

FIRST AMERICAN FINANCIAL

Investor Discussions

Summer 2023

Leadership
Integrity
Commitment
Teamwork
Service



First American

Safe Harbor Statement

CERTAIN STATEMENTS MADE IN THIS PRESENTATION AND THE RELATED MANAGEMENT COMMENTARY CONTAIN, AND RESPONSES TO INVESTOR QUESTIONS MAY CONTAIN, 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. THESE FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE FACT THAT THEY DO NOT RELATE STRICTLY TO HISTORICAL OR CURRENT FACTS AND MAY CONTAIN THE WORDS “APPEAR,” “BELIEVE,” “ANTICIPATE,” “EXPECT,” “INTEND,” “PLAN,” “PREDICT,” “ESTIMATE,” “PROJECT,” “WILL BE,” “WILL CONTINUE,” “WILL IMPROVE,” “WILL LIKELY RESULT,” OR OTHER SIMILAR WORDS AND PHRASES OR FUTURE OR CONDITIONAL VERBS SUCH AS “WILL,” “MAY,” “MIGHT,” “SHOULD,” “WOULD,” OR “COULD.” THESE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION, STATEMENTS REGARDING FUTURE OPERATIONS, PERFORMANCE, FINANCIAL CONDITION, PROSPECTS, PLANS AND STRATEGIES. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND ASSUMPTIONS THAT MAY PROVE TO BE INCORRECT. RISKS AND UNCERTAINTIES EXIST THAT MAY CAUSE RESULTS TO DIFFER MATERIALLY FROM THOSE SET FORTH IN THESE FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE THE ANTICIPATED RESULTS TO DIFFER FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: INTEREST RATE FLUCTUATIONS; CHANGES IN CONDITIONS OF THE REAL ESTATE MARKETS; VOLATILITY IN THE CAPITAL MARKETS; UNFAVORABLE ECONOMIC CONDITIONS; IMPAIRMENTS IN THE COMPANY’S GOODWILL OR OTHER INTANGIBLE ASSETS; FAILURES AT FINANCIAL INSTITUTIONS WHERE THE COMPANY DEPOSITS FUNDS; REGULATORY OVERSIGHT AND CHANGES IN APPLICABLE LAWS AND GOVERNMENT REGULATIONS, INCLUDING PRIVACY AND DATA PROTECTION LAWS; HEIGHTENED SCRUTINY BY LEGISLATORS AND REGULATORS OF THE COMPANY’S TITLE INSURANCE AND SERVICES SEGMENT AND CERTAIN OTHER OF THE COMPANY’S BUSINESSES; REGULATION OF TITLE INSURANCE RATES; LIMITATIONS ON ACCESS TO PUBLIC RECORDS AND OTHER DATA; CLIMATE CHANGE, HEALTH CRISES, TERRORIST ATTACKS, SEVERE WEATHER CONDITIONS AND OTHER CATASTROPHE EVENTS; CHANGES IN RELATIONSHIPS WITH LARGE MORTGAGE LENDERS AND GOVERNMENT-SPONSORED ENTERPRISES; CHANGES IN MEASURES OF THE STRENGTH OF THE COMPANY’S TITLE INSURANCE UNDERWRITERS, INCLUDING RATINGS AND STATUTORY CAPITAL AND SURPLUS; LOSSES IN THE COMPANY’S INVESTMENT PORTFOLIO OR VENTURE INVESTMENT PORTFOLIO; MATERIAL VARIANCE BETWEEN ACTUAL AND EXPECTED CLAIMS EXPERIENCE; DEFALCATIONS, INCREASED CLAIMS OR OTHER COSTS AND EXPENSES ATTRIBUTABLE TO THE COMPANY’S USE OF TITLE AGENTS; ANY INADEQUACY IN THE COMPANY’S RISK MANAGEMENT FRAMEWORK OR USE OF MODELS; SYSTEMS DAMAGE, FAILURES, INTERRUPTIONS, CYBERATTACKS AND INTRUSIONS, OR UNAUTHORIZED DATA DISCLOSURES; INNOVATION EFFORTS OF THE COMPANY AND OTHER INDUSTRY PARTICIPANTS AND ANY RELATED MARKET DISRUPTION; ERRORS AND FRAUD INVOLVING THE TRANSFER OF FUNDS; FAILURES TO RECRUIT AND RETAIN QUALIFIED EMPLOYEES; THE COMPANY’S USE OF A GLOBAL WORKFORCE; INABILITY OF THE COMPANY’S SUBSIDIARIES TO PAY DIVIDENDS OR REPAY FUNDS; INABILITY TO REALIZE ANTICIPATED SYNERGIES OR PRODUCE RETURNS THAT JUSTIFY INVESTMENT IN ACQUIRED BUSINESSES; CHANGES IN THE COMPOSITION OF DEPOSITS AT THE COMPANY’S FEDERAL SAVINGS BANK SUBSIDIARY; CLAIMS OF INFRINGEMENT OR INABILITY TO ADEQUATELY PROTECT THE COMPANY’S INTELLECTUAL PROPERTY; AND OTHER FACTORS DESCRIBED IN THE COMPANY’S QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED JUNE 30, 2023, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE TO UPDATE FORWARD-LOOKING STATEMENTS TO REFLECT CIRCUMSTANCES OR EVENTS THAT OCCUR AFTER THE DATE THE FORWARD-LOOKING STATEMENTS ARE MADE.



Use of Non-GAAP Financial Measures

THIS PRESENTATION AND RELATED MANAGEMENT COMMENTARY CONTAIN CERTAIN FINANCIAL MEASURES THAT ARE NOT PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), INCLUDING ADJUSTED TITLE SEGMENT INVESTMENT INCOME. THE COMPANY IS PRESENTING THIS NON-GAAP FINANCIAL MEASURE BECAUSE IT PROVIDES THE COMPANY'S MANAGEMENT AND INVESTORS WITH ADDITIONAL INSIGHT INTO THE FINANCIAL LEVERAGE, OPERATIONAL EFFICIENCY AND PERFORMANCE OF THE COMPANY RELATIVE TO EARLIER PERIODS AND RELATIVE TO THE COMPANY'S COMPETITORS. THE COMPANY DOES NOT INTEND FOR THIS NON-GAAP FINANCIAL MEASURE TO BE A SUBSTITUTE FOR ANY GAAP FINANCIAL INFORMATION. IN THIS PRESENTATION, THIS NON-GAAP FINANCIAL MEASURE HAS BEEN PRESENTED WITH, AND RECONCILED TO, THE MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES. INVESTORS SHOULD USE THIS NON-GAAP FINANCIAL MEASURE ONLY IN CONJUNCTION WITH THE COMPARABLE GAAP FINANCIAL MEASURE. BECAUSE NOT ALL COMPANIES USE IDENTICAL CALCULATIONS, THE PRESENTATION OF THIS NON-GAAP MEASURE MAY NOT BE COMPARABLE TO OTHER SIMILARLY TITLED MEASURES OF OTHER COMPANIES.

22" SQUARE PEDESTAL
24" SQUARE PEDESTAL
33" SQUARE PEDESTAL



First American

AGENDA

.....→ Strong Track Record of Results Through the Cycle

Key Markets at Trough Levels Due to High Interest Rates

Consistent Strategy and Capital Management Priorities



Leader in the Title and Settlement Services Industry

\$7.6B Total Revenue

21,150 Employees

95% of Revenue⁽¹⁾
Title Segment

25.1% Title Market Share

900 Offices

5% of Revenue⁽¹⁾
Specialty Insurance
Segment
(Home Warranty)

\$15.0B Total Assets

8 Countries

Trusted National Brand

Largest Title Plant and Property
Record Database

Fortune 100 Best Companies
to Work For®
7 Years in a Row (2016 – 2022)

Note: Revenue for full year 2022. All other data as of December 31, 2022.

⁽¹⁾ Excluding Corporate segment

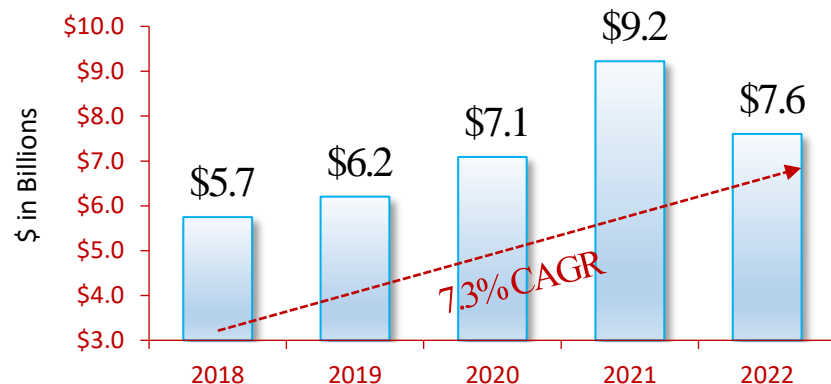
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Historical Financial Results

TOTAL REVENUE

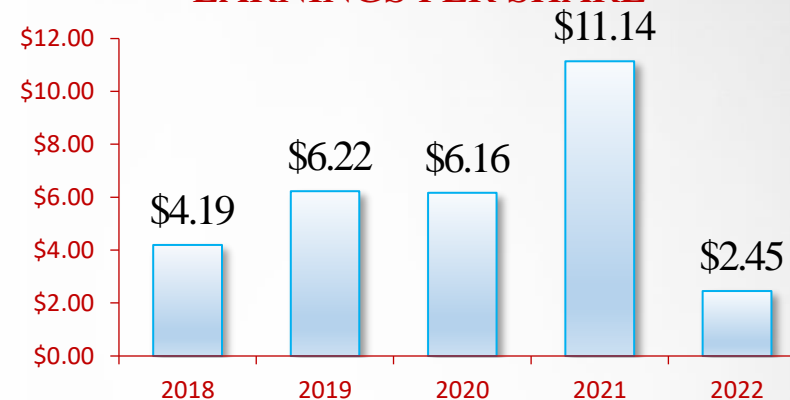


Net investment gain/(loss)

2018	2019	2020	2021	2022
\$(0.06)B	\$0.07B	\$0.11B	\$0.44B	\$(0.52)B

Acquisitions related
intangible amortization

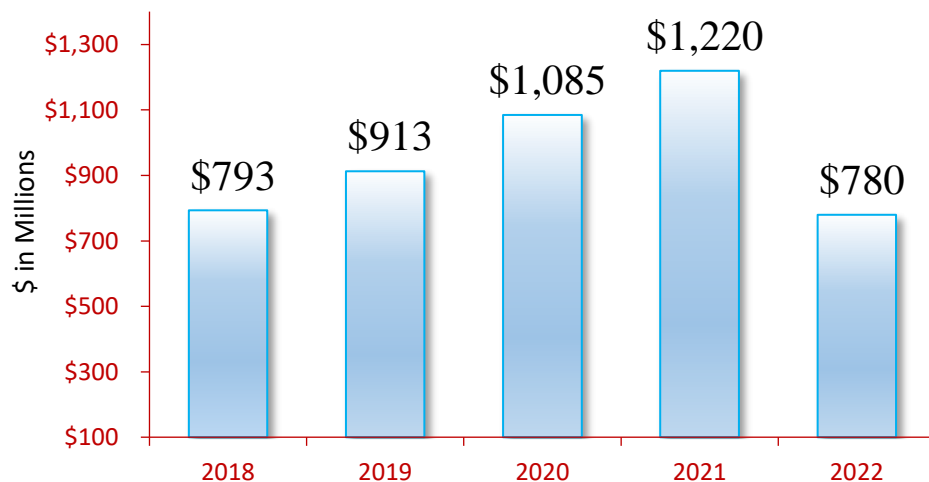
EARNINGS PER SHARE



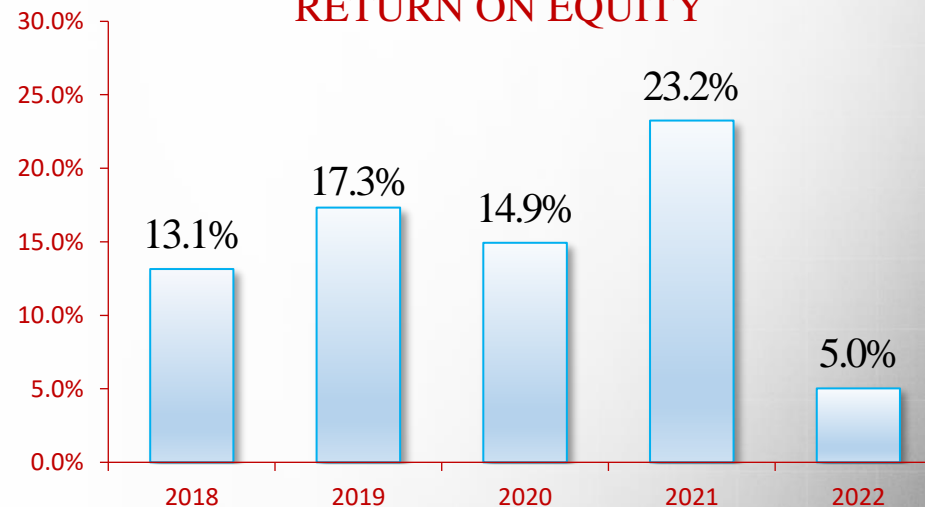
2018	2019	2020	2021	2022
\$(0.39)	\$0.46	\$0.71	\$2.98	\$(3.64)

2018	2019	2020	2021	2022
\$(0.11)	\$(0.11)	\$(0.21)	\$(0.24)	\$(0.29)

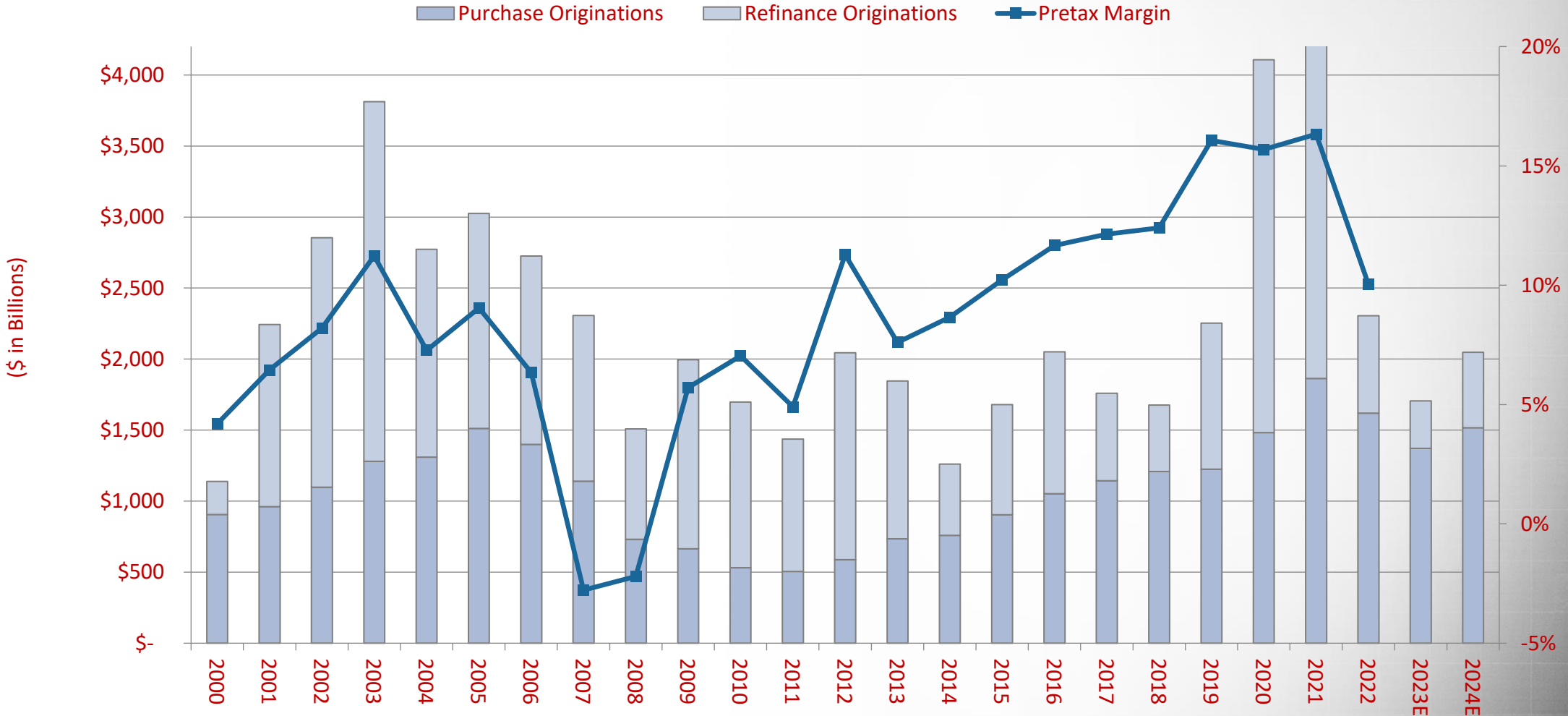
CASH FROM OPERATIONS



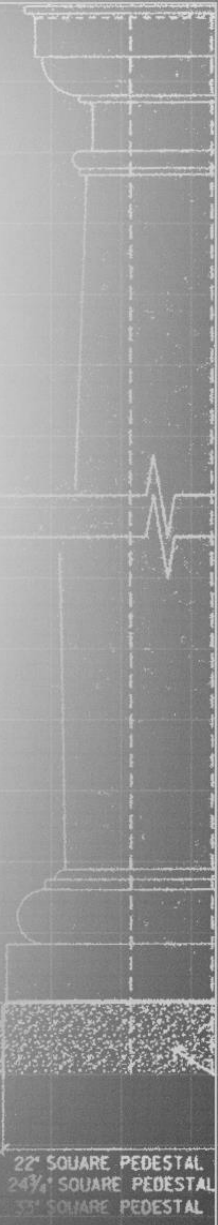
RETURN ON EQUITY



Historical Title Insurance Margin



Source: August 2023 MBA Mortgage Finance Forecast



AGENDA

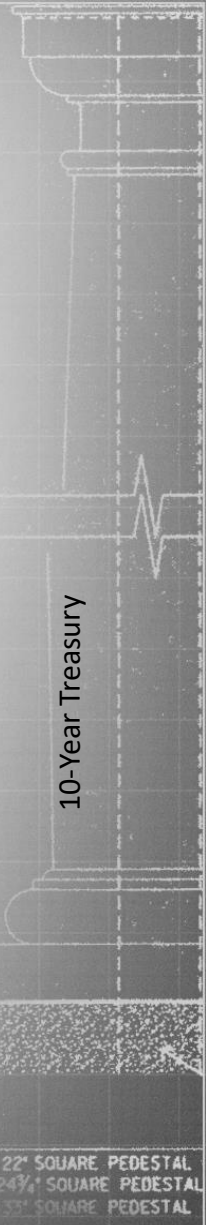
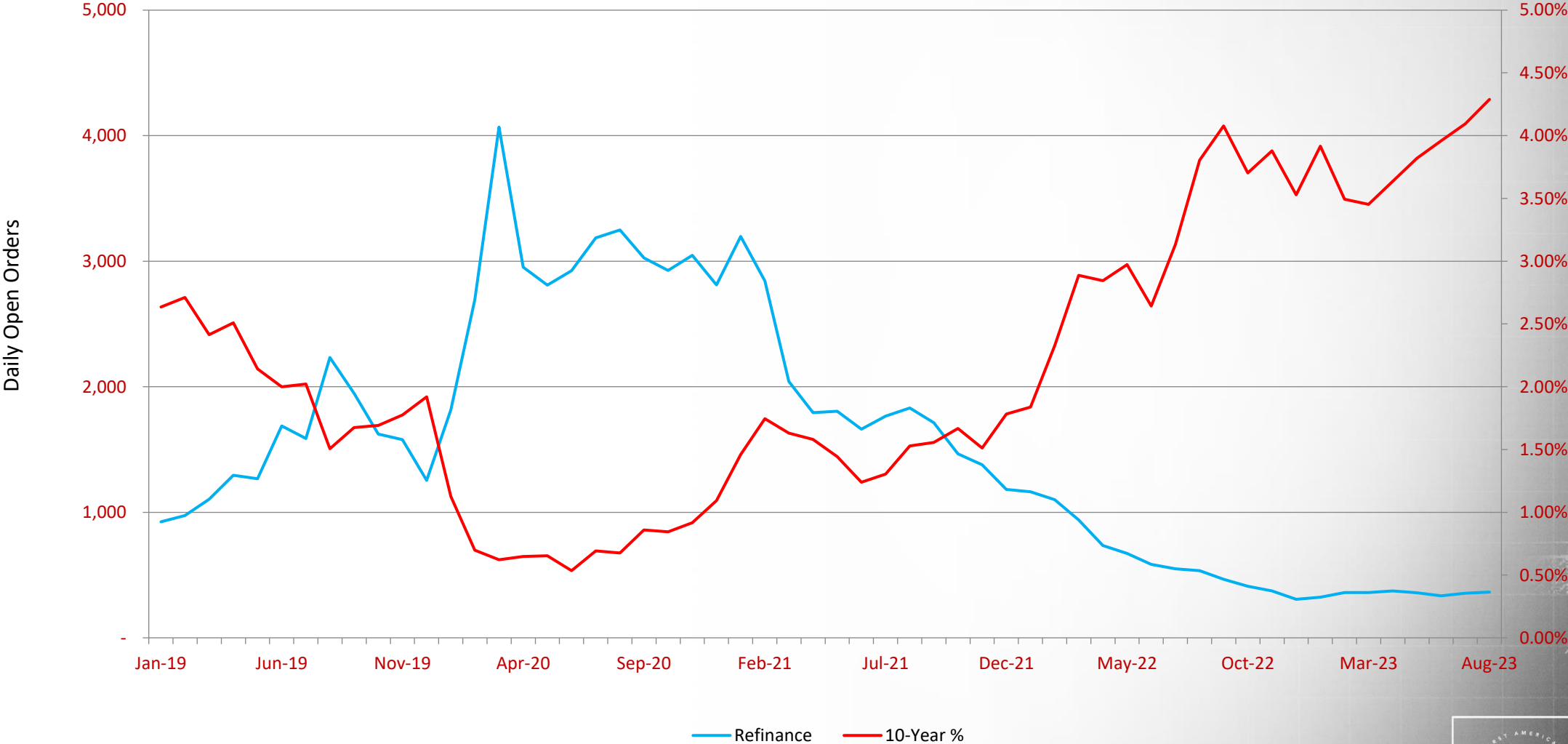
Strong Track Record of Results Through the Cycle

.....→ Key Markets at Trough Levels Due to High Interest Rates

Consistent Strategy and Capital Management Priorities

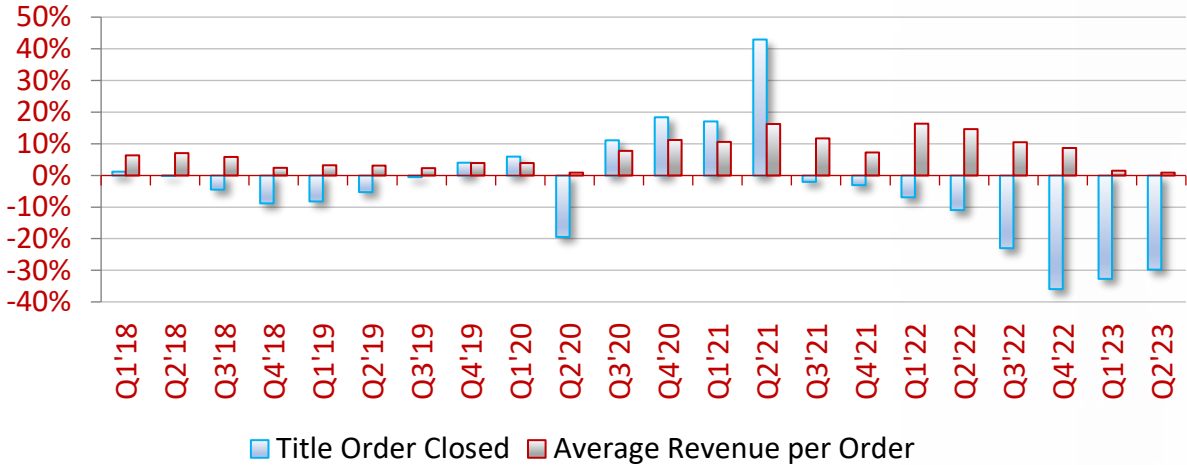


High Mortgage Rates Cause Refinance to Settle at Trough Levels



Purchase Market Appears to Have Stabilized

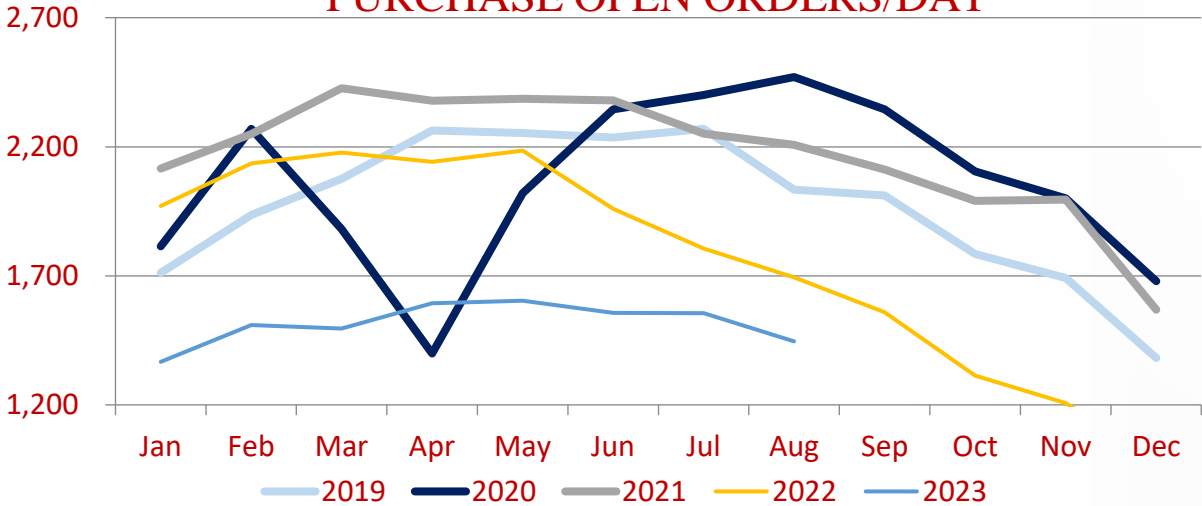
GROWTH RATE vs. PRIOR YEAR



Purchase Market

- Market demand has declined, as high mortgage rates continue to significantly stress affordability
 - Inventory remains low as homeowners remain in place
 - Limited inventory/supply keeping home prices firm
 - Longer term, demographics and other market demand factors remain favorable

PURCHASE OPEN ORDERS/DAY



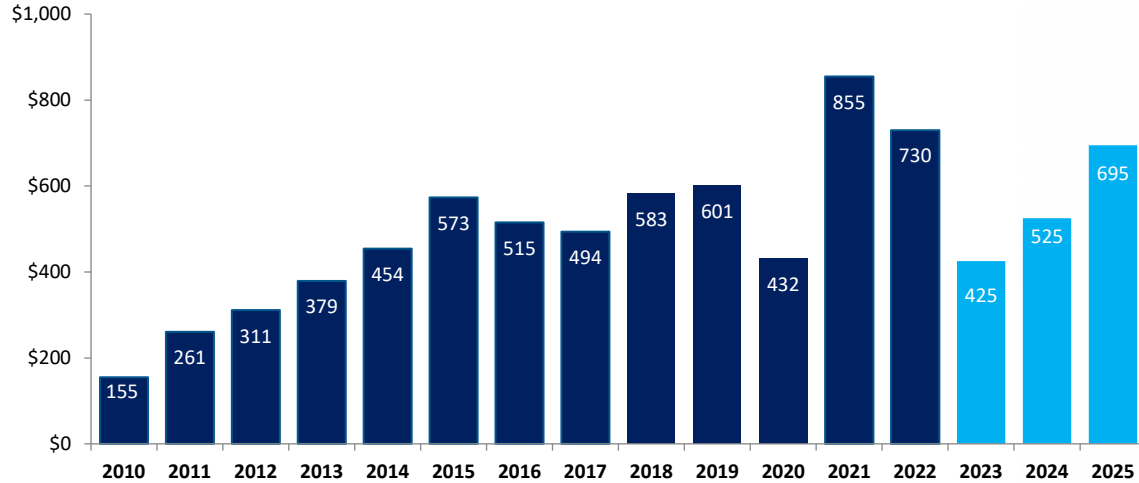
First American Operations

- ~550 local offices focused on purchase
- Leading homebuilder business
- Fee per file ~2.5x refinance

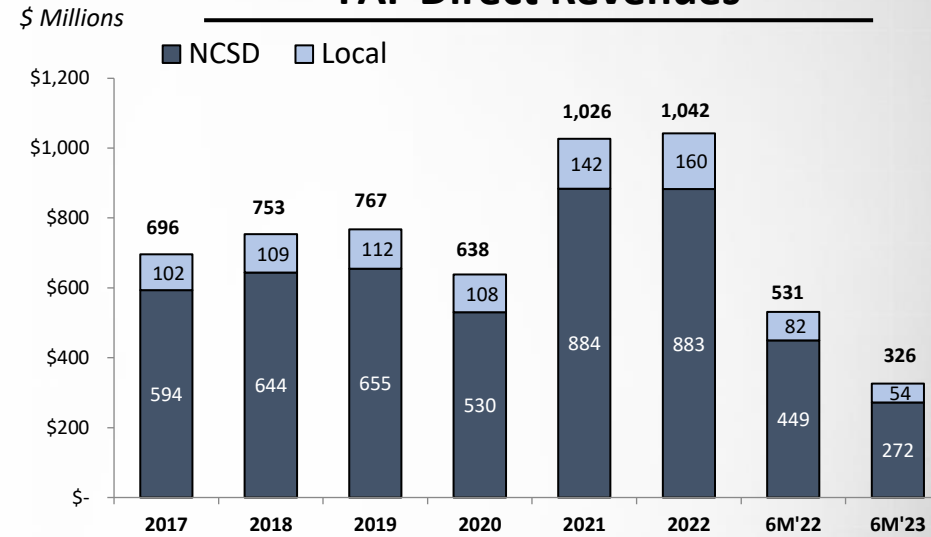


Commercial Market Expected to Rebound After a Trough Year

Commercial Market Sales Volume⁽¹⁾



FAF Direct Revenues



Commercial - Current Trend and Outlook

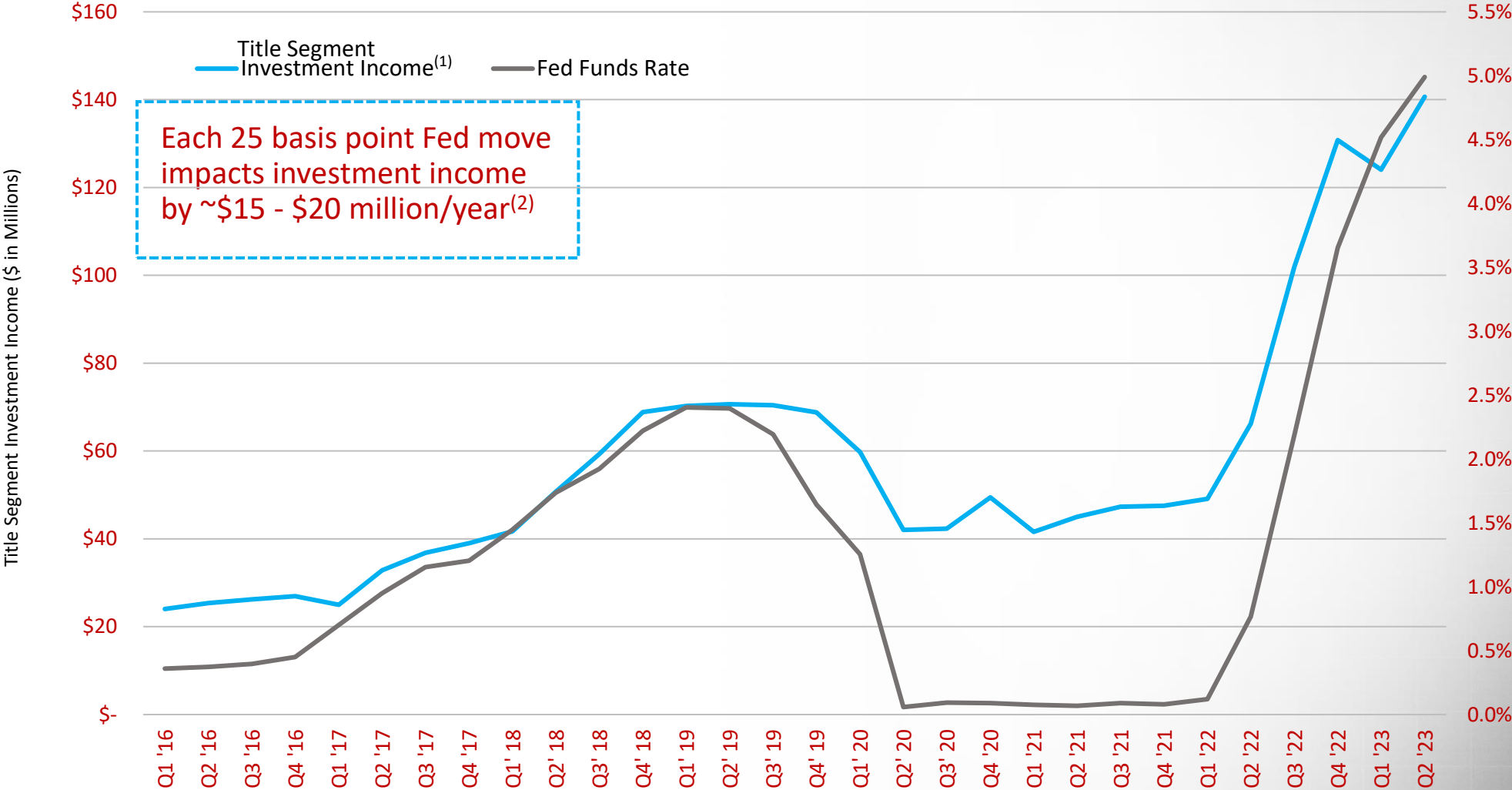
- Revenue down sharply in 1H but expect good financial performance for the year
- Transaction pipeline has declined, including a slowdown in large transactions
- Industrial and select retail assets held up better in 2Q, with most significant weakness in office
- Remain optimistic transaction activity will improve in 2H as price discovery, Fed interest rate hike cycle concludes and macro uncertainty abates

(1) Source: Real Capital Analytics ULI Real Estate Economic Forecast October 2022 (includes purchase transactions over \$2.5 million only)



22" SQUARE PEDESTAL
24" SQUARE PEDESTAL
33" SQUARE PEDESTAL

Investment Income Expected to Remain Elevated



(1) Excludes affiliated investments (See reconciliation in Appendix).
 (2) Company estimate.



22" SQUARE PEDESTAL
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AGENDA

Strong Track Record of Results Through the Cycle

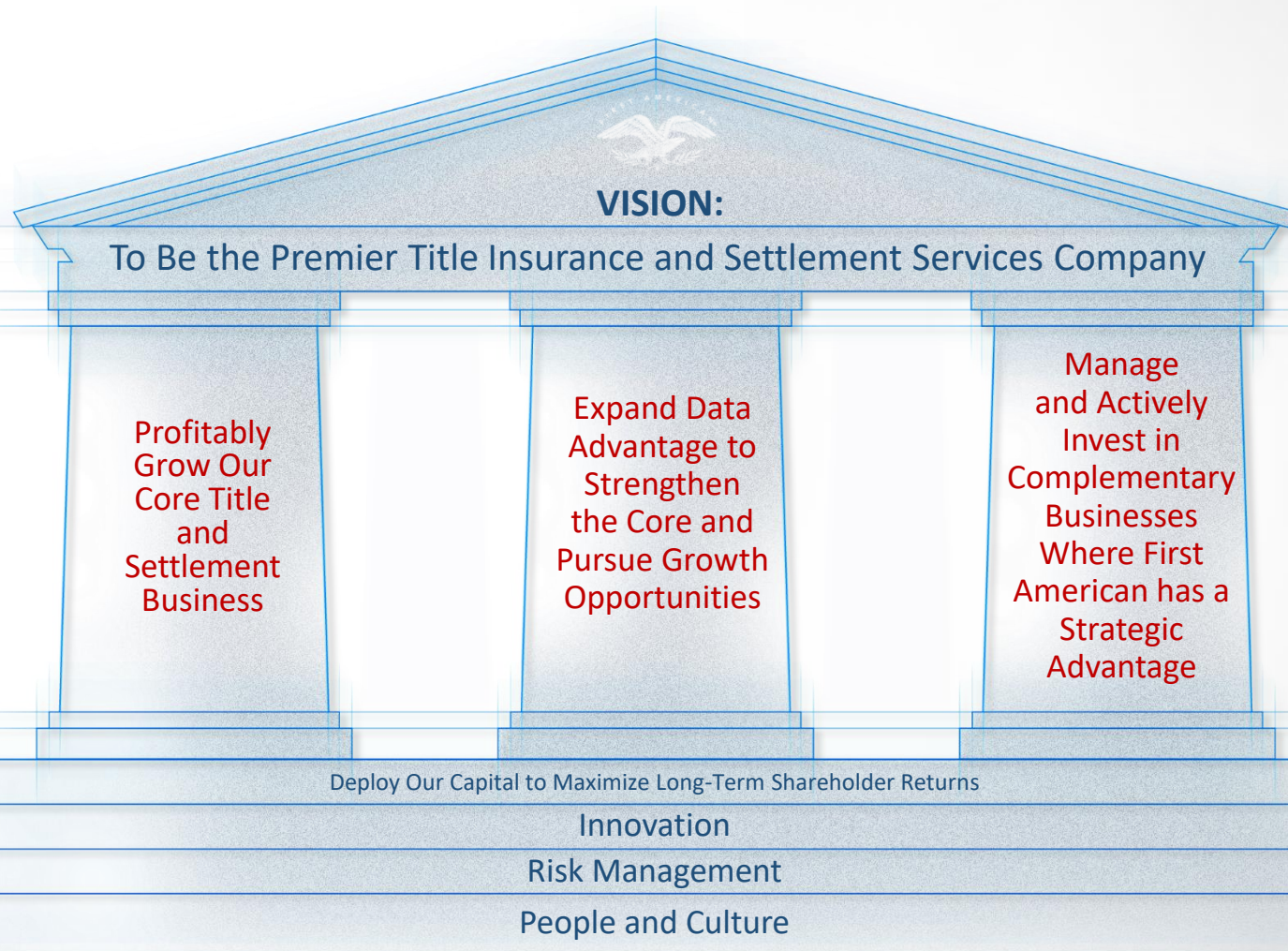
Key Markets at Trough Levels Due to High Interest Rates



Consistent Strategy and Capital Management Priorities



First American Strategy



22" SQUARE PEDESTAL
24 3/4" SQUARE PEDESTAL
33" SQUARE PEDESTAL

Profitably Grow our Core Title and Settlement Business

Pillar 1 Strategic priorities



- **Sustain leadership in Title and Settlement Services**
 - Maintain and grow profitable market share
 - Opportunistically expand use of multi-brand marketing
 - Focus on innovation to lead the digital transformation
 - Develop value-added services that strengthen customer relationships
- **Win with emerging customers**

Be the preferred title company for next-generation real estate companies
- **Grow interest income**

Provide banking services to agents and servicers to improve their risk profile and our returns

22" SQUARE PEDESTAL
24" SQUARE PEDESTAL
33" SQUARE PEDESTAL



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Expand Data Advantage to Strengthen the Core and Pursue Growth Opportunities

Pillar 2 Strategic priorities



- **Further develop data advantage**
Expand coverage of property data elements and geographies
- **Achieve market-leading title automation**
Leverage data advantage together with data science capability
- **Find new businesses that can leverage our data**
Determine innovative and meaningful ways to monetize our data
- **Grow licensing and online data visualization organically**
Leverage position in market to meet the growing data needs from customers

22" SQUARE PEDESTAL
24 3/4" SQUARE PEDESTAL
33" SQUARE PEDESTAL



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First American has Strongest Data Foundation in the Industry



	No. of counties	Population (%)	Market position
Assessor/property ownership	3,142	100	1 st
Proprietary title plants	1,700	79	1 st
Deeds, Mortgages, Foreclosures	3,108	99	1 st
Assignments and releases	2,710	99	1 st
Parcel Boundaries	3,118	99	1 st
Homeowner associations	2,402	99	1 st
Active real estate listings	650K	85	1 st
Assessor Maps	1,040	70	1 st
Document images (8.1B total)	1,915	85	1 st

22" SQUARE PEDESTAL
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33" SQUARE PEDESTAL



Manage and Actively Invest in Complementary Businesses where First American has a Strategic Advantage

Pillar 3 Strategic priorities



- **Grow Home Warranty**
Accelerate direct-to-consumer growth while maintaining strong operating margins
- **Grow international business in core geographies**
Invest for long-term growth in Canada, Europe, and Australia
- **Seek out new opportunities**
Enter adjacent businesses where First American has a strategic advantage (e.g. Bank, ServiceMac)

22" SQUARE PEDESTAL
24" SQUARE PEDESTAL
33" SQUARE PEDESTAL



First American

Capital Management Strategy

- Objective: Create long-term shareholder value
- Capital management priorities:
 - Make value-creating investments in our core business
 - Acquire or invest in businesses that fit within our strategy
 - Return excess capital to shareholders through dividends and share repurchases
 - Maintain adequate capital levels
 - Manage our capital structure prudently
 - Maintain ample financial flexibility and holding company liquidity

22" SQUARE PEDESTAL
24 3/4" SQUARE PEDESTAL
33" SQUARE PEDESTAL



First American

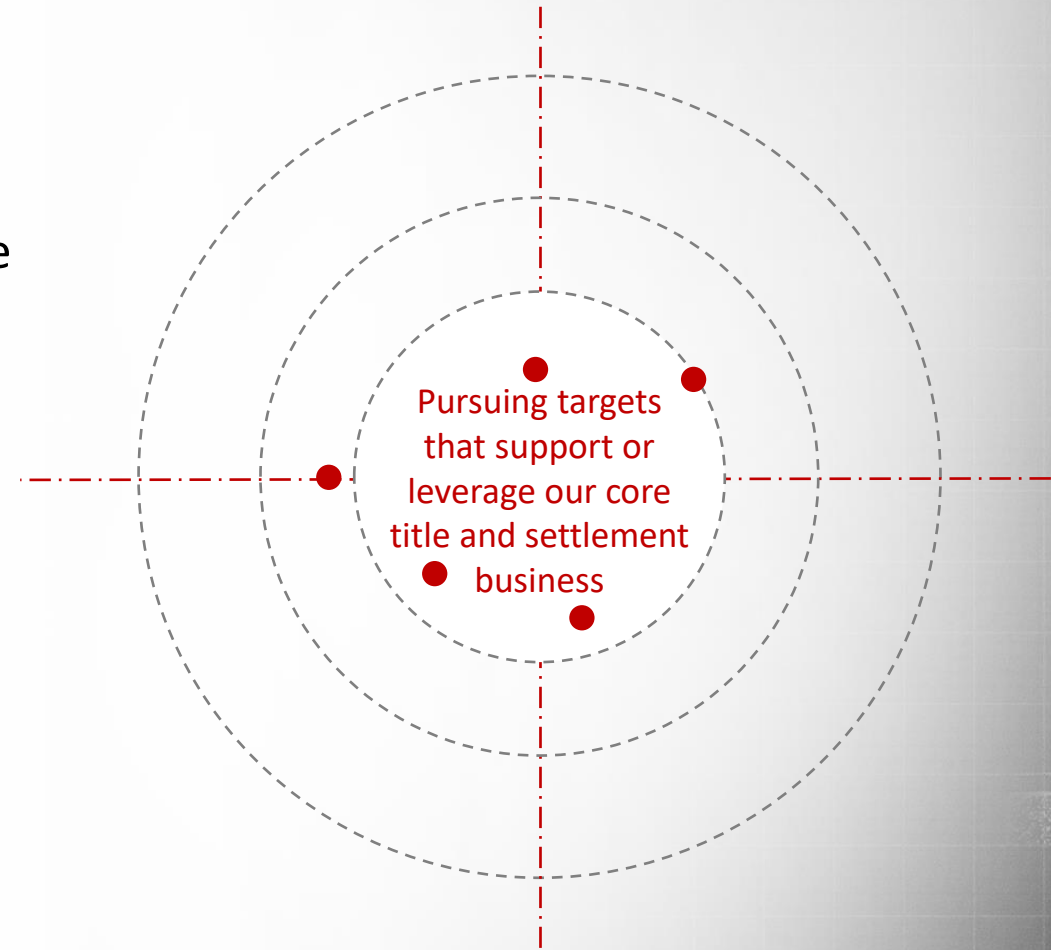
Disciplined M&A Strategy Drives Growth

Focused Strategy

- Title companies that expand our footprint in key markets
- Data and information companies that enhance our data capabilities or advance title automation
- Opportunities complementary to title

Disciplined Process

- Strategic and cultural fit
- Risk adjusted return targets
- Operational integration



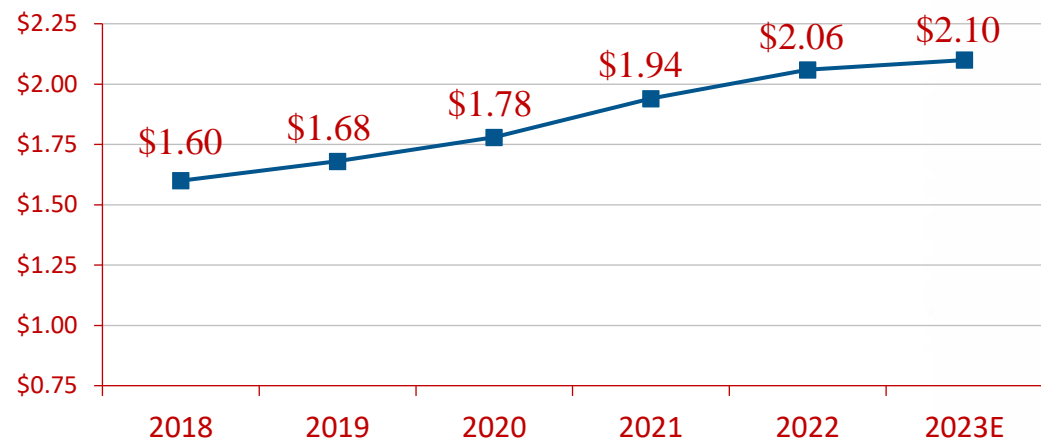
22" SQUARE PEDESTAL
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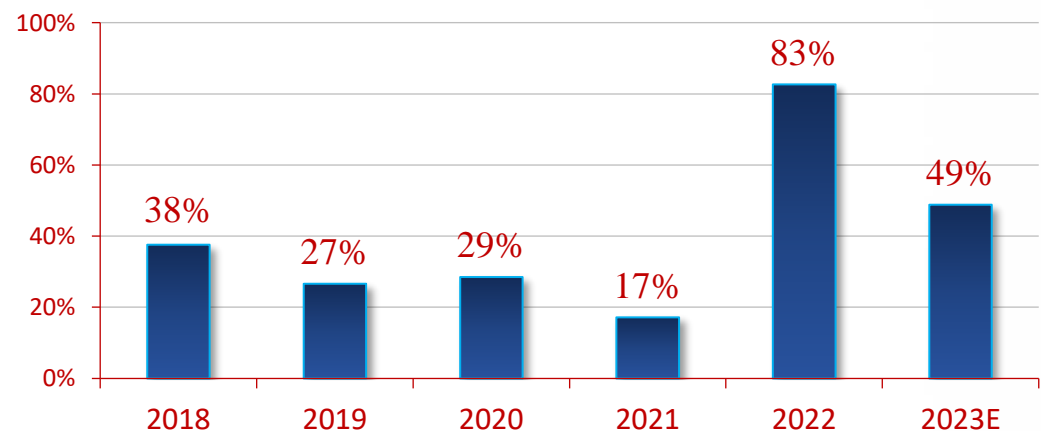
First American

Dividends

DIVIDENDS PER SHARE



PAYOUT RATIO

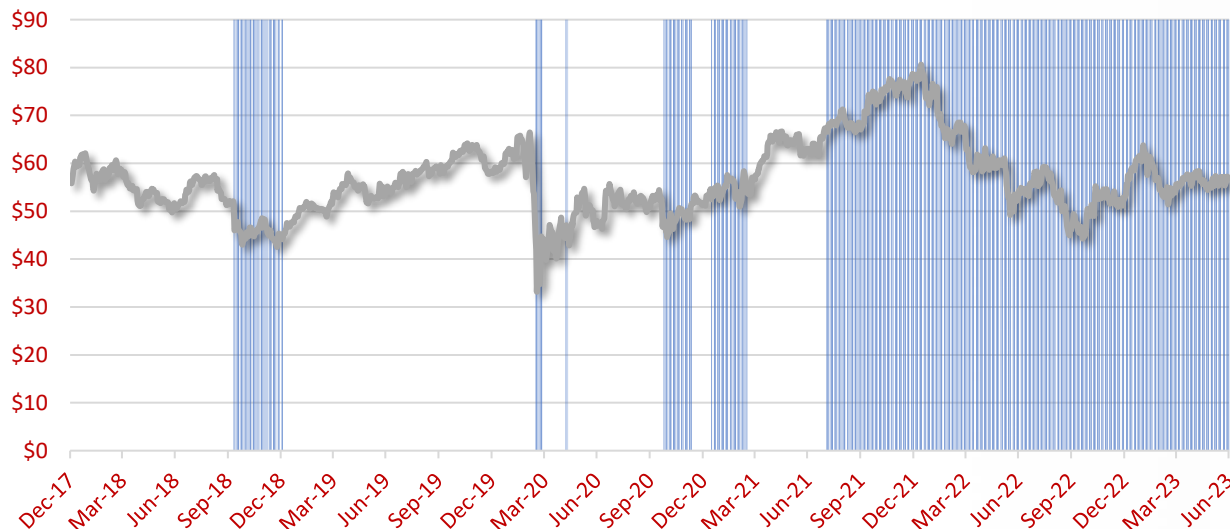


Dividend Considerations

- First American expects to pay a meaningful dividend given the company's cash flow generation and investment opportunities
- Dividend increases are intended to be sustainable in perpetuity
- Dividend increases will be dependent upon expected holding company cash flows, market conditions and alternative uses of capital, among other factors
- The company is not committed to always increasing the dividend each year

Share Repurchases

SHARE REPURCHASE HISTORY



- Share repurchases will be dependent upon capital levels, market conditions and alternative uses of capital, among other factors
- A new \$400 million share repurchase authorization was approved by board of directors in June 2022, resulting in total authorization remaining of \$241 million as of June 30, 2023

Repurchase Summary

	<u>2018/2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023-Q2</u>
Shares purchased	0.5 million	3.2 million	1.7 million	7.5 million	0.8 million
Total amount	\$20.9 million	\$138.6 million	\$99.0 million	\$441.0 million	\$45.7 million
Avg. price per share	\$44.20	\$43.44	\$58.05	\$58.65	\$55.18

Investment Considerations

- Focused strategy as “pure play” in title and settlement markets
- Attractive industry characteristics
- Strong competitive position in title and settlement services
- Opportunity to grow through focus on innovation and by leveraging unique assets (e.g. bank and data)
- Strong balance sheet with ample liquidity and financial flexibility
- Commitment to return capital to shareholders

22" SQUARE PEDESTAL
24 3/4" SQUARE PEDESTAL
33" SQUARE PEDESTAL



First American

APPENDIX



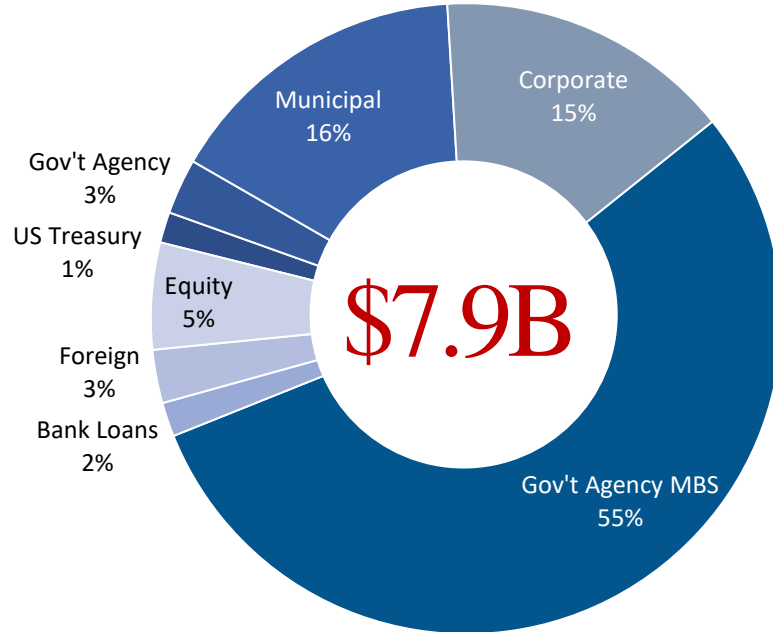
Title Segment Net Investment Income Non-GAAP Reconciliation

Net Investment Income Less Affiliate Investments																		
\$ in Millions																		
	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Net Investment Income	\$70.1	\$71	\$72	\$69.8	\$59.7	\$43.2	\$44.7	\$51.6	\$42.7	\$47.5	\$49.8	\$48.4	\$52.7	\$69.3	\$105.2	\$131.8	\$124.6	\$141.9
Less: Affiliate Investments	(0.2)	0.3	1.6	1.0	(0.1)	1.2	2.4	2.2	1.1	2.4	2.5	0.8	3.6	3.1	3.2	1.0	0.5	1.2
Adjusted Net Investment Income	\$70.2	\$70.6	\$70.4	\$68.8	\$59.8	\$42.0	\$42.3	\$49.4	\$41.6	\$45.0	\$47.3	\$47.5	\$49.1	\$66.2	\$102.0	\$130.8	\$124.1	\$140.6

	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4'18
Net Investment Income	\$21.8	\$26.0	\$25.4	\$24.4	\$24.9	\$27.5	\$29.0	\$29.4	\$26.6	\$34.7	\$37.9	\$38.3	\$41.4	\$51.7	\$60.9	\$69.3
Less: Affiliate Investments	1.1	3.7	2.8	0.1	0.9	2.1	2.8	2.4	1.6	1.8	1.1	(0.8)	(0.3)	1.0	1.5	0.5
Adjusted Net Investment Income	\$20.6	\$22.2	\$22.6	\$24.3	\$24.0	\$25.4	\$26.2	\$27.0	\$25.0	\$32.9	\$36.8	\$39.0	\$41.7	\$50.7	\$59.3	\$68.8

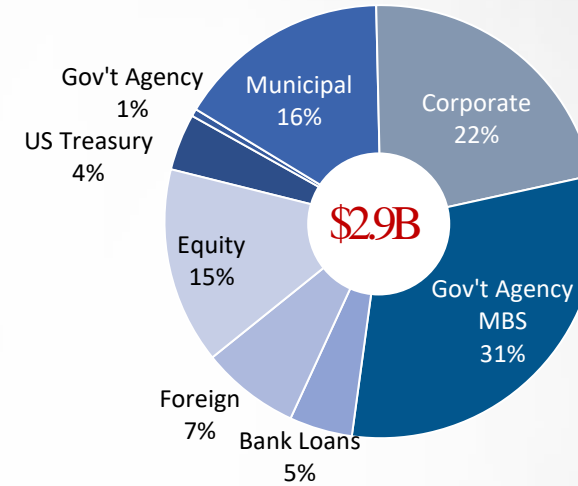
Investment Portfolio

CONSOLIDATED PORTFOLIO



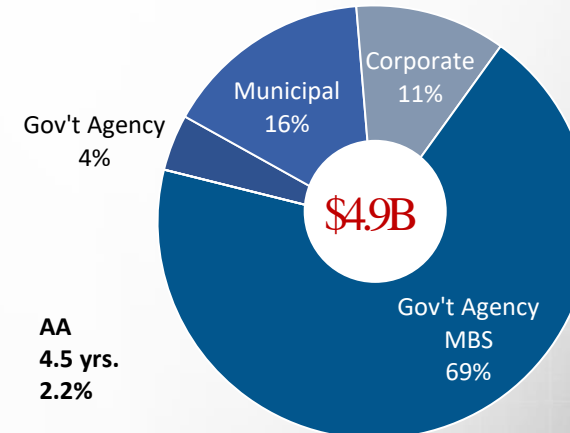
Avg. Rating : AA
Duration: 4.8 yrs.
Book Yield: 2.8%

INSURANCE PORTFOLIO



Avg. Rating : A+
Duration: 5.3 yrs.
Book Yield: 3.8%

BANK PORTFOLIO



Avg. Rating : AA
Duration: 4.5 yrs.
Book Yield: 2.2%

Capital Structure

<i>As of June 30, 2023 (\$ in Millions)</i>	
4.6% Senior Notes Due 2024	\$300
4.0% Senior Notes Due 2030	\$450
2.4% Senior Notes Due 2031	\$650
Unamortized Discounts and Debt Issuance Costs	(\$11)
Trust Deed Notes	\$2
Other Notes	\$3
Revolving Credit Facility	\$0
Notes and Contracts Payable	\$1,393
Secured Financings Payable (SFP)	\$586
Total Debt	\$1,979
Total Equity	\$4,787
Debt-to-Total Cap Ratio (GAAP)	29.2%
Debt-to-Total Cap Ratio (excluding SFP)	22.5%

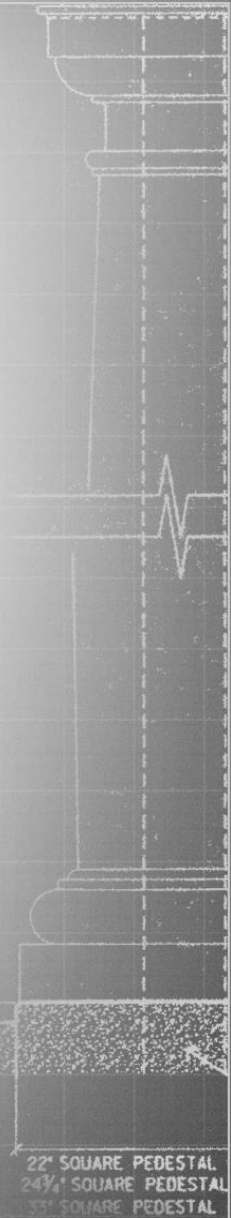
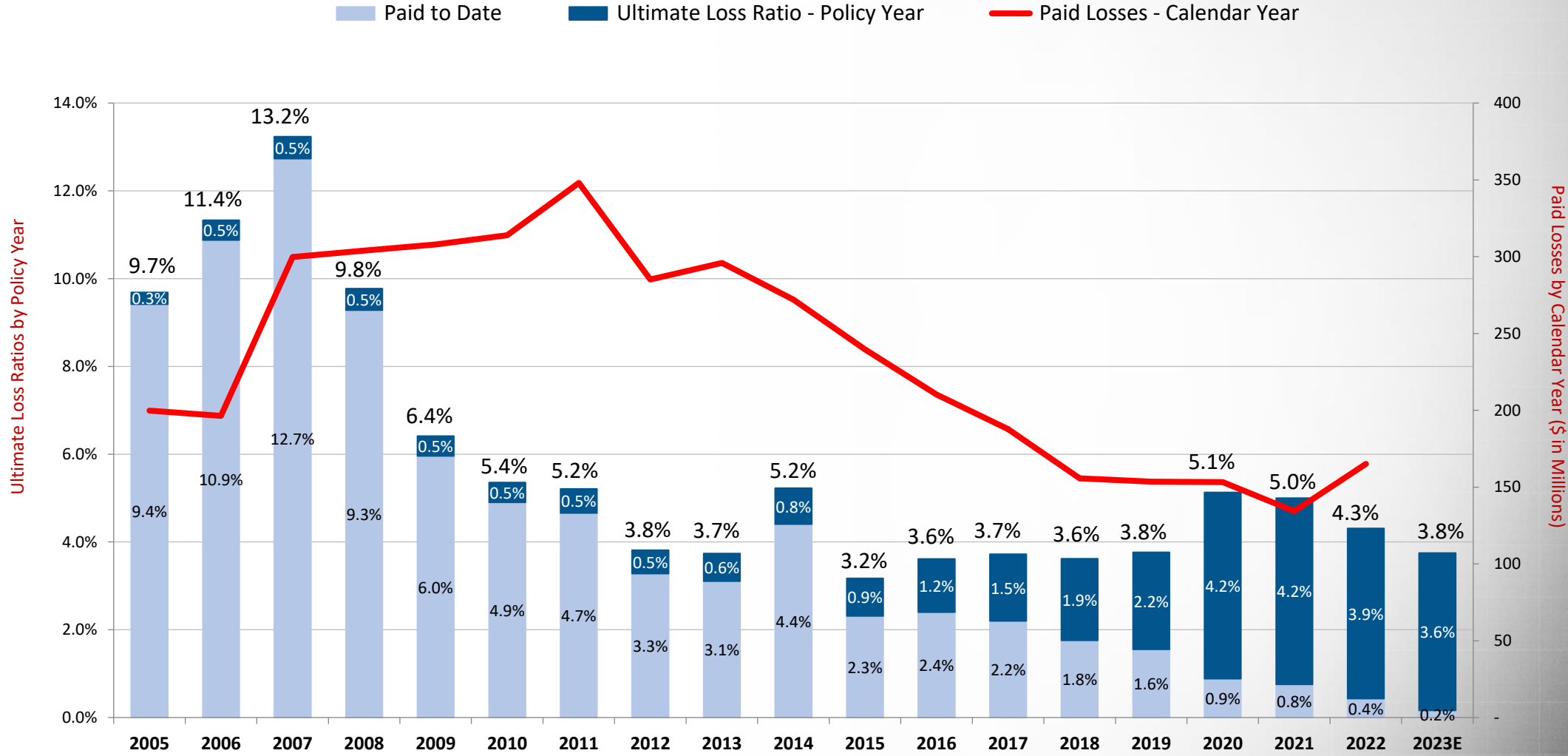
- Management targets debt-to-capital ratio of 18-20% (excluding secured financings payable)
 - Supports target financial strength ratings
- \$900 million revolving credit facility 100% available
 - New, expanded senior credit agreement closed in May 2023
- Significant financial flexibility to seize strategic opportunities

22" SQUARE PEDESTAL
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33" SQUARE PEDESTAL



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Ultimate Loss Ratios by Policy Year



Note: Ultimate loss ratios are estimates and calculated as a percentage of title premiums and escrow fees for a given policy year as of May 31, 2023



U.S. TITLE

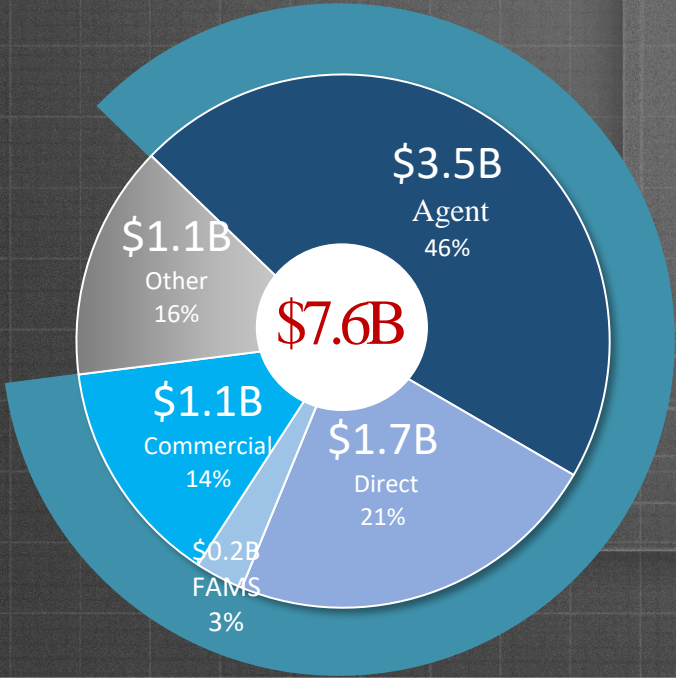
DIRECT

AGENCY

COMMERCIAL

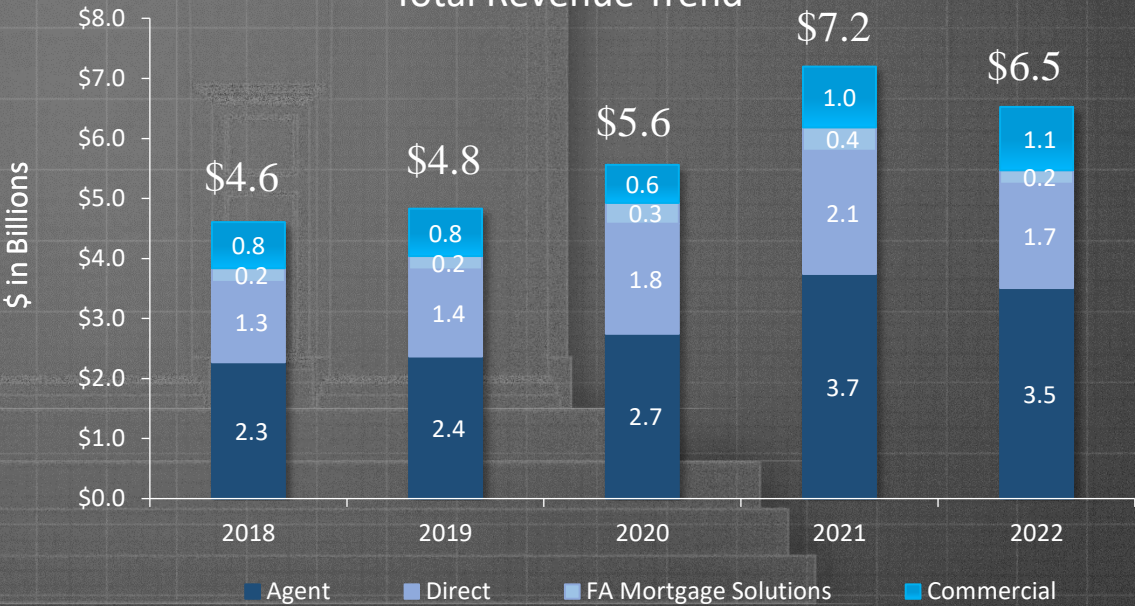
MORTGAGE SOLUTIONS

First American Financial Total Revenue



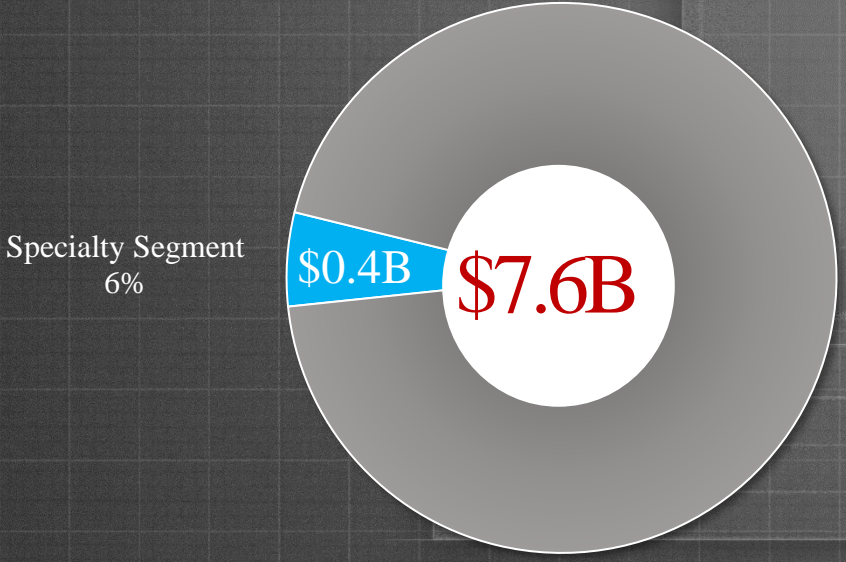
\$6.5B
U.S. Title
86%

Total Revenue Trend

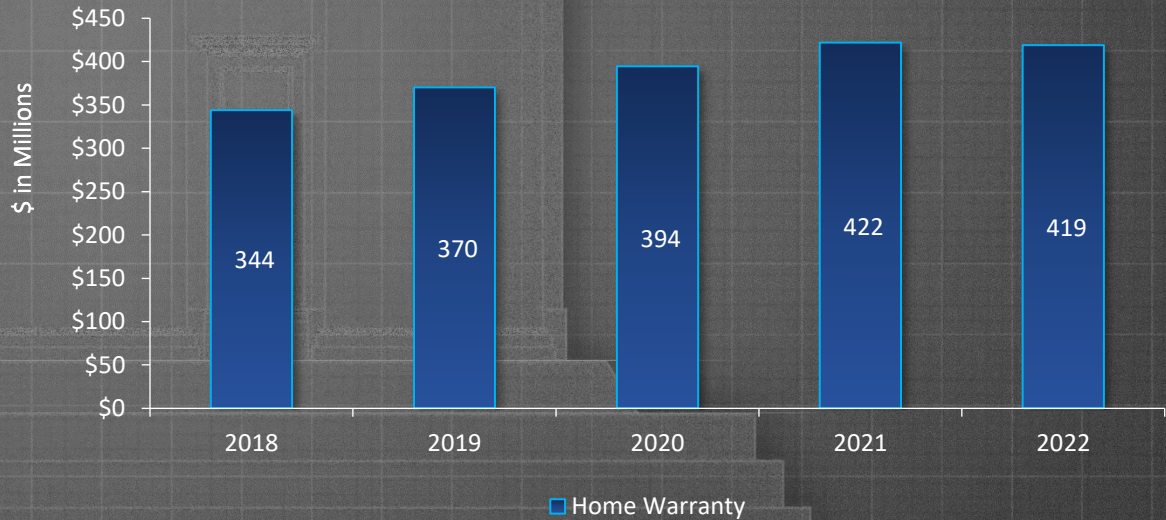


HOME WARRANTY

First American Financial Total Revenue

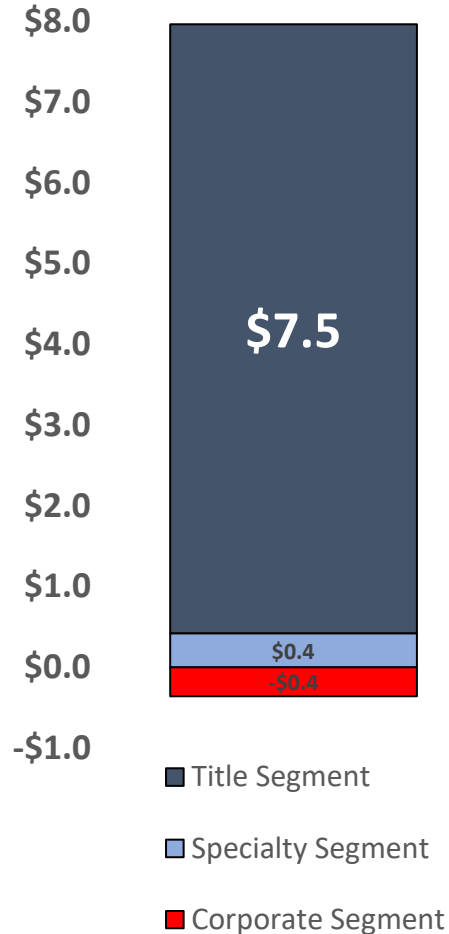


Total Revenue Trend

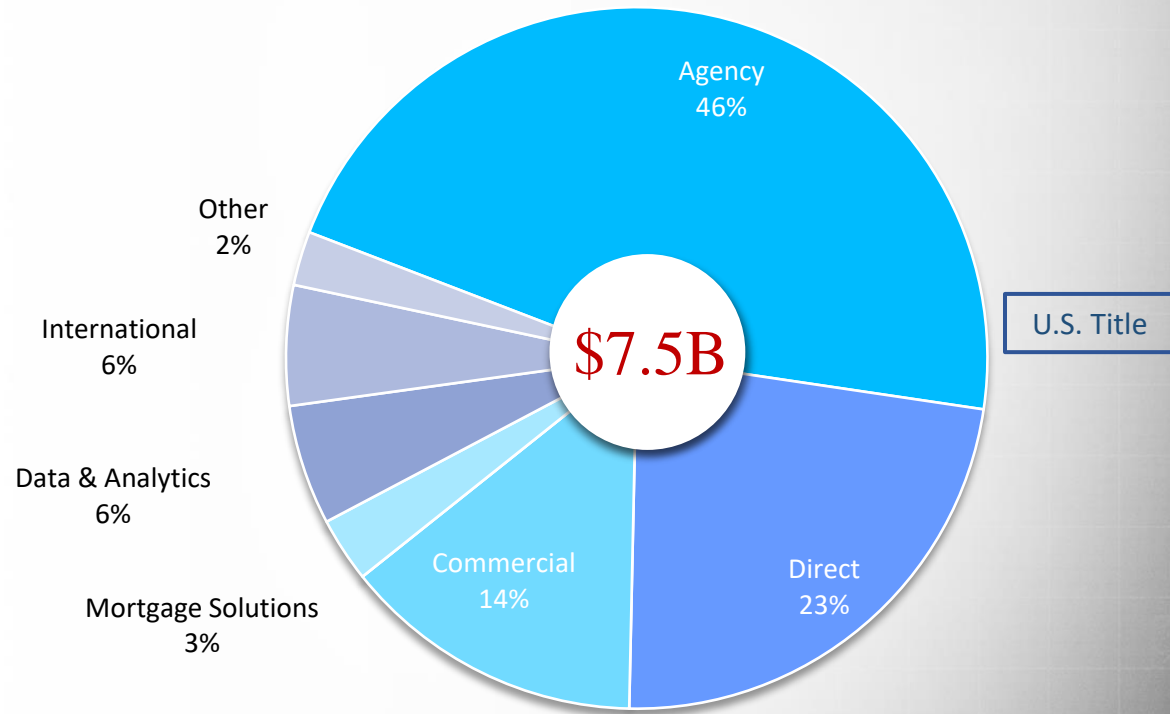


2022 Revenue Breakdown

FIRST AMERICAN FINANCIAL



TITLE SEGMENT



U.S. Title

22" SQUARE PEDESTAL
24" SQUARE PEDESTAL
33" SQUARE PEDESTAL