

FirstService Corporation

Investor Presentation

February 2018



FirstService

Creating value one step at a time

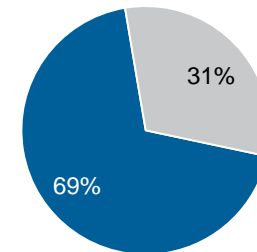
Forward Looking Statements

Certain statements included herein constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, among other things, impact demand for the Company’s services, service industry conditions and capacity; the ability of the Company to implement its business strategy, including the Company’s ability to acquire suitable acquisition candidates on acceptable terms and successfully integrate newly acquired businesses with its existing businesses; changes in or the failure to comply with government regulations (especially safety and environmental laws and regulations); and other factors which are described in the Company’s filings with the Canadian securities regulators and the U.S. Securities and Exchange Commission.

FirstService Corporation Overview

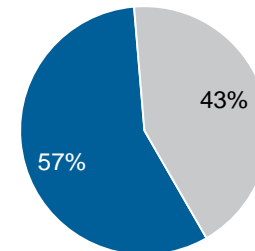
- Leader in essential outsourced property services in U.S. and Canada
 - FirstService Residential: Largest manager of residential communities
 - FirstService Brands: One of the largest providers of essential property services
- TTM Revenue: \$1.7BN⁽¹⁾
- TTM Adjusted EBITDA: \$162MM⁽¹⁾
- Geographic Revenue Split: 94% U.S. / 6% Canada
- 19,000+ Employees
- Dual-listing on TSX and NASDAQ (Ticker: FSV)
- US\$0.54 per share annual dividend

Revenue by Division (TTM)⁽¹⁾



■ FirstService Residential ■ FirstService Brands

EBITDA by Division (TTM)⁽¹⁾⁽²⁾



■ FirstService Residential ■ FirstService Brands

(1) Trailing 12 months as of quarter ending December 31, 2017.

(2) Excludes unallocated corporate costs.

Proven Business Model

Strategic Focus

Organic growth; enhanced through tuck-under acquisitions

Service Excellence Culture

Strong client retention; repeat business; referrals

High Proportion of Contractual Revenue

Highly predictable and recurring cash flow

Modest Capex

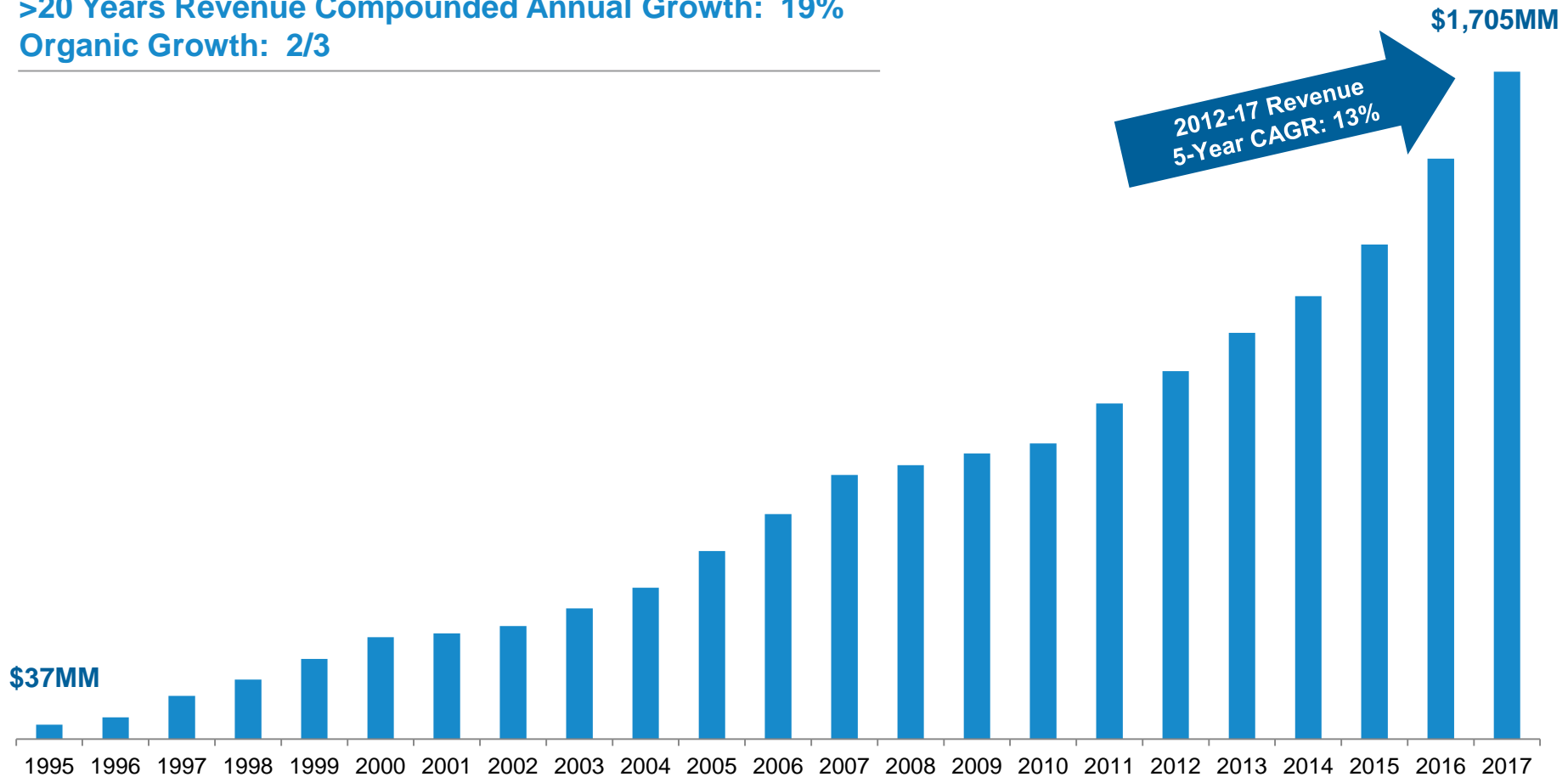
Strong free cash flow and returns on capital

Conservative Balance Sheet

Low financial leverage; well-capitalized to fund growth

Two Decades of Consistent Growth

>20 Years Revenue Compounded Annual Growth: 19%
Organic Growth: 2/3



Leading Position in Very Large Markets

Market Structure and Position

- We Serve Multi-Billion Dollar Markets
- Modest Market Shares (1-5%)
- Fragmented Markets
- #1 Position in Virtually Every Service Line
- National Coverage

Growth Opportunities

- Positive Growth Trends
- Significant Room for Organic Growth
- Consolidation via Tuck-Under Acquisitions
- Competitive Advantages



FirstService Residential – What We Do

Management Contracts – Property Types

- Condominiums / Co-operatives
- Homeowner Associations
- Master-planned
- Active adult / Life-style
- High-rise, mid-rise, townhouse, single family home



Broad Range of Services

Traditional

- Property Management
- Development Consulting
- Client Budget (collection & disbursements)
- Governance Oversight

On-Site Staff

- Facility Maintenance & Engineering
- Front Desk / Concierge
- Pool & Amenity Management

Transaction

- Transfers & Disclosures; Collections
- Financial Products (banking, insurance)
- Energy Management / Procurement

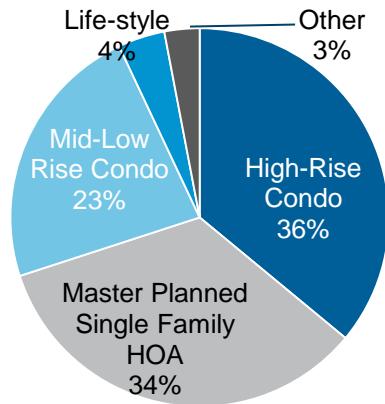


FirstService Residential – Profile

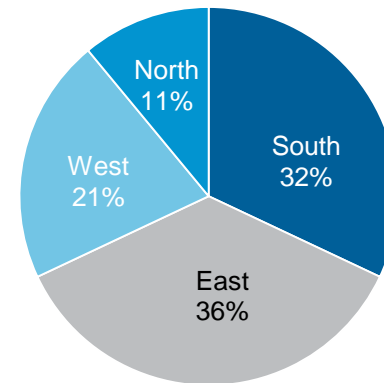
2016 Revenues:	\$1.2BN (> 2x nearest competitor)	Scale enhances competitive position
No. of Communities:	8,000 total (2,800 high-rise condos)	Diversified clients & properties with specialized operating expertise
Market Position:	1.6MM+ total units (5% market share)	Significant market leadership and future opportunity
Contract Retention Rate:	Mid-90%+	Sticky customer base; Consistent cash flow profile
Annual HOA Client Budgets:	\$8BN under administration	Opportunities to further penetrate existing portfolio with additional ancillary services
No. of Employees:	16,000+	National coverage

FirstService Residential – Diversified Operations

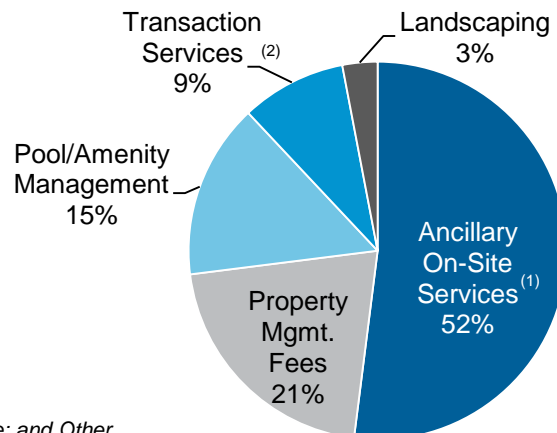
Breakdown by Property Type (8,000 Total)



2017 Revenue By Region (\$1.2BN Total)



2017 Revenue By Service (\$1.2BN Total)



(1) Includes Engineering; Front Desk; Maintenance; and Other.

(2) Includes Transfers & Disclosures; Collections; and Financial Products.

FirstService Residential – Condo/HOA Market Opportunity

Total # of community associations:	365,000	
Total # of housing units:	28MM	We Have ~5% Share⁽¹⁾ in a Sizeable Market⁽²⁾
Assessments collected from homeowners:	\$90+ BN⁽³⁾	
Community association management companies:	7,000 – 8,000	Fragmented Industry
Percent of self-managed community associations:	35%	Conversion Opportunity
Percent of U.S. homes in community associations:	21%	Growing Trend Towards HOA Development
1 out of 2 new homes built in HOAs:	50%	

Source: Community Associations Institute (2016).

(1) Market share based on number of units.

(2) Based on CAI data for U.S. market, plus an estimate for Canadian market.

(3) Assessments fund many essential association obligations, including professional management services, utilities, security, insurance, common area maintenance, landscaping, capital improvement projects, and amenities like pools and club houses.

FirstService Brands – What We Do

- Leading provider of eight branded essential property services to residential and commercial customers through franchised systems and self-perform operations

Franchised Systems

PAUL DAVIS

- Residential / commercial insurance restoration
- Primarily franchised; 6 company-owned



- Home inspections

CertaPro Painters

- Residential / commercial painting



FLOOR COVERINGS *international*

- Design / installation of floor coverings

CALIFORNIA CLOSETS®

- Closets and home storage solutions
- 65 franchised; 15 company-owned

college pro

- Exterior residential painting / window-cleaning

Company-Owned Operations



- Fire protection and safety



- HVAC and home warranty

FirstService Brands – Profile

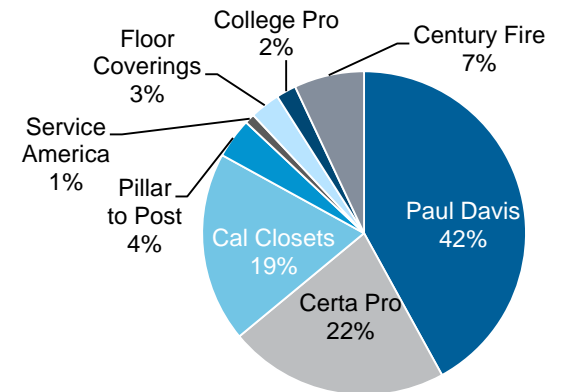
Economies of Scale as Leading Franchisor: **1,935 Franchisees**
\$2.0BN System-Wide Sales (SWS)

2016 Revenue: **\$531MM**

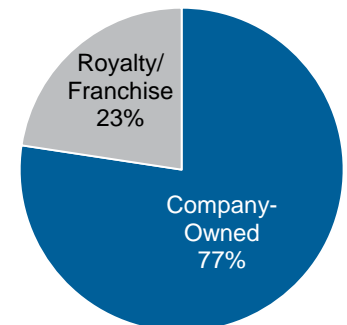
National Coverage: **3,000 employees**
13,000+ in franchised operations



2017 SWS By Brand (\$2.0BN)



2017 Revenue Breakdown (\$531MM)



FirstService Brands – Leaders in Huge Markets

Brand	U.S. Market	Our Position	Market Share
PAULDAVIS	\$60 Bn	Top 3	1% share
CertaPro Painters ★★★★★	\$40 Bn	#1	1% share
CALIFORNIA CLOSETS	\$6 Bn	#1	5% share
 PILLAR TO POST HOME INSPECTORS	\$1.6 Bn	#1	3-4% share
 FLOOR COVERINGS <i>International</i>	\$65 Bn	#1 (Franchised)	<1% share
college pro	--	#1 (Student-Led)	--
 Century Fire Protection	\$8 Bn	#1 (Southeast U.S.)	1% share
 SERVICE AMERICA	--	#1 (Florida)	--



Growth Strategy

Organic Growth

1

Leverage Differentiators to Drive New Business

- Scale
- Capital

2

Focus on Customer Retention & Referral

- Service Excellence
- Net Promoter System (“NPS”)
- 60% of new business from referrals

3

Continue to Expand our Ancillary Services

- Add-on services / increase penetration
- \$8Bn in property management client budgets
- Fill out fire protection service capabilities

4

Improve our Operational Efficiency

- FirstService Residential operating platform investments
- California Closets centralized manufacturing
- Franchisee same-store productivity

Acquisition Growth

1

Highly Fragmented Markets

- Geographic expansion and same market tuck-under acquisitions

2

Ancillary Service Companies

- Expand service offerings in many markets

3

Expand Company-Owned Portfolio

- California Closets
- Paul Davis Restoration
- Century Fire Protection

4

Complementary Essential Property Service Lines

- Leading franchise systems or company-owned in large, fragmented property service markets

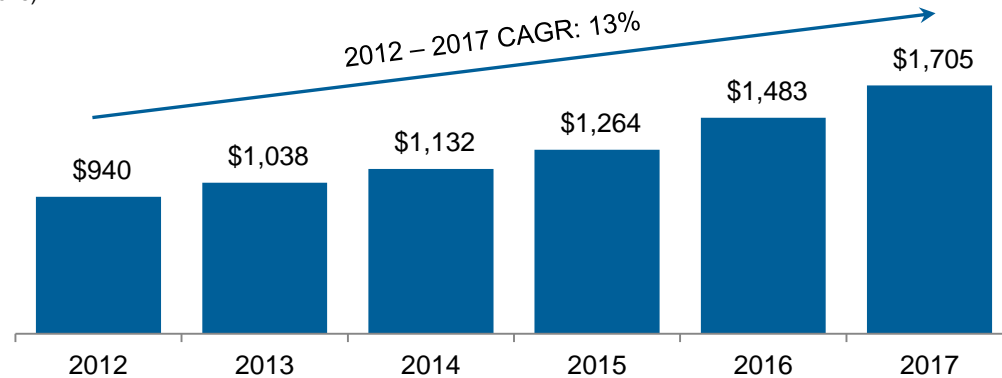
FirstService Residential

FirstService Brands

Strong Historical Performance

Revenues

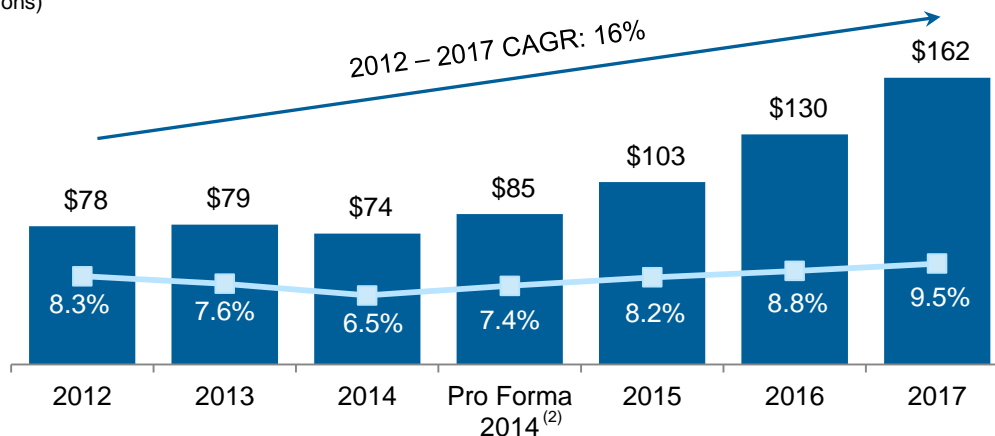
(\$ in millions)



Recurring revenue model provides consistency and predictability

Adjusted EBITDA⁽¹⁾

(\$ in millions)



Continue operational improvements to further expand operating margins

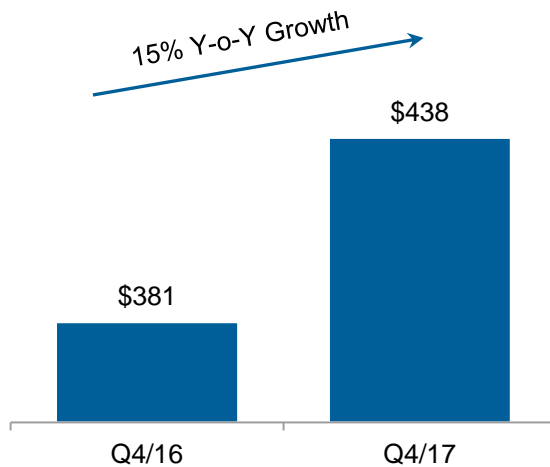
(1) Adjusted EBITDA as presented above is a non-GAAP measure. Investors should consider non-GAAP measures in addition to, not as a substitute for, the comparable GAAP measures.

(2) 2014 Pro forma Adjusted EBITDA reflects annualized contribution from completed acquisitions and add-back of \$9MM of non-recurring elevated employee medical benefits costs.

YTD Performance – Q4/17 Vs. Prior Year

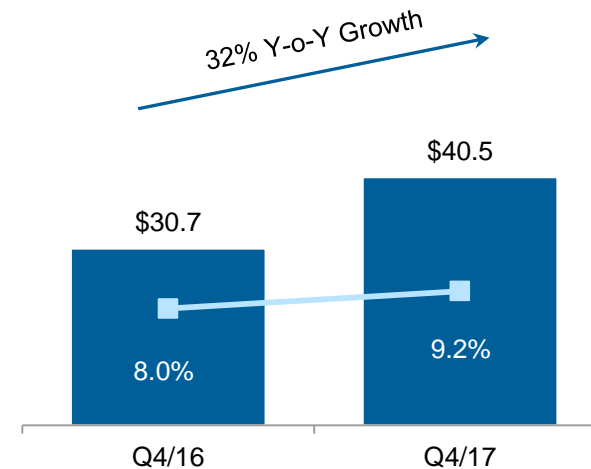
Revenue – Q4 vs. Prior Year

(\$ in millions)



Adjusted EBITDA⁽¹⁾ – Q4 vs. Prior Year

(\$ in millions)



(1) Adjusted EBITDA as presented above is a non-GAAP measure. Investors should consider non-GAAP measures in addition to, not as a substitute for, the comparable GAAP measures.

2018 Full-Year Expectations

Metric	2018 Full-Year Consolidated Expectations
Year-Over-Year Revenue Growth	Mid Single-Digit Organic Percentage Increase + Tuck-Under Acquisition Growth
Adjusted EBITDA Margin	Modest Year-Over-Year Improvement (9.5% in 2017)
Effective Tax Rate	~25%
Capital Expenditures	~\$40MM
Working Capital	Minimal
Dividend Policy	Increased annual to US\$0.54 per share (paid quarterly) (~\$20MM in total)

Capital Structure Summary

Attractive Lending Arrangements

- \$250MM Bank Credit Facility
- \$150MM Senior Notes – 3.84% coupon long-term maturity (2025)

Leverage and Liquidity

	31-Dec-16	31-Dec-17
Net Debt / EBITDA ⁽¹⁾	1.5x	1.3x
Total Liquidity (\$ MM) ⁽²⁾	\$140	\$188

(1) Expressed as net debt / Trailing 12 Months Adjusted EBITDA, including annualized contribution from acquisitions.

(2) Reflects cash on hand plus availability under revolving bank credit facility.

FirstService – A Compelling Investment Opportunity

Market Leadership

- Leadership positions in essential, outsourced property services markets that very large and highly fragmented
- Scale advantage, proprietary products / services and national coverage are competitive differentiators which are difficult to replicate

Attractive Financial Profile

- Long and consistent track record of growth
- Highly predictable and recurring revenue streams
- Low CapEx and working capital requirements drive high free cash flow generation
- Operating leverage from efficiencies and franchise model
- Financial strength for future growth

Compelling Growth Prospects

- Significant organic growth opportunities
 - Leveraging differentiators to drive contract wins
 - Add-on services; increased client penetration
- Margin enhancement potential
- Proven, disciplined acquisition strategy

Appendix

Reconciliation of GAAP Earnings to Adjusted EBITDA

<i>(in thousands of US dollars)</i>	Three months ended		Twelve months ended	
	December 31		December 31	
	2017	2016	2017	2016
Net earnings	\$ 24,647	\$ 11,716	\$ 76,673	\$ 54,243
Income tax	589	4,848	22,607	27,387
Other (income) expense	2	(60)	(1,520)	(232)
Interest expense, net	2,489	2,413	9,867	9,152
Operating earnings	27,727	18,917	107,627	90,550
Depreciation and amortization	11,816	11,013	42,049	36,969
Goodwill impairment charge	-	-	6,150	-
Acquisition-related items	68	209	2,019	61
Stock-based compensation expense	895	521	4,132	2,744
Adjusted EBITDA	\$ 40,506	\$ 30,660	\$ 161,977	\$ 130,324

Appendix

Reconciliation of GAAP Earnings to Adjusted Net Earnings and Adjusted Earnings Per Share

(in thousands of US dollars)

	Three months ended		Twelve months ended	
	December 31		December 31	
	2017	2016	2017	2016
Net earnings	\$ 24,647	\$ 11,716	\$ 76,673	\$ 54,243
Non-controlling interest share of earnings	(1,487)	(59)	(8,228)	(5,238)
Acquisition-related items	68	209	2,019	61
Amortization of intangible assets	4,014	4,495	14,354	14,195
Goodwill impairment charge	-	-	6,150	-
Stock-based compensation expense	895	521	4,132	2,744
Stock-based compensation tax adjustment for US GAAP change	(2,530)	-	(8,460)	-
Income tax recovery on enactment of US Tax Reform	(2,514)	-	(2,514)	-
Income tax on adjustments	(4,317)	(1,980)	(9,586)	(6,638)
Non-controlling interest on adjustments	(82)	(105)	(356)	(278)
Adjusted net earnings	\$ 18,694	\$ 14,797	\$ 74,184	\$ 59,089

(in US dollars)

	Three months ended		Twelve months ended	
	December 31		December 31	
	2017	2016	2017	2016
Diluted net earnings per share	\$ 0.40	\$ 0.19	\$ 1.45	\$ 0.92
Non-controlling interest redemption increment	0.23	0.13	0.42	0.42
Acquisition-related items	-	0.01	0.05	-
Amortization of intangible assets, net of tax	0.07	0.07	0.23	0.23
Goodwill impairment charge, net of tax	(0.07)	-	0.10	-
Stock-based compensation expense, net of tax	0.02	0.01	0.08	0.05
Stock-based compensation tax adjustment for US GAAP change	(0.07)	-	(0.23)	-
Income tax recovery on enactment of US Tax Reform	(0.07)	-	(0.07)	-
Adjusted EPS	\$ 0.51	\$ 0.41	\$ 2.03	\$ 1.62