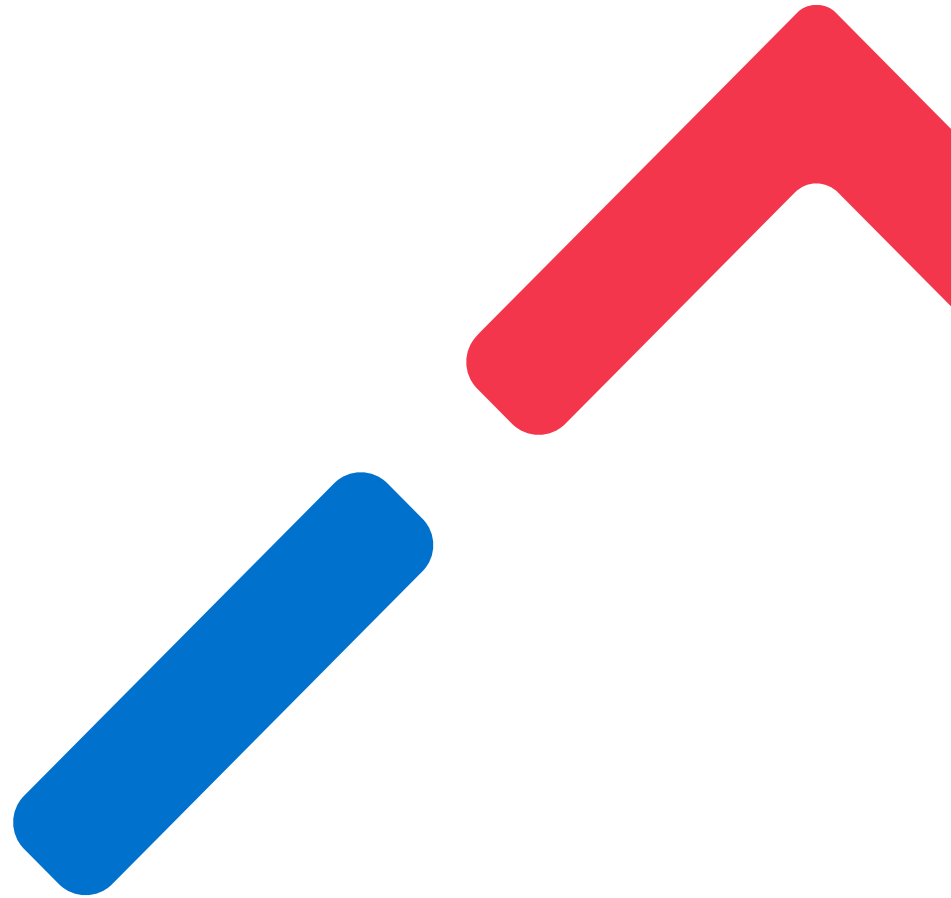


Full-Year and Fourth-Quarter 2015 Earnings Webcast

—
February 25, 2016



Agenda



Rob Gillette
Chief Executive Officer



Alan Haughie
Chief Financial Officer

- Financial Summary
- FY 2016 Outlook
- Segment Results
- Financial Results
- Summary
- Q&A

Cautionary Statements

Safe Harbor Statement

This presentation contains “forward-looking statements” that are based on management’s beliefs and assumptions and on information currently available to management. Most forward-looking statements contain words that identify them as forward-looking, such as “anticipates,” “believes,” “continues,” “could,” “seeks,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms that relate to future events. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause ServiceMaster’s actual results, performance or achievements to be materially different from any projected results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent the beliefs and assumptions of ServiceMaster only as of the date of this presentation and ServiceMaster undertakes no obligation to update or revise publicly any such forward-looking statements, whether as a result of new information, future events or otherwise. As such, ServiceMaster’s future results may vary from any expectations or goals expressed in, or implied by, the forward-looking statements included in this presentation, possibly to a material degree. ServiceMaster cannot assure you that the assumptions made in preparing any of the forward-looking statements will prove accurate or that any long-term financial or operational goals and targets will be realized. For a discussion of some of the important factors that could cause ServiceMaster’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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and our other filings with the SEC.

Note to 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 used by other companies. See Non-GAAP reconciliations below in this presentation for a reconciliation of these measures to the most directly comparable GAAP financial measures. Adjusted EBITDA, Adjusted Net Income, Adjusted earnings per share 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, earnings per share or any other performance measures derived in accordance with GAAP or as an alternative to net cash provided by operating activities or any other measures of the company’s cash flow or liquidity. We believe these non-GAAP financial measures are useful for investors, analysts and other interested parties as they facilitate company-to-company operating and financial condition performance comparisons by excluding potential differences caused by variations in capital structures, taxation, the age and book depreciation of facilities and equipment, restructuring initiatives, consulting agreements and equity-based, long-term incentive plans.

Adjusted EBITDA is defined as net income (loss) before: income (loss) from disc. operations, net of income taxes; provision (benefit) for income taxes; loss on extinguishment of debt; interest exp.; depreciation and amortization exp.; 401(k) Plan corrective contribution; non-cash impairment of software and other related costs; non-cash stock-based compensation exp.; restructuring charges; gain on sale of Merry Maids branches; management/consulting fees; consulting agreement term. fees; and other non-operating expenses. **Adjusted net income** is defined by the company as income (loss) from continuing operations before: amortization exp.; 401(k) Plan corrective contribution; impairment of software and other related costs; consulting agreement term. fees; restructuring charges; gain on sale of Merry Maids branches; management/consulting fees; loss on extinguishment of debt; and the tax impact of all of the aforementioned adjustments. **Adjusted earnings per share** is calculated as adjusted net income divided by the diluted share. **Free Cash Flow** is defined as net cash provided from operating activities from continuing operations before: call premium paid on retirement of debt; cash paid for consulting agreement termination fees; and excess tax benefits from stock-based compensation; less property additions. **Pre-Tax Unlevered Free Cash Flow** is defined as Adjusted EBITDA plus change in working capital less property additions.

Full Year Consolidated Financial Summary

\$ millions, except per share amounts

	Full Year			
	2015	2014	Var.	
			\$	%
Revenue	\$ 2,594	\$ 2,457	137	6%
Adj. EBITDA	622	557	65	12%
<i>% of revenue</i>	<i>24.0%</i>	<i>22.7%</i>		
Adj. Net Income	245	166	79	48%
<i>% of revenue</i>	<i>9.4%</i>	<i>6.8%</i>		
Adjusted EPS ¹	1.80	1.46	0.34	23%

- ✓ AHS achieves double digit revenue growth
- ✓ Terminix new services revenue surpasses \$100 million
- ✓ Terminix tuck-in acquisitions
- ✓ Pricing 1-2%
- ✓ Strong operating leverage

Strong Financial Performance

¹Adjusted earnings per share is calculated as adjusted net income divided by the diluted share counts of 136.6m shares and 113.8m shares for the full year 2015 and 2014, respectively.

Q4 Consolidated Financial Summary

\$ millions, except per share amounts









	Fourth Quarter			
	2015	2014	Var.	
			\$	%
Revenue	\$ 601	\$ 577	24	4%
Adj. EBITDA	124	114	10	9%
<i>% of revenue</i>	20.6%	19.8%		
Adj. Net Income	45	31	14	45%
<i>% of revenue</i>	7.5%	5.4%		
Adjusted EPS ¹	0.33	0.23	0.10	43%

- ✓ Growth in AHS direct-to-consumer and real estate channels
- ✓ Alterra acquisition
- ✓ Commercial growth at Terminix
- ✓ Pricing across brands
- ✓ Claims at AHS
- ✓ AHS marketing

Strong Financial Performance

¹Adjusted earnings per share is calculated as adjusted net income divided by the diluted share counts of 136.9m shares and 135.3m shares for the fourth quarter of 2015 and 2014, respectively.

Social Media

	 October 2015	 February 2016	 February 2016
	47,000 likes	85,000 likes +81%	258,000 likes
	No strategy 6,100 followers	Hashtag strategy 12,900 followers +111%	26,800 followers
	5.2 million views 2,700 subscribers	New videos 5.4 million views 9,000 subscribers +233%	10.1 million views 10,200 subscribers
	No strategy 2,500 followers	Strategy in place 6,800 followers +172%	37k avg. daily viewers 9,800 followers
	2.48 stars	4.67 stars +88%	4.61 stars

Increasing Terminix's Social Media Presence

2016 Outlook

\$ millions

2016 Full Year Outlook

Revenue	> \$2,750
<i>Growth</i>	> 6%
EBITDA	> \$685
<i>Growth</i>	> 10%
EBITDA margin	25%
	+ 1 pt



- ✓ Strong top line with AHS growth ~10%
- ✓ Terminix growth middle-to-high single digits
- ✓ Approximately 80% revenue from recurring customer base
- ✓ Continued operating leverage
- ✓ High customer retention; pricing 1% - 2%
- ✓ Strong pipeline of tuck-in acquisition targets
- ✓ Free cash flow > \$300 million
- ✓ Investing in growth (marketing/ServSmart)

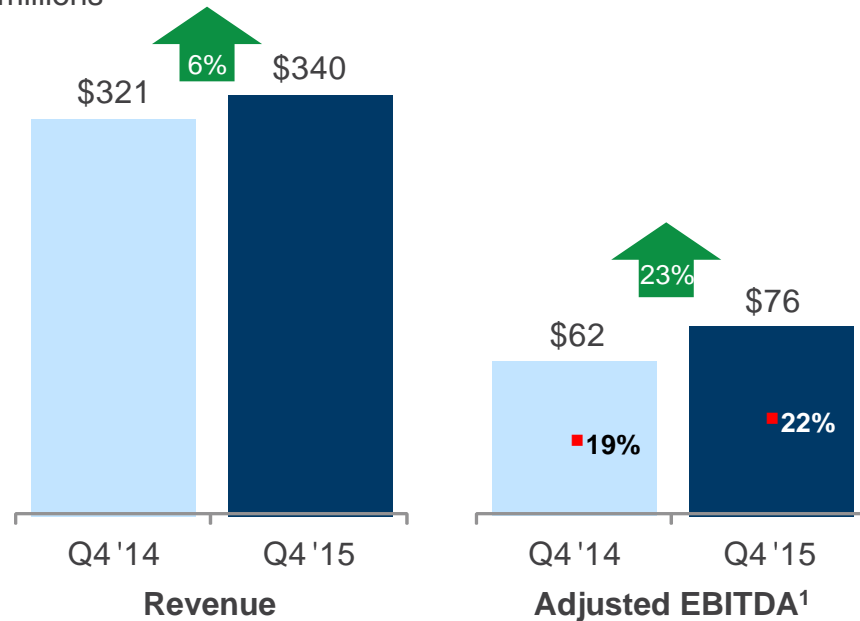
2016 Revenue and EBITDA Outlook

2015 Financial Results



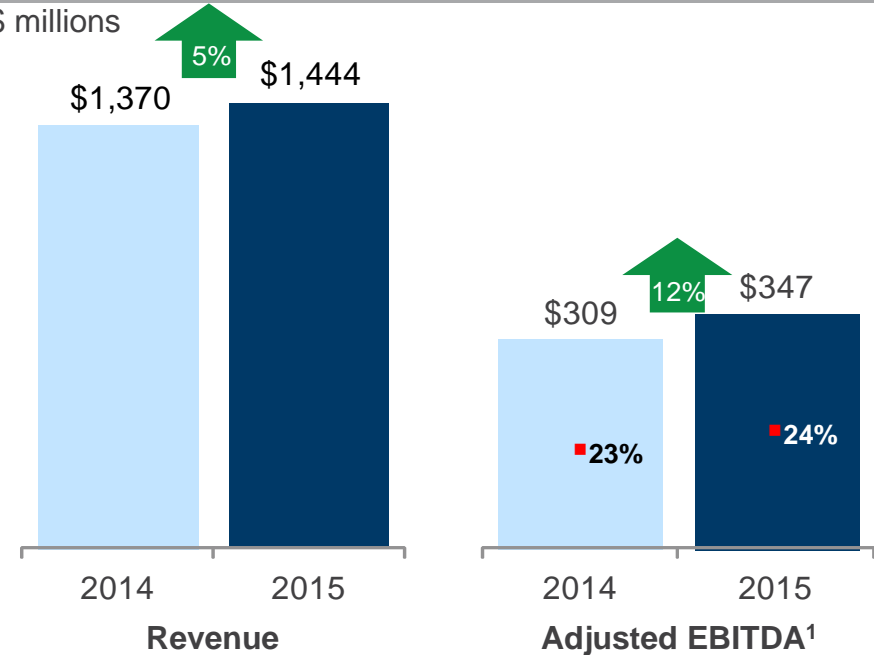
Fourth Quarter

\$ millions



Full Year

\$ millions



Revenue:

- + Pricing/Product Mix
- + Alterra acquisition
- + New services

EBITDA:

- + Revenue conversion
- + Cost reduction initiatives

Revenue:

- + New services
- + Pricing/Product Mix
- + Alterra acquisition
- Completion volume

EBITDA:

- + Revenue conversion
- + Cost reduction initiatives
- Selling costs

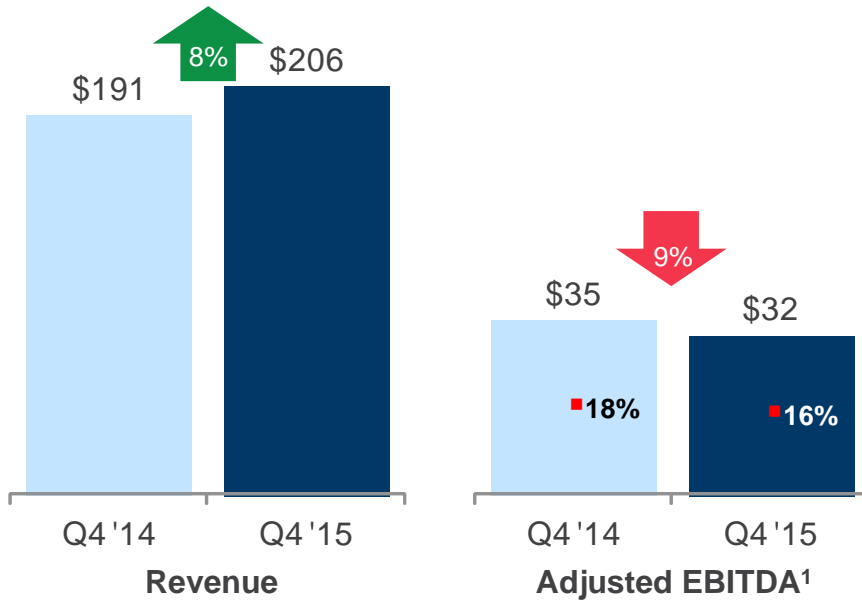
Innovation Sales Growth and Margin Expansion

¹See Non-GAAP reconciliations.

2015 Financial Results

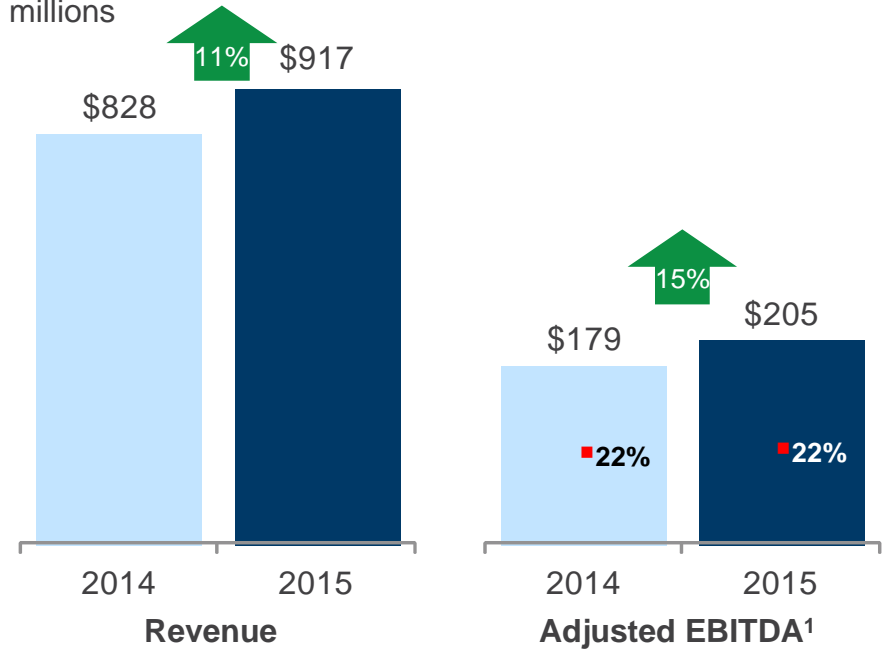
Fourth Quarter

\$ millions



Full Year

\$ millions



	<u>Revenue</u>	<u>EBITDA</u>
+ Volume	\$9m	\$5m
+ Price/mix	\$6m	\$6m
- Claims costs		\$(19)m
+ Marketing/other		\$5m

	<u>Revenue</u>	<u>EBITDA</u>
+ Volume	\$68m	\$36m
+ Price/mix	\$21m	\$21m
- Claims costs		\$(33)m
+ Efficiencies/other		\$2m

Increased Customer Count Driven by Marketing

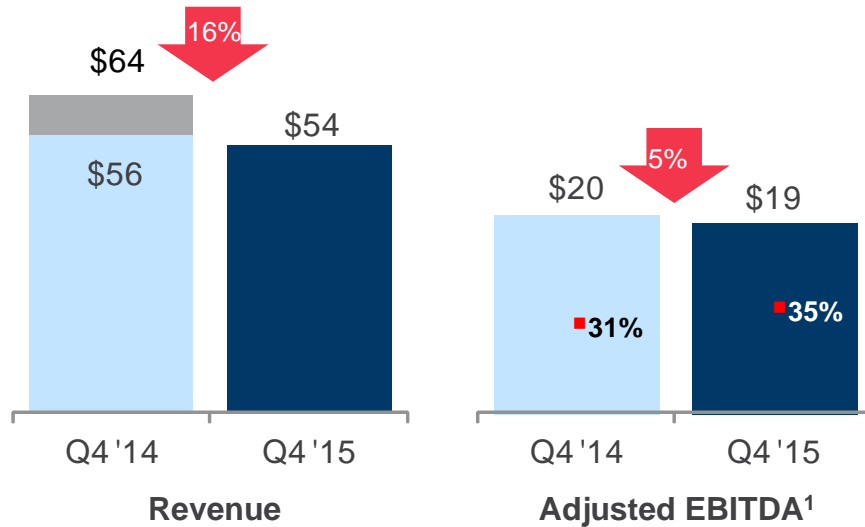
¹See Non-GAAP reconciliations.

2015 Financial Results



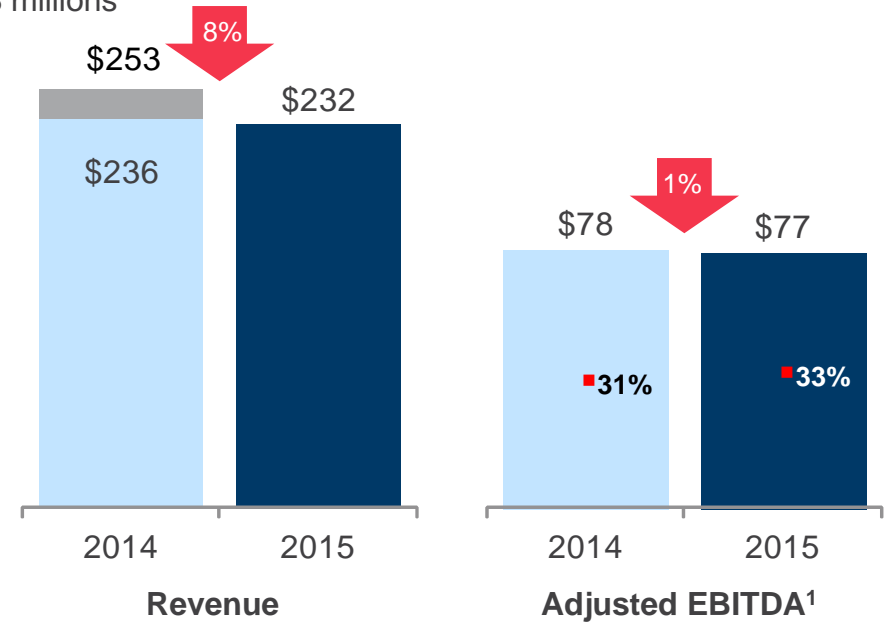
Fourth Quarter

\$ millions



Full Year

\$ millions



Revenue:

- MM branch disposals

EBITDA:

- Lower revenue
- MM branch disposals
- + Cost reduction

Revenue:

- MM branch disposal
- MM branch performance

EBITDA:

- Lower revenue
- MM branch disposals
- + Cost reduction

Merry Maids Branch Conversion and Cost Reduction

¹See Non-GAAP reconciliations.

Q4 Consolidated Results

\$ millions

	Fourth Quarter		
	2015	2014	B/(W)
Revenue	\$ 601	\$ 577	\$ 24
<i>YoY Growth</i>			4%
Gross Profit	261	262	(1)
<i>% of revenue</i>	43.4%	45.4%	-2 pts
Selling and administrative expenses	(154)	(164)	10
<i>% of revenue</i>	25.6%	28.4%	2.8 pts
Amortization expense	(6)	(13)	7
401(k) Plan corrective contribution	(23)	—	(23)
Restructuring charges	(1)	(4)	3
Gain on sale of Merry Maids branches	2	1	1
Interest expense	(38)	(48)	10
Interest and net investment income	1	1	—
Other expense	(9)	—	(9)
Income from Continuing Operations before Income Taxes	33	36	(3)
Provision for income taxes	(16)	(14)	(2)
Income from Continuing Operations	17	22	(5)
Loss from discontinued operations, net of income taxes	—	(2)	2
Net Income	<u>\$ 17</u>	<u>\$ 20</u>	<u>\$ (3)</u>
Adjusted Net Income	\$ 45	\$ 31	\$ 14
Adjusted EBITDA	\$ 124	\$ 114	\$ 10

Q4 Adjusted EBITDA and Adjusted Net Income Reconciliations

\$ millions

	Fourth Quarter	
	2015	2014
Terminix	\$ 76	\$ 62
American Home Shield	32	35
Franchise Services Group	19	20
Corporate	(3)	(2)
Adjusted EBITDA	\$ 124	\$ 114
Depreciation and amortization expense	(18)	(25)
401(k) Plan corrective contribution	(23)	—
Non-cash stock-based compensation expense	(3)	(3)
Restructuring charges	(1)	(4)
Gain on sale of Merry Maids branches	2	1
Provision for income taxes	(16)	(14)
Interest expense	(38)	(48)
Other non-operating expenses	(9)	—
Income from Continuing Operations	\$ 17	\$ 22
Amortization expense	6	13
401(k) Plan corrective contribution	23	—
Restructuring charges	1	4
Gain on sale of Merry Maids branches	(2)	(1)
Other non-operating expenses	9	—
Tax impact of adjustments	(9)	(6)
Adjusted Net Income	\$ 45	\$ 31

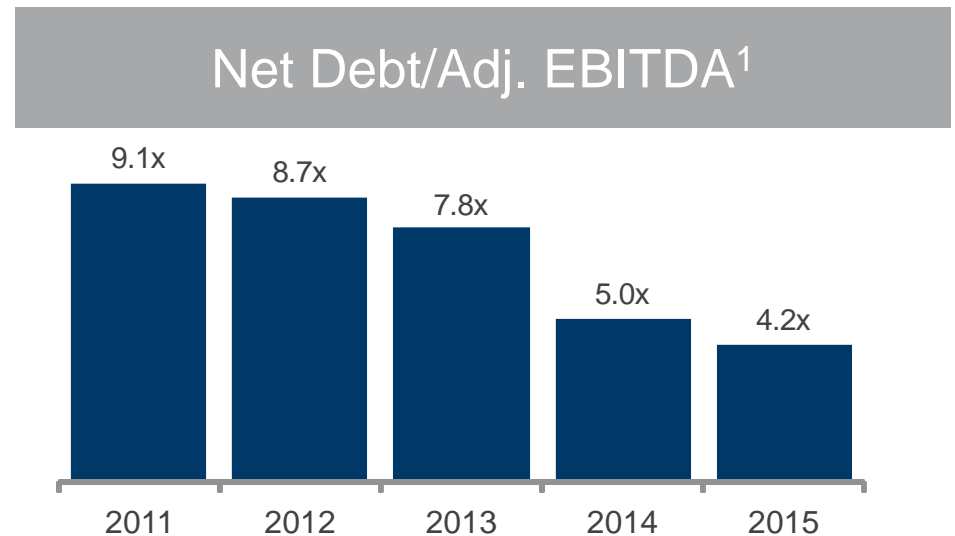
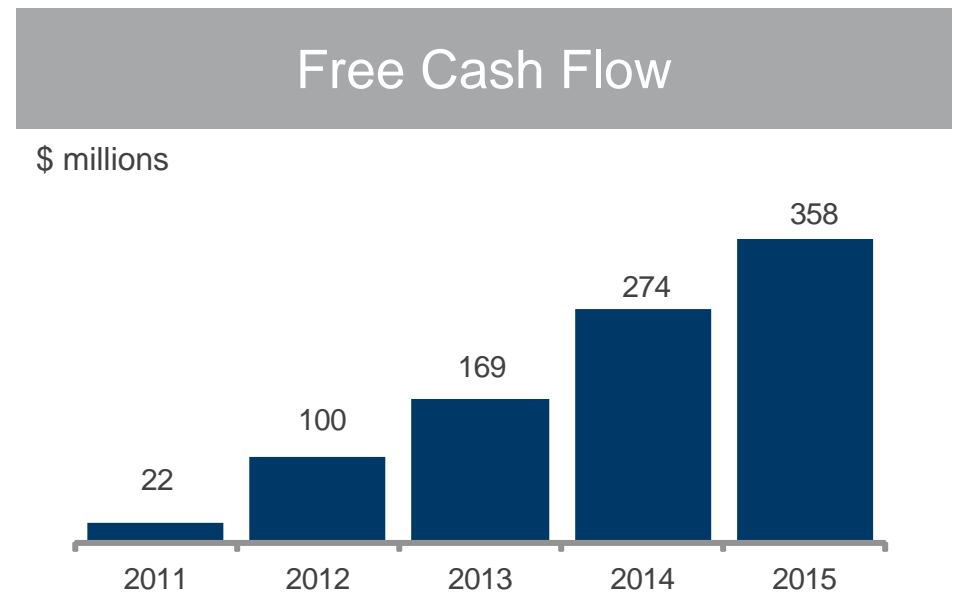
Q4 and Full Year Simplified Cash Flow

\$ millions

	Fourth Quarter		Full Year	
	2015	B/(W)	2015	B/(W)
Cash at Beginning of Period	\$ 260	\$ (15)	\$ 389	\$ (95)
Adjusted EBITDA	124	10	622	65
Change in working capital	23	(7)	18	15
Property additions	(10)	(4)	(40)	(5)
Pre-Tax Unlevered Free Cash Flow	137	(1)	600	75
Interest payments	(28)	(7)	(178)	42
Cash taxes	(6)	(5)	(44)	(32)
Other	(3)	(3)	(19)	(1)
Free Cash Flow	98	(18)	358	84
Acquisitions	(61)	(55)	(92)	(34)
Other	8	(6)	40	(7)
Refinancing / IPO / Consulting agreement termination	—	—	—	270
Debt repayment	(7)	4	(389)	(351)
TruGreen contribution / Discontinued operations	(2)	(2)	(11)	39
Cash at End of Period	\$ 296	\$ (93)	\$ 296	\$ (93)
Free Cash Flow / Adjusted EBITDA	79%	-23 pts	58%	8 pts

Deleveraging the Balance Sheet

- ✓ Growth, improved operations and lower interest costs continue to drive strong free cash flow
- ✓ Lower leverage positions company to return capital to shareholders
- ✓ Setting long-term target leverage at 2.5x – 3.0x
- ✓ Initiating \$300 million share repurchase program executed over 3 years



Deleveraging Through Strong Cash Flow

¹Adjusted EBITDA for 2011 through 2013 does not reflect the benefit of transferring \$25m of annual corporate costs to TruGreen.

Summary

- Strong 2015 financial performance
 - ✓ AHS achieves double digit revenue growth
 - ✓ Terminix new services surpasses \$100 million
 - ✓ Continued strong operating leverage
- Expanded our ServSmart digital platform
- Unveiled new ServiceMaster brand identity
- Initiating \$300 million share repurchase program
- Strong 2016 outlook

Building on our Accomplishments and Delivering on our Commitments

Q&A

Q4 Cash Flow

\$ millions

	Fourth Quarter	
	2015	2014
Net Income	\$ 17	\$ 20
Loss from discontinued operations, net of income taxes	—	2
Depreciation and amortization expense	18	25
401(k) Plan corrective contribution	23	—
Working capital	23	30
Other	26	46
Net Cash Provided from Operating Activities	\$ 107	\$ 122
Excess tax benefits from stock-based compensation	1	—
Property additions	(10)	(6)
Free Cash Flow	\$ 98	\$ 116
Cash paid for interest expense	28	21
Cash paid for income taxes, net of refunds	6	1
Cash paid for restructuring charges	1	1
Other	2	(1)
Pre-Tax Unlevered Free Cash Flow	\$ 137	\$ 138
Adjusted EBITDA	124	114
Change in working capital	23	30
Property additions	(10)	(6)
Pre-Tax Unlevered Free Cash Flow	\$ 137	\$ 138

Full Year Consolidated Results

\$ millions

	Full Year		
	2015	2014	B/(W)
Revenue	\$ 2,594	\$ 2,457	\$ 137
<i>YoY Growth</i>			6%
Gross Profit	1,219	1,159	60
<i>% of revenue</i>	47.0%	47.2%	-0.2 pts
Selling and administrative expenses	(666)	(669)	3
<i>% of revenue</i>	25.7%	27.2%	1.5 pts
Amortization expense	(38)	(52)	14
401(k) Plan corrective contribution	(23)	—	(23)
Impairment of software and other related costs	—	(47)	47
Consulting agreement termination fees	—	(21)	21
Restructuring charges	(5)	(11)	6
Gain on sale of Merry Maids branches	7	1	6
Interest expense	(167)	(219)	52
Interest and net investment income	9	7	2
Loss on extinguishment of debt	(58)	(65)	7
Other expense	(9)	—	(9)
Income from Continuing Operations before Income Taxes	270	84	186
Provision for income taxes	(107)	(40)	(67)
Income from Continuing Operations	162	43	119
Loss from discontinued operations, net of income taxes	(2)	(100)	98
Net Income (Loss)	\$ 160	\$ (57)	\$ 217
Adjusted Net Income	\$ 245	\$ 166	\$ 79
Adjusted EBITDA	\$ 622	\$ 557	\$ 65

Full Year Adj. EBITDA and Adj. Net Income Reconciliations

\$ millions

	Full Year	
	2015	2014
Terminix	\$ 347	\$ 309
American Home Shield	205	179
Franchise Services Group	77	78
Corporate	(9)	(9)
Adjusted EBITDA	\$ 622	\$ 557
Depreciation and amortization expense	(84)	(100)
401(k) Plan corrective contribution	(23)	—
Non-cash stock-based compensation expense	(10)	(8)
Restructuring charges	(5)	(11)
Gain on sale of Merry Maids branches	7	1
Non-cash impairment of software and other related costs	—	(47)
Management and consulting fees	—	(4)
Consulting agreement termination fees	—	(21)
Provision for income taxes	(107)	(40)
Loss on extinguishment of debt	(58)	(65)
Interest expense	(167)	(219)
Other non-operating expenses	(12)	—
Income from Continuing Operations	\$ 162	\$ 43
Amortization expense	38	52
401(k) Plan corrective contribution	23	—
Impairment of software and other related costs	—	47
Consulting agreement termination fees	—	21
Restructuring charges	5	11
Gain on sale of Merry Maids branches	(7)	(1)
Management and consulting fees	—	4
Loss on extinguishment of debt	58	65
Other non-operating expenses	9	—
Tax impact of adjustments	(42)	(75)
Adjusted Net Income	\$ 245	\$ 166

Full Year Cash Flow

\$ millions

	Full Year	
	2015	2014
Net Income (Loss)	\$ 160	\$ (57)
Loss from discontinued operations, net of income taxes	2	100
Depreciation and amortization expense	84	100
401(k) Plan corrective contribution	23	—
Impairment of software and other related costs	—	47
Loss on extinguishment of debt	58	65
Call premium paid on retirement of debt	(49)	(35)
Working capital	18	3
Other	40	30
Net Cash Provided from Operating Activities	\$ 336	\$ 253
Call premium paid on retirement of debt	49	35
Cash paid for consulting agreement termination fees	—	21
Excess tax benefits from stock-based compensation	13	—
Property additions	(40)	(35)
Free Cash Flow	\$ 358	\$ 274
Cash paid for interest expense	178	220
Cash paid for income taxes, net of refunds	44	12
Cash paid for restructuring charges	7	8
Cash paid for management and consulting fees	—	4
Cash paid for impairment of software and other related costs	—	3
Other	5	—
Gain on sale of marketable securities	6	4
Pre-Tax Unlevered Free Cash Flow	\$ 600	\$ 525
Adjusted EBITDA	622	557
Change in working capital	18	3
Property additions	(40)	(35)
Pre-Tax Unlevered Free Cash Flow	\$ 600	\$ 525