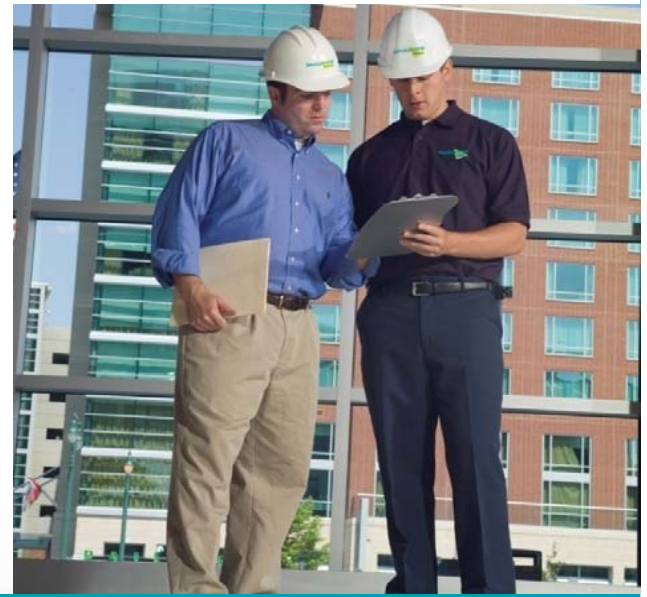


ServiceMASTER®

SECOND QUARTER 2015 EARNINGS WEBCAST AUGUST 4, 2015





Rob Gillette
Chief Executive Officer



Alan Haughie
Chief Financial Officer

- Financial Summary
- Segment Results
- Financial Results
- Summary
- Q&A

Cautionary Statements



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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.

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Note to Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, which are not measures of financial condition or profitability. 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 and Pre-Tax Unlevered 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 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.

Q2 Financial and Segment Summary



\$ millions, except per share amounts

	Second Quarter			
	2015	2014	Var.	
			\$	%
Revenue	\$ 716	\$ 683	33	5%
Adj. EBITDA ¹	191	171	20	12%
<i>% of revenue</i>	26.7%	25.0%		
Adj. Net Income ²	82	52	30	58%
<i>% of revenue</i>	11.5%	7.6%		
Adjusted EPS ³	0.60	0.56	0.04	7%
Pre-Tax Unlevered Free Cash Flow ⁴	192	156	36	23%

	Second Quarter 2015 vs PY	
	Revenue	Adjusted EBITDA
Terminix	+19m	+8m
<i>% change</i>	+5%	+9%
AHS	+20m	+10m
<i>% change</i>	+8%	+16%
FSG	(4)m	(1)m
<i>% change</i>	(6)%	(5)%
Other	(1)m	+3m

Strong Financial Performance

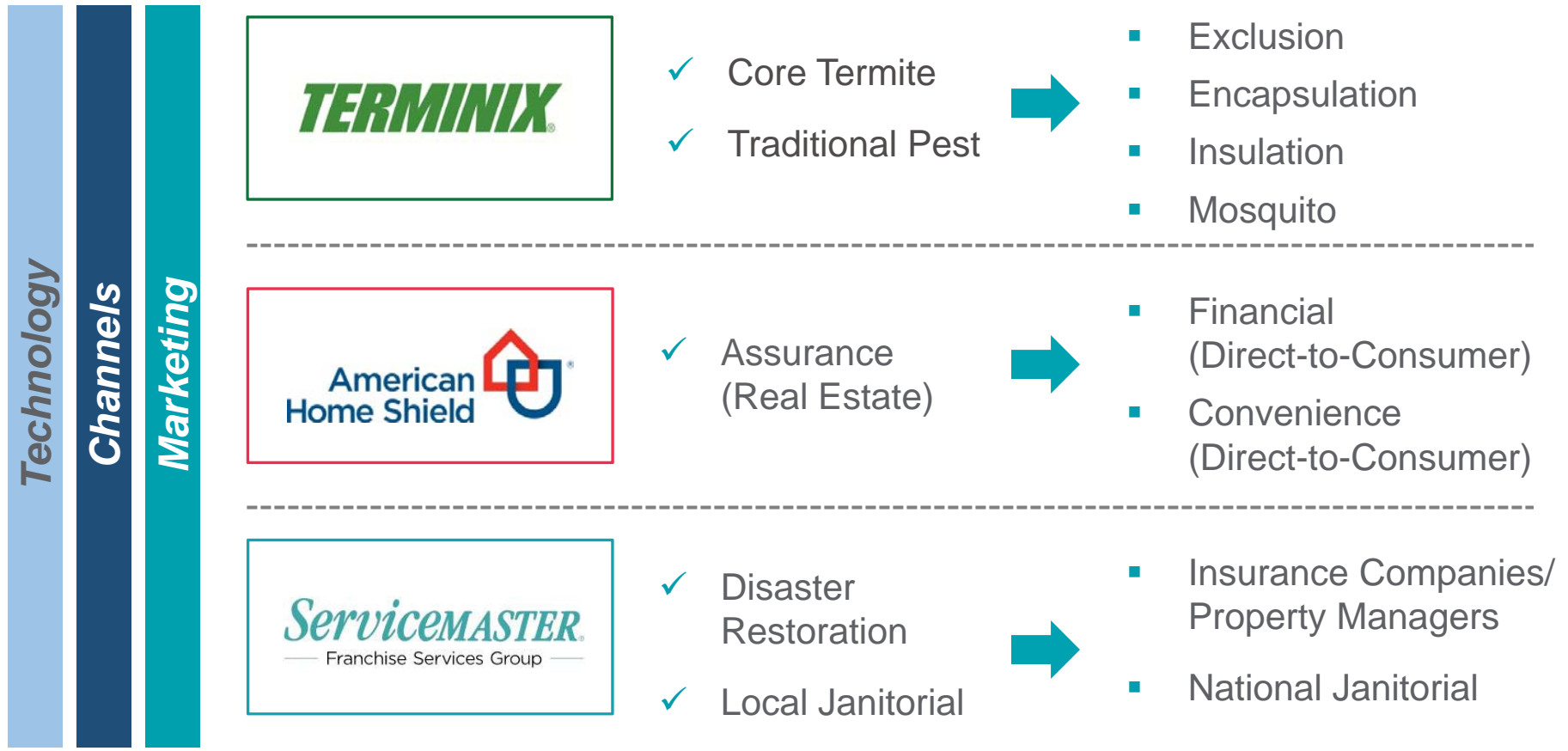
¹Adjusted EBITDA is defined as net income (loss) before: unallocated corporate expenses; income (loss) from disc. operations, net of income taxes; provision (benefit) for income taxes; gain (loss) on extinguishment of debt; interest exp.; depreciation and amortization exp.; non-cash impairment of software and other related costs; non-cash impairment of property and equipment; 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.

²Adjusted net income is defined by the company as income (loss) from continuing operations before: amortization exp.; impairment of software and other related costs; consulting agreement term. fees; restructuring charges; gain on sale of Merry Maids branches; management and consulting fees; loss on extinguishment of debt; and the tax impact of all of the aforementioned adjustments.

³Adjusted earnings per share is calculated as adjusted net income divided by the diluted share counts of 136.5m shares and 92.2m shares for the second quarter 2015 and 2014, respectively.

⁴Pre-Tax Unlevered Free Cash Flow is defined as Adjusted EBITDA plus change in working capital less property additions.

Driving Growth and Profitability

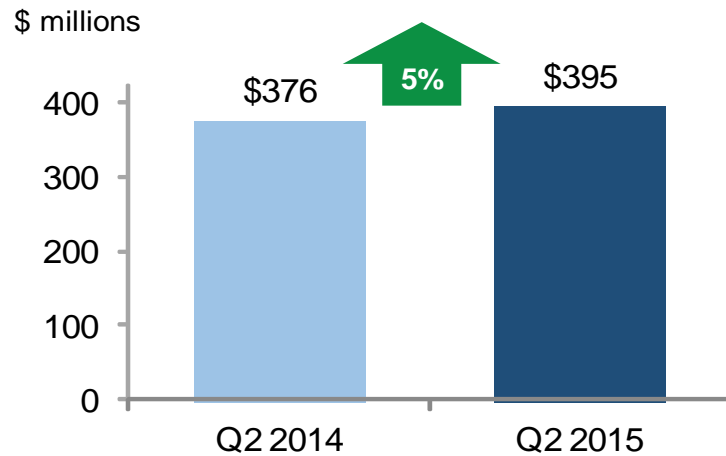


Standardizing, Digitizing and Mobilizing Across Key Service Delivery Platforms

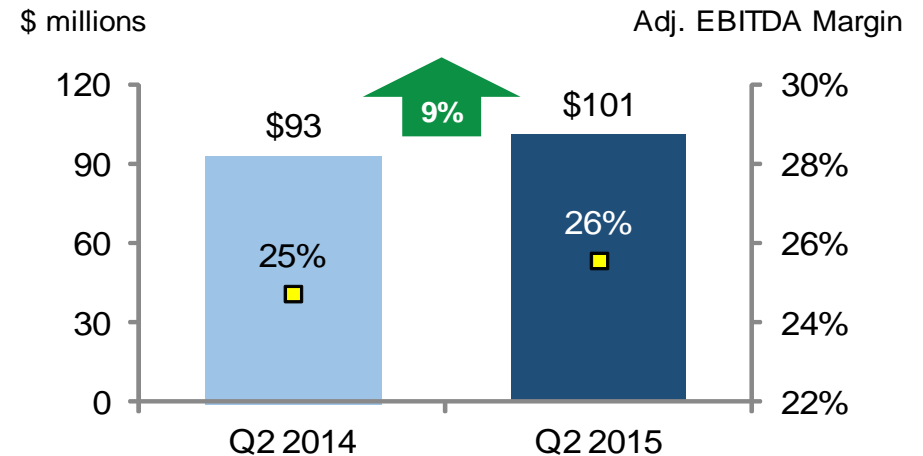
Q2 Results



Revenue



Adjusted EBITDA¹



Pest Control: +7%

- + Innovation
- + Pricing
- + Product mix
- Volume

Termite & Other: +3%

- + Innovation
- + Pricing
- Completion volume

Adjusted EBITDA: +8m

- + Revenue conversion
- Selling costs

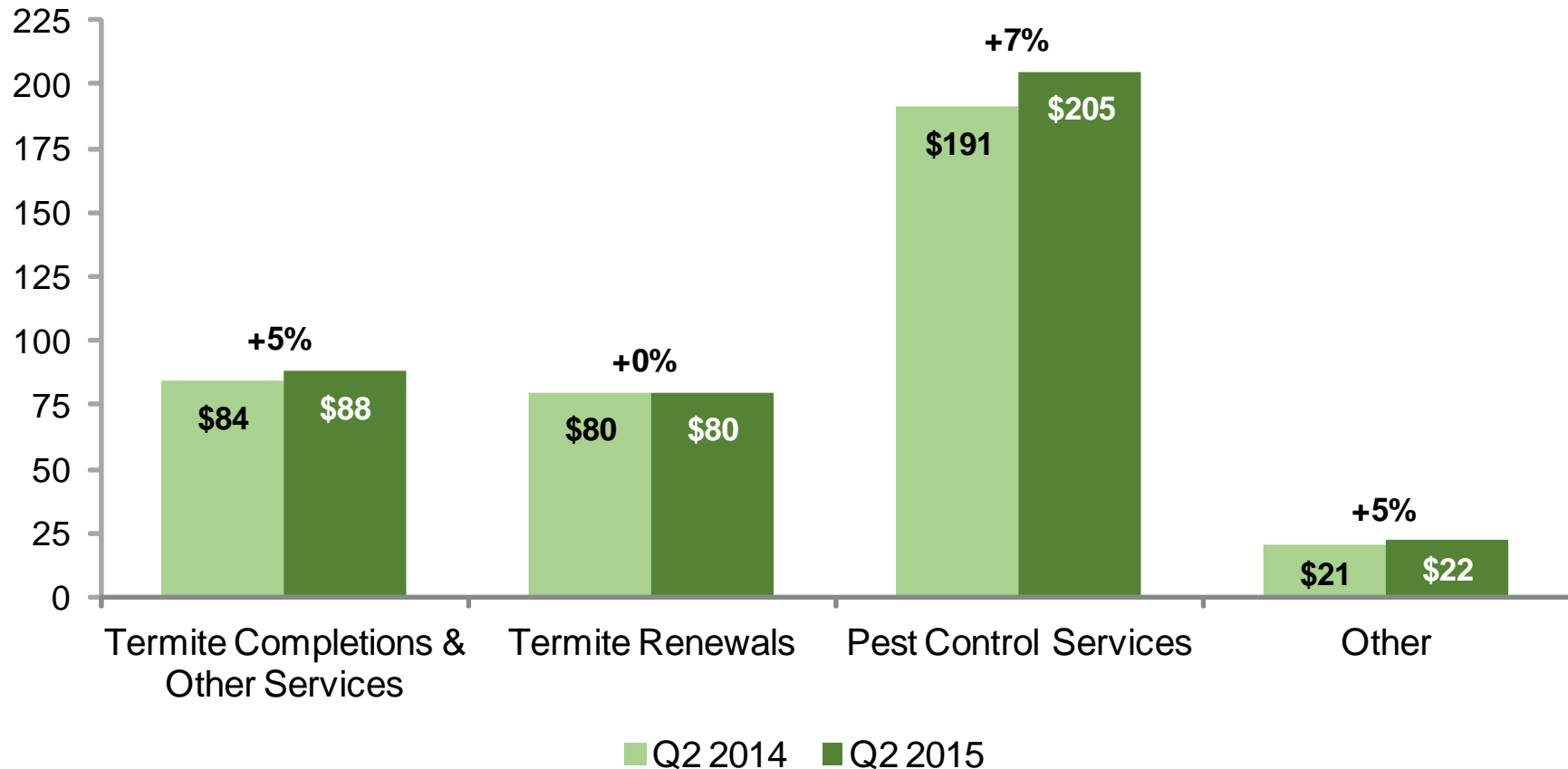
Innovation Sales Growth and Margin Expansion

¹See Non-GAAP Reconciliations.

Revenue Growth by Channel



\$ millions



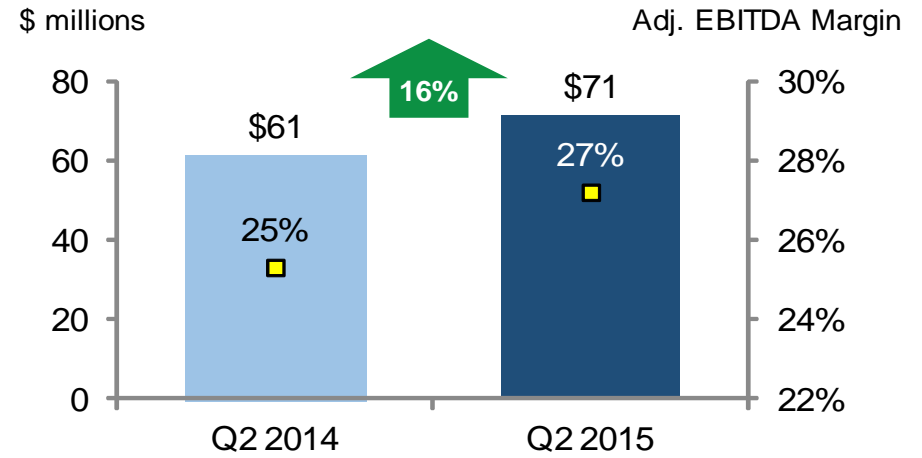
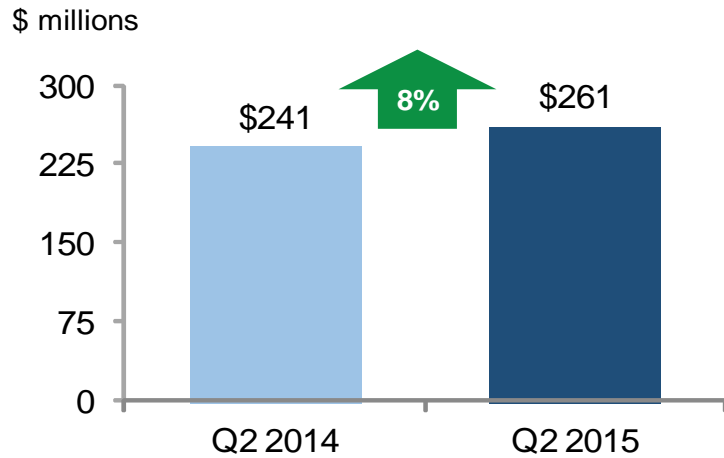
Innovation and Pest Control Growth Driving Revenue

Q2 Results



Revenue

Adjusted EBITDA¹



Revenue: +20m	
+ Volume:	\$15m
+ Pricing/mix:	\$5m

Adjusted EBITDA: +10m			
+ Volume:	\$ 8m	+ Inv. income:	\$ 6m
+ Pricing:	\$ 5m	- Marketing:	\$(5)m
- Claims costs:	\$(5)m		
+ Other:	\$ 1m		

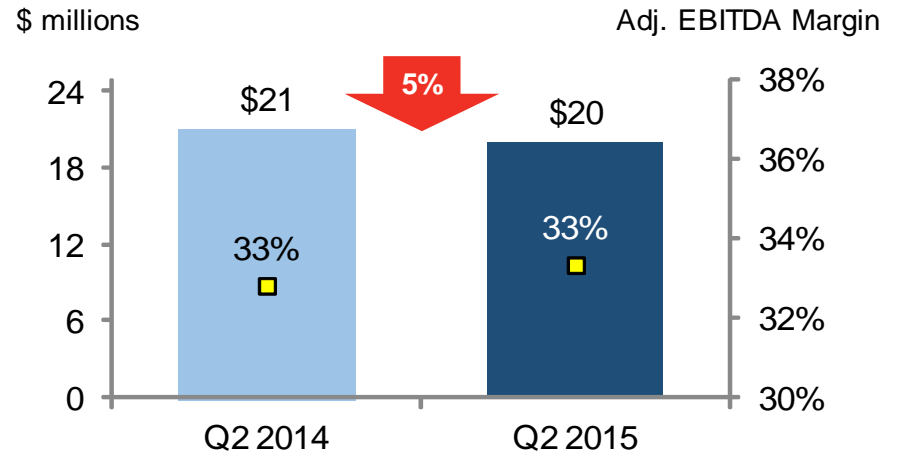
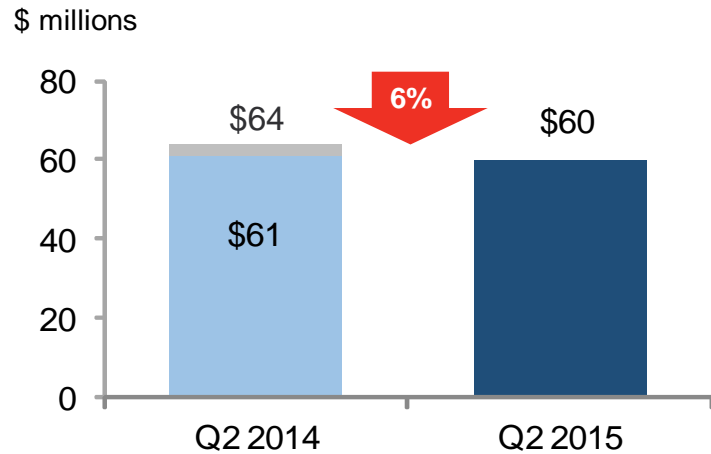
Increased Customer Count Driven by Marketing

¹See Non-GAAP Reconciliations.

Q2 Results

Revenue

Adjusted EBITDA¹



Revenue: \$(4)m
 + Janitorial national accounts sales
 - MM branch disposals (\$3m)

Adjusted EBITDA: \$(1)m
 + Cost reduction initiatives
 - Lower revenue / mix

Merry Maids Conversion and Cost Reduction

¹See Non-GAAP Reconciliations.

Q2 Consolidated Results

\$ millions

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	Second Quarter		
	2015	2014	B/(W)
Revenue	\$ 716	\$ 683	\$ 33
<i>YoY Growth</i>			5%
Gross Profit	351	332	19
<i>% of revenue</i>	49.0%	48.6%	0.4 pts
Selling and administrative expenses	(182)	(178)	(4)
<i>% of revenue</i>	25.4%	26.1%	0.7 pts
Amortization expense	(12)	(14)	2
Gain on sale of Merry Maids branches	2	—	2
Interest expense	(42)	(61)	19
Interest and net investment income	7	1	6
Loss on extinguishment of debt	(14)	—	(14)
Income from Continuing Operations before Income Taxes	109	80	29
Provision for income taxes	(42)	(38)	(4)
Income from Continuing Operations	67	42	25
Loss from discontinued operations, net of income taxes	—	(2)	2
Net Income	<u>\$ 67</u>	<u>\$ 40</u>	<u>\$ 27</u>
Adjusted Net Income	\$ 82	\$ 52	\$ 30
Adjusted EBITDA	\$ 191	\$ 171	\$ 20

Q2 Adjusted EBITDA and Adjusted Net Income Reconciliations

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\$ millions

	Second Quarter	
	2015	2014
Terminix	\$ 101	\$ 93
American Home Shield	71	61
Franchise Services Group	20	21
Corporate	(1)	(4)
Adjusted EBITDA	\$ 191	\$ 171
Depreciation and amortization expense	(24)	(26)
Non-cash impairment of software and other related costs	—	1
Non-cash stock-based compensation expense	(2)	(1)
Restructuring charges	—	(1)
Gain on sale of Merry Maids branches	2	—
Management and consulting fees	—	(2)
Provision for income taxes	(42)	(38)
Loss on extinguishment of debt	(14)	—
Interest expense	(42)	(61)
Other non-operating expenses	(1)	(1)
Income from Continuing Operations	\$ 67	\$ 42
Amortization expense	12	14
Impairment of software and other related costs	—	(1)
Restructuring charges	—	1
Gain on sale of Merry Maids branches	(2)	—
Management and consulting fees	—	2
Loss on extinguishment of debt	14	—
Tax impact of adjustments	(9)	(6)
Adjusted Net Income	\$ 82	\$ 52

Q2 and June YTD Simplified Cash Flow

\$ millions



	Second Quarter		YTD June	
	2015	B/(W)	2015	B/(W)
Cash at Beginning of Period	\$ 248	\$ (184)	\$ 389	\$ (95)
Adjusted EBITDA	191	20	324	38
Change in working capital	12	16	34	27
Property additions	(12)	—	(20)	6
Pre-Tax Unlevered Free Cash Flow	\$ 192	\$ 36	\$ 338	\$ 71
Interest payments	(26)	(1)	(93)	24
Cash taxes	(5)	1	(6)	3
Acquisitions	(7)	(6)	(19)	22
Other	5	21	15	(1)
Debt repayment	(45)	(34)	(257)	(234)
TruGreen contribution / Discontinued operations	(1)	—	(6)	43
Cash at End of Period	\$ 361	\$ (167)	\$ 361	\$ (167)
Pre-tax Unlevered Free Cash Flow / Adjusted EBITDA	101%	9 pts	104%	11 pts

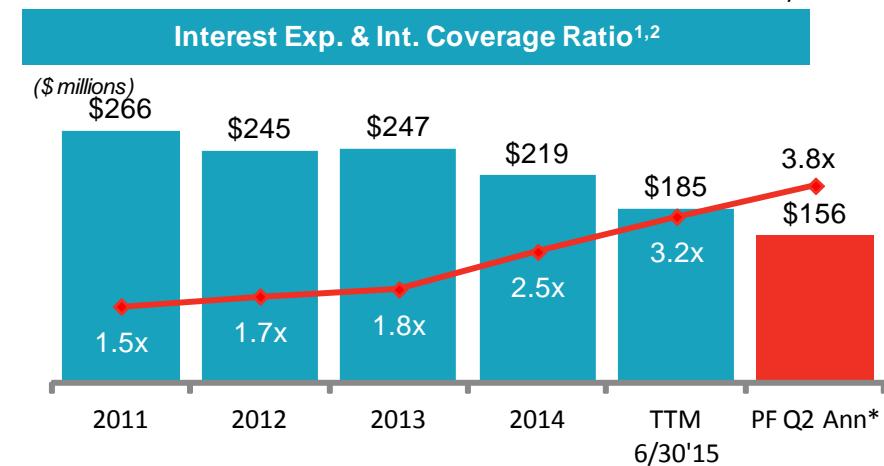
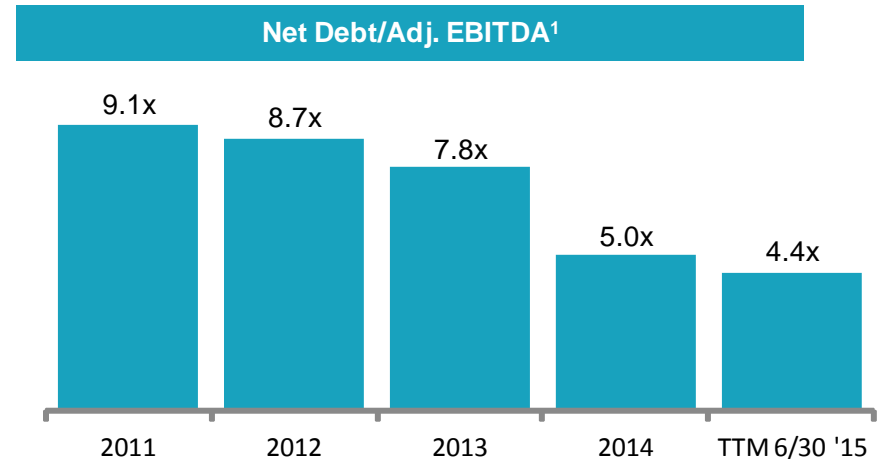
Generated \$159m of cash for debt pay down

Generated \$235m of cash for debt pay down

Deleveraging the Balance Sheet



- ✓ Accelerated deleveraging with improved operations, growth and strong cash flow
- ✓ Paid down and refinanced remaining \$200 million of 8% Senior Notes on 4/1/15 – Net \$9 million in annualized interest savings
- ✓ Announced conditional redemption of 7% Senior Notes effective 8/17/15 – Anticipate funding with balance sheet cash and incremental Term Loan facility



¹Interest expense calculated using Q2 2015 interest expense of \$42m less \$3m of interest expense reduction associated with the redemption and refinancing of the 7% Senior Notes. Interest coverage uses Q2 2015 TTM Adjusted EBITDA of \$595m.

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.

²Interest Coverage Ratio is Adjusted EBITDA/Interest Expense.

2015 Outlook

\$ millions

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	<u>2015 Anticipated Full Year Range</u>	<u>2014 Actual Full Year</u>
Revenue	\$2,570 - \$2,590	\$2,457
<i>y-o-y Growth</i>	5%	
Adjusted EBITDA	> \$610	\$557
<i>y-o-y Growth</i>	10%	
Adjusted EBITDA margin	24%	23%

Key actions:

- Grow innovative products at Terminix
- Invest in direct-to-consumer channel at AHS
- Continue to capture synergies/cost savings across brands
- Conversion of MerryMaids branches to franchises

2015 Revenue and EBITDA Outlook

Going forward we continue to focus on:

- ✓ Debt reduction
- ✓ Terminix growth
- ✓ AHS direct-to-consumer growth
- ✓ Franchisee development
- ✓ Tuck-in acquisitions and value-added services
- ✓ Process improvement and margin expansion

Q&A

Q2 Cash Flow

\$ millions

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	Second Quarter	
	2015	2014
Net Income	\$ 67	\$ 40
Loss from discontinued operations, net of income taxes	—	2
Depreciation and amortization expense	24	26
Impairment of software and other related costs	—	(1)
Loss on extinguishment of debt	14	—
Call premium paid on retirement of debt	(12)	—
Working capital	12	(4)
Other	45	64
Net Cash Provided from Operating Activities	\$ 150	\$ 127
Cash paid for interest expense	26	25
Call premium paid on retirement of debt	12	—
Cash paid for income taxes, net of refunds	5	7
Cash paid for restructuring charges	1	3
Cash paid for management and consulting fees	—	2
Cash paid for impairment of software and other related costs	—	2
Excess tax benefits from stock-based compensation	2	—
Other	1	1
Gain on sales of marketable securities	6	—
Property additions	(12)	(12)
Pre-Tax Unlevered Free Cash Flow	\$ 192	\$ 156
Adjusted EBITDA	191	171
Change in working capital	12	(4)
Property additions	(12)	(12)
Pre-Tax Unlevered Free Cash Flow	\$ 192	\$ 156

June YTD Consolidated Results

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\$ millions

	YTD June		
	2015	2014	B/(W)
Revenue	\$ 1,288	\$ 1,216	\$ 72
<i>YoY Growth</i>			6%
Gross Profit	620	577	43
<i>% of revenue</i>	48.1%	47.5%	0.6 pts
Selling and administrative expenses	(334)	(329)	(5)
<i>% of revenue</i>	25.9%	27.1%	1.2 pts
Amortization expense	(25)	(27)	2
Impairment of software and other related costs	—	(47)	47
Restructuring charges	(2)	(6)	4
Gain on sale of Merry Maids branches	3	—	3
Interest expense	(88)	(122)	34
Interest and net investment income	7	7	—
Loss on extinguishment of debt	(27)	—	(27)
Income from Continuing Operations before Income Taxes	154	53	101
Provision for income taxes	(59)	(29)	(30)
Income from Continuing Operations	95	24	71
Loss from discontinued operations, net of income taxes	(1)	(97)	96
Net Income (Loss)	\$ 94	\$ (73)	\$ 167
Adjusted Net Income	\$ 127	\$ 75	\$ 52
Adjusted EBITDA	\$ 324	\$ 286	\$ 38

June YTD Adjusted EBITDA and Adjusted Net Income Reconciliations

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\$ millions

	YTD June	
	2015	2014
Terminix	\$ 190	\$ 171
American Home Shield	100	83
Franchise Services Group	39	38
Corporate	(5)	(6)
Adjusted EBITDA	\$ 324	\$ 286
Depreciation and amortization expense	(48)	(51)
Non-cash impairment of software and other related costs	—	(47)
Non-cash stock-based compensation expense	(5)	(3)
Restructuring charges	(2)	(6)
Gain on sale of Merry Maids branches	3	—
Management and consulting fees	—	(4)
Provision for income taxes	(59)	(29)
Loss on extinguishment of debt	(27)	—
Interest expense	(88)	(122)
Other non-operating expenses	(3)	—
Income from Continuing Operations	\$ 95	\$ 24
Amortization expense	25	27
Impairment of software and other related costs	—	47
Restructuring charges	2	6
Gain on sale of Merry Maids branches	(3)	—
Management and consulting fees	—	4
Loss on extinguishment of debt	27	—
Tax impact of adjustments	(19)	(32)
Adjusted Net Income	\$ 127	\$ 75

June YTD Cash Flow

\$ millions

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	YTD June	
	2015	2014
Net Income (Loss)	\$ 94	\$ (73)
Loss from discontinued operations, net of income taxes	1	97
Depreciation and amortization expense	48	51
Impairment of software and other related costs	—	47
Loss on extinguishment of debt	27	—
Call premium paid on retirement of debt	(23)	—
Working capital	34	7
Other	29	20
Net Cash Provided from Operating Activities	\$ 210	\$ 149
Cash paid for interest expense	93	117
Call premium paid on retirement of debt	23	—
Cash paid for income taxes, net of refunds	6	9
Cash paid for restructuring charges	5	5
Cash paid for management and consulting fees	—	4
Cash paid for impairment of software and other related costs	—	3
Excess tax benefits from stock-based compensation	10	—
Other	3	2
Gain on sales of marketable securities	6	4
Property additions	(20)	(26)
Pre-Tax Unlevered Free Cash Flow	\$ 338	\$ 267
Adjusted EBITDA	324	286
Change in working capital	34	7
Property additions	(20)	(26)
Pre-Tax Unlevered Free Cash Flow	\$ 338	\$ 267

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