

# FirstService Corporation

## Investors Presentation

February 2025



**FirstService**

Creating value one step at a time

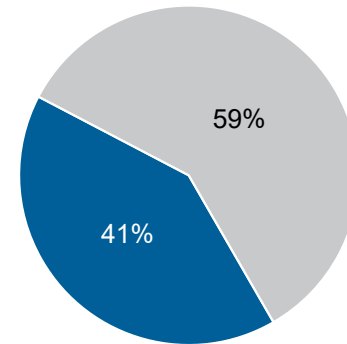
# Forward Looking Statements

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

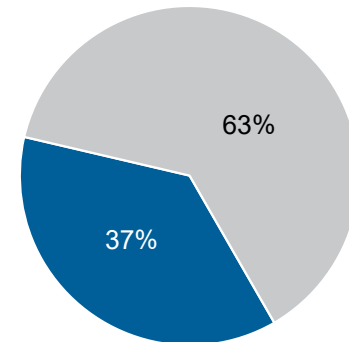
- Leader in essential outsourced property services in U.S. and Canada
  - FirstService Residential: Largest provider of residential community and amenity management services
  - FirstService Brands: One of the largest providers of essential property services
- 2024 Revenue: \$5.2BN
- 2024 Adjusted EBITDA<sup>(2)</sup>: \$514MM
- Geographic Revenue Split: 88% U.S. / 12% Canada
- 30,000 Employees
- Dual-listing on TSX and NASDAQ (Ticker: FSV)
- US\$1.10 per share annual dividend

## Revenue by Division (2024)



■ FirstService Residential ■ FirstService Brands

## EBITDA by Division (2024)<sup>(1)</sup>



■ FirstService Residential ■ FirstService Brands

(1) Excludes unallocated corporate costs.

(2) See Appendix slide for reconciliation of GAAP Earnings to Adjusted EBITDA

# Proven Business Model

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## Strategic Focus

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

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## Leader in Very Large Markets

Modest yet leading market shares; significant room for further growth

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## Service Excellence Culture

Strong client retention; repeat business; referrals

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## High Proportion of Contractual Revenue

Highly predictable and recurring cash flow

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## Modest Capex

Strong free cash flow and returns on capital

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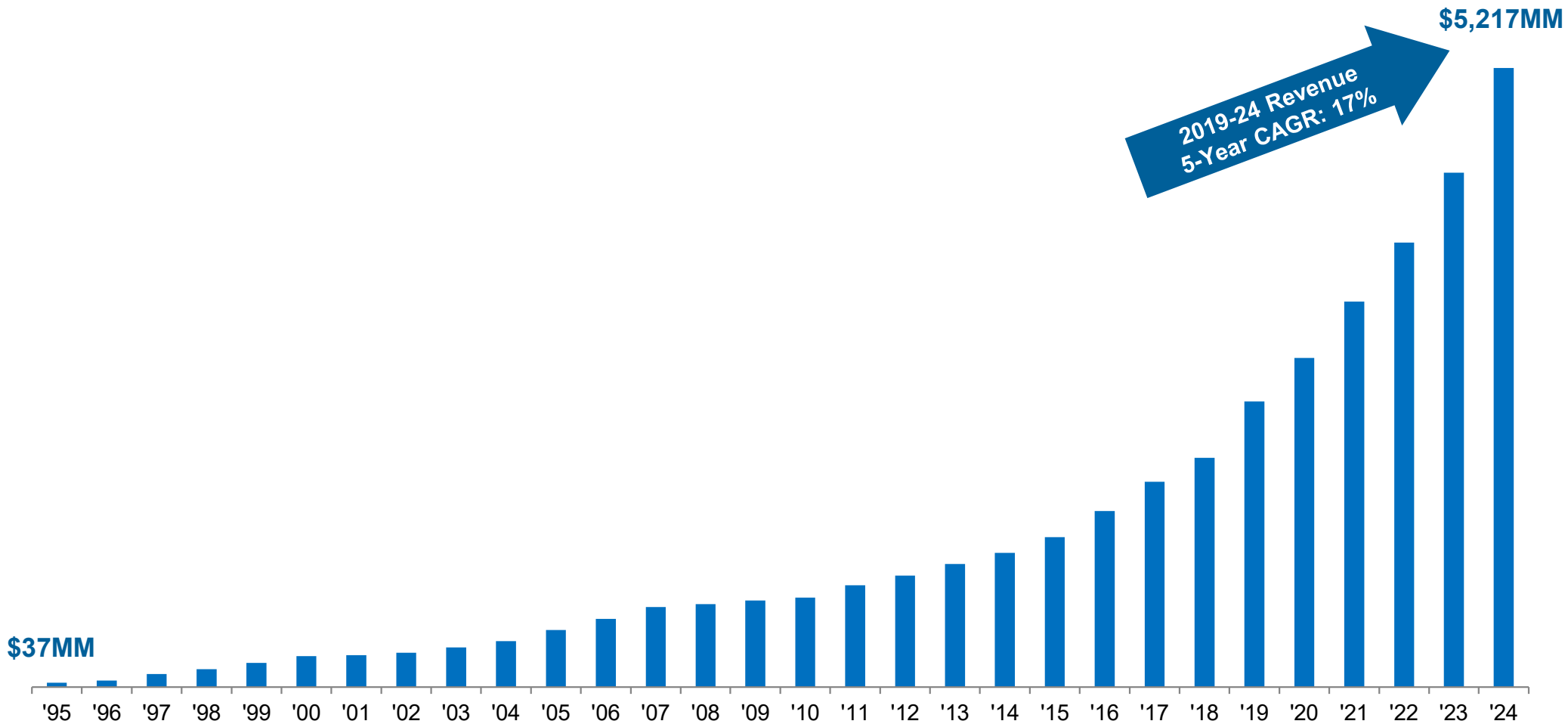
## Conservative Balance Sheet

Low financial leverage; well-capitalized to fund growth

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# Almost Three Decades of Consistent Growth

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



# FirstService Residential – What We Do

## Management Contracts

- Condominiums / Co-Operatives
- Homeowner Associations
- Master-Planned
- Active Adult / Life-Style
- High-Rise, Low-Rise, Townhouse, Single Family Home
- Multi-family / Rental
- Mixed-Use Properties (Residential / Commercial)
- Amenity / Aquatic Facilities
- Advisory / Project Management



## 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
- Food & Beverage

### Transaction

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



# FirstService Residential – Profile

2024 Revenues:

**\$2.1BN**

**Scale enhances  
competitive position**

No. of Communities:

**9,000+ total (3,800 high-rise condos)**

**Diversified clients &  
properties with specialized  
operating expertise**

Contract Retention  
Rate:

**Mid-90%+**

**Sticky customer base;  
Consistent cash flow  
profile**

Geographic Footprint:

**100 Offices; 25 Regional Markets**

**North American coverage**

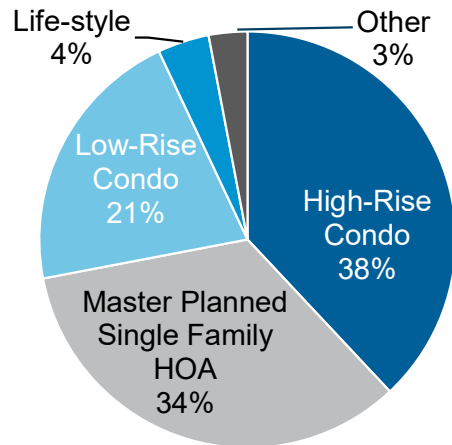
No. of Employees:

**20,000**

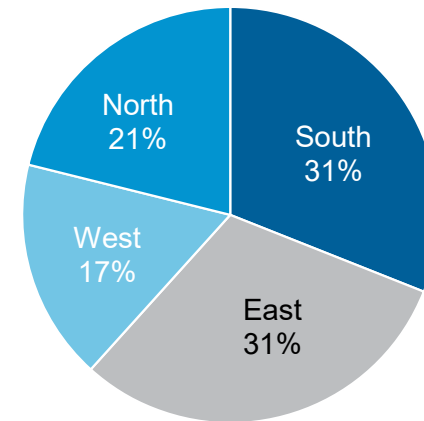
**Full service capabilities**

# FirstService Residential – Diversified Operations

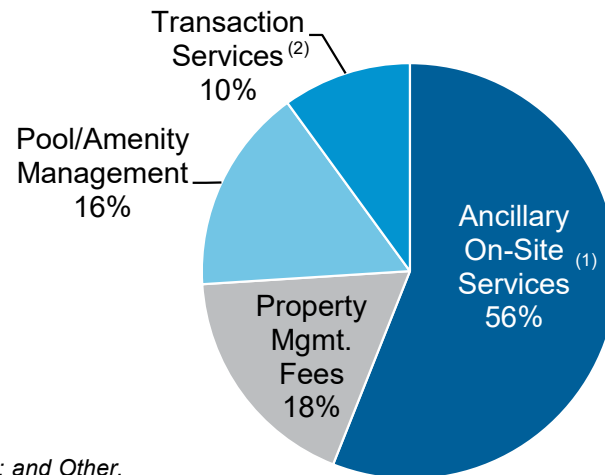
## Breakdown by Property Type



## 2024 Revenue By Region (\$2.1BN Total)



## 2024 Revenue By Service (\$2.1BN Total)



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

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



# FirstService Residential – Condo/HOA Market Opportunity

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Total # of community associations:	<b>395,000</b>	
Total # of housing units:	<b>31MM</b>	<b>We Have ~6-8% Share in a Sizeable Market<sup>(1)</sup></b>
Assessments collected from homeowners:	<b>\$160 BN<sup>(2)</sup></b>	
Community association management companies:	<b>9,000 – 10,000</b>	<b>Fragmented Industry</b>
Percent of self-managed community associations:	<b>35%</b>	<b>Conversion Opportunity</b>
Percent of U.S. homes in community associations:	<b>34%</b>	<b>Growing Trend Towards HOA Development</b>
New homes sold in HOAs:	<b>81%</b>	

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Source: Community Associations Institute (2024).

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

(2) 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 eight branded essential property services to commercial and residential customers through company-owned operations and franchised systems



CALIFORNIA CLOSETS®



# FirstService Brands – Profile

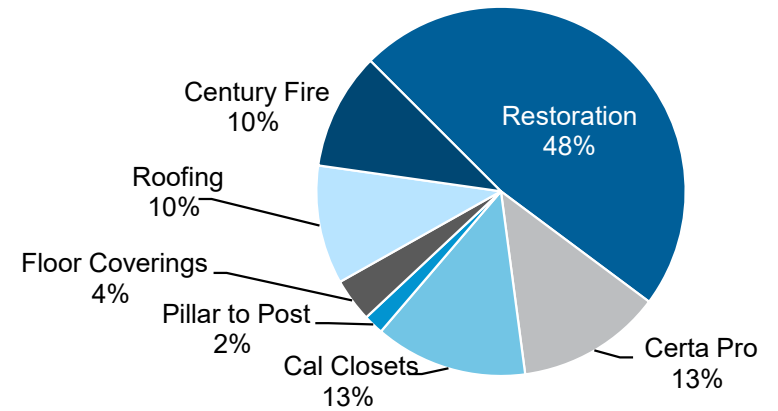
## 2024 Revenue Summary

**\$5.4BN System-Wide Sales (SWS)**

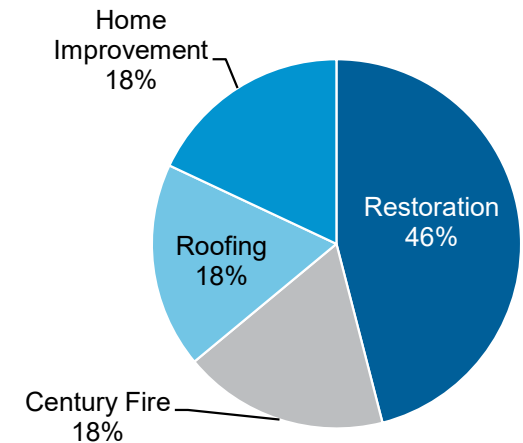
**\$3.1BN FirstService Brands Division Revenue**

- **\$2.9BN (93%) Company-Owned Revenue**
- **\$225MM (7%) Franchise/Royalty-Based Revenue**

## 2024 SWS By Brand (\$5.4BN)



## 2024 Division Revenue (\$3.1BN)



# Property Restoration – Profile

Market Leading Platforms:



80% Commercial



80% Residential

Breadth and scale to jointly handle any size loss across any property type

2024 Revenues:

**\$2.6BN Overall System-Wide Sales**

North American leader in overall Property Restoration market

No. of Branches:

**480 Branches**

National footprint increases timely response to clients



# Roofing Corp of America Acquisition



## Transaction Snapshot and Company Profile

<b>Transaction Structure</b>	<ul style="list-style-type: none"><li>▪ Closed mid-December, 2023</li><li>▪ Acquired &gt;90% shares; senior management retained balance of equity</li></ul>
<b>Purchase Price</b>	<ul style="list-style-type: none"><li>▪ \$413MM in cash</li></ul>
<b>Full-Service Offering</b>	<ul style="list-style-type: none"><li>▪ Re-Roofing; Repair &amp; Maintenance; New Roof Installations</li></ul>
<b>Geographic Footprint</b>	<ul style="list-style-type: none"><li>▪ 16 Branches across 11 states</li><li>▪ Sun belt, Mid-Atlantic, Midwest and West regions</li><li>▪ HQ in Atlanta Georgia</li></ul>
<b>No. Employees</b>	<ul style="list-style-type: none"><li>▪ ~1,000 full-time trained personnel</li></ul>
<b>Annual Financials</b>	<ul style="list-style-type: none"><li>▪ \$400MM Revenues; Low Double-Digit EBITDA Margin</li></ul>
<b>Revenue Segmentation</b>	<ul style="list-style-type: none"><li>▪ 90% Commercial; 10% Residential</li><li>▪ 2/3 Recurring/Re-Occurring (Re-Refoof; R&amp;M); 1/3 New Roof Installations</li></ul>

# Roofing Corp of America Acquisition (cont'd)



## Attractive Commercial Roofing Market Opportunity

### Very Large Market

- \$45BN market

### Leadership Position

- Top 5 Player in North America
- Scale with broad geographic footprint

### Market Dynamics

- Non-discretionary, non-deferrable essential property service


### Organic Growth Drivers

- Replacement cycles and preventative repair/maintenance
- Growth of built environment
- Adjacent strategic fit with our Restoration brands

### Highly Fragmented Market

- Market leaders command minimal shares (~1-2%)
- Tuck-under acquisition activity

# FirstService Brands – Leaders in Huge Markets

Brand	U.S. Market	Our Position	Market Share
 	\$60 Bn	#2	4%
	\$45 Bn	#3	1%
	\$12 Bn	#1 (Southeast U.S.)	4%
CALIFORNIA CLOSETS®	\$6 Bn	#1	12%
	\$50 Bn	#1	1%
 FLOOR COVERINGS <i>international</i>	\$65 Bn	#1 (Franchised)	<1%
	\$3 Bn	#1	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

2

New Geographies; In-Market Tuck-Unders

3

Property Management Ancillary Services

4

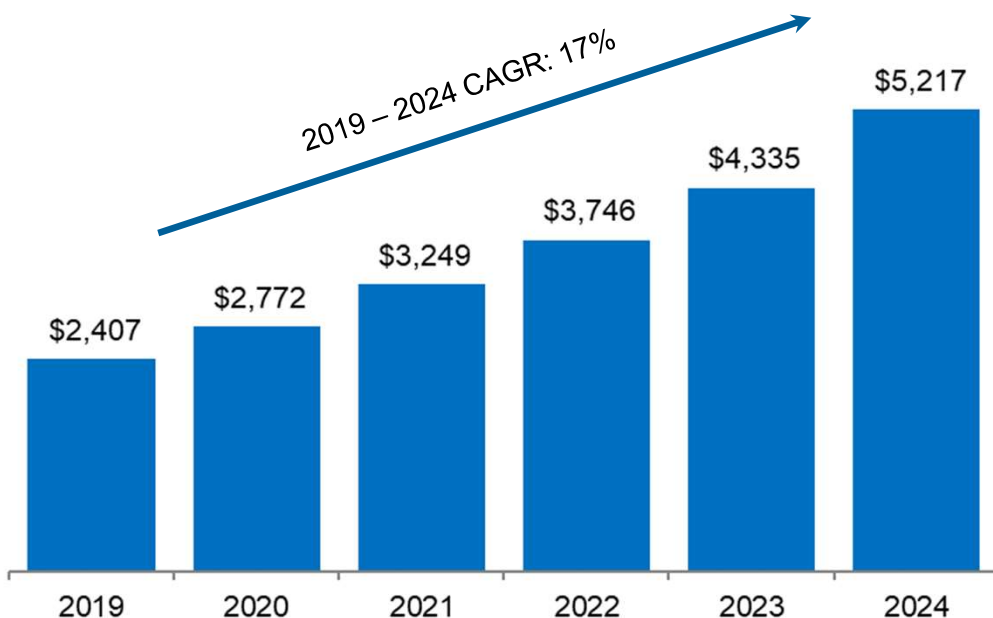
Complementary Essential Property Service Lines



# Strong Historical Performance

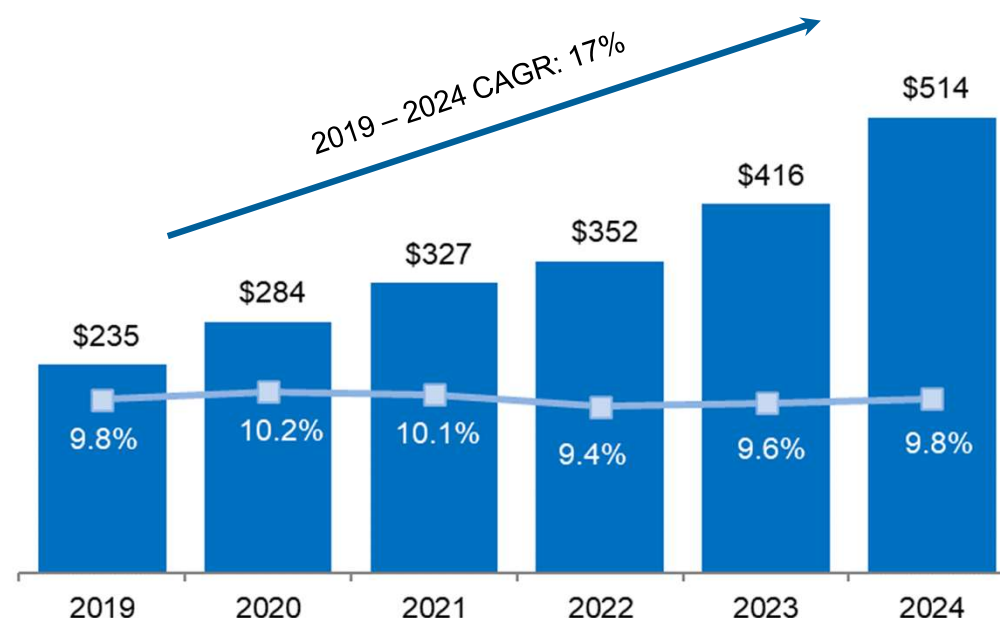
## Revenues

(\$ in millions)



## Adjusted EBITDA<sup>(1)</sup>

(\$ in millions)



**Recurring revenue model with strong organic growth underpinning top-line performance...**

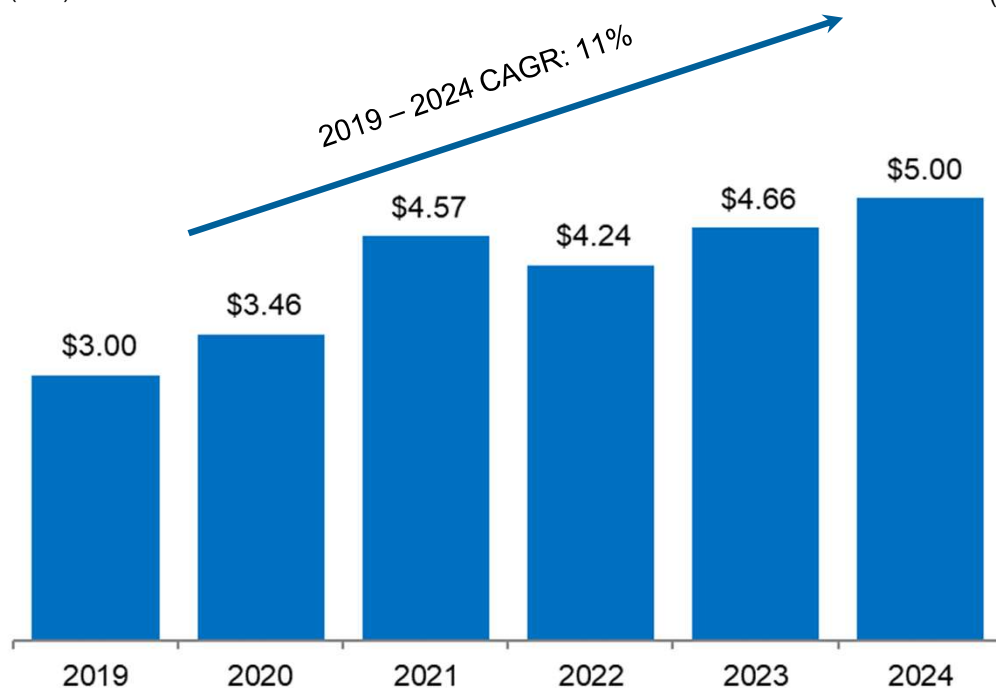
**...with comparable operating cash flow and earnings growth**

(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. Please visit [www.sedarplus.ca](http://www.sedarplus.ca) to view our annual and interim MD&As, under Reconciliation of non-GAAP financial measures, for each of the above mentioned periods for a description of each non-GAAP measure as well as the reconciliations to GAAP measures.

# Strong Historical Performance (cont'd)

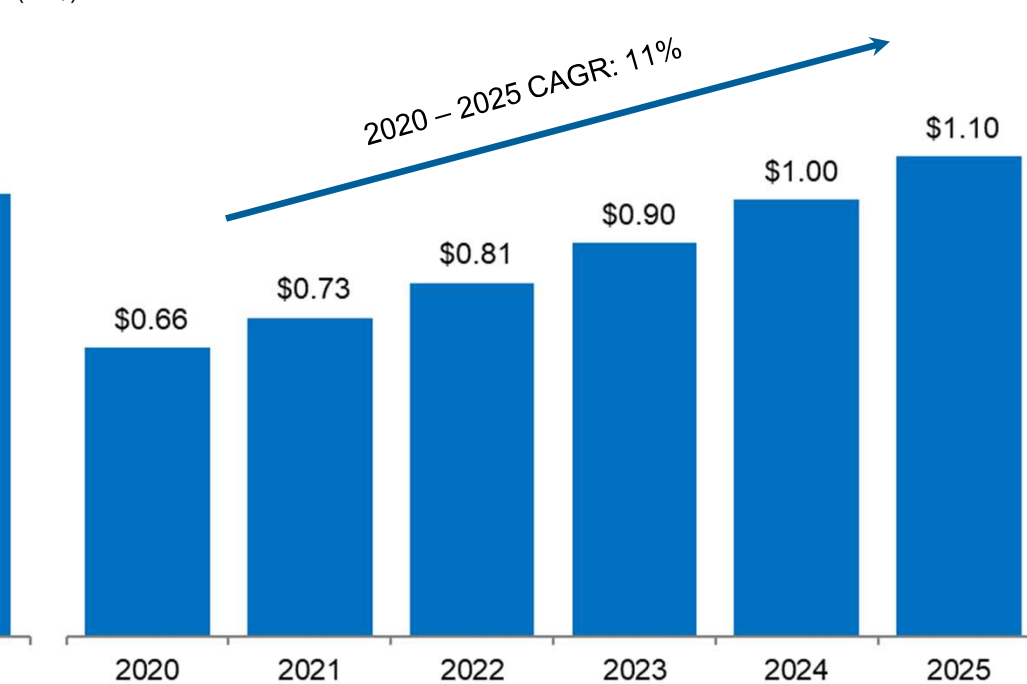
## Adjusted EPS<sup>(1)</sup>

(US\$)



## Annual Dividends

(US\$)



**Strong earnings growth has also supported...**

**...175% 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. Please visit [www.sedarplus.ca](http://www.sedarplus.ca) to view our annual and interim MD&As, under Reconciliation of non-GAAP financial measures, for each of the above mentioned periods for a description of each non-GAAP measure as well as the reconciliations to GAAP measures.

# Capital Structure Summary

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## Attractive Unsecured Lending Arrangements

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- \$1.75BN Bank Credit Facility (+\$250MM Accordion) (5-Yr Term Expiring Feb/30)
- \$60MM Senior Notes – 4.5% coupon long-term maturity (2032)
- \$125MM Senior Notes ~5.5% coupon area, long term maturity (2029 – 2031)

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## Leverage and Liquidity

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	31-Dec-23	31-Dec-24 <sup>(3)</sup>
<b>Net Debt / EBITDA <sup>(1)</sup></b>	<b>2.1x</b>	<b>2.0x</b>
<b>Total Liquidity (\$ MM) <sup>(2)</sup></b>	<b>\$343</b>	<b>\$861</b>

(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.

(3) Total Liquidity reflects increased Revolving Bank Credit Facility announced on February 26, 2025.

# FirstService – A Compelling Investment Opportunity

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## 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

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## Attractive Financial Profile

- Long and consistent track record of strong growth
- Diversified portfolio of brands with highly predictable and recurring revenue streams
- Low CapEx and working capital requirements drive strong free cash flow
- Conservative balance sheet

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## 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

# Appendix

## Reconciliation of GAAP Earnings to Adjusted EBITDA

*(in thousands of US dollars)*

	Three months ended		Twelve months ended	
	December 31		December 31	
	2024	2023	2024	2023
Net earnings	\$ 50,179	\$ 23,783	\$ 187,774	\$ 147,021
Income tax	19,153	12,051	70,124	56,317
Other income, net	(863)	(595)	(3,239)	(5,810)
Interest expense, net	21,146	12,823	82,853	47,364
Operating earnings	89,615	48,062	337,512	244,892
Depreciation and amortization	47,828	33,872	165,269	127,934
Acquisition-related items	(5,272)	16,485	(14,402)	21,517
Stock-based compensation expense	5,685	4,924	25,311	21,385
Adjusted EBITDA	\$ 137,856	\$ 103,343	\$ 513,690	\$ 415,728

# 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	
	2024	2023	2024	2023
Net earnings	\$ 50,179	\$ 23,783	\$ 187,774	\$ 147,021
Non-controlling interest share of earnings	(3,639)	(3,925)	(15,624)	(14,140)
Acquisition-related items	(5,272)	16,485	(14,402)	21,517
Amortization of intangible assets	22,331	13,942	72,396	54,238
Stock-based compensation expense	5,685	4,924	25,311	21,385
Income tax on adjustments	(8,125)	(4,905)	(28,335)	(19,662)
Non-controlling interest on adjustments	(206)	(665)	(693)	(1,517)
Adjusted net earnings	\$ 60,953	\$ 49,639	\$ 226,427	\$ 208,842

(in US dollars)

	Three months ended		Twelve months ended	
	December 31		December 31	
	2024	2023	2024	2023
Diluted net earnings per share	\$ 0.71	\$ 0.14	\$ 2.97	\$ 2.24
Non-controlling interest redemption increment	0.31	0.30	0.83	0.72
Acquisition-related items	(0.11)	0.36	(0.31)	0.47
Amortization of intangible assets, net of tax	0.34	0.23	1.11	0.88
Stock-based compensation expense, net of tax	0.09	0.08	0.40	0.35
Adjusted EPS	\$ 1.34	\$ 1.11	\$ 5.00	\$ 4.66