Fourth-Quarter and Full-Year 2018 Earnings Webcast

February 26, 2019

ServiceMaster

Cautionary Statements

Safe Harbor Statement

This presentation contains “forward-looking statements,” including 2019 revenue and Adjusted EBITDA outlook, and organic revenue growth projections, 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, 2017, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, 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 like 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 measures 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, acquisition activity, taxation, the age and book depreciation of facilities and equipment, restructuring initiatives and equity-based, long-term incentive plans.

Agenda

Nik Varty
Chief Executive Officer

Tony DiLucente
Chief Financial Officer

Jesse Jenkins
Treasurer & Sr. Dir. IR

- Full-Year 2018 Highlights & 2019 Priorities – Nik Varty
- Q4 2018 Financial Summary and Segment Results – Tony DiLucente
- Consolidated 2018 Results – Tony DiLucente
- Full-Year 2019 Outlook – Tony DiLucente
- Closing Remarks and Q&A – Nik Varty

Full-Year 2018 Accomplishments

- ✓ Delivered on our commitments
  - $1.9 billion in revenue – 8% Revenue Growth
  - 2% organic growth at Terminix
  - Exceeded mid-point of Adjusted EBITDA[1] guidance
- ✓ Delivered results through Terminix Transformation
- ✓ Invested in Terminix Commercial & national accounts
- ✓ Refreshed growth strategy at our restoration and cleaning businesses
- ✓ Added significant capabilities with 20 strategic acquisitions
- ✓ Created shareholder value with the successful AHS Spin
- ✓ Established an experienced, growth-focused leadership team

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

Enterprise Strategy

CONTINUE PROGRESS ON PEST CONTROL CORE

- Maintain leading brand recognition in attractive North American market
- Organic growth and profitability at, or above, industry levels
- Grow presence and capabilities in commercial pest and national account business

LEVERAGE ADJACENCIES

- Leverage strong positions in restoration and cleaning markets
- Drive additional growth through national accounts, strengthen urban capabilities, innovative new products, strategic M&A, develop technologies and business offerings, and explore the global arena

SOLID FUNDAMENTALS

- Expand front-line led lean transformation, layered with the leading technology of Salesforce to deliver outstanding customer experiences and sustainable improvements
- Build differentiated and highly trained talent

2019 Strategic Priorities

TERMINIX

- Improve customer retention
- Termite preventative shift and improved service offering
- Enhanced sales and technician compensation plans
- Servant leadership – engaged over 875 branch and service managers to set 2019 goals

TERMINIX COMMERCIAL

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- Energize commercial sales team
- Leverage best practices of strategic acquisitions
- Improve service delivery and consistency
- Capitalize on national accounts capabilities

2019 Strategic Priorities

RESTORATION

- Emphasize the commercial opportunity
- Expand beyond water mitigation into fire restoration
- Full service offerings, including reconstruction
- Selectively own specific operations
- Expand geographic footprint

CLEANING

- Continue to grow high-value commercial national accounts
- Leverage cross-selling opportunities in pest and restoration
- Focus on higher value verticals – healthcare, food

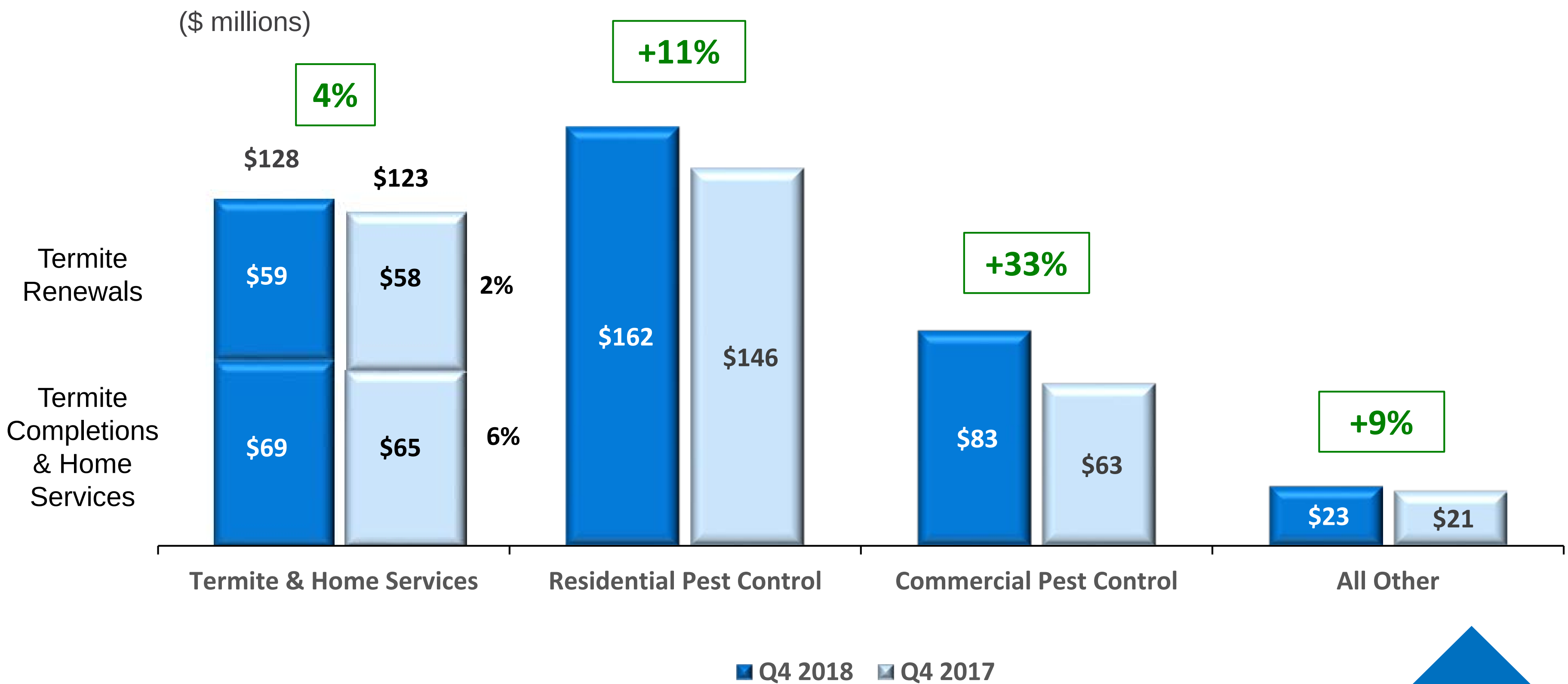
Q4 Consolidated Financial Summary

($ millions, except EPS)	Q4 2018	Q4 2017	Variance	
Revenue	$ 457	$ 409	$ 48	12%
Adjusted EBITDA[1]	$ 80	$ 75	$ 6	8%
Margin	*17.6%*	*18.2%*		
Adjusted Net Income[1]	$ 26	$ 10	$ 17	172%
Margin	*5.8%*	*2.4%*		
Adjusted EPS[1]	$ 0.19	$ 0.07	$ 0.12	170%

- Over 12% revenue growth driven by:
  - ✓ Terminix 12% total growth; **5% Organic** and 8% Inorganic
  - ✓ ServiceMaster Brands total growth 11%; **5% Organic**
- $5M in dis-synergies from the AHS spin negatively impacted Adjusted EBITDA in the quarter
- $3M Adjusted EBITDA benefit at corporate primarily related to favorable claims results driven by operational improvements

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

Terminix Q4 Revenue Growth by Channel



Termite & Home Services

	Q4 2018 Growth
Organic	3%
M&A	1%
Total	4%

Residential Pest Control

	Q4 2018 Growth
Organic	7%
M&A	4%
Total	11%

Commercial Pest Control

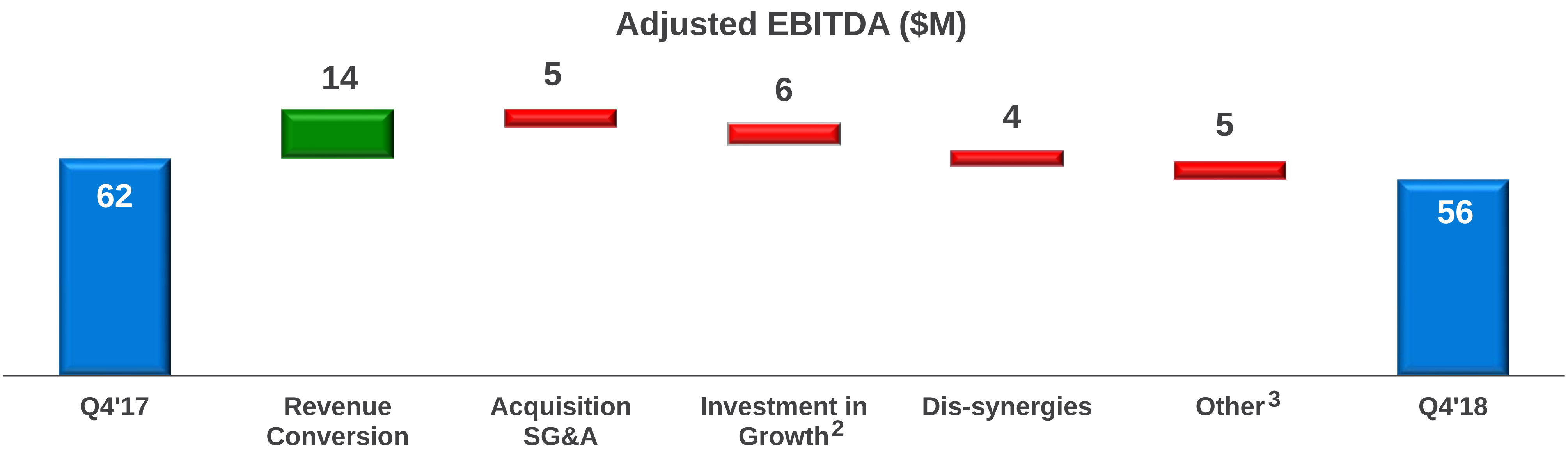
	Q4 2018 Growth
Organic	0%
M&A	33%
Total	33%

Total Terminix Growth 12%

Terminix Organic Growth 5%

Terminix Q4 Financial Results

($ millions)	Q4 2018	Q4 2017	Variance	
Residential Pest	$ 162	$ 146	$ 16	11%
Commercial Pest	$ 83	$ 63	$ 20	33%
Termite & Home Services	$ 128	$ 123	$ 5	4%
All Other	$ 23	$ 21	$ 2	9%
Revenue	$ 396	$ 353	$ 43	12%
Gross Profit	$ 151	$ 141	$ 10	7%
Margin	*38.2%*	*39.9%*		
Adjusted EBITDA[1]	$ 56	$ 62	$ (6)	(10)%
Margin	*14.0%*	*17.4%*		



[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.
[2]Includes primarily $3M in sales and marketing and $1M in Salesforce.
[3]Includes primarily $2M in damage claims and $1M in fuel.

SMB Q4 Financial Results

($ millions)	Q4 2018	Q4 2017	Variance	
Customer Level Revenue	$ 693	$ 689	$ 4	1%
Revenue	$ 61	$ 55	$ 6	11%
Gross Profit	$ 36	$ 32	$ 4	12%
Margin	*59.8%*	*58.9%*		
Adjusted EBITDA[1]	$ 22	$ 22	$ —	(2)%
Margin	*35.9%*	*40.5%*		

- Revenue growth driven by 11 percent increase in commercial cleaning national accounts revenue, higher royalty fees, primarily from area-wide events, principally Hurricane Florence and Michael, and an increase from the revenue recognition accounting rule[2] change ($3M)
- Adjusted EBITDA was flat to prior year as the flow-through from higher revenue was offset by $1M in dis-synergies as a result of the AHS spin

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.
[2]FSG recognized $3 million of national advertising fund contributions as revenue pursuant to Company's adoption of a new accounting rule regarding revenue recognition on January 1, 2018.

2018 Consolidated Results

$ millions, except per share data

	Full Year		
	2018	2017	B/(W)
Revenue	$ 1,900	$ 1,755	$ 145
YoY Growth			*8%*
Gross Profit	860	794	66
% of revenue	*45.2%*	*45.2%*	*0 pts*
Selling and administrative expenses	(555)	(500)	(56)
% of revenue	*29.2%*	*28.5%*	*-0.7 pts*
Amortization expense	(18)	(18)	—
Acquisition-related costs	(5)	—	(5)
401(k) Plan corrective contribution	—	3	(3)
Fumigation related matters	(3)	(4)	1
Impairment of software and other related costs	—	(2)	2
Mark-to-market loss on investment in frontdoor, inc.	(249)	—	(249)
Restructuring charges	(17)	(21)	3
Interest expense	(133)	(150)	17
Interest and net investment income	5	2	3
Loss on extinguishment of debt	(10)	(6)	(4)
(Loss) Income from Continuing Operations before Income Taxes	(126)	99	(225)
(Provision) benefit for income taxes	(37)	242	(279)
(Loss) Income from Continuing Operations	(163)	341	(504)
Gain (loss) from discontinued operations, net of income taxes	122	169	(47)
Net (Loss) Income	$ (41)	$ 510	$ (551)
Weighted-average diluted common shares outstanding	135.5	135.4	
Diluted (Loss) Earnings Per Share	$ (0.30)	$ 3.76	$ (4.06)
Adjusted Net Income[1]	$ 130	$ 101	$ 29
Adjusted EBITDA[1]	$ 398	$ 374	$ 23
Adjusted Earnings Per Share[1]	$ 0.95	$ 0.74	$ 0.21
Free cash flow	$ 187	$ 138	$ 49
Free cash flow conversion	47 %	37 %	10 %

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

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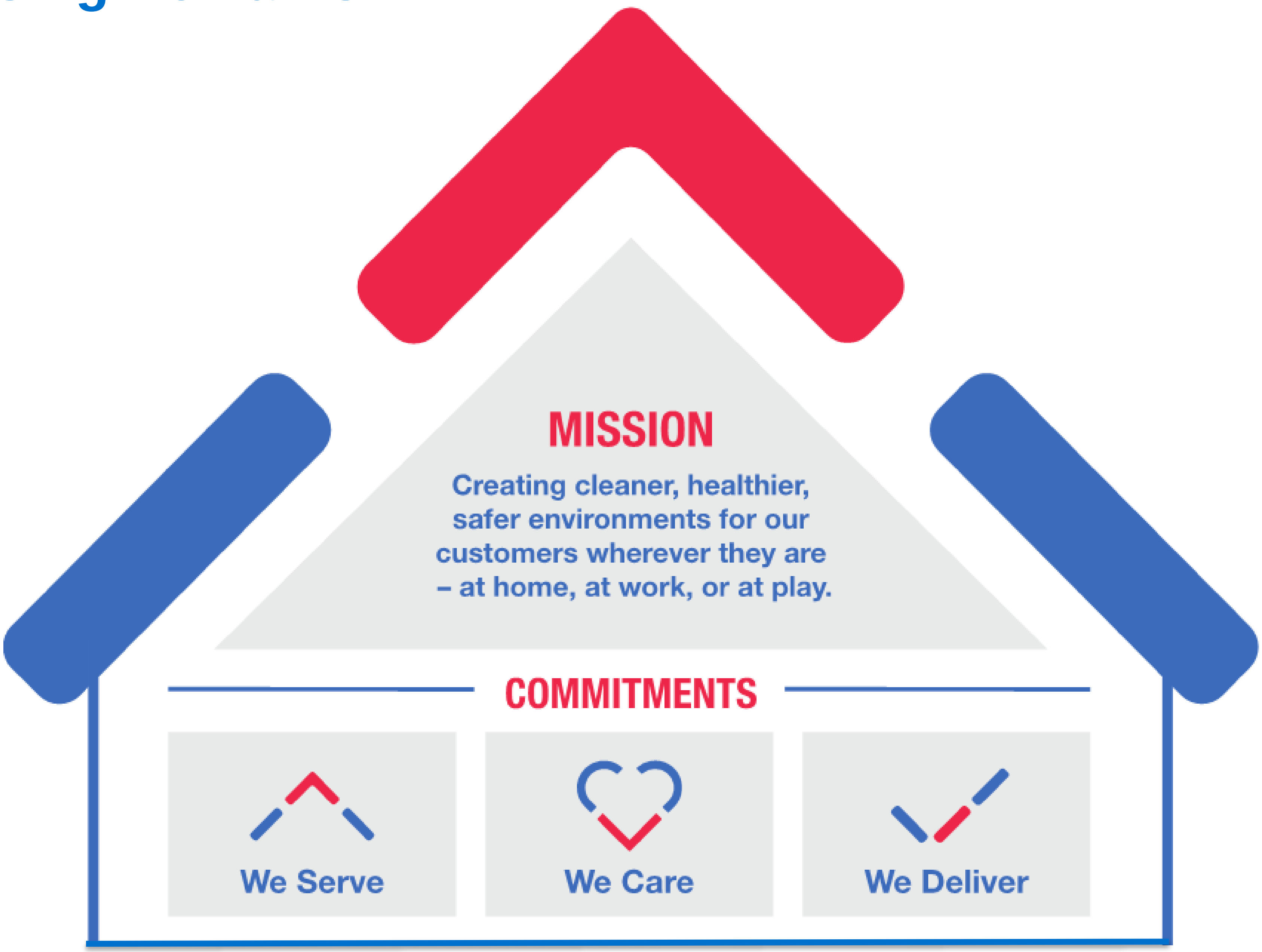
Full-Year 2019 Outlook[1]

($ millions)	Range Low	Range High
Revenue	$2,020	$2,050
Growth Rate	*6%*	*8%*
Adjusted EBITDA[2]	$ 435	$ 445
Margin	*22%*	*22%*

Terminix	SMB	Corporate
2% - 3% organic growth	Mid-single digit organic growth	Tax Rate 27% - 29%
~30% incremental margins *(ex- Y-O-Y $11M Dis-synergies, $9M Salesforce)*	Y-O-Y dis-synergies of $2 million	Cash Taxes 18% - 20%
Investing in growth	National accounts / Commercial / Fire Growth	Free cash flow conversion of 50% – 60%

[1] FY 2019 outlook excludes the impact of any future potential acquisitions.
[2] See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

Closing Remarks



Appendix

Non-GAAP Reconciliation Definitions

Adjusted EBITDA is defined as net income before: depreciation and amortization expense; acquisition-related costs; 401(k) Plan corrective contribution; fumigation related matters; insured reserve adjustment; non-cash stock-based compensation expense; restructuring charges; gain on sale of Merry Maids branches; non-cash impairment of software and other costs; mark-to-market loss on investment in frontdoor, inc.; (gain) loss from discontinued operations, net of income taxes; provision (benefit) 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; acquisition-related costs; 401(k) Plan corrective contribution; fumigation related matters; restructuring charges; acquisition-related costs; impairment of software and other related costs; mark-to-market loss on investment in frontdoor, inc.; (gain) loss from discontinued operations, net of income taxes; loss on extinguishment of debt; and the tax impact of the aforementioned adjustments and the impact of tax law change on deferred taxes.

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 of government grant fundings for property additions.

Free Cash Flow Conversion is defined as free cash flow divided by Adjusted EBITDA.

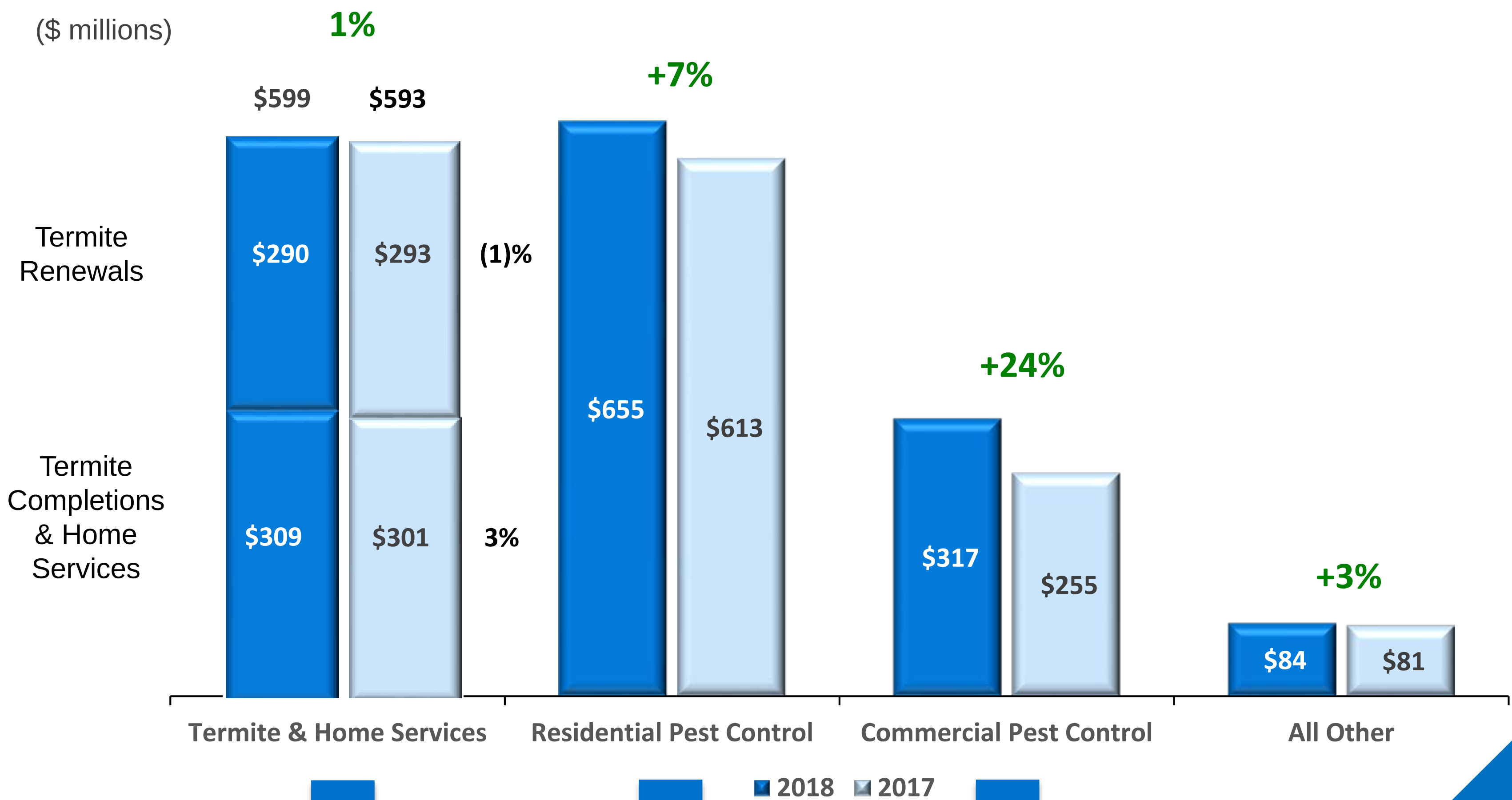
Full-Year Consolidated Financial Summary

($ millions, except EPS)	FY 2018	FY 2017	Variance	
Revenue	$ 1,900	$1,755	$ 145	8%
Adjusted EBITDA[1]	$ 398	$ 374	$ 23	6%
Margin	*20.9%*	*21.3%*		
Adjusted Net Income[1]	$ 130	$ 101	$ 29	29%
Margin	*6.8%*	*5.7%*		
Adjusted EPS[1]	$ 0.95	$ 0.74	$ 0.21	29%

- 8 percent revenue growth driven by:
  - ✓ Terminix 7% total growth; **2% Organic** and 5% Inorganic
  - ✓ ServiceMaster Brands total growth 15%; **9% Organic**
- Adjusted EBITDA negatively impacted by $33 and $44 million of historically allocated services as a result of the AHS spin
- $9M Adjusted EBITDA benefit at corporate primarily related to favorable claims results driven by operational improvements

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

Terminix FY Revenue Growth by Channel



Termite & Home Services

	FY 2018 Growth
Organic	1%
M&A	0%
Total	1%

Residential Pest Control

	FY 2018 Growth
Organic	4%
M&A	2%
Total	7%

Commercial Pest Control

	FY 2018 Growth
Organic	-2%
M&A	26%
Total	24%

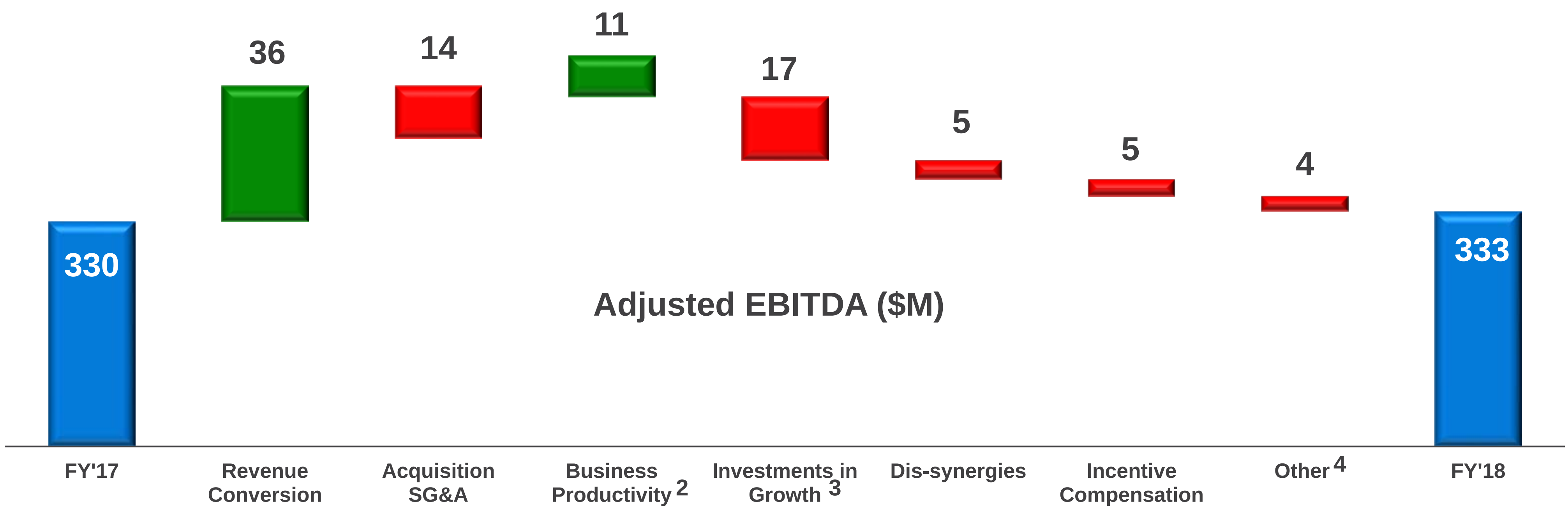
Total Terminix Growth 7%

Terminix Organic Growth 2%

Terminix Full-Year Financial Results

TERMINIX

($ millions)	FY 2018	FY 2017	Variance	
Residential Pest	$ 655	$ 613	$ 42	7%
Commercial Pest	$ 317	$ 255	$ 62	24%
Termite & Home Services	$ 599	$ 593	$ 6	1%
All Other	$ 84	$ 81	$ 3	3%
Revenue	$ 1,655	$1,541	$ 113	7%
Gross Profit	$ 700	$ 663	$ 37	6%
Margin	*42.3%*	*43.0%*		
Adjusted EBITDA[1]	$ 333	$ 330	$ 2	1%
Margin	*20.1%*	*21.4%*		



[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

[2]Includes benefits of $6M in chemicals and materials and $8M in bad debt, offset by $3M in increase labor.

[3]Primarily includes $11M in sales and marketing, $3M in commercial staffing, and $1M in Salesforce.

[4]Primarily includes $4M in fuel and $3M in damage claims, offset by savings in telephone and other areas.

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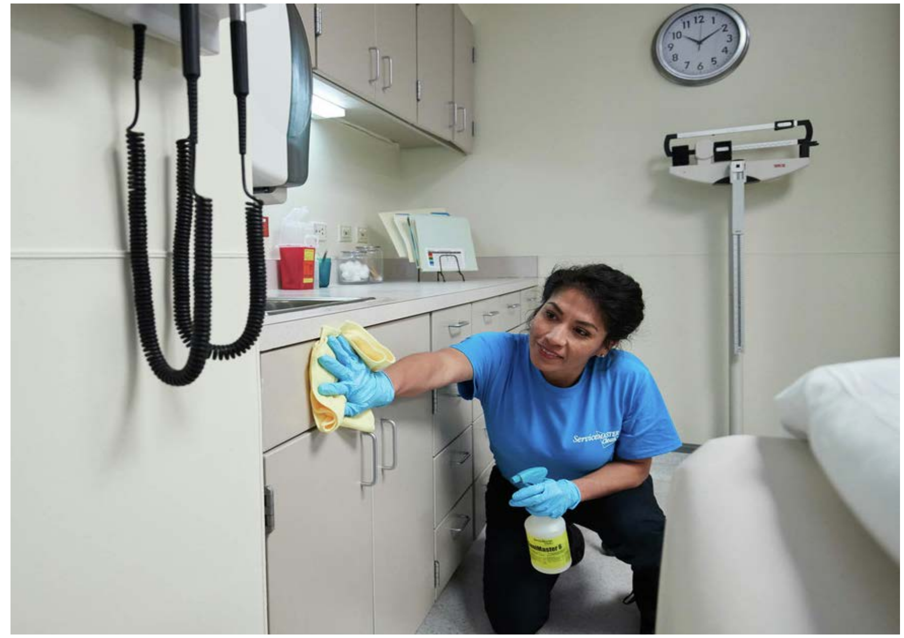
SMB Full-Year Financial Results

($ millions)	FY 2018	FY 2017	Variance	
Customer Level Revenue	$ 2,636	$2,559	$ 77	3%
Revenue	$ 244	$ 212	$ 32	15%
Gross Profit	$ 148	$ 129	$ 19	15%
Margin	*60.5%*	*60.6%*		
Adjusted EBITDA[1]	$ 89	$ 87	$ 2	2%
Margin	*36.4%*	*41.0%*		



- Organic revenue growth of 9 percent was driven by 23 percent higher commercial cleaning national accounts revenue and higher royalty fees primarily from area-wide events, primarily Hurricane Florence and Michael
- Inorganic growth of 7 percent was primarily the result of a revenue recognition accounting rule[2] change
- Adjusted EBITDA increase of $2M was primarily the result of the conversion of higher revenue for the year, offset by $1M of AHS spin related dis-synergies

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.
[2]FSG recognized $14 million of national advertising fund contributions as revenue pursuant to Company's adoption of a new accounting rule regarding revenue recognition on January 1, 2018.

Q4 Consolidated Results

$ millions, except per share data

	Fourth Quarter		
	2018	2017	B/(W)
Revenue	$ 457	$ 409	$ 48
YoY Growth			*12%*
Gross Profit	192	174	18
% of revenue	*42.0%*	*42.5%*	*-0.5 pts*
Selling and administrative expenses	(138)	(119)	(18)
% of revenue	*30.1%*	*29.2%*	*-0.9 pts*
Amortization expense	(4)	(4)	—
Acquisition-related costs	(3)	—	(3)
Fumigation related matters	(3)	(2)	(1)
Mark-to-market loss on investment in frontdoor, inc.	(249)	—	(249)
Restructuring charges	(4)	(3)	(2)
Interest expense	(25)	(38)	12
Interest and net investment income	2	1	1
(Loss) Income from Continuing Operations before Income Taxes	(233)	8	(241)
(Provision) benefit for income taxes	(4)	267	(272)
(Loss) Income from Continuing Operations	(237)	276	(513)
(Loss) gain from discontinued operations, net of income taxes	(11)	30	(41)
Net (Loss) Income	$ (248)	$ 306	$ (554)
Weighted-average diluted common shares outstanding	135.7	135.4	
Diluted (Loss) Earnings Per Share	$ (1.83)	$ 2.26	$ (4.09)
Adjusted Net Income[1]	$ 26	$ 10	$ 17
Adjusted EBITDA[1]	$ 80	$ 75	$ 6
Adjusted Earnings Per Share[1]	$ 0.19	$ 0.07	$ 0.12
Free cash flow	$ 17	$ (10)	$ 28
Free cash flow conversion	22 %	(14) %	36 %

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

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Q4 and Full-Year 2018 Free Cash Flow

$ millions

	Fourth Quarter		Full Year	
	2018	2017	2018	2017
Net Cash Provided from Operating Activities	**$ 24**	**$ 15**	**$ 229**	**$ 204**
Property additions, net of government grant fundings for property additions	(7)	(26)	(41)	(66)
Free Cash Flow[1]	**$ 17**	**$ (10)**	**$ 187**	**$ 138**

[1]See Appendix for Non-GAAP Reconciliations and Non-GAAP Reconciliation Definitions.

Q4 Net Income to Adjusted EBITDA and Adjusted Net Income Reconciliations

$ millions, except per share data

	Fourth Quarter 2018	Fourth Quarter 2017
Net Income	**$ (248)**	**$ 306**
Depreciation and amortization expense	24	22
Acquisition-related costs	3	—
Fumigation related matters	3	2
Non-cash stock-based compensation expense	5	2
Restructuring charges	4	3
Mark-to-market loss on investment in frontdoor, inc.	249	—
Loss (gain) from discontinued operations, net of income taxes	11	(30)
Provision (benefit) for income taxes	4	(267)
Interest expense	25	38
Adjusted EBITDA	**$ 80**	**$ 75**
Terminix	$ 56	$ 62
ServiceMaster Brands	22	22
Corporate	3	1
Costs historically allocated to American Home Shield	—	(10)
Adjusted EBITDA	**$ 80**	**$ 75**
Net Income	**$ (248)**	**$ 306**
Amortization expense	4	4
Acquisition-related costs	3	—
Fumigation related matters	3	2
Restructuring charges	4	3
Mark-to-market loss on investment in frontdoor, inc.	249	—
Loss (gain) from discontinued operations, net of income taxes	11	(30)
Tax impact of adjustments	(3)	(4)
Impact of tax law change on deferred taxes	3	(271)
Adjusted Net Income	**$ 26**	**$ 10**
Weighted-average diluted common shares outstanding	136.2	135.4
Adjusted Earnings Per Share	$ 0.19	$ 0.07

2018 Net Income to Adjusted EBITDA and Adjusted Net Income Reconciliations

$ millions, except per share data

	Full Year	
	2018	2017
Net Income	**$ (41)**	**$ 510**
Depreciation and amortization expense	91	86
Acquisition-related costs	5	—
401(k) Plan corrective contribution	—	(3)
Fumigation related matters	3	4
Non-cash stock-based compensation expense	14	10
Restructuring charges	17	21
Non-cash impairment of software and other related costs	—	2
Mark-to-market loss on investment in frontdoor, inc.	249	—
(Gain) loss from discontinued operations, net of income taxes	(122)	(169)
Provision (benefit) for income taxes	37	(242)
Loss on extinguishment of debt	10	6
Interest expense	133	150
Adjusted EBITDA	**$ 398**	**$ 374**
Terminix	$ 333	$ 330
ServiceMaster Brands	89	87
Corporate	9	1
Costs historically allocated to American Home Shield	(33)	(44)
Adjusted EBITDA	**$ 398**	**$ 374**
Net Income	**$ (41)**	**$ 510**
Amortization expense	18	18
Acquisition-related costs	5	—
401(k) Plan corrective contribution	—	(3)
Fumigation related matters	3	4
Restructuring charges	17	21
Impairment of software and other related costs	—	2
Mark-to-market loss on investment in frontdoor, inc.	249	—
(Gain) loss from discontinued operations, net of income taxes	(122)	(169)
Loss on extinguishment of debt	10	6
Tax impact of adjustments	(14)	(17)
Impact of tax law change on deferred taxes	3	(271)
Adjusted Net Income	**$ 130**	**$ 101**
Weighted-average diluted common shares outstanding	136.1	135.4
Adjusted Earnings Per Share	$ 0.95	$ 0.74

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