Rollins, Inc.
2023 Wells Fargo Industrials Conference

Kenneth Krause, EVP and Chief Financial Officer
June 13, 2023
SAFE HARBOR

Statements in this presentation may contain forward-looking statements that involve risks and uncertainties concerning the business and financial results of Rollins, Inc. We have based these forward-looking statements largely on our current opinions, expectations, beliefs, plans, objectives, assumptions and projections about future events and financial trends affecting the operating results and financial condition of our business. Our actual results could differ materially from those indicated by the forward-looking statements because of various risks, timing and uncertainties including, without limitation, the failure to maintain and enhance our brands and develop a positive client reputation; our ability to protect our intellectual property and other proprietary rights that are material to our business and our brand recognition; actions taken by our franchisees, subcontractors or vendors that may harm our business; general economic conditions; the effects of a pandemic, such as the COVID-19 pandemic, or other major public health concern on the Company's business, results of operations, accounting assumptions and estimates and financial condition; adverse economic conditions, including, without limitation, market downturns, inflation and restrictions in customer discretionary expenditures, increases in interest rates or other disruptions in credit or financial markets, increases in fuel prices, raw material costs or other operating costs; potential increases in labor costs; labor shortages and/or our inability to attract and retain skilled workers; competitive factors and pricing practices; changes in industry practices or technologies; the degree of success of our termite process reforms and pest control selling and treatment methods; our ability to identify, complete and successfully integrate potential acquisitions; unsuccessful expansion into international markets; climate change and unfavorable weather conditions; a breach of data security resulting in the unauthorized access of personal, financial, proprietary, confidential or other personal data or information about our customers, employees, third parties, or of our proprietary confidential information; damage to our brands or reputation; new or proposed regulations regarding climate change; any noncompliance with, changes to, or increased enforcement of various government laws and regulations, including environmental regulations; possibility of an adverse ruling against us in pending litigation, regulatory action or investigation; the adequacy of our insurance coverage to cover all significant risk exposures; the effectiveness of our risk management and safety program; general market risk; management's substantial ownership interest and its impact on public stockholders and the availability of the Company's common stock to the investing public; and the existence of certain anti-takeover provisions in our governance documents, which could make a tender offer, change in control or takeover attempt that is opposed by the Company's Board of Directors more difficult or expensive. All of the foregoing risks and uncertainties are beyond our ability to control, and in many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. The Company does not undertake to update its forward-looking statements.
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

The Company has used the non-GAAP financial measures of organic revenues, organic revenues by type, EBITDA, EBITDA margin, incremental margin and free cash flow in this presentation. Organic revenue is calculated as revenue less acquisition revenue. Acquisition revenue is based on the trailing 12-month revenue of our acquired entities. Incremental margin is calculated as the change in EBITDA divided by the change in revenue. 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 net income, adjusted EPS, EBITDA, EBITDA margin and incremental margin as measures of operating performance because these measures allow the Company to compare performance consistently over various periods. Management uses organic revenues, and organic revenues by type to compare revenues over various periods excluding the impact of acquisitions. Management uses free cash flow, which is 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 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. 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 comparable GAAP measures.
ROLLINS OVERVIEW

Driven by a Service First and People Focused Culture

✓ Rollins is a premier global consumer and commercial services company.

✓ We have consistently grown through challenging economic cycles while focusing on providing exceptional customer service.

✓ Our services are aimed at controlling pests and helping customers protect their health, brands and property.

Revenue by Service Offering

- Residential: 21%
- Commercial: 43%
- Termite: 35%
- Franchise and Other: 11%

Key Metrics\(^1\)

- $2.8B Revenues
- Gross Margin: 51.5% (excluding depreciation and amortization)
- EBITDA Margin\(^2\): 22.2%
- Free Cash Flow\(^2\): >100%
- Recurring Employees: >17,500
- Recurring Revenue in Pest Control: >80%

Recurring Revenue, Consistent Growth, Strong Margins and Cash Generation

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\(^1\)Key metrics for latest 12-month period ended March 31, 2023

\(^2\)These amounts are non-GAAP measures (see Appendix)
Attractive Secular Trends Driving Robust Market Growth

- Importance of health and safety
- A stronger middle class drives demand for our services
- Weather change. Pest population continues to change and evolve
- Rising urbanization and more dense population centers
- Pest damage to property accounts for significant spend
- Population migrations to warmer states and regions
- Remote work driving increased time individuals and families spend in the home
- Population migrations to warmer states and regions

SECULAR GROWTH DRIVERS
STRONG BUSINESS MODEL DRIVING STRONG RESULTS

INVESTMENTS DRIVING STRONG GROWTH ACROSS ALL SERVICE OFFERINGS

Q1 Revenue Growth
Strong Focus on Execution
11.4%

Q1 Revenue Growth by Service Line
Commercial 12.0%
Residential 9.4%
Termite/Ancillary 14.1%

Acquisition of FOX PEST CONTROL
Closed in April 2023

PROFITABILITY GROWING AT A MULTIPLE OF REVENUE

Q1 EBITDA Growth of +20%
Margin Improvement of 130 Basis Points

Strategic Pricing
Driving a Cost-Conscious Culture
Accretive Acquisition

Incremental EBITDA Margin Of >30%
In the First Quarter

STRONG BALANCE SHEET AND CASH FLOW, ENABLING A BALANCED CAPITAL ALLOCATION STRATEGY

CapEx 5%
M & A 50%
Dividend 45%

$2 Billion Of Cash Deployed over 5 years

15% Increase in First Quarter Operating Cash Flow
<.5x Debt to EBITDA at March 31, 2023
> 100% Cash Flow Conversion in Q1

Quarterly Dividend per Share

$0.08 Q1 2021
$0.10 Q1 2022
$0.13 Q1 2023

Strong Execution in an Attractive Market
### FOX ACQUISITION

#### Transaction Overview
- Closed on $350 million\(^1\) acquisition of Fox Pest Control in April 2023

#### Financial Impact
- Expect to provide $90-100 million of sales and $18-22 million of EBITDA to Rollins in 2023
- Expect to be accretive to earnings and cash flow in first year

#### Financing
- Financed through a combination of cash on hand and a $305 million draw on the line of credit
- Nominal increase in leverage, expect to delever quickly

#### Outlook
- Focused on realizing synergies across brands with an emphasis on opportunities with HomeTeam Pest Defense

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### Strategic Rationale
- **Attractive financial profile**
- **Highly complementary end market exposure**
- **Clear value creation path through combination with HomeTeam**

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\(^1\)Inclusive of $32M contingent consideration
RESILIENT BUSINESS MODEL

Consistent Performance Through All Cycles | Focus on Leveraging Scale to Expand Margin

2000 – 2022
Revenue Performance

✓ 20+ Years of revenue growth, 10% CAGR over the past 5 years

✓ Fragmented market provides M&A opportunity; Attractive secular trends and execution drives strong organic growth opportunities and healthy incremental margins

✓ Gross margin enhancers: Strategic Pricing, Supply Chain, M&A

✓ SG&A enhancers: Shared Services, Talent Management

$500M $1,000M $1,500M $2,000M $2,500M

2008 - 2009 Great Recession +5%
2015 – 2016 Industrial Recession +6%
2019 – 2020 COVID Pandemic +7%

$500M $1,000M $1,500M $2,000M $2,500M
2000 – 2022
Revenue Performance
These amounts are non-GAAP measures (see Appendix)
A FOCUS ON MODERNIZATION

Prioritizing regular dividend – Increased by 30% in November 2022

Significant refinancing of revolver – 2 banks and $175 million to 8 banks and $1 billion of committed capacity

Engaged Deloitte as independent auditor – replaced Grant Thornton after 19 years

Hiring key talent throughout organization
WHY INVEST IN ROLLINS

20+ Years of consistent growth through all economic cycles

Strong record of successful M&A in an attractive and fragmented market with >20,000 U.S. competitors

Robust margin and opportunities for further expansion with healthy incremental margins

Consistent free cash flow\(^1\) generation with 15%+ growth and opportunities for reinvestment in accretive acquisitions

Healthy balance sheet and a balanced approach to capital allocation

\(^1\)These amounts are non-GAAP measures (see Appendix)

Exceptional Performance and Well Positioned to Deliver Strong Long-Term Value
Reconciliation of GAAP and non-GAAP Financial Measures

Set below are reconciliations of non-GAAP financial measures used in this investor presentation with their most comparable GAAP measures.

### Reconciliation of Net Income to EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Variance</th>
<th>Three Months Ended</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31,</td>
<td></td>
<td>December 31,</td>
<td>March 31,</td>
</tr>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td>2022</td>
<td>2023</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 88,234</td>
<td>$ 73,766</td>
<td>$ 14,468</td>
<td>19.6</td>
</tr>
<tr>
<td>Depreciation and</td>
<td>22,502</td>
<td>23,127</td>
<td>(625)</td>
<td>(2.7)</td>
</tr>
<tr>
<td>amortization</td>
<td></td>
<td>(625)</td>
<td>23,033</td>
<td>22,561</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>465</td>
<td>568</td>
<td>(103)</td>
<td>(18.1)</td>
</tr>
<tr>
<td>Provision for income</td>
<td>28,255</td>
<td>20,335</td>
<td>7,920</td>
<td>38.9</td>
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<tr>
<td>taxes</td>
<td>EBITDA</td>
<td>117,296</td>
<td>21,660</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>$ 139,456</td>
<td>$ 145,946</td>
<td>$ 169,945</td>
<td>$ 159,333</td>
</tr>
<tr>
<td>Revenues</td>
<td>658,015</td>
<td>590,680</td>
<td>67,335</td>
<td>11.4</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>21.2%</td>
<td>19.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental margin</td>
<td></td>
<td></td>
<td></td>
<td>32.2%</td>
</tr>
</tbody>
</table>

### Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Variance</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31,</td>
<td></td>
<td>March 31,</td>
</tr>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td>2023</td>
</tr>
<tr>
<td>Net cash provided by</td>
<td>$ 100,773</td>
<td>$ 87,532</td>
<td>$ 13,241</td>
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<tr>
<td>operating activities</td>
<td></td>
<td>(7,636)</td>
<td>359</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(7,636)</td>
<td>(7,995)</td>
<td>(359)</td>
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<tr>
<td>Free cash flow</td>
<td>$ 93,137</td>
<td>$ 79,537</td>
<td>$ 13,600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 115,685</td>
<td>$ 120,680</td>
<td>$ 119,999</td>
</tr>
</tbody>
</table>
## Reconciliation of GAAP and non-GAAP Financial Measures

Set below are reconciliations of non-GAAP financial measures used in this investor presentation with their most comparable GAAP measures.

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<tr>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$29,558</td>
<td>$235,370</td>
<td>$286,272</td>
<td>$319,573</td>
<td>$435,785</td>
<td>$401,805</td>
<td>$465,930</td>
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<tr>
<td>Capital expenditures</td>
<td>$(8,474)</td>
<td>$(24,680)</td>
<td>$(27,179)</td>
<td>$(27,146)</td>
<td>$(23,229)</td>
<td>$(27,194)</td>
<td>$(30,628)</td>
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<tr>
<td>Free Cash Flow</td>
<td>$21,084</td>
<td>$210,690</td>
<td>$259,093</td>
<td>$292,427</td>
<td>$412,556</td>
<td>$374,611</td>
<td>$435,302</td>
</tr>
<tr>
<td>Net income</td>
<td>$179,124</td>
<td>$231,663</td>
<td>$203,347</td>
<td>$266,756</td>
<td>$356,565</td>
<td>$368,599</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow Conversion</td>
<td>118%</td>
<td>112%</td>
<td>144%</td>
<td>155%</td>
<td>105%</td>
<td>118%</td>
<td></td>
</tr>
</tbody>
</table>
## Reconciliation of GAAP and non-GAAP Financial Measures

Set below are reconciliations of non-GAAP financial measures used in this investor presentation with their most comparable GAAP measures.

### Reconciliation of Revenues to Organic Revenues

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Variance</th>
<th>%</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$658,015</td>
<td>$590,680</td>
<td>$67,335</td>
<td>11.4</td>
<td>$590,680</td>
<td>$535,564</td>
<td>$55,116</td>
<td>10.3</td>
</tr>
<tr>
<td>Revenue growth from acquisitions</td>
<td>(13,155)</td>
<td></td>
<td>(13,155)</td>
<td></td>
<td>(17,567)</td>
<td></td>
<td>(17,567)</td>
<td></td>
</tr>
<tr>
<td>Organic revenues</td>
<td>$644,860</td>
<td>$590,680</td>
<td>$54,180</td>
<td>9.2</td>
<td>$573,113</td>
<td>$535,564</td>
<td>$37,549</td>
<td>7.0</td>
</tr>
</tbody>
</table>

### Reconciliation of Residential Revenues to Organic Residential Revenues

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Variance</th>
<th>%</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential revenues</td>
<td>$283,625</td>
<td>$259,259</td>
<td>$24,366</td>
<td>9.4</td>
<td>$259,259</td>
<td>$235,179</td>
<td>$24,080</td>
<td>10.2</td>
</tr>
<tr>
<td>Residential revenues from acquisitions</td>
<td>(6,003)</td>
<td></td>
<td>(6,003)</td>
<td></td>
<td>(10,282)</td>
<td></td>
<td>(10,282)</td>
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</tr>
<tr>
<td>Residential organic revenues</td>
<td>$277,622</td>
<td>$259,259</td>
<td>$18,363</td>
<td>7.1</td>
<td>$248,977</td>
<td>$235,179</td>
<td>$13,798</td>
<td>5.9</td>
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</table>

### Reconciliation of Commercial Revenues to Organic Commercial Revenues

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Variance</th>
<th>%</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial revenues</td>
<td>$230,402</td>
<td>$205,787</td>
<td>$24,615</td>
<td>12.0</td>
<td>$205,787</td>
<td>$188,597</td>
<td>$17,190</td>
<td>9.1</td>
</tr>
<tr>
<td>Commercial revenue growth from acquisitions</td>
<td>(4,194)</td>
<td></td>
<td>(4,194)</td>
<td></td>
<td>(2,222)</td>
<td></td>
<td>(2,222)</td>
<td></td>
</tr>
<tr>
<td>Commercial organic revenues</td>
<td>$226,208</td>
<td>$205,787</td>
<td>$20,421</td>
<td>10.0</td>
<td>$203,565</td>
<td>$188,597</td>
<td>$14,868</td>
<td>7.9</td>
</tr>
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### Reconciliation of Termite and Ancillary Revenues to Organic Termite and Ancillary Revenues

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Variance</th>
<th>%</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termite and ancillary revenues</td>
<td>$136,605</td>
<td>$119,706</td>
<td>$16,909</td>
<td>14.1</td>
<td>$119,706</td>
<td>$105,597</td>
<td>$14,109</td>
<td>13.3</td>
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<tr>
<td>Termite and ancillary revenues from acquisitions</td>
<td>(2,958)</td>
<td></td>
<td>(2,958)</td>
<td></td>
<td>(5,062)</td>
<td></td>
<td>(5,062)</td>
<td></td>
</tr>
<tr>
<td>Termite and ancillary organic revenues</td>
<td>$133,647</td>
<td>$119,706</td>
<td>$13,941</td>
<td>11.6</td>
<td>$114,643</td>
<td>$105,597</td>
<td>$8,946</td>
<td>8.5</td>
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