Rollins, Inc. Reports Record Second Quarter And Six Months 2015 Financial Results

Company posts 37th consecutive quarter of improved earnings

ATLANTA, July 29, 2015 /PRNewswire/ -- Rollins, Inc. (NYSE: ROL), a premier global consumer and commercial services company, today reported unaudited financial results for its second quarter and six months ended June 30, 2015.

The Company recorded second quarter revenues of $392.2 million, an increase of 6.2% over the prior year's second quarter of $369.4 million. Net income increased 10.3% to $45.1 million or $0.21 per diluted share for the second quarter ended June 30, 2015 compared to $40.9 million or $0.19 per diluted share for the same period in 2014.

Rollins' revenues rose 5.9% for the first six months of 2015 to $723.1 million compared to $682.7 million for the prior year. Net income for the first six months of 2015 was $75.4 million, an increase of 13.1%, or $0.34 per diluted share compared to $66.6 million or $0.30 per diluted share for the same period last year.

Commenting on the Company's results, Gary W. Rollins, Vice Chairman and Chief Executive Officer of Rollins, Inc. stated, "The continued revenue and profit growth that we experienced in the quarter and first half of 2015 is a testament to the success we are having with our sales and service programs. We are committed to continuous improvement in all areas of our business. A good example is our investment in new IT technologies which will have a tremendous ongoing impact on the improvement of our customers' service delivery and the company's growth rate. We are on track and dedicated to achieve our financial goals for the year."

www.cranepestcontrol.com, and www.rollins.com. You can also find this and other news releases at www.rollins.com by accessing the news releases button.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS
This release contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements about the Company's success of our sales and service programs; commitment to continuous improvement; impact of our investment in new IT technologies on customers' service delivery and company's growth rate; being on track and dedicated to achieve the financial goals for the year. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties, including without limitation, economic and competitive conditions which may adversely affect the Company's business; the degree of success of the Company's pest and termite process, and pest control selling and treatment methods; the Company's ability to identify and integrate potential acquisitions; climate and weather trends; competitive factors and pricing practices; the Company's ability to attract and retain skilled workers, and potential increases in labor costs; uncertainties of litigation; and changes in various government laws and regulations, including environmental regulations. All of the foregoing risks and uncertainties are beyond the ability of the Company to control, and in many cases the Company cannot predict the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. A more detailed discussion of potential risks facing the Company can be found in the Company's Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2014.
### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**At June 30, (unaudited)**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$109,684</td>
<td>$101,519</td>
</tr>
<tr>
<td>Trade accounts receivables, net</td>
<td>88,267</td>
<td>86,156</td>
</tr>
<tr>
<td>Financed receivables, net</td>
<td>14,059</td>
<td>12,821</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>14,034</td>
<td>13,136</td>
</tr>
<tr>
<td>Deferred income taxes, net</td>
<td>40,636</td>
<td>40,781</td>
</tr>
<tr>
<td>Other current assets</td>
<td>32,377</td>
<td>19,052</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>299,057</td>
<td>273,465</td>
</tr>
<tr>
<td>Equipment and property, net</td>
<td>110,375</td>
<td>94,678</td>
</tr>
<tr>
<td>Goodwill</td>
<td>269,867</td>
<td>255,515</td>
</tr>
<tr>
<td>Customer contracts and other intangible assets, net</td>
<td>132,395</td>
<td>139,231</td>
</tr>
<tr>
<td>Deferred income taxes, net</td>
<td>8,614</td>
<td>4,564</td>
</tr>
<tr>
<td>Financed receivables, long-term, net</td>
<td>14,370</td>
<td>12,955</td>
</tr>
<tr>
<td>Prepaid pension</td>
<td>-</td>
<td>10,393</td>
</tr>
<tr>
<td>Other assets</td>
<td>14,083</td>
<td>13,788</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$848,761</td>
<td>$804,589</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$28,550</td>
<td>$27,972</td>
</tr>
<tr>
<td>Accrued insurance, current</td>
<td>27,347</td>
<td>24,212</td>
</tr>
<tr>
<td>Accrued compensation and related liabilities</td>
<td>69,295</td>
<td>63,408</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>107,327</td>
<td>105,455</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>31,416</td>
<td>38,384</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>263,935</td>
<td>259,431</td>
</tr>
<tr>
<td>Accrued insurance, less current portion</td>
<td>28,210</td>
<td>31,340</td>
</tr>
<tr>
<td>Accrued pension</td>
<td>26,045</td>
<td>475</td>
</tr>
<tr>
<td>Long-term accrued liabilities</td>
<td>33,328</td>
<td>37,801</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>351,518</td>
<td>329,047</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STOCKHOLDERS’ EQUITY</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>218,595</td>
<td>218,640</td>
</tr>
<tr>
<td>Retained earnings and other equity</td>
<td>278,648</td>
<td>256,902</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td>497,243</td>
<td>475,542</td>
</tr>
</tbody>
</table>

| **Total Liabilities and Stockholders’ Equity** | $848,761 | $804,589 |

### CONDENSED CONSOLIDATED STATEMENTS OF INCOME

**Three Months Ended June 30,** **Six Months Ended June 30,**

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>2015</th>
<th>2014</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer services</td>
<td>$392,150</td>
<td>$369,357</td>
<td>$723,059</td>
<td>$682,745</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COSTS AND EXPENSES</th>
<th>2015</th>
<th>2014</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of services provided</td>
<td>190,209</td>
<td>182,642</td>
<td>358,252</td>
<td>343,950</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>11,245</td>
<td>10,608</td>
<td>22,026</td>
<td>20,822</td>
</tr>
<tr>
<td>Sales, general and administrative</td>
<td>118,622</td>
<td>110,752</td>
<td>224,197</td>
<td>211,584</td>
</tr>
<tr>
<td>Gain on sale of assets, net</td>
<td>(194)</td>
<td>(230)</td>
<td>(249)</td>
<td>(478)</td>
</tr>
<tr>
<td>Interest income, net</td>
<td>(66)</td>
<td>(86)</td>
<td>(113)</td>
<td>(162)</td>
</tr>
<tr>
<td><strong>INCOME BEFORE INCOME TAXES</strong></td>
<td>319,816</td>
<td>303,686</td>
<td>604,113</td>
<td>575,716</td>
</tr>
<tr>
<td><strong>PROVISION FOR INCOME TAXES</strong></td>
<td>72,334</td>
<td>65,671</td>
<td>118,946</td>
<td>107,029</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$45,482</td>
<td>$40,860</td>
<td>$75,354</td>
<td>$66,626</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.21</td>
<td>$0.19</td>
<td>$0.34</td>
<td>$0.30</td>
<td></td>
</tr>
</tbody>
</table>

Weighted average shares outstanding - basic and diluted | 218,613 | 218,813 | 218,577 | 218,899
CONFERENCE CALL ANNOUNCEMENT
Rollins, Inc.
(NYSE: ROL)

Management will hold a conference call to discuss
Second Quarter and Six Months 2015 results on

Wednesday, July 29, 2015 at:
10:00 a.m. Eastern
9:00 a.m. Central
8:00 a.m. Mountain
7:00 a.m. Pacific

TO PARTICIPATE:
Please dial 888-505-4368 domestic;
719-457-1035 international
at least 5 minutes before start time.

REPLAY: available through August 5, 2015
Please dial 888-203-1112/719-457-0820, Passcode: 3030827

THIS CALL CAN ALSO BE ACCESSED THROUGH THE INTERNET AT
www.viavid.com

Questions?
Contact Samantha Alphonso at Financial Relations Board at 212-827-3746
Or email to salphonso@mww.com

For Further Information Contact
Eddie Northen (404) 888-2242


SOURCE Rollins, Inc.