



2024  
**INVESTOR**  
AND **ANALYST**  
**CONFERENCE**

**ROL**  
LISTED  
NYSE

# 2024

## INVESTOR AND ANALYST CONFERENCE

# AGENDA

### Presentations

#### Embracing “The Art of Change”

**Jerry Gahlhoff** | CEO & President

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#### The Power & Scale of the Orkin Brand

**Pat Chrzanowski** | President Orkin USA

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#### Our Multi-Brand Approach + Brand Leadership Panel

**Ken Krause** | EVP & CFO

**Brady Camp** | President HomeTeam & Fox

**Jeff Dunn** | Co-President Northwest

**Rob Quinn** | President Orkin Canada

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#### Marketing: A Balanced & Disciplined Approach to Customer Acquisition

**Cam Glover** | VP Marketing Orkin USA

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#### Technology as an Enabler

**Renee Pearson** | Chief Technology Officer

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#### Powerful Model for Value Creation

**Ken Krause** | EVP & CFO

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## Q&A





# EXECUTIVE BIOS



**Jerry E. Gahlhoff, Jr.**

Chief Executive Officer and President

Jerry E. Gahlhoff Jr. has served as a Director of Rollins, Inc. since 2021. In 2022, Mr. Gahlhoff was elected by the Board of Directors to serve as Chief Executive Officer of the Company, effective January 1, 2023, in addition to his role as President, a role he has held since 2020. Mr. Gahlhoff also served as Chief Operating Officer of the Company from 2020 to 2022. Prior to that, Mr. Gahlhoff served as President of the Company's Specialty Brands and Vice President of Human Resources from 2016 to 2020, and as a Division President from 2011 to 2016. Mr. Gahlhoff joined the Company as part of the HomeTeam acquisition in 2008. Mr. Gahlhoff has been instrumental in driving the Company's growth initiatives and has extensive knowledge of the Company's business and industry, having served in various roles of increasing responsibility at the Company for over 22 years. Mr. Gahlhoff received a Master of Science in Entomology from the University of Florida.



**Kenneth D. Krause**

Executive Vice President, Chief Financial Officer and Treasurer

Kenneth D. Krause has served as the Executive Vice President, Chief Financial Officer and Treasurer of Rollins since September 2022. Prior to joining Rollins, Mr. Krause served as the Senior Vice President, Chief Financial Officer, Chief Strategy Officer and Treasurer of MSA Safety, Inc. from 2015 to 2022. Under his tenure as CFO at MSA Safety, Inc., he was instrumental in driving significant value creation. Mr. Krause also served in various other leadership roles at MSA Safety, Inc. with increasing levels of responsibility from 2006 to 2015. Prior to that he was a practicing CPA with KPMG, LLP. Mr. Krause received a Bachelor of Science in Business Administration – Accounting from Slippery Rock University and an MBA from the University of Pittsburgh Katz Graduate School of Business. He currently serves as a member of the Metro Atlanta Chamber Board of Directors.



## **Patrick J. Chrzanowski**

President Orkin USA

Patrick J. Chrzanowski was promoted to President of Orkin USA in January, 2023, overseeing operations in the United States. Mr. Chrzanowski has served as Division President for the Orkin Midwest Division from 2018 to 2022 as well as the Orkin Northeast Division from 2014 to 2018. Prior to his tenure as Division President, he served as the Atlantic Division Sales Manager from 2012 to 2014 and as the Tennessee Region Manager from 2007 to 2012. His previous experience prior to joining Orkin in 2007 includes Aramark Uniform Services, Terminix, and TruGreen ChemLawn. Mr. Chrzanowski played football and graduated from the United States Naval Academy with a general engineering degree. He was an Officer in the U.S. Navy for 12 years before venturing into the private sector. He achieved his MBA from the University of Redlands and attended the Tuck Executive Education program at Dartmouth College.



## **Renee J. Pearson**

Group Vice President and Chief Technology Officer

Renee J. Pearson has served as Group Vice President and Chief Technology Officer of Rollins since March 2023. Ms. Pearson leads all technology teams including Enterprise Applications, Shared Services, Data & Analytics, Business Relationship Management, M&A, and IT Transformation. Prior to Rollins, Ms. Pearson served as Senior Vice President of IT at Republic National Distributing Company. Ms. Pearson also held various leadership roles with increasing levels of responsibility within the consumer packaged goods industry from 1999 to 2020.



## **Cam C. Glover**

Vice President of Marketing Orkin USA

Cam C. Glover has served as the Vice President of Marketing at Orkin since October 2021. In this role, he leads a team supporting multiple areas including brand strategy, performance marketing, communications, product management, pricing, analytics, and B2B marketing. Since joining Rollins in 2003, Mr. Glover has progressed through various marketing leadership positions, each with increasing responsibility. Prior to his tenure at Rollins, he gained extensive experience in marketing across retail, e-commerce, and consumer packaged goods sectors, cultivating a skill set that he brings to his current role.



## **Samuel B. Camp (Brady)**

President HomeTeam Pest Defense and Fox Pest Control

Samuel B. Camp (Brady) has more than forty years of experience in the pest control industry and has served as the President of HomeTeam Pest Defense since 2016. Prior to this, Mr. Camp served in a number of roles of increasing responsibility within the company including East Division Vice President of Sales, East Division Vice President and Vice President of Operations. In 2023 HomeTeam acquired Fox Pest Control and Mr. Camp was promoted to President for HomeTeam Pest Defense and Fox Pest Control, managing over 3,500 employees.



## **Jeff T. Dunn**

Co-President Northwest Exterminating

With more than twenty three years at Northwest Exterminating, Jeff T. Dunn has held numerous roles, spanning from Service Center Manager, Director of Pest Control Operations, and Vice President of Sales. Most recently, Mr. Dunn served as Chief Progression Officer, where he focused on developing a strong sales and leadership culture, integrating acquired teams into the Northwest Family, and growing the brands throughout the Southeast. Currently, Mr. Dunn serves as Co-President of Northwest Exterminating. He holds a Bachelor of Business Administration from J. Mack Robinson College of Business.



## **Robert J. Quinn**

President Orkin Canada

Robert J. Quinn was promoted to the position of President at Orkin Canada effective May 2020. His career with the company spans over three decades, initially beginning as a Sales and Service Technician. In his tenure at Orkin Canada, Mr. Quinn has progressed through a multitude of positions – from Service Manager to Senior Region Manager, culminating in his appointment as President. He holds a degree from the J. Mack Robinson College of Business, which underpins his strategic leadership qualities.



# Cautionary Statement Regarding Forward-Looking Statements

This presentation as well as other written or oral statements by the Company may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current opinions, expectations, intentions, beliefs, plans, objectives, assumptions and projections about future events and financial trends affecting the operating results and financial condition of our business. Although we believe that these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions, or expectations. Generally, statements that do not relate to historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. The words "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "should," "will," "would," and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements in this presentation include, but are not limited to, statements regarding: expectations with respect to our financial and business performance; demand for our services; our loyal customer base; brand awareness and market position; our results and pipeline of mergers and acquisitions; preserving brands of acquired companies; revenue and cost synergies; expected growth and margin expansion; strategic objectives; pricing strategies; optimizing cost structure; commercial growth opportunities; branch expansion strategies; continuous improvement initiatives enhancing profitability; secular tailwinds; market opportunities; and a balanced capital allocation program, including dividends and share repurchases.

These forward-looking statements are based on information available as of the date of this presentation and current expectations, forecasts, and assumptions, and involve a number of judgments, risks and uncertainties. Important factors could cause actual results to differ materially from those indicated or implied by forward-looking statements including, but not limited to, those set forth in the sections entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and may also be described from time to time in our future reports filed with the SEC.

Further, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required by law.



# Reconciliation of GAAP and Non-GAAP Financial Measures

The Company has used the non-GAAP financial measures of organic revenues, organic revenues by type, adjusted operating income, adjusted operating margin, adjusted net income, adjusted earnings per share ("EPS"), earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin, Adjusted EBITDA, adjusted EBITDA margin, incremental EBITDA margin, adjusted incremental EBITDA margin, free cash flow, free cash flow conversion, net debt, net leverage ratio, and adjusted sales, general and administrative expenses ("Adjusted SG&A") in this earnings presentation. Organic revenue is calculated as revenue less the revenue from acquisitions completed within the prior 12 months and excluding the revenue from divested businesses. Acquisition revenue is based on the trailing 12-month revenue of our acquired entities. Adjusted operating income and adjusted operating income margin are calculated by adding back to the GAAP measures those expenses resulting from the amortization of certain intangible assets and adjustments to the fair value of contingent consideration resulting from the acquisition of Fox. Adjusted net income and adjusted EPS are calculated by adding back to the GAAP measure amortization of certain intangible assets and adjustments to the fair value of contingent consideration resulting from the acquisition of Fox and excluding gains and losses on the sale of non-operational assets and by further subtracting the tax impact of those expenses, gains, or losses. Adjusted EBITDA and adjusted EBITDA margin are calculated by adding back to the GAAP measures those expenses resulting from the adjustments to the fair value of contingent consideration resulting from the acquisition of Fox and excluding gains and losses on the sale of non-operational assets. Incremental margin is calculated as the change in EBITDA divided by the change in revenue. Adjusted incremental margin is calculated as the change in adjusted EBITDA divided by the change in revenue. Free cash flow is calculated by subtracting capital expenditures from cash provided by operating activities. Free cash flow conversion is calculated as free cash flow divided by net income. Net debt is calculated as total long-term debt less cash and cash equivalents. Net leverage ratio is calculated by dividing net debt by trailing twelve-month EBITDA. Adjusted SG&A is calculated by removing the adjustments to the fair value of contingent consideration resulting from the acquisition of Fox. These measures should not be considered in isolation or as a substitute for revenues, net income, earnings per share or other performance measures prepared in accordance with GAAP.

Management uses adjusted operating income, adjusted operating income margin, adjusted net income, adjusted EPS, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, incremental EBITDA margin, adjusted incremental EBITDA margin, and adjusted SG&A as measures of operating performance because these measures allow the Company to compare performance consistently over various periods. Management also uses organic revenues, and organic revenues by type to compare revenues over various periods excluding the impact of acquisitions and divestitures. Management uses free cash flow to demonstrate the Company's ability to maintain its asset base and generate future cash flows from operations. Management uses free cash flow conversion to demonstrate how much net income is converted into cash. Management uses net debt as an assessment of overall liquidity, financial flexibility, and leverage. Net leverage ratio is useful to investors because it is an indicator of our ability to meet our future financial obligations. Management believes all of these non-GAAP financial measures are useful to provide investors with information about current trends in, and period-over-period comparisons of, the Company's results of operations. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP.

A non-GAAP financial measure is a numerical measure of financial performance, financial position, or cash flows that either 1) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of operations, balance sheet or statement of cash flows, or 2) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

See the appendix for a reconciliation of non-GAAP financial measures used in this presentation with their most directly comparable GAAP measures.



# ROLLINS 2024 INVESTOR & ANALYST CONFERENCE

## Embracing “The Art of Change”

**Jerry Gahlhoff**

CEO & PRESIDENT | ROLLINS, INC.

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## Key Takeaways

1

Rollins is a scaled player in the core North American pest control market, with distinct competitive advantages that enable us to extend our leadership position

2

We operate in a large and highly fragmented industry with significant runway for growth that has been accelerated by a number of structural tailwinds

3

We continue to invest for growth, both organically as well as through disciplined and strategic M&A

4

We strongly embrace our culture of continuous improvement and productivity that will be enhanced by our modernization efforts

5

We are a compounder and will continue to create shareholder value through disciplined capital allocation

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# WE COMPOUND REVENUE, EARNINGS, AND CASH FLOW BY ACQUIRING AND GROWING MARKET-LEADING PEST CONTROL BUSINESSES

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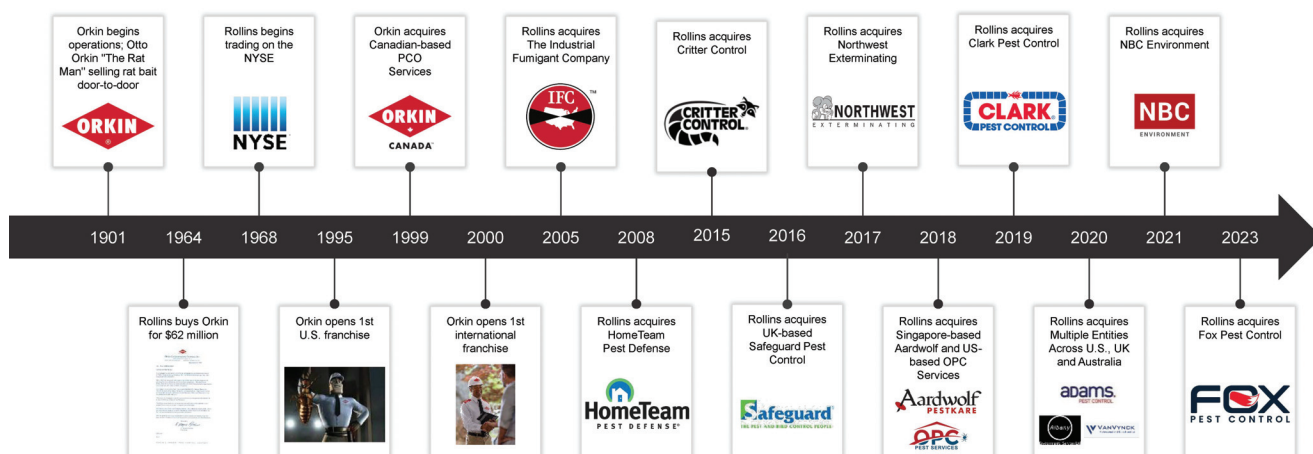


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## History of the Rollins Platform

(First 100 Years) Established the #1 Pest Control Platform in North America while Beginning to Expand Global Reach

(2008 Onwards) Supercharged Growth Algorithm Through Strategic M&A Within Highly Fragmented Industry



Rollins Boasts a Rich Legacy in Pest Control Dating Back to Orkin's Founding in 1901

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# Successful Track Record

**20+ YEARS**

 OF CONSECUTIVE  
GROWTH

**~8%**

 2008-2023  
REVENUE CAGR

**>75%**

 RECURRING  
REVENUE

**+800BPS**

 2008-2023  
Adj. EBITDA<sup>1</sup> MARGIN  
EXPANSION

## RESILIENT FINANCIAL PERFORMANCE ACROSS CYCLES

	REVENUE GROWTH	ADJ. EBITDA GROWTH <sup>1</sup>
GREAT FINANCIAL CRISIS 2008 – 2010	~6%	~11%
INDUSTRIAL SLOWDOWN 2015 – 2016	~6%	~8%
COVID PANDEMIC 2020 – 2022	~12%	~15%

Recession-Resilient Business Model Yields Consistently Strong Financial Performance Underpinned by Economies of Scale, Operating Execution and Low Recurring Capital

<sup>1</sup> This is a non-GAAP measure (see Appendix).

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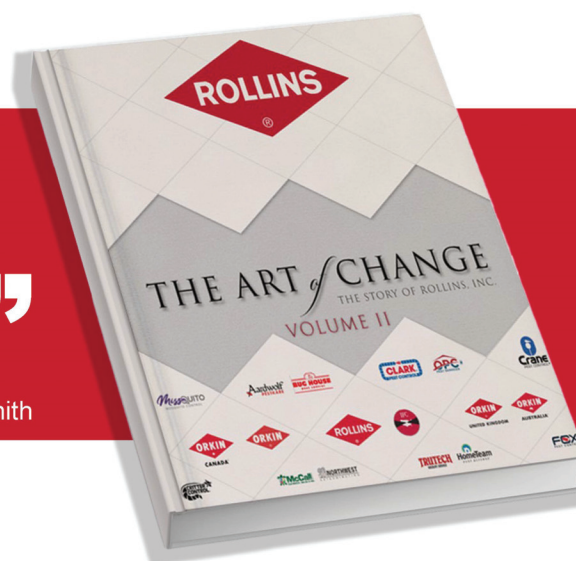
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# We Must Continue to Evolve

“What Got You Here Won't Get You There”

- Marshall Goldsmith



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# Our Mission & Strategic Objectives

**“Maintain and Extend our Leadership Position as a Premier Global Consumer and Commercial Services Company by **Protecting Our Customers' Health, Property & Brands**”**

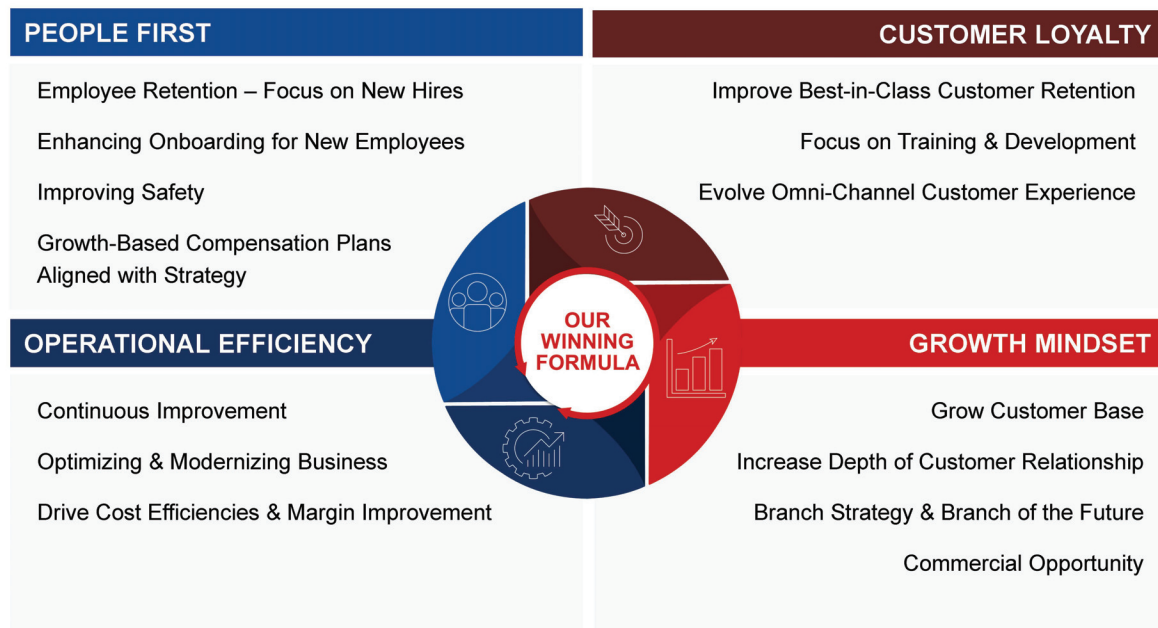


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# Strategic Objectives – Our Winning Formula



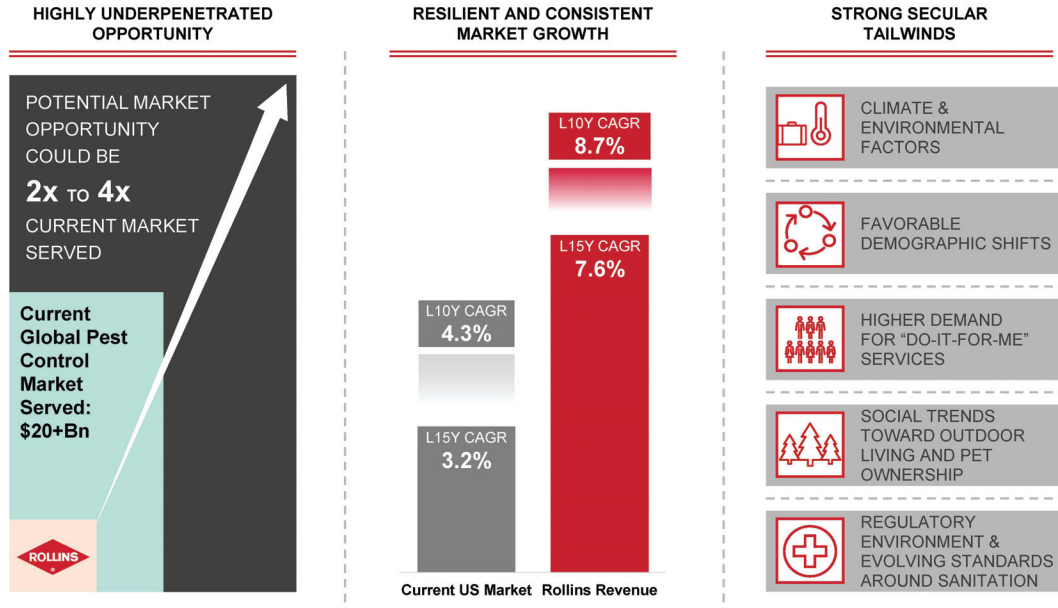
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# Attractive Market Opportunity...



## ...Supported By Secular Tailwinds

Source: Allied Market Research and Internal Estimates

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# Pest Problems in the News



PUBLIC HEALTH

**The U.S. is unprepared for the growing threat of mosquito- and tick-borne viruses**

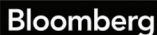


**In the US, West Nile virus is leading cause of viral disease spread by insects, CDC study says**



**Doctors often miss symptoms of meat allergy linked to lone star ticks, CDC finds**

At least 42% of 1,500 doctors surveyed had never heard of alpha-gal syndrome, a tick-borne illness that can cause potentially life-threatening allergy to red meat.



**Climate Change Is Helping Pests and Diseases Destroy Our Food**

- Crop shortages from grains to cocoa are exacerbated by pests
- Higher temperatures expand spread of insects and diseases



**Why insect-transmitted illnesses are emerging threats in Canada and beyond**



**As the Planet Warms, Scientists Worry That Cases of Infectious Diseases Could Spike**

Across the planet, animals and the diseases they carry are shifting locations as temperatures rise thanks to climate change

By [Associated Press](#) | July 18, 2023, at 11:52 a.m.

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# Distinct Competitive Advantages



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# Today's Agenda

TOPIC	PRESENTER
EMBRACING “THE ART OF CHANGE”	Jerry Gahlhoff   CEO & President
THE <b>POWER &amp; SCALE</b> OF THE ORKIN BRAND	Pat Chrzanowski   President of Orkin USA
OUR <b>MULTI-BRAND APPROACH</b>	Ken Krause   EVP & CFO Brady Camp   President of HomeTeam Jeff Dunn   Co-President of Northwest Rob Quinn   President of Orkin Canada
MARKETING: A <b>BALANCED &amp; DISCIPLINED</b> APPROACH TO <b>CUSTOMER ACQUISITION</b>	Cam Glover   VP of Marketing, Orkin USA
<b>TECHNOLOGY</b> AS AN ENABLER	Renee Pearson   Chief Technology Officer
POWERFUL MODEL FOR <b>SHAREHOLDER VALUE CREATION</b>	Ken Krause   EVP & CFO

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# A Powerful Model For Shareholder Value Creation

WE COMPOUND REVENUE, EARNINGS, AND CASH FLOW BY ACQUIRING  
AND GROWING MARKET-LEADING PEST CONTROL BUSINESSES



Strong Secular  
Tailwinds



Above-Market  
Share Gains



Accretive  
M&A  
Opportunities



Long-Term  
Margin  
Expansion



FCF Dynamics  
Enable Return  
of Capital

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For Rollins, We Believe The Best Is Yet To Come



# ROLLINS 2024 INVESTOR & ANALYST CONFERENCE

## The Power & Scale of the Orkin Brand

**Pat Chrzanowski**

PRESIDENT | ORKIN USA

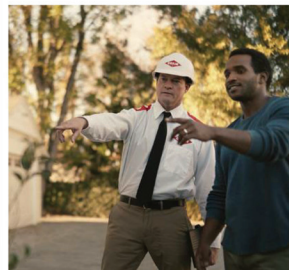
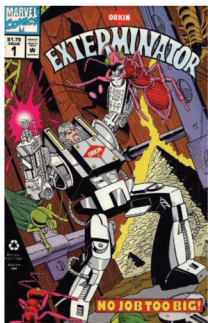
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## Our History



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# ETHOS

e•thos e•thos |'ē,THās|

noun  
the characteristic spirit of a culture,  
era, or community as manifested in  
its beliefs and aspirations.



#### OUR PURPOSE

We provide a safe place for  
people to live, work, and play



#### OUR MISSION

Deliver peace of mind that  
only a service-minded  
Orkin Pro can provide



#### OUR VISION

We aspire to be the world's  
best service company

## OUR VALUES



Safety



Professionalism



Empathy



Integrity

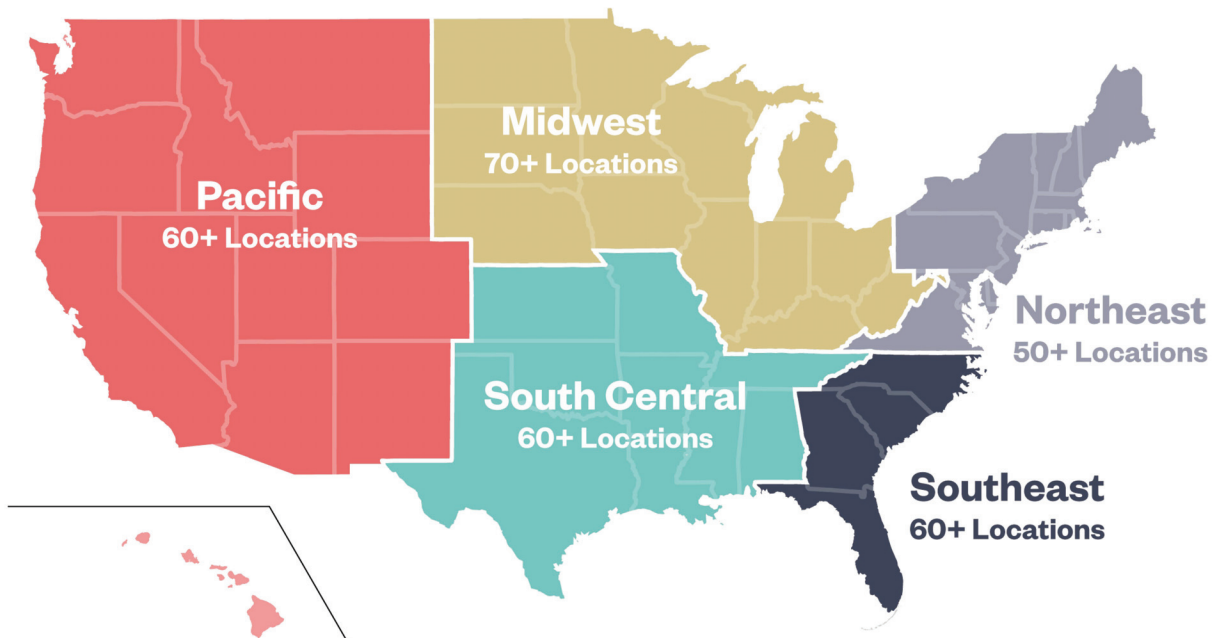


Innovation

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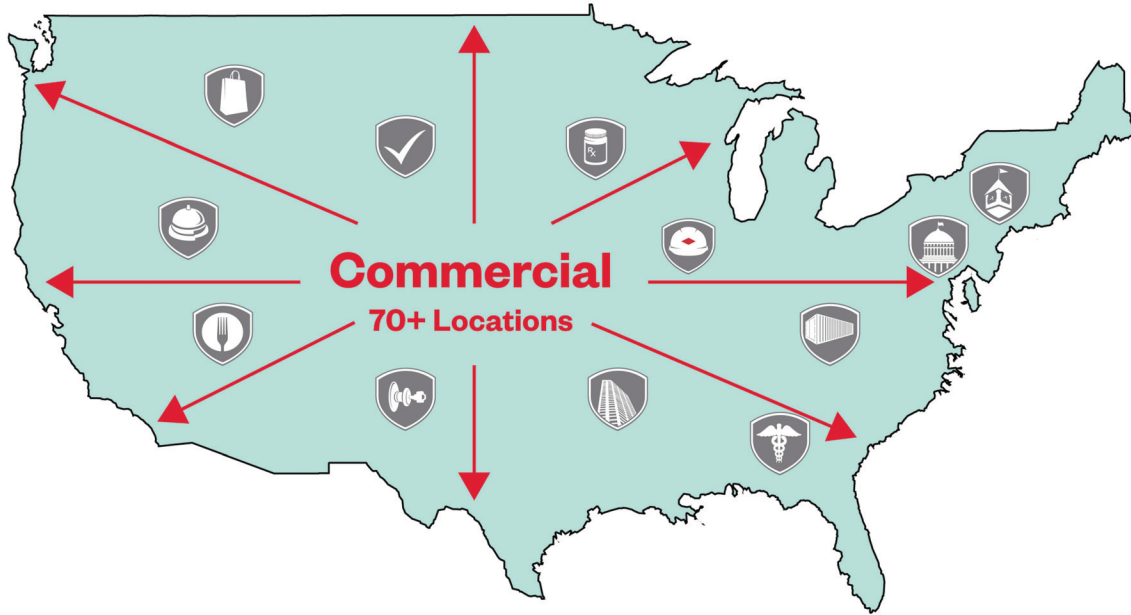
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## Orkin's U.S. Footprint



Orkin Leadership has 200+ Years of Combined Experience Leading Multi-Unit Operations

## New Commercial Division (2024)



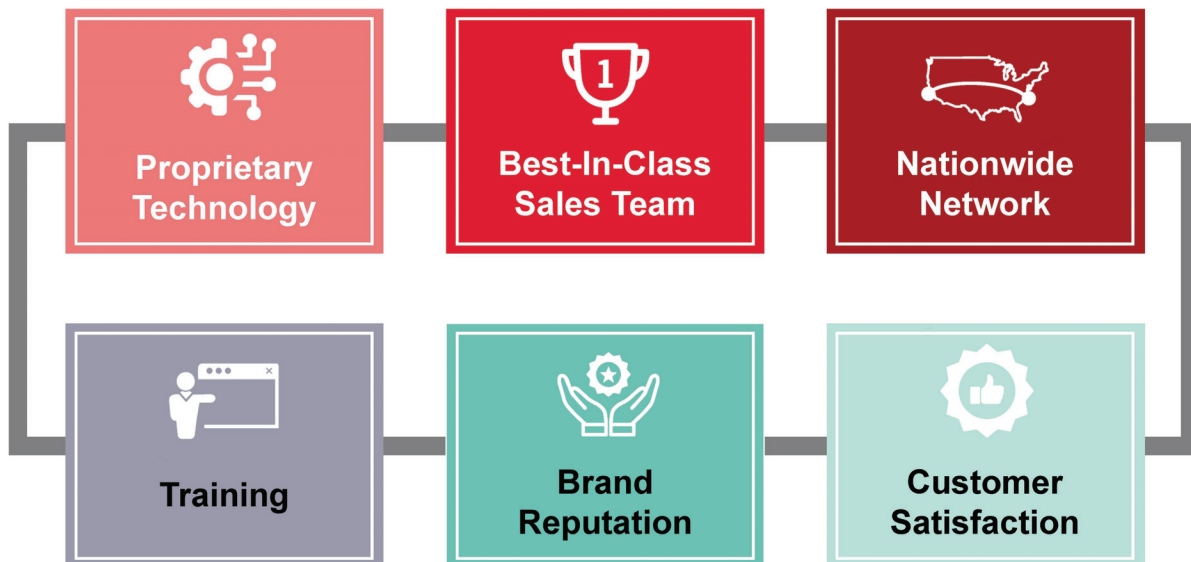
Structuring Our Business to Capitalize on Commercial Growth Opportunity

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## Orkin's Competitive Advantages



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# People First

## Targeted Recruitment Efforts

Pledge to **double** veteran employment by 125th anniversary in 2026



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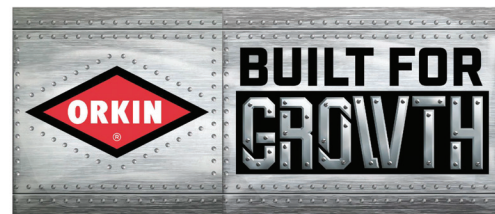
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# People First

## Employees Drive Growth

- Growth-based compensation plans aligned with strategy
- “Built for Growth” company-wide initiative
- Strong financial acumen across teams



## Employee Safety

- Driver onboarding program
- Commitment and guidance of executive leadership to the Rollins Safety Council
- Focus on driver safety through various technologies
- Safety training tracked through Learning Management System

Significant Improvement in Driver Safety Scores in Last 12 Months



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## Growth Mindset

### Capitalize on Significant Commercial Growth Opportunity

#### Phase 1 (Complete)

- Restructured 5 divisions to break out a new Commercial Division
- Expanded National Accounts team, reporting into new Commercial Division

#### Phase 2 (2024)

- Identifying branches with high population of commercial customers and splitting to create dedicated stand-alone commercial branches

#### Phase 3 (Future)

- Create a 2<sup>nd</sup> Commercial Division



COMMERCIAL SERVICES



**Commercial Revenue  
Has Increased**

**Double-Digits  
Since Phase 1 Began**

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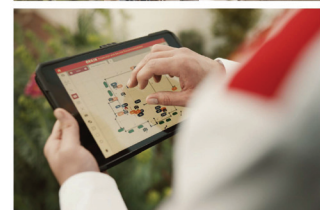
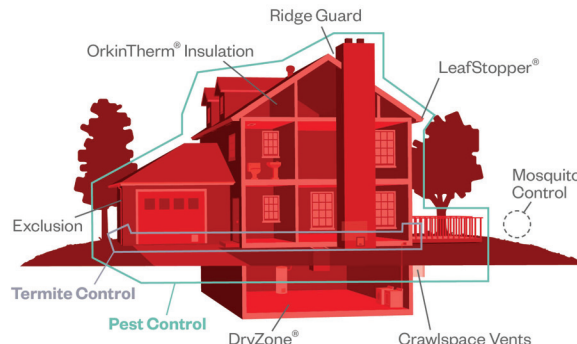


## Growth Mindset

### Peace of Mind – Whole Home Protection

- Extensive array of complementary service offerings to increase customer value
- Solutions from Attic-to-Foundation and across the property
- Rollins in-house financing options

**Fueling  
Growth  
With  
50+%  
Increase  
in Sales  
Resources  
Since 2022**



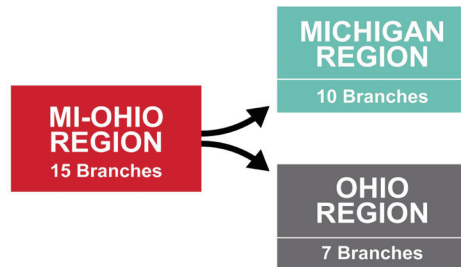
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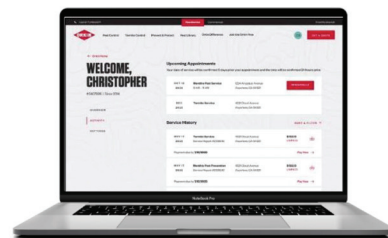
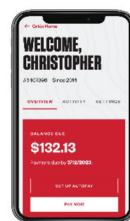
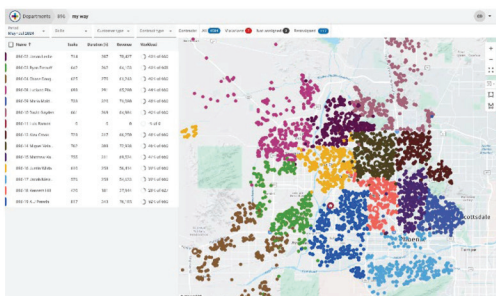


- Splitting regions and branches improves leadership's span of control, allowing for accelerated growth



**15+%**  
Revenue  
Growth After  
Split

- Positions us closer to the customer, ~40% increase in “near me” searches with Google for pest control in past 5 years
- Career opportunities for employees to grow into leadership positions



## Routing & Scheduling

- Significant cost savings since implemented
- Quicker response time to customer needs
- Improve on-time service delivery for customer

## Leveraging Technology

- A.I. tools to improve the customer experience and increase call center employee productivity
- Omni-Channel and personalization on Orkin.com

# Sustainability

- 15% of Orkin fleet are hybrid – including 80% of sedans
- Transitioning from gas-powered to electric mosquito equipment
- **OrkinServes:** 275 events and 1,700 volunteers
- **American Red Cross:** 2,500+ lives saved, 170+ blood donations



**Mosquitoes Don't  
Deserve a Drop**



# The Power & Scale of the Orkin Brand

**Focus on  
Our People**

**Commercial  
Growth**

**Depth of  
Customer  
Relationship**

**Branch of  
the Future**

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## Our Multi-Brand Approach

**Ken Krause**

EVP & CFO | ROLLINS, INC.

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## Strong Portfolio of Brands



**10+** OTHER BRANDS

Portfolio of Regional and Local Brands Provides Another Avenue for Growth

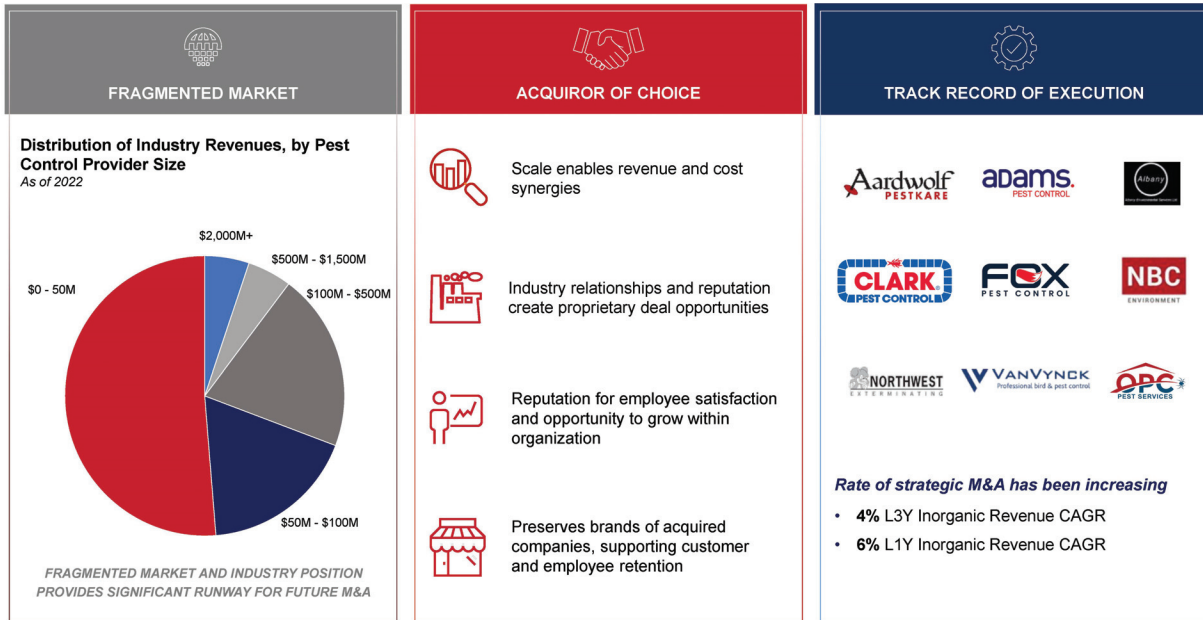
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# Large Runway for Expansion from M&A Opportunities

## Robust Pipeline of M&A Opportunities & Solid Track Record of M&A Execution



Source: Pest Control Technology Top 100

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## Strategic Acquisitions: Our Approach



### Discipline

Structured and Measured Approach Throughout the Deal Cycle



### Strategic Rationale

M&A Focused on Targets in Core Residential and Commercial Pest Control Services that Complement Our Culture, Capabilities and Geographies



### Deep Pipeline

Pipeline of Quality Opportunities Identified by Top-Down and Bottom-Up Sourcing

Highly Disciplined Approach Throughout the M&A Cycle






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## 5 Key Factors for M&A Evaluation

01	Accretive to long-term organic revenue growth	
02	Accretive to margins post-synergies	
03	Accretive to earnings in year one	
04	Strong cash flow profile and low capital requirements	
05	ROIC greater than cost of capital by year three	

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## Proven Track Record in M&A

<div> <b>PURCHASE PRICE:</b>  <b>\$340M</b> </div> <div> <b>EBITDA MULTIPLES:</b>  <b>Yr 0: 13.4x</b>  <b>Yr 1: 9.7x</b> </div> 	01	Accretive to long-term organic revenue growth	On Track
	02	Accretive to margins post-synergies	✓
	03	Accretive to earnings in year one	✓
	04	Strong cash flow profile and low capital requirements	✓
	05	ROIC greater than cost of capital by year three	On Track

Fox Acquisition Has Exceeded Our Expectations Through Year One

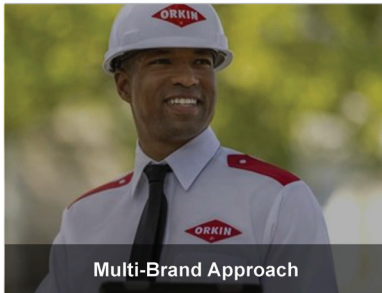
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# Opportunity to Drive Continued Above-Market Growth

## Rollins' Brand Portfolio Provides Multiple Opportunities for Continued Above-Market Growth



Multi-Brand Approach



Multi-Channel Access to the Customer



Cross-Sell Opportunities

Strong national brand with a portfolio of leading local and regional brands



Strategy leverages existing brand recognition to build loyalty and maximize customer reach

"Full funnel approach" to marketing & advertising

- Digital Marketing
- Traditional Outlets
- Social Media Advertising
- Local Marketing
- Relationships with homebuilders and HOAs
- Door-to-Door model

Multiple routes to acquire new customers

Advantaged position to cross-sell to larger customer base

- Pest Control
- Termite
- Mosquito
- Wildlife
- Ancillary

Loyal customer base creates significant opportunity to cross-sell services



## ROLLINS 2024 INVESTOR & ANALYST CONFERENCE

### Brand Leadership Panel

# HOMETEAM | FOX



BRADY CAMP, PRESIDENT



## BRAND PROFILE

### History:

- Rollins acquired HomeTeam in 2008 from Centex for \$137M. ~ 1x 2007 Revenues
- Fox acquired in 2023

### Profile:

- HomeTeam services focus on unique home-integrated tube delivery system
  - >50 branches across 10 states
- Fox focuses on underpenetrated markets, strong door-to-door (D2D) sales program
  - >30 branches across 17 States



Home integrated Taexx tube treatment system



## KEY DIFFERENTIATORS

HomeTeam integrated Taexx tube treatment system leads to incredibly dense routes



~2M Taexx installed base, leveraging Fox D2D to recapture inactive tubes. ~10% recapture improvement equal to PCT Top 20 revenue. Strong cross-sell opportunities for traditional pest and termite control services.



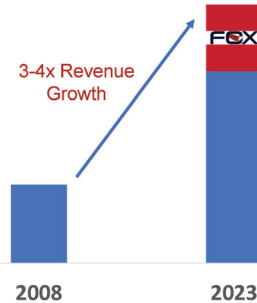
Servant leadership culture that drives engagement with customers and strong net promoter scores



## TRACK RECORD OF EXECUTION

HomeTeam: #1 pest control provider serving U.S. builders, working with >1K homebuilders from coast to coast.

Consistent organic growth with accretive incremental margins



HomeTeam: #1 Pest Control Provider Serving U.S. Builders With Unique Home-Integrated Treatment System

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# ORKIN CANADA

ORKIN  
CANADA

ROB QUINN, PRESIDENT



## BRAND PROFILE

### History:

- PCO Services was launched in Ontario in the 1950's and has grown to be Canada's largest pest control provider
- Rollins acquired PCO Services in 1999 from SC Johnson

### Profile:

- Revenues ~90% Commercial, demand for Residential is increasing
- >30 branches serving key population centers across Canada



## KEY DIFFERENTIATORS



Leadership position across Canada with strength in Hospitality, Food Processing, Distribution, and Food Handling verticals



High level of brand awareness, leveraging cross-border Orkin U.S. marketing campaigns



People first culture that embraces servant leadership ... engaged employees provide excellent service

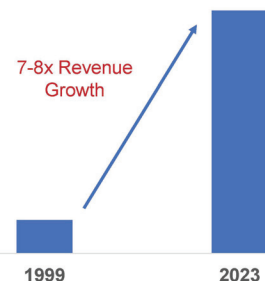


## TRACK RECORD OF EXECUTION

Market Leader in Commercial Pest Control in Canada

Robust organic growth reflecting attractive market and strong execution

Tuck-in M&A has stepped up in the last 12 – 18 months



Commercial Pest Control Market Leader in Canada With Coast-to-Coast Reach

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# NORTHWEST



JEFF DUNN, CO-PRESIDENT



## BRAND PROFILE

### History:

- Northwest exterminating was established in 1951 by L.A. and E.L. Phillips
- Rollins acquired Northwest in 2017

### Profile:

- Southeast US platform for "Second Bite at the Apple" growth
  - Invested in 15 additional bolt-on acquisitions since 2018
  - >60 branches across 6 States



Typical Northwest billboard



## KEY DIFFERENTIATORS



A leader in "green" pest control services



High brand awareness through community involvement and "edgy" billboards. Strength in termite due to ties with homebuilders and real estate agents drives PC cross sell. M&A rollup strategy accretive to organic growth.



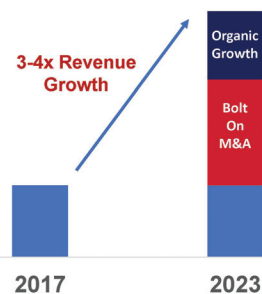
Inclusive and engaged culture ... extraordinary teammates deliver extraordinary service



## TRACK RECORD OF EXECUTION

Strong player in attractive Southeast market, highest Net Promoter Score (NPS) in Rollins.

Revenues more than tripled through strategic M&A and organic growth.



Platform for Bolt-On M&A Growth in Highly Attractive Southeast U.S. Market



# ROLLINS 2024 INVESTOR & ANALYST CONFERENCE

## Marketing: A Balanced & Disciplined Approach to Customer Acquisition

**Cam Glover**

VICE PRESIDENT OF MARKETING | ORKIN USA

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## Diversified Portfolio of Brands

### National and Regional Brand Power



### Specialty Providers



### Unique Sales Channels



### International Presence



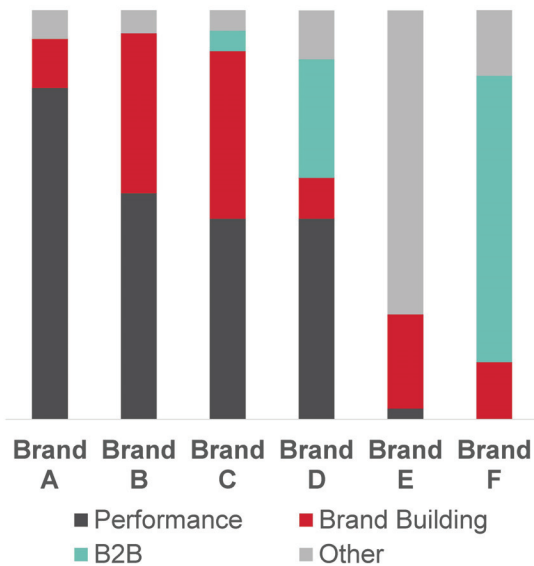
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## Multi-Brand, Multi-Channel Approach

Marketing Spend Allocated Differently  
Across Our Brand Portfolio



- Enables balanced & disciplined approach to customer acquisition
- Not overly reliant on one channel to acquire new customers
- Brands share best practices and market intelligence across the portfolio
- Future collaboration opportunity when cooperative systems are in place – “one version of truth”

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## Orkin's Legacy



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# Power of the Orkin Brand

# #1

**BRAND AWARENESS  
IN U.S. PEST  
CONTROL<sup>1</sup>**

**Because of This  
Brand Awareness**

# 50%

**of Customers Come  
to Orkin Directly<sup>2</sup>**



**THE ORKIN BRAND  
IS A SHORTCUT TO  
DECISION MAKING**

<sup>1</sup> Source: YouGov  
<sup>2</sup> Source: Internal "New Customer" research

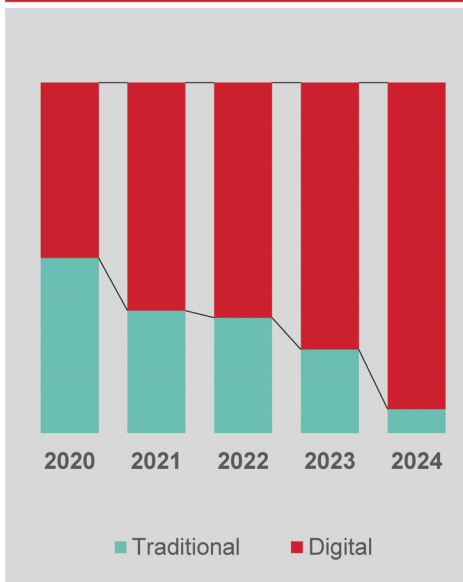
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# Our Marketing Efforts Put Our Customers at the Center

**Following Our Customers:  
Brand Building Media Mix Shift  
In Recent Years**



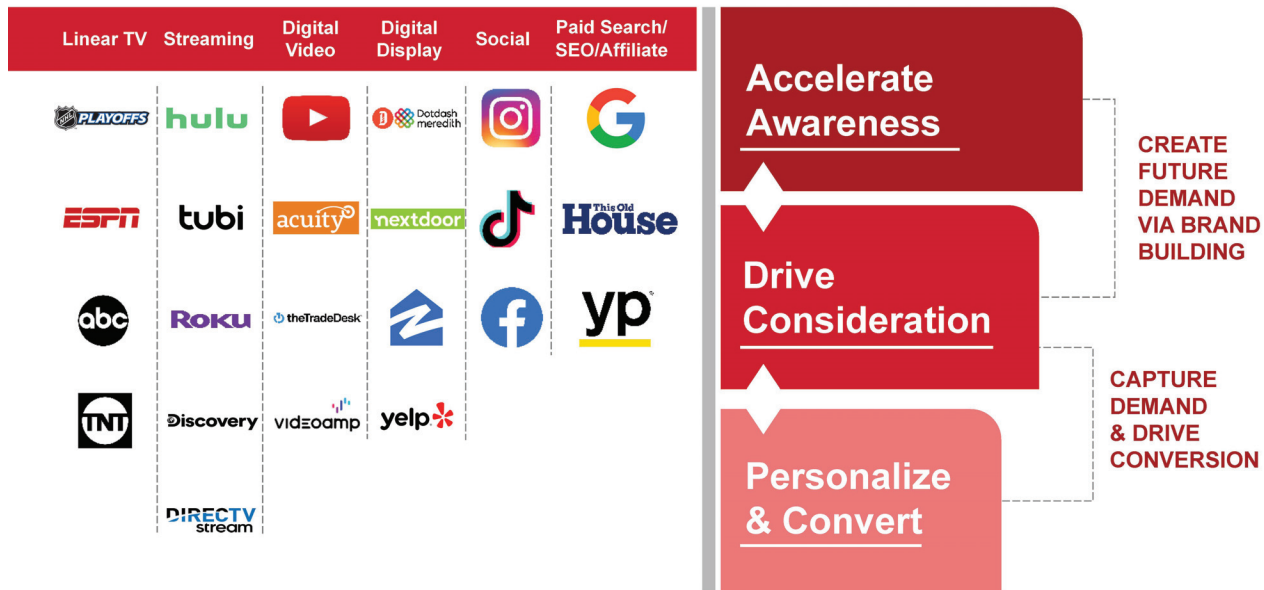
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# Full-Funnel, Multi-Channel Approach



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## We Apply the Same Multi-Channel, Full-Funnel Approach to B2B Marketing

Know Us	Consider Us	Buy From Us	Stay With Us
 Paid Media  Industry Magazines  Videos  Webinars  LinkedIn  Website search	 Service Campaigns  Prospect Email Marketing	 Sales Materials  Orkin Team Training Services Refreshers & Industry Toolkits	 Customer Email Marketing (Education + Cross-Sell)

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## The Best in Pests™

When you see a pest in your home—your safe space—it takes over your mind. You feel uncomfortable and anxious because there's so much unknown: What are they? Where did they come from? Are there more?

In this moment, you don't need an amateur.  
You need an **Orkin Pro**.

A Pro trained like nobody else, backed by nearly 125 years of expertise, and powered by modern science. A Pro who you know will **GET THE JOB DONE**. Not just for now, but for the long term, so you'll never feel this way again. When it comes to pests,

**There's nothing like an Orkin Pro. The Best in Pests.**



## Campaign Effectiveness

After seeing  
the new ads

**84%**

of homeowners had  
a **more positive**  
impression  
of the brand

### FUNNIEST TV CREATIVES

iSpot.tv

#### Top 20 Funniest TV Creatives

Seven of the top 20 funniest ads in 2022 were either official spots or pre-game teasers from Super Bowl LVII. Of those related to the Big Game, Lay's "Stay Golden" topped the chart by leveraging the comedic power of famous friends Paul Rudd and Seth Rogen. Celine Dion's ad is strong presence among Super Bowl LVII spots with 74% of the ads casting at least one famous face so it comes as no surprise that five of the seven on the funniest list used this tactic as well.

Rank	Brand	Ad Title	Funny Score	Rank	Brand	Ad Title	Funny Score
1	Lay's	Stay Golden	8.7	11	Ocean Spray	Power Your Holidays	7.3
2	Pringles	Disagreement	8.3	12	Snickers	Bad Jokes	7.3
3	Frito-Lay	Push It	8.2	13	Gorilla Glue	Luggage Rack	7
4	Snickers	A Little Swap	7.9	14	Frito-Lay	Convenience Store	7
5	Twix	Left or Right: Camping	7.6	15	Amazon	Mind Reader	7
6	PepsiCo	Road to Super Bowl LVII: One Seat Left	7.5	16	Pringles	Stuck In	6.8
7	Gorilla Glue	Tug of War	7.5	17	Bejangles'	Larry	6.8
8	Rocket Mortgage	Screamers	7.4	18	PepsiCo	Road to Super Bowl LVII: Hand Me Some Lay's	6.8
9	Ladder Financial	Life Insurance So Good, It's Cric: Your World	7.3	19	Orkin	The Best in Pests: Ants	6.7
10	Albac	Nick Sabon and Delon Sanders Meet the Dog Goat	7.1	20	Uber Eats	Get Anything: Look At It	6.7

\*Through December 15, 2022; Likeability Score used as tie breaker.

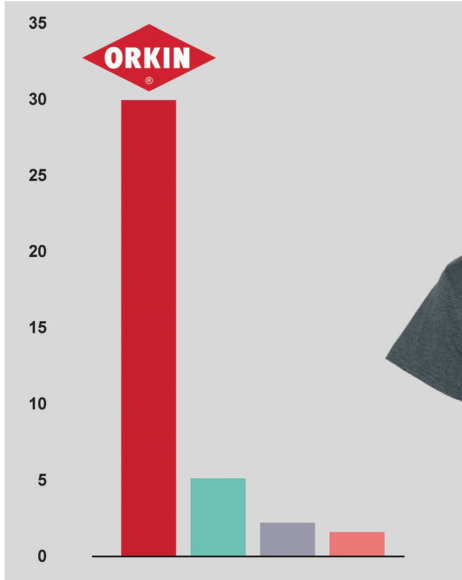
Report by | 2023 TV Advertising Year-in-Review

Page 10

Helped Drive a 15% Increase in Brand Awareness and Consideration  
With Our Young, Affluent Homeowner Target

# Strength of the Orkin Brand Affords Us Significant Earned Media Exposure

2023 Annual Earned Media Impressions vs. Competitors (in Billions)



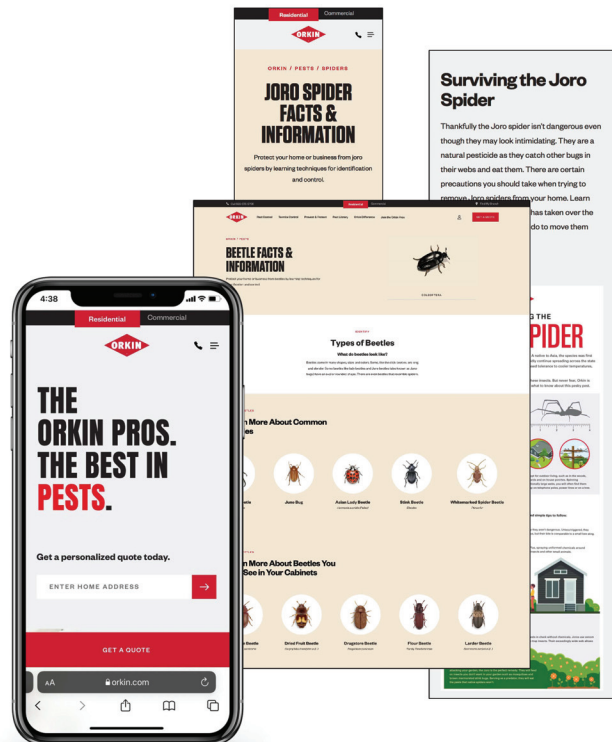
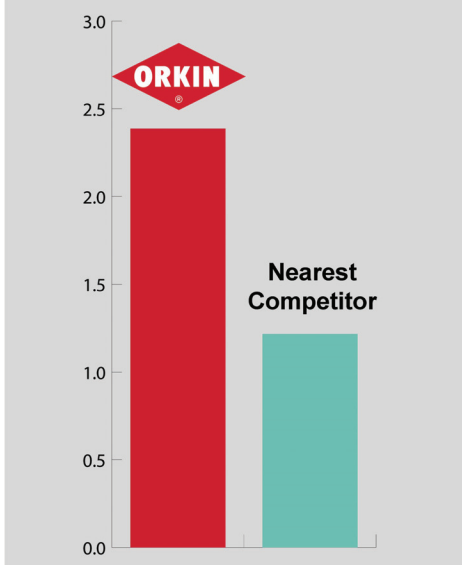
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# The Pest Authority Online

2023 Avg. Monthly Website Traffic (in millions)

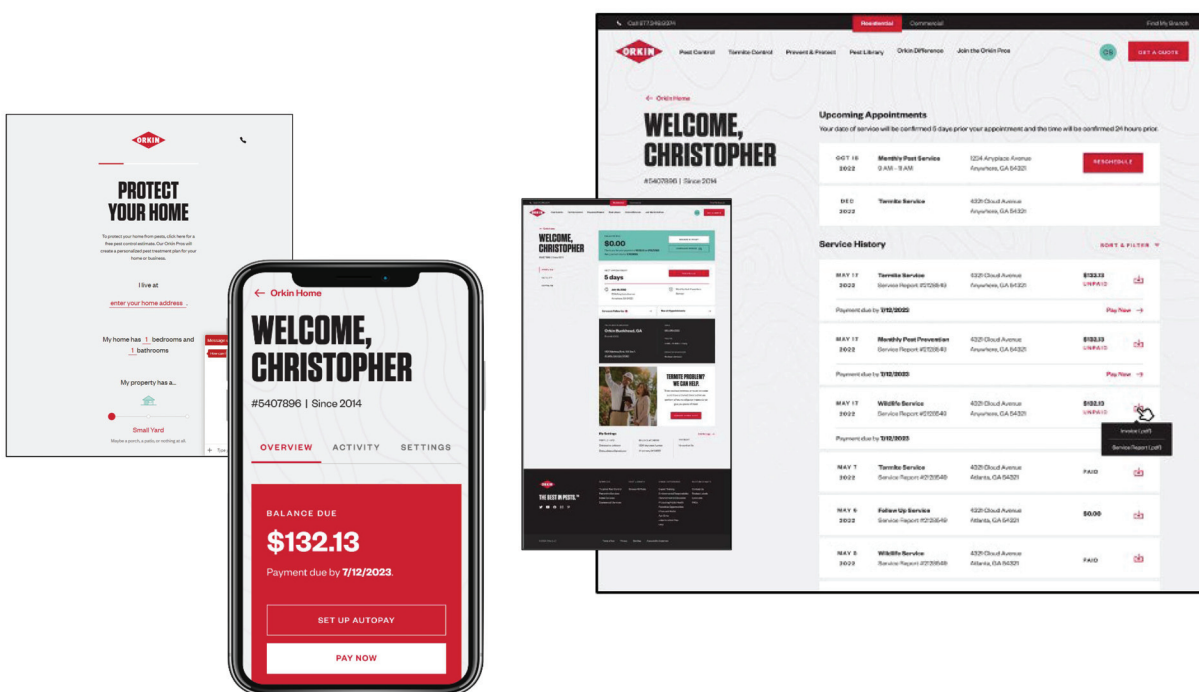
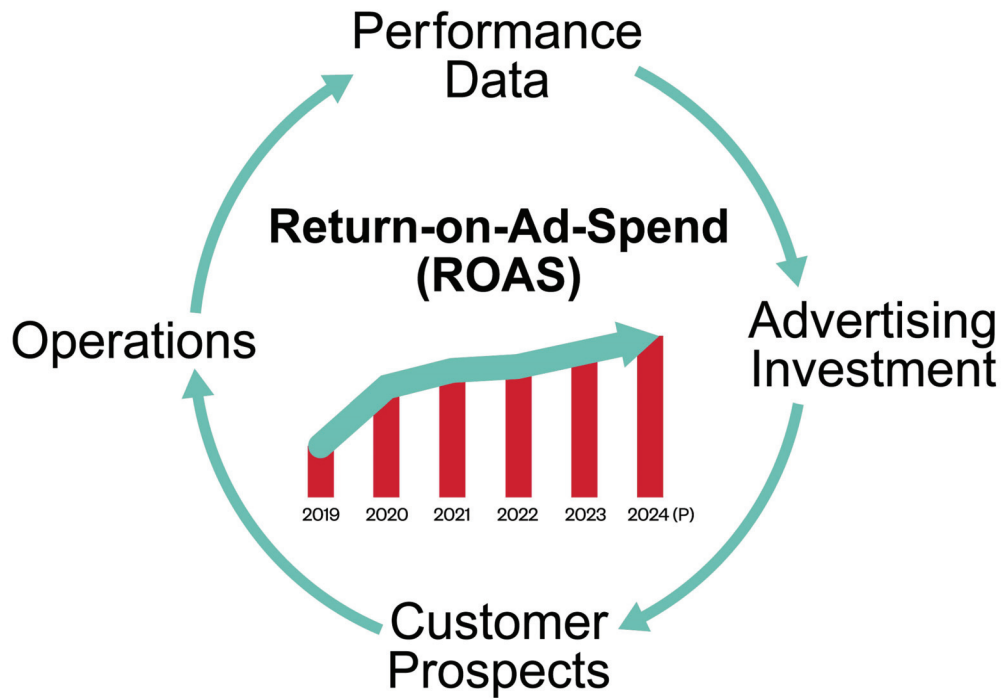


54

Source: SEMRush, BrightEdge, Moz

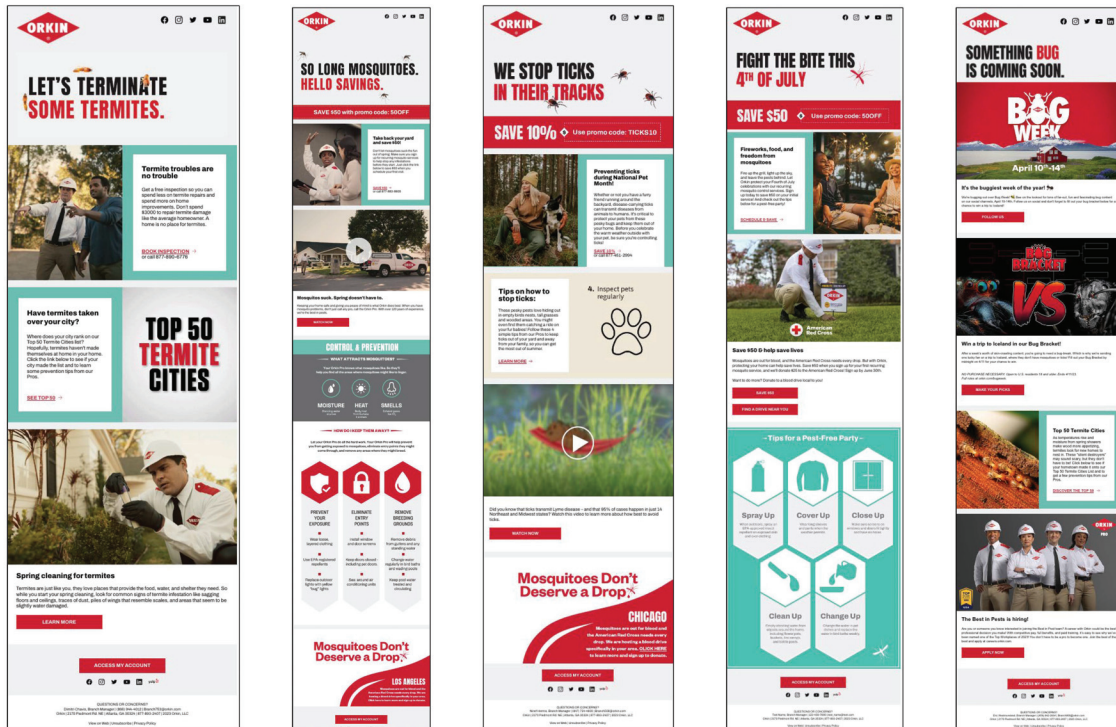
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# ...And Increasing Our Depth of Relationship With Them



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# Marketing: A Balanced & Disciplined Approach

Multi-Brand  
Multi-Channel

Orkin Brand  
Power

Disciplined  
Marketing  
Investment

Depth of  
Customer  
Relationship

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# ROLLINS 2024 INVESTOR & ANALYST CONFERENCE

## Technology as an Enabler

**Renee Pearson**

CHIEF TECHNOLOGY OFFICER | ROLLINS, INC.

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## Integrated Technology Investment Approach



Clear Business Outcomes



Employee and Customer Service



Alignment to Strategic Plan

- Pace of innovation is driven by the customer impact and demand
- Focus on customer value with alignment to business outcomes and our strategic plan and objectives
  - **People First**
  - **Customer Loyalty**
  - **Growth Mindset**
  - **Operational Efficiency**

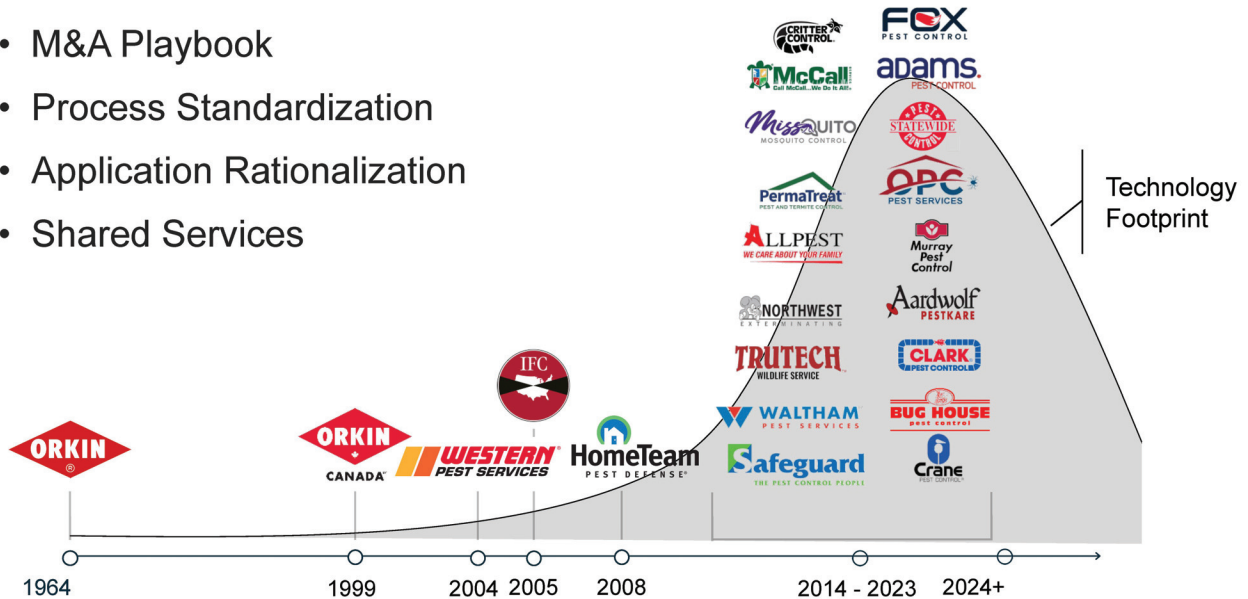
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# Opportunity to Drive Operational Efficiencies

- M&A Playbook
- Process Standardization
- Application Rationalization
- Shared Services



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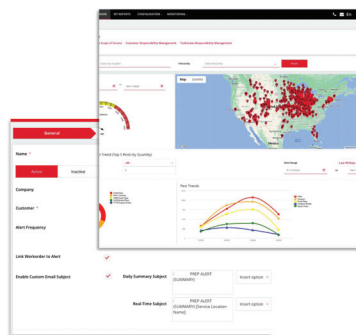
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# A Focus on Customer Loyalty



## THE POWER OF OUR BRANDS

Cross Brand  
Customer Intelligence



## INSITE

Unique & Differentiating  
Customer Experience Supporting  
Commercial Growth



## CUSTOMER ENGAGEMENT

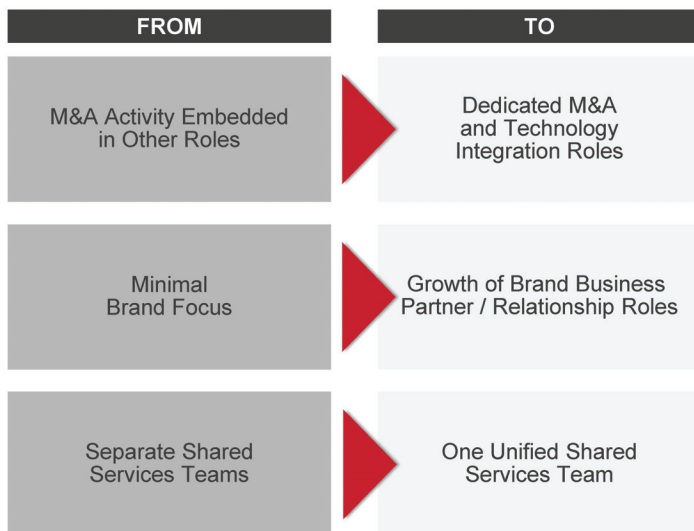
BOSS Evolution  
Multi-Channel to Omni-Channel  
Customer Experience

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# Evolving Our People First Structure



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# Artificial Intelligence For Insight and Efficiency...

Orkin Call Center	Personal Productivity
	
Acceptable Use and Security Enforced For All A.I. Scenarios	

...But Human Interaction and Relationships Will Always Be Important to Rollins and Our Brands

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# Technology Enablement of Rollins Growth





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## Powerful Model For Value Creation

**Ken Krause**

EVP & CFO | ROLLINS, INC.

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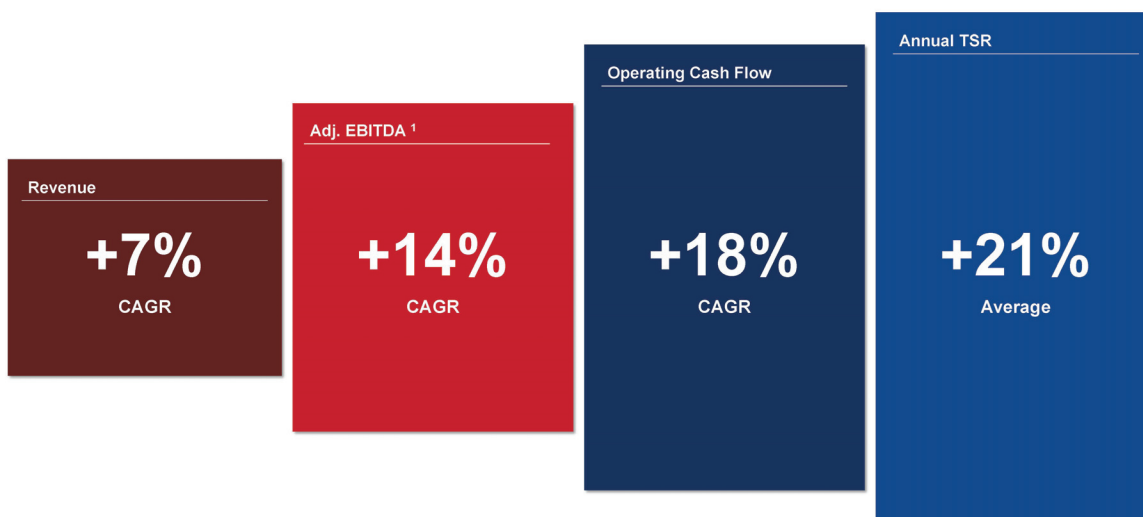
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## Long-Term Compounder

**2000-2023**



<sup>1</sup> This is a non-GAAP measure (see Appendix).

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# Exceptional Operational Performance...

		Last 10 Year CAGR	Last 3 Year CAGR	YoY Growth
Growth	Total Revenue	9%	12%	14%
	EPS	14%	18%	19%
	Operating Cash Flow	13%	7% <sup>1</sup>	13%
Margins		2013	2020	2023
	Gross Profit	49%	51%	52%
	Adj. SG&A <sup>2,3</sup>	32%	30%	30%
	Adj. EBITDA <sup>2,3</sup>	17%	21%	22%

## ... Over Substantially All Time Periods

<sup>1</sup> CAGR reflects elevated cash flow from operations in 2021 due to positive net working capital fluctuations during Covid 19 pandemic.  
<sup>2</sup> Expressed as a % of revenue.  
<sup>3</sup> This is a non-GAAP measure (see Appendix).

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# Resilient Financial Performance...

Great Financial Crisis  
2008-2010

~6% Revenue Growth

~11% Adj. EBITDA Growth <sup>1</sup>

Industrial Slowdown  
2015-2016

~6% Revenue Growth

~8% Adj. EBITDA Growth <sup>1</sup>

COVID Pandemic  
2020-2022

~12% Revenue Growth

~15% Adj. EBITDA Growth <sup>1</sup>

## ... Across All Cycles

<sup>1</sup> This is a non-GAAP measure (see Appendix).

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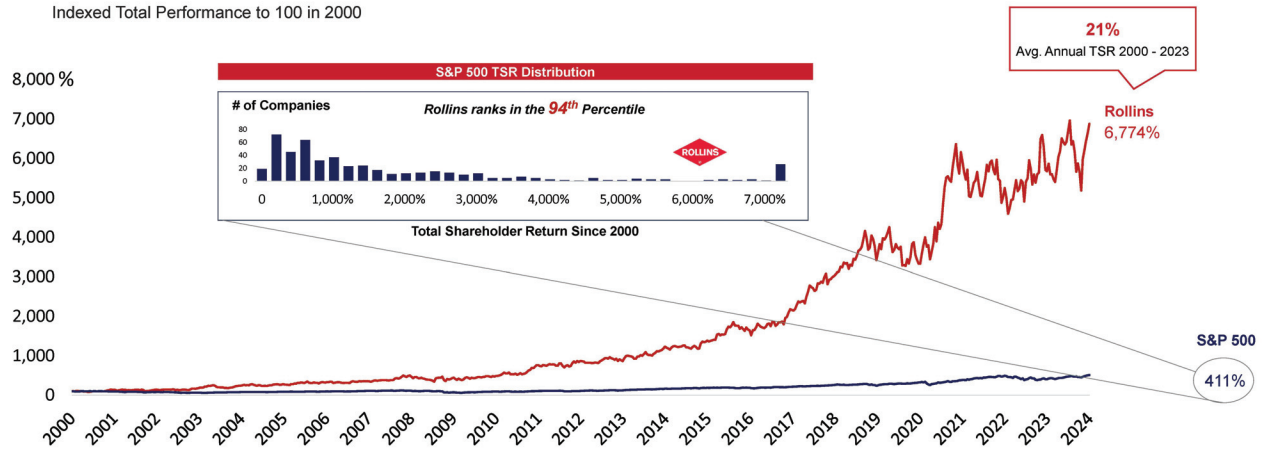


# Delivering Top-Decile Returns Since 2000

## Business Model and Strategy Designed for Long-Term Value Creation

### Rollins Return Profile Ranks in the 94th Percentile of All S&P 500 Companies since 2000 <sup>(1)</sup>

Indexed Total Performance to 100 in 2000



Source: Capital IQ

<sup>1</sup> Total shareholder return; total shareholder return defined as stock price appreciation plus dividends paid during the time period.

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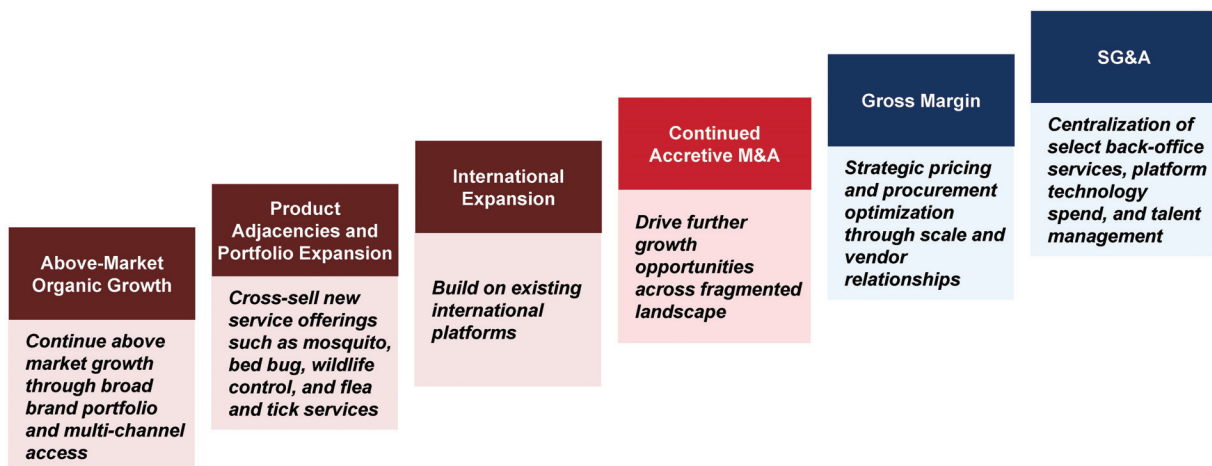


# Platform Poised for Strong and Continued Growth

## Organic Revenue Growth

## Accretive M&A

## Margin Expansion



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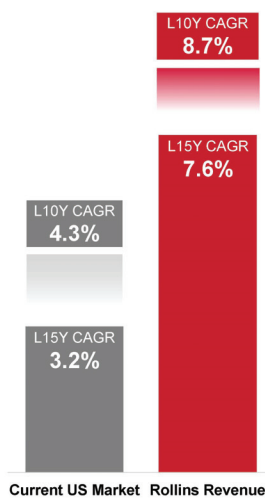


# Attractive Market Opportunity...

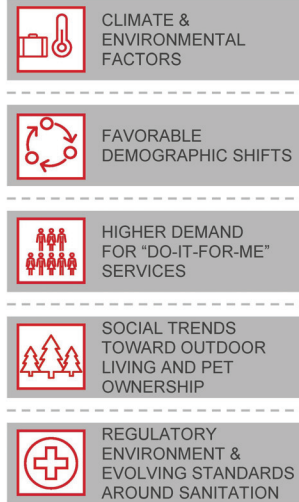
## HIGHLY UNDERPENETRATED OPPORTUNITY



## RESILIENT AND CONSISTENT MARKET GROWTH



## STRONG SECULAR TAILWINDS



## ...Supported By Secular Tailwinds

Source: Allied Market Research and Internal Estimates

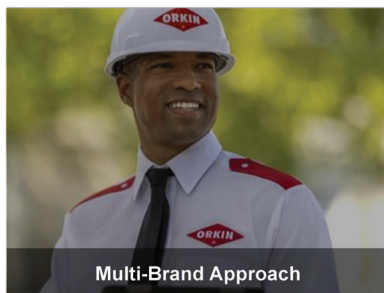
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# Opportunity to Drive Continued Above-Market Growth

## Rollins' Brand Portfolio Provides Multiple Opportunities for Continued Above-Market Growth



Strong national brand with a portfolio of leading local and regional brands



Strategy leverages existing brand recognition to build loyalty and maximize customer reach

"Full funnel approach" to marketing & advertising

- Digital Marketing
- Traditional Outlets
- Social Media Advertising
- Local Marketing
- Relationships with homebuilders and HOAs
- Door-to-Door model

Multiple routes to acquire new customers

Advantaged position to cross-sell to larger customer base

- Pest Control
- Termite
- Mosquito
- Wildlife
- Ancillary

Loyal customer base creates significant opportunity to cross-sell services

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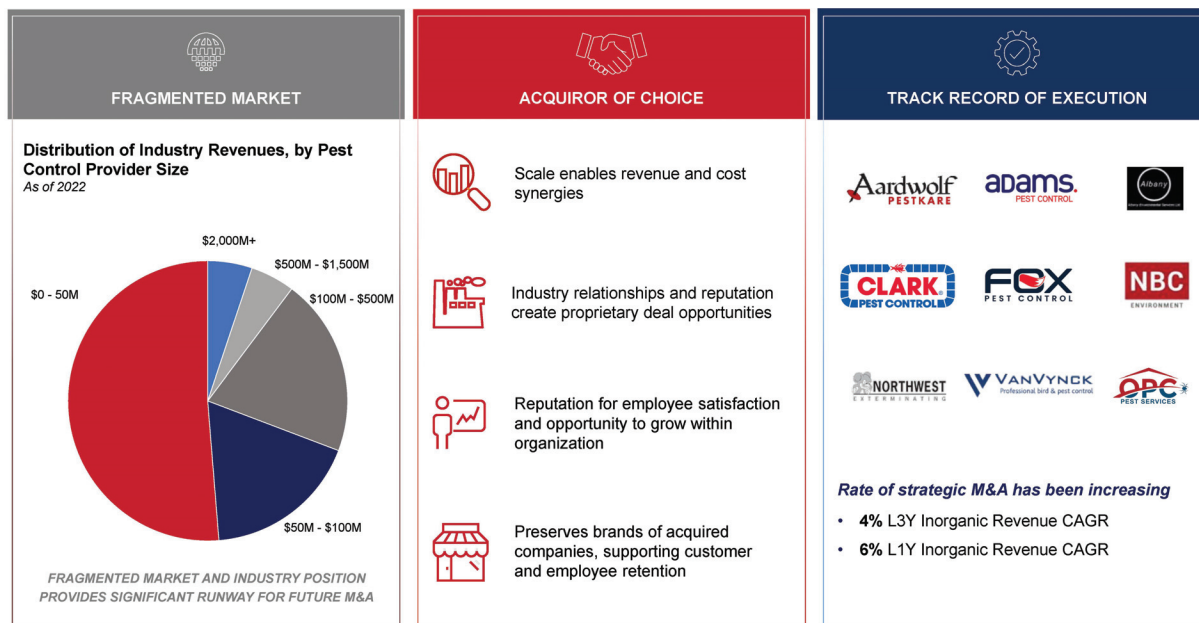
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# Large Runway for Expansion from M&A Opportunities

## Robust Pipeline of M&A Opportunities & Solid Track Record of M&A Execution



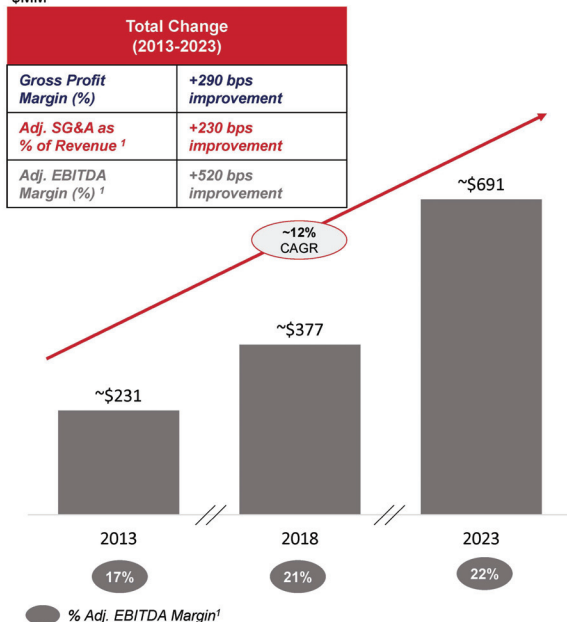
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# Strong Track Record of Margin Expansion

Adj. EBITDA Over Time <sup>1</sup>  
\$MM



<sup>1</sup> This is a non-GAAP measure (see Appendix).

## Key Priorities to Drive Future Margin Expansion

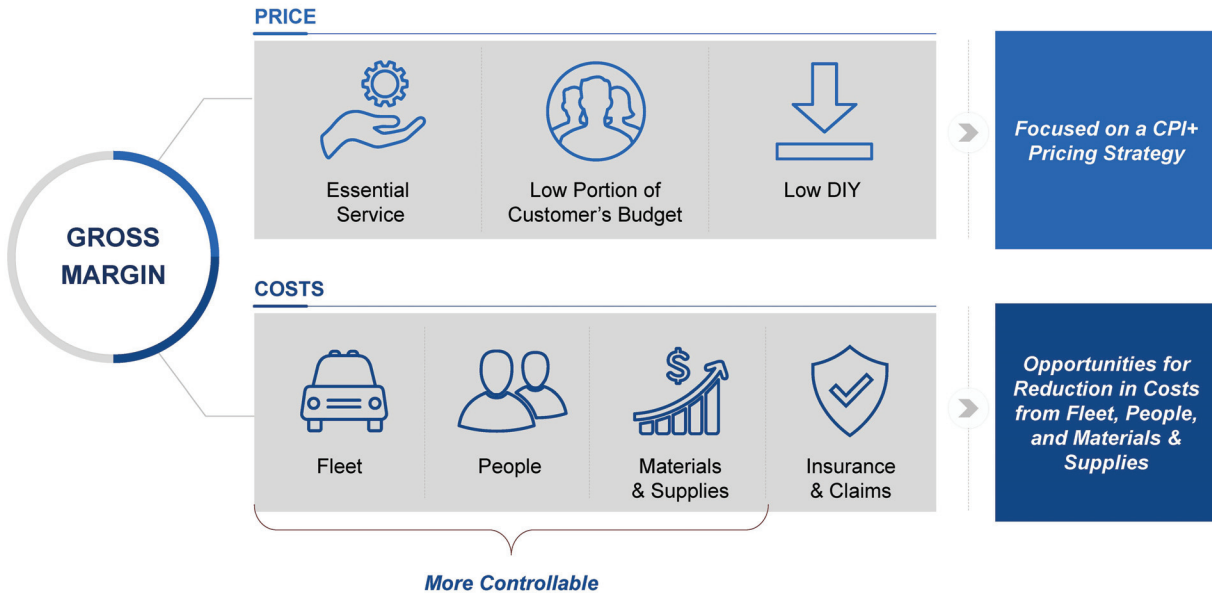
- 1 Proactive Pricing Strategy
- 2 Optimizing Cost Structure
- 3 Ongoing Commitment to Continuous Improvement

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# Unpacking Drivers of Gross Margin



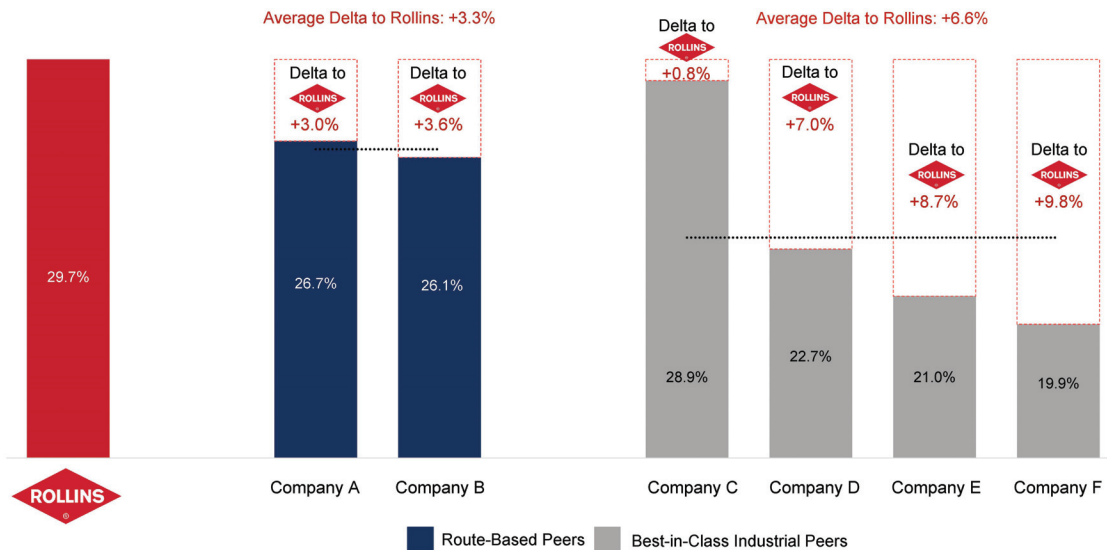
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## Benchmarking Suggests Opportunity...

Average Adj. SG&A<sup>1</sup> as a % of Revenue (Last Three-Year Average)



## ...For Continued Margin Expansion

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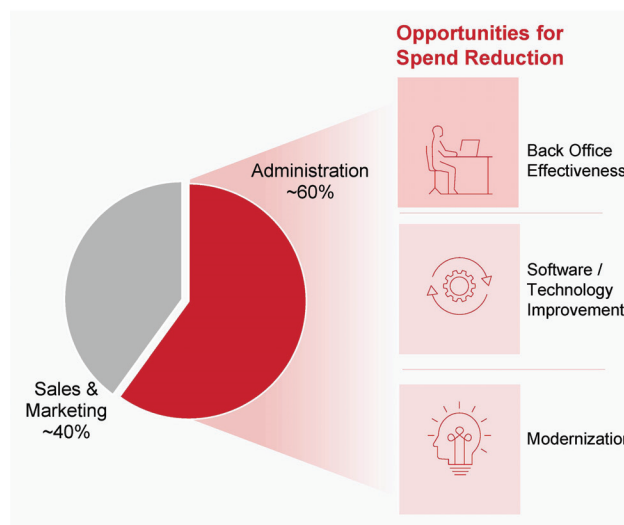
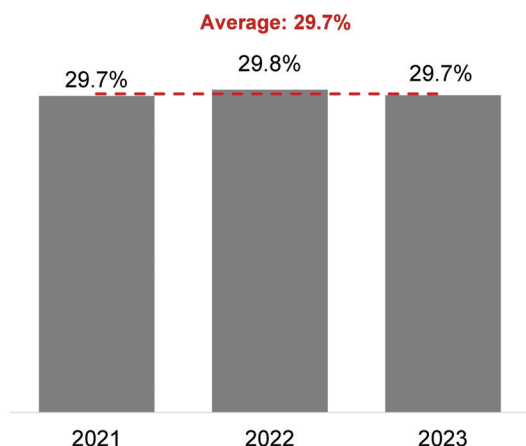
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# Spend Reduction Opportunity

Opportunity to Lower Spend, Particularly From Administrative Back-Office Expenses

Adj. SG&A<sup>1</sup> as % of Revenue (Last 3 Years)



<sup>1</sup> This is a non-GAAP measure (see Appendix).

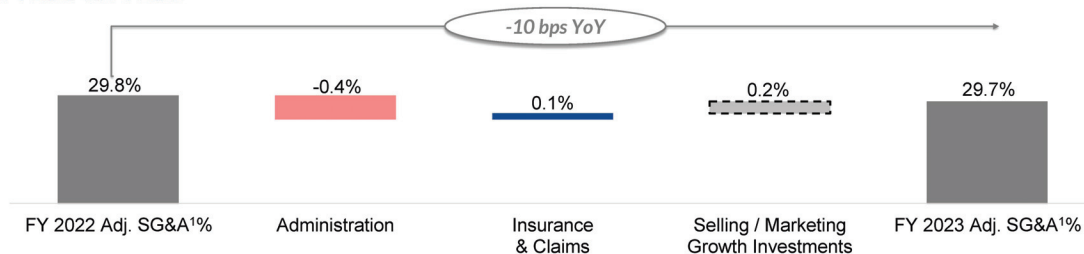
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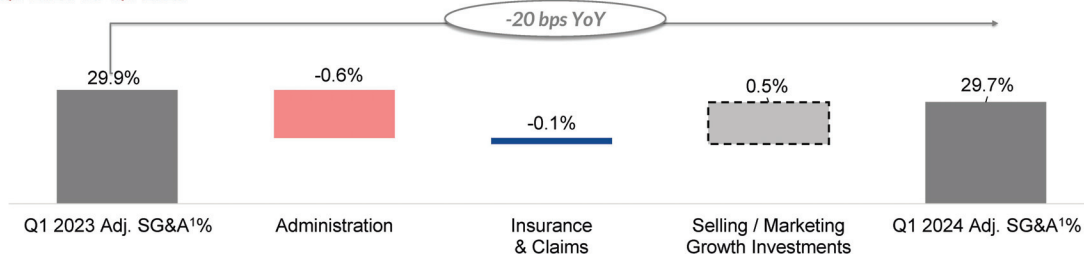
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## Gaining Leverage in Our SG&A Spend...

FY 2023 vs FY 2022



Q1 2024 vs Q1 2023



...While Investing to Drive Growth

<sup>1</sup> This is a non-GAAP measure (see Appendix).

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# Significant Free Cash Flow Generation...



Strong and improving profitability



Attractive net working capital<sup>2</sup> dynamics

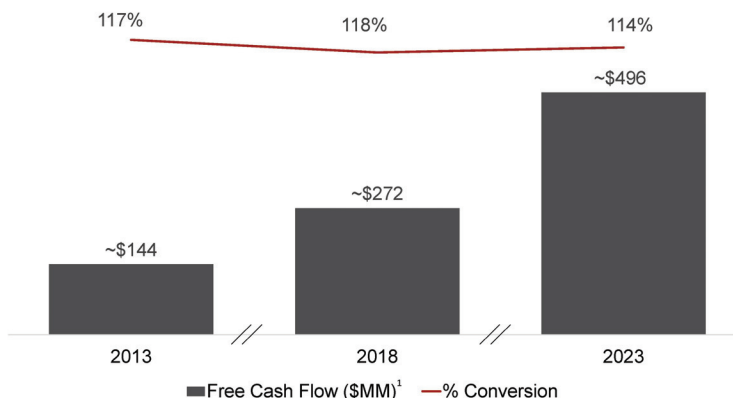
L10Y Average NWC as % of Revenue: negative ~5%



Minimal recurring capital expenditure requirements

L10Y Average Capex as % of Revenue: ~1%

2013 – 2023 FCF<sup>1</sup> CAGR: 13%



## ...Enables Reinvestment & Shareholder Return

<sup>1</sup> This is a non-GAAP measure (see Appendix).

<sup>2</sup> Net working capital is calculated as current assets (accounts receivable, financed receivables, materials and supplies) less current liabilities (accounts payable, accrued compensation and related liabilities, and deferred revenues)

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# Strong Balance Sheet



Opportunity to Capitalize on Attractive M&A Opportunities



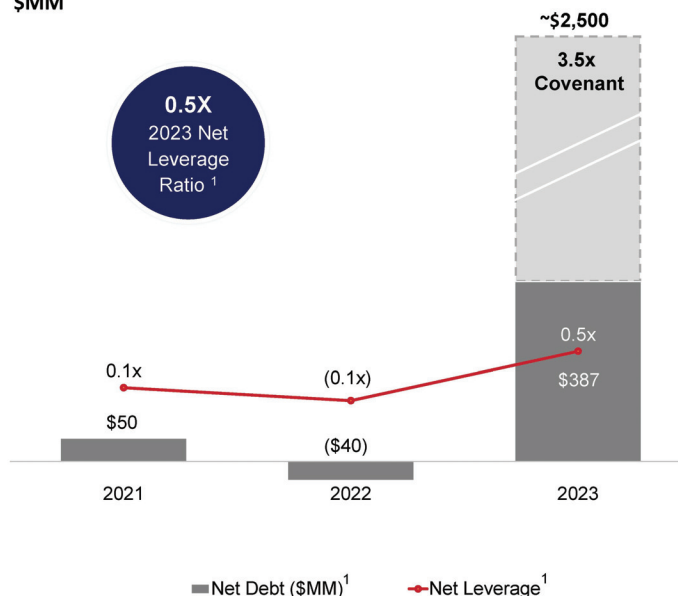
Flexibility to Opportunistically Pursue Organic Growth Investments



Ability to Sustain Balanced Capital Allocation over the Long Term

## Significant Flexibility For Strategic Acquisitions

\$MM



<sup>1</sup> This is a non-GAAP measure (see Appendix).

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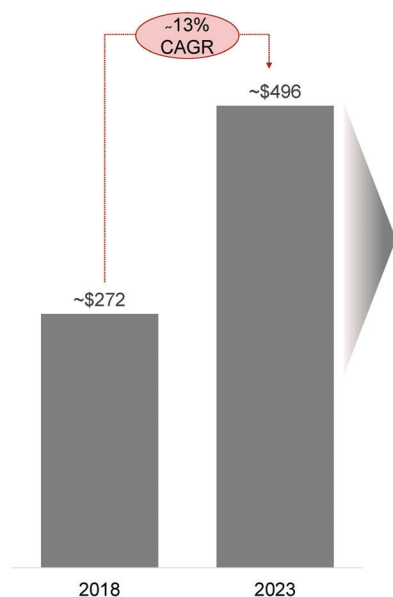
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# Disciplined Capital Deployment

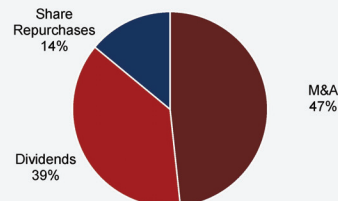
## Free Cash Flow<sup>1</sup> (\$MM)



<sup>1</sup> This is a non-GAAP measure (see Appendix).

## HOW IT WAS SPENT

### Free Cash Flow<sup>1</sup> Allocated to M&A, Dividends & Share Repurchases



#### M&A

\$1.2B

- High-Quality, Profitable Businesses with Strong Leadership
- Prioritize Opportunities with Significant Synergies
- Attractive Returns

#### Dividends

\$1.0B

- Dividend Increased 45% since Q4 2022
- Sustainable; Focus on Growing as Earnings and Cash Flow Compound

#### Share Repurchases

\$0.4B

- 16.9MM Share Repurchase Authorization with Remaining Authorization of 11.4MM
- ~40% IRR on Recent Deployment

# Growth Algorithm

	Last 3 Years	2024E	Medium-Term Outlook
Revenue Growth	12%	~7% to 8% Organic ~2% to 3% M&A ~9% to 11%	Above-Market Organic Growth + M&A
Adj. Incremental EBITDA Margin <sup>1</sup>	~27%	~30%	~30-35%
FCF Conversion <sup>1</sup>	~112% Average	> 100%	> 100%

<sup>1</sup> This is a non-GAAP measure (see Appendix).

# A Powerful Model For Shareholder Value Creation

WE COMPOUND REVENUE, EARNINGS, AND CASH FLOW BY ACQUIRING AND GROWING MARKET-LEADING PEST CONTROL BUSINESSES



Strong Secular  
Tailwinds



Above-Market  
Share Gains



Accretive  
M&A  
Opportunities



Long-Term  
Margin  
Expansion



FCF Dynamics  
Enable Return  
of Capital

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For Rollins, We Believe The Best Is Yet To Come

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## ROLLINS 2024 INVESTOR & ANALYST CONFERENCE

### Appendix

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# Non-GAAP Reconciliation

\$MM	2000	2008	2010	2013	2015	2016	2018	2020	2021	2022	2023
Revenue	\$647	\$1,021	\$1,137	\$1,337	\$1,485	\$1,573	\$1,822	\$2,161	\$2,424	\$2,696	\$3,073
<b>Adj. EBITDA</b>											
GAAP Net Income	\$9.6	\$68.9	\$90.0	\$123.3	\$152.1	\$167.4	\$231.7	\$266.8	\$356.6	\$368.6	\$435.0
Plus: Income Tax Provision	5.85	44.0	53.5	68.3	91.0	93.3	79.1	95.9	125.9	130.3	151.3
Plus: Net Interest (Income) / Expense	0.5	0.8	0.4	(0.4)	(0.2)	(0.2)	(0.2)	5.1	0.8	2.6	19.1
Plus: Depreciation and Amortization	18.4	33.4	36.4	39.6	44.5	50.9	66.8	79.3	86.6	91.3	99.8
<b>EBITDA</b>	<b>\$34.3</b>	<b>\$147.2</b>	<b>\$180.4</b>	<b>\$230.8</b>	<b>\$287.5</b>	<b>\$311.4</b>	<b>\$377.3</b>	<b>\$447.1</b>	<b>\$569.9</b>	<b>\$592.9</b>	<b>\$705.1</b>
Plus: Accelerated Stock Vesting Expense	-	-	-	-	-	-	-	6.7	-	-	-
Minus: Property Disposition Gains	-	-	-	-	-	-	-	-	(31.5)	-	-
Plus: SEC Matter	-	-	-	-	-	-	-	-	8.0	-	-
Plus: Acquisition-Related Expenses	-	-	-	-	-	-	-	-	-	-	3.1
Plus: Restructuring Costs	-	-	-	-	-	-	-	-	-	-	5.2
Minus: Gain on Sale of Assets	-	-	-	-	-	-	-	-	-	-	(6.6)
Minus: Gain on Sale of Business	-	-	-	-	-	-	-	-	-	-	(15.5)
<b>Adj. EBITDA<sup>1</sup></b>	<b>\$34.3</b>	<b>\$147.2</b>	<b>\$180.4</b>	<b>\$230.8</b>	<b>\$287.5</b>	<b>\$311.4</b>	<b>\$377.3</b>	<b>\$453.8</b>	<b>\$546.4</b>	<b>\$592.9</b>	<b>\$691.3</b>
<b>Adj. EBITDA Margin</b>		<b>14.4%</b>	<b>15.9%</b>	<b>17.3%</b>	<b>19.4%</b>	<b>19.8%</b>	<b>20.7%</b>	<b>21.0%</b>	<b>22.5%</b>	<b>22.0%</b>	<b>22.5%</b>
<b>Free Cash Flow</b>											
Net Cash Provided by Operating Activities	\$11.4	\$90.7	\$124.1	\$162.7	\$196.4	\$226.5	\$299.4	\$435.8	\$401.8	\$465.9	\$528.4
Less: Capital Expenditures	(14.4)	(14.8)	(13.0)	(18.6)	(39.5)	(33.1)	(27.2)	(23.2)	(27.2)	(30.6)	(32.5)
<b>Free Cash Flow<sup>2</sup></b>	<b>(\$3.0)</b>	<b>\$75.9</b>	<b>\$111.0</b>	<b>\$144.0</b>	<b>\$156.9</b>	<b>\$193.4</b>	<b>\$272.2</b>	<b>\$412.6</b>	<b>\$374.6</b>	<b>\$435.3</b>	<b>\$495.9</b>
<b>Free Cash Flow Conversion</b>	<b>NM</b>	<b>110%</b>	<b>123%</b>	<b>117%</b>	<b>103%</b>	<b>116%</b>	<b>118%</b>	<b>155%</b>	<b>105%</b>	<b>118%</b>	<b>114%</b>

- Management uses EBITDA, Adjusted EBITDA and Adjusted EBITDA margin as measures of operating performance, as these allow the Company to compare performance consistently over various periods.
- Management uses Free Cash Flow, calculated as net cash provided by operating activities less capital expenditures, to demonstrate the Company's ability to maintain its asset base and generate future cash flows from operations. Management uses Free Cash Flow Conversion, calculated as Free Cash Flow divided by net income, to demonstrate conversion of net income to cash. Management believes all of these non-GAAP financial measures are useful to provide investors with information about current trends in, and period-over-period comparisons of, the Company's results of operations.

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# Non-GAAP Reconciliation

\$MM	2019	2021	2022	Q1 2023	2023	Q1 2024
<b>Adj. SG&amp;A</b>						
<b>SG&amp;A</b>	<b>\$629.4</b>	<b>\$727.5</b>	<b>\$802.7</b>	<b>\$196.4</b>	<b>\$915.2</b>	<b>\$223.1</b>
Minus: Clark Pest Control acquisition-related expenses	(2.7)	-	-	-	-	-
Minus: SEC Matter	-	(8.0)	-	-	-	-
Minus: Fox acquisition-related expenses	-	-	-	-	(3.1)	(1.1)
<b>Adj. SG&amp;A<sup>1</sup></b>	<b>\$626.7</b>	<b>\$719.5</b>	<b>\$802.7</b>	<b>\$196.4</b>	<b>\$912.1</b>	<b>\$222.0</b>
<b>Adj. SG&amp;A as % of Revenue</b>	<b>29.7%</b>	<b>29.8%</b>	<b>29.8%</b>	<b>29.9%</b>	<b>29.7%</b>	<b>29.7%</b>

\$MM	2021	2022	2023
<b>Net Debt and Net Leverage Ratio</b>			
Long-term Debt	\$155.0	\$54.9	\$490.8
Minus: Cash	105.3	95.3	103.8
<b>Net Debt<sup>2</sup></b>	<b>\$49.7</b>	<b>(\$40.4)</b>	<b>\$387.0</b>
Trailing Twelve-month EBITDA	569.9	592.9	705.1
<b>Net Leverage Ratio<sup>2</sup></b>	<b>0.1x</b>	<b>(0.1x)</b>	<b>0.5x</b>

- Management uses Adjusted SG&A as a measure of operating performance, as it allows the Company to compare performance consistently over various periods.
- Management uses net debt as an assessment of overall liquidity, financial flexibility, and leverage. Net leverage ratio is useful to investors because it is an indicator of our ability to meet our future financial obligations.

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