

FirstService Corporation

Investor Presentation

August 2017



FirstService

Creating value one step at a time

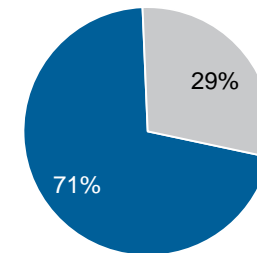
Forward Looking Statements

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

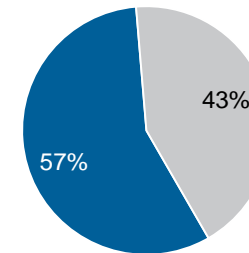
- Leader in essential outsourced property services in U.S. and Canada
 - FirstService Residential: Largest manager of residential communities
 - FirstService Brands: One of the largest providers of essential property services
- TTM Revenue: \$1.60BN⁽¹⁾
- TTM Adjusted EBITDA: \$146MM⁽¹⁾
- Geographic Revenue Split: 95% U.S. / 5% Canada
- 17,000 Employees
- Dual-listing on TSX and NASDAQ (Ticker: FSV)
- US\$0.49 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 June 30, 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

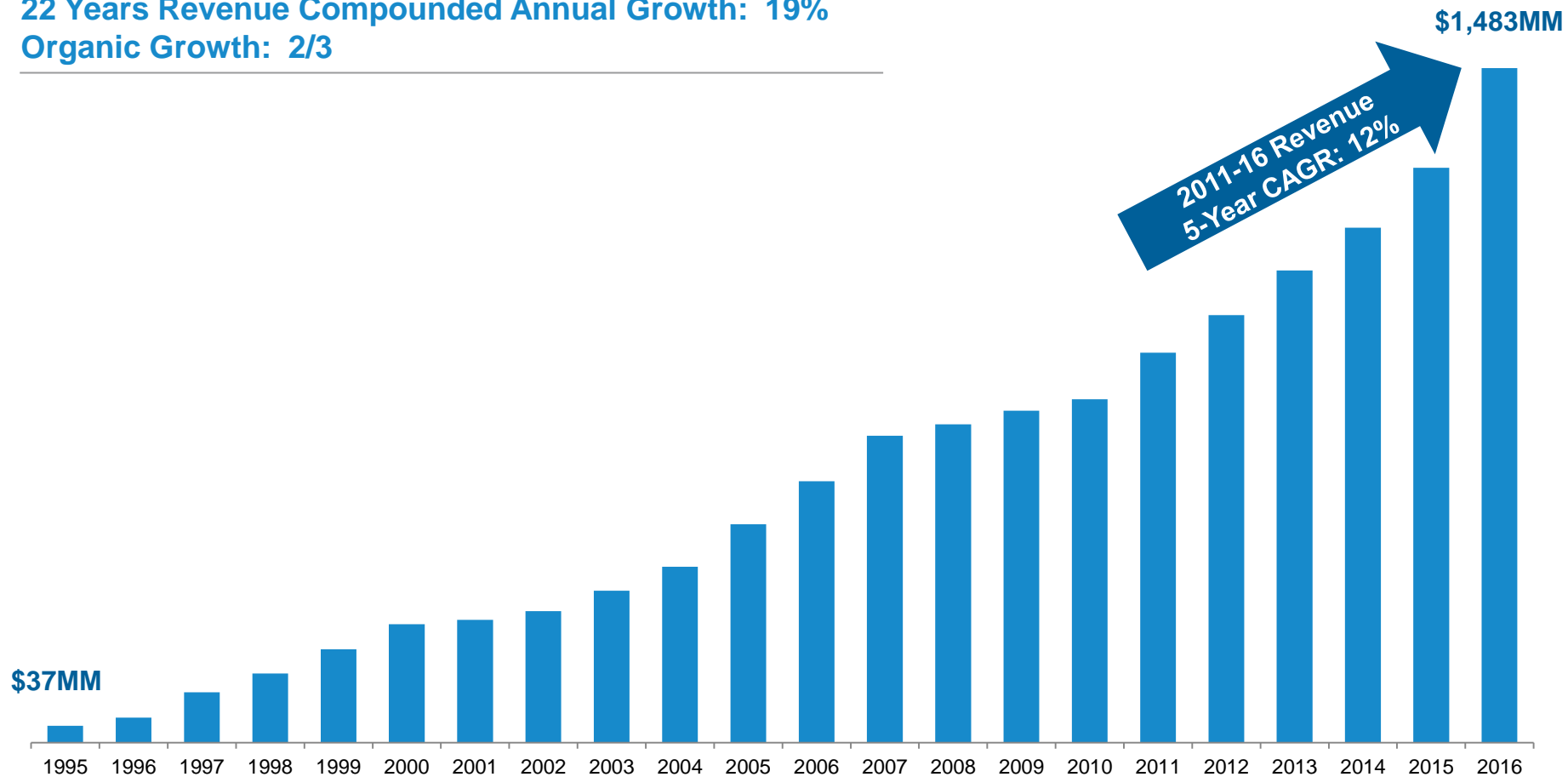
Strong free cash flow and returns on capital

Conservative Balance Sheet

Low financial leverage; well-capitalized to fund growth

Two Decades of Consistent Growth

22 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

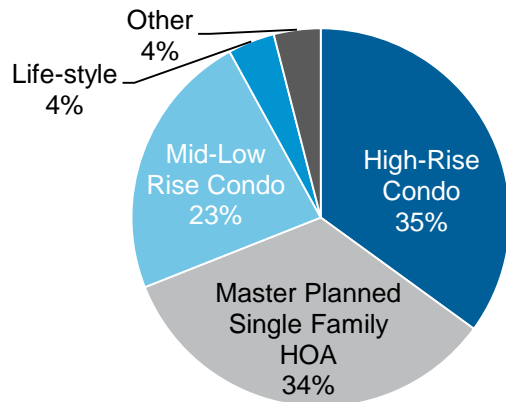


FirstService Residential – Profile

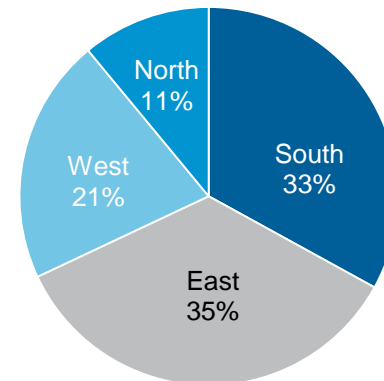
2016 Revenues:	\$1.1BN (> 2x nearest competitor)	Scale enhances competitive position
No. of Communities:	7,900 total (2,750 high-rise condos)	Diversified clients & properties with specialized operating expertise
Market Position:	1.6MM+ total units (5% market share)	Significant market leadership and future opportunity
Contract Retention Rate:	Mid-90%+	Sticky customer base; Consistent cash flow profile
Annual HOA Client Budgets:	\$7.5BN under administration	Opportunities to further penetrate existing portfolio with additional ancillary services
No. of Employees:	15,000	National coverage

FirstService Residential – Diversified Operations

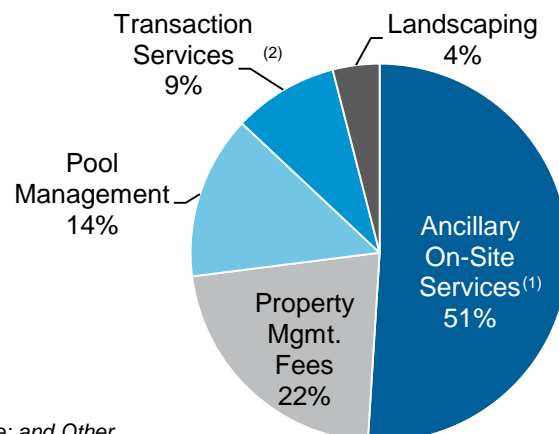
Breakdown by Property Type (7,900 Total)



2016 Revenue By Region (\$1.1BN Total)



2016 Revenue By Service (\$1.1BN 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:	360,000	
Total # of housing units:	28MM	We Have ~5% Share⁽¹⁾ in a Sizeable Market⁽²⁾
Assessments collected from homeowners:	\$90 billion⁽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 (2015).

(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; 5 company-owned



- Home inspections

CertaPro Painters

- Residential / commercial painting



FLOOR COVERINGS *international*

- Design / installation of floor coverings

CALIFORNIA CLOSETS®

- Closets and home storage solutions
- 66 franchised; 14 company-owned

college pro

- Exterior residential painting / window-cleaning

Company-Owned Operations



- Fire protection and safety



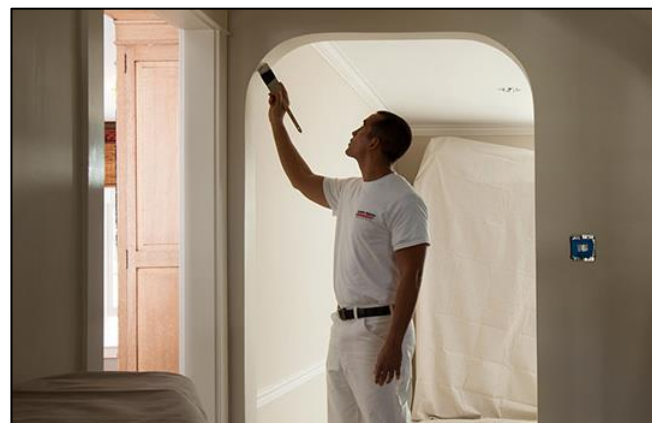
- HVAC and home warranty

FirstService Brands – Profile

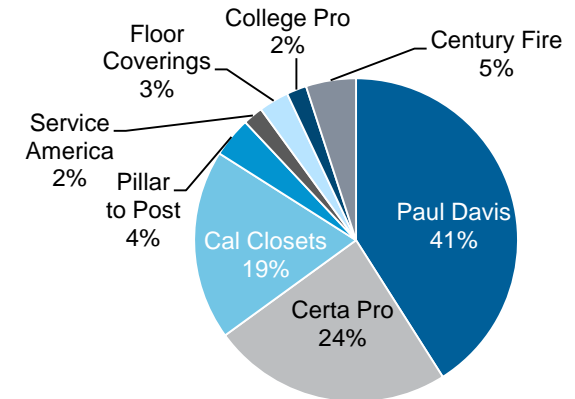
Economies of Scale as Leading Franchisor: **1,925 Franchisees**
\$1.8BN System-Wide Sales (SWS)

2016 Revenue: **\$370MM**

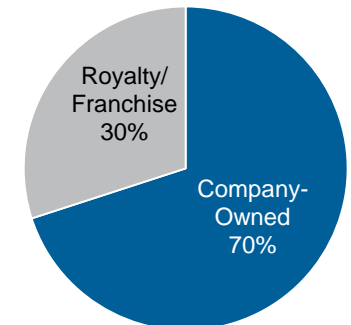
National Coverage: **2,000 employees**
15,000+ in franchised operations



SWS By Brand (\$1.8BN)



Revenue Breakdown (\$370MM)



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
- \$7.5Bn 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

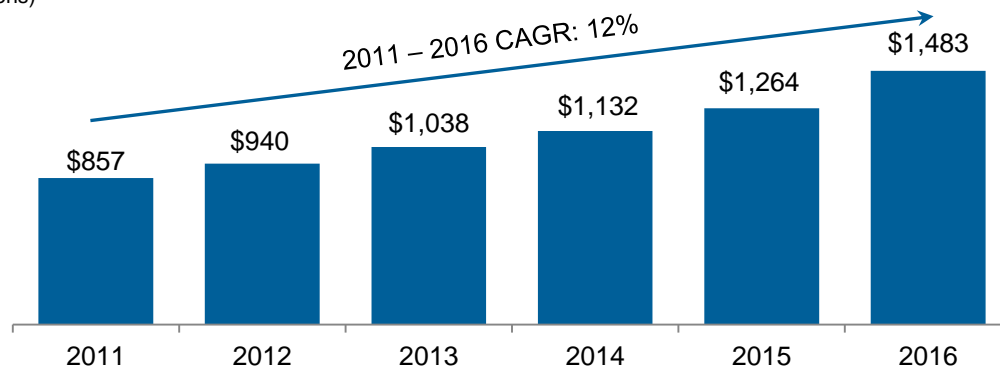
FirstService Residential

FirstService Brands

Strong Historical Performance

Revenues

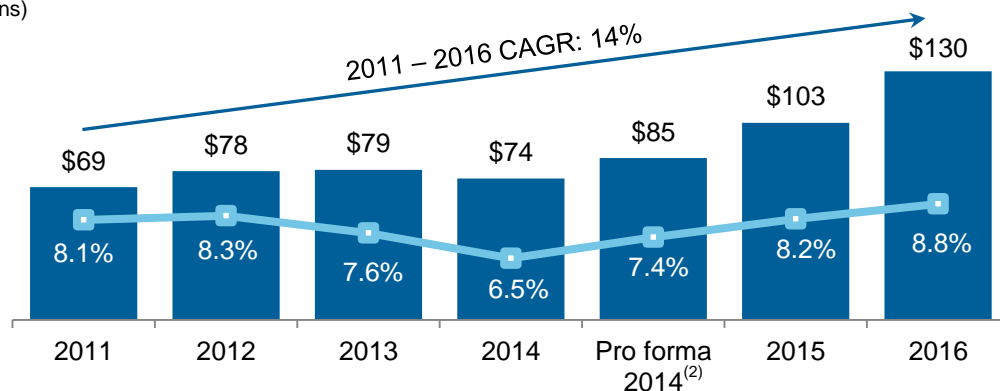
(\$ in millions)



Recurring revenue model provides consistency and predictability

Adjusted EBITDA⁽¹⁾

(\$ in millions)



Continue operational improvements to further expand operating margins

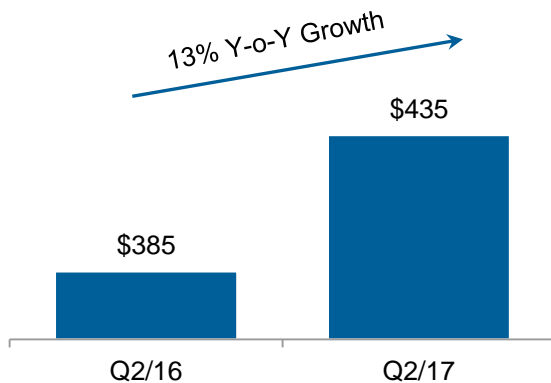
(1) Adjusted EBITDA as presented above is a non-GAAP measure. Investors should consider non-GAAP measures in addition to, not as a substitute for, the comparable GAAP measures.

(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 – Q2/17 and 6 Mos. Vs. Prior Year

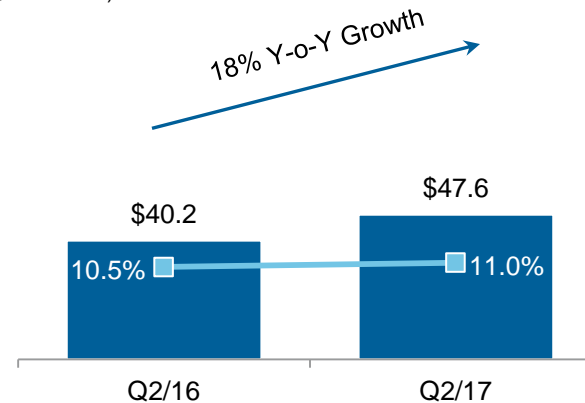
Revenue – Q2 vs. Prior Year

(\$ in millions)



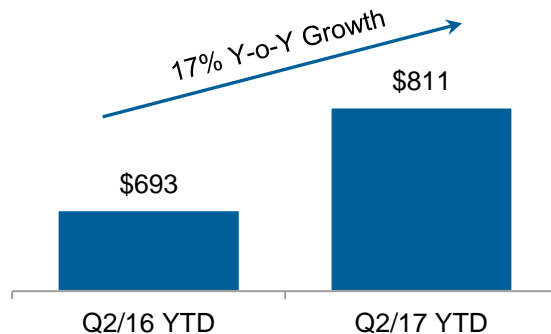
Adjusted EBITDA⁽¹⁾ – Q2 vs. Prior Year

(\$ in millions)



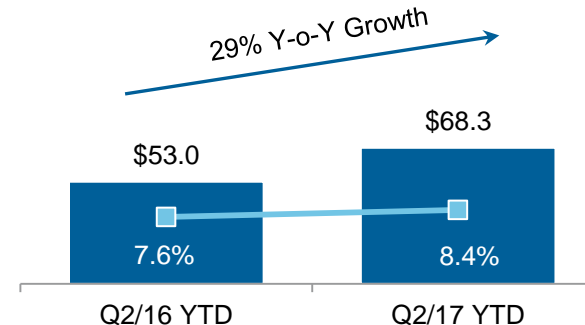
Revenue – 6 Months YTD vs. Prior Year

(\$ in millions)



Adjusted EBITDA⁽¹⁾ – 6 Months YTD 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.

2017 Full-Year Expectations

Metric	2017 Full-Year Consolidated Expectations
Year-Over-Year Revenue Growth	Low Double-Digit Percentage Increase
Adjusted EBITDA Margin	>9%
Effective Tax Rate	Low 30%+
Capital Expenditures	Maintenance = Mid-\$30MM+; Total = ~\$40MM
Working Capital	Minimal
Dividend Policy	Increased annual to US\$0.49 per share (paid quarterly) (~\$18MM in total)

Capital Structure Summary

Attractive Lending Arrangements

- \$200MM Bank Credit Facility
- \$150MM Senior Notes – 3.84% coupon long-term maturity (2025)

Leverage and Liquidity

	31-Dec-16	30-Jun-17
Net Debt / EBITDA ⁽¹⁾	1.5x	1.5x
Total Liquidity (\$ MM) ⁽²⁾	\$140	\$131

(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		Six months ended	
	June 30		June 30	
	2017	2016	2016	2015
Net earnings	\$ 22,265	\$ 18,072	\$ 30,885	\$ 19,589
Income tax	11,099	10,262	9,797	11,112
Other (income) expense	(110)	(26)	(205)	(101)
Interest expense, net	2,554	2,486	4,879	4,455
Operating earnings	35,808	30,794	45,356	35,055
Depreciation and amortization	10,356	8,494	19,851	15,908
Acquisition-related items	525	322	771	393
Stock-based compensation expense	929	635	2,344	1,605
Adjusted EBITDA	\$ 47,618	\$ 40,245	\$ 68,322	\$ 52,961

Appendix

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

(in thousands of US dollars)

	Three months ended		Six months ended	
	June 30		June 30	
	2017	2016	2016	2015
Net earnings	\$ 22,265	\$ 18,072	\$ 30,885	\$ 19,589
Non-controlling interest share of earnings	(2,330)	(1,508)	(4,159)	(2,316)
Acquisition-related items	525	322	771	393
Amortization of intangible assets	3,565	2,833	6,751	5,225
Stock-based compensation expense	929	635	2,344	1,605
Stock-based compensation tax adjustment for US GAAP change	(880)	-	(4,623)	-
Income tax on adjustments	(1,751)	(1,355)	(3,521)	(2,651)
Non-controlling interest on adjustments	(91)	(62)	(162)	(95)
Adjusted net earnings	\$ 22,232	\$ 18,937	\$ 28,286	\$ 21,750

(in US dollars)

	Three months ended		Six months ended	
	June 30		June 30	
	2017	2016	2016	2015
Diluted net earnings per share	\$ 0.50	\$ 0.35	\$ 0.63	\$ 0.30
Non-controlling interest redemption increment	0.04	0.10	0.10	0.17
Acquisition-related items	0.01	0.01	0.02	0.01
Amortization of intangible assets, net of tax	0.06	0.05	0.11	0.09
Stock-based compensation expense, net of tax	0.02	0.01	0.04	0.03
Stock-based compensation tax adjustment for US GAAP change	(0.02)	-	(0.13)	-
Adjusted EPS	\$ 0.61	\$ 0.52	\$ 0.77	\$ 0.60