Second-Quarter 2017 Earnings Webcast

July 31, 2017

ServiceMaster

Cautionary Statements

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This presentation contains “forward-looking statements,” including 2017 revenue and Adjusted EBITDA outlook, as well as statements with respect to the potential separation of AHS from ServiceMaster and the distribution of AHS shares to ServiceMaster shareholders, 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, 2016 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 of 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, net cash provided by operating activities from continuing operations or any other performance or liquidity measure derived in accordance with GAAP. Management uses these non-GAAP financial measures to facilitate operating performance and liquidity comparisons, as applicable, from period to period. We believe these non-GAAP financial measures are useful for investors, analysts and other interested parties as they facilitate company-to-company operating performance and liquidity comparisons, as applicable, by excluding potential differences caused by variations in capital structures, taxation, the age and book depreciation of facilities and equipment, restructuring initiatives and equity-based, long-term incentive plans.

Agenda

Nikhil Varty
Chief Executive Officer

Tony DiLucente
Chief Financial Officer

Brian Turcotte
VP IR & Treasurer

- A New Direction at ServiceMaster
- Q2 Financial Summary
- Q2 Segment Results
- Full-Year 2017 Outlook
- Q&A
- Closing Remarks

A New Direction at ServiceMaster

- Significant opportunity to unlock value at ServiceMaster by sharpening focus on results and operational excellence
- Announced intention to separate American Home Shield from Terminix and Franchise Services Group businesses
  - Better position both companies to focus on their unique business needs and market opportunities
  - Enable investors to evaluate and invest in each business with greater clarity
  - Separation expected to be completed in the third quarter of 2018
  - Committed to keeping you informed as this process moves forward
- On schedule to move to new downtown Memphis headquarters in first quarter of 2018

Solid Revenue & Adjusted EBITDA Growth

($ millions, except EPS)	Q2 2017	Q2 2016	Variance	
Revenue	$ 807	$ 747	$ 60	8%
Adjusted EBITDA[1]	$ 210	$ 203	$ 7	3%
Margin	*26.0%*	*27.1%*		
Adjusted Net Income[1]	$ 93	$ 93	$ —	(0)%
Margin	*11.5%*	*12.4%*		
Adjusted EPS[1,2]	$ 0.69	$ 0.67	$ 0.01	2%

- Strong top-line and bottom-line growth at American Home Shield
- Organic revenue growth at Terminix; margin compression, primarily from strategic investments in service and growth
- Franchise Services Group delivers a solid performance

[1]See Appendix for Non-GAAP Reconciliation
[2]Adjusted earnings per share is calculated as adjusted net income divided by the diluted share counts of 135.0M shares and 137.7M shares for the second quarter of 2017 and 2016, respectively.

Key Focus Areas at Terminix

Optimizing Routing & Scheduling

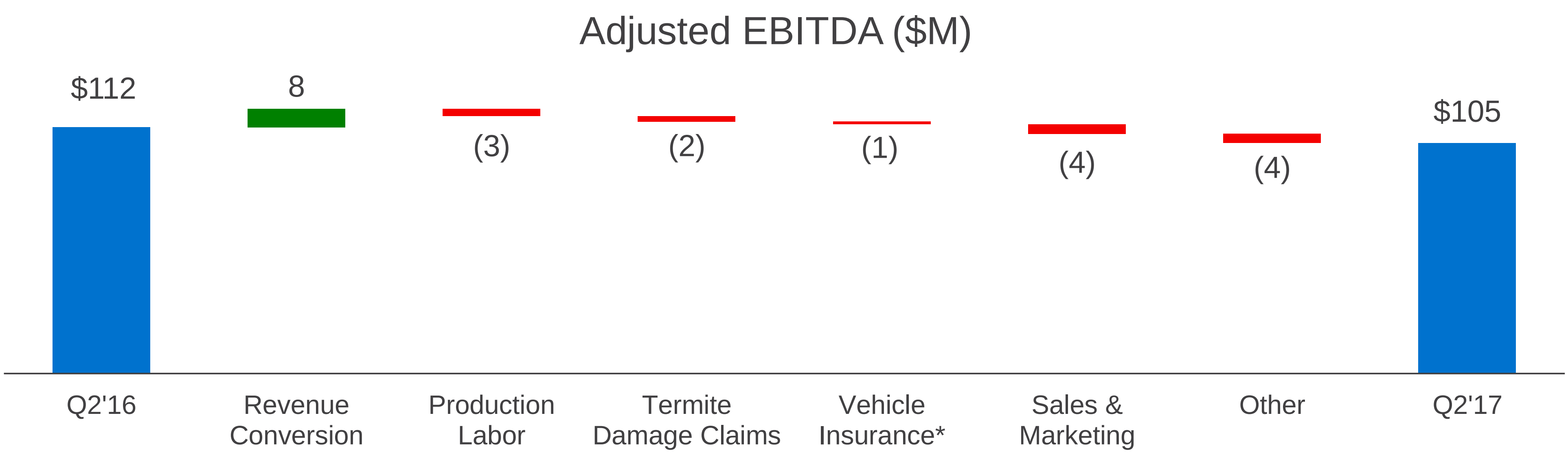
Engaging & Retaining Customers

Refining Product & Pricing

Organic Revenue Growth but Margin Pressure from Investments

TERMINIX

($ millions)	Q2 2017	Q2 2016	Variance	
Revenue	$ 428	$ 414	$ 14	3%
Gross Profit	$ 196	$ 198	$ (2)	(1)%
Margin	*45.8%*	*47.7%*		
Adjusted EBITDA[1]	$ 105	$ 112	$ (7)	(7)%
Margin	*24.5%*	*27.1%*		

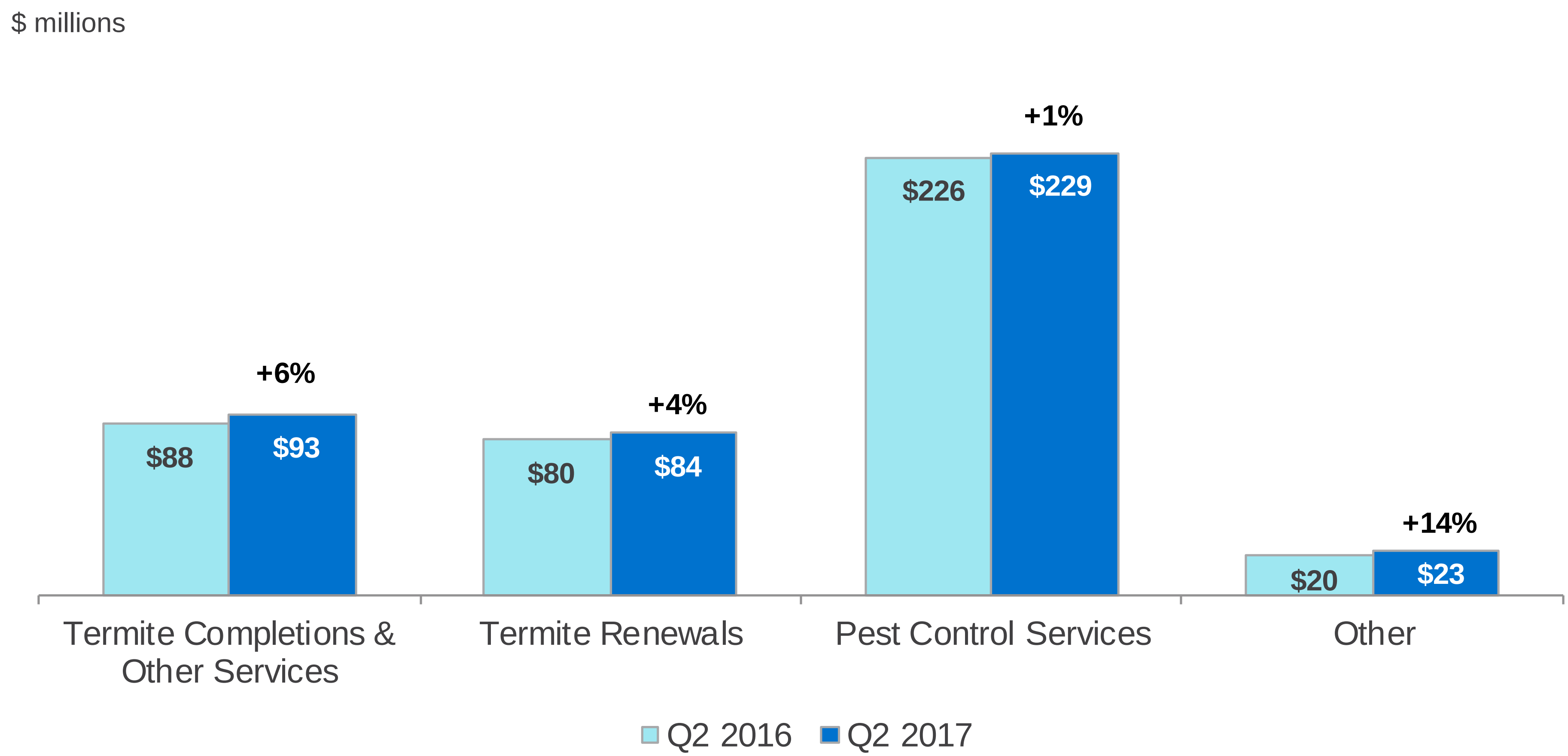


[1]See Non-GAAP reconciliations

*Increased number of sales vehicles versus prior year

ServiceMaster

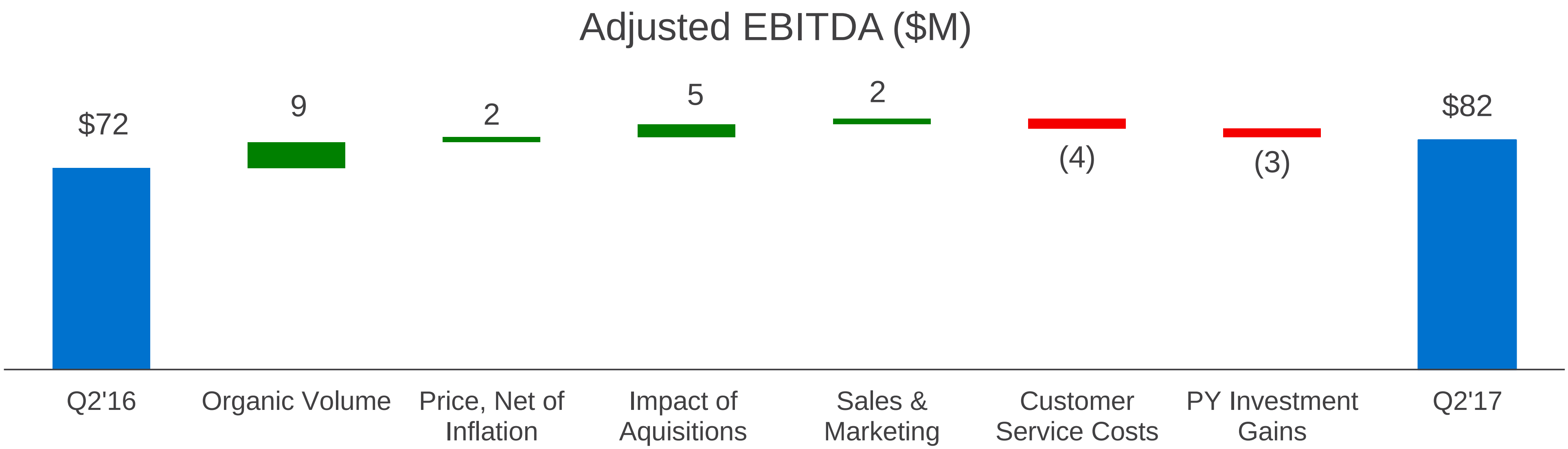
Revenue Growth in All Channels



- Termite revenue, including termite renewals, increased 5%
- Pest control revenue was 1% higher than prior year, significantly impacted by expected $5 million revenue decline associated with Alterra
- Excluding Alterra, organic pest control revenue growth of $5 million, or 2%

Strong Organic Growth & Acquisitions Drove Performance

($ millions)	Q2 2017		Q2 2016		Variance		
Revenue	$	326	$	282	$	43	15%
Gross Profit	$	163	$	141	$	22	15%
Margin	*49.9%*		*49.8%*				
Adjusted EBITDA[1]	$	82	$	72	$	11	15%
Margin	*25.3%*		*25.3%*				



[1]See Non-GAAP reconciliations

Solid Fee Revenue Growth at FSG

($ millions)	Q2 2017		Q2 2016		Variance		
Revenue	$	52	$	50	$	2	5%
Gross Profit	$	32	$	29	$	4	12%
Margin	*62.0%*		*57.8%*				
Adjusted EBITDA[1]	$	22	$	19	$	3	15%
Margin	*41.6%*		*37.8%*				

- Higher domestic disaster restoration fees and janitorial national accounts revenue drove top-line increase over prior year, offset, in part, by Merry Maids branch conversion impact of $2 million
- Organic revenue growth of 8% excluding impact of Merry Maids conversions
- Adjusted EBITDA growth of $3 million driven primarily by flow through impact of domestic disaster restoration royalty fees

[1]See Non-GAAP reconciliations.

Consolidated Results

$ millions, except per share data

	Second Quarter 2017	Second Quarter 2016	B/(W)
Revenue	$ 807	$ 747	$ 60
YoY Growth			*8%*
Gross Profit	392	368	24
% of revenue	*48.6%*	*49.2%*	*-0.7 pts*
Selling and administrative expenses	(206)	(187)	(19)
% of revenue	*25.5%*	*25.0%*	*-0.5 pts*
Amortization expense	(7)	(8)	1
401(k) Plan corrective contribution	—	(1)	1
Fumigation related matters	(1)	(88)	86
Insurance reserve adjustment	—	(23)	23
Impairment of software and other related costs	—	(1)	1
Restructuring charges	(1)	(4)	3
Interest expense	(38)	(38)	1
Interest and net investment income	1	4	(3)
Loss on extinguishment of debt	(3)	—	(3)
Income from Continuing Operations before Income Taxes	137	23	114
Provision for income taxes	(52)	(7)	(45)
Income from Continuing Operations	85	16	69
Income from discontinued operations, net of income taxes	—	—	—
Net Income	$ 85	$ 16	$ 69
Weighted-average diluted common shares outstanding	135.0	137.7	
Diluted Earnings Per Share	$ 0.63	$ 0.11	$ 0.52
Adjusted Net Income[1]	$ 93	$ 93	$ -
Adjusted EBITDA[1]	$ 210	$ 203	$ 7

[1]See Non-GAAP reconciliations.

Adjusted EBITDA Bridge to Adjusted Net Income

$ millions

	Second Quarter	
	2017	B/(W) PY
Adjusted EBITDA[1]	**$ 210**	**$ 7**
Excluded from Adj. EBITDA / Included in Adj. NI		
Stock-based compensation	(4)	—
Interest expense	(38)	1
Depreciation	(19)	(4)
Provision for income taxes	(56)	(3)
Adjusted Net Income[1]	**$ 93**	**$ —**

[1]See Non-GAAP reconciliations.

Cash Flow

$ millions

	Second Quarter		YTD June	
	2017	2016	2017	2016
Net Income	**$ 85**	**$ 16**	**$ 124**	**$ 54**
Depreciation and amortization expense	25	22	51	43
Working capital	11	(19)	63	19
Fumigation related matters, net of payments	1	86	1	89
Insurance reserve adjustment	—	23	—	23
Other non-cash expenditure add-backs	11	10	21	15
Net Cash Provided from Operating Activities	**$ 133**	**$ 138**	**$ 260**	**$ 244**
Property additions	(17)	(14)	(34)	(31)
Free Cash Flow	**$ 117**	**$ 123**	**$ 225**	**$ 212**

Revised Full-Year 2017 Outlook

($ millions)	Range Low	Range High
Revenue	$ 2,900	$ 2,920
Growth Rate	*6%*	*6%*
Adjusted EBITDA	$ 675	$ 685
Growth Rate	*1%*	*3%*
Margin	*23%*	*23%*

- Raising revenue growth outlook from prior range to reflect higher anticipated growth at Terminix and American Home Shield
- Lowering Adjusted EBITDA outlook from prior range to reflect increased investment in sales and service at Terminix

Q&A

Our Strategic Focus

- Deliver superior results
  - Drive sustainable growth momentum in Terminix
  - Continue to build on AHS and FSG growth initiatives
- Consistently deliver on our commitments
- Identify new opportunities for growth
- Execute on the spin of AHS
  - Continue to develop the right talent for both companies to succeed in the future
- Enhance shareholder value

Appendix

Non-GAAP Reconciliation Definitions

Adjusted EBITDA is defined as net income before: depreciation and amortization expense; 401(k) Plan corrective contribution; fumigation related matters; insurance reserve adjustment; non-cash stock-based compensation expense; restructuring charges; gain on sale of Merry Maids branches; non-cash impairment of software and other related costs; income from discontinued operations, net of income taxes; provision for income taxes; loss on extinguishment of debt and interest expense.

Adjusted net income is defined as net income before: amortization expense; 401(k) Plan corrective contribution; fumigation related matters; insurance reserve adjustment; restructuring charges; gain on sale of Merry Maids branches; impairment of software and other related costs; income from discontinued operations, net of income taxes; loss on extinguishment of debt and the tax impact of the aforementioned adjustments.

Adjusted earnings per share is calculated as adjusted net income divided by the weighted-average diluted common shares outstanding.

Free Cash Flow is defined as net cash provided from operating activities from continuing operations less property additions.

Net Income to Adjusted EBITDA and Adjusted Net Income Reconciliations

$ millions, except per share data

	Second Quarter 2017	Second Quarter 2016
Net Income	**$ 85**	**$ 16**
Depreciation and amortization expense	25	22
401(k) Plan corrective contribution	—	1
Fumigation related matters	1	88
Insurance reserve adjustment	—	23
Non-cash stock-based compensation expense	4	4
Restructuring charges	1	4
Non-cash impairment of software and other related costs	—	1
Provision for income taxes	52	7
Loss on extinguishment of debt	3	—
Interest expense	38	38
Adjusted EBITDA	**$ 210**	**$ 203**
Terminix	$ 105	$ 112
American Home Shield	82	72
Franchise Services Group	22	19
Corporate	—	—
Adjusted EBITDA	**$ 210**	**$ 203**
Net Income	**$ 85**	**$ 16**
Amortization expense	7	8
401(k) Plan corrective contribution	—	1
Fumigation related matters	1	88
Insurance reserve adjustment	—	23
Restructuring charges	1	4
Impairment of software and other related costs	—	1
Loss on extinguishment of debt	3	—
Tax impact of adjustments	(4)	(47)
Adjusted Net Income	**$ 93**	**$ 93**
Weighted-average diluted common shares outstanding	135.0	137.7
Adjusted Earnings Per Share	$ 0.69	$ 0.67

Consolidated Results

$ millions, except per share data

	June YTD 2017	June YTD 2016	B/(W)
Revenue	$ 1,450	$ 1,355	$ 94
YoY Growth			*7%*
Gross Profit	689	652	37
% of revenue	*47.5%*	*48.1%*	*-0.6 pts*
Selling and administrative expenses	(392)	(360)	(32)
% of revenue	*27.1%*	*26.6%*	*-0.5 pts*
Amortization expense	(14)	(16)	2
401(k) Plan corrective contribution	—	(1)	—
Fumigation related matters	(2)	(91)	89
Insurance reserve adjustment	—	(23)	23
Impairment of software and other related costs	(2)	(1)	(1)
Restructuring charges	(3)	(5)	2
Gain on sale of Merry Maids branches	—	2	(2)
Interest expense	(75)	(76)	2
Interest and net investment income	1	4	(3)
Loss on extinguishment of debt	(3)	—	(3)
Income from Continuing Operations before Income Taxes	199	85	114
Provision for income taxes	(76)	(30)	(46)
Income from Continuing Operations	123	54	69
Income from discontinued operations, net of income taxes	1	—	1
Net Income	$ 124	$ 54	$ 70
Weighted-average diluted common shares outstanding	135.5	137.7	
Diluted Earnings Per Share	$ 0.91	$ 0.39	$ 0.52
Adjusted Net Income[1]	$ 138	$ 140	$ (1)
Adjusted EBITDA[1]	$ 343	$ 330	$ 13

[1]See Non-GAAP reconciliations.

Net Income to Adjusted EBITDA and Adjusted Net Income Reconciliations

$ millions, except per share data

	June YTD 2017		June YTD 2016	
Net Income	**$**	**124**	**$**	**54**
Depreciation and amortization expense		51		43
401(k) Plan corrective contribution		—		1
Fumigation related matters		2		91
Insurance reserve adjustment		—		23
Non-cash stock-based compensation expense		9		7
Restructuring charges		3		5
Gain on sale of Merry Maids branches		—		(2)
Non-cash impairment of software and other related costs		2		1
Income from discontinued operations, net of income taxes		(1)		—
Provision for income taxes		76		30
Loss on extinguishment of debt		3		—
Interest expense		75		76
Adjusted EBITDA	**$**	**343**	**$**	**330**
Terminix	$	186	$	207
American Home Shield		113		90
Franchise Services Group		43		37
Corporate		1		(3)
Adjusted EBITDA	**$**	**343**	**$**	**330**
Net Income	**$**	**124**	**$**	**54**
Amortization expense		14		16
401(k) Plan corrective contribution		—		1
Fumigation related matters		2		91
Insurance reserve adjustment		—		23
Restructuring charges		3		5
Gain on sale of Merry Maids branches		—		(2)
Impairment of software and other related costs		2		1
Income from discontinued operations, net of income taxes		(1)		—
Loss on extinguishment of debt		3		—
Tax impact of adjustments		(9)		(50)
Adjusted Net Income	**$**	**138**	**$**	**140**
Weighted-average diluted common shares outstanding		135.5		137.7
Adjusted Earnings Per Share	$	1.02	$	1.01