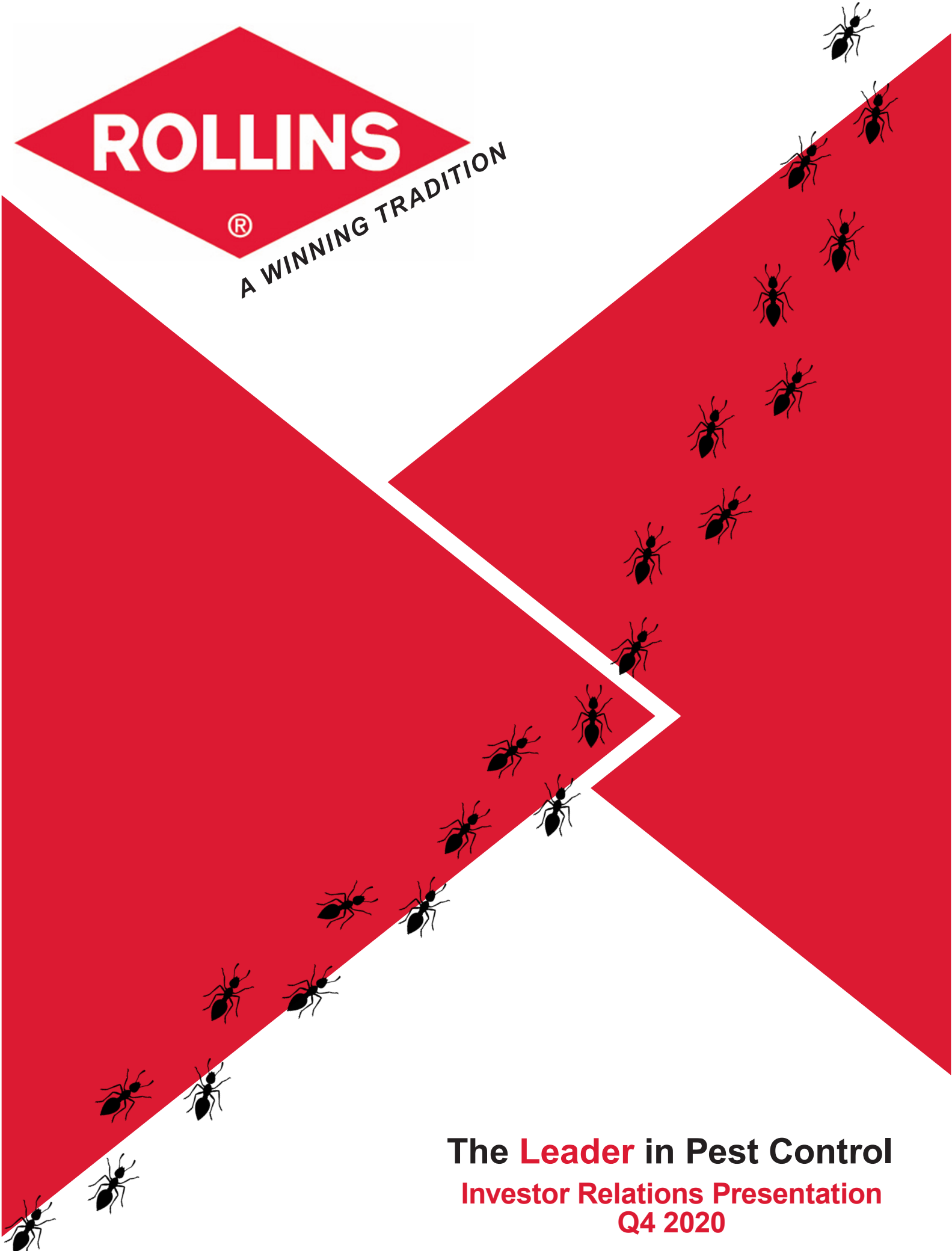


# ROLLINS



A WINNING TRADITION



The **Leader** in Pest Control  
Investor Relations Presentation  
Q4 2020

# The Rollins' Brands



## Continued Growth

- 23 consecutive years of improved revenues
- Dividend growth average greater than 18% over 17 consecutive years\*
- 20% Average annual earnings growth for over two decades
- Powerful Rollins' brand names – 71 countries and growing
- Over 2.8 million global residential and commercial customers
- Over 900 locations and franchises worldwide
- Revenue CAGR 6% over past 21 years
- Addition of new innovative disinfectant service line in 2020, rolled out in 28 days



\* Split-adjusted



# Rollins: Then & Now



“We were in a lot of really poor businesses before We found a good business”

- O. Wayne Rollins



## Our History





# Key Events in Our History



- 1893** Waltham Pest Control was founded
- 1901** Orkin began operations; Otto Orkin “the rat man” sold poison door to door
- 1964** Rollins buys Orkin for \$62 million
- 1968** Rollins begins trading on the NYSE
- 1995** First Orkin domestic franchise opens
- 1999** Rollins enters the Canadian market with the acquisition of PCO Services
- 2000** First Orkin international franchise
- 2005** Rollins acquires The Industrial Fumigant Company
- 2008** Rollins acquires HomeTeam Pest
- 2010** Rollins enter the Wildlife market with the acquisition of Trutech
- 2014** Rollins enters the Australian market with the acquisition of Allpest WA
- 2016** Rollins enters the UK market with the acquisition of Safeguard Pest Control
- 2017** Rollins acquires Northwest Exterminating
- 2018** Rollins enters the Singapore market with the acquisition of Aardwolf
- 2019** Rollins acquires Clark Pest Control



# Rollins Value Proposition



## Competitive Advantage

Brand and best in class customer experience



## Recession Resistant

Over 80% of revenues are contractual recurring



## Significant Insider Ownership

Strong management and excellent depth



## Strong Balance Sheet

Focus on sustained profitable growth

# Industry



## Growth

\$18 billion industry globally with an expected growth rate of 4-5% annually; \$12+ billion US



## Customers

US, roughly 70% residential and 30% commercial



## Awareness

Increasing health, social, and environmental awareness



## Competitors

3 largest public competitors:  
Terminix (NYSE:TMX)  
Rentokil (LSE:RTO)  
Ecolab (NYSE:ECL)



## Market

US market is 20,000+ companies; Remaining Global market additional 18,000+



## Evolution

Rollins, Terminix, Rentokil, & Ecolab generate over 29% of global industry revenues

# General Pests



## Roaches

Since every home is different, the technician will design a unique program for each structure. Techs can provide the right solution to keep cockroaches in their place



## Termites

To prevent termites in your structure, eliminate moisture problems, and remove food sources. This will help make your structure a less attractive target



## Ants

In controlling an infestation of ants, it is necessary to first find the nest. Once found, it can be removed or treated chemically. All conditions that the ants found conducive must be corrected



## Mosquitoes

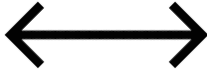
Mosquito control begins with a thorough inspection and recommendations such as removing conducive conditions



# Wildlife

## Rats

Rats often are attracted to homes for the 3 essentials: food, water, & shelter. Homeowners should reduce or eliminate as many of these sources as possible



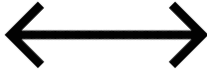
## Snakes

A step that can help prevent snakes is removing as much of their habitat as possible. Without a comfortable habitat, snakes will relocate



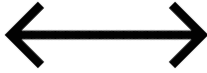
## Gophers

Skilled burrowers and designed for subterranean life. They burrow in lawns and gardens. You must remove a source of food to eliminate



## Skunks

The easiest way to control or prevent is exclusion. Ensure there are no holes near structures where they can create a den and remove shelter such as brush and woodpiles



# Residential Business

- #1 in Residential Pest Control globally
- Rising concern over health, safety and protection of property
- Better informed consumers, targeting specific segments
- Internet providing accelerated growth
- Recession resistant – non-discretionary purchase
- Expandable service offerings – varied across brands to meet customer needs and improve profitability
- HomeTeam's unique new home service offering provides recurring revenues and long-term profitability
- Mosquito control revenues were approximately \$160 million US in 2016 (PCT Online)
- New opportunity to introduce residential and commercial pest control services to new mosquito customers



**Companies offering residential services**



- Orkin
- HomeTeam Pest Defense
- Northwest Exterminating
  - Waltham Services
- Western Pest Control
- Kestrel Pest Control
  - Ames
- Clark Pest Control
  - OPC

Focused on sustained & profitable growth

# HomeTeam Pest Defense

## VISION

To deliver a delightful experience every time for a lifetime

## PURPOSE

Protecting homes and improving communities



- Of the Top 25 Builders in 2020, HomeTeam provided service to 22 of 25
- As of 2018, HomeTeam has installed TAEXX in over 1,000,000 structures
- For the past 8 out of 9 years, HomeTeam has received David Weekly's highly coveted Partners of Choice Quality Award

Focused on sustained & profitable growth

# Commercial Business

- No. 1 commercial pest control provider in North America – over 20% market share
- Increasing demand driven by health and safety concerns
- Worldwide service network with dedicated commercial branches
- Highly recession resistant; customer's reputation and risk too great
- Highest customer retention of all service offerings
- Largest 20 national accounts make up less than 3% of business
- Other available services include: Mosquito control, Rodent exclusion, Termite control, bird work, and fly lights to name a few

## Companies offering commercial services

- Orkin
- Orkin Canada
- Western Pest Services
  - IFC
- Orkin Australia
- Waltham Services
- Crane Pest Control
  - Safeguard
  - Aardwolf
  - OPC



Focused on sustained & profitable growth

# Termite Business

- Termites cost Americans more than \$5 billion in damage each year and most home insurance plans don't cover the cost of damage repairs
- Strong recurring revenue and high retention
- Invigorated sales force, utilizing digital technology
- HomeTeam and Northwest are providing pretreat service to nation's leading homebuilders
- HomeTeam guards your homes from these unwanted invaders for good. Experience excellent customer service from the #1 pest management company servicing home builders
- In-house financing options available
- Multiple termite treatment options available such as: Wood treatments, liquid soil treatments and Sentricon Baiting systems (shown in the image)



- Orkin
  - HomeTeam Pest Defense
  - Northwest Exterminating
    - Orkin Australia
  - Western Pest Services
    - OPC
    - Aardwolf
  - Clark Pest Control

**Companies offering Termite services**



# Ancillary & Disinfectant Business

Focused on sustained & profitable growth



- Home insulation solutions to protect against heating and cooling loss while giving protection against unwanted pests
- Moisture control treatments to reduce excess moisture in home's crawlspaces, basements, and other areas, targeting moisture by reducing humidity.
- Floor and Drain Cleaning to break down odor causing bacteria and help eliminate the conditions that fruit and drain flies need to breed

Before

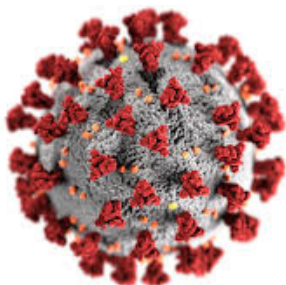


After



## VITAL CLEAN™

 **PureSpace™**  
by HomeTeam Pest Defense



- Disinfectant services available:
  - VitalClean™, PureSpace™, Essential Clean™, HealthySpace™, and Western PurClean™
- EPA-registered disinfectant labeled for use against a wide variety of pathogens and included on EPA's "List N"
- Meets EPA criteria for use against SARS-CoV-2, the coronavirus that causes COVID-19
- Disinfectant will kill 99.5% of bacteria and viruses on hard, non-porous surfaces and will also sanitize soft, porous surfaces

# Wildlife Control

Wildlife – Accelerating Our Growth Opportunity



- North America Wildlife category opportunity of \$500M+
- Critter Control and Trutech are #1 and #2 companies in the category
- Immediate synergy created by integrating marketing and training
- Built-in acquisition network with Critter Control Franchises



- Franchise and company owned operations in over 150 of the top markets with Rollins wildlife brands
- Discreet wildlife control and removal services performed by professional, licensed technicians
- Exclusion services are made as cosmetic as possible, technicians tailor shapes and colors to construction materials on customers homes



# People - Our Greatest Asset

**TOP  
WORK  
PLACES  
2020**

## The Atlanta Journal-Constitution

Rollins has been awarded a 2020 Top Workplaces Award by The Atlanta Journal-Constitution. This is the fourth consecutive year Rollins has received the illustrious award



### Safety Strategy

Integrate Safety with the “PEOPLE” Value of our company to positively engage our employees in prevention to identify and mitigate workplace hazards and reduce unsafe behaviors

**training**



**2021 WINNER**

Named to Training Magazine “Top Training Companies” for the 16 of the past 19 years





# Safety and Health 2021 Initiatives

**Be Prepared.**



**Be a Coach.**



**Be Accountable.**



**HAZARDS**

## Worksite/Hazard Analysis

- Evaluation
- Incident Reviews
- Vendor Qualifications



**REGULATIONS**

## Hazard Prevention and Controls

- Policies
- Driver Coach Technology
- Communications



**MAKE SAFETY PERSONAL**

## Leadership and Employee Involvement

- Executive Safety Committee
- Safety Council
- Safety and Risk Focus Process



**PROTECTION**

## Training

- OSHA
- Defensive Driving
- New Hire Orientation



**STAY TUNED!**

# Commitment to Training



Custom home for training simulates a variety of possible customer environments for our technicians



27,000 Sq. Ft. state of the art learning & training center unique to pest control industry, including termite & commercial training facility

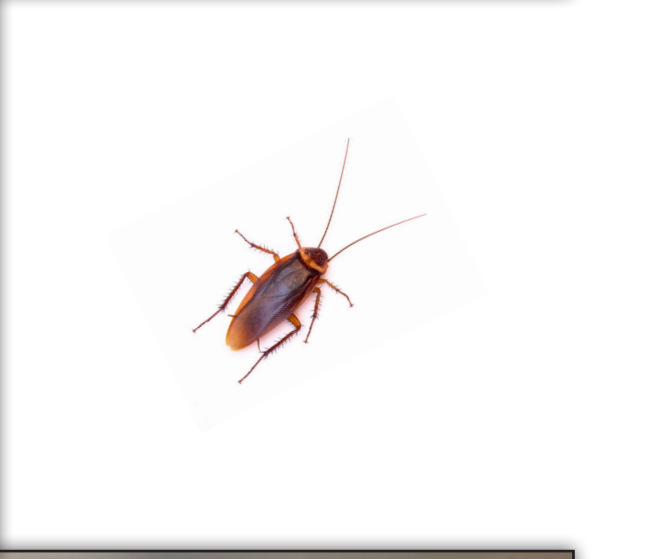
Attracts regulators, educators & university researchers



# Global Training Communication



Web-based employee training network utilized by employees and franchises worldwide

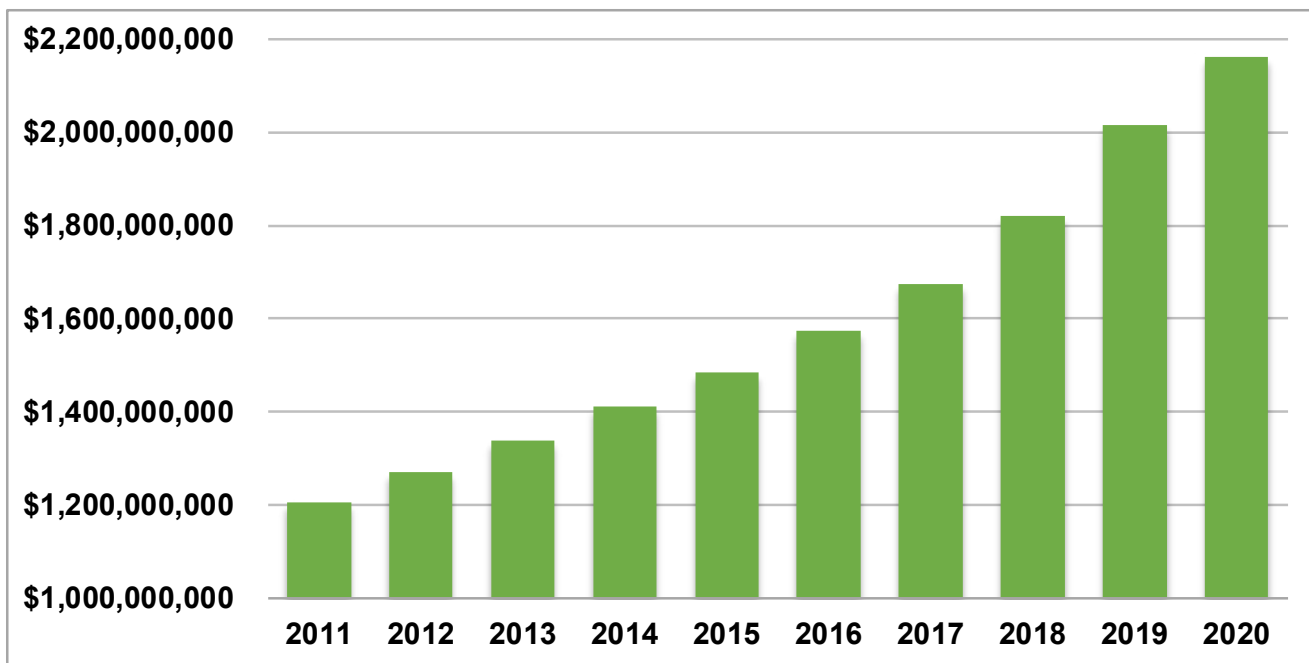


Broadcasting studio used for global communication

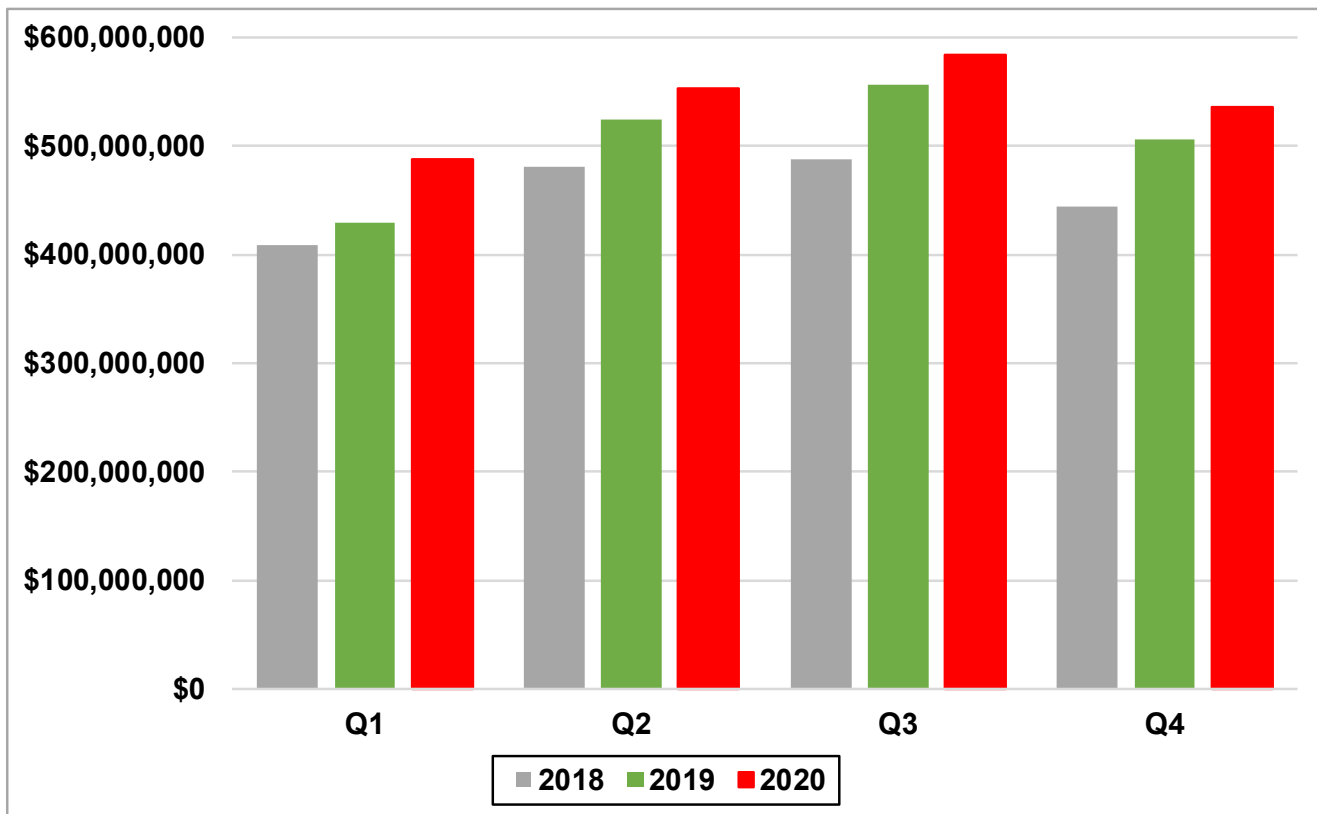




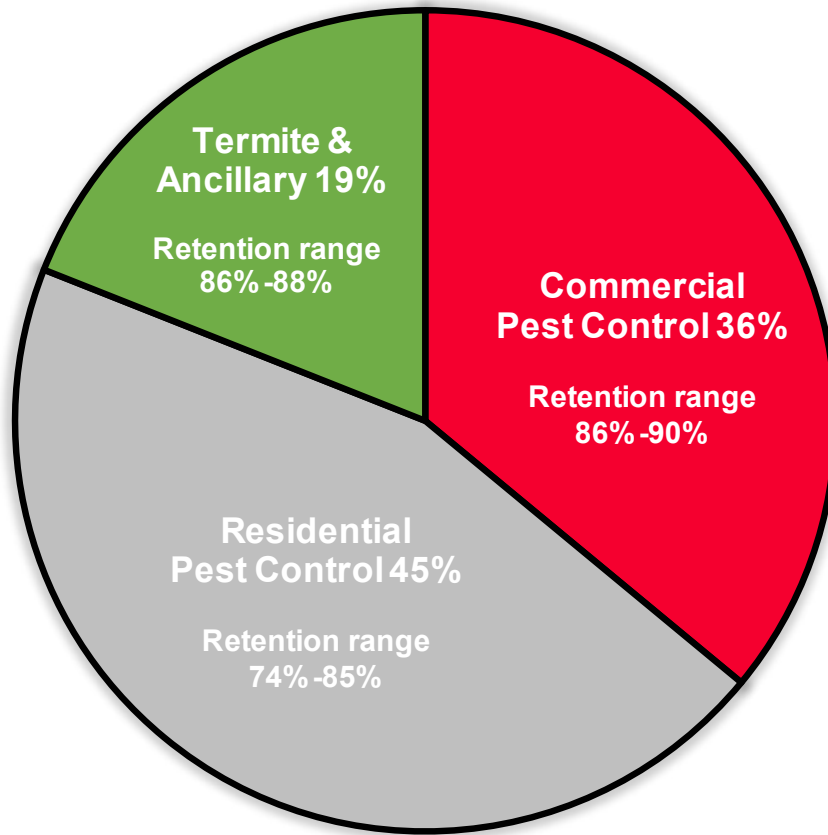
# Total Revenue Growth 2011-2020



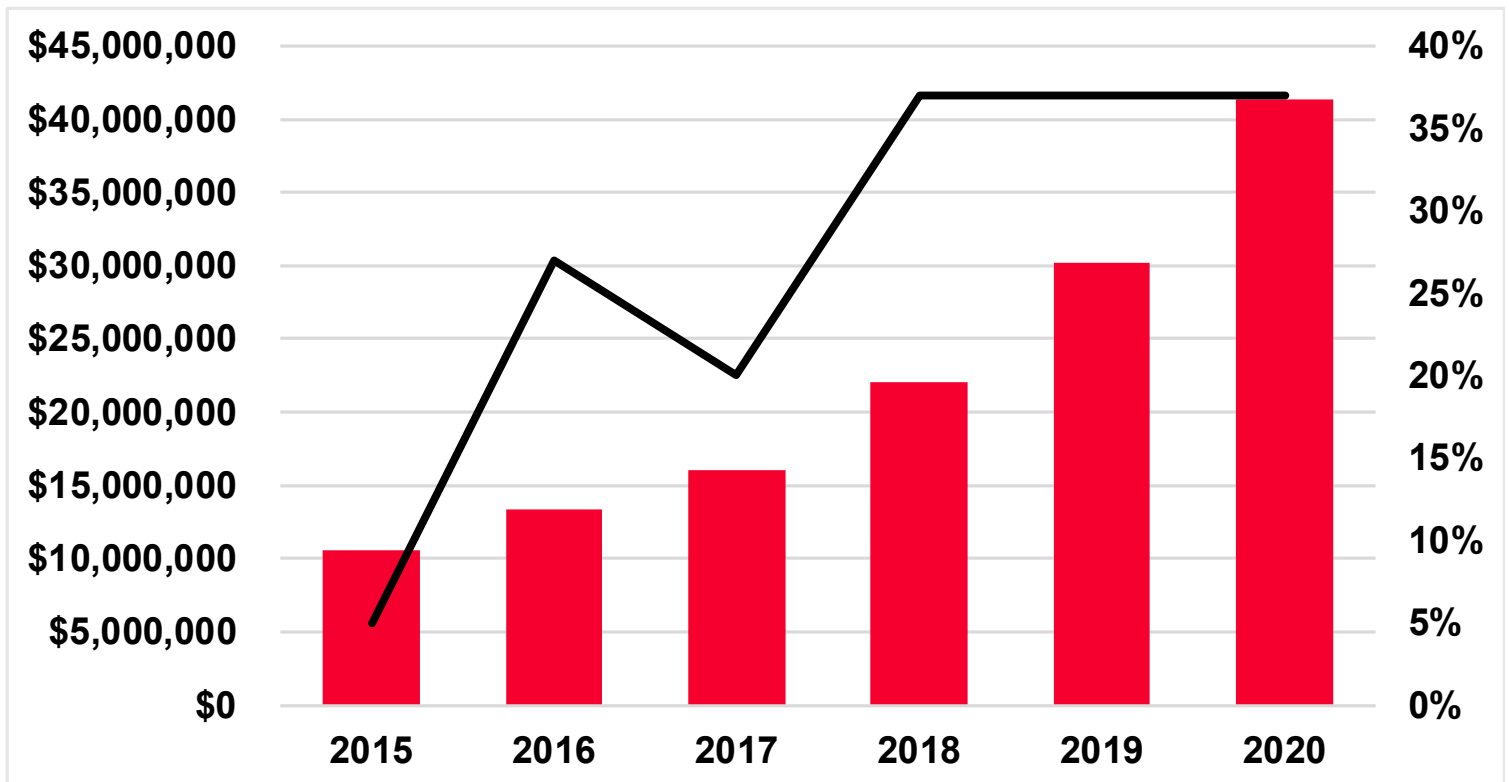
## Quarterly Revenue Growth



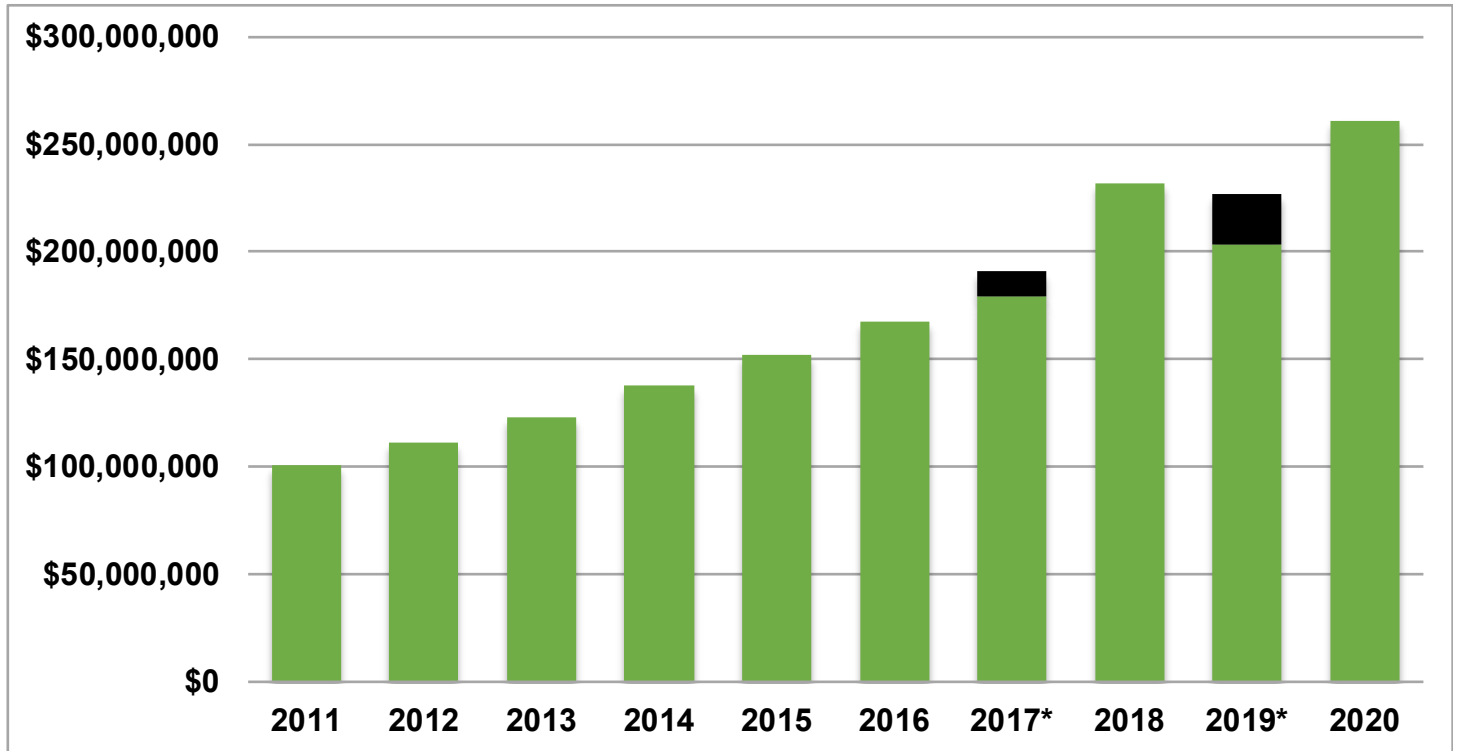
# Revenue & Retention by Business Line



## Mosquito Revenue & Growth %

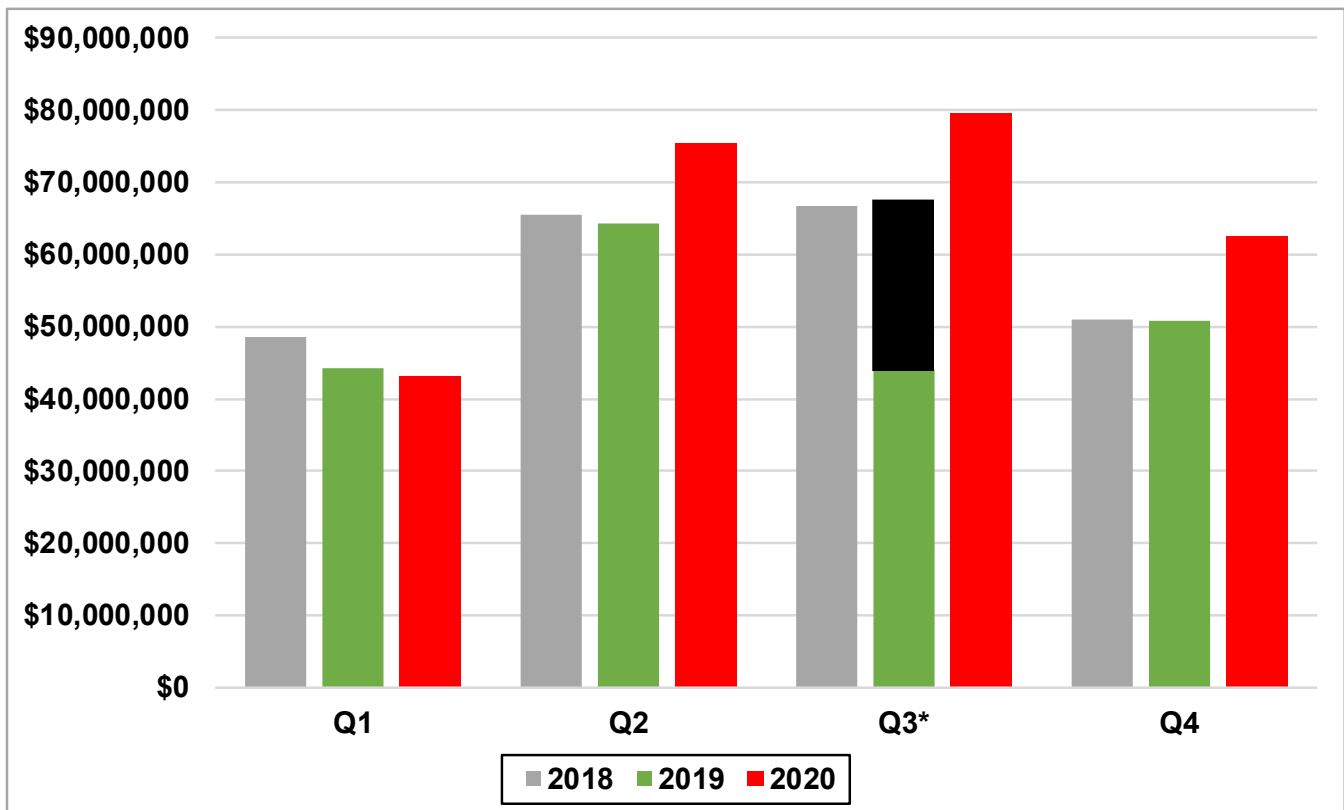


# Net Income 2011-2020



\*2017 adjusted for TCJA enactment, 2019 adjusted for non-cash pension settlement

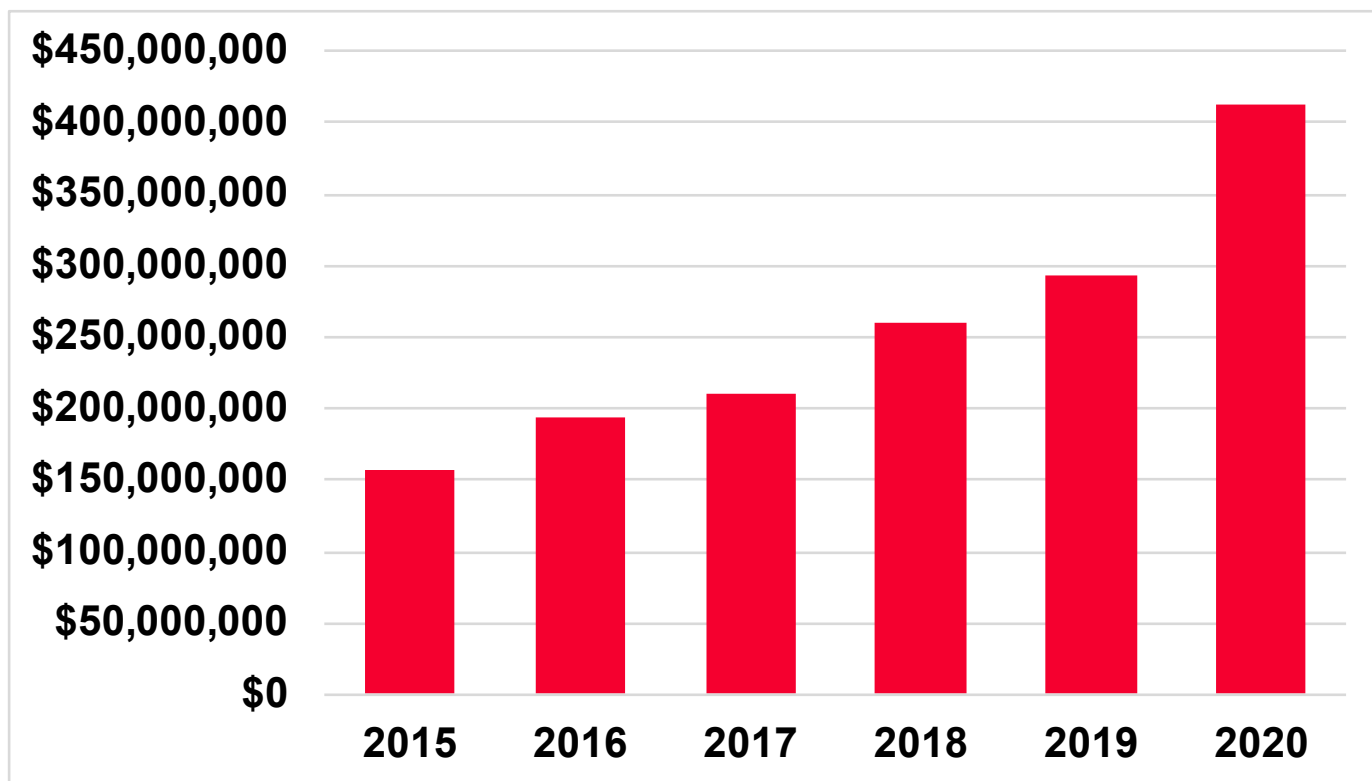
# Quarterly Net Income Growth



\*2019 adjusted for non-cash pension settlement

# Free Cash Flow (FCF)

(FCF = Net Cash provided by Operating Activities - Capital Expenditures)



## Primary Uses for Cash



### Acquisitions

- 31 acquisitions completed in 2020
  - In U.S., U.K. Australia, Canada & Singapore



### Shareholders

- As represented by dividends
  - Q1 2021 dividends paid at pre-COVID levels



### Share Buyback

- Date of last buyback: Q3 2016

# Global Strategic Operations



Countries with Company owned operations

93% Domestic U.S. Revenues  
7% International Revenues

## North America

- United States
- Canada

## Central America

- Mexico
- Guatemala
- El Salvador
- Honduras
- Nicaragua
- Costa Rica
- Panama

## Caribbean & Bahamas

- Jamaica
- Turks & Caicos Islands
- Trinidad & Tobago
- US Virgin Islands
- Puerto Rico
- St. Lucia
- Cayman Islands
- Bahamas
- Antigua
- Dominican Republic
- St. Vincent & the Grenadines

## South America

- Brazil
- Ecuador
- Columbia
- Peru
- Uruguay
- Chile
- Paraguay
- Bolivia
- Argentina
- Guyana
- Suriname

## Africa

- Nigeria
- Egypt
- Kenya
- Côte d'Ivoire
- Libya
- Ghana
- Morocco



49 Orkin Domestic U.S. Franchises  
 94 Orkin International Franchises  
 9 Murray Australia Franchises  
 79 Critter Control Franchises  
**231 Total Franchises**

20 North America  
 11 South America  
 8 Europe  
 24 Asia  
 1 Australia  
 7 Africa  
**71 Total Countries**



**Q4 2020**



# Growth & Future at **Rollins**

*Miss*QUITO  
MOSQUITO CONTROL



# Investing In New Technology

## Phase 1 – BOSS

- Business Operations Support System (BOSS)  
Branch operating system
  - Virtual Route Manager (VRM)  
Technician route optimization
  - Orkin 2.0  
Realignment of customer service activities
  - Customer notifications and communication
- ✓ Orkin US  
● Orkin Canada  
● Western Pest Services

✓ Completed/Achieved

● In Progress

Phase 3 & Phase 4  
Coming soon!

## Phase 2 – Rollins Field Services (RFS)

Branch level route optimization, results include lower costs and higher satisfaction levels for customers and employees

- Orkin US
- Western Pest Services

# Sustainability Mission

At Rollins, we are committed to sustaining our people and communities, our environment, and our business.

## Sampling of our ESG Initiatives



### DEI

#### Diversity, Equity, Inclusion

- We have launched a new DEI initiative, internally focused on advancing a culture of inclusion where all employees feel respected and treated fairly, with an equitable opportunity to excel.
- This effort is sponsored by Freeman Elliott, our Orkin U.S. President, along with a newly formed Advisory Council made up of employees from across all brands, to drive DEI improvements.
- The council is actively reviewing all policies, conducting campaign awareness, creating listening forums and providing training, with more to come. We are committed to this vision and the journey we will all take together.

### Volunteerism

- Through corporate and brand initiatives such as Rollins United and Northwest's Good Deeds Team, Rollins employees across all brands are strongly encouraged to volunteer within our local community.
- In 2021, our employee volunteerism projects include community cleanup efforts, trafficking education awareness, literacy programs and support of the United Way to name a few.
- Rollins has committed to giving back to our communities through a strong philanthropic vision, encouraging employees to utilize company paid time off to volunteer.

- Through improved efficiency, Orkin saved an additional 3.8 million miles during 2020 lapping 2019's previous savings

- Decreased water usage through increased usage of bait systems for termite protection services

- ★ Increased the number of hybrid vehicles in our fleet by 245% with a goal of 200% in 2020

- Increasing our environmentally friendly services examples on following page



- Improving Board of Directors through the addition of "financial experts" as qualified by the U.S. Securities and Exchange Commission public companies.

- Added the first independent diverse member to our Board of Directors in 2020.

- Successfully integrated 31 new companies and franchise buybacks, acquired in 2020, into our family of brands. These acquisitions occurred not only in Domestic United States yet also within Australia, United Kingdom, Canada, and Singapore.

# Environmentally Friendly Services

## Falconry Services

In the U.K., our Van Vynk Environmental brand offers Falconry services to control nuisance bird activity, such as feral pigeons and gulls. Exposing the nuisance bird to trained birds of prey over an extended period of time persuades them to relocate and associate the site as an area of danger. The image to the right shows a falconer handling one of over forty birds trained to alter behavior patterns of nuisance bird species.



## Footsmen

In the U.K., our Safeguard and Albany Environmental brands employ teams of technicians who operate on foot within central London. This Footsmen program is also being utilized by our Orkin and Western brands in Manhattan, New York. The image to the left shows part of our Safeguard team with the average Footman's daily equipment.

## Urban Bee-Keeping

Thousands of honeybees call our Kennedy Road Training Centre in Mississauga, Ontario and our branch Burnaby, BC home.

Orkin Canada is a proud ambassador of this incredibly beneficial insect species and aims to positively impact the local pollinator populations. At the end of each season, the honey is harvested and small jars of Orkin honey are distributed to the office staff. The image to the right shows the Mississauga hive being tended to.



# ***Thank You!***

For questions, please reach out to Julie Bimmerman:

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