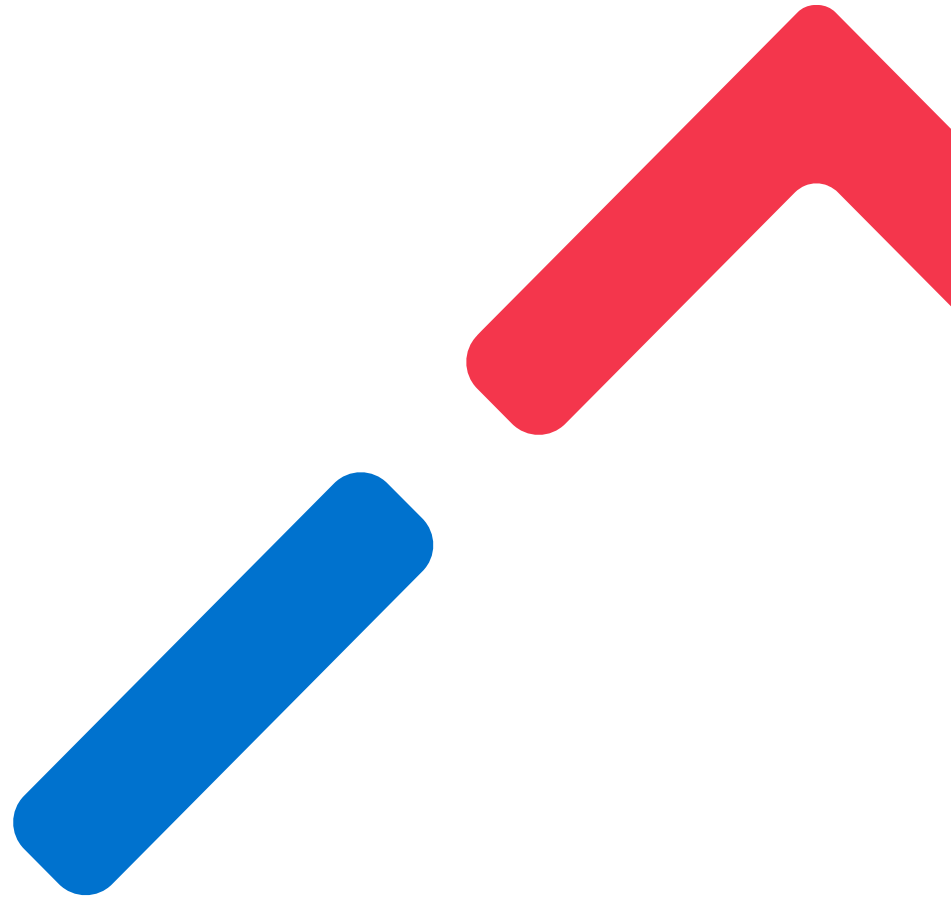


First-Quarter 2016 Earnings Webcast

—
May 4, 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 Annual Report on Form 10-K for the year ended December 31, 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 before: loss from discontinued operations, net of income taxes; provision for income taxes; loss on extinguishment of debt; interest expense; depreciation and amortization expense; 401(k) Plan corrective contribution; non-cash stock-based compensation expense; restructuring charges; gain on sale of Merry Maids branches; and other non-operating expenses. **Adjusted net income** is defined by the company as income from continuing operations before: amortization expense; 401(k) Plan corrective contribution; restructuring charges; gain on sale of Merry Maids branches; loss on extinguishment of debt; other expense; 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; less property additions.

Q1 Consolidated Financial Summary

\$ millions, except per share amounts

	First Quarter			
	2016	2015	Var.	
			\$	%
Revenue	\$ 608	\$ 571	37	6%
Adj. EBITDA	127	133	(6)	(5)%
<i>% of revenue</i>	20.9%	23.2%		
Adj. Net Income	47	45	2	4%
<i>% of revenue</i>	7.7%	7.9%		
Adjusted EPS ¹	0.34	0.33	0.01	3%

- ✓ Growth in AHS direct-to-consumer and real estate channels
- ✓ Alterra acquisition
- ✓ Pricing across brands
- ✓ Claim costs at AHS
- ✓ AHS marketing
- ✓ ServSmart investment

Strong Top-Line Growth and Investing for the Future

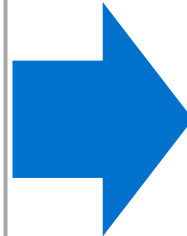
¹Adjusted earnings per share is calculated as adjusted net income divided by the diluted share counts of 137.8m shares and 136.1m shares for the first quarter of 2016 and 2015, respectively.

2016 Outlook

\$ millions

2016 Full Year Outlook

Revenue	\$2,750 - \$2,780
<i>Growth</i>	6% - 7%
EBITDA	\$675 - \$690
<i>Growth</i>	9% - 11%
EBITDA margin	24% - 25%
	+ 50 - 100 bps



- ✓ 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)

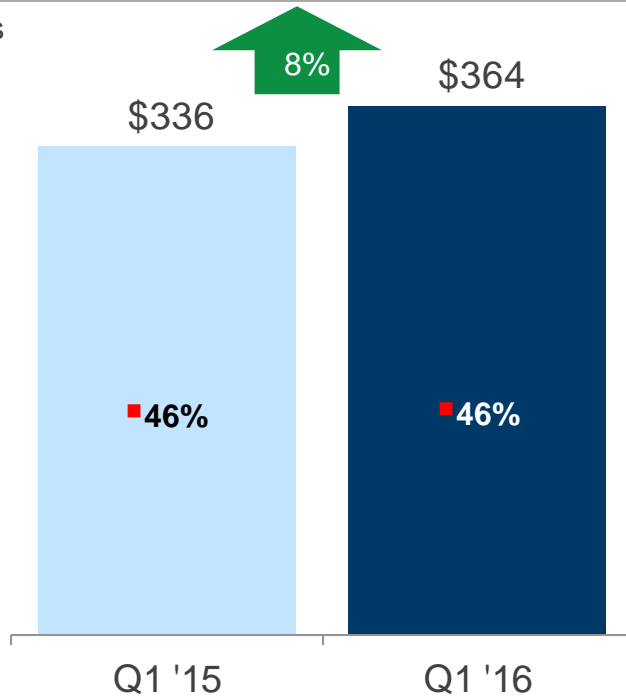
2016 Revenue and EBITDA Outlook

Q1 Financial Results



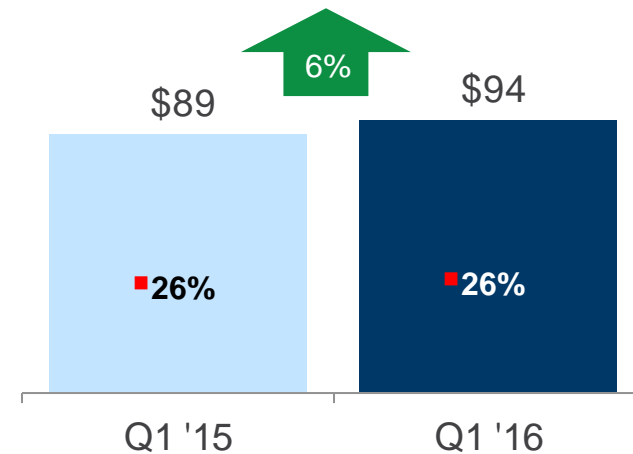
Revenue/Gross Margin

\$ millions



Adjusted EBITDA¹/Margin

\$ millions



Revenue:

- + Organic growth \$10m
- + Acquisitions \$18m

EBITDA:

- + Revenue conversion \$15m
- Technology costs \$(4)m
- Sales/marketing costs \$(1)m
- Other \$(5)m

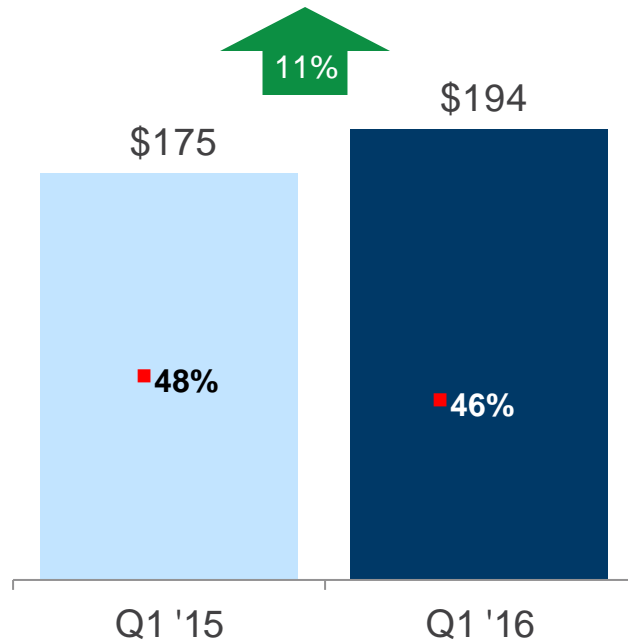
Alterra Acquisition and Organic Growth

¹See Non-GAAP reconciliations.

Q1 Financial Results

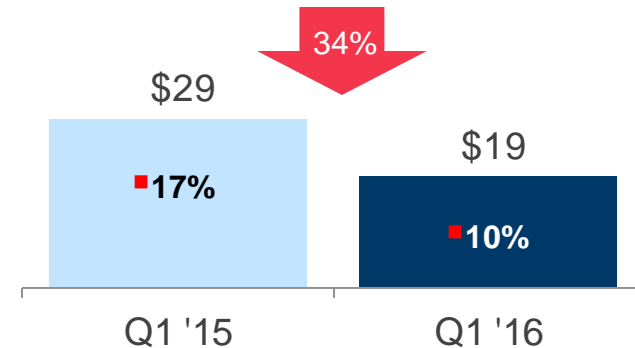
Revenue /Gross Margin

\$ millions



Adjusted EBITDA¹/Margin

\$ millions



Revenue:

+ Volume	\$12m
+ Price/mix	\$7m

EBITDA:

+ Volume	\$6m
+ Price/mix	\$7m
- Claims costs	\$(10)m
- Sales/marketing costs	\$(10)m
- Technology costs	\$(2)m
- Customer Service/Other	\$(1)m

Strong Revenue Growth Offset by Higher Claim Costs and Marketing

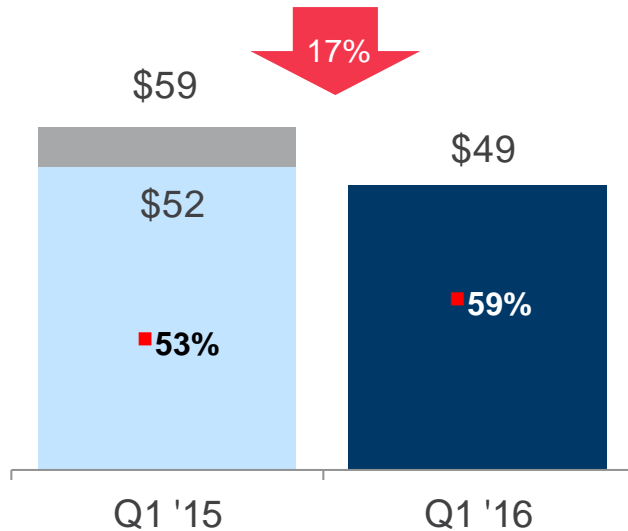
¹See Non-GAAP reconciliations.

Q1 Financial Results



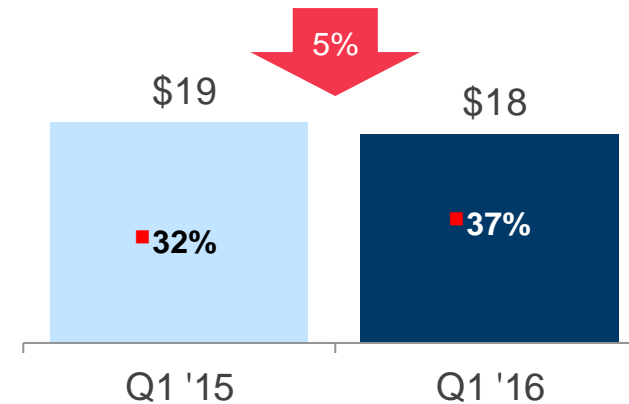
Revenue/Gross Margin

\$ millions



Adjusted EBITDA¹/Margin

\$ millions



Revenue:

- MM branch conversions \$(7)m
- Sales of products / other \$(3)m

EBITDA:

- Lower revenue \$(2)m
- MM branch conversions \$(1)m
- + Cost reduction \$2m

Merry Maids Branch Conversions and Cost Reduction

¹See Non-GAAP reconciliations.

Q1 Consolidated Results

\$ millions

	First Quarter		
	2016	2015	B/(W)
Revenue	\$ 608	\$ 571	\$ 37
<i>YoY Growth</i>			6%
Gross Profit	284	268	16
<i>% of revenue</i>	46.7%	46.9%	-0.2 pts
Selling and administrative expenses	(173)	(152)	(21)
<i>% of revenue</i>	28.5%	26.6%	-1.9 pts
Amortization expense	(8)	(12)	4
Restructuring charges	(1)	(2)	1
Gain on sale of Merry Maids branches	1	1	—
Interest expense	(38)	(46)	8
Interest and net investment income	1	1	—
Loss on extinguishment of debt	—	(13)	13
Other expense	(3)	—	(3)
Income from Continuing Operations before Income Taxes	62	45	17
Provision for income taxes	(23)	(17)	(6)
Income from Continuing Operations	39	28	11
Loss from discontinued operations, net of income taxes	—	—	—
Net Income	<u>\$ 39</u>	<u>\$ 28</u>	<u>\$ 11</u>
Adjusted Net Income	\$ 47	\$ 45	\$ 2
Adjusted EBITDA	\$ 127	\$ 133	\$ (6)

Q1 Adjusted EBITDA and Adjusted Net Income Reconciliations

\$ millions

	First Quarter	
	2016	2015
Terminix	\$ 94	\$ 89
American Home Shield	19	29
Franchise Services Group	18	19
Corporate	(4)	(4)
Adjusted EBITDA	\$ 127	\$ 133
Depreciation and amortization expense	(21)	(24)
Non-cash stock-based compensation expense	(3)	(2)
Restructuring charges	(1)	(2)
Gain on sale of Merry Maids branches	1	1
Provision for income taxes	(23)	(17)
Loss on extinguishment of debt	—	(13)
Interest expense	(38)	(46)
Other non-operating expenses	(3)	(1)
Income from Continuing Operations	\$ 39	\$ 28
Amortization expense	8	12
Restructuring charges	1	2
Gain on sale of Merry Maids branches	(1)	(1)
Loss on extinguishment of debt	—	13
Other expense	3	—
Tax impact of adjustments	(3)	(10)
Adjusted Net Income	\$ 47	\$ 45

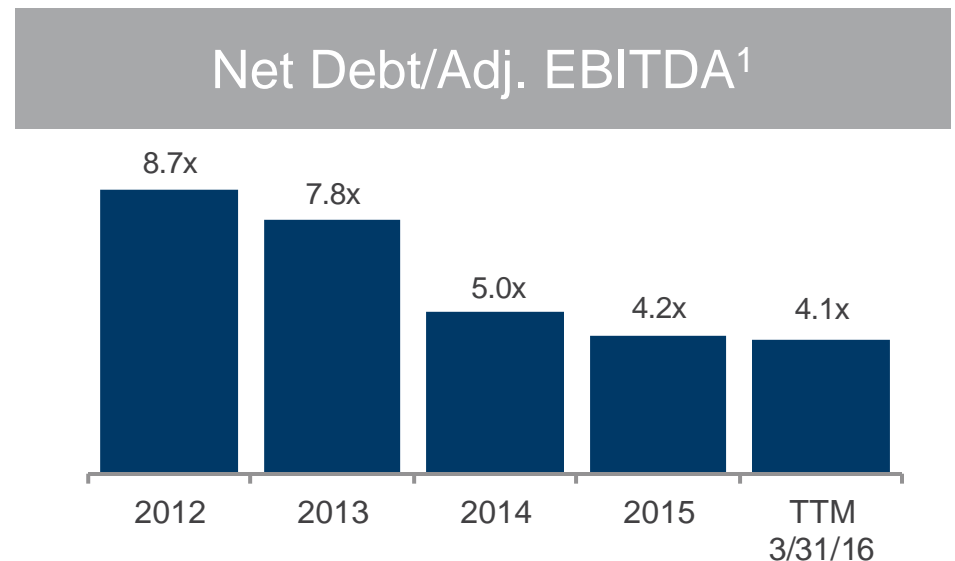
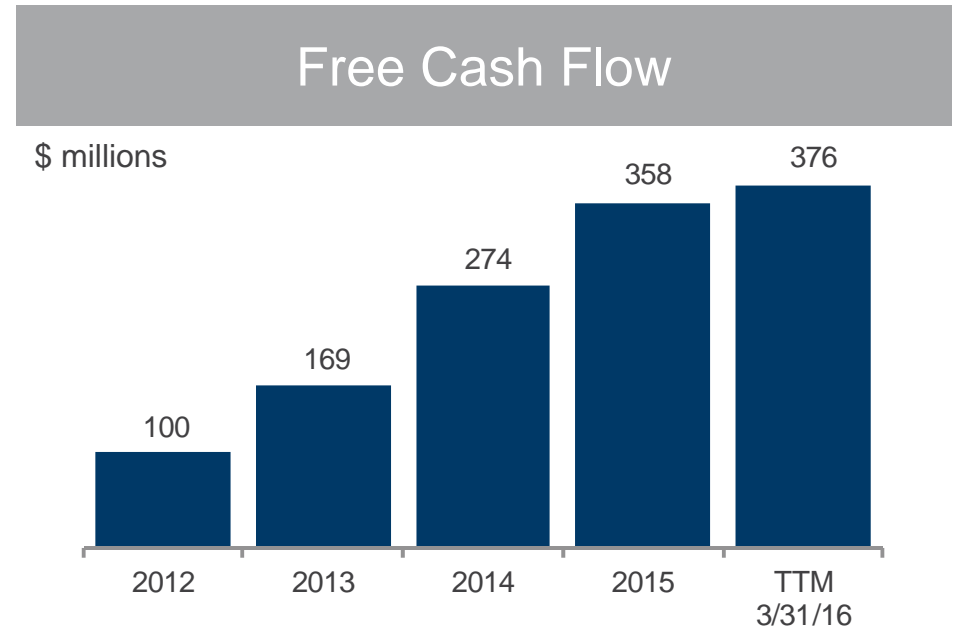
Q1 Simplified Cash Flow

\$ millions

	First Quarter	
	2016	B/(W)
Cash at Beginning of Period	\$ 296	\$ (93)
Adjusted EBITDA	127	(6)
Change in working capital	26	5
Property additions	(17)	(9)
Interest payments	(42)	25
Cash taxes	(3)	(2)
Other	(3)	4
Free Cash Flow	\$ 89	\$ 18
Acquisitions	(2)	10
Debt repayment	(19)	190
Other	7	(2)
Cash at End of Period	\$ 371	\$ 123
Free Cash Flow / Adjusted EBITDA	70%	17 pts

Deleveraging the Balance Sheet

- ✓ Growth, improved operations and lower interest costs continue to drive strong free cash flow
- ✓ Strong cash flow driving lower leverage
- ✓ Long-term target leverage at 2.5x – 3.0x



Deleveraging Through Strong Cash Flow

¹Adjusted EBITDA for 2012 through 2013 does not reflect the benefit of transferring \$25m of annual corporate costs to TruGreen.

Summary

- Strong revenue growth at Terminix and AHS
- Improving customer experience by investing in our ServSmart digital platform
- Investing in growth by increasing marketing
- May 17th – 2016 ServiceMaster Investor Day

Building on our Accomplishments and Delivering on our Commitments

Q&A

Q1 Cash Flow

\$ millions

	First Quarter	
	2016	2015
Net Income	\$ 39	\$ 28
Depreciation and amortization expense	21	24
Loss on extinguishment of debt	—	13
Call premium paid on retirement of debt	—	(11)
Working capital	26	21
Other	20	(7)
Net Cash Provided from Operating Activities	\$ 106	\$ 68
Call premium paid on retirement of debt	—	11
Property additions	(17)	(8)
Free Cash Flow	\$ 89	\$ 71