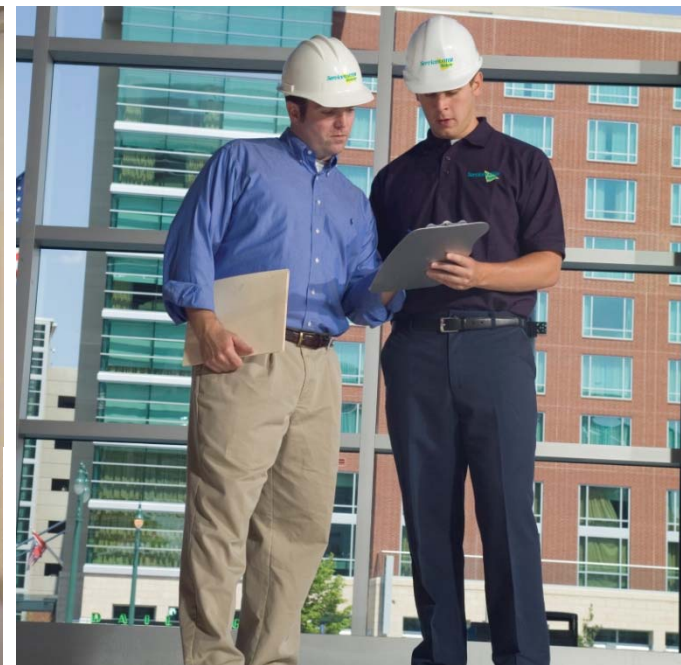


ServiceMASTER®

Full-Year and Fourth-Quarter 2014 Earnings Webcast





Rob Gillette
Chief Executive Officer



Alan Haughie
Chief Financial Officer

- Financial Summary
- Segment Results
- Financial Results
- FY 2015 Outlook
- Summary
- Q&A

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Full Year Consolidated Financial Summary



\$ millions, except per share amounts

	Full Year			
	2014	2013	Var.	
			\$	%
Revenue	2,457	2,293	164	7%
Adj. EBITDA ¹ <i>% of Revenue</i>	557 23%	450 20%	107	24%
Adj. Net Income ² <i>% of Revenue</i>	167 7%	82 4%	85	104%
Adjusted EPS ³	1.47	0.89	0.58	65%
Pre-Tax Unlevered Free Cash Flow ⁴	525	428	97	23%

- Growth in new services driven by innovation at Terminix
- Continued development of direct-to-consumer channel at AHS
- Successful acquisition and integration of HSA
- Cost rationalization and supply chain benefits
- Over \$1 billion debt reduction in past 8 months

Strong 2014 performance

¹Adjusted EBITDA and Adjusted EBITDA as a percent of revenue for 2013 do not reflect the benefit of transferring \$25m of annual corporate costs to TruGreen.

²Adjusted net income is defined by the company as income (loss) from continuing operations before: amortization expense; impairment of software and other related costs; consulting agreement termination fees; restructuring charges; 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 113.8m shares and 92.2m shares for 2014 and 2013, respectively.

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

2014 Accomplishments



Accomplishments

Results



- Product innovation: mosquito, exclusion, insulation
- Improved customer service; drove market expansion



- ↑ +5% Revenue
- ↑ +16% Adj. EBITDA



- Direct-to-consumer growth
- Marketing reinvestment for future growth
- HSA acquisition/integration



- ↑ +12% Revenue
- ↑ +23% Adj. EBITDA



- Combined AHS/FSG under leadership of Mark Barry
- Increase in janitorial national accounts



- ↑ +7% Revenue
- 0% Adj. EBITDA



- Over \$1b debt reduction
- Improved operating efficiency; reduced overhead
- TruGreen Spin-off/SERV IPO






- ↑ 7.8x to 5.0x Leverage
- ↑ +300 bp Adj. EBITDA margin

Essential services through empowered employees, contractors, and franchisees

Service Delivery Platform



	 Direct Employees	 Contractors	 Franchisees
Customer Facing Professionals	<ul style="list-style-type: none"> 5,000 service technicians 	<ul style="list-style-type: none"> 11,000 contractors 45,000 service technicians 	<ul style="list-style-type: none"> 5,400 franchised locations 33,000 individuals
Customers	<ul style="list-style-type: none"> 2.8 million customers 	<ul style="list-style-type: none"> 1.5 million customers 3.0 million service requests 	<ul style="list-style-type: none"> \$2.6 billion CLR 200k homes served mthly
Customer Awareness	<ul style="list-style-type: none"> Market share leader¹ 1.5x brand awareness of competitors 	<ul style="list-style-type: none"> 42% market share #1 market position 	<ul style="list-style-type: none"> #1 market position in respective categories¹ National network
Customer Satisfaction	<ul style="list-style-type: none"> 80% - 85% retention rate Strong net promoter scores 	<ul style="list-style-type: none"> 75% retention rate "2015 Top Rated" by Home Warranty Review 	<ul style="list-style-type: none"> Strong net promoter scores

Trusted professionals making more than 75,000 service calls each day

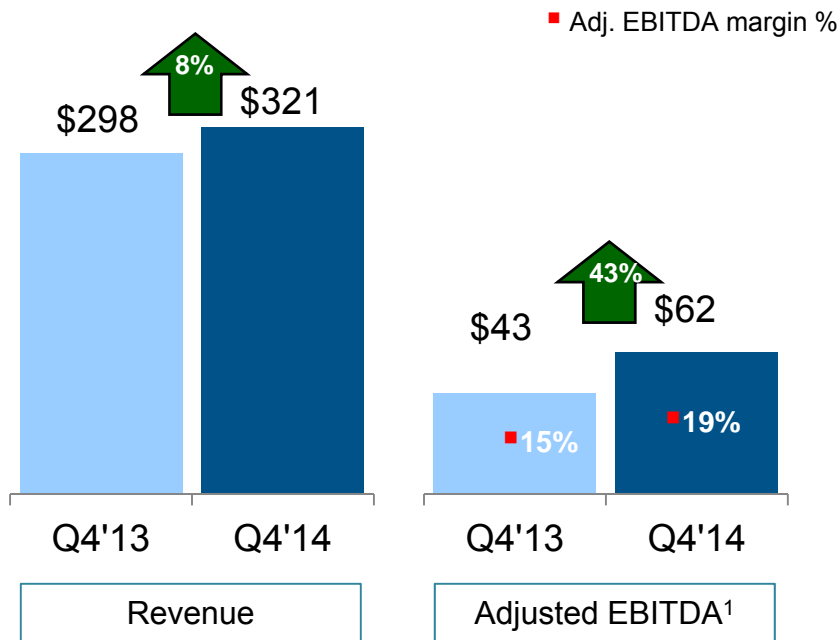
¹As measured on a customer-level revenue basis and using management estimates based on industry data.

2014 Financial Results

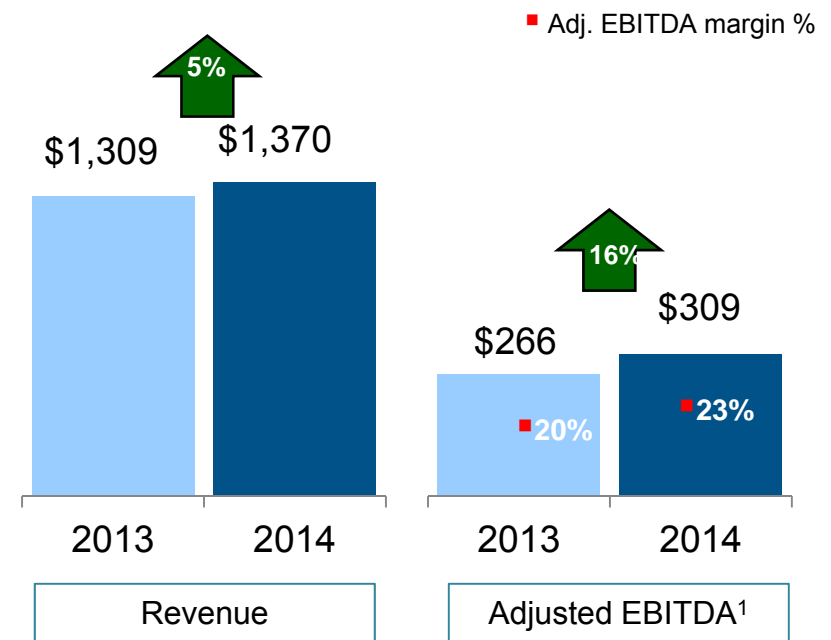


\$ millions

Fourth Quarter



Full Year



- Termite completions
- + Innovation
- + Pricing
- + One-time Legal/Other expenses in 2013 (\$7m)

- Termite completions
- + Innovation
- + Pricing/mix
- + One-time Legal/Other expenses in 2013 (\$4m)

Innovation sales growth and margin expansion

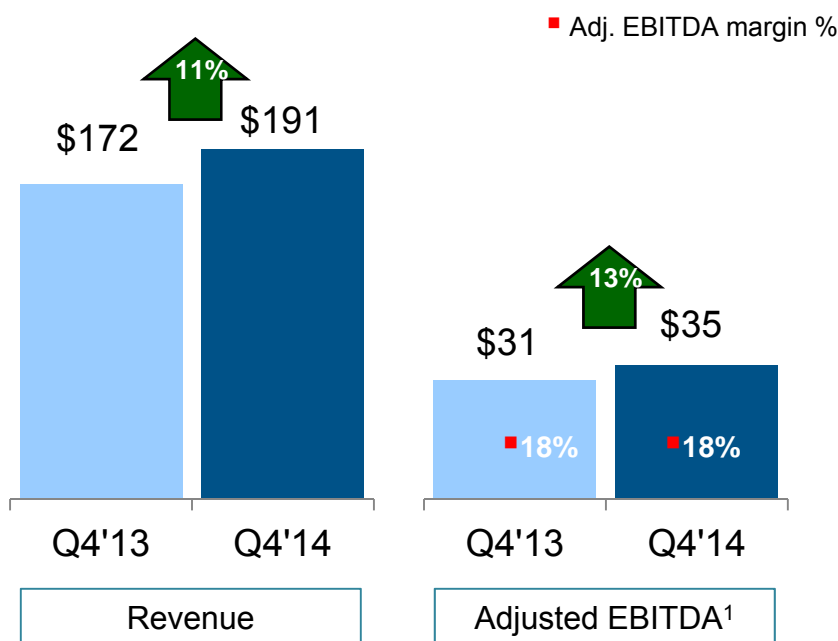
¹See Non-GAAP Reconciliations.

2014 Financial Results

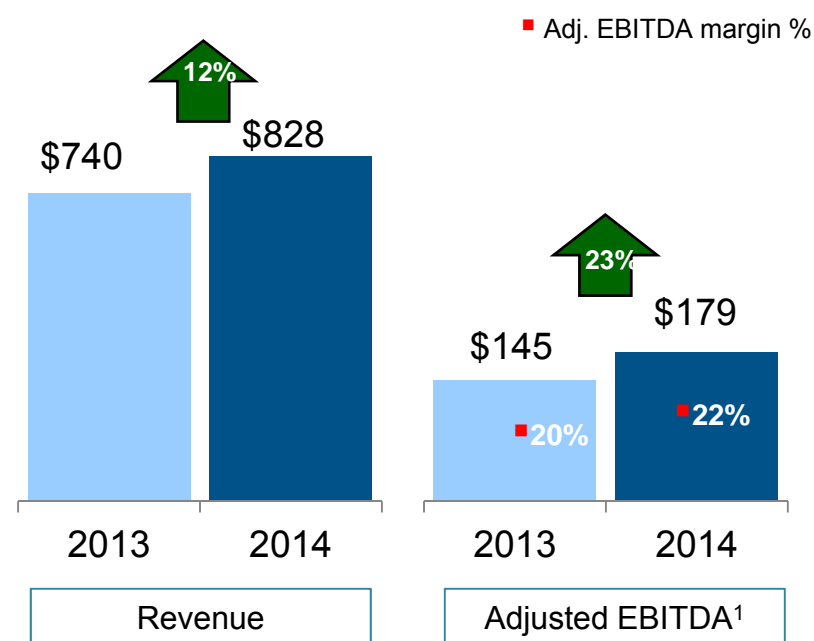


\$ millions

Fourth Quarter



Full Year



	Revenue	Adj. EBITDA
+ Organic growth	12	6
+ HSA acquisition	14	-
+ Efficiencies		6
- Marketing		(4)
- In year timing	(7)	(4)

	Revenue	Adj. EBITDA
+ Organic growth	32	23
+ HSA acquisition	56	5
+ Efficiencies		10
+ Claims		6
- Marketing		(10)

Increased customer counts and lower claim costs

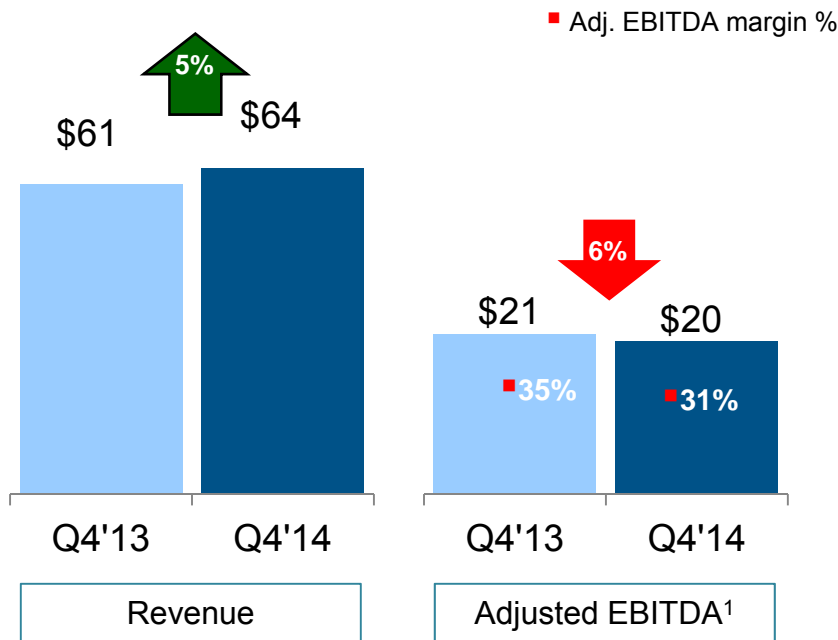
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2014 Financial Results

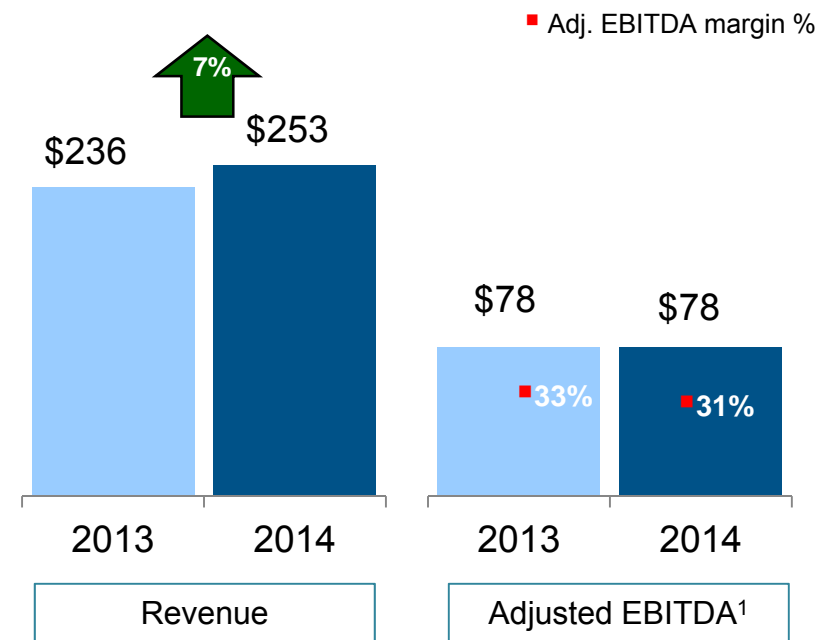


\$ millions

Fourth Quarter



Full Year



- + Low margin janitorial national accounts
- Lower fee revenue due to blackout
- Lower license and product sales

- + Higher fee revenue
- + Low margin janitorial national accounts
- Miscellaneous expenses

Repositioning under AHS umbrella

¹See Non-GAAP Reconciliations.

Fourth-Quarter Consolidated Results



\$ millions

	Three Months Ended December 31,		
	2014	2013	(B/W)
Revenue	\$ 577	\$ 533	\$ 44
Gross Profit	262	237	25
<i>% of revenue</i>	<i>45.4%</i>	<i>44.5%</i>	<i>0.9 pts</i>
Selling and administrative expenses	(163)	(165)	2
<i>% of revenue</i>	<i>28.2%</i>	<i>30.9%</i>	<i>2.7 pts</i>
Amortization expense	(13)	(13)	—
Restructuring charges	(4)	(2)	(2)
Interest, net	(47)	(59)	12
Income (Loss) from Continuing Operations before Income Taxes	36	(2)	38
Benefit (provision) for income taxes	(14)	—	(14)
Income (Loss) from Continuing Operations	22	(2)	24
Loss from discontinued operations, net of income taxes	(2)	(16)	14
Net Income (Loss)	\$ 20	\$ (18)	\$ 38
Adjusted Net Income	\$ 32	\$ 9	\$ 23
Adjusted EBITDA	\$ 114	\$ 89	\$ 25

Reconciliation from Adjusted EBITDA to Income from Continuing Operations to Adjusted Net Income



\$ millions

	Three Months Ended	
	December 31,	
	2014	2013
Terminix	\$ 62	\$ 43
American Home Shield	35	31
Franchise Services Group	20	21
Corporate	(2)	(6)
Adjusted EBITDA	\$ 114	\$ 89
Depreciation and amortization expense	(25)	(25)
Non-cash stock-based compensation expense	(3)	(1)
Restructuring charges	(4)	(2)
Management and consulting fees	—	(2)
Provision for income taxes	(14)	—
Interest expense	(48)	(61)
Other non-operating expenses	1	—
Income (Loss) from Continuing Operations	\$ 22	\$ (2)
Amortization expense	13	13
Restructuring charges	4	2
Management and consulting fees	—	2
Tax impact of adjustments	(7)	(6)
Adjusted Net Income	\$ 32	\$ 9

2014 Full-Year Consolidated Results



\$ millions

	Year Ended December 31,		
	2014	2013	(B/W)
Revenue	\$ 2,457	\$ 2,293	\$ 164
Gross Profit	1,159	1,073	86
<i>% of revenue</i>	47.2%	46.8%	0.4 pts
Selling and administrative expenses	(668)	(691)	23
<i>% of revenue</i>	27.2%	30.2%	3.0 pts
Amortization expense	(52)	(51)	(1)
Impairment of software and other related costs	(47)	—	(47)
Consulting agreement termination fees	(21)	—	(21)
Restructuring charges	(11)	(6)	(5)
Interest, net	(212)	(239)	27
Loss on extinguishment of debt	(65)	—	(65)
Income (Loss) from Continuing Operations before Income Taxes	84	86	(2)
Benefit (provision) for income taxes	(40)	(43)	3
Equity in losses of joint venture	—	(1)	1
Income (Loss) from Continuing Operations	43	42	1
Loss from discontinued operations, net of income taxes	(100)	(549)	449
Net Income (Loss)	\$ (57)	\$ (507)	\$ 450
Adjusted Net Income	\$ 167	\$ 82	\$ 85
Adjusted EBITDA	\$ 557	\$ 450	\$ 107

Simplified Cash Flow



\$ millions

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2014	B/(W)	2014	B/(W)
Cash at Beginning of Period	\$ 275	\$ (76)	\$ 484	\$ 66
Adjusted EBITDA	114	25	557	107
Change in working capital	30	9	3	(16)
Property additions	(6)	(5)	(35)	4
Pre-Tax Unlevered Free Cash Flow	\$ 139	\$ 30	\$ 525	\$ 96
Interest payments	(21)	4	(220)	12
Cash taxes	(1)	(4)	(12)	(3)
Acquisitions	(6)	4	(58)	(26)
Other	4	(14)	20	64
Refinancing / IPO	—	—	(270)	(270)
Ordinary debt repayment	(11)	10	(38)	15
TruGreen contribution / Disc. operations	—	(58)	(50)	(56)
Cash at End of Period	\$ 380	\$ (104)	\$ 380	\$ (104)
Pre-tax Unlevered FCF / Adjusted EBITDA	122%	2 pts	94%	-1 pts

Generated \$115m of cash for debt pay down

Generated \$255m of cash for debt pay down

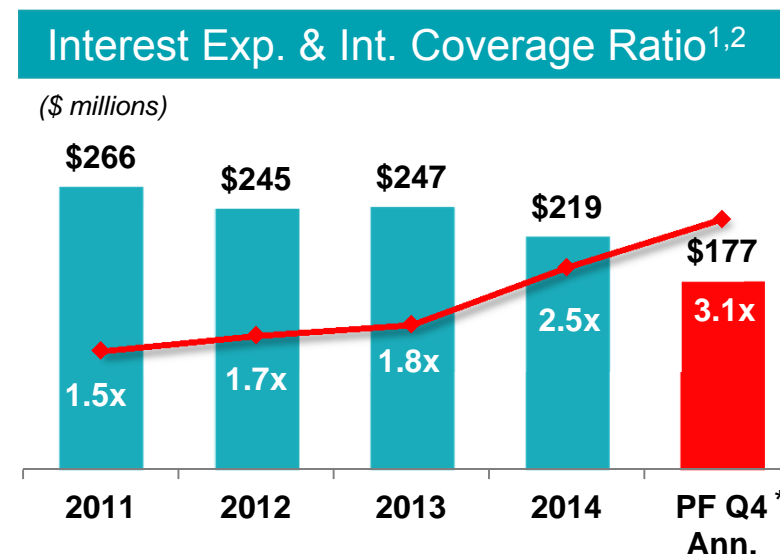
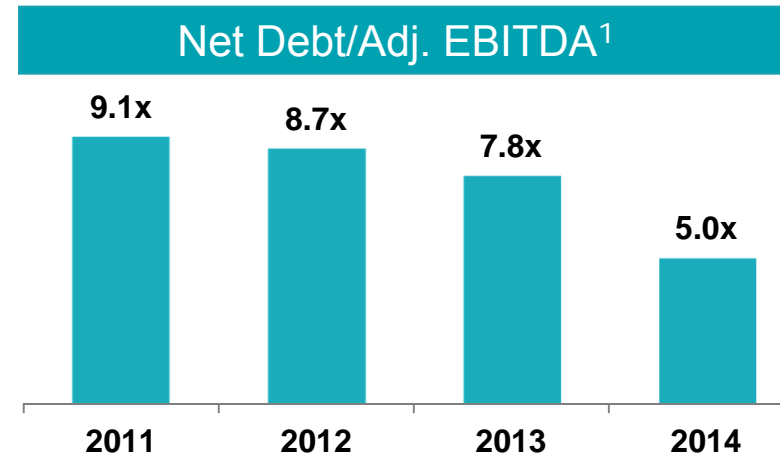
Deleveraging the Balance Sheet



✓ Accelerated deleveraging with improved operations, growth and strong cash flow

✓ Cash interest continues to decrease with debt pay down and refinancing at lower interest rates

✓ Redemption of \$190 million of 8% Senior Notes on 2/17/15 - \$15 million in annualized interest savings



^{*}Interest expense calculated using annualized Q4 2014 interest expense of \$48m less pro forma interest savings of \$15m. Interest coverage uses full-year 2014 Adjusted EBITDA of \$557m.

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

	2015 Anticipated Full Year Range	2014 Actual Full Year
Revenue	\$2,550 - \$2,590	\$2,457
<i>y-o-y Growth</i>	4%-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

What we've accomplished:

- ✓ Completed TruGreen spin-off in January 2014
- ✓ Completed IPO and refinancing in July 2014
- ✓ Realigned Franchise Services Group in October 2014
- ✓ Completed secondary offering in February 2015

Where we're focused going forward:

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

Q&A

Fourth-Quarter Cash Flow



\$ millions

	Three Months Ended	
	December 31,	
	2014	2013
Net Income (Loss)	\$ 20	\$ (18)
Loss from discontinued operations, net of income taxes	2	16
Depreciation and amortization expense	25	25
Working capital	30	20
Other	46	38
Net Cash Provided from Operating Activities	\$ 122	\$ 81
Cash paid for interest expense	21	25
Cash paid (received) for income taxes, net of refunds	1	(3)
Cash paid for restructuring charges	1	1
Cash paid for management and consulting fees	—	2
Gain on sales of marketable securities	—	1
Property additions	(6)	(1)
Pre-Tax Unlevered Free Cash Flow	\$ 139	\$ 107
Adjusted EBITDA	114	89
Change in working capital	30	20
Property additions	(6)	(1)
Pre-Tax Unlevered Free Cash Flow	\$ 139	\$ 107

Reconciliation from Adjusted EBITDA to Income from Continuing Operations to Adjusted Net Income



\$ millions

	Year Ended December 31,	
	2014	2013
Terminix	\$ 309	\$ 266
American Home Shield	179	145
Franchise Services Group	78	78
Corporate	(9)	(39)
Adjusted EBITDA	\$ 557	\$ 450
Depreciation and amortization expense	(100)	(99)
Non-cash stock-based compensation expense	(8)	(4)
Restructuring charges	(11)	(6)
Management and consulting fees	(4)	(7)
Provision for income taxes	(40)	(43)
Interest expense	(219)	(247)
Other non-operating expenses	1	(2)
Income (Loss) from Continuing Operations	\$ 43	\$ 42
Amortization expense	52	51
Restructuring charges	11	6
Management and consulting fees	4	7
Tax impact of adjustments	(75)	(25)
Adjusted Net Income	\$ 167	\$ 82

2014 Full-Year Cash Flows



\$ millions

	Year Ended	
	December 31,	
	2014	2013
Net Loss	\$ (57)	\$ (507)
Loss from discontinued operations, net of income taxes	100	549
Depreciation and amortization expense	100	99
Impairment of software and other related costs	47	—
Loss on extinguishment of debt	65	—
Call premium paid on retirement of debt	(35)	—
Working capital	3	17
Other	30	50
Net Cash Provided from Operating Activities	\$ 253	\$ 208
Cash paid for interest expense	220	232
Call premium paid on retirement of debt	35	—
Cash paid (received) for income taxes, net of refunds	12	9
Cash paid for restructuring charges	8	9
Cash paid for management and consulting fees	4	7
Cash paid for consulting agreement termination fees	21	—
Cash paid for impairment of software and other related costs	3	—
Gain on sales of marketable securities	4	2
Property additions	(35)	(39)
Pre-Tax Unlevered Free Cash Flow	\$ 525	\$ 428
Adjusted EBITDA	557	450
Change in working capital	3	17
Property additions	(35)	(39)
Pre-Tax Unlevered Free Cash Flow	\$ 525	\$ 428

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