

FirstService Corporation

Investors Presentation

August 2021



FirstService

Creating value one step at a time

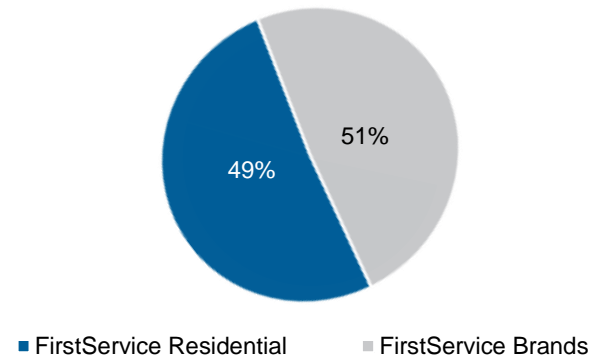
Forward Looking Statements

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.

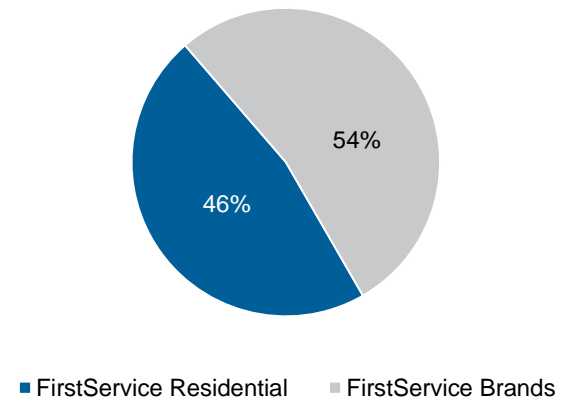
FirstService Corporation Overview

- 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: \$3.1BN⁽¹⁾
- TTM Adjusted EBITDA: \$318MM⁽¹⁾
- Geographic Revenue Split: 88% U.S. / 12% Canada
- 24,000 Employees
- Dual-listing on TSX and NASDAQ (Ticker: FSV)
- US\$0.73 per share annual dividend

Revenue by Division (TTM)⁽¹⁾



EBITDA by Division (TTM)⁽¹⁾⁽²⁾



(1) Trailing 12 months as of year ending June 30, 2021.

(2) Excludes unallocated corporate costs.

Proven Business Model

Strategic Focus

10% annual average top-line growth; driven equally by organic growth and tuck-under acquisitions

Leader in Very Large Markets

Modest yet leading market shares; significant room for further growth

Service Excellence Culture

Strong client retention; repeat business; referrals

High Proportion of Contractual Revenue

Highly predictable and recurring cash flow

Modest Capex

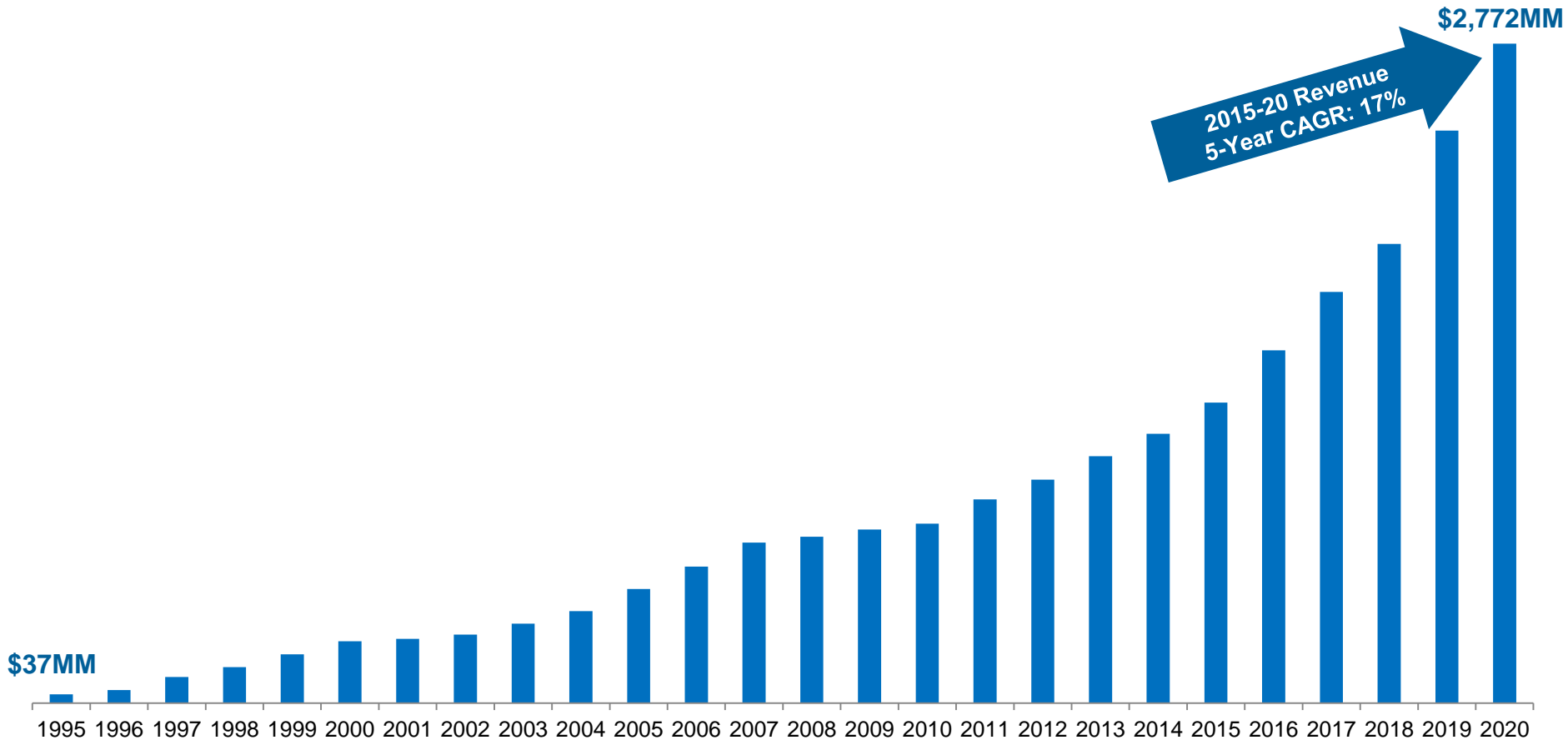
Strong free cash flow and returns on capital

Conservative Balance Sheet

Low financial leverage; well-capitalized to fund growth

Two Decades of Consistent Growth

25 Years Revenue Compounded Annual Growth: 19%
Organic Growth: >50%



FirstService Residential – What We Do

Management Contracts – Property Types

- Condominiums / Co-operatives
- Homeowner Associations
- Master-planned
- Active adult / Life-style
- High-rise, low-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

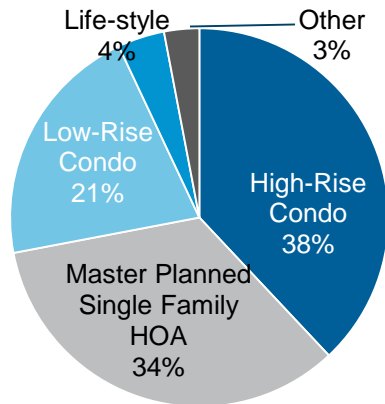


FirstService Residential – Profile

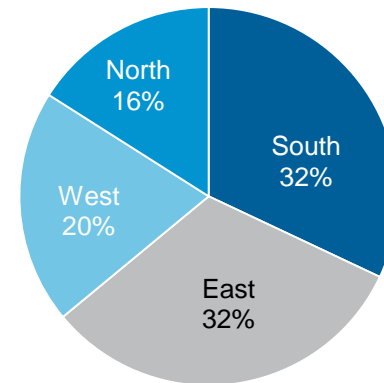
2020 Revenues:	\$1.4BN (2x nearest competitor)	Scale enhances competitive position
No. of Communities:	8,500 total (3,200 high-rise condos)	Diversified clients & properties with specialized operating expertise
Market Position:	1.7MM+ total units (6% market share)	Significant market leadership and future opportunity
Contract Retention Rate:	Mid-90%+	Sticky customer base; Consistent cash flow profile
No. of Employees:	19,000	National coverage

FirstService Residential – Diversified Operations

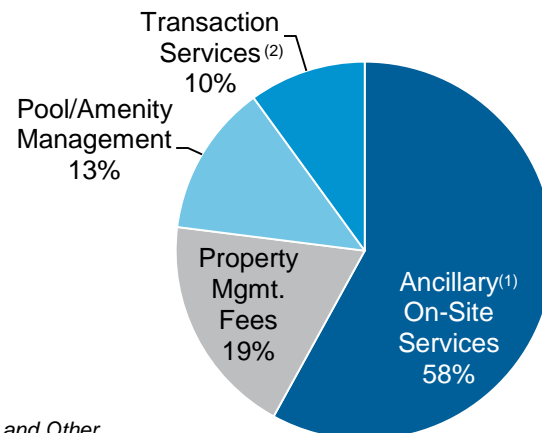
Breakdown by Property Type (8,500 Total)



2020 Revenue By Region (\$1.4BN Total)



2020 Revenue By Service (\$1.4BN 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:	375,000	
Total # of housing units:	29MM	We Have ~6% Share⁽¹⁾ in a Sizeable Market⁽²⁾
Assessments collected from homeowners:	\$130 BN⁽³⁾	
Community association management companies:	8,000 – 9,000	Fragmented Industry
Percent of self-managed community associations:	35%	Conversion Opportunity
Percent of U.S. homes in community associations:	26%	Growing Trend Towards HOA Development
3 out of 4 new homes built in HOAs:	75%	

Source: Community Associations Institute (2019).

(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 include: (a) operating funds for 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; and (b) reserve funds for repair, replacement and enhancement of property (e.g. replacing roofs, resurfacing streets, repairing pools/elevators/other, meeting new environmental standards, and implementing new energy-saving features).

FirstService Brands – What We Do

- Leading provider of seven branded essential property services to residential and commercial customers through company-owned operations and franchised systems



CALIFORNIA CLOSETS®

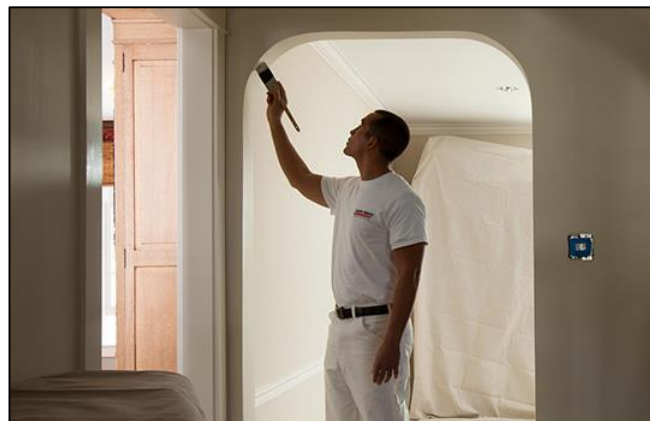


FirstService Brands – Profile

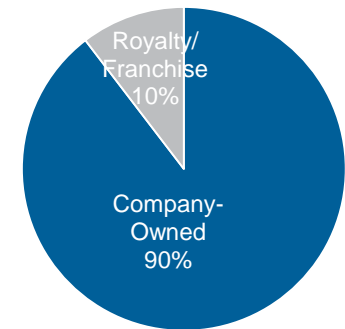
2020 Revenue: **\$1.4BN**

Economies of Scale as Leading Franchisor: **1,500 Franchisees**
\$3.0BN System-Wide Sales (SWS)

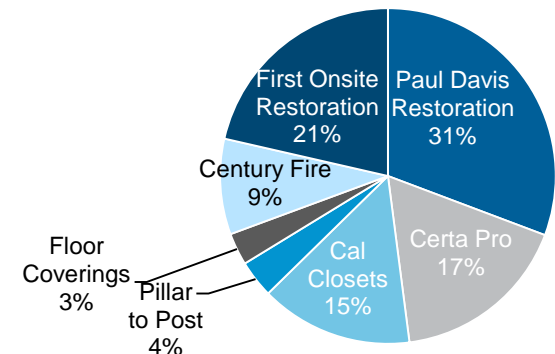
National Coverage: **5,500 employees**
13,000+ in franchised operations






2020 Revenue Breakdown (\$1.4BN)



2020 SWS By Brand (\$3.0BN)



FirstService Brands – Leaders in Huge Markets

Brand	U.S. Market	Our Position	Market Share
	\$60 Bn	#2	2.5%
			
	\$50 Bn	#1	1%
CALIFORNIA CLOSETS	\$6 Bn	#1	7%
	\$3 Bn	#1	3%
 FLOOR COVERINGS <i>international</i>	\$65 Bn	#1 (Franchised)	<1%
	\$8 Bn	#1 (Southeast U.S.)	3%



Growth Strategy

Organic Growth

1

Focus on Customer Retention & Referral

2

Leverage Differentiators to Drive New Business

3

Continue to Expand our Ancillary Services

Acquisition Growth

1

Expand Company-Owned Portfolio

- Property Restoration
- Century Fire Protection
- California Closets

2

New Geographies; In-Market Tuck-Unders

3

Property Management Ancillary Services

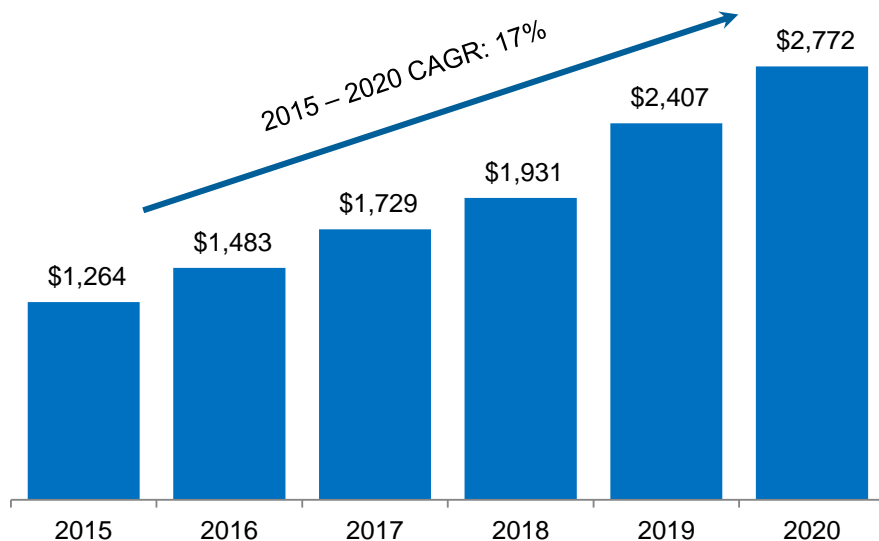
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Complementary Essential Property Service Lines

Strong Historical Performance

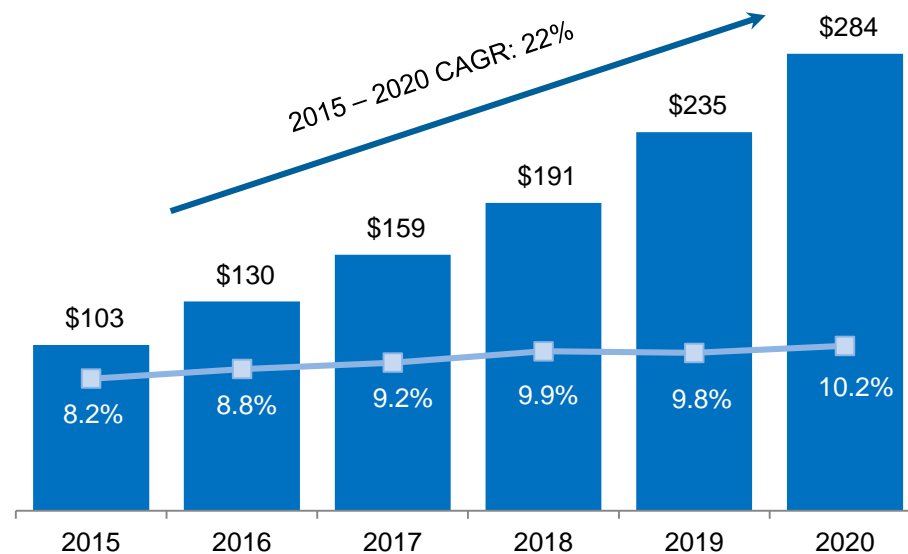
Revenues

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)



Recurring revenue model providing top-line consistency and predictability.....

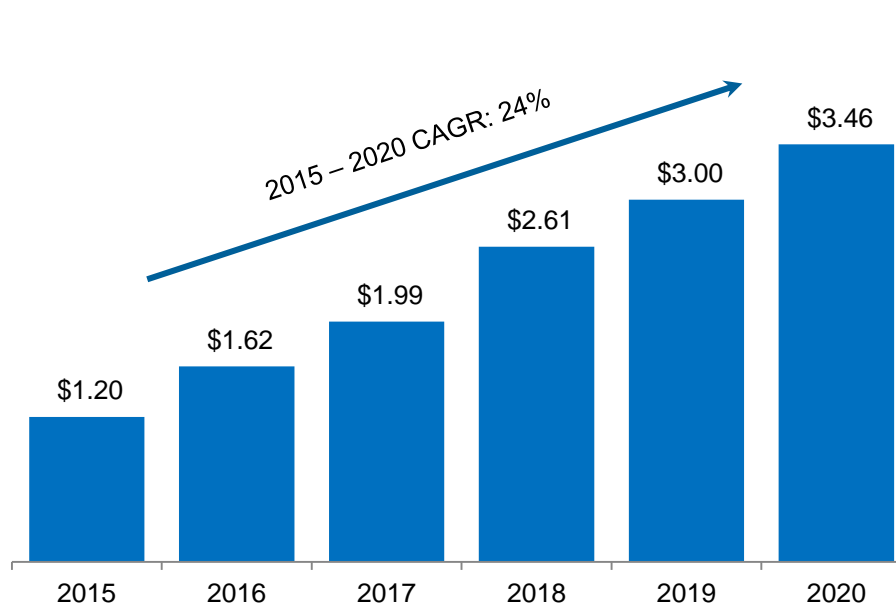
....plus operational improvements to incrementally expand operating margins.....

(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.

Strong Historical Performance (cont'd)

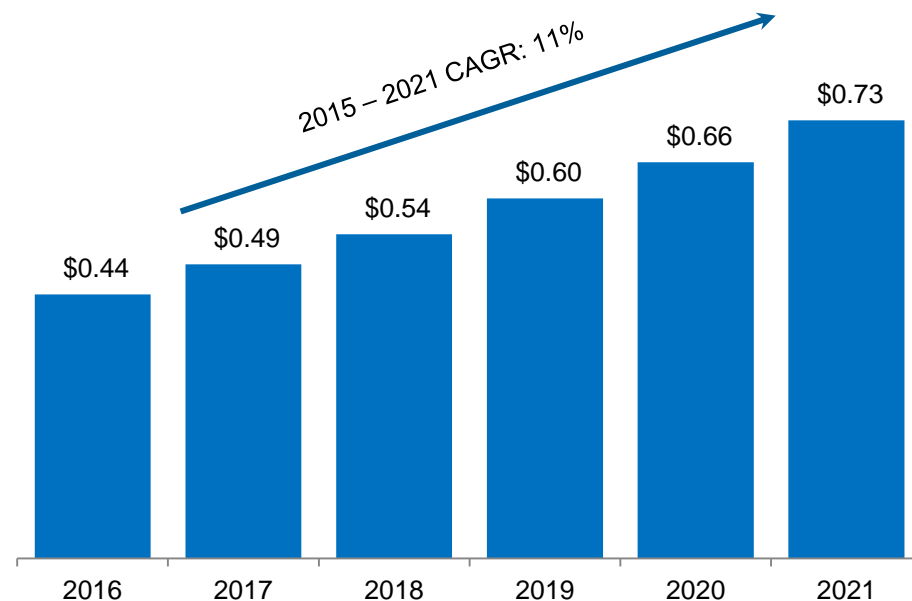
Adjusted EPS⁽¹⁾

(US\$)



Annual Dividends

(US\$)



....drives strong earnings growth which has also supported...

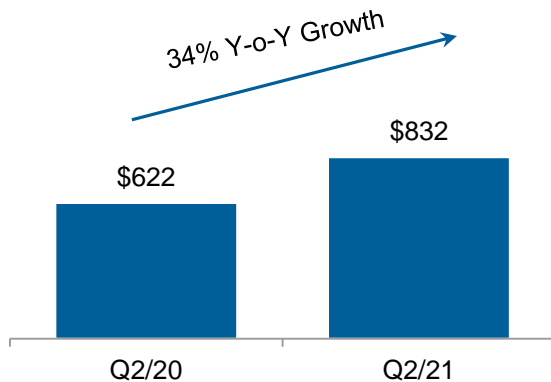
.....80%+ cumulative dividend growth since 2015

(1) Adjusted EPS 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.

YTD Performance – Q2/21 and 6 Mos. Vs. Prior Year

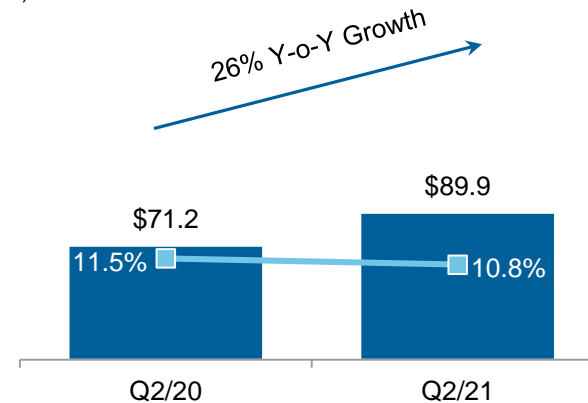
Revenue – Q2 vs. Prior Year

(\$ in millions)



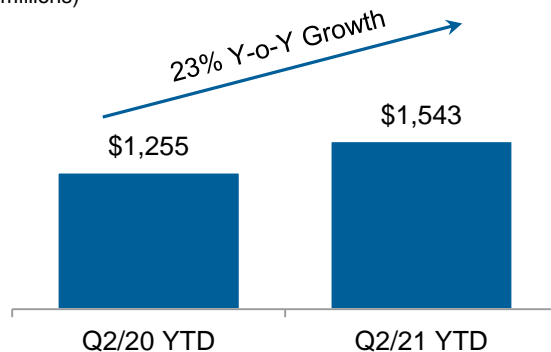
Adjusted EBITDA⁽¹⁾ – Q2 vs. Prior Year

(\$ in millions)



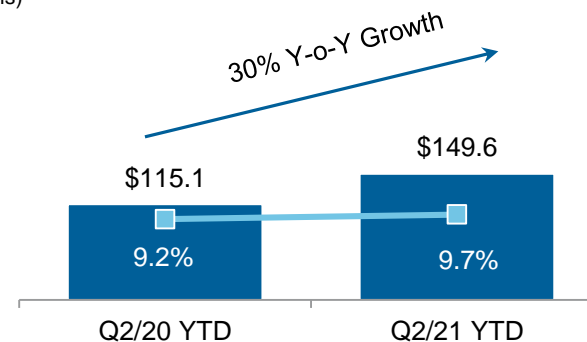
Revenue – 6 Months YTD vs. Prior Year

(\$ 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.

Capital Structure Summary

Attractive Existing Lending Arrangements

- \$450MM Bank Credit Facility
- \$440MM Term Loan
- \$150MM Senior Notes – 3.84% coupon long-term maturity (2025)

Leverage and Liquidity

	31-Dec-20	30-Jun-21
Net Debt / EBITDA ⁽¹⁾	1.4x	1.2x
Total Liquidity (\$ MM) ⁽²⁾	\$606	\$572

(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 Position

- Leader in large and highly fragmented essential, outsourced property services markets
 - 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 strong growth
 - Highly predictable and recurring revenue streams
 - Low CapEx and working capital requirements drive strong free cash flow
 - Conservative balance sheet
-

Compelling

Growth Prospects

- Significant organic growth opportunities
 - Leveraging differentiators to drive contract wins
 - Leading yet modest shares in huge markets
 - Margin enhancement potential
 - Proven, disciplined acquisition strategy
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Appendix

Reconciliation of GAAP Earnings to Adjusted EBITDA

(in thousands of US dollars)

	Three months ended		Six months ended	
	June 30		June 30	
	2021	2020	2021	2020
Net earnings	\$ 44,020	\$ 29,917	\$ 67,863	\$ 35,697
Income tax	14,280	9,603	22,000	11,149
Other income	(888)	(147)	(2,756)	(376)
Interest expense, net	3,971	5,530	8,158	14,417
Operating earnings	61,383	44,903	95,265	60,887
Depreciation and amortization	23,674	23,488	46,899	46,995
Acquisition-related items	(107)	397	(206)	802
Stock-based compensation expense	4,903	2,443	7,690	6,412
Adjusted EBITDA	\$ 89,853	\$ 71,231	\$ 149,648	\$ 115,096

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	
	2021	2020	2021	2020
Net earnings	\$ 44,020	\$ 29,917	\$ 67,863	\$ 35,697
Non-controlling interest share of earnings	(1,596)	(3,326)	(5,363)	(5,081)
Acquisition-related items	(107)	397	(206)	802
Amortization of intangible assets	10,408	10,864	20,420	22,225
Stock-based compensation expense	4,903	2,443	7,690	6,412
Income tax on adjustments	(3,981)	(3,460)	(7,309)	(7,446)
Non-controlling interest on adjustments	(177)	(298)	(352)	(520)
Adjusted net earnings	\$ 53,470	\$ 36,537	\$ 82,743	\$ 52,089

(in US dollars)

	Three months ended		Six months ended	
	June 30		June 30	
	2021	2020	2021	2020
Diluted net earnings per share	\$ 0.83	\$ 0.64	\$ 1.32	\$ 0.77
Non-controlling interest redemption increment (decrement)	0.13	(0.01)	0.09	(0.04)
Acquisition-related items	-	0.01	-	0.02
Amortization of intangible assets, net of tax	0.17	0.18	0.33	0.37
Stock-based compensation expense, net of tax	0.08	0.04	0.13	0.11
Adjusted EPS	\$ 1.21	\$ 0.86	\$ 1.87	\$ 1.23