 1,381   | 1,349   | 1,327   | 1,297   |
| Business Customers <sup>2</sup>               | 170     | 164     | 157     | 152     | 147     | 143     |
| Consumer:                                     |         |         |         |         |         |         |
| BB Net adds                                   | (23)    | (18)    | (20)    | (32)    | (22)    | (30)    |
| BB Churn                                      | 2.36%   | 2.03%   | 2.11%   | 1.96%   | 1.62%   | 1.67%   |
| BB ARPU                                       | \$41.15 | \$41.93 | \$42.16 | \$42.61 | \$43.23 | \$44.80 |

Note: Operating metrics for the operations located in the remaining 25 states after excluding the Northwest Operations. Certain figures may not tie to Q2 2021 earnings press release due to rounding.

1. Due to changes in methodology during the second quarter of 2021, historical periods have been updated to reflect the comparable amounts.

2. Excludes wholesale.

# Quarterly Revenue and EBITDA

| (Millions)                   | Q1 2020        | Q2 2020        | Q3 2020        | Q4 2020        | Q1 2021        | Q2 2021        |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenue</b>               |                |                |                |                |                |                |
| Consumer Fiber               | \$432          | \$419          | \$411          | \$418          | \$411          | \$413          |
| Business and Wholesale Fiber | 292            | 291            | 278            | 272            | 267            | 267            |
| Total Fiber                  | 724            | 710            | 689            | 689            | 678            | 680            |
| Total Copper                 | 937            | 910            | 889            | 867            | 857            | 834            |
| Regulatory, USF, TSA         | 128            | 133            | 149            | 139            | 140            | 103            |
| <b>Total Revenue</b>         | <b>\$1,788</b> | <b>\$1,754</b> | <b>\$1,726</b> | <b>\$1,695</b> | <b>\$1,676</b> | <b>\$1,616</b> |
| <b>Adjusted EBITDA</b>       |                |                |                |                |                |                |
| Fiber                        | \$271          | \$289          | \$269          | \$283          | \$275          | \$278          |
| Copper                       | 333            | 319            | 322            | 319            | 311            | 272            |
| Regulatory, USF, TSA         | 82             | 94             | 99             | 91             | 84             | 83             |
| <b>Total Adjusted EBITDA</b> | <b>\$686</b>   | <b>\$703</b>   | <b>\$690</b>   | <b>\$693</b>   | <b>\$670</b>   | <b>\$633</b>   |

Data includes broadband and Non-switched Circuits/  
 Note: Adjusted EBITDA and Operating Free Cash Flows are non-GAAP measures. See later Appendix for reconciliations to closest GAAP measures. Net income of \$4.5B during Q2 due to ~\$4.2B of reorganization items. Certain figures may not tie to Q2 2021 earnings press release due to rounding.

# Non-GAAP Financial Measures – Consolidated

| (Millions)                               | Q1 2020      | Q2 2020      | Q3 2020      | Q4 2020      | Q1 2021      | Q2 2021      |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Income (Loss)                        | (186)        | (181)        | 15           | (50)         | 60           | 4,580        |
| Add back (Subtract):                     |              |              |              |              |              |              |
| Income Tax Expense (Benefit)             | (23)         | (57)         | (11)         | 7            | 87           | (180)        |
| Interest Expense                         | 383          | 160          | 121          | 98           | 89           | 91           |
| Investment and Other (Income) Loss, Net  | (5)          | 20           | 14           | 14           | (2)          | 3            |
| Pension Settlement Costs                 | 103          | 56           | -            | -            | -            | -            |
| Loss on Extinguishment of Debt           | -            | -            | -            | 72           | -            | -            |
| Reorganization Items, Net                | -            | 142          | 131          | 136          | 25           | (4,196)      |
| <b>Operating Income (Loss)</b>           | <b>272</b>   | <b>140</b>   | <b>270</b>   | <b>277</b>   | <b>259</b>   | <b>298</b>   |
| <b>Depreciation and Amortization</b>     | <b>415</b>   | <b>397</b>   | <b>392</b>   | <b>394</b>   | <b>387</b>   | <b>298</b>   |
| <b>EBITDA</b>                            | <b>\$687</b> | <b>\$537</b> | <b>\$662</b> | <b>\$671</b> | <b>\$646</b> | <b>\$596</b> |
| Add back:                                |              |              |              |              |              |              |
| Pension/OPEB Expense                     | 23           | 23           | 24           | 20           | 23           | 21           |
| Restructuring Costs and Other Charges    | 48           | 36           | 3            | -            | 2            | 16           |
| Stock-based Compensation Expense         | 1            | 1            | 1            | -            | (1)          | -            |
| Storm Related Insurance Proceeds         | -            | (1)          | -            | -            | -            | -            |
| Loss on disposal of Northwest Operations | 24           | 136          | -            | 2            | -            | -            |
| <b>Adjusted EBITDA</b>                   | <b>\$783</b> | <b>\$732</b> | <b>\$690</b> | <b>\$693</b> | <b>\$670</b> | <b>\$633</b> |
| <b>EBITDA Margin</b>                     | <b>35.6%</b> | <b>29.8%</b> | <b>38.4%</b> | <b>39.6%</b> | <b>38.5%</b> | <b>36.9%</b> |
| <b>Adjusted EBITDA Margin</b>            | <b>40.5%</b> | <b>40.6%</b> | <b>40.0%</b> | <b>40.9%</b> | <b>40.0%</b> | <b>39.2%</b> |

Note: Certain figures may not tie to Q2 2021 earnings press release due to rounding.

# Non-GAAP Financial Measures – Remaining Properties

| (Millions)                               | Q1 2020      | Q2 2020      | Q3 2020      | Q4 2020      | Q1 2021      | Q2 2021      |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Income (Loss)                        | (283)        | (210)        | 15           | (50)         | 60           | 4,580        |
| Add back (Subtract):                     |              |              |              |              |              |              |
| Income Tax Expense (Benefit)             | (23)         | (57)         | (11)         | 7            | 87           | (180)        |
| Interest Expense                         | 383          | 160          | 121          | 98           | 89           | 91           |
| Investment and Other (Income) Loss, Net  | (5)          | 20           | 14           | 14           | (2)          | 3            |
| Pension Settlement Costs                 | 103          | 56           | -            | -            | -            | -            |
| Loss on Extinguishment of Debt           | -            | -            | -            | 72           | -            | -            |
| Reorganization Items, Net                | -            | 142          | 131          | 136          | 25           | (4,196)      |
| <b>Operating Income (Loss)</b>           | <b>175</b>   | <b>111</b>   | <b>270</b>   | <b>277</b>   | <b>259</b>   | <b>298</b>   |
| <b>Depreciation and Amortization</b>     | <b>415</b>   | <b>397</b>   | <b>392</b>   | <b>394</b>   | <b>387</b>   | <b>298</b>   |
| <b>EBITDA</b>                            | <b>\$590</b> | <b>\$508</b> | <b>\$662</b> | <b>\$671</b> | <b>\$646</b> | <b>\$596</b> |
| Add back:                                |              |              |              |              |              |              |
| Pension/OPEB Expense                     | 23           | 23           | 24           | 20           | 23           | 21           |
| Restructuring Costs and Other Charges    | 48           | 36           | 3            | -            | 2            | 16           |
| Stock-based Compensation Expense         | 1            | 1            | 1            | -            | (1)          | -            |
| Storm Related Insurance Proceeds         | -            | (1)          | -            | -            | -            | -            |
| Loss on disposal of Northwest Operations | 24           | 136          | -            | 2            | -            | -            |
| <b>Adjusted EBITDA</b>                   | <b>\$686</b> | <b>\$703</b> | <b>\$690</b> | <b>\$693</b> | <b>\$670</b> | <b>\$633</b> |
| <b>EBITDA Margin</b>                     | <b>33.0%</b> | <b>29.0%</b> | <b>38.4%</b> | <b>39.6%</b> | <b>38.5%</b> | <b>36.9%</b> |
| <b>Adjusted EBITDA Margin</b>            | <b>38.4%</b> | <b>40.1%</b> | <b>40.0%</b> | <b>40.9%</b> | <b>40.0%</b> | <b>39.2%</b> |

Note: Certain figures may not tie to Q2 2021 earnings press release due to rounding.

# Free Cash Flow – Consolidated

| (Millions)                                                  | Quarterly Results |              |              |              |              |                  |
|-------------------------------------------------------------|-------------------|--------------|--------------|--------------|--------------|------------------|
|                                                             | Q1 2020           | Q2 2020      | Q3 2020      | Q4 2020      | Q1 2021      | Q2 2021          |
| <b>Adjusted EBITDA</b>                                      | <b>\$783</b>      | <b>\$732</b> | <b>\$690</b> | <b>\$693</b> | <b>\$670</b> | <b>\$633</b>     |
| Pension/OPEB                                                | (23)              | (23)         | (24)         | (20)         | (23)         | (21)             |
| Cash Interest                                               | (163)             | (264)        | (121)        | (64)         | (40)         | (128)            |
| Cash Taxes                                                  | (1)               | 0            | (5)          | (2)          | 0            | (33)             |
| Other <sup>1</sup>                                          | (71)              | 121          | 136          | 18           | 85           | (103)            |
| Reorganization Items                                        | 0                 | (57)         | (131)        | (128)        | (25)         | (1,271)          |
| Restructuring Costs                                         | (48)              | (36)         | (3)          | 0            | (2)          | (16)             |
| <b>Net Cash from Operating Activities</b>                   | <b>477</b>        | <b>473</b>   | <b>542</b>   | <b>497</b>   | <b>665</b>   | <b>(939)</b>     |
| <i>Capital Expenditures</i>                                 | (286)             | (225)        | (314)        | (356)        | (384)        | (385)            |
| <b>Operating Free Cash Flow</b>                             | <b>\$191</b>      | <b>\$248</b> | <b>\$228</b> | <b>\$141</b> | <b>\$281</b> | <b>(\$1,324)</b> |
| <b>Adjusted Operating Free Cash Flow<sup>2</sup></b>        | <b>\$239</b>      | <b>\$341</b> | <b>\$362</b> | <b>\$269</b> | <b>\$308</b> | <b>(\$37)</b>    |
| <i>Total Non-CAF Build Capital Expenditures<sup>3</sup></i> | (\$8)             | (\$11)       | (\$25)       | (\$58)       | (\$101)      | (\$130)          |

Note: Periods prior to Q3 2020 include the Northwest Operations. Certain figures may not tie to Q2 2021 earnings press release due to rounding.

1. Consists of changes in working capital.

2. Adjusted for reorganization items and restructuring costs.

3. Represents capital expenditures related to fiber expansion, new subdivisions, and new multi-dwelling units.



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