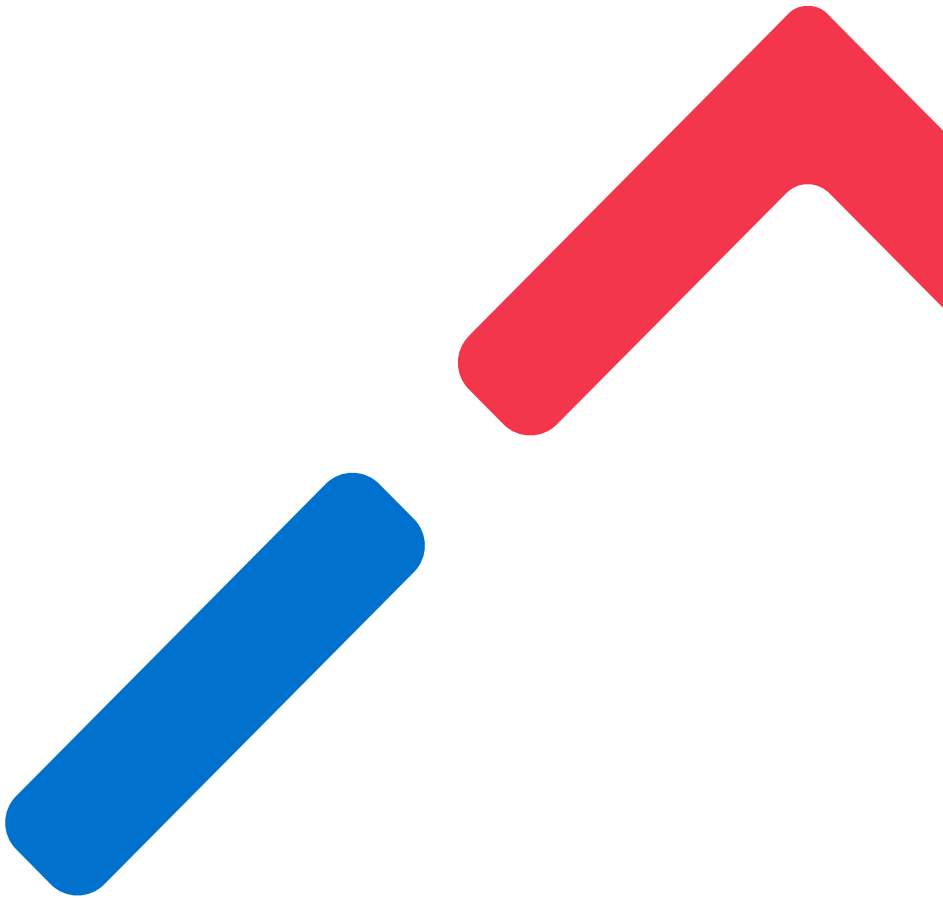


Third-Quarter 2016 Earnings Webcast

—
October 25, 2016



Agenda



Rob Gillette
Chief Executive Officer



Alan Haughie
Chief Financial Officer

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

Cautionary Statements

Safe Harbor Statement

This presentation contains “forward-looking statements,” including 2016 revenue and Adjusted EBITDA outlook and the statements relating to the proposed refinancing, 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 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.

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; loss from discontinued operations, net of income taxes; provision for income taxes; loss on extinguishment of debt; interest expense; and other non-operating expenses. **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; loss from discontinued operations, net of 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.

Q3 Consolidated Financial Summary

\$ millions, except per share amounts

	Third Quarter			
	2016	2015	Var.	
			\$	%
Revenue	\$ 758	\$ 706	52	7%
Adj. EBITDA	192	174	18	10%
<i>% of revenue</i>	25.3%	24.6%		
Adj. Net Income	81	74	7	9%
<i>% of revenue</i>	10.7%	10.5%		
Adjusted EPS ¹	0.59	0.54	0.05	9%

- ✓ Growth in AHS direct-to-consumer and real estate channels
- ✓ Alterra acquisition
- ✓ Pricing across brands
- ✓ Weather driven claim costs at AHS
- ✓ ServSmart Investment

Top-Line Growth with Resilient Margins

¹Adjusted earnings per share is calculated as adjusted net income divided by the diluted share counts of 137.1m shares and 136.8m shares for the third quarter of 2016 and 2015, respectively.

Refinancing

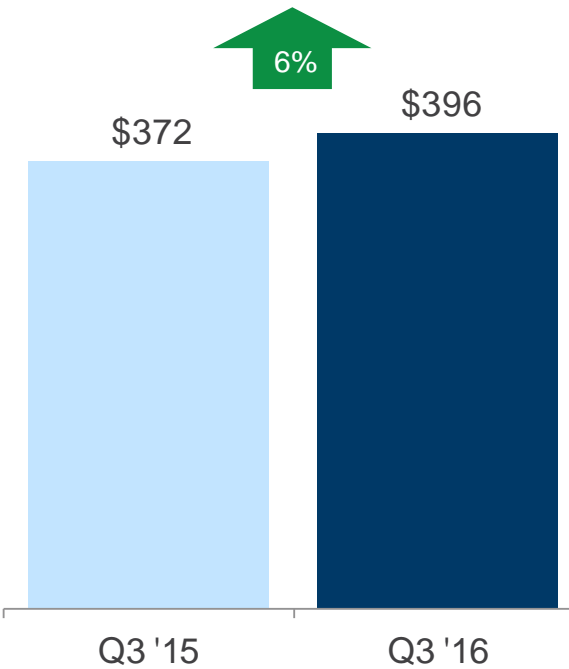
- Announced refinancing of:
 - \$2.4 billion Term Loan B due 2021
 - \$300 million revolving credit facility due 2019
- Proposed new financing includes:
 - \$1.5 billion Term Loan B due 2023
 - \$300 million revolving credit facility due 2021
 - \$1 billion Unsecured Debt expected to mature 2024
- Anticipated benefits:
 - Extends/varies maturity schedule
 - Increases fixed/floating ratio
 - Takes advantage of historically low rates
 - Increases future flexibility

Q3 Financial Results

\$ millions

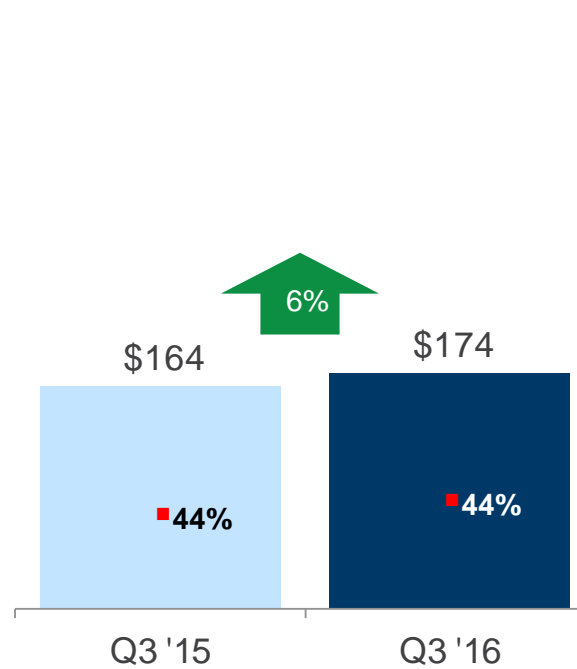


Revenue



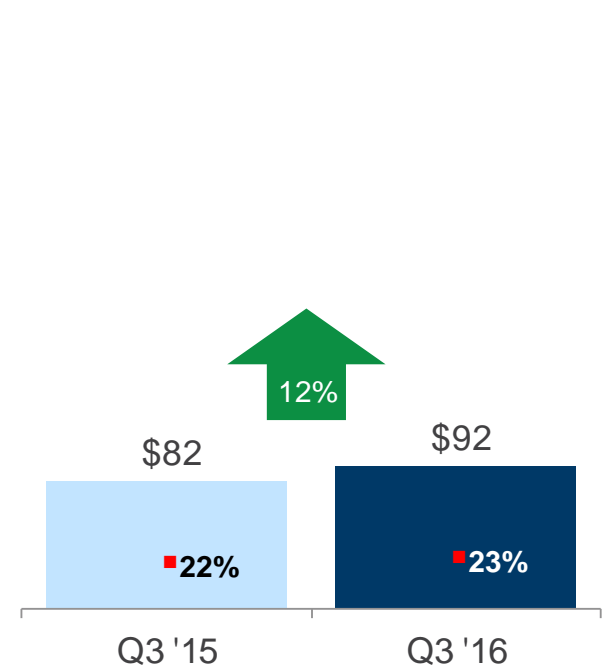
<u>Revenue:</u>	
+ Organic Growth	\$ 8m
+ Acquisitions	\$ 16m

Gross Margin



<u>Gross Margin:</u>	
+ Revenue Conversion	\$ 10m

Adjusted EBITDA¹ /Margin



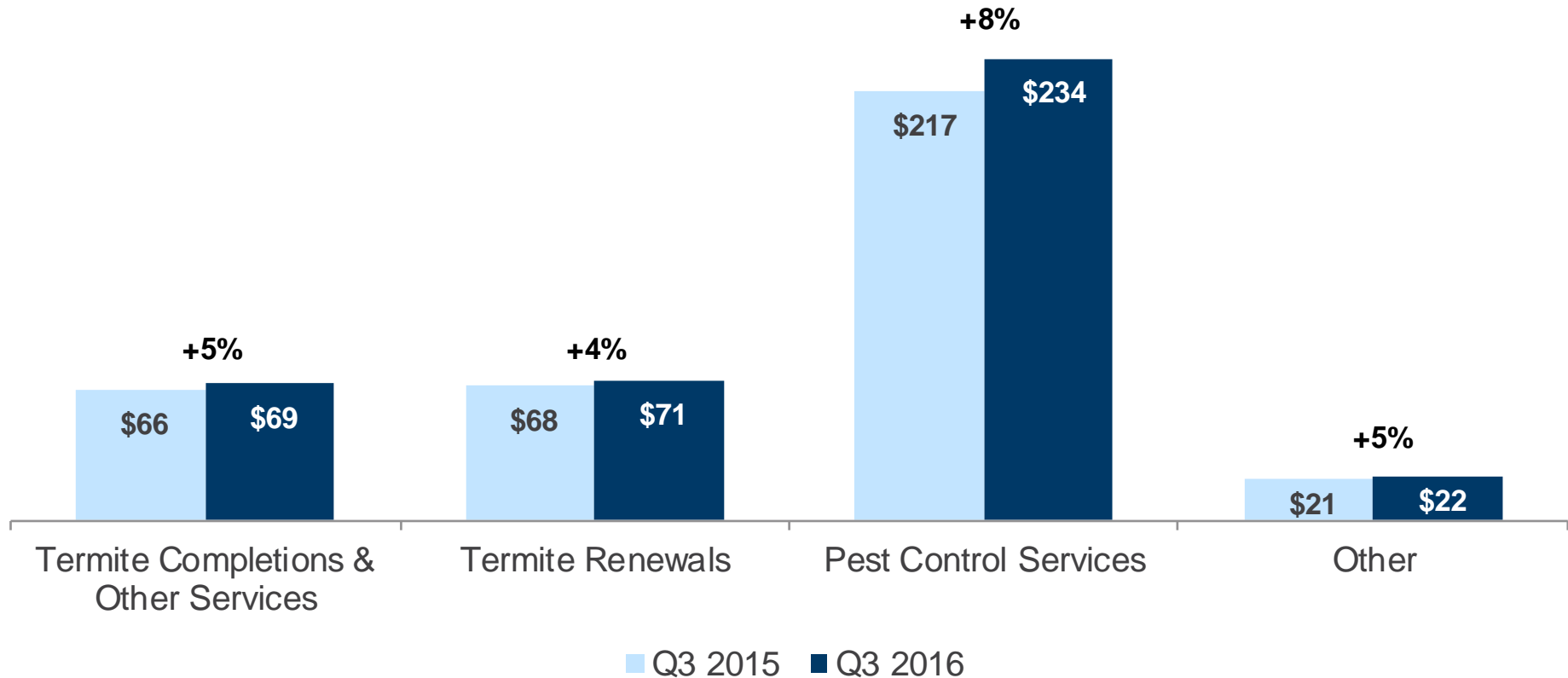
<u>EBITDA:</u>	
+ Gross Margin	\$10m
+ Other	\$ 3m
- Technology costs	\$(3)m

Alterra Acquisition and Operating Leverage

¹See Non-GAAP reconciliations.

Revenue Growth by Channel

\$ millions



Termite and Acquisitions Driving Revenue Growth

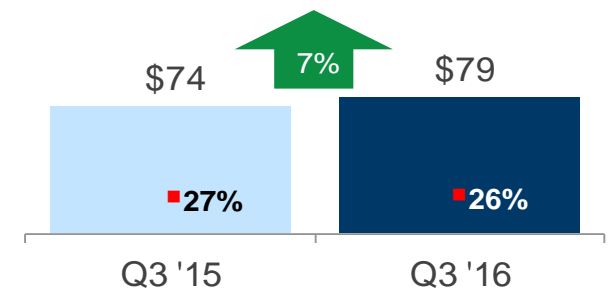
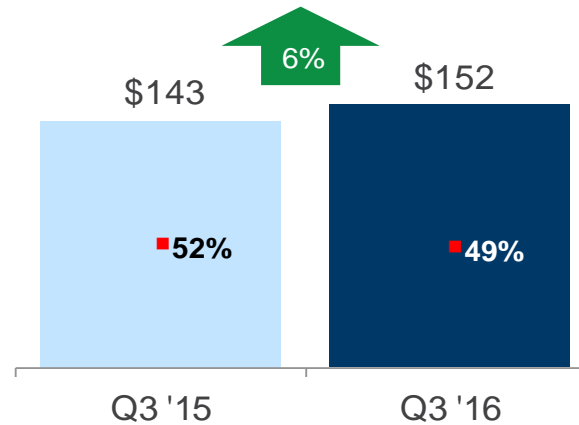
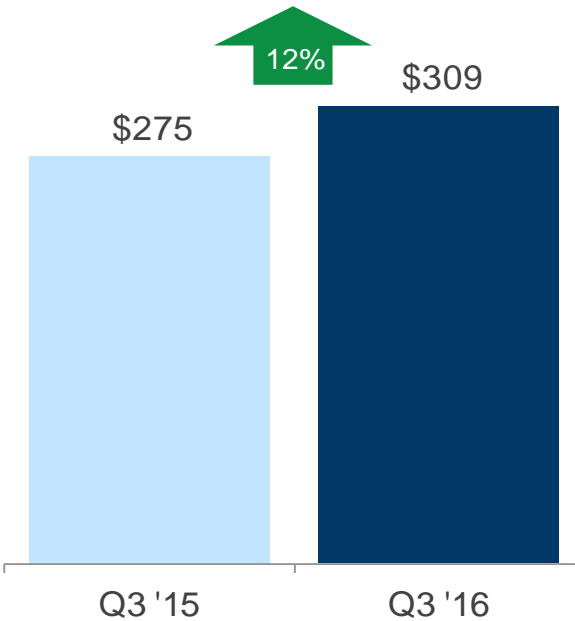
Q3 Financial Results

\$ millions

Revenue

Gross Margin

Adjusted EBITDA¹ /Margin



Revenue:

+ Volume	\$19m
+ Price/mix	\$ 5m
+ OneGuard	\$10m

Gross Margin:

+ Volume	\$ 9m
+ Price/mix	\$ 5m
+ OneGuard	\$ 5m
- Claims costs-weather	\$(5)m
- Claims costs-inflation/mix	\$(5)m

EBITDA:

+ Gross Margin	\$ 9m
+ Other	\$ 1m
- Technology costs	\$(2)m
- OneGuard SGA	\$(3)m

OneGuard and Organic Growth Driving Revenue

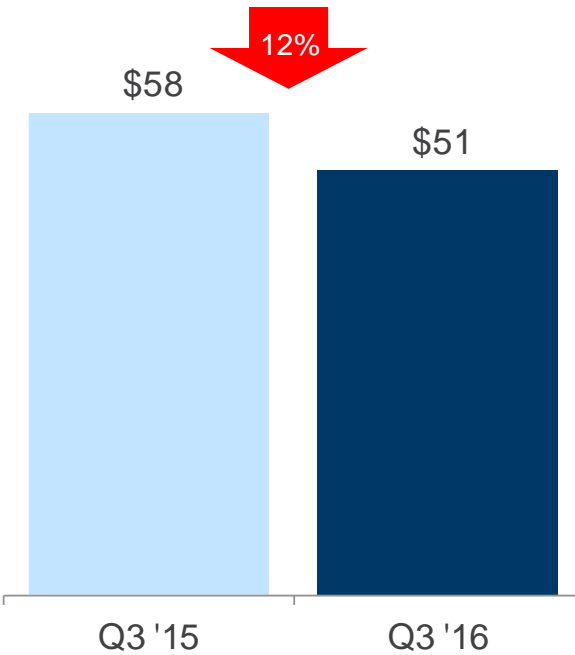
¹See Non-GAAP reconciliations.

Q3 Financial Results

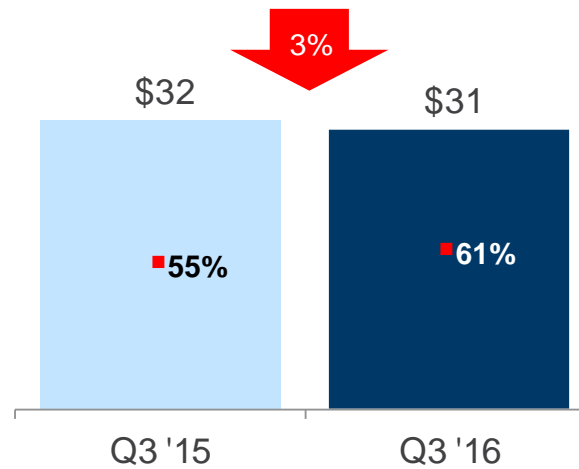
\$ millions



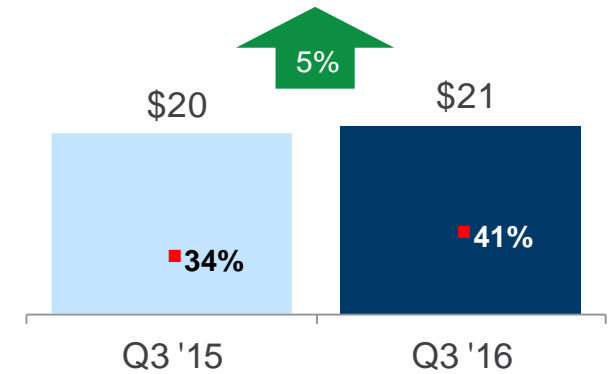
Revenue



Gross Margin



Adjusted EBITDA¹ /Margin



Revenue:

- MM branch conversions	\$(9)m
+ Fee revenue	\$ 2m

Gross Margin:

- MM branch conversions	\$(2)m
+ Other	\$ 1m

EBITDA:

- Gross Margin	\$(1)m
+ Cost reductions	\$ 1m
+ MM overhead	\$ 1m

Fort McMurray Driving ServiceMaster Restore Fee Revenue

¹See Non-GAAP reconciliations.

Q3 Consolidated Results

\$ millions, except per share data

	Third Quarter		
	2016	2015	B/(W)
Revenue	\$ 758	\$ 706	\$ 52
<i>YoY Growth</i>			7%
Gross Profit	358	338	20
<i>% of revenue</i>	47.2%	47.9%	-0.7 pts
Selling and administrative expenses	(185)	(178)	(7)
<i>% of revenue</i>	24.4%	25.2%	0.8 pts
Amortization expense	(8)	(7)	(1)
Fumigation related matters	(1)	—	(1)
Restructuring charges	(8)	(2)	(6)
Gain on sale of Merry Maids branches	—	3	(3)
Interest expense	(39)	(41)	2
Interest and net investment income	1	—	1
Loss on extinguishment of debt	—	(31)	31
Income from Continuing Operations before Income Taxes	116	83	33
Provision for income taxes	(46)	(32)	(14)
Income from Continuing Operations	70	50	20
Loss from discontinued operations, net of income taxes	—	(1)	1
Net Income	<u>\$ 70</u>	<u>\$ 49</u>	<u>\$ 21</u>
Weighted-average diluted common shares outstanding	137.1	136.8	
Diluted Earnings Per Share	\$ 0.51	\$ 0.36	\$ 0.15
Adjusted Net Income ¹	\$ 81	\$ 74	\$ 7
Adjusted EBITDA ¹	\$ 192	\$ 174	\$ 18

¹See Non-GAAP reconciliations.

Q3 Adjusted EBITDA and Adjusted Net Income Reconciliations

\$ millions, except per share data

	Third Quarter	
	2016	2015
Terminix	\$ 92	\$ 82
American Home Shield	79	74
Franchise Services Group	21	20
Corporate	—	(1)
Adjusted EBITDA	\$ 192	\$ 174
Depreciation and amortization expense	(24)	(18)
Fumigation related matters	(1)	—
Non-cash stock-based compensation expense	(3)	(3)
Restructuring charges	(8)	(2)
Gain on sale of Merry Maids branches	—	3
Loss from discontinued operations, net of income taxes	—	(1)
Provision for income taxes	(46)	(32)
Loss on extinguishment of debt	—	(31)
Interest expense	(39)	(41)
Net Income	\$ 70	\$ 49
Amortization expense	8	7
Fumigation related matters	1	—
Restructuring charges	8	2
Gain on sale of Merry Maids branches	—	(3)
Loss from discontinued operations, net of income taxes	—	1
Loss on extinguishment of debt	—	31
Tax impact of adjustments	(7)	(14)
Adjusted Net Income	\$ 81	\$ 74
Weighted-average diluted common shares outstanding	137.1	136.8
Adjusted Earnings Per Share	\$ 0.59	\$ 0.54

Q3 and September YTD Simplified Cash Flow

\$ millions

	Third Quarter		YTD Sept	
	2016	B/(W)	2016	B/(W)
Cash at Beginning of Period	\$ 342	\$ (18)	\$ 296	\$ (92)
Adjusted EBITDA	192	18	523	25
Change in working capital	(65)	(26)	(36)	(31)
Property additions	(14)	(4)	(45)	(15)
Interest payments	(42)	14	(112)	37
Cash taxes	(20)	11	(58)	(20)
Payments on fumigation related matters	(88)	(88)	(90)	(90)
Other	(6)	(4)	(12)	4
Free Cash Flow	\$ (43)	\$ (79)	\$ 170	\$ (90)
Acquisitions	(14)	(2)	(86)	(55)
Change in restricted cash	—	—	(95)	(95)
Sales and maturities of securities	—	(3)	48	18
Debt repayment, net of borrowing	(17)	113	(50)	338
Repurchase of common stock	(36)	(36)	(52)	(52)
Other	(3)	(5)	(1)	(1)
Cash at End of Period	\$ 230	\$ (30)	\$ 230	\$ (30)
Free Cash Flow / Adjusted EBITDA	(22)%	-43 pts	33%	-20 pts

2016 Full-Year Outlook

\$ millions

2016 Full-Year Outlook

Revenue	\$2,740 - \$2,750
<i>Growth</i>	6%
Adjusted EBITDA	\$665 - \$675
<i>Growth</i>	7% - 8%
Adjusted EBITDA margin	24% - 25%
	~ 50 bps



- ✓ Strong top line with AHS organic growth ~10%
- ✓ OneGuard acquisition
- ✓ Terminix growth middle single digits
- ✓ Continued operating leverage
- ✓ High customer retention; pricing 1% - 2%
- ✓ Strong pipeline of tuck-in acquisition targets
- ✓ Investing in growth (marketing/ServSmart)

2016 Revenue and EBITDA Outlook

Summary

- Strong customer growth at AHS
- Acquisitions continue to contribute to growth
- Businesses' margins are resilient
- Continue to invest in technology (ServSmart) and marketing
- Addressing challenge of Terminix organic growth
- Businesses remain strong

Building on our Accomplishments and Delivering on our Commitments

Q&A

Q3 and September YTD Cash Flow

\$ millions

	Third Quarter		YTD September	
	2016	2015	2016	2015
Net Income	\$ 70	\$ 49	\$ 124	\$ 144
Depreciation and amortization expense	24	18	68	66
Fumigation related matters	1	—	92	—
Payments on fumigation related matters	(88)	—	(90)	—
Insurance reserve adjustment	—	—	23	—
Loss on extinguishment of debt	—	31	—	58
Working capital	(65)	(39)	(36)	(5)
Other	29	(13)	34	27
Net Cash (Used for) Provided from Operating Activities	\$ (29)	\$ 47	\$ 215	\$ 290
Property additions	(14)	(10)	(45)	(30)
Free Cash Flow	\$ (43)	\$ 36	\$ 170	\$ 260

September YTD Consolidated Results

\$ millions, except per share data

	Sept YTD		
	2016	2015	B/(W)
Revenue	\$ 2,113	\$ 1,993	\$ 120
<i>YoY Growth</i>			6%
Gross Profit	\$ 1,009	\$ 957	52
<i>% of revenue</i>	47.8%	48.0%	-0.2 pts
Selling and administrative expenses	(546)	(512)	(34)
<i>% of revenue</i>	25.8%	25.7%	-0.1 pts
Amortization expense	(24)	(31)	7
401(k) Plan corrective contribution	(1)	—	(1)
Fumigation related matters	(92)	—	(92)
Insurance reserve adjustment	(23)	—	(23)
Impairment of software and other related costs	(1)	—	(1)
Restructuring charges	(13)	(4)	(9)
Gain on sale of Merry Maids branches	2	5	(3)
Interest expense	(115)	(128)	13
Interest and net investment income	5	8	(3)
Loss on extinguishment of debt	—	(58)	58
Income from Continuing Operations before Income Taxes	200	237	(37)
Provision for income taxes	(76)	(91)	15
Income from Continuing Operations	124	145	(21)
Loss from discontinued operations, net of income taxes	—	(2)	2
Net Income	<u>\$ 124</u>	<u>\$ 144</u>	<u>\$ (20)</u>
Weighted-average diluted common shares outstanding	137.5	136.5	
Diluted Earnings Per Share	\$ 0.90	\$ 1.05	\$ (0.15)
Adjusted Net Income ¹	\$ 221	\$ 201	\$ 20
Adjusted EBITDA ¹	\$ 523	\$ 498	\$ 25

¹See Non-GAAP reconciliations.

September YTD Adjusted EBITDA and Adjusted Net Income Reconciliations

\$ millions, except per share data

	Sept YTD	
	2016	2015
Terminix	\$ 299	\$ 272
American Home Shield	170	174
Franchise Services Group	58	58
Corporate	(3)	(6)
Adjusted EBITDA	\$ 523	\$ 498
Depreciation and amortization expense	(68)	(66)
401(k) Plan corrective contribution	(1)	—
Fumigation related matters	(92)	—
Insurance reserve adjustment	(23)	—
Non-cash stock-based compensation expense	(10)	(8)
Restructuring charges	(13)	(4)
Gain on sale of Merry Maids branches	2	5
Non-cash impairment of software and other related costs	(1)	—
Loss from discontinued operations, net of income taxes	—	(2)
Provision for income taxes	(76)	(91)
Loss on extinguishment of debt	—	(58)
Interest expense	(115)	(128)
Other non-operating expenses	—	(3)
Net Income	\$ 124	\$ 144
Amortization expense	24	31
401(k) Plan corrective contribution	1	—
Fumigation related matters	92	—
Insurance reserve adjustment	23	—
Restructuring charges	13	4
Gain on sale of Merry Maids branches	(2)	(5)
Impairment of software and other related costs	1	—
Loss from discontinued operations, net of income taxes	—	2
Loss on extinguishment of debt	—	58
Tax impact of adjustments	(56)	(33)
Adjusted Net Income	\$ 221	\$ 201
Weighted-average diluted common shares outstanding	137.5	136.5
Adjusted Earnings Per Share	\$ 1.61	\$ 1.47